Q3 2013 Presentation

Investor and Analyst Conference Call

Nov 28, 2013

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Disclosure Regarding Forward-Looking Statements

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

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Today's Presenters

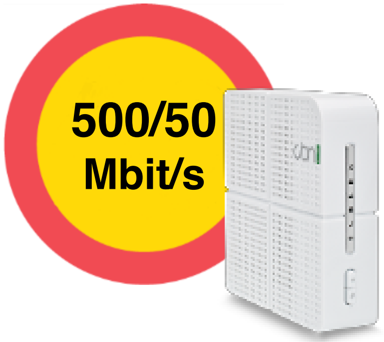
Tomas Franzén
CEO

Joachim Jaginder
CFO

Agenda

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

Third Quarter in Brief



Operational highlights

Market development

- Continues competitive DTV market situation
- Stable development within high-speed broadband – Penetration and market shares
- Continued increase in customer demand for data usage – (OTT services) and mobile (Smartphones)
- Accelerating fixed to mobile substitution within the fixed-telephony

Key performance

- The next generation STB powered by TiVo was made available to purchase via Com Hem´s sales channels from September 30, 2013
- Commercial TiVo launch starting October 7, including the launch of the service **TiVoToGo**
- Launch of new broadband portfolio in August 2013, incl. 500 Mbit/s downward and 50 Mbit/s upward services, available for well-over 1 million FiberCoax end-customers
- Contiuned increase in homes connected due to Open Networks and Service Provider business

Major Events

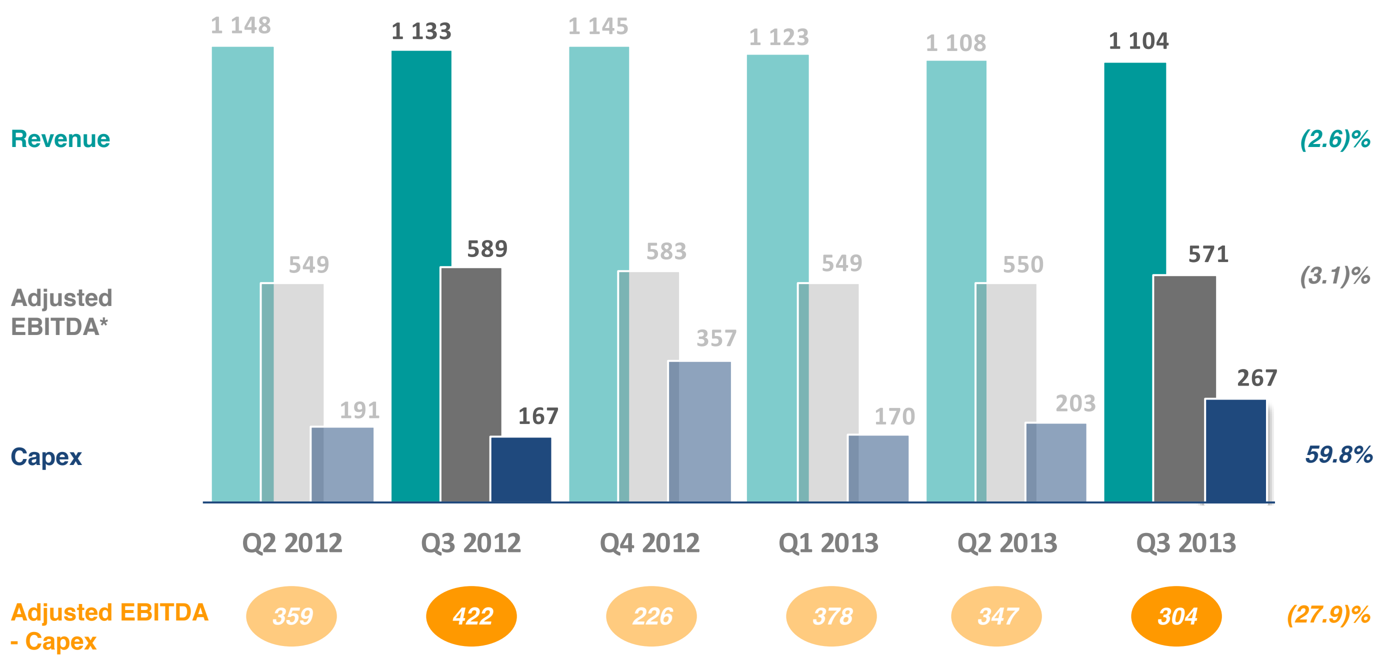
- Agreement signed with Netflix, enables Com Hem DTV customers to access Netflix app via Com Hem's DTV TiVo Service as from January 2014
- On November 26, 2013, Com Hem announced that the company´s CEO Tomas Franzén will be leaving Com Hem in 2014

Financial Overview Q3 2013

Overview Com Hem

(SEKm)

Change Q3 2013 vs.Q3 2012



Development

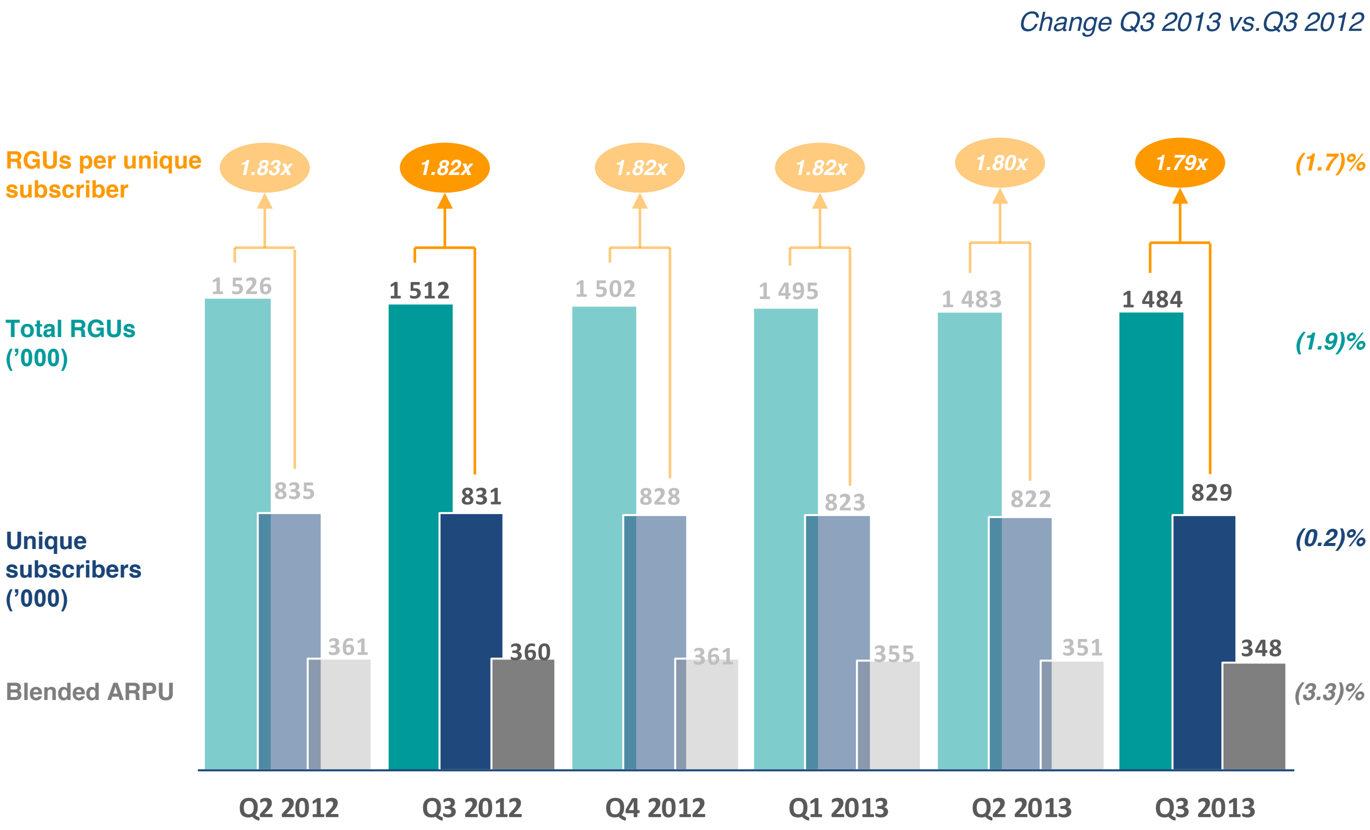
Q3 2013 vs. Q3 2012

- **Slight decrease in overall revenue**
  - Lower revenue from DTV and fixed-telephony
  - Partly offset by higher revenue from broadband services and communication operator service
- **Adjusted EBITDA decrease of 3.1%**
  - Decrease in revenue partly offset by lower cost base.
- **Capex increase of 59.8% due increased CPE capex**
  - Investments in TiVo STB's
  - Timing in modem capex

** 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



Development

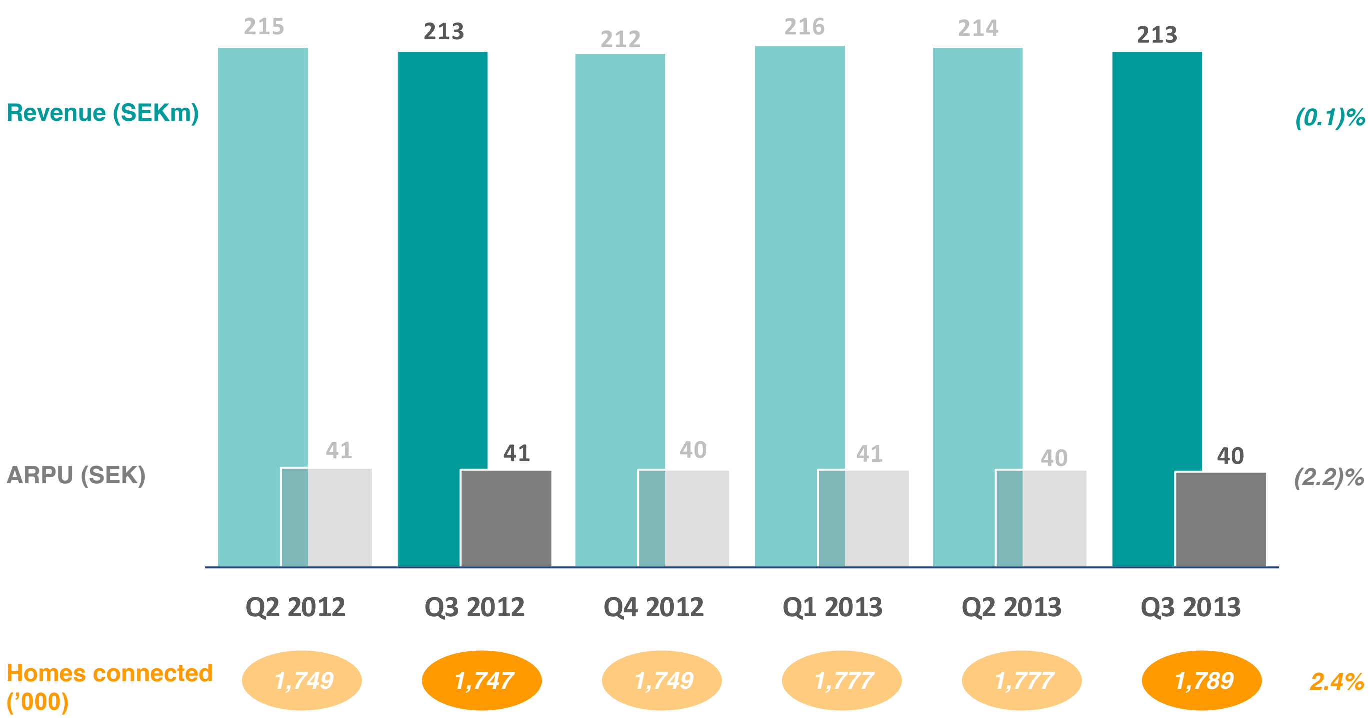
Q3 2013 vs. Q3 2012

- **Decrease in number of RGUs, and RGUs per unique subscriber**
  - Substitution from fixed to mobile telephony
- **Slight decrease in unique subscribers**
- **Decrease in blended ARPU**
  - Decrease due to lower ARPU contribution from DTV and fixed-telephony services

Quarterly Development - Landlord

Revenue and ARPU

Change Q3 2013 vs.Q3 2012



Development

Q3 2013 vs. Q3 2012

- **Increase in homes connected vs. Q3 2012**
  - Mainly due to increased HH within Open Networks
- **ARPU decrease vs. Q3 2012**
  - Contract renegotiations, partly offset by price index increases in 2013
- **Revenue remains stable**
  - Decrease in ARPU is offset by increased number of Vertical LAN households

Quarterly Development - Digital-TV

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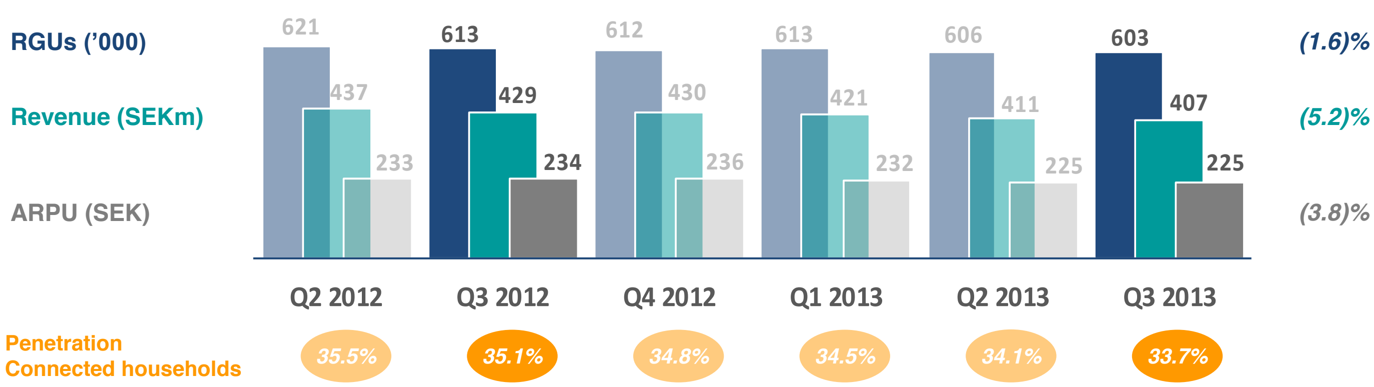
Revenue, RGU and ARPU

Change Q3 2013 vs.Q3 2012



On demand

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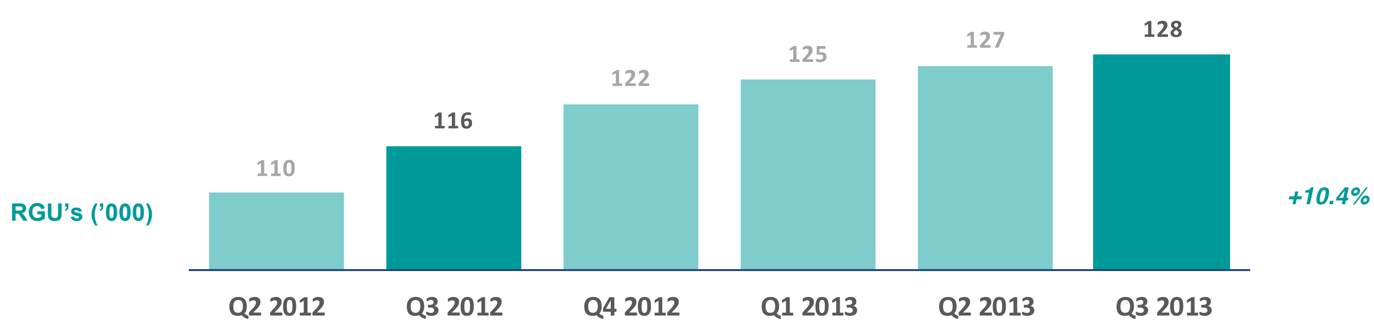
Change Q3 2013 vs.Q3 2012



Development

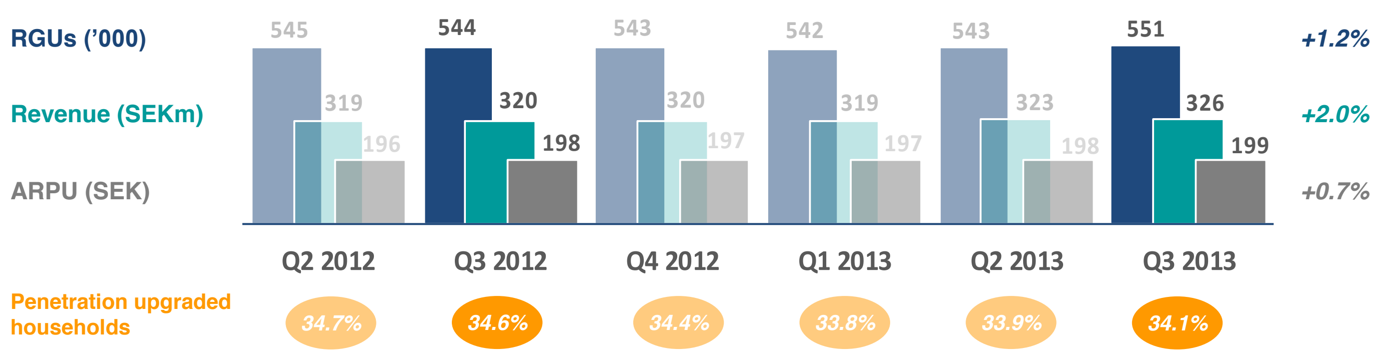
Q3 2013 vs. Q3 2012

- **Market environment continues to be competitive**
  - Continued increased demand and usage of OTT services from TV operators and content providers
- **Slight decrease in revenue due to:**
  - Lower subscriber base
  - Lower ARPU due to increased discounts

Quarterly Development - High-Speed Broadband

Revenue, RGU and ARPU

Change Q3 2013 vs.Q3 2012

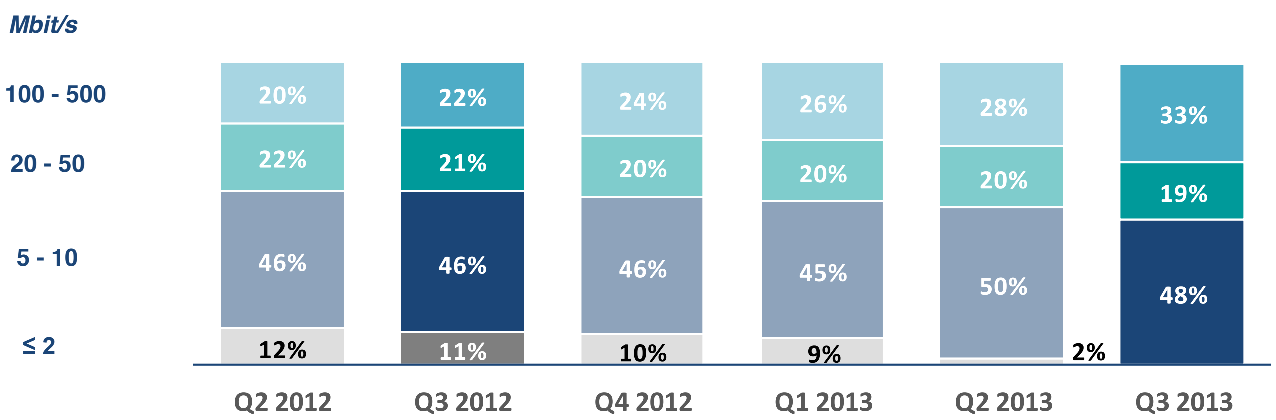


Development

Q3 2013 vs. Q3 2012

- **Increase in revenue due to increased RGU base and ARPU as a consequence of:**
  - Migration of subscribers with lowest speed services to higher speed services
  - Customer demand for higher speeds continues, as of September 30, 2013, 33% of customer base subscribed for 100 – 500 Mbit/s services
- **Stable market position**

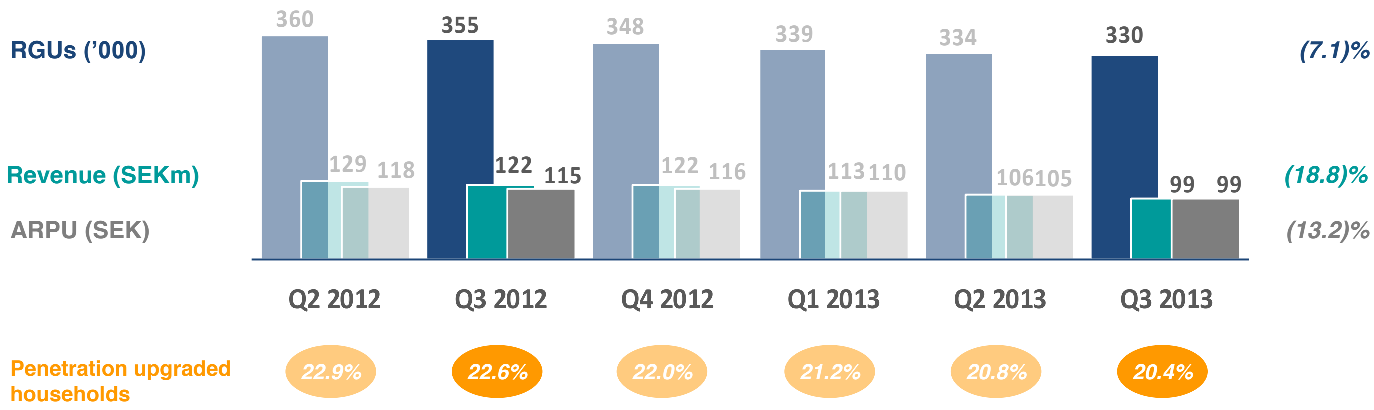
Increasing demand for higher broadband speeds



Quarterly Development - Fixed-Telephony

Revenue, RGUs and ARPU development

Change Q3 2013 vs.Q3 2012



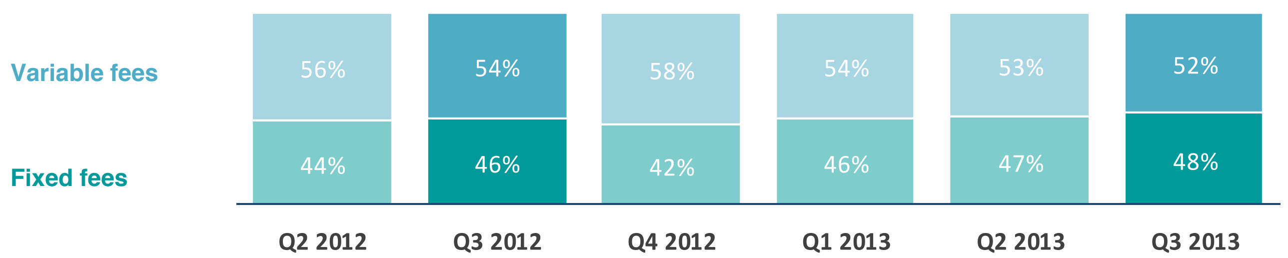
Development

Q3 2013 vs. Q3 2012

- **Continued RGU, revenue and ARPU decline as a result of shrinking overall market**
- **Lower usage of fixed-line telephony**
  - Decreasing fixed-telephony penetration
  - Increased penetration of smart phones triggers fixed to mobile substitution

Breakdown Telephony ARPU

(*Percentage*)



Agenda

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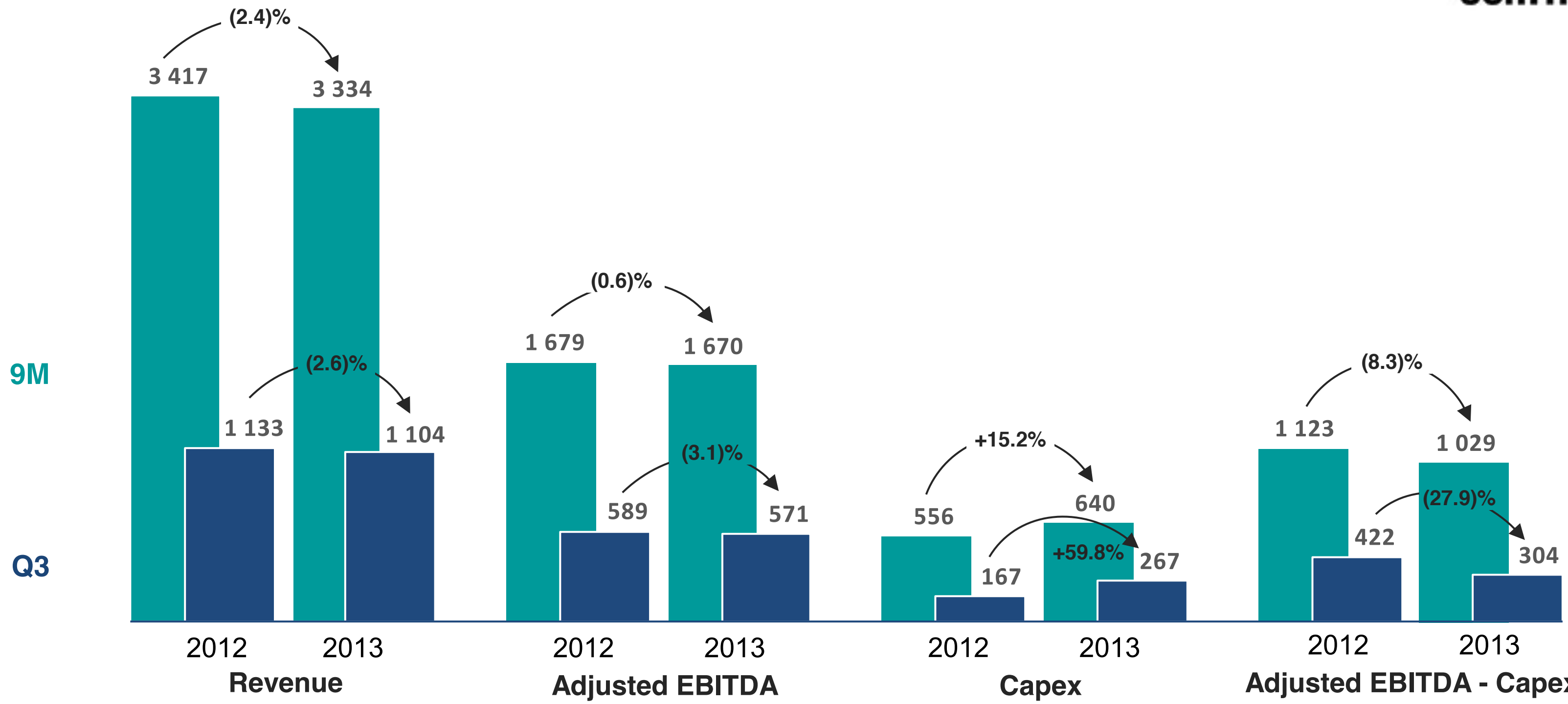
Financial Results	**Joachim Jaginder**
TiVo Update	Tomas Franzén
Questions	Tomas Franzén, Joachim Jaginder
Appendix	

Financial Overview



Financial highlights – third quarter

Revenue	– Revenue was SEK 1,104m, a decrease of 2.6% compared to Q3 2012
Adjusted EBITDA	– Adjusted EBITDA was SEK 571m, a decrease of 3.1% compared to Q3 2012
Capex	– Capex was SEK 267m, an increase of 100m compared to Q3 2012, mainly due to increased investments in TiVo STB's and timing in modem capex
Adjusted EBITDA – Capex	– Adjusted EBITDA-capex was SEK 304m, a decrease of 27.9% compared to Q3 2012, mainly due to higher capex spending during Q3 2013

Revenue Development

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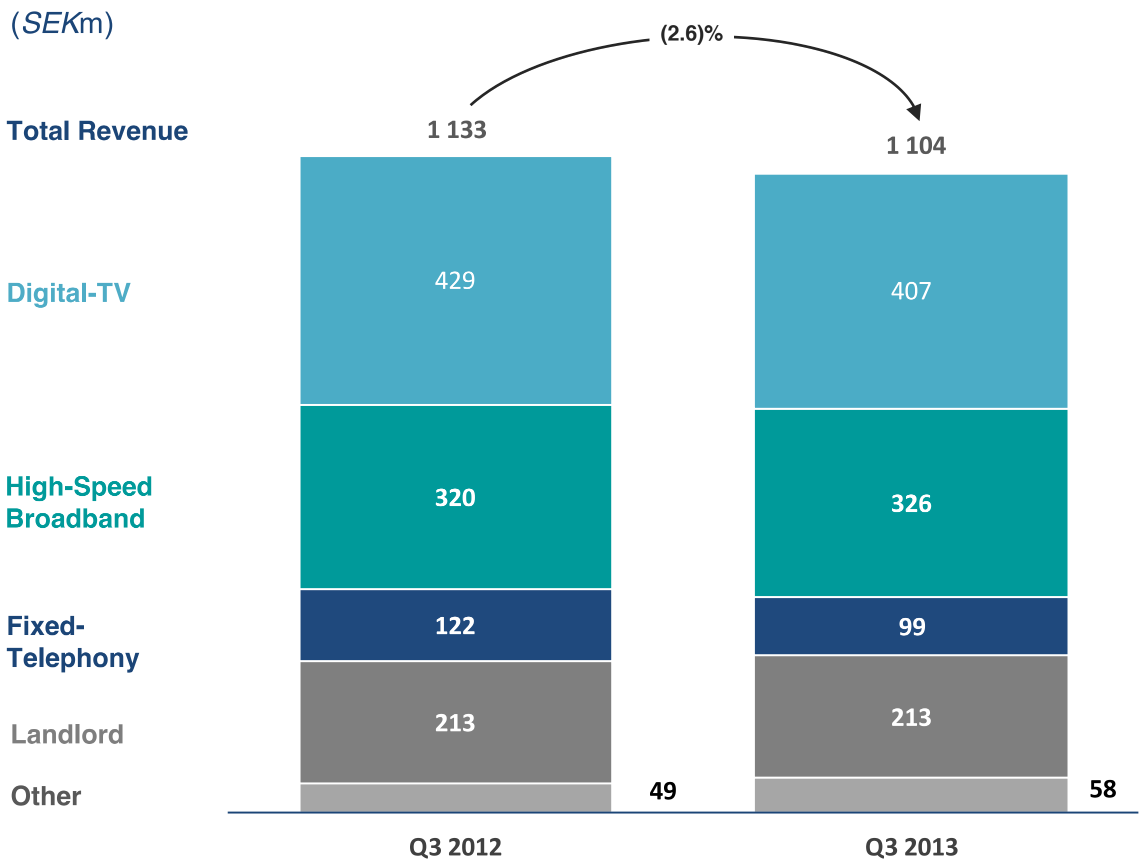
Revenue



Revenue	Q3 2012	Q3 2013	Change	
Digital-TV	429	407	(22)	(5.2%)
High-Speed Broadband	320	326	6	2.0%
Fixed-Telephony	122	99	(23)	(18.8%)
Landlord	213	213	(0)	(0.1%)
Other	49	58	10	19.9%
Total Revenue	**1,133**	**1,104**	**(29)**	**(2.6%)**

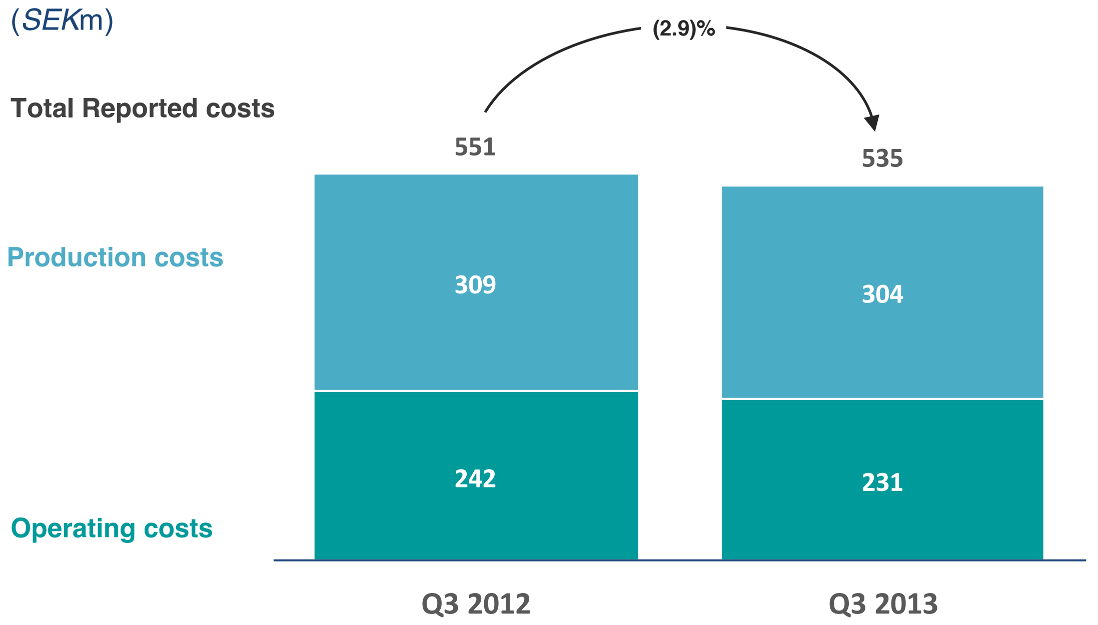
Development last quarter

Q3 2013 vs. Q3 2012

- **Digital-TV**
  - Decrease in RGUs of 10,000 to 603,000 DTV RGUs
  - ARPU decrease of approximately SEK 9 mainly due to increased discounts
- **High-Speed Broadband**
  - Increase in RGUs of 6,000 to 551,000 BB RGUs
  - ARPU increase of SEK 1, mainly due to demand for higher broadband speeds and migration of subscribers with lowest speed to higher speed services
- **Fixed-Telephony**
  - Decrease in RGUs of 25,000 to 330,000 TELE RGUs
  - ARPU decline of approximately SEK 15 as a result of lower usage of fixed-line telephony services
- **Landlord**
  - Decrease in ARPU, due to price renegotiations, offset by higher number of Vertical LAN households
- **Other**
  - Growth mainly due to increased revenue in iTUX

Decreasing Cost Base

Production and Operating costs



SEKm	Q3 2012	Q3 2013	Change	
Content	(163)	(155)	(8)	
Fibre & ducting	(60)	(58)	(2)	
Other production costs	(87)	(91)	5	
Production Costs	**(309)**	**(304)**	**(5)**	**(1.7%)**
Marketing & sales costs	(50)	(46)	(3)	
Staff*	(135)	(136)	1	
Other operating costs	(57)	(49)	(8)	
Operating Costs	**(242)**	**(231)**	**(11)**	**(4.4%)**
Total Reported Costs	**(551)**	**(535)**	**(16)**	**(2.9%)**
Retail subsidies costs	7	2	5	
Adjusted Reported Cost	**(543)**	**(533)**	**(11)**	**(2.0%)**

** Includes outsourcing, consultancy and employee costs.*

Development cost base

Q3 2013 vs. Q3 2012

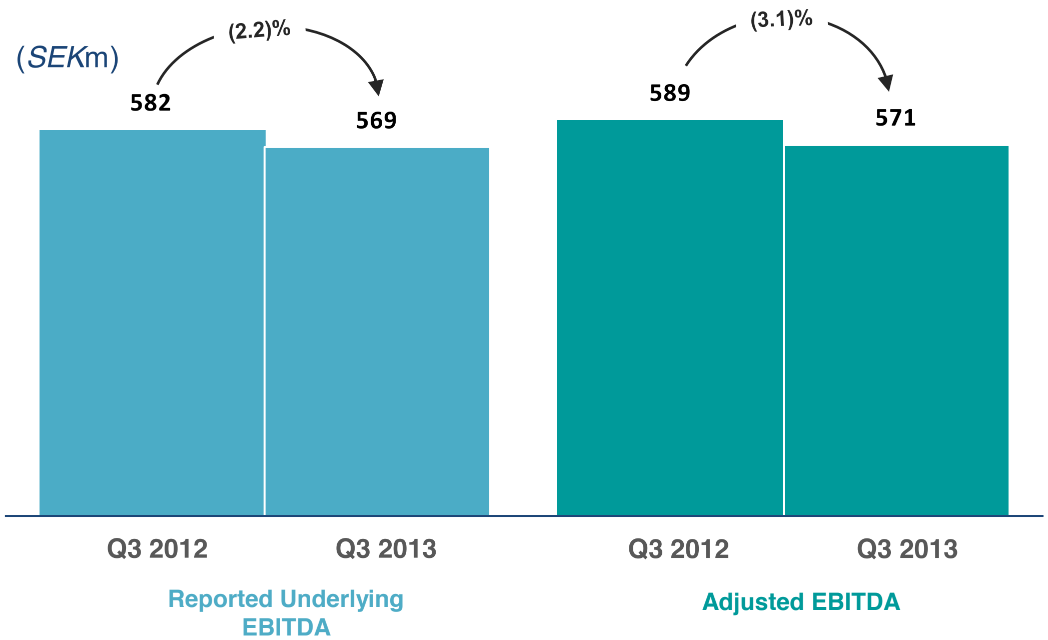
- Production costs
  - ***Content*** costs decreased mainly due to lower DTV subscriber base
  - Slightly decrease in costs for ***Fibre & ducting***
  - ***Other production costs*** increased mainly due to higher communication operator costs and higher costs for service and support agreements relating to the new TiVo platform.
  - Significant portion of cost base is fixed (e.g. network maintenance surveillance)
- Operating costs
  - ***Marketing & sales costs*** decreased due to timing in marketing campaigns as well as change in sales channels mix
  - ***Staff related costs*** remained at the same level
  - ***Other operating costs*** decrease due to timing differences and general cost savings

EBITDA Growth During Third Quarter

Revenue & EBITDA

SEKm	Q3 2012	Q3 2013
Total Revenue	**1,133**	**1,104**
Total costs	(551)	(535)
Reported Underlying EBITDA*	**582**	**569**
Reported Underlying EBITDA margin	51.4%	51.6%
Expensed retail subsidies**	7	2
Adjusted EBITDA*	**589**	**571**
Adjusted EBITDA margin	52.0%	51.7%

EBITDA development

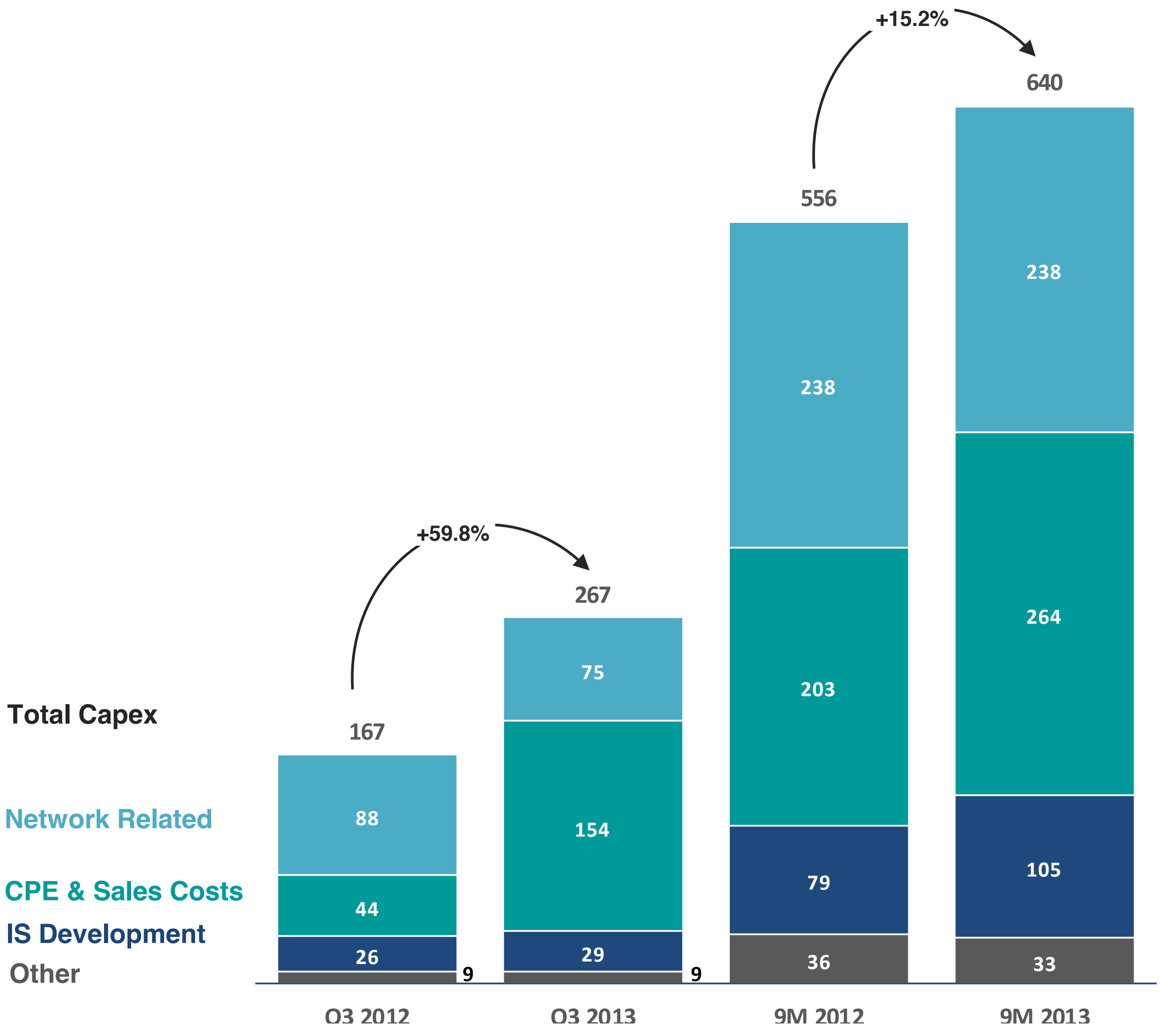


* For a definition of Reported Underlying EBITDA and Adjusted EBITDA , please refer to "Non-IFRS Financial Measures" in Appendix.
** From January 2011, subsidies paid to retailers are capitalized in accordance with IAS 38, earlier distributed as a cost over three years.

Capital Expenditures

Capex development

(*SEK*m)



Development Capex

Q3 2013 vs. Q3 2012

- **Network Related and Quality Enhancement**
  - Slightly lower network capex due to timing differences
- **Customer Premises Equipment & Sales Cost**
  - Higher CPE capex due to investments in TiVo STB's and timing differences in modem capex
  - Capitalization of sales costs remained at the same level as Q3 2012
- **IS Development**
  - Remained at the same level as Q3 2012
- **Other Capex**
  - Remained at the same level as Q3 2012

Cash Flow Generation

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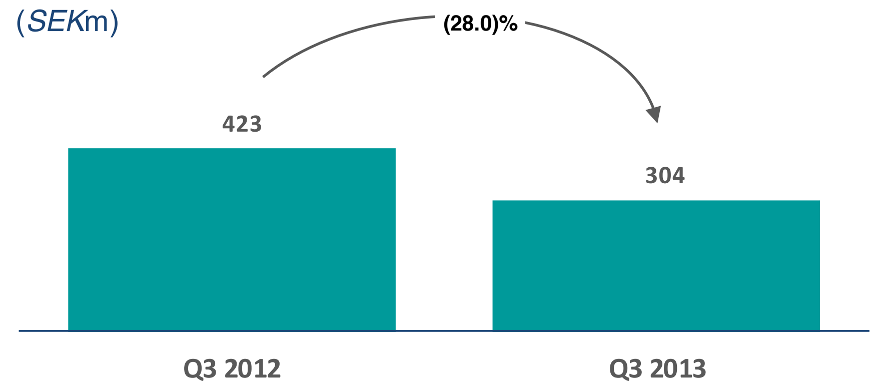
Adjusted EBITDA – Capex

SEKm	Q3 2012	Q3 2013	Deviation	Change %
Adjusted EBITDA*	**589**	**571**	**(18)**	**(3,1%)**
Gross capex	(167)	(267)	(100)	
Adjusted EBITDA - Capex	**423**	**304**	**(118)**	**(28,0%)**

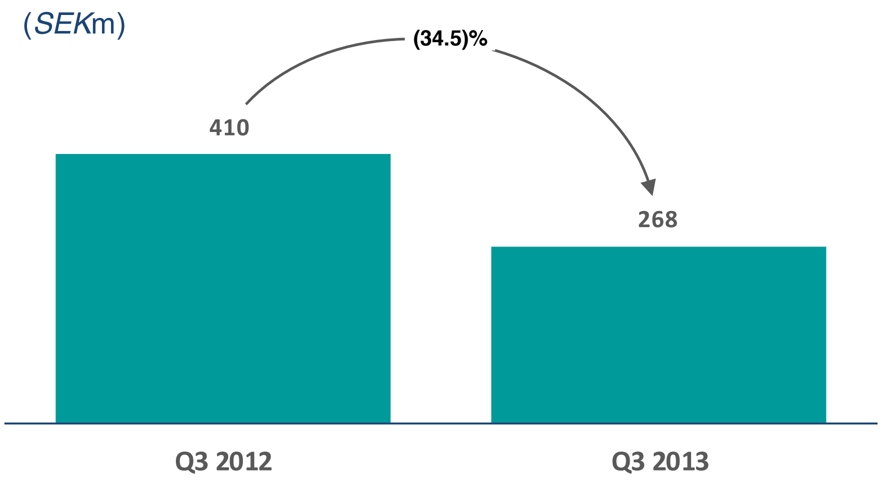
Adjusted EBITDA – Capex



Operating free cash flow

SEKm	Q3 2012	Q3 2013	Deviation	Change %
Adjusted EBITDA*	**589**	**571**	**(18)**	**(3,1%)**
Expensed retail subsidies**	(7)	(2)	5	
Reported Underlying EBITDA*	**582**	**569**	**(13)**	**(2,2%)**
One-off items***	(14)	(32)	(18)	
Adjustment for items not included in cash flow****	(1)	(1)	(1)	
Change in net working capital	9	(3)	(12)	
Gross capex	(167)	(267)	(100)	
Capex funded by leasing	-	2	-	
Operating free cash flow	**410**	**268**	**(141)**	**(34,5%)**

Operating free cash flow



* *For a definition of Reported Underlying EBITDA and Adjusted EBITDA, please refer to "Non-IFRS Financial Measures" in Appendix*
** *From January 2011, subsidies paid to retailers are capitalized in accordance with IAS 38, earlier distributed as a cost over three years*
*** *One-off items in Q3 2013 primarily include costs related to the 2013 Redundancy program and non-recurring costs relating to the TiVo launch*
**** *Includes change in pension provisions, change in other provisions and other items not included in the cash flow*

Financial Position as of September 30, 2013

Cash Net Debt Table

As of September 30, 2013	SEKm	EURm
Term Loan A (SEK)	1 275	147
Term Loan B (SEK/EUR)*	3 852	444
Capex Facility (SEK)	100	12
Incremental Facility (SEK)**	500	58
Bank Debt	**5 727**	**660**
Senior Secured Notes (SEK)	3 492	403
Senior Notes (EUR)*	2 490	287
Bank & Notes Debt	**11 710**	**1 350**
Cash and Cash Equivalents**	(1 168)	(135)
Net Cashpay Debt	**10 542**	**1 215**

Leverage****

As of September 30, 2013	
Leverage Bank Debt	**2.5x**
Leverage Bank & Notes Debt	**5.2x**
Leverage Net Cashpay Debt	**4.7x**

Liquidity Position

Available funds as of September 30, 2013	SEKm	EURm
Capex Facility	650	75
Revolving Facility	445	51
Committed and Undrawn Amount	**1 095**	**126**
Unrestricted Cash and Cash Equivalents	668	77
Cash Balance & Available Funds	**1 763**	**203**

* *The exchange rate 8,676 is used to convert EUR debt to SEK debt.*

** *The outstanding indebtedness under the Incremental Facility of 500 mSEK is currently held on restricted bank accounts and can only be used for potential investments, hence is the restricted cash of 500 mSEK not included when calculating Cash Balance and Available Funds.*

*** *Debt to LTM Adjusted EBITDA.*

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TiVo Functionality

Functionality

Key functionality	Release date	Check
TiVo Hybrid (Coax and IP enabled) STB with 1 TB storage and three tuners	September 2013	✓
Unversal search, smart recommendation and serial recordings	September 2013	✓
Smart Remote – Enables tablet or smartphone to control, search and record on the box	September 2013	✓
OTT content and ”Play Services”	September 2013	✓
TV Everywhere functionality – TiVoToGo (iOS)	October 2013	✓

Key Functionality	Release date	Check
TV Everywhere functionality – TiVoToGo (Android)	Q4 2013	☐
TV Everywhere functionality – TiVoToGo (Web)	Q4 2013	☐
Integrated Netflix content	Q1 2014	☐

TiVo Offering and new DTV Packages

TiVo Offering

Included in TiVo Offerings:
Hybrid STB (Coax and IP enable)
1000 GB Storage
TV Everywhere functionality TiVoToGo
Integrated play-services and OTT Content

New DTV Basic Packages

Package	Channels	TiVoToGo Channels	HD Channels	Play-Services	Price per month	Activation fee (12/24 months)
TiVo BAS	18	-	2	6	149 SEK	899/499 SEK
TiVo MELLAN	26	18	2	10	279 SEK	499/99 SEK
TiVo PLUS	50	34	6	12	339 SEK	499/99 SEK
TiVo MAX	76	49	14	14	439 SEK	499/99 SEK

Questions

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Revenue to Adjusted EBITDA

Third Quarter				
SEKm	Q3 2012	Q3 2013	Deviation	Change %
Pay Television	429	407	(22)	
High-Speed Broadband	320	326	6	
Fixed-Telephony	122	99	(23)	
Landlord	213	213	(0)	
Other	49	58	10	
Revenue	**1,133**	**1,104**	**(29)**	**(2.6%)**
Content	(163)	(155)	8	
Fibre & ducting	(60)	(58)	2	
Other production costs	(87)	(91)	(5)	
Production costs	**(309)**	**(304)**	**5**	**1.7%**
Gross Profit	**824**	**800**	**(24)**	**(2.9%)**
Gross Profit Margin	**72.7%**	**72.5%**	**(0.2 pp)**	
Marketing & sales costs	(50)	(46)	3	
Staff	(135)	(136)	(1)	
Other operating costs	(57)	(49)	8	
Operating costs	**(242)**	**(231)**	**11**	**4.4%**
Reported Underlying EBITDA*	**582**	**569**	**(13)**	**(2.2%)**
Reported Underlying EBITDA Margin	**51.4%**	**51.6%**	**0.2pp**	
Expensed retail subsidies	7	2	(5)	
Adjusted EBITDA*	**589**	**571**	**(18)**	**(3.1%)**
Adjusted EBITDA Margin	**52.0%**	**51.7%**	**(0.3 pp)**	

9 - Months				
SEKm	9M 2012	9M 2013	Deviation	Change %
Pay Television	1,291	1,238	(53)	
High-Speed Broadband	957	969	12	
Fixed-Telephony	384	318	(66)	
Landlord	644	643	(1)	
Other	141	166	26	
Revenue	**3,417**	**3,334**	**(82)**	**(2.4%)**
Content	(505)	(473)	31	
Fibre & ducting	(188)	(182)	6	
Other production costs	(269)	(279)	(11)	
Production costs	**(961)**	**(935)**	**26**	**(2.7%)**
Gross Profit	**2,455**	**2,399**	**(56)**	**(2.3%)**
Gross Profit Margin	**71.9%**	**72.0%**	**0.1pp**	
Marketing & sales costs	(167)	(129)	38	
Staff	(461)	(464)	(3)	
Other operating costs	(173)	(146)	27	
Operating costs	**(800)**	**(739)**	**61**	**(7.6%)**
Reported Underlying EBITDA*	**1,655**	**1,660**	**5**	**0.3%**
Reported Underlying EBITDA Margin	**48.4%**	**49.8%**	**1.3pp**	
Expensed retail subsidies	24	10	(15)	
Adjusted EBITDA*	**1,679**	**1,670**	**(10)**	**(0.6%)**
Adjusted EBITDA Margin	**49.2%**	**50.1%**	**0.9pp**	

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

Cash Flow after Debt Service

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Third Quarter				
SEKm	**Q3 2012**	**Q3 2013**	**Deviation**	**Change %**
Adjusted EBITDA*	**589**	**571**	**(18)**	**(3,1%)**
Expensed retail subsidies**	(7)	(2)	5	
Reported Underlying EBITDA*	**582**	**569**	**(13)**	**(2,2%)**
One-off items	(14)	(32)	(18)	
Adjustment for items not included in cash flow***	(1)	(1)	(1)	
Change in net working capital	9	(3)	(12)	
Gross capex	(167)	(267)	(100)	
Capex funded by leasing	-	2	2	
Operating free cash flow	**410**	**268**	**(141)**	**(34,5%)**
Net Borrowings	-	485	485	
Interest payments on borrowings	(153)	(98)	55	
Amortization of borrowings	(55)	(146)	(91)	
Change in intercompany loans	-	-	-	
Cash flow after debt service	**202**	**510**	**308**	**n/m**

9 - Months				
SEKm	**9M 2012**	**9M 2013**	**Deviation**	**Change %**
Adjusted EBITDA*	**1 679**	**1 670**	**(9)**	**(0,6%)**
Expensed retail subsidies**	(24)	(10)	14	
Reported Underlying EBITDA*	**1 655**	**1 660**	**5**	**0,3%**
One-off items	(30)	(104)	(73)	
Adjustment for items not included in cash flow***	5	0	(5)	
Change in net working capital	(188)	(118)	70	
Gross capex	(556)	(640)	(85)	
Capex funded by leasing	15	12	(4)	
Operating free cash flow	**901**	**810**	**(91)**	**(10,1%)**
Net Borrowings	-	585	585	
Interest payments on borrowings	(555)	(561)	(6)	
Amortization of borrowings	(423)	(320)	104	
Change in intercompany loans	(101)	-	101	
Cash flow after debt service	**(178)**	**515**	**693**	**n/m**

* *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.*

Balance Sheet

Assets	Sep 30, 2013	Dec 31, 2012
(SEKm)		
Non-current assets		
Intangible assets	16,140	16,513
Property, plant and equipment	1,437	1,421
Other non-current assets	6	6
Total non-current assets	**17,584**	**17,940**
Current assets		
Current assets	255	300
Cash and cash equivalents	1,168	661
Total assets	**19,007**	**18,901**

	Sep 30, 2013	Dec 31, 2012
(SEKm)		
Total Equity	**(412)**	**70**
Non-current liabilities		
Non-current interest bearing liabilities	16,392	15,553
Other non-current liabilities	923	1,192
Total non-current liabilities	**17,315**	**16,746**
Non-current liabilities		
Current interest bearing liabilities	330	354
Current liabilities	1,773	1,731
Total non-current liabilities	**2,103**	**2,085**
Total equity & liabilities	**19,007**	**18,901**

Reconciliation of Pro Forma Adjustments due to Changed Accounting Principles

Recognized in Balance Sheet	EoP 2011	Change Q1 2012	Change Q2 2012	Change Q3 2012	Change Q4 2012	EoP 2012	Change Q1 2013	Change Q2 2013	Change Q3 2013	Change Q4 2013	EoP 2013
Prepaid cost retail subsidies for 2008	-	-	-	-	-	-					
Prepaid cost retail subsidies for 2009	8	(3)	(3)	(2)	(1)	-					
Prepaid cost retail subsidies for 2010	30	(5)	(5)	(5)	(5)	11	(5)	(3)	(2)	(1)	-
Change in prepaid cost retail subsidies	**41**	**(9)**	**(8)**	**(7)**	**(6)**	**11**	**(5)**	**(3)**	**(2)**	**(1)**	**-**

9 + 8 + 7 + 6 = 30

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

5 + 3 + 2 + 1 = 11

Expensed in Q1 2013
Expensed in Q2 2013
Expensed in Q3 2013
Will be expensed in Q4 2013

SEKm	Q3 2012	Q3 2013
Reported Underlying EBITDA	**582**	**569**
Retail subsidies costs*		
Costs related to subsidies paid in 2008	-	-
Costs related to subsidies paid in 2009	2	-
Costs related to subsidies paid in 2010	5	2
Retail subsidies costs	**7**	**2**
Adjusted EBITDA	**589**	**571**

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

Capitalization Table as of September 30, 2013

com hem

Total Net Debt NorCell Group	As of September 30, 2013		As of June 30, 2013		As of December 31, 2012	
As of September 30, 2013	mSEK	mEUR*	mSEK	mEUR**	mSEK	mEUR***
Term Loan A (SEK)	1 275	147	1 388	158	1 490	172
Term Loan B1 (SEK)	1 216	140	1 216	139	1 216	141
Term Loan B2 (EUR)	2 637	304	2 662	304	2 626	304
Capex Facility	100	12	100	11	-	-
Incremental Facility	500	58	-	-	-	-
Bank Debt	**5 727**	**660**	**5 365**	**613**	**5 332**	**617**
Senior Secured Notes (SEK)	3 492	403	3 492	399	3 492	404
Senior Notes (EUR)	2 490	287	2 514	287	2 481	287
Bank & Notes Debt	**11 710**	**1 350**	**11 371**	**1 298**	**11 305**	**1 308**
Cash and Cash Equivalents (SEK)	(1 168)	(135)	(658)	(75)	(661)	(76)
Net Cashpay Debt	**10 542**	**1 215**	**10 713**	**1 223**	**10 644**	**1 232**
Finance Leases (SEK)	87	10	117	13	179	21
Intercompany PIK Loan (EUR)	2 266	261	2 287	261	2 116	245
Accrued Interest Intercompany PIK Loan (EUR)	96	11	24	3	29	3
Unamortizated Transaction Costs (SEK/EUR)	(490)	(56)	(501)	(57)	(549)	(66)
Total External Net Debt NorCell Group	**12 500**	**1 441**	**12 640**	**1 443**	**12 418**	**1 436**

Total Net Debt NorCell 1B AB (publ)	As of September 30, 2013		As of June 30, 2013		As of December 31, 2012	
As of September 30, 2013	mSEK	mEUR*	mSEK	mEUR**	mSEK	mEUR**
Senior PIK Notes (EUR)	2 311	266	2 333	266	2 160	250
OID Senior PIK Notes, gross (EUR)	(45)	(5)	(45)	(5)	(45)	(5)
Accrued Interest Senior PIK Notes (EUR)	96	11	24	3	29	3
Unamortized Transaction Costs Senior PIK Notes (SEK/EUR)	(28)	(3)	(31)	(4)	(36)	(4)
Total External Debt	**2 334**	**269**	**2 281**	**260**	**2 109**	**244**
Cash and Cash Equivalents (SEK)	(0)	(0)	(0)	(0)	(1)	(0)
Total External Net Debt NorCell 1B AB (publ)	**2 334**	**269**	**2 280**	**260**	**2 108**	**244**

* *The exchange rate 8,676 is used to convert EUR debt into SEK as of September 30, 2013.*
** *The exchange rate 8,758 is used to convert EUR debt into SEK as of June 30, 2013.*
*** *The exchange rate 8,642 is used to convert EUR debt into SEK as of December 31, 2013.*

Presentation of Consolidated Financial Data

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

- The unaudited condensed consolidated financial statements of the NorCell Group as of and for the three months, and as of and for the nine months ended September 30, 2013 and 2012

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.

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.