APX Group Holdings, Inc.

Financial and Operating Highlights

First Quarter 2014

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Forward-Looking Statements

This presentation contains "forward looking statements", including but not limited to, statements related to the performance of our business, our financial results, our liquidity and capital resources, our plans, strategies and prospects, both business and financial and other non-historical statements. These statements are based on the beliefs and assumptions of our management. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning our possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. These statements may be preceded by, followed by or include the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates" or "intends" or similar expressions.

Forward-looking statements are not guarantees of performance. You should not put undue reliance on these statements which speak only as of this date hereof. You should understand that the following important factors, in addition to those discussed in "Risk Factors" in the Company's annual report on form 10-K for the year ended December 31, 2013, filed with the Securities Exchange Commission (SEC), as such factors may be updated from time to time in our periodic filings with the SEC, which are available on the SEC's website at www.sec.gov, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements:

- risks of the security and home automation industry, including risks of and publicity surrounding the sales, subscriber origination and retention process;
- the highly competitive nature of the security and home automation industry and product introductions and promotional activity by our competitors;
- litigation, complaints or adverse publicity;
- the impact of changes in consumer spending patterns, consumer preferences, local, regional, and national economic conditions, crime, weather, demographic trends and employee availability;
- adverse publicity and product liability claims;
- increases and/or decreases in utility and other energy costs, increased costs related to utility or governmental requirements; and
- cost increases or shortages in security and home automation technology products or components.

In addition, the origination and retention of new subscribers will depend on various factors, including, but not limited to, market availability, subscriber interest, the availability of suitable components, the negotiation of acceptable contract terms with subscribers, local permitting, licensing and regulatory compliance, and our ability to manage anticipated expansion and to hire, train and retain personnel, the financial viability of subscribers and general economic conditions. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

These and other factors that could cause actual results to differ from those implied by the forward-looking statements in this presentation are more fully described in the "Risk Factors" section of our annual report filed on Form 10-K for the year ended December 31, 2013. The risks described in "Risk Factors" are not exhaustive. New risk factors emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the impact of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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Non-GAAP Financial Measures

This presentation includes Adjusted EBITDA and Steady-State Free Cash Flow ("SSFCF"), which are supplemental measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). Adjusted EBITDA and SSFCF are not measurements of our financial performance under GAAP and should not be considered as an alternative to net income or any other measure derived in accordance with GAAP or as alternatives to cash flows from operating activities as a measure of our liquidity. We believe that Adjusted EBITDA provides useful information about flexibility under our covenants to investors, lenders, financial analysts and rating agencies since these groups have historically used EBITDA-related measures in our industry, along with other measures, to estimate the value of a company, to make informed investment decisions, and to evaluate a company's ability to meet its debt service requirements. Adjusted EBITDA eliminates the effect of non-cash depreciation of tangible assets and amortization of intangible assets, much of which results from acquisitions accounted for under the purchase method of accounting. Adjusted EBITDA also eliminates the effects of interest rates and changes in capitalization which management believes may not necessarily be indicative of a company's underlying operating performance. Adjusted EBITDA is also used by us to measure covenant compliance under the indenture governing our senior secured notes, the indenture governing our senior unsecured notes and the credit agreement governing our revolving credit facility.

We believe that SSFCF is a useful measure of pre-levered cash that is generated by the business after the cost of replacing recurring revenue lost to attrition, but before the cost of new subscribers driving recurring revenue growth. The use of SSFCF is subject to certain limitations. For example, SSFCF adjusts for cash items that are ultimately within management's discretion to direct and therefore the measure may imply that there is less or more cash that is available for the Company's operations than the most comparable GAAP measure.

We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA and SSFCF may not be comparable to similar measures disclosed by other issuers, because not all issuers and analysts calculate Adjusted EBITDA and SSFCF in the same manner.

See Annex A of this presentation for a reconciliation of Adjusted EBITDA and SSFCF to net loss for the Company and for Vivint. Adjusted EBITDA should be considered in addition to and not as a substitute for, or superior to, financial measures presented in accordance with GAAP.

Participants

• Todd Pedersen	CEO
• Alex Dunn	President
• Mark Davies	CFO
• Dale R. Gerard	VP, Finance & Treasurer

APX Group First Quarter 2014 Highlights

Strong Financial Results

- Total Revenues Up +4% VPY
  - +21% YOY, Excluding 2GIG
  - 21% YOY Monitoring Revenue Growth
- Adjusted EBITDA +18%*

Robust Subscriber Growth

- 25,004 Net New Subscribers
  - +58% Adoption of Additional Services
- 793,816 Total Subscribers
  - +16% YOY Growth

*Adjusted EBITDA is a non-GAAP measure. Please see Annex A of this presentation for a reconciliation of Adjusted EBITDA to net loss.

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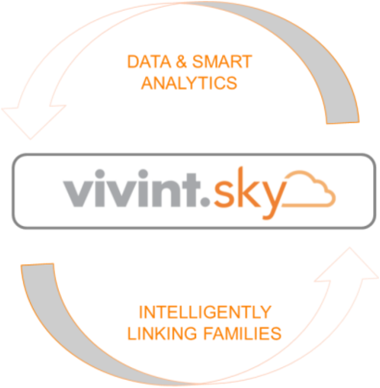
2014 Key Initiatives Update

- Launched New Sky Platform
  - Vivint SkyControl Panel
  - Vivint.Sky Cloud Operating System



- Continued Progress With Pilot Investments:
  - Wireless Internet
  - Commercial
  - Voice
- Implemented New Information Technology Systems
  - CRM…Customer Acquisition, Customer Services, Field Service
  - Billing…Ability to support a broader service offerings

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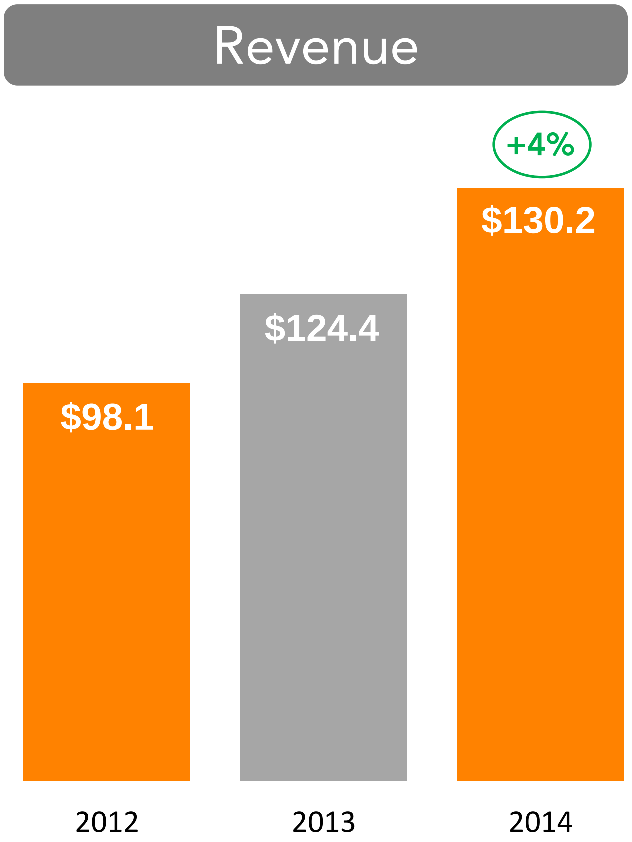
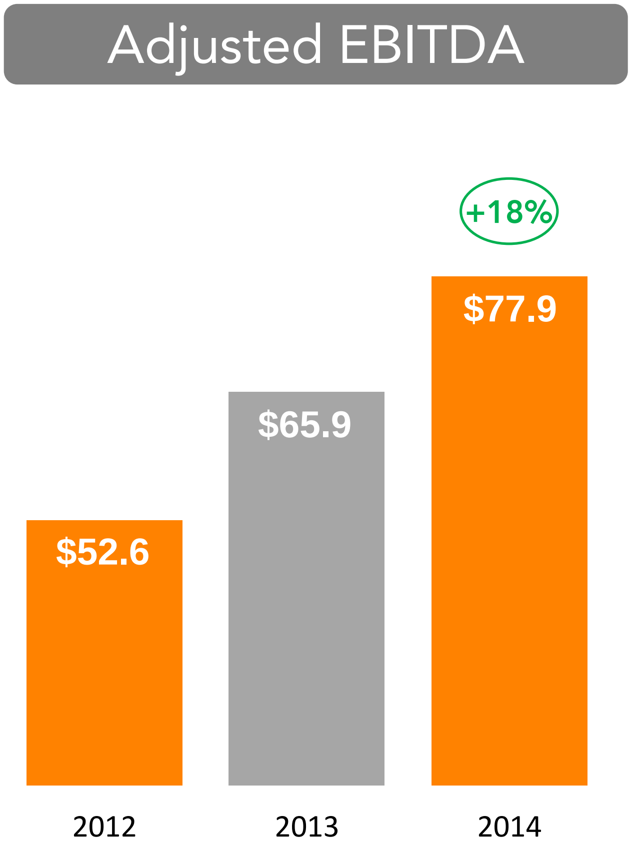
APX Group Key Operating Results

For the Quarters Ended March 31, 2012, 2013 and 2014

($ in Millions)



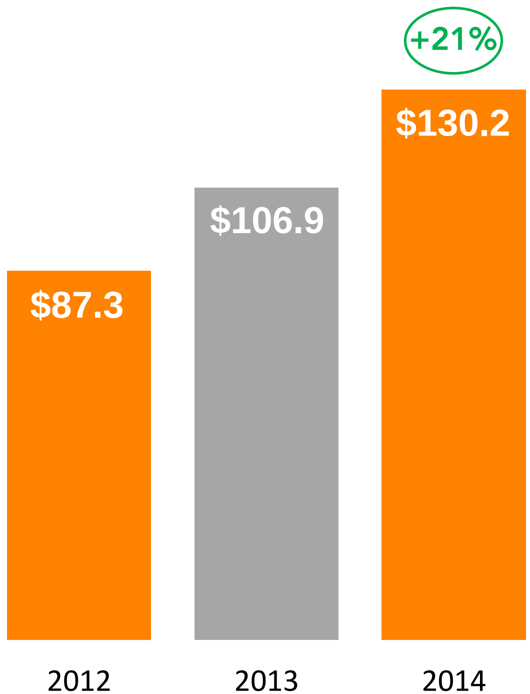


Vivint Key Operating Results

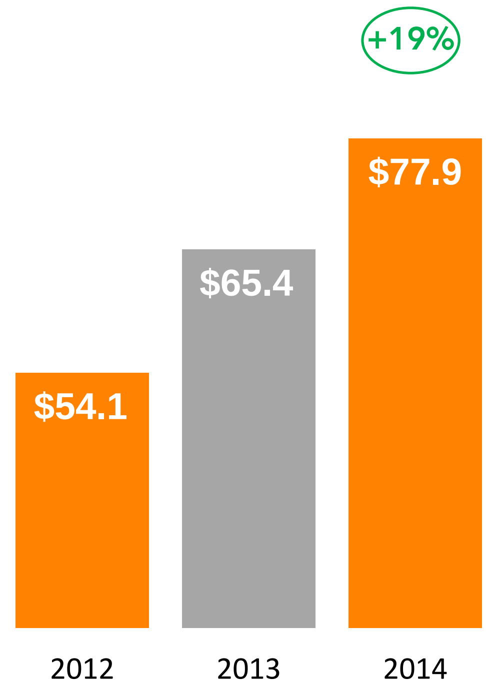
For the Quarters Ended March 31, 2012, 2013 and 2014

($ in Millions)

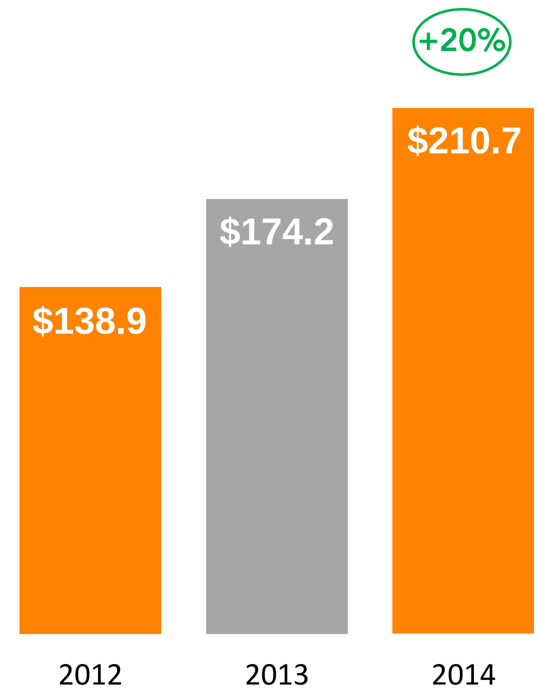
Revenue



Adjusted EBITDA



SSFCF



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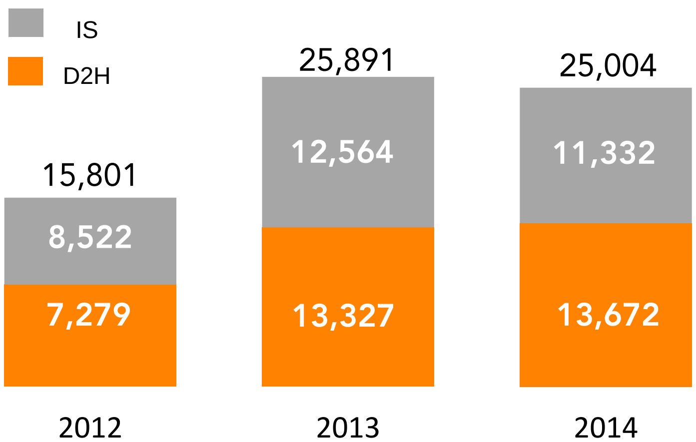
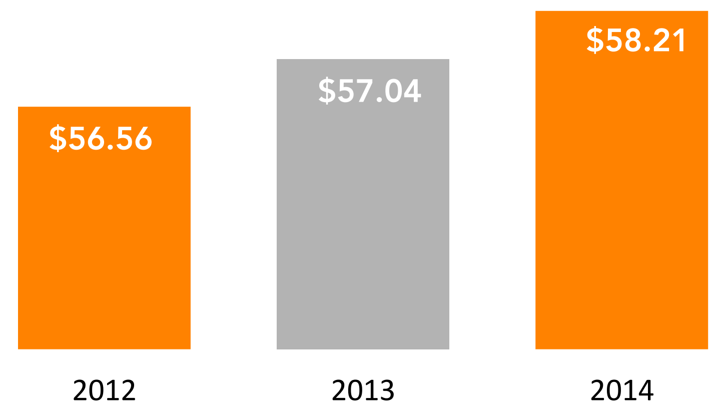
New Subscriber Data(1)

For the Quarters Ended March 31, 2012, 2013 and 2014

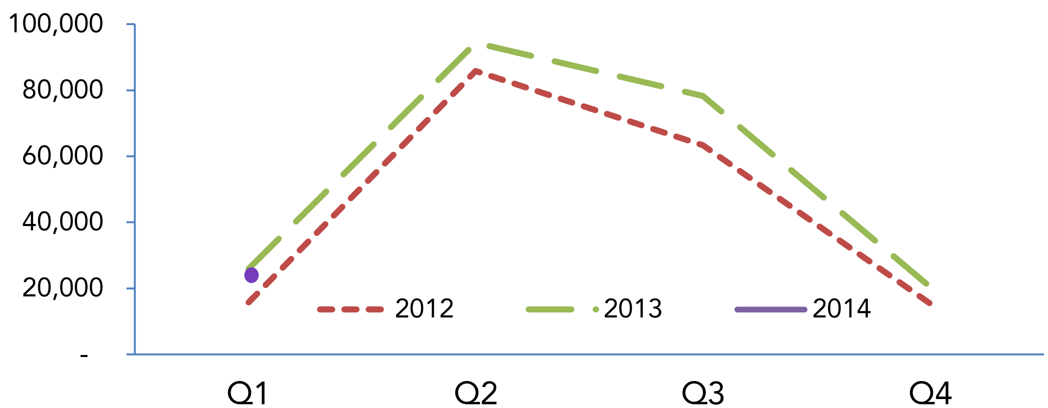
Total New Subscribers



Avg. RMR(2) per New Subscriber



Total New Subscribers by Qtr



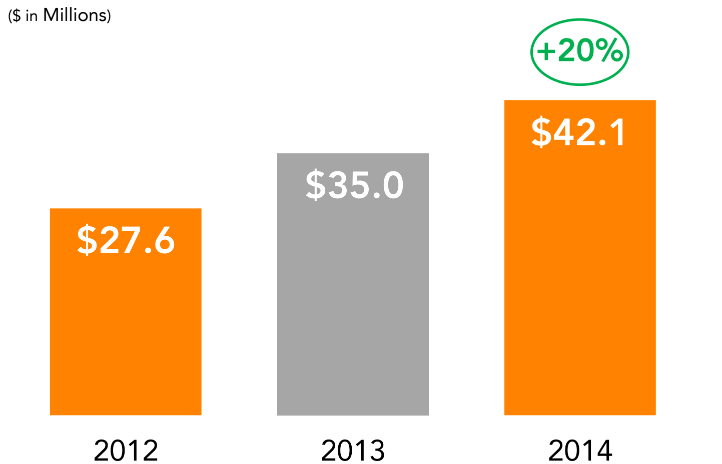
(1) Vivint data and metrics only for all periods presented

(2) RMR is stated as of the end of each period

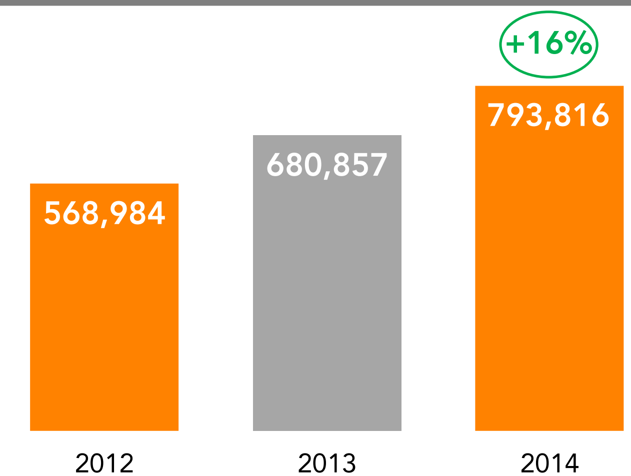
Subscriber Portfolio Data

For the Quarters Ended March 31, 2012, 2013 and 2014

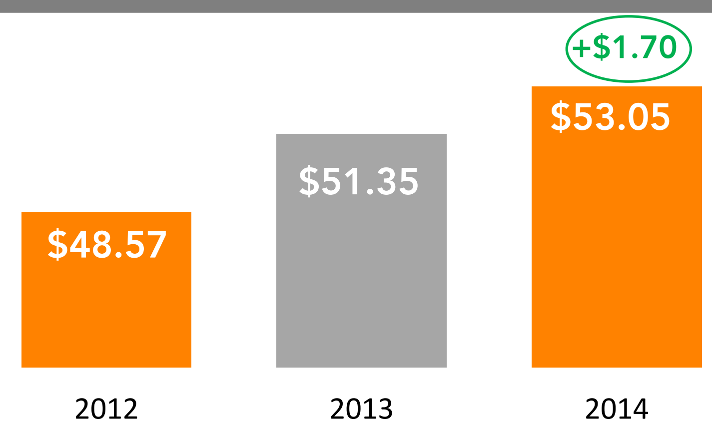
Total RMR(1)



Total Subscribers



Avg. RMR(1) per Subscriber



(1) RMR is stated as of the end of each period

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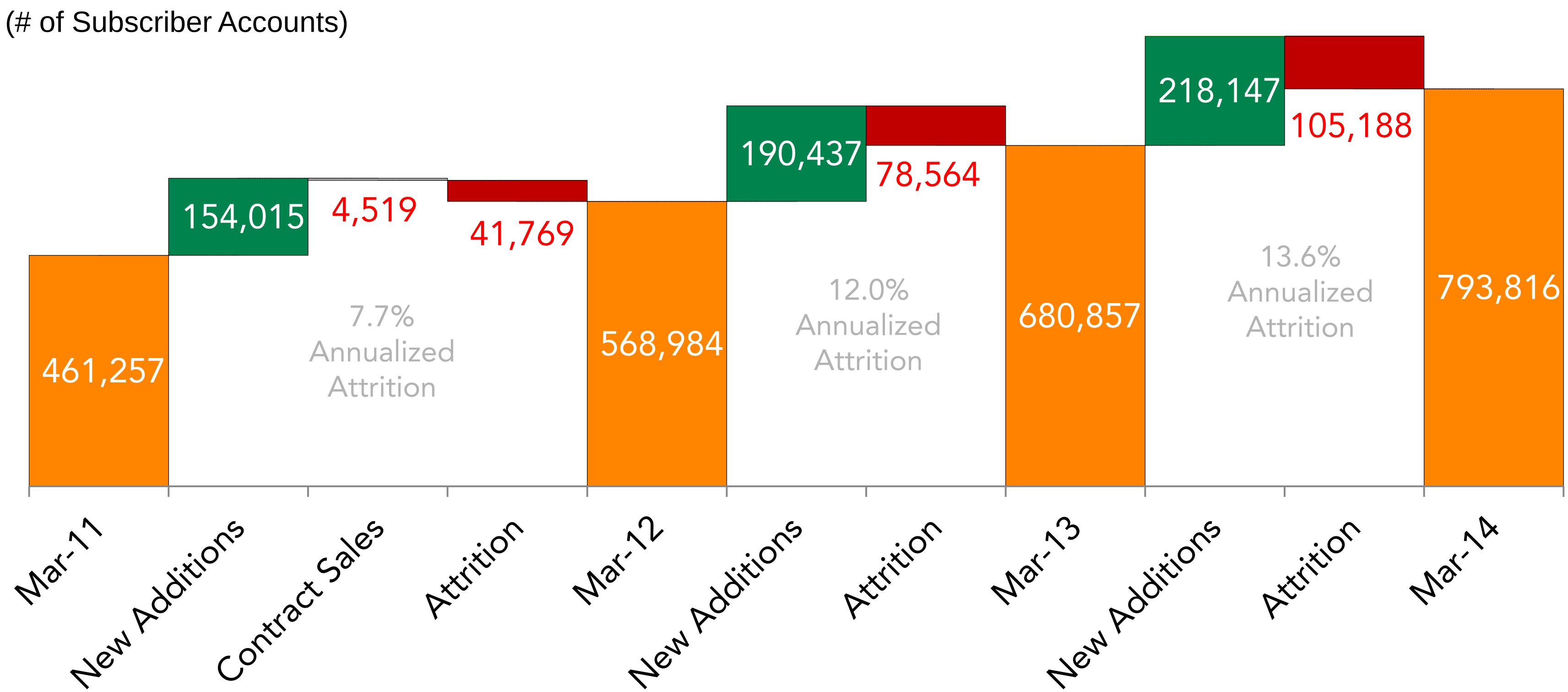
Subscriber Account Attrition(1)



- A = Annualized Attrition, excluding End of Term renewals in the 8% range
- B = End of Term Attrition is in the 10% - 20% range across the Industry
- C = Multiple Pools (~26% of subscriber base) reached End of Term renewals in 2013
- Average FICO of portfolio at 3/31/2014 was ~717

(1) Vivint data and metrics only for all periods presented

Summary

- Consistent, Steady Growth in 1st Qtr
- Launched Vivint SkyControl and Vivint.Sky
- D2H Summer Selling Season Underway
- Attrition Continues to Perform as Expected
- Inside Sales Continues to be Challenging

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APX Group Holdings, Inc.

Consolidated Financial Statements

Quarter Ended March 31, 2014 and 2013

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Condensed Consolidated Balance Sheets

For the Quarter ended March 31, 2014 and Year Ended December 31, 2013

Amounts in Thousands

Unaudited

	March 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalants	$ 174,062	$ 261,905
Short-term investments--other	60,023	-
Restricted cash and cash equivalants	14,214	14,375
Accounts receivable, net	2,222	2,593
Inventories, net	44,352	29,260
Prepaid expenses and other current assets	19,745	13,870
Total current assets	314,618	322,003
Property and equipment, net	41,341	35,818
Subscriber contract costs, net	312,446	288,316
Deferred financing costs, net	57,192	59,375
Intangible assets, net	804,050	840,714
Goodwill	835,527	836,318
Restricted cash and cash equivalants, net of current portion	14,214	14,214
Long-term investments and other assets	31,698	27,676
Total assets	**$ 2,411,086**	**$ 2,424,434**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 40,364	$ 24,004
Accrued payroll and commissions	30,813	46,007
Accrued expenses and other current liabilities	65,065	33,118
Deferred revenue	26,879	26,894
Current portion of capital lease obligations	4,455	4,199
Total current liabilities	167,576	134,222
Notes payable, net	1,761,843	1,762,049
Liability--contracts sold, net of current portion	2,057	-
Capital lease obligations, net of current portion	7,468	6,268
Deferred revenue, net of current portion	20,079	18,533
Other long-term obligations	4,359	3,905
Deferred income tax liabilities	8,868	9,214
Total liabilities	1,972,250	1,934,191
Total stockholders' equity	438,836	490,243
Total liabilities & stockholders' equity	**$ 2,411,086**	**$ 2,424,434**

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Consolidated Statements of Operations

For the Quarters ended March 31, 2014 and 2013

Amounts in Thousands

Unaudited

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Revenues:		
Monitoring revenue	$ 124,554	$ 102,369
Service and other sales revenue	4,834	21,993
Activation fees	766	80
Total revenues	130,154	124,442
Costs and expenses:		
Operating expenses	41,317	45,693
Selling expenses	25,579	20,608
General and administrative expenses	25,135	20,339
Depreciation and amortization	50,352	45,794
Total costs and expenses	142,383	132,434
Loss from operations	(12,229)	(7,992)
Other expenses (income):		
Interest expense	35,640	25,873
Interest income	(552)	(280)
Other (income) expenses, net	(245)	350
Total other expenses	34,843	25,943
Loss before income taxes	(47,072)	(33,935)
Income tax expense (benefit)	208	(3,026)
Net loss	$ (47,280)	$ (30,909)

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Summary of Consolidated Statements of Cash Flows

For the Quarters ended March 31, 2014, and 2013

Amounts in Thousands

Unaudited

	Three Months Ended March 31,	
	2014	2013
Net cash provided by operating activities	$ 23,241	$ 26,970
Net cash used in investing activities	(111,050)	(36,923)
Net cash provided by financing activities	140	13,045
Effect of exchange rate changes on cash	(174)	303
Net (decrease) increase in cash	(87,843)	3,395
Cash:		
Beginning of period	261,905	8,090
End of period	$ 174,062	$ 11,485

APX Group Holdings, Inc.

Annex A

Reconciliation of non-GAAP Financial Measures – APX Group

($ in Millions)	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012	Twelve Months Ended March 31, 2014
Net loss	**$ (47.3)**	**$ (30.9)**	**$ (10.4)**	**$ (140.9)**
Interest expense, net	35.1	25.6	29.9	122.5
Other (income) expense, net	(0.3)	0.4	-	(0.7)
Income tax expense (benefit)	0.2	(3.0)	(0.4)	6.8
Depreciation and amortization (i)	40.0	44.7	2.0	168.7
Amortization of capitalized creation costs	10.3	1.1	17.7	31.4
Non-capitalized subscriber acquisition costs (ii)	26.9	21.2	10.0	106.6
Non-cash compensation (iii)	0.5	0.2	0.1	2.1
Gain on 2GIG Sale (iv)	-	-	-	(46.9)
Transaction costs related to 2GIG Sale (v)	-	0.2	-	5.3
Other Adjustments	12.5	6.4	3.7	49.4
Adjusted EBITDA	**$ 77.9**	**$ 65.9**	**$ 52.6**	**$ 304.3**
LQA Adjusted EBITDA	**$ 311.6**	**$ 263.7**	**$ 210.4**	
Add: G&A Pro Forma Adjustment(1)	16.9	8.5	5.8	
Less: Attrition Replacement Cost(2)	117.9	98.0	77.3	
Annualized SSFCF	**$ 210.7**	**$ 174.2**	**$ 138.9**	

(i) Excludes loan amortization costs that are included in interest expense.
(ii) Reflects subscriber acquisition costs that are expensed as incurred because they are not directly related to the acquisition of specific subscribers. Certain other industry participants purchase subscribers through subscriber contract purchases, and as a result, may capitalize the full cost to purchase these subscriber contracts, as compared to our organic generation of new subscribers, which requires us to expense a portion of our subscriber acquisition costs under GAAP.
(iii) Reflects non-cash compensation costs related to employee and director stock and stock option plans.
(iv) Non-recurring gain on the 2GIG Sale.
(v) Bonuses and transaction related costs associated with the 2GIG Sale.

(1) Adjustment based on management's estimated G&A expense savings in Steady State

(2)

	3 Months ended March 31, 2014	2013	2012
RMR	**$ 42.1**	**$ 35.0**	**$ 27.6**
Normalized RMR Attrition Rate	10.0%	10.0%	10.0%
RMR Attrited	**$ 4.2**	**$ 3.5**	**$ 2.8**
Normalized Net Creation Multiple	28.0x	28.0x	28.0x
Attrition Replacement Cost	**$ 117.9**	**$ 98.0**	**$ 77.3**

Reconciliation of non-GAAP Financial Measures – Vivint

($ in Millions)

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012	Twelve Months Ended March 31, 2014
Income (loss) from operations	**$ (12.3)**	**$ (6.2)**	**$ 20.4**	**$ (59.2)**
Amortization of capitalized creation costs	10.3	1.1	18.0	31.4
Depreciation and amortization (i)	40.0	42.5	1.9	168.7
Non-capitalized subscriber acquisition costs (ii)	26.9	21.2	10.0	106.6
Non-cash compensation (iii)	0.5	0.2	0.1	2.1
Transaction costs related to 2GIG Sale (iv)	-	0.2	-	5.3
Other Adjustments	12.5	6.4	3.7	49.4
Adjusted EBITDA	**$ 77.9**	**$ 65.4**	**$ 54.1**	**$ 304.3**

(i) Excludes loan amortization costs that are included in interest expense.

(ii) Reflects subscriber acquisition costs that are expensed as incurred because they are not directly related to the acquisition of specific subscribers. Certain other industry participants purchase subscribers through subscriber contract purchases, and as a result, may capitalize the full cost to purchase these subscriber contracts, as compared to our organic generation of new subscribers, which requires us to expense a portion of our subscriber acquisition costs under GAAP.

(iii) Reflects non-cash compensation costs related to employee and director stock and stock option plans.

(iv) Non-recurring gain on the 2GIG Sale.

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Certain Definitions

- Total Subscribers – The aggregate number of active subscribers at the end of a given period
- RMR – The recurring monthly revenue billed to a subscriber
- Total RMR – The aggregate RMR billed for all subscribers
- Ave. RMR per Subscriber – The Total RMR divided by Total Subscribers. This is also commonly referred to as Average Revenue per User, or ARPU
- Ave. RMR per New Subscriber – The aggregate RMR for new subscribers originated during a period divided by the number of new subscribers originated during such period
- Attrition – The aggregate number of canceled subscribers during a period divided by the monthly weighted average number of total subscribers for such period. Subscribers are considered canceled when they terminate in accordance with the terms of their contract, are terminated by us, or if payment from such subscribers is deemed uncollectible (120 days past due). Sales of contracts to third parties and moves are excluded from the attrition calculation
- Net Subscriber Acquisition Cost – Gross cost to generate and install a subscriber net of any fees collected at the time of the contract signing. A portion of subscriber acquisition cost is expensed as incurred. The remaining portion of the costs is considered to be directly tied to subscriber creation and consists primarily of certain portions of sales commissions, equipment, and installation costs. These costs are deferred and recognized in a pattern that reflects the estimated life of the subscriber relationships. Vivint amortizes these costs using a 150% declining balance method over 12 years.
- Net Creation Cost Multiple – Defined as total Net Subscriber Acquisition Costs, divided by the number of new subscribers originated, and then divided by the Average RMR per New Subscriber
- Adjusted EBITDA – Net Income (loss) before interest expense (net of interest income), income and franchise taxes and depreciation and amortization (including amortization of capitalized subscriber acquisition costs), further adjusted to exclude the effects of certain contract sales to third parties, non-capitalized subscriber acquisition costs, stock-based compensation, the historical results of the Company's Solar variable interest entity and certain unusual, non-cash, non-recurring and other items permitted in certain covenant calculations under the indentures governing the notes
- Last Quarter Annualized Adjusted EBITDA ("LQA Adjusted EBITDA") – A common industry measure used to reflect the step-function in earnings during the sales season related to the subscribers generated from April to August. LQA Adjusted EBITDA, calculated by multiplying Adjusted EBITDA for the most recent fiscal quarter by 4, represents the ongoing earnings power of Vivint's current subscriber base and is potentially a more relevant metric than LTM due to the recurring nature of the revenue and expected earnings
- Steady State Free Cash Flow ("SSFCF") – Provides an estimate of the cash flow of a company, if it were to invest in new RMR only to the extent required to replace attrition. SSFCF is defined as LQA Adjusted EBITDA less cost to replace RMR attrited, plus an add-back for pro forma G&A expenses. Cost to replace RMR attrited is calculated by multiplying RMR by the attrition rate in steady state by the Net Creation Cost Multiple

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