Dear stakeholders

TDC Group's 2015 results were in line with guidance; however cancellation of the remaining dividend payment for 2015 was necessary to meet the continued headwind in 2016. A new 2018 strategy announced to address the challenging Danish market.

The activities outside Denmark recorded a strong development. In Norway, Get delivered 10% EBITDA growth fuelled by upselling broadband to its TV customers, making broadband the leading product measured in terms of gross profit. Sweden also achieved EBITDA growth that points to a promising future.

Like most other telco's, we are facing intense price competition across products, and especially the Danish markets have been very challenging in 2015. We have succeeded in maintaining a high EBITDA margin and cash flow generation, but we have not transformed TDC Group as planned. In order to do this, we need financial headroom to continue to invest and enable a return to growth by 2018.

We have therefore decided to cancel payment of the remaining 2015 dividend and change our dividend policy. Needless to say, the decision has not been taken lightly, but preserving an investment grade rating while continuing to make profitable investments was essential to support a viable future for TDC Group.

We are confident that our new strategy will equip us with the right tools to improve the trend towards EBITDA and cash flow growth in 2018. Our guiding strategic principle is summed up by "Always simpler and better" to the benefit of all our stakeholders. This includes a commitment to deliver on a core set of customer promises: Better connectivity, offerings and customer experience.

A simplification of both the B2C and B2B operating models will optimise investment and marketing spending and reduce complexity and duplication. As a result of the company-wide simplification programme, TDC Group expects significant opex savings during the strategy period.

TDC Group's strategy involves further investments in Denmark despite telecom service prices being among the lowest, and service quality among the highest, in Europe. We will invest financially disciplined, aiming to keep our network advantage and high service quality for the benefit of our customers. A stable and predictable regulation and a public sector that focuses on quality and innovation will support our investment plans.

Vagn Sørensen, Chairman of the Board
Pernille Erenbjerg, Group CEO

Highlights

Q4 highlights

- Double-digit Q4 EBITDA growth rates in both **Get** (Norway) and **Sweden**
- Unsatisfactory, but expected, development in **Denmark** with EBITDA decrease of 9.8% in Q4
- Danish product specific KPIs **(ARPU and RGU)** tracking in line with recent quarters' trend
- Lowest "all you can eat" **mobile price** points increased in late 2015 in the Consumer market
- New CSO, CFO and Business CEO appointed to the **management team**

2015 FY performance

- Organic **revenue** development (-1.9%) and **EBITDA** (9,809m) met the 2015 guidance
- **Capex** of 4.5bn (guidance ~4.3bn) partly due to accelerated Get footprint expansion
- Cancellation of the remaining 2015 **dividend payment** due to weak 2016 outlook
- Flat 2015 **EFCF** development as lower tax paid and Get impact outweighed the decline in cash contribution from Denmark
- **Impairment losses** on goodwill (4.6bn) related to our Danish activities

2016 guidance: EBITDA of ~8.8bn, EFCF of ~1.9bn and DPS of DKK 1.00

2015 guidance follow-up

	2015 guidance	2015 Actuals	Status
Organic revenue growth	Same development as in 2014 (-2.5%)	-1.9%	✓
EBITDA	At the same level or slightly better than 2014 (DKK 9.8bn)[1]	DKK 9.8bn	✓
Capex	~DKK 4.3bn	4.5bn	(✓)
DPS	DKK 2.50	DKK 1.00	✗

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

Group performance

Revenue

In 2015, TDC Group achieved a 4.4% or DKK 1,022m increase in reported revenue, which was driven by the acquisition of Get (DKK 1,941m). This was partly offset by the continued negative impact from regulation and foreign exchange rates. Adjusted for these effects, organic revenue decreased by 1.9% or DKK 473m. This decline related mainly to Business and Consumer and was partly offset by growth in Get and Sweden.

Gross profit

In TDC Group, reported gross profit increased by 2.3% or DKK 392m in 2015 due to the acquisition of Get (DKK 1,527m). Organic gross profit decreased by 4.6% or DKK 841m, driven by the revenue decreases in Business and Consumer.

The gross margin decreased from 73.2% in 2014 to 71.8% in 2015, driven by a changed product mix with a larger revenue share coming from low-margin areas.

Operational expenditure[1]

Reported operational expenditure increased by 5.3% or DKK 387m in 2015, as a result of the acquisition of Get (DKK 549m). Organic operational expenditure improved by 1.4% or DKK 110m as savings in the Danish cost centre, marketing and a one-off on other income in TDC Norway (DKK 34m) were only partly offset by increased SAC/SRC spending.

EBITDA

In 2015, reported EBITDA increased by 0.1% or DKK 5m. Organic EBITDA decreased by 6.9% or DKK 731m.

Profit for the year

Profit for the year decreased by DKK 5,612m to a loss of DKK 2,384m. 2014 was positively impacted by the gain from divesting TDC Finland (DKK 754m) and 2015 was negatively impacted by impairment losses following the yearly impairment test of goodwill (DKK 4,618m). The declining profit level in the Danish business lines resulted in the need to write-down goodwill stemming from NTC's acquisition of TDC in 2006[2]. The impairment loss was caused primarily by the negative development and challenging outlook in Business. In addition, the negative impacts from regulation have resulted in a need for write-downs in Wholesale.

Profit for the year from continuing operations excluding special items decreased by 29.1% or DKK 1,027m, due mainly to higher depreciation and amortisation resulting from the acquisition of Get (DKK 684m) and the non-recurring impact on deferred taxes in 2014 from capitalisation of tax losses related to TDC Norway (DKK 593m).

Comprehensive income

Total comprehensive income decreased by DKK 3,360m. The decrease in profit for the period (DKK 5,612m) was partly offset by the higher other comprehensive income (DKK 2,252m) that related primarily to defined benefit plans.

TDC Group, key figures[3] — DKKm

		Q4 2015	Q4 2014	Change in %	2015	2014	Change in %
Income Statements	DKKm						
Revenue		6,245	6,258	(0.2)	24,366	23,344	4.4
Gross profit		4,318	4,448	(2.9)	17,484	17,092	2.3
EBITDA		2,385	2,487	(4.1)	9,809	9,804	0.1
Profit for the period from continuing operations excluding special items		660	1,125	(41.3)	2,502	3,529	(29.1)
Profit/(loss) for the period		(3,982)	401	-	(2,384)	3,228	(173.9)
Total comprehensive income		(3,997)	92	-	(2,306)	1,054	-
Capital expenditure		(1,334)	(1,302)	(2.5)	(4,537)	(3,909)	(16.1)
Equity free cash flow (EFCF)		780	286	172.7	3,227	3,214	0.4
Key financial ratios							
Earnings Per Share (EPS)	DKK	(4.87)	0.51	-	(2.87)	4.05	(170.9)
Adjusted EPS	DKK	0.99	1.65	(40.0)	3.86	5.31	(27.3)
Gross margin	%	69.1	71.1	-	71.8	73.2	-
EBITDA margin	%	38.2	39.7	-	40.3	42.0	-

[3] 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.

[1] Including other income.

[2] And the subsequent merger between NTC ApS and TDC A/S in 2009.

The gains in 2015 and the losses in 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.

Capital expenditure

In 2015, capital expenditure totalled DKK 4,537m, an increase of 16.1% or DKK 628m, which was due to the inclusion of Get and increased investments in IT. The increase in IT spending supports the enhanced strategic focus on digitalisation. Investments in the Danish mobile network decreased in 2015 as large investments were made in 2014 due to the nationwide upgrade. Future investments will ensure TDC Group retains a best-in-class mobile network. In 2015, investments in the Danish hybrid fibre coaxial-cable network increased our capacity to offer higher broadband speeds to Danish households.

Equity free cash flow

The increase of DKK 13m in equity free cash flow includes a declining cash contribution (EBITDA-capex) in Denmark (DKK 1,035m) and an increase in Get (DKK 395m). This was offset by a decrease in income tax paid (DKK 414m) due to decreasing taxable income in combination with tax refunded in 2015 regarding previous years.

In addition, equity free cash flow was positively impacted by a lower cash outflow from special items (DKK 186m), affected by a lower level of redundancies as well as transaction costs in 2014 related to the acquisition of Get.

Equity

During 2015, total equity increased by DKK 1.7bn to DKK 20.4bn due chiefly to the issuance of hybrid bonds (DKK 5.6bn), which are accounted for as equity in the balance sheet. This was partly offset by the negative total comprehensive income (DKK 2.3bn) and distributed dividends (DKK 1.6bn).

Net interest-bearing debt

Net interest-bearing debt decreased by DKK 6,893m to DKK 26,031m.

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 will be 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 28.8bn 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.

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). The EUR 800m bond that matured in February 2015 was also refinanced with bank loans (EUR 650m) and cash.

In addition, the EUR 274m EMTN bond that matured in December 2015 was refinanced with bank loans and cash.

Cash flow & NIBD (DKKm)

	Q4 2015	Q4 2014	Change in %	2015	2014	Change in %
EBITDA	2,385	2,487	(4.1)	9,809	9,804	0.1
Change in working capital	445	497	(10.5)	178	172	3.5
Interest paid, net	(165)	(153)	(7.8)	(879)	(886)	0.8
Income tax paid	(447)	(1,121)	60.1	(800)	(1,214)	34.1
Cash flow from capital expenditure	(1,326)	(1,231)	(7.7)	(4,502)	(3,853)	(16.8)
Cash flow related to special items	(123)	(184)	33.2	(549)	(735)	25.3
Other	11	(9)	-	(30)	(74)	59.5
Equity free cash flow	**780**	**286**	**172.7**	**3,227**	**3,214**	**0.4**
Total cash flow from operating activities	2,132	1,539	38.5	7,819	7,131	9.6
Total cash flow from investing activities	(1,336)	(13,694)	90.2	(4,604)	(16,528)	72.1
Total cash flow from financing activities	(1,386)	14,872	(109.3)	(7,602)	11,872	(164.0)
Total cash flow from continuing operations	(590)	2,717	(121.7)	(4,387)	2,475	-
Total cash flow from discontinued operations	0	(1)	-	(2)	1,099	(100.2)
Total cash flow	**(590)**	**2,716**	**(121.7)**	**(4,389)**	**3,574**	**-**
Net interest-bearing debt (NIBD)	(26,031)	(32,924)	20.9	(26,031)	(32,924)	20.9
Adjusted NIBD	(28,807)	(32,924)	12.5	(28,807)	(32,924)	12.5
Net interest-bearing debt/EBITDA	2.7	3.4	-	2.7	3.4	-
Adjusted NIBD/EBITDA	2.9	3.4	-	2.9	3.4	-

Guidance

Guidance 2015
TDC Group met its 2015 financial guidance on revenue and EBITDA. As shown below, this included an expected materialization of the majority of the underlying assumptions, while the outcome of some assumptions differed to those expected by TDC Group.

Better than expected:

- Lower cash outflow to income taxes than expected, compensating on EFCF for the higher–than-guided capex spending
- Other income in TDC Norway, positively affected by termination of a defined benefit plan (DKK 34m)

As expected:

- Danish economy with little or no spending growth
- Impact from regulation at the same level as in 2014
- Gross profit from mobility services in Consumer down by 8.2% affected by the YoY mobile voice ARPU loss and spill-over effects from the loss of mobile customers throughout 2014
- Gross profit growth in Denmark from YouSee broadband offset by challenged development in TDC Brand due to LRAIC spill-over effects
- Gross profit decline of 15.1% from landline voice in Denmark in line with trend in earlier years
- TV gross profit returned to growth supported by subscriber growth in TDC TV and ARPU increases in YouSee
- Strong EBITDA growth rate in Get (10.0%)
- Flattish EBITDA development in Sweden in local currency
- Organic opex savings of 1.4% at a lower rate than experienced in 2014 (3.4%)

Worse than expected:

- Gross profit in Business decreased by 12.8% across products vs. 7.1% in 2014
- NOK/DKK exchange rate of 0.835 vs. a guidance assumption of 0.85, negatively affecting EBITDA by DKK 23m
- Cancellation of the remaining 2015 dividend payment due to expected weak 2016 financial performance in Denmark

Guidance 2016
The guidance for 2016 for the TDC Group and the underlying assumptions are presented below.

Our guidance for 2016 is based on comprehensive financial plans for each individual business line. However, by their very nature, forward-looking statements involve certain risks and uncertainties. The risks and uncertainties are described in more detail in the section on risk factors and in the Disclaimer in TDC's Annual Report.

2016 guidance assumptions

- Regulatory impact expected at same level as 2015
- High single-digit EBITDA growth rates in Norway and Sweden
- Substantial EBITDA decline in Business, however less severe compared with the 2015 development
- Lower YoY decline from Consumer mobile as ARPU pressure eases off after recent market price increases
- Negative impact from loss of a large MVNO contract in Wholesale
- Deteriorated gross profit in Consumer TV due to lower price increases than in 2015
- Deteriorated gross profit in Consumer broadband due to increased competition
- Unchanged YoY loss from Consumer landline voice
- Decreasing non-service revenue in Consumer
- Higher net interest following the financing of the Get acquisition
- Flat development in tax paid
- Increases in cash capex due to different timing of payment and expected mobile licence fee (1800 MHz)

2016 guidance

EBITDA	EFCF	DPS
~8.8 bn	~1.9 bn	1.00
assuming DKK/NOK ~0.80		DKK per share

TDC Group's performance per business line (YTD)

In the illustration below, TDC Group's 2015 performance is presented using our traditional business line reporting. Costs in Denmark are not allocated, but are included in the business line responsible for the service, cf. segment note 2. A detailed description of the individual business lines' 2015 performance will follow on the next pages.

DKKm/ Growth in local currency	TDC Group	Consumer	Business	Wholesale	Cost Centre	Denmark in total	Get [2]	TDC Norway	Sweden
Revenue[1]	24,366	11,154	5,922	1,685	473	19,011	2,327	810	2,697
	+4.4%	-3.3%	-7.2%	-7.9%	+6.3%	-5.0%	+5.2%	-2.3%	+9.3%
Gross profit[1]	17,484	8,413	4,647	1,104	343	14,360	1,820	280	1,033
	+2.3%	-4.5%	-12.8%	-5.0%	+24.3%	-7.0%	+7.8%	-11.6%	+3.9%
EBITDA[1]	9,809	7,445	3,664	947	-3,842	8,210	1,153	126	320
	+0.1%	-5.9%	-16.6%	-4.1%	+6.7%	-10.5%	+10.0%	+6.3%	1.0%

[1] Both absolute figures and growth rates are excluding eliminations and therefore do not amount to 100%.
[2] The growth figures show Get's growth from 2014 to 2015 based on full year inclusion of Get in 2014.

Consumer

YTD financial performance

In 2015, Consumer's EBITDA decreased by 5.9% or DKK 469m to DKK 7,445m, resulting from a YoY mobile voice ARPU loss of 3.4% and spill-over effects from the loss of mobile customers in 2014 as well as the continued decline on landline voice. The 5.9% decrease compared unfavourably with the EBITDA decrease of 1.1% in 2014. The worsened development stemmed mainly from increased SAC/SRC spending and decreasing impacts from fees.

Mobility services
In 2015, reported revenue from mobility services in Consumer decreased by 6.3% or DKK 177m to DKK 2,611m. This related to lower ARPU due to the price-competitive market as well as an unsatisfactory customer base development in 2014.

The development in Consumer's mobile voice customer base turned around in 2015 and increased by 25k. This related largely to lower churn rates driven by retention activities with product upgrades and the unlimited data campaign for existing customers.

Consumer, key figures	**DKKm**						
		Q4 2015	**Q4 2014**	**Change in %**	**2015**	**2014**	**Change in %**
Revenue	DKKm	**2,777**	**2,967**	**(6.4)**	**11,154**	**11,536**	**(3.3)**
Mobility services		649	683	(5.0)	2,611	2,788	(6.3)
TV		1,049	1,031	1.7	4,240	4,170	1.7
Internet & network		601	607	(1.0)	2,442	2,391	2.1
Landline voice		244	298	(18.1)	1,072	1,243	(13.8)
Other services		234	348	(32.8)	789	944	(16.4)
Gross profit		**2,054**	**2,224**	**(7.6)**	**8,413**	**8,809**	**(4.5)**
EBITDA		**1,851**	**2,031**	**(8.9)**	**7,445**	**7,914**	**(5.9)**
Gross margin	%	74.0	75.0	-	75.4	76.4	-
EBITDA margin	%	66.7	68.5	-	66.7	68.6	-
Number of FTEs (end-of-period)[1]	#	516	453	13.9	516	453	13.9

[1] Product management with 20 FTEs was moved from Cost centre in Q3 2015

After years with stable ARPU, Consumer's mobile voice ARPU decreased by DKK 4 with an accelerating trend throughout the year and was negatively affected by customers migrating to lower price points as well as cross-selling to existing TV and broadband customers in line with our household strategy. The recent price initiatives have only had a marginal effect to date.

Internet & network
In 2015, Consumer's reported revenue from internet & network increased by 2.1% or DKK 51m to DKK 2,442m, driven by a rise in ARPU.

Consumer's broadband customer base decreased by 10k. TDC brand saw a worsened development, with 24k broadband customers lost to competitors utilising the lower wholesale prices (LRAIC) to set lower retail prices. This was partly offset by growth in YouSee. YouSee attracted customers with the opportunity for high speeds and value-added services such as TV on-the-go combining products in solutions.

Consumer's broadband ARPU increased by DKK 4 due primarily to price increases in the TDC brand and customers migrating to higher speeds in YouSee.

TDC/Fullrate brand TV
In 2015, TDC/Fullrate brands TV succeeded in delivering total reported revenue growth of 10.9% or DKK 98m, up to DKK 1,001m, driven by growth in the customer base.

The growth of 19k TV customers in 2015 was driven by attractively priced packages featuring premium content in both the TDC brand and Fullrate brand.

TDC/Fullrate brands' TV ARPU declined, due to a changed product mix. This was only to a lesser extent offset by price increases as of 1 January 2015[2]. In total, TDC/Fullrate brand TV ARPU declined by DKK 10 in 2015.

YouSee brand TV
Reported revenue from TV in YouSee decreased by 0.9% or DKK 28m to DKK 3,239m, reflecting a decline in the customer base that was partly offset by higher ARPU.

YouSee's customer base decreased by 53k subscribers in 2015 partly as a result of cord cutting at both individual customers and antenna associations. In addition, YouSee lost a low-ARPU antenna association (-14k) in Q1 2015. The same association was regained in 2015 with financial effect from January 2016 including delivery of a full TV-offering as opposed to previously.

[2] 4-8% price increase on TDC TV.

YouSee's ARPU rose by DKK 8 in 2015 prompted by price changes effective as of 1 January 2015[1] 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 cord shaving effect, combined with the generally increasing use of streaming services vs. flow TV, means that more customers now have only a basic TV package.

Landline voice
In 2015, Consumer's reported revenue from landline voice decreased by 13.8% or DKK 171m to DKK 1,072m due to the loss of customers.

The 121k decrease in Consumer's landline voice customer base reflected the shift to mobile only. However, churn rates were lower in 2015 than 2014.

Price changes[2] in the TDC brand in mid-2014 and as of 1 January 2015 resulted in an ARPU increase. This was partly offset by lower revenue from variable traffic and a larger share of VoIP customers. In total, ARPU increased by DKK 8 compared with 2014.

Other services
In 2015, revenue from other services declined by 16.4% or DKK 155m to DKK 789m due to lower revenue from mobile handsets sold with a positive margin as a result of lower sales to third-party vendors as well as decreasing effects from fees.

[1] 5-6% price increases on packages

[2] 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.

Business

YTD financial performance

Business experienced an unsatisfactory development in 2015 with an EBITDA loss of 16.6% or DKK 731m to DKK 3,664m, driven by intense competition across products and segments and a worsened opex development. This is an unfavourable development compared with 2014 and represented a low point for performance in recent years.

Mobility services

Reported revenue from mobility services in Business declined by 17.2% or DKK 295m to DKK 1,420m in 2015 due to an ARPU decrease of DKK 24 or 15.3%.This was a consequence of renegotiations (incl. SKI) in the high-end segments and continued price competition in the low-end segments. Revenue from mobile broadband also declined in 2015.

Business saw a net loss of 15k mobile voice subscriptions in 2015 due to the loss of small and medium-sized business customers, which was only partly offset by an increase in public customers.

During 2015, the mobile churn rate among small and medium-sized businesses improved considerably. This was spurred on by the introduction of a new mobile portfolio that ensures a higher customer value proposition through inclusion of more value added services.

Business, key figures	**DKKm**						
		Q4 2015	**Q4 2014**	**Change in %**	**2015**	**2014**	**Change in %**
Revenue	DKKm	**1,557**	**1,600**	**(2.7)**	**5,922**	**6,379**	**(7.2)**
Mobility services		335	396	(15.4)	1,420	1,715	(17.2)
Internet & network		501	547	(8.4)	2,027	2,208	(8.2)
Landline voice		249	299	(16.7)	1,062	1,266	(16.1)
Other services		472	358	31.8	1,413	1,190	18.7
Gross profit		**1,140**	**1,286**	**(11.4)**	**4,647**	**5,327**	**(12.8)**
EBITDA		**889**	**1,056**	**(15.8)**	**3,664**	**4,395**	**(16.6)**
Gross margin	%	73.2	80.4	-	78.5	83.5	-
EBITDA margin	%	57.1	66.0	-	61.9	68.9	-
Number of FTEs (end-of-period)[1]	#	1,099	1,066	3.1	1,099	1,066	3.1

[1] Product management with 16 FTEs was moved from Cost centre in Q3 2015.

Internet & network

In 2015, Business' reported revenue from internet & network decreased by 8.2% or DKK 181m to DKK 2,027m. The decline in revenue related to both broadband and other revenue from fibre connections and other data connections.

Revenue from broadband was negatively affected by a declining customer base combined with a DKK 16 ARPU decrease resulting from leakage and migration of high-ARPU legacy customers and price pressure during renegotiations.

Revenue loss from internet & network was partly offset by growth of 2.6% or DKK 12m in TDC Hosting.

Landline voice

Reported revenue stemming from landline voice in Business declined by 16.1% or DKK 204m to DKK 1,062m in 2015. This was driven by the declines in the customer base and ARPU. The decrease in revenue was more pronounced than in 2014.

The 40k decrease in the customer base resulted from the generally declining market for landline voice.

The landline voice ARPU decrease of DKK 18 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.

Other services

NetDesign is the largest IT advisor and network integrator in Denmark. NetDesign supplies Danish companies with customer-specific IT and communications end-to-end solutions accompanied by an advanced service concept. In 2015, NetDesign revenue improved by 13.7% or DKK 113m to DKK 936m. The growth was driven exclusively by low-margin hardware and software sales, which resulted in a negative gross profit development, as the corresponding costs increased at a higher rate.

Revenue from handset sales in Business increased due to partner sales and higher iPhone and iPad sales.

Wholesale

YTD financial performance

In 2015, Wholesale reported an EBITDA loss of 4.1% or DKK 41m to DKK 947m driven by general price pressure and regulatory price adjustments. This was partly offset by an improvement in operational expenditure.

Mobility services
Reported revenue from mobility services decreased by 19.9% or DKK 133m to DKK 534m in 2015. The decrease was due primarily to the loss of a large MVNO contract as of 1 January 2015 and a decrease in interconnect due to regulatory MTR adjustments, primarily SMS with no gross profit effect.

ARPU decreased by DKK 9 driven by price pressure and a change in customer mix with new customers generally entering at a lower ARPU level.

The customer base increased by 18k, positively affected by service providers' successful campaigns.

Internet & network
Reported revenue from internet & network decreased by 1.4% or DKK 10m to DKK 687m in 2015. This stemmed from a decline in broadband revenue that was only partly offset by an increase in international capacity.

The decline in broadband resulted from a decrease in ARPU, which was affected by regulatory price adjustments (LRAIC) with lower BSA prices. However, this was partly counterbalanced by an increasing broadband customer base (20k), positively affected by wholesale customers' successful campaigns.

International capacity saw increasing revenue, but with only limited gross profit effect due to price pressure and a changed mix favouring lower-margin products.

Landline voice
Reported revenue from landline voice decreased by 6.7% or DKK 19m to DKK 266m in 2015, stemming primarily from a decrease in service provider customers.

The 15k decrease in service provider customers was in line with the loss in 2014 and was due to the continuous decline in the overall landline voice market.

A decrease in other revenue related to national interconnection, which was negatively affected by regulation and lower traffic volumes.

ARPU remained unchanged compared with 2014.

Wholesale, key figures DKKm

		Q4 2015	Q4 2014	Change in %	2015	2014	Change in %
Revenue	DKKm	**426**	**462**	**(7.8)**	**1,685**	**1,830**	**(7.9)**
Mobility services		123	168	(26.8)	534	667	(19.9)
Internet & network		183	176	4.0	687	697	(1.4)
Landline voice		68	69	(1.4)	266	285	(6.7)
Other services		52	49	6.1	198	181	9.4
Gross profit		**288**	**284**	**1.4**	**1,104**	**1,162**	**(5.0)**
EBITDA		**251**	**237**	**5.9**	**947**	**988**	**(4.1)**
Gross margin	%	67.6	61.5	-	65.5	63.5	-
EBITDA margin	%	58.9	51.3	-	56.2	54.0	-
Number of FTEs (end-of-period)[1]	#	108	126	(14.3)	108	126	(14.3)

[1] Wholesale's finance division with 22 FTEs was moved to Cost centre in Q2 2015. Product management with 4 FTEs was moved from Cost centre in Q3 2015.

Cost centre

YTD financial performance

In 2015, TDC Group continued to increase efficiency and maintained a focus on optimising processes. This resulted in an improved performance in operational expenditure[1] in cost centre of 4.8% or DKK 210m. When the positive one-off regarding the strategic review from Q4 2014 is excluded, savings are at the 2014 level. Gross profit from cost centre improved by 24.3% or DKK 67m prompted by increased installation activities in Dansk Kabel TV and managed services. Overall, this led to a 6.7% or DKK 277m improvement in cost centre EBITDA in 2015.

The strong development in cost reductions in cost centre across categories was successfully achieved through a series of focused initiatives. Firstly, structured and focused contract renegotiations facilitated savings in larger contracts, including an enhanced contract for mobile operations and IT service agreements.

Secondly, several field force initiatives with a focus on customer satisfaction and operational excellence reduced the number of faults by 10.6% at customer sites and time spent on fault-handling by 9.6% in 2015. This led to less internal time allocated to fault-handling as well as a lower need for external contractors. The analysis of field force outsourcing was completed in early 2015 and a competitive internal agreement was made with TDC Group's union. The agreement paved the way for insourcing installation tasks from an external partner.

Thirdly, facility management initiatives and lower power consumption due to a reduced unit cost and mild summer weather further reduced costs in cost centre.

Efficiency was also improved in customer support, despite an increasing number of calls. Outsourcing of customer support handling in late 2014 showed positive results in 2015 with a significantly enhanced performance. Customer waiting times[3] dropped from 31.1% in 2014 to 4.4% in 2015 and accessibility across touch points improved by 30.0% in 2015.

To secure future efficiency improvements and financial savings, TDC Group invested in end-to-end lean projects during 2015 and will continue this journey in 2016.

Cost centre, key figures							**DKKm**
		Q4 2015	**Q4 2014**	**Change in %**	**2015**	**2014**	**Change in %**
Revenue	DKKm	**122**	**111**	**9.9**	**473**	**445**	**6.3**
Gross profit		88	62	41.9	343	276	24.3
Opex		(1,080)	(1,167)	7.5	(4,185)	(4,395)	4.8
EBITDA		**(992)**	**(1,105)**	**10.2**	**(3,842)**	**(4,119)**	**6.7**
KPIs							
Fault-handling hours	Hours ('000)	**136**	**147**	**(7.5)**	**539**	**596**	**(9.6)**
Number of FTEs (end-of-period)[2]	#	5,265	5,219	0.9	5,265	5,219	0.9

[2] Wholesale's finance division with 22 FTEs was moved to Cost centre in Q2 2015. Product Management with 40 FTEs was moved from Cost centre to sales divisions in Cunsumer, Business and Wholesale in Q3 2015.

[3] The share of customers waiting more than three minutes when calling customer support.

[1] Including other income.

Norway

YTD financial performance

In 2015, reported EBITDA in Norway increased by NOK 1,184m to NOK 1,533m driven by the acquisition of Get in 2014[1]. Based on 2014 full-year inclusion of Get, EBITDA in Norway increased by 9.7% or NOK 135m.

TV in Get

In 2015, Get's organic revenue from TV increased by 3.9% or NOK 53m to NOK 1,423m, driven by both growth in ARPU and a larger customer base.

Get increased its TV customer base by 6k customers. This achievement was driven by both organic customer growth as well as footprint expansion.

TV ARPU increased by NOK 6 as a result of increased subscription fees effective as of 1 January 2015.

From H1 2014 to H1 2015, Get raised its TV market share by 0.5 percentage points to 19% of total TV subscriptions in Norway. In the same period, Get increased its market share of cable TV by 0.7 percentage points to 43% of cable-TV subscriptions[4].

Broadband Get

Get's reported revenue from broadband increased by a healthy 9.4% or NOK 85m to NOK 985m in 2015 as Get successfully expanded its customer base.

High broadband customer base growth of 27k prompted a 5.0 percentage points increase in broadband penetration to 81% of TV customers. Get attracted more customers with high-speed offerings and value-added services such as unlimited cloud storage.

Broadband ARPU increased by NOK 3 driven by migration of customers to higher speeds as well as upselling.

From H1 2014 to H1 2015, Get increased its broadband market share by 1.4 percentage points to 17% of total broadband subscriptions in the B2C market[5].

Norway, key figures[2] — NOKm

		Q4 2015	Q4 2014	Change in %	2015	2014	Change in %
Revenue	NOKm	**962**	**709**	**36**	**3,749**	**1,444**	**160**
Residential TV		359	230	56.1	1,423	230	-
Residential broadband		255	157	62.4	985	157	-
Business[3]		279	266	4.9	1,039	1,001	3.8
Other residential services		69	56	23.2	302	56	-
Gross profit		**645**	**436**	**47.9**	**2,515**	**722**	**-**
EBITDA		**378**	**241**	**56.8**	**1,533**	**349**	**-**
Gross margin	%	67.0	61.5	-	67.1	50.0	-
EBITDA margin	%	39.3	34.0	-	40.9	24.2	-
Number of FTEs (end-of-period)	#	908	923	(1.6)	908	923	(1.6)

[2] Includes Get as of November 2014.
[3] Includes TDC Norway and Get's Business division.

[1] Get was included in TDC's figures for only two months in 2014 and for the full year in 2015.

[4] Norwegian Communication Authorities, first half of 2015.

[5] Norwegian Communication Authorities, first half of 2015.

Sweden

YTD financial performance

In 2015, Sweden resumed its revenue growth with revenue in local currency rising to SEK 3,381m. This strong 9.3% increase represented a significant improvement compared with the decrease of 1.3% in 2014.

Operator business

Reported revenue from the operator business increased by 8.9% driven by growth across products.

Reported revenue from mobility services increased by 37.4% in local currency driven by strong growth in mobile subscriptions (57k) spurred on by increased sales of integrated solutions with mobility services included.

Mobile ARPU negatively affected by price competition in both new contracts and renegotiations and a high intake of public customers with lower ARPU.

IP-VPN generated an increase of 6.6% in internet & network revenue resulting from growth in the number of connections despite fierce competition.

Growth in low-margin landline voice connections triggered a small increase in landline voice revenue.

Integrator business

Reported revenue from integrator business rose by 9.6% driven by direct business and network solutions.

Growth in direct business was with limited gross profit effect as it related mainly to sales of low-margin hardware.

Increased revenue from network solutions related mainly to projects and service agreements.

Sweden, key figures[1]	SEKm	Q4 2015	Q4 2014	Change in %	2015	2014	Change in %
Revenue	SEKm	944	862	9.5	3,381	3,094	9.3
Mobility services		65	42	54.8	213	155	37.4
Internet & network		238	228	4.4	943	885	6.6
Landline voice		98	95	3.2	389	379	2.6
Other services[2]		543	497	9.3	1,836	1,675	9.6
Gross profit		**349**	**316**	**10.4**	**1,295**	**1,246**	**3.9**
EBITDA		**108**	**80**	**35.0**	**402**	**398**	**1.0**
Gross margin	%	37.0	36.7	-	38.3	40.3	-
EBITDA margin	%	11.4	9.3	-	11.9	12.9	-
Number of FTEs (end-of-period)	#	809	807	0.2	809	807	0.2

[1] Including Viridis as from October 2014.
[2] Including sale of terminal equipment, systems integration services, installation work and operator services etc.

Consolidated Financial Statements

Income Statements							**DKKm**
	Note	**Q4 2015**	**Q4 2014**	**Change in %**	**2015**	**2014**	**Change in %**
Revenue	2	**6,245**	**6,258**	**(0.2)**	**24,366**	**23,344**	**4.4**
Cost of sales		(1,927)	(1,810)	(6.5)	(6,882)	(6,252)	(10.1)
Gross profit		**4,318**	**4,448**	**(2.9)**	**17,484**	**17,092**	**2.3**
External expenses		(906)	(970)	6.6	(3,625)	(3,376)	(7.4)
Personnel expenses	3	(1,052)	(1,010)	(4.2)	(4,195)	(3,993)	(5.1)
Other income		25	19	31.6	145	81	79.0
Operating profit before depreciation, amortisation and special items (EBITDA)	2	**2,385**	**2,487**	**(4.1)**	**9,809**	**9,804**	**0.1**
Depreciation, amortisation and impairment losses	4	(1,334)	(1,298)	(2.8)	(5,311)	(4,728)	(12.3)
Operating profit excluding special items (EBIT excluding special items)		**1,051**	**1,189**	**(11.6)**	**4,498**	**5,076**	**(11.4)**
Special items	5	(4,803)	(811)	-	(5,116)	(1,268)	-
Operating profit/(loss) (EBIT)		**(3,752)**	**378**	**-**	**(618)**	**3,808**	**(116.2)**
Financial income and expenses	6.7	(110)	(376)	70.7	(1,107)	(1,015)	(9.1)
Profit/(loss) before income taxes		**(3,862)**	**2**	**-**	**(1,725)**	**2,793**	**(161.8)**
Income taxes		(120)	397	(130.2)	(659)	(341)	(93.3)
Profit/(loss) for the period from continuing operations		**(3,982)**	**399**	**-**	**(2,384)**	**2,452**	**(197.2)**
Profit for the period from discontinued operations		-	2	-	-	776	-
Profit/(loss) for the period		**(3,982)**	**401**	**-**	**(2,384)**	**3,228**	**(173.9)**
Profit/(loss) attributable to:							
Owners of the parent		(3,907)	408	-	(2,301)	3,239	(171.0)
Non-controlling interests		(75)	(7)	-	(83)	(11)	-
EPS (DKK)							
Earnings Per Share, basic		(4.87)	0.51	-	(2.87)	4.05	(170.9)
Earnings Per Share, diluted		(4.87)	0.50	-	(2.87)	4.03	(171.2)
Adjusted EPS		0.99	1.65	(40.0)	3.86	5.31	(27.3)

Statements of Comprehensive Income

DKKm	Q4 2015	Q4 2014	2015	2014
Profit/(loss) for the period	**(3,982)**	**401**	**(2,384)**	**3,228**
Items that can subsequently be reclassified to the Income Statement:				
Currency translation adjustments, foreign enterprises	(69)	(916)	(415)	(913)
Fair value adjustments of cash flow hedges	(71)	(259)	(38)	(267)
Fair value adjustments of cash flow hedges transferred to Financial expenses	(75)	(7)	(86)	25
Fair value adjustments of cash flow hedges transferred to investment in enterprises	-	245	-	245
Items that cannot subsequently be reclassified to the Income Statement:				
Remeasurement effects related to defined benefit pension plans	253	773	785	(1,650)
Income tax relating to remeasurement effects from defined benefit pension plans	(53)	(145)	(168)	386
Other comprehensive income/(loss)	**(15)**	**(309)**	**78**	**(2,174)**
Total comprehensive income	**(3,997)**	**92**	**(2,306)**	**1,054**

Balance Sheet			DKKm
	Note	31 December 2015	31 December 2014
Assets			
Non-current assets			
Intangible assets		34,455	40,893
Property, plant and equipment		17,963	17,504
Joint ventures, associates and other investments		82	77
Pension assets	7	5,947	5,205
Receivables		275	312
Derivative financial instruments		484	214
Prepaid expenses		355	310
Total non-current assets		**59,561**	**64,515**
Current assets			
Inventories		311	319
Receivables		3,131	3,458
Income tax receivables		5	65
Derivative financial instruments		484	598
Prepaid expenses		741	660
Cash		363	4,746
Total current assets		**5,035**	**9,846**
Total assets		**64,596**	**74,361**

Balance Sheet			DKKm
	Note	31 December 2015	31 December 2014
Equity and liabilities			
Equity			
Share capital		812	812
Reserve for currency translation adjustments		(2,266)	(1,727)
Retained earnings		16,229	18,656
Proposed dividends		-	802
Equity attributable to owners of the parent		**14,775**	**18,543**
Hybrid capital		5,552	-
Non-controlling interests		27	104
Total equity		**20,354**	**18,647**
Non-current liabilities			
Deferred tax liabilities		4,218	4,271
Provisions		985	992
Pension liabilities	7	36	105
Loans	8	27,398	18,630
Deferred income		426	525
Total non-current liabilities		**33,063**	**24,523**
Current liabilities			
Loans	8	200	20,051
Trade and other payables		7,035	7,244
Income tax payable		-	1
Derivative financial instruments		537	531
Deferred income		3,177	3,074
Provisions		230	290
Total current liabilities		**11,179**	**31,191**
Total liabilities		**44,242**	**55,714**
Total equity and liabilities		**64,596**	**74,361**

Statements of Cash Flow

DKKm	Q4 2015	Q4 2014	Change in %	2015	2014	Change in %
EBITDA	2,385	2,487	(4.1)	9,809	9,804	0.1
Adjustment for non-cash items	78	70	11.4	192	157	22.3
Pension contributions	(37)	(38)	2.6	(121)	(140)	13.6
Payments related to provisions	(4)	(10)	60.0	(11)	(20)	45.0
Special items	(123)	(184)	33.2	(549)	(735)	25.3
Change in working capital	445	497	(10.5)	178	172	3.5
Interest paid, net	(165)	(153)	(7.8)	(879)	(886)	0.8
Realised currency translation adjustments	-	(9)	-	-	(7)	-
Income tax paid	(447)	(1,121)	60.1	(800)	(1,214)	34.1
Operating activities in continuing operations	**2,132**	**1,539**	**38.5**	**7,819**	**7,131**	**9.6**
Operating activities in discontinued operations	-	-	-	-	3	-
Total cash flow from operating activities	**2,132**	**1,539**	**38.5**	**7,819**	**7,134**	**9.6**
Investment in enterprises	(17)	(12,459)	99.9	(153)	(12,650)	98.8
Investment in property, plant and equipment	(972)	(1,010)	3.8	(3,417)	(2,957)	(15.6)
Investment in intangible assets	(354)	(221)	(60.2)	(1,085)	(896)	(21.1)
Investment in other non-current assets	(4)	(13)	69.2	(10)	(87)	88.5
Sale of other non-current assets	10	9	11.1	60	61	(1.6)
Dividends received from joint ventures and associates	1	-	-	1	1	-
Investing activities in continuing operations	**(1,336)**	**(13,694)**	**90.2**	**(4,604)**	**(16,528)**	**72.1**
Investing activities in discontinued operations	-	(1)	-	(2)	1,096	(100.2)
Total cash flow from investing activities	**(1,336)**	**(13,695)**	**90.2**	**(4,606)**	**(15,432)**	**70.2**
Proceeds from long-term loans	745	2,974	(74.9)	8,484	2,974	185.3
Finance lease repayments	(26)	(22)	(18.2)	(90)	(64)	(40.6)
Repayments of long-term loans	(2,040)	0	0	(8,008)	0	0
Proceeds from bridge bank loan	0	11,914	0	0	11,914	0
Repayment of bridge bank loan	0	0	0	(11,946)	0	0
Change in short-term bank loans	(58)	0	(100.5)	3	0	0
Change in interest-bearing debt and receivables	(6)	0	0	0	3	0
Proceeds from issuance of hybrid capital	(1)	0	0	5,552	0	0
Dividends paid	0	0	0	(1,603)	(2,961)	45.9
Dividends received from joint ventures and associates	0	6	0	6	6	0
Total cash flow from financing activities	**(1,386)**	**14,872**	**(109.3)**	**(7,602)**	**11,872**	**(164.0)**
Total cash flow	**(590)**	**2,716**	**(121.7)**	**(4,389)**	**3,574**	**-**
Cash and cash equivalents (beginning-of-period)	954	2,030	(53.0)	4,746	1,172	-
Effect of exchange rate changes on cash and cash equivalents	(1)	-	-	6	-	-
Cash and cash equivalents (end-of-period)	**363**	**4,746**	**(92.4)**	**363**	**4,746**	**(92.4)**

Equity free cash flow

DKKm	Q4 2015	Q4 2014	Change in %	2015	2014	Change in %
EBITDA	2,385	2,487	(4.1)	9,809	9,804	0.1
Change in working capital	445	497	(10.5)	178	172	3.5
Interest paid, net	(165)	(153)	(7.8)	(879)	(886)	0.8
Income tax paid	(447)	(1,121)	60.1	(800)	(1,214)	34.1
Cash flow from capital expenditure	(1,326)	(1,231)	(7.7)	(4,502)	(3,853)	(16.8)
Cash flow related to special items	(123)	(184)	33.2	(549)	(735)	25.3
Other	11	(9)	-	(30)	(74)	59.5
Equity free cash flow	**780**	**286**	**172.7**	**3,227**	**3,214**	**0.4**

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				2,437	802	3,239		(11)	3,228
Currency hedging of net investments in foreign enterprises		(913)				(913)			(913)
Fair value adjustments of cash flow hedges			(267)			(267)			(267)
Fair value adjustments of cash flow hedges transferred to Financial expenses			25			25			25
Fair value adjustments of cash flow hedges transferred to investment in enterprises			245			245			245
Remeasurement effects related to defined benefit pension plans				(1,650)		(1,650)			(1,650)
Income tax relating to remeasurement effects from defined benefit pension plans				386		386			386
Total comprehensive income	**-**	**(913)**	**3**	**1,173**	**802**	**1,065**	**-**	**(11)**	**1,054**
Distributed dividends				(1,175)	(1,786)	(2,961)			(2,961)
Share-based remuneration				55	-	55			55
Additions to minority interests						-		115	115
Total transactions with shareholders	**-**	**-**	**-**	**(1,120)**	**(1,786)**	**(2,906)**	**-**	**115**	**(2,791)**
Equity at 31 December 2014	**812**	**(1,604)**	**(123)**	**18,656**	**802**	**18,543**	**-**	**104**	**18,647**

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
Loss for the period				(2,301)		(2,301)		(83)	(2,384)
Currency translation adjustments, foreign enterprises		(415)				(415)			(415)
Fair value adjustments of cash flow hedges			(38)			(38)			(38)
Fair value adjustments of cash flow hedges transferred to Financial expenses			(86)			(86)			(86)
Remeasurement effects related to defined benefit pension plans				785		785			785
Income tax relating to remeasurement effects from defined benefit pension plans				(168)		(168)			(168)
Total comprehensive income	**-**	**(415)**	**(124)**	**(1,684)**	**-**	**(2,223)**	**-**	**(83)**	**(2,306)**
Distributed dividends				(801)	(802)	(1,603)			(1,603)
Share-based remuneration				58		58			58
Additions, hybrid capital						-	5,552		5,552
Additions to minority interests						-		6	6
Total transactions with shareholders	**-**	**-**	**-**	**(743)**	**(802)**	**(1,545)**	**5,552**	**6**	**4,013**
Equity at 31 December 2015	**812**	**(2,019)**	**(247)**	**16,229**	**-**	**14,775**	**5,552**	**27**	**20,354**

Distributed dividends net of dividends related to treasury shares amounted to DKK 1,602m in 2015 (2014: DKK 2,961m).

Note 1 Accounting policies

TDC's consolidated financial statements for 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the additional disclosure requirements provided in the IFRS Executive Order issued by the Danish Business Authority in pursuance of the Danish Financial Statements Act. For TDC Group there are no differences between IFRS as adopted by the EU and IFRS as issued by the IASB.

The consolidated financial statements are based on the historical cost convention, except that the following assets and liabilities are measured at fair value: derivatives, financial instruments held for trading, and financial instruments classified as available for sale.

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 of the consolidated financial statements are shown in note1.1 in the consolidated financial statements for 2015, cf. TDC's Annual Report 2015.

Note 2 Segment reporting

In Q1 2015, TDC made certain changes that impacted on 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 relates to 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[1]		Sweden		Operations & Channels[2]		Total	
	Q4 2015	Q4 2014	Q4 2015	Q4 2014	Q4 2015	Q4 2014	Q4 2015	Q4 2014	Q4 2015	Q4 2014	Q4 2015	Q4 2014	Q4 2015	Q4 2014
Mobility services	649	683	335	396	123	168	-	-	-	-	-	-	1,107	1,247
Landline voice	244	298	249	299	68	69	-	-	-	-	4	5	565	671
Internet and network	601	607	501	547	183	176	-	-	-	-	25	26	1,310	1,356
TV	1,049	1,031	10	11	10	8	-	-	-	-	-	-	1,069	1,050
Other services	234	348	462	347	42	41	-	-	-	-	90	85	828	821
Norway and Sweden	-	-	-	-	-	-	769	608	757	691	-	-	1,526	1,299
Revenue	**2,777**	**2,967**	**1,557**	**1,600**	**426**	**462**	**769**	**608**	**757**	**691**	**119**	**116**	**6,405**	**6,444**
Total operating expenses excl. depreciation, etc.	(924)	(936)	(668)	(544)	(175)	(225)	(473)	(402)	(677)	(631)	(953)	(1,053)	(3,870)	(3,791)
Other income and expenses	(2)	-	-	-	-	-	6	0	6	4	26	23	36	27
EBITDA	**1,851**	**2,031**	**889**	**1,056**	**251**	**237**	**302**	**206**	**86**	**64**	**(808)**	**(914)**	**2,571**	**2,680**
Specification of revenue:														
External revenue	2,777	2,962	1,499	1,543	388	419	742	579	723	650	115	112	6,244	6,265
Revenue across segments	-	5	58	57	38	43	27	29	34	41	4	4	161	179

[1] Consists of the two operating segments Get and TDC Norway. At Get, external revenue amounted to DKK 566m (2014: DKK 386m), revenue across segments amounted to DKK 0m (2014: DKK 0m) and EBITDA amounted to DKK 280m (2014: DKK 175m).

[2] Consists of the two operating segments Operations and Channels. While the Board of Directors receives separate reporting for the two operating segments, the segments have been aggregated into one reportable segment as they have similar average gross margins and similar expected growth rates.

Reconciliation of revenue

DKKm

	Q4 2015	Q4 2014
Revenue from reportable segments	6,405	6,444
Elimination of revenue across segments	(161)	(179)
Revenue from Headquarters	1	(7)
Consolidated external revenue	**6,245**	**6,258**

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

DKKm

	Q4 2015	Q4 2014
EBITDA from reportable segments	2,571	2,680
EBITDA from Headquarters	(186)	(193)
Consolidated EBITDA	2,385	2,487
Unallocated:		
Depreciation, amortisation and impairment losses	(1,334)	(1,298)
Special items	(4,803)	(811)
Financial income and expenses	(110)	(376)
Consolidated profit before income taxes	**(3,862)**	**2**

Note 2 Segment reporting (continued)

Segments DKKm

	Consumer		Business		Wholesale		Norway[1]		Sweden		Operations & Channels[2]		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Mobility services	2,611	2,788	1,420	1,715	534	667	-	-	-	-	2	2	4,567	5,172
Landline voice	1,072	1,243	1,062	1,266	266	285	-	-	-	-	16	17	2,416	2,811
Internet and network	2,442	2,391	2,027	2,208	687	697	-	-	-	-	99	97	5,255	5,393
TV	4,240	4,170	40	42	36	30	-	-	-	-	0	0	4,316	4,242
Other services	789	944	1,373	1,148	162	151	-	-	-	-	352	332	2,676	2,575
Norway and Sweden	-	-	-	-	-	-	3,131	1,271	2,697	2,537	-	-	5,828	3,808
Revenue	**11,154**	**11,536**	**5,922**	**6,379**	**1,685**	**1,830**	**3,131**	**1,271**	**2,697**	**2,537**	**469**	**448**	**25,058**	**24,001**
Total operating expenses excl. depreciation, etc.	(3,707)	(3,646)	(2,257)	(1,984)	(738)	(842)	(1,892)	(968)	(2,394)	(2,228)	(3,860)	(4,117)	(14,848)	(13,785)
Other income and expenses	(2)	24	(1)	-	-	-	40	(0)	17	18	105	75	159	117
EBITDA	**7,445**	**7,914**	**3,664**	**4,395**	**947**	**988**	**1,279**	**303**	**320**	**327**	**(3,286)**	**(3,594)**	**10,369**	**10,333**
Specification of revenue:														
External revenue	11,154	11,531	5,672	6,163	1,510	1,672	3,021	1,159	2,571	2,395	434	427	24,362	23,347
Revenue across segments	-	5	250	216	175	158	110	112	126	142	35	21	696	654

[1] Consists of the two operating segments Get and TDC Norway. At Get, external revenue amounted to DKK 2,325m (2014: DKK 386m), revenue across segments amounted to DKK 2m (2014: DKK 0m) and EBITDA amounted to DKK 1,153m (2014: DKK 175m).
[2] Consists of the two operating segments Operations and Channels. While the Board of Directors receives separate reporting for the two operating segments, the segments have been aggregated into one reportable segment as they have similar average gross margins and similar expected growth rates.

Reconciliation of revenue DKKm

	2015	2014
Reportable segments	25,058	24,001
Elimination of revenue across segments	(696)	(654)
Revenue from Headquarters	4	(3)
Consolidated external revenue	**24,366**	**23,344**

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

	2015	2014
EBITDA from reportable segments	10,369	10,333
EBITDA from Headquarters	(560)	(529)
Consolidated EBITDA	9,809	9,804
Unallocated:		
Depreciation, amortisation and impairment losses	(5,311)	(4,728)
Special items	(5,116)	(1,268)
Financial income and expenses	(1,107)	(1,015)
Consolidated profit/(loss) before income taxes	**(1,725)**	**2,793**

Note 3 Employees

FTEs (EoY)	2015	2014	Change in % 2015 vs. 2014
Consumer [1]	516	453	13.9
Business[1]	1,099	1,066	3.1
Wholesale[1 2]	108	126	(14.3)
Cost centre [1 2 3 4]	5,265	5,219	0.9
Norway [5]	908	923	(1.6)
Sweden [6]	809	807	0.2
TDC Group	**8,705**	**8,594**	**1.3**
Of which in Denmark	**6,825**	**6,780**	**0.7**

FTEs and temps (EoY)	2015	2014	Change in % 2015 vs. 2014
Consumer [1]	516	453	13.9
Business[1]	1,104	1,069	3.3
Wholesale[1 2]	108	128	(15.6)
Cost centre [1 2 3 4]	5,289	5,254	0.7
Norway [5]	998	943	5.8
Sweden [6]	839	832	0.8
TDC Group	**8,854**	**8,681**	**2.0**
Of which in Denmark	**6,854**	**6,821**	**0.5**

1 Product Management with 40 FTEs was moved from Cost centre to sales divisions in Consumer (20 FTEs), Business (16 FTEs), and Wholesale (4 FTEs) in Q3 2015.
2 Wholesale's finance division with 22 FTEs was moved to Cost centre in Q2 2015.
3 Includes Operations, Channels, Headquarters, Expats and personnel on leave, etc.
4 Outsourcing of 704 in Channels call center activities to Sitel as of October 2014.
5 Including Get with 762 FTEs as from November 2014. Get temps with 73 included as of Q4 2015.
6 Including Viridis with 45 FTE as from October 2014.

Note 4 Depreciation, amortisation and impairment losses DKKm

	Q4 2015	Q4 2014	2015	2014
Depreciation on property, plant and equipment	(785)	(724)	(3,116)	(2,650)
Amortisation of intangible assets	(512)	(557)	(2,133)	(2,035)
Impairment losses	(37)	(17)	(62)	(43)
Total	**(1,334)**	**(1,298)**	**(5,311)**	**(4,728)**

The increases in depreciation, amortisation and impairment losses from 2014 to 2015 reflect primarily the inclusion for the whole year of Get in 2015 (two months in 2014), partly offset by lower amortisation of the value of customer relationships according to the diminishing balance method.

For impairment losses recognised as special items, see note 5.

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 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.

Special items as described above are disclosed on the face of the income statement. 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.

Net expenses from special items increased due primarily to impairment losses of DKK 4,618m in 2015 related to Business (DKK 3,900m), Wholesale (DKK 572m) and Bet25 (DKK 146m) in the Channels segment. In addition, the negative development was due to the gain in 2014 from divesting TDC Finland (DKK 754m).

In both 2015 and 2014, costs related to redundancy programmes and vacant tenancies included a reassessment of the provision for expected expenses in relation to vacant tenancies (DKK 174m in 2015 and DKK 241m in 2014).

In 2014, other restructuring costs related primarily to costs associated with the contract with Sitel (DKK 84m) comprising outsourcing of customer support.

Special items				DKKm
	Q4 2015	Q4 2014	2015	2014
Costs related to redundancy programmes and vacant tenancies	(138)	(312)	(387)	(600)
Other restructuring costs, etc.	(20)	(24)	(94)	(187)
Impairment losses	(4,658)	(390)	(4,658)	(390)
Income from rulings	-	35	11	43
Loss from rulings	(11)	(9)	(13)	(14)
Adjustment of purchase price re. acquisition of enterprises	24	-	24	-
Costs related to acquisition of enterprises	-	(111)	1	(120)
Special items before income taxes	**(4,803)**	**(811)**	**(5,116)**	**(1,268)**
Income taxes related to special items	161	84	230	190
Special items related to joint ventures and associates	-	1	-	1
Special items related to discontinued operations	-	2	-	754
Total special items	**(4,642)**	**(724)**	**(4,886)**	**(323)**

Note 6 Financial income and expenses

Financial income and expenses						DKKm
	Q4 2015	Q4 2014	Change in %	2015	2014	Change in %
Interest income	5	11	(54.5)	27	115	(76.5)
Interest expenses	(238)	(278)	14.4	(991)	(1,033)	4.1
Net interest	**(233)**	**(267)**	**12.7**	**(964)**	**(918)**	**(5.0)**
Currency translation adjustments	(23)	(155)	85.2	(320)	(108)	(196.3)
Fair value adjustments	120	(10)	-	88	(212)	141.5
Interest, currency translation adjustments and fair value adjustments	**(136)**	**(432)**	**68.5**	**(1,196)**	**(1,238)**	**3.4**
Profit from joint ventures and associates	3	(2)	-	1	(10)	110.0
Interest on pension assets	23	58	(60.3)	88	233	(62.2)
Total	**(110)**	**(376)**	**70.7**	**(1,107)**	**(1,015)**	**(9.1)**

Financial income and expenses represented an expense of DKK 1.107m in 2015, up DKK 92m compared with 2014, driven primarily by:

Net interest

The higher net interest expense related primarily to lower interest income following a settled tax case in 2014 regarding definition of infrastructure assets. In February 2015, the terminated bridge bank loan and the maturing EMTN bond were replaced by hybrid capital, EMTN bond, bank loans and cash. Although the acquisition of Get resulted in a higher level of long-term loans compared with 2014, no higher interest expenses were incurred due to lower interest rates on the new loans and because EUR 750m of the financing consisted of hybrid capital where the coupons are accounted for as dividends.

Currency translation adjustment

2015 resulted in exchange-rate losses primarily on intercompany loans denominated in NOK (DKK 246m) as well as the increasing EUR/DKK exchange rate on EUR-denominated debt (DKK 38m).

Fair value adjustments

In 2015, cross-currency swaps relating to the EMTN GBP debt[1] resulted in a gain as opposed to the loss in 2014. Pre-hedges relating to the refinancing in February 2015 also resulted in a loss due to declining market interest rates. This was partly offset by gains from hedges that hedge future cash flows primarily in USD and NOK, as these are not treated as cash flow hedging.

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 pension 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

	Q4 2015				Q4 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)	(209)	(1)	75	**(135)**	(219)	(8)	6	**(221)**
European Investment Bank (EIB) and KfW bank loans incl. Hedges (treated as hedge accounting)	(5)	-	-	**(5)**	-	-	-	**-**
Other hedges (not treated as hedge accounting)	-		45	**45**	-	3	(16)	**(13)**
Other	(19)	(22)		**(41)**	(48)	(150)	-	**(198)**
Interest, currency translation, adjustments and fair value adjustments	**(233)**	**(23)**	**120**	**(136)**	**(267)**	**(155)**	**(10)**	**(432)**

	2015				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)	(847)	(28)	86	**(789)**	(883)	32	(25)	**(876)**
European Investment Bank (EIB) and KfW bank loans incl. Hedges (treated as hedge accounting)	(21)	(10)	-	**(31)**	-	-	-	**-**
Other hedges (not treated as hedge accounting)	-	-	-	**-**	-	4	(187)	**(183)**
Other	(96)	(282)	2	**(376)**	(35)	(144)	-	**(179)**
Interest, currency translation, adjustments and fair value adjustments	**(964)**	**(320)**	**88**	**(1,196)**	**(918)**	**(108)**	**(212)**	**(1,238)**

Note 7 Pension assets and pension obligations

Pension (costs)/income				DKKm
	Q4 2015	Q4 2014	2015	2014
Specification of plans:				
Denmark	(17)	25	(63)	97
Norway	(1)	(10)	(16)	(22)
Pension income/(costs) from defined benefit plans	**(18)**	**15**	**(79)**	**75**
Recognition:				
Service cost[1]	(38)	(41)	(158)	(149)
Administrative expenses	(3)	(2)	(9)	(9)
Personnel expenses (included in EBITDA)	**(41)**	**(43)**	**(167)**	**(158)**
Interest on pension assets	23	58	88	233
Pension income/(costs) from defined benefit plans recognised in the income statements	**(18)**	**15**	**(79)**	**75**

[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
	Q4 2015	Q4 2014	2015	2014
Pension (cost)/income				
Service cost	(36)	(33)	(143)	(131)
Administrative expenses	(3)	(2)	(9)	(9)
Personnel expenses (included in EBITDA)	**(39)**	**(35)**	**(152)**	**(140)**
Interest on pension assets	**22**	60	89	237
Pension (costs)/income	**(17)**	**25**	**(63)**	**97**
Domestic redundancy programmes recognised in special items	(5)	(37)	(65)	(113)
Total pension (costs)/income recognised in the Income Statements	**(22)**	**(12)**	**(128)**	**(16)**

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	31 December 2015	31 December 2014
Assets and obligations		
Specification of pension assets		
Fair value of plan assets	29,185	29,870
Defined benefit obligation	(23,238)	(24,665)
Pension assets recognised in the Balance Sheets	**5,947**	**5,205**
Change in pension assets		
Pension assets recognised at 1 January	5,205	6,708
Pension (costs)/income	(128)	(16)
Remeasurement effects	757	(1,628)
TDC's contribution	113	141
Pension assets recognised in the Balance Sheets	**5,947**	**5,205**
Discount rate (%)		
Used to determine benefit obligations	2.00	1.70
Used to determine pension cost/income	1.70	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 relating to foreign defined benefit plans amounted to DKK 22m in 2015 and DKK 35m in 2014. Pension iabilities relating to foreign defined benefit plans amounted to DKK 36m at 31 December 2015 and DKK 105m at 31 December 2014. One of TDC Norway's defined benefit plans was closed down during 2015, resulting in a one-off gain of DKK 34m.

Note 8 Loans and net interest-bearing debt

Euro Medium Term Notes (EMTNs) and bank loans[1] — DKKm

	2018	2019	2020	2020	2022	2023	2027	Total
Maturity	23-feb-18	30-dec-19	04-feb-20	14-dec-20	02-mar-22	23-feb-23	27-feb-27	
Fixed/Floating rate	Fixed	Floating	Floating	Floating	Fixed	Fixed	Fixed	
Coupon	4.38%				3.75%	5.63%	1.75%	
Currency	EUR	EUR	EUR	EUR	EUR	GBP	EUR	
Type	Bond	Bank loan	Bank loan	Bank loan	Bond	Bond	Bond	
Nominal value (DKKm)	5,969	2,985	1,865	746	3,731	5,577	5,969	26,842
Nominal value (Currency)	800	400	250	100	500	550	800	
Hereof nominal value swapped to or with floating interest rate (EURm)	200	400	250	100	150	50	0	1,150
Hereof nominal value swapped from GBP to EUR (GBPm)[2]	0	0	0	0	0	550	0	550

[1] The maturity of derivatives used for hedging of long-term loans matches the maturity of the underlying loans
[2] 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 5,596m due in 3015. For further details on hybrid capital, see note 9.

Net interest-bearing debt — DKKm

	31 December 2015	31 December 2014
Interest-bearing receivables and investments[1]	(278)	(307)
Cash	(363)	(4,746)
Long-terms loans	27,398	18,630
Short-terms loans	200	20,051
Interest-bearing payables	2	7
Derivative financial instruments hedging fair value and currency on loans	(928)	(711)
Net interest-bearing debt	**26,031**	**32,924**
50% of hybrid capital	2,776	-
Adjusted net interest-bearing debt	**28,807**	**32,924**

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

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

Note 9 Hybrid capital

In February 2015, TDC issued EUR 750m in callable subordinated capital securities (hybrid bonds) which are accounted for as equity. 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 rate: 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.

Coupon payments will be recognised directly in equity at the time the payment obligation arises. Non-recognised accumulated coupons amounted to DKK 165m as of 31 December 2015.

The first possible coupon payment is in February 2016. Coupon payments will be recognised in the statement of cash flow as a separate item within financing activities. Hybrid coupon payments will be included as a separate item in the statement of equity free cash flow (EFCF).

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

TDC Group ceases its strategic review of TDC Hosting

On 27 January 2016, TDC Group announced that the Board of Directors has concluded that the best way of maximising long-term value for shareholders is to continue ownership of TDC Hosting. TDC Hosting will continue as an independent unit and going forward be an important part of the integrated solutions offered by TDC Group in the SMB segment.

TDC Group announces strategic review of TDC Sweden

On 27 January 2016, TDC Group announced that TDC Group is conducting a strategic review of TDC Sweden. The strategic review may or may not lead to a disposal of TDC Sweden. There can be no assurance when such a disposal will occur, if at all.

Selected financial and operational data

TDC Group

		2015	2014	2013	2012	2011
Income Statements	DKKm					
Revenue		24,366	23,344	23,986	25,472	25,606
Gross profit		17,484	17,092	17,431	18,154	18,811
EBITDA		9,809	9,804	9,979	10,136	10,306
Operating profit/(loss) (EBIT)		(618)	3,808	4,115	4,438	4,347
Profit/(loss) before income taxes		(1,725)	2,793	3,432	4,320	3,817
Profit/(loss) for the year from continuing operations		(2,384)	2,452	3,078	3,691	2,721
Profit/(loss) for the year		(2,384)	3,228	3,119	3,784	2,752
Income Statements, excluding special items						
Operating profit (EBIT)		4,498	5,076	5,047	5,176	5,194
Profit before income taxes		3,391	4,060	4,364	4,298	4,664
Profit for the year from continuing operations		2,502	3,529	3,766	3,344	3,389
Profit for the year		2,502	3,551	3,780	3,448	3,442
Balance sheets	DKKbn					
Total assets		64.6	74.4	60.4	63.5	65.2
Net interest-bearing debt		26.0	32.9	21.7	21.9	21.0
Hybrid capital		5.6	0	0	0	0
Total equity		20.4	18.6	20.4	21.5	22.2
Average number of shares outstanding (million)		801.7	800.2	798.9	802.3	816.7
Capital expenditure		(4,537)	(3,909)	(3,606)	(3,406)	(3,344)
Statementes of Cash Flow	DKKm					
Operating activities		7,819	7,131	7,058	6,720	6,972
Investing activities		(4,604)	(16,528)	(3,929)	(2,862)	(3,546)
Financing activities		(7,602)	11,872	(3,102)	(4,448)	(2,815)
Total cash flow from continuing operations		(4,387)	2,475	27	(590)	611
Total cash flow in discontinued operations[1]		(2)	1,099	172	74	47
Total cash flow		(4,389)	3,574	199	(516)	658
Equity free cash flow		3,227	3,214	3,302	3,128	3,494

TDC Group

		2015	2014	2013	2012	2011
Key financial ratios						
Earnings Per Share (EPS)	DKK	(2.87)	4.05	3.90	4.72	3.37
EPS from continuing operations, excl. special items	DKK	3.12	4.41	4.71	4.17	4.15
Adjusted EPS	DKK	3.86	5.31	5.35	5.40	5.53
Dividend payments per share	DKK	1.00	2.50	3.70	4.60	4.35
Dividend payout (% of EFCF)	%	24.8	62.9	89.3	118.3	99.1
Gross margin	%	71.8	73.2	72.7	71.3	73.5
EBITDA margin	%	40.3	42.0	41.6	39.8	40.2
Net interest-bearing debt/EBITDA[2]	x	2.7	3.4	2.1	2.1	2.0
Adjusted NIBD/EBITDA	x	2.9	3.4	2.1	2.1	2.0
Retail RGUs (Denmark)						
Mobile subscriptions	# ('000)	2,903	2,904	3,004	3,016	3,075
TV	# ('000)	1,386	1,420	1,393	1,392	1,337
Broadband	# ('000)	1,329	1,358	1,361	1,327	1,289
Landline voice	# ('000)	847	1,010	1,193	1,350	1,483
Employees[3]						
FTEs (end-of-year)	#	8,705	8,594	8,587	8,885	9,551
FTEs and temps (end-of-year)	#	8,854	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] Net interest-bearing debt is adjusted for 50% of the hybrid capital. 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 EoY 2011.

Corporate matters

Management changes, new organisation and strategy 2016-2018

On 1 December 2015, TDC announced that Johan Kirstein Brammer, Senior Executive Vice President of TDC Consumer, had accepted a position outside the Group.

On 8 December 2015, TDC announced that it reorganised certain parts of its Danish operations in order to further strengthen the focus on delivering the best customer experience on the Danish market. The main purpose of the new organisation is to bring TDC closer to its customers and allow TDC to develop and deliver the product and service offerings to its customers in a timelier manner based on a simplified operating model. The new organisation entails a new business structure of the TDC Group creating three Danish retail business units, each of which has full responsibility for product development, sales, marketing and customer service. Further, the former business unit Channels, which comprised all call centers as well as online departments across the Danish part of the TDC Group, has been dissolved and each of the three Danish retail business units has got its own channels function.

On 16 December 2015, TDC announced the appointment of Stig Pastwa as new Chief Financial Officer and member of TDC's Executive Committee. Stig Pastwa is 48 years old and holds a bachelor degree in accounting (Graduate Diploma in Business Administration - financial and management accounting) from Copenhagen Business School and management education from London Business School, IMD and Stanford University. He takes up the appointment from a position as Chief Financial Officer in Codan/Trygg-Hansa. Previously, Stig Pastwa has held positions as Chief Financial Officer in DSB, Chief Commercial Officer and Chief Operating Officer in Saxo Bank A/S, various positions in ISS A/S, including Chief Operating Officer, and in A.P. Møller Mærsk, including Chief Financial Officer i A.P. Møller Mærsk, Ivory Coast. Stig Pastwa is chairman of the Board of Directors for Chr. Olesen & Co. A/S and Allianceplus A/S and member of the Board of Directors for Global Knowledge Inc. and Hedeselskabet. Stig Pastwa will take up the appointment as soon as possible and no later than June 2016.

On 6 January 2016, TDC announced the appointment of Marina Lønning as new Senior Executive Vice President of TDC Business and member of TDC's Executive Committee. Marina Lønning is 48 years old and holds a MSc, Economics and Business Administration, in international marketing and sales, from Aarhus University, School of Business and Social Science. She takes up the appointment from a position as CMO for the business segment in Telenor Norway AS. Previously, Marina Lønning has held various positions in Telenor Group and in Talk2Me AS and Radiometer Medical A/S. Marina Lønning will take up the appointment as of 1 April 2016. Jens Munch-Hansen continues as Senior Executive Vice President of TDC Business and member of TDC's Executive Committee until 1 April 2016.

New strategy 2016-2018

On 27 January 2016, TDC announced a new strategy for 2016-2018, centred around two metrics: customer satisfaction and cash flow generation. The new strategy's guiding principle is "Always Simpler and Better", describing how the overall customer experience will be, as well as how TDC Group will seek to operate as a streamlined business. To deliver on its new strategy, TDC is committed to differentiating itself in a highly competitive marketplace by focusing on three customer promises:

- Better connectivity, by continuing to deliver the best speed, quality and coverage through the uniting of TDC Group's unique assets;
- Better offerings and entertainment, by delivering relevant products both today and tomorrow; and
- Better customer experience, driven by the best customer insights and digitalisation, which will also reduce organisational complexity and deliver opex efficiency savings.

A simplified and standardised digital operating model, a clear focus on people (employees and society) and a diligent focus on financial and commercial management shall enable TDC Group to deliver on these core customer promises. To deliver on Better Offerings, TDC Group will unify its premium consumer household offerings by merging TDC and youSee with youSee as continuing brand. As of 1 July 2016, TDC will no longer be in use as a Danish consumer market brand.

Revision of TDC's shareholder remuneration policy

As part of the new strategy, TDC's shareholder remuneration policy has been revised. It is TDC's ambition to pay an attractive return to shareholders subject to financial performance, investment needs and investment grade rating commitment and to be paid as either dividends or through share buy backs

Dividends shall be paid out annually following approval at the Annual General Meeting of the Board of Directors' proposal for distribution of profits; thus there will be no interim dividend going forward.

For the financial year 2016, the DPS guidance is DKK 1.0. From 2017 it is the ambition to keep DPS stable or to grow it, dependent on financial performance, investment needs and TDC's ability to honour its commitment to maintain an investment grade rating.

For more information on the new strategy, see stock exchange release no. 2 as of 27 January 2016.

New organisation

With effect from 1 January 2016, the business unit Consumer is split into two new business units named Household Brands (after launch of the new strategy renamed to YouSee) and Online Brands and will together with TDC Business form the three Danish retail business units. Online Brands will have the full responsibility for the brands Telmore, Fullrate, including Fullrate Business, and Blockbuster.

The merger between the TDC and YouSee brands requires full commercial attention and for that reason the Board of Directors has decided to temporarily appoint René Brøchner as acting Head of YouSee and member of TDC's Corporate Management Team until a new head of this business unit is found. René Brøchner comes from a position as director of youSee in Household Brands. Prior to that he was director of TDC in the former business unit Consumer.

Michael Moyell Juul has been appointed as Head of Online Brands and member of TDC A/S' Corporate Management Team. Michael Moyell Juul has since 2013 been a member of Consumer's Management Team with the responsibility for portfolio management as well as strategy and business development. He is 41 years old and has an M.Sc. in Economics from the University of Copenhagen. Michael Moyell Juul has previously worked at McKinsey & Company, Egmont and eBay before he joined TDC as Head of Group Strategy in 2011.

A new position as Group Chief Customer Officer (CCO) & Stakeholder Relations has been established. The Group CCO & Stakeholder Relations is overall responsible for the customer experience in TDC Group and is responsible for Legal, Public Affairs & CSR and Group Communications. Jens Aaløse, who was Senior Executive Vice President of the former business unit Channels, has been appointed as Group CCO & Stakeholder Relations and continues as member of TDC A/S' Corporate Management Team. On the same occasion, the current Chief Human Resources Officer, Jesper Isaksen, resigned from TDC A/S' Corporate Management Team.

To ensure strong commercial steering and business development and in order to obtain synergies across the business units and countries, a number of functions which were previously organised in the individual business units, are now organised in Group Stategy. TDC's Chief Strategy Officer, Louise Knauer, has in that connection been appointed Head of Group Strategy & Portfolio Management and member of TDC A/S' Corporate Management Team. Louise Knauer is 32 years old and holds a B.Sc. in business administration and commercial law and an M.Sc. in finance and strategic management. She has previously been CEO in Wibroe, Duckert & Partners, People Group A/S, as well as management consultant in Egon Zehnder and Mckinsey & Company.

FitchRatings downgrades TDC's corporate rating from BBB with negative outlook to BBB- with stable outlook

On 18 December 2015, TDC announced that FitchRatings has downgraded TDC's corporate rating from BBB with negative outlook to BBB- with stable outlook. At the same time, FitchRatings has lowered the issue rating on TDC's senior unsecured debt from BBB to BBB- and its subordinated hybrid debt from BB+ to BB. The downgrade is due to continued fierce competition in TDC's domestic market.

In addition to FitchRatings' rating, TDC has an issuer rating of Baa3 with Moody's (stable outlook) and an issuer default rating of BBB- (stable outlook) with Standard & Poor's

TDC Group ceases its strategic review of TDC Hosting

On 27 January 2016, TDC announced that the Board of Directors has concluded that the best way of maximising long-term value for shareholders is to continue ownership of TDC Hosting. TDC Hosting will continue as an independent unit and going forward be an important part of the integrated solutions offered by TDC Group in the SMB segment.

TDC announces strategic review of TDC Sweden

On 27 January 2016, TDC announced that TDC Group is conducting a strategic review of TDC Sweden. The strategic review may or may not lead to a disposal of TDC Sweden. There can be no assurance when such a disposal will occur, if at all.

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.

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 Financial Statement of TDC Group for 2015.

The Financial Report, which 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 Financial Report give a true and fair view of the Group's assets, liabilities and financial position at 31 December 2015 as well as the results of operations and cash flows for the financial year 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, 5 February 2016

Executive Committee

Pernille Erenbjerg
Group Chief Executive Officer and Group Chief Financial 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

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

Jens Aaløse
Group Chief Customer Officer and Stakeholder Relations

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.