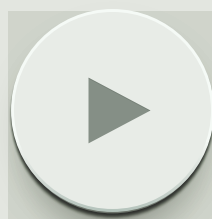


COM HEM



INTERIM REPORT
Q1 2016

INTERIM REPORT JANUARY-MARCH 2016

CONTINUED GROWTH DRIVES STRONG CASH FLOW GENERATION

FIRST QUARTER SUMMARY 2016

Our consumer growth continues steadily:

- The number of unique consumer subscribers rose 9,000 to a total of 920,000.
- Consumer churn rate lower than expected at 13.9%, a 1.0 p.p. increase over Q4 2015, following price adjustments executed in the first quarter.
- Continued strong volume growth in broadband, up 11,000 to 669,000 RGUs.
- Digital-TV RGU's totalled 635,000, affected by price adjustments in the quarter, with a continued growth in the number of TiVo customers which increased to 228,000 (penetration rate of 36%).

Within B2B, continued growth of 1,000 OnNet customers to a total of 17,000.

SDU trials proceeding as planned with first actual deliveries to customers in the first quarter.

Revenue totalled SEK 1,276m (1,228), up 3.9%.

Underlying EBITDA increased by 4.6% to SEK 603m (577).

Operating free cash flow increased by 25.5% reaching SEK 394m (314) as a result of improved Underlying EBITDA and lower investments compared to Q1 last year.

Net result for the period more than doubled and amounted to SEK 95m (40).

Earnings per share increased to SEK 0.49 (0.19).

In the quarter Com Hem repurchased another 1.7% of the total number of shares for SEK 256m, and has acquired 6.4% of the total number of shares for SEK 967m since last AGM.

Financial key metrics¹⁾

	JAN-MAR/ Q1			JAN-DEC
	2016	2015	Change	2015
Revenue, SEKm	1,276	1,228	3.9%	5,000
Underlying EBITDA, SEKm	603	577	4.6%	2,346
Underlying EBITDA margin, %	47.3	47.0	0.3 p.p.	46.9
EBITDA, SEKm	600	538	11.6%	2,269
Operating profit (EBIT), SEKm	205	161	26.9%	724
Net result for the period, SEKm	95	40	138.1%	92
Earnings per share, SEK	0.49	0.19	155.7%	0.45
Capex, SEKm	210	263	-20.3%	991
Capex as % of revenue	16.4	21.4	-5.0 p.p.	19.8
Operating free cash flow, SEKm	394	314	25.5%	1,355
Net debt at end of period, SEKm	8,988	8,628	4.2%	9,030
Net debt/Underlying EBITDA LTM, multiple	3.8x	3.8x	-0.1x	3.8x

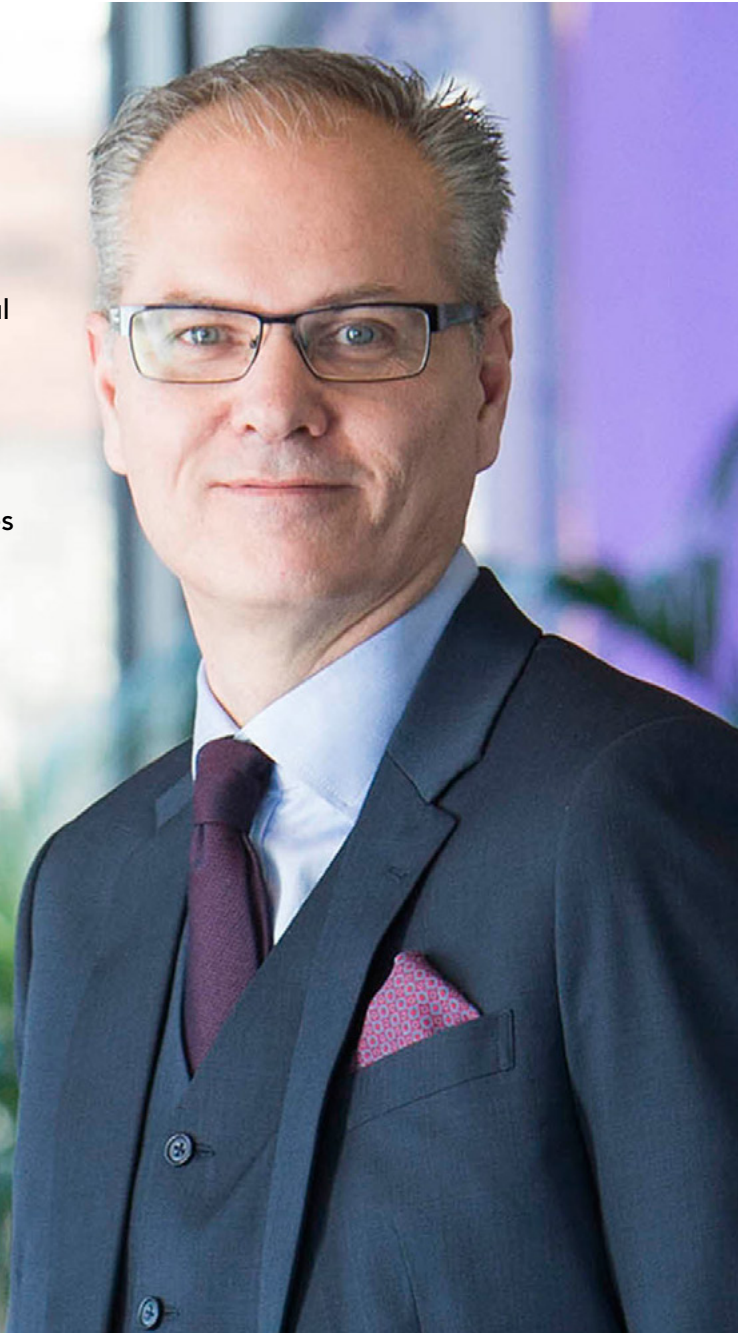
¹⁾ See page 16 for definitions.

The figures in this report refer to the first quarter of 2016 unless otherwise stated. Figures in brackets refer to the corresponding period last year.

MESSAGE FROM THE CEO

Q1 2016 has been a quarter of strong operational delivery, focused around the execution of our price rise activity and we are delighted that consumer churn has been significantly better than our expectations at 13.9% for the quarter. Our trials within the SDU market continue according to plan, with the first actual deliveries to SDU customers taking place during the first quarter.

In addition, the first quarter has seen significant work to rebrand Com Hem, which took place on April 7. Our new look will help us to communicate the scale of the change that has taken place at Com Hem.



” The increased customer satisfaction we saw during 2015, after product improvements, such as the introduction of Com Hem Play and extensive investments in the quality of our broadband services, paired with improvements in our service levels, have made it possible to implement price adjustments. Despite our price rise activity carried out in the first quarter 2016, our customer base grew by 9,000 customers in the quarter with strong broadband growth of 11,000. The price rise activity led to DTV subscribers remaining flat in the quarter, while our TiVo base grew by 5,000 customers reaching 36% of our total DTV base.

Price rises had a limited impact on Q1 consumer ARPU, with the bulk of pricing implemented on March 1 and a minor part on April 1, driving an increase of ARPU of SEK 1 to SEK 364 (Q4 2015 SEK 363). The full effect of the price rise will be seen in the second quarter revenue. In total, over half of our customers were

affected by this year's price rise programme which on average was somewhat larger than 2015. We continued to focus on the elimination of discounts, rather than raising frontbook prices, and left the prices of our most popular broadband and TiVo services unchanged.

Consumer churn was significantly better than our expectations at 13.9% for the quarter, only one percentage point higher than the record low churn of 12.9% we recorded for both Q3 and Q4 2015. Underlying consumer churn trends are positive, and we expect to return to our prior underlying trend rate from Q2 and onwards.

Demand for our high speed broadband continued to be strong in the quarter, with more than 90% of new subscribers choosing speeds of 100 Mbit/s and above. This brought average speeds in the base up to 125 Mbit/s, compared to 100 Mbit/s a year ago. The Bredbandskollen report published in February showed that



Com Hem's fibreCoax infrastructure delivered the fastest average download speed in 2015 – beating all other infrastructures in Sweden. We also continue to lead other measures of broadband speed including Netflix Speed Index and Google Video Index.

Within DTV we continue to see strong uptake of the range of features we offer to our customers. Compared to a year ago, the number of customers using our TV Everywhere service, Com Hem Play, increased by 48% in the first quarter and the amount of content streamed by our customers has increased close to 5 times over the same period.

Network operator revenue (including revenue previously reported under landlord business and iTUX, our communication operator) amounted to SEK 192m, a decrease of 3.7% compared to the same quarter previous year. Network operator revenue is expected to continue declining by mid-single digits due to price pressure in the landlord business.

Within B2B our focus remains on growing the high-margin OnNet business, while we see a structural decline in the OffNet SoHo legacy fixed telco business. The revenue growth of 4.9% in the quarter is therefore accompanied by a stronger growth in Underlying EBITDA and cash flow.

Continued growth resulting in strong cash flow generation

Revenue grew by 3.9% compared to the first quarter last year, driven by 5.8% growth in our consumer business and 4.9% growth in B2B and partly offset by a decline of 3.7% in the network operator business. Underlying EBITDA grew by 4.6% to SEK 603m in the quarter, with an Underlying EBITDA margin of 47.3%.

Capex amounted to SEK 210m in the quarter compared to SEK 263m in the first quarter last year. The decrease is explained by the combination of a front-loaded investment cycle in 2015 and 2016 investment phasing which is more weighted towards the second half of the year. Together, EBITDA growth and lower capex than last year led to continued strong operating free cash flow, which grew by 25% to SEK 394m.

Our consistently strong cash flow allowed us to continue executing on our share buyback program. In the quarter, 3,493,774 shares were repurchased for SEK 256m. Since last AGM until end of March we have repurchased 6.4% of the share capital for SEK

967m, while remaining within our leverage target.

We propose to continue to remunerate our shareholders through a mix of cash dividend and share buy backs. The Board of Directors has proposed to the AGM in May a cash dividend of SEK 1.50 per share, an increase of 50% compared to last year, and a renewed mandate to repurchase up to 10% of the share capital.

Focus for the upcoming quarters

Our focus for the coming quarters will be to use our new brand to shift the perception of Com Hem, and effectively communicate the scale of the transformation that Com Hem has undergone over the past few years. Our rebranding will drive additional marketing costs of approximately SEK 20m in the second quarter of 2016.

We continue to invest in our broadband network and CPE to ensure our continued category leadership, and to increase customer satisfaction. Driving awareness and usage of Com Hem Play among all our eligible TV customers will be a central component of our 2016 marketing activity.

We are continuing our trials in the SDU market. We aim at making a decision during the second half of the year whether we will add this investment opportunity as another growth pillar of Com Hem, in addition to the ones we have been executing on over the past few years.

Finally I would like to invite you all to our Annual General Meeting which will take place in Stockholm on May 19. I hope to see as many as possible of you there!



Anders Nilsson
CEO

FINANCIAL GUIDANCE

Revenue

We aim to deliver mid-single-digits revenue growth on a full year basis.

Underlying EBITDA

We aim to maintain a stable Underlying EBITDA margin for the group, resulting in mid-single-digits growth of Underlying EBITDA on a full year basis.

CAPEX

We expect CAPEX to be in the range of SEK 1.0-1.1bn in 2016.

Leverage target

We aim to maintain our leverage within the interval of 3.5-4.0x Underlying EBITDA LTM.

OPERATIONAL DEVELOPMENT

Operational key metrics ¹⁾	2014		2015			2016
	Q4	Q1	Q2	Q3	Q4	Q1
Homes connected, thousands	1,876	1,920	1,930	1,942	1,968	1,988
Unique consumer subscribers, thousands	876	888	894	903	911	920
Unique consumer subscribers as % of homes connected, %	46.7	46.3	46.3	46.5	46.3	46.3
Consumer RGUs per unique consumer subscriber, ratio	1.79	1.80	1.79	1.78	1.77	1.76
Consumer churn as % of unique consumer subscribers, %	14.2	13.3	13.7	12.9	12.9	13.9
Consumer RGUs thousands						
Broadband	612	628	637	648	658	669
Digital-TV	618	625	627	631	635	635
- of which TiVo customers	164	189	204	213	224	228
Fixed telephony	337	342	337	331	322	314
Total consumer RGUs	1,566	1,595	1,600	1,610	1,616	1,619
Unique B2B subscribers, thousands						
OnNet	8	10	13	14	16	17
OffNet	51	50	48	48	46	45
Total unique B2B subscribers	60	61	61	62	62	62
ARPU, SEK						
Consumer	361	358	361	363	363	364
Network operator ²⁾	37	35	34	33	33	32
B2B customers	446	429	424	415	431	430

¹⁾ For the quarter, and on the last date of each quarter. Comparison between first quarter 2016 and first quarter 2015, unless otherwise stated.

²⁾ Revenue previously reported as landlord and communication operator iTUX, divided by homes connected. For definition of Network operator revenue, please see next page.

Homes connected

In the first quarter, the number of homes connected increased by 20,000 homes to 1,988,000 at the end of the period. The increase was derived from the addition of open LANs.

Unique consumer subscribers

The number of unique consumer subscribers continued to increase in the first quarter, up 9,000 to 920,000. The increase is a result of strong growth in broadband and an increased homes connected.

Consumer churn rate

The churn rate, expressed as the percentage of consumer subscribers, was 13.9 % in the first quarter, which is an increase of 1.0 percentage points compared to the consumer churn of 12.9% for the third and fourth quarters in 2015. The increase was lower than expected following price rises announced during the first quarter and, with the bulk of price rises implemented on March 1 and a minor part on April 1. Underlying consumer churn trends, excluding the impact from price adjustments, are positive, and we expect to return to our prior underlying trend rate from Q2 and onwards. 2016 consumer churn will however be affected by a one-off negative adjustment of around 4,000 low ARPU digital-TV customers, where the landlord has notified us to exclude these customers who were found to be ineligible for the Com Hem service. This change will take place later in the year, with a marginal revenue impact.

Consumer RGUs

In the first quarter, the number of consumer RGUs was 1,619,000, an increase of 3,000 compared to last quarter. The increase is a result of an increased homes connected and continued growth in broadband RGUs.

The number of broadband RGUs rose 11,000 in the first quarter to 669,000. Net additions of broadband subscribers are in line with previous quarters, despite an increased broadband churn during the quarter following the price rise activities.

The proportion of new broadband subscribers who purchased

broadband speeds of 100 Mbit/s or higher continued to increase to 90%, from 82% in the fourth quarter of 2015 and 74% in the first quarter of 2015.

The number of digital-TV RGUs remained unchanged during the quarter at 635,000 RGUs, as a consequence of the price rise activities. At the end of the quarter, 228,000 digital-TV customers had a TiVo subscription, corresponding to 36% of the total digital-TV base.

The number of fixed-line telephony RGUs was 314,000, down 8,000 compared with the preceding quarter. The decline is due to higher churn as a consequence of the price rise in the first quarter as well as lower new sales within the quarter.

Consumer ARPU

Consumer ARPU amounted to SEK 364, which is an increase of SEK 1 compared to the preceding quarter. The increase is due to improved mix for broadband and digital-TV and from price rises conducted during the first quarter.

Network operator ARPU

Network operator ARPU amounted to SEK 32 for the quarter, which is SEK 1 down compared to the preceding quarter.

The decline is due to the growing number of homes connected via open LANs where Com Hem does not provide any network operator service (basic TV service or acting as communication operator) and does therefore not receive any revenue.

Unique B2B subscribers

The number of unique B2B subscribers remained stable at 62,000. OnNet subscribers continued to grow by 1,000 subscribers, but was offset by a decline in the legacy OffNet SoHo business of 1,000 subscribers.

B2B ARPU

B2B ARPU was SEK 430 in the first quarter, which is a decrease of SEK 1 compared to the preceding quarter. The decrease is mainly due to lower sales volumes of low margin mobile devices sold in the first quarter compared to the fourth quarter in 2015.

FINANCIAL OVERVIEW

Financial summary, SEKm	JAN-MAR / Q1			JAN-DEC
	2016	2015	Change	2015
Revenue				
Consumer	997	942	5.8%	3,863
Network operator	192	199	-3.7%	786
B2B	80	77	4.9%	311
Other revenue	7	10	-29.9%	40
Revenue	1,276	1,228	3.9%	5,000
Operating expenses	-1,071	-1,066	0.5%	-4,276
Operating profit (EBIT)	205	161	26.9%	724
Net financial income and expenses	-83	-110	-24.7%	-605
Income taxes	-27	-11	137.4%	-27
Net result for the period	95	40	138.1%	92

Comparisons between the first quarter of 2016 and 2015, unless otherwise stated.

Total revenue

Total revenue rose SEK 48m to SEK 1,276m, compared with the first quarter of 2015.

Consumer services

Revenue from consumer services rose by 5.8% or SEK 55m, to SEK 997m for the first quarter 2016. The increase was attributable to higher revenue from broadband and digital-TV services, partly offset by a decline in revenue from fixed-telephony services.

Revenue from broadband services rose SEK 49m, or 12.0%, and amounted to SEK 443m in the first quarter. The increase in broadband revenue is attributable to RGU growth, an improved speed mix due to continued strong demand for our high-speed broadband packages, and the price adjustments implemented during the first quarter of 2016, as well as the second quarter of 2015.

Revenue from digital-TV rose SEK 14m, amounting to SEK 456m in the first quarter. The increase in digital-TV revenue was mainly due to RGU growth versus Q1 last year, a higher proportion of customers with TiVo packages, and the price adjustments implemented during the first quarter of 2016, as well as the second quarter of 2015.

Revenue from fixed-line telephony decreased by SEK 8m in the first quarter and amounted to SEK 70m, mainly attributable to lower fixed revenue due to a decline in the number of telephony RGUs.

Network Operator services

Revenue from network operator services declined SEK 7m and amounted to SEK 192m for the first quarter. The decline was attributable to a decline in landlord revenue of SEK 12m, partly offset by SEK 5m higher communication operator revenue from iTUX.

B2B services

Revenue from B2B services rose SEK 4m to SEK 80m for the first quarter, with OnNet revenue increasing by SEK 11m thanks to the addition of 7,000 new customers connected via Com Hem's network.

The increase in the high margin OnNet revenue was partly offset by lower revenue from the lower margin OffNet legacy SoHo services, mainly due to lower variable telephony revenue.

Operating expenses

Operating expenses amounted to SEK 1,071m, up SEK 5m compared to the first quarter 2015. The increase was driven by higher

variable costs as a result of volume driven revenue growth, offset by savings in selling expenses and staff related costs.

Operating profit (EBIT)

Operating profit for the first quarter amounted to SEK 205m, an increase of SEK 43m compared to first quarter 2015 as a result of revenue growth paired with savings in operating expenses.

Net financial income and expenses

Net financial income and expenses amounted to a net expense of SEK 83m, compared with a net expense of SEK 110m in first quarter 2015. The positive change is a result of a reduced blended interest rate on the Group's debt, following refinancing of the EUR Senior Notes in the fourth quarter last year as well as lower market rates. Average blended interest rates declined to 2.8% in the first quarter, compared with 4.7% in the first quarter of 2015.

Income taxes

The Group recognised a deferred tax expense of SEK 27m for the quarter. The taxable profit for the quarter was offset against previously recognised tax losses carryforwards, which had a remaining balance of approximately SEK 2.3bn at the end of the quarter.

Net result for the period

Net result for the quarter totalled SEK 95m, compared to SEK 40m for the first quarter of 2015.

Reclassification of revenue

All revenue derived from securing our connected households, earlier reported separately as "Landlord revenue" for our vertical network as well as income from the Group's communication operator business (iTUX), previously included within "Other revenue", has from Q1 2016 been grouped together and reported on the line "Network operator revenue".

In addition, billing fees related to our consumer business, which have earlier also been reported within "Other revenue", have been reported under "Consumer revenue". Consumer revenue together with reported unique consumer subscribers will now reconcile with the reported consumer ARPU as ARPU was also previously calculated on this basis.

All earlier reported periods have been recalculated in accordance with the above.

Reconciliation between Operating profit (EBIT) and Underlying EBITDA, SEKm	JAN-MAR/Q1			JAN-DEC
	2016	2015	Change	2015
Operating profit (EBIT)	205	161	26.9%	724
Depreciation & amortisation per function				
- Cost of services sold	205	185	10.8%	778
- Selling expenses	185	184	0.1%	742
- Administrative expenses	6	7	-15.8%	25
Total depreciation & amortisation	395	376	5.1%	1,545
EBITDA	600	538	11.6%	2,269
EBITDA margin, %	47.0	43.6	3.4 p.p.	45.4
Disposals	-	-	n/m	9
Operating currency loss/gains	-1	11	-113.1%	9
Non-recurring items	5	28	-83.8%	58
Underlying EBITDA	603	577	4.6%	2,346
Underlying EBITDA margin, %	47.3	47.0	0.3 p.p.	46.9

Comparisons between first quarter of 2016 and first quarter of 2015, unless otherwise stated.

Underlying EBITDA

Underlying EBITDA rose SEK 27m to SEK 603m and the Underlying EBITDA margin was 47.3%. The increase in Underlying EBITDA was mainly attributable to increased consumer revenue while operating expenses (marketing & sales costs, staff related costs and other operating costs) excluding depreciation and amortisation, remained flat year-on-year, resulting in a 0.3 percentage points higher Underlying EBITDA margin than in the first quarter 2015.

EBITDA

EBITDA rose SEK 63m reaching SEK 600m. The increase in EBITDA was attributable to increased Underlying EBITDA contribution of SEK 27m as well as lower non-recurring costs compared with the first quarter of 2015. The EBITDA margin increased to 47.0%, from 43.6% for the first quarter 2015.

Depreciation and amortisation

Depreciation and amortisation rose SEK 19m to SEK 395m, explained by higher depreciation and amortisation on IT investments (cost of services sold), CPEs (cost of services sold) and Network related investments (cost of services sold).

Operating free cash flow, SEKm	JAN-MAR/Q1			JAN-DEC
	2016	2015	Change	2015
Underlying EBITDA	603	577	4.6%	2,346
Capital expenditure				
Network related	-72	-65	10.6%	-332
CPEs and capitalised sales commissions	-101	-149	-32.1%	-486
IT investments	-30	-35	-14.4%	-128
Other capex	-7	-15	-51.9%	-45
Total capital expenditure	-210	-263	-20.3%	-991
Operating free cash flow	394	314	25.5%	1,355

Comparisons between first quarter of 2016 and first quarter of 2015, unless otherwise stated.

Capital expenditure (Capex)

Capital expenditure amounted to SEK 210m, comprising 16.5% of total revenue. The decline of SEK 53m, compared with the first quarter 2015, was largely a result of lower investments in CPE and capitalised sales commission as well as timing of IT Investments and Other Capex.

The decline in CPE investments and capitalised sales commissions was mainly a result of lower RGU and customer growth in the quarter compared with a year earlier, due to a shift in growth, from purely volume-driven growth to a combination of volume and price-driven growth.

Operating free cash flow

Operating free cash flow increased by SEK 80m in the first quarter, reaching SEK 394m. The increase was mainly due to a higher Underlying EBITDA contribution, and lower investments compared with the first quarter of 2015.

FINANCIAL POSITION

Liquidity

At March 31, 2016, the Group's total available funds amounted to SEK 1,429m (SEK 1,393m at December 31, 2015), of which cash and cash equivalents comprised SEK 679m (SEK 743m at December 31, 2015) and unutilised credit facilities SEK 750m (SEK 650m at December 31, 2015). Refer also to "Outstanding debt" below.

Net debt

At March 31, 2016, the Group's net debt amounted to SEK 8,988m (SEK 9,030m at December 31, 2015), while net debt/Underlying EBITDA LTM was a multiple of 3.8x (3.8x at December 31, 2015), which is in line with the targeted leverage of 3.5-4.0x.

OUTSTANDING DEBT

March 31, 2016, SEKm	Maturity date	Interest base/coupon	Total credit	Utilised amount	Unutilised amount
Bank debt					
Facility A	Jun 26, 2019	Floating	3,500	3,500	-
Revolving Credit Facility	Jun 26, 2019	Floating	2,000	1,250	750
Incremental Facility 2	Jun 26, 2019	Floating	375	375	-
Incremental Facility 3	Mar 4, 2017	Floating	500	500	-
Incremental Facility 4	Jun 26, 2019	Floating	1,000	1,000	-
Incremental Facility 5	Sep 14, 2016	Floating	500	500	-
Outstanding notes at fixed interest rates					
SEK 2,500m Senior Secured Notes	Nov 4, 2019	Fixed 5.25%	2,500	2,500	-
Total credit facilities¹⁾			10,375	9,625	750

¹⁾ In addition to the above credit facilities Com Hem holds interest-bearing financial lease liabilities totalling SEK 42m.

Financing

At March 31, 2016, the Group's total credit facilities, including the outstanding SEK bond, amounted to SEK 10,375m, with an average remaining term of 3.1 years.

After the end of the quarter, Incremental Facility 5 (in the table above) has been refinanced and replaced by a new Incremental Facility 6 of SEK 500m with final maturity date December 31, 2017. The Group's average interest expenses further declined from 4.1% for the full year 2015, to 2.8% in the first quarter 2016. The decline was mainly due to the early redemption of the Group's Senior Notes of EUR 187m in the preceding quarter, and continued low market rates.

Com Hem's intention is to continue striving for long-term, diversified financing in both bond and bank financing forms.

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 the bond loan regarding further debt gearing, guarantee commitments and pledging, material changes to operating activities, as well as acquisitions and divestments. The conditions were met with a solid margin as per March 31, 2016.

Dividend and share repurchases

During the first quarter, Com Hem repurchased 1.7% of the total number of shares, for SEK 256m, see further in the table below.

Since the Annual General Meeting in May 2015 until end of March 2016, shareholders have been remunerated with a total of SEK 1,238m in the form of share redemptions, ordinary dividend paid in May 2015 and share repurchases, representing 8.6% of the market capitalisation at March 31, 2016.

The Board of Directors has proposed to the AGM in May a cash dividend of SEK 1.50 per share (last year SEK 1 per share), and a renewed mandate to repurchase up to 10% of the share capital.

Repurchases of shares

	FIRST QUARTER 2016			TOTAL REPURCHASED SHARES		
	No. of shares	Average price per share, SEK	SEKm	No. of shares	Average price per share, SEK	SEKm
No. of repurchased shares, BoP				9,645,123	73.73	711
Programme III according to EC ordinance	1,466,294	72.28	106	1,466,294	72.28	106
Programme IV according to EC ordinance	1,827,480	74.13	135	1,827,480	74.13	135
Block trades	200,000	70.83	14	200,000	70.83	14
No. of repurchased shares, EoP	3,493,774	73.16	256	13,138,897	73.57	967
Per cent of registered shares	1.7%			6.4%		

CONDENSED CONSOLIDATED INCOME STATEMENT

SEKm	JAN-MAR/Q1		JAN-DEC
	2016	2015	2015
Revenue	1,276	1,228	5,000
Cost of services sold	-640	-594	-2,464
Gross profit	636	634	2,536
Selling expenses	-362	-390	-1,516
Administrative expenses	-73	-74	-295
Other operating income and expenses	4	-8	-1
Operating profit	205	161	724
Financial income and expenses	-83	-110	-605
Result after financial items	122	51	119
Income taxes	-27	-11	-27
Net result for the period	95	40	92
Average number of outstanding shares, thousands	195,089	207,530	204,068
Earnings per share, SEK	0.49	0.19	0.45
Average number of outstanding shares, diluted, thousands	195,169	207,530	204,112
Earnings per share, diluted, SEK	0.49	0.19	0.45

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	JAN-MAR/Q1		JAN-DEC
	2016	2015	2015
Net result for the period	95	40	92
Other comprehensive income			
Items that will not be reclassified to net profit or loss			
Revaluation of defined-benefit pension obligations	-27	-	75
Tax on items that will not be reclassified to profit or loss	6	-	-16
Other comprehensive income for the period, net of tax	-21	-	58
Total comprehensive income for the period	74	40	150

CONDENSED CONSOLIDATED BALANCE SHEET

SEKm	MAR 31 2016	MAR 31 2015	DEC 31 2015
ASSETS			
Non-current assets			
Intangible assets	15,288	15,915	15,451
Property, plant and equipment	1,509	1,516	1,531
Financial assets	0	20	0
Total non-current assets	16,797	17,451	16,982
Current assets			
Other current assets	326	405	352
Cash and cash equivalents	679	888	743
Total current assets	1,004	1,293	1,095
TOTAL ASSETS	17,801	18,744	18,078
EQUITY AND LIABILITIES			
Equity	6,222	7,272	6,403
Non-current liabilities			
Non-current interest-bearing liabilities	8,553	9,341	9,151
Other non-current liabilities	205	239	176
Deferred tax liabilities	256	201	234
Total non-current liabilities	9,013	9,782	9,561
Current liabilities			
Current interest-bearing liabilities	1,025	27	528
Other current liabilities	1,540	1,663	1,585
Total current liabilities	2,565	1,690	2,113
Total liabilities	11,579	11,472	11,675
TOTAL EQUITY AND LIABILITIES	17,801	18,744	18,078
Number of outstanding shares, at end of period, thousands	193,504	207,530	196,998
Equity per share, SEK	32	35	33

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	MAR 31 2016	MAR 31 2015	DEC 31 2015
Opening equity	6,403	7,233	7,233
Comprehensive income for the period			
Net result for the period	95	40	92
Other comprehensive income for the period	-21	-	58
Total comprehensive income for the period	74	40	150
Transactions with the owners			
Redemption of shares	-	-	-65
Repurchase of shares and warrants	-256	-	-713
Issue expenses, net after tax	-	-	4
Dividend	-	-	-207
Share-based remuneration	1	-	1
Total transactions with the owners	-255	-	-979
Closing equity	6,222	7,272	6,403

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEKm	JAN-MAR/Q1		JAN-DEC
	2016	2015	2015
Operating activities			
Result after financial items	122	51	119
Adjustments for non-cash items	438	435	1,551
Cash flow from operating activities before changes in working capital	560	487	1,670
Change in working capital	-43	-13	100
Cash flow from operating activities	517	474	1,770
Investing activities			
Acquisition of intangible assets	-86	-111	-381
Acquisition of property, plant and equipment	-123	-152	-594
Divestment of financial assets	-	-	0
Cash flow from investing activities	-210	-263	-976
Financing activities			
Share issue expenses	-	-21	-22
Repurchases of shares and warrants	-266	-	-703
Redemption of shares	-	-	-65
Dividend	-	-	-207
Borrowings	-	-	2,000
Amortisation of borrowings	-107	-7	-1,749
Payment of borrowing costs	0	-11	-21
Cash flow from financing activities	-373	-40	-768
Net change in cash and cash equivalents	-65	171	27
Cash and cash equivalents at beginning of period	743	716	716
Cash and cash equivalents at end of period	679	888	743

ADJUSTMENT FOR NON-CASH ITEMS

SEKm	JAN-MAR/Q1		JAN-DEC
	2016	2015	2015
Depreciation/amortisation	395	376	1,545
Unrealised exchange-rate differences	-1	-43	-64
Capital gain/loss on sale/disposal of non-current assets	-	-	9
Change in fair value of derivatives	0	19	39
Change in capitalised borrowing costs and discounts	7	9	71
Change in accrued interest expenses	35	71	-66
Other profit/loss items not settled with cash	3	3	16
Total	438	435	1,551

PARENT COMPANY CONDENSED FINANCIAL REPORTS

INCOME STATEMENT SEKm	JAN-MAR/Q1		JAN-DEC
	2016	2015	2015
Revenue	2	2	13
Administrative expenses	-6	-11	-40
Other operating income and expenses	0	0	6
Operating profit/loss	-5	-9	-21
Financial income and expenses ¹⁾	41	108	361
Result after financial items	36	99	340
Income taxes	0	-	4
Net result for the period	36	99	344

¹⁾ The period Jan-Dec 2015 includes write-down of shares in subsidiaries, following group contribution given.

STATEMENT OF COMPREHENSIVE INCOME SEKm	JAN-MAR/Q1		JAN-DEC
	2016	2015	2015
Net result for the period	36	99	344
Other comprehensive income	-	-	-
Comprehensive income for the period	36	99	344

BALANCE SHEET SEKm	MAR 31	MAR 31	DEC 31
	2016	2015	2015
ASSETS			
Financial assets	9 819	9,505	9,771
Deferred tax assets	25	22	25
Current assets	3	5	4
Cash and bank balances	8	88	30
TOTAL ASSETS	9 855	9,620	9,830
EQUITY AND LIABILITIES			
Restricted equity	213	208	213
Unrestricted equity	7 825	8,784	8,046
Provisions	1	0	1
Non-current liabilities to Group companies	1 201	228	942
Current liabilities to Group companies	607	374	607
Other current liabilities	7	27	21
TOTAL EQUITY AND LIABILITIES	9 855	9,620	9,830
Pledged assets and contingent liabilities			
Pledged assets	1	0	1
Contingent liabilities	4	-	4

OTHER INFORMATION

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

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 2015 Annual Report. The Group's functional currency is the Swedish krona (SEK), which is also the presentation currency of the Group. All amounts have been rounded to the nearest million (SEKm), unless otherwise stated. New or amended IFRSs that became effective on January 1, 2016 had no material effect on the consolidated financial statements. The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Condensed financial statements for the Parent Company have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. Disclosures in accordance with IAS 34.16A are incorporated in the financial statements and its accompanying notes or in other parts of this interim report.

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, changes to laws and regulations, the ability to retain and attract key employees, substitution from fixed to mobile telephony, technological advances, the ability to retain and attract customers, programme content and risks associated with suppliers. Financial risks include refinancing, liquidity, credit, interest rate, and currency risks. For a detailed description of the significant risk factors for the Group's future development, see the Group's 2015 Annual Report. The Group believes that the risk environment has not changed from the description in the 2015 Annual Report.

Changes in share capital and share repurchases

In accordance with the mandate given at the Annual General Meeting on May 21, 2015 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 in-

dependently 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. Since the Annual General Meeting May 21, 2015 a total of 13,138,897 shares have been repurchased representing 6.4% of registered shares for a total of SEK 967m, of which block trades comprised SEK 94m corresponding to 1,299,663 shares.

Change in no. of shares	Total no. of shares
No. of registered shares, March 31, 2016	206,643,376
Repurchased shares held by Com Hem	-13,138,897
Total no. of outstanding shares, March 31, 2016	193,504,479

Incentive programmes

The Group has two incentive programmes established for executive management, key employees and Board members. The programmes comprise a total of 4,949,944 issued and paid warrants.

The Group also has a long-term share-savings incentive programme ("LTIP 2015") comprising Matching and Performance shares. For more information regarding the incentive programmes see the 2015 Annual Report.

Largest shareholders

As per March 31, 2016, NorCell S.à r.l., (indirectly controlled by funds managed by BC Partners Limited) controlled 38.2% of the outstanding shares and votes. Com Hem Holding AB (publ) had a total of 1,052 shareholders.

As per March 31, 2016	No. of shares	Capital / votes, % ¹⁾
Norcell S.à r.l.	73,911,671	38.2
Adelphi Capital LLP	10,616,235	5.5
MFS Investment Management	10,440,158	5.4
Norges Bank	3,275,069	1.7
Saudi Arabian Monetary Agency	2,312,225	1.2
Lazard Funds	2,091,500	1.1
Henderson Funds	2,076,938	1.1
Abu Dhabi Investment Authority	1,548,418	0.8
Stichting Pensioenfond ABP	1,385,502	0.7
Echiquier Funds	1,385,284	0.7
Total 10 largest shareholders	109,043,000	56.4
Other shareholders	84,461,479	43.6
Total no. of outstanding shares	193,504,479	100.0

Source: Holdings/Euroclear as per March 31, 2016.

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



Events after the end of the reporting period

During the period from April 1 to April 18, 2016 an additional 630,460 shares were repurchased by the independent credit institute for an amount of SEK 46m in accordance with the European Commission's ordinance (EC) No 2273/2003. Com Hem held 13,769,357 own shares as of April 18 corresponding to 6.7% of the total number of registered shares.

On April 14, it was announced that Jonathan James has decided to resign from his position as Chief Operating Officer at Com Hem. He will leave by the end of June 2016 after two and a half years with the company.

Auditor's review

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

Com Hem's 2016 annual general meeting

Com Hem's annual general meeting (AGM) will be held on Thursday, May 19, 2016, at 16.00 CET at Lundqvist & Lindqvist Konferens, Klarabergsviadukten 90 in Stockholm. Registration at the AGM starts at 15.00 CET.

Shareholders who wish to attend the AGM must:

- be recorded in the share register maintained by Euroclear AB on Friday, May 13, 2016.
- give notice of attendance to the company at www.com-hemgroup.com/agm2016, by telephone to +46 (0)8-402 92 48 or by mail to Com Hem Holding AB (publ), c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, by no later than Friday, May 13, 2016.

For more information: www.comhemgroup.com

Dividend and repurchases of shares

The Board of Directors proposes to the AGM in May a cash dividend of SEK 1.50 per share, an increase of 50% (last year SEK 1), and a renewed mandate to repurchase up to 10% of the share capital.

Stockholm, April 19, 2016
Com Hem Holding AB (publ)

Anders Nilsson
Board member and CEO

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 April 19, 2016.

ABOUT COM HEM

- About 40% of Swedish homes, or 2.0 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

VISION:

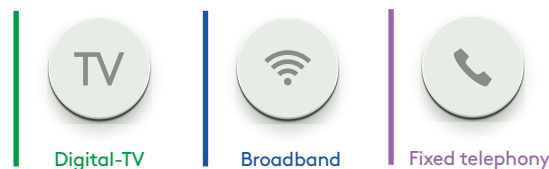
The most satisfied customers in Sweden within digital-TV, broadband and fixed telephony.

Total revenue 2015 - SEK 5bn

CONSUMER

Share of revenue 2015

78%



We sell broadband, digital-TV and fixed telephony to households within our footprint. By the end of March 2016, we delivered 1,6 million RGUs to 920,000 customers across our footprint.

BUSINESS TO BUSINESS

Share of revenue 2015

6%



We have more than 62,000 business customers. 17,000 of these customers subscribe to our services via Com Hem's vertical network.

NETWORK OPERATOR (LANDLORD AND iTUX)

Share of revenue 2015

16%

Our consumer services require that we also have a contract with a landlord or a communication operator. We have contracts with over 20,000 separate landlords and 13 communication operators. Our own communication operator iTUX serves approximately 135,000 households.

Com Hem operates and maintains one of the fastest and most technologically advanced networks in the world. It gives us a competitive advantage over other industry players as we are able to use the same platform for all our services. Com Hem takes total responsibility for the customer experience – from a leading range of services and a reliable network to a fully insourced customer service.

Our goal is to convert as many as possible of our almost 2 million households – whether via the vertical or open infrastructures – into subscribers of our digital services. In 2015, we grew our consumer customer base by 4.0% or 35,000 unique consumers.

INDUSTRY TERMS AND FINANCIAL METRICS

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.

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 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 (OFCF) Underlying EBITDA less capital expenditure.

Operating profit (EBIT) Revenue less operating expenses.

Underlying EBITDA EBITDA before disposals excluding non-recurring items and operating currency gains/losses.

Underlying EBITDA margin Underlying EBITDA as a percentage of revenue.

FINANCIAL KEY METRICS PER QUARTER

Group	2014			2015			2016	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue, SEKm	1,198	1,210	1,229	1,228	1,246	1,255	1,271	1,276
Underlying EBITDA, SEKm	566	576	576	577	583	590	595	603
Underlying EBITDA margin, %	47.2	47.6	46.9	47.0	46.8	47.0	46.8	47.3
EBITDA, SEKm	417	563	536	538	571	580	581	600
EBITDA margin, %	34.8	46.6	43.6	43.8	45.8	46.2	45.7	47.0
Operating profit (EBIT), SEKm	60	200	159	161	182	192	190	205
Operating margin (EBIT margin), %	5.0	16.5	12.9	13.1	14.6	15.3	14.9	16.0
Capex, SEKm	239	257	340	263	250	219	259	210
Capex as % of revenue	20.0	21.3	27.6	21.4	20.1	17.4	20.4	16.4
Operating free cash flow, SEKm	327	318	236	314	333	372	336	394
Equity/assets ratio, %	30	39	39	39	38	37	35	35
Net debt at end of period, SEKm	9,110	8,291	8,851	8,628	8,896	8,815	9,030	8,988
Net debt/Underlying EBITDA LTM, multiple	4,0x	3,7x	3,9x	3,8x	3,8x	3,8x	3,8x	3,8x
Earnings per share, SEK ¹⁾	-6.53	0.03	-0.79	0.19	0.20	0.25	-0.21	0.49
Equity per share, SEK ¹⁾	35	36	35	35	34	33	33	32

¹⁾ In the calculation the number and average number of shares for 2014 has been adjusted for the bonus issue in June 2014.

OTHER INFORMATION

For further information, contact:

Petra von Rohr, Director IR and Corporate Communications
 Phone: +46 734 39 06 54
 E-mail: petra.vonrohr@comhem.com

Mikael Larsson, CFO
 E-mail: mikael.larsson@comhem.com

Daniel Johansson, Head of Controlling
 E-mail: daniel.johansson@comhem.com

Financial information

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

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

Webcast teleconference

Com Hem will present the first quarter results for analysts and investors via a webcast teleconference in English on Tuesday, April 19, 2016 at 10:00 a.m CET.

To participate, use the following link: http://cloud.magneetto.com/comhem/2016_0419_Q1/view

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

Sweden: +46 8 5052 0114
 UK: +44 20 7162 0177
 US: +1 334 323 6203

Financial calendar

Annual General Meeting May 19, 2016
 Interim Report January - June 2016 July 13, 2016
 Interim Report January - Sept 2016 October 18, 2016