APX Group Holdings, Inc.

Financial and Operating Highlights

Three and Nine Months ended September 30, 2013

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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 prospectus dated September 24, 2013, filed with the Securities Exchange Commission in accordance with Rule 424(b) of the Securities Act, which is available on the SEC’s website at 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. 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.

These and other factors that could cause actual results to differ from those implied by the forward-looking statements in this press release are more fully described in the “Risk Factors” section of our prospectus dated September 24, 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 before noncontrolling for the Company, and to income (loss) from operations 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.

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Participants

• Alex Dunn	President
• Mark Davies	Chief Financial Officer
• Pat Kelliher	VP, Finance & Controller
• Dale R. Gerard	VP, Finance & Treasurer

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APX Group Highlights

Three Months Ended September 30, 2013

- $42.6 Million in Total RMR, +23% increase VPY
- Reached 803,000+ Total Subscribers
- +23% Increase in Net New Subscriber Originations VPY
- Adjusted EBITDA Up +12% VPY
- Completed Exchange Offer for the 2019 Senior Secured and 2020 Senior Unsecured Notes

Nine Months Ended September 30, 2013

- 198,500+ Net New Subscribers Originated, +20% increase VPY
- Adjusted EBITDA +17% VPY
- Total Net Revenue Up +10% VPY

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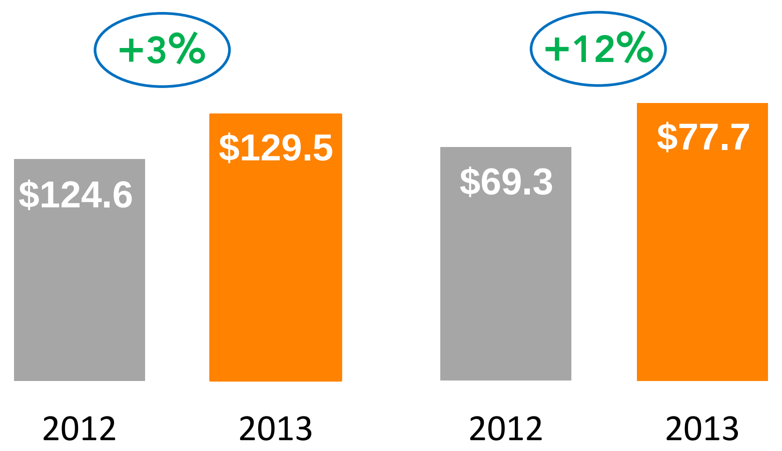
Key Operating Results – APX Group

Three Months ended September 30,

($ in Millions)

Revenue | **Adjusted EBITDA**

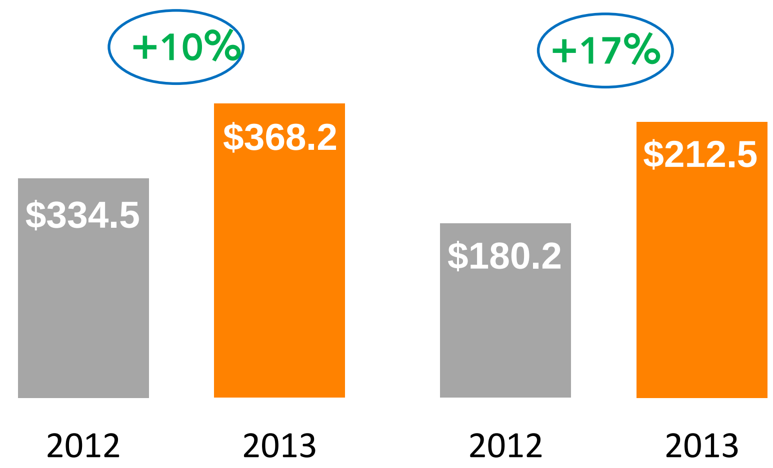


- 21% YOY Increase in Recurring Revenue

Nine Months ended September 30,

($ in Millions)

Revenue | **Adjusted EBITDA**



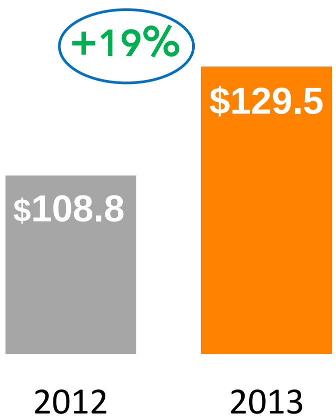
- ~23% YOY Recurring Revenue from Net Subscriber Base Increase of ~122,000 Subscribers

Key Operating Results – Vivint

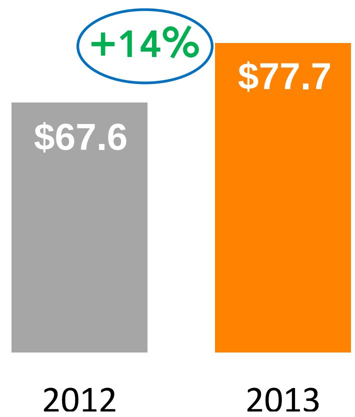
Three Months ended September 30,

($ in Millions)

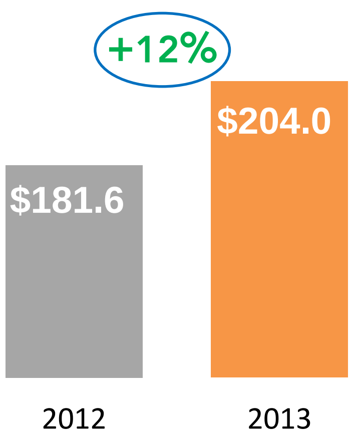
Revenue



Adjusted EBITDA



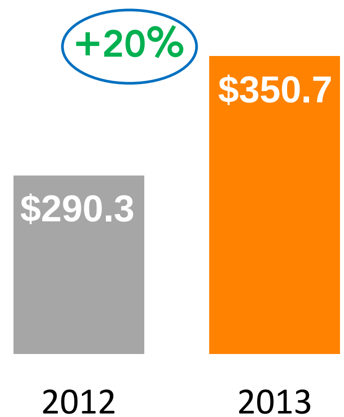
SSFCF*



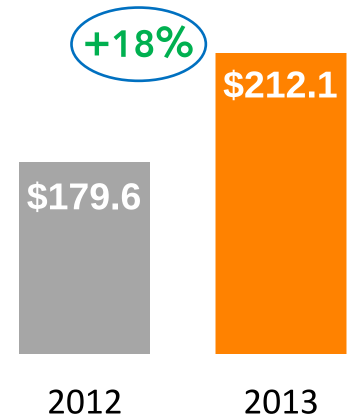
Nine Months ended September 30,

($ in Millions)

Revenue



Adjusted EBITDA



*Calculated based on third quarter annualized Consolidated Adjusted EBITDA

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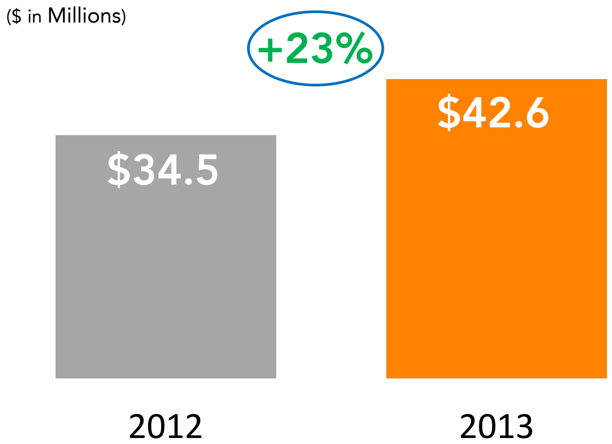
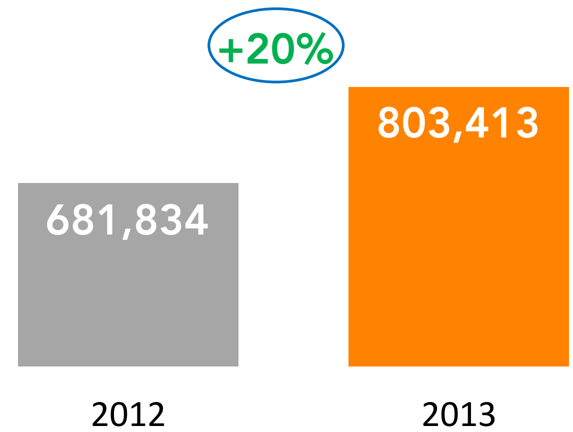
Subscriber Data[1]

For the Three Months ended September 30,

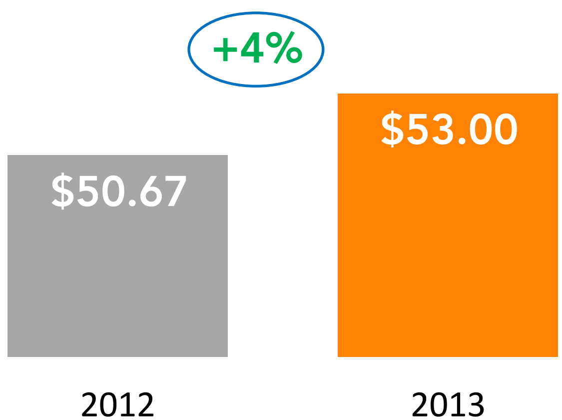
Total RMR[2]



Total Subscribers



Avg. RMR[2] per Subscriber



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

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

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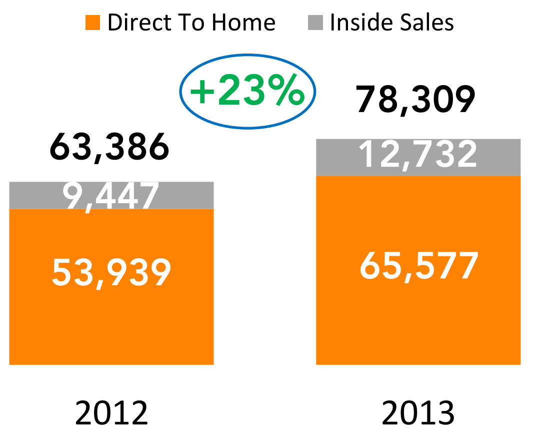
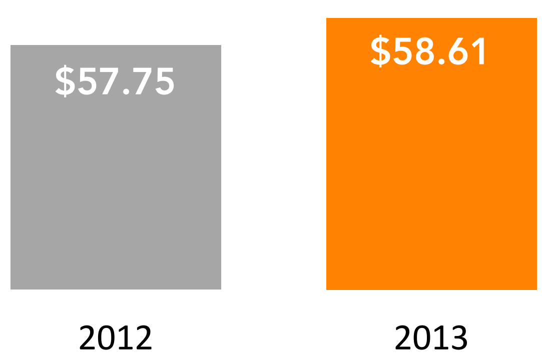
New Subscriber Data[1]

Three Months ended September 30,

Total New Subscribers

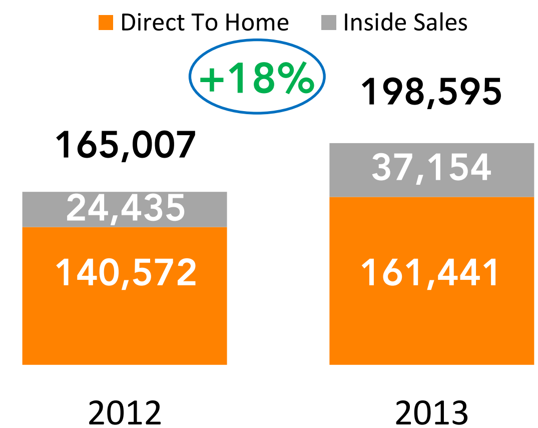


Avg. RMR[2] per New Subscriber

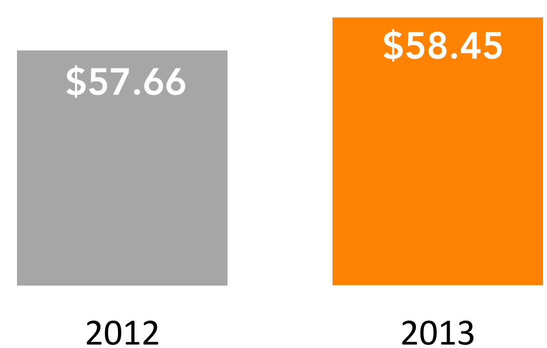


Nine Months ended September 30,

Total New Subscribers



Avg. RMR[2] per New Subscriber



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

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

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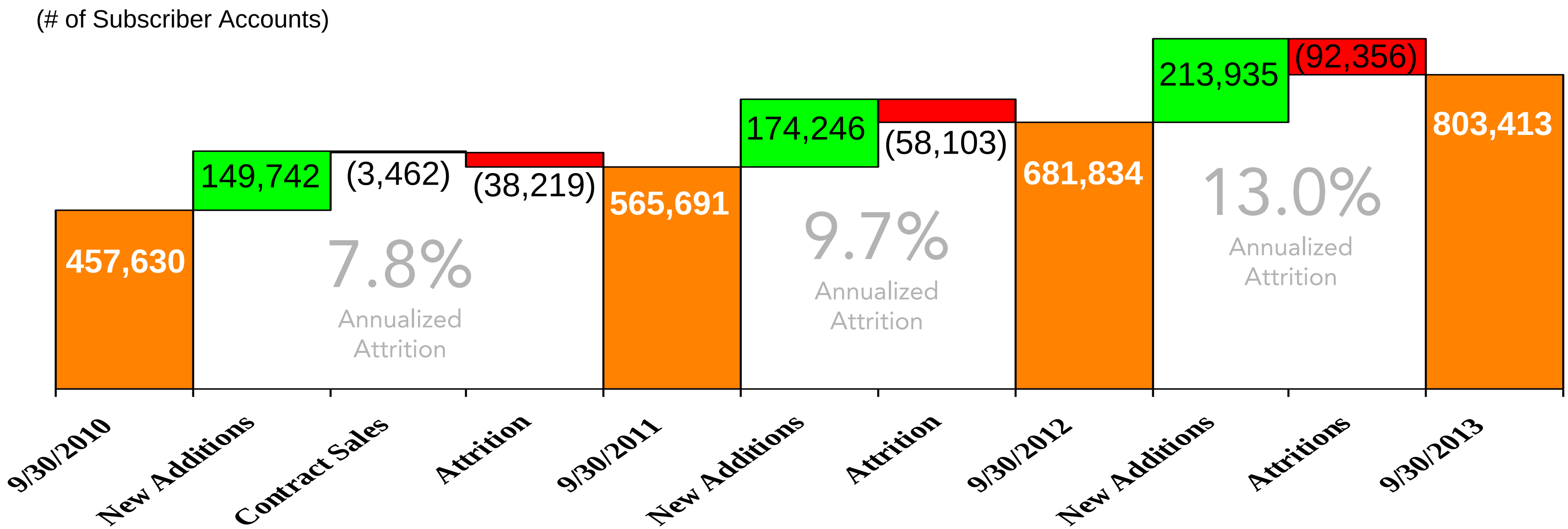
Subscriber Account Attrition*



- 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 = Three Pools (~30% of subscriber base) reached End of Term renewals in last twelve months
- *A + B * C* = 8% + (15%*30%) = 12% - 13% Annualized Attrition
- Average FICO of portfolio at 6/30/2013 was ~717

*Vivint data and metrics only for all periods presented

Summary

- Successful Direct to Home Summer Selling Season
- Inside Sales Continuing to Increase Originations
- Solid Performance in All Areas of the Business
- Completed Form S-4 Filing and Exchange Offer
- Hired New CFO

Financial Overview

Basis of Presentation

On November 16, 2012, APX Group, Inc. and two of its historical affiliates, V Solar Holdings, Inc. ("Solar") and 2GIG Technologies, Inc. ("2GIG"), were acquired by an investor group (the "Investors") comprised of certain investment funds affiliated with Blackstone Capital Partners VI L.P. ("Blackstone" or the "Sponsor"), and certain co-investors and management investors. This acquisition was accomplished through certain mergers and related reorganization transactions (collectively, the "Merger") pursuant to which each of APX Group, Inc., Solar and 2GIG became indirect wholly-owned subsidiaries of 313 Acquisition, LLC ("Acquisition LLC"), an entity wholly-owned by the Investors. Upon the consummation of the Merger, APX Group, Inc. and 2GIG became consolidated subsidiaries of APX Group, which in turn is wholly-owned by APX Parent Holdco, Inc., which in turn is wholly-owned by Acquisition LLC, and Solar became a direct wholly-owned subsidiary of Acquisition LLC. Acquisition LLC, APX Parent Holdco, Inc. and APX Group have no operations and were formed for the purpose of facilitating the Merger. The condensed consolidated statements of operations of the Company for the three months ended September 30, 2013 and September 30, 2012 are presented for two periods: January 1 through September 30, 2012 (the "Predecessor") and January 1 through September 30, 2013 (the "Successor") which relate to the period preceding and the period succeeding the Merger, respectively. The condensed consolidated statements of operations of the Predecessor are presented for APX Group, Inc. and its wholly-owned subsidiaries, as well as Solar, 2GIG and their respective subsidiaries. The condensed consolidated statements of operations for the Successor Period reflect the Merger, presenting the results of operations of the Company and its wholly-owned subsidiaries. On April 1, 2013, the company completed the sale of 2GIG and its subsidiaries to Nortek, Inc. The Company's historical results of operations include the results of 2GIG through March 31, 2013.

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Condensed Consolidated Statements of Operations

For the Three and Nine Months ended September 30, 2013 and 2012

Amounts in Thousands
Unaudited

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September		Nine Months Ended September	
	2013	2012	2013	2012
Revenues:				
Monitoring revenue	$ 123,329	$ 102,263	$ 334,344	$ 272,604
Service and other sales revenue	5,587	20,624	32,902	57,411
Activation fees	587	1,674	951	4,461
Total revenues	129,503	124,561	368,197	334,476
Costs and expenses:				
Operating expenses	40,208	44,065	124,336	118,698
Selling expenses	26,488	14,954	75,394	44,175
General and administrative expenses	20,661	18,557	65,910	49,358
Depreciation and amortization	50,835	25,037	142,967	66,666
Total costs and expenses	138,192	102,613	408,607	278,897
(Loss) income from operations	(8,689)	21,948	(40,410)	55,579
Other expenses (income):				
Interest expense	30,055	29,472	83,309	89,932
Interest income	(411)	(4)	(1,087)	(54)
Other (income) expenses	(84)	4	233	114
Gain on 2GIG Sale	(479)	-	(47,122)	-
Loss from continuing operations before income taxes	(37,770)	(7,524)	(75,743)	(34,413)
Income tax (benefit) expense	(2,865)	2,991	11,598	5,195
Net loss from continuing operations	(34,905)	(10,515)	(87,341)	(39,608)
Discontinued operations:				
Loss from discontinued operations	-	-	-	(239)
Net loss before non-controlling interests	(34,905)	(10,515)	(87,341)	(39,847)
Net income attributable to non-controlling interests	-	1,697	-	3,556
Net loss	$ (34,905)	$ (12,212)	$ (87,341)	$ (43,403)

Condensed Consolidated Statements of Cash Flows

For the Nine Months ended September 30, 2013 and 2012

Amounts in Thousands
Unaudited

	Successor	Predecessor
	Nine Months Ended September 30,	
	2013	2012
Net cash provided by operating activities	$ 139,671	$ 132,645
Net cash used in investing activities	(140,722)	(246,095)
Net cash provided by financing activities	104,863	127,995
Effect of exchange rate changes on cash	(169)	161
Net increase in cash	103,643	14,706
Cash:		
Beginning of period	8,090	3,680
End of period	$ 111,733	$ 18,386

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Condensed Consolidated Balance Sheet

Amounts in Thousands

Unaudited

	September 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash	$ 111,733	$ 8,090
Accounts receivable, net	2,547	10,503
Inventories, net	36,661	32,327
Deferred tax assets	-	8,124
Prepaid expenses and other current assets	12,216	16,229
Total current assets	163,157	75,273
Property and equipment, net	29,236	30,206
Subscriber contract costs, net	267,004	12,753
Deferred financing costs, net	56,206	57,322
Intangible assets, net	882,733	1,053,019
Goodwill	837,419	876,642
Restricted cash	28,428	28,428
Long-term investments and other assets	27,358	21,705
Total assets	**$ 2,291,541**	**$ 2,155,348**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 27,792	$ 26,037
Accrued payroll and commissions	87,854	20,446
Accrued expenses and other current liabilities	61,220	38,232
Deferred revenue	28,291	19,391
Current portion of capital lease obligations	3,632	4,001
Total current liabilities	208,789	108,107
Notes payable	1,508,385	1,305,000
Long-term portion of revolving line of credit	-	28,000
Capital lease obligations, net of current portion	2,918	4,768
Deferred revenue, net of current portion	17,237	708
Other long-term obligations	11,562	2,257
Deferred income tax liabilities	11,298	27,229
Total liabilities	1,760,189	1,476,069
Total stockholders' equity	531,352	679,279
Total liabilities & stockholders' equity	**$ 2,291,541**	**$ 2,155,348**

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Annex A

Reconciliation of Non-GAAP Financial Measures – APX Group

($ in Millions)

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012	LTM September 30, 2013
Net loss before non-controlling interests	**$ (34.9)**	**$ (10.5)**	**$ (87.3)**	**$ (39.8)**	**$ (232.4)**
Interest expense, net	29.6	29.5	82.2	89.9	111.5
Other (income) expense	(0.1)	-	0.2	0.1	2.6
Gain on 2GIG Sale (i)	(0.5)	-	(47.1)	-	(47.1)
Income tax (benefit) expense	(2.9)	3.0	11.6	5.2	0.4
Amortization of subscriber contract costs	7.9	22.7	12.8	60.2	24.8
Depreciation and amortization (ii)	42.9	2.3	130.2	6.5	142.6
Transaction related costs (iii)	0.3	1.8	0.6	4.0	128.9
Transaction costs related to 2GIG Sale (iv)	-	-	5.5	-	5.5
Non-capitalized subscriber acquisition costs (v)	25.5	17.2	78.1	45.7	102.7
Non-cash compensation (vi)	0.6	0.2	1.3	0.5	1.7
Adjustment for Solar business (vii)	-	1.4	-	2.0	5.1
Other Adjustments (viii)	9.3	1.7	24.4	5.9	30.3
Adjusted EBITDA	**$ 77.7**	**$ 69.3**	**$ 212.5**	**$ 180.2**	**$ 276.6**
LQA Adjusted EBITDA	**$ 310.8**	**$ 277.2**			
Add: G&A Pro Forma Adjustment[(1)]	12.5	1.0			
Less: Attrition Replacement Cost[(2)]	119.3	96.6			
Annualized SSFCF	**$ 204.0**	**$ 181.6**			

(i) Non-recurring gain on the 2GIG Sale.
(ii) Excludes loan amortization costs that are included in interest expense.
(iii) Reflects total bonus and other payments to employees and to third parties directly related to the Merger.
(iv) Reflects total bonus and other payments to employees and to third parties directly related to the 2GIG Sale.
(v) 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.
(vi) Reflects non-cash compensation costs related to employee and director stock and stock option plans.
(vii) Reflects the exclusion of Solar results from the time it commenced operations in 2011.
(viii) Represents adjustments for: non-operating legal and professional fees, new product development, non-cash payroll tax reserve, the monitoring fee payable to Blackstone Management, L.L.C, an adjustment to exclude the impact of revenue deductions directly related to purchase accounting, deferred revenue adjustments and certain other adjustments.

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

(2)

	1onths ended September 2013	1onths ended September 2012
RMR	$ 42.6	$ 34.5
Normalized RMR Attrition Rate	10.0%	10.0%
RMR Attrited	$ 4.3	$ 3.5
Normalized Net Creation Multiple	28.0x	28.0x
Attrition Replacement Cost	$ 119.3	$ 96.6

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Reconciliation of Non-GAAP Financial Measures – Vivint, Inc.

($ in Millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Income (loss) from operations	**$ (8.7)**	**$ 20.1**	**$ (38.6)**	**$ 54.4**
Amortization of subscriber contract costs	7.9	23.3	13.1	61.3
Depreciation and amortization (i)	42.9	2.1	128.0	6.1
Transaction related costs (ii)	0.3	1.8	0.7	4.1
Transaction costs related to 2GIG Sale (iii)	-	-	5.5	-
Non-capitalized subscriber acquisition costs (iv)	25.5	17.2	78.1	45.7
Non-cash compensation (v)	0.6	0.1	1.3	0.4
Adjustment for Solar business (vi)	-	1.4	-	2.0
Other Adjustments (vii)	9.2	1.6	24.0	5.6
Adjusted EBITDA	**$ 77.7**	**$ 67.6**	**$ 212.1**	**$ 179.6**

(i) Excludes loan amortization costs that are included in interest expense.
(ii) Reflects total bonus and other payments to employees and to third parties directly related to the Merger.
(iii) Reflects total bonus and other payments to employees and to third parties directly related to the 2GIG Sale.
(iv) 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.
(v) Reflects non-cash compensation costs related to employee and director stock and stock option plans.
(vi) Reflects the exclusion of Solar results from the time it commenced operations in 2011.
(vii) Represents adjustments for: non-operating legal and professional fees, new product development, non-cash payroll tax reserve, the monitoring fee payable to Blackstone Management, L.L.C, an adjustment to exclude the impact of revenue deductions directly related to purchase accounting, deferred revenue adjustments and certain other adjustments.

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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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