

November 24, 2011

Sunrise Communications Holdings S.A.

Financial Results
January – September 2011



Key Messages

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

- **Mobile postpaid** subscriber base grew by **+132.2** thousand or **+14.1%** YoY with a growth of **+22.4** thousand in **Q3'2011** alone (excluding M2M subscribers)
- Despite significant MTR cut of CHF -42 million, **mobile revenue** grew by **+6.1%** YoY with total **gross profit growth** from CHF 961.9 to 1'042.1 million or **+8.3%** YoY
- Significant **EBITDA growth** from CHF 421.2 to 465.7 million or **+10.6%** YoY thanks to accelerated growth of mobile customer base, increase in LLU base and tight cost controls
- **LTM EBITDA** reached CHF **580.1 million**

In the last twelve months, postpaid net add market share of 39.0% enabled Sunrise to grow its **mobile network market share** from 23.4% to 24.1%.

All financials are based on the first nine months period compared to same period of previous year

Overview of Results

Income / Capex / Cash flow	Year to date		Quarter to date	
CHF million	2011	2010	Q3'11	Q3'10
Mobile	964	909	338	331
Landline Services	389	486	128	158
<i>of which hubbing</i>	94	152	31	49
Landline Internet	132	132	45	44
Revenues	1'485	1'527	510	533
Revenues (excl. Hubbing)	1'392	1'375	479	484
<i>% growth</i>	1.2%		-1.1%	-
Gross profit	1'042	962	360	333
<i>% margin</i>	70.2%	63.0%	70.7%	62.5%
<i>% yoy growth</i>	8.3%	-	8.2%	-
EBITDA	466	421	178	141
<i>% margin (excl. Hubbing)</i>	33.5%	30.6%	37.2%	29.2%
<i>% growth</i>	10.6%	-	26.2%	-
EBITDA recurring	461	414	169	141
<i>% growth</i>	11.3%		19.6%	
Capex	(78)	(109)	(30)	(31)
<i>% Capex-to-revenues (excl. Hubbing)</i>	5.6%	7.9%	6.3%	6.3%
EBITDA-Capex	387	312	148	111
Change in working capital	(38)	(116)	21	9
Operating free cash flow	349	196	169	120
Interest payments	(121)	(103)	(17)	(13)
Tax payments	(67)	(38)	(26)	(27)
Sales of property, plant and equipment	0	28	0	0
Change in debt balance	(23)	(4)	(1)	(2)
Other	(8)	(11)	6	(1)
Cash Flow from operations	130	69	130	77

The Q3'2010 financials are based on the pro forma condensed combined financial statements for the 9 month and 3 month periods ended September 30, 2010.
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Revenue and Gross Profit Development

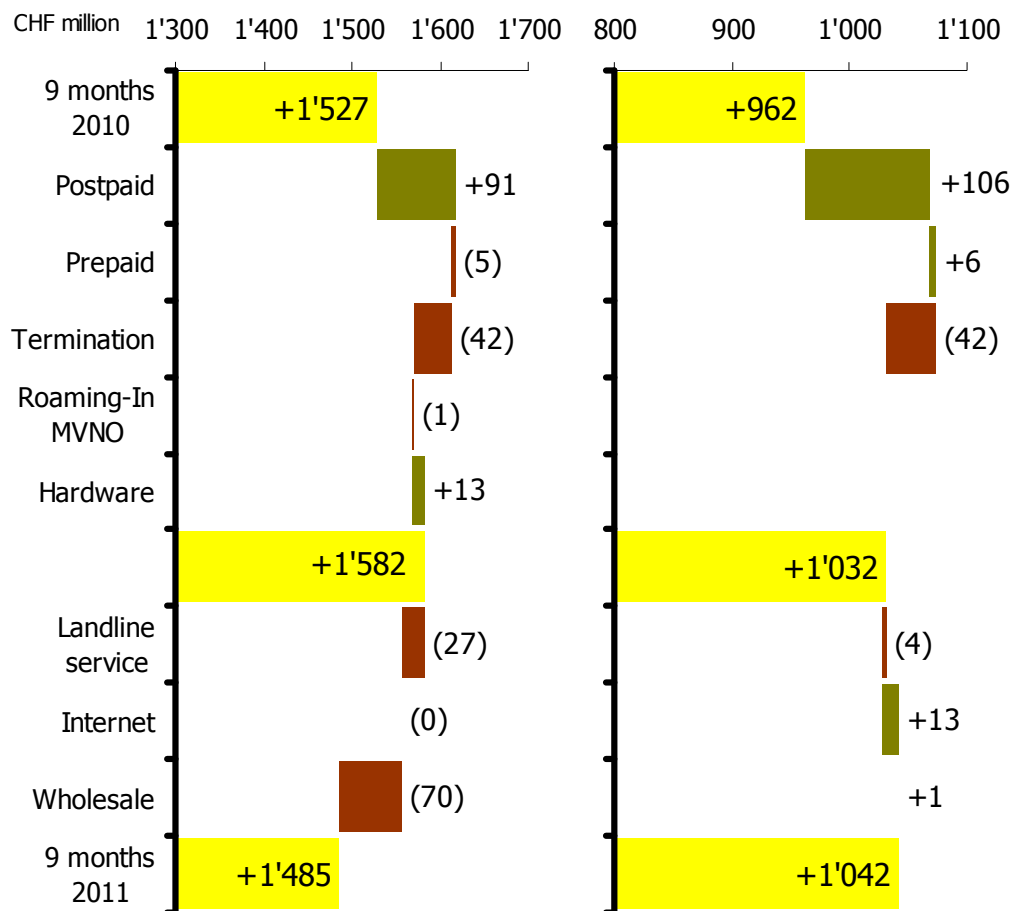
Comments	Revenue	Gross Profit
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Revenue excluding low margin hubbing business increased by CHF 16.3 million or 1.2% YoY.

Mobile: Higher postpaid customer base leads to revenue growth. Change in product mix enabled increasing gross margin, thus compensating part of negative termination impact.

Higher share of LLU customers increases gross margins.

WHS: primarily low margin revenue (hubbing).



Net gross profit effect of change in mobile termination rates: CHF (23.6) million YoY

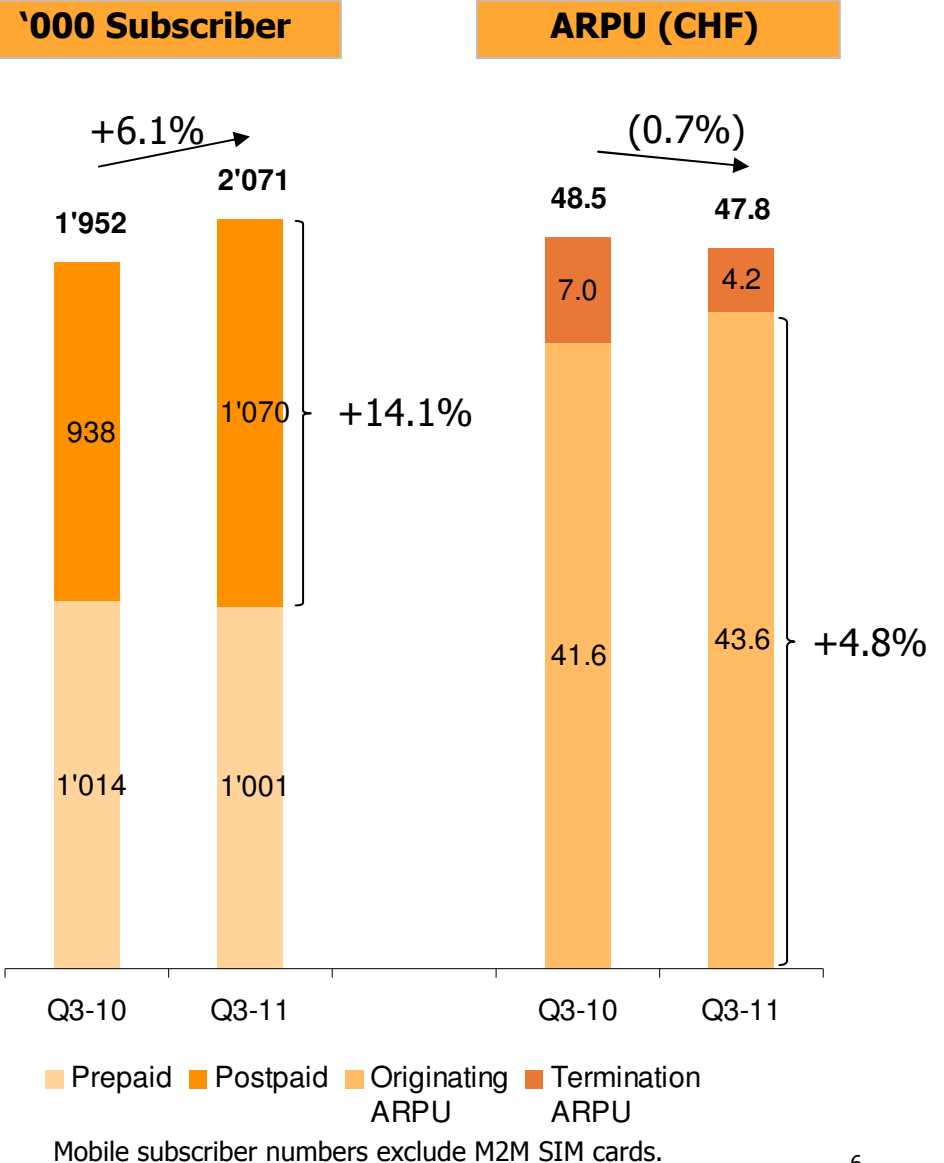
Operational Trends



Operational Trends: Mobile

Comments

- Mobile subscribers up 6.1% YoY driven especially by strong intake of postpaid
- Still strong demand for smart phones
- Underlying originating ARPU increased by 6.0% to CHF 43.6
- MTR cut reduced termination ARPU to CHF 4.2, CHF 2.8 down from Q3'2010
- Mobile network market share increased from 23.4% as of September 30, 2010 to 24.1% as of September 30, 2011

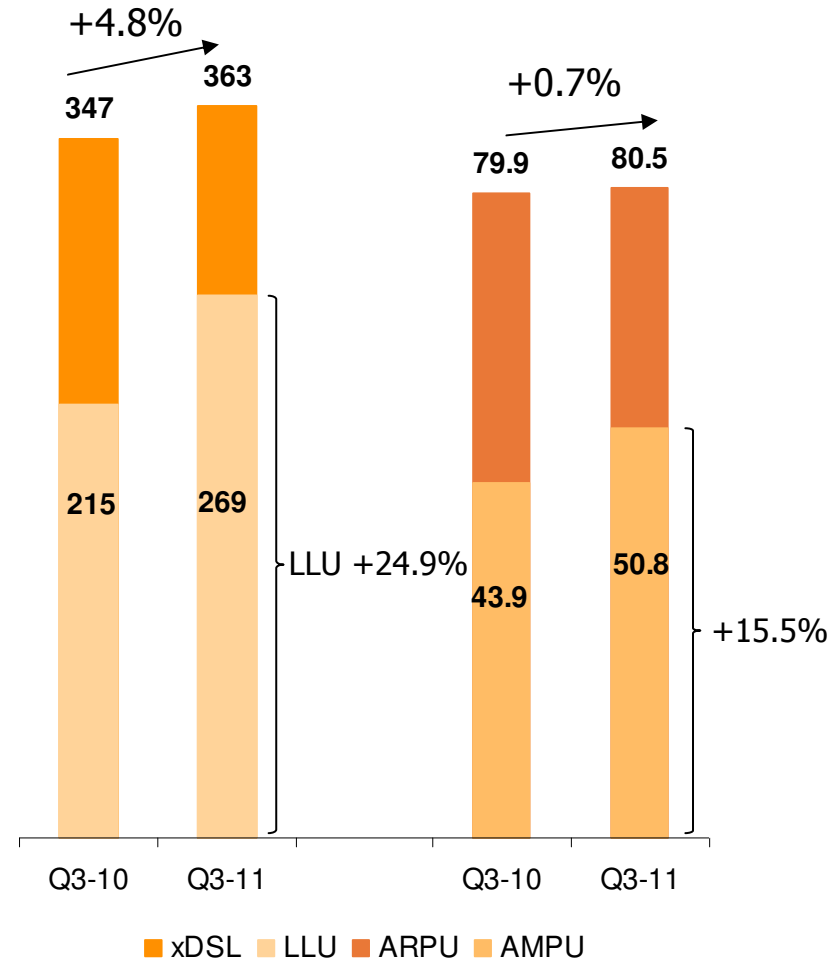


Operational Trends: Landline Retail Bundles

Comments

- Double play connections (landline retail voice and ADSL) have grown +4.8% YoY driven by
 - Attractive bundle prices including line rental, voice services and xDSL
 - Triple play offer bundling fixed line with mobile services
 - Improved sales channel performance
- Number of customers connected to the LLU network has increased by +24.9% YoY
 - Sunrise invested more than CHF 100 million in the past to cover more than 85% of Swiss households
 - Migrating subscriber to LLU results in a gross margin increase
- ARPU has increased by 0.7% due to:
 - Lower retail prices for LLU products and bundle discounts related to mobile/fixed bundles (triple play)
 - More than compensated by higher share of access rebilling and LLU customers adding line rental fees to ARPU

'000 Subscriber



Excluding naked DSL subscribers: 0.1k in Q3'2010; 2.6k in Q3'2011

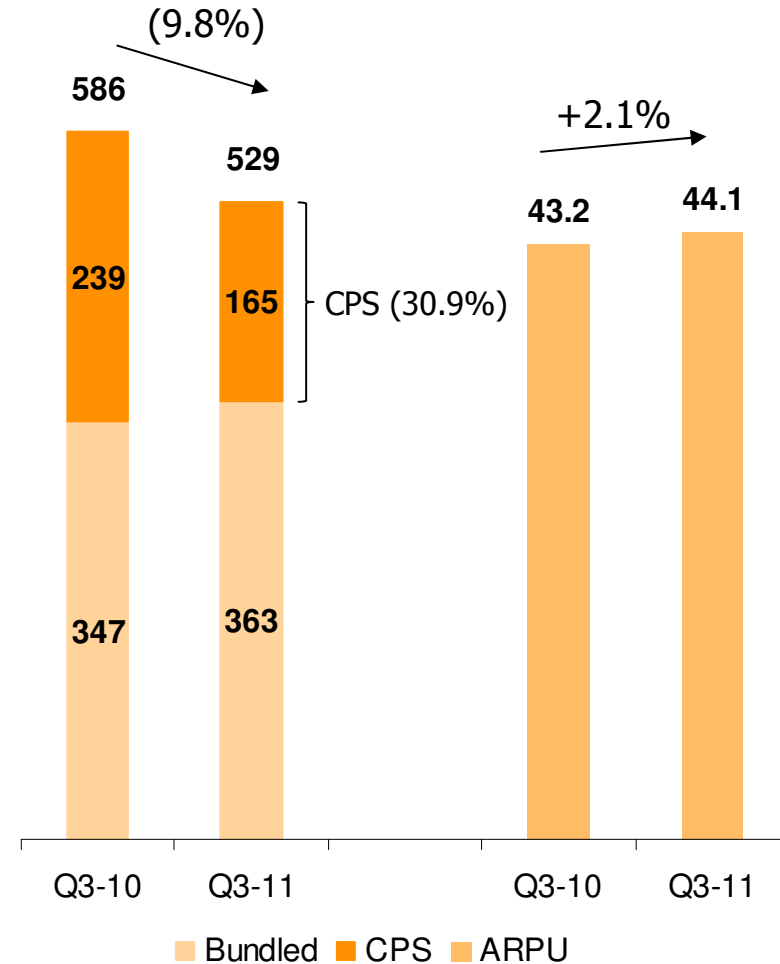
Operational Trends: Landline Retail Voice

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 increased by 2.1% YoY due to higher share of ARB and LLU customers enabling the charging of the line rental cost by Sunrise

'000 Subscriber

ARPU (CHF)



Capital Expenditure Development

Comments

Change in office building (9)

- 2010 one-off cost related to relocation of Sunrise headquarter

LLU (11)

- LLU roll-out completed, household coverage more than 85%. 2011 has only minor LLU spending

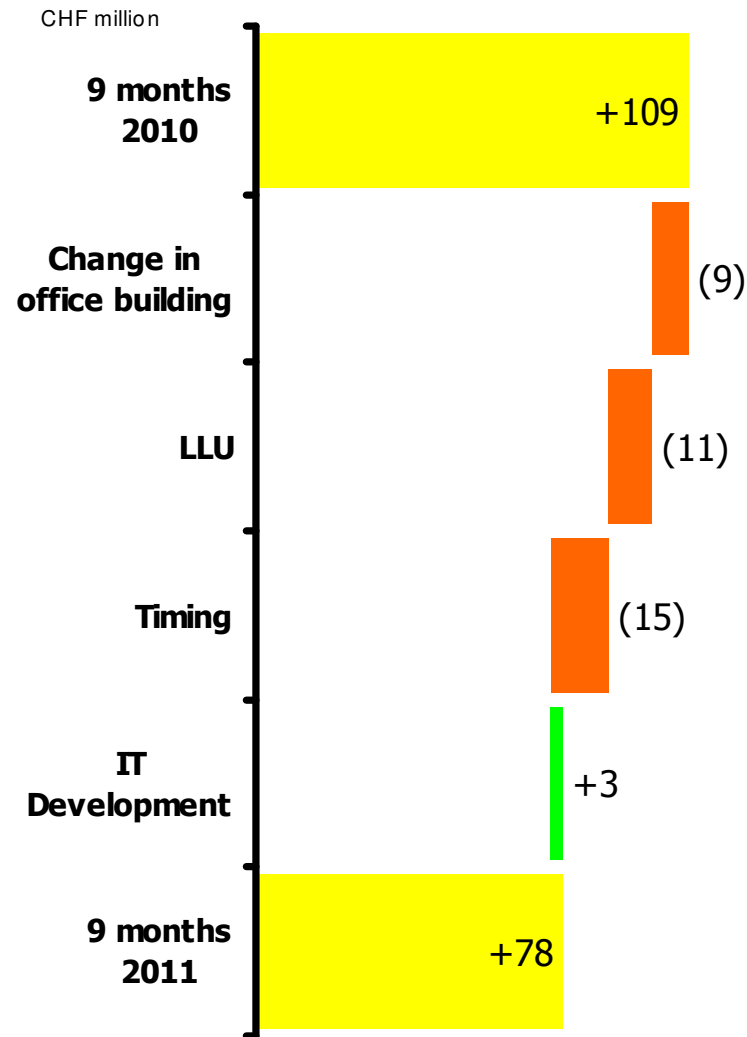
Timing (15)

- Lower spending on IT due to reprioritization of projects and roadmap

IT Development +3

- Contact Center renewal in 2011

CAPEX



Net Cash Debt Development

Net Debt	Dec 31, 2010	Sep 30, 2011
million CHF		
Term Loan A	500	481
Term Loan B ⁽¹⁾	312	309
Term Loan B (new) ⁽²⁾	0	326
Senior Secured Notes ⁽³⁾	765	751
Total senior debt	1'577	1'867
Senior Notes ⁽⁴⁾	704	682
Total cash borrowings	2'281	2'549
Fair value of cross currency swaps	95	134
Adjusted cash debt	2'376	2'683
Financial lease	51	48
Total cash debt	2'427	2'731
Cash	(127)	(260)
Term deposits <12 month	-	(324)
Net cash debt	2'300	2'147
EBITDA LTM (recurring)	542	580
Net cash debt / EBITDA	4.24x	3.70x

(1) Hereof EUR 73 million converted at spot rate EUR/CHF@ 1.21565 as of September 30, 2011.

(2) Hereof EUR 184 million converted at spot rate EUR/CHF@ 1.21565 as of September 30, 2011.

(3) Hereof EUR 371 million converted at spot rate EUR/CHF@ 1.21565 as of September 30, 2011.

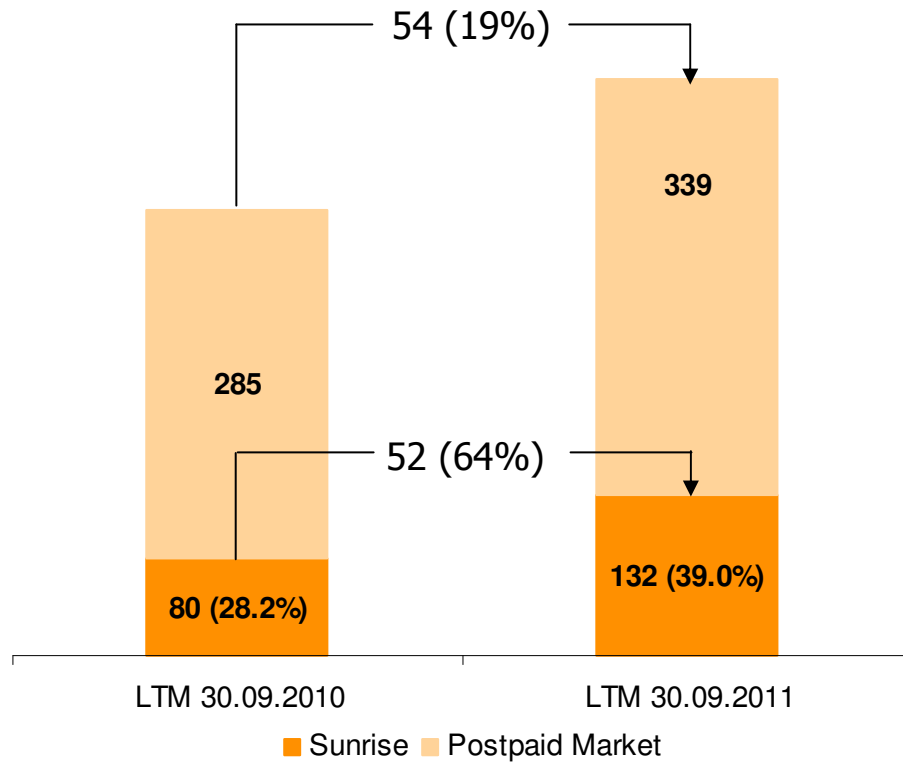
(4) Hereof EUR 561 million converted at spot rate EUR/CHF@ 1.21565 as of September 30, 2011.

- All Euro debt is fully hedged against foreign exchange risks, therefore, net cash debt is not effected by EUR/CHF exchange rates.
- 79.9% of the nominal debt value at inception is either at fixed interest rate or is secured with interest rate derivatives at September 30, 2011.

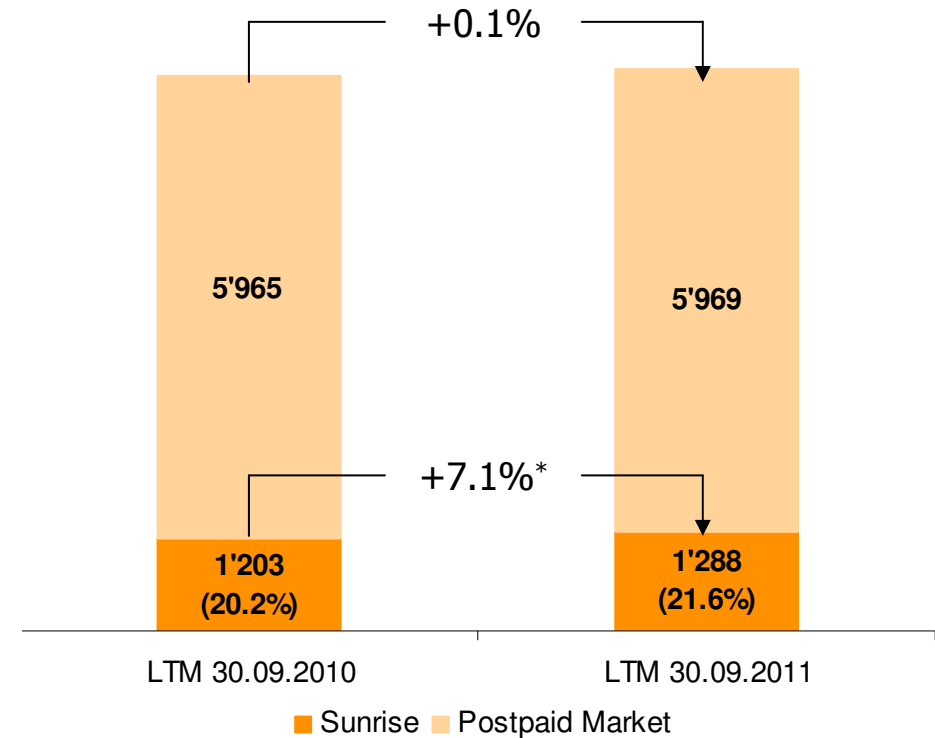
Update on Markets, Regulatory and Operations

Mobile market development

Postpaid net adds ('000)



Mobile revenue (million CHF)



Source: Sunrise Market Research

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* Excluding MTR reduction, growth would have been 11.9%

Regulatory update

Topics	Sunrise position / status
Mobile license auction	<ul style="list-style-type: none">▪ July 19th, 2011 ComCom published revised conditions for mobile auction to be held in February/March 2012▪ Sunrise is well positioned to undertake all necessary actions for future infrastructure investments
FTTH	<ul style="list-style-type: none">▪ LOI with several cities for FTTH access▪ Swisscom temporarily suspended new FTTH partnerships due to ComCo (WEKO) concerns until cooperation agreements are reviewed. A revised contract has been accepted by ComCo▪ Existing agreements are not affected
Roaming prices	<ul style="list-style-type: none">▪ Discussions about regulation of roaming prices were back on the political agenda in light of the elections for national parliament in Switzerland. Next debate in the parliament is expected for spring 2012
LRIC method	<ul style="list-style-type: none">▪ High level of LLU and IC prices due to LRIC method▪ Federal administrative court confirmed application of LRIC method, but pointed out possibility to change LRIC in ordinance▪ Another revision is likely to start next year

IPTV service

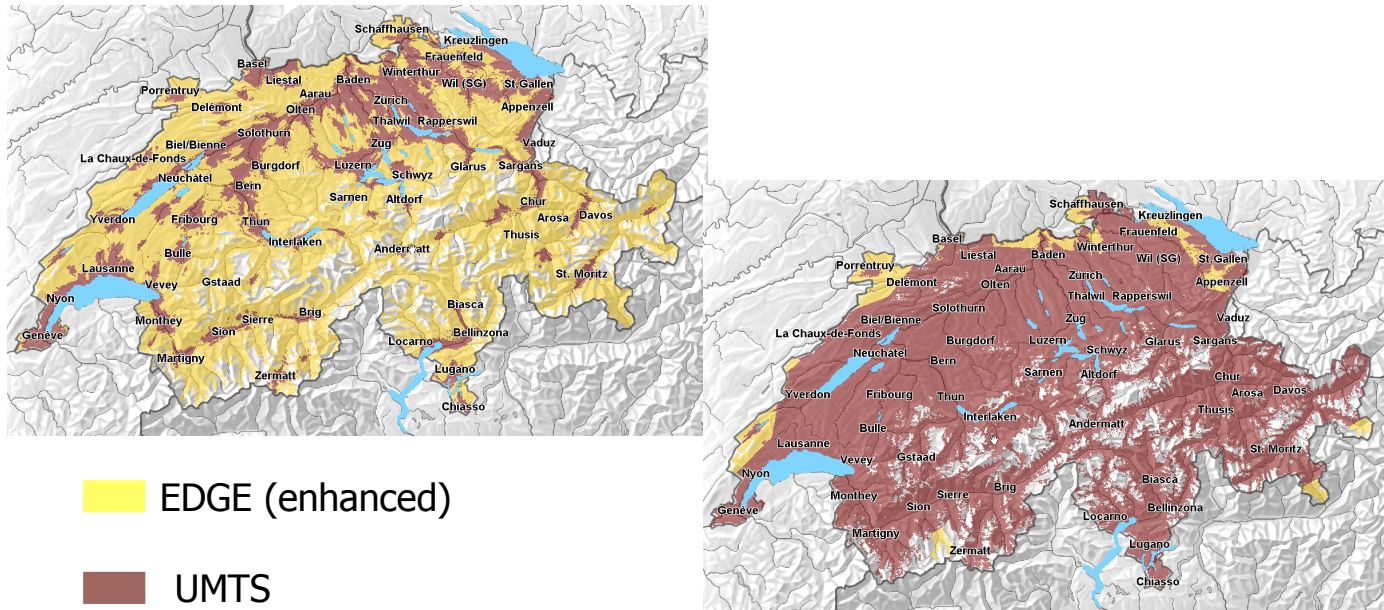
- Sunrise will be offering quadruple play based on customer demands
- Friendly user trials started in October 2011
- Launch is anticipated beginning 2012
- IPTV is seen as a product to gain new customers searching for attractive quadruple play offerings and retaining existing customers



Change of Networking Outsourcing Partner

- The existing contract with ALU did not give sufficient flexibility to fulfill Sunrise requirements
- The current strategy focuses on improved customer satisfaction and high quality of services requiring greater flexibility, speed and optimal operation and maintenance of a state-of-the-art network
- The modernization of the mobile network and the upcoming investments into LTE required greater flexibility
- In Wholesale and Business, Sunrise intends to address an even larger customer base requiring innovative solutions, quick implementation and optimal operation of the network infrastructure

UMTS 900 roll-out on mobile broadband network



- Sunrise will roll-out the UMTS 900 mobile broadband network nationwide offering customers improved mobile broadband experience
- Roll-out will be based on a multi standard radio systems supporting different frequency bands
- Strategic project with a duration of 18-24 months
- Limited flexibility with our current network outsourcing partner is delaying the roll-out until new partner has been contracted
- Delay will shift CapEx spending from 2011 to 2012

Acquisition of NextiraOne Switzerland completing the business portfolio offering



Network type	Wide Area Network (WAN)	Local Area Network (LAN), Local exchange
Market players	Carriers only	System network integrators
Swiss competitors	Swisscom, Sunrise , Cablecom, Colt	Swisscom, NextiraOne , Connectis, Dimension Data, ...
Solution portfolio	<ul style="list-style-type: none"> ▪ Connectivity (incl. support & maintenance) ▪ Applications (incl. support & maintenance) 	<ul style="list-style-type: none"> ▪ Reselling equipment and applications (>50%) ▪ One time services (consulting, installation, engineering) ▪ Recurring services (run & maintain)

- The typical business customer is interested in end-to-end solutions, i.e. purchasing a complete solution including connectivity to the employees desk (LAN and telephone services)
- In the past, Sunrise could only offer such solutions with a partner where Sunrise acted as a sub-supplier
- With the acquisition of NextiraOne Switzerland, Sunrise completes its business segment portfolio, fulfilling customer needs

Strategic purchasing partnership with Telefónica

Sunrise entered into a strategic purchasing partnership with Telefónica:

- Benefit from Telefónica's global purchasing contracts for soft- and hardware
- Benefit from Telefónica's international roaming agreements
- Participate in global bids of Telefónica
- Enables Sunrise to offer local services to multinational companies which are managed by Telefónica



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Thank you

