



Press release, February 10, 2015

Com Hem reports fourth quarter and full year results 2014 - Strong growth in revenue and operating free cash flow

Fourth quarter summary

- ▶ Revenue totaled SEK 1,229m (1,114), an increase of 10.4% over the fourth quarter of 2013, representing organic growth of 4.3%.
- ▶ Underlying EBITDA was SEK 576m (540), an increase of 6.6% over the fourth quarter of 2013.
- ▶ Operating free cash flow was SEK 236m (142), an increase of 66.1% over the fourth quarter of 2013.
- ▶ Net result for the period was SEK -164m (-422).
- ▶ Earnings per share were SEK -0.79 (-4.22). Pro forma earnings per share¹ were SEK 0.63 (-2.03).
- ▶ Strong momentum in customer intake and churn reduction compared with the third quarter 2014:
 - The unique consumer subscriber base grew by 16,000 to a total of 876,000
 - Churn improvement continued, declining from 14.8% to 14.2%
 - Continued strong volume growth in broadband, increasing by 17,000 to 612,000 RGUs
 - Growth in digital television continued, increasing by 10,000 to 618,000 RGUs
 - The number of TiVo customers grew by over 32,000 to 164,000 customers (27% penetration)
 - The fixed-telephony subscriber base grew by 8,000 RGUs
- ▶ The refinancing of the SEK 3,492 million Senior Secured Notes was completed on November 12, resulting in additional cash interest savings of approximately SEK 100 million per annum.
- ▶ On February 10, the Board of Directors announced a proposed capital return programme consisting of three parts:
 - A one-time share redemption programme of approximately SEK 500m
 - An annual share buy-back programme of up to SEK 1,000m
 - A dividend of SEK 1 per share
- ▶ On February 10, it was announced that Mikael Larsson has been appointed as new CFO of Com Hem and assumes his duties on June 1. Mikael Larsson has held the position as CFO of Investment AB Kinnevik since 2001.

1) Net result for the period excluding one-off costs associated with the IPO and refinancing of debt, adjusted for income tax, divided by the number of shares after the issuance of new shares and exercise of the over-allotment option. See *Pro forma earnings per share* on page 11 in the report.



Comment from Anders Nilsson, CEO, Com Hem

“Strong growth in revenue and operating cash flow”

The fourth quarter of 2014 was another high quality quarter with strong results across the board. We are particularly pleased by the continued reduction in customer churn. Down from 16.4% in the second quarter to 14.8% in the third quarter and 14.2% in the fourth quarter. The pace of improvement reflects early successes for our intensive focus on improving our customers' experience. Significant returns were delivered on our broadband investment, with another quarter of strong volume growth and continued shifts to higher speed tiers.

Similarly, accelerated growth in digital television was driven by our leading TiVo offering and TiVo penetration increased from 22% to 27%. We also saw material progress in our business-to-business operations as the number of customers in our network grew as a consequence of focused sales activities servicing existing demand.

These improvements combined have resulted in increased momentum in revenue growth, with total revenue up 10.4%, of which the organic growth was up 4.3% compared with the corresponding quarter last year. Underlying EBITDA increased by 6.6%.

Growing underlying EBITDA together with lower capex requirements significantly strengthened our operating free cash flow by more than 66%.

When considering the full year, we have reduced debt by SEK 5.7bn while the average interest rate has been reduced by 4 p.p., lowering our cash interest payments by approximately SEK 0.5bn per year going forward. On the back of a strong operational performance and a transformed balance sheet, the Board of Directors proposes a number of measures aimed at increasing shareholder returns. This can be achieved whilst continuing to invest to deliver our operational plan and remain within our leverage target. Going forward, our strategy and priorities remain the same. We are committed to successfully executing on our strategy for sustainable growth and hence generating steady, strong cash flow for our shareholders.

Notes to the editors:

You find the complete report with tables in the attached PDF or at:
<http://www.comhemgroup.se/en/interim-report-q4-2014>

Conference Call on February 10

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.

Please use the following dial-in numbers to participate:

Sweden: +46 8 5052 0110

UK: +44 20 7162 0077

USA: +1 334 323 6201

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



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Com Hem Holding AB discloses the information provided herein pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 07:30 CET on February 10, 2015.

About Com Hem

Com Hem is one of Sweden's leading suppliers of high-speed broadband, television and fixed-telephony. Approximately 40% of Sweden's households are connected to Com Hem's network, with access to the market's broadest range of television services. Com Hem offers broadband speeds up to 500 Mbps to 1.6 million households which is more than any other operator. Since 2013 Com Hem has a competitive B2B-offer of broadband and telephony services. Com Hem was founded in 1983, has approximately 1,100 employees and its head office is in Stockholm. Operations are run through three subsidiaries; Com Hem AB, Phonera Företag AB and ITUX Communication AB. Com Hem's shares are listed on Nasdaq Stockholm. For more information, visit: www.comhemgroup.com.