

Customer satisfaction materialized in pricing power

SECOND QUARTER SUMMARY

- ▶ Revenue totaled SEK 1,246m (1,198), an increase of 4.0% over the second quarter of 2014.
- ▶ Underlying EBITDA was SEK 583m (566), an increase of 3.1% over the second quarter of 2014.
- ▶ Operating free cash flow was SEK 333m (327), an increase of 1.9% over the second quarter of 2014 due to the increase in underlying EBITDA.
- ▶ Net result for the period was SEK 42m (-718). Last year's result was affected by non-recurring costs of SEK 680m associated with the IPO and refinancing of debt.
- ▶ Earnings per share were SEK 0.20 (-6.53), an increase of SEK 6.73 over the second quarter of 2014.

- ▶ Customer growth continues despite price changes during the quarter:
 - The unique consumer subscriber base grew by 6,000 to a total of 894,000
 - Continued volume growth in broadband, increasing by 8,000 to 637,000 RGUs
 - Growth in digital television continued, increasing by 2,000 to 627,000 RGUs
 - The number of TiVo customers grew by over 14,000 to 204,000 customers (33% penetration)
 - Focus on customer satisfaction starting to pay off, consumer churn only increased with 0.4 p.p despite the price changes made in the quarter

- ▶ During the quarter Com Hem remunerated shareholders with a total of SEK 412m, including a cash dividend of SEK 207m (SEK 1 per share), completion of the share redemption program announced in Q1 resulting in that shares at a value of SEK 65m were redeemed and share repurchases of SEK 140m in accordance with the mandate given at the AGM in May.

KEY FINANCIAL METRICS⁽¹⁾

	Apr-Jun		Change	Jan-Jun		Change	Jan-Dec
	2015	2014		2015	2014		
Revenue, SEKm	1,246	1,198	4.0%	2,474	2,322	6.5%	4,761
Underlying EBITDA, SEKm	583	566	3.1%	1,160	1,110	4.5%	2,262
Underlying EBITDA margin, %	46.8%	47.2%	-0.4 p.p.	46.9%	47.8%	-0.9 p.p.	47.5%
EBITDA, SEKm	571	417	36.9%	1,108	905	22.5%	2,004
Operating profit (EBIT), SEKm	182	60	200.8%	343	207	65.4%	566
Net result for the period, SEKm	42	-718	n/m	82	-895	n/m	-1,051
Earnings per share, SEK	0.20	-6.53	n/m	0.40	-8.53	n/m	-6.67
CAPEX, SEKm	250	239	4.6%	513	454	13.1%	1,051
CAPEX as % of revenue	20.1%	20.0%	0.1 p.p.	20.7%	19.5%	1.2 p.p.	22.1%
Operating free cash flow, SEKm	333	327	1.9%	647	656	-1.5%	1,211
Net debt, SEKm	8,896	9,110	-2.3%	8,896	9,110	-2.3%	8,851
Net debt/Underlying EBITDA	3.8x	4.0x	-0.2	3.8x	4.0x	-0.2	3.9x

(1) Please refer to page 13 for definitions.

CEO's comments

Focus on customer satisfaction reflected in positive reaction to our Q2 price changes

Overall, the business has delivered a strong set of results during the second quarter of 2015. Revenue grew by 4.0% compared to the corresponding quarter last year with underlying EBITDA growing by 3.1% on the same basis. The leverage ratio stayed at 3.8x which is well within our target of 3.5-4.0x underlying EBITDA while remunerating shareholders by a total of SEK 412m during the quarter including a cash dividend as well as buying back shares and redemption of shares.

Our operational focus has remained on improving customer satisfaction, while shifting our balance of growth from volume towards a combination of volume and price-led growth. During Q1 and Q2, we implemented price changes - primarily discount reductions - affecting approximately half of our customer base including a 10 SEK per month list-price increase on our 50 and 100 Mbit/s broadband services. Churn impact has been lower than expected, with an increase of 0.4 p.p. for the quarter to 13.7%. During the corresponding quarter last year, churn increased by 1.2 p.p as a consequence of price changes touching roughly half the number of customers compared to our 2015 price changes. This shows an improved ability to price successfully and underlines our opportunity for further price changes going forward. Consumer ARPU rose to 361 SEK (Q1 358) with the full pricing impact on consumer ARPU from Q3 and onwards.

We continue to deliver customer growth at – as planned – a slower pace than previous quarters. Our unique consumer subscriber base increased by 6,000 to 894,000 unique consumer customers, reflecting reduced marketing and sales activity.

Our broadband business grew by 8,000 net additions, resulting in 637,000 broadband RGUs – another all-time high in Com Hem's history – with the mix of new customers on 100 Mbit/s or above rising to 76% (74% in Q1).

The digital television customer base grew by 2,000 customers and our TiVo base by over 14,000 as we focused on broadband marketing and temporarily reduced our direct sales effort focused on TiVo. Today, TiVo is a part of over 200 000 Swedish homes, representing 33% of our digital-TV customer base just 21 months after launch.

In business to business, we continue the transformation of the Phonera business to focus on higher margin OnNet sales with Phonera adding 3,000 OnNet subscribers during the quarter and growing overall revenue. As we build momentum in Phonera's OnNet business, Phonera's legacy business, notably voice telephony, continue to offset business to business top-line growth.

I am delighted by the progress we have made in the transformation that has taken place in Com Hem since our IPO in June 2014. Critically, our customers' positive response to our discount reductions is a measure of the exceptionally rapid progress we have made in improving customers' perception of Com Hem, and hence their willingness to absorb moderate price growth. As a consequence, we have increased confidence in our ability to execute on our plan for sustainable growth and thereby generate steady, strong cash flow for our shareholders.

Stockholm, July 14, 2015



Anders Nilsson
CEO

SIGNIFICANT EVENTS IN Q2

- ▶ On April 23 the result of Com Hem's redemption program was announced. Upon completion of the application period on 21 April 2015, a total of 886,221 shares in Com Hem have been applied for redemption, at a price of SEK 73.50 per share. In total SEK 65m was paid to the shareholders who had applied for redemption of shares.
- ▶ At the Annual General Meeting May 21, it was resolved to elect Andrew Barron, Nicholas Stathopoulos, Joachim Ogland, Monica Caneman, Eva Lindqvist and Anders Nilsson as members of the Board (re-election). Andrew Barron was elected as the chairman of the Board (re-election). The Meeting resolved to distribute dividend of SEK one (1) per share for the financial year of 2014. The Meeting authorized the Board, until the end of the next Annual General Meeting, on one or more occasions, to resolve on acquisitions of shares in the company to such extent that the company's holding at any given time does not exceed a tenth of the total amount of shares in the company. The Meeting resolved to adopt a long-term share savings incentive program ("LTIP 2015"), and approved to enter into a share swap agreement with a third party, for the purpose of hedging the financial exposure of LTIP 2015.



- ▶ The Board of Directors did on May 21 resolve to exercise the authorization to initiate share buyback programs that was given by the Annual General Meeting the same day for a total amount of up to SEK 1,500m up until the next Annual General Meeting.

The programs are being carried out in accordance with the European Commission's ordinance (EC) No 2273/2003 of December 22, 2003 (the "EC ordinance") and are managed by a securities company or 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. During the quarter, the independent credit institution appointed to perform the share buy backs repurchased 1,820,143 shares at an amount of SEK 140m. During the period 1-10 July another 666 549 shares were repurchased at an amount of SEK 50m by the independent credit institution. Com Hem's share capital will be reduced by cancelling the shares that has been repurchased.

Operational Development

As of and for the period ended						
Operational key metrics						
Thousands unless otherwise stated	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Homes connected	1,830	1,832	1,846	1,876	1,920	1,930
Unique consumer subscribers	838	846	861	876	888	894
Unique consumer subscribers as % of homes connected	45.8%	46.2%	46.6%	46.7%	46.3%	46.3%
Consumer RGUs per unique consumer subscriber, ratio	1.78	1.78	1.78	1.79	1.80	1.79
Consumer churn as % of unique consumer subscribers	15.2%	16.4%	14.8%	14.2%	13.3%	13.7%
Consumer RGUs						
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Broadband	570	577	594	612	628	637
Digital television	595	599	607	618	625	627
-of which TiVo customers	74	103	132	164	189	204
Fixed telephony	327	326	329	337	342	337
Total consumer RGUs	1,492	1,503	1,531	1,566	1,595	1,600
ARPU, SEK						
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015
Consumer	359	360	361	361	358	361
Landlord	37	35	35	33	31	30

COMPARISON QUARTER ON QUARTER

Comparisons are between q2 2015 and q1 2015 unless stated otherwise.

Homes connected

The number of homes connected was 1,930,000, an increase of 10,000 households during the quarter. The increase was attributable to both adding new open networks and organic growth in existing open networks.

Unique consumer subscribers

Customer intake increased for all services with continued stable growth in broadband and digital television RGUs. The number of unique consumer subscribers increased by 6,000 subscribers during the second quarter to 894,000.

Consumer churn

Consumer churn for the second quarter was 13.7%, compared with 13.3% for the first quarter of 2015. The increase was due to the price changes made during the second quarter affecting half of the customer base when the binding period has ended for the customer.

Consumer RGUs

Consumer RGUs totaled 1,600,000, an increase of 5,000 within broadband and digital television services. Broadband RGUs increased by 8,000 during the quarter to 637,000. The growth during the quarter reflects the continued strong demand for Com Hem's market leading broadband offerings. The mix of new customers buying broadband speeds on 100 Mbit/s or higher continues to rise, reaching 76% compared to 74% for the first quarter of 2015.

During the second quarter digital television RGUs increased by 2,000 to 627,000. The slower growth for digital television reflects the temporary reduced TiVo direct sales activities in the quarter. Following the commercial launch of TiVo in October 2013, 204,000 digital television customers now subscribe to the TiVo service, which is equivalent to a penetration of 33% of the total number of digital television RGUs.

Fixed telephony RGUs was 337,000 telephony RGUs, a decrease of 5,000 RGUs compared with the first quarter. The decrease in fixed telephony RGUs is mainly explained by the churn increase following the price changes made during the quarter.

Consumer churn also affected the number of RGUs per unique subscriber which decreased by 0.1 to 1.79 at the end of the quarter.

Consumer ARPU

Consumer ARPU was SEK 361 for the quarter, an increase compared with the preceding quarter and in line with the corresponding quarter last year. The increase compared with the first quarter of 2015 is mainly attributable to the price changes made during the quarter.

Landlord ARPU

Landlord ARPU decreased by SEK 1 compared with the first quarter of 2015, to SEK 30. The decrease was mainly due lower prices resulting from contract renegotiations. Also more households are connected via open networks where Com Hem does not provide any basic tv service and consequently do not receive any revenue categorized as landlord revenue.

Financial Development

SECOND QUARTER

Comparisons are between q2 2015 and q2 2014 unless stated otherwise.

SEKm	Apr-Jun	
	2015	2014
Revenue		
Consumer	936	877
Landlord	175	196
B2B	77	70
Other	58	55
Total Revenue	1,246	1,198
Underlying EBITDA	583	566
Underlying EBITDA margin, %	46.8%	47.2%
Capital expenditure	-250	-239
Operating free cash flow	333	327

Revenue

Revenue increased by SEK 48m, or 4.0%, to SEK 1,246m (1,198). Revenue from consumer services increased by SEK 58m or 6.6%, to SEK 936m (877). The increase was due to higher revenue from broadband and digital television.

Broadband services revenue increased to SEK 414m (356) due to an increased number of RGUs and improved speed mix as a function of continued strong demand for our broadband services with high speed and the price changes made during the quarter.

Digital television revenue increased to SEK 445m (434) as a result of sales increases of TiVo packages, migration of existing digital television customers to TiVo packages and the price changes made during the quarter. The increase in revenue due to TiVo and the price changes is partly offset by lower revenue from Premium packages compared to last year.

The increase in revenue from broadband and digital television services was partly offset by a decrease in fixed telephony revenue to SEK 77m (87), due to lower variable usage.

Revenue from landlord services decreased by SEK 21m or 10.9%, to SEK 175m (196). The decrease was primarily due to a reduction in ARPU mainly as a result of contract renegotiations, lower index pricing and the one off migration of customers to B2B services during the last six months of 2014.

Revenue from B2B services was SEK 77m, compared to SEK 70m for the second quarter of 2014. The increase is attributable to customer growth of 8,000 new RGUs in the OnNet B2B services resulting in a SEK 9m revenue increase compared to the corresponding quarter in 2014.

Other revenue increased to SEK 58m (55) due to higher revenue from iTUX, the Group's communication operator.

Underlying EBITDA

Underlying EBITDA increased by SEK 17m or 3.1%, to SEK 583m (566), and the underlying EBITDA margin was 46.8% (47.2%). The increase in underlying EBITDA was mainly due to revenue growth from consumer and B2B services.

The underlying EBITDA margin was lower as a consequence of a change in the revenue mix.

Capital expenditure (Capex)

Capital expenditure increased by SEK 11m or 4.6%, to SEK 250m (239), representing 20.1% (20.0%) of revenue. The increase was due to increased investments in broadband capacity and in the B2B business.

Operating free cash flow

Operating free cash flow increased by SEK 6m or 1.9%, to SEK 333m (327). The increase was a result of higher underlying EBITDA contribution partly offset by higher investments.

SEKm	Apr-Jun	
	2015	2014
Total Revenue	1,246	1,198
Operating expenses ⁽¹⁾	-1,065	-1,138
Operating profit (EBIT)	182	60
Net financial income and expenses	-126	-983
Result after financial items	55	-923
Income taxes	-13	204
Net result for the period	42	-718

Reconciliation of operating profit to

SEKm	Apr-Jun	
	2015	2014
Underlying EBITDA		
Operating profit (EBIT)	182	60
Depreciation and amortization	389	357
EBITDA	571	417
Write-downs	9	4
Operating currency loss/gain	-2	3
Non-recurring items ⁽²⁾	5	142
Underlying EBITDA	583	566

(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.

Operating profit (EBIT)

Operating profit (EBIT) was SEK 182m (60). The increase was due to higher underlying EBITDA and lower costs for non-recurring items due to one off IPO related costs and non-recurring costs for the TiVo launch during the second quarter last year. The decrease in non-recurring costs was partly offset by higher amortization of previously capitalized sales costs as a result of higher sales in both the consumer business and the B2B business.

Net financial income and expenses

Financial income and expenses amounted to a net expense of SEK 126m (983). Excluding last year's non-recurring costs of SEK 573m associated to refinancing of the Senior Credit Facilities, the redemption of the Senior PIK Notes and 35% of the Senior Notes, financial income and expenses amounted to a net expense of SEK 126m (410). The decrease in financial income and expenses excluding non-recurring costs was due to the decrease in the financial debt and lower average interest rates.

Income taxes

The Group recognized a deferred tax expense of SEK 13m (deferred tax income of SEK 204m).

Net result for the period

The Group reported a net result of SEK 42m (-718).

Six months

Comparisons are between h1 2015 and h1 2014 if not otherwise stated.

SEKm	Jan-Jun	
	2015	2014
Revenue		
Consumer	1,850	1,743
Landlord	353	397
B2B	154	72
Other	116	110
Total Revenue	2,474	2,322
Underlying EBITDA	1,160	1,110
Underlying EBITDA margin, %	46.9%	47.8%
Capital expenditure	-513	-454
Operating free cash flow	647	656

Revenue

Total revenue increased by 6.5% and was SEK 2,474m (2,322). Revenue from consumer services increased by SEK 107m or 6.1% and was SEK 1,850m (1,743). The increase was due to higher revenue from broadband and digital television. Revenue from broadband services was SEK 808m (700). The increase was driven by an increased number of RGUs and improved tier mix as a function of continued high demand from both new and existing customers for Com Hem's broadband services and the price changes made during the second quarter.

Revenue from digital television services totaled SEK 887m (865). The increase was a result of better tier mix due to sales of TiVo packages, migration of existing digital television customers to TiVo packages and the price changes made during the second quarter. The increase in revenue due to TiVo and the price changes is partly offset by lower revenue from Premium packages compared to last year.

The increase in revenue from digital television and broadband services was partly offset by a decrease in fixed telephony revenue totaling SEK 155m (178). The decrease was due to lower variable usage.

Revenue from landlord services decreased by SEK 43m or 10.9% and was SEK 353m (397). The decrease was primarily due to a reduction in ARPU from landlord customers mainly as a result of contract renegotiations, lower index pricing and the one off migration of customers from landlord services to B2B services during the last six months of 2014.

Revenue from B2B services was SEK 154m compared to SEK 72m for the first six months of 2014. The increase was attributable both to a strong customer growth in the B2B OnNet services and that the Phonera business was consolidated as of March 31 2014. Phonera contributed with SEK 65m of the total revenue increase of SEK 82m during the first six months.

Other revenue increased by SEK 6m, or 5.7%, and was SEK 116m (110). The increase was mainly explained by higher revenue from iTUX, the Group's communication operator.

Underlying EBITDA

Underlying EBITDA increased by 4.5% and was SEK 1,160m (1,110) and the underlying EBITDA-margin was 46.9% (47.8%). The increase in underlying EBITDA was mainly due to revenue growth from the consumer services and the revenue contribution from Phonera B2B services.

Capital expenditure (Capex)

Capital expenditure increased by SEK 59m, or 13.1%, and was SEK 513m (454). As a percentage of revenue capital expenditure were 20.7% (19.5%). The increase was due to increased capitalized sales costs for the acquisition of new customers during the first quarter as well as increased investments in broadband capacity and the B2B business.

Operating free cash flow

Operating free cash flow (underlying EBITDA less Capex) decreased by SEK 10m, or 1.5%, and was SEK 647m (656). The decrease was mainly due to higher investments partly offset by higher underlying EBITDA contribution.

SEKm	Jan-Jun	
	2015	2014
Total Revenue	2,474	2,322
Operating expenses ⁽¹⁾	-2,131	-2,115
Operating profit (EBIT)	343	207
Net financial income and expenses	-237	-1,332
Result after financial items	106	-1,125
Income taxes	-24	230
Net result for the period	82	-895

Reconciliation of operating profit to

SEKm	Jan-Jun	
	2015	2014
Underlying EBITDA		
Operating profit (EBIT)	343	207
Depreciation and amortization	765	697
EBITDA	1,108	905
Write-downs	9	4
Operating currency loss/gain	9	4
Non-recurring items ⁽²⁾	33	198
Underlying EBITDA	1,160	1,110

(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.

Operating profit (EBIT)

Operating profit (EBIT) was SEK 343m (207). The increase was due to higher underlying EBITDA and lower costs for non-recurring items due to IPO related costs during the second quarter last year and non-recurring costs for the TiVo launch during the first six months last year. The decrease in non-recurring costs was partly offset by higher amortization of previously capitalized sales costs as a result of higher sales in both the consumer business and the B2B business.

Net financial income and expenses

Financial income and expenses amounted to a net expense of SEK 237m (1,332). Excluding non-recurring costs of SEK 573m associated to last year's refinancing of the Senior Credit Facilities, the redemption of the Senior PIK Notes and 35% of the Senior Notes financial income and expenses amounted to a net expense of SEK 237m (759). The decrease in financial income and expenses excluding non-recurring costs was due to the decrease in the financial debt and lower average interest rates.

Income taxes

The Group recognized a deferred tax expense of SEK 24m (deferred tax income SEK 230m).

Net result for the period

The Group recognized a net result of SEK 82m (-895).

Net debt – refinancing

At the end of the period, the Group's net debt totaled SEK 8,896m, and the net debt/underlying EBITDA LTM ratio was 3.8x. As a result of refinancing conducted in 2014 the average interest rate of debt has been reduced from 8.3% during the second quarter of 2014 to 4.5% during the second quarter of 2015.

Shareholder remuneration

During the second quarter the shareholders was remunerated by a total of SEK 412m by redemption of shares, a dividend payout and repurchase of shares.

To shareholders that participated in the redemption program a total of SEK 65m was distributed in May. In May the dividend of SEK 1 per share was also paid totaling SEK 207m. According to the authorization given by the Annual General Meeting regarding the buy-back program, shares totaling SEK 140m was repurchased during the second quarter.

Liquidity

As of June 30, 2015 the Group held SEK 715m (4,640) of cash and cash equivalents. Unutilized credit facilities amounted to SEK 995m.

Condensed Consolidated Income Statement

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2015	2014	2015	2014	2014
Revenue	1,246	1,198	2,474	2,322	4,761
Cost of sales and services	-619	-585	-1,213	-1,134	-2,315
Gross profit	627	613	1,261	1,188	2,446
Selling expenses	-380	-384	-770	-745	-1,491
Administrative expenses	-65	-62	-139	-126	-264
Other operating income and expenses	0	-106	-8	-110	-126
Operating profit	182	60	343	207	566
Net financial income and expenses	-126	-983	-237	-1,332	-2,082
Result after financial items	55	-923	106	-1,125	-1,517
Income taxes	-13	204	-24	230	465
Net result for the period	42	-718	82	-895	-1,051
Average number of shares, thousands ⁽¹⁾	206,629	109,962	207,083	104,864	157,483
Earnings per share, SEK	0.20	-6.53	0.40	-8.53	-6.67
Average number of shares, diluted, thousands	206,709	109,962	207,086	104,848	157,483
Earnings per share, diluted, SEK	0.20	-6.53	0.40	-8.53	-6.67

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

Consolidated Statement of Comprehensive Income

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2015	2014	2015	2014	2014
Net result for the period	42	-718	82	-895	-1,051
Other comprehensive income					
<i>Items that will not be reclassified to net profit or loss</i>					
Revaluation of pension obligations	40	-38	40	-38	-110
Tax on items that will not be reclassified to profit or loss	-9	8	-9	8	24
Other comprehensive income for the period, net of tax	31	-30	31	-30	-86
Total comprehensive income for the period	74	-748	114	-925	-1,137

Condensed Consolidated Balance Sheet

SEKm	Jun, 30		Dec, 31
	2015	2014	2014
ASSETS			
Non-current assets			
Intangible assets	15,780	16,244	16,041
Property, plant and equipment	1,505	1,458	1,505
Other non-current assets	9	6	39
Total non-current assets	17,294	17,708	17,585
Current assets			
Other current assets	419	410	418
Cash and cash equivalents	715	4,640	716
Total current assets	1,134	5,050	1,134
TOTAL ASSETS	18,427	22,758	18,720
EQUITY AND LIABILITIES			
Total equity	6,938	6,865	7,233
Non-current liabilities			
Non-current interest-bearing liabilities	9,442	8,490	9,391
Other non-current liabilities	204	160	236
Deferred tax liabilities	224	465	190
Total non-current liabilities	9,871	9,115	9,817
Current liabilities			
Current interest-bearing liabilities	32	5,012	30
Other current liabilities	1,588	1,766	1,640
Total current liabilities	1,619	6,777	1,670
Total liabilities	11,490	15,893	11,487
TOTAL EQUITY AND LIABILITIES	18,427	22,758	18,720
Number of shares, at end of period, thousands	204,823	197,754	207,530
Equity per share, SEK	34	35	35

Condensed Consolidated Statement of Changes in Equity

SEKm	Jun, 30		Dec, 31
	2015	2014	2014
Opening equity	7,233	2,212	2,212
Total comprehensive income for the period			
Net result for the period	82	-895	-1,051
Other comprehensive income for the period	31	-30	-86
Total comprehensive income for the period	114	-925	-1,137
Transactions with the owners			
Redemption of shares	-65	-5	-5
Repurchase of shares and warrants	-141	-	-
New share issue	-	5,672	6,239
Issue expenses, net of tax	4	-99	-87
Dividend	-207	-	-
Issue of warrants	-	10	10
Total transactions with the owners	-408	5,578	6,158
Closing equity	6,938	6,865	7,233

Condensed Consolidated Statement of Cash Flows

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2015	2014	2015	2014	2014
Operating activities					
Result after financial items	55	-923	106	-1,125	-1,517
Adjustments for items not included in cash flow	386	823	821	1,419	1,876
Cash flow from operating activities before changes in working capital	441	-100	927	294	359
Change in working capital	-69	31	-82	-42	-133
Cash flow from operating activities	372	-69	846	252	227
Investing activities					
Acquisition of intangible assets	-103	-107	-214	-183	-429
Acquisition of property, plant and equipment	-132	-131	-284	-270	-594
Acquisition of subsidiaries	-	-11	-	-302	-302
Divestment of financial assets	-	-	-	-	6
Cash flow from investing activities	-235	-248	-498	-755	-1,318
Financing activities					
New share issue	-	5,672	-	5,672	6,239
Issue expenses	-1	-	-22	-	-82
Repurchase of shares and warrants	-128	-	-128	-	-
Redemption of shares	-65	-5	-65	-5	-5
Issue of warrants	-	10	-	10	10
Dividend paid	-207	-	-207	-	-
Borrowings	100	4,800	100	4,800	8,575
Amortization of borrowings	-8	-6,252	-15	-6,399	-13,945
Payment of borrowing costs	-	-56	-11	-56	-108
Cash flow from financing activities	-309	4,169	-349	4,022	685
Net cash flow for the period	-173	3,852	-1	3,518	-406
Cash and cash equivalents at beginning of period	888	789	716	1,122	1,122
Cash and cash equivalents at end of period	715	4,640	715	4,640	716

Adjustment for items not included in cash flow SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2015	2014	2015	2014	2014
Depreciation and amortization of assets	389	357	765	697	1,438
Unrealized exchange rate differences	-16	190	-59	195	188
Capital gain from divestment of non-current assets	9	-	9	-	-
Unrealized change in fair value of derivatives	11	-162	30	-182	-158
Change in capitalized borrowing expenses and discounts	9	325	18	355	507
Change in accrued interest expense	-21	-247	49	-86	-124
Interest not settled with cash, notes	-	83	-	161	-
Change in accrued redemption premiums, notes	-	271	-	271	-
Other	4	6	7	8	26
Total	386	823	821	1,419	1,876

Parent Company Condensed Financial Reports

Condensed income statement SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2015	2014	2015	2014	2014
Revenue	4	3	6	3	8
Administrative expenses	-8	-3	-18	-3	-15
Other operating income and expenses	5	-98	5	-98	-100
Operating profit/loss	2	-98	-7	-98	-107
Net financial income and expenses	513	-1,405	620	-1,321	-1,373
Result after financial items	514	-1,503	613	-1,419	-1,480
Income taxes ⁽¹⁾	-1	-	-1	-	-2
Net result for the period	513	-1,503	612	-1,419	-1,482

⁽¹⁾ The taxable profit in the parent company will be offset by a group contribution to subsidiaries at year end.

Statement of comprehensive income SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2015	2014	2015	2014	2014
Net result for the period	513	-1,503	612	-1,419	-1,482
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	513	-1,503	612	-1,419	-1,482

Condensed balance sheet SEKm	Jun, 30		Dec, 31
	2015	2014	2014
ASSETS			
Non-current assets	9,665	4,703	9,397
Deferred tax assets	20	-	22
Other current assets	2	4	9
Cash and bank	34	4,187	130
TOTAL ASSETS	9,721	8,894	9,558
EQUITY AND LIABILITIES			
Restricted equity	213	198	208
Unrestricted equity	8,884	8,178	8,685
Provisions	0	-	0
Liabilities to Group companies	232	-	228
Current liabilities	392	518	437
TOTAL EQUITY AND LIABILITIES	9,721	8,894	9,558
Pledged assets and contingent liabilities			
Pledged assets	0	0	0
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.

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 described in the Group's 2014 Annual Report. The accounts are presented in millions of Swedish kronor (SEKm), which is also the Group's functional currency. New or amended IFRSs which became effective on January 1, 2015, have 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.

Other adjustments

Certain numerical information and other amounts and percentages presented in this report may not sum due to rounding. 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 significant risk factors for the Group's future development please see the description in the Group's 2014 Annual Report. The Group believes that the risk environment has not materially changed from the description in the 2014 Annual Report.

Changes in share capital and share repurchases

As a result of the share redemption programme announced in the first quarter, 886,221 shares were redeemed on April 23 at a price of SEK 73.50 per share, totaling SEK 65m.

In accordance with the mandate given at the Annual General Meeting on May 21, the Board of Directors has resolved to repurchase shares in accordance with the European Commission's ordinance (EC) No 2273/2003 of December 22, 2003 (the "EC ordinance"). The share buy backs are managed by a 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 repurchase.

During the quarter, the independent credit institution appointed to perform the share buy backs repurchased 1,820,143 shares at an amount of SEK 140m. During the period 1-10 July another 666 549 shares were repurchased at an amount of SEK 50m by the independent credit institution. Com Hem's share capital will be reduced by cancelling the shares that has been repurchased.

The Board did in May also resolve on the possibility to, up until the following Annual General Meeting, make repurchases through block transactions, that will not be made in accordance with the exemption in the EC ordinance. No such share repurchases has been made until this date.

Change, No of shares	Class A ordinary shares
No of shares Dec 31, 2014	207,529,597
Redemption of shares	-886,221
Registered no of shares Jun 30, 2015	206,643,376
Repurchased shares held by Com Hem	-1,820,143
Total no outstanding shares Jun 30, 2015	204,823,233

Incentive programs

The 2015 Annual General Meeting resolved to adopt a long-term share savings incentive program ("LTIP 2015").

In connection to the IPO in 2014 two incentive programs were established for senior executives, key employees and members of the Board of Directors. The programs comprise a total of 4,949,944 warrants issued and paid.

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 June 30, 2015, NorCell S.à.r.l. controlled 36.1% of outstanding shares and votes. Com Hem Holding AB (publ) had 1,284 shareholders.

As of 30 June 2015	No of shares	Capital/votes
NorCell S.à.r.l.	73,911,671	36.1%
Norges Bank Investment Management	10,983,563	5.4%
MFS Investment Management	10,440,158	5.1%
Nordea Fonder	2,785,196	1.4%
SEB AB	2,297,620	1.1%
Saudi Arabian Monetary Agency	2,281,255	1.1%
Lazard Frères Gestion fonder	2,228,350	1.1%
Skandia Liv	1,912,211	0.9%
Abu Dhabi Investment Authority	1,537,263	0.8%
Echiquier fonder	1,500,000	0.7%
Total ten largest shareholders	109,877,287	53.6%
Other shareholders	94,945,946	46.4%
Total outstanding shares	204,823,233	100.0%

Source: SIS Ägarservice

Fair value of derivatives

In order to decrease the Group's interest rate risk 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 2014 Annual Report. Changes in the fair value of derivatives have been recognized to the amount of SEK -30m (182) in net financial income and expenses. The Group terminated the major part of the derivatives in connection with the refinancing in June 2014.

Fair value of the derivatives at period end:

SEKm	Jun, 30		Dec, 31
	2015	2014	2014
Derivatives (CIRS)	9	-2	39
Derivatives (FX contract)	-	65	-
Financial liabilities / assets	9	63	39

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 goodwill is expected to be tax deductible.

Acquisition of Phonera	Recognized value
SEKm	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

No acquisitions were made during the first six months of 2015.

Non-recurring items

Non-recurring items are specified in the table below.

Non-recurring items SEKm	Apr-Jun		Jan-Jun	
	2015	2014	2015	2014
IPO-related costs	5	-107	5	-107
TiVo and B2B costs	-	-25	-	-61
Acquisition costs	-	-1	-	-9
Redundancy costs	-7	-5	-29	-10
Other costs	-3	-5	-9	-10
Total non-recurring items	-5	-142	-33	-198

Board's assurance

The Board of Directors and the CEO certify that the Interim Report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes the material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm July 14, 2015

Andrew Barron
Chairman of the Board

Monica Caneman
Board member

Eva Lindqvist
Board member

Joachim Ogland
Board member

Nicholas Stathopoulos
Board member

Tomas Kadura
Employee representative

Marianne Bohlin
Employee representative

Anders Nilsson
Board member and CEO

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 June 30, 2015 and the six-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 July 14, 2015

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 Com Hem can provide basic-TV services, primarily through long-term contracts with the landlords of MDUs or services pursuant to service provider agreements with communication operators where consumers can buy digital services from Com Hem.

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 as the number of unique subscribers on the first day in the respective period plus the number of unique subscribers on the last day of the respective period, divided by two.

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 Com Hem's network. Thus, one subscriber who receives all three services would be counted as three RGUs but one unique subscriber.

SME

Small and medium enterprises. Refers to offices that consist of between 10-99 employees.

SoHo

Single office/Home office. Refers to offices that consisted of between one and nine employees.

Unique subscribers

Unique subscribers represent the number of individual end-users who have subscribed for one or more of our digital services. Com Hem refer to the end-users receiving Com Hem's products and services directly through our network as unique subscribers even if the 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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E-mail: investor.relations@comhem.com

Com Hem

IN BRIEF

- ▶ Com Hem is one of Sweden's leading suppliers of digital television, broadband and fixed-telephony.
- ▶ Approximately 40%, or 1.93 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 consumer services for television, broadband and fixed-telephony and has a competitive business-to-business offer of broadband and telephony services.
- ▶ Com Hem was established in 1983 and has approximately 1,200 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.

Q2 2015 PRESENTATION

Com Hem will host a webcast conference call for the global financial community at 10:00 am CET on Tuesday July 14, 2015. To participate, use the link at www.comhemgroup.com or the following dial-in numbers:

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

FINANCIAL CALENDAR

Interim Report January – September 2015	November 3, 2015
Year-end Report January – December 2015	February 9, 2016

DISCLOSURE

Com Hem Holding AB (publ) discloses the information provided in this year-end report pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 7.30 am CET on July 14, 2015.

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.



com hem

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