

# Swisscom: “In time to TIME”

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# In time to TIME

## Agenda

**A. Consolidation**

**B. Convergence**

**C. Swisscom strategy**

**D. Conclusion**

# A. Consolidation

## Logic:

### Absolute scale

by investing abroad, brings added value only when offerings can be replicated in other markets

### Cultural & customer homogeneity

is required for replication of offering to be possible. Same offerings in other geographies can only be successful if customers "tick" similarly

### Experience in sector so far

only pure mobile players successful in consolidation; and only where concentrated on homogenous markets

### Hypothesis

converged services (coherent combination of mobile and fixed) have a good prospect of also creating value from scale when addressing homogenous markets

### Swisscom vs. other players

is a pure player with most competences for convergence in-house while not hampered by patchwork of old international exposure to different business models

**Convergence might well be a driver for a sensible Consolidation:**  
valuable if the same converged services can be replicated in homogenous markets

## B. Convergence

### Opportunities from Convergence:

#### Residential customers

- triple screen, one service
- better accessibility across devices

#### Business customers

combining IT and Telecom Offerings

#### Telephony

- all access wireless and fully mobile
- offering intelligent integration that standalone players can not match

#### Pricing

- bundles
- more tactical – little potential for differentiation

#### Cost containment

substantial “sanitation” opportunities arising from convergence: NGN networks, architecture – standalone players at significant disadvantage

**Convergence: opportunity on multiple dimensions**

# C. Swisscom Strategy

Strategy:

“3 Pillars, 1 outcome”

1

Maximize

ENSURE  
superior  
customer  
experience

DRIVE  
efficiency

•Change  
business  
model to  
customer  
segments

2

Extend

REALIZE  
true ICT for  
B2B

EXTEND  
beyond  
connectivity  
for B2C

3

Expand

ATTACK  
from inside  
by  
*replicating*  
own core  
competence

ATTACK  
on outside  
by  
*leveraging*  
own core  
competence

Profile 2009: best-in class organization offering integrated TIME  
portfolio of services: “streamTIMEd”

## D. Conclusion

### Maximizing value in core business:

- use convergence as a powerful lever for differentiation
- migrate to a customer segment focused organization and 1 all-IP network to improve substantially existing cost structure
- take benefit of regulatory environment which honors investments in new technologies

### Option & value creation by using leverage potential:

- acquisitions
- build ups
- buy backs

**Swisscom's investment case:  
creating value from TIME**

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