

March 24, 2011

Sunrise Communications Holding S.A.

Financial Results
January – December 2010



Key messages

Sunrise achieved strong financial results according to guidance given:

- Revenue increased to CHF 2'052m or + 2.9%.
- Significant EBITDA growth from CHF 498m to 542m (+ 8.8%) thanks to accelerated growth of mobile customer base, margin improvements and tight cost controls.
- Mobile postpaid customer base grew by 15.2% taking total Sunrise customer base to 2.94 million.

Revenue growth translated into a mobile network market share increase from 22.4% to 23.8%.

Sunrise expects continuation of EBITDA improvement based on an ongoing high customer intake and further cost reductions, partially invested into further growth (shops, network, customer experience, etc.).

Overview of results

Income statement	Year to date		Quarter to date	
[CHFm]	2010	2009	Q4'10	Q4'09
Mobile	1'233	1'151	324	294
Landline Services	643	660	156	170
<i>of which hubbing</i>	203	188	51	52
Landline Internet	177	183	45	46
Revenues	2'052	1'994	525	510
<i>% growth</i>	2.9%	-	2.9%	-
EBITDA	542*	498	121	136
<i>% margin</i>	26.4%	25.0%	23.0%	26.6%
<i>% margin (excl. Hubbing)</i>	29.0%	27.5%	25.6%	29.2%
<i>% growth</i>	8.9%	-	-10.9%	-
Capex	(162)	(199)	(52)	(62)
<i>% margin (excl. Hubbing)</i>	8.7%	11.0%	11.1%	13.5%
EBITDA-Capex	380	298	68	74
Change in working capital	(63)	190	52	80
Operating free cash flow	317	488	121	154

The full year financial results are based on the pro-forma condensed combined financial statements for the 12 month and 3 month periods ended December 31, 2010.

* 2010 EBITDA for 12 month Sunrise Communications AG and 4 month Luxembourg entities (incorporated on September 9, 2010) was CHF 543.8million before pro forma adjustments.

Revenue and Gross profit development

Comments

Mobile: Higher customer base leads to revenue growth. Lower termination prices allow better gross profit margin, thus compensating part of negative termination impact

Lower termination prices result in higher GP ←

Lower gross profit due to higher share in LLU ←

WHS: mainly low margin revenue (hubbing) ←

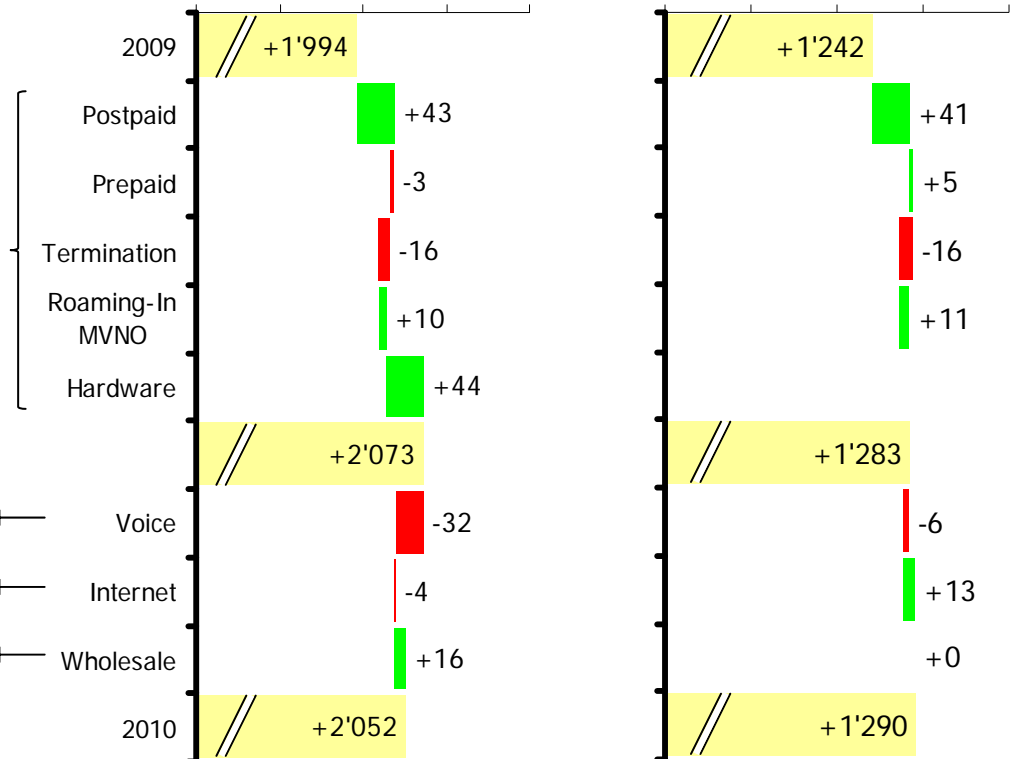
Revenue

Gross Profit

in '000 CHF

1'800 1'900 2'000 2'100 2'200

1'000 1'100 1'200 1'300 1'400



Operating Free Cash Flow

Operating free cash flow		
[CHFm]	2010	2009
EBITDA	542	498
<i>% margin</i>	<i>26.4%</i>	<i>25.0%</i>
<i>% margin (excl. Hubbing)</i>	<i>29.0%</i>	<i>27.5%</i>
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Comments
EBITDA: The growth in EBITDA of 8.9%, from 498 CHFm to 542 CHFm is stemming from higher revenues due to net customer gain and savings on cost of sales by migrating customers onto the LLU infrastructure.
CAPEX: Lower spending due Sunrise/FT related slow down of mobile roll-out. LLU infrastructure build-out mostly completed.
Change in working capital: Excluding 2009 year-end optimizations (about CHF 70 million) impacting Q1-10 negatively, net working capital development 2010 would be stable.

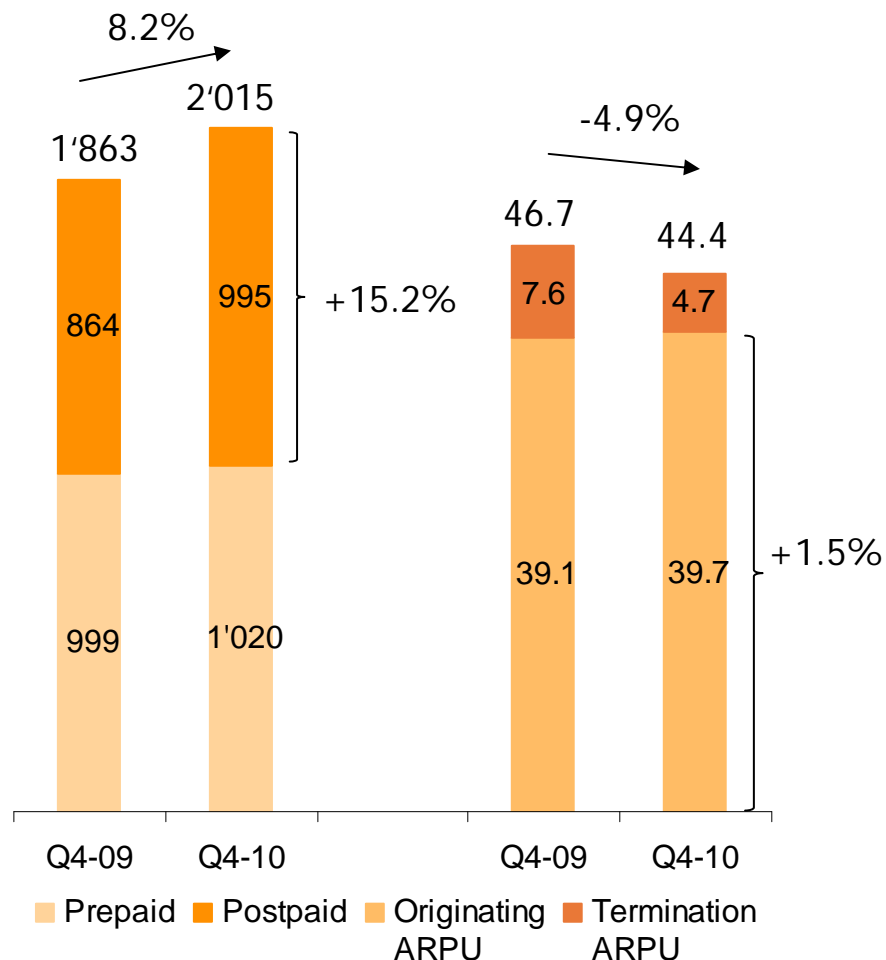
Operational Trends

Operational Trends: Mobile

Comments

- Mobile subscribers up 8.2% YoY driven by especially by strong intake of postpaid.
- Sunrise launched its iPhone offering at the end of July, 2010 and could benefit from the introduction in Q4-2010.
- Underlying originating ARPU increased by 1.5% to CHF 39.7 due to higher share of flat rate plans.
- MTR cut reduced termination ARPU to CHF 4.7.
- Mobile network market share increased from 22.4% as of December 31, 2009 to 23.8% as of December 31, 2010.

'000 Subscriber



Mobile: Successful iPhone sales



Comments

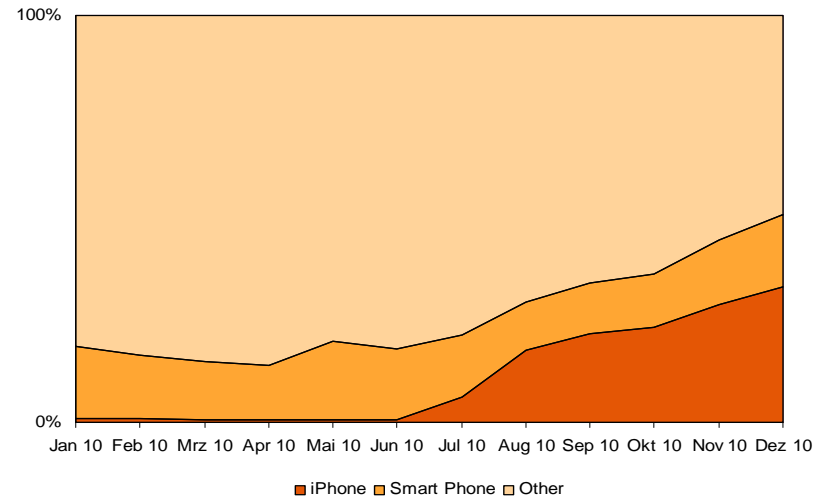
Customer reception was very positive, and accounted for Sunrise's data network quality.

On new customer acquisitions, the share of other smart phones was only slightly impacted.

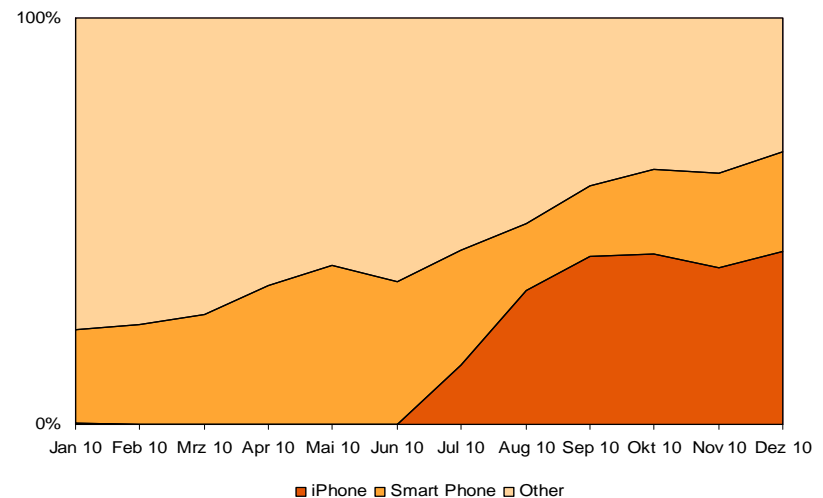
Sale to new customers has improved and is now slightly above 50% of total iPhone and other smart phone sales.

Customers predominantly subscribed to our higher value flat rate plans and 24 month contract length with acquisition costs are moderately higher but we also experience a lift-up in ARPU.

New customer acquisition



Customer retention



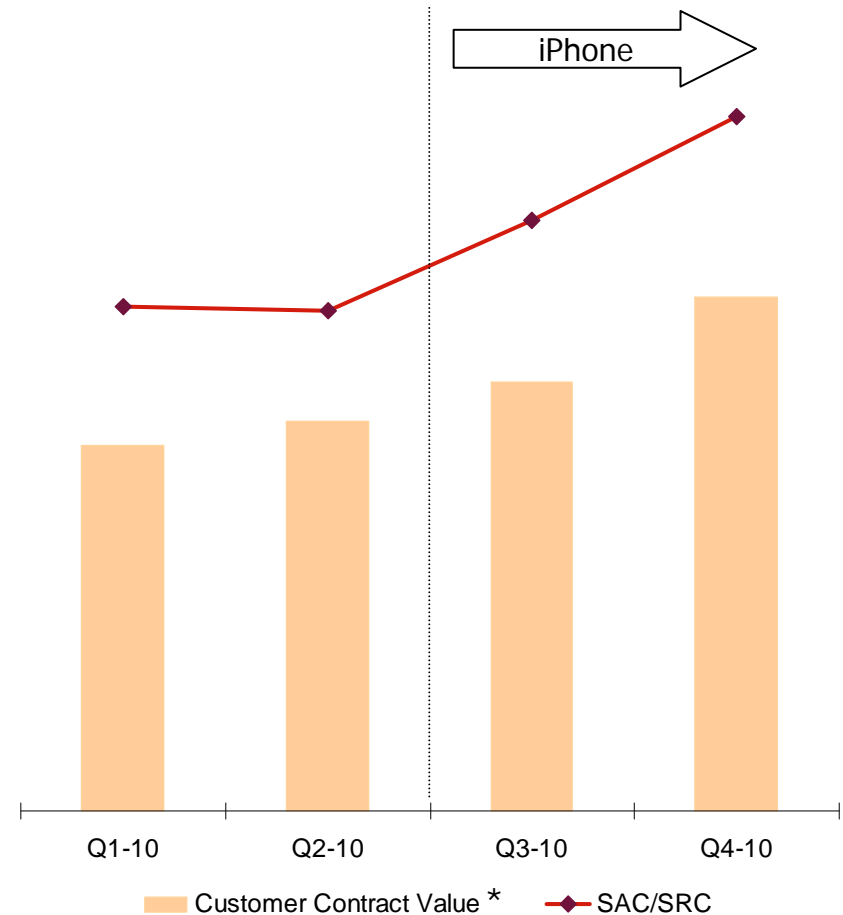
Mobile: Marketing spend and quality of customers gained

Comments

The increase in marketing spending for the last 4 month of the year resulted also in an increase in customer contract value due:

- Increasing customer base
- Increasing share of 24 month contract durations
- No decline in high-value share

Postpaid Mobile Total Customer Value

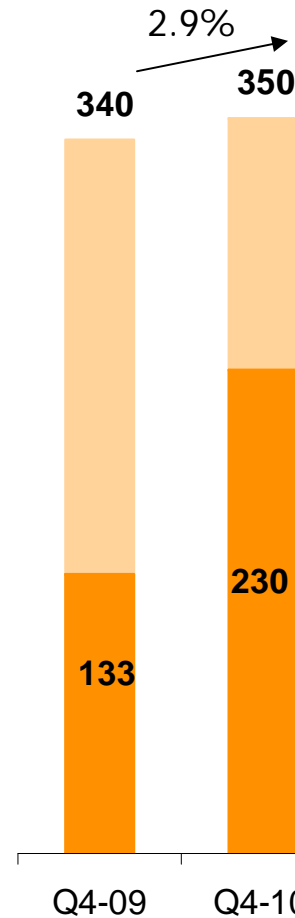


Operational Trends: Landline Retail Bundles (ADSL and retail Voice)

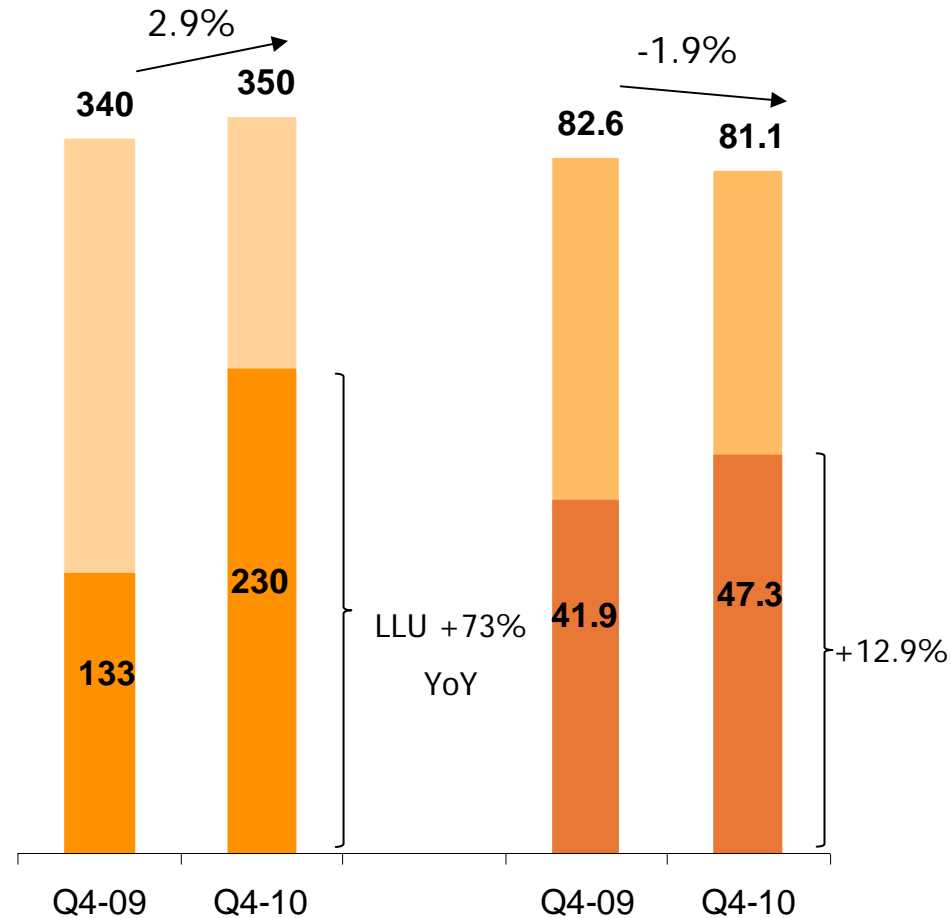
Comments

- Double play connections (landline retail voice and ADSL) have grown 2.9% YoY driven by
 - Attractive bundle prices including line rental, voice services and xDSL
 - Triple play offer bundling fixed line with mobile services
- Number of customers connected to the LLU network has increased by 73% YoY
 - Migration to LLU results in a gross profit margin increase from about 38% to 70%
- ARPU has declined by -1.9% due to:
 - Lower retail prices for LLU products and bundle discounts related to mobile/fixed bundles (triple play)
 - Partly compensated by higher share of access rebilling and LLU customers adding line rental fees to ARPU

'000 Subscriber



ARPU/AMPU (CHF)



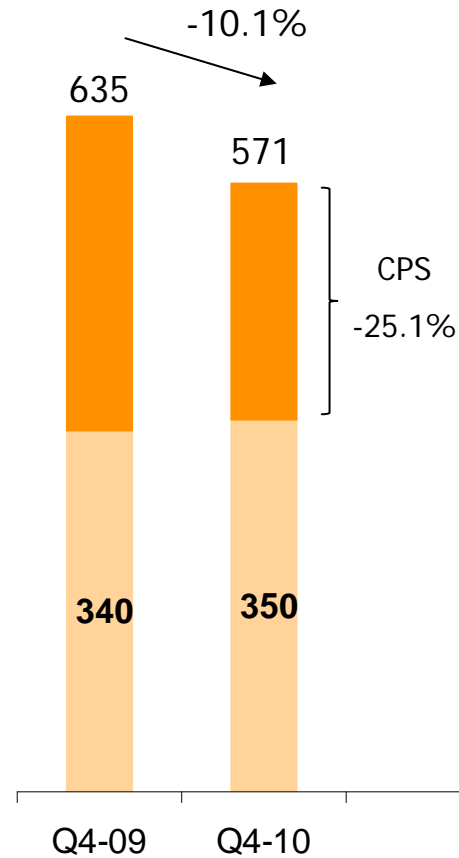
■ xDSL ■ LLU ■ ARPU ■ AMPU

Operational trends: Landline Retail Voice

Comments

- Low margin CPS Voice customers – mostly acquired as part of the Tele 2 acquisition - continue to churn to double play products, off the Sunrise network or are substituting their service with mobile
- ARPU trend is positive due to higher share of ARB and LLU customers enabling the charging of the line rental cost by Sunrise.

'000 Subscriber



ARPU (CHF)



■ Bundled ■ CPS ■ ARPU

Net Debt at 31. December 2010

	Pro-forma post Transaction close million CHF	31. Dec. 2010 million CHF
Term Loan A	500	500
Term Loan B	321	312
Senior Secured Notes	808	765
Total Senior debt	1,629	1,577
Senior Notes	769	704
Total debt	2,398	2,281
Fair value of cross currency swaps	(22)	95
Adjusted debt	2,376	2,376
Cash	(51)	(127)
Net debt	2,325	2'249
EBITDA LTM	558	542
Net debt / EBITDA	4.17x	4.15x
Shareholder PIK (Outside banking group: Mobile Challenger Intermediate S.A.)		95
Net Debt (including shareholder PIK) / EBITDA		4.32x

Note: Fair value of debt is shown in addition to FV of cross currency hedges entered into

85.3% of the floating rate debt is secured with interest rate derivatives as of 31. December 2010

Market Updates

CEO Agenda – Objective 2014

Sunrise aims for achieving a clear positioning and sound performance around Customer Excellence, Excellence in Operations and Entrepreneurial culture



Sunrise – customer focused, agile & young, responsive, service and quality oriented, innovative

Customer Excellence

- High quality products and customer relevant innovations
- Right channel, right locations
- First Class Customer experience from first contact to delivery

Excellence in operations

- Cost awareness and effectiveness
- Quality network to serve customers where needed
- Lean processes for efficient and high quality development, delivery and fulfillment – enabling innovation and quality approach

Entrepreneurial culture

- Transparent and aspirational individual targets
- Culture fostering innovative approach
- High employee engagement
- Attractive incentive scheme with equity participation model

Key levers

Key indicators

- Brand awareness
- Customer satisfaction score (ICE)
- Customer growth

- OPEX to Revenue ratio
- Connect Test
- Time-to-market

- Team barometer

Market Updates

Sunrise retail outlet stores

Sunrise will extend its current retail outlet stores from 81 to about 100 Sunrise centers in 2011.

This strategy increases the importance of this sales channel even further.



Business Sunrise – a new brand of Sunrise

Launched in Q1'2011 to emphasize the focus of Sunrise on its business customer segment.

Positions Business Sunrise as a full-service provider in Switzerland.



Status of Mobile License Award Procedure

- 30 November 2010: Publication of the invitation to tender
- All **current** Sunrise licenses **won't be changed or affected**: GSM/UMTS 900 and 1800 MHz will be valid until end of 2013, UMTS 2100 MHz until end of 2016
- **LTE** spectrum will be partially available **after the award** (2600 MHz) and the rest in 2013 (800 MHz)
- 31 January 2011: the procedure **was stopped** after opposition from all mobile operators. The new submission date for the application document is not known yet.
- 28 February 2011: a **hearing** was held with all interested parties. The regulator showed **willingness to reconsider** some of the conditions.
- The regulator will decide **mid of April** how to proceed. The **auction** will most probably take place **end of 2011** or beginning of 2012.

Backup

Pro-forma cash flow versus IFRS cash flow for 2010

Pro-forma 2010 cash flow is not representative of the Sunrise's future cash flow generation due to:

- Pro-forma is based on the assumption that the transaction took place 01.01.2009.
- Intercompany payments to previous shareholder and dividends have been eliminated
- Full year interest payments related to the new debt structure was included

The table below shows some cash flow items for comparison. For more information on pro-forma statements, please refer to note 2 of the pro forma condensed combined financial statements.

	Pro forma	IFRS
	2010	Historical fin.
Cash at beginning of period	197,471	55
Cash generated during the period (incl. fx)	112,802	126,699
thereof: Change in NWC	(63'239)	51,426
thereof: Cash acquired	0	43,425
Cash at end of period	310,273	126,754

Disclaimer

This Presentation and any materials distributed in connection herewith (the "Presentation") include forward-looking statements. Forward-looking statements are statements regarding or based upon our management's current intentions, beliefs or expectations relating to, among other things, Sunrise's future results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. By their nature, forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or future events to differ materially from those expressed or implied thereby. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein.

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Sunrise