

Press Release

Zurich, March 20, 2014

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Successful investment strategy: significant improvement in network quality and customer service

- Comparable operating result (-0.6%), slightly lower revenues (-2.2%)
- Significant year-on-year increase in recurring EBITDA in 4th quarter (+3.2%)
- Strong growth in post-paid customers (76,900), doubling of Sunrise TV customers
- Continued investment in network infrastructure – CHF 281 million
- Award for best score in the category mobile network in the city and urban areas, and most improved network

In a demanding market environment, Sunrise continued its investment strategy in the 2013 financial year and achieved key interim goals. Whilst price pressure continues to be strong, Sunrise continues to be focused on innovative, customer-oriented products and services.

Slightly lower revenues of CHF 2.021 billion and stable recurring EBITDA of CHF 620 million

In the 2013 financial year, Sunrise's total revenues dropped 2.2% to CHF 2.021 billion. Organic revenues decreased by 3.5%. Operating profit before interest, tax, amortization and depreciation (EBITDA) stayed more or less the same at CHF 620 million after CHF 624 million in the previous year. In the last quarter of the year, operating profits rose 3.2% year-on-year to CHF 150 million. In the third quarter, revenues had already risen +0.6% and recurring EBITDA +0.8% compared to the 2012 figures. This improvement can be attributed primarily to the acquisition of more than 25,100 new mobile post-paid customers in the final quarter. Over the whole year, Sunrise gained 76,900 new customers in the attractive post-paid segment.

Large investments in network infrastructure and customer service

Sunrise's total investment increased to CHF 281 million during the reporting year, a rise of 25.1% compared to 2012. More than 65% of this was devoted to the mobile network infrastructure. The primary investment focus was on expanding the 3G/HSPA mobile network to more than 97% coverage and on the successful launch of the LTE network in the summer. The Sunrise 4G/LTE network is gradually being expanded throughout Switzerland. Optimization and capacity expansion activities include connecting up mobile base stations via fiber optic cables.

Thanks to attractive innovations (such as the seven-day ComeBack TV function), Sunrise TV is continuously gaining customers. At the end of December 2013, more than 74,300 customers used Sunrise TV, which represents a doubling of subscribers. In the fourth quarter of 2013 alone, Sunrise TV grew by more than 8,700 customers. Seen from a full-year perspective, this rise in subscribers increased the average revenue per user (ARPU) by +12% in the Internet/TV sector.

Customer service was also a key focus: Service quality was significantly improved supported by a 25% capacity expansion in the call center.

2013 Connect network test: Sunrise is this year's rising star

The increased quality achieved through targeted investments in the mobile phone network was confirmed by German telecom magazine Connect. In the magazine's independent network tests, Sunrise was clearly ranked second across all categories, and showed the largest improvement +49 points vs Orange at -32 points change and Swisscom changing by +2 points. In the most important category "Telephony in the City", Sunrise actually drew level with Swisscom. The overall "GOOD" rating shows that Sunrise is on the

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right track with its network upgrades, meeting increasing customer demand for premium mobile coverage, capacity and speed.

Libor Voncina, CEO of Sunrise, commented on the results for fiscal 2013: "The past year has been marked by a major program of across-the-board investments and improvements that form the basis for sustainable business growth in the future. We have laid the foundations for a consistent focus on customer needs."

| Period Jan. 1 – Dec. 31, 2013 | 2013 | 2012 | Q4 2013 | Q4 2012 |
|--|---------|---------|---------|---------|
| Total revenues (CHF in million) | 2,021.2 | 2,066.5 | 516.9 | 526.3 |
| Mobile phone services | 1,265.7 | 1,308.6 | 322.9 | 333.2 |
| Landline services | 558.0 | 575.2 | 143.2 | 145.6 |
| Internet services | 197.6 | 182.7 | 50.8 | 47.5 |
| EBITDA (CHF million) | 613.5 | 629.2 | 151.1 | 140.9 |
| EBITDA margin (excl. hubbing) | 32.8% | 32.5% | 31.6% | 28.5% |
| Total customers (million) | 3.3 | 3.0 | | |

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.