TDC confirms 2013 guidance and distributes interim dividend

Q2 results are in line with our expectations with reported EBITDA down by 1.4%. We achieved positive organic EBITDA growth as well as increases in gross profit and EBITDA margins across all business lines compared with Q1 2013 and Q2 2012. Regarding revenue, growth rates are expected to improve in H2 due to both the less severe impact from regulation and improved growth rates in handset sales. We therefore confirm our 2013 guidance.

We are continuing to roll out our 2015 strategy with a focus on integrated solutions for businesses and households. The recently announced integration of YouSee and Consumer into one strong business line is an important step that will further enhance our ability to offer our solutions via a clear go-to-market approach and will further improve the customer experience.

In Q2, we continued to strengthen our customer experience, and I am pleased to report that our customer satisfaction remained at the high level seen in 2012 and first quarter of 2013. We are currently exploring a number of options related to network outsourcing partners to further improve the customer experience on our mobile network – including the roll out of a superior 4G network – and expect to reach a solution before the end of Q3 2013.

In the traditional business markets, we are continuing to defend our strong market positions and gain momentum in MBB, VoIP and other areas. I am also satisfied by the stable YoY EBITDA development in Business after five consecutive quarters with negative development.

Looking back at my first year as CEO, I am proud of the results we have achieved which include improved trends in both the landline business and mobility services as well as continued operational improvements that have exceeded expectations. Looking ahead, I am keen to continue our strategy development initiatives while releasing the new dynamics resulting from our reorganisation supported by the two new external members who have joined our Executive Committee.

Carsten Dilling, President and Chief Executive Officer

Financial

- Q2 **revenue** down by 6.5% caused by regulatory impacts (accounting for 43% of reported revenue decline), a significant revenue decrease in terminal equipment with low gross profit impact and a lower than expected development in Nordic
- Q2 **gross profit** development of -3.3% which was better than in Q1 driven by improvements in mobility services and the landline business
- Q2 **EBITDA** down by 1.4% which was better than in Q1; organic EBITDA up by 1.4% after six consecutive quarters with negative organic growth
- Improved **gross profit** and **EBITDA margins** across all business lines (both YoY and vs Q1)
- **Profit for Q2** excluding special items up by 54.7% YoY, driven by lower tax rate
- Flat Q2 **EFCF** development triggered YTD growth of 22.2%
- 2013 **guidance confirmed**; interim dividend of DKK 1.50/share will be paid on 13 August

Operational

- Satisfactory **retail mobile voice** subscription net adds (-2k) following three quarters with large declines; including MBB the net adds totalled 3k
- Growth in our **retail broadband** RGUs (4k) for the eighth consecutive quarter (22k YoY)
- **Landline telephony** ARPU back on track after low Q1 affected by fewer working days
- **Mobile** ARPUs developed as expected with stable trend in residential and continued pressure in business
- Continued large intake of mobile RGUs in **Nordic** (23k in Q2)
- High **customer satisfaction** score (75)
- The low number of **fault-handling hours** seen in Q1 continued into Q2

Group performance

YTD financial performance

Revenue

TDC Group revenue decreased by 6.3% or DKK 833m and was negatively affected by:

- The ongoing negative effects from regulation, which amounted to DKK 388m or 47% of the reported revenue decrease. In particular, the regulation of mobile termination rates (MTR) and international roaming charges significantly affected revenue. On average, the voice MTR was reduced by 70% compared with H1 2012[1] and, as the regulation of international retail data roaming was implemented in July 2012, H1 recorded a full effect with an average 67% price decrease. To a smaller degree, revenue was also negatively affected by various landline regulations.

- Decreasing organic domestic revenue from landline telephony (DKK 216m or 11.3%) due to a decreasing PSTN RGU base and lower traffic per user.

- A decrease in domestic organic revenue from terminal equipment, etc. (DKK 164m or 14.1%) stemming mainly from declines in residential sales of mobile handsets without subsidies.

- Decreasing organic revenue in Nordic (DKK 135m or 5.8%), resulting mainly from revenue declines in the landline telephony business in all three countries including the changed recognition of service number revenue. The reversal of a multi-year positive growth trend is due to slowdown of project sales in our Swedish integrator business and increased price pressure in landline voice, IP-VPN and mobility services business across countries.

- A decline of DKK 121m or 4.1% in organic domestic revenue from mobility services due to price pressure in Business and Wholesale. However, the organic revenue shows an improved trend – especially in the retail market – compared with previous quarters.

- Revenue from domestic internet & network, which saw a minor decline resulting from negative development in both RGUs and ARPUs in the wholesale and business markets. This was partly offset by residential RGU growth.

Revenue was positively affected by:

- Increasing organic domestic TV revenue (DKK 127m or 6.5%) stemming from ARPU increases in both Consumer and YouSee following subscription fee increases and continuous positive net adds in TDC TV.

- Favourable developments in the NOK and SEK exchange

[1] Due to a combination of changed timing (in 2012 the MTR regulation took effect as of March, whereas in 2013 it took effect as of 1 January) and significant price cuts.

TDC Group, key financial data DKKm

		Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
Statements of Income	DKKm						
Revenue		6,146	6,576	(6.5)	12,387	13,220	(6.3)
Gross profit		4,491	4,642	(3.3)	8,942	9,347	(4.3)
EBITDA		2,479	2,513	(1.4)	4,974	5,081	(2.1)
Operating profit (EBIT) excluding special items		1,261	1,266	(0.4)	2,536	2,622	(3.3)
Profit for the period, excluding special items		1,216	786	54.7	2,034	1,574	29.2
Profit for the period		1,054	670	57.3	1,733	1,986	(12.7)
Total comprehensive income		783	782	0.1	1,579	1,493	5.8
Equity free cash flow	DKKm	803	802	0.1	1,281	1,048	22.2
Key financial ratios							
Earnings Per Share (EPS)	DKK	1.32	0.84	57.1	2.17	2.46	(11.8)
Adjusted EPS	DKK	1.78	1.28	39.1	3.06	2.54	20.5
Dividend payments per share	DKK	-	-	-	2.30	2.30	-
Gross profit margin	%	73.1	70.6	-	72.2	70.7	-
EBITDA margin	%	40.3	38.2	-	40.2	38.4	-
Capital expenditure	DKKm	(867)	(868)	0.1	(1,752)	(1,783)	1.7
Capex-to-revenue ratio	%	14.1	13.2	-	14.1	13.5	-
Net interest-bearing debt	DKKm	(22,374)	(22,045)	(1.5)	(22,374)	(22,045)	(1.5)
Net interest-bearing debt/EBITDA	x	2.2	2.1	-	2.2	2.1	-

For additional data, see TDC Fact Sheet H1 2013 on www.tdc.com. For terminology and definitions, see http://investor.tdc.com/glossary.cfm.

rates, which had a positive effect of DKK 64m.

- A minor impact from the completed acquisition of the telephone unit in Relacom AB in Nordic.

Gross profit

Gross profit declined by 4.3% or DKK 405m. TDC's Q2 performance was considerably better than the development seen in Q1 (-3.3% vs -5.4% in Q1) due to improved development in mobility services and in the landline business. The gross profit decrease was significantly smaller than the revenue decline, as the MTR reductions were gross profit-neutral at Group level and the slowdown in the sale of terminal equipment had limited gross profit effect. The positive gross profit margin development in Nordic following optimised network set-up also contributed. Consequently, the gross profit margin increased from 70.7% to 72.2%.

EBITDA

EBITDA decreased by 2.1% or DKK 107m, which was considerably less than the gross profit decline. This was achieved through organic savings of DKK 323m or 7.5% on operating expenses. In particular, savings on personnel costs, marketing, IT and facility costs positively impacted on EBITDA.

Profit for the period

Profit for the period excluding special items totalled DKK 2,034m, up by DKK 460m or 29.2%. The lower EBITDA was more than offset by lower income taxes resulting from the reduced Danish corporate income tax rate. This reduced tax rate is estimated to have a non-recurrent positive impact of DKK 446m[2] on deferred taxes.

Special items developed negatively, however due to the one-off income in H1 2012 from settlement of the dispute between DPTG and TPSA (DKK 760m after tax). Accordingly, profit for the period including special items amounted to DKK 1,733m, down by DKK 253m or 12.7%.

Comprehensive income

Total comprehensive income increased by DKK 86m to DKK 1,579m. The lower profit for the period (DKK 253m) was more than offset by the positive development in other comprehensive income (DKK 339m), due primarily to a loss from defined benefit plans in H1 2012 caused by a decreasing discount rate. The discount rate increased in H1 2013, resulting in a gain of DKK 1.6bn, which was offset by lower than expected returns on pension plan assets, however.

[2] The corporate income tax rate will be gradually reduced from 25% to 24.5% in 2014, 23.5% in 2015 and 22% from 2016. The reduced deferred taxes relate primarily to assets that are not expected to be taxed in the foreseeable future (pension assets, customer relationships and brands).

TDC Group, Cash Flow and Net interest-bearing debt — DKKm

TDC Group	Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
Statements of Cash Flow						
EBITDA	2,479	2,513	(1.4)	4,974	5,081	(2.1)
Adjustment for non-cash items	36	26	38.5	125	102	22.5
Pension contributions	(33)	(34)	2.9	(75)	(69)	(8.7)
Payments related to provisions	(1)	(1)	-	(3)	(30)	90.0
Cash flow related to special items	(135)	(140)	3.6	(315)	(367)	14.2
Change in net working capital excluding special items	(420)	(456)	7.9	(539)	(901)	40.2
Interest paid, net	(62)	(197)	68.5	(782)	(757)	(3.3)
Realised currency translation adjustments	(8)	2	-	16	(1)	-
Income tax paid	(138)	0	-	(303)	(180)	(68.3)
Cash flow from capital expenditure	(899)	(894)	(0.6)	(1,782)	(1,793)	0.6
Finance lease repayments	(16)	(17)	5.9	(35)	(37)	5.4
Equity free cash flow	**803**	**802**	**0.1**	**1,281**	**1,048**	**22.2**
Total cash flow from operating activities	1,718	1,713	0.3	3,098	2,878	7.6
Total cash flow from investing activities	(888)	(881)	(0.8)	(1,768)	(880)	(100.9)
Total cash flow from financing activities	(620)	(3,972)	84.4	(1,872)	(2,576)	27.3
Total cash flow from continuing operations	**210**	**(3,140)**	**106.7**	**(542)**	**(578)**	**6.2**
Net interest-bearing debt	**(22,374)**	**(22,045)**	**(1.5)**	**(22,374)**	**(22,045)**	**(1.5)**

Cash flows

Equity free cash flow[3] increased by DKK 233m or 22.2% to DKK 1,281m.

- Net working capital improved by DKK 362m and related to a significant improvement in receivables due to changes in both our invoicing cycle and smartphone financing (TDC Rate). During 2012, smartphone financing was gradually transferred to an external partner for the TDC and Telmore brands.

- Cash outflow from special items fell by DKK 52m due to lower payments for redundancy programmes and vacant tenancies.

- Corporate income tax paid increased by DKK 123m due to different timing than in 2012.

- Cash flow from capital expenditure came to DKK 1,782m in H1 2013 and related largely to investments in network infrastructure, including the build-out of the 4G network, which now covers 50% of the population - a 10 percentage point increase in H1 2013.

Cash outflow of DKK 1,768m from investing activities in H1 2013 represented an increase of DKK 888m as H1 2012 was positively impacted by the one-off cash inflow from the settled dispute between DPTG and TPSA[4].

The cash outflow from financing activities fell by DKK 704m to DKK 1,872m. The decrease was due primarily to the share buy-backs in H1 2012.

Net interest-bearing debt

Net interest-bearing debt totalled DKK 22,374m at the end of H1 2013. This resulted in a leverage ratio (Net interest-bearing debt/EBITDA) of 2.2, in line with our target. During H1 2013, net interest-bearing debt increased by DKK 456m due to dividends paid (DKK 1,837m), which was partly offset by the positive net cash flows from operating and investing activities.

Equity

During Q1 2013, equity decreased by DKK 212m to DKK 21,301m, as distributed dividends (DKK 1,837m) more than offset total comprehensive income of DKK 1,579m.

Guidance 2013

We confirm our guidance for 2013 as presented in the Annual Report 2012. The guidance and underlying assumptions are presented below.

The guidance is framed in accordance with the current macroeconomic situation and an expectation of little or no spending growth in the Danish economy. The regulatory impact on our earnings is expected to increase further in 2013 due primarily to the full-year impact from retail data roaming regulation.

Expected dividend per share of DKK 3.70 is in accordance with our dividend policy of paying out approximately 90% of Equity free cash flow (post cash flow from special items, etc.). Of this, an interim dividend of DKK 1.50 per share will be paid out on 13 August.

[3] Equity free cash flow is measured as cash flow post cash flow related to special items, mobile licence payments and finance lease repayments.
[4] The settlement included proceeds of DKK 1,011m, of which DKK 253m was paid as income tax in Q4 2012.

2013 guidance assumptions

- Domestic economy with little or no spending growth
- More severe impact from regulation compared with 2012
- Improved YoY gross profit trend in the mobile business, but continued Business ARPU erosion
- Gross profit growth in landline telephony, and broadband level with 2012
- Continued TV gross profit growth fuelled by ARPU increases
- Growth in Nordic, however at a lower level than in 2012
- Continued opex savings, though at a lower level than in 2012
- Reduced licence and restructuring special items cash flow
- Higher capex following increased build-out of 4G and further capacity expansion in the landline network

2013 Guidance (unchanged)

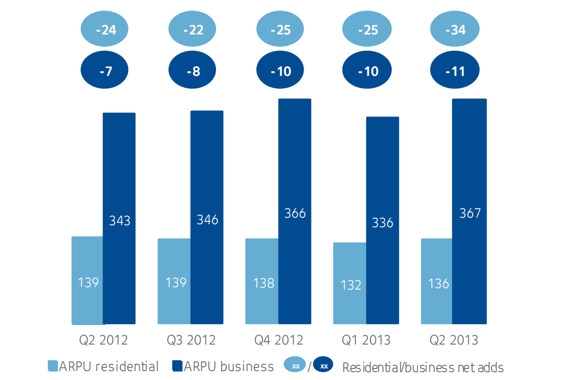
Revenue	**DKK 25.0-25.5bn**
EBITDA	**DKK 10.0-10.2bn**
Capex	**DKK 3.7bn**
DPS	**DKK 3.70**

Landline telephony

Q2 highlights

- Traffic revenue back on track after low Q1 affected by fewer working days
- 'Scale'[5] continued to increase ARPU and reduce churn in Business VoIP
- Significant growth in YoY gross profit margins across business lines (in total, 94% vs 90% in Q2 2012) due to reduced MTR
- Well-contained PSTN retail and wholesale RGU loss (-37k), while the residential VoIP RGU base decreased by 11k due to HomeTrio Mobile[6] conversion leading to a large decline in landline telephony but increase in Mobile voice

Landline DKK/'000



YTD financial performance

The continued migration from traditional landline telephony to mobile telephony, combined with fewer minutes of use, resulted in 11.8% and 8.3% decreases in revenue and gross profit, respectively. An essential driver behind the revenue decrease was a 16% YoY decrease in the residential PSTN only customer base to 325k RGUs at the end of H1 2013. Landline telephony was also negatively affected by a 70% regulatory price decrease on landline termination prices on January 1, 2013 which negatively affected ARPU in all business lines.

On the positive side, Business continued its successful countering of traditional price competition and migration by offering customers the converged mobile-VoIP Scale solution. This solution continues to drive higher-than-average ARPU and lower churn. At the same time, Business' gross profit margin improved significantly following the reductions in MTR and the implemented price increases.

PSTN ARPU in Wholesale increased by 5.3% due largely to a regulatory price increase on resale of PSTN. In the residential segment, YoY PSTN ARPUs were negatively affected by regulatory price decreases on landline termination prices.

The number of VoIP RGUs decreased by 2.6% due to the HomeTrio Mobile campaign shifting low user landline customers to a mobile subscription within the triple play bundle and thereby reducing the residential RGU base.

[5] Integrated VoIP and mobile solution.
[6] HomeTrio Mobile is a triple play bundle consisting of internet, TV and mobile telephony.

Landline telephony, key financial data DKKm

TDC Group excl. Nordic		Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
	DKKm						
Revenue		**854**	**936**	**(8.8)**	**1,691**	**1,918**	**(11.8)**
Consumer		369	416	(11.3)	737	855	(13.8)
Business		380	392	(3.1)	737	811	(9.1)
Wholesale		78	99	(21.2)	163	194	(16.0)
YouSee		18	21	(14.3)	37	42	(11.9)
Other incl. eliminations		9	8	12.5	17	16	6.3
Gross profit		**801**	**840**	**(4.6)**	**1,579**	**1,721**	**(8.3)**
Gross profit margin	%	93.8	89.7	-	93.4	89.7	-
Organic revenue[1]	DKKm	854	931	(8.3)	1,691	1,907	(11.3)
Organic gross profit[1]		801	838	(4.4)	1,579	1,718	(8.1)

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

Mobility services

Q2 highlights

- Tough regulatory impact (-11%)[7] on reported revenue, but significant improvement in YoY decreases in organic revenue and gross profit vs Q1 2013 and 2012 levels
- Substantial increase in YoY gross profit margin across business lines, related primarily to the mobile termination rate cuts at 1 January 2013
- Improvement in residential net adds due to intake of 9k new RGUs in HomeTrio Mobile, decreased churn of low ARPU RGUs, as well as strong net adds in Business (+7k)
- Residential ARPU showed stable trend as the introduction of free voice has had only moderate negative effects, while Business ARPU remained under pressure

YTD financial performance

Revenue

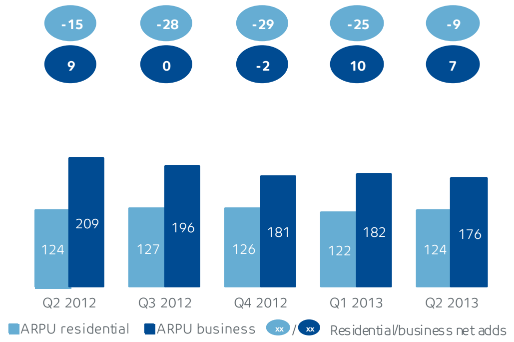
Reported revenue decreased by 14.4%, influenced by the significant negative effect of regulation of MTR and roaming (DKK 351m) and competition in the Danish mobile market, with particularly business market ARPUs under pressure.

Consumer

TDC continued focusing on premium quality and content as well as bundling benefits, offered at fair prices. The new integrated household solution HomeTrio Mobile has had an intake of 10k new mobile RGUs since its introduction at the end of February, evidence that the product is a success. However, YoY RGUs decreased significantly (-82k incl. Onfone) driven by the reduction in low or no ARPU RGUs. Residential YoY ARPU showed a relatively level trend.

[7] Larger YoY decrease in MTR on voice compared with previous years and changes in timing as regulation took effect at 1 January 2013 whereas it was effective at 1 March in 2012.

Mobility services DKK/'000



The success of 'Samlefordele' (bundling benefits) and 'Mobile Family' (attractive terms and foreseeable fixed costs for the entire family's mobile voice and data needs) continues in line with expectations. As a consequence of the continued focus on bundling benefits and creating solutions for entire households, TDC launched a new package in July 2013, targeting the 1.7 million Danes living in households comprising two people.

Business

The negative revenue development was caused by a significant YoY ARPU decrease of 15.2% as contracts were won or renegotiated at lower prices. Also, spill-over effects from residential price competition led to continued migration from legacy to lower price plans on small and medium-sized accounts.

On the positive side, the YoY mobile subscriber base continued its positive trend from previous quarters with an RGU increase of 47k, partly due to upselling of mobile voice

Mobility services, key financial data DKKm

TDC Group excl. Nordic		Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
	DKKm						
Revenue		**1,411**	**1,617**	**(12.7)**	**2,807**	**3,279**	**(14.4)**
Consumer		717	830	(13.6)	1,432	1,685	(15.0)
Business		481	551	(12.7)	971	1,129	(14.0)
Wholesale		105	146	(28.1)	194	286	(32.2)
YouSee		129	137	(5.8)	252	276	(8.7)
Other incl. eliminations		(21)	(47)	55.3	(42)	(97)	56.7
Gross profit		**1,220**	**1,310**	**(6.9)**	**2,424**	**2,622**	**(7.6)**
Gross profit margin	%	86.5	81.0	-	86.4	80.0	-
Organic revenue[1]	DKKm	1,411	1,453	(2.9)	2,807	2,928	(4.1)
Organic gross profit[1]		1,219	1,250	(2.5)	2,423	2,519	(3.8)

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

and mobile broadband when renegotiating key accounts.

Wholesale

Revenue decreased as a consequence of the general price pressure in the mobile market (5.4% YoY ARPU decrease), spill-over effects on national MVNOs, and lower national roaming activity vs 2012 with significantly decreased traffic volumes.

YouSee (Onfone)

Reported revenue decreased by 8.7%, but positive organic growth due to a high YoY RGU increase more than offset a decrease in ARPU.

Gross profit

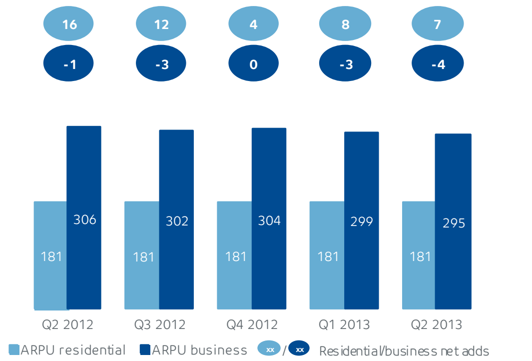
Gross profit declined by DKK 198m or 7.6% to DKK 2,424m. Adjusted for the regulation effects, organic gross profit declined by DKK 96m or 3.8% caused by an organic revenue decrease of DKK 121m. The gross profit margin increased from 80.0% to 86.4% in H1 2013 driven by the gross profit-neutral effects from regulatory mobile termination rate cuts.

Internet & network

Q2 highlights

- Continued growth in YouSee with an 8.7% YoY revenue increase, and growth in both RGUs (+7k) and ARPU (DKK +3) compared with Q1 2013
- Consumer continued the stable YoY revenue growth seen in Q1, following negative development in previous years
- Negative revenue growth in both Business (6.9%) and Wholesale (5.6%) affected by YoY RGU and ARPU decreases

Broadband DKK/'000



YTD financial performance

Revenue
Revenue from internet & network decreased by 1.9%, as negative development in Business offset the positive growth in YouSee.

Consumer

Revenue in Consumer remained level, which was a significant improvement compared with previous years.

The YoY increase in broadband RGUs, driven by a decrease in churn in the TDC Brand, was offset by continued price erosion across brands following the continued migration from legacy products to dual- and triple-play bundles leading to higher household ARPU but lower ARPU at product level.

Business

The negative revenue development in Business stemmed from a combination of fewer RGUs and a decrease in broadband ARPU following migration from legacy products towards broadband products with lower ARPU.

Wholesale

The wholesale market saw low activity with continued negative RGU development driven by success in TDC's retail brands and key wholesale customers following a mobile-only strategy. Regulatory price decreases on ULL, BSA and leased lines affected revenue negatively by DKK 9m with a full gross profit effect.

YouSee

Revenue increased by 7.6% in H1 2013. Over the past year, YouSee has shown a continuous strong RGU development with an approx. 5% YoY increase in the RGU base every quarter. RGUs increased by 24k as successful campaigns offering high bandwidth broadband increased both RGUs and ARPU. Migrations to higher-bandwidth products also positively affected ARPU.

Gross profit
Gross profit declined by 1.8% or DKK 45m to DKK 2,450m. As the revenue decline was level with this, the gross profit margin remained largely unchanged.

Internet & network, key financial data DKKm

TDC Group excl. Nordic		Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
	DKKm						
Revenue		**1,328**	**1,369**	**(3.0)**	**2,673**	**2,724**	**(1.9)**
Consumer		360	362	(0.6)	722	724	(0.3)
Business		592	636	(6.9)	1,198	1,245	(3.8)
Wholesale		169	179	(5.6)	342	363	(5.8)
YouSee		237	218	8.7	467	434	7.6
Other incl. eliminations		(30)	(26)	(15.4)	(56)	(42)	(33.3)
Gross profit		**1,230**	**1,256**	**(2.1)**	**2,450**	**2,495**	**(1.8)**
Gross profit margin	%	92.6	91.7	-	91.7	91.6	-
Organic revenue[1]	DKKm	1,328	1,360	(2.4)	2,673	2,708	(1.3)
Organic gross profit[1]		1,230	1,247	(1.4)	2,450	2,479	(1.2)

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

TV

Q2 highlights

- YoY revenue and gross profit growth across business segments
- Continued strong TDC TV RGU net adds (+7k) fuelled by HomeTrio Mobile intake
- YouSee net adds negatively affected by leakage from organised customers
- TDC TV ARPU (DKK+10 vs Q1) was positively influenced by a boxing event and fewer campaigns with introductory discounts
- 123% increase in the number of streaming events for the TDC Group vs Q2 2012, however a decrease of 17% vs Q1 2013 due to increased competition and seasonal variations

YTD financial performance

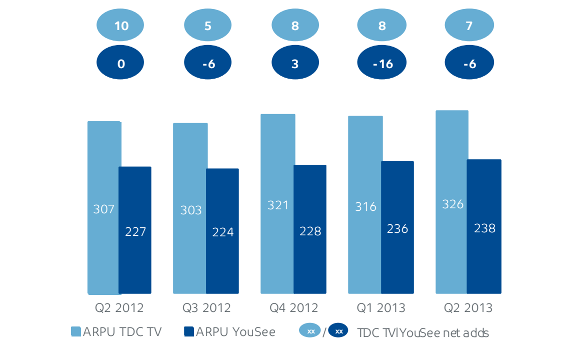
Revenue

Revenue from TV increased by DKK 127m or 6.5%, and was positively affected by subscription fee increases in both YouSee and Consumer[8].

Consumer
Due to premium content and seamlessly integrated solutions, Consumer managed to continue its positive development from previous years, leading to a 20.6% revenue increase. The revenue growth was caused by an increase in both RGUs (+25k) and ARPU (DKK +10). ARPU increased as a result of the increased subscription fee and reduced number of campaigns with introductory discounts in Q2.

[8] DKK 10 price increase for YouSee Plus subscribers as of 1 October, 2012, DKK 10 on YouSee Basic package and DKK 25 on YouSee Medium and Full packages as of 1 January (incl. VAT and copyright payments). Price increase of DKK 15 on TDC TV as of 1 January.

TV DKK/'000



YouSee
YouSee's revenue rose by 3.4%. The subscription fee increases were only partly offset by a YoY RGU loss and customers migrating to smaller TV packages. In total, YoY ARPU increased by 4.9%.

Gross profit

Gross profit increased by DKK 36m or 3.3%, while the gross profit margin declined from 56.0% to 54.3%. However this was an improvement from Q1 to Q2, due to fewer campaigns with introductory discounts, and costs incurred in Q1 by the YouBio start-up in 2013.

TV, key financial data DKKm

TDC Group excl. Nordic		Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
	DKKm						
Revenue		**1,049**	**985**	**6.5**	**2,084**	**1,957**	**6.5**
Consumer TDC TV		197	161	22.4	381	316	20.6
YouSee TV		839	812	3.3	1,675	1,620	3.4
Other incl. eliminations		13	12	8.3	28	21	33.3
Gross profit		**572**	**548**	**4.4**	**1,131**	**1,095**	**3.3**
Gross profit margin	%	54.5	55.6	-	54.3	56.0	-
Organic revenue	DKKm	1,049	985	6.5	2,084	1,957	6.5
Organic gross profit		573	548	4.6	1,132	1,095	3.4

Nordic

Q2 highlights

- Lower than expected revenue growth due to increased price pressure resulting in lower ARPU's in landline voice, IP-VPN and mobility services across countries
- Positive EBITDA development maintained due to optimised network set-up; organic EBITDA growth of 4.7% (reported 6.8%)
- Gross profit margin up from 39.9% in Q2 2012 to 43.1%
- The medium enterprise initiative launched by TDC Sweden is delayed but now well under way
- Continued strong intake of mobile RGUs (+23k vs Q1), primarily in Sweden and Norway whereas IP-VPN RGUs remained flat

YTD financial performance

Revenue

Reported revenue in Nordic decreased by DKK 59m or 2.6%. However, TDC Sweden had a small revenue growth in local currency. The reversal of a long trend of positive revenue growth in Nordic is due to increased price pressure across product areas. Also, as reported in 2012, a full-year correction to recognition of revenues for certain types of service numbers in TDC Finland in Q4 2012 negatively affected revenue growth in TDC Finland by DKK 39m compared with reported revenue in H1 2012. Regulation of mobile roaming also negatively affected reported revenue (DKK 11m).

Reported revenue was positively affected by the SEK/NOK exchange-rate developments and a minor impact from the completed acquisition of the telephone unit in Relacom AB in Sweden.

Landline telephony
In addition to the changed recognition of service numbers, a decline in minutes of use following the migration away from landline, combined with the general price erosion, resulted in declining revenue.

Mobility services
A solid YoY net adds performance was recorded across the Nordic countries, but related in particular to growth in TDC Sweden. However, due to the competition and general price erosion, ARPU is under pressure (YoY ARPU decrease of 24.8%).

Internet & network
The slight decrease in IP-VPN business related to lower YoY ARPU and a challenged run rate on customer intake. The number of internet connections was under pressure, particularly in TDC Sweden, though many of these installations had relatively low ARPUs and margins.

Terminal equipment
With a revenue increase of 12.4%, the growth in terminal equipment, etc. reached almost the same rate as in 2012.

Gross profit

Despite the revenue decrease, gross profit continued to increase (up 4.8%) – albeit at a lower growth rate than previously. Optimised network set-up, the changed recognition of service numbers and the improved margin in our project sales drove an increase in the gross profit margin from 39.5% to 42.5%. However, this was challenged by a shift in product mix, as an increasing share of revenue came from low-margin products such as Direct[9], datacentre, video and other new product areas with low margins.

[9] Direct business comprises sales of handsets, conference telephones, headsets, tablets, etc. sold online and by Nordic's sales force.

Nordic, key financial data DKKm

Nordic		Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
	DKKm						
Revenue		**1,067**	**1,095**	**(2.6)**	**2,174**	**2,233**	**(2.6)**
TDC Sweden		692	656	5.5	1,403	1,357	3.4
TDC Norway		242	266	(9.0)	493	531	(7.2)
TDC Finland		170	205	(17.1)	341	405	(15.8)
Other, incl. eliminations		(37)	(32)	(15.6)	(63)	(60)	(5.0)
Landline telephony		203	257	(21.0)	407	516	(21.1)
Mobility services		81	84	(3.6)	158	161	(1.9)
Internet and network		392	407	(3.7)	803	814	(1.4)
Terminal equipment, etc.[1]		393	331	18.7	807	718	12.4
Other[2]		(2)	16	(112.5)	(1)	24	(104.2)
Gross profit		**460**	**437**	**5.3**	**924**	**882**	**4.8**
Gross profit margin	%	43.1	39.9	-	42.5	39.5	-
Organic revenue[3]	DKKm	1,067	1,128	(5.4)	2,174	2,309	(5.8)
Organic gross profit[3]		460	450	2.2	924	913	1.2

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

Operational efficiency

Q2 highlights

- Organic opex savings of DKK127m or 5.9%
- Fewer cable and volume faults continued to reduce fault handling hours (13% YoY)
- Continued high customer satisfaction score of 75
- The number of unacceptable customer experiences increased by 8 points, compared to a strong Q1, to a score of 52 due to longer delivery and fault correction times, a network breakdown affecting IP traffic and signal problems during the Champions League semi final

YTD operational performance

TDC continued optimising processes and increasing efficiency in all aspects of every day work. The main results stemmed from the three group-wide programmes (TAK, Radical Simplification and TDC 2.0), that are all progressing according to plan.

Operational expenses

The companywide process optimisations and increasing efficiency, combined with a continuous cost focus, resulted in a range of savings. As a result, organic operating expenses decreased by DKK 323m (reported DKK 298m).

- Organic personnel and personnel-related costs decreased by DKK 159m mainly as a result of a 5.1% decline in the average number of full-time employee equivalents and temps[10]. These reductions stemmed primarily from fewer fault-handling hours (a decrease of 20% vs H1 2012) but also related to increased efficiency, including centralising product managers in Operations, and the continued decline in the legacy landline business.
- Since H1 2012, TDC has completed several initiatives that have significantly improved its level of savings. The transition of TDC IT outsourcing from CSC to Tata Consultancy Services has resulted in notable IT savings. A number of space management projects were also carried out, e.g. NetDesign, Onfone and Dansk Kabel TV moved to TDC's main location, Teglholmen.
- As a result of brand consolidation and improved efficiency in marketing spending, organic marketing costs decreased.

Capital expenditure

Overall investment spending was roughly unchanged from H1 2012 to H1 2013.

In Q1 2013, frost limited digging activities, affecting fibre, coax and copper roll-out etc. This was offset by network investments above ground, mainly in the mobile network (4G roll-out), and IP upgrades in the core network.

Large investments in customer installations continued but at a slightly lower level than in H1 2012. This was due mainly to large TDC TV sales volumes following the analogue switch-off in Q1 2012.

[10] The reduction in FTEs was partly offset by conversion of temps to FTEs.

Operating expenses, key financial and operational data DKKm

		Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Change in % Q2 2013 vs. Q2 2012
	DKKm							
Opex		**(2,012)**	**(1,956)**	**(1,999)**	**(1,933)**	**(2,129)**	**(2,137)**	5.5
Personnel related costs		(1,226)	(1,185)	(1,205)	(1,147)	(1,287)	(1,239)	4.7
External expenses		(786)	(771)	(794)	(786)	(842)	(898)	6.7
Organic Opex	DKKm	(2,014)	(1,956)	(2,033)	(1,929)	(2,141)	(2,152)	5.9
KPIs	**DKK/month**							
CSAT	**Index**	75	76	76	74	74	74	1.4
ESAT	**Index**	-	81	-	80	-	79	-
Recommend score	**Index**	65	66	68	66	66	65	(1.5)
Unacceptable customer experiences	**Index**	52	44	50	56	61	57	14.8
Fault handling hours	**Hours ('000)**	150	151	179	187	172	198	12.8
Number of FTEs (end-of-period)	#	9,058	9,114	9,143	9,246	9,364	9,395	(3.3)
Average number of FTEs	#	9,116	9,154	9,340	9,382	9,423	9,482	(3.3)

Consolidated Financial Statements

Income Statements

DKKm

TDC Group	Note	Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
Revenue	**2**	**6,146**	**6,576**	**(6.5)**	**12,387**	**13,220**	**(6.3)**
Transmission costs and cost of goods sold		(1,655)	(1,934)	14.4	(3,445)	(3,873)	11.1
Gross profit		**4,491**	**4,642**	**(3.3)**	**8,942**	**9,347**	**(4.3)**
External expenses		(899)	(976)	7.9	(1,776)	(2,024)	12.3
Wages, salaries and pension costs	3	(1,131)	(1,172)	3.5	(2,220)	(2,286)	2.9
Other income and expenses		18	19	(5.3)	28	44	(36.4)
EBITDA	**2**	**2,479**	**2,513**	**(1.4)**	**4,974**	**5,081**	**(2.1)**
Depreciation		(682)	(675)	(1.0)	(1,365)	(1,338)	(2.0)
Amortisation		(530)	(566)	6.4	(1,058)	(1,108)	4.5
Impairment losses		(6)	(6)	-	(15)	(13)	(15.4)
Depreciation, amortisation and impairment losses		**(1,218)**	**(1,247)**	**2.3**	**(2,438)**	**(2,459)**	**0.9**
Operating profit (EBIT), excluding special items		**1,261**	**1,266**	**(0.4)**	**2,536**	**2,622**	**(3.3)**
Special items	4	(233)	(150)	(55.3)	(416)	(468)	11.1
Operating profit (EBIT)		**1,028**	**1,116**	**(7.9)**	**2,120**	**2,154**	**(1.6)**
Profit from joint ventures and associates		1	-	-	8	762	(99.0)
- of which special items		-	-	-	-	760	-
Interest income and expenses	5	(272)	(278)	2.2	(507)	(551)	8.0
Currency translation adjustments	5	(17)	2	-	3	(2)	-
Fair value adjustments	5	27	54	(50.0)	(5)	(23)	78.3
Interest on pension assets	6	67	87	(23.0)	133	175	(24.0)
Profit before income taxes		**834**	**981**	**(15.0)**	**1,752**	**2,515**	**(30.3)**
Income taxes related to profit, excluding special items		149	(345)	143.2	(134)	(649)	79.4
Income taxes related to special items		71	34	108.8	115	120	(4.2)
Total income taxes		**220**	**(311)**	**170.7**	**(19)**	**(529)**	**96.4**
Profit for the period from continuing operations		**1,054**	**670**	**57.3**	**1,733**	**1,986**	**(12.7)**
Profit for the period		**1,054**	**670**	**57.3**	**1,733**	**1,986**	**(12.7)**
Profit for the period, excluding special items		**1,216**	**786**	**54.7**	**2,034**	**1,574**	**29.2**
EPS (DKK)							
Earnings Per Share		1.32	0.84	57.1	2.17	2.46	(11.8)
Earnings Per Share, diluted		1.31	0.84	56.0	2.16	2.46	(12.2)
Adjusted EPS		1.78	1.28	39.1	1.78	1.28	39.1

Statements of Comprehensive Income

DKKm

TDC Group	Q2 2013	Q2 2012	H1 2013	H1 2012
Profit for the period	**1,054**	**670**	**1,733**	**1,986**
Items which can be reclassified to the Income Statement:				
Currency translation adjustments, foreign enterprises	(70)	22	(92)	35
Fair value adjustments of cash flow hedges	(156)	92	(177)	(11)
Fair value adjustments of cash flow hedges transferred to the Income Statement	9	(53)	36	65
Items which cannot be reclassified to the Income Statement:				
Remeasurement effects related to defined benefit pension plans	(197)	81	(22)	(758)
Income tax relating to remeasurement effects related to defined benefit pension plans	50	(30)	8	176
Change of corporate income tax rate	93	-	93	-
Other comprehensive income	**(271)**	**112**	**(154)**	**(493)**
Total comprehensive income	**783**	**782**	**1,579**	**1,493**

Balance Sheets DKKm

TDC Group	Note	30 June 2013	31 December 2012	30 June 2012
Assets				
Non-current assets				
Intangible assets		32,020	32,762	33,453
Property, plant and equipment		15,276	15,337	15,436
Investments in joint ventures and associates		124	122	118
Other investments		7	5	5
Deferred tax assets		80	80	50
Pension assets	6	7,932	7,918	7,422
Receivables		240	251	263
Derivative financial instruments		155	466	564
Prepaid expenses		276	244	360
Total non-current assets		**56,110**	**57,185**	**57,671**
Current assets				
Inventories		320	317	323
Receivables		3,820	4,430	4,713
Derivative financial instruments		82	20	26
Prepaid expenses		706	591	619
Cash		431	973	911
Total current assets		**5,359**	**6,331**	**6,592**
Total assets		**61,469**	**63,516**	**64,263**
Equity and liabilities				
Share capital		812	825	825
Reserves		(665)	(432)	(425)
Retained earnings		19,936	19,222	18,970
Proposed dividends		1,218	1,898	1,898
Total equity		**21,301**	**21,513**	**21,268**
Non-current liabilities				
Deferred tax liabilities		4,579	5,449	6,532
Provisions		920	733	751
Pension liabilities	6	76	99	94
Loans	7	23,353	23,774	23,861
Derivative financial instruments		239	43	39
Deferred income		692	780	914
Total non-current liabilities		**29,859**	**30,878**	**32,191**
Current liabilities				
Loans	7	136	170	111
Trade and other payables		5,885	6,977	6,168
Income tax payable		863	379	744
Derivative financial instruments		129	74	67
Deferred income		2,942	2,937	2,884
Provisions		354	588	830
Total current liabilities		**10,309**	**11,125**	**10,804**
Total liabilities		**40,168**	**42,003**	**42,995**
Total equity and liabilities		**61,469**	**63,516**	**64,263**

Statements of Cash Flow DKKm

	Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
EBITDA	2,479	2,513	(1.4)	4,974	5,081	(2.1)
Adjustment for non-cash items	36	26	38.5	125	102	22.5
Pension contributions	(33)	(34)	2.9	(75)	(69)	(8.7)
Payments related to provisions	(1)	(1)	-	(3)	(30)	90.0
Cash flow related to special items	(135)	(140)	3.6	(315)	(367)	14.2
Change in working capital	(420)	(456)	7.9	(539)	(901)	40.2
Cash flow from operating activities before net financials and tax	**1,926**	**1,908**	**0.9**	**4,167**	**3,816**	**9.2**
Interest paid, net	(62)	(197)	68.5	(782)	(757)	(3.3)
Realised currency translation adjustments	(8)	2	-	16	(1)	-
Cash flow from operating activities before tax	**1,856**	**1,713**	**8.3**	**3,401**	**3,058**	**11.2**
Income tax paid	(138)	-	-	(303)	(180)	(68.3)
Cash flow from operating activities in continuing operations	**1,718**	**1,713**	**0.3**	**3,098**	**2,878**	**7.6**
Total cash flow from operating activities	**1,718**	**1,713**	**0.3**	**3,098**	**2,878**	**7.6**
Investment in enterprises	2	-	-	2	(117)	101.7
Investment in property, plant and equipment	(662)	(657)	(0.8)	(1,373)	(1,350)	(1.7)
Investment in intangible assets	(237)	(237)	-	(409)	(443)	7.7
Investment in other non-current assets	(1)	-	-	(1)	(1)	-
Divestment of enterprises	-	-	-	-	2	-
Sale of property, plant and equipment	3	3	-	4	7	(42.9)
Sale of other non-current assets	1	4	(75.0)	3	6	(50.0)
Dividends received from joint ventures and associates	6	6	-	6	1,016	(99.4)
Cash flow from investing activities in continuing operations	**(888)**	**(881)**	**(0.8)**	**(1,768)**	**(880)**	**(100.9)**
Total cash flow from investing activities	**(888)**	**(881)**	**(0.8)**	**(1,768)**	**(880)**	**(100.9)**
Proceeds from long-term loans	-	-	-	-	3,672	-
Repayments of long-term loans	-	(3,403)	-	-	(3,403)	-
Finance lease repayments	(16)	(17)	5.9	(35)	(37)	5.4
Change in short-term bank loans	(184)	-	-	-	(302)	-
Change in interest-bearing debt	-	-	-	-	(1)	-
Dividends paid	(420)	(394)	(6.6)	(1,837)	(1,755)	(4.7)
Acquisition and disposal of treasury shares, net	-	(158)	-	-	(750)	-
Cash flow from financing activities in continuing operations	**(620)**	**(3,972)**	**84.4**	**(1,872)**	**(2,576)**	**27.3**
Total cash flow from financing activities	**(620)**	**(3,972)**	**84.4**	**(1,872)**	**(2,576)**	**27.3**
Total cash flow	**210**	**(3,140)**	**106.7**	**(542)**	**(578)**	**6.2**
Cash and cash equivalents (beginning-of-period)	221	4,051	(94.5)	973	1,489	(34.7)
Cash and cash equivalents (end-of-period)	**431**	**911**	**(52.7)**	**431**	**911**	**(52.7)**

Equity free cash flow DKKm

TDC Group	**Q2 2013**	**Q2 2012**	**Change in %**	**H1 2013**	**H1 2012**	**Change in %**
Statements of Cash Flow						
EBITDA	2,479	2,513	(1.4)	4,974	5,081	(2)
Adjustment for non-cash items	36	26	38.5	125	102	23
Pension contributions	(33)	(34)	2.9	(75)	(69)	(9)
Payments related to provisions	(1)	(1)	-	(3)	(30)	90
Cash flow related to special items	(135)	(140)	3.6	(315)	(367)	14
Change in net working capital excluding special items	(420)	(456)	7.9	(539)	(901)	40.2
Interest paid, net	(62)	(197)	68.5	(782)	(757)	(3.3)
Realised currency translation adjustments	(8)	2	-	16	(1)	-
Income tax paid	(138)	0	-	(303)	(180)	(68.3)
Cash flow from capital expenditure	(899)	(894)	(0.6)	(1,782)	(1,793)	0.6
Finance lease repayments	(16)	(17)	5.9	(35)	(37)	5.4
Equity free cash flow	**803**	**802**	**0.1**	**1,281**	**1,048**	**22.2**

Statements of Changes in Equity DKKm

TDC Group	Share capital	Reserve for currency translation adjustments	Reserve for cash flow hedges	Retained earnings	Proposed dividends	Total
Equity at 1 January 2012	825	(616)	116	20,129	1,790	22,244
Profit for the period	-	-	-	88	1,898	1,986
Currency translation adjustments, foreign enterprises	-	35	-	-	-	35
Fair value adjustments of cash flow hedges	-	-	(11)	-	-	(11)
Fair value adjustments of cash flow hedges transferred to the Income Statement	-	-	65	-	-	65
Remeasurement effects related to defined benefit pension plans	-	-	-	(758)	-	(758)
Income tax relating to remeasurement effects related to defined benefit pension plans	-	-	(14)	190	-	176
Total comprehensive income	**-**	**35**	**40**	**(480)**	**1,898**	**1,493**
Distributed dividends	-	-	-	-	(1,790)	(1,790)
Dividends, treasury shares	-	-	-	35	-	35
Acquisition of treasury shares	-	-	-	(750)	-	(750)
Share-based remuneration	-	-	-	36	-	36
Equity at 30 June 2012	**825**	**(581)**	**156**	**18,970**	**1,898**	**21,268**

TDC Group	Share capital	Reserve for currency translation adjustments	Reserve for cash flow hedges	Retained earnings	Proposed dividends	Total
Equity at 1 January 2013	825	(542)	110	19,222	1,898	21,513
Profit for the period	-	-	-	515	1,218	1,733
Currency translation adjustments, foreign enterprises	-	(92)	-	-	-	(92)
Fair value adjustments of cash flow hedges	-	-	(177)	-	-	(177)
Fair value adjustments of cash flow hedges transferred to the Income Statement	-	-	36	-	-	36
Remeasurement effects related to defined benefit pension plans	-	-	-	(22)	-	(22)
Income tax relating to remeasurement effects related to defined benefit pension plans	-	-	-	8	-	8
Change of corporate income tax rate	-	-	-	93	-	93
Total comprehensive income	**-**	**(92)**	**(141)**	**594**	**1,218**	**1,579**
Distributed dividends	-	-	-	-	(1,898)	(1,898)
Dividends, treasury shares	-	-	-	61	-	61
Cancellation of treasury shares	(13)	-	-	13	-	-
Share-based remuneration	-	-	-	46	-	46
Equity at 30 June 2013	**812**	**(634)**	**(31)**	**19,936**	**1,218**	**21,301**

At the Annual General Meeting on 7 March 2013, it was resolved to reduce the share capital by a nominal amount of DKK 13,000,000 by cancellation of treasury shares. After the capital reduction, the total number of shares is 812,000,000 with a par value of DKK 1 per share.

Notes to Consolidated Financial Statements

Note 1 Accounting policies

TDC's Interim Financial Report for H1 2013 has been prepared in accordance with IAS 34 Interim Financial Reporting and the additional disclosure requirements for listed companies.

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 revenue and expenses for the accounting period. The accounting estimates and judgements considered material to the preparation of the Consolidated Financial Statements appear from note 2 to the Consolidated Financial Statements for 2012, cf. TDC's Group Annual Report 2012.

AMENDED ACCOUNTING FOR PENSIONS

The amended IAS 19 Employee Benefits, effective from 1 January 2013 impacts TDC's Financial Statements as follows:

- The pension funds' administrative expenses are now recognised in pension costs. Previously, they were implicitly included in the expected long-term return on assets
- Interest on pension assets is calculated on a net basis using a discount rate. Previously, it was calculated as the fair value of the pension funds' assets multiplied by the expected long-term rate of return less the pension liability multiplied by the discount rate
- As a consequence, TDC has ceased using the supplementary EBITDA, EBITDA bpi, as the interest components (previously presented as 'Pension income') are now reclassified to a financial item ('interest on pension assets')
- Pension assets, pension liabilities as well as equity are not impacted

The comparative figures for previous periods have been restated accordingly.

Except for the change mentioned above, the accounting policies are unchanged from TDC's Group Annual Report 2012.

Impact on Consolidated Financial Statements

	Previous IAS 19	Changed presentation	Changed accounting policy	New IAS 19
Operating profit before pension income, depreciation, amortisation and special items (EBITDA bpi)				
H1 2013	4,980	-	(6)	4,974
H1 2012	5,087	-	(6)	5,081
Pension income				
H1 2013	118	(118)	-	-
H1 2012	42	(42)	-	-
Operating profit before depreciation, amortisation and special items (EBITDA)				
H1 2013	5,098	(118)	(6)	4,974
H1 2012	5,129	(42)	(6)	5,081
Interest on pension assets				
H1 2013	-	118	15	133
H1 2012	-	42	133	175
Profit for the period				
H1 2013	1,726	0	7	1,733
H1 2012	1,891	0	95	1,986
Other comprehensive income				
H1 2013	(147)	-	(7)	(154)
H1 2012	(398)	-	(95)	(493)
Equity				
H1 2013	21,301			21,301
H1 2012	21,268	-	-	21,268

Note 2 Segment reporting

In Q1 2013, TDC changed the allocation of infrastructure costs and the organisation:

- YouSee's use of network infrastructure and inventory services in other segments is allocated on a cost basis. Previously, YouSee's use of landline and mobile networks was invoiced on an arm's length basis
- TV content costs regarding TDC TV are allocated directly to Consumer, Business and Wholesale. Previously, these segments' use of TV content was invoiced on an arm's length basis and accounted for as revenue in YouSee
- Onfone has been transferred from Consumer to YouSee
- TDC Hosting Denmark has been transferred from Nordic to Business

Comparative figures have been restated accordingly.

The announced changes to the organisation[1] will be reflected in the segment reporting for Q3 2013.

[1]For further information, see 'Corporate matters'.

Segments DKKm

	Consumer		Business		Nordic		Wholesale	
	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
External revenue	1,887	2,061	1,642	1,775	1,012	1,038	330	396
Revenue across segments	8	24	62	62	55	57	64	77
Revenue	**1,895**	**2,085**	**1,704**	**1,837**	**1,067**	**1,095**	**394**	**473**
Total operating expenses before depreciation, etc.	(1,093)	(1,261)	(771)	(903)	(911)	(950)	(224)	(275)
Other income and expenses	-	-	-	(1)	2	3	-	-
EBITDA	**802**	**824**	**933**	**933**	**158**	**148**	**170**	**198**

	YouSee		Operations & HQ		Total	
	Q2 2013	Q2 2012	Q2 2013	Q2 2012	Q2 2013	Q2 2012
External revenue	1,262	1,275	13	31	6,146	6,576
Revenue across segments	4	14	24	22	217	256
Revenue	**1,266**	**1,289**	**37**	**53**	**6,363**	**6,832**
Total operating expenses before depreciation, etc.	(729)	(799)	(179)	(157)	(3,907)	(4,345)
Other income and expenses	1	-	24	24	27	26
EBITDA	**538**	**490**	**(118)**	**(80)**	**2,483**	**2,513**

Reconciliation of revenue DKKm

	Q2 2013	Q2 2012
Reportable segments	6,363	6,832
Elimination of revenue across-segment items	(217)	(256)
Consolidated amounts	**6,146**	**6,576**

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

	Q2 2013	Q2 2012
EBITDA from reportable segments	2,483	2,513
Elimination of EBITDA	(4)	-
Unallocated:		
Depreciation, amortisation and impairment losses	(1,218)	(1,247)
Special items	(233)	(150)
Profit from joint ventures and associates	1	-
Interest income and expenses	(272)	(278)
Currency translation adjustments	(17)	2
Fair value adjustments	27	54
Interest on pension assets	67	87
Consolidated profit before income taxes	**834**	**981**

Segments DKKm

	Consumer		Business		Nordic		Wholesale	
	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
External revenue	3,820	4,185	3,304	3,595	2,052	2,119	670	794
Revenue across segments	14	52	113	118	122	114	112	143
Revenue	**3,834**	**4,237**	**3,417**	**3,713**	**2,174**	**2,233**	**782**	**937**
Total operating expenses before depreciation, etc.	(2,227)	(2,566)	(1,567)	(1,795)	(1,863)	(1,945)	(453)	(544)
Other income and expenses	-	-	-	(1)	3	4	-	-
EBITDA	**1,607**	**1,671**	**1,850**	**1,917**	**314**	**292**	**329**	**393**

	YouSee		Operations & HQ		Total	
	H1 2013	H1 2012	H1 2013	H1 2012	H1 2013	H1 2012
External revenue	2,506	2,475	35	52	12,387	13,220
Revenue across segments	6	22	48	43	415	492
Revenue	**2,512**	**2,497**	**83**	**95**	**12,802**	**13,712**
Total operating expenses before depreciation, etc.	(1,471)	(1,520)	(283)	(312)	(7,864)	(8,682)
Other income and expenses	1	-	39	49	43	52
EBITDA	**1,042**	**977**	**(161)**	**(168)**	**4,981**	**5,082**

Reconciliation of revenue DKKm

	H1 2013	H1 2012
Reportable segments	12,802	13,712
Elimination of revenue across-segment items	(415)	(492)
Consolidated external revenue	**12,387**	**13,220**

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

	H1 2013	H1 2012
EBITDA from reportable segments	4,981	5,082
Elimination of EBITDA	(7)	(1)
Unallocated:		
Depreciation, amortisation and impairment losses	(2,438)	(2,459)
Special items	(416)	(468)
Profit from joint ventures and associates	8	762
Interest income and expenses	(507)	(551)
Currency translation adjustments	3	(2)
Fair value adjustments	(5)	(23)
Interest on pension assets	133	175
Consolidated profit before income taxes	**1,752**	**2,515**

Note 3 Employees

FTEs (EoP)	H1 2013	2012	H1 2012	Change in % H1 2013 vs H1 2012	Change in % H1 2013 vs 2012
Consumer	1,795	1,848	1,889	(5.0)	(2.9)
Business	1,436	1,517	1,561	(8.0)	(5.3)
Nordic	1,290	1,237	1,234	4.5	4.3
Wholesale	160	179	195	(17.9)	(10.6)
YouSee	1,347	1,282	1,308	3.0	5.1
Other[1]	3,030	3,080	3,177	(4.6)	(1.6)
TDC Group	**9,058**	**9,143**	**9,364**	**(3.3)**	**(0.9)**
TDC Group, domestic	**7,775**	**7,914**	**8,138**	**(4.5)**	**(1.8)**

Average number of FTEs	H1 2013	2012	H1 2012	Change in % H1 2013 vs H1 2012	Change in % H1 2013 vs 2012
Consumer	1,823	1,876	1,873	(2.7)	(2.8)
Business	1,458	1,546	1,553	(6.1)	(5.7)
Nordic	1,274	1,248	1,258	1.3	2.1
Wholesale	164	189	189	(13.2)	(13.2)
YouSee	1,328	1,293	1,296	2.5	2.7
Other[1]	3,069	3,188	3,254	(5.7)	(3.7)
TDC Group	**9,116**	**9,340**	**9,423**	**(3.3)**	**(2.4)**
TDC Group, domestic	**7,849**	**8,100**	**8,174**	**(4.0)**	**(3.1)**

[1] Includes Operations, HQ, expatriates and personnel on leave, etc.

Note 4 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 and properties, as well as transaction costs and adjustments of purchase prices relating to the acquisition of enterprises.

Special items amounted to expenses after tax of DKK 301m in H1 2013, compared with income after tax of DKK 412m in H1 2012.

As described in the Annual Report, TDC has entered into agreements on property leases terminating in 2041 at the latest. Provisions have been made for expected expenses in relation to vacant tenancies, based on factors such as the expected timing and level of rent for sublet tenancies. The vacant tenancies comprise surplus premises in offices, telephone exchanges, etc. following the reduced number of employees and less space-demanding equipment. In H1 2013, costs related to redundancy programmes and vacant tenancies include a reassessment of the provision for expected expenses in relation to vacant tenancies. The additional provision of DKK 156m is due to additional vacant premises and reassessment of the expected sublet of the tenancies. TDC will continue to sublet additional tenancies following further reductions in the number of employees and upgrading of technical equipment.

Income from rulings comprised a settlement (DKK 57m) of a Swedish dispute over interconnect fees[1].

In H1 2012, Other restructuring costs, etc. included primarily costs due to the new IT outsourcing agreement with Tata Consultancy Services and the termination of the former contract with CSC, i.e. termination, transition and transformation costs (DKK 268m). The total payments related to the change of vendor are expected to amount to DKK 348m. Of this amount, DKK 102m impacted on 2012, and DKK 56m impacted on H1 2013, while the remaining payments of DKK 190m are expected to be paid in the period 2013-2016. Income from rulings comprised primarily a VAT refund for the period 1997-2009.

[1]The corresponding cash inflow will be recognised in Q3 2013.

Special items DKKm

TDC Group	Q2 2013	Q2 2012	H1 2013	H1 2012
Profit for the period, excl. special items	**1,216**	**786**	**2,034**	**1,574**
Consolidated enterprises:				
Costs related to redundancy programmes and vacant tenancies	(231)	(119)	(401)	(223)
Other restructuring costs, etc.	(46)	(11)	(54)	(278)
Impairment losses	(10)	(5)	(13)	(21)
Income from rulings	57	-	57	82
Loss from rulings	(3)	(15)	(5)	(28)
Special items before income taxes	**(233)**	**(150)**	**(416)**	**(468)**
Income taxes related to special items	71	34	115	120
Special items after income taxes in consolidated enterprises	**(162)**	**(116)**	**(301)**	**(348)**
Special items related to joint ventures and associates	-	-	-	760
Total special items after taxes	**(162)**	**(116)**	**(301)**	**412**
Profit for the period	**1,054**	**670**	**1,733**	**1,986**

Cash flow from special items DKKm

TDC Group	Q2 2013	Q2 2012
Redundancy programmes and vacant tenancies	(121)	(181)
Rulings	1	21
Other	(60)	(67)
Total	**(180)**	**(227)**
	30 June 2013	**30 June 2012**
Redundancy programmes and vacant tenancies	(221)	(311)
Rulings	(6)	40
Other	(88)	(96)
Total	**(315)**	**(367)**

Note 5 Net financials

Net financials[1] represented an expense of DKK 509m in H1 2013, a DKK 67m decrease compared with H1 2012, driven by:

- Interest declining by DKK 44m, due primarily to lower interest rates after refinancing of the EMTN loan that matured in April 2012
- Fair value adjustment losses decreased by DKK 18m due to cross-currency swaps related to the EMTN GBP loan and interest rate swaps related to the EMTN EUR loans. The swaps are treated as cash flow hedge accounting and fair value hedge accounting[2], respectively. This was partly offset by interest rate swaps not treated as hedge accounting

Approximately 43% of the issued fixed interest-rate EMTN bonds were swapped to floating interest rates. In addition, the EMTN GBP bonds were swapped to EUR. Both types of derivatives are treated as hedge accounting[2].

[1]Comprises Interest, currency translation adjustments and fair value adjustments.
[2]Accordingly, the effective part of the changes in the fair value of the derivatives is recognised directly in other comprehensive income, whereas the ineffective part is recognised in the Income Statements.

Net financials DKKm

TDC Group	Interest[3]	Currency translation adjustments	Fair value adjustments	Total
		Q2 2013		
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(222)	(17)	17	(222)
Other hedges (not treated as hedge accounting)	-	-	10	10
Other	(50)	-	-	(50)
Total	**(272)**	**(17)**	**27**	**(262)**
		Q2 2012		
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(255)	2	64	(189)
Other hedges (not treated as hedge accounting)	(10)	-	(10)	(20)
Other	(13)	-	-	(13)
Total	**(278)**	**2**	**54**	**(222)**
		H1 2013		
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(433)	(1)	10	(424)
Other hedges (not treated as hedge accounting)	-	-	(15)	(15)
Other	(74)	4	-	(70)
Total	**(507)**	**3**	**(5)**	**(509)**
		Q2 2012		
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(503)	2	(52)	(553)
Other hedges (not treated as hedge accounting)	(17)	(2)	29	10
Other	(31)	(2)	-	(33)
Total	**(551)**	**(2)**	**(23)**	**(576)**

[3]Interest is specified as follows: Q2 2013 (DKK 272m): Interest income, DKK 9m and interest expenses, DKK (281)m; Q2 2012 (278m): Interest income, DKK 40m and interest expenses, DKK (318)m; H1 2013 (DKK 507m): Interest income, DKK 17m and interest expenses, DKK (524)m; H1 2012 (DKK 551m): Interest income, DKK 67m and interest expenses, DKK (618)m.

Note 6 Pension assets and pension obligations

Specification of pension costs recognised in the Income Statements

TDC Group	Q2 2013	Q2 2012	H1 2013	H1 2012
Defined benefit plans:				
Pension (costs)/income from the domestic defined benefit plan	25	47	50	95
Pension costs from the Norwegian defined benefit plans	(4)	(5)	(9)	(9)
Net periodic pension (costs)/income from defined benefit plans	**21**	**42**	**41**	**86**
Net periodic pension (cost)/income from defined benefit plans is recognised in the Income Statements as follows:				
Service cost[1]	(42)	(42)	(85)	(83)
Administration costs	(3)	(3)	(6)	(6)
Wages, salaries and pension costs	**(45)**	**(45)**	**(91)**	**(89)**
Interest on pension assets	**66**	**87**	**132**	**175**
Net periodic pension (costs)/income from defined benefit plans	**21**	**42**	**41**	**86**

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

Domestic defined benefit plan DKKm

TDC's domestic 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 according to the articles of association.

Specification of pension (costs)/income	Q2 2013	Q2 2012	H1 2013	H1 2012
Service cost	(39)	(36)	(78)	(72)
Administration costs	(3)	(3)	(6)	(6)
Wages, salaries and pension costs	**(42)**	**(39)**	**(84)**	**(78)**
Interest on pension assets	**67**	**86**	**134**	**173**
Net periodic pension (costs)/income	**25**	**47**	**50**	**95**
Domestic redundancy programmes recognised in special items	(14)	(22)	(64)	(57)
Pension (costs)/income recognised in the Income Statements	**11**	**25**	**(14)**	**38**

Assets and obligations	30 June 2013	31 December 2012	30 June 2012
Specification of pension assets			
Fair value of plan assets	28,965	30,543	28,453
Projected benefit obligations	(21,033)	(22,625)	(21,031)
Pension assets recognised in the Balance Sheets	**7,932**	**7,918**	**7,422**
Change in pension assets recognised in the Balance Sheets			
Pension assets recognised in the Balance Sheets at1 January	7,918	8,060	8,060
Pension (costs)/income recognised in the Income Statements	(14)	69	38
Remeasurement effects recognised in other comprehensive income	(34)	(412)	(757)
TDC's contribution	62	201	81
Pension assets recognised	**7,932**	**7,918**	**7,422**

Weighted-average assumptions used to determine benefit obligations

TDC Group	30 June 2013	31 December 2012	30 June 2012
Discount rate	3.90	3.35	4.00

Weighted-average assumptions used to determine net periodic pension costs

TDC Group	30 June 2013	31 December 2012	30 June 2012
Discount rate	3.35	4.25	4.25

Foreign defined benefit plan

TDC's foreign defined benefit plan concerns TDC 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, etc.

Pension liabilities, etc. related to the foreign defined benefit plan amounted to DKK 76m at 30 June 2013 compared with DKK 99m at 31 December 2012 and DKK 94m at 30 June 2012.

Note 7 Loans and net interest-bearing debt

Net interest-bearing debt totalled DKK 22,374m at the end of H12013, up by DKK 456m in H1 2013 due to dividends paid. This was partly offset by the net cash flows from operating and investing activities.

Compared with H1 2012, Net interest-bearing debt increased by DKK 329m due to distributions in the form of dividends and share buybacks, which was partly offset by the positive net cash flows from operating and investing activities.

Approximately 43% of the issued fixed interest-rate EMTN bonds have been swapped to floating interest rates. In addition, the EMTN GBP bonds were swapped to fixed EUR interest rates. Both types of derivatives are treated as hedge accounting.

Net interest-bearing debt DKKm

TDC Group	30 June 2013	31 December 2012	30 June 2012
Loans (Non-current liabilities):			
Euro Medium Term Notes (EMTN)	22,742	23,134	23,028
Debt relating to finance leases	123	130	147
Other loans	488	510	686
Total	**23,353**	**23,774**	**23,861**
Loans (Current liabilities):			
Euro Medium Term Notes (EMTN)	95	94	32
Debt relating to finance leases	41	76	79
Total	**136**	**170**	**111**
Total loans	**23,489**	**23,944**	**23,972**
Interest-bearing payables	4	2	2
Gross interest-bearing debt	**23,493**	**23,946**	**23,974**
Interest-bearing receivables	(191)	(201)	(213)
Cash	(431)	(973)	(911)
Derivative financial instruments hedging fair value and currency on loans	(497)	(854)	(805)
Net interest-bearing debt	**22,374**	**21,918**	**22,045**

Euro Medium Term Notes (EMTNs) Bonds

Euro Medium Term Notes (EMTN)		2015	2015	2018	2022	2023	Total
Maturity		23 Feb 2015	16 Dec 2015	23 Feb 2018	02 Mar 2022	23 Feb 2023	
Fixed/Floating rate		Fixed	Fixed	Fixed	Fixed	Fixed	
Coupon		3.500%	5.875%	4.375%	3.750%	5.625%	
Outstanding amount[1] 1 January 2013	EURm	800	274	800	500	-	2,374
Outstanding amount[1] 1 January 2013	GBPm	-	-	-	-	550	550
Outstanding amount[1] 30 June 2013	**EURm**	**800**	**274**	**800**	**500**	-	**2,374**
Outstanding amount[1] 30 June 2013	**GBPm**	**-**	**-**	**-**	**-**	**550**	**550**
Outstanding amount[1] 30 June 2013	**DKKm**	**5,967**	**2,040**	**5,967**	**3,729**	**4,790**	**22,493**

[1] Nominal value.

Selected financial and operational data

TDC Group						DKKm
	H1 2013	H1 2012	2012	2011	2010	2009
Income Statements DKKm						
Revenue	12,387	13,220	26,116	26,304	26,167	26,079
Gross profit	8,942	9,347	18,518	19,172	19,420	19,635
EBITDA	**4,974**	**5,081**	**10,320**	**10,488**	**10,321**	**10,234**
Depreciation, amortisation and impairment losses	(2,438)	(2,459)	(5,062)	(5,227)	(5,356)	(4,659)
Operating profit (EBIT), excluding special items	**2,536**	**2,622**	**5,258**	**5,261**	**4,965**	**5,575**
Special items	(416)	(468)	(753)	(864)	(1,347)	(1,119)
Operating profit (EBIT)	**2,120**	**2,154**	**4,505**	**4,397**	**3,618**	**4,456**
Profit from joint ventures and associates	8	762	763	(25)	13	76
Interest income and expenses	(507)	(551)	(1,112)	(1,305)	(1,591)	(1,554)
Currency translation adjustments	3	(2)	(51)	51	(20)	(257)
Fair value adjustments	(5)	(23)	(65)	374	115	(253)
Interest on pension assets	133	175	346	377	385	398
Profit before income taxes	**1,752**	**2,515**	**4,386**	**3,869**	**2,520**	**2,866**
Income taxes	(19)	(529)	(602)	(1,112)	(765)	(833)
Profit for the period from continuing operations	**1,733**	**1,986**	**3,784**	**2,757**	**1,755**	**2,033**
Profit for the period from discontinued operations[1]	-	-	-	(5)	1,203	422
Profit for the period	**1,733**	**1,986**	**3,784**	**2,752**	**2,958**	**2,455**
Attributable to:						
Owners of the Parent Company	1,733	1,986	3,784	2,752	2,958	2,496
Minority interests	-	-	-	-	-	(41)
Profit for the period, excluding special items						
Operating profit (EBIT)	**2,536**	**2,622**	**5,258**	**5,261**	**4,965**	**5,575**
Profit from joint ventures and associates	8	2	3	(25)	3	(1)
Interest income and expenses	(507)	(551)	(1,112)	(1,305)	(1,591)	(1,554)
Currency translation adjustments	3	(2)	(51)	51	(20)	(257)
Fair value adjustments	(5)	(23)	(65)	374	115	(253)
Interest on pension assets	133	175	346	377	385	398
Profit before income taxes	**2,168**	**2,223**	**4,379**	**4,733**	**3,857**	**3,908**
Income taxes	(134)	(649)	(931)	(1,291)	(1,018)	(1,109)
Profit for the period from continuing operations	**2,034**	**1,574**	**3,448**	**3,442**	**2,839**	**2,799**
Profit for the period from discontinued operations[1]	-	-	-	-	413	575
Profit for the period	**2,034**	**1,574**	**3,448**	**3,442**	**3,252**	**3,374**

Selected financial and operational data

TDC Group

		H1 2013	H1 2012	2012	2011	2010	2009
Balance Sheets	DKKbn						
Total assets		61.5	64.3	63.5	65.2	64.8	86.4
Net interest-bearing debt		(22.4)	(22.0)	(21.9)	(21.0)	(22.6)	(33.5)
Total equity		21.3	21.3	21.5	22.2	20.9	27.1
Average number of shares outstanding (million)		798.9	805.7	802.3	816.7	981.8	990.5
Statements of Cash Flow	DKKm						
Continuing operations:							
Operating activities		3,098	2,878	6,886	7,177	7,238	7,440
Investing activities		(1,768)	(880)	(2,954)	(3,637)	(3,889)	(4,811)
Financing activities		(1,872)	(2,576)	(4,448)	(2,815)	(20,091)	(10,261)
Total cash flow from continuing operations		**(542)**	**(578)**	**(516)**	**725**	**(16,742)**	**(7,632)**
Total cash flow in discontinued operations[1]		-	-	-	(67)	16,810	1,677
Total cash flow		**(542)**	**(578)**	**(516)**	**658**	**68**	**(5,955)**
Equity free cash flow		1,281	1,048	3,208	3,622	3,466	3,355
Capital expenditure		(1,752)	(1,783)	(3,492)	(3,421)	(3,534)	(3,891)
Key financial ratios							
Earnings Per Share (EPS)	DKK	2.17	2.46	4.72	3.37	3.01	2.52
EPS from continuing operations, excl. special items	DKK	2.55	1.95	4.30	4.21	2.89	2.83
Adjusted EPS	DKK	1.78	1.28	5.53	5.61	4.19	3.82
Dividend payments per share	DKK	-	-	4.47	2.18	-	7.85
Gross profit margin	%	72.2	70.7	70.9	72.9	74.2	75.3
EBITDA margin	%	40.2	38.4	39.5	39.9	39.4	39.2
Capex-to-revenue ratio	%	14.1	13.5	13.4	13.0	13.5	14.9
Net interest-bearing debt/EBITDA	x	2.2	2.1	2.1	2.0	2.2	3.3
RGUs (end-of-period)	('000)						
Landline		1,465	1,628	1,551	1,697	1,840	1,995
Domestic		1,460	1,623	1,546	1,692	1,835	1,990
International		5	5	5	5	5	5
Mobile		4,017	3,972	3,967	3,935	3,627	3,611
Domestic		3,880	3,876	3,862	3,849	3,560	3,567
International		137	96	105	86	67	44
Internet		1,767	1,773	1,769	1,775	1,807	1,814
Other networks and data connections		57	62	59	60	64	64
TV		2,211	2,202	2,222	2,158	2,109	2,009
Total RGUs		**9,517**	**9,637**	**9,568**	**9,625**	**9,447**	**9,493**
Domestic dual-play bundles		399	389	395	366	304	213
Domestic triple-play bundles		217	187	202	150	116	86
Employees[2]							
Number of FTEs (end-of-period)		9,058	9,364	9,143	9,816	10,423	11,277
Average number of FTEs		9,116	9,423	9,340	10,106	10,860	11,519

[1] The operations of the following enterprises are presented as discontinued operations: Sunrise (divested in 2010) and Invitel (divested in 2009). Other divestments are included in the respective accounting items during the ownership.
[2] From Q1 2012, Danish civil servants seconded to external parties are excluded in the calculation of FTEs. At EOP 2011, 156 seconded civil servants were included in the FTE figures.

Corporate matters

Changes in the organisation and management of TDC

With effect from 1 July 2013, TDC has reorganised certain parts of its Danish operation to reflect a more functional model. With the reorganisation complete, the Company will be in a better position to deliver on its 2013-2015 strategy, which was announced on 6 November 2012. All consumer brands including YouSee are now joined in Consumer to strengthen the multi-brand strategy of TDC and ensure an optimal marketing effect across brands.

A new business unit named Channels has been formed comprising all call centres as well as online departments across the Danish part of the Group.

A number of business areas from YouSee A/S are now organised together with their functional equivalents in TDC A/S especially in Consumer, Operations and Channels. However YouSee A/S will continue as a separate legal entity in order to comply with the company's legal obligations regarding operating cable-TV networks.

As a consequence of the changes, from Q3 2013 onwards, the financial results will be reported for the business units Consumer, Business, Wholesale and Nordic and the cost centre Operations/Channels/HQ.

An agreement has been made that Senior Executive Vice President, TDC A/S, and CEO of YouSee A/S Niels Breining will not continue as CEO of YouSee A/S nor as a member of the Executive Committee of TDC A/S.

In addition, Martin Lippert has resigned as Head of Operations, Group COO and member of the Executive Committee to accept a position outside TDC.

The Board of Directors has decided to appoint:

- Jens Aaløse as Senior Executive Vice President with responsibility for Channels. Jens Aaløse, 46, has a Graduate Diploma in Business Administration (Marketing Management) from Copenhagen Business School. His most recent position as CEO of Danske Licens Spil A/S was preceded by management positions in Dansk Reklame Film A/S and SAS Scandinavian Airlines Danmark A/S
- Peter Trier Schleidt as Senior Executive Vice President with responsibility for Operations and Group COO. Peter Trier Schleidt, 49, has a Master of Science degree in engineering from the Technical University of Denmark. He will be joining TDC from a position as Executive Vice President and Chief IT Officer at Danske Bank, where he has also previously held a range of management positions. Peter Trier Schleidt will take up the appointment on 1 October 2013 at the latest

Accordingly, TDC A/S' Executive Committee will consist of:

- Carsten Dilling, President and Group CEO
- Pernille Erenbjerg, Senior Executive Vice President and Group CFO
- Anders Jensen, Senior Executive Vice President for Consumer and Group CMO
- Peter Trier Schleidt, Senior Executive Vice President for Operations and Group COO
- Eva Berneke, Senior Executive Vice President for Business
- Jens Munch-Hansen, Senior Executive Vice President for Wholesale and Nordic
- Jens Aaløse, Senior Executive Vice President for Channels
- Miriam Hvidt, Senior Executive Vice President for HR & Stakeholder Relations

At the Annual General Meeting on 7 March 2013, Pieter Knook was elected as a new member of the Board of Directors.

Risk factors

TDC's Annual Report at 5 February 2013 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 2013, TDC expects no significant changes in the risks.

Forward-looking Statements

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

Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this financial report. The key factors that may have a direct bearing on TDC's results including: 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; increases in 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 H1 2013 Interim Financial Report of the TDC Group.

The Interim Financial Report, which has neither been audited nor reviewed by the Group's auditor, has been prepared in accordance with IAS 34, Interim Financial Reporting and additional Danish disclosure requirements for listed companies.

In our opinion, the Interim Financial Report provides a true and fair view of the Group's assets, liabilities and financial position at 30 June 2013 as well as the results of operations and cash flows for H1 2013. Furthermore, in our opinion, the Management's Review provides a fair review of the developments in the Group's activities and financial position, and describes the significant risks and uncertainties that may affect the Group.

Copenhagen, 7 August 2013

Executive Committee

Carsten Dilling
President and Group Chief Executive Officer

Pernille Erenbjerg
Senior Executive Vice President and Group Chief Financial Officer

Anders Jensen
Senior Executive Vice President of Consumer and Group Chief Marketing Officer

Eva Berneke
Senior Executive Vice President of Business

Jens Munch-Hansen
Senior Executive Vice President of Wholesale and Nordic

Jens Aaløse
Senior Executive Vice President of Channels

Miriam Igelsø Hvidt
Senior Executive Vice President of HR and Stakeholder Relations

Board of Directors

Vagn Sørensen
Chairman

Pierre Danon
Vice Chairman

Stine Bosse

Pieter Knook

Angus Porter

Lars Rasmussen

Søren Thorup Sørensen

Jan Bardino

Christian A. Christensen

Steen M. Jacobsen

John Schwartzbach

Hanne Trebbien

Gert Winkelmann

About TDC

TDC is the leading provider of communications services in Denmark with a strong Nordic focus. TDC comprises the business units Consumer, Business, Wholesale and Nordic 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.