



To NASDAQ OMX Copenhagen

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Announcement 15/2014

TDC expands its business through the acquisition of the leading Norwegian cable tv company Get AS

Today, TDC A/S announces that it has entered into an agreement to acquire Get AS for a total consideration of NOK 13.8bn (~DKK 12.5bn) on a cash and debt free basis. The purchase price represents a multiple of 10.5x pre-synergies and 9.3x post synergies on 2015 estimated EBITDA. TDC expects to finance the transaction through a combination of senior unsecured EMTN bonds and hybrid bonds. The transaction will imply a reduction in TDC's dividend payout to maintain investment grade rating, but is expected in due course to enhance Equity Free Cash Flow per share, see further details below.

The transaction marks an evolution of TDC, which hereby becomes the leading communication and home entertainment company in Scandinavia:

- The two companies display complementary strengths across tv, broadband and voice.
- There are considerable synergy opportunities.
- Pro forma 2013; 29% of TDC's revenue derived from cable tv and 22% of revenue originated outside Denmark, and both figures are expected to increase going forward.
- The transaction is expected to result in more than 10% Equity Free Cash Flow accretion by 2016.

Get is the leading Norwegian cable company, serving approximately 500,000 households and businesses in Norway. The product portfolio primarily consists of premium tv entertainment services and high speed broadband through an end-to-end hybrid-fiber network. Since 2000, Get has – with 2005 as the only exception – annually delivered double-digit percentage growth and is today one of the most innovative and profitable cable tv companies in Europe. The Norwegian telco and cable tv market is an attractive market, reflecting the overall strength of the Norwegian economy.

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Get's CEO since 2000 Gunnar Evensen will continue after closing of the transaction.

The transaction is subject only to competition approval from the Norwegian competition authorities and it is expected to close in Q4 2014.

TDC has a long-standing and successful presence in the Danish cable-tv market through YouSee with around 1.2 million tv customers of whom 0.5 million are also broadband customers. With the acquisition of Get, TDC enters into the consumer market in Norway, positioning TDC as the leading Scandinavian cable tv company, serving close to 1.7 million households in Denmark and Norway. Furthermore, by combining the networks of TDC Norway and Get, TDC will have a highly advanced Norwegian infrastructure with direct access to a wider part of the Norwegian business market.

The acquisition of Get is expected to deliver both cost and revenue synergies, mainly related to the commercial benefits from a larger scale Scandinavian cable tv operation, utilizing Get's network for business customers, and through other cost savings. TDC estimates total annual run-rate synergies to amount to NOK ~185m (DKK ~167m) to be fully realized by 2017.

The Get acquisition is expected to be financed through a combination of senior unsecured EMTN bonds and hybrid bonds, which provides 50% equity credit from ratings agencies. TDC will seek to deploy the accretion in EFCF of more than 10% through a balance of deleveraging and dividend returns. TDC will adjust the dividend payout from approximately 90% to approximately 60% of Equity Free Cash Flow from the financial year 2014, which is a dividend yield in line with telecom and cable tv peer companies. In addition to this, there is the possibility of limited share buy backs so long as the investment grade rating is maintained.

With regard to TDC's leverage policy, the present maximum leverage ratio (net interest bearing debt/EBITDA) of 2.2x will no longer apply, but TDC is still committed to maintaining an investment grade rating. TDC's leverage ratio on a pro forma basis (adjusted for the acquisition of Get) would have been 2.9x1 as of 30 June 2014.

Get's key financial and operational figures are included below. For further presentation of Get see the investor presentation which will be made available on <http://investor.tdc.com/presentations.cfm?year=2014> following publication of this message.

J.P. Morgan acted as financial advisor and Kromann Reumert acted as legal advisor to TDC on the transaction.

Guidance

¹ Assuming EUR 500m of hybrid bond financing with 50% equity credit from credit rating agencies and the remaining in senior unsecured EMTN bonds. A fully senior unsecured EMTN bond financing of Get would imply a pro forma leverage of 3.1x EBITDA as of June 30, 2014. No final decision regarding the financing mix between senior unsecured and hybrid bonds has been made at this point in time.

The revised shareholder remuneration policy leads to an expected dividend per share of DKK 2.50 for the financial year 2014, of which DKK 1.50 was paid 13 August, 2014. TDC's previous guidance was a dividend payout of DKK 3.70 per share.

The guidance for EBITDA (presently > DKK 9.6bn) and Capex (presently DKK 3.7bn) will be impacted by Get's EBITDA and Capex with effect from closing of the transaction. The guidance for 2014 in regards to organic revenue is unchanged, i.e. a lower decrease than in 2013 (2013:(3.5)%). Updated full year guidance for 2014 will be published in connection with closing of the transaction.

TDC's guidance for 2014 is based on comprehensive financial plans for each individual business line. However, by their very nature, forward-looking statements involve certain risks and uncertainties. The risks and uncertainties are described in more detail in the section on risk factors and in the Safe Harbor Statement in TDC's Annual Report 2013.

Presentation of TDC's acquisition of Get

TDC will conduct a conference call for investors and financial analysts today 15 September, 2014 at 15.30 CET.

Carsten Dilling, Group CEO, and Pernille Erenbjerg, Group CFO, will present the investor presentation, and subsequently be available for a Q&A session.

The investor and analyst conference will be held in English and will also be available as a webcast at www.tdc.com/ir/

Investors and financial analysts can register for the telephone conference on the following link:

https://www.yourconferencecentre.com/confcenter/PinCode/Pin_Code.aspx?100109&o=DgILAUsdkpvya

Get's key operational and financial figures:

| NOKm | 2011 | 2012 | 2013 | '11-'13 CAGR |
|--------------------------|-------|-------|-------|--------------|
| Financials | | | | |
| Revenue | 1,922 | 2,131 | 2,437 | +12.6% |
| Hereof revenue tv | 1,030 | 1,121 | 1,127 | +11,0% |
| Hereof revenue broadband | 520 | 625 | 772 | +21,8% |
| Gross Profit | 1,388 | 1,558 | 1,804 | +14.0% |
| EBITDA | 819 | 950 | 1,116 | +16.7% |
| EBITDA margin | 42.6% | 44.6% | 45.8% | |
| Capex | 331 | 408 | 526 | +26.1% |
| Operational KPIs | | | | |
| Homes connected ('000) | 463 | 470 | 491 | +3.0% |
| Homes passed('000) | 521 | 531 | 584 | +5,9% |
| Total RGUs ('000) | 734 | 771 | 845 | +7.3% |
| Broadband market share | | | 17% | |
| tv market share | | | 22% | |
| Employees (current) | | | 840 | |

Pro forma key figures for first half of 2014 as if TDC had acquired Get as of 1 January 2014:

| DKKm (1NOK = 0.903 DKK) | Pro forma financial key figures H1 2014 | | |
|---|--|-------|--------|
| | TDC | Get | Total |
| Revenue | 11,443 | 1,181 | 12,624 |
| Gross Profit | 8,462 | 897 | 9,359 |
| EBITDA | 4,805 | 567 | 5,372 |
| Capex | 1,820 | 276 | 2,096 |
| <p>Note: The figures are a simple addition of reported figures for TDC and Get, respectively and are included for illustrative purposes only. No adjustments have been made for potential intra-group trading, differences in accounting policies, etc. Accordingly, the future consolidated figures may differ from the figures above.</p> | | | |

For inquiries regarding the above please contact Flemming Jacobsen, TDC Investor Relations, on +45 6663 7680 or investorrelations@tdc.dk.

TDC is the leading provider of communications services in Denmark with a strong Nordic focus. TDC comprises the business units Consumer, Business, Wholesale and Nordic and the cost centre Operations/Channels/Headquarters.

TDC listing

Shares: NASDAQ OMX Copenhagen.

Reuters TDC.CO.

Bloomberg TDC DC.

Nominal value DKK 1.

ISIN DK0060228559.