

Media release

Zurich, May 24, 2012

Page 1/3

Sunrise increases sales and profit in the first quarter of 2012

- **Clear increase in sales (+9.0%)**
- **Operating result (EBITDA) grew again above market average (+7.7%)**
- **Continued strong customer growth: Mobile postpaid area grows by 116,485 new customers compared to the same period last year (+11.5%)**

Sunrise started successfully into 2012: The largest private telecommunication provider in Switzerland increased both its sales and its profits significantly in the first quarter and was thus able to continue seamlessly its strong business development in 2011, despite of a currently challenging market environment. Sales increased by 9.0% to CHF 509.3 million. As in the previous quarters, the company developed positively in terms of its operating result (EBITDA), with an increase of 7.7% year-on-year. The positive development was driven by customer growth in the area of mobile postpaid: In the first quarter of 2012, 26,906 new customers were added, resulting in an increase of 2.4%. In the last twelve months Sunrise has gained 116,485 new postpaid customers (+11.5%). Sunrise invested in particular in growth in the residential market. Thanks to the launch of the digital television offering Sunrise TV, Sunrise is now the only private full-service provider in Switzerland. In the meantime, several thousand customers have already chosen Sunrise TV. The business customer division of Sunrise had a strong quarter as well. With the new technology partner Huawei, Sunrise is now investing even more in expanding its infrastructure in order to further consolidate its position as the leading private telecommunications provider in Switzerland.

Sunrise remains on course: In the first quarter of 2012, Sunrise was able to confirm the sustainability of its development and was able to carry on the growth momentum it enjoyed in the successful business year of 2011. Turnover increased by 9.0% to CHF 509.3 million. Adjusted for the acquisition of NextiraOne (Switzerland) GmbH in the fourth quarter of 2011, this corresponds to an organic growth of 4.1% in a challenging market environment. Sunrise's operating result (EBITDA) increased above market average by 7.7% compared to the same period last year, reaching CHF 152.0 million. One of the most important drivers of growth is the area of mobile communications, which increased by 26,906 postpaid customers between January 1 and March 31, 2012, corresponding to an increase of 2.4%. Compared to the previous year, the number of postpaid customers grew by 116,485 (+11.5%).

Media release

Zurich, May 24, 2012

Page 2/3

Successful launch of Sunrise TV

In the residential customer business, the first quarter of 2012 was marked by the launch of Sunrise TV: With its digital television offering, Sunrise has positioned itself as the only private full-service provider in the telecommunications industry. By mid February the service was activated for the first customers of Sunrise TV Set comfort, who can benefit from a variety of innovations such as the ComeBack TV function. Since the end of March, the second bundle offering of Sunrise TV Set start is available, aimed at newcomers. Several thousand customers have already chosen Sunrise TV. Over the coming months the product will be developed further, e.g. the number of HD channels will be continually expanded.

Focus on expanding infrastructure with new technology partner Huawei

In March, Sunrise was able to acquire new and existing frequency bands at the mobile license auction, thus paving the way for the expansion of its existing and upcoming mobile communications networks until 2028. End of April, a contract with the new technology partner Huawei was signed, who will be responsible for the expansion, operation and maintenance of Sunrise's mobile and landline communication network from September 1, 2012. With Huawei as a new partner, Sunrise is supported by the skills of a world leader in technology, with whom Sunrise has already successfully partnered in various areas for two years. Based on the acquisition of licenses in the mobile communications auction and the selection of a new technology partner, Sunrise launched a network quality program under the name and label TQ Net (Top Quality Net), which guarantees customers the expansion, operation and maintenance of the mobile and landline communications network meeting highest quality standards for communication services.

Business Sunrise develops positively after the purchase of NextiraOne (Switzerland) GmbH

The growth of Sunrise in terms of its sales and operating result (EBITDA) took place both organically and inorganically: The purchase of network integrator NextiraOne (Switzerland) GmbH in the fourth quarter of 2011 meant the business customer division, Business Sunrise, became the only full-service provider besides the market leader. The first quarter of 2012 was a successful one for the expanded business customer division at Sunrise. Over the coming weeks and months, Business Sunrise will bring the first cloud products to the market.

Launch of new mobile postpaid rate plans on May 27

By the end of May, Sunrise will launch a new mobile postpaid portfolio. As in the past, Sunrise will offer flatrate tariffs as well as flexible packages including phone calls and mobile internet. For the first time, all rate plans will include SMS and MMS. Moreover, Sunrise will offer its new roaming rate plan Sunrise flat 7 as of June 21, including 200 minutes for phone calls and 100 MB for data usage in 27 countries abroad. The prices for data roaming will be reduced comprehensively to CHF 1.- per MB in 42 countries.

Oliver Steil, CEO of Sunrise, gave his view on the first quarter of 2012: "Sunrise has kept up the high pace of 2011 and has made a successful start. With important product launches such as Sunrise TV, the choice of a new technology partner and our new mobile tariff portfolio which is going to be launched next week, we are well prepared for the coming months and years."

Media release

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Page 3/3

Time period 1/1/2012 – 3/31/2012	Q1 2012	Q1 2011	Change
Total sales (in CHF m)	509.3	467.3	9.0%
Mobile network services	317.2	291.2	8.9%
Landline network services	147.9	132.5	11.6%
<i>Landline network services excl. hubbing</i>	116.1	99.5	16.7%
Internet services	44.2	43.5	1.6%
EBITDA (in CHF m)	152.0	141.1	7.7%
EBITDA margin	29.8%	30.2%	
EBITDA margin excl. hubbing	31.8%	32.5%	
Total customer number (in m)	2.99	2.95	

Sunrise

Sunrise is the largest private telecommunications provider in Switzerland, with offices in Zurich, Kloten, Lucerne, Basel, Berne, Biel/Bienne, Renens, Geneva and Lugano. Around 3 million customers use Sunrise products and services in the areas of mobile telecommunications, landline network, the Internet and IPTV. Sunrise TV, the latest generation in entertainment, is distinguished by the largest selection of HD broadcasters in the basic package, the ComeBack TV and Live Pause functions and a unique variety of TV and radio channels. The Business Sunrise business customer division offers individual communications solutions for business customers. The Sunrise mobile network, which is based on GSM, EDGE, UMTS und HSPA+ technologies, makes modern mobile network services available to 99% of the population with transfer speeds up to 21 Mbit/sec. A high-performance fiber-optic network with a total length of 10,000 km enables provision of high-quality voice and data services throughout the country. Thanks to unbundling, Sunrise can reach approximately 85 % of all households with their broadband services. Sunrise operates more than 100 Sunrise centers throughout Switzerland. Sunrise is a brand of Sunrise Communications AG.