

Media release

Zurich, May 23, 2013

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Lower retail prices lead to a decrease in revenues in first quarter of 2013

- **Price reductions resulted in decreasing revenues (-4.5%) and EBITDA (-7.1%)**
- **Mobile postpaid subscriber base grew by 59'100 (+5.2%)**
- **Sunrise TV passed the threshold of 50'000 activated customers**
- **Network infrastructure investments up by 48.8%**

Due to lower retail prices in response to a more competitive market environment over the past year, revenues decreased 4.5% to CHF 486.5 million in the first quarter of 2013 from CHF 509.3 million in the first quarter of 2012. At the same time, the operational earnings (EBITDA) decreased from CHF 152.0 million to CHF 141.2 million (-7.1%). An increase of 59'100 subscribers in the mobile postpaid customer base (+5.2%) could not offset the impacts of the price reductions in the tariff portfolio.

Attractive new residential tariff portfolio to drive future growth

Sunrise launched new tariffs for fixnet and internet and will soon offer a new portfolio for mobile telephony. The mobile postpaid tariffs Sunrise NOW are available as of May 26 in four pricing options, making Sunrise NOW Switzerland's most easy-to-understand mobile postpaid portfolio. All pricing options include mobile data surfing at the fastest available speed, including LTE with up to 100 Mbit/s available as of June in a series of locations in Switzerland. Customers can choose the package that is right for them based on their data volume requirements. For all tariffs, calls and SMS/MMS texting to all Swiss networks is included.

In addition, Sunrise launched a new fixnet and internet portfolio in February 2013. Sunrise Internet Everywhere offers best value bundles, including competitive landline internet speeds and fixnet telephony rates. Moreover, Sunrise is the first provider in Switzerland offering mobile internet for tablets and notebooks as part of the landline bundle. Last but not least, customers can get the option "TV basic" for free (no monthly cost) which enables them to surf, watch a chosen range of digital TV channels or listen to the radio simultaneously on their current Sunrise phone line.

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Sunrise TV continuously growing

A little more than one year after its launch, Sunrise welcomed the 50,000th activated customer of its IPTV service Sunrise TV. Features such as the innovative ComeBack TV function, which enables 80 channels to be viewed up to 30 hours after being broadcasted turned Sunrise TV into an attractive alternative in the market. The successful start of the digital TV offer underlines the company's strategy as the only private full-service provider in Switzerland for mobile communications, Internet, telephony and TV.

Network investments of CHF 500 million over the next two years

In the first quarter of 2013, Sunrise invested CHF 38.8 million in the roll-out of its fixnet and mobile infrastructure (+48.8%). Main areas of investment comprised the nationwide UMTS900 standard roll-out and the LTE network, covering up to 19 locations until the end of 2013. Within the next two years, Sunrise will invest more than CHF 500 million in its network infrastructure, with particular focus on improving its mobile network.

Libor Voncina, CEO of Sunrise, comments on the financial results of the first quarter of 2013: "The setbacks in growth that we have seen in the first quarter of 2013 are based on the price erosion in the mobile postpaid segment and the market environment that has clearly become more competitive in the past months. Our well-performing IPTV offer Sunrise TV, the new portfolio for fixnet and internet and our mobile tariffs Sunrise NOW will have a positive impact on our future growth. Sunrise is Switzerland's only private full-service provider offering mobile telephony, landline services, Internet and digital television from a single source and, therefore, remains the only alternative to the market leader."

Time period 1/1/2013 – 3/31/2013	Q1 2013	Q1 2012	Change
Total sales (in million CHF)	487	509	-4.5%
Mobile network services	304	317	-4.3%
Landline network services	135	148	-8.6%
Internet services	48	44	8.1%
EBITDA (in million CHF)	141	152	-7.1%
EBITDA margin (excl. hubbing)	31.1%	31.8%	
Total customer number (in million)	2.96	2.99	

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Sunrise

Sunrise is the largest private telecommunications provider in Switzerland, with offices in Zurich, Kloten, Lucerne, Basel, Berne, Biel/Bienne, Renens, Geneva and Lugano. Some 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, provides 99 percent of the population with modern mobile network services at transfer speeds up to 42 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 its broadband services. Sunrise operates around 100 Sunrise centers throughout Switzerland. Sunrise is a brand of Sunrise Communications AG.