The Annual Accounts and Consolidated Accounts as of and for the period January 1, to December 31, 2015

NorCell Sweden Holding 2 AB (publ)
Corp.ID.no: 556859-4187
Registered office: Stockholm

The Annual Accounts and Consolidated Accounts have been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish original and the translation, the former will take precedence.

Board of Directors' Report

The Board of Directors and the Chief Executive Officer of Com Hem Holding AB, corp. ID. no. 556858-6613, hereby submit the annual accounts for the Group and the Parent Company for 2015.

Apart from the company, the annual accounts for the Group comprise NorCell Sweden Holding 3 AB (publ), Com Hem Communications AB, Com Hem AB, Phonera Företag AB and iTUX Communication AB.

NorCell Sweden Holding 2 AB (publ) and subsidiaries are described below as the "company," "the Group" or "Com Hem."

Ownership and Group Structure
Com Hem Holding AB (corp. ID. no. 556858-6613) owns all the shares in the company, and is the Parent company of the largest Group. Com Hem Holding AB was listed on Nasdaq Stockholm, Large Cap, on 17 June 2014.

NorCell Sweden Holding 2 AB (publ) owns all the shares in NorCell Sweden Holding 3 AB (publ) (corp. ID no. 556859-4195), which in turn, owns all the shares in Com Hem Communications AB (corp. ID no. 556689-2104). Com Hem Communications AB is the Parent company of the wholly owned subsidiaries Com Hem AB (corp. ID no. 556181-8724), Phonera Företag AB (corp. ID no. 556434-4397) and iTUX Communication AB (corp. ID no. 556699-4843).

NorCell Sweden Holding 2 AB (publ) is a Swedish public company with its registered office in Stockholm, Sweden.

The annual accounts and consolidated accounts are available at NorCell Sweden Holding 2 AB (publ)'s head office at Fleminggatan 18, 104 20 Stockholm, Sweden.

Parent Company
The Parent company NorCell Sweden Holding 2 AB (publ)'s operations focus on group-wide administration and financing of Group companies.

Operations
Com Hem is one of Sweden's leading providers of broadband, television and telephony. Approximately 40% of Swedish homes are connected to Com Hem's network, with access to one of the market's broadest range of television and broadband services with the fastest average download speed according to Bredbandkollen's survey published in February 2016. Com Hem has a competitive offering of broadband and telephony services to businesses since 2013. Com Hem focuses on offering services to customers who live in multi-dwelling units buildings (MDUs), and has normally agreements with landlords of MDUs for delivering a basic selection of TV channels. Once a distribution and service relationship has been established with the landlords, the private individuals or businesses in the property, can subscribe to Com Hem's complete selection of digital TV, high-speed broadband and fixed telephony services. Com Hem was established in 1983, and is headquartered in Stockholm, and also has offices in Gothenburg, Malmö, Härnösand, Sundsvall and Örnsköldsvik. Operations are primarily conducted through three subsidiaries: Com Hem AB, Phonera Företag AB and iTUX Communication AB. Phonera Företag AB is a Malmö-based provider of B2B services offering broadband and telephony services. iTUX Communication AB is Com Hem's communications operator, that manages open fibre local area networks (LANs). The average number of employees for 2015 was 1,083 (1,014) people, of which 302 (323) were women, and 781 (691) were men.

Market
Com Hem's markets consist of broadband, TV, and fixed telephony services for consumers as well as broadband and telephony services for small and medium sized companies. The Swedish market for the services Com Hem provides either in the consumer, landlord or B2B business, can be split into fixed accesses via coax, fibre and copper, satellite & terrestrial as well as mobile. As of June 2015, the number of dwellings amounted to approximately 4.6 million according to Swedish Post and Telecom Authority (PTS).

The fixed broadband market has grown steadily over the past couple of years. In June 2015 there were 3.2 million fixed broadband subscribers in the Swedish market, corresponding to an annual growth of 4.7%. Com Hem's market share was 20.2% by the end of June 2015 which was an increase of 1.0 percentage points since June 2014.

In June 2015 there were 5.2 million TV subscriptions in Sweden (digital and analogue). The market for digital TV has been stable the recent years and showed in the first half of 2015 a growth of approximately 1.9%. The growth comes primarily from IPTV. Com Hem was one of two suppliers growing its market share. By June 2015 Com Hem had a market share of 22.4%, an increase of 0.6 percentage points compared to the previous year.

The market for fixed telephony has declined over the past years. In June 2015 there were 2.7 million fixed telephony subscriptions in Swedish households, a decline of 130 thousand subscriptions or 4.6% compared to the previous year.

Significant Events in the Financial Year
In 2015, Com Hem continued to deliver growth in broadband, digital TV and B2B services. During the year, the number of unique consumer subscribers grew 4.0%, amounting to 911,000 at year-end, and in the second half of the year the churn rate was a record low 12.9%.

In November, the company made an early redemption of the Group's Senior Notes of EUR 187m, with an original maturity in 2019. Upon redemption, Com Hem paid redemption premiums totalling SEK 92m plus accrued interest, and all previous derivative contracts were closed. The Senior Notes carried a fixed interest rate of 10.75% and were replaced by new credit facilities of SEK 1,500m signed in September, and existing unutilised credit facilities. The new credit has the same lending terms as other bank financing and were signed with an interest rate that is expected to reduce the Group's average interest expense from 4.4% before refinancing, to about 3% with the prevailing Swedish market interest rate. The refinancing is therefore estimated to reduce the Group's annual interest expense by more than SEK 100m, compared with the previous rate.

Expectations of Future Progress
Com Hem continues to develop its products and services aiming to become the market leader with regards to broadband speed, digital TV services and customer satisfaction. With the new trademark, the company wants to convey its high ambitions to customers, employees and other stakeholders. Investments to increase the capacity of the company's network are essential in the continuing work to improve the customer experience. The average broadband speed in the customer base now amounts to 155 Mbit/s compared with 97 Mbit/s one year ago and the share of customers that choose broadband speeds of 100 Mbit/s or more has increased from 71% to 82% through the past year. The demand for high broadband speed continues to increase with high rate. The TV market is under rapid change, driven by new viewing behavior. Linear TV continues to decrease while other types of consuming moving picture that makes it possible to watch where and whenever you want increases. Through the TV service TiVo and Com Hem play, the consumer can combine watching through traditional programme listings with new forms of consumption of moving picture. During the year, the share of TiVo customers has increased from 27% to 35% of the customer base.

Significant Events after the End of the Financial Year
No significant events to report after the end of the financial year.

Risks and Uncertainty Factors
The company and the Group's operations are affected by a number of external factors; the risk factors the Board and management consider material to future progress are outlined below.

Increased Competition
New companies are becoming established in the market for digital services with the help of alternative technologies, which increases competition. Tougher competition can lead to price pressure and have a negative financial impact.

To manage this competition, Com Hem continually develops its service offering through new interactive digital TV services, more HD channels and improved broadband service at competitive prices. Com Hem mainly delivers its services using HFC, which competes well with LAN. Through the Group's communication operator iTUX, which operates open LANs, the Group is strengthening its ability to provide services regardless of infrastructure in order to meet the competition.

Changes to laws and regulations
New or changed laws and regulations as well as new policies can affect Com Hem's conditions to provide and develop its services and/or entail higher costs. Such changes are typically related to tax, network and operational reliability, information protection, energy and environmental requirements and consumer protection.

The Board and management closely monitor developments in the regulatory area in order to meet changes proactively. Com Hem also works actively with these types of issues and engages in ongoing dialogue with the relevant authorities and interest Groups in order to achieve fair and balanced conditions for Com Hem to operate and develop in the market.

Key employees
Com Hem's future development and competitiveness is highly dependent on the company's ability to attract and retain key employees. Com Hem recruits key employees with extensive experience in the telecom industry, whose expertise and efforts are of particular value to the company. Should Com Hem not succeed in attracting and retaining key employees, this could have a negative impact on the company.

Com Hem has recruited a number of key employees and works continuously to provide incentives for them to remain and contribute to the continued development of the company. In the Parent company Com Hem Holding AB, among other things, a share-savings incentive programme and two warrant incentive programmes have been implemented to strengthen opportunities for retaining and recruiting additional key employees.

Mobile Telephony Replacing Fixed Telephony
An increasing share of traffic is moving to the mobile network. Homes are increasingly opting for mobile over fixed telephony, which has a negative impact on Com Hem's telephony operations. Meanwhile, prices have fallen and broadband speeds have increased for mobile broadband, which heightens the risk of it being regarded as an alternative rather than a complement to fixed broadband.

Demand for Com Hem's broadband and digital TV services is strong, creating an opportunity for Com Hem to offer bundled services that include fixed telephony. However, the total market for fixed telephony is shrinking as a result of changing consumer behaviors. Com Hem does not currently offer mobile subscriptions to consumers.

Technological advances
Com Hem's competitive edge may be affected by rapid and significant technology shifts, new services or upgrades of existing services in connection with the introduction of new technology, new industry standards and new practice through which the company's current technology and systems become outdated and the company may lack sufficient resources to upgrade existing networks.

To remain competitive, Com Hem must continue to launch new services and increase and improve the functionality, availability and features of its existing services and networks, in particular by ensuring that the company's bandwidth capacity is sufficient to cope with increased demand for bandwidth-intensive services.

Ability to Retain and Attract New Customers
Tougher competition and an increasingly high degree of movement between operators are placing high demands on Com Hem's ability to attract and retain customers. The competition situation may lead to Com Hem losing contracts with landlords or communications operators, which is crucial for agreements with customers. If the company fails to renew existing contracts or enter into new contracts, this may have a significant negative impact on operations. If demand for digital services does not increase as anticipated, this could have a substantially negative effect on the company's operations, financial position and earnings. Failure to introduce new services and unsuccessful acquisitions may also have a significant negative impact on the company's operations.

Com Hem works continuously to improve the customer experience, and the churn rate has decreased from 14.2% at the end of 2014, to 12.9% at the end of 2015. The rate of improvement indicates clear progress in enhancing the customer experience and customer satisfaction, which will continue to be the company's focus in future years. During the year, the number of B2B customers as well as consumer RGUs (Revenue Generating Units) increased for both digital TV and broadband services.

Programme content
Com Hem does not produce its own programme content and is dependent on relationships and partnerships with broadcasters. If a broadcaster decided not to deliver content to Com Hem, this would have a negative impact on the company's digital TV services.

Com Hem has a large market share and represents a key counterparty to the broadcasters. The company places high emphasis to having good relationships with broadcasters and regularly addresses the risks that could have a negative impact on Com Hem's digital TV services.

Suppliers
Com Hem has signed a number of leases with network owners and is dependent on them fulfilling their commitments in order for Com Hem to provide services in major parts of its network. In the event that Com Hem cannot meet its commitments under these agreements, the agreements may be terminated. In many cases, it would be difficult to find new and suitable alternative providers at a comparable cost within a reasonable period of time. Com Hem has partnerships with a number of suppliers of hardware, software and network-related investment support. Should these suppliers not meet their commitments or discontinue deliveries of their products and services to Com Hem, it may, prove difficult to find suitable solutions within a short period of time.

The company has good relationships, and close partnerships, with its suppliers. Com Hem continuously manages and assesses the risks associated with the supply chain in order to maintain a competitive and well-functioning infrastructure.

Other Risks and Uncertainty Factors
Com Hem is affected by several risks and uncertainty factors other than those presented above. Management works continuously on identifying and managing all the risks and uncertainty factors the company is exposed to.

Financial Risks
Through their operating activities, the Parent company and the Group are exposed to various financial risks such as liquidity risks, interest risks, currency risks and credit risks. The Group's treasury policy for managing financial risks has been decided by the Board and forms a framework of guidelines and regulations, formulated as risk mandates and limits for financing activities. The overarching objective of the finance function is to provide cost-efficient funding and to minimise negative effects on consolidated earnings resulting from unfavourable market fluctuations. For more information on financial risk management, see Note 24.

Non-financial Performance Indicators
Com Hem is a knowledge-based company whose success is heavily dependent on the skills of its employees. Creating involvement, motivation, commitment and enjoyment among employees, are our responsibility as an employer, and important for enabling us to achieve our objectives. Com Hem works on a goal-oriented basis on promoting the development of a high-performance organisation by developing and continuing to train our employees, ensure competitive compensation systems, developing an inspirational corporate culture and build a clear corporate identity based on our shared values. Com Hem puts a high emphasis on all employees feeling that they are playing an important role in our relationship with the customer, and that they are contributing to creating the possibilities for the customer to have a positive experience of Com Hem.

In order to create an attractive workplace for all employees, it is fundamental to first understand how they perceive their job situations. Com Hem regularly conducts employee surveys. The survey performed 2015 showed that Com Hem has a high share of satisfied employees since the company obtained 90 of maximum 100 points, which is higher than the average according to an external benchmark.

Com Hem has a leadership development programme in collaboration with an external party, whose foundations include values and corporate culture, as well as the company's business challenges, to consolidate leadership competence within Com Hem.

Corporate Governance Report

Corporate Governance Principles

This Corporate Governance Report has been prepared in accordance with the standards set by chapter 6 §6 of the Swedish Annual Accounts Act. The company has decided not to apply the Swedish Code of Corporate Governance because it only has debt instruments listed for trading on a public market place, and does not have any listed shares in Sweden.

Articles of Association

The Articles of Association are a central document for governing the company. The Articles of Association specify items including corporate name, registered office, business focus, information on share capital, the number of Board members, specification of the invitation procedure for shareholders' meetings and the business to be considered by the Annual General Meeting (AGM).

The AGM should be held yearly within six months after the end of the financial year. The invitation can be sent at the earliest six weeks, and the latest four weeks, prior to the Meeting.

The agenda of the AGM includes items such as adoption of the company's Income Statement and Balance Sheet, resolving on the appropriation of earnings, approval of Directors' fees and Auditors' fees, election of the Board of Directors and discharging Board members and the Chief Executive Officer from liability.

The Articles of Association do not include any special stipulations regarding the appointment and dismissal of Board members, or on amendments to the Articles of Association.

Board of Directors

According to the Articles of Association, the Board of NorCell Sweden Holding 2 AB (publ) shall consist of a minimum of three and a maximum of ten AGM-elected members with a maximum of five deputies.

Rules of Procedure of the Board of Directors

The rules of procedure of the Board of Directors should satisfy the need for information and an appropriate division of responsibilities between the Board of Directors and Chief Executive Officer. The rules of procedure specify the responsibilities and duties of the Board of Directors, the duties of the Chairman of the Board, the meeting schedule of the Board of Directors and the duties and rights to make decisions of the Chief Executive Officer.

According to the current rules of procedure, statutory meeting shall be held after the AGM or if required after extraordinary AGM. The board of directors shall also meet in case the Chairman of the Board finds it necessary and if someone of the board members or the CEO demands it. The chairman of the Board shall ensure that meetings are held in accordance with the rules of procedure.

Chief Executive Officer and the Executive Management Team

The Chief Executive Officer, also the President, is appointed by the Board of Directors and works according to instructions approved by the Board of Directors. The CEO is responsible for ongoing administration of the company in accordance with the Board of Directors' guidelines and instructions. The CEO is responsible for the Board of Directors receiving regular information and necessary decision-support data for the Board of Directors to be able to judge the Group's and the company's financial position, results of operations, liquidity and progress, and reach the necessary decisions.

The instructions for the CEO include guidelines regarding financial reporting. The CEO should keep the Board of Directors and investors regularly informed of the progress of operations, sales, liquidity and the financial position.

The Group's CEO is employed by the Parent company Com Hem Holding AB. The Group of executive management amounted to 7 (16) people in 2015, of which one has ended his employment during 2016.

The Work of the Board of Directors

The Board of Directors meets in accordance with the rules of procedure that the Board of Directors approves each year. NorCell Sweden Holding 2 AB (publ) is a subsidiary of Com Hem Holding AB, and in accordance with the practice of Swedish Groups, the Board of Directors of NorCell Sweden Holding 2 AB (publ) only deals with those matters prescribed by law, such as approval of the Annual Accounts. In the period from 1 January to 31 December 2015, the Board of Directors of NorCell Sweden Holding 2 AB (publ) held two meetings.

Composition of the Board of Directors in April 2016

The Board of Directors of NorCell Sweden Holding 2 AB (publ) consists of five members, one of which is the Chief Executive Officer.

Board member and Chairman:	Nicholas Stathopoulos
Board member and CEO:	Anders Nilsson
Board member:	Joachim Ogland
Board member:	Mikael Larsson
Board member:	Andrew Barron

The Board of Directors of Com Hem Holding AB consists of six members, one of which is the Chief Executive Officer. In the period from 1 January to 31 December 2015, the Board of Directors of Com Hem Holding AB held 16 meetings, including statutory meetings and meetings by correspondence.

Board member and Chairman:	Andrew Barron
Board member and CEO:	Anders Nilsson
Board member:	Nicholas Stathopoulos
Board member:	Monica Caneman
Board member:	Joachim Ogland
Board member:	Eva Lindqvist
Ordinary employee representatives:	Marianne Bolin and Tomas Kadura
Deputy employee representatives:	Åsa Borgman and Mattias Östlund

Chairman of the Board

The duty of the Chairman of the Board is to lead the Board of Directors' work so that it is executed in accordance with the Swedish Companies Act, other laws and ordinances and the Board of Directors' internal control documents. The Chairman monitors operations in dialogue with the Chief Executive Officer and is responsible for other members receiving the information that is necessary for discussion and decisions. The Chairman is also responsible for appraising the work of the Board of Directors.

The Chairman and Chief Executive Officer ensure that agendas and decision-support data for Board meetings is prepared and sent to Board members one week prior to each meeting.

The Board of Directors' Controls over Financial Reporting

The Chairman of the Board leads, and is responsible for, the work of the Board of Directors being well organised and conducted efficiently. The Board of Directors monitors the quality of financial reporting through instructions to the Chief Executive Officer. With the Chief Financial Officer, the Chief Executive Officer's duty is to quality-assure all external financial reporting including interim reports, annual reports, press releases with financial content and presentation material for meetings with owners and financial institutions.

Statutory meeting

The Board of Directors holds a statutory meeting each year immediately after the AGM. This meeting adopts the rules of procedure for the Board of Directors, company signatories and election of the Chairman.

Remuneration

Remuneration to the Board of Directors for the coming financial year is resolved each year by the AGM.

Auditors

The company's Auditor, elected by the AGM, reviews Com Hem's Annual Accounts and the annual accounts for the Group, the Board of Directors' and Chief Executive Officer's administration, and the Annual Accounts of subsidiaries, and presents an Audit Report. The audit is conducted in accordance with the Swedish Companies Act, International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

Internal Controls and Risk Management in Financial Reporting

The purpose of internal controls over financial reporting is to ensure compliance with adopted principles of financial reporting and internal controls, and that financial reports are prepared in accordance with generally accepted accounting principles, applicable laws and ordinances and other standards. The Board of Directors bears overall responsibility for the company having effective internal controls.

Control Environment

The control environment is the base of internal control and consists of the values and ethics that the Board of Directors, CEO and management communicate and operate from, combined with a number of company-wide instructions, policies and guidelines. These include the Board's rules of procedure, the company's Code of Conduct, anti-corruption policy, whistleblower policy, guidelines for gifts, entertainment and hospitality, treasury policy, authorisation policy and financial manual. These instructions and policies are updated regularly and communicated to affected staff. Com Hem's values are another important control instrument. These values constitute a long-term undertaking and shared foundation linked to the company's business concept and strategies that guide employees in daily activities.

Risk Assessment

The risk assessment of financial reporting is intended to identify and assess the material risks that affect internal controls over financial reporting. Com Hem has established a control framework for accounting, processes and detailed schedules for financial statements and forecasts to minimise these risks. Com Hem's Board of Directors and management evaluate reporting from a risk perspective on an ongoing basis. Over and above assessing risks in financial reporting, the Board of Directors and management work continuously on identifying and managing material risks that affect Com Hem's operations from operational and financial perspectives.

Control Activities and monitoring

Control activities are designed to detect and prevent errors in financial reporting. These activities limit the risks identified and ensure accurate and reliable financial reporting. These include the monitoring of budget deviations, earnings trends and key ratios, account reconciliations, checklists, reviews of IT system logs, approval of business transactions and clear procedures for important decisions such as investments and the entering into agreements.

Information and Communication

Communication at all levels in the Group and with affected external parties is an important component of internal controls. Relevant policies, guidelines and principles for reporting are available to all affected staff on Com Hem's internal web, which is intended to contribute to comprehensive and accurate financial reporting, on time. Information about, and amendments to, accounting policies, as well as reporting and communication standards, are regularly communicated to affected staff. To ensure that the external information disclosure is accurate, complete and meets the requirements imposed on listed companies, the company has a communication policy outlining how, by whom and the manner in which external information is to be communicated. All communication should comply with Nasdaq Stockholm's Rule Book for Issuers and be communicated in a fair, open and transparent manner.

Results of Operations and Financial Position

Group

The company's net sales in the period were SEK 5,000,059 (4,761,322) thousand, comprising revenue from the three consumer services, digital TV, broadband and telephony, as well as revenue from landlords, B2B revenue and other revenue. Revenue from the consumer services, digital TV, broadband and telephony amounted to SEK 1,784,784 (1,737,157) thousand, SEK 1,666,012 (1,460,915) thousand and SEK 304,427 (341,501) thousand respectively. Revenue from B2B services and landlord services amounted to SEK 311,036 (222,038) thousand and SEK 695,403 (773,850) thousand respectively, and other revenue was SEK 238,397 (225,861) thousand.

Operating profit/loss was SEK 745,240 (672,340) thousand.

Net financial income and expenses was SEK -1,217,078 (-2,572,314) thousand, of which SEK -1,378,031 (-2,379,340) thousand was interest expenses on borrowings. Net financial income/expenses was also affected by exchange rate gain/losses of SEK 210,134 (-335,369) thousand on credit facilities denominated in EUR, and the change in fair value of derivatives of SEK -39,281 (157,974) thousand.

Income taxes for the year was SEK 103,111 (549,681) thousand.

The Group's result after financial items was SEK -471,838 (-1,899,974) thousand and net profit/loss was SEK -368,727 (-1,350,293) thousand for the financial year.

	31 Dec 2015	31 Dec 2014
Net debt	SEK 9,060m	SEK 8,981m
Net debt/Underlying EBITDA	3,8x	4,0x
Cash and cash equivalents	SEK 713m	SEK 586m

	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Investments in property, plant and equipment	SEK 599m	SEK 608m
Investments intangible assets	SEK 392m	SEK 443m

*Definitions of key ratios, see page 29.

The Group's loans from credit institutions are subject to the continuous satisfaction of covenants, which are evaluated quarterly, see Note 19. The Group has interest-bearing debt comprising borrowing from credit institutions, bond issues and lease facilities, as well as liabilities to Group companies.

Parent company
The Parent company provides group-wide management, and administrative expenses for the period were SEK -8 (-73) thousand and consist of general administration expenses.

Net financial income/expense was SEK 357,008 (-257,351) thousand, and mainly consists of interest expenses and interest revenue from Group companies, and yield on bond issues. For more information, see Note 9.

Profit/loss after financial items was SEK 357,000 (-257,884) thousand.

Proposed Appropriation of Earnings

The following funds are at the disposal of the Annual General Meeting (SEK in thousand):

Retained earnings	2,215,578
Share premium reserve	1,340,937
Net result for the year	357,000
Total	**3,913,515**

The Board of Directors proposes that the funds at the disposal of the AGM and non-restricted reserves are appropriated as follows (SEK in thousand):

Brought forward to new account	3,913,515
of which share premium reserve	*1,340,937*
Total	**3,913,515**

The company has made a Group contribution of SEK 42,180 thousand to the subsidiary Com Hem Communications AB (corp. ID no. 556689-2104) in the year.

For additional information on the company's results of operations and financial position, refer to the following Income Statements, Balance Sheets and integral notes.

Consolidated Income Statement

SEK in thousand	Note	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Total revenue	2	5,000,059	4,761,322
Cost of services sold		(2,464,166)	(2,315,394)
Gross profit		**2,535,893**	**2,445,928**
Selling expenses		(1,515,694)	(1,490,960)
Administrative expenses		(268,964)	(256,352)
Other operating income	4	18,343	11,838
Other operating expenses	5	(24,338)	(38,114)
Operating profit	6,7,8,24,25	**745,240**	**672,340**
Financial income and expenses			
Financial income		228,000	169,488
Financial expenses		(1,445,078)	(2,741,802)
Net financial income and expenses	9	**(1,217,078)**	**(2,572,314)**
Result after financial items		**(471,838)**	**(1,899,974)**
Income taxes	10	103,111	549,681
Net result for the year		**(368,727)**	**(1,350,293)**
Earnings per share	32		
Basic earnings per share (SEK)		(615)	(2,250)
Diluted earnings per share (SEK)		(615)	(2,250)

Consolidated Statement of Comprehensive Income

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Net result for the year	**(368,727)**	**(1,350,293)**
Other comprehensive income		
Items that will not be reclassified to net profit or loss		
Revaluation of defined-benefit pension obligations	74,723	(109,805)
Tax on items that will not be reclassified to profit or loss	(16,439)	24,157
Other comprehensive income for the year, net of tax	**58,284**	**(85,648)**
Comprehensive income for the year	**(310,443)**	**(1,435,941)**

Consolidated Balance Sheet

SEK in thousand	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Intangible assets	11	15,451,492	16,040,970
Property, plant and equipment	12	1,530,901	1,505,033
Financial assets	13, 23	941,658	267,325
Total non-current assets		**17,924,051**	**17,813,328**
Current assets			
Inventories	14	45,130	38,793
Trade receivables	15, 23	121,257	135,380
Prepaid expenses and accrued income	16, 23	161,306	210,947
Other receivables	13, 23	629,870	405,585
Cash and cash equivalents	17, 23, 24	713,321	586,027
Total current assets		**1,670,884**	**1,376,732**
TOTAL ASSETS		**19,594,935**	**19,190,060**
EQUITY AND LIABILITIES			
Equity	18		
Share capital		600	600
Other paid-in capital		5,015,781	4,901,209
Retained earnings incl. net result for the year		(3,975,358)	(3,666,212)
Total equity		**1,041,023**	**1,235,597**
Non-current liabilities			
Non-current interest-bearing liabilities	19, 23, 24	16,024,195	15,892,776
Pension provisions	20	173,193	233,822
Other provisions		3,164	2,310
Deferred tax liabilities	10	258,919	211,955
Total non-current liabilities		**16,459,471**	**16,340,863**
Current liabilities			
Current interest-bearing liabilities	19, 23, 24	528,091	29,927
Trade payables	23	476,009	455,304
Other current liabilities	21, 23	101,329	93,214
Accrued expenses and prepaid income	22, 23	989,012	1,035,155
Total current liabilities		**2,094,441**	**1,613,600**
TOTAL EQUITY AND LIABILITIES		**19,594,935**	**19,190,060**

For information on the Group's pledged assets and contingent liabilities, see Note 27.

Consolidated Statement of Changes in Equity

Equity attributable to Parent Company shareholders

SEK in thousand	Share capital	Other paid-in capital	Retained earnings incl. net result for the year	Total Equity
Opening equity, 1 Jan 2015	**600**	**4,901,209**	**(3,666,212)**	**1,235,597**
Comprehensive income for the year				
Net result for the year	-	-	(368,727)	(368,727)
Other comprehensive income for the year	-	-	58,284	58,284
Comprehensive income for the year	**-**	**-**	**(310,443)**	**(310,443)**
Contributions from and value transfers to owners				
Repurchase of warrants	-	(2,216)	-	(2,216)
Dividend	-	(357,000)	-	(357,000)
Shareholders' contribution	-	-	1,297	1,297
Group contribution	-	607,420	-	607,420
Tax on group contribution	-	(133,632)	-	(133,632)
Total transactions with Group's owners	**-**	**114,572**	**1,297**	**115,869**
Closing equity, 31 Dec 2015	**600**	**5,015,781**	**(3,975,358)**	**1,041,023**

SEK in thousand	Share capital	Other paid-in capital	Retained earnings incl. net result for the year	Total Equity
Opening equity, 1 Jan 2014	**600**	**1,565,983**	**(2,230,271)**	**(663,688)**
Comprehensive income for the year				
Net result for the year	-	-	(1,350,293)	(1,350,293)
Other comprehensive income for the year	-	-	(85,648)	(85,648)
Comprehensive income for the year	**-**	**-**	**(1,435,941)**	**(1,435,941)**
Contributions from and value transfers to owners				
Shareholders' contribution	-	3,044,208	-	3,044,208
Group contribution	-	373,100	-	373,100
Tax on group contribution	-	(82,082)	-	(82,082)
Total transactions with Group's owners	**-**	**3,335,226**	**-**	**3,335,226**
Closing equity, 31 Dec 2014	**600**	**4,901,209**	**(3,666,212)**	**1,235,597**

Consolidated Statement of Cash Flows

SEK in thousand	Note	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Operating activities			
Result after financial items		(471,838)	(1,899,974)
Adjustment for items not included in cash flow	33	2,162,988	2,695,857
Cash flow from operating activities before changes in working capital	33	**1,691,150**	**795,883**
Change in working capital			
Increase (-)/decrease (+) in inventories		(6,337)	(4,594)
Increase (-)/decrease (+) in current receivables		73,772	(68,342)
Increase (+)/decrease (-) in current liabilities		53,815	(86,220)
Cash flow from operating activities		**1,812,400**	**636,727**
Investing activities			
Acquisition of subsidiaries	3	-	(301,584)
Divestment of subsidiaries	3	4	(34)
Acquisition of non-current intangible assets		(381,471)	(428,376)
Acquisition of property, plant and equipment		(594,155)	(594,141)
Loans to Group companies		(580,000)	-
Repayment of loans from Group companies		-	6,320
Cash flow from investing activities		**(1,555,622)**	**(1,317,815)**
Financing activities			
Shareholders' contribution		-	3,044,208
Redemption of warrants		(2,216)	-
Dividend		(357,000)	-
Borrowings		2,000,000	8,575,000
Amortisation of borrowings		(1,749,269)	(11,366,120)
Payment of borrowing costs, including discounts		(20,999)	(107,642)
Cash flow from financing activities		**(129,484)**	**145,446**
Net change in cash and cash equivalents		**127,294**	**(535,642)**
Cash and cash equivalents at beginning of year		**586,027**	**1,121,669**
Cash and cash equivalents at year-end		**713,321**	**586,027**

Parent Company Income Statement

SEK in thousand	Note	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Total revenue		-	-
Administrative expenses		(8)	(73)
Other operating expenses		-	(460)
Operating profit/loss		**(8)**	**(533)**
Income from financial items			
Result from participations in Group companies		314,820	-
Interest income and similar items		1,073,158	962,795
Interest expenses and similar items		(1,030,970)	(1,220,146)
Net financial income and expenses	9, 24, 28	**357,008**	**(257,351)**
Result after financial items		**357,000**	**(257,884)**
Income taxes	10	-	56,734
Net result for the year		**357,000**	**(201,150)**

Parent Company Statement of Comprehensive Income

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Net result for the year	**357,000**	**(201,150)**
Other comprehensive income		
Items reclassified or that can be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	-	-
Other comprehensive income for the year, net of tax	**-**	**-**
Comprehensive income for the year	**357,000**	**(201,150)**

Parent Company Balance Sheet

SEK in thousand	Note	31 Dec 2015	31 Dec 2014
ASSETS			
Non-current assets			
Participations in Group companies	29	2,917,707	2,917,707
Receivables from Group companies	13, 23, 28	7,909,867	9,035,709
Deferred tax assets	10	2,200	2,200
Total non-current assets		**10,829,774**	**11,955,616**
Current assets			
Receivables from Group companies	23, 28	-	250,914
Cash and bank balances	23, 24	41	96
Total current assets		**41**	**251,010**
TOTAL ASSETS		**10,829,815**	**12,206,626**
EQUITY AND LIABILITIES			
Equity	18		
Restricted equity			
Share capital (600,000 Shares)		600	600
Unrestricted equity			
Share premium reserve		1,340,937	1,340,937
Retained earnings		2,215,578	2,773,728
Net result for the year		357,000	(201,150)
Total equity		**3,914,115**	**3,914,115**
Non-current liabilities			
Bonds		-	1,745,384
Non-current liabilities to Group companies	19, 23, 28	6,873,517	6,501,375
Total non-current liabilities		**6,873,517**	**8,246,759**
Current liabilities			
Trade payables		2	134
Other current liabilities to Group companies		42,180	-
Other current liabilities		1	23
Accrued expenses	22, 23	-	45,595
Total current liabilities		**42,183**	**45,752**
TOTAL EQUITY AND LIABILITIES		**10,829,815**	**12,206,626**
Pledged Assets and Contingent Liabilities	27		
Pledged assets		-	11,953,416
Contingent liabilities		Note 27	Note 27

Parent Company Statement of Changes in Equity

SEK in thousand	Restricted equity	Unrestricted equity		Total
	Share capital	Share premium reserve	Retained earnings incl. net result for the year	Equity
Opening equity, 1 Jan 2015	**600**	**1,340,937**	**2,572,578**	**3,914,115**
Comprehensive income for the year				
Net result for the year	-	-	357,000	357,000
Other comprehensive income for the year	-	-	-	-
Comprehensive income for the year	**-**	**-**	**357,000**	**357,000**
Dividend	-	-	(357,000)	(357,000)
Closing equity, 31 Dec 2015	**600**	**1,340,937**	**2,572,578**	**3,914,115**

SEK in thousand	Restricted equity	Unrestricted equity		Total
	Share capital	Share premium reserve	Retained earnings incl. net result for the year	Equity
Opening equity, 1 Jan 2014	**600**	**1,340,937**	**83,806**	**1,425,343**
Comprehensive income for the year				
Net result for the year	-	-	(201,150)	(201,150)
Other comprehensive income for the year	-	-	-	-
Comprehensive income for the year	**-**	**-**	**(201,150)**	**(201,150)**
Shareholders' contribution	-	-	2,494,209	2,494,209
Group contribution	-	-	250,914	250,914
Tax on group contribution	-	-	(55,201)	(55,201)
Closing equity, 31 Dec 2014	**600**	**1,340,937**	**2,572,578**	**3,914,115**

Parent Company cash flow statement

SEK in thousand	Note	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Operating activities			
Result after financial items		357,000	(257,884)
Adjustment for items not included in cash flow	33	(112,098)	160,265
Cash flow from operating activities before changes in working capital	33	**244,902**	**(97,619)**
Changes in working capital			
Increase (-)/decrease (+) in current receivables		-	16
Increase (+)/decrease (-) in current liabilities		(154)	26
Cash flow from operating activities		**244,748**	**(97,577)**
Investing activities			
Shareholders' contributions paid		-	(1,490,000)
Repayment of loans from Group companies		1,827,866	-
Cash flow from investing activities		**1,827,866**	**(1,490,000)**
Financing activities			
Shareholders' contribution		-	2,494,209
Dividend		(357,000)	-
Amortisation of borrowings		(1,715,669)	(906,736)
Cash flow from financing activities		**(2,072,669)**	**1,587,473**
Net change in cash and cash equivalents		**(55)**	**(104)**
Cash and cash equivalents at beginning of year		**96**	**200**
Cash and cash equivalents at year-end		**41**	**96**

Notes to the Financial Statements

Note 1 Accounting Policies

Compliance with standards and legislation
The Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and interpretations from the IFRS Interpretations Committee as endorsed by the EU. Additionally, the Swedish Financial Reporting Board's (RFR) standard RFR 1 Supplementary Accounting Rules for Groups has been applied.

The Parent Company applies the same accounting principles as the Group except in the cases stated in the "Parent Company accounting policies" section below. The differences between the policies applied by the Parent Company and those applied by the Group are due to restrictions in the Parent Company's ability to apply IFRS as a consequence of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act, and taking account of the link between accounting and taxation.

These annual accounts and consolidated accounts were authorised for issue by the Board of Directors and CEO on 8 April 2016. The consolidated statement of comprehensive income and other comprehensive income and statement of financial position, and the Parent Company's income statement and balance sheet are subject to the approval of the AGM on 19 May 2016.

Assumptions in preparing the consolidated financial statements
The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency of the Parent Company and the Group. This means that the financial statements are presented in SEK. Unless otherwise stated, all amounts are rounded to the nearest thousand. Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value consist of derivative instruments at fair value through profit and loss.

Estimates and judgments in the financial statements
Preparing the financial statements in accordance with IFRS requires management to make estimates and judgments, and assumptions that affect the application of the accounting policies and the recognised amounts of assets, liabilities, income and expenses. Estimates and assumptions are based on historical experience and various other factors considered reasonable under current circumstances. The result of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that are not otherwise clearly evident from other sources. Actual results may differ from these estimates and judgments.

Estimates and assumptions are reviewed on a periodic basis. Changes in estimates are recognised in the accounts for the period in which the change is made if the change only affects that period, or in the period the change is made and in later periods if the change affects current and future periods.

The Group's accounting policies have been consistently applied to all periods presented in these financial statements and when consolidating the Parent Company and subsidiaries.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates that may cause material adjustments to the financial statements of the ensuing year are described below.

Impairment testing of goodwill
In accordance with IFRS, goodwill is not amortised but instead tested for impairment annually or when there is an indication of impairment. This is done by determining the recoverable amounts of cash-generating units to which goodwill is allocated by calculating the value in use. When calculating value in use, future cash flows are discounted, which includes assumptions of future circumstances. The test for the financial year showed no indication of impairment since the calculated recoverable amount exceeded the total carrying amount at the end of 2015. In the opinion of Management and the Board, no reasonably possible changes to one of the relevant key assumptions listed would reduce the recoverable amount to a value that is lower than the carrying amount. A more detailed account is given in Note 11, which also states a carrying amount for goodwill of SEK 10,899m.

Changes in accounting policies due to new or amended IFRS

New and revised standards and interpretative statements applicable from 1 January 2015, have not resulted in any material effects on the financial statements.

New and amended IFRS not yet applied

A number of new or amended IFRS will take effect in the coming financial year and have not been applied in advance when preparing these financial statements. No early application is planned for new or amended standards with future application.

IFRS 9 Financial instruments will replace IAS 39 Financial instruments: Recognition and measurement. Through IFRS 9, the IASB has introduced a package of changes for the recognition of financial instruments. The package contains new requirements for the classification and measurement of financial instruments, a forward-looking “expected loss” impairment model and a revised approach to hedge accounting. IFRS 9 will take effect on 1 January 2018 and earlier application is permitted pending EU endorsement of the standard. The EU plans to approve the standard during the second half of 2016.

The categories of financial assets in IAS 39 are replaced by three categories, where measurement is at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification between the three categories is based on the entity’s business model for the various holdings and nature of the cash flows generated by the assets. The fair value option can be exercised for debt instruments where this would eliminate or substantially reduce an accounting mismatch. For equity instruments, the starting point for measurement is at fair value through profit or loss with an option to instead recognise value changes that are not held for trading in other comprehensive income.

The majority of those aspects concerning financial liabilities correspond with most of the earlier rules in IAS 39, except with regard to financial liabilities that are voluntarily measured at fair value according to the “Fair Value Option.” For these liabilities, the change in value should be divided between changes attributable to the company’s own creditworthiness, and changes in the reference rate, respectively.

The new impairment model will require allowance for expected credit losses over the next 12 months at initial recognition, and if the credit risk rises substantially, the impairment amount is to correspond to the expected credit losses over the remaining term. The new rules on hedge accounting entail, among other things, simplification of effectiveness testing and an extension of permitted hedging instruments and hedged items. The effect of the introduction of IFRS 9 has not yet been determined.

IFRS 15 Revenue from Contracts with Customers. The aim of a new revenue standard is to have a single principle-based standard for all sectors to replace existing standards and opinions on revenue. Sectors considered to be most affected include companies in the telecom industry. However, all companies will be affected by the new, significantly extended disclosure requirements. There are three alternative methods for the transition: fully retrospective, partially retrospective (including alleviation rules) and a “cumulative effect” approach, whereby equity will be adjusted at 1 January 2018 for current contracts under the old regulations (IAS 11/IAS 18). IFRS 15 becomes effective in 2018 and earlier application is permitted pending EU endorsement of the standard, which is expected in the second quarter of 2016. IFRS 15 will replace all earlier standards and interpretations pertaining to revenue recognition. IFRS 15 uses a five-stage model for revenue recognition that entails a revenue being recognised when the obligation to supply the goods or services promised has been fulfilled; in stage one, the contract is identified; in stage two, the various obligations under the contract are identified; in stage three, the transaction price is established; in stage four, the transaction price is allocated to the various obligations; and finally in stage five, the revenue is recognised when the respective obligation has been fulfilled. The effect of the introduction of IFRS 15 has not yet been determined.

IFRS 16 Leases. New standard for the recognition of leases. For lessees, the classification according to IAS 17 into operating and finance leases will be replaced by a model requiring the assets and liabilities for all leases to be recognised in the balance sheet. Leases with a low value, or a lease term of 12 months or less, are exempted. In the income statement, depreciation and amortisation are recognised separately from interest expense attributable to the lease liability. No major changes are expected for lessors. With the exception of additional disclosure requirements, the rules in IAS 17 will effectively be maintained. IFRS 16 will apply to financial years commencing 1 January 2019 or later. Earlier application is permitted provided that IFRS 15 is also applied from the same time. The EU endorsement date has not yet been announced. The effect of the introduction of IFRS 16 has not yet been determined.

Other published standards with effect from 2016 or later are not expected to have any significant impact on the Group's accounts, with the exception of extended disclosure requirements.

Operating Segment
In IFRS 8, Operating Segments, an operating segment is defined as part of a company that conducts business operations and that can generate revenues and expenses; whose operating income is regularly reviewed by the company's highest executive decision-maker as the basis for decision on the allocation of resources and evaluation of earnings and for which stand-alone financial data is available.

The operations of the Group are integrated and constitute a single operating segment that offers bundled services to Consumers (digital TV, broadband and fixed telephony), B2B (broadband and telephony) and Landlord (basic television service), in a single market, Sweden. This operating segment also forms the basis for the Group's management structure and structure for internal reporting, which is controlled by the Group's CEO, who has been identified as its chief operating decision-maker. The Group's services offering (digital TV, broadband and fixed telephony) can be purchased separately or on a packaged basis. The infrastructure that is the basis for enabling delivery of services to customers is the same for all services. Expenses for distribution (fibre, ducting, etc.) and for operation and servicing of the services are collective. Customers connect to services through a single point in their home.

Performances and the business' earnings are evaluated based on a number of established key ratios, of which the principal key ratios in the income statement are total revenue, operating profit/loss (EBIT) and Underlying EBITDA (EBITDA before disposals excluding non-recurring items and operating currency gains/losses)

The Group has assessed that there is only one operating segment, based on the following assumptions:
- The chief operating decision-maker makes decisions based on the financial earnings of the Group as a unit.
- The Group only operates in one geographic market, Sweden.
- The Group has an integrated infrastructure for all services, and investments are not allocated to the different services.

Classifications, etc.
The Group's and the Parent Company's non-current assets and long-term liabilities primarily comprise amounts that are expected to be recovered or settled subsequent to 12 months from the reporting date. The Group's and the Parent Company's current assets and short-term liabilities primarily comprise amounts expected to be recovered or settled within 12 months of the reporting date.

Consolidation policies and business combinations
Subsidiaries
Subsidiaries are companies over which NorCell Sweden Holding 2 AB (publ) has a controlling influence. Controlling influence exists if NorCell Sweden Holding 2 AB (publ) has control over an investment object, is exposed or entitled to variable returns on its involvement and can exercise its control of the investment to influence the size of return. In determining whether one company has control over another, potential shares with an entitlement to vote and whether de facto control exists are taken into account. Subsidiaries are recognised in accordance with the acquisition method. The method entails acquisitions of subsidiaries being viewed as transactions through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The fair value of acquired identifiable assets and liabilities assumed and any identified non-controlling interests as of the acquisition date are determined in the acquisition analysis. Transaction expenses, except for those related to the associated issue of equity instruments or debt instruments, are recognised directly in profit or loss for the year.

For business combinations in which payment is transferred, if any non-controlling interests and fair value of previously owned participations (in the event of step acquisitions) exceed the fair value of the acquired assets and assumed liabilities that are recognised separately, the difference is recognised as goodwill. When the difference is negative, what is known as a bargain purchase, this is recognised directly in profit or loss for the year.

Payments made in conjunction with the acquisition do not include payments relating to the settlement of previous business relationships. This type of settlement is recognised in profit or loss. A subsidiary's financial statements are consolidated from the acquisition date until the date that control ceases.

Transactions eliminated on consolidation
Intragroup receivables, liabilities, income and expenses and unrealised gains or losses arising from intragroup transactions between Group companies are eliminated when the consolidated financial statements are prepared.

Foreign currency
Transactions denominated in foreign currencies
Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates. Functional currency is the currency in the primary economic environments in which the company operates. Foreign currency monetary assets and liabilities are translated into the functional currency at the respective exchange rate applicable at the reporting date. Exchange rate differences arising from these translations are recognised in profit or loss for the year. Non-monetary assets and liabilities stated at historical acquisition cost are translated at the exchange rate applicable at the time of transaction. Exchange rate differences arising from these translations are recognised in profit or loss. Exchange rate differences on operating receivables and liabilities are included in operating income and differences in financial receivables and liabilities are included in financial items. The Group uses currency forward contracts to reduce its exposure to fluctuations in various exchange rates. Currency forward contracts are recorded at fair value at the reporting date.

Revenue
Revenue is recognised when it is likely that future economic benefits will flow to the company, and these benefits can be reliably measured. Revenue only includes the gross inflows of economic benefits received or receivable by the company on its own account.

The company's total revenue consists primarily of services to Consumers (digital TV, broadband and fixed telephony), B2B (broadband and telephony) and Landlord (basic television services). Billing of consumers and business customers mainly takes place monthly in advance. Revenue from landlords relating to periodic charges for basic television services are invoiced largely quarterly in advance and recognised as they are utilised.

Start-up fees, activation fees and other one-time fees are recognised at the time of sale when the fee relates to costs incurred when a customer signs an agreement. If one-time fees exceed the costs incurred when a customer signs an agreement, the excess amount is distributed over the duration of the subscription.

Revenue is recognised at the fair value of the consideration received or receivable, net of any discounts given.

Operating costs
Operating expenses
Operating expenses are classified according to function, as described below. Depreciation, amortisation and personnel costs are stated by function.

Cost of services sold
Cost of services sold refer to broadcaster costs, costs for fibre and ducting, call charges for telephony, internet capacity, maintenance and service and other cost of services sold. Personnel costs related to field service and other parts of the organisation are also included. Cost of services sold includes depreciation and amortisation of non-current assets.

Selling expenses
Selling expenses relate to costs for sales, products and marketing. This cost structure includes costs for customer service, advertising, telemarketing, sales commissions, bad debt losses and other sales-related costs. Personnel costs pertaining to sales, products and marketing are included in selling expenses. Selling expenses include depreciation and amortisation of non-current assets.

Administrative expenses
Administrative expenses refer to costs for such support functions as purchasing, accounting and other joint support functions as well as costs for leased office space. Administrative expenses include depreciation and amortisation of non-current assets.

Other operating income
Other operating income includes exchange rate gains and recovered, previously written-off bad debt losses.

Other operating costs
Other operating costs include exchange rate losses, losses on the sale of subsidiaries, intangible assets and property, plant and equipment, and transaction expenses in conjunction with business combinations.

Leasing
Operating leases
Expenses for operating leases are recognised in profit or loss for the year on a straight-line basis over the lease term. Benefits received in conjunction with signing an agreement are recognised in profit or loss for the year as a reduction in lease payments on a straight-line basis over the term of the lease. Variable expenses are expensed in the periods they arise.

Finance leases
Minimum lease payments are allocated between interest expense and amortisation of the outstanding liability. Interest expenses are allocated over the lease term so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognised in the relevant period. Variable expenses are expensed in the periods they arise.

Financial income and expenses
Financial income and expenses comprise interest income on bank balances and receivables, dividend income, exchange rate differences, interest expenses on borrowings, unrealised and realised gains and losses on derivative instruments used in financing activities.

Interest income on receivables, and interest expenses on liabilities are calculated using the effective interest method. The effective interest rate is the rate at which the present value of all estimated future receipts and payments during the anticipated fixed-interest period is equal to the carrying amount of the receivable or liability. Interest income includes allocated amounts of transaction expenses and any discounts, premiums and other differences between the original value of the receivable and the amount received at maturity. Interest expense includes allocated amounts of issue expenses and similar direct transaction expenses to raise borrowings.

Financial Instruments
Financial instruments recognised in the balance sheet include cash and cash equivalents, trade receivables, loans receivable and derivatives on the asset side. The liabilities side includes trade payables, borrowings and derivatives. Financial instruments that are not derivatives are initially recognised at cost corresponding to the fair value of the instrument plus transaction costs for all financial instruments, except those in the category of financial assets and liabilities at fair value through profit or loss, which are measured at fair value excluding transaction costs. The classification of a financial instrument determines how it is measured after initial recognition as described below.

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument. A receivable is recognised when the company has performed and a contractual obligation exists for the counterparty to pay, even if the invoice has not been sent. Trade receivables are recognised in the balance sheet when an invoice is sent. Liabilities are recognised when the counterparty has performed under the agreement and the company is contractually obliged to settle the obligation, even if the invoice has not yet been received. Trade payables are recognised when an invoice is received.

A financial asset is derecognised when the contracted rights are realised, expire, or when control of the contractual rights is lost. This also applies to a portion of a financial asset. A financial liability is derecognised when the contracted commitment is discharged, or otherwise expires. This also applies to a portion of a financial liability.

A financial asset and a financial liability are offset and recognised at a net amount in the balance sheet only when there is a legal right to offset the amount and there is an intention to settle the items with a net amount or simultaneously realise the asset and settle the liability. Acquisitions and divestments of financial assets are recognised on the transaction date, which is the date the company undertakes to purchase or sell the asset.

The company evaluates whether there are objective indications that a financial asset or group of financial assets is impaired at each reporting date.

For measurement purposes, financial instruments are allocated to categories pursuant to IAS 39. The category an asset or liability belongs to depends on the purpose of the holding and is determined on initial recognition.

The categories are as follows:
Financial assets at fair value through profit or loss.
This category comprises two sub-groups: held-for-trading financial assets and other financial assets that the company has initially chosen to classify in this category (according to the Fair Value Option). Financial instruments in this category are measured at fair value on an ongoing basis, with any changes in value recognised in profit or loss. Derivatives with positive fair value are included in the first sub-group.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. The receivables arise when the company supplies funds, goods and services directly to the borrower without the intention of trading in the claim. This category also includes acquired receivables. Assets in this category are measured at amortised cost. Amortised cost is determined using the effective interest rate calculated on the date of acquisition. Trade receivables are recognised at the amount expected to be received, which is after deduction for doubtful debt.

Financial liabilities at fair value through profit or loss
This category consists of two sub-categories, financial liabilities held for trading, and other financial liabilities that the company has chosen to recognise in this category (the Fair Value Option). For further information see above under ‘‘Financial assets at fair value through profit or loss.” Derivatives with negative fair value are included in the first category. Changes in fair value are recognised in net result for the year.

Other financial liabilities
Financial liabilities not held for trading are measured at amortised cost. Amortised cost is determined using the effective interest rate calculated when the liability was assumed. This means that surplus and deficit values as well as other direct issue costs are allocated over the term of the liability.

Cash and cash equivalents
Cash and cash equivalents consist of cash funds and immediately available balances with banks and corresponding institutions.

Derivatives
Derivative instruments comprise forward contracts and swaps utilised to hedge risks of exchange rate fluctuations, and of exposure to interest-rate risk. Terms embedded in other contracts are also derivatives. Embedded derivatives should be recognised separately unless they are closely related to the host contract.

Derivative instruments are initially recognised at fair value, meaning that transaction expenses are charged to net profit for the period. After initial recognition, derivative instruments are accounted for as described below. Hedge accounting is not applied. Increases or decreases in the value of derivatives are recognised as income or expenses in operating income or in net financial income and expenses based on the purpose of the use of the derivative instrument and whether such use relates to an operating item or a financial item. When using interest-rate swaps, the interest coupon is recognised as an interest expense and other changes in value of the interest-rate swap are recognised as financial income or financial expense.

Foreign currency receivables and liabilities
Currency forward contracts are used to hedge assets or liabilities against exchange- rate risk. The hedged item is recognised at the price on the reporting date and the hedging instrument is measured at fair value, with changes in value recognised in profit or loss for the year as exchange-rate differences. Changes in value of derivatives related to trade receivables and liabilities are recognised in operating income, while changes in value of derivatives related to financial receivables and liabilities are recognised in net financial income and expenses.

Impairment of financial assets
At each reporting date, the company evaluates whether there is objective evidence that a financial asset or group of assets is impaired. Objective evidence consists of observable circumstances that have occurred and have a negative impact on the prospects of recovering the cost.

The recoverable value of assets in the loans and receivables categories, which are recognised at amortised cost, is calculated as the present value of future cash flows discounted by the effective interest rate that applied on the asset's initial recognition. Assets with a short maturity are not discounted. Impairment losses are recognised as an expense in profit or loss for the year. Trade receivables are classified as doubtful from a collective assessment based on age and potential recovery attempts via debt collection agencies.

Reversal of impairment
Impairment losses for loans and receivables that are measured at amortised cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event that occurred after the impairment loss was recognised.

Intangible Assets
Intangible assets are recognised only when the asset is identifiable, there is control over the asset and it is expected to generate future economic benefits.

Goodwill
Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating unit and is tested annually for impairment.

Acquisition costs for subscriptions
Acquisition costs for subscriptions are recognised as intangible assets, and consist of sales commissions and reseller subsidies for set-top boxes that arise in conjunction with a customer entering a fixed-term agreement. The condition is that the commission or subsidy can be linked to an individual customer agreement.

Other intangible assets
Other intangible assets that the Group acquires are measured at cost less accumulated amortisation and impairment losses.

Subsequent costs
Subsequent costs for capitalised intangible assets are recognised as assets in the balance sheet only when they increase the future economic benefits of the specific asset to which they relate. All other costs are expensed as incurred.

Amortisation policies
Amortisation is recognised in profit or loss for the year on a straight-line basis over the estimated useful lives of intangible assets. Goodwill is tested annually for impairment, or whenever there is an indication that the asset's value may be impaired. Intangible assets with finite useful lives are amortised from the date that they are available for use.

Estimated useful lives:

Customer relationships	7–18 years
Other	
- Capitalised development expenses	3–5 years
- Licenses	3–5 years
- Acquisition costs for subscriptions	1–2 years
- Other intangible assets	3–20 years

Property, plant and equipment
Property, plant and equipment are recognised in the Group at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenses directly attributable to bringing the asset to the location and in the condition for use pursuant to the purpose of the acquisition. Borrowing costs that relate directly to the purchase, construction or production of assets that take significant time to complete for intended use or sale are included in cost. The accounting policies for impairment are described below.

Property, plant and equipment that comprise components with varying useful lives are considered separate components of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised upon disposal or divestment, or when no future economic benefits are expected from its use, disposal or divestment. Gains or losses that arise from the disposal or divestment of an asset comprise the difference between the selling price and the asset's carrying amount less direct selling expenses. Gains and losses are recognised as other operating income or other operating costs.

Subsequent costs

Subsequent costs are only added to the cost base if it is likely that the future economic benefits associated with the asset will flow to the company, and the cost can be estimated reliably. All other subsequent costs are recognised as expense in the period they arise. Whether a charge relates to the exchange of identified components, or parts thereof, is decisive to the judgment of whether an additional charge is added to costs, whereupon such charges are capitalised. Even in cases where new components are constructed, the expense is added to the cost. Potential undepreciated carrying amounts of exchanged components, or parts of components, are retired and expensed in conjunction with their replacement. Repairs are expensed when incurred.

Depreciation policies

Depreciation takes place on a straight-line basis over the estimated useful life of the asset. Component depreciation is applied, which means that the estimated useful lives of components form the basis for depreciation.
Estimated useful lives:

Machinery, equipment	5 years
Computers	3 years
Production facilities	
- Backbone network	10 years
- Equipment in switching centers	5 years
- Residential network	5 years
- PlayOut (transmission stations for TV)	3–5 years
- Telephony equipment	5 years
Customer equipment	
- Modems	3 years
- Set-top-boxes	3–5 years

Capitalised conversion expenses on rented premises are amortised over the lease term including a supplement for exercise of extension options. The residual value, depreciation method and useful life of assets are reviewed annually.

Inventories

Inventories mainly comprise equipment for upgrading the Group’s network and are measured to the lower of cost and net realisable value.

The cost of inventories is calculated using the first in first out (FIFO) formula, and includes costs incurred when acquiring the inventory items and bringing them to their current place in their present condition.

Impairment

The Group’s recognised assets are reviewed at each reporting date to decide whether there is an indication of impairment. IAS 36 is applied for the impairment of assets other than financial assets (which are recognised according to IAS 39), inventories, plan assets used for financing employee benefits and deferred tax assets. For assets exempt from the above, the carrying amounts are reviewed according to the relevant standard.

An impairment loss is recognised when an asset’s or cash-generating unit’s (group of units) carrying amount exceeds the recoverable amount. Impairment losses are recognised as an expense in profit or loss for the year. When an impairment is identified for a cash-generating unit (group of units), the impairment loss is primarily assigned to goodwill. After this, a proportional impairment of all other assets included in the unit (group of units) is implemented. The recoverable amount is the higher of fair value less selling expenses and value in use. When calculating the value in use, future cash flows are discounted using a discount factor that considers the risk-free interest rate and the risk associated with the specific asset.

Reversal of impairment

An impairment of assets included in the application segment of IAS 36 is reversed if there is both an indication that the impairment no longer exists, and that the assumptions forming the basis of the calculation of the recoverable amount have changed. However, goodwill impairment is never reversed. Reversals are only conducted to the extent that the asset’s carrying amount after reversal does not exceed the carrying amount that would have been recognised, less depreciation or amortisation where relevant, if no impairment was applied. Impairment losses on loans and receivables recognised at amortised cost are reversed if the previous reasons for impairment no longer exist, and full payment is expected from the customer.

Earnings per share

Computation of earnings per share is based on the net profit or loss of the Group attributable to equity holders of the Parent company and the weighted average number of shares outstanding in the year. There are no potential diluting ordinary shares.

Employee Benefits

Defined-contribution pension plans

In defined-contribution plans, the company pays fixed fees to a separate legal entity and has no obligation to pay additional fees. In such cases, the size of an employee's pension depends on the fees paid by the company into the plan or to an insurance company and the return on capital generated by the fees. Consequently, it is the employee who bears the actuarial risk (of the compensation being lower than expected) and the investment risk (of the invested assets being insufficient to generate the expected compensation). The costs are charged to Group income as earnings are generated.

Defined-benefit plans

In the Group, the pension expense and pension commitment for defined-benefit pension plans is computed using the "Projected Unit Credit Method" individually for each plan. This method allocates the expense for pensions as employees render services for the company that increase their entitlement to future benefits. The company's obligation is computed annually by independent actuaries. The obligation consists of the present value of expected future disbursements. The discount rate used corresponds to the yield on special mortgage bonds with a maturity equal to the average maturity of the commitments and the currency. The key actuarial assumptions are described in Note 20. The net of the estimated present value of the commitments and fair value of the plan assets is recognised in the balance sheet as a provision, adjusted for any asset ceilings. Special employer's contributions form part of the actuarial assumptions and are thus recognised as part of the net commitment /asset.

The defined-benefit pension plans may be funded (partly or wholly) and non-funded. In the funded plans, assets have been separated in a pension trust. These plan assets may only be used to pay benefits under pension agreements.

Net interest expense/income on the defined-benefit commitment /asset is recognised in profit or loss for the year under net financial income and expenses. Net interest income is based on the interest generated by discounting the net commitment, meaning the interest on the commitment, plan assets and the effect of any asset ceilings. Other components are recognised in operating income.

Revaluation effects comprise actuarial gains and losses, the difference between the actual return on associated plan assets and interest recognised in net interest income and any changes in the effects of asset ceilings (excluding interest recognised in net interest income). Revaluation effects are recognised in other comprehensive income.

When the calculation results in an asset for the Group, the carrying amount of the asset is limited to the lower of the pension plan surplus and the asset ceiling calculated using the discount rate. The asset ceiling comprises the present value of the future economic benefits in the form of reduced future contributions or a cash refund. When calculating the present value of future reimbursements or payments, any minimum funding requirements are taken into account.

Commitments for family pensions for salaried employees are secured through insurance with Alecta. Pursuant to statement UFR 6 from the Swedish Financial Reporting Board, this is a defined-benefit multiemployer plan. For the 2015 financial year, the company does not have access to such information that would enable it to recognise the plan as a defined-benefit plan.

Termination of employment remuneration

Costs associated with termination of employment are only recognised if the company is proven to be under obligation to terminate employment before the normal time through a formal and detailed plan, without any realistic possibility of withdrawal. When remuneration is offered as an incentive to voluntary termination of employment, a cost is posted to accounts if it is probable that the offer will be accepted and the number of employees that are likely to accept the offer can be reliably estimated.

Short-term remuneration

Short-term remuneration to employees is calculated without discounting and recognised as an expense when the related services are received.

Share- savings incentive programme
In the Parent company Com Hem Holding AB, there is a share-savings incentive programme “LTIP 2015” in which employees in subsidiaries to NorCell Sweden Holding 2 AB (publ) participates. The share-savings incentive programme is an equity-settled arrangement and allocated over the vesting period with recognition as personnel costs, and with corresponding recognition directly in equity.

For social fees payable on the value of the shares earned by programme participants, cost and provision is allocated across the vesting period. Recognised cost and provision is based on fair value of the share options at each reporting date and on the number expected to be, and that is ultimately, earned.

Personnel information
The Swedish Annual Accounts Act requires more information than IFRS, including information regarding gender differences within the Board of Directors and management. Information on gender statistics is presented based on the Group’s gender profile at year-end. Members of the Board refers to Board members of the Parent company elected by the AGM. Executive Management refers to the Executive Management Team, including the CEO.

Provisions
A provision differs from other liabilities in that there is uncertainty over the payment date or the size of the amount to settle the provision. A provision is recognised in the balance sheet when there is an existing legal or constructive obligation resulting from a past event, and it is probable that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are made at the best estimate of the expenditure required to settle the present obligation on the reporting date. When the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and if applicable, the risks associated with the liability.

Income taxes
Income taxes comprise current tax and deferred tax. Income taxes are recognised in profit or loss for the year, except when the underlying transaction is recognised in other comprehensive income or in equity, whereupon the associated tax effect is also recognised in other comprehensive income or in equity.

Current tax is tax payable or recoverable for the current year, using tax rates enacted or substantively enacted as of the reporting date, which also includes adjustments of current tax attributable to earlier periods.

Deferred tax is calculated using the balance sheet method, based on temporary differences between the carrying amounts and tax bases of assets and liabilities. The following temporary differences are not considered: temporary differences arising from the initial recognition of goodwill, initial recognition of assets and liabilities that are not a business combination and that on the transaction date have no impact on the recognised or taxable profit, nor temporary differences attributable to participations in subsidiaries that are not expected to be reversed in the foreseeable future. The measurement of deferred tax is based on how the carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is calculated using the tax rates or tax regulations enacted or substantively enacted by the reporting date. Deferred tax assets related to deductible temporary differences and loss carryforwards are only recognised to the extent that management considers it probable that they will be utilised against taxable profits in the coming years. The value of deferred tax assets is reduced when it is no longer considered probable that they can be utilised.

Contingent liabilities
A contingent liability is recognised whenever there is a possible obligation originating from past events and whose existence is confirmed only by one or more uncertain future events, or when there is an obligation not recognised as a liability or provision because it is unlikely that an outflow of resources will be required or cannot be measured with sufficient reliability.

Statement of Cash flows
When preparing the statement of cash flows, the indirect method is applied in accordance with IAS 7 Statement of cash flows. In addition to cash and bank flows, cash and cash equivalents includes current investments with a maturity of less than three months from the date of acquisition, for which the conversion to bank balances can be accomplished at an amount known beforehand.

The Parent company’s accounting policies
The Parent Company has prepared its annual accounts in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board’s recommendation *Accounting for Legal Entities*, RFR 2. It has also applied the

opinions on listed companies, published by the Swedish Financial Reporting Board. RFR 2 entails that the Parent Company, in the annual accounts of the legal entity, should apply all IFRS and opinions adopted by the EU, as far as possible within the framework of the Swedish Annual Accounts Act, and with regard to the relationship between accounting and taxation. The recommendation specifies the exceptions and additions to IFRS.

Differences between the accounting policies of the Group and the Parent Company
The differences between the accounting policies of the Group and the Parent Company are described below. The accounting policies shown below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements.

Classifications and presentation
The Parent Company income statement and balance sheet are presented in accordance with the Annual Accounts Act, while the statement of comprehensive income, statement of changes in equity and statement of cash flows are based on *IAS 1 Presentation of Financial Statements* and *IAS 7 Statement of cash flows*. The difference compared with *IAS 1 Presentation of Financial Statements*, which is applied for the presentation of the Group's financial statements, mainly applies to the recognition of financial income and expenses, non-current assets and equity, and the existence of provisions as a separate heading in the balance sheet.

Subsidiaries
Participations in subsidiaries are recognised in the Parent Company using the cost method. This means that transaction expenses are included in the carrying amount. In the consolidated accounts, transaction expenses attributable to subsidiaries are recognised directly in profit or loss when they arise. The measurement of contingent consideration is based on the likelihood that the purchase price will be paid. Any changes to the provision/receivable are added to/deducted from the cost. In the consolidated accounts, contingent consideration is measured at fair value with changes in value through profit or loss.

Group contributions and shareholder contributions for legal entities
The company applies the main principle of RFR 2 and recognises Group contributions received from subsidiaries as financial income according to the same principles as for dividends received. Group contributions received from the Parent Company are recognised directly in equity in the subsidiary. Group contributions paid to subsidiaries are equated with shareholder contributions paid and are recognised as an increase in participations in subsidiaries, to the extent that impairment is not required.

Definitions of Key Financial Ratios

Net debt
Interest-bearing liabilities (bank loans and bond loans) excluding borrowing costs, less cash and cash equivalents.

Underlying EBITDA
EBITDA before disposals excluding non-recurring items and operating currency gains/losses.

Net debt/Underlying EBITDA
Net debt at the end of the period indicated divided by Underlying EBITDA LTM.

Note 2 Categories of Revenue

Operations are integrated and cover one operating segment. Consumer, B2B and Landlord services are delivered to customers in Sweden.

Group

Revenue by service **SEK in thousand**	**1 Jan - 31 Dec 2015**	**1 Jan - 31 Dec 2014**
Total revenue		
Consumer	3,755,223	3,539,573
- of which digital TV	*1,784,784*	*1,737,157*
- of which broadband	*1,666,012*	*1,460,915*
- of which telephony	*304,427*	*341,501*
B2B	311,036	222,038
Landlord	695,403	773,850
Other	238,397	225,861
Total	**5,000,059**	**4,761,322**

Note 3 Acquisitions of business

Group

Business combinations 2015
No business combinations occurred during the 2015 financial year.

Divestments 2015
The dormant subsidiary Com Hem Acquisition AB was divested and wound up during the year, which had a positive impact of SEK 4 thousand on cash and cash equivalents.

Business Combinations 2014
Phonera Företag AB
The acquisition of Phonera Företag AB, including its subsidiaries, all 1,000 shares, was completed on 31 March, 2014 and controlling influence over the operations was obtained. Phonera Företag AB has been part of the Group since that date. The acquisition has been recognised by applying the purchase method, and the table below states the acquired fair values. The acquisition was funded through external borrowings and the purchaser's own cash and cash equivalents. No equity instruments were issued in conjunction with the acquisition.

SEK in thousand	**Carrying amounts in the Group**
Non-current intangable assets	160,800
Other non-current intangable assets	9,878
Property, plant and equipment	2,803
Other current assets	71,032
Cash and cash equivalents	9,124
Deferred tax liabilities	(35,376)
Non-current liabilities	(248)
Current liabilities	(64,680)
Net identifiable assets	**153,333**
Goodwill	157,375
Purchase price (Paid in cash)	**310,708**

The goodwill recognised for the acquisition relates to future revenue from new customers and increased revenue from existing customers through continued growth of the number of services sold per customer. No portion of the goodwill amount is expected to be tax deductible.

For the acquisition, the total cash outflow was SEK 301,584 thousand after deducting for acquired cash and cash equivalents of SEK 9,124 thousand. Acquisition-related expenses were SEK 10,631 thousand and have been recognised as other operating expenses in the income statement. SEK 4,633 thousand has been charged to 2013 and SEK 5,998 thousand has been charged to 2014. The acquired company contributed SEK 198,379 thousand in total revenue and SEK 34,243 thousand in operating income from the acquisition date.

If the acquisition had been conducted on 1 January, 2014, management estimates that the contribution to consolidated revenue would have been SEK 263,477 thousand and the contribution to operating income would have been SEK 46,001 thousand for 2014.

Divestments 2014

As described above, at the acquisition date, Phonera Företag AB had four subsidiaries that were inactive during the year. These four subsidiaries have been divested and wound up during the year, which had a negative impact of SEK 34 thousand on cash and cash equivalents.

Note 4 Other Operating Income

Group

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Exchange gains on trade receivables/liabilities	6,446	1,644
Recovered trade receivables	6,808	6,417
Other	5,089	3,777
Total	**18,343**	**11,838**

Note 5 Other Operating Expenses

Group

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Losses from disposals of non-current assets	(9,299)	(15,107)
Loss from divestment of subsidaries	(22)	(91)
Exchange losses on trade receivables/liabilities	(15,017)	(16,803)
Acquisition-related costs	-	(5,998)
Other operating expenses	-	(115)
Total	**(24,338)**	**(38,114)**

Note 6 Employees and Personnel Expenses

Group

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Salaries and remuneration	549,069	516,929
Social security expenses	180,554	167,084
Pension expenses	57,595	53,545
Capitalised work by employees	(130,576)	(120,480)
Other personnel costs	27,812	20,333
Total personnel expenses	**684,454**	**637,411**

The number of employees at year-end was 1 177 (1 166). The average number of full-time employees was 1 083 (1 014), of which 302 (323) were women. In the board of directors of the Parent Company, the portion of women at year end was 0% (0), and for Executive Management 29% (31).

Salary, Other Benefits and Social Security Expenses for the Chief Executive Officer and other Executive Management

Group

	1 Jan - 31 Dec 2015		1 Jan - 31 Dec 2014	
SEK in thousand	Salaries and remuneration	Social security expenses	Salaries and remuneration	Social security expenses
CEO	-	-	2,396	753
Pension expenses	-	-	304	74
Other Executive Management	19,131	5,592	38,991	11,574
- of which bonus	*4,293*	*1,237*	*7,667*	*2,211*
Pension expenses	3,142	558	5,735	1,391
Total	**22,273**	**6,150**	**47,426**	**13,792**

Compared with 2014, the number of people in Executive Management has been reduced to 7 (16) by the end of the financial year, of which one person has ended his employment during 2016. This affects comparability between the years in the table above. The Group's CEO has been employed by Com Hem Holding AB since May 2014

Guidelines on remuneration to the CEO and other Executive Management
As it is described above the CEO is employed by the Parent company Com Hem Holding AB since May 2014. Remuneration to the CEO and other Executive Management shall consist of fixed salary, variable short-term incentives (STI) paid annually in cash which are linked to the achievement of Com Hem's financial targets and individual performance targets, and the long-term share-based incentive programme (LTIP 2015), in addition to pension and other customary benefits.

For 2015, the CEO was entitled to a fixed annual salary of SEK 4,915,200 and an STI target corresponding to 75% of fixed salary. In the event that the financial targets set in the budget are fully achieved, and that the individual targets are substantially exceeded, the CEO's STI can be a maximum of 169% of his fixed salary, subject to Board approval. The retirement age is 65 and every month until the agreed retirement age, the company is to allocate an amount corresponding to 20% of the fixed salary in pension benefits.

For 2015, other Executive Management received an STI target of up to 50% of fixed salary. In the event that the financial targets are fully achieved, and that the individual targets are substantially exceeded, the STI for other Executive Management can be a maximum of 113% of fixed salary. Pension payments to other Executive Management were up to 30% of fixed salary, alternatively, in accordance with ITP (collective pension plans). If approved by the Board, Executive

Management who are resident abroad may be offered pension benefits that are paid in a cash amount equivalent to the premium that would otherwise be paid to insurance companies.

Notice period
The company and the CEO have a mutual 12-month notice period. According to the CEO's employment contract, the CEO is not entitled to severance pay if the company terminates his employment. However, there is a non-compete clause entitling the CEO to a maximum of 60% of fixed salary per month (subject to reduction for other income) if the CEO does not find a new job within 12 months of receiving notice. For the termination of other Executive Management, a maximum notice period of 12 months applies. Upon resignation, a notice period of 3-12 months applies.

Remuneration to the Board
Matters of significance to NorCell Sweden Holding 2 AB (publ) and subsidiaries are primarily discussed at Board meetings of the Parent company Com Hem Holding AB. No board fees has been paid from NorCell Sweden Holding 2 AB (publ) or its subsidiaries during 2015. For 2014 the working board chairman received a Board fee of SEK 381 thousand.

The Group has no outstanding pension obligations to the Board of Directors or to the current Chief Executive Officer since the pension premiums are paid directly. When the Group company Com Hem AB was part of TeliaSonera AB, the CEO had pension agreements in addition to the ITP plan (supplementary pensions for salaried employees) for the portion of salary exceeding 30 basic amounts, in relation to retirement pensions and family pension. The Group's outstanding pension obligations for these amounted to SEK 2,106 (2,309) thousand at year-end.

Incentive programme in the Parent company Com Hem Holding AB
There are three incentive programmes in the Parent company. One long-term share savings incentive programme (LTIP 2015) and two incentive programmes that comprise a total of 4,949,944 issued and paid warrants. In these three incentive programmes, employees in subsidiaries to NorCell Sweden Holding 2 AB (publ) do also participate.

Note 7 Fees and Reimbursements to Auditors

Group

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
KPMG AB		
Audit assignments	1,450	1,800
Assignments in addition to audit	200	390
Tax consulting	14	-
Other assignments	366	221
Total	**2,030**	**2,411**

No audit fee has been paid by the Parent company, the fee was paid by other companies in the Group.

Note 8 Operating Expenses by Type

Group

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Personnel expenses	(684,454)	(637,411)
Depreciation and amortisation	(1,545,230)	(1,438,446)
Cost of production of services	(1,467,353)	(1,347,658)
Sales and marketing expenses	(223,181)	(262,944)
Acquisition-related costs	-	(5,998)
Other operating expenses	(334,601)	(396,525)
Total	**(4,254,819)**	**(4,088,982)**

Other operating costs include consulting fees and IT costs.

Note 9 Net Financial income and expenses

Group

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Financial Income		
Interest income		
- bank balances	6	3,280
- loans and receivables	2,579	2,421
- loan receivables from Group companies	11 345	164
- plan assets	3,917	5,608
Change in fair value		
- financial liabilities measured at fair value through profit or loss (derivatives)	-	157,974
Foreign exchange gains, net	210,134	-
Other financial income	19	41
Total	**228,000**	**169,488**

SEK in thousand	**Jan 1 - Dec 31**	**Jan 1 - Dec 31**
Financial Expenses	**2015**	**2014**
Interest expenses		
*- financial liabilities measured at amortised cost**	(590,374)	(1,558,274)
- interest coupon on derivatives	(39,993)	(77,642)
- defined benefit pension commitments	(9,855)	(10,246)
- financial liabilities to Group companies measured at amortised cost	(747,664)	(743,424)
Foreign exchange loss, net	-	(335,369)
Change in fair value		
- financial liabilities measured to fair value through profit or loss (derivatives)	(39,281)	-
Other financial expenses	(17,911)	(16,847)
Total	**(1,445,078)**	**(2,741,802)**
Total net financial income and expenses	**(1,217,078)**	**(2,572,314)**

*Includes non-recurring costs pertaining to allocated borrowing cost of SEK 35,678 (431,742) thousand related to repayment of bank loans and bonds with an original amortisation period until 2018-2019, and redemption premiums on bonds totalling SEK 92,217 (507,864) thousand.

Parent Company

SEK in thousand	**1 Jan - 31 Dec**	**1 Jan - 31 Dec**
Result from participations in Group companies	**2015**	**2014**
Dividend	357,000	-
Impairment of participations in Group companies	(42,180)	-
Total	**314,820**	**-**

Impairment of participations in Group companies took place as a result of Group contributions.

SEK in thousand	**1 Jan - 31 Dec**	**1 Jan - 31 Dec**
Financial Income	**2015**	**2014**
Interest income		
- loan receivables from Group companies	987,110	962,795
Foreign exchange gains, net	86,048	-
Total financial income	**1,073,158**	**962,795**

SEK in thousand	**1 Jan - 31 Dec**	**1 Jan - 31 Dec**
Financial Expenses	**2015**	**2014**
Interest expenses		
*- financial liabilities measured at amortised cost **	(282,593)	(356,406)
- financial liabilities to Group companies measured at amortised cost	(747,664)	(743,424)
Foreign exchange losses,net.	-	(119,908)
Other financial expenses	(713)	(408)
Total	**(1,030,970)**	**(1,220,146)**
Total net financial income and expenses	**357,008**	**(257,351)**

*The number for 2014 includes non-recurring cost pertaining to allocated borrowing cost of SEK 68,996 thousand related to the repayment of bonds with an original amortisation period until 2019, and redemption premiums on bonds totalling SEK 168,094 thousand.

Note 10 Income Taxes

Group

SEK in thousand	**1 Jan - 31 Dec 2015**	**1 Jan - 31 Dec 2014**
Current tax		
Income taxes for the period	133,636	79,607
	133,636	**79,607**
Deferred tax		
Deferred tax on capitalised loss carryforwards	(153,800)	362,724
Deferred tax relating to temporary differences	123,275	107,350
Total deferred tax	**(30,525)**	**470,074**
Total recognised tax in the Group	**103,111**	**549,681**

Parent Company

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Current tax		
Income taxes for the period	-	55,201
	-	**55,201**
Deferred tax		
Deferred tax on capitalised loss carryforwards	-	1,533
Total deferred tax	**-**	**1,533**
Total recognised tax in the Parent Company	**-**	**56,734**

Reconciliation of Effective Tax

Group

SEK in thousand	%	1 Jan - 31 Dec 2015	%	1 Jan - 31 Dec 2014
Result before tax		(471,838)		(1,899,974)
Tax according to the current tax rate for the Parent Company	22,0%	103,804	22,0%	417,995
Non-taxable income		749		1
Non-deductable expenses		(1,087)		(2,251)
Utilisation of previously non-capitalised loss carryforwards		-		134,151
Deferred tax relating to previous years		(355)		(215)
Recognised effective tax	**21,9%**	**103,111**	**28,9%**	**549,681**

Parent Company

SEK in thousand	%	1 Jan - 31 Dec 2015	%	1 Jan - 31 Dec 2014
Result before tax		357,000		(257,884)
Tax according to the current tax rate for the Parent Company	22,0%	(78,540)	22,0%	56,734
Non-taxable income		78,540		-
Non-deductible expenses		(9,280)		-
Tax effect of Group contributions recognised as an increase in shares in subsidiares		9,280		-
Recognised effective tax	**0,0%**	**-**	**22,0%**	**56,734**

Tax attributable to other comprehensive income

Group

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Actuarial gains/losses, before tax	74,723	(109,805)
Tax attributable to actuarial gains/losses	(16,439)	24,157
Total	**58,284**	**(85,648)**

Deferred Tax Assets and Liabilities

Recognised Deferred Tax Assets and Tax Liabilities
Deferred tax assets (+) tax liabilities (-) relate to the following:

Group

	31 Dec 2015			31 Dec 2014		
SEK in thousand	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Non-current intangible assets	6,893	(850,978)	(844,085)	8 075	(981,367)	(973,292)
Property, plant and equipment	3,458	(5,369)	(1,911)	3,694	(7,591)	(3,897)
Trade receivables	1,717	-	1,717	1,100	-	1,100
Provisions	34,417	-	34,417	48,571	-	48,571
Financial liabilities	13,130	-	13,130	14,579	-	14,579
Derivatives	-	(18)	(18)	-	(8 641)	(8,641)
Current liabilities	558	-	558	818	-	818
Tax allocation reserve	-	-	-	-	(1 043)	(1 043)
Other	326	(51)	275	19,052	-	19,052
Loss carryforwards	536,998	-	536,998	690,798	-	690,798
Tax receivables/liabilities	**597,497**	**(856,416)**	**(258,919)**	**786,687**	**(998,642)**	**(211,955)**
Set-off	(597,497)	597,497	-	(786,687)	786,687	-
Net tax receivables/liabilities	**-**	**(258,919)**	**(258,919)**	**-**	**(211,955)**	**(211,955)**

Parent Company

	31 Dec 2015			31 Dec 2014		
SEK in thousand	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Loss carryforwards	2,200	-	2,200	2,200	-	2,200
Deferred tax assets/liabilities, net	**2,200**	**-**	**2,200**	**2,200**	**-**	**2,200**

The Company management assesses that the recognised tax loss carryforward can be used against taxable profits in subsequent years.

Change in Deferred Tax in Temporary Differences and Loss Carryforwards

Group

SEK in thousand	1 Jan 2015	Recognised in profit or loss	Recognised in other comprehensive income	Other	31 Dec 2015
Non-current intangible assets	(973,292)	131,512	-	(2,305)	(844,085)
Property, plant and equipment	(3,897)	3,046	-	(1,060)	(1,911)
Trade receivables	1,100	617	-	-	1,717
Provisions	48,571	2,285	(16,439)	-	34,417
Financial liabilities	14,579	(4,814)	-	3,365	13,130
Derivatives	(8,641)	8,623	-	-	(18)
Current liabilities	818	(260)	-	-	558
Tax allocation reserve	(1,043)	1,043	-	-	-
Other	19,052	(18,777)	-	-	275
Loss carryforwards	690,798	(153,800)	-	-	536,998
Total	**(211,955)**	**(30,525)**	**(16,439)**	**-**	**(258,919)**

SEK in thousand	1 Jan 2014	Recognised in profit or loss	Recognised in other comprehensive income	Other*	31 Dec 2014
Non-current intangible assets	(1,053,412)	118,604	-	(38,484)	(973,292)
Property, plant and equipment	(7,749)	6,960	-	(3,108)	(3,897)
Trade receivables	941	159	-	-	1,100
Provisions	21,034	3,380	24,157	-	48,571
Financial liabilities	15,512	(7,149)	-	6,216	14,579
Derivatives	26,216	(34,857)	-	-	(8,641)
Current liabilities	290	528	-	-	818
Untaxed reserves	-	(1,043)	-	-	(1,043)
Other	(1,716)	20,768	-	-	19,052
Loss carryforwards	328,074	362,724	-	-	690,798
Total	**(670,810)**	**470,074**	**24,157**	**(35,376)**	**(211,955)**

* The item ‘Non-current intangible assets’ in the Other column above 2014 refers primarily to deferred income tax liabilities resulting from business combinations.

Parent Company

SEK in thousand	1 Jan 2015	Recognised in profit or loss	Recognised in other comprehensive income	Other	31 Dec 2015
Loss carryforwards	2,200	-	-	-	2,200
Total	**2,200**	**-**	**-**	**-**	**2,200**

SEK in thousand	1 Jan 2014	Recognised in profit or loss	Recognised in other comprehensive income	Other	31 Dec 2014
Loss carryforwards	667	1,533	-	-	2,200
Total	**667**	**1,533**	**-**	**-**	**2,200**

Note 11 Non-current Intangible Assets

Group

	Externally acquired				
SEK in thousand	**Goodwill**	**Customer relations***	**Trademark**	**Other*****	**Total**
Accumulated cost					
At beginning of year	10,899,496	5,456,800	691,000	2,007,614	19,054,910
Capital expenditure**	-	-	-	391,950	391,950
Divestments and disposals	-	-	-	(25,119)	(25,119)
At year-end 2015	**10,899,496**	**5,456,800**	**691,000**	**2,374,445**	**19,421,741**
Accumulated amortisation and impairment					
At beginning of year	-	(1,790,692)	-	(1,223,248)	(3,013,940)
Amortisation for the year	-	(568,650)	-	(410,599)	(979,249)
Divestments and disposals	-	-	-	22,940	22,940
At year-end 2015	**-**	**(2,359,342)**	**-**	**(1,610,907)**	**(3,970,249)**
Carrying amount at year-end 2015	**10,899,496**	**3,097,458**	**691,000**	**763,538**	**15,451,492**

	Externally acquired				
		Customer			
SEK in thousand	**Goodwill**	**relations***	**Trademark**	**Other*** **	**Total**
Accumulated cost					
At beginning of year	10,742,121	5,296,000	691,000	1,589,751	18,318,872
Business combinations	157,375	160,800	-	10,461	328,636
Capital expenditure**	-	-	-	442,518	442,518
Divestments and disposals	-	-	-	(35,116)	(35,116)
At year-end 2014	**10,899,496**	**5,456,800**	**691,000**	**2,007,614**	**19,054,910**
Accumulated amortisation and impairment					
At beginning of year	-	(1,227,783)	-	(936,751)	(2,164,534)
Business combinations		-	-	(583)	(583)
Amortisation for the year	-	(562,909)	-	(314,444)	(877,353)
Divestments and disposals	-	-	-	28,530	28,530
At year-end 2014	**-**	**(1,790,692)**	**-**	**(1,223,248)**	**(3,013,940)**
Carrying amount at year-end 2014	**10,899,496**	**3,666,108**	**691,000**	**784,366**	**16,040,970**

* The remaining amortisation period of the customer relationships is considered to be approximately 4-14 years.

** Non-current assets funded through finance lease arrangements of SEK 10,474 (14,131) thousand are included in investments, see Note 25.

*** Other intangibles include capitalised development expenses SEK 1,239,243 (1,042,764) thousand and investments, primarily in licenses, software and acquisition costs for subscriptions, amounting to SEK 768,702 (619,160) thousand. Of total costs of SEK 2,374,445 (2,007,614) thousand, SEK 2,192,743 (1,899,444) thousand is externally acquired and SEK 181,702 (108,170) thousand internally developed.

All Intangible assets, except goodwill and trademarks with indefinite useful lives, are amortised. The trademark represents “Com Hem” and the company management is of the opinion that this trademark is to be used for an indefinite period. For further information on depreciation, amortisation and impairment see Note 1.

Amortisation

Amortisation is included in the following functions of the Income Statement:

Group

SEK in thousand	**Jan 1 - Dec 31 2015**	**Jan 1 - Dec 31 2014**
Cost of services sold	237,462	195,847
Selling expenses	741,682	681,129
Adminstrative expenses	105	377
Total	**979,249**	**877,353**

Impairment Testing

For impairment testing, the Group is viewed as a single cash-generating unit. The infrastructure that is the base for providing the services (digital TV, broadband and fixed telephony) is common for all services. The cost for distribution, operation and service as well as the organisation in place for the delivery is collective for all the services.

The test is based on calculating value in use. The key assumptions are sales growth, changes in EBITDA margin, the discount rate (Weighted Average Cost of Capital) and the growth in terminal value in free cash flows. Value in use consists of the present value of future cash flows. This value is based on cash flow forecasts based on a five-year business plan approved by the Executive Management Team and the Board of Directors.

The forecasts for sales growth are based on estimates of market penetration for each service and estimated market shares over time. This is based on both external and internal market analyses, and on comparisons with other cable TV operators and telecom companies. Estimated ARPU (average revenue per unit) is based partly on Com Hem's product strategies and partly on external information as outlined above. EBITDA margin forecasts are based on expected gross margin and revenue mix. The number of forecast periods is assumed to perpetuity, where cash flows further out than five years are assigned an annual growth rate of 2% (2). The present value of forecast cash flows has been calculated using a discount rate of 8.10% (9.08) after tax, corresponding to 9.87% (11.19) before tax. The lower discount rate for 2015 is due to changes in estimates related to volatility, and to interest-rate and risk levels. After the IPO in 2014, the company continued its review of the capital structure, which led to more favorable terms for outstanding credit.

The conclusion of the aforementioned impairment test is that the recoverable amount exceeded the carrying amount at year-end. Executive Management believes that a reasonable and possible change in the key assumptions described would not have such an effect that they would individually reduce the recoverable amount to a lower value than the carrying amount.

Note 12 Property, Plant and Equipment

Group

SEK in thousand	Production facility	Customer equipment	Machinery equipment and computers	Total
Accumulated cost				
At beginning of year	6,729,371	1,245,790	443,177	8,418,338
Capital expenditure*	240,137	340,833	18,005	598,975
Divestments and disposals	(1,599)	(106,593)	(18,573)	(126,765)
At year-end 2015	**6,967,909**	**1,480,030**	**442,609**	**8,890,548**
Accumulated depreciation and impairment				
At beginning of year	(5,852,420)	(666,872)	(394,013)	(6,913,305)
Depreciation for the year	(298,069)	(242,472)	(25,444)	(565,985)
Divestments and disposals	535	106,520	12,588	119,643
At year-end 2015	**(6,149,954)**	**(802,824)**	**(406,869)**	**(7,359,647)**
Carrying amount at year-end 2015	**817,955**	**677,206**	**35,740**	**1,530,901**

SEK in thousand	Production facility	Customer equipment	Machinery equipment and computers	Total
Accumulated cost				
At beginning of year	6,590,263	1,157,235	437,951	8,185,449
Business combinations	3,066	5,558	11,416	20,040
Capital expenditure*	280,006	309,066	19,422	608,494
Divestments and disposals	(143,964)	(226,069)	(25,612)	(395,645)
At year-end 2014	**6,729,371**	**1,245,790**	**443,177**	**8,418,338**
Accumulated depreciation and impairment				
At beginning of year	(5,669,170)	(679,714)	(373,156)	(6,722,040)
Business combinations	(3,066)	(5,166)	(9,005)	(17,237)
Depreciation for the year	(319,217)	(204,413)	(37,463)	(561,093)
Divestments and disposals	139,033	222,421	25,611	387,065
At year-end 2014	**(5,852,420)**	**(666,872)**	**(394,013)**	**(6,913,305)**
Carrying amount at year-end 2014	**876,951**	**578,918**	**49,164**	**1,505,033**

* Non-current assets funded through finance lease arrangements of SEK 4,819 (14,131) thousand are included in investments, see Note 25.

Depreciation

Depreciation is included in the following functions of the Income Statement:

Group

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Cost of services sold	540,538	523,778
Selling expenses	262	2,332
Adminstrative expenses	25,185	34,983
Total	**565,985**	**561,093**

Note 13 Non-current financial assets and Other Receivables

Group

SEK in thousand	31 Dec 2015	31 Dec 2014
Non-current financial assets		
Non-current receivables from Group companies	941,575	228,044
Derivates	83	39,281
Total	**941,658**	**267,325**

SEK in thousand	31 Dec 2015	31 Dec 2014
Other receivables that are current assets		
Receivables from Group companies	607,420	374,006
Other receivables	22,450	31,579
Total	**629,870**	**405,585**

Parent Company

SEK in thousand	31 Dec 2015	31 Dec 2014
Non-current receivables that are non-current assets		
Receivables from Group companies	7,909,867	9,035,709
Total	**7,909,867**	**9,035,709**

SEK in thousand	31 Dec 2015	31 Dec 2014
At beginning of the year	9,035,709	8,164,115
Net future and settled receivables	(1,063,014)	707,253
Exchange rate differences	(62,828)	164,341
Total	**7,909,867**	**9,035,709**

Note 14 Inventories

Group

Inventories consist primarily of equipment for upgrading the Group's cable network. Impairments amounting to SEK 0 (0) took place during the financial year.

Note 15 Trade Receivables

Group

SEK in thousand	31 Dec 2015	31 Dec 2014
Invoiced receivables	129,062	140,620
Provision for doubtful debts	(7,805)	(5,240)
Total	**121,257**	**135,380**
Invoiced receivables are due as follows:		
Not overdue	18,816	19,540
1-30 days overdue	86,884	108,013
31-60 days overdue	16,534	8,123
61-90 days overdue	3,145	2,799
91 and more days overdue	3,683	2,145
Total	**129,062**	**140,620**

Change in Provision for doubtful trade receivables

SEK in thousand	31 Dec 2015	31 Dec 2014
Provision for doutful trade receivables at beginning of year	(5,240)	(4,275)
New provisions	(5,783)	(2,541)
Utilisation of provisions during the period.	4,439	2,178
Reversal of unutilised provisions	(1,221)	(602)
Total	**(7,805)**	**(5,240)**

See Note 24 for a review of the Group's credit risks.

Note 16 Prepaid Expenses and Accrued Income

Group

SEK in thousand	31 Dec 2015	31 Dec 2014
Prepaid support expenses	29,316	39,135
Prepaid leases	27,255	37,268
Accrued income	29,799	40,631
Other prepaid expenses	74,936	93,913
Total	**161,306**	**210,947**

Note 17 Cash and Cash Equivalents

Group

SEK in thousand	31 Dec 2015	31 Dec 2014
Cash and bank balances	713,321	586,027
Total	**713,321**	**586,027**

The Group has a granted bank overdraft facility of SEK 125,000 (125,000) thousand, of which SEK 0 (0) was drawn down as of 31 December 2015. For information on other available credit facilities, see Note 24, Financial risks and treasury policy.

Note 18 Equity

Group

Share Capital
As at 31 December 2015, registered share capital comprised 600,000 shares. The nominal value per share is SEK 1. According to the Articles of Association, share capital shall be a minimum of SEK 500,000 and a maximum of SEK 2,000,000.

Other Paid-in Capital
Refers to equity contributed by the owners. This includes premiums paid in connection with new issues.

Retained Earnings including Net Profit or Loss for the Year
Retained earnings including net result for the year include profit earned in the Parent company and its subsidiaries.

Parent Company

Non-restricted Equity
Share premium reserve
When shares are issued at a premium, i.e. an amount more than the nominal value of shares is to be paid, an amount corresponding to the received amount in addition to the nominal value of shares, is transferred to the share premium reserve.

Retained earnings
Together with net profit or loss for the period and share premium reserve, this comprises total non-restricted equity, i.e. the amount payable as dividends to shareholders.

Dividends
The Board proposes that no dividends are to be paid for the financial year.

Note 19 Interest-bearing Liabilities

Group

SEK in thousand	31 Dec 2015	31 Dec 2014
Non-current liabilities		
Bond loans	2,463,198	4,191,017
Non-current liabilities to credit institutions	6,667,296	5,163,729
Non-current liabilities to Group companies	6,873,517	6,501,375
Finance lease liabilities*	20,183	36,655
Total	**16,024,195**	**15,892,776**

* See Note 25 for information.

At the end of 2015, the Group an outstanding bond loan maturing in 2019. The bond is listed on Nasdaq Stockholm and amounts to SEK 2,500,000 thousand with a coupon rate of 5.25%.

In November 2015, the Group's outstanding Senior Notes that were registered on the Luxembourg exchange were redeemed in advance, and amounted to EUR 186,588 thousand with a coupon rate of 10.75%.

Liabilities to credit institutions accrue interest at STIBOR plus a margin of 2.25 - 2.50%.

Liabilities to Group companies carry an interest rate of 11 - 12.4%.

SEK in thousand	31 Dec 2015	31 Dec 2014
Current liabilities		
Current liabilities to credit institutions	500,000	-
Finance lease liabilities*	28,091	29,927
Total	**528,091**	**29,927**

* See Note 25 for information.

Liabilities to credit institutions accrue interest at STIBOR plus a margin of 2,00%.

Loan Covenants

The loan facilities with credit institutions are conditional on the Group continually satisfying a predetermined financial key ratio, referred to as the covenant. The covenant is consolidated net debt in relation to consolidated Underlying EBITDA LTM in NorCell Sweden Holding 2 AB (publ) with subsidiaries.

In addition, there are provisions and limitations in loan agreements for the credit facilities with credit institutions and bond loans regarding further debt gearing, guarantee commitments and pledging, material changes to operating activities, as well as acquisitions and divestments. At 31 December 2015 and 2014, the conditions had been met by a solid margin.

Parent Company

SEK in thousand	31 Dec 2015	31 Dec 2014
Non-current liabilities		
Bond loans	-	1,745,384
Non-current liabilities to Group companies	6,873,517	6,501,375
Total	**6,873,517**	**8,246,759**

The company´s liabilities to Group companies carry an interest rate of 11-12.4%.

Note 20 Pension Provisions

Pension plans

The Group has a number of both defined-contribution and defined-benefit pension plans, and an increasing number of employees have gradually been covered by defined-contribution plans, rather than the former defined-benefit pension plans that are presented below. Com Hem AB applies collective bargaining, and therefore offers pension benefits to all employees under the ITP plan, while Phonera Företag AB and iTUX Communication AB are not bound by collective agreements, and therefore offer pension benefits based on individual contribution-based pension agreements.

The ITP is an individual occupational pension plan for employees and serves as a complement to the Swedish national pension system. The ITP plan is divided into ITP 1 and ITP 2. ITP 1 is a defined-contribution pension applicable to employees born in 1979 or later with continuous premiums paid to external insurance companies based on the employee’s pensionable income. ITP 2 is a defined-benefit plan applicable to employees born in 1978 or earlier. The defined-benefit plans are exposed to actuarial risks such as longevity risk, currency risk, interest rate risk, and investment risk.

In addition to the ITP 2 defined-benefit plan, there are also smaller defined- benefit pension plans for former CEOs (management pension) and a conditional early retirement plan, see also below.

Expenses recognised in net result for the year

Group

SEK in thousand	**1 Jan - 31 Dec 2015**	**1 Jan - 31 Dec 2014**
Pension Expense		
Defined-benefit plans		
Expenses for pensions earned in the period	12,870	9,493
Interest expenses	9,855	10,246
Interest income	(3,917)	(5,608)
Expense, defined-benefit plans	**18,808**	**14,131**
Expense, defined-contribution plans	44,835	44,107
Special employer's contribution	12,974	10,688
Total expense for post-employment remuneration	**76,617**	**68,926**
Expense for defined-benefit plans is recognised in the following income statement items:		
Administrative expenses	12,870	9,493
Financial income	(3,917)	(5,608)
Financial expenses	9,855	10,246
Expense, defined-benefit plans	**18,808**	**14,131**
Actual return on plan assets	**4,224**	**16,489**
Expenses recognised in other comprehensive income		
Revaluations		
Actuarial gain (+) /loss (-)	74,416	(120,686)
Difference between actual return and return under the discount rate on plan assets	307	10,881
Recognised in other comprehensive income, net	**74,723**	**(109,805)**

Defined-benefit pension plans

Group

SEK in thousand	**31 Dec 2015**	**31 Dec 2014**
Defined-benefit commitments and value of plan assets		
Full or partly funded commitments		
Present value of defined-benefit commitments	326,019	382,338
Fair value of plan assets	(160,906)	(156,682)
Total fully or partly funded commitments	**165,113**	**225,656**
Present value of non-funded defined-benefit commitments	8,080	8,166
Net amount in balance sheet (commitments +, assets -)	**173,193**	**233,822**
Net amount is recognised in the following items in the balance sheet:		
Pension provisions	**173,193**	**233,822**

ITP/PRI

Com Hem is affiliated with PRI Pensionsgaranti, and the company's obligations under the ITP 2 plan are recognised as a liability in the balance sheet in relation to retirement pensions, while those parts pertaining to family pensions are secured through premiums to Alecta, see below. The retirement pension under ITP 2 is based on a certain percentage of the employee's salary on the date of retirement. It is also possible for employees covered by ITP 2 who earn more than 10 income base amounts to opt out of certain defined-benefit elements and make them defined-contribution, known as alternative ITP.

For companies affiliated with PRI Pensionsgaranti, the company's obligations under the ITP plan's retirement pension are recognised as a liability in the balance sheet. This method of financing requires that credit insurance is taken out with the insurer PRI Pensionsgaranti. The credit insurance with PRI Pensionsgaranti, a mutual insurance company, enables the company to hold insurance capital in the business operations rather than paying premiums to an insurance company. All companies with credit insurance have a mutual liability that does not exceed 2% of the company's pension commitments, and that is recognised as a contingent liability. Should the company become insolvent, the employees' pensions are guaranteed. PRI Pensionsgaranti also calculates the value of the employees' pensions and administrates the pension payments.

For family pensions, the ITP 2 plan's defined-benefit pension obligations for salaried employees is secured through insurance in Alecta. According to the Financial Reporting Board's statement UFR 10, Classification of ITP plans financed by insurance in Alecta, this is a defined-benefit multi-employer plan. For the 2015 financial year, the company has had no access to information regarding its proportionate share of the plan's commitments, plan assets and expenses. Consequently, it was not feasible to account for the plan as a defined-benefit plan. The ITP 2 pension plan, which is secured through insurance in Alecta, was therefore recognised as a defined-contribution plan. The premium for the defined-benefit family pension is individually calculated and based on, for example, salary, previously earned pension, expected remaining period of service and assumptions about interest rates, longevity, operating costs and policyholder tax.

The collective funding ratio is the market value of Alecta assets as a percentage of insurance commitments and is calculated according to Alecta's actuarial methods and assumptions. These are noted to not comply with IAS 19. The collective consolidation level is typically permissible to vary between 125-155%. If the Alecta collective consolidation level is less than 125% or greater than 155%, measures shall be taken in order to create the conditions for the consolidation level to return to a normal range. A low consolidation level can serve as an indication to raise the agreed price for new, and/or the expansion of existing benefits. A high consolidation level can serve as an indication to introduce premium reductions. At the end of 2015, Alecta's surplus in terms of the collective funding ratio was 153% (143). There is currently no framework in place to handle any deficit that should arise. In the first instance, losses will be borne by Alecta's collective capital and thus will not lead to increased costs through higher contractual premiums. There are no guidelines stipulating how any surpluses or deficits shall be distributed in the settlement of the plan or the company's withdrawal from the plan.

In 2015, Com Hem paid contributions of SEK 6.0m (6.0) for pension insurance in Alecta and this figure is expected to be SEK 6.2m in 2016. The amounts include the above described family pensions under ITP 2, and premiums under ITP 1.

Management pension

During the period when operations were part of TeliaSonera AB, the then CEOs of Com Hem AB had pension agreements over and above the ITP plan for that portion of salary exceeding 30 basic amounts, for retirement pensions and family pensions.

Conditional early retirement pension

According to transitional rules, some of Com Hem's employees are entitled to retire before 65 years of age. This applies to staff who had this right as of 31 December 1991 pursuant to the previous PA 91 central government collective agreement, and that have remained in the same employment as when the transition rules came into effect. This expense has been provisioned with TeliaSonera AB. TeliaSonera AB invoiced Com Hem AB quarterly up to and including 5 June 2003 for the associated provisioning of additional vested conditional pension entitlements. After this date, Com Hem AB has recognised a provision for this expense. When early pension is exercised, funds are partly returned from TeliaSonera AB to Com Hem AB, and the remaining is utilised from Com Hem AB's own provision.

At 31 December 2015, the weighted average term for Com Hem's commitments under defined-benefit pension plans was 18.9 years (24.1 years). In 2016, Com Hem estimates that SEK 4,887 (4,684) thousand will be paid to former employees from defined-benefit plans that are recognised as a liability in the Group's balance sheet.

Movement in the present value of defined benefit commitments

Group

31 Dec 2015	**ITP/PRI**	**Management pension**	**Conditional early retirement pension**	**Total**
Change in pension commitments				
At beginning of 2015	382,338	1,450	6,716	390,504
Expense for pension benefits earned in the period	12,563	(14)	321	12,870
Interest expenses	9,648	36	171	9,855
Pension disbursements	(4,658)	(56)	-	(4,714)
Actuarial gains and losses on amended financial assumptions	(75,099)	(123)	(269)	(75,491)
Experience adjustments	1,227	(19)	(133)	1,075
At year-end 2015	**326,019**	**1,274**	**6,806**	**334,099**

31 Dec 2014	**ITP/PRI**	**Management pension**	**Conditional early retirement pension**	**Total**
Change in pension commitments				
At beginning of 2014	247,370	1,294	5,889	254,553
Expense for pension benefits earned in the period	9,131	(14)	376	9,493
Interest expenses	9,954	51	241	10,246
Pension disbursements	(4,418)	(56)	-	(4,474)
Actuarial gains and losses on amended financial assumptions	122,402	233	546	123,181
Experience adjustments	(2,101)	(58)	(336)	(2,495)
At year-end 2014	**382,338**	**1,450**	**6,716**	**390,504**

The present values of the commitments are distributed to members of the plans as follows:
- Active members 44% (47)
- Former employees 37% (36)
- Pensioners 19% (17)

Actuarial assumptions

The following material actuarial assumptions have been applied to calculate commitments:

Group

Weighted average values	31 Dec 2015	31 Dec 2014
Discount rate	3,30%	2,50%
Increase in income base amount	3,00%	3,00%
Expected inflation assumption	2,00%	2,00%
Future salary increases	3,00%	3,00%
Termination rate	5,00%	5,00%
Longevity assumption	FFFS*	FFFS*

* Used by the Swedish Financial Supervisory Authority for legal valuation of pension liabilities FFFS 2007:31.

Longevity assumptions are based on statistical publications and data sets on mortality. Commitments are calculated based on the longevity assumptions in the table below:

31 Dec 2015	ITP/PRI	Management pension	Conditional early retirement pension
Longevity assumptions at age 65 for current pensioners:			
Men	19,6	19,6	19,6
Women	22,8	22,8	22,8
Longevity assumptions at age 65 for current members aged 45:			
Men	21,6	21,6	21,6
Women	24,1	24,1	24,1

The same longevity assumptions as above were applied for 2014.

Sensitivity analysis

The table below sets out possible changes of actuarial assumptions at the reporting date, holding other assumptions constant, and how these would affect the defined-benefit commitment.

Group

SEK in thousand	Increase	Decrease
Discount rate (1% change)	(36,985)	78,441
Expected inflation assumption (1% change)	77,351	(45,121)

Funding of defined-benefit pension plans.

Com Hem's defined-benefit pension plan under ITP 2 is partially funded by assets separated into trusts. Other smaller pension plans (management pension and conditional early retirement pension) are non-funded. Com Hem AB's trust assets are invested in TeliaSonera AB's pension trust, which was founded in 1998 when Com Hem was a subsidiary of TeliaSonera. These plan assets may only be used to pay benefits under pension agreements. At 31 December 2015, Com Hem AB's deposits to the trust totalled SEK 73,558 (73,558) thousand. The pension trust's capital, except for index-linked bonds, is managed by various asset management companies. Any changes in the real interest portfolio is determined by the trust's Board. Com Hem AB's share of the pension trust is revalued monthly to market value. At 31 December 2015, the market value of Com Hem AB's share of the assets in the pension trust amounted to SEK 160,906 (156,682) thousand.

Changes in the present value of the commitment for defined-benefit plans

Group

31 Dec 2015	ITP/PRI	Management pension	Conditional early retirement pension	Total
Change in the fair value of plan assets				
At beginning of 2015	156,682	-	-	156,682
Interest income recognised in net result	3,917	-	-	3,917
Actuarial gain/loss	307	-	-	307
At year-end 2015	**160,906**	**-**	**-**	**160,906**

31 Dec 2014	ITP/PRI	Management pension	Conditional early retirement pension	Total
Change in fair value of plan assets				
At beginning of 2014	140,192	-	-	140,192
Interest income recognised in net result	5,608	-	-	5,608
Actuarial gain/loss	10,882	-	-	10,882
At year-end 2014	**156,682**	**-**	**-**	**156,682**

The assets in the pension trust are as follows:

	31 Dec 2015	31 Dec 2014
Equity securities		
Swedish shares	3,7%	7,2%
Global shares	24,4%	30,7%
Interest-bearing securities		
Index-linked bonds	14,0%	14,5%
Mortgage bonds	22,2%	21,4%
Other Swedish fixed-interest securities	19,4%	12,3%
Alternative investments	16,3%	13,9%
Total	**100%**	**100%**

Note 21 Other Liabilities

Group

SEK in thousand	31 Dec 2015	31 Dec 2014
Other current liabilities		
Employee withholding taxes	13,332	13,169
Value-added taxes	76,429	70,060
Other current liabilities	11,568	9,985
Total	**101,329**	**93,214**

Note 22 Accrued Expenses and Prepaid Income

Group

SEK in thousand	31 Dec 2015	31 Dec 2014
Prepaid income	543,553	517,016
Accrued personnel expenses	126,268	128,062
Accrued content expenses	98,447	97,689
Accrued interest expenses	44,606	110,861
Other accrued expenses	176,138	181,527
Total	**989,012**	**1,035,155**

Other accrued expenses mainly pertain to cost of services sold and copyright fees.

Parent Company

SEK in thousand	31 Dec 2015	31 Dec 2014
Accrued interest expenses	-	45,595
Total	**-**	**45,595**

Note 23 Financial Assets and Liabilities by Category

Fair values and carrying amounts are measured in the Balance Sheet as follows:

Group

31 Dec 2015	Financial assets at fair value through profit or loss	Loan receivables and trade receivables measured at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Carrying amount	Fair value
Derivatives	83	-	-	-	**83**	83
Non-current receivables						
Group companies	-	941,575	-	-	**941,575**	941,575
Trade receivables	-	121,257	-	-	**121,257**	121,257
Accrued income	-	29,799	-	-	**29,799**	29,799
Current receivables Group companies	-	607,420	-	-	**607,420**	607,420
Other receivables	-	22,450	-	-	**22,450**	22,450
Cash and cash equivalents	-	713,321	-	-	**713,321**	713,321
Non-current interest- bearing liabilities bond loans	-	-	-	(2,463,198)	**(2,463,198)**	(2,603,125)
Non-current interest- bearing liabilities credit institutions	-	-	-	(6,687,479)	**(6,687,479)**	(6,687,479)
Non-current interest- bearing liabilities Group companies	-	-	-	(6,873,517)	**(6,873,517)**	(6,873,517)
Current interest- bearing liabilities	-	-	-	(528,091)	**(528,091)**	(528,091)
Trade payables	-	-	-	(476,009)	**(476,009)**	(476,009)
Other current liabilities	-	-	-	(11,553)	**(11,553)**	(11,553)
Accrued expenses	-	-	-	(393,703)	**(393,703)**	(393,703)
Total financial assets and liabilities by category	**83**	**2,435,822**	**-**	**(17,433,550)**	**(14,997,645)**	**(15,137,572)**

31 Dec 2014	Financial assets at fair value through profit or loss	Loan receivables and trade receivables measured at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Carrying amount	Fair Value
Derivatives	39,281	-	-	-	**39,281**	39,281
Non-current receivables Group companies	-	228,044	-	-	**228,044**	228,044
Trade receivables	-	135,380	-	-	**135,380**	135,380
Accrued income	-	46,409	-	-	**46,409**	46,409
Current receivables Group companies	-	374,006	-	-	**374,006**	374,006
Other receivables	-	31,579	-	-	**31,579**	31,579
Cash and cash equivalents	-	586,027	-	-	**586,027**	586,027
Non-current interest- bearing liabilities bonds	-	-	-	(4,191,017)	**(4,191,017)**	(4,520,032)
Non-current interest- bearing liabilities credit institutions	-	-	-	(5,200,384)	**(5,200,384)**	(5,200,384)
Non-current interest- bearing liabilities Group companies	-	-	-	(6,501,375)	**(6,501,375)**	(6,501,375)
Current interest- bearing liabilities	-	-	-	(29,927)	**(29,927)**	(29,927)
Trade payables	-	-	-	(455,304)	**(455,304)**	(455,304)
Other current liabilities	-	-	-	(9,985)	**(9,985)**	(9,985)
Accrued expenses	-	-	-	(459,642)	**(459,642)**	(459,642)
Total financial assets and liabilities by category	**39,281**	**1,401,445**	**-**	**(16,847,634)**	**(15,406,908)**	**(15,735,923)**

Parent Company

31 Dec 2015	Financial assets at fair value through profit or loss	Loan receivables and trade receivables measured at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Carrying amount	Fair value
Non-current receivables Group companies	-	7,909,867	-	-	**7,909,867**	7,909,867
Current receivables Group companies	-	41	-	-	**41**	41
Non-current interest- bearing liabilities Group companies	-	-	-	(6,873,517)	**(6,873,517)**	(6,873,517)
Trade payables	-	-	-	(2)	**(2)**	(2)
Accrued expenses	-	-	-	(42,180)	**(42,180)**	(42,180)
Total financial assets and liabilities by category	**-**	**7,909,908**	**-**	**(6,915,699)**	**994,209**	**994,209**

31 Dec 2014	Financial assets at fair value through profit or loss	Loan receivables and trade receivables measured at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities measured at amortised cost	Carrying amount	Fair value
Non-current receivables						
Group companies	-	9,035,709	-	-	**9,035,709**	9,035,709
Current receivables Group companies	-	250,914	-	-	**250,914**	250,914
Cash and cash equivalents	-	96	-	-	**96**	96
Non-current interest bearing liabilities						
bonds	-	-	-	(1,745,384)	**(1,745,384)**	(1,988,532)
Non-current interest bearing liabilities						
Group companies	-	-	-	(6,501,375)	**(6,501,375)**	(6,501,375)
Trade payables	-	-	-	(134)	**(134)**	(134)
Accrued expenses	-	-	-	(45,595)	**(45,595)**	(45,595)
Total financial assets and liabilities by category	**-**	**9,286,719**	**-**	**(8,292,488)**	**994,231**	**751,083**

Fair value of assets and liabilities

Fair values are based on market values or, in the absence of an active market, derived from an assumed yield curve. The amounts indicated are unrealised and will not necessarily be realised.

Derivative Instruments

The fair value of collars, cross currency interest rate swaps and currency forward contracts are based on valuations conducted by intermediary credit institutions, with accuracy tested by discounting estimated future cash flows pursuant to contract terms and maturity dates, and proceeding from market interest rates for similar instruments at the reporting date. The discount rate applied is based at interest rates of similar instruments at the reporting date.

Interest-bearing Liabilities

The fair value of financial liabilities that are not derivative instruments is calculated based on future cash flows of the principal and interest discounted to current market interest rates at the reporting date. The fair value of the Group's listed bonds are established based on market price (level 1).

Trade receivables and trade payables

Due to the short terms of trade receivables and trade payables, carrying amounts are assumed to be the best approximation of fair value.

Fair Value Hierarchy

The following table illustrates financial instruments measured at fair value by measurement method. Each level is defined as follows:

Level 1

Financial instruments where fair value is determined according to prices quoted on an active marketplace for the same instrument. Examples of such instruments include shares, bonds and standard options that are actively traded.

Level 2

Financial instruments where fair value is determined on the basis of either direct (as price) or indirect (derived from prices) observable market data that is not included in level 1. Such instruments include: Bonds and certain OTC products such as interest rate swaps, currency forwards, collars and shares.

Level 3

Financial instruments where fair value is determined on the basis of input data that is not observable on the market. Such instruments include: Unlisted shares and warrants where the underlying instrument is not priced in active markets.

Group

SEK in thousand	Level 1	Level 2	Level 3	31 Dec 2015
Derivatives (currency forward contracts)	-	83	-	83
Financial liabilities	**-**	**83**	**-**	**83**

SEK in thousand	Level 1	Level 2	Level 3	31 Dec 2014
Derivatives (Collar)	-	-	-	-
Derivatives (CIRS)	-	39,281	-	39,281
Derivatives (currency forward contracts)	-	-	-	-
Financial liabilities	**-**	**39,281**	**-**	**39,281**

The net result for 2015 includes an amount of SEK -39,198 (158,443) thousand pertaining to the change in fair value of derivatives, of which SEK -39,281 (157,974) thousand was recognised in net financial income and expenses and SEK 83 (469) thousand in other operating income. Hedge accounting is not applied. When the Group's Senior Notes were redeemed in advance in November 2015, all derivatives attributable to outstanding credit were closed.

Note 24 Financial Risks and Treasury Policy

The Group is exposed to various types of financial risk through its daily operating activities.

Financial risk refers to refinancing risks, liquidity risks and fluctuations in the company's income statement, balance sheet and cash flows resulting from variations in exchange rates, interest levels and credit margins. The Board of Directors has formulated the Group's treasury policy for managing financial risks, which sets a framework of guidelines and regulations for financing activities.

Refinancing Risk and Liquidity risks
Refinancing risk is defined as the risk of existing lenders being unwilling to renew their outstanding loans or the Group's loans and credit facilities not being sufficient to satisfy the company's need for capital. The treasury policy stipulates that there should be a liquidity reserve of at least SEK 500m as a buffer for unforeseen events. This liquidity reserve consists of cash and cash equivalents, potential short-term financial assets and unutilised confirmed credit facilities.

At 31 December 2015 and 2014, the liquidity reserve is divided as follows:

SEK in thousand	31 Dec 2015	31 Dec 2014
Cash & bank balances	713,321	586,027
Unutilised Credit facilities	649,845	595,345
Total liquidity reserve	**1,363,166**	**1,181,372**

At 31 December 2015, the Group's total credit facilities, including the outstanding SEK bond, amounted to SEK 10,375m, with an average remaining term of 3.4 years.

Liquidity forecasts are prepared regularly as part of the Group's budgeting and forecast process. Advance billing is usually applied which has a positive effect on the Group's liquidity and working capital. Consumers are normally billed monthly in advance. Landlords are normally billed quarterly in advance.

Liabilities overview and unutilised credit at 31 December 2015:

SEKm	Maturity date	Interest base/Coupon	Total credit	Utilised amount	Unutilised amount
Bank debt					
Facility A	26 Jun 2019	Floating	3,500	3,500	-
Revolving Credit Facility	26 Jun 2019	Floating	2,000	1,350	650
Incremental Facility 2	26 Jun 2019	Floating	375	375	-
Incremental Facility 3	4 Mar 2017	Floating	500	500	-
Incremental Facility 4	26 Jun 2019	Floating	1,000	1,000	-
Incremental Facility 5	14 Sep 2016	Floating	500	500	-
Outstanding notes at fixed interest rates					
SEK 2,500m Senior Secured Notes	4 Nov 2019	Fixed | 5.25%	2,500	2,500	-
Total credit facilities			**10,375**	**9,725**	**650**

Refinancing 2015

In November 2015, the company made an early redemption of the Group's Senior Notes of EUR 187m with an original maturity in 2019 and a coupon rate of 10.75%. The Senior Notes were replaced by new credit facilities of SEK 1,500m signed in September 2015 (Incremental 4 and 5), and existing unutilised credit facilities. When the share redemption procedure was implemented, all derivatives attributable to outstanding credit were closed.

Refinancing 2014

In 2014, the company's credit underwent a comprehensive refinancing. On 22 May 2014, Com Hem entered into a loan agreement, 2014 Senior Facilities Agreement, with a consortium of banks. The facilities available under the 2014 Senior Facilities Agreement comprise a SEK 3,500m term facility, with a final maturity date in 2019 and a SEK 2,000m multi-currency revolving credit facility, with a final maturity date in 2019. The net proceeds from the issue of new shares in conjunction with the IPO in June 2014, together with drawdowns under the 2014 Senior Facilities Agreement, were used to refinance some of Com Hem's borrowings.

On 12 November 2014, the company made an early redemption of the Group's Senior Secured Notes of SEK 3,492m, with an original maturity in 2019 and a coupon rate of 9.25%. The redemption was financed through the issuance of new Senior Secured Notes of SEK 2,500m, together with Incremental Facility 2 and utilisation of the Revolving Credit Facility.

Expected maturities of financial liabilities

On 31 December 2015 and 2014, the Group's interest-bearing borrowings, including repayments, estimated interest payments and currency derivatives, had the following expected maturity structure. Translations to SEK of foreign currency amounts have been calculated at current rates of exchange applicable at the end of the reporting period. Forward rates have been used for estimated future interest payments related to instruments with variable interest. In cases where settlement is made on a gross basis (cross currency interest rate swaps and currency forwards), all amounts have been recognised as gross values.

Group

Expected maturities of financial liabilities at 31 December 2015:

SEK in thousand	Nominal amount	Within 0-1 year	Within 1-2 year	Within 2-3 year	Within 3-4 year	Within 4-5 year	Beyond 5 years	Matures
Liabilities to credit institutions	7,225,000	500,000	500,000	-	6,225,000	-	-	2016-2019
Bonds	2,500,000	-	-	-	2,500,000	-	-	2019
Liabilites to Group companies	6,873,517	-	-	-	-	-	6,873,517	-
Finance lease liabilities	48,274	28,091	17,341	2,842	-	-	-	-
Total interest-bearing liabilities	**16,646,791**	**528,091**	**517,341**	**2,842**	**8,725,000**	**-**	**6,873,517**	
Interest payments		298,129	272,804	304,976	280,145	-	-	
Total Net	**16,646,791**	**826,220**	**790,145**	**307,818**	**9,005,145**	**-**	**6,873,517**	

Current liabilities (short-term interest-bearing liabilities, trade payables, other current liabilities and accrued expenses) are mostly due within one year of the reporting date. The company intends to extend current liabilities to credit institutions, or replace them with new financing.

Expected maturities of financial liabilities at 31 December 2014:

SEK in thousand	Nominal amount	Within 0-1 year	Within 1-2 year	Within 2-3 year	Within 3-4 year	Within 4-5 year	Beyond 5 years	Matures
Liabilities to credit institutions	5,225,000	-	-	-	-	5,225,000	-	2019
Bonds	4,275,475	-	-	-	-	4,275,475	-	2019
Liabilites to Group companies	6,501,375	-	-	-	-	-	6,501,375	2019-later
Finance lease liabilities	66,582	29,927	23,863	12,519	273	-	-	-
Total interest-bearing liabilities	**16,068,432**	**29,927**	**23,863**	**12,519**	**273**	**9,500,475**	**6,501,375**	
Interest payments		466,266	468,899	476,677	496,208	404,224	-	
Cross-Currency Interest Swaps								
- *Payables*		119,407	40,437	41,704	10,797	-	-	
- *Receivables*		(102,483)	(28,750)	(29,214)	(7,498)	-	-	
Total expected interest payments		**483,190**	**480,586**	**489,167**	**499,507**	**404,224**	**-**	
Total Net	**16,068,432**	**513,117**	**504,449**	**501,686**	**499,780**	**9,904,699**	**6,501,375**	

Current liabilities (short-term interest bearing liabilities, trade payables, other current liabilities and accrued expenses) are due within one year of the reporting date.

Parent Company

Long-term liabilities to Group companies are due beyond five years of the reporting date. Current liabilities (short-term liabilities to Group companies, trade payables, other current liabilities and accrued expenses) are essentially all due within one year of the reporting date.

Group

Interest rate risks

Interest risk is the risk of changes in interest rates affecting the Group's income statement and balance sheet negatively. The company's bank loans have a variable interest rate for the entirety of the loan, margin plus STIBOR, and outstanding bonds have a fixed interest rate.

Fixed interest structure

The Group's interest expenses would increase by approximately SEK 73m (53) annualised given a 1% increase in interest rates and the same hedging conditions as applied at the reporting date.

SEK in thousand	Nominal amount	Net exposure	Distribution %
2016	7,273,274	7,273,274	44%
2017	-	-	-
2018	-	-	-
2019	2,500,000	2,500,000	15%
2020	-	-	-
Beyond 5 years (liabilities to Group companies)	6,799,376	6,799,376	41%
Total	**16,572,650**	**16,572,650**	**100%**

Currency Risks

Currency risk is the risk that the Group's Income Statement and Balance Sheet are negatively affected by fluctuations in exchange rates.

Transaction Exposure—Operational Flows

All the Group's billing is in SEK, as are the majority of the Group's expenses. However, some purchases are denominated in other currencies, and accordingly, to reduce the earnings effect of exchange rates, the Group may hedge contracted flows in these currencies using forward contracts. Currency hedging is typically initiated when the Group enters an agreement that has a minimum exposure of SEK 10m in a foreign currency which must be met in a maximum period of 12 months. Currency hedges are reported at fair value in the balance sheet with value changes recognised in profit or loss. At the end of 2015, there were 2 (-) transaction-related currency forward contracts with fair value totalling SEK 83 thousand (-).

Exchange rate differences arising in operations are recognised in profit or loss and have been allocated between other operating income of SEK 6,446 (1,644) thousand and other operating costs of SEK -15,017 (- 16,803) thousand.

Transaction Exposure by Currency

SEK in thousand	**1 Jan – 31 Dec 2015**		**1 Jan – 31 Dec 2014**	
Currency	**Amount**	**%**	**Amount**	**%**
EUR	(68,536)	14%	(65,146)	12%
NOK	(15,647)	3%	(18,520)	3%
USD	(398,772)	81%	(452,469)	80%
GBP	(7,414)	1%	(27,751)	5%
DKK	(1,565)	1%	(12)	0%
Total	**(491,934)**	**100%**	**(563,898)**	**100%**

Transaction exposure translated into SEK according to the currency distribution above representing 13% (15) of the Group´s total supplier spending. During the period, consolidated cash flow would decrease by approximately SEK 25m (28) if the SEK had depreciated by 5% against the above currencies, assuming the same transaction exposure as during the financial year and no hedging.

Translation Exposure—Financial Items

The Group's translation exposure arises due to some of the interest-bearing liabilities are denominated in EUR. At the end of 2015, all interest-bearing liabilities were denominated in SEK. However liabilities to Group companies amounting to EUR 354,639 thousand, with no part of this liability currency hedged.

At the end of 2014, bond loans totalling EUR 186,588 thousand were denominated in EUR, of which EUR 175,000 thousand was currency hedged through currency forward contracts, and liabilities to Group companies amounting to EUR 313,852 thousand. Currency derivatives were closed in connection with the aforementioned refinancing of Senior Notes in November 2015.

If the Swedish krona had appreciated/depreciated by 5% versus the Euro on the reporting date, with all other variables constant, net finance cost for the period would have been SEK 162m (155) higher/lower as a result of gain/loss when translating monetary liabilities. However, the Group measures euro-denominated financial liabilities at the rate on the reporting date without reference to currency derivatives.

Credit Risk

Credit risk is the risk that the Group incurs losses due to a counterparty not fulfilling their obligations. The Group's exposure to credit risk is limited because advance billing is used for consumer, B2B and landlord services. Creditworthiness checks are conducted on new customers, and the Group applies an active debt recovery process, which includes the termination of the customer's service if payments are not made. Due to the size of the Group's customer base, there is no concentration of risks on a small number of large customers. Trade receivables are classified as doubtful based on a collective assessment of age and potential collection attempts. Credit losses are small in relation to the Group's operations. The Group's total credit losses in the financial year were 0.5% (0.4) of revenue.

Capital Structure

The company defines capital as interest-bearing liabilities and equity. The company's objective is to have an effective capital structure that takes account of its operational and financial risks, helps maintain the confidence of investors, creditors and the market, and provides a stable basis for the sustainable development of the company's operations, while also ensuring shareholders receive satisfactory returns. The key ratio which the management and external stakeholders judge capital structure by is net debt in relation to Underlying EBITDA (EBITDA before disposals excluding non-recurring items and operating currency gains/losses). At the end of the period, the company's net debt totalled SEK 9,060m (8,981), and the net debt/Underlying EBITDA LTM was a multiple of 3.8x (4.0). The company's objective is to maintain leverage within the interval of a multiple of 3.5-4.0x Underlying EBITDA LTM. The Board and Management regularly monitor and analyse the key ratios, which ultimately set the framework for the capital structure.

Note 25 Leasing

Group

Operating Lease Arrangements where the Company is the Lessee
There are assets used in operations held through operating lease arrangements. The leasing fee is included in operating expenses and amounted to SEK 314,256 (303,625) thousand for the financial year.

The Group's future commitments mainly comprise leases for infrastructure (such as fibre) with Skanova, the Swedish Rail Administration, Ericsson and Stockholm regional ICT network provider Stokab, as well as property leases. None of these leases imply the transfer of ownership rights when the leases expire. The infrastructure leases contain a fixed cost for the number of homes connected, and a variable component for new home connections. The leases are indexed annually.

	31 Dec 2015	31 Dec 2014
SEK in thousand	**Future minimum lease fees**	**Future minimum lease fees**
Within 1 year.	190,696	217,522
1-5 years.	352,031	496,943
More than 5 years.	3,765	11,999
Total	**546,492**	**726,464**

Finance lease arrangements in which the company is the lessee
There are assets in operations held through finance lease arrangements, which are primarily associated with customer equipment and equipment for switching centers. At 31 December 2015, the carrying amount of these was SEK 47,193 (65,440) thousand, of which CPE accounted for SEK 0 (0), production facilities for SEK 23,271 (33,355) thousand and other non-current intangible assets for SEK 23,922 (32,085) thousand. For most of the lease arrangements, the assets held can be acquired after 36 months. Future payments under these lease arrangements mature as follows:

	31 Dec 2015		31 Dec 2014	
SEK in thousand	**Minimum lease fee**	**Nominal value**	**Minimum lease fee**	**Nominal value**
Within 1 year.	28,091	29,078	29,927	31,540
1-5 years.	20,183	20,402	36,655	37,722
More than 5 years.	-	-	-	-
Total finance lease liabilities	**48,274**	**49,480**	**66,582**	**69,262**
Less interest portion		(1,206)		(2,680)
Total finance leases	**48,274**	**48,274**	**66,582**	**66,582**

Note 26 Investment Commitments

Group

The Group has signed agreements to acquire tangible and intangible fixed assets pursuant to the following table. These commitments are expected to be settled in the next financial year.

SEK in thousand	**31 Dec 2015**	**31 Dec 2014**
Production facilities	6,542	2,764
Customer equipment	90,848	70,508
Non-current Intangible assets	4 970	447
Total	**102,360**	**73,719**

Note 27 Pledged Assets and Contingent Liabilities

Group

SEK in thousand	31 Dec 2015	31 Dec 2014
Pledged assets		
Participations in Group companies	-	239,187
Bank guarantee PRI	-	54,500
Other bank guarantees	155	155
Total	**155**	**293,842**

SEK in thousand	31 Dec 2015	31 Dec 2014
Contingent liabilities		
Guarantee commitments, FPG/PRI	3,770	3,589
Total	**3,770**	**3,589**

In connection with early redemption of the company's Senior Notes in November 2015, the shares in subsidiaries that were previously pledged as collateral were taken back.

Parent Company

SEK in thousand	31 Dec 2015	31 Dec 2014
Pledged assets		
Pledging of shares in subsidiaries	-	2,917,707
Receivables from Group companies	-	9,035,709
Total pledged assets	**-**	**11,953,416**

In connection with early redemption of the company's Senior Notes in November 2015, the shares in subsidiaries and receivables from Group Companies that were previously pledged as collateral were taken back.

Contingent liabilities
In addition to the above contingent liabilities, as for its own liabilities, the Company is responsible for financial liabilities in the Group of total SEK 9,630,494 (7,609,362) thousand, to the extent that this does not conflict with the Swedish Companies Act, Group values of loans considered. Non-restricted equity of the Company as of 31 December 2015, was SEK 3,913,515 (3,913,515) thousand.

Note 28 Related Parties

Group

Related Party Relationships and related Party Transactions
The Group has related party relationships with the Company's owner and with Board members and Group management.

On 31 December, 2015 the Group had non-current receivables of SEK 941,575 (228,044) thousand and non-current liabilities of SEK 6,873,517 (6,501,375) thousand to Group companies. In addition to the above liabilities and receivables, the Group had current receivables of SEK 607,420 (374,006) thousand to Group companies.

The Group's interest income includes interest from Group companies with an amount of SEK 11,345 (164) thousand. The Group's interest expenses include SEK 747,664 (743,424) thousand of interest to Group companies. All intragroup transactions are on an arm's length basis.

Parent Company

Related Party Relationships and Related Party Transactions
The Parent company has related party relationships with the Company's owners, its subsidiaries, Board members and senior management. The Parent company's directly and indirectly held subsidiaries are reported in note 29.

On 31 December, 2015 the Company had non-current liability to the Parent company of SEK 6,873,517 (6,501,375) thousand. The Company's non-current receivables from Group companies amounted to SEK 7,909,867 (9,035,709) thousand. Apart from the above receivables and liabilities, the Company had short-term receivables from Parent company of SEK - (250,914) thousand and short-term debt from Parent company of SEK 42,180 (-) thousand.

The Company's interest income includes SEK 987,110 (962,795) thousand of interest from subsidiaries. The Company's interest expenses include interest to Group companies of SEK 747,664 (743,424) thousand. All intragroup transactions were on an arm's length basis.

No transactions with related parties occurred with people in executive positions in the financial year apart from the disclosures in Note 6.

Note 29 Participations in Group companies

Parent Company

SEK in thousand	31 Dec 2015	31 Dec 2014
Accumulated cost		
At beginning of year	2,917,707	1,427,707
Shareholders' contributions paid	-	1,490,000
Group contributions paid	42,180	-
At year-end	**2,959,887**	**2,917,707**
Accumulated impairments		
At beginning of year	-	-
Impairment of participations in Group companies	(42,180)	-
At year-end	**(42,180)**	**-**
Carrying amount at year-end 2015	**2,917,707**	**2,917,707**

Breakdown of Parent Company's Direct and Indirect Holdings of Participations in Subsidiaries

Subsidiaries / Corporate ID No./ Registered office	No. of shares	Holding %	31 Dec 2015 Carrying amount
NorCell Sweden Holding 3 AB (publ), 556859-4195, Stockholm	600,000	100	2,917,707
Com Hem Communications AB, 556689-2104, Stockholm	7,286,446	100	-
Com Hem AB, 556181-8724, Stockholm	50,000	100	-
iTUX Communication AB, 556699-4843, Stockholm	100,000	100	-
Phonera Företag AB, 556434-4397, Malmö	1,000	100	-
Total			**2,917,707**

Note 30 Subsequent Events

No significant subsequent events to report after the reporting period.

Note 31 Parent Company – Corporate Information

NorCell Sweden Holding 2 AB (publ) is a Swedish registered limited Company with its registered office in Stockholm, Sweden. The address of the head office is Fleminggatan 18, 104 20 Stockholm, Sweden.

NorCell Sweden Holding 2 AB (publ) is a wholly owned subsidiary of Com Hem Holding AB (Corp. ID no. 556858-6613), with its registered office in Stockholm, Sweden. The Com Hem Holding AB shares have been listed on Nasdaq Stockholm, Large Cap list, since June 2014 which prepares the annual accounts for the largest Swedish Group. The Consolidated Accounts are available at NorCell Sweden Holding 2 ABs (publ) head office at Fleminggatan 18,104 20 Stockholm, Sweden.

Note 32 Earnings per Share

Group

SEK	**1 Jan - 31 Dec 2015**	**1 Jan - 31 Dec 2014**
Basic earnings per share	(615)	(2,250)
Diluted earnings per share	(615)	(2,250)

The above computation of earnings per share is based on the net result and the number of shares as stated below.

Basic and diluted Earnings per Share
Basic and diluted earnings per share are measured based on the net profit or loss for the year attributable to equity holders of the Parent company and the weighted average number of outstanding shares.

SEK in thousand	**1 Jan - 31 Dec 2015**	**1 Jan - 31 Dec 2014**
Net result for the year attributable to owners of the Parent Company	(368,727)	(1,350,293)
Average number of shares outstanding - before dilution	600,000	600,000
Average number of shares outstanding - after dilution	600,000	600,000

Note 33 Disclosures for the statement of cash flows

Adjustment for items not included in cash flow

Group

SEK in thousand	**1 Jan - 31 Dec 2015**	**1 Jan - 31 Dec 2014**
Depreciation/amortisation and impairment of assets	1,545,230	1,438,447
Unrealised exchange rate differences	(188,237)	339,063
Unrealised change in fair value of derivatives	39,198	(158,442)
Change in accrued borrowing costs and discounts	71,163	432,404
Change in accrued interest expenses	(66,255)	(124,107)
Capital gain/loss on sale/disposal of non-current assets	9,299	14,933
Capital gain/loss on divestment of subsidiaries	22	91
Pension provisions	14,095	9,656
Other provisions	857	888
Interest not settled with cash, Group companies	736,319	742,924
Other profit/loss items not settled with cash.	1,297	-
Total	**2,162,988**	**2,695,857**

Parent Company

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Depreciation, amortisation and impairment of assets	42,180	-
Unrealised exchange rate differences	(86,048)	119,908
Change in accrued interest expenses	(45,595)	(20,331)
Change in capitalised loan expenses and discounts	29,029	25,018
Interest not settled with cash, Group companies	(51,664)	35,670
Total	**(112,098)**	**160,265**

Interest received and paid

Group

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Interest received.	2,585	5,907
Interest paid	(600,253)	(957,945)

Parent Company

SEK in thousand	1 Jan - 31 Dec 2015	1 Jan - 31 Dec 2014
Interest received.	187,782	255,041
Interest paid	(299,729)	(254,245)
Dividend received	357,000	-

The Board and CEO declare that the annual accounts were prepared in accordance with generally accepted accounting principles in Sweden and the Group's consolidated accounts were prepared in accordance with the international accounting standards referred to in the European Parliament's and Council's regulation (EG) No. 1606/2002 of 19 July 2002 concerning the application of international accounting standards. The annual accounts and the Group's consolidated accounts provide a true and fair picture of the performance and financial position of the Parent Company and the Group. The Board of Directors' Report for the Parent Company and the Group provides a true and fair picture of the development of the operations, financial position and performance of the Group and the Parent Company and also describes material risks and uncertainties to which the Parent Company and the other companies in the Group are exposed.

Stockholm, 8 April 2016

…………………………………..	…………………………………
Nicholas Stathopoulos	Joachim Ogland
Chairman	Board member
…………………………………..	…………………………………..
Mikael Larsson	Andrew Barron
Board member	Board member

…………………………………..
Anders Nilsson
Board member and Chief Executive Officer

Our audit report was submitted on 8 April 2016

KPMG AB

…………………………………..
Thomas Thiel
Authorised Public Accountant

Auditor's report

To the annual meeting of the shareholders of NorCell Sweden Holding 2 AB (publ), corp. id 556859-4187

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of NorCell Sweden Holding 2 AB (publ) for the year 2015, except for the corporate governance statement on pages 6 - 8.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and in accordance with the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 6 - 8. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of NorCell Sweden Holding 2 AB (publ) for the year 2015. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act, and that the corporate governance statement on pages 6 - 8 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As basis for our opinion on the Board of Directors proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained as above is sufficient and appropriate to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted audit standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm 8 April 2016

KPMG AB

Thomas Thiel
Authorized Public Accountant