Interim Report

as of September 30, 2013

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 September 30, 2013 (the "**Interim Report**") presenting the NorCell Sweden Holding 2 AB (publ) Group's condensed consolidated financial statements for the period July 1, 2013, to September 30, 2013, and January 1, 2013, to September 30, 2013.

NorCell 1B AB (publ) is the parent company of NorCell Sweden Holding 2 AB (publ) and is a holding company with no independent business operations and has not engaged in any activities other than those related to its formation, the acquisition and the financing of the acquisition. NorCell 1B AB (publ)'s only material assets and liabilities are its interest in the issued and outstanding shares of its wholly owned subsidiary, NorCell Sweden Holding 2 AB (publ), and intercompany loans owed to NorCell 1B AB (publ) by NorCell Sweden Holding 2 AB (publ), and its outstanding indebtedness incurred in connection with the Senior PIK Notes offering, including capitalised PIK interest payments in additional notes, which was primarily on-lent to NorCell Sweden Holding 2 AB (publ). There are no material differences between the consolidated financial statements of NorCell 1B AB (publ) and NorCell Sweden Holding 2 AB (publ). As a result, NorCell 1B AB (publ) does not currently issue any consolidated financial statements. For further information see *"Presentation of Financial and Other Information – Pro Forma Capitalization Table NorCell 1B AB (publ)"*.

In this Interim Report, the terms "we", "our", "us", the "Company", the "Group" and "Com Hem", refer to NorCell Sweden Holding 2 AB (publ), or NorCell Sweden Holding 2 AB (publ) and its subsidiaries, as the context requires. The term "**NorCell Group**" refers to NorCell Sweden Holding 2 AB (publ) 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 2012.

This Interim Report has been 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 "*Third 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 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:

- 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, wireless broadband companies and OTT services;
- 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.

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THIRD QUARTER HIGHLIGHTS

The following chapter presents key financial and operating highlights that have occurred during the three months ended September 30, 2013, and September 30, 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 September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	2012	2013	2012	2012
	(SEK in million)		*(SEK in million)*		*(SEK in million)*
Revenue	1,104	1,133	3,334	3,417	4,562
Reported Underlying EBITDA	569	582	1,660	1,665	2,232
Adjusted EBITDA	571	589	1,670	1,679	2,262
Capital Expenditures	267	167	640	556	913
Operating Free Cash Flow	268	410	810	901	1,196

Revenue for the Third Quarter 2013
Total overall revenue decreased to SEK 1,104 million in the third quarter 2013 compared to SEK 1,133 million in the corresponding quarter 2012. Revenue from the digital-television and fixed-telephony services decreased, partly offset by increased revenue from the high-speed broadband services and Other revenue. Revenue from the landlord services remained at the same level compared to the corresponding quarter in 2012.

Adjusted EBITDA development
Adjusted EBITDA decreased slightly to SEK 571 million in the third quarter 2013 compared to SEK 589 million in the corresponding quarter in 2012 as a result of lower revenue, partly offset by lower production and operating costs. Production costs in the third quarter 2013 was SEK 6 million lower than the corresponding quarter previous year mainly due to lower content costs, partly offset by higher other production costs related to communication operator costs in iTUX and service and support agreements for the new TiVo platform. Operating costs decreased by SEK 11 million in the third quarter of 2013 compared to the corresponding quarter in 2012 mainly due to lower sales costs and general cost savings.

Increase in Investments
Capital expenditures increased by SEK 100 million, or 59.8%, from SEK 167 million in the third quarter 2012, to SEK 267 million in the third quarter 2013. The increase was mainly due to TiVo STB capex related to the TiVo launch as well as timing differences in purchases of modems compared to the corresponding quarter in 2012.

Operating Free Cash Flow
Operating free cash flow decreased by SEK 142 million, or 34.5%, from SEK 410 million in the third quarter 2012, to SEK 268 million in the third quarter 2013. The decrease was mainly due to higher one-off costs relating to the TiVo launch and higher capital expenditures compared to the corresponding quarter in 2012.

Key Operational Highlights

The table below sets forth, as of and for each of the periods indicated, homes connected, unique subscribers, unique subscribers as percentage of homes connected, total RGUs, RGUs per unique subscriber and blended ARPU.

	As of and for the three months ended September 30,		As of and for the three months ended June 30,		As of and for the year ended December 31,
	2013	**2012**	**2013**	**2012**	**2012**
	(in thousand, except otherwise indicated)				
Homes connected...	1,789	1,747	1,777	1,749	1,749
Unique subscribers……………...................................	829	831	822	835	828
-of which triple-play subscribers..............................	*241*	*271*	*247*	*276*	*264*
Unique subscribers as a percentage of homes connected (%)…………………………………………	46.4	47.6	46.2	47.7	47.3
Total RGUs………………..	1,484	1,512	1,483	1,526	1,502
RGUs per unique subscriber (in units)....................	1.79	1.82	1.80	1.83	1.82
Blended ARPU[(1)] (SEK)..	348	360	351	361	358

(1) Blended ARPU is calculated by all digital-television, high-speed broadband, fixed-telephony and other revenue that can be allocated to each consumer service for the respective period, 2013 and 2012, 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.

Operational Development

As of September 30, 2013, Com Hem had 1,789,000 homes connected which is an increase of 12,000 homes connected from 1,777,000 as of June 30, 2013, and an increase of 41,000 homes connected from 1,747,000 as of September 30, 2012. The increase in the third quarter of 2013 is mainly attributable to additional households connected via off net communication operators. The number of unique subscribers has increased to 829,000 as of September 30, 2013, compared to 822,000 as of June 30, 2013, and slightly decreased from 831,000 as of September 30, 2012. The total number of RGUs was 1,484,000 as of September 30, 2013, compared to 1,483,000 as of June 30, 2013, and 1,512,000 as of September 30, 2012.

Unique subscribers as a percentage of homes connected was 46.4% as of September 30, 2013, compared to 46.2% as of June 30, 2013, and 47.6% as of September 30, 2012. The number of RGUs per unique subscriber was 1.79 as of September 30, 2013, compared to 1.80 as of June 30, 2013, and 1.82 as of September 30, 2012.

Blended ARPU per unique subscriber decreased by SEK 12, or 3.3%, from SEK 360 in the third quarter 2012 to SEK 348 in the third quarter 2013. The decrease in blended ARPU in the third quarter 2013 was due to lower ARPU contribution from digital-television and fixed-telephony services.

Events During the Third Quarter

On August 14, 2013, TiVo was soft-launched.

On August 21, 2013, Com Hem launched a new Broadband portfolio, incl. 500 Mbit/s service, available to more than 1 million fibercoax end-customers.

On September 30, 2013, Com Hem´s next generation STB powered by TiVo was made available to purchase via Com Hem´s sales channels. In conjunction Com Hem also announced four new DTV packages, replacing the old DTV packages. The new DTV packages, TiVo Bas, TiVo Mellan, TiVo Plus and TiVo Max are made available for customers purchasing a new DTV subscription.

Events After the Third Quarter

On October 7, 2013, Com Hem´s next generation DTV experience TiVo was commercially launched. In conjunction with the TiVo commercial launch Com Hem also announced the launch of the service TiVoToGo™, a new cloud based service that is one part of the next generation DTV experience, offering the customer a one-stop-content-shop incl. TV-channels, PPV, VOD archives, play-services and other applications such as Netflix and Youtube over several different platforms (Televisions, Web, Tablets and Smart Phones).

On October 7, 2013, Com Hem also announced that the Netflix-app will be available for DTV subscribers with a TiVo STB, as of January 2014.

On November 26, 2013, the Chairman of the Board of Com Hem announced that the company´s CEO Tomas Franzén will be leaving Com Hem in 2014. The process to appoint a new CEO is well underway, and is expected to be announced in the near future.

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 and as of and for the nine months ended September 30, 2013 and 2012. You should read this discussion in conjunction with the condensed consolidated financial statements included elsewhere in this Interim Report.

Selected Financial Data

Condensed Consolidated Income Statement

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	**2012**	**2013**	**2012**	**2012**
	(SEK in million)		*(SEK in million)*		*(SEK in million)*
Revenue	1,104	1,133	3,334	3,417	4,562
Cost of sales and services	(525)	(543)	(1,640)	(1,693)	(2,244)
Gross profit	**579**	**590**	**1,695**	**1,724**	**2,318**
Selling expenses	(328)	(314)	(996)	(977)	(1,310)
Administrative expenses	(50)	(60)	(163)	(181)	(249)
Other operating income and expenses	2	3	11	(7)	(11)
Operating Profit(1)	**203**	**219**	**547**	**559**	**748**
Net financial income and expense	(381)	(401)	(1,224)	(1,199)	(1,747)
Income taxes	37	48	149	167	411
Net loss for the period	**(141)**	**(134)**	**(528)**	**(472)**	**(588)**

(1) Operating profit for the three months and nine months ended September 30, 2013, includes non-recurring costs substantially higher than in the corresponding periods 2012. For further information, see *"- Reconciliation of the Net Loss for the Period to Adjusted EBITDA"*.

Revenue

Revenue decreased by SEK 29 million, or 2.6%, from SEK 1,133 million in the three months ended September 30, 2012, to SEK 1,104 million in the three months ended September 30, 2013. The decrease was due to lower revenue from digital-television and fixed-telephony services, partly offset by increased revenue from the high-speed broadband service and higher Other revenue, due to increased revenue from the communication operator service.

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

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	**2012**	**2013**	**2012**	**2012**
Service	*(SEK in million)*		*(SEK in million)*		*(SEK in million)*
Digital-Television	407	429	1,238	1,291	1,721
High-Speed Broadband	326	320	969	957	1,277
Fixed-Telephony	99	122	318	384	506
Landlord	213	213	643	644	856
Other(1)	58	49	166	141	202
Total Revenue	**1,104**	**1,133**	**3,334**	**3,417**	**4,562**

(1) Other represents revenue generated primarily from billing and reminder fees, iTUX revenue, B2B revenue, 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 September 30,		As of June 30,		As of December 31,
	2013	**2012**	**2013**	**2012**	**2012**
RGUs	*(in thousand)*		*(in thousand)*		*(in thousand)*
Digital-Television	603	613	606	621	612
High-Speed Broadband	551	544	543	545	543
Fixed-Telephony	330	355	334	360	348
Total RGUs	**1,484**	**1,512**	**1,483**	**1,526**	**1,502**

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

ARPU	For the three months ended September 30, 2013	For the three months ended September 30, 2012	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012	For the year ended December 31, 2012
	(in SEK)		(in SEK)		(in SEK)
Digital-Television..	225	234	227	229	231
High-Speed Broadband…..	199	198	198	196	196
Fixed-Telephony…...	99	115	105	118	117
Landlord………………………...................................	40	41	40	41	41

Digital-Television
Revenue from digital-television services decreased by SEK 22 million, or 5.2%, from SEK 429 million in the three months ended September 30, 2012, to SEK 407 million in the three months ended September 30, 2013. The decrease was a result of a lower RGU base and a decline in ARPU. Digital-television RGUs decreased by approximately 10,000, or 1.6%, from approximately 613,000 as of September 30, 2012, to approximately 603,000 as of September 30, 2013. ARPU decreased by SEK 9, or 3.8%, from SEK 234 in the three months ended September 30, 2012, to SEK 225 in the three months ended September 30, 2013.

Revenue from digital-television services decreased by SEK 53 million, or 4.1%, from SEK 1,291 million in the nine months ended September 30, 2012, to SEK 1,238 million in the nine months ended September 30, 2013. The decrease was a result of a lower RGU base and a decline in ARPU. The digital-television RGU base was approximately 18,000 lower during the first nine months of 2013 compared to the corresponding period in 2012. ARPU decreased by SEK 2, or 0.9%, from SEK 229 in the nine months ended September 30, 2012, to SEK 227 in the nine months ended September 30, 2013.

The decrease in revenue for both the third quarter and the first nine months was mainly a result of a lower RGU base during the first six months of approximately 31,000 compared to the corresponding period in 2012.

High-Speed Broadband
Revenue from high-speed broadband services increased by SEK 6 million, or 2.0%, from SEK 320 million in the three months ended September 30, 2012, to SEK 326 million in the three months ended September 30, 2013. High-speed broadband RGUs increased by approximately 6,000, or 1.2%, from approximately 544,000 as of September 30, 2012, to approximately 551,000 as of September 30, 2013. ARPU increased by SEK 1, or 0.7%, from SEK 198 in the three months ended September 30, 2012, to SEK 199 in the three months ended September 30, 2013.

Revenue from high-speed broadband services increased by SEK 12 million, or 1.2%, from SEK 957 million in the nine months ended September 30, 2012, to SEK 969 million in the nine months ended September 30, 2013. High-speed broadband RGUs increased by approximately 6,000, or 1.2%, from approximately 544,000 as of September 30, 2012, to approximately 551,000 as of September 30, 2013. ARPU increased by SEK 2, or 1.2%, from SEK 196 in the nine months ended September 30, 2012, to SEK 198 in the nine months ended September 30, 2013.

The increase in ARPU for both the third quarter and the first nine months of 2013 was primarily an effect due to the demand for higher broadband speeds and migration of customer to higher broadband speed services.

Fixed-Telephony
Revenue from fixed-telephony services decreased by SEK 23 million, or 18.8%, from SEK 122 million in the three months ended September 30, 2012, to SEK 99 million in the three months ended September 30, 2013. Fixed-telephony RGUs decreased by approximately 25,000, or 7.1%, from approximately 355,000 as of September 30, 2012, to approximately 330,000 as of September 30, 2013. ARPU decreased by SEK 15, or 13.2%, from SEK 115 in the three months ended September 30, 2012, to SEK 99 in the three months ended September 30, 2013.

Revenue from fixed-telephony services decreased by SEK 66 million, or 17.2%, from SEK 384 million in the nine months ended September 30, 2012, to SEK 318 million in the nine months ended September 30, 2013. ARPU decreased by SEK 13, or 10.9%, from SEK 118 in the nine months ended September 30, 2012, to SEK 105 in the nine months ended September 30, 2013.

The decrease in RGUs and ARPU for both the third quarter and the first nine months of 2013 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 for the three months ended September 30, 2013 remained at the same level as the corresponding period for 2012. The decrease in ARPU was mainly due to contract re-negotiations, partly offset by an increased number of LAN households connected and one-off connection fees from connecting new households in the three months ended September 30, 2013.

Revenue from landlord services decreased slightly by SEK 1 million, or, 0.2%, from SEK 644 million in the nine months ended September 30, 2012, to SEK 643 million in the nine months ended September 30, 2013. The slight decrease in revenue for the first nine months was primarily due to a reduction in ARPU from landlord customers as a result of contract re-negotiations, partly offset by an increased number of LAN households and one-off connection fees from connecting new households in the nine months ended September 30, 2013.

Other
Other revenue increased by SEK 10 million, or 19.9%, from SEK 49 million in the three months ended September 30, 2012, to SEK 58 million in the three months ended September 30, 2013, and by SEK 26 million, or 18.3%, from SEK 141 million in the nine months ended September 30, 2012, to SEK 166 million in the nine months ended September 30, 2013. The increase in revenue is mainly explained by higher communication operator revenue in iTUX.

Cost of Sales and Services
Cost of sales and services decreased by SEK 18 million, or 3.3%, from SEK 543 million in the three months ended September 30, 2012, to SEK 525 million in the three months ended September 30, 2013. As a percentage of revenue, cost of sales and services decreased from 47.9% in the three months ended September 30, 2012, to 47.5% in the three months ended September 30, 2013.

The decrease in cost of sales and services in the three months ended September 30, 2013, was mainly due to lower digital-television content costs, lower fixed-telephony interconnect traffic costs and lower depreciation and amortization. The decrease was partly offset by higher communication operator costs in iTUX and higher costs for service and support agreements relating to the new TiVo platform.

Cost of sales and services decreased by SEK 53 million, or 3.1%, from SEK 1,693 million in the nine months ended September 30, 2012, to SEK 1,640 million in the nine months ended September 30, 2013. As a percentage of revenue, cost of sales and services decreased from 49.6% in the nine months ended September 30, 2012, to 49.2% in the nine months ended September 30, 2013.

The decrease in cost of sales and services for the nine months ended September 30, 2013, was mainly due to lower digital-television content costs, lower fixed-telephony interconnect traffic costs and lower depreciation and amortization. The decrease was partly offset by higher communication operator costs in iTUX, non-recurring personnel costs attributable to the 2013 redundancy program and higher costs for service and support agreements relating to the new TiVo platform.

Selling Expenses
Selling expenses increased by SEK 14 million, or 4.6%, from SEK 314 million in the three months ended September 30, 2012, to SEK 328 million in the three months ended September 30, 2013. As a percentage of revenue, selling expenses increased from 27.7% in the three months ended September 30, 2012, to 29.7% in the three months ended September 30, 2013.

The increase in selling expenses for the three months ended September 30, 2013, was mainly due to non-recurring marketing and consultancy costs attributable to the TiVo launch, partly offset by lower expensed retail subsidies accounted for as prepaid expenses before January 1, 2011.

Selling expenses increased by SEK 19 million, or 2.0% from SEK 977 million in the nine months ended September 30, 2012, to SEK 996 million in the nine months ended September 30, 2013. As a percentage of revenue, selling expenses increased from 28.6% in the nine months ended September 30, 2012, to 29.9% in the nine months ended September 30, 2013.

The increase in selling expenses for the nine months ended September 30, 2013, was mainly due to non-recurring marketing and consultancy costs attributable to the TiVo launch, partly offset by lower expensed retail subsidies accounted for as prepaid expenses before January 1, 2011.

Administrative Expenses
Administrative expenses decreased by SEK 10 million, or 16.8%, from SEK 60 million in the three months ended September 30, 2012, to SEK 50 million in the three months ended September 30, 2013. As a percentage of revenue, administrative expenses decreased from 5.3% in the three months ended September 30, 2012, to 4.5% in the three months ended September 30, 2013.

The decrease in administrative expenses for the three months ended September 30, 2013, was mainly due to lower consultancy costs and general cost savings.

Administrative expenses decreased by SEK 18 million, or 10.1%, from SEK 181 million in the nine months ended September 30, 2012, to SEK 163 million in the nine months ended September 30, 2013. As a percentage of revenue, administrative expenses decreased from 5.3% in the nine months ended September 30, 2012, to 4.9% in the nine months ended September 30, 2013.

The decrease in administrative expenses for the nine months ended September 30, 2013, was mainly due to lower consultancy costs and general cost savings.

Net Other Operating Income and Expenses
Net other operating income and expenses were SEK 3 million in the three months ended September 30, 2012, and SEK 2 million in the three months ended September 30, 2013. Net other operating income and expenses were SEK (7) million in the nine months ended September 30, 2012, and SEK 11 million in the nine months ended September 30, 2013.

Net Financial Income and Expenses
Net financial income and expenses decreased by SEK 21 million, or 5.1%, from a net expense of SEK 401 million in the three months ended September 30, 2012, to a net expense of SEK 381 million in the three months ended September 30, 2013.

The decrease was mainly due to currency gains on the EUR denominated debt of SEK 69 million partly offset by a negative change in fair value of derivative instruments of SEK 22 million in the three months ended September 30, 2013, compared to currency gains from the EUR denominated debt of SEK 195 million partly offset by a negative change in fair value of derivative instruments of SEK 159 million in the three months ended September 30, 2012.

Net financial income and expense increased by SEK 25 million, or 2.1%, from a net expense of SEK 1,199 million in the nine months ended September 30, 2012, to a net expense of SEK 1,224 million in the nine months ended September 30, 2013.

The increase was mainly due to currency losses on the EUR denominated debt of SEK 29 million offset by a positive change in fair value of derivative instruments of SEK 79 million in the nine months ended September 30, 2013, compared to currency gains on the EUR denominated debt of SEK 291 million partly offset by a negative change in fair value of derivative instruments of SEK 218 million in the nine months ended September 30, 2012.

For further information on derivative instruments see *Note 9* to the *Condensed Consolidated Financial Statements*.

Income Taxes
The Group recognized a deferred tax income of SEK 37 million for the three months ended September 30, 2013, compared to a deferred tax income of SEK 48 million for the three months ended September 30, 2012. The decrease in recognized deferred tax income was mainly due to the lower tax rate of 22.0% for the three months ended September 30, 2013, compared to 26.3% for the three months ended September 30, 2012.

Deferred tax income for the nine months ended September 30, 2013 was SEK 149 million, compared to a deferred tax income of SEK 167 million in the nine months ended September 30, 2012. The decrease in recognized deferred tax income was mainly due to the lower tax rate of 22.0% for the nine months ended September 30, 2013, compared to 26.3% for the nine months ended September 30, 2012.

Net Loss for the Period
The Group recognized a net loss of SEK 141 million for the three months ended September 30, 2013, compared to a net loss of SEK 134 million for the three months ended September 30, 2012.

The Group recognized a net loss of SEK 528 million for the nine months ended September 30, 2013, compared to a net loss of SEK 472 million for the nine months ended September 30, 2012.

Reconciliation of the Net Loss for the Period to Adjusted EBITDA

The table below sets forth a reconciliation of net loss for the period to Adjusted EBITDA for the three months ended September 30, 2013 and 2012, and for the nine months ended September 30, 2013 and 2012.

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	**2012**	**2013**	**2012**	**2012**
	(SEK in million)		*(SEK in million)*		*(SEK in million)*
Net loss for the period	**(141)**	**(134)**	**(528)**	**(472)**	**(588)**
Income taxes	(37)	(48)	(149)	(167)	(411)
Net financial income and expenses	381	401	1,224	1,199	1,747
Operating Profit	**203**	**219**	**547**	**559**	**748**
Disposals(1)	-	-	1	-	19
Depreciation and amortization	334	349	1,009	1,065	1,413
Non-recurring costs:					
-of which redundancy	*3*	*5*	*44*	*7*	*9*
-of which TiVo launch	*19*	*-*	*46*	*-*	*-*
-of which other	*11*	*9*	*17*	*23*	*42*
Total non-recurring costs	**33**	**14**	**107**	**30**	**52**
Operating currency (loss)/gain	(1)	0	(3)	0	1
Reported Underlying EBITDA	**569**	**582**	**1,660**	**1,655**	**2,232**
Expensed retail subsidies	2	7	10	24	30
Adjusted EBITDA	**571**	**589**	**1,670**	**1,679**	**2,262**

(1) Disposals are related to modems and STBs.

Depreciation and Amortization

Depreciation and amortization decreased by SEK 14 million, or 4.1%, from SEK 349 million in the three months ended September 30, 2012, to SEK 334 million in the three months ended September 30, 2013.

Depreciation and amortization decreased by SEK 57 million, or 5.3%, from SEK 1,065 million in the nine months ended September 30, 2012, to SEK 1,009 million in the nine months ended September 30, 2013.

The decrease for both the third quarter and the first nine months was primarily due to certain fixed assets having been fully written-off at the end of their depreciation schedules in 2012.

Non-recurring Costs

Non-recurring costs increased by SEK 19 million from SEK 14 million in the three months ended September 30, 2012, to SEK 33 million in the three months ended September 30, 2013. The increase in non-recurring costs in the third quarter was primarily due to one-off marketing and consultancy costs relating to the TiVo launch.

Non-recurring costs increased by SEK 76 million from SEK 30 million in the nine months ended September 30, 2012, to SEK 107 million in the nine months ended September 30, 2013. The increase in non-recurring costs for the first nine months was primarily due to redundancy costs of SEK 44 million as well as one-off marketing and consultancy costs relating to the TiVo launch of SEK 46 million.

Adjusted EBITDA

Adjusted EBITDA decreased by SEK 18 million, or 3.1%, from SEK 589 million in the three months ended September 30, 2012, to SEK 571 million in the three months ended September 30, 2013. As a percentage of revenue, Adjusted EBITDA decreased from 52.0% in the three months ended September 30, 2012, to 51.7% in the three months ended September 30, 2013.

The decrease in Adjusted EBITDA and Adjusted EBITDA margin for the three months ended September 30, 2013, was due to lower overall revenue partly offset by decreased content costs, lower sales acquisition costs and general cost savings compared to the corresponding period in 2012.

Adjusted EBITDA decreased by SEK 10 million, or 0.6%, from SEK 1,679 million in the nine months ended September 30, 2012, to SEK 1,670 million in the nine months ended September 30, 2013. As a percentage of revenue, Adjusted EBITDA increased from 49.2% in the nine months ended September 30, 2012, to 50.1% in the nine months ended September 30, 2013.

The decrease in Adjusted EBITDA for the nine months ended September 30, 2013, was primarily due to lower overall revenue partly offset by decreased content costs, lower sales acquisition costs and general cost savings. The increase in Adjusted EBITDA margin for the nine months ended September 30, 2013, was primarily due to decreased content costs, lower sales acquisition costs and general cost savings.

Operating Free Cash Flow

The table below sets forth the operating free cash flow for the three months ended September 30, 2013 and 2012 and for the nine months ended September 30, 2013 and 2012.

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	2012	2013	2012	2012
	(SEK in million)		*(SEK in million)*		*(SEK in million)*
Adjusted EBITDA……..	**571**	**589**	**1,670**	**1,679**	**2,262**
Expensed retail subsidies ………………...................	(2)	(7)	(10)	(24)	(30)
Reported Underlying EBITDA..............................	**569**	**582**	**1,660**	**1,655**	**2,232**
One-off items[1]..	(32)	(14)	(104)	(30)	(52)
Adjustments for items not included in cash flow[2][3].	(1)	(1)	0	5	7
Change in net working capital.................................	(3)	9	(118)	(188)	(117)
Capital expenditures …………………………….......	(267)	(167)	(640)	(556)	(913)
Capex funded by leasing…….................................	2	-	12	15	38
Operating Free Cash Flow...................................	**268**	**410**	**810**	**901**	**1,196**

(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.
(3) Comparable figures for the three months and nine months ended September 30, 2012, have been subject to minor changes.

Operating Free Cash Flow for the Three Months Ended September 30, 2013 and 2012

Operating free cash flow decreased by SEK 142 million, or 34.5%, from SEK 410 million in the three months ended September 30, 2012, to SEK 268 million in the three months ended September 30, 2013. The decrease was mainly due to higher one-off items and higher capital expenditures compared to the corresponding quarter in 2012.

One-off items increased by SEK 18 million from SEK 14 million in the three months ended September 30, 2012, to SEK 32 million in the three months ended September 30, 2013. The increase was primarily due to non-recurring costs relating to the TiVo launch.

The Group operates with negative net working capital, which decreased by SEK 3 million in the three months ended September 30, 2013, compared to an increase of SEK 9 million in the three months ended September 30, 2012. The difference in change in net working capital between the two periods was primarily explained by decreased operating liabilities and a decrease in unwinding of prepaid expenses for retail subsidies in the three months ended September 30, 2013, compared to the corresponding quarter in 2012.

Capital expenditures increased by SEK 100 million, or 59.8%, from SEK 167 million in the three months ended September 30, 2012, to SEK 267 million in the three months ended September 30, 2013. The increase was mainly due to higher capex for TiVo STB's as well as timing differences in purchases of modems compared to the corresponding quarter in 2012.

Operating Free Cash Flow for the Nine Months Ended September 30, 2013 and 2012

Operating free cash flow decreased by SEK 91 million, or 10.1%, from SEK 901 million in the nine months ended September 30, 2012, to SEK 810 million in the nine months ended September 30, 2013. The decrease was mainly due to higher capital expenditures and higher one-off items partly offset by a more favorable change in net working capital compared to the corresponding period in 2012.

One-off items increased by SEK 73 million, from SEK 30 million in the nine months ended September 30, 2012 to SEK 104 million in the nine months ended September 30, 2013. The increase was primarily due to non-recurring costs for the 2013 redundancy program and for the TiVo-launch during the nine months ended September 30, 2013.

The Group operates with negative net working capital which decreased by SEK 118 million in the nine months ended September 30, 2013, compared to a decrease of SEK 188 million in the nine months ended September 30, 2012. The difference in change in net working capital between the two periods was primarily explained by extraordinary high operating liabilities as of December 31, 2011, related to transaction costs and costs for lawyers and consultants for the Acquisition that was settled during the first three months of 2012.

Capital expenditures increased by SEK 85 million, or 15.2%, from SEK 556 million in the nine months ended September 30, 2012, to SEK 640 million in the nine months ended September 30, 2013. The increase was mainly due to higher volumes of purchased TiVo STB's, modems and IS development capex relating to the TiVo platform.

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 free 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 September 30, 2013(1).

		As of September 30, 2013				
Tranches	**Nominal currency**	**Total outstanding debt (SEKm)**	**Undrawn amount**	**Maturity date**		**Interest rate**
Term Loan A..................................	SEK	1,275	-	2017	STIBOR 3M	+ 4.00%
Term Loan B1.................................	SEK	1,216	-	2018	STIBOR 3M	+ 5.00%
Term Loan B2.................................	EUR	2,637	-	2018	EURIBOR 3M	+ 5.00%
Capex Facility.................................	SEK	100	650	2017	STIBOR 3M	+ 4.00%
Incremental Facility(2)…...................	SEK	500	-	2018	STIBOR 1M	+ 5.00%
Revolving Credit Facility(3)..............	SEK	-	445	2017	STIBOR 3M	+ 4.00%
Bank Debt......................................		**5,727**	**1,095**			
Senior Secured Notes.....................	SEK	3,492	-	2018	Fixed	9.25%
Senior Notes..................................	EUR	2,490	-	2019	Fixed	10.75%
Bank and Notes Debt....................		**11,710**	**1,095**			
Cash and Cash Equivalents(2)……..	SEK	(1,168)				
Cash Net Debt................................		**10,542**	**1,095**			
Adjusted EBITDA LTM..			2,252			
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) As stated in the Group's Annual Report 2012, the Incremental Facility is part of the original Senior Facilities Agreement. Total outstanding indebtedness under the Incremental Facility is currently held on restricted bank accounts and can only be used for potential investments.

(3) Of the Revolving Credit Facility of SEK 500 million, SEK 55 million is restricted for bank guarantees.

Leverage Ratio

As of September 30, 2013, the Group's cash net debt to Adjusted EBITDA ratio was 4.7x, the same level as of June 30, 2013, and as of September 30, 2012.

Cash Balance and Availability of Funds

As of September 30, 2013 the Group held SEK 1,168 million of cash and cash equivalents, whereof SEK 500 million is restricted for potential investments. Under the Senior Credit Facilities Agreement, the Group has access to an additional committed Capex Facility of SEK 650 million and an additional committed SEK 445 million under the Revolving Credit Facility.

Intragroup Debt Obligations

As of September 30, 2013, the NorCell Group's debt obligations to its Parent Company amounted to SEK 5,417 million, of which SEK 2,939 million is a shareholder loan, SEK 2,266 million is a back-to-back loan (EUR 261 million), which is the net proceeds from the Parent Company´s issue of the Senior PIK Notes including interest capitalized on June 1, 2013, and accrued interest on the intercompany loans of SEK 212 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 September 30, 2013, the NorCell Group's debt obligations in EUR amounted to EUR 852 million (EUR 304 million in credit facilities, EUR 287 million in notes and EUR 261 million in intercompany loans) compared to EUR 852 million (EUR 304 million in credit facilities, EUR 287 million in notes and EUR 261 million in intercompany loans) as of June 30, 2013. Excluding the EUR 261 million intercompany loans, 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 and currency exposure, certain derivatives have been entered into. The derivatives are measured at fair value, and are recognized in net loss for the period. As of September 30, 2013, the fair value of the derivatives amounted to SEK (180) million compared to a fair value of SEK (155) million as of June 30, 2013, and a fair value of SEK (318) million as of September 30, 2012.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Pro Forma Capitalization Table NorCell 1B AB (publ)

The following table sets out the consolidated capitalization and cash and cash equivalents for the NorCell Group and NorCell 1B AB (publ) as of September 30, 2013, and is included to fulfill the indenture for the Senior PIK Notes Issuer. The indebtedness of NorCell 1B AB (publ) has primarily been on-lent to the NorCell Group (as described in the table below). Accordingly, there are no material differences between the consolidated financial statements of NorCell 1B AB (publ) and the NorCell Group. As a result, NorCell 1B AB (publ) does not issue any consolidated financial statements.

	As of September 30, 2013			
	NorCell Group(1)	NorCell 1B AB(1)	Adjustments	Pro Forma(1)
	(SEK in million)			
Total cash and cash equivalents	**1,168**	**0**	**-**	**1,168**
Current debt				
Credit facilities	264	-	-	264
Finance leases	67	-	-	67
Total current debt	**331**	**-**	**-**	**331**
Non-current debt				
Credit facilities	5,463	-	-	5,463
Senior secured notes	3,492	-	-	3,492
Senior notes	2,490	-	-	2,490
Senior PIK notes	-	2,311	-	2,311
Accrued interest Senior PIK notes	-	96	-	96
Finance leases	20	-	-	20
Intercompany loans (incl. accrued interest)	5,417	3,105	(5,417)	3,105
Unamortized transaction costs	(490)	(73)	-	(563)
Non-current debt	**16,392**	**5,439**	**(5,417)**	**16,415**
Total debt	**16,723**	**5,439**	**(5,417)**	**16,746**
Total net debt	**15,555**	**5,439**	**(5,417)**	**15,578**

(1) EUR denominated indebtedness has been converted at the exchange rate of SEK 8.676 per EUR 1.00 as of September 30, 2013.

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 and as of and for the nine months ended September 30, 2012 and 2013, and the audited condensed consolidated financial statements as of and for the year ended December 31, 2012. These accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**").

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 September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	2012	2013	2012	2012
	(SEK in million)		(SEK in million)		(SEK in million)
Reported Underlying EBITDA(1)	569	582	1,660	1,655	2,232
Reported Underlying EBITDA margin (in %)(2)	51.6	51.4	49.8	48.4	48.9
Adjusted EBITDA(3)	571	589	1,670	1,679	2,262
Adjusted EBITDA margin (in %)(4)	51.7	52.0	50.1	49.2	49.6
Operating Free Cash Flow(5)	268	410	810	901	1,196
Operating Free Cash Flow margin (in%)(6)	24.3	36.2	24.3	26.4	26.2

(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 Net Profit/Loss for the Period to Reported Underlying EBITDA, see *"Results of Operations and Financial Condition - Reconciliation of Net Profit/(Loss) for the Period 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 for the three and nine months ended September 30, 2013 and 2012 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 Adjusted EBITDA less expensed retail subsidies, 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 ("**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.

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.

Selected Operational Data

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 chosen to compute the non-IFRS financial measures presented herein may not be comparable to similarly defined terms used by other companies.

	As of September 30,		As of June 30,		As of December 31,
	2013	2012	2013	2012	2012
Group Total	*(in thousand, except otherwise indicated)*				
Homes connected[1]	1,789	1,747	1,777	1,749	1,749
Unique subscribers[2]	829	831	822	835	828
-of which triple-play subscribers	*241*	*271*	*247*	*276*	*264*
Unique subscribers as a percentage of homes connected (%)	46.4	47.6	46.2	47.7	47.3
Total RGUs[3]	1,484	1,512	1,483	1,526	1,502
RGUs per unique subscriber (in units)	1.79	1.82	1.80	1.83	1.82

(1) Homes connected represent the number of residential units to which Com Hem provides an analog or digital connection, primarily through long-term contracts with landlords of MDUs, but also through service provider agreements with communication operators.

(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.

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	2012	2013	2012	2012
ARPU[1]	*(in SEK)*		*(in SEK)*		*(in SEK)*
Digital-Television	225	234	227	229	231
High-Speed Broadband	199	198	198	196	196
Fixed-Telephony	99	115	105	118	117
Landlord	40	41	40	41	41
Blended ARPU[2]	348	360	351	358	358

(1) ARPU is calculated by dividing the revenue (for the consumer 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 digital-television, high-speed broadband, fixed-telephony and other revenue that can be allocated to each consumer service for the respective period, 2013 and 2012, 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.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements present the NorCell Group as of and for the three months ended September 30, 2013 and 2012, as of and for the nine months ended September 30, 2013 and 2012, and as of and for the year ended December 31, 2012.

Condensed Consolidated Income Statement

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	2012	2013	2012	2012
	(SEK in million)		(SEK in million)		(SEK in million)
Revenue	1,104	1,133	3,334	3,417	4,562
Cost of sales and services	(525)	(543)	(1,640)	(1,693)	(2,244)
Gross profit	**579**	**590**	**1,695**	**1,724**	**2,318**
Selling expenses	(328)	(314)	(996)	(977)	(1,310)
Administrative expenses	(50)	(60)	(163)	(181)	(249)
Other operating income and expenses	2	3	11	(7)	(11)
Operating Profit	**203**	**219**	**547**	**559**	**748**
Net financial income and expenses	(381)	(401)	(1,224)	(1,199)	(1,747)
Loss after financial items	**(178)**	**(182)**	**(677)**	**(640)**	**(999)**
Income taxes	37	48	149	167	411
Net loss for the period	**(141)**	**(134)**	**(528)**	**(472)**	**(588)**
Loss per share					
Basic (SEK)	(234)	(224)	(879)	(787)	(981)
Diluted (SEK)	(234)	(224)	(879)	(787)	(981)

Other Comprehensive Income

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	2012	2013	2012	2012
	(SEK in million)		(SEK in million)		(SEK in million)
Net loss for the period	**(141)**	**(134)**	**(528)**	**(472)**	**(588)**
Other comprehensive income					
Components not to be reclassified to net profit/loss					
Revaluation of pension obligations	-	(6)	59	(18)	(24)
Tax attributable to revaluation of pension obligations	-	1	(13)	4	5
Total other comprehensive income for the period	**-**	**(5)**	**46**	**(14)**	**(19)**
Total comprehensive income for the period	**(141)**	**(139)**	**(482)**	**(486)**	**(608)**

Condensed Consolidated Balance Sheet

	As of September 30, 2013	As of September 30, 2012	As of December 31, 2012
	(SEK in million)	*(SEK in million)*	*(SEK in million)*
Non-current assets			
Intangible assets	16,140	16,586	16.513
-of which goodwill	*10,742*	*10,742*	*10,742*
Property, plant and equipment	1,437	1,341	1,421
Other non-current assets	6	0	6
Total non-current assets	**17,584**	**17,927**	**17,940**
Current assets	255	289	300
Cash and cash equivalents	1,168	839	661
Total current assets	**1,423**	**1,129**	**961**
Total assets	**19,007**	**19,056**	**18,901**
Total equity	**(412)**	**191**	**70**
Non-current interest-bearing liabilities	16,392	15,225	15,553
- of which credit facilities	*5,210*	*4,711*	*4,838*
- of which notes	*5,746*	*5,701*	*5,703*
- of which intercompany loans	*5,417*	*4,751*	*4,973*
Other non-current liabilities	293	483	426
Deferred tax liabilities	630	1,011	766
Total non-current liabilities	**17,315**	**16,719**	**16,746**
Current interest-bearing liabilities	330	342	354
Other current liabilities	1,773	1,804	1,731
Total current liabilities	**2,103**	**2,146**	**2,085**
Total equity and liabilities	**19,007**	**19,056**	**18,901**

	As of September 30, 2013	As of September 30, 2012	As of December 31, 2012
	(SEK in million)	*(SEK in million)*	*(SEK in million)*
Opening Total equity January 1	**70**	**681**	**681**
Change in accounting principle[(1)]	-	(3)	(3)
Opening Total equity January 1 (restated)	**70**	**678**	**678**
Net loss for the period	(528)	(472)	(588)
Other comprehensive income for the period, net of tax	46	(14)	(19)
Total comprehensive income for the period	**(482)**	**(486)**	**(608)**
Closing Total equity end of period	**(412)**	**191**	**70**

(1) Refers to the revised IAS 19 Employee Benefits, see note 1 for further information.

Condensed Consolidated Cash Flow Statement

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	2012	2013	2012	2012
	(SEK in million)		(SEK in million)		(SEK in million)
Operating activities					
Loss after financial items...	(178)	(182)	(677)	(640)	(999)
Adjustments for items not included in cash flow, etc.*...	615	600	1,673	1,729	2 012
Change in working capital.......................................	(3)	9	(118)	(188)	(117)
Cash flow from operating activities....................	**435**	**427**	**878**	**902**	**896**
Investing activities					
Acquisition of intangible assets...............................	(56)	(52)	(181)	(153)	(250)
Acquisition of property, plant and equipment...........	(208)	(115)	(448)	(387)	(625)
Acquisition of subsidiaries.......................................	-	-	(8)	-	-
Investments in financial assets...............................	-	-	-	-	(6)
Divestments of financial assets...............................	0	-	0	-	-
Cash flow from investing activities.....................	**(265)**	**(167)**	**(637)**	**(541)**	**(880)**
Financing activities					
Net borrowings from group companies...................	-	-	-	(101)	101
Borrowings……………………………………………..	500	-	600	-	-
Amortization of borrowings......................................	(146)	(55)	(320)	(423)	(457)
Payment of transaction costs..................................	(15)	-	(15)	(43)	(43)
Cash flow from financing activities.....................	**339**	**(55)**	**265**	**(567)**	**(399)**
Net change in cash and cash equivalents...............	510	205	506	(205)	(383)
Cash and cash equivalents at period end...........	**1,168**	**839**	**1,168**	**839**	**661**

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

	For the three months ended September 30,		For the nine months ended September 30,		For the year ended December 31,
	2013	2012	2013	2012	2012
	(SEK in million)		(SEK in million)		(SEK in million)
Depreciation, amortization and impairment of assets..	334	349	1,009	1,065	1,413
Unrealized exchange rate differences.....................	(72)	(192)	28	(290)	(191)
Unrealized change in fair value of financial assets..	24	159	(79)	218	159
Change in accrued arrangement fees and accrued interest expense..	181	128	279	297	167
Interest not settled with cash, group companies......	148	146	433	412	438
Other...	(0)	10	3	27	26
Total...	**615**	**600**	**1,673**	**1,729**	**2,012**

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 2012 and presented in million Swedish kronor (SEK) which is also the Group's functional currency.

The Interim Report is prepared in accordance with IAS 34 Interim Financial Reporting.

The Interim Report has been approved for issuance by the Board of Directors on November 28, 2013.

New and amended accounting standards

The amended IAS19 Employee benefits was adopted by the Group as from January 1, 2013, retrospectively. Accordingly, the financial statements for 2012 have been restated as described in the table below (effects on relevant line items). The other new or revised IFRSs that have come into force on January 1, 2013, have had no material impact on the consolidated financial statements in addition to certain additional disclosures on financial instruments according to IFRS 13 *Fair value measurement*, and that the amended IAS 1 *Presentation of financial statements* resulted in a new classification of items reported in other comprehensive income. Under the amended IFRS 7 *Financial Instruments: Disclosures* relating to new disclosure requirements for offsetting financial assets and liabilities; there has been no off setting and no agreement exists that allows netting.

SEK in million	As of January 1, 2012	For the nine months ended September 30, 2012	For the year ended December 31, 2012
Net loss for the period	-	-	-
Other comprehensive income	-	(14)	(19)
Total comprehensive income	**-**	(14)	**(19)**
Total equity	**(3)**	**(14)**	**(19)**
Other non-current liabilities (pensions)	4	18	24
Deferred tax liabilities	(1)	(4)	(5)
Total non-current liabilities	**3**	**14**	**19**

Operating Segments

The operations of the Group are integrated and constitute a single operating segment that offers the supply of digital-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 digital-television, high-speed broadband, fixed-telephony and landlord services is disclosed in Note 2.

Note 2 Revenue

Total revenue amounted to SEK 3,334 million (SEK 3,417 million) in the nine months ended September 30, 2013. Digital-television revenue amounted to SEK 1,238 million (SEK 1,291 million), or 37.1% (37.8%) of total revenue. High-speed broadband revenue amounted to SEK 969 million (SEK 957 million), or 29.0% (28.0%) of total revenue. Fixed-telephony revenue amounted to SEK 318 million (SEK 384 million), or 9.5% (11.2%) of total revenue. Landlord revenue amounted to SEK 643 million (SEK 644 million) or 19.3% (18.9%) of total revenue, and other revenue amounted to SEK 166 million (SEK 141 million), or 5.0% (4.1%) of total revenue.

Note 3 Operating Expenses

The Group's cost of sales and services amounted to SEK 1,640 million (SEK 1,693 million), or 49.2% (49.6%) of total revenue in the nine months ended September 30, 2013. Selling expenses amounted to SEK 996 million (SEK 977 million), or 29.9% (28.6%) of total revenue, administrative expenses amounted to SEK 163 million (SEK 181 million), or 4.9% (5.3%) of total revenue and the Group's net other operating income and expenses amounted to an income of SEK 11 million (expense of SEK 7 million).

Note 4 Financial Income and Expense

Financial income and expenses summarized to a net financial expense of SEK 1,224 million (SEK 1,199 million) in the nine months ended September 30, 2013.

Net financial expense consisted primarily of interest expenses on borrowings amounting to SEK 1,263 million (SEK 1,265 million), currency losses in EUR denominated debt of SEK 29 million (currency gains of SEK 291 million), and a positive change in fair value of derivative instruments amounting to SEK 79 million (negative change of SEK 218 million) in the nine months ended September 30, 2013.

Note 5 Income Taxes
The Group recognized a deferred tax income for the nine months ended September 30, 2013 of SEK 149 million (SEK 167 million).

Note 6 Net Loss for the Period
The Group recognized a net loss of SEK 528 million (SEK 472 million) in the nine months ended September 30, 2013.

Note 7 Capital Expenditures
Capital expenditures in the nine months ended September 30, 2013 amounted to SEK 640 million (SEK 556 million) or 19.2% (16.3%) of total revenue, of which SEK 12 million (SEK 15 million) was funded by financial leases. Of the capital expenditures net after leasing, SEK 448 million (SEK 387 million) related to investments in fixed tangible assets and SEK 181 million (SEK 153 million) related to investments in fixed intangible assets.

Note 8 Liquidity and Financial Position
As of September 30, 2013, the Group held SEK 1,168 million (SEK 839 million) of cash and cash equivalents whereof SEK 500 million is restricted for potential investments. The restricted cash of SEK 500 million is equivalent with the proceeds from an Incremental Facility established during the nine months ended September 30, 2013. In addition, SEK 100 million was drawn from the Capex Facility during the period. Under the Senior Facilities Agreement, the Group has access to an additional committed Capex Facility of SEK 650 million and additional committed SEK 445 million under the Revolving Credit Facility.

Note 9 Fair Value of Derivative Instruments
To decrease the Group's interest rate risks and currency exposure, certain derivatives have been entered into. The derivatives are measured at fair value and are recognized in net profit/(loss), hedge accounting is not applied. The Group only holds level 2 instruments as described in the Annual Report 2012.

Amounts of SEK 79 million (SEK (218) million) regarding changes in fair value of the derivatives have been recognized in the financial net and SEK 0 million (-) have been recognized in other operating income, in the nine months ending September 30, 2013.

The following table illustrates the fair value of the derivatives at period end.

SEK in million	As of September 30, 2013	As of September 30, 2012	As of December 31, 2012
Derivatives (Collar)	(4)	(6)	(8)
Derivatives (CIRS)	(149)	(263)	(216)
Derivatives (FX contracts)	(27)	(49)	(35)
Financial liabilities	**(180)**	**(318)**	**(259)**

Note 10 Related Parties
The Group has related party relationships with the Company's owner and with Board Members and Group Management as described in the Annual Report 2012.

Note 11 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 2012. The Group believes that the risk environment has not materially changed from the description in the Annual Report 2012.

Note 12 Events During the Third Quarter
On August 14, 2013, TiVo was soft-launched.

On August 21, 2013, Com Hem launched a new Broadband portfolio, incl. 500 Mbit/s service, available to more than 1 million fibercoax end-customers.

On September 30, 2013, Com Hem´s next generation STB powered by TiVo was made available to purchase via Com Hem´s sales channels. In conjunction Com Hem also announced four new DTV packages, replacing the old DTV packages. The new DTV packages, TiVo Bas, TiVo Mellan, TiVo Plus and TiVo Max are made available for customers purchasing a new DTV subscription.

Note 13 Subsequent Events
On October 7, 2013, Com Hem´s next generation DTV experience TiVo was commercially launched. In conjunction with the TiVo commercial launch Com Hem also announced the launch of the service TiVoToGo™, a new cloud based service that is one part of the next generation DTV experience, offering the customer a one-stop-content-shop incl. TV-channels, PPV, VOD archives, play-services and other applications such as Netflix and Youtube over several different platforms (Televisions, Web, Tablets and Smart Phones).

On October 7, 2013, Com Hem also announced that the Netflix-app will be available for DTV subscribers with a TiVo STB, as of January 2014.

On November 26, 2013, the Chairman of the Board of Com Hem announced that the company´s CEO Tomas Franzén will be leaving Com Hem in 2014. The process to appoint a new CEO is well underway, and is expected to be announced in the near future.

To the knowledge of the Board of Directors, no other events have occurred after closing date that is expected to have a material impact on the business.

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Board of Directors
NorCell Sweden Holding 2 AB (publ)

Introduction
We have reviewed the accompanying consolidated balance sheet of NorCell Sweden Holding 2 AB (publ) and subsidiaries ("the Group") as of September 30, 2013 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine month period then ended which are included in the printed version of this document on pages 12 – 17. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of these consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Review
We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Stockholm, November 28, 2013
KPMG AB

/s/ Thomas Thiel

Thomas Thiel
Authorized public accountant

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About Com Hem

Com Hem is one of Sweden's leading suppliers of television, broadband and fixed-telephony. Approximately 38 percent, 1.79 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.