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2017 Financial Results

Renens, 13.03.2018

Sustained Customer Growth – Strong Cash Flow Generation – All Time High Investments in Networks

- Sustained growth of postpaid customer base in 2017 (+1.7% YoY), of which handset subscriptions rose by +4.8% YoY
- Revenue increase (excl. MTR) of CHF 6.9m in Q4, +2.8% YoY
- EBITDA of CHF 474.9m, up 9.7% YoY, resulting in EBITDA margin of 45.2%
- Strong free cash flow generation of CHF 302.3m
- Significant network investments enhanced coverage and speed; Salt ranked #1 in the 4GMark mobile performance test in February 2018
- With internalization of IT platform, insourcing strategy successfully completed

Salt Mobile excl. I.A., in CHF m	2017	2016	YoY	Q4 2017	Q4 2016	YoY
Total Revenue excl. MTR	958.1	981.5	-2.4%	250.5	243.6	+2.8%
MTR Revenue	91.5	142.9	-36.0%	21.9	38.0	-42.3%
Total Revenue	1'049.6	1124.3	-6.6%	272.4	281.7	-3.3%
Adjusted EBITDA as % of Revenue	478.7 45.6%	442.6 39.4%	+8.2%	123.4 45.3%	105.1 37.3%	+17.5%
EBITDA as % of Revenue	474.9 45.2%	433.0 38.5%	+9.7%	124.3 45.6%	99.2 35.2%	+25.2%
Capex	(381.5)	(97.4)		(249.6)	(38.7)	
Cash Capex *	(161.5)	(98.7)		(33.1)	(20.1)	
Free Cash Flow, excl. Spectrum L.	302.3	343.3		71.3	88.6	
Free Cash Flow *	267.1	343.3		71.3	88.6	

* Including the last instalment of the Spectrum License of CHF 35.2m paid in January 2017

Andreas Schönenberger, CEO of Salt, commented: "In 2017, we maintained our momentum and have now successfully completed our transformation. Our relentless investments in the network are delivering ever higher quality and speed to our users. 4GMark which tests real users experience has ranked Salt #1 in Switzerland and #12 out of 284 operators in the world. Our team is now ready to enter the next chapter and to offer the full range of telecommunication services in Switzerland, including revolutionary ultra-fast broadband solutions at customer-friendly prices."

Sustained Customer Growth

Salt maintained its commercial momentum and continued its strategy to add and migrate customers to the highly attractive Salt Plus offers, now used by more than 95% of the customer base. The company added 51,000 postpaid handset customers which led to an overall postpaid customer base of 1,223,000, +1.7%YoY. Prepaid customers increased by +2.0% YoY to 683,000. The Swiss telecom landscape remained intensely competitive in 2017, notably with the introduction of new quadruple play offers at discounted prices.

While the B-to-B segment remained challenging, Salt is strongly committed to its business customers with a particular focus on fulfilling its SME customer needs with high quality offers.

Strong Financials

Total revenue (excl. MTR) increased by CHF 6.9m in Q4 2017 with a strong growth in equipment and other services revenue and positive subscriber momentum partially compensating for negative repricing effect.

EBITDA rose +9.7% YoY to CHF 474.9m. EBITDA margin reached 45.2%, up from 38.5% in 2016. The increase was mainly driven by management's focus on cost management and operational excellence.

The company generated a healthy free cash flow of CHF 302.3m, 63.7% of 2017 EBITDA, resulting in a positive net cash position at the end of 2017.

Long-term Investments in Mobile and Fixed Network Infrastructure

In 2017, Salt invested in its network infrastructure like never before. Total capital expenditure amounted to CHF 382m. The sustained efforts to improve mobile network coverage and speed were coupled with long-term investments in future technologies, like dark fiber backhauling and fixed-line FTTH access by ways of IRUs. A new data centre in the city of Zurich hosted by Interxion has also been opened to increase performance and improve reliability and security.

Network Coverage and Speed improved

During 2017, Salt has added or upgraded 897 antennas, with a particular focus on low bands deployment which considerably increased inhouse coverage, +8.2 pp gain in 2017. With these investments, Salt has reached a new high in terms of 4G coverage, which is now available to 98% of the Swiss population. In addition, 50% of the Swiss Population enjoys 4G+ coverage with speeds up to 300 Mbit/s.

In February 2018, Salt was ranked #1 in the 4GMark mobile performance test, which represents real customer experience. Salt is the only Swiss mobile operator providing full-speed 4G+ access to its entire customer base.

Transformation Completed – Ready for the Next Chapter

With the new IT Open Source platform (fully developed in-house) including mediation, activation, rating, billing and collection activities in Q1 2018 the last major step of the 360° transformation of the company was completed. Salt is now ready to move forward to the next chapter and aim to offer the full suite of telecommunication services in Switzerland, including revolutionary triple-play, ultra-fast broadband solutions at customer-friendly prices.

About Salt: Salt is a Swiss telecommunications provider which owns and operates an extensive, high-quality mobile telecommunications network infrastructure. Salt provides personal, straightforward and efficient flat rate subscriptions such as Plus Swiss at CHF 59.- per month, Plus Europe at CHF 89.- as well as our Young offering: Plus Basic Young at CHF 25.- and Plus Swiss Young at CHF 49.-. A revolutionary portfolio which – thanks to its simplicity – has already convinced more than 95% of its customer base.

Salt in figures: 1,223,000 postpaid customers (as of 31/12/2017), 88 Salt Stores and 4G coverage of 98% of Switzerland's population.

Salt press office:

Benjamin Petrzilka
Media & PR Manager
+41 78 787 64 79

media@salt.ch, salt.ch, facebook.com/Saltmobile,
twitter.com/Saltmobile_DE or twitter.com/Saltmobile_FR, youtube.com/saltswiss

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