

A woman in a white suit is running on a roller coaster car at night. The background is dark blue with a large, illuminated star and other roller coaster structures. The text is overlaid on the image.

Half year results 2001

“Against the trend; solid as a rock”

Conference Call

23 August 2001

Disclaimer



" The following presentation may contain forward looking statements. Actual results may differ materially from those expressed or implied in such forward looking statements. Additional information as to factors that could cause actual results to differ from anticipated or projected results is available in Swisscom's half year report which is posted on our websites. We do not undertake any obligation to update and revise any forward looking statements made in this presentation to reflect events or circumstances that occur after the date of this presentation."

Agenda

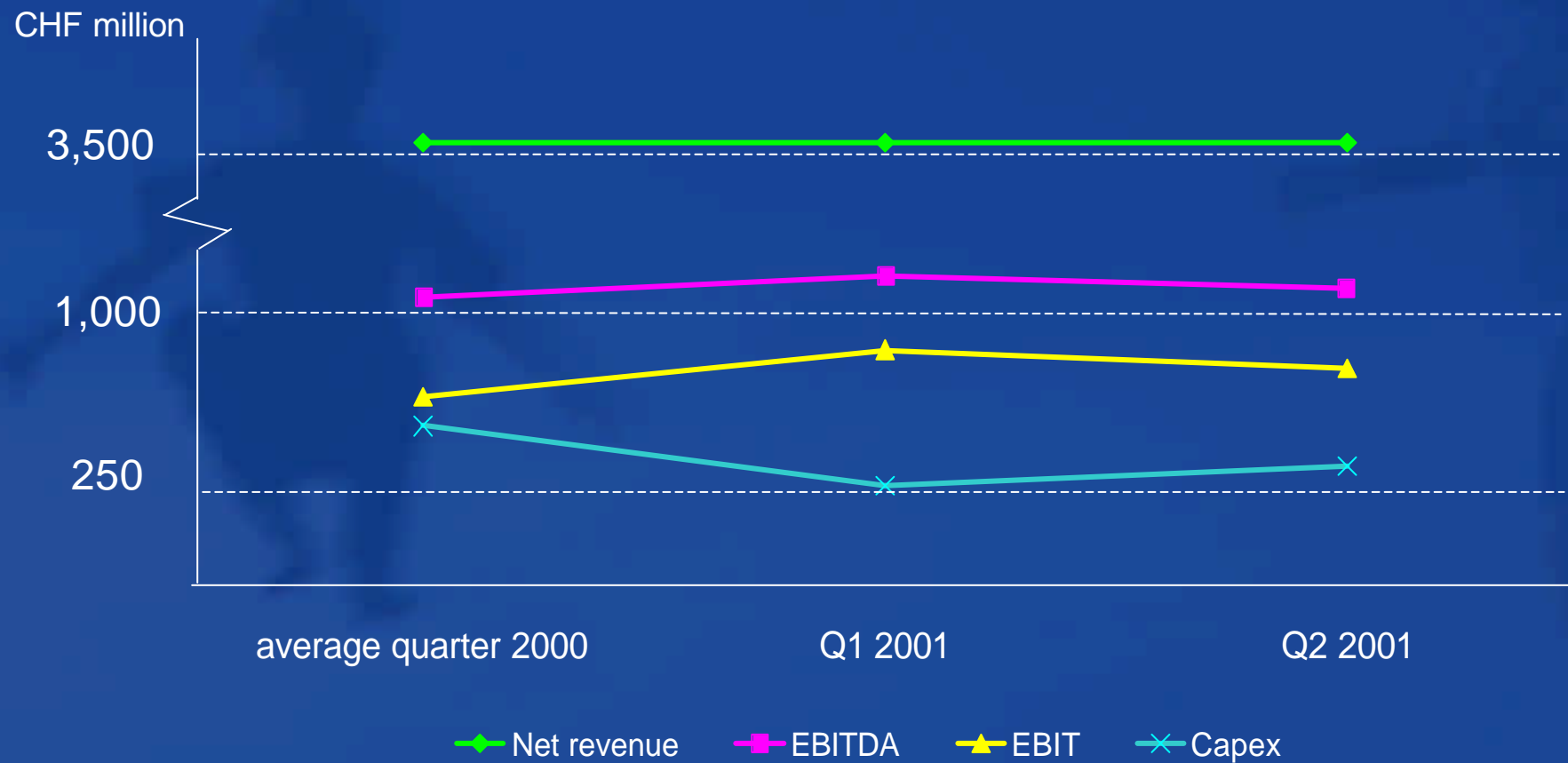


- Beliefs and strategy Jens Alder, CEO
- Highlights first half 2001 and outlook Jens Alder, CEO
- Group financial performance Dave Schnell, CFO
- Results by segment Dave Schnell, CFO
- Summary and conclusion Jens Alder, CEO

“moving against the trend”



“solid as a rock”





Beliefs and strategy

Jens Alder, CEO

- No global ambitions - Switzerland remains key to us
- No merger of equals - insufficient business rationale
- Clear investment focus
 - 1. improvements of core business
 - 2. organic growth
 - 3. non-organic growth
- Access to scale possible in different ways
- Systematic opportunity screening - growth through acquisitions only if investment criteria are satisfied

Investment criteria



- Strategic fit
- Viability of business model
- Good management
- Good value
- Size of transaction

Results from market screening



- No imminent and compelling opportunities found in H1 2001
- Continue active screening, but likelihood of sizeable transaction is decreasing
- Share buy back as viable alternative



Highlights first half 2001 and outlook 2001

Jens Alder, CEO

Highlights first half 2001

Outlook 2001



- New organisational structure largely in place
- Closing of transaction with Vodafone
- Secured access to UMTS for debitel
- Successful sale of real estate

- Revenues up to CHF 7.0 billion, despite price cuts in 2000
- EBITDA at CHF 2.3 billion, or 32.5% of revenues
- Net profit of CHF 5.4 billion, or CHF 72.85 per share

- Guidance increased:
 - EBITDA 2001 similar to 2000, provided market situation and pricing remain stable



Group financial performance *)

Dave Schnell, CFO

*) All results in this presentation are under IAS and unaudited.
2000 results have been restated to reflect the new segment reporting structure as introduced in 2001.

Group key figures



(CHF million)	H1 2000	H1 2001	Δ
Net revenue	6,832	7,023	+ 2.8%
EBITDA	2,106	2,280	+ 8.3%
<i>as % of net revenue</i>	<i>30.8%</i>	<i>32.5%</i>	
EBIT (excl. gain on sale of real estate)	1,113	1,211	+ 8.8%
<i>as % of net revenue</i>	<i>16.3%</i>	<i>17.2%</i>	
Net income	2,416	5,358	+ 121.8%
EPS (in CHF)	32.85	72.85	
Number of FTE employees	21,028	20,189	- 4.0%
Number of FTE employees excl. debitel	18,288	16,944	- 7.3%

Solid results, exceeding expectations

Group net income



(CHF million)	H1 2000	H1 2001
EBIT (incl. gain on sale of real estate)	1,113	1,735
Gain on partial sale of Swisscom Mobile		3,887
Net financial result	25	11
Income before income taxes, equity in net of affiliated companies and minority interest	1,138	5,633
Income tax expense	- 324	-186
Equity in net income (loss) of affiliated companies	1,540	-7
Minority interest	-7	-82
Discontinued operations	69	
Net income	2,416	5,358

Group cash flow



(CHF million)	H1 2000	H1 2001
Net cash provided by operating activities	2,103	1,598
<i>Capital expenditures</i>	-419	-483
<i>Proceeds from sale of real estate</i>		2,306
<i>Proceeds from partial sale of Swisscom Mobile, first tranche</i>		2,032
<i>Investments in subsidiaries and affiliated companies, net</i>	1,460	-450
<i>Investments in securities and fixed-term deposits</i>	10	-1,722
<i>Other cash flows from investing activities</i>	172	-60
Net cash from investing activities	1,223	1,623
Free cash flow	3,326	3,221
Net cash used in financing activities	-3,217	-1,705
Net increase in cash and cash equivalents	109	1,516
Cash and cash equivalents at end of period	1,320	3,781

Group capital structure



(CHF million)	2000	H1 2001
Short term debt	2,685	1,909
Long term debt	1,822	1,321
Interest bearing debt	4,507	3,230
Long term net finance lease obligation	766	1,389
Less: cash, cash equivalents and securities	- 2,322	- 5,639
Net debt (net funds)	2,941	- 1,020
Shareholders' equity	8,570	13,681
Balance sheet total	22,115	27,922
Book leverage ⁽¹⁾	34.3%	- 7.5%
Equity ratio ⁽²⁾	38.8%	49.0%

Strong ratios and solid position in a volatile environment

(1) Book leverage = Net debt / Shareholders' equity, (2) Equity ratio = Shareholders' equity / Total assets



Results by segment *)

Dave Schnell, CFO

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Fixnet Retail and Network - financial performance



(CHF million)	2000	H1 2000	H1 2001	Δ
External net revenue	3,159	1,561	1,533	- 1.8%
Net revenue	5,439	2,704	2,563	- 5.2%
EBITDA	1,645	914	862	- 5.7%
<i>as % of net revenue</i>	<i>30.2%</i>	<i>33.8%</i>	<i>33.6%</i>	
EBIT	531	399	350	- 12.3%
<i>as % of net revenue</i>	<i>9.8%</i>	<i>14.8%</i>	<i>13.7%</i>	
Capital expenditures	559	211	230	+ 9.0%
Number of FTE employees	7,858	8,393	7,366	- 12.2%

**Flat margin development thanks to stabilising
market-environment and continued cost control**

Fixnet Wholesale and Carrier Services - financial performance

(CHF million)	2000	H1 2000	H1 2001	Δ
External net revenue	1,294	633	646	+ 2.1%
Net revenue	2,915	1,338	1,633	+ 22.0%
EBITDA	84	74	90	+ 21.6%
<i>as % of net revenue</i>	<i>2.9%</i>	<i>5.5%</i>	<i>5.5%</i>	
EBIT	79	72	86	+ 19.4%
<i>as % of net revenue</i>	<i>2.7%</i>	<i>5.4%</i>	<i>5.3%</i>	
Capital expenditures	75	6	10	+ 66.7%
Number of FTE employees	207	168	304	+ 81.0%

Stable margins: additional staff requirements compensated by cost cuttings elsewhere

Enterprise Solutions - financial performance



(CHF million)	2000	H1 2000	H1 2001	Δ
External net revenue	1,907	924	895	- 3.1%
Net revenue	2,011	976	940	- 3.7%
EBITDA	283	134	125	- 6.7%
<i>as % of net revenue</i>	<i>14.1%</i>	<i>13.7%</i>	<i>13.3%</i>	
EBIT	251	120	110	- 8.3%
<i>as % of net revenue</i>	<i>12.5%</i>	<i>12.3%</i>	<i>11.7%</i>	
Capital expenditures	48	11	13	+ 18.2%
Number of FTE employees	1'470	1,652	1,521	- 7.9%

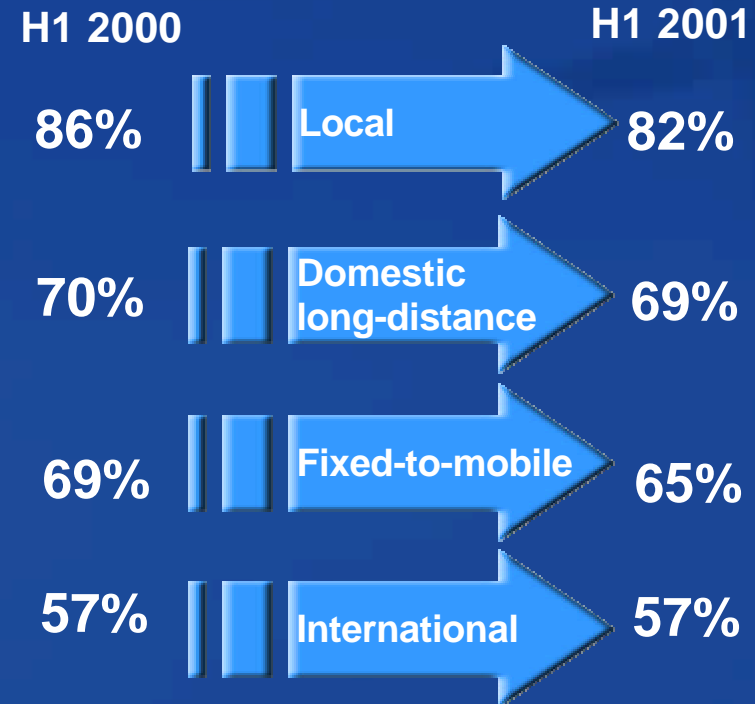
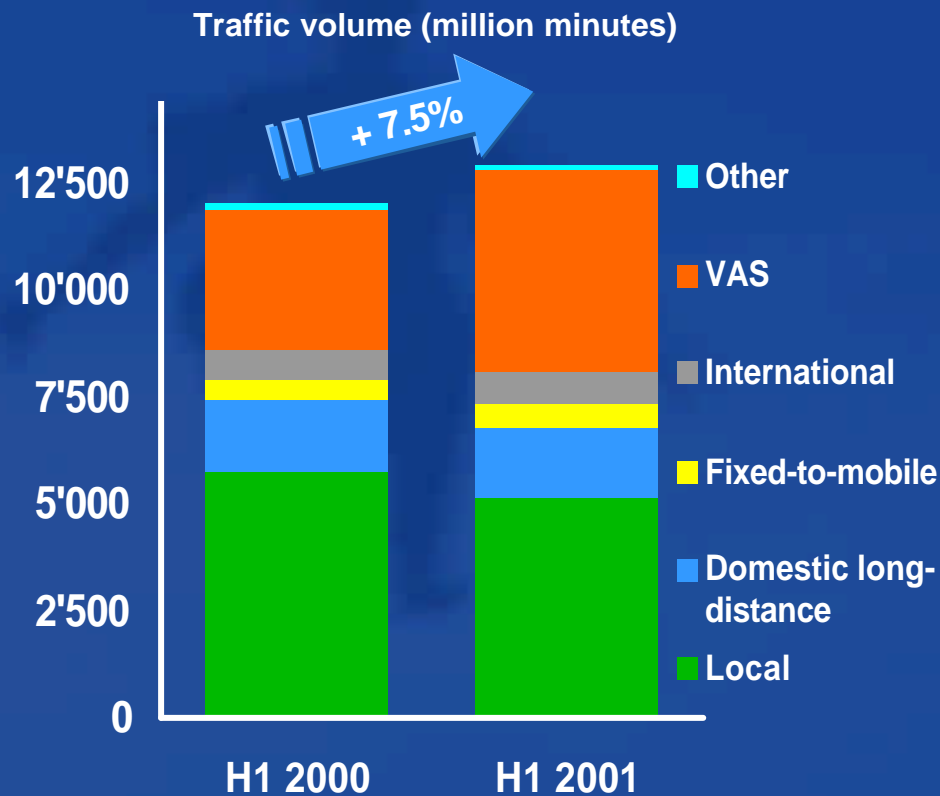
Strong VAS growth compensates decline of leased line business

Traffic* - call volumes and market trends



National traffic: marked increase...

...despite lower market shares



* Traffic represents the traffic generated by Fixnet Retail and Network and Enterprise Solutions

Swisscom Mobile - financial performance



(CHF million)	2000	H1 2000	H1 2001	Δ
External net revenue	2,730	1,289	1,528	+ 18.5%
Net revenue	3,492	1,658	1,952	+ 17.7%
EBITDA	1,483	733	937	+ 27.8%
<i>as % of net revenue</i>	<i>42.5%</i>	<i>44.2%</i>	<i>48.0%</i>	
EBIT	1,171	633	798	+ 26.1%
<i>as % of net revenue</i>	<i>33.5%</i>	<i>38.1%</i>	<i>40.9%</i>	
Capital expenditures	475	98	99	+ 1.0%
Number of FTE employees	1,824	1,673	1,906	+13.9%

Solid performance improves even further

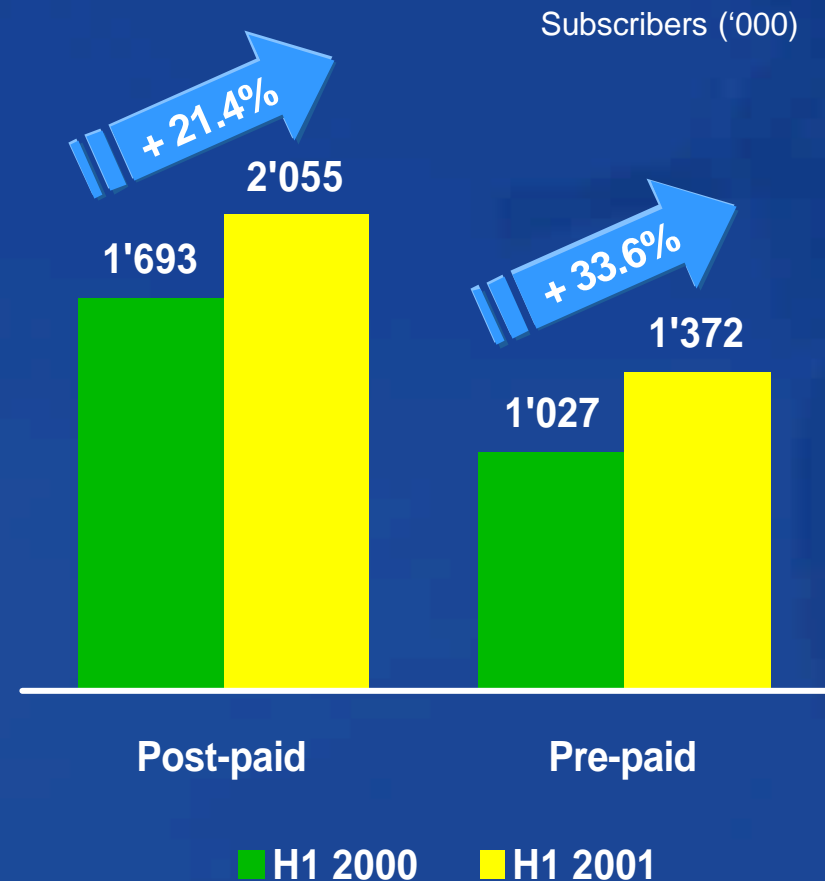
Swisscom Mobile - a snapshot by 30 June 2001



Key facts

- Swiss penetration rate of 68%
- 3.4 million customers
- Increased market share (69%)
- 84% of net additions / 59% of gross additions
- Acquisition costs per new post-paid subscriber of CHF 318
- EBITDAC* margin of 55.9%
- Lower churn than expected

Strong subscriber growth

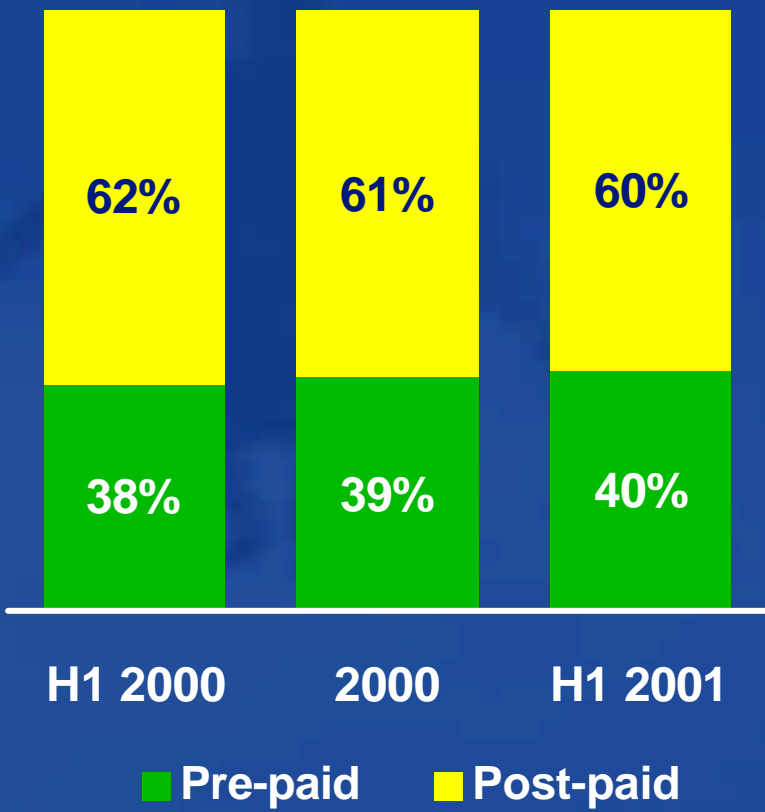


* EBITDAC = EBITDA before acquisition and retention costs

Swisscom Mobile - benefits from a good subscriber base

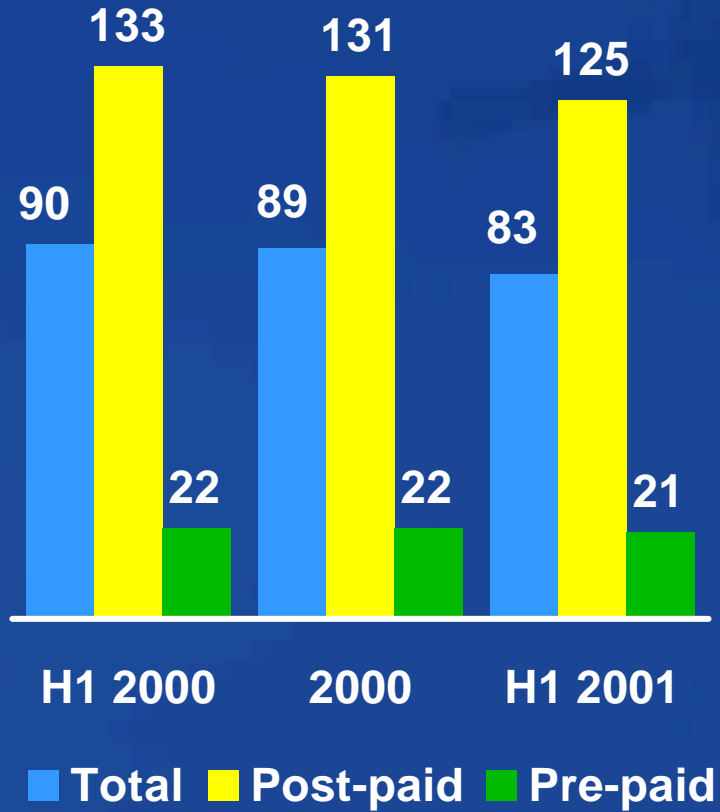


Share pre- / post-paid of Swisscom Mobile



ARPU

Monthly ARPU (CHF) incl. mobile terminating



debitel - financial performance



(CHF million)	2000	H1 2000	H1 2001	Δ
Net revenue	3,993	1,861	1,896	+ 1.9%
EBITDA	167	73	93	+ 27.4%
<i>as % of net revenue</i>	4.2%	3.9%	4.9%	
EBIT before goodwill amortisation	128	55	69	+ 25.5%
<i>as % of net revenue</i>	3.2%	1.0%	3.6%	
Capital expenditures	59	19	27	+ 42.1%
Number of FTE employees	3,145	2,740	3,245	+18.4%

Strong performance despite difficult market circumstances

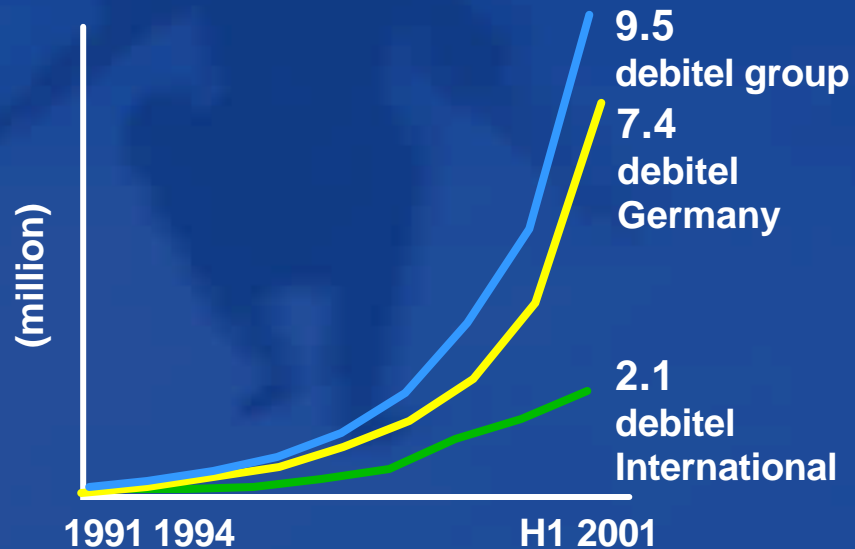
debitel - operational performance



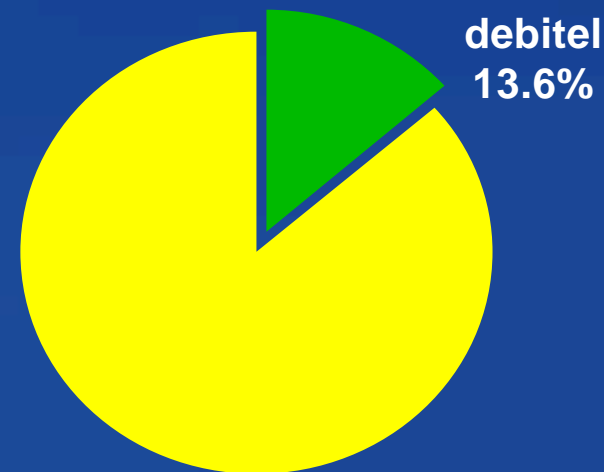
- debitel is Europe's and Germany's leading independent service provider

- debitel ranks third on the German mobile market, the largest mobile market in Europe

Customers at June 2001



Market share at June 2001



debitel managed to grow faster than the German market

Other - financial performance



(CHF million)	2000	H1 2000	H1 2001	Δ
External net revenue	1,010	564	525	- 6.9%
Net revenue	1,198	627	624	- 0.4%
EBITDA	181	72	115	+ 59.7%
<i>as % of net revenue</i>	15.1%	11.4%	18.4%	
EBIT before goodwill amortisation	21	4	33	+ 725.0%
<i>as % of net revenue</i>	1.8%	0.6%	5.3%	
Capital expenditures	234	72	103	+ 43.1%
Number of FTE employees	6,341	6,402	5,847	- 8.7%



Summary and conclusion

Jens Alder, CEO

A woman with blonde hair, wearing a white suit, is riding a roller coaster at night. She is smiling and looking to the right. The roller coaster car is decorated with a large, colorful star. The background shows the dark sky and the structure of the roller coaster.

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Thank you for your attention

23 August 2001