

Connected for less around the world

Swisscom lowers its roaming tariffs again

Media teleconference
12 May 2009



Connected for less around the world

Swisscom lowers its roaming tariffs again



Agenda of the teleconference:

- Background – why a tariff reduction?
- A glimpse into the future
- The new tariffs in detail
- Contracts and procedures

Christian Petit

Head of Residential Customers

Member of the Swisscom Group Executive Board

Three changes to make roaming simple

The most important features at a glimpse



- **New on the Swiss market: World Option Flex**
 - Fair: the customer pays a monthly fee only when they actually use the service
 - Option for low-cost worldwide roaming tariffs on all networks
 - Incorporates all services, i.e. outbound and inbound calls, SMS messages and data transmission (mobile Internet)
- **Pricing transparency for Swisscom customers abroad**
 - Customers receive an SMS with pricing information on their destination country
- **Data transmission standard tariff to be reduced**
 - Swisscom is lowering its worldwide standard tariff by just under 30% from CHF 14 to CHF 10 per MB

Good reasons for new offerings

Why Swisscom is lowering its tariffs



Customer requirements

- Customers want a simple, easily comprehensible offering
- Mobile Internet abroad is becoming increasingly important for customers – usage has doubled in a year
- In telephony and SMS messaging, there is an increase of up to 10% a year
- Customers want transparent information on prices and conditions

Our claim

- Swisscom offers its customers fair and reasonable roaming tariffs with top service and quality wherever they are in the world
 - Even though Switzerland is not affected by the EU regulation, Swisscom wants to offer its customers similarly advantageous tariffs as are available in EU countries
- For EU countries, World Option Flex's tariffs are in line with the newly regulated EU tariffs

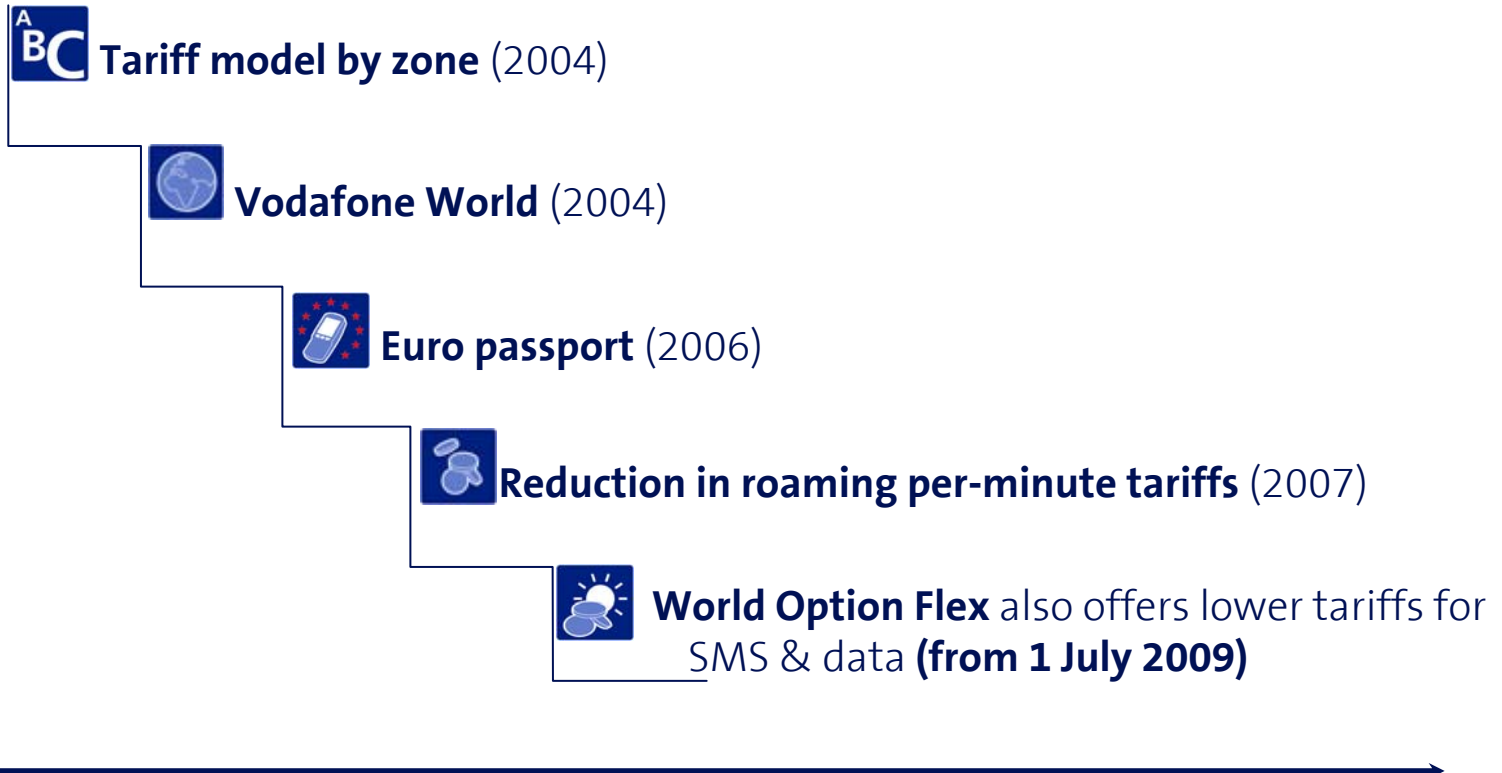
Swisscom

a leading provider also in roaming



- **Swisscom to continue to offer reasonable, fair roaming prices**
 - Since autumn 2007: the Swisscom standard tariff is cheaper by half than the standard offerings of its two biggest competitors
 - Customers get fair tariffs wherever they are in the world
 - With its 528 roaming partners in 208 countries around the world, Swisscom offers the best roaming coverage of all Swiss mobile providers
- **Swisscom points the way in the market**
 - Roaming tariffs to become even simpler and more transparent all across the world
 - Fair, flexible option fee: the customer pays a monthly fee only when they actually use the service
 - Customers already receive information about roaming conditions via SMS. Swisscom will extend this to all customers

Price benefits for customers an ongoing trend in the area of roaming



Fact: Swisscom always offers its customers fair, attractive roaming tariffs

Edi Bähler

Head of Customer Experience Design
Swisscom Residential Customers

Cheaper and simpler: The new World Option Flex



Residential customers Prices in CHF incl. VAT	Call destination		Incoming	SMS	Data (CHF/MB)
	Local	CH/EU			
Europe - EU	0.60		0.30	0.20	2.00
Rest of Europe (plus USA, CAN)	1.20	1.90	1.10*	0.30	4.00
Rest of World	1.40	3.00	2.70**	0.35	7.00

* Exceptions:	USA and Canada	CHF 1.50/min
	New Zealand and Australia	CHF 0.70/min
** Exceptions:	Hong Kong, Israel, Japan, Russian Federation, Singapore, Taiwan	CHF 1.10/min
	Algeria, Brazil, Chile, China, Egypt, Indonesia, Libya, Malaysia, Morocco, Philippines, Palestine, South Africa, Thailand, Tunisia	CHF 1.80/min

The main points:

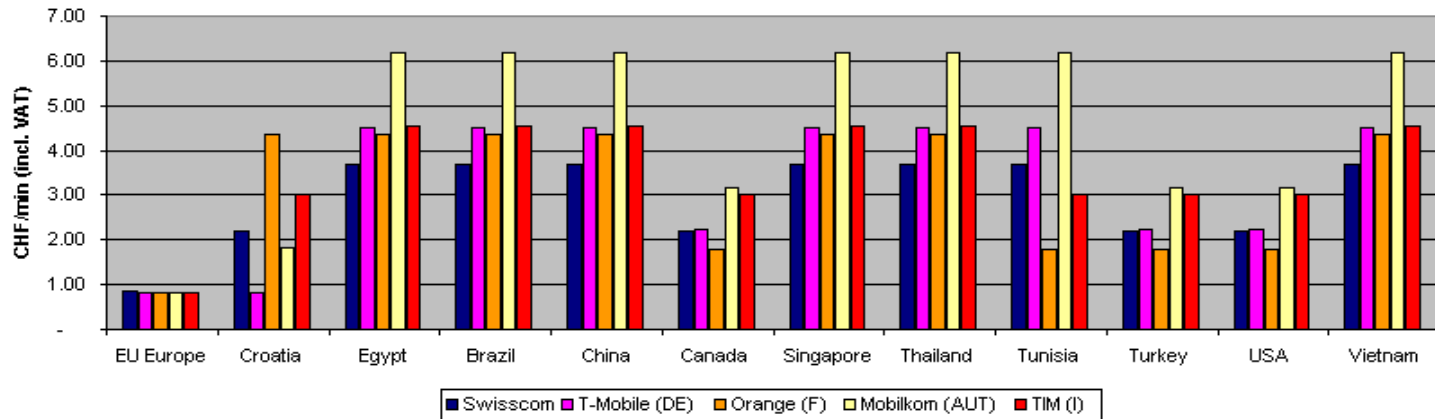
- The option is easy to order by SMS or hotline
- Monthly fee option: CHF 9 (Swisscom customers only pay the option fee when they actually use the service)
- Billing increments:
 - Telephony: 60s/60s
 - Data: 30kb
- Markedly lower tariffs for telephony, SMS and data
- Valid around the world on all partner networks

Swisscom prices are good value, wherever you are in the world

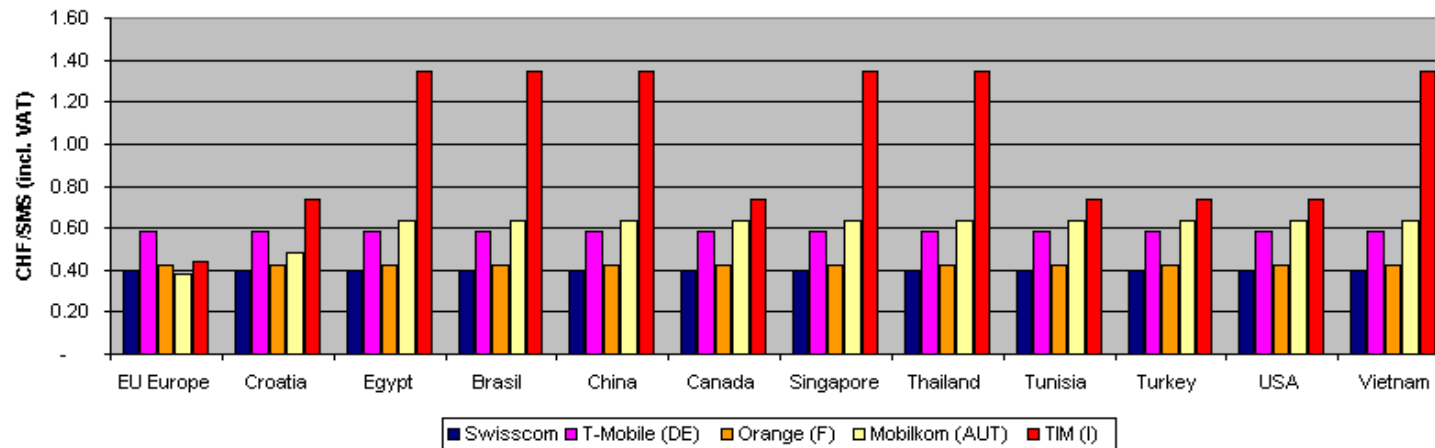
Comparison of European standard tariffs



Prices for outgoing calls to the country of origin
(Comparison with 5 major European providers)



Sent SMS messages
(Comparison with 5 major European providers)

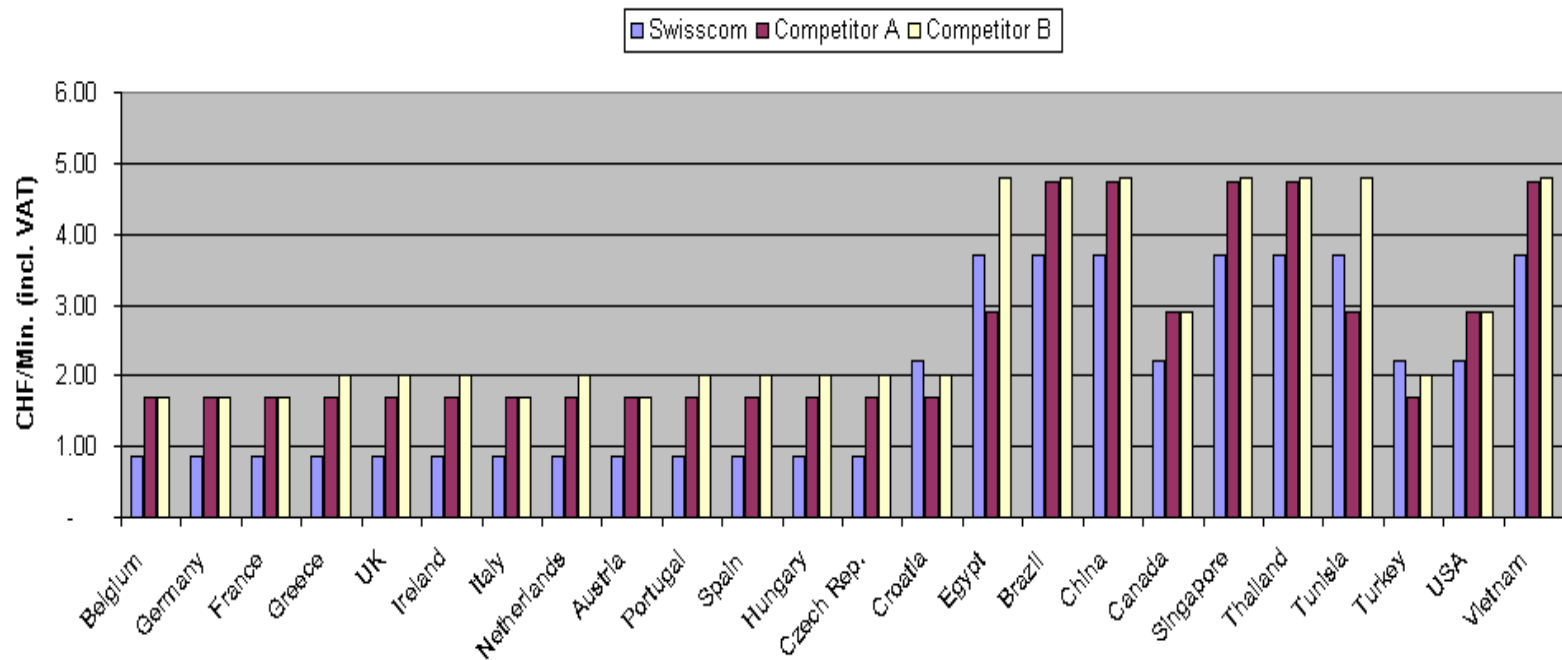


Swisscom better value than competitors

Competitors A/B and Swisscom



Standard tariffs of the three biggest Swiss providers



Price comparison for outgoing calls from the caller's location abroad to Switzerland



Swisscom and EU regulation

Comparison of World Option Flex and the EU regulation



	Euro tariff net (€)	Euro tariff gross (incl. VAT*) (€)	Euro tariff gross (CHF**) (CHF)**	World Option Flex (CHF)
Outgoing calls/min	0.43	0.51	0.77	0.60
Incoming calls/min	0.19	0.23	0.34	0.30
SMS	0.11	0.13	0.20	0.20
Data transmission (Price/MB)	n.a.	n.a.	n.a.	2.00

*German VAT rate

**Exchange rate (5.5.09) 1.50929

➔NB: The EU regulation envisages per-second billing. This price effect has not been taken into account.

Next steps

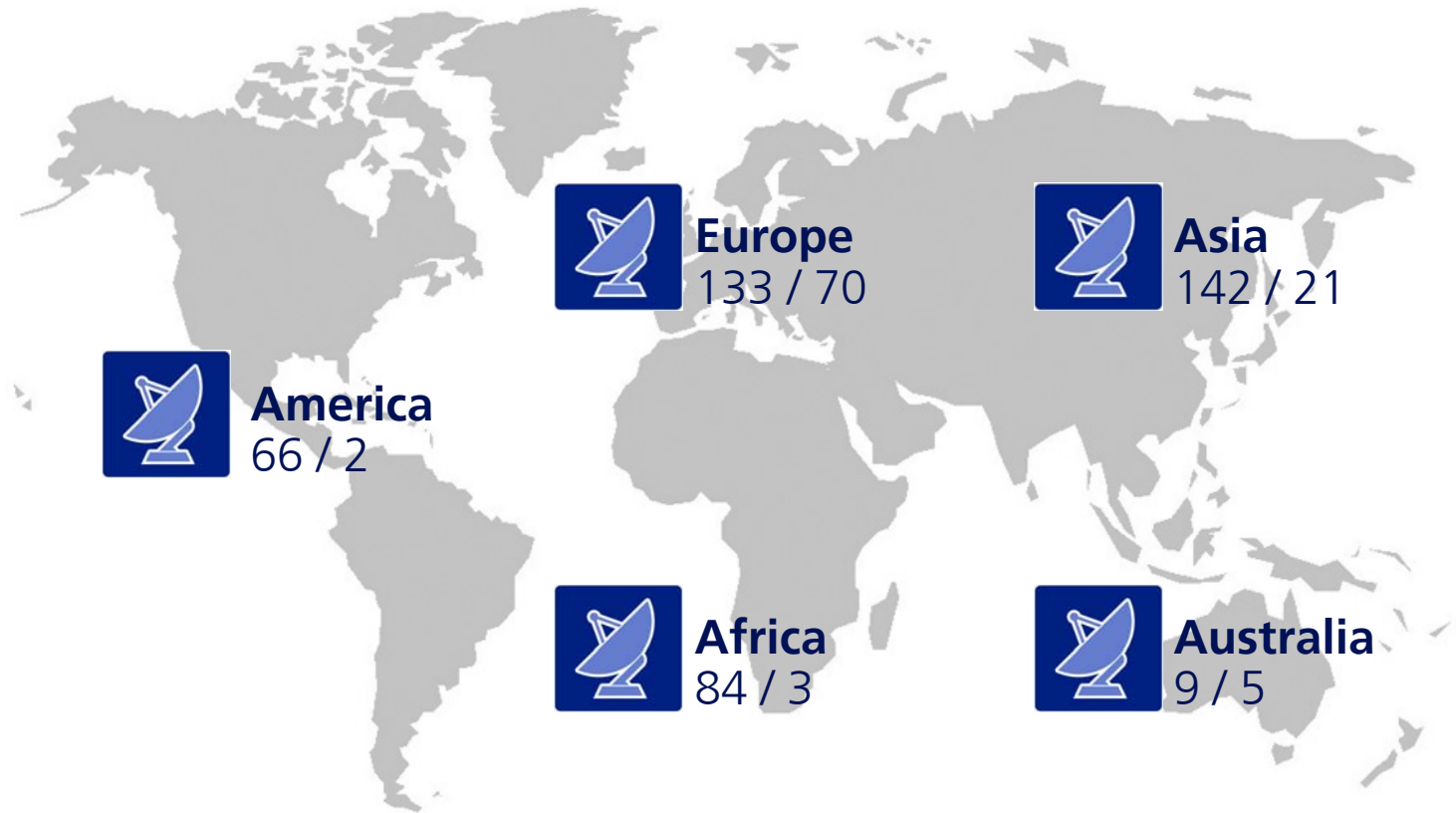


- New option and new standard tariff for data transmission available from 1 July 2009
- Residential customers can order the option via the hotline or by SMS
- Distribution of EuroPassport and Vodafone World will be discontinued
- Existing customers can retain their current options
- Expansion of current transparency measures

Backup

Guaranteed worldwide coverage



The extensive network of roaming partners (GSM/3G)



Swisscom's great value standard tariff for Europe (= zone A)



Customer segment	Accounting	NEW tariff → / ←	SMS
Residential Customers	Postpaid	0.85 / 0.40	0.40
	Prepaid	0.85 / 0.40	0.90
Business customers	Postpaid	0.85 / 0.40	0.40

 for outgoing connections within zone A, including Switzerland (CHF/Min. and SMS)
 for incoming calls

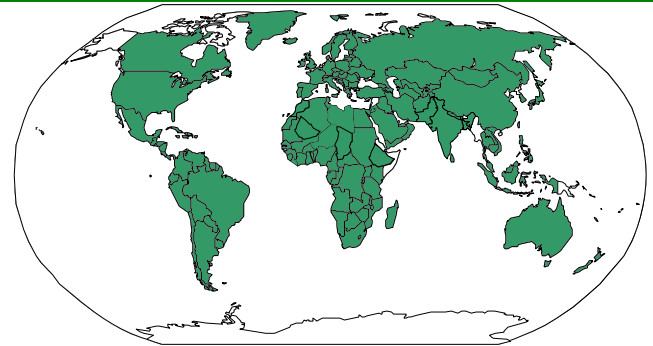
The benefits of the new World Option Flex

A comparison with the current options

New

World Option Flex

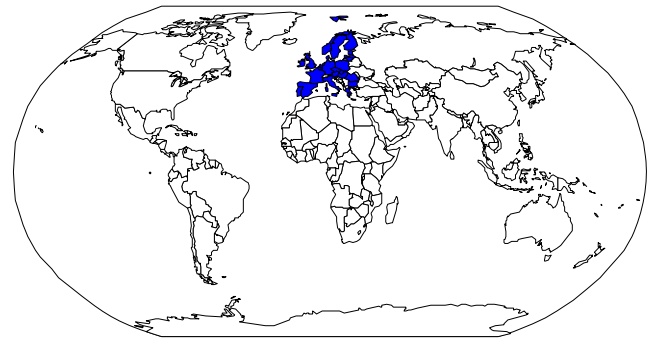
- Low-cost tariffs on all services, i.e. outgoing and incoming calls, SMS and data transmission
- Worldwide validity on all partner networks
- Savings of up to 30% on voice, up to 50% on SMS and up to 80% on data transmission (depending on zone)



Currently

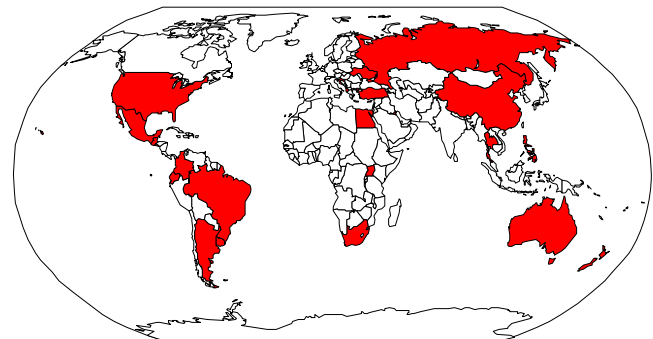
Euro Passport (no longer being marketed)

- Cheaper tariffs for outgoing calls only and only from the 2nd minute onwards
- Tariff options valid only in EU Europe (tariff zone A)
- Few advantages over standard tariff since the price reduction in autumn 2007



Vodafone World (no longer being marketed)

- Cheaper tariffs for outgoing calls only and only to the special Vodafone partner networks in 31 tariff zone B and C countries
- No savings compared to standard tariff in EU Europe (tariff zone A)



The zones



Countries by zone – outgoing and incoming calls

A

Andorra, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, Ireland, Isle of Man, Italy, Jersey, Latvia, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, UK, Vatican.

B

Albania, Australia, Bosnia Herzegovina, Belarus, Canada, Croatia, Macedonia, Moldova, Montenegro, New Zealand, Serbia incl. Kosovo, Turkey, Ukraine, USA, Belarus

C

All other countries