Interim Report

as of March 31, 2014

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 March 31, 2014 (the "**Interim Report**") presenting the NorCell Sweden Holding 2 AB (publ) Group's condensed consolidated financial statements for the period January 1, 2014 to March 31, 2014.

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, 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 produce consolidated financial statements. For further information see *"Presentation of Financial and Other Information – Pro Forma Capitalization Table NorCell 1B"*.

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 2013.

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

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Interim Report contains various forward-looking statements that reflect Management's current view with respect to future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. The words "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Interim Report, including, without limitation, in the sections entitled "*First 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 and wireless broadband companies;
- changes in international, national and local economic, political, business, industry and tax conditions;
- changes in underlying consumer behavior, including changes in consumer television viewing and preferences;
- changes in technology;
- changes in content prices;
- consolidation in the cable or telecommunications industry;
- the Group's ability to generate the funds needed to service the Group's debt;
- factors affecting the Group's leverage and the Group's ability to service debt;
- the effects of operating and financial restrictions in the Group's debt instruments;
- the ability to successfully develop and expand the range of products and services offered;
- the ability to retain or replace key personnel; and
- change in the Group's business strategy, development and investment plans.

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

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OPERATING PERFORMANCE AND KEY FINANCIAL RESULTS

The following chapter presents the operating performance and key financial results for the three months ended March 31, 2014, and March 31, 2013, 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.

Operating Performance

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

	As of March 31,		As of December 31,
	2014	2013	2013
	(in thousand, except otherwise indicated)		
Landlord Business			
Homes connected[(1)]	1,830	1,777	1,817
Blended landlord ARPU[(2,3)] (SEK)	37	38	37
Residential Business			
Unique subscribers[(4)]	838	823	830
Total RGUs[(5)]	1,492	1,495	1,482
RGUs per unique subscriber (in units)	1.78	1.82	1.79
Blended residential ARPU[(3,6)] (SEK)	359	359	356

(1) Homes connected represent the number of residential units to which Com Hem provides an analogue or digital connection, primarily through long-term contracts with landlords of MDUs, but also through service provider agreements with communication operators.
(2) ARPU is calculated by dividing the revenue 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.
(3) As from January 1, 2014, revenue from Landlord services bound to collective agreements has been reported by its underlying service, based on relative fair values. In previous periods, all revenue from services bound to collective agreements was reported solely as Landlord revenue. For comparison purposes, the historically reported revenue from collective agreements in the comparable period has been reclassified accordingly. For comparison purposes the historically reported ARPUs by Service has been recalculated.
(4) 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.
(5) 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.
(6) Blended residential 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.

Landlord Business

As of March 31, 2014, Com Hem had 1,830,000 homes connected which is an increase of 13,000 homes from December 31, 2013. The increase in the first quarter of 2014 is mainly due to connection of additional households via open networks from OffNet communication operators, as a result of Com Hem´s Service Provider Initiative, using city networks and other communication operator as a growth tool to increase numbers of homes connected.

Residential Services

The total number of RGUs was 1,492,000 as of March, 2014, compared to 1,482,000 as of December 31, 2013, mainly due to an increase of high-speed broadband RGUs. The number of unique subscribers has increased with 8,000 to 838,000 as of March 31, 2014, compared to 830,000 as of December 31, 2013. The number of RGUs per unique subscriber was 1.78 as of March 31, 2014, which is the same level as of December 31, 2013. Blended residential ARPU per unique subscriber increased with 3 SEK to SEK 359 for the first quarter of 2014, compared to SEK 356 for the full year of 2013.

Digital-Television

As of March 31, 2014, Com Hem had 595,000 digital-television RGUs, which is a slight decrease of 1,000 RGUs from December 31, 2013. Since the commercial launch of TiVo approximately 74,000 DTV RGUs subscribe on a TiVo subscription which is equivalent to a penetration of 12.4% of the DTV subscriber base, after only two quarter from the commercial launch.

High-Speed Broadband

As of March 31, 2014, Com Hem had 570,000 high-speed broadband RGUs, which is an increase of approximately 12,000 RGUs from December 31, 2013. The increase in the first quarter is mainly attributable to the Service Provider initiative and adding new broadband RGUs from OffNet communication operator households, as well as the stable demand for higher broadband speeds and increasing consumption of video via internet, the percentage of Com Hem´s high-speed broadband customers subscribing for Com Hem´s 100 - 500 Mbit/s services has increased to 37% as of March 31, 2014.

Fixed-Telephony

As of March 31, 2014, Com Hem had 327,000 fixed-telephony RGUs, which is the same level as of December 31, 2013.

Other Major Events During the First Quarter

On February 25, 2014, the company announced the appointment of Anders Nilsson as Chief Executive Officer and Jon James as Chief Operating Officer. Anders Nilsson replaced Tomas Franzén in early April. Tomas Franzén left the company in the beginning of March 2014.

Anders Nilsson has significant experience of the Swedish media sector, having spent 20 years with the Modern Times Group where he was Chief Executive Officer of the Swedish Free and Pay TV and the Online Business divisions. He joins from Millicom, an international telecommunications and media company where he was Executive Vice President of Commerce & Services.

Jon James was most recently at Virgin Media where he led the company’s Broadband and TV businesses following a period as Group Strategy Director. He offers 20 years of experience in the media and telecom industry, both in terms of operations and strategy.

On March 31, 2014, the acquisition of Phonera Företag AB was completed, a Malmö-based full-service provider of communications services, including telephony and mobility services, to both SoHo and SME customers. At the time of the acquisition, Phonera Företag provided services to approximately 53,000 unique B2B subscribers. The acquisition was completed on March 31, 2014. Phonera Företag was consolidated as of March 31, 2014

Key Financial Results

The table below sets forth, as of and for each of the periods indicated, revenue, Underlying EBITDA, capital expenditures and operating free cash flow.

	For the three months ended March 31,		For the year ended December 31,
	2014	2013	2013
	(SEK in million)		*(SEK in million)*
Revenue	1,124	1,123	4,448
Underlying EBITDA(1)	545	544	2,200
Capital Expenditures	215	170	1,038
Operating Free Cash Flow	201	283	1,016

(1) Previous reported as Underlying Reported EBITDA.

Revenue for the First Quarter 2014

Total overall revenue increased to SEK 1,124 million in the first quarter of 2014, compared to SEK 1,123 million in the corresponding quarter in 2013. Revenue from the digital-television, high-speed broadband services and other revenue increased, partly offset by decreased revenue from the fixed-telephony services and the landlord business.

Underlying EBITDA development

Underlying EBITDA increased to SEK 545 million in the first quarter of 2014, compared to SEK 544 million in the corresponding quarter in 2013, mainly as a result of increased revenue, lower production costs, partly offset by higher operating costs. Production costs in the first quarter of 2014, was SEK 2 million lower than the corresponding quarter previous year, mainly due to lower content costs and lower traffic costs, partly offset by higher fibre and ducting costs. Operating costs increased by SEK 3 million in the first quarter of 2014, compared to the corresponding quarter in 2013, mainly due to higher staff related costs from new growth initiatives such as TiVo and B2B and the Service Provider business.

Increase in Investments

Capital expenditures increased by SEK 44 million, or 25.9%, from SEK 170 million in the first quarter of 2013, to SEK 215 million in the first quarter of 2014. The increase was mainly driven by success-based TiVo STB’s and increased Capitalized sales costs, partly offset by less investments in Network related capex.

Operating Free Cash Flow

Operating free cash flow decreased by SEK 81 million, or 28.8%, from SEK 283 million in the first quarter of 2013, to SEK 201 million in the first quarter of 2014. The decrease was mainly due to higher gross capex, higher one-off costs and a less favorable change in the net working capital, compared to the corresponding quarter in 2013.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following is a discussion and analysis of the results of operations and financial condition of the Group, based on the unaudited condensed consolidated financial statements of the NorCell Group as of and for the three months ended March 31, 2014 and 2013. 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 March 31,		For the year ended December 31,
	2014	2013	2013
	(SEK in millions)		*(SEK in millions)*
Revenue	1,124	1,123	4,448
Cost of sales and services	(548)	(574)	(2,190)
Gross profit	**576**	**549**	**2,258**
Selling expenses	(361)	(334)	(1,378)
Administrative expenses	(63)	(58)	(220)
Other operating income and expenses	(5)	5	(3)
Operating Profit	**148**	**162**	**657**
Net financial income and expense	(429)	(229)	(1,837)
Income taxes	26	8	175
Net loss for the period	**(255)**	**(59)**	**(1,005)**

Revenue

Revenue increased by SEK 1 million, or 0.1%, from SEK 1,123 million in the three months ended March 31, 2013, to SEK 1,124 million in the three months ended March 31, 2014. The slight increase in revenue was due to higher revenue from digital-television and high speed broadband, partly offset by lower fixed-telephony and landlord revenues.

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

	For the three months ended March 31,		For the year ended December 31,
	2014	2013	2013
Service(1)	*(SEK in millions)*		*(SEK in millions)*
Digital-Television	431	428	1,683
High-Speed Broadband	344	325	1,323
Fixed-Telephony	90	113	417
Landlord	201	203	797
Other(2)	57	54	228
Total revenue	**1,124**	**1,123**	**4,448**

(1) As from January 1, 2014, revenue from Landlord services bound to collective agreements has been reported by its underlying service, based on relative fair values. In previous periods, all revenue from services bound to collective agreements was reported solely as Landlord revenue. For comparison purposes, the historically reported revenue from collective agreements in the comparable period has been reclassified accordingly.

(2) Other represents revenue generated primarily from billing and reminder fees, iTUX revenue, B2B, 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 March 31,		As of December 31,
	2014	2013	2013
RGUs	*(in thousands)*		*(in thousands)*
Digital-Television	595	613	597
High-Speed Broadband	570	542	558
Fixed-Telephony	327	339	327
Total RGUs	**1,492**	**1,495**	**1,482**

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

ARPU[(1)]	For the three months ended March 31, 2014	For the three months ended March 31, 2013	For the year ended December 31, 2013
	(in SEK)		(in SEK)
Digital-Television	243	235	233
High-Speed Broadband	204	201	203
Fixed-Telephony	93	111	104
Landlord	37	38	37

(1) As from January 1, 2014, revenue from Landlord services bound to collective agreements has been reported by its underlying service, based on relative fair values. In previous periods, all revenue from services bound to collective agreements was reported solely as Landlord revenue. For comparison purposes, the historically reported revenue from collective agreements in the comparable period has been reclassified accordingly. For comparison purposes the historically reported ARPUs by Service has been recalculated.

Digital-Television

Revenue from digital-television services increased by SEK 4 million, or 0.9%, from SEK 428 million in the three months ended March 31, 2013, to SEK 431 million in the three months ended March 31, 2014. The average RGU base decreased by approximately 16,000, or 2.6%, from an average of approximately 607,000 RGUs during the first quarter of 2013, to an average of approximately 592,000 RGUs during the first quarter of 2014. ARPU increased by SEK 8, or 3.6%, from SEK 235 in the three months ended March 31, 2013, to SEK 243 in the three months ended March 31, 2014.

The increase in revenue was a result of a higher ARPU, mainly due to better tier mix as both new and migrating customers move to the TiVo tiers, partly offset by a lower average RGU base.

High-Speed Broadband

Revenue from high-speed broadband services increased by SEK 19 million, or 5.8%, from SEK 325 million in the three months ended March 31, 2013 to SEK 344 million in the three months ended March 31, 2014. ARPU increased by SEK 4, or 1.8%, from SEK 201 in the three months ended March 31, 2013, to SEK 204 in the three months ended March 31, 2014.

The revenue increase was both an ARPU effect due to the demand for higher broadband speeds and better tier mix, as well as increased numbers of RGUs. Total high-speed broadband RGUs increased by approximately 22,000, or 4.0%, from an average of approximately 539,000 during the first quarter of 2013 to an average of approximately 561,000 during the first quarter of 2014.

Fixed-Telephony

Revenue from fixed-telephony services decreased by SEK 23 million, or 20.0%, from SEK 113 million in the three months ended March 31, 2013, to SEK 90 million in the three months ended March 31, 2014. Fixed-telephony RGUs decreased by approximately 16,000, or 4.7%, from an average of approximately 340,000 during the first quarter of March 31, 2013, to an average of approximately 324,000 during the first quarter of March 31, 2014. ARPU decreased by SEK 18, or 16.1%, from SEK 111 in the three months ended March 31, 2013, to SEK 93 in the three months ended March 31, 2014.

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

Landlord

Revenue from landlord services decreased slightly SEK 2 million, or 1.0%, from SEK 203 million in the three months ended March 31, 2013, to SEK 201 million in the three months ended March 31, 2014. The slight decrease in revenue was due to lower ARPU from landlord customers, as a result of contract re-negotiations, partly offset by index price increases during the three months ended March 31, 2014.

Other

Other revenue increased by SEK 3 million, from SEK 54 million in the three months ended March 31, 2013, to SEK 57 million in the three months ended March 31, 2014. The increase in revenue is mainly explained by higher revenue in iTUX.

Cost of Sales and Services

Cost of sales and services decreased by SEK 25 million, or 4.4%, from SEK 574 million in the three months ended March 31, 2013, to SEK 548 million in the three months ended March 31, 2014. As a percentage of revenue, cost of sales and services decreased from 51.1% in the three months ended March 31, 2013, to 48.8% in the three months ended March 31, 2014.

The decrease in cost of sales and services in the three months ended March 31, 2014, was mainly due to lower non-recurring personnel cost attributable to the 2013 redundancy program, lower content costs and lower fixed-telephony call fees. The decrease was partly offset by higher fibre and ducting due to index increases of existing connections.

Selling Expenses
Selling expenses increased by SEK 27 million, or 8.1%, from SEK 334 million in the three months ended March 31, 2013, to SEK 361 million in the three months ended March 31, 2014. As a percentage of revenue, selling expenses increased from 29.7% in the three months ended March 31, 2013, to 32.1% in the three months ended March 31, 2014.

The increase in selling expenses in the three months ended March 31, 2014, was mainly due to increased non-recurring marketing costs regarding the launch of TiVo and increased amortization of capitalized sales costs, partly offset by lower costs for bad debt and lower barter costs.

Administrative Expenses
Administrative expenses increased by SEK 5 million, or 7.9%, from SEK 58 million in the three months ended March 31, 2013, to SEK 63 million in the three months ended March 31, 2014. As a percentage of revenue, administrative expenses increased from 5.2% in the three months ended March 31, 2013, to 5.6% in the three months ended March 31, 2014.

The increase in administrative expenses in the three months ended March 31, 2014, was mainly due to non-recurring consultancy and lawyer costs, partly offset by lower depreciation and amortization.

Other Operating Income and Expenses
Other operating items amounted to a net income of SEK 5 million in the three months ended March 31, 2013, and deteriorated to a net expense of SEK 5 million in the three months ended March 31, 2014. The change refers primarily to operating currency gains and losses as well as transaction costs in the first quarter 2014 for the acquisition of Phonera Företag AB of SEK 5 million.

Net Financial Income and Expenses
Net financial income and expenses increased by SEK 199 million, or 87.0%, from a net expense of SEK 229 million in the three months ended March 31, 2013, to a net expense of SEK 429 million in the three months ended March 31, 2014.

The increase was mainly due to currency gains on the EUR denominated debt of SEK 250 million partly offset by a negative change in fair value of derivative instruments of SEK 60 million in the three months ended March 31, 2013, compared to currency losses on the EUR denominated debt of SEK 5 million offset by a positive change in fair value of derivative instruments of SEK 20 million in the three months ended March 31, 2014. Furthermore, interest expenses on intragroup debt obligations to the parent company increased by SEK 22 million as a result of increased debt from capitalized PIK interest.

Income Taxes
The Group recognized a deferred tax income of SEK 26 million for the three months ended March 31, 2014, compared to a deferred tax income of SEK 8 million for the three months ended March 31, 2013. No deferred tax income was recognized for the taxable net loss for the three months ended March 31, 2014 which is based on the assessment of how the group will be able to utilize recognized loss carry-forward against taxable profits through subsequent years.

Net Loss for the Period
The Group recognized a net loss of SEK 255 million for the three months ended March 31, 2014, compared to a net loss of SEK 59 million for the three months ended March 31, 2013.

Reconciliation Net Loss for the Period to Underlying EBITDA

The table below sets forth a reconciliation of Net loss for the period to Underlying EBITDA for the three months ended March 31, 2014 and 2013.

	For the three months ended March 31,		For the year ended December 31,
	2014	2013	2013
	(SEK in millions)		*(SEK in millions)*
Net loss for the period	**(255)**	**(59)**	**(1,005)**
Income taxes	(26)	(8)	(175)
Net financial income and expenses	429	229	1,837
Operating Profit	**148**	**162**	**657**
Disposals[1]	0	1	15
Depreciation and amortization	341	341	1,352
Non-recurring costs			
-of which TiVo launch	*35*	*6*	*97*
-of which redundancy	*3*	*30*	*49*
-of which other[2]	*17*	*5*	*32*
Total non-recurring costs	**55**	**41**	**178**
Operating currency (loss)/gain	1	(1)	(2)
Underlying EBITDA	**545**	**544**	**2,200**

(1) Disposals are related to modems and STBs.
(2) Include costs for legal and advisory fees for investment opportunities (including cost for acquiring Phonera Företag AB).

Depreciation and Amortization

Depreciation and amortization remained at the same level of SEK 341 million in the three months ended March 31, 2014, compared to the corresponding period in 2013.

Non-recurring Costs

Non-recurring costs increased by SEK 13 million, from SEK 41 million in the three months ended March 31, 2013, to SEK 55 million in the three months ended March 31, 2014. The increase in non-recurring costs was primarily due to one-off marketing costs attributable to TiVo and higher lawyer and consultancy costs related to the acquisition of Phonera AB, partly offset by lower personnel costs attributable to the 2013 redundancy program.

Underlying EBITDA

Underlying EBITDA increased by SEK 1 million, or 0.1%, from SEK 544 million in the three months ended March 31, 2013, to SEK 545 million in the three months ended March 31, 2014. As a percentage of revenue, Underlying EBITDA remained at the same percentage of 48.5%, for the three months ended March 31, 2013, and the three months ended March 31, 2014, respectively.

Operating Free Cash Flow

The table below sets forth the operating free cash flow for the three months ended March 31, 2014 and 2013 and the year ended 2013.

	For the three months ended March 31,		For the year ended December 31,
	2014	2013	2013
	(SEK in millions)		*(SEK in millions)*
Underlying EBITDA	**545**	**544**	**2,200**
One-off items[1]	(56)	(40)	(176)
Adjustments for items not included in cash flow[2]	0	3	4
Change in net working capital	(73)	(63)	(15)
Capital expenditures	(215)	(170)	(1,038)
Capex funded by leasing	-	10	42
Operating Free Cash Flow	**201**	**283**	**1,016**

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

Operating free cash flow decreased by SEK 81 million, or 28.8%, from SEK 283 million in the three months ended March 31, 2013, to SEK 201 million in the three months ended March 31, 2014. The increase was mainly due to higher capital expenditures, an increase in one-off items, as well as a less favorable change in net working capital.

One-off items in the three months ended March 31, 2014, include costs for marketing related to TiVo and increased costs for lawyer and consultants due to the acquisition of Phonera AB, partly offset by lower personnel costs attributable to the 2013 redundancy program.

The Group operates with negative net working capital, which decreased by SEK 73 million in the three months ended March 31, 2014, compared to a decrease of SEK 63 million in the three months ended March 31, 2013. The difference in change in net working capital between the two periods is primarily explained by timing in other short-term claims. Change in net working capital in the three months ended March 31, 2013, was positively affected by the non-recurring costs related to the 2013 redundancy program recorded as accrued costs at the end of the period.

Capital expenditures increased by SEK 44 million, or 25.9%, from SEK 170 million in the three months ended March 31, 2013 to SEK 215 million in the three months ended March 31, 2014. The increase was mainly due to increased investments in TiVo STB's and increased Capitalized sales costs, partly offset by less investments in Network related capex due to lower investments in the TiVo platform and the broadband access network.

Cash Debt and Liquidity

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

The table below sets forth the cash debt, available liquidity and leverage as of March 31, 2014[1].

		As of March 31, 2014				
Tranches	**Nominal currency**	**Total outstanding debt (SEKm)**	**Undrawn amount**	**Maturity date**	**Interest rate**	
Term Loan A....................................	SEK	1,146	-	2017	STIBOR	+ 4.00%
Term Loan B1..................................	SEK	1,216	-	2018	STIBOR	+ 5.00%
Term Loan B2..................................	EUR	2,719	-	2018	EURIBOR	+ 5.00%
Capex Facility..................................	SEK	300	450	2017	STIBOR	+ 4.00%
Incremental Facility[2]…….................	SEK	500	-	2018	EURIBOR	+ 5.00%
Revolving Credit Facility[3]..............	SEK	-	445	2017	STIBOR	+ 4.00%
Bank Debt......................................		**5,882**	**895**			
Senior Secured Notes......................	SEK	3,492	-	2018	Fixed	9.25%
Senior Notes....................................	EUR	2,569	-	2019	Fixed	10.75%
Bank and Notes Debt....................		**11,943**	**895**			
Cash and Cash Equivalents............	SEK	(789)				
Cash Net Debt...............................		**11,154**	**895**			
Underlying EBITDA LTM[4]...			2,261			
Cash Net Debt/Underlying EBITDA..			**4.93x**			

(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 interest-bearing liabilities are net of unamortized capitalized transaction costs and original issue discount. Also, please note that the above table excludes leasing debt and short-term debt in Phonera.

(2) As stated in the Group's Annual Report 2013, the Incremental Facility is part of the original Senior Facilities Agreement. SEK 185 million of the 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.

(4) Including Phonera Pro forma LTM Underlying EBITDA

Leverage Ratio

As of March 31, 2014, the Group's cash Net debt to Underlying EBITDA ratio was 4.93x, compared to 4.98x as of December 31, 2013, and 4.58x as of March 31, 2013.

Cash Balance and Availability of Funds

As of March 31, 2014, the Group held SEK 789 million of cash and cash equivalents. Under the Senior Credit Facilities Agreement, the Group has access to an additional committed Capex Facility of SEK 450 million and an additional committed SEK 445 million under the Revolving Credit Facility.

Intragroup Debt Obligations

As of March 31, 2014, the NorCell Group’s debt obligations to its Parent Company amounted to SEK 5,811 million, of which SEK 2,939 million is a shareholder loan, SEK 2,485 million is a back-to-back loan (EUR 278 million), which is the net proceeds from the Parent Company´s issue of the Senior PIK Notes, and accrued interest on the intercompany loans of SEK 387 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 March 31, 2014, the NorCell Group’s debt obligations in EUR amounted to EUR 869 million (EUR 304 million in credit facilities, EUR 287 million in notes and EUR 278 million in intercompany loans) compared to EUR 869 million (EUR 304 million in credit facilities, EUR 287 million in notes and EUR 278 million in intercompany loans) as of December 31, 2013. Excluding the EUR 278 million intercompany loans, described above, the NorCell Group has hedged 100% of the EUR denominated interest payments until 2014 and 2015, and part of the EUR denominated principals until the beginning of 2018.

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 March 31, 2014, the fair value of the derivatives amounted to SEK (99) million compared to a fair value of SEK (119) million as of December 31, 2013, and a fair value of SEK (319) million as of March 31, 2013.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Pro Forma Capitalization Table NorCell 1B Group

The following table sets out the consolidated capitalization and cash and cash equivalents for the NorCell Group and NorCell 1B AB (publ) as of March 31, 2014, 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 produce any consolidated financial statements.

Pro Forma Capitalization Table NorCell 1B

	As of March 31, 2014			
	NorCell Group(1)	NorCell 1B AB(1)	Adjustments	Pro Forma(1)
	(SEK in millions)			
Total cash and cash equivalents…………………………....	**789**	**0**	**-**	**789**
Current debt				
Credit facilities..	287	-	-	287
Other………..	14	-	-	14
Finance leases...	30	-	-	30
Total current debt……………………………………………….	**331**	**-**	**-**	**331**
Non-current debt				
Credit facilities..	5,595	-	-	5,595
Senior secured notes..	3,492	-	-	3,492
Senior notes..	2,569	-	-	2,569
Senior PIK notes..	-	2,531	-	2,531
Accrued interest Senior PIK notes..	-	105	-	105
Finance leases...	32	-	-	32
Intercompany loans (incl. accrued interest)............................	5,811	3,276	(5,811)	3,276
Unamortized transaction costs..	(442)	(69)	-	(511)
Non-current debt...	**17,056**	**5,843**	**(5,811)**	**17,088**
Total debt...	**17,387**	**5,843**	**(5,811)**	**17,419**
Total net debt...	**16,598**	**5,843**	**(5,811)**	**16,630**

(1) EUR denominated indebtedness has been converted at the exchange rate of SEK 8.948 SEK per EUR 1.00 as of March 31, 2014.

This Interim Report presents the following financial information:

- The unaudited condensed consolidated financial statements of the NorCell Group as of and for the three months ended March 31, 2014, and 2013, and the audited condensed consolidated financial statements as of and for the year ended December 31, 2013. 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 March 31,		For the year ended December 31,
	2014	2013	2013
	(SEK in millions, except percentages)		
Underlying EBITDA(1)..	545	544	2,200
Underlying EBITDA margin (in %)(2)..	48.5	48.5	49,5
EBITDA(3)...	489	503	2,009
EBITDA margin (in %)(4)...	43.5	44.8	45.2
Operating Free Cash Flow(5)…...	201	283	1,016
Operating Free Cash Flow margin (in%)(6)...	17.9	25.2	22.8

(1) 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) ("**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 Underlying EBITDA, see *"Results of Operations and Financial Condition - Reconciliation of Net Profit/(Loss) for the Period to Underlying EBITDA"*.

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

(3) EBITDA is defined as net profit/(loss) for the period before income taxes, net financial items and depreciation and amortization ("**EBITDA**").

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

(5) Operating Free Cash Flow is calculated as Underlying EBITDA, less non-recurring costs, plus operating currency loss/(gain) plus total adjustments for items not included in cash flow, less change in net working capital, less capital expenditures in fixed tangible and intangible assets not funded by leasing ("**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.

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 March 31, 2014	As of March 31, 2013	As of December 31, 2013
	(in thousand, except otherwise indicated)		
Landlord Business			
Homes connected[1]	1,830	1,777	1,817
Blended Landlord ARPU[2,3] (SEK)	37	38	37
Residential Business			
Unique subscribers[4]	838	823	830
Total RGUs[5]	1,492	1,495	1,482
RGUs per unique subscriber (in units)	1.78	1.82	1.79
Blended residential ARPU[3,6] (SEK)	359	359	356

(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) ARPU is calculated by dividing the revenue 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.

(3) As from January 1, 2014, revenue from Landlord services regarding collective agreements has been reported by its underlying service based on relative fair values as compared to previous periods when this was reported as Landlord revenue. For comparison purposes the historically reported ARPUs by Service has been recalculated.

(4) 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.

(5) 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.

(6) Blended residential 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, 2014 and 2013, 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.

	For the three months ended March 31, 2014	For the three months ended March 31, 2013	For the year ended December 31, 2013
ARPU[1]	*(SEK in millions)*		*(SEK in millions)*
Digital-Television	243	235	233
High-Speed Broadband	204	201	203
Fixed-Telephony	93	111	104
Blended Landlord ARPU	37	38	37
Blended residential ARPU[2]	359	359	356

(1) ARPU is calculated by dividing the revenue (for the service provided, in each case including the proportional allocation of the bundling discount) for the respective period by the average number of RGUs for that period and further by the number of months in the period. The average number of RGUs is calculated as the number of RGUs on the first day in the respective period plus the number of RGUs on the last day of the respective period divided by two. As from January 1, 2014, revenue from Landlord services regarding collective agreements has been reported by its underlying service based on relative fair values as compared to previous periods when this was reported as Landlord revenue. For comparison purposes the historically reported ARPUs by Service has been recalculated.

(2) Blended ARPU is calculated by all digital-television, high-speed broadband, fixed-telephony revenue and other revenue that can be allocated to each service for the three months ending March 31, 2014, and 2013 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 March 31, 2014 and 2013, and as of and for the year ended December 31, 2013.

Condensed Consolidated Income Statement

	For the three months ended March 31, 2014	For the three months ended March 31, 2013	For the year ended December 31, 2013
	(SEK in millions)	*(SEK in millions)*	*(SEK in millions)*
Revenue	1,124	1,123	4,448
Cost of sales and services	(548)	(574)	(2,190)
Gross profit	**576**	**549**	**2,258**
Selling expenses	(361)	(334)	(1,378)
Administrative expenses	(63)	(58)	(220)
Other operating income and expenses	(5)	5	(3)
Operating Profit	**148**	**162**	**657**
Net financial income and expenses	(429)	(229)	(1,837)
Loss after financial items	**(281)**	**(67)**	**(1,180)**
Income taxes	26	8	175
Net loss for the period	**(255)**	**(59)**	**(1,005)**
Loss per share			
Basic (SEK)	(425)	(99)	(1,676)
Diluted (SEK)	(425)	(99)	(1,676)

Other Comprehensive Income

	For the three months ended March 31, 2014	For the three months ended March 31, 2013	For the year ended December 31, 2013
	(SEK in millions)	*(SEK in millions)*	*(SEK in millions)*
Net loss for the period	**(255)**	**(59)**	**(1,005)**
Other comprehensive income			
Components not to be reclassified to net profit/loss			
Revaluation of pension obligations	-	-	60
Tax attributable to revaluation of pension obligations	-	-	(13)
Total other comprehensive income for the period, net of tax	**-**	**-**	**46**
Total comprehensive income for the period	**(255)**	**(59)**	**(959)**

Condensed Consolidated Balance Sheet

	As of March 31, 2014 (SEK in millions)	As of March 31, 2013 (SEK in millions)	As of December 31, 2013 (SEK in millions)
Non-current assets			
Intangible assets	16,353	16,401	16,154
-of which goodwill	*10,895*	*10,742*	*10,742*
Property, plant and equipment	1,465	1,374	1,463
Other non-current assets	6	6	6
Total non-current assets	**17,824**	**17,781**	**17,624**
Current assets	612	259	563
Cash and cash equivalents	789	741	1,122
Total current assets	**1,401**	**1,001**	**1,685**
Total assets	**19,225**	**18,781**	**19,309**
Total equity	**(919)**	**11**	**(664)**
Non-current interest-bearing liabilities	17,056	15,330	17,022
- of which credit facilities	*5,368*	*4,633*	*5,503*
- of which notes	*5,846*	*5,628*	*5,833*
- of which intercompany loans	*5,811*	*5,037*	*5,648*
Other non-current liabilities	217	488	235
Deferred tax liabilities	680	761	671
Total non-current liabilities	**17,953**	**16,579**	**17,927**
Current interest-bearing liabilities	331	360	308
Other current liabilities	1,859	1,831	1,737
Total current liabilities	**2,190**	**2,191**	**2,045**
Total equity and liabilities	**19,225**	**18,781**	**19,309**

	As of March 31, 2014 (SEK in millions)	As of March 31, 2013 (SEK in millions)	As of December 31, 2013 (SEK in millions)
Opening Total equity beginning of period	**(664)**	**70**	**70**
Net loss for the period	(255)	(59)	(1,005)
Other comprehensive income for the period, net of tax	-	-	46
Total comprehensive income for the period	**(255)**	**(59)**	**(959)**
Transactions with owners of the company			
Group contribution, net of tax			**225**
Closing Total equity end of period	**(919)**	**11**	**(664)**

Condensed Consolidated Cash Flow Statement

	For the three months ended March 31, 2014	For the three months ended March 31, 2013	For the year ended December 31, 2013
	(SEK in millions)	*(SEK in millions)*	*(SEK in millions)*
Operating activities			
Loss after financial items	(281)	(67)	(1,180)
Adjustments for items not included in cash flow, etc.*	675	519	2,230
Change in working capital	(73)	(63)	(15)
Cash flow from operating activities	**321**	**388**	**1,035**
Investing activities			
Acquisition of intangible assets	(76)	(61)	(383)
Acquisition of property, plant and equipment	(139)	(99)	(614)
Acquisition of subsidiaries	(291)	(7)	(8)
Divestment of financial assets	-	-	0
Cash flow from investing activities	**(507)**	**(168)**	**(1,005)**
Financing activities			
Borrowings	-	-	800
Amortization of borrowings	(147)	(140)	(354)
Payment of transaction costs	(0)	-	(16)
Cash flow from financing activities	**(148)**	**(140)**	**430**
Net change in cash and cash equivalents	(333)	80	461
Cash and cash equivalents at period end	**789**	**741**	**1,122**

*Adjustments for items not included in cash flow etc.

	For the three months ended March 31, 2014	For the three months ended March 31, 2013	For the year ended December 31, 2013
	(SEK in millions)	*(SEK in millions)*	*(SEK in millions)*
Depreciation, amortization and impairment of assets	341	341	1,352
Unrealized exchange rate differences	5	(249)	254
Unrealized change in fair value of financial assets	(20)	60	(140)
Change in accrued arrangement fees and accrued interest expense	187	226	146
Interest not settled with cash, group companies	161	138	595
Other	2	3	23
Total	**675**	**519**	**2,230**

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 endorsed by the EU, disclosed in the Annual Report 2013 and presented in million Swedish kronor (SEK) which is also the Group's functional currency.

The new or amended IFRS, which became effective on January 1, 2014, have had no material effect on the Consolidated Financial Statements.

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 May 2, 2014.

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 is disclosed in Note 2.

Note 2 Revenue

Total revenue amounted to SEK 1,124 million (SEK 1,123 million) in the three months ended March 31, 2014. Digital-television revenue amounted to SEK 431 million (SEK 428 million), or 38.4% (38.1%) of total revenue. High-speed broadband revenue amounted to SEK 344 million (SEK 325 million), or 30.6% (28.9%) of total revenue. Fixed-telephony revenue amounted to SEK 90 million (SEK 113 million), or 8.1% (10.1%) of total revenue. Landlord revenue amounted to SEK 201 million (SEK 203 million) or 17.9% (18.1%) of total revenue, and other revenue amounted to SEK 57 million (SEK 54 million), or 5.1% (4.8%) of total revenue.

Revenue by service **SEK in million**	**For the three months ended December 31,** **2014**	**% Change**	**Reclassified(1)** **For the three months ended March 31,** **2013**	**For the three months ended March 31,(2)** **2013**
Digital-Television	431	0.9	428	421
High-Speed Broadband	344	5.8	325	319
Fixed-Telephony	90	(20.0)	113	113
Landlord	201	(1.0)	203	216
Other	57	5.4	54	54
Total	**1,124**	**0.1**	**1,123**	**1,123**

(1) As from January 1, 2014, revenue from Landlord services bound to collective agreements has been reported by its underlying service, based on relative fair values. In previous periods, all revenue from services bound to collective agreements was reported solely as Landlord revenue. For comparison purposes, the historically reported revenue from collective agreements in the comparable period has been reclassified accordingly.

(2) Historically reported Revenue by Service

Note 3 Operating Expenses

The Group's cost of sales and services amounted to SEK 548 million (SEK 574 million), or 48.8% (51.1%) of total revenue in the three months ended March 31, 2014. Selling expenses amounted to SEK 361 million (SEK 334 million), or 32.1% (29.7%) of total revenue, administrative expenses amounted to SEK 63 million (SEK 58 million), or 5.6% (5.2%) of total revenue and the Group's net other operating income and expenses amounted to an expense of SEK 5 million (income of SEK 5 million).

Note 4 Financial Income and Expense

Financial income and expenses summarized to a net financial expense of SEK 429 million (SEK 229 million) in the three months ended March 31, 2014.

Net financial expense consisted primarily of interest expenses on borrowings amounting to SEK 442 million (SEK 415 million), currency losses in EUR denominated debt of SEK 5 million (currency gains of SEK 250 million), and a positive change in fair value of derivative instruments amounting to SEK 20 million (negative change of SEK 60 million) in the three months ended March 31, 2014.

Note 5 Income Taxes
The Group recognized a deferred tax income for the three months ended March 31, 2014 of SEK 26 million (SEK 8 million). No deferred tax income was recognized for the taxable net loss for the three months ended March 31, 2014 which is based on the assessment of how the group will be able to utilize recognized loss carry-forward against taxable profits through subsequent years.

Note 6 Net Loss for the Period
The Group recognized a net loss of SEK 255 million (SEK 59 million) in the three months ended March 31, 2014.

Note 7 Capital Expenditures
Capital expenditures in the three months ended March 31, 2014 amounted to SEK 215 million (SEK 170 million) or 19.2% (14.3%) of total revenue, of which SEK 0 million (SEK 10 million) was funded by financial leases. Of the capital expenditures net after leasing, SEK 139 million (SEK 99 million) related to investments in fixed tangible assets and SEK 76 million (SEK 61 million) related to investments in fixed intangible assets.

Note 8 Liquidity
As of March 31, 2014 the Group held SEK 789 million (SEK 741 million) of cash and cash equivalents. Under the Senior Facilities Agreement, the Group has access to an additional committed Capex Facility of SEK 450 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 2013.

Amounts of SEK 20 million (SEK (60) million) regarding changes in fair value of the derivatives have been recognized in the financial net and SEK 469 thousand (SEK -70 thousand) have been recognized in other operating income in the three months ending March 31, 2014.

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

SEK in millions	As of March 31, 2014	As of March 31, 2013	As of December 31, 2013
Derivatives (Collar)	(6)	(5)	(6)
Derivatives (CIRS)	(78)	(263)	(97)
Derivatives (FX contracts)	(14)	(50)	(16)
Financial liabilities	**(99)**	**(319)**	**(119)**

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 2013.

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 2013. The Group believes that the risk environment has not materially changed from the description in the Annual Report 2013.

Note 12 Events During the First Quarter
On February 25, 2014, the company announced the appointment of Anders Nilsson as Chief Executive Officer and Jon James as Chief Operating Officer. Anders Nilsson replaced Tomas Franzén in early April. Tomas Franzén left the company in the beginning of March 2014.

Anders Nilsson has significant experience of the Swedish media sector, having spent 20 years with the Modern Times Group where he was Chief Executive Officer of the Swedish Free and Pay TV and the Online Business divisions. He joins from Millicom, an international telecommunications and media company where he was Executive Vice President of Commerce & Services.

Jon James was most recently at Virgin Media where he led the company’s Broadband and TV businesses following a period as Group Strategy Director. He offers 20 years of experience in the media and telecom industry, both in terms of operations and strategy.

On March 31, 2014, the acquisition of Phonera Företag AB was completed, a Malmö-based full-service provider of communications services, including telephony and mobility services, to both SoHo and SME customers. At the time of the acquisition, Phonera Företag provided services to approximately 53,000 unique B2B subscribers. The preliminary purchase price amounted to SEK 305 million of which SEK 300 million was paid in cash and SEK 5 million was withheld for subsequent payment. The preliminary recognized intangible assets amounted to SEK 314 million of which customer relationships amounted to SEK 161 million and goodwill amounted to SEK 153 million.

Note 13 Subsequent Events

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.

For further information

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About Com Hem

Com Hem is one of Sweden's leading suppliers of television, broadband and fixed-telephony. Approximately 39 percent, 1.83 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.