Q1 2012 Presentation

Investor and Analyst Conference Call

May 29, 2012

Disclaimer

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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Unless otherwise specified, forward-looking statements herein speak only as of the date of this presentation. We undertake no obligation, and do not intend, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above. Readers are cautioned not to place undue reliance on any forward-looking statements.

Today's Presenters

Tomas Franzén
CEO

Joachim Jaginder
CFO

Agenda

Business Overview and Operational Results	**Tomas Franzén**
Financial Results	Joachim Jaginder
Questions	Tomas Franzén, Joachim Jaginder
Appendix	

First Quarter in Brief

Operational highlights

Major Events

- Opening of new Customer Service site in Örnsköldsvik in addition to Härnösand site
- Launch of TV Com Hem, a 24-hour broadcast channel including news and programs from TV4 News and BBC World News

Market Development

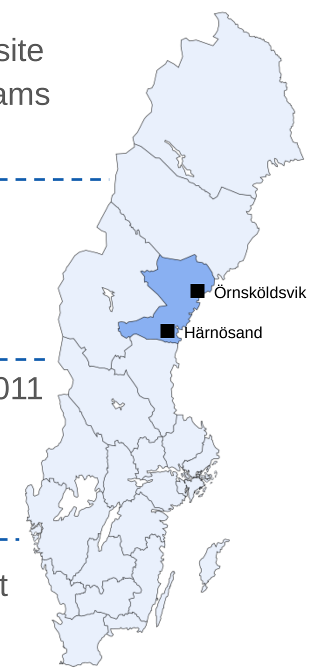
- Increased media investments in the Swedish telecom/media sector
- Competitors targeting the DTV, Broadband and Fixed-Telephony market with aggressive offers

Key Performance

- Positive effect on DTV ARPU in 2012 due to re-packaging implemented during 2011
- Shift to higher broadband speeds has resulted in increased Broadband ARPU
- Continued growth of household volumes in Open Networks (iTUX) – 110,000 households contracted end of March 2012, of which 47,500 activated

Focus Areas Going Forward

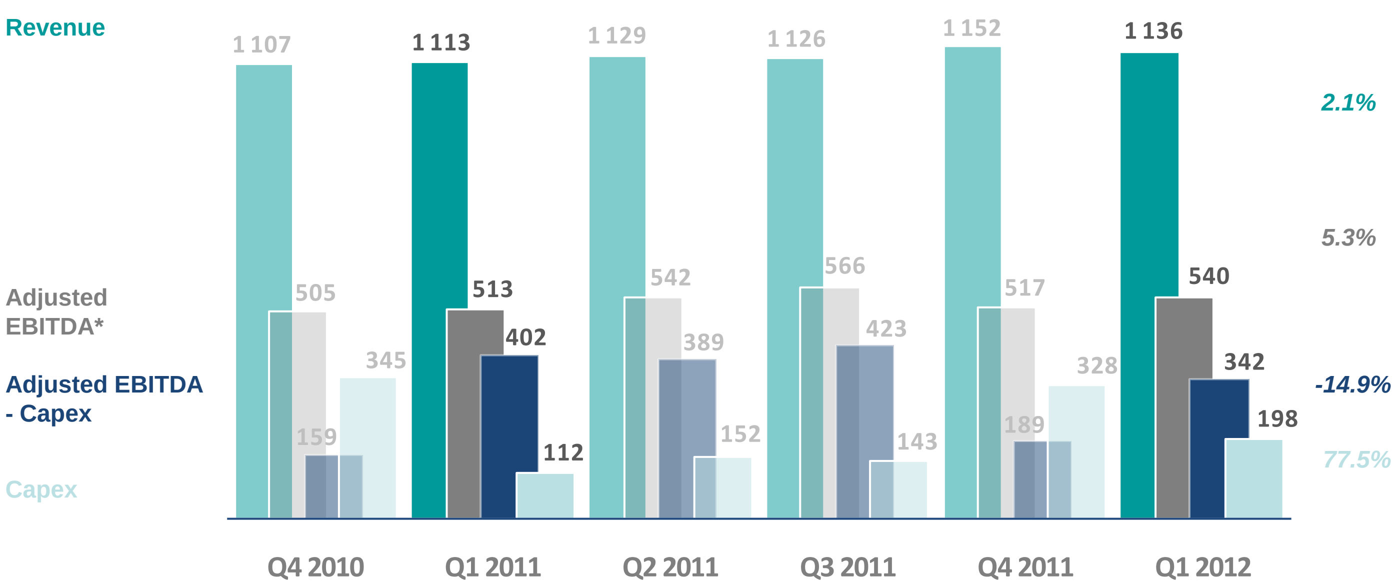
- Improved DTV user experience through new features and more attractive content
- Segmentation to target customers with relevant offers
- Development of LAN offerings to be fully technology agnostic



Financial Overview Q1 2012

Development Com Hem

(*SEK*m) *Growth Q1 2012 vs.Q1 2011*



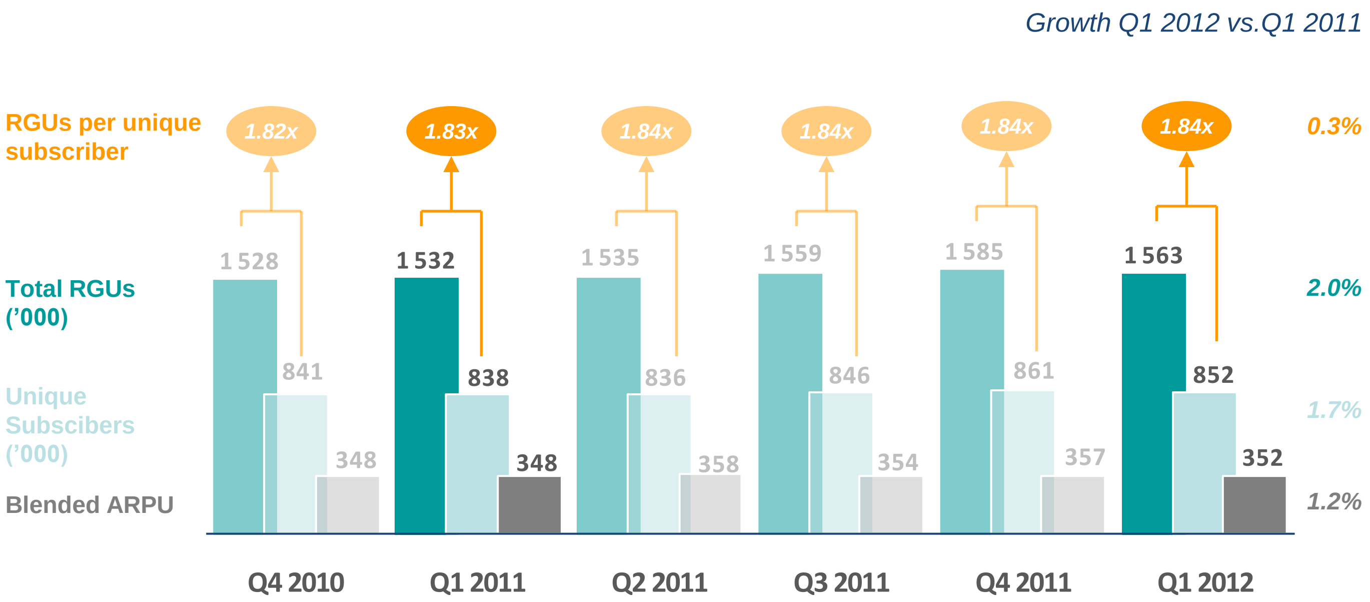
Comments

- **Revenue increase vs. Q1 2011 of 2.1% to SEK 1,136m**
- **Adjusted EBITDA increase of 5.3% to SEK 540m vs. Q1 2011**
- **However, revenue decrease vs. Q4 2011 of 1.4% due to fewer RGUs**
- **CAPEX increase vs. Q1 2011**
  - Higher network and quality enhancement investments
  - Timing differences in purchase of customer-premises equipment (CPE)

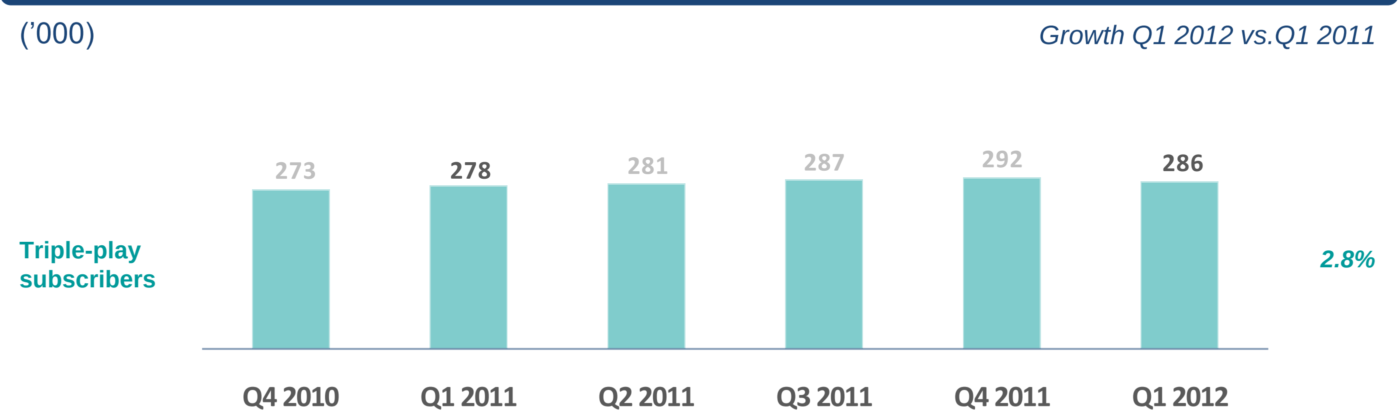
** For a definition of Adjusted EBITDA, please refer to ”Non-IFRS Financial Measures” in Appendix.*

Quarterly Development - Subscribers and RGUs

Services and ARPU per unique subscriber



Triple-play subscriber base



Comments

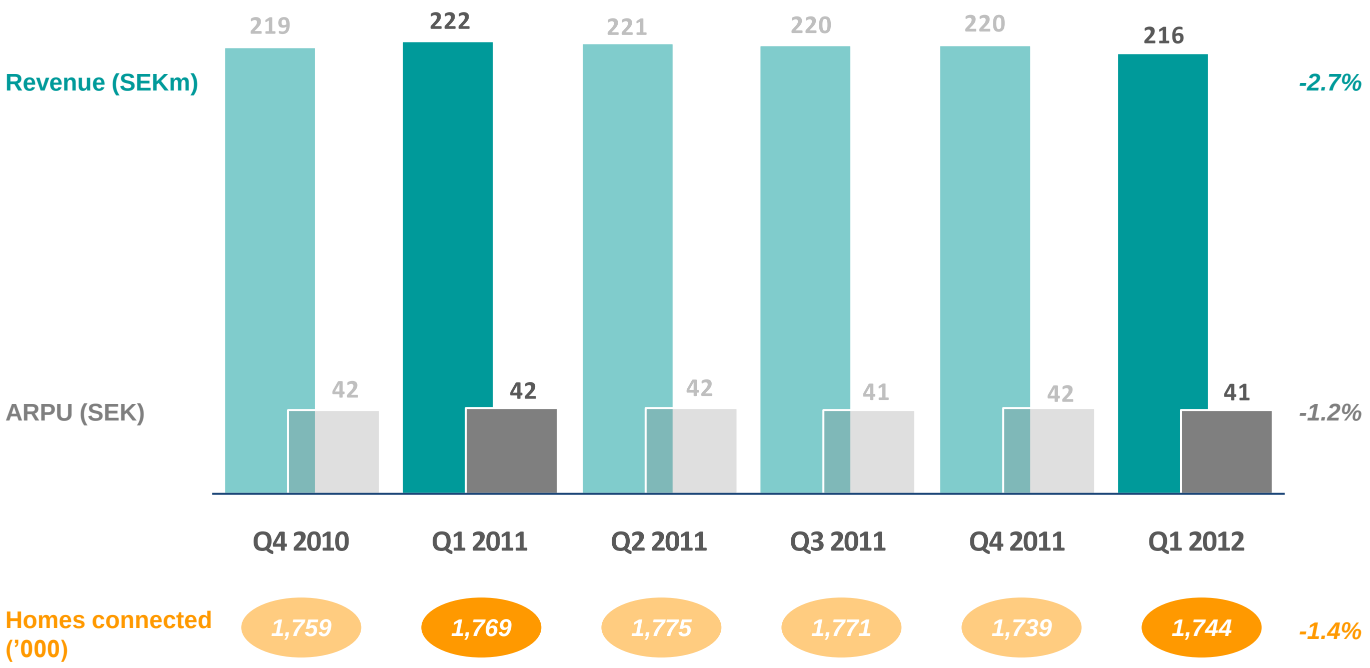
- **Increased no. of RGUs and unique subscribers vs. Q1 2011**
- **Increased no. of RGUs per subscriber and blended ARPU vs. Q1 2011**
- **The decrease in subscribers vs. Q4 2011 is mainly due to**
  - Disconnection of large landlord customer in December 2011
  - Price increases announced during Q1 2012 (revenue effect in Q2 and onward)

- **Segmentation of customer base to target customers with relevant offers**
- **Focus on attractive triple-play offers**
- **Increase subscriber base through up-sell of pay TV customers into broadband and vice versa**

Quarterly Development - Landlord

Revenue, RGUs and ARPU development

Growth Q1 2012 vs.Q1 2011



Comments

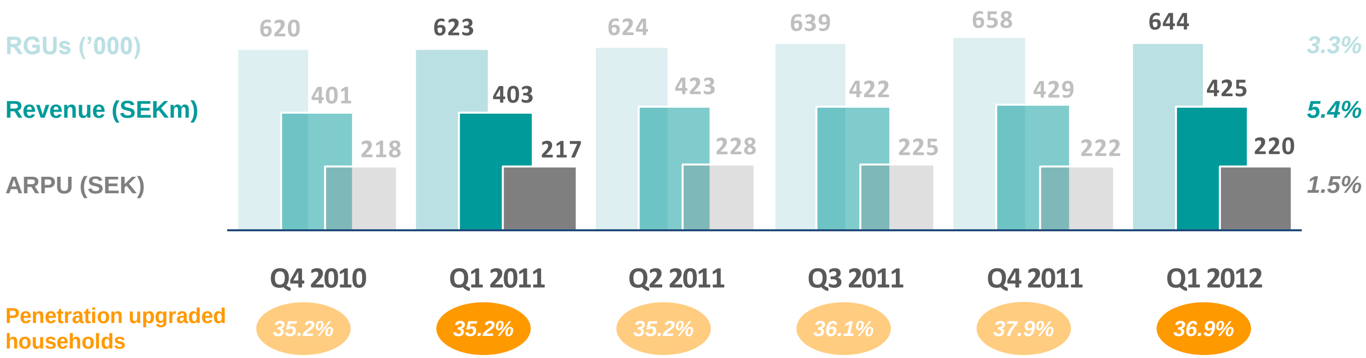
- **Decrease in homes connected**
  - Disconnection of large landlord in December 2011 consisting of 25,000 households (contract terminated in 2008)
- **ARPU decline**
  - Partly offset by price index increase

- **Expansion of footprint through**
  - New sales
  - Implementation of LAN offers
  - Open Network (iTUX)

Quarterly Development - Pay TV

Revenue, RGUs and ARPU development

Growth Q1 2012 vs.Q1 2011



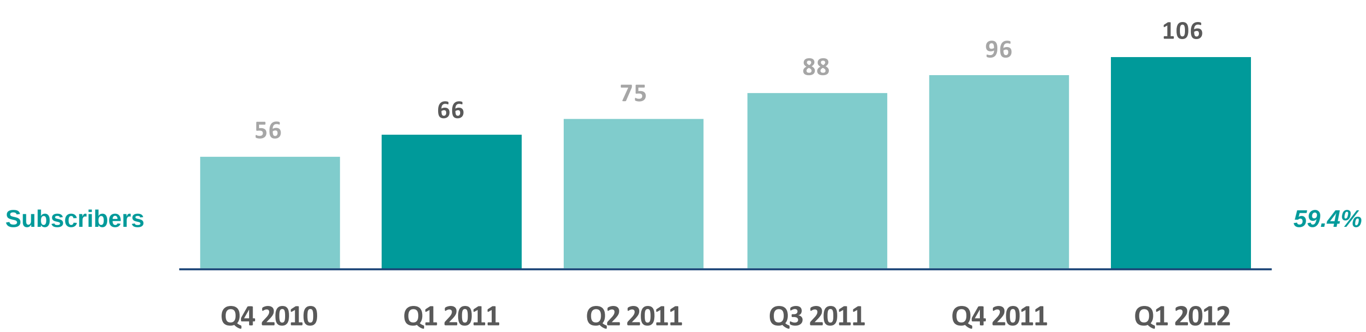
Comments

- RGUs, revenue and ARPU increase vs. Q1 2011
- Positive full year effect on ARPU of re-packaging in 2011
- Decrease in RGUs and revenue vs. Q4 2011
  - Price increases announced during Q1 2012 (revenue effect in Q2 and onward)

On Demand

('000)

Growth Q1 2012 vs.Q1 2011

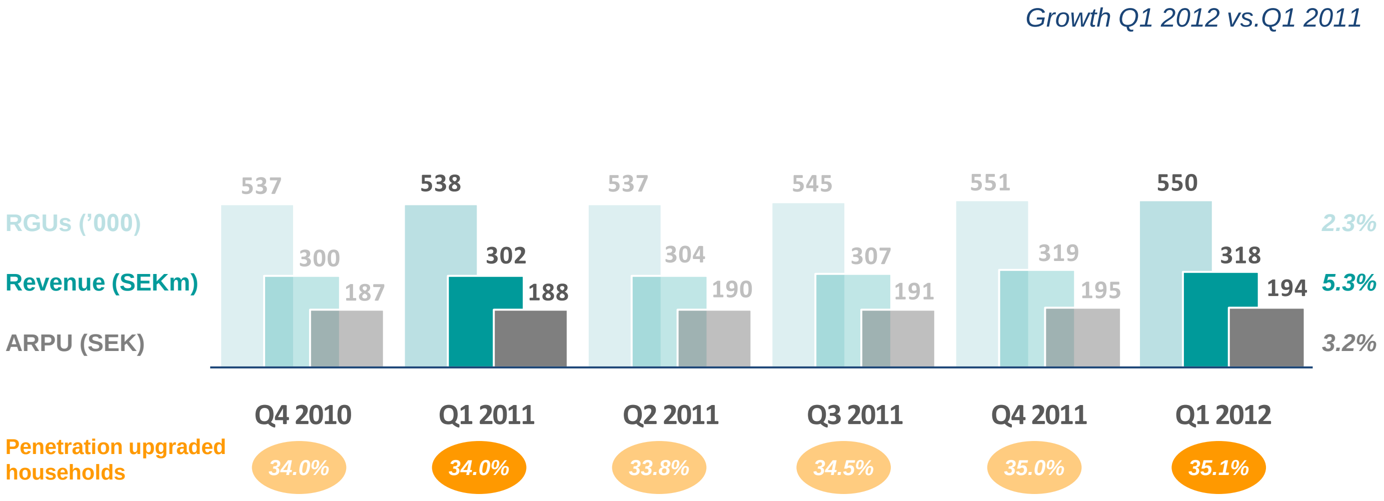


- Leverage on the strong market position within DTV
- Migration from ATV to DTV remains an important value driver
- Increased focus on user experience through new features and attractive content

Quarterly Development - High-Speed Broadband

com hem

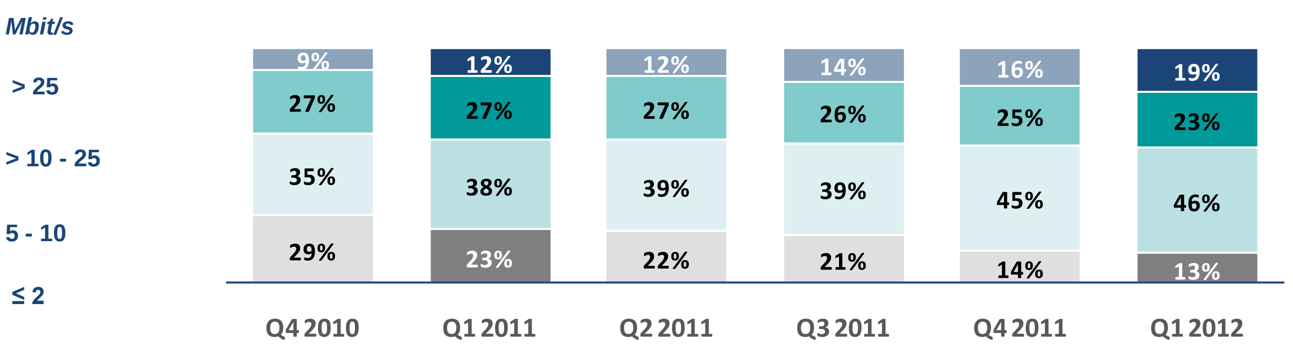
Revenue, RGUs and ARPU development



Comments

- RGUs, revenue and ARPU increase vs. Q1 2011
- ARPU decrease vs. Q4 2011
  - Discounts in some campaigns run during Q1 2012 targeting high-speed users (e.g. students)

Behavioural shift increases demand for higher broadband speeds



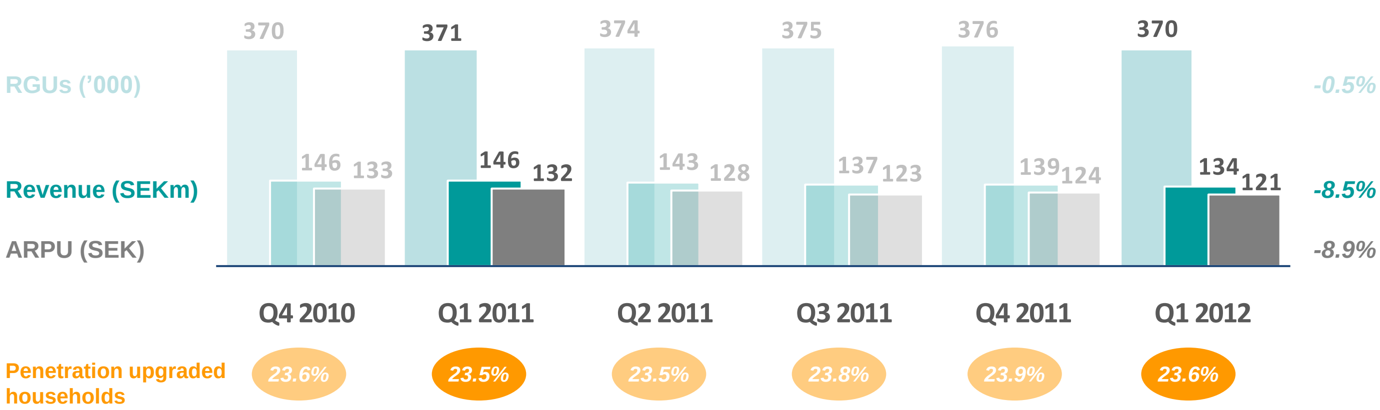
- Leverage on existing customer base by pushing for higher broadband speed services
- Increase market share through attractive broadband speed offers
- Develop attractive LAN offers

Quarterly Development - Fixed-Telephony

com hem

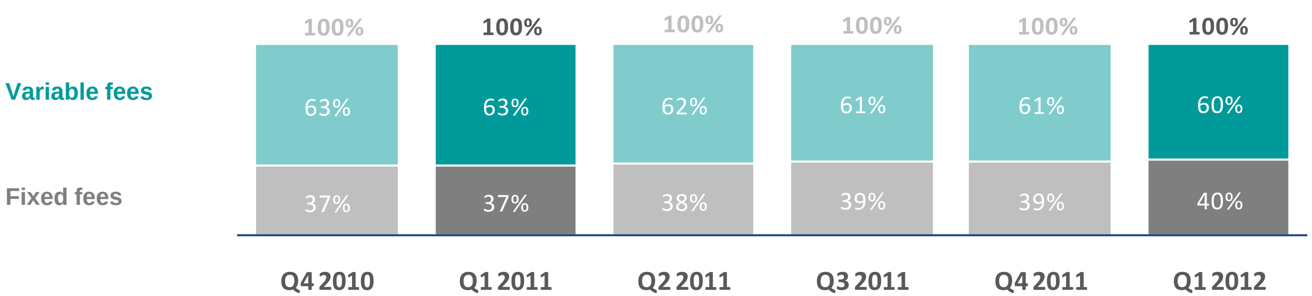
Revenue, RGUs and ARPU development

Growth Q1 2012 vs.Q1 2011



Decreasing variable fees

(Percentage)



Comments

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

- Develop new RGU and revenue driving services, such as VoIP over WiFi
- Leverage on existing customer base
- Target new subscribers with competitive offers

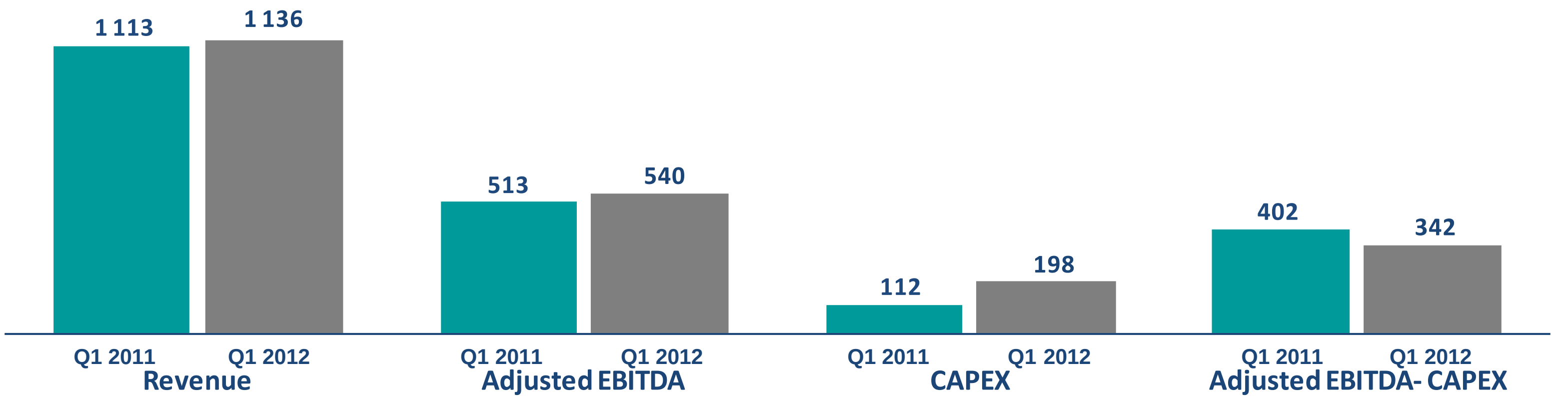
Growth Strategy

Strategies	Opportunities
Increase DTV penetration	– **Further increase differentiation** of Com Hem's DTV offer vs. analogue and vs. competition through new features and attractive content
Leverage speed capacities	– Increase broadband market share and up-sell customers to higher speeds by exploiting **bandwidth/performance advantage**
Maintain triple-play momentum	– **Up-sell** DTV customers into broadband and vice-versa – Increased focus on **targeting specific customer segments** with relevant offers
Develop footprint	– **Grow via Open LAN network** to help expand outside footprint – Develop **attractive LAN offerings**
Operational excellence	– Improvement in processes and **customer satisfaction** – Drive **costs out of the system** and **leverage operating cost base**
Cash flow growth	– Roll out **new products and services** to a **large existing customer base** – Translate revenue growth into profitability and **cash flow generation**

Agenda

Business Overview and Operational Results	Tomas Franzén
Financial Results	**Joachim Jaginder**
Questions	Tomas Franzén, Joachim Jaginder
Appendix	

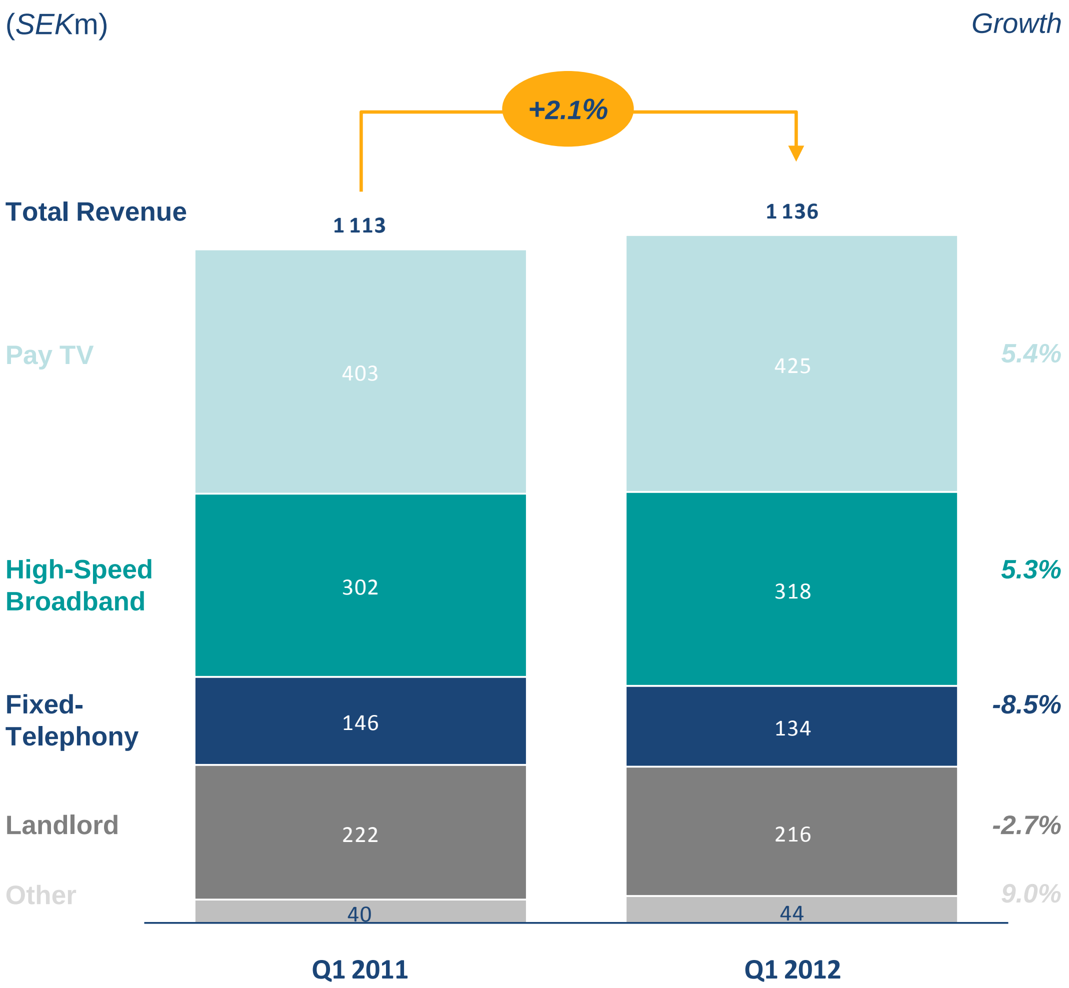
Financial Overview Q1 2012



Financial highlights	
Revenue	− Revenue was SEK 1,136m, an increase of 2.1% compared to Q1 2011
Adjusted EBITDA	− Adjusted EBITDA was SEK 540m, an increase of 5.3% compared to Q1 2011
Capex	− Capex was SEK 198m, an increase compared to Q1 2011, partly due to timing differences
Adjusted EBITDA – Capex	− Adjusted EBITDA-Capex was SEK 342m, a decrease due to higher Capex spending in Q1 2012 vs. Q1 2011

Revenue Growth

Revenue development



Q1 2012 vs. Q1 2011

Pay TV
- Increase in RGUs of 20,400 to 644,000
- ARPU increase of SEK 3 mainly due to re-packaging completed during 2011

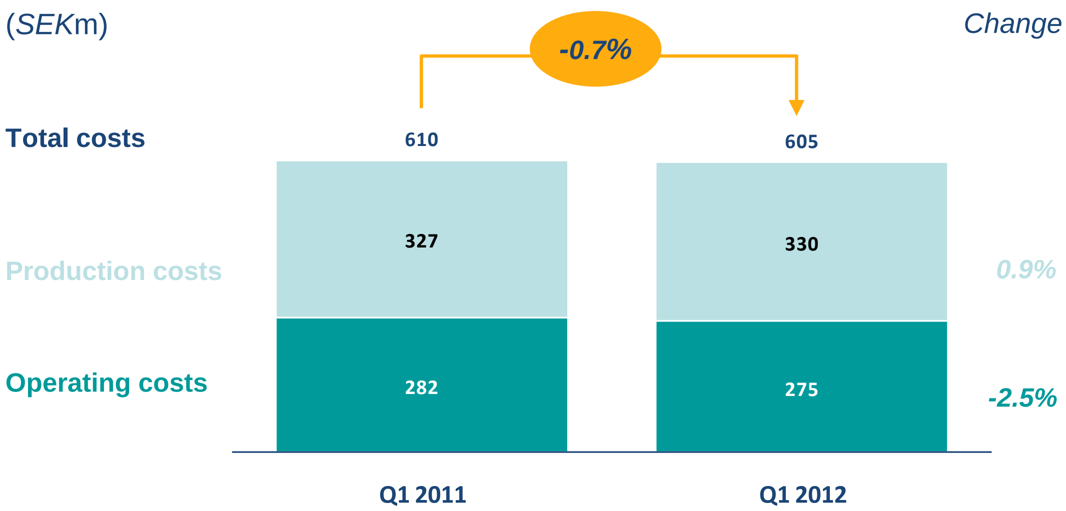
High-Speed Broadband
- Growth in RGUs of 12,300 to 550,000
- ARPU increase of SEK 6 due to shift to higher broadband speeds

Fixed-Telephony
- Decrease in RGUs of 1,800 to 370,000
- Revenue decrease mainly due to a SEK 12 ARPU decline 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

Stable Cost Base

Production and operating costs



Comments

Total cost decrease of SEK 4m as a result of operational efficiency and cost control.

Production costs
- In line with Q1 2011 despite increasing revenues
- Content costs remain flat due to re-negotiation of agreements
- Lower smart card costs
- Significant portion of cost base is fixed (e.g. network maintenance and surveillance)

Operating costs
- Decrease mainly driven by lower sales costs
- Marketing spending in line with previous year
- Improved cost control and quality enhancement through in-sourcing of operations

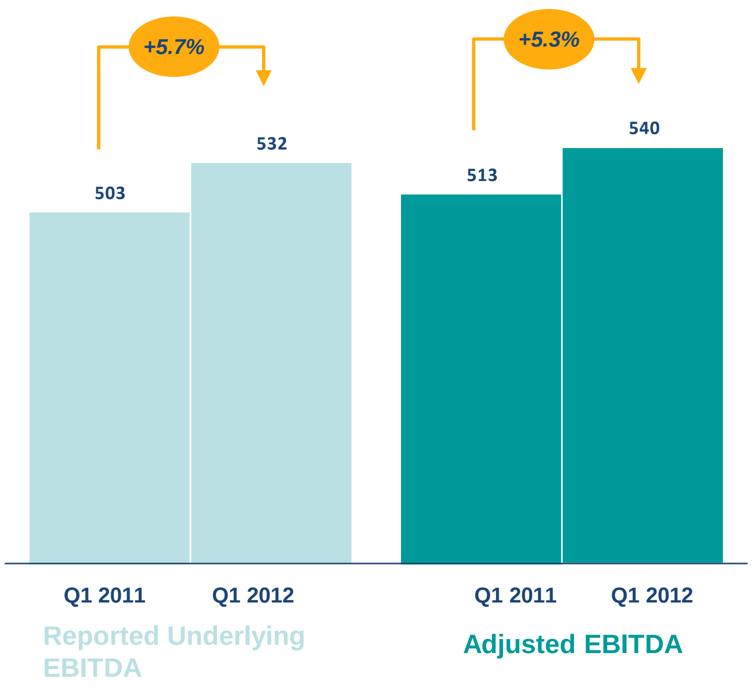
SEKm	Q1 2011	Q1 2012	Deviation	Change %	Comments
Content	(174)	(173)	1		- In line with prevoius year
Fibre and ducting	(61)	(64)	(3)		- Higher costs for fibre and ducting due higher household volumes in Open Networks
Interconnect traffic costs telephony	(17)	(14)	3		- Mainly due to lower fixed-telephony revenues
Other production costs incl. internet capacity	(75)	(80)	(4)		- Network fees for Open Networks, partly offset by lower costs smart cards
Production Costs	**(327)**	**(330)**	**(3)**	**0.9%**	
Marketing	(25)	(25)	(0)		- In line with prevoius year
Sales costs	(41)	(32)	10		- Lower telemarketing costs and higher degree of capitalization of sales costs
Staff*	(157)	(159)	(2)		- Only increases with 1.2%, even though the wage increase was 2.6%
IT costs and other operating costs	(59)	(59)	(0)		- In line with prevoius year
Operating Costs	**(282)**	**(275)**	**7**	**-2.5%**	
Total Reported Costs	**(610)**	**(605)**	**4**	**-0.7%**	
Retail subsidies costs	10	9	(2)		
Adjusted Reported Costs	**(599)**	**(597)**	**3**	**-0.4%**	

** Includes outsourcing, consultancy and employee costs.*

EBITDA Growth

EBITDA

(*SEK*m)



Revenue & EBITDA

SEKm	Q1 2011	Q1 2012
Total Revenue	**1,113**	**1,136**
Total costs	(610)	(605)
Reported Underlying EBITDA*	**503**	**532**
Reported Underlying EBITDA margin	***45.2%***	***46.8%***
Expensed retail subsidies**	10	9
Adjusted EBITDA**	**513**	**540**
Adjusted EBITDA margin	***46.1%***	***47.6%***

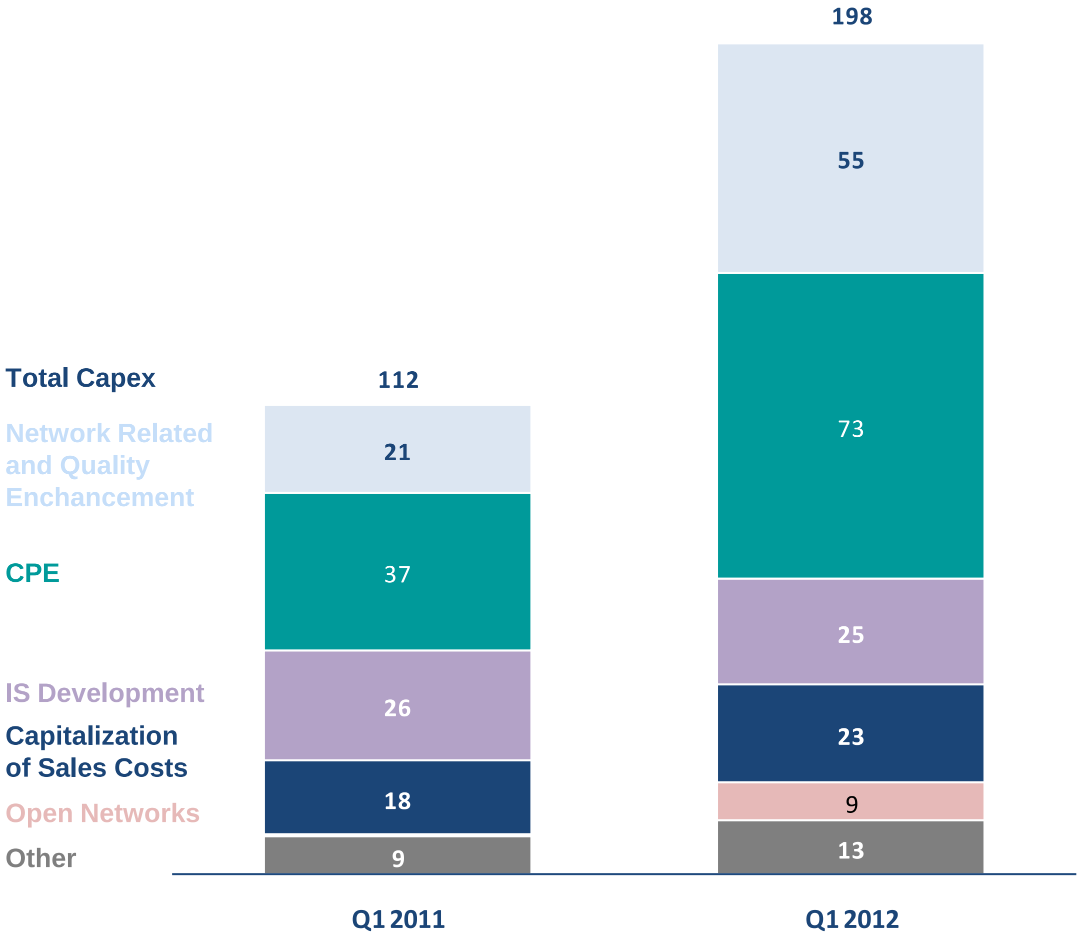
* *For a definition of Reported Underlying EBITDA and Adjusted EBITDA , please refer to "Non-IFRS Financial Measures" in Appendix.*

** *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

Total capex increase in Q1 2012 vs. Q1 2011 due to TV platform upgrade and timing differences in the purchase of CPE.

Network Related and Quality Enhancement
- Increase mainly explained by upgrade of TV platform
- Higher volumes of installed and upgraded households

CPE (customer-premises equipment)
- Increase explained by timing differences in purchasing of CPEs

IS Development
- In line with previous period

Capitalization of Sales Costs
- Primarily due to capitalization of telemarketing costs

Open Networks (iTUX)
- Higher volumes of household installations

Other
- Increase mainly due to establishment of new customer service site in Örnsköldsvik

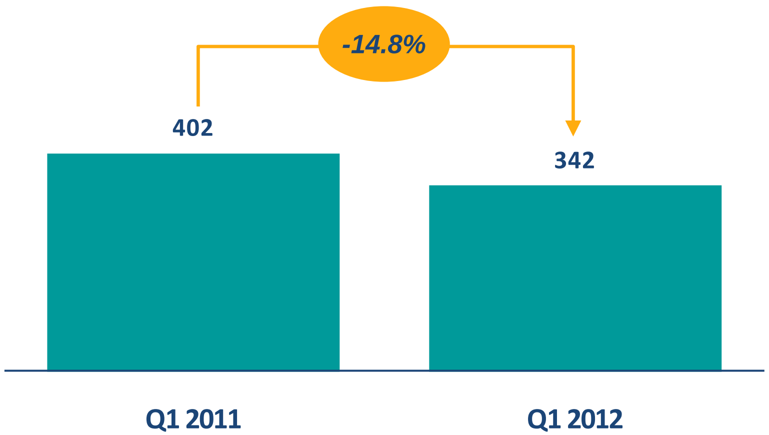
Cash Flow Generation

Adjusted EBITDA – Capex

SEKm	Q1 2011	Q1 2012
Adjusted EBITDA*	**513**	**540**
Gross capex	(112)	(198)
Adjusted EBITDA - Capex	**402**	**342**

Adjusted EBITDA – Capex

(*SEK*m)

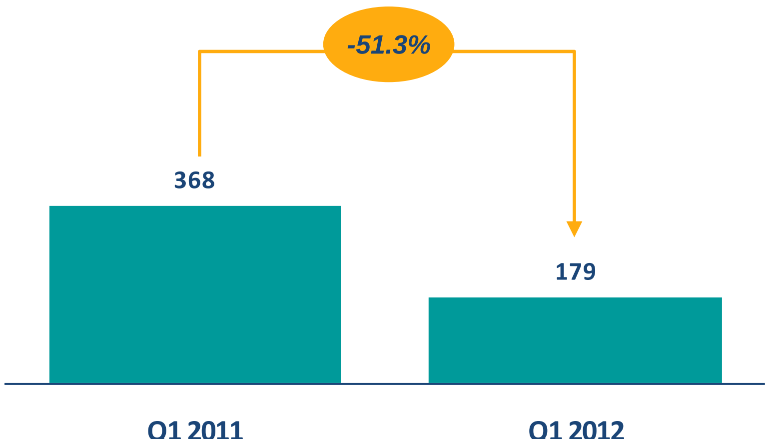


Operating free cash flow

SEKm	Q1 2011	Q1 2012
Adjusted EBITDA*	**513**	**540**
Expensed retail subsidies	(10)	(9)
Reported Underlying EBITDA*	**503**	**532**
One-off items	(11)	(5)
Adjustment for items not included in cash flow	1	7
Change in net working capital**	(23)	(172)
Gross capex	(112)	(198)
Drawdown leasing facility	11	15
Operating free cash flow	**368**	**179**

Operating free cash flow

(*SEK*m)



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

** *Change in net working capital in Q1 2012 includes payment of approx. SEK 80 million related to the Acquisition. Please note that in 2012, the Group has changed the invoicing policy regarding card fees, from six months in advance to one month in advance, also affecting net working capital negatively by approx. SEK 25 million compared to Q1 2011.*

Cash Net Debt as of March 31, 2012

Cash net debt table

As of March 31, 2012	**SEKm**
Term Loan A (SEK)	1,508
Term Loan B (SEK/EUR)*	3,911
Bank Debt	**5,419**
Senior Secured Notes (SEK)	3,492
Senior Notes (EUR)*	2,546
Bank & Notes Debt	**11,457**
Cash and Cash Equivalents	(647)
Total Cash Net Debt	**10,810**

Leverage**

As of March 31, 2012	
Leverage Bank Debt	**2.6 x**
Leverage Bank & Notes Debt	**5.4 x**
Leverage Total Cash Net Debt	**5.1 x**

* *The exchange rate 8,87 is used to convert EUR debt to SEK debt (as of March 31, 2012).*

** *L2QA Adjusted EBITDA/Debt.*

Questions

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Reconciliation of Reported Underlying EBITDA to Adjusted EBITDA

SEKm											
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
To be expensed in Q2 2012
To be expensed in Q3 2012
To be expensed in Q4 2012

SEKm	Q1 2011	Q1 2012
Reported Underlying EBITDA	**503**	**532**
Retail subsidies costs*		
Costs related to subsidies paid in 2008	2	-
Costs related to subsidies paid in 2009	3	3
Costs related to subsidies paid in 2010	5	5
Retail subsidies costs	**10**	**9**
Adjusted EBITDA	**513**	**540**

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

Capitalization Table

	Capitalization table as of December 31, 2011*				Capitalization table as of March 31, 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	(647)	(73)	(4.0%)	(0.3)x		
Senior TLA (SEK)	1,592	177	9.5%	0.7x	1,508	170	9.2%	0.7x	6 Years	4.25%
Senior TLB (SEK/EUR)	4,161	464	24.9%	1.9x	3,911	441	23.9%	1.8x	6.5 Years	5.00%
Senior Secured Notes (SEK)	3,492	389	20.9%	1.6x	3,492	394	21.3%	1.7x	7 Years	9.25%
Net Senior Secured Debt	**8,201**	**914**	**49.2%**	**3.8x**	**8,264**	**932**	**50.5%**	**3.9x**		
Senior Notes (EUR)	2,575	287	15.4%	1.2x	2,546	287	15.6%	1.2x	8 Years	10.75%
Net Cash Debt	**10,776**	**1,201**	**64.6%**	**5.0x**	**10,810**	**1,219**	**66.0%**	**5.1x**		
Shareholder Loans	1,387	155	8.3%	0.6x	1,440	162	8.8%	0.7x	8 Years	15.00%
Shareholders' Equity	4,393	490	26.3%	2.0x	4,473	504	27.3%	2.1x		
Total Capitalization	**16,556**	**1,846**	**100.0%**	**7.6x**	**16,724**	**1,886**	**100.0%**	**7.9x**		
Applicable EBITDA* **				**2,165**				**2,115**		
RCF (SEK)	500	54			500	54			6 Years	4.25%
Capex Facility (SEK)	750	81			750	81			6 Years	4.25%

* *The exchange rate 8.97 is used to convert EUR debt to SEK debt.*
** *The exchange rate 8.87 is used to convert EUR debt to SEK debt.*
*** *Annualized Adjusted EBITDA (based on Adjusted EBITDA for the last two quarters).*

Profit & Loss Statement

com hem

SEKm	Q1 2011	Q1 2012	Deviation	Change %
Pay Television	403	425	22	
High-Speed Broadband	302	318	16	
Fixed-Telephony	146	134	(12)	
Landlord	222	216	(6)	
Other	40	44	4	
Revenue	**1,113**	**1,136**	**23**	**2.1%**
Content	(174)	(173)	1	
Fibre and ducting	(61)	(64)	(3)	
Interconnect traffic costs telephony	(17)	(14)	3	
Other production cost incl. internet capacity	(75)	(80)	(4)	
Production costs	**(327)**	**(330)**	**(3)**	**0.9%**
Gross Profit	**786**	**806**	**20**	**2.6%**
Gross Profit Margin	**70.6%**	**70.9%**	**0.3%**	
Marketing	(25)	(25)	(0)	
Sales cost	(41)	(32)	10	
Outsourcing & consultants	(48)	(37)	11	
IT Costs	(21)	(21)	(0)	
Personnel	(109)	(122)	(13)	
Other operating costs	(38)	(38)	(0)	
Operating costs	**(282)**	**(275)**	**7**	**-2.5%**
Reported Underlying EBITDA*	**503**	**532**	**29**	**5.7%**
Reported Underlying EBITDA Margin	**45.2%**	**46.8%**	**1.6%**	
Retail subsidies expenses	10	9	(2)	
Adjusted EBITDA*	**513**	**540**	**27**	**5.3%**
Adjusted EBITDA Margin	**46.1%**	**47.6%**	**1.5%**	

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

Balance Sheet as of March 31, 2012

Assets (SEKm)	
Non-current assets	
Intangible assets	16,857
Property, plant and equipment	1,431
Other non-current assets	1
Total non-current assets	**18,289**
Current assets	
Current assets	280
Cash and cash equivalents	647
Total assets	**19,216**

Equity & Liabilities (SEKm)	
Total Equity	**517**
Non-current liabilities	
Non-current interest bearing liabilities	15,310
Other non-current liabilities	1,387
Total non-current liabilities	**16,697**
Non-current liabilities	
Current interest bearing liabilities	255
Current liabilities	1,747
Total non-current liabilities	**2,002**
Total equity & liabilities	**19,216**

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 three months ended March 31, 2012.
- The selected unaudited pro forma consolidated financial data of the NCAC Group as of and for the three months ended March 31, 2011, 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, disposals and write-downs, depreciation and amortization, non-recurring costs and operating currency gain/(loss). Depreciation and amortization is recorded under costs of sales and services (depreciation and amortization of fixed tangible and intangible assets related to production), selling expenses (depreciation and amortization of fixed tangible and intangible assets related to the sales function) and administrative expenses (depreciation and amortization of 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 March 31, 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.
- 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 and prospective 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.