



To Nasdaq Copenhagen

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Announcement 21/2016

TDC divests its Swedish subsidiary TDC Sverige AB to Tele2 Sverige AB

Today, TDC A/S announces that it has, through its subsidiary TDC Nordic AB, entered into an agreement to divest TDC Sverige AB to Tele2 Sverige AB for a cash consideration of SEK 2.9bn (approximately DKK 2.3bn) on a cash and debt free basis representing a 2015 EV/EBITDA multiple of 7.2x and EV/(EBITDA-CAPEX) multiple of 23x.

The disposal of TDC Sverige AB completes TDC's strategic review of the company, which was announced on 27 January 2016 in connection with TDC's Capital Markets Day, cf. stock exchange announcement no. 4 of 27 January 2016.

The review has concluded that Tele2 Sverige AB is a better long term owner of TDC Sverige AB and the price obtained is higher than the value of continued TDC ownership. In the future, TDC will focus on its activities in Denmark and Norway, and will continue to support its Danish and Norwegian B2B and Wholesale customers with presence in Sweden through partnerships.

The divestment is subject to merger control approval from the EU-Commission. Closing of the transaction is expected in Q4 2016 from which point of time Erik Heilborn, CEO of TDC Sverige AB and Senior Executive Vice President of Sweden, will resign from TDC's Executive Committee.

The divestment is estimated to result in a gain of approximately DKK 0.8bn after tax, which will be recognised as special items related to discontinued operations, when the transaction has been closed.

Following signing of the divestment agreement, TDC Sverige AB is classified as 'Discontinued operations' in TDC's consolidated financial statements effective from Q2 2016. Comparative figures in the income statements and cash flow statements will be restated accordingly.

Part of the sales proceeds will be applied towards debt reduction in order to maintain an unchanged leverage ratio post the divestiture. The

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remaining proceeds may be used to strengthen our activities in Denmark or Norway or for a further reduction of debt.

The divestment changes TDC's guidance for 2016 for EBITDA and EFCF, whereas the guidance for DPS is unchanged.

TDC's previous guidance for 2016, which was published on 27 January 2016 in connection with TDC's Capital Markets Day, cf. stock exchange announcement no. 2 of 27 January 2016, and confirmed in TDC's Financial Statements for 2015 published on 5 February 2016 and in TDC's Interim Financial Report for Q1 2016 published on 4 May 2016, was based on full consolidation of TDC Sverige AB. The updated guidance for 2016 for TDC takes into account the divestment of TDC Sverige AB.

	Guidance for 2016		2015 ¹
	Previous	Updated	
EBITDA ²	DKK ~8.8bn	DKK ~8.4bn	DKK 9.5bn
EFCF	DKK ~1.9bn	DKK ~1.7bn	DKK 3.2bn
DPS	DKK 1.00 ³	DKK 1.00 ³	DKK 1.00

¹After reclassification of TDC Sverige AB to discontinued operations

²Updated guidance assuming NOK/DKK rate of ~0.8 and for the previous guidance also a SEK/DKK rate of ~0.8

³Will be paid out in Q1 2017

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 TDC Group's Annual Report 2015 (Disclaimer and "Looking ahead"-section).

2015 financial key figures for TDC Sverige AB (SEKm):

Revenue	3,381
EBITDA	402
CAPEX	276
EBITDA-CAPEX	126

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

TDC Group is a leading communication and home entertainment company in Denmark and Norway. TDC Group comprises the business units Consumer, Business, Wholesale, Norway and the cost centre Operations.

TDC listing

Shares: NASDAQ Copenhagen.

Reuters TDC.CO.

Bloomberg TDC DC.

Nominal value DKK 1.

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