

Media release

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Further growth in sales and profitability at Sunrise

- **Sales growth yoy by 2.2% in Q3 2014**
- **Increase in profitability: EBITDA rose by 6.3% in Q3 2014 yoy**
- **Sunrise TV increases number of customers by 31,200, of which about 7,600 in Q3 2014**
- **Mobile postpaid customer base continues to increase driven by Sunrise Freedom**
- **Heavy strategic investments in the network infrastructure**

Ongoing investments in infrastructure, services, innovative products and network pay off in a strong growth momentum. This is reflected in growing EBITDA and revenue figures as well as in increasing number of customers. Sunrise will further push this positive momentum by pursuing the actual investment strategy.

Sunrise continued its positive development from the first half of 2014 in the third quarter. As the largest private Swiss telecommunications company, it gained 70,600 new customers (+6%) yoy in the mobile post-paid area, of which 15,200 came solely in the third quarter of 2014. Already approximately 25% of customers benefit from the attractive Freedom program, which allows high flexibility.

Sunrise also showed growth in TV where in the third quarter of the current financial year around 7,600 new customers (+9%) were added; the number of users rose to almost 100,000. The weekly order entry for the new landline network portfolio Sunrise Home increased by 45% compared to second quarter 2014, which reflects the innovation's commercial success.

Growth in sales and EBITDA

In the third quarter of the current financial year revenues were at CHF 531 million and thus higher by CHF 11.4 million yoy (+2.2%). In the first nine months Sunrise posted total revenue of CHF 1,527 million; this corresponds to a plus of CHF 22.8 million or 1.5% ytd. The yearly growth in mobile revenue is 5.1% for the first nine months, amounting to a total of CHF 991 million.

EBITDA was at CHF 181 million in Q3, which corresponds to growth of CHF 11 million or 6.3% yoy. An EBITDA of CHF 473 million was achieved in the first nine months, which corresponds to growth of 2.2% yoy.

Continuing investments in infrastructure

Sunrise continued to increase its strategic investments in infrastructure, spending 45.9% more than in the same period of the previous year, taking the total year-to-date spend to CHF 258 million. This was divided between mobile with CHF 153 million and fixed line with CHF 86 million. The resulting increase in quality due to targeted investments in the mobile network was confirmed most recently by the SBB-connect test for supply along train lines where

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Sunrise does particularly well in the areas of voice and regional traffic. Furthermore, Sunrise now already has population coverage of around 80% for the newest mobile network technology LTE, and is increasing further.

Sunrise Rewards successfully launched

Sunrise continued to introduce new innovations to the Swiss market. After Sunrise Freedom and Sunrise Home, Sunrise launched a unique loyalty program. With Sunrise Rewards existing customers can get optional extras of their choice for free or at a discount. Within just four weeks of the launch, some 30,000 customers had already chosen the loyalty program. Furthermore, Sunrise introduced a new buyback program where customers can give back their used mobile devices and benefit from a credit up to CHF 360 on future invoice.

Transparency in Customer Care

Sunrise was able to continually raise the reliability of its Customer Care in recent months, which has increased to 81%. Shops and call center customer satisfaction also continues to improve.

Libor Voncina, CEO, said "We are now seeing our investments paying off in terms of winning customers over to Sunrise. We will continue this strategy to ensure Sunrise provides the best quality and value in the Swiss market".

Time period	1.1. to 30.9.14	1.1. to 30.9.13	Change
Total revenue (in CHF m)	1,527	1,504	+ 1.5%
Mobile network services	991	943	+ 5.1%
Landline network services	383	415	(7.6%)
Landline network services (without hubbing)	272	305	(12.5%)
Internet services	153	147	+ 4.1%
EBITDA (in CHF m)	473	462	+2.2%
EBITDA margin	30.9%	30.7%	
EBITDA margin without hubbing)	33.5%	33.2%	
Customer relations (in m)	3.2	3.3	(2.2%)

More Information on www.sunrise.ch/ir and www.sunrise.ch/media

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Sunrise

Sunrise is the largest private telecommunications provider in Switzerland, with offices in Zurich, Kloten, Lucerne, Basel, Berne, Biel/Bienne, Prilly, Geneva and Lugano. Around 3.2 million customer relations 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 99.9% of the population with modern mobile network services at transfer speeds up to 100 Mbit/sec. A high-performance fibre-optic network with a total length of 10,841 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 93 Sunrise centres throughout Switzerland. Sunrise is a brand of Sunrise Communications AG.