

FOR RELEASE IN SWITZERLAND – THIS IS A RESTRICTED COMMUNICATION AND YOU MUST NOT FORWARD IT OR ITS CONTENTS TO ANY PERSON TO WHOM FORWARDING THIS COMMUNICATION IS PROHIBITED BY THE LEGENDS CONTAINED HEREIN.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN

Press release

Opfikon, 30 September 2019; 6:45 a.m. CET

Sunrise announces enhanced transaction structure with a significantly reduced rights issue size of CHF2.8bn for the acquisition of UPC Switzerland

- **Transaction creates the leading fully-integrated nationwide challenger with significant benefits for Swiss consumers and businesses**
- **CHF2.8bn rights issue, substantially reduced by CHF1.3bn**
- **CHF3.1bn¹ net present value of clearly identified in-market cost, capex and revenue synergies**
- **Extraordinary General Meeting ("EGM") to be held on 23 October 2019**
- **An investor call will be held today, 30 September 2019, 10:30 a.m. CET**

Following extensive discussions with its shareholders, Sunrise is pleased to announce an enhanced transaction structure for the acquisition of Swiss cable operator UPC Switzerland, a wholly-owned subsidiary of Liberty Global, incorporating a reduced rights issue to finance the transaction:

- Size of rights issue significantly reduced by CHF1.3 billion to CHF2.8 billion (expected gross proceeds)
- Improved eFCF accretion, with equity FCF/share accretion broadly doubling due to revised transaction terms (year 1 before integration costs and including run-rate synergies)
- Sunrise is committed to maintaining a prudent capital structure with a clear deleveraging path and retaining its existing progressive dividend policy. At the 2020 annual general meeting ("AGM") the Board of Directors will propose:
 - An increased absolute dividend amount in the range of CHF350-370 million for the FY2019 dividend based on the higher expected number of shares post rights issue, with 4-6% dividend per share ("DPS") annual growth guidance thereafter
 - A cash-or-title-option ("COTO"), pursuant to which shareholders will be given a choice to receive the FY2019 DPS in cash, in newly issued Sunrise shares or a combination thereof. Through the COTO, shareholders can avoid the recycling of proceeds from the capital increase for the FY2019 DPS and participate in Sunrise's future growth at favourable terms, while Sunrise accelerates its deleveraging profile
 - Subject to annual approval by the shareholders at the AGM, Sunrise will consider the application of the COTO in future years

¹ These include cost and capital expenditure synergies with an estimated annual run-rate of approximately CHF230 million to be achieved by 2023 and revenue synergies with an estimated annual run-rate of approximately CHF50 million to be achieved by 2023. Net present value post integration costs

- As a result of the reduced rights issue size, Sunrise's leverage will increase to approx. 3.6x Jun-19 net debt / LTM EBITDA including run-rate cost synergies or 4.2x reported leverage excluding synergies (excl. IFRS 16 impact)²
 - Including the deleveraging benefit of the COTO, the 4.2x reported leverage is equivalent to 4.0x (assuming 50% of shareholders opt to take the FY2019 DPS in Sunrise shares)
 - Sunrise has a clear deleveraging path, supported by the clearly identified, in-market synergies and strong cash flow generation of the combined business. Sunrise expects a reported leverage below 3x post achieving the run-rate synergies and targets a leverage below 2.5x thereafter
- Sunrise welcomes the 26 September 2019 decision of the Swiss Competition Commission ("WEKO") to approve the transaction without any conditions or stipulations being imposed
- The Extraordinary General Meeting (EGM) will be held on 23 October 2019 in order to seek approval for the ordinary capital increase required for the CHF2.8 billion rights offering. Please see today's investor information and the invitation to the EGM published on Sunrise's website for further details

Statements from Sunrise's CEO and chairman

Olaf Swantee, CEO of Sunrise said:

"Since the announcement of the transaction, we have met with more than 200 investors and received strong support on the strategic and industrial logic of the acquisition. Today's enhancements to the initially proposed terms reflect the feedback from our shareholders. Following receipt of WEKO approval last week, we are now looking forward to moving swiftly towards completion of the transaction and to creating a stronger and more valuable fully-converged Swiss telecommunications leader for our shareholders."

Peter Kurer, Chairman of the Board of Directors of Sunrise added:

"The Board is pleased to announce these enhanced transaction terms which are the result of constructive engagement with our shareholders. We are confident that today's announcement will enable a successful conclusion of the acquisition of UPC Switzerland, which we believe will create a stronger and more valuable Sunrise for all of our shareholders, benefitting from the compelling strategic and financial rationale of the combination. We have full confidence in management's ability to successfully integrate UPC Switzerland and realize the significant expected synergies from the combination for all Sunrise stakeholders."

WEKO approval

Sunrise welcomes the decision by the WEKO dated 26 September 2019 to approve the transaction without any conditions or stipulations being imposed.

Financing

Sunrise intends to finance the enterprise value of CHF6.3 billion through a combination of newly raised equity capital and the assumption of the target group's outstanding senior notes and senior secured credit facilities. As announced on 27 February 2019, Sunrise will assume all of the target group's then outstanding senior notes and senior secured credit facilities (relating to the outstanding senior secured notes issued by UPCB Finance IV Limited and UPCB Finance VII Limited) with an aggregate principal amount of approx. CHF3.6 billion, resulting in a residual cash payment from Sunrise to Liberty Global of approx. CHF2.7 billion (subject to a customary closing adjustment mechanism).

² IFRS 16 adjustments increase pro-forma reported leverage by up to 0.1x

Sunrise intends to raise gross proceeds of no more than CHF2.8 billion in the capital increase conducted by way of a rights issue which has been fully underwritten, subject to a resolution by the EGM and customary conditions, by a banking syndicate led by Deutsche Bank and UBS as Joint Global Coordinators and Joint Bookrunners and Morgan Stanley as Joint Bookrunner. The syndicate will also include Credit Suisse and Goldman Sachs International as Joint Bookrunners. The proceeds of the rights issue will be used to fund the cash payment to Liberty Global of approx. CHF2.7 billion and pay part of the estimated transaction costs of approx. CHF0.2 billion. As soon as reasonably practicable on or after the completion of the transaction, Sunrise also intends to fully redeem its CHF200 million 1.5% senior secured notes due 2024 with the net proceeds received from an upsizing of its CHF1.4 billion existing term loan facility by CHF 300 million.

Timetable to closing

The acquisition of UPC Switzerland is expected to close by the end of November 2019 and remains subject to completion of the rights issue.

Date	Event
30 September 2019	Publication of EGM invitation on the website of Sunrise
30 September 2019	Publication of Shareholder Information Document
1 October 2019	Publication of EGM invitation in official gazette (<i>Schweizerisches Handelsamtsblatt</i>)
2 October 2019	Dispatch of EGM invitation to shareholders by mail
23 October 2019	EGM
24 October 2019	Publication of rights issue prospectus
29 October 2019	Cut-off date for determination entitlement to subscription rights
30 October 2019	Beginning of rights trading and rights exercise period
5 November 2019	End of rights trading period (17:30 CET)
7 November 2019	End of rights exercise period (12:00 CET)
11 November 2019	First trading day of newly issued shares
End of November 2019	Transaction expected to close

Investor and analyst call

An investor and analyst call will be held today, 30 September 2019, 10:30 a.m. CET. Details can be found on www.sunrise.ch/ir.

Sunrise Communications Group AG

Corporate Communications

media@sunrise.net

Phone: 0800 333 000

Outside of Switzerland: +41 58 777 76 66

SRCG / Valor 026729122

Disclaimer

This document is not an offer to sell or a solicitation of offers to purchase or subscribe for shares. This document is not a prospectus within the meaning of Article 652a of the Swiss Code of Obligations, nor is it a listing prospectus as defined in the listing rules of the SIX Swiss Exchange AG or a prospectus under any other applicable laws. Copies of this document may not be sent to jurisdictions, or distributed in or sent from jurisdictions, in which this is barred or prohibited by law. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, in any jurisdiction in which such offer or solicitation would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction. A decision to invest in securities of Sunrise Communications Group AG should be based exclusively on the issue and listing prospectus, if and when published, to be prepared by Sunrise

Communications Group AG for such purpose (the "Prospectus"). Investors are furthermore advised to consult their bank or financial adviser before making any investment decision.

The content of this presentation has been prepared by Sunrise and is the sole responsibility of Sunrise. None of Deutsche Bank, UBS, Morgan Stanley, any further syndicate members or any of their respective directors, officers, employees, affiliates, advisers or agents accepts any responsibility or liability whatsoever for or makes a representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement).

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 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. None of Sunrise Communications Group AG, Deutsche Bank, UBS, Morgan Stanley, any further syndicate members or any of their 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.

The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, in any jurisdiction in which such offer or solicitation would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction.

This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any state of the United States and the District of Columbia), Canada, Japan, Australia or any jurisdiction into which the same would be unlawful. This announcement does not constitute or form a part of any offer or solicitation to purchase, subscribe for or otherwise acquire securities in the United States, Canada, Japan, Australia or any jurisdiction in which such an offer or solicitation is unlawful. Sunrise Communications Group AG shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the Sunrise Communications Group AG shares are being offered and sold only outside the United States in accordance with Regulation S under the Securities Act. There will be no public offer of these securities in the United States.

The information contained herein does not constitute an offer of securities to the public in the United Kingdom. No prospectus offering securities to the public will be published in the United Kingdom.

In the United Kingdom, this document is only being distributed to and is only directed at (i) investment professionals falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) high net worth entities falling within article 49 of the Order or (iii) other persons to whom it may lawfully be communicated, (all such persons together being referred to as "relevant persons"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Any offer of securities to the public that may be deemed to be made pursuant to this communication in any EEA member state is only addressed to qualified investors in that member state within the meaning of Regulation (EU) 2017/1127 and such other persons as this document may be addressed on legal grounds, and no person that is not a relevant person or a qualified investor may act or rely on this document or any of its contents.