

Increased customer intake - delivering on the plan

THIRD QUARTER SUMMARY

- ▶ Revenue totaled SEK 1,210m (1,104), an increase of 9.6% over the third quarter of 2013.
- ▶ Underlying EBITDA was SEK 576m (569), an increase of 1.1% over the third quarter of 2013.
- ▶ Operating free cash flow was SEK 318m (302), an increase of 5.3% over the third quarter of 2013.
- ▶ Net result for the period was SEK 7m (-82).
- ▶ Earnings per share were SEK 0.03 (-0.82). Pro forma earnings per share²⁾ were SEK 0.02 (-0.39).
- ▶ The growth reflects an acceleration in customer intake and Com Hem continued to deliver on its growth plan:
 - The unique consumer subscriber base grew by 15,000 to a total of 861,000
 - Broadband growth continued, increasing by 17,000 to 594,000 RGUs – a new all-time high since 2007
 - Digital television grew for the second consecutive quarter, increasing by 8,000 to 607,000 RGUs
 - The number of TiVo customers grew by nearly 30,000 to 132,000 customers (22% penetration)
 - The fixed-telephony subscriber base grew for the first quarter since 2011 by 3,000 RGUs
 - Churn declined from 16.4% in the prior quarter to 14.8% in the third quarter
- ▶ Com Hem continued to optimize its capital structure:
 - The over-allotment option was exercised on July 4 and new shares of SEK 567m were issued.
 - On July 4 Com Hem redeemed the Senior PIK Notes in full and 35% of the Senior Notes outstanding. As a result the average interest rate fell from 8.4%, pre IPO, to 6.7% post IPO, and net debt/Underlying EBITDA decreased from 6.4x to 3.9x.
 - On October 23, after the end of the quarter, new Senior Secured Notes were issued of SEK 2,500m due 2019 with a 5.25% interest coupon, which will be used to finance the redemption of the outstanding Senior Secured Notes with a 9.25% interest coupon. Post the redemption on November 12, the average interest rate will be reduced to 5.0%.

KEY FINANCIAL METRICS⁽¹⁾

	Jul-Sep		Change	Jan-Sep		Change	Jan-Dec
	2014	2013		2014	2013		
Revenue, SEKm	1,210	1,104	9.6%	3,532	3,334	5.9%	4,448
Underlying EBITDA, SEKm	576	569	1.1%	1,686	1,660	1.6%	2,200
Underlying EBITDA margin, %	47.6%	51.6%	-4,0 p.p.	47.7%	49.8%	-2,0 p.p.	49.5%
Operating profit (EBIT), SEKm	200	203	-1.5%	407	547	-25.6%	657
Net result for the period, SEKm	7	-82	108.7%	-888	-349	-154.1%	-771
Earnings per share, SEK	0.03	-0.82	104.2%	-6.30	-3.49	-80.5%	-7.71
Pro forma earnings per share ⁽²⁾ , SEK	0.02	-0.39	103.8%	-1.74	-1.68	-3.3%	-3.72
CAPEX, SEKm	257	267	-3.6%	711	640	11.0%	1,038
CAPEX as % of revenue	21.3%	24.2%	-2,9 p.p.	20.1%	19.2%	0,9 p.p.	23.3%
Operating free cash flow, SEKm	318	302	5.3%	975	1,020	-4.4%	1,162
Net debt, SEKm	8,291	13,034	-36.4%	8,291	13,034	-36.4%	13,582
Net debt/Underlying EBITDA	3,7x	5,8x	-2,1x	3,7x	5,8x	-2,1x	6,2x

1) Please refer to page 13 for definitions.

2) Net result for the period excluding one-off costs associated with the IPO and refinancing of debt, adjusted for income tax, divided by the number of shares after the issuance of new shares and exercise of the over-allotment option. See *Pro forma earnings per share* on page 11.

CEO's comments

“A strong set of numbers contribute to accelerated growth”

The third quarter demonstrates that we continue delivering on our growth strategy. All key metrics show significant progress. Total revenue was up almost 10% compared with the corresponding quarter last year, with consumer revenue rising by 5% - on the back of our sales momentum, lower churn and higher consumer ARPU.

Broadband has been our key focus during the quarter as we upgraded a significant proportion of our customer base and strengthened our market proposition, raising our minimum entry level speed to 50 Mbit/s – 5 times faster than the competition – and making it more attractive for customers to upgrade to higher speeds. These changes were supported by significant marketing activity and resulted in an all-time high number, since 2007, of 17,000 net additions to our broadband subscriber base in the quarter combined with a material improvement in the proportion of new customers choosing 100 Mbit/s and above.

The positive trend for our digital television business continued from the previous quarter. TiVo adoption among new and existing customers grew from 17% to 22% of our digital TV subscriber base. Thanks to improved broadband mix and to TiVo, we continued to grow blended customer ARPU.

Profitability remained fairly stable with an underlying EBITDA margin of 47.6%, a slight improvement compared with the second quarter.

We have completed the first two important steps in reducing the cost of our debt. The proceeds from the IPO enabled Com Hem to lower both the level and the cost of debt as the average interest rate was reduced from 8.4% to 6.7%. In line with our ambition to continuously optimize our capital structure we successfully issued new Senior Secured Notes in October with an interest coupon of 5.25%, as part of the ongoing refinancing activities in order to redeem the current outstanding Senior Secured Notes. This will further reduce our average interest rate

to 5.0% and strengthen our ability to generate free cash flow going forward.

Improving our customers' experience remains a priority and we have several initiatives in the pipeline. Our customers' trust is our license to operate and investing in customer satisfaction will attract new customers while lowering churn. We have already made some head-way as churn fell from 16.4% in the second quarter to 14.8% in the third quarter 2014. We are also very much aware that a lot more remains to be done in this area, and we are currently turning every stone to improve the way we conduct our business.

Finally, a word on our unique bundling opportunity, which is the next step outlined in our growth ambition. On the back of our state-of-the-art network, we will cater to customers' desire for fast broadband and add our strong aggregated digital TV-offering in easy to understand and compelling offers over the coming quarters.

Stockholm, November 4, 2014



Anders Nilsson
CEO

SIGNIFICANT EVENTS IN Q3

- ▶ On July 4, the over-allotment option was exercised by issuing new shares of SEK 567m.
- ▶ On July 4, the Senior PIK Notes were redeemed in full as well as 35% of the amount outstanding for the Senior Notes.
- ▶ On August 27, Com Hem raised the entry level for broadband speed to 50 Mbit/s for all new customers and kept the previous 10 Mbit/s entry level price point.

EVENTS AFTER THE END OF Q3

- ▶ On October 13, Com Hem announced that its subsidiary NorCell Sweden Holding 3 AB (publ), the issuer of SEK 3,492m 9.25% Senior Secured Notes due 2018, had issued a notice of conditional redemption for all of the notes. The redemption date is scheduled for November 12, 2014.
- ▶ On November 12, 2014, the SEK 3,492m outstanding Senior Secured Notes are planned to be redeemed. The redemption will be refinanced with new Senior Secured Notes of SEK 2,500m, issued on October 23, together with an additional incremental term loan of SEK 375m and drawing of the existing revolving facility. The new Senior Secured Notes have a fixed interest rate coupon of 5.25% and mature in November 2019. For further information see the press release dated October 23.

Operational Development

As of and for the period ended						
Operational key metrics	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Thousands unless otherwise stated						
Homes connected	1,777	1,789	1,817	1,830	1,832	1,846
Unique consumer subscribers	822	829	830	838	846	861
Unique consumer subscribers as % of homes connected	46.2%	46.4%	45.7%	45.8%	46.2%	46.6%
Consumer RGUs per unique consumer subscriber, ratio	1.80	1.79	1.79	1.78	1.78	1.78
Consumer churn as % of unique consumer subscribers	16.4%	16.3%	16.3%	15.2%	16.4%	14.8%
Consumer RGUs	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Digital television	606	603	597	595	599	607
-of which TiVo customers	-	6	38	74	103	132
Broadband	543	551	558	570	577	594
Fixed telephony	334	330	327	327	326	329
Total consumer RGUs	1,483	1,484	1,482	1,492	1,503	1,531
ARPU, SEK	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Consumer	356	354	355	359	360	361
Landlord	38	37	36	37	35	35

COMPARISON QUARTER ON QUARTER

Comparison between q3 2014 and q2 2014 unless otherwise stated.

Unique consumer subscribers

Customer intake increased for all product and services with particularly strong growth in broadband and digital television RGUs. The number of unique consumer subscribers increased by 15,000 to 861,000.

Consumer RGUs

Consumer RGUs totaled 1,531,000, an increase of 28,000. The increase was driven by growth across all products and services, with particular success within the broadband service, as a result of the new broadband campaign launched on August 27, and the ability to leverage on the demand for high speed-broadband services.

During the third quarter digital television RGUs increased by 8,000 RGUs to 607,000 RGU, the highest digital television RGUs since the first quarter of 2013.

The increase was attributable to increased sales for Com Hem's digital television services, supported by the TiVo service. Following the commercial launch of TiVo in October 2013, 132,000 digital television customers now subscribe to the TiVo service, which is equivalent to a penetration of 22% of the total number of digital television RGUs.

Broadband RGUs increased by 17,000 during the quarter to 594,000. The growth during the quarter reflects the success of Com Hem's upgrade of customer speed and prospect marketing campaign, launched on August 27, as well as continuing strong demand for Com Hem's market leading broadband offerings.

Com Hem had 329,000 fixed telephony RGUs, an increase of 3,000 RGUs compared with the second quarter and the first increase of telephony RGUs since fourth quarter of 2011. The increase during the quarter was mainly due to increased focus on bundling and the strong broadband demand, resulting in an increased number of telephony RGUs.

The number of RGUs per unique subscriber was 1.78 at the end of the quarter, which is the same level as the preceding quarter and a slight decrease compared with the third quarter of 2013.

Consumer ARPU

Consumer ARPU was SEK 361 for the quarter, a slight increase compared with the second quarter of 2014 thanks to improved broadband speed mix and the increasing number of TiVo customers.

Consumer churn

Consumer churn for the third quarter was 14.8%, compared to 16.4% for the second quarter of 2014. The decrease was due to increased focus on quality of our customers' experience.

Homes connected

The number of homes connected was 1,846,000, an increase of 14,000 households during the quarter. The increase was attributable to additional households connected via open networks from third party communication operators.

Landlord ARPU

Landlord ARPU was stable compared with the second quarter of 2014 and was SEK 35.

The landlord ARPU decreased compared with the third quarter of 2013, mainly due to contract renegotiations and migration of customers to B2B services.

Financial Overview

THIRD QUARTER

Comparison between q3 2014 and q3 2013 unless otherwise stated.

SEKm	Jul-Sep		Jan-Sep	
	2014	2013	2014	2013
Revenue				
Consumer	889	847	2,632	2,567
B2B ⁽¹⁾	73	1	145	1
Landlord	192	198	588	601
Other	57	58	167	166
Total Revenue	1,210	1,104	3,532	3,334
Underlying EBITDA	576	569	1,686	1,660
Underlying EBITDA margin, %	47.6%	51.6%	47.7%	49.8%
Capital expenditure	-257	-267	-711	-640
Operating free cash flow	318	302	975	1,020

1) Note that historically Com Hem B2B revenue has been reported as Other revenue. As of q2 2014 Com Hem B2B revenue is reported as B2B revenue.

Revenue

Revenue increased by SEK 106m, or 9.6%, to SEK 1,210m (1,104) of which Phonera contributed with SEK 66m or 5.9%. Excluding Phonera, the increase was SEK 41m, or 3.7%.

Revenue from consumer services increased by SEK 41m or 4.9% to SEK 889m (847). The increase was due to higher revenue from broadband and digital television. Broadband services revenue increased to SEK 373m (334) due to an increased number of RGUs and improved speed mix as a function of the success from the broadband upgrade campaign and a continued strong demand for high-speed broadband services.

Digital television revenue increased to SEK 433m (414) as a result of new sales of TiVo as well as migration of existing digital television customers to TiVo packages. The increase in revenue from broadband and digital television services was partly offset by a decrease in fixed telephony revenue to SEK 82m (99), mainly due to lower usage.

Revenue from B2B services was SEK 73m compared to SEK 1m for the third quarter of 2013, excluding Phonera the increase was SEK 6m.

Revenue from landlord services decreased by SEK 6m or 3.1%, to SEK 192m (198). The decrease was primarily due to a reduction in ARPU mainly as a result of contract renegotiations and migration of customers to B2B services.

Other revenue decreased by SEK 1m or 1.2%, to SEK 57m (58). The decrease was due to lower barter revenue, partly offset by higher revenue from iTUX, the Group's communication operator.

Underlying EBITDA

Underlying EBITDA increased by SEK 7m or 1.1%, to SEK 576m (569), and the underlying EBITDA margin was 47.6% (51.6%). The increase in underlying EBITDA was mainly due to the contribution from the Phonera business as well as revenue growth from consumer services.

The underlying EBITDA margin was lower as a consequence of (i) the acquisition of Phonera, as services sold by Phonera outside Com Hem's network has a lower gross margin compared with services sold inside Com Hem's network, and (ii) exceptionally high underlying EBITDA margin in the third quarter of 2013 due to low marketing and sales activities.

Capital expenditure (Capex)

Capital expenditure decreased by SEK 9m, or 3.6%, to SEK 257m (267), representing 21.3% (24.2%) of revenue. The decrease was mainly due to lower investments in TiVo boxes due to high purchased volume during the third quarter of 2013. The decrease was partly offset by higher capitalized sales costs as an effect of increased sales volumes and higher up-sell activities.

Operating free cash flow

Operating free cash flow increased by SEK 16m, or 5.3%, and totaled SEK 318m (302). The increase was due to lower capex as well as higher underlying EBITDA contribution.

Operating profit (EBIT)

Operating profit (EBIT) was SEK 200m (203). The decrease, in addition to the explanation in Underlying EBITDA, was due to higher amortization of capitalized sales costs as a function of higher sales during the year partly offset by no TiVo non-recurring costs for the quarter.

Net financial income and expenses

Financial income and expenses amounted to a net expense of SEK 190m (308). The decrease was due to lower interest expenses as a function of the refinancing of the Senior Credit Facilities, the redemption of the Senior PIK Notes and 35% of the outstanding Senior Notes, partially offset by a negative net effect of change in fair value of derivatives and foreign exchange gains.

Income taxes

The Group recognized a deferred tax expense of SEK 2m (deferred tax income of SEK 23m).

Net result for the period

The Group recognized a net result of SEK 7m (-82).

SEKm	Jul-Sep		Jan-Sep	
	2014	2013	2014	2013
Total Revenue	1,210	1,104	3,532	3,334
Operating expenses ⁽¹⁾	-1,011	-901	-3,125	-2,787
Operating profit (EBIT)	200	203	407	547
Net financial income and expenses	-190	-308	-1,522	-1,006
Result after financial items	9	-105	-1,116	-459
Income taxes	-2	23	228	110
Net result for the period	7	-82	-888	-349
Income taxes	2	-23	-228	-110
Net financial income and expenses	190	308	1,522	1,006
Operating profit (EBIT)	200	203	407	547
Depreciation and amortization	364	334	1,061	1,009
EBITDA	563	537	1,468	1,556
Write-downs	-	-	4	1
Operating currency loss/gain	5	-1	9	-3
Non-recurring items ⁽²⁾	7	33	205	107
Underlying EBITDA	576	569	1,686	1,660

1) Operating expenses include cost of sales and services, selling expenses, administrative expenses and other operating income and expenses.

2) Non-recurring items are specified in the table on page 11.

NINE MONTHS

Comparisons are between 9M 2014 and 9M 2013 if not otherwise stated

Revenue

Total revenue increased by 5.9% to SEK 3,532m (3,334). Revenue from consumer services increased by SEK 65m or 2.5%, to SEK 2,632m (2,567). The increase was due to higher revenue from broadband and digital television services. The increase in broadband revenue to SEK 1,074m (988) was driven by an increased number of RGUs and higher ARPU due to improved speed mix as a function of the success from the broadband upgrade campaign and a continued strong demand for the high-speed broadband services.

Digital television revenue increased to SEK 1,298m (1,260), as a result of a better tier mix due to new sales of TiVo as well as migration of existing digital television customers to TiVo packages. The increase in revenue from digital television and broadband services was partly offset by a decrease in fixed telephony revenue to SEK 260m (320), mainly due to lower usage and.

Revenue from B2B services was SEK 145m compared to SEK 1m for the first nine-months of 2013. Phonera contributed SEK 130m to aggregated B2B Group revenue.

Revenue from landlord services decreased by SEK 13m, or 2.1%, to SEK 588m (601). The decrease was primarily due to a reduction in ARPU mainly as a result of contract renegotiations and migration of customers to B2B services.

Other revenue increased by SEK 2m, or 1.0%, to SEK 167m (166). The increase was mainly explained by higher revenue from iTUX, the Group's communication operator, partly offset by lower barter revenue.

Underlying EBITDA

Underlying EBITDA increased by 1.6% and was SEK 1,686m (1,660) and the underlying EBITDA margin was 47.7% (49.8%). The increase in underlying EBITDA was mainly due the contribution from the Phonera business as well as revenue growth from consumer services.

The underlying EBITDA margin was lower as a consequence of (i) the acquisition of Phonera, as services sold by Phonera outside Com Hem's network has a lower gross margin compared with services sold inside Com Hem's network, and (ii) exceptionally high underlying EBITDA margin in the third quarter of 2013 due to low marketing and sales activities.

Capital expenditure (Capex)

Capital expenditure increased by SEK 71m, or 11.0%, and was SEK 711m (640), representing 20.1% (19.2%) of revenue. The increase was partly due to higher capitalized sales costs as a consequence of increased sales volumes during the year and increased up-sell activities. The increase was also due to higher investments in modems due to continued strong demand for higher broadband speeds. The increase was partly offset by lower network-related capex due to low investments in the TiVo platform compared with last year.

Operating free cash flow

Operating free cash flow was SEK 975m (1,020), a decrease by SEK 45m, or 4.4%, as described in the sections Underlying EBITDA and Capital expenditure.

Operating profit (EBIT)

Operating profit (EBIT) was SEK 407m (547). The decrease, in addition to the explanation in Underlying EBITDA, was due to increased amortization of capitalized sales costs as a function

of higher sales and higher non-recurring items of SEK 205m (107), of which SEK 107m was pertained to IPO-related expenses. The decrease in operating profit was partly offset by lower network related depreciation.

Net financial income and expenses

Financial income and expenses amounted to a net expense of SEK 1,522m (1,006). The increase, SEK 517m, was mainly explained by one-off costs of SEK 568m associated with the refinancing of the Senior Credit Facilities, redemption of the Senior PIK Notes and 35% of the outstanding Senior Notes. The one-off costs consist of unamortized borrowing costs of SEK 302m related to the repaid credit facilities and the redemption of the Notes with original amortization period until 2018-2019 now expensed as one-offs, and redemption premiums of SEK 266m.

Income taxes

Deferred tax income was SEK 228m (110). The increase was mainly due to a higher loss after financial items as a consequence of the costs in the second quarter related to the IPO and the refinancing.

Net result for the period

The Group recognized a net result of SEK -888m (-349). Excluding one-off costs in the second quarter associated with the IPO and refinancing of debt amounting to SEK 675m, the net result for the period was SEK -361m (-349).

Net debt – refinancing

On May 22, 2014, Com Hem entered into a new facilities agreement with a consortium of banks. The facilities available under the 2014 Senior Facilities Agreement comprise a SEK 3,500m term facility, with a final maturity date five years from the date of its initial drawdown and a SEK 2,000m multi-currency revolving credit facility, with the final maturity date five years following the date of initial drawdown of the term facility.

The net proceeds from the issue of new shares, together with drawdowns under the 2014 Senior Facilities Agreement, have refinanced part of Com Hem's financial indebtedness.

On June 26 Com Hem refinanced the previous Senior Credit Facilities, at more attractive terms and with longer maturity. In connection with the refinancing, Com Hem terminated certain hedging contracts. On July 4 Com Hem redeemed the Senior PIK Notes in full and 35% of the amount outstanding for the Senior Notes.

The over-allotment option was fully exercised on July 4 adding gross proceeds of SEK 567 million. SEK 550 million of the proceeds were used to repay part of the outstanding indebtedness under the revolving credit facility.

At the end of the period, the Group's net debt totaled SEK 8,291m and the net debt/underlying EBITDA LTM ratio was 3.7x. As a result of various refinancing activities, the average interest rate of debt has fallen from 8.4% at the time of the IPO to 6.7% at the end of the third quarter.

Liquidity

As of September 30, 2014 the Group held SEK 909m (1,168) in cash and cash equivalents.

Unutilized credit facilities amounted to SEK 1,495m.

Condensed Consolidated Income Statement

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2014	2013	2014	2013	2013
Revenue	1,210	1,104	3,532	3,334	4,448
Cost of sales and services	-580	-525	-1,714	-1,640	-2,190
Gross profit	630	579	1,818	1,694	2,258
Selling expenses	-358	-328	-1,103	-996	-1,378
Administrative expenses	-70	-50	-196	-163	-220
Other operating income and expenses	-2	2	-112	11	-3
Operating profit	200	203	407	547	657
Net financial income and expenses	-190	-308	-1,522	-1,006	-1,537
Result after financial items	9	-105	-1,116	-459	-880
Income taxes	-2	23	228	110	109
Net result for the period	7	-82	-888	-349	-771
Average number of shares, thousands ⁽¹⁾	206,937	100,013	140,890	100,013	100,013
Earnings per share, SEK	0.03	-0.82	-6.30	-3.49	-7.71
Earnings per share, diluted, SEK	0.03	-0.82	-6.30	-3.49	-7.71

¹⁾ Average number of shares in 2013 has been adjusted for the bonus issue in June 2014.

Consolidated Statement of Comprehensive Income

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2014	2013	2014	2013	2013
Net result for the period	7	-82	-888	-349	-771
Other comprehensive income					
<i>Items that will not be reclassified to net profit or loss</i>					
Revaluation of pension obligations	-29	-	-67	59	59
Tax on items that will not be reclassified to profit or loss	6	-	15	-13	-13
Other comprehensive income for the period, net of tax	-23	-	-53	46	46
Total comprehensive income for the period	-16	-82	-940	-303	-725

Condensed Consolidated Balance sheet

SEKm	Sep, 30		Dec, 31
	2014	2013	2013
ASSETS			
Non-current assets			
Intangible assets	16,126	16,140	16,154
Property, plant and equipment	1,469	1,437	1,463
Other non-current assets	-	6	6
Total non-current assets	17,595	17,584	17,624
Current assets			
Other current assets	362	254	274
Cash and cash equivalents	909	1,168	1,122
Total current assets	1,271	1,422	1,397
TOTAL ASSETS	18,866	19,006	19,021
EQUITY AND LIABILITIES			
Total equity	7,405	2,633	2,212
Non-current liabilities			
Non-current interest-bearing liabilities	8,491	13,309	13,857
Other non-current liabilities	191	293	235
Deferred tax liabilities	458	667	671
Total non-current liabilities	9,141	14,270	14,763
Current liabilities			
Current interest-bearing liabilities	472	330	308
Other current liabilities	1,849	1,773	1,738
Total current liabilities	2,321	2,103	2,046
TOTAL LIABILITIES	11,461	16,373	16,809
TOTAL EQUITY AND LIABILITIES	18,866	19,006	19,021
Number of shares, at end of period, thousands ⁽¹⁾	207,530	100,013	100,013
Equity per share, SEK	36	26	22

¹⁾ The number of shares for 2013 has been adjusted for the bonus issue in June 2014

Condensed Consolidated Statement of Changes in Equity

SEKm	Sep, 30		Dec, 31
	2014	2013	2013
Opening equity	2,212	2,937	2,937
Total comprehensive income for the period			
Net result for the period	-888	-349	-771
Other comprehensive income for the period	-53	46	46
Total comprehensive income for the period	-940	-303	-725
Transactions with the owners			
Redemption of shares	-5	-	-
New share issue	6,239	-	-
Issue expenses	-111	-	-
Issue of warrants	10	-	-
Total transactions with the owners	6,133	-	-
Closing equity	7,405	2,633	2,212

Condensed Consolidated Statement of Cash Flows

MSEK	Jul-Sep		Jan-Sep		Jan-Dec
	2014	2013	2014	2013	2013
Den löpande verksamheten					
Resultat efter finansiella poster	9	-105	-1,116	-459	-880
Justering för poster som inte ingår i kassaflödet	92	542	1,511	1,455	1,931
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital	101	437	396	996	1,051
Förändring av rörelsekapital	-68	-3	-110	-118	-15
Kassaflöde från den löpande verksamheten	34	435	285	878	1,035
Investeringsverksamheten					
Förvärv av immateriella anläggningstillgångar	-106	-56	-289	-181	-383
Förvärv av materiella anläggningstillgångar	-151	-208	-421	-448	-614
Förvärv av aktier i dotterbolag	-	-	-302	-8	-8
Avyttring av finansiella tillgångar	6	0	6	0	0
Kassaflöde från investeringsverksamheten	-251	-265	-1,006	-637	-1,005
Finansieringsverksamheten					
Nyemission	567	-	6,239	-	-
Emissionskostnader ⁽¹⁾	-29	-	-29	-	-
Upptagna lån	-	500	4,800	600	800
Amortering av lån	-4,047	-146	-10,446	-320	-354
Uppläggningskostnader för lån	-6	-15	-62	-16	-16
Inlösen av aktier	-	-	-5	-	-
Utgivande av teckningsoptioner	0	-	10	-	-
Kassaflöde från finansieringsverksamheten	-3,514	339	507	265	430
Nettoförändring likvida medel	-3,732	510	-213	506	460
Likvida medel vid periodens början	4,640	658	1,122	662	662
Likvida medel vid periodens slut	909	1,168	909	1,168	1,122

MSEK	Jul-Sep		Jan-Sep		Jan-Dec
	2014	2013	2014	2013	2013
Justeringar för poster som inte ingår i kassaflödet					
Avskrivningar	364	334	1,061	1,009	1,352
Orealiserade kursdifferenser	-70	-72	125	27	253
Förändring i verkligt värde finansiella skulder	64	24	-118	-79	-140
Förändring periodiserade lånekostnader och rabatter	14	28	368	84	113
Förändring upplupna räntekostnader	-12	156	64	204	45
Ej likvidreglerade räntor obligationslån	-	71	-	207	285
Förändring i upplupna inlösenpremier, obligationer	-271	-	-	-	-
Andra ej likviditetspåverkande resultatposter	3	0	11	3	23
Totalt	92	542	1,511	1,455	1,931

¹⁾ Issue expenses of a total of SEK 111m, of which SEK 29m has been paid.

Parent Company Condensed Financial Reports

Condensed income statement SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2014	2013	2014	2013	2013
Revenue	3	-	6	-	-
Administrative expenses	-7	0	-11	0	0
Other operating income and expenses	-1	-	-99	-	-
Operating profit/loss	-6	-	-104	-	-
Net financial income and expenses ⁽¹⁾	87	78	-1,234	230	0
Result after financial items	81	78	-1,338	230	0
Income taxes ⁽²⁾	-	-	-	-	-
Net result for the period	81	78	-1,338	230	0

¹⁾ Includes write-down of shares in subsidiaries in June 2014, following a shareholder's contribution given.

²⁾ The taxable profit in the parent company will be offset by a group contribution to subsidiaries at year end, as such no income taxes have been accounted for

Statement of comprehensive income SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2014	2013	2014	2013	2013
Net result for the period	81	78	-1,338	230	0
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	81	78	-1,338	230	0

Condensed balance sheet SEKm	Sep, 30		Dec, 31
	2014	2013	2013
ASSETS			
Non-current assets	9,253	4,447	4,534
Other current assets	7	-	-
Cash and bank	231	0	-
TOTAL ASSETS	9,491	4,447	4,534
EQUITY AND LIABILITIES			
Restricted equity	208	42	42
Unrestricted equity	8,804	4,404	4,175
Current liabilities	479	1	317
TOTAL EQUITY AND LIABILITIES	9,491	4,447	4,534

Pledged assets and contingent liabilities			
Pledged assets	-	-	-
Contingent liabilities	-	-	-

Other information

Company information

Com Hem Holding AB (publ) is a Swedish registered limited company, (Corp. ID no. 556858-6613) with its registered office in Stockholm, Sweden. Com Hem's shares are listed on Nasdaq Stockholm, Large Cap list, since June 2014.

The subsidiary NorCell 1B AB (publ) is scheduled to be merged with Com Hem Holding AB (publ), which is expected to be completed in December 2014.

Basis of preparation

The consolidated accounts of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the EU and disclosed in the Group's Annual Report for 2013 and presented in million Swedish kronor (SEKm) which is also the Group's functional currency. The new or amended IFRS, which became effective on January 1, 2014, have had no material effect on the consolidated financial statements. The Interim Report for the Group is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Condensed financial statements for the parent company are prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for legal entities.

Reclassification and presentation of revenue

As of January 1, 2014, Com Hem adopted a new methodology regarding the classification of revenue by digital service generated from landlord collective agreements. Revenue from digital television, broadband and fixed telephony services generated under such agreements were historically reported in landlord service revenue. As of January 1, 2014, revenue generated from such digital services has been reclassified to its respective underlying digital service. For comparative purposes, historical amounts have been reclassified accordingly.

In line with the Group's strategic focus on offering bundled digital services (digital television, broadband and fixed telephony) and the expansion into the B2B market with the acquisition of Phonera Företag, revenue is from the second quarter of 2014 presented for Consumers, B2B and Landlord services on an aggregated level. For comparative purposes, historical amounts have been aggregated accordingly.

Other adjustments

Certain numerical information and other amounts and percentages presented in this report may not sum due to rounding. In addition, certain figures in this document have been rounded to the nearest whole number. As used herein, the symbol "n/m" means "not meaningful".

Operating segment

The operations of the Group are integrated and constitute a single operating segment that offers bundled services to Consumers (digital television, broadband and fixed telephony), B2B (broadband and telephony) and Landlord (basic television service), in a single market, Sweden. This is also the base of the Group's management structure and the structure for internal reporting, which is controlled by the Group's Chief Executive Officer, who has been identified as its chief operating decision maker. As such, the Group does not present any operating segment information.

Risks and uncertainties

The Group and the parent company have identified a number of operational and financial risks. Operational risks include increased competition, the ability to attract and retain customers, technical development, regulatory environment and substitution from fixed to mobile telephony. Financial risks include liquidity, credit, interest rate, and currency risks. For a detailed description of the risk factors considered to be most important to the Group's future progress, please see the description in the

Group's Annual Report for 2013. The Group believes that the risk environment has not materially changed from the description in the Annual Report for 2013, except for financial risks that have decreased due to the significantly reduced net debt.

As stated in the Offering Memorandum as of June 3, 2014, page 40, a government committee has reviewed the Swedish corporate and withholding tax regimes. On June 12, 2014, the government committee presented its proposal. While the changes are proposed to take effect from January 1, 2016, there is no certainty that the proposal will be adopted as law in its current state, when it would become effective or the exact impact of the proposed changes.

Number of shares

Before the IPO and issue of new shares Com Hem had 42,195,626 shares outstanding. After the issue of new shares in connection to the IPO and the subsequent exercise of the over-allotment option on July 4, 2014 the total number of shares outstanding was 207,529,597 as of September 30, 2014.

Change, No of shares	Class A ordinary shares	Class B ordinary shares	Preference shares	Total shares
As of Jan 1, 2014	13,110,717	73,490	28,987,918	42,172,125
New issue	10,469	7,784	5,248	23,501
Share redemption	-	-	-36,213	-36,213
Share conversion	29,038,227	-81,274	-28,956,953	-
Bonus issue	57,840,587	-	-	57,840,587
New issue, IPO	97,754,179	-	-	97,754,179
New issue, over-allotment	9,775,418	-	-	9,775,418
As of Sep 30, 2014	207,529,597	-	-	207,529,597

In connection to the IPO two incentive programs were established for senior executives, key employees and member of the Board of Directors. The programs comprise a total of 4,949,092 warrants issued and paid at a fair value of SEK 10m.

Largest shareholders

Prior to the IPO, NorCell S.à.r.l., indirectly controlled by funds advised by BC Partners Limited, was the principal and majority shareholder. As of September 30, 2014 NorCell S.à.r.l. controlled 47.66% of shares and votes. Com Hem Holding AB (publ) had in total 1,435 shareholders.

As of Sep 30, 2014	Number of shares	Capital/votes
NorCell S.à.r.l.	98,911,671	47.66%
MFS Investment Management	10,440,158	5.03%
Norges Bank Investment Management	5,686,387	2.74%
Swedbank Robur Funds	4,418,453	2.13%
Lazard Frères Gestion Funds	3,020,500	1.46%
Saudi Arabian Monetary Agency	2,570,178	1.24%
AMF Insurance & Funds	1,693,000	0.82%
Nordea Funds	1,583,485	0.76%
GLG Technology Fund	1,520,930	0.73%
Echiquier Funds	1,411,400	0.68%
Total for the 10 largest shareholders	131,256,162	63.25%
Other shareholders	76,273,435	36.75%
Total	207,529,597	100.00%

Source: SIS Ägarservice

Changes in Board of Directors

In September 2014, the Board of Directors' employee representative Tina Bergström Darrell left the company and was replaced by Tomas Kadura, previously deputy employee representative. At the same time, Åsa Borgman was appointed deputy employee representative.

Changes in Group management

On September 24, 2014, Com Hem announced that the Company's CFO and board member, Joachim Jaginder, is on sick leave. Tomas Kihlstrand was appointed as interim CFO and has a solid background as CFO for listed companies as well as broad experience from similar interim assignments.

Fair value of derivatives

In order to decrease the Group's interest rate risks and currency exposure, certain derivatives have been entered into. The derivatives are measured at fair value and are recognized in net profit or loss. Hedge accounting is not applied. The Group only holds level 2 instruments as described in the Group's Annual Report for 2013. Amounts of SEK 118m (79) regarding changes in fair value of derivatives have been recognized in the financial net and SEK 0.5m (0) has been recognized in other operating income. The Group terminated the major part of the derivatives in connection with the refinancing.

Fair value of the derivatives at period end:

SEKm	Sep, 30		Dec, 31
	2014	2013	2013
Derivatives (Collar)	-	-4	-6
Derivatives (CIRS)	-1	-149	-97
Derivatives (FX contract)	-	-27	-16
Financial liabilities	-1	-180	-119

Acquisition of subsidiaries

The Group completed the acquisition of Phonera Företag AB including its subsidiaries on March 31, 2014, which is also the date control exists and from when the entity is consolidated. The purchase price was SEK 311m of which all was paid in cash. The recognized value of intangible assets was SEK 318m of which SEK 161m was customer relationships and SEK 157m was goodwill.

The goodwill recognized for the acquisition pertains to future revenue from new customers and increased revenue from existing customers through continued growth of the number of services sold per customer. No portion of the goodwill is ex-

pected to be tax deductible. Phonera contributed with SEK 130m to revenue and approximately SEK 29m to operating profit excluding depreciation and amortization from the acquisition date. If the acquisition had been conducted as of January 1, 2014 management estimates that the contribution to the Groups consolidated revenue would have been SEK 193m and the contribution to operating profit would have been approximately SEK 43m excluding depreciation and amortization.

Acquisition of Phonera SEKm	Recognized value in the Group
Intangible assets	161
Other intangible assets	10
Other tangible assets	3
Other current assets	71
Cash and cash equivalents	9
Deferred tax liabilities	-35
Non-current liabilities	0
Current liabilities	-65
Recognized assets, net	154
Goodwill	157
Purchase price	311

On March 1, 2013, the acquisition of Örnosat, Örnsköldsviks Satellit och kabel-TV AB, a local cable operator in Örnsköldsvik was completed. The purchase price was SEK 13m, as described in the Group's Annual Report for 2013.

Non-recurring items

Non-recurring items are specified in the table below.

Non-recurring items SEKm	Jul-Sep		Jan-Sep	
	2014	2013	2014	2013
IPO-related costs	-	-	-107	-
TiVo and B2B costs	-	-22	-60	-49
Acquisition costs	0	-3	-9	-3
Redundancy costs	-8	-3	-19	-44
Other costs	2	-6	-9	-11
Total non-recurring items	-7	-33	-205	-107

Pro forma earnings per share

Earnings per share have been recalculated to adjust for the high one-off costs and the significant change in the number of shares in June and July 2014, and are presented in the table below. This in order to present meaningful financial key metrics for comparison purposes.

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2014	2013	2014	2013	2013
Net result for the period	7	-82	-888	-349	-771
IPO-related costs	-	-	107	-	-
Costs related to refinancing	-5	-	568	-	-
Adjustment for one-off costs⁽¹⁾	-5	-	675	-	-
Adjustment for tax effects	1	-	-149	-	-
Net adjustment	-4	-	527	-	-
Adjusted net result for the period	3	-82	-361	-349	-771
No. of shares	207,529,597	207,529,597	207,529,597	207,529,597	207,529,597
Pro forma earnings per share, SEK	0.02	-0.39	-1.74	-1.68	-3.72

1) One-off costs associated with IPO and refinancing of debt.

Stockholm November 4, 2014

Com Hem Holding AB (publ)

Anders Nilsson
Chief Executive Officer

Review report

Com Hem Holding AB, Corp. id. 556858-6613

Introduction

We have reviewed the condensed interim financial information (the interim report) of Com Hem Holding AB as of September 30, 2014 and the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm November 4, 2014

KPMG AB

Thomas Thiel
Authorized Public Accountant

Definitions

INDUSTRY TERMS

ARPU

Average monthly revenue per user for the referenced period. ARPU is calculated by dividing the monthly revenue (for the service provided, in each case including the proportional allocation of the Com Bo discount) for the respective period by the average number of unique residential subscribers for that period. The average number of unique residential subscribers is calculated as the number of unique residential subscribers on the first day in the respective period plus the number of unique residential subscribers on the last day of the respective period, divided by two.

Churn

The voluntary or involuntary discontinuance of services by a subscriber.

Homes connected

Homes connected represent the number of residential units to which we provide basic-TV services, primarily through long-term contracts with the landlords of MDUs or services pursuant to service provider agreements with communication operators.

FINANCIAL KEY METRICS

CAPEX

Capital expenditure in fixed tangible and intangible assets, including capital expenditure funded by leasing.

Consumer ARPU

Consumer ARPU is calculated by dividing all digital television, broadband, fixed telephony and other revenue that can be allocated to each consumer service, by the average number of total unique subscribers for the respective period, and further by the number of months in the period. The average number of total unique subscribers is calculated by aggregating the average number of unique subscribers in each month during the respective period and dividing the result by the number of months in the respective period.

Earnings per share

Net profit or loss for the period attributable to equity holders of the parent divided by the average number of shares.

EBIT (Operating profit)

Operating income less operating expenses.

EBITDA

Operating profit (EBIT) less depreciation and amortization.

Equity per share

Shareholders' equity divided by the total number of shares.

RGUs

Revenue generating units, which refer to each subscriber receiving basic or digital cable television, internet access or telephony services over our network. Thus, one subscriber who receives all three services would be counted as three RGUs.

Unique subscribers

Unique subscribers represent the number of individual end-users who have subscribed for one or more of our digital services. We refer to the end-users receiving our products and services directly through our network as our unique subscribers even if our billing relationship for that end-user is with the end-user's landlord or housing association.

Landlord ARPU

Landlord ARPU is calculated by dividing the revenue for the respective period by the average number of homes connected for that period and further by the number of months in the period. The average number of homes connected is calculated as the number of homes connected on the first day in the respective period plus the number of homes connected on the last day of the respective period divided by two.

Net debt

Interest-bearing liabilities, excluding borrowing costs, less cash and cash equivalents.

Net debt/Underlying EBITDA

Net debt at the end of the period indicated divided by underlying EBITDA for the last twelve months.

Operating free cash flow

Underlying EBITDA less Capex.

Underlying EBITDA

EBITDA less write downs, non-recurring costs and operating currency gains/(losses).

Underlying EBITDA margin

Underlying EBITDA as a percentage of revenue.

FOR QUESTIONS REGARDING THE REPORT, PLEASE CONTACT:

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Com Hem

IN BRIEF

- ▶ Com Hem is one of Sweden's leading suppliers of television, high-speed broadband and fixed-telephony.
- ▶ Approximately 39%, or 1.85 million, of Sweden's households are connected to Com Hem's network, with access to the market's broadest range of television services.
- ▶ Com Hem offers attractively priced, high-quality services for television, high-speed broadband and fixed-telephony and has a competitive B2B-offer of broadband and telephony services.
- ▶ Com Hem was established in 1983 and has approximately 1,000 employees, with its head office located in Stockholm.
- ▶ Operations are conducted through three subsidiaries: Com Hem AB, Phonera Företag AB and iTUX Communication AB.
- ▶ Com Hem's shares are listed on Nasdaq Stockholm, Large Cap list.

Q3 2014 PRESENTATION

Com Hem will host a conference call for the global financial community at 10:00 am CET on Tuesday November 4, 2014. To participate, use the following dial-in numbers:

Sweden: +46 (0)8 5052 0110
UK: +44 (0)20 7162 0077
US: +1 334 323 6201

FINANCIAL CALENDAR

Year-end report 2014	February 10, 2015
Annual Report 2014 (pdf version)	Week 16
Interim Report January – March 2015	May 6, 2015
Annual General Meeting, Stockholm	May 21, 2015
Interim Report January – June 2015	July 14, 2015
Interim Report January – September 2015	November 3, 2015

DISCLOSURE

Com Hem Holding AB (publ) discloses the information provided in this interim report pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 07.30 am CET on November 4, 2014.

FINANCIAL INFORMATION

All financial information is published on www.comhemgroup.com directly after release. To make it easier for you to stay up to date, subscribe to our press releases and financial reports via e-mail.



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