CEO comments and highlights

The Q3 financial results confirm the reported trends in H1 2015 and support the full-year guidance on all parameters.

The activities outside Denmark are performing well. Get continued to deliver strong EBITDA growth (8% YoY in Q3) and we are on track with realisation of synergies. The Swedish B2B division continued to benefit from a strong pipeline across product areas, delivering modest EBITDA growth for the second consecutive quarter. We expect further growth in Sweden going forward.

In Denmark we faced an unsatisfactory EBITDA decrease of 12% YoY with continued pressure in both B2B and B2C. However, both our Consumer and Business division reduced churn rates and consequently succeeded in increasing the mobile subscriber base by 13k vs. Q2. The key drivers in this context were a range of initiatives targeting bundled solutions as well as improved customer experiences offered by "Denmark's best mobile network".

That said, the competitive Danish mobile market, among the cheapest in Europe, is constricting earnings and challenging our strategic ambition to continue to invest in telecom infrastructure and launch innovative solutions. As fulfilment of this ambition requires improved profitability in our Danish activities, in mid-October we took an important step by increasing the lowest mobile price point for new customers.

Since becoming CEO in August, I have focused on renewing TDC's three-year strategic plan with emphasis on the challenging Danish market. Our ambition to be the preferred Scandinavian communications solutions and home entertainment company requires changes in the way customers perceive TDC. The benefits of remaining a loyal TDC customer must be clearer. We must therefore focus more on existing customers while simplifying both products and processes in order to deliver advanced solutions in a simpler way. Let me present two recent examples that I believe illustrate this ambition:

Firstly, YouSee is in the midst of revitalising its TV offering to meet the increasing popularity of on-demand services. This includes upgrading broadband customers to higher speeds as an enabler for on-demand services, as well as introducing an entertainment universe through an app featuring increased flexibility and on-demand availability. Secondly, we have expanded the value proposition for small and medium-sized businesses in Denmark by providing easy access to dedicated account manager teams in addition to launching a number of value added services in the mobile portfolio.

The management team and I are looking forward to finalising the full strategic plan. The release date for the plan will be announced shortly.

Pernille Erenbjerg, Group CEO

Highlights

- Q3 YoY growth in **revenue** (+4.5%) and **gross profit** (+3.7%) due to the acquisition of Get in Q4 2014. The YTD organic revenue decline (-2.1%) is in line with our full-year guidance
- **Increased opex spending** of -7.7% in Q3 affected by the inclusion of Get, but partly offset by savings in the Danish Cost Centre and a positive one-off in TDC Norway
- **EBITDA** up by 1.0% in Q3, but organic EBITDA decreased by 7.0% due to a continued challenging development in Denmark
- **EFCF** of DKK 1,333m in Q3, down by 9.4%, flattish when adjusted for a one-off tax refund that positively affected Q3 2014
- Growth in **Get** TV and broadband customers with net adds of 2k and 5k, respectively vs. Q2
- Continued pressure on mobile voice in the **Danish B2B business** with a YoY decline of 15% on ARPU
- Improved Consumer **mobile voice churn**, resulting in net adds of 11k vs. Q2, however with downward pressure on ARPU
- Loss of 6k **YouSee TV customers** vs. Q2; as part of revitalising YouSee's TV product all customers now have access to YouSee live TV through web and app both at home and on-the-go
- Reduced number of **unacceptable customer experiences** YTD (-8 %) driven by improvements in Q2 and Q3

Status on guidance parameters

	2015 guidance	YTD performance	Status
Organic revenue	Same development as in 2014 (-2.5%)	-2.1%	On track
EBITDA	At the same level or slightly better than 2014 (DKK 9,8bn)[1]	DKK 7,4bn[2]	On track
Capex	~DKK 4.3bn	3.2bn	On track
DPS	DKK 2.50	DKK 1.00	On track

[1] Assuming an exchange rate of ~0.85 DKK/NOK.
[2] Corresponding to YoY EBITDA growth of +1.5%.

Group performance

Revenue
In Q1-Q3 2015, TDC Group saw a 6.1% or DKK 1,035m increase in reported revenue, which was driven by the acquisition of Get (DKK 1,761m)[1]. This was partly offset by the continued negative impact from regulation and forex. Adjusted for these effects, organic revenue decreased by 2.1% or DKK 381m. This related mainly to the Danish business division and was partly offset by growth in Get and Sweden. The 2.1% decrease in Q1-Q3 2015 was at the same level as the 2014 full-year organic revenue decrease (2.5%).

Gross profit
In TDC Group, reported gross profit increased by 4.1% or DKK 522m in Q1-Q3 2015 due to the acquisition of Get (DKK 1,373m). Organic gross profit decreased by 4.6% or DKK 628m, driven by the revenue decrease in the Danish business division. The negative development in organic gross profit was also impacted by positive one-offs on transmission costs in Q1 2014, totalling DKK 29m in Sweden and TDC Norway.

The gross margin decreased from 74.0% in Q1-Q3 2014 to 72.7% in Q1-Q3 2015, driven by a changed product mix with a larger revenue share coming from low-margin areas. These factors were partly offset by positive contributions to the gross margin from the inclusion of Get and gross-profit-neutral regulatory MTR reductions in Denmark.

Operational expenditure
Reported operational expenditure increased by 7.8% or DKK 415m in Q1-Q3 2015, fuelled by the acquisition of Get (DKK 500m). Organic operational expenditure improved by 0.7% or DKK 43m as savings in the Danish Cost Centre, marketing and a one-off in TDC Norway (DKK 34m) were only partly offset by increased SAC/SRC spending and cost to mitigate high call volumes.

EBITDA
In Q1-Q3 2015, reported EBITDA increased by 1.5% or DKK 107m. Organic EBITDA decreased by 7.3% or DKK 585m.

The reported EBITDA margin decreased from 42.8% in Q1-Q3 2014 to 41.0% in Q1-Q3 2015, driven mainly by the lower gross margin.

Profit for the period
Profit for the period from continuing operations excluding special items decreased by DKK 566m, due mainly to higher depreciation and amortisation resulting from the acquisition of Get.

Following the gain from divesting TDC Finland in 2014 (DKK 754m), profit for the period including discontinued operations and special items decreased by DKK 1,233m.

Comprehensive income
Total comprehensive income increased by DKK 729m to DKK 1,691m. The decrease in profit for the period (DKK 1,233m) was more than

[1] Including organic growth.

TDC Group, key figures[1] — DKKm

		Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Income Statements	DKKm						
Revenue		5,898	5,643	4.5	18,121	17,086	6.1
Gross profit		4,336	4,182	3.7	13,166	12,644	4.1
EBITDA		2,537	2,512	1.0	7,424	7,317	1.5
Organic revenue[2]		5,898	6,095	(3.2)	18,121	18,502	(2.1)
Organic gross profit[2]		4,336	4,553	(4.8)	13,166	13,794	(4.6)
Organic EBITDA[2]		2,537	2,727	(7.0)	7,424	8,009	(7.3)
Profit for the period from continuing operations excluding special items		570	878	(35)	1,842	2,404	(23)
Profit for the period		517	712	(27)	1,598	2,827	(43)
Total comprehensive income		(474)	120	-	1,691	962	76
Capital expenditure		(1,018)	(787)	(29)	(3,203)	(2,607)	(23)
Equity free cash flow (EFCF)		1,333	1,472	(9)	2,447	2,928	(16)
Key financial ratios							
Earnings Per Share (EPS)	DKK	0.64	0.89	(28.1)	2.00	3.54	(43.5)
Adjusted EPS	DKK	0.90	1.32	(31.8)	2.87	3.66	(21.6)
Gross margin	%	73.5	74.1	-	72.7	74.0	-
EBITDA margin	%	43.0	44.5	-	41.0	42.8	-

[1] For additional data, see TDC Fact Sheet on www.investor.tdc.com/factsheet.cfm. For Glossary and definitions, see http://investor.tdc.com/glossary.cfm.
[2] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

offset by the higher other comprehensive income (DKK 1,958m) that related primarily to defined benefit plans.

The gains in Q1-Q3 2015 and the losses in Q1-Q3 2014 from defined benefit plans were caused primarily by the respective increases and decreases in the discount rate, as the recognised pension obligation is calculated by discounting the expected future pension payments. In Q1-Q3 2015, these impacts were partly offset by lower-than-assumed[2] returns and in Q1-Q3 2014 were offset by higher-than-assumed returns on pension plan assets.

Cash flow & NIBD — DKKm

		Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
EBITDA	DKKm	2,537	2,512	1.0	7,424	7,317	1.5
Change in working capital		13	(88)	114.8	(267)	(325)	17.8
Interest paid, net		(24)	(67)	64.2	(714)	(733)	2.6
Income tax paid		-	220	-	(353)	(93)	-
Cash flow from capital expenditure		(1,035)	(811)	(27.6)	(3,176)	(2,622)	(21.1)
Cash flow related to special items		(127)	(237)	46.4	(426)	(551)	22.7
Other		(31)	(57)	45.6	(41)	(65)	36.9
Equity free cash flow		**1,333**	**1,472**	**(9.4)**	**2,447**	**2,928**	**(16.4)**
Total cash flow from operating activities		2,392	2,298	4.1	5,687	5,592	1.7
Total cash flow from investing activities		(1,021)	(836)	(22.1)	(3,268)	(2,834)	(15.3)
Total cash flow from financing activities		(988)	(1,212)	18.5	(6,216)	(3,000)	(107.2)
Total cash flow from continuing operations		383	250	53.2	(3,797)	(242)	-
Total cash flow from discontinued operations		0	(31)	-	(2)	1,100	(100.2)
Total cash flow		**383**	**219**	**74.9**	**(3,799)**	**858**	**-**
Net interest-bearing debt (NIBD)		(26,728)	(20,722)	(29.0)	(26,728)	(20,722)	(29.0)
Adjusted NIBD		(29,505)	(20,722)	(42.4)	(29,505)	(20,722)	(42.4)
Adjusted NIBD/EBITDA	x	3.0	2.1	-	3.0	2.1	-

[2] In accordance with IFRS, the assumed returns are based on the discount rate, while the difference between the assumed returns and the actual returns is recognised in other comprehensive income.

Equity
During Q1-Q3 2015, total equity increased by DKK 5.7bn to DKK 24.3bn. This was due chiefly to the issuance of hybrid bonds (DKK 5.6bn), which are accounted for as equity in the balance sheet. In addition, total comprehensive income (DKK 1.7bn) exceeded distributed dividends (DKK 1.6bn).

Equity free cash flow
In Q1-Q3 2015, equity free cash flow decreased by 16.4% or DKK 481m. This reflected a decline in EBITDA in Denmark (DKK 789m) together with a slightly higher cash outflow related to capex in Denmark compared with Q1-Q3 2014. Growth was also negatively impacted by an income tax refund in Q3 2014 from previous years following the favourable resolution of a dispute with the tax authorities in Denmark. This was partly offset by a positive cash flow contribution (EBITDA-capex) of DKK 358m from Get in Q1-Q3 2015 as well as lower cash outflow to special items related to redundancies and a minor positive contribution from working capital.

On a full-year basis, TDC Group expects an equity free cash flow at the same level as in 2014. Higher cash outflow to capex for the full year 2015 is expected than in 2014, while tax paid is expected to be lower than in 2014 due to lower taxable income and a lower tax rate in Denmark.

Refinancing
In February 2015, the bridge bank loan stemming from the acquisition of Get (EUR 1,600m), was refinanced through a combination of senior unsecured EMTN bonds (EUR 800m, 12 years' maturity, 1.75% coupon) and hybrid capital (EUR 750m, 6 years non-call, 3.5% coupon).

In addition, the EUR 800m bond that matured in February 2015 was refinanced with bank loans (EUR 650m) and cash.

TDC intends to refinance its upcoming EUR 274m EMTN bond maturity in December 2015 with bank loans and cash.

Net interest-bearing debt
By the end of the quarter, net interest-bearing debt (NIBD) totalled DKK 26.7bn against DKK 32.9bn at the end of 2014.

The hybrid bonds of EUR 750m issued by TDC are accounted for as equity (DKK 5.6bn) and are not included in NIBD, while the earlier bridge bank loan was included in NIBD.

Hybrid coupon payments will be recognised directly in equity at the time the payment obligation arises and are recognised in the statement of cash flow and equity free cash flow upon payment.

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 was DKK 29.5bn compared with DKK 32.9bn at the end of 2014.

The decreases in both NIBD and adjusted NIBD were attributable mainly to the issuance of hybrid bonds and cash flow from operations that were partly offset by dividends paid[3].

Guidance 2015

TDC confirms the guidance presented below, which is identical to the guidance presented 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[1]	
Organic revenue	Same development as in 2014 (-2.5%)
EBITDA	At the same level or slightly better than in 2014 (DKK 9.8bn)
Capex	~DKK 4.3bn
DPS	DKK 2.50

[1] Assuming an exchange rate of ~0.85 DKK/NOK.

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

TDC Group's performance per business line (YTD)

In the illustration below, TDC Group's performance in Q1-Q3 2015 is presented using our traditional business line reporting, cf. segment reporting note 2.

In Q1-Q3 2015, TDC Group's reported EBITDA increased by DKK 107m driven by the acquisition of Get, since EBITDA in Denmark decreased by DKK 745m. This stems mainly from the Danish business division, which faced an EBITDA decrease of 16.9% or DKK 564m, a significant decline vs. the Q1-Q3 2014 growth rate (-7.4%). The decrease in the Danish business division resulted from substantial revenue and gross profit declines following intense competition across products in both low- and high-end segments.

In Consumer, EBITDA decreased by 4.9% or DKK 289m. The decline worsened compared with Q1-Q3 2014 (-1.7%) driven by mobility services, internet & network and other services as well as increased SAC/SRC spending.

EBITDA in Wholesale decreased by 7.3% or DKK 55m, driven by deteriorated gross profit across products, including a contraction in the MVNO business and regulatory price adjustments (LRAIC) affecting landline voice and broadband. Across cost centres, EBITDA improved by DKK 164m compared with Q1-Q3 2014. This was driven by opex savings of DKK 123m, as well as a gross profit increase of DKK 41m prompted by increased installation activities and managed services.

Solid EBITDA growth of 9.0% in Get in Q1-Q3 2015 compared with the same period last year. TDC Norway faced declining earnings, though EBITDA increased by 15.7% due to a positive one-off in Q3 from closing down a defined benefit plan (DKK 34m).

In Sweden, the EBITDA decrease of DKK 29m was related to both a negative forex effect of DKK 10m and a positive one-off of DKK 15m on transmission costs in Q1 2014. In local currency, Sweden reported EBITDA growth in both Q2 and Q3.

The more detailed explanation on the following pages presents TDC Group's Q1-Q3 2015 performance by product in Denmark; the Norwegian and Swedish segments' performance; 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)	Denmark in total	Get[2] (Norway)	TDC Norway	Sweden
Revenue[1]	18,121	8,377	4,365	1,259	351	14,184	1,761	606	1,940
	+6.1%	-2.2%	-8.7%	-8.0%	+5.1%	-4.9%	+5.3%	-2.7%	+9.2%
Gross profit[1]	13,166	6,359	3,507	816	255	10,825	1,373	212	753
	+4.1%	-3.4%	-13.2%	-7.1%	+19.2%	-6.8%	+7.5%	-12.6%	+1.7%
EBITDA[1]	7,424	5,594	2,775	696	-2,850	6,212	873	104	234
	+1.5%	-4.9%	-16.9%	-7.3%	+5.4%	-10.7%	+9.0%	+15.7%	-7.5%

[1] Both absolute figures and growth rates are excluding 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-Q3 2014 to Q1-Q3 2015 in local currency.

Mobility services

Q3 highlights

- Consumer's mobile voice customer base increased by 11k vs. Q2; improved churn rates YoY for the second consecutive quarter due to cross selling to existing TV and broadband customers
- Consumer's mobile voice ARPU declined by 4.1% vs. Q3 2014
- Continued high YoY mobile voice ARPU decrease in Business; in Q3, down DKK 24 or 15.1% vs. Q3 2014
- Small increase in Business' mobile voice customer base vs. Q2 2015, driven by growth in the high-end segments combined with a reduced loss in the low-end segments
- Recent introduction of a new mobile portfolio in Business ensuring a higher customer value proposition in small- and medium sized businesses through inclusion of more value added services
- Increase in data traffic per customer in Q3 of more than 60% compared with the level as before the unlimited data campaign

Mobility services in Denmark, key figures	DKKm						
		Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Revenue	DKKm	**1,167**	**1,303**	**(10.4)**	**3,456**	**3,920**	**(11.8)**
Consumer		665	698	(4.7)	1,962	2,105	(6.8)
Business		361	435	(17.0)	1,085	1,319	(17.7)
Wholesale		141	171	(17.5)	411	499	(17.6)
Other incl. eliminations		-	(1)	-	(2)	(3)	33.3
Gross profit		**1,052**	**1,160**	**(9.3)**	**3,108**	**3,519**	**(11.7)**
Gross margin	%	90.1	89.0	-	89.9	89.8	-
Organic revenue[1]	DKKm	1,167	1,251	(6.7)	3,456	3,788	(8.8)
Organic gross profit[1]		1,052	1,138	(7.5)	3,108	3,478	(10.6)
Mobile voice							
Consumer - RGU	# ('000)	1,809	1,810	(0.1)	1,809	1,810	(0.1)
Consumer - ARPU	DKK/month	117	122	(4.1)	116	120	(3.3)
Business - RGU	# ('000)	761	773	(1.6)	761	773	(1.6)
Business - ARPU	DKK/month	135	159	(15.1)	136	162	(16.0)

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

YTD financial performance

Revenue from mobility services in Denmark decreased by 11.8% or DKK 464m in Q1-Q3 2015. This was due to continued price competition in Business, an unsatisfactory customer base development during 2014 and reduced ARPU in Consumer, as well as the loss of an MVNO contract in Wholesale. The impact from regulation (DKK 137m) added to the negative development. A stable gross margin resulted in a gross profit decrease of 11.7%.

Consumer

Reported revenue from mobility services in Consumer decreased by 6.8% to DKK 1,962m in Q1-Q3 2015.

Consumer's revenue was negatively affected by YoY customer base loss in Q1 and Q2 while Q3 remained level with last year. This turnaround related largely to lower churn rates driven by retention activities with product upgrades and the unlimited data campaign for existing customers. However, Consumer's mobile voice ARPU decreased by 3.3% YoY due to pressure from the price-competitive market. ARPU was negatively affected by migration to lower price points as well as cross-selling of bundled solutions to existing TV and broadband customers in line with our household strategy.

Business

Reported revenue stemming from mobility services declined by 17.7% or DKK 234m to DKK 1,085m in Q1-Q3 2015.

The revenue decrease resulted from an ARPU decrease of DKK 26 or 16.0%. 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. Also, a more procurement-driven renegotiation process (incl. SKI) in the high-end segments resulted in a continued ARPU decline. The development within the customer base added to the total ARPU decline due to an increase of low-ARPU Public customers, combined with a loss in segments with higher ARPU. In total, the customer base decreased by 12k YoY .

Wholesale

Reported revenue from mobility services in Wholesale decreased by 17.6% or DKK 88m to DKK 411m in Q1-Q3 2015 driven mainly by the regulatory MTR reductions, primarily SMS, with limited gross profit impact. In addition, the revenue decrease was affected by both the loss of a large MVNO contract as of 1 January 2015 and a mobile voice APRU decline of 14.8% YoY from continued price pressure. The domestic mobile voice customer base increased by 16k YoY; however the growth did not fully compensate for the mobile voice ARPU decline.

TV

Q3 highlights

- YouSee's ARPU increase of DKK 8 vs. Q3 2014, driven by price increases effective as of 1 January 2015, partly offset by a changed package mix due to down migrations
- In Q3 2015, TDC brand/Fullrate ARPU declined by DKK 9 compared with Q3 2014, caused by a changed product mix
- Continued growth in the TDC brand and Fullrate TV customer base with an increase of 3k compared with Q2 2015
- Continued net loss of YouSee TV customers (-6k vs. Q2 2015) due to leakage of both individual customers and antenna associations
- YouSee is in the midst of revitalising its TV offering and from Q3 all YouSee TV subscribers now have access to YouSee live TV through web and app both at home and on-the-go
- In Q3, YouSee entered into a contract with a large antenna association (18k) with impact from January 2016 including delivery of a full TV offering

TV in Denmark, key figures								DKKm
		Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Revenue	DKKm	**1,072**	**1,058**	**1.3**	**3,248**	**3,193**	**1.7**
TDC brand/Fullrate (IP TV)		252	228	10.5	743	673	10.4
YouSee brand (Cable TV)		800	811	(1.4)	2,447	2,466	(0.8)
Other incl. eliminations		20	19	5.3	58	54	7.4
Gross profit		**564**	**556**	**1.4**	**1,713**	**1,697**	**0.9**
Gross margin	%	52.6	52.6	-	52.7	53.1	-
Organic revenue[1]	DKKm	1,072	1,058	1.3	3,248	3,193	1.7
Organic gross profit[1]		564	556	1.4	1,713	1,697	0.9
TDC brand/Fullrate - RGU	# ('000)	274	248	10.5	274	248	10.5
TDC brand/Fullrate - ARPU	DKK/month	303	312	(2.9)	305	319	(4.4)
YouSee brand - RGU	# ('000)	1,107	1,156	(4.2)	1,107	1,156	(4.2)
YouSee brand - ARPU	DKK/month	241	233	3.4	243	235	3.4

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

YTD financial performance

Revenue from TV in Denmark increased by 1.7% or DKK 55m to DKK 3,248m in Q1-Q3 2015, driven by the TDC brand and Fullrate. The gross margin decreased from 53.1% in Q1-Q3 2014 to 52.7% in Q1-Q3 2015, as a result of an increased content cost due to improved TV package content and increased content prices. Gross profit increased by 0.9% or DKK 16m to DKK 1,713m.

TDC/Fullrate brand

TDC and Fullrate TV succeeded in delivering reported revenue growth of 10.4% or DKK 70m, totalling DKK 743m in Q1-Q3 2015, resulting from customer base growth.

Attractive content and prices in the TDC brand and Fullrate TV portfolios successfully increased the customer bases by a total of 26k or 10.5%. However, this contributed to a decline in the TDC brand/Fullrate TV ARPU, due to a changed product mix. This was only to a lesser extent offset by price increases as of 1 January 2015[4]. In total, ARPU dropped by DKK 14 YoY.

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

YouSee brand

Revenue in the YouSee brand decreased by 0.8% or DKK 19m to DKK 2,447m in Q1-Q3 2015, reflecting a decline in the customer base that was partly offset by increased ARPU.

YouSee's ARPU increased by DKK 8 YoY as a result of price changes effective as of 1 January 2015[5] 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 resulted in customers migrating to smaller TV packages. This effect, combined with the general development of the increased use of streaming services vs. flow-TV, means that more customers have only a basic package.

In total, YouSee's customer base decreased by 49k or 4.2% subscribers YoY with the loss of both individual customers and antenna associations – including the termination of a low-ARPU antenna association (-14k) in Q1 2015. The same association was recently re-acquired with financial effect from January 2016 including delivery of a full TV-offering as opposed to previously.

[5] 5-6% price increases on packages.

Internet & network

Q3 highlights

- Increase of DKK 4 in Consumer's broadband ARPU compared with Q3 2014, driven by migration of customers to higher speeds in YouSee and price increases in the TDC brand
- Customer growth in YouSee counterbalanced by customer loss in the TDC brand due to increased price competition following the new wholesale prices (LRAIC). In total, a flat development in Consumer broadband subscribers vs. Q2 2015
- Recent Business launch of an advanced broadband router with mobile network backup function
- Now 33% of all Danish households can receive broadband at download speeds of 300 Mbps from our coax network

Internet & network in Denmark, key figures — DKKm

		Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Revenue	DKKm	**1,269**	**1,324**	**(4.2)**	**3,853**	**3,946**	**(2.4)**
Consumer		611	599	2.0	1,841	1,784	3.2
Business		494	553	(10.7)	1,526	1,661	(8.1)
Wholesale		171	178	(3.9)	504	521	(3.3)
Other incl. eliminations		(7)	(6)	(16.7)	(18)	(20)	10.0
Gross profit		**1,133**	**1,202**	**(5.7)**	**3,460**	**3,603**	**(4.0)**
Gross margin	%	89.3	90.8	-	89.8	91.3	-
Organic revenue[1]	DKKm	1,269	1,311	(3.2)	3,853	3,905	(1.3)
Organic gross profit[1]		1,133	1,189	(4.7)	3,460	3,562	(2.9)
Broadband							
Consumer - RGU	# ('000)	1,052	1,058	(0.6)	1,052	1,058	(0.6)
Consumer - ARPU[2]	DKK/month	191	187	2.1	191	186	2.7
Business - RGU	# ('000)	215	238	(9.7)	215	238	(9.7)
Business - ARPU[2]	DKK/month	262	281	(6.8)	260	279	(6.8)

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

YTD financial performance

Revenue from internet & network in Denmark decreased by 2.4% or DKK 93m to DKK 3,853m in Q1-Q3 2015. This largely reflected a negative development in Business that was partly offset by an increase in Consumer's ARPU. The new LRAIC regulation negatively influenced revenue in Wholesale, with spill-over effects on Consumer's subscriber base due to aggressive pricing from competitors.

Gross profit decreased by 4.0% or DKK 143m to DKK 3,460m in Q1-Q3 2015, while the gross margin decreased from 91.3 to 89.8. The margin decline resulted from all business lines and related partly to increased regulation with full gross profit effect.

Consumer

Consumer's reported revenue from internet & network increased by 3.2% or DKK 57m to DKK 1,841m in Q1-Q3 2015. This was due primarily to price increases in the TDC brand and customers migrating to higher speeds in YouSee. In total, ARPU increased by DKK 5 compared with Q1-Q3 2014.

Consumer's broadband customer base declined by 6k as a net loss in the TDC brand was only partly offset by growth in YouSee and Fullrate.

Business

Reported revenue from internet & network in Business decreased by 8.1% or DKK 135m to DKK 1,526m in Q1-Q3 2015. The decline in revenue related to both broadband and other internet & network. Revenue from broadband was negatively affected by a declining customer base combined with a DKK 19 ARPU drop resulting from leakage and migration of high-APRU legacy customers and price pressure in renegotiations. Revenue from other internet & network was negatively affected by the loss of some large contracts in the high-end segment.

This decrease was counteracted only to a small extent by growth of 5.1% or DKK 17m in Hosting, driven by the continued growth in Managed hosting.

Wholesale

Wholesale's reported revenue from internet & network decreased by 3.3% or DKK 17m to DKK 504m in Q1-Q3 2015. The decline was driven primarily by broadband, which was negatively affected by the regulatory price adjustments (LRAIC) on internet & network, with BSA prices decreasing by approximately 40% on average. This was partly offset by a 13.3% YoY rise in the broadband subscriber base. To a lesser extent, revenue was also affected by a decline in national capacity.

Revenue from international capacity increased in Q1-Q3 2015, though with a lower gross margin than in Q1-Q3 2014 due to the changed product mix and price pressure.

Landline voice

Q3 highlights

- Net loss of 27k Consumer landline voice subscribers vs. Q2 2015. Churn rates have stabilised at the same level as before the price increases one year ago
- Business ARPU decrease of DKK 26 in Q3 YoY driven mainly by the Public segment due to negative effects from SKI renegotitations in 2014

Landline voice in Denmark, key figures	DKKm	Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Revenue	DKKm	**589**	**700**	**(15.9)**	**1,851**	**2,140**	**(13.5)**
Consumer		261	312	(16.3)	828	945	(12.4)
Business		255	313	(18.5)	813	967	(15.9)
Wholesale		68	72	(5.6)	198	216	(8.3)
Other incl. eliminations		5	3	66.7	12	12	-
Gross profit		**531**	**639**	**(16.9)**	**1,674**	**1,952**	**(14.2)**
Gross margin	%	90.2	91.3	-	90.4	91.2	-
Organic revenue¹	DKKm	589	698	(15.6)	1,851	2,133	(13.2)
Organic gross profit¹		531	637	(16.6)	1,674	1,945	(13.9)
Consumer - RGU	# ('000)	601	734	(18.1)	601	734	(18.1)
Consumer - ARPU	DKK/month	142	138	2.9	143	133	7.5
Business - RGU	# ('000)	262	297	(11.8)	262	297	(11.8)
Business - ARPU	DKK/month	320	346	(7.5)	327	346	(5.5)

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

YTD financial performance

Revenue from landline voice in Denmark declined by 13.5% or DKK 289m to DKK 1,851m in Q1-Q3 2015, triggered by a continued decline in the number of customers, with a loss of 168m or 16.3% retail customers vs. Q3 2014. Gross profit decreased by 14.2% or DKK 278m to DKK 1,674m compared with Q1-Q3 2015.

Consumer

Consumer's reported revenue from landline voice declined by 12.4% or DKK 117m to DKK 828m in Q1-Q3 2015 following the loss of 133k customers.

Price changes[6] in the TDC brand in mid-2014 and as of 1 January 2015 resulted in an ARPU increase of DKK 10 compared with Q1-Q3 2014. As expected, the price changes negatively affected churn, but churn rates are now stabilised at the same level as before the price increases, with churn rates at around 25% in the last two quarters. Going forward, ARPU is expected to be pressured by lower revenue from variable traffic and a larger share of VoIP customers.

Business

Revenue in Business declined by 15.9% or DKK 154m to DKK 813m in Q1-Q3 2015. The revenue decrease, which related partly to the loss of 35k customers, was affected by a decline in the overall market. A YoY ARPU decrease of DKK 19 added to the total decline in revenue. ARPU was negatively affected by SKI renegotiations and was only partly balanced by continued growth in the high-ARPU integrated solutions TDC One and TDC Scale.

Wholesale

Reported revenue in Wholesale declined by 8.3% or DKK 18m to DKK 198m in Q1-Q3 2015. This development related primarily to the YoY loss of 20k customers, which was slightly higher than in previous periods. To a lesser extent, revenue was also affected by regulation, which had a negative impact on both ARPU from service provider customers and revenue from landline interconnection.

[6] A DKK 15 price increase on subscription fee's covering 50% of Consumer's landline voice customer base, effective as of 1 July 2014, and an increase of DKK 0.08 in price per minute for landline phones calling mobile phones covering almost 90% of Consumer's landline voice customer base, effective as of 1 January 2015.

Norway

Q3 highlights

- Get delivered strong YoY gross profit and EBITDA growth of 6.4% and 8.2%, respectively, in local currency
- Continued RGU growth in Get with 5k broadband net adds and 2k TV net adds vs. Q2 2015
- Get's household ARPU rose by 3% YoY driven by higher broadband penetration and higher TV ARPU
- TDC Norway faced a gross profit decline of 4.6% or NOK 5m driven mainly by a decline in mobility services. However, the decrease was an improvement compared with the Q2 gross profit decline (-10.0%)

Norway, key figures							NOKm
		Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Revenue	NOKm	**927**	**238**	**-**	**2,787**	**735**	**-**
Residential TV		355	-	-	1,064	-	-
Residential broadband		248	-	-	730	-	-
Business[2]		248	238	4.2	760	735	3.4
Other residential services		76	-	-	233	-	-
Gross profit		**632**	**87**	**-**	**1,870**	**286**	**-**
Gross margin	%	68.2	36.6	-	67.1	38.9	-
Organic revenue[3]	NOKm	927	903	2.7	2,787	2,707	3.0
Organic gross profit[3]		632	601	5.2	1,870	1,791	4.4
Residential TV - RGU	# ('000)	428	417	2.6	428	417	2.6
Residential TV - ARPU	NOK/month	278	274	1.5	279	274	1.8
Residential broadband - RGU	# ('000)	337	312	8.0	337	312	8.0
Residential broadband - ARPU	NOK/month	247	246	0.4	248	245	1.2

[1] Q3 2014 and Q1-Q3 2014 includes Gets historical organic revenue and gross profit figures as well as Gets historical KPIs (before acquisition) for the purpose of comparison.
[2] Includes TDC Norway and Get's Business division.
[3] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

YTD financial performance[7]

Reported revenue in Norway (comprising TDC Norway AS and Get AS) increased by NOK 2,052m comprising NOK 2,078m from the inclusion of Get and a NOK 20m decrease in TDC Norway. Organic revenue in Norway increased by 3.0% or NOK 80m driven by Get.

Reported gross profit increased by NOK 1,584m, comprising NOK 1,620m from Get and a decrease of NOK 36m in TDC Norway. The gross profit development in TDC Norway was negatively affected by a changed product mix, lower mobile voice margin and a positive one-off on transmission costs in Q1 2014 (NOK 15m). Organic gross profit in Norway increased by 4.4% or NOK 79m based on organic growth in Get.

An unfavourable YoY exchange-rate development negatively affected revenue and gross profit from Norway by DKK 39m and DKK 15m, respectively.

TV (residential)

Organic TV revenue in Get increased by 3.9% or NOK 40m to NOK 1,064m in Q1-Q3 2015 as a result of an 11k increase in the subscriber base and a rise of NOK 5 in ARPU. The latter was caused mainly by increased subscription fees effective as of 1 January 2015[8].

[7] Revenue and gross profit figures for TDC Norway and Get exclude eliminations and therefore do not amount to the total figures for Norway.

Broadband (residential)

Organic broadband revenue in Get increased by 9.6% or NOK 64m to NOK 730m in Q1-Q3 2015 as Get successfully increased its customer base by 25k and ARPU by NOK 3. The ARPU increase of NOK 3resulted from a high YoY ARPU increase in Q1 2015 (NOK 7) caused by customer migration to higher bandwidths and a flat development in Q2 and Q3 YoY.

As a result of the increasing customer base, now 79% of TV customers have a broadband subscription, a YoY increase of 4 percentage points.

Business

Reported revenue from Business in Norway (TDC Norway and Get's business division) increased by 3.4% or NOK 25m to NOK 760m in Q1-Q3 2015 following the inclusion of business revenue from Get (NOK 51m).

TDC Norway faces intense competition and price erosion when renegotiating existing contracts. Consequently, revenue in TDC Norway decreased by 2.7% or NOK 20m YoY with negative development across products only partly offset by growth in the low-margin Direct business.

[8] 2-5% price increases on packages.

Sweden

Q3 highlights

- Strong YoY reported revenue growth in local currency for the fourth consecutive quarter (10.1% in Q3 2015); gross profit growth of 5.8%
- Unfavourable YoY exchange-rate development negatively affected revenue and gross profit from Sweden by DKK 13m and DKK 6m, respectively
- The solid order book continued in Q3 with the win of e.g. Karlstad kommun (networking) and Sundsvall kommun (mobility services and landline voice)
- YoY growth in mobile subscriptions continued (58k in Q3) as increased sales of combined business solutions including mobile have added to the development
- Migration to the new MVNO contract with TeliaSonera is progressing as planned; migration of customers is well under way

Sweden, key figures[1]								SEKm
		Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %	
Revenue	SEKm	**771**	**700**	**10.1**	**2,437**	**2,232**	**9.2**	
Mobility services		53	40	32.5	148	113	31.0	
Landline voice		92	89	3.4	291	284	2.5	
Internet & network		237	228	3.9	705	657	7.3	
Other services[2]		389	343	13.4	1,293	1,178	9.8	
Gross profit		**312**	**295**	**5.8**	**946**	**930**	**1.7**	
Gross margin	%	40.5	42.1	-	38.8	41.7	-	
Organic revenue[3]	SEKm	771	715	7.9	2,437	2,278	7.0	
Organic gross profit[3]		312	303	3.1	946	956	(1.1)	

[1] Including Viridis as from 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.

YTD financial performance

Reported revenue in Sweden increased by 9.2% or SEK 205m to SEK 2,437m in Q1-Q3 2015, as a result of growth in all product areas despite the loss of a large customer in H2 2014.
This increase was positively affected by the acquisition of Viridis IT in 2014, leaving an organic revenue increase of 7.0% or SEK 159m.

Gross profit increased by 1.7% or SEK 16m to SEK 946m in Q1-Q3 2015 while the gross profit margin decreased from 41.7% to 38.8%. Both were negatively affected by positive one offs on transmission costs in Q1 2014 (SEK 18m). Growth in low-margin areas also negatively affected the gross margin.

Operator business

The operator business increased by 8.5%, driven by growth across all products.

Strong growth totalling 31.0% in the mobility services resulted from a large 58k YoY increase in mobile subscriptions. The customer base growth was prompted by both a strong focus on up-selling to existing customers as well as a number of new wins, in which mobile subscriptions are usually sold as part of a combined offering with managed services or CaaS. However, price competition negatively affected prices in both new contracts and renegotiations.

Landline voice revenue increased by 2.5%. The revenue increase resulted from improved order intake in Wholesale combined with lower churn in the Business segment.

The 7.3% increase from internet & network was driven partly by IP-VPN, with continued growth in IP-VPN connections despite fierce competition in a mature IP-VPN market.

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 total revenue increase of 9.8% in other services in Q1-Q3 2015. The increase in revenue not related to Viridis IT reflected mainly low-margin direct business and networking projects.

Other services

Q3 highlights

- NetDesign increased its revenue by 2.0% or DKK 4m in Q3 YoY, mainly through increased sales of low-margin hardware and software

- Revenue from mobile handsets sold with a positive margin decreased by 21.9% or DKK 30m in Q3 YoY, as a result of lower sales in Consumer to third-party vendors as well as customers awaiting the release of a new iPhone

- Diminishing YoY impact on revenue and gross profit development from the paper communication fees, as the fees were introduced in July 2014 and since then more customers transferred to fully electronic communication

- TDC's Security Operations Centre, offering end-to-end cyber security to B2B customers, has obtained the CERT certificate, confirming its capability to provide first-class detection and response

Other services, key figures								DKKm
		Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Revenue	DKKm	**434**	**476**	**(8.8)**	**1,411**	**1,378**	**2.4**
Sale of handsets		107	137	(21.9)	462	474	(2.5)
NetDesign		208	204	2.0	643	611	5.2
Other		119	135	(11.9)	306	293	4.4
Gross profit		**293**	**307**	**(4.6)**	**873**	**846**	**3.2**
Gross margin	%	67.5	64.5	-	61.9	61.4	-
Organic revenue[1]	DKKm	434	475	(8.7)	1,411	1,376	2.6
Organic gross profit[1]		293	303	(3.3)	873	832	4.9

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

YTD financial performance

Revenue from other services increased by 2.4% or DKK 33m to DKK 1,411m in Q1-Q3 2015. Revenue was positively impacted by increased sales of low-margin hardware and software in NetDesign and mobile handsets in Business, as well as a positive effect from paper communication fees in Consumer. This was partly offset by lower sales of mobile handsets in Consumer.

Gross profit from other services increased by 3.2% or DKK 27m to DKK 873m. The gross margin remained at the 2014 level.

Sale of handsets

Revenue from mobile handsets sold with a positive margin decreased by 2.5% or DKK 12m and totalled DKK 462m. Mobile handset sales in Business increased due to partner sales and higher iPhone and iPad sales. However, this was more than offset by a negative development in Consumer, resulting from lower sales of mobile handsets to third-party vendors.

NetDesign

Revenue in NetDesign increased by 5.2% or DKK 32m to DKK 643m, as growth in low-margin hardware and software sales also led to increased up-selling of high-margin consultant services. Nevertheless, a changed product mix and reduced margins on hardware and software sales resulted in a gross profit decrease.

Other

Other revenue increased by 4.4% or DKK 13m to DKK 306m, with a continued effect from the paper communication fee introduced for Consumer's customers[9] 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.

As an increasing number of customers transfer to fully electronic communication, the financial contribution from the paper communication fees will eventually cease.

[9] 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 (DKK 29 per month).

Operational and capital expenditure

Q3 highlights

- Q3 YoY increase of 7.7% or DKK 129m in reported opex, driven by the inclusion of Get (DKK 167m); Organic opex savings of 1.5%, resulting from reduced spending in Denmark
- Overall investment spending increased by 29.4% or DKK 231m in Q3 YoY, which related to the inclusion of Get (DKK 191m), digitalisation investments in Denmark and preparing of Trefor's network for delivery of TDC products
- Reduced number of non-acceptable customer experiences YTD (-8.5%) , improving customer satisfaction and positively impacting both churn rates and customer loyalty
- Increased productivity and fewer faults at customer sites in Q3 YoY successfully led to a 16.2% reduction in the number of hours spent on fault-handling
- Call centre waiting times improved significantly in Q3 YoY. This was positively affected by the Sitel agreement delivering enhanced performance and improved financials, despite more calls

Operational and capital expenditure, key figures	DKKm						
		Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Opex	DKKm	**(1,799)**	**(1,670)**	(7.7)	**(5,742)**	**(5,327)**	(7.8)
Denmark		(1,462)	(1,470)	0.5	(4,615)	(4,660)	1.0
Norway		(179)	(50)	-	(608)	(161)	-
Sweden		(158)	(150)	(5.3)	(519)	(506)	(2.6)
Organic opex[1]	DKKm	(1,799)	(1,826)	1.5	(5,742)	(5,785)	0.7
Capital expenditure	DKKm	(1,018)	(787)	(29.4)	(3,203)	(2,607)	(22.9)
KPIs							
Fault-handling hours	Hours ('000)	140	167	16.2	403	449	10.2
Number of FTEs (end-of-period)	#	8,673	8,811	(1.6)	8,673	8,811	(1.6)
Number of FTEs & temps (end-of-period)	#	8,749	8,906	(1.8)	8,749	8,906	(1.8)

[1] Reported opex excluding the impact from acquisitions and divestments as well as sales of assets and forex.

YTD financial performance

Operational expenditure

In the first three quarters of 2015, TDC Group continued to focus on higher efficiency and process improvements. This, which included increased flexibility and sharing of best practices across TDC Group, contributed to continued reductions in operational expenditure. Improvements were driven by the following factors:

- Facility management initiatives and lower power consumption due to a reduced unit cost and mild summer weather
- An enhanced contract for mobile operations and less spent on IT and marketing
- Fewer faults at customer sites and less time spent on fault correction (10.2%) reduced costs to contractors, leading to fewer FTEs in Operations and lower wage costs
- A positive one-off in Q3 2015 from closing down one of TDC Norway's defined benefit plans (DKK 34m)

That said, total reported operational expenditure in TDC Group increased by 7.8% or DKK 415m in Q1-Q3 2015, due mainly to the inclusion of Get (DKK 500m). Extra costs to mitigate high call volumes and secure the sales ambition also negatively affected operational expenditure. The fierce competition in the Danish mobile market led to increased YoY spending on SAC/SRC[10] in both Consumer and Business in order to attract new and retain existing mobile customers.

Capital expenditure

TDC Group's overall investment spending increased by 22.9% or DKK 596m in Q1-Q3 2015 compared with the same period last year. The increase was driven mainly by the inclusion of Get (DKK 515m) and to a lesser extent by IT investments in Denmark due to targeted investments in digitalisation and preparation of Trefor's network for delivery of TDC products.

Investments in the Danish mobile network were almost at the same level as in Q1-Q3 2014. However, Q3 investments were at a lower level than in H1as the build-out was completed. Investments in the coax platform increased YoY in order to secure high broadband speeds. Now 33% of all Danish households can receive broadband at download speeds of 300 Mbps from our coax network.

[10] Subscriber acquisition costs and subscriber retention costs.

Consolidated Financial Statements

Income Statements							DKKm
	Note	Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Revenue	2	**5,898**	**5,643**	**4.5**	**18,121**	**17,086**	**6.1**
Cost of sales		(1,562)	(1,461)	(6.9)	(4,955)	(4,442)	(11.5)
Gross profit		**4,336**	**4,182**	**3.7**	**13,166**	**12,644**	**4.1**
External expenses		(839)	(745)	(12.6)	(2,719)	(2,406)	(13.0)
Personnel expenses	3	(1,021)	(958)	(6.6)	(3,143)	(2,983)	(5.4)
Other income		61	33	84.8	120	62	93.5
Operating profit before depreciation, amortisation and special items (EBITDA)	2	**2,537**	**2,512**	**1.0**	**7,424**	**7,317**	**1.5**
Depreciation, amortisation and impairment losses	4	(1,314)	(1,150)	(14.3)	(3,977)	(3,430)	(15.9)
Operating profit excluding special items (EBIT excluding special items)		**1,223**	**1,362**	**(10.2)**	**3,447**	**3,887**	**(11.3)**
Special items	5	(65)	(214)	69.6	(313)	(457)	31.5
Operating profit (EBIT)		**1,158**	**1,148**	**0.9**	**3,134**	**3,430**	**(8.6)**
Financial income and expenses	6.7	(471)	(170)	(177.1)	(997)	(639)	(56.0)
Profit before income taxes		**687**	**978**	**(29.8)**	**2,137**	**2,791**	**(23.4)**
Income taxes		(170)	(266)	36.1	(539)	(738)	27.0
Profit for the period from continuing operations		**517**	**712**	**(27.4)**	**1,598**	**2,053**	**(22.2)**
Profit for the period from discontinued operations		-	-	-	-	774	-
Profit for the period		**517**	**712**	**(27.4)**	**1,598**	**2,827**	**(43.5)**
Profit attributable to:							
Owners of the parent		518	714	(27.5)	1,606	2,831	(43.3)
Non-controlling interests		(1)	(2)	50.0	(8)	(4)	(100.0)
EPS (DKK)							
Earnings Per Share, basic		0.64	0.89	(28.1)	2.00	3.54	(43.5)
Earnings Per Share, diluted		0.65	0.90	(27.8)	2.00	3.53	(43.3)
Adjusted EPS		0.90	1.32	(31.8)	2.87	3.66	(21.6)

Statements of Comprehensive Income

DKKm

	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014
Profit for the period	**517**	**712**	**1,598**	**2,827**
Items that can subsequently be reclassified to the Income Statements:				
Currency translation adjustments, foreign enterprises	(733)	26	(346)	3
Reversal of currency translation adjustments, foreign enterprises				
Fair value adjustments of cash flow hedges	(17)	177	33	(8)
Fair value adjustments of cash flow hedges transferred to Financial expenses	12	2	(11)	32
Items that cannot subsequently be reclassified to the Income Statements:				
Remeasurement effects related to defined benefit pension plans	(328)	(1,021)	532	(2,423)
Income tax relating to remeasurement effects from defined benefit pension plans	75	224	(115)	531
Other comprehensive income/(loss)	**(991)**	**(592)**	**93**	**(1,865)**
Total comprehensive income	**(474)**	**120**	**1,691**	**962**

Balance Sheet DKKm

	Note	30 September 2015	31 December 2014	30 September 2014
Assets				
Non-current assets				
Intangible assets		39,252	40,893	30,460
Property, plant and equipment		17,851	17,504	15,166
Joint ventures, associates and other investments		77	77	79
Deferred tax assets		-	-	1
Pension assets	7	5,697	5,205	4,387
Receivables		279	312	302
Derivative financial instruments		516	214	203
Prepaid expenses		310	310	316
Total non-current assets		**63,982**	**64,515**	**50,914**
Current assets				
Inventories		289	319	373
Receivables		3,023	3,458	3,087
Income tax receivables		-	65	-
Derivative financial instruments		421	598	577
Prepaid expenses		745	660	645
Cash		954	4,746	2,030
Total current assets		**5,432**	**9,846**	**6,712**
Total assets		**69,414**	**74,361**	**57,626**

Balance Sheet DKKm

	Note	30 September 2015	31 December 2014	30 September 2014
Equity and liabilities				
Equity				
Share capital		812	812	812
Reserve for currency translation adjustments		(2,051)	(1,727)	(790)
Retained earnings		19,924	18,656	18,407
Proposed dividends		-	802	-
Equity attributable to owners of the parent		**18,685**	**18,543**	**18,429**
Hybrid capital		5,553	-	-
Non-controlling interests		102	104	1
Total equity		**24,340**	**18,647**	**18,430**
Non-current liabilities				
Deferred tax liabilities		4,252	4,271	3,456
Provisions		944	992	862
Pension liabilities	7	57	105	93
Loans	8	26,610	18,630	17,666
Derivative financial instruments		-	-	41
Deferred income		429	525	542
Total non-current liabilities		**32,292**	**24,523**	**22,660**
Current liabilities				
Loans	8	2,273	20,051	6,150
Trade and other payables		6,047	7,244	5,930
Income tax payable		240	1	939
Derivative financial instruments		549	531	401
Deferred income		3,439	3,074	2,854
Provisions		234	290	262
Total current liabilities		**12,782**	**31,191**	**16,536**
Total liabilities		**45,074**	**55,714**	**39,196**
Total equity and liabilities		**69,414**	**74,361**	**57,626**

Statements of Cash Flow

DKKm

	Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
EBITDA	2,537	2,512	1.0	7,424	7,317	1.5
Adjustment for non-cash items	25	9	177.8	114	87	31.0
Pension contributions	(28)	(36)	22.2	(84)	(102)	17.6
Payments related to provisions	(4)	(2)	(100.0)	(7)	(10)	30.0
Special items	(127)	(237)	46.4	(426)	(551)	22.7
Change in working capital	13	(88)	114.8	(267)	(325)	17.8
Interest paid, net	(24)	(67)	64.2	(714)	(733)	2.6
Realised currency translation adjustments	-	(13)	-	-	2	-
Income tax paid	-	220	-	(353)	(93)	-
Operating activities in continuing operations	**2,392**	**2,298**	**4.1**	**5,687**	**5,592**	**1.7**
Operating activities in discontinued operations	-	-	-	-	3	-
Total cash flow from operating activities	**2,392**	**2,298**	**4.1**	**5,687**	**5,595**	**1.6**
Investment in enterprises	1	(3)	133.3	(136)	(191)	28.8
Investment in property, plant and equipment	(755)	(575)	(31.3)	(2,445)	(1,947)	(25.6)
Investment in intangible assets	(280)	(236)	(18.6)	(731)	(675)	(8.3)
Investment in other non-current assets	-	(24)	-	(6)	(74)	91.9
Sale of other non-current assets	13	2	-	50	52	(3.8)
Dividends received from joint ventures and associates	-	-	-	-	1	-
Investing activities in continuing operations	**(1,021)**	**(836)**	**(22.1)**	**(3,268)**	**(2,834)**	**(15.3)**
Investing activities in discontinued operations	-	(31)	-	(2)	1,097	(100.2)
Total cash flow from investing activities	**(1,021)**	**(867)**	**(17.8)**	**(3,270)**	**(1,737)**	**(88.3)**
Proceeds from long-term loans	-	-	-	7,739	-	-
Finance lease repayments	(24)	(15)	(60.0)	(64)	(42)	(52.4)
Repayments of long-term loans	-	-	-	(5,968)	-	-
Change in short-term bank loans	(171)	-	-	(11,885)	-	-
Change in interest-bearing debt and receivables	6	3	100.0	6	3	100.0
Proceeds from issuance of hybrid capital	-	-	-	5,553	-	-
Dividends paid	(801)	(1,200)	33.3	(1,603)	(2,961)	45.9
Dividends received from joint ventures and associates	2	-	-	6	-	-
Financing activities in continuing operations	**(988)**	**(1,212)**	**18.5**	**(6,216)**	**(3,000)**	**(107.2)**
Financing activities in discontinued operations	-	-	-	-	-	-
Total cash flow from financing activities	**(988)**	**(1,212)**	**18.5**	**(6,216)**	**(3,000)**	**(107.2)**
Total cash flow	**383**	**219**	**74.9**	**(3,799)**	**858**	**-**
Cash and cash equivalents (beginning-of-period)	593	1,811	(67.3)	4,746	1,172	-
Effect of exchange rate changes on cash and cash equivalents	(22)	-	-	7	-	-
Cash and cash equivalents (end-of-period)	**954**	**2,030**	**(53.0)**	**954**	**2,030**	**(53.0)**

Equity free cash flow

DKKm

	Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
EBITDA	2,537	2,512	1.0	7,424	7,317	1.5
Change in working capital	13	(88)	114.8	(267)	(325)	17.8
Interest paid, net	(24)	(67)	64.2	(714)	(733)	2.6
Income tax paid	-	220	-	(353)	(93)	-
Cash flow from capital expenditure	(1,035)	(811)	(27.6)	(3,176)	(2,622)	(21.1)
Cash flow related to special items	(127)	(237)	46.4	(426)	(551)	22.7
Other	(31)	(57)	45.6	(41)	(65)	36.9
Equity free cash flow	**1,333**	**1,472**	**(9.4)**	**2,447**	**2,928**	**(16.4)**

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				2,831	-	2,831		(4)	2,827
Currency hedging of net investments in foreign enterprises		3				3			3
Fair value adjustments of cash flow hedges			(8)			(8)			(8)
Fair value adjustments of cash flow hedges transferred to Financial expenses			32			32			32
Remeasurement effects related to defined benefit pension plans				(2,423)		(2,423)			(2,423)
Income tax relating to remeasurement effects from defined benefit pension plans				531		531			531
Total comprehensive income	**-**	**3**	**24**	**939**	**-**	**966**	**-**	**(4)**	**962**
Distributed dividends				(1,175)	(1,786)	(2,961)			(2,961)
Share-based remuneration				40	-	40			40
Additions to minority interests						-		5	5
Total transactions with shareholders	**-**	**-**	**-**	**(1,135)**	**(1,786)**	**(2,921)**	**-**	**5**	**(2,916)**
Equity at 30 September 2014	**812**	**(688)**	**(102)**	**18,407**	**-**	**18,429**	**-**	**1**	**18,430**

Notes to Consolidated Financial Statements

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				1,606	-	1,606		(8)	1,598
Currency translation adjustments, foreign enterprises		(346)				(346)			(346)
Fair value adjustments of cash flow hedges			33			33			33
Fair value adjustments of cash flow hedges transferred to Financial expenses			(11)			(11)			(11)
Remeasurement effects related to defined benefit pension plans				532		532			532
Income tax relating to remeasurement effects from defined benefit pension plans				(115)		(115)			(115)
Total comprehensive income	**-**	**(346)**	**22**	**2,023**	**-**	**1,699**	**-**	**(8)**	**1,691**
Declaration of dividends						-			
Distributed dividends				(801)	(802)	(1,603)			(1,603)
Share-based remuneration				46		46			46
Additions, hybrid capital						-	5,553		5,553
Additions to minority interests						-		6	6
Total transactions with shareholders	**-**	**-**	**-**	**(755)**	**(802)**	**(1,557)**	**5,553**	**6**	**4,002**
Equity at 30 September 2015	**812**	**(1,950)**	**(101)**	**19,924**	**-**	**18,685**	**5,553**	**102**	**24,340**

Distributed dividends net of dividends related to treasury shares amounted to DKK 1,603m in Q1-Q3 2015 (Q1-Q3 2014: DKK 2,961m).

Note 1 Accounting policies

TDC's Interim Financial Report for Q1-Q3 2015 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 the 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. Consequently, coupon payments 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 reallocated all domestic interconnect revenue from Consumer and Business to Wholesale
- 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

	Consumer		Business		Wholesale		Norway		Sweden		Operations & Channels		Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Mobility services	665	698	361	435	141	171	-	-	-	-	-	-	1,167	1,304
Landline voice	261	312	255	313	68	72	-	-	-	-	4	3	588	700
Internet and network	611	599	494	553	171	178	-	-	-	-	25	25	1,301	1,355
TV	1,052	1,039	9	10	9	7	-	-	-	-	-0	0	1,070	1,056
Other services	162	216	285	260	47	45	-	-	-	-	91	90	585	611
Norway and Sweden	-	-	-	-	-	-	757	215	610	567	-	-	1,367	782
Revenue	**2,751**	**2,864**	**1,404**	**1,571**	**436**	**473**	**757**	**215**	**610**	**567**	**120**	**118**	**6,078**	**5,808**
Total operating expenses excl. depreciation, etc.	(885)	(857)	(489)	(478)	(190)	(219)	(454)	(186)	(524)	(492)	(944)	(1,032)	(3,486)	(3,264)
Other income and expenses	-	15	-	-	-	-	34	-	3	14	23	20	60	49
EBITDA	**1,866**	**2,022**	**915**	**1,093**	**246**	**254**	**337**	**29**	**89**	**89**	**(801)**	**(894)**	**2,652**	**2,593**
Specification of revenue:														
External revenue	2,751	2,864	1,339	1,522	388	423	730	190	581	532	108	109	5,897	5,640
Revenue across segments	-	-	65	49	48	50	27	25	29	35	12	9	181	168

Reconciliation of revenue DKKm

	Q3 2015	Q3 2014
Revenue from reportable segments	6,078	5,808
Elimination of revenue across segments	(181)	(168)
Revenue from Headquarters	1	3
Consolidated external revenue	**5,898**	**5,643**

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

	Q3 2015	Q3 2014
EBITDA from reportable segments	2,652	2,593
EBITDA from Headquarters	(115)	(81)
Unallocated:		
Depreciation, amortisation and impairment losses	(1,314)	(1,150)
Special items	(65)	(214)
Financial income and expenses	(471)	(170)
Consolidated profit before income taxes	**687**	**978**

Note 2 Segment reporting (continued)

Segments

DKKm

	Consumer		Business		Wholesale		Norway		Sweden		Operations & Channels		Total	
	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2015	Q1-Q3 2014
Mobility services	1,962	2,105	1,085	1,319	411	499	-	-	-	-	2	2	3,460	3,925
Landline voice	828	945	813	967	198	216	-	-	-	-	12	12	1,851	2,140
Internet and network	1,841	1,784	1,526	1,661	504	521	-	-	-	-	74	71	3,945	4,037
TV	3,191	3,139	30	31	26	22	-	-	-	-	-	-	3,247	3,192
Other services	555	596	911	801	120	110	-	-	-	-	262	247	1,848	1,754
Norway and Sweden	-	-	-	-	-	-	2,362	663	1,940	1,846	-	-	4,302	2,509
Revenue	**8,377**	**8,569**	**4,365**	**4,779**	**1,259**	**1,368**	**2,362**	**663**	**1,940**	**1,846**	**350**	**332**	**18,653**	**17,557**
Total operating expenses excl. depreciation, etc.	(2,783)	(2,710)	(1,589)	(1,440)	(563)	(617)	(1,419)	(566)	(1,717)	(1,597)	(2,907)	(3,064)	(10,978)	(9,994)
Other income and expenses	-	24	(1)	-	-	-	34	-	11	14	79	52	123	90
EBITDA	**5,594**	**5,883**	**2,775**	**3,339**	**696**	**751**	**977**	**97**	**234**	**263**	**(2,478)**	**(2,680)**	**7,798**	**7,653**
Specification of revenue:														
External revenue	8,377	8,569	4,173	4,620	1,122	1,253	2,279	580	1,848	1,745	320	315	18,119	17,082
Revenue across segments	-	-	192	159	137	115	83	83	92	101	30	17	534	475

Reconciliation of revenue

DKKm

	Q1-Q3 2015	Q1-Q3 2014
Reportable segments	18,653	17,557
Elimination of revenue across segments	(534)	(475)
Revenue from Headquarters	2	4
Consolidated external revenue	**18,121**	**17,086**

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

DKKm

	Q1-Q3 2015	Q1-Q3 2014
EBITDA from reportable segments	7,798	7,653
EBITDA from Headquarters	(374)	(336)
Unallocated:		
Depreciation, amortisation and impairment losses	(3,977)	(3,430)
Special items	(313)	(457)
Financial income and expenses	(997)	(639)
Consolidated profit before income taxes	**2,137**	**2,791**

Note 3 Employees

FTEs (EoP)	Q1-Q3 2015	2014	Q1-Q3 2014	Change in % Q1-Q3 2015 vs. Q1-Q3 2014	Change in % Q1-Q3 2015 vs. 2014
Consumer	501	453	423	18.4	10.6
Business	1,086	1,066	1,070	1.5	1.9
Wholesale	108	126	134	(19.4)	(14.3)
Cost centre [1 2 3]	5,259	5,219	6,238	(15.7)	0.8
Norway [4]	920	923	165	-	(0.3)
Sweden [5]	798	807	781	2.2	(1.1)
TDC Group	**8,673**	**8,594**	**8,811**	**(1.6)**	**0.9**
Of which in Denmark	**6,796**	**6,780**	**7,809**	**(13.0)**	**0.2**

FTEs and temps (EoP)	Q1-Q3 2015	2014	Q1-Q3 2014	Change in % Q1-Q3 2015 vs. Q1-Q3 2014	Change in % Q1-Q3 2015 vs. 2014
Consumer	501	453	423	18.4	10.6
Business	1,087	1,069	1,072	1.4	1.7
Wholesale	108	128	136	(20.6)	(15.6)
Cost centre [1 2 3]	5,285	5,254	6,271	(15.7)	0.6
Norway [4]	936	943	181	-	(0.7)
Sweden [5]	831	832	824	0.8	(0.1)
TDC Group	**8,749**	**8,681**	**8,906**	**(1.8)**	**0.8**
Of which in Denmark	**6,823**	**6,821**	**7,847**	**(13.0)**	**0.0**

[1] Includes Operations, Channels, Headquarters, expats and personnel on leave, etc.
[2] Outsourcing of 704 FTEs in Channels' call centre activities to Sitel as of October 2014.
[3] 42 FTEs were transferred from Product Management functions in Cost centre to Consumer, Business and Wholesale as from Q3 2015.
[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 losses — DKKm

	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014
Depreciation on property, plant and equipment	(766)	(658)	(2,331)	(1,926)
Amortisation of intangible assets	(534)	(487)	(1,621)	(1,478)
Impairment losses	(14)	(5)	(25)	(26)
Total	**(1,314)**	**(1,150)**	**(3,977)**	**(3,430)**

The depreciations and amortisations in Q1-Q3 2015 were higher compared with Q1-Q3 2014 following the acquisition of Get in October 2014.

The accounting for the business combination regarding the acquisition of the Get Group is complete and recognised in Q2 2015.

Note 5 Special items

Special items are 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 are also gains and losses related to divestment of enterprises, as well as transaction costs and adjustments of purchase prices relating to the 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 related to discontinued operations in Q1-Q3 2014 resulted primarily from the (DKK 752m) gain from divesting TDC Finland. Other restructuring costs in Q1-Q3 2014 related mainly to estimated costs (DKK 90m) following the contract with Sitel comprising outsourcing of customer support.

	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014
Costs related to redundancy programmes and vacant tenancies	(32)	(83)	(249)	(288)
Other restructuring costs, etc.	(37)	(118)	(74)	(163)
Income from rulings	-	(1)	11	8
Losses from rulings	(2)	(3)	(2)	(5)
Costs related to acquisition of enterprises	6	(9)	1	(9)
Special items before income taxes	**(65)**	**(214)**	**(313)**	**(457)**
Income taxes related to special items	12	48	69	106
Special items related to discontinued operations	-	-	-	752
Total special items	**(53)**	**(166)**	**(244)**	**401**

Note 6 Financial income and expenses

Financial income and expenses

DKKm	Q3 2015	Q3 2014	Change in %	Q1-Q3 2015	Q1-Q3 2014	Change in %
Interest income	7	79	(91)	22	104	(79)
Interest expenses	(238)	(264)	10	(753)	(755)	0
Net interest	**(231)**	**(185)**	**(25)**	**(731)**	**(651)**	**(12)**
Currency translation adjustments	(255)	17	-	(297)	47	-
Fair value adjustments	(10)	(58)	83	(32)	(202)	84
Interest, currency translation adjustments and fair value adjustments	**(496)**	**(226)**	**(119)**	**(1,060)**	**(806)**	**(32)**
Profit from joint ventures and associates	3	(2)	-	(2)	(8)	75
Interest on pension assets	22	58	(62)	65	175	(63)
Total	**(471)**	**(170)**	**(177)**	**(997)**	**(639)**	**(56)**

Interest, currency translation adjustments and fair value adjustments represented an expense of DKK 1,060m, a DKK 254m increase compared with Q1-Q3 2014, driven primarily by the following.

Interest

The higher net interest expense related primarily to lower interest income following a settled tax case in Q3 2014 regarding definition of infrastructure assets. 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-Q3 2014, no higher interest expenses were incurred due to lower interest rates on the new loans.

Currency translation adjustment

Q1-Q3 2015 resulted in exchange rate losses primarily on intercompany loans denominated in NOK (DKK 276m) as well as increasing EUR/DKK exchange rate on EUR denominated debt (DKK 38m).

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].

Interest on pension assets

The lower interest on pension assets was attributable to a decreasing discount rate, as the interest is calculated on the basis of the pensions funds' net assets (assets less liabilities) using a discount rate. For further information about pension plans, see note 7.

[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 to compare the GBP/EUR hedge with a theoretical GPB/DKK hedge

Specifications DKKm

	Q3 2015				Q3 2014			
	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)	(5)	(12)	**(230)**	(235)	28	1	**(206)**
European Investment Bank(EIB) and KfW bank loans incl. hedges (treated as hedge accounting)	(6)	(1)	-	**(7)**	-	-	-	**-**
Other hedges (not treated as hedge accounting)	-	-	2	**2**			(59)	**(59)**
Other	(12)	(249)	-	**(261)**	50	(11)	-	**39**
Interest, currency translation, adjustments and fair value adjustments	**(231)**	**(255)**	**(10)**	**(496)**	**(185)**	**17**	**(58)**	**(226)**

	Q1-Q3 2015				Q1-Q3 2014			
	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)	(638)	(28)	11	**(655)**	(664)	42	(32)	**(654)**
European Investment Bank(EIB) and KfW bank loans incl. hedges (treated as hedge accounting)	(16)	(10)	-	**(26)**	-	-	-	**-**
Other hedges (not treated as hedge accounting)	-	-	(43)	**(43)**	-	-	(170)	**(170)**
Other	(77)	(259)	-	**(336)**	13	5	-	**18**
Interest, currency translation, adjustments and fair value adjustments	**(731)**	**(297)**	**(32)**	**(1,060)**	**(651)**	**47**	**(202)**	**(806)**

Note 7 Pension assets and pension obligations

Pension (costs)/income DKKm

	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014
Specification of plans:				
Denmark	(15)	24	(46)	72
Norway	(5)	(6)	(15)	(12)
Pension income/(costs) from defined benefit plans	**(20)**	**18**	**(61)**	**60**
Recognition:				
Service cost[1]	(40)	(38)	(120)	(108)
Administrative expenses	(2)	(2)	(6)	(7)
Personnel expenses (included in EBITDA)	**(42)**	**(40)**	**(126)**	**(115)**
Interest on pension assets	22	58	65	175
Pension income/(costs) from defined benefit plans recognised in the income statements	**(20)**	**18**	**(61)**	**60**

[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

	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014
Pension (cost)/income				
Service cost	(35)	(33)	(107)	(98)
Administrative expenses	(2)	(2)	(6)	(7)
Personnel expenses (included in EBITDA)	**(37)**	**(35)**	**(113)**	**(105)**
Interest on pension assets	**22**	**59**	67	**177**
Pension (costs)/income	**(15)**	**24**	**(46)**	**72**
Domestic redundancy programmes recognised in special items	(3)	(15)	(60)	(76)
Total pension (costs)/income recognised in the Income Statements	**(18)**	**9**	**(106)**	**(4)**

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

	30 September 2015	31 December 2014	30 September 2014
Assets and obligations			
Specification of pension assets			
Fair value of plan assets	29,215	29,870	30,260
Defined benefit obligation	(23,518)	(24,665)	(25,873)
Pension assets recognised in the Balance Sheets	**5,697**	**5,205**	**4,387**
Change in pension assets			
Pension assets recognised at 1 January	5,205	6,708	6,708
Pension (costs)/income	(106)	(16)	(4)
Remeasurement effects	520	(1,628)	(2,416)
TDC's contribution	78	141	99
Pension assets recognised in the Balance Sheets	**5,697**	**5,205**	**4,387**
Discount rate (%)			
Used to determine benefit obligations	1.95	1.70	2.20
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 14m in Q1-Q3 2015 and DKK 21m in Q1-Q3 2014. Pension liabilities related to foreign defined benefit plans amounted to DKK 57m at 30 September 2015 and DKK 93m at 30 September 2014. The development resulted primarily from closing down one of TDC Norways' defined benefit plans. The closing resulted in a gain of DKK 34m, which was recognised in Other income.

Note 8 Loans and net interest-bearing debt

Euro Medium Term Notes (EMTNs) and bank loans

DKKm

	2015	2018	2019	2020	2021	2022	2023	2027	Total
Maturity	16-Dec-15	23Feb-18	30-Dec-19	04-Feb-20	26-Feb-21	02-Mar-22	23-Feb-23	27-Feb-27	
Fixed/Floating rate	Fixed	Fixed	Floating	Floating	Fixed	Fixed	Fixed	Fixed	
Coupon	5.875%	4.375%			3.500%	3.750%	5.625%	1.750%	
Currency	EUR	EUR	EUR	EUR	EUR	EUR	GBP	EUR	
Type	Bond	Bond	Bank loan	Bank loan	Hybrid	Bond	Bond	Bond	
Nominal value (DKKm)	2,041	5,969	2,985	1,865	5,596	3,731	5,553	5,969	33,709
Nominal value (Currency)	274	800	400	250	750	500	550	800	
Of which nominal value swapped to or with floating interest rate (EURm)	100	200	400	250	-	150	50	-	1,150
Of wich nominal value swapped from GBP to EUR (GBPm)1	-	-	-	-	-	-	550	-	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 decrease in both NIBD and adjusted NIBD was attributable mainly to the issuance of hybrid bonds, partly offset by dividends paid.

Net interest-bearing debt

DKKm

	30 September 2015	31 December 2014	30 September 2014
Interest-bearing receivables and investments	(282)	(307)	(297)
Cash	(954)	(4,746)	(2,030)
Long-terms loans	26,610	18,630	17,666
Short-terms loans	2,273	20,051	6,150
Interest-bearing payables	8	7	7
Derivative financial instruments hedging fair value and currency on loans	(927)	(711)	(774)
Net interest-bearing debt	**26,728**	**32,924**	**20,722**
Hybrid capital	2,777	-	-
Adjusted net interest-bearing debt	**29,505**	**32,924**	**20,722**

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

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 DKK 116m as of 30 September 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. The 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 safter the balance sheet date

None.

Selected financial and operational data

TDC Group

		Q1-Q3 2015	Q1-Q3 2014	2014	2013	2012	2011
Income Statements	DKKm						
Revenue		18,121	17,086	23,344	23,986	25,472	25,606
Gross profit		13,166	12,644	17,092	17,431	18,154	18,811
EBITDA		7,424	7,317	9,804	9,979	10,136	10,306
Operating profit (EBIT)		3,134	3,430	3,808	4,115	4,438	4,347
Profit before income taxes		2,137	2,791	2,793	3,432	4,320	3,817
Profit for the period from continuing operations		1,598	2,053	2,452	3,078	3,691	2,721
Profit for the period		1,598	2,827	3,228	3,119	3,784	2,752
Income Statements, excluding special items							
Operating profit (EBIT)		3,447	3,887	5,076	5,047	5,176	5,194
Profit before income taxes		2,450	3,248	4,060	4,364	4,298	4,664
Profit for the period from continuing operations		1,842	2,404	3,529	3,766	3,344	3,389
Profit for the period		1,842	2,426	3,551	3,780	3,448	3,442
Balance sheets	DKKbn						
Total assets		69.4	57.6	74.4	60.4	63.5	65.2
Net interest-bearing debt		(26.7)	(20.7)	(32.9)	(21.7)	(21.9)	(21.0)
Adjusted NIBD		(29.5)	(20.7)	(32.9)	(21.7)	(21.9)	(21.0)
Total equity		24.3	18.4	18.6	20.4	21.5	22.2
Average number of shares outstanding (million)		801.6	800.2	800.2	798.9	802.3	816.7
Capital expenditure		(3,203)	(2,607)	(3,909)	(3,606)	(3,406)	(3,344)
Statements of Cash Flow	DKKm						
Operating activities		5,687	5,592	7,131	7,058	6,720	6,972
Investing activities		(3,268)	(2,834)	(16,528)	(3,929)	(2,862)	(3,546)
Financing activities		(6,216)	(3,000)	11,872	(3,102)	(4,448)	(2,815)
Total cash flow from continuing operations		(3,797)	(242)	2,475	27	(590)	611
Total cash flow in discontinued operations[1]		-2	1,100	1,099	172	74	47
Total cash flow		(3,799)	858	3,574	199	(516)	658
Equity free cash flow		2,447	2,928	3,214	3,302	3,128	3,494

TDC Group

		Q1-Q3 2015	Q1-Q3 2014	2014	2013	2012	2011
Key financial ratios							
Earnings Per Share (EPS)	DKK	2.00	3.54	4.05	3.90	4.72	3.37
EPS from continuing operations, excl. special items	DKK	2.30	3.01	4.41	4.71	4.17	4.15
Adjusted EPS	DKK	2.87	3.66	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	%	72.7	74.0	73.2	72.7	71.3	73.5
EBITDA margin	%	41.0	42.8	42.0	41.6	39.8	40.2
Net interest-bearing debt/EBITDA[2]	x	2.7	2.1	3.4	2.1	2.1	2.0
Adjusted NIBD/EBITDA	x	3.0	2.1	3.4	2.1	2.1	2.0
Retail RGUs (Denmark)							
Mobile subscriptions	# ('000)	2,903	2,922	2,904	3,004	3,016	3,075
TV	# ('000)	1,391	1,414	1,420	1,393	1,392	1,337
Broadband	# ('000)	1,336	1,363	1,358	1,361	1,327	1,289
Landline voice	# ('000)	882	1,053	1,010	1,193	1,350	1,483
Employees[3]							
FTEs (end-of-period)	#	8,673	8,811	8,594	8,587	8,885	9,551
FTEs and temps (end-of-period)	#	8,749	8,906	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 only November-December 2014. 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 at EOP 2011.

Corporate matters

Share-based incentive programme for the management of TDC's Norwegian business

On 10 July, TDC Group announced a new share-based incentive programme for the management of Norway (TDC Norway AS and Get AS). The purpose of the incentive programme is to motivate the managers to deliver value creation in TDC's Norwegian business in accordance with the management plan agreed at the time of the acquisition of Get.

Under the incentive programme, the managers will be entitled to a bonus in the form of Restricted Stock Unit (RSUs) based on the development in EBITDA-Capex compared with a threshold level for TDC's Norwegian business for the period covering the financial years 2015, 2016 and 2017 (the Bonus Period). The bonus will be calculated no later than 31 March 2018 (the Grant Date) and will be paid in RSUs. The RSUs will vest on the day following the Grant Date and for each RSU, the manager will be given one TDC share upon vesting. At the time of vesting, TDC may choose to make a full or partial cash settlement, of RSUs instead of providing TDC shares.

The aggregate bonus amount cannot exceed NOK 150 million in the Bonus Period, regardless of a development in EBITDA-Capex entitling the managers to a higher bonus amount. Each manager's entitlement to RSUs is conditional upon the manager's continued employment in the Bonus Period subject to certain leaver provisions.

In addition, TDC has entered into an investment agreement with each manager that requires the manager to purchase shares in TDC at a certain point in time for a certain amount at market value at the relevant time. The total investment in TDC shares will amount to NOK 100 million. The shares purchased will be subject to certain lock-up restrictions until 31 December 2017.

Pernille Erenbjerg appointed new Group CEO and President of TDC

On 14 August 2015, TDC announced the Board of Directors of TDC A/S´ decision to appoint Pernille Erenbjerg as Chief Executive Officer with the title Group CEO, President. At the same time, Carsten Dilling retired as CEO and member of the Executive Committee of TDC. A new Group CFO in TDC has yet to be appointed, and for the present, Pernille Erenbjerg will continue to attend to this function.

Change in TDC's Board of Directors

On 31 August 2015, TDC announced the Board of Directors of TDC A/S' decision to nominate Marianne Rørslev Bock for election as a new, independent member of the Board of Directors at the company's Annual General Meeting in 2016 to replace Søren Thorup Sørensen, who wishes to resign from the Board of Directors at the same general meeting.

Marianne Rørslev Bock, 51 years old, holds a position as Group Chief Financial Officer in Brødrene Hartmann A/S and has previously worked in a various companies , including Danisco, where she most recently served as Senior Vice President of Corporate Finance. She is a member of the Boards of Directors of the Danish Financial Supervisory Authority and Kemp & Lauritzen A/S.

Marianne Rørslev Bock holds an MSc degree in business administration and auditing, and is a State Authorised Public Accountant (with deposited licence).

Strategic review of TDC Hosting

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

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 Q3 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, 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-Q3 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 30 September 2015 as well as the results of operations and cash flows for Q1-Q3 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, 3 November 2015

Executive Committee

Pernille Erenbjerg
Group 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 centreOperations & Channels.

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Listing

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

Bloomberg TDC DC.
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