Challenging Danish market – growth in Norway and Sweden

Highlights in Q1 included the completion of our mobile network upgrade, and several independent tests conclude that TDC has 'Denmark's undisputed best mobile network'. This enables best customer experiences with the fastest and most stable network while providing an important edge in the highly competitive business and consumer mobile markets. In order to promote our mobile network, we have launched a nationwide data campaign targeting our existing customers. This is expected to reinforce customer loyalty, emphasising the positive momentum from Q1 where we saw a significant improvement in the quarterly net loss of subscribers compared with 2014 levels.

Customer satisfaction remained a critical focus area for us. As a result, the underlying performance indicators show positive trends as accelerated initiatives in the "TAK+" customer programme are beginning to pay off. This include notable improvements in waiting times and accessibility in call centres after staffing up and the completed outsourcing of support calls as of 1 March.

Q1 also showed progress in the strategic development of TDC's operating model. A thorough outsourcing analysis of field force tasks led to a competitive, internal agreement with our union that even paved the way for in-sourcing tasks from an external partner.

We are pursuing an ambition to be the preferred Scandinavian communications solutions and home entertainment company. In Q1, the Norwegian and Swedish CEOs were included in TDC's Executive Committee in order to support the ambition and reflect that almost a quarter of total revenue in Q1 stemmed from activities outside Denmark.

The Q1 results are very satisfactory for Norway and Sweden. Get, our Norwegian cable-TV business, delivered strong EBITDA growth of 10%, including solid growth across main products. In Sweden, revenue growth has returned reflecting an improved pipeline throughout H2 2014.

In Denmark, the EBITDA development of -9% YoY was a concern, leaving diminishing room for new investments in the Danish digital infrastructure. Although in line with our expectations, needless to say it is not a satisfactory development. Key drivers behind the substantial EBITDA leakage are the unhealthy pricing environment across business markets, regulation, as well as a full-year effect from the high loss of Consumer mobile customers in 2014.

We are not satisfied with the development in Denmark - but overall Q1 was as expected and we therefore confirm our guidance for 2015.

Carsten Dilling, President and CEO

Financial highlights

- Growth in revenue (+7%) and gross profit (+4%) due to the acquisition of Get in Q4 2014; flattish YoY organic revenue (-0.7%), which is an improvement vs. 2014 levels, but organic gross profit decreased by 4.2% following a drain in mobile and landline voice in Denmark
- Opex development affected by the inclusion of Get and increased staffing in call centres to mitigate high call volumes and secure sales ambitions; adjusted for this, opex savings were 2% in Q1
- Reported EBITDA up 0.9% YoY; despite a strong growth in Get of 10%, organic EBITDA decreased 7.3% due to a historically weak development in Denmark (-9%)
- Increased exposure towards cable: 35% of Q1 EBITDA stemmed from cable due to inclusion of Get and YoY growth in YouSee, up by 14 ppt vs. Q1 2014
- EFCF of DKK 302m, down 17.5% due to increased capex and different timing of tax payments
- 2015 guidance confirmed
- Get financing completed as bridge facility has been repaid through hybrid and senior bond issue locking in favourable financing rates

Operational highlights

- TDC's superior mobile network covers 99.5% of Denmark with 3G/4G, delivering a 74% overall flawless experience vs. Danish peers' level of 38-43%
- Improved Consumer mobile voice development with net loss of 4k in Q1 (compared with FY 2014 net loss of 111k) driven by cross sales to existing broadband and TV customers across brands
- Substantial ARPU decrease (-15% YoY) in Business mobile voice following price pressure across customer segments
- YouSee TV ARPU up 6% from Q4, but net loss of 27k YouSee TV customers due to termination of a low ARPU antenna association (-14k) and leakage from both individual customers and antenna associations
- Strong broadband performance in Get with both subscriber and ARPU growth (9% and 3% YoY, respectively)
- Recommend score deteriorated by 2 index points YoY to 63, but underlying KPIs show early signs of improvement

Group performance

Revenue
In Q1 2015, TDC Group saw a reported revenue increase of 7.2% or DKK 418m, which was driven by the acquisition of Get (DKK 553m). This was partly offset by the continued impact from regulation and a negative forex effect. Adjusted for these effects, revenue decreased by 0.7%, which is a significant improvement compared with the organic revenue decrease of 3.5% in Q1 2014, which was driven by an improved revenue development from internet & network and other services, as well as organic growth outside Denmark. The organic revenue decrease in Q1 2015, attributable chiefly to Business, was only partly offset by growth in low-margin areas in Sweden and organic growth in Norway driven by Get.

Gross profit
In TDC Group, reported gross profit increased by 4.3% or DKK 182m in Q1 2015, which was caused by the acquisition of Get. Organic gross profit decreased by 4.2%, driven by the revenue decrease in Business and a changed product mix with a larger share of the revenue coming from low-margin areas. The negative development in organic gross profit was also impacted by positive one-offs on transmission costs Q1 2014, totalling DKK 29m in TDC Sweden and TDC Norway.

The gross margin decreased from 73.7% in Q1 2014 to 71.7% in Q1 2015, as the above-mentioned effects were partly offset by positive contributions to the gross margin from the inclusion of Get, as well as gross-profit-neutral regulatory MTR reductions in Denmark.

Opex
Reported opex increased by DKK 159m or 8.8%, driven by the acquisition of Get. Organic opex remained at the same level as Q1 2014. Savings on IT and facilities, an improved contract on mobile operations as well as lower wage costs in Operations were offset by increased staffing in call centres and increased SAC in Consumer.

EBITDA
Reported EBITDA increased by 0.9% or DKK 23m. Organic EBITDA decreased by 7.3%.

The reported EBITDA margin decreased from 42.4% in Q1 2014 to 39.9% in Q1 2015, driven by the smaller gross margin and the additional staffing in call centres.

Profit for the period
Profit for the period from continuing operations excluding special items decreased by DKK 219m, due chiefly to higher depreciation and amortisation following the acquisition of Get as well as higher financial expenses related to the bridge bank loan and pre-hedges prior to the refinancing in February 2015.

Special items improved slightly, while profit for the year including special items decreased by DKK 205m.

Comprehensive income
Total comprehensive income increased by DKK 1,074m to DKK 1,114m. The decrease in profit for the period was more than offset by the positive development in Other comprehensive income (DKK 1,279m), related primarily to defined benefit plans and currency translation gains stemming from Get. The net losses from defined benefit plans in both Q1 2015 and 2014 were caused by an increasing pension obligation following a decreasing discount rate partly offset by gains from a higher-than-expected return on pension plan assets.

TDC Group, Key financial data[1]				DKKm
		Q1 2015	Q1 2014	Change in %
Income Statements	DKKm			
Revenue		6,193	5,775	7.2
Gross profit		4,440	4,258	4.3
EBITDA		2,474	2,451	0.9
Profit for the period from continuing operations excluding special items		610	829	(26.4)
Profit for the period		511	716	(28.6)
Total comprehensive income		1,114	40	-
Capital expenditure		(1,142)	(863)	(32.3)
Equity free cash flow (EFCF)		302	366	(17.5)
Key financial ratios				
Earnings Per Share (EPS)	DKK	0.64	0.89	(28.1)
Adjusted EPS	DKK	0.95	1.25	(24.0)
Gross margin	%	71.7	73.7	-
EBITDA margin	%	39.9	42.4	-

For additional data, see TDC Fact Sheet on www.tdc.com. For Glossary and definitions, see http://investor.tdc.com/glossary.cfm.

Equity

During Q1 2015, Total equity increased by DKK 5.9bn to DKK 24.5bn. This was due chiefly to the issuance of hybrid bonds. In addition, Total comprehensive income (DKK 1.1bn) exceeded distributed dividends (DKK 0.8bn).

Equity free cash flow

The decrease in Equity free cash flow was caused by increased cash outflow related to capex (DKK 251m), resulting from the inclusion of capex in Get as well as increased mobile network investments, following the upgrade and build-out. Income tax paid increased by DKK 37m due to different timing of payments.

The increased cash outflow was largely offset by an improvement in net working capital (DKK 236m) due to a different creditor payment pattern in 2015 than in 2014, following the shift of mobile network supplier in 2014 , as well as a positive contribution from Get.

Refinancing

In February 2015, the bridge bank loan stemming from the acquisition of Get, was refinanced through a combination of senior unsecured EMTN bonds (12 yrs maturity, 1.75% coupon) and hybrid capital (6 yrs non-call, 3.5% coupon). In addition, the EUR 800m bond maturing in February 2015 was refinanced with bank loans and cash.

Cash flow & NIBD				**DKKm**
		Q1 2015	**Q1 2014**	**Change in %**
EBITDA	DKKm	2,474	2,451	0.9
Change in working capital		62	(174)	135.6
Interest paid, net		(666)	(639)	(4.2)
Income tax paid		(350)	(313)	(11.8)
Cash flow from capital expenditure		(1,105)	(854)	(29.4)
Cash flow related to special items		(137)	(128)	(7.0)
Other		24	23	4.3
Equity free cash flow		**302**	**366**	**(17.5)**
Total cash flow from operating activities		1,425	1,233	15.6
Total cash flow from investing activities		(1,205)	(847)	(42.3)
Total cash flow from financing activities		(4,657)	(1,144)	-
Total cash flow from continuing operations		(4,437)	(758)	-
Total cash flow from discontinued operations		(2)	15	(113.3)
Total cash flow		**(4,439)**	**(743)**	**-**
Net interest-bearing debt (NIBD)		(27,898)	(22,636)	(23.2)
Adjusted NIBD		(30,678)	(22,636)	(35.5)
Net interest-bearing debt/EBITDA	x	2.8	2.2	-
Adjusted NIBD/EBITDA	x	3.1	2.2	-

Net interest-bearing debt

By the end of the quarter, net interest-bearing debt (NIBD) totalled DKK 27.9bn against DKK 32.9bn at the end of 2014.

The hybrid bonds of EUR 750m issued by TDC are accounted for as equity (DKK 5,559m) and are not included in NIBD. Coupon payments will be recognised directly in equity at the time the payment obligation arises and are recognised in the statement of cash flow upon payment as a separate item within financing activities.

The hybrid bonds are assigned 50% equity credit from rating agencies. Adjusted NIBD is calculated by adding 50% of the hybrid capital. Accordingly, adjusted NIBD totalled DKK 30.7bn compared with DKK 32.9bn at the end of 2014.

The decrease in both NIBD and adjusted NIBD was attributable mainly to the issuance of hybrid bonds, partly offset by dividends paid[1].

[1] For more information on TDC's hybrid bonds, see note 9 to the Financial Statements.

Guidance 2015

TDC confirms the guidance as presented below and in the 2014 Annual Report.

The guidance on revenue in 2015 is based on organic revenue development, defined as reported revenue excluding the impact from exchange-rate changes, acquisition and disposal of assets as well as regulation.

Our guidance for 2015 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 Guidance and risk factors and in the Disclaimer in TDC's Annual Report.

2015 guidance	
Organic revenue development	At the same level as 2014 (-2.5%)
EBITDA	At the same level or slightly better than 2014 (DKK 9.8bn)[1]
Capex	(DKK 4.3bn)
DPS	DKK 2.50[2]

[1] Assuming NOK forex of ~0.85 NOK/DKK.
[2] Of this, DKK 1.00 per share is expected to be paid out in connection with the Q2 2015 Earnings Release.

TDC Group's performance per business line

In the illustration below, TDC Group's performance in Q1 2015 is presented using our traditional business line reporting, cf. segment reporting note 2.

TDC Group's Q1 2015 reported EBITDA increased by DKK 23m, which was driven by the acquisition of Get, since EBITDA in the Danish business decreased by DKK 206m, driven mainly by Business, which faced an EBITDA decrease of DKK 186m or 16.4%, a significant deterioration vs. the Q1 2014 growth rate (-4.3%). The decrease in Business was driven by substantial revenue and gross profit declines following intense competition in both low and high end segments and across products.

Consumer faced an EBITDA decrease of 3.0% or DKK 59m as continued shortfalls in mobility services and landline voice were only partly outweighed by growth in internet & network and gross profit from other services.

EBITDA in Wholesale decreased by 10.4% or DKK 26m, driven by deteriorated gross profit across products, including a contraction in the MVNO business and regulatory price adjustments on landline voice and broadband (LRAIC).

Across cost centres, EBITDA improved by DKK 64m compared with Q1 2014, affected by opex savings of DKK 40m driven by fewer employees in mainly Operations as well as a gross profit increase of DKK 24m prompted by increased installation activities.

In Norway, an EBITDA increase of DKK 257m was driven by the acquisition of Get, which is included in TDC's financial figures as of November 2014. This was only partly offset by a positive one-off on transmission costs in Q1 2014 of DKK 13m and deteriorated earnings in the operator business in TDC Norway.

In Sweden, the EBITDA decrease of DKK 28m or 26.9% was, besides a negative forex effect of DKK 6m, related mainly to a positive one-off on transmission costs in Q1 2014 of DKK 15m.

Our Q1 2015 performance is explained in more detail on the following pages presented by product in Denmark as well as our Swedish and Norwegian segments and TDC Group's total operating expenses and capital expenditure.

DKKm/ Growth in local currency	TDC Group	Consumer (Denmark)	Business (Denmark)	Wholesale (Denmark)	Cost centre (Denmark)	Get [2] (Norway)	TDC Norway (Norway)	Sweden (Sweden)
Revenue [1]	6,193	2,878	1,509	407	120	585	206	664
	+7.2%	-0.3%	-6.5%	-8.9%	+20.0%	+5.9%	-1.6%	+6.9%
Gross profit [1]	4,440	2,153	1,189	265	91	454	74	247
	+4.3%	-1.9%	-12.8%	-9.2%	+35.8%	+9.0%	-21.1%	-4.9%
EBITDA [1]	2,474	1,881	948	224	-952	275	23	76
	+0.9%	-3.0%	-16.4%	-10.4%	+6.3%	+9.9%	-41.3%	-22.0%

[1] Both absolute figures and growth rates exclude eliminations and therefore do not amount to 100%.
[2] The absolute figures show Get's contribution to TDC Group's financial results, while the growth figures show Get's growth from Q1 2014 to Q1 2015 in local currency.

Mobility services

Q1 highlights

- Upgrade to Denmark's best mobile network completed in Q1, and promotion of the network started in April through a nationwide data campaign directed at existing customers
- Significant improvement in Consumer mobile voice with net loss of 4k (-44k in Q1 2014), driven by a focus on household value with cross sales to existing customers across brands, thus lowering ARPU by DKK 2 vs. Q1 2014
- Business ARPU -15% vs. Q1 2014 driven by increased price pressure across segments
- Flat YoY development in mobile voice subscribers in Business, but a net loss of 16k vs. Q4 2014 affected by a negative development in low-end segments as well as a reduction in the low ARPU public segment (SKI impact)
- Loss of large MVNO contract as of 1 January 2015, partly causing a 19% revenue decline in Wholesale

Mobility services in Denmark, key financial data	DKKm			
		Q1 2015	Q1 2014	Change in %
Revenue	DKKm	**1,154**	**1,311**	**(12.0)**
Consumer		652	708	(7.9)
Business		370	441	(16.1)
Wholesale		132	163	(19.0)
Other incl. eliminations		-	(1)	-
Gross profit		**1,038**	**1,177**	**(11.8)**
Gross margin	%	89.9	89.8	-
Organic revenue[1]	DKKm	1,154	1,273	(9.4)
Organic gross profit[1]		1,038	1,167	(11.1)
Consumer mobile voice - RGU	# ('000)	1,785	1,856	(3.8)
Consumer mobile voice - ARPU	DKK/month	116	118	(1.7)
Business mobile voice - RGU	# ('000)	761	761	-
Business mobile voice – ARPU	DKK/month	139	163	(14.7)

[1] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

Q1 performance

Revenue from mobility services in Denmark decreased by 12.0% to DKK 1,154m in Q1 2015. The revenue development was negatively affected by continued price competition in Business, the full-year effect of the unsatisfactory development in the Consumer customer base during 2014, and the continued effect from MTR regulation. Gross profit decreased by 11.8% to DKK 1,038m, while the gross margin of 89.9% was level with Q1 2014.

Consumer

In Q1 2015, reported revenue from mobility services in Consumer decreased by 7.9% or DKK 56m to DKK 652m. This related largely to a YoY loss of 71k subscribers, hereof 67k lost in the last three quarters of 2014 and 4k in Q1 2015. Targeted retention activities, cross selling to existing customers and a focus on multi-SIM sales improved the trend over the period in a continually competitive market.

Together, these activities put pressure on Consumer's ARPU, leading to a YoY decline of 1.7% or DKK 2 following seven consecutive quarters with stable YoY ARPU development.

Business

Reported revenue stemming from mobility services in Business declined by 16.1% or DKK 71m to DKK 370m in Q1 2015. The price competition in the Danish business market has steadily increased in recent years – especially in the low end segments that are particularly exposed to spill over effects from the residential market. In combination with a more procurement-driven renegotiation process in the high end segments, this development has resulted in a continued quarterly YoY ARPU decrease between 7% and 20% over the last three years. In Q1 2015, mobile voice ARPU decreased across segments, leading to a total YoY decline of DKK 24 or 15%.

Negotiation of many new contracts in the low-ARPU public segment in H2 2014 was fully offset by the YoY loss of low end customers.

Wholesale

Reported revenue from mobility services in Wholesale decreased by 19.0% or DKK 31m to DKK 132m due to increased pressure on ARPU and the loss of a large MVNO contract, which led to a 55% decrease in MVNO minutes in Q1 2015 vs. Q1 2014. Wholesale was also negatively affected by the regulatory MTR reductions with limited gross profit impact[2].

Wholesale increased the number of domestic mobile voice subscriptions by 21k vs. Q1 2014, however revenue declined YoY as the subscriber increase was more than offset by the ARPU decline (-8%).

[2] Domestic MTR revenue and costs concerning residential and business customers are handled by Wholesale and not allocated to Consumer and Business.

TV

Q1 highlights

- Continued strong net adds in TDC brand and Fullrate with an increase of 9k customers compared with Q4 2014
- Net loss of 27k YouSee TV customers vs. Q4 2014 due mainly to termination of a low ARPU antenna association (-14k) and leakage from both individual customers and within antenna associations
- In Q1 2015, TDC/Fullrate brand and YouSee ARPU increased by DKK 4 and DKK 14 respectively, compared with Q4 2014 driven by price increases
- Flattish YoY development in total time spent on flow TV in YouSee despite a 4% decline in the customer base

TV in Denmark, key financial data	DKKm	Q1 2015	Q1 2014	Change in %
Revenue	DKKm	**1,094**	**1,075**	**1.8**
TDC/Fullrate brand (IP TV)		243	222	9.5
YouSee brand (cable TV)		832	836	(0.5)
Other incl. eliminations		19	17	11.8
Gross profit		**573**	**572**	**0.2**
Gross margin	%	52.4	53.2	-
Organic revenue[1]	DKKm	1,094	1,075	1.8
Organic gross profit[1]		573	572	0.2
TDC brand/Fullrate - RGU	# ('000)	267	230	16.1
TDC brand/Fullrate - ARPU	DKK/month	307	331	(7.3)
YouSee brand - RGU	# ('000)	1,125	1,172	(4.0)
YouSee brand - ARPU	DKK/month	245	238	2.9

[1] Reported revenue and gross profit excluding the impact from acquisitions and divestments.

Q1 performance

Revenue from TV in Denmark increased by 1.8% to DKK 1,094m in Q1 2015. Gross profit remained level in Q1 2015 as content cost increased due to improvement of TV package content and increased content prices.

TDC/Fullrate brand

TDC and Fullrate TV succeeded in delivering reported revenue growth of 9.5% or DKK 21m to DKK 243m in Q1 2015, attributable to strong customer intake. The customer base increased by 37k customers or 16.1% as a result of successful TV portfolios with attractive content and prices in both TDC and Fullrate.

TDC/Fullrate brand TV ARPU declined by DKK 24 YoY due to continued migrations to the TDC TV portfolio as of February 2014, which is sold at attractive prices. This was partly offset by price increases as of 1 January 2015[3].

YouSee brand

Revenue in the YouSee brand remained flat at DKK 832m in Q1 2015, covering up opposing developments in the customer base and ARPU:

YouSee ARPU increased by DKK 7 YoY caused by price changes effective as of 1 January 2015[4] with the main effect stemming from a large price change in the full package as this constitutes a significant part of the total customer base.

As expected, the price changes negatively affected down migrations thereby impacting the share of customers with only an entry-level TV package, which increased by 2.2 percentage points to 29.0% in Q1 2015.

In total, YouSee's customer base decreased by 47k subscribers YoY with the loss of both individual customers and antenna associations.

Churn-preventing activities were initiated in Q1 2015 in order to retain existing customers. This includes higher customer activation and use of services supplied, more content and improved accessibility to TV packages as well as broadband cross sales.

[3] 4-8% price increase per month on TDC TV.

[4] Price increases on packages of 5-6% per month.

Internet & network

Q1 highlights

- Launch of 300 Mbps broadband in YouSee
- Increase of DKK 7 in Consumer broadband ARPU compared with Q1 2014, driven by migration of customers to higher speeds in YouSee and price increases in TDC brand
- Business broadband ARPU down 6% vs. Q1 2014 due to migration from legacy products to products with lower ARPU. However, ARPU remains at a relatively high absolute level

Net loss of 5k broadband customers in Business in Q4 2014 due to leakage of legacy customers

- Level development in Consumer broadband subscribers vs. Q4 2014 as growth in YouSee and Fullrate was offset by a loss of customers in the TDC brand
- Following significant promotion of Denmark's largest fibre network in 2014, the fibre customer base in Business increased by 25% YoY

Internet & network in Denmark, key financial data	DKKm			
		Q1 2015	Q1 2014	Change in %
Revenue	DKKm	**1,309**	**1,320**	**(0.8)**
Consumer		617	589	4.8
Business		529	565	(6.4)
Wholesale		168	172	(2.3)
Other incl. eliminations		(5)	(6)	16.7
Gross profit		**1,180**	**1,207**	**(2.2)**
Gross margin	%	90.1	91.4	-
Organic revenue[1]	DKKm	1,309	1,306	0.2
Organic gross profit[1]		1,180	1,193	(1.1)
Consumer - RGU	# ('000)	1,059	1,050	0.9
Consumer - ARPU[2]	DKK/month	192	185	3.8
Business - RGU	# ('000)	227	250	(9.2)
Business - ARPU[2]	DKK/month	262	279	(6.1)

[1] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.
[2] ARPU incl. VAS excl. Dial-up.

Q1 performance

Revenue from internet & network in Denmark decreased slightly by 0.8% to DKK 1,309m in Q1 2015. This was caused by a negative development in Business and the increased impact from regulation (LRAIC) in Wholesale, which was almost offset by an increase in both the broadband customer base and ARPU in Consumer.

Gross profit decreased by 2.2% to DKK 1,180m in Q1 2015, while the gross margin decreased by 1.3 percentage points, affected by increased regulation with full gross profit effect.

Consumer

In Q1 2015, Consumer's reported revenue from internet & network increased by 4.8% or DKK 28m to DKK 617m, driven primarily by a DKK 7 rise in ARPU compared with Q1 2014, caused by migration of customers to higher speeds in YouSee and price increases in the TDC brand.

Growth of 9k broadband customers in Consumer related to YouSee and Fullrate due to upselling. YouSee attracted customers by offering high speeds and hereby utilising the cable network.

Business

Reported revenue from internet & network in Business decreased by 6.4% or DKK 36m to DKK 529m in Q1 2015. This was driven primarily by broadband as a consequence of migration and leakage of high ARPU legacy customers across segments.

This was only partly offset by growth of 7.2% or DKK 8m in Hosting, driven by the continued growth in Managed hosting, mainly achieved through contracts with new customers.

Wholesale

Reported revenue from internet & network in Wholesale decreased by 2.3% or DKK 4m to DKK 168 in Q1 2015 driven by broadband and national capacity. Revenue from international capacity continued to grow, but with a lower gross margin than in Q1 2014 due to the changed product mix and price pressure.

Internet & network was negatively affected by regulatory price adjustments (LRAIC) with BSA prices decreasing by approximately 40% on average. This was partly offset by an 11% rise in the broadband subscriber base vs. Q1 2014.

Landline voice

Q1 highlights

- Consumer landline voice ARPU up by DKK 13 compared with Q1 2014 due to price increases
- Business ARPU down DKK 13 or 4% vs. Q1 2014 driven by increased price pressure, with reduced revenue from variable traffic due to the continued migration towards flat-rate products with lower price points
- Net loss of 40k Consumer landline voice subscribers vs. Q4 2014, was at a level slightly higher than in previous quarters. This was driven by extraordinarily high churn of VoIP customers following aggressive campaigns by competitors as well as a continued effects from price increases

Landline voice in Denmark, key financial data				DKKm
		Q1 2015	Q1 2014	Change in %
Revenue	DKKm	**644**	**733**	**(12.1)**
Consumer		292	326	(10.4)
Business		283	329	(14.0)
Wholesale		64	74	(13.5)
Other incl. eliminations		5	4	25.0
Gross profit		**586**	**670**	**(12.5)**
Gross margin	%	91.0	91.4	-
Organic revenue[1]	DKKm	644	730	(11.8)
Organic gross profit[1]		586	668	(12.2)
Consumer - RGU	# ('000)	657	808	(18.7)
Consumer - ARPU	DKK/month	144	131	9.9
Business - RGU	# ('000)	281	316	(11.1)
Business - ARPU	DKK/month	329	342	(3.8)

[1] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

Q1 performance

Revenue from landline voice in Denmark declined by 12.1% to DKK 644m in Q1 2015. TDC Group's customer base continued to decline, with a loss of 186k or 16.6% retail customers vs. Q1 2014. Gross profit decreased by 12.5% to DKK 586m.

Consumer

Consumer's reported revenue from landline voice declined by 10.4% or DKK 34m to DKK 292m in Q1 2015 following the loss of 151k customers. The loss of customers has increased compared with previous periods as price changes negatively affected churn of TDC brand landline voice customers including high ARPU PSTN-only customers (-66k in Q1 2015 vs. -58k in Q1 2014).

The price changes in mid-2014 and January 2015 resulted in an ARPU increase of DKK 13 compared with Q1 2014.

Business

A negative development of 14.0% or DKK 46m to DKK 283m in Q1 2015 was recorded in Business' reported landline voice revenue. The revenue decrease related chiefly to the loss of customers, which stemmed from a decline in the overall market that continued at the same level as in previous quarters. However, an ARPU decrease of DKK 13 vs. Q1 2014 added to the total decline in revenue compared with previous quarters. ARPU was negatively affected by SKI renegotiations. This was only partly offset by continued growth in the high-ARPU integrated solutions TDC One and TDC Scale.

Wholesale

Reported revenue in Wholesale declined by 13.5% or DKK 10m to DKK 64m in Q1 2015. This development was driven by the loss of 16k customers in line with previous periods and impacts from regulation affecting both ARPU and revenue from landline interconnection.

Norway

Q1 highlights

- Get delivered strong YoY gross profit and EBITDA growth in local currency of 9.0% and 9.9%, respectively
- Get added 26k broadband subscribers to the customer base YoY and 6k vs. Q4 2014
- Get household ARPU up 5% YoY
- Cost synergy work between Get and TDC Norway off to a good start with 2015 financial effects from co-location, FTE reductions and infrastructure optimisation
- Unfavourable exchange-rate development negatively affected revenue and gross profit in Norway by DKK 10 and DKK 4m, respectively
- TDC Norway faced a gross profit decline of 21.1% or NOK 23m impacted by a positive one-off in Q1 2014 (NOK 15m) and negative development across products

Norway, key financial data[1]	NOKm	Q1 2015	Q1 2014	Change in %
Revenue	NOKm	**926**	**246**	**-**
Residential TV		352	-	-
Residential broadband		239	-	-
Business[2]		256	246	4.1
Other residential services		79	-	-
Gross profit		**618**	**109**	**-**
Gross margin	%	66.7	44.3	-
Organic revenue[3]		926	894	3.6
Organic gross profit[3]		618	596	3.7
Residential TV - RGU	# ('000)	422	416	1.4
Residential TV - ARPU	NOK/month	279	273	2.2
Residential broadband - RGU	# ('000)	324	298	8.7
Residential broadband - ARPU	NOK/month	248	241	2.9

[1] Includes Gets financial figures in Q1 2015, while Gets historical KPIs for Q1 2014 (before acquisition) are included for purpose of comparison.
[2] Includes TDC Norway and Get Business division.
[3] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

Q1 performance[5]

Reported revenue in Norway (consisting of Get and TDC Norway) increased by NOK 680m comprising NOK 686m from the inclusion of Get and a NOK 4m decrease from TDC Norway. Organic revenue in Norway increased by NOK 32m or 3.6% YoY driven by organic growth in Get.

Reported gross profit increased by NOK 509m comprising NOK 532m from Get and a decrease of NOK 23m from TDC Norway. The gross profit development in TDC Norway was negatively affected by a positive one-off on transmission costs in Q1 2014 (NOK 15m). Excluding the one-off, gross margin in TDC Norway declined 2 percentage points due to a changed product mix.

Organic gross profit in Norway increased by NOK 22m or 3.7% driven by organic growth in Get.

TV (residential)

Organic revenue in Get related to TV increased by 3.2% YoY or NOK 11m to NOK 352m as a result of both 6k growth in the subscriber base and an increase in ARPU of NOK 6 driven mainly by increased subscription fees effective as of 1 January 2015[6].

Broadband (residential)

Organic revenue in Get stemming from broadband increased by 12.2% YoY or NOK 26m to NOK 239m as Get successfully increased its customer base by 26k and ARPU by NOK 7. The ARPU increase was driven mainly by customer migration to higher bandwidths in 2014.

Business

Reported revenue from Business in Norway (TDC Norway and Get business division) increased by 4.1% or NOK 10m to 256m due to the inclusion of business revenue from Get (NOK 16m).

TDC Norway continued to face intense competition in the form of high price pressure across products and the initiation of contract renegotiation by large account customers. As a consequence of intense competition, revenue in TDC Norway decreased by 1.6% or NOK 4m in line with the full-year 2014 development. The revenue decline was driven by IPVPN and landline voice, partly offset by growth in E-VPN and the low-margin Direct business.

[5] Revenue and gross profit figures for TDC Norway and Get exclude eliminations and therefore do not amount to the total Norway figures.
[6] Price increases on packages of 2-5% per month.

Sweden

Q1 highlights

- Even with the loss of a large customer in H2 2014,TDC Sweden delivered strong revenue growth across products
- Despite the revenue growth, gross profit decreased by 4.9%, driven by the effect of a positive one-off on transmission costs in Q1 2014 (SEK 18m) and a changed product mix
- Unfavourable exchange-rate development negatively affected revenue and gross profit in TDC Sweden by DKK 38m and DKK 16m, respectively
- Mobile net adds of 18k vs. Q4 2014 driven by recent strong wins, and the strong order book continued into 2015, incl. Transportstyrelsen (with financial effect from Q2 2015)
- New MVNO contract signed with TeliaSonera is expected to improve customer experience

Sweden, key financial data[1]				**SEKm**
		Q1 2015	**Q1 2014**	**Change in %**
Revenue	SEKm	**836**	**782**	**6.9**
Mobility services		43	34	26.5
Landline voice		103	95	8.4
Internet & network		232	215	7.9
Other services[2]		458	438	4.6
Gross profit		**311**	**327**	**(4.9)**
Gross margin	%	37.2	41.8	-
Organic revenue[3]		836	797	4.9
Organic gross profit[3]		311	337	(7.6)

[1] Including Viridis as of October 2014.
[2] Including sale of terminal equipment, systems integration services, installation work and operator services etc.
[3] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

Q1 performance

Through its unique mix of operator and integrator services, which has been further expanded through the acquisition of Viridis IT, TDC Sweden offers integrated communications solutions. This effectively distinguishes TDC from its competitors and moves competition away from pure price towards value.

Revenue in local currency amounted to SEK 836m, an increase of SEK 54m or 6.9%, as a result of growth in all product areas. Due to a negative exchange-rate development, in DKK, revenue increased by only 0.8%. In local currency, gross profit decreased by 4.9%, and was affected chiefly by a positive one-off on transmission costs in Q1 2014 due to reversed provisions related to regulatory pricing decisions (SEK 18m). Excluding the one-off, gross profit increased by 0.6% as a majority of the revenue growth occurred in low-margin areas.

Operator business

In local currency, the operator business increased by 9.9% in Q1 2015, driven by growth across products. An increase in revenue from internet & network resulted partially from more IP-VPN connections than in Q1 2014. TDC therefore maintained its strong position in the mature IP-VPN market despite fierce competition.

As a result of a number of new wins as well as a strong focus on up-selling to existing customers, the number of mobile subscribers increased by 43k vs. Q1 2014. This resulted in both increased mobile revenue of 26.5% in local currency and increased value market share, although ARPU was under pressure due to price competition for new customers but also in connection with renegotiations.

The revenue increase in landline voice was driven by a substantial increase in low-margin resale of landline voice subscriptions. However, this was partly offset by fewer high-margin traditional landline voice connections, due to pressure from continued migration towards both IP-based solutions and mobile-only, and a decline in MoU. In total, revenue increased by 8.4% in local currency but with limited gross profit effect.

Integrator business

Growth in the integrator business picked up at the end of 2014, which in combination with the acquisition of Viridis IT, led to a revenue increase of 4.6% in local currency in Q1 2015. This was driven mainly by an increase in the low-margin Direct business, while revenue from the high-margin CaaS business decreased due to the loss of a large customer in H2 2014.

Other services

Q1 highlights

- NetDesign successfully increased revenue YoY by 9.0% or DKK 18m
- Sale of handsets sold with a positive margin increased by 14.0% YoY in Q1, driven by Business
- As part of TDC Group's digital transformation, a paper communication fee of DKK 29 per month was introduced for TDC brand mobile subscribers as of 1 January 2015. This fee is similar to the one introduced for Consumer landline voice, broadband and TV customers as of 1 July 2014

Q1 performance

In Q1 2015, reported revenue from other services increased by 17.7% or DKK 81m to DKK 538m, generated mainly by low-margin sales in Business and NetDesign. Revenue was also positively impacted by paper communication fees in Consumer which have full gross profit effect. As an increasing number of customers become fully electronic, paper communication fees will contribute less to the growth in the other services category. This development led to a total increase of 11.2% or DKK 29m to DKK 288m in other services' gross profit. Due to a changed product mix with a larger share of the revenue coming from low-margin products, the gross margin decreased from 56.7% in Q1 2014 to 53.5% in Q1 2015.

Other services, key financial data				**DKKm**
		Q1 2015	**Q1 2014**	**Change in %**
Revenue	DKKm	**538**	**457**	**17.7**
Sale of handsets		212	186	14.0
NetDesign		218	200	9.0
Other		108	71	52.1
Gross profit		**288**	**259**	**11.2**
Gross margin	%	53.5	56.7	-
Organic revenue[1]	DKKm	538	456	17.9
Organic gross profit[1]		288	256	12.5

[1] Reported revenue and gross profit excluding the impact from acquisitions and divestments.

Sale of handsets

Revenue from mobile handsets sold with a positive margin increased by 14.0% or DKK 26m to DKK 212m in Q1 2015. The revenue increase stemmed mainly from higher sales of mobile handsets sold with a positive margin by Business, driven by increased partner sales and higher iPhone and iPad sales.

NetDesign

Revenue in NetDesign increased by 9.0% or DKK 18m to DKK 218m in Q1 2015, as growth in both low-margin hardware and software sales also led to increased upsale of high-margin consultant services. However, a changed product mix and reduced margins on hardware and software sales resulted in a gross profit decrease.

Other

Other revenue increased by DKK 37m or 52.1% in Q1 2015, as a paper communication fee of DKK 29 per month has been introduced for Consumer customers[7] choosing to receive information on paper as opposed to electronically. This is in line with TDC Group's digital transformation strategy and the digitalisation initiatives imposed by the Danish public sector.

Bet25 (sportsbetting) and Rød25 brands are ramping up, hereby expanding TDC Group's footprint within digital content. Continued growth is expected from innovative product launches, new off-line distribution and commercial synergies from TDC Group.

[7] YouSee TV customers and TDC brand broadband and landline voice customers as of 1 July 2014, and TDC brand mobile customers as of 1 January 2015.

Operational and capital expenditure

Q1 highlights

- Reported opex increased YoY (by -8.8% or DKK -159m), negatively impacted by the inclusion of Get (DKK 179m)
- Non-acceptable customer experiences increased by 1 index point vs. Q4 2014 and continues to be a critical focus area, but underlying KPIs show early signs of improvement
- Flat YoY development in fault-handling hours
- Investment spending increased by 32.3% or DKK 279m YoY, driven by the inclusion of Get (DKK 160m) and mobile network upgrade in Denmark (DKK 145m)
- Analysis of field force outsourcing was closed in Q1 2015 as a competitive internal agreement was made with our union, which even paved the way for insourcing tasks from an external partner

Opex & KPI				DKKm
		Q1 2015	Q1 2014	Change in %
Opex	DKKm	**(1,966)**	**(1,807)**	(8.8)
Denmark		(1,565)	(1,579)	0.9
Norway		(230)	(56)	-
Sweden		(171)	(172)	0.6
Organic opex	DKKm	(1,966)	(1,964)	(0.1)
Capital expenditure	DKKm	(1,142)	(863)	(32.3)
KPIs				
Fault-handling hours	Hours ('000)	139	142	2.1
Number of FTEs (end-of-period)	#	8,694	8,554	1.6
Number of FTEs & temps (end-of-period)	#	8,797	8,660	1.6

[1] Including other income and expenses.

Q1 performance

Operational expenditure

In Q1 2015, TDC Group continued to focus on higher efficiency and process improvements. This included increased flexibility and sharing best practises across TDC Group, which contributed to continued reductions in opex driven by facility management initiatives, IT, an improved contract for mobile operations as well as fewer FTEs in Operations, leading to reduced wages. These improvements resulted in underlying opex savings of 2.0% or DKK 36m related mainly to the cost centre (excluding ramp up in call centres). Savings were at a level slightly below previous periods due to increased SAC spending in Consumer (approximately DKK 30m).

That being said, total reported operational expenditure in TDC Group increased by 8.8% or DKK 159m in Q1 2015, due to the inclusion of Get (DKK 179m). Extra costs for staffing in call centres to mitigate high call volumes and to secure the sales ambition also negatively affected opex.

Capital expenditure

Overall investment spending in TDC Group increased by 32.3% or DKK 279m to DKK 1,142m in Q1 2015. The increase was driven by two main factors; the inclusion of Get (DKK 160m) and significant spending on the mobile network in Denmark (DKK 145m) following the build-out and upgrade. The mobile network extension was completed in Q1 2015, providing TDC Group with a superior mobile network covering 99.5% of Denmark with 3G/4G, and delivering a 74% overall flawless experience vs. Danish peers' level of 38-43%[8].

[8] tdc.dk/mobilnet.

Consolidated Financial Statements

Income Statements				DKKm
	Note	Q1 2015	Q1 2014	Change in %
Revenue	**2**	**6,193**	**5,775**	**7.2**
Transmission costs and cost of goods sold		(1,753)	(1,517)	(15.6)
Gross profit		**4,440**	**4,258**	**4.3**
External expenses		(950)	(839)	(13.2)
Wages, salaries and pension costs	3	(1,036)	(980)	(5.7)
Other income		20	12	66.7
Operating profit before depreciation, amortisation and special items (EBITDA)	**2**	**2,474**	**2,451**	**0.9**
Depreciation, amortisation and impairment losses	4	(1,311)	(1,149)	(14.1)
Operating profit excluding special items (EBIT excluding special items)		**1,163**	**1,302**	**(10.7)**
Special items	5	(131)	(161)	18.6
Operating profit (EBIT)		**1,032**	**1,141**	**(9.6)**
Financial income and expenses	6.7	(333)	(193)	(72.5)
Profit before income taxes		**699**	**948**	**(26.3)**
Income taxes		(188)	(242)	22.3
Profit for the period from continuing operations		**511**	**706**	**(27.6)**
Profit for the period from discontinued operations		-	10	-
Profit for the period		**511**	**716**	**(28.6)**
Profit attributable to:				
Owners of the parent		516	716	(27.9)
Non-controlling interests		(5)	-	-
EPS (DKK)				
Earnings Per Share, basic		0.64	0.89	(28.1)
Earnings Per Share, diluted		0.64	0.89	(28.1)
Adjusted EPS		0.95	1.25	(24.0)

Statements of Comprehensive Income

DKKm	Q1 2015	Q1 2014
Profit for the period	**511**	**716**
Items that can subsequently be reclassified to the Income Statement:		
Currency translation adjustments, foreign enterprises	515	14
Fair value adjustments of cash flow hedges	133	(79)
Fair value adjustments of cash flow hedges transferred to Financial expenses	(36)	13
Items that cannot subsequently be reclassified to the Income Statement:		
Remeasurement effects related to defined benefit pension plans	(12)	(800)
Income tax relating to remeasurement effects from defined benefit pension plans	3	176
Other comprehensive income/(loss)	**603**	**(676)**
Total comprehensive income	**1,114**	**40**

Balance Sheet				DKKm
	Note	31 March 2015	31 December 2014	31 March 2014
Assets				
Non-current assets				
Intangible assets		41,102	40,893	31,181
Property, plant and equipment		17,819	17,504	15,329
Joint ventures, associates and other investments		75	77	85
Deferred tax assets		-	-	34
Pension assets	7	5,167	5,205	5,916
Receivables		298	312	274
Derivative financial instruments		766	214	113
Prepaid expenses		310	310	292
Total non-current assets		**65,537**	**64,515**	**53,224**
Current assets				
Inventories		340	319	358
Receivables		3,226	3,458	3,316
Income tax receivables		180	65	-
Derivative financial instruments		466	598	112
Prepaid expenses		770	660	677
Cash		327	4,746	429
Total current assets		**5,309**	**9,846**	**4,892**
Total assets		**70,846**	**74,361**	**58,116**

Balance Sheet				DKKm
	Note	31 March 2015	31 December 2014	31 March 2014
Equity and liabilities				
Equity				
Share capital		812	812	812
Reserve for currency translation adjustments		(1,115)	(1,727)	(869)
Retained earnings		19,177	18,656	18,740
Proposed dividends		-	802	-
Equity attributable to owners of the parent		**18,874**	**18,543**	**18,683**
Hybrid capital		5,559	-	-
Non-controlling interests		103	104	-
Total equity		**24,536**	**18,647**	**18,683**
Non-current liabilities				
Deferred tax liabilities		4,246	4,271	3,741
Provisions		1,025	992	836
Pension liabilities	7	107	105	89
Loans	8	26,854	18,630	17,310
Derivative financial instruments		-	-	288
Deferred income		512	525	614
Total non-current liabilities		**32,744**	**24,523**	**22,878**
Current liabilities				
Loans	8	2,767	20,051	6,402
Trade and other payables		6,608	7,244	6,285
Income tax payable		-	1	297
Derivative financial instruments		668	531	93
Deferred income		3,275	3,074	2,990
Provisions		248	290	488
Total current liabilities		**13,566**	**31,191**	**16,555**
Total liabilities		**46,310**	**55,714**	**39,433**
Total equity and liabilities		**70,846**	**74,361**	**58,116**

Statements of Cash Flow			DKKm
	Q1 2015	Q1 2014	Change in %
EBITDA	2,474	2,451	0.9
Adjustment for non-cash items	77	74	4.1
Pension contributions	(33)	(37)	10.8
Payments related to provisions	(2)	(2)	-
Special items	(137)	(128)	(7.0)
Change in working capital	62	(174)	135.6
Interest paid, net	(666)	(639)	(4.2)
Realised currency translation adjustments	-	1	-
Income tax paid	(350)	(313)	(11.8)
Operating activities in continuing operations	**1,425**	**1,233**	**15.6**
Operating activities in discontinued operations	-	27	-
Total cash flow from operating activities	**1,425**	**1,260**	**13.1**
Investment in enterprises	(104)	1	-
Investment in property, plant and equipment	(885)	(593)	(49.2)
Investment in intangible assets	(220)	(261)	15.7
Investment in other non-current assets	(3)	(26)	88.5
Sale of other non-current assets	7	32	(78.1)
Investing activities in continuing operations	**(1,205)**	**(847)**	**(42.3)**
Investing activities in discontinued operations	(2)	(12)	83.3
Total cash flow from investing activities	**(1,207)**	**(859)**	**(40.5)**
Proceeds from long-term loans	7,742	-	-
Finance lease repayments	(18)	(13)	(38.5)
Repayments of long-term loans	(5,967)	-	-
Change in short-term bank loans	(11,379)	205	-
Proceeds from issuance of hybrid capital	5,559	-	-
Dividends paid	(598)	(1,336)	55.2
Dividends received from joint ventures and associates	4	-	-
Financing activities in continuing operations	**(4,657)**	**(1,144)**	**-**
Total cash flow from financing activities	**(4,657)**	**(1,144)**	**-**
Total cash flow	**(4,439)**	**(743)**	**-**
Cash and cash equivalents (beginning-of-period)	4,746	1,172	-
Effect of exchange rate changes on cash and cash equivalents	20	-	-
Cash and cash equivalents (end-of-period)	**327**	**429**	**(23.8)**

Equity free cash flow

DKKm

	Q1 2015	Q1 2014	Change in %
EBITDA	2,474	2,451	0.9
Change in working capital	62	(174)	135.6
Interest paid, net	(666)	(639)	(4.2)
Income tax paid	(350)	(313)	(11.8)
Cash flow from capital expenditure	(1,105)	(854)	(29.4)
Cash flow related to special items	(137)	(128)	(7.0)
Other	24	23	4.3
Equity free cash flow	**302**	**366**	**(17.5)**

Statements of Changes in Equity

DKKm

	Equity attributable to owners of the Parent Company								
	Share capital	Reserve for currency translation adjustments	Reserve for cash flow hedges	Retained earnings	Proposed dividends	Total	Hybrid capital	Non-controlling interests	Total
Equity at 1 January 2014	812	(691)	(126)	18,603	1,786	20,384	-	-	20,384
Profit for the period	-	-	-	716	-	716	-	-	716
Currency translation adjustments, foreign enterprises	-	14	-	-	-	14	-	-	14
Fair value adjustments of cash flow hedges	-	-	(79)	-	-	(79)	-	-	(79)
Fair value adjustments of cash flow hedges transferred to Financial expenses	-	-	13	-	-	13	-	-	13
Remeasurement effects related to defined benefit pension plans	-	-	-	(800)	-	(800)	-	-	(800)
Income tax relating to remeasurement effects from defined benefit pension plans	-	-	-	176	-	176	-	-	176
Total comprehensive income	**-**	**14**	**(66)**	**92**	**-**	**40**	**-**	**-**	**40**
Distributed dividends	-	-	-	25	(1,786)	(1,761)		-	(1,761)
Share-based remuneration	-	-	-	20	-	20		-	20
Total transactions with shareholders	**-**	**-**	**-**	**45**	**(1,786)**	**(1,741)**		**-**	**(1,741)**
Equity at 31 March 2014	**812**	**(677)**	**(192)**	**18,740**	**-**	**18,683**		**-**	**18,683**

Statements of Changes in Equity – continued

DKKm

	Equity attributable to owners of the Parent Company								
	Share capital	**Reserve for currency translation adjustments**	**Reserve for cash flow hedges**	**Retained earnings**	**Proposed dividends**	**Total**	**Hybrid capital**	**Non-controlling interests**	**Total**
Equity at 1 January 2015	812	(1,604)	(123)	18,656	802	18,543	-	104	18,647
Profit for the period	-	-	-	516	-	516	-	(5)	511
Currency translation adjustments, foreign enterprises	-	515	-	-	-	515	-	-	515
Fair value adjustments of cash flow hedges	-	-	133	-	-	133	-	-	133
Fair value adjustments of cash flow hedges transferred to Financial expenses	-	-	(36)	-	-	(36)	-	-	(36)
Fair value adjustments of cash flow hedges transferred to investment in enterprises	-	-	-	-	-	-	-	-	-
Remeasurement effects related to defined benefit pension plans	-	-	-	(12)	-	(12)	-	-	(12)
Income tax relating to remeasurement effects from defined benefit pension plans	-	-	-	3	-	3	-	-	3
Change of corporate income tax rate (relating to defined benefit pension plans)	-	-	-		-	-	-	-	-
Total comprehensive income	**-**	**515**	**97**	**507**	**-**	**1,119**	**-**	**(5)**	**1,114**
Distributed dividends	-	-	-	-	(802)	(802)	-	-	(802)
Share-based remuneration	-	-	-	14	-	14	-	-	14
Additions, hybrid capital	-	-	-	-	-	-	5,559	-	5,559
Additions to minority interests	-	-	-	-	-	-	-	4	4
Total transactions with shareholders	**-**	**-**	**-**	**14**	**(802)**	**(788)**	**5,559**	**4**	**4,775**
Equity at 31 March 2015	**812**	**(1,089)**	**(26)**	**19,177**	**-**	**18,874**	**5,559**	**103**	**24,536**

Distributed dividends net of dividends related to treasury shares amounted to DKK 802m in Q1 2015 (Q1 2014: DKK 1,761m).

Notes to Consolidated Financial Statements

Note 1 Accounting policies

TDC's Interim Financial Report for Q12015 has been prepared in accordance with IAS 34 Interim Financial Reporting and the additional disclosure requirements for listed companies. The accounting policies are unchanged compared with the policies applied in the Group Annual Report 2014.

Hybrid capital
In February 2015, TDC A/S issued EUR 750m callable subordinated capital securities (hybrid bonds). For further details on the hybrid capital, see note 9. The accounting policies for hybrid capital are as follows:

Hybrid capital comprises issued bonds that qualify for treatment in accordance with the rules on compound financial instruments due to the special characteristics of the loan. The principal amount, which constitutes a liability, is recognised at the present value, and equity has been increased by the difference between the net proceeds received and the present value of the discounted liability. As coupon payments are discretionary and therefore not included in the calculation of present value of the liability, the present value amounts to nil on initial recognition. Accordingly, any coupon payments are recognised directly in equity at the time the payment obligation arises. This is because the coupon payments are discretionary and relate to the part of the hybrid capital that is recognised in equity. Coupon payments will consequently have no effect on profit for the year.

The part of the hybrid capital that is accounted for as a liability is measured at amortised cost. However, as the carrying amount of this component amounted to nil on initial recognition, and because of the 1,000-year term of the hybrid capital, amortisation charges will only impact on profit for the year towards the end of the 1,000-year term of the hybrid capital. Coupon payments are recognised in the statement of cash flow as a separate item within financing activities.

Critical accounting estimates and judgements
When preparing the Consolidated Financial Statements, Management makes assumptions that affect the reported amount of assets and liabilities at the balance sheet date, and the reported income and expenses for the accounting period. The accounting estimates and judgements considered material to the preparation appear from note 1.2 to the Consolidated Financial Statement for 2014, cf. TDC's Group Annual Report 2014.

Note 2 Segment reporting

In Q1 2015, TDC made certain changes that impacted TDC's segment reporting:

- TDC reallocates all domestic interconnect revenue from Consumer and Business to Wholesale
- Further, minor changes have been made in the internal settlements and organisation; the largest change is the sale of handsets to business customers, where the responsibility has moved from Consumer to Business

Comparative figures have been restated accordingly.

Note 2 Segment reporting (continued)

Segments

DKKm

Activities Q1 2015

	Consumer		Business		Wholesale		Norway		Sweden		Operations & Channels		Total	
	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014	Q1 2015	Q1 2014
Mobility services	652	708	370	441	132	163	-	-	-	-	1	1	1,155	1,313
Landline voice	292	326	283	329	64	74	-	-	-	-	4	4	643	733
Internet and network	617	589	529	565	168	172	-	-	-	-	25	23	1,339	1,349
TV	1,075	1,058	10	10	8	7	-	-	-	-	-	-	1,093	1,075
Other services	242	205	317	269	35	31	-	-	-	-	89	72	683	577
Norway and Sweden	-	-	-	-	-	-	790	220	664	659	-	-	1,454	879
Revenue	**2,878**	**2,886**	**1,509**	**1,614**	**407**	**447**	**790**	**220**	**664**	**659**	**119**	**100**	**6,367**	**5,926**
Total operating expenses excl. depreciation, etc.	(997)	(951)	(560)	(480)	(183)	(197)	(492)	(179)	(592)	(555)	(971)	(1,001)	(3,795)	(3,363)
Other income and expenses	-	5	(1)	-	-	-	-	-	4	-	20	12	23	17
EBITDA	**1,881**	**1,940**	**948**	**1,134**	**224**	**250**	**298**	**41**	**76**	**104**	**(832)**	**(889)**	**2,595**	**2,580**
Specification of revenue:														
External revenue	2,878	2,886	1,450	1,560	362	419	760	191	630	623	112	96	6,192	5,775
Revenue across segments	-	-	59	54	45	28	30	29	34	36	7	4	175	151

Reconciliation of revenue

DKKm

	Q1 2015	Q1 2014
Reportable segments	6,367	5,926
Elimination of revenue across segments	(175)	(151)
Revenue from Headquarters	1	-
Consolidated external revenue	**6,193**	**5,775**

Reconciliation of profit before depreciation, amortisation and special items (EBITDA)

DKKm

	Q1 2015	Q1 2014
EBITDA from reportable segments	2,595	2,580
EBITDA from Headquarters	(121)	(129)
Unallocated:		
Depreciation, amortisation and impairment losses	(1,311)	(1,149)
Special items	(131)	(161)
Financial income and expenses	(333)	(193)
Consolidated profit before income taxes	**699**	**948**

Note 3 Employees

FTEs (EoP)	Q1 2015	2014	Q1 2014	Change in % Q1 2015 vs. Q1 2014	Change in % Q1 2015 vs. 2014
Consumer	481	453	414	16.2	6.2
Business	1,061	1,066	1,127	(5.9)	(0.5)
Wholesale	128	126	131	(2.3)	1.6
Cost centre [1 2 3]	5,279	5,219	5,926	(10.9)	1.1
Norway [4]	941	923	178	-	2.0
Sweden [5]	805	807	778	3.5	(0.2)
TDC Group	**8,694**	**8,594**	**8,554**	**1.6**	**1.2**
Of which in Denmark	**6,803**	**6,780**	**7,597**	**(10.5)**	**0.3**

FTEs and temps (EoP)	Q1 2015	2014	Q1 2014	Change in % Q1 2015 vs. Q1 2014	Change in % Q1 2015 vs. 2014
Consumer	481	453	414	16.2	6.2
Business	1,064	1,069	1,131	(5.9)	(0.5)
Wholesale	129	128	133	(3.0)	0.8
Cost centre [1 2 3]	5,324	5,254	5,967	(10.8)	1.3
Norway [4]	964	943	197	-	2.2
Sweden [5]	834	832	819	1.8	0.2
TDC Group	**8,797**	**8,681**	**8,660**	**1.6**	**1.3**
Of which in Denmark	**6,853**	**6,821**	**7,644**	**(10.3)**	**0.5**

[1] Including Bet25 with 37 FTE as of April 2014.
[2] Includes Operations, Channels, Headquarters, expats and personnel on leave, etc.
[3] Outsourcing of 704 in Channels' call centre activities to Sitel as of October 2014.
[4] Including Get with 762 FTEs as of November 2014.
[5] Including Viridis with 45 FTE as of October 2014.

Note 4 Depreciation, amortisation and impairment loss

DKKm	Q1 2015	Q1 2014
Depreciation on property, plant and equipment	(762)	(644)
Amortisation of intangible assets	(547)	(487)
Impairment losses	(2)	(18)
Total	**(1,311)**	**(1,149)**

The depreciations and amortisations in Q1 2015 were higher compared with Q1 2014 following the acquisition of Get in October 2014.

The initial accounting for the business combination regarding the acquisition of the Get Group has not been completed.

Note 5 Special items

Special items include significant amounts that cannot be attributed to normal operations such as restructuring costs and special write-downs for impairment of intangible assets and property, plant and equipment. Special items also include gains and losses related to divestment of enterprises, as well as transaction costs and adjustments of purchase prices relating to acquisition of enterprises on or after 1 January 2010.

Special items as described above are disclosed as a separate item in the Income Statements. Items of a similar nature for non-consolidated enterprises and discontinued operations are recognised in Profit from joint ventures and associates and Profit for the year from discontinued operations, respectively.

Special items		DKKm
	Q1 2015	Q1 2014
Costs related to redundancy programmes and vacant tenancies	(138)	(148)
Other restructuring costs, etc.	(4)	(21)
Income from rulings	11	8
Special items before income taxes	**(131)**	**(161)**
Income taxes related to special items	32	38
Total special items	**(99)**	**(123)**

Note 6 Financial income and expenses

Net financials	Q1 2015	Q1 2014	Change in %
			DKKm
Interest income	8	14	(42.86)
Interest expenses	(277)	(232)	19.40
Net interest	**(269)**	**(218)**	**23.39**
Currency translation adjustments	(73)	(11)	-
Fair value adjustments	(10)	(20)	(50.00)
Interest, currency translation adjustments and fair value adjustments	**(352)**	**(249)**	**41.37**
Profit from joint ventures and associates	(3)	(2)	50.00
Interest on pension assets	22	58	(62.07)
Total	**(333)**	**(193)**	**72.54**

Interest, currency translation adjustments and fair value adjustments represented an expense of DKK 351m, a DKK 103m increase compared with Q1 2014, driven primarily by:

Interest

The higher interest expense related to the bridge bank loan that partly financed the acquisition of Get until the refinancing in February 2015. In February 2015, the terminated bridge bank loan and the maturing EMTN loan were replaced by hybrid capital, EMTN bank loans and cash. Although the acquisition of Get resulted in a higher level of long-term loans compared with Q1 2014, it did not result in higher interest expenses due to lower interest rates on the new loans.

Currency translation adjustment

The increasing EUR/DKK exchange rate in Q1 2015 resulted in a loss of DKK 65m on EUR denominated debt.

Fair value adjustments

Pre-hedges related to the refinancing in February 2015 resulted in a loss due to declining market interest rates. This was partly offset by gains from cross-currency swaps related to the EMTN GBP debt[1].

[1]The GBP EMTN loan is hedged to the fixed EUR interest rate and treated as hedge accounting. The hedge is recognised in Other comprehensive income and the ineffective part of the hedge is recognised as fair value adjustments in the Income Statements. The test of efficiency is comparing the GBP/EUR hedge with a theoretical GPB/DKK hedge.

Specifications	Q1 2015				Q1 2014			DKKm
	Interest	Currency translation adjustments	Fair value adjustments	Total	Interest	Currency translation adjustments	Fair value adjustments	Total
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(213)	(48)	36	(225)	(205)	(11)	(13)	(229)
European Investment Bank(EBI) and KfW bank loans incl. hedges (treated as hedge accounting)	(4)	(16)		(20)	-	-	-	-
Other hedges (not treated as hedge accounting)	-	-	(46)	(46)	-	0	(7)	(7)
Other	(52)	(9)	-	(61)	(13)	-	-	(13)
Net financials	**(269)**	**(73)**	**(10)**	**(352)**	**(218)**	**(11)**	**(20)**	**(249)**

Note 7 Pension assets and pension obligations

Pension (costs)/income		DKKm
	Q1 2015	Q1 2014
Specification of plans:		
Denmark	(15)	24
Norway	(5)	(4)
Pension income/(costs) from defined benefit plans	**(20)**	**20**
Recognition:		
Service cost[1]	(40)	(36)
Administrative expenses	(2)	(2)
Wages, salaries and pension costs (included in EBITDA)	**(42)**	**(38)**
Interest on pension assets	22	58
Pension income/(costs) from defined benefit plans recognised in the income statements	**(20)**	**20**

[1] The increase in the present value of the defined benefit obligation resulting from employee services in the current period.

Domestic defined benefit plan		DKKm
Pension (costs)/income	Q1 2015	Q1 2014
Service cost	(36)	(33)
Administrative expenses	(2)	(2)
Wages, salaries and pension costs (included in EBITDA)	**(38)**	**(35)**
Interest on pension assets	23	59
Pension (costs)/income	**(15)**	**24**
Domestic redundancy programmes recognised in special items	(36)	(49)
Total pension (costs)/income recognised in the Income Statements	**(51)**	**(25)**

The pension fund operates defined benefit plans via a separate legal entity supervised by the Danish Financial Supervisory Authority (FSA). In accordance with existing legislation, Articles of Association and the pension regulations, TDC is required to make contributions to meet the capital adequacy requirements. Distribution of funds from the pension fund to TDC is not possible until all pension obligations have been met. Since 1990, no new members have joined the pension fund plans, and the pension fund is prevented from admitting new members in the future due to the Articles of Association.

Note 7 Pension assets and pension obligations (continued)

Domestic defined benefit plan (continued)			DKKm
Assets and obligations	**31 March 2015**	**31 December 2014**	**31 March 2014**
Specification of pension assets			
Fair value of plan assets	31,668	29,870	28,965
Defined benefit obligation	(26,501)	(24,665)	(21,033)
Pension assets recognised in the Balance Sheets	**5,167**	**5,205**	**7,932**
Change in pension assets			
Pension assets recognised at 1 January	5,205	6,708	7,918
Pension (costs)/income	(51)	(16)	(14)
Remeasurement effects	(11)	(1,628)	(34)
TDC's contribution	24	141	62
Pension assets recognised in the Balance Sheets	**5,167**	**5,205**	**7,932**
Discount rate (%)			
Used to determine benefit obligations	1.30	1.70	3.00
Used to determine pension cost/income	1.70	3.50	3.50

Foreign defined benefit plans

TDC's foreign defined benefit plans concern employees in Norway. The difference between the actuarially determined pension obligations and the fair value of the pension funds' assets is recognised in the Balance Sheets under pension liabilities. Pension contributions related to foreign defined benefit plans amounted to DKK 9m in Q1 2015 and DKK 10m in Q1 2014. Pension liabilities related to foreign defined benefit plans amounted to DKK 106m at 31 March 2015 and DKK 89m at 31 March 2014.

Note 8 Loans and net interest-bearing debt

Euro Medium Term Notes (EMTNs) and bank loans	2015	2018	2019	2020	2022	2023	2027	DKKm Total
Maturity	16-Dec-15	23-Feb-18	30-Dec-19	04-Feb-20	02-Mar-22	23-Feb-23	27-Feb-27	
Fixed/Floating rate	Fixed	Fixed	Floating	Floating	Fixed	Fixed	Fixed	
Coupon	5.875%	4.375%			3.750%	5.625%	1.750%	
Currency	EUR	EUR	EUR	EUR	EUR	GBP	EUR	
Type	Bond	Bond	Bank loan	Bank loan	Bond	Bond	Bond	
Nominal value (DKKm)	2,044	5,977	2,988	1,868	3,735	5,685	5,977	28,274
Nominal value (Currency)	274	800	400	250	500	550	800	-
Hereof nominal value swapped to or with floating interest rate (EURm)	100	200	400	250	150	50	0	1,150
Hereof nominal value swapped from GBP to EUR (GBPm)1	0	0	0	0	0	550	0	550

[1] The nominal value of the GBP 550m Feb-2023 bond is fully swapped to EUR 658m.

The maturity analysis above does not include hybrid capital with a principal amount totalling DKK 5,603m due in 3015. For further details on hybrid capital, see note 9.

The maturity of derivatives used for hedging of long-term loans matches the maturity of the underlying loans.

Net interest-bearing debt TDC Group	31 March 2015	31 December 2014	DKKm 31March 2014
Interest-bearing receivables and investments	(293)	(307)	(269)
Cash	(327)	(4,746)	(429)
Long-term loans	26,854	18,630	17,310
Short-term loans	2,767	20,051	6,402
Interest-bearing payables	2	7	13
Derivative financial instruments hedging fair value and currency on loans	(1,105)	(711)	(391)
Net interest-bearing debt	**27,898**	**32,924**	**22,636**
50% of hybrid capital	2,780	0	0
Adjusted net interest-bearing debt	**30,678**	**32,924**	**22,636**

[1] Related primarily to loans to the pension fund, TDC Pensionskasse.

The decrease in both NIBD and adjusted NIBD was mainly attributable to the issuance of hybrid bonds, partly offset by dividends paid.

Note 9 Hybrid capital

In February 2015, TDC A/S issued EUR 750m callable subordinated capital securities (hybrid bonds). The hybrid capital is subordinate to the Group's other creditors. The further key details on the hybrid bonds are:

- Final maturity: 26 February 3015
- First par call date: 26 February 2021
- Coupon: Fixed at 3.5000% until 26 February 2021

TDC may defer coupon payments to bond holders. However, deferred coupon payments will fall due for payment in the event of distribution of dividends to TDC's shareholders. Deferred coupons will lapse in 3015.

The hybrid capital is accounted for as equity. Coupon payments will be recognised directly in equity at the time the payment obligation arises. Non-recognised accumulated coupons amounted to DKK18m as of 31 March 2015. Coupon payments are recognised in the statement of cash flow as a separate item within financing activities. For further information on accounting policies for hybrid capital, see note 1.

Hybrid coupon payments will be included as a separate item in the statement of EFCF. First possible coupon payment is in February 2016.

The hybrid bonds issued by TDC provide 50% equity credit from rating agencies. Accordingly, an adjusted net interest-bearing debt (NIBD) and leverage ratio are disclosed, where 50% of the hybrid capital is included in NIBD.

Note 10 Event after the balance sheet date

On 13 April 2015, TDC announced that TDC is conducting a strategic review of TDC Hosting. The strategic review may or may not lead to a sale of TDC Hosting. There can be no assurance when such a sale will occur, if at all. Further communication will be made if and when a decision to proceed with a sale has been taken.

Selected financial and operational data

TDC Group

		Q1 2015	Q1 2014	2014	2013	2012	2011
Income Statements	DKKm						
Revenue		6,193	5,775	23,344	23,986	25,472	25,606
Gross profit		4,440	4,258	17,092	17,431	18,154	18,811
EBITDA		2,474	2,451	9,804	9,979	10,136	10,306
Operating profit (EBIT)		1,032	1,141	3,808	4,115	4,438	4,347
Profit before income taxes		699	948	2,793	3,432	4,320	3,817
Profit for the period from continuing operations		511	706	2,452	3,078	3,691	2,721
Profit for the period		511	716	3,228	3,119	3,784	2,752
Income Statements, excluding special items							
Operating profit (EBIT)		1,163	1,302	5,076	5,047	5,176	5,194
Profit before income taxes		830	1,109	4,060	4,364	4,298	4,664
Profit for the period from continuing operations		610	829	3,529	3,766	3,344	3,389
Profit for the period		610	839	3,551	3,780	3,448	3,442
Balance Sheets	DKKbn						
Total assets		70.8	58.1	74.4	60.4	63.5	65.2
Net interest-bearing debt		(27.9)	(22.6)	(32.9)	(21.7)	(21.9)	(21.0)
Total equity		24.5	18.7	18.6	20.4	21.5	22.2
Average number of shares outstanding (million)		801.5	800.0	800.2	798.9	802.3	816.7
Capital expenditure		(1,142)	(863)	(3,909)	(3,606)	(3,406)	(3,344)
Statements of Cash Flow	DKKm						
Operating activities		1,425	1,233	7,131	7,058	6,720	6,972
Investing activities		(1,205)	(847)	(16,528)	(3,929)	(2,862)	(3,546)
Financing activities		(4,657)	(1,144)	11,872	(3,102)	(4,448)	(2,815)
Total cash flow from continuing operations		**(4,437)**	**(758)**	**2,475**	**27**	**(590)**	**611**
Total cash flow in discontinued operations[1]		(2)	15	1,099	172	74	47
Total cash flow		**(4,439)**	**(743)**	**3,574**	**199**	**(516)**	**658**
Equity free cash flow		302	366	3,214	3,302	3,128	3,494

		Q1 2015	Q1 2014	2014	2013	2012	2011
Key financial ratios							
Earnings Per Share (EPS)	DKK	0.64	0.89	4.05	3.90	4.72	3.37
EPS from continuing operations, excl. special items	DKK	0.76	1.04	4.41	4.71	4.17	4.15
Adjusted EPS	DKK	0.95	1.25	5.31	5.35	5.40	5.53
Dividend payments per share	DKK	-	-	2.50	3.70	4.60	4.35
Dividend payout (% of EFCF)	%	-	-	62.9	89.3	118.3	99.1
Gross margin	%	71.7	73.7	73.2	72.7	71.3	73.5
EBITDA margin	%	39.9	42.4	42.0	41.6	39.8	40.2
Net interest-bearing debt/EBITDA[2]	x	2.8	2.2	3.4	2.1	2.1	2.0
Adjusted NIBD/EBITDA	x	3.1	2.2	3.4	2.1	2.1	2.0
Retail RGUs (Denmark)							
Mobile subscriptions	# ('000)	2,874	2,964	2,904	3,004	3,016	3,075
TV	# ('000)	1,402	1,412	1,420	1,393	1,392	1,337
Broadband	# ('000)	1,354	1,367	1,358	1,361	1,327	1,289
Landline voice	# ('000)	959	1,145	1,010	1,193	1,350	1,483
Employees[3]							
FTEs (end-of-period)	#	8,694	8,554	8,594	8,587	8,885	9,551
FTEs and temps (end-of-period)	#	8,797	8,660	8,681	8,712	9,097	10,051

[1] TDC Finland (divested in 2014) and Sunrise (divested in 2010) are presented as discontinued operations. Other divestments are included in the respective accounting items during the ownership.
[2] EBITDA for Get is included for November-December 2014 only. On a pro forma basis (if EBITDA for Get is included for the full year 2014), the leverage ratio at year-end 2014 would have been 3.1.
[3] From Q1 2012, Danish civil servants seconded to external parties are excluded from the calculation of FTEs. 156 seconded civil servants were included in FTE figures EOP 2011.

Corporate matters

Changes in the Executive Committee of TDC A/S

On 9 March, TDC Group announced that Gunnar Evensen, Chief Executive Officer of Get AS and TDC AS (Norway), was appointed member of the Executive Committee with responsibility for Norway, and Erik Heilborn, Chief Executive Officer of TDC Sweden AB, was appointed member of the Executive Committee with responsibility for Sweden.

Both appointments are a significant step towards further strengthening TDC as the leading Scandinavian communications solutions and home entertainment company.

Gunnar Evensen, who is 52 years old, holds a Master's Degree in Business Administration from BI Norwegian Business School, Oslo, and has been employed in Get AS, a subsidiary of TDC, since 1998, from 2000 as Chief Executive Officer of Get. Erik Heilborn, who is also 52 years old, holds a Master of Science in Engineering from KTH Royal Institute of Technology, Stockholm, and has been employed in TDC Sweden AB, a subsidiary of TDC, since 2009 as Chief Executive Officer of TDC Sweden AB.

Besides being members of the Executive Committee of TDC A/S, Gunnar Evensen and Erik Heilborn remain Chief Executive Officers of Get AS/TDC Norway AS and TDC Sweden AB, respectively.

At the same time, TDC announced that Asger Hattel, member of the Executive Committee with responsibility for Nordic, Wholesale, Transformation and TAK, had resigned to join the Executive Committee in Nets with responsibility for Merchant Services.

On 19 March 2015, TDC announced that the Board of Directors has appointed Jesper Isaksen as TDC's new Chief Human Resources Officer and member of TDC's Corporate Management Team.

Jesper Isaksen is 47 years old and holds a Master's Degree in Psychology as well as a PhD in Industrial Psychology, both from the University of Copenhagen. He has accepted the appointment from a position as Vice President HR Coding & Marking in Danaher Corp., Chicago.

Risk factors

TDC's Annual Report describes certain risks that could materially and adversely affect TDC's business, financial condition, results of operations and/or cash flows. At the end of Q1 2015, TDC expects no significant changes in the risks.

Forward-looking statements

This Report may include statements about TDC's expectations, beliefs, plans, objectives, assumptions or future events or performance that are not historical facts and may be forward-looking. These statements are often, but not always, formulated using words or phrases such as “are likely to result”, “are expected to”, “will continue”, “believe”, “is anticipated”, “estimated”, “intends”, “expects”, “plans”, “seeks”, “projection” and “outlook” or similar expressions or negatives thereof. These statements involve known and unknown risks, estimates, assumptions and uncertainties that could cause actual results, performance or achievements or industry results to differ materially from those expressed or implied by such forward-looking statements.

Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this financial report. Key factors that may have a direct bearing on TDC's results include: the competitive environment and the industry in which TDC operates; contractual obligations in TDC's financing arrangements; developments in competition within the domestic and international communications industry; information technology and operational risks including TDC's responses to change and new technologies; introduction of and demand for new services and products; developments in demand, product mix and prices in the mobile and multimedia services market; research regarding the impact of mobile phones on health; changes in applicable legislation, including but not limited to tax and telecommunications legislation and anti-terror measures; decisions made by the Danish Business Authority; the possibility of being awarded licences; increased interest rates; the status of important intellectual property rights; exchange-rate fluctuations; global and local economic conditions; investments in and divestment of domestic and foreign companies; and supplier relationships.

As the risk factors referred to in this Report could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Report, undue reliance is not to be placed on any of these forward-looking statements. New factors will emerge in the future that TDC cannot predict. In addition, TDC cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

Management Statement

Management Statement

Today, the Board of Directors and the Executive Committee considered and approved the Interim Financial Report of TDC Group for Q1 2015.

The Interim Financial Report, which has neither been audited nor reviewed by the Group's auditor, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the Interim Financial Report provides a true and fair view of the Group's assets, liabilities and financial position at 31 March 2015 as well as the results of operations and cash flows for Q1 2015. Furthermore, in our opinion, the Management's Review provides a fair review of the developments in the Group's activities and financial position, and describes the significant risks and uncertainties that may affect the Group.

Copenhagen, 7 May 2015

Executive Committee

Carsten Dilling
President and Group Chief Executive Officer

Pernille Erenbjerg
Deputy Chief Executive Officer and Group Chief Financial Officer

Johan Kirstein Brammer
Senior Executive Vice President of Consumer and Group Chief Marketing Officer

Peter Trier Schleidt
Senior Executive Vice President of Operations and Group Chief Operating Officer

Jens Munch-Hansen
Senior Executive Vice President of Business

Gunnar Evensen
Senior Executive Vice President of Norway

Erik Heilborn
Senior Executive Vice President of Sweden

Jens Aaløse
Senior Executive Vice President of Channels

Board of Directors

Vagn Sørensen
Chairman

Pierre Danon
Vice Chairman

Stine Bosse

Pieter Knook

Angus Porter

Benoit Scheen

Søren Thorup Sørensen

Jan Bardino

Steen M. Jacobsen

Christian A. Christensen

Gert Winkelmann

John Schwartzbach

About TDC

TDC is the leading communications and home entertainment company in Scandinavia and the leading provider of communications services in Denmark. TDC comprises the business units Consumer, Business, Wholesale, Norway, Sweden and the cost centre Operations/Channels/Headquarters.

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Listing

Shares: NASDAQ OMX Copenhagen.
Reuters TDC.CO.
Bloomberg TDC DC.
Nominal value DKK 1.
ISIN DK0060228559.

Bloomberg TDC DC.
Nominal value DKK 1.
ISIN DK0060228559.