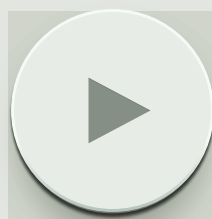


COM HEM



INTERIM REPORT
Q1 2017



INTERIM REPORT

Q1 2017

STRONG QUARTER - GROWTH INITIATIVES WELL ON TRACK

FIRST QUARTER SUMMARY 2017

Revenue saw a strong increase of 37.7% to SEK 1,757m while organic revenue rose by 3.5% to SEK 1,321m.

Operating profit (EBIT) rose by 13.1% to SEK 232m.

Underlying EBITDA saw a strong increase of 18.0% to SEK 712m and organic Underlying EBITDA rose by 4.3% to SEK 629m.

Cash flow from operating activities increased by 7.6% to SEK 557m.

Operating free cash flow increased by 12.4% to SEK 443m and organic operating free cash flow rose by 2.2% to SEK 402m.

Net result rose by 26.2% to SEK 120m.

Earnings per share: SEK 0.65.

Shareholder remuneration: The AGM in March resolved to increase the cash dividend to SEK 4.00 per share (SEK 1.50 in 2016), and renewed the mandate to repurchase shares in the company. The first dividend payment of SEK 2.00 was paid out to shareholders on March 30. In addition, Com Hem repurchased shares for SEK 229m in the quarter, representing 1.3% of total number of registered shares as of March 31, while maintaining the leverage ratio at 3.7x.

Com Hem segment consumer growth continues steadily:

- Unique consumer subscribers rose by 7,000 to record high 952,000.
- Strong volume growth in broadband, up 11,000 to record high 713,000 RGUs.
- Digital-TV RGU's totalled 644,000, with a continued growth of 6,000 TiVo customers (penetration rate of 39%).
- Consumer ARPU of SEK 368 (371 in Q4 2016).
- Consumer churn of 13.6%, only 0.5p.p. increase from Q4 2016 following successful price adjustments in the quarter.

Integrating the B2B business:

- The integration of our B2B operations was initiated in Q1 and will run for one more quarter.
- Total B2B revenue declined by 8.0% compared to Q1 2016 while Underlying EBITDA and OFCF increased significantly.
- Continued allocation of resources away from low margin legacy OffNet fixed telephony into high margin OnNet broadband resulted in OnNet revenue growth of 21.6% compared to Q1 2016.

Transforming Boxer into a broadband-led operator:

- Fibre marketing campaign and network expansion launched in Q1 yield immediate traction.
- 3,000 broadband RGUs were added in the quarter.
- Integration is progressing well and we already see cost synergies offsetting continued pressure on the top line.
- Unique subscribers fell by 16,000 to 479,000 while RGUs fell by 13,000 to 498,000.
- Boxer delivered SEK 436m of revenue and SEK 83m of Underlying EBITDA in the quarter.
- ARPU rose by SEK 4 to SEK 297.
- The churn rate of 19.2% rose by 1.5 p.p. of which 0.8 p.p. due to aligning calculation method with Com Hem. The churn rate was falling on a month by month basis during the quarter.

Extending the scope of the footprint expansion:

- Added 60k households in Q1 resulting in 400k addressable SDU households including 100k unique to Boxer.
- Expected to reach one million addressable SDU households by 2020 for the entire Group, up from the previous target of 800k.
- Now aiming to expand the total addressable footprint for the Group to over 3m households (MDU & SDU) by 2020.
- Trial of network build are proceeding well with first delivery expected at the end of Q2 and a decision to potentially scale up in Q3.

Financial key metrics¹⁾

	JAN -MAR/ Q1		Change	JAN-DEC
	2017	2016		2016
Revenue, SEKm	1,757	1,276	37.7%	5,665
Operating profit (EBIT), SEKm	232	205	13.1%	851
EBITDA, SEKm	707	600	17.8%	2,518
Underlying EBITDA, SEKm	712	603	18.0%	2,547
Underlying EBITDA margin, %	40.5	47.3	-6.8 p.p.	45.0
Net result for the period, SEKm	120	95	26.2%	317
Earnings per share, SEK	0.65	0.49	33.7%	1.66
Capex, SEKm	269	210	28.4%	893
Capex as % of revenue	15.3	16.4	-1.1 p.p.	15.8
Cash flow from operating activities, SEKm	557	517	7.6%	2,216
Operating free cash flow, SEKm	443	394	12.4%	1,655
Net debt at end of period, SEKm	10,626	8,988	18.2%	10,326
Net debt/Underlying EBITDA LTM, multiple	3.7x	3.8x	-0.0x	3.7x

¹⁾ See page 21 for definitions of financial key metrics and Alternative Performance Measures (APM).

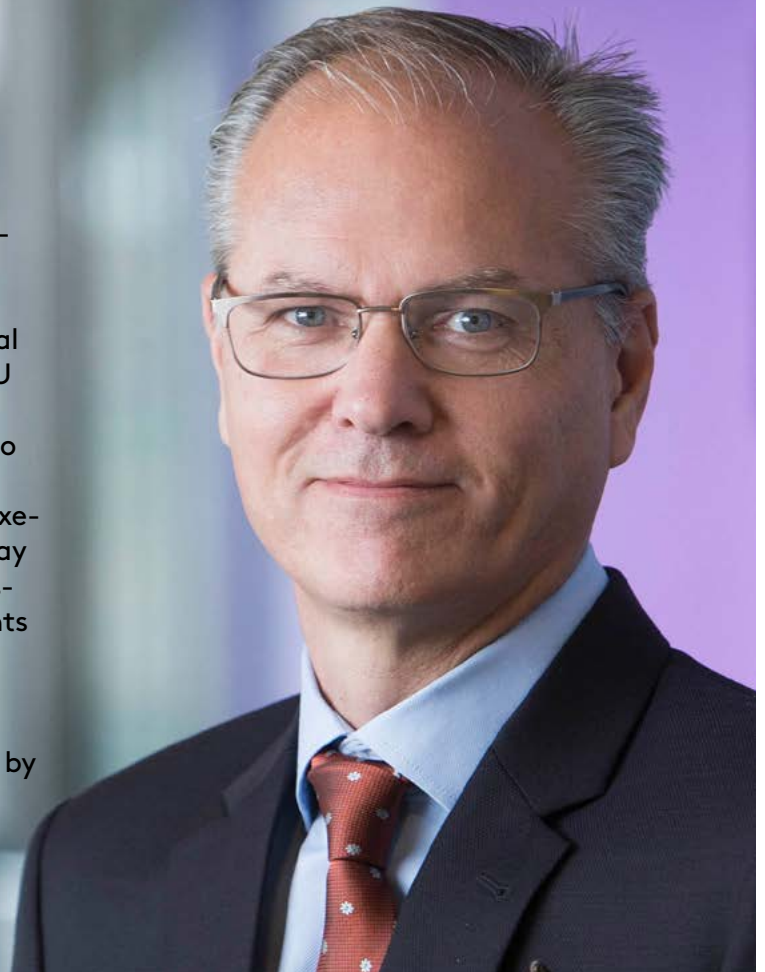
The figures in this report refer to the first quarter of 2017 unless otherwise stated. Figures in brackets refer to the corresponding period last year.

STRONG QUARTER - GROWTH INITIATIVES WELL ON TRACK

The first quarter was a solid beginning of an exciting year for Com Hem with the start of several initiatives which will phase in throughout the year to create long term growth and profitability. The Com Hem segment added 60,000 addressable SDU households for a total of 400,000 in the Group since start of the SDU expansion including 100,000 from Boxer. We now aim to add one million SDU households to Group footprint by 2020.

In the Com Hem segment we continue to execute on our strategy to grow in a balanced way through both volume and price as we successfully implemented this year's price adjustments while recording a strong volume growth with 7,000 unique customers added in the quarter.

Boxer added 3,000 broadband RGUs in the quarter, however unique subscribers declined by 16,000 due to competitor fibre rollout.



” The Com Hem Group saw very strong growth in all financial KPIs as we consolidated Boxer. The Com Hem segment grew in-line with our expectations since Q1 is driven only by volume growth, whereas the price adjustments conducted in the quarter will translate into revenue growth in Q2 and onwards. In addition, the B2B integration is already improving Underlying EBITDA and operating free cash flow, and Boxer is realising cost synergies as we progress through the integration.

Improved customer satisfaction lays foundation for price and volume growth in the Com Hem segment

Price adjustments in the Com Hem segment were successfully implemented as customers are willing to pay more for higher quality of service. Despite price adjustments in the quarter our customer base grew by 7,000 in the segment. This was made possible by product improvements in 2016 such as the introduction of Com Hem Play as a core part of all of our DTV packages with added support for Chromecast, introduction of our new router and a speed upgrade for most of our customers with 50 Mbit/s. In addition, we have continued investing into network to maintain high speed and capacity. Com Hem is still the highest ranking amongst our peers according to external tests such as Netflix Speed Index and Google Video Index.

Trends across our product lines remain similar to previous

periods with very strong growth in broadband, up 11,000 RGUs, modest growth in DTV, up 1,000 RGUs, and steady decline in telephony, down 5,000 RGUs. Our TiVo base grew by 6,000 customers, now at 39% of our DTV base.

Price adjustments had a limited impact on Q1 consumer ARPU in the Com Hem segment, down from SEK 371 in Q4 2016 to SEK 368. The sequential decline is largely due to weaker seasonality as well as a larger portion of group agreements. While group agreements have a positive absolute effect on revenue as we sell services to all tenants in a building, there is pressure on per-user revenue as each tenant generally comes in at lower ARPU. The full effect of the price adjustment will be seen in Q2 2017 revenue.

Consumer churn of 13.6% for the quarter was significantly better than our expectations, only 0.9 percentage points higher than the record low churn of 12.7% recorded in Q3 2016. We expect churn to return to the underlying declining trend in coming quarters.

B2B integration refocusing on high margin OnNet business

Integration of our B2B operations was initiated and is expected to run through Q2 2017. As expected, we are seeing a decline in OffNet revenue, down 19.7% compared to Q1 2016, mainly related to discontinuation of legacy SME contracts. Continued reallocation of resources away from low margin legacy OffNet fixed telephony into high margin OnNet broadband resulted in OnNet revenue growth of 21.6%. In spite of the decline in total B2B revenue we are



already seeing a significant increase in Underlying EBITDA and operating free cash flow. This trend is expected to continue, making the B2B business significantly more profitable going forward.

Extending the scope of the fibre expansion

The SDU fibre expansion is proceeding well. We added 60,000 addressable households in the quarter resulting in a total of 400,000 added since the start of the expansion including 100,000 unique to Boxer. Given the initial positive signs from the Boxer fibre launch we believe that we can reach beyond the previously communicated 800,000 households and potentially address one million SDU households for the entire Group by 2020.

Since before the SDU expansion and Boxer acquisition the Group has expanded its footprint by 20% from 2.0m to 2.4m addressable households and we now believe that we can expand the total footprint for the Com Hem Group to over 3m households including both MDU and SDU by 2020. It is an additional growth opportunity of 25% from today's level and a 50% increase in footprint from before the SDU expansion and Boxer acquisition.

Another potential addition to the fibre opportunity is the new build project where trials are proceeding according to plan. We expect first delivery in the end of Q2 2017 and a decision to potentially scale up in Q3 2017. While we fine tune the economics of the initial trial we are scoping out additional areas which could be addressed should the trials be successful. The potential investment would be financed through debt. Given the high margins and initial connection fee revenue, this would not materially affect our leverage ratio, making it a unique and timely opportunity to gain profitable growth with no change to shareholder remuneration.

Transforming Boxer into a broadband-led operator

The largest marketing campaign in Boxer's history was launched in the quarter in order to reposition the company from a TV-centric to a broadband-led operator. The campaign has been well received and initial sales look promising with 3,000 broadband customers added in the quarter. The Boxer fibre rollout is running at full speed and we have expanded Boxer's fibre footprint to 700,000 addressable households including almost all of the Com Hem segment's current fibre footprint as well as 100,000 SDU households unique to Boxer.

The integration process is progressing according to plan and we already see cost synergies offsetting pressure on the top line. Churn started to decrease on a month-by-month basis during Q1, however remains elevated mainly due to competitor fibre rollout among the DTT customer base resulting in a decline of 16,000

unique subscribers. The RGU decline of 13,000 in the quarter was lower than decline in customers as we started adding broadband RGUs to existing DTT customers. By year-end we expect Boxer to have the brand, infrastructure, and operational platform needed to fully capitalise on the fibrations of the Swedish SDU market.

Continued growth resulting in strong cash flow generation

The Com Hem Group increased revenue by 37.7% to SEK 1,757m and Underlying EBITDA by 18.0% to SEK 712m. Organic revenue grew by 3.5% compared to Q1 2016 as growth in the consumer business (4.7%) and network operator business (2.1%) was partly offset by a decline in B2B (8.0%). Underlying EBITDA grew by 4.3% for the Com Hem segment to SEK 629m, with an Underlying EBITDA margin of 47.6%. Group capex amounted to SEK 269m in the quarter compared to SEK 210m in Q1 2016. Operating free cash flow increased by 12.4% to SEK 443m.

The AGM in March resolved to increase the cash dividend to SEK 4.00 per share (SEK 1.50 in 2016), and renewed the mandate to repurchase shares. The first payment of SEK 2.00 was given to shareholders on March 30 and the next payment is scheduled for September 29. In addition, Com Hem repurchased shares for SEK 229m, representing 1.3% of total registered shares as of March 31, while maintaining the leverage ratio at 3.7x. Com Hem currently repurchases shares for SEK 70m per month which, along with the cash dividend, could result in total shareholder remuneration of more than SEK 1.5bn in 2017, representing a total yield of 7.8% at April 24 close price.

Looking ahead

We are now entering the second quarter of a year that will be truly transformational for the Com Hem Group. Throughout the year we will set up the company to be able to optimise growth across multiple brands, infrastructures, and markets on a national level, all run centrally in the Com Hem Group. We look forward to continue executing on our plan which we are confident will secure delivery on our guidance for 2017, build long-term sustainable growth for the future and establish Com Hem as an important driver of the digitalisation of Sweden.

Anders Nilsson
CEO

FINANCIAL GUIDANCE

GUIDANCE FOR THE GROUP - UNCHANGED

Revenue	We aim to deliver mid-single digit revenue growth for the Com Hem segment annually Including Boxer, the Group expects a growth rate of 25-30% for 2017
Underlying EBITDA	We aim to deliver mid-single digit Underlying EBITDA growth for the Com Hem segment annually In 2017, Boxer is expected to add ~SEK 300m of Underlying EBITDA to the Group. Thereafter we aim to deliver mid-single digit Underlying EBITDA growth for the entire Group annually
CAPEX	We expect Capex to be in the range of SEK 1-1.1bn annually including Boxer. For 2017, we will also incur some SEK 50m in Capex for integration of Boxer
Leverage target	We aim to maintain our leverage within the interval of 3.5-4.0x Underlying EBITDA LTM

GROUP FINANCIAL OVERVIEW

Financial summary, SEKm	JAN-MAR/Q1			JAN-DEC
	2017	2016	Change	2016
Revenue	1,757	1,276	37.7%	5,665
Operating expenses	-1,525	-1,071	42.4%	-4,813
Operating profit (EBIT)	232	205	13.1%	851
Net financial income and expenses	-78	-83	-5.8%	-440
Income taxes	-34	-27	25.4%	-94
Net result for the period	120	95	26.2%	317

Comparisons between first quarter of 2017 and first quarter of 2016, unless otherwise stated. Boxer is consolidated from September 30, 2016, affecting comparables with previous periods.

Total revenue

Total revenue for the Group rose by 37.7% compared to the first quarter in 2016 and amounted to SEK 1,757m. Organic revenue growth, excluding Boxer that is part of the Group from the fourth quarter 2016, was 3.5%. Organic revenue growth is explained by continued good growth in Com Hem's consumer business which grew by 4.7% driven mostly by volume as pricing put through in the quarter predominantly effects revenue from the second quarter.

Operating expenses

Operating expenses amounted to SEK 1,525m, up 42.4% compared to the first quarter 2016. The increase is explained by Boxer being consolidated into the Group from the fourth quarter 2016, and by higher variable costs within the Com Hem segment as a result of volume driven revenue growth, partly offset by savings in fixed costs.

Operating profit (EBIT)

Operating profit for the first quarter increased by 13.1% and amounted to SEK 232m.

Net financial income and expenses

Net financial income and expenses were improved by 5.8% or SEK 5m for the first quarter. The positive change is a result of a reduced blended interest rate on the Group's debt portfolio following a number of refinancing activities. Average blended interest rate was 2.4% for the first quarter compared with 2.9% for the corresponding period 2016, which resulted in lower interest expenses despite an increase in net debt of approximately SEK 1.6bn mainly explained by the Boxer acquisition.

Income taxes

The Group recognised a tax expense of SEK 34m for the quarter, of which SEK 25m refers to a deferred tax expense. Current taxes amounted to SEK 9m in the quarter referring to Boxer.

The taxable profit within the Com Hem segment will be offset against previously recognised tax losses carry forwards, which had a remaining balance of approximately SEK 1.3bn at the end of the quarter.

Net result for the period

Net result increased by 26.2% compared to the first quarter in 2016 and amounted to SEK 120m.

Reconciliation between Operating profit (EBIT) and Underlying EBITDA, SEKm	JAN-MAR/Q1			JAN-DEC
	2017	2016	Change	2016
Operating profit (EBIT)	232	205	13.1%	851
Depreciation & amortisation per function				
- Cost of services sold	238	205	16.1%	867
- Selling expenses	233	185	25.9%	779
- Administrative expenses	5	6	-17.0%	22
Total depreciation & amortisation	475	395	20.2%	1,667
EBITDA	707	600	17.8%	2,518
EBITDA margin, %	40.2	47.0	-6.8 p.p.	44.5
Disposals	3	-	n/m	4
Operating currency loss/gains	-1	-1	-10.6%	7
Items affecting comparability	3	5	-28.3%	18
Underlying EBITDA	712	603	18.0%	2,547
Underlying EBITDA margin, %	40.5	47.3	-6.8 p.p.	45.0

Comparisons between first quarter of 2017 and first quarter of 2016, unless otherwise stated.

Underlying EBITDA

Underlying EBITDA rose by 18.0% reaching SEK 712m and the Underlying EBITDA margin was 40.5% in the first quarter. The increase in Underlying EBITDA is explained by Boxer being consolidated into the Group from September 30, 2016 combined with revenue growth within the Com Hem segment, which is offset by somewhat higher operating costs in the Com Hem segment due to the on-going expansion into the SDU market. Excluding Boxer, the organic increase in Underlying EBITDA was 4.3% for the first quarter.

EBITDA

EBITDA rose by 17.8% reaching SEK 707m for the first quarter. Items

affecting comparability includes a SEK 22m positive effect from revaluation of pension debt following closure of the plan, offset by negative SEK 13m relating to integration of B2B and other items of SEK 12m.

Depreciation and amortisation

Depreciation and amortisation rose by SEK 80m to SEK 475m for the first quarter. The increase is explained by Boxer being included in the Group from September 30, 2016 as well as higher amortisation and depreciation on IT development projects (cost of services sold) and CPEs (cost of services sold) within the Com Hem segment.

Operating free cash flow, SEKm	JAN-MAR/Q1			JAN-DEC
	2017	2016	Change	2016
Underlying EBITDA	712	603	18.0%	2,547
Capital expenditure				
Network related	-94	-72	30.7%	-323
CPEs and capitalised sales commissions	-121	-101	19.5%	-388
IT investments	-38	-30	26.1%	-134
Integration of Boxer	-6	-	n/m	-
Other capex	-11	-7	54.0%	-48
Total capital expenditure	-269	-210	28.4%	-893
Operating free cash flow	443	394	12.4%	1,655
Interest payments	-52	-35	48.1%	-278
Income tax paid	-31	-	n/m	-
Change in working capital	-41	-43	-5.1%	48
Equity free cash flow	319	316	0.9%	1,424

Comparisons between first quarter of 2017 and first quarter of 2016, unless otherwise stated.

Capital expenditure (Capex)

For the quarter, capital expenditure amounted to SEK 269m, corresponding to 15.3% of revenue. The increase compared to first quarter 2016 is due to that Boxer being included in the Group with SEK 36m in regular capex and SEK 6m in integration related capex as well as higher network related capex, partly offset by lower CPEs within the Com Hem segment.

Operating free cash flow

Operating free cash flow increased by 12.4% in the first quarter, reaching SEK 443m as a result of higher Underlying EBITDA

contribution partly offset by higher capex compared with the first quarter 2016.

Equity free cash flow

Equity free cash flow increased by 0.9% for the first quarter reaching SEK 319m. Equity free cash flow for the quarter was negatively affected by tax payments relating to Boxer of SEK 31m (relating to 2016 taxable profit) and SEK 17m higher interest payments (timing) compared to the first quarter 2016.

Liquidity

At March 31, 2017, the Group's total available funds amounted to SEK 1,565m (SEK 1,870m at December 31, 2016), of which cash was SEK 265m (SEK 470m at December 31, 2016) and unutilised credit facilities was SEK 1,300m (SEK 1,400m at December 31, 2016).

Net debt

At March 31, 2017, the Group's net debt amounted to SEK 10,626m (SEK 10,326m at December 31, 2016). Net debt/Underlying EBITDA LTM was a multiple of 3.7x (3.7x at December 31, 2016), which is in line with the targeted leverage of 3.5-4.0x.

Net debt, SEKm	MAR 31		DEC 31
	2017	2016	2016
Non-current interest-bearing liabilities	10,285	8,553	10,180
Add back of capitalised borrowing costs	91	88	98
Non-current interest-bearing liabilities, nominal value	10,376	8,641	10,278
Current interest-bearing liabilities	515	1,025	517
Cash and cash equivalents	-265	-679	-470
Net debt	10,626	8,988	10,326

OUTSTANDING DEBT

March 31, 2017, SEKm	Maturity date	Interest base/coupon	Total credit	Utilised amount	Unutilised amount
Bank debt					
Facility A	Jun 26, 2019	Floating	3,500	3,500	-
Revolving Credit Facility	Jun 26, 2019	Floating	2,000	700	1,300
Incremental Facility 2	Jun 26, 2019	Floating	375	375	-
Incremental Facility 4	Jun 26, 2019	Floating	1,000	1,000	-
Incremental Facility 6	Dec 31, 2017	Floating	500	500	-
Incremental Facility 7	Jun 26, 2019	Floating	800	800	-
Outstanding notes at fixed interest rates					
SEK 1,750m 2016/2021 Notes	Jun 23, 2021	Fixed 3.625%	1,750	1,750	-
SEK 2,250m 2016/2022 Notes	Feb 25, 2022	Fixed 3.50%	2,250	2,250	-
Total credit facilities¹⁾			12,175	10,875	1,300

¹⁾ In addition to the above credit facilities Com Hem holds interest-bearing financial lease liabilities totalling SEK 16m.

Financing

At March 31, 2017, the Group's total credit facilities, including the two outstanding SEK notes, amounted to SEK 12,175m and had an average remaining term of approximately 3 years.

During 2016 a number of refinancing activities decreased the average interest rate that the Group pays on its outstanding debt, from approximately 2.9% for the full year 2016 to approximately 2.4% in the quarter.

The credit rating of Com Hem improved in the quarter when Standard & Poor's revised their outlook from stable to positive and affirmed their 'BB' long-term corporate credit rating.

Loan conditions

The loan facilities with credit institutions are conditional on the Group continually satisfying a predetermined financial key metric (the covenant), which is consolidated net debt in relation to consolidated Underlying EBITDA LTM.

In addition, there are provisions and limitations in the loan agreements for the credit facilities with credit institutions and the bond loans regarding further debt gearing, guarantee commitments and pledging, material changes to operating activities, as well as acquisitions and divestments. The conditions were met with a solid margin in the quarter.

Shareholder remuneration

At the IPO the Board of Directors adopted a dividend policy pursuant to which Com Hem retains the flexibility to distribute excess cash to shareholders in the form of dividends or other forms of capital distribution, while operating in the medium term within our target leverage of 3.5x to 4.0x Underlying EBITDA LTM. Com Hem expects to declare dividends or other forms of capital distributions in each financial year of at least 50% of equity free cash flow.

Up until 2016 the majority of shareholder remuneration has been made through share buybacks. For 2017, the AGM resolved on a change to the mix of the shareholder remuneration by increasing the cash dividend from SEK 1.50 per share to SEK 4.00 per share to be paid out on two occasions (the first was paid out on March 30, 2017, and the second will be paid out on September 29, 2017). Alongside the cash dividend Com Hem will also continue to do share buybacks from time to time while remaining within the target leverage of 3.5x to 4.0x Underlying EBITDA LTM.

Share repurchases

The 2017 AGM held on March 23, 2017 authorised the Board to, until the next AGM, on one or more occasions resolve on repurchases of own shares to the extent that the holding at any time does not exceed a tenth of the total number of registered shares.

On March 23, 2017 the Board resolved to initiate such a repurchase programme where shares for a total amount of up to SEK 250m may be repurchased in the period from and including March 24, 2017, to and including July 10, 2017.

In the quarter Com Hem repurchased 2,381,638 shares, equivalent to 1.3% of the number of registered shares, for a total amount of SEK 229m.

Share repurchases	No of shares	Average price per share, SEK	SEKm
Year 2015	10,531,344	73,71	776
Year 2016	11,788,068	75,37	888
First quarter 2017	2,381,638	96,00	229
After the reporting period	654,320	105,70	69
Total shares repurchased	25,355,370	77,40	1,962

Share capital and the number of registered shares

On March 31, 2017 the number of registered shares and votes in Com Hem amounted to 188,950,640, of which 6,122,093 were treasury shares. The share capital amounted to SEK 208,998,231 and the quota value was therefore SEK 1.106 per share.

In accordance with the resolution at the 2017 AGM, Com Hem has in April executed a further reduction of the share capital by way of cancelling 5,071,161 treasury shares. Simultaneously, and for the purpose of restoring the share capital, Com Hem has executed a bonus issue corresponding to the amount with which the share capital was reduced. The reduction and the increase of the share capital has been registered by the Swedish Companies Registration Office and the shares were cancelled on April 20, 2017. Hence, the number of registered shares and votes in Com Hem amounts to 183,879,479, out of which 1,705,252 were treasury shares as of April 24, 2017.

Change in number of shares in 2017	No. of registered shares	No. of outstanding shares
December 31, 2016	188,950,640	185,210,185
Share repurchases first quarter 2017	-	-2,381,638
March 31, 2017	188,950,640	182,828,547
Cancellation treasury shares April 20, 2017	-5,071,161	-
Repurchases after reporting period	-	-654,320
April 24, 2017	183,879,479	182,174,227

SEGMENT COM HEM

OVERVIEW PER OPERATING SEGMENT

Operational key metrics ¹⁾	2015		2016			2017
	Q4	Q1	Q2	Q3	Q4	Q1
Addressable footprint, thousands	1,968	1,988	2,045	2,196	2,265	2,324
Unique consumer subscribers, thousands	911	920	926	934	945	952
Consumer churn as % of unique consumer subscribers, %	12.9	13.9	13.1	12.7	13.1	13.6
Consumer RGUs thousands						
Broadband	658	669	679	689	702	713
Digital-TV	635	635	636	640	644	644
- of which TiVo customers	224	228	233	239	246	251
Fixed telephony	322	314	300	294	282	277
Total consumer RGUs	1,616	1,619	1,615	1,623	1,627	1,634
Unique B2B subscribers, thousands						
OnNet	16	17	18	19	20	22
OffNet	46	45	42	40	38	33
Total unique B2B subscribers	62	62	61	59	58	54
ARPU, SEK						
Consumer	363	364	369	371	371	368
B2B	431	430	436	436	454	448

¹⁾ For the quarter, and on the last date of each quarter.

Comparison between first quarter 2017 and first quarter 2016, unless otherwise stated.

Addressable footprint

In the first quarter, the Com Hem addressable footprint increased by 60,000 homes to 2,324,000 at the end of the period. The increase is mainly a result of our expansion into the SDU market where we at the end of March had added more than 300,000 addressable households since the start of the expansion programme through the addition of open LANs as well as unbundling of Skanova networks.

Unique consumer subscribers

The number of unique consumer subscribers continued to increase in the first quarter, up 7,000 to 952,000. The increase was mainly a result of strong growth in broadband subscribers.

Consumer churn rate

The churn rate, expressed as the percentage of consumer subscribers, was 13.6% in the first quarter, an increase of 0.5 p.p. compared to the fourth quarter 2016. The increase was lower than expected following price rises announced during the first quarter and implemented in equal parts on March 1 and April 1 respectively. Underlying consumer churn trends, excluding the impact from price adjustments, are positive, and we expect to return to our prior underlying declining trend rate from Q2 and onwards.

Consumer RGUs

The number of consumer RGUs was 1,634,000 an increase of 7,000 compared to previous quarter, caused by strong growth in broadband RGUs offset by continued decline in fixed-telephony RGUs.

The number of broadband RGUs rose by 11,000 in the first quarter to an all time high of 713,000. The proportion of new broadband subscribers who purchased broadband speeds of 100 Mbit/s

or more was close to 90%, and close to 90% of the entire broadband base do now subscribe to a 100 Mbit/s or higher service.

The number of digital-TV RGUs increased by 1,000 during the quarter to a total of 644,000 RGUs. During the quarter the number of TiVo customers grew by 6,000 to 251,000, corresponding to 39% of the total digital-TV base.

The number of fixed-line telephony RGUs was 277,000, down 5,000 compared with the preceding quarter, which is in line with the underlying trend in the market.

Consumer ARPU

Consumer ARPU amounted to SEK 368, down from SEK 371 in the preceding quarter explained by seasonality as well as a larger portion of group agreements. While group agreements have a positive absolute effect on revenue as we sell services to all tenants in a building, there is a pressure on per-user revenue as each tenant generally enters at lower ARPU.

Unique B2B subscribers

The number of unique B2B subscribers was 54,000 at the end of the quarter with a continued growth of the high margin OnNet subscribers by 2,000, offset by a decline in the legacy OffNet business of 5,000 subscribers.

B2B ARPU

B2B ARPU was SEK 448 in the first quarter, compared to SEK 454 in the preceding quarter.

SEGMENT COM HEM

OVERVIEW PER OPERATING SEGMENT

Financial summary, SEKm	JAN-MAR/Q1			JAN-DEC
	2017	2016	Change	2016
Revenue external				
Consumer	1,044	997	4.7%	4,093
- of which Digital-TV	466	456	2.4%	1,855
- of which Broadband	494	443	11.5%	1,862
- of which Fixed Telephony	53	70	-24.4%	253
Network operator	196	192	2.1%	777
B2B	74	80	-8.0%	317
Other revenue	8	7	5.0%	31
Revenue	1,321	1,276	3.5%	5,218
Underlying EBITDA	629	603	4.3%	2,470
Underlying EBITDA margin, %	47.6	47.3	-0.3 p.p.	47.3
Total capital expenditure	-227	-210	8.2%	-851
Operating free cash flow	402	394	2.2%	1,618

Comparison between first quarter 2017 and first quarter 2016, unless otherwise stated.

Revenue

Revenue for the first quarter rose by 3.5% compared to the same period last year and amounted to SEK 1,321m. The increase is mainly a result of a continued strong growth in consumer services.

Consumer Services

Revenue from consumer services rose by 4.7% to a total of SEK 1,044m for the first quarter. The increase is driven by increased revenue from broadband and digital-TV, partly offset by decreased revenue from fixed telephony.

Revenue from broadband services, which rose by 11.5% for the quarter, is attributable to RGU growth, an improved speed mix, and price adjustments implemented during the first quarter of 2017 as well as first quarter of 2016.

Revenue from digital-TV, which rose by 2.4% for the quarter, is attributable to RGU growth, a higher proportion of customers with TiVo packages, and price adjustments implemented during the first quarter of 2017 as well as first quarter of 2016.

Revenue from fixed telephony decreased by SEK 17m for the quarter. The decrease is mainly explained by a structural decline in fixed telephony variable usage.

Network Operator Services

Revenue from network operator services increased by 2.1% and amounted to SEK 196m for the first quarter. The increase was attributable to higher revenue from network expansion including SDU connection fees and growth in communication operator revenue from iTUX. The increase was partly offset by a continued decline in landlord revenue within MDUs.

Business to Business

Revenue from B2B services declined by SEK 6m to SEK 74m for the first quarter, which is explained by lower revenue from the lower margin legacy OffNet business where focus is to integrate all main functions into Com Hem and thereby save costs and improve Underlying EBITDA and operating free cash flow. For the quarter, OnNet revenue grew by 21.6% and amounted to SEK 28m.

Items affecting comparability of SEK 13m was recognised in the quarter due to the on-going integration of Business to Business while Underlying EBITDA as well as operating free cash flow increased compared to the same period in 2016.

Underlying EBITDA

Underlying EBITDA rose by 4.3% for the Com Hem segment reaching SEK 629m and the Underlying EBITDA margin was 47.6% in the first quarter. The increase in Underlying EBITDA is explained by revenue growth, partly with somewhat lower margin as revenue with lower gross margin within third party infrastructure increases. The decline in gross margin is partly offset by savings in other operating expenses.

Capital expenditure (Capex)

For the quarter, capital expenditure amounted to SEK 227m, corresponding to 17.2% of revenue. The increase of SEK 17m compared to the first quarter in 2016 is mainly a result of higher network and IT related investments, partly offset by lower investments in CPEs.

Operating free cash flow

Operating free cash flow increased by 2.2% or SEK 9m in the first quarter, reaching SEK 402m. The increase was a result of higher Underlying EBITDA contribution partly offset by higher investments compared with the first quarter 2016.

SEGMENT BOXER

OVERVIEW PER OPERATING SEGMENT

Operational key metrics ¹⁾	2015		2016			2017
	Q4	Q1	Q2	Q3	Q4	Q1
Unique consumer subscribers, thousands	541	529	516	508	495	479
Consumer churn as % of unique consumer subscribers, % ²⁾	15.9	16.1	16.3	15.7	17.7	19.2
Consumer RGUs, thousands	545	536	525	520	511	498
- of which Digital-TV	n/a	n/a	n/a	n/a	493	476
- of which Broadband	n/a	n/a	n/a	n/a	11	14
- of which Fixed Telephony	n/a	n/a	n/a	n/a	7	8
Average revenue per user (ARPU), SEK	280	283	289	293	293	297

¹⁾Boxer was acquired on September 30, 2016 when controlling influence of operations was obtained and the entity was consolidated from that date. Figures relating to quarters before the acquisition date are included for comparability purposes.

²⁾Consumer churn as % of unique consumer subscribers, % calculated according to Com Hem segment method from Q1 2017

Addressable fibre footprint

In the first quarter Boxer's fibre footprint has expanded to include almost all of the Com Hem segment's current addressable SDU footprint. At the end of the quarter, Boxer had around 700,000 addressable fibre households (MDU and SDU) out of which about 100,000 SDU households did not overlap with Com Hem's footprint.

Unique consumer subscribers

The number of unique consumer subscribers continued to decrease by 16,000 in the first quarter, to a total of 479,000 at the end of the period. The decline is mainly explained by the structural decline within the digital terrestrial TV ("DTT") distribution as a consequence of Boxer subscribers getting access to fibre broadband.

Consumer churn rate

The churn rate, expressed as the percentage of consumer subscribers, was 19.2% in the first quarter, which is an increase of 1.5 p.p. compared to the preceding quarter of which 0.8 p.p are due to aligning calculation method with Com Hem. The increase

is partly explained by Boxer subscribers getting access to fibre Broadband and partly by a channel redistribution in certain areas following the migration from the 700 Mhz band. The migration from the 700 Mhz band is based on a Government decision (February 27, 2014) that some of the frequencies currently used for television broadcasting shall be reserved for telecommunication services, including mobile broadband. This meaning that the 700 Mhz band must be vacated no later than October 31, 2017.

Consumer RGUs

The number of consumer RGUs was 498,000 a decrease of 13,000 compared to previous quarter. The decline of 17,000 DTT RGUs was partly offset against an increase of 3,000 broadband RGUs and 1,000 telephony RGUs.

Consumer ARPU

ARPU was SEK 297 for the first quarter, which is an increase of SEK 4 compared to the preceding quarter.

Financial summary, SEKm	JAN-MAR/Q1	OCT-DEC/Q4
	2017	2016
Revenue external		
Consumer	436	446
Revenue	436	446
Underlying EBITDA	83	78
Underlying EBITDA margin, %	19.0	17.4
Total capital expenditure	-42	-42
Operating free cash flow	40	36

Revenue

Revenue for the first quarter amounted to SEK 436m, a decrease of SEK 11m compared to the fourth quarter 2016, which was explained by a decreasing number of DTT subscribers only partly offset by increasing number of broadband subscribers and improved ARPU.

Underlying EBITDA

The Boxer business has two main cost items; content costs that are variable and depending on the number of subscribers and mix, similar to the Com Hem business, and DTT distribution costs. As part of the negotiation at acquisition of Boxer, the DTT distribution costs will be reduced over the coming ten years.

Boxer's Underlying EBITDA amounted to SEK 83m for the quarter. At the end of the quarter about half of the expected synergies of approximately SEK 50m annually relating to integration with Com Hem had been realised. In the quarter, Boxer continued to purchase additional administrative services from the seller, ser-

vices that over the coming quarters will be migrated to Com Hem with remaining synergies to be realised.

Boxer is expected to add approximately SEK 300m to the Com Hem Group's Underlying EBITDA in 2017, including the effect from synergies.

Capital expenditure (Capex)

For the quarter, capital expenditure amounted to SEK 42m, of which investments in CPEs and sales commissions amounted to SEK 36m and SEK 6m relating to system integration. CPE investments were temporarily affected by the ongoing 700 Mhz band migration causing new CPE's being purchased for some existing customers.

Operating free cash flow

Operating free cash flow amounted to SEK 40m in the first quarter. Boxer is expected to add approximately SEK 200m in operating free cash flow to the Group in 2017.

CONDENSED CONSOLIDATED INCOME STATEMENT

SEKm	JAN-MAR/Q1		JAN-DEC
	2017	2016	2016
Revenue	1,757	1,276	5,665
Cost of services sold	-986	-640	-2,964
Gross profit	771	636	2,701
Selling expenses	-473	-362	-1,557
Administrative expenses	-72	-73	-305
Other operating income and expenses	6	4	12
Operating profit	232	205	851
Financial income and expenses	-78	-83	-440
Result after financial items	153	122	411
Income taxes	-34	-27	-94
Net result for the period	120	95	317
Average number of outstanding shares, thousands	184,157	195,089	191,077
Basic earnings per share, SEK	0.65	0.49	1.66
Average number of outstanding shares, diluted, thousands	185,193	195,169	191,223
Diluted earnings per share, SEK	0.65	0.49	1.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	JAN-MAR/Q1		JAN-DEC
	2017	2016	2016
Net result for the period	120	95	317
Other comprehensive income			
<i>Items that will not be reclassified to net profit or loss</i>			
Revaluation of defined-benefit pension obligations	10	-27	-59
Tax on items that will not be reclassified to profit or loss	-2	6	13
Other comprehensive income for the period, net of tax	8	-21	-46
Total comprehensive income for the period	127	74	271

CONDENSED CONSOLIDATED BALANCE SHEET

SEKm	MAR 31 2017	MAR 31 2016	DEC 31 2016
ASSETS			
Non-current assets			
Intangible assets	16,583	15,288	16,765
Property, plant and equipment	1,536	1,509	1,564
Financial assets	-	0	-
Total non-current assets	18,120	16,797	18,329
Current assets			
Other current assets	436	326	458
Cash and cash equivalents	265	679	470
Total current assets	701	1,004	927
TOTAL ASSETS	18,821	17,801	19,256
EQUITY AND LIABILITIES			
Equity	5,035	6,222	5,501
Non-current liabilities			
Non-current interest-bearing liabilities	10,285	8,553	10,180
Other non-current liabilities	342	205	351
Deferred tax liabilities	651	256	624
Total non-current liabilities	11,279	9,013	11,155
Current liabilities			
Current interest-bearing liabilities	515	1,025	517
Other current liabilities	1,993	1,540	2,083
Total current liabilities	2,507	2,565	2,600
TOTAL EQUITY AND LIABILITIES	18,821	17,801	19,256
Number of outstanding shares, at end of period, thousands	182,829	193,504	185,210
Equity per share, SEK	28	32	30

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	MAR 31 2017	MAR 31 2016	DEC 31 2016
Opening equity	5,501	6,403	6,403
Comprehensive income for the period			
Net result for the period	120	95	317
Other comprehensive income for the period	8	-21	-46
Total comprehensive income for the period	127	74	271
Transactions with the owners			
Repurchase of shares	-229	-256	-888
Dividend	-366	-	-289
Share-based remuneration	1	1	4
Total transactions with the owners	-594	-255	-1,173
Closing equity	5,035	6,222	5,501

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEKm	JAN-MAR/Q1		JAN-DEC
	2017	2016	2016
Operating activities			
Result after financial items	153	122	411
Adjustments for non-cash items	475	438	1,757
Income taxes paid	-31	-	-
Cash flow from operating activities before changes in working capital	597	560	2,168
Change in working capital	-41	-43	48
Cash flow from operating activities	557	517	2,216
Investing activities			
Acquisition of subsidiary	-	-	-1,375
Acquisition of intangible assets	-124	-86	-396
Acquisition of property, plant and equipment	-145	-123	-497
Divestment of property, plant and equipment	0	-	2
Cash flow from investing activities	-269	-210	-2,266
Financing activities			
Repurchases of shares	-221	-266	-894
Dividend	-366	-	-289
Borrowings	450	-	6,600
Amortisation of borrowings	-354	-107	-5,578
Payment of borrowing costs	-1	0	-63
Cash flow from financing activities	-492	-373	-224
Net change in cash and cash equivalents	-205	-65	-274
Cash and cash equivalents at beginning of period	470	743	743
Cash and cash equivalents at end of period	265	679	470

ADJUSTMENT FOR NON-CASH ITEMS

SEKm	JAN-MAR/Q1		JAN-DEC
	2017	2016	2016
Depreciation/amortisation	475	395	1,667
Unrealised exchange-rate differences	0	-1	1
Capital gain/loss on sale/disposal of non-current assets	3	-	3
Change in fair value of derivatives	-	0	0
Change in capitalised borrowing costs and discounts	7	7	60
Change in accrued interest expenses	14	35	17
Change in provisions	-26	2	4
Other profit/loss items not settled with cash	1	1	4
Total	475	438	1,757

PARENT COMPANY CONDENSED FINANCIAL REPORTS

INCOME STATEMENT SEKm	JAN-MAR/Q1		JAN-DEC
	2017	2016	2016
Revenue	3	2	13
Administrative expenses	-7	-6	-27
Other operating income and expenses	0	0	-1
Operating profit/loss	-4	-5	-14
Financial income and expenses	26	41	-114
Result after financial items	22	36	-128
Income taxes	0	0	28
Net result for the period	22	36	-100

STATEMENT OF COMPREHENSIVE INCOME SEKm	JAN-MAR/Q1		JAN-DEC
	2017	2016	2016
Net result for the period	22	36	-100
Other comprehensive income	-	-	-
Comprehensive income for the period	22	36	-100

BALANCE SHEET SEKm	MAR 31	MAR 31	DEC 31
	2017	2016	2016
ASSETS			
Financial assets	10,007	9,819	9,966
Deferred tax assets	53	25	53
Current assets	5	3	6
Cash and bank balances	53	8	15
TOTAL ASSETS	10,118	9,855	10,041
EQUITY AND LIABILITIES			
Restricted equity	209	213	209
Unrestricted equity	6,198	7,825	6,777
Provisions	2	1	2
Non-current liabilities to Group companies	3,428	1,201	2,780
Current liabilities to Group companies	260	607	260
Other current liabilities	20	7	13
TOTAL EQUITY AND LIABILITIES	10,118	9,855	10,041

OTHER INFORMATION

Com Hem Holding AB (publ) is a Swedish limited liability company (Corp. ID. No. 556858-6613), with its registered office in Stockholm, Sweden. Com Hem's share is listed on Nasdaq Stockholm, Large Cap.

Accounting policies

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and described in the Group's 2016 Annual Report. The Group's functional currency is the Swedish krona (SEK), which is also the presentation currency of the Group. All amounts have been rounded to the nearest million (SEKm), unless otherwise stated. New or amended IFRSs that became effective on January 1, 2017 had no material effect on the consolidated financial statements. The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Condensed financial statements for the Parent Company have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. Disclosures in accordance with IAS 34.16A are incorporated in the financial statements and its accompanying notes or in other parts of this interim report.

Alternative Performance Measures (APM)

The Group applies the guidelines issued by ESMA (European Securities and Markets Authority) on APMs, published July 3, 2016. An APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs presented in these interim financial statements should not be considered as a substitute for measures of performance in accordance with IFRS and may not be comparable to similarly titled measures by other companies. The APMs presented in the interim report have been reconciled to the most directly reconcilable line items in the financial statements and appears in the sections group financial overview and overview per operating segment.

Adjustments

Certain financial information and other amounts and percentages presented in this report have been rounded and therefore the tables may not tally. The abbreviation "n/m" ("not meaningful") is used in this report if the information is not relevant and "n/a" ("not available") is used if the information is not available.

Fair value of financial instruments

The fair value of the Group's financial assets and liabilities are estimated to be equal to the carrying amounts except for outstanding notes. Fair value of derivatives as of March 31, 2017 amounted to SEK - m (0).

Related parties

For information on related parties, see the Group's Annual report 2016, page 69. No significant changes or transactions have occurred during the quarter, in excess of paid dividend.

Risks and uncertainties

The Group and the Parent Company have identified a number of operational and financial risks. Operational risks include increased competition, changes to laws and regulations, the ability to retain and attract key employees, substitution from fixed to mobile telephony, technological advances, the ability to retain and attract customers, programme content and risks associated with suppliers. Financial risks include refinancing, liquidity, credit, interest rate,

and currency risks. For a detailed description of the significant risk factors for the Group's future development, see the Group's 2016 Annual Report. The Group believes that the risk environment has not materially changed from the description in the 2016 Annual Report.

Operating segment

The Group operates in a single market, Sweden and is divided in two operating segments, Com Hem and Boxer. The division is based on the Group's management structure and infrastructure for delivery of services and structure for internal reporting, which is controlled by the Group's CEO, who has been identified as its chief operating decision-maker.

The operating segment Com Hem offers services to consumers (digital-TV, broadband and fixed telephony), B2B (broadband and telephony) and landlords (basic TV offering) via fibreCoax, un-bundled fibre and LAN. The services to consumers and landlords are mainly delivered to multi-dwelling unit buildings. The B2B services are mainly delivered to Small (SoHo) and Medium Sized Enterprises (SMEs). The infrastructure that is the basis for enabling delivery of services to customers is the same for all services in the operating segment. Expenses for distribution (fibre, ducting, etc.) and for operation and servicing of the services are collective. Customers connect to services through a single point in their home.

The operating segment Boxer mainly offers services (digital-TV) to consumers in the SDU market through the Swedish digital terrestrial network provided by Teracom.

The operating segment information is based on the same accounting principles as for the Group, IFRS. The pricing of inter company transactions is determined on a commercial basis.

Performances and the business' earnings are evaluated based on a number of established key ratios, of which the principal key ratios in the income statement are total revenue, operating profit/loss (EBIT) and Underlying EBITDA (EBITDA before disposals excluding items affecting comparability and operating currency gains/losses).

Operating segment assets comprise of intangible assets, property, plant and equipment, inventories and current receivables. Operating segment liabilities comprise of non-current liabilities and provisions.

Capital expenditure includes intangible assets and property, plant and equipment but excludes the effect of goodwill, intangible assets and property, plant and equipment through acquisitions which are presented separately.

SEKm	JAN-MAR Q1 2017		
	Com Hem	Boxer ¹⁾	Group
Revenue external	1,321	436	1,757
Total revenue	1,321	436	1,757
Operating profit (EBIT)	220	11	232
Depreciation & Amortisation	410	66	475
Disposals	1	2	3
Operating currency loss/gains	-2	0	-1
Items affecting comparability	-1	4	3
Underlying EBITDA	629	83	712
Net financial income and expenses			-78
Income taxes			-34
Net result for the period			120
CAPEX	-227	-42	-269

1) Boxer was acquired on September 30, 2016.

SEKm	JAN-MAR Q1 2016	
	Com Hem	Group
Revenue external	1,276	1,276
Total revenue	1,276	1,276
Operating profit (EBIT)	205	205
Depreciation & Amortisation	395	395
Operating currency loss/gains	-1	-1
Items affecting comparability	5	5
Underlying EBITDA	603	603
Net financial income and expenses		-83
Income taxes		-27
Net result for the period		95
CAPEX		-210

1) Boxer was acquired on September 30, 2016.

SEKm	JAN-DEC 2016		
	Com Hem	Boxer ¹⁾	Group
Revenue external	5,218	446	5,665
Total revenue	5,218	446	5,665
Operating profit (EBIT)	847	4	851
Depreciation & Amortisation	1,600	67	1,667
Disposals	4	-	4
Operating currency loss/gains	6	1	7
Items affecting comparability	12	6	18
Underlying EBITDA	2,470	78	2,547
Net financial income and expenses			-440
Income taxes			-94
Net result for the period			317
CAPEX	-851	-42	-893
CAPEX in relation to business combinations	-	-1,705	-1,705

1) Boxer was acquired on September 30, 2016.

SEKm	MAR 31, 2017			
	Com Hem	Boxer	Eliminations	Group
Operating segment assets	16,411	2,148	-3	18,556
- of which goodwill	10,899	421	-	11,321
- of which customer relationships	2,380	1,356	-	3,736
Other unallocated assets				265
Total assets				18,821
Operating segment liabilities	1,985	928	-3	2,910
Other unallocated liabilities				10,876
Total liabilities				13,786

SEKm	DEC 31, 2016			
	Com Hem	Boxer	Eliminations	Group
Operating segment assets	16,605	2,184	-2	18,787
- of which goodwill	10,899	421	-	11,321
- of which customer relationships	2,527	1,392	-	3,919
Other unallocated assets				470
Total assets				19,256
Operating segment liabilities	2,002	995	-2	2,995
Other unallocated liabilities				10,760
Total liabilities				13,755

Business Combinations 2017

No business combinations occurred during 2017.

Business Combinations 2016

Boxer TV-Access AB ("Boxer")

The acquisition of Boxer TV-Access AB was completed on September 30, 2016 and controlling influence of operations was obtained and the entity was consolidated from that date. Boxer is the pay TV operator in the digital terrestrial television ("DTT") network in Sweden. The Com Hem SDU expansion programme will enable Boxer to sell market leading bundled broadband- and TV-services to its customer base.

The acquisition has been recognised by applying the purchase method, and the table below states the fair value of the acquired assets and liabilities. The acquisition was funded through external borrowings and own cash. No equity instruments were issued in conjunction with the acquisition.

SEKm	Carrying amounts in the Group
Intangible assets	1,552
Property, plant and equipment	153
Other current assets	167
Cash and cash equivalents	258
Deferred tax liabilities	-305
Non-current liabilities	-141
Other current liabilities	-472
Net identifiable assets	1,212
Goodwill	421
Purchase price (Paid in cash)	1,633
Less cash in acquired business	-258
Net effect on Group's cash	1,375

The recognised fair value of intangible assets was SEK 1,973m of which customer relationships SEK 1,427m, trademark SEK 101m, goodwill SEK 421m and other SEK 24m. The goodwill recognised for the acquisition relates to future revenue from new customers, increased revenue from existing customers through continued growth of the number of services sold per customer, undocumented know-how and technology. No portion of the goodwill amount is expected to be tax deductible.

An existing long-term fixed price transmission network access contract has been measured to a negative fair value of SEK 174m, which will be released over the contract term, ending March 31, 2020. Lower annual price levels will apply as from April 1, 2020 which was negotiated as part of the transaction.

The total consideration for Boxer amounted to SEK 1,633m and the total net cash outflow was SEK 1,375m after deducting acquired cash and cash equivalents of SEK 258m. Acquisition related expenses were SEK 11m and have been recognised as other

operating expenses in the income statement.

Boxer is reported as a separate operating segment and contributed with SEK 446m to consolidated revenue and SEK 3m to operating profit in the fourth quarter 2016.

If the acquisition had been conducted on January 1, 2016, management estimates that the contribution to consolidated revenue would have been SEK 1,833m and the contribution to operating profit would have been SEK 57m, in the financial year 2016.

Changes in share capital and share repurchases

At the Annual General Meeting on May 19, 2016 and at the Annual General Meeting on March 23, 2017 the Board of Directors was given the mandate to until the end of the next Annual General Meeting, on one or more occasions, resolve on buy backs of shares to such extent that the Company's holding at any time does not exceed a tenth of the total number of shares in the Company. The buy backs were carried out in accordance with the Market Abuse Regulation (EU) No 596/2014 ("MAR") and the Commission Delegated Regulation (EU) 2016/1052 (the "Safe Harbour Regulation"). The buy backs are managed by credit institution that makes its trading decisions regarding Com Hem's shares independently of, and without influence by, Com Hem with regard to the timing of the repurchases.

Change in no. of shares	Total no. of shares
No. of registered shares, December 31, 2016	188,950,640
Repurchased shares held by Com Hem	-3,740,455
Total no. of outstanding shares, December 31, 2016	185,210,185
Repurchased shares held by Com Hem	-2,381,638
Total no. of outstanding shares, March 31, 2017	182,828,547

Incentive programmes

The Group has two warrant programmes established for executive management, key employees and Board members. The programmes comprise a total of 4,949,092 issued and paid warrants. The Group also has three long-term share-saving incentive programmes "LTIP 2015", "LTIP 2016" and "LTIP 2017". LTIP 2015 comprising 164,050 shares, LTIP 2016 comprising 230,543 shares and LTIP 2017 comprising of a maximum of 360,000 shares. LTIP 2017 was resolved by the Annual General Meeting 2017 and has similar conditions as LTIP 2015 and LTIP 2016. For more information regarding LTIP and the other incentive programmes see the Group's Annual Report 2016.

Largest shareholders

Following the sale of shares by NorCell S.à.r.l. (indirectly controlled by funds managed by BC Partners LLP) on February 7, 2017, NorCell S.à.r.l., as at March 31, 2017, controlled 18.5% of the outstanding shares and votes. Com Hem Holding AB (publ) had a total of 1,739 shareholders.

As per March 31, 2017	No. of shares	Capital/ votes, % ¹⁾
NorCell S.à.r.l.	33,911,671	18.5
MFS Investment Management	19,040,640	10.4
Capital Group	15,115,000	8.3
Adelphi Capital LLP	9,346,840	5.1
Norges Bank	8,305,095	4.5
DJE Investment	4,293,695	2.3
Putnam	3,884,745	2.1
T. Rowe Price	3,126,332	1.7
Vanguard	3,092,314	1.7
Henderson Global Investors	2,524,622	1.4
Total 10 largest shareholders	102,640,954	56.1
Other shareholders	80,187,593	43.9
Total no. of outstanding shares	182,828,547	100.0

Source: Holdings/Euroclear as per March 31, 2017.

¹⁾ The participating interest has been adjusted for the Parent Company's holdings of treasury shares. The ten largest public shareholders are listed above. Holdings with depositories are reported as "other shareholders."

Events after the end of the reporting period

In accordance with the resolution at the 2017 AGM, Com Hem has in April executed a further reduction of the share capital by way of cancelling 5,071,161 treasury shares. Simultaneously, and for the purpose of restoring the share capital, Com Hem has executed a bonus issue corresponding to the amount with which the share capital was reduced. The reduction and the increase of the share capital has been registered by the Swedish Companies Registration Office and the shares were cancelled on April 20, 2017. Hence, the number of registered shares and votes in Com Hem amounts to 183,879,479.

During the period from April 1 to April 24, 2017 an additional 654,320 shares were repurchased for an amount of SEK 69m. Com Hem had 1,705,252 treasury shares as of April 24, 2017 corresponding to 0.9% of the total number of registered shares.

Auditor's report

This interim report has not been reviewed by the company's auditors.

Stockholm April 25, 2017

Anders Nilsson
CEO

Disclosure

This information is information that Com Hem Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below at 7.30 a.m. CET April 25, 2017.

Fredrik Hallstan, Head of PR

INDUSTRY TERMS

Addressable footprint Number of households connected to our fibrecoax and fibreLAN networks, third party open networks, and connected and/or passed by fibre in networks unbundled by the Group.

ARPU Average monthly revenue per user for the referenced period. ARPU is calculated by dividing the monthly revenue for the respective period by the average number of unique consumer subscribers for that period. The average number of unique consumer subscribers is calculated as the number of unique consumer subscribers on the first day in the respective period plus the number of unique consumer subscribers on the last day of the respective period, divided by two.

Churn The voluntary or involuntary discontinuance of services by a subscriber. From Q4 2016 cancellations are excluded.

RGUs Revenue generating units, which refer to each subscriber receiving basic or digital-TV, broadband or telephony services from Com Hem, Boxer or Phonera. A customer who has all three services is counted as three RGUs but one unique subscriber.

SME Small and medium enterprises. Refers to offices with 10-99 employees.

SoHo Single office/Home office. Refers to offices with 1-9 employees.

Unique consumer subscribers Unique consumer subscribers represent the number of individual end-users who have subscribed for one or more of the Com Hem Group's digital services (digital-TV, broadband and fixed telephony). Com Hem refers to the end-users receiving services directly through our own, third-party or unbundled networks as unique subscribers, even if the billing relationship for that end-user is with the end-user's landlord or housing association.

FINANCIAL KEY METRICS AND ALTERNATIVE PERFORMANCE MEASURES (APM)

IFRS-MEASURE

Earnings per share Net result for the period attributable to owners of the Parent Company divided by the average number of shares outstanding.

ALTERNATIVE PERFORMANCE MEASURES

An alternative performance measure is understood as a financial measure other than a financial measure defined or specified in the applicable financial reporting framework. The alternative performance measures presented are a complement to financial measures defined in IFRS and are used by management to evaluate ongoing operations and control activities. Alternative performance measures presented in these interim financial statements should not be considered as a substitute for measures of performance in accordance with IFRS and may not be comparable to similarly titled measures by other companies. For more information regarding the purpose with presented APMs please visit <http://www.comhemgroup.se/en/investors/definitions/>.

Capital expenditure (Capex) Capital expenditure in intangible assets and property, plant and equipment, including capital expenditure financed by leasing.

EBITDA EBIT excluding depreciation and amortisation.

EBITDA-marginal EBITDA as a percentage of revenue.

Equity/assets ratio Equity as a percentage of total assets.

Equity free cash flow Underlying EBITDA less Capex, interest on bank debt and notes, taxes and change in net working capital.

Equity per share Equity divided by the total number of outstanding shares.

Items affecting comparability Items of temporary nature such as staff costs related to restructuring and transaction costs related to acquisitions.

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 LTM.

Operating free cash flow (OFCF) Underlying EBITDA less capital expenditure.

Operating profit (EBIT) Revenue less operating expenses.

Underlying EBITDA EBITDA before disposals excluding items affecting comparability and operating currency gains/losses.

Underlying EBITDA margin Underlying EBITDA as a percentage of revenue.

OTHER MEASURES

Consumer ARPU Consumer ARPU is calculated by dividing all digital-TV, broadband, fixed telephony and other revenue that can be allocated to each consumer service for the period in question, by the average number of total unique consumer subscribers for the respective period, and further by the number of months in the period. The average number of subscribers is calculated as the number of unique consumer subscribers on the first day in the respective period plus the number of unique consumer subscribers on the last day of the respective period, divided by two.

B2B ARPU B2B ARPU is calculated by dividing all broadband, fixed telephony and other revenue that can be allocated to each B2B service for the period in question, by the average number of total unique B2B subscribers for the respective period, and further by the number of months in the period. The average number of subscribers is calculated as the number of B2B subscribers on the first day in the respective period plus the number of unique B2B subscribers on the last day of the respective period, divided by two.

THE GROUP'S FINANCIAL KEY METRICS AND ALTERNATIVE PERFORMANCE MEASURES PER QUARTER

Group	2015				2016			2017
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue, SEKm	1,246	1,255	1,271	1,276	1,300	1,309	1,780	1,757
Operating profit (EBIT), SEKm	182	192	190	205	192	227	228	232
Operating margin (EBIT margin), %	14.6	15.3	14.9	16.0	14.7	17.4	12.8	13.2
EBITDA, SEKm	571	580	581	600	589	629	701	707
EBITDA margin, %	45.8	46.2	45.7	47.0	45.3	48.0	39.4	40.2
Underlying EBITDA, SEKm	583	590	595	603	607	642	696	712
Underlying EBITDA margin, %	46.8	47.0	46.8	47.3	46.7	49.0	39.1	40.5
Capex, SEKm	250	219	259	210	198	180	305	269
Capex as % of revenue	20.1	17.4	20.4	16.4	15.2	13.8	17.2	15.3
Cash flow from operating activities	372	620	304	517	554	580	565	557
Operating free cash flow, SEKm	333	372	336	394	409	461	390	443
Equity/assets ratio, %	38	37	35	35	34	29	29	27
Net debt at end of period, SEKm	8,896	8,815	9,030	8,988	9,026	10,292	10,326	10,626
Net debt/Underlying EBITDA LTM, multiple ¹⁾	3,8x	3,8x	3,8x	3,8x	3,8x	3,7x	3,7x	3,7x
Earnings per share, SEK	0.20	0.25	-0.21	0.49	0.43	0.56	0.18	0.65
Equity per share, SEK	34	33	33	32	31	30	30	28

¹⁾ See page 21 for definitions of financial key metrics and Alternative Performance Measures (APM).

OTHER INFORMATION

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Financial information

All financial information is published on www.comhemgroup.com directly after release.

You are welcome to subscribe to our press releases and financial statements via e-mail. Subscribe here: <http://www.comhemgroup.se/en/investors/subscribe/>

Webcast teleconference

Com Hem will present the first quarter results for analysts and investors via a webcast teleconference in English on Tuesday, April 25, 2017 at 10:00 a.m CET.

To participate, use the following link:
http://cloud.magneetto.com/comhem/2017_0425_Q1/view

Alternatively, use one of the following dial-in numbers:

Sweden: +46 8 5052 0110
 UK: +44 20 7162 0077
 US: +1 646 851 2407

Financial calendar

Interim Report January-June July 11, 2017
 Interim Report January-September October 17, 2017