

## Press release

Zurich, November 21, 2013

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### Sunrise: growing revenue and subscriber base in Q3 2013

- **Solid Q3 2013 results boosted with acquisitions of Lebara and Ortel**
- **YoY growth in revenue (+0.6%) and recurring EBITDA (+1.0%)**
- **Growing prepaid, postpaid and Sunrise TV customer base**
- **Continued investments in network infrastructure (+33%); clear focus on customer care**

Sunrise showed a slight upturn in its third quarter compared to Q3 2012. Revenue came in at CHF 520 million compared to CHF 517 million (+0.6%). A challenging market environment and considerable price reductions continued to put pressure on revenues in the mobile sector. However, growth in the business customer segment, the acquisition of Lebara and Ortel, and additionally improved cost structures more than offset this development. Recurring EBITDA (earnings before depreciation, amortization and non-recurring items) excluding one-off effects rose by 1.0% in Q3 compared to last year, to reach CHF 172 million.

#### **Gain of customers for prepaid, postpaid and Sunrise TV**

Lebara GmbH Switzerland and Treternity Ortel Mobile AG, the prepaid providers for low-cost international calls acquired in summer 2013, were consolidated for the first time in Q3 2013. The two acquisitions had a positive impact on revenue (+CHF 15.0 million) and operating result (+CHF 3.7 million) and increased the prepaid customer base (+343,000).

The number of postpaid customers increased by 66,200 to 1.233 million in the twelve month period with 16,000 new postpaid customers signing up in the third quarter of 2013 alone.

In the area of digital TV, Sunrise kept up its growth trend from the previous quarter: In Q3 2013, Sunrise TV reported an increase of 7,500 customers to a total of 65,600, which translates into a 3% rise in blended Internet/TV ARPU. Moreover, Sunrise TV has become even more attractive in terms of new features. Sunrise TV users now benefit from 7 days (168 hours) of ComeBack TV rather than the previous 30 hours. It also comes with a recommendation function customized to every customer's viewing habits. As a result, Sunrise TV strengthens its position as the most innovative digital TV product in the market.

#### **Continuous network and service improvements**

Sunrise invested heavily in improving and expanding its network infrastructure during the third quarter of 2013. Investments in the first nine months of 2013 reached CHF 177 million, representing a 33% increase over last year. By the end of the year, Sunrise plans

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to invest a total of CHF 270–280 million in its network expansion. Most of these investments support the network capacity enhancement and the accelerated expansion of the LTE network launched in June 2013. In contrast to other Swiss telecommunications companies, Sunrise now offers all customers with compatible devices access to internet speeds of up to 100 Mbit/s on the Sunrise 4G/LTE network.

Sunrise customer service is also showing significant improvement: Targeted investments and measures are under way to enhance service quality, primarily by increasing capacities and making changes in the partner landscape. As an example, over the past months, the company has increased the number of customer advisors by around 20%. Max Nunziata, Head of Customer Care, was appointed to the Management Board at the beginning of November, to ensure that customer service receives the highest levels of attention from Sunrise management.

Libor Voncina, CEO of Sunrise, comments: “The third-quarter results are in line with our expectations. Although the market is still challenging, Sunrise’s focus is to invest heavily in network and customer service so that we can offer both new and existing customers a great service. With our continual innovations and improvements across mobile, internet and TV, our goal is for Swiss customers to choose Sunrise as their preferred full-service provider.”

	1.7.– 30.9.2013	Change YoY	1.1.– 30.9.2013	1.1.– 30.9.2012	Change
<b>Total revenue (in CHF million)</b>	<b>520</b>	<b>+0.6%</b>	<b>1,504</b>	<b>1,540</b>	<b>-2.3%</b>
Mobile network services	330	-1.8%	943	975	-3.3%
Landline network services	140	+3.7%	415	430	-3.5%
<i>Landline network services (without hubbing)</i>	99	-6.3%	305	332	-8.3%
Internet services	50	+9.0%	147	135	+8.6%
<b>EBITDA (in CHF million)</b>	<b>170</b>	<b>-3.8%</b>	<b>462</b>	<b>488</b>	<b>-5.3%</b>
Recurring EBITDA	172	+1.0%	471	479	-1.7%
EBITDA margin	32.8%		30.7%	31.7%	
EBITDA margin (without hubbing)	35.6%		33.2%	33.8%	
<b>Total number of customers (in millions)</b>			<b>3.30</b>	<b>2.99</b>	<b>+10.1%</b>

Sunrise Communications AG  
Sunrise Media Hotline  
Postfach  
CH-8050 Zurich

E-Mail      media@sunrise.net  
Internet     www.sunrise.ch  
Phone       0800 333 000  
Fax          +41 58 777 61 67

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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. Around 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, HSPA+ and 4G/LTE technologies, provides 99% of the population with modern mobile network services at transfer speeds up to 100 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.