

May 26, 2011

Sunrise Communications Holdings S.A.

Financial Results

January – March 2011



Key Messages

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

- **Mobile revenue** increased to CHF 299.8 million or **+6.6%** YoY driven by increased postpaid customer base. Underlying operational business (i.e. excluding MTR) performed even better.
- Continued **EBITDA growth** from CHF 131.0 to 141.1 million or **+7.7%** YoY thanks to accelerated growth of mobile customer base, margin improvements and tight cost controls.
- **Mobile** subscriber base grew by **+141.8** thousand or **+7.5%** YoY with a **postpaid** subscriber base growth of **+19.8** thousand in **Q1'2011** alone (excluding M2M subscribers). This brings the total Sunrise customer base to 2.95 million.
- Continued gross margin improvement in the fixnet area also due to **increased LLU** subscriber base of **+43.1%**.

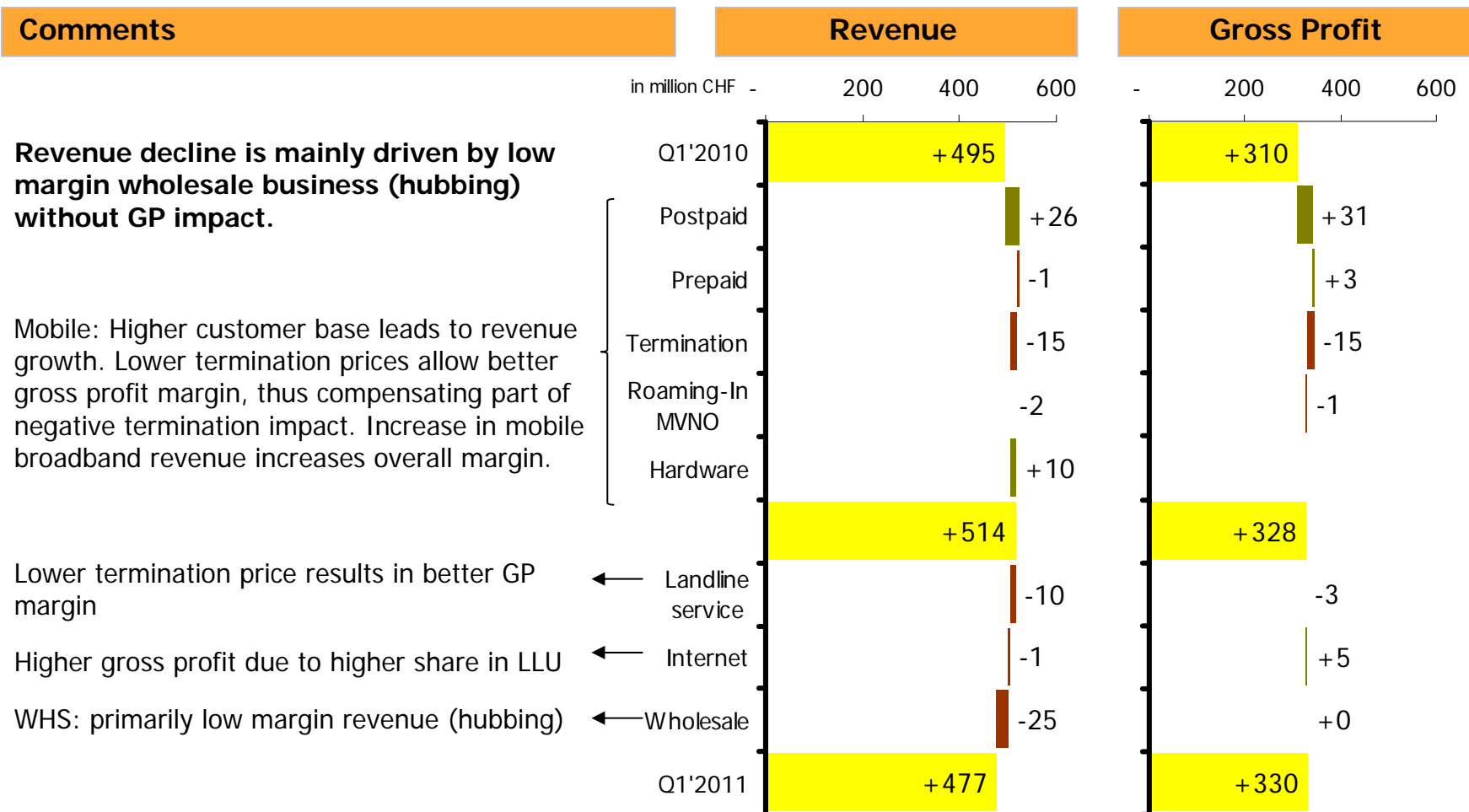
Customer growth translated into a **mobile network market share** increased from 22.5% to **23.8%** for Q1'2010 and Q1'2011, respectively.

Overview of Results

Income statement million CHF	Quarter to date	
	Q1'11	Q1'10
Mobile	300	281
Landline Services	134	169
<i>of which hubbing</i>	33	56
Landline Internet	44	45
Revenues	477	495
<i>% growth</i>	-3.7%	-
Revenues (excl. Hubbing)	444	439
<i>% growth</i>	1.0%	-
EBITDA	141	131
<i>% margin</i>	29.6%	26.5%
<i>% margin (excl. Hubbing)</i>	31.4%	29.6%
<i>% growth</i>	7.7%	-
Capex	(14)	(40)
<i>% Capex-to-revenues (excl. Hubbing)</i>	3.2%	9.0%
EBITDA-Capex	127	91
Change in working capital	(67)	(168)
Operating free cash flow	60	(77)

The Q1'2010 financial results are based on the pro-forma condensed combined financial statements.

Revenue and Gross Profit Development



Net gross profit effect of change in mobile termination rates: CHF 7.4 million YoY

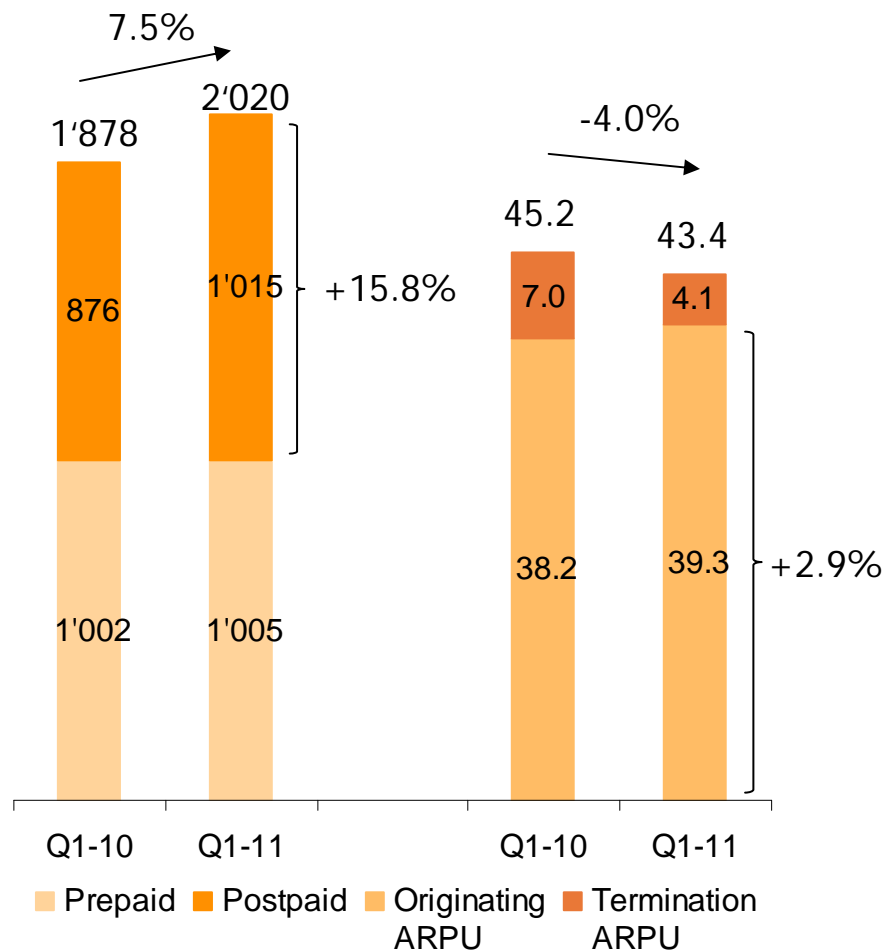
Operational Trends

Operational Trends: Mobile

Comments

- Mobile subscribers up 7.5% YoY driven especially by strong intake of postpaid.
- Still strong demand for smart phones, while iPhone successfully started.
- Underlying originating ARPU increased by 2.9% to CHF 39.3.
- MTR cut reduced termination ARPU to CHF 4.1, CHF 0.6 down from Q4-2010.
- Mobile network market share increased from 22.5% as of March 31, 2010 to 23.8% as of March 31, 2011.

'000 Subscriber



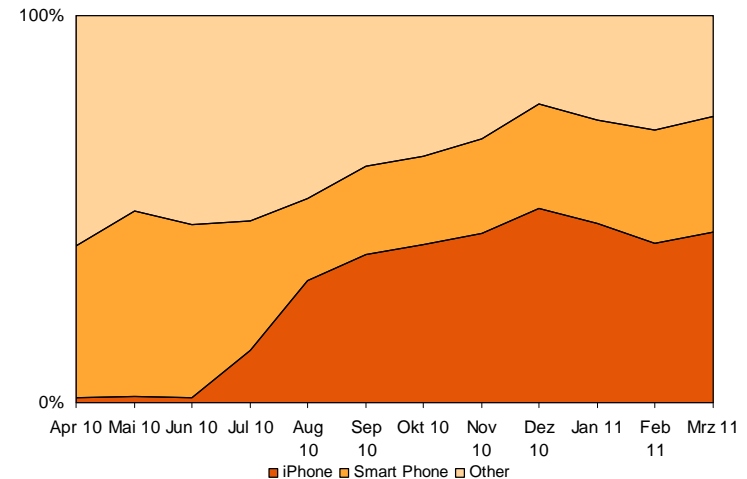
Mobile: Share of Smart Phones



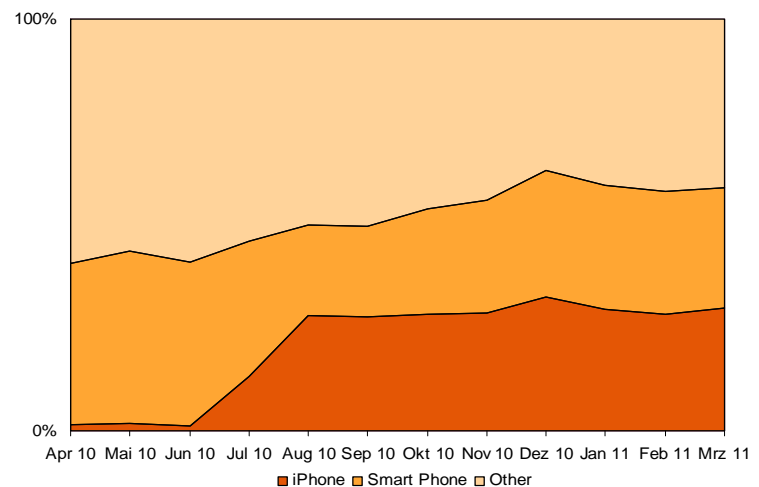
Comments

- Share of smart phones still increasing for new customer acquisitions.
- On new customer acquisitions, the share of other smart phones compared to iPhone was maintained.
- iPhone sale to new customers is around 50% of total iPhone and other smart phone sales.
- Customers predominantly subscribed to our higher value flat rate plans and 24 month contract length.
- Acquisition costs are moderately higher but we also experience a lift-up in ARPU, hence increasing customer life-time value.

New customer acquisition



Customer retention

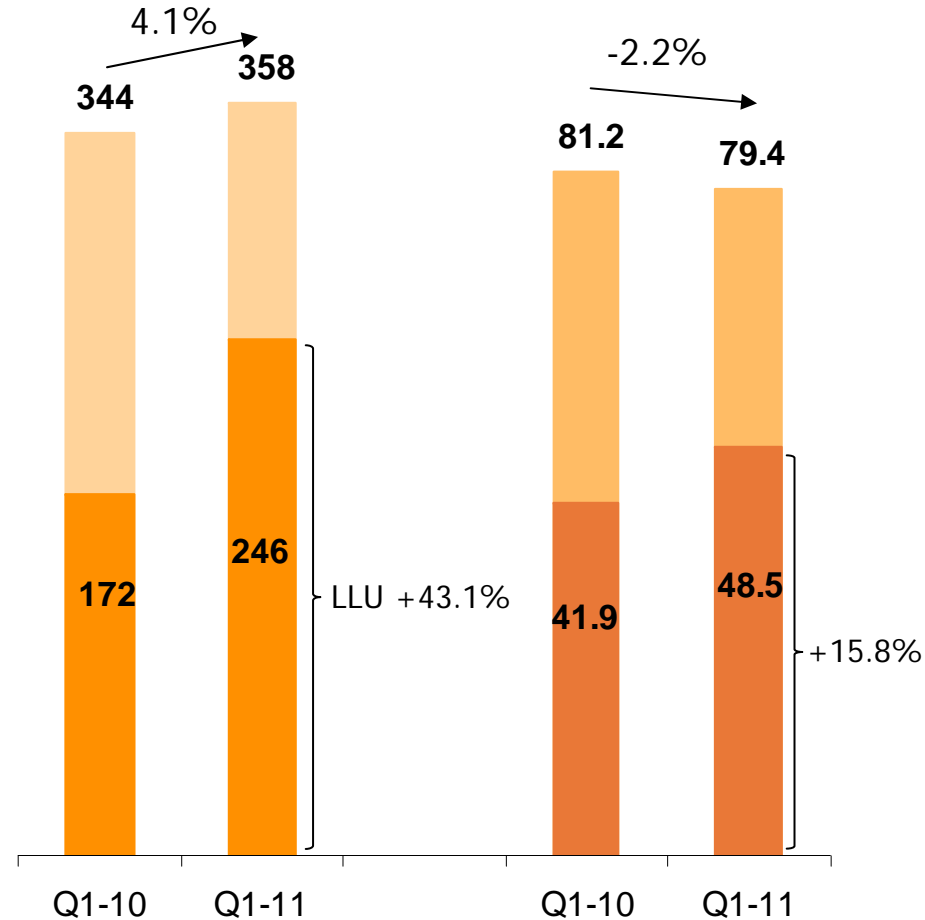


Operational Trends: Landline Retail Bundles (ADSL and retail Voice)

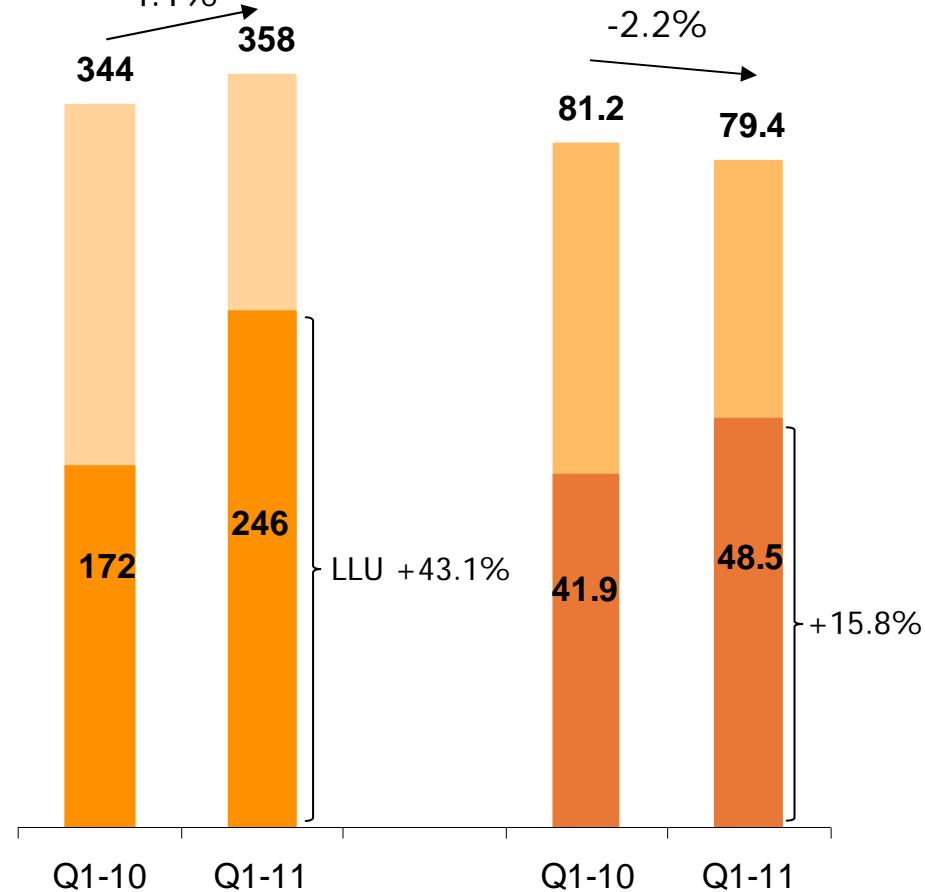
Comments

- Double play connections (landline retail voice and ADSL) have grown +4.1% 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 +43.1% YoY
 - Migrating subscriber to LLU results in a gross profit margin increase from about 38% to 70%
- ARPU has declined by -2.2% 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)



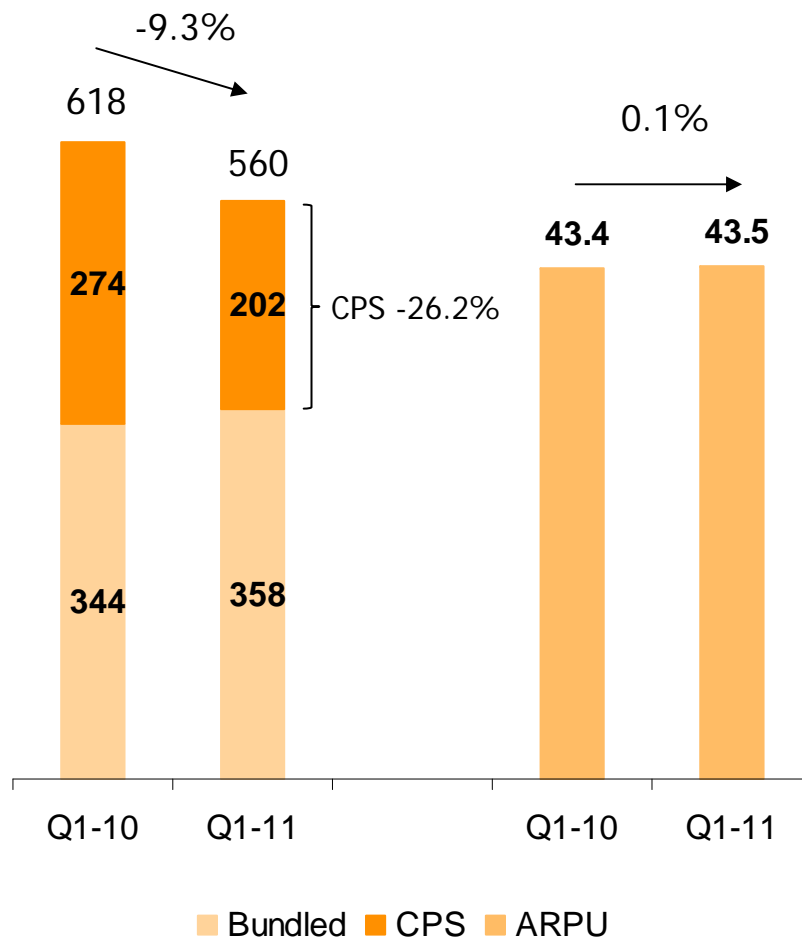
■ xDSL ■ LLU ■ ARPU ■ AMPU

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 stable due to higher share of ARB and LLU customers enabling the charging of the line rental cost by Sunrise.

'000 Subscriber



Capital Expenditure Development

Comments

Overall guidance of CHF 1 billion over 5 years has not changed.

In Q1'2010, Sunrise Communications AG exchanged its Zurich office location with Credit Suisse. The Capex is related to the leasehold improvements for the new headquarter.

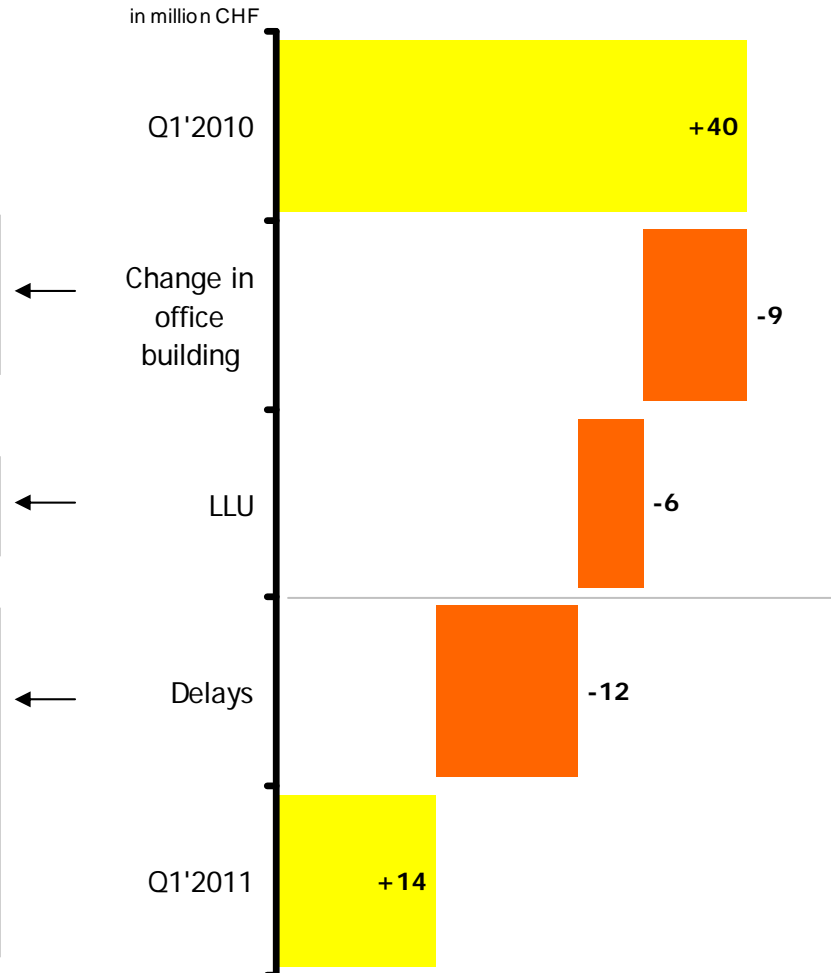
LLU roll-out completed, household coverage around 85%. 2011 has only minor LLU spending.

Mobile rollout: Still not up to speed due to the slow down during Q1 and Q2 2010 related to the intended merger discussions with FT.

Refocusing of IT projects towards enhancing customer experience causes a delay in spending.

First retail chain expansion finished in Q1'2010. Next step is currently in planning with first shops already opened.

Capex



Net Cash Debt Development

Net Debt	Pro-forma post		
	Transaction close million CHF	31. Dec 2010 million CHF	31. Mar 2011 million CHF
Term Loan A	500	500	500
Term Loan B	321	312	316
Senior Secured Notes	808	765	783
Total senior debt	1'629	1'577	1'599
Senior Notes	769	704	731
Total cash borrowings	2'398	2'281	2'330
Fair value of cross currency swaps	(22)	95	46
Adjusted cash debt	2'376	2'376	2'376
Financial Lease	52	51	50
Total cash debt	2'428	2'427	2'426
Cash	(51)	(127)	(134)
Net cash debt	2'377	2'300	2'292
EBITDA LTM	558	542	552
Net cash debt / EBITDA	4.26x	4.24x	4.15x

Note: Fair value (FV) 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 at March 31, 2011.

Update on Markets and Operations

CEO Agenda – Objective 2014

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



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 Spirit

- 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

- Employee survey

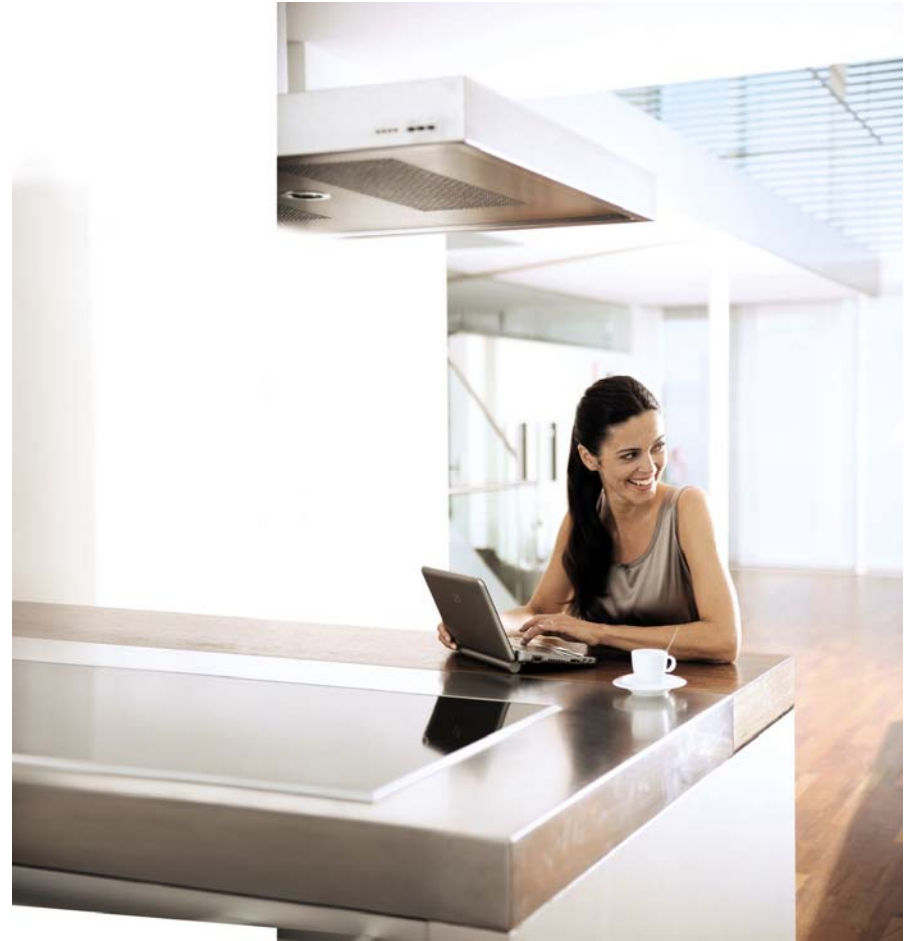
Retail chain expansion

- Opening of 20 new shops this year in urban and regional centers to extend the footprint of Sunrise.
- Creating more than 40 new jobs.
- Shops are pre-eminent customer touch points and support customer experience and operational excellence.



Customer Experience

- Overall transformation program designed
- Short-term task force running
- Measurement of customer satisfaction done and translated into cockpit
- Hiring of new people ongoing
- Tighter quality management of parties being set up
- Partly reversal of outsourcing / off shoring



Business Sunrise – the new brand of Sunrise

The new Business Sunrise sub-brand is successfully launched in the 1st quarter 2011. Very positive response of the market and the values communicated.

Key messages of new brand: high service quality, personalized customer service, high flexibility.

Business Sunrise – Channel development

A substantial number of new solution partners won in the previous quarter. The partnerships extend the foot print of sales forces in Switzerland significantly.

New customers won

Eleven substantial deals won in all customer segments and branches.

Positive trend in mobile revenue and gross profit.

Fixnet gross margin improved.

New products launched

Virtual Fixnet-Number – fixnet number without fixnet access necessary. Suited to meet the high demand of small companies in Switzerland.

Technology initiatives

- Customer centric IT
 - Improve customer experience
 - Reduce time to market
- Network topic
 - ULL
 - 2G → 3G Upgrades /HSDPA
 - Upgrade network to HSDPA+ (21/5.8 MBit/sec)
 - Rollout IPTV
 - FTTH deployment



IPTV Service

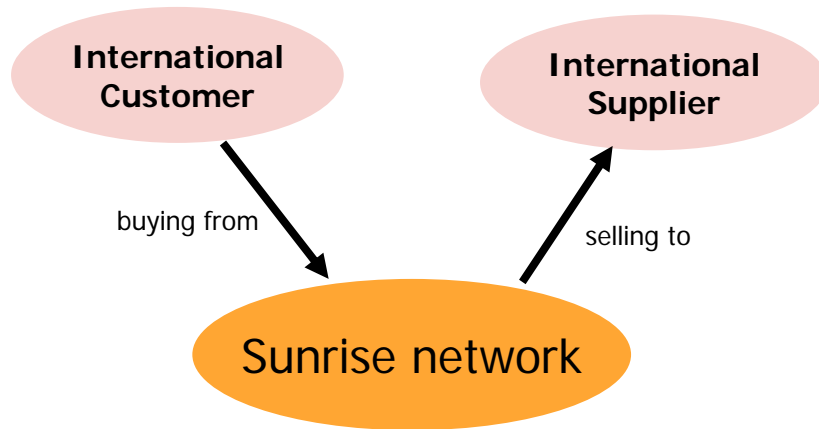
- Sunrise is developing an IPTV service in order to be able to provide telecommunication and TV solutions out of one hand.
- Trial period expected to be from June to November 2011.
- Launch is anticipated by end of 2011 or beginning 2012.
- Implementation of service is cost lean. IPTV is seen as a product to retain customers rather than gross margin improvements.



Appendix

Hubbing – Business logics

Business scheme



Business logic

- Trading high volumes of international voice minutes with our voice platform in the worldwide market
- Opportunistic business approach without long-term commitments
- Focus on high margin destinations, mainly in Asia and Africa
- Increase attractiveness of platform by adding new destinations and increase customer base

Requirements

- Trading experts (specialized know-how with good relationship to trading partners)
- Pricing, routing & billing tools
- Interconnects with carriers
- Risk management process

Focus 2011

- Increased focused on gross profit margin, rather than revenue
- Management of counterparty risk

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