



Annual results 2017: UPC posts growth in number of subscriptions

Cover note for 2017 annual report from Liberty Global

Wallisellen, 15 February 2018 – UPC successfully increased its number of subscriptions in 2017. The number of fixed-line and mobile subscriptions increased by 10,000 year-on-year. The company made its mark on the telecommunications market in 2017, with among other things, the successful launch of the MySports sports channel, revamped “Connect & Play” bundles and the abolition of roaming costs in the EU. In addition, UPC further expanded its footprint by connecting over 125,000 new homes in Switzerland. All connected households can enjoy Internet speeds of 500 Mbit/s and a uniquely attractive sports offer. The downward trend in revenue in the first half of the year (-1.6% year-on-year) was reversed in the second half of the year (+0.4% year-on-year). Revenue in the year 2017 was CHF 1.349 billion.

- **MySports:** On 8 September, MySports went on air with attractive and exclusive content. Besides all National League games and play-offs, MySports is also showing Bundesliga matches, Formula E, handball, volleyball, basketball, equestrian sport and much more. UPC launched the channel with 15 distribution partners and increased that number to 18 by the end of the year – thanks to the collaboration with FL1, MySports is now also available in Liechtenstein. The new channel already had around 45,000 subscribers at the end of 2017.
- **Mobile:** In the Mobile segment, UPC is continuing to grow steadily and at an above-average rate – from 80,000 to 115,000 subscriptions in 2017. Thanks to the Mobile offers that allow customers to use the Internet and make calls in the EU without incurring roaming charges, UPC has a uniquely attractive product on the market and the number of subscriptions is growing rapidly to reflect that.
- **Business customers:** UPC’s business customer division has been experiencing growth for several years – in 2017 revenue increased once again by over 4 per cent year-on-year. In particular, the attractive Mobile offers for business customers launched in 2017 and the proven expertise in the area of Internet telephony / VoIP have ensured growth in customer numbers and revenue in the business customer segment.
- **Network expansion:** In 2017, UPC connected over 50,000 new homes in Switzerland and Austria to its powerful fibre optic cable network as part of the Autostrada investment programme. In addition, over 100,000 additional homes were connected via third-party networks. UPC is thus underlining its claim of being a Switzerland-wide operator.

Subscriptions* as of 31 December 2017 in Switzerland



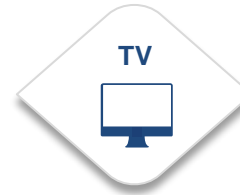
Internet

+ / - 0



Telephony

+ 61,000



TV

- 51,000

Basic offer (< 50 Mbit/s)
202,000 (- 7,000 vs. 2016)

Fixed network
538,000 (+ 26,000 vs. 2016)

Basic TV (no additional device)
521,000 (- 56,000 vs. 2016)

Broadband Internet (> 50 Mbit/s)
547,000 (+ 7,000 vs. 2016)

Mobile
115,000 (+ 35,000 vs. 2016)

Premium TV
678,000 (+ 5,000 vs. 2016)

* The changes in the subscription figures also include inorganic growth such as definition changes or the effects of acquisitions and sales. Please see the official publication from Liberty Global regarding this.

Comments from Eric Tveter, CEO of UPC



Market environment

We successfully turned the downward revenue trend from the first half of 2017 (-1.6 %) around in the second half of the year (+0.4 %). The slight overall drop in revenue is due to the still very competitive Swiss market. Nevertheless, I am very proud that we brought a lot of movement to the market in 2017, not least for our customers. In addition, we successfully launched MySports together with our partners. Steffi Buchli and her team do a fantastic job and have already caught up with their publicly funded competitor as far as quality is concerned. By securing the ice hockey rights, not only has UPC brought lower prices to end customers in the pay-TV market throughout the whole of Switzerland, but also, by abolishing roaming fees in the EU, launched a Mobile offer that is unrivalled in Switzerland. We offer highly attractive, unique Mobile subscriptions that allow customers to behave in the EU as they would do in Switzerland.

Future-oriented

The market environment in Switzerland will remain challenging. Accordingly, we will continue to pursue our strategy and invest in long-term success and continuous growth. Thanks to our future-proof infrastructure, which we will continue to expand, the possibility of offering our services via third-party networks and MySports, we are ideally positioned to continue playing a leading role in the market. In addition, from 2019 our customers will benefit not only from extremely attractive Mobile offers, but also from an "outstanding" mobile network (as rated in the Connect test) with exceptional coverage throughout the whole of Switzerland. In Swisscom, we have selected a provider which also plays a leading role in the implementation of new technology.