Q4 and Full-year 2012 Presentation

Investor and Analyst Conference Call

February 20, 2013

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.

Forward-looking statements are based upon assumptions and estimates about future events or circumstances, and are subject to risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will materialize. Accordingly, our actual results may differ materially from those expressed or implied thereby.

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
Focus Areas 2013	Tomas Franzén
Questions	Tomas Franzén, Joachim Jaginder
Appendix	

Fourth Quarter in Brief

Operational highlights

Market development	- Limited market growth – increased focus on customer intake and retention - New technologies changes consumer behaviour (increase of data traffic – both fixed and mobile) - Com Hem maintains its stable market positions
Key performance	- As of Dec. 2012, Com Hem acts as Service Provider in Zitius Open Network (OffNet) - Com Hem now capable to take over existing LAN Networks – first contract win in Q4 2012 - Decrease in DTV subscriber base in 2012, has stopped during the last quarter - Broadband customer base remains stable, despite increased competition
Focus areas going forward	- Launch of the next generation viewing experince, powered by TiVo during Q2 2013 - Continue the successful high-speed Broadband strategy - Increase penetration and usage of Com Hem Voice over WiFi app, launched in Jan. 16, 2013 - Continue develop Com Hem LAN offering - Increase participation in OffNet LANs with attractive Service Provider products - Enter the B2B market

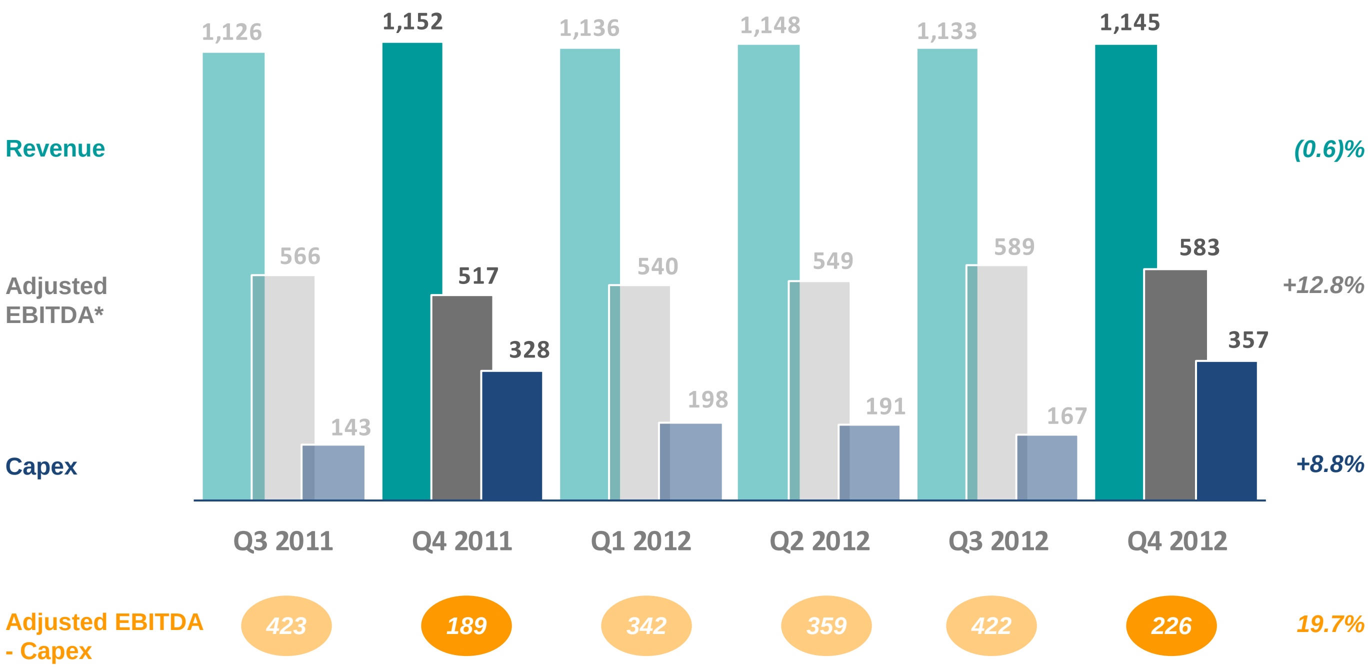
Financial Overview Q4 2012

com hem

Overview Com Hem

(SEKm)

Change Q4 2012 vs.Q4 2011



Development

Q4 2012 vs. Q4 2011

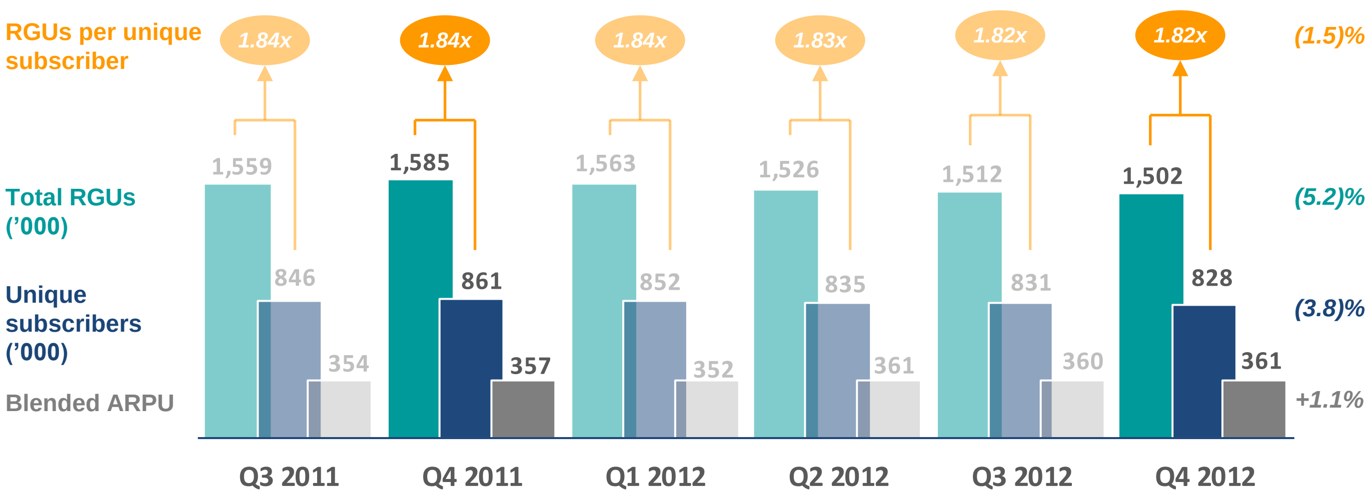
- **Stable revenue vs. Q4 2011**
  - Impact from price increases offsets effect from lower customer base on the DTV service
  - Decrease in Telephony revenue are mainly offset by increase in iTUX revenue and increased invoicing fees
- **Adjusted EBITDA increase of 12.8%**
  - Despite no revenue growth, Adjusted EBITDA increases due to both lower production and operating costs
- **Capex increase of 8.8%**
  - Investments in Com Hem´s next generation TV platform
  - Increased investments in Broadband capacity

** 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

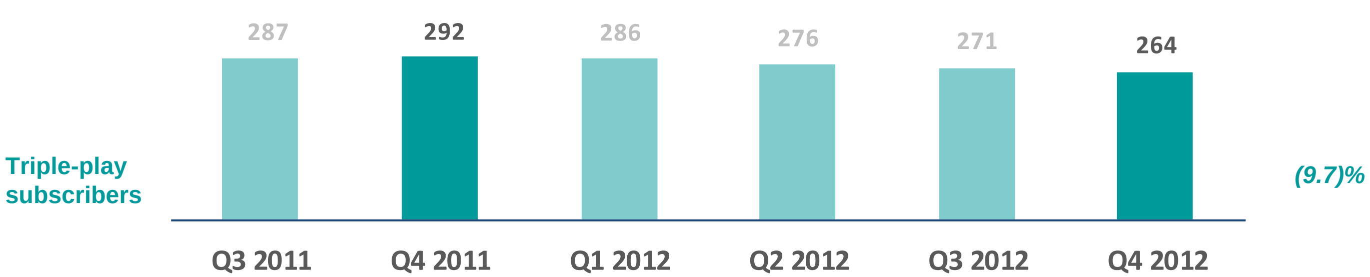
Change Q4 2012 vs.Q4 2011



Triple-play subscriber base

('000)

Change Q4 2012 vs.Q4 2011



Development

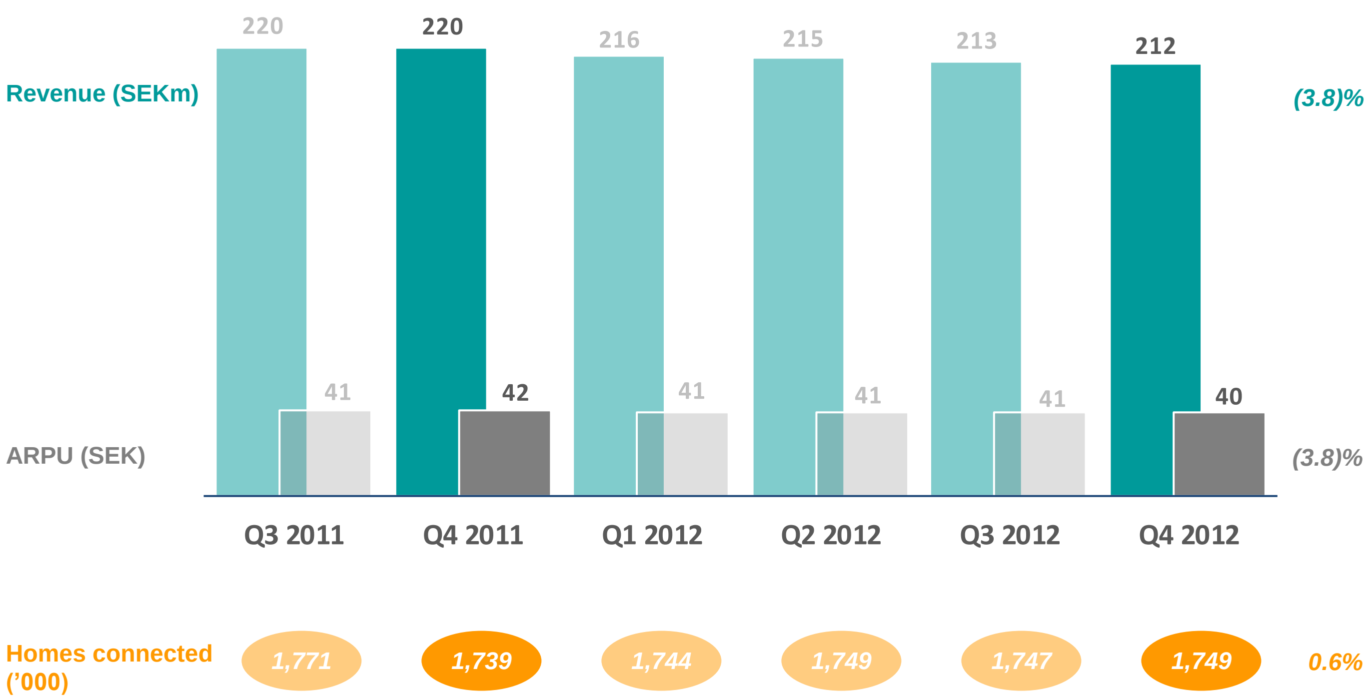
Q4 2012 vs. Q4 2011

- **Decrease in number of unique subscribers, RGUs, and RGUs per unique subscriber**
- **Increase in blended ARPU due to DTV price increases during H1 2012 and an increased demand for broadband speed**
- **The decrease in subscriber volumes is mainly due to**
  - Mature market and competitive market environment
  - Price increases on DTV services in H1 2012
  - Substitution from fixed to mobile telephony
- **However, Com Hem maintains it's stable market positions**

Quarterly Development - Landlord

Revenue and ARPU

Change Q4 2012 vs.Q4 2011



Development

Q4 2012 vs. Q4 2011

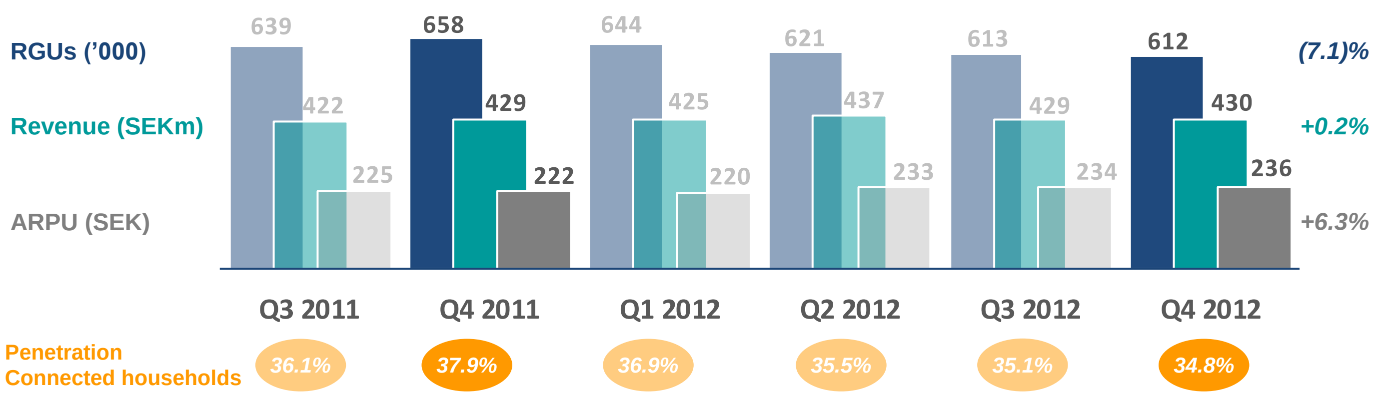
- **Slight increase in homes connected during vs. Q4 2011**
  - Decrease of large landlord in December 2011
  - Com Hem is now acting as Service Provider in Zitius Open Network (OffNet)
- **ARPU decline**
  - Contract re-negotiations partly offset by price index increases in 2012

Quarterly Development - Pay TV

com hem

Revenue, RGU and ARPU

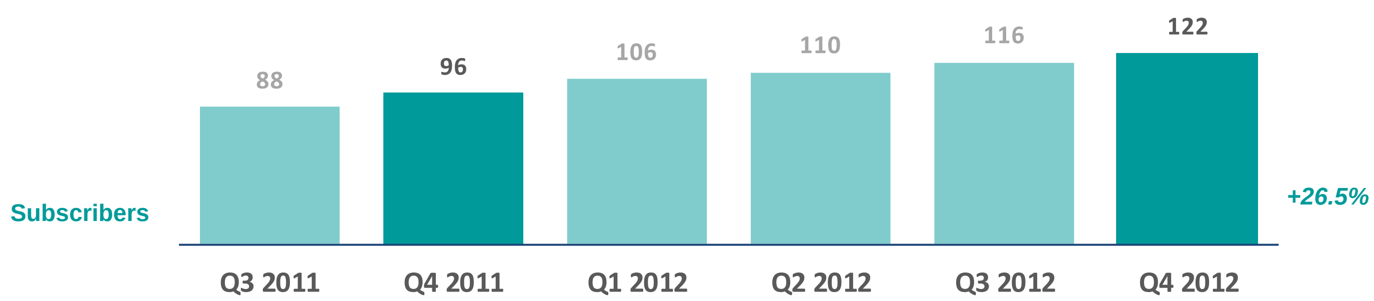
Change Q4 2012 vs.Q4 2011



On demand

('000)

Change Q4 2012 vs.Q4 2011



Development

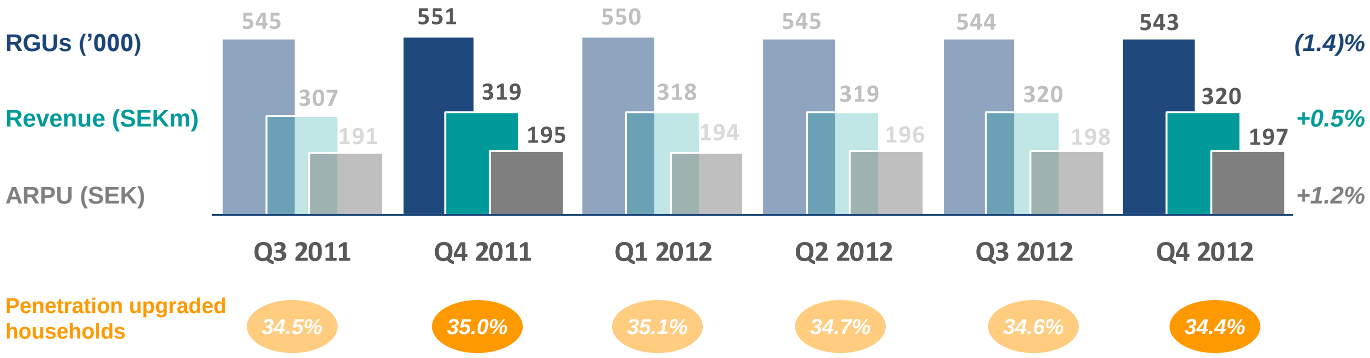
Q4 2012 vs. Q4 2011

- **Revenue remain at stable levels**
  - ARPU growth due to price increases in H1 2012
  - Decrease in subscriber base in 2012 has stopped during Q4 2012
- **Market environment continues to be competitive**
  - Increased usage of OTT services from TV operators and content providers
  - Low customer intake from retail stores
- **Com Hem remains a stable market position**

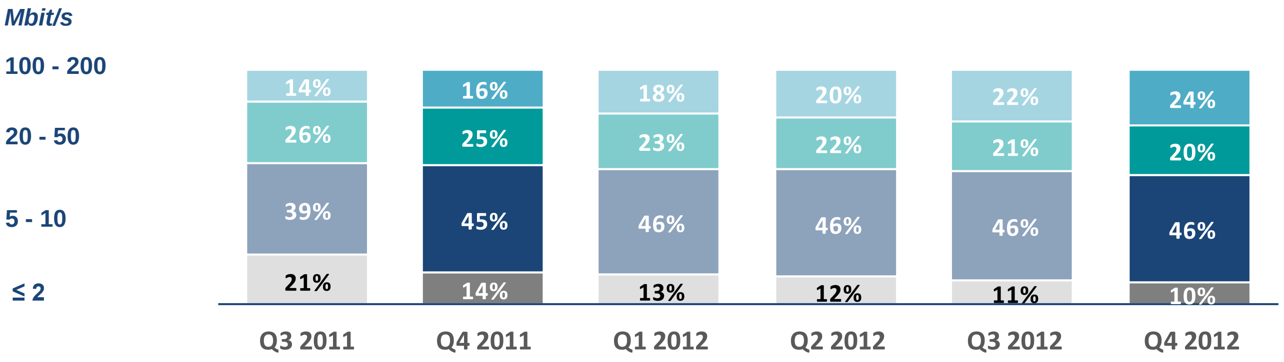
Quarterly Development - High-Speed Broadband

Revenue, RGU and ARPU

Change Q4 2012 vs.Q4 2011



Increasing demand for higher broadband speeds



Development

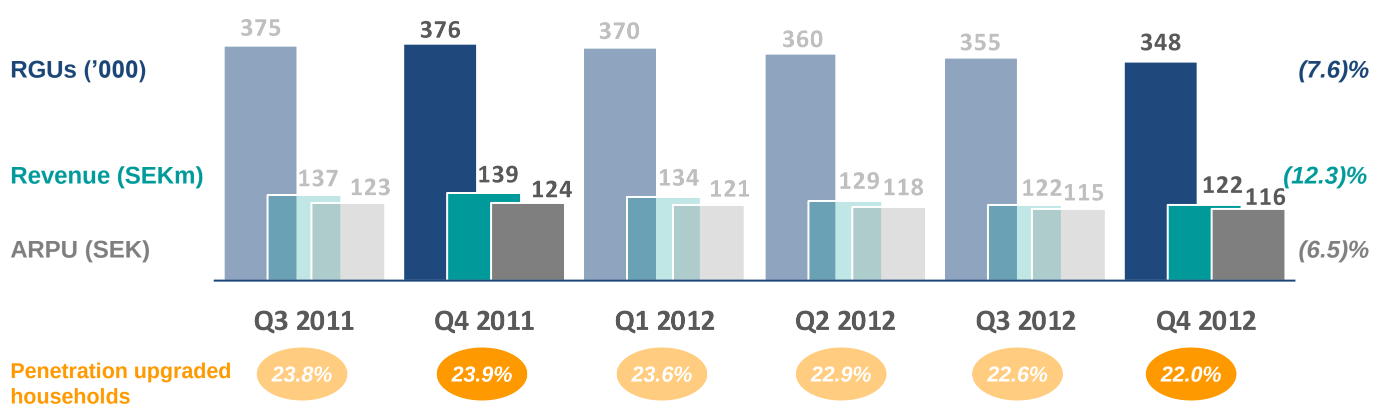
Q4 2012 vs. Q4 2011

- **Revenue, RGU base and ARPU remain stable despite a highly competitive market environment**
- **Mature market where Com Hem maintains a stable market position**
  - Mature market in terms of fixed-broadband penetration
  - Growing market in terms of capacity usage – demand for higher speeds
- **24% of customer base subscribe to 100 – 200 Mbit/s**

Quarterly Development - Fixed-Telephony

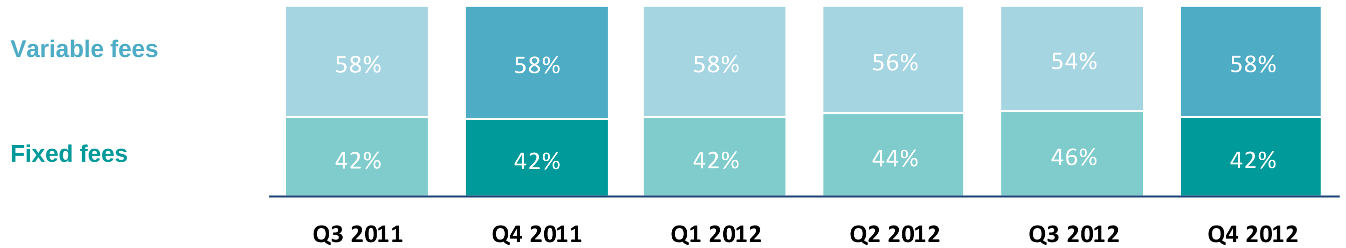
Revenue, RGUs and ARPU development

Change Q4 2012 vs.Q4 2011



Breakdown Telephony ARPU

(Percentage)



Development

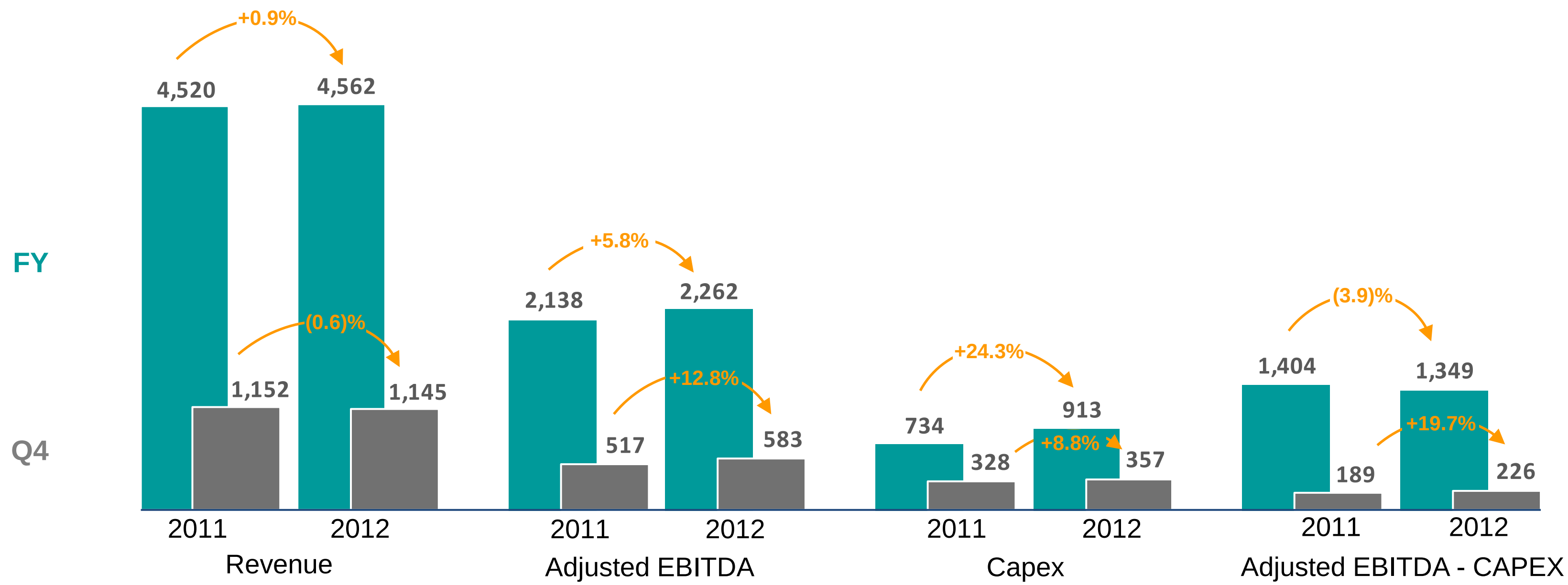
Q4 2012 vs. Q4 2011

- **Continued RGU and revenue decline as a result of market development**
- **Lower usage of fixed-line telephony**
  - Decreasing fixed-telephony penetration
  - Increased penetration of smart phones triggers fixed to mobile substitution
- **ARPU increase in Q4 vs. Q3 2012 mainly due to seasonality effects in telephony call patterns**
- **Push for customers to place more calls through Com Hem's network**
  - New telephony price plan was introduced Nov. 7, 2012
  - Voice over WiFi launched Jan. 16, 2013

Agenda

Business Overview and Operational Results	Tomas Franzén
Financial Results	**Joachim Jaginder**
Focus Areas 2013	Tomas Franzén
Questions	Tomas Franzén, Joachim Jaginder
Appendix	

Financial Overview



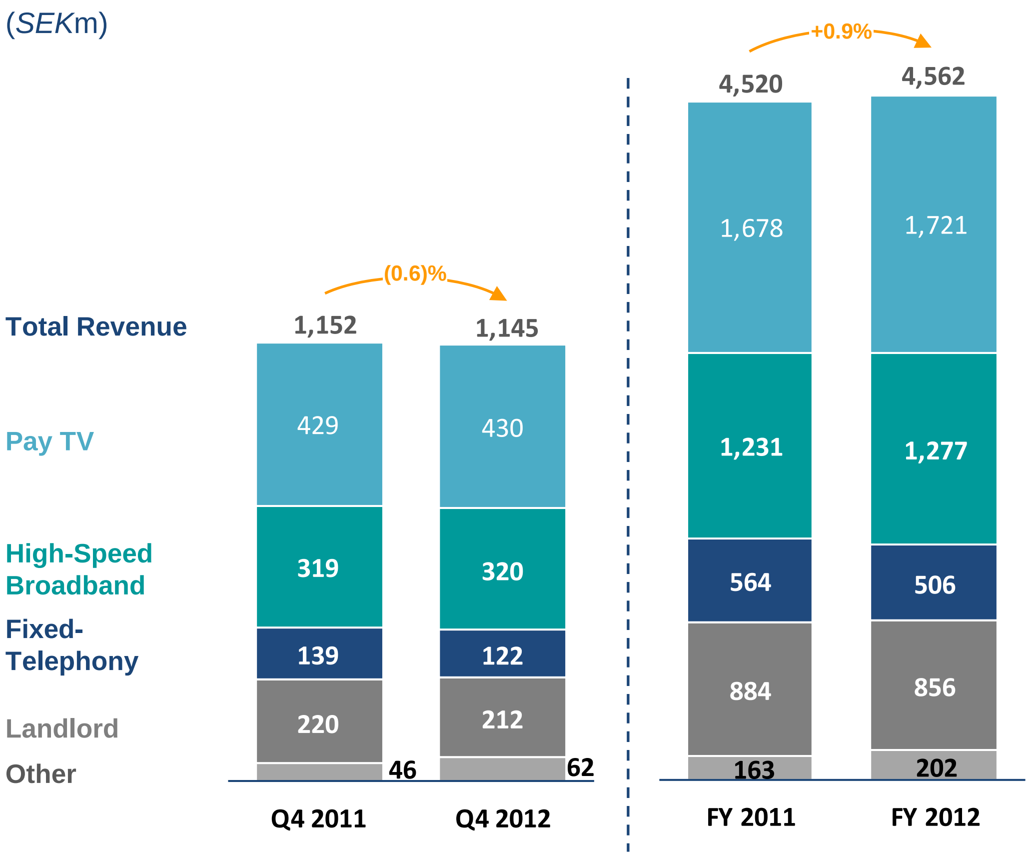
Financial highlights – fourth quarter

Revenue	– Revenue was SEK 1,145m, a decrease of 0.6% compared to Q4 2011
Adjusted EBITDA	– Adjusted EBITDA was SEK 583m, an increase of 12.8% compared to Q4 2011
Capex	– Capex was SEK 357m, an increase of 8.8% compared to Q4 2011, partly due to investments in Com Hem's next generation TV platform
Adjusted EBITDA – Capex	– Adjusted EBITDA-capex was SEK 226m, an increase of 19.7% compared to Q4 2011

Revenue Growth

com hem

Revenue



MSEK

Revenue	Q4 2011	Q4 2012	Change		FY 2011	FY 2012	Change	
Pay TV	429	430	1	0.2%	1,678	1,721	43	2.6%
High-Speed Broadband	319	320	2	0.5%	1,231	1,277	46	3.7%
Fixed-Telephony	139	122	(17)	(12.3%)	564	506	(59)	(10.4%)
Landlord	220	212	(8)	(3.8%)	884	856	(28)	(3.1%)
Other	46	62	16	35.8%	163	202	39	23.8%
Total Revenue	**1,152**	**1,145**	**(7)**	**(0.6%)**	**4,520**	**4,562**	**42**	**0.9%**

Development last quarter

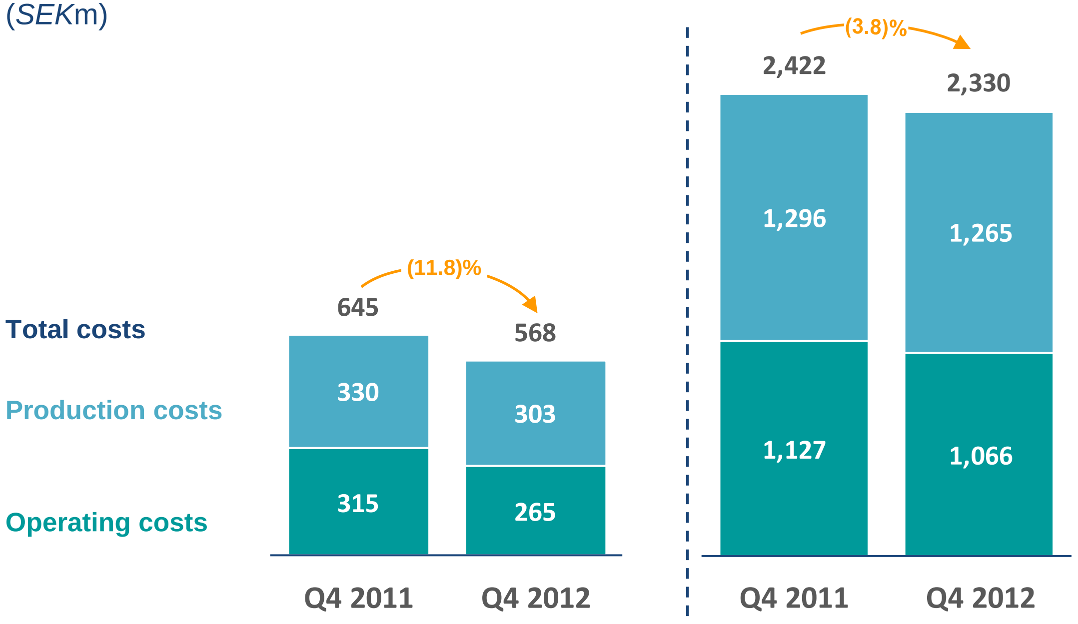
Q4 2012 vs. Q4 2011

- **Pay TV**
  - The decrease in RGUs and increase in ARPU vs. Q4 2011, are partly due to aggressive CI module campaign carried out during Q4 2011
  - Decrease in RGUs of 47,000 to 612,000
  - ARPU increase of approximately SEK 14 mainly due to price increases implemented during H1 2012
- **High-Speed Broadband**
  - Decrease in RGUs of 8,000 to 543,000
  - ARPU increase of SEK 2 due to demand for higher broadband speeds from customers
- **Fixed-Telephony**
  - Decrease in RGUs of 28,000 to 116,000
  - ARPU decline of approximately SEK 8 as a result of lower usage of fixed-line telephony service
- **Landlord**
  - ARPU decrease due to price renegotiations, partly offset by price index increases
- **Other**
  - Growth mainly due to increased revenue in iTUX and increased invoicing fees

Decreasing Cost Base

Production and operating costs

(*SEK*m)



SEKm	Q4 2011	Q4 2012	Change		FY 2011	FY 2012	Change	
Content	(174)	(159)	15		(699)	(664)	35	
Fibre & ducting	(59)	(59)	(1)		(241)	(247)	(6)	
Other production costs	(97)	(85)	12		(355)	(354)	1	
Production Costs	**(330)**	**(303)**	**26**	**(8.0%)**	**(1,296)**	**(1,265)**	**31**	**(2.4%)**
Marketing & sales costs	(89)	(53)	37		(280)	(220)	60	
Staff*	(166)	(160)	7		(612)	(620)	(8)	
Other operating costs	(59)	(53)	7		(235)	(226)	9	
Operating Costs	**(315)**	**(265)**	**50**	**(15.8%)**	**(1,127)**	**(1,066)**	**61**	**(5.4%)**
Total Reported Costs	**(645)**	**(568)**	**76**	**(11.8%)**	**(2,422)**	**(2,330)**	**92**	**(3.8%)**
Retail subsidies costs	9	6	(3)		40	30	(10)	
Adjusted Reported Cost	**(635)**	**(562)**	**73**	**(11.5%)**	**(2,382)**	**(2,300)**	**82**	**(3.5%)**

** Includes outsourcing, consultancy and employee costs.*

Development cost base

Q4 2012 vs. Q4 2011

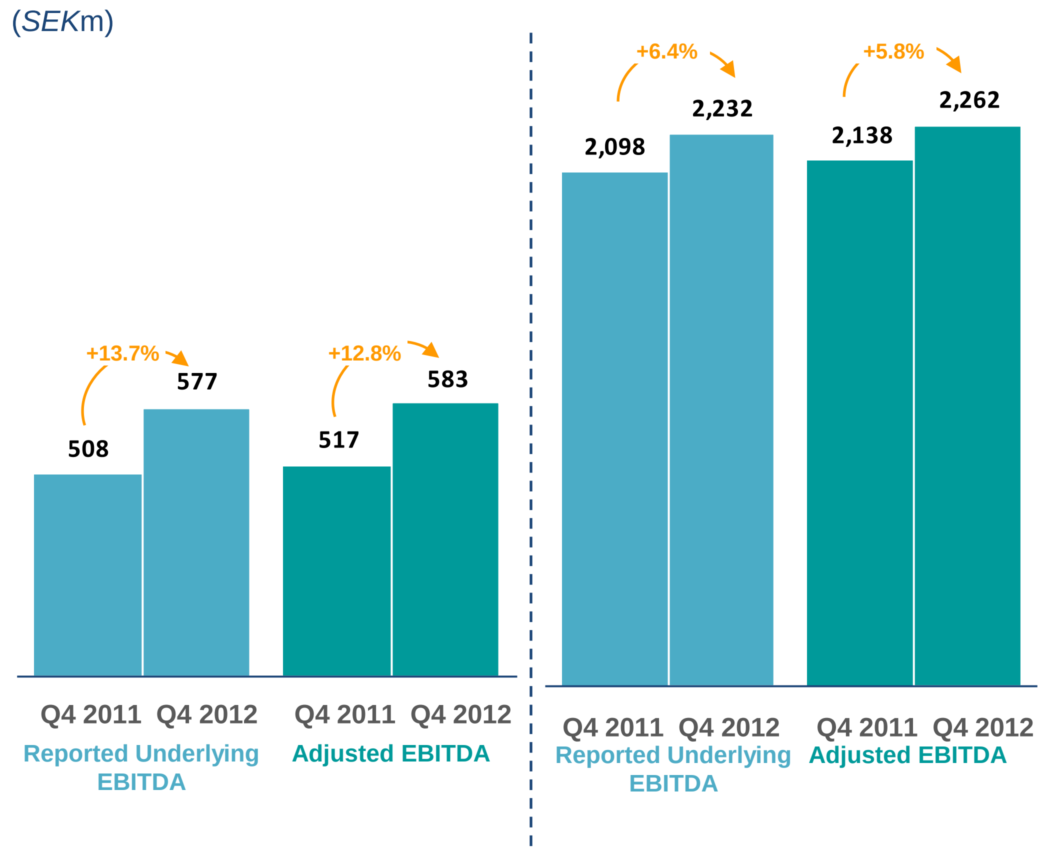
- **Production costs**
  - Content cost decreases due to lower subscriber base
  - Other production costs decrease due to lower telephony traffic cost and lower handlings cost for STB's, partly offset by higher network fees in iTUX
  - Significant portion of cost base is fixed (e.g. network maintenance surveillance)
- **Operating costs**
  - Marketing & Sales costs decrease due to timing differences in marketing and lower sales volumes during Q4 2012 vs. Q4 2011
  - Other operating costs decrease due to lower IT costs and timing differences

High EBITDA Growth During Last Quarter

Revenue & EBITDA

SEKm	Q4 2011	Q4 2012	FY 2011	FY 2012
Revenue	**1,152**	**1,145**	**4,520**	**4,562**
Production costs	(330)	(303)	(1,296)	(1,265)
Gross Profit	**823**	**842**	**3,225**	**3,297**
Gross Profit margin	71.4%	73.5%	71.3%	72.3%
Operating costs	(315)	(265)	(1,127)	(1,066)
Reported Underlying EBITDA*	**508**	**577**	**2,098**	**2,232**
Reported Underlying EBITDA margin	44.0%	50.4%	46.4%	48.9%
Expensed retail subsidies**	9	6	40	30
Adjusted EBITDA*	**517**	**583**	**2,138**	**2,262**
Adjusted EBITDA margin	44.9%	50.9%	47.3%	49.6%

EBITDA development



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

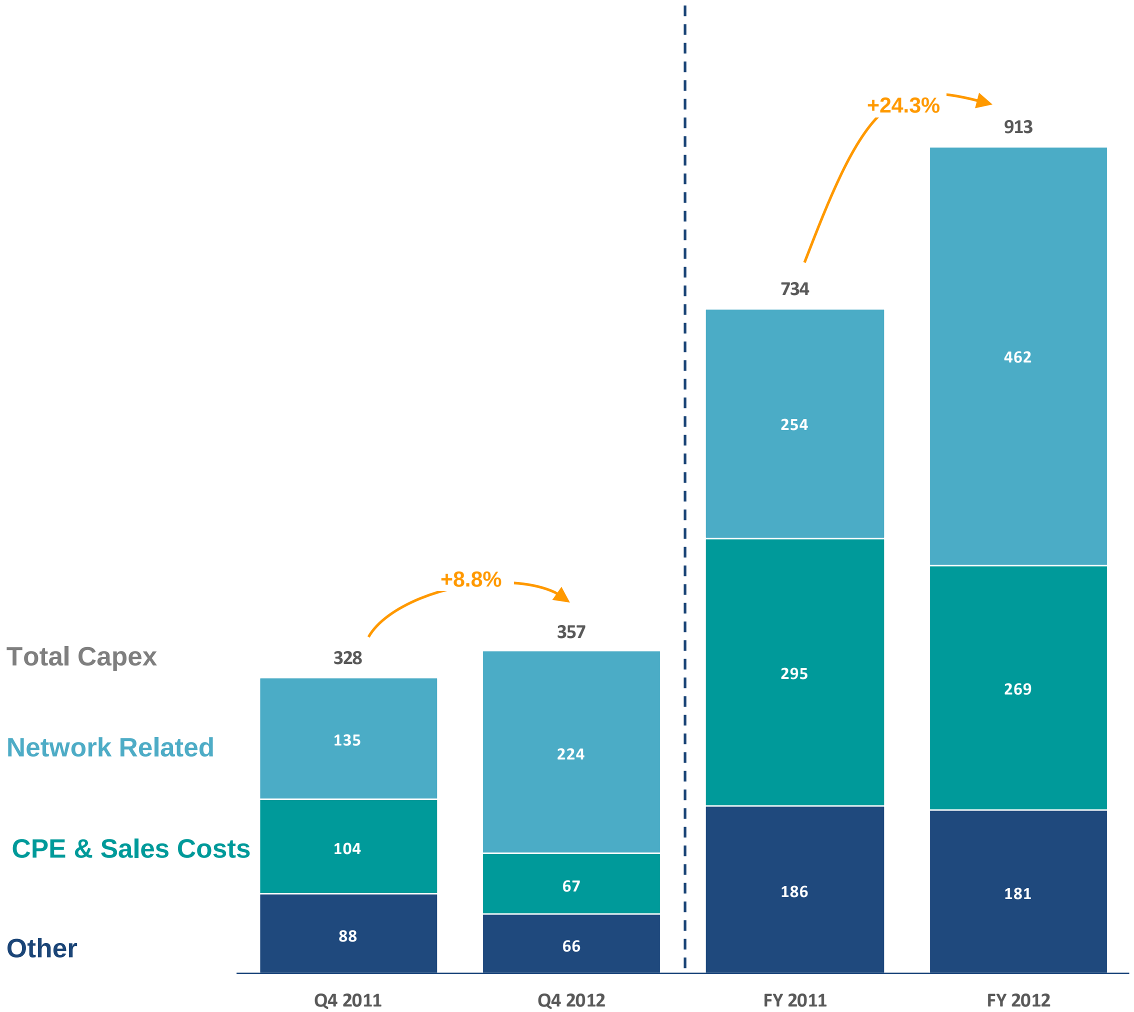
** *From January 2011, subsidies paid to retailers are capitalized in accordance with IAS 38, earlier distributed as a cost over three years.*

Capital Expenditures

com hem

Capex development

(*SEK*m)



Comments Q4 2012 vs. Q4 2011

Q4 2012 vs. Q4 2011

- **Network Related and Quality Enhancement**
  - Higher development network capex due to Com Hems's next generation TV platform
  - Increased investments in broadband capacity
- **Customer Premises Equipment & Sales Cost**
  - Lower CPE capex due to timing differences in purchase of CPE's
  - Capitalization of sales costs decreases due to lower net adds volumes during Q4 2012 vs. Q4 2011.
- **Other**
  - Decrease partly due to lower development costs for internal systems during Q4 2012
  - One-off capex in Q4 2011 related to premises incl. new Customer Support Center in Örnsköldsvik

Cash Flow Generation

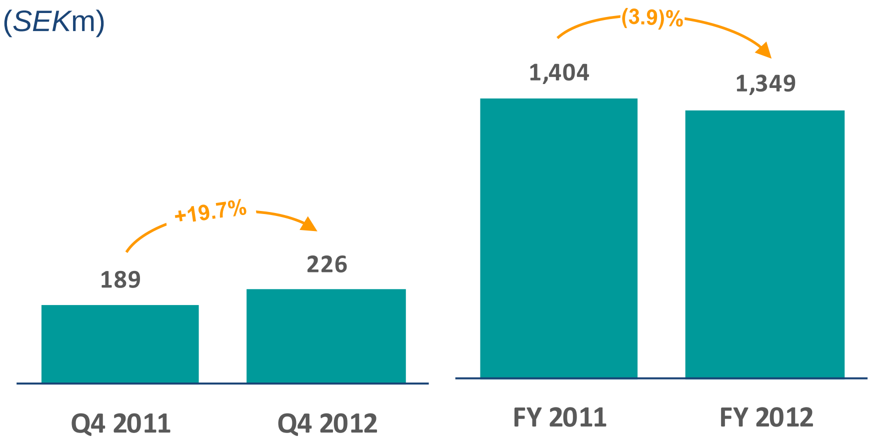
com hem

Adjusted EBITDA – Capex

SEKm	Q4 2011	Q4 2012	FY 2011	FY 2012
Adjusted EBITDA*	**517**	**583**	**2,138**	**2,262**
Gross capex	(328)	(357)	(734)	(913)
Adjusted EBITDA - Capex	**189**	**226**	**1,404**	**1,349**

Adjusted EBITDA – Capex

(SEKm)

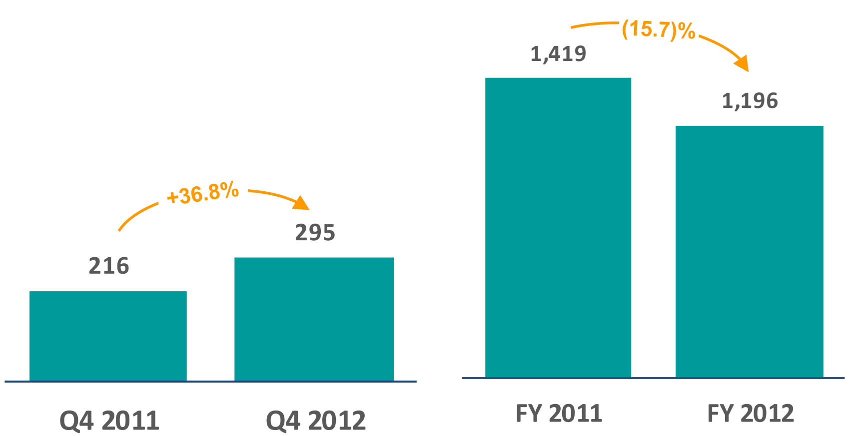


Operating free cash flow

SEKm	Q4 2011	Q4 2012	FY 2011	FY 2012
Adjusted EBITDA*	**517**	**583**	**2,138**	**2,262**
Expensed retail subsidies**	(9)	(6)	(40)	(30)
Reported Underlying EBITDA*	**508**	**577**	**2,098**	**2,232**
One-off items***	(24)	(22)	(327)	(52)
Adjustment for items not included in cash flow****	2	3	3	7
Change in net working capital	4	71	257	(117)
Gross capex	(328)	(357)	(734)	(913)
Drawdown leasing facility	54	23	122	38
Operating free cash flow	**216**	**295**	**1,419**	**1,196**

Operating free cash flow

(SEKm)



* 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
*** One-off items in FY 2011 includes SEK 246m related to the Acquisition
**** Includes change in pension provisions, change in other provisions and other items not included in the cash flow

Financial Position as of December 31, 2012

Cash net debt table

As of December 31, 2012	SEKm
Term Loan A (SEK)	1,490
Term Loan B (SEK/EUR)*	3,842
Bank Debt	**5,332**
Senior Secured Notes (SEK)	3,492
Senior Notes (EUR)*	2,481
Bank & Notes Debt	**11,305**
Cash and Cash Equivalents	(661)
Net Cashpay Debt	**10,644**

Leverage

As of December 31, 2012	
	(LTM) **
Leverage Bank Debt	**2.4x**
Leverage Bank & Notes Debt	**5.0x**
Leverage Net Cashpay Debt	**4.7x**

Liquidity position

Available funds as of December 31, 2012	SEKm
Capex Facility	750
Revolving Facility	446
Committed and Undrawn Amount	**1,196**
Cash and Cash Equivalents	661
Cash Balance & Available Funds	**1,857**

* *The exchange rate 8,642 is used to convert EUR debt to SEK debt (as of December 31, 2012)*
** *LTM Adjusted EBITDA (SEK 2,262m)*

Agenda

Business Overview and Operational Results	Tomas Franzén
Financial Results	Joachim Jaginder
Focus Areas 2013	**Tomas Franzén**
Questions	Tomas Franzén, Joachim Jaginder
Appendix	

Focus Areas 2013

Focus Areas 2013

Launch next generation DTV service

Product to be launched	- One-stop-shop - OTT Content and apps - Universal search and smart recommendations
Planned launch	- Planned sales start in Q2 2013 - TiVo Campaign begins in August, 2013
Revenue and cost in 2013	- Small effect on DTV revenue 2013, due to planned late uptake of subscriber volumes in 2013 - Increasing production costs, due to new TiVo functionalites to customers - One-off marketing costs during 2013
TiVo related capex	- No additional fundings needs expected - Ability to draw 750m SEK from current Capex Facility - Com Hem’s capex spending, expected to increase in 2013, due to TiVo NRE-costs and increased CPE Capex due to new TiVo STB

Focus Areas 2013

Focus on high-speed services and improved telephony product

Broadband

- Increase broadband market share and up-sell customers to higher speeds by explaoiting bandwith/performance advantage
- Leverage on increasing demand for higher speeds and data usage (fixed and mobile)

Telephony

- Offer cheaper mobile calls from smartphones to fixed, mobile and international numbers with Com Hem's Voice over WiFi App
- Slow down the decreasing subscriber trend and increase fixed-telephony calls in the Com Hem network

Voice over WiFi

- Up to five people can call through the fixed subscription at the same time
- Possibility to call fixed, mobile and international numbers at a low cost
- Free calls from a cell phone to other Com Hem subscribers
- Smartphone contact list can be used when calling from fixed number

Focus Areas 2013

Expanding Homes Connected

LAN offerings	- Develop attractive LAN Offerings – for both OnNet and OffNet customers
Service Provider in OffNet	- Significant opportunity for growth in the service provider (SP) OffNet business - Approximately additional 900,000 HH can be reached - Leverage on well-established Com Hem brand
Financial impact – OffNet	- Low capex spending on connecting households to the network or maintenance of the network - ARPU levels for SP (OffNet) business are slightly lower than the OnNet ARPUs - SP margins are lower due to an extra fee payable to the Communication Operator

Focus Areas 2013

Launch a B2B Product

B2B market potential	- Untapped potential for Com Hem - 68,000 **SoHo** and **Small** businesses already connected to the Com Hem Network (OnNet) - Approximately 60% of 1 – 49 employee businesses still use ADSL, giving Com Hem a speed advantage
B2B launch and offer	- **SoHo** business solution, planned launch in Q2 2013 – focus on high-speed broadband and fixed-telephony at a low cost - **Small** business solution, planned launch in Q4 2013 – focus on reliable broadband/telephony service, togehter with additional **Value Added Services** (Hosting services etc.)
Financial Impact	- B2C gross margin for OnNet B2B customers - OffNet B2B customer margins significantly lower, due to fiber rental - One-off installment cost for developing and launching the new B2B solutions - Increased capex spending, mainly due to one-off cost, connecting to OffNet fibre

Questions

Agenda

Business Overview and Operational Results	Tomas Franzén
Financial Results	Joachim Jaginder
Focus Areas 2013	Tomas Franzén
Questions	Tomas Franzén, Joachim Jaginder
Appendix	

Revenue to Adjusted EBITDA

Fourth Quarter

SEKm	Q4 2011	Q4 2012	Deviation	Change %
Pay Television	429	430	1	
High-Speed Broadband	319	320	2	
Fixed-Telephony	139	122	(17)	
Landlord	220	212	(8)	
Other	46	62	16	
Revenue	**1,152**	**1,145**	**(7)**	**(0.6%)**
Content	(174)	(159)	15	
Fibre & ducting	(59)	(59)	(1)	
Other production costs	(97)	(85)	12	
Production costs	**(330)**	**(303)**	**26**	**(8.0%)**
Gross Profit	**823**	**842**	**20**	**2.4%**
Gross Profit Margin	**71.4%**	**73.5%**	**2.1%**	
Marketing & sales costs	(89)	(53)	37	
Staff	(166)	(160)	7	
Other operating costs	(59)	(53)	7	
Operating costs	**(315)**	**(265)**	**50**	**(15.8%)**
Reported Underlying EBITDA*	**508**	**577**	**70**	**13.7%**
Reported Underlying EBITDA Margin	**44.0%**	**50.4%**	**6.3%**	
Expensed retail subsidies	9	6	(3)	
Adjusted EBITDA*	**517**	**583**	**66**	**12.8%**
Adjusted EBITDA Margin	**44.9%**	**50.9%**	**6.0%**	

Full Year

SEKm	FY 2011	FY 2012	Deviation	Change %
Pay Television	1,678	1,721	43	
High-Speed Broadband	1,231	1,277	46	
Fixed-Telephony	564	506	(59)	
Landlord	884	856	(28)	
Other	163	202	39	
Revenue	**4,520**	**4,562**	**42**	**0.9%**
Content	(699)	(664)	35	
Fibre & ducting	(241)	(247)	(6)	
Other production costs	(355)	(354)	1	
Production costs	**(1,296)**	**(1,265)**	**31**	**(2.4%)**
Gross Profit	**3,225**	**3,297**	**73**	**2.3%**
Gross Profit Margin	**71.3%**	**72.3%**	**0.9%**	
Marketing & sales costs	(280)	(220)	60	
Staff	(612)	(620)	(8)	
Other operating costs	(235)	(226)	9	
Operating costs	**(1,127)**	**(1,066)**	**61**	**(5.4%)**
Reported Underlying EBITDA*	**2,098**	**2,232**	**134**	**6.4%**
Reported Underlying EBITDA Margin	**46.4%**	**48.9%**	**2.5%**	
Expensed retail subsidies	40	30	(10)	
Adjusted EBITDA*	**2,138**	**2,262**	**124**	**5.8%**
Adjusted EBITDA Margin	**47.3%**	**49.6%**	**2.3%**	

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

Cash Flow after Debt Service

Fourth Quarter				
SEKm	**Q4 2011**	**Q4 2012**	**Deviation**	**Change %**
Adjusted EBITDA*	**517**	**583**	**66**	**12.8%**
Expensed retail subsidies**	(9)	(6)	3	
Reported Underlying EBITDA*	**508**	**577**	**70**	**13.7%**
One-off items	(24)	(22)	2	
Adjustment for items not included in cash flow***	2	3	1	
Change in net working capital	4	71	68	
Gross capex	(328)	(357)	(29)	
Drawdown leasing facility	54	23	(31)	
Operating free cash flow** **	**216**	**295**	**80**	**36.9%**
Interest payments on borrowings	(140)	(413)	(274)	
Amortization of borrowings	(177)	(34)	143	
Cash flow after debt service	**(100)**	**(152)**	**(52)**	**(51.4%)**

Full Year				
SEKm	**FY 2011**	**FY 2012**	**Deviation**	**Change %**
Adjusted EBITDA*	**2,138**	**2,262**	**124**	**5.8%**
Expensed retail subsidies**	(40)	(30)	10	
Reported Underlying EBITDA*	**2,098**	**2,232**	**134**	**6.4%**
One-off items	(327)	(52)	275	
Adjustment for items not included in cash flow***	3	7	4	
Change in net working capital	257	(117)	(374)	
Gross capex	(734)	(913)	(178)	
Drawdown leasing facility	122	38	(84)	
Operating free cash flow** **	**1,419**	**1,196**	**(223)**	**(15.7%)**
Interest payments on borrowings	n/m	(968)	n/a	
Amortization of borrowings	n/m	(457)	n/a	
Cash flow after debt service*** **	**n/m**	**(230)**	**n/a**	

* *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 FY 2011, since data is not comparable between periods.*

Balance Sheet

com hem

Assets	As of Dec 31, 2011	As of Dec 31, 2012
(SEKm)		
Non-current assets		
Intangible assets	16,993	16,513
Property, plant and equipment	1,460	1,421
Other non-current assets	-	6
Total non-current assets	**18,453**	**17,940**
Current assets		
Current assets	292	300
Cash and cash equivalents	1,044	661
Total assets	**19,789**	**18,901**

Equity & Liabilities	As of Dec 31, 2011	As of Dec 31, 2012
(SEKm)		
Total Equity	**681**	**93**
Non-current liabilities		
Non-current interest bearing liabilities	15,369	15,553
Other non-current liabilities	1,416	1,170
Total non-current liabilities	**16,786**	**16,723**
Non-current liabilities		
Current interest bearing liabilities	551	354
Current liabilities	1,772	1,731
Total non-current liabilities	**2,322**	**2,085**
Total equity & liabilities	**19,789**	**18,901**

Reconciliation of Pro Forma Adjustments due to Changed Accounting Principles

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)	11
Change in prepaid cost retail subsidies	**78**	**(10)**	**(10)**	**(10)**	**(9)**	**38**	**(9)**	**(8)**	**(7)**	**(6)**	**11**

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 = 30

Expensed in Q1 2012
Expensed in Q2 2012
Expensed in Q3 2012
Expensed in Q4 2012

SEKm	Q4 2011	Q4 2012
Reported Underlying EBITDA	**508**	**577**
Retail subsidies costs*		
Costs related to subsidies paid in 2008	0	-
Costs related to subsidies paid in 2009	3	1
Costs related to subsidies paid in 2010	5	5
Retail subsidies costs	**9**	**6**
Adjusted EBITDA	**517**	**583**

* *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 year ended December 31, 2012, and as of and for the three months ended December 31, 2012 and 2011.
- The selected unaudited pro forma condensed consolidated financial data of the NorCell Group as of and for the year ended December 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, 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.