



Imperial Capital Security Investor Conference

December 2013

Forward Looking Statements

This presentation contains or may contain certain statements forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the realization of estimated synergies from the acquisition of Security Networks, LLC, business strategies, our ability to perform well in a challenging competitive environment, market potential, our continuing achievement of strong equity returns, future financial performance, the growth and development of our core business, our acquisition opportunities and prospects, the integration of acquired assets and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, the operating performance of Monitronics' network, the continued productivity of Monitronics' dealer network, Monitronics' ability to integrate the business and operations of Security Networks, competitive issues, continued access to capital on terms acceptable to Ascent and Monitronics, our ability to capitalize on acquisition opportunities, general market conditions and regulatory issues. These forward looking statements speak only as of the date hereof, and Ascent expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in Ascent's or Monitronics' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

This presentation will discuss certain non-GAAP financial measures, including Adjusted EBITDA of Monitronics (on an actual and pro forma basis after giving effect to the acquisition of Security Networks) and Security Networks (on a stand-alone basis). With respect to CY 2011 included throughout this presentation, Adjusted EBITDA for Monitronics was recast to add back a one-time reserve of \$2.6m taken in 2011 in connection with an ongoing litigation matter that management views as a non-recurring, non-operating expense. As companies often define non-GAAP financial measures differently, Adjusted EBITDA as calculated by us may not be comparable to similarly titled measures reported by other companies. Please see Ascent's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the Securities and Exchange Commission ("SEC") on February 27, 2013, as well as Ascent's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2013 filed with the SEC on November 12, 2013. **For applicable definitions and reconciliations, see the Appendix at the end of this presentation together with Ascent's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed with the SEC on March 14, 2011 and Ascent's Current Report on Form 8-K filed with the SEC on October 14, 2011 (as amended on March 6, 2012).**

- NASDAQ traded holding company
 - Significant evolution since spin from Discovery Holding Co. in Sept. 2008
 - Exited challenging media services sector
 - Entered recurring revenue, leverageable cash flow business with strong growth prospects
 - Transformed operations + improved capitalization = strong equity returns
- Current assets include:
 - Monitronics/Security Networks operating businesses
 - 2nd largest U.S. residential security alarm monitoring provider
 - 1,000,000+ customers
 - ~600 independent dealers, exclusive network, largest in U.S.
 - High margin, predictable, stable, leverageable cash flows
 - Acquired Security Networks with over 200K accounts and approximately \$8.7M of RMR⁽¹⁾
 - \$173 million cash, cash equivalents and marketable securities⁽²⁾
 - Real estate assets

(1) Includes approximately \$0.1 million of wholesale RMR; actual Closing RMR for SN (as of August 16, 2013) remains subject to adjustment

(2) Ascent Capital cash and marketable securities as of September 30, 2013 adjusted to exclude \$33 million in stock repurchases and \$26 million in October 1st Senior Notes interest payments and to include \$5 million in Monitronics Senior Notes purchased by Ascent



- (1) Market capitalizations and total enterprise values based on stock price, basic shares outstanding and net debt as of 12/31/2008, 12/31/2010 and 9/30/2013, respectively
- (2) Total enterprise value as of 9/30/2013 pro forma for the inclusion of Security Networks for the full quarter; calculation includes as debt the \$31 million portion of Ascent's convertible bonds separated and accounted for as equity for U.S. GAAP reporting purposes
- (3) Q3 2013 LQA PF Revenue and Adjusted EBITDA includes Security Networks' results for the pre-acquisition period July 1, 2013 through August 16, 2013. Q3 2013 LQA PF Adjusted EBITDA excludes operational synergies of \$4-6 million associated with the acquisition of SN and previously mentioned for illustrative purposes only. Operational synergies are not intended to reflect management's projections or guidance

ASCENT
CAPITAL GROUP INC

**Strong Leveraged Equity
Returns**

44% stock price CAGR
(9/30/10 – 11/26/13)

**Strong Organic and
Acquired Growth**

Operating Metrics Growth
(12/31/10 – 9/30/13 PF)

Revenue	86%
Adj. EBITDA	85%
Subscribers	55%
RMR	74%

**Dynamic
Operating Platform**

- Experienced management
- Track record of success
- Efficient operating model with attractive cash flow characteristics
- Highly leverageable operating platform



**Favorable
Industry Dynamics**

- Underpenetrated
- Fragmented
- Rising awareness
- Increasing market growth potential



**Attractive
Capitalization**

- Appropriate use of leverage
- Significant cash reserves
- Lower cost of capital than most incumbents

Operations Snapshot

- ◆ Second largest U.S. residential security alarm monitoring provider
- ◆ Monitors signals arising from burglaries, fire, medical emergencies and other events
- ◆ More than 1 million customers in all 50 states, Puerto Rico and Canada
- ◆ High credit quality subscriber portfolio averaging 720 credit score
- ◆ Exclusive nationwide network of approximately 600 independent dealers, largest in U.S.
- ◆ High margin, predictable, stable cash flow
- ◆ Loyal customer base with low attrition levels and an 8-year average life
- ◆ Acquired approximately 93K high quality accounts from Pinnacle Security in October 2012
- ◆ Acquired Security Networks, with over 200K accounts and approx. \$8.7M of RMR⁽¹⁾, in August 2013

(1) Includes approximately \$0.1 million of wholesale RMR; actual Closing RMR for SN (as of August 16, 2013) remains subject to adjustment

Attractive Product and Service Offering



BURGLARY & INTRUSION

24/7 protection for your family and possessions

FIRE, SMOKE & ENVIRONMENTAL

Works even when the alarm is not armed. Fire, carbon monoxide and water leak detection

TWO-WAY VOICE

A hands-free speaker system which enables a subscriber to communicate directly with the monitoring center

INTERACTIVE

Allows customers to remotely control and receive notices from their security systems on their smart phones/tablets

HOME AUTOMATION

Control lights, thermostats, door locks and cameras remotely

PERS (PERSONAL EMERGENCY RESPONSE SYSTEM)

Medical panic buttons

- ◆ Approximately 60%⁽¹⁾ of new customers signed up for interactive or home automation services in the 3rd quarter of 2013
- ◆ Expect continued growth in demand for interactive and home automation services
- ◆ Approximately 31%⁽¹⁾ of our customers currently have interactive service or home automation and another 18%⁽¹⁾ have equipment which is capable of delivering the service
- ◆ About 10%⁽²⁾ of our customers currently have medical pendants

(1) Pro forma for the inclusion of Security Networks as of September 30, 2013

(2) Based only on Monitronics customers as of June 30, 2013



Security Networks Acquisition

- ◆ Acquired from Oak Hill Capital Partners in August for \$482.9 million in cash and 253,333 newly issued Ascent Series A shares
 - Over 200K accounts and approximately \$8.7 million of RMR⁽¹⁾ at closing
 - Operates a dealer-based business model similar to Monitronics
 - Operational synergies expected to eliminate \$4-6 million in duplicative costs annually⁽²⁾
- ◆ Cash portion of the purchase price financed through:
 - \$225 million Add-on Term Loan B
 - \$175 million Add-on High Yield Senior Notes
 - \$100 million Intercompany Loan from Ascent (financed through the proceeds of \$103.5 million in New Convertible Notes at Ascent)
 - Approximately \$20 million Ascent cash contributed as equity to Monitronics
- ◆ Concurrent with this transaction, Monitronics increased its revolver capacity to \$225 million

(1) Includes approximately \$0.1 million of wholesale RMR; actual Closing RMR for SN (as of August 16, 2013) remains subject to adjustment

(2) Included for illustrative purposes only. Not intended to reflect management's projections or guidance

Security Networks Acquisition Rationale

Strategic

- ◆ Similar business models leveraging national dealer program
- ◆ High quality portfolio of dealers and subscribers
- ◆ Increased dealer network density across the U.S., especially in high-growth markets such as Florida and Texas

Financial

- ◆ Security Networks' subscribers and RMR has grown faster than Monitronics
- ◆ Expect meaningful operational synergies, \$4-6 million of duplicative costs⁽¹⁾
- ◆ Strong operating/financial metrics performance

Operational

- ◆ Monitronics' experience in security acquisitions
- ◆ Similar product offering
- ◆ Low integration risk
- ◆ Leverageable operational platform

Valuation

- ◆ Over 200K high-quality accounts, comparable to Monitronics' customers
- ◆ Operational efficiencies
- ◆ Attractive growth engine of ~225 dealers

(1) Included for illustrative purposes only. Not intended to reflect management's projections or guidance

Security Networks Highly Complementary to Monitronics

	 Monitronics Monitored Security Systems	
Business Model	Residential Security Monitoring	✓
	3-5 yr Customer Contract Terms	✓
	Dealer Focused Business Model	✓
	High Quality Credit Customer Base	✓
	Field Service Operations	✓
	Dealers	370
	Employees	820
	Subscribers	839K
Account Underwriting	Portfolio Average Credit Score	720
	Strict Credit Score Criterion with 600 Minimum	✓
	Home Ownership / No Renters	✓
	First Month Monitoring Payment	✓
	Monitored at Company's Monitoring Center	✓
	QC Audits of System Installations	✓
	Pre-Purchase Survey Calls	✓

Note: Data is as of 3/31/13 except for Subscribers and Portfolio Average Credit Score, which is as of 6/30/13.

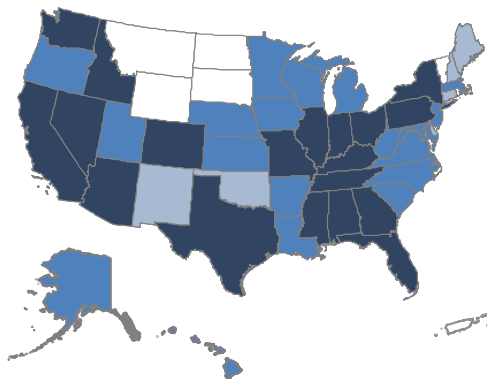
Broad Geographic Coverage

Monitronics

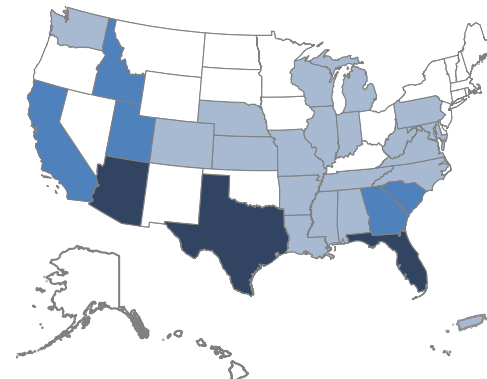
Security Networks

Dealer Network⁽¹⁾

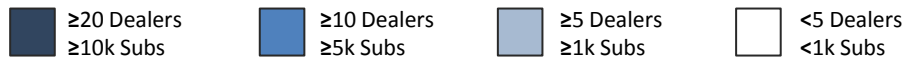
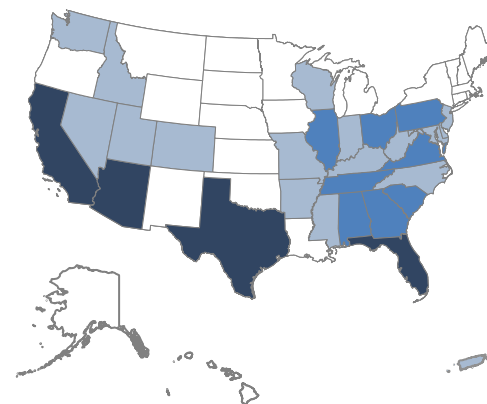
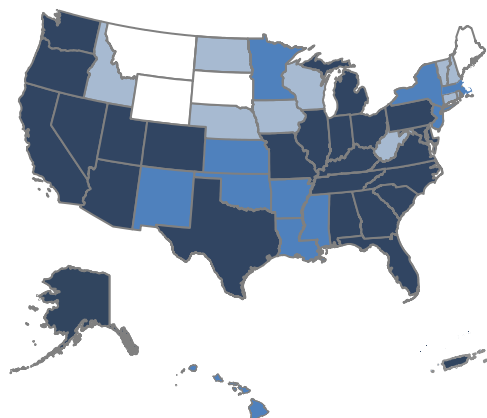
~370
Dealers



~225
Dealers



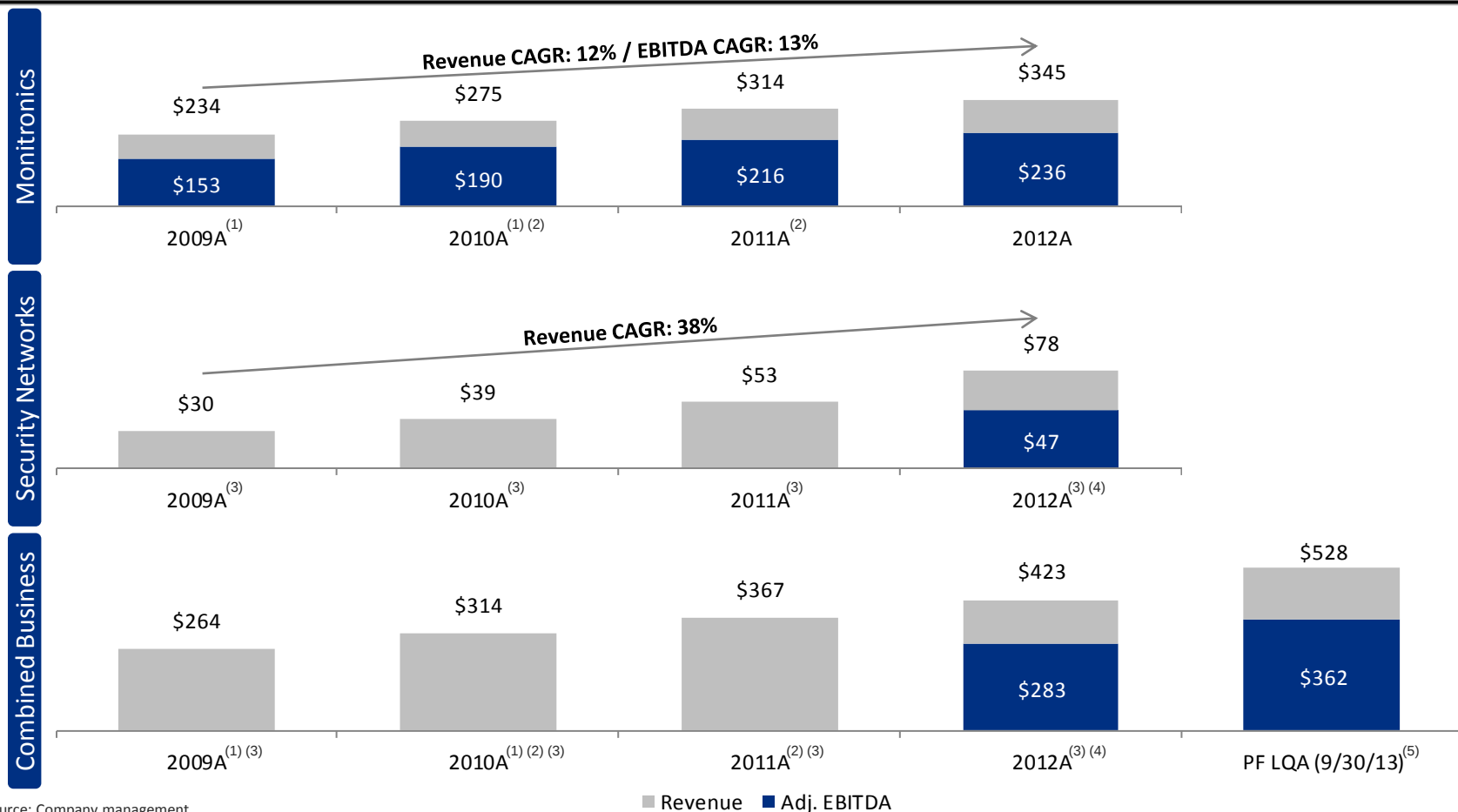
Subscriber Network⁽²⁾



(1) Based on purchased alarm monitoring contracts over last 12 months and 3 months for Monitronics and Security Networks, respectively, as of March 31, 2013; excludes network of field service-only dealers.

(2) As of 3/31/13.

Strong Historical Operational Profile



Source: Company management

Dollars in millions

- (1) 2009 and 2010 Revenue and Adjusted EBITDA for Monitronics are as of the fiscal year ended June 30th; the Company changed to calendar year fiscal years in connection with its acquisition by Ascent in December 2010
- (2) Monitronics Revenue and Adjusted EBITDA for the years ended December 31, 2011 and December 31, 2010 exclude the negative impact of a \$2.3 million and \$3.0 million, respectively, fair value adjustment related to deferred revenue in relation to Ascent's acquisition of Monitronics
- (3) Security Networks' Revenue for each of the years ended Dec. 31, 2012, 2011, 2010 and 2009 and Adjusted EBITDA for the year ended Dec. 31, 2012 have been derived entirely from the books and records of Security Networks
- (4) Security Networks' Adjusted EBITDA for the year ended Dec. 31, 2012 excludes approximately \$982,000 of contingent consideration earn out expense related to the 2010 acquisition of SN by Oak Hill and its affiliates
- (5) Combined Q3 2013 LQA PF Revenue and Adjusted EBITDA includes Security Networks' results for the pre-acquisition period July 1, 2013 through August 16, 2013. Combined Q3 2013 LQA PF Adjusted EBITDA excludes operational synergies of \$4-6 million associated with the acquisition of SN and previously mentioned for illustrative purposes only. Operational synergies are not intended to reflect management's projections or guidance

Industry Landscape: Traditional Industry Structure

- ◆ Highly fragmented market
- ◆ Multiple business models
- ◆ Few large national players
- ◆ Significant local presence



Monitronics well positioned for continued success in face of changing competitive landscape

(1) Source: Barnes Associates, February 2012, based on Recurring Monthly Revenue ("RMR") market share

Industry Landscape: Introduction of Cable and Telco Participants

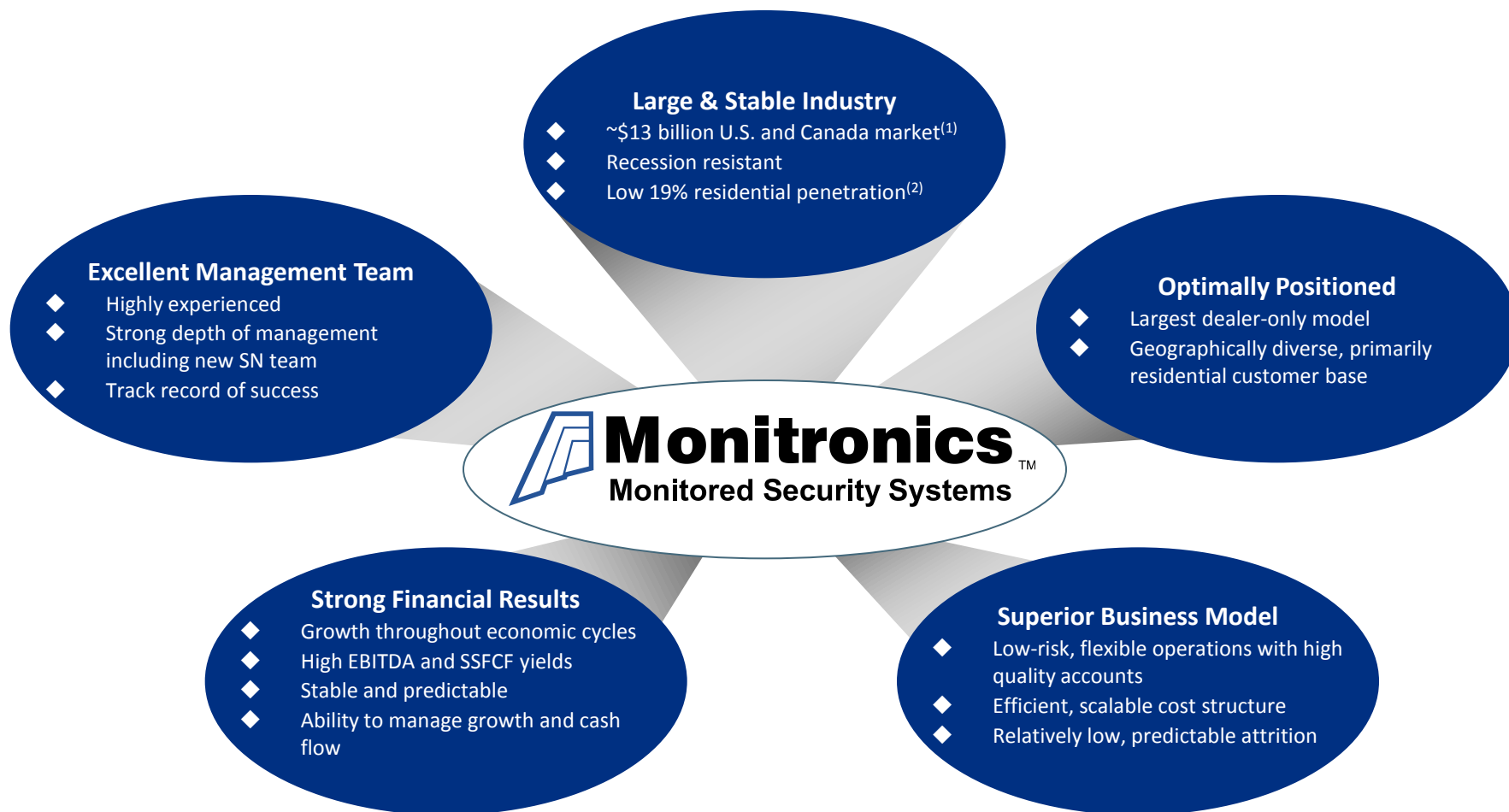
- ◆ New technologies, new entrants, new opportunities
 - Underpenetrated market offers growth potential
 - Cable and telco advertising creates greater market awareness
 - Increased awareness and uptake of home automation services driving higher ARPU and lower churn
 - Potential for increased penetration to as much as 30-40%⁽¹⁾ from 19%⁽²⁾ currently
 - Cable and telco sales models have not been effective for selling security services
 - Unaccustomed to operating in low penetrated markets
 - Requires highly personalized and localized sales process – high touch sales
 - Customer service is key and, as survey data suggests, the cable/telco operators perform poorly in this area⁽³⁾
- ◆ Monitronics well positioned to perform strongly in changing competitive environment
 - Strong local presence through extensive and experienced dealer network
 - Benefiting from heightened market awareness
 - Focus on customer service
 - Competitive technology/services to new cable/telco entrants
 - Extensive suite of services to meet customers' evolving demands
 - Strong track record of success = consumer confidence

(1) Source: Imperial Capital, Macquarie, Bank of America Merrill Lynch

(2) Source: Barnes Associates

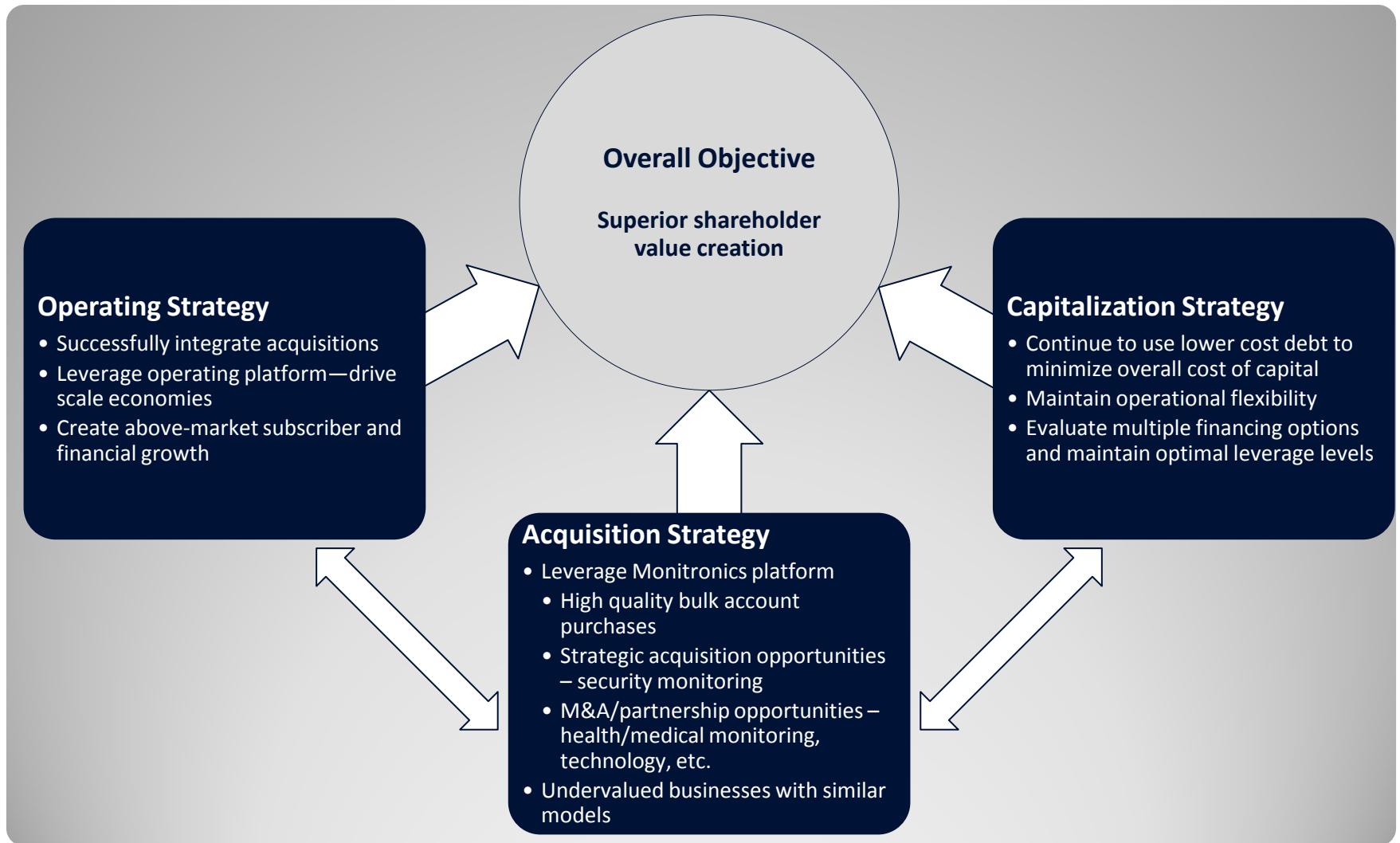
(3) Source: Morgan Stanley

Operations Highlights



(1) Source: IMS/ADT, estimated for 2012 residential and small business sales, installation, monitoring and service

(2) Barnes Associates



- Stable and reliable operating business with attractive core growth opportunities
- 2nd largest U.S. residential provider with largest network of dealer affiliates
- Asset-light model drives highly productive, tax efficient, cash flow characteristics
- Large, fragmented industry with significant consolidation opportunity
- Strong, stable balance sheet with sufficient liquidity and access to capital markets to fund strategic growth opportunities
- Capitalization structure to drive highly attractive equity returns

Appendix

Adjusted EBITDA Definition

Monitronics generally defines Adjusted EBITDA as net income (loss) before interest, taxes, depreciation and amortization (including the amortization of subscriber accounts) and realized and unrealized loss on derivative instruments, and other non-cash or non-recurring charges such as acquisition related professional fees, write off of deferred financing costs, and stock-based and other non-cash long-term incentive compensation. Adjusted EBITDA does not represent cash flow from operations as defined by generally accepted accounting principles, should not be construed as an alternative to net income or loss and is indicative neither of Monitronics' operating performance nor of cash flows available to fund all of its cash needs. It is, however, a measurement Monitronics believes is useful to investors to evaluate its operating performance. Adjusted EBITDA is also a measure that Monitronics believes is customarily used by financial analysts to evaluate the financial performance of companies in the security alarm monitoring industry and is one of the financial measures, subject to adjustments, by which Monitronics' covenants are calculated under the agreements governing its debt obligations.

For purposes of this presentation, Monitronics has applied the same definitions of Adjusted EBITDA to the financial information of Security Networks.

Adjusted EBITDA Reconciliations

Monitronics

(\$ in Thousands)	For the Quarter Ended September 30,			For the 12 Months Ended December 31,		
	2013		2012	2012		2011
	Actual As Reported	PF Adjustments ⁽¹⁾		Actual	Actual	
Net Income (Loss)	(\$9,310)	\$3,040	(\$6,270)	(\$5,095)	(\$16,030)	(\$6,010)
Amortization of subscriber accounts and dealer network	55,746	5,520	61,266	40,815	163,468	159,619
Depreciation	1,910	(212)	1,698	1,368	5,286	4,704
Restructuring charges	402	-	402	-	-	-
Stock-based compensation expense	361	50	411	389	1,384	393
Security Networks acquisition-related costs	1,032	-	1,032	-	-	-
Security Networks integration-related costs	535	-	535	-	-	-
Realized/unrealized loss on derivative instruments	-	-	-	-	2,044	10,601
Refinancing costs	-	-	-	-	6,245	-
Interest expense	25,732	4,384	30,116	19,243	71,328	42,655
Income tax expense	1,241	146	1,387	700	2,616	2,523
Adjusted EBITDA	\$77,649	\$12,928	\$90,577	\$57,420	\$236,341	\$214,485

Security Networks

(\$ in Thousands)	For the 12 Months Ended December 31, 2012 Actual
Net Income (Loss)	\$3,576
Amortization of subscriber accounts and dealer network	24,470
Depreciation	1,138
Stock-based compensation expense	388
Acquisition-related costs	-
Interest expense	15,816
Income tax expense	100
Contingent consideration earnout expense	982
Adjusted EBITDA	\$46,470

Source: Company filings.

(1) In accordance with US GAAP, pro-forma adjustments include those adjustments necessary for the three months ended September 30, 2013 had the acquisition of Security Networks occurred on January 1, 2012. Accordingly, these pro-forma adjustments include an increase in adjusted EBITDA associated with the reversal of a \$2.5 million fair value adjustment that reduced deferred revenue acquired in the Security Networks acquisition.