CEO comments and highlights

TDC Group's Q2 results support our full-year guidance on all parameters, and as outlined at the Capital Markets Day we are showing tangible results towards a simpler and better TDC Group, e.g. completion of our brand merger and divestment of our Swedish subsidiary.

Cash flow generation developed as we expected (EFCF -5.5% vs. 2015 YTD) with an EBITDA decline of 10.1% YTD outweighed by intra-year phasing of NWC. Our main customer satisfaction score is up 2 percentage points YoY.

Some Q2 highlights stand out:

1) In Norway, we had another strong quarter with EBITDA growth (9.7% YoY) driven by ARPU increases, and upselling of broadband to TV customers. We are experiencing an increasingly competitive environment in Norway, especially in the TV market, and to fuel further growth, we are continuing to increase our footprint and strengthen our TV offerings. For example, we have rolled out a substantial software update for the set top box that prompted very positive customer responses to the new functionalities and integrated app services.

2) Extensive price competition on the traditional Danish B2B operator services continued in Q2, resulting in a substantial EBITDA decline (-17.0% YoY) partly due to negative one-offs of DKK ~30m. Recently, we have 'walked away' from tenders with very low price points, choosing to focus on higher margin business instead.

As part of the simplification programme, we are preparing a simplified product portfolio as well as continuing the migration of customers towards one platform in order to reduce costs.

3) We have successfully consolidated the YouSee brand as a unified provider of premium household solutions in the Danish B2C market. This has involved significant work behind the scenes including IT migration of +1 million customers, alignment of mobile portfolios, rebranding of shops and merging of mobile apps. By nature, such changes may negatively influence customer experiences in the short run, but the merger provides a platform for a simpler and better experience in the future.

4) Within mobility services in Denmark, Q2 marked an important milestone with organic gross profit growth (+0.4%) for the first time in more than five years. From 2011-2015 gross profit declined by DKK ~1.5bn. The positive development in Q2 can be attributed to our decision in Q3 2015 to increase price points in our B2C mobile portfolio as well as effects from our upgraded world class mobile network – enabling Denmark's best mobile connectivity.

Finally, I am pleased that we now have a complete Executive Committee, consisting of highly competent and experienced executives, whose outside-in views on TDC Group and strong customer focus are the ideal ingredients for delivering on our ambitious 2018 targets.

Pernille Erenbjerg, Group CEO

Highlights

Positive aspects in Q2:

- Strong EBITDA growth in Norway (9.7% YoY) delivered by both Get and TDC Norway
- Recommend score up by 2 percentage points in Q2 YoY due mainly to customer recognition of Denmark's best mobile network
- Brand merger of the two largest Danish consumer brands, TDC and YouSee as of 1 July, including comprehensive IT migration, rebranding of shops and alignment of mobile portfolios
- Organic gross profit growth in mobility services in Denmark (0.4% YoY) for the first time in more than five years; in Consumer, ARPU has stabilised and churn rates improved significantly (9k net adds)
- Divestment of TDC Sweden to Tele2; closing expected in Q4 2016
- Updated guidance (post sale of TDC Sweden 21 June 2016) reaffirmed: EBITDA of DKK ~8.4bn, EFCF of DKK ~1.7bn and DPS of DKK 1.00 per share

Negative aspects in Q2:

- EBITDA decline of 11.5% YoY in Denmark: Business down 17.0% YoY driven by continued ARPU pressure, partly affected by several negative one-offs (DKK ~30m)
- Limited opex savings (0.5% YoY), caused by strategic ramp-up of e.g. IT employees and high volume of customer inquiries following the brand merger
- TV gross profit development in Denmark (-3.0%) negatively affected by customers migrating to smaller TV packages and increased content costs due to TV on-the-go

2016 guidance follow-up

	2016 guidance	YTD	Status
EBITDA	~DKK 8.4bn assuming NOK/DKK of ~0.80	DKK 4.3bn	On track
EFCF	~DKK 1.7bn	DKK 1.0bn	On track
DPS[1]	DKK 1.00 per share	-	On track

[1] Will be paid out in Q1 2017.

Group performance

Strategic ambitions

TDC Group's strategy for 2018 consists of two main goals; to deliver best-in-class customer satisfaction to our customers and provide the best cash flow for our stakeholders. Fulfilling these ambitions will be the key driver for success in the coming years.

Customer satisfaction

Best-in-class customer satisfaction is measured by the KPI recommend score. This score reflects customers' willingness to recommend TDC Group's B2C and B2B services[1].

TDC Group improved its customer recommend score by 2 percentage points to 65 in H1 2016 YoY. This was due to customer appreciation of our network as "Denmark's best mobile network", increased accessibility to customer service and an overall improvement in the B2B customer experience. In order to maintain a positive development, some short-term challenges require attention. During the TDC and YouSee brand merger, customer satisfaction was given high priority, and although the transition has progressed satisfactorily, an impact on the customer experience is inevitable. As a result of this, call rates to customer support have remained high, and some service level KPIs have been unsatisfactory, which has impacted on the number of customers with a negative experience.

Equity free cash flow

TDC Group's ability to generate the best cash flow is measured by the equity free cash flow. In H1 2016, the equity free cash flow declined by DKK 57m, driven by a decrease in EBITDA in Denmark (DKK 505m) and the first annual coupon payments on hybrid capital (DKK 196m) issued in Q1 2015. The decline was almost offset by significant net working capital growth of DKK 582m, driven by the different timing of primarily net receivables compared with 2015.

YTD financial performance

Revenue

In H1 2016, TDC Group's reported revenue decreased by 5.8% or DKK 640m to DKK 10,381m, including negative effects from foreign exchange rates and regulation of EU roaming prices (DKK 185m). Adjusted for these effects as well as acquisitions, organic revenue declined by 4.4% or DKK 474m, driven primarily by Consumer and Business in Denmark. The decrease of 4.4% in H1 2016 included an improved development over the quarters (-6.0% in Q1 vs. -2.7% in Q2). This related to an improved performance across products in Denmark, with other services (lower loss on mobile

[1] The recommend score is TDC Group's variant of the net promoter score.

TDC Group, key figures[1]	**DKKm**						
		Q2 2016	**Q2 2015**	**Change in %**	**H1 2016**	**H1 2015**	**Change in %**
Income statements	DKKm						
Revenue		5,204	5,422	(4.0)	10,381	11,021	(5.8)
Gross profit		3,890	4,126	(5.7)	7,795	8,315	(6.3)
EBITDA		2,117	2,344	(9.7)	4,265	4,742	(10.1)
Organic revenue[2]		5,204	5,348	(2.7)	10,381	10,855	(4.4)
Organic gross profit[2]		3,890	4,054	(4.0)	7,795	8,175	(4.6)
Organic EBITDA[2]		2,117	2,282	(7.2)	4,265	4,631	(7.9)
Profit for the period from continuing operations excluding special items		626	659	(5.0)	1,308	1,251	4.6
Profit/(loss) for the period		565	570	(0.9)	1,189	1,081	10.0
Total comprehensive income		1,313	1,051	24.9	1,093	2,165	(49.5)
Capital expenditure		(1,072)	(991)	(8.2)	(2,024)	(2,088)	3.1
Equity free cash flow (EFCF)		653	822	(20.6)	979	1,036	(5.5)
Key financial ratios							
Earnings Per Share (EPS)	DKK	0.71	0.72	(1.4)	1.27	1.36	(6.6)
Adjusted EPS	DKK	0.91	1.01	(9.9)	1.89	1.94	(2.6)
Gross margin	%	74.8	76.1	-	75.1	75.4	-
EBITDA margin	%	40.7	43.2	-	41.1	43.0	-
Customer satisfaction							
Recommend score	YTD avg. index	65	63	-	65	63	-

[1] For additional data, see https://tdcgroup.com/en/investor-relations.
[2] Reported revenue and gross profit excluding the impact from foreign exchange rates, regulatory price adjustments as well as the impact from acquisitions and divestments.

handset sales in Q2) and mobility services as the main contributors.

Gross profit

Reported gross profit declined by 6.3% or DKK 520m to DKK 7,795m in H1 2016. The improvement Q2 vs. Q1 was smaller compared with revenue, as a large share of the improvement on revenue related to mobile handsets sold with a low margin. Organic gross profit declined by 4.6% or DKK 380m, due to revenue decreases in Consumer and Business. The gross margin remained level YoY and ended at 75.1% in H1 2016.

Cash flow and NIBD, key figures	DKKm						
		Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
EBITDA	DKKm	2,117	2,344	(9.7)	4,265	4,742	(10.1)
Change in working capital		(130)	(326)	60.1	262	(320)	181.9
Interest paid, net		(35)	(22)	(59.1)	(744)	(688)	(8.1)
Income tax paid		-	(3)	-	(330)	(353)	6.5
Cash flow from capital expenditure		(1,103)	(983)	(12.2)	(2,043)	(2,043)	-
Cash flow related to special items		(171)	(155)	(10.3)	(275)	(287)	4.2
Other[1]		(25)	(33)	24.2	(156)	(15)	-
Equity free cash flow		**653**	**822**	**(20.6)**	**979**	**1,036**	**(5.5)**
Total cash flow from operating activities		1,775	1,824	(2.7)	3,257	3,113	4.6
Total cash flow from investing activities		(1,088)	(989)	(10.0)	(2,129)	(2,149)	0.9
Total cash flow from financing activities		(19)	(568)	96.7	(238)	(5,222)	95.4
Total cash flow from continuing operations		668	267	150.2	890	(4,258)	120.9
Total cash flow from discontinued operations		(8)	(10)	20.0	(26)	76	(134.2)
Total cash flow		**660**	**257**	**156.8**	**864**	**(4,182)**	**120.7**
Net interest-bearing debt (NIBD)		(24,901)	(27,262)	8.7	(24,901)	(27,262)	8.7
Adjusted NIBD		(27,677)	(30,039)	7.9	(27,677)	(30,039)	7.9
Net interest-bearing debt/EBITDA[2]	x	2.8	2.8	-	2.8	2.8	-
Adjusted NIBD/EBITDA[2]	x	3.1	3.0	-	3.1	3.0	-

[1] Q1 2016 includes DKK 196m from the first annual coupon payments on hybrid capital issued in Q1 2015.
[2] On a pro forma basis, if EBITDA for TDC Sweden is included, NIBD/EBITDA would have been 2.7 and Adjusted NIBD/EBITDA would have been 3.0 for H1 2016.

Operational expenditure[1]

In H1 2016, reported operational expenditure was reduced by 1.2% or DKK 43m. Organic operational expenditure was reduced by DKK 14m in H1 2016 YoY as savings on facility management and the field force, as well as a lower level of mobile handset subsidies to new and existing mobile customers, were partly offset by investments in strategic initiatives such as the TDC and YouSee brand merger and fault handling on Saturdays. In addition, savings were offset by a higher bonus related to the share-based incentive programme for the management of TDC Group's Norwegian business, driven by better-than-expected performance in Norway and the effect of the recent amendment of the programme.

EBITDA

Reported EBITDA decreased by 10.1% or DKK 477m to DKK 4,265m in H1 2016. Organic EBITDA declined by 7.9% or DKK 366m. The EBITDA margin decreased by 1.9 percentage points and ended at 41.1% in H1 2016.

Profit for the period

Excluding discontinued operations and special items, profit for H1 2016 increased by 4.6% or DKK 57m. The lower EBITDA was more than offset by lower net financial expenses as well as amortisation and depreciation.

As a result of lower expenses on redundancy programmes and vacant tenancies, profit for H1 2016 (including discontinued operations and special items), increased by 10.0% or DKK 108m.

Comprehensive income

Total comprehensive income decreased by 49.5% or DKK 1,072m. The DKK 108m increase in profit for the period was more than offset by the DKK 1,180m deterioration in other comprehensive income that stemmed primarily from defined benefit plans related to Danish employees. The loss in H1 2016 resulted primarily from the decreasing discount rate following the underlying decrease in interest rates, as the recognised pension obligation is calculated by discounting the expected future pension payments.

Capital expenditure

In H1 2016, capital expenditure totalled DKK 2,024m, a decrease of 3.1% or DKK 64m. This was due primarily to large investments in the Danish mobile network in H1 2015 as part of the nationwide upgrade. The decrease in mobile network investments was partly offset by increased investments in network expansion and capacity upgrades in Norway, in addition to investments related to the TDC/YouSee brand merger.

Going forward, it is TDC Group's ambition to retain a best-in-class mobile network enabled by future investments. In the coming years, TDC Group will also invest in the Danish hybrid fibre network and aims to offer broadband speeds of 1 Gbps to 50% of all Danish households by 2018.

[1] Including other income.

Net interest-bearing debt

Both net interest-bearing debt and adjusted net interest-bearing debt fell by DKK 1,130m during H1 2016 as the net cash flows from operating and investing activities more than offset the coupon payments on hybrid capital.

Guidance 2016

TDC Group's guidance is presented below. The guidance for EBITDA and EFCF was updated on 21 June 2016 to reflect our recently announced divestment of the Swedish subsidiary TDC Sverige AB.

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 Guidance and risk factors and in the Disclaimer in TDC's Annual Report.

2016 guidance	
EBITDA	~DKK 8.4. bn assuming NOK/DKK of ~0.8
EFCF	~DKK 1.7 bn
DPS	DKK 1.00 per share [1]

[1] Will be paid out in Q1 2017.

TDC Group's performance per business line in H1 2016

In the illustration below, TDC Group's H1 2016 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. The H1 2016 performance of each business line is described on the following pages.

DKKm/ Growth in local currency	TDC Group	Consumer	Business	Wholesale	Other operations	Denmark in total	Norway
Revenue[1]	10,381	5,372	2,570	833	232	8,898	1,540
	-5.8%	-5.3%	-11.8%	+1.2%	+4.0%	-6.6%	+4.7%
Gross profit[1]	7,795	4,075	2,053	552	152	6,753	1,048
	-6.3%	-5.3%	-11.8%	+4.0%	-8.4%	-6.8%	+7.0%
EBITDA[1]	4,265	3,252	1,530	471	-1,653	3,597	668
	-10.1%	-6.1%	-15.4%	+4.4%	-2.0%	-12.3%	+13.9%

[1] Both absolute figures and growth rates are excluding eliminations and therefore do not amount to 100%.

Consumer in Denmark

Q2 highlights

- TDC/YouSee brand merger completed; IT migration of +1 million customers, alignment of mobile portfolios, rebranding of shops and merging of mobile apps
- Growth in revenue and gross profit from mobility services of 3.5% and 2.4%, respectively; level mobile voice ARPU YoY
- Mobile customer base up by 9k vs. Q1 2016 and 28k YoY; significantly improved churn rates despite recent price initiatives
- Consumer TV ARPU declined by DKK 2 vs. Q2 2015 driven by customers migrating to smaller packages
- Net loss of 6k TV customers vs. Q1 2016 due to leakage of both individual and organised customers

YTD performance

In H1 2016, Consumer's EBITDA decreased by 6.1% or DKK 212m to DKK 3,252m resulting from the continued gross profit decline in landline voice and other services.

Mobility services

Mobility services improved in H1 2016 compared with revenue and gross profit losses throughout 2014 and 2015. Reported revenue from mobility services increased by 2.4% or DKK 32m to DKK 1,342m in H1 2016.

The improved development was driven by YoY mobile voice customer growth of 28k and almost flat ARPU after previous large declines. ARPU decreased by DKK 1 YoY, as the recent price initiatives were offset by lower contributions from roaming due to EU regulation as well as existing customers migrating to lower price points.

TV

In H1 2016, reported revenue from TV decreased by 0.2% or DKK 4m to DKK 2,135m due to almost level developments in ARPU and the customer base. Gross profit decreased by 2.6% driven by increased content costs caused by more value-added services being included (e.g. TV on-the-go).

The level YoY ARPU was a result of price changes as of 1 January 2016[1] being fully offset by customers migrating to smaller packages.

The TV customer base increased by 5k YoY driven by the inclusion of a large antenna association (18k) in Q1 2016 and customers from the strategic partnership with Trefor (12k). This was partly offset by underlying leakage of both individual and organised customers.

Internet & network

In H1 2016, reported revenue from internet & network decreased by 1.6% or DKK 20m to DKK 1,227m. Growth in high-speed internet customers was offset by the loss of low-speed internet customers as well as lower ARPU driven by the product mix featuring a higher share of customers with bundled products in line with our household strategy. The customer base decreased by 3k YoY and ARPU decreased by DKK 2 vs. H1 2015.

Landline voice

In H1 2016, reported revenue from landline voice decreased by 22.5% or DKK 128m to DKK 441m and stemmed from declines in both ARPU and the number of customers. ARPU decreased by DKK 10 due to continued lower revenue from traffic as well as an increasing share of low ARPU VoIP customers. Landline voice prices have not been increased in the last year as in previous years. The customer base decreased by 98k YoY.

Other services

In H1 2016, revenue from other services declined by 44.0% or DKK 178m to DKK 227m due to lower very low-margin sales of mobile handsets to third-party vendors as well as decreasing effects from paper communication fees (DKK 31m).

[1] 2-4% price increases on packages per month.

Consumer, key figures	DKKm						
		Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
Revenue	DKKm	**2,686**	**2,768**	**(3.0)**	**5,372**	**5,670**	**(5.3)**
Mobility services		674	651	3.5	1,342	1,310	2.4
TV		1,062	1,063	(0.1)	2,135	2,139	(0.2)
Internet & network		615	621	(1.0)	1,227	1,247	(1.6)
Landline voice		215	276	(22.1)	441	569	(22.5)
Other services		120	157	(23.6)	227	405	(44.0)
Gross profit		**2,035**	**2,124**	**(4.2)**	**4,075**	**4,301**	**(5.3)**
EBITDA		**1,640**	**1,712**	**(4.2)**	**3,252**	**3,464**	**(6.1)**
Gross margin	%	75.8	76.7	-	75.9	75.9	-
EBITDA margin	%	61.1	61.8	-	60.5	61.1	-
Number of FTEs (end-of-period)[1]	#	1,841	1,870	(1.6)	1,841	1,870	(1.6)

[1] Product management with 20 FTEs was moved from Other operations in Q3 2015.

Business in Denmark

Q2 highlights

- Mobile voice net adds of 16k vs Q1 2016 including Cirque[1] (12k), however loss of some major contracts in Q2 2016 expected to lead to net loss in forthcoming quarters
- Ongoing strategy activities that in Q2 2016 included all current online customers migrating to our new online universe
- Several negative one-offs (DKK ~30m) in other internet & network in Q2, including a revised assessment of a large business contract
- Overall positive customer satisfaction development in Business, which was partly offset by challenges in the medium-sized business segment

Business, key figures DKKm

		Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
Revenue	DKKm	**1,275**	**1,429**	**(10.8)**	**2,570**	**2,915**	**(11.8)**
Mobility services		306	347	(11.8)	629	711	(11.5)
Internet & network		449	490	(8.4)	913	1,004	(9.1)
Landline voice		222	274	(19.0)	446	556	(19.8)
Other services		298	318	(6.3)	582	644	(9.6)
Gross profit		**1,005**	**1,158**	**(13.2)**	**2,053**	**2,327**	**(11.8)**
EBITDA		**736**	**887**	**(17.0)**	**1,530**	**1,809**	**(15.4)**
Gross margin	%	78.8	81.0	-	79.9	79.8	-
EBITDA margin	%	57.7	62.1	-	59.5	62.1	-
Number of FTEs (end-of-period)[1]	#	1,209	1,142	5.9	1,209	1,142	5.9

[1] Product management with 16 FTEs was moved from Other operations in Q3 2015.

YTD performance

Business' financial performance continued to decline in H1 2016 with an EBITDA loss of 15.4% or DKK 279m to DKK 1,530m, driven by intense competition across products and segments.

The 15.4% EBITDA decrease in H1 was an improvement compared with the full-year decrease of 17.3% in 2015. In addition, H1 2016 was negatively impacted by several one-offs (DKK ~30m) including a revised assessment of a large business contract.

Mobility services

Reported revenue from mobility services in Business declined by 11.5% or DKK 82m to DKK 629m in H1 2016. The main contributor was an ARPU decrease of DKK 18 or 13.1% YoY. However, the ARPU decline YoY has improved in the public segment as a result of the reduced impact from renegotiations.

Including Cirque[1] (12k) the 16k YoY increase in the customer base positively reflects the improved churn rate among small and medium-sized businesses. The loss of large contracts in H1 2016 is expected to increase churn in H2 2016 and price levels in contract renegotiations remains challenged in the B2B market.

Internet & network

In H1 2016, Business' reported revenue from internet & network decreased by 9.1% or DKK 91m to DKK 913m. The decline in revenue related to both broadband and other internet & network.

Revenue from broadband was affected mostly by a declining customer base with the net loss of 11k customers YoY. However, during H1 there was an improved trend in the B2B customer base due to the gain of a large customer.

Revenue from other internet & network was negatively affected by lower sales of legacy products and by several negative one-offs (DKK ~30m) including a revised assessment of a large business contract

Landline voice

Reported revenue from landline voice in Business declined by 19.8% or DKK 110m to DKK 446m in H1 2016, driven by a net loss in the customer base as well as a DKK 21 decrease in ARPU.

Including net adds from Cirque[1] (8k) the 28k YoY decrease in the customer base resulted from the generally declining market for landline voice. The ARPU decline was due to churn of high-ARPU legacy customers across segments and migration of customers to a new and improved product portfolio with value-added services.

Other services

In H1 2016, revenue from other services declined by 9.6% or DKK 62m to DKK 582m, caused mainly by lower sales of mobile handsets in Business, and lower service and product sales in NetDesign.

[1] Cirque, the leading B2B supplier of cloud-based communication solutions, was acquired Q1 2016 with financial impact from Q2 2016.

Wholesale in Denmark

Q2 highlights

- EBITDA in Wholesale increased by 8.8% in Q2 2016, driven mainly by gross profit growth from internet & network
- Loss of 4k mobile voice customers vs. Q1 2016, driven by termination of a contract with a large service provider following acquisition by a competitor, with the last customers migrated in Q2 2016
- Continued growth in the broadband customer base vs. Q1 2016

YTD performance

In H1 2016, reported EBITDA in Wholesale increased by 4.4% or DKK 20m to DKK 471m. This was driven by gross profit growth from internet & network, though this was partly offset by a gross profit loss on mobility services.

Wholesale, key figures							DKKm
		Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
Revenue	DKKm	**437**	**416**	**5.0**	**833**	**823**	**1.2**
Mobility services		144	138	4.3	251	270	(7.0)
Internet & network		182	165	10.3	361	333	8.4
Landline voice		62	66	(6.1)	127	130	(2.3)
Other services		49	47	4.3	94	90	4.4
Gross profit		**287**	**266**	**7.9**	**552**	**531**	**4.0**
EBITDA		**246**	**226**	**8.8**	**471**	**451**	**4.4**
Gross margin	%	65.7	63.9	-	66.3	64.5	-
EBITDA margin	%	56.3	54.3	-	56.5	54.8	-
Number of FTEs (end-of-period)[1]	#	133	128	3.9	133	128	3.9

[1] Product management with 4 FTEs was moved from Other operations in Q3 2015.

Mobility services

Reported revenue from mobility services decreased by 7.0% or DKK 19m to DKK 251m in H1 2016. The decline was caused mainly by an internal settlement, as a large MVNO contract regarding Norway is no longer handled through Wholesale in Denmark (neutral on gross profit) as well as the loss of an MVNO contract with an external partner with financial effect as of 1 March 2016. However, this was partly offset by increasing revenue from interconnect with limited gross profit impact.

The operational mobile voice KPI's remained relatively level in H1 2016. ARPU increased by DKK 1 due to a changed customer mix. The mobile voice customer base decreased by 4k YoY, but with larger underlying customer movements as successful campaigns by service providers were almost counterbalanced by the loss of a large customer to a competitor at the end of Q1 2016. The migration of these customers was finalised during Q2 2016.

Internet & network

Reported revenue from internet & network increased by 8.4% or DKK 28m to DKK 361m in H1 2016. This stemmed from an increase in broadband and capacity revenue. The improvement in broadband resulted from a 14k increase in the customer base, which was driven by wholesale customers' successful campaigns, as well as an ARPU increase of DKK 5 due to a more favourable customer mix and a higher level of connection fees compared with H1 2015.

International capacity saw increasing revenue in H1 2016, but with lower gross profit effect due to a changed mix favouring lower-margin products.

National capacity growth in both revenue and gross profit in H1 2016 was driven by a changed product-mix towards products based on new technologies with higher ARPU.

Landline voice

In H1 2016, reported revenue from landline voice decreased by 2.3% or DKK 3m to DKK 127m. This was driven by a loss of 9k service provider customers and resulted from the continuous decline in the overall landline voice market.

Other operations in Denmark

Q2 highlights

- Calls to customer support ended at a high level in Q2 2016 after improving trends in the first months of the quarter. The increase in calls related to the brand merger of TDC and YouSee
- The broadband gigabit speed pilot project continued, and a field test was initiated (10k users) in Q2 2016 to gain experience for successfully executing the demanding project
- By combining mobile frequencies, TDC Group successfully delivered 1 Gbps over mobile in laboratory tests during Q2 2016, hereby supporting future technology improvements

YTD performance

Other operations consist of TDC Group's support functions such as IT, procurement, network, installation, customer support and headquarters. Since the reorganisation of the Danish business as of 1 January 2016, customer sales are based in the commercial divisions.

In H1 2016, EBITDA from Other operations decreased by 2.0% or DKK 33m. This was driven by a 8.4% or DKK 14m YoY decline in gross profit to DKK 152m in H1 2016 as well as 1.1% or DKK 19m higher operational expenditure. The gross profit decline was caused by a reduction in managed services and coastal radio as part of a stepwise movement of coastal radio to the Danish Navy during 2016.

Other operations, key figures							DKKm
		Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
Revenue	DKKm	128	110	16.4	232	223	4.0
Gross profit		86	81	6.2	152	166	(8.4)
Opex		(932)	(903)	(3.2)	(1,805)	(1,786)	(1.1)
EBITDA		**(846)**	**(822)**	**(2.9)**	**(1,653)**	**(1,620)**	**(2.0)**
KPIs							
Fault-handling hours	Hours ('000)	**139**	**138**	**0.7**	**277**	**290**	**(4.5)**
Number of FTEs (end-of-period)[1]	#	3,924	3,800	3.3	3,924	3,800	3.3

[1] Product management with 40 FTEs was moved from Other operations to sales divisions in Consumer, Business and Wholesale in Q3 2015.

As previously, TDC Group continued to focus on optimising processes and increasing efficiency in Other operations. However, savings in operational expenditure in Other operations in H1 2016 were offset by investments in strategic initiatives and a higher bonus related to the share-based incentive programme for the management of TDC Group's Norwegian business, driven by better-than-expected performance in Norway and the effect of the recent amendment of the programme[1].

TDC Group's support functions in Other operations play a key role in securely implementing systems and services supporting TDC Group's 2018 strategy with the goal of delivering the best customer experience and further efficiency improvements. During H1 2016, this led to increased spending on IT to support the brand merger of TDC and YouSee, improved customer journeys and digitalisation among other initiatives. Also, hiring of employees to execute the gigabit speed broadband project, investment in fault handling on Saturdays and end-to-end lean projects increased operational expenditure in H1 2016.

The main underlying efficiency improvements realised in Other operations in H1 2016 were within the areas presented below:

- Lower spending on facility management due mainly to fewer services related to wintry weather, continued space management initiatives and lower power consumption caused by reduced usage, prices and refunds
- Continued field-force initiatives focused on customer satisfaction reduced the number of faults at customer sites (9.3%) and led to less time spent on fault correction (4.5%) as well as reduced spending on fault handling. This also successfully improved customer satisfaction regarding technicians' support
- Lower spending on postal services driven by optimisation initiatives

[1] All costs related to the share-based incentive programme for the management of TDC Group's Norwegian business as well as the Danish part of the short-term bonus, deferred bonus and performance share programmes are included in the segment Other operations.

Norway

Q2 highlights

- Norway delivered strong YoY EBITDA growth of 9.7%; Get 9.3% and TDC Norway 14.8%
- Get increased broadband revenue by NOK 30m in Q2 YoY driven by an ARPU rise of NOK 11 and 22k new subscribers
- Average broadband speed offered by Get increased by more than 70% YoY as a result of upselling and customer migration to higher speeds
- Initiated commercial launch of Smart Home concept
- Increase in Get TV customer base (2k vs. Q1 2016) after limited losses in the previous two quarters

YTD performance

In H1 2016, reported EBITDA in Norway increased by 13.9% or NOK 103m to NOK 844m. This was driven mainly by broadband gross profit growth in Get as well as one-offs in Get in Q1 2016 that related primarily to a settlement in a legal dispute over Partner customers. Adjusted for these one-offs, Norway's and Get's EBITDA increased by 11.5% and 10.5%, respectively.

TDC Norway improved its performance, with EBITDA growth of 24.1% or NOK 13m in H1 2016, driven by its restructured organisation and product optimisation following implementation of a new strategy in Q4 2015 as well as synergy realisation from the Get acquisition.

Norway, key figures								**NOKm**
		Q2 2016	**Q2 2015**	**Change in %**	**H1 2016²**	**H1 2015**	**Change in %**
Revenue	NOKm	**964**	**934**	**3.2**	**1,948**	**1,860**	**4.7**
TV		359	357	0.6	722	709	1.8
Residential broadband		273	243	12.3	539	482	11.8
Business¹		257	256	0.4	526	512	2.7
Other residential services		75	78	(3.8)	161	157	2.5
Gross profit		**656**	**620**	**5.8**	**1,325**	**1,238**	**7.0**
EBITDA		**430**	**392**	**9.7**	**844**	**741**	**13.9**
Gross margin	%	68.0	66.4	-	68.0	66.6	-
EBITDA margin	%	44.6	42.0	-	43.3	39.8	-
Number of FTEs (end-of-period)	#	883	946	(6.7)	883	946	(6.7)

¹ Includes TDC Norway and Get's Business division.
² Q1 2016 affected positive by one-offs (Revenue: NOK 13m and Operational expenses: NOK 5m) that related primarily to a settlement in a legal dispute over partner customers.

TV

In H1 2016, Get's revenue from TV increased by 1.8% or NOK 13m to NOK 722m. This was driven by an ARPU increase of NOK 2 and 3k growth in TV customer base.

In Q2 2016, revenue growth slowed down to NOK 3m YoY vs. NOK 11m in Q1 due to intensified competition in the residential TV market in Norway. Competitors are pushing aggressive price points and offering low-cost fibre connections.

Residential Broadband

Get's reported revenue from broadband increased by 11.8% or NOK 57m to NOK 539m in H1 2016 as Get successfully expanded its customer base by 22k and raised ARPU by NOK 9.

The high broadband customer base growth prompted a 4 percentage point increase in broadband penetration. Get attracted more customers with high-speed offerings and value-added services.

The broadband ARPU increase of NOK 9 YoY was driven by upselling of higher speeds and a new broadband line-up in Q1 2016 with migration of customers to both higher speeds and price levels.

Business

In H1 2016, revenue from Business rose by 2.7% or NOK 14m to NOK 526m as a result of revenue growth in both TDC Norway and Get's business division. Revenue growth was driven mainly by broadband in Get and landline voice in TDC Norway.

Consolidated financial statements

Income statements							DKKm
	Note	Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
Revenue	2	**5,204**	**5,422**	**(4.0)**	**10,381**	**11,021**	**(5.8)**
Cost of sales		(1,314)	(1,296)	(1.4)	(2,586)	(2,706)	4.4
Gross profit		**3,890**	**4,126**	**(5.7)**	**7,795**	**8,315**	**(6.3)**
External expenses		(862)	(887)	2.8	(1,675)	(1,798)	6.8
Personnel expenses	3	(938)	(934)	(0.4)	(1,905)	(1,834)	(3.9)
Other income		27	39	(30.8)	50	59	(15.3)
Operating profit before depreciation, amortisation and special items (EBITDA)	2	**2,117**	**2,344**	**(9.7)**	**4,265**	**4,742**	**(10.1)**
Depreciation, amortisation and impairment losses	4	(1,176)	(1,297)	9.3	(2,355)	(2,557)	7.9
Operating profit excluding special items (EBIT excluding special items)		**941**	**1,047**	**(10.1)**	**1,910**	**2,185**	**(12.6)**
Special items	5	(73)	(105)	30.5	(157)	(247)	36.4
Operating profit (EBIT)		**868**	**942**	**(7.9)**	**1,753**	**1,938**	**(9.5)**
Financial income and expenses	6	(124)	(196)	36.7	(200)	(527)	62.0
Profit before income taxes		**744**	**746**	**(0.3)**	**1,553**	**1,411**	**10.1**
Income taxes		(176)	(169)	(4.1)	(369)	(350)	(5.4)
Profit for the period from continuing operations		**568**	**577**	**(1.6)**	**1,184**	**1,061**	**11.6**
Profit for the period from discontinued operations		(3)	(7)	57.1	5	20	(75.0)
Profit for the period		**565**	**570**	**(0.9)**	**1,189**	**1,081**	**10.0**
Profit attributable to:							
Owners of the parent company		569	572	(0.5)	1,020	1,088	(6.3)
Hybrid capital holders share of profit		-	-	-	175	-	-
Non-controlling interests		(4)	(2)	(100.0)	(6)	(7)	14.3
EPS (DKK)							
Earnings Per Share, basic		0.71	0.72	(1.4)	1.27	1.36	(6.6)
Earnings Per Share, diluted		0.71	0.71	-	1.27	1.35	(5.9)
Adjusted EPS		0.91	1.01	(9.9)	1.89	1.94	(2.6)

Statement of comprehensive income

DKKm	Q2 2016	Q2 2015	H1 2016	H1 2015
Profit for the period	**565**	**570**	**1,189**	**1,081**
Items that can subsequently be reclassified to the income statement:				
Currency translation adjustments, foreign enterprises	103	(128)	276	387
Fair value adjustments of cash flow hedges	60	(83)	35	50
Fair value adjustments of cash flow hedges transferred to Financial expenses	18	13	16	(23)
Items that cannot subsequently be reclassified to the income statement:				
Remeasurement effects related to defined benefit pension plans	725	872	(543)	860
Income tax relating to remeasurement effects from defined benefit pension plans	(158)	(193)	120	(190)
Other comprehensive income	**748**	**481**	**(96)**	**1,084**
Total comprehensive income	**1,313**	**1,051**	**1,093**	**2,165**

Balance sheet DKKm

	Note	30 June 2016	31 December 2015	30 June 2015
Assets				
Non-current assets				
Intangible assets		34,207	34,455	40,429
Property, plant and equipment		17,718	17,963	18,062
Joint ventures, associates and other investments		73	82	74
Deferred tax assets		7	-	-
Pension assets	7	5,439	5,947	6,031
Receivables		265	275	292
Derivative financial instruments		109	484	773
Prepaid expenses		321	355	310
Total non-current assets		**58,139**	**59,561**	**65,971**
Current assets				
Inventories		225	311	350
Receivables		2,020	3,131	3,378
Income tax receivables		-	5	-
Derivative financial instruments		654	484	411
Prepaid expenses		740	741	886
Cash		1,232	363	593
Assets held for sale		1,390	-	-
Total current assets		**6,261**	**5,035**	**5,618**
Total assets		**64,400**	**64,596**	**71,589**

Balance sheet DKKm

	Note	30 June 2016	31 December 2015	30 June 2015
Equity and liabilities				
Equity				
Share capital		812	812	812
Reserve for currency translation adjustments		(1,743)	(2,019)	(1,217)
Reserve for cash flow hedges		(196)	(247)	(96)
Retained earnings		16,899	16,229	19,640
Proposed dividends		-	-	802
Equity attributable to owners of the parent company		**15,772**	**14,775**	**19,941**
Hybrid capital	9	5,552	5,552	5,553
Non-controlling interests		21	27	101
Total equity		**21,345**	**20,354**	**25,595**
Non-current liabilities				
Deferred tax liabilities		3,946	4,218	4,395
Provisions		952	985	990
Pension liabilities	7	38	36	112
Loans	8	26,616	27,398	26,887
Derivative financial instruments		227	-	-
Deferred income		385	426	442
Total non-current liabilities		**32,164**	**33,063**	**32,826**
Current liabilities				
Loans	8	199	200	2,422
Trade and other payables		5,626	7,035	6,438
Income tax payable		222	-	50
Derivative financial instruments		786	537	584
Deferred income		2,865	3,177	3,430
Provisions		178	230	244
Liabilities concerning assets held for sale		1,015	-	-
Total current liabilities		**10,891**	**11,179**	**13,168**
Total liabilities		**43,055**	**44,242**	**45,994**
Total equity and liabilities		**64,400**	**64,596**	**71,589**

Statements of cash flow

DKKm

	Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
EBITDA	2,117	2,344	(9.7)	4,265	4,742	(10.1)
Adjustment for non-cash items	19	9	111.1	125	75	66.7
Pension contributions	(22)	(23)	4.3	(43)	(56)	23.2
Payments related to provisions	(3)	-	-	(3)	-	-
Special items	(171)	(155)	(10.3)	(275)	(287)	4.2
Change in working capital	(130)	(326)	60.1	262	(320)	181.9
Interest paid, net	(35)	(22)	(59.1)	(744)	(688)	(8.1)
Income tax paid	-	(3)	-	(330)	(353)	6.5
Operating activities in continuing operations	**1,775**	**1,824**	**(2.7)**	**3,257**	**3,113**	**4.6**
Operating activities in discontinued operations	52	46	13.0	96	182	(47.3)
Total cash flow from operating activities	**1,827**	**1,870**	**(2.3)**	**3,353**	**3,295**	**1.8**
Investment in enterprises	8	(33)	124.2	(106)	(137)	22.6
Investment in property, plant and equipment	(832)	(772)	(7.8)	(1,583)	(1,628)	2.8
Investment in intangible assets	(271)	(211)	(28.4)	(460)	(415)	(10.8)
Investment in other non-current assets	(1)	(3)	66.7	(1)	(6)	83.3
Sale of other non-current assets	8	30	(73.3)	14	37	(62.2)
Dividends received from joint ventures and associates	-	-	-	7	-	-
Investing activities in continuing operations	**(1,088)**	**(989)**	**(10.0)**	**(2,129)**	**(2,149)**	**0.9**
Investing activities in discontinued operations	(60)	(53)	(13.2)	(122)	(100)	(22.0)
Total cash flow from investing activities	**(1,148)**	**(1,042)**	**(10.2)**	**(2,251)**	**(2,249)**	**(0.1)**
Proceeds from long-term loans	-	(3)	-	-	7,739	-
Finance lease repayments	(19)	(19)	-	(39)	(34)	(14.7)
Repayments of long-term loans	-	(1)	-	-	(5,968)	-
Change in short-term bank loans	-	(335)	-	(3)	(11,714)	100.0
Proceeds from issuance of hybrid capital	-	(6)	-	-	5,553	-
Coupon payments on hybrid capital	-	-	-	(196)	-	-
Dividends paid	-	(204)	-	-	(802)	-
Capital contribution from non-controlling interests	-	-	-	-	4	-
Financing activities in continuing operations	**(19)**	**(568)**	**96.7**	**(238)**	**(5,222)**	**95.4**
Financing activities in discontinued operations	-	(3)	-	-	(6)	-
Total cash flow from financing activities	**(19)**	**(571)**	**96.7**	**(238)**	**(5,228)**	**95.4**
Total cash flow	**660**	**257**	**156.8**	**864**	**(4,182)**	**120.7**
Cash and cash equivalents (beginning-of-period)	574	327	75.5	363	4,746	(92.4)
Effect of exchange-rate changes on cash and cash equivalents	-	9	-	7	29	(75.9)
Cash and cash equivalents (end-of-period)	**1,234**	**593**	**108.1**	**1,234**	**593**	**108.1**

Equity free cash flow						DKKm
	Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
EBITDA	2,117	2,344	(9.7)	4,265	4,742	(10.1)
Change in working capital	(130)	(326)	60.1	262	(320)	181.9
Interest paid, net	(35)	(22)	(59.1)	(744)	(688)	(8.1)
Income tax paid	-	(3)	-	(330)	(353)	6.5
Cash flow from capital expenditure	(1,103)	(983)	(12.2)	(2,043)	(2,043)	-
Cash flow related to special items	(171)	(155)	(10.3)	(275)	(287)	4.2
Other[1]	(25)	(33)	24.2	(156)	(15)	-
Equity free cash flow	**653**	**822**	**(20.6)**	**979**	**1,036**	**(5.5)**

[1] H1 2016 includes DKK 196m from the first annual coupon payments on hybrid capital issued in Q1 2015.

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 2015	812	(1,604)	(123)	18,656	802	18,543		104	18,647
Profit for the period				286	802	1,088		(7)	1,081
Currency translation adjustments, foreign enterprises		387				387			387
Fair value adjustments of cash flow hedges			50			50			50
Fair value adjustments of cash flow hedges transferred to Financial expenses			(23)			(23)			(23)
Remeasurement effects related to defined benefit pension plans				860		860			860
Income tax relating to remeasurement effects from defined benefit pension plans				(190)		(190)			(190)
Total comprehensive income	**-**	**387**	**27**	**956**	**802**	**2,172**	**-**	**(7)**	**2,165**
Distributed dividends					(802)	(802)			(802)
Share-based remuneration				28	-	28			28
Additions, hybrid capital						-	5,553		5,553
Additions to non-controlling interests						-		4	4
Total transactions with shareholders	**-**	**-**	**-**	**28**	**(802)**	**(774)**	**5,553**	**4**	**4,783**
Equity at 30 June 2015	**812**	**(1,217)**	**(96)**	**19,640**	**802**	**19,941**	**5,553**	**101**	**25,595**

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 2016	812	(2,019)	(247)	16,229	-	14,775	5,552	27	20,354
Profit for the period				1,020	-	1,020	175	(6)	1,189
Currency translation adjustments, foreign enterprises		276				276			276
Fair value adjustments of cash flow hedges			35			35			35
Fair value adjustments of cash flow hedges transferred to Financial expenses			16			16			16
Remeasurement effects related to defined benefit pension plans				(543)		(543)			(543)
Income tax relating to remeasurement effects from defined benefit pension plans				120		120			120
Total comprehensive income	**-**	**276**	**51**	**597**	**-**	**924**	**175**	**(6)**	**1,093**
Share-based remuneration				73		73			73
Coupon payments on hybrid capital						-	(196)		(196)
Income tax relating to coupon payments on hybrid capital						-	21		21
Total transactions with shareholders	**-**	**-**	**-**	**73**	**-**	**73**	**(175)**	**-**	**(102)**
Equity at 30 June 2016	**812**	**(1,743)**	**(196)**	**16,899**	**-**	**15,772**	**5,552**	**21**	**21,345**

Notes to consolidated financial statements

Note 1 Accounting policies

TDC's Interim Financial Report for H1 2016 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 2015.

Following the agreement to divest TDC Sweden AB, TDC Sweden AB is classified under 'Discontinued operations' in TDC's consolidated financial statements. Comparative figures in the income statements and cash flow statements are restated accordingly.

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 of the consolidated financial statements are shown in note 1.2 in the consolidated financial statements for 2015, cf. TDC's Annual Report 2015.

Note 2 Segment reporting

With effect from Q1 2016, TDC's financial reporting reflects the changed Danish organisation and the 2018 strategy announced in December 2015 and January 2016. The Danish customer service functions were split from Channels into the other business lines. In addition, a number of other activities were transferred between the business lines.

Comparative figures have been restated accordingly.

Note 2 Segment reporting (continued)

Segments

DKKm

	Consumer		Business		Wholesale		Other operations[1]	
	Q2 2016	**Q2 2015**	**Q2 2016**	**Q2 2015**	**Q2 2016**	**Q2 2015**	**Q2 2016**	**Q2 2015**
Mobility services	674	651	306	347	144	138	-	-
Landline voice	215	276	222	274	62	66	4	4
Internet and network	615	621	449	490	182	165	29	24
TV	1,062	1,063	10	10	12	9	1	-
Other services	120	157	288	308	37	38	94	82
Norway	-	-	-	-	-	-	-	-
Revenue	**2,686**	**2,768**	**1,275**	**1,429**	**437**	**416**	**128**	**110**
Total operating expenses excl. depreciation, etc.	(1,046)	(1,056)	(539)	(542)	(192)	(190)	(1,009)	(984)
Other income and expenses	-	-	-	-	1	-	35	52
EBITDA	**1,640**	**1,712**	**736**	**887**	**246**	**226**	**(846)**	**(822)**
Specification of revenue:								
External revenue	2,686	2,768	1,223	1,372	413	384	120	101
Revenue across segments	-	-	52	57	24	32	8	9

	Norway[2]		Eliminations		Total	
	Q2 2016	**Q2 2015**	**Q2 2016**	**Q2 2015**	**Q2 2016**	**Q2 2015**
Mobility services	-	-	(1)	(1)	1,123	1,135
Landline voice	-	-	1	(2)	504	618
Internet and network	-	-	(28)	(25)	1,247	1,275
TV	-	-	(2)	-	1,083	1,082
Other services	-	-	(32)	(36)	507	549
Norway	769	815	(29)	(52)	740	763
Revenue	**769**	**815**	**(91)**	**(116)**	**5,204**	**5,422**
Total operating expenses excl. depreciation, etc.	(426)	(473)	98	128	(3,114)	(3,117)
Other income and expenses	1	-	(10)	(13)	27	39
EBITDA	**344**	**342**	**(3)**	**(1)**	**2,117**	**2,344**
Specification of revenue:						
External revenue	762	797	-	-	5,204	5,422
Revenue across segments	7	18	(91)	(116)	-	-

Note 2 Segment reporting (continued)

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

DKKm	Q2 2016	Q2 2015
EBITDA from reportable segments	2,117	2,344
Unallocated:		
Depreciation, amortisation and impairment losses	(1,176)	(1,297)
Special items	(73)	(105)
Financial income and expenses	(124)	(196)
Consolidated profit before income taxes	**744**	**746**

[1] Consists of the two operating segments Operations and Headquarters. At Operations, external revenue amounted to DKK 119m (Q2 2015:DKK 101m), revenue across segments amounted to DKK 8m (Q2 2015: DKK 9m) and EBITDA amounted to DKK (673)m compared with (Q2 2015: DKK (669)m). At Headquarters, external revenue amounted to DKK 1m (Q2 2015: DKK 0m), revenue across segments amounted to DKK 0m (Q2 2015: DKK 0m) and EBITDA amounted to DKK (173)m (Q2 2015: DKK (154)m).
[2] Consists of the two operating segments Get and TDC Norway AS. At Get, external revenue amounted to DKK 581m (Q2 2015: DKK 608m), revenue across segments amounted to DKK 0m (Q2 2015: DKK 0m) and EBITDA amounted to DKK 319m (Q2 2015: DKK 318m).

Note 2 Segment reporting (continued)

Segments DKKm

	Consumer		Business		Wholesale		Other operations[1]	
	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015
Mobility services	1,342	1,310	629	711	251	270	1	1
Landline voice	441	569	446	556	127	130	7	8
Internet and network	1,227	1,247	913	1,004	361	333	54	49
TV	2,135	2,139	19	20	23	17	1	-
Other services	227	405	563	624	71	73	169	165
Norway	-	-	-	-	-	-	-	-
Revenue	**5,372**	**5,670**	**2,570**	**2,915**	**833**	**823**	**232**	**223**
Total operating expenses excl. depreciation, etc.	(2,120)	(2,206)	(1,040)	(1,105)	(363)	(372)	(1,953)	(1,929)
Other income and expenses	-	-	-	(1)	1	-	68	86
EBITDA	**3,252**	**3,464**	**1,530**	**1,809**	**471**	**451**	**(1,653)**	**(1,620)**
Specification of revenue:								
External revenue	5,372	5,670	2,481	2,817	795	759	215	208
Revenue across segments	-	-	89	98	38	64	17	15

	Norway[2]		Eliminations		Total	
	H1 2016	H1 2015	H1 2016	H1 2015	H1 2016	H1 2015
Mobility services	-	-	(2)	(3)	2,221	2,289
Landline voice	-	-	-	(1)	1,021	1,262
Internet and network	-	-	(51)	(49)	2,504	2,584
TV	-	-	(1)	-	2,177	2,176
Other services	-	-	(55)	(55)	975	1,212
Norway	1,540	1,605	(57)	(107)	1,483	1,498
Revenue	**1,540**	**1,605**	**(166)**	**(215)**	**10,381**	**11,021**
Total operating expenses excl. depreciation, etc.	(874)	(965)	184	239	(6,166)	(6,338)
Other income and expenses	2	-	(21)	(26)	50	59
EBITDA	**668**	**640**	**(3)**	**(2)**	**4,265**	**4,742**
Specification of revenue:						
External revenue	1,518	1,567	-	-	10,381	11,021
Revenue across segments	22	38	(166)	(215)	-	-

Note 2 Segment reporting (continued)

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

DKKm

	H1 2016	H1 2015
EBITDA from reportable segments	4,265	4,742
Unallocated:		
Depreciation, amortisation and impairment losses	(2,355)	(2,557)
Special items	(157)	(247)
Financial income and expenses	(200)	(527)
Consolidated profit before income taxes	**1,553**	**1,411**

[1] Consists of the two operating segments Operations and Headquarters. At Operations, external revenue amounted to DKK 213m (H1 2015: DKK 207m), revenue across segments amounted to DKK 17m (H1 2015: DKK 15m) and EBITDA amounted to DKK (1,303)m (H1 2015: DKK (1,334)m). At Headquarters, external revenue amounted to DKK 3m (H1 2015: DKK 1m), revenue across segments amounted to DKK 0m (H1 2015: DKK 0m) and EBITDA amounted to DKK (350)m (H1 2015: DK6K (286)m).
[2] Consists of the two operating segments Get and TDC Norway AS. At Get, external revenue amounted to DKK 1,158m (H1 2015: DKK 1,192m), revenue across segments amounted to DKK 0m (H1 2015: DKK 1m) and EBITDA amounted to DKK 615m (H1 2015: DKK 593m).

Note 3 Employees

FTEs (EoP)	H1 2016	2015	H1 2015	Change in % H1 2016 vs. H1 2015	Change in % H1 2016 vs. 2015
Consumer[1]	1,841	1,876	1,870	(1.6)	(1.9)
Business[1 3]	1,209	1,166	1,142	5.9	3.7
Wholesale[1]	133	130	128	3.9	2.3
Other operations[1 2 3]	3,924	3,817	3,800	3.3	2.8
Norway	883	908	946	(6.7)	(2.8)
TDC Group	**7,990**	**7,897**	**7,887**	**1.3**	**1.2**
Of which in Denmark	**6,960**	**6,825**	**6,767**	**2.9**	**2.0**

FTEs and temps (EoP)	H1 2016	2015	H1 2015	Change in % H1 2016 vs. H1 2015	Change in % H1 2016 vs. 2015
Consumer[1]	1,848	1,880	1,877	(1.5)	(1.7)
Business[1 3]	1,209	1,171	1,147	5.4	3.2
Wholesale[1]	133	130	128	3.9	2.3
Other operations[1 2 3]	3,934	3,836	3,824	2.9	2.6
Norway[4]	947	998	965	(1.9)	(5.1)
TDC Group	**8,071**	**8,016**	**7,941**	**1.6**	**0.7**
Of which in Denmark	**6,977**	**6,854**	**6,802**	**2.6**	**1.8**

[1] Product management with 40 FTEs was moved from the cost centre to sales divisions in Consumer (20 FTEs), Business (16 FTEs) and Wholesale (4 FTEs) in Q3 2015.
[2] Includes Operations, Headquarters and personnel on leave.
[3] Including Cirque with 41 FTEs in Business and 7 FTEs in Other operations as from 2Q 2016.
[4] Get with 73 temps included as of Q4 2015.

Note 4 Depreciation, amortisation and impairment losses

DKKm

	Q2 2016	Q2 2015	H1 2016	H1 2015
Depreciation on property, plant and equipment	(719)	(771)	(1,465)	(1,502)
Amortisation of intangible assets	(449)	(521)	(880)	(1,049)
Impairment losses	(8)	(5)	(10)	(6)
Total	**(1,176)**	**(1,297)**	**(2,355)**	**(2,557)**

The decline in amortisation from H1 2015 to H1 2016 reflect primarily lower amortisation of the value of customer relationships as a consequence of the diminishing balance method as well as the impairment losses recognised in Q4 2015.

Note 5 Special items

Special items include significant amounts that cannot be attributed to normal operations such as re-structuring 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.

Special items				DKKm
	Q2 2016	Q2 2015	H1 2016	H1 2015
Costs related to redundancy programmes and vacant tenancies	(55)	(67)	(128)	(205)
Other restructuring costs, etc.	(16)	(33)	(24)	(37)
Impairment losses	-	-	-	-
Income from rulings	-	-	-	-
Loss from rulings	(2)	-	(5)	-
Adjustment of purchase price re. acquisition of enterprises	-	-	-	-
Costs related to acquisition of enterprises	-	(5)	-	(5)
Special items before income taxes	**(73)**	**(105)**	**(157)**	**(247)**
Income taxes related to special items	15	23	33	57
Special items related to joint ventures and associates	-	-	-	-
Special items related to discontinued operations	(6)	(10)	(15)	(1)
Total special items	**(64)**	**(92)**	**(139)**	**(191)**

Note 6 Financial income and expenses

Financial income and expenses

DKKm

	Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
Interest income	4	8	(500)	8	14	(42.9)
Interest expenses	(199)	(240)	17.1	(399)	(515)	22.5
Net interest	**(195)**	**(232)**	**15.9**	**(391)**	**(501)**	**22.0**
Currency translation adjustments	44	29	51.7	121	(42)	-
Fair value adjustments	(2)	(12)	83.3	11	(22)	150.0
Interest, currency translation adjustments and fair value adjustments	**(153)**	**(215)**	**28.8**	**(259)**	**(565)**	**54.2**
Profit/(loss) from joint ventures and associates	(1)	(2)	50.0	(1)	(5)	80.0
Interest on pension assets	30	21	42.9	60	43	39.5
Total	**(124)**	**(196)**	**36.7**	**(200)**	**(527)**	**62.0**

Financial income and expenses represented an expense of DKK 200m in H1 2016, an improvement of DKK 327m compared with H1 2015, driven primarily by:

Net interest
The EMTN loan (EUR 274m) that matured in December 2015 was refinanced by EIB loan (EUR 100m) and cash resulting in a lower interest expense (DKK 70m). Furthermore, H1 2015 was negatively impacted by interest expenses (DKK 39m) on the bridge bank loan (EUR 1,600m) stemming from the acquisition of Get in 2014.

Currency translation adjustment
In H1 2016, the EUR/DKK exchange rate decreased, resulting in gains, whereas the EUR/DKK exchange rate increased during H1 2015, resulting in losses. Furthermore, H1 2016 was positively impacted by exchange-rate gains primarily on intercompany loans denominated in NOK.

Fair value adjustments
In H1 2015, pre-hedges related to the refinancing in February 2015[1] resulted in a loss due to declining market interest rates. The loss was partly offset by gains on cross-currency swaps related to the EMTN GBP debt[2].

Interest on pension assets
The higher interest on pension assets was attributable to a higher discount rate at 1 January 2016 than at 1 January 2015, as the interest is calculated on the basis of the pension funds' net assets (assets less liabilities) using the discount rate as of the beginning of the year. For further information about pension plans, see note 7.

1 In February 2015, the terminated bridge bank loan and the maturing EMTN bond were replaced by hybrid capital, an EMTN bond, bank loans and cash.

2 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 GBP/DKK hedge.

Specifications DKKm

	Q2 2016				Q2 2015			
	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)	(174)	24	(19)	**(169)**	(211)	26	(13)	**(198)**
European Investment Bank (EIB) and KfW bank loans incl. hedges (treated as hedge accounting)	(6)	9	-	**3**	(6)	9	-	**3**
Other hedges (not treated as hedge accounting)	-	-	17	**17**	-	-	1	**1**
Other	(15)	11		**(4)**	(15)	(6)	-	**(21)**
Interest, currency translation, adjustments and fair value adjustments	**(195)**	**44**	**(2)**	**(153)**	**(232)**	**29**	**(12)**	**(215)**

	H1 2016				H1 2015			
	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)	(347)	34	(17)	**(330)**	(424)	(22)	23	**(423)**
European Investment Bank (EIB) and KfW bank loans incl. hedges (treated as hedge accounting)	(13)	20	-	**7**	(11)	(6)	-	**(17)**
Other hedges (not treated as hedge accounting)	-	-	28	**28**	0	0	(45)	**(45)**
Other	(31)	67	-	**36**	(66)	(14)	-	**(80)**
Interest, currency translation, adjustments and fair value adjustments	**(391)**	**121**	**11**	**(259)**	**(501)**	**(42)**	**(22)**	**(565)**

Note 7 Pension assets and pension obligations

Pension (costs)/income				DKKm
	Q2 2016	Q2 2015	H1 2016	H1 2015
Specification of plans:				
Denmark	(2)	(16)	(4)	(31)
Norway	(1)	(5)	(1)	(10)
Pension income/(costs) from defined benefit plans	**(3)**	**(21)**	**(5)**	**(41)**
Recognition:				
Service cost[1]	(31)	(40)	(61)	(80)
Administrative expenses	(2)	(2)	(4)	(4)
Personnel expenses (included in EBITDA)	**(33)**	**(42)**	**(65)**	**(84)**
Interest on pension assets	30	21	60	43
Pension income/(costs) from defined benefit plans recognised in the income statements	**(3)**	**(21)**	**(5)**	**(41)**

[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
	Q2 2016	Q2 2015	H1 2016	H1 2015
Pension (cost)/income				
Service cost	(30)	(36)	(60)	(72)
Administrative expenses	(2)	(2)	(4)	(4)
Personnel expenses (included in EBITDA)	**(32)**	**(38)**	**(64)**	**(76)**
Interest on pension assets	**30**	22	60	45
Pension (costs)/income	**(2)**	**(16)**	**(4)**	**(31)**
Domestic redundancy programmes recognised in special items	(2)	(21)	(10)	(57)
Total pension (costs)/income recognised in the income statements	**(4)**	**(37)**	**(14)**	**(88)**

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 June 2016	31 December 2015	30 June 2015
Assets and obligations			
Specification of pension assets			
Fair value of plan assets	29,995	29,185	30,035
Defined benefit obligation	(24,556)	(23,238)	(24,004)
Pension assets recognised in the balance sheets	**5,439**	**5,947**	**6,031**
Change in pension assets			
Pension assets recognised at 1 January	5,947	5,205	5,205
Pension (costs)/income	(14)	(128)	(88)
Remeasurement effects	(543)	757	863
TDC's contribution	49	113	51
Pension assets recognised in the balance sheets	**5,439**	**5,947**	**6,031**
Discount rate (%)			
Used to determine benefit obligations	1.35	2.00	1.30
Used to determine pension cost/income	2.00	1.70	1.70

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 0m in H1 2016 and DKK 10m in H1 2015. Pension liabilities relating to foreign defined benefit plans amounted to DKK 38m at 30 June 2016 and DKK 112m at 30 June 2015. One of TDC Norway's defined benefit plans was closed 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	4 Feb 20	14 Dec 20	2 Mar 22	23 Feb 23	27 Feb 27	
Fixed/floating rate	Fixed	Floating	Floating	Floating	Fixed	Fixed	Fixed	
Coupon	0				0	0	0	
Currency	EUR	EUR	EUR	EUR	EUR	GBP	EUR	
Type	Bond	Bank loan	Bank loan	Bank loan	Bond	Bond	Bond	
Nominal value (DKKm)	5,951	2,975	1,860	744	3,719	4,902	5,951	26,102
Nominal value (Currency)	800	400	250	100	500	550	800	3,400
Hereof nominal value swapped to or with floating interest rate (EURm)	200	400	250	100	150	50	-	1,150
Hereof nominal value swapped from GBP to EUR (GBPm)[2]	-	-	-	-	-	550	-	550

[1] The maturity of derivatives used for hedging long-term loans matches the maturity of the underlying loans.
[2] The nominal value of the GBP 550m February 2023 bond is fully swapped to EUR 658m.

The maturity analysis above does not include hybrid capital with a principal amount totalling DKK 5,579m due in 3015. For further details on hybrid capital, see note 9.

Net interest-bearing debt DKKm

	30 June 2016	31 December 2015	30 June 2015
Interest-bearing receivables and investments	(430)	(278)	(287)
Cash	(1,232)	(363)	(593)
Long-term loans	26,616	27,398	26,887
Short-term loans	199	200	2,422
Interest-bearing payables	2	2	2
Derivative financial instruments hedging fair value and currency on loans	(254)	(928)	(1,169)
Net interest-bearing debt	**24,901**	**26,031**	**27,262**
50% of hybrid capital	2,776	2,776	2,777
Adjusted net interest-bearing debt	**27,677**	**28,807**	**30,039**

Both net interest-bearing debt and adjusted net interest-bearing debt decreased during H1 2016 (DKK 1,130m) as cash flow from operations more than offset the coupon payments on hybrid capital.

Note 9 Hybrid capital

The EUR 750m callable subordinated capital securities (hybrid bonds) issued in February 2015 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 are recognised directly in equity at the time the payment obligation arises.

The first coupon payment occurred in February 2016 and amounted to DKK 196m. Coupon payments are recognised in the statement of cash flow as a separate item within financing activities. Hybrid coupon payments are included as a separate item in the statement of equity free cash flow (EFCF).

Non-recognised accumulated coupons amounted to DKK 167m as of 30 June 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 Capital and purchase commitments

As announced on 27 January 2016, TDC will accelerate the upgrading and future-proofing of its hybrid fibre network to market-leading 1 Gigabit speeds in order to deliver optimal connectivity irrespective of network type. As a consequence, TDC's capital and purchase commitments increased by approximately DKK 1bn.

Note 11 Events after the balance sheet date

None.

Selected financial and operational data

TDC Group

		H1 2016	H1 2015	2015	2014	2013	2012
Income statements	DKKm						
Revenue		10,381	11,021	21,935	21,078	21,559	23,003
Gross profit		7,795	8,315	16,458	16,062	16,365	17,147
EBITDA		4,265	4,742	9,488	9,477	9,634	9,822
Operating profit/loss (EBIT)		1,753	1,938	(688)	3,727	3,960	4,357
Profit/loss before income taxes		1,553	1,411	(1,792)	2,710	3,283	4,249
Profit/loss for the period from continuing operations		1,184	1,061	(2,452)	2,379	2,930	3,619
Profit/loss for the period		1,189	1,081	(2,384)	3,228	3,119	3,784
Income statements, excluding special items							
Operating profit (EBIT)		1,910	2,185	4,414	5,002	4,950	5,104
Profit before income taxes		1,710	1,658	3,310	3,984	4,273	4,236
Profit for the period from continuing operations		1,308	1,251	2,423	3,461	3,674	3,279
Profit for the period		1,328	1,272	2,502	3,551	3,780	3,448
Balance sheets	DKKbn						
Total assets		64.4	71.6	64.6	74.4	60.4	63.5
Net interest-bearing debt		24.9	27.3	26.0	32.9	21.7	21.9
Hybrid capital		5.6	5.6	5.6	-	-	-
Total equity		21.3	25.6	20.4	18.6	20.4	21.5
Average number of shares outstanding (million)		802.0	801.6	801.7	800.2	798.9	802.3
Capital expenditure		(2,024)	(2,088)	(4,316)	(3,686)	(3,394)	(3,202)
Statements of cash flow	DKKm						
Operating activities		3,257	3,113	7,547	6,980	6,674	6,652
Investing activities		(2,129)	(2,149)	(4,382)	(16,263)	(3,722)	(2,682)
Financing activities		(238)	(5,222)	(7,591)	11,896	(3,058)	(4,400)
Total cash flow from continuing operations		890	(4,258)	(4,426)	2,613	(106)	(430)
Total cash flow in discontinued operations[1]		(26)	76	37	961	305	(86)
Total cash flow		864	(4,182)	(4,389)	3,574	199	(516)
Equity free cash flow		979	1,036	3,187	3,309	3,175	3,279

TDC Group

		H1 2016	H1 2015	2015	2014	2013	2012
Key financial ratios							
Earnings Per Share (EPS)	DKK	1.27	1.36	(2.87)	4.05	3.90	4.72
EPS from continuing operations, excl. special items	DKK	1.63	1.56	3.02	4.33	4.60	4.09
Adjusted EPS	DKK	1.89	1.94	3.76	5.23	5.23	5.32
Dividend payments per share	DKK	-	-	1.00	2.50	3.70	4.60
Dividend payout (% of EFCF)	%	-	-	24.8	62.9	89.3	118.3
Gross margin	%	75.1	75.4	75.0	76.2	75.9	74.5
EBITDA margin	%	41.1	43.0	43.3	45.0	44.7	42.7
Adjusted NIBD/EBITDA[2]	x	3.1	3.0	2.9	3.4	2.1	2.1
Retail RGUs (Denmark)							
Mobile subscriptions	# ('000)	2,603	2,557	2,576	2,566	2,655	2,679
TV	# ('000)	1,399	1,394	1,386	1,420	1,393	1,392
Broadband	# ('000)	1,336	1,341	1,329	1,358	1,361	1,327
Landline voice	# ('000)	794	918	847	1,010	1,193	1,350
Employees							
FTEs (end-of-period)	#	7,990	7,887	7,897	7,787	7,785	8,086
FTEs and temps (end-of-period)	#	8,071	7,941	8,016	7,848	7,867	8,251
Customer satisfaction							
Recommend score	YTD avg. index	65	63	64	64	66	-

[1] TDC Finland (divested in 2014) and Sweden (divested in Q2 2016) are presented as discontinued operations. Other divestments are included in the respective accounting items during the ownership.
[2] On a pro forma basis, if EBITDA for TDC Sweden is included, adjusted NIBD/EBITDA would have been 3.0 for H1 2016. EBITDA for Get is included from November 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.

Corporate matters

TDC divests TDC Sverige AB to Tele2 Sverige AB

On 21 June 2016, TDC A/S announced that it had 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. 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 by maintaining a presence in Sweden through partnerships.

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

It is estimated that the divestment will 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. Comparative figures in the income statements and cash flow statements are restated accordingly.

Part of the sales proceeds will be applied towards debt reduction in order to maintain an unchanged leverage ratio after the divestiture. The remaining proceeds may be used to strengthen our activities in Denmark or Norway or to further reduce debt.

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 H1 2016, 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 H1 2016.

The Financial Report 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 gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2016 as well as the results of operations and cash flows for H1 2016. 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, 10 August 2016

Executive Committee

Pernille Erenbjerg
Group Chief Executive Officer

Stig Pastwa
Group Chief Financial Officer

Jaap Postma
Senior Executive Vice President of YouSee

Gunnar Evensen
Senior Executive Vice President of Norway

Marina Lønning
Senior Executive Vice President of Business

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

Erik Heilborn
Senior Executive Vice President of Sweden

Jens Aaløse
Group Chief Customer Officer and Stakeholder Relations

Board of Directors

Vagn Sørensen
Chairman

Pierre Danon
Vice Chairman

Marianne Rørslev Bock

Stine Bosse

Pieter Knook

Angus Porter

Benoit Scheen

Mogens Jensen

John Schwartzbach

Zanne Stensballe

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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.