Interim Report

as of December 31, 2012

NorCell Sweden Holding 2 AB (publ) Group

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IMPORTANT INFORMATION

For investors and prospective investors in NorCell 1B AB (publ) Senior PIK Notes, NorCell Sweden Holding 2 AB (publ) Senior Notes and NorCell Sweden Holding 3 AB (publ) Senior Secured Notes, please refer to this interim report as of December 31, 2012 (the "**Interim Report**") presenting NorCell Sweden Holding 2 AB (publ) Group's condensed consolidated financial statements for the period October 1, 2012 to December 31, 2012, and for the year ended December 31, 2012.

NorCell 1B AB (publ) is a holding company with no independent business operations or significant assets other than investments in its subsidiaries.

In this Interim Report, the terms "we", "our", "us", the "Company", the "Group" and "Com Hem" for the period following the consummation of the Acquisition (as described in the Annual Report 2011*)*, refer to either NorCell Sweden Holding 2 AB (publ), or NorCell Sweden Holding 2 AB (publ) and its subsidiaries, as the context requires, and for the period prior to the consummation of the Acquisition, refer to either Com Hem Holding AB, or Com Hem Holding AB and its subsidiaries, as the context requires.

The term "**NorCell Group**" refers to NorCell Sweden Holding 2 AB (publ) and its subsidiaries and the term "**NCAC Group**" refers to Com Hem Holding AB and its subsidiaries.

Certain numerical information and other amounts and percentages presented in this Interim Report may not sum due to rounding. In addition, certain figures in this document have been rounded to the nearest whole number.

As used herein, the symbol "n/m" means "not meaningful", and "n/a" means "not applicable".

For definitions and glossary, please refer to the Group's Annual Report 2011.

This Interim Report has not been audited or reviewed by the Company's auditors.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Interim Report contains various forward-looking statements that reflect Management's current view with respect to future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. The words "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Interim Report, including, without limitation, in the sections entitled "*Fourth Quarter Highlights*" and "*Results of Operations and Financial Condition*", and include, among other things, statements relating to:

- The Group's strategy, outlook and growth prospects;
- the Group's operational and financial targets;
- the Group's liquidity, capital resources and capital expenditures;
- the Group's planned investments;
- the expectations as to future growth in demand for the Group's products and services;
- general economic trends and trends in the cable television and telecommunications industries;
- the impact of regulations on the Group and the Group's operations;
- the competitive environment in which the Group operates; and
- the outcome of legal proceedings.

Although Com Hem believes that the expectations reflected in these forward-looking statements are reasonable, Com Hem can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of, among others:

- Digital television, broadband and fixed-telephony penetration and other market developments;
- competition from local or international cable, telecommunications, media, production or alternative technology companies, including local area networks, satellite, Internet-protocol television, hybrid television and wireless broadband companies;
- changes in international, national and local economic, political, business, industry and tax conditions;
- changes in underlying consumer behavior, including changes in consumer television viewing and preferences;
- changes in technology;
- changes in content prices;
- consolidation in the cable or telecommunications industry;
- the Group's ability to generate the funds needed to service the Group's debt;
- factors affecting the Group's leverage and the Group's ability to service debt;
- the effects of operating and financial restrictions in the Group's debt instruments;
- the ability to successfully develop and expand the range of products and services offered;
- the ability to retain or replace key personnel; and
- change in the Group's business strategy, development and investment plans.

These forward-looking statements speak only as of the date of this Interim Report. Com Hem expressly undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation. Accordingly, investors and prospective investors are cautioned not to place undue reliance on any of the forward-looking statements herein.

TABLE OF CONTENTS

FOURTH QUARTER HIGHLIGHTS

The following chapter presents key financial and operating highlights that have occurred during the three months ended December 31, 2012 unless otherwise stated. You should read this table in conjunction with "Results of Operations and Financial Condition", "Presentation of Financial and Other Information" and "Condensed Consolidated Financial Statements", which are included elsewhere in this Interim Report.

Key Financial Highlights

	For the three months ended December 31,		For the year ended December 31,	
	Actual 2012	Actual 2011	Actual 2012	Pro Forma 2011
	(SEK in millions)		*(SEK in millions)*	
Revenue	1,145	1,152	4,562	4,520
Reported Underlying EBITDA	577	508	2,232	2,098
Adjusted EBITDA	583	517	2,262	2,138
Capital Expenditures	357	328	913	734
Operating Free Cash Flow	295	216	1,196	1,419

Stable revenue development in fourth quarter 2012
Com Hem's revenue was stable during the fourth quarter compared to the corresponding quarter 2011. Revenue was SEK 1,145 million in the three months ended December 31, 2012, compared to SEK 1,152 million in the three months ended December 31, 2011.

Improved profitability and Adjusted EBITDA
Adjusted EBITDA increased by SEK 66 million, or 12.8%, from SEK 517 million in the fourth quarter 2011 to SEK 583 million in the fourth quarter 2012. Production costs for the three months ended December 31, 2012, were SEK 26 million lower than for the corresponding quarter previous year, mainly due to lower content costs. Operating costs decreased by SEK 50 million for the three months ended December 31, 2012 compared to the corresponding quarter in 2011, mainly due to lower marketing and sales costs.

Increased investments in the business
Capital expenditures increased from SEK 328 million in the three months ended December 31, 2011 to SEK 357 million in the three months ended December 31, 2012. The increase was mainly due to investments in Com Hem's next generation TV platform and increased investments in broadband network capacity. This was partly offset by lower volumes of purchased CPEs and capitalized sales costs in the fourth quarter 2012 compared to the corresponding quarter in 2011.

Operating Free Cash Flow
Operating free cash flow increased from SEK 216 million in the three months ended December 31, 2011 to SEK 295 million in the three months ended December 31, 2012. The increase was due to higher EBITDA and a positive change in net working capital. The higher EBITDA and the positive change in net working capital was partly offset by increased capital expenditures and lower funding of investments from leasing facilities during the fourth quarter of 2012 compared to the corresponding quarter in 2011.

Key Operational Highlights

Group Total	As of December 31, Actual 2012	Pro Forma 2011
	(in thousands, except percentages and as otherwise indicated)	
Homes connected	1,749	1,739
Unique subscribers	828	861
- *of which triple-play subscribers*	*264*	*292*
Unique subscribers as a percentage of homes connected	47.3	49.5
Total RGUs	1,502	1,585
RGUs per unique subscriber (in units)	1.82	1.84
Blended ARPU(1) (SEK)	361	357

(1) Blended ARPU is calculated by all pay television, high-speed broadband, fixed-telephony revenue and other revenue that can be allocated to each service for the three months ending December 31, by the average number of total unique subscribers for the period, and further by the number of months in the period. The average number of total unique subscribers is calculated by aggregating the average number of unique subscribers in each month during the period and dividing the result by the number of months.

Operational Development

There has been a slight increase in homes connected during the fourth quarter of 2012. As of December 31, 2012, Com Hem had 1,749,000 homes connected, an increase from 1,747,000 as of September 30, 2012, and an increase from 1,739,000 as of December 31, 2011. The number of unique subscribers has slightly decreased to 828,000 as of December 31, 2012, compared to 831,000 as of September 30, 2012 and 861,000 as of December 31, 2011. The total number of RGUs was 1,502,000 as of December 31, 2012, compared to 1,512,000 as of September 30, 2012, and 1,585,000 as of December 31, 2011.

Unique subscribers as a percentage of homes connected was 47.3% as of December 31, 2012 compared to 47.6% as of September 30, 2012, and 49.5% as of December 31, 2011. The number of RGUs per unique subscriber was 1.82 as of December 31, 2012, compared to 1.82 as of September 30, 2012, and 1.84 as of December 31, 2011.

Blended ARPU per unique subscriber increased by SEK 4, or 1.1%, from SEK 357 in the three months ended December 31, 2011 to SEK 361 in the three months ended December 31, 2012. The increase in blended ARPU in the fourth quarter 2012 was due to positive effects from price increases in pay television implemented during the first six months of 2012 and from the demand for higher broadband speeds. However, the positive revenue effect from pay television and broadband services was partly offset by lower ARPU contribution from fixed-telephony services and the landlord business.

Events during the Fourth Quarter

On November 12, 2012 NorCell 1B AB (publ) (the "**Parent Company**") announced its offering of EUR 250 million, 12.4% Senior PIK Notes due 2019. On November 21, 2012 the net proceeds of EUR 245 million from the offering was on-lent to NorCell Sweden Holding 2 AB (publ) as a subordinated intercompany loan. The amount of the intercompany loan was concurrently repaid to the Parent Company through the repayment of subordinated intercompany loans. No cash interest is payable on the new EUR denominated subordinated intercompany loan from the Parent Company.

In December 2012, the Group signed an agreement with Övik Energi, to acquire Örnsat AB, a local network operator in Örnsköldsvik. Örnsat has approximately 6,000 connected households. The acquisition is expected to be completed at the end of the first quarter 2013.

Events after the Fourth Quarter

On January 16, 2013, Com Hem launched its mobile Voice over WiFi application available for downloading on App Store and Google Play. By downloading and installing the application on a smartphone, and by connecting to a wireless network access point, Com Hem´s fixed-telephony subscribers are able to place their fixed, mobile and international calls at Com Hem´s fixed-telephony fees instead of the mobile operator fee.

On January 29, 2013 the Com Hem gave notice of a reduction of approximately 60 employees, mainly affecting the head office in Stockholm and the Customer Care Center in Härnösand. The redundancy program is planned to be finalized during the second quarter of 2013.

Change in Group Management

In February 2013, Henri Caddeo joined the company as Chief Technical Officer (CTO) and member of the Group Management. Also, on February 11, 2013 Asanga Gunatillaka was announced as Chief Product Officer (CPO) and member of the Group Management. Asanga Gunatillaka will join Com Hem in March 2013.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following is a discussion and analysis of the results of operations and financial condition of the Group, based on the unaudited condensed consolidated financial statements of the NorCell Group as of and for the three months ended December 31, 2011 and 2012, as of and for the year ended December 31, 2012 and as of the year ended December 31, 2011, and the unaudited pro forma condensed consolidated financial statements of the NorCell Group for the year ended December 31, 2011.

You should read this discussion in conjunction with the condensed consolidated financial statements included elsewhere in this Interim Report.

Selected Financial Data

As a consequence of the Acquisition in September 2011, and the following refinancing, it is not meaningful to present the selected condensed consolidated income statement below operating income since the data is not comparable between the periods.

Condensed Consolidated Actual and Pro Forma Income Statement

	For the three months ended December 31,		For the year ended December 31,	
	Actual 2012	Actual 2011	Actual 2012	Pro Forma 2011
	(SEK in millions)		(SEK in millions)	
Revenue	1,145	1,152	4,562	4,520
Cost of sales and services	(551)	(583)	(2,244)	(2,310)
Gross profit	**595**	**569**	**2,318**	**2,211**
Selling expenses(1)	(334)	(373)	(1,310)	(1,328)
Administrative expenses	(68)	(69)	(249)	(318)
Other operating income and expenses	(4)	(16)	(11)	(259)
Operating Profit	**189**	**112**	**748**	**306**

(1) In the pro forma calculations, actual amortization of the former customer relations value has been deducted from selling expenses, and amortization of the current customer relations value has been added to selling expenses for the respective period, as if the Acquisition was consummated as of January 1, 2011.

Revenue

Revenue decreased by SEK 7 million, or 0.6%, from SEK 1,152 million in the three months ended December 31, 2011, to SEK 1,145 million in the three months ended December 31, 2012. Revenue increased by SEK 42 million, or 0.9%, from SEK 4,520 million in the year ended December 31, 2011, to SEK 4,562 million in the year ended December 31, 2012. The increase was due to higher revenue from pay television and high-speed broadband services as well as other revenues, partly offset by a decrease in revenue from fixed-telephony services and the landlord business.

The table below sets forth, for each of the periods indicated, revenue by service:

	For the three months ended December 31,		For the year ended December 31,	
	Actual 2012	Actual 2011	Actual 2012	Pro Forma 2011
Service	(SEK in millions)		(SEK in millions)	
Pay Television	430	429	1,721	1,678
High-Speed Broadband	320	319	1,277	1,231
Fixed-Telephony	122	139	506	564
Landlord	212	220	856	884
Other(1)	62	46	202	163
Revenue	**1,145**	**1,152**	**4,562**	**4,520**

(1) Other represents revenue generated primarily from billing and reminder fees as well as payments in kind received from content providers for services delivered, which the Group classifies as "barter revenue".

The table below sets forth, for each of the periods indicated, RGUs by service:

	As of December 31,	
	Actual 2012	Actual 2011
	(in thousands)	
RGUs		
Pay Television	612	658
High-Speed Broadband	543	551
Fixed-Telephony	348	376
Total RGUs	**1,502**	**1,585**

The table below sets forth, for each of the periods indicated, ARPU by service:

	For the three months ended December 31,		For the year ended December 31,	
	Actual 2012	Actual 2011	Actual 2012	Pro Forma 2011
	(in SEK)		(in SEK)	
ARPU				
Pay Television	236	222	231	223
High-Speed Broadband	197	195	196	191
Fixed-Telephony	116	124	117	127
Landlord	40	42	41	42

Pay Television
Revenue from pay television services increased by SEK 1 million, or 0.2%, from SEK 429 million in the three months ended December 31, 2011 to SEK 430 million in the three months ended December 31, 2012. The increase was a result of higher ARPU, which increased by SEK 14, or 6.3%, from SEK 222 in the three months ended December 31, 2011 to SEK 236 in the three months ended December 31, 2012.

Revenue from pay television services increased by SEK 43 million, or 2.6%, from SEK 1,678 million in the year ended December 31, 2011 to SEK 1,721 million in the year ended December 31, 2012. The increase was a result of higher ARPU, which increased by SEK 8, or 3.5%, from SEK 223 in the year ended December 31, 2011 to SEK 231 in the year ended December 31, 2012.

The increased ARPU in both the fourth quarter and for the full year 2012 is attributable to price increases implemented during the first six months of 2012. The positive ARPU effect on pay television revenue was, however, largely offset during the year by a decrease in RGUs of approximately 47,000 or 7.1%, from approximately 658,000 as of December 31, 2011 to approximately 612,000 as of December 31, 2012. The decrease in RGUs during the full year 2012 is partly due to an aggressive CI Module campaign carried out during Q4 2011.

High-Speed Broadband
Revenue from high-speed broadband services increased by SEK 2 million, or 0.5%, from SEK 319 million in the three months ended December 31, 2011 to SEK 320 million in the three months ended December 31, 2012. ARPU increased by SEK 2, or 1.2%, from SEK 195 in the three months ended December 31, 2011 to SEK 197 in the three months ended December 31, 2012.

Revenue from high-speed broadband services increased by SEK 46 million, or 3.7%, from SEK 1,231 million in the year ended December 31, 2011 to SEK 1,277 million in the year ended December 31, 2012. ARPU increased by SEK 5, or 2.8%, from SEK 191 in the year ended December 31, 2011 to SEK 196 in the year ended December 31, 2012.

The revenue increase for the full year 2012 was primarily an ARPU effect due to the demand for higher broadband speeds, which is an effect of Com Hem's strategy to meet customer demand for higher broadband speed services. Total high-speed broadband RGUs, however, decreased slightly by approximately 8,000, or 1.4%, from approximately 551,000 as of December 31, 2011 to approximately 543,000 as of December 31, 2012.

Fixed-Telephony
Revenue from fixed-telephony services decreased by SEK 17 million, or 12.3%, from SEK 139 million in the three months ended December 31, 2011 to SEK 122 million in the three months ended December 31, 2012. Fixed-telephony RGUs decreased by approximately 28,000, or 7.6%, from approximately 376,000 as of December 31, 2011 to approximately 348,000 as of December 31, 2012. ARPU decreased by SEK 8, or 6.5%, from SEK 124 in the three months ended December 31, 2011 to SEK 116 in the three months ended December 31, 2012.

Revenue from fixed-telephony services decreased by SEK 59 million, or 10.4%, from SEK 564 million in the year ended December 31, 2011 to SEK 506 million in the year ended December 31, 2012. ARPU decreased by SEK 10, or 7.5%, from SEK 127 in the year ended December 31, 2011 to SEK 117 in the year ended December 31, 2012.

The decrease in ARPU is largely a result of lower usage of fixed-telephony services as an effect of the fixed to mobile substitution.

Landlord
Revenue from landlord services decreased by SEK 8 million, or 3.8%, from SEK 220 million in the three months ended December 31, 2011 to SEK 212 million in the three months ended December 31, 2012, and by SEK 28 million, or 3.1%, from SEK 884 million in the year ended December 31, 2011 to SEK 856 million in the year ended December 31, 2012.

The decrease in revenue in both the fourth quarter and the year ended December 31, 2012 was primarily due to a reduction in ARPU from landlord customers as a result of contract re-negotiations, partly offset by annual price index increases.

Other
Other revenue increased by SEK 16 million, or 35.8%, from SEK 46 million in the three months ended December 31, 2011 to SEK 62 million in the three months ended December 31, 2012 and by SEK 39 million, or 23.8 %, from SEK 163 million in the year ended December 31, 2011 to SEK 202 million in the year ended December 31, 2012. The increase in revenue is mainly explained by higher revenue in iTUX, and increased invoicing fees.

Cost of Sales and Services
Cost of sales and services decreased by SEK 32 million, or 5.5%, from SEK 583 million in the three months ended December 31, 2011 to SEK 551 million in the three months ended December 31, 2012. As a percentage of revenue, cost of sales and services decreased from 50.6% in the three months ended December 31, 2011 to 48.1% in the three months ended December 31, 2012.

Cost of sales and services decreased by SEK 66 million, or 2.8%, from SEK 2,310 million in the year ended December 31, 2011 to SEK 2,244 million in the year ended December 31, 2012. As a percentage of revenue, cost of sales and services decreased from 51.1% in the year ended December 31, 2011 to 49.2% in the year ended December 31, 2012.

The decrease in cost of sales and services in both the fourth quarter and for the year ended December 31, 2012 was mainly due to lower pay television content costs, lower interconnect traffic for fixed-telephony services costs and lower depreciation and amortization. The decrease was partly offset by higher production costs in iTUX.

Selling Expenses
Selling expenses decreased by SEK 39 million, or 10.5%, from SEK 373 million in the three months ended December 31, 2011 to SEK 334 million in the three months ended December 31, 2012. As a percentage of revenue, selling expenses decreased from 32.3% in the three months ended December 31, 2011 to 29.1% in the three months ended December 31, 2012.

Selling expenses decreased by SEK 18 million, or 1.3%, from SEK 1,328 million in the year ended December 31, 2011 to SEK 1,310 million in the year ended December 31, 2012. As a percentage of revenue, selling expenses decreased from 29.4% in the year ended December 31, 2011 to 28.7% in the year ended December 31, 2012.

The decrease in selling expenses in both the fourth quarter and the year ended December 31, 2012 was mainly due to lower marketing and sales costs. The decrease was partly offset by higher depreciation and amortization.

Administrative Expenses
Administrative expenses decreased by SEK 1 million, or 0.9%, from SEK 69 million in the three months ended December 31, 2011 to SEK 68 million in the three months ended December 31, 2012. As a percentage of revenue, administrative expenses decreased from 6.0% in the three months ended December 31, 2011 to 5.9% in the three months ended December 31, 2012.

Administrative expenses decreased by SEK 69 million, or 21.8%, from SEK 318 million in the year ended December 31, 2011 to SEK 249 million in the year ended December 31, 2012. As a percentage of revenue, administrative expenses decreased from 7.0% in the year ended December 31, 2011 to 5.5% in the year ended December 31, 2012.

The decrease in administrative expenses in both the fourth quarter and the year ended December 31, 2012, was mainly due to lower other operating costs and lower depreciation and amortization.

Other Operating Income and Expense
Net other operating items were SEK (16) million in the three months ended December 31, 2011 and improved to SEK (4) million in the three months ended December 31, 2012.

Net other operating items were SEK (259) million in the year ended December 31, 2011 and improved to SEK (11) million in the year ended December 31, 2012. The positive development in other operating items in the year ended 2012 was due to transaction costs in 2011, related to the Acquisition.

Operating Profit
Operating profit increased by SEK 77 million, or 68.7%, from SEK 112 million in the three months ended December 31, 2011 to SEK 189 million in the three months ended December 31, 2012, and by SEK 442 million, from SEK 306 million in the year ended December 31, 2011 to SEK 748 million in the year ended December 31, 2012.

The increase in operating profit was mainly due to transaction costs during 2011 and lower non-recurring costs for lawyers and consultants in 2012. Additionally, higher revenue in combination with lower cost of sales and services as well as lower operating costs contributed to an increase in operating profit for both the three months ended 2012, and for the year ended 2012.

Reconciliation Operating profit to Adjusted EBITDA

The table below sets forth a reconciliation of Operating Profit to Adjusted EBITDA for the three months ended December 31, 2012 and 2011, and for the year ended December 31, 2012 and 2011.

	For the three months ended December 31,		For the year ended December 31,	
	Actual 2012	Actual 2011	Actual 2012	Pro Forma 2011
	(SEK in millions)		*(SEK in millions)*	
Operating Profit	**189**	**112**	**748**	**306**
Disposals[1]	19	12	19	12
Adjusted depreciation and amortization[2]	347	360	1,413	1,453
Non-recurring costs	21	23	52	326
Operating currency loss/gain	0	1	1	2
Reported Underlying EBITDA	**577**	**508**	**2,232**	**2,098**
Expensed retail subsidies	6	9	30	40
Adjusted EBITDA	**583**	**517**	**2,262**	**2,138**

(1) Disposals are related to modems and STBs.
(2) Adjusted depreciation and amortization consist of depreciation and amortization expenses recorded in the income statement under each of cost of sales and services, selling expenses and administrative expenses. In the pro forma calculations, actual amortization of the former customer relations value has been deducted from selling expenses, and amortization of the current customer relations value has been added to selling expenses for the respective period, as if the Acquisition was consummated as of January 1, 2011.

Adjusted Depreciation and Amortization

Adjusted depreciation and amortization decreased by SEK 13 million, or 3.5%, from SEK 360 million in the three months ended December 31, 2011 to SEK 347 million in the three months ended December 31, 2012, and by SEK 41 million, or 2.8%, from SEK 1,453 million in the year ended December 31, 2011 to SEK 1,413 million in the year ended December 31, 2012. The decrease was primarily due to certain fixed assets having been fully written-off at the end of their depreciation schedules in 2011.

Non-recurring Costs

Non-recurring costs decreased by 2 million, or 7.6%, from SEK 23 million in the three months ended December 31, 2011 to SEK 21 million in the three months ended December 31, 2012, and by SEK 274 million, or 84.1%, from SEK 326 million in the year ended December 31, 2011 to SEK 52 million in the year ended December 31, 2012. The decrease in non-recurring costs for the full year 2012 was primarily due to the high level of non-recurring costs for lawyers and consultants relating to the Acquisition in 2011.

Adjusted EBITDA

Adjusted EBITDA increased by SEK 66 million, or 12.8%, from SEK 517 million in the three months ended December 31, 2011 to SEK 583 million in the three months ended December 31, 2012. As a percentage of revenue, Adjusted EBITDA increased from 44.9% in the three months ended December 31, 2011 to 50.9% in the three months ended December 31, 2012. The increase in Adjusted EBITDA in the fourth quarter was primarily due to decreased production and operating costs during the fourth quarter 2012.

Adjusted EBITDA increased by SEK 124 million, or 5.8%, from SEK 2,138 million in the year ended December 31, 2011 to SEK 2,262 million in the year ended December 31, 2012. As a percentage of revenue, Adjusted EBITDA increased from 47.3% in the year ended December 31, 2011 to 49.6% in the year ended December 31, 2012. The increase in Adjusted EBITDA and in Adjusted EBITDA margin in the year ended 2012 was primarily due to an increase in revenue from the residential subscribers as a result of the ARPU increase from both pay television and high-speed broadband in combination with lower production and operating costs.

Operating Free Cash Flow

The table below sets forth the operating free cash flow for the three months ended December 31, 2012 and 2011, and for the year ended December 31, 2012 and 2011.

	For the three months ended December 31,		For the year ended December 31,	
	Actual 2012	Actual 2011	Actual 2012	Pro Forma 2011
	(SEK in millions)		(SEK in millions)	
Adjusted EBITDA	**583**	**517**	**2,262**	**2,138**
Expensed retail subsidies	(6)	(9)	(30)	(40)
Reported Underlying EBITDA	**577**	**508**	**2,232**	**2,098**
One-off items(1)	(22)	(24)	(52)	(327)
Adjustments for items not included in cash flow(2)	3	2	7	3
Change in net working capital	71	4	(117)	257
Capital expenditures	(357)	(328)	(913)	(734)
Drawdown leasing facilities	23	54	38	122
Operating Free Cash Flow	**295**	**216**	**1,196**	**1,419**

(1) Including non-recurring costs and operating currency loss/gain.
(2) Including change in pension provisions, change in other provisions and other items not included in cash flow.

Operating Free Cash Flow for the Three Months Ended December 31, 2012 and 2011
Operating free cash flow increased by SEK 79 million, or 36.8%, from SEK 216 million in the three months ended December 31, 2011 to SEK 295 million in the three months ended December 31, 2012. The increase was mainly due to a positive EBITDA development and better change in net working capital. The positive EBITDA and net working capital development was partly offset by increased capital expenditures and lower funding of investments from leasing facilities during the fourth quarter of 2012, SEK 23 million compared to SEK 54 million in the fourth quarter of 2011.

The Group operates with negative net working capital, which improved by SEK 71 million in the three months ended December 31, 2012, compared to an improvement of SEK 4 million in the three months ended December 31, 2011. The difference in the change in net working capital between the two quarters under review is primarily explained by extraordinary high operating liabilities as of September 30, 2011 related to transaction costs and cost for lawyers and consultants related to the Acquisition of the NCAC Group.

Capital expenditures increased by SEK 29 million, or 8.8%, from SEK 328 million in the three months ended December 31, 2011 to SEK 357 million in the three months ended December 31, 2012. The increase in capital expenditures was primarily due to investments in Com Hem´s next generation TV platform and increased investments in broadband network capacity. The increase was partly offset by lower volumes of purchased CPEs and capitalized sales costs in the fourth quarter 2012 compared to the corresponding quarter in 2011.

Operating Free Cash Flow for the Year Ended December 31, 2012 and 2011
Operating free cash flow decreased by SEK 223 million, or 15.7%, from SEK 1,419 million in the year ended December 31, 2011 to SEK 1,196 million in the year ended December 31, 2012. The decrease was mainly due to a negative development of net working capital and higher capital expenditures. Also, funding of investments from leasing facilities were lower during the 2012, compared to 2011. The negative net working capital development and increased capital expenditures was partly offset by a decrease in one-off items in the year ended December 31, 2012 compared to 2011. One-off items in 2011 includes a cost of approximately SEK 246 million recognized as transaction costs for the Acquisition in the third quarter of 2011.

The Group’s negative net working capital decreased by SEK 117 million in the year ended December 31, 2012, affecting the operating free cash flow negatively, compared to an improvement of the net working capital of SEK 257 million in the year ended December 31, 2011. The large fluctuations in change in net working capital between the periods under review are due to high operating liabilities as of December 31, 2011, related to the Acquisition.

Capital expenditures increased by SEK 178 million, or 24.3%, from SEK 734 million in the year ended December 31, 2011 to SEK 913 million in the year ended December 31, 2012. The increase in capital expenditures was mainly due to investments in Com Hem´s next generation TV platform and higher volumes of installed and upgraded households within the Com Hem network and within the iTUX network.

Cash Debt and Liquidity

The Group maintains cash and cash equivalents to fund the day-to-day requirements of the business. The principal source of liquidity on an on-going basis is the operating cash flow, as well as drawings under the Capex Facility and the Revolving Credit Facility. Com Hem's ability to generate cash from operations will depend on the future operating performance, which is to some extent dependent on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond the Group's control.

The table below sets forth the cash debt, available liquidity and leverage as of December 31, 2012[(1)].

	As of December 31, 2012					
Tranches	**Nominal currency**	**Total outstanding debt (MSEK)**	**Undrawn amount**	**Maturity Date**		**Interest rate**
Term Loan A……………..........	SEK	1,490	-	2017	STIBOR 3M	+ 4.00%
Term Loan B1……………………..	SEK	1,216	-	2018	STIBOR 3M	+ 5.00%
Term Loan B2……………………..	EUR	2,626	-	2018	EURIBOR 3M	+ 5.00%
Capex Facility……………………..	SEK	-	750	2017	STIBOR 3M	+ 4.00%
Revolving Credit Facility[(2)]…..........	SEK	55	446	2017	STIBOR 3M	+ 4.00%
Bank debt…………………………		**5,386**	**1,196**			
Senior Secured Notes…………….	SEK	3,492	-	2018	Fixed	9.25%
Senior Notes……………………….	EUR	2,481	-	2019	Fixed	10.75%
Bank & Notes Debt………………		**11,359**	**1,196**			
Cash and Cash Equivalents……..	SEK	(661)				
Cash Net Debt……………………		**10,698**	**1,196**			
Adjusted EBITDA LTM………………………………………………………			2,262			
Cash Net Debt/ Adjusted EBITDA………………………………………			**4.7x**			

(1) Please note that the above table is not comparable with the non-current interest bearing liabilities presented in "*Condensed Consolidated Financial Statements – Condensed Consolidated Balance Sheet"*. In the condensed consolidated balance sheet, the credit facilities are net of unamortized capitalized transaction costs and original issue discount. Also, please note that the above table excludes leasing debt.

(2) The amount outstanding under the Revolving Credit Facility is restricted for a bank guarantee.

Leverage Ratio

As of December 31, 2012 the Group's cash net debt to Adjusted EBITDA ratio was 4.7x, compared to 4.9x as of September 30, 2012 and 5.0x as of December 31, 2011.

Cash Balance and Availability of Funds

As of December 31, 2012 the Group held SEK 661 million of cash and cash equivalents. Under the Senior Credit Facilities Agreement, the Group has access to an additional committed Capex Facility of SEK 750 million and an additional committed SEK 446 million under the Revolving Credit Facility.

Intragroup Debt Obligations

As of December 31, 2012, the NorCell Group's debt obligations to its Parent Company amounted to SEK 4,973 million, of which SEK 2,640 million in a shareholder loan, SEK 2,116 million in a back-to-back loan (EUR 245 million), which is the net proceeds from the Parent Company´s issue of the Senior PIK Notes, and accrued interest on intercompany loans of SEK 218 million. No cash interest is payable on the debt to the Parent Company.

Currency and Interest Rate Risks

The Group's translation exposure arises due to debt obligations in EUR. As of December 31, 2012 the NorCell Group's debt obligations in EUR amounted to EUR 836 million (EUR 304 million in credit facilities, EUR 287 million in notes and EUR 245 in intercompany loans) compared to EUR 591 million (EUR 304 million in credit facilities and EUR 287 million in notes) as of September 30, 2012, and EUR 608 million (EUR 321 million in credit facilities and EUR 287 million in notes) as of December 31, 2011. Excluding the EUR 245 million intragroup debt, described above, the NorCell Group has hedged 100% of the EUR denominated interest payments until 2015, and part of the EUR denominated principals.

To decrease the Group's interest rate risks, interest rate derivatives have been entered into. The derivatives are measured at fair value, and are recognized in net profit or loss for the period. As of December 31, 2012, the fair value of the interest rate derivatives amounted to SEK (259) million compared to a fair value of SEK (318) million as of September 30, 2012 and a fair value of SEK (100) million as of December 31, 2011.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

This Interim Report presents the following financial information:

- The unaudited condensed consolidated financial statements of the NorCell Group as of and for the three months ended December 31, 2012 and 2011, as of and for the year ended December 31, 2012 and as of December 31, 2011. These accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").
- The selected unaudited pro forma consolidated financial data of the NorCell Group for the year ended December 31, 2011, which has been derived from the unaudited management accounts. These accounts have been prepared in accordance with IFRS.
- 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. These accounts have been prepared in accordance with IFRS.

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 on January 1, 2011, as described in the Annual Report for 2011.

Non-IFRS Financial Measures

The following financial measures included in this Interim Report are not measures of financial performance or liquidity under IFRS

	For the three months ended December 31,		For the year ended December 31,	
	Actual 2012	Actual 2011	Actual 2012	Pro Forma 2011
	(SEK in millions)		*(SEK in millions)*	
Reported Underlying EBITDA(1)	577	508	2,232	2,098
Reported Underlying EBITDA margin (in %)(2)	50.4	44.0	48.9	46.4
Adjusted EBITDA(3)	583	517	2,262	2,138
Adjusted EBITDA margin (in %)(4)	50.9	44.9	49.6	47.3
Operating Free CashFlow(5)	295	216	1,196	1,419
Operating Free Cash Flow margin (in%)(6)	25.8	18.7	26.2	31.4
Adjusted depreciation and amortization(7)	347	360	1,413	1,453

(1) Reported Underlying EBITDA is defined as net profit/(loss) for the period before income taxes, net financial items, disposals, depreciation and amortization, non-recurring costs and operating currency gain/(loss) ("**Reported Underlying EBITDA**"). Depreciation and amortization is 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). For a reconciliation of Operating Income to Reported Underlying EBITDA, see *"Results of Operations and Financial Condition - Reconciliation of Operating Income to Adjusted EBITDA"*.

(2) Reported Underlying EBITDA margin is calculated as Reported Underlying EBITDA as a percentage of revenue.

(3) 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 as from 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 and the year ended December 31, 2012 and 2011 respectively relate to retail subsidies paid in prior periods.

(4) Adjusted EBITDA margin is calculated as Adjusted EBITDA as a percentage of revenue.

(5) Operating Free Cash Flow is calculated as Reported Underlying EBITDA less non-recurring costs, plus operating 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**"). For a reconciliation of Adjusted EBITDA to Operating Free Cash Flow, see "*Results of Operations and Financial Condition*".

(6) Operating Free Cash Flow margin is calculated as Operating Free Cash Flow as a percentage of revenue.

(7) 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 amortization on current customer relations value 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 Interim Report because they are considered to be important supplemental measures of Com Hem's performance and believed to be 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 chosento compute the non-IFRS financial measures presented herein may not be comparable to similarly defined terms used by other companies.

Selected Operational Data

Several key operating measures are used, including number of homes connected, unique subscribers, RGUs, RGUs per unique subscriber and ARPU to track the financial and operating performance of Com Hem's business. None of these terms are measures of financial performance under IFRS, nor have these measures been audited or reviewed by an auditor, consultant or expert. All of these measures are derived from the Group's internal operating and financial systems. As defined, these terms may not be directly comparable to similar terms used by competitors or other companies.

	For the three months ended December 31,		For the year ended December 31,	
	Actual 2012	**Actual 2011**	**Actual 2012**	**Pro Forma 2011**
ARPU[(1)]	*(in SEK)*		*(in SEK)*	
Pay Television (SEK)………...	236	222	231	223
High-Speed Broadband (SEK)………...	197	195	196	191
Fixed-Telephony (SEK)………..	116	124	117	127
Blended ARPU[(2)] (SEK)……...	361	357	358	354
Landlord (SEK)………...	40	42	41	42

(1) ARPU is calculated by dividing the revenue (for the service provided, in each case including the proportional allocation of the bundling discount) for the respective period by the average number of RGUs for that period and further by the number of months in the period. The average number of RGUs is calculated as the number of RGUs on the first day in the respective period plus the number of RGUs on the last day of the respective period divided by two.

(2) Blended ARPU is calculated by all pay television, high-speed broadband, fixed-telephony revenue and other revenue that can be allocated to each service for the three months ending December 31, and for the twelve months ending December 31, respectively, by the average number of total unique subscribers for the respective period, and further by the number of months in the period. The average number of total unique subscribers is calculated by aggregating the average number of unique subscribers in each month during the respective period and dividing the result by the number of months in the respective period.

	As of December 31,	
	Actual 2012	**Actual 2011**
Group Total	*(in thousands)*	
Homes Connected[(1)]……………………………..	1,749	1,739
Unique Subscribers[(2)]…...	828	861
- *of which triple-play subscribers*………...	*264*	*292*
Unique subscribers as a percentage of homes connected…………………………………………………..	47.3	49.5
Total RGUs[(3)]……………………………………………………………………………………………………..	1,502	1,585
RGUs per unique subscribers (in units)……..……………………………………………………………………	1.82	1.84

(1) Homes connected represent the number of residential units to which Com Hem provides an analog cable television service, primarily through long-term contracts with landlords of MDUs.

(2) Unique subscribers represent the number of individual end users who subscribed for one or more of Com Hem's upgraded digital services as of the date indicated.

(3) RGUs (revenue generating units) relate to sources of revenue, which may not always be the same as subscriber numbers. For example, one person may subscribe for two different services, thereby accounting for only one subscriber but two RGUs.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements present the NorCell Group as of and for the three months ended December 31, 2012 and 2011, and as of and for the year ended December 31, 2012.

Condensed Consolidated Income Statement

	For the three months ended December 31,		For the year ended December 31,
	2012	2011	2012
	(SEK in millions)		(SEK in millions)
Revenue	1,145	1,152	4,562
Cost of sales and services	(551)	(583)	(2,244)
Gross profit	**595**	**569**	**2,318**
Selling expenses	(334)	(373)	(1,310)
Administrative expenses	(68)	(69)	(249)
Other operating income and expense	(4)	(16)	(11)
Operating income	**189**	**112**	**748**
Net financial income and expense	(549)	(476)	(1,747)
Loss after financial items	**(360)**	**(364)**	**(999)**
Income taxes	244	(27)	411
Net profit (loss) for the period	**(116)**	**(391)**	**(588)**

Loss per share			
Basic (SEK)	(193.52)	(651.22)	(967.69)
Diluted (SEK)	(193.52)	(651.22)	(967.69)

Condensed Consolidated Statement of Comprehensive Income

	For the three months ended December 31,		For the year ended December 31,
	2012	2011	2012
	(SEK in millions)		(SEK in millions)
Net profit (loss) for the period	(116)	(391)	(588)
Other comprehensive income	-	-	-
Other comprehensive income for the period, net of tax	-	-	-
Comprehensive income for the period	**(116)**	**(391)**	**(588)**

Condensed Consolidated Balance Sheet

	As of December 31, 2012	As of December 31, 2011
Non-current assets	*(SEK in millions)*	*(SEK in millions)*
Intangible assets	16,513	16,993
- of which goodwill	*10,742*	*10,742*
Property, plant and equipment	1,421	1,460
Other non-current assets	6	-
Total non-current assets	**17,940**	**18,453**
Current assets	300	292
Cash and cash equivalents	661	1,044
Total current assets	**961**	**1,336**
Total assets	**18,901**	**19,789**
Total equity	**93**	**681**
Non-current interest-bearing liabilities	15,553	15,369
- of which credit facilities	*4,838*	*5,102*
- of which notes	*5,703*	*5,783*
- of which intercompany loans	*4,973*	*4,338*
Other non-current liabilities	397	233
Deferred tax liabilities	773	1,183
Total non-current liabilities	**16,723**	**16,786**
Current interest-bearing liabilities	354	551
Other current liabilities	1,731	1,772
Total current liabilities	**2,085**	**2,322**
Total equity and liabilities	**18,901**	**19,789**

Condensed Consolidated Statement of Change in Equity

SEK in millions	Share capital	Other paid-in capital	Retained earnings incl. net loss for the period	For the year ended December 31, 2012
Opening equity as of Jan 1, 2012	**1**	**1,341**	**(660)**	**681**
Comprehensive loss for the period	-	-	(588)	(588)
Closing equity as of Dec 31, 2012	**1**	**1,341**	**(1,249)**	**93**

Condensed Consolidated Cash Flow Statement

	For the three months ended December 31,		For the year ended December 31,
	2012	2011	2012
Operating activities	*(SEK in millions)*		*(SEK in millions)*
Loss after financial items …..………..………………………………………………	(360)	(364)	(999)
Adjustments for items not included in cash flow, etc* ……………………..……..	283	791	2,012
Change in working capital …..………...	71	4	(117)
Cash flow from operating activities ………………………………………………	**(6)**	**431**	**896**
Investing activities			
Acquisition of intangible assets ……………………………………………………..	(96)	(97)	(250)
Acquisition of property, plant and equipment ……………………………………...	(238)	(177)	(625)
Investments in financial assets………………………………………………………	(6)	-	(6)
Cash flow from investing activities ………..………………………………………	**(340)**	**(274)**	**(880)**
Financing activities			
Net borrowings from group companies**…………………………………………...	201	(81)	101
Amortization of borrowings..…..……………………….…………………………	(34)	(177)	(457)
Payment of transaction costs …………………..…….…………………………...	-	(404)	(43)
Cash flow from financing activities ………..………………………………………	**167**	**(662)**	**(399)**
Net change in cash and cash equivalents ………………………………………….	(178)	(505)	(383)
Cash and cash equivalents at period end ……………………………………...	**661**	**1,044**	**661**

*Adjustments for items not included in cash flow, etc.

	For the three months ended December 31,		For the year ended December 31,
	2012	2011	2012
	(SEK in millions)		*(SEK in millions)*
Depreciation, amortization and impairment of assets ………………...................	347	360	1,413
Unrealized exchange rate differences …...	99	(145)	(191)
Unrealized change in fair value of financial assets ……………………..............	(59)	101	159
Change in accrued arrangement fees and accrued interest expenses..............	(130)	316	167
Interest not settled with cash, group companies …………………….................	26	133	639
Other ……………………….…………………………………………………………...	(1)	26	26
Total ………………..……………………………………………………………..	**283**	**791**	**2,213**

** The net change in intercompany loans in Q4 2012, from the Parent Company, was used to pay interest accrued in 2012 on previous intercompany loans.

Notes to the Condensed Consolidated Financial Statements

Note 1 Basis of Preparation
The consolidated accounts of the Group are prepared in accordance with International Financial Reporting Standards ("IFRSs") as disclosed in the Annual Report 2011. The Interim Report is prepared in accordance with IAS 34 Interim Financial Reporting.

NorCell Sweden Holding 2 AB (publ) was established on July 12, 2011, and functioned as a dormant holding company between July 12, 2011, and September 28, 2011. As a consequence it is not meaningful to present a comparable income statement for the period July 12, 2011 to December 31, 2011.

The new or amended IFRS and IFRIC interpretations, which became effective on January 1, 2012, have had no material effect on the consolidated financial statements.

These condensed consolidated financial statements are presented in million Swedish kronor (SEK) which is also the Group's functional currency.

This Interim Report has been approved for issuance by the Board of Directors on February 20, 2013.

Operating Segments
The operations of the Group are integrated and constitute a single operating segment that offers the supply of pay television, high-speed broadband and fixed-telephony on 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 its chief operating decision maker. As such, the Group does not present any operating segment information. However, information on revenue from pay-television, high-speed broadband, fixed-telephony and landlord is disclosed in Note 2.

Note 2 Revenue
Total revenue amounted to SEK 4,562 million in the year ended December 31, 2012. Pay television revenue amounted to SEK 1,721 million, or 37.7% of total revenue. High-speed broadband revenue amounted to SEK 1,277 million, or 28.0% of total revenue. Fixed-telephony revenue amounted to SEK 506 million, or 11.1% of total revenue. Landlord revenue amounted to SEK 856 million or 18.8% of total revenue, and Other revenue amounted to SEK 202 million, or 4.4% of total revenue.

Note 3 Operating Expenses
The Group's cost of sales and services amounted to SEK 2,244 million, or 49.2% of total revenue in the year ended December 31, 2012. Selling expenses amounted to SEK 1,310 million, or 28.7% of total revenue, administrative expenses amounted to SEK 249 million, or 5.5% of total revenue and the group's other operating income and expenses amounted to SEK 11 million or 0.2% of total revenue.

Note 4 Financial Income and Expense
Financial income and expense summarized to a net financial expense of SEK (1,747) million in the year ended December 31, 2012.

Net financial expense consisted primarily of interest expense on borrowings amounting to SEK (1,773) million, currency gains in EUR denominated debt of SEK 193 million, and a negative change in fair value of derivative instruments amounting to SEK 159 million in the year ended December 31, 2012.

Note 5 Income Taxes
The Group recognized a deferred tax income for the year ended December 31, 2012 of SEK 411 million. As of January 1, 2013, the Swedish corporate tax was reduced from 26.3% to 22.0%, and accordingly, all deferred taxes as of December 31, 2012 have been re-measured. The reduction had a one-time effect of SEK 150 million, based on the revaluation of the Group's net deferred tax liability.

Note 6 Net Loss for the Period
The Group recognized a net loss of SEK 588 million in the year ended December 31, 2012.

Note 7 Capital Expenditures
Capital expenditures in the year ended December 31, 2012 amounted to SEK 913 million or 20.0% of total revenue, of which SEK 38 million was funded by financial leases. Of the capital expenditures net after leasing, SEK 625 million related to investments in fixed tangible assets and SEK 250 million related to investments in fixed intangible assets. As from January 1, 2012, Com Hem is able to connect paid out sales commissions to specific fixed-term contracts with subscribers generated from certain telemarketing sales. Therefore, in accordance with IAS 38, approximately SEK 15 million have been recognized as fixed

intangible assets in the year ended December 31, 2012, which will be amortized over the specific contract period, normally 12 or 24 months.

Note 8 Liquidity and Financial Position

As of December 31, 2012 the Group held SEK 661 million of cash and cash equivalents. Under the Senior Facilities Agreement, the Group has access to an additional committed Capex Facility of SEK 750 million, and additional committed SEK 446 million under the Revolving Credit Facility.

Note 9 Related Parties

The Group has related party relationships with the Company's owner and with Board members and Group Management.

On November 12, 2012 the Parent Company announced its offering of EUR 250 million, 12.4% Senior PIK Notes due 2019. On November 21, 2012 the net proceeds of EUR 245 million from the offering was on-lent to NorCell Sweden Holding 2 AB (publ) as a subordinated intercompany loan. The amount of the intercompany loan was concurrently repaid to the Parent Company through the repayment of subordinated intercompany loans. No cash interest is payable on the new EUR denominated subordinated intercompany loan from the Parent Company.

During the three months ended December 31, 2012 NorCell Group has provided a loan of SEK 6 million to NorCell S.à.r.l. in order to facilitate for the company to settle certain administrative expenses.

Note 10 Risks and Uncertainty Factors

The Group's operations are influenced by a number of exogenous factors. For a detailed description of the risk factors considered to be most important to the Group's future progress, please see the description in the Group's Annual Report 2011. The Group believes that the risk environment has not materially changed from the description in the Annual Report 2011.

Note 11 Subsequent Events

On January 29, 2013 the Group gave notice of a reduction of approximately 60 employees, mainly affecting the head office in Stockholm and the Customer Care Center in Härnösand. The redundancy program is planned to be finalized during the second quarter of 2013.

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About Com Hem

Com Hem is one of Sweden's leading suppliers of television, broadband and fixed-telephony. Approximately 37 percent, 1.75 million, of Sweden's households are connected to Com Hem's network with access to the market's broadest range of television services. Com Hem offers attractively priced, high quality and complementary services for television, high-speed broadband and fixed-telephony. The Company was established in 1983, is controlled by BC Partners, and has approximately 950 employees and head office in Stockholm.