



## Financial Statements January - March 2009

### Highlights

- Group revenue was level with 1Q 2008:
  - Nordic Business's revenue declined DKK 348m due to lower domestic landline voice revenue, divestment and outsourcing of business activities (DKK (189)m) as well as a negative currency impact (DKK (98)m). Adjusted for the impacts from divestment, outsourcing and currency, Nordic Business's revenue declined by approximately 1%
  - Sunrise's revenue showed strong growth of DKK 340m due to favorable currency impact (DKK 158m) and acquisition of Tele2 in November 2008 (DKK 120m), which was counteracted by the divestment of SBC in July 2008 (DKK (89)m). Adjusted for these impacts, Sunrise's revenue increased by approximately 4%
- Despite the challenging macro economic environment, Income before depreciation, amortization and special items (EBITDA) rose by 11.0% compared with 1Q 2008:
  - Growth in Nordic Business's EBITDA was a result of successful cost reductions
  - Growth in Sunrise's EBITDA related to the acquisition of Tele2, a favorable currency impact and growth in the residential mobile business
- Net income from continuing operations, excluding special items, increased by DKK 38m to DKK 785m in 1Q 2009, reflecting higher EBITDA
- Net income decreased by DKK 47m to DKK 645m in 1Q 2009, reflecting the development in special items, income from joint ventures and associates, and net financial expenses
- Strong cash flow from operating activities grew by 42.5% or DKK 838m compared with 1Q 2008
- Net interest-bearing debt was down by DKK 6.0bn to DKK 36.3bn compared with 1Q 2008, driven by the divestment of Polkomtel in 4Q 2008
- Customer base growth of 3.5% compared with 1Q 2008
- Outlook for 2009 remains unchanged: Revenue and net income from continuing operations excluding special items are expected to be level with 2008
- Changed organization to strengthen customer focus and integration of technology platforms. The change also implies changed segment reporting
- Sales of the broadband-based multi-play products TDC HomeTrio and TDC HomeDuo, launched in January, exceeded expectations
- The acquisition of the broadband service provider Fullrate A/S was completed in March 2009. Fullrate will be consolidated in 2Q 2009
- The accounting policies in relation to subscriber acquisition costs and pensions were changed.

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## Key financial data

	DKKm	1Q 2009	1Q 2008	Change in %
<b>Statements of Income</b>				
Revenue		9,513	9,502	0.1
Transmission costs and cost of goods sold		(2,695)	(2,890)	6.7
Other external expenses		(1,762)	(1,676)	(5.1)
Wages, salaries and pension costs		(1,426)	(1,669)	14.6
Total operating expenses before depreciation, etc.		(5,883)	(6,235)	5.6
Other income and expenses		67	65	3.1
<b>Income before depreciation, amortization and special items (EBITDA)</b>		<b>3,697</b>	<b>3,332</b>	<b>11.0</b>
Depreciation, amortization and impairment losses		(1,811)	(1,756)	(3.1)
<b>Operating income (EBIT) excluding special items</b>		<b>1,886</b>	<b>1,576</b>	<b>19.7</b>
Special items		(180)	(73)	(146.6)
Income from joint ventures and associates		4	163	(97.5)
Net financials		(802)	(728)	(10.2)
<b>Income before income taxes</b>		<b>908</b>	<b>938</b>	<b>(3.2)</b>
Income taxes		(263)	(246)	(6.9)
<b>Net income from continuing operations</b>		<b>645</b>	<b>692</b>	<b>(6.8)</b>
Net income from discontinued operations		0	0	-
<b>Net income</b>		<b>645</b>	<b>692</b>	<b>(6.8)</b>
<b>Net income from continuing operations excl. special items<sup>1</sup></b>		<b>785</b>	<b>747</b>	<b>5.1</b>
<b>Net interest-bearing debt</b>		<b>(36,292)</b>	<b>(42,269)</b>	<b>14.1</b>
<b>Capital expenditures excluding share acquisitions</b>				
Capital expenditures including SAC <sup>2</sup>		(1,773)	(1,471)	(20.5)
Capital expenditures excluding SAC <sup>2</sup>		(1,394)	(1,118)	(24.7)
<b>Statements of Cash Flow</b>				
Operating activities		2,811	1,973	42.5
Investing activities		(2,096)	(1,928)	(8.7)
Financing activities		(6,306)	(1,981)	-
<b>Total cash flow</b>		<b>(5,591)</b>	<b>(1,936)</b>	<b>(188.8)</b>
<b>Key financial ratios</b>				
Earnings Per Share (EPS)	DKK	3.3	3.5	-
EPS from continuing operations, excl. special items	DKK	4.0	3.8	-
Dividend payments per share	DKK	9.0	3.6	-
EBITDA margin (EBITDA divided by revenue)	%	38.9	35.1	-
Capex, including SAC-to-revenue ratio	%	18.6	15.5	-
Capex, excluding SAC-to-revenue ratio	%	14.7	11.8	-
Cash Earnings Per Share (CEPS) from continuing operations, excl. special items <sup>3</sup>	DKK	13.0	11.6	-
Return on capital employed (ROCE) <sup>4</sup>	%	4.6	3.9	-

1) Special items are present in several lines in the Statements of Income as shown in the detailed Statements of Income on page 19.

2) SAC includes subscriber acquisition costs and subscriber retention costs.

3) CEPS is defined as (net income excluding special items attributable to shareholders of the Parent Company - net income from discontinued operations + depreciation, amortization and impairment losses + share-based compensation - income from joint ventures and associates - minority interests' share of depreciation, amortization and impairment losses together with share-based compensation) / (number of average shares outstanding).

4) ROCE is defined as (EBIT excluding special items + interest and other financial income + income from joint ventures and associates) / by (average equity attributable to Company shareholders + interest-bearing debt).

## TDC Group

### Summary

In 1Q 2009, TDC's revenue amounted to DKK 9,513m, up by DKK 11m or 0.1% compared with 1Q 2008.

TDC's EBITDA amounted to DKK 3,697m in 1Q 2009, up by DKK 365m or 11.0% on 1Q 2008.

Net income from continuing operations, excluding special items, amounted to DKK 785m in 1Q 2009, up DKK 38m or 5.1% compared with 1Q DKK 747m in 2008. The increase, reflecting mainly higher EBITDA, was counteracted by higher depreciation and amortization, lower income from joint ventures and associates, related to the divestment of Polkomtel in 4Q 2008, and higher net financial expenses.

Net interest-bearing debt totaled DKK 36,292m at the end of 1Q 2009, down DKK 5,977m compared with 1Q 2008. The decrease in net interest-bearing debt resulted primarily from the divestment of Polkomtel in 4Q 2008.

### Number of customers

The total customer base<sup>1</sup> amounted to 12.2m customers in 1Q 2009, up 3.5% compared with 1Q 2008. This development was due chiefly to Sunrise's acquisition of Tele2 in Switzerland, as well as more mobile voice customers in Sunrise and the Nordic Business.

The domestic customer base totaled 8.2m, up 1.5% compared with 1Q 2008. This development resulted primarily from growth in the mobile customer base as well as more TV and mobile broadband customers, and Other network and data connections customers. This was partly offset by fewer landline voice and internet customers.

### Revenue

In 1Q 2009, TDC's revenue amounted to DKK 9,513m, up by DKK 11m or 0.1% compared with 1Q 2008. Revenue was affected by a decline of DKK 348m, or 5.1% in the Nordic Business, which was counteracted by positive growth of DKK 340m or 16.5% in Sunrise.

In the Nordic Business, revenue was negatively affected by divestment of the International Voice Business, divestment and outsourcing of handset sales and CPE sales to business customers, and negative exchange rate developments in TDC Sweden and TDC Norway. Excluding these issues, revenue decreased by 1.1%, which related mainly to a significantly declining domestic revenue from traditional landline telephony resulting from the migration toward mobile only and VoIP, lower CPE sales, as well as lower revenue from international mobile roaming and mobile termination caused by price reductions as a result of EU and national regulation, respectively. This was partly offset by more customers and higher ARPU on TV, as well as more domestic mobile voice and mobile broadband customers.

In Sunrise, the positive growth was primarily a consequence of the acquisition of Tele2 in Switzerland, a significant favorable exchange rate development, which was, however partly counteracted by the divestment of SBC. Despite this, still, revenue increased by approximately 4%, which related primarily to increased landline revenue.

Invitel's<sup>2</sup> acquisition of Memorex also impacted positively, however, although it was almost offset by a significant negative exchange rate development.

Adjusted for acquired and divested enterprises<sup>3</sup>, TDC's revenue decreased by 1.1%.

### Income before depreciation, amortization and special items (EBITDA)

TDC's EBITDA amounted to DKK 3,697m in 1Q 2009, up by DKK 365m or 11.0% on 1Q 2008, stemming from growth of DKK 210m or 8.5% in the Nordic Business, and of DKK 147m or 23.1% in Sunrise.

In the Nordic Business, the revenue reduction was almost offset by a corresponding reduction of DKK 307m or 15.7% in Transmission costs and cost of goods sold, reflecting that some of the revenue reductions have been taking place

<sup>1</sup> As of 1Q 2009, TDC included a number of "Other network and data connections" in the customer statement. These customers, constituting nearly 400k in 1Q 2009, includes wholesale offering of ULL (raw copper), leased lines and fiber as well as offering of leased lines, fiber and data products to business customers. All these products contributes to a substantial amount to TDC's revenue and earnings. These customers are also included in the comparative figures from 2005 to 2008.

<sup>2</sup> In February 2009, the former HTCC was redomiciled from the US to Denmark under the name Invitel Holdings A/S.

<sup>3</sup> Developments from 1Q 2008 to 1Q 2009 were impacted by the following changes in ownership shares: Invitel's acquisition of Memorex (March 2008), and Sunrise's divestment of SBC (July 2008) and acquisition of Tele2 in Switzerland (November 2008). In the remainder of this report, 'adjusted for acquired and divested enterprises' refers to reported figures for the TDC Group adjusted for these acquisitions and divestments.

within low margin areas such as international voice and CPE. The reduction in transmission costs is also a result of lower mobile termination costs per minute. The positive EBITDA development in the Nordic Business is therefore a result of successful cost reductions, which impacted Other external expenses and Wages, salaries and pension costs. Other external expenses were reduced by DKK 88m or 7.6% to DKK 1,065m in 1Q 2009, stemming principally from lower consultancy, marketing and service-contract costs. Wages, salaries and pension costs dropped by DKK 176m or 13.3% to DKK 1,149m, driven by a decrease in the number of full-time employee equivalents.

The number of full-time employee equivalents in the Nordic Business totaled 11,626 in 1Q 2009, which was 1,944 or 14.3% lower than in 1Q 2008. The domestic workforce fell from 12,087 full-time employee equivalents in 1Q 2008 to 10,146 at 1Q 2009, down by 16.1%, driven primarily by outsourcing (140), divestment of business activities (297) and redundancy programs (742).

In Sunrise the positive EBITDA growth related to the acquisition of Tele2 in Switzerland, a favorable exchange rate development and growth in the residential mobile business market. The outsourcing of the network operations also prompted the EBITDA growth, and contributed to a reduction in Wages, salaries and pension costs and an increase in Other external expenses.

From 1Q 2008 to 1Q 2009 the number of full-time employees in Sunrise fell by 23.4% from 1,989 to 1,524, driven primarily by the sale of SBC and outsourcing of the majority of network operations.

Adjusted for acquired and divested enterprises, TDC's EBITDA increased by 9.6%.

#### Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses rose by DKK 55m or 3.1% to DKK 1,811m in 1Q 2009. This increase reflected mainly the CHF exchange rate development and higher capital expenditures related to acquisitions in Invitel and Sunrise. This was partly offset by lower depreciation related to landline networks.

#### Special items

In 1Q 2009, Special items before and after tax amounted to DKK 180m and DKK 140m, respectively. In 1Q 2008, special items before and after tax amounted to DKK 73m and DKK

55m, respectively. Special items comprised restructuring costs in both years.

#### Income from joint ventures and associates

Income after income taxes from joint ventures and associates totaled DKK 4m in 1Q 2009 compared with DKK 163m in 1Q 2008, down by DKK 159m. The decrease reflected mainly the divestment of TDC's shares in Polkomtel in 4Q 2008.

#### Net financials

Net financials totaled an expense of DKK 802m in Q1 2009, up by DKK 74m compared with Q1 2008.

This development reflected fair value adjustments of derivative financial instruments as well as currency adjustments on non-hedged long-term EUR debt in Invitel. This was partly offset by the Sunrise hedge and currency adjustment of long-term EUR debt as well as lower interest expenses due to lower net debt and lower interest rates on long-term debt.

The investment in Sunrise is no longer fully hedged, and the hedging of the investment in Sunrise is no longer treated as hedge accounting.

#### Income taxes

Income taxes amounted to DKK 263m in 1Q 2009, which was DKK 17m higher than in 1Q 2008. Income taxes related to net income, excluding special items, totaled DKK 303m in 1Q 2009, up by DKK 39m on 1Q 2008.

The effective tax rate, excluding special items, was 27.8% in 1Q 2009 compared with 26.1% in 1Q 2008. The increase reflected primarily the divestment of TDC's shares in Polkomtel in December 2008, due to the decreased income from joint ventures and associates compared with 1Q 2008, which had no impact on the tax expense.

#### Net income

Net income decreased to DKK 645m from DKK 692m in 1Q 2008. This decrease reflected mainly lower income from joint ventures and associates related to the divestment of Polkomtel in 4Q 2008, the development in Special items and higher depreciation and amortization as well as higher net financial expenses, counterbalanced by higher EBITDA.

Net income from continuing operations, excluding special items, amounted to DKK 785m in 1Q 2009, up DKK 38m or 5.1% compared with DKK 747m in 1Q 2008. The increase reflected mainly higher EBITDA, counterbalanced by higher depreciation and amortization, higher net financial expenses

and lower income from joint ventures and associates, related to the divestment of Polkomtel in 4Q 2008.

### Comprehensive income

Total comprehensive income amounted to DKK 325m in 1Q 2009 compared with DKK 1,012m in 1Q 2008. The DKK 687m decrease reflected primarily the development in other comprehensive income due to currency translation adjustments of foreign enterprises, net of hedging.

### Equity

Equity aggregated DKK 11,377m at March 31, 2009, down from DKK 12,835m at year-end 2008. Dividend payments of DKK 1,785m more than offset total comprehensive income of DKK 325m.

### Net interest-bearing debt

Net interest-bearing debt totaled DKK 36,292m at the end of Q1 2009, down by DKK 5,977m compared with Q1 2008. The decrease in net interest-bearing debt resulted primarily from the divestment of Polkomtel.

### Net interest-bearing debt<sup>1</sup>

DKKm	1Q 2009	1Q 2008
Senior Loans	26,126	33,484
Euro Medium Term Notes (EMTN)	5,383	9,547
Other loans	5,747	5,619
<b>Loans</b>	<b>37,256</b>	<b>48,650</b>
Interest-bearing payables	0	3
<b>Gross interest-bearing debt</b>	<b>37,256</b>	<b>48,653</b>
Interest-bearing receivables	(159)	(69)
Cash and cash equivalents	(805)	(6,315)
<b>Net interest-bearing debt</b>	<b>36,292</b>	<b>42,269</b>

<sup>1</sup> Net carrying value measured at amortized cost, ensures the difference between the proceeds received and the nominal value is recognized in the Statements of Income over the term of the loan.

Net interest-bearing debt increased DKK 1,153m compared with year-end 2008, due mainly to dividends paid in 1Q 2009.

The Senior Facilities Agreement (SFA) is the main debt-financing instrument in TDC, representing 70.1% of total loans (in terms of net carrying value). Apart from a revolving credit facility, the SFA comprises three term loans, one repayable in installments until 2011 (Facility A) and the other two repayable as bullets in 2014 and 2015, respectively (Facilities B and C).

From Q1 2008 to Q1 2009, the drawings (nominal value) under the SFA loans were reduced by DKK 5,048m (EUR 677m).

On January 2, 2009, TDC made a mandatory prepayment of DKK 2,281m (EUR 306m) on Senior Facility A with pro-rata prepayments of the mandatory installments in 2010 and 2011 having received the proceeds from the sale of its shares in Polkomtel.

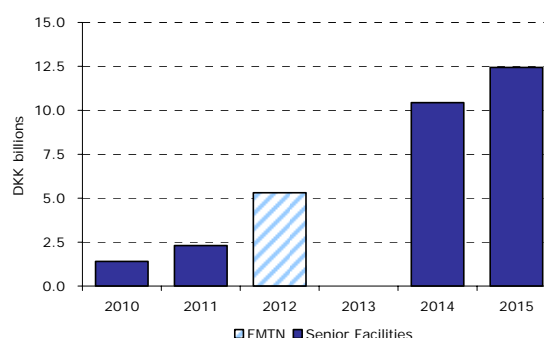
As a result of this prepayment, the outstanding amount (nominal value) of Facility A at March 31, 2009, was DKK 3,699m (EUR 497m) maturing in 2010 and 2011 with DKK 1,402m (EUR 188m) and DKK 2,297m (EUR 309m), respectively. Further, the following amounts (nominal value) were outstanding at March 31, 2009, on the remaining part of the Senior Facilities: Facility B: DKK 10,436m (EUR 1,401m) and Facility C: DKK 12,442m (EUR 1,670m). In total the outstanding amount (nominal value) of the Senior Facilities is DKK 26,577m (EUR 3,568m).

In addition to the prepayment of Senior Facility Loans, EMTN debt of DKK 1,872m (EUR 251m) was repaid with available cash at maturity in early February 2009.

TDC also bought back EMTN notes due April 2012 in the amount of DKK 81.9m (EUR 11m) during the first quarter of 2009. The outstanding amount of EMTN notes due April 2012 amounts to DKK 5,314m (EUR 713m) as of March 31, 2009.

TDC may occasionally continue to make buy-backs and prepay its debt, including the Senior Facilities and EMTNs.

### Maturity profile of nominal debt<sup>1</sup>



<sup>1</sup> Nominal value of Senior Facilities and EMTN (excl. Invitel) as of March 31, 2009.

### Capital expenditures<sup>4</sup>

Capital expenditures, including SAC<sup>5</sup>, totaled DKK 1,773m in 1Q 2009, up by DKK 302m compared with 1Q 2008.

Excluding SACs, capital expenditures totaled DKK 1,394m in 1Q 2009, up by DKK 276m compared with 1Q 2008. The increase stemmed mainly from higher investments in domestic landline networks due to success in bundle sales and In-vitel's acquisitions.

The capex-to-revenue ratio excluding SACs was 14.7% in 1Q 2009 compared with 11.8% in 1Q 2008.

### Statements of Cash Flow

In 1Q 2009, cash flow from operating activities amounted to DKK 2,811m, up by 42.5% compared with 1Q 2008. This development was due mainly to higher EBITDA, working capital improvements and lower net interest paid.

Cash flow from investing activities was DKK (2,096)m. The DKK 168m higher cash outflow compared with 1Q 2008 reflects primarily higher capital expenditures and payment of sales costs related to the divestment of Polkomtel shares in 2008.

Cash flow from financing activities amounted to DKK (6,306)m in 1Q 2009 compared with DKK (1,981)m in 1Q 2008. This change was due largely to higher repayments of Senior Loans, and higher dividends paid.

### Accounting policies

The financial statements for 1Q 2009 were prepared in accordance with IAS 34 and additional Danish disclosure requirements for interim financial statements of listed companies.

With effect from January 1, 2009, the accounting policies in relation to subscriber acquisition costs and pensions have been changed.

#### *Subscriber acquisition costs*

Subscriber acquisition costs and subscriber retention costs (SACs) are now capitalized. The costs include handset subsidies, sales commissions and other incremental costs di-

rectly attributable to a customer signing or renewing contracts for a specific period of time. Capitalized SACs are amortized on a straight-line basis over the period until a retention cost is expected to be incurred, e.g. when the subscriber acquires a new handset or terminates the contract. Previously, such costs were expensed as incurred.

The changed accounting policy implies that sale of a handset below cost is no longer recognized as revenue. Previously, such sales of handsets were recorded as revenue and the costs were recorded as cost of goods sold.

#### *Pensions*

Actuarial gains and losses<sup>6</sup> related to defined benefit plans are now recognized directly in equity when gains and losses occur<sup>7</sup>. Previously, if the value of such accumulated actuarial gains and losses exceeded 10% of the higher of the pension obligation's value and the fair value of the pension plans assets, the excess amount was recognized in the Statements of Income in accordance with the corridor method over the projected average remaining service lives of the employees concerned. Actuarial gains and losses not exceeding the above-mentioned limits were recognized neither in the Statements of Income nor the Balance Sheets, but were disclosed in the notes.

Comparative figures for previous periods have been restated accordingly. The impact on the financial statements for 2008 is shown below.

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<sup>6</sup> Differences between the projected and realized developments in pension assets and pension obligations.

<sup>7</sup> Often referred to as the "SORIE method" for Statement of Recognized Income and Expenses. The SORIE is referred to as Statement of Comprehensive Income with effect from January 1, 2009, in accordance with IFRS.

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<sup>4</sup> Excluding share acquisitions

<sup>5</sup> SAC refers to Subscriber acquisition costs and Subscriber retention costs

**Impact from changed accounting policies on financial statements for 2008**

DKKkm	Previous accounting policies	Impact from change	New accounting policies
<b>Revenue</b>	38,819	(415)	38,404
SAC		(415)	
Pensions		0	
<b>EBITDA</b>	13,175	1,565	14,740
SAC		1,538	
Pensions		27	
<b>EBITDA margin</b>	33,9	4,4	38,4
SAC		4,3	
Pensions		0,1	
<b>Depreciations, etc.</b>	(5,819)	(1,386)	(7,205)
SAC		(1,386)	
Pensions		0	
<b>Net income from continuing operations excl. special items</b>	4,270	159	4,429
SAC		139	
Pensions		20	
<b>Net income</b>	2,751	(242)	2,509
SAC		(262)	
Pensions		20	
<b>Total assets</b>	74,893	1,667	76,560
SAC		1,436	
Pensions		231	
<b>Equity</b>	11,651	1,184	12,835
SAC		1,234	
Pensions		(50)	

**Internal costs allocations**

Except for the changes mentioned above, accounting policies remain unchanged from the Annual Report 2008.

The allocation of revenues and expenses to the respective segments (business lines) were adjusted after TDC changed its organization. Comparative figures for previous periods have been restated accordingly.

Following TDC's reorganization in 1Q 2009, all domestic mobile and landline infrastructure is based in Operations. Operating expenses related to Business Nordic's and Consumers' mutual use of network infrastructure in Operations are allocated to the respective segments based on measurable cost drivers, e.g. number of MoU. However, this cost allocation does not include relevant depreciation or cost of tied-up capital and is therefore not comparable with the prices Operations charges wholesale customers.

Interconnect services between networks- including TDC's mobile and landline network- are accounted for as revenue billed at regulated prices across segments. Interconnect payments and income concerning TDC customers are allocated to the relevant business line.

Other services from Operations to other segments, such as delivery of IT solutions, supply of supporting facilities, i.e. buildings, cars and billing services are allocated to the respective segments based on measurable cost drivers. Head-

quarters' supply of staff function services, i.e. HR, legal, finance, etc., is not allocated to other segments.

Headquarters has assumed all pension obligations for the members of the three Danish pension funds. Accordingly, the net periodic pension cost/income and the plan assets for the three Danish pension funds relate to Headquarters. Segments in which members are employed pay contributions to Headquarters, and these are included in the respective segments' EBITDA.

**Outlook for 2009**

The Outlook for 2009 is based on comprehensive financial plans for each individual business line. However, by their very nature, forward-looking statements involve certain risks and uncertainties that are described in more detail in the Safe Harbor Statement.

TDC expects revenue to be level with 2008.

TDC expects net income from continuing operations excluding special items to be level with 2008.



## Major events

### Changes to the organizational structure and management of TDC A/S

On February 5, 2009, TDC announced a change to the organisational structure of the company to a customer centric rather than a technology-centric organisation. TDC is now organized in the following business lines: Consumer, Business and Operations – the latter being responsible for sale to wholesale customers, networks, IT and operations. The previous business lines Fixnet Nordic and Mobile Nordic have been dissolved.

Jesper Theill Eriksen, formerly CEO of Mobile Nordic, is now CEO of Consumer, and Carsten Dilling, formerly CEO of Fixnet Nordic, is CEO of Operations.

Furthermore, Jens Munch-Hansen is now CEO of Business Nordic and member of the Executive Committee of TDC A/S after Klaus Pedersen, who has left the company.

Jens Munch-Hansen holds a M.Sc. He has joined TDC from IBM, where he most recently held the position as Vice President for IBM Sales and Business Development North East Europe. Throughout his career at IBM, since 1980 he has held a number of management positions in Denmark and internationally, including General Manager for IBM Nordic from 2000-2007.

The Executive Committee of TDC A/S hereafter consists of: President and CEO Henrik Poulsen, CFO Jesper Ovesen, CEO Consumer Jesper Theill Eriksen, CEO Business Nordic Jens Munch-Hansen, CEO Operations Carsten Dilling, CEO YouSee Niels Breining and CSO Eva Berneke.

Financial figures including comparative figures presented in this report reflect the new organizational structure. Quarterly revenue and EBITDA for the individual business lines for 2008 are shown on page 25.

### Invitel reorganization

On March 5, 2009, TDC announced that its 64.6% controlled subsidiary Hungarian Telephone and Cable Corp. ("HTCC"), which was listed on the NYSE Alternext ("Alternext"), had entered into agreements that had effectively moved its domicile from Delaware to Denmark under the name of Invitel Holdings A/S (the "redomiciliation"). The shareholders have remained the same and Invitel Holdings A/S has listed ADSes on Alternext under the symbol IHO.

Prior to the redomiciliation, TDC converted its 30,000 shares of preferred stock into 300,000 shares of common stock of HTCC.

As part of the reorganization, the Invitel Group is separating its operations to create an international and a Hungarian domestic business in separate legal entities.

Finally, the Invitel Group has completed a refinancing of significant parts of the debt of its subsidiaries. TDC has provided a subordinated shareholder loan of approximately EUR 34m as part of the refinancing.

### Acquisition of Fullrate

In March 2009, TDC acquired Fullrate, a leading low price broadband and VoIP provider also providing mobile broadband.

### Annual General Meeting 2009

TDC's Annual General Meeting 2009 was held on March 19, 2009. Vagn Sørensen, Pierre Danon, Kurt Björklund, Lawrence Guffey, Oliver Haarmann and Gustavo Schwed were re-elected as Board members. Furthermore, Andrew Sillitoe, who had been a Board member since October 14, 2008, when Richard Wilson for whom Andrew Sillitoe was elected as alternate retired from the Board, was elected as a Board member. At a subsequent board meeting, the Board elected Vagn Sørensen as Chairman and Pierre Danon as Vice Chairman of the Board.

## Key financial data by Business lines

Key financial data by Business lines for 1Q

<b>TDC Group (DKKm)</b>	<b>1Q 2009</b>	<b>1Q 2008</b>	<b>Change in %</b>
<b>Revenue</b>	<b>9,513</b>	<b>9,502</b>	<b>0.1</b>
Nordic Business	6,496	6,844	(5.1)
Business Nordic	2,836	3,046	(6.9)
Consumer	2,431	2,532	(4.0)
Operations	666	798	(16.5)
YouSee	849	779	9.0
Other	(286)	(311)	8.0
Sunrise	2,405	2,065	16.5
Other activities	612	593	3.2
Transmission costs and cost of goods sold	(2,695)	(2,890)	6.7
Nordic Business	(1,644)	(1,951)	15.7
Other external expenses	(1,762)	(1,676)	(5.1)
Nordic Business	(1,065)	(1,154)	7.7
Wages, salaries and pension costs	(1,426)	(1,669)	14.6
Nordic Business	(1,149)	(1,325)	13.3
Total operating expenses before depreciation, etc.	(5,883)	(6,235)	5.6
Nordic Business	(3,858)	(4,430)	12.9
Other Income and expenses	67	65	3.1
Nordic Business	52	66	(21.2)
<b>EBITDA</b>	<b>3,697</b>	<b>3,332</b>	<b>11.0</b>
Nordic Business	2,690	2,480	8.5
Business Nordic	1,009	949	6.3
Consumer	1,111	1,093	1.6
Operations	355	324	9.6
YouSee	275	233	18.0
Other	(60)	(119)	49.6
Sunrise	784	637	23.1
Other activities	223	215	3.7

## Business Nordic

Business Nordic offers a wide range of telecommunications solutions in Denmark and the other Nordic countries and includes TDC Sweden, TDC Norway, TDC Finland, NetDesign and TDC Hosting. Business Nordic provides internet and network services, including leased lines and fiber access, landline telephony, mobility services including mobile broadband and convergence products (combined landline and mobile telephony), sale of terminals and installation. Business Nordic also operates a pan-Nordic network.

From 1Q 2008 to 1Q 2009, Business Nordic has successfully streamlined the business to focus on high-margin products, and reduced expenses. Despite increasing price pressure and a mature market, Business Nordic has also managed to increase its mobile voice customer base.

DKK m	1Q 2009	1Q 2008	Change in %
<b>Revenue</b>	<b>2,836</b>	<b>3,046</b>	<b>(6.9)</b>
Landline telephony	688	717	(4.0)
Mobility services	597	588	1.5
Internet and network	1,002	1,015	(1.3)
Terminal equipment etc.	482	664	(27.4)
Other <sup>1</sup>	67	62	8.1
Transmission costs and cost of goods sold	(1,090)	(1,289)	15.4
Other external expenses	(301)	(325)	7.4
Wages, salaries and pension costs	(439)	(483)	9.1
Operating expenses	(1,830)	(2,097)	12.7
Other income and expenses	3	0	-
<b>EBITDA</b>	<b>1,009</b>	<b>949</b>	<b>6.3</b>

1) Includes operator services etc.

### Revenue

Business Nordic's revenue decreased by DKK 210m or 6.9% to DKK 2,836m in 1Q 2009. Outsourcing of mobile handset sales to large customers and divestment of CPE business activities, etc., i.e. LG<sup>8</sup>, Business Phone<sup>9</sup> and Digital Signatur contributed negatively. Revenue was also negatively affected by a significant unfavorable exchange rate development in TDC Sweden and TDC Norway. Exclusive of outsourcing, di-

vestments and exchange rate development, revenue declined by only 1.7%. The revenue decrease was further driven by lower revenue from traditional landline telephony which decreased by DKK 29m or 4.0% and related primarily to a 6.8% decrease in the customer base and lower MoU due to migration to mobile only, and VoIP. Negative growth also resulted from lower CPE sales, and a decrease of DKK 19m or 7.4% in revenue in NetDesign was driven by lower hardware and software sales. This was only partly offset by increasing revenue of DKK 9m or 1.5% from mobile voice, driven by a larger domestic customer base that was counterbalanced by lower mobile termination charges and lower international mobile roaming charges caused by national and EU price regulation, respectively. Revenue was also positively affected by TDC Hosting, which related to organic growth.

### Income before depreciation, amortization and special items (EBITDA)

In 1Q 2009, EBITDA increased by DKK 60m or 6.3% to DKK 1,009m. The revenue reduction was almost offset by a corresponding DKK 199m or 15.4% reduction in Transmission costs and cost of goods sold. This was due to lower activity and lower mobile termination costs per minute, and the exchange rate development. The positive EBITDA development is therefore a result of Business Nordic's successful implementation of cost reductions on Other external expenses and Wages, salaries and pension costs. Other external expenses fell by DKK 24m or 7.4% to DKK 301m in 1Q 2009, stemming principally from lower costs due to the divestment of minor business areas, fewer employee-related costs due to fewer full-time employees, and ongoing streamlining of the business especially in TDC Nordic. Wages, salaries and pension costs dropped by DKK 44m or 9.1% to DKK 439m, driven by implementation of employee reductions and sale of minor business areas.

<sup>8</sup> LG refers to import, sales, installation and service of telecommunications installations from LG-Nortel.

<sup>9</sup> Telecommunications solutions for small and medium-sized business customers.

## Consumer

Consumer is the leading provider of landline and mobility services to residential and SoHo customers in Denmark. The landline services include PSTN and VoIP telephony, ADSL broadband, TVoIP, CPE and various value added services, e.g. security services, whereas the mobile communications services consist of postpaid and prepaid voice services, mobile broadband, content and handsets. Consumer also comprises the convergence product portfolio Duét, TDC Shops, Customer Center including directory services, and Telmore, the market leader in Denmark in the online mobile self-service segment. Telmore offers mobile voice, mobile broadband and ADSL products. In 1Q 2009, TDC acquired Fullrate which offers self-service ADSL broadband, VoIP and mobile broadband products. Fullrate will be consolidated in from 2Q 2009.

Within landline, PSTN telephony remains the largest business area, but the customer base is decreasing as some customers are switching mainly to mobile only but also to VoIP. To counter this trend, Consumer has intensified its commercial activity, and in January 2009 introduced the broadband-based multi-play products, TDC HomeTrio and TDC HomeDuo. TDC HomeTrio consists of digital IP TV offering 28 TV channels<sup>10</sup>, VoIP and internet access at speeds of up to 10 Mbps. TDC HomeDuo consists of internet access at speeds of up to 10 Mbps, and VoIP. There has been significant interest in these offerings, which will, however, not materialize in revenue until the coming quarters.

DKKm	1Q 2009	1Q 2008	Change in %
<b>Revenue</b>	<b>2,431</b>	<b>2,532</b>	<b>(4.0)</b>
Landline telephony	759	861	(11.8)
Mobility services	1,061	1,029	3.1
Internet and network	375	384	(2.3)
Operator services	52	75	(30.7)
Other <sup>1</sup>	184	183	0.5
Transmission costs and cost of goods sold	(786)	(832)	5.5
Other external expenses	(325)	(375)	13.3
Wages, salaries and pension costs	(211)	(235)	10.2
Operating expenses	(1,322)	(1,442)	8.3
Other income and expenses	2	3	(33.3)
<b>EBITDA</b>	<b>1,111</b>	<b>1,093</b>	<b>1.6</b>

1) Includes terminal equipment etc.

### Revenue

Consumer's revenue decreased by DKK 101m or 4.0% to DKK 2,431m in 1Q 2009 compared with 1Q 2008. The decrease is due mainly to a DKK 102m or 11.8% fall in landline PSTN telephony, due to a reduction in the PSTN retail customer base. In addition, lower revenue related to reduced sales of data CPE in Shops, fewer calls to directory services at the Customer Center, and lower ARPU from Duét customers. Further revenue from mobility services was negatively impacted by lower mobile termination charges and lower international roaming charges, caused by national and EU price regulation, respectively. These revenue reductions were partly offset by growth in new business areas such as mobile broadband, VoIP and TVoIP. In addition, revenue in Telmore increased by DKK 25m or 7%, due to higher sales, stemming from 10% more customers.

### Income before depreciation, amortization and special items (EBITDA)

Despite the DKK 101m revenue decrease, Consumer achieved an EBITDA increase of DKK 18m or 1.6%. This was due partly to DKK 46m or 5.5% reduction in Transmission costs and cost of goods sold related to reduced activity. In addition, Consumer realized savings of DKK 50m on Other external expenses, due mainly to reduced costs on marketing, properties and consultants. Moreover, Consumer achieved savings of DKK 24m or 10.2% on Wages, salaries and pension costs due to the implementation of 286 FTE reductions from 1Q 2008 to 1Q 2009.

<sup>10</sup> With options for subscribing to additional channels resulting in more than 40 TV channels.

## Operations

Operations operates TDC's Danish fixed-line and mobile networks and provides network based services and products for TDC's business lines Consumer and Business Nordic, as well as TDC's wholesale customers. Operations also includes IT solutions and supply of supporting facilities, i.e. buildings, cars and billing services to other segments'. Operating expenses in Operations corresponding to other segments use of the infrastructure and supply functions are allocated to the relevant business lines.

In 1Q 2009, despite lower revenue and reduced operating expenses allocated to other business lines, mainly Business Nordic and Consumer, Operations was able to achieve EBITDA growth by extensive cost reductions.

DKKm	1Q 2009	1Q 2008	Change in %
<b>Revenue</b>	<b>666</b>	<b>798</b>	<b>(16.5)</b>
Transmission costs and cost of goods sold	(127)	(232)	45.3
Other external expenses	(610)	(704)	13.4
Wages, salaries and pension costs	(343)	(440)	22.0
	(1,080)	(1,376)	21.5
Operating expenses allocated to other business lines	752	862	(12.8)
Operating expenses	(328)	(514)	36.2
Other income and expenses	17	40	(57.5)
<b>EBITDA</b>	<b>355</b>	<b>324</b>	<b>9.6</b>

### Revenue

In 1Q 2009, Operations' revenue totaled DKK 666m, a decline of DKK 132m, or 16.5%. The decline in revenue was due to lower revenue from landline telephony of DKK 175m. The majority of the decline is related to a reduction in transit traffic, which was due primarily to the divestment of the International Voice Business. Excluding this, the total revenue in Operations decreased by only 2.4%. The remaining decrease was driven mainly by landline revenue due to the reduction in the subscriber base. This was partly counteracted increases of DKK 7m in Internet and Network and DKK 37m in Mobility services due mainly to the larger subscriber base, the latter partly offset by lower roaming prices due to EU regulation.

### Income before depreciation, amortization, and special items (EBITDA)

In 1Q 2009 Operations' EBITDA totaled DKK 355m, an increase of DKK 31m, or 9.6%. The revenue reduction was almost offset by a corresponding DKK 105m or 45.3% reduction in Transmission costs and cost of goods sold, primarily reflecting that the majority of the revenue reductions have been taking place within the International Voice Business, which was a low margin area. Also, Operations reduced Other external expenses to DKK 610m, a saving of DKK 94m, or 13.4%. The reduction related primarily to lower costs for facility management and IT equipment. Wages, salaries and pension costs in 1Q 2009 totaled DKK 343m, a reduction of DKK 97m, or 22.0%, as a consequence of streamlining the organization by reducing the number of FTEs to 4,412 in 1Q 2009, a reduction of 950 FTE, or 17.7% compared with 1Q 2008. IT accounted for 317 of the FTE reductions, due primarily to outsourcing.

## YouSee

YouSee is the largest TV distributor in Denmark and provides TV signals for approximately 45% of all Danish households. YouSee offers cable TV, broadband services and telephony.

From 1Q 2008 to 1Q 2009, YouSee accomplished growth in all product lines, while containing operating expenses.

DKKm	1Q 2009	1Q 2008	Change in %
<b>Revenue</b>	<b>849</b>	<b>779</b>	<b>9.0</b>
Transmission costs and cost of goods sold	(358)	(322)	(11.2)
Other external expenses	(97)	(111)	12.6
Wages, salaries and pension costs	(120)	(113)	(6.2)
Operating expenses	(575)	(546)	(5.3)
Other income and expenses	1	0	-
<b>EBITDA</b>	<b>275</b>	<b>233</b>	<b>18.0</b>

### Revenue

YouSee's revenue rose by DKK 70m or 9.0% to DKK 849m in 1Q 2009, as YouSee managed to increase its customer base in all business areas during this period. The revenue increase was driven largely by higher cable-TV revenue of DKK 57m or 10.5%, due to both a larger customer base and higher ARPU as a result of a wider range of TV channels. Revenue from Digital TV rose by DKK 15m or 51.7%, YouSee's broadband business contributed DKK 9m or 5.8% to revenue growth, and revenue from telephony also increased, all due mainly to the larger customer bases. The largest percentage increase concerned the telephony customer base, which rose by 28.2% to 51,000 customers in 1Q 2009, of whom 41,000 were VoIP customers.

### Income before depreciation, amortization and special items (EBITDA)

YouSee's EBITDA totaled DKK 275m in 1Q 2009, up DKK 42m or 18% on 1Q 2008. The increased activity resulted in higher transmission costs and higher Wages, salaries and pension costs, the latter due to an increasing number of FTEs, which partly offset the revenue increase. On the other hand, YouSee reduced Other external expenses in spite of the increased activity, which contributed to the large EBITDA percentage increase. Other external expenses amounted to DKK 97m in 1Q 2009, down by DKK 14m or 12.6%, due mainly to cost efficiency on consultancy services, marketing and other staff related costs.

## Sunrise

Sunrise is the second-largest full-range telecommunications provider in Switzerland, and offers mobile telephony, landline telephony and internet services. Sunrise has its own national backbone landline and ISP network, as well as its own mobile network based on GSM/EDGE and UMTS/HSDPA technology.

DKKm	1Q 2009	1Q 2008	Change in %
<b>Revenue</b>	<b>2,405</b>	<b>2,065</b>	<b>16.5</b>
Landline telephony	799	653	22.4
Mobility services	1,377	1,237	11.3
Internet services	229	175	30.9
Transmission costs and cost of goods sold	(908)	(762)	(19.2)
Other external expenses	(484)	(382)	(26.7)
Wages, salaries and pension costs	(229)	(284)	19.4
Operating expenses	(1,621)	(1,428)	(13.5)
<b>EBITDA</b>	<b>784</b>	<b>637</b>	<b>23.1</b>

### Revenue

In 1Q 2009, Sunrise's revenue totaled DKK 2,405, up by DKK 340m, or 16.5%. In local currency, revenue increased by CHF 36m, or 8.1%, as revenue in DKK was affected by a favorable exchange rate development of DKK 158m. The positive growth was primarily a consequence of the acquisition of Tele2 in Switzerland, which also contributed to growth in the customer base in all main business areas. This was partly counteracted by a negative revenue effect related to the divestment of SBC. Excluding these issues and despite the favorable exchange rate development, Sunrise's revenue increased by approximately 4% in spite of price pressure, and a challenging economic environment. This was primarily a result of the growth in landline revenue.

Including Tele2, Sunrise experienced growth in all three product lines. Mobile revenue increased by DKK 140m or 11.3%, corresponding to 3.4% growth in local currency, as a result of growth in both the post- and prepaid segments due to higher customer bases (18.5% and 12.4% respectively), partially counterbalanced by lower ARPU, and declining revenue from roaming. Landline revenue increased by DKK 146m or 22.4%, corresponding to 13.5% growth in local currency caused by retail revenue, related to a 54.4% increase in the subscriber base. This was partly counteracted by slightly decreasing ARPU. Wholesale also had a positive effect on growth in landline revenue, whereas the divestment

of SBC and loss of Data customers contributed negatively. Revenue on Internet services increased by DKK 54m or 30.9%, corresponding to 21.1% growth in local currency related to an increase in the ADSL customer base that was partly counteracted by lower ARPU.

### Income before depreciation, amortization and special items (EBITDA)

Sunrise's EBITDA in 1Q 2009 totaled DKK 784m, an increase of DKK 147m or 23.1%. In local currency, EBITDA increased by 13.8%, as EBITDA in DKK was affected by a favorable exchange rate development of DKK 52m. The positive EBITDA growth related primarily to the acquisition of Tele2 in Switzerland. Excluding the acquisition of Tele2, the exchange rate development, and the divestment of SBC, EBITDA still increased by approximately 9%, which was related primarily to gross profit growth in the residential mobile business. The outsourcing of network operations also contributed to the EBITDA growth, and contributed to a reduction in Wages, salaries and pension costs and an increase in Other external expenses.

## Other activities

Other activities covers Invitel and Headquarters.

In March, (the former) HTCC was redomiciled from the US to Denmark under the name Invitel Holdings A/S. In March, Invitel furthermore completed the refinancing of its debt financing packages. The restructuring of the Invitel group and its business activities are still in progress. Invitel contributed positively to revenue and EBITDA growth, due mainly to Invitel's acquisition of Memorex on March 3, 2008, which was, however, almost fully offset by an unfavorable exchange rate development.

Headquarters contributed positively to EBITDA growth primarily through reduced consultancy costs.



## Risk factors related to TDC's operations

TDC's Annual Report as of February 5, 2009 contains a description of certain risks that could materially adversely affect TDC's business, financial condition, results of operations or cash flows. At the end of Q1 2009, TDC does not expect any significant change in any of these risks.

## Safe Harbor Statement

Certain sections of this report contain forward-looking statements that are subject to risks and uncertainties.

Examples of such forward-looking statements include, but are not limited to:

- statements containing projections of revenue, income (or loss), earnings per share, capital expenditures, dividends, capital structure or other net financials
- statements of our plans, objectives or goals for future operations including those related to our products or services
- statements of future economic performance
- statements of the assumptions underlying or relating to such statements.

Words such as “believes”, “anticipates”, “expects”, “intends”, “aims” and “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by us or on our behalf.

These factors include, but are not limited to:

- changes in applicable Danish, Swiss and EU legislation, including but not limited to tax legislation
- increases in the interconnection rates we are charged by other carriers or decreases in the interconnection rates we are able to charge other carriers
- decisions by the Danish National IT and Telecom Agency whereby the regulatory obligations of TDC are extended
- increase in interest rates that would affect the cost of our interest-bearing debt which carries floating interest rates
- reduced flexibility in planning for, or reacting to, changes in our business, the competitive environment and the industry in which we operate as a result of contractual obligations in our financing arrangements
- developments in competition within domestic and international communications solutions
- introduction of and demand for new services and products

- developments in the demand, product mix and prices in the mobile market, including marketing and customer-acquisition costs
- developments in the market for multimedia services
- the possibilities of being awarded licenses
- developments in our international activities, which also involve certain political risks
- investments in and divestitures of domestic and foreign companies

We caution that the above list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to TDC, investors and others should carefully consider the foregoing factors and other uncertainties and events. Such forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

## Statements of Income

TDC Group (DKKm)	1Q 2009	1Q 2008	Change in %
<b>Revenue</b>	<b>9,513</b>	<b>9,502</b>	<b>0.1</b>
Transmission costs and cost of goods sold	(2,695)	(2,890)	6.7
Other external expenses	(1,762)	(1,676)	(5.1)
Wages, salaries and pension costs	(1,426)	(1,669)	14.6
Total operating expenses before depreciation, etc.	(5,883)	(6,235)	5.6
Other income and expenses	67	65	3.1
<b>Income before depreciation, amortization and special items (EBITDA)</b>	<b>3,697</b>	<b>3,332</b>	<b>11.0</b>
Depreciation, amortization and impairment losses	(1,811)	(1,756)	(3.1)
<b>Operating income (EBIT), excluding special items</b>	<b>1,886</b>	<b>1,576</b>	<b>19.7</b>
Special items <sup>1</sup>	(180)	(73)	(146.6)
<b>Operating income (EBIT)</b>	<b>1,706</b>	<b>1,503</b>	<b>13.5</b>
Income from joint ventures and associates	4	163	(97.5)
Fair value adjustments	(390)	(33)	-
Currency translation adjustments	72	(80)	190.0
Financial income	487	606	(19.6)
Financial expenses	(971)	(1,221)	20.5
Net financials	(802)	(728)	(10.2)
<b>Income before income taxes</b>	<b>908</b>	<b>938</b>	<b>(3.2)</b>
Income taxes related to income, excluding special items and fair value adjustments	(402)	(294)	(36.7)
Income taxes related to special items	40	18	122.2
Income taxes related to fair value adjustments	99	30	-
Total income taxes	(263)	(246)	(6.9)
<b>Net income from continuing operations</b>	<b>645</b>	<b>692</b>	<b>(6.8)</b>
Net income from discontinued operations	0	0	-
<b>Net income</b>	<b>645</b>	<b>692</b>	<b>(6.8)</b>
<b>Attributable to:</b>			
Shareholders of the Parent Company	645	698	(7.6)
Minority interests	0	(6)	-
<b>Net income from continuing operations, excluding special items</b>	<b>785</b>	<b>747</b>	<b>5.1</b>
<b>EPS (DKK)</b>			
Earnings Per Share	3.3	3.5	(5.7)
Earnings Per Share, diluted	3.3	3.5	(5.7)

1) Special items includes significant amounts that cannot be attributed to normal operations such as large gains and losses related to divestment of subsidiaries, special write-downs for impairment as well as expenses related to restructuring etc.

## Statements of Comprehensive Income

TDC Group (DKKm)	1Q 2009	1Q 2008
<b>Net income</b>	<b>645</b>	<b>692</b>
Currency translation adjustments, foreign enterprises	(566)	1,382
Currency hedging of net investments in foreign enterprises	0	(1,278)
Actuarial gains/(losses) related to defined benefit pension plans	328	292
Income tax relating to components of other comprehensive income	(82)	(76)
<b>Other comprehensive income</b>	<b>(320)</b>	<b>320</b>
<b>Total comprehensive income</b>	<b>325</b>	<b>1,012</b>
Attributable to:		
Shareholders of the Parent Company	325	1,037
Minority interests	0	(25)
	<b>325</b>	<b>1,012</b>

## Balance Sheets

TDC (DKKm)	March 31, 2009	December 31, 2008	March 31, 2008
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	27,453	27,724	31,113
Property, plant and equipment	24,513	24,940	24,597
Investments in joint ventures and associates	174	171	2,218
Minority passive investments	9	9	7
Deferred tax assets	49	42	166
Pension assets	7,389	7,030	5,708
Receivables	95	96	96
Derivative financial instruments	77	11	86
Prepaid expenses	221	211	187
<b>Total non-current assets</b>	<b>59,980</b>	<b>60,234</b>	<b>64,178</b>
<b>Current assets</b>			
Inventories	463	489	701
Receivables	7,306	8,283	7,653
Income tax receivables	1	1	25
Derivative financial instruments	172	372	271
Prepaid expenses	869	785	765
Cash	805	6,396	6,315
<b>Total current assets</b>	<b>9,616</b>	<b>16,326</b>	<b>15,730</b>
<b>Total assets</b>	<b>69,596</b>	<b>76,560</b>	<b>79,908</b>
<b>Equity and liabilities</b>			
Common shares	992	992	992
Reserves	(1,976)	(1,410)	(476)
Retained earnings	12,361	11,468	10,644
Proposed dividends	0	1,785	0
<b>Equity attributable to Company shareholders</b>	<b>11,377</b>	<b>12,835</b>	<b>11,160</b>
Minority interests	0	0	93
<b>Total equity</b>	<b>11,377</b>	<b>12,835</b>	<b>11,253</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	3,265	2,902	2,928
Provisions	1,524	1,355	1,371
Pension liabilities, etc.	359	361	343
Loans	36,656	36,980	42,492
Derivative financial instruments	50	23	42
Deferred income	1,643	1,369	1,078
<b>Total non-current liabilities</b>	<b>43,497</b>	<b>42,990</b>	<b>48,254</b>
<b>Current liabilities</b>			
Loans	600	4,714	6,158
Trade and other payables	8,183	8,671	7,644
Income tax payable	694	823	2,203
Derivative financial instruments	1,597	2,007	1,039
Deferred income	3,057	3,435	3,079
Provisions	591	1,085	278
<b>Total current liabilities</b>	<b>14,722</b>	<b>20,735</b>	<b>20,401</b>
<b>Total liabilities</b>	<b>58,219</b>	<b>63,725</b>	<b>68,655</b>
<b>Total equity and liabilities</b>	<b>69,596</b>	<b>76,560</b>	<b>79,908</b>

## Statements of Cash Flows

TDC Group (DKKm)	1Q 2009	1Q 2008	Change in %
Income before depreciation, amortization and special items (EBITDA)	3,697	3,332	11.0
Reversal of items without cash flow effect	(68)	(138)	50.7
Pension contributions	(62)	(44)	(40.9)
Payments related to provisions	(50)	(30)	(66.7)
Cash flow related to special items	(58)	(94)	38.3
Change in net working capital excl. special items	69	(260)	126.5
<b>Cash flow from operating activities before net financials and tax</b>	<b>3,528</b>	<b>2,766</b>	<b>27.5</b>
Interest paid, net	(456)	(722)	36.8
Realized currency translation adjustments	(148)	(58)	(155.2)
<b>Cash flow from operating activities before tax</b>	<b>2,924</b>	<b>1,986</b>	<b>47.2</b>
Corporate income tax paid	(113)	(13)	-
<b>Cash flow from operating activities in continuing operations</b>	<b>2,811</b>	<b>1,973</b>	<b>42.5</b>
Cash flow from operating activities in discontinued operations	0	0	-
<b>Total cash flow from operating activities</b>	<b>2,811</b>	<b>1,973</b>	<b>42.5</b>
Investment in enterprises	(315)	(303)	(4.0)
Investment in property, plant and equipment	(1,140)	(1,108)	(2.9)
Investment in intangible assets	(622)	(591)	(5.2)
Investment in other non-current assets	(1)	(1)	0.0
Investment in marketable securities	0	0	-
Divestment of enterprises	(1)	0	-
Sale of property, plant and equipment	21	28	(25.0)
Sale of intangible assets	14	47	(70.2)
Divestment of joint ventures and associates	(55)	0	-
Sale of other non-current assets	3	0	-
Sale of marketable securities	0	0	-
Change in loans to joint ventures and associates	0	0	-
Dividends received from joint ventures and associates	0	0	-
<b>Cash flow from investing activities in continuing operations</b>	<b>(2,096)</b>	<b>(1,928)</b>	<b>(8.7)</b>
Cash flow from investing activities in discontinued operations	0	0	-
<b>Total cash flow from investing activities</b>	<b>(2,096)</b>	<b>(1,928)</b>	<b>(8.7)</b>
Proceeds from long-term loans	3	261	(98.9)
Repayments of long-term loans	(4,507)	(1,528)	(195.0)
Change in short-term bank loans	(20)	(1)	-
Change in interest-bearing receivables	1	0	-
Change in minority interests	0	0	-
Dividends paid	(1,783)	(713)	(150.1)
<b>Cash flow from financing activities in continuing operations</b>	<b>(6,306)</b>	<b>(1,981)</b>	<b>-</b>
Cash flow from financing activities in discontinued operations	0	0	-
<b>Total cash flow from financing activities</b>	<b>(6,306)</b>	<b>(1,981)</b>	<b>-</b>
<b>Total cash flow</b>	<b>(5,591)</b>	<b>(1,936)</b>	<b>(188.8)</b>
<b>Cash and cash equivalents (end-of-period)</b>	<b>805</b>	<b>6,315</b>	<b>(87.3)</b>

## Statements of Changes in Equity

TDC Group (DKKm)	Equity attributable to Company shareholders					Minority interests	Total
	Common shares	Reserve for currency translation adjustments	Retained earnings	Proposed dividends	Total		
Shareholders' equity at January 1, 2008	992	(582)	9,185	714	10,309	118	10,427
Effect of change in accounting policies	0	(17)	544	0	527	0	527
Shareholders' equity at January 1 after change in accounting policies	992	(599)	9,729	714	10,836	118	10,954
Total comprehensive income	-	123	914	0	1,037	(25)	1,012
Distributed dividends	-	-	0	(714)	(714)	-	(714)
Dividends, treasury shares	-	-	1	0	1	-	1
<b>Shareholders' equity at March 31, 2008</b>	<b>992</b>	<b>(476)</b>	<b>10,644</b>	<b>0</b>	<b>11,160</b>	<b>93</b>	<b>11,253</b>

TDC Group (DKKm)	Equity attributable to Company shareholders					Minority interests	Total
	Common shares	Reserve for currency translation adjustments	Retained earnings	Proposed dividends	Total		
Shareholders' equity at January 1, 2009	992	(1,410)	11,468	1,785	12,835	0	12,835
Total comprehensive income	-	(566)	891	0	325	0	325
Distributed dividends	-	-	0	(1,785)	(1,785)	-	(1,785)
Dividends, treasury shares	-	-	2	0	2	-	2
<b>Shareholders' equity at March 31, 2009</b>	<b>992</b>	<b>(1,976)</b>	<b>12,361</b>	<b>0</b>	<b>11,377</b>	<b>0</b>	<b>11,377</b>

## Segment reporting

### Segment reporting for 1Q

DKKm	Business Nordic		Consumer		Operations		YouSee	
	1Q 2009	1Q 2008	1Q 2009	1Q 2008	1Q 2009	1Q 2008	1Q 2009	1Q 2008
External revenue	2,691	2,874	2,052	2,122	922	1,076	832	771
Revenue across segments	145	172	379	410	(256)	(278)	17	8
Revenue	2,836	3,046	2,431	2,532	666	798	849	779
Total operating expenses before depreciation etc.	(1,830)	(2,097)	(1,322)	(1,442)	(328)	(514)	(575)	(546)
Other income and expenses	3	0	2	3	17	40	1	0
<b>EBITDA</b>	<b>1,009</b>	<b>949</b>	<b>1,111</b>	<b>1,093</b>	<b>355</b>	<b>324</b>	<b>275</b>	<b>233</b>

DKKm	Sunrise		Other activities <sup>1</sup>		Total	
	1Q 2009	1Q 2008	1Q 2009	1Q 2008	1Q 2009	1Q 2008
External revenue	2,403	2,061	613	598	9,513	9,502
Revenue across segments	2	4	3	7	290	323
Revenue	2,405	2,065	616	605	9,803	9,825
Total operating expenses before depreciation etc.	(1,621)	(1,428)	(496)	(531)	(6,172)	(6,558)
Other income and expenses	0	0	44	22	67	65
<b>EBITDA</b>	<b>784</b>	<b>637</b>	<b>164</b>	<b>96</b>	<b>3,698</b>	<b>3,332</b>

1) Includes Invitel and Headquarters.

Reconciliation of revenue, DKKm		1Q 2009	1Q 2008
Reportable segments		9,803	9,825
Elimination of across segment items		(290)	(323)
<b>Consolidated amounts</b>		<b>9,513</b>	<b>9,502</b>
Reconciliation of Income before depreciation, amortization and special items (EBITDA), DKKm		1Q 2009	1Q 2008
EBITDA from reportable segments		3,698	3,332
Elimination of EBITDA		(1)	0
Unallocated:			
Depreciation, amortization and impairment losses		(1,811)	(1,756)
Special items		(180)	(73)
Income from joint ventures and associates		4	163
Net financials		(802)	(728)
<b>Consolidated Income before income taxes</b>		<b>908</b>	<b>938</b>



## Revenue & EBITDA by business line 1Q 2008–1Q 2009

<b>TDC Group (DKKm)</b>	<b>1Q09</b>	<b>2008</b>	<b>4Q08</b>	<b>3Q08</b>	<b>2Q08</b>	<b>1Q08</b>
<b>Revenue</b>						
Business Nordic	2,836	12,042	2,985	2,928	3,083	3,046
Consumer	2,431	10,060	2,470	2,512	2,546	2,532
Operations	666	2,748	625	659	666	798
YouSee	849	3,188	793	813	803	779
Sunrise	2,405	8,705	2,328	2,143	2,169	2,065
Other activities	326	1,661	397	495	487	282
<b>Revenue, total</b>	<b>9,513</b>	<b>38,404</b>	<b>9,598</b>	<b>9,550</b>	<b>9,754</b>	<b>9,502</b>
<b>EBITDA</b>						
Business Nordic	1,009	4,097	1,037	1,072	1,039	949
Consumer	1,111	4,388	1,046	1,151	1,098	1,093
Operations	355	1,538	450	402	362	324
YouSee	275	1,014	275	251	255	233
Sunrise	784	3,043	882	745	779	637
Other activities	163	660	148	240	176	96
<b>EBITDA, total</b>	<b>3,697</b>	<b>14,740</b>	<b>3,838</b>	<b>3,861</b>	<b>3,709</b>	<b>3,332</b>

## Customers

Customers ('000) (Y/Y) <sup>1</sup>	1Q 2009	1Q 2008	Change in %
<b>Domestic, retail and wholesale:</b>			
Landline customers	2,052	2,314	(11.3)
- Retail	1,774	1,963	(9.6)
- Wholesale	278	351	(20.8)
Mobile voice customers	3,096	2,843	8.9
- Retail	2,807	2,624	7.0
- of which Telmore	676	628	7.6
- Wholesale	289	219	32.0
Mobile Data <sup>2</sup>	136	77	76.6
- Retail	131	77	70.1
- of which Telmore	6	0	-
- Wholesale	5	0	-
Landline internet customers	1,382	1,432	(3.5)
- Broadband, retail	1,164	1,178	(1.2)
- Broadband, wholesale	131	137	(4.4)
- Non-broadband	87	117	(25.6)
Other Networks and Data connections	383	320	19.7
Retail	68	61	11.5
Wholesale	315	259	21.6
TV customers	1,167	1,108	5.3
<b>Domestic customers, total</b>	<b>8,216</b>	<b>8,094</b>	<b>1.5</b>
<b>International:</b>			
Landline customers	1,592	1,610	(1.1)
Mobile customers	1,811	1,566	15.6
Landline internet customers	564	498	13.3
<b>International customers, total</b>	<b>3,967</b>	<b>3,674</b>	<b>8.0</b>
<b>Group customers, total</b>	<b>12,183</b>	<b>11,768</b>	<b>3.5</b>

1) The number denotes end-of-year customers and includes customers with subscriptions and customers without subscriptions according to the following general principles:

- Landline customers who have generated traffic in the previous month.
- Mobile customers active within the last 3 months.
- Internet customers active within the last 3 months.

TDC's customer statement includes the number of main products sold from TDC's residential, business and wholesale divisions. Thus, an individual buying the HomeTrio offer will enter into the customer statement as three customers. Moreover, an enterprise that demands 100 mobile voice subscriptions from TDC will be included as 100 customers in the customer statement. As regards wholesale customers, an broadband provider demanding 20,000 Bit Stream Access (BSA) connections from TDC will be included as 20,000 customers in the customer statement. In return, additional supplementary products such as digital tv services, as addition to the cable tv subscription, is not included in the customer statement.

2) This category includes mobile data card and mobile broadband customers

## Employees

### Full-time equivalents<sup>1</sup>

EoY	1 Q 2009	4 Q 2008	1 Q 2008	1Q09 vs. 1Q08	1Q09 vs. 4Q08
Business Nordic	3,266	3,239	3,680	(11.3)	0.8
- of which in Denmark	1,797	1,775	2,220	(19.1)	1.2
Consumer	2,234	2,212	2,581	(13.4)	1.0
- of which in Denmark	2,234	2,212	2,581	(13.4)	1.0
Operations	4,412	4,406	5,362	(17.7)	0.1
- of which in Denmark	4,412	4,406	5,357	(17.6)	0.1
YouSee	1,157	1,174	1,136	1.8	(1.4)
Sunrise	1,524	1,474	1,989	(23.4)	3.4
Invitel	1,495	1,499	1,422	5.1	(0.3)
Others	557	741	811	(31.3)	(24.8)
- of which in Denmark <sup>2</sup>	546	726	793	(31.1)	(24.8)
<b>TDC</b>	<b>14,645</b>	<b>14,745</b>	<b>16,981</b>	<b>(13.8)</b>	<b>(0.7)</b>
<b>TDC, domestic</b>	<b>10,146</b>	<b>10,293</b>	<b>12,087</b>	<b>(16.1)</b>	<b>(1.4)</b>

1) The number denotes end-of-year full-time equivalents including permanent employees, trainees and temporary employees (FTE). Furthermore, the number of full-time employee equivalents is exclusive of FTEs in discontinued operations.

2) A number of trainees have been transferred from Others to the domestic business lines from 4Q 2008 to 1Q 2009

## Selected financial and operational data, 2005-2009

TDC Group		1Q 2009	1Q 2008	2008	2007	2006	2005
<b>Statements of Income:</b>							
	DKKm						
Revenue		9,513	9,502	38,404	38,875	39,574	38,518
<b>Income before depreciation, amortization and special items (EBITDA)</b>		<b>3,697</b>	<b>3,332</b>	<b>14,740</b>	<b>13,928</b>	<b>14,477</b>	<b>13,853</b>
Depreciation, amortization and impairment losses		(1,811)	(1,756)	(7,205)	(7,485)	(7,841)	(7,800)
<b>Operating income (EBIT), excluding special items</b>		<b>1,886</b>	<b>1,576</b>	<b>7,535</b>	<b>6,443</b>	<b>6,636</b>	<b>6,053</b>
Special items		(180)	(73)	(5,815)	1,621	(312)	(973)
<b>Operating income (EBIT)</b>		<b>1,706</b>	<b>1,503</b>	<b>1,720</b>	<b>8,064</b>	<b>6,324</b>	<b>5,080</b>
Income from joint ventures and associates		4	163	4,202	1,408	483	310
Net financials		(802)	(728)	(2,412)	(3,396)	(2,723)	(1,068)
<b>Income before income taxes</b>		<b>908</b>	<b>938</b>	<b>3,510</b>	<b>6,076</b>	<b>4,084</b>	<b>4,322</b>
Income taxes		(263)	(246)	(1,060)	(1,448)	(892)	(901)
<b>Net income from continuing operations</b>		<b>645</b>	<b>692</b>	<b>2,450</b>	<b>4,628</b>	<b>3,192</b>	<b>3,421</b>
Net income from discontinued operations		0	0	59	3,398	389	4,227
<b>Net income</b>		<b>645</b>	<b>692</b>	<b>2,509</b>	<b>8,026</b>	<b>3,581</b>	<b>7,648</b>
<b>Attributable to:</b>							
- Shareholders of the Parent Company		645	698	2,653	8,268	3,584	7,672
- Minority interests		0	(6)	(144)	(242)	(3)	(24)
<b>Net income, excluding special items<sup>1</sup>:</b>							
<b>Operating income (EBIT)</b>		<b>1,886</b>	<b>1,576</b>	<b>7,535</b>	<b>6,443</b>	<b>6,636</b>	<b>6,053</b>
Income from joint ventures and associates		4	163	611	590	473	310
Net financials		(802)	(728)	(2,412)	(3,396)	(2,723)	(1,068)
<b>Income before income taxes</b>		<b>1,088</b>	<b>1,011</b>	<b>5,734</b>	<b>3,637</b>	<b>4,386</b>	<b>5,295</b>
Income taxes		(303)	(264)	(1,305)	(882)	(1,159)	(1,054)
<b>Net income from continuing operations</b>		<b>785</b>	<b>747</b>	<b>4,429</b>	<b>2,755</b>	<b>3,227</b>	<b>4,241</b>
Net income from discontinued operations		0	0	0	250	394	516
<b>Net income</b>		<b>785</b>	<b>747</b>	<b>4,429</b>	<b>3,005</b>	<b>3,621</b>	<b>4,757</b>
<b>Balance Sheets</b>							
	DKKbn						
Total assets		69.6	79.9	76.6	80.1	81.0	93.1
Net interest-bearing debt		(36.3)	(42.3)	(35.1)	(41.4)	(55.2)	(16.5)
Total equity		11.4	11.3	12.8	11.0	3.7	43.6
Average number of shares outstanding (million)		198.1	198.1	198.1	198.1	198.0	195.2
<b>Statements of Cash Flow</b>							
	DKKm						
Operating activities		2,811	1,973	8,716	11,323	11,624	10,052
Investing activities		(2,096)	(1,928)	(938)	6,501	(2,472)	(2,587)
Financing activities		(6,306)	(1,981)	(9,633)	(13,028)	(15,760)	(4,229)
Total cash flow		(5,591)	(1,936)	(1,855)	4,796	(6,608)	3,236
<b>Capital expenditures excluding share acquisitions</b>							
	DKKbn						
Capital expenditures including SAC		(1.8)	(1.5)	(6.7)	(6.6)	(6.7)	(6.9)
Capital expenditures excluding SAC		(1.4)	(1.1)	(5.1)	(5.2)	(5.3)	(5.6)
<b>Key financial ratios</b>							
Earnings Per Share (EPS)	DKK	3.3	3.5	13.4	41.7	18.1	39.3
EPS from continuing operations, excl. special items	DKK	4.0	3.8	23.1	15.1	16.3	21.8
Dividend payments per share	DKK	9.0	3.6	3.6	3.5	223.9	12.5
EBITDA margin (EBITDA divided by revenue)	%	38.9	35.1	38.4	35.8	36.6	36.0
Capex, including SAC-to-revenue ratio	%	18.6	15.5	17.4	16.9	17.0	18.0
Capex, excluding SAC-to-revenue ratio	%	14.7	11.8	13.4	13.4	13.3	14.4
Cash Earnings Per Share (CEPS) from continuing operations, excl. special items <sup>2</sup>	DKK	13.0	11.6	55.3	49.0	53.1	60.1
Return on capital employed (ROCE) <sup>3</sup>	%	4.6	3.9	19.0	14.9	13.3	12.2
<b>Customer base (end-of-period)</b>							
	('000)						
Landline		3,644	3,924	3,842	3,670	3,312	3,471
Mobile		5,043	4,486	4,926	4,475	6,194	5,588
Internet		1,946	1,930	1,971	1,920	1,767	1,769
Other Networks and Data connections		383	320	380	238	189	135
TV customers		1,167	1,108	1,140	1,105	1,062	1,030
<b>Total customers</b>		<b>12,183</b>	<b>11,768</b>	<b>12,259</b>	<b>11,408</b>	<b>12,524</b>	<b>11,993</b>
<b>Full-time employee equivalents</b>		<b>14,645</b>	<b>16,981</b>	<b>14,745</b>	<b>17,390</b>	<b>18,164</b>	<b>19,373</b>

1) Net income excluding special items excludes special items from income from joint ventures and associates as well as special items from income from discontinued activities.

2) CEPS is defined as (Net income excluding special items attributable to shareholders of the Parent Company - Net income from discontinued operations + Depreciation, amortization and impairment losses + share-based compensation - Income from joint ventures and associates - minority interests' share of depreciation, amortization and impairment losses together with share-based compensation) / (number of average shares outstanding).

3) ROCE is defined as (EBIT excluding special items + interest and other financial income + Income from joint ventures and associates) / (average equity attributable to Company shareholders + interest-bearing debt).

## Management Statement

The Board of Directors and the Executive Committee have reviewed and approved the Financial Statements of the TDC Group for 1Q 2009.

The Financial Statements, which have not been audited or reviewed by the Group's auditors, have been prepared in accordance with IAS 34 and additional Danish disclosure requirements for listed companies.

In our opinion, the Financial Statements present fairly, in all material respects, the Group's assets, liabilities and financial position at March 31, 2009 as well as the results of its operations and cash flows for 1Q 2009. Furthermore, in our opinion, the Financial Statements provide 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.

### Executive Committee

Henrik Poulsen  
*President and Chief Executive Officer*

Eva Berneke  
*Senior Executive Vice President and Chief Strategy Officer*

Niels Breining  
*Senior Executive Vice President and Chief Executive Officer, YouSee A/S*

Carsten Dilling  
*Senior Executive Vice President and Chief Executive Officer, Operations*

Jesper Theill Eriksen  
*Senior Executive Vice President and Chief Executive Officer, Consumer*

Jens Munch-Hansen  
*Senior Executive Vice President and Chief Executive Officer, Business Nordic*

Jesper Ovesen  
*Senior Executive Vice President and Chief Financial Officer*

### Board of Directors

Vagn Sørensen  
*Chairman*

Pierre Danon  
*Vice Chairman*

Kurt Björklund

Lawrence Guffey

Oliver Haarmann

Gustavo Schwed

Andrew Sillitoe

Leif Hartmann

Steen M. Jacobsen

Jan Bardino

Bo Magnussen

### About TDC

TDC is the leading provider of communications solutions in Denmark and has a strong Nordic focus. In the Nordic region, TDC has four business lines: Business Nordic, Consumer, Operations and YouSee. TDC's activities outside the Nordic region include Sunrise, a leading telecommunications provider in Switzerland, and Invitel, a leading telecommunications provider in Hungary. TDC was partly privatized in 1994 and fully privatized in 1998. Nordic Telephone Company ApS owns 87.9% of TDC, with the remainder of the shares held by individual and institutional shareowners.

TDC A/S

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### Listing

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Reuters TDC.CO.

Bloomberg TDC DC.

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