

A man with dark hair and a beard, wearing a grey polo shirt, is sitting and smiling while looking at a laptop. He is in a bright, modern office or home setting with large windows in the background showing a cityscape. The text is overlaid on the left side of the image.

Sunrise Communications Holdings S.A.

Financial results

January-March 2014

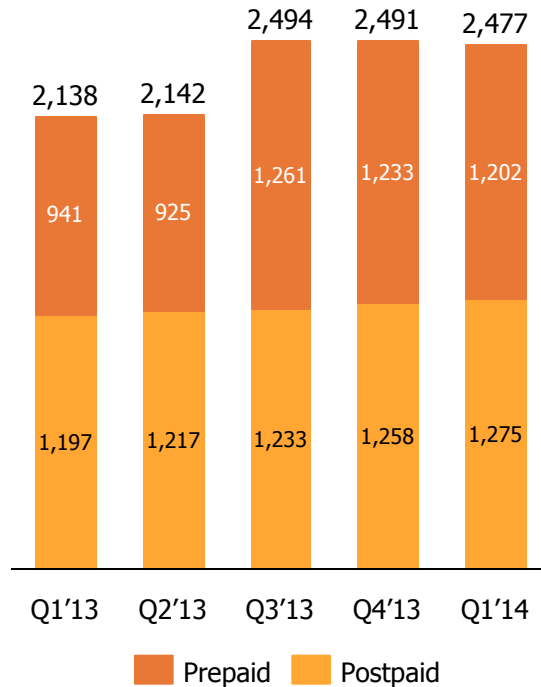
Financial key messages

Significant investments in Q1'14 to lay the foundations for anticipated growth from Q2'14, including supporting new products, acquiring high value customers and building next generation networks

- Continuation of the mobile postpaid customer growth momentum that began in Q4'13
 - **Q1'14 postpaid net adds +78.6k (6.6%) YoY**, including +17.2k in Q1'14
 - **TV subscriber base grew by +32.8k (65.5%) YoY**, with 8.5k in Q1'14
- Q1'14 **revenues of CHF 470 million**, a decrease of CHF 16.3 million (-3.4%) on Q1'13
 - Full customer base migration impact of 2012 price reductions only in Q1'14 (>90% already migrated)
- Q1'14 **recurring EBITDA of CHF 131 million** (-9.9%), LTM recurring EBITDA -2.3%
 - Investments in higher marketing communication expenses to support new MTV portfolio and prepare for the April launch of Sunrise Freedom
 - Mobile SAC 13% higher than Q4'13, due to aggressive subsidies from one of our competitors
- Step up in network infrastructure investments with **Capex 41.4% YoY higher** than in Q1'13
 - Utilizing UMTS and LTE in the low frequency bands to enhance deep indoor coverage and expand mobile data capacity

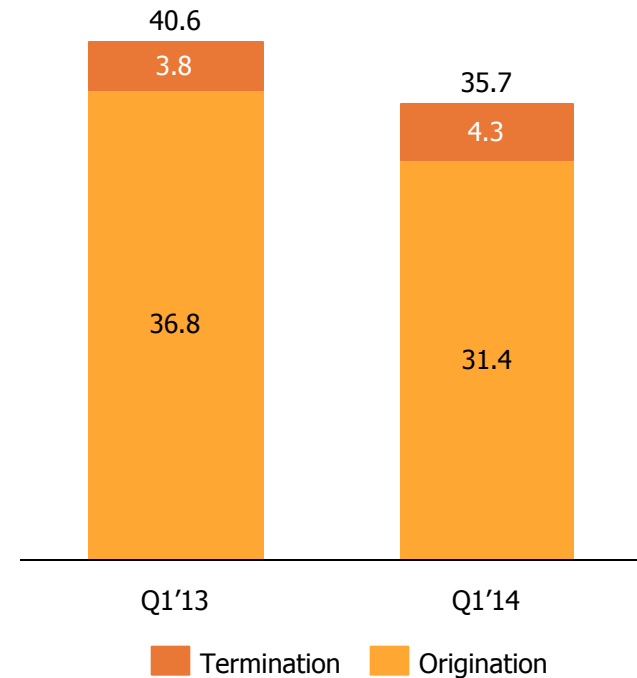
Mobile subscribers and ARPU development

Mobile subscribers ('000)



+78.6k postpaid subscribers YoY,
of which +17.2k in Q1'14

Blended ARPU (CHF)



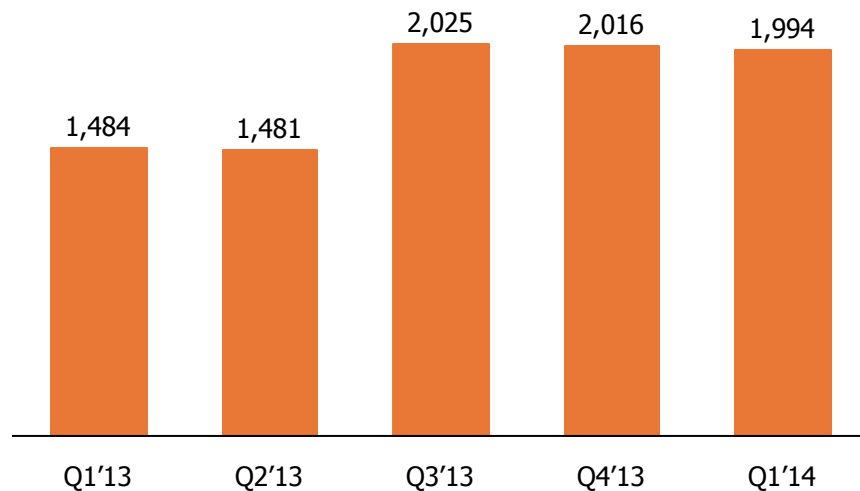
ARPU decline driven by migrations effects towards
lower price plans and higher prepaid share due to
acquisition of Lebara and Ortel (32% of total decline)

Pro-forma mobile prepaid subscriber statistics

12 month activity rule

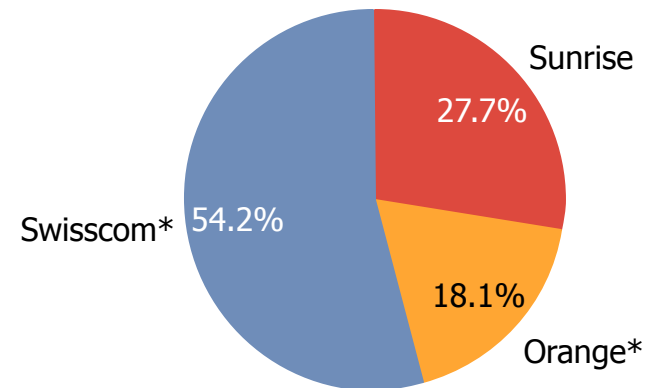
- For transparency reasons, pro-forma mobile prepaid subscribers based on a 12 month activity rule instead of Sunrise's 3 month activity rule are provided
- Sunrise still believes, that the 3 month activity rule is a fairer representation of the prepaid market

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 Q4'13

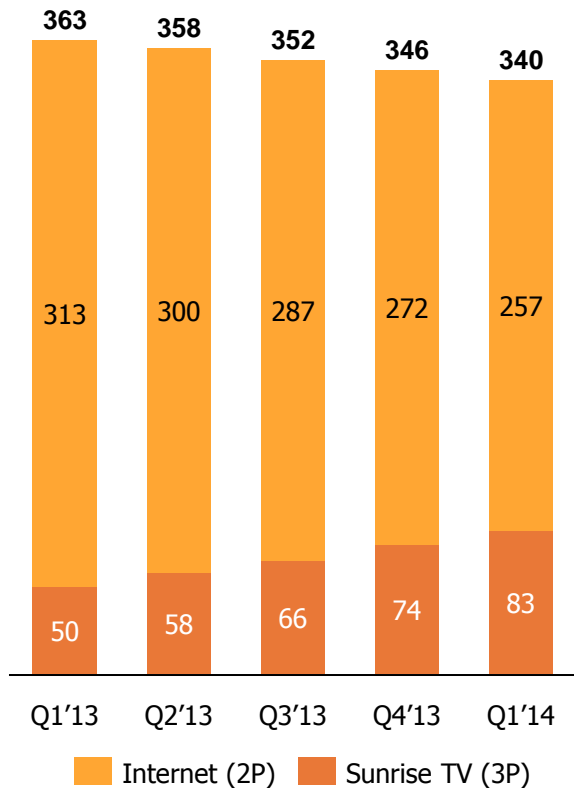


Network market share excluding MVNOs; Sunrise does not count M2M SIM cards into the subscriber base

* Source: Q4'13 Financial statements of Swisscom and Orange

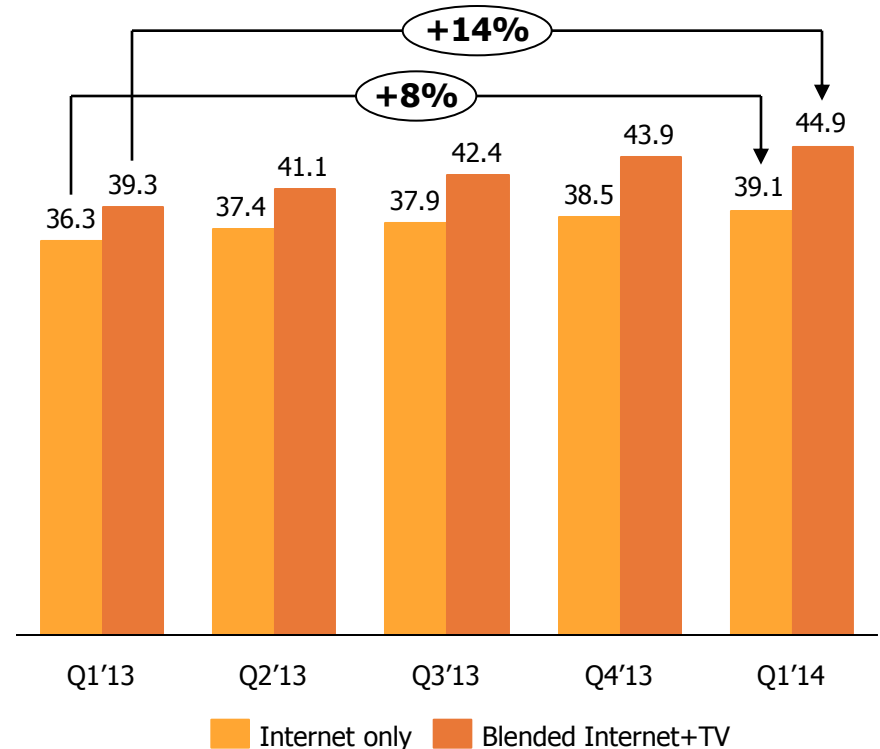
Landline internet subscribers and ARPU development

Subscribers ('000)



Continuous growth of TV subscriber base

Internet and Sunrise TV ARPUs (CHF)



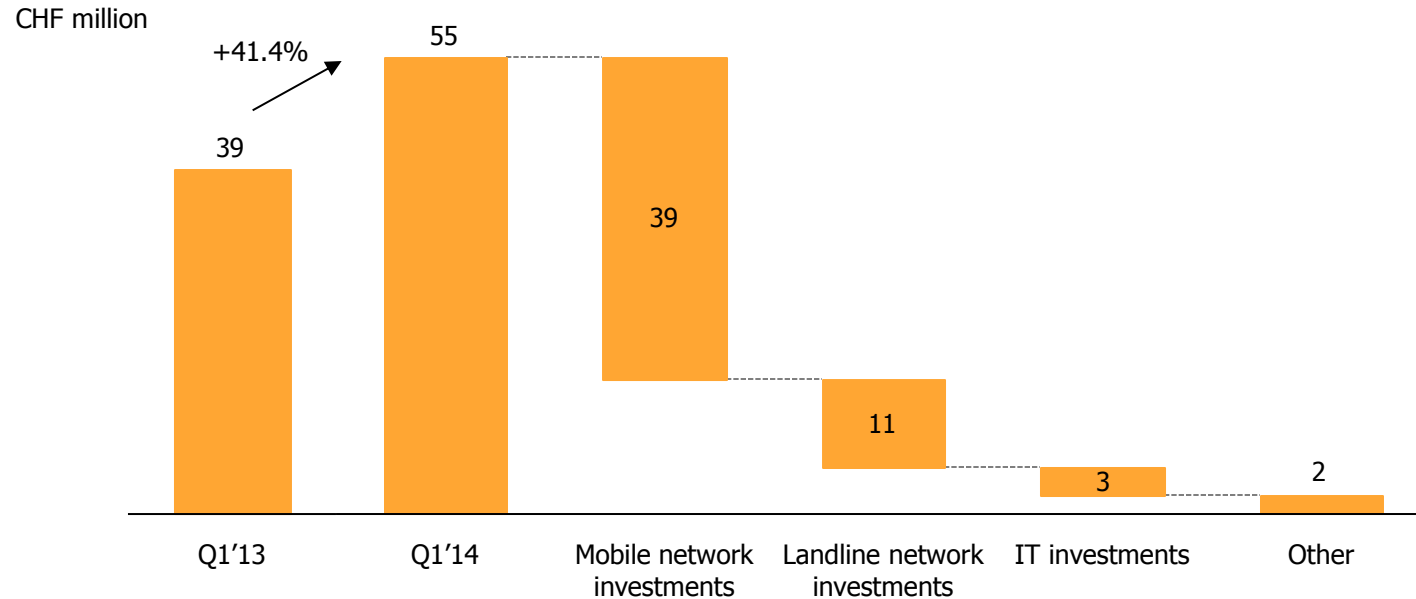
Increase of internet-only ARPU due to product mix;
Sunrise TV bundles are positively impacting blended
ARPU

Overview of results

Financial Results	Q1'2013	Q1'2014
CHF Million		
Mobile	304	291
Landline Services	135	128
<i>of which hubbing</i>	32	37
Landline Internet	48	51
Total revenues	487	470
% yoy growth		(3.4%)
Revenues (excl. hubbing)	454	433
% yoy growth		(4.6%)
Gross profit	336	320
% margin	69.1%	68.2%
% yoy growth		(4.7%)
Opex	(195.1)	(188.5)
EBITDA	141	132
% margin	29.0%	28.1%
% margin (excluding hubbing revenues)	31.1%	30.5%
% yoy growth		(6.6%)
EBITDA recurring	145	131
% yoy growth		(9.9%)
Capex	(39)	(55)
% Capex-to-revenues (excl. hubbing revenues)	8.5%	12.7%
EBITDA-Capex	102	77.1
Change in working capital	(21)	(99)
Operating free cash flow	82	(22)

Change in NWC and cash flow impacted by seasonal patters (high cash out due to Capex peak in Q4'13 of CHF 105m, bonus payouts) and shift in receivables from March to April

Capital expenditure breakdown



- Substantial step-up in infrastructure investments with 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
- Upgrading backhaul capacity with fibre or high bandwidth microwave connectivity

Net debt and leverage ratio

Net debt	Dec 31, 2013	Mar 31, 2014	Mar 31, 2014 ⁵⁾
CHF million			
Senior Secured Notes	755	753	753
Senior Secured Notes issued July 2012	523	522	522
Floating Rate Notes issued July 2012	205	203	203
Senior Unsecured Notes	689	683	683
Utilized RCF	95	60	60
Total cash-pay borrowings ¹⁾	2'267	2'221	2'221
Fair value of cross currency swaps	116	128	128
Financial lease	35	34	34
Total debt	2'418	2'383	2'383
Cash & Cash Equivalents	(149)	(65)	-
Pro-forma for cash balance as of end of Apr'14	-	-	(124)
Net debt	2'269	2'318	2'259
Net debt / EBITDA ²⁾	3.6x	3.8x	3.7x
Senior PIK Toggle Notes	642	635	635
MCIG ³⁾ net debt / EBITDA ²⁾	4.7x	4.8x	4.7x
Net Income Basket (NIB)	Jan-Dec'2013	Jan-Mar'2014	
Balance at BoP	21.4	44.7	
Utilized ⁴⁾	(47.5)	(27.8)	
Additions	70.9	16.5	
Balance at EoP	44.7	33.4	

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

⁵⁾ Pro-forma net debt includes cash balance as of Apr 30, 2014

A close-up photograph of a person's hands holding a white tablet. The background is a blurred kitchen scene with a bowl of fruit and some greenery. The text "Updates on Operations and Marketing" is overlaid in a dark red font.

Updates on Operations and Marketing

MTV portfolio refresh 1/2

Launch of customer oriented products and brand relaunch



1 MTV Home



- **New home offers** with internet and TV
- **Best price value ratio** for young people in the Swiss market

2 MTV Mobile



- **New mobile portfolio** covering all needs from entry level to international full flat at attractive prices
- **Innovative features** included such as WhatsApp, full speed surfing with cost control and cost protection abroad
- **New partnerships** with WhatsApp and SBB to generate differentiators and added value for segment

3 Brand



- First **broad cross media campaign** for MTV mobile since 2011
- **Benefit driven brand communication** with more than 50% share of voice in campaign period at targeted segment

The Sunrise Freedom concept is also available for the MTV mobile portfolio

MTV portfolio refresh 2/2

First results indicate positive market reactions



1 Order intake

- Quick increase of MTV home orders, continued good intake after end of campaign
- **Launch** of new mobile portfolio **triggered a 37% increase** in new orders and **contract extensions rising by 22%** (weekly average)



2 Customer base

- MTV home customer base growing steadily with a higher than expected growth rate
- Mobile customer base **growing 60% faster** after launch of new mobile offering



3 NPS

- Customer's experience increased with **NPS improvements of 36 percentage points**

A woman with short dark hair, wearing a light-colored patterned sweater, is looking out from a balcony at a sunset over a body of water. The scene is bathed in the warm, golden light of the setting sun, with the sky transitioning from orange near the horizon to a pale blue above. The balcony railing is visible in the foreground, and the water reflects the low sun.

Q&A

Thank you



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