SELL SIDE ANALYST LUNCH

<u>Attending:</u>
Anders Nilsson - CEO
Mikael Larsson - CFO
Jon James - COO
Petra von Rohr - Head of Group Communication
Stefan Trampus - Head of Sales
Tobias Lennér - New CEO of Phonera (B2B)
Caroline Tivéus - Head of IR

Today's agenda

Welcome

- Introduction

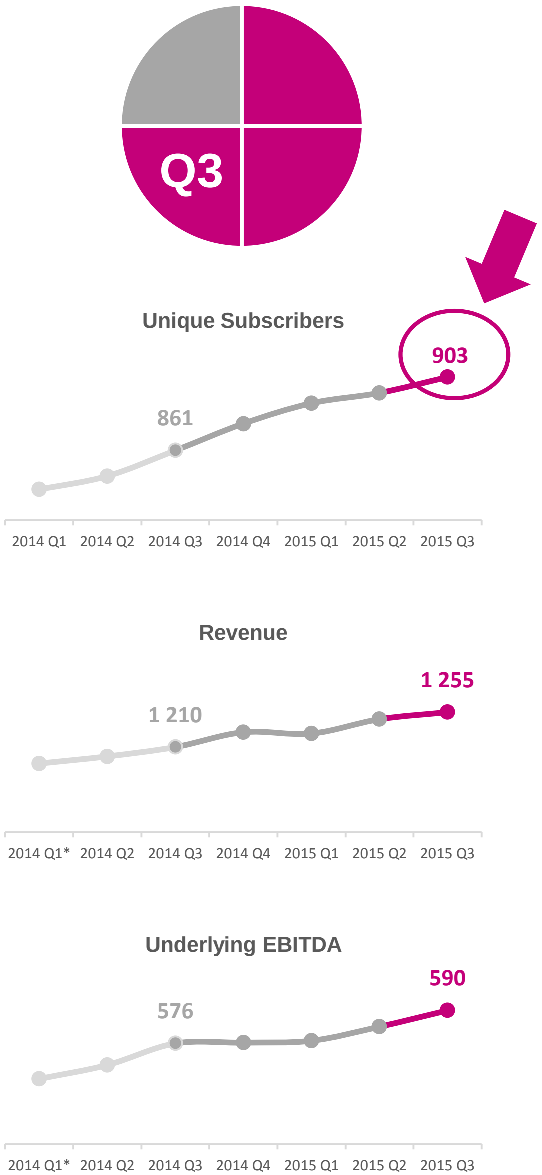
Deep dives:

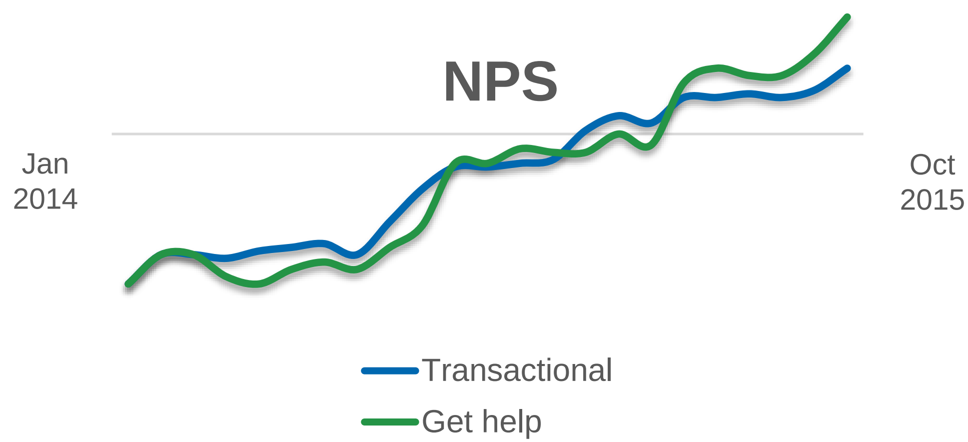
- DTV business
- Landlord business

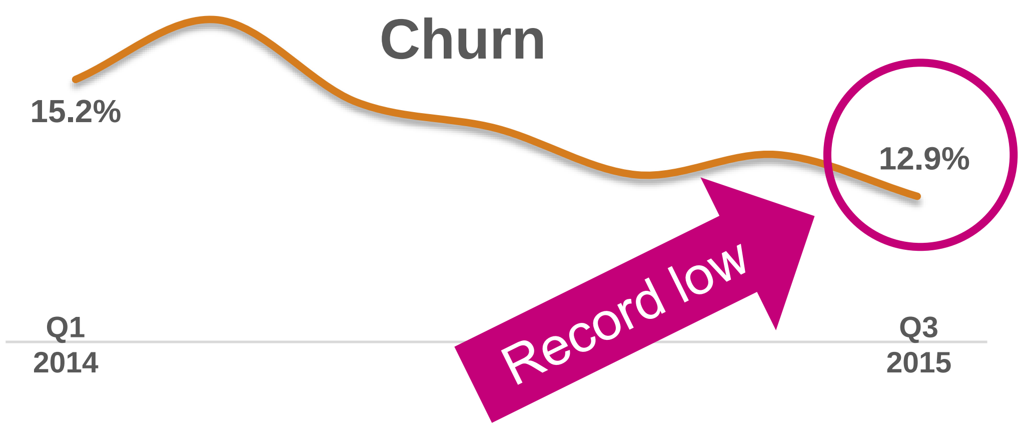
Q&A

Steady growth…

… and increasing customer satisfaction







* 2014 Q1 Revenue and Underlying EBITDA are adjusted for Phonera acquisiton

Our guidance remains solid for

Guidance

- **Revenue**
  To grow revenue of the overall business in the mid-single digits year-on-year
- **The Underlying EBITDA margin**
  Is expected to soften slightly due to a shift in business mix
- **Capital expenditure**
  As a percentage of revenue is expected to decline to a level that is more in line with the industry average
- **Target leverage**
  Of 3.5x to 4.0x Underlying EBITDA LTM

Best in class customer experience

Why TiVo functionality is here to stay

Overview of our DTV business

1. Strongest DTV and TVE offering in the market
2. Driving high levels of engagement
3. Delivering steady growth in a flat market

Our DTV offering is Sweden's strongest

Commercially focused on maintaining list price, and driving Mellan tier and above

Current Com Hem DTV offerings

DTV BAS	TiVo MELLAN	TiVo PLUS	TiVo MAX
21 channels	32 channels	57 channels	81 channels
HD 3 HD channels	HD 4 HD channels	HD 10 HD channels	HD 22 HD channels
0 Play services	15 Play services	19 Play services	22 Play services
0 CHP Channels	32 CHP Channels	57 CHP Channels	81 CHP Channels
Premium channels not available	VIASAT CMORE Premium channels available as add on	VIASAT CMORE Premium channels available as add on	VIASAT CMORE Premium channels available as add on
149 sek	**279 sek**	**339 sek**	**439 sek**

com hem

Leading the market on breadth, depth and PVR pricing

Best value for the full range of channels including a PVR, with limited discounting

"Suppliers Premium range" incl. TVE, PVR and HD

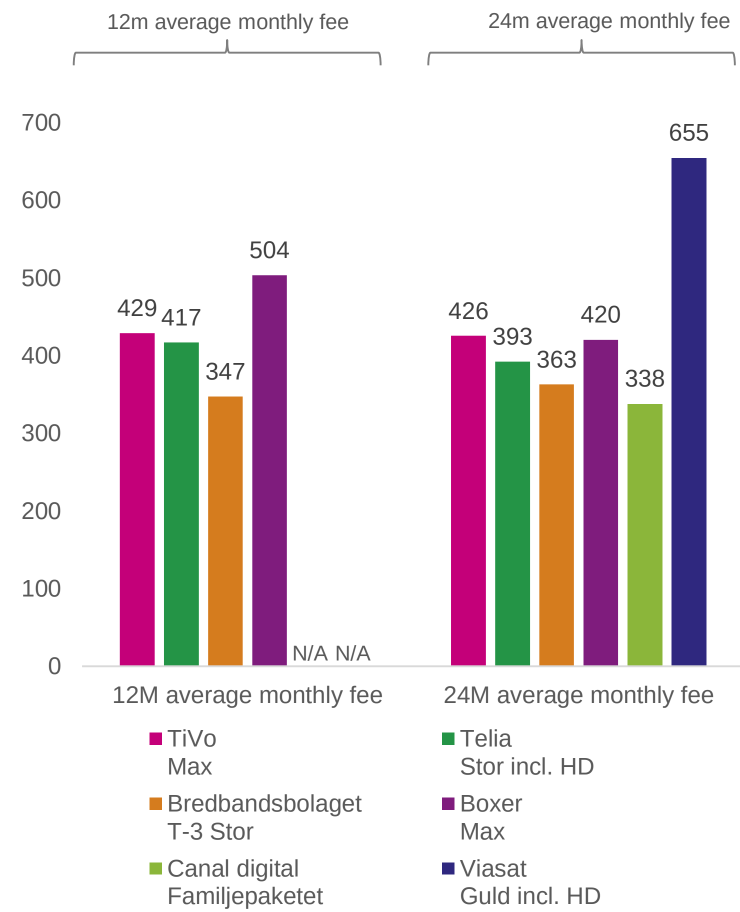
Broadest selection in all categories

"Suppliers Premium range" incl. TVE, PVR and HD

		TiVo Max	Telia Stor incl. HD	Bredbandsbolaget T-3 Stor	Boxer Max	Canal digital Familjepaketet	Viasat Guld incl. HD
	# Channels	81	54	49	58	83	81
	of which # HD channels included	22	11	11	7	22	21
	of which # Catch-up channels	71	42	37	14	18	23
	of which # Play channels included	22	11	0	9	3	9
	TVE channels	81	43	N/A	39	40	35
12M subscription	Monthly fee	199/439	250	379	379	N/A	N/A
12M subscription	Encryption/Card fee	0	49	0	0	N/A	N/A
12M subscription	TVE fee	0	0	N/A	0	N/A	N/A
12M subscription	HD package fee	0	69	0	0	N/A	N/A
12M subscription	Start/activation fee	599	0	0	0	N/A	N/A
12M subscription	Hardware fee	0	1188	999	1495	N/A	N/A
12M subscription	Freight	0	0	0	0	N/A	0
12M subscription	12M average monthly fee	429	417	347	504	N/A	N/A
12M subscription	**12M total cost**	5147	5004	4167	6043	N/A	N/A
24M subscription	Monthly fee	199/439	250	379	379	319	515
24M subscription	Encryption/Card fee	0	49	0	0	0	0
24M subscription	TVE fee	0	0	N/A	0	0	0
24M subscription	HD package fee	0	69	0	0	0	129
24M subscription	Start/activation fee	399	0	0	0	0	195
24M subscription	Hardware fee	0	1188	999	995	1416	1995
24M subscription	Freight	0	0	0	0	0	0
24M subscription	24M average monthly fee	426	393	363	420	338	655
24M subscription	**24M total cost**	10215	9420	8715	10091	8115	15714

No extra charge for HD, hardware

12/24 months average monthly fee comparison



Source: Competitors homepages (December 2015)
Note: All offers include running campaigns

com hem

The strongest in terms of TV channels

DTV portfolio/package comparison

Comparison of DTV portfolio/package between main competitors

# Channels	com hem	Telia	bredbandsbolaget	VIASAT	Canal Digital	BOXER
61 +	439SEK 84 channels			515 SEK 61 channels*	319 SEK 70 channels	
50-60	339SEK 56 channels	299SEK 54 channels	379 SEK 57 channels			379 SEK 54 channels
35-49				255 SEK 37channels		299 SEK 45 channels
21-34	279 SEK 30 channels	269SEK 25 channels 238SEK 25 channels	229 SEK 23 channels		198 SEK 21 channels	269 SEK 22 channels
Ca20	149 SEK 20 channels		169 SEK 18 channels			239 SEK 14 channels

com hem

The Com Hem box offering

Updated versions of both boxes due in 2016

TiVo Offer

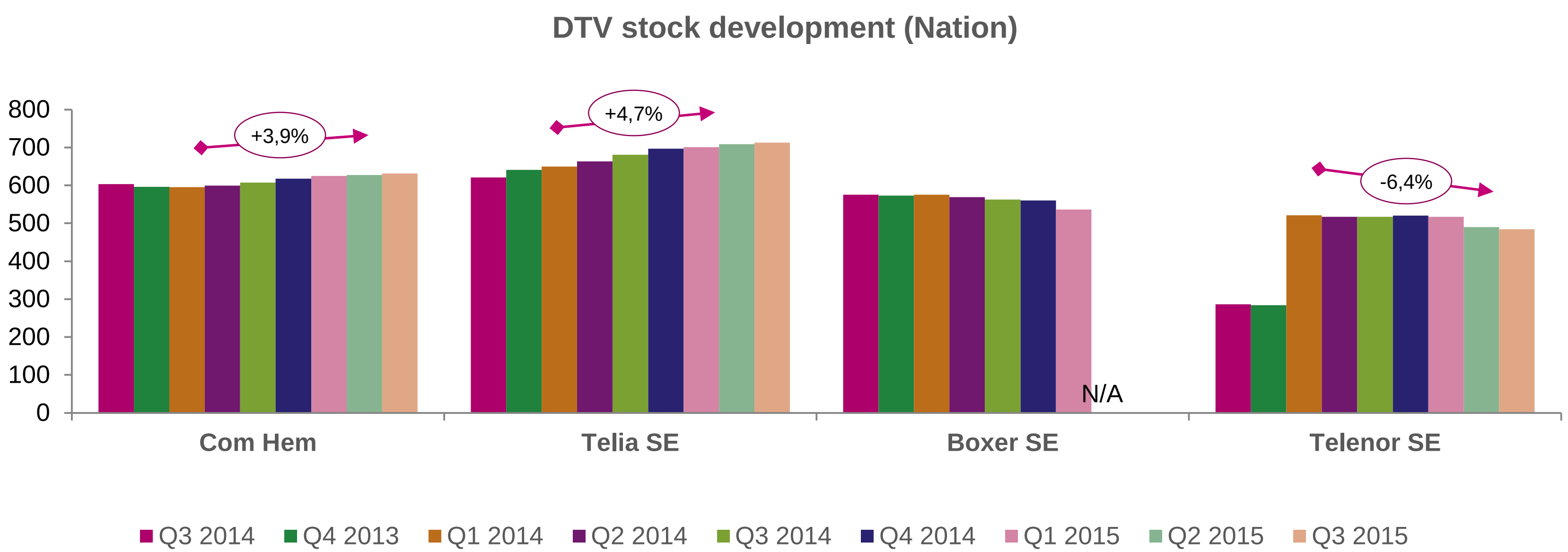
Specifications	
Box type	TiVo-box
Manufacturer	Samsung
Model	GX-CM700CF
Display	No
Hard drive	Yes, 1 TB
Video format	MPEG2 and MPEG4
Resolution	1080i, 720p, 576i/p (1080p passthrough)
Receivers	3

DTV Offer

Specifications	
Box type	HDTV
Manufacturer	Arris
Display	No
Hard drive	No
Video format	MPEG2 and MPEG4
Resolution	1080i, 720p, 576p, 576i
Receivers	1

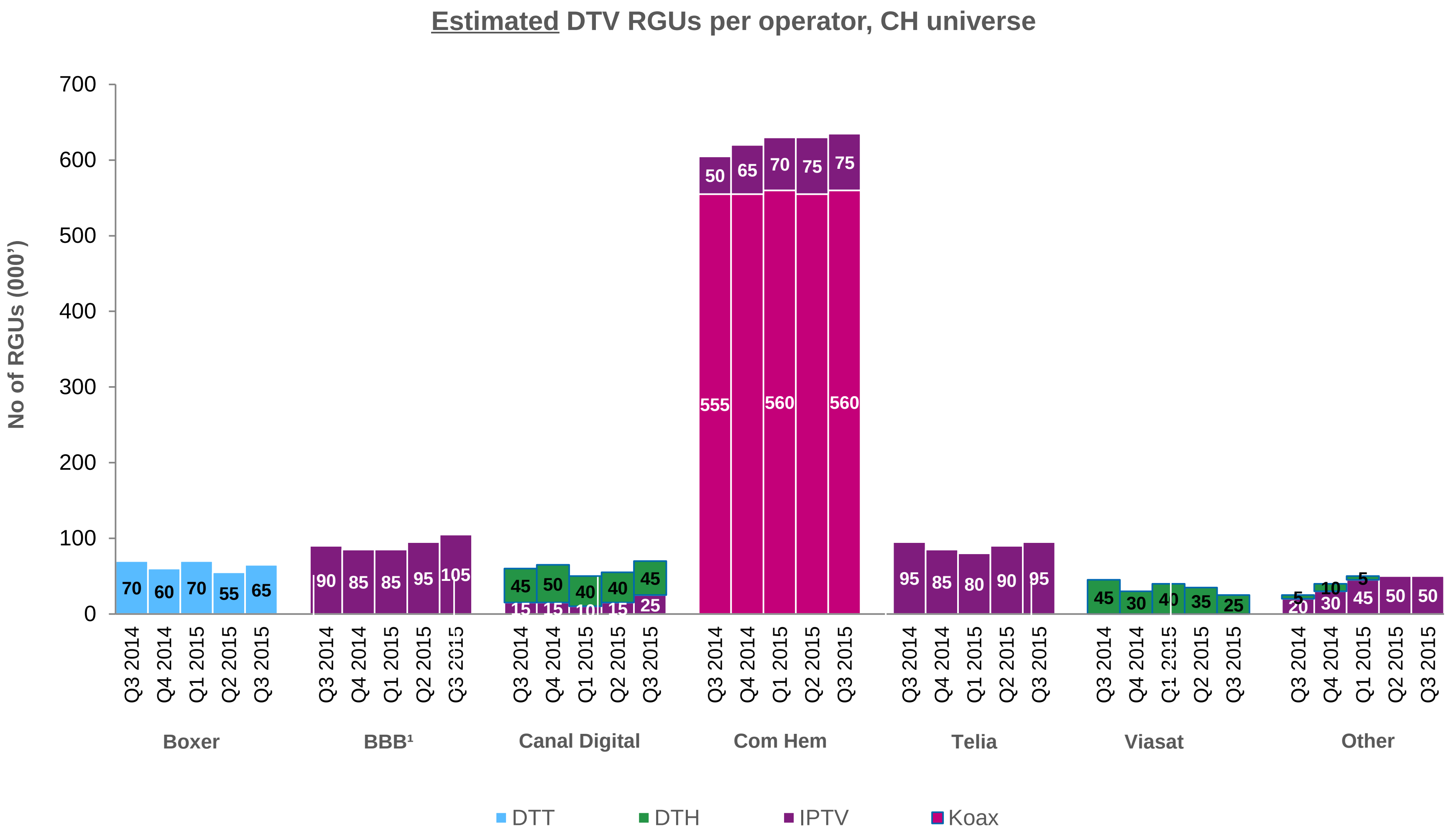
Com Hem's TiVo Offer is still unique in the Swedish market with features such as smart recording and smart search covering the entire platform which in turn contains a large hard drive and several receivers

Only Com Hem, Telia growing among major operators



Data source: q-reports from respectively company

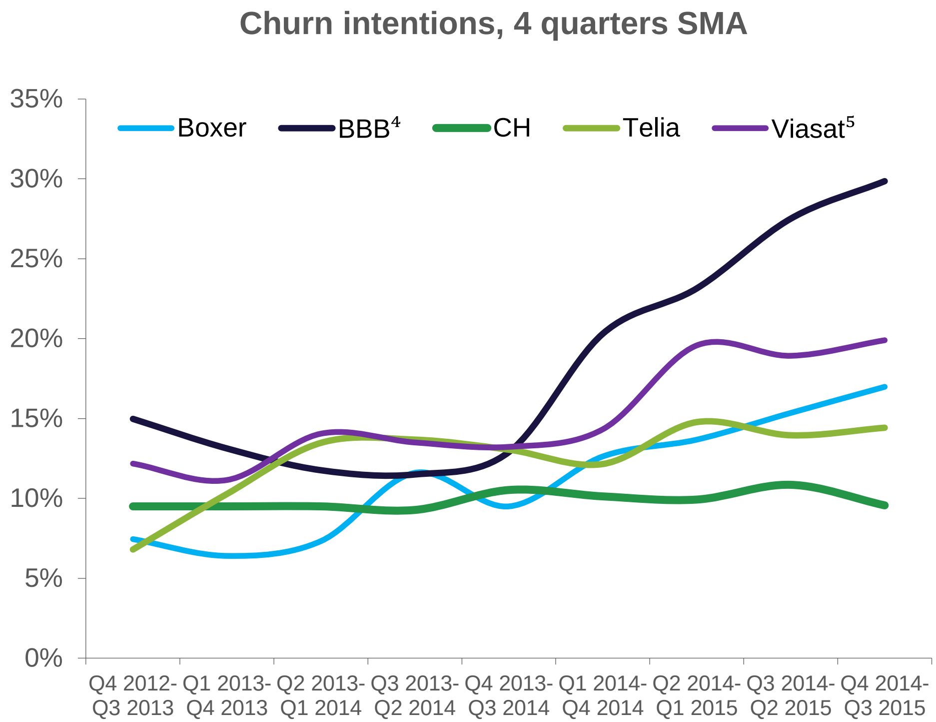
Where Com Hem competes with Telia, a clear winner

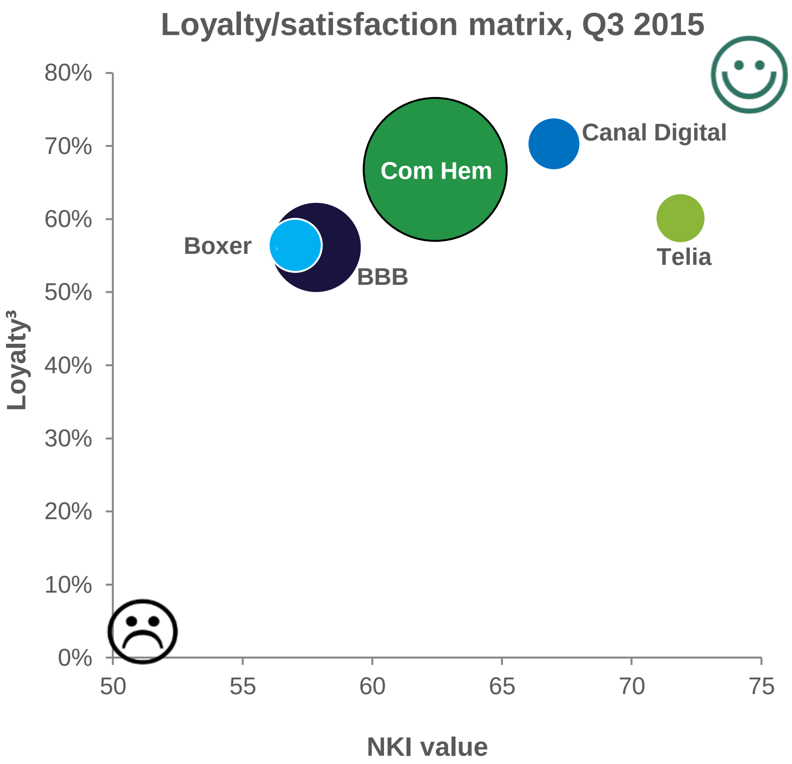


 ¹Telenor acquired Tele2's fibre and cable business in Q1 2014.

Source: Mediavision, PTS, company reports

Com Hem has the lowest churn risk of all DTV operators

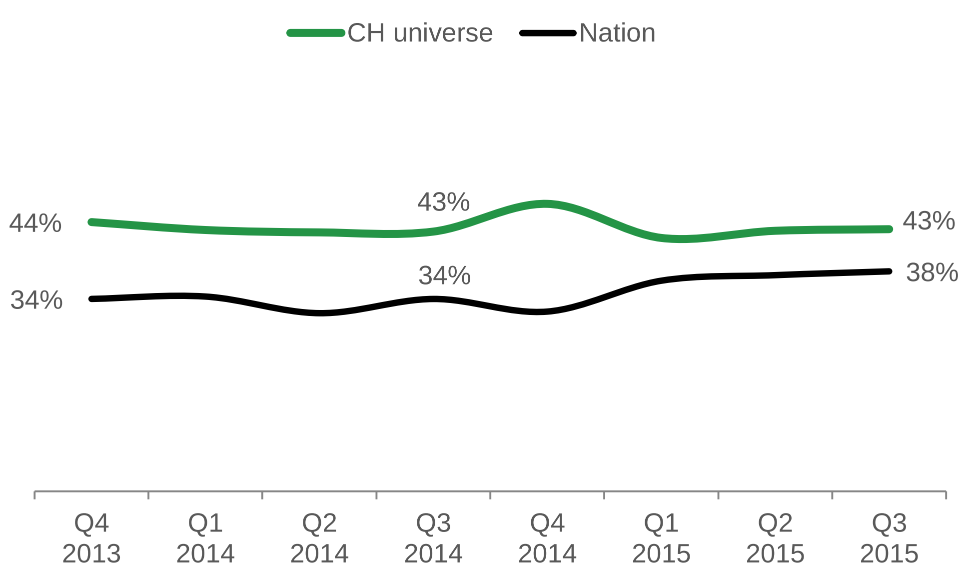




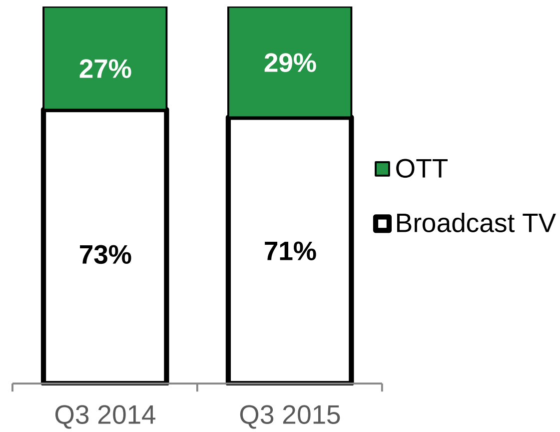
Source: Mediavision

OTT reach & viewing steady, though more advanced in our universe

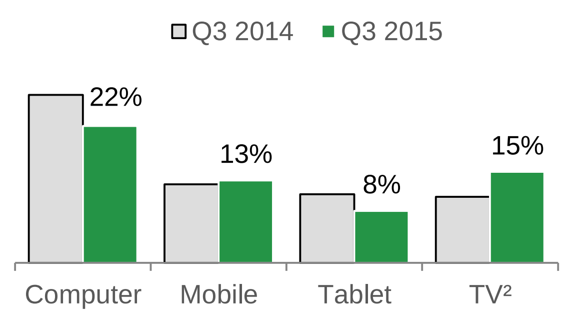
OTT: Daily reach in population 15-74 yrs



Share of viewing[1] OTT/broadcast TV, in population 15-74 yrs, CH universe



OTT: Daily reach per screen, in pop 15-74 yrs, CH universe

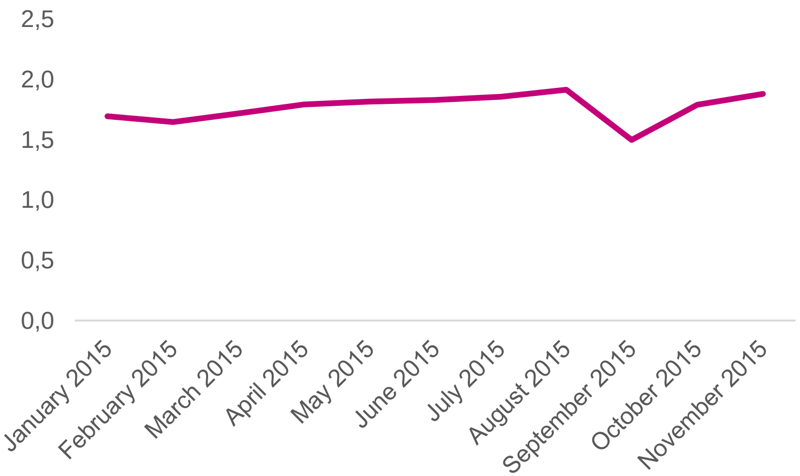


[1] Self estimated viewing on traditional TV and OTT as shares of total viewing. [2] Including apps/web through smart TV, computer connected to TV, media center connected to TV and airplay (eg Apple TV & Google Chromecast).
n = Nation: 3 000, CH universe: 1 271

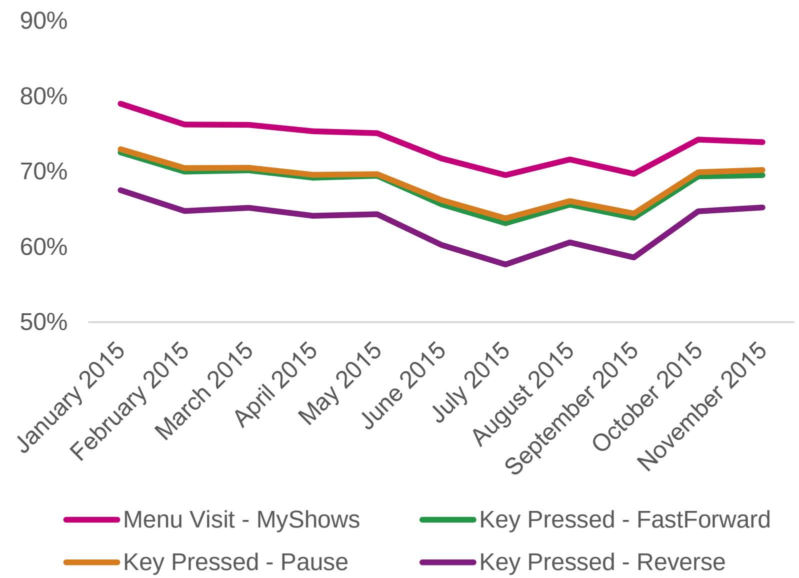
Source: Mediavision

TiVo homes have high engagement with features

TiVo usage ration, compared with average TV usage

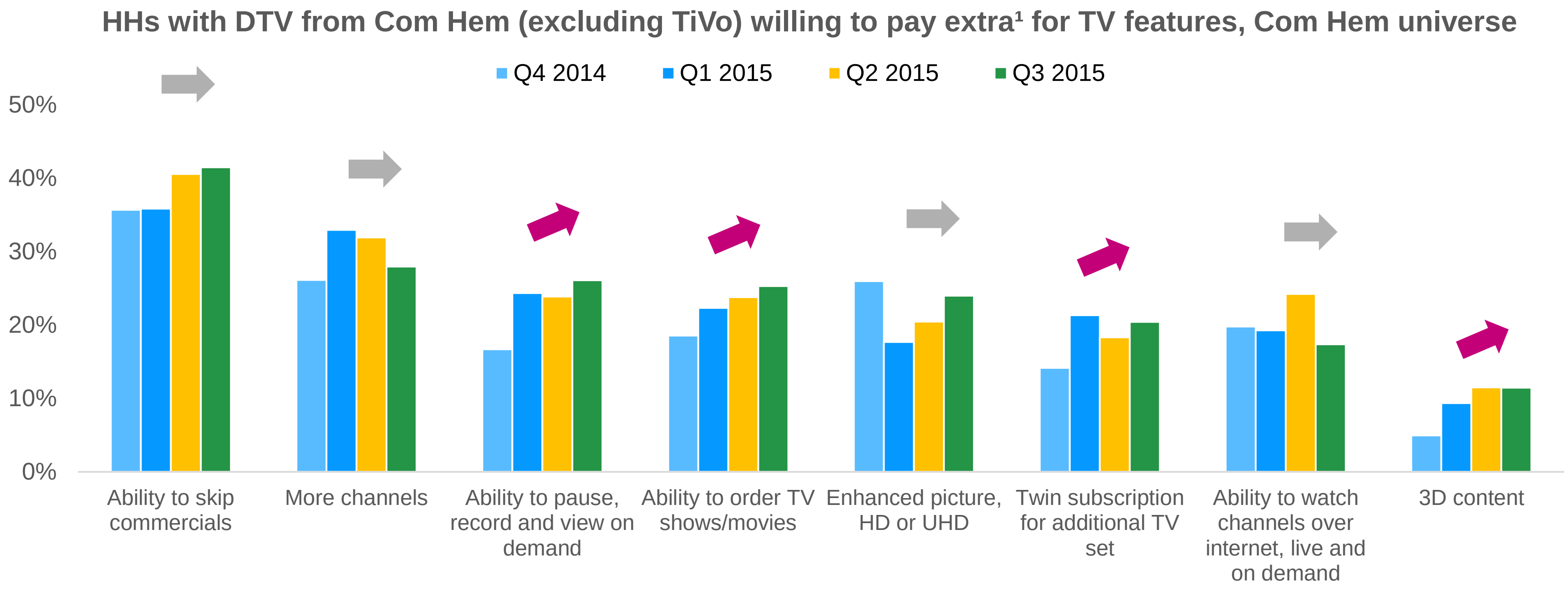


Most valued features in the TiVo service



Source: Com Hem, MMS

And non-TiVo households are increasingly willing to pay for TiVo-type features

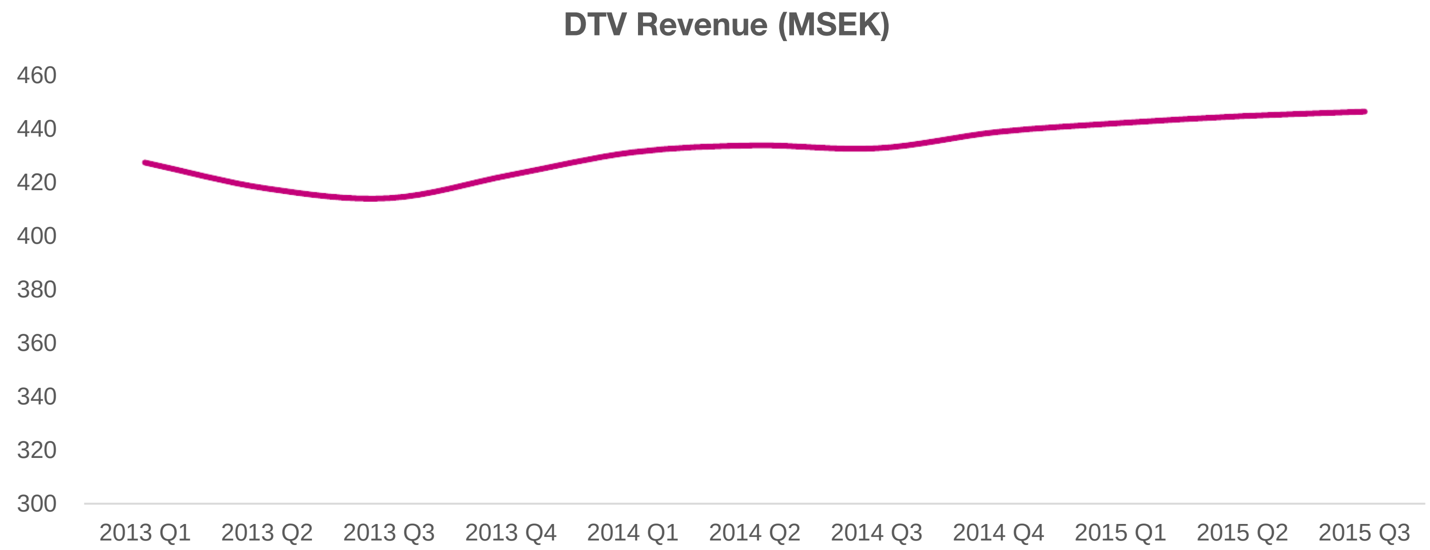


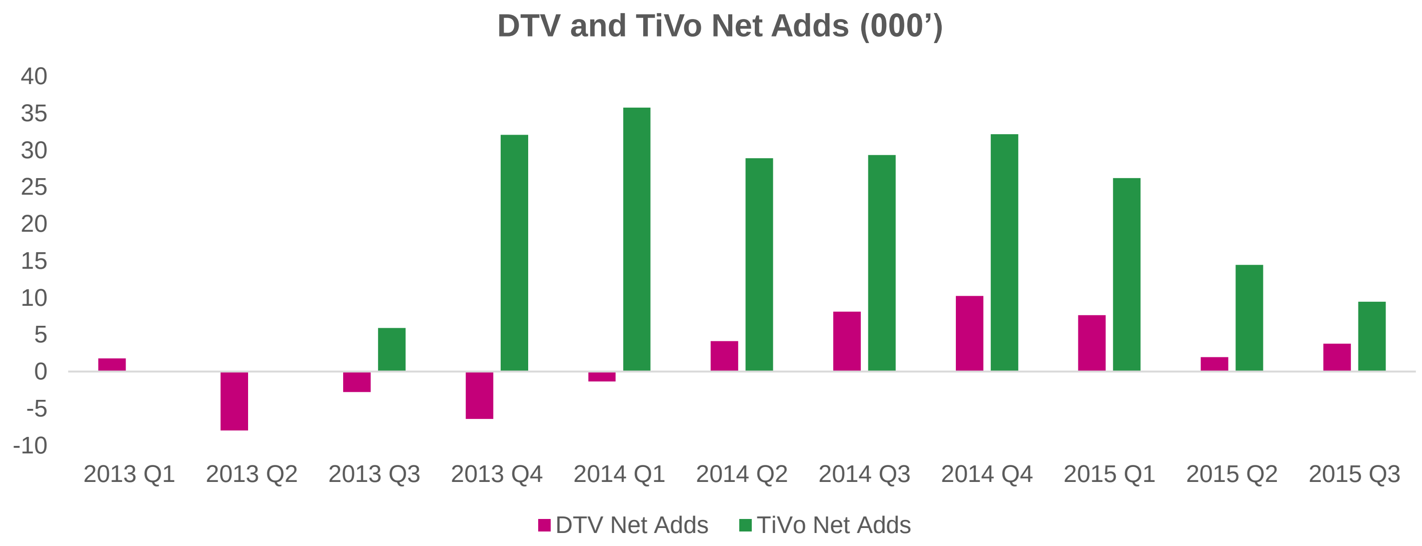
- HHs with DTV from Com Hem (excluding TiVo), naming continuously highest WTP for the ability to skip commercials; 42% during the quarter.
    - In the bottom end, continuously fewest HHs expressing WTP for 3D content.
- Four features with increasing WTP over time (statistical significant diff in Q3 ‘15 vs Q4 ‘14) and four showing no significant difference.
    - WTP increasing for two key TiVo features; the ability to pause, record and view on demand as well as to order TV shows/movies.
    - Twin subscription and 3D content also with growing WTP, but remaining at lower absolute levels.

[1] Question regarding which TV service/-s the HHs would be willing to pay for. Vectors illustrating statistical significance (5% level) for value in Q3 2015 vs Q4 2014.
n = DTV from Com Hem (excluding TiVo): 285 in Q3 2015.

Source: Mediavision

Net result: Our DTV revenue are growing steadily, primarily driven by volume





com hem

Introduction to Com Hem Play

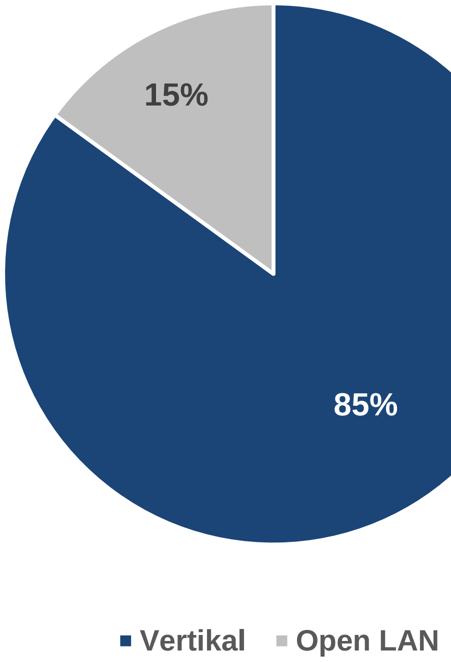
Com Hem Play – the richest TVE service delivered by any broadcaster on the Swedish market

Deep dive: Landlord business
How strong is our offer?

Breakdown of Com Hem universe

As of September 2015

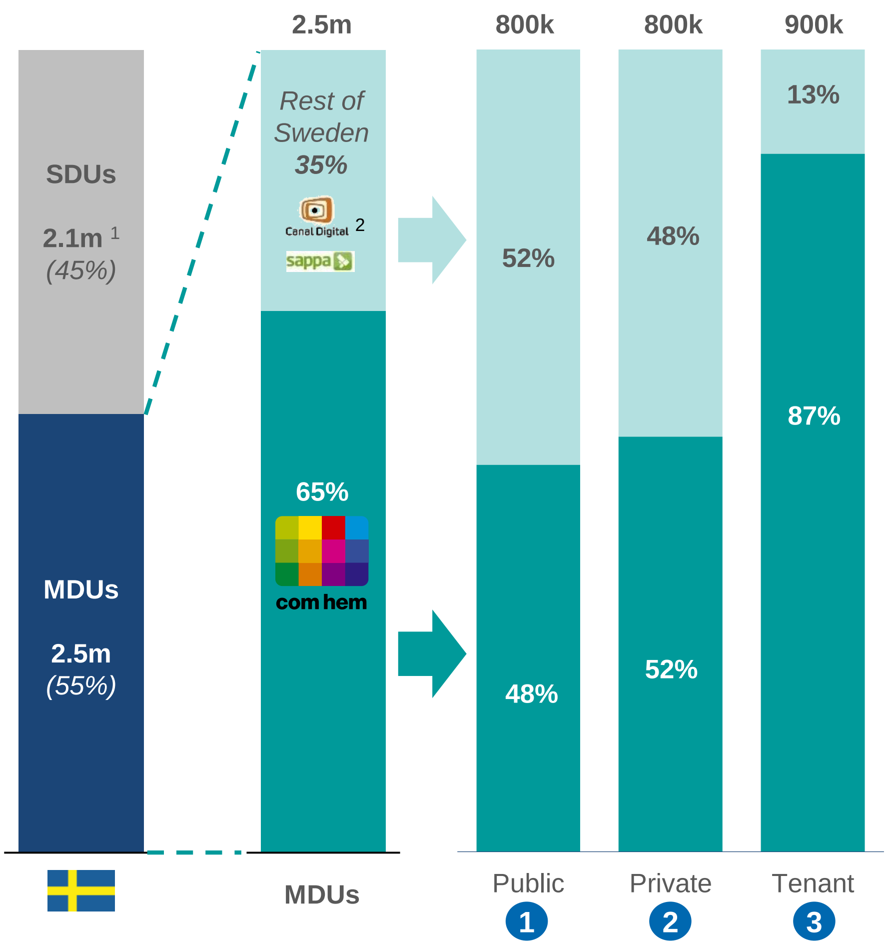
Com Hem universe, approximately 1.95m households



Leading positions across all MDU segments

Breakdown vertical universe

Swedish market by Household Type



MDU segments

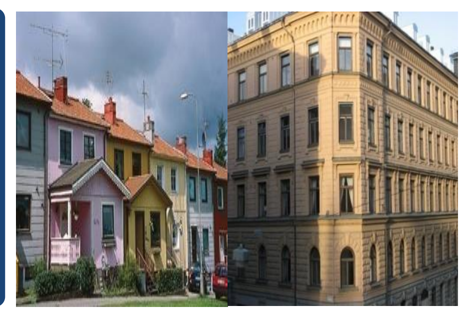
1 Public

- **Municipalities**
- Social housing
- Politically appointed board
- Partly not-for-profit companies (tenant satisfaction #1 priority)

2 Private

- **Large commercial and small private**
- Economically driven but only the largest have staff to actively manage TV operator costs

3 Tenant



- **Tenants own share** landlord organisation / **appoint board**
- Members of associations
- Decisions made by voting

Source: Company information, Solon

1) Com Hem connects to c.40k single dwelling units (SDUs)

2) Part of the Telenor group

com hem

1 Attractive product offering for tenants and landlords

Vertical universe

Attractive basic TV package for tenants[1]…

Name of Package	Startutbud	Grundutbud
# of Channels	9	*18*
Price	Perceived as free [2]	
Channels		
Subscribers ('000s)	~300	~1,400
Other Com Hem Services to Landlord	✓ Up-selling via collective agreements ✓ Property management services ✓ End-user support and network maintenance ✓ Network build or upgrade (if applicable)	

… And compelling solution for landlords

- ✓ **Affordable costs** for **landlords**
- ✓ **Hassle-free service** for landlords
- ✓ **Avoid switching hassle** for **tenants**
- ✓ **Perceived** as **free** by **tenants**
- ✓ **Lack** of obvious **benefits** for tenants **when TV** provider **switched**
- ✓ **Com Hem is a partner with** size and **capability** to develop additional services
- ✓ **Bundled services/complete** product portfolio

Low churn of c.1%

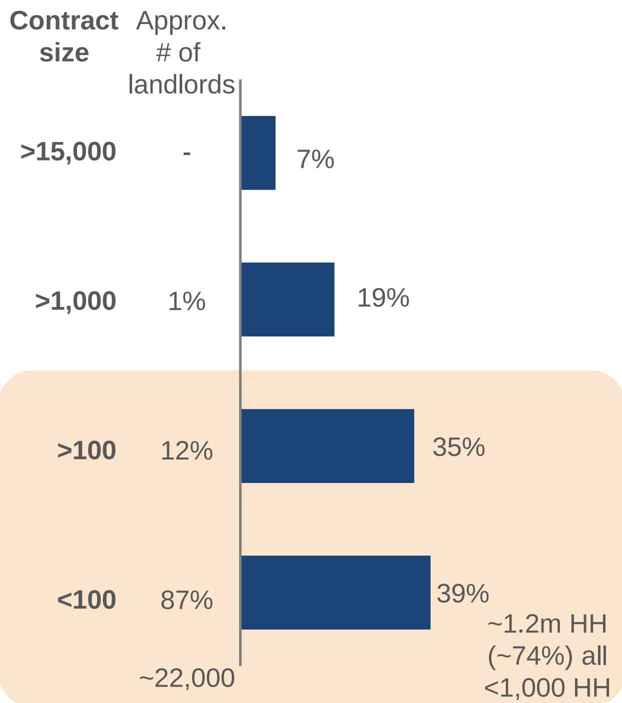
1) If the tenant has a digital receiver, they can receive for free 9 FTA channels: svt1, svt2, svt24, svtB, 4, 6, Kunskapskanalen, Access TV, Fox,
2) Com Hem bills landlords directly who charge the tenants implicitly as part of their rent

Attractive underlying customer and contract profile

Vertical universe

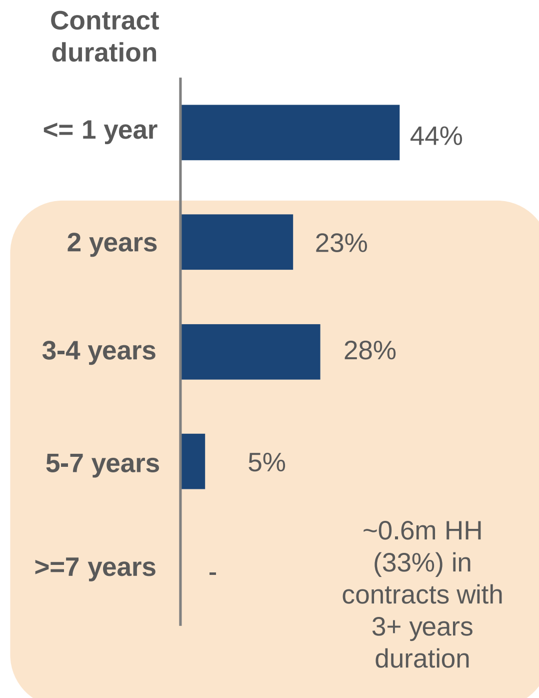
2 Well diversified customer base

Households by contract size, September 2015 ('000s) Vertical universe



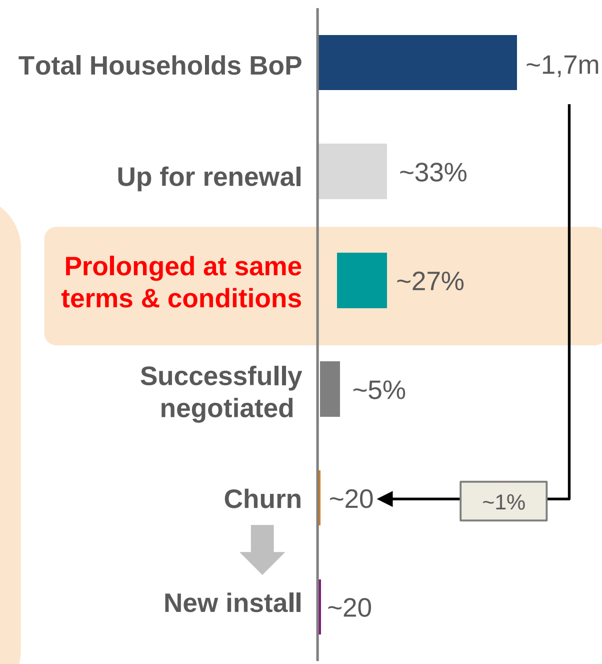
3 Well spaced contract duration

Households by contract duration, September 2015 ('000s) Vertical universe



4 High renewal rate / low churn

2015 contract renewal waterfall ('000s) Vertical universe



Low dependence on large landlords and majority of households on 2+ year contracts. Most contracts have automatic roll-over clauses contributing to the low churn.

Source: Company information

com hem

5 Key strengths

Why is it hard to win Com Hem customers?

- Landlord is the gate keeper
- Agreements with contract period and automatic roll-over clauses
- Majority of landlord contracts are small
- Competitions ”Cost to serve”
- No big savings to swop operator
- Obligation to offer Must carry
- Rent often include basic TV service
- Landlord investment often needed
- Households have invested in hardware and have a working solution
- Freedom of choice
- Competitive offerings
- Customer satisfaction
- Com Hem way of working

com hem

Q&A