



# Swisscom

Company Presentation  
“solid as a rock”

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*" 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."*

- Company Profile
- Beliefs and strategy
- Key Figures
- Conclusions



# Company Profile

# Profile Swisscom: Switzerland's incumbent operator

- Domestically: sales > CHF 10 bln p.a., EBITDA margins close to 40%
- 94% owner of debitel, Europe's number 1 Mobile Service Provider
- Swisscom: a group of companies, each focussed on specific market segments, sharing common values such as our strong brand
- Swisscom concentrates on its domestic market with the objective to create value for all of our stakeholders
- With a prudent investment policy, we have created:
  - one of the strongest balance sheets in the sector.....
  - ....but also a less aggressive growth profile than some of our peers
- This profile is the result from consistently living by our proclaimed "Set of Beliefs"



# Beliefs and strategy

- 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
- Systematic opportunity screening - growth through acquisitions only if investment criteria are satisfied

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

- No imminent and compelling opportunities found that would satisfy all of our investment criteria
- Continue active screening, but likelihood of sizeable transaction (esp. in the international data arena) is decreasing
- Return cash to shareholders as viable alternative, either through:
  - share buy back program, and/or
  - special dividend, and/or
  - further reduction in the nominal value of the shares

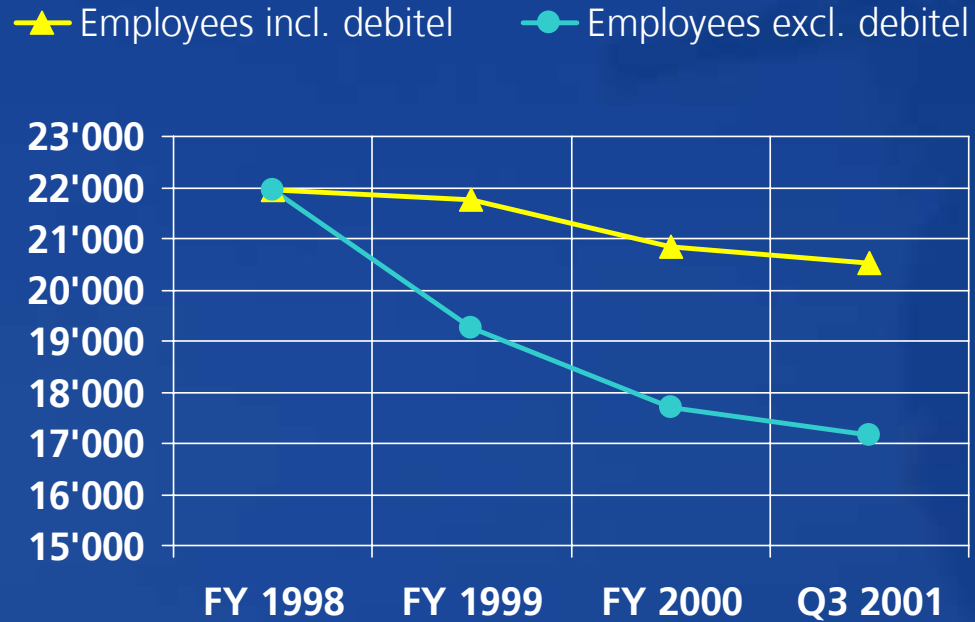
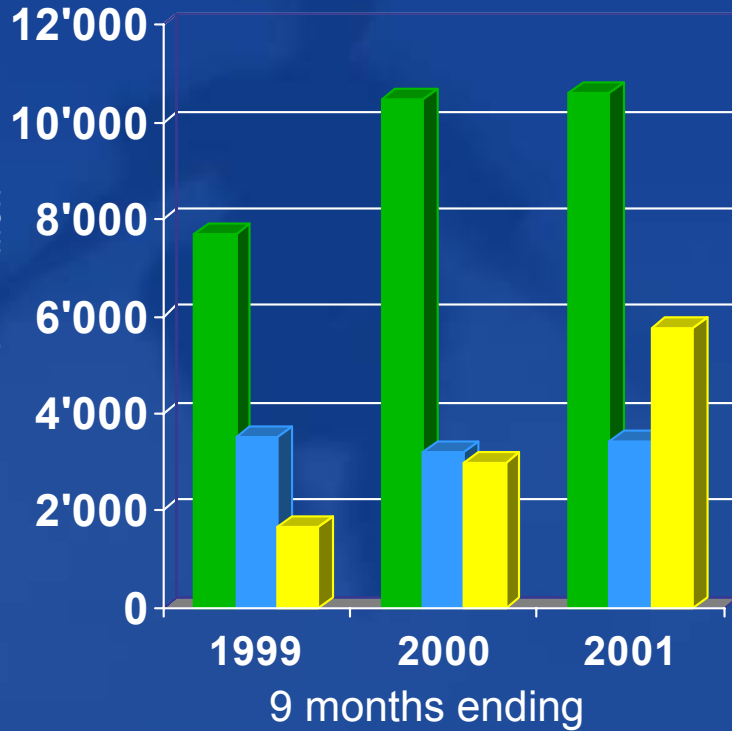
- Balance Sheet with a Net Cash position of some CHF 3 bln created through:
  - solid performance in the domestic market
    - continued lower cost of operations
    - more rationale behavior from competition
    - stabilising prices in both fixed and mobile markets
    - slowing market share losses
    - hence, rather stable EBITDA margins
  - successful sale of real estate portfolio CHF 2.5 bln)
  - successful sale of 25% stake in Swisscom Mobile to Vodafone (CHF 4.5 bln)
  - attractive UMTS license cost (CHF 50 mio)
  - prudent investment policy



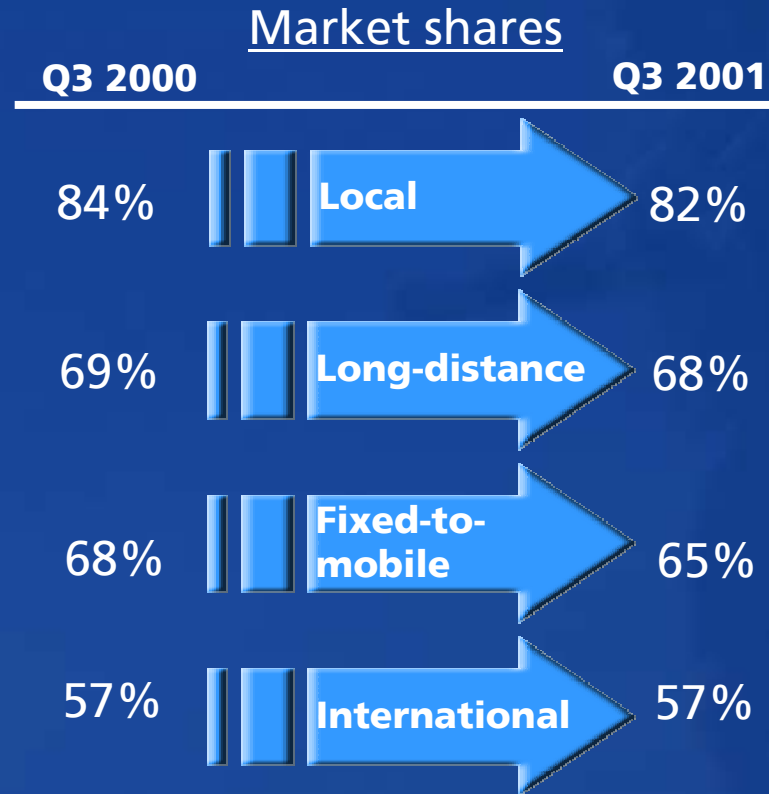
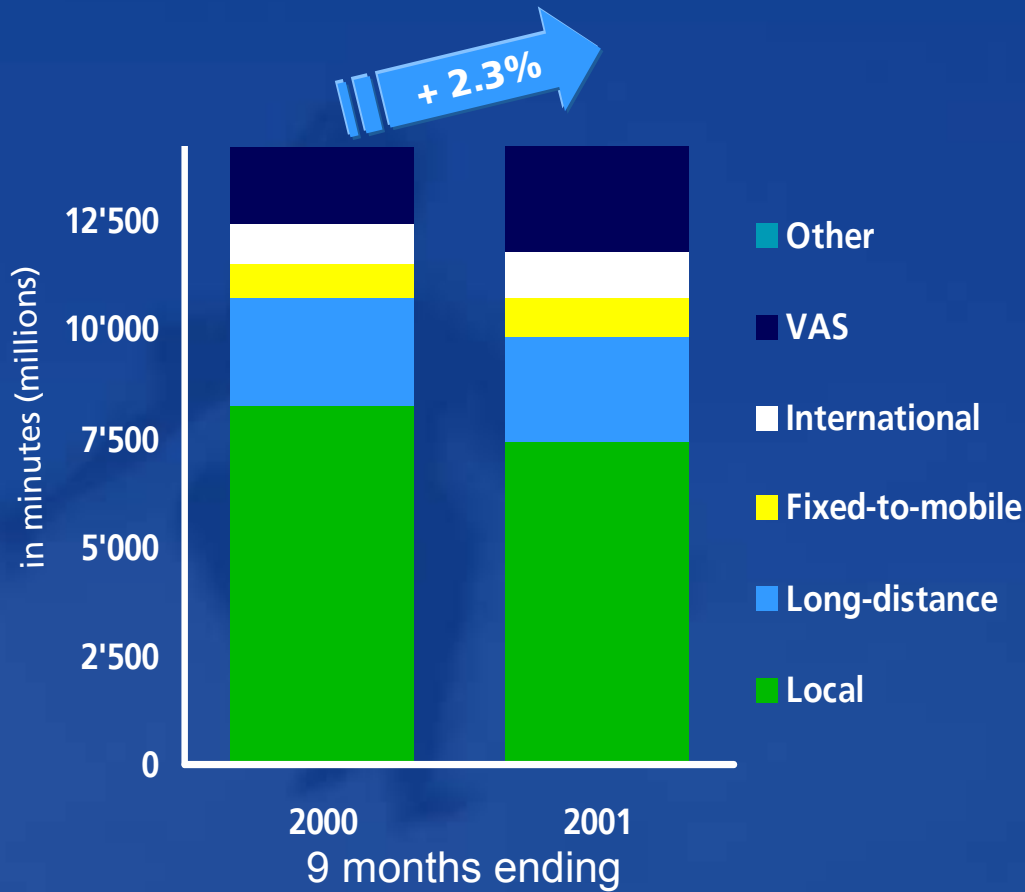
# Key Figures

# Swisscom - key figures for the group

■ Net revenue    ■ EBITDA  
■ Net income



# Swisscom Fixed line businesses - Traffic volume\* and market shares



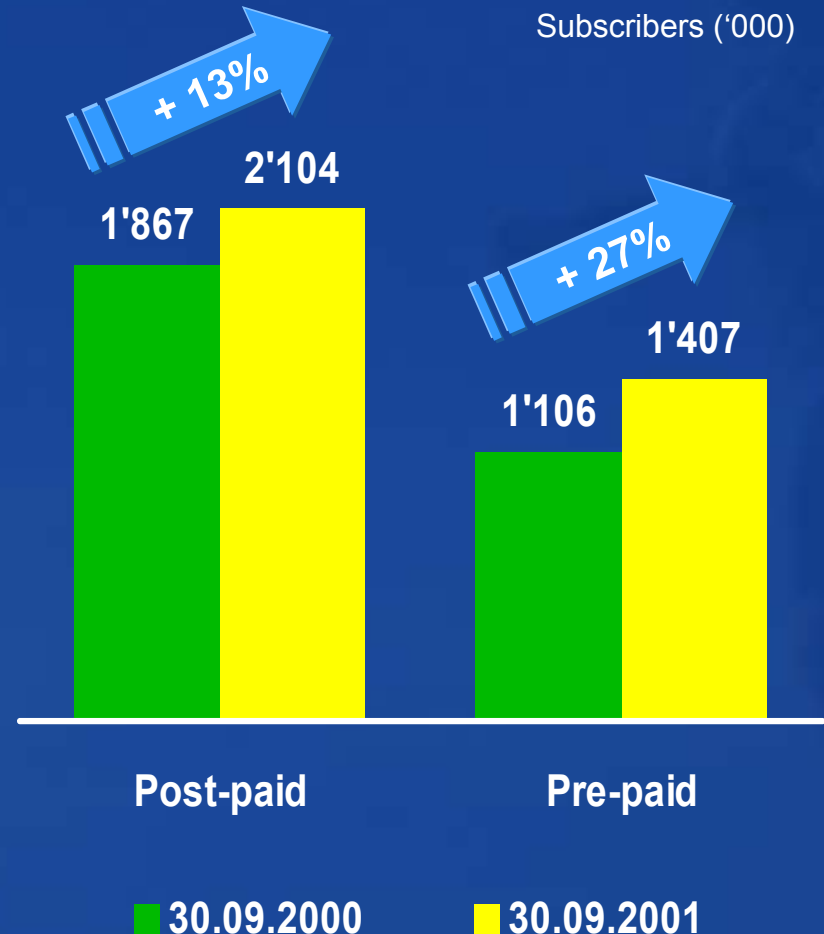
\*Covers traffic from Fixnet Retail and Network and Enterprise Solutions

# Swisscom Mobile - Key Figures

## Key facts (30.9.2001)

- 3 GSM operators and 4 licensees for UMTS
- Swiss penetration rate of 71%
- 3.5 million Swisscom customers with ARPU of CHF 83
- Market share of 68% (and even higher in post paid and business segments)
- Acquisition costs per new post-paid subscriber of CHF 300 - 350
- EBITDA margin of 47.3%

## Strong subscriber growth





## Conclusions:

**Stable domestic performance, providing further comfort that our focus is right**

**Always looking for growth, but only if  
“solid as a rock”**

A woman with blonde hair, wearing a white suit, is riding a roller coaster. Her hair is blowing in the wind, and she has a joyful expression. The background is a dark blue sky with a large, illuminated star-shaped sign on the roller coaster structure. The scene is lit with dramatic, low-key lighting, emphasizing the woman and the star sign.

**Thank you for your attention**

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