

Media Release

Zurich, May 26, 2011

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Sunrise continues positive development in the first quarter of 2011

- **Clear increase in operating result (EBITDA +7.7%)**
- **Continuous rise in customer numbers with the mobile segment as the driver**
- **Business Sunrise successfully started after launch of the new sub-brand**

Sunrise remains on the track to success: The largest private telecommunications provider in Switzerland has continued its positive development and successfully concluded the first quarter of 2011. Sunrise recorded a significant increase of 7.7% to CHF 141 million for its EBITDA compared to the corresponding quarter of 2010. At the same time, the customer base increased to 2.95 million, which is primarily due to the addition of 141,800 customers in the mobile segment and corresponds to an increase of 3.3%. In the business customer segment, Business Sunrise recorded a very encouraging start after the launch of the new sub-brand at the beginning of the year. Sunrise thus succeeded in seamlessly picking up the thread of the successful fourth quarter of 2010.

Sunrise has made a successful start to an exciting year: The company was able to continue its growth in the new year in almost all areas and thus underscore the sustainability and continuity of its development. EBITDA clearly increased by 7.7% in comparison to the corresponding period of the previous year to CHF 141 million. The overall customer numbers also continued to rise in the first quarter of 2011: As of March 31, 2.95 million customers were using Sunrise products and services – an increase of 3.3% in comparison to the first quarter of 2010. This is due in particular to further major additions in subscriber numbers in the mobile segment (+141,800) in comparison to the first quarter of 2010. Sunrise recorded 19,800 new customers in the first three months of 2011 in the Mobile Postpaid segment alone. Sunrise turnover declined by 3.7% to CHF 477 million in the first quarter. The reason for this are declines in international voice hubbing business which experienced a CHF23 million drop in revenue. The margin, in contrast, rose to 29.6%. Sunrise recorded an increase in turnover in the amount of 1.0% in the first quarter without hubbing business. With this positive development, the company once again expanded its leading position among private telecommunication providers in Switzerland.

Focus on customer proximity and services, investments in new products and infrastructure

Within the context of the investments already announced into a further improved customer experience and more customer service, Sunrise continued the expansion of its shop network in the first quarter of 2011. The objective is to be present and near to the customer throughout the country in as many places as possible. To this end, Sunrise will open additional Sunrise centers until the end of the year and create a total of 40 new places for personal customer care in them. This is connected to the doubling of the number of apprenticeship positions for trainees at Sunrise by the year 2014, of which the majority will be active in customer care. Currently, the company has over 85 shops in the best location in all parts of the country. In addition there will be investments in further improvement of service quality and new products. In this connection, Sunrise will be bringing its own IPTV offer on to the market at the end of the year.

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The expansion and modernization of the mobile network, the ADSL technology and the associated unbundling of the last mile as well as the fiber optic solutions continue to make progress. In addition, Sunrise has begun to expand the mobile data throughput rate of the Sunrise mobile network to up to 21 Mbit/s when downloading and 5.8 Mbit/s when uploading in order to be able to make further optimized usage of the infrastructure possible for customers across the nation.

Business Sunrise clearly exceeds expectations

The business customer segment of Sunrise, which at the beginning of the year had been relaunched under the sub-brand Business Sunrise, recorded a very encouraging first quarter of 2011. New customers such as Bertelsmann Medien (Schweiz) AG and *innova* Versicherungen and a steadily growing customer number, particularly in the mobile segment meant that Business Sunrise was able to achieve a result that clearly exceeded expectations. In the course of expansion of the product portfolio, Business Sunrise brought a virtual landline number exclusively for the self-employed and small companies, which combines the convenience of a landline number with the flexibility of a mobile number onto the market in March. More new products will follow in coming months.

In addition, Sunrise just recently extended its existing grant agreement with the non-profit Swiss Research Foundation on Mobile Communication (FSM) recognized by the state, which has its headquarters at the ETH in Zurich, thus making an important contribution in its quest to find answers to society's open questions about wireless technologies.

Oliver Steil, CEO of Sunrise, comments, "We are very pleased with our business result in the first quarter. The continuation of our positive development testifies to the sustainability of our strategy and proves that the path chosen is the correct one. There's a fresh and exciting atmosphere at Sunrise, and we intend to do all we can to use this opportunity to continue writing our success story."

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Time period 1/1–3/31/2011	Q1 2011	Q1 2010	Change
Total sales (in CHF m)	477	495	-3.7%
Mobile services	300	281	6.6%
Landline network services	134	169	-21.0%
<i>Landline services (excl. hubbing)</i>	101	113	-10.6
Internet services	44	45	-2.8%
EBITDA (in CHF m)	141	131	7.7%
EBITDA margin	29.6%	26.5%	
EBITDA margin excl. hubbing	31.4%	29.6%	
Total customer number (in m)	2.95	2.85	3.3%

Sunrise

Sunrise is the largest private telecommunications provider in Switzerland, with offices in Zurich, Bern, Biel/Bienne and Renens. There are 2.95 million customers who use services from Sunrise in the areas of mobile telephony, landline network and the Internet. Business Sunrise offers customized communication solutions for business customers. The mobile network, which is based on GSM, EDGE, UMTS and HSPA+ technologies, provides over 99% of the population with state-of-the-art mobile network services, with transfer rates of up to 21 Mbps. A high-performance fiber optic network, with a total length of 10,000 km, enables high-quality voice and data services to be offered throughout the country. Thanks to unbundling, Sunrise reaches 85% of households with its own broadband structure and operates over 80 Sunrise centers across Switzerland. Sunrise is a brand of Sunrise Communications AG.