

May 24, 2012

Sunrise Communications Holdings S.A.

Financial Results
January – March 2012

Key messages

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

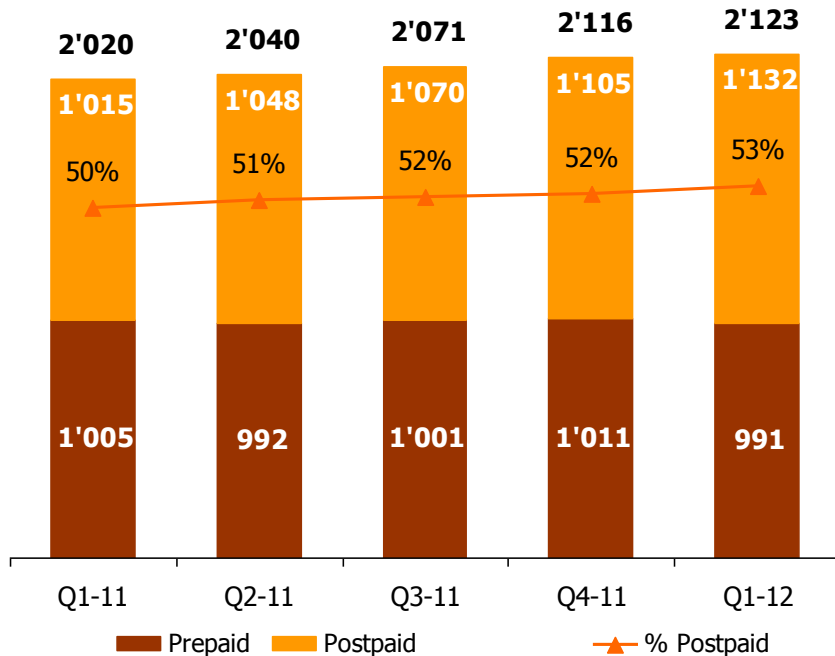
- **Revenue growth** from 467.3 to **509.3** million or **+9.0%** YoY thanks to continued growth of valuable mobile postpaid customer base
- On the basis of attractive rate plans, **mobile postpaid subscriber** base grew by **+116.5** thousand or **+11.5%** YoY with a growth of **+26.9** thousand in Q1'2012 alone (excluding M2M subscribers)
- **EBITDA growth** from CHF 141.1 to **152.0** million or **+7.7%** YoY thanks to accelerated growth of mobile customer base, increase in LLU base and tight cost controls

Customer growth translated into a **mobile network market share** increased from 23.8% to **24.1%***.

* Based on published Q4'2011 numbers of Swiss mobile network operators

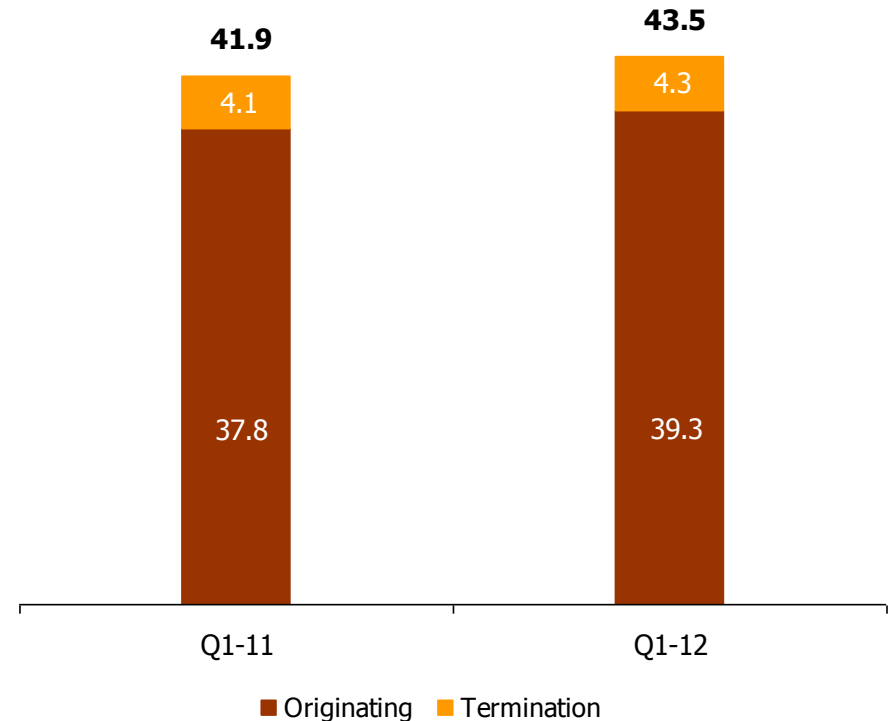
Mobile subscribers and ARPU development

Mobile subscribers ('000)



Continued shift to valuable contract (postpaid) customer base - customer contract value increased by 13% YoY

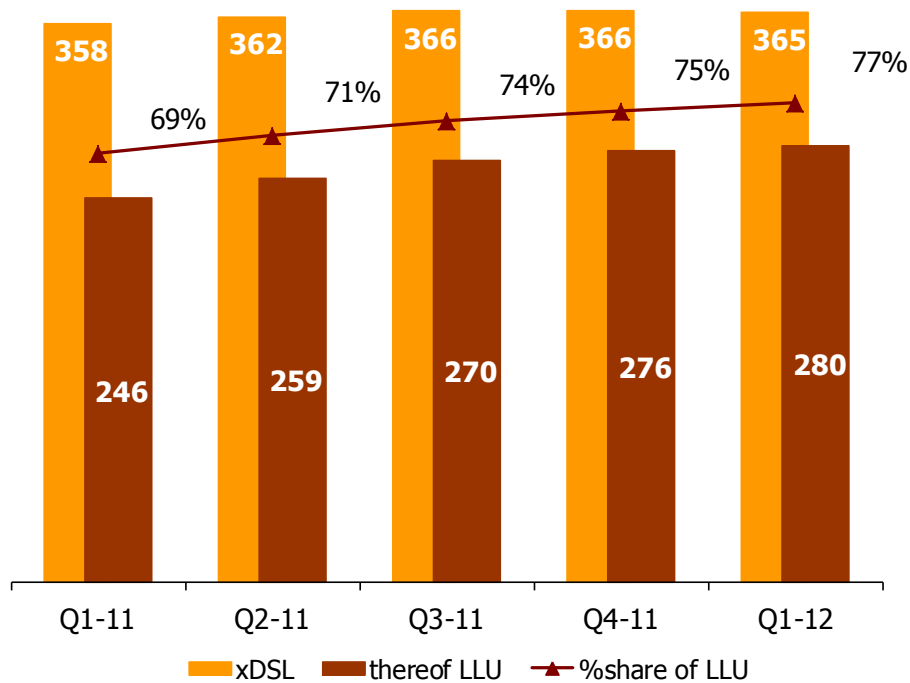
Blended ARPU (CHF)



Increased originating ARPU due to better product mix

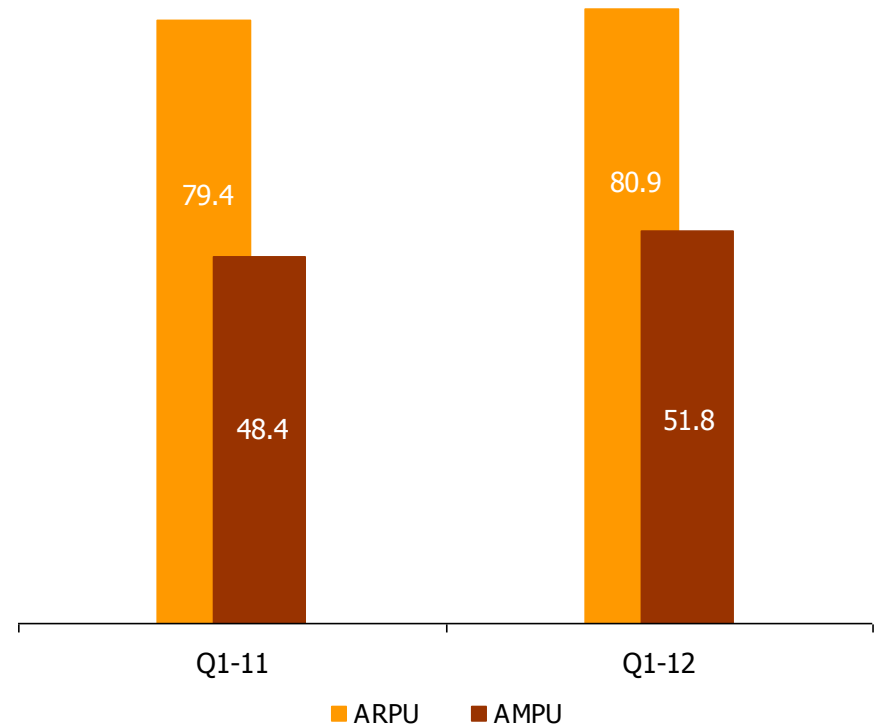
Landline bundled subscribers and ARPU development

Bundled (DSL/Voice) subscribers ('000)



Leverage own infrastructure

Bundled ARPU voice and internet (CHF)

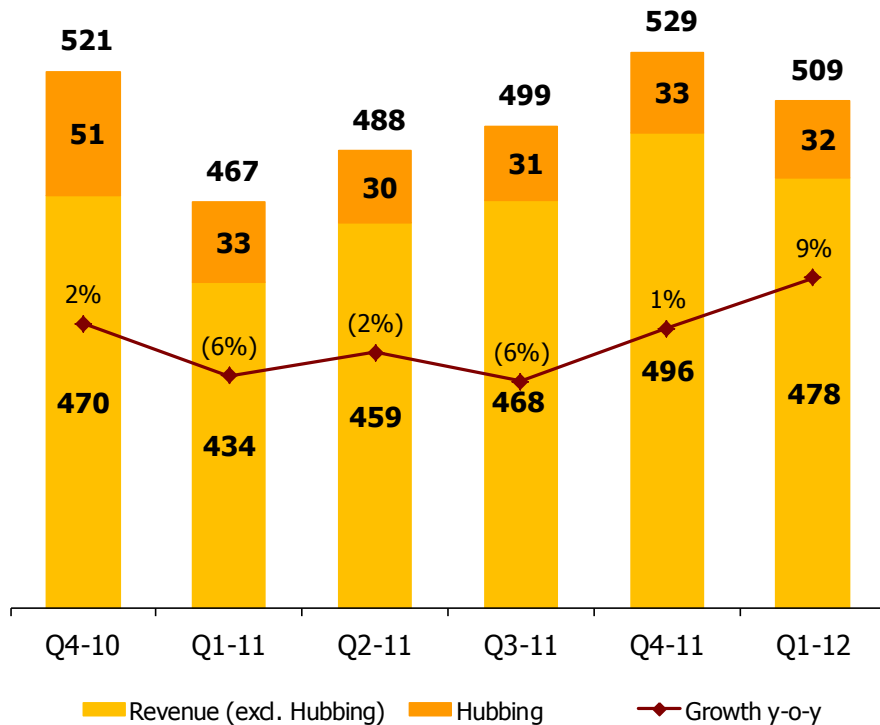


Higher share of LLU customers increases gross profit margin

Revenue, gross profit and EBITDA

Revenue

CHF million



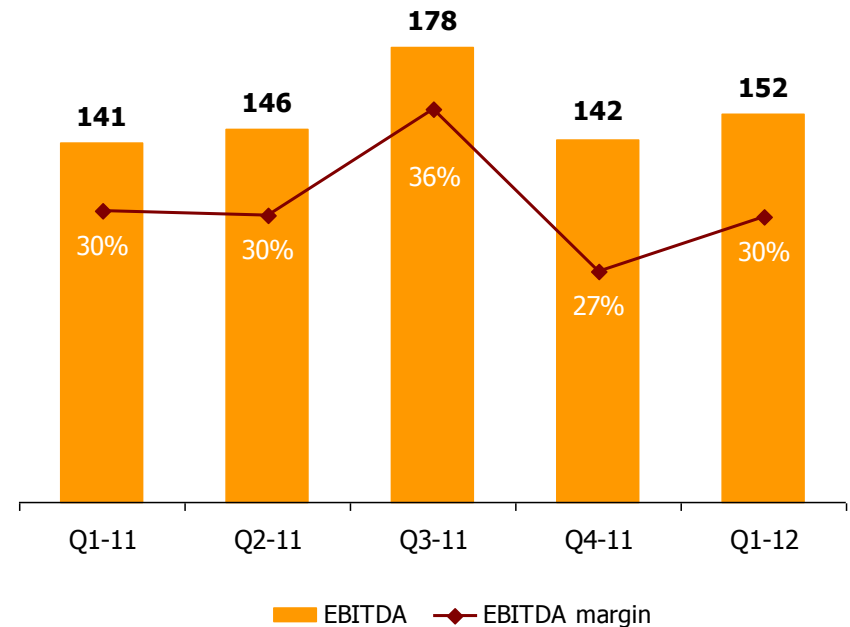
Increased subscriber base and change in product mix drives revenue

NextiraOne is included as of Nov 2011.

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EBITDA / EBITDA margin

CHF million



Increased gross profit and tight management of operating cost drives EBITDA

NextiraOne is included as of Nov 2011.

Overview of results

Income / Capex / Cash flow	Quarter	
CHF million	Q1 2012	Q1 2011
Mobile	317	291
Landline Services	148	133
of which hubbing	32	33
Landline Internet	44	44
Revenues	509	467
% growth	9.0%	-
Revenues excl. Acquisition of NextiraOne	486	467
% growth	4.1%	-
Revenues (excl. hubbing)	478	434
% growth	10.0%	-
Gross profit	350	321
% margin	68.6%	68.7%
% growth	8.9%	-
EBITDA	152	141
% margin (excl. hubbing revenues)	31.8%	32.5%
% growth	7.7%	-
EBITDA excl. Acquisition of NextiraOne	151	141
% margin	31.0%	30.2%
% growth	6.9%	-
EBITDA recurring	156	145
% growth	7.4%	-
Capex	(25)	(15)
% Capex-to-revenues (excl. hubbing revenues)	5.3%	3.5%
EBITDA-Capex	127	126
Change in working capital	(114)	(78)
Operating free cash flow	13	48

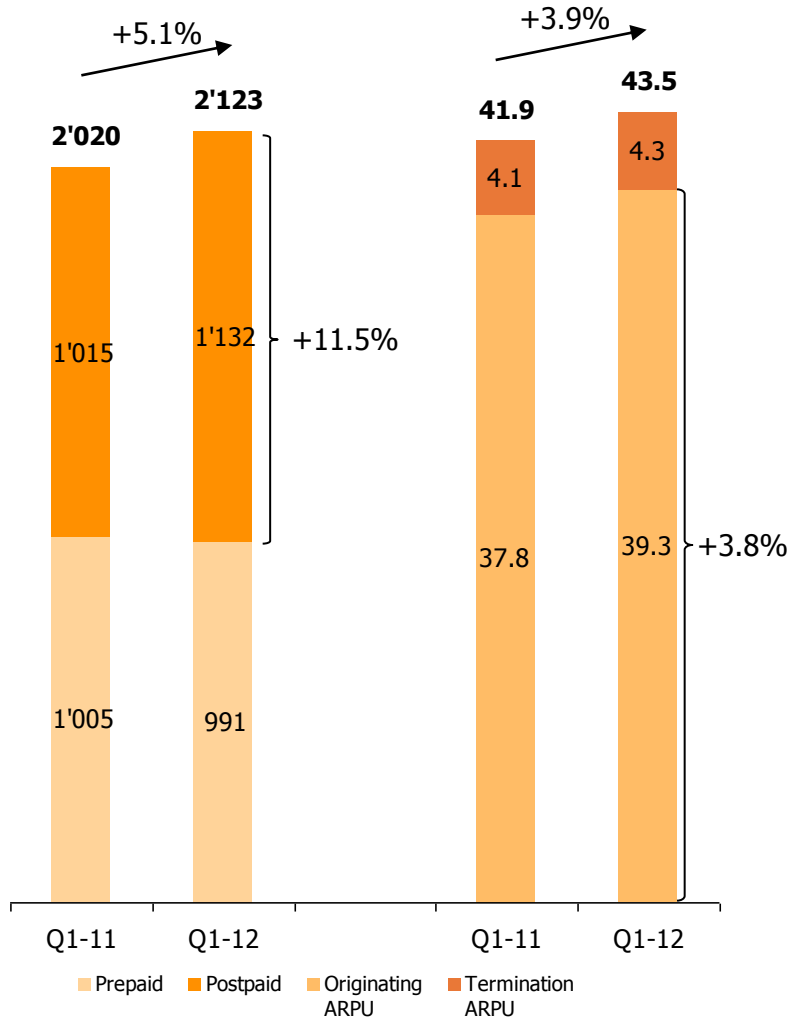
Operational trends

Mobile – operational trends

Subscriber ('000)

ARPU (CHF)

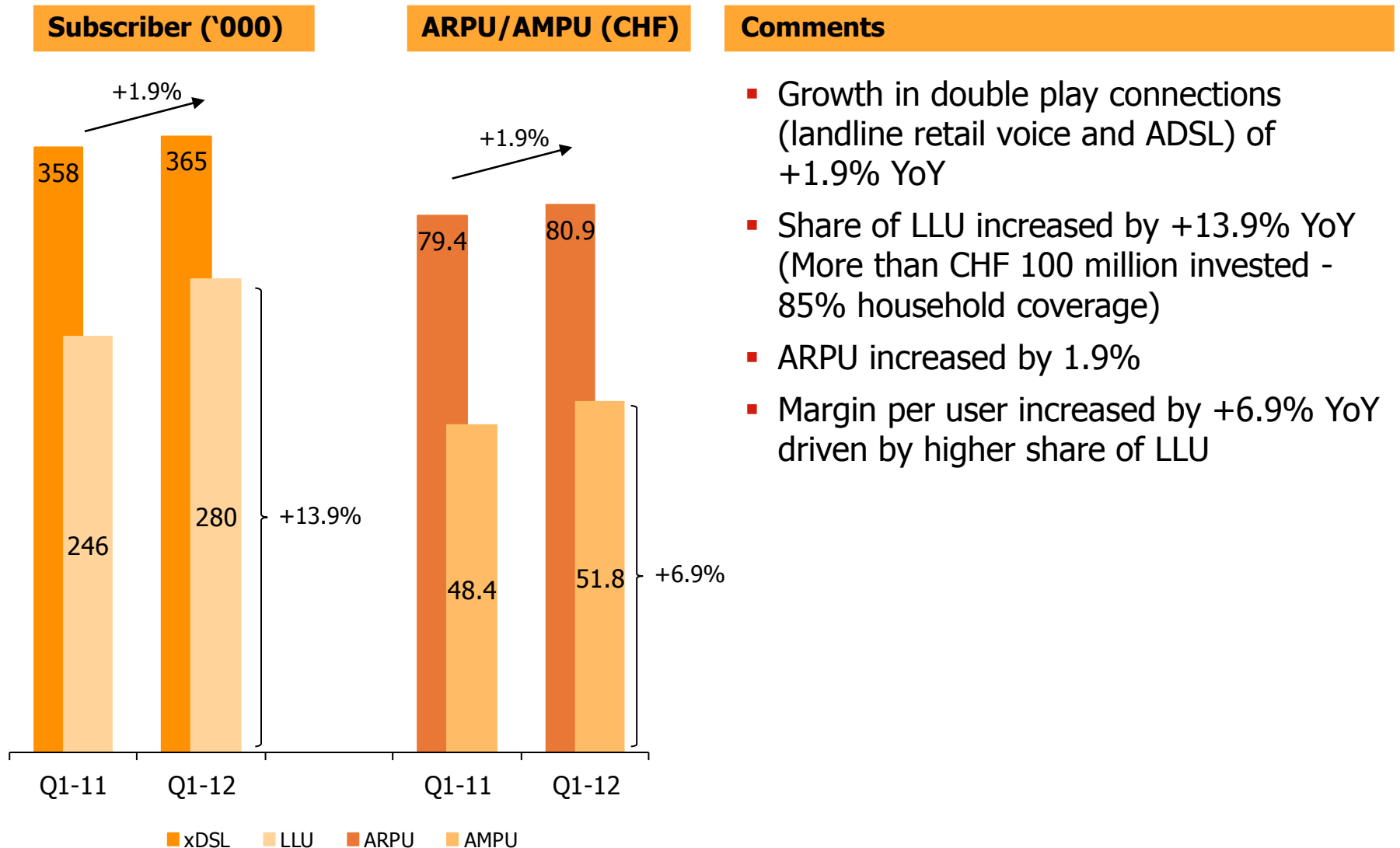
Comments



- Mobile subscriber base up 5.1% YoY driven especially by strong intake of postpaid customers
- Continued strong demand for smart phones
- ARPU increased by 3.9% to CHF 43.5 driven by increasing originating and terminating ARPU
- Customer growth translated into a mobile network market share increased from 23.8% to 24.1%*

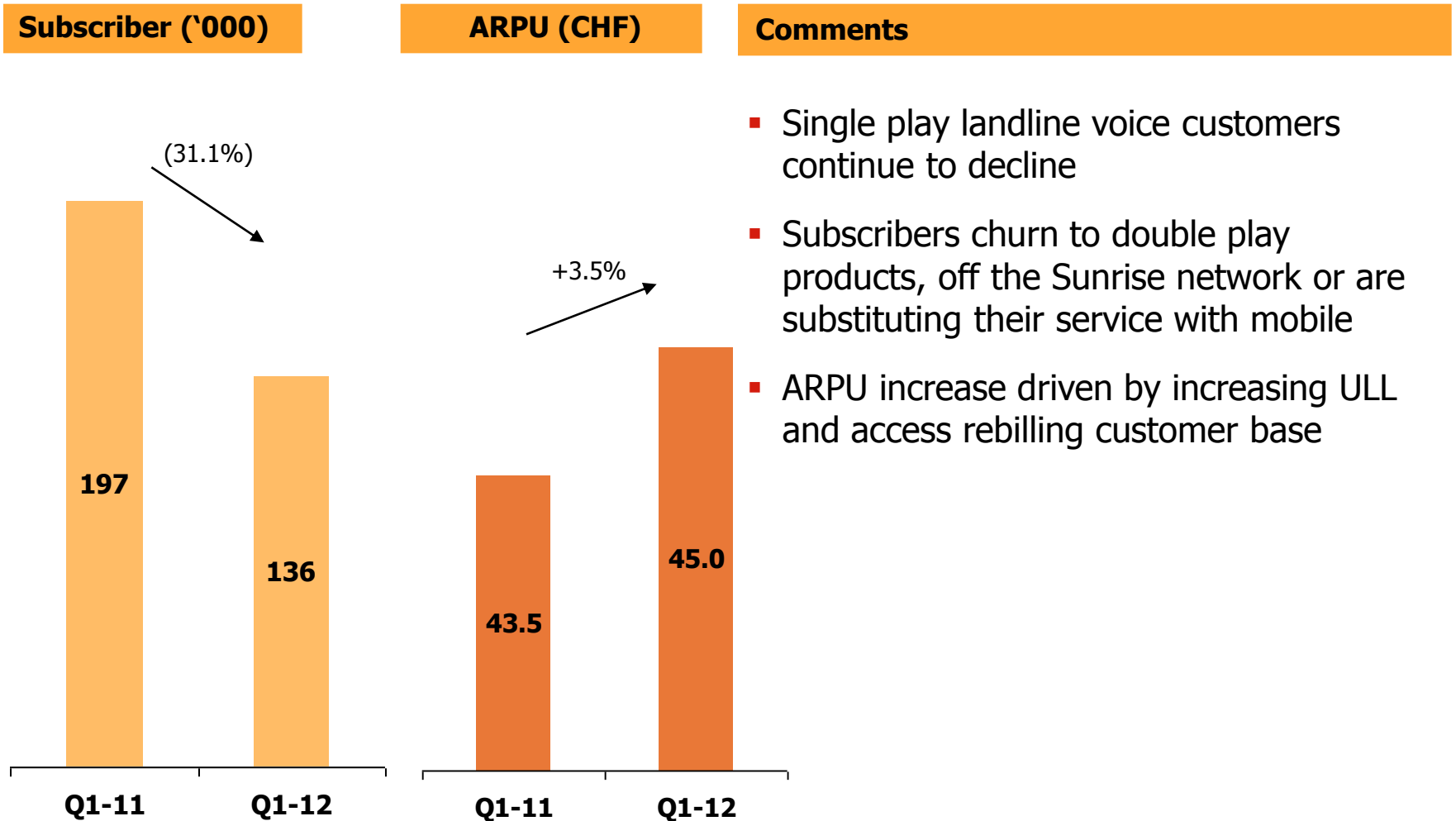
Mobile subscriber numbers exclude M2M SIM cards.

Landline retail bundles – operational trends



Excluding naked DSL subscribers: 1.4k in Q1 2011; 3.7k in Q1 2012

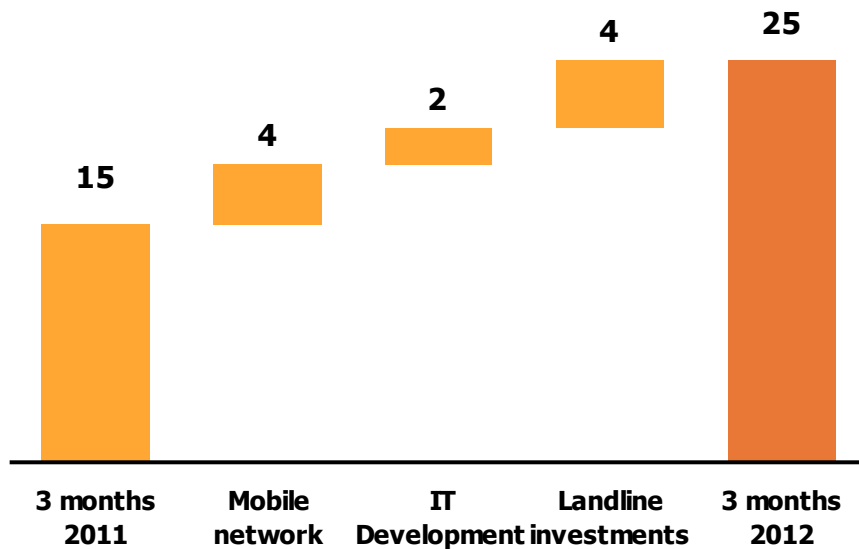
Landline voice – operational trends



Capital expenditure

CAPEX

CHF million



Comments

Mobile Network:

- Rollout of UMTS/HSPA and GSM equipment
- Voice over IP
- Network infrastructure

Landline Network:

- IPTV rollout
- Corporate Ethernet product development
- Investments in fiber and site infrastructure

Net cash debt development

Net debt	Dec 31, 2011	Mar 31, 2012
CHF million		
Term Loan A	463	457
Term Loan B ⁽¹⁾	309	305
Term Loan B (new) ⁽²⁾	326	319
Senior Secured Notes ⁽³⁾	751	747
Total senior debt	1'849	1'828
Senior Notes ⁽⁴⁾	683	675
Total cash borrowings	2'532	2'503
Fair value of cross currency swaps	133	145
Adjusted cash debt	2'664	2'649
Financial lease	48	45
Total cash debt	2'712	2'693
Cash ⁽⁵⁾	(485)	(446)
Term deposits <12 month ⁽⁵⁾	(100)	(100)
Net cash debt	2'126	2'147
EBITDA LTM (covenant definition)	609	618
Net cash debt / EBITDA	3.49x	3.47x

(1) Hereof EUR 73 million converted at spot rate EUR/CHF (interest and principal payment hedged)

(2) Hereof EUR 184 million converted at spot rate EUR/CHF (interest payment hedged)

(3) Hereof EUR 371 million converted at spot rate EUR/CHF (interest and principal payment hedged)

(4) Hereof EUR 561 million converted at spot rate EUR/CHF (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

Spectrum auction result

Excellent spectrum secured until 2028

- Very large spectrum allocation in 800 and 900 MHz bands (50MHz) similar to Swisscom and superior to Orange – sub-GHz allocation much larger than in other European countries
- Increased 1,800 MHz allocation (40MHz) providing high capacity and top quality (GSM/LTE)
- Support legacy UMTS networks in 2,100 MHz
- Very large spectrum allocation in 2,600 MHz (50MHz) to provide superior capacity in LTE

Enables superior quality network

- 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

Unfavorable auction format ...

- Secondary price rule enables predatory bidding behavior
- More favorable for operators with strong balance sheet

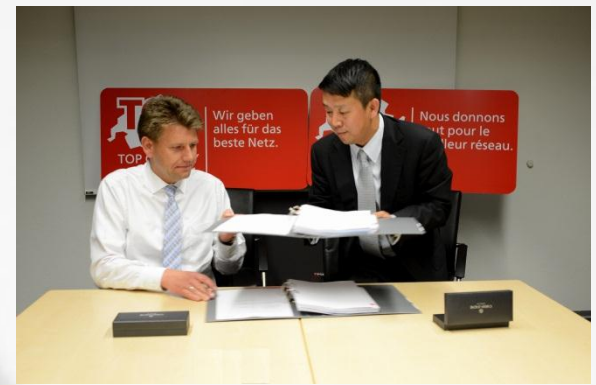
... resulted in significantly higher price

- Sunrise price comparable with neighboring countries
 - Italy/CH: 116%, France/CH: 95%, Germany/CH: 81% (package price level)
- But significantly higher than Swisscom for less total spectrum
- Orange paid lower price due to inferior sub 1GHz spectrum allocation

Deferred payment offered

- 60% 30 days after award
- 20% as of June 30, 2015
- 20% as of December 31, 2016

A new partnership: Sunrise and Huawei



- Sunrise has chosen Huawei, the global network technology leader, to further enhance its mobile and fixnet infrastructure
- Huawei supplies 45 of the world's 50 largest telecom operators, with over 140,000 employees in more than 140 countries
- Sunrise and Huawei are fully committed to deploying state-of-the-art infrastructure to provide Swiss consumers and businesses with access to the highest quality products and services
- As a landmark showcase deal, Sunrise will benefit from preferred customer status and local investments including a local network operating centre (NOC). Sunrise will continue direct responsibility for strategic network planning and customer care
- Contract terms: 5 years term with option to extend, service commencement by September 1st. Contract signed on April 26, 2012

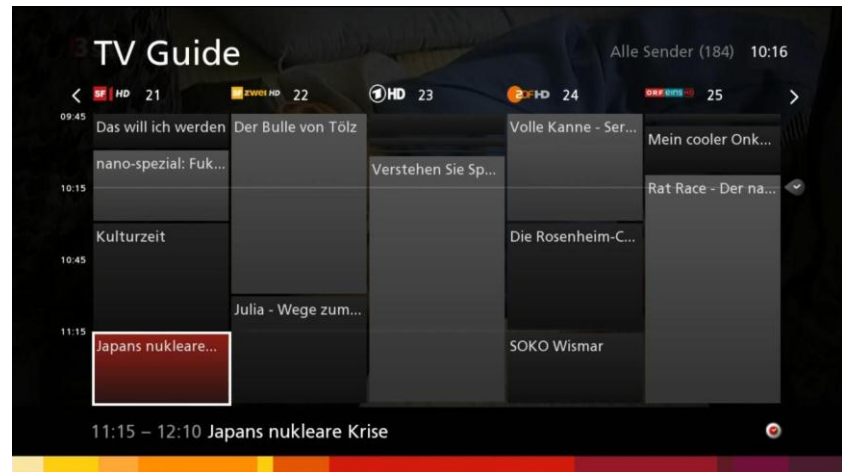
Launch of network quality program TQ Net



- Sunrise has launched a network quality program TQ Net (Top Quality Net) which will leverage its anticipated spectrum allocation and partnership with Huawei to provide best-in-class network experience for customers
- Plans for upcoming months and years: leading-edge technology across the entire network, fast UMTS900 roll-out, LTE and triple-play on FTTH:
 - **Upgrade mobile network:** Immediate start of an extensive upgrade to the UMTS900 standard throughout Switzerland for fast data connections (up to 42 Mbit/s)
 - **LTE:** Start of pilot phase for 4th generation technology in Q3/Q4 2012
 - **FTTH:** Upgrade to state-of-the-art fiber optic technology in selected cities, which will enable even faster internet connections and superb-quality TV over fiber optic networks

Sunrise TV completes residential 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“



Das Erste¹HD



Product innovations May/June 2012

Sunrise strengthens its position as best value for money provider

unique propositions – best value to the customer – voice, data and SMS

New All in flatrates Sunrise flat

unlimited calls, surf and new:
**flat SMS/MMS
in every flatrate**



- Flatrates to Swiss and international destinations including mobile data and SMS/MMS

New All in packages Sunrise flex

call, surf and new:
**included SMS/MMS
in every package**



- Swiss-wide minute/data packages in three suitable sizes 40/100/250

Roaming innovation

from
21.06.12

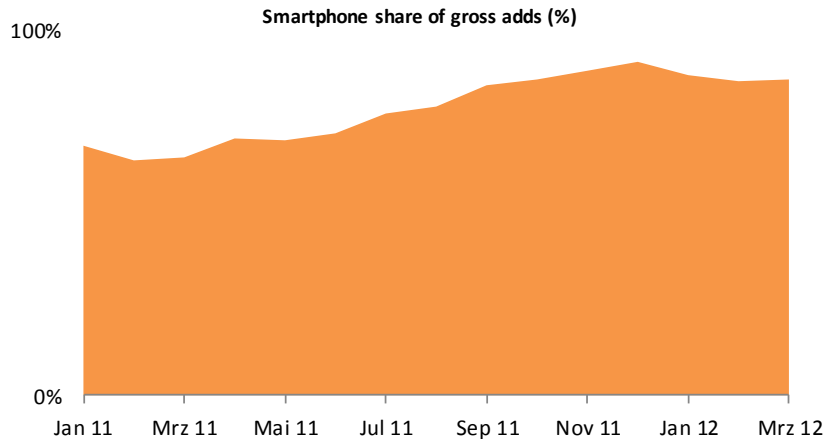
New flat with
**200 Min./100 MB from abroad,
Roaming data now CHF 1.-/MB**



- First subscription including roaming services,
- substantial price decrease on roaming data

Best value positioning transferred to hardware offers

best devices – all in tariffs – best customer experience



All in – calls, surf, SMS/MMS

- Latest smartphones
- New all in flat rates with calls, data + SMS/MMS included enable full-fledged user experience
- Highest customer satisfaction



Questions & answers

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