Q2 2013 Presentation
Investor and Analyst Conference Call

Aug 27, 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	

Second Quarter in Brief

500 Mbit/s

Operational highlights

Market development

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

Key performance

- Frame agreement signed during the second quarter with Open Universe and Zitius – enables Com Hem the possibility to reach an additional 250,000 customers within the open networks
- Launch of B2B SoHo offer on June 20th – 200 subscribers as of June 30th
- Soft launch of TiVo on August 14th – approx. 45,000 pre-registration received
- Launch of new broadband portfolio on August 21th, incl. 500 Mbit/s downward and 50 Mbit/s upward services, available for well-over 1 million FiberCoax end-customers

Focus areas going forward

- Commercial launch of TiVo during Q3 2013
- Leverage on the new broadband portfolio
- Continue to develop our Service Provider business
- Continue to develop and launch the B2B SME offer

Financial Overview Q2 2013

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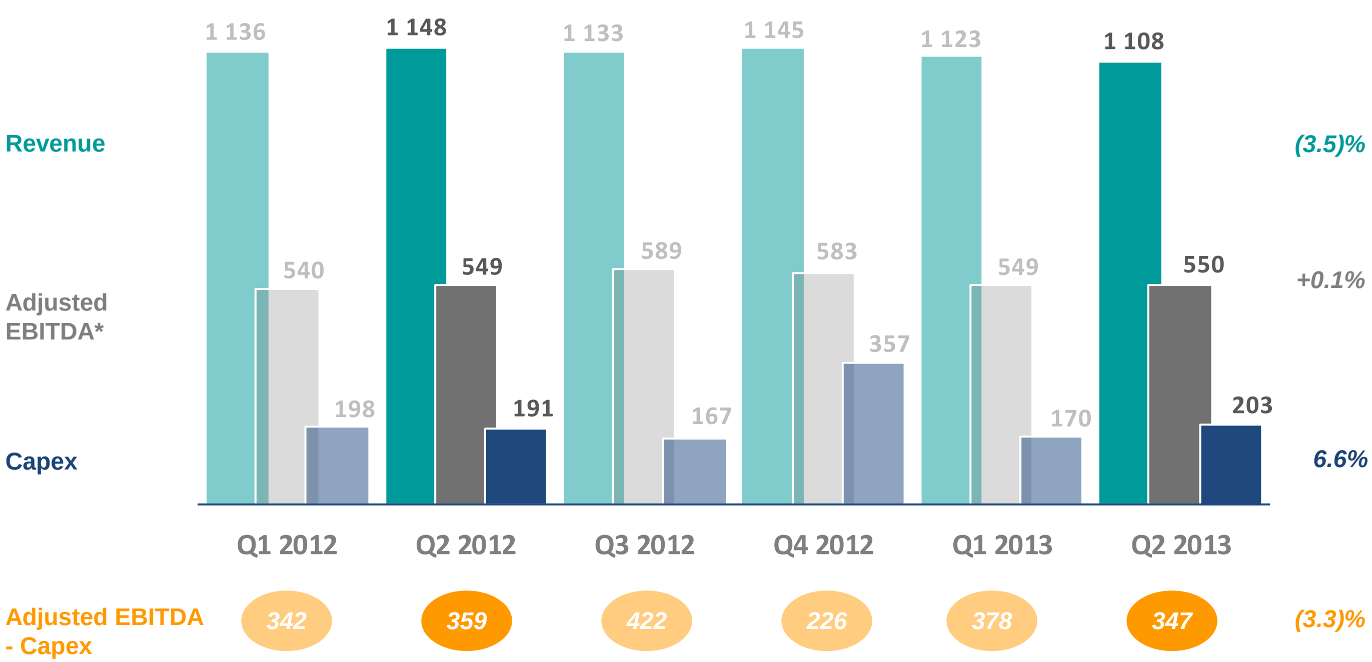
Overview Com Hem

(*SEKm*)

Change Q2 2013 vs.Q2 2012



Development

Q2 2013 vs. Q2 2012

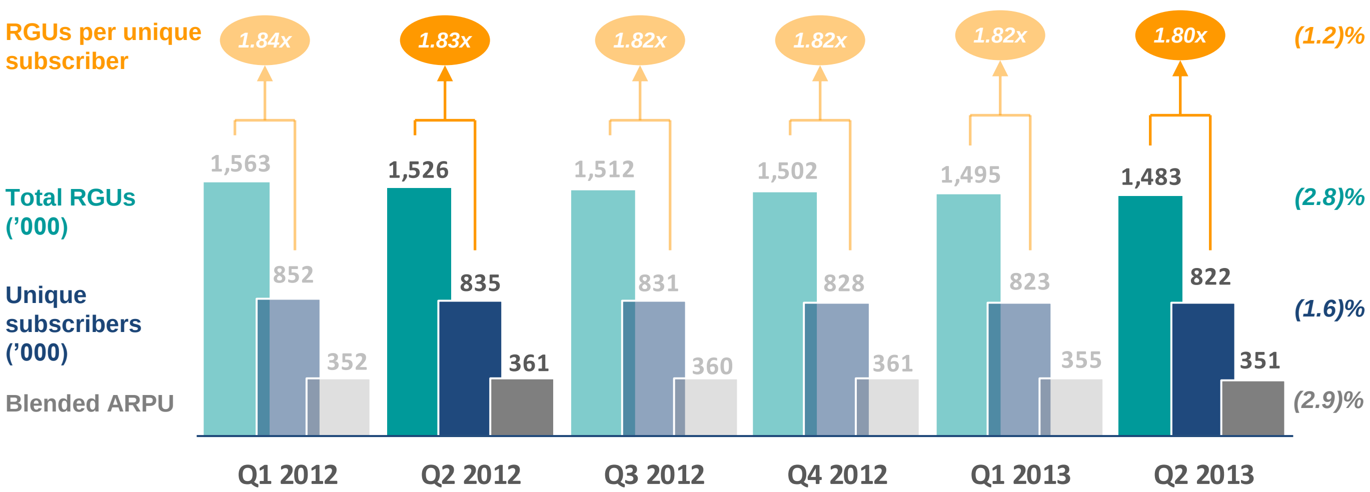
- **Slight decrease in overall revenue**
  - Lower DTV and fixed-telephony revenue
  - Partly offset by higher revenue from broadband services and communication operator services
- **Adjusted EBITDA increase of 0.1%**
  - Despite decreased revenue, Adjusted EBITDA remain at a stable level mainly due to lower operating costs
- **Capex increase of 6.6%**
  - Timing in modem capex
  - IS Development capex for TiVo

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

Quarterly Development - Subscribers and RGUs

Services and ARPU per unique subscriber

Change Q2 2013 vs.Q2 2012



Triple-play subscriber base

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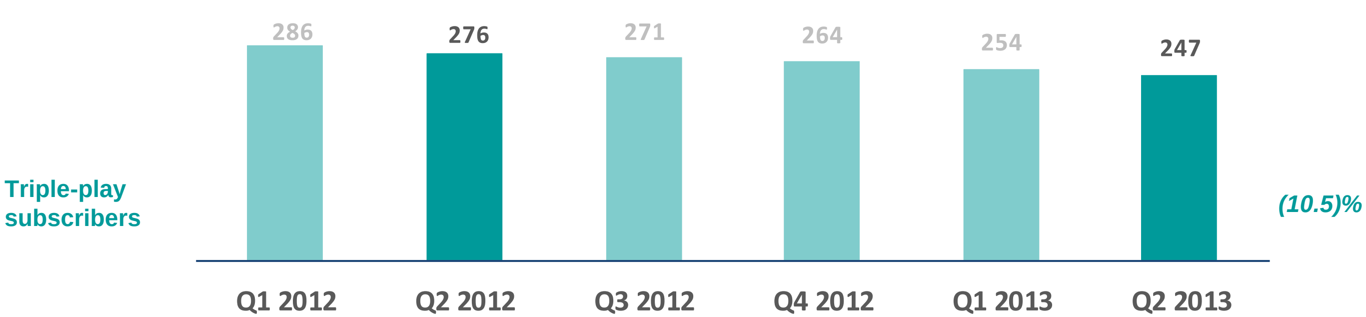
Change Q2 2013 vs.Q2 2012



Development

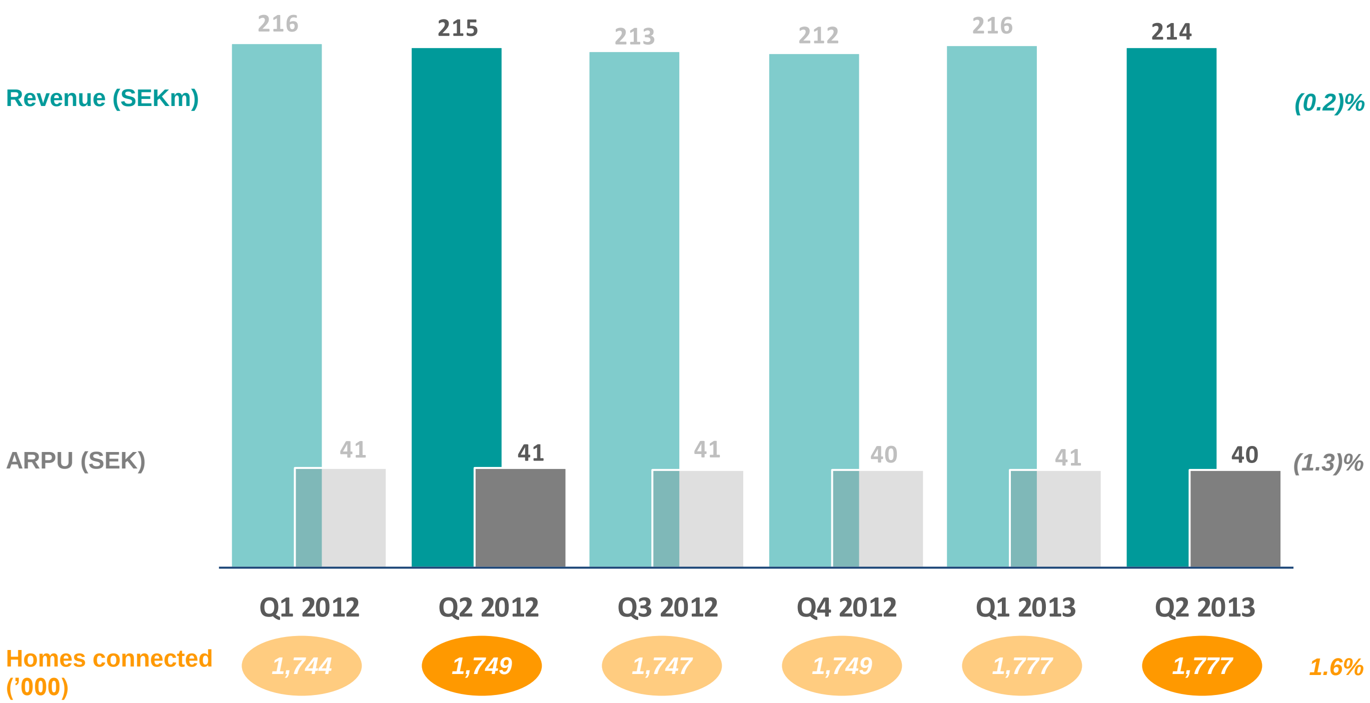
Q2 2013 vs. Q2 2012

- **Decrease in number of unique subscribers, RGUs, and RGUs per unique subscriber**
  - Partly due to aggressive CI Module campaign carried out during Q4 2011
  - Substitution from fixed to mobile telephony
- **Decrease in blended ARPU due to lower ARPU contribution from DTV and fixed-telephony services**
- **Decrease in triple-play subscribers**
  - Mainly due to substitution from fixed to mobile telephony

Quarterly Development - Landlord

Revenue and ARPU

Change Q2 2013 vs.Q2 2012



Development

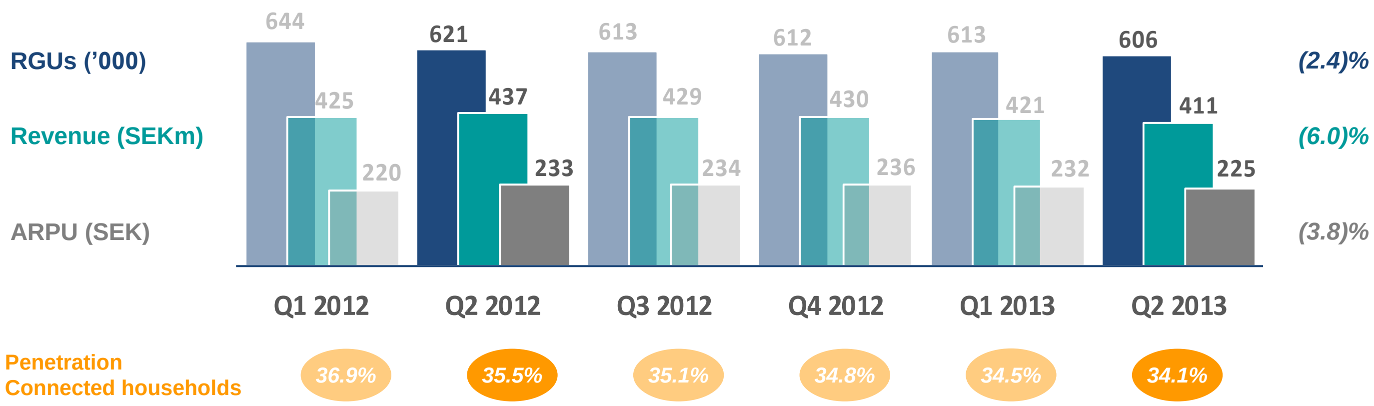
Q2 2013 vs. Q2 2012

- **Increase in homes connected vs. Q2 2012**
  - Växjö and Kristianstad (25K HH)
  - Örnsat acquired (6K HH)
- **ARPU decrease vs. Q2 2012**
  - Contract renegotiations, partly offset by price index increases in 2013
- **Revenue remains stable**
  - Decrease in ARPU is partly offset by increased number of households

Quarterly Development - Digital-TV

Revenue, RGU and ARPU

Change Q2 2013 vs.Q2 2012



On demand

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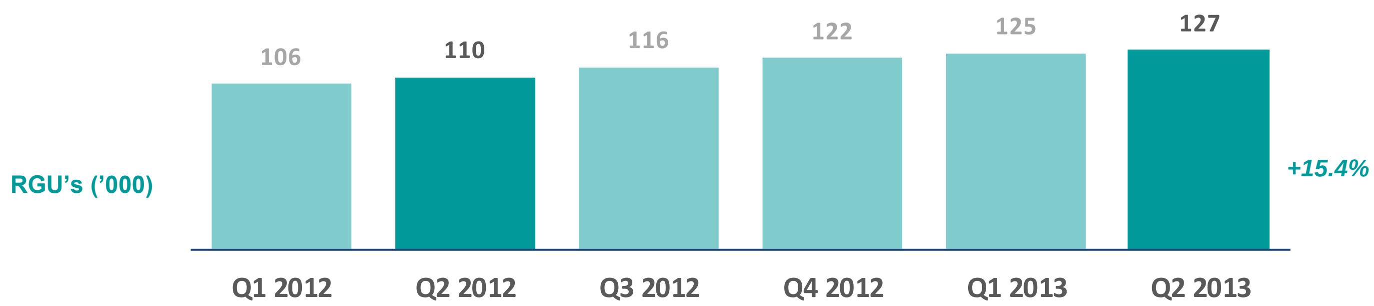
Change Q2 2013 vs.Q2 2012



Development

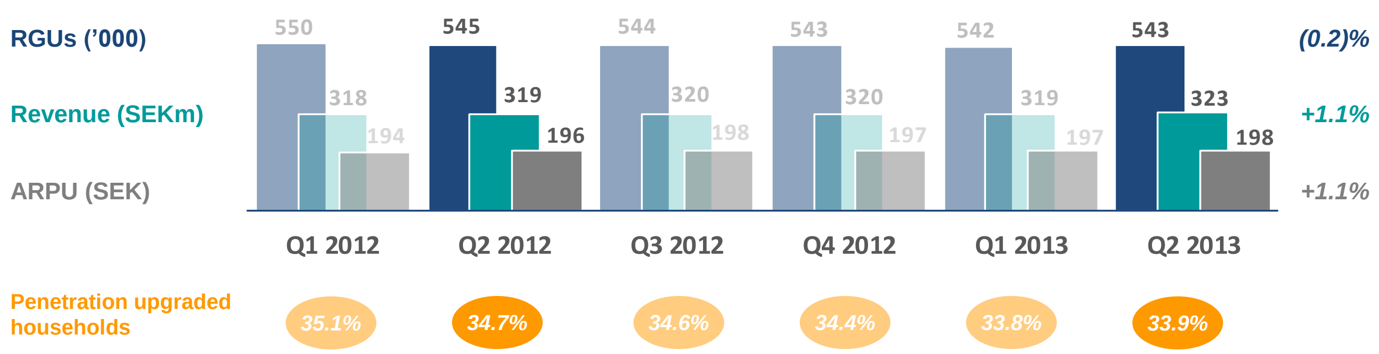
Q2 2013 vs. Q2 2012

- **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 change in subscriber package mix

Quarterly Development - High-Speed Broadband

Revenue, RGU and ARPU

Change Q2 2013 vs.Q2 2012

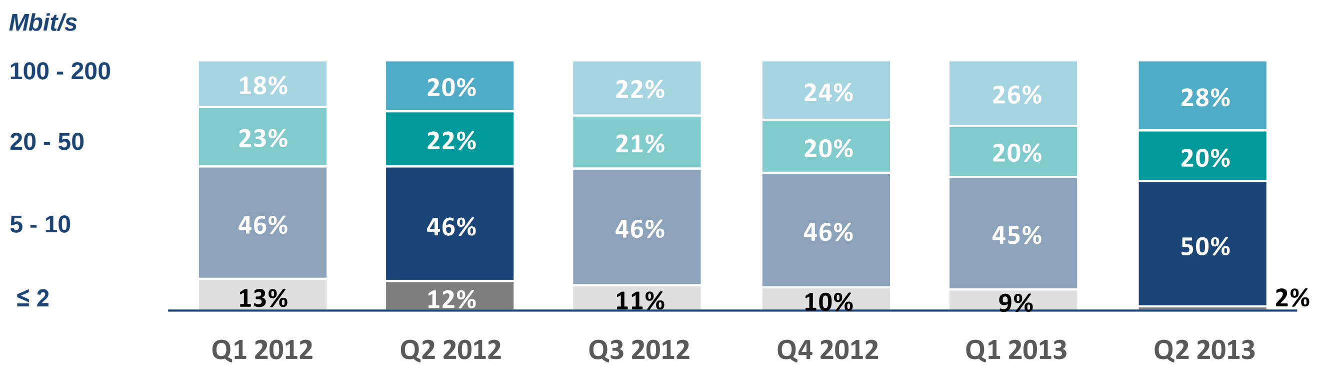


Development

Q2 2013 vs. Q2 2012

- **Slight increase in revenue due to ARPU uplift**
  - Migration of subs. on 1 and 2 Mbit/s services to 10 Mbit/s service
  - Customer demand for higher speeds continues, as of June 30, 28% of customer base subscribed for 100 – 200 Mbit/s services
- **RGU base remain at stable levels despite a highly competitive market environment**
- **Stable market position**

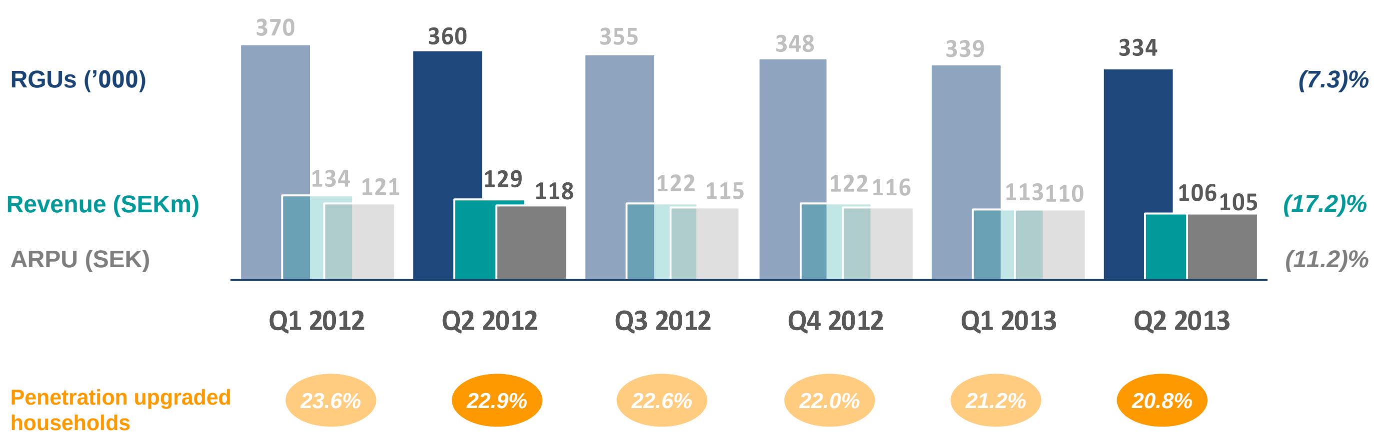
Increasing demand for higher broadband speeds



Quarterly Development - Fixed-Telephony

Revenue, RGUs and ARPU development

Change Q2 2013 vs.Q2 2012



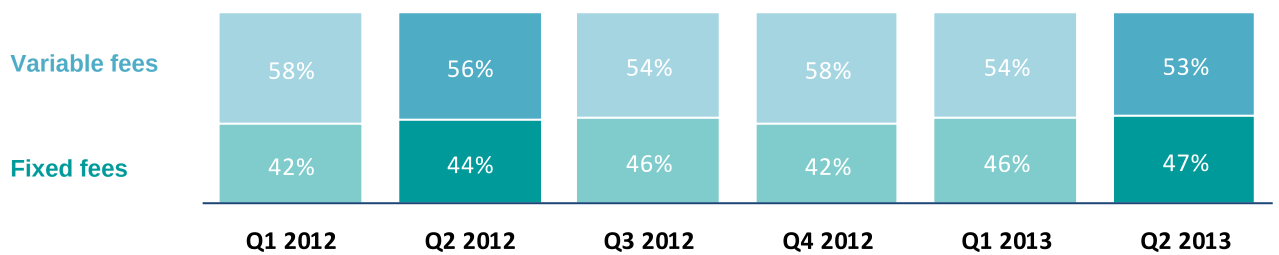
Development

Q2 2013 vs. Q2 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

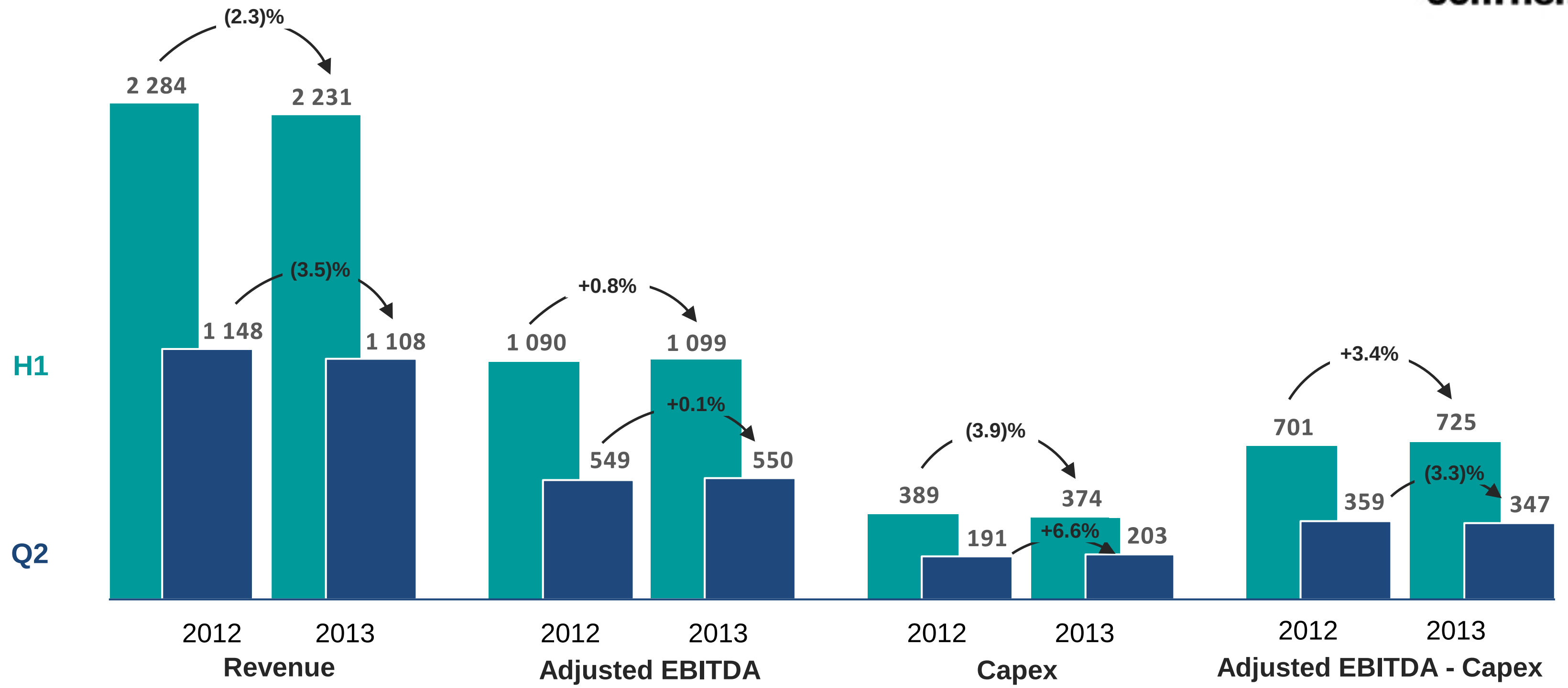
(*Percentage*)



Agenda

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

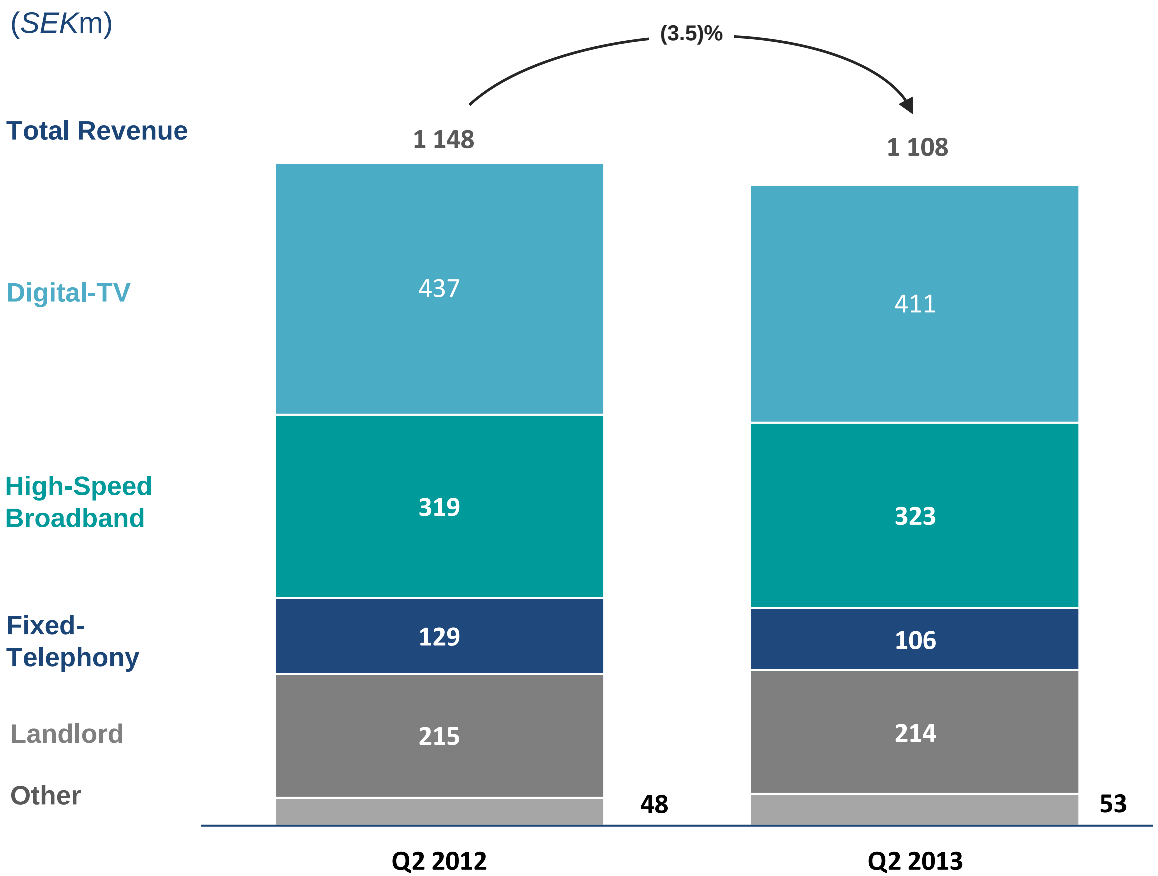
Financial Overview



Financial highlights – second quarter	
Revenue	– Revenue was SEK 1,108m, a decrease of 3.5% compared to Q2 2012
Adjusted EBITDA	– Adjusted EBITDA was SEK 550m, an increase of 0.1% compared to Q2 2012
Capex	– Capex was SEK 203m, an increase of 6.6% compared to Q2 2012, mainly due to increased TiVo investments and timing in modem capex
Adjusted EBITDA – Capex	– Adjusted EBITDA-capex was SEK 347m, a decrease of 3.3% compared to Q2 2012, due to slightly higher capex spending during Q2 2013

Revenue Development

Revenue



Revenue	Q2 2012	Q2 2013	Change	
Digital-TV	437	411	(26)	(6.0%)
High-Speed Broadband	319	323	3	1.1%
Fixed-Telephony	129	106	(22)	(17.2%)
Landlord	215	214	(0)	(0.2%)
Other	48	53	5	11.3%
Total Revenue	**1,148**	**1,108**	**(40)**	**(3.5%)**

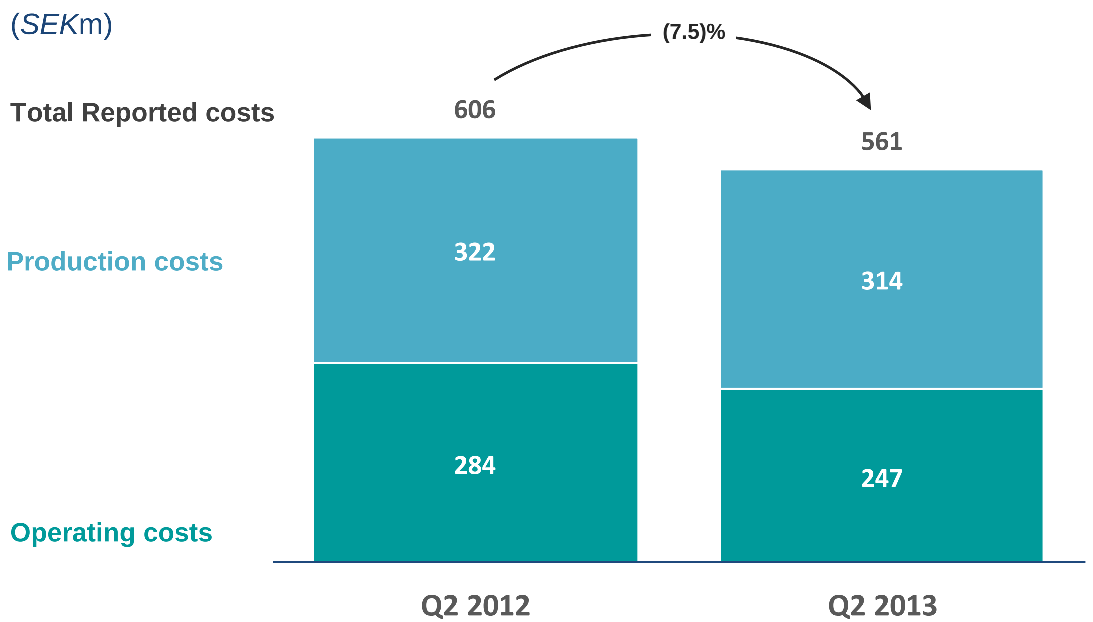
Development last quarter

Q2 2013 vs. Q2 2012

- **Digital-TV**
  - Decrease in RGUs of 15,000 to 606,000 DTV RGUs
  - ARPU decrease of approximately SEK 9 mainly due to change in subscriber package mix
- **High-Speed Broadband**
  - Decrease in RGUs of 1,000 to 543,000 BB RGUs
  - ARPU increase of SEK 2, mainly due to demand for higher broadband speeds and migration of 1 and 2 Mbit/s services to 10 Mbit/s service
- **Fixed-Telephony**
  - Decrease in RGUs of 26,000 to 334,000 TELE RGUs
  - ARPU decline of approximately SEK 13 as a result of lower usage of fixed-line telephony services
- **Landlord**
  - Decrease in ARPU, due to price renegotiations, partly offset by higher number of households
- **Other**
  - Growth mainly due to increased revenue in iTUX

Decreasing Cost Base

Production and Operating costs



SEKm	Q2 2012	Q2 2013	Change	
Content	(169)	(158)	(12)	
Fibre & ducting	(64)	(64)	(1)	
Other production costs	(88)	(93)	4	
Production Costs	**(322)**	**(314)**	**(8)**	**(2,6%)**
Marketing & sales costs	(61)	(41)	(20)	
Staff*	(166)	(161)	(5)	
Other operating costs	(57)	(45)	(12)	
Operating Costs	**(284)**	**(247)**	**(37)**	**(13,0%)**
Total Reported Costs	**(606)**	**(561)**	**(45)**	**(7,5%)**
Retail subsidies costs	8	3	5	
Adjusted Reported Cost	**(598)**	**(558)**	**(40)**	**(6,7%)**

** Includes outsourcing, consultancy and employee costs.*

Development cost base

Q2 2013 vs. Q2 2012

- **Production costs**
  - ***Content*** costs decreased mainly due to lower DTV subscriber base and change in subscriber package mix
  - Costs for ***Fibre & ducting*** and ***Other production costs*** remain at stable levels
  - 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 lower sales volumes
  - ***Staff related costs*** decreased due to lower customer care cost, as a result of lower incoming call volumes
  - ***Other operating costs*** decreased due to timing differences and general cost savings

EBITDA Growth During Second Quarter

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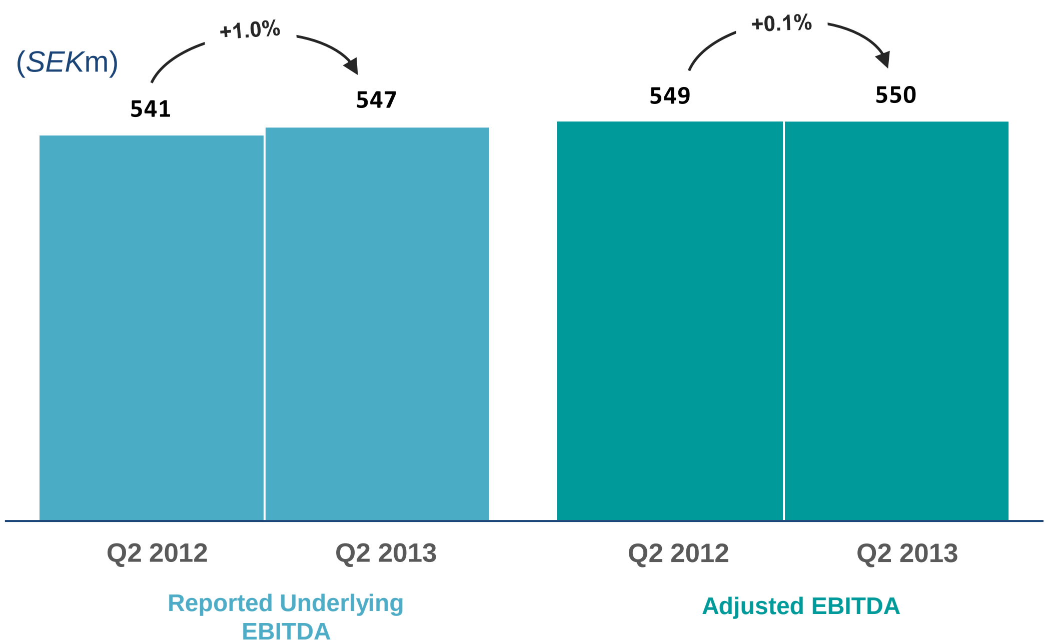
Revenue & EBITDA

SEKm	Q2 2012	Q2 2013
Total Revenue	**1,148**	**1,108**
Total costs	(606)	(561)
Reported Underlying EBITDA*	**541**	**547**
Reported Underlying EBITDA margin	47.2%	49.4%
Expensed retail subsidies**	8	3
Adjusted EBITDA*	**549**	**550**
Adjusted EBITDA margin	47.9%	49.6%

EBITDA development



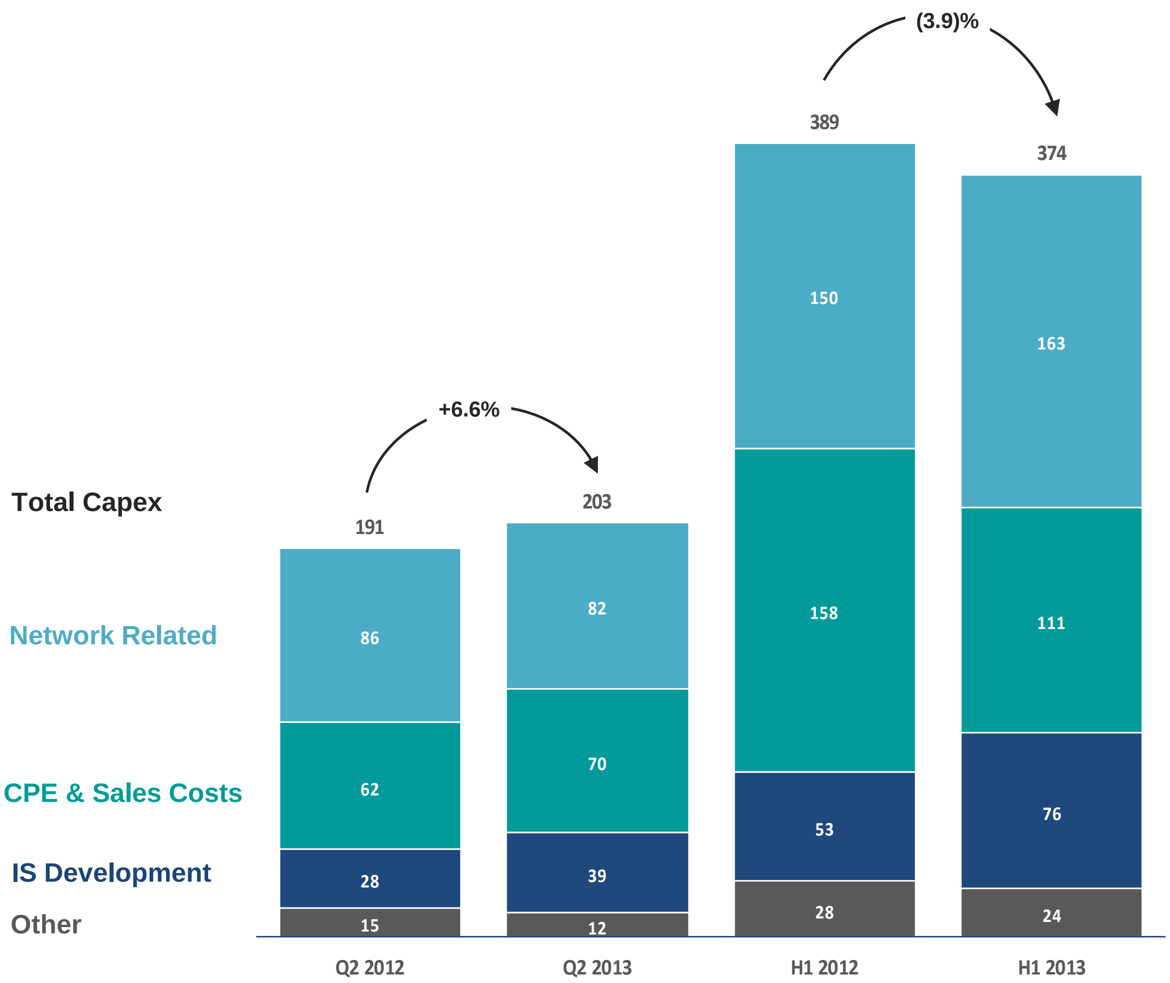
* For a definition of Reported Underlying EBITDA and Adjusted EBITDA , please refer to "Non-IFRS Financial Measures" in Appendix.

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

Capital Expenditures

Capex development

(*SEK*m)



Development Capex

Q2 2013 vs. Q2 2012

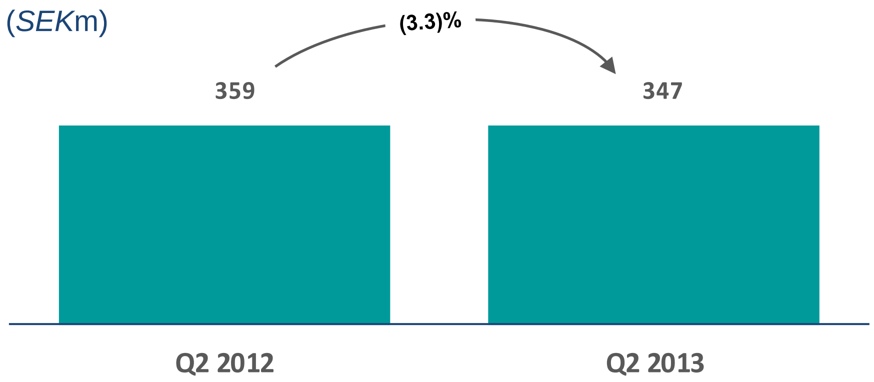
- **Network Related and Quality Enhancement**
  - Slightly lower network capex due to timing differences
- **Customer Premises Equipment & Sales Cost**
  - Higher CPE capex due to timing differences in modem capex
  - Capitalization of sales costs remained at the same level as Q2 2012
- **IS Development**
  - Increase due to development capex for TiVo
- **Other Capex**
  - Slightly decrease vs. Q2 2012

Cash Flow Generation

Adjusted EBITDA – Capex

SEKm	Q2 2012	Q2 2013	Deviation	Change %
Adjusted EBITDA*	**549**	**550**	**1**	**0.1%**
Gross capex	(191)	(203)	(13)	
Adjusted EBITDA - Capex	**359**	**347**	**(12)**	**-3.3%**

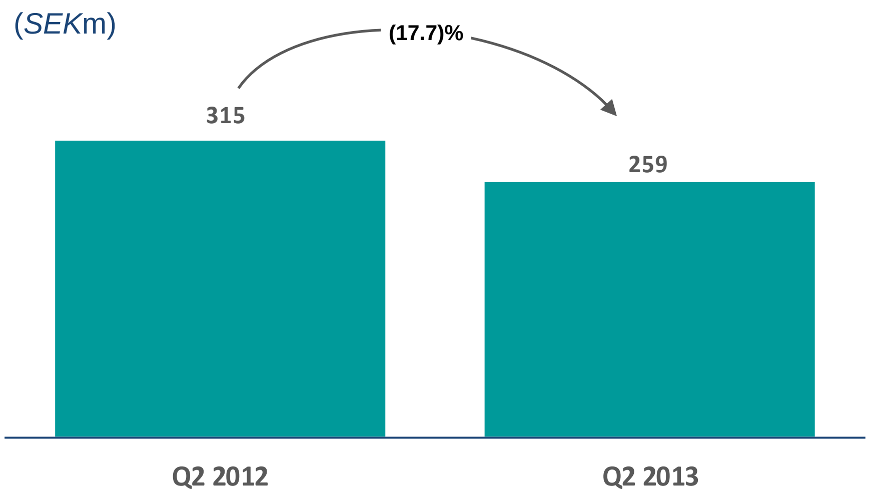
Adjusted EBITDA – Capex



Operating free cash flow

SEKm	Q2 2012	Q2 2013	Deviation	Change %
Adjusted EBITDA*	**549**	**550**	**1**	**0,1%**
Expensed retail subsidies**	(8)	(3)	5	
Reported Underlying EBITDA*	**541**	**547**	**6**	**1,0%**
One-off items***	(11)	(31)	(20)	
Adjustment for items not included in cash flow****	1	(1)	(2)	
Change in net working capital	(25)	(52)	(26)	
Gross capex	(191)	(203)	(13)	
Operating free cash flow	**315**	**259**	**(56)**	**(17,7%)**

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 Q2 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 June 30, 2013

Cash net debt table

As of June 30, 2013	SEKm	EURm
Term Loan A (SEK)	1 388	158
Term Loan B (SEK/EUR)*	3 877	443
Capex Facility (SEK)	100	11
Bank Debt	**5 365**	**613**
Senior Secured Notes (SEK)	3 492	399
Senior Notes (EUR)*	2 514	287
Bank & Notes Debt	**11 371**	**1 298**
Cash and Cash Equivalents	(658)	(75)
Net Cashpay Debt	**10 713**	**1 223**

Leverage**

As of June 30, 2013	
Leverage Bank Debt	**2.4x**
Leverage Bank & Notes Debt	**5.0x**
Leverage Net Cashpay Debt	**4.7x**

Liquidity position

Available funds as of June 30, 2013	SEKm	EURm
Capex Facility	650	74
Revolving Facility	445	51
Committed and Undrawn Amount	**1,095**	**125**
Cash and Cash Equivalents	658	75
Cash Balance & Available Funds	**1,753**	**200**

* *The exchange rate 8,758 is used to convert EUR debt to SEK debt.*
** *Debt to LTM Adjusted EBITDA.*

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TiVo Update

1 Key milestones

Key Milestones	Date	Check
TiVo Experience Center opened	Mar 22	✓
Alpha test completed	Apr 25	✓
Pre-registration started	May 15	✓
Beta test completed	Jul 26	✓
Soft-launch	Aug 14	✓
Full commercial launch	End Q3	☐

2 Com Hem´s TiVo Offer

Com Hem´s TiVo Offer	
Coax and IP enable STB	✓
New advanced GUI	✓
Universal search and Smart recommendation (TiVo Mind)	✓
1000 GB Storage	✓
TV Everywhere functionality	✓
IOS, PC, Android and Web	✓
WiFi connection	✓

Questions

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Revenue to Adjusted EBITDA

Second Quarter				
SEKm	Q2 2012	Q2 2013	Deviation	Change %
Pay Television	437	411	(26)	
High-Speed Broadband	319	323	3	
Fixed-Telephony	129	106	(22)	
Landlord	215	214	(0)	
Other	48	53	5	
Revenue	**1 148**	**1 108**	**(40)**	**(3,5%)**
Content	(169)	(158)	12	
Fibre & ducting	(64)	(64)	1	
Other production costs	(88)	(93)	(4)	
Production costs	**(322)**	**(314)**	**8**	**2,6%**
Gross Profit	**826**	**794**	**(31)**	**(3,8%)**
Gross Profit Margin	**71,9%**	**71,7%**	**-0,3%**	
Marketing & sales costs	(61)	(41)	20	
Staff	(166)	(161)	5	
Other operating costs	(57)	(45)	12	
Operating costs	**(284)**	**(247)**	**37**	**13,0%**
Reported Underlying EBITDA*	**541**	**547**	**6**	**1,0%**
Reported Underlying EBITDA Margin	**47,2%**	**49,4%**	**2,2%**	
Expensed retail subsidies	8	3	(5)	
Adjusted EBITDA*	**549**	**550**	**1**	**0,1%**
Adjusted EBITDA Margin	**47,9%**	**49,6%**	**1,8%**	

6 - Months				
SEKm	H1 2012	H1 2013	Deviation	Change %
Pay Television	862	832	(30)	
High-Speed Broadband	637	642	5	
Fixed-Telephony	262	219	(43)	
Landlord	431	430	(1)	
Other	92	108	16	
Revenue	**2 284**	**2 231**	**(53)**	**(2,3%)**
Content	(342)	(319)	23	
Fibre & ducting	(128)	(125)	3	
Other production costs	(182)	(188)	(6)	
Production costs	**(652)**	**(631)**	**21**	**(3,2%)**
Gross Profit	**1 632**	**1 599**	**(32)**	**(2,0%)**
Gross Profit Margin	**71,5%**	**71,7%**	**0,2%**	
Marketing & sales costs	(117)	(83)	34	
Staff	(325)	(328)	(3)	
Other operating costs	(116)	(97)	19	
Operating costs	**(559)**	**(508)**	**51**	**(9,0%)**
Reported Underlying EBITDA*	**1 073**	**1 091**	**18**	**1,7%**
Reported Underlying EBITDA Margin	**47,0%**	**48,9%**	**1,9%**	
Expensed retail subsidies	17	8	(9)	
Adjusted EBITDA*	**1 090**	**1 099**	**9**	**0,8%**
Adjusted EBITDA Margin	**47,7%**	**49,3%**	**1,5%**	

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

Cash Flow after Debt Service

Second Quarter				
SEKm	**Q2 2012**	**Q2 2013**	**Deviation**	**Change %**
Adjusted EBITDA*	**549**	**550**	**1**	**0,1%**
Expensed retail subsidies**	(8)	(3)	5	
Reported Underlying EBITDA*	**541**	**547**	**6**	**1,0%**
One-off items	(11)	(31)	(20)	
Adjustment for items not included in cash flow***	1	(1)	(2)	
Change in net working capital	(25)	(52)	(26)	
Gross capex	(191)	(203)	(13)	
Capex funded by leasing	-	-	-	
Operating free cash flow	**315**	**259**	**(56)**	**(17,7%)**
Interest payments on borrowings	(298)	(407)	(109)	
Borrowings	-	100	n/m	
Amortization of borrowings	(33)	(34)	(1)	
Change in intercompany loans	-	-	-	
Cash flow after debt service	**(16)**	**(82)**	**(66)**	**n/m**

6 - Months				
SEKm	**H1 2012**	**H1 2013**	**Deviation**	**Change %**
Adjusted EBITDA*	**1 090**	**1 099**	**9**	**0,8%**
Expensed retail subsidies**	(17)	(8)	9	
Reported Underlying EBITDA*	**1 073**	**1 091**	**18**	**1,7%**
One-off items	(16)	(72)	(55)	
Adjustment for items not included in cash flow***	6	1	(4)	
Change in net working capital	(197)	(115)	82	
Gross capex	(389)	(374)	15	
Capex funded by leasing	15	10	(6)	
Operating free cash flow	**491**	**542**	**51**	**10,3%**
Interest payments on borrowings	(402)	(462)	(60)	
Borrowings	-	100	n/m	
Amortization of borrowings	(368)	(174)	194	
Change in intercompany loans	(101)	-	n/m	
Cash flow after debt service	**(380)**	**5**	**385**	**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	As of Jun 30, 2013	As of Dec 31, 2012
(SEKm)		
Non-current assets		
Intangible assets	16,275	16,513
Property, plant and equipment	1,370	1,421
Other non-current assets	6	6
Total non-current assets	**17,651**	**17,940**
Current assets		
Current assets	260	300
Cash and cash equivalents	658	661
Total assets	**18,569**	**18,901**

	As of Jun 30, 2013	As of Dec 31, 2012
(SEKm)		
Total Equity	**(271)**	**70**
Non-current liabilities		
Non-current interest bearing liabilities	15,942	15,553
Other non-current liabilities	936	1,192
Total non-current liabilities	**16,878**	**16,746**
Non-current liabilities		
Current interest bearing liabilities	335	354
Current liabilities	1,627	1,731
Total non-current liabilities	**1,962**	**2,085**
Total equity & liabilities	**18,569**	**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
Will be expensed in Q3 2013
Will be expensed in Q4 2013

SEKm	Q2 2012	Q2 2013
Reported Underlying EBITDA	**541**	**547**
Retail subsidies costs*		
Costs related to subsidies paid in 2008	-	-
Costs related to subsidies paid in 2009	3	-
Costs related to subsidies paid in 2010	5	3
Retail subsidies costs	**8**	**3**
Adjusted EBITDA	**549**	**550**

* *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 June 30, 2013

Total Net Debt NorCell Group	As of June 30, 2013		As of March 31, 2013		As of December 31, 2012	
As of June 30, 2013	mSEK	mEUR*	mSEK	mEUR**	mSEK	mEUR***
Term Loan A (SEK)	1 388	158	1 388	166	1 490	172
Term Loan B1 (SEK)	1 216	139	1 216	146	1 216	141
Term Loan B2 (EUR)	2 662	304	2 534	304	2 626	304
Capex Facility	100	11	-	-	-	-
Bank Debt	**5 365**	**613**	**5 138**	**616**	**5 332**	**617**
Senior Secured Notes (SEK)	3 492	399	3 492	419	3 492	404
Senior Notes (EUR)	2 514	287	2 394	287	2 481	287
Bank & Notes Debt	**11 371**	**1 298**	**11 023**	**1 322**	**11 305**	**1 308**
Cash and Cash Equivalents (SEK)	(658)	(75)	(741)	(89)	(661)	(76)
Net Cashpay Debt	**10 713**	**1 223**	**10 282**	**1 233**	**10 644**	**1 232**
Finance Leases (SEK)	117	13	150	18	179	21
Intercompany PIK Loan (EUR)	2 287	261	2 041	245	2 116	245
Accrued Interest Intercompany PIK Loan (EUR)	24	3	93	11	29	3
Unamortizated Transaction Costs (SEK/EUR)	(501)	(57)	(521)	(62)	(549)	(66)
Total External Net Debt NorCell Group	**12 640**	**1 443**	**12 045**	**1 445**	**12 418**	**1 436**

Total Net Debt NorCell 1B AB (publ)	As of June 30, 2013		As of March 31, 2013		As of December 31, 2012	
	mSEK	mEUR*	mSEK	mEUR*	mSEK	mEUR**
Senior PIK Notes (EUR)	2 333	266	2 085	250	2 160	250
OID Senior PIK Notes, gross (EUR)	(45)	(5)	(43)	(5)	(45)	(5)
Accrued Interest Senior PIK Notes (EUR)	24	3	93	11	29	3
Unamortized Transaction Costs Senior PIK Notes (SEK/EUR)	(31)	(4)	(32)	(4)	(36)	(4)
Total External Debt	**2 281**	**260**	**2 102**	**252**	**2 109**	**244**
Cash and Cash Equivalents (SEK)	(0)	(0)	(0)	(0)	(1)	(0)
Total Esternal Net Debt NorCell 1B AB (publ)	**2 280**	**260**	**2 101**	**252**	**2 108**	**244**

* *The exchange rate 8,758 is used to convert EUR debt into SEK as of June 30, 2013.*
** *The exchange rate 8,338 is used to convert EUR debt into SEK as of March 31, 2013.*
*** *The exchange rate 8,642 is used to convert EUR debt into SEK as of December 31, 2012.*

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 six months ended June 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.