



Financial Statements 2008

Highlights

- Revenue decreased by DKK 0.5bn or 1.3% to DKK 38.8bn in 2008, negatively affected mainly by a reduction in the domestic landline voice business as a result of migration toward mobile telephony and VoIP. The divestment of International Voice Business, lower CPE sales, divestment and outsourcing of terminal sales and CPE sale to business customers and lower international mobile roaming prices also had a negative effect on revenue. This was partly offset by more TV customers, higher revenue from the on average larger broadband customer base and higher ARPU, as well as more domestic mobile retail customers and more mobile customers in Sunrise. HTCC's acquisitions of Invitel and Memorex also affected revenue positively, but were partly offset by the divestment of Bité and SBC. Adjusted for acquired and divested enterprises, TDC's revenue decreased by 2.4%.
- Income before depreciation, amortization and special items (EBITDA) rose by DKK 0.7bn or 5.4% to DKK 13.2bn, caused by lower wages due to fewer full-time employee equivalents. In addition, gains from the divestments of small business areas, and growth in the broadband and cable-TV business impacted positively. This was partly offset by a decrease in Sunrise's EBITDA, related to reduced mobile termination charges, lower prices for postpaid customers and higher customer acquisition and retention costs. Adjusted for acquired and divested enterprises, EBITDA increased by 3.5%.
- Operating income (EBIT), excluding special items, increased by 17.3% to DKK 7.4bn.
- Net income decreased by DKK 5.4bn to DKK 2.8bn in 2008. The decrease reflected mainly the development in Special items.
- Net income from continuing operations, excluding special items and fair value adjustments, increased by DKK 2.0bn to DKK 4.7bn in 2008. The increase reflected higher EBITDA and lower Net financial expenses.
- Total cash flow declined to DKK (1,855)m compared with DKK 4,796m in 2007, primarily due to the sale of properties and divestment of Talkline and Bité in 2007.
- Net interest-bearing debt was down by DKK 6.3bn to DKK 35.1bn driven principally by the divestment of Polkomtel.
- Proposed dividend payment of DKK 9.00 per share compared with DKK 3.60 for 2007.

Outlook for 2009

- Revenue is expected to be level with 2008.
- Net income from continuing operations, excluding special items, is expected to be level with 2008.

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Key financial data

| | DKKm | 2008 | 2007 | Change in % |
|--|------|----------------|---------------|----------------|
| Statements of Income | | | | |
| Revenue | | 38,819 | 39,321 | (1.3) |
| Transmission costs and cost of goods sold | | (11,623) | (12,326) | 5.7 |
| Other external expenses | | (7,977) | (7,640) | (4.4) |
| Wages, salaries and pension costs | | (6,505) | (7,141) | 8.9 |
| Total operating expenses before depreciation, etc. | | (26,105) | (27,107) | 3.7 |
| Other income and expenses | | 461 | 284 | 62.3 |
| Income before depreciation, amortization and special items (EBITDA) | | 13,175 | 12,498 | 5.4 |
| Depreciation, amortization and impairment losses | | (5,819) | (6,227) | 6.6 |
| Operating income (EBIT) excluding special items | | 7,356 | 6,271 | 17.3 |
| Special items | | (5,815) | 1,809 | - |
| Income from joint ventures and associates | | 4,564 | 1,401 | - |
| Net financials | | (2,412) | (3,396) | 29.0 |
| Income before income taxes | | 3,693 | 6,085 | (39.3) |
| Income taxes | | (1,001) | (1,431) | 30.0 |
| Net income from continuing operations | | 2,692 | 4,654 | (42.2) |
| Net income from discontinued operations ¹ | | 59 | 3,513 | (98.3) |
| Net income | | 2,751 | 8,167 | (66.3) |
| Net income from continuing operations excl. special items | | 4,270 | 2,552 | 67.3 |
| Net income from continuing operations, excl. special items and fair value adjustments² | | 4,721 | 2,733 | 72.7 |
| Net interest-bearing debt | | 35,139 | 41,400 | (15.1) |
| Statements of Cash Flow | | | | |
| Operating activities | | 7,178 | 9,938 | (27.8) |
| Investing activities | | 600 | 7,886 | (92.4) |
| Financing activities | | (9,633) | (13,028) | 26.1 |
| Total cash flow | | (1,855) | 4,796 | (138.7) |
| Key financial ratios | | | | |
| Earnings Per Share (EPS) | DKK | 14.7 | 42.4 | - |
| EPS, excl. special items, fair value adjustments and discontinued operations | DKK | 24.6 | 15.0 | - |
| Dividend payments per share | DKK | 3.6 | 3.5 | - |
| EBITDA margin (EBITDA divided by revenue) | % | 33.9 | 31.8 | - |
| Capex, excl. share acquisitions-to-revenue ratio | % | 13.2 | 13.2 | - |
| Cash Earnings Per Share (CEPS), excl. special items, fair value adjustments and discontinued operations ³ | DKK | 50.0 | 42.8 | - |
| Return on capital employed (ROCE) ⁴ | % | 18.9 | 14.9 | - |

1) Related primarily to Talkline.

2) Special items and fair value adjustments are present in several lines in the Statements of Income as shown in the detailed Statements of Income on page 22.

3) CEPS is defined as (net income excluding special items and fair value adjustments 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 plus interest and other financial income excluding fair value adjustments plus income from joint ventures and associates divided by average equity attributable to Company shareholders plus interest-bearing debt.

TDC Group

Summary

In 2008, TDC's revenue amounted to DKK 38,819m, down by DKK 502m or 1.3% compared with 2007.

TDC's EBITDA amounted to DKK 13,175m in 2008, up by DKK 677m or 5.4% on 2007.

Net income from continuing operations, excluding special items and fair value adjustments, amounted to DKK 4,721m in 2008, up DKK 1,988m or 72.7% compared with DKK 2,733m in 2007. The increase reflected mainly higher EBITDA and lower net financial expenses.

Net interest-bearing debt totaled DKK 35,139m at year-end 2008, down DKK 6,261m compared with 2007. The decrease in net interest-bearing debt resulted primarily from the divestment of Polkomtel.

TDC's revenue in 2008 was lower than the Outlook in Annual Report 2007, which stated a slight increase in revenue compared with 2007. This was due mainly to declining revenue in the domestic landline business and Sunrise more than offsetting the full-year impact from the acquisition of Invitel as well as the impact from the acquisition of Memorex and growth in YouSee. The growth in Net income from continuing operations, excluding special items and fair value adjustments, was higher than the expected 10%-20% due primarily to more efficient operations, increasing currency adjustments and decreasing interest expenses.

In accordance with the latest Outlook in the third-quarter report 2008, TDC's revenue decreased slightly compared with 2007. Revenue was impacted by declining revenue in the domestic landline business and Sunrise. The growth compared with 2007 in Net income from continuing operations, excluding special items and fair value adjustments, came to 73%, which was higher than the 30%-40% expected in the latest Outlook. This stemmed mainly from higher currency adjustments.

Revenue

In 2008, TDC's revenue amounted to DKK 38,819m, down by DKK 502m or 1.3% compared with 2007. Revenue was negatively affected mainly by significantly declining domestic revenue from traditional landline telephony as a consequence of the migration toward mobile telephony and VoIP, divestment of International Voice Business, lower CPE sales and divestment and outsourcing of terminal sales and CPE sales to business customers, as well as lower service provider revenue and lower international mobile roaming

prices. This was partly offset by more TV customers, higher revenue from the, on average, larger broadband customer bases and higher ARPU, as well as more domestic retail mobile customers and more mobile customers in Sunrise. Further, a positive impact was achieved from HTCC's acquisitions of Invitel and Memorex that were partly offset by the divestment of Bité and SBC. Adjusted for acquired and divested enterprises¹, TDC's revenue decreased by 2.4%.

Transmission costs and cost of goods sold

Transmission costs and cost of goods sold amounted to DKK 11,623m in 2008, down by DKK 703m or 5.7% compared with 2007. Transmission costs and cost of goods sold were positively impacted primarily by lower domestic landline traffic, the divestment of International Voice Business, reduction in mobile termination fees in Denmark and Switzerland and reduced sales of mobile and data products. This was partly offset by higher costs in YouSee due mainly to higher program costs resulting from the larger customer base and wider range of programs in the packages. Rising domestic mobile traffic also caused increasing transmission costs. Adjusted for acquired and divested enterprises, transmission costs and cost of goods sold decreased by 5.5%.

Other external expenses

Other external expenses amounted to DKK 7,977m in 2008, up by DKK 337m or 4.4% on 2007. This was due to increases in HTCC and Sunrise, reflecting acquisitions in HTCC and higher customer acquisition and retention costs and outsourcing of the operation of Sunrise networks. Adjusted for acquired and divested enterprises, other external expenses increased by 2.0%. In TDC's Nordic Business, other external expenses decreased by DKK 272m from 2007 to 2008, as a result of lower consultancy costs and the divestment of certain non-core business activities in Business Nordic, and less contractor costs due to fewer incidents of cable damage. This was only partly offset by higher lease payments due to the sale and leaseback of Danish properties in August 2007 as well outsourcing of the mobile network in Denmark, and more installation work in YouSee.

¹ Developments from 2007 to 2008 were impacted by the following changes in ownership shares: Divestment of Bité (February 2007), HTCC's acquisition of Invitel (April 2007), and Memorex (March 2008), and Sunrise's divestment of SBC (July 2008) and acquisition of Tele2's Swiss subsidiary (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.

Wages, salaries and pension costs

Wages, salaries and pension costs amounted to DKK 6,505m in 2008, down by DKK 636m or 8.9% on 2007. The decrease reflected primarily lower wages and salaries due to fewer average full-time employee equivalents in 2008 compared with 2007. The number of full-time employee equivalents totaled 14,745 at year-end 2008, which was 2,645 or 15.2% lower than at year-end 2007. The domestic workforce fell from 12,414 full-time employee equivalents at year-end 2007 to 10,293 at year-end 2008, down by 17.1%. In 2008, the domestic redundancy programs² resulted in a reduction of 809 full-time employee equivalents. The divestment of business activities and outsourcing of IT services also contributed to the reduction in the number of full-time employee equivalents. Adjusted for acquired and divested enterprises, wages, salaries and pension costs decreased by 9.3%.

Income before depreciation, amortization and special items (EBITDA)

TDC's EBITDA amounted to DKK 13,175m in 2008, up by DKK 677m or 5.4% on 2007. This was caused by growth of DKK 335m or 8.8% in Fixnet Nordic's EBITDA, as a result of reductions in other external expenses and lower wages due to fewer full-time employee equivalents. Moreover, EBITDA in Business Nordic increased by DKK 136m or 3.5%, primarily as a result of reduced other external expenses. In addition, gains from the divestments of small business activities³ impacted positively. YouSee also contributed positively with growth of DKK 148m or 18.2% related to higher activity. Also, positive growth related to reduced maintenance costs in TDC IT. This was partly offset by a decrease of DKK 221m or 9.3% in Sunrise's EBITDA related to reduced mobile termination charges as well as lower prices for postpaid customers and higher customer acquisition and retention costs. Adjusted for acquired and divested enterprises, EBITDA increased by 3.5%.

² Redundancy programs implemented in 2008 related primarily to two domestic redundancy programs announced in April and September 2008. Only retired employees are included and not employees transferred to other positions and terminated positions.

³ Minor gains and losses from the divestment of business activities are included in Other income and expenses, whereas large gains and losses are included in Special items.

Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses decreased by DKK 408m or 6.6% to DKK 5,819m in 2008. The reduction reflected mainly lower depreciation due to reduced domestic network investments and reduced investments in Sunrise. This was partly counteracted by increased depreciation related to HTCC's acquisitions.

Special items

Special items include significant amounts that cannot be attributed to normal operations such as special write-downs for impairment of intangible assets and property, plant and equipment as well as provisions for restructuring etc. and any reversals of such. Special items also include large gains and losses related to divestments of subsidiaries.

Items of a similar nature for non-consolidated enterprises and discontinued operations are recognized under Income from joint ventures and associates and Net income from discontinued operations, respectively.

In 2008, Special items before and after tax amounted to expenses of DKK 5,815m and DKK 5,570m, respectively. Special items before tax comprised primarily impairment losses of DKK 4,624m related mainly to goodwill from Sunrise, TDC Sweden and TDC Finland. Special items were further impacted negatively by restructuring costs of DKK 1,228m, related largely to IT activities including write-down of software as well as domestic redundancy programs including costs related to surplus office capacity.

In 2007, Special items before and after tax amounted to DKK 1,809m and DKK 1,243m, respectively. Special items before tax comprised primarily a gain from divestments of enterprises and properties amounting to DKK 4,611m consisting of divestment of properties amounting to DKK 3,426m and a DKK 1,185m gain from divestment of Bité. This was partly counterbalanced by an impairment loss of DKK 2,507m related to goodwill from Sunrise. Special items were further negatively impacted by restructuring costs of DKK 461m, related largely to redundancy programs in the Nordic Business and costs regarding discontinued use of sea cables. This was partly counterbalanced by income from rulings relating to VAT repayments of DKK 166m related to previous years.

Income from joint ventures and associates

Income after income taxes from joint ventures and associates totaled DKK 4,564m in 2008 compared with DKK 1,401m

in 2007, up DKK 3,163m. The increase related mainly to special items due to the divestment of TDC's shares in Polkomtel in 2008.

Income after income taxes from joint ventures and associates excluding special items amounted to DKK 572m in 2008 compared with DKK 542m in 2007, up DKK 30m, due chiefly to increased postpaid customer intake in Polkomtel.

Net financials

Net financials, including fair value adjustments, totaled an expense of DKK 2,412m in 2008, down by DKK 984m compared with 2007. Net financials, excluding fair value adjustments, amounted to an expense of DKK 1,796m in 2008, down by DKK 1,478m compared with 2007.

This development reflects lower interest expenses due primarily to long-term debt redemptions and lower interest rates on long-term debt as well as currency adjustments of debt denominated in NOK and SEK. This was partly offset by higher interest expenses related to HTCC's acquisitions.

Fair value adjustments totaled an expense of DKK 616m compared with an expense of DKK 122m in 2007, reflecting value adjustment of derivative financial instruments in both years.

Income taxes

Income taxes amounted to DKK 1,001m in 2008, a decrease of DKK 430m compared with 2007.

Income taxes related to net income, excluding special items and fair value adjustments, totaled DKK 1,411m in 2008, an increase of DKK 605m compared with 2007.

The effective tax rate, excluding special items and fair value adjustments, was 23.0% in 2008 compared with 22.8% in 2007. On an ongoing basis, the changed Danish tax legislation in 2007 will have a negative impact on the effective tax rate due to the limited tax deductibility on interest expenses. However, in 2008, this limitation had only a minor negative impact as it was almost eliminated due to tax gains on long-term debt following the favorable development of the fair value of this debt. In 2007, the limitation was more than counterbalanced by a non-recurrent positive impact on deferred taxes resulted from the reduction of the corporate tax rate to 25%.

Income taxes relating to special items amounted to a tax income of DKK 245m in 2008 compared with a tax expense

of DKK 566m in 2007. Income taxes relating to fair value adjustments amounted to a tax income of DKK 165m in 2008 compared with a tax expense of DKK 59m in 2007.

Net income from discontinued operations

In 2008, net income from discontinued operations amounted to DKK 59m due to adjustments related to the divestment of Talkline in 2007 and TDC Directories in 2006.

In 2007, net income from discontinued operations amounted to DKK 3,513m due largely to a gain of DKK 3,251m from the divestment of Talkline.

Net income

Net income, including special items and fair value adjustments, decreased to DKK 2,751m from DKK 8,167m in 2007. The decrease reflected mainly the development in special items. Special items had a negative impact in 2008 due primarily to impairment losses related to goodwill from Sunrise, TDC Sweden and TDC Finland as well as restructuring costs. This was only partly counteracted by a gain from the divestment of shares in Polkomtel in 2008. Special items had a positive impact in 2007 due largely to gains from the divestment of Talkline, Bité and One as well as sale and leaseback of properties. This was partly counteracted by an impairment loss related to goodwill from Sunrise.

Net income from continuing operations, excluding special items and fair value adjustments, amounted to DKK 4,721m in 2008, up DKK 1,988m or 72.7% compared with DKK 2,733m in 2007. The increase reflected mainly higher EBITDA and lower net financial expenses.

Balance Sheets

Total assets amounted to DKK 74,893m at year-end 2008, down DKK 4,643m compared with DKK 79,536m at year-end 2007. The decrease in 2008 was due chiefly to lower goodwill owing to write-down of goodwill from Sunrise, TDC Sweden and TDC Finland, lower investments in joint ventures and associates due to the divestment of shares in Polkomtel as well as lower cash and cash equivalents.

Equity aggregated DKK 11,651m at year-end 2008, up DKK 1,224m compared with year-end 2007 DKK 10,427m. The increase in equity during 2008 was due largely to net income of DKK 2,751m in 2008. This was counterbalanced by dividend payments of DKK 713m and currency translation adjustments of foreign enterprises, net of hedging and tax of DKK 814m.

Total liabilities declined by DKK 5,867m to DKK 63,242m compared with DKK 69,109m at year-end 2007. The decrease in liabilities during 2008 was due primarily to lower loans, partly counteracted by increased debt related to derivative financial instruments.

Net interest-bearing debt

Net interest-bearing debt totaled DKK 35,139m at year-end 2008, down DKK 6,261m compared with 2007. The decrease in net interest-bearing debt resulted primarily from the divestment of Polkomtel.

Net interest-bearing debt¹

| DKKm | 2008 | 2007 |
|------------------------------------|---------------|---------------|
| Senior Loans | 28,415 | 34,922 |
| Euro Medium Term Notes (EMTN) | 7,259 | 9,537 |
| Other loans | 6,020 | 5,258 |
| Loans | 41,694 | 49,717 |
| Interest-bearing payables | 0 | 3 |
| Gross interest-bearing debt | 41,694 | 49,720 |
| Interest-bearing receivables | (159) | (69) |
| Cash and cash equivalents | (6,396) | (8,251) |
| Net interest-bearing debt | 35,139 | 41,400 |

¹Net 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.

The Senior Facilities Agreement (SFA) is the main debt-financing instrument in TDC, representing 68.2% of total loans (in terms of net carrying value). Apart from a revolving credit facility, the SFA comprises three term loans, one being repayable in installments until 2011 (Facility A) and the other two being repayable as bullets in 2014 and 2015, respectively (Facilities B and C).

During 2008, the drawings (nominal value) under the SFA loans were reduced by DKK 6,682m (EUR 896m).

The buy-backs of Senior Facilities made during the third and fourth quarters of 2007, which totaled DKK 2,207m (EUR 296m) was settled during 2008. Further, TDC bought back and settled Senior Facilities of DKK 2,700m (EUR 362m) during 2008. All buy-backs of Senior Facilities made during 2007 and 2008, which amounted to DKK 6,335m (EUR 849m) have been settled.

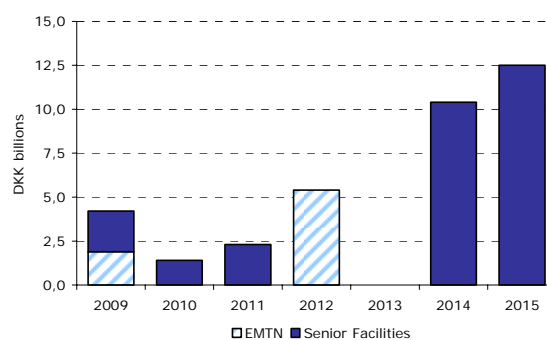
On May 2, 2008, TDC made a voluntary prepayment of DKK 898m (EUR 120m) on Facility A, covering all mandatory installments up to and including December 2009. Further, a mandatory prepayment of DKK 875m (EUR 117m) was made on October 2, 2008. The mandatory prepayment represented 50% of various disposal proceeds and was made through pro-rata prepayment of Facility A, B and C Loans.

As a result of the buy-backs and the prepayments of Senior Facilities, the following amounts (nominal value) were outstanding at December 31, 2008: Facility A: DKK 5,984m (EUR 803m), Facility B: DKK 10,446m (EUR 1,401m) and Facility C: DKK 12,454m (EUR 1,670m). In total: DKK 28,884m (EUR 3,874m).

In addition to the buy-back and prepayments of Senior Facilities, TDC bought back EMTN notes due in February 2009 in the second and third quarters of 2008. The buy-backs amounted to DKK 386m (EUR 52m) in the second quarter and DKK 312m (EUR 42m) in the third quarter. All buy-backs of EMTN notes have been settled.

On January 2, 2009, TDC made a mandatory prepayment of DKK 2,281m (EUR 306m) on 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 of Facility A is DKK 3,703m (EUR 497m) maturing in 2010 and 2011 with DKK 1,404m (EUR 188m) and DKK 2,299m (EUR 309m), respectively. TDC may occasionally continue to make buy-backs and to prepay its debt, including the Senior Facilities and EMTNs.

Maturity profile of nominal debt¹



¹ Nominal value of Senior Facilities and EMTN as of December 31, 2008. Senior Facilities maturing in 2009 reflect the mandatory prepayment of EUR 306m following the disposal of Polkomtel, which was paid January 2, 2009. Debt in HTCC of DKK 5.2bn is not included.

Capital expenditures

Capital expenditures, excluding share acquisitions, were DKK 5,134m in 2008, down by DKK 73m compared with 2007. Capital expenditures in the Nordic Business amounted to DKK 3,975m in 2008, down by DKK 7m compared with 2007. The reduction in Fixnet Nordic amounted to DKK 107m, which related mainly to fewer customer installations in fiber and xDSL at a lower unit price, which was partly counteracted by a capacity expansion and future proofing of the access and backbone network. From

2007 to 2008, capital expenditure was reduced by DKK 56m in Mobile Nordic, primarily related to outsourcing of GSM and UMTS network operation, as the roll-out of 3G and HSDPA has, in fact, been expanded compared with 2007. The reduction was partly counteracted by an increase in TDC IT and YouSee with a rise in capital expenditures of DKK 102m and DKK 79m respectively.

The capex-to-revenue ratio was 13.2% in both 2007 and 2008.

Statements of Cash Flow

Cash flow from operating activities amounted to DKK 7,178m in 2008, down by DKK 2,760m compared with DKK 9,938m in 2007. This development was due mainly to currency translation adjustments from hedging activities and higher corporate income tax paid.

Cash flow from investing activities totaled DKK 600m in 2008 compared with DKK 7,886m in 2007. The development was driven by the lower proceeds from divestment of enterprises in 2008 than in 2007.

Cash flow from financing activities totaled DKK (9,633)m in 2008 compared with DKK (13,028)m in 2007. The development related mainly to lower repayment of long-term debt in 2008 than in 2007.

TDC's cash and cash equivalents decreased from DKK 8,251m at year-end 2007 to DKK 6,396m at year-end 2008.

Number of customers

TDC's total customer base amounted to 11.9m customers in 2008, up 6.6% on 2007, which was attributable mainly to the acquisition of Memorex Telex Communications AG (Memorex) by HTCC and the acquisition of Tele2 by Sunrise.

The domestic customer base totaled 7.8m, down 0.3%. This development resulted primarily from fewer landline voice customers, which was partly offset by growth in the mobile retail customer base as well as more TV customers.

Accounting policies

The accounting policies are unchanged from the Annual Report 2007.

With effect from January 1, 2008, the principles for allocating revenues and expenses to the respective segments (business lines) were changed. Comparative figures for 2007 have been restated accordingly.

Interconnect services between networks and mutual use of network transmission capacity in other segments' networks are accounted for as revenue billed at regulated prices across segments. However, operating expenses related to Business Nordic's, Fixnet Nordic's and Mobile Nordic's mutual use of network transmission capacity are allocated to the respective segments based on measurable cost drivers, e.g. number of minutes of use. Business Nordic bases its services mainly on Fixnet Nordic's and Mobile Nordic's infrastructure, respectively.

Services from the segment Other activities to other segments, i.e. TDC IT's delivery of IT solutions as well as Headquarters' supply of supporting facilities, i.e. buildings, cars and billing services are allocated to the respective segments based on measurable cost drivers. Headquarters' 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, net periodic pension cost/income and the plan assets for the three Danish pension funds are related to Headquarters. Segments employing members pay contributions to Headquarters, and these contributions are included in the EBITDA line items of the respective segments.

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 in TDC A/S' Board of Directors

As announced previously, Henning Dyremose resigned as Chairman of the Board of Directors at TDC A/S' Annual General Meeting 2008, held on March 13. The remaining Board members were re-elected. At a subsequent Board meeting, the Board of Directors elected Vagn Sørensen as Chairman and Kurt Björklund as Vice Chairman.

At an Extraordinary General Meeting in TDC A/S on May 16, 2008, Pierre Danon, Chief Executive Officer of Numericable and Completel and Senior Advisor at JP Morgan, was elected as a new member of TDC A/S' Board of Directors. The Board of Directors remained otherwise unchanged.

At a subsequent Board meeting, the Board of Directors elected Vagn Sørensen as Chairman and Pierre Danon as Vice Chairman of the Board of Directors.

Further, Pierre Danon has joined the Compensation Committee, set up by the Board of Directors alongside Vagn Sørensen (Chairman), Kurt Björklund and Gustavo Schwed.

On October 14, 2008, Richard Wilson resigned from his position as a member of TDC A/S' Board of Directors – a position he had held since February 2006. Andrew Sillitoe, alternate to Richard Wilson since his election by TDC A/S' Annual General Meeting in April 2006, became an ordinary member of the Board of Directors as of the same date. Andrew Sillitoe is a Partner of Apax Partners LLP.

Andrew Sillitoe has joined the Audit Committee, set up by the Board of Directors alongside Lawrence Guffey (Chairman) and Vagn Sørensen.

The composition of TDC A/S' Board of Directors after these changes is described in the Management section.

Sunrise Communications AG outsourced business areas involving 520 employees

In June, TDC A/S' wholly-owned Swiss subsidiary Sunrise Communications AG entered into agreements with Alcatel-Lucent Schweiz AG (Alcatel-Lucent) and Aurelius Information Technology Holding GmbH (Aurelius), respectively, which entailed outsourcing and the joint transfer of 520 of the Swiss Group's total of 2,100 employees.

The agreement with Alcatel-Lucent includes the operation and maintenance of the entire Sunrise network, although key tasks such as network planning and customer care remain with Sunrise. The agreement, which took effect as

from July 1, 2008, was set to be fully implemented by the end of January 2009 – after the migration period. A total of 290 employees have been transferred to Alcatel-Lucent under the agreement.

The agreement with Aurelius covered all the shares in Sunrise Communication AG's wholly-owned subsidiary SBC (Sunrise Business Communications AG), which deals with planning, installation and integration of internal equipment and data networks for business customers. Altogether, 230 employees were included in the transaction, which had effect from July 1, 2008.

The divestment is part of the ongoing streamlining of Sunrise's activities.

Changes in TDC A/S' Executive Committee

In August, Mads Middelboe retired from his position as CEO of Mobile Nordic.

The Board of Directors appointed Jesper Theill Eriksen, at that time Chief of Staff & HR at TDC A/S, as new CEO of Mobile Nordic.

In November, Henrik Poulsen became President and CEO of TDC A/S after Jens Alder. During his career, Henrik Poulsen has been e.g. Executive Vice President of the LEGO Group and Operating Executive with KKR Capstone, which is associated with Kohlberg Kravis Roberts & Co.

In December, the Board of Directors appointed Niels Breining, CEO of YouSee A/S, TDC A/S' wholly-owned subsidiary, as a member of TDC A/S' Executive Committee. Niels Breining will also continue as CEO of YouSee A/S.

The composition of TDC A/S' Executive Committee after these changes is described in the Management section.

TDC acquired Tele2 in Switzerland

In November, pursuant to a Share Purchase Agreement entered into in September, Sunrise Communications AG completed its acquisition of 100% of the common shares in Tele2 Telecommunications Services AG (Tele2 AG) in Switzerland. The purchase price for the shares amounted to CHF 43m.

Tele2 AG is the third-largest landline telecommunications provider in Switzerland. In addition to landline telephony, Tele2 AG offers internet access and mobile telephony services and focuses on offering simple services at low prices.

Completion of the sale of TDC's shares in Polkomtel

In December, TDC completed the sale of 24% of its shares in the Polish mobile operator Polkomtel to Vodafone and 76% of its shares in Polkomtel to the Polish shareholders in Polkomtel (KGHM Polska Miedz, PKN Orlen, Polskie Sieci Elektroenergetyczne and Weglokoks).

The purchase price for the shares amounted to EUR 214.04 per share reduced by dividend payments per share received by TDC from March 10, 2006, until December 18, 2008, with an added interest-based price adjustment. On completion of the sales agreements with Vodafone and the Polish shareholders, TDC received a cash payment of EUR 726m (DKK 5,406m) for all its shares in Polkomtel.

The sale of all TDC's shares in Polkomtel resulted in an after-tax gain of DKK 3,998m that was included in the Statements of Income in 2008 as special items related to Income from joint ventures and associates.

Events after the balance sheet date

Moody's upgrades credit rating of TDC's long-term debt

On January 30, 2009, Moody's Investor Service (Moody's) has upgraded TDC's Company Rating to Ba2 from Ba3. At the same time, the credit rating of TDC's Senior Facilities was upgraded to Ba1 from Ba2 and the credit rating of TDC's Euro Medium Term Notes (EMTN) was upgraded to Ba3 from B1. The upgrades follows from Moody's upgrade of the company credit rating of Nordic Telephone Company Holding ApS (NTCH), which owns 87.9% of TDC, to Ba2 (stable outlook) from Ba3 (positive outlook). The credit rating of NTCH's High Yield Bonds was upgraded to B1 from B2.

Segment reporting

Segment reporting for the year

| DKKm | Business Nordic | | Fixnet Nordic | | Mobile Nordic | | YouSee | |
|---|-----------------|--------------|---------------|--------------|---------------|--------------|------------|------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| External revenue | 11,771 | 12,228 | 7,697 | 8,554 | 4,606 | 4,605 | 3,155 | 2,820 |
| Revenue across segments | 271 | 201 | 739 | 770 | 708 | 889 | 46 | 32 |
| Revenue | 12,042 | 12,429 | 8,436 | 9,324 | 5,314 | 5,494 | 3,201 | 2,852 |
| Total operating expenses before depreciation etc. | (8,191) | (8,667) | (4,473) | (5,628) | (3,871) | (4,100) | (2,254) | (2,039) |
| Other income and expenses | 130 | 83 | 173 | 105 | (4) | 5 | 15 | 1 |
| EBITDA | 3,981 | 3,845 | 4,136 | 3,801 | 1,439 | 1,399 | 962 | 814 |

| DKKm | Sunrise | | Other activities ¹ | | Total | | | |
|---|---------|------|-------------------------------|--------------|------------|------------|---------------|---------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 | | |
| External revenue | | | 8,693 | 8,828 | 2,897 | 2,286 | 38,819 | 39,321 |
| Revenue across segments | | | 12 | 14 | 140 | 187 | 1,916 | 2,093 |
| Revenue | | | 8,705 | 8,842 | 3,037 | 2,473 | 40,735 | 41,414 |
| Total operating expenses before depreciation etc. | | | (6,559) | (6,469) | (2,664) | (2,269) | (28,012) | (29,172) |
| Other income and expenses | | | 6 | 0 | 141 | 90 | 461 | 284 |
| EBITDA | | | 2,152 | 2,373 | 514 | 294 | 13,184 | 12,526 |

1) Includes HTCC, TDC IT and Headquarters.

| Reconciliation of revenue, DKKm | 2008 | 2007 |
|---|---------------|---------------|
| Reportable segments | 40,735 | 41,414 |
| Elimination of across segment items | (1,916) | (2,093) |
| Consolidated amounts | 38,819 | 39,321 |
| Reconciliation of Income before depreciation, amortization and special items (EBITDA), DKKm | 2008 | 2007 |
| EBITDA from reportable segments | 13,184 | 12,526 |
| Elimination of EBITDA | (9) | (28) |
| Unallocated: | | |
| Depreciation, amortization and impairment losses | (5,819) | (6,227) |
| Special items | (5,815) | 1,809 |
| Income from joint ventures and associates | 4,564 | 1,401 |
| Net financials | (2,412) | (3,396) |
| Consolidated Income before income taxes | 3,693 | 6,085 |

Segment reporting for 4Q

| DKKm | Business Nordic | | Fixnet Nordic | | Mobile Nordic | | YouSee | |
|---|-----------------|------------|---------------|------------|---------------|------------|------------|------------|
| | 4Q 2008 | 4Q 2007 | 4Q 2008 | 4Q 2007 | 4Q 2008 | 4Q 2007 | 4Q 2008 | 4Q 2007 |
| External revenue | 2,884 | 3,118 | 1,848 | 2,065 | 1,151 | 926 | 777 | 727 |
| Revenue across segments | 101 | 14 | 192 | 179 | 176 | 226 | 17 | 16 |
| Revenue | 2,985 | 3,132 | 2,040 | 2,244 | 1,327 | 1,152 | 794 | 743 |
| Total operating expenses before depreciation etc. | (1,999) | (2,163) | (1,033) | (1,361) | (958) | (834) | (544) | (535) |
| Other income and expenses | 23 | 25 | 24 | 12 | (8) | (1) | 15 | 0 |
| EBITDA | 1,009 | 994 | 1,031 | 895 | 361 | 317 | 265 | 208 |

| DKKm | Sunrise | | Other activities ¹ | | Total | |
|---|------------|------------|-------------------------------|------------|--------------|--------------|
| | 4Q 2008 | 4Q 2007 | 4Q 2008 | 4Q 2007 | 4Q 2008 | 4Q 2007 |
| External revenue | 2,326 | 2,210 | 723 | 665 | 9,709 | 9,711 |
| Revenue across segments | 2 | 3 | 33 | 49 | 521 | 487 |
| Revenue | 2,328 | 2,213 | 756 | 714 | 10,230 | 10,198 |
| Total operating expenses before depreciation etc. | (1,700) | (1,603) | (694) | (634) | (6,928) | (7,130) |
| Other income and expenses | 2 | 0 | 41 | 32 | 97 | 68 |
| EBITDA | 630 | 610 | 103 | 112 | 3,399 | 3,136 |

1) Includes HTCC, TDC IT and Headquarters.

| Reconciliation of revenue, DKKm | 4Q 2008 | 4Q 2007 |
|---|--------------|----------------|
| Reportable segments | 10,230 | 10,198 |
| Elimination of across segment items | (521) | (487) |
| Consolidated amounts | 9,709 | 9,711 |
| Reconciliation of Income before depreciation, amortization and special items (EBITDA), DKKm | 4Q 2008 | 4Q 2007 |
| EBITDA from reportable segments | 3,399 | 3,136 |
| Elimination of EBITDA | (5) | (8) |
| Unallocated: | | |
| Depreciation, amortization and impairment losses | (1,528) | (1,696) |
| Special items | (4,285) | (2,725) |
| Income from joint ventures and associates | 4,059 | 977 |
| Net financials | (677) | (702) |
| Consolidated Income before income taxes | 963 | (1,018) |

Business Nordic

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

| DKKm | 2008 | 2007 | Change in % |
|---|---------------|---------------|--------------|
| Revenue | 12,042 | 12,429 | (3.1) |
| Internet and network | 4,061 | 4,072 | (0.3) |
| Landline telephony | 2,779 | 3,036 | (8.5) |
| Mobile telephony | 2,388 | 2,357 | 1.3 |
| Terminal equipment etc. | 2,540 | 2,697 | (5.8) |
| Other ¹ | 274 | 267 | 2.6 |
| Transmission costs and cost of goods sold | (5,088) | (5,216) | 2.5 |
| Other external expenses | (1,164) | (1,435) | 18.9 |
| Wages, salaries and pension costs | (1,939) | (2,016) | 3.8 |
| Operating expenses | (8,191) | (8,667) | 5.5 |
| Other income and expenses | 130 | 83 | 56.6 |
| EBITDA | 3,981 | 3,845 | 3.5 |

¹⁾ Includes operator services etc.

Revenue

Business Nordic's revenue decreased by DKK 387m or 3.1% to DKK 12,042m in 2008. Outsourcing of mobile terminal sales to large customers and divestment of CPE business activities, etc., i.e. LG⁴, Business Phone⁵ and Digital Signatur contributed negatively. Exclusive of this, revenue declined by 1.7%. The revenue decrease was also driven by lower revenue from traditional landline telephony which decreased by DKK 257m or 8.5% and related primarily to a 5.9% decrease in the customer base and lower Minutes of Use (MoU) due to migration to the mobile networks, and VoIP. This was only partly offset by increasing revenue of DKK 31m or 1.3% to DKK 2,388m from mobile voice, driven by a larger domestic customer base that was only partly offset by lower mobile termination fees and lower international roaming prices

caused by EU regulation. A decrease in revenue in TDC Sweden was driven by lower voice and integrator revenue.

Transmission costs and cost of goods sold

Transmission costs and cost of goods sold amounted to DKK 5,088m in 2008, down by DKK 128m or 2.5% compared with 2007. The decrease stemmed mainly from the lower domestic landline traffic and lower mobile termination costs per minute, which was partly counteracted by higher mobile activity.

Other external expenses

Other external expenses fell DKK 271m or 18.9% to DKK 1,164m in 2008 stemming principally from ongoing streamlining of the business to focus on higher-margin products.

Wages, salaries and pension costs

In 2008, wages, salaries and pension costs dropped by DKK 77m or 3.8% to DKK 1,939m, driven by a decrease in the number of full-time employee equivalents due partly to redundancy programs.

Income before depreciation, amortization and special items (EBITDA)

In 2008, EBITDA increased by DKK 136m or 3.5% to DKK 3,981m, reflecting largely lower operating expenses, which more than offset the lower revenue from traditional landline telephony. Gains from the divestment of minor business areas also contributed to the increase.

⁴ LG refers to import, sales, installation and service of telecommunications installations from LG-Nortel.

⁵ Telecommunications solutions for small and medium-sized business customers.

Fixnet Nordic

Fixnet Nordic offers landline services to residential customers, including SoHo, and wholesale customers in Denmark. Fixnet Nordic provides landline telephony, internet and network services, including broadband solutions and leased lines (on a wholesale basis), convergence products, triple-play solutions, security services, sale of terminals and installation. Traditional landline telephony remains the largest business area, but the customer base is decreasing as some customers are switching mainly to mobile but also to VoIP.

| DKKm | 2008 | 2007 | Change in % |
|--|--------------|--------------|--------------|
| Revenue | 8,436 | 9,324 | (9.5) |
| Landline telephony | 4,573 | 5,341 | (14.4) |
| Internet and network | 2,503 | 2,469 | 1.4 |
| Mobile telephony | 567 | 600 | (5.5) |
| Operator services | 307 | 326 | (5.8) |
| Other ¹ | 486 | 588 | (17.3) |
| Transmission costs and cost of goods sold | (1,589) | (2,113) | 24.8 |
| Other external expenses | (2,093) | (2,294) | 8.8 |
| Wages, salaries and pension costs | (1,632) | (1,999) | 18.4 |
| | (5,314) | (6,406) | 17.0 |
| Operating expenses allocated to other business lines | 841 | 778 | 8.1 |
| Operating expenses | (4,473) | (5,628) | 20.5 |
| Other income and expenses | 173 | 105 | 64.8 |
| EBITDA | 4,136 | 3,801 | 8.8 |

1) Includes terminal equipment etc.

Revenue

In 2008, Fixnet Nordic's revenue totaled DKK 8,436m, down DKK 888m or 9.5% compared with 2007. The decrease was due mainly to a DKK 768m fall in landline telephony. This decrease was partly a result of the divestment of International Voice Business. Exclusive of this, the revenue fell by a total of 5.0%. A smaller retail customer base also contributed to the fall in landline telephony revenue. At year-end 2008, the residential landline customer base was 1.3m compared with 1.5m at year-end 2007, as a consequence of customer migration to mobile and VoIP. Furthermore, revenue from mobile voice decreased by DKK 33m, which was caused by lower ARPU, but was partly counterbalanced by increasing revenue from internet and network services that rose from DKK 2,469m in 2007 to DKK 2,503m in 2008.

Transmission costs and cost of goods sold

Transmission costs and cost of goods sold amounted to DKK 1,589m in 2008, down by DKK 524m or 24.8% compared with 2007, reflecting primarily the divestment of International Voice Business and a decrease in landline telephony traffic.

Other external expenses

Other external expenses decreased by DKK 201m or 8.8% to DKK 2,093m in 2008, and were due primarily to lower costs relating to contractors owing to fewer incidents of cable damage in 2008 compared with 2007, lower consultancy costs and lower costs related to temporary employees. This was partly counteracted by higher rent due to the sale and lease back of properties in 2007.

Wages, salaries and pension costs

Wages, salaries and pension costs decreased by DKK 367m or 18.4% to DKK 1,632m in 2008, driven by a reduction of full-time employee equivalents as a consequence of redundancy programs, outsourcing and the divestment of International Voice Business.

Income before depreciation, amortization and special items (EBITDA)

In 2008, EBITDA amounted to DKK 4,136m, up by DKK 335m or 8.8%. This performance reflects largely cost savings generated by efficiency improvements that affected wages, salaries and pension costs as well as other external expenses positively. This was only partly counteracted by declining EBITDA in landline telephony.

Mobile Nordic

Mobile Nordic is the leading provider of mobile telecommunications services in Denmark and also includes TDC Shop and Telmore. The customer focus is on postpaid and prepaid voice services, mobile broadband access, content and handsets for the residential market. In the SoHo segment, the focus is also on business applications. Telmore sells prepaid mobile products and ADSL products online via a self-service website. Telmore is the market leader in Denmark in the online mobile self-service segment.

| DKKm | 2008 | 2007 | Change in % |
|--|--------------|--------------|--------------|
| Revenue | 5,314 | 5,494 | (3.3) |
| Transmission costs and cost of goods sold | (2,023) | (2,209) | 8.4 |
| Other external expenses | (1,686) | (1,623) | (3.9) |
| Wages, salaries and pension costs | (439) | (518) | 15.3 |
| | (4,148) | (4,350) | 4.6 |
| Operating expenses allocated to other business lines | 277 | 250 | 10.8 |
| Operating expenses | (3,871) | (4,100) | 5.6 |
| Other income and expenses | (4) | 5 | (180.0) |
| EBITDA | 1,439 | 1,399 | 2.9 |

Revenue

Mobile Nordic's revenue decreased by DKK 180m or 3.3% to DKK 5,314m in 2008. Of the total percentage revenue decrease, lower revenue from service providers accounted for 2.8 percentage points, primarily as a result of lower average service-provider customer base, while lower EU roaming prices caused by EU regulation contributed negatively by 2.4 percentage points. Reduced sales of PCs and other CPE sales in TDC Shop, and a 54,000 decrease in prepaid voice customers also contributed negatively to the revenue development. This was partly counteracted by a growth in the retail voice postpaid segment⁶ of 38,000 customers to 578,000, and the number of Telmore voice customers that grew by 54,000 to 664,000 customers.

The current landline-to-mobile migration was reflected in strong voice traffic growth in 2008 with retail MoU per subscriber up by 12.0% to 107 minutes a month. Also, mobile data and volumes of traditional SMS texting rose, and 3G

mobile services such as mobile broadband access became more widespread. Overall, retail ARPU per month was DKK 198, which was 2.5% more than in 2007.

Transmission costs and cost of goods sold

Transmission costs and cost of goods sold decreased by 8.4% or DKK 186m to DKK 2,023m in 2008. This can be attributed mainly to reduced sales of PCs and CPE sales by TDC Shop, the lower service-provider customer base and reduced EU roaming cost prices. This was partly offset by increased transmission costs generated by more traffic.

Other external expenses

Other external expenses amounted to DKK 1,686m in 2008, up by DKK 63m or 3.9%, stemming primarily from higher costs in connection with outsourcing the operation of the mobile network and from higher subscriber acquisition and marketing costs, and increased provision for allowances for uncollectibles. This was counteracted mainly by lower costs related to temporary employees.

Wages, salaries and pension costs

In 2008, wages, salaries and pension costs fell by DKK 79m or 15.3% to DKK 439m as a result of a reduction in average full-time employee equivalents. This was achieved mainly by outsourcing the mobile network operation.

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

In 2008, Mobile Nordic's EBITDA rose by DKK 40m or 2.9% to DKK 1,439m reflecting a larger retail postpaid customer base, increase in Telmore customers and reduction in employees that was partly counteracted by lower EBITDA on roaming due to EU-regulation and a lower service-provider customer base.

⁶ Including SoHo customers.

YouSee

YouSee is the largest TV distributor in Denmark and provides TV signals for approximately 44% of all Danish households. YouSee offers cable TV, broadband services and telephony as a triple-play solution.

| DKKm | 2008 | 2007 | Change in % |
|---|--------------|--------------|-------------|
| Revenue | 3,201 | 2,852 | 12.2 |
| Transmission costs and cost of goods sold | (1,357) | (1,177) | (15.3) |
| Other external expenses | (430) | (425) | (1.2) |
| Wages, salaries and pension costs | (467) | (437) | (6.9) |
| Operating expenses | (2,254) | (2,039) | (10.5) |
| Other income and expenses | 15 | 1 | - |
| EBITDA | 962 | 814 | 18.2 |

Revenue

YouSee's revenue rose by DKK 349m or 12.2% to DKK 3,201m in 2008. The increase was driven largely by higher cable-TV revenue of 15.7%, due to a larger customer base and higher ARPU as a result of a wider range of TV channels.

YouSee's broadband business contributed to revenue growth of 8.2% due mainly to a larger customer base. Revenue from telephony also increased. The telephony customer base rose by 34.3% to 47,000 customers at year-end 2008, of whom 38,000 were VoIP customers.

Transmission costs and cost of goods sold

Transmission costs and cost of goods sold totaled DKK 1,357m in 2008, up DKK 180m or 15.3% compared with 2007, stemming mainly from increased program expenses resulting from more customers and the wider range of channels in the packages.

Other external expenses

Other external expenses amounted to DKK 430m in 2008, up DKK 5m or 1.2%, and related primarily to more installation work linked to changing customers' TV packages and fixing cable faults and increased rent. This was partly counteracted by reductions in IT spending and consultancy costs.

Wages, salaries and pension costs

Wages, salaries and pension costs rose by DKK 30m or 6.9% to DKK 467m, due largely to an increase in full-time employee equivalents.

Income before depreciation, amortization and special items (EBITDA)

YouSee's EBITDA totaled DKK 962m in 2008, up DKK 148m or 18.2%. This related mainly to a larger customer base and higher ARPU from TV and broadband.

Sunrise

Sunrise is the second-largest full-range telecommunication 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 | 2008 | 2007 | Change in % |
|---|--------------|--------------|----------------|
| Revenue | 8,705 | 8,842 | (1.5) |
| Mobile telephony | 5,317 | 5,373 | (1.0) |
| Landline telephony | 2,677 | 2,745 | (2.5) |
| Internet services | 711 | 724 | (1.8) |
| Transmission costs and cost of goods sold | (3,210) | (3,280) | 2.1 |
| Other external expenses | (2,373) | (2,026) | (17.1) |
| Wages, salaries and pension costs | (976) | (1,163) | 16.1 |
| Operating expenses | (6,559) | (6,469) | (1.4) |
| Other income and expenses | 6 | 0 | - |
| EBITDA | 2,152 | 2,373 | (9.3) |

Revenue

In 2008, Sunrise's revenue totaled DKK 8,705m, down by DKK 137m. In local currency, revenue decreased by 4.8%.

Revenue from mobile telephony amounted to DKK 5,317m in 2008, down by DKK 56m or 1.0%. In local currency, revenue from mobile telephony decreased by 4.3% mainly as a consequence of lower revenue from the postpaid segment due to retail price reductions, lower handset sales and reduced mobile termination fees. The latter contributed 1.3 percentage points of the total percentage revenue decrease. This was partly counterbalanced by increased revenue from a larger prepaid and postpaid customer base. Revenue from landline telephony decreased by DKK 68m or 2.5% to DKK 2,677m in 2008. In local currency, revenue from landline telephony decreased by 5.7%. The decline stemmed mainly from lower revenue from SBC due to lower activity in the first half of 2008 and the subsequent divestment. Exclusive of SBC, the total revenue in Sunrise decreased by 1.6% in local currency from 2007 to 2008. Lower retail voice revenue also contributed to the decrease in landline telephony revenue, driven by a reduced customer base and lower ARPU, which was partly offset by higher revenue from wholesale activities. In 2008, revenue from internet services decreased by DKK 13m or 1.8% to DKK 711m. In local currency, revenue decreased by 5.0%. The decrease related primarily to a price decrease on ADSL as well as lower dial-up reve-

nue, which was partly offset by a higher ADSL customer base.

Transmission costs and cost of goods sold

Transmission costs and cost of goods sold amounted to DKK 3,210m in 2008, down by DKK 70m or 2.1% compared with 2007. In local currency, transmission costs and cost of goods sold decreased by 5.4%. This can be attributed mainly to lower activity in SBC in first half of 2008 followed by the divestment, an adjustment of prices for termination of landline calls for 2006 and 2007, lower wholesale prices for resale of ADSL products, reduction of mobile termination prices, and lower sales of handsets. This was partly counteracted by increased landline wholesale traffic, and increased mobile traffic, driven by an increased customer base.

Other external expenses

Other external expenses amounted to DKK 2,373m in 2008, up by DKK 347m or 17.1% compared with 2007. In local currency, other external expenses increased by 13.2%. This was due to more mobile customers and consequently higher acquisition costs, higher retention costs and call center costs, partly offset by lower network operation and maintenance costs due to the outsourcing of network operations.

Wages, salaries and pension costs

Wages, salaries and pension costs fell by DKK 187m or 16.1% to DKK 976m in 2008. In local currency, wages, salaries and pension costs decreased by 18.5%, caused mainly by fewer full-time employee equivalents, which related to the divestment of SBC and outsourcing of network operations.

Income before depreciation, amortization and special items (EBITDA)

EBITDA decreased by DKK 221m or 9.3% to DKK 2,152m in 2008. In local currency, EBITDA decreased by 12.3%, reflecting primarily the net effect from reduced mobile termination, lower gross profit from postpaid customers due to price decreases, and increased customer retention costs as well as higher customer acquisition costs driven by the customer intake. This was partly counterbalanced by an adjustment relating to reduced termination prices for landline calls for 2006 and 2007, and a decrease in wages resulting mainly from a reduction in full-time employee equivalents due to the divestment of SBC and outsourcing of network operations.

Other activities

Other activities cover HTCC, TDC IT and Headquarters. Bité was divested at the beginning of February 2007, and was included in the financial figures until that point.

HTCC contributed positively to revenue and EBITDA growth, due mainly to HTCC's acquisition of Invitel on April 27, 2007 and Memorex on March 3, 2008, as both acquisitions have had a positive impact on revenue and EBITDA since they have been included in the financial figures. Invitel has been included in the financial figures since May 2007, while Memorex has been included since March 2008.

TDC IT contributed positively to EBITDA growth primarily through reduced maintenance costs. This was partly counteracted by Headquarters, which contributed negatively to the development in EBITDA, due mainly to higher rent following the sale and leaseback of properties in 2007. Also, the development in pensions related to domestic defined benefit plans had a negative effect on the EBITDA development.

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.

Resolutions passed by the Board of Directors

At its meeting today, the Board of Directors approved the Financial Statements for 2008.

The Board of Directors recommends that a dividend of DKK 9.00 per share be distributed for the fiscal year 2008. The amount is resolved by the Company at the Annual General Meeting

From and including March 20, 2009, shares are traded without dividends for 2008. Dividends from TDC will be paid on March 25, 2009, on the basis of the shareholdings registered on VP accounts at the end-of-day on March 24, 2009 (CET).

TDC's Annual Report 2008 is scheduled for publication on February 6, 2009, at TDC's corporate website: tdc.com.

Statements of Income

| TDC Group (DKKm) | 2008 | 2007 | Change in % | 4Q 2008 | 4Q 2007 | Change in % |
|--|---------------|---------------|---------------|----------------|----------------|---------------|
| Revenue | 38,819 | 39,321 | (1.3) | 9,709 | 9,711 | (0.0) |
| Transmission costs and cost of goods sold | (11,623) | (12,326) | 5.7 | (2,844) | (2,841) | (0.1) |
| Other external expenses | (7,977) | (7,640) | (4.4) | (2,114) | (2,088) | (1.2) |
| Wages, salaries and pension costs | (6,505) | (7,141) | 8.9 | (1,454) | (1,722) | 15.6 |
| Total operating expenses before depreciation, etc. | (26,105) | (27,107) | 3.7 | (6,412) | (6,651) | 3.6 |
| Other income and expenses | 461 | 284 | 62.3 | 97 | 68 | 42.6 |
| Income before depreciation, amortization and special items (EBITDA) | 13,175 | 12,498 | 5.4 | 3,394 | 3,128 | 8.5 |
| Depreciation, amortization and impairment losses | (5,819) | (6,227) | 6.6 | (1,528) | (1,696) | 9.9 |
| Operating income (EBIT), excluding special items | 7,356 | 6,271 | 17.3 | 1,866 | 1,432 | 30.3 |
| Special items ¹ | (5,815) | 1,809 | - | (4,285) | (2,725) | (57.2) |
| Operating income (EBIT) | 1,541 | 8,080 | (80.9) | (2,419) | (1,293) | (87.1) |
| Income from joint ventures and associates | 4,564 | 1,401 | - | 4,059 | 977 | - |
| Fair value adjustments | (616) | (122) | - | (746) | (91) | - |
| Currency translation adjustments | 688 | 146 | - | 645 | 133 | - |
| Financial income | 2,782 | 2,131 | 30.5 | 919 | 622 | 47.7 |
| Financial expenses | (5,266) | (5,551) | 5.1 | (1,495) | (1,366) | (9.4) |
| Net financials | (2,412) | (3,396) | 29.0 | (677) | (702) | 3.6 |
| Income before income taxes | 3,693 | 6,085 | (39.3) | 963 | (1,018) | 194.6 |
| Income taxes related to income, excluding special items and fair value adjustments | (1,411) | (806) | (75.1) | (340) | (266) | (27.8) |
| Income taxes related to special items | 245 | (566) | 143.3 | (105) | 86 | - |
| Income taxes related to fair value adjustments | 165 | (59) | - | 189 | (23) | - |
| Total income taxes | (1,001) | (1,431) | 30.0 | (256) | (203) | (26.1) |
| Net income from continuing operations | 2,692 | 4,654 | (42.2) | 707 | (1,221) | 157.9 |
| Net income from discontinued operations | 59 | 3,513 | (98.3) | 52 | 7 | - |
| Net income | 2,751 | 8,167 | (66.3) | 759 | (1,214) | 162.5 |
| Attributable to: | | | | | | |
| Shareholders of the Parent Company | 2,905 | 8,409 | (65.5) | 801 | (1,171) | 168.4 |
| Minority interests | (154) | (242) | 36.4 | (42) | (43) | 2.3 |
| Net income from continuing operations, excluding special items and fair value adjustments | 4,721 | 2,733 | 72.7 | 1,652 | 673 | 145.5 |
| EPS (DKK) | | | | | | |
| Earnings Per Share | 14.7 | 42.4 | (65.3) | 4.1 | (6.0) | 168.3 |
| Earnings Per Share, diluted | 14.7 | 42.4 | (65.3) | 4.1 | (6.0) | 168.3 |

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.

Balance Sheets

| TDC (DKKm) | December 31, 2008 | December 31, 2007 |
|--|-------------------|-------------------|
| Assets | | |
| Non-current assets | | |
| Intangible assets | 26,130 | 28,317 |
| Property, plant and equipment | 24,940 | 24,704 |
| Investments in joint ventures and associates | 171 | 1,640 |
| Minority passive investments | 9 | 7 |
| Deferred tax assets | 155 | 267 |
| Pension assets | 6,844 | 6,402 |
| Receivables | 96 | 95 |
| Derivative financial instruments | 11 | 39 |
| Prepaid expenses | 211 | 147 |
| Total non-current assets | 58,567 | 61,618 |
| Current assets | | |
| Inventories | 489 | 641 |
| Receivables | 8,283 | 7,566 |
| Income tax receivables | 1 | 14 |
| Derivative financial instruments | 372 | 781 |
| Prepaid expenses | 785 | 665 |
| Cash | 6,396 | 8,251 |
| Total current assets | 16,326 | 17,918 |
| Total assets | 74,893 | 79,536 |
| Equity and liabilities | | |
| Common shares | 992 | 992 |
| Reserves | (1,423) | (582) |
| Retained earnings | 10,306 | 9,185 |
| Proposed dividends | 1,785 | 714 |
| Equity attributable to Company shareholders | 11,660 | 10,309 |
| Minority interests | (9) | 118 |
| Total equity | 11,651 | 10,427 |
| Non-current liabilities | | |
| Deferred tax liabilities | 2,654 | 3,027 |
| Provisions | 1,355 | 1,275 |
| Pension liabilities, etc. | 126 | 201 |
| Loans | 36,980 | 45,571 |
| Derivative financial instruments | 23 | 141 |
| Deferred income | 1,369 | 992 |
| Total non-current liabilities | 42,507 | 51,207 |
| Current liabilities | | |
| Loans | 4,714 | 4,146 |
| Trade and other payables | 8,671 | 8,046 |
| Income tax payable | 823 | 1,877 |
| Derivative financial instruments | 2,007 | 312 |
| Deferred income | 3,435 | 2,934 |
| Provisions | 1,085 | 587 |
| Total current liabilities | 20,735 | 17,902 |
| Total liabilities | 63,242 | 69,109 |
| Total equity and liabilities | 74,893 | 79,536 |

Statements of Cash Flows

| TDC Group (DKKm) | 2008 | 2007 | Change in % | 4Q 2008 | 4Q 2007 |
|--|----------------|-----------------|----------------|----------------|----------------|
| Income before depreciation, amortization and special items (EBITDA) | 13,175 | 12,498 | 5.4 | 3,394 | 3,128 |
| Reversal of items without cash flow effect | (218) | (245) | 11.0 | 43 | (95) |
| Pension contributions | (461) | (156) | (195.5) | (334) | (37) |
| Payments related to provisions | (149) | (91) | (63.7) | (57) | (5) |
| Cash flow related to special items | (488) | (132) | - | (149) | (102) |
| Change in net working capital excl. special items | 456 | 612 | (25.5) | 1,090 | 928 |
| Cash flow from operating activities before net financials and tax | 12,315 | 12,486 | (1.4) | 3,987 | 3,817 |
| Interest paid, net | (2,426) | (3,237) | 25.1 | (396) | (254) |
| Realized currency translation adjustments | (944) | 1,040 | (190.8) | (533) | 317 |
| Cash flow from operating activities before tax | 8,945 | 10,289 | (13.1) | 3,058 | 3,880 |
| Corporate income tax paid | (1,767) | (770) | (129.5) | (1,719) | (725) |
| Cash flow from operating activities in continuing operations | 7,178 | 9,519 | (24.6) | 1,339 | 3,155 |
| Cash flow from operating activities in discontinued operations | 0 | 419 | - | 0 | 0 |
| Total cash flow from operating activities | 7,178 | 9,938 | (27.8) | 1,339 | 3,155 |
| Investment in enterprises | (538) | (631) | 14.7 | (236) | (67) |
| Investment in property, plant and equipment | (3,896) | (3,840) | (1.5) | (1,002) | (1,213) |
| Investment in intangible assets | (1,078) | (955) | (12.9) | (230) | (277) |
| Investment in other non-current assets | (6) | (18) | 66.7 | (3) | (12) |
| Investment in marketable securities | (1,264) | 0 | - | 0 | 0 |
| Divestment of enterprises | 189 | 3,189 | (94.1) | 38 | 0 |
| Sale of property, plant and equipment | 103 | 4,307 | (97.6) | 20 | (14) |
| Sale of intangible assets | 41 | 24 | 70.8 | 2 | 24 |
| Divestment of joint ventures and associates | 5,383 | 986 | - | 5,393 | 986 |
| Sale of other non-current assets | 0 | 7 | - | 0 | 3 |
| Sale of marketable securities | 1,266 | 0 | - | 919 | 0 |
| Change in loans to joint ventures and associates | 0 | 274 | - | 0 | 276 |
| Dividends received from joint ventures and associates | 387 | 528 | (26.7) | 181 | 128 |
| Cash flow from investing activities in continuing operations | 587 | 3,871 | (84.8) | 5,082 | (166) |
| Cash flow from investing activities in discontinued operations | 13 | 4,015 | (99.7) | 6 | 8 |
| Total cash flow from investing activities | 600 | 7,886 | (92.4) | 5,088 | (158) |
| Proceeds from long-term loans | 460 | 1,718 | (73.2) | (55) | 46 |
| Repayments of long-term loans | (9,298) | (14,035) | 33.8 | (1,034) | (1,407) |
| Change in short-term bank loans | (1) | (15) | 93.3 | 0 | (2) |
| Change in interest-bearing receivables | (81) | (1,115) | 92.7 | (1) | 0 |
| Change in minority interests | 0 | (1) | - | 0 | 0 |
| Dividends paid | (713) | (694) | (2.7) | 0 | 0 |
| Cash flow from financing activities in continuing operations | (9,633) | (14,142) | 31.9 | (1,090) | (1,363) |
| Cash flow from financing activities in discontinued operations | 0 | 1,114 | - | 0 | 0 |
| Total cash flow from financing activities | (9,633) | (13,028) | 26.1 | (1,090) | (1,363) |
| Total cash flow | (1,855) | 4,796 | (138.7) | 5,337 | 1,634 |
| Cash and cash equivalents (end-of-period) | 6,396 | 8,251 | (22.5) | 6,396 | 8,251 |

Statements of Changes in Equity

| TDC Group (DKKm) | Equity attributable to Company shareholders | | | | Total | Minority interests | Total | |
|---|---|--|-------------------|--------------------|---------------|--------------------|---------------|-------|
| | Common shares | Reserve for currency translation adjustments | Retained earnings | Proposed dividends | | | | Total |
| | | | | | | | | |
| Shareholders' equity at January 1, 2007 | 992 | 69 | 1.534 | 694 | 3.289 | 282 | 3.571 | |
| Currency translation adjustments, foreign enterprises | - | (1.216) | 0 | - | (1.216) | (53) | (1.269) | |
| Currency hedging of net investments in foreign enterprises | - | 769 | 0 | - | 769 | 0 | 769 | |
| Reversal of currency translation adjustments, foreign enterprises | - | 1 | 0 | - | 1 | 0 | 1 | |
| Tax related to changes in equity | - | (205) | 0 | - | (205) | 0 | (205) | |
| Net gain/(loss) recognized directly in equity | 0 | (651) | 0 | 0 | (651) | (53) | (704) | |
| Net income | - | - | 7.695 | 714 | 8.409 | (242) | 8.167 | |
| Total comprehensive income | 0 | (651) | 7.695 | 714 | 7.758 | (295) | 7.463 | |
| Distributed dividends | - | - | 0 | (694) | (694) | - | (694) | |
| Dilution gain regarding subsidiaries | - | - | 22 | - | 22 | 61 | 83 | |
| Premium, minority interests | - | - | (66) | - | (66) | 66 | 0 | |
| Additions to minority interests | - | - | - | - | - | 4 | 4 | |
| Shareholders' equity at December 31, 2007 | 992 | (582) | 9.185 | 714 | 10.309 | 118 | 10.427 | |

| TDC Group (DKKm) | Equity attributable to Company shareholders | | | | Total | 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 | |
| Currency translation adjustments, foreign enterprises | - | 1.141 | 0 | - | 1.141 | 27 | 1.168 | |
| Currency hedging of net investments in foreign enterprises | - | (2.304) | 0 | - | (2.304) | 0 | (2.304) | |
| Reversal of currency translation adjustments, foreign enterprises | - | (254) | 0 | - | (254) | 0 | (254) | |
| Tax related to changes in equity | - | 576 | 0 | - | 576 | 0 | 576 | |
| Net gain/(loss) recognized directly in equity | 0 | (841) | 0 | 0 | (841) | 27 | (814) | |
| Net income | - | - | 1.120 | 1.785 | 2.905 | (154) | 2.751 | |
| Total comprehensive income | 0 | (841) | 1.120 | 1.785 | 2.064 | (127) | 1.937 | |
| Distributed dividends | - | - | 0 | (714) | (714) | - | (714) | |
| Dividends, treasury shares | - | - | 1 | 0 | 1 | - | 1 | |
| Additions to minority interests | - | - | - | - | - | 0 | 0 | |
| Shareholders' equity at December 31, 2008 | 992 | (1.423) | 10.306 | 1.785 | 11.660 | (9) | 11.651 | |

Customers & Employees

Customers

| Customers ('000) (end-of-year) | 2008 | 2007 | Change in % |
|--|---------------|---------------|--------------|
| Domestic, retail and wholesale: | | | |
| Landline customers | 2,118 | 2,372 | (10.7) |
| - Retail | 1,821 | 2,003 | (9.1) |
| - Wholesale | 297 | 369 | (19.5) |
| Mobile voice customers | 3,042 | 2,864 | 6.2 |
| - Retail | 2,815 | 2,632 | 7.0 |
| - of which Telmore | 664 | 610 | 8.9 |
| - Wholesale | 227 | 232 | (2.2) |
| Mobile data card customers | 118 | 73 | 61.6 |
| Landline internet customers | 1,390 | 1,419 | (2.0) |
| - Broadband, retail | 1,171 | 1,156 | 1.3 |
| - Broadband, wholesale | 124 | 134 | (7.5) |
| - Non-broadband | 95 | 129 | (26.4) |
| TV customers | 1,140 | 1,105 | 3.2 |
| Domestic customers, total | 7,808 | 7,833 | (0.3) |
| International: | | | |
| Landline customers | 1,724 | 1,298 | 32.8 |
| Mobile customers | 1,792 | 1,538 | 16.5 |
| Landline internet customers | 581 | 501 | 16.0 |
| International customers, total | 4,097 | 3,337 | 22.8 |
| Group customers, total | 11,905 | 11,170 | 6.6 |

Employees

| Full-time equivalents¹ | | | |
|--|---------------|---------------|---------------|
| EoY | 2008 | 2007 | Change in % |
| Business Nordic | 3,239 | 3,808 | (14.9) |
| - of which in Denmark | 1,775 | 2,312 | (23.2) |
| Fixnet Nordic | 4,805 | 5,768 | (16.7) |
| - of which in Denmark | 4,805 | 5,763 | (16.6) |
| Mobile Nordic | 902 | 1,262 | (28.5) |
| - of which in Denmark | 902 | 1,262 | (28.5) |
| YouSee | 1,174 | 1,110 | 5.8 |
| Sunrise | 1,474 | 2,036 | (27.6) |
| Others | 3,151 | 3,406 | (7.5) |
| - of which in Denmark | 1,637 | 1,967 | (16.8) |
| TDC | 14,745 | 17,390 | (15.2) |
| TDC, domestic | 10,293 | 12,414 | (17.1) |

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.

Selected financial and operational data, 2004-2008

| TDC Group | | 2008 | 2007 | 2006 | 2005 | 2004 |
|--|--------|---------------|---------------|---------------|---------------|---------------|
| Statements of Income: | | | | | | |
| | DKKm | | | | | |
| Revenue | | 38,819 | 39,321 | 39,941 | 38,848 | 34,689 |
| Income before depreciation, amortization and special items (EBITDA) | | 13,175 | 12,498 | 12,991 | 12,492 | 11,529 |
| Depreciation, amortization and impairment losses | | (5,819) | (6,227) | (6,491) | (6,696) | (6,534) |
| Operating income (EBIT), excluding special items | | 7,356 | 6,271 | 6,500 | 5,796 | 4,995 |
| Special items | | (5,815) | 1,809 | (312) | (973) | 357 |
| Operating income (EBIT) | | 1,541 | 8,080 | 6,188 | 4,823 | 5,352 |
| Income from joint ventures and associates | | 4,564 | 1,401 | 449 | 334 | 5,632 |
| Net financials | | (2,412) | (3,396) | (2,723) | (1,068) | (714) |
| Income before income taxes | | 3,693 | 6,085 | 3,914 | 4,089 | 10,270 |
| Income taxes | | (1,001) | (1,431) | (858) | (850) | (1,105) |
| Net income from continuing operations | | 2,692 | 4,654 | 3,056 | 3,239 | 9,165 |
| Net income from discontinued operations | | 59 | 3,513 | 387 | 4,211 | 745 |
| Net income | | 2,751 | 8,167 | 3,443 | 7,450 | 9,910 |
| Attributable to: | | | | | | |
| - Shareholders of the Parent Company | | 2,905 | 8,409 | 3,446 | 7,474 | 9,912 |
| - Minority interests | | (154) | (242) | (3) | (24) | (2) |
| Net income, excluding special items and fair value adjustments¹: | | | | | | |
| Operating income (EBIT) | | 7,356 | 6,271 | 6,500 | 5,796 | 4,995 |
| Income from joint ventures and associates | | 572 | 542 | 439 | 334 | 566 |
| Net financials | | (1,796) | (3,274) | (2,900) | (887) | (892) |
| Income before income taxes | | 6,132 | 3,539 | 4,039 | 5,243 | 4,669 |
| Income taxes | | (1,411) | (806) | (1,077) | (1,050) | (1,233) |
| Net income from continuing operations | | 4,721 | 2,733 | 2,962 | 4,193 | 3,436 |
| Net income from discontinued operations | | 0 | 255 | 400 | 506 | 507 |
| Net income | | 4,721 | 2,988 | 3,362 | 4,699 | 3,943 |
| Balance Sheets | | | | | | |
| | DKKbn | | | | | |
| Total assets | | 74.9 | 79.5 | 80.8 | 93.5 | 90.3 |
| Net interest-bearing debt | | 35.1 | 41.4 | 55.2 | 16.5 | 20.1 |
| Total equity | | 11.7 | 10.4 | 3.6 | 43.8 | 38.9 |
| Average number of shares outstanding (million) | | 198.1 | 198.1 | 198.0 | 195.2 | 204.6 |
| Statements of Cash Flow | | | | | | |
| | DKKm | | | | | |
| Operating activities | | 7,178 | 9,938 | 10,141 | 8,691 | 11,084 |
| Investing activities | | 600 | 7,886 | (989) | (1,226) | 2,889 |
| Financing activities | | (9,633) | (13,028) | (15,760) | (4,229) | (12,573) |
| Total cash flow | | (1,855) | 4,796 | (6,608) | 3,236 | 1,400 |
| Capital expenditures | | | | | | |
| | DKKbn | | | | | |
| Capital expenditures excluding share acquisitions | | 5.1 | 5.2 | 5.3 | 5.6 | 5.0 |
| Key financial ratios | | | | | | |
| Earnings Per Share (EPS) | DKK | 14.7 | 42.4 | 17.4 | 38.3 | 48.4 |
| EPS, excl. special items, fair value adjustments and discontinued operations | DKK | 24.6 | 15.0 | 15.0 | 21.6 | 16.8 |
| Dividend payments per share | DKK | 3.6 | 3.5 | 223.9 | 12.5 | 12.0 |
| EBITDA margin (EBITDA divided by revenue) | % | 33.9 | 31.8 | 32.5 | 32.2 | 33.2 |
| Capex, excl. share acquisitions-to-revenue ratio | % | 13.2 | 13.2 | 13.2 | 14.3 | 14.5 |
| Cash Earnings Per Share (CEPS), excl. special items, fair value adjustments and discontinued operations ² | DKK | 50.0 | 42.8 | 45.2 | 54.1 | 46.2 |
| Return on capital employed (ROCE) ³ | % | 18.9 | 14.9 | 13.0 | 12.0 | 11.5 |
| Customer base (end-of-year)⁴ | | | | | | |
| | ('000) | | | | | |
| Landline | | 3,842 | 3,670 | 3,311 | 3,471 | 3,483 |
| Mobile | | 4,952 | 4,475 | 6,195 | 5,588 | 4,536 |
| Internet | | 1,971 | 1,920 | 1,767 | 1,769 | 1,813 |
| TV customers | | 1,140 | 1,105 | 1,062 | 1,030 | 982 |
| Total customers | | 11,905 | 11,170 | 12,335 | 11,858 | 10,814 |
| Full-time employee equivalents⁵ | | 14,745 | 17,390 | 18,164 | 19,373 | 18,565 |

1) Net income excluding special items and fair value adjustments 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 and fair value adjustments 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 excluding fair value adjustments + Income from joint ventures and associates) / (average equity attributable to Company shareholders + interest-bearing debt).

4) 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.

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

Management Statement

The Board of Directors and the Executive Committee have reviewed and approved the Financial Statements of the TDC Group for 2008.

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU 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 December 31, 2008 as well as of the results of its operations and cash flows for 2008. 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, Fixnet Nordic

Jesper Theill Eriksen
Senior Executive Vice President and Chief Executive Officer, Mobile Nordic

Jesper Ovesen
Senior Executive Vice President and Chief Financial Officer

Klaus Pedersen
Senior Executive Vice President and Chief Executive Officer, Business Nordic

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 units: Business Nordic, Fixnet Nordic, Mobile Nordic and YouSee. TDC's activities outside the Nordic region include Sunrise, a leading telecommunications provider in Switzerland, and HTCC, 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.

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Listing

Shares: OMX Nordic Exchange Copenhagen A/S.
Reuters TDC.CO.
Bloomberg TDC DC.
Nominal value DKK 5.
ISIN DK00-10253335.
SEDOL 5698790.