

AINMT Scandinavia Holdings AS

**Quarterly Report
January – December 2015**

FOURTH QUARTER 2015 SUMMARY

- Service revenue of NOK 190,883 thousands; 56% y-o-y growth adjusted for revenues from leasing the 900 MHz band to Tele2 in Q4 2014
- EBITDA* of NOK -15,697 thousands
- Book equity of NOK 763 million

<i>Amounts in NOK'000</i>	Oct – Dec 2015	Oct – Dec 2014	Jan – Dec 2015	Jan – Dec 2014
Service revenue	190,883	159,555	730,255	541,136
EBITDA *	-15,697	51,737	51,657	100,846
CAPEX **	-245,624	-13,287	-577,874	-758,242
Total assets	2,840,601	2,537,670	2,840,601	2,537,670
Operating margin %	nm	nm	nm	nm
Equity/assets ratio %	28%	37%	28%	37%

* AINMT defines EBITDA as operating profit after adjustment of operating expenses for depreciation, amortization and impairment losses, foreign exchange differences recognized in income pertaining to revaluation of items in the balance sheet and non-recurring items. Any effects from business combinations are not included.

** CAPEX is defined as investments in intangible and tangible assets as reported in the statement of cash flows.

For 2014 the CAPEX includes the acquired licenses in Norway obtained via the contribution of Ice Communications Norge AS.

CEO's statement

2015 was eventful, with important milestones met on the operational, financial and business development side.

On the operational side, three major projects were undertaken in Norway this year. Firstly, the migration of the Network Norway B2B portfolio was finalised early in the second quarter of 2015. This generated churn as expected unfortunately, but we have seen steady growth in this segment starting from the end of the third quarter of 2015.

Secondly, we launched our consumer smartphone proposition in Norway before the summer. The sales rate following the launch and into the third and fourth quarter has proved that ice.net offers a highly competitive product. We're very pleased to have passed the 40,000 B2C mobile phone subscribers already. This offers an excellent platform to build on throughout 2016 and beyond.

Thirdly, the mobile broadband network upgrade from 3G to 4G was successfully completed in the fourth quarter. This converted the AINMT group into the sole 4G-only network provider across Scandinavia. The focus is now on growing that segment again.

To capitalise on the many available growth opportunities, the group significantly strengthened its financial capacity in the fourth quarter. A new subordinated PIK loan with par value of USD 120 million was disbursed to AINMT Holdings AB early October, and USD 50 million was subsequently injected as new equity capital in AINMT Scandinavia Holdings AS.

On the business development front, the fourth quarter saw two major events. Firstly, the parent company AINMT Holdings AB signed a definitive agreement to invest in Philippine 4G player Broadband Everywhere. BE owns nationwide LTE frequencies in the Philippines. AINMT and its local partner will invest funds to build a complementary 4G network providing wireless internet access for business and residential customers as well as the M2M market. Secondly, AINMT Holdings AB also signed an agreement

to invest in PT Sampoerna Telekomunikasi Indonesia, which owns nationwide frequencies in Indonesia. Together with its local partner, AINMT plans to continue to build and upgrade STIs wireless network.

In combination, the agreements in the Philippines and Indonesia have opened up a market of 360 million potential customers for AINMT. Over time, the economies of scale from the presence in these markets will also benefit AINMT's Scandinavian operation.

Significant events during the fourth quarter

- A new subordinated PIK loan with par value USD 120 million maturing in 2030 was disbursed to AINMT Holdings AB early October and USD 50 million was subsequently injected as new equity in AINMT Scandinavia Holdings AS
- Network upgrade in Sweden completed in October 2015
- Network upgrade in Norway completed in November 2015
- The High Yield bond in AINMT Scandinavia Holdings AS successfully listed on Oslo Stock Exchange on 10 November 2015

Significant events after the end of the period

- Fine-tuning and optimization of the new 4G networks are being finalised during Q1 2016

Personnel and organization

At the end of the period, the number of employees amounted to 138 versus 102 for the equivalent period the previous year, including external resources however, such as dedicated people with contract suppliers and subcontractors, the total number was 213 (126) people.

Investments

The Group's cash flows from acquisition of intangible assets during the fourth quarter amounted to NOK 647 (-) thousands. The corresponding numbers for the full year was kNOK 62,024 (716,867) thousands, the major item being the acquisition of the business-to-business customer base from Network Norway in February and access rights licenses in Sweden. For the comparison number the major item is the acquisition of Ice Communication Norge AS that was awarded the spectrum licences in Norway in December 2013.

Cash flows from investments in tangible assets during the fourth quarter amounted to NOK 247,633 (19,073) thousands and the corresponding numbers for the full year was NOK 510,556 (41,714) thousands. These investments are mainly related to implementation of the new network and capacity expansions, both on existing and new sites as well as on backbone systems.

As a consequence of the 4G investments, the depreciations of the 3G related network components have been significantly higher during 2015, and then finally scrapped as the new network was taken in use.

EBITDA

Non-recurring items identified during the fourth quarter amounts to NOK 108,637 (18,338) thousands and the total year-to-date amounts to NOK 159,121 (27,808) thousands. The last quarter of 2015 was heavily affected by extraordinary costs related to replacement of customer premises equipment and related anti-churn activities in Norway and Sweden as part of the network technology upgrade.

The NOK 94.6 million net positive effect from the acquisition of Network Norway in February 2015 is not included in the EBITDA. The last quarter of 2014, as well as the first quarter of 2015, includes also revenue from leasing spectrum to Tele2 implying an underlying y-o-y growth for the full year of 38%.

Risks and factors of uncertainty

AINMT Scandinavia's operations are exposed to certain risks that could have a varying impact on earnings or its financial position. These can be divided into industry, operational and financial risks; including regulatory and competitive risks.

A material part of the Group's revenues and profits is derived from operations outside Norway. Currency fluctuations may influence the reported figures in Norwegian Kroner to an increasing extent. Please refer to the annual report of 2014 for a detailed walk-through of the risks identified.

Related party transactions

No related party transactions to report for the fourth quarter of 2015. Please see further details under the section Critical accounting estimates and judgements in the annual report of 2014.

Outlook 2016

During 2016 the Norway business will continue to expand its mobile network as well as the customer base.

Legal disclaimer

Certain statements in this report are forward-looking and the actual outcomes may be materially different. In addition to the factors discussed, other factors could have an impact on actual outcomes. Such factors include developments for customers, competitors, the impact of economic and market conditions, national and international legislation and regulations, fiscal regulations, fluctuations in exchange rates and interest rates and political risks.

29 February 2016

The Board of Directors of AINMT Scandinavia Holdings AS

CONDENSED FINANCIAL REPORTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONDENSED)

<i>Amounts in NOK'000</i>	Oct – Dec 2015	Oct – Dec 2014	Jan – Dec 2015	Jan – Dec 2014
Service revenue	190,883	159,555	730,255	541,136
Other operating revenue	8,586	12,255	100,743	69,366
Total operating revenue	199,469	171,810	830,998	610,502
Acquisition of Network Norway	-	-	94,600	-
Operating expenses	-180,944	-66,973	-492,246	-271,476
Other expenses	-103,925	-30,457	-306,336	-161,037
Employee benefit expenses	-38,934	-40,981	-139,879	-104,950
Depreciation and amortization	-76,335	-60,548	-368,054	-136,352
Total operating expenses	-400,138	-198,959	-1,211,916	-673,816
Operating result	-200,669	-27,149	-380,918	-63,314
Financial items	-83,635	-48,372	-249,561	-108,947
Result before tax	-284,304	-75,521	-630,479	-172,261
Income taxes	32,956	-3,855	33,490	-660
Result for the period	-251,348	-79,376	-596,989	-172,920
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Currency translation differences	3,109	16,002	2,391	2,388
<i>Items that will not be reclassified to profit or loss</i>	-	-	-	-
Other comprehensive income	3,109	16,002	2,391	2,388
Total comprehensive income for the period	-248,239	-63,374	-594,598	-170,533
<i>Result for the period attributable to:</i>				
Equity holders of the parent	-250,781	-78,948	-594,860	-171,471
Non-controlling interests	-567	-428	-2,129	-1,450
Result for the period	-251,348	-79,376	-596,989	-172,920
<i>Total comprehensive income attributable to:</i>				
Equity holders of the parent	-248,076	-65,187	-594,269	-171,335
Non-controlling interests	-164	1,813	-330	802
Total comprehensive income for the period	-248,239	-63,374	-594,598	-170,533

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONDENSED)

<i>Amounts in NOK'000</i>	31 Dec 2015	31 Dec 2014
ASSETS		
Intangible assets	888,176	761,033
Tangible Assets	1,040,281	669,682
Financial Assets	14,027	7,536
Deferred tax assets	1,729	1,930
Total non-current assets	1,944,214	1,440,180
Goods for resale	46,075	32,158
Trade receivables	97,635	18,919
Other receivables	37,342	113
Prepaid expenses and accrued revenue	75,268	18,758
Cash and cash equivalents	640,067	1,027,542
Total current assets	896,387	1,097,490
TOTAL ASSETS	2,840,601	2,537,670
EQUITY AND LIABILITIES		
Total Equity	781,384	947,416
Deferred tax liabilities	-	-
Borrowings	1,589,768	1,390,523
Total non-current liabilities	1,589,768	1,390,523
Trade payables	59,513	28,280
Other liabilities	12,960	22,702
Accrued expenses and deferred revenue	396,976	148,748
Total current liabilities	469,449	199,730
TOTAL EQUITY AND LIABILITIES	2,840,601	2,537,670

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONDENSED)

<i>Amounts in NOK'000</i>	Jan - Dec 2015			Jan - Dec 2014		
	Owners of the parent	Non-controlling interests	Total equity	Owners of the parent	Non-controlling interests	Total equity
Opening balance	946,316	1,100	947,416	343,057	298	*343,355
Net result for the period	-594,860	-2,129	-596,989	-171,471	-1,450	-172,920
Other comprehensive income	592	1,799	2,391	136	2,252	2,388
New share issue	-	-	-	30	-	30
Capital contribution from share-based payments	6,066	-	6,066	-	-	-
Share capital increase	422,500	-	422,500	-	-	-
Restructuring under common control	-	-	-	774,564	-	**774,564
Closing balance	780,613	771	781,384	946,316	1,100	947,416

* Refers to the contribution of 100% of the shares of Ice Communication Norge AS plus internal loans to the other three companies contributed to AINMT Scandinavia Holdings AS.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONDENSED)

<i>Amounts in NOK'000</i>	Oct - Dec 2015	Oct - Dec 2014	Jan - Dec 2015	Jan - Dec 2014
Cash flows from operating activities	14,199	69,769	-240,854	43,321
Cash flows from investing activities	-245,624	-13,287	-577,874	-758,242
Cash flows from financing activities	421,912	-1,156	418,400	1,699,755
Net decrease/increase in cash and cash equivalents	190,487	55,326	-400,328	984,834
Cash and cash equivalents, opening balance	439,026	964,631	1,027,542	35,115
Exchange gains/losses on cash	10,554	7,585	12,853	7,593
Cash and cash equivalents, closing balance	640,067	1,027,542	640,067	1,027,542

CONSOLIDATED KEY RATIOS

<i>Amounts in NOK'000</i>	Oct – Dec 2015	Oct – Dec 2014	Jan – Dec 2015	Jan – Dec 2014
Return on equity				
Return on equity %	nm	nm	nm	nm
Profit				
EBITDA	-15,697	51,737	51,657	100,846
Operating result	-200,669	-27,149	-380,918	-63,314
Operating margin in %	nm	nm	nm	nm
Net result margin in %	nm	nm	nm	nm
Key ratios - increase				
Service revenue growth in %	20%	29%	35%	15%
Service revenue growth	31,328	35,962	189,118	68,675
Key ratios – financial position				
Cash liquidity %	191%	549%	191%	549%
Total assets	2,840,601	2,537,670	2,840,601	2,537,670
Equity/assets ratio %	28%	37%	28%	37%
Equity	781,384	947,416	781,384	947,416
Gross interest bearing debts	1,619,600	1,426,350	1,619,600	1,426,350
Net debt	979,533	398,808	979,533	398,808

Definitions of Key Ratios

EBITDA	AINMT defines EBITDA as operating income after adjustment of operating expenses for depreciation, amortization and impairment losses, foreign exchange differences recognized in income pertaining to revaluation of items in the balance sheet and non-recurring items. Any effects from business combinations are not included in EBITDA.
Cash liquidity in %	Current assets divided by current liabilities
Equity/assets ratio %	Equity divided by total assets
Net result margin in %	Result before tax divided by total operating revenue
Operating result	Result before financial items and tax
Operating margin in %	Operating result divided by total operating revenue
Return on Assets in %	Result before tax divided by total assets
Return on Equity in %	Result before tax divided by equity
Net debt	Gross interest bearing debts less cash and cash equivalents
Service revenue growth in %	Growth in comparison with the same period previous year in %
Service revenue growth	Growth in comparison with the same period previous year in absolute numbers

NOTES TO THE FINANCIAL REPORTS

Basis of preparation

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies are the same as those applied in the latest annual report unless otherwise stated below.

The report has not been subject to review by the auditors of AINMT Scandinavia Holdings AS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to make certain judgments in applying the group's accounting policies.

New and changed accounting standards in 2015

None of the standards and statements that have been published by the IASB and are effective for annual periods beginning on or after January 1, 2015, have had any material impact on the financial statements of the Group.

Share-based payments

The parent company of the AINMT Scandinavia Holdings AS group, AINMT Holdings AB, has issued equity-settled, share-based compensation plans, under which the group receives services from employees as consideration for equity instruments (options) in it. The fair value of the employee services received in exchange for the grant of the options is reflected also in this group, recognized as an expense over the vesting period. The total amount to be expensed is determined by reference to the fair value of the options granted.

At the end of each reporting period, the group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between service commencement period and grant date.

The grant by the AINMT Holdings AB of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts. The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Segment information by geographical area

Amounts in NOK'000

Jan – Dec 2015	Service revenue	Total revenue	EBITDA	Investments	Non-current assets EoP
Norway	550,974	625,783	31,943	455,122	1,448,831
Sweden	160,426	184,529	21,078	101,147	430,723
Denmark	18,855	20,686	-590	16,322	48,904
Other	-	-	-774	-	-
Total	730,255	830,998	51,657	572,580	1,928,458
Jan – Dec 2014	Service revenue	Total revenue	EBITDA	Investments	Non-current assets EoP
Norway	354,291	384,513	94,845	727,700	1,051,771
Sweden	168,830	206,228	8,820	19,558	345,984
Denmark	18,015	19,761	-2,819	11,323	32,960
Other	-	-	-	-	-
Total	541,136	610,502	100,846	758,581	1,430,715

Revenue from intercompany transactions is not included in the segments information.
Investments and non-current assets excludes financial assets and deferred tax assets.

Acquisition of Network Norway

On 5 February 2015, the Norwegian Competition Authority approved TeliaSonera's acquisition of Tele2's Norwegian operation. As a result of the approval, AINMT's Norwegian operation (ice.net) and TeliaSonera announced an agreement that was effective from 1st March 2015 covering the following:

- ice.net acquires Network Norway's business-to-business customer base and the Network Norway brand
- ice.net acquires Officer AS, Norway's fastest growing retailer of mobile communication solutions, with dealerships throughout Norway
- ice.net retains an option to acquire the 2100 MHz spectrum, subject to government approval
- ice.net entered into a six-year national roaming agreement (NRA) with TeliaSonera.
- A co-location agreement giving ice.net access to TeliaSonera's sites at beneficial rates and conditions

The Purchase Price Allocation analysis resulted in the following items;

Amounts in NOK'000

Purchase consideration at 1 March 2015

Cash payment	50,000
Sellers' credit	50,000
Total purchase consideration	100,000

Carrying amount of identifiable assets acquired and liabilities assumed

Customer relations	210,700
Frequency license option	5,000
Shares in Officer AS	5,700
Network equipment and inventory	8,200
Deferred tax liability	-35,000
Total identifiable assets	194,600
Net positive effect from the acquisition	94,600

CONTACT DETAILS

Address: AINMT Scandinavia Holdings AS
Østensjøveien 32
0667 Oslo
Norway

E-mail: info@ainmt.com

Web: www.ainmt.com

All financial information is posted on www.ainmt.com immediately after publication.

OTHER REPORTING RELATED TO THE 9.75 PER CENT SENIOR SECURED CALLABLE BOND ISSUE 2014/2019

Financial Covenants and unconsolidated financial statements of the legal entities of the Group

We hereby confirm that as at 31 December 2015;

- the total book equity, converted to SEK, amounts to SEK 747 million
- the ratio of total assets book value to the bonds carrying amount, both adjusted for the amount blocked on the company's debt service account, calculates to 185%
- the total cash, converted to SEK, amounts to SEK 612 million

	AINMT Scandinavia Holdings AS NOK'000		Ice Norge AS NOK'000		Ice Communication Norge AS NOK'000		Netett Sverige AB SEK'000		Ice Danmark ApS DKK'000	
	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Nov 2013- Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
STATEMENTS OF INCOME										
Service revenue	-	-	291,051	316,627	260,620	37,500	177,447	172,888	15,729	15,262
Other operating revenue	-	-	53,564	33,462	60,359	-	48,620	73,457	1,528	2,378
Operating expenses	-774	-	-356,095	-245,053	-367,033	-39,499	-249,207	-255,824	-22,840	-20,075
Depr. & amort.	-	-	-122,582	-58,391	-71,333	-35,347	-119,879	-52,666	-10,381	-6,157
Operating result	-	-	-134,061	46,645	-117,386	-37,346	-143,019	-62,145	-15,964	-8,592
Financial items	-161,386	-74,017	-19,330	-8,133	-29,451	13,286	-32,960	-31,942	-5,958	-4,781
Taxes	-	-	-	-	-	-	-	-	-	-
Result for the period	161,386	-74,017	-153,391	38,511	-146,838	-24,059	-175,979	-94,087	-21,922	-13,373
EBITDA*	-774	-	72,477	96,839	-40,144	-1,994	21,581	9,376	-492	-2,427
STATEMENTS OF FINANCIAL POSITION EoP										
ASSETS										
Intangible assets	-	-	8,659	8,751	789,151	671,917	66,550	57,723	13,781	16,228
Tangible assets	-	-	82,233	177,668	406,058	20,437	305,787	263,427	23,494	9,992
Financial assets	2,845,644	2,068,110	110,851	106,038	156,236	203,804	1,090	975	912	815
Non-current assets	2,845,644	2,068,110	201,743	292,457	1,351,445	896,158	373,426	322,125	38,187	27,036
Trade receivables	1,285	871	79,948	35,448	59,352	-	94,368	51,899	10,088	1,695
Other receivables	84,897	54,782	162,579	39,913	170,206	15,395	68,836	42,496	1,206	11,256
Cash and cash equivalents	402,382	708,525	21,403	65,655	56,743	81,780	104,509	146,037	37,815	26,917
Current assets	488,564	764,178	263,929	141,016	286,300	97,175	267,714	240,432	49,110	39,868
TOTAL ASSETS	3,334,208	2,832,287	465,672	433,473	1,637,745	993,333	641,140	562,557	87,297	66,904
Equity	1,641,530	1,380,416	5,816	119,207	522,525	669,064	36,301	42,279	6,750	8,672
Provisions	-	-	-	-	-	-	-	-	-	-
Borrowings	1,594,660	1,388,427	232,537	205,631	714,173	168,315	422,167	433,064	54,012	53,275
Non-current liabilities	1,594,660	1,388,427	232,537	205,631	714,173	168,315	422,167	433,064	54,012	53,275
Trade payables	7,332	7,281	53,941	9,018	100,973	2,991	34,726	19,382	11,356	563
Other current liabilities	90,685	56,162	173,379	99,618	300,375	152,963	147,946	67,832	15,179	4,394
Current liabilities	98,017	63,443	227,320	108,636	401,347	155,954	182,673	87,214	26,535	4,957
Total Liabilities	1,692,677	1,451,871	459,857	314,267	1,115,521	324,269	604,840	520,278	80,547	58,232
TOTAL EQUITY AND LIABILITIES	3,334,208	2,832,287	465,672	433,473	1,637,745	993,333	641,140	562,557	87,297	66,904
STATEMENTS OF CASH FLOWS										
Operating activities	-166,729	-41,461	-39,291	54,213	31,019	116,358	-60,007	-68,323	9,457	-18,904
Investing activities	-561,914	-2,054,233	-31,868	-8,724	-478,820	** -931,300	-105,961	-12,036	-13,713	-10,108
Financing activities	422,500	2,804,218	26,907	4,118	422,763	896,723	124,440	207,292	15,155	55,099
Change in cash	-306,143	708,525	-44,253	49,536	-25,038	81,780	-41,528	126,933	10,899	26,087

* See definitions, page 7

** Includes the purchase of the licenses in Norway in December 2013

The balance sheet of AINMT Scandinavia Holdings AS above is presented in accordance with local GAAP and therefore deviates from the consolidated balance sheet on page 5 which is presented in accordance with IFRS.

The entities that came along with the acquisition of Network Norway, Officer AS and its dormant subsidiary Drammen Tele AS, are in all aspects immaterial. As at 31 December 2015 their book equity amounted to NOK 2,482 thousands and NOK 866 respectively. Total turnover for the full year of 2015 for Officer AS was NOK 3,872 thousands.