

Q1 2018 Financial Results embargoed until May 25, 10am

Renens, 25.05.2018

Total Revenue (excl. MTR) Increase of 2.8% YoY – Continued EBITDA Growth to 112.8m – Successful Launch of Salt Fiber – Election of Five New Non-Executive Members of Board of Directors

- Total revenue increased by 0.5% YoY to CHF 252m in Q1
- EBITDA of CHF 112.8m, up 8.5% YoY, resulting in EBITDA margin of 44.8%
- Total cash capital expenditure amounting to CHF 52m, an increase of 41.7% YoY, showing Salt's continued efforts to improve mobile network coverage and capacity
- Salt Fiber launched successfully and recorded several thousand subscriptions from all regions of the country within the first 9 weeks
- Recent election of five new non-executive members to the Board of Directors underlines Salt's commitment to Switzerland

<i>Salt Mobile excl. IFRS 15, in CHF m</i>	Q1 2018	Q1 2017	YoY
Total Revenue excl. MTR	233.0	226.7	+2.8%
MTR Revenue	19.0	23.9	-20.6%
Total Revenue	252.0	250.7	+0.5%
Adjusted EBITDA	115.9	104.9	+10.8%
<i>as % of Revenue</i>	46.0%	41.7%	
EBITDA	112.8	103.9	+8.5%
<i>as % of Revenue</i>	44.8%	41.5%	
Cash Capex, excl. Spectrum L.	(52.0)	(36.7)	
Cash Capex *	(52.0)	(71.9)	
Free Cash Flow, excl. Spectrum L.	5.6	23.3	
Free Cash Flow *	5.6	(11.9)	

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

Andreas Schönenberger, CEO of Salt, commented: "Last quarter, we had the unique opportunity to simultaneously close a chapter and open a new one. Thanks to the successful completion of our IT transformation, we can further simplify the business and unify the customer experience. This has allowed us to show our innovative side in terms of both included roaming units as well as additional data packages. In addition, the launch of Salt Fiber, our unique offer for Swiss customers in terms of ultra-fast broadband and IPTV solutions, is another proof of our dedication to innovation, simplicity and affordability."

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Increasing Postpaid Base

In spite of a switch in billing system which meant a low marketing push in Q1 2018, Salt recorded positive postpaid net adds in the quarter alongside a decreasing churn evolution.

In the last 12 months ending on March 31, 2018, Salt increased its postpaid handset customer base by 43,000 net adds to 1,223,000, a 4.1% growth on a year-on-year basis.

Q1 was a difficult quarter for the B2B segment, characterized by a competitive environment with high pressure on prices and profitability. Salt's decision not to sustain loss-making business with large accounts resulted in the loss of several major accounts.

Strong financial performance

Overall, total revenue increased by CHF 1.3m or +0.5% in Q1 2018 notably driven by equipment and other services revenue and positive subscriber momentum.

EBITDA rose +8.5% YoY to CHF 112.8m. EBITDA margin reached 44.8%, up from 41.5% in Q1 2017, underpinned by management's focus on cost management and operational excellence.

The quarter resulted in positive cash flow generation despite the fixed-line launch.

Continued progress in the deployment of low-band frequencies and 4G+ technology

In Q1 2018, Salt continued to invest in its network infrastructure, further improving network coverage – +1.3 pp indoor gain in the quarter – and capacity, reaching speeds of up to 500 Mbit/s. This was achieved notably thanks to the rollout of low-band frequencies and 4G+ technology, adding or upgrading 191 antennas in the 3 months period alongside the continued rollout of dark fiber backhauling. Total cash capital expenditure amounted to CHF 52m.

Salt Fiber successfully launched

On March 20, Salt successfully launched its fix offer. The unique product has triggered a lot of interest in the market and Salt registered several thousand subscriptions from all regions of the country. The beauty of Salt Fiber lies in its innovation – first worldwide retail introduction of a 10 Gbit/s technology and Apple TV 4K as unique set-top box – its simplicity – a unique and easy to understand offer – and its affordability – CHF 49.95/month (CHF 39.95 for holders of Salt mobile subscription). Challenges concerning the lack of standardization in portability of fibre network services, which have caused delays in the activation of certain customers, are currently being addressed with the Swiss regulator, other providers as well as a variety of suppliers and partners.

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Improved product proposition in roaming

The completion of Salt's transformation, which culminated in the introduction of a unique IT platform in February, is already bearing first fruits. Salt has notably been able to fully revamp both its roaming options as well as its data packages, which are now valid for 30 days as of activation.

Plus Europe, Salt's standard mobile subscription for frequent travellers to the EU and North America, now includes a monthly allowance of 4 GB of data roaming in addition to unlimited calls, SMS and MMS in Switzerland and 45 countries. A remarkable upgrade – offered at no extra costs – and which stands out significantly in comparison to competition.

Extension of Salt's Board of Directors

Earlier this week, Salt proudly announced the election of five new non-executive board members to the company's Board of Directors: Mr. Peter Brabeck-Letmathe, Mr. Robert-Philippe Bloch, Mr. Jacques de Saussure, Mr. Martin Lehmann and Ms. Jeannine Pilloud. Thanks to the broad spectrum of their combined experience, their remarkable executive expertise as well as their excellent business network, the newly elected members underline Salt's commitment to the Swiss business environment and consumer market.

About Salt: Salt is a Swiss telecommunications provider which owns and operates an extensive, high-quality mobile telecommunications network infrastructure. Thanks to its ultrafast broadband solution called Salt Fiber, Salt provides a unique triple play service, which for the first time in Switzerland takes full advantage of the optical fiber technology by means of symmetrical data transmission rates of up to 10 Gbit/s. Salt Fiber can be combined in a gainful way with Salt's powerful Plus flat rate subscriptions - a revolutionary and straight forward portfolio.

Salt in figures: 1,223,000 postpaid customers (as of 31/03/2018), 86 Salt Stores and 4G coverage of 98% of Switzerland's population.

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