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**THIS ANNOUNCEMENT CONSTITUTES AN ANNOUNCEMENT ISSUED IN ACCORDANCE WITH SECTION 4(1) OF THE DANISH EXECUTIVE ORDER NO. 1171 OF 31 OCTOBER 2017 ON TAKEOVER BIDS (THE "DANISH TAKEOVER ORDER").**

12 February 2018

**PFA, PKA, ATP and Macquarie Infrastructure and Real Assets announce a recommended public takeover offer to the shareholders of TDC A/S**

DK Telekommunikation ApS, a company controlled by a consortium of experienced, long-term investors and asset managers including PFA, PKA, ATP and Macquarie Infrastructure and Real Assets ("MIRA") (as described in more detail below, the "Consortium") has decided to launch a recommended voluntary public takeover offer to the shareholders of TDC A/S ("TDC") to purchase the entire share capital in TDC (excluding any treasury shares) for cash consideration (the "Offer").

Following positive dialogue with the Consortium, the Board of Directors of TDC has unanimously decided to recommend its shareholders to accept the Offer when made by the Consortium and will in accordance with section 22 of the Danish Takeover Order publish a statement in respect of the Offer upon publication of the final offer document as approved by the Danish Financial Supervisory Authority (the "Danish FSA").

Under the Offer, TDC shareholders (excluding TDC in respect of any treasury shares) will, subject to certain conditions and restrictions, be offered a cash consideration of DKK 50.25 per share, adjusted for any dividends or distributions declared or paid to shareholders since 31 December 2017.

The Offer represents:

- a 34.1 per cent premium to the closing share price of DKK 37.47 as of 7 February 2018<sup>1</sup>;
- a 32.3 per cent premium to the 3-months volume-weighted average share price of DKK 37.99<sup>2</sup>;
- a 33.5 per cent premium to the 6-months volume-weighted average share price of DKK 37.65<sup>2</sup>

The Offer will be conditional on the Offeror obtaining acceptances, or otherwise acquiring shares (excluding treasury shares), representing more than 2/3 of the share capital and voting rights of TDC and is also subject to the conditional merger agreement between TDC and Modern Times Group MTG AB not being approved by TDC. In addition, the Offer will contain a number of customary conditions, including merger clearance and regulatory approvals and that TDC has conducted its business in ordinary course.

The Offer represents an aggregate equity purchase price of approximately DKK 40.336 billion for the outstanding TDC shares (excluding 9,299,380 treasury shares).

"We are pleased that our constructive dialogue with the board of directors has resulted in us receiving their full recommendation of our offer to acquire all shares in TDC. This is a long-term investment in

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<sup>1</sup> Last day of trading prior to TDC's announcement dated regarding the initial approach from the Offeror

<sup>2</sup> The average prices are calculated on the basis of daily volume weighted closing prices of the shares in the stated period as quoted on Nasdaq Copenhagen. Period for the volume-weighted calculation ends on 7 February 2018

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the development of essential Danish digital infrastructure, and the consortium sees a great potential in this. All sectors of business are undergoing a digital transformation that will only take on speed in the coming years, and digital infrastructure is key in supporting this development. That is why we believe the current solution is for the benefit of all stakeholders in Denmark,” said Allan Polack, Group CEO PFA.

“This Consortium is the best future ownership of TDC, and I believe that the expertise within the consortium will develop and strengthen the quality of digital infrastructure across Denmark. And it benefits the Danish people in general and of course PKA’s members with steady, long-term returns on the investment,” says Peter Damgaard Jensen, CEO of PKA.

“On behalf of our 5 million members we are happy to be part of and endorse this transaction as a sound long term investment benefitting all stakeholders” said Christian Hyldahl, CEO at ATP.

“As long-term asset managers, we have extensive experience in managing and growing companies across the telecommunications sector. We are confident that our expertise, combined with local market insights and support from our partners will allow TDC to play a role in establishing Denmark as a digital leader,” said Arthur Rakowski, Vice Chairman, Macquarie Infrastructure and Real Assets.

This Consortium’s strategy will see TDC’s entire fixed and mobile networks open for use by all telecommunications brands and retailers thereby encouraging increased competition that will benefit retail and business customers across Denmark.

To achieve this a separately managed business unit focused on developing and managing TDC’s telecommunications networks will be created.

The creation of the new business unit, together with substantial investment in customer service, will allow TDC’s existing customer facing business to focus solely on servicing its existing customers through the development of new products, the delivery of premium content, and sourcing new customers by increasing the number of partnerships it has with other networks. It is not envisaged there will be any redundancies.

Over the long-term this strategy will encourage and support innovation in the Danish telecommunications sector, improve customer choice and product offerings and stimulate retail competition. It will also reduce infrastructure duplication and accelerate the quality, expansion and speed of networks across Denmark.

Material investment will be required to achieve our vision of high-speed internet for all households and businesses across Denmark. The consortium plans to consult with all major stakeholders including the utility companies to achieve this. It is the aspiration of The Consortium that TDC will play a major role in that investment.

**-Ends-**

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**Offer process and offer period**

The Offer will be conducted in accordance with Danish law and the terms and conditions of the Offer will be set out in an offer document, which will be published by the Offeror upon approval by the regulator and no later than four (4) weeks from the date of this announcement.

The offer period for the Offer is expected to commence as soon as possible and no later than four (4) weeks from the date of this announcement and initially to expire four (4) weeks after publication of the offer document.

The detailed terms and conditions of the Offer as well as instructions on how to accept the Offer will be included in an offer document to be made public as soon as possible after approval by the regulator in accordance with applicable laws and regulations.

In the event TDC pays or resolves to pay dividends or otherwise makes distributions to its shareholders prior to completion and the shares are transferred ex-dividend (meaning without the right to receive declared but unpaid dividend and/or other distributions), the Offer Price to be paid pursuant to the Offer will be reduced by the amount of such dividend or other distribution per share on a DKK-for-DKK basis (or equal to the fair market value of any distributions in kind to shareholders). As such, if the dividend of DKK 1.05 per share (expected to be distributed after TDC's annual general meeting) that is or shall be received, then the cash consideration will be reduced by DKK 1.05 per share.

The Offeror reserves the right to extend the offer period from time to time in accordance with the terms and conditions of the Offer.

The Offeror and TDC has entered into an agreement which regulates the Offer and contains certain customary undertakings by TDC in respect of the Offer and the conduct of its business during the Offer Period.

**Authority Approvals**

The Offeror will, as soon as practicable, make all submissions, notifications and filings necessary to obtain all consents, approvals or actions by the European Commission (merger clearance) and the Danish FSA (who will be the competent authority for approval for the indirect acquisition of TDC

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Reinsurance A/S) and will use its reasonable best efforts to obtain all such consents, approvals or actions as soon as practically possible.

### **Board statement**

The Board of Directors of TDC must under section 22 of the Danish Takeover Order publish a statement in respect of the Offer within the first half of the initial offer period upon publication of the final offer document as approved by the Danish Financial Supervisory Authority.

### **The Consortium**

The Consortium consists of PFA Pension Forsikringsaktieselskab ("PFA"), PKA A/S ("PKA"), acting on behalf of PKA Pension Funds<sup>3</sup>, Arbejdsmarkedets Tillægspension ("ATP") and Macquarie Infrastructure & Real Assets (Europe) Limited<sup>4</sup> acting on behalf of funds or entities managed or advised by it. The indirect ownership of DK Telekommunikation ApS will be split as follows: PFA (c. 16.7%), PKA (c. 16.7%), ATP (c. 16.7%) and MIRA (50%).

### **About PFA**

PFA was founded in 1917 as an independent company by a number of labour organisations, with the sole purpose of ensuring a financially secure future for the employees and their families. Today, PFA is the largest commercial pension company in Denmark with DKK 600 billion (EUR 80 billion) under management. PFA has approximately 1.2 million individual customers from a wide range of the largest companies and organisations in Denmark. This means that PFA can keep costs low, it has access to attractive investment options and it is able to attract some of the best investment partners in the world.

[www.pfa.dk](http://www.pfa.dk)

### **About PKA**

PKA is one of the largest pension service providers for labor market pension funds in Denmark. Their more than 300,000 members work primarily in the public sector. PKA invests approximately DKK 275 billion (EUR 36.6 billion) on behalf of their members. PKA has a special focus on long term infrastructure investments and has invested approximately DKK 20 billion (EUR 2.7 billion) in Danish and foreign infrastructure. By the year 2020 PKA has an ambition to have invested DKK 40 billion (EUR 5.5 billion) in infrastructure.

[www.pka.dk](http://www.pka.dk)

### **About ATP**

ATP is an independent self-governing regulated pension fund established under its own act in 1964 with a view to ensuring a larger basic pension for large portions of the Danish population as a supplement to the state retirement pension. ATP is funded by mandatory contributions, and ATP manages assets of more than DKK 700 billion (EUR 94 billion).

[www.atp.dk](http://www.atp.dk)

### **About Macquarie Infrastructure and Real Assets (MIRA)**

MIRA is part of Macquarie Asset Management Group, the asset management arm of Macquarie Group, a diversified financial group providing clients with asset management, banking, advisory and

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<sup>3</sup> Pensionskassen for Sygeplejersker og Lægeseekretærer, Pensionskassen for Sundhedsfaglige, and Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale ("PKA Pension Funds")

<sup>4</sup> Macquarie Infrastructure and Real Assets (Europe) Limited (MIRAEL) is registered in England and Wales (Company number 03976881, Firm Reference No. 195652). The registered office for MIRAEL is Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD. MIRAEL is authorised and regulated by the Financial Conduct Authority.

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risk and capital solutions across debt, equity and commodities. Founded in 1969, Macquarie Group employs 13,966 people in 27 countries.

MIRA pioneered infrastructure as a new asset class for institutional investors. For more than 20 years it has been investing in and managing the assets that people use every day - extending beyond Infrastructure to real estate, agriculture and energy. MIRA's dedicated operational and financial experts work where MIRA's funds invest and the portfolio companies operate.

As at 30 September 2017, MIRA has assets under management of more than EUR 94 billion invested in 137 portfolio businesses, ~300 properties and 4.5 million hectares of farmland.

MIRA manages 50 funds globally, including MEIF5, a EUR 4 billion fund focused on investment opportunities in utilities, transportation, communications infrastructure and renewable energy throughout Europe.

[www.macquarie.com](http://www.macquarie.com)

#### **Advisers**

The Offeror has appointed Barclays Bank PLC, acting through its Investment Bank ("Barclays") and Nordea Danmark, filial af Nordea Bank AB (publ), Sverige ("Nordea") as financial advisers and Plesner Advokatpartnerselskab, Baker McKenzie and Clifford Chance as legal advisers in connection with the Offer.

#### **Versions**

This announcement is prepared in a Danish and an English version. In case of any inconsistencies, the Danish version shall prevail.

#### **Disclaimer**

This announcement does not constitute an offer or invitation to purchase any securities in TDC or a solicitation of an offer to buy any securities, pursuant to the Offer or otherwise. No tender offer for the shares of TDC has commenced at this time. The Offer will be made solely by means of an offer document approved by the Danish FSA, which will contain the full terms and conditions of the Offer, including details of how the tender offer may be accepted (the "Offer Document"). Shareholders in TDC are advised to read the Offer Document and the related documents when published as they will contain important information.

#### **Restricted Jurisdictions**

The Offer will not be made, and the TDC shares will not be accepted for purchase from or on behalf of persons, in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by this Offer Document (the "Restricted Jurisdictions"). Persons obtaining this announcement or, once published, the Offer Document and/or into whose possession the Offer Document comes are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents. Neither the Offeror nor any of its advisors accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who intends to forward this announcement or the Offer Document or any related document to any jurisdiction outside Denmark should inform themselves of the laws of the relevant jurisdiction and should also carefully read the Offer Document, before taking any action. The distribution of this announcement and the Offer Document in jurisdictions other than Denmark may be restricted by law, and, therefore, persons who come into possession of this announcement and the Offer Document

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should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws and regulations of any such jurisdiction.

**Notice to Shareholders in the United States of America**

The Offer will be subject to the laws of Denmark. The Offer, once made, will relate to the securities of a Danish company and is subject to the disclosure requirements applicable under Danish law, which may be different in material aspects from those applicable in the United States of America.

The Offer will be made in the United States of America pursuant to Section 14(e) of, and Regulation 14E promulgated under, the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), subject to the exemptions provided by Rule 14d-1(d) under the Exchange Act and otherwise in accordance with the requirements of Danish law. The Offer will not be subject to Section 14(d)(1) of, or Regulation 14D promulgated under, the Exchange Act. TDC is not subject to the periodic reporting requirements under the Exchange Act, and is not required to, and does not, file any reports with the United States of America Securities and Exchange Commission thereunder.

The Offer will be made to TDC's shareholders resident in the United States of America on the same terms and conditions as those made to all other shareholders of TDC to whom an offer is made. Any information documents, including this announcement and, once published, the Offer Document, are being (or will be) disseminated to United States of America shareholders on a basis comparable to the method that such documents are provided to TDC's other shareholders.

Residents of the United States of America must be aware that this announcement and, once published, the Offer Document and any other documents regarding the Offer have been or will be prepared in accordance with Danish standards as to contents and style, which standards may differ from US standards. In addition, the procedures for the tender of securities and settlement of the consideration due to each TDC shareholder who accepts the Offer will be carried out in accordance with the rules applicable in Denmark, which may differ in material aspects from the rules and procedures applicable to a tender offer for the securities of a domestic US company, in particular with respect to withdrawal rights, offer timetable, settlement procedures and the payment date of the securities.

It may be difficult for TDC's shareholders to enforce their rights and any claim they may have arising under the US federal securities laws, since the Offeror and TDC are located in non-US jurisdictions, and some or all of their respective officers and directors may be residents of non-United States of America jurisdictions. TDC's shareholders may not be able to sue the Offeror or TDC and/or their respective officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel the Offeror and TDC and their respective affiliates to subject themselves to a United States of America court's judgment.

In accordance with normal Danish practice and pursuant to Rule 14e-5(b) of the Exchange Act, the Offeror or its nominees, or its brokers (acting as agents or in a similar capacity), may from time to time make certain purchases of, or arrangements to purchase, TDC shares outside the United States of America, other than pursuant to the Offer, before or during the period in which the Offer is launched and then remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be announced through Nasdaq Copenhagen A/S and relevant electronic media if, and to the extent, such announcement is required under applicable Danish law, rules or regulations. In the ordinary course of business, each of Barclays and Nordea and their respective affiliates may make or hold a broad array of investments including serving as counterparties to certain derivative and hedging

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arrangements and actively trade debt and equity financial instruments (or related derivative financial instruments) and other types of financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and financial instrument activities may involve securities and/or instruments of TDC.

**Additional Disclaimers**

Apart from the responsibilities and liabilities, if any, which may be imposed by Danish law or under the regulatory regime of any other jurisdiction where exclusion of responsibility or liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Barclays nor Nordea, as financial advisors to the Offeror, or in any other capacity (nor any of their respective subsidiaries, branches or affiliates) accept any responsibility whatsoever for the contents of this announcement or, once published, the Offer Document including its accuracy, correctness or for any other statement made or purported to be made by it, or on its behalf in connection with the Offer. Save for the aforementioned responsibilities and liabilities, if any, which may be imposed under law, Barclays and Nordea accordingly disclaim any and all liability, whether arising in tort, contract, or otherwise (save as referred to above), which they might otherwise have in respect of such document or any such statement.

Barclays, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for the Offeror and no one else in connection with the Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Offer or any other matter referred to in this announcement.

Nordea, which is acting exclusively for the Offeror and no one else in connection with the Offer, will not be responsible to anyone other than the Offeror for providing the protections afforded to clients of Nordea nor for providing advice in relation to the Offer or any other matter referred to in this Offer Document nor for providing advice to any such other person.

For the avoidance of doubt, Nordea Bank is not registered as a broker or dealer in the United States of America and will not be engaging in direct communications relating to the Offer with investors located within the United States of America (whether on a reverse-inquiry basis or otherwise).