

Media release

Zurich, March 10, 2016

Page 1/6

Sunrise 2015: strong customer momentum

- Continued growth of mobile postpaid customers (+79,700, +6.0% YoY)
- Accelerated growth of internet (+14,600, +4.5% YoY) and TV customers (+26,700, +25% YoY)
- Revenue decrease of 4.8% to CHF 1,976m
- Adjusted EBITDA at CHF 627m (-1.8%) with 80 bps margin improvement
- Net income of CHF -113m (CHF 45m adjusted for IPO and refinancing costs)
- Equity free cash flow up to CHF 153m - proposed dividend of CHF 3 per share
- Guidance of CHF 600-620m adjusted EBITDA in 2016

In 2015 Sunrise continued with strong mobile postpaid customer growth in a competitive market environment. The internet and TV customer base developed favourably supported by the launch of the enhanced Sunrise Smart TV offering in November. Revenue declined YoY due to the Swiss Franc strength, Freedom hardware unwind, and a continued structural decline in the prepaid and fixed voice businesses. Sunrise continued to optimise its cost base on a road to simplification and digitalisation and thereby improved its adjusted EBITDA margin.

Libor Voncina, CEO of Sunrise, comments: "The investments we have made in the last three years in network quality, product innovation and customer service are paying off. The recognition by our customers are confirmed by the independent magazine "connect" for having the best network for mobile voice telephony in Switzerland and the best customer hotline care among all Swiss mobile network providers. This is a good foundation and gives us confidence for 2016."

Strong subscriber momentum in mobile postpaid, internet and TV

Positive momentum in subscriber development continued in Q4'15 with mobile postpaid recording 79,700 net new customers (+ 6.0%) YoY, reaching a total of 1.4 million. In the fourth quarter 2015 alone, Sunrise added 20,600 new postpaid customers, representing another strong quarter. The prepaid customer base continued its structural decline since a growing number of customers are using the broad range of postpaid offers. Internet subscriber net additions grew by 5,300 in Q4'15, representing the strongest increase in more than five years. In FY 2015, internet customers were increased by 14,600 or 4.5%. TV subscribers increased QoQ by 7,000 in Q4'15 and by 26,700 customers or 25% in FY 2015. Drivers for the strong internet and TV performance include the attractive 'Home' tariffs, convergence benefits and the launch of the enhanced Sunrise TV offering in November 2015.

Short-term effects and structural changes drive revenue

Q4'15 revenue decreased 7.7% YoY from CHF 555m to CHF 512m. Subscriber growth in mobile postpaid, internet and TV did not compensate for both short-term and structural revenue declines. Short-term effects occurred from roaming price changes and from the strengthening Swiss Franc, which impacted Sunrise's handset and hubbing revenues. Structural changes

Media release

Zurich, March 10, 2016

Page 2/6

continued to be present within mobile prepaid and landline voice businesses. The Freedom hardware unwind, related to mobile customers migrating to Freedom tariffs, represented a further adverse revenue impact in comparison with Q4'14, an effect which is expected to largely fade out by the end of 2016. In FY 2015 Sunrise posted total revenue of CHF 1,976m, corresponding to a decrease of 4.8%.

Stable adjusted EBITDA and improved net income

Q4'15 adjusted EBITDA remained broadly stable YoY at CHF 165m. Adjusted EBITDA margin improved from 32.8% to 34.7% (excl. hubbing), supported by cost efficiencies and segment mix (less low-margin hardware revenue). Sunrise continued to work on its cost base and reduced Q4'15 adjusted Opex by 12% YoY. In FY 2015, adjusted EBITDA amounted to CHF 627m, corresponding to a 1.8% YoY decrease. Q4'15 net income increased by CHF 85m YoY to CHF 25m, particularly driven by reduced interest expenses. The FY 2015 net loss of CHF 113m is primarily related to extraordinary effects in Q1'15 following the IPO and debt refinancing. Adjusted for those costs of CHF 157m net income would amount to CHF 45m in FY 2015.

Improved equity free cash flow – dividend of CHF 3 per share proposed

Equity free cash flow increased from CHF 3m in Q4'14 to CHF 55m in Q4'15. The increase was mainly driven by lower interest expenses following debt refinancing. In FY 2015, the equity free cash flow amounted to CHF 153m compared to CHF -4m in the previous year. Net debt/EBITDA slightly improved to 2.6x in Q4'15, supported by cash generation. The Board of Directors will propose a dividend of CHF 3 per share at the Annual General Shareholder meeting. The dividend will be paid from reserves from capital contribution.

Award winning customer focus

In 2015 network quality, product innovation and customer service not only have been recognized by customers, but also by independent third parties. Swiss economic magazine "Bilanz" rated Sunrise as offering the best mobile network and in particular as providing the best TV offer in terms of quality, innovation and flexibility in the residential market. According to the independent magazine "connect" in the issue 12/2015 Sunrise has the best customer hotline care compared to all other Swiss mobile network providers. The same magazine voted Sunrise as the number 1 for mobile voice telephony for the second time in a row with an overall grade of "VERY GOOD". In 2015 Sunrise significantly increased its 4G/LTE coverage to 98% by the end of the year.

Media release

Zurich, March 10, 2016

Page 3/6

Launch of new Smart TV

With the launch of the new Smart TV, Sunrise has made the next step ahead. Thanks to the cloud-based recording function, customers can simultaneously record as many programmes as they like, whilst also recording programmes that they have missed in the last seven days from ComeBack TV. Sunrise Smart TV can be used on the TV and on up to five mobile devices.

Sunrise Business: new customers, new partners

In 2015 Sunrise continuously gained new customers in the business segment due to offering innovative, customized products and the ability to help customers to move into cloud services, collaboration services and network integration. In 2015 Sunrise began providing comprehensive telecommunications services for amongst others Cofely, Coop Rechtsschutz AG, the Geneva cantonal police, Strabag and SR Technic. The list of new customers also includes companies such as Maestrani, Flumroc, Rhätische Bahn, SBB and organizations like UNICEF, IATA and the University of Basel.

Revision of telecommunication act necessary

Sunrise welcomes the revision of the telecommunications act (FMG) as the proposal strengthens the consumer protection and deregulates where competition allows. However Sunrise' position is that the Federal Council should cover the last mile fiber optics market within the existing framework in the event of market failure. Furthermore a complex new regulatory regime (imposing obligations ex-ante or ex-officio, toolbox) aimed at protecting competition is not necessary. The existing ex-post solution has proven effective for market participants pursuing a mutual solution in good faith before seeking assistance from the regulator.

2016 guidance

Revenue headwinds experienced in 2015, such as the Freedom hardware unwind, are expected to continue but will moderate. Subscriber growth in mobile postpaid, internet and TV as well as cost efficiency measures will partially mitigate these headwinds. As a result, 2016 revenues are expected to be in the range of CHF 1,890m to CHF 1,930m. Adjusted EBITDA is expected to be between CHF 600m and CHF 620m. Capital expenditure guidance is reiterated to be between CHF 220m and CHF 230m. Cash taxes are expected to be in the range between CHF 45m to CHF 50m. Upon meeting its 2016 guidance, Sunrise expects to propose a dividend to the AGM for the financial year 2016 in the range of CHF 3.24 and CHF 3.36 per share to be paid from reserves from capital contribution in 2017.

Dividend policy of 65% eFCF pay-out confirmed

Sunrise reiterates its dividend policy of paying out at least 65% of equity free cash flow. The company confirms its net debt / EBITDA leverage target of 2.5x. Once this threshold is reached, cash in the excess of the 65% will be used for dividend, share buyback or further deleveraging, as appropriate at that time. The accounting treatment of mobile hardware sales under the Freedom proposition has a negative impact on net working capital as it increases the receivable balance. In order to minimize this negative impact, Sunrise currently includes the

Media release

Zurich, March 10, 2016

Page 4/6

cash flow generated by monetization of freedom hardware receivables under the factoring agreement in the definition of equity free cash flow. Sunrise expects that the negative impact on networking capital ceases during 2017 and, therefore intends to exclude such cash flows from the definition of equity free cash flow from 2017.

	FY 2015	FY 2014	Q4 2015	Q4 2014
Total revenue (CHF million)	1,976	2,075	512	555
Mobile services	1,304	1,350	338	367
Landline services	472	521	123	138
Landline internet	200	204	51	51
EBITDA (CHF million)	616	639	166	167
Adjusted EBITDA	627	638	165	167
Adjusted EBITDA margin (excl. hubbing)	34.2%	33.4%	34.7%	32.8%
Operating income	144	177	48	35
Net (loss) / income	(113)	(115)	25	(60)
Net income (adj. for IPO/refinancing costs)	45	(115)		
Basic and diluted earnings per share (CHF)	(2.62)	n/a	0.56	n/a
Dividend (in CHF per share)				
Proposed to the AGM 2016	3			
Customer development (thousand)				
Mobile				
Postpaid	1,400	1,320		
Prepaid	1,014	1,145		
Landline				
Retail voice	394	398		
Internet	342	327		
IPTV	134	107		

Media release

Zurich, March 10, 2016

Page 5/6

Sunrise Communications Group AG published its financial results for Q4/FY 2015 today. Please see <http://corporate.sunrise.ch/ir/reports-and-presentations> for the report, the presentation, and further information.

Link to the digital annual report: www.sunrise.ch/annualreport2015.

Sunrise

Corporate Communications

P.O. Box

CH-8050 Zürich

media@sunrise.net

www.sunrise.ch

Phone: +41 800 333 000

Fax: +41 58 777 61 67

About Sunrise

Sunrise Communications Group AG (Sunrise) is listed on the SIX Swiss Exchange in Zurich and is the leading fully-integrated challenger delivering a full range of services across all market segments. Sunrise is the leading non-incumbent operator in both the mobile (prepaid and postpaid) and landline retail voice markets, as well as the third-largest landline internet provider with IPTV, with approximately 3.3 million customer relationships, as of December 31, 2015. Sunrise is committed to deliver a best-in-class convergent experience.

Sunrise benefits from a 10,800 km nationwide state-of-the-art fibre network backbone. Sunrise provides mobile services through its own network based on GSM/GPRS/EDGE, UMTS/HSPA and LTE/4G technologies. On the fixed side, Sunrise leverages more than 600 points of presence in its fully-invested LLU network, with coverage of approximately 85% of households in Switzerland. The company has full access to the most advanced next-generation access technologies, such as vectoring, FTTS, FTTB and FTTH thanks to its long-term agreement with the incumbent, SFN and local utilities.

For the financial year ended December 31, 2015, Sunrise generated total revenue of CHF 1,976 million and adjusted EBITDA of CHF 627 million. Sunrise is headquartered in Zurich and had a total of 1,762 employees (including 108 apprentices) allocated to divers business locations across the entire country as of December 31, 2015.

For more information regarding Sunrise, please visit: www.sunrise.ch

Disclaimer

The information contained in this media release has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, reasonableness or correctness of the information or opinions contained herein. None of Sunrise Communications Group AG, its subsidiaries or any of their respective employees, advisers, representatives or affiliates shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this media release. The information contained in this media release is provided as at the date of this media release and is subject to change without notice.

Statements made in this media release may include forward-looking statements. These statements may be identified by the fact that they use words such as "anticipate", "estimate", "should", "expect", "guidance", "project", "intend", "plan", "believe", and/or other words and terms of similar meaning in connection with, among other things, any

Media release

Zurich, March 10, 2016

Page 6/6

discussion of results of operations, financial condition, liquidity, prospects, growth, strategies or developments in the industry in which we operate. Such statements are based on management's current intentions, expectations or beliefs and involve inherent risks, assumptions and uncertainties, including factors that could delay, divert or change any of them. Forward-looking statements contained in this media release regarding trends or current activities should not be taken as a representation that such trends or activities will continue in the future. Actual outcomes, results and other future events may differ materially from those expressed or implied by the statements contained herein. Such differences may adversely affect the outcome and financial effects of the plans and events described herein and may result from, among other things, changes in economic, business, competitive, technological, strategic or regulatory factors and other factors affecting the business and operations of the company. Neither Sunrise Communications Group AG nor any of its affiliates is under any obligation, and each such entity expressly disclaims any such obligation, to update, revise or amend any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on any such forward-looking statements, which speak only as of the date of this media release.

It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of full-year results.