

Sunrise Communications Holdings S.A.

Financial Results

January – September 2012



Solid market performance in first 9 month despite challenging market environment

- In an **increasing challenging market environment**, Sunrise achieved **good market performance** of the existing product lines and was able to **diversify its product portfolio** with the launch of the new product line Sunrise TV
- The existing **best-value-for-money positioning was defended in a price decreasing environment**, establishing the new sub-brand of sunrise24.ch in the postpaid area and a trend change in prepaid
- **Continued acquisition of high-value customers** with a well-balanced tariff mix
- **Successful migration to a new technology partner** without network failures in transition period
- **Ramp up of network investments** as planned, with **highest mobile site expansion rate in the last 5 years**, implementing capacity increases in the UMTS network and preparing sites for LTE readiness on large-scale
- Triggered by an increasing challenging market environment, measures were taken to realign cost base. **Restructuring** measures during 2012 **focused** on **corporate staff functions, shop portfolio and productivity**
- **Sunrise is prepared and flexible for upcoming challenges** with a **high focus** on **customer care and service improvements** whilst maintaining **best value proposition**

Foresighted measures throughout the year to adapt to challenging environment

- Early anticipation of changing market environment:
 - Sunrise TV launched to extend fixnet product line
 - New flat rate portfolio for mobile postpaid
 - “Airbag” tariff launched for mobile prepaid
 - Review and restructuring of shop network
- Fast reaction to Swisscom’s new price/tariff structure based on existing flat rate portfolio. New market situation triggered immediately cost efficiency review in every unit
- Announced restructuring focused on corporate staff functions, shop portfolio and productivity
- Net effect of the restructuring in 2012 is CHF -13.2 million (-15.6 million restructuring charges and +2.4 million of savings)
- Majority of the effects will be recorded in the fourth quarter of 2012
- Recurring savings from 2013 onwards are estimated to be CHF 23.8 million

Update on Financials

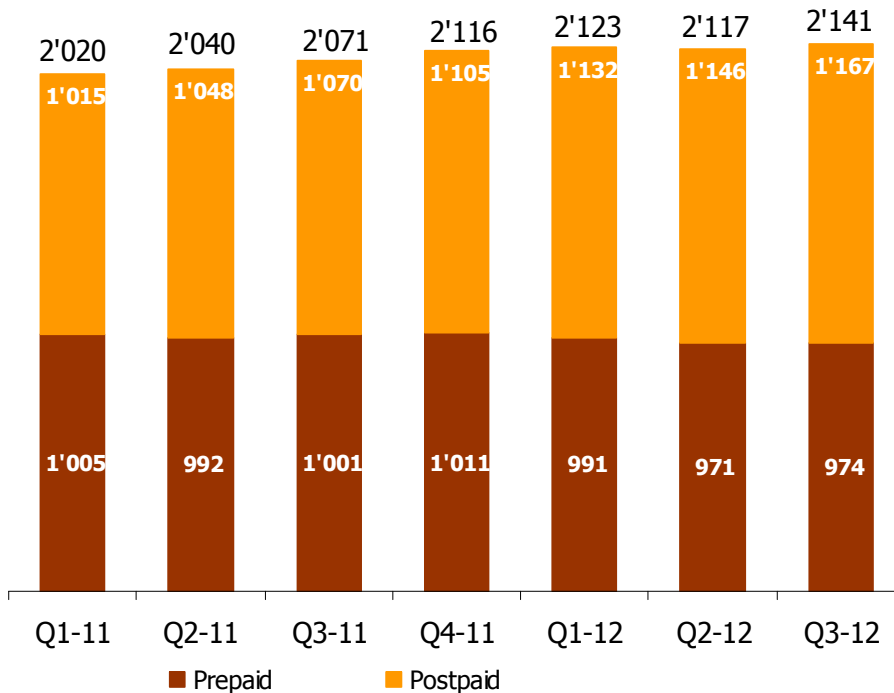


Key messages

- **Revenue growth** from 1'454.6 to **1'540.2** million or **+5.9%** YoY driven by a continued growth of our mobile postpaid customer base and the acquisition of Business Sunrise Enterprise Solutions GmbH (BSES) – **organic** YoY growth of **+1.7%**
- On the basis of attractive rate plans, the growth of our **mobile postpaid subscriber** base continued by **+96.5** thousand or +9.0% YoY (excluding M2M subscribers) and +21.4 thousand in Q3'12 alone
- **EBITDA growth** from CHF 465.7 to **489.3** million or **+5.1%** YoY driven by the growth in mobile postpaid and income related to settlement from aperiodic charges with other operators – **organic** growth of **4.4%**
- Q3'12 stand-alone impacted by a mix of different events
- **Significant investments** in wireless mobile **network** and **customer service**

Mobile subscribers and ARPU development

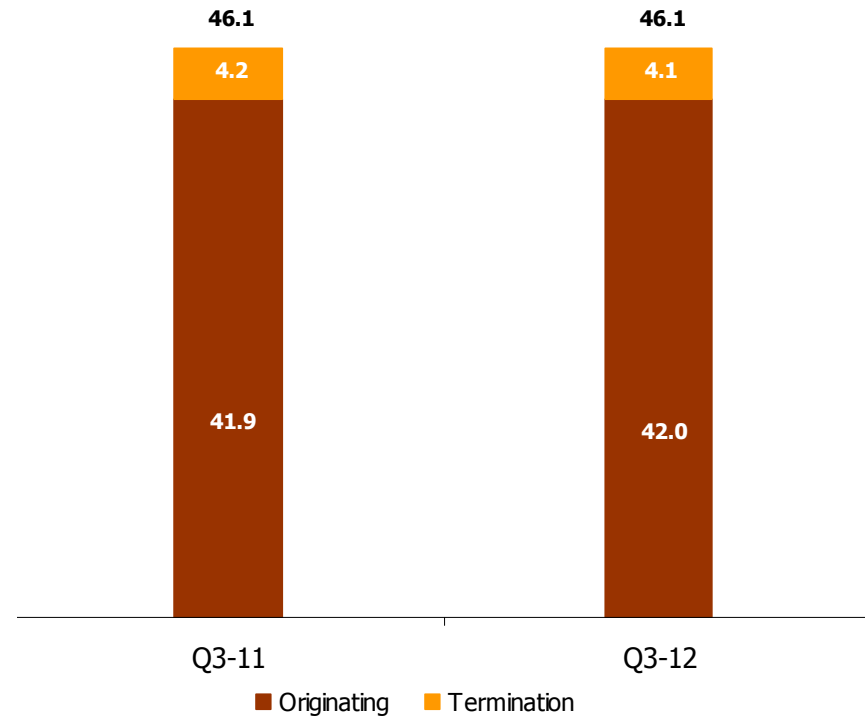
Mobile subscribers ('000)



Net Adds	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12
Postpaid	-5	33	22	35	27	14	21
Prepaid	10	-13	9	10	-20	-20	3
Total	5	20	31	45	7	-6	24

Postpaid development improved
Q3 with 21k net adds; prepaid stabilized

Blended ARPU (CHF)

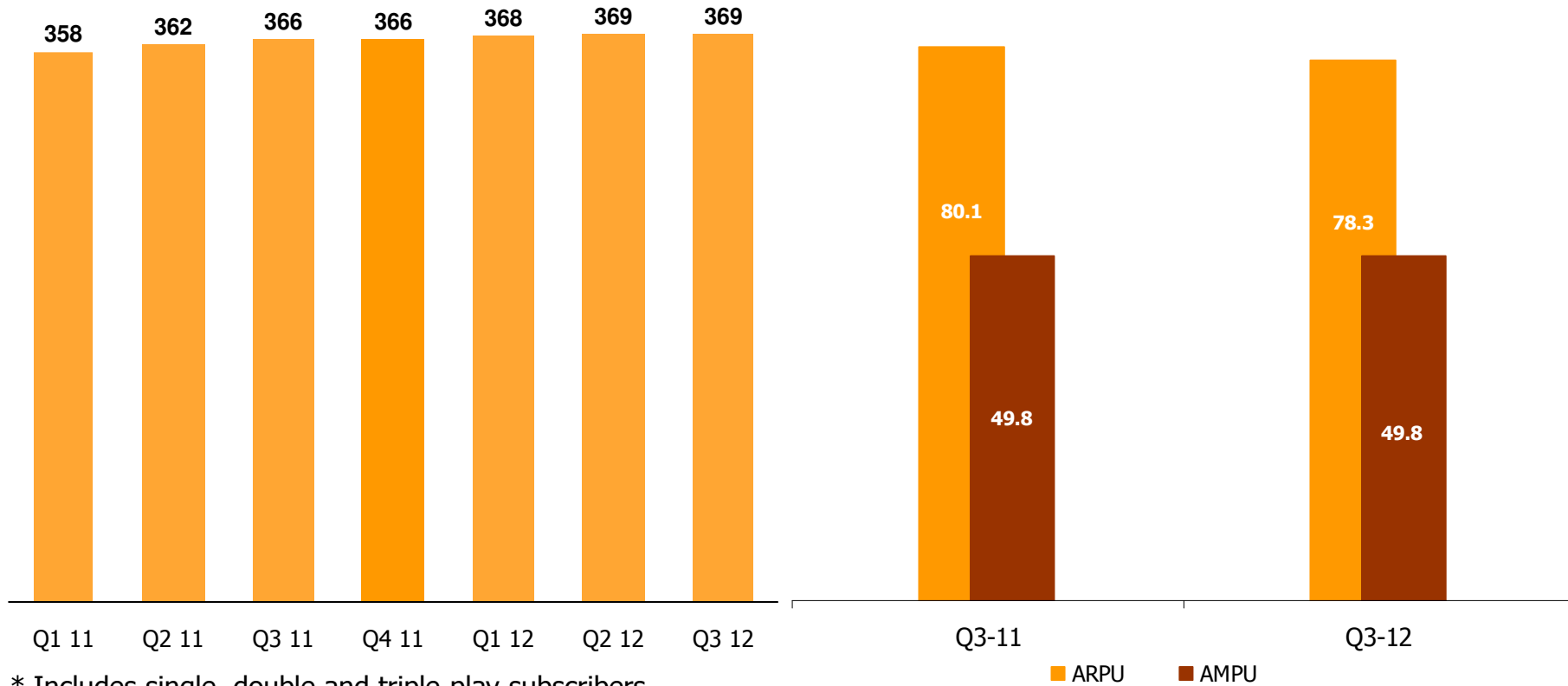


Almost **flat ARPU development** due to
 product mix

Landline internet subscribers and ARPU development

xDSL subscribers ('000)*

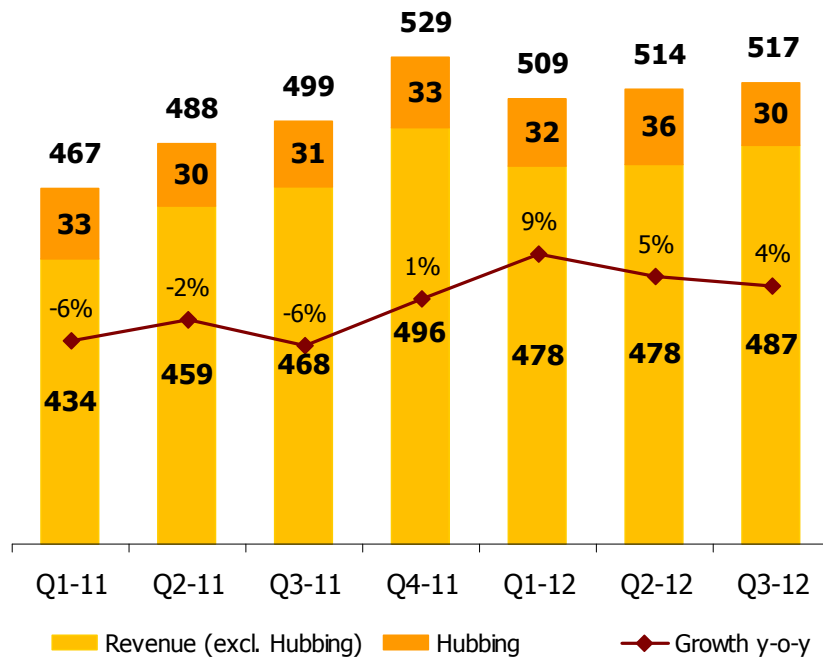
Bundled (DSL/Voice) ARPU and AMPU (CHF)



Revenue, gross profit and EBITDA

Revenue

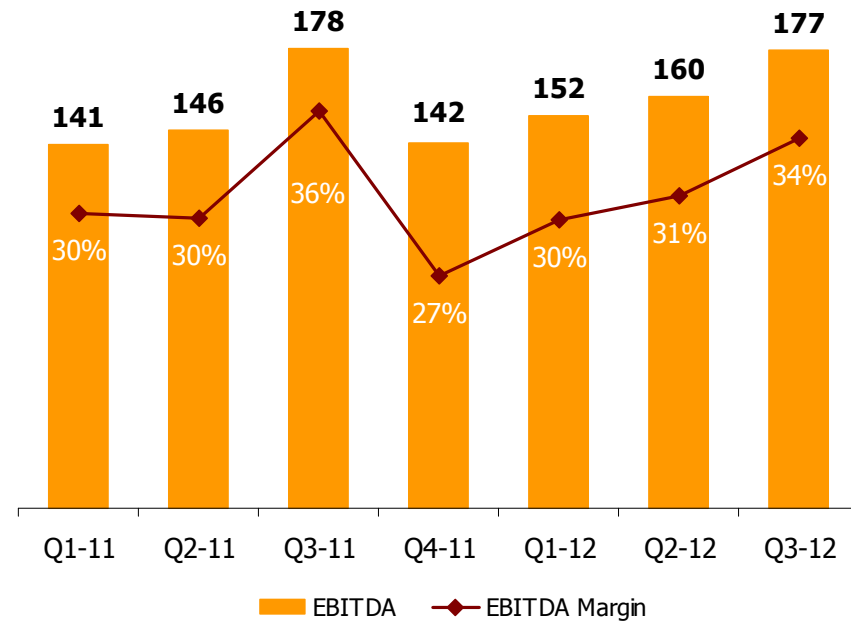
CHF million



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

EBITDA / EBITDA margin

CHF million



Increased gross profit and tight management of operating cost drives EBITDA

BSES has been acquired in Nov 2011.

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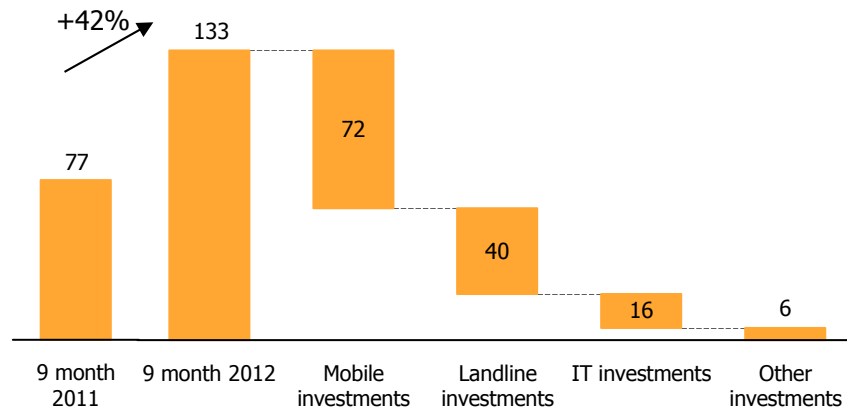
Overview of results

Financial Results	Q3 YTD - 12	Q3 YTD - 11	Q3 - 12	Q3 - 11
CHF Million				
Mobile	975	936	336	328
Landline Services	432	386	137	127
<i>of which hubbing</i>	97	94	30	31
Landline Internet	133	132	44	45
Total revenues	1'540	1'455	517	499
% yoy growth	5.9%		3.7%	
Revenues excl. Acquisition of BSES	1'480	1'455	499	499
% yoy growth	1.7%		0.1%	
Revenues (excl. hubbing)	1'443	1'361	487	468
% yoy growth	6.0%		4.1%	
Gross profit	1'066	1'011	363	349
% margin	69.2%	69.5%	70.3%	70.0%
% yoy growth	5.5%		4.0%	
EBITDA	489	466	177	178
% margin (excl. hubbing revenues)	33.9%	34.2%	36.4%	38.1%
% yoy growth	5.1%		-0.5%	
EBITDA excl. Acquisition of BSES	486	466	176	178
% margin	32.8%	32.0%	35.3%	35.7%
% yoy growth	4.4%		-1.2%	
EBITDA recurring	480	461	171	169
% yoy growth	4.2%		1.0%	
EBITDA (excl. hubbing revenues)	486	462	176	177
% margin (excl. hubbing revenues)	33.7%	34.0%	36.2%	37.8%
% yoy growth	5.1%		-0.5%	-
Capex (excluding license)	(133)	(77)	(64)	(30)
% Capex-to-revenues (excl. hubbing revenues)	9.2%	5.7%	13.1%	6.4%
EBITDA-Capex	356	389	114	148
Change in working capital	(156)	(54)	(35)	21
Operating free cash flow	200	335	79	169
Mobile license payment (Capex)	(289)		(289)	
Free cash flow after license payment	(89)	335	(210)	169

Operational capital expenditure breakdown

Operational Capex breakdown

CHF million



Total Capex spent for the first 9 month of 2012 is CHF 422m including CHF 289m license payment.

Comments

Mobile Network:

- Rollout of UMTS/HSPA
- Network infrastructure

Landline Network:

- IPTV rollout and CPE
- Investments in fiber and site infrastructure

Net debt and leverage ratio

Net Debt	Dec 31, 2011	Sept 30, 2012
CHF million		
Term Loan A	463	0
Term Loan B	309	0
Term Loan B (new)	326	0
Senior Secured Notes	753	747
Senior Secured Notes issued July 2012	0	522
Floating Rate Notes issued July 2012	0	378
Senior Unsecured Notes	685	677
Total cash-pay borrowings	2'536	2'323
Fair value of cross currency swaps	127	140
Financial lease	46	42
Total debt	2'710	2'506
Cash & Cash Equivalents	(585)	(159)
Net debt	2'124	2'347
EBITDA LTM (covenant definition)	609	623
Net debt / EBITDA	3.49x	3.77x

Questions & answers



Back up:

Operational trends

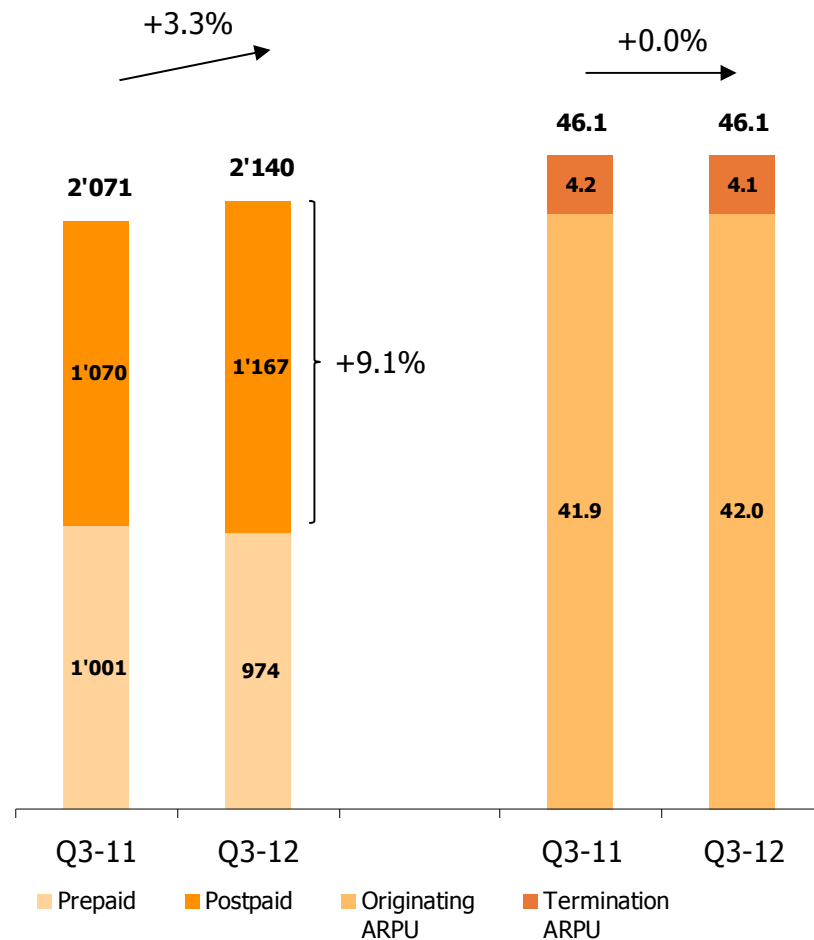


Mobile – operational trends

Subscriber ('000)

ARPU (CHF)

Comments



- Mobile subscriber base up 3.3% YoY driven by increase in postpaid and stabilization of prepaid subscriber base
- Continued strong demand for smart phones
- Mobile ARPU remained stable YoY

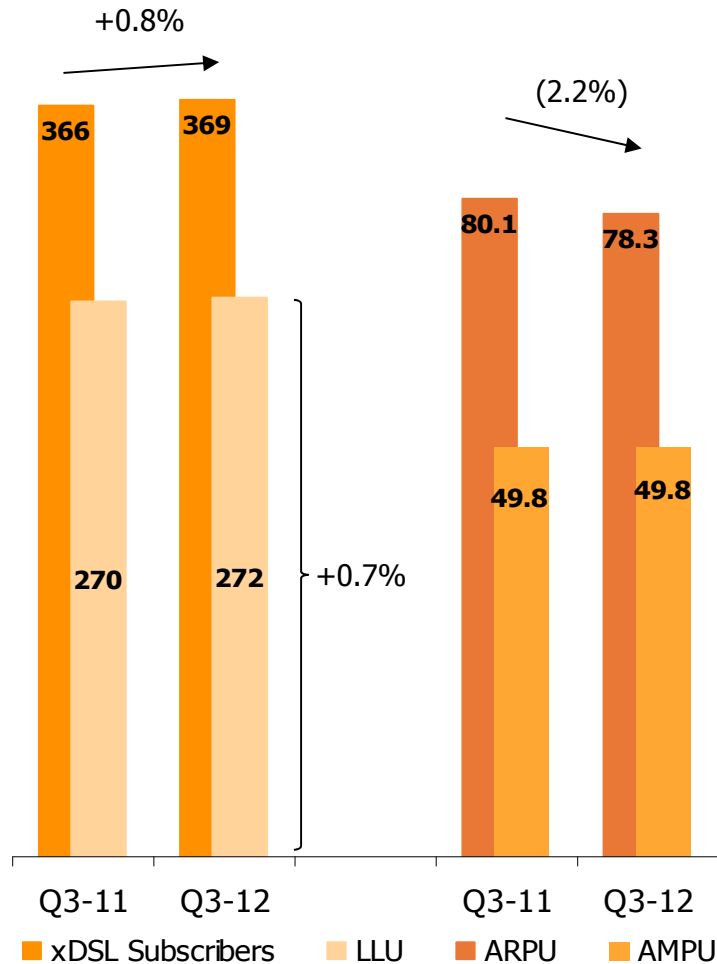
Mobile subscriber numbers exclude M2M SIM cards.

Landline internet – operational trends

Subscriber ('000)

ARPU/AMPU (CHF)*

Comments



- Growth in xDSL connections of +0.8% YoY
- ARPU decreased by -2.2%
- Majority of our xDSL subscriber base are double play subscribers (xDSL and fixed voice) with triple play subscriber gaining share

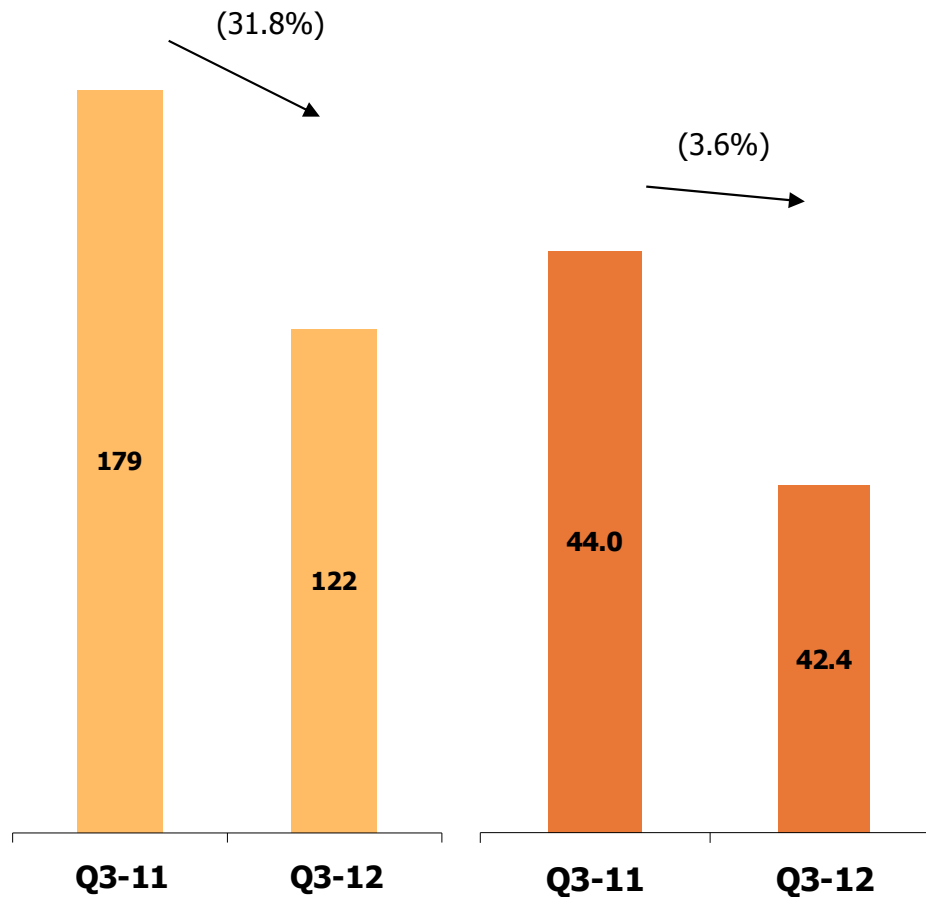
* Double play (DSL/Voice) ARPU and AMPU (CHF)

Landline voice – operational trends

Subscriber ('000)

ARPU (CHF)

Comments

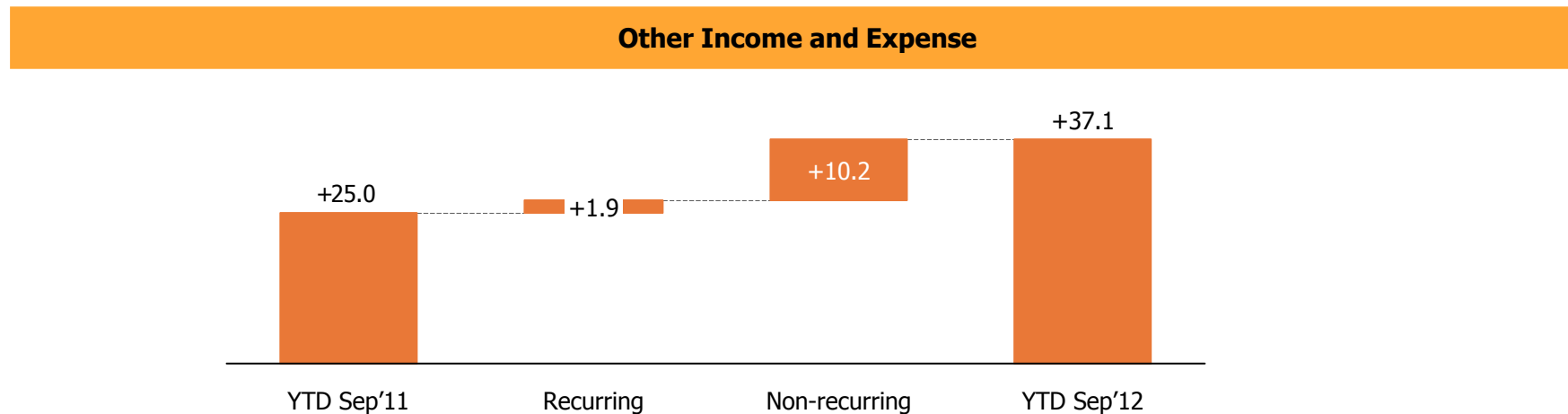
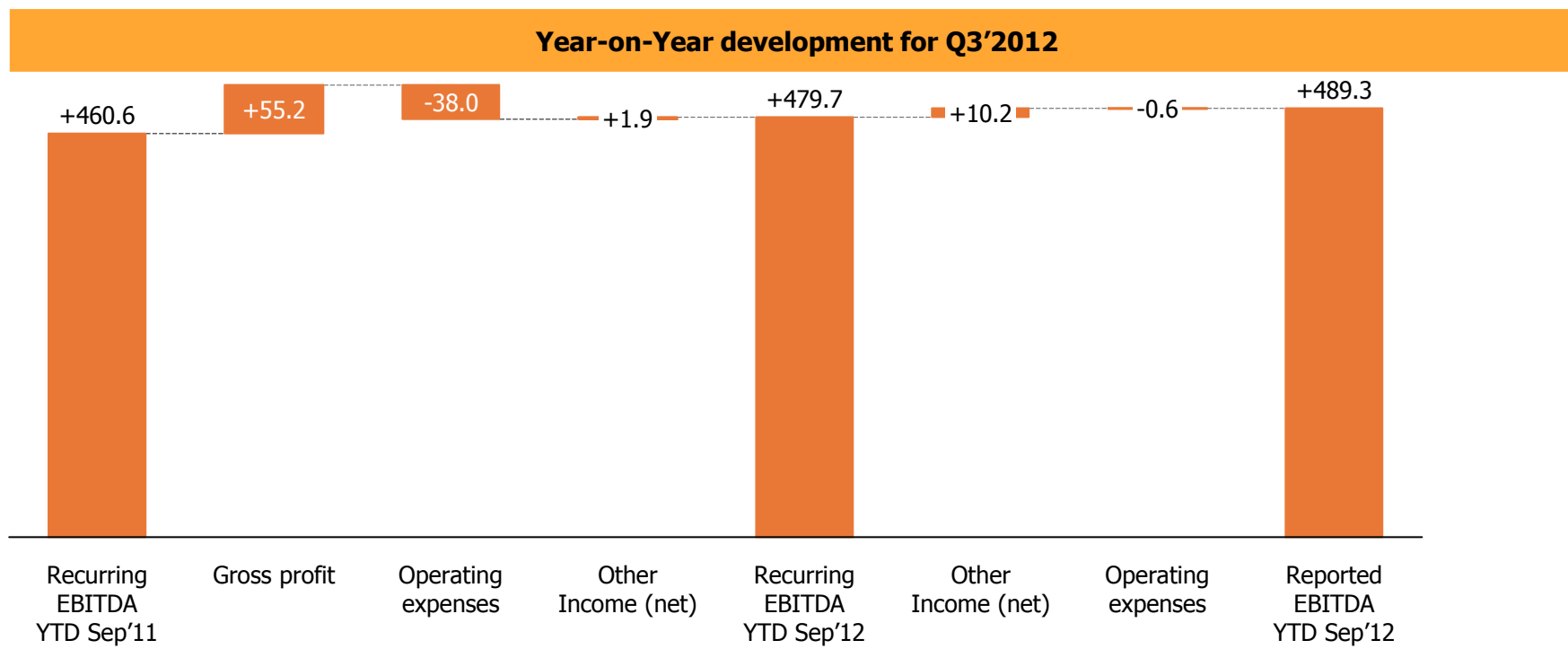


- Single play landline voice customers continue to decline
- Subscribers churn to double play products, off the Sunrise network or are substituting their service with mobile services
- ARPU decrease of -3.6% due to continuing voice volume decline and substitution effects and bundle accounting effects

Back up:

Recurring EBITDA and Other Income Development

Recurring EBITDA and Other Income Development



Thank you



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