Q2 2012 Presentation

Investor and Analyst Conference Call

August 28, 2012

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Disclosure Regarding Forward-Looking Statements

This presentation includes forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology, including words such as “believes,” “estimates,” “anticipates,” “expects,” “intends,” “may,” “will”, “could” or “should” or, in each case, their negative or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this presentation and include statements regarding, or based upon, our Management’s current intentions, beliefs or expectations concerning, among other things, our future results of operations, financial condition, liquidity, prospects, growth, strategies, potential acquisitions, or developments in the industry in which we operate.

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Today's Presenters

Tomas Franzén
CEO

Joachim Jaginder
CFO

Agenda

Business Overview and Operational Results	Tomas Franzén
Financial Results	Joachim Jaginder
Next Generation Viewing Experience	Tomas Franzén
Questions	Tomas Franzén, Joachim Jaginder
Appendix	

Second Quarter in Brief

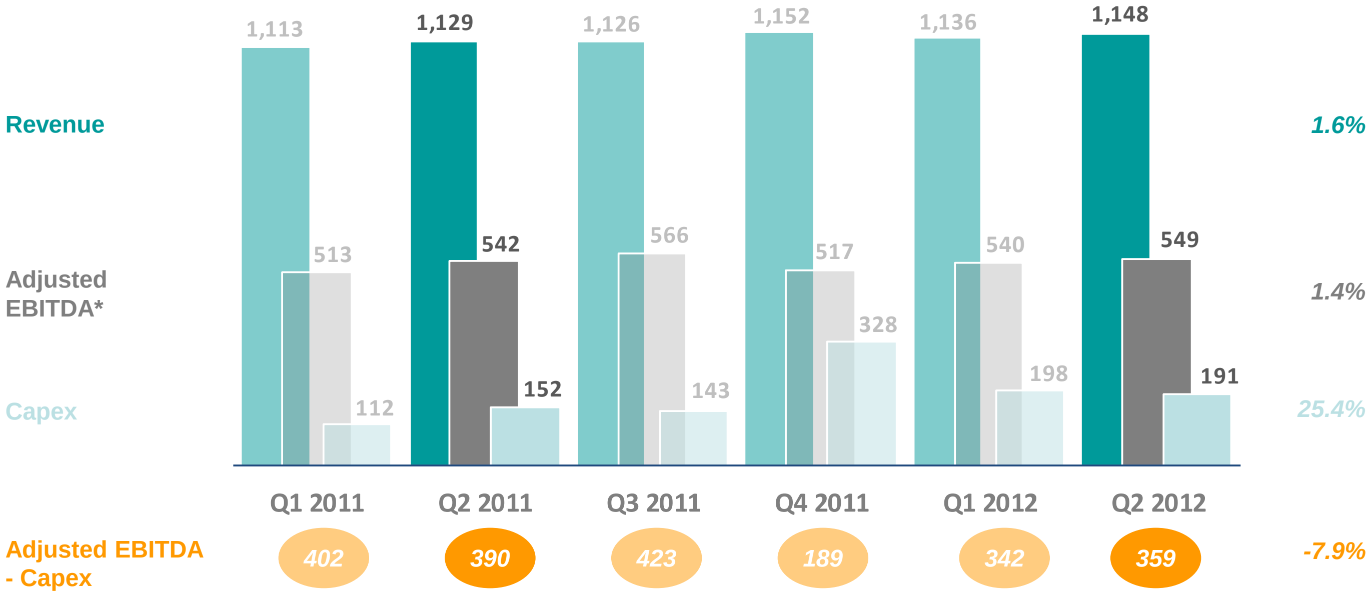
Operational highlights

Major events	- Exclusive agreement with TiVo signed June 25, 2012 - Com Hem will develop the next generation viewing experience in co-operation with TiVo
Market development	- Continued competitive market environment - Slowdown in market growth – increased focus on customer intake and retention - Com Hem maintains its market positions
Key performance	- Positive effect on DTV ARPU due to implemented price increases - 200 Mbit/s broadband now available to 1.6 million households - Fully technology agnostic – Com Hem offers LAN solutions to landlords - Successful in-sourcing of customer service – 100% in-house from Q4 2012
Focus areas going forward	- Launch of VoIP over WiFi planned to Q4 2012 - Develop the next generation viewing experience powered by TiVo – scheduled launch Q2 2013

Financial Overview Q2 2012

Development Com Hem

(*SEK*m) *Change Q2 2012 vs.Q2 2011*



Comments

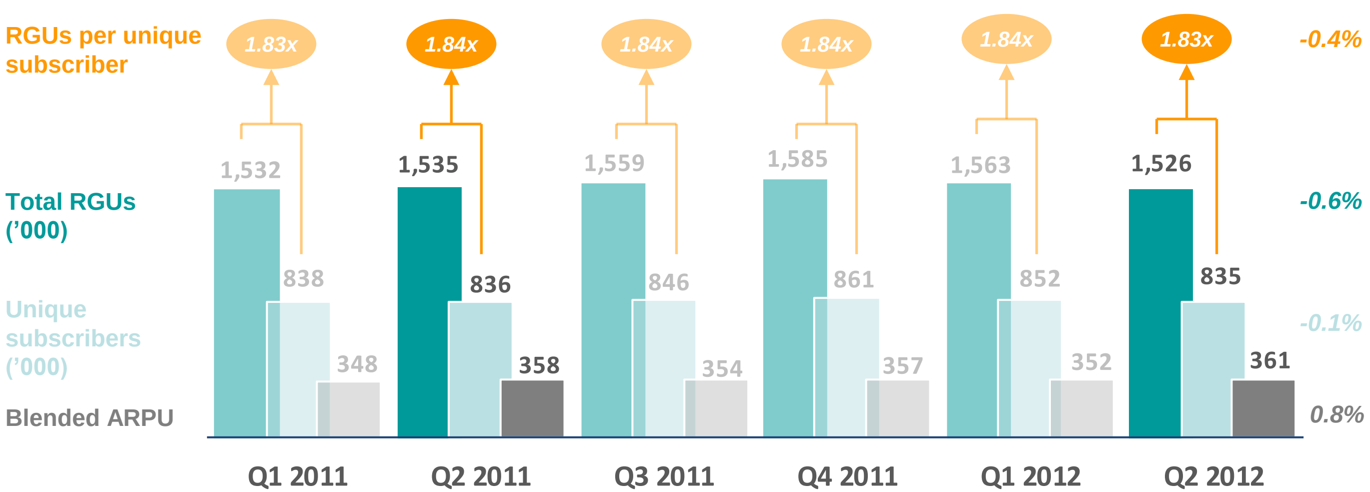
- **Revenue increase vs. Q2 2011 of 1.6% to SEK 1,148m**
  - Revenue impact from price increases offsets the revenue effect from lower customer base vs. Q1 2012
- **Adjusted EBITDA increase of 1.4% vs. Q2 2011 to SEK 549m**
- **CAPEX increase vs. Q2 2011**
  - Investments in new TV platform
  - Higher volumes of installed and upgraded households, incl. open network (iTUX)

** For a definition of Adjusted EBITDA, please refer to "Non-IFRS Financial Measures" in Appendix.*

Quarterly Development - Subscribers and RGUs

Services and ARPU per unique subscriber

Change Q2 2012 vs.Q2 2011



Triple-play subscriber base

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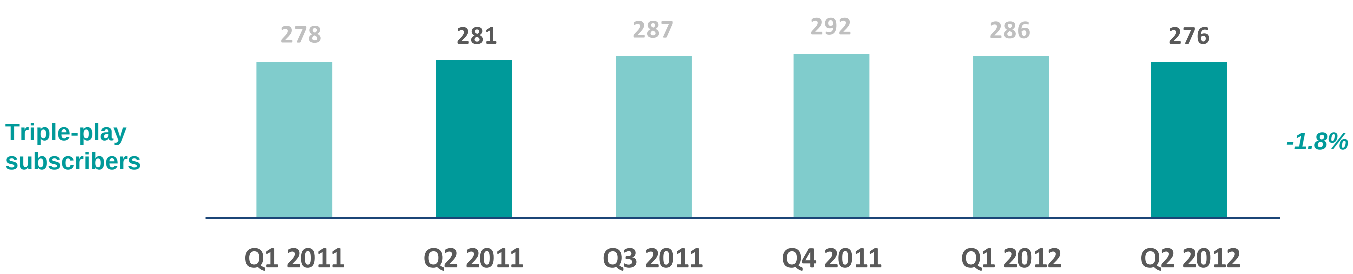
Change Q2 2012 vs.Q2 2011



Comments

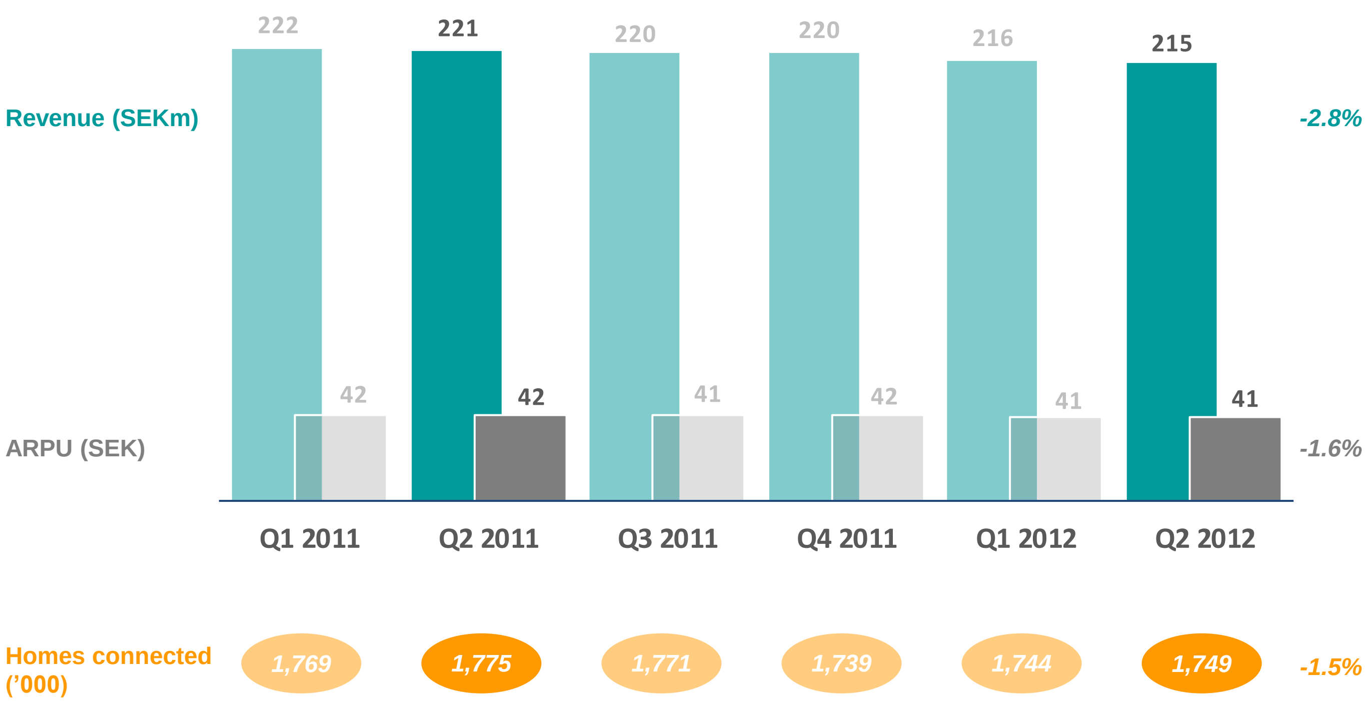
- **Decrease in number of unique subscribers, RGUs, and RGUs per unique subscriber**
- **Increase in blended ARPU**
- **The decrease in subscriber volumes is mainly due to**
  - Mature market and competitive market environment
  - Price increases in H1 2012
- **However, Com Hem maintains its market positions**

- **Improve customer experience by**
  - Next generation TV offering
  - High-speed broadband offering
  - Repackage the telephony offering
- **Leverage on market position through up-sell and strategic pricing management to increase subscriber base**

Quarterly Development - Landlord

Revenue and ARPU development

Change Q2 2012 vs.Q2 2011



Comments

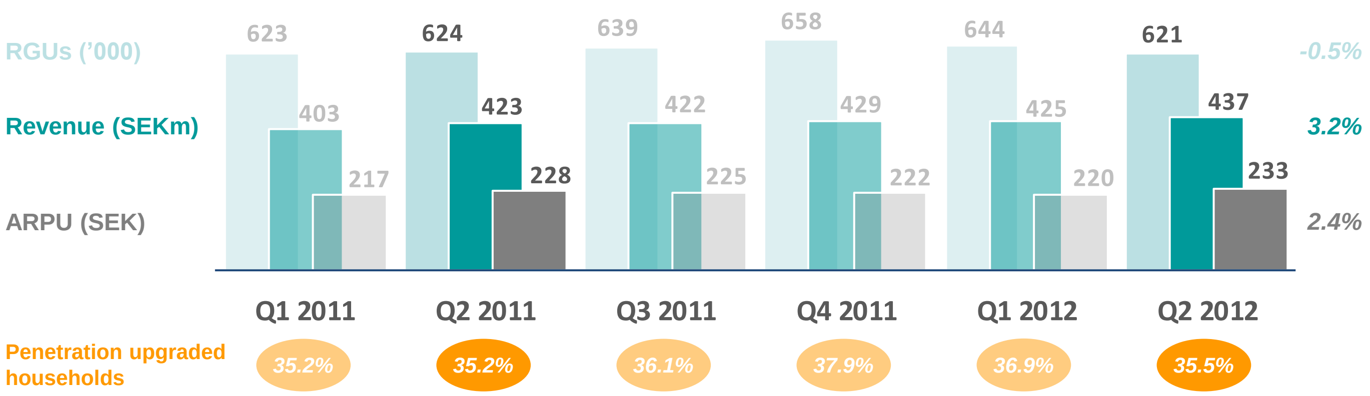
- **Decrease in homes connected vs. Q2 2011**
  - Disconnection of large landlord in December 2011 consisting of 25,000 households (contract terminated in 2008)
- **ARPU decline vs. Q2 2011**
  - Contract re-negotiations
  - Partly offset by price index increases in 2012

- **Expand footprint**
  - New sales through competitive Coax and LAN offerings
  - Open network (iTUX)

Quarterly Development - Pay TV

Revenue, RGU and ARPU development

Change Q2 2012 vs.Q2 2011



On demand

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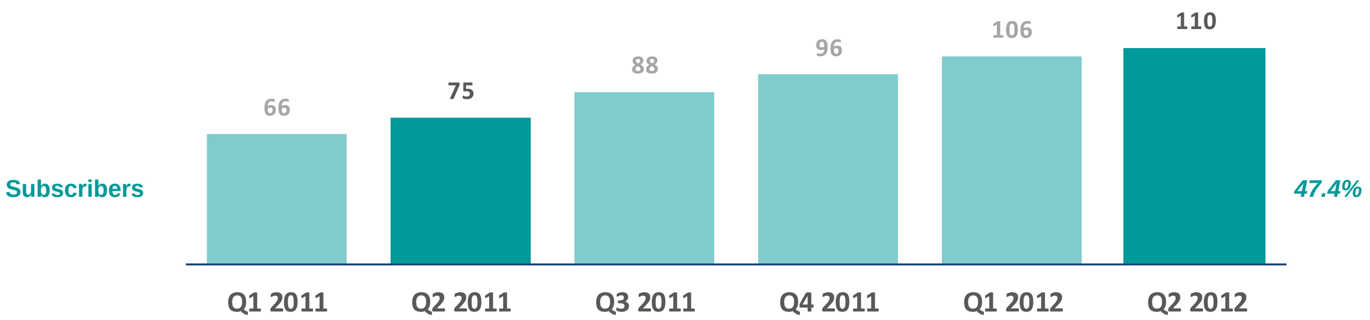
Change Q2 2012 vs.Q2 2011



Comments

- **Revenue and ARPU growth due to price increases**
- **DTV RGUs continue to decrease during Q2 2012**
  - Generally weak market, especially in consumer electronics
  - Price increases in H1 2012
  - Current DTV offering challenging
  - Large part of DTV churn returns to ATV

- **Embrace the shifting consumer viewing preferences**
- **Drive the digitalisation through the development and launch of the next generation viewing experience, powered by TiVo**
- **Migration of customers from ATV to DTV remains an important value driver**

Quarterly Development - High-Speed Broadband

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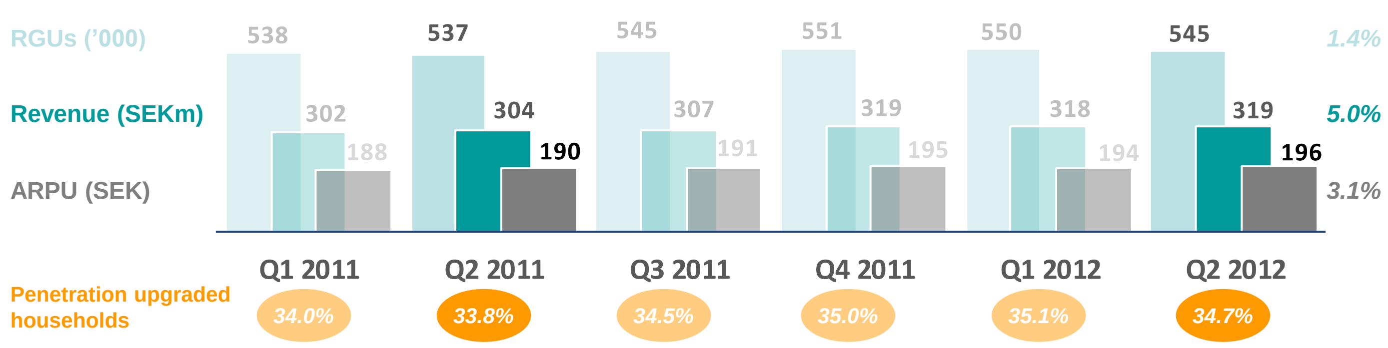
Revenue, RGU and ARPU development

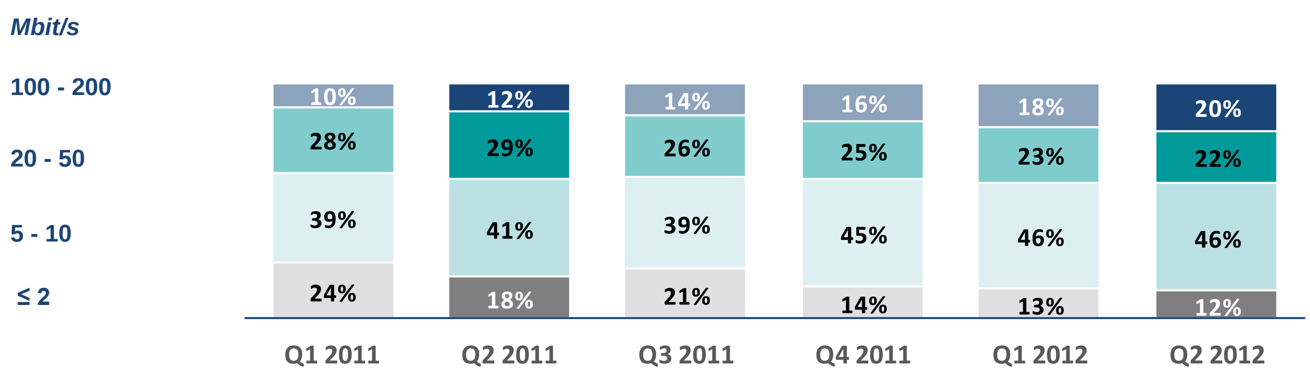
Change Q2 2012 vs.Q2 2011



Comments

- RGU, revenue and ARPU increase vs. Q2 2011
- RGU decrease vs. Q1 2012
  - Intense market competition, competitors target the market with aggressive offers
- Mature market where Com Hem maintains a stable market position
- 20% of broadband customer base have 100 – 200 Mbit/s

Increasing demand for higher broadband speeds

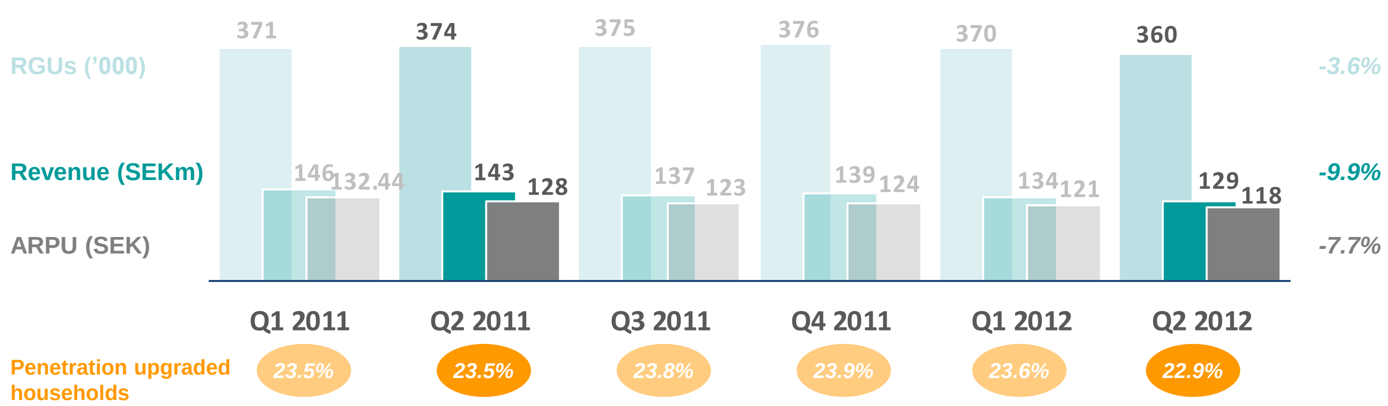


- Leverage on the demand for higher broadband speeds
- Increase market share through strategic pricing management
- Develop competitive LAN offerings

Quarterly Development - Fixed-Telephony

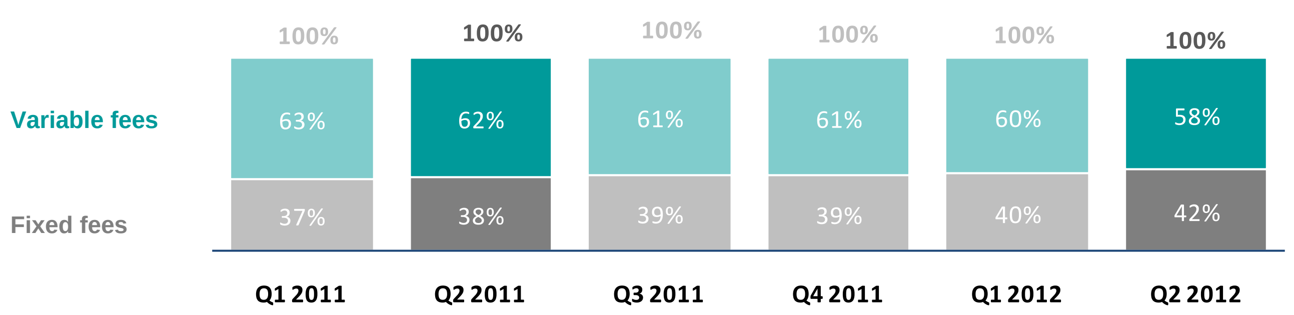
Revenue, RGUs and ARPU development

Change Q2 2012 vs.Q2 2011



Decreasing variable fees

(*Percentage*)



Comments

- Lower usage of fixed line telephony – switch from fixed to mobile services
- Continued RGU, revenue and ARPU decline as a result of market development

- Leverage on existing customer base
- Planned launch of VoIP over WiFi during Q4 2012
- Repackage telephony offering to meet changing consumer preferences

Agenda

Business Overview and Operational Results	Tomas Franzén
Financial Results	**Joachim Jaginder**
Next Generation Viewing Experience	Tomas Franzén
Questions	Tomas Franzén, Joachim Jaginder
Appendix	

Financial Overview

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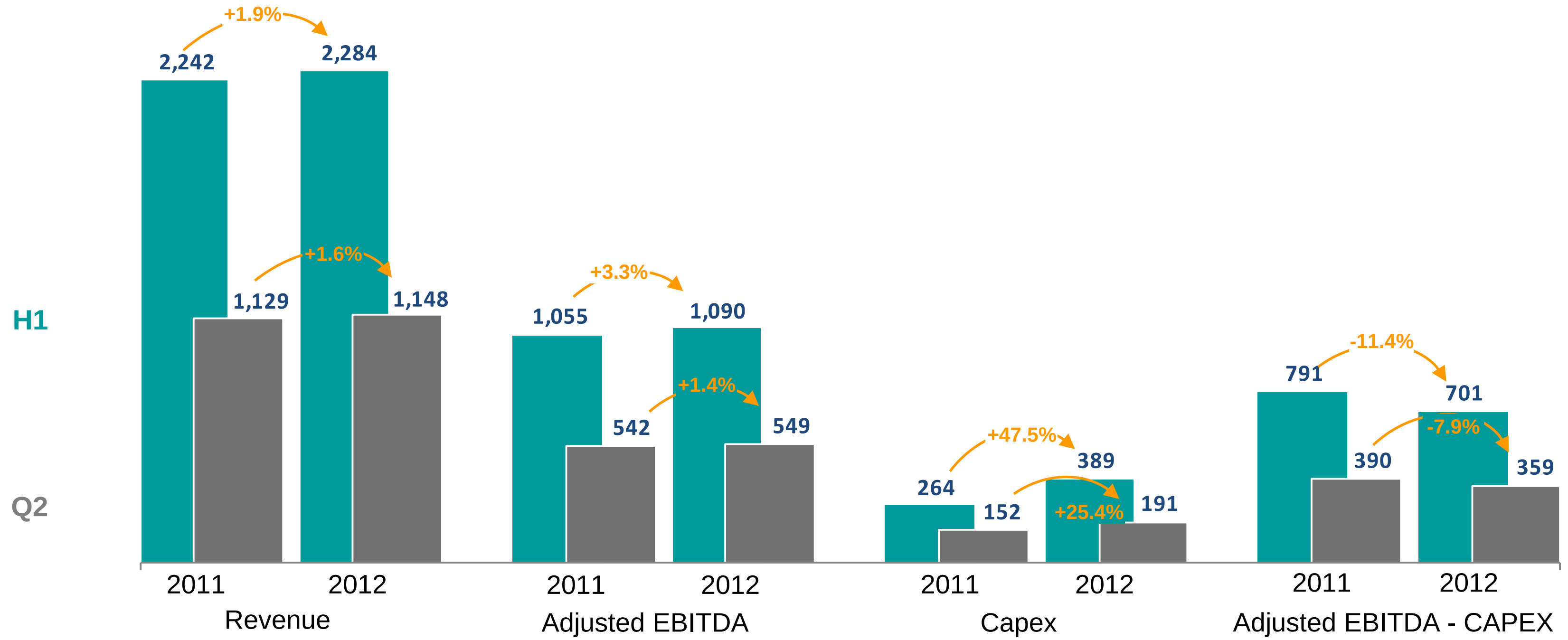
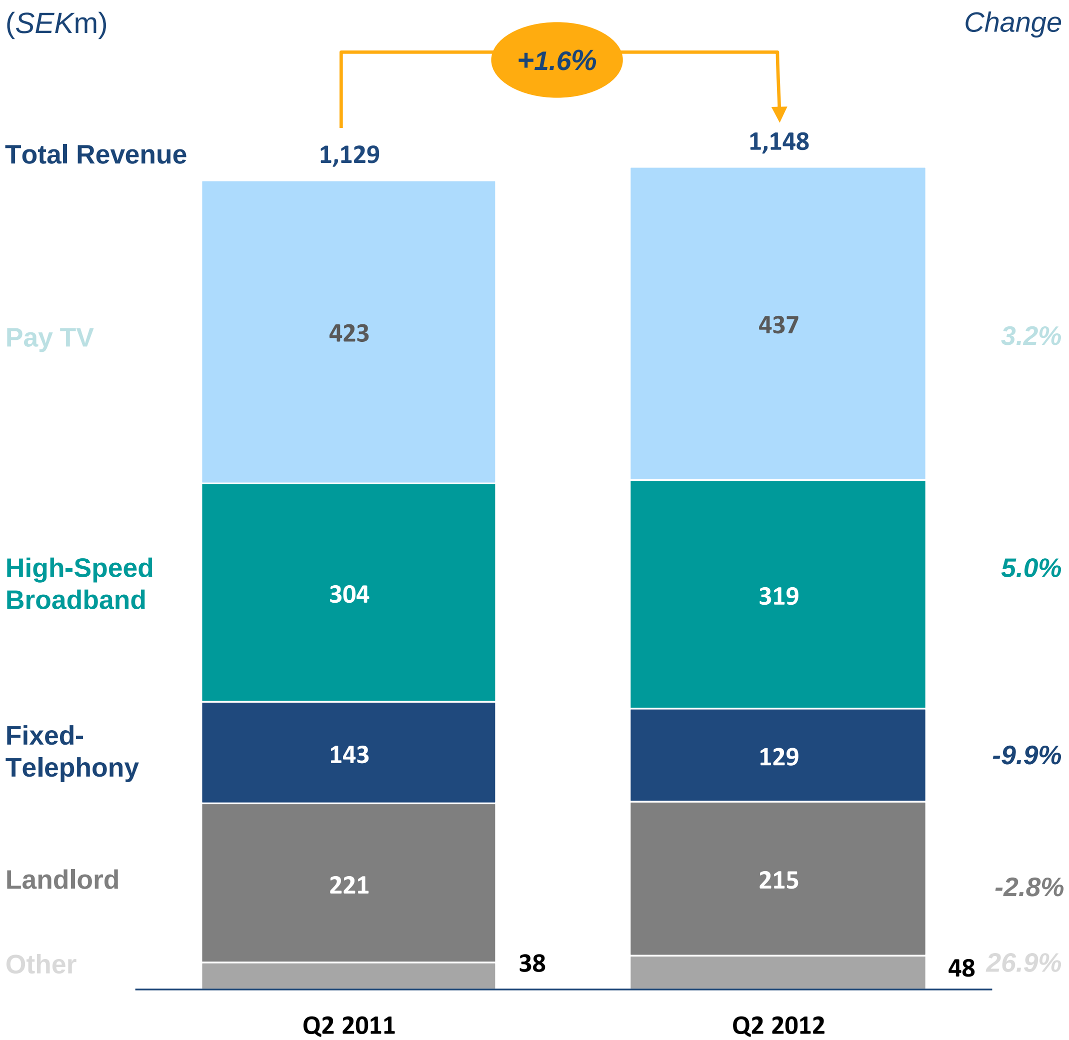


Financial highlights – second quarter	
Revenue	– Revenue was SEK 1,148m, an increase of 1.6% compared to Q2 2011
Adjusted EBITDA	– Adjusted EBITDA was SEK 549m, an increase of 1.4% compared to Q2 2011
Capex	– Capex was SEK 191m, an increase compared to Q2 2011, mainly due to investments in new TV platform and higher volumes of installed and upgraded households
Adjusted EBITDA – Capex	– Adjusted EBITDA-capex was SEK 359m, a decrease due to higher capex spending in Q2 2012 vs. Q2 2011

Revenue Growth

Revenue development



Q2 2012 vs. Q2 2011

Pay TV
- Decrease in RGUs of 3,000 to 621,000
- ARPU increase of SEK 5 mainly due to price increases implemented during H1 2012

High-Speed Broadband
- Growth in RGUs of 8,000 to 545,000
- ARPU increase of SEK 6 due to shift to higher broadband speeds

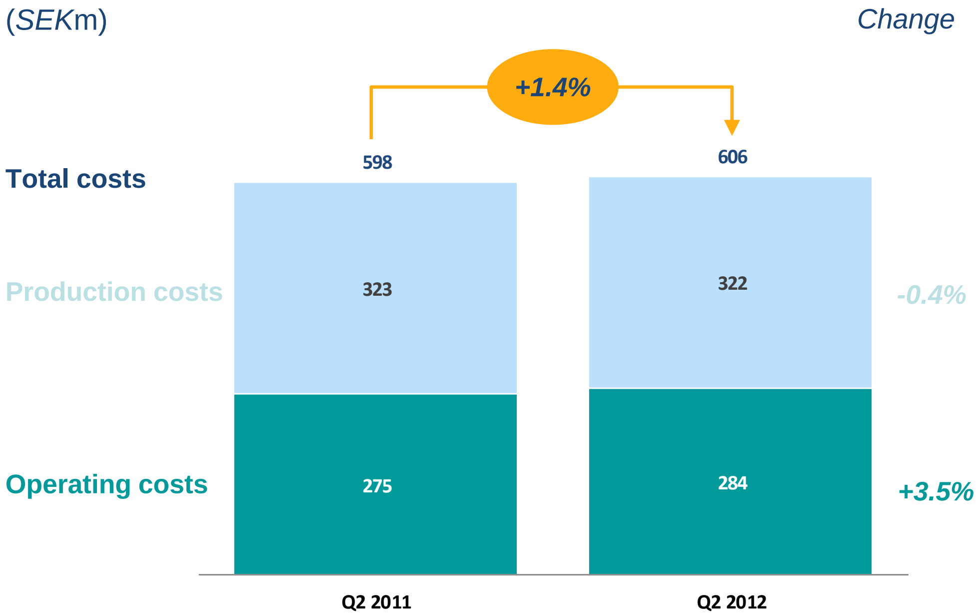
Fixed-Telephony
- Decrease in RGUs of 14,000 to 360,000
- ARPU decline of SEK 10 as a result of lower usage of fixed line telephony services

Landlord
- ARPU decrease due to price re-negotiations, partly offset by price index increases

Other
- Growth mainly due to increased revenue in open network (iTUX) and increased invoicing fee

Stable Cost Base

Production and operating costs



SEKm	Q2 2011	Q2 2012	Deviation	Change %
Content	(177)	(169)	(8)	
Fibre & ducting	(61)	(64)	3	
Other production costs	(85)	(88)	4	
Production Costs	**(323)**	**(322)**	**(1)**	**-0.4%**
Marketing & sales costs	(67)	(61)	(6)	
Staff*	(153)	(166)	14	
IT costs and other operating costs	(56)	(57)	2	
Operating Costs	**(275)**	**(284)**	**10**	**3.5%**
Total Reported Costs	**(598)**	**(606)**	**8**	**1.4%**
Retail subsidies costs	10	8	2	
Adjusted Reported Cost	**(588)**	**(598)**	**11**	**1.8%**

** Includes outsourcing, consultancy and employee costs.*

Comments

Total reported costs increased by SEK 8m, or 1.4%

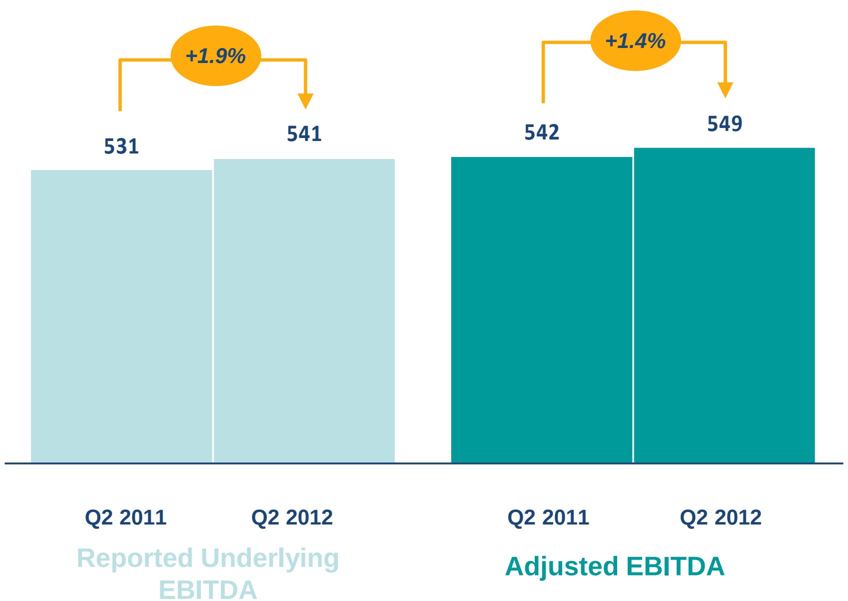
Production costs
- In line with Q2 2011 despite higher revenues
- Content costs decrease vs. Q2 2011 due to re-negotiation of content agreements
- Significant portion of cost base is fixed (e.g. network maintenance and surveillance)

Operating costs
- Marketing & Sales costs decrease due to timing differences and lower sales volumes
- Higher costs for staff in the short-run, due to in-sourcing of customer service
- However, over time improved cost control, quality enhancement and sales performance are expected to be achieved through in-sourcing

EBITDA Growth

EBITDA

(*SEK*m)



Revenue & EBITDA

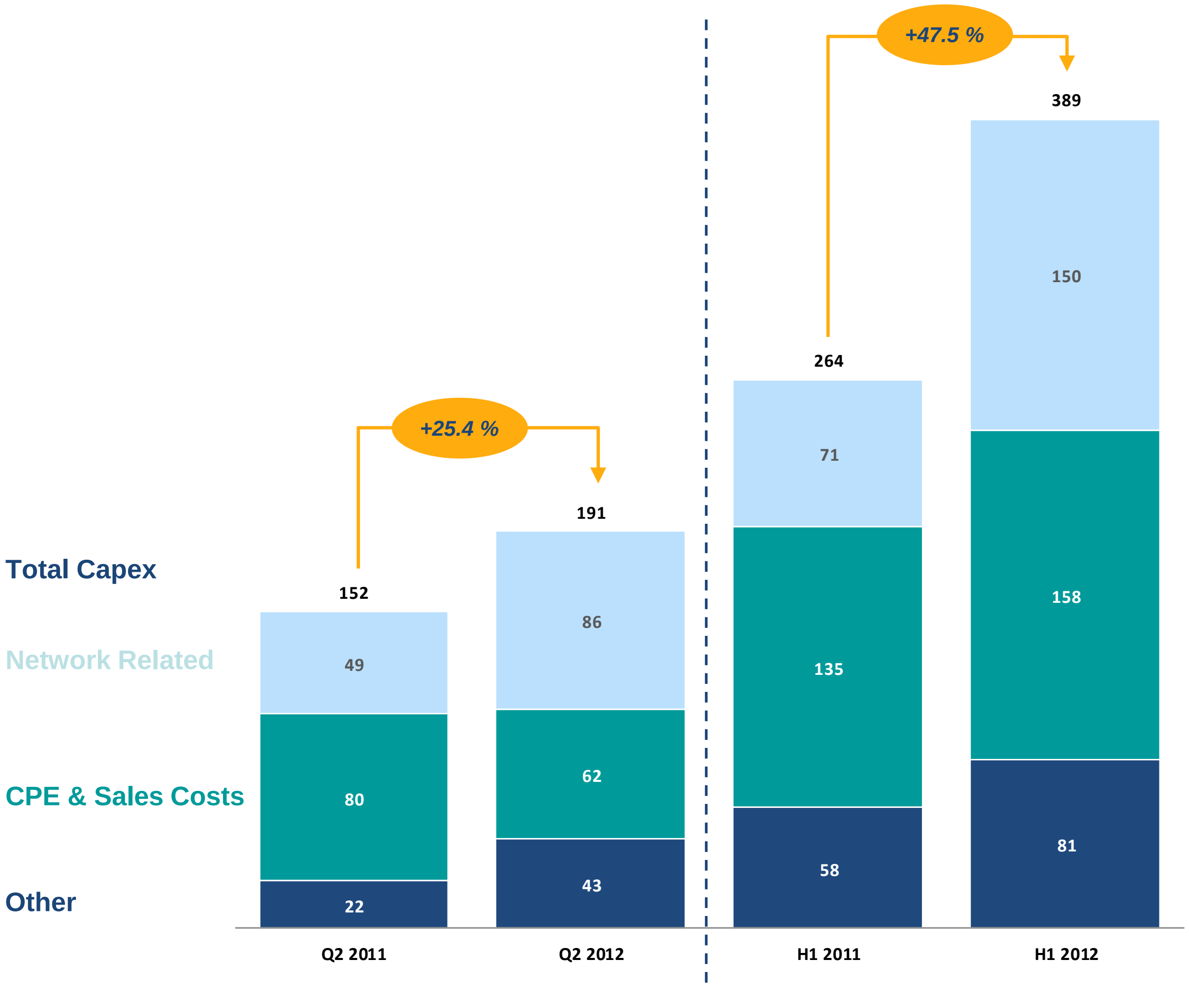
SEKm	Q2 2011	Q2 2012
Total Revenue	**1,129**	**1,148**
Total costs	(598)	(606)
Reported Underlying EBITDA*	**531**	**541**
Reported Underlying EBITDA margin	47.0%	47.2%
Expensed retail subsidies**	10	8
Adjusted EBITDA*	**542**	**549**
Adjusted EBITDA margin	48.0%	47.9%

* *For a definition of Reported Underlying EBITDA and Adjusted EBITDA , please refer to "Non-IFRS Financial Measures" in Appendix.*
** *From January 2011, subsidies paid to retailers are capitalized in accordance with IAS 38, earlier distributed as a cost over three years.*

Capital Expenditures

Capex development

(*SEK*m)



Comments Q2 2012 vs. Q2 2011

Total capex increase in Q2 2012 vs. Q2 2011 due to higher network capex and other capex. Partly offset by timing differences in CPE & sales costs capex

Network Related and Quality Enhancement

- Higher volumes of installed and upgraded households including open networks (iTUX) in Q2 2012
- Higher development capex for the new TV platform

Customer Premises Equipment & Sales Cost

- Decrease explained by timing differencies in purchase of CPEs
- Decrease also due to lower capitalization of sales cost in Q2 2012 due to lower sales volumes

Other

- Other capex increase primarily due to timing differences and by the establishment of the new call center site in Örnsköldsvik

Cash Flow Generation

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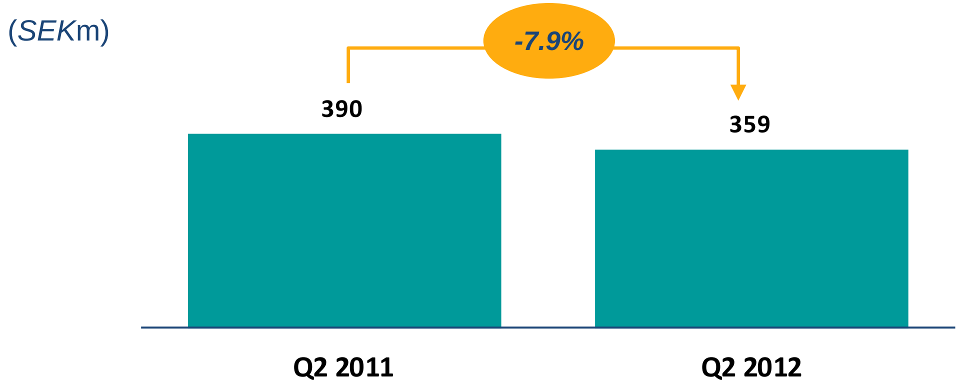
Adjusted EBITDA – Capex

SEKm	Q2 2011	Q2 2012
Adjusted EBITDA*	**542**	**549**
Gross capex	(152)	(191)
Adjusted EBITDA - Capex	**390**	**359**

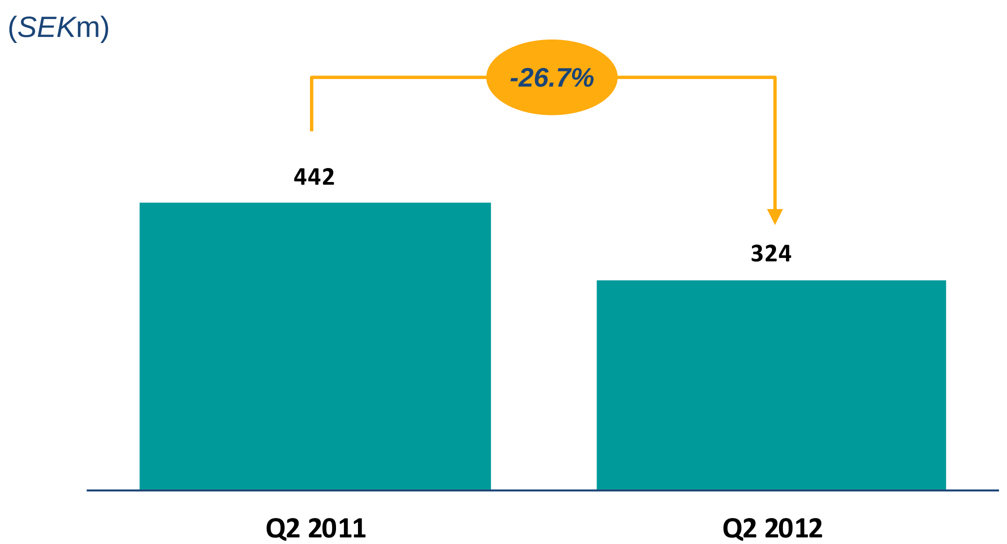
Adjusted EBITDA – Capex



Operating free cash flow

SEKm	Q2 2011	Q2 2012
Adjusted EBITDA*	**542**	**549**
Expensed retail subsidies**	(10)	(8)
Reported Underlying EBITDA*	**531**	**541**
One-off items	(11)	(11)
Adjustment for items not included in cash flow***	0	10
Change in net working capital	27	(25)
Gross capex	(152)	(191)
Drawdown leasing facility	47	-
Operating free cash flow	**442**	**324**

Operating free cash flow



* *For a definition of Reported Underlying EBITDA and Adjusted EBITDA, please refer to "Non-IFRS Financial Measures" in Appendix.*
** *From January 2011, subsidies paid to retailers are capitalized in accordance with IAS 38, earlier distributed as a cost over three years.*
*** *Includes change in pension provisions, change in other provisions, disposals and other items not included in the cash flow.*

Financial Position as of June 30, 2012

Cash net debt table

As of June 30, 2012	SEKm
Term Loan A (SEK)	1,508
Term Loan B (SEK/EUR)*	3,887
Bank Debt	**5,396**
Senior Secured Notes (SEK)	3,492
Senior Notes (EUR)*	2,524
Bank & Notes Debt	**11,412**
Cash and Cash Equivalents	(634)
Total Cash Net Debt	**10,778**

Leverage**

As of June 30, 2012	
Leverage Bank Debt	**2.5x**
Leverage Bank & Notes Debt	**5.2x**
Leverage Total Cash Net Debt	**4.9x**

Liquidity position

Available funds as of June 30, 2012	SEKm
Capex Facility	750
Revolving Facility	446
Committed and Undrawn Amount	**1,196**
Cash and Cash Equivalents	634
Cash Balance & Available Funds	**1,830**

** The exchange rate 8,79 is used to convert EUR debt to SEK debt (as of June 30, 2012).*
*** Debt/Last two quarters annualized Adjusted EBITDA.*

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Next Generation Viewing Experience

Planned offering

Why the new co-operation with Tivo

- Embrace the shifting consumer viewing preferences and be fully device agnostic
- Offer an intuitive viewing experience that is personal, guiding and inspirational
- Drive the digitalisation of ATV customers and high-speed broadband demand within the Com Hem footprint

Agreement with TiVo signed in June, meaning

- Planned market launch in Q2 2013 to approximately 1.6 million households[1]
- First time a TiVo box is offered to IPTV customers
- Com Hem has five years of exclusivity in the Swedish market

Access via five different devices

- Set-top-boxes (Cable TV)
- Set-top-boxes (IPTV)
- PC and Mac
- Tablets
- Smart phones

New features and content

- One-stop-shop
- OTT content and apps
- Universal search and smart recommendations

[1] Upgraded households within Com Hem footprint.

Next Generation Viewing Experience

Financial impact

Tivo related capex

- During 2012, TiVo related investments are primarily non-recurring engineering (”NRE”) capex, integration capex and internal development capex
- During 2013 and onwards, TiVo related capex will mainly be volume driven CPE and capitalised sales costs, as a result of new customer intake and migration of existing DTV customers

Financial impact

- No additional funding needs expected
- Ability to draw SEK 750 million from the Capex Facility, within current Senior Facility Agreement
- Sufficient cash flow to meet debt service
- Deleveraging still expected over time

Questions

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Revenue to Adjusted EBITDA

Second Quarter				
SEKm	Q2 2011	Q2 2012	Deviation	Change %
Pay Television	423	437	14	
High-Speed Broadband	304	319	15	
Fixed-Telephony	143	129	(14)	
Landlord	221	215	(6)	
Other	38	48	10	
Revenue	**1,129**	**1,148**	**18**	**1.6%**
Content	(177)	(169)	(8)	
Fibre and ducting	(61)	(64)	3	
Other production costs	(85)	(88)	4	
Production costs	**(323)**	**(322)**	**1**	**-0.4%**
Gross Profit	**806**	**826**	**20**	**2.4%**
Gross Profit Margin	**71.4%**	**71.9%**	**0.6%**	
Marketing & sales costs	(67)	(61)	(6)	
Staff	(153)	(166)	14	
Other operating costs	(56)	(57)	2	
Operating costs	**(275)**	**(284)**	**10**	**-3.5%**
Reported Underlying EBITDA*	**531**	**541**	**10**	**1.9%**
Reported Underlying EBITDA Margin	**47.0%**	**47.2%**	**0.1%**	
Expensed retail subsidies	10	8	(2)	
Adjusted EBITDA*	**542**	**549**	**8**	**1.4%**
Adjusted EBITDA Margin	**48.0%**	**47.9%**	**0.0%**	

6 - Months				
SEKm	H1 2011	H1 2012	Deviation	Change %
Pay Television	827	862	35	
High-Speed Broadband	606	637	31	
Fixed-Telephony	289	262	(27)	
Landlord	443	431	(12)	
Other	77	92	14	
Revenue	**2,242**	**2,284**	**42**	**1.9%**
Content	(351)	(342)	(9)	
Fibre and ducting	(123)	(128)	6	
Other production costs	(177)	(182)	5	
Production costs	**(651)**	**(652)**	**(1)**	**0.2%**
Gross Profit	**1,591**	**1,632**	**41**	**2.6%**
Gross Profit Margin	**71.0%**	**71.5%**	**0.5%**	
Marketing & sales costs	(133)	(117)	(15)	
Staff	(310)	(325)	16	
Other operating costs	(115)	(116)	1	
Operating costs	**(557)**	**(559)**	**2**	**-0.3%**
Reported Underlying EBITDA*	**1,034**	**1,073**	**39**	**3.8%**
Reported Underlying EBITDA Margin	**46.1%**	**47.0%**	**0.9%**	
Expensed retail subsidies	21	17	(4)	
Adjusted EBITDA*	**1,055**	**1,090**	**35**	**3.3%**
Adjusted EBITDA Margin	**47.1%**	**47.7%**	**0.8%**	

* *For a definition of Reported Underlying EBITDA and Adjusted EBITDA, please refer to ”Non-IFRS Financial Measures” in Appendix.*

Cash Flow after Debt Service

Second Quarter

SEKm	Q2 2011	Q2 2012	Deviation	Change %
Adjusted EBITDA*	**542**	**549**	**8**	**1.4%**
Expensed retail subsidies**	(10)	(8)	2	
Reported Underlying EBITDA*	**531**	**541**	**10**	**1.9%**
One-off items	(11)	(11)	0	
Adjustment for items not included in cash flow***	0	10	10	
Change in net working capital	27	(25)	(52)	
Gross capex	(152)	(191)	(39)	
Drawdown leasing facility	47	-	n/a	
Operating free cash flow	**442**	**324**	**(118)**	**-26.7%**
Interest payments on borrowings	n/a	(298)		
Amortization of borrowings	n/a	(33)		
Cash flow after debt service****	**n/a**	**(7)**		

6 - Months

SEKm	H1 2011	H1 2012	Deviation	Change %
Adjusted EBITDA*	**1,055**	**1,090**	**35**	**3.3%**
Expensed retail subsidies**	(21)	(17)	4	
Reported Underlying EBITDA*	**1,034**	**1,073**	**39**	**3.7%**
One-off items	(22)	(16)		
Adjustment for items not included in cash flow***	1	17		
Change in net working capital	3	(197)		
Gross capex	(264)	(389)		
Drawdown leasing facility	58	15		
Operating free cash flow	**810**	**503**	**(306)**	**-37.9%**
Interest payments on borrowings	n/a	(402)		
Amortization of borrowings	n/a	(469)		
Cash flow after debt service****	**n/a**	**(368)**		

**	For a definition of Reported Underlying EBITDA and Adjusted EBITDA, please refer to ”Non-IFRS Financial Measures” in Appendix.*
***	From January 2011, subsidies paid to retailers are capitalized in accordance with IAS 38, earlier distributed as a cost over three years.*
****	Includes change in pension provisions, change in other provisions and other items not included in the cash flow.*
*****	As a consequence of the Acquisition in September 2011, and the following refinancing, it is not meaningful to present comparative figures of interest payments or amortization on borrowings for either the second quarter 2011 or the first six months 2011, since data is not comparable between periods.*

Balance Sheet

Assets	As of Jun 30, 2012	Dec 30, 2011
(SEKm)		
Non-current assets		
Intangible assets	16,718	16,993
Property, plant and equipment	1,391	1,460
Other non-current assets	0	-
Total non-current assets	**18,109**	**18,453**
Current assets		
Current assets	266	292
Cash and cash equivalents	634	1,044
Total assets	**19,010**	**19,789**

Equity & Liabilities	As of Jun 30, 2012	Dec 30, 2011
(SEKm)		
Total Equity	**343**	**681**
Non-current liabilities		
Non-current interest bearing liabilities	15,384	15,369
Other non-current liabilities	1,367	1,416
Total non-current liabilities	**16,751**	**16,786**
Non-current liabilities		
Current interest bearing liabilities	254	551
Current liabilities	1,661	1,772
Total non-current liabilities	**1,916**	**2,322**
Total equity & liabilities	**19,010**	**19,789**

Capitalization Table

	Capitalization table as of December 31, 2011*				Capitalization table as of June 30, 2012**					
	SEKm	EURm	% of total Cap.	x L2QA EBITDA	SEKm	EURm	% of total Cap.	x L2QA EBITDA	Maturity	Margin/Coupon
Cash	(1,044)	(116)	(6.3%)	(0.5)x	(634)	(72)	(3.9%)	(0.3)x		
Senior TLA (SEK)	1,592	177	9.5%	0.7x	1,508	172	9.3%	0.7x	6 Years	4.25%
Senior TLB (SEK/EUR)	4,161	464	24.9%	1.9x	3,887	442	24.0%	1.8x	6.5 Years	5.00%
Senior Secured Notes (SEK)	3,492	389	20.9%	1.6x	3,492	397	21.5%	1.6x	7 Years	9.25%
Net Senior Secured Debt	**8,201**	**914**	**49.2%**	**3.8x**	**8,254**	**939**	**50.9%**	**3.8x**		
Senior Notes (EUR)	2,575	287	15.4%	1.2x	2,524	287	15.6%	1.2x	8 Years	10.75%
Net Cash Debt	**10,776**	**1,201**	**64.6%**	**5.0x**	**10,778**	**1,226**	**66.4%**	**4.9x**		
Shareholder Loans	1,387	155	8.3%	0.6x	1,496	170	9.2%	0.7x	8 Years	15.00%
Shareholders' Equity	4,393	490	26.3%	2.0x	4,450	506	27.4%	2.0x		
Total Capitalization	**16,556**	**1,846**	**100.0%**	**7.6x**	**16,723**	**1,902**	**100.0%**	**7.7x**		
Applicable EBITDA***				**2,165**				**2,180**		
Revolving Credit Facility (SEK)	486	54			446	51			6 Years	4.25%
Capex Facility (SEK)	750	81			750	85			6 Years	4.25%

* *The exchange rate 8.97 is used to convert EUR debt to SEK debt.*
** *The exchange rate 8.79 is used to convert EUR debt to SEK debt.*
*** *Annualized Adjusted EBITDA (based on Adjusted EBITDA for the last two quarters).*

Reconciliation of Pro Forma Adjustments due to Changed Accounting Principles

com hem

Recognized in Balance Sheet	EoP 2010	Change Q1 2011	Change Q2 2011	Change Q3 2011	Change Q4 2011	EoP 2011	Change Q1 2012	Change Q2 2012	Change Q3 2012	Change Q4 2012	EoP 2012
Prepaid cost retail subsidies for 2008	5	(2)	(2)	(1)	(0)	-	-	-	-	-	-
Prepaid cost retail subsidies for 2009	21	(3)	(3)	(3)	(3)	8	(3)	(2)	(1)	(1)	-
Prepaid cost retail subsidies for 2010	52	(5)	(5)	(5)	(5)	30	(5)	(5)	(5)	(5)	9
Change in prepaid cost retail subsidies	**78**	**(10)**	**(10)**	**(10)**	**(9)**	**38**	**(9)**	**(8)**	**(7)**	**(6)**	**9**

10 + 10 + 10 + 9 = 40

Expensed in Q1 2011
Expensed in Q2 2011
Expensed in Q3 2011
Expensed in Q4 2011

9 + 8 + 7 + 6 = 29

Expensed in Q1 2012
Expensed in Q2 2012
To be expensed in Q3 2012
To be expensed in Q4 2012

SEKm	Q2 2011	Q2 2012
Reported Underlying EBITDA	**531**	**541**
Retail subsidies costs*		
Costs related to subsidies paid in 2008	2	-
Costs related to subsidies paid in 2009	3	2
Costs related to subsidies paid in 2010	5	5
Retail subsidies costs	**10**	**8**
Adjusted EBITDA	**542**	**549**

* *From January 2011, subsidies paid to retailers are capitalized in accordance with IAS 38, earlier distributed as cost over three years.*

Presentation of Consolidated Financial Data

Presentation of Financial Information

This Presentation presents the following financial information, which has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

- The unaudited condensed consolidated financial statements of the NorCell Group as of and for the six months ended June 30, 2012, and as of and for the three months ended June 30, 2012.
- The selected unaudited pro forma condensed consolidated financial data of the NCAC Group as of and for the three months ended June 30, 2011 , and as of and for the three months ended June 30, 2012, which has been derived from the unaudited management accounts.
- The selected unaudited pro forma consolidated financial data as of and for the year ended December 31, 2011, which has been derived from the unaudited management accounts for the NCAC Group for the period January 1, 2011 to September 28, 2011, and from the audited consolidated financial statements of the NorCell Group for the period July 12, 2011 to December 31, 2011. Between July 12, 2011 and September 28, 2011, the NorCell companies were dormant holding companies.

Pro Forma Calculations

The selected unaudited pro forma financial data for 2011 has been calculated using the current amortization on the current customer relations value that arose in the connection with the Acquisition, as if the Acquisition was consummated as of January 1, 2011, as described in the Annual Report for 2011.

Non-IFRS Financial Measures

The following financial measures included in this presentation are not measures of financial performance or liquidity under IFRS:

- Reported Underlying EBITDA is defined as earnings before income taxes, net financial items, write-downs, depreciation and amortization, non-recurring costs and operating currency gain/(loss). Depreciation and amortization are recorded under costs of sales and services (depreciation and amortization on fixed tangible and intangible assets related to production), selling expenses (depreciation and amortization on fixed tangible and intangible assets related to the sales function) and administrative expenses (depreciation and amortization on fixed tangible and intangible assets related to administrative functions).
- Adjusted EBITDA is defined as Reported Underlying EBITDA less expenses associated with retail subsidies, which consist of subsidies paid to retailers for the sale of set-top boxes ("STBs") that can be associated with individual subscriber agreements. Due to the enhancement of Com Hem's support systems, the Group has of January 1, 2011, reported the portion of retail subsidies paid in cash that can be associated with individual subscriber agreements as fixed intangible assets in accordance with IFRS. Prior to this date, these expenses were accounted for as prepaid expenses and expensed over a period of 36 months. Expenses for retail subsidies in the three months ended June 30, 2012 relate to retail subsidies paid in prior periods.
- Reported Underlying EBITDA margin and Adjusted EBITDA margin are calculated as Reported Underlying EBITDA and Adjusted EBITDA, respectively, as a percentage of revenue.
- Operating free cash flow is calculated as Reported Underlying EBITDA less non-recurring costs, plus currency loss/gain, plus total adjustments for items not included in cash flow, less change in net working capital, less capital expenditures in fixed tangible and intangible assets not funded by leasing, plus sales of property, plant and equipment, less acquisition of subsidiaries and related payments.
- Operating Free Cash Flow margin is calculated as Operating Free Cash Flow as a percentage of revenue.
- Net working capital consists of inventories, trade receivables, prepaid expenses and accrued income, plus other receivables, less trade payables, other current liabilities, as well as accrued expenses and deferred income. Financial items included in these line items in the balance sheet are excluded from the net working capital calculation.
- Adjusted depreciation and amortization consists of actual depreciation and amortization of cost of sales and services, selling expenses and administrative expenses recorded in the income statement in each of the periods, less actual amortization of the former value on customer relations recognized in selling expenses in the respective period, plus pro forma three months amortization on current customer relation values that arose in connection with the Acquisition.

The non-IFRS financial measures presented herein are not recognized measures of financial performance under IFRS but measures used by Management to monitor the underlying performance of the business and operations. In particular, the non-IFRS financial measures should not be viewed as substitutes for profit/(loss) for the period, profit/(loss) after financial items, operating income, cash and cash equivalents at period end or other income statement or cash flow items computed in accordance with IFRS. The non-IFRS financial measures do not necessarily indicate whether cash flow will be sufficient or available to meet the Group's cash requirements and may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of future results.

These non-IFRS measures have been presented in this Presentation because they are considered to be important supplemental measures of Com Hem's performance, and Management believes that they are widely used by investors comparing performance between companies. Since not all companies compute these or other non-IFRS financial measures in the same way, the manner in which Management has chosen to compute the non-IFRS financial measures presented herein may not be comparable with similarly defined terms used by other companies.