

March 22, 2012

Sunrise Communications Holdings S.A.

Financial Results
January – December 2011

Key messages

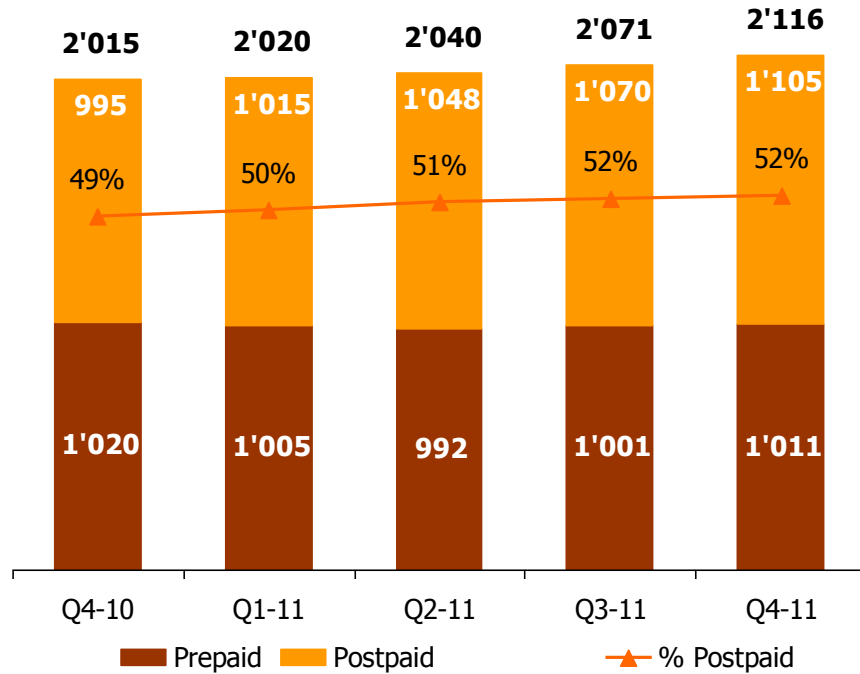
Sunrise continues its good financial performance driven by strong postpaid and LLU subscriber base growth:

- **Total subscriber** base succeeds **3.0 million**, with a growth of +30.9 thousand in Q4 2011 alone (excluding M2M subscribers)
- Despite significant MTR cut of CHF (45.5) million, **mobile revenue** grew by **+7.2%** YoY with total **gross profit growth** from CHF 1'259.0 to 1'365.7 million or **+8.5%** YoY
- **EBITDA growth** from CHF 537.3 to 607.6 million or **+13.1%** YoY thanks to accelerated growth of mobile customer base, increase in LLU base and tight cost controls

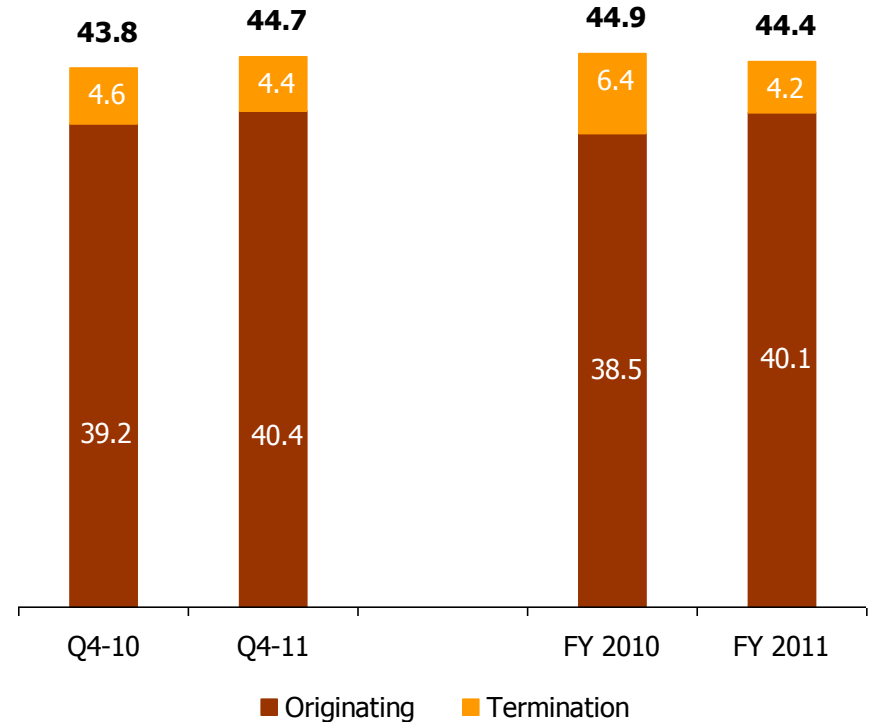
In the last twelve months, postpaid net add market share of 39.0% enabled Sunrise to grow its **mobile network market share** from 23.8% to **24.1%**.

Mobile subscribers and ARPU development

Mobile subscribers ('000)



Blended ARPU (CHF)

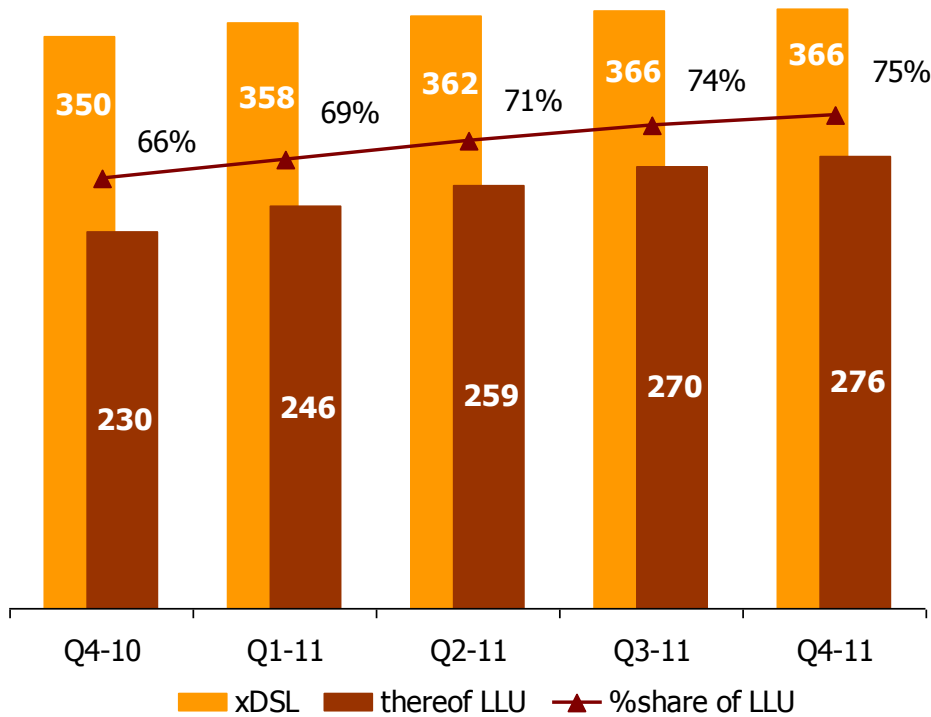


Continued shift to high value contract (postpaid) customer base - customer contract value increased by 18% YoY

Increased originating ARPU due to better product mix

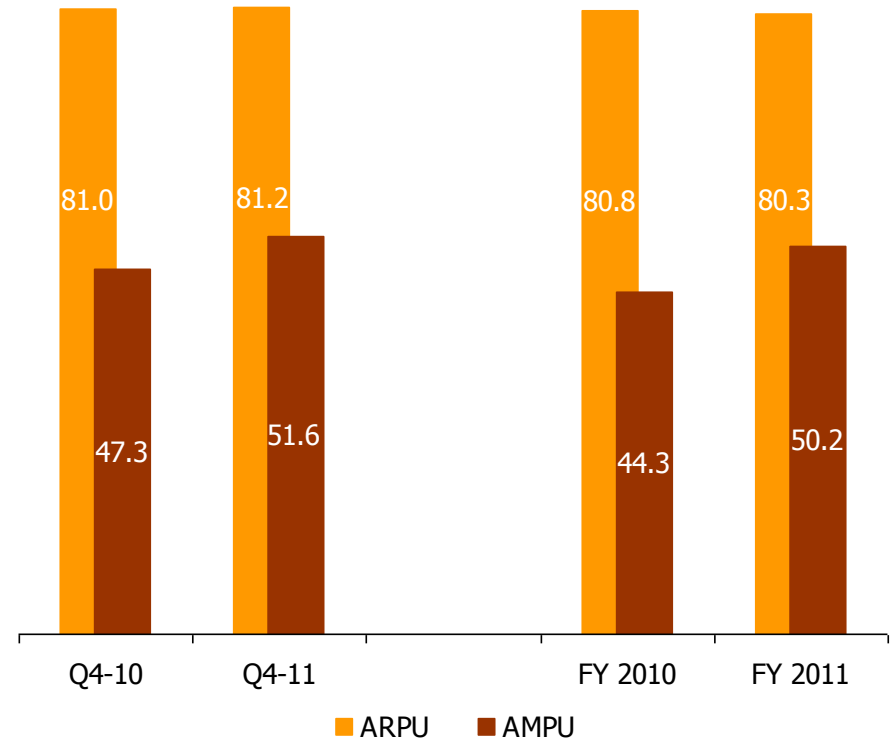
Landline bundled subscribers and ARPU development

Bundled (DSL/Voice) subscribers ('000)



Leverage own infrastructure

Bundled ARPU voice and internet (CHF)

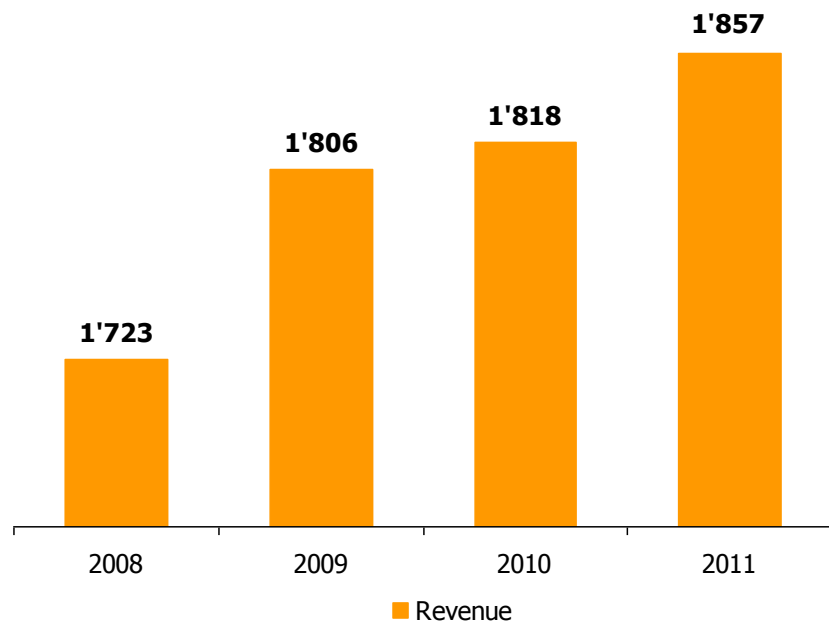


Higher share of LLU customers increases gross profit margin

Revenue, gross profit and EBITDA

Revenue (excl. hubbing)

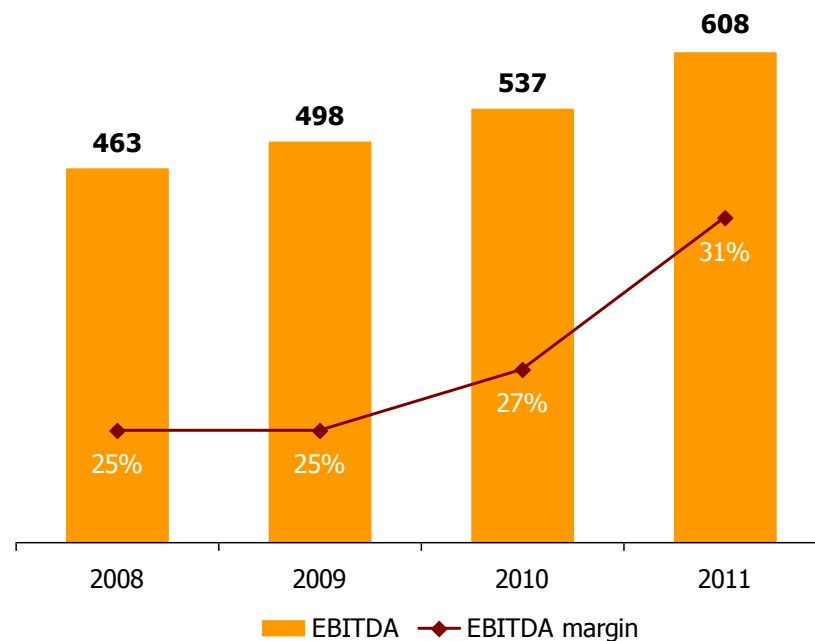
CHF million



Revenues are excluding low margin hubbing business

Increased subscriber base and change in product mix drives revenue

EBITDA / EBITDA margin



Increased gross profit and tight management of operating cost drives EBITDA

Overview of results

Income / Capex / Cash flow	Year		Quarter	
CHF million	2011	2010	Q4 2011	Q4 2010
Mobile	1'293	1'205	356	321
Landline Services of which hubbing	515	639	129	155
Landline Internet	127	203	33	51
	176	177	44	45
Revenues	1'984	2'021	529	521
Revenues (excl. hubbing)	1'857	1'818	496	470
% growth	2.1%		5.5%	-
Gross profit	1'366	1'259	354	324
% margin	68.8%	62.3%	67.0%	62.0%
% growth	8.5%	-	9.6%	-
EBITDA	608	537	142	126
% margin (excl. hubbing revenues)	32.7%	29.6%	28.6%	26.7%
% growth	13.1%	-	12.9%	-
EBITDA recurring	601	531	141	127
% growth	13.2%		11.0%	
Capex	(149)	(164)	(71)	(54)
% Capex-to-revenues (excl. hubbing revenues)	8.0%	9.0%	14.3%	11.6%
EBITDA-Capex	458	374	71	71
Change in working capital	17	(58)	71	34
Operating free cash flow	475	316	142	105

The Q4 2010 financials are based on the condensed combined financial statements for the 12 month and 3 month periods ended December 31, 2011.

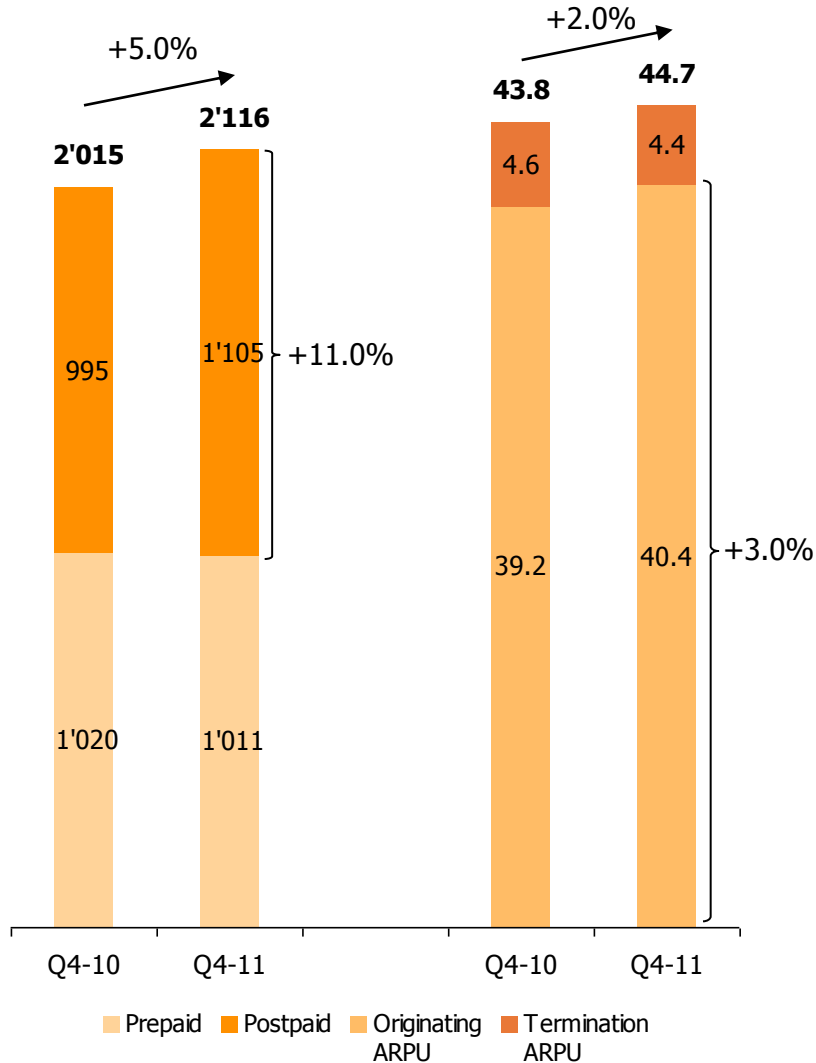
Operational trends

Mobile – operational trends

Subscriber ('000)

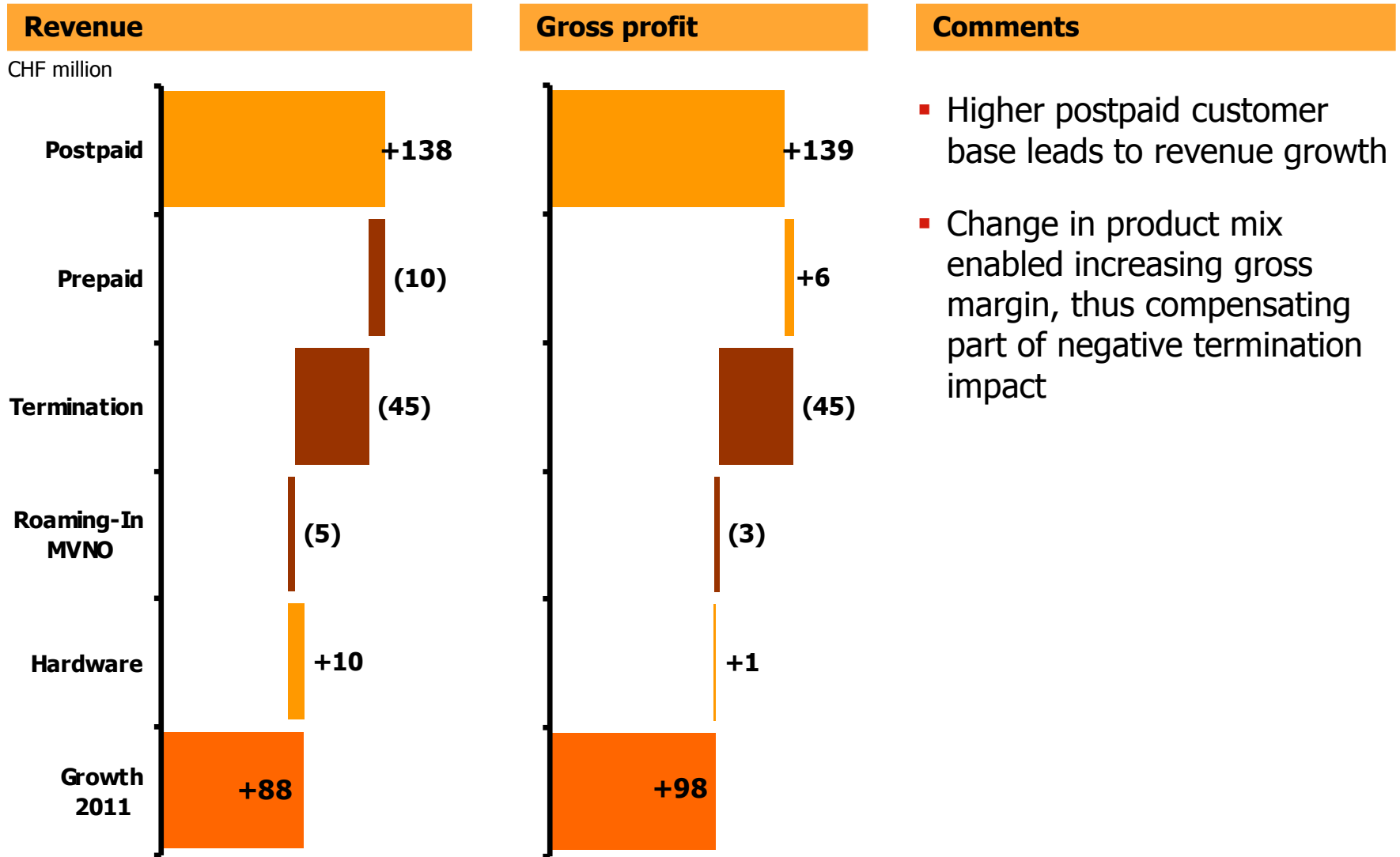
ARPU (CHF)

Comments

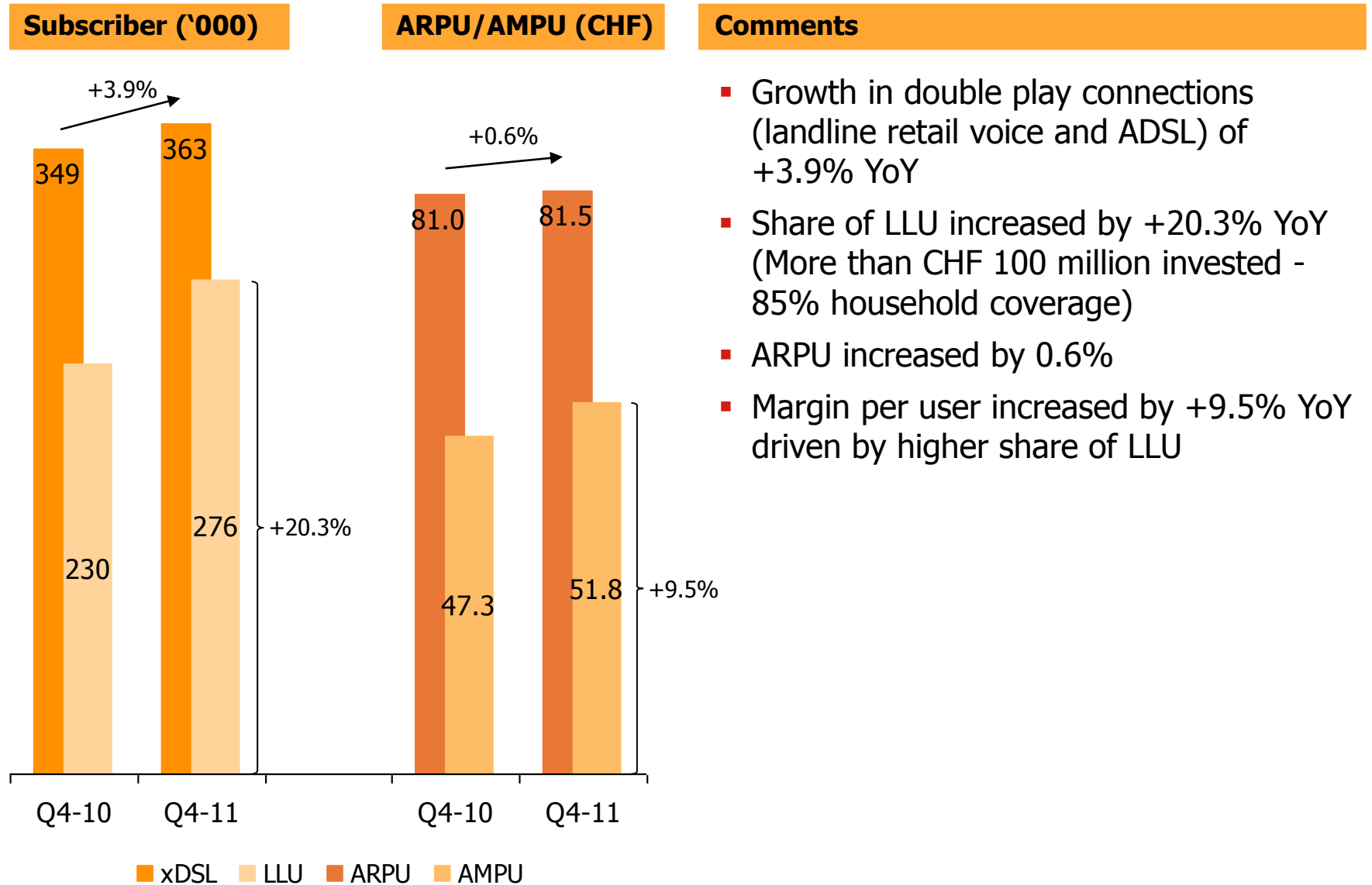


- Mobile subscriber base up 5.0% YoY driven especially by strong intake of postpaid customers
- Continued strong demand for smart phones
- Underlying originating ARPU increased by 3.0% to CHF 40.4
- MTR cut reduced termination ARPU to CHF 4.4, CHF 0.2 down from Q4 2010
- Mobile network market share increased from 23.8% as of December 31, 2010 to 24.1% as of December 31, 2011

Mobile – revenue and gross profit development



Landline Retail Bundles – operational trends



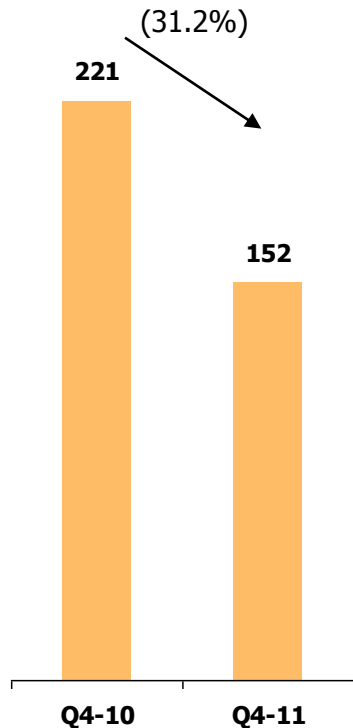
Comments

- Growth in double play connections (landline retail voice and ADSL) of +3.9% YoY
- Share of LLU increased by +20.3% YoY (More than CHF 100 million invested - 85% household coverage)
- ARPU increased by 0.6%
- Margin per user increased by +9.5% YoY driven by higher share of LLU

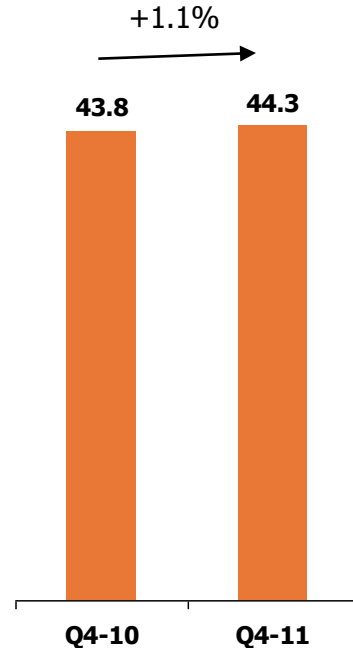
Excluding naked DSL subscribers: 0.7k in Q4 2010; 3.3k in Q4 2011
 © Sunrise March 22, 2012

Landline Voice – operational trends

Subscriber ('000)



ARPU/AMPU (CHF)



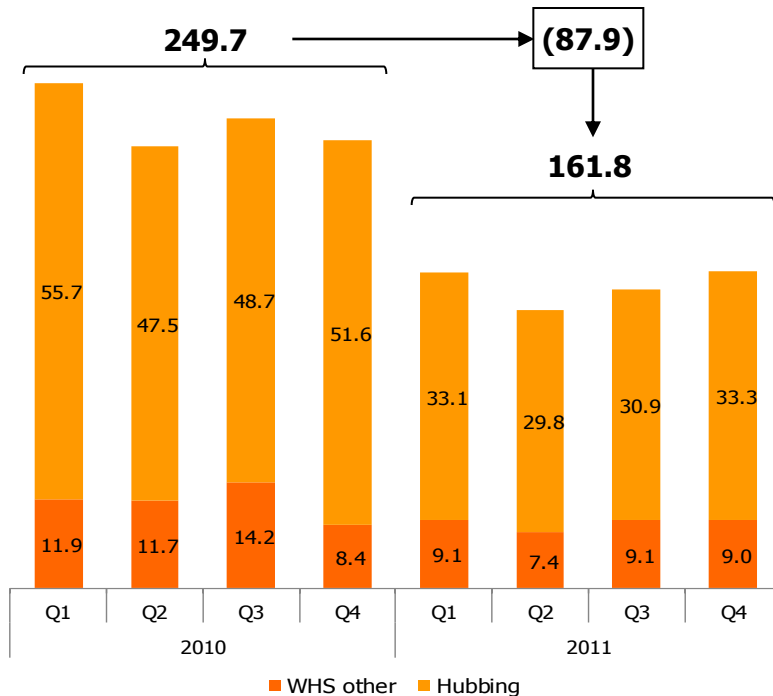
Comments

- Single play landline voice customers continue to decline
- Subscribers churn to double play products, off the Sunrise network or are substituting their service with mobile

Landline Wholesale – revenue development

Revenue

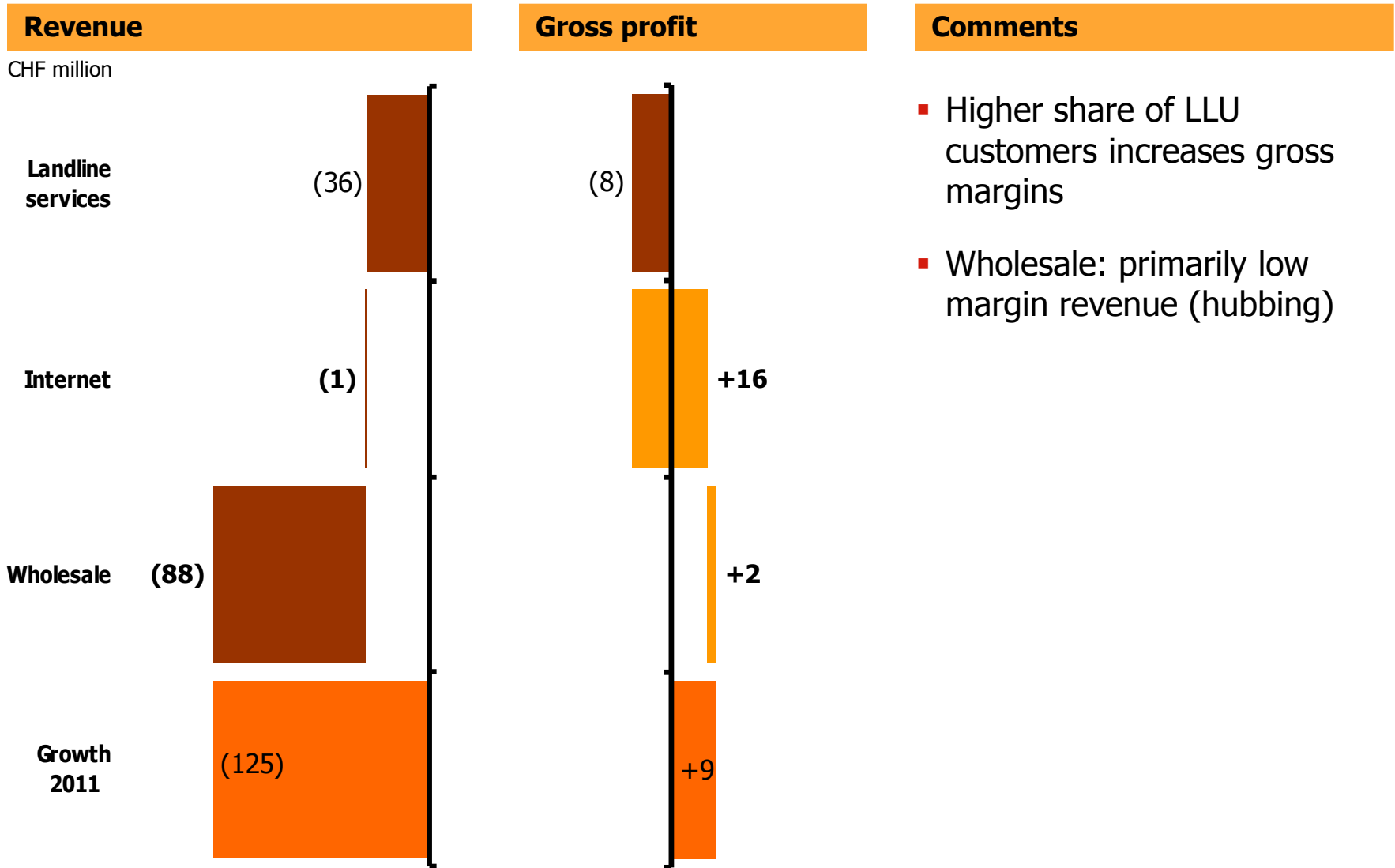
CHF million



Comments

- Decline in landline wholesale revenues 2011 is driven by less hubbing (international termination revenues)
- Hubbing is a trading business with very low margins (3-4%)
- Revenue decline is gross profit neutral

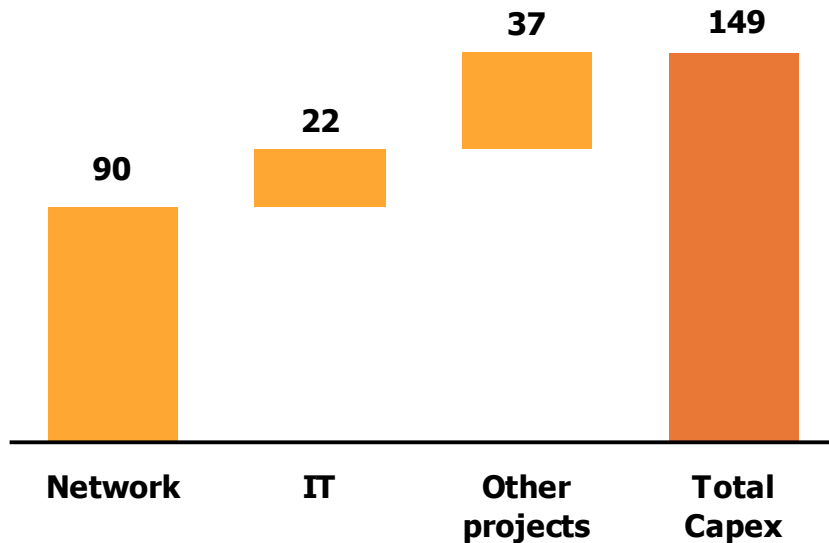
Landline – revenue and gross profit development



Capital expenditure

CAPEX

CHF million



Comments

Network: CHF 90m

- Mobile: Rollout of UMTS/HSPA and GSM equipment
- Fixed: ULL and IP rollout
- Core: VoIP engineering and IPTV

IT: CHF 22m

- Hardware lifecycle and licenses

Other projects: CHF 37m

- Mainly investments in product development, shop rollout and business customer fiber projects

Net cash debt development

Net debt	Dec 31, 2010	Dec 31, 2011
CHF million		
Term Loan A	500	463
Term Loan B ⁽¹⁾	312	309
Term Loan B (new) ⁽²⁾	0	326
Senior Secured Notes ⁽³⁾	765	751
Total senior debt	1'577	1'849
Senior Notes ⁽⁴⁾	704	683
Total cash borrowings	2'281	2'532
Fair value of cross currency swaps	95	133
Adjusted cash debt	2'376	2'664
Financial lease	51	48
Total cash debt	2'427	2'712
Cash ⁽⁵⁾	(127)	(485)
Term deposits <12 month ⁽⁵⁾	-	(100)
Net cash debt	2'300	2'126
EBITDA LTM (covenant definition)	542	609
Net cash debt / EBITDA	4.24x	3.49x

(1) Hereof EUR 73 million converted at spot rate EUR/CHF@ 1.2168 as of December 31, 2011 (interest and principal payment hedged)

(2) Hereof EUR 184 million converted at spot rate EUR/CHF@ 1.2168 as of December 31, 2011 (interest payment hedged)

(3) Hereof EUR 371 million converted at spot rate EUR/CHF@ 1.2168 as of December 31, 2011 (interest and principal payment hedged)

(4) Hereof EUR 561 million converted at spot rate EUR/CHF@ 1.2168 as of December 31, 2011 (interest and principal payment hedged)

(5) Including cash reserved for payment of mobile licenses

- 69.8% of the nominal debt value at inception is either at fixed interest rate or is secured with interest rate derivatives at December 31, 2011.

Update on markets and operations



- Launch of new sub-brand Business Sunrise for business customers in January 2011
- New customers acquired in all segments: SoHo (small office home office), small and medium companies and large customers
- Compared to 2010, Business Sunrise increased its over-all customer base by 20%
- NextiraOne (Switzerland) GmbH acquisition concluded in November 2011
- Bilanz Telecom Rating: Gap to Swisscom reduced from 6.9 to 0.9 points
- Major Wins: Merkur AG (Valora), Kanton Bern (BEWAN), Rhenus Alpina, Hennes & Mauritz, Pneu Egger, Locher Bauunternehmer, Vaudoise Assurance

Business Sunrise is ready for the cloud

Acquisition of NextiraOne Switzerland

- 1 + 1 = 3:
The alternative Full Service Provider:
Integration and Carrier Business
- Increased workforce from 200 to 370 employees: in Zürich, Kloten, Basel, Bern, Luzern, Lausanne, Geneva and Lugano
- Basis to provide Cloud Services
- Strong reputation for high quality services and personal customer treatment



Acquisition of NextiraOne (Switzerland) GmbH

Customer base increased by more than 500 large accounts

- **Banking & Insurance:** Zürcher Kantonalbank, Bank Vontobel, Clariden Leu, Crédit Agricole, Banque Syz & Co, Luzerner Kantonalbank, Banque Cantonale de Genève, EFG Private Bank, Allianz Suisse, Helvetia Versicherungen, Basler Versicherungen, Assura, Visana, Sympany, ...
- **Public Sector:** Stadt Zürich (OIZ), EWZ, ETH, Uni Basel, United Nations, Zentrale Informatikdienste Basel, Service Industriels Genève, Elektra Baselland, Amministrazione Cantonale (Ticino), Strassenverkehrsamt Kt. Zürich, Stadt Wil, Bundesamt für Meteorologie, International Federation of Red Cross, Paul Scherrer Institut, ...
- **Transport:** Bern Lötschberg Simplon Bahn (BLS), Matterhorn Gotthard Bahn, Jungfraubahnen, Basler Verkehrsbetriebe, ...
- **Industry & Service Sector:** Manor, Alstom, Emil Frey, Möbel Pfister, Schindler Informatik, Adecco, Sika, Mettler-Toledo, Bally Shoes, Rolex, Kuoni, Midor, Pilatus Flugzeugwerke, ...
- **Hotels:** Hilton Basel, Mövenpick Hotels, Grand Resort Bad Ragaz, Hotel Giardino, Kongress + Kursaal Bern, Hôtel Lausanne Palace, Park Hyatt, Radisson Blu, Hotel International Zürich, ...
- **Hospitals:** Schweizerisches Paraplegikerzentrum, Clinique de la Source, Hôpital de la Tour, Luzerner Kantonsspital, Lindenhofspital Bern, Klinik Linde, Psychiatrische Dienste Aargau, ...



- Launch of new Cloud Services in Q2
- Direct service delivery organization for Large and Medium accounts (ex-NextiraOne Service Organization and reintegration of part of Alcatel-Lucent workforce)
- Target: continuous growth in all segments, clearly more than 10% market share

New evolved Sunrise positioning

Sunrise is the only full service alternative in the market and offers best value for money

Guten Morgen, Schweiz.

Der Sonnenaufgang ist immer der Beginn von etwas Neuem. Nichts vorbereitet so viel Wärme und Energie, Freude und Optimismus. Wir als Sunrise wollen das, was wir in unserem Namen tragen, auch an unsere Kunden weitergeben. An Kunden, die sich jeden Tag darauf verlassen, dass wir sie bei der Verwirklichung ihrer Ideen, Ziele und Wünsche begleiten. Mit besten Services, Produkten und Tarifen.

Warum wir das tun? Weil wir uns freuen, immer wieder dort zu sein, wo wir die Nähe zu unseren Kunden – und zu unserem Namensgeber – spüren dürfen. Das ist eigentlich alles.

Einen schönen Tag!

PS: Machen Sie mit bei unserer grossen «♥CH»-Aktion auf sunrise.ch/facebook

Alles für deinen Tag. **Sunrise**

Endlich endlich.

Alles für deinen Tag. **Sunrise**

Komplett komplett.
Das beste Smartphone. Mit dem besten Mobilfunk.

1.-
Unlimitiert surfen
Unlimitiert telefonieren
Unlimitiert Smartphone

Alles für deinen Tag. **Sunrise**

It's all in place.
Warmth.
Energy.
Reliability.
Creativity.
Closeness.

We show that we make every day our day.

We make your day.

Warmth.

Stability and strength have a natural home. Far from the heat for people to feel good in light is, it is a special corporate culture from which we get the energy to deliver the performance. Because technology is not a matter of course, we work on it every day – internally as well as externally.

Reliability.

We are a reliable partner – internally as well as externally. For us, being reliable for our customers means providing a consistently high level of services and delivering them further on a continuous basis. A high degree of consistency in terms of internal cooperation is a prerequisite for that. Because it is the only way that we can guarantee the matched level of reliability and quality for ourselves and others. For us, clarity is the most important indicator of reliable actions. Together, we ensure that our high-quality standards are achieved in all areas. So that we deliver to our customers what we promise.

Energy.

The passion for communication is what drives us. It spurs us on to give our best in all times and to pursue ambitious goals – for our customers as well as in our teams. We go about our work with zeal and a sense of fun. As a challenge in a dynamic environment, we agree to share the telecom manufacturers market with groundbreaking innovations. After all, we intend to make a difference. This passion for our business motivates us to find and build something new and to achieve even more.

Closeness.

Open-mindedness brings people close together – internally, through one another and enable them to communicate and use the widest range of devices. That is a commitment of understanding of business, and also of our actions. We relate decisions by challenging themselves for the individual requirements of our customers. We integrate them into our business decisions.

The opportunity for the possibility of the solution, whether it is a customer, whenever it is beneficial, is what sets us apart.

Creativity.

Our industry is very fast changing and full of challenges. Therefore our highest priority is to develop innovative and reliable solutions. We let our work be inspired by the dynamic forces in the market, and without original ideas we generate others none and even better. We work hard to go down the most innovative paths. We are curious and embrace the potential impact of new ideas. With flexibility and imagination we develop successful solutions, driving growth and thereby playing our part.

Best value tariffs for all key segments

easy to understand – superior performance – voice & data - great prices

All in flatrates

Sunrise sunflat
unlimited phone calls &
relaxed surfing



→ Flatrates to Swiss and International destinations including mobile data

All in packages

Sunrise flex
call and surf volumes
fitting individual need



→ Swiss-wide minute/data packages in three suitable sizes S/M/L

youth offer

MTV mobile
community pack for
all under 26



→ Unlimited SMS/MMS, unlimited surfing, unlimited calls to Sunrise mobile

Front runner in data

best devices – best value – internet everywhere

Smartphones



Internet everywhere

- latest smartphones at best prices
- combined with best value rateplans and data included
- ensures high customer satisfaction and high value customers

Tablets



Internet everywhere

- first to offer bundled tablets
- strongly addressing growing market
- high x-selling opportunities

Sunrise TV completes the portfolio

- Sunrise is the only full service alternative in the market to offer mobile, fixnet, internet and IPTV from one source
- Top performance:
 - Superior HD choice
 - Unique ComeBack TV
 - Competitive Video on Demand offer
 - Easy-to-use interface
- Best value:
 - Sunrise TV Set comfort
 - Attractive bundle „Sunrise Vorteil“
 - Sunrise TV Set start soon to come for low entry customers



Sunrise centers: great, brand experience, close to customers

- By end of 2011, 22 new shops have been opened all-over the country
- Nationwide shop network (>100 shops)
- More than 100 new shop employees
- Prime locations in urban and regional areas
- Top equipment and furnishing
- Feel-good atmosphere
- Outstanding brand experience
- Focus now on continuous productivity improvements



Sunrise moves the market

Sunrise is the only full service alternative in the market and offers best value for money



Mobile license

Results of the spectrum auction

Excellent spectrum allocation

- Very large spectrum allocation in 800 and 900 MHz (50MHz) providing superior coverage
- Increased 1800 MHz allocation (40MHz) providing high capacity and top quality (GSM/LTE)
- Support legacy UMTS networks in 2100 MHz
- Very large spectrum allocation in 2600 MHz (50MHz) to provide superior capacity in LTE

Enables top quality network until 2028

- High quality for existing GSM and UMTS networks assured
- Supports HSPA+ rollout on low frequencies for wide coverage extension
- Supports LTE rollout at optimum cost due to larger cell areas
- Supports early LTE rollout and future capacity extension

Planned usage

- HSPA+ rollout on 900 MHz nationwide in 2012
- Start LTE in 2012
- Expand LTE in 2013 and later

Prices paid

- Sunrise price comparable with neighboring countries
- Lower price paid by Orange due to marginal low spectrum allocation
- Lower price paid by Swisscom due to unfavorable auction format

New Managed Service Provider Network activities

- Sunrise has signed a letter of intent (LOI) with a preferred technology partner for network roll-out and operation. Contract signing is expected within the next weeks
- Sunrise has extended the managed services agreement with Alcatel-Lucent by four months until end of August 2012
- Preparation for nationwide UMTS900 roll-out has already started
- Agreements in place with St. Gallen and Basel for layer 1 fiber services. Ongoing negotiations with several other cities
- First triple play customers (TV, fixnet, DSL) on fiber in St. Gallen, Basel and Zürich

Questions & answers

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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Thank you