APX Group Holdings, Inc.

Financial and Operating Highlights

Second Quarter 2014

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 (the"10-K") and our most recent quarterly report on Form 10-Q filed subsequent to the 10-K, 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 and our most recent quarterly report filed on Form 10-Q filed subsequent to the 10-K. 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.

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, which we believe is the most closely comparable financial measure calculated in accordance with GAAP. Adjusted EBITDA and SSFCF 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	Chief Executive Officer
Alex Dunn	President
Mark Davies	Chief Financial Officer
Dale R. Gerard	VP, Finance & Treasurer

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The Vivint Vision: A Smart, Integrated Home…

Connecting and Simplifying Life

Vivint.Platform

Harnessing the "internet of things"

Core Competencies

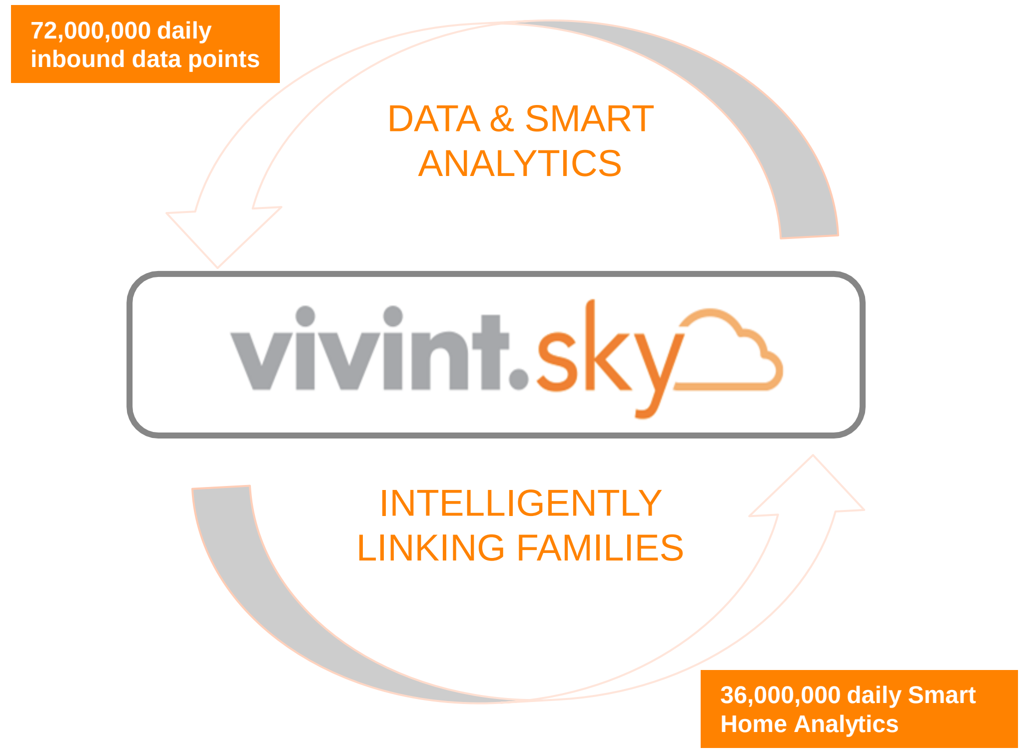
- Innovation
- Customer Acquisition
- Customer Service
- Integrated Technology

- Committed to delivering a differentiated, IOT-based Smart Home platform
- Leveraging our core competencies to increase productivity and expand our served available market
- Prudent investment in complimentary products, services & technologies
- While delivering short-term value within this longer-term strategy…i.e. release of our Sky platform

Seamless Platform Rollout…120,000+ Customers

A Learning-based system which "smartly" adapts to each home… Today!

Vivint SkyControl Panel | WEB | iOS & ANDROID



APX Group Second Quarter 2014 Highlights

Financial & Operational Highlights

- Total Revenues Up +17% VPY
- Adjusted EBITDA(1) $68.6 million
- 84,695 Net New Subscribers
- Total Subscribers Exceeds 851,000
- Attrition Continues To Improve

Strategic Investments… Value Creation

- Research & Development
  - Cloud & Analytics Platform
  - Service & Product Offerings Expansion
- Core Business Expansion
  - Wireless
- Infrastructure
  - CRM and Billing
- Brand Marketing Pilot
  - Test Program in 5 Markets
  - Benefits: DTH and NIS
  - Features Smart Home

(1) 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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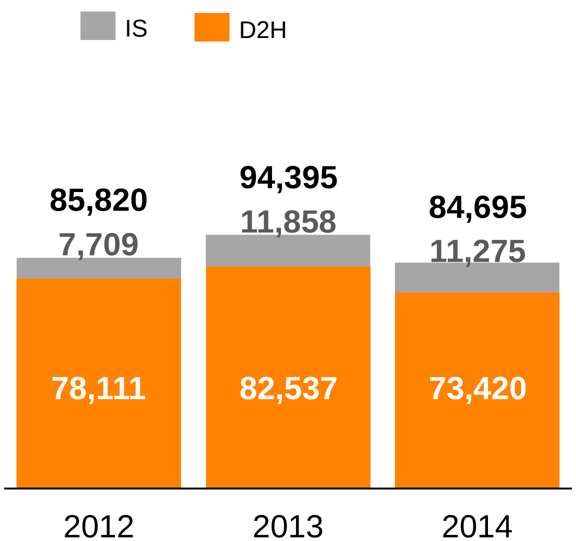
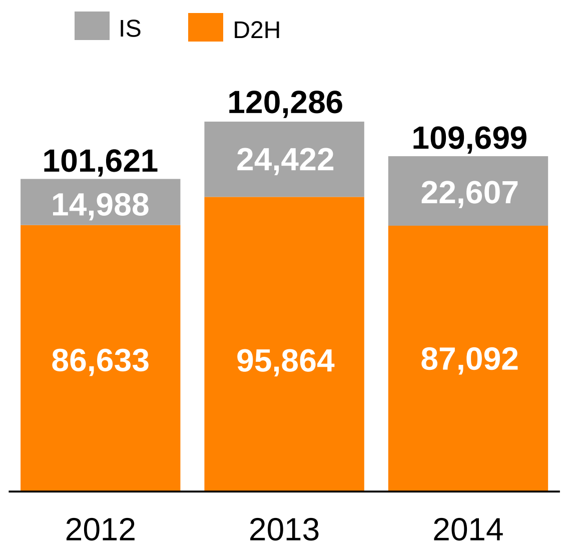
New Subscriber Data

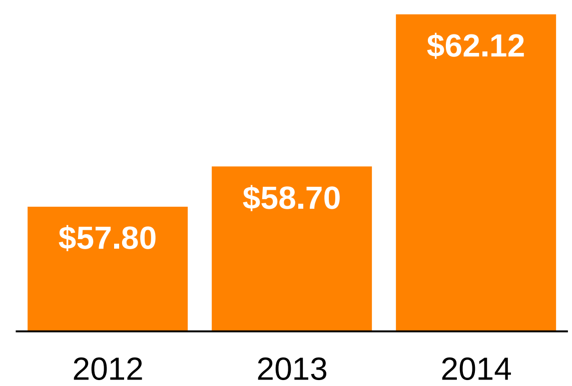
Three Months ended June 30,	Six Months ended June 30,	Three Months ended June 30,
Total New Subscribers	Total New Subscribers	Avg RMR[1] per New Subscriber



YoY	2013	2014
DTH	5.7%	-11.0%
IS	53.8%	-4.9%



YoY:	2013	2014
DTH	10.7%	-9.2%
IS	62.9%	-7.4%



Take Rates for Additional Services:

2012	2013	2014
57.5%	62.6%	73.2%

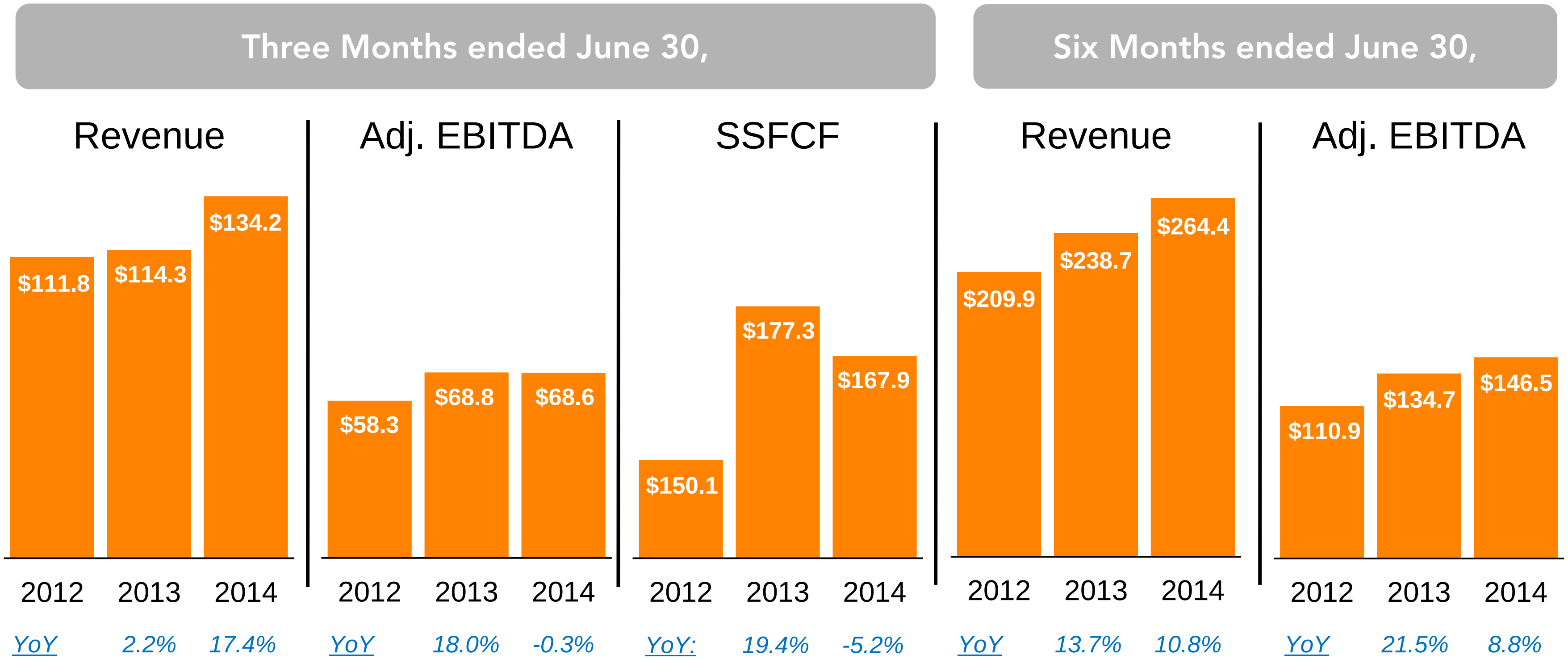
Channel Headwinds

- Online demand generation degraded by Google search penalty
- DTH Sales Rep Experience Mix

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

APX Group Key Operating Results

($ in Millions)



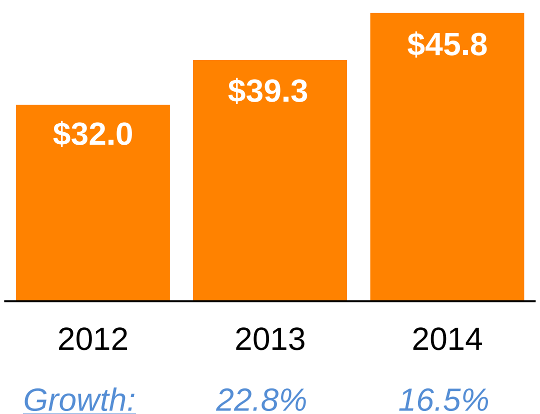
- IT Implementation
- Brand Marketing Campaign
- Wireless Internet Initiatives

Subscriber Portfolio Data

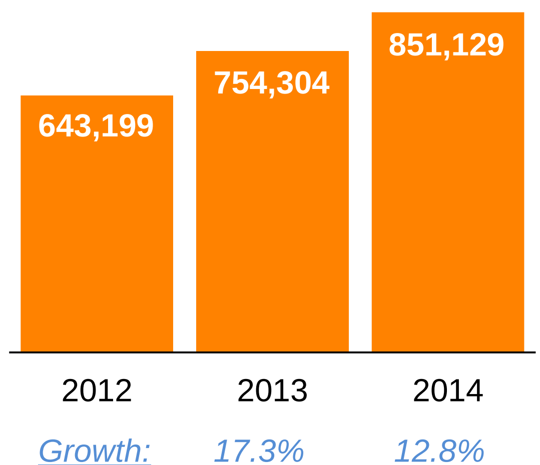
Three Months ended June 30,

Total RMR(1)

($ in Millions)



Total Subscribers

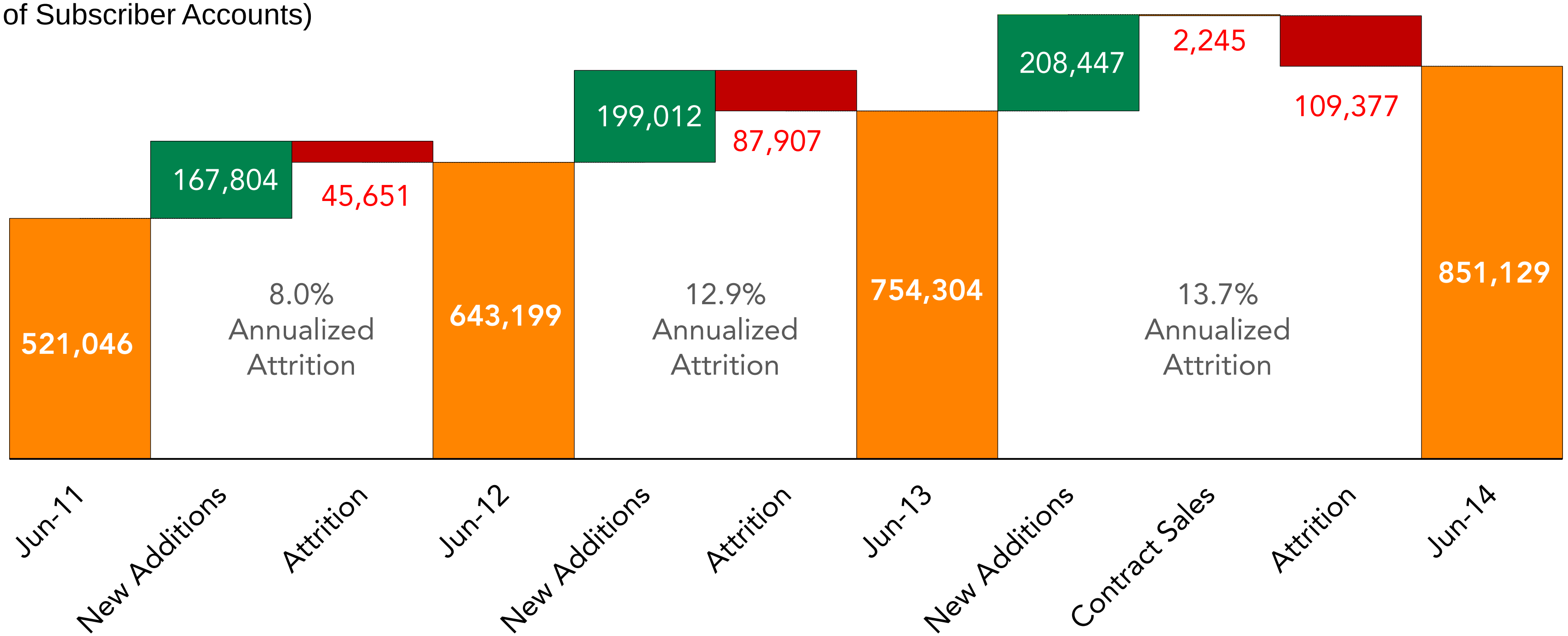


Avg RMR(1) Per Subscriber

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

Subscriber Account Attrition[1]

(# of Subscriber Accounts)



- Pool at EOT in 2014: 2010-42's and 2011-42's
- Annualized Attrition peaking lower than expected
- End of Term pool convergence is ending
- Continue to focus on NPS and retention

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

Summary

- Operational Execution…Attrition, Panel & Cloud, RMR per Subscriber
- Focus Areas: Sales Volume and IT optimization
- Wireless… Progressing toward broader pilots
- Nearing scale on infrastructure and capability build-out, which will provide for future scaling

Q & A

APX Group Holdings, Inc.

Consolidated Financial Statements

Three and Six Months Ended June 30, 2014 and 2013

Condensed Consolidated Balance Sheets

For the Quarter ended June 30, 2014 and Year ended December 31, 2013

APX Group Holdings, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (unaudited)
(In thousands)

	June 30, 2014	December 31, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 36,961	$ 261,905
Short-term investments—other	60,058	-
Restricted cash and cash equivalents	14,214	14,375
Accounts receivable, net	10,720	2,593
Inventories, net	81,305	29,260
Prepaid expenses and other current assets	25,423	13,870
Total current assets	228,681	322,003
Property and equipment, net	44,841	35,818
Subscriber contract costs, net	440,059	288,316
Deferred financing costs, net	54,952	59,375
Intangible assets, net	772,663	840,714
Goodwill	836,702	836,318
Restricted cash and cash equivalents, net of current portion	14,214	14,214
Long-term investments and other assets, net	32,513	27,676
Total assets	$ 2,424,625	$ 2,424,434
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 81,822	$ 24,004
Accrued payroll and commissions	83,239	46,007
Accrued expenses and other current liabilities	33,409	33,118
Deferred revenue	31,727	26,894
Current portion of capital lease obligations	4,302	4,199
Total current liabilities	234,499	134,222
Notes payable, net	1,761,636	1,762,049
Liability—contracts sold, net of current portion	1,824	-
Capital lease obligations, net of current portion	7,869	6,268
Deferred revenue, net of current portion	26,284	18,533
Other long-term obligations	5,678	3,905
Deferred income tax liabilities	9,135	9,214
Total liabilities	2,046,925	1,934,191
Commitments and contingencies (See Note 13)		
Stockholders' equity:		
Common stock	-	-
Additional paid-in capital	653,391	652,488
Accumulated deficit	(268,166)	(154,615)
Accumulated other comprehensive loss	(7,525)	(7,630)
Total stockholders' equity	377,700	490,243
Total liabilities and stockholders' equity	$ 2,424,625	$ 2,424,434

Consolidated Statements of Operations

For the Three and Six Months ended June 30, 2014 and 2013

APX Group Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (unaudited)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	**2013**	**2014**	**2013**
Revenues:				
Monitoring revenue	$ 128,602	$ 108,646	$ 253,156	$ 211,015
Service and other sales revenue	4,719	5,322	9,553	27,315
Activation fees	878	284	1,644	364
Total revenues	134,199	114,252	264,353	238,694
Costs and expenses:				
Operating expenses (exclusive of depreciation and amortization shown separately below)	47,216	38,435	88,533	84,128
Selling expenses	28,739	28,298	54,318	48,906
General and administrative expenses	35,326	24,910	60,461	45,249
Depreciation and amortization	53,364	46,338	103,716	92,132
Total costs and expenses	164,645	137,981	307,028	270,415
Loss from operations	(30,446)	(23,729)	(42,675)	(31,721)
Other expenses (income):				
Interest expense	35,712	27,381	71,352	53,254
Interest income	(572)	(396)	(1,124)	(676)
Other (income) expenses, net	(52)	(33)	(297)	317
Gain on 2GIG Sale	-	(46,643)	-	(46,643)
Loss before income taxes	(65,534)	(4,038)	(112,606)	(37,973)
Income tax expense	737	17,489	945	14,463
Net loss	$ (66,271)	$ (21,527)	$(113,551)	$ (52,436)

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Summary of Consolidated Statements of Cash Flows

For the Six Months ended June 30, 2014, and 2013

APX Group Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (unaudited)
(In thousands)

	Six Months Ended June 30,	
	2014	**2013**
Net loss	$ (113,551)	$ (52,436)
Net cash provided by operating activities	35,091	43,073
Net cash used in investing activities	(259,286)	(27,184)
Net cash (used in) provided by financing activities	(1,207)	106,870
Effect of exchange rate changes on cash	458	(19)
Net (decrease) increase in cash	(224,944)	122,740
Cash:		
Beginning of period	261,905	8,090
End of period	$ 36,961	$ 130,830

APX Group Holdings, Inc.

Annex A

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Reconciliation of non-GAAP Financial Measures – APX Group

($ in Millions)	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
Net loss	**$ (66.3)**	**$ (21.5)**	**$ (18.9)**	**$ (113.6)**	**$ (52.4)**	**$ (29.3)**
Interest expense, net	35.1	27.0	30.5	70.2	52.6	60.4
Other (income) expense, net	(0.1)	-	0.1	(0.3)	0.3	0.1
Income tax expense (benefit)	0.7	17.5	2.7	0.9	14.5	2.2
Depreciation and amortization (i)	40.4	42.6	2.2	80.5	87.2	4.2
Amortization of capitalized creation costs	12.9	3.7	19.7	23.2	4.9	37.4
Non-capitalized subscriber acquisition costs (ii)	33.9	31.3	18.5	60.7	52.5	28.5
Non-cash compensation (iii)	0.5	0.4	0.1	0.9	0.7	0.3
Gain on 2GIG Sale (iv)	-	(46.6)	-	-	(46.6)	-
Transaction costs related to 2GIG Sale (v)	-	5.2	-	-	5.5	-
Transaction related costs	-	0.1	1.7	-	0.3	2.3
Other Adjustments (vi)	11.5	9.1	1.3	24.0	15.2	4.2
Adjusted EBITDA	**$ 68.6**	**$ 68.8**	**$ 58.3**	**$ 146.5**	**$ 134.7**	**$ 110.9**
LQA Adjusted EBITDA	**$ 274.4**	**$ 275.2**	**$ 233.2**			
Add: G&A Pro Forma Adjustment(1)	21.7	12.1	4.8			
Less: Attrition Replacement Cost(2)	128.2	110.0	87.9			
Annualized SSFCF	**$ 167.9**	**$ 177.3**	**$ 150.1**			

(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

(vi) Other adjustments including items such as product development costs, fire related expenses, subcontracted monitoring fee savings and other similare adjustments

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

(2)

	3 Months ended June 30, 2014	3 Months ended June 30, 2013	3 Months ended June 30, 2012
RMR	**$ 45.8**	**$ 39.3**	**$ 31.4**
Normalized RMR Attrition Rate	10.0%	10.0%	10.0%
RMR Attrited	**$ 4.6**	**$ 3.9**	**$ 3.1**
Normalized Net Creation Multiple	28.0x	28.0x	28.0x
Attrition Replacement Cost	**$ 128.2**	**$ 110.0**	**$ 87.9**

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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 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