

August 23, 2012

Sunrise Communications Holdings S.A.

Financial Results
January – June 2012

Key messages

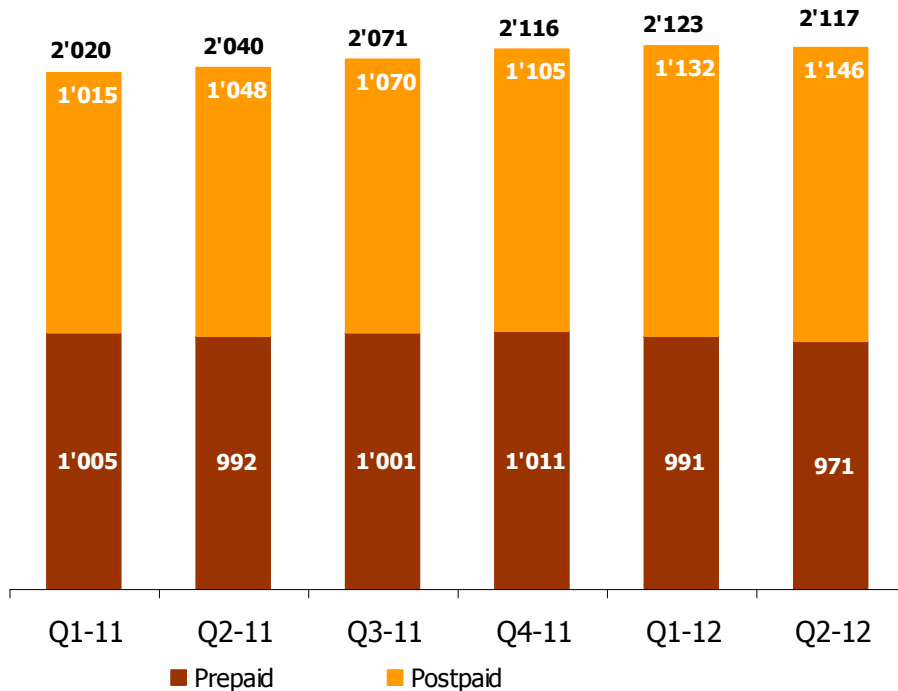
- **Revenue growth** from 955.8 to **1'023.1** million or **+7.0%** YoY driven by a continued growth of our valuable mobile postpaid customer base and acquisition of Business Sunrise Enterprise Solutions GmbH (BSES)
- On the basis of attractive rate plans, **mobile postpaid subscriber** base grew by **+97.7** thousand or **+9.3%** YoY (excluding M2M subscribers)
- **EBITDA growth** from CHF 287.4 to **311.9** million or **+8.5%** YoY thanks to accelerated growth of mobile customer base, increase in LLU base and tight cost controls
- Mobile sales momentum has not declined since launch of new mobile tariffs in July 12 but full impact on gross profit and EBITDA needs to be assessed in Q3/Q4 2012

Customer growth translated into a **mobile network market share** increased from 23.8% to **24.0%***.

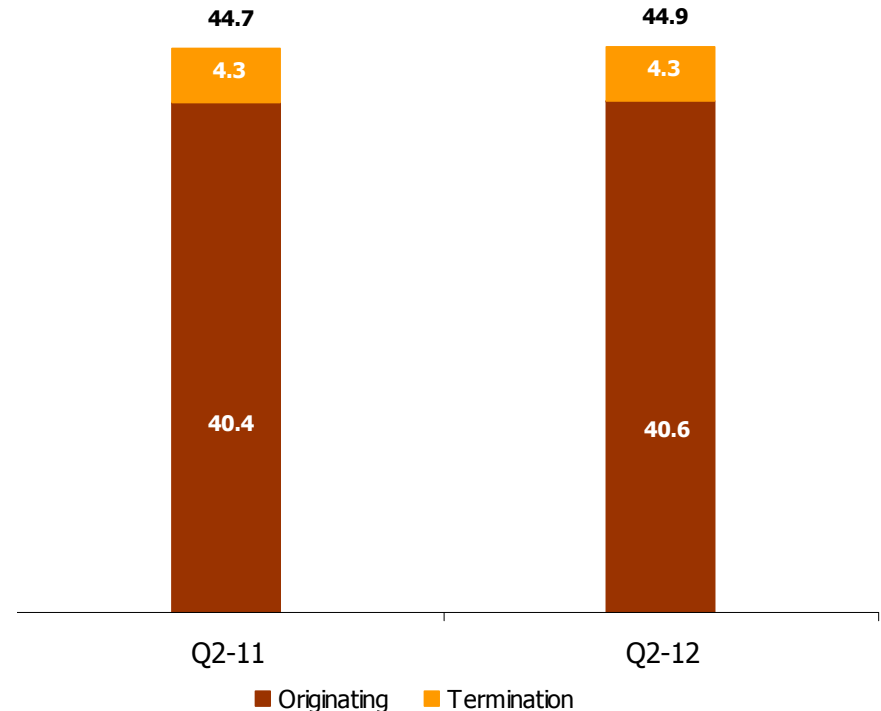
* Based on published Q1'2012 numbers of Swiss mobile network operators

Mobile subscribers and ARPU development

Mobile subscribers ('000)



Blended ARPU (CHF)

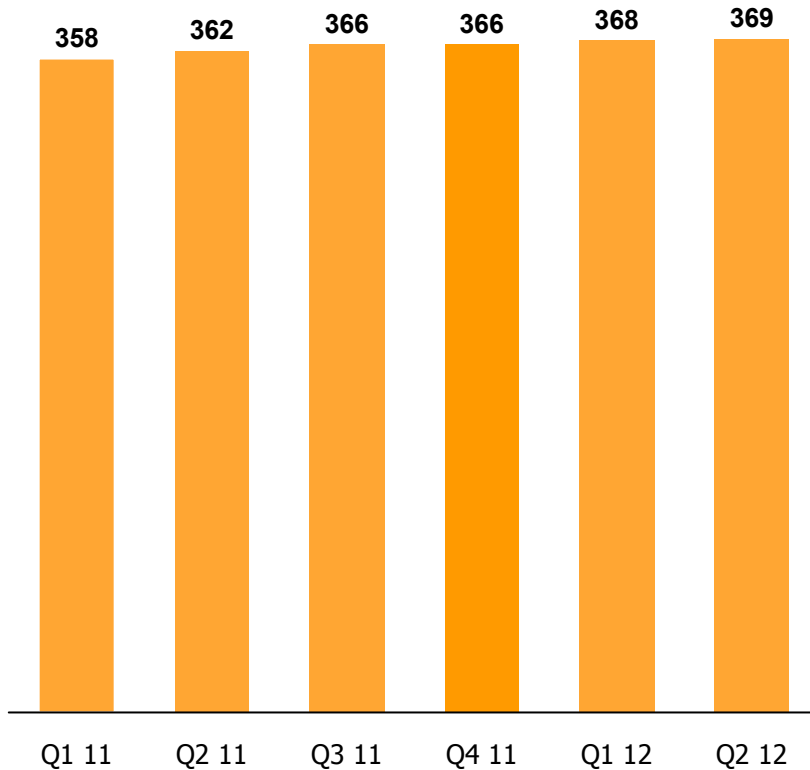


Q2 postpaid growth slower than previous quarters, assumed that customers are waiting for new handsets (e.g. Galaxy S3 and iPhone 5).
New tariffs only launched in Q3 2012

Originating ARPU slightly increasing driven by rate plan mix

Landline internet subscribers and ARPU development

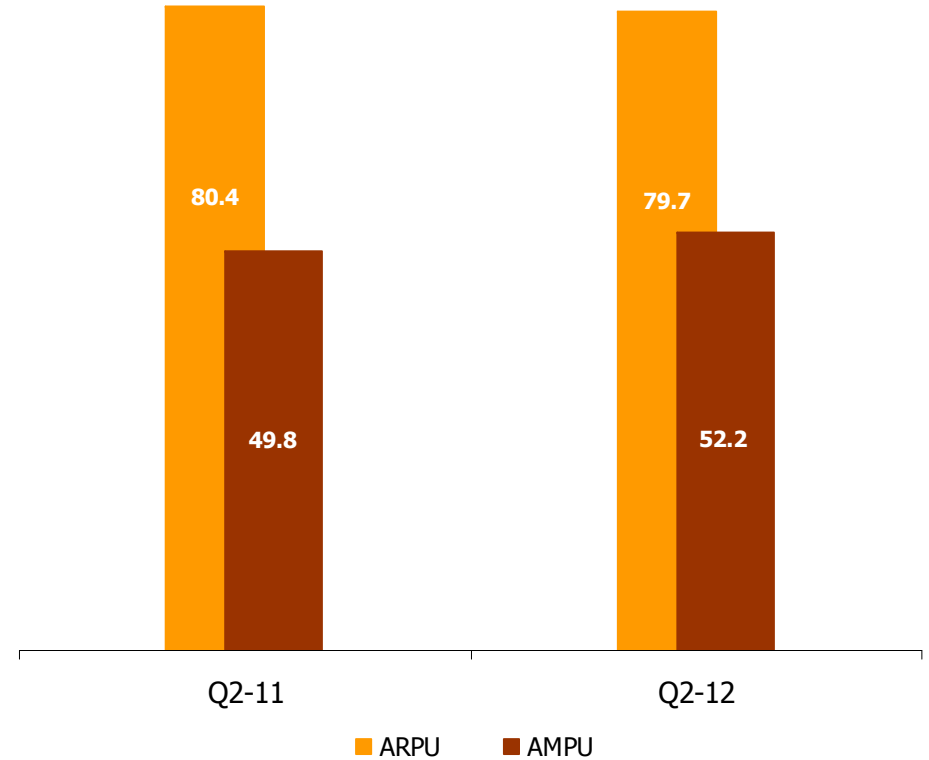
xDSL subscribers ('000)*



* Includes single, double and triple-play subscribers

Stable internet subscriber base

Bundled (DSL/Voice) ARPU and AMPU (CHF)

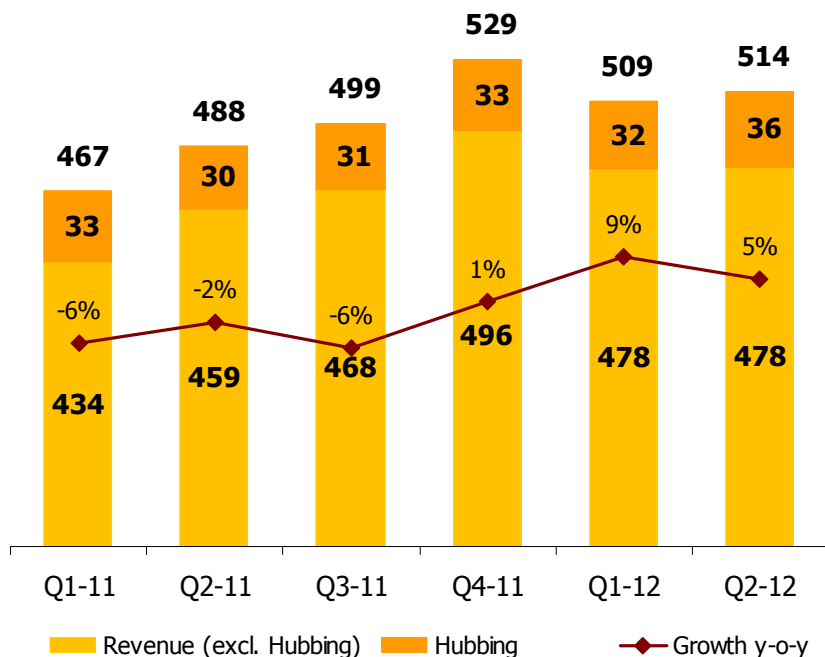


Declining ARPU but increasing margin due to higher share of LLU

Revenue, gross profit and EBITDA

Revenue

CHF million



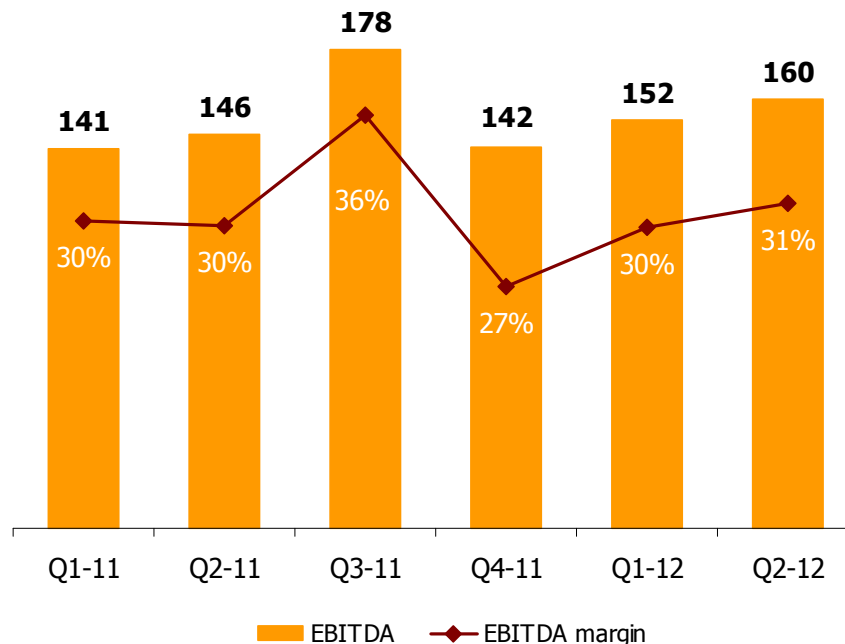
Revenue growth YoY driven by Business Sunrise Enterprise Solutions and increased postpaid base

BSES has been acquired in Nov 2011.

© Sunrise 23.08.2012

EBITDA / EBITDA margin

CHF million



Increased gross profit and tight management of operating cost drives EBITDA

BSES has been acquired in Nov 2011.

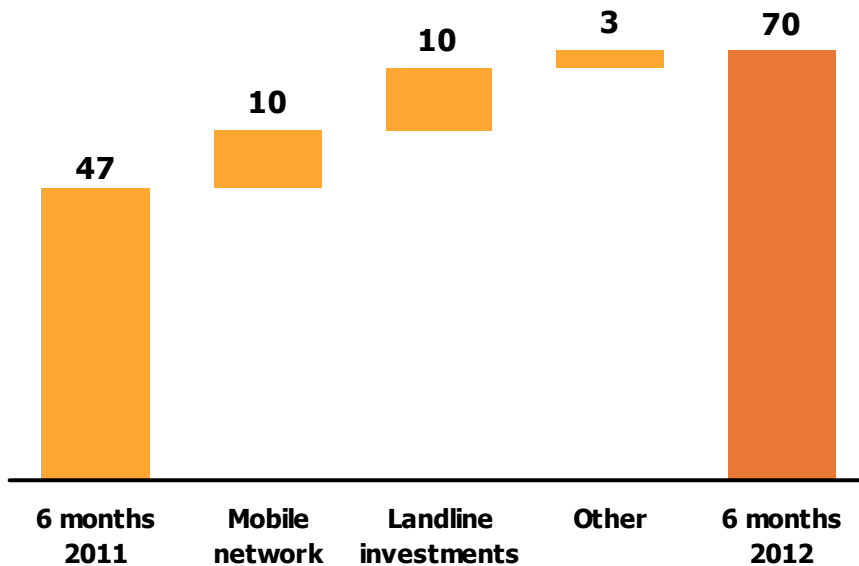
Overview of results

Financial Results	H1 - 12	H1 - 11	Q2 - 12	Q2 - 11
CHF Million				
Mobile	639	609	322	317
Landline Services	295	260	147	127
<i>of which hubbing</i>	67	63	36	30
Landline Internet	89	87	44	44
Total revenues	1'023	956	514	488
% yoy growth	7.0%		5.2%	
Revenues excl. Acquisition of BSES	981	956	494	488
% yoy growth	2.6%		1.2%	
Revenues (excl. hubbing)	956	893	478	459
% yoy growth	7.0%		4.3%	
Gross profit	703	662	353	341
% margin	68.7%	69.3%	68.8%	69.8%
% yoy growth	6.2%		3.6%	
EBITDA	312	287	160	146
% margin (excl. hubbing revenues)	32.6%	32.2%	33.4%	31.9%
% yoy growth	8.5%		9.3%	
EBITDA excl. Acquisition of BSES	310	287	159	146
% margin	31.6%	30.1%	32.2%	30.0%
% yoy growth	7.9%		8.8%	
EBITDA recurring	309	292	153	147
% yoy growth	6.0%		4.6%	
Capex	(70)	(47)	(43)	(33)
% Capex-to-revenues (excl. hubbing revenues)	7.3%	5.2%	9.1%	7.1%
EBITDA-Capex	242	241	116	114
Change in working capital	(121)	(75)	(8)	4
Operating free cash flow	121	166	109	117

Capital expenditure

CAPEX

CHF million



Comments

Mobile Network:

- Rollout of UMTS/HSPA
- Network infrastructure

Landline Network:

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

New financing structure

Net Debt	Dec 31, 2011	June 30, 2012	June 30, 2012
CHF million	Actual	Actual	Pro forma ¹⁾
Term Loan A	463	426	0
Term Loan B	309	304	0
Term Loan B (new)	326	319	0
Senior Secured Notes	753	747	747
Fixed Rate Senior Secured Notes issued July 2012	0	0	520
Floating Rate Senior Secured Notes issued in July 2012	0	0	376
Total senior secured debt	1'851	1'797	1'643
Senior Notes	685	677	677
Total cash borrowings	2'536	2'473	2'320
Fair value of cross currency swaps	127	143	132
Adjusted cash debt	2'664	2'616	2'452
Financial lease	46	44	44
Total cash debt	2'710	2'660	2'496
Cash	(485)	(543)	(378)
Term deposits <12 month	(100)	0	0
1st installment of spectrum licence payment ⁽²⁾	0	0	289
Net cash debt	2'124	2'117	2'406
EBITDA LTM (covenant definition)	609	627	627
Net cash debt / EBITDA	3.49x	3.37x	3.84x

⁽¹⁾ pro forma net debt after the completion of the refinancing transaction on July 19, 2012 and payment of first installment of spectrum license on August 6, 2012

⁽²⁾ Executed on August 6, 2012

Update on markets and operations

Comprehensive fixed proposition with addition of TV offering

IPTV successfully launched in January 2012

- Sunrise is the **only full service alternative to Swisscom** in the market **offering quad play** (Mobile, Broadband, Telephony and IPTV) from one provider
- **Leading IPTV** product
 - Full range of content
 - Superior HD choice
 - ComeBack TV (30 hours catch up)
 - Premium content with Teleclub and Canal+
 - Competitive Video on Demand offer
 - Easy-to-use interface
- **Best value**
 - Sunrise TV Set comfort
 - Attractive product bundle ("Sunrise Vorteil")
- Share in benefit from growing digital TV market and ability to attract existing digital TV customers that would not otherwise switch
 - Since January 2012, several ten thousand customers have already decided in favor of the Sunrise TV product
- Potential churn reduction across entire portfolio as a result of quad play offering



Large mobile spectrum allocation secured will enable superior quality network

Excellent spectrum secured until 2028

- **Very large spectrum allocation in 800 and 900 MHz bands (50MHz), vital frequencies for UMTS900 and LTE rollout – similar allocation to Swisscom and superior to Orange**
- Sunrise in position to meet increasing bandwidth requirements
- **Competitive advantage vis-à-vis Orange and ability to close gap to Swisscom**
- No appeals submitted by Swiss MNOs, as announced by ComCom (6 July 2012)
- Increased 1,800 MHz allocation (40MHz) providing high capacity and top quality (GSM/LTE)
- Support legacy UMTS networks in 2,100 MHz
- Large spectrum allocation in 2,600 MHz (50MHz) to provide superior capacity in LTE

	Sunrise	Orange	Swisscom	Date available
800 MHz	20 MHz	20 MHz	20 MHz	1 Jan 2013⁽¹⁾
900 MHz	30 MHz	10 MHz	30 MHz	1 Jan 2015⁽²⁾
Total sub-1 GHz	50 MHz	30 MHz	50 MHz	
1,800 MHz	40 MHz	50 MHz	60 MHz	1 Jan 2015⁽²⁾
2,100 MHz	20 MHz	40 MHz	60 MHz	1 Jan 2017⁽³⁾
2,600 MHz paired	50 MHz	40 MHz	40 MHz	Immediately⁽⁴⁾
2,600 MHz unpaired	0 MHz	0 MHz	45 MHz	Immediately⁽⁴⁾
Total	160 MHz	160 MHz	255 MHz	
% of total	28%	28%	44%	

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

Deferred payment option

- 60% payment executed on 6 August 2012
- 20% as of 30 June 2015
- 20% as of 31 December 2016

(1) Except for certain individual blocks in alpine regions, which may not be used before end of 2013; (2) Following a transitional phase from the current 900MHz frequency allocations. In Geneva and Basel regions, only fully available from 1 Jan 2016; (3) Frequencies not currently licensed to an operator are available immediately; (4) Once new spectrum licenses enter into force

Clear and immediate benefits of large sub-1 GHz allocation

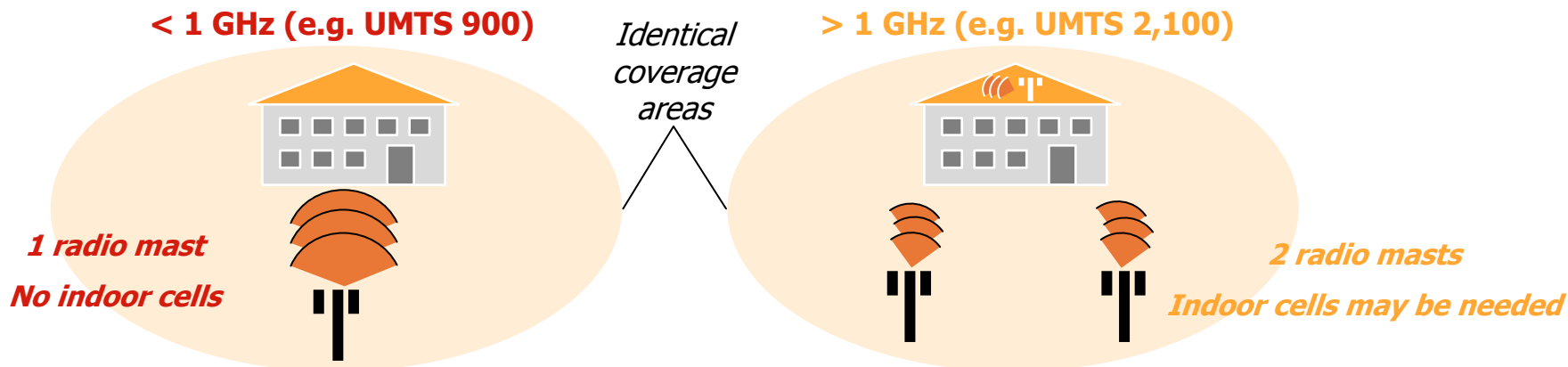
Greater flexibility

- **Existing GSM 900 MHz grid easily upgraded** – uses existing sites, antennas and permits, avoids additional capex
- **New UMTS Equipment** is MSR (Multi Standard Radio), **easily upgradable to LTE**

Better coverage

- **Lower frequencies** deliver **greater outdoor** and **indoor coverage** – fewer, larger base stations (and no indoor cells), minimising capex

- **Sunrise position improved**
- With a nationwide UMTS900 network, Sunrise can deliver **top quality** network performance for **mobile data**
- **Closing of gap to Swisscom**



New partnership with Huawei and TQ Net initiative will further enhance infrastructure

Mobile network partnership with Huawei

- **In a landmark deal, Sunrise has partnered with Huawei, to install, operate and maintain its network**
- Huawei supplies 45 of the world's 50 largest telecom operators, with >140k employees than 140 countries
- Sunrise and Huawei are fully committed to deploying state-of-the-art infrastructure
- Partnership provides benefits for both parties:
 - Huawei with an opportunity to showcase its leading technology and operations in Europe
 - **Sunrise will benefit from local investments including a network operating center in Switzerland**
- **Sunrise will retain direct responsibility for strategic network planning and customer care**
- Contract terms
 - Contract signed on 26 April 2012
 - Service commencement by 1 September 2012
 - 5 years term with option to extend



TQ Net program

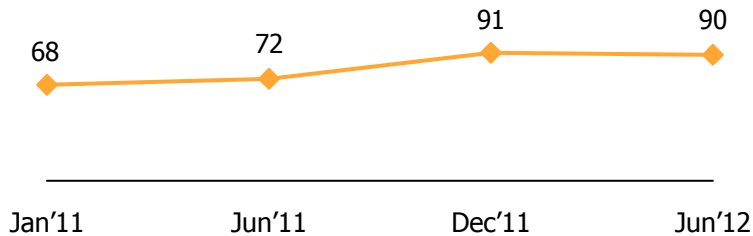
- Sunrise has launched its **TQ Net (Top Quality Net)**, program which will leverage its spectrum allocation and partnership with Huawei to provide best-in-class network experience for customers
- Planned network improvements
 - Mobile network – **upgrades to UMTS900** standard throughout Switzerland for fast data connections (up to 84 Mbit/s), in progress
 - **LTE** – pilot phase for 4G technology on 1,800MHz and 2,600MHz bands
 - **FTTH** – upgrade to state-of-the-art fiber technology in selected cities, to enable higher speed Internet connections and superb quality IPTV



Majority of contract sales are based on smartphones

Best devices – all-in tariffs – no speed difference - best customer experience

Smartphone share of postpaid handset sales (%)



Share of smartphones in Sunrise's postpaid base is 64%



All in – calls, surf, SMS/MMS

- Best value on newest handsets
- All-in tariffs suiting the increasing usage of data, messaging and calls without speed differentiation
- Attractive promotional offers with additional price advantage to our customers



«Best value» proposition for various user profiles

Best value rate plans matching diverse needs of our customers

Individual



**All-in packages
from CHF 25.-**

Youth



**Community flat
for only CHF 29.-**

Frequent User



**All-in flat
from CHF 30.-**

International User



**International flat
from CHF 110.-**



40 Minutes

Flat Sunrise

+ Swiss

+ Flat Fixnet

Flat Sunrise

+ to 15 countries

Flat Swiss



40 SMS/MMS

Flat SMS/MMS



150 Megabyte

Flat High Speed Internet

Sunrise delivers «Best Value» to its customers

Developing with customer's needs

- New all-in tariffs launched in May 2012
- Total freedom to the customer with calls, messaging and high speed internet included



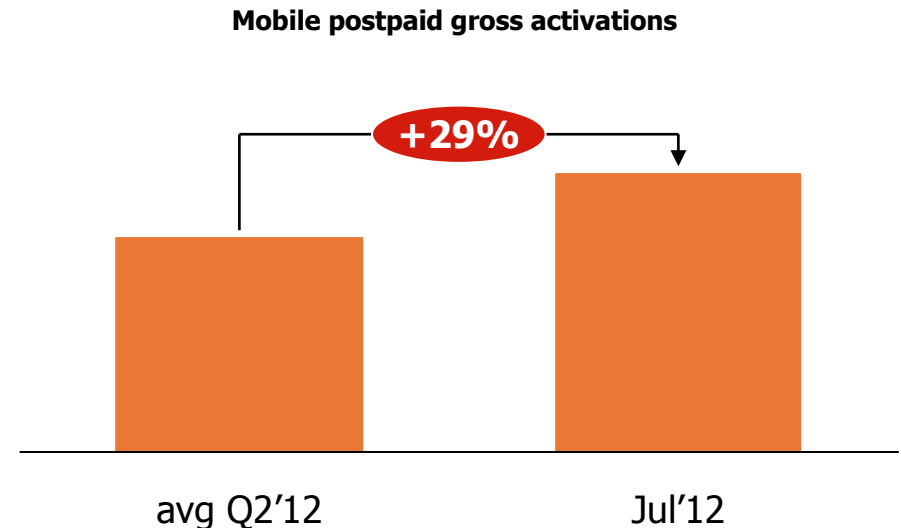
FLAT Die neuen Sunrise flats.

- ✓ Flat Telefonie
- ✓ Flat Internet
- ✓ **Neu: Flat SMS**

The advertisement features a red and orange background with a 3D cube icon containing the word 'FLAT'. It lists three services: Flat Telefonie, Flat Internet, and a new service, Flat SMS, which is highlighted in a white box with a red border.

Defending Sunrise's best value proposition

- Price reduction on Sunrise flat rate plans in July 2012
- Timely reaction to Swisscom's new rate plan portfolio significantly increased Sunrise sales
- Impact on gross profit and EBITDA needs to be assessed in Q3/Q4'2012



sunrise24.ch – the new online offer

Soon to be launched

- ✓ Always cheaper than any other Swiss-Flatrate
- ✓ Very high flexibility due to short contract duration
- ✓ Being mobile in the Top Quality Network of Sunrise
- ✓ SIM only offer – take your phone with you
- ✓ Online bill, online service
- ✓ Take your number with you

sunrise24.ch

your cheapest Swiss-Flatrate

CHF 49.-/month

Calls to Swiss fixed networks

✓ unlimited

Calls to Sunrise network

✓ unlimited

Calls to Orange

✓ unlimited

Calls to Swisscom

✓ unlimited

Call your voicemail

within Switzerland

✓ unlimited

Super fast surfing

within Switzerland

✓ unlimited

SMS/MMS

within Switzerland

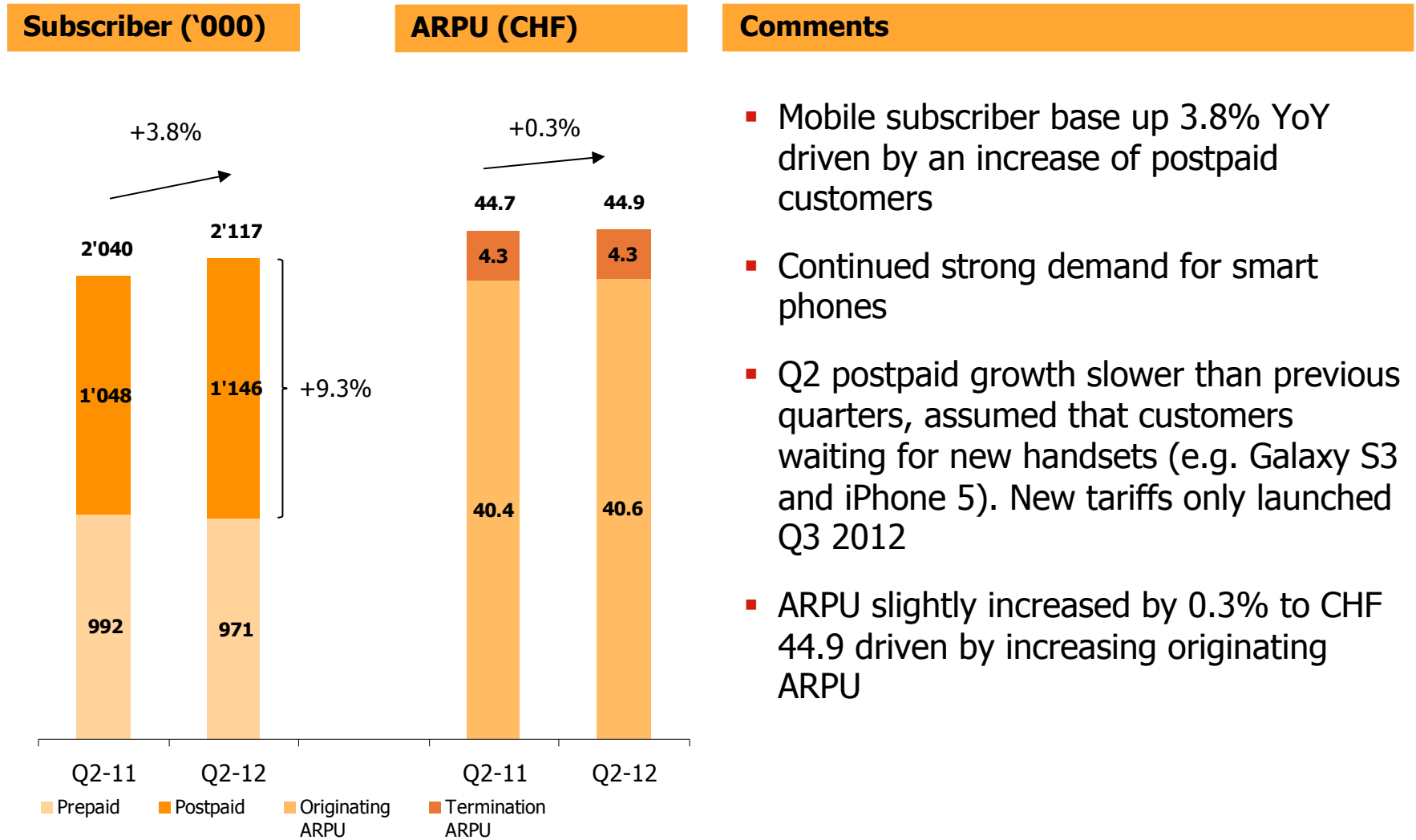
✓ unlimited

Data speeds of up to 7.2 Mbps, Billing in advance, International / Roaming – Sunrise according to standard prices of Sunrise

Questions & answers

Back up - Operational trends

Mobile – operational trends



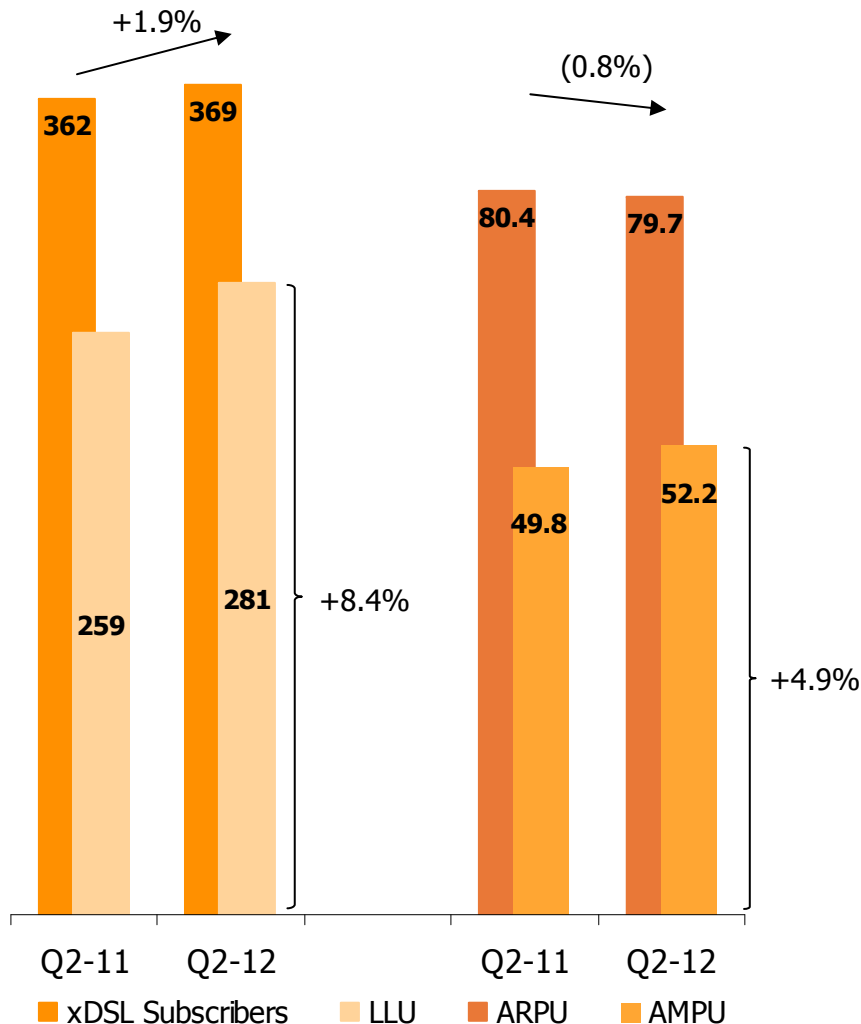
Mobile subscriber numbers exclude M2M SIM cards.

Landline internet – operational trends

Subscriber ('000)

ARPU/AMPU (CHF)*

Comments



- Growth in xDSL connections of +1.9% YoY
- Q1 on Q2 2012 development is stable
- ARPU decreased by -0.8%
- Majority of our xDSL subscriber base are double play subscribers (xDSL and fixed voice). Margin per user increased by +4.9% YoY driven by higher share of LLU

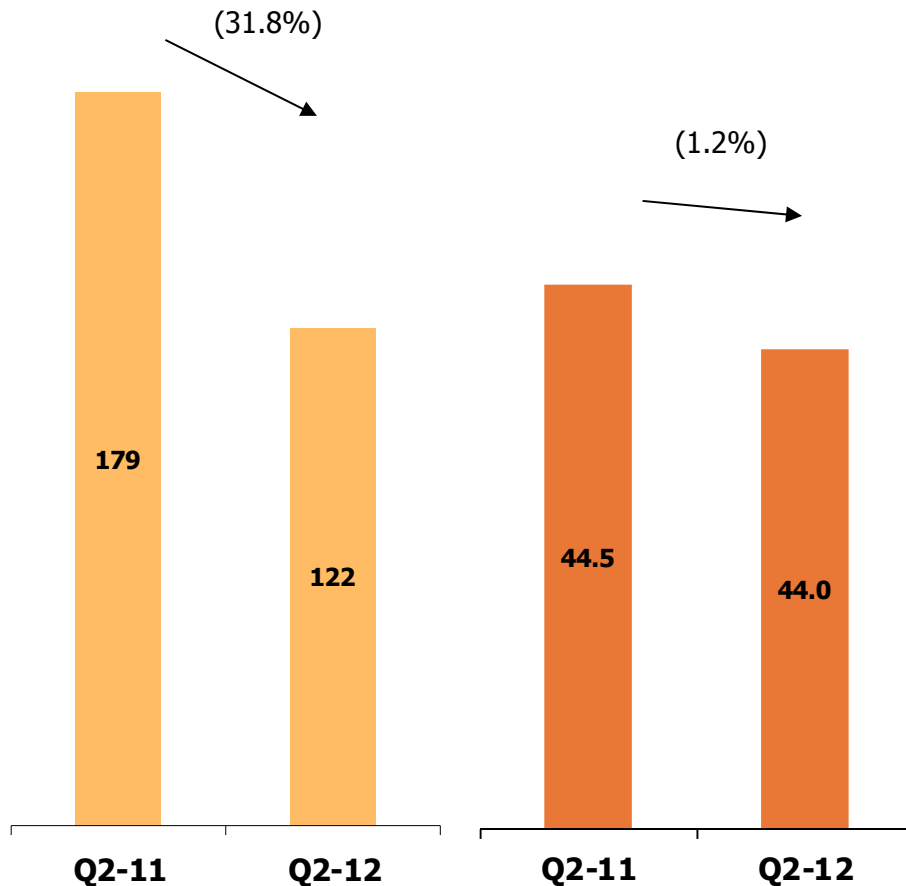
* Double play (DSL/Voice) ARPU and AMPU (CHF)

Landline voice – operational trends

Subscriber ('000)

ARPU (CHF)

Comments



- Single play landline voice customers continue to decline
- Subscribers churn to double play products, off the Sunrise network or are substituting their service with mobile services
- ARPU decrease of -1.2% due to continuing voice volume decline and substitution effects

Thank you

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