

Earnings Release 2000

February 22, 2001

Highlights of 2000

- Net revenues of DKK 44.6bn, up 17%
- TDC Mobile International net revenues of DKK 16.6bn, up 34%
- EBITDA of DKK 13.0bn, up 5.5%
- EPS including one-time items increased from DKK 17.34 to DKK 41.98
- Year end number of customers of 11.5m, up 26%



TDC Group

DKKm	Excl. one-time items			Incl. one-time items	
	1999	2000	Growth (%)	2000	Growth (%)
Net revenues	38,206	44,552	16.6	44,552	16.6
Total revenues	40,437	46,757	15.6	46,757	15.6
Total operating expenses	(28,139)	(33,786)	(20.1)	(33,786)	(20.1)
EBITDA	12,298	12,971	5.5	12,971	5.5
Depreciation and amortization	(5,583)	(6,178)	(10.7)	(6,178)	(10.7)
One-time items	0	-	0	6,161	NM
Operating income/EBIT	6,715	6,793	1.2	12,954	92.9
Net financials	(215)	(612)	(184)	(612)	(184)
Income before income taxes	6,500	6,181	(4.9)	12,342	89.9
Income taxes	(2,685)	(2,575)	4.1	(3,240)	(20.7)
Income before minority interest	3,815	3,606	(5.5)	9,102	139
Minority interests share of net income	(62)	(15)	NM	(15)	NM
Net income	3,753	3,591	(4.3)	9,087	142
Earnings per share, DKK	17.34	16.59	(4.3)	41.98	142

Group highlights 2000

COPENHAGEN, Denmark, February 22, 2001 – the TDC¹ Group, the Danish-based provider of communications solutions in Europe, today reported full-year net revenues of DKK 44,552m, up 17% compared with 1999. EBITDA rose to DKK 12,971m, up 5.5% on 1999, and EBIT before one-time items totaled DKK 6,793m, up 1.2%. One-time items in 2000 resulted in an after-tax profit of DKK 5,496m and net income therefore increased to DKK 9,087m, up 142%.

“2000 was an exciting year for TDC, with record growth in revenues and number of customers. Over the past 10 years, we have positioned the company as a competitive international provider of communications solutions in Europe. In 2000, we took several important steps. We restructured for focus and growth by creating dynamic, flexible and proactive business units prepared for future opportunities in our industry. We renamed the company TDC and acquired a controlling interest in sunrise/diAx, through which we established the undisputed second-largest telecom operator in the Swiss market,” says Knud Heinesen, Chairman of the Board.

TDC net revenues amounted to DKK 44,552m in 2000, an increase of DKK 6,346m or 17% compared with 1999. This growth is closely related to the particular growth areas represented by mobile and Internet, with increases in net revenues of 35% and 42%, respectively. Representing approximately 32% of net revenues, this growth reflects TDC’s strong position in the dynamic

¹ The registered company name for the holding company is Tele Danmark A/S. We expect the name to be changed to TDC A/S at the Annual General Meeting on April 26, 2001. Throughout this release, the name TDC will be used for this Group.

growth markets for mobile and Internet services. The 52% increase in the pro rata number of mobile customers illustrates this trend.

During 2000, TDC participated in the acquisition of UMTS licenses in Austria, the Netherlands, Poland and Switzerland. The acquisitions were priced significantly lower than in other European countries.

Net revenues from international subsidiaries and associated enterprises grew 35% to DKK 21.7bn in 2000. In 2000, international activities accounted for 49% of Group net revenues, compared with 42% in 1999.

In December 2000, the first steps of the sunrise/diAx transaction were completed, increasing the sunrise stake from 44% to 78%, which was reflected in the year 2000 accounts.

Excluding one-time items, net income in 2000 was slightly below performance in 1999. However, financial growth in 2000 was impacted by a number of changes in ownership.

TDC Group **Year 2000 impact on current earnings from changes in ownership**

DKKm	EBITDA	Net income
EITele Øst – acquisition	(75)	(84)
sunrise – increase in ownership	(19)	(60)
Ben – ownership dilution	61	65
Other changes	29	(41)
Total	(4)	(120)

Further, net income was influenced by a number of other special issues, such as non-recurrent net financials, a number of price reductions on interconnect traffic and expansion of the European mobile business. These issues were offset partly by a decline in deferred tax due to a reduction of the Danish statutory tax rate from 32% to 30%, and by sales of assets. Normalized for such issues, net income and earnings per share increased 3% compared with 1999.

TDC Group **Normalized net income growth 1999/2000**

DKKm	Absolute	%
Net income growth excl. one-time items	(162)	(4.3)
Non- recurrent financials ¹	(87)	-
Impact of interconnect price reductions	(151)	-
Impact of changes of ownership	(120)	-
European mobile operations ²	(293)	-
Reduction of tax rate	278	-
Sale of assets	94	-
Special issues, total	(279)	-
Net income growth, normalized	117	3.1

1. Primarily securities and exchange rate adjustments.

2. Net income development in Ben, Bité, Connect Austria, Polkomtel, Talkline and UMC (TDC Mobile International Group), which should be seen in relation to a 70% increase in the number of mobile customers in these companies.

As a result of the intensified focus on core business segments and the streamlining of international operations, a number of shareholdings were sold or changed during 2000, resulting in one-time items, with a net income impact of DKK 6.0bn. The divestments included the 20.4% stake in NetCom ASA, the 33.3% stake in Telenordia AB, the 25% stake in NSAB (Nordiska Satellitaktiebolaget) and the sale of Tele Danmark Marine. One-time items also included a dilution gain related to TDC's shareholding in Ben and impact from Belgacom's sale of X.com.

Further, one-time items related to restructuring costs, write-downs and redundancy payments amounted to DKK (479) m before tax.

TDC Group
One-time items

DKKm	EBIT	Net income
Sale or change of share holdings	6,640	5,982
Restructuring costs, write-downs and redundancy payments	(479)	(486)
One-time items, total	6,161	5,496

TDC's accomplishments during 2000 were:

- 48% increase in new ISDN2 customers related to domestic business
- 132% increase in net revenues from international transit traffic
- 21% volume growth in domestic landline traffic

- 35% increase in net revenues from mobile services, including 39% growth in net revenues from the German market
- 52% increase in the number of mobile customers including pro rata customers
- 190% increase in SMS messages

- 21% growth in net revenues from domestic Internet traffic
- 89% increase in Internet dial-up customers, including pro rata customers

- 35% growth in net revenues from directories related to the successful expansion of directory activities into Sweden

More specifically in 2000, the individual business lines performed as follows:

TDC Tele Danmark Group

DKKm	1999	2000	Change in %
Net revenues			
Fixed telephony	13,050	13,265	1.6
Mobile telephony	386	572	48.2
Operators services	648	669	3.2
Data communications services	704	773	9.8
Terminal equipment etc.	2,809	2,683	(4.5)
Internet services	99	113	14.1
Leased lines	1,713	1,920	12.1
Other	357	556	55.7
Net revenues, total	19,766	20,551	4.0
Domestic	18,430	18,665	1.3
International	1,336	1,886	41.2
EBITDA	7,545	6,863	(9.0)
Domestic	7,627	7,021	(7.9)
International	(82)	(158)	(93)

TDC Tele Danmark deals predominantly with Danish landline operations.

Net revenues were DKK 20,551m in 2000, up 4.0% on 1999. This growth is primarily due to strong growth of 41% from international subsidiaries and 132% growth in net revenues from international transit traffic.

Revenues from domestic *landline subscriptions* rose 5.6% to DKK 4,483m, primarily due to rebalancing of prices.

Domestic *landline traffic* revenues were DKK 4,762m, a decrease of 9.4%. A total of 26.1bn minutes were sold, an increase of 21%. The lower revenues from landline traffic reflect a combination of reduced market share as well as rebalancing of prices.

Domestic revenue from outgoing and incoming *international traffic* was DKK 2,154m, up 22% on 1999. The growth is primarily due to impressive 132% growth in international transit traffic revenues.

TDC's end-user prices for basic telephony, including fixed subscription and traffic prices, are regulated by a so-called maximum price scheme implying that the bill of an average consumer decreases by 4 %, less inflation, every year from 1998 to 2003. In recent years TDC has rebalanced its prices by raising subscriptions and lowering traffic prices, which fulfills the price reduction objective.

Net revenues from domestic *operator services* increased 3.2% to DKK 669m in 2000. This revenue includes operator services supplied to other TDC business lines such as TDC Mobil.

Net revenues from domestic *data communications* services increased 9.8% to DKK 773m in 2000. Net revenues from data communications services were influenced by the shift from narrowband services, such as Datex and Datapost, towards new services such as ADSL.

Net revenues from *terminal equipment* sales declined 4.5% to DKK 2,683m in 2000. This revenue stems from a broad array of activities, including sales and installation of hardware ranging from handsets to large PBXs, service sales and outsourcing agreements, for which Tele Danmark provides customers with high-quality communications solutions.

Net revenues from *leased lines* grew 12% to DKK 1,920m in 2000. This growth was driven mainly by the full-year consolidation of EITele Øst in 2000.

TDC Tele Danmark includes mobile telephony and Internet services revenues, which are derived from Duet subscriptions and traffic as well as Internet service revenues from sunrise.

EBITDA for TDC Tele Danmark decreased 9.0% to DKK 6,863m. This EBITDA reduction was caused mainly by price reductions on interconnect traffic and increased competition on the domestic market for fixed communications solutions.

By the end of 2000 the number of domestic *customers* in TDC Tele Danmark was 3.4m. The domestic subscriber base includes 2.8m PSTN subscriptions, 355,000 ISDN2 subscriptions and 248,000 Duet subscriptions.

The number of *IN subscriptions* i.e. customers with value-added services, such as caller-id and voice mail, increased 23% to 1.5m.

TDC Mobile International Group

DKKm	1999	2000	Change in %
Net revenues			
Mobile telephony	10,130	13,543	33.7
Fixed telephony	1,736	2,628	51.4
Terminal equipment, etc.	374	208	(44.6)
Internet services	64	225	NM
Other	132	16	NM
Net revenues, total	12,436	16,619	33.6
Domestic	3,762	4,102	9.0
International	8,674	12,515	44.3
EBITDA	1,191	1,914	60.7
Domestic	925	1,524	64.8
International	266	390	46.6

TDC Mobile International predominately includes mobile activities such as TDC Mobil, the leading Danish mobile operation, Talkline, Polkomtel, Bité, Ben, UMC and Connect Austria. TDC Mobile International revenues include fixed telephony and Internet services, which are derived from Talkline's activities in those areas.

In 2000, *net revenues* from TDC Mobile International A/S increased 34% to DKK 16,619m.

TDC Mobil, the leading mobile operator in Denmark, achieved net revenues of DKK 4,102m, up 9.0%. Subscription revenues increased 7.8% to DKK 650m and traffic revenues grew 30% to DKK 2,672m. The number of users increased 35% to 1.4m, with 33% of the customer base at year-end 2000 comprising pre-paid subscribers. Traffic volume increased 13% to 2,307m minutes and the number of SMS messages increased 190% to 212m.

At *Talkline*, the 100% owned German mobile, Internet and landline service provider, revenues grew an impressive 40% to DKK 9,866m reflecting mobile revenues of DKK 7,021m, up 34%, and landline revenues of DKK 2,621m, up 52%. Talkline achieved EBITDA of DKK 267m, a decrease of 29%, equivalent to an EBITDA margin of 2.7% compared with 5.4% in 1999. The reduction in the EBITDA margin is linked to higher marketing costs incurred by a 71% expansion of the mobile customer base. By year-end 2000, Talkline had 1.7m mobile customers, 243,000 pre-select landline customers as well as 251,000 Internet dial-up customers.

Bité, the 100% owned Lithuanian mobile GSM operator, had revenues of DKK 278m, up 66% and EBITDA of DKK 66m, down 11% compared with 1999. The number of customers grew 44% to 170,000.

Other mobile activities include our 19.6% shareholding in Polkomtel, 14.7% in Ben, 16.3% in UMC and 15% in Connect Austria had, - on a pro rata basis – revenues of DKK 2,373m and EBITDA of DKK 57m. The number of pro rata consolidated mobile customers in these units totaled 839,000 at year-end 2000, up 74%.

TDC Internet Group

DKKm	1999	2000	Change in %
Net revenues	407	601	47.7
Domestic	407	593	45.7
International	0	8	NM
EBITDA	(321)	(351)	(9.4)
Domestic	(310)	(331)	(6.8)
International	(11)	(20)	(81.8)

TDC Internet predominately comprises Danish dial-up customers, web services such as web hosting and security as well as ownership of Contactel and DanNet A/S.

Net revenues from *TDC Internet*, rose a significant 48% to DKK 601m in 2000, primarily due to strong growth in the number of Danish Internet dial-up customers.

DanNet A/S, the leading provider of data clearing services for EDI and GSM roaming, achieved revenues of DKK 191m and EBITDA of DKK 31m, up 9.2% and 29% respectively. DanNet is well positioned to leverage on increased demand for data clearing services in GSM and UMTS networks for mobile operations worldwide.

Other business units

TDC Directories Group had net revenues of DKK 1,355m, up 47%, and EBITDA increased an impressive 51% to DKK 570m, mainly as a result of continued domestic growth and successful expansion in Sweden with the full-year consolidation of Lokaldelen in 2000. TDC Directories revenues from Danish operations climbed 18% to DKK 948m and revenues from international activities grew DKK 290m to DKK 407m. Similarly, EBITDA from Danish operations contributed DKK 461m, up 39%. International EBITDA rose 140% to DKK 109m. These results were achieved partly through organic growth and partly acquisitions. The acquisitions in 2000 of Teknisk Forlag A/S in Denmark and Mediaförtaget in Sweden, underlines the Group's expansion strategy and market leadership in Denmark and its number two position in the Swedish directory market.

Net revenues from **TDC Cable TV Group** rose 31% to DKK 1,093m in 2000, reflecting higher average selling prices for the cable-TV program packages. Due to a profound reconstruction of the cable-TV business completed in 2000, EBITDA decreased from DKK (8)m in 1999 to DKK (58)m in 2000.

TDC Services Group achieved net revenues of DKK 3,126m, up 7.8%. EBITDA rose 14% to DKK 1,015m. TDC Services activities are primarily to provide billing, logistics, wage administration and IT services for TDC's business units.

TDC also holds a 16.5% stake in Belgacom, indirectly through ADSB, a consortium consisting of SBC, Singapore Telecom, TDC and a number of Belgian financial institutions. In 2000, Belgacom achieved net revenues of DKK 6,315m, up 12% on 1999 and EBITDA of DKK 2,609m, up 4.7% on 1999.

Depreciation, amortization and write-downs

Depreciation and amortization amounted to DKK 6,178m in 2000 compared with DKK 5,583m in 1999, up DKK 595m or 11%. In addition to depreciation on networks, the increase is due to goodwill amortization related to international acquisitions.

In TDC Tele Danmark, depreciation and amortization increased DKK 122m or 4.7% from DKK 2,625m in 1999 to DKK 2,747m in 2000. This is due primarily to depreciation related to investments in EITeleØst and Internordia. In TDC Mobile International, total depreciation and amortization amounted to DKK 1,239m in 2000 compared with DKK 949m in 1999. This equals an increase of DKK 290m or 31%, related primarily to growth in Bité, Connect Austria, Polkomtel, Ben, Talkline and the domestic networks.

Operating income before one-time items

In 2000, operating income before one-time items amounted to DKK 6,793m compared with DKK 6,715m in 1999, growth of DKK 78m or 1.2%.

One-time items

In the year 2000, one-time items amounted to DKK 6,161m before tax, equivalent to a net income impact of DKK 5,496m. There were no one-time items in 1999.

During 2000, the TDC Group disposed or changed a number of shareholdings resulting in a pre-tax gain of DKK 4,412m and a net income impact of DKK 3,751m. Thus, the TDC Group disposed of its:

- 20.4% stake in NetCom ASA for total proceeds of DKK 4.2bn, resulting in a net income impact of DKK 1,170m
- 33.3% stake in Telenordia AB for total proceeds of DKK 2.3bn, resulting in a net income impact of DKK 2,025m
- 25% stake in NSAB for total proceeds of DKK 0.5bn, resulting in a net income impact of DKK 260m
- Marine division for total proceeds of DKK 0.9bn, resulting in a net income impact of DKK 296m

In addition, net income was impacted by DKK 268m from Belgacom's sale of shareholdings in X.com. Further, dilution of TDC's shareholding in Ben resulted in a net income impact of DKK 1,963m, based on a preliminary conservative calculation.

Other one-time items in 2000 comprised write-down of assets, restructuring costs and redundancy payments, amounting to DKK (479)m before tax, and a net income impact of DKK (486)m, in total.

Operating income

Including one-time items, operating income grew from DKK 6,715m in 1999 to DKK 12,954m in 2000, a 93% increase.

Net financials

Net financials underwent a significant change in 2000 with net expenses increasing from DKK 215m in 1999 to DKK 612m in 2000. Of this increase, the majority is due to increasing debt, however, DKK 128m is considered non-recurrent, comprising a gain in Telecom Invest in 1999, and exchange-rate adjustments related to both 1999 and the year 2000.

Interest and other financial income totaled DKK 1,542m in 2000 compared with DKK 1,080m in 1999. This increase was due mainly to higher interest income from swaps and bank deposits.

Interest and other financial expenses totaled DKK 2,168m in 2000 compared with DKK 1,346m in 1999. This increase was due to higher interest expenses from swaps, an increase in long-term debt to finance foreign investments and higher interest expenses in foreign subsidiaries and associated enterprises, primarily in Polkomtel, sunrise, Talkline, Connect Austria, and Ben.

Income before income taxes from investment in other associated enterprises decreased from DKK 51m in 1999 to DKK 14m in 2000, which is primarily a result of an income in Telecom Invest in 1999.

Income taxes

In year 2000, income taxes totaled DKK 3,240m against DKK 2,685m in 1999. The increase of DKK 555m stemmed mainly from taxes on one-time items of DKK 665m offset partly by a reversal of deferred tax of DKK 278m stemming from a reduction in the Danish statutory corporate tax rate from 32% to 30% from year 2001.

Adjusted for taxes on one-time items and the reversal of deferred tax, the effective tax rate increased from 41.3% in 1999 to 46.2% in 2000. The difference between the effective tax rate and the Danish statutory corporate tax rate stems from some of the international operations in which the tax value of losses is not capitalized, and amortization of goodwill disallowed for tax purposes. The increase in the effective tax rate is due to increased losses in the above-mentioned international operations and increased impacts from goodwill amortization.

Net income

Net income including one-time items amounted to DKK 9,087m in 2000 compared with DKK 3,753m in 1999, an increase of 142%. Excluding one-time items, net income amounted to DKK 3,591m in 2000, a decrease of 4% compared with 1999. Similarly, earnings per share increased 142% including one-time items, and decreased 4% excluding one-time items.

TDC's financial performance in 2000 was impacted by expansion of the European mobile business and by a number of price reductions on interconnect traffic. Further, financial performance in 2000 was influenced by non-recurrent net financials, sale of assets, changes in shareholdings and the impact from a reduction of the Danish statutory corporate tax rate.

Balance Sheets

The consolidated Balance Sheet totaled DKK 75,105m at year-end 2000, an increase of DKK 12,905m against year-end 1999. The increase in assets was due to goodwill of DKK 5,924m as a result mainly of the acquisition of sunrise, increased total accounts receivables of DKK 565m, and a DKK 1,711m increase in telecommunication installations. Furthermore, cash increased DKK 3,673m, primarily as a result of the sale or change of some shareholdings. Total long-term debt increased DKK 2,800m and total short-term debt increased DKK 4,072m.

Shareowners' equity aggregated DKK 32,636m at year-end 2000, an increase of DKK 6,768m compared with year-end 1999. This increase was generated mainly by year 2000 net income, which amounted to DKK 6,823m, net of proposed dividends of DKK 2,264m.

At year-end 2000, the solvency ratio was 43.5%, calculated as total shareowners' equity as a percentage of total liabilities and total shareowners' equity, up 1.9 percentage points compared with 1999.

Statements of Cash Flow

Cash flow from operating activities before net financials increased to DKK 11,462m in year 2000.

Cash inflow from operating activities amounted to DKK 8,903m in 2000. The DKK 434m increase, compared to 1999, was due primarily to an increase in working capital.

Cash outflow from investing activities amounted to DKK 7,476m in 2000 against DKK 11,283m in 1999. This decrease was due primarily to divestments offset partly by the acquisition of sunrise shares.

Cash inflow from financing activities amounted to DKK 3,277m in 2000 compared with DKK 2,997m in 1999. The net cash inflow in 2000 resulted primarily from an increase in long-term debt.

The TDC group cash and cash equivalents increased DKK 4,704m to DKK 5,967m at year-end 2000.

Capital expenditures

TDC capital expenditure increased DKK 4,577m in 2000 to DKK 16,102m, primarily because international investments increased from DKK 7,142m in 1999 to DKK 11,450m in the year 2000.

TDC's international focus was emphasized by the major Swiss investments announced in November 2000 that amounted to DKK 17.3bn, of which DKK 5.7bn was invested in 2000.

TDC Group CAPEX

DKKm	1999			2000		
	Domestic	International	Total	Domestic	International	Total
TDC Tele Danmark Group	2,573	835	3,408	2,985	735	3,720
TDC Mobile International Group	528	4,061	4,589	815	3,658	4,473
TDC Internet Group	75	10	85	58	96	154
TDC Cable TV Group	246	0	246	148	0	148
TDC Directories Group	20	848	868	8	129	137
TDC Services Group	636	0	636	606	0	606
Other	305	1,388	1,693	32	6,832	6,864
TDC Group	4,383	7,142	11,525	4,652	11,450	16,102
Share acquisitions in other companies	159	3,958	4,117	113	6,276	6,389
TDC Group, excl. share acquisitions	4,224	3,184	7,408	4,539	5,174	9,713

With domestic investments of DKK 2,985m, TDC Tele Danmark represents 64% of the total domestic capital expenditure. These investments related mainly to landline and data networks comprising, for example, ISDN and ADSL connections, but with a significant focus on activities regarding IP technology as a major growth area. Through persistent efforts to promote growth driving investments, TDC has intensified activities on broadband data solutions for customers in both business and residential segments. With international investments of DKK 735m, Tele Danmark's total investments amounted to DKK 3,720m, which is 17% of total revenues.

Total capital expenditures in TDC Mobile International aggregated DKK 4,473m, 26% of total revenues. As a result of its focus on mobile activities, particularly mobile Internet and mobile data transmission, capital expenditures on domestic mobile networks increased more than 50% to a total of DKK 815m. International capital expenditures in TDC Mobile International amounted to DKK 3,658m.

TDC Internet is focusing on expansion within the basic Internet Service Provider area, funded through domestic capital expenditures of DKK 58m and international investments of DKK 96m.

Capital expenditures in TDC Cable TV amounted to DKK 148m in year 2000, and focused on growth in Internet business. In TDC Directories, capital expenditures amounted to DKK 137m in the year 2000, due to its focus on international investments and web-based services.

Other capital expenditures of DKK 6,864m in year 2000 related primarily to the consolidation of investments within Belgacom and Swiss investments.

Recent developments

On November 12, 2000, TDC entered into a transaction agreement with the other shareholders of sunrise, the Swiss landline telecom and Internet operator, and diAx, the Swiss mobile and landline operator. This agreement formed the basis for TDC's acquisition of sunrise shares held by British Telecom (34.4%) by the end of November 2000 and the final closing on January 23, 2001 when sunrise and diAx were merged and TDC finally acquired additional shares amounting to a total shareholding of 78.5% of the new sunrise/diAx entity, renamed TDC Switzerland. The Board of the new entity consists of nine members, of which TDC elects seven.

On February 2, 2001, TDC Directories signed an agreement to acquire 100% of FöretagsFakta in Sweden. FöretagsFakta publishes directories to the Business-to-Business segment, and the acquisition increases TDC Directories' estimated market share of 23% to 48%, making TDC Directories the market leader in the Business-to-Business directories segment. Furthermore, the TDC group's Business to Business Internet activities will be strengthened and the TDC group will be able to penetrate the Business-to-Business Internet market faster.

On February 13, 2001, TDC Internet agreed to acquire 51% of 6 Polish Internet Service companies from Softbank Poland – a leading Polish Software and IT integration company. The companies provide Internet access, hosting and portal services to the entire Polish market. Business customers within the private and public sector dominate the customer base.

Outlook

Information in this outlook section is in its nature associated with certain risks, which are listed in details in the safe harbor statement on forward-looking statements.

The subsequent sections will present and explain the Outlook 2001 for the TDC group, followed by overall outlook indications for 2002-04. In general, all net income figures exclude one-time items.

The TDC group's financial development from 2000 to 2001 is impacted by the significant Swiss investment carried out in December 2000 and January 2001. This investment will increase revenues and decrease net income significantly in 2001, partly resulting from goodwill amortization and cost of funding. Total revenues are expected to aggregate DKK 57.5bn, an increase of more than 20% compared to year 2000. EBITDA is expected at DKK 12.8bn, which is in line with 2000. Due to goodwill amortization and interests related to the Swiss investment, net income is expected to be significantly lower in 2001, at DKK 0.6bn.

TDC Group Outlook 2001 (excl. one-time items)

DKKbn	1999	2000	2001	Growth 00/01 (%)
TDC Tele Danmark Group				
Total revenues	21.0	22.0	21.3	(3)
EBITDA	7.5	6.9	6.9	1
TDC Mobile International Group				
Total revenues	12.9	16.9	19.3	14
EBITDA	1.2	1.9	2.3	20
TDC Internet Group				
Total revenues	0.4	0.6	1.3	106
EBITDA	(0.3)	(0.4)	(0.6)	(71)
TDC Cable TV Group				
Total revenues	0.8	1.1	1.2	8
EBITDA	(0.0)	(0.1)	(0.1)	NM
TDC Directories Group				
Total revenues	0.9	1.4	1.7	24
EBITDA	0.4	0.6	0.5	(12)
TDC Services Group				
Total revenues	3.1	3.4	3.6	6
EBITDA	0.9	1.0	1.0	(1)
TDC Switzerland Group				
Total revenues	NA	NA	8.2	NM
EBITDA	NA	NA	(0.4)	NM
Net income ¹	NA	NA	(2.5)	NM
TDC Group				
Total revenues	40.4	46.8	57.5	23
EBITDA	12.3	13.0	12.8	(1)
Net income ²	3.8	3.6	0.6	(83)

¹ Includes goodwill amortization of DKK (0.9)bn

² Includes interest expenses related to the acquisition of shareholdings in sunrise/diAx of DKK (0.6)bn after tax in 2001

Earnings performance could be expected to be better in the second half of 2001 than in the first half of the year, partly because of the development in TDC Switzerland.

TDC Tele Danmark will focus on expanding customer relationships, exploiting new technologies and developing integrated services, thereby strengthening the Company's position as the leading provider of communication services in Denmark. Expectations for year 2001 comprise total

revenues of DKK 21.3bn and EBITDA of DKK 6.9bn for year 2001. The implied development in total revenues of (3)% is impacted by the divestment of Telenordia and the change from pro-rata to equity consolidation of sunrise. Disregarding these issues, growth is expected at 4%. EBITDA is in line with year 2000, however, an improvement compared to the development from 1999 to 2000. This improvement is among others the result of the implementation of a streamlining project with the aim to reduce headcount and improve productivity.

In TDC Mobile International, total revenues are expected to equal DKK 19.3bn and EBITDA is expected at DKK 2.3bn, growth rates of 14% and 20%, respectively. These growth expectations are a result of international investments made over the past 5 years. Furthermore, the growth expectations also reflect the expected financial impact from increasing competition on the German market.

TDC Internet will pursue its ambition of becoming one of the fastest growing European providers of Internet services including both basic service provider solutions as well as more advanced services including broadband solutions. The TDC Internet growth is expected through both organic growth and acquisitions, including the recent acquisition of Softbank Poland. Consequently, total revenues in year 2001 are expected at DKK 1.3bn and EBITDA at DKK (0.6)bn. The implied growth in total revenues of approximately 100% reflects acceleration of sales in 2001, whereas the lower EBITDA is impacted by earnings dilution from Softbank Poland.

In TDC Cable TV, total revenues are expected to aggregate DKK 1.2bn and EBITDA DKK (0.1)bn. Based on the financial impact from a streamlining of the cable tv business, TDC Cable TV is ready to meet future challenges and thereby to benefit from growth opportunities.

Total revenues in TDC Directories are expected at DKK 1.7bn and EBITDA at DKK 0.5bn for year 2001, representing a continuation of the expansion into the Swedish market, intensified by the recent acquisition of the Swedish directory Företagsfakta, opening for the publishing of business-to-business directories in the Swedish market. TDC Directories are planning further expansion in Sweden and aim to produce directories that together give complete coverage of Sweden.

Based on the specialized logistics management, TDC Services are expected to generate total revenues of DKK 3.6bn in year 2001, and EBITDA is expected at DKK 1.0bn.

TDC Switzerland is expected to generate total revenues of DKK 8.2bn and EBITDA of DKK (0.4)bn in 2001. These expectations are the result of increases in both landline, Internet and mobile customer bases during 2001, and the realization of synergy gains on both revenues and costs. Including goodwill amortization, net income is expected at DKK (2.5)bn.

Year 2000 net income was impacted by divestment of shareholdings, crystallizing the value creation of the international portfolio. Continued endeavors to focus on core business and streamlining of operations may lead to similar divestments in 2001, so that net income including one-time items could increase to an order of magnitude of DKK 4bn.

From 1996 to 2000 acquisitions of shareholdings in primarily foreign companies accumulated DKK 13.6bn, excluding the acquisition in December of shares in sunrise. Adding the acquisitions of

shareholding related to TDC Switzerland of DKK 17.3bn, accumulated acquisitions aggregate DKK 30.9bn.

As a consequence of the development of the new businesses, the financial performance for years 2002-04 is expected to improve significantly compared to 2000 and 2001.

Thus strengthening the TDC group's competitive position and continue the focus on high-potential growth areas, organic growth in total revenues is expected around 10% p.a., resulting in mid-teen percent EBITDA growth p.a.

Further, depreciations and financial items is expected to increase much lower than EBITDA, and income taxes is expected at the same level over the three years period. On this basis, net income is expected to grow to a level of at least DKK 4bn in 2004, with continued high earnings growth.

Safe harbor statement

Certain sections of this Annual Report contain forward-looking statements that reflect the Management's current views with respect to certain future events and financial performance. Statements concerning the outlook naturally involve uncertainties, and consequently actual results may differ materially from those projected or implied in these forward-looking statements. Further, certain forward-looking statements are based on assumptions of future events, which may prove not to be accurate.

Factors that may cause actual results to differ materially from those projected or implied in the forward-looking statements include – but are not limited to – economic trends and developments in financial markets; technological developments; changes in applicable Danish legislation and EU legislation; changes in interconnect rates; 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 expenses; developments in the market for multimedia services; the possibilities of being awarded licenses; developments in the Company's international activities, which also involve certain political risks; and investments and divestitures in domestic and foreign companies.

Resolutions passed by the Board of Directors

At its meeting today, the Board of Directors approved the Consolidated Financial Statements for 2000.

The Board of Directors also proposes a 5.0% increase in dividends – to DKK 10.50 from DKK 10.00 per share.

TDC Tele Danmark's Annual Report 2000 is scheduled for distribution after March 30, 2001. The Report can be accessed via the Internet at the following address: www.teledanmark.com.

The Annual General Meeting will be held in Copenhagen on April 26, 2001.

February 22, 2001

Knud Heinesen
Chairman of the Board

Henning Dyremose
President and CEO

* * *

Conference call

TDC invites you to a conference call today at 16.00 CET. Henning Dyremose, Chief Executive Officer and Hans Munk Nielsen, Chief Financial Officer will host the conference call. To participate please call +353 12 40 54 24 about 10 minutes before the conference call starts.

The conference call will refer to a slide deck, which is available at www.teledanmark.dk and www.teledanmark.com and participants should obtain these slides before the conference call begins.

For further information, please contact Investor Relations at +45 3343 7680.

Statements of Income

TDC Group DKKm	1999	2000	Change in %
Fixed telephony	14,101	15,537	10.2
Mobile telephony	9,523	12,871	35.2
Terminal equipment, etc.	2,906	2,771	(4.6)
Internet services	844	1,195	41.6
Leased lines	1,304	1,474	13.0
Operator services	580	563	(2.9)
Directories	900	1,214	34.9
Data communications services	663	728	9.8
Cable TV	855	1,096	28.2
Other activities (incl. Belgacom)	6,530	7,103	8.8
Net revenues, Group	38,206	44,552	16.6
of which domestic revenues	22,063	22,820	3.4
of which international revenues	16,143	21,732	34.6
Total revenues, Group	40,437	46,757	15.6
Total operating expenses	(28,139)	(33,786)	(20.1)
EBITDA, Group	12,298	12,971	5.5
of which domestic EBITDA	9,611	9,930	3.3
of which international EBITDA	2,687	3,041	13.2
Depreciation, amortization and write-downs etc.	(5,583)	(6,178)	(10.7)
of which goodwill amortization	(716)	(869)	(21.4)
Operating income (EBIT) before one-time items	6,715	6,793	1.2
One-time items, net	0	6,161	NM
Operating income (EBIT) including one-time items	6,715	12,954	92.9
Net financials	(215)	(612)	185
Income before income taxes	6,500	12,342	89.9
- total income taxes	(2,685)	(3,240)	(20.7)
- income tax related to ordinary income	(2,685)	(2,575)	4.1
- income tax related to one-time items	0	(665)	NM
Net income	3,815	9,102	139
Minority interests	(62)	(15)	NM
Net income after minority interests	3,753	9,087	142

Statements of income for the business lines

	TDC Tele Danmark Group		TDC Mobile International Group		TDC Internet Group		TDC Cable TV Group	
	1999	2000	1999	2000	1999	2000	1999	2000
Net revenues, external customers	18,589	19,269	11,401	15,364	373	552	835	1,088
Net revenues, other business lines	1,177	1,282	1,035	1,255	34	49	0	5
Other revenues	1,273	1,436	420	306	25	29	5	18
Total revenues	21,039	21,987	12,856	16,925	432	630	840	1,111
Total operating expenses	(13,494)	(15,124)	(11,665)	(15,011)	(753)	(981)	(848)	(1,169)
EBITDA	7,545	6,863	1,191	1,914	(321)	(351)	(8)	(58)
Depreciation, amortization and write-downs	(2,625)	(2,747)	(949)	(1,239)	(25)	(53)	(270)	(273)
Operating income before one-time items	4,920	4,116	242	675	(346)	(404)	(278)	(331)
Fixed assets	15,259	14,543	8,508	11,189	243	352	1,200	1,014
Current assets	6,096	12,103	4,194	4,662	275	513	563	612
Liabilities	(10,092)	(10,730)	(6,398)	(8,026)	(125)	(764)	(352)	(499)
Shareowners' equity	11,263	15,916	6,304	7,825	393	101	1,411	1,127
Capital expenditures	3,408	3,720	4,589	4,473	85	154	246	148

	TDC Directories Group		TDC Services Group		Other ¹		TDC Group	
	1999	2000	1999	2000	1999	2000	1999	2000
Net revenues, external customers	893	1,234	38	43	6,077	7,002	38,206	44,552
Net revenues, other business lines	26	121	2,863	3,083	(5,135)	(5,795)	-	-
Other revenues	5	14	224	270	279	132	2,231	2,205
Total revenues	924	1,369	3,125	3,396	1,221	1,339	40,437	46,757
Total operating expenses	(547)	(799)	(2,232)	(2,381)	1,400	1,679	(28,139)	(33,786)
EBITDA	377	570	893	1,015	2,621	3,018	12,298	12,971
Depreciation, amortization and write-downs	(28)	(82)	(520)	(502)	(1,166)	(1,282)	(5,583)	(6,178)
Operating income before one-time items	349	488	373	513	1,455	1,736	6,715	6,793
Fixed assets	909	1,004	1,881	1,868	11,987	17,358	39,987	47,328
Current assets	425	448	417	836	10,243	8,603	22,213	27,777
Liabilities	(830)	(659)	(581)	(640)	(17,954)	(21,151)	(36,332)	(42,469)
Shareowners' equity	504	793	1,717	2,064	4,276	4,810	25,868	32,636
Capital expenditures	868	137	636	606	1,693	6,864	11,525	16,102

1. Including Belgacom and eliminations

Balance Sheets December 31, 2000

TDC Group (DKKm)	1999	2000
Assets		
Intangible assets, net	10,105	18,064
Property, plant and equipment, net	25,916	28,022
Investments and other assets, net	3,966	1,242
Total fixed assets	39,987	47,328
Total inventories	953	1,192
Total accounts receivable	20,053	20,618
Marketable securities	236	1,323
Cash	971	4,644
Total current assets	22,213	27,777
- of which interest-bearing assets	1,207	5,967
Total assets	62,200	75,105
Liabilities and shareowners' equity		
Shareowners' equity	25,868	32,636
Total provisions	7,303	6,514
Total long-term debt	9,585	12,385
Total short-term debt	19,294	23,366
Minority interests	150	204
Total liabilities	36,332	42,469
- of which interest-bearing liabilities	14,851	20,033
Total liabilities and shareowners' equity	62,200	75,105

Statements of Cash Flow

TDC Group (DKKm)	1999	2000	Change in %
Cash flow from operating activities	8,469	8,903	5.1
Cash flow from investing activities	(11,283)	(7,476)	33.7
Cash flow from financing activities	2,997	3,277	9.3
Increase/(decrease) in cash and cash equivalents	183	4,704	NM
Cash and cash equivalents at December 31, 2000	1,207	5,967	NM

Statistics

Group subscriptions

Subscriptions ('000)	1999	2000	Change in %
Domestic:			
Landline subscribers incl. wholesale	3,203	3,192	(0.3)
Mobile subscribers including Duét	1,294	1,648	27.4
Internet dial-up subscribers	396	618	56.1
Cable-TV subscribers	825	801	(3.0)
Domestic subscriptions, total	5,718	6,259	9.5
International:			
Landline subscribers	1,234	1,376	11.5
Mobile subscribers	1,939	3,261	68.2
Internet dial-up subscribers	266	633	138
International pro rata subscriptions, total	3,439	5,270	53.2
Group subscribers, total	9,157	11,529	25.9

Domestic traffic data

Traffic volume (million minutes):	1999	2000	Change in %
Domestic landline traffic	21,608	26,096	20.8
International traffic	1,698	2,137	25.9
Mobile traffic	2,046	2,307	12.8

Employees

TDC and fully owned subsidiaries	1999	2000	Change in %
Employees	17,464	18,363	5.1

Key Figures 1996-2000

TDC Group

	1996	1997	1998	1999	2000	2000	2000
						USDm	EURm
Statements of Income							
	DKKm						
Net revenues	23,608	29,386	33,989	38,206	44,552	5,555	5,972
Total revenues	25,010	31,036	35,867	40,437	46,757	5,830	6,268
Total operating expenses	(15,964)	(21,189)	(24,889)	(28,139)	(33,786)	(4,213)	(4,529)
EBITDA	9,046	9,847	10,978	12,298	12,971	1,617	1,739
Depreciation, amortization and write-downs	(4,633)	(5,265)	(5,270)	(5,583)	(6,178)	(770)	(828)
Operating income before one-time items	4,413	4,582	5,708	6,715	6,793	847	911
One-time items, net	0	(2,292)	755	0	6,161	768	825
Operating income (EBIT)	4,413	2,290	6,463	6,715	12,954	1,615	1,736
Net financials	520	21	(108)	(215)	(612)	(76)	(82)
Income before income tax	4,933	2,311	6,355	6,500	12,342	1,539	1,654
Total income taxes	(1,916)	(1,162)	(1,888)	(2,685)	(3,240)	(404)	(434)
Income before minority interests	3,017	1,149	4,467	3,815	9,102	1,135	1,220
Minority interests	(7)	27	(34)	(62)	(15)	(2)	(2)
Net income	3,010	1,176	4,433	3,753	9,087	1,133	1,218
Net income before one-time items	3,010	2,635	3,522	3,753	3,591	448	481
Balance Sheets							
	DKKbn					USDbn	EURbn
Total assets	55.9	58.8	53.4	62.2	75.1	9.4	10.1
Total shareowners' equity	32.7	32.1	24.3	25.9	32.6	4.1	4.4
Shares issued (million)	262.0	262.0	216.5	216.5	216.5		
Cash Flows							
	DKKbn					USDbn	EURbn
Operating activities	7.5	7.7	9.0	8.5	8.9	1.1	1.2
Investing activities	(10.1)	(8.9)	(5.9)	(11.3)	(7.5)	(0.9)	(1.0)
Financing activities	(0.7)	(1.0)	(8.9)	3.0	3.3	0.4	0.3
Change in cash and cash equivalents	(3.3)	(2.2)	(5.8)	0.2	4.7	0.6	0.5
Key Ratios							
Reported EPS	DKK	11.49	4.49	19.22	17.34	41.98	
EPS before one-time items	DKK	11.49	10.06	15.27	17.34	16.59	
Pro forma EPS 1)	DKK	13.20	12.39	18.14	20.52	20.47	
Dividend pr. share	DKK	8.50	9.00	9.50	10.00	10.50	
Net interest bearing debt	DKKbn	(2.6)	0.0	8.6	13.6	14.1	
Operating profit ratio (EBIT-margin)	%	18.7	15.6	16.8	17.6	15.2	
Return on capital employed (ROCE) 2)	%	15.3	14.0	18.4	21.1	17.9	
Other Data - domestic activities							
(*000, end of period):							
- Subscriber lines (64 kb equivalents)		3,279	3,368	3,465	3,628	3,735	
- Mobile telephone users 3)		806	894	995	1,294	1,648	
- Cable TV users 3)		752	765	812	825	801	
Traffic volume (million minutes):							
-Total domestic traffic landline		13,409	14,407	17,511	21,608	26,096	
-International traffic		1,302	1,396	1,506	1,698	2,137	
-Mobile traffic		958	1,242	1,656	2,046	2,307	
Number of employees		16,763	17,268	16,410	17,464	18,363	
Capital expenditures (DKKm)		10,669	9,314	7,983	11,525	16,102	
USD/DKK exchange rate		5.94	6.83	6.39	7.40	8.02	
EUR/DKK exchange rate						7.46	

1) Proforma EPS is defined as net income before goodwill amortization and one-time items.

2) Return On Capital Employed (ROCE) is defined as income before income tax, one-time items and interest expenses divided by total shareowners' equity plus interest bearing debt.

3) The definition for Cable TV and mobile prepaid customers has been changed in 2000 compared to earlier releases.

Significant Accounting Policies

The Financial Statements and Consolidated Financial Statements have been prepared in accordance with the accounting policies set forth below. These policies comply with the provisions of the Danish Company Accounts Act, which is based on the 4th and the 7th EC Directives. Furthermore, the accounting policies are in accordance with the requirements of the Copenhagen Stock Exchange relating to the presentation of financial statements by listed companies and the accounting standards issued by the Danish Institute of State Authorized Public Accountants.

Changes in accounting policies

In 2000 TDC Group changed its accounting policies in relation to:

- Pension costs
- Computer software costs
- Tax assets and tax liabilities

Pension costs in relation to both Danish and foreign employees are now determined in accordance with US GAAP (Statement of Financial Accounting Standards No. 87 and No. 88). US GAAP recognizes and allocates to each accounting period an appropriate portion of the actuarially determined cost of providing pension benefits that relate to the services provided by employees during the expected service period. These costs are offset against income derived from the pension funds' investments. Previously pension costs in relation to members of the Group's three Danish pension funds and to former civil servants were expensed on the basis of contributions paid to the pension funds and amortization of pension costs, respectively.

TDC Group formerly capitalized computer software costs if the software was integrated in fixed assets (for example a telephone exchange installation). Other computer software costs were expensed as incurred. Certain costs of computer software purchased or developed for internal use are now capitalised and amortized. This new capitalization policy is in accordance with US GAAP (SOP 98-1).

The changes reflect a more appropriate allocation of pension costs and computer software costs to the accounting periods compared with TDC Group's previous accounting policies.

Previously, tax assets and tax liabilities were presented net. Assets and liabilities related to current and deferred corporate income taxes respectively, are now presented as separate items in accordance with Accounting Standard 14. This change has no effect on net income or shareowners' equity.

Impact on consolidated financial statements**DKKm**

	Pension costs		Computer software costs		Taxes		Total	
	2000	1999	2000	1999	2000	1999	2000	1999
Income before income taxes	312	75	343	228	-	-	655	303
Income taxes	(100)	(24)	(58)	(39)	-	-	(158)	(63)
Net income	212	51	285	189	-	-	497	240
Total assets	6,140	5,826	1,018	569	571	1,180	7,729	7,575
Deferred tax, net	1,852	1,875	305	132	-	-	2,157	2,007
Shareowners' equity	4,320	3,985	713	427	-	-	5,033	4,412

The accumulated effect of the changed accounting policies at the beginning of the fiscal year is taken directly to shareowners' equity, and comparative and key figures for previous years have been restated in accordance with the changed accounting policies.

Except for the changes mentioned above the accounting policies are unchanged from last year.

With effect from January 1, 2000 TDC restructured its operations with activities allocated among five new subsidiaries. Comparative figures for the previous year for TDC have been restated accordingly.

Certain reclassifications to prior year comparative figures have been made. These reclassifications have no effect on net income or shareowners' equity.

* * *

TDC is a Danish-based European communications solutions provider organized as seven main business units; TDC Tele Danmark, TDC Mobile International A/S, TDC Internet A/S, TDC Cable TV A/S, TDC Directories A/S, TDC Services A/S and TDC Switzerland AG. TDC is the principal provider of communications services in Denmark and holds significant interests in a range of communications companies across Northern and Continental Europe. TDC was privatized in 1994. Today SBC Communications owns 41.6% of the shares, with the remainder held by individual and institutional shareowners all over the world.

TLD Listings

Shares: Copenhagen Stock Exchange.

Reuters TLD.CO.

Bloomberg TLD.DC.

Nominal value DKK 5.

ISIN DK00-1020242-3. SEDOL 4889874.

ADSs: New York Stock Exchange

One ADS represents half of one common share

Reuters TLD.N.

Bloomberg TLD US.

SEC 1-12998.

Half of one common share.

CUSIP 879242105.

SEDOL 2883094.