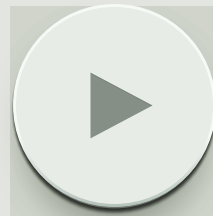


COM HEM



INTERIM REPORT
Q3 2017



INTERIM REPORT

Q3 2017

CASH DIVIDEND TO INCREASE BY 50% ON THE BACK OF SOLID GROWTH TRAJECTORY

THIRD QUARTER SUMMARY 2017

Revenue saw a strong increase of 36.0% to SEK 1,780m while organic¹⁾ revenue rose by 3.6% to SEK 1,357m.

Operating profit (EBIT) rose by 12.2% to SEK 255m.

EBITDA increased by 18.8% to SEK 747m.

Underlying EBITDA saw a strong increase of 18.8% to SEK 762m and organic¹⁾ underlying EBITDA rose by 5.3% to SEK 676m.

Cash flow from operating activities increased by 49.5% to SEK 868m mainly due to a positive change in working capital.

Operating free cash flow increased by 13.5% to SEK 524m and organic¹⁾ operating free cash flow grew by a modest 2.2% to SEK 472m due to a more normalised capex level in Q3 2017.

Net result rose by 27.7% to SEK 136m.

Earnings per share: SEK 0.75 (0.56).

Multi-year record volume growth in Com Hem Segment consumer business:

- Unique consumer subscribers rose by 11,000 to record high 972,000.
- Continued strong volume growth in broadband, up 12,000 to record high 736,000 RGUs.
- Strong growth in digital TV RGU's, up 6,000 to 651,000, with a continued growth of 4,000 TiVo customers (penetration rate of 40%).
- Consumer ARPU of SEK 373 (SEK 376 in Q2 2017).
- Consumer churn of 12.8% (12.4% in Q2 2017).

Further improvement in Boxer Segment:

- Consumer churn rate dropped by 0.6 percentage points sequentially to 14.4%.
- Consumer ARPU remained at SEK 298.
- 5,000 broadband RGUs were added in the quarter.
- Decline in unique consumers of -9,000 compared to -8,000 in the second quarter.
- Decline in RGUs of -6,000 compared to -5,000 in the second quarter.
- Boxer's fibre footprint is now at 1,000,000 addressable households including roughly 250,000 which do not overlap with the Com Hem Segment.

Now reaching 2.7m addressable households:

- Added 100,000 households in Q3 resulting in 700,000 addressable SDU households.
- The Group now has a total footprint of 2.7m addressable households which represents a 35% footprint increase since the expansion started.
- Well on track to reach three million addressable households by 2020 for the entire Group.

Shareholder remuneration: Com Hem repurchased shares for SEK 241m in the quarter, representing 1.1% of outstanding shares as of September 30, while maintaining the leverage ratio at 3.7x. The second dividend payment of SEK 2.00 was paid out on September 29.

Significantly increase the dividend in 2018: Due to increased confidence in our ability to continue generating strong cash flow, the Board intends to propose a change to the mix of the shareholder remuneration to increase the cash dividend from SEK 4.00 per share to SEK 6.00 per share to be paid out semi-annually in March and September, 2018. Alongside the cash dividend we intend to continue to do buybacks of some SEK 40m-50m per month in 2018.

Financial key metrics²⁾

	JUL-SEP/Q3			JAN-SEP/9 MONTHS			JAN-DEC
	2017	2016	Change	2017	2016	Change	2016
Revenue, SEKm	1,780	1,309	36.0%	5,331	3,885	37.2%	5,665
Operating profit (EBIT), SEKm	255	227	12.2%	709	624	13.7%	851
EBITDA, SEKm	747	629	18.8%	2,161	1,818	18.9%	2,518
EBITDA margin, %	42.0	48.0	-6.1 p.p.	40.5	46.8	-6.2 p.p.	44.5
Underlying EBITDA, SEKm	762	642	18.8%	2,204	1,852	19.0%	2,547
Underlying EBITDA margin, %	42.8	49.0	-6.2 p.p.	41.3	47.7	-6.3 p.p.	45.0
Net result for the period, SEKm	136	106	27.7%	366	283	29.0%	317
Earnings per share, SEK	0.75	0.56	34.8%	2.02	1.47	37.3%	1.66
Capex, SEKm	238	180	32.3%	819	588	39.4%	893
Capex as % of revenue	13.4	13.8	-0.4 p.p.	15.4	15.1	0.2 p.p.	15.8
Cash flow from operating activities, SEKm	868	580	49.5%	1,903	1,651	15.2%	2,216
Operating free cash flow, SEKm	524	461	13.5%	1,385	1,264	9.6%	1,655
Net debt at end of period, SEKm	10,719	10,292	4.1%	10,719	10,292	4.1%	10,326
Net debt/Underlying EBITDA LTM, multiple	3.7x	3.7x	0.0x	3.7x	3.7x	0.0x	3.7x

¹⁾ Excluding Boxer.

²⁾ See page 21 for definitions of financial key metrics and Alternative Performance Measures (APM).

The figures in this report refer to the third quarter of 2017 unless otherwise stated. Figures in brackets refer to the corresponding period last year.

CASH DIVIDEND TO INCREASE BY 50% ON THE BACK OF SOLID GROWTH TRAJECTORY

A quarter with multi-year record volume growth and strong financial results gives us confidence that our strategy works. We are happy to see that our continued focus on customer satisfaction is successful as the number of new customers choosing Com Hem as their provider of broadband and TV was the highest in several years. Our effort to turn Boxer into a broadband-led operator is progressing well and we see a steady increase in broadband subscribers while churn is coming down further. The footprint expansion programme, which will allow us to grow for many more years, made further strides and we can now reach 2.7m of the 3.0m targeted addressable households.

“ Focus on customer satisfaction results in multi-year record volumes in the Com Hem Segment

In the Com Hem Segment we saw the strongest quarterly intake of unique customers, broadband RGUs and digital TV RGUs in several years. Our customer base grew by 11,000 in the segment and the number of RGUs increased by 14,000 with very strong growth in both broadband and digital TV, up 12,000 and 6,000 RGUs, respectively. Our TiVo base grew by 4,000 customers, (now 40% of our DTV base). The number of telephony RGUs continued to decline, down 3,000, somewhat lower than in previous periods. The blended consumer ARPU declined by SEK 3 (0.8%) sequentially. The decline in ARPU is attributed to high volume intake with many customers on introductory discounts as well as a dilution of digital TV ARPU driven by increased sales efforts of broadband services bundled with lower tier TV packages. We continue to see growth in broadband ARPU on the back of price adjustments and migration into higher speed tiers. Churn of 12.8% was 0.4 percentage points higher than Q2 2017. Within B2B we saw a decline in revenue, down 15.1% (SEK 12m) compared to Q3 2016, as we focus on the OnNet broadband

business, which grew by 14.9% compared to the third quarter last year. We continue efforts to improve the mix between high margin OnNet business and low margin OffNet business and expect continued pressure on revenue throughout 2017 while underlying EBITDA and operating free cash flow continue to improve.

Addressable households reach 2.7m

We made further progress in our network expansion programme with 100,000 addressable households added in the quarter to a total of 700,000 since the start of the expansion, 250,000 of which are unique to Boxer. Since the start of the footprint expansion the Group has increased its footprint by 35% from 2.0m to 2.7m addressable households. We remain confident that we can reach our target of at least 3.0m households by 2020, which constitutes an increase of 50% from before the SDU expansion and the Boxer acquisition.

Deployment of our own fibre in selected trial areas continued successfully during the quarter. Given the potential change in regulation, we need more time to further evaluate whether it is more beneficial to increase focus on our capex light approach of connecting to third party infrastructure, rather than scaling up new build beyond the trial areas. We are cautiously optimistic that potential changes in the regulatory environment next year could improve both the scope and the economics of the expansion as closed networks may become accessible and open networks which are only accessible through a communications operator today could become open for local access (unbundling). Since this could potentially give Com Hem access to all SDU households it would be a major tailwind to the scope and economics of the expansion.

Further improvement in the Boxer Segment

The positive momentum that we saw last quarter in Boxer continued with an additional 5,000 broadband RGUs added. Churn decreased by 0.6 percentage points to 14.4% but as expected we still see a decline in unique customers and total RGUs, down by 9,000, and 6,000, respectively, in-line with the previous quarter. In the fourth quarter we expect a temporary increase in churn due to migration of the 700 Mhz band as well as seasonal effects of both competitor fibre rollout and expiration of binding periods across the customer base.

Boxer can now reach 1,000,000 addressable households including





all of the Com Hem Segment's current fibre footprint as well as 250,000 SDU households unique to Boxer. While we are able to grow Boxer's profits even with declining revenue, we hope to be able to turn the company into RGU growth and stop the revenue decline in the coming years as the Boxer brand gets further traction as a broadband-led TV operator across the newly acquired SDU footprint. This would constitute a success beyond our initial expectations.

Steady growth leads to strong cash flow generation

The Com Hem Group increased revenue by 36.0% to SEK 1,780m and underlying EBITDA by 18.8% to SEK 762m (EBITDA of 747m up 18.8%). Organic revenue grew by 3.6% compared to Q3 2016 as growth in the consumer business (4.5%) and network operator business (8.7%) offset a decline in B2B (-15.1%). Underlying EBITDA grew by 5.3% for the Com Hem Segment to SEK 676m, with a margin of 49.8%. Group capex amounted to SEK 238m in the quarter compared to SEK 180m in Q3 2016. Since capex was significantly below the normal quarterly run rate in Q3 2016 and Boxer was not consolidated into the Group until Q4 2016, capex was higher year on year in Q3 2017. In spite of significantly higher capex compared to Q3 2016, operating free cash flow increased by 13.5%.

During the quarter, the Group repurchased shares for SEK 241m, representing 1.1% of outstanding shares as of September 30, while maintaining the leverage ratio at 3.7x. The second dividend payment of SEK 2.00 was paid out on September 29. Com Hem continues to repurchase shares for some SEK 70m per month which, along with the cash dividend, could result in total shareholder remuneration of more than SEK 1.5bn in 2017, representing a total yield of 7.7% at October 16 close price.

Significantly increased dividend in 2018

Due to increased confidence in our ability to continue generating strong cash flow, the Board intends to propose a change to the mix of the shareholder remuneration by increasing the cash dividend by 50 percent from SEK 4.00 per share to SEK 6.00 per share to be paid out semi-annually in March and September, 2018. Alongside the cash dividend we intend to continue to do buybacks of some SEK 40m-50m per month in 2018. The Com Hem Group remains committed to distribute all excess cash to its shareholders while maintaining leverage within the target interval of 3.5-4.0 net debt / underlying EBITDA LTM.

Opportunities in a changing TV market

We see signs that the sustainability of the traditional broadcast television business model is being challenged. For us, this became

especially apparent during the recent conflict with Discovery in early September which resulted in a thirteen-day shutdown of Discovery's channels on our network. The root of the conflict was a disagreement over the value of linear content, which is becoming less popular with Swedish consumers. As we have pointed out in the past, while total video and other media consumption is increasing, there is a shift away from consumption of traditional linear content toward on-demand. As the OTT market becomes more fragmented with many providers producing high quality on-demand content, the need for an aggregator increases. The penetration of OTT services is already high in Sweden, and even higher than average on our network. By embracing this shift, Com Hem will be able to not only remain relevant to our current customers but also serve a new group of customers who are already on our network but do not subscribe to a traditional TV package.

Our focus for the future is to add more on-demand content, integrate more OTT providers into our platform through Com Hem Play and our next generation box - the TV Hub. While managing the gradual shift in video consumption we simultaneously monetise on our high quality broadband network which benefits from the rapid growth in data consumption, fuelled by increased streaming.

Looking ahead

Focus for the rest of 2017 will be to continue progress on the projects we have initiated over the last year. In the Com Hem Segment we will continue initiatives to improve customer satisfaction such as preparing for the rollout of DOCSIS 3.1, which will allow higher speeds and the launch of our new TV hub. In Boxer we will put all our efforts into increasing the broadband penetration in the new fibre footprint while executing on the integration process. We will continue expanding our footprint toward the 3.0m target which will provide the Com Hem Group with room to grow at this pace for many years to come and in addition we continue the work to attain an MVNO (mobile virtual network operator) agreement to prepare the business for a converged market.

Anders Nilsson
CEO

FINANCIAL GUIDANCE

GUIDANCE FOR THE GROUP - UNCHANGED SINCE Q2 2017

Revenue	We aim to deliver mid-single digit revenue growth for the Com Hem Segment annually. Including Boxer, the Group expects a growth rate of 25-30% for 2017
Underlying EBITDA	We aim to deliver mid-single digit underlying EBITDA growth for the Com Hem Segment annually. In 2017, Boxer is expected to add ~SEK 300m of underlying EBITDA to the Group. Thereafter we aim to deliver mid-single digit underlying EBITDA growth for the entire Group annually
CAPEX	We expect capex to be in the range of SEK 1.0-1.1bn annually including Boxer. In 2017, we will also incur some SEK 50m in capex for integration of Boxer and up to SEK 50m for new build trials
Leverage target	We aim to maintain our leverage within the interval of 3.5-4.0x underlying EBITDA LTM

GROUP FINANCIAL OVERVIEW

Financial summary, SEKm	JUL-SEP/Q3			JAN-SEP/9 MONTHS			JAN-DEC
	2017	2016	Change	2017	2016	Change	2016
Revenue	1,780	1,309	36.0%	5,331	3,885	37.2%	5,665
Operating expenses	-1,525	-1,082	41.0%	-4,622	-3,261	41.7%	-4,813
Operating profit (EBIT)	255	227	12.2%	709	624	13.7%	851
Net financial income and expenses	-81	-89	-9.4%	-239	-256	-6.5%	-440
Income taxes	-39	-32	21.2%	-104	-84	23.3%	-94
Net result for the period	136	106	27.7%	366	283	29.0%	317

Comparisons between third quarter of 2017 and third quarter of 2016, unless otherwise stated. Boxer is consolidated from September 30, 2016, affecting comparables with previous periods.

Total revenue

Total revenue for the Group rose by 36.0% compared to the third quarter in 2016 and amounted to SEK 1,780m. Organic revenue growth, excluding Boxer which was included in the Group in the fourth quarter 2016, was 3.6%. Organic revenue growth is explained by continued good growth in Com Hem's consumer business which grew by 4.5% driven by both price and volume. For the first nine months Group revenue amounted to SEK 5,331m corresponding to a growth of 37.2% compared to the same period last year, with an organic revenue growth of 4.0%.

Operating expenses

Operating expenses amounted to SEK 1,525m, up 41.0% compared to the third quarter 2016. The increase is explained by Boxer being consolidated into the Group from the fourth quarter 2016, and by higher variable costs within the Com Hem Segment as a result of volume driven revenue growth, partly offset by savings in fixed costs.

Operating profit (EBIT)

Operating profit for the third quarter increased by 12.2% and amounted to SEK 255m as a result of revenue growth. For the first nine months, operating profit amounted to SEK 709m, an increase of 13.7% compared to the same period in 2016.

Net financial income and expenses

Net financial income and expenses were improved by SEK 8m for the third quarter, and by SEK 17m for the first nine months. The positive change is a result of a reduced blended interest rate on the Group's debt portfolio following a number of refinancing activities with extended debt maturities. Average blended interest rate was 2.5% for the first nine months compared to 2.9% for the corresponding period 2016.

Income taxes

The Group recognised a tax expense of SEK 39m for the quarter and SEK 104m for the first nine months.

The Group's taxable profit will be offset against previously recognised tax losses carry forwards, which had a remaining balance of approximately SEK 0.6bn at the end of the quarter.

Net result for the period

Net result for the quarter increased by 27.7% compared to the third quarter in 2016 and amounted to SEK 136m. For the first nine months, net result totalled SEK 366m, up 29.0% compared to the same period in 2016.



Reconciliation between operating profit (EBIT) and underlying EBITDA, SEKm	JUL-SEP/Q3			JAN-SEP/9 MONTHS			JAN-DEC
	2017	2016	Change	2017	2016	Change	2016
Operating profit (EBIT)	255	227	12.2%	709	624	13.7%	851
Amortisation & depreciation per function							
- Cost of services sold	249	214	16.3%	734	628	16.8%	867
- Selling expenses	237	182	30.7%	703	549	28.1%	779
- Administrative expenses	5	6	-6.7%	15	17	-11.0%	22
Total amortisation & depreciation	492	402	22.5%	1,452	1,194	21.6%	1,667
EBITDA	747	629	18.8%	2,161	1,818	18.9%	2,518
EBITDA margin, %	42.0	48.0	-6.1 p.p.	40.5	46.8	-6.2 p.p.	44.5
Disposals	5	0	n/m	11	3	n/m	4
Operating currency loss/gains	-3	5	n/m	-5	3	n/m	7
Items affecting comparability	13	8	64.5%	37	28	32.3%	18
Underlying EBITDA	762	642	18.8%	2,204	1,852	19.0%	2,547
Underlying EBITDA margin, %	42.8	49.0	-6.2 p.p.	41.3	47.7	-6.3 p.p.	45.0

Comparisons between third quarter of 2017 and third quarter of 2016, unless otherwise stated.

Underlying EBITDA

The 18.8% increase in underlying EBITDA for the third quarter as well as the 19.0% increase for the first nine months, is explained by Boxer being consolidated into the Group from September 30, 2016 combined with revenue growth within the Com Hem Segment. Excluding Boxer, the organic increase in underlying EBITDA was 5.3% for the third quarter and 5.4% for the first nine months.

EBITDA

EBITDA rose by 18.8% for the quarter, and by 18.9% for the first nine months. Items affecting comparability includes a SEK 22m positive effect from revaluation of pension debt following closure of the plan for new entrance in Q1, offset by negative SEK 29m relating to integration of B2B and other items of negative SEK 30m for the first nine months.

Amortisation and depreciation

Amortisation and depreciation rose by SEK 90m for the quarter, and by SEK 258m for the first nine months. The increase for both periods is explained by Boxer being included in the Group from September 30, 2016 as well as higher amortisation and depreciation on product- and IT-development projects (cost of services sold) and CPEs (cost of services sold) within the Com Hem Segment.

Operating free cash flow, SEKm	JUL-SEP/Q3			JAN-SEP/9 MONTHS			JAN-DEC
	2017	2016	Change	2017	2016	Change	2016
Underlying EBITDA	762	642	18.8%	2,204	1,852	19.0%	2,547
Capital expenditure¹⁾							
Network related	-84	-50	69.9%	-269	-176	53.0%	-273
CPEs and capitalised sales commissions	-95	-79	20.8%	-346	-248	39.7%	-388
Product- and IT-development	-44	-45	-1.7%	-158	-146	8.1%	-208
Integration of Boxer	-13	-	n/m	-31	-	n/m	-
Other capex	-1	-7	-79.7%	-15	-18	-15.6%	-24
Total capital expenditure	-238	-180	32.3%	-819	-588	39.4%	-893
Operating free cash flow	524	461	13.5%	1,385	1,264	9.6%	1,655
Change in working capital	162	2	n/m	-8	-64	-87.1%	48
Interest payments	-36	-53	-32.6%	-181	-108	-67.4%	-278
Income tax paid	-	-	n/m	-31	-	n/m	-
Equity free cash flow	650	410	58.6%	1,165	1,092	6.6%	1,424

¹⁾ Capital expenditure has been reclassified from the second quarter 2017, for comparison purposes the historically reported numbers have been reclassified.

Comparisons between third quarter of 2017 and third quarter of 2016, unless otherwise stated.

Capital expenditure (Capex)

For the quarter, capital expenditure amounted to SEK 238m, corresponding to 13.4% of revenue. For the first nine months capital expenditure amounted to SEK 819m, corresponding to 15.4% of revenue. The increase compared to the corresponding periods in 2016 is due to Boxer being included in the Group, a low investment level during the first nine months of 2016 as well as increased focus on network investments and higher sales volumes in 2017.

Operating free cash flow

Operating free cash flow increased by 13.5% for the quarter and by 9.6% for the first nine months, explained by Boxer being consolidated into the Group, as well as organic growth in underlying EBITDA, partly offset by higher capex in 2017.

Equity free cash flow

The increase in operating free cash flow also resulted in equity free cash flow increasing by 58.6% to SEK 650m for the third quarter and by 6.6% to SEK 1,165m for the first nine months. The strong increase in the quarter is also explained by a SEK 162m positive

change in working capital offsetting the SEK 170m negative change during the first six months of the year. Equity free cash flow increased by 6.6% for the first nine months, despite negatively affected by timing of interest payments on Senior Notes between quarters (SEK 83m higher compared to the corresponding period in 2016).

Liquidity

At the end of the quarter the Group's total available funds amounted to SEK 1,464m (SEK 1,870m at December 31, 2016), of which cash was SEK 364m (SEK 470m at December 31, 2016) and unutilised credit facilities was SEK 1,100m (SEK 1,400m at December 31, 2016).

Net debt

At the end of the quarter the Group's net debt amounted to SEK 10,719m (SEK 10,326m at December 31, 2016). Net debt/underlying EBITDA LTM was a multiple of 3.7x (3.7x at December 31, 2016), which is in line with the target leverage of 3.5-4.0x.

Net debt, SEKm	SEP 30		DEC 31	
	2017	2016	2016	2016
Non-current interest-bearing liabilities	10,097	10,538		10,180
Add back of capitalised borrowing costs	78	95		98
Non-current interest-bearing liabilities, nominal value	10,175	10,633		10,278
Current interest-bearing liabilities	908	20		517
Cash and cash equivalents	-364	-361		-470
Net debt	10,719	10,292		10,326

CREDIT FACILITIES

September 30, 2017, SEKm	Maturity date	Interest base/coupon	Total credit	Utilised amount	Unutilised amount
Bank loans					
Facility A	Jun 26, 2019	Floating	3,500	3,500	-
Revolving credit facility	Jun 26, 2019	Floating	2,000	-	2,000
Commercial papers	short-term	Fixed	n/a	900	-900
Incremental facilities	Jun 26, 2019	Floating	2,675	2,675	-
Bond loans					
SEK 1,750m 2016/2021 Notes	Jun 23, 2021	Fixed 3.625%	1,750	1,750	-
SEK 2,250m 2016/2022 Notes	Feb 25, 2022	Fixed 3.50%	2,250	2,250	-
Total¹⁾			12,175	11,075	1,100

¹⁾ In addition to the above credit facilities Com Hem holds interest-bearing financial lease liabilities totalling SEK 8m.

Financing

At the end of the quarter the Group's total credit facilities, including the two outstanding bonds, amounted to SEK 12,175m.

In September, the Group through its wholly owned subsidiary Com Hem Sweden AB (publ) issued commercial papers of SEK 900m, which is short term funding fully backed up by undrawn amount on the long term revolving credit facility (as shown in the table above).

As of September 30, 2017, the average interest rate on the credit facilities was 2.5% and the average remaining term to maturity was approximately 2.6 years.

Loan conditions

The loan facilities with credit institutions are conditional on the Group continually satisfying a predetermined financial key metric (the covenant), which is consolidated net debt in relation to consolidated underlying EBITDA LTM.

In addition, there are provisions and limitations in the loan agreements for the credit facilities with credit institutions and the bond loans regarding further debt gearing, guarantee commitments and pledging, material changes to operating activities, as well as acquisitions and divestments. The conditions were met with a solid margin at the end of the quarter.

Significant increase of cash dividend

For 2017, the AGM resolved on a change to the mix of cash dividend and share repurchases by increasing the cash dividend from SEK 1.50 per share to SEK 4.00 per share paid out on two occasions, March 30, 2017 and September 29, 2017.

For 2018, the Board intends to propose a further 50% increase of the cash dividend from SEK 4.00 per share to SEK 6.00 per share to be paid out semi-annually in March and September, 2018.

Share repurchases

The 2017 AGM authorised the Board to, until the next AGM, on one or more occasions resolve on repurchases of own shares to the extent that the holding at any time does not exceed a tenth of the total number of registered shares.

The Board has in 2017 resolved on a number of repurchase programmes where 6,085,859 shares, representing 3.4% of the outstanding shares as per September 30, have been repurchased for SEK 659m during the first nine months of the year. In the third quarter Com Hem repurchased 2,059,222 shares for a total amount of SEK 241m.

Share repurchases	No of shares	Average price per share, SEK	SEKm
Year 2015	10,531,344	73.71	776
Year 2016	11,788,068	75.37	888
First quarter 2017	2,381,638	96.00	229
Second quarter 2017	1,644,999	114.83	189
Third quarter 2017	2,059,222	117.16	241
After the reporting period	84,164	116.37	10
Total shares repurchased	28,489,435	81.89	2,333

Share capital and the number of registered shares

In accordance with resolutions at the 2017 AGM, Com Hem has in April and September executed further reduction of the share capital by way of cancelling 7,179,826 treasury shares.

As of September 30, the number of registered shares and votes in Com Hem amounted to 181,770,814 of which 2,646,488 were held in treasury.

Another 84,164 shares were repurchased after the reporting period. As of October 16, 2017, 2,730,652 shares were held in treasury, and the number of outstanding shares and votes in Com Hem therefore amounted to 179,040,162.

Change in number of shares in 2017	No. of registered shares	No. of outstanding shares
December 31, 2016	188,950,640	185,210,185
Share repurchases first quarter 2017	-	-2,381,638
Cancellation treasury shares April, 2017	-5,071,161	-
Share repurchases second quarter 2017	-	-1,644,999
Share repurchases third quarter 2017	-	-2,059,222
Cancellation treasury shares September, 2017	-2,108,665	-
September 30, 2017	181,770,814	179,124,326
Repurchases after reporting period	-	-84,164
October 16, 2017	181,770,814	179,040,162

SEGMENT COM HEM

OVERVIEW PER OPERATING SEGMENT

Operational key metrics ¹⁾	2016			2017		
	Q2	Q3	Q4	Q1	Q2	Q3
Addressable footprint, thousands	2,045	2,196	2,265	2,324	2,382	2,457
Unique consumer subscribers, thousands	926	934	945	952	961	972
Consumer churn as % of unique consumer subscribers, %	13.1	12.7	13.1	13.6	12.4	12.8
Consumer RGUs thousands						
Broadband	679	689	702	713	724	736
Digital TV	636	640	644	644	645	651
- of which TiVo customers	233	239	246	251	255	259
Fixed telephony	300	294	282	277	272	269
Total consumer RGUs	1,615	1,623	1,627	1,634	1,642	1,656
Unique B2B subscribers, thousands						
OnNet	18	19	20	22	22	23
OffNet	42	40	38	33	30	28
Total unique B2B subscribers	61	59	58	54	53	51
ARPU, SEK						
Consumer	369	371	371	368	376	373
B2B	436	436	454	448	445	425

¹⁾ For the quarter, and on the last date of each quarter.

Comparison between third quarter 2017 and third quarter 2016, unless otherwise stated.

Addressable footprint

In the quarter, the Com Hem addressable footprint increased by 75,000 homes to 2,457,000 at the end of the period, of which approximately 750,000 are also reached by Boxer. The increase is mainly a result of our expansion into the SDU market where we at the end of September had added some 450,000 addressable households in the Com Hem Segment and an additional approximately 250,000 households unique to Boxer since the start of the expansion programme through the addition of open LANs as well as unbundled Skanova fibre.

Unique consumer subscribers

The number of unique consumer subscribers continued to increase in the quarter, up 11,000 to 972,000. The increase was mainly a result of strong growth in broadband subscribers.

Consumer churn rate

The churn rate, expressed as the percentage of consumer subscribers, was 12.8% in the third quarter compared to 12.4% in the second quarter.

Consumer RGUs

The number of consumer RGUs was 1,656,000 at the end of the third quarter, an increase of 14,000 compared to previous quarter, caused by strong growth in broadband and DTV RGUs offset by continued decline in fixed-telephony RGUs.

The number of broadband RGUs rose by 12,000 in the quarter to an all time high of 736,000. Close to 90% of the entire broadband base do now subscribe to a 100 Mbit/s or higher service resulting in an average speed across the base of 140 Mbit/s.

The number of digital TV RGUs increased by 6,000 during the quarter to a total of 651,000 RGUs. During the quarter the number of TiVo customers grew by 4,000 to 259,000, corresponding to 40% of the total digital TV base.

The number of fixed-line telephony RGUs was 269,000, down 3,000 compared with the preceding quarter, which is in line with the underlying trend in the market.

Consumer ARPU

Consumer ARPU amounted to SEK 373, down from SEK 376 in the preceding quarter. The decline in ARPU can be attributed to high volume intake with customers on introductory discounts as well as a dilution of digital-TV ARPU driven by increased sales efforts of broadband services bundled with lower tier TV packages. We continue to see growth in broadband ARPU on the back of price adjustments and migration into higher speed tiers.

Unique B2B subscribers

The number of unique B2B subscribers was 51,000 at the end of the quarter with a continued growth of the high margin OnNet subscribers by 1,000, offset by a decline in the legacy OffNet business of 2,000 subscribers.

B2B ARPU

B2B ARPU was SEK 425 in the quarter, compared to SEK 445 in the preceding quarter explained by less variable fees from telephony OffNet customers.

SEGMENT COM HEM

OVERVIEW PER OPERATING SEGMENT

Financial summary, SEKm	JUL-SEP/Q3			JAN-SEP/9 MONTHS			JAN-DEC
	2017	2016	Change	2017	2016	Change	2016
Revenue external							
Consumer	1,078	1,031	4.5%	3,196	3,048	4.9%	4,093
- of which Digital TV	472	469	0.8%	1,414	1,390	1.7%	1,855
- of which Broadband	528	472	11.9%	1,541	1,377	11.9%	1,862
- of which Fixed Telephony	47	60	-20.6%	151	196	-22.8%	253
Network operator	209	193	8.7%	618	575	7.4%	777
B2B	66	77	-15.1%	210	238	-11.6%	317
Other revenue	4	8	-56.7%	17	24	-28.2%	31
Revenue	1,357	1,309	3.6%	4,042	3,885	4.0%	5,218
Underlying EBITDA	676	642	5.3%	1,953	1,852	5.4%	2,470
Underlying EBITDA margin, %	49.8	49.0	0.8 p.p.	48.3	47.7	0.6 p.p.	47.3
Total capital expenditure	-204	-180	13.3%	-697	-588	18.6%	-851
Operating free cash flow	472	461	2.2%	1,256	1,264	-0.7%	1,618

Comparison between third quarter 2017 and third quarter 2016, unless otherwise stated.

Revenue

Revenue for the third quarter rose by 3.6% compared to the same period last year and amounted to SEK 1,357m. For the first nine months revenue rose by 4.0% to SEK 4,042m. The increase is mainly a result of a continued strong growth in consumer services, driven by volume as well as price.

Consumer Services

Revenue from consumer services rose by 4.5% to a total of SEK 1,078m for the third quarter. The increase is driven by increased revenue from broadband and digital TV, partly offset by decreased revenue from fixed telephony.

Revenue from broadband services, which rose by 11.9% for the quarter, is attributable to RGU growth, an improved speed mix and price adjustments implemented in the first quarter.

Revenue from digital TV, which rose by 0.8% for the quarter, is attributable to RGU growth, price adjustments implemented in the first quarter and higher premium revenue.

Revenue from fixed telephony decreased by SEK 13m for the quarter. The decrease is mainly explained by a structural decline in fixed telephony variable usage.

Network Operator Services

Revenue from network operator services increased by 8.7% and amounted to SEK 209m for the third quarter. The increase was attributable to higher revenue from network expansion including connection fees and growth in communication operator revenue from iTUX. The increase was partly offset by a continued decline in landlord revenue within MDUs due to price pressure.

Business to Business

Revenue from B2B services declined by SEK 11m to SEK 66m for the third quarter, which is explained by less revenue from the lower margin legacy OffNet business where all main functions were integrated into Com Hem during the first half of the year resulting in cost savings. For the quarter, OnNet revenue grew by 14.9% and amounted to SEK 30m.

Items affecting comparability amounted to SEK 29m for the first nine months due to the integration while underlying EBITDA as well as operating free cash flow increased compared to the same periods in 2016.

Underlying EBITDA

Underlying EBITDA rose by 5.3% for the Com Hem Segment reaching SEK 676m and the underlying EBITDA margin was 49.8% in the third quarter. For the first nine months, underlying EBITDA rose by 5.4% reaching SEK 1,953m. The increase in underlying EBITDA is explained by revenue growth, partly with somewhat lower margin as proportion of revenue with lower gross margin within third party infrastructure increases. The decline in gross margin was fully offset by savings in other operating expenses.

Capital expenditure (Capex)

For the quarter, capital expenditure amounted to SEK 204m, corresponding to 15.1% of revenue. For the first nine months, capital expenditure amounted to SEK 697m, 17.2% of revenue. The increase compared to the corresponding periods in 2016 is due to a low investment level during the first half of 2016 as well as increased focus on network investments and higher sales volumes in 2017.

Operating free cash flow

Operating free cash flow increased by 2.2% reaching SEK 472m in the third quarter. For the first nine months operating free cash flow decreased by 0.7% to SEK 1,256m. The modest increase for the quarter, and slight decrease for the first nine months, is explained by the higher capital expenditure compared to the same periods last year.

SEGMENT BOXER

OVERVIEW PER OPERATING SEGMENT

Operational key metrics ¹⁾	2016			2017		
	Q2	Q3	Q4	Q1	Q2	Q3
Unique consumer subscribers, thousands	516	508	495	479	471	463
Consumer churn as % of unique consumer subscribers, % ²⁾	16.3	15.7	17.7	19.2	15.0	14.4
Consumer RGUs, thousands	525	520	511	498	493	487
- of which Digital TV	n/a	n/a	493	476	467	456
- of which Broadband	n/a	n/a	11	14	19	23
- of which Fixed Telephony	n/a	n/a	7	8	8	8
Average revenue per user (ARPU), SEK	289	293	293	297	298	298

¹⁾Boxer was acquired on September 30, 2016 when controlling influence of operations was obtained and the entity was consolidated from that date. Figures relating to quarters before the acquisition date are included for comparability purposes.

²⁾Consumer churn as % of unique consumer subscribers, % calculated according to Com Hem Segment method from Q1 2017

Addressable fibre footprint

In the beginning of 2017 Boxer's fibre footprint has expanded to include almost all of the Com Hem Segment's current addressable SDU footprint. At the end of the third quarter, Boxer had around 1,000,000 addressable fibre households (MDUs and SDUs) out of which about 250,000 SDU households did not overlap with Com Hem's footprint.

Unique consumer subscribers

The number of unique consumer subscribers continued to decrease by 9,000 in the third quarter, to a total of 463,000 at the end of the period. The decline is explained by the structural decline within the Digital Terrestrial Television network ("DTT") distribution, which is partly offset against a growing number of broadband and IPTV subscribers as Boxer subscribers get access to fibre broadband.

Consumer churn rate

The churn rate, expressed as the percentage of consumer subscribers, was 14.4% in the third quarter, an improvement from

15.0% in the second quarter and 19.2% in the first quarter. The improvement is mainly explained by Boxer now being able to offer a larger part of its customer base an attractive fibre subscription paired with maintaining its DTT TV subscription or IPTV. For the fourth quarter, we expect a temporary spike in churn due to the migration from the 700 Mhz band as well as seasonal effects of both competitor fibre rollout and expiration of binding periods across the customer base.

Consumer RGUs

The number of consumer RGUs was 487,000 a decrease of 6,000 in the third quarter, compared to a decrease of 5,000 in the second quarter and a slowdown from 13,000 in the first quarter. The decline of 11,000 DTV RGUs in the third quarter was partly offset against an increase of 5,000 broadband RGUs.

Consumer ARPU

ARPU was SEK 298 for the third quarter, which is same level as in the preceding quarter.

Financial summary, SEKm	JUL-SEP/Q3	APR-JUN/Q2	JAN-SEP/ 9MONTHS
	2017	2017	2017
Revenue external			
Consumer	424	430	1,290
Revenue	424	430	1,290
Underlying EBITDA	86	82	252
Underlying EBITDA margin, %	20.4	19.2	19.5
Total capital expenditure	-34	-45	-122
Operating free cash flow	52	37	130

Revenue

Revenue for the third quarter amounted to SEK 424m, a decrease of SEK 6m compared to the second quarter, explained by a decreasing number of DTV subscribers only partly offset by increasing number of broadband subscribers.

Underlying EBITDA

Boxer's underlying EBITDA amounted to SEK 86m for the quarter and SEK 252m for the first nine months. In the beginning of 2017, half of the expected synergies of approximately SEK 50m annually relating to integration with Com Hem were realised. In the period, Boxer continued to purchase administrative services from its previous owner, services that over the coming quarters will be migrated to Com Hem with remaining synergies to be realised.

Boxer is expected to add at least SEK 300m to the Com Hem Group's underlying EBITDA in 2017, including the effect from

synergies. Underlying EBITDA for the fourth quarter is expected to be somewhat lower compared to previous quarters 2017 due to temporarily higher costs for serving customers in connection to the migration from the 700 Mhz band which will be completed by the end of October.

Capital expenditure (Capex)

For the quarter, capital expenditure amounted to SEK 34m, of which investments in CPEs and sales commissions amounted to SEK 21m and SEK 13m relating to system integration.

Operating free cash flow

Operating free cash flow amounted to SEK 52m in the quarter and SEK 130m in the first nine months. Boxer is expected to add approximately SEK 200m in operating free cash flow to the Group in 2017 (excluding capex related to the integration).

CONDENSED CONSOLIDATED INCOME STATEMENT

SEKm	JUL-SEP/Q3		JAN-SEP/9 MONTHS		JAN-DEC
	2017	2016	2017	2016	2016
Revenue	1,780	1,309	5,331	3,885	5,665
Cost of services sold	-1,001	-660	-3,005	-1,942	-2,964
Gross profit	779	650	2,327	1,943	2,701
Selling expenses	-443	-342	-1,386	-1,086	-1,557
Administrative expenses	-82	-72	-240	-225	-305
Other operating income and expenses	1	-8	8	-8	12
Operating profit	255	227	709	624	851
Financial income and expenses	-81	-89	-239	-256	-440
Result after financial items	174	138	470	368	411
Income taxes	-39	-32	-104	-84	-94
Net result for the period	136	106	366	283	317
Average number of outstanding shares, thousands	180,067	190,147	181,066	192,627	191,077
Basic earnings per share, SEK	0.75	0.56	2.02	1.47	1.66
Average number of outstanding shares, diluted, thousands	181,000	190,280	182,234	192,731	191,223
Diluted earnings per share, SEK	0.75	0.56	2.01	1.47	1.66

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEKm	JUL-SEP/Q3		JAN-SEP/9 MONTHS		JAN-DEC
	2017	2016	2017	2016	2016
Net result for the period	136	106	366	283	317
Other comprehensive income					
<i>Items that will not be reclassified to net profit or loss</i>					
Revaluation of defined-benefit pension obligations	18	-28	12	-93	-59
Tax on items that will not be reclassified to profit or loss	-4	6	-3	20	13
Other comprehensive income for the period, net of tax	14	-22	9	-72	-46
Total comprehensive income for the period	150	84	375	211	271

CONDENSED CONSOLIDATED BALANCE SHEET

SEKm	SEP 30 2017	SEP 30 2016	DEC 31 2016
ASSETS			
Non-current assets			
Intangible assets	16,188	16,933	16,765
Property, plant and equipment	1,497	1,493	1,564
Total non-current assets	17,685	18,426	18,329
Current assets			
Other current assets	520	526	458
Cash and cash equivalents	364	361	470
Total current assets	884	887	927
TOTAL ASSETS	18,569	19,313	19,256
EQUITY AND LIABILITIES			
Equity	4,404	5,689	5,501
Non-current liabilities			
Non-current interest-bearing liabilities	10,097	10,538	10,180
Other non-current liabilities	318	420	384
Deferred tax liabilities	730	605	624
Total non-current liabilities	11,146	11,564	11,188
Current liabilities			
Current interest-bearing liabilities	908	20	517
Other current liabilities	2,111	2,040	2,050
Total current liabilities	3,019	2,060	2,567
TOTAL EQUITY AND LIABILITIES	18,569	19,313	19,256
Number of outstanding shares, at end of period, thousands	179,124	188,277	185,210
Equity per share, SEK	25	30	30

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	SEP 30 2017	SEP 30 2016	DEC 31 2016
Opening equity	5,501	6,403	6,403
Comprehensive income for the period			
Net result for the period	366	283	317
Other comprehensive income for the period	9	-72	-46
Total comprehensive income for the period	375	211	271
Transactions with the owners			
Repurchases of shares	-660	-638	-888
Repurchases of warrants	-94	-	-
Dividend	-725	-289	-289
Share-based remuneration	6	3	4
Total transactions with the owners	-1,472	-925	-1,173
Closing equity	4,404	5,689	5,501

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEKm	JUL-SEP/Q3		JAN-SEP/9 MONTHS		JAN-DEC
	2017	2016	2017	2016	2016
Operating activities					
Result after financial items	174	138	470	368	411
Adjustments for non-cash items	531	440	1,473	1,347	1,757
Income taxes paid	-	-	-31	-	-
Cash flow from operating activities before changes in working capital	706	578	1,911	1,715	2,168
Change in working capital	162	2	-8	-64	48
Cash flow from operating activities	868	580	1,903	1,651	2,216
Investing activities					
Acquisition of subsidiary	-	-1,372	-	-1,372	-1,375
Acquisition of intangible assets	-96	-91	-354	-268	-396
Acquisition of property, plant and equipment	-142	-89	-465	-319	-497
Divestment of fixed assets	2	1	4	1	2
Cash flow from investing activities	-237	-1,552	-815	-1,958	-2,266
Financing activities					
Repurchases of shares	-249	-288	-659	-641	-894
Repurchase of warrants	-	-	-94	-	-
Dividend	-359	-	-725	-289	-289
Borrowings	1,000	1,000	2,700	3,300	6,600
Amortisation of borrowings	-954	-7	-2,412	-2,420	-5,578
Payment of borrowing costs	-	-6	-3	-24	-63
Cash flow from financing activities	-562	698	-1,193	-75	-224
Net change in cash and cash equivalents	69	-273	-105	-382	-274
Cash and cash equivalents at beginning of period	295	634	470	743	743
Cash and cash equivalents at end of period	364	361	364	361	470

ADJUSTMENT FOR NON-CASH ITEMS

SEKm	JUL-SEP/Q3		JAN-SEP/9 MONTHS		JAN-DEC
	2017	2016	2017	2016	2016
Depreciation/amortisation	492	402	1,452	1,194	1,667
Unrealised exchange-rate differences	0	-1	0	2	1
Capital gain/loss on sale/disposal of non-current assets	4	0	7	3	3
Change in capitalised borrowing costs and discounts	7	8	23	24	60
Change in accrued interest expenses	33	25	22	112	17
Change in provisions	-7	-	-38	-	4
Other profit/loss items not settled with cash	3	6	6	13	4
Total	531	440	1,473	1,347	1,757

PARENT COMPANY CONDENSED FINANCIAL REPORTS

INCOME STATEMENT SEKm	JUL-SEP/Q3		JAN-SEP/9 MONTHS		JAN-DEC
	2017	2016	2017	2016	2016
Revenue	3	3	10	9	13
Administrative expenses	-13	-6	-28	-19	-27
Other operating income and expenses	0	0	0	-1	-1
Operating profit/loss	-10	-3	-18	-11	-14
Financial income and expenses	21	34	70	114	-114
Result after financial items	11	32	53	103	-128
Income taxes	-	-	0	0	28
Net result for the period	11	32	52	103	-100

STATEMENT OF COMPREHENSIVE INCOME SEKm	JUL-SEP/Q3		JAN-SEP/9 MONTHS		JAN-DEC
	2017	2016	2017	2016	2016
Net result for the period	11	32	52	103	-100
Other comprehensive income	-	-	-	-	-
Comprehensive income for the period	11	32	52	103	-100

BALANCE SHEET SEKm	SEP 30	SEP 30	DEC 31
	2017	2016	2016
ASSETS			
Financial assets	10,100	9,915	9,966
Deferred tax assets	53	25	53
Current assets	7	2	6
Cash and bank balances	14	22	15
TOTAL ASSETS	10,174	9,964	10,041
EQUITY AND LIABILITIES			
Restricted equity	207	213	209
Unrestricted equity	5,347	7,219	6,777
Provisions	2	2	2
Non-current liabilities to Group companies	4,337	1,908	2,780
Current liabilities to Group companies	260	607	260
Other current liabilities	21	14	13
TOTAL EQUITY AND LIABILITIES	10,174	9,964	10,041

OTHER INFORMATION

Com Hem Holding AB (publ) is a Swedish limited liability company (Corp. ID. No. 556858-6613), with its registered office in Stockholm, Sweden. Com Hem's share is listed on Nasdaq Stockholm, Large Cap.

Accounting policies

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and described in the Group's 2016 Annual Report. The Group's functional currency is the Swedish krona (SEK), which is also the presentation currency of the Group. All amounts have been rounded to the nearest million (SEKm), unless otherwise stated. New or amended IFRSs that became effective on January 1, 2017 had no material effect on the consolidated financial statements. The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Condensed financial statements for the Parent Company have been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. Disclosures in accordance with IAS 34.16A are incorporated in the financial statements and its accompanying notes or in other parts of this interim report.

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 early adopted when preparing these financial statements. The work to analyse the effects from the future adoption of IFRS 15 Revenue from contracts with customers and IFRS 9 Financial instruments continue in 2017. As of the date of this interim report, we still find the preliminary analysis described in the Annual report 2016 valid; that the new standards will have no significant effect on the Group's financial statements, except for more extensive disclosure requirements.

Alternative Performance Measures (APM)

The Group applies the guidelines issued by ESMA (European Securities and Markets Authority) on APMs. An APM is understood as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. APMs presented in these interim financial statements should not be considered as a substitute for measures of performance in accordance with IFRS and may not be comparable to similarly titled measures by other companies. The APMs presented in the interim report have been reconciled to the most directly reconcilable line items in the financial statements and appears in the sections Group financial overview and overview per operating segment.

Adjustments

Certain financial information and other amounts and percentages presented in this report have been rounded and therefore the tables may not tally. The abbreviation "n/m" ("not meaningful") is used in this report if the information is not relevant and "n/a" ("not available") is used if the information is not available.

Fair value of financial instruments

The fair value of the Group's financial assets and liabilities are estimated to be equal to the carrying amounts except for outstanding notes.

Related parties

For information regarding related parties, see the Group's Annual report 2016, page 69. There have been no significant transactions during the year, in excess of paid dividend and repurchase

of warrants. Repurchase of warrants from related parties (board members and executive management) was made in April at market value totalling SEK 79m. For more information regarding the repurchase of warrants see section "Incentive programmes" below.

Risks and uncertainties

The Group and the Parent Company have identified a number of operational and financial risks. Operational risks include increased competition, changes to laws and regulations, the ability to retain and attract key employees, substitution from fixed to mobile telephony, technological advances, the ability to retain and attract customers, programme content and risks associated with suppliers. Financial risks include refinancing, liquidity, credit, interest rate, and currency risks. For a detailed description of the significant risk factors for the Group's future development, see the Group's 2016 Annual Report. The Group believes that the risk environment has not materially changed from the description in the 2016 Annual Report.

Operating segments

The Group operates in a single market, Sweden and is divided in two operating segments, Com Hem and Boxer. The division is based on the Group's management structure and infrastructure for delivery of services and structure for internal reporting, which is controlled by the Group's CEO, who has been identified as its chief operating decision-maker.

The operating segment Com Hem offers services to consumers (digital TV, broadband and fixed telephony), B2B (broadband and telephony) and landlords (basic TV offering) via FibreCoax, unbundled Skanova fibre and LAN. The services to consumers and landlords are mainly delivered to multi-dwelling unit buildings. The B2B services are mainly delivered to Small (SoHo) and Medium Sized Enterprises (SMEs). The infrastructure that is the basis for enabling delivery of services to customers is the same for all services in the operating segment. 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.

The operating segment Boxer offers services (digital TV and broadband) to consumers in the SDU market through the Swedish Digital Terrestrial Television network provided by Teracom.

The operating segment information is based on the same accounting principles as for the Group, IFRS. The pricing of inter company transactions is determined on a commercial basis.

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 items affecting comparability and operating currency gains/losses).

Operating segment assets comprise of intangible assets, property, plant and equipment, inventories and current receivables. Operating segment liabilities comprise of non-current liabilities and provisions.

Capital expenditure includes intangible assets and property, plant and equipment but excludes the effect of goodwill, intangible assets and property, plant and equipment through acquisitions which are presented separately.

SEKm	JUL-SEP Q3 2017			JUL-SEP Q3 2016	JAN-SEP/9 MONTHS 2017			JAN-SEP/ 9 MONTHS 2016
	Com Hem	Boxer	The Group	The Group ¹⁾	Com Hem	Boxer	The Group	The Group ¹⁾
Revenue external	1,357	424	1,780	1,309	4,042	1,290	5,331	3,885
Total revenue	1,357	424	1,780	1,309	4,042	1,290	5,331	3,885
Operating profit (EBIT)	239	16	255	227	668	40	709	624
Amortisation & depreciation	421	71	492	402	1,246	206	1,452	1,194
Disposals	5	-	5	0	9	2	11	3
Operating currency loss/gains	-2	-0	-3	5	-5	1	-5	3
Items affecting comparability	13	-0	13	8	34	3	37	28
Underlying EBITDA	676	86	762	642	1,953	252	2,204	1,852
Net financial income and expenses			-81	-89			-239	-256
Income taxes			-39	-32			-104	-84
Net result for the period			136	106			366	283
CAPEX	-204	-34	-238	-180	-697	-122	-819	-588

1) Boxer was acquired on September 30, 2016.

SEKm	SEP 30, 2017				SEP 30, 2016			
	Com Hem	Boxer	Eliminations	The Group	Com Hem	Boxer	Eliminations	The Group
Operating segment assets	16,131	2,079	-6	18,204	16,711	2,241	-	18,952
-of which goodwill	10,899	421	-	11,321	10,899	414	-	11,313
-of which customer relationships	2,086	1,285	-	3,371	2,671	1,427	-	4,098
Other unallocated assets				364				361
Total assets				18,569				19,313
Operating segment liabilities	2,166	915	-6	3,076	2,040	869	-	2,909
Other unallocated liabilities				11,089				10,714
Total liabilities				14,165				13,623

Business Combinations 2017

No business combinations have occurred during 2017.

Business Combinations 2016

Boxer TV-Access AB ("Boxer")

The acquisition of Boxer TV-Access AB was completed on September 30, 2016 and controlling influence of operations was obtained and the entity was consolidated from that date. Boxer is the pay TV operator in the Digital Terrestrial Television network ("DTT") in Sweden. The Com Hem SDU expansion programme will enable Boxer to sell market leading bundled broadband- and TV-services to its customer base.

The acquisition has been recognised by applying the purchase method, and the table below states the fair value of the acquired assets and liabilities. The acquisition was funded through external borrowings and own cash. No equity instruments were issued in conjunction with the acquisition.

SEKm	Carrying amounts in the Group
Intangible assets	1,552
Property, plant and equipment	153
Other current assets	167
Cash and cash equivalents	258
Deferred tax liabilities	-305
Non-current liabilities	-141
Other current liabilities	-472
Net identifiable assets	1,212
Goodwill	421
Purchase price (Paid in cash)	1,633
Less cash in acquired business	-258
Net effect on Group's cash	1,375

The recognised fair value of intangible assets was SEK 1,973m of which customer relationships SEK 1,427m, trademark SEK 101m, goodwill SEK 421m and other SEK 24m. The goodwill recognised for the acquisition relates to future revenue from new customers, increased revenue from existing customers through continued growth of the number of services sold per customer, undocumented know-how and technology. No portion of the goodwill amount is expected to be tax deductible.

An existing long-term fixed price transmission network access contract has been measured to a negative fair value of SEK 174m, which will be released over the contract term, ending March 31, 2020. Lower annual price levels will apply as from April 1, 2020 which was negotiated as part of the transaction.

The total consideration for Boxer amounted to SEK 1,633m and the total net cash outflow was SEK 1,375m after deducting acquired cash and cash equivalents of SEK 258m. Acquisition related expenses were SEK 11m and have been recognised as other operating expenses in the income statement.

Boxer is reported as a separate operating segment and contributed from the acquisition date with SEK 446m to consolidated revenue and SEK 3m to operating profit during 2016.

If the acquisition had been conducted on January 1, 2016, management estimates that the contribution to consolidated revenue would have been SEK 1,833m and the contribution to operating profit would have been SEK 57m, in the financial year 2016.

Changes in share capital and share repurchases

At the Annual General Meeting on May 19, 2016 and at the Annual General Meeting on March 23, 2017 the Board of Directors was given the mandate to until the end of the next Annual General Meeting, on one or more occasions, resolve on buy backs of shares to such extent that the Company's holding at any time does not exceed a tenth of the total number of shares in the Company. The buy backs were carried out in accordance with the Market Abuse Regulation (EU) No 596/2014 ("MAR") and the Commission Delegated Regulation (EU) 2016/1052 (the "Safe Harbour Regulation"). The buy backs are managed by credit institutions that make their trading decisions regarding Com Hem's shares independently of, and without influence by, Com Hem with regard to the timing of the repurchases.

In accordance with the resolution at the 2017 AGM, Com Hem has executed a further reduction of the share capital by way of cancelling shares twice during the financial year. In April 5,071,161 treasury shares were cancelled. Simultaneously, and for the purpose of restoring the share capital, Com Hem has executed a bonus issue corresponding to the amount with which the share capital was reduced. In September, the share capital was further reduced by cancelling 2,108,665 shares. The reduction and the increase of the share capital has been registered by the Swedish Companies Registration Office and the shares are cancelled. Hence, the number of registered shares and votes in Com Hem amounts to 181,770,814.

Change in no. of shares	Total no. of shares
No. of registered shares, December 31, 2016	188,950,640
Cancellation of shares	-7,179,826
Total no. of registered shares, September 30, 2017	181,770,814
Repurchased shares held by Com Hem	-2,646,488
Total no. of outstanding shares, September 30, 2017	179,124,326

Incentive programmes

The Group had at the beginning of the year two warrant programmes established for executive management, key employees and Board members. The programmes originally comprised a total of 2,474,546 issued and paid warrants for each programme. The first programme had a maturity in June 2017 and the second programme has a maturity to June 2018. In accordance with the resolution by the 2017 AGM, Com Hem in April repurchased the warrants with maturity in June 2017 for a total of SEK 94m.

The Group also has three long-term share-saving incentive programmes "LTIP 2015", "LTIP 2016" and "LTIP 2017". LTIP 2015 comprising 164,050 shares, LTIP 2016 comprising 230,543 shares and LTIP 2017 comprising 222,673 shares. LTIP 2017 was resolved by the Annual General Meeting 2017 and has similar conditions as LTIP 2015 and LTIP 2016. For more information regarding LTIP and the other incentive programmes see the Group's Annual Report 2016.

Largest shareholders

On April 27, 2017 Kinnevik AB (publ) acquired all shares that NorCell S.à.r.l. (indirectly controlled by funds managed by BC Partners LLP) held in Com Hem Holding AB (publ). Kinnevik AB (publ) is from that day the Company's single largest shareholder and controlled 18.9% of the outstanding shares and votes as at September 30, 2017. Com Hem Holding AB (publ) had a total of 2,140 shareholders as at September 30, 2017.

As per September 30, 2017	No. of shares	Capital/votes, % ¹⁾
Kinnevik	33,911,671	18.9
MFS Investment Management	19,040,640	10.6
Capital Group	15,115,000	8.4
Norges Bank	10,784,649	6.0
Adelphi Capital LLP	9,679,871	5.4
Vanguard	4,010,283	2.2
DJE Investment	3,221,195	1.8
T. Rowe Price	3,001,932	1.7
Fidelity	2,640,588	1.5
Putnam	2,537,709	1.4
Total 10 largest shareholders	103,943,538	58.0
Other shareholders	75,180,788	42.0
Total no. of outstanding shares	179,124,326	100.0

Source: Holdings/Euroclear as per September 30, 2017.

¹⁾ The participating interest has been adjusted for the Parent Company's holdings of treasury shares. The ten largest public shareholders are listed above. Holdings with depositories are reported as "other shareholders."

Events after the end of the reporting period

During the period from October 1 to October 16, 2017 an additional 84,164 shares were repurchased for an amount of SEK 10m. Com Hem had 2,730,652 treasury shares as of October 16, 2017 corresponding to 1.5% of the total number of registered shares.

Auditor's report

This interim report has not been reviewed by the company's auditors.

Disclosure

This information is information that Com Hem Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below at 7.30 a.m. CET October 17, 2017.

Fredrik Hallstan, Head of PR

Stockholm October 17, 2017
Com Hem Holding AB (publ)

Anders Nilsson
CEO

INDUSTRY TERMS

<p>Addressable footprint Number of households connected to our FibreCoax and FibreLAN networks, third party open networks, and connected and/or passed by fibre in networks unbundled by the Group.</p>	<p>RGUs Revenue generating units, which refer to each subscriber receiving basic or digital TV, broadband or telephony services from Com Hem, Boxer or Phonera. A customer who has all three services is counted as three RGUs but one unique subscriber.</p>
<p>ARPU Average monthly revenue per user for the referenced period. ARPU is calculated by dividing the monthly revenue for the respective period by the average number of unique consumer subscribers for that period. The average number of unique consumer subscribers is calculated as the number of unique consumer subscribers on the first day in the respective period plus the number of unique consumer subscribers on the last day of the respective period, divided by two.</p>	<p>SME Small and medium enterprises. Refers to offices with 10-99 employees.</p>
<p>Churn The voluntary or involuntary discontinuance of services by a subscriber. From Q4 2016 cancellations are excluded.</p>	<p>SoHo Single office/Home office. Refers to offices with 1-9 employees.</p>
	<p>Unique consumer subscribers Unique consumer subscribers represent the number of individual end-users who have subscribed for one or more of the Com Hem Group's digital services (digital TV, broadband and fixed telephony). Com Hem refers to the end-users receiving services directly through our own, third-party or unbundled networks as unique subscribers, even if the billing relationship for that end-user is with the end-user's landlord or housing association.</p>

FINANCIAL KEY METRICS AND ALTERNATIVE PERFORMANCE MEASURES (APM)

IFRS-MEASURE

Earnings per share Net result for the period attributable to owners of the Parent Company divided by the average number of shares outstanding.

ALTERNATIVE PERFORMANCE MEASURES

An alternative performance measure is understood as a financial measure other than a financial measure defined or specified in the applicable financial reporting framework. The alternative performance measures presented are a complement to financial measures defined in IFRS and are used by management to evaluate ongoing operations and control activities. Alternative performance measures presented in these interim financial statements should not be considered as a substitute for measures of performance in accordance with IFRS and may not be comparable to similarly titled measures by other companies. For more information regarding the purpose with presented APMs please visit <http://www.comhemgroup.se/en/investors/definitions/>.

Capital expenditure (Capex) Capital expenditure in intangible assets and property, plant and equipment, including capital expenditure financed by leasing.

EBITDA EBIT excluding amortisation and depreciation.

EBITDA-marginal EBITDA as a percentage of revenue.

Equity/assets ratio Equity as a percentage of total assets.

Equity free cash flow Underlying EBITDA less Capex, interest on bank debt and notes, taxes and change in net working capital.

Equity per share Equity divided by the total number of outstanding shares.

Items affecting comparability Items of temporary nature such as staff costs related to restructuring and transaction costs related to acquisitions.

Net debt Interest-bearing liabilities, excluding borrowing costs, less cash and cash equivalents.

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

Operating free cash flow (OFCF) Underlying EBITDA less capital expenditure.

Operating profit (EBIT) Revenue less operating expenses.

Underlying EBITDA EBITDA before disposals excluding items affecting comparability and operating currency gains/losses.

Underlying EBITDA margin Underlying EBITDA as a percentage of revenue.

OTHER MEASURES

Consumer ARPU Consumer ARPU is calculated by dividing all digital TV, broadband, fixed telephony and other revenue that can be allocated to each consumer service for the period in question, by the average number of total unique consumer subscribers for the respective period, and further by the number of months in the period. The average number of subscribers is calculated as the number of unique consumer subscribers on the first day in the respective period plus the number of unique consumer subscribers on the last day of the respective period, divided by two.

B2B ARPU B2B ARPU is calculated by dividing all broadband, fixed telephony and other revenue that can be allocated to each B2B service for the period in question, by the average number of total unique B2B subscribers for the respective period, and further by the number of months in the period. The average number of subscribers is calculated as the number of B2B subscribers on the first day in the respective period plus the number of unique B2B subscribers on the last day of the respective period, divided by two.

THE GROUP'S FINANCIAL KEY METRICS AND ALTERNATIVE PERFORMANCE MEASURES PER QUARTER

Group	2015		2016				2017	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue, SEKm	1,271	1,276	1,300	1,309	1,780	1,757	1,794	1,780
Operating profit (EBIT), SEKm	190	205	192	227	228	232	222	255
Operating margin (EBIT margin), %	14.9	16.0	14.7	17.4	12.8	13.2	12.4	14.3
EBITDA, SEKm	581	600	589	629	701	707	707	747
EBITDA margin, %	45.7	47.0	45.3	48.0	39.4	40.2	39.4	42.0
Underlying EBITDA, SEKm	595	603	607	642	696	712	730	762
Underlying EBITDA margin, %	46.8	47.3	46.7	49.0	39.1	40.5	40.7	42.8
Capex, SEKm	259	210	198	180	305	269	311	238
Capex as % of revenue	20.4	16.4	15.2	13.8	17.2	15.3	17.4	13.4
Cash flow from operating activities	304	517	554	580	565	557	478	868
Operating free cash flow, SEKm	336	394	409	461	390	443	419	524
Equity/assets ratio, %	35	35	34	29	29	27	26	24
Net debt at end of period, SEKm	9,030	8,988	9,026	10,292	10,326	10,626	10,742	10,719
Net debt/underlying EBITDA LTM, multiple ¹⁾	3.8x	3.8x	3.8x	3.7x	3.7x	3.7x	3.7x	3.7x
Earnings per share, SEK	-0.21	0.49	0.43	0.56	0.18	0.65	0.61	0.75
Equity per share, SEK	33	32	31	30	30	28	27	25

¹⁾ See page 21 for definitions of financial key metrics and Alternative Performance Measures (APM).

²⁾ Boxer is consolidated from September 30, 2016 affecting comparables with previous periods.

OTHER INFORMATION

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Financial information

All financial information is published on www.comhemgroup.com directly after release.

You are welcome to subscribe to our press releases and financial statements via e-mail. Subscribe here: <http://www.comhemgroup.se/en/investors/subscribe/>

Webcast teleconference

Com Hem will present the third quarter results for analysts and investors via a webcast teleconference in English on Tuesday, October 17, 2017 at 10:00 a.m. CET.

To participate, use the following link:
https://comhemgroup.videosync.fi/20171017_q3

Alternatively, use one of the following dial-in numbers:

Sweden: +46 8 5052 0110
 UK: +44 20 7162 0077
 US: +1 646 851 2407

Financial calendar

Year-end Report January-December 2017	January 23, 2018
Annual General Meeting	March 21, 2018
Interim Report January-March 2018	April 17, 2018
Interim Report January-June 2018	July 11, 2018
Interim Report January-September 2018	October 16, 2018