25. TDC TELE DANMARK A/S

25.1 COMPANY INFORMATION

Exhibit 46 – TDC at a glance

Shareholders	Public - 58.4% SBC Communications 41.6%
CEO	Henning Dyremose
Established	1994 (IPO)
Revenue 2001	DKr54.1 billion (US$6.43 billion)
Customers 2001	13.5 million
Headquarters	Aarhus, Denmark
Employees Dec 2001	19,100

(Source: Paul Budde Communication based on company data)

TDC, formerly known as Tele Danmark, is a Danish-based European communication solutions provider organised as five main business units: Tele Danmark, TDC Mobile International A/S, TDC

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Internet A/S, TDC Cable TV A/S and TDC Directories A/S. The name TDC was adopted in December 2000.

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. It was privatised in 1994. Today SBC Communications owns 41.6% of the shares and the remainder are held by individual and institutional shareowners all over the world.

As the largest provider of telecommunications services in Denmark, TDC provides domestic local and long-distance service, international calling, Internet access and other data communications services, mobile phone service, and cable TV. Its international holdings are centred in Europe, with major connections in Austria, Belgium, Switzerland and Germany.

25.1.1 Company restructure

Tele Danmark restructured in 2000 to be better equipped for competition in the Danish and European market. The restructured company became TDC Group and Tele Danmark became the core Danish business unit. Since 2001, the company is organised into five independent businesses:

- Tele Danmark;
- TDC Mobile International;
- TDC Internet;
- TDC Cable;
- TDC Directories.

25.1.2 Year 2001 results

Revenue increased 16% to DKK 54.08 billion, leading to an EBITDA of DKK 12.81 billion (down 1%), an operating profit of DKK 4.34 billion (down 36%) and a net profit of DKK 1.32 billion (down 63%).

Sales growth was mixed, but there was strong growth in international fixed lines, all mobile and Internet.

The result was strongly affected by a decrease in profit made from the sale of businesses (DKK 1.14 billion vs DKK 6.64 billion in 2000) and an increase in writedowns (DKK 3.69 billion vs DKK 0.48 billion in 2000).

Table 91 – Revenue for years ending December – 1995–2001

Year	(DKr billion)
1995	20.0
1996	24.9
1997	30.9
1998	35.7
1999	40.2
2000	44.6
2001	54.1

(Source: Paul Budde Communication based on company data.)

Table 92 – Revenue by activity – 2001

Activity	Proportion	Annual change
Fixed-line:		
• Domestic	21%	-3%
• International	12%	+47%
Mobile:		

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• Domestic	7%	+13%
• International	28%	+42%
Internet	4%	+82%
Terminal equipment sales	5%	-3%
Leased lines	3%	+6%
Operator services	1%	-15%
Directories	3%	+13%
Data communication services	1%	-8%
Cable TV	2%	+9%
Belgacom and others	13%	-2%

(Source: Paul Budde Communication, based on company data)

25.2 OPERATIONS

TDC Tele Danmark operates five segments dedicated to fixed network, mobile, Internet, directories and services.

Table 93 – Subscribers by segment – 2001

Segment	Subscribers (millions)	Annual change
Fixed-line:		
• Domestic	3.14	-1%
• International	1.60	+16%
Mobile:		
• Domestic	1.91	+16%
• International	4.41	+36%
Internet	1.58	+49%
Cable TV	0.83	+3%
Total	**13.47**	**+19%**

(Source: Paul Budde Communication, based on company data)

25.2.1 Fixed network

Tele Danmark delivers a full range of landline services in Denmark and neighbouring Nordic countries. It is fully digital and the company began offering services via Asymmetrical Digital Subscriber Line (ADSL) from July 1999 in major cities across the country. Offering high-speed data transmission, the service was available to 80% of homes by 2001. As a part of Tele Danmark's universal service obligation, it provides access to telephony, ISDN, and leased lines services for data transmission up to 2Mb/s.

It has begun migrating from the traditional switched network to an entirely Internet Protocol (IP)-based network, ready to provide further convergence between data, voice, media and IT. It has also started rolling out fibre closer to the home and office.

25.2.1.1 Fixed-mobile convergence

The company's fixed and mobile networks have been integrated via the Duet service since 1997. A Duet subscription combines a fixed network subscription with a subscription for GSM mobile telephony. Calls to a Duet customer may be routed to the fixed network phone, the mobile phone or to an answering service. The automatic forwarding of calls makes it possible for Duet customers to have 1 telephone number and a single bill.

During 1999, a Unified Messaging Service was introduced for both fixed and mobile networks, including Internet access to voice and fax messages, e-mails and subscriber settings. This made Tele

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Danmark the first operator to implement fixed mobile convergence on a large scale for messaging services.

25.2.1.2 Cable TV

TDC also offers Denmark's most substantive cable TV network. Its cable modem service is one-way, the return path being provided by the telephone network. TDC Cable continued to upgrade this network to two-way functionality over 2000 and 2001.

Despite the European Commission's directive on cable ownership by telecommunications operators, Tele Danmark has announced no plans to sell off its cable assets.

25.2.2 TDC Mobile International

TDC Mobile operates NMT 450 and NMT 900 analogue services and a GSM 900/DCS 1800 service. It also runs a Nokia TETRA system for emergency services and paging services. It has mobile operations in seven European countries: Denmark, Germany, Lithuania, Poland, Austria, Ukraine and the Netherlands.

A substantial investment has been made in third generation mobile services overseas, totalling around DKK145 billion, and TDC Mobile holds Universal Mobile Telecommunications Service (UMTS) licences in the UK, Netherlands, Germany, Italy, Austria, Switzerland and Poland.

25.2.2.1 Duet15 & Duet45

TDC launched its Duet service in 1997 and was the first of its kind in Europe. A Duet subscription combines a normal fixed network subscription with a Duet supplementary subscription for GSM mobile telephony as well as call forwarding and answering facilities. Calls to a Duet customer may be routed either to the fixed network telephone, the mobile telephone or to an answering service. The automatic forwarding of calls makes it possible for the Duet customer to have only one telephone number. The Duet subscription can also be paid for via one combined telephone bill.

In 2000, TDC combined the Duet service with the Mobil15 and Mobil45 service resulting in Duet15 and Duet45. For a monthly fixed fee customers receive a given number of minutes as well as the Duet convergence function.

25.2.3 TDC Internet

TDC Internet, the largest Danish ISP, offers a range of products from simple Internet connections to broadband access and more complex security and hosting services. It is expected to grow rapidly through partnerships with other Internet businesses such as the acquisition of Softbank enterprises in Poland in 2001.

The Polish acquisition of six ISPs from Softbank is an important step for TDC Internet towards becoming a key player in Central and Eastern Europe. The Polish Internet market holds significant growth potential and by entering the Polish Internet market TDC Internet secures a strong position prior to deregulation of the Polish communications market planned for January 2003.

25.2.4 TDC Directories

TDC Directories provides electronic and online products as well as traditional directories and has activities in Denmark, Sweden, Norway and the Czech Republic.

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25.2.5 TDC Services

TDC Services is primarily an internal service company. It ensures TDC has immediate access to the best, most cost-effective solutions in billing, procurement, logistics, facility management, IT, accounting, payroll administration, risk management and security.

25.3 INTERNATIONAL OPERATIONS

TDC is an international business with activities in 12 European countries. TDC plans to continue its active operational participation in international activities.

Exhibit 47 – European subsidiaries and affiliates

Country	Wireless	Fixed-line	Internet	Other
Austria	Connect Austria 15% DCS 1800	Connect Austria 15% Resale	Connect Austria 15% ISP	
Belgium	Belgacom Mobile 75% GSM 1800	Belgacom 16.5% Resale	Belgacom 16.5% ISP	Belgacom 16.5% Equipment sales
Germany	Talkline 100% Service provider	Talkline 100% Resale	Talkline 100% ISP	
Netherlands	Ben Nederland 14.7% DCS 1800			
Norway		ElTele Ost 53.49% Resale and network services	ElTele Ost 53.49% ISP	
Sweden				Internordia 100% Equipment sales Lokaldelen 100% Mediaförlaget Företagstele International 100% TFI Företagsinfo 100% Directories
Switzerland	DiAx 70% GSM 900	Sunrise Comms 89.2% Resale and network services	Sunrise Comms 89.2% ISP	
Czech Republic			Contractel 50% ISP	Ceske Radio-kommunikace 20.8% Broadcasting and satellite trans Inform Net Partners 50% Directories
Hungary	Pannon GSM 6.6% GSM 1800	HTCC 21.4% Local networks		
Lithuania	Bité GSM 100% GSM 1800			
Poland	Polkomtel 19.59% GSM 900			
Ukraine	UMC			

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Country	Wireless	Fixed-line	Internet	Other
	16.3% NMT 450 GSM 900			

(Source: Paul Budde Communication based on company information.)

25.3.1 International infrastructure

In March 2000, Tele Danmark entered an agreement to establish a 2,100km fibre optic backbone in Sweden and Norway. The backbone connects to the company's fibre optic backbone in Denmark and to Tele Danmark's new 2,700km German fibre optic backbone.

The combined northern European 6,000km fibre optic backbone is part of Tele Danmark's international infrastructure, called TeamNet.

Tele Danmark has also been involved in planning, establishing and financing international transmission links via the three partnerships:

- Danish Baltic Telecommunications Group (50%);
- Danish Polish Telecommunications Group (25%);
- Danish Russian Telecommunications Group (50%).

See separate reports: *Europe* at *www.budde.com.au.*

25.3.2 Switzerland

In November 2000, Tele Danmark agreed to increase its stake in Sunrise, the Swiss landline telecom and Internet operator, from 44% to 89%. Tele Danmark also agreed to acquire 70% of diAx, the Swiss mobile and landline operator, and then merge the entities to create the second largest telecom operator in Switzerland. The combined entity will be majority owned and controlled by TDC Tele Danmark.

The acquisitions were based on a total equity value of the merged company of DKr26,500 million. The price paid by Tele Danmark for the stakes in diAx and Sunrise was DKr17,200 million, paid in cash and Tele Danmark shares. In addition, Tele Danmark will refinance diAx and Sunrise for a total of DKr5,900 million. The merged company was successful in bidding for a Swiss UMTS licence in December 2000.

25.3.3 Other international operations

- **Austria** – TDC is part of the Connect Austria consortium which, under the trademark *one*, operates a DCS 1800 cellular network. In addition, *one* provides Internet and telephony services.
- **Belgium** – Together with SBC/Ameritech, TDC owns the Belgian telco Belgacom, which has activities within the areas of mobile, telephony, data, Internet, satellite communications and telecom equipment.
- **Czech Republic** – TDC is a co-owner of Ceske Radiokomunikace. The company is market leader in the Czech Republic for the transmission and distribution of TV and radio signals, satellite services and radio transmission of telephony and data traffic. Together Ceske Radiokomunikace and TDC own the company Contactel, which is provider of Internet services. Furthermore, TDC is co-owner of the publishing house Inform Net Partners.
- **Germany** – TDC owns the company Talkline, which is the third largest provider of cellular services in Germany.
- **Hungary** –TDC is co-owner of the local landline operator Hungarian Telephone & Cable Corp.
- **Lithuania** – TDC owns the mobile company Bité GSM, which operates a GSM 900 cellular network and offers Internet services.
- **Netherlands** – Together with Belgacom and Deutsche Telekom, TDC owns the company Ben, which operates a DCS 1800 cellular network.

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- **Norway** – TDC is a majority shareholder in the company Tele Denmark InterNordia, which provides Internet, telephony and data services in the Oslo area. TDC Directories has bought the Norwegian publishing house StorbyGuide that sells Business-to-Business (B2B) in the Oslo area.
- **Poland** – TDC is a co-owner of the company Polkomtel, which operates a GSM 900 cellular network under the trademark Plus GSM. In addition, TDC Internet owns six Polish Internet companies that offer Internet access, hosting and portal services to the entire Polish market.
- **Sweden** – TDC owns the company Internordia, which is a provider of telecom and data equipment. It also owns the publishing houses FöretagsFakta, Lokaldelen, Mediaförlaget Företagstele and TFI Företagsinfo.
- **Ukraine** – TDC is co-owner of Ukrainian Mobile Communications. The company operates an NMT 450 and GSM 900 cellular network.

25.4 OTHER DEVELOPMENTS

25.4.1 Year 2002

February

- TDC Mobile reached a roaming agreement with Vodafone for access to Finland;
- TDC Mobil concluded a roaming agreement with the largest telecommunications company in South Korea, SK Telecom;
- Tele Danmark InterNordia concluded an agreement for the acquisition of Swedish telco Tele Office, a supplier of telephone systems for the business sector.

March

- TDC Directory Services reached agreement to buy the Finnish publisher Blue Book.

June

- TDC Tele Danmark concluded an agreement to buy out four minority shareowners in its Norwegian subsidiary, Tele Danmark InterNordia, taking its ownership to 99.97%.

July

- TDC completed its ADSL rollout, providing 95% of the Danish population with broadband access.

25.5 CONTACT DETAILS

Tele Danmark A/S
Norregade 21
DK-0900 COPENHAGEN C
DENMARK

Tel: +45 3343 7777
Fax: +45 3343 77619
Website: www.tdc.dk

26. TELE2 AB

26.1 COMPANY INFORMATION

Exhibit 48 – Tele2 at a glance

Ownership	Invik Group	8.7%
	Kinnevik Group	15.6%
	Millicom Telecommunications	10.0%
	Others	65.7%
CEO	Lars Johan Jamheimer	
Year established	1993	
Revenue 2001	SEK 25.09 billion	
R&D expenditure 2001	5.9% of revenue	
Export markets	22 European countries	
Headquarters	Stockholm	
Branches	Sweden, Denmark, Norway	

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