

A scenic landscape photograph of a sunrise over a mountain range. The sun is low on the horizon, partially obscured by a tree, creating a bright starburst effect with rays of light. The sky is a gradient of blue and yellow. The foreground shows dark silhouettes of trees and a valley.

Sunrise Communications Holdings S.A.

Financial results

January-December 2013

Agenda

1. Sunrise Strategic Update
2. Financial Results FY'13 and Q4'13
3. Updates on Operations and Marketing
4. Q&A

A scenic landscape at sunrise. In the foreground, a large, gnarled tree stands on a grassy hillside. The middle ground shows a valley with rolling green hills, a small village, and a barn. The background features misty mountains under a sky with soft, golden light and scattered clouds. The overall mood is peaceful and hopeful.

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Sunrise Strategic Update

Preparing Sunrise for the next phase of growth

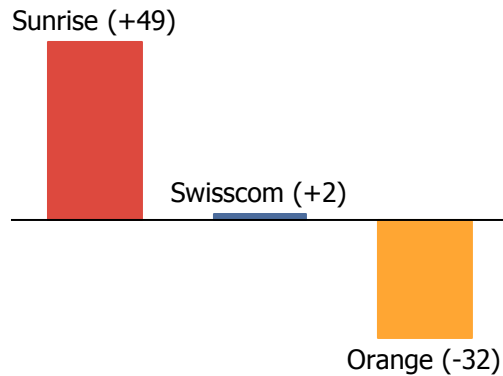
- ✓ Significant step up in **management capabilities and depth**
- ✓ Considerable **investments** in next generation telecommunications networks
 - ✓ Strengthening relationship with our network partner Huawei
 - ✓ Tangible improvements to data capacity, speed and quality
- ✓ Reshaping **customer care** to improve the quality of service
 - ✓ Net Promoter Score (NPS) implemented to strengthen customer focus
 - ✓ Improvements across all major touch points during 2013
- ✓ Aligning strategy and fostering a culture of **innovation**
 - ✓ Exciting new product launches built on foundation of fairness, transparency and flexibility

Visible network and customer care improvements

Network

Connect Test 2013

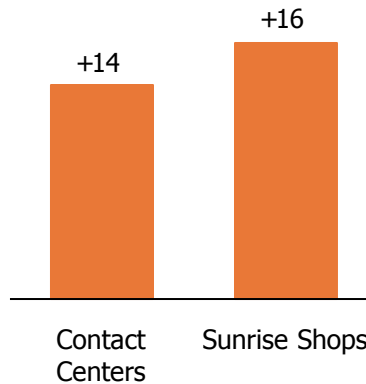
#2 with strongest improvements
(in points)



Net Promoter Score (NPS)

Flagship Stores

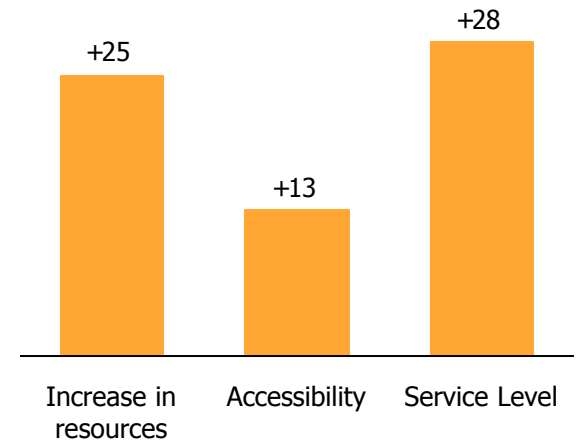
Improvements Jun-Dec
(in percentage points)



Customer Care

Rapid Improvements

Improvements Jun-Dec
(in percentage)



- Measurable network and customer care improvements created a strong foundation to build on our market position, through attractive offers and increased marketing
 - Increased postpaid mobile subscriber base: Q4'13 net adds of +25.1k
 - Continued growth of IPTV: Subscriber base almost doubled in 2013

Product innovations

Transparency, fairness and customer orientation

Quad-Play - The best convergent experience



- **Sunrise TV** with **7 day come back** TV and recommendation engine
- New MTV Mobile and **MTV Home** offers
- Continued **roll-out of LTE** and **fibre connections** to end customers
- **Sunrise indoor box** – first consumer Femto offer in the market
- Attractive **data roaming with travel packs**
- **Sunrise Freedom** – Transparent, fair and flexible



2

Full Year and Q4 2013 Financial Results

Financial key messages

- **FY'13 revenues of CHF 2'021 million**, a decrease of CHF 45 million on FY'12 (-2.2%)
 - Organic revenues decreased by CHF 71 million (-3.5%) due to postpaid migration effects
- Positive **FY'13 postpaid net adds +76.9k**, including +25.1k in Q4'13
 - Majority of customers (>80%) already migrated to new price plans
- Stable **FY'13 recurring EBITDA of CHF 620 million** (-0.6%), recurring EBITDA for **Q4'13 increased +3.2% y-o-y** to CHF 150 million
 - **Recurring organic EBITDA** growth of **+0.8% in Q4'13**
 - Postpaid migration effects largely offset by reduced SAC/SRC (-17%) and cost reductions following 2012 restructuring
- CapEx for the full year increased by 25.1% to CHF 281 million mainly driven by the completion of **the UMTS 900 swap, upgraded capacity and the accelerated LTE roll-out**
- FY'13 **operating free cash flow increased by CHF 30.2 million (+8.2%) to CHF 399 million** compared to FY'12 with a cash balance of CHF 149 million as of December 31, 2013

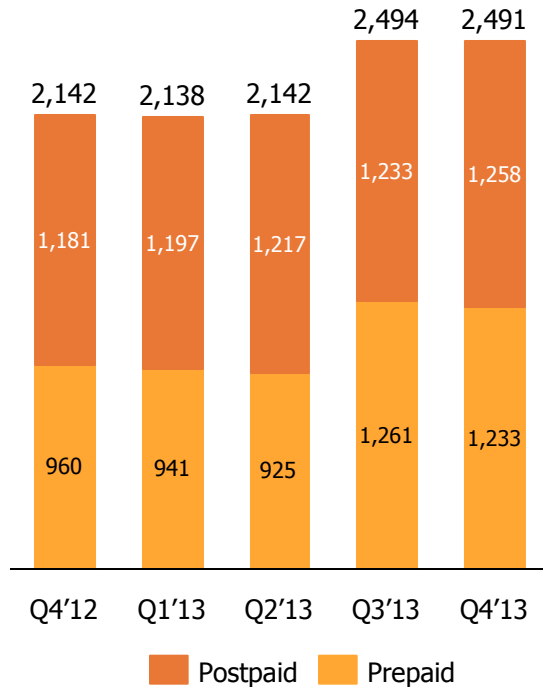
Top line pressure compensated by cost measures

Delta versus same period of previous year				
CHF million	Q1'13	Q2'13	Q3'13	Q4'13
Gross profit pressure	(13.3)	(15.5)	(15.8)	(13.7)
Cost improvements	+3.1	+16.8	+17.2	+18.4
Δ EBITDA (rec.)	(10.2)	+1.3	+1.3	+4.7
Net adds (in thousand)				
Postpaid mobile	+15.5	+20.3	+16.0	+25.1

- Effect of **price migrations flattening out** with more than 80% of customers already on new rate plans
- Positive Q4 trading trends
- 2012 restructuring supports leaner cost structure
- SAC/SRC down 17%
- Declining effect from price migrations supported by lower costs resulted in a **recurring EBITDA y-o-y increases from Q2'13 to Q4'13**
- Network and customer care improvements led to increased marketing efforts in Q4'13

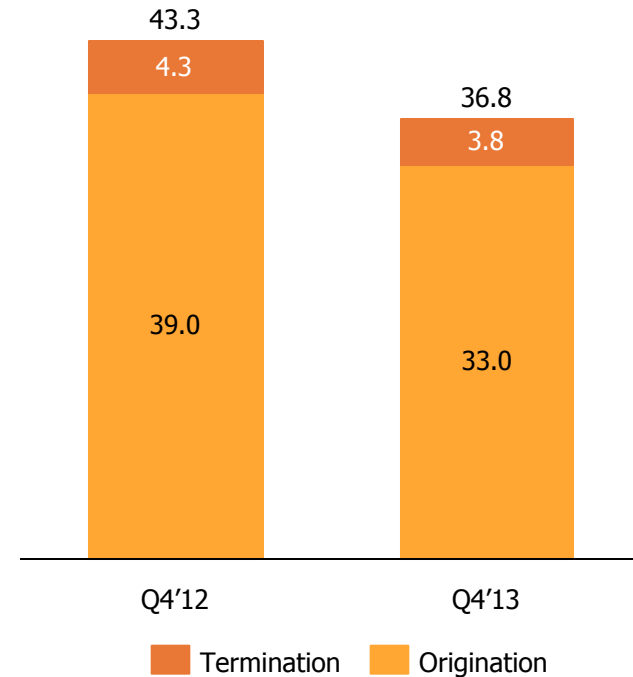
Mobile subscribers and ARPU development

Mobile subscribers ('000)



+76.9k postpaid subscribers YoY of which +25.1k in Q4'13

Blended ARPU (CHF)



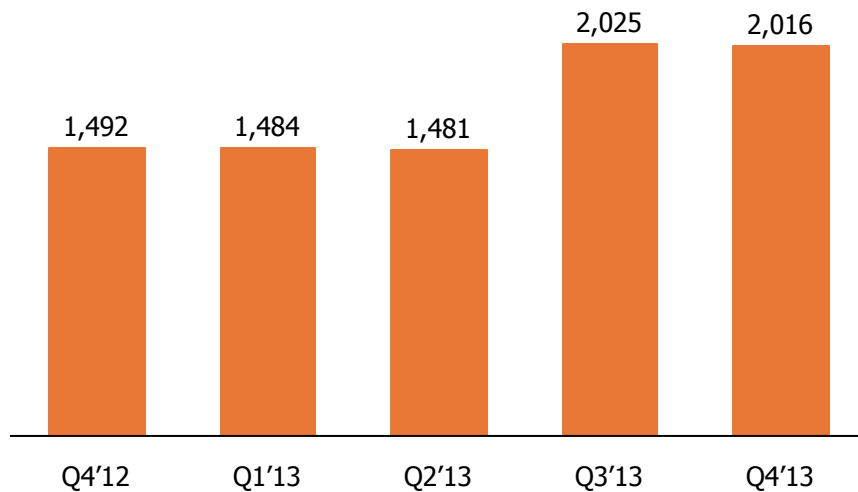
ARPU decline driven by migrations effects towards lower price plans and higher prepaid share due to acquisition of Lebara and Ortel (32% of total decline)

Pro-forma mobile prepaid subscriber statistics

12 month activity rule

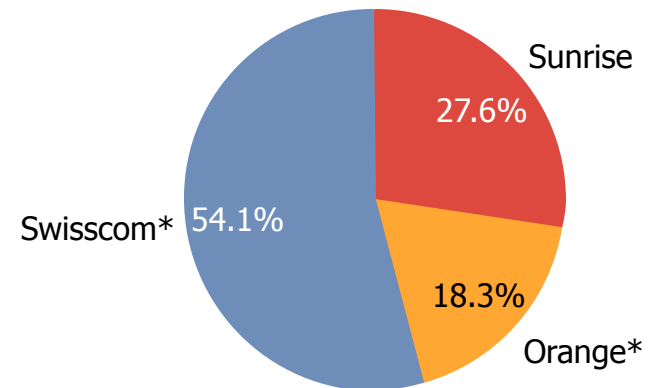
- For transparency reasons, pro-forma mobile prepaid subscribers based on a 12 month activity rule instead of Sunrise's 3 month activity rule are provided
- Sunrise still believes, that the 3 month activity rule is a fairer representation of the prepaid market

Pro-forma prepaid subscribers ('000)



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

Pro-forma mobile network market share Q3'13

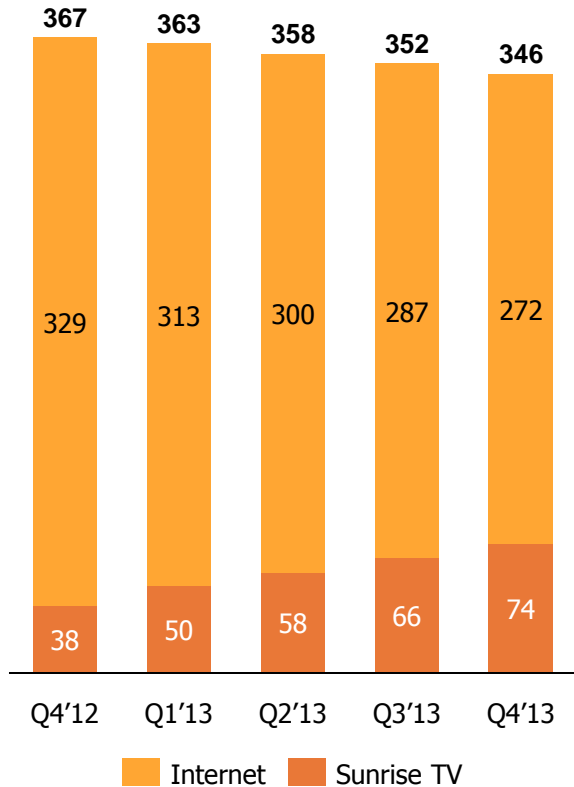


Network market share excluding MVNOs; Sunrise does not count M2M SIM cards into the subscriber base

* Source: Q3'13 Financial statements of Swisscom and Orange

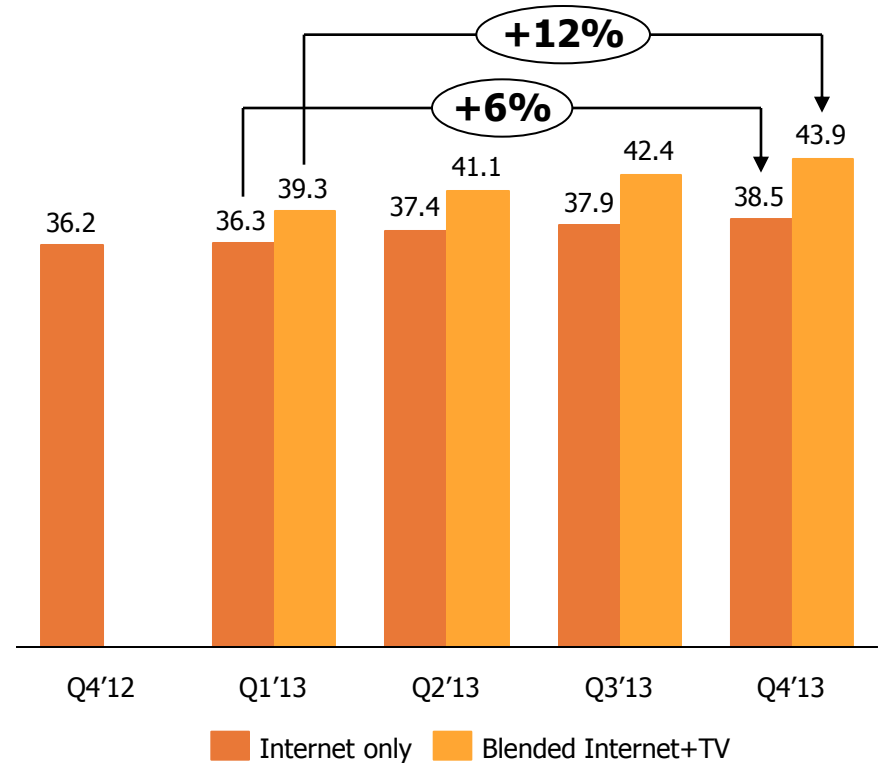
Landline internet subscribers and ARPU development

Subscribers ('000)



Continuous growth of TV subscriber, almost doubling the subscriber base in 2013

Internet and Sunrise TV ARPUs (CHF)



Increase of internet-only ARPU due to product mix; Sunrise TV bundles are positively impacting blended ARPU

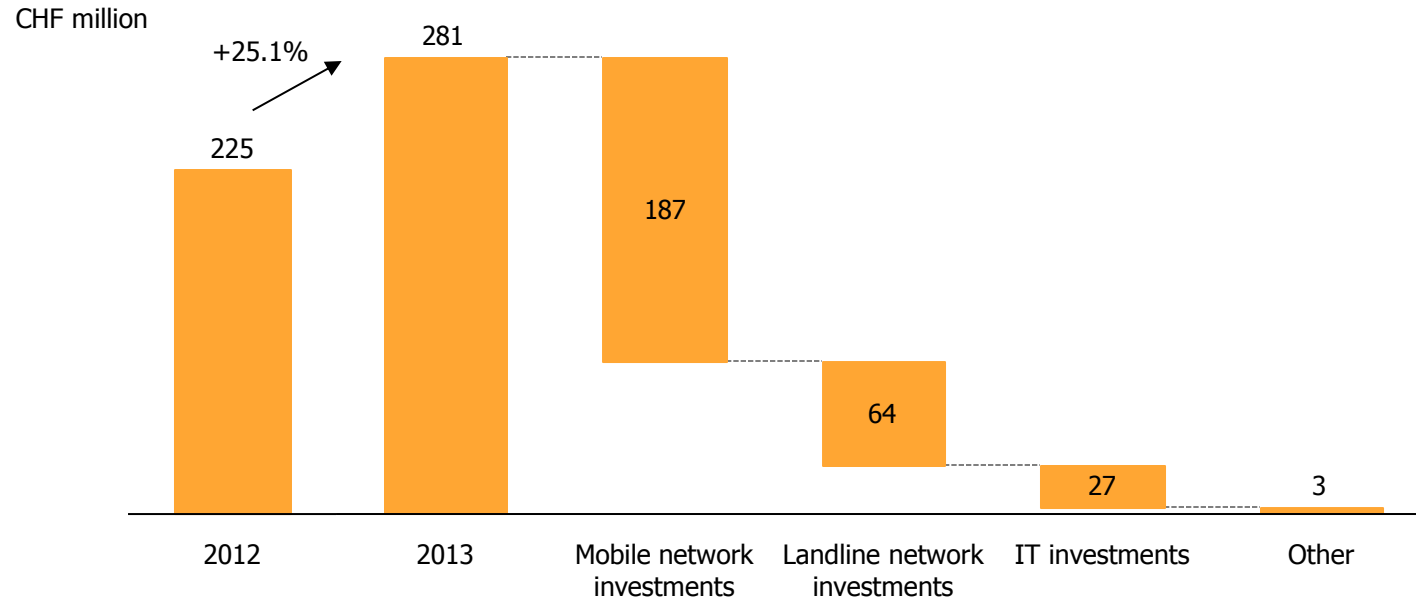
Overview of results

Financial Results	FY 2013	FY 2012 ¹⁾	Q4'2013	Q4'2012 ¹⁾
CHF Million				
Mobile	1'266	1'309	323	333
Landline Services	558	575	143	146
<i>of which hubbing</i>	<i>149</i>	<i>129</i>	<i>39</i>	<i>32</i>
Landline Internet	198	183	51	48
Total revenues	2'021	2'066	517	526
% yoy growth	(2.2%)		(1.8%)	
% yoy organic growth (excl. Lebara & Ortel)	(3.5%)		(6.8%)	
Revenues (excl. hubbing)	1'872	1'937	477	494
% yoy growth	(3.4%)		(3.4%)	
Gross profit	1'355	1'413	333	347
% margin	67.0%	68.4%	64.5%	65.9%
% yoy growth	(4.1%)		(4.0%)	
EBITDA	614	629	151	141
% margin	30.4%	30.4%	29.2%	26.8%
% margin (excluding hubbing revenues)	32.8%	32.5%	31.6%	28.5%
% yoy growth	(2.5%)		7.2%	
EBITDA recurring	620	624	150	145
% yoy growth	(0.6%)		3.2%	
EBITDA recurring excl. acquisition of Lebara & Ortel	613	624	146	145
% margin	30.7%	30.2%	29.8%	27.6%
% yoy organic growth (excl. Lebara & Ortel)	(1.7%)		0.8%	
Capex²⁾	(281)	(225)	(105)	(92)
% Capex-to-revenues (excl. hubbing revenues)	15.0%	11.6%	21.9%	18.5%
EBITDA-Capex	332	404	46	49
Change in working capital	67	(36)	51	117
Operating free cash flow	399	368	98	166
Mobile license payment (Capex)	-	(289)	-	(289)
Free cash flow after license payment	399	79	98	(123)

¹⁾ including retrospective application of IAS 19R (employee benefits)

²⁾ adjusted for the 1st down payment of the spectrum license in 2012 amounting to CHF 289 million

Capital expenditure breakdown



* Includes customer premises equipment for Sunrise TV

- Mobile network investments (+29% y-o-y) were primarily driven by the ongoing network investment program:
 - Extending and enhancing mobile data capacity and quality in the HSPA (21/42 Mbit/sec) and LTE area
 - Connecting base stations with fiber to the Sunrise core network
- Landline investments are driven primarily by the capitalization of set top boxes and xDSL routers for the Sunrise TV services as well as investments into the fixed network infrastructure

Net debt and leverage ratio

Net Debt	Dec 31, 2013	Dec 31, 2012
CHF million		
Senior Secured Notes	755	749
Senior Secured Notes issued July 2012	523	521
Floating Rate Notes issued July 2012	205	377
Senior Unsecured Notes	689	680
Utilized RCF	95	0
Total cash-pay borrowings ¹⁾	2'267	2'327
Fair value of cross currency swaps	116	136
Financial lease	35	40
Total debt	2'418	2'503
Cash & Cash Equivalents	(149)	(171)
Net debt	2'269	2'332
Net debt / EBITDA ²⁾	3.6x	3.8x
Senior PIK Toggle Notes	642	0
MCIG ³⁾ net debt / EBITDA ²⁾	4.7x	3.8x
Net Income Basket (NIB)		
Balance at BoP	21.4	
Utilized ⁴⁾	(47.5)	
Additions	70.9	
Balance at EoP	44.7	21.4

¹⁾ Nominal amounts, i.e. excluding capitalized debt issuance cost

²⁾ EBITDA includes annual pro-forma EBITDA of acquired entities Lebara and Ortel in Switzerland

³⁾ Mobile Challenger Intermediate Group S.A.

⁴⁾ Original PIK repayment and PIK Toggle interests

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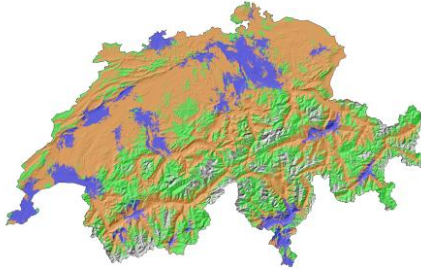
A scenic view of a mountain range at sunrise or sunset. The sun is low on the horizon, casting a warm, golden glow over the scene. The sky is a mix of blue and orange, with some light clouds. The mountains are covered in snow, and the overall atmosphere is serene and majestic.

3

Updates on Operations and Marketing

Updates on network

1 Mobile network



- Focus on best blend of technologies and spectrum to offer enhanced mobile voice and data user experience
- Utilizing UMTS and LTE in the low frequency bands (800/900MHz)
 - Enhancing deep indoor coverage
 - Enabling nationwide coverage, including rural areas – UMTS already at >98%; LTE >85% by end of 2014
- Femto-cells for further enhancing indoor coverage

2 LTE-Advanced



- First public LTE-Advanced demonstration in Switzerland
- Next generation technology to manage increased data speeds and capacities for our customers
- Launch time with availability of end user handsets and modems

3 Swiss Fibre Net AG



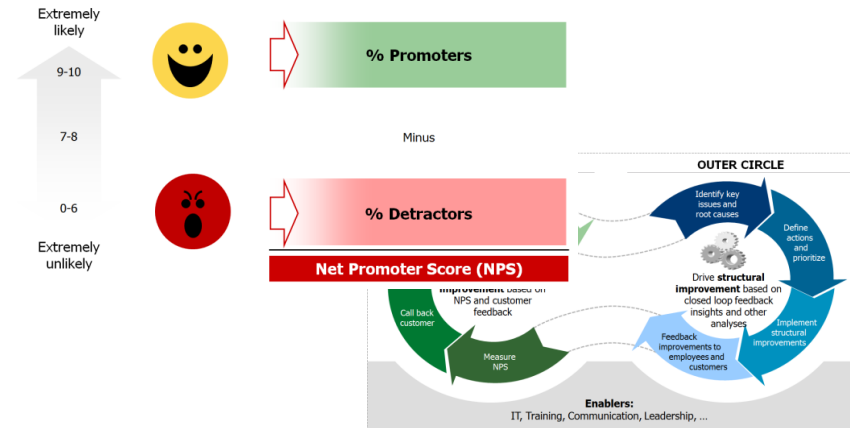
- Fibre footprint 2013: 500'000 households
- 1.4 million households expected in 2020
- Enables operational excellence by standardized products, processes & service

Updates on operations

Mobilizing and driving change through NPS

1 Methodology

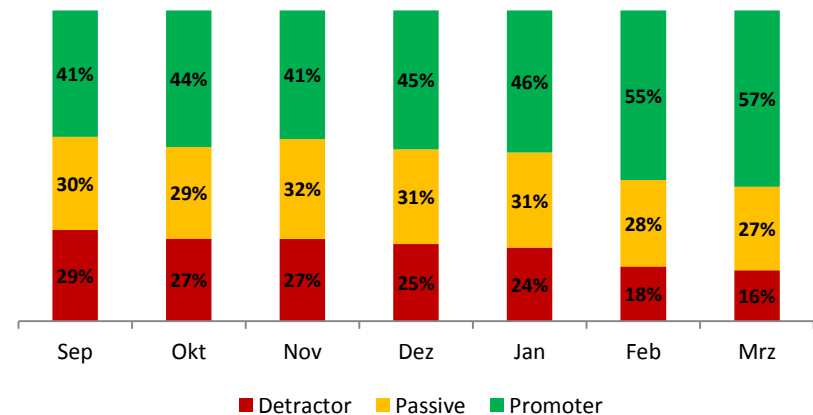
- Sunrise has introduced closed loop feedback systems, especially focusing on interaction channels, using the Net Promoter ® metric
- Sunrise has reached 85% mobilization of employees in consumer segments and is finalizing roll-out to all segments in 2014



2 Results

- 100,000+ feedbacks and 20,000+ call backs in the last 6 months
- Positive development of touch-point NPS across all channels
- NPS linked bonus and incentive scheme for all employees introduced as of 2014

NPS development for Sunrise stores



Updates on operations

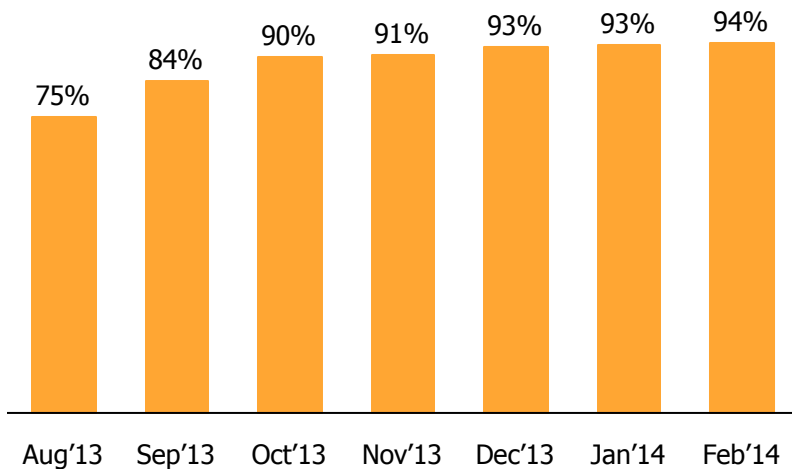
Being transparent about our Customer Service performance

KPIs important for our customers are:

- Accessibility – already available on web site (www.sunrise.ch)
- Solving rate – available in Q2'14
- Promise kept – available in Q2/Q3'14

Sunrise will continue to invest into customer service excellence

Development of call center accessibility



The screenshot shows the Sunrise website header with the slogan "We make your day. Sunrise" and a shopping cart icon. The main content area features a section titled "Customer service: Our key performance indicators enhance transparency!". Below this, it states "The measured values of last week as a percentage:" and shows a progress bar for "Accessibility" at 94 / 100. To the right is a photo of Maja Molinari, a customer service representative, with a testimonial: "«My motto is to assume full responsibility for the customer – until their concerns are completely resolved.»". Below the photo is a gold seal that says "CUSTOMER SATISFACTION" with a checkmark. At the bottom, there is a section titled "Current customer satisfaction" with the text: "Make service quality transparent. Sunrise wants to be the leading Swiss telecommunications provider in the area of customer service. In 2013, Sunrise took various measures to strengthen customer service. The progress can be seen, especially, in call center accessibility and service quality. Sunrise intends to push for continued improvement in the coming months and seeks to make customer service performance transparent through the publication of relevant performance indicators."

Innovative product developments

MTV Mobile and MTV Home Offer

For all under the age of 30 – fair tariffs for mobile, internet and TV – already launched

MTV Mobile / MTV Home



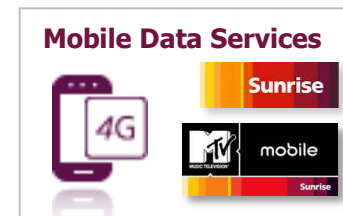
Relaxed abroad

Flat rate for calling foreign destinations and attractive offers for data roaming – already launched



Maximum speed and control

All new tariffs offer full mobile data speed, no bill surprises – launch during Q1/Q2'14



Sunrise Freedom

Transparently separating service plan from hardware costs and eliminating long contract durations – launch in Q2'14





4

Q&A

A scenic landscape photograph featuring a sunburst effect in the center. The sun is positioned behind a line of trees, creating a bright, glowing light that radiates across the sky. The foreground is dominated by a grassy hillside with a path leading upwards. To the left, a stone building is partially visible, nestled among trees. In the background, a valley opens up, showing a small town or village built on a slope, with a river or lake visible in the distance. The overall atmosphere is peaceful and serene, with a clear blue sky and warm, golden light.

Thank you

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