

# **Sunrise Communications Holdings S.A.**

Financial results  
January – March 2013

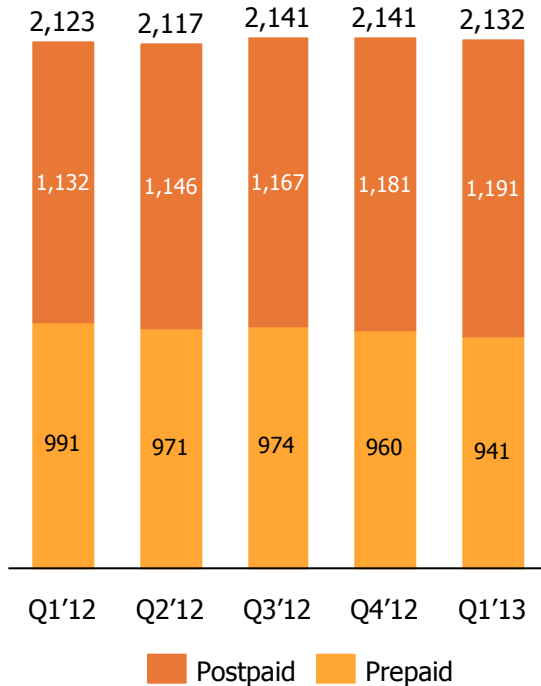


# Key Messages – Q1'2013

- In line with our guidance, EBITDA LTM Q1'13 declined by 1.7% (CHF -10.8m) compared to end of 2012
- Whilst Sunrise is continuously acquiring higher value postpaid customers, migration effects towards reduced price plans cannot be fully compensated:
  - In Q1'13 revenue declined to CHF 486.5 million (-22.8m or -4.5%) QoQ
  - In Q1'13 EBITDA declined to CHF 141.2 million (-10.8m or -7.1%) QoQ
- Continued focus on growth areas:
  - High value postpaid subscriber base increased by 59.1 thousand YoY of which 9.7 thousand in Q1'13
  - Sunrise TV subscriber base increased to 50.0 thousand with an addition of 11.6 thousand subscribers in Q1'13
- In line with our guidance, Capex investments increased by 48.8% to CHF 38.8 million due to significant network investments
- Strong cash inflow of CHF 53.1 million in Q1'13 compared to a cash outflow of CHF -37.0 million in Q1'12 primarily driven by net working capital and tax improvements

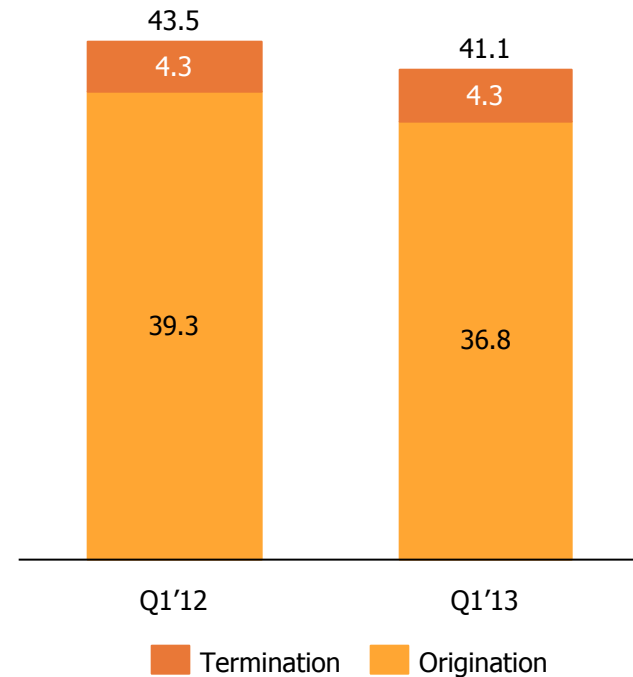
# Mobile subscribers and ARPU development

## Mobile subscribers ('000)



+59.1k postpaid subscribers YoY of which 9.7k in Q1'13

## Blended ARPU (CHF)



Price reduction impacts QoQ ARPU

# Pro-forma mobile prepaid subscriber statistics

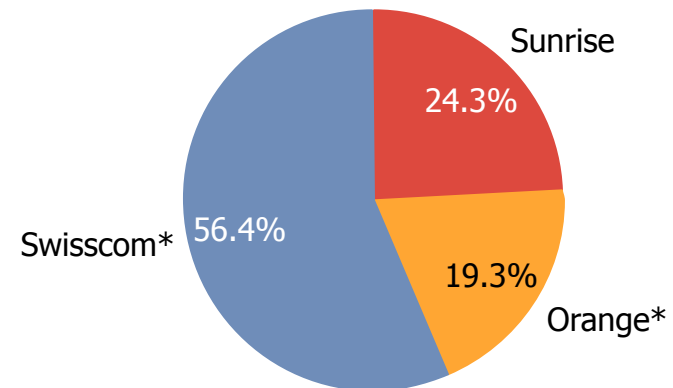
## 12 month activity rule

- For transparency reasons, pro-forma mobile prepaid subscribers based on a 12 month activity rule instead of Sunrise's 3 month activity rule are provided
- Sunrise still believes, that the 3 month activity rule is a fairer representation of the prepaid market

Pro-forma prepaid subscribers ('000)



Pro-forma market share end of 2012



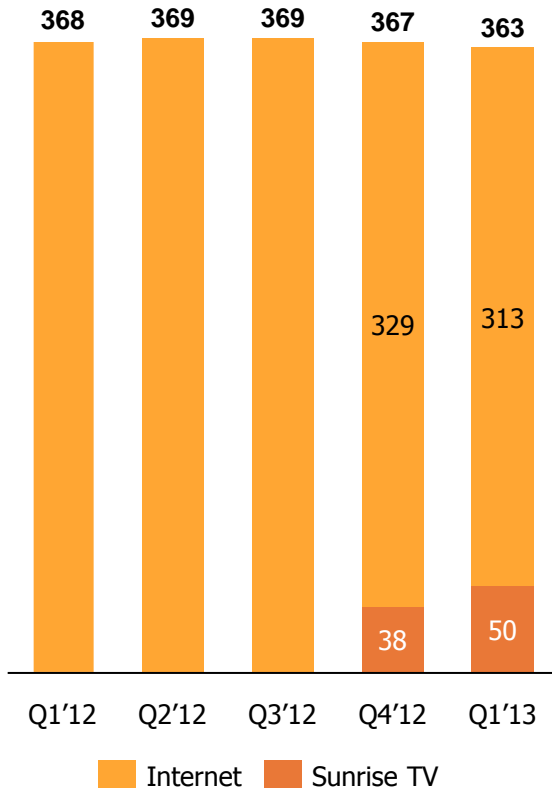
Based on 12 month activity, Sunrise does not count marketing SMS sent to subscribers as an activity

Network market share excluding MVNOs; Sunrise does not count M2M SIM cards into the subscriber base

\* Source: Annual financial statements of Swisscom and Orange

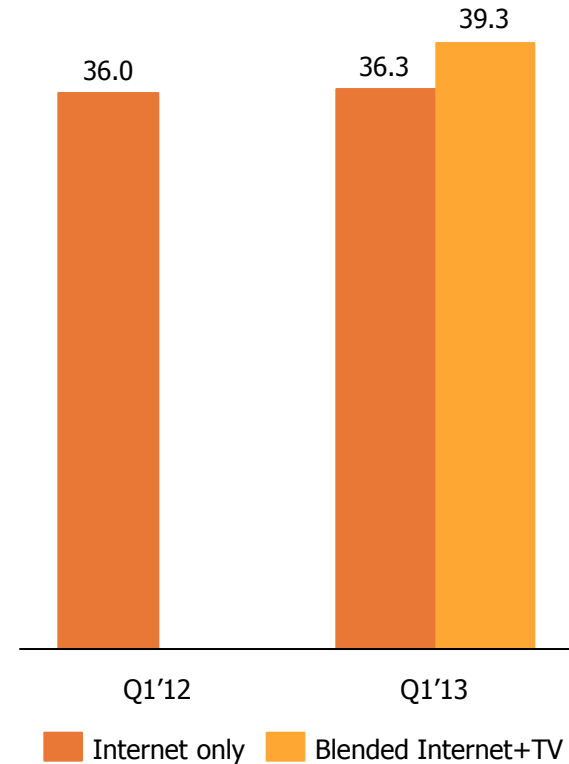
# Landline internet subscribers and ARPU development

## Subscribers ('000)



Declining double play internet subscriber base partly compensated by triple play Sunrise TV subscribers

## Internet and Sunrise TV ARPUs (CHF)

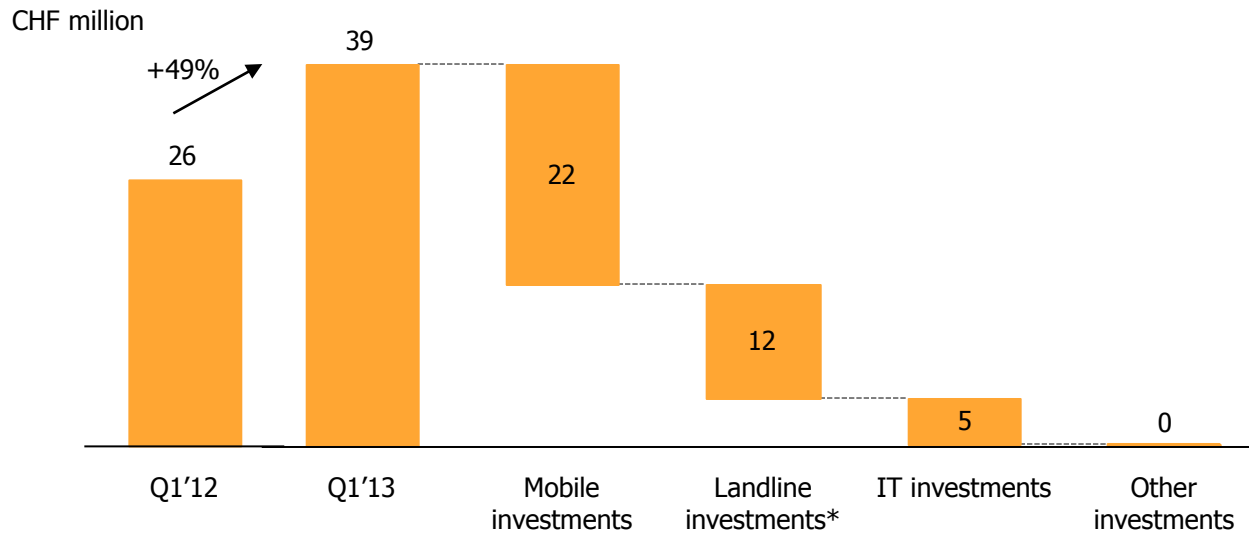


Slight increase of internet only ARPU; Sunrise TV bundles are positively impacting blended ARPU

# Overview of results

Financial Results	Q1'2013	Q1'2012
CHF Million		
Mobile	304	317
Landline Services	135	148
<i>of which hubbing</i>	32	32
Landline Internet	48	44
<b>Total revenues</b>	<b>487</b>	<b>509</b>
% yoy growth	(4.5%)	
<b>Revenues (excl. hubbing)</b>	<b>454</b>	<b>478</b>
% yoy growth	(4.9%)	
<b>Gross profit</b>	<b>336</b>	<b>350</b>
% margin	69.1%	68.6%
% yoy growth	(3.8%)	
<b>EBITDA</b>	<b>141</b>	<b>152</b>
% margin (excl. hubbing revenues)	31.1%	31.8%
% yoy growth	(7.1%)	
<b>EBITDA recurring</b>	<b>145</b>	<b>156</b>
% yoy growth	(6.6%)	
<b>Capex</b>	<b>(39)</b>	<b>(26)</b>
% Capex-to-revenues (excl. hubbing revenues)	8.5%	5.5%
<b>EBITDA-Capex</b>	<b>102</b>	<b>126</b>
Change in working capital	(21)	(114)
<b>Operating free cash flow</b>	<b>82</b>	<b>12</b>

# Capital expenditure breakdown

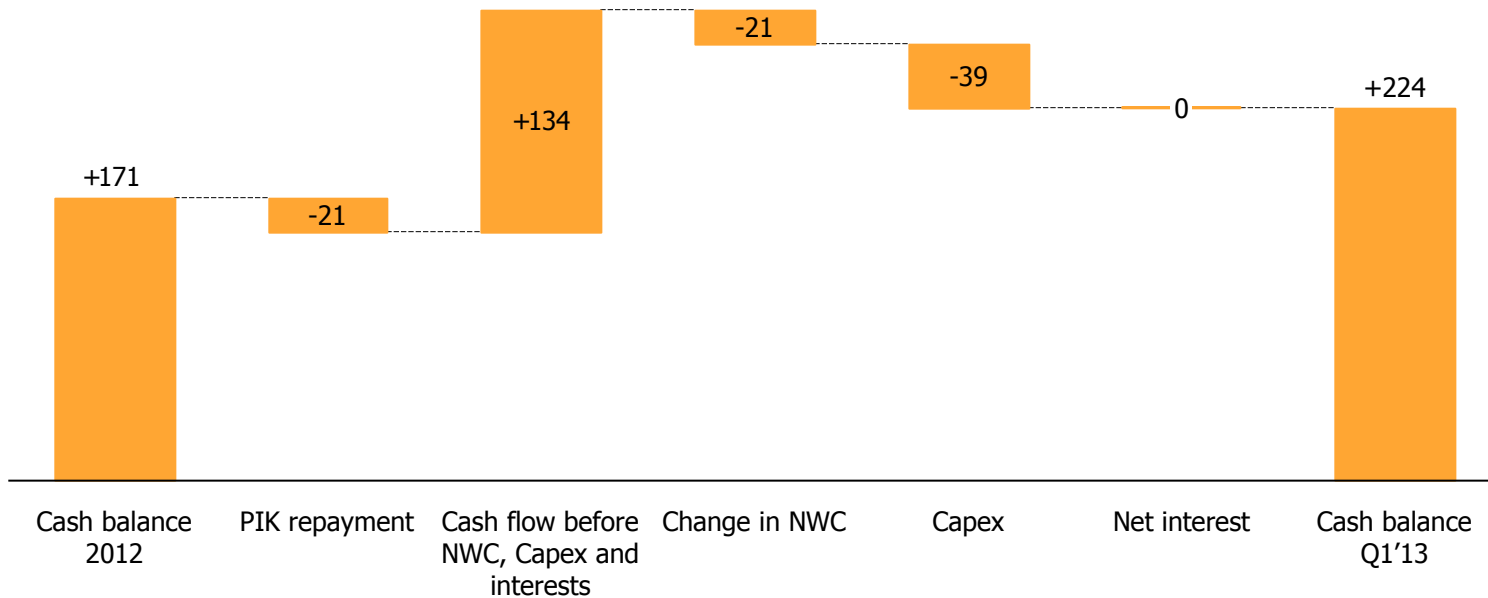


\* Includes customer premises equipment for Sunrise TV

- Rollout of UMTS/HSPA and preparing sites for LTE readiness
  - About 2'400 sites already swapped as of beginning of May → 71% of the network
  - High capacity mobile backhaul program launched with first sites connected via fiber in April 2013
- CHF 270-280 million Capex investments expected in 2013

# Cash and cash equivalent bridge 2012

CHF million



Strong cash inflow of CHF 53.1 million in Q1'13 compared to cash outflow of CHF -37.0 million in Q1'12 mainly driven by net working capital and tax improvements



# Net debt and leverage ratio

Net Debt	Mar 31, 2013	Dec 31, 2012
CHF million		
Senior Secured Notes	752	749
Senior Secured Notes issued July 2012	522	521
Floating Rate Notes issued July 2012	378	377
Senior Unsecured Notes	683	680
<b>Total cash-pay borrowings <sup>1)</sup></b>	<b>2'335</b>	<b>2'327</b>
Fair value of cross currency swaps	129	136
Financial lease	39	40
<b>Total debt</b>	<b>2'503</b>	<b>2'503</b>
Cash & Cash Equivalents	(224)	(171)
<b>Net debt</b>	<b>2'278</b>	<b>2'332</b>
<b>Net debt / EBITDA</b>	<b>3.7x</b>	<b>3.8x</b>
Senior PIK Toggle Notes	635	0
<b>MCIG <sup>2)</sup> net debt / EBITDA</b>	<b>4.8x</b>	<b>3.8x</b>
<b>Net Income Basket generated <sup>3)</sup></b>	<b>14.6</b>	<b>21.4</b>

<sup>1)</sup> Exclusive capitalized debt issuance cost

<sup>2)</sup> Mobile Challenger Intermediate Group S.A.

<sup>3)</sup> After final PIK repayment of CHF 20.5 million in February 2013

# Update on operations

# New launches first half of 2013

Strong proposition on data and convergence

**New Postpaid Portfolio  
to be launched May 2013**



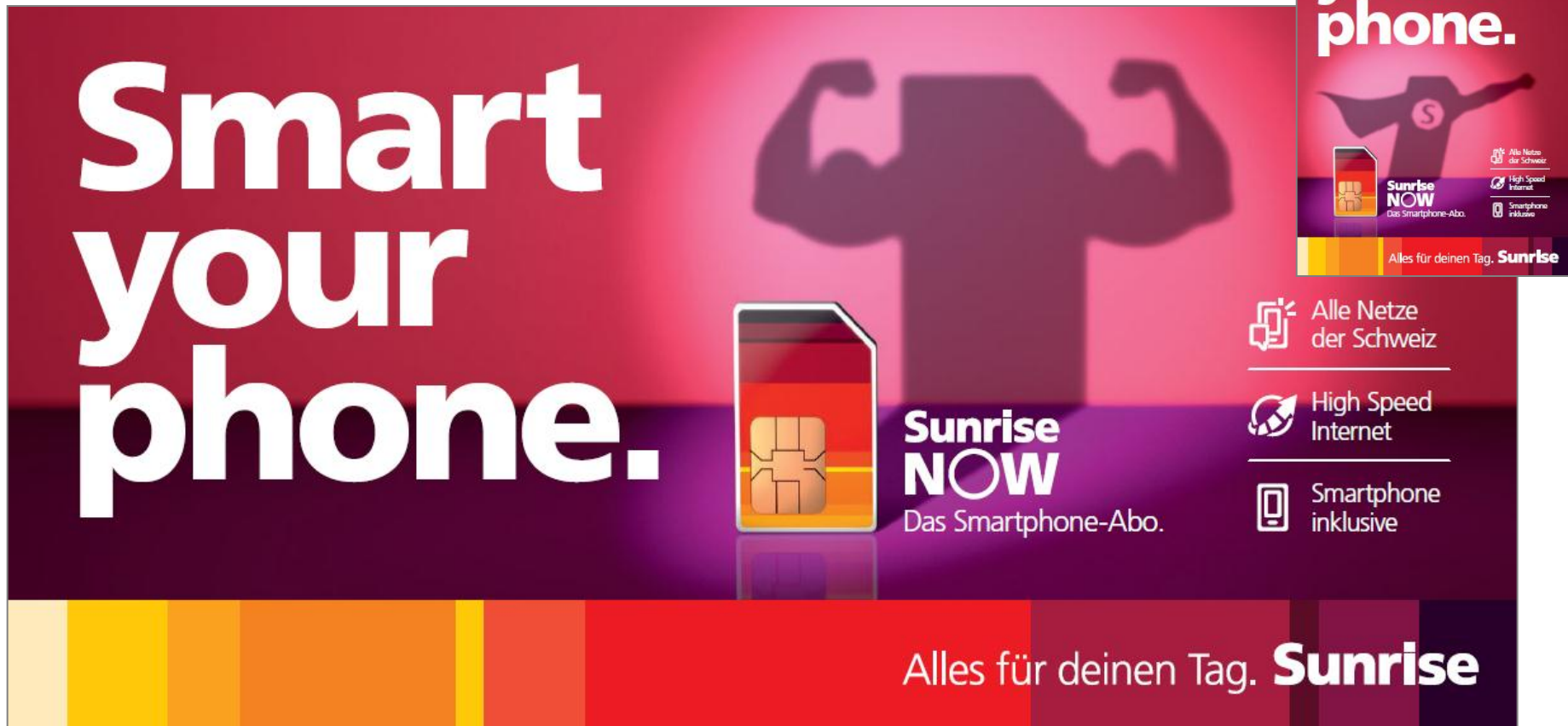
**Sunrise TV Basic  
launched April 2013**



**New Internet Portfolio  
launched Feb. 2013**

# Sunrise NOW

Sunrise's new mobile postpaid portfolio



**Smart  
your  
phone.**

**Sunrise  
NOW**  
Das Smartphone-Abo.

Alle Netze  
der Schweiz

High Speed  
Internet

Smartphone  
inklusive

Alles für deinen Tag. **Sunrise**

Alle Netze  
der Schweiz

High Speed  
Internet

Smartphone  
inklusive

# Sunrise NOW

## Tangible benefits for mobile customers



### **The smart phone rate plan („Das Smartphone-Abo“)**

- Calls and text messages to all networks always included - data as needed
- Data differentiation by volume - always with high-speed Internet
- Easy choice of four packet sizes - simplicity



### **LTE speed without additional costs**

- Maximum 4G LTE speed in all Sunrise NOW plans, starting from CHF 19.-/month
- Launch promotion for Sunrise NOW relax/max – No data limitation for a lifetime



### **Customization according to customer wants & needs**

- Entertainment: Music unlimited flat rate (Sunrise music by JUKE) or Mobile TV
- Smart phone insurance: Complete protection in case of damage and theft
- Roaming: Cheaper calls and SMS from abroad, starting from only CHF 0.49/call or SMS
- International: Cheaper international calls starting from only CHF 0.10/minute
- Multi-card: Included data volume on multiple devices, perfect for tablet use



### **Additional benefits with „Sunrise Vorteil“**

- Up to CHF 25.-/month discount for combining Sunrise NOW + Sunrise TV or Internet

# Sunrise NOW

Four compelling mobile rate plans - always at full speed

## Everywhere best connected

high speed internet  
in every rate plan included

## Value for money

from CHF 29 including new  
smartphone

## Easy to understand

only four rate plans

## Relevant Services

unlimited Voice/SMS  
to any network

	start	classic	relax	max
High Speed Internet up to 100 MBit/s	Data package 250 MB	Data package 500 MB	Data flatrate <sup>1)</sup> full speed	Data flatrate <sup>1)</sup> full speed
Calls, SMS/MMS to all Swiss networks	50 Minutes SMS/MMS unlimited	Calls, SMS/MMS unlimited	Calls, SMS/MMS unlimited	Calls, SMS/MMS unlimited
Smartphone included	29.-	69.-	89.-	129.-
Cheaper w/o Smartphone	19.-	55.-	75.-	110.-

1) Full speed 5GB; 2) Unlimited calls/SMS to 15 European-countries, USA/Canada; 100 Min/SMS/MB from abroad

# Sunrise Internet Everywhere

## Sunrise's new Internet portfolio

### Neu zum DSL-Anschluss:

Internet für unterwegs  
und digitales TV inklusive.

**INTERNET  
EVERYWHERE**



Internet zuhause

Internet für unterwegs

Festnetztelefonie

Auf Wunsch:



Sunrise TV basic

Ab  
**40.-** CHF  
pro Monat

Für detaillierte Informationen und Konditionen fragen Sie unsere Sunrise center Mitarbeiter.

# Sunrise Internet Everywhere

Mobile internet included in all tariffs and attractive TV option

## Everywhere connected

“Internet everywhere” - unlimited mobile internet in all wireline bundles

## Value for money

competitive rates for fixed telephony

## Easy to understand

clear tariff logic around delivered speed and TV

## Relevant Services

„Sunrise TV basic” - the smart alternative to analogue cable TV

	basic	start	comfort	optionally
Internet at home <sup>1)</sup>	5 Mbps Download 0.5 Mbps Upload	15 Mbps Download 1 Mbps Upload	30 Mbps Download 3 Mbps Upload	Sunrise TV basic <sup>2)</sup>
Internet on the go <sup>1)</sup>	1 Mbps	1 Mbps	7.2 Mbps	TV Channels > 60
Calls				HD Channels up to 24
Swiss Fixed Net	6 Rp /Min.	6 Rp /Min.	unlimited	Radio Channels > 70
Swiss Mobile Net	35 Rp /Min.	35 Rp /Min.	35 Rp /Min.	Activation Fee 149.-
Wlan Router	✓	✓	✓	TV-Box ✓
Price p.m.	55.-	75.-	95.-	
Price p.m. with mobile subscription	<b>40.-</b>	<b>60.-</b>	<b>80.-</b>	

1) max. effort 2) Recording, Live Pause, ComeBack TV only with Sunrise TV sets start and comfort.



# Questions & answers

**Thank you**

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