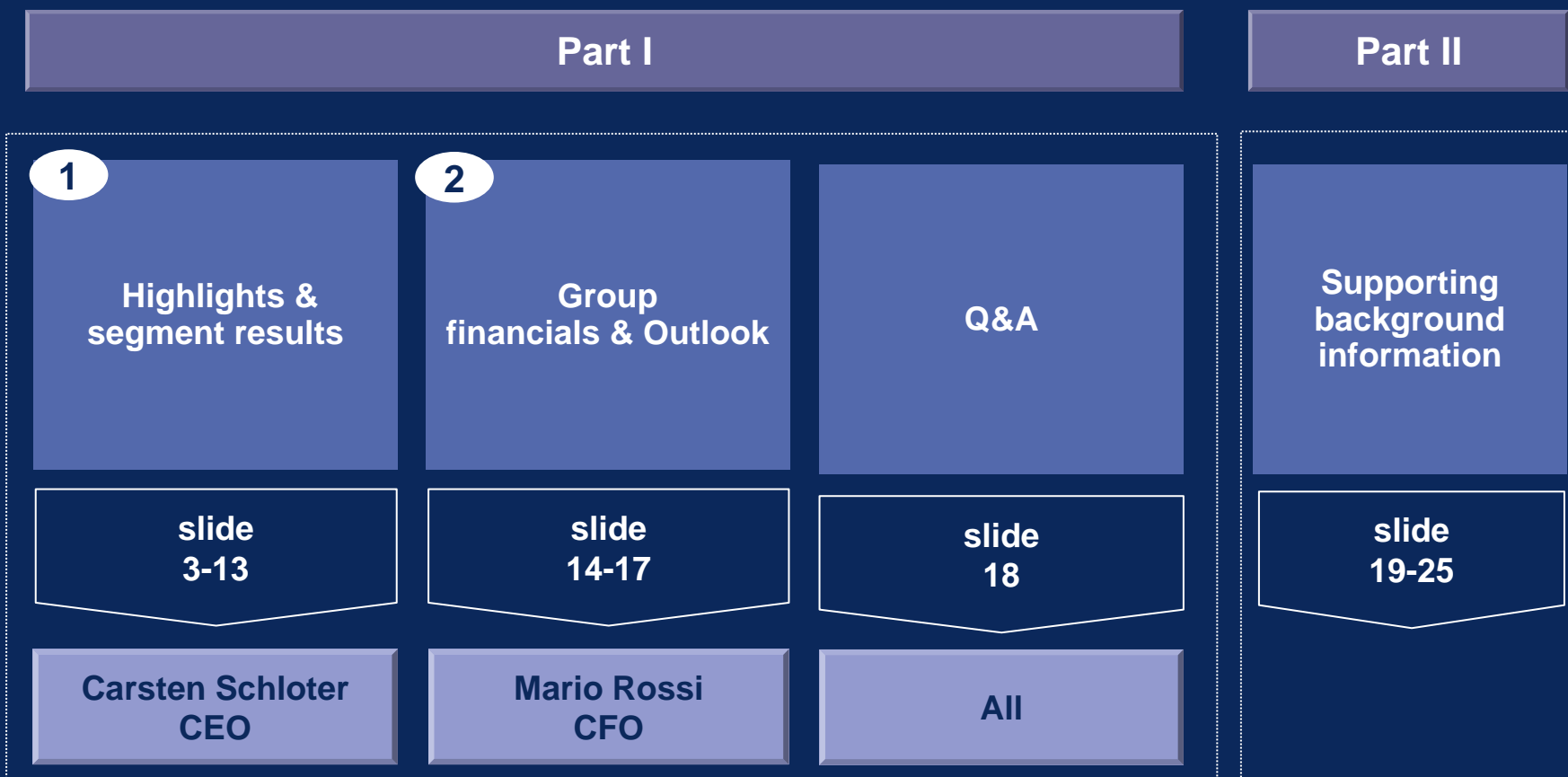


First quarter 2006

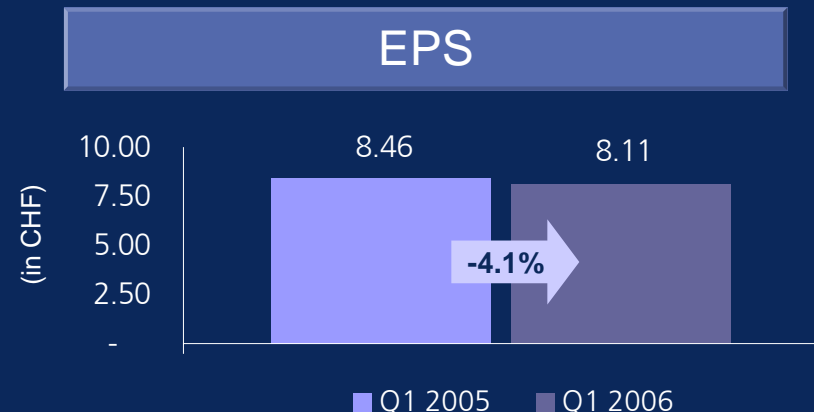
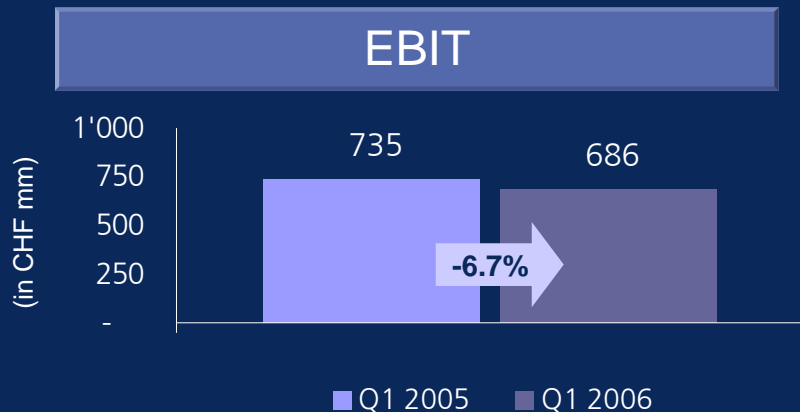
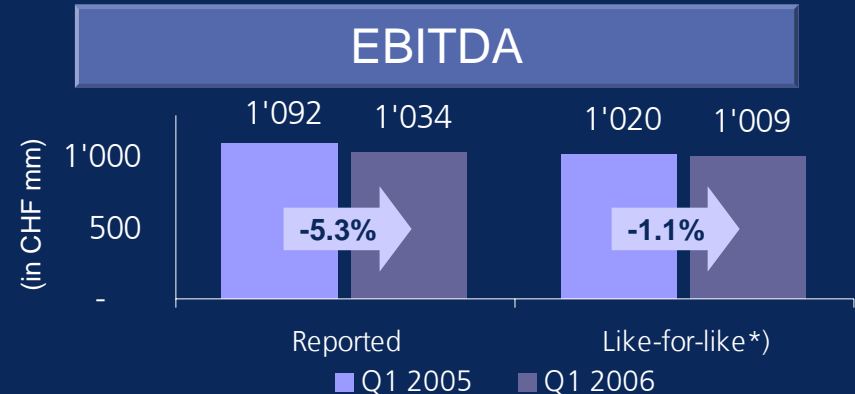
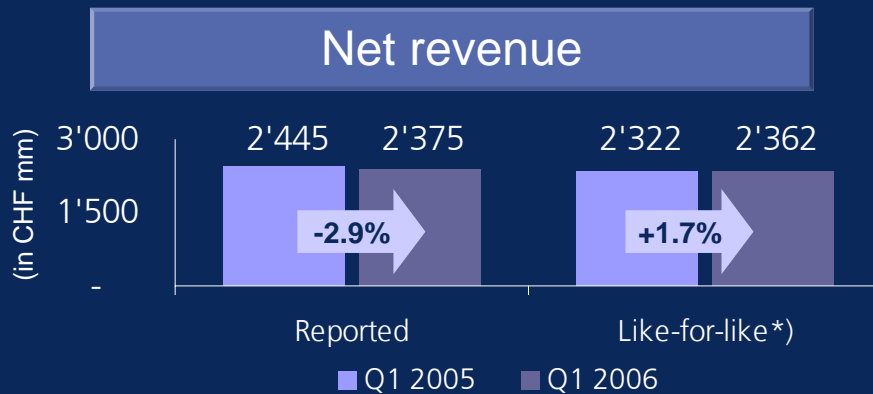
Results presentation

10 May 2006

Structure of document



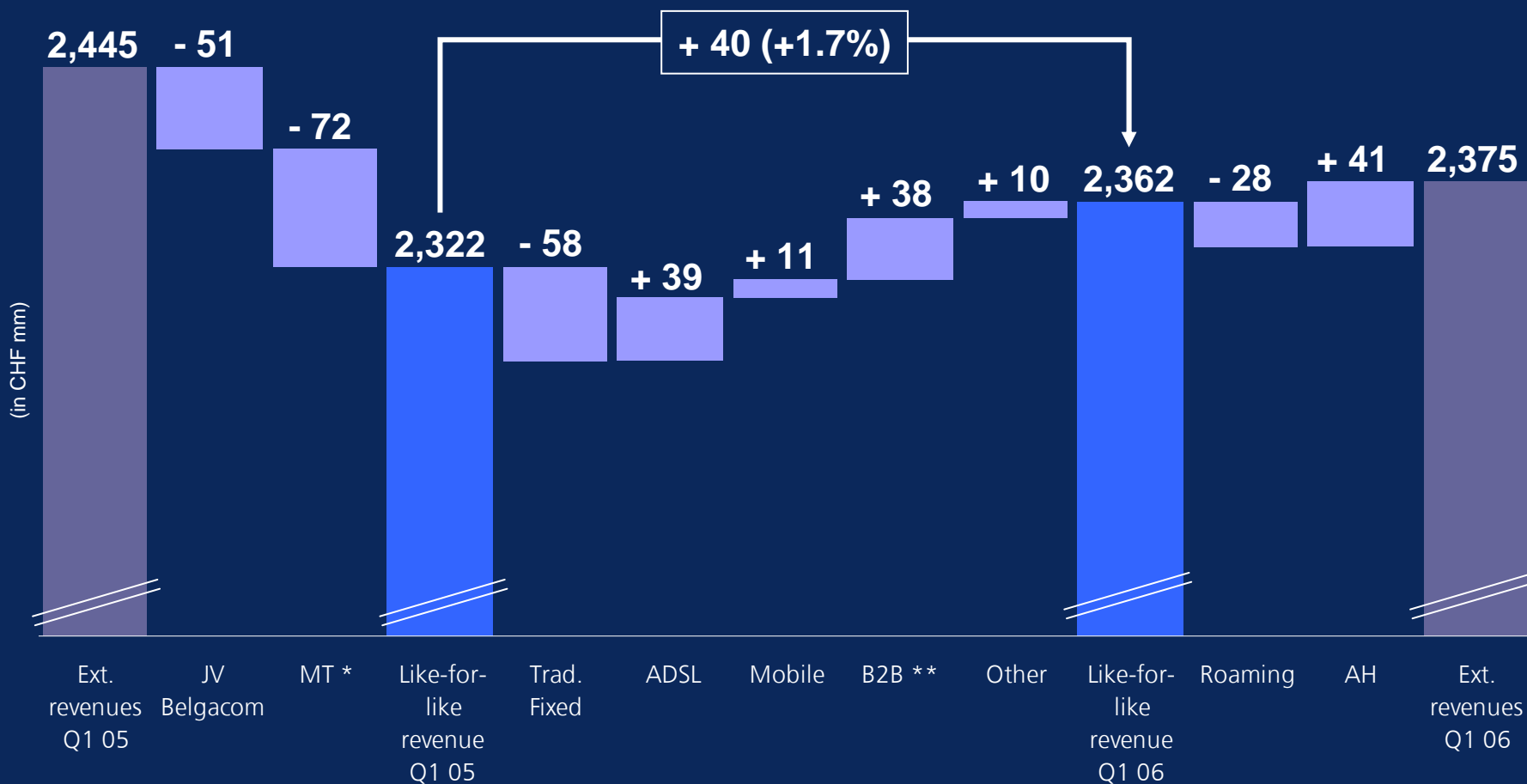
Q1 2006 in a nutshell



Like-for-like sales YOY up, margins slightly lower

*) excl. effects from JV with Belgacom and MT rate in Q1 2005 and effects from roaming contract changes and first time consolidation of Antenna Hungaria in Q1 2006. Details on slide 4 and 5.

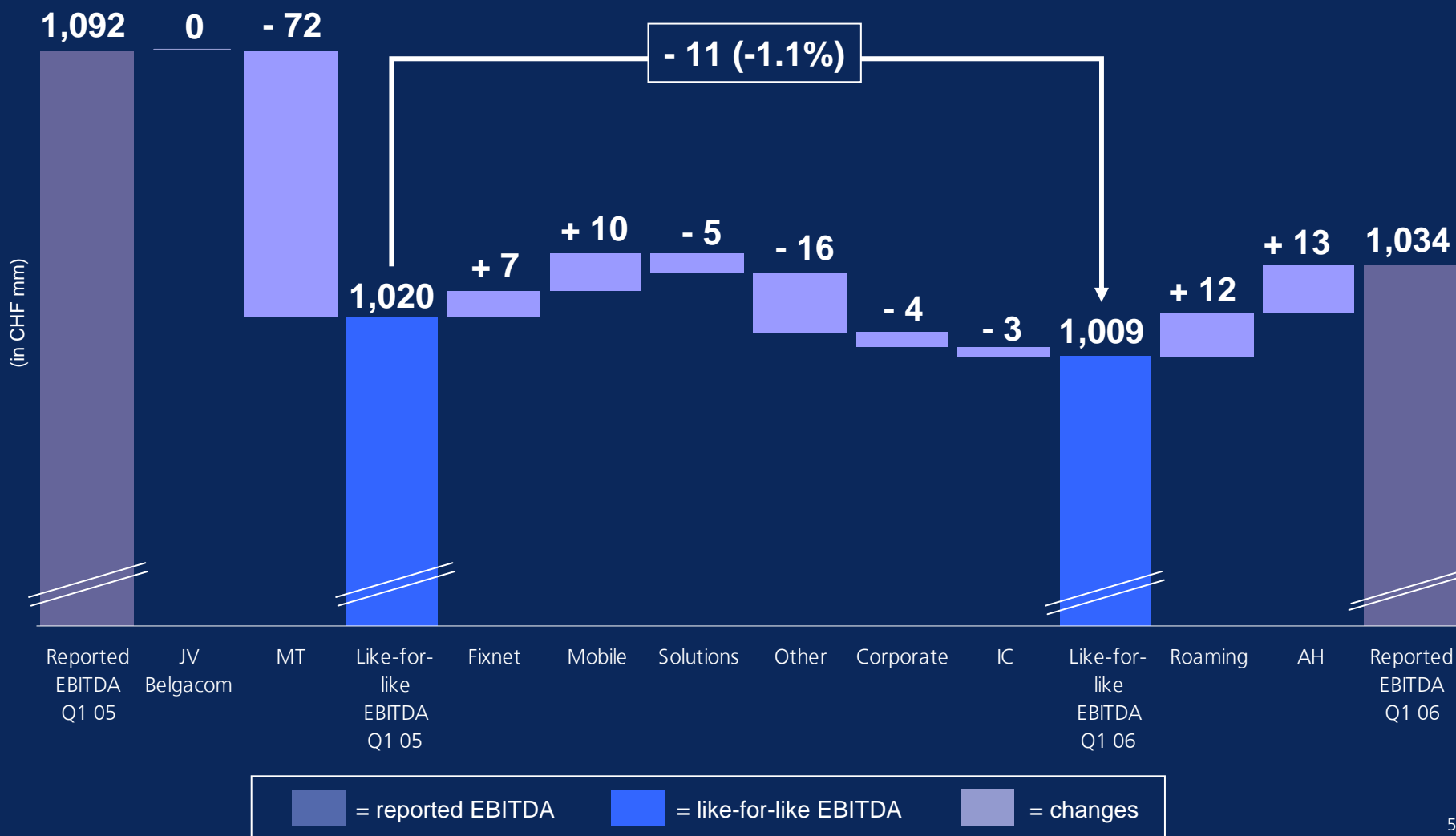
Drivers of group revenues



= external revenues
 = like-for-like revenues
 = changes

* Of which at Fixnet: CHF -23mm, at Mobile: CHF -44mm, at Solutions: CHF -5mm, ** Project- and Outsourcing Business

Drivers of group EBITDA



Part I

1. Highlights and segment results

Segment Swisscom Fixnet

Financials and operational data

	3m 2006	YOY
Net revenue in CHF mm ¹	1,281	-7.0%
EBITDA in CHF mm	526	1.3%
EBITDA margin	41.1%	
EBIT in CHF mm	333	7.8%
CAPEX in CHF mm	119	52.6%
Number of FTE's	7,075	-4.2%
Access lines		
PSTN	2,923,000	-2.0%
ISDN	888,000	-3.6%
ADSL	1,189,000	35.4%
Traffic in min. mm		
Retail	2,647	-8.7%
Wholesale	4,390	-12.1%

1st quarter 2006 highlights

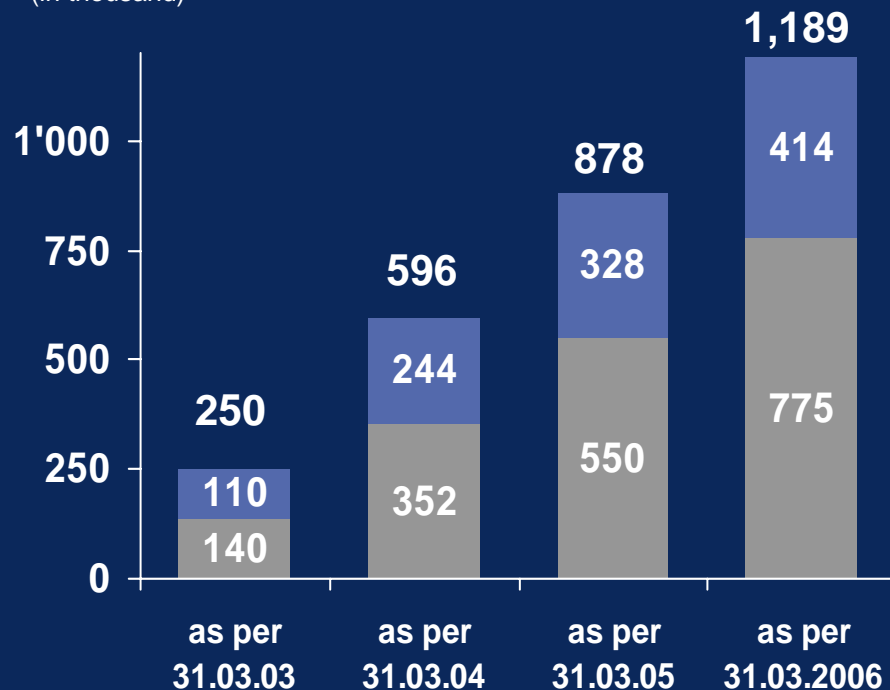
- Revenues excluding sale of int'l wholesale activities and impact Mobile Termination stable YOY
- Revenue composition changes further:
 - monthly access now representing 40% of net revenues (from 35%)
 - traffic now represents 30% of net revenues (from 34%)
- Quarterly line loss (FM substitution, cable) not accelerating
- EBITDA margin up to 41% from 38% year earlier – largely due to sale of low margin wholesale activities
- CAPEX increase on back of VDSL roll out – 30% coverage targeted by YE06

Fixnet – the leading Swiss BB provider

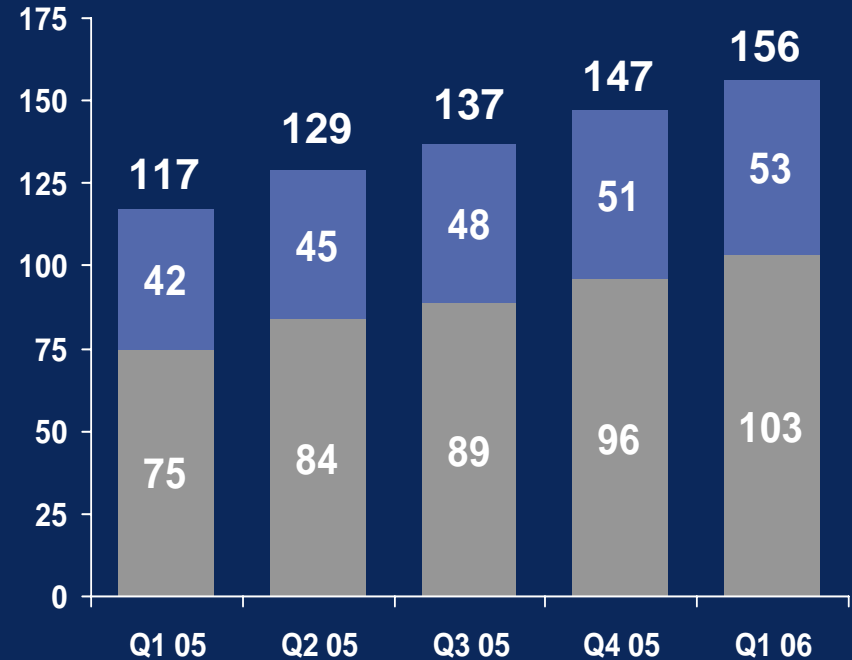
ADSL subscribers, cumulative

Broadband revenues, per quarter

(in thousand)



(in CHF mm)



■ Retail ■ Wholesale

Recent ULL development

Revision of Telecommunication Law decided

On 21 March, parliament (upper and lower house) reached a compromise on ULL:

- forms:
 - full access
 - bitstream access for 4 years
 - rebilling
 - leased lines
 - access to ducts where feasible
- no technology neutrality, i.e. unbundling applies to twisted copper only
 - consequently no unbundling requirement for VDSL
- unbundling obligation only where “market dominant” and then at cost oriented pricing
- no authority for government or regulator to implement further changes in telecommunication law without full parliamentary process
- likely set into force of revised law by 1.1.2007

Segment Swisscom Mobile

Financials and operational data

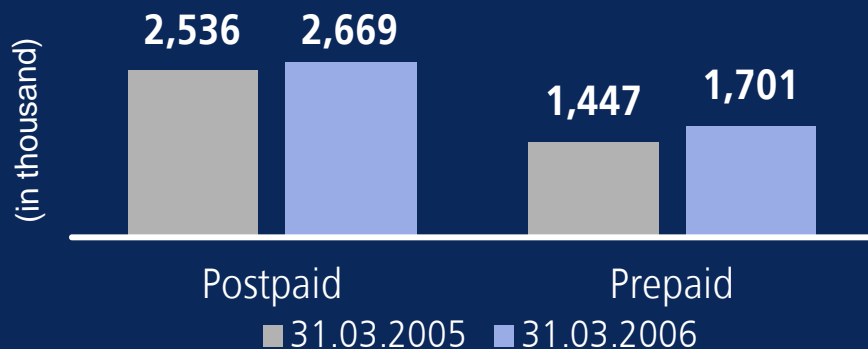
	3m 2006	YoY
Net revenue in CHF mm ¹	958	-7.9%
of which service revs	877	-9.6%
EBITDA in CHF mm	459	-9.8%
EBITDA margin	47.9%	
EBIT in CHF mm	367	-11.6%
CAPEX in CHF mm	45	-34.8%
Number of FTE's	2,398	-3.2%
Subscribers (thousand)	4,370	9.7%
ARPU (CHF/month)	65	-15.6%
AMPU in min.	120	7.1%
SMS MO in mm	521	5.7%

1st quarter 2006 highlights

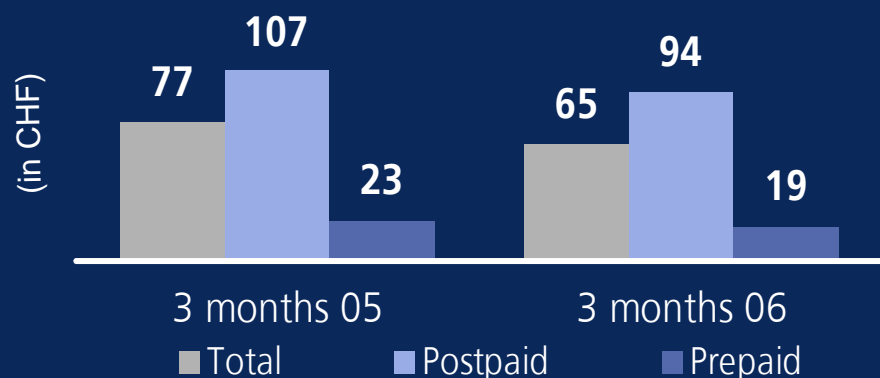
- Revenues excluding 40% reduction of MT fees (1.6.2005) and renegotiated roaming agreements up 1.9% YOY
- EBITDA corrected for same effects also up 2% YOY
- Revenues from new data products up 34% to CHF 51mm
- Subscriber base up 10% - largely from new Liberty (flat fee per call) program and low-cost M-Budget product
- Churn in Q1 at continued low level of 9% annualized

Mobile – operational snapshot

Mobile subscribers



ARPU development



Key observations

- Total customer base up by 387k (+9.7%) to 4,370k of which:
 - 880k (or 20% of total) now on Liberty
 - 165k on M-Budget
- Postpaid:
 - +5% customers
 - -12% ARPU
 - effective price decline esp. through Liberty higher than call rate elasticity
- Prepaid:
 - +17.6% customers
 - -17% ARPU
 - effective price decline compensated by higher number of customers (esp. M-Budget)

Swiss mobile termination rates

Draft ruling on supposed abuse of market dominance on Mobile Termination

- Competition Commission issued on 7 April a draft-ruling which deems:
 - Swisscom Mobile to be market dominant on MT and supposedly abusing its position
 - Swisscom Mobile should pay fines of at least CHF 489mm
- Swisscom Mobile is to comment this draft-ruling by 22 May 2006
- Swisscom contests the allegation of abuse of market dominance
- Swisscom has historically been charging lower termination rates than its competitors
- Swisscom will contest the ruling through all instances

No provision made in the accounts as probability of threatened fine becoming reality is considered to be below 50%

Segment Swisscom Solutions

Financials and operational data

	3m 2006	YOY
Net revenue in CHF mm ¹	293	-6.7%
EBITDA in CHF mm	18	-21.7%
EBITDA margin	6.1%	
EBIT in CHF mm	11	-8.3%
CAPEX in CHF mm	7	133.3%
Number of FTE's	1,922	6.5%

Traffic in min. mm

National	480	-4.2%
International	90	-2.2%
Total	570	-3.9%

1st quarter 2006 highlights

- Revenue decline significant on traffic (-20% YOY), caused by lower MT rates, continued substitution, competitive and pricing pressure
- Revenue increase from system integration business not sufficient to absorb other revenue declines
- Cost savings of CHF 16mm YOY not sufficient to safeguard EBITDA margin at last year's 7.3%
- FTE increase caused by first time integration of Siemens Enterprise Networks (+125 FTEs) per 28.2.2006

¹ including inter-company (IC) revenue

Segments Other and Corporate

Financials and operational data

1st quarter 2006 highlights

Segment Other	3m 2006	YoY
Net revenue in CHF mm ¹	316	28.5%
EBITDA in CHF mm	36	-7.7%
EBITDA margin	11.4%	
EBIT in CHF mm	-10	n/m
CAPEX in CHF mm	31	72.2%
Number of FTE's	4,259	51.2%
Segment Corporate	3m 2006	YoY
Net revenue in CHF mm ¹	164	-3.0%
EBITDA in CHF mm	1	n/m
EBITDA margin	0.6%	
EBIT in CHF mm	-11	n/m
CAPEX in CHF mm	37	n/m
Number of FTE's	890	-2.0%

Segment Other

- Revenue increase largely due to integration of Antenna Hungaria (AH) and Comit
- EBITDA under pressure due to high start up expenses for new business (esp. IT)
- D&A up by CHF 14mm post integration AH
- Number of FTEs up by 51% mostly through inclusion of AH (+826) and Comit (+220)

Segment Corporate

- EBITDA decline caused by higher total net cost of redundant workforce

¹ including inter-company (IC) revenue

Swisscom Group – snapshot

Key financials as per 31.03.2006

Net revenue	2,375	-2.9%
EBITDA	1,034	-5.3%
EBITDA margin	43.5%	
EBIT	686	-6.7%
Net income *	544	-11.3%
SCM net income **	460	-11.5%
EPS ***	8.11	-4.1%
CAPEX	235	33.5%
EFCF	67	n/m
Net cash	1,719	-1.0%
FTE	16,544	7.4%

* Net income before minorities

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

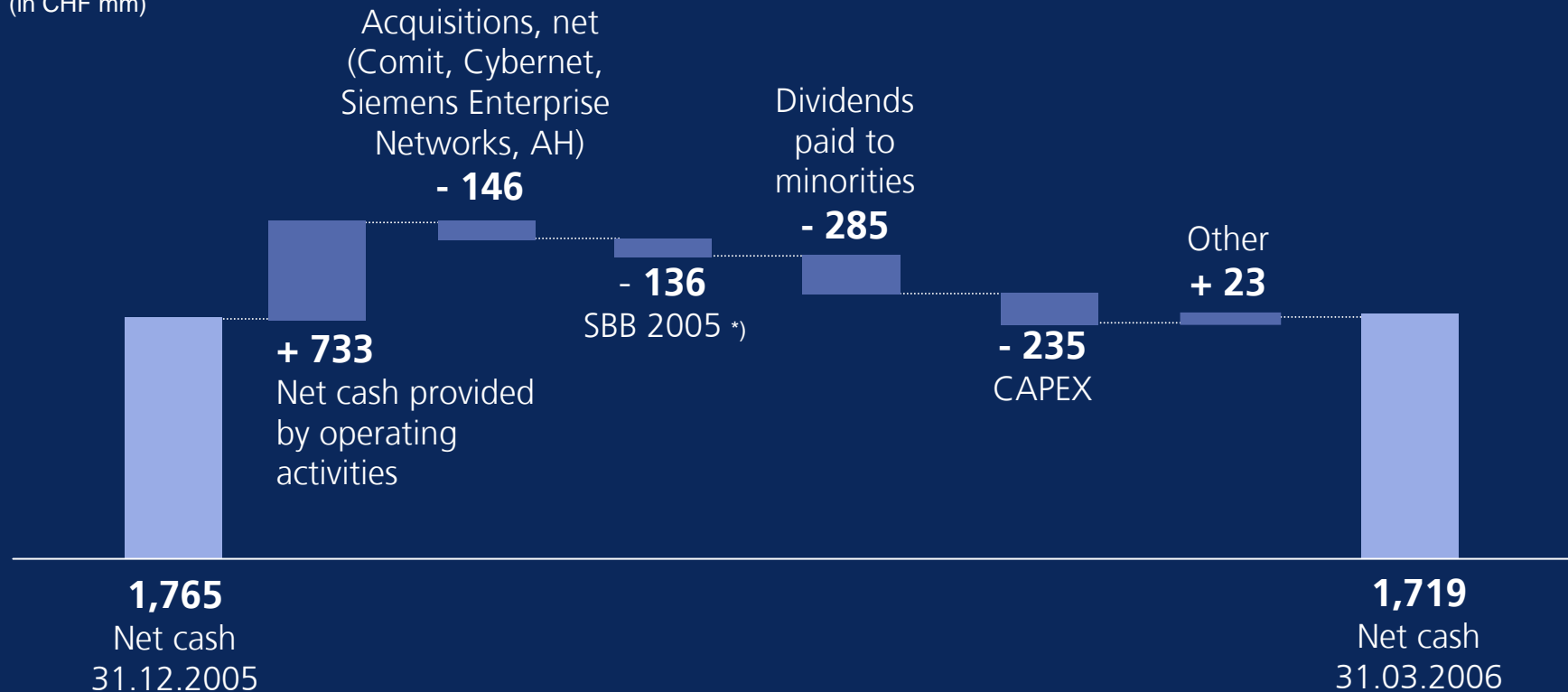
*** Avg. # of outstanding shares in 1st 3 months 06: 56,72mm

1st quarter 2006 highlights

- Net income decline higher than EBITDA as no longer a) financial income from vendor loan debitel and b) gain from sale Intelsat
- EPS decline lower than net income thanks to lower number of shares post buyback
- CAPEX trending up due to VDSL rollout
- Lower EFCF mainly because of lower operating results, increased net investments and no proceeds from asset sales (last year extra proceeds from sale of Infonet of CHF 201mm)

Change of net cash

(in CHF mm)



*) withholding taxes for share buyback program 2005

Shareholder payments in 2006

- **Dividend of CHF 907mm**
 - paid: on 28 April 2006
 - per share: representing CHF 16
 - payout ratio: 47% of EPS 2005
- **Share buy back of CHF 2,25bln**
 - form: free put options which can be either sold or executed (precise details to follow later)
 - launch: in second half of 2006
 - composition:
 - CHF **1,25bln** in accordance with Swisscom's return policy (EFCF – dividend) and
 - extra amount of CHF **1bln** corresponding to the strategic guidelines set by Government

CHF 3,16bln total payout to shareholders in 2006

EFCF breakdown and outlook

(in CHF mm)

	Q1 2005	FY 2005	Q1 2006	FY 2006 Outlook
+ EBITDA	+ 1,092	+ 4,171	+ 1,034	+ 4,0bln
- CAPEX	- 176	- 1,087	- 235	- 1,4bln
+/- Δ working cap. and other	- 111	- 189	- 143	- ? bln
- tax (cash)	- 109	- 544	- 150	- 0,6bln
- net interest	+ 1	- 6	- 8	
- minorities	- 357	- 367	- 285	- 0,3bln
= FCF from operations	+ 340	1,978	+ 213	1,7 - ? bln
- acquisitions / divestments (net)	+ 266	+ 225	- 146	-0,15 - ? bln
- debt issuance/repayments (net)	0	0	0	- ? bln
= EFCF	+ 606	2,203	+ 67	1,55 - ? bln

Outlook unchanged

Thank you for your attention!

Questions & Answers

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

For further information, please contact:

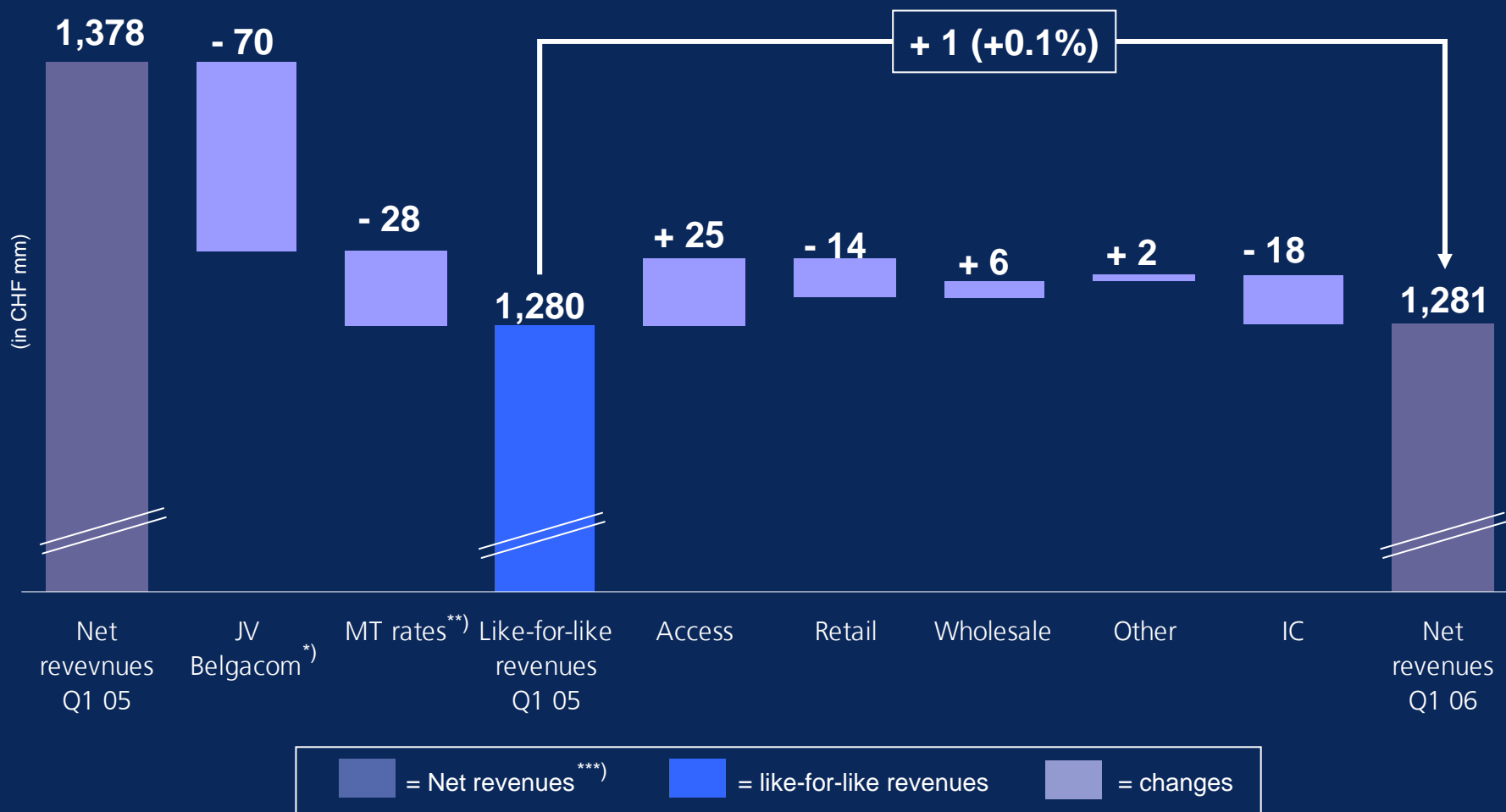
phone: +41 31 342 6410

fax: +41 31 342 6411

<mailto:investor.relations@swisscom.com>

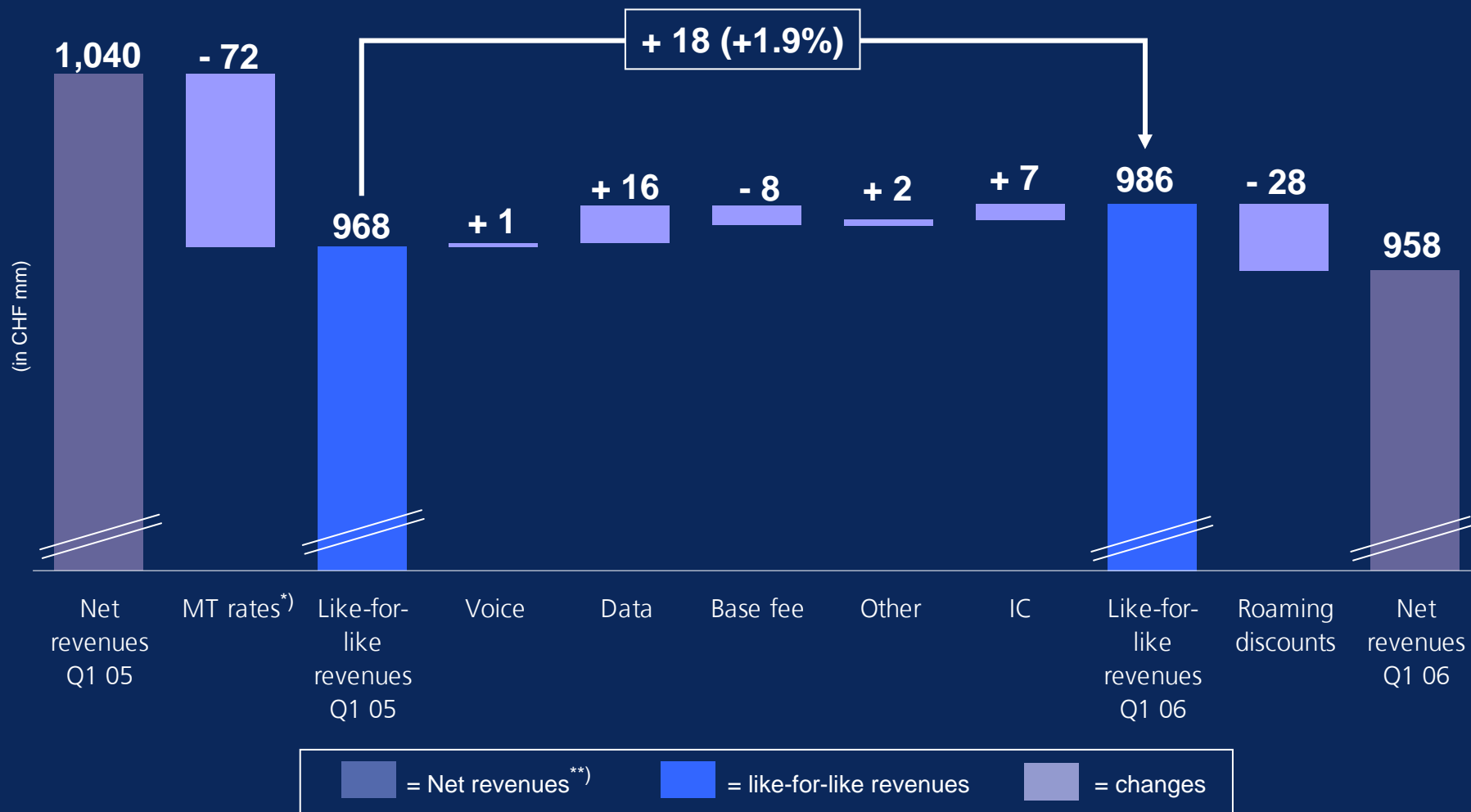
www.swisscom.com/ir

Fixnet revenues



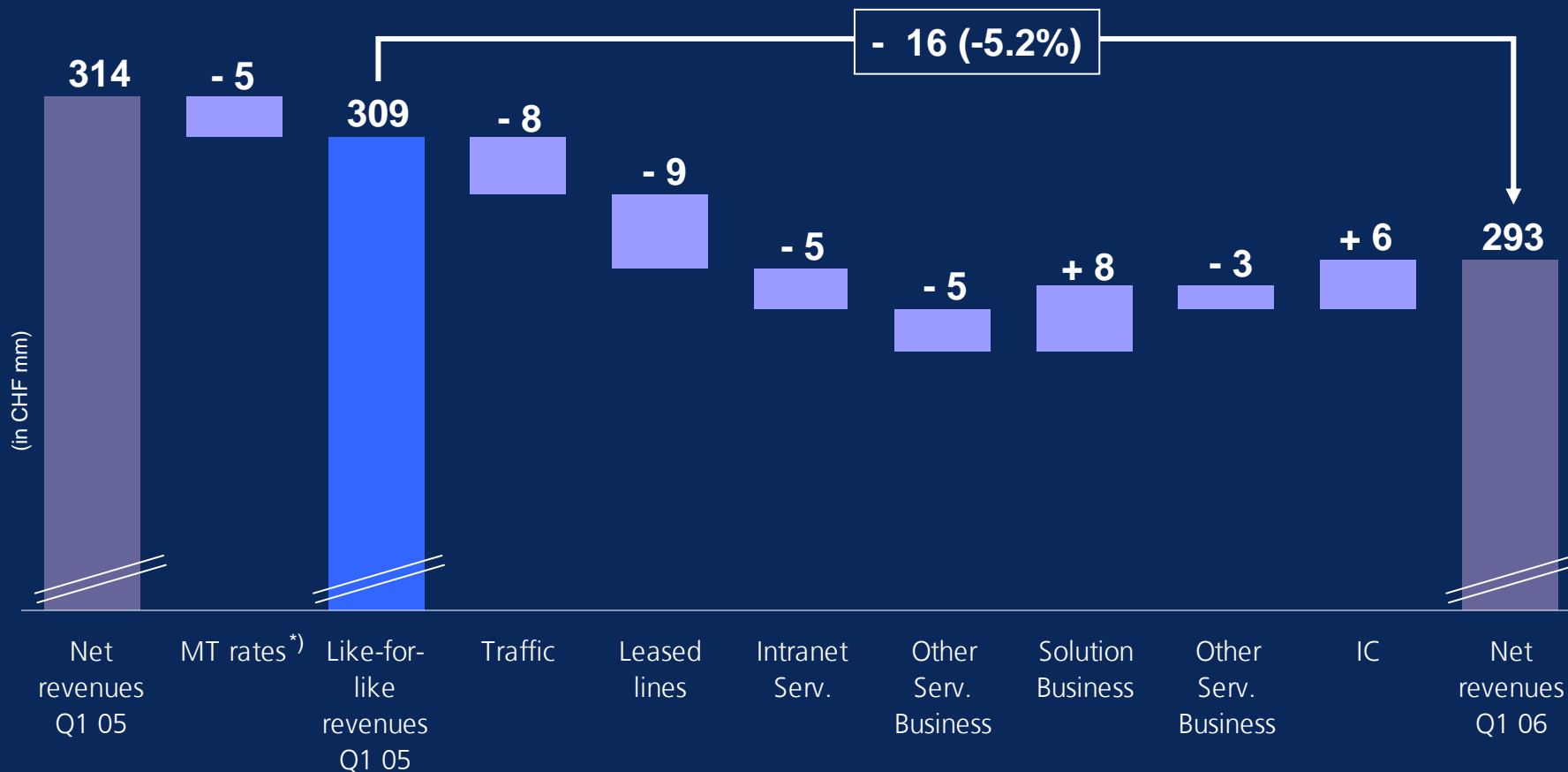
*) of which ext. revenue: CHF -51mm; **) of which ext. revenue: CHF -23mm; ***) incl. IC

Mobile revenues



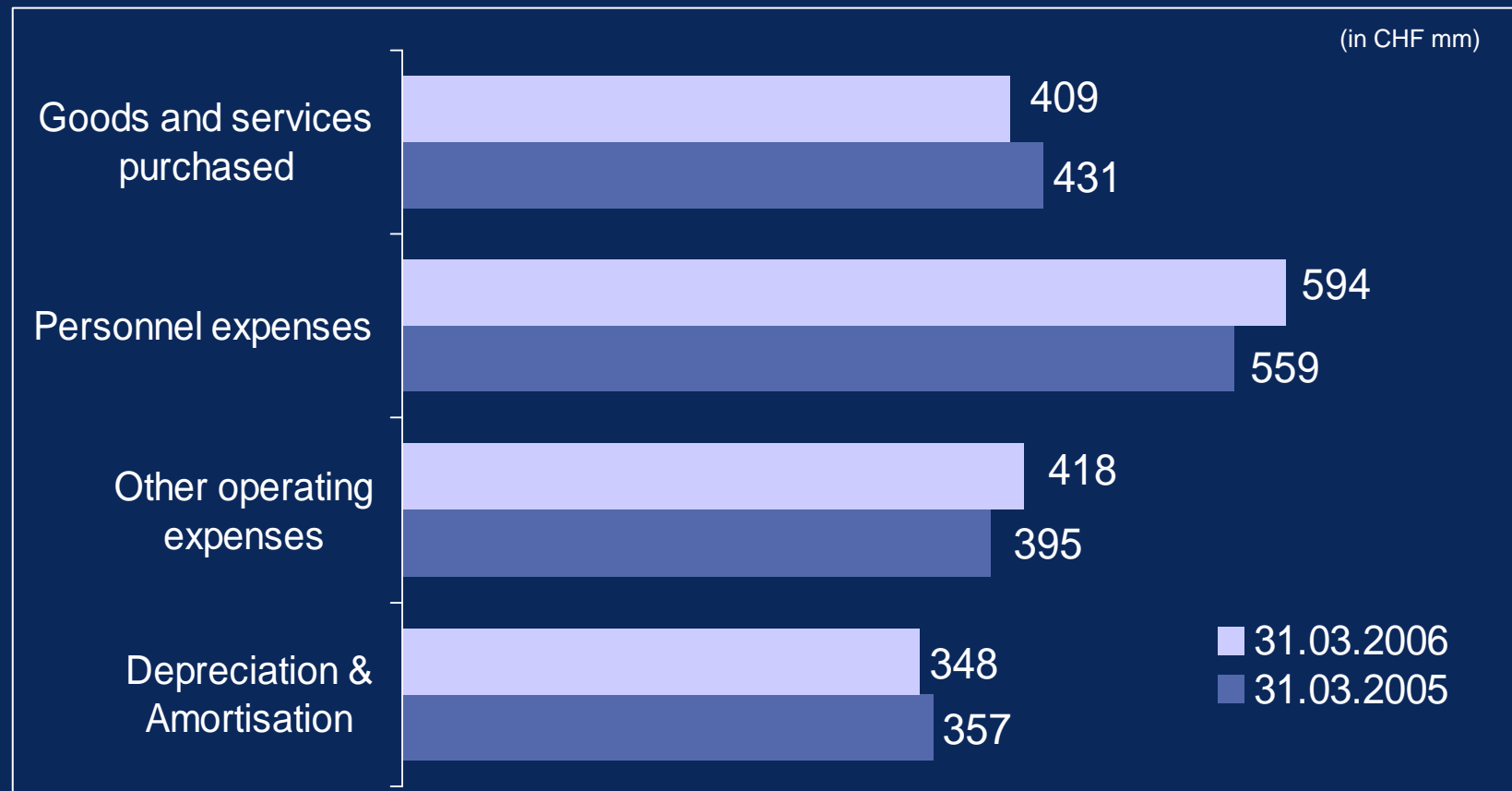
^{*)} of which ext. revenue: CHF -44mm; ^{**)} incl. IC

Solutions revenues



^{*)} of which ext. revenue: CHF -5mm; ^{**)} incl. IC

Group OPEX overview



Group P&L overview

(in CHF mm)	31.03.2005	31.03.2006	YOY
EBITDA	1,092	1,034	-5.3%
Depreciation and amortisation	-357	-348	-2.5%
EBIT	735	686	-6.7%
Net financial result	20	-10	n/m
Equity in net income of affiliated companies	-1	-1	0.0%
Income tax expense	-147	-131	-10.9%
Discontinued operations (debitel)	6	-	n/m
Net income	613	544	-11.3%
Attributable to minority interest holders	520	460	-11.5%
Attributable to equity holders of Swisscom AG	93	84	-9.7%
Avg. number of shares outstanding (in thousands)	61.464	56.716	-7.7%
EPS (in CHF)	8.46	8.11	-4.1%

Group CF overview

(in CHF mm)	31.03.2005	31.03.2006
EBITDA	1,092	1,034
Income taxes paid	- 109	- 150
Net interest	+ 1	- 8
Change in net operating assets and other cash flows from operating activities	- 111	- 143
Net cash provided by operating activities	+ 873	+ 733
CAPEX	- 176	- 235
Net divestments / (investments) in affiliates/subsidiaries	+ 230	- 158
Purchase of current financial assets, net	+ 597	+ 618
Other cash flows from investing activities, net	+ 36	+ 12
Net cash from investing activities	+ 687	+ 237
Repayment of debt	- 119	- 30
Share buyback and treasury stock ^{*)}	- 164	- 136
Dividends paid to minority interests	- 357	- 285
Net cash used in financing activities	- 640	- 451
Net increase in cash and cash equivalents	+ 920	+ 519
Cash and cash equivalents at end of the period	3,307	1,543

*) Consists of: withholding taxes for share buyback program 2004 of CHF 119 mm and share buyback program 2005 of CHF 136mm

Group capital structure

(in CHF mm)	31.12.05	31.03.06
Short term debt	173	218
Long term debt (cross border tax lease and Antenna Hungaria)	1,478	1,489
Long term net finance lease obligation	652	618
Liabilities from collecting activities (Accarda Group)	154	56
Total debt	2,457	2,381
Less: financial assets from lease-and-leaseback transactions	- 1,125	- 1,136
Less: cash, cash equivalents and current financial assets	- 2,707	- 2,624
Less: other receivables from collecting activities (Accarda Group)	- 390	- 340
Net cash	1,765	1,719
Total equity	6,624	6,846
Balance sheet total	13,409	13,390
Book leverage ¹	-26.6%	-25.1%
Equity ratio ²	49.4%	51.1%

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.

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