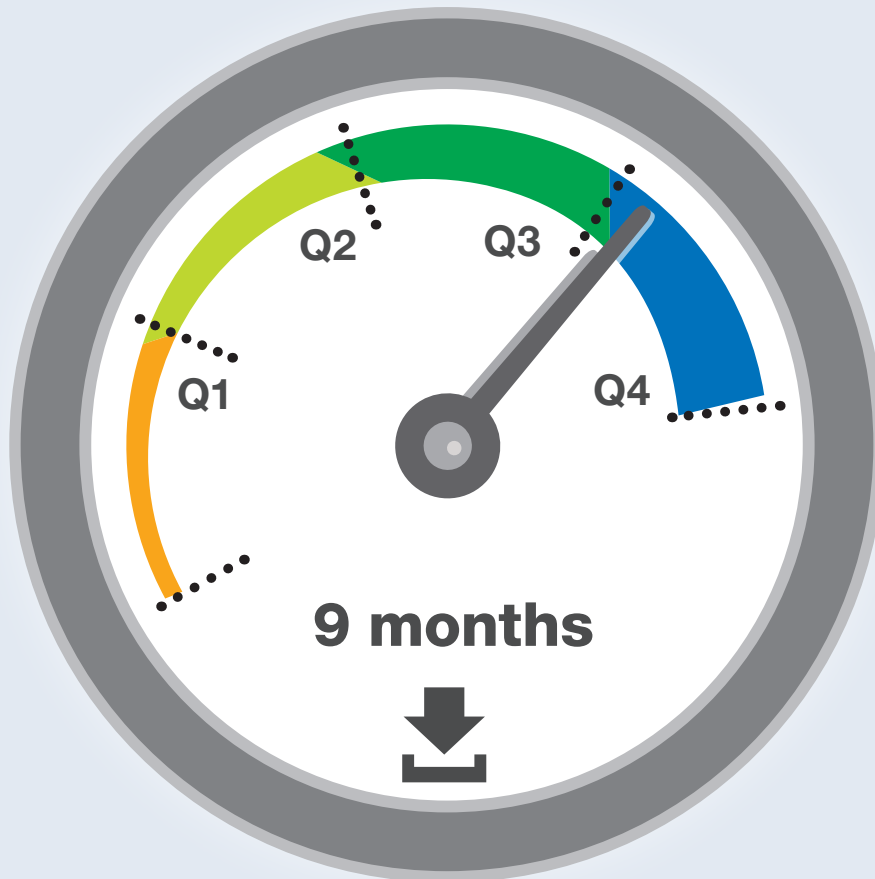




com hem

Q3 2015



Interim Report
January-September



Continued high customer satisfaction leads to record customer numbers

THIRD QUARTER SUMMARY

- Revenue totalled SEK 1,255m (1,210), up 3.7 per cent¹⁾, explained by healthy growth in the consumer business.
- Underlying EBITDA amounted to SEK 590m (576), up 2.6 per cent¹⁾, driven by revenue growth partially offset by revenue mix.
- Operating free cash flow was SEK 372m (318), up 17 per cent¹⁾. The increase was due to higher EBITDA and lower capital expenditure during the quarter.
- Net profit for the period was SEK 51m (7), mainly attributable to improved EBITDA and net financial expense.
- Earnings per share were SEK 0.25 (0.03), up SEK 0.22¹⁾.
- Our consumer growth continues steadily:
 - The number of unique consumer subscribers rose 9,000 to a total of 903,000.
 - Continued volume growth in broadband, up 11,000 to 648,000 RGUs.
 - Growth in digital TV remained stable, and rose 4,000 to 631,000 RGUs.
 - The number of TiVo customers rose slightly more than 9,000 to 213,000 (a penetration rate of 34 per cent).

SIGNIFICANT EVENTS IN THE THIRD QUARTER

- For the first time, the number of unique consumer subscribers exceeded 900,000, totalling 903,000 at the end of the quarter.
- A record-low churn rate of 12.9 per cent, down from 13.7 per cent in the second quarter.
- Com Hem extended partnership agreements with TV4 and Netflix.
- Secured refinancing of the Euro Senior Notes, which is expected to save the company about SEK 100m in interest expense per annum, with effect from November 2015.
- During the third quarter, Com Hem repurchased 3,800,911 shares, corresponding to 1.8 per cent of the total number of registered shares, for SEK 278m (SEK 73.02 per share). During the period May to September, Com Hem remunerated shareholders through a cash dividend, share redemption and share repurchases totalling SEK 689m, representing 4.9 per cent of our market capitalisation at 30 September.

SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER

- Gävle's municipal housing company, Gavlegårdarna, extended its agreement with Com Hem for a period of two years with an option to extend the term for another five years. The agreement means that access to broadband, digital TV and telephony from Com Hem will continue for Gavlegårdarna's 15,300 households.
- Tobias Lennér appointed Head of our B2B business and CEO of Phonera.
- During the 1 October - 2 November period, an additional 1,410,260 shares were repurchased by the independent credit institute for an amount of SEK 98m in accordance with the European Commission's ordinance (EC) No 2273/2003.

Financial key metrics²⁾

	JUL-SEP / Q3			JAN-SEP / 9 MONTHS			FULL-YEAR
	2015	2014	Change	2015	2014	Change	2014
Revenue, SEKm	1,255	1,210	3.7%	3,729	3,532	5.6%	4,761
Underlying EBITDA, SEKm	590	576	2.6%	1,750	1,686	3.8%	2,262
Underlying EBITDA margin, %	47.0	47.6	-0.6%	46.9	47.7	-0.8%	47.5
EBITDA, SEKm	580	563	2.9%	1,688	1,468	15.0%	2,004
Operating profit (EBIT), SEKm	192	200	-4.0%	535	407	31.4%	566
Net result for the period, SEKm	51	7	620.8%	133	-888	n/m	-1,051
Earnings per share, SEK	0.25	0.03	634.0%	0.65	-6.30	n/m	-6.67
Capex, SEKm	219	257	-15.0%	732	711	3.0%	1,051
Capex as % of revenue	17.4	21.3	-3.9%	19.6	20.1	-0.5%	22.1
Operating free cash flow, SEKm	372	318	16.8%	1,018	975	4.5%	1,211
Net debt at end of period, SEKm	8,815	8,291	6.3%	8,815	8,291	6.3%	8,851
Net debt/Underlying EBITDA LTM, multiple	3.8x	3.7x	0.1x	3.8x	3.7x	0.1x	3.9x

1) Compared with the third quarter of 2014. 2) See page 15 for definitions.

Message from the CEO

It has been a solid quarter as we continue to execute on our plan. We are delivering customer growth and significantly improved operating free cash flow. Operationally, the company achieved three major landmarks: our consumer subscriber base rose above 900,000 unique subscribers, churn fell below 13 per cent and over a third of our digital TV base now has TiVo.

I summarise this quarter as a solid one in which the business delivered successfully on our long-term plan, while investing in the pillars of our future growth. We continue to grow subscribers steadily, as we continue our shift from volume to price and volume-led growth. We grew our consumer base by 9,000 to 903,000 customers, with an additional 11,000 broadband subscribers and 4,000 digital TV subscribers. Our TiVo penetration rate is 34 per cent of our TV customer base, adding 10,000 customers to a total of 213,000 – a remarkable achievement since our launch two years ago.

Record low churn and launch of Com Hem Play

Our strong focus on operational improvement continues to yield real benefits. We achieved a record-low consumer churn rate of 12.9 per cent, compared with 13.7 per cent in the second quarter and 14.8 per cent in third quarter 2014, benefiting from falling churn on all consumer services. This represents a particularly rapid recovery from the price rise activity in Q2.

Q3 was also a quarter of significant progress in improving the quality of our TV and broadband services.

- We continue to invest in our broadband leadership strategy, emphasising the superior quality that our unique cable network offers – both on fixed speeds and wi-fi. Thanks to this investment, we continue to lead our competitors in the Netflix speed index month after month.

- Our new TV Everywhere service – branded Com Hem Play – was launched in mid-September exclusively to our TiVo customers, replacing our previous TiVoToGo service. It offers significantly improved interface and navigation than the previous version. Reach of Com Hem Play rose 58 per cent compared to TiVoToGo, while total streaming volume up by over 200 per cent compared with the month preceding launch.

- We have renewed our partnerships with TV4 and Netflix during the quarter, giving us the opportunity to continue to strengthen our entertainment offer to our TV and broadband customers.

Significant improvement in operating free cash flow and actions taken to fuel further growth in B2B

Revenues grew by 3.7 per cent compared to the same quarter last year, driven by healthy growth in our consumer business, in particular broadband and digital TV. Growth was marginally lower than in the second quarter due to the revenue

performance of B2B. We believe, however, that the business can grow faster and have made changes to the management team. To accelerate growth we have, as of today, appointed Tobias Lennér new Head of B2B.

Underlying EBITDA for the Group increased to 2.6 per cent with a margin of 47.0 per cent, which is 0.2 pp higher than in the second quarter. Given the revised more balanced revenue growth strategy, where we rely on both price increases and volume growth, capitalised sales commissions are significantly lower in the quarter. Paired with timing in network related investments, this leads to an operating free cash flow of SEK 372m, which corresponds to an increase of 17 per cent compared to the third quarter last year.

Refinancing saves us about SEK 100m annually and strong cash flow enables high shareholder returns

Something I am very proud of this quarter is that we managed to secure the refinancing of our outstanding EUR Notes, which is planned for early repayment in mid-November. This will reduce our interest expense by about SEK 100m per annum, representing an average rate of about 3.5 per cent compared with 4.4 per cent during the third quarter. Efforts to optimise our capital structure will continue. At the same time, our strong cash flow provides scope to deliver sustainably high shareholder returns in the form of dividends and/or share repurchases with an unchanged level of indebtedness.

During the period May to September, we remunerated shareholders through a cash dividend, share redemption and share repurchases totalling SEK 689m, representing 4.9 per cent of our market capitalisation at 30 September.

Focus upcoming quarter

Over the coming quarter, we will continue leveraging on our midterm growth drivers to generate a balance of volume and price led growth. Our efforts to increase customer satisfaction will concentrate on expanding the capacity of our network while investing in our services. The new management team of Phonera will intensify our efforts to grow B2B subscribers. While continuing to optimise our balance sheet and staying within our leverage target we intend to continue to buy back shares to generate shareholder value.

Let the final stretch of the year begin!

Anders Nilsson
Chief Executive Officer



Operational development

Operational key metrics ¹⁾	2014			2015		
	Q2	Q3	Q4	Q1	Q2	Q3
Homes connected, thousands	1,832	1,846	1,876	1,920	1,930	1,942
Unique consumer subscribers, thousands	846	861	876	888	894	903
Unique consumer subscribers as % of homes connected, %	46.2	46.6	46.7	46.3	46.3	46.5
Consumer RGUs per unique consumer subscriber, ratio	1.78	1.78	1.79	1.80	1.79	1.78
Consumer churn as % of unique consumer subscribers, %	16.4	14.8	14.2	13.3	13.7	12.9
Consumer RGUs, thousands						
Broadband	577	594	612	628	637	648
Digital TV	599	607	618	625	627	631
- of which TiVo customers	103	132	164	189	204	213
Fixed telephony	326	329	337	342	337	331
Total consumer RGUs	1,503	1,531	1,566	1,595	1,600	1,610
ARPU, SEK						
Consumer	360	361	361	358	361	363
Landlord	35	35	33	31	30	29

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

Comparison between Q3 2015 and Q2 2015, unless otherwise stated.

HOMES CONNECTED

The number of homes connected was 1,942,000, an increase of 13,000 homes in the third quarter. The increase comes mainly from the addition of new open LANs, as well as organic growth in existing open LANs.

UNIQUE CONSUMER SUBSCRIBERS

In the third quarter, the number of unique consumer subscribers increased by 9,000 to 903,000 as a result of continued stable growth in both broadband and digital TV RGUs.

CHURN RATE

The churn rate, expressed as the percentage of consumer subscriber discontinuance on an annual basis, was 12.9 per cent in the third quarter, a decrease of 0.8 p.p. from 13.7 per cent in the second quarter of 2015. The positive trend in the churn rate thus continued and was attributable to increased customer satisfaction following a temporary negative spike in the second quarter due to the price adjustments announced during the spring.

CONSUMER RGUs

The number of consumer RGUs was 1,610,000, an increase of 10,000, due to continued stable growth in broadband and digital TV RGUs.

The number of broadband RGUs rose 11,000 to 648,000 in the third quarter. Growth during the quarter reflects the continued high demand for Com Hem's market-leading broadband offering, which led to an increase in the number of broadband RGUs for the tenth consecutive quarter. The proportion of new customers who purchased broadband speeds of 100 Mbit/s or higher also continued to increase to 77 per cent, compared with 76 per cent in the second quarter of 2015.

In the third quarter, the number of digital TV RGUs rose 4,000 to 631,000. Since the TiVo service was launched in October 2013, 213,000 digital TV customers have signed a TiVo subscription, representing 34 per cent of the total digital TV RGU base.

The number of fixed-line telephony RGUs amounted to 331,000, down 5,000 compared with the preceding quarter. The decrease in fixed-line telephony RGUs was mainly due to lower new sales of telephony services during the second and third quarters.

CONSUMER ARPU

Consumer ARPU amounted to SEK 363 for the quarter, up SEK 2 compared with the second quarter of 2015, due to the price adjustments announced in spring with gradual effect during the second and third quarters.

LANDLORD ARPU

Landlord ARPU decreased by SEK 1 to SEK 29 compared with the second quarter of 2015. The decline was due to the lower prices arising from contract renegotiations, and the decision by some landlords to sign group agreements when extending their agreements resulting in revenue previously recognised under landlord services relating to consumer services is now recognised under consumer services when the agreement has been extended. In addition, ARPU was also impacted by new homes connected via open LAN, where Com Hem does not provide any basic TV service and does not, therefore, receive any landlord revenue.

Financial overview

Financial summary, SEKm	JUL-SEP / Q3			JAN-SEP / 9 MONTHS		
	2015	2014	Change	2015	2014	Change
Revenue						
Consumer	946	889	6.5%	2,796	2,632	6.2%
Landlord	171	192	-10.6%	525	588	-10.8%
B2B	76	73	5.4%	230	145	59.4%
Other revenue	61	57	7.0%	178	167	6.1%
Revenue	1,255	1,210	3.7%	3,729	3,532	5.6%
Operating expenses	-1,064	-1,011	5.2%	-3,194	-3,125	2.2%
Operating profit (EBIT)	192	200	-4.0%	535	407	31.4%
Net financial income and expenses	-126	-190	-33.8%	-363	-1,522	n/m
Income taxes	-15	-2	591.8%	-39	228	n/m
Net result for the period	51	7	620.8%	133	-888	n/m

Comparisons between Q3 2015 and Q3 2014, unless otherwise stated.

TOTAL REVENUE

Total revenue rose SEK 45m to SEK 1,255m, compared with the third quarter of 2014.

Total revenue for the first nine months rose SEK 197m to SEK 3,729m. Adjusted for the acquisition of Phonera, which is included in the Group's financial statements as of 31 March 2014, the increase was SEK 134m, representing an organic growth of 3.8 per cent.

CONSUMER SERVICES

Revenue from consumer services rose SEK 58m, amounting to SEK 946m. The increase was due to higher revenue from both our broadband and digital TV services.

Revenue from broadband services rose SEK 52m, amounting to SEK 425m. The increase in broadband revenue is attributable to more RGUs, an improved speed mix due to continued strong demand for our high-speed broadband packages, and the price adjustments gradually implemented during the last two quarters.

Revenue from digital TV rose SEK 14m, amounting to SEK 446m. The increase in digital TV revenue was due to a higher proportion of RGUs with TiVo packages, and the price adjustments implemented in some of the digital TV base in the second and third quarters. The revenue increase attributable to TiVo and price adjustments was partly offset by lower revenue from activation fees as a result of lower new sales and fewer migrations to TiVo compared with the same quarter last year.

The increased revenue from broadband and digital TV services, which totalled SEK 75m, was partly offset by a decrease of SEK 8m in revenue from fixed-line telephony, mainly due to lower variable fees.

LANDLORD SERVICES

Revenue from landlord services declined SEK 20m, amounting to SEK 171m. The decline was mainly attributable to the lower prices arising from contract renegotiations, and a decision by some landlords to sign group agreements when extending the agreements, where revenue was previously

recognised under landlord services, but the portion relating to consumer services is now recognised under consumer services when their agreements are extended. The decline is also due to lower index increases, which, in prior years, offset the price reductions arising from the renegotiation of landlord agreements.

B2B SERVICES

B2B revenue was SEK 76m. The increase of SEK 4m is the result of growth of SEK 10m in Com Hem's network (OnNet) comprising 8,000 new, unique B2B SoHo OnNet customers compared with the same quarter last year. However, the increase in revenue was offset by lower telephony income in Phonera's OffNet operations.

OTHER REVENUE

The Group's other revenue increased SEK 4m to SEK 61m, primarily due to higher revenue from iTUX, the Group's communication operator.

OPERATING EXPENSES

Operating expenses amounted to SEK 1,064m, up SEK 53m. The increase was attributable to a changed revenue mix, higher marketing costs and other operating expenses, as well as higher depreciation and amortisation of CPEs and capitalised sales commissions.

OPERATING PROFIT (EBIT)

Operating profit for the third quarter amounted to SEK 192m, down SEK 8m. The decline in operating profit was mainly due to a SEK 24m higher depreciation and amortisation of CPEs and capitalised sales commissions, which were the result of volume growth in previous quarters this year and last year in both the consumer and the B2B operations.

Operating profit for the first nine months of the year amounted to SEK 535m, up SEK 128m. The increase was mainly due to operating profit for the first nine months of 2014 being charged with IPO costs of SEK 107m. Excluding IPO costs, operating profit rose SEK 21m.

NET FINANCIAL INCOME AND EXPENSES

Net financial income and expenses in the third quarter amounted to a net expense of SEK 126m, an improvement of SEK 64m. The lower net expense was due to lower average interest rates. The average interest expense declined to 4.4 per cent during the third quarter compared with 6.7 per cent in the year-earlier period, mainly due to the refinancing carried out in the fourth quarter of 2014.

INCOME TAXES

The Group recognised a deferred tax expense of SEK 15m. The Group's taxable profit will be offset against previously recognised tax losses carryforwards, which amounts to approximately SEK 2.6bn at the end of the quarter.

NET RESULT FOR THE PERIOD

Net result for the period amounted to SEK 51m.

Reconciliation between Operating profit (EBIT) and Underlying EBITDA, SEKm	JUL-SEP / Q3			JAN-SEP / 9 MONTHS		
	2015	2014	Change	2015	2014	Change
Operating profit (EBIT)	192	200	-4.0%	535	407	31.4%
Depreciation & amortisation per function						
- Cost of services sold	197	182	8.4%	577	532	8.4%
- Selling expenses	185	174	6.6%	557	502	11.1%
- Administrative expenses	6	8	-29.3%	19	27	-29.3%
Total depreciation & amortisation	388	364	6.7%	1,154	1,061	8.7%
EBITDA	580	563	2.9%	1,688	1,468	15.0%
EBITDA margin, %	46.2	46.6	-0.4%	45.3	41.6	3.7%
Write-downs	—	—	—	9	4	137.8%
Operating currency loss/gains	-0	5	-101.3%	9	9	1.5%
Non-recurring items	11	7	59.0%	44	205	-78.6%
Underlying EBITDA	590	576	2.6%	1,750	1,686	3.8%
Underlying EBITDA margin, %	47.0	47.6	-0.5%	46.9	47.7	-0.8%

Comparisons between Q3 2015 and Q3 2014, unless otherwise stated.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation for the third quarter increased SEK 24m to SEK 388m. The higher depreciation and amortisation was due to higher investments in CPEs (cost of services sold) and capitalised sales commission (selling expenses), as a result of increased sales in previous quarters this year and last year in both the consumer and the B2B operations.

Depreciation and amortisation for the first nine months of the year increased SEK 92m to SEK 1,154m. The higher depreciation and amortisation was due to increased investments in CPEs (cost of services sold) and capitalised sales commission (selling expenses), as a result of higher sales in previous quarters this year and last year in both the consumer and the B2B businesses, and increased amortisation of customer relationships due to the acquisition of Phonera on 31 March 2014.

EBITDA

EBITDA for the third quarter increased SEK 16m to SEK 580m and the EBITDA margin was 46.2 per cent. The increase in EBITDA was primarily attributable to the Underlying EBITDA contribution of SEK 15m and lower operating exchange-rate losses. The EBITDA margin was slightly lower as a consequence of changed revenue mix.

EBITDA for the first nine months of the year rose SEK 220m to SEK 1,688m and the EBITDA margin was 45.3 per cent. The increase in EBITDA was mainly due to lower non-recurring items of SEK 161m, primarily IPO costs, compared with the first nine months of the preceding year.

UNDERLYING EBITDA

Underlying EBITDA increased SEK 15m to SEK 590m, and the Underlying EBITDA margin was 47.0 per cent. The increase in Underlying EBITDA was mainly due to revenue growth from consumer services. The Underlying EBITDA margin was slightly lower as a result of higher marketing costs and changes in the revenue mix, with a decrease in revenue from the high margin landlord and fixed telephony services compensated by increase in revenue from services with slightly lower margins.

Operating free cash flow, SEKm	JUL-SEP / Q3			JAN-SEP / 9 MONTHS		
	2015	2014	Change	2015	2014	Change
Underlying EBITDA	590	576	2.6%	1,750	1,686	3.8%
Capital expenditure						
Network related	-71	-73	-3.3%	-234	-207	13.2%
CPEs and capitalised sales commissions	-117	-141	-16.9%	-372	-361	3.1%
IT investments	-25	-30	-15.9%	-91	-110	-17.1%
Other capex	-5	-12	-59.9%	-34	-33	4.0%
Total capital expenditure	-219	-257	-15.0%	-732	-711	3.0%
Operating free cash flow	372	318	16.8%	1,018	975	4.5%

Comparisons between Q3 2015 and Q3 2014, unless otherwise stated.

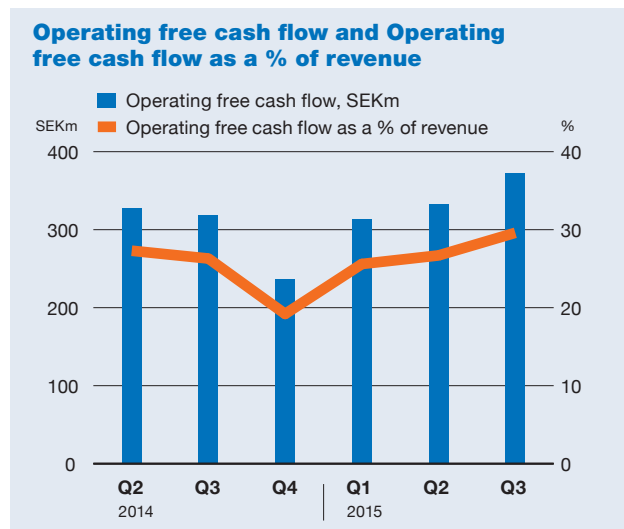
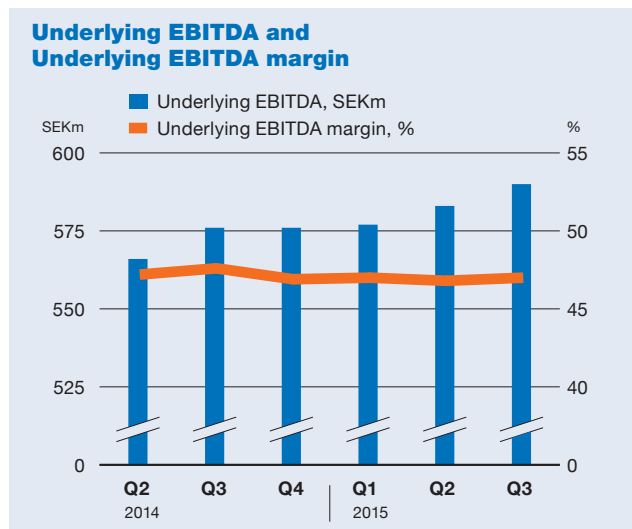
CAPITAL EXPENDITURE (CAPEX)

Capital expenditure for the third quarter amounted to SEK 219m, comprising 17.4 per cent of revenue. The year-on-year decline of SEK 38m was mainly due to lower capitalised sales commissions and lower IT investments. The decline in capitalised sales commissions was primarily the result of lower RGU growth during the third quarter of 2015 compared with the same quarter last year. IT investments fell due to the lower expenses for development projects.

Capital expenditure for the first nine months of the year amounted to SEK 732m, up SEK 21m, comprising 19.6 per cent of revenue. The increase was attributable to higher investments in broadband capacity, B2B services and increased investments in CPEs. As previously announced, capital expenditure for the full-year 2015 is expected to be at approximately the same level as in the preceding year, but decline as a percentage of revenue due to revenue growth.

OPERATING FREE CASH FLOW

Operating free cash flow increased SEK 53m in the third quarter, corresponding to 16.8 per cent, and amounted to SEK 372m (318). The increase was mainly the result of a higher Underlying EBITDA contribution and lower capitalised sales commissions compared with the same quarter last year.



Financial position

LIQUIDITY

As per 30 September 2015, the Group held SEK 824m (SEK 716m as per 31 December 2014) in cash and cash equivalents. The Group's total available funds including unutilised credit facilities of SEK 2,425m amounted to SEK 3,249m (SEK 1,312m as per 31 December 2014). The increase in available funds was primarily due to the company signing additional credit agreements in September, which intend to be utilised to redeem the

Group's EUR Senior Notes in advance in mid-November, see also under "Outstanding debt" below.

NET DEBT

As per 30 September, the Group's net debt amounted to SEK 8,815m (SEK 8,851m as per 31 December 2014) and net debt/Underlying EBITDA LTM was a multiple of 3.8x (3.9x as per 31 December 2014).

OUTSTANDING DEBT

30 September 2015, SEKm	Maturity date	Interest base/coupon	Total credit	Utilised amount	Unutilised amount
Bank debt					
Facility A	26 Jun 2019	Floating	3,500	3,500	—
Revolving Credit Facility	26 Jun 2019	Floating	2,000	1,350	525
Incremental Facility 2	26 Jun 2019	Floating	375	375	—
Incremental Facility 3	4 Mar 2017	Floating	500	100	400
Incremental Facility 4	26 Jun 2019	Floating	1,000	—	1,000
Incremental Facility 5	14 Sep 2016	Floating	500	—	500
Outstanding notes at fixed interest rates					
SEK 2,500m Senior Secured Notes	4 Nov 2019	Fixed 5.25%	2,500	2,500	—
EUR 187m Senior Notes ¹⁾	29 Sep 2019	Fixed 10.75%	1,756	1,756	—
Total credit facilities			12,131	9,581	2,425

¹⁾ On 8 October 2015, the Group announced the conditional redemption of Senior Notes, with redemption scheduled for 14 November 2015. Information regarding whether or not the conditions of the redemption have been met will be published in a press release on or about 13 November 2015.

Refinancing

In September, Com Hem announced that the Group has signed a new long-term financing agreement of SEK 1bn with DNB (Incremental Facility 4 in the table above). Com Hem intends to use this new credit facility together with new short-term financing of SEK 500m from Nordea and Danske Bank (Incremental Facility 5 in the table above), and existing, unutilised credit facilities, to redeem the Group's Senior Notes of EUR 187m in November that was issued by the company's subsidiary NorCell Sweden Holding 2 AB (publ) (Senior Notes in the table above). This is expected to reduce the Group's interest expense by approximately SEK 100m per year compared with the level in the third quarter of 2015. Following refinancing of the above mentioned credit facilities, the Group's total credit facilities, including the outstanding SEK notes, amounts to SEK 10,375m, with an average remaining term of 3.7 years. Com Hem intends to continue to strive to maintain long-term, diversified financing in the form of a mixture of bonds and bank financing. Accordingly, the company may issue new bonds when an opportunity arises in the credit market.

Loan conditions

The loan facilities with credit institutions are conditional on the Group continually satisfying a predetermined financial key metric, referred to as the covenant. The covenant is consolidated

net debt in relation to consolidated Underlying EBITDA LTM. In addition, there are provisions and limitations in loan agreements for the credit facilities with credit institutions and bond loans regarding further debt gearing, guarantee commitments and pledging, material changes to operating activities, as well as acquisitions and divestments. The conditions had been met by a solid margin as per 30 September 2015.

DIVIDEND/REPURCHASE AND REDEMPTION OF SHARES

During the May-September period, a total of SEK 689m was remunerated to the owners in the form of a redemption of shares, regular dividend and repurchase of shares.

To shareholders that participated in the share redemption programme a total of SEK 65m was paid in May. A dividend of SEK 1 per share decided by the Annual General Meeting, totalling SEK 207m was also paid in May. According to the authorisation given by the Annual General Meeting regarding share repurchases, shares totalling SEK 417m were repurchased during the second and third quarters, see also the table below. Repurchases took place in accordance with the authorisation given to an independent credit institution under the European Commission's ordinance (EC) No 2273/2003 of 22 December 2003 "EC ordinance" and via block trades in accordance with the rules on repurchases of own shares stipulated in Nasdaq Stockholm's Rule Book for Issuers.

REPURCHASE OF SHARES

2015	THIRD QUARTER			SECOND QUARTER		
	No. of shares	Average price per share, SEK	SEKm	No. of shares	Average price per share, SEK	SEKm
Programme I according to EC ordinance	666,549	75.16	50	1,820,143	76.86	140
Programme II according to EC ordinance	2,374,245	72.85	173	—	—	—
Block trades	760,117	71.65	54	—	—	—
Total	3,800,911	73.02	278	1,820,143	76.86	140

Condensed Consolidated Income Statement

SEKm	JUL-SEP / Q3		JAN-SEP / 9 MONTHS		FULL-YEAR
	2015	2014	2015	2014	2014
Revenue	1,255	1,210	3,729	3,532	4,761
Cost of services sold	-620	-580	-1,834	-1,714	-2,315
Gross profit	635	630	1,895	1,818	2,446
Selling expenses	-367	-358	-1,137	-1,103	-1,491
Administrative expenses	-80	-70	-220	-196	-264
Other operating income and expenses	4	-2	-4	-112	-126
Operating profit	192	200	535	407	566
Financial income and expenses	-126	-190	-363	-1,522	-2,082
Result after financial items	66	9	172	-1,116	-1,517
Income taxes	-15	-2	-39	228	465
Net result for the period	51	7	133	-888	-1,051
Average number of outstanding shares, thousands ¹⁾	203,200	206,937	205,716	140,890	157,483
Earnings per share, SEK	0.25	0.03	0.65	-6.30	-6.67
Average number of outstanding shares, diluted, thousands ¹⁾	203,245	206,937	205,727	140,890	157,483
Earnings per share, diluted, SEK	0.25	0.03	0.65	-6.30	-6.67

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

Consolidated Statement of Comprehensive Income

SEKm	JUL-SEP / Q3		JAN-SEP / 9 MONTHS		FULL-YEAR
	2015	2014	2015	2014	2014
Net result for the period	51	7	133	-888	-1,051
Other comprehensive income					
<i>Items that will not be reclassified to net profit or loss</i>					
Revaluation of defined-benefit pension obligations	-5	-29	35	-67	-110
Tax on items that will not be reclassified to profit or loss	1	6	-8	15	24
Other comprehensive income for the period, net of tax	-4	-23	27	-53	-86
Comprehensive income for the period	47	-16	161	-940	-1,137

Condensed Consolidated Balance Sheet

SEKm	2015	30 SEP 2014	31 DEC 2014
ASSETS			
Non-current assets			
Intangible assets	15,605	16,126	16,041
Property, plant and equipment	1,510	1,469	1,505
Financial assets	46	—	39
Total non-current assets	17,162	17,595	17,585
Current assets			
Other current assets	373	362	418
Cash and cash equivalents	824	909	716
Total current assets	1,197	1,271	1,134
TOTAL ASSETS	18,359	18,866	18,720
EQUITY AND LIABILITIES			
Equity	6,708	7,405	7,233
Non-current liabilities			
Non-current interest-bearing liabilities	9,477	8,491	9,391
Other non-current liabilities	212	191	236
Deferred tax liabilities	238	458	190
Total non-current liabilities	9,926	9,141	9,817
Current liabilities			
Current interest-bearing liabilities	30	472	30
Other current liabilities	1,694	1,849	1,640
Total current liabilities	1,724	2,321	1,670
Total liabilities	11,650	11,461	11,487
TOTAL EQUITY AND LIABILITIES	18,359	18,866	18,720
Number of outstanding shares at end of period, thousands	201,022	207,530	207,530
Equity per share, SEK	33	36	35

Condensed Consolidated Statement of Changes in Equity

SEKm	2015	30 SEP 2014	31 DEC 2014
Opening equity	7,233	2,212	2,212
Comprehensive income for the period			
Net result for the period	133	-888	-1,051
Other comprehensive income for the period	27	-53	-86
Total comprehensive income for the period	161	-940	-1,137
Transactions with the owners			
Redemption of shares	-65	-5	-5
Repurchase of shares and warrants	-418	—	—
New share issue	—	6,239	6,239
Issue expenses, net after tax	4	-111	-87
Dividend	-207	—	—
Issue of warrants	—	10	10
Share-based remuneration	1	—	—
Total transactions with the owners	-685	6,133	6,158
Closing equity	6,708	7,405	7,233

Condensed Consolidated Statement of Cash Flows

SEKm	JUL-SEP / Q3		JAN-SEP / 9 MONTHS		FULL-YEAR
	2015	2014	2015	2014	2014
Operating activities					
Result after financial items	66	9	172	-1,116	-1,517
Adjustment for non-cash items, etc.	481	92	1,302	1,511	1,876
Cash flow from operating activities before changes in working capital	547	101	1,474	396	359
Change in working capital	74	-68	-8	-110	-133
Cash flow from operating activities	620	34	1,466	285	227
Investing activities					
Acquisition of non-current intangible assets	-72	-106	-287	-289	-429
Acquisition of property, plant and equipment	-147	-151	-430	-421	-594
Acquisition of shares in subsidiaries	—	—	—	-302	-302
Divestment of financial assets	0	6	0	6	6
Cash flow from investing activities	-219	-251	-717	-1,006	-1,318
Financing activities					
New share issue	—	567	—	6,239	6,239
Share issue expenses	—	-29	-22	-29	-82
Repurchase of shares and warrants ¹⁾	-281	—	-410	—	—
Redemption of shares	—	—	-65	-5	-5
Issue of warrants	—	0	—	10	10
Dividend	—	—	-207	—	—
Borrowings	—	—	100	4,800	8,575
Amortisation of borrowings	-9	-4,047	-24	-10,446	-13,945
Payment of borrowing costs	-3	-6	-14	-62	-108
Cash flow from financing activities	-293	-3,514	-642	507	685
Net change in cash and cash equivalents	109	-3,732	108	-213	-406
Cash and cash equivalents at beginning of period	715	4,640	716	1,122	1,122
Cash and cash equivalents at end of period	824	909	824	909	716

1) Total share repurchases amounted to SEK 417m, of which SEK 409m was paid.

Adjustment for non-cash items, etc.

SEKm	JUL-SEP / Q3		JAN-SEP / 9 MONTHS		FULL-YEAR
	2015	2014	2015	2014	2014
Depreciation/amortisation	388	364	1,154	1,061	1,438
Unrealised exchange-rate differences	36	-70	-23	125	188
Capital gain/loss on sale/disposal of non-current assets	—	—	9	—	—
Change in fair value of derivatives	-37	64	-7	-118	-158
Change in capitalised borrowing costs and discounts	9	14	27	368	507
Change in accrued interest expense	81	-12	130	64	-124
Redemption premiums, bonds	—	-271	—	—	—
Other profit/loss items not settled with cash	5	3	12	11	26
Total	481	92	1,302	1,511	1,876

Parent Company Condensed Financial Reports

INCOME STATEMENT

SEKm	JUL-SEP / Q3		JAN-SEP / 9 MONTHS		FULL-YEAR
	2015	2014	2015	2014	2014
Revenue	3	3	9	6	8
Administrative expenses	-12	-7	-30	-11	-15
Other operating income and expenses	1	-1	6	-99	-100
Operating profit/loss	-8	-6	-16	-104	-107
Financial income and expenses	252	87	873	-1,234	-1,373
Result after financial items	244	81	857	-1,338	-1,480
Income taxes ¹⁾	—	—	-1	—	-2
Net result for the period	244	81	856	-1,338	-1,482

1) The Parent Company's taxable profit will be offset by a Group contribution to subsidiaries at year-end.

STATEMENT OF COMPREHENSIVE INCOME

SEKm	JUL-SEP / Q3		JAN-SEP / 9 MONTHS		FULL-YEAR
	2015	2014	2015	2014	2014
Net result for the period	244	81	856	-1,338	-1,482
Other comprehensive income	—	—	—	—	—
Comprehensive income for the period	244	81	856	-1,338	-1,482

BALANCE SHEET

SEKm	30 SEP		31 DEC
	2015	2014	2014
ASSETS			
Financial assets	9,920	9,253	9,397
Deferred tax assets	20	—	22
Current assets	2	7	9
Cash and bank balances	11	231	130
TOTAL ASSETS	9,952	9,491	9,558
EQUITY AND LIABILITIES			
Restricted equity	213	208	208
Unrestricted equity	8,850	8,804	8,685
Provisions	0	—	0
Non-current liabilities to Group companies	495	—	228
Current liabilities	394	479	437
TOTAL EQUITY AND LIABILITIES	9,952	9,491	9,558
Pledged assets and contingent liabilities			
Pledged assets	0	—	0
Contingent liabilities	—	—	—

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 shares have been listed on Nasdaq Stockholm, Large Cap list, since June 2014.

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 2014 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 1 January 2015 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.

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.

OPERATING SEGMENT

The operations of the Group are integrated and constitute a single operating segment that offers bundled services to consumers (digital TV, broadband and fixed telephony), B2B (broadband and telephony) and landlords (basic TV 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 the 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, see 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 Com Hem's share redemption programme announced in the first quarter of 2015, a total of 886,221 shares were redeemed on 23 April at a price of SEK 73.50 per share, totalling SEK 65m.

In accordance with the mandate given at the Annual General Meeting on 21 May, the Board of Directors resolved to repurchase shares in accordance with the European Commission's ordinance (EC) No 2273/2003 of 22 December 2003 "EC ordinance". The share repurchases are carried out by a credit institution that makes its trading decisions regarding Com Hem's shares independently and without the influence of Com Hem with regard to the timing of the repurchase. In May, the Board also resolved on the possibility, up until the following Annual General Meeting, to make repurchases through block trades, that will not be made in accordance with the EC ordinance. In the second and third quarters, 5,621,054 shares were repurchased for a total of SEK 417m, of which block trades comprised SEK 54m corresponding to 760,117 shares. During the period 1 October - 2 November, an additional 1,410,260 shares were repurchased at an amount of SEK 98m by the independent credit institution. Com Hem intends to propose a reduction in share capital by cancelling shares that have been repurchased.

Change in no. of shares	Total no. of shares
No. of shares, 31 Dec 2014	207,529,597
Redemption of shares	-886,221
Registered shares, 30 Sep 2015	206,643,376
Repurchased shares held by Com Hem	-5,621,054
Total no. of outstanding shares, 30 Sep 2015	201,022,322

INCENTIVE PROGRAMMES

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

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

OTHER INFORMATION

LARGEST SHAREHOLDERS

As per 30 September 2015, NorCell S.à r.l., (indirectly controlled by funds managed by BC Partners Limited) controlled 36.8 per cent of the outstanding shares and votes. Com Hem Holding AB (publ) had a total of 1,538 shareholders.

As per 30 Sep 2015	No. of shares	Capital/ votes, % ¹
NorCell S.à r.l.	73,911,671	36.8
MFS Investment Management	10,440,158	5.2
Norges Bank Investment Management	9,492,251	4.7
Lazard Frères Gestion Funds	2,087,400	1.0
Saudi Arabian Monetary Agency	1,898,153	0.9
Echiquier Funds	1,668,020	0.8
Abu Dhabi Investment Authority	1,524,992	0.8
GLG Funds	1,417,133	0.7
Stichting Pensioenfond ABP	1,414,602	0.7
Henderson Fonder	1,074,023	0.5
Total 10 largest shareholders	104,928,403	52.2
Other shareholders	96,093,919	47.8
Total no. of outstanding shares	201,022,322	100.0

Source: Holdings/Euroclear as per 30 September 2015.

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."

NON-RECURRING ITEMS

The Group's non-recurring items are specified as follows:

SEKm	JUL-SEP / Q3		JAN-SEP / 9 MONTHS		FULL-YEAR	
	2015	2014	2015	2014	2014	2014
IPO-related costs	—	—	5	-107	—	-107
TiVo and B2B launch	—	—	—	-60	—	-60
Acquisition costs	—	0	—	-9	—	-9
Redundancy costs	-4	-8	-33	-19	—	-40
Other	-7	2	-16	-9	—	-10
Total non-recurring items	-11	-7	-44	-205	—	-228

COM HEM'S 2016 ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 19 May 2016 in Stockholm. Shareholders wishing to have an item addressed are to submit a written request no later than 31 March 2016 to guarantee that the item is included in the notice of the Annual General Meeting. The request is to be sent by e-mail to: bolagsstamma@comhem.com or by post to: Com Hem Holding AB (publ), Annual General Meeting, PO Box 8093, SE-104 20 Stockholm, Sweden. Additional information regarding registration will be published prior to the Annual General Meeting.

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 recognised in profit or loss. Hedge accounting is not applied. The fair value of the Group's financial assets and liabilities are estimated to be equal to the carrying amounts. The Group only holds level 2 instruments as described in the Group's 2014 Annual Report. There were no transfers between levels or valuation techniques during the period. Changes in the fair value of derivatives were recognised to the amount of SEK 7m (118) in financial income and expenses for the year.

Fair value of derivatives at end of period

SEKm	30 SEP		31 DEC
	2015	2014	2014
Derivatives (CIRS)	46	-1	39
Derivatives (currency forward contracts)	0	—	—
Financial liabilities / assets	46	-1	39

AUDITOR'S REVIEW

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

DISCLOSURE

Com Hem Holding AB (publ) discloses the information provided in this interim report pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was published at 7.30 a.m. CET on Tuesday, 3 November 2015.

Stockholm, 3 November 2015
Com Hem Holding AB (publ)



Anders Nilsson
Chief Executive Officer

Financial metrics and industry terms

Financial metrics

Capital expenditure (Capex)

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

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.

Earnings per share

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

EBITDA

EBIT excluding depreciation and amortisation.

EBITDA margin

EBITDA as a percentage of revenue.

Equity/assets ratio

Equity as a percentage of total assets.

Equity per share

Equity divided by the total number of outstanding shares.

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 divided 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 LTM.

Operating free cash flow

Underlying EBITDA less capital expenditure.

Operating profit (EBIT)

Revenue less operating expenses.

Underlying EBITDA

EBITDA before write-downs excluding non-recurring items and operating currency gains/losses.

Underlying EBITDA margin

Underlying EBITDA as a percentage of revenue.

Industry terms

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.

Homes connected

Homes connected represents the number of residential units to which Com Hem provides basic TV service, primarily through long-term contracts with the landlords of multiple dwelling units (MDUs) and homes connected through third-party communication operator's open networks through which consumers can purchase digital services from Com Hem.

RGUs

Revenue generating units, which refer to each subscriber receiving basic or digital TV, broadband or telephony services from Com Hem. 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 Com Hem's digital services (digital TV, broadband and fixed telephony).

Com Hem refers 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.

About Com Hem

- About 40 per cent of Swedish homes, or 1.9 million, are connected to Com Hem's network.
- A market-leading provider of broadband up to 1 Gbit/s, and the fastest download speed according to the Netflix Speed Index.
- The largest range of TV services in Sweden, with more than 80 channels.
- Since 2013, Com Hem has offered a competitive range of broadband and telephony services for B2B customers.
- The company was founded in 1983, has approximately 1,200 employees and its head office in Stockholm.
- Com Hem's share is listed on Nasdaq Stockholm, Large Cap list, under the ticker symbol COMH.
- For more information, visit www.comhemgroup.com

OUR VISION

Sweden's most satisfied broadband, TV and telephony customers.

OUR MISSION

Com Hem offers broadband, TV and telephony services to consumers and B2B customers.

SHAREHOLDER RETURNS

Our strong cash flow allows us to invest in our network and product development to maintain our market leadership, while also generating a considerable surplus to return to shareholders through cash dividends and/or share repurchases.

The Annual General Meeting in May 2015 granted the Board of Directors a mandate to repurchase up to 10 per cent of the shares outstanding. During the May to September period, 2.7 per cent of all shares were repurchased. In addition, a cash dividend of SEK 1 per share was paid in May.

OUR STRATEGY FOR ORGANIC GROWTH

Increase customer satisfaction – with a fast and stable network, and superior services.

Increase the share of bundled broadband, TV and telephony services.

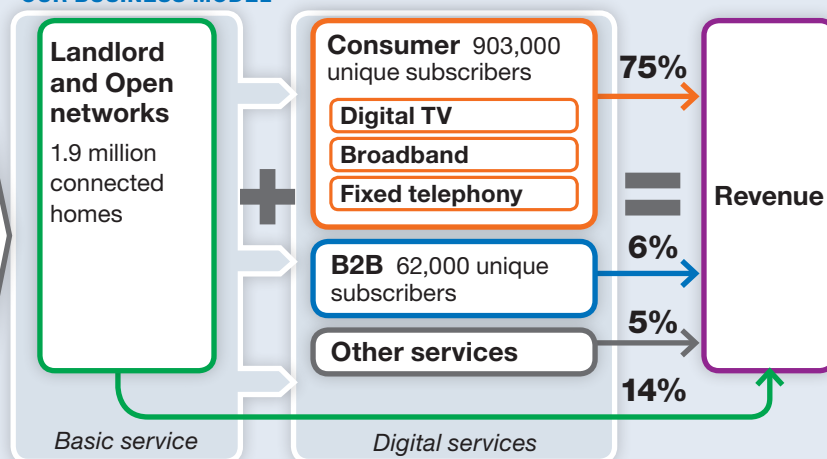
Capitalise on our unique digital TV offering.

Focus on B2B customers in properties connected to Com Hem's network.

VALUE-DRIVING FACTORS

Com Hem has one of the fastest and most technologically advanced cable networks in the world, giving us a competitive advantage over other industry players. With our upgraded network, we can deliver both faster broadband in most parts of our network, and a broader range of digital TV services than any other provider. By continuously converting our basic service customers to digital consumer subscribers, we can deliver more content and more services, which generates value for both our customers and our shareholders.

OUR BUSINESS MODEL



FINANCIAL GUIDANCE IN THE MEDIUM TERM

- Achieve mid-single-digit revenue growth on an annual basis.
- Due to a change in the revenue mix, the Underlying EBITDA margin is expected to decline slightly.
- Capital expenditure as a percentage of revenue will decrease to a level that is more in line with the industry average.
- We aim to maintain our leverage within the interval of a multiple of 3.5-4.0x Underlying EBITDA LTM.

Financial key metrics per quarter

Group	2014			2015		
	Q2	Q3	Q4	Q1	Q2	Q3
Revenue, SEKm	1,198	1,210	1,229	1,228	1,246	1,255
Underlying EBITDA, SEKm	566	576	576	577	583	590
Underlying EBITDA margin, %	47.2	47.6	46.9	47.0	46.8	47.0
EBITDA, SEKm	417	563	536	538	571	580
EBITDA margin, %	34.8	46.6	43.6	43.8	45.8	46.2
Operating profit (EBIT), SEKm	60	200	159	161	182	192
Operating margin (EBIT margin), %	5.0	16.5	12.9	13.1	14.6	15.3
Capex, SEKm	239	257	340	263	250	219
Capex as % of revenue	20.0	21.3	27.6	21.4	20.1	17.4
Operating free cash flow, SEKm	327	318	236	314	333	372
Equity/assets ratio, %	30	39	39	39	38	37
Net debt, SEKm	9,110	8,291	8,851	8,628	8,896	8,815
Net debt/Underlying EBITDA LTM, multiple	4.0x	3.7x	3.9x	3.8x	3.8x	3.8x
Earnings per share, SEK	-6.53	0.03	-0.79	0.19	0.20	0.25
Equity per share, SEK	35	36	35	35	34	33

Other information

FOR FURTHER INFORMATION, CONTACT:



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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. Contact us via e-mail: investor.relations@comhem.com

WEBCAST TELECONFERENCE

Com Hem will present the third quarter results for analysts and investors via a webcast teleconference in English on Tuesday, 3 November, 2015 at 10:00 a.m CET.

To participate, use the following link:
<http://www.comhemgroup.se/interimreport-q3-2015/>

Alternatively, use one of the following dial-in numbers:
Sweden: +46 8 5052 0110
UK: +44 20 7162 0077
US: +1 334 323 6201

FINANCIAL CALENDAR

Year-end report 2015 9 February 2016
Annual General Meeting 19 May 2016



com hem

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