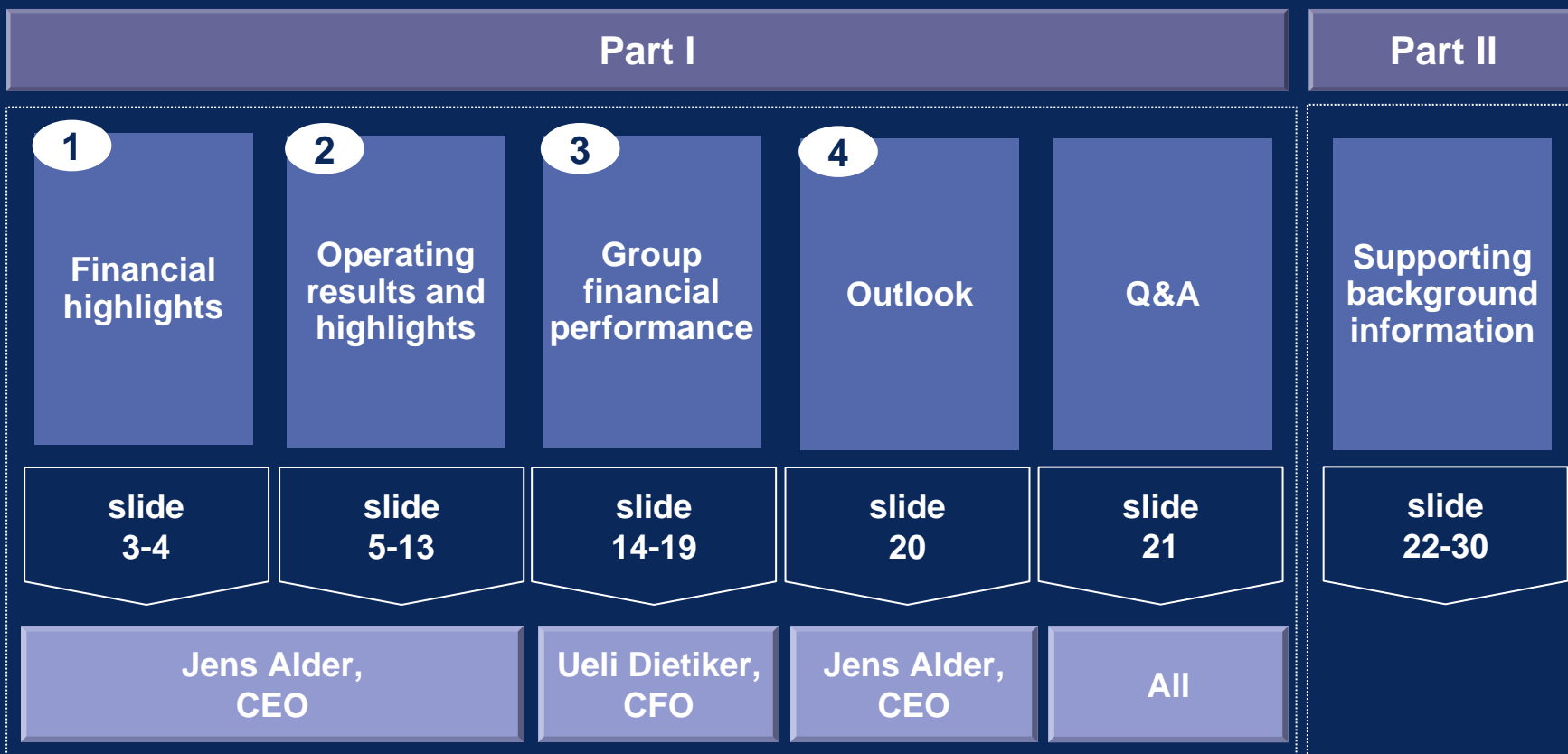


9 months results 2005

*“The last three / can not be,
as fine / as the first nine”*

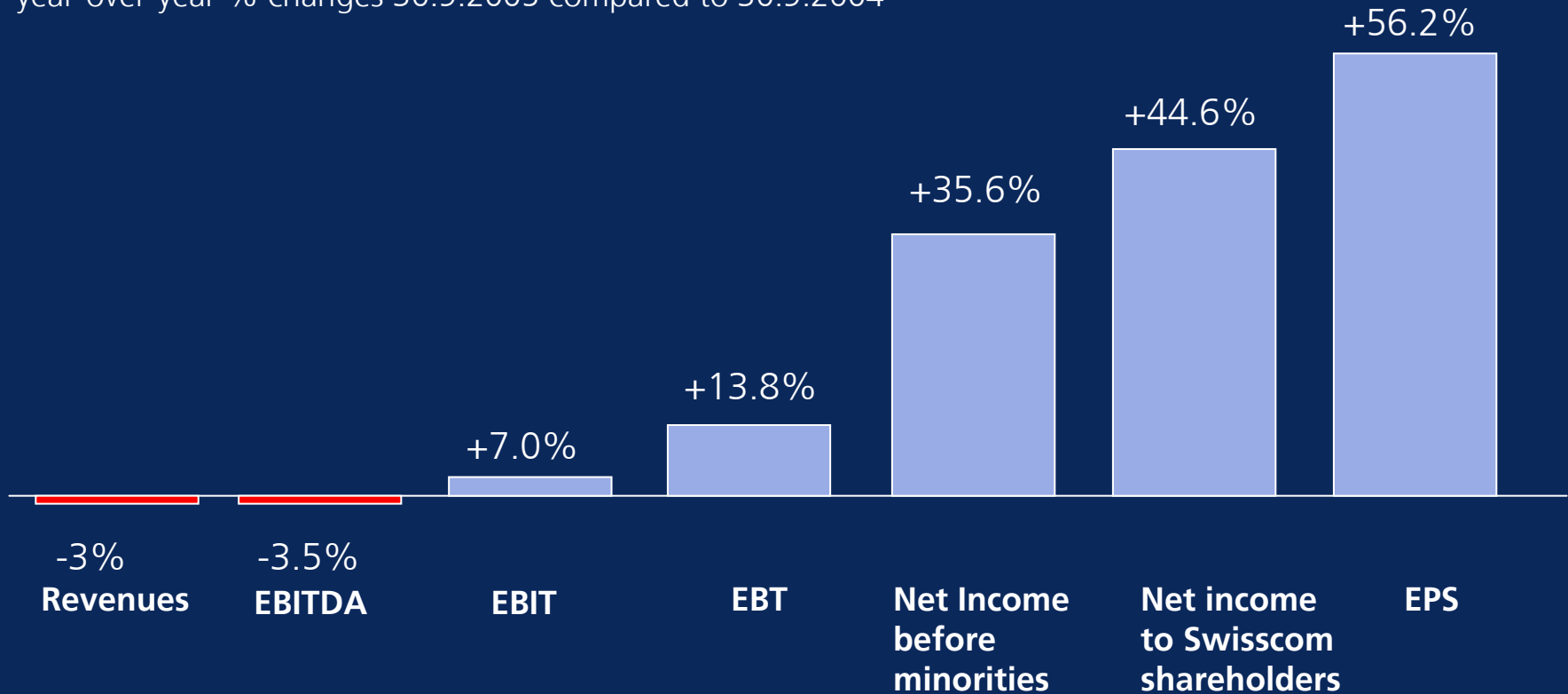
10 November 2005

Structure of document



First 9 months 2005 results in a nutshell

year-over-year % changes 30.9.2005 compared to 30.9.2004



The "fine nine"

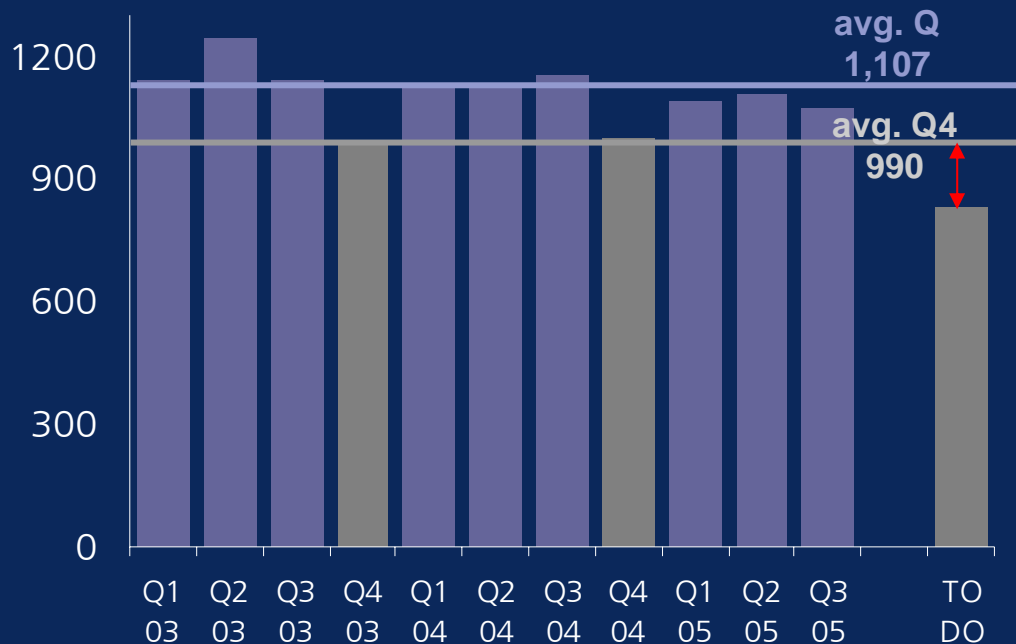
Part I

1. Financial highlights

Last 3 months 2005 with lower EBITDA

EBITDA

(in CHF mm)



4th Quarter 2005 expectations

Up to CHF 160mm lower EBITDA in Q4 '05 compared to avg. Q4:

- impact **mobile termination** rate cuts (minus CHF 80-90mm)
- general pressure from higher level of **competition** in both mobile and fixed
- no significant EBITDA impact from sold int'l wholesale operations

“The last three / cannot be as fine / as the first nine”

Segment Swisscom Fixnet

Financials and operational data

	9m 2005	YOY
Net revenue in CHF mm ¹	4,012	-6.3%
EBITDA in CHF mm	1,593	-4.2%
EBITDA margin	39.7%	
EBIT in CHF mm	991	20.6%
CAPEX in CHF mm	333	7.4%
Number of FTE's	7,198	-5.5%
Access lines		
PSTN	2,930,000	-3.3%
ISDN	911,000	-1.5%
ADSL	1,010,000	40.9%
Traffic in min. mm		
Retail	8,094	-14.5%
Wholesale	13,961	-6.9%

¹ including inter-company (IC) revenue

1st nine months 2005 highlights

- **Retail** traffic decline (CHF -114mm) no longer compensated by **access** growth (CHF +86mm)
- **Wholesale international**: revenues down (CHF -100mm) esp. due to sold operations to JV with Belgacom
- **Wholesale national**: revenues down (CHF -20mm) esp. due to lower (interconnection) rates and internet dialup migration
- **Broadband** with >1m DSL lines - of which 64% retail - is still growing impressively
- Continuing **cost** containment: OPEX (incl. IC) down CHF 202mm YOY (-7.7%)
- **EBITDA** absolute lower, however margin improved from 38.8% to 39.7%
- **CAPEX** increasing in run-up to IPTV and VDSL rollout

Update on IPTV

Update on IPTV platform

- Microsoft able to build an ecosystem with convincing platform focused on IPTV
- Set top box roadmap still critical (System on a chip)
- IPTV will be delivered on ADSL and VDSL2; in case of HDTV VDSL2 is needed. Network build out in progress
- Internal launch per end of year on track
- Commercial launch in 2006 on track

Services

- Differentiation along 4 dimensions
 - Finally an alternative to cable
 - Attractive content
 - Swiss wide marketing
 - Functionalities; ease of use (as with TV 300), enriching and expanding TV experience
- HDTV key in medium term plans
- Quality a must (hygiene factor)
- IP/DTT-hybrid approach of less relevance for Swiss market given limited spectrum availability and reach

IP-TV development on track

VDSL rollout and related CAPEX

Background

- VDSL creates base for new customer «broadband-experience», e.g.,
 - TV of the future (HDTV, HD VOD, iTV)
 - Fast remote Access & Teleworking
 - Interactive Games
- Available bandwidth over 20 Mbps downstream
- Roll-out details dependent on ULL regulation:
 - Coverage
 - Timing

CAPEX development

- Swisscom Fixnet's total CAPEX envelop historically CHF 500-600mm p.a.
- Increased spending required largely as result of investments into broadband-availability and -services
- Total CAPEX envelop over next 2-3 years at Swisscom Fixnet likely to grow to CHF 600-700mm p.a.

Swisscom invests into the digital future of Switzerland

Recent regulatory development

ULL

- Full access likely to be regulated as well as leased lines
- Rebilling vs. reselling open
- Still differences between the two chambers (national council, council of states) regarding BSA regulation
- Next step: 2nd session in the small chamber (council of states) in Nov./Dec. 05
- Time plan: soonest implementation of the revised telecom act (FMG) in the 2nd half of 2006

Mobile termination (MT)

- Competition commission held a hearing on 5 Sept 05
- It is now considering the arguments of Swisscom Mobile
- Decision of competition commission not to be expected before end of 2005

Outcomes of both ULL and MT take longer than anticipated

Segment Swisscom Mobile

Financials and operational data

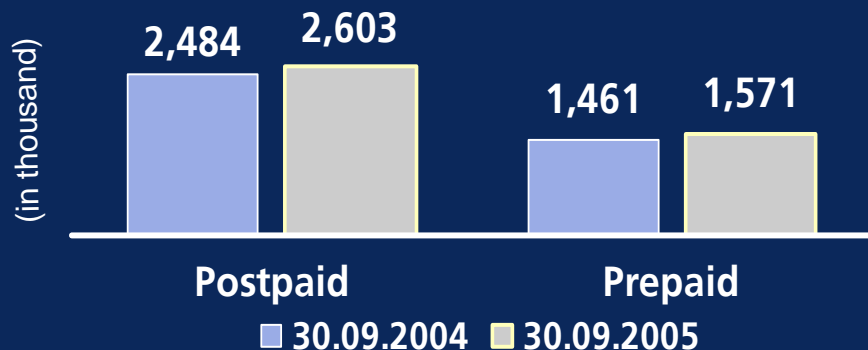
	9m 2005	YoY
Net revenue in CHF mm ¹	3,158	-3.1%
of which service revs	2,904	-2.1%
EBITDA in CHF mm	1,446	-3.6%
EBITDA margin	45.8%	
EBIT in CHF mm	1,164	-5.4%
CAPEX in CHF mm	192	-45.8%
Number of FTE's	2,440	-2.6%
Subscribers (thousand)	4,174	5.8%
ARPU (CHF/month)	76	-6.2%
AMPU in min.	119	0.8%
SMS MO in mm	1,472	-2.0%

1st nine months 2005 highlights

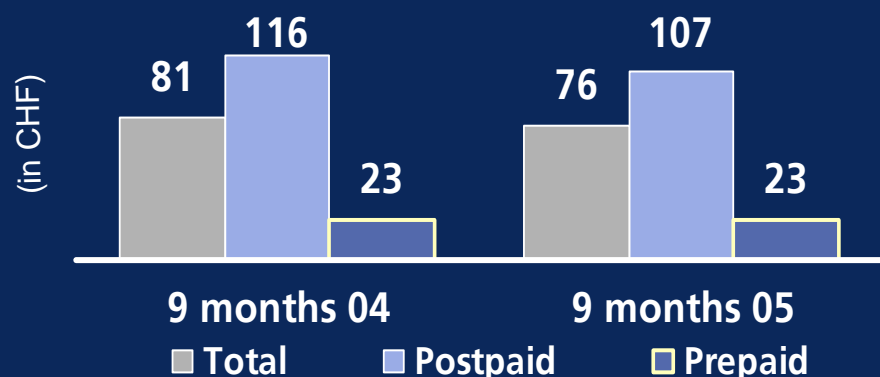
- To stimulate **volumes** Swisscom Mobile introduced in June an aggressive **tariff** plan for retail customers (50 cents/call/hour and CHF 25 monthly subscription fee) and lowered mobile **termination** rates (-40% to 20 cents/min).
- This investment impacted rev. and EBITDA until September by CHF -124mm
- **Mobile termination** rate cuts will likely lead to CHF -165 mm revenue and EBITDA impact for 2005
- Net **customer growth** of +229k YOY
- **CAPEX** lower because of high investments in UMTS and EDGE in 2004

Overview of key mobile KPI's

Mobile subscribers



ARPU development



Key observations

- Swiss **penetration** up to ~90% - also thanks to the success of M-Budget with 50k subs at end of Sept.
- Churn** rate only 6.2% for first 9 months 2005
- Total **SAC** and **SRC** down by 2% YOY to CHF 284mm
- AMPU** (119 min.) up YOY due to intro of Swiss Liberty tariff with CHF 0,50 per on-net call/hour
- Blended **ARPU** down YOY by CHF 5 (-6.2%)
- Vodafone Live!** with **671k** subs at end of Sept. Vodafone Live! subs (16% of customer base at 30.9.05) generate close to double data ARPU compared to non-Live! subs
- Blended **data ARPU** up 12% YOY and now represents 14% of total ARPU

New mobile contracts and its effects

Details of new offers

- **NATEL® Swiss Liberty**
 - Postpaid offer with 50 Swiss cents on-net*-tariff per call/h and CHF 25 base fee
- **NATEL® Basic Liberty**
 - Postpaid offer with 70 Swiss cents on-net*-tariff per call/h and CHF 12 base fee
- **NATEL® Easy Liberty**
 - Prepaid offer with 80 Swiss cents on-net*-tariff per call/h
- **M-Budget Mobile**
 - Prepaid no-frills offer. Price per minute 44 Swiss cents and SMS @ 10 Swiss cents (promo until end of 2005)

Snapshot of first success

- **NATEL® Swiss Liberty**
 - 500k subscribers 5 months after launch
 - Call rate elasticity so far on about 10% for on-net and M2F calls
 - Usage (minutes) stimulated by 1/3
- **NATEL® Basic Liberty**
 - Launch 2.11. 2005
- **NATEL® Easy Liberty**
 - Launch 2.11. 2005
- **M-Budget Mobile**
 - 90k subs (End of October)

More segment-tailored offers introduced

Segment Swisscom Solutions

Financials and operational data

	9m 2005	YOY
Net revenue in CHF mm ¹	940	-12.6%
EBITDA in CHF mm	72	-52.6%
EBITDA margin	7.7%	
EBIT in CHF mm	43	-62.9%
CAPEX in CHF mm	12	-42.9%
Number of FTE's	1,819	-7.0%

Traffic in min. mm

National	1,460	-6.4%
International	270	0.0%
Total	1,730	-5.4%

¹ including inter-company (IC) revenue

1st nine months 2005 highlights

- Revenues** with external customers decreased by 12.7% (CHF -121mm)
 - Traffic substituted by mobile and increasing competition: CHF -40mm (-17.7%)
 - Substitution of leased lines by IP offers with lower charges: CHF -28mm (-20%)
 - remaining decrease largely explained by lower PBX rental income
- Operating **expenses** reduced by 6.1% (decreasing COGS and personnel costs), however not sufficient to compensate for revenue erosion

Segments Other and Corporate

Financials and operational data

Segment Other	9m 2005	YoY
Net revenue in CHF mm ¹	750	7.0%
EBITDA in CHF mm	134	19.6%
EBITDA margin	17.9%	
EBIT in CHF mm	34	n/m
CAPEX in CHF mm	84	-16.0%
Number of FTE's	2,931	10.6%

Segment Corporate	9m 2005	YoY
Net revenue in CHF mm ¹	512	11.8%
EBITDA in CHF mm	33	n/m
EBITDA margin	6.4%	
EBIT in CHF mm	1	n/m
CAPEX in CHF mm	48	n/m
Number of FTE's	900	-1.2%

¹ including inter-company (IC) revenue

1st nine months 2005 highlights

Segment Other

Top-line increase thanks to:

- new outsourcing customers at **IT services** (CHF +37mm) and
- growth in Eurospot's int'l **WLAN** business (CHF +16mm)

EBITDA increase thanks to:

- improvement results at **IT Services**
- **Eurospot** getting much closer to EBITDA breakeven

Segment Corporate

- Higher IC revenues from the real estate company **SIMAG**
- **EBITDA** improved by CHF71mm esp. due to lower restructuring costs and gains from sale of real estate

Swisscom Group – snapshot

Key financials as per 30.09.2005

in CHF mm	30.09.2005	YOY
Net revenue	7,298	-3.0%
EBITDA	3,272	-3.5%
EBITDA margin	44.8%	
EBIT	2,229	7.0%
Net income *	1,906	35.6%
SCM net income **	1,650	44.6%
EPS ***	27.22	56.2%
CAPEX	667	-13.9%
EFCF	2,362	-8.0%
Net cash	2,395	12.8%
FTE	15,288	-2.3%

* Net income before minorities

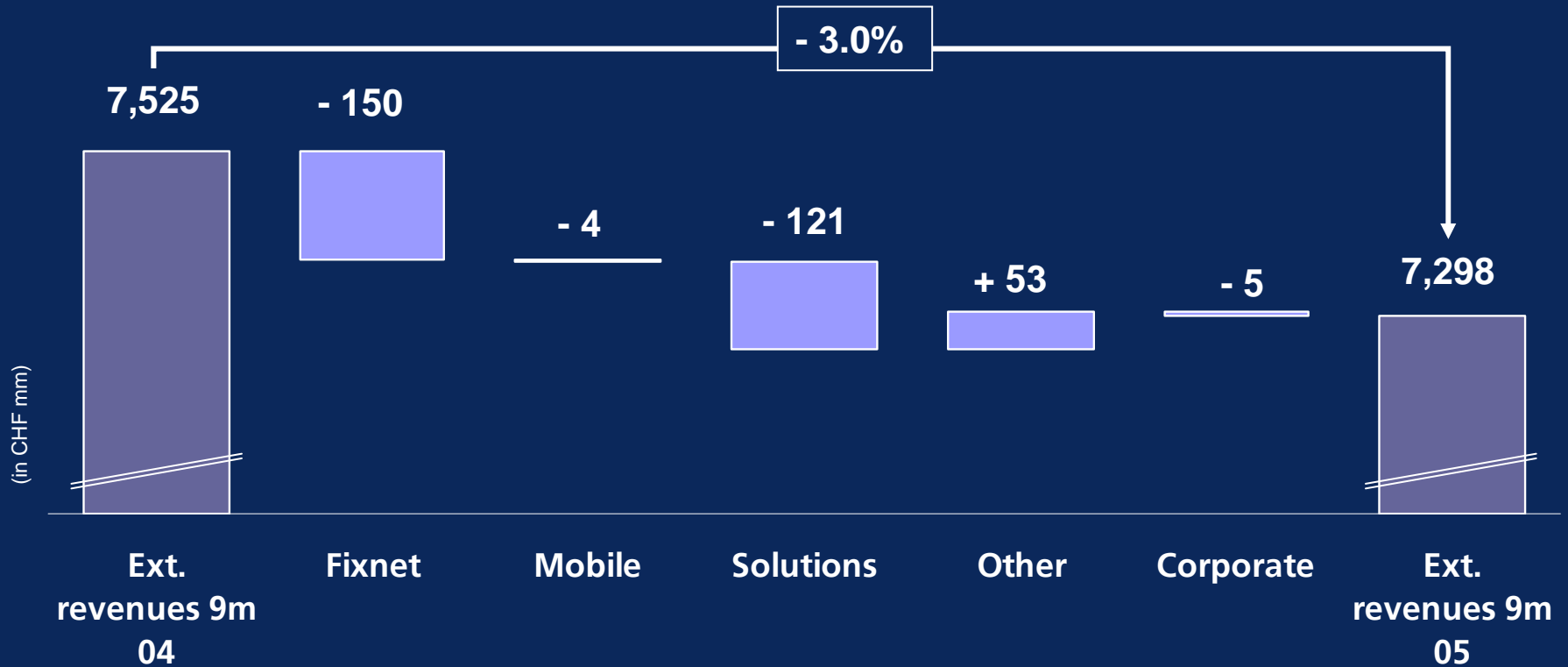
** Net income to Swisscom sh'holders (excl. minority interests)

*** Avg. # of outstanding shares in 1st 9 months 05: 60.608mm

1st nine months 2005 highlights

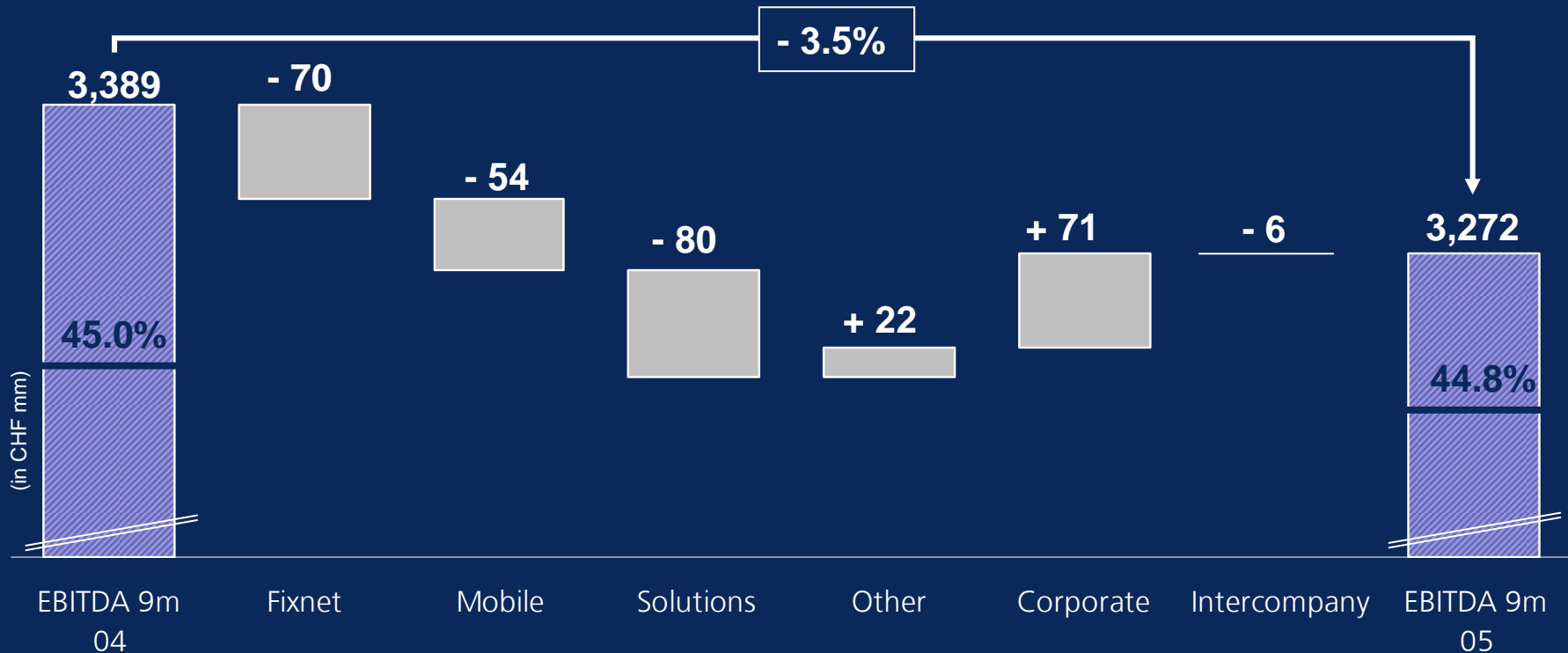
- Cost savings not sufficient to compensate **top-line** decrease: **EBITDA** down by 3.5%
- The segments Other (CHF +22mm) and Corporate (CHF +71mm) with positive EBITDA contribution
- **EBITDA margin** for the group: 44.8%
- **Net income** grew by 35.6% mainly thanks to lower depreciation, higher net financial result and the sale of debitel
- Net income attributable to Swisscom shareholders up by CHF 509mm (+44.6%)
- Share buybacks drive **EPS** up (+56.2%) further (as result from lower # shares)

Drivers of group revenues



<u>Fixnet</u>	<u>Mobile</u>	<u>Solutions</u>	<u>Other</u>
+ ADSL-push	+ subs growth	- competition	+ IT Services (CHF 37mm)
- omission of ICS	+ data increase	- IP migration	+ Eurospot (CHF 16mm)
- competition	- termination rates	- price pressure	
- mobile price cuts	- Liberty tariff	- leased lines	

Drivers of group EBITDA and margin

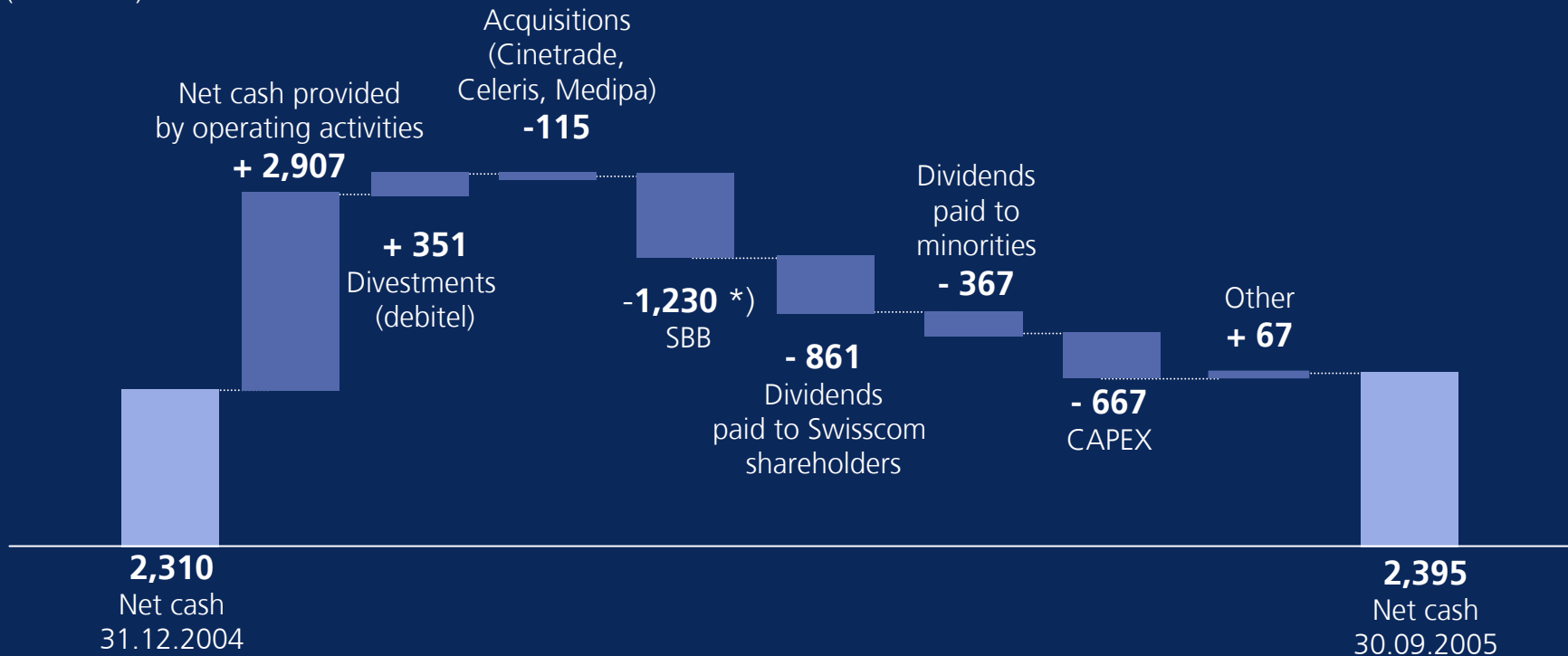


<p>Fixnet</p> <ul style="list-style-type: none"> - competition + FTE and IT cost 	<p>Mobile</p> <ul style="list-style-type: none"> + subs growth - Liberty tariff - termination rates + cost savings 	<p>Solutions</p> <ul style="list-style-type: none"> - price pressure + COGS* + FTE and IT cost 	<p>Other</p> <ul style="list-style-type: none"> + Eurospot 	<p>Corporate</p> <ul style="list-style-type: none"> + sale real estate (SIMAG) + restructuring costs, net
---	---	--	--	--

*) COGS = Costs Of Goods Sold and includes items such as cost of handsets sold, interconnection/termination cost, subscriber acquisition cost, etc

Change of net cash

(in CHF mm)



*) Consists of: withholding taxes for share buyback program 2004 of CHF 119 mm and net cash-out of CHF 822 mm for 3,007mm shares bought back in 2005 and related withholding taxes of CHF 289 mm (outstanding withholding taxes of CHF 153 mm are payable in Q4 2005)

Part I

3. Group financial performance

Equity free cash flow

(in CHF mm)

	2004		2005		
	30.09.	31.12.	30.09.	Remarks for Q4	
+ EBITDA	+ 3,389	+ 4,388	+ 3,272		→ Q4 EBITDA ~ CHF 0,8bln
- CAPEX	- 775	-1,136	- 667		→ Q4 CAPEX ~ CHF 0,4bln
+/- Δ working cap. & other ¹⁾	- 175	-61	- 94		→ Q4 One-off pension fund contribution of CHF 0,3bln
- tax (cash)	- 164	- 239	- 275		→ Q4 Tax payments expected to be > CHF 0,2bln
- net interest	- 14	- 22	+ 4		
- minorities	- 360	- 360	- 367		
= FCF from ops.	1,901	2,570	1,873		
- acquisitions / divestments (net)	+ 669	+ 597	+ 489		→ Q4 Payment of CHF 0,3bln for 75% in Antenna Hungaria
- debt repayments (net)	- 4	- 256	0		
= EFCF	2,566	2,911	2,362		EFCF in Q4: << 0

1) Other items: one-off investments into pension funds

Update on share buy back 2005

- Buyback program **2005** (CHF 2bln) commenced on 20 May 2005
- Structure of repurchasing program similar to 2004 program:
 - **2nd trading line**
 - Ticker code <SCMNE>
- CHF 1,265mm completed until **30.09.05**, representing:
 - 63% of total CHF 2 bln program
 - total of 3.007mm shares @ avg. price of CHF 420.50 / share
- CHF 1,593mm (80% of program) completed **YTD** for a total of 3.787mm shares @ avg. price of CHF 420.65 / share
- **Restart** of buyback on 11 November 2005

Share buy back 2005 on track

Outlook FY 2005

- Group **revenue** of approximately CHF 9,6bln
- Group **EBITDA** of around CHF 4,1bln
- **CAPEX** of around CHF 1,1bln (*CHF 1,2bln previously*)

*Outlook for group revenue and EBITDA unchanged,
CAPEX guidance slightly lowered*

Thank you for your attention!

Questions & Answers

*[Please also refer to separate background slides
detailing the presentation]*

For further information, please contact:

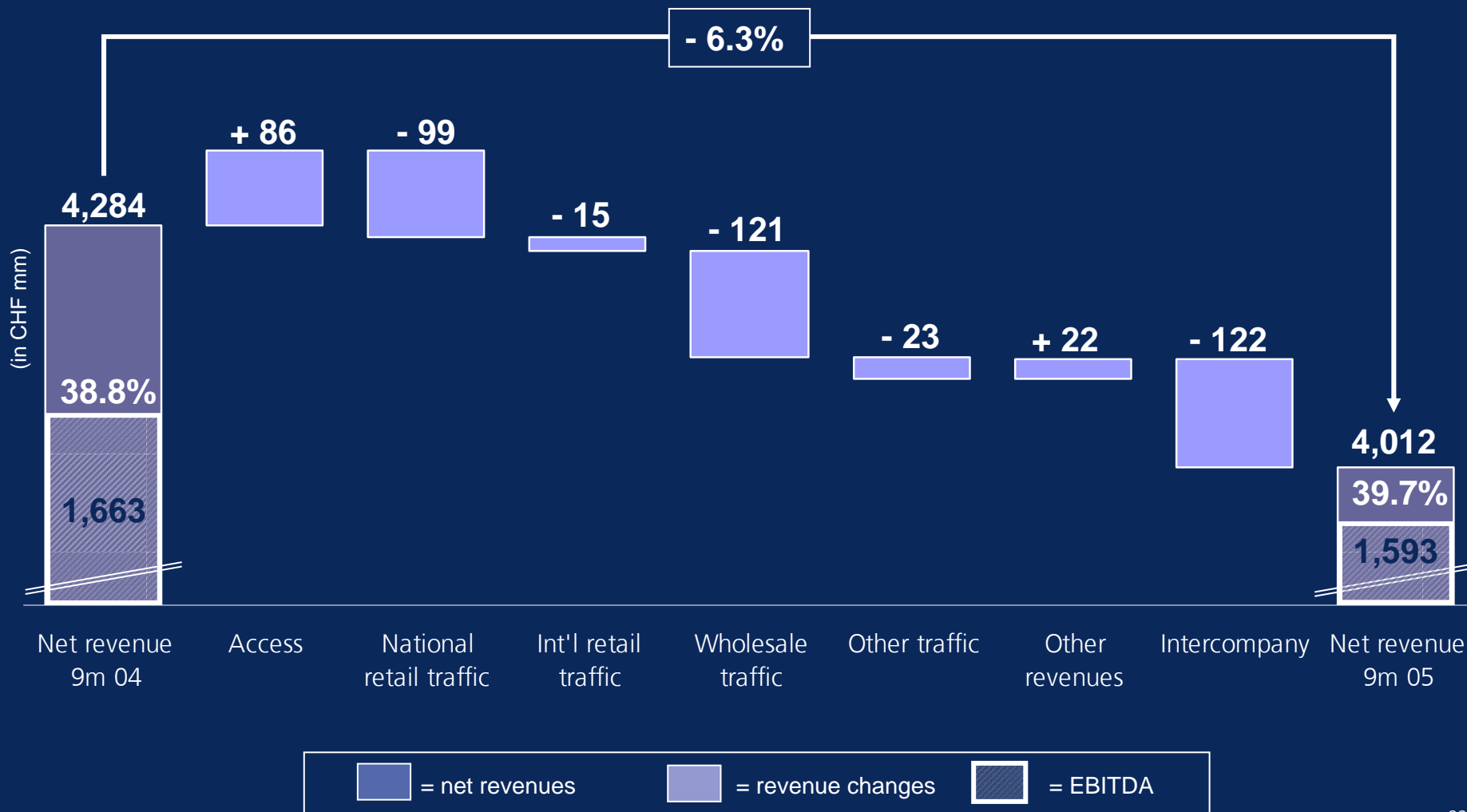
phone: +41 31 342 6410

fax: +41 31 342 6411

<mailto:investor.relations@swisscom.com>

www.swisscom.com/ir

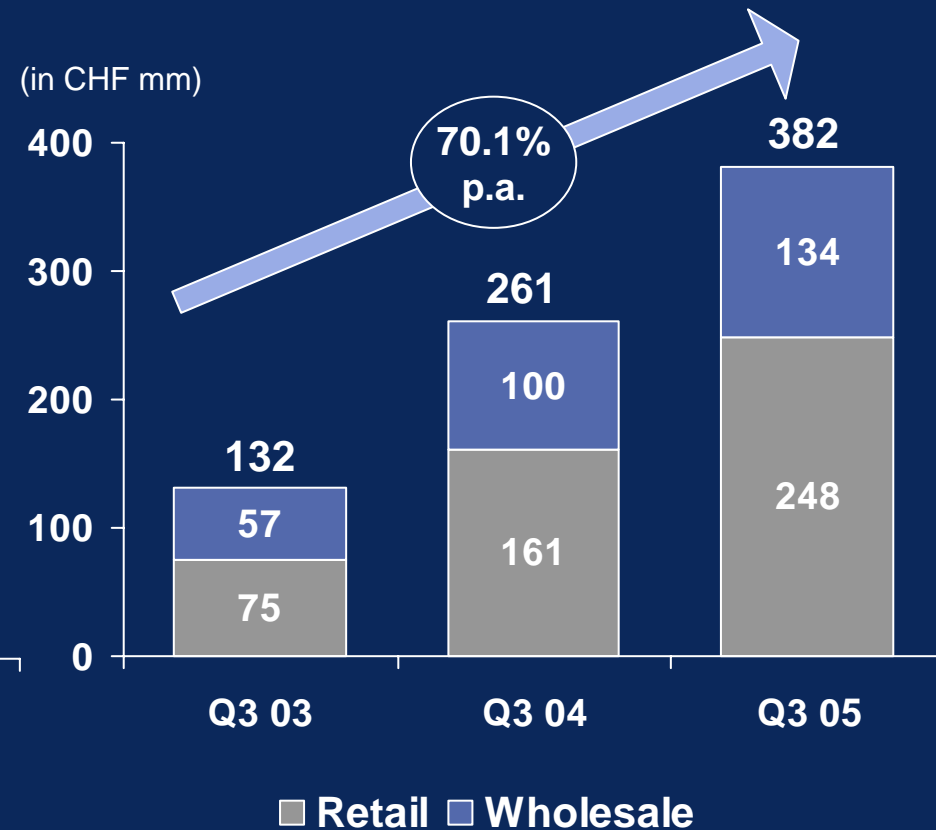
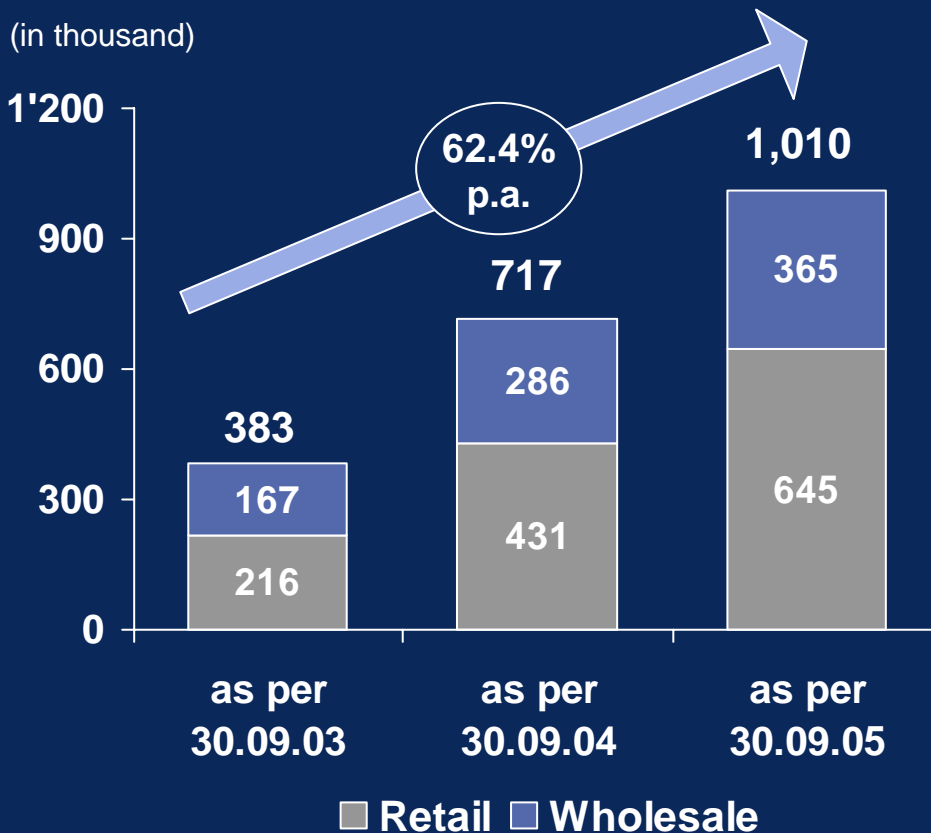
Fixnet revenues and EBITDA



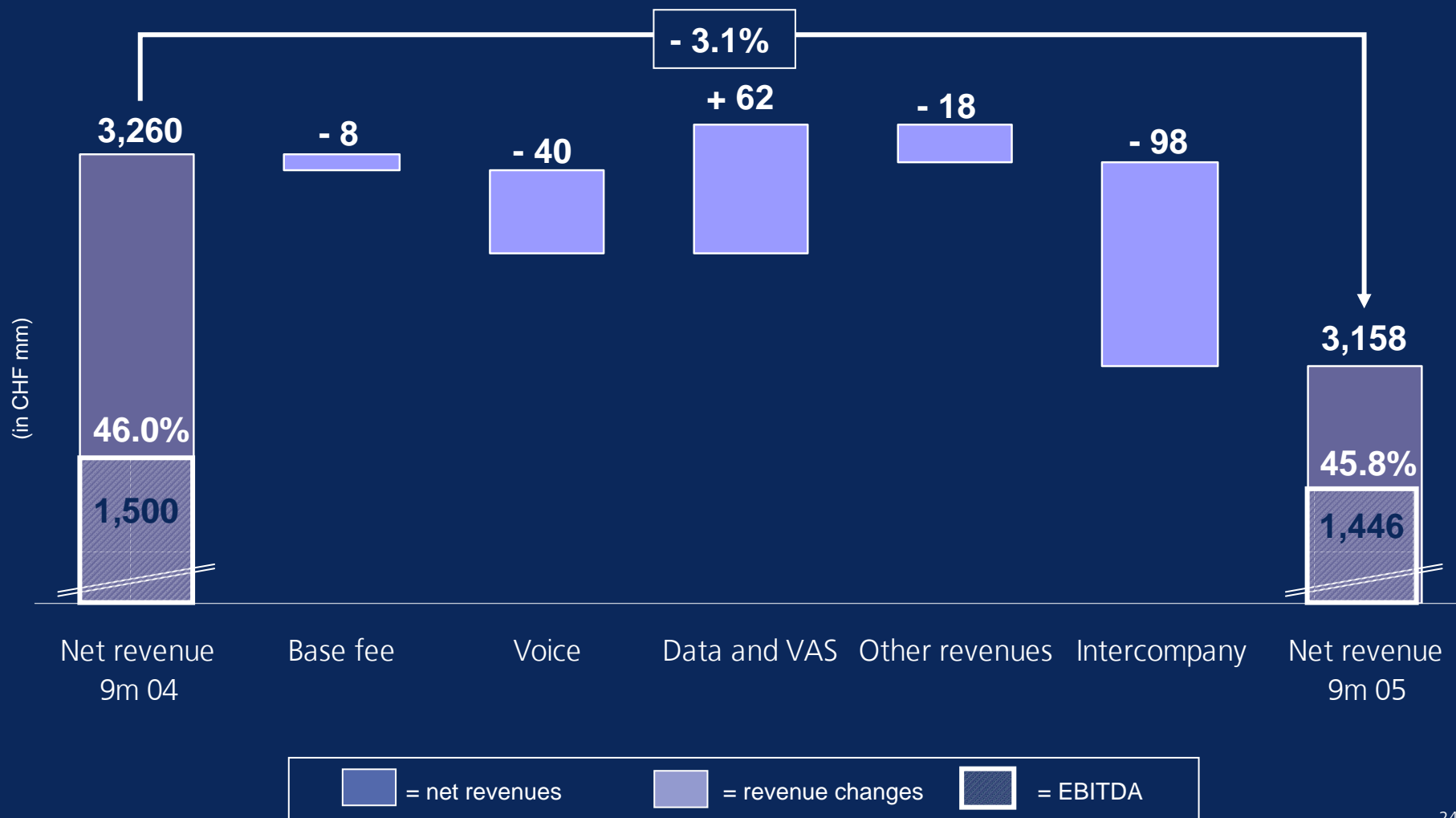
Fixnet leading Swiss broadband provider

ADSL subscribers, cumulative

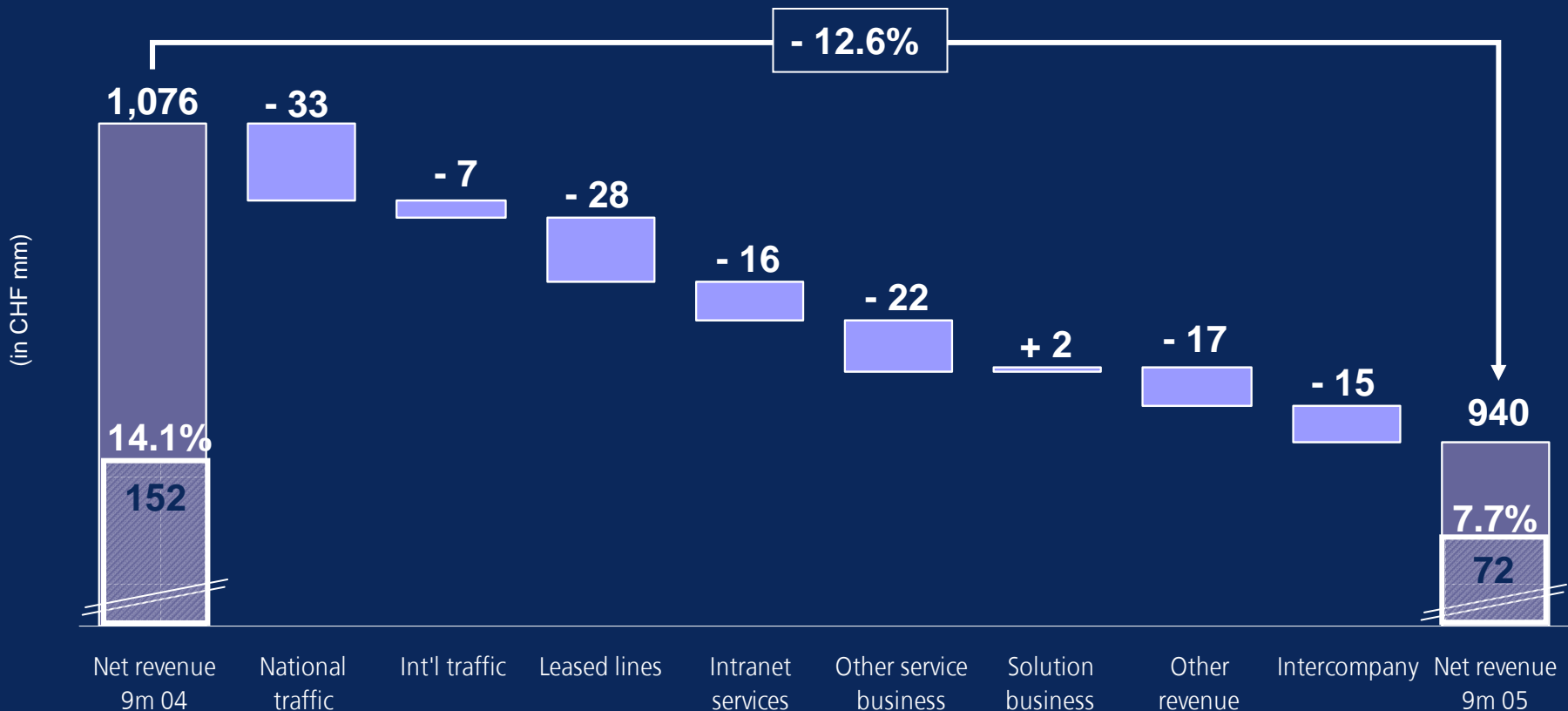
Broadband revenues, cumulative



Mobile revenues and EBITDA

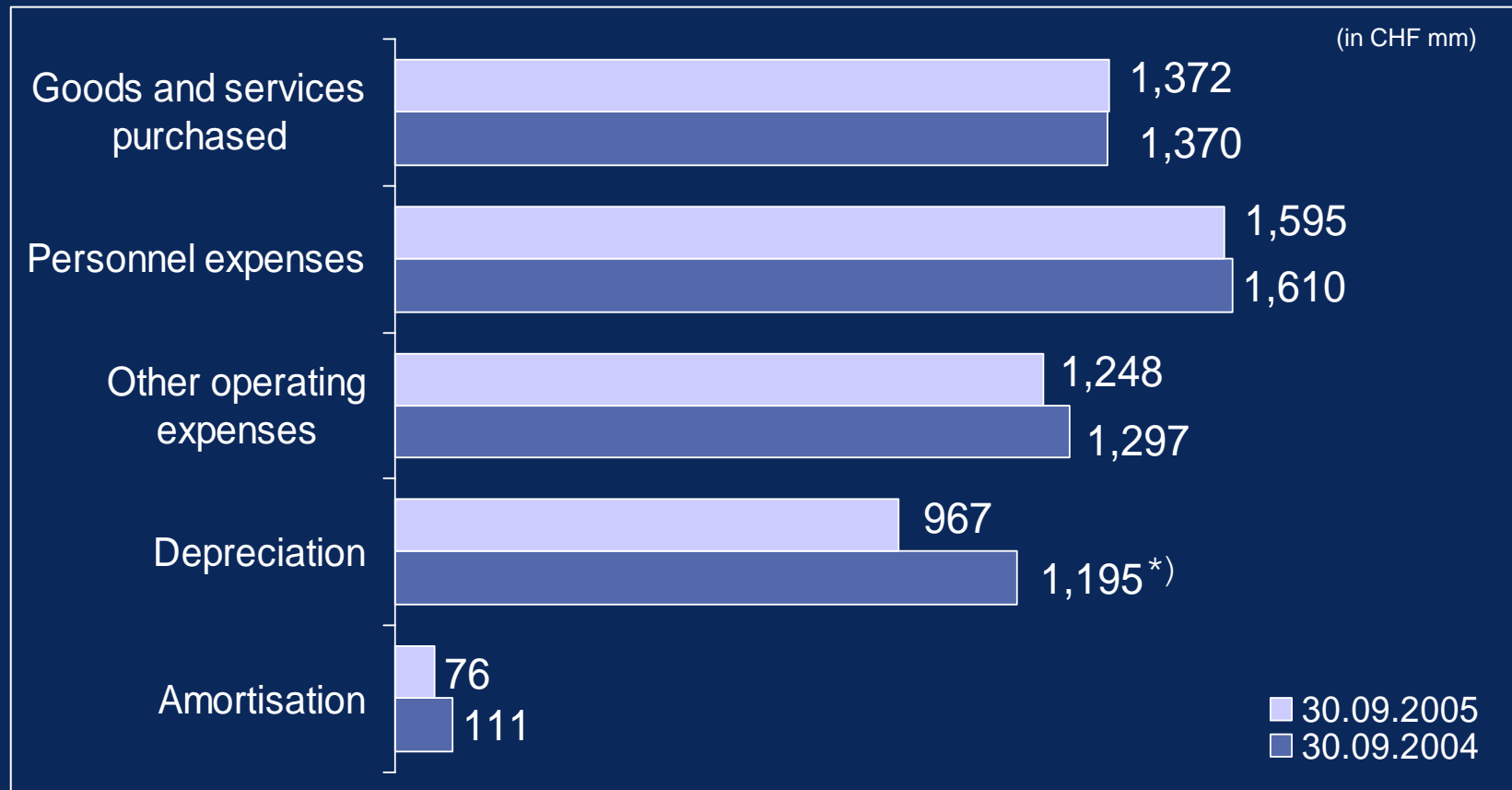


Solutions revenues and EBITDA



= net revenues
 = revenue changes
 = EBITDA

Group OPEX overview



*) Includes impairment of CHF 150mm on tangible assets in international carrier business

Group P&L overview

(in CHF mm)	30.09.2004	30.09.2005	YOY
EBITDA	3,389	3,272	-3.5%
Depreciation and amortisation	-1,269	-1,043	-17.8%
Amortisation goodwill	-37	-	n/m
EBIT	2'083	2'229	7.0%
Net financial result	-22	118	n/m
Equity in net income of affiliated companies	9	9	0.0%
Income tax expense	-423	-450	6.4%
Discontinued operations (debitel)	-241	-	n/m
Net income	1'406	1'906	35.6%
Attributable to minority interest holders	265	256	-3.4%
Attributable to equity holders of Swisscom AG	1'141	1'650	44.6%
Avg. number of shares outstanding (in thousands)	65.459	60.608	-7.4%
EPS (in CHF)	17.43	27.22	56.2%

Group CF overview

(in CHF mm)	30.09.2004	30.09.2005
EBITDA	3,389	3,272
Income taxes paid	- 175	- 94
Net interest	- 14	+ 4
Change in net operating assets and other cash flows from operating activities	- 164	- 275
Net cash provided by operating activities	3,036	2,907
CAPEX	- 775	- 667
Net divestments / (investments) in affiliates/subsidiaries	+ 588	+ 466
Purchase of current financial assets, net	- 397	- 804
Other cash flows from investing activities, net	+ 95	+ 38
Net cash from investing activities	-489	- 967
Repayment of debt	- 78	- 162
Share buyback and treasury stock	- 1,061	- 1,245 ^{*)}
Dividends paid to Swisscom shareholders	- 861	- 861
Dividends paid to minority interests	- 360	- 367
Net cash used in financing activities	- 2,360	- 2,635
Net increase in cash and cash equivalents	+ 187	- 695
Cash and cash equivalents at end of the period	3,281	1,695

^{*)} Consists of: withholding taxes for share buyback program 2004 of CHF 119 mm, employee-stock programs of CHF 15 mm and net cash-out of CHF 1,111 mm for 3.007mm shares bought back in 2005 (related taxes of CHF 153 mm are paid in Q4 2005)

Group capital structure

(in CHF mm)	31.12.04	30.09.05
Short term debt	382	210
Long term debt (cross border tax lease)	1,253	1,482
Long term net finance lease obligation	679	652
Total debt	2,314	2,344
Less: financial assets from lease-and-leaseback transactions	-952	- 1,140
Less: cash, cash equivalents and current financial assets	-3,672	- 3,599
Net cash	2,310	2,395
Total equity	7,454	6,895
Balance sheet total	14,232	13,799
Book leverage ¹	-30.1%	-34.7%
Equity ratio ²	52.4%	50.0%

¹ Book leverage = net debt / shareholders' equity, ² Equity ratio = shareholders' equity / total assets

Cautionary statement regarding forward-looking statements

"This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives.

Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Swisscom's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Swisscom's past and future filings and reports filed with the U.S. Securities and Exchange Commission and posted on our websites.

Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication.

Swisscom disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise."