

COM HEM REPORTS FOURTH QUARTER AND FULL YEAR RESULTS 2016

Fourth quarter summary

- Revenue: SEK 1,780m (1,271), up 40.0%. SEK 1,333m organic, up 4.9%.
- Operating profit (EBIT): SEK 228m (190), up 20.0%.
- Underlying EBITDA: SEK 696m (595), up 16.9%. SEK 618m organic, up 3.8%.
- Cash flow from operating activities: SEK 565m (304), up 85.7%.
- Operating free cash flow: SEK 390m (336), up 16.0%. SEK 354m organic, up 5.3%.
- Net result: SEK 34m (-41).
- Earnings per share: SEK 0.18 (-0.21).
- Unique consumer subscribers rose by 11,000 to record high 945,000
- Strong volume growth in broadband, up 13,000 to 702,000 RGUs.
- Digital-TV RGU's totalled 644,000, with a continued growth of 6,000 TiVo customers (penetration rate of 38%).
- Consumer ARPU flat at record high SEK 371 (371 in Q3 2016).
- Consumer churn of 13.1%, 0.4p.p. increase from Q3 2016.
- Boxer integration is proceeding according to plan.
 - Boxer delivered SEK 446m of revenue and SEK 78m of Underlying EBITDA in the fourth quarter.

Full year summary 2016

- Organic revenue SEK 5,218m in FY16, up 4.4% – in-line with guidance.
- Organic Underlying EBITDA of SEK 2,470m in FY16, up 5.3% –in-line with guidance.
- Group Capex at SEK 893m, down 9.9% - significantly below original guidance.
- Updated guidance with Capex down SEK 100m from previous guidance for the Com Hem segment.
- The Board is proposing to the AGM an increase of the cash dividend from SEK 1.50 per share to SEK 4.00 per share to be paid out semi-annually. It also proposes a renewed mandate to repurchase up to 10% of the outstanding shares.
- Annual General Meeting has been rescheduled from May 3 to March 23, 2017.

Comment from Anders Nilsson, CEO, Com Hem Group

In the fourth quarter we saw strong demand for our products in the Com Hem segment as our customer base grew by 11,000 unique subscribers, the highest quarterly growth in almost two years. Broadband sales were particularly strong in the quarter where we added 13,000 RGUs and passed the milestone of 700,000 RGUs. DTV RGUs increased by 3,000 and our TiVo base grew by 6,000 customers, now at 38% of our total DTV base. The number of telephony RGUs dropped by 12,000.

Consumer ARPU remained at record high SEK 371 as a large portion of customers now subscribe to higher tier products. Consumer churn was 13.1% in the quarter, an increase of 0.4 p.p. compared to Q3 as a result of an adjustment of low-ARPU DTV customers who are no longer eligible for the service. The underlying trend remains the same and churn would have been similar to Q3 excluding the adjustment. We continue to expect churn to come down marginally over time.

Com Hem's fibreCoax infrastructure continues to deliver the fastest average download speed amongst our peers according to external tests by Netflix Speed Index and Google Video Index. Within B2B we added 1,000 new OnNet customers in the quarter and compared to last year the OnNet revenues have grown by 26.7%.

Integrating the B2B business

Because of the slow growth in the B2B business stemming from low-margin legacy OffNet fixed-line telephony, we will initiate reorganization of the B2B business. This will reduce costs of servicing the legacy business and increase focus on the high-margin OnNet business. Integration into Com Hem is being executed in parallel to the Boxer integration with most functions moved to shared functions within Com Hem in order to fully utilise synergies across the Group. This will result in a reduction of the workforce within B2B. We expect to incur SEK 30m in integration costs during 2017 in relation to Phonera. The process will run through the first half of 2017 and result in increased Underlying EBITDA and cash flow due to lower operational costs and investments going forward.

Exploring new opportunities in the SDU market

In the Com Hem segment we are getting traction in the SDU market with close to 250,000 households added to the addressable footprint since the launch. Given the good economics of the market and the positive momentum thus far, we have started trials to build our own network at a small scale in addition to unbundling Skanova fibre and entering open networks. We are currently doing tests and hope to be able to launch phase II of the SDU programme and scale up new build during 2017.

Boxer integration and fibre launch

The Boxer integration is well underway and is proceeding according to plan. In addition to integrating Boxer into the Com Hem platform, we are launching the Boxer fibre expansion in Q1. We see this as an excellent opportunity to increase profitability of the existing Boxer customer base as well as retaining customers that are being overbuilt by competitor fibre. Com Hem has first-hand experience of turning a well-known TV brand into a profitable broadband provider. With a strong brand and large customer base in the SDU market, we see great potential in Boxer to further capitalise on the SDU market outside of the current Com Hem SDU expansion programme.

Updated guidance

We reiterate mid-single digit annual growth in revenue and Underlying EBITDA for the Com Hem segment. Including Boxer, the Group expects revenue growth of 25-30% in 2017. Boxer is expected to add SEK 300m in Underlying EBITDA in 2017 and then grow at the same rate as the Group. We lower Capex for the Com Hem segment by SEK 100m to SEK 900-1,000m leading to SEK 1-1.1bn for the Group. For 2017, we will also incur some SEK 50m in Capex for integration of Boxer. We have made great progress toward our goals this year with the rebranding campaign, the SDU expansion programme, the acquisition of Boxer and continued improvement on our products and services to

further improve customer satisfaction. 2017 will be a pivotal year for Com Hem as we fully enter the SDU market, launch another leg in the SDU growth story with the Boxer integration and fibre launch, and reorganise the B2B business. With the progress made in 2016 and the ambitions for 2017 we align the company to deliver steady growth and create return for our shareholders for many years to come.

Notes to the editors:

You will find the complete report with tables in the attached PDF or at:

<http://www.comhemgroup.se/en/investors/financial-reports-presentations/>

Conference call on January 31

Management will host a conference call for the financial community at 10:00 am CET today. The presentation will be held in English and the presentation material can be accessed on www.comhemgroup.com. An on-demand version is also available after the presentation.

Link to webcast: http://cloud.magneetto.com/comhem/2017_0131_Q4/view

Conference call dial-in numbers:

Sweden: +46 (0)8 5052 0110

UK: +44 (0)20 7162 0077

USA: +1 646 851 2407

To ensure that you are connected to the conference call, please dial in 10 minutes ahead of the conference call to register your attendance.

Other information

Com Hem Holding AB's subsidiary NorCell Sweden Holding 2 AB (publ) is the reporting entity of the outstanding notes. NorCell Sweden Holding 2 AB's (publ) year-end-report for 2016 is as of today available on <http://www.comhemgroup.se/en/investors/debt-financing/debt-financing-financial-reports-presentations/>

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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 persons set out above, at 07:30 CET on January 31, 2017.

About Com Hem Group

Com Hem Group offers broadband, TV, play and telephony services to Swedish households and companies. Our powerful and future-proofed broadband network with speeds up to 1 Gbit/s, covers half of the country's households, making the Com Hem Group an important driver of creating a digital Sweden. We bring our 1.5 million customers the widest range of digital tv channels and play services via set-up boxes as well as on-the-go for tablets and smartphones. The company was



founded in 1983 and has approximately 1,100 employees. Com Hem Group is headquartered in Stockholm and operates through four subsidiaries; Com Hem AB, Boxer TV Access AB, Phonera Företag AB and iTUX Communication AB. In 2016, Group sales totalled in 5,665 SEK million. Since 2014 the Com Hem share is listed on Nasdaq Stockholm. www.comhemgroup.com.