

UPC showing improved results in the first quarter of 2019

March 2019 was the strongest sales month of the last two years

Implementation of the growth plan showing impact and continuing in full swing

Accelerated rollout of the new UPC TV Box with more than 100,000 UPC TV boxes on the market

Record quarter in the Mobile segment with +13,000 subscribers

Business customer segment continuing positive performance with 5.4% revenue growth

Wallisellen, 07 May 2019

In the first quarter of 2019, UPC saw revenue declining with -3.7% versus the first quarter of last year, which is a sequential improvement if compared with year-over-year performance of the last quarters¹. Severina Pascu, CEO UPC: "In less than six months since the launch of our growth plan we are seeing a positive turnaround of last year's declining trend. The first quarter of 2019 shows predominantly positive trends across the business as compared to the previous quarters. Due to the sustained intense competition revenue has still fallen overall, but the development in the first quarter shows that the trend is going in the right direction, that the investments made are paying off and the measures are beginning to take effect."

The Mobile segment has continued its strong growth in the first quarter of 2019. Compared to the fourth quarter of 2018, the number of subscribers has increased by 13,000 subscribers to 159,000. The company registered a further record in Mobile subscription sales, which were 39% higher in Q1 2019 than in the same quarter last year. The high demand is driven by the new Mobile subscriptions, which offer customers unlimited Internet access in Switzerland and uniquely attractive roaming offers in the EU. In addition, since the beginning of the year, UPC customers are surfing and calling on Swisscom's mobile network, Switzerland's best mobile network. Customer satisfaction increased accordingly in the first quarter of 2019, and in March 2019 achieved double that of the overall average for 2018.

Overall the number of subscribers in the TV segment has declined with -23,000 subscribers in Q1 2019, which reflects a strong improvement of 27% versus the previous quarter with -32,000 subscribers. This improvement was driven by the rollout of the new UPC TV Box as well as a more targeted approach to upsell and churn activities. With the launch of UPC TV in autumn 2018, the company laid the foundation for a completely new TV experience. As of the end of the first quarter of 2019, already 107,000 of the popular UPC TV boxes are on the market, delivering very high customer satisfaction. UPC is continuing to develop and invest in the new platform: a new option of creating different profiles on the TV Box was added last quarter.

Following the introduction of the MySports ONE channel at the beginning of the season, MySports registered its highest market share during the play-off season since its broadcasting debut.

As UPC is part of the 10G movement that was announced recently by Liberty Global, UPC boosted the top speeds again in the first quarter of 2019. As of 31 March, the top speed is 600 Mbit/s and this will continue to rise as we work towards the launch of 1 Gbit/s later in 2019. New top speeds were made available to both existing and new customers, and the current average surfing speed for UPC customers has meanwhile risen to 240 Mbit/s. With this value they have the fastest average surfing speed in Switzerland, made possible by the high quality Connect Box modem which almost 75% of UPC customers are using.



UPC's business customer segment shows unabated growth in the first quarter of 2019. Compared to the same quarter last year, revenue rose by 5.4%. Among other factors, this is also due to the launch of new Unlimited Mobile offers and a completely redesigned portfolio for small and medium enterprises which offers customised solutions. Furthermore, the cooperation with well-known companies such as Assura, Banque Cantonale du Jura, Pro Infirmis and Lidl was expanded or extended during the reporting period.



As part of the growth plan, UPC continues to invest heavily in digitization of internal processes and systems. In doing so, the company also added over 50 new jobs during Q1 2019 to ensure the continuous development of the relevant measures. The program will radically improve customers' experience and service levels and simplify the processes of ordering and communicating with the company on all channels.

¹ Sequential improvement: Q4/2018 -5.1% versus prior year, Q3/2018 -6.3% versus prior year

Infographic Q1 2019

UPC SWITZERLAND IN Q1 2019



HIGHLIGHTS IN THE FIRST QUARTER OF 2019

Record quarter for Mobile (+13,000 QoQ)
Customer base over 150,000 subscribers for the first time due to continuous growth 9% in the first quarter of 2019 alone

Stable trends in the TV segment
Slight decline in the number of TV subscribers, but with a positive trend compared to Q4/18, supported by UPC TV

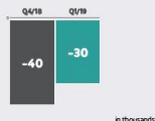
Speed leader in Switzerland
Average Internet speed > 240 Mbit/s as a result of speed increases for existing customers / new offers

B2B with sustained growth
Revenue increase of 5.4% in the first quarter of 2019 compared to Q1/18

SUBSCRIPTIONS* AS OF 31 MARCH 2019 QUARTER-ON-QUARTER



DEVELOPMENT OF SUBSCRIPTIONS*



NUMBER OF UPC TV BOXES ON THE MARKET



CUSTOMERS WITH MOBILE AND FIXED NETWORK (FMC)



IMPLEMENTATION OF GROWTH PLAN IS IN FULL SWING

Aiming at structurally improving customer experience and product quality

- Already 107,000 UPC TV Boxes on the market with an upwards trend
- Customer feedback at an all-time high. The new TV experience delights customers

- Switch to Switzerland's strongest mobile network completed
- New Mobile offers with extremely attractive roaming tariffs for the EU

- Introduction of new 600 Mbit/s speeds, increase to 1 Gbit/s in 2019 on course
- Clear vision for speeds of up to 10 Gbit/s

- Significant investments in customer journey and experience
- Transformational program towards digitization of sales channels



* 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.