



Sunrise Communications Group AG

FY'16 financial results – 2 March 2017

Agenda

- | | | |
|---|-----------------------|------------------|
| 1 | Summary & 2016 Review | O. Swantee (CEO) |
| 2 | Q4 Financials | A. Krause (CFO) |
| 3 | Outlook | O. Swantee (CEO) |
| 4 | Q&A | |

Summary

Ongoing momentum alongside improving eFCF and dividend

Continuation of first nine-month trends **into Q4:**

- Solid subscriber momentum in focus areas with 6.1% growth in mobile postpaid, 8.9% in internet and 21.7% in IPTV YoY; Mobile postpaid revenue and gross profit reaching slight positive development in Q4; Internet and TV revenues continue to show improving trends
- Continued headwinds in prepaid and landline voice; challenging B2B financial performance primarily in a lower margin business, but refocus of B2B will provide mid-term opportunities
- Revenue decline of -2.3% YoY in Q4 (FY'16: -4.0%) and moderating Gross Profit decline of -2.3% in Q4 (FY'16: -4.1%)

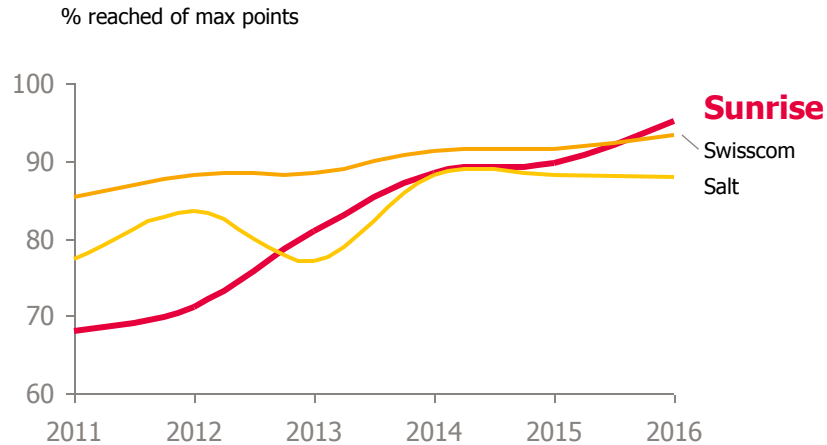
FY'16 results **in-line with guidance:**

- Adj. EBITDA at CHF 611m, in mid range of FY'16 guidance
- Net income at CHF 87m, up from CHF -113m in FY'15
- Equity FCF up 50.2% YoY (CHF 230m) in FY'16, leading to proposed CHF 3.33 dividend per share

FY'17 guidance pointing towards further **stabilization** supported by convergent tariff launch, improving perception after 'Connect' network test win and increasing NPS, and ongoing cost focus

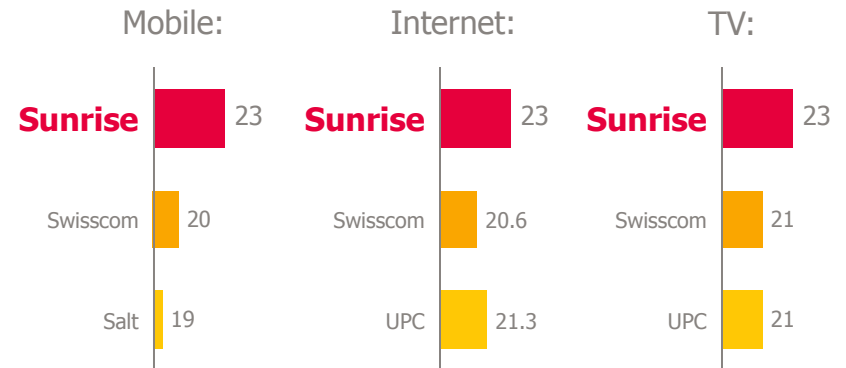
Sunrise now leads the Swiss market with best mobile network

Winner in connect network test 2016 ¹⁾



- **Sunrise** new **No. 1** in terms of mobile network quality in Switzerland and DACH region
- **Strongest improvement** since 2011 supported by mobile network strategy and investment ramp-up
- Connect ¹⁾ represents independent mobile network tester

Winner in BILANZ telecom ranking 2016 ²⁾

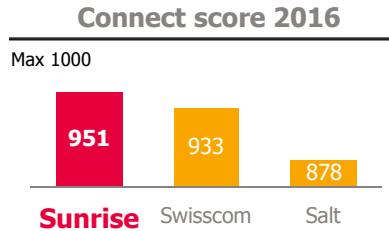


- Sunrise with **best results** of «big providers» for the residential market
- **10k users** participated in independent annual BILANZ survey
- Users rated quality, innovation, price, flexibility and support on a scale from 1 the lowest and 6 the highest

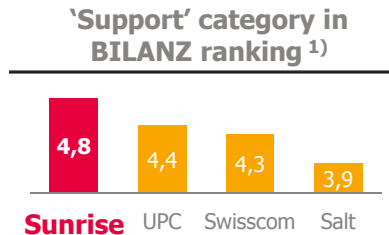
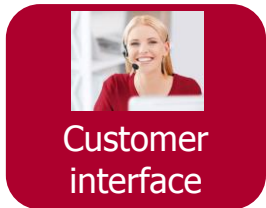
¹⁾ Source: connect 1/2017; www.connect.de

²⁾ Residential results; Source: BILANZ 18/2016 September; Maximum score: 30

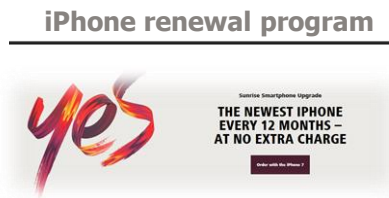
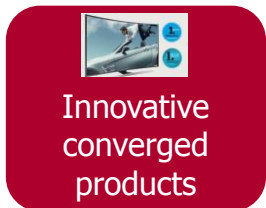
2016: On-track with Key Priorities ...



- Outstanding mobile network with **0.125% dropped call** rate (3G), **99.4% LTE population coverage**, and **35 Mbit/s average** experienced **download speed** for LTE
- Capex-light landline access strategy with increased broadband speeds



- **Net Promoter Score up** almost **50ppt** since introduction in 2013
- **No. 1** of 'big providers' in BILANZ residential category '**Support**'

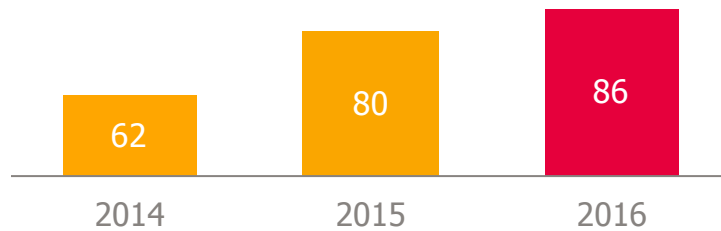


- Customer growth driven by innovation & quality; BILANZ ranked Sunrise **No. 1** of 'big providers' in the residential category '**Innovation**' ¹⁾
- Attractive **iPhone renewal program** launched in H2; internet turnaround supported by **Sunrise TV upgrade** and increased speeds at attractive prices

¹⁾ Source: BILANZ 18/2016 September; referring to residential results; average rating across Mobile Telephony, TV, and Internet Service Provider except for Salt which is Mobile Telephony only

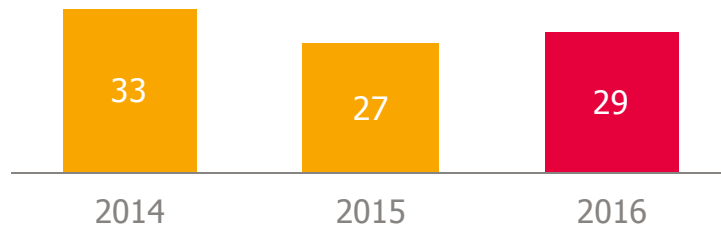
... leading to subscriber growth in focus areas

Mobile Postpaid subscriber growth YoY (in k)



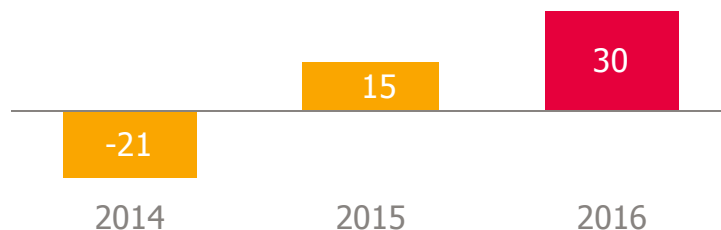
- **Postpaid** with solid net adds

TV subscriber growth YoY (in k)



- **TV** showing steady growth after 2012 launch

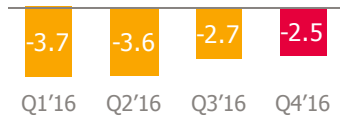
Internet subscriber growth YoY (in k)



- **Internet** turnaround achieved

... with benefits offset by headwinds

Mobile postpaid ARPU YoY (CHF)



- **Pressure** from Freedom hardware unwind ¹⁾, promotions, roaming, 2nd SIM dilution, higher liquidity and more attractive offers at the value-end of the market
- Hardware unwind effect continuously **fading** away (CHF -10m on total revenue in Q4'15 vs. CHF -4m Q4'16 YoY)

Landline voice ARPU YoY (CHF)



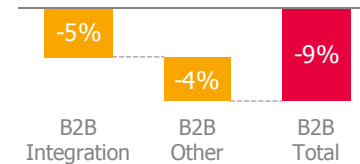
- Increasing **fixed to mobile substitution** and OTT impacting fixed voice usage (ARPU) negatively
- Subscribers increasing, due to bundling voice into broadband offers

Prepaid development



- Subscribers down due to ongoing **pre- to postpaid** migration
- ARPU impacted by high value customers migrating to postpaid and increased **OTT** usage

B2B revenue 2016 YoY (%)



- B2B revenue down primarily related to **transformation phase** refocusing B2B
- More than half related to a product transition phase in **low-margin Integration** business

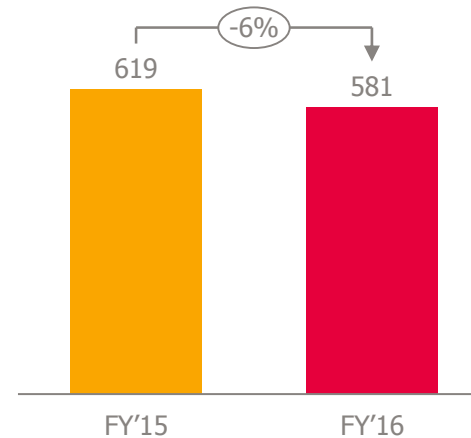
¹⁾ Pre-Freedom service revenues contain subsidized hardware component which is unwinding as customers migrate to Freedom offering

Hence, cost efficiencies in focus

Opex levers

- Organizational **streamlining** announced in September 2015
- Ongoing efficiencies throughout 2016 including streamlining of management levels across Sunrise
- Further cost savings identified based on sourcing optimization as well as simplifying and digitizing processes and customer interactions

Adjusted Opex¹⁾ (CHFm)



¹⁾ Total adjustments to reported EBITDA include out-of-period income and expenses, such as prior year related events, non recurring and/or non operating events and cost related to share-based payment

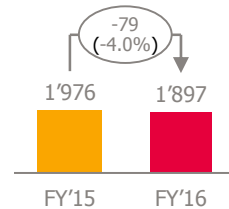
50% eFCF improvement – CHF 3.33 dividend proposal

Dividend increase of 11%

Revenue (CHFm)

1

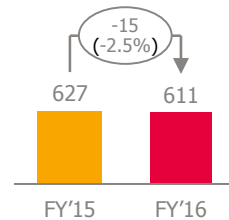
Strong subscriber **momentum** driven by key priorities, but offset by **headwinds**



Adjusted EBITDA (CHFm) ¹⁾

2

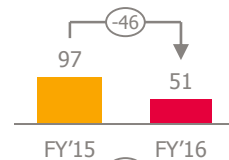
Strong **cost focus** partly offset headwinds



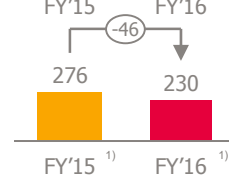
Interest & Capex (CHFm)

3

Reduced interest expenses following debt refinancing

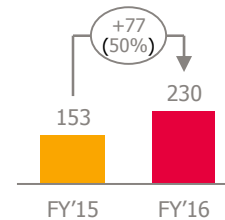


Capex normalization after 2012-15 network renewal



Equity FCF (CHFm)

4



5

Dividend proposal of CHF 3.33 per share (CHF 150m)

¹⁾ According to Capex presentation management view

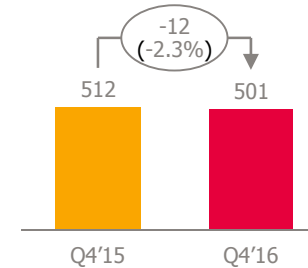
Agenda

- | | | |
|---|-----------------------|------------------|
| 1 | Summary & 2016 Review | O. Swantee (CEO) |
| 2 | Q4 Financials | A. Krause (CFO) |
| 3 | Outlook | O. Swantee (CEO) |
| 4 | Q&A | |

Fading gross profit pressure

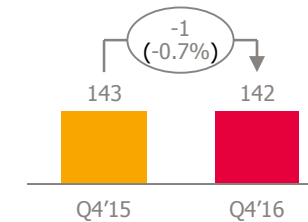
Revenue (CHFm)

- **Revenue down -2.3%** in Q4 compared -1.9% in Q3, while pressure on **gross profit moderated** to -2.3% in Q4 from -3.5% (Q3)
- Service revenue ¹⁾ down -4.0%, roughly in-line with Q3; positive subscriber momentum in focus areas offset by headwinds, including accelerated pressure in a lower margin B2B area related to a product transition phase



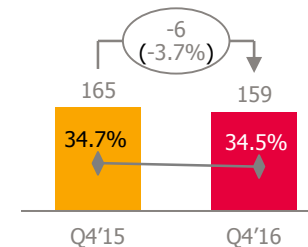
Adjusted Opex (CHFm) ²⁾

- Adj. **Opex slightly down** YoY due to ongoing efficiencies
- Counteracting challenging YoY base due to Q4'15 having benefited from release of bonus provision



Adjusted EBITDA (CHFm) ²⁾

- **Slightly lower adj. EBITDA**, in-line with expectations
- Driven by moderating gross profit decrease



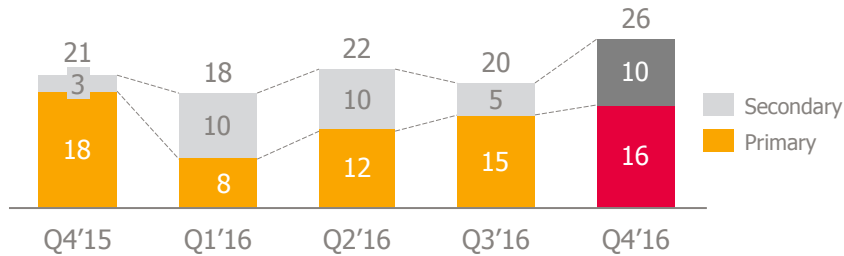
↔ Margin (excl. hubbing)

¹⁾ Total revenue excluding hubbing and mobile hardware revenues

²⁾ Total adjustments to reported EBITDA include out-of-period income and expenses, such as prior year related events, non recurring and/or non operating events and cost related to share-based payment.

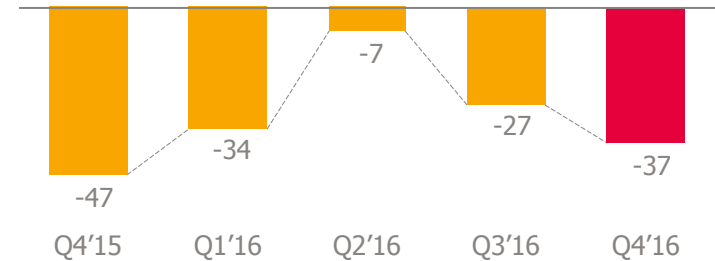
Solid primary SIM net adds in postpaid

Postpaid mobile net adds ('000)



- **Postpaid** supported by multi-brand approach, leading to 1.49m total subscribers (+6.1% YoY)
- Primary SIMs with accelerated customer in-take supported by iPhone renewal program
- Secondary SIMs supported by increased customer focus on data attachments and by campaigns; Q4 launch of 'yallo Go' broadband also contributing positively
- Drivers include pre- to postpaid migration, with average postpaid ARPU 3x higher than in prepaid
- Lower momentum expected in Q1'17 due to seasonality

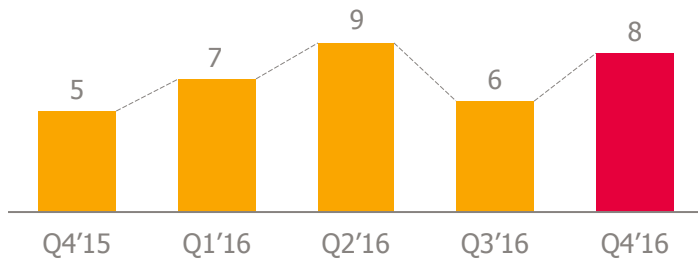
Prepaid mobile net adds ('000)



- **Prepaid** with ongoing pre- to postpaid migration, leading to 0.91m total subscribers
- Q4 continued to be challenging, partly due to seasonality
- Focus on valuable customer in-take maintained

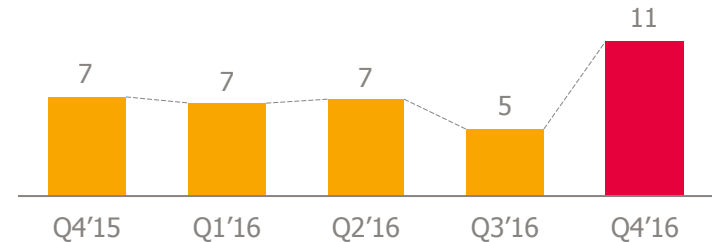
TV with strongest momentum since 2013

Internet net adds ('000)



- **Internet** with accelerated net adds, leading to 372k total subscribers; after usual low market activity of summer months
- Increase supported by attractive 'Home' tariffs since Q3'14 introduction, convergence benefit, increased broadband speeds and the enhanced Sunrise TV offering

TV net adds ('000)

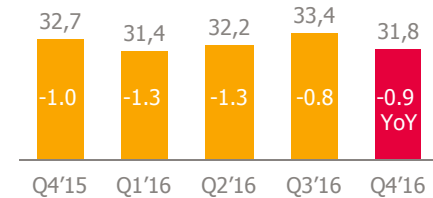


- **TV** with highest net adds since 2013, leading to 163k total subscribers
- Supported by enhanced Sunrise TV offering launched in Nov 15 and dedicated TV promo push in October
- 17% YoY increase in 4P billed customer base
- Sunrise Pay-TV product reaching around 4% overall TV market share and 6% premium TV market share since launch in 2012

ARPU trends continuing

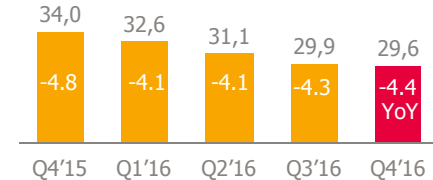
Blended mobile service ARPU (CHF)

- **Blended mobile** down CHF -0.9 YoY
- **Postpaid** down CHF -2.5 driven by 2nd SIM dilution, Freedom HW unwind and value effect; eased pressure compared to Q3 (CHF -2.7) supported by fading Freedom HW unwind
- **Prepaid** down CHF -1.8 (Q3: CHF -1.2) due to high value prepaid customers migrating to postpaid, competitive pressure, and less international prepaid calls related to more attractive postpaid offers and increased OTT usage



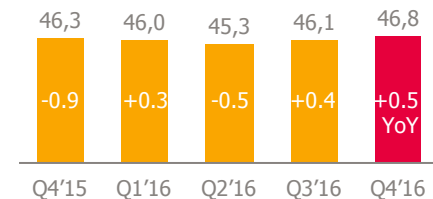
Landline voice ARPU (CHF)

- **Landline voice** down CHF -4.4 YoY due to fixed to mobile/OTT migration resulting in reduced voice usage and migration to flat rate packages



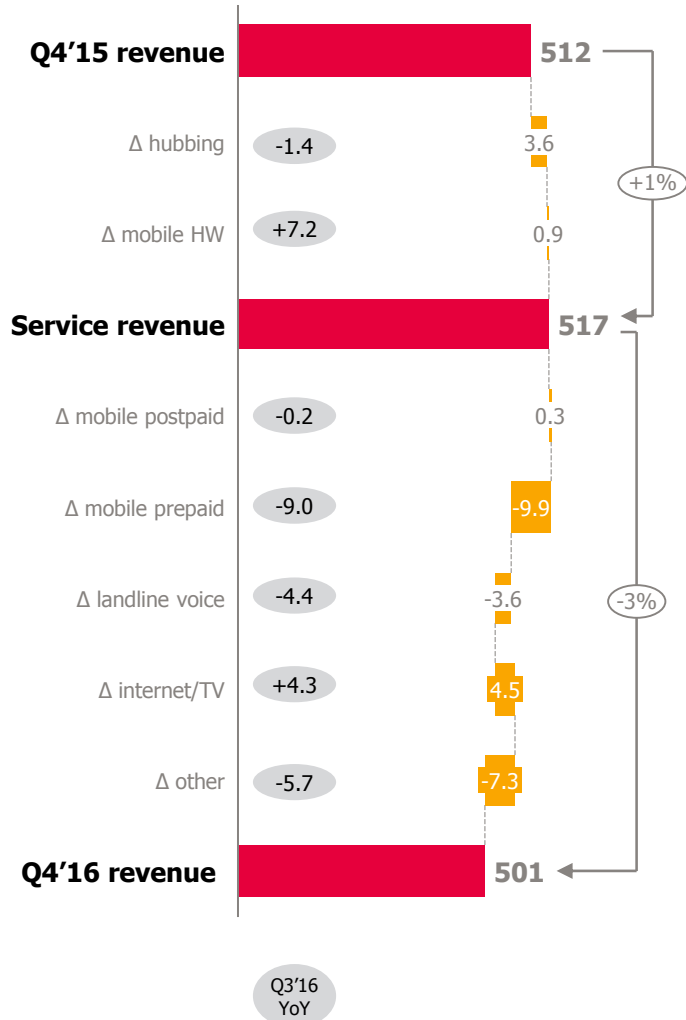
Blended internet & IPTV ARPU (CHF)

- **Blended internet & IPTV** up CHF 0.5 YoY driven by TV customer growth and enhanced Sunrise TV, offering new features at a higher price
- Sequential trends are also impacted by promotions and tariff changes
- Share of 'Home' tariffs already at 79% of landline customer base



Focus on Q4 revenue

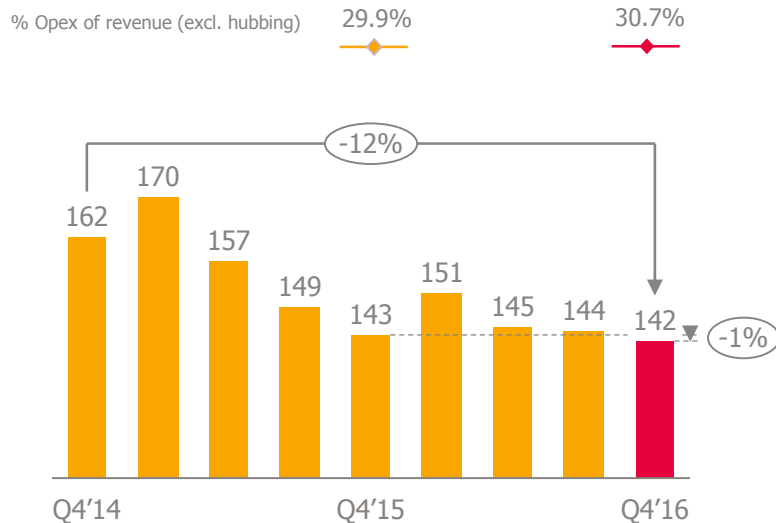
Q4'16 revenue bridge (CHFm)



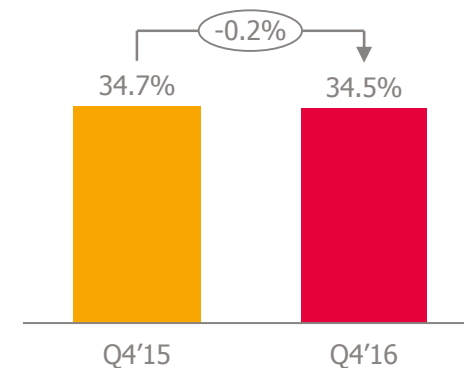
- **Hubbing:** international trading business which is volatile by nature
- **Mobile HW:** revenues are dependent on handset innovations / launches; Q4'16 supported by new iPhone, which was earlier launched (Q3) than last year (Q4)
- **Postpaid:** positive subscriber momentum driven by investments in the network, customer interfaces, and innovative converged products, starting to offset fading hardware unwind and negative impact from value effect
- **Prepaid:** decline mainly caused by pre- to postpaid migration, competitive pressure, and less international prepaid calls related to more attractive postpaid offers and OTT
- **Landline voice:** decline caused by fixed to mobile substitution, migration to flat rates as part of fixed bundles, and OTT applications
- **Internet/TV:** continued subscriber growth in internet and TV
- **Other:** Decrease primarily driven by accelerated pressure in a lower margin B2B area related to a product transition phase
- **B2B:** was down across service revenue components mentioned on the left, primarily related to transformation phase refocusing B2B on more profitable business: management changes are putting more focus on product line-up and SME going forward, in order to capture B2B opportunities in mid-term

Continued cost containment

Adjusted Opex¹⁾ (CHFm)



Adjusted EBITDA¹⁾ margin (excl. hubbing) (%)

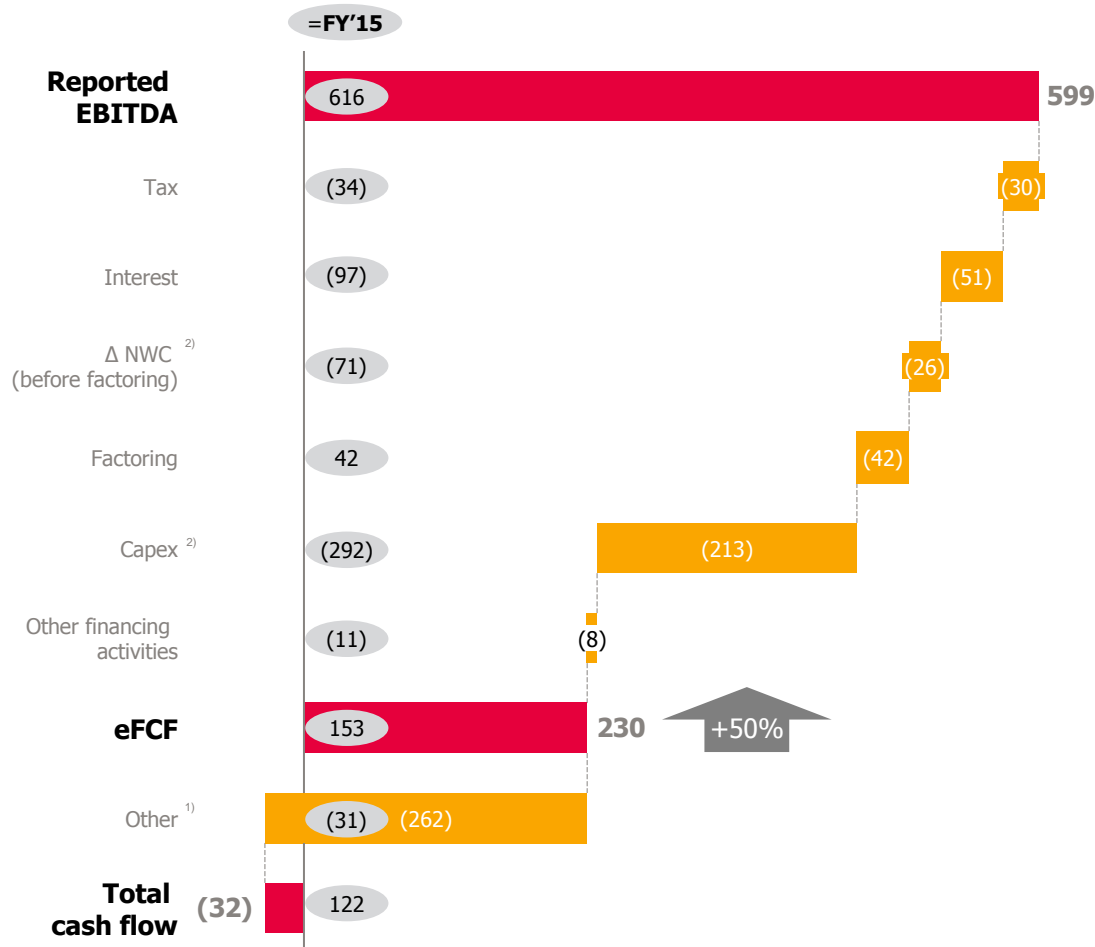


- Adj. **Opex slightly down** YoY due to ongoing efficiencies including sourcing optimizations and management streamlining announced in Q3'16, despite slightly increased marketing spend YoY in order to communicate the 'connect' test result
- Challenging YoY base in Q4 due to annualization of organizational streamlining announced in Sep 2015 and Q4'15 having benefited from release of bonus provision
- Future cost savings identified based on sourcing optimization as well as simplifying and digitizing processes and customer interactions

- **Lower EBITDA margin** with revenue headwinds being partly offset by improving gross margin
- Gross margin (excl. hubbing) up supported by mix effects, including less revenue in a lower margin B2B area during a product transition phase

50% improved equity FCF, in-line with expectation

Cash flow FY'16 (CHFm)



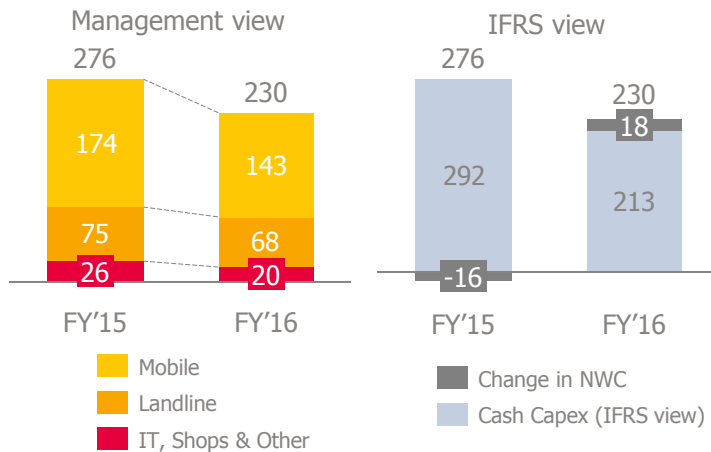
- **Tax** extraordinary low due to deductible impairment of investments in 2016
- **Interest** expenses down following 2015 debt refinancing
- **NWC** with more YoY drag due to pay-back of Freedom Factoring; though fading NWC pressure before Factoring
- **Capex** normalization after network renewals in 2012-2015
- **Other** impacted by CHF 135m dividend and CHF 108m payment of final installment of mobile license, as guided ¹⁾

¹⁾ Other in FY'15 was impacted by IPO, refinancing activities and CHF 105m payment of second installment of mobile license

²⁾ CHF 18m reclassified from Δ NWC to Capex, i.e. CHF 230m of FY'16 Capex before reclassification, see Capex and NWC bridge in Operational and Financial Review of Financial Report

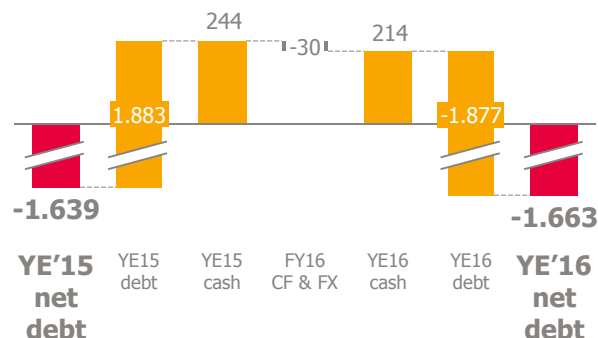
Capex and net debt development as expected

Reduced Capex FY'16 (CHFm)



- **Capex reduction** as anticipated, after Capex hike due to network renewals in 2012-2015; Won 'connect' test despite reduction
- **Capex presentation** in IFRS financial statement was changed (FY'16: CHF 213m): movements in not-yet-paid Capex invoices (CHF -18m in FY'16) are now considered within Capex, whereas in previous years these movements were part of 'change in NWC'
 - This increases volatility of Capex due to timing of payments in a given quarter, with implications on Capex guidance
- No effect on eFCF and total CF, since part of 'change in NWC' has been reclassified to Capex

Slightly higher net debt YoY (CHFm)



- Net debt / adj. EBITDA **ratio up** from 2.6x to 2.7x YoY, due to CHF 108m payment of final installment of mobile license as guided
- **Repricing** and extension of term loan in Q4, lowering debt costs as of 2017

Agenda

- | | | |
|---|-----------------------|------------------|
| 1 | Summary & 2016 Review | O. Swantee (CEO) |
| 2 | Q4 Financials | A. Krause (CFO) |
| 3 | Outlook | O. Swantee (CEO) |
| 4 | Q&A | |

2017 outlook

2016 achievements

- Mobile network leadership; Customer services further strengthened
- Commercial **momentum** in mobile postpaid, including yallo and SME, and in TV/Internet
- Company reputation and confidence are up, supported by recognition in independent tests
- Continued **cost focus**, including restructuring and reducing management structure, with no compromise in quality
- Financial predictability has strengthened

2017 objectives

- Further **stabilize financial trends** by continued execution of 2016 achievements
- Deliver B2B transformation with an initial focus on SME and product line-up
- Continued drive to **lean cost** operating model
- Potentially execute disposal of passive tower infrastructure, supporting a faster deleveraging ¹⁾
- Reposition Sunrise as the real challenger with **strong propositions** in convergence; introduce fiber optic mobile speeds (see next page)

¹⁾ See press release of 26 January 2017

Sunrise ONE - Everything unlimited

Catch convergent opportunity

Trend towards convergence

- Convergence driven by converging **devices**, increasing **data** speed and consumers' demand for **simplicity** ('one-stop-shop')
- Sunrise's **market share** in Internet (10%) and TV (4%) currently well below mobile (26%), leading to cross selling opportunity
- Sunrise NPS at all time high



Launch Landline & Mobile in ONE package

- Launch of true **convergent tariff** 'Sunrise ONE' in March to catch convergent opportunity
- **Unlimited calls/SMS** to all Swiss networks, **unlimited data** and surfing **speed** at home and on the go
- Best entertainment on all devices: more than 270 channels, ComeBack TV for missed programs, 1'200h cloud recordings

Everything on Switzerland's best network

- Increase geographic **4G** coverage to about **92%** by YE'17
- Reach **fiber optic** mobile **speeds** of up to 900 Mbit/s in 5 largest cities by YE'17
- Reach mobile speeds of up to 300 Mbit/s at main traffic routes
- Launch of VoLTE services and Wi-Fi calling ahead

Financial outlook 2017

Revenue (excl. MTR) heading toward stabilization

- Cont'd mobile postpaid, internet, and TV momentum driven by Sunrise ONE, 'Connect' test win and improved NPS
- MTR changes to negatively impact revenue, while largely neutral on gross profit level– as announced on 20 Oct 2016

Cost focus continues

- Sunrise will further identify cost opportunities
- Will provide flexibility to support operational momentum and further quality improvements

eFCF expected to grow further

- Term loan repricing from end of 2016 lowered weighted average cost of debt from 2.4% to 2.0%
- ΔNWC trends to improve YoY
- Capex reflecting internet/TV growth

Guidance 2017

	million CHF
Revenue ¹⁾	1'820 - 1'860
Adjusted EBITDA	595 – 610
Capex ²⁾	225 - 265

Dividend policy of at least 65% eFCF pay-out reiterated

- Upon meeting guidance a dividend of CHF 3.45 to CHF 3.55 per share is expected to be proposed to the AGM

¹⁾ The new MTR rates will impact revenue negatively by 2-3% compared to 2016, with respectively lowered CoGS largely offsetting the effect on gross profit level

²⁾ The range is widened as the change in Capex presentation mentioned in the section "Q4 Financials" makes Capex and 'ΔNWC' more volatile due to timing of payments. Included in the Capex guidance is the expectation that the recently announced new convergent offering – Sunrise One – drives further growth in the internet and TV base, triggering increasing needs for capitalized routers and set-top boxes.

Agenda

- | | | |
|---|-----------------------|------------------|
| 1 | Summary & 2016 Review | O. Swantee (CEO) |
| 2 | Q4 Financials | A. Krause (CFO) |
| 3 | Outlook | O. Swantee (CEO) |
| 4 | Q&A | |



Appendix

Income Statement

P&L (CHFm)	FY 2016	FY 2015	Q4 2016	Q4 2015
Mobile services	1'264	1'304	331	338
<i>thereof mobile postpaid</i>	768	775	192	192
<i>thereof mobile prepaid</i>	161	197	36	46
<i>thereof hardware</i>	253	260	79	79
Landline services	419	472	114	123
<i>thereof landline voice</i>	152	170	37	41
<i>thereof hubbing</i>	132	142	39	36
Landline internet & TV	214	200	56	51
Total revenue	1'897	1'976	501	512
<i>% YoY growth</i>	(4.0%)		(2.3%)	
Service revenue (total excl. hubbing & hardware)	1'511	1'575	382	398
<i>% YoY growth</i>	(4.0%)		(4.0%)	
COGS	(704)	(733)	(200)	(204)
Gross profit	1'193	1'244	301	308
<i>% YoY growth</i>	(4.1%)		(2.3%)	
<i>% margin</i>	62.9%	62.9%	60.1%	60.2%
Opex	(594)	(628)	(146)	(142)
EBITDA	599	616	155	166
<i>% YoY growth</i>	(2.8%)		(6.6%)	
Adjusted EBITDA	611	627	159	165
<i>% YoY growth</i>	(2.5%)		(3.7%)	
<i>% margin</i>	32.2%	31.7%	31.8%	32.3%
<i>% margin (excluding hubbing revenues)</i>	34.6%	34.2%	34.5%	34.7%
Depreciation and amortization	(460)	(472)	(116)	(118)
<i>% YoY growth</i>	2.7%		1.8%	
Operating income	139	144	39	48
Net financial items	(55)	(235)	(11)	(13)
Income taxes	3	(22)	19	(10)
Net (loss) / income	87	(113)	48	25
Thereof (before tax impact):				
IPO & refinancing transaction	-	(157)	-	-
Restructuring expenses	(7)	(20)	(4)	-
IAS 19 curtailment	-	16	-	-
PPA effect	(127)	(148)	(32)	(35)

Cash Flow Statement

Cash Flow (CHFm)	FY 2016	FY 2015
EBITDA	599	616
Change in net working capital	(68)	(29)
<i>thereof handset receivable factoring impact</i>	(42)	42
Movement in pension and provisions	(5)	(6)
Interest (paid) / received, net incl. foreign currency impact	(51)	(97)
<i>thereof IPO and refinancing transaction impacts</i>	-	(29)
Corporate income and withholding tax (paid) / received	(30)	(34)
Cash flow from operating activities	446	450
Capex	(213)	(292)
<i>% Capex-to-revenue</i>	<i>11.2%</i>	<i>14.8%</i>
Sales of assets	0	0
Cash flow after investing activities	234	158
Repayment other financing items	(8)	(11)
Proceeds/(repayments) from debt, net	(122)	(986)
Settlement of derivatives	-	(348)
Proceeds from initial public offering, net	-	1'309
Payment of dividend	(135)	-
Total cash flow	(32)	122
Cash and cash equivalents as of BoP	244	120
Foreign currency impact on cash	1	2
Cash and cash equivalents as of December 31,	214	244

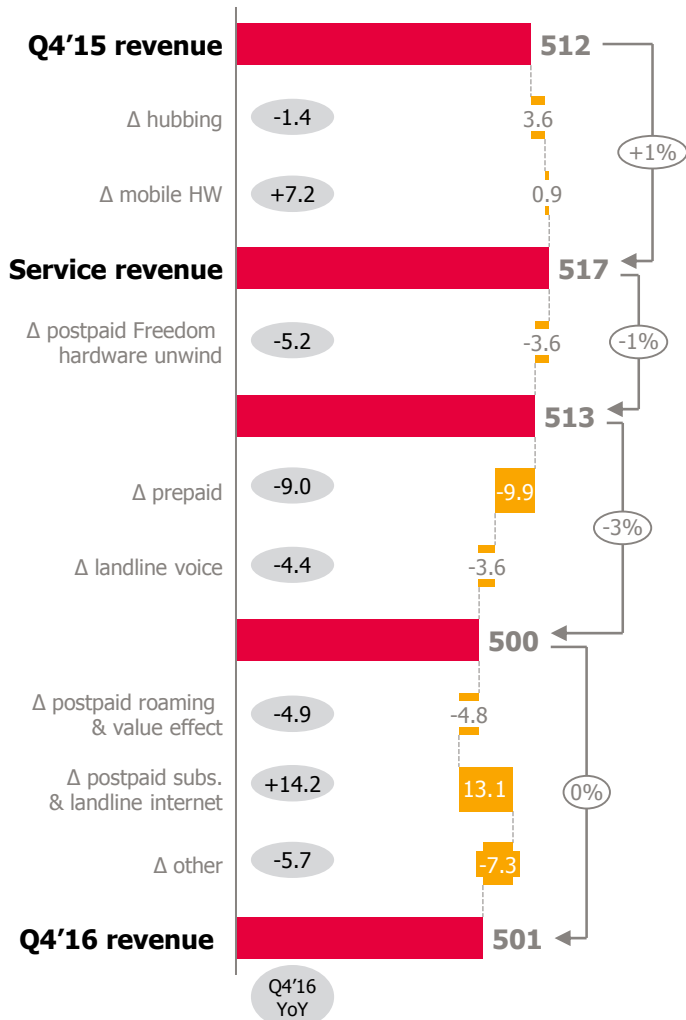
Equity Free Cash Flow	FY 2016	FY 2015
CHF million		
EBITDA	599	616
Change in net working capital	(68)	(29)
Interest (paid) / received, net excl. foreign currency impact	(51)	(97)
Corporate income and withholding tax (paid) / received	(30)	(34)
Capex	(213)	(292)
Other financing activities	(8)	(11)
Equity free cash flow	230	153

Leverage slightly up YoY due to final spectrum payment

Net debt (CHFm)	December 31, 2016	September 30, 2016	June 30, 2016	December 31, 2015
Senior Secured Notes issued February 2015	500	500	500	500
Term loan B	1'360	1'360	1'360	1'360
Total cash-pay borrowings	1'860	1'860	1'860	1'860
Financial lease	17	18	19	23
Total debt	1'877	1'878	1'879	1'883
Cash & Cash Equivalents	(214)	(160)	(193)	(244)
Net debt	1'663	1'718	1'686	1'639
Net debt / adj. EBITDA	2.7x	2.8x	2.7x	2.6x

Focus on Q4 revenue (including postpaid split)

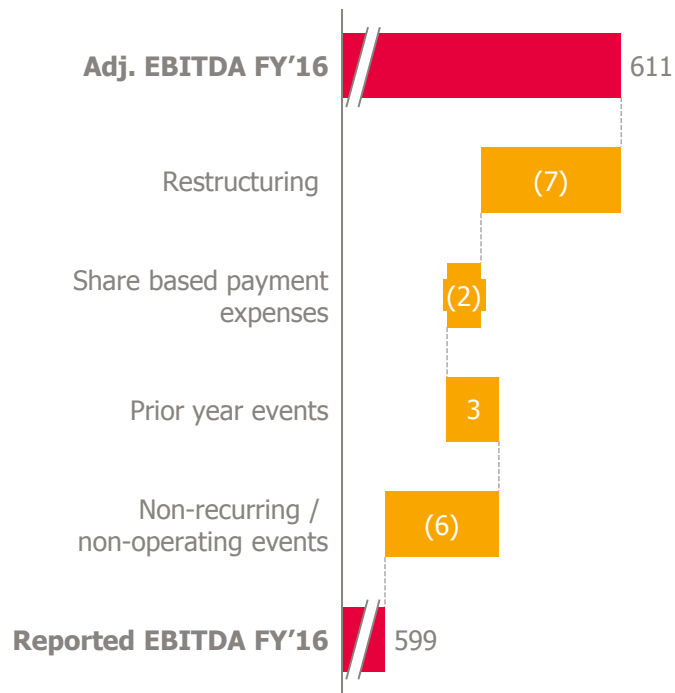
Q4'16 revenue bridge (CHFm)



- **Hubbing:** international trading business which is volatile by nature
- **Mobile HW:** revenues are dependent on handset innovations / launches; Q4'16 supported by new iPhone, which was earlier launched (Q3) than last year (Q4)
- **Continuously fading Postpaid hardware unwind:** Freedom required a change in revenue recognition leading to immediate hardware upfront and subsequent lower mobile service revenue recognition
- **Prepaid:** decline mainly caused by pre- to postpaid migration (e.g. yallo postpaid)
- **Landline voice:** decline caused by fixed to mobile substitution, migration to flat rates as part of fixed bundles, and OTT applications
- **Postpaid roaming & value effect:** value effect caused by high liquidity & attractive offers at value-end of market
- **Postpaid subscription:** positive impacts of increased customer base driven by investments in the network, customer interfaces, and innovative converged products
- **Landline internet:** continued subscriber growth in internet and TV
- **Other:** Decrease primarily driven by accelerated pressure in a lower margin B2B area related to a product transition phase

Bridge adjusted to reported EBITDA

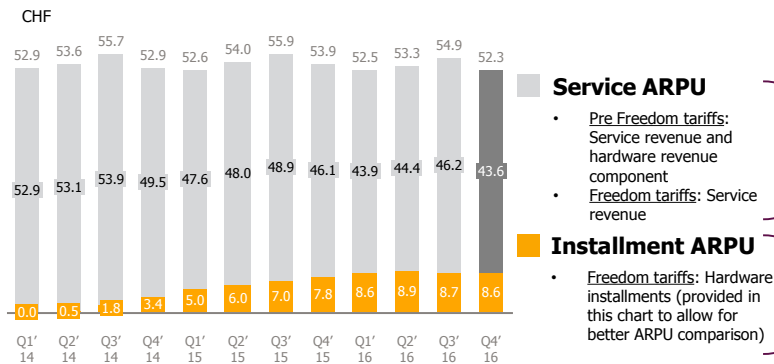
FY'16 EBITDA bridge (CHFm)



- **Restructuring** expenses include CHF 4m expenses related to streamlining of management levels across Sunrise, as well as expenses related to the managed service agreement for IT operations with Huawei as communicated
- **Share-based payment** provisions for multi-year compensation plans
- **Prior year** related events mainly include adjustments of provisions/accruals based on newly available information
- **Non-recurring / non-operating** events mainly include costs for one-time expenses

Freedom tariff – P&L impact

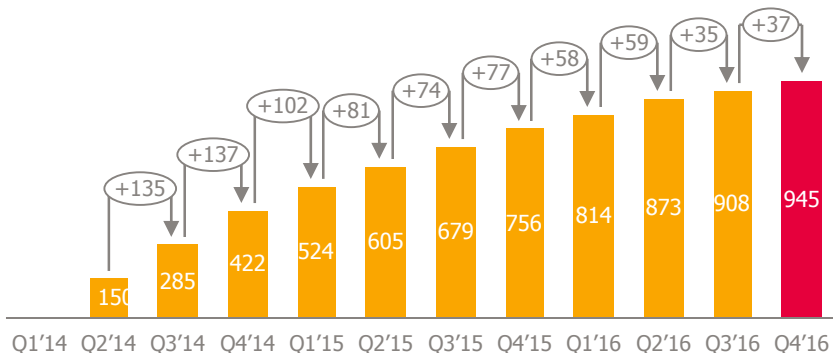
Postpaid ARPU



Postpaid P&L

CHFm	Q1'14	Q2	Q3	Q4	Q1'15	Q2	Q3	Q4	Q1'16	Q2	Q3	Q4
Revenue												
Postpaid Service	202	206	211	195	188	193	201	192	185	190	201	192
Total Mobile Hardware ²⁾	16	70	66	100	65	61	55	78	52	60	62	79
of which Freedom		51	49	73	48	48	42	60	41	43	49	64
EBITDA contributions												
Postpaid Service GP	176	179	183	169	165	168	172	162	158	161	170	163
Mobile Hardware	(0)	3	2	3	1	2	2	3	1	2	2	4
Postpaid SARC ³⁾	(41)	(21)	(13)	(16)	(13)	(14)	(12)	(14)	(12)	(12)	(14)	(13)
EBITDA impact	135	161	172	156	152	157	163	151	146	151	158	154

Freedom¹⁾ subscriber development ('000)



Additional statistics:

- Postpaid SIM-only share of 37% in Freedom portfolio as of Q4'16; share including Yallo slightly above
- Below 30k subscribers left on pre-Freedom, subsidized rate plans
- Postpaid service revenue negatively impacted YoY due to pre-Freedom hardware unwind ⁴⁾, fading as migration nears completion

¹⁾ Freedom are postpaid mobile rate plans launched in April 2014 (see Q1'15 financial report for more information)

²⁾ Mobile HW revenue increased in Q2'14 supported by upfront recognition

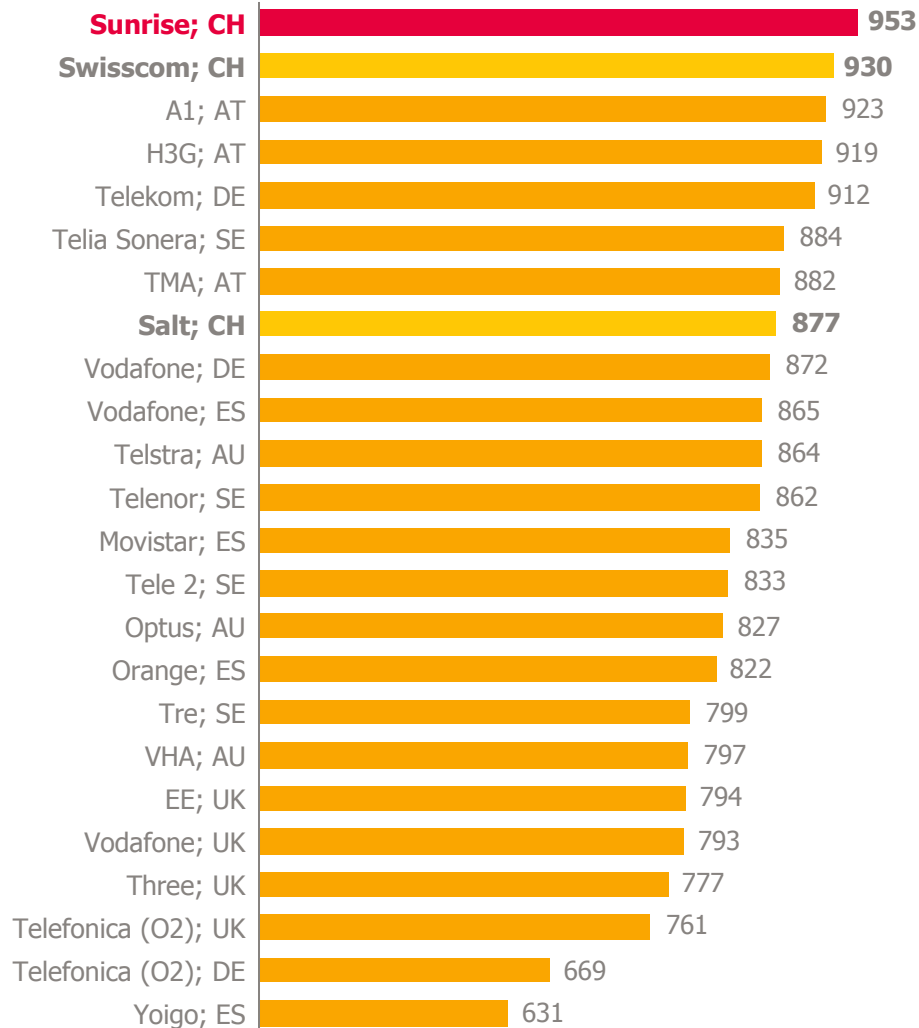
³⁾ Shift of HW costs from SARC to COGS as of Q2'14 (both times fully recognized upfront); Q2'14 EBITDA positively impacted by upfront recognition of HW

⁴⁾ i.e. pre-Freedom hardware revenue component is not existent under Freedom any longer

Sunrise with leading mobile network quality in Europe

Mobile network quality across EU countries in 2016 ¹⁾

Max 1000 Pt.





Thank you for your interest in Sunrise

Contact information

Investor contact



Uwe Schiller
uwe.schiller@sunrise.net



Stephan Gick
stephan.gick@sunrise.net

investor.relations@sunrise.net
+41 58 777 96 86

Disclaimer

This document and any materials distributed in connection herewith (including any oral statements) (together, the "Presentation") do not constitute or form a part of, and should not be construed as, an offer for sale or subscription of or solicitation of any offer to purchase or subscribe for any securities, and neither this Presentation nor anything contained herein shall form the basis of, or be relied upon in connection with, or act as an inducement to enter into, any contract or commitment whatsoever.

The information contained in this Presentation 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 Presentation. The information contained in this Presentation is provided as at the date of this Presentation and is subject to change without notice.

Statements made in this Presentation 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 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 Presentation 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 Presentation.

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.