

Media release

Zurich, November 22, 2012

Page 1/2

Sunrise generates solid result in an increasingly competitive market

- **In the third quarter of 2012, sales increase to CHF 1.540 billion (+5.9%); EBITDA grows by 5.1% to CHF 489 million**
- **Mobile postpaid segment again a driver of growth (+9% customers)**
- **Step-up of investments in customer service and network expansion**

In the third quarter of 2012, Sunrise increased its sales by 5.9% to CHF 1.540 billion in an increasingly competitive market environment. At the same time, the operating result (EBITDA) increased by 5.1% to CHF 489 million. In addition, the customer base continued to grow, as in the past with the largest share attributable to the mobile postpaid segment, which increased by 96,500 new customers (+9%) in the first 9 month. In the third quarter, 21,000 new postpaid customers were added. With the successful launch of the new sub-brand sunrise24.ch and a positive trend change in prepaid, Sunrise succeeded in defending its position as the provider offering the best value for money proposition.

Investment activity continues – focus on customer service and network expansion

As a full service provider, Sunrise is keeping to its previous growth strategy and is therefore reinforcing its customer service in what is an increasingly competitive market. The division will be more strongly aligned to the new market conditions in order to continue improving quality. Furthermore, the company is expanding the capacity for mobile data traffic with the Top Quality Net (TQ Net) network program. After the successful migration to the new technology partner Huawei in September, investments in network rollout were ramped up significantly. Sunrise plans to invest over CHF 200 million in the mobile phone and landline network infrastructure in the coming year.

Sunrise launches the LTE high-speed network

Sunrise has been performing technical LTE tests at various locations in Zurich since last spring. The first LTE pilot networks will be put into service over the coming weeks and months in the Zurich agglomeration, in Zug and in the five winter sports locations Saas Fee, Verbier, Zermatt, Flims and St. Moritz. Starting in the spring of 2013, customers will be able to use both high-speed data and voice services via LTE. Furthermore, over the course of the year, Sunrise will start to offer the 4th generation high-speed network, which will permit future transfer rates of up to 150 Mbit/s, in more than 11 Swiss municipal and urban areas.

Expansion of the UMTS coverage

The UMTS coverage will also be improved: by the end of the year, Sunrise will have upgraded its mobile network nationwide to the UMTS900 standard. This will enable some 96% of the population – even in rural areas – to enjoy high-speed mobile surfing at rates of up to 42 Mbit/s. With UMTS900, it will be possible to increase transfer speeds to up to 84 Mbit/s.

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Page 2/2

Oliver Steil, CEO of Sunrise, comments on the third quarter results: "Given the increasingly competitive market, we have ended the third quarter with a solid result. Sunrise is still the provider offering the best value for money in the Swiss market. With our clear focus on customer service and network expansion, we are in a perfect position to further consolidate our market position in future."

	01.01.– 30.9.2012	01.01.– 30.9.2011	Change
Total sales (in CHF m)	1,540	1,455	5.9%
Mobile network services	975	936	4.2%
Landline network services	432	386	11.7%
Landline network services (without hubbing)	334	293	14.3%
Internet services	133	132	0.8%
EBITDA (in CHF m)	489	466	5.1%
EBITDA margin	31.8%	32.0%	
EBITDA margin (without hubbing)	33.9%	34.2%	
Total customer number (in m)	2.99	2.97	0.6%

Sunrise

Sunrise is the largest private telecommunications provider in Switzerland, with offices in Zurich, Kloten, Lucerne, Basel, Berne, Biel/Bienne, Renens, Geneva and Lugano. Some 3 million customers 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 and HSPA+ technologies, provides 99% of the population with modern mobile network services at transfer speeds of up to 42 Mbit/sec. A high-performance fiber-optic network with a total length of 10,000 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 around 100 Sunrise centers throughout Switzerland. Sunrise is a brand of Sunrise Communications AG.