

Swisscom

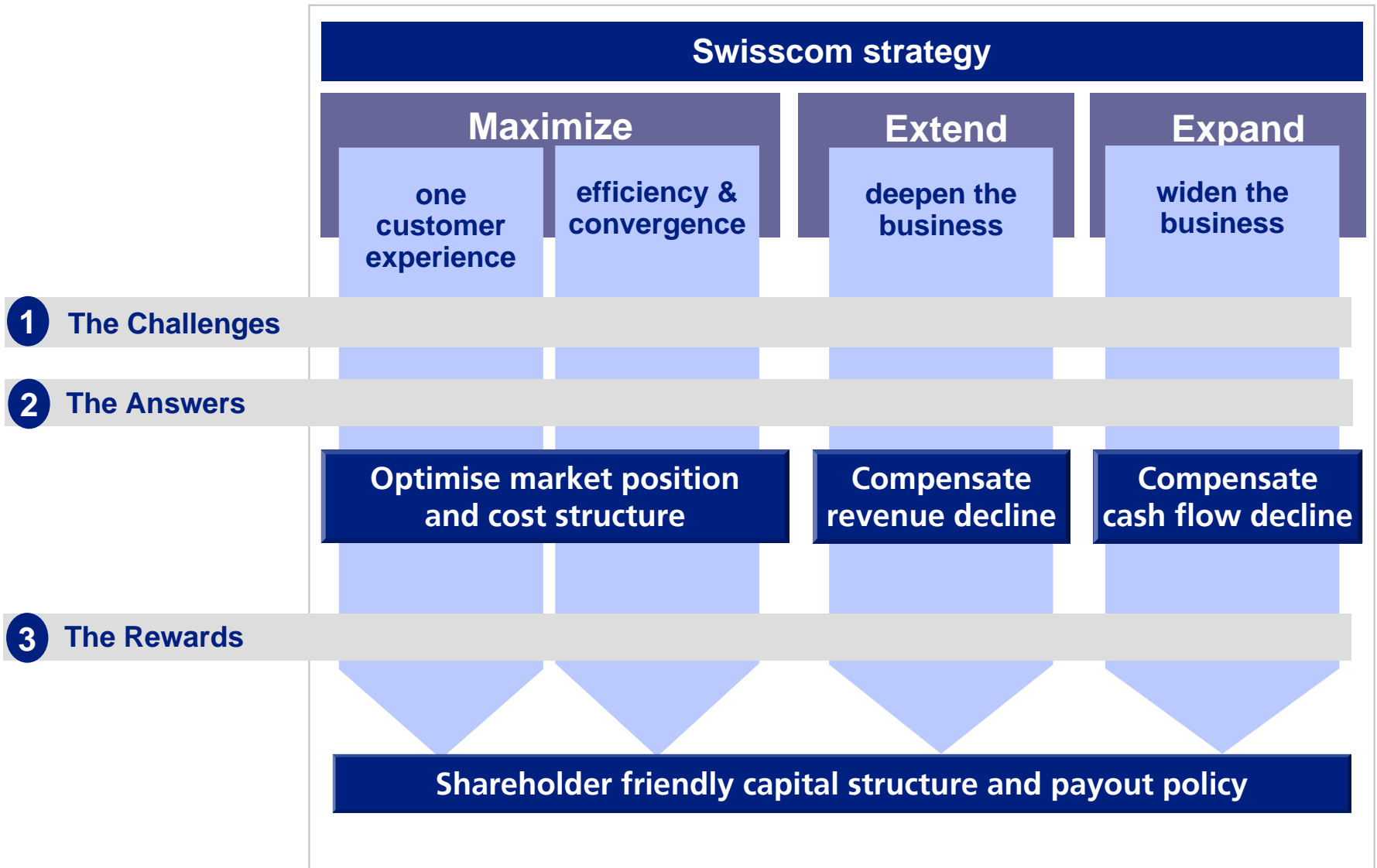
Challenges, Answers & Rewards

Merrill Lynch TMT Conference

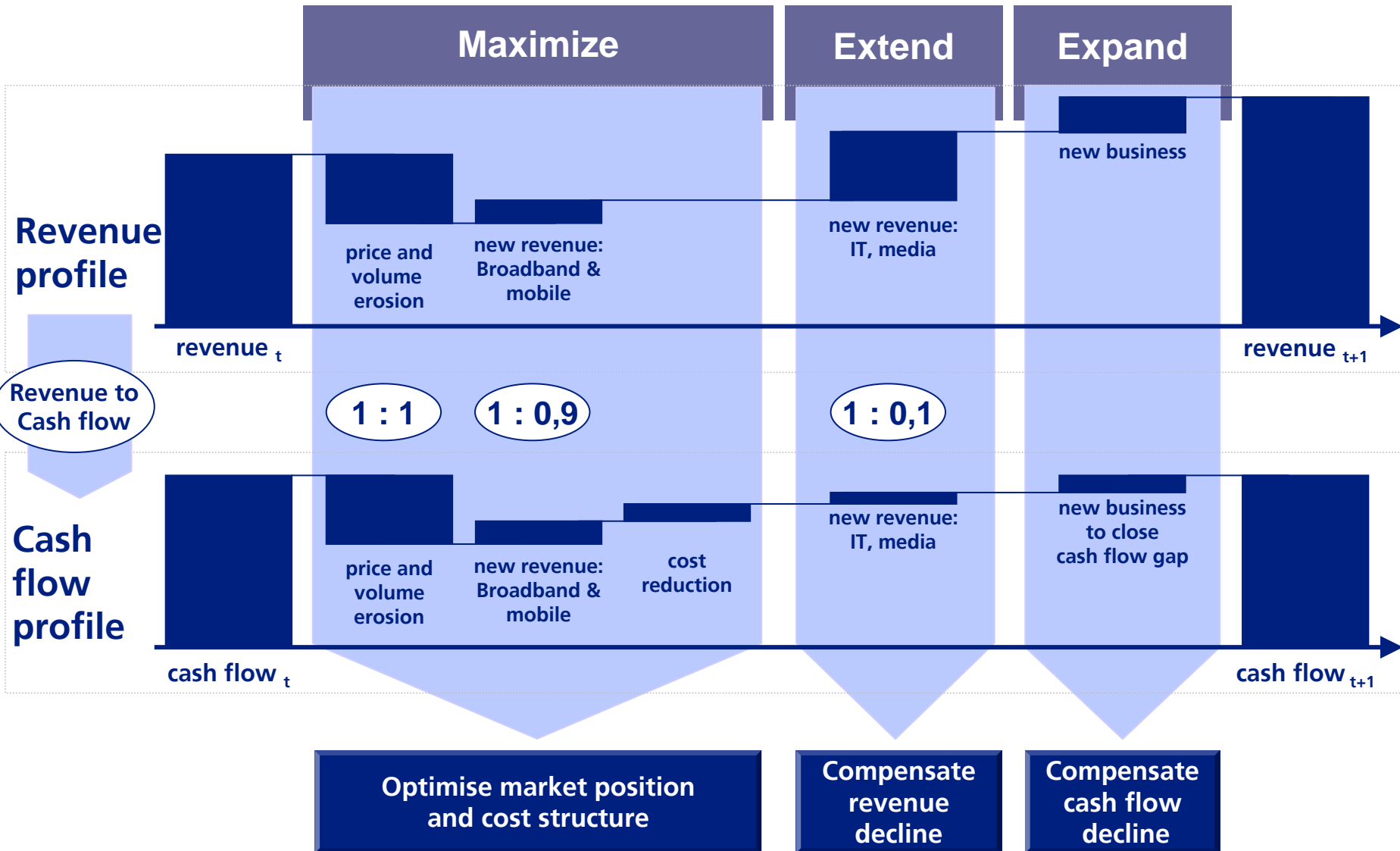
London, 5 June 2007

Carsten Schloter, CEO Swisscom

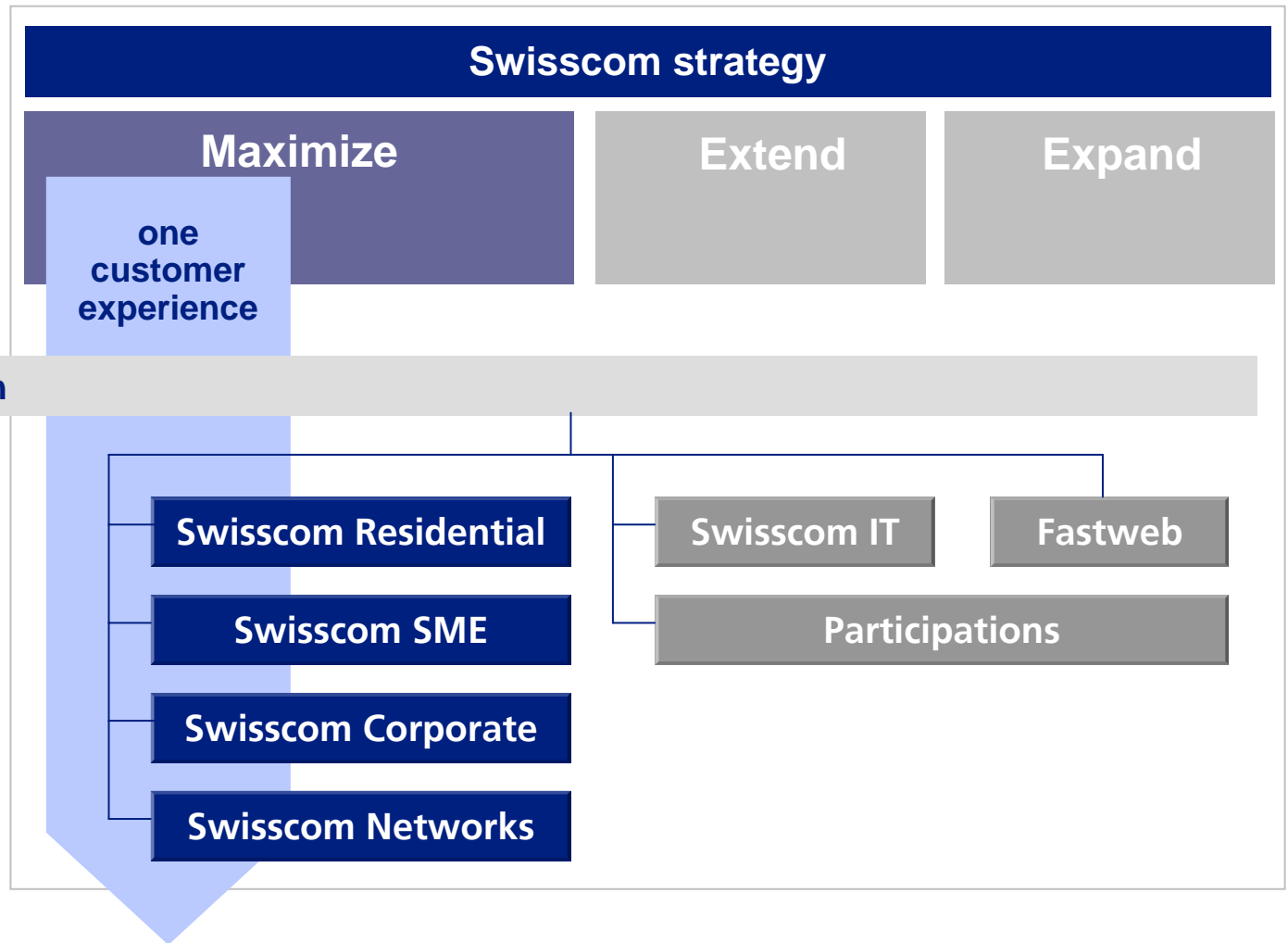
Agenda



1 The Challenges – how to grow value

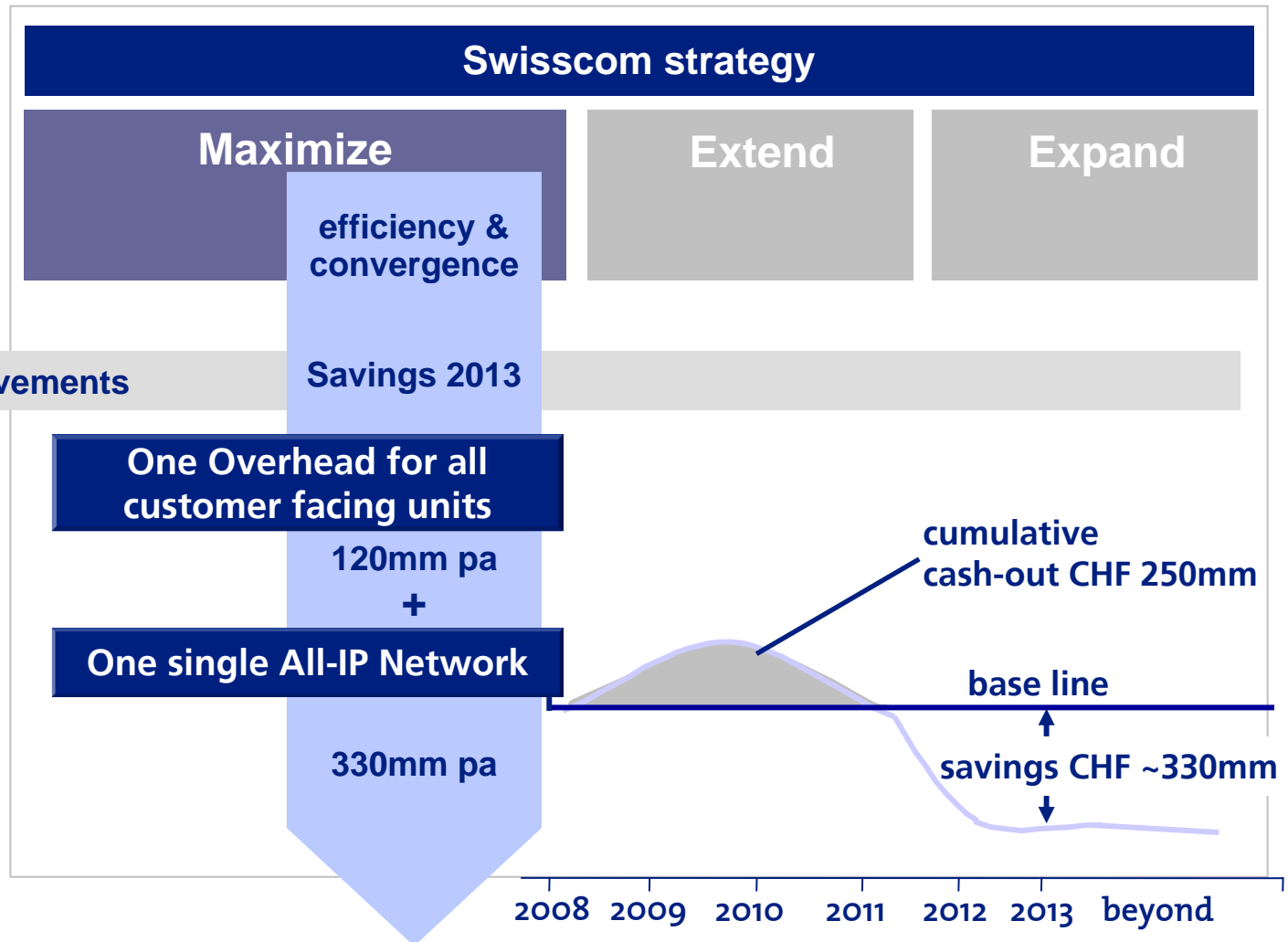


2 The Answers



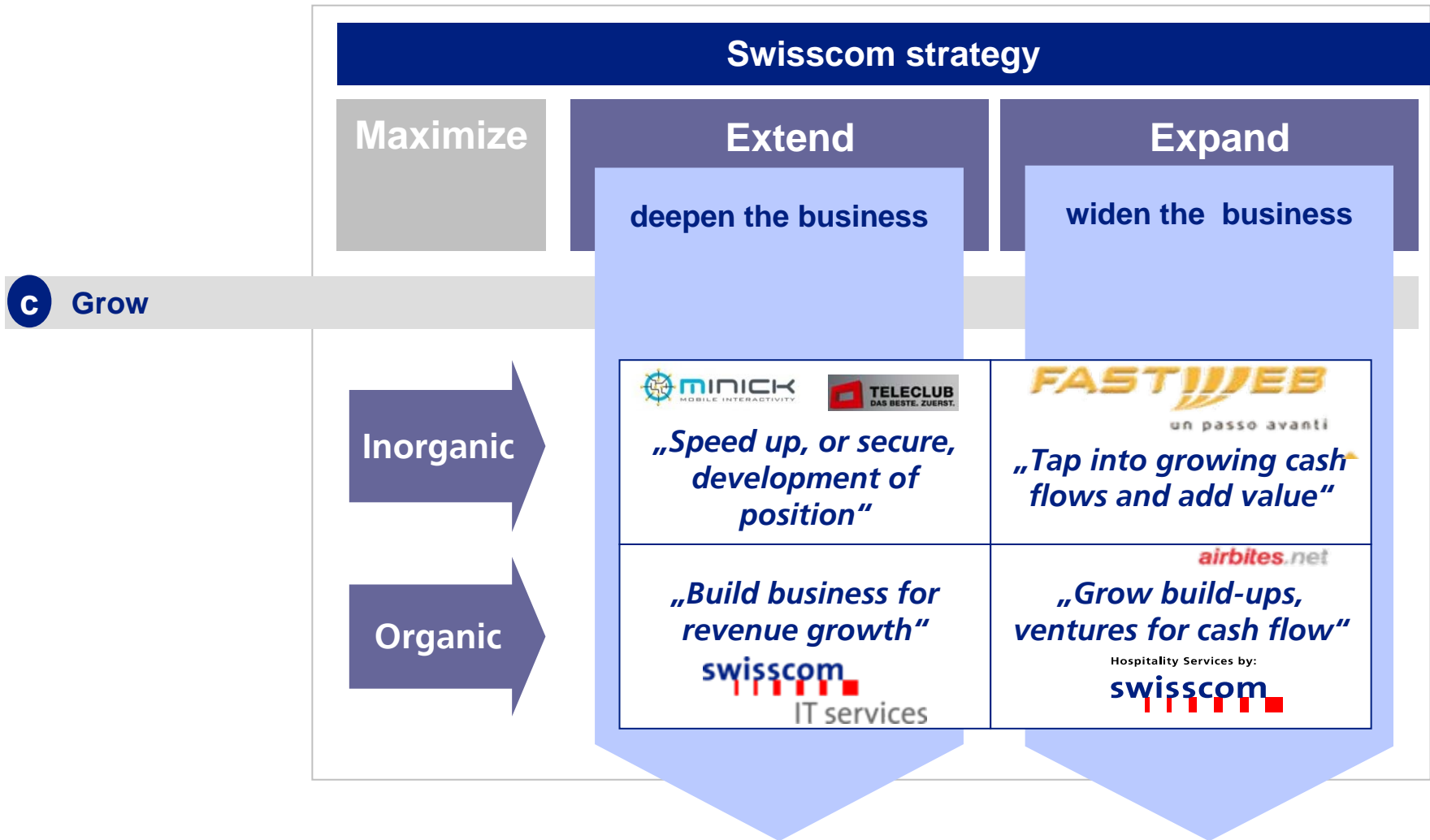
One single face towards the customer

2 The Answers



Reducing cost

2 The Answers

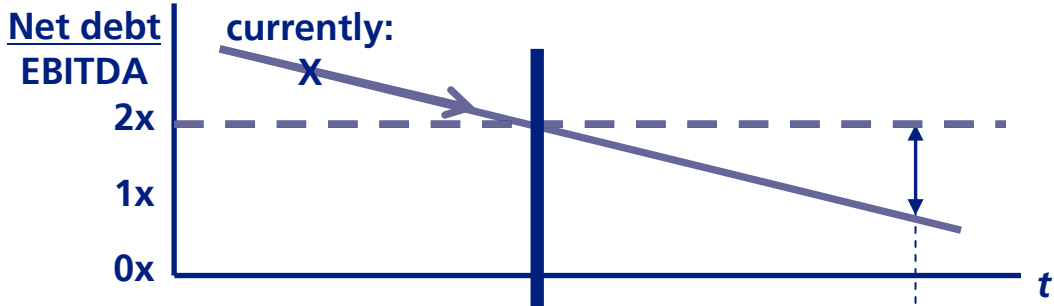


Compensate revenue and cash flow declines from traditional business

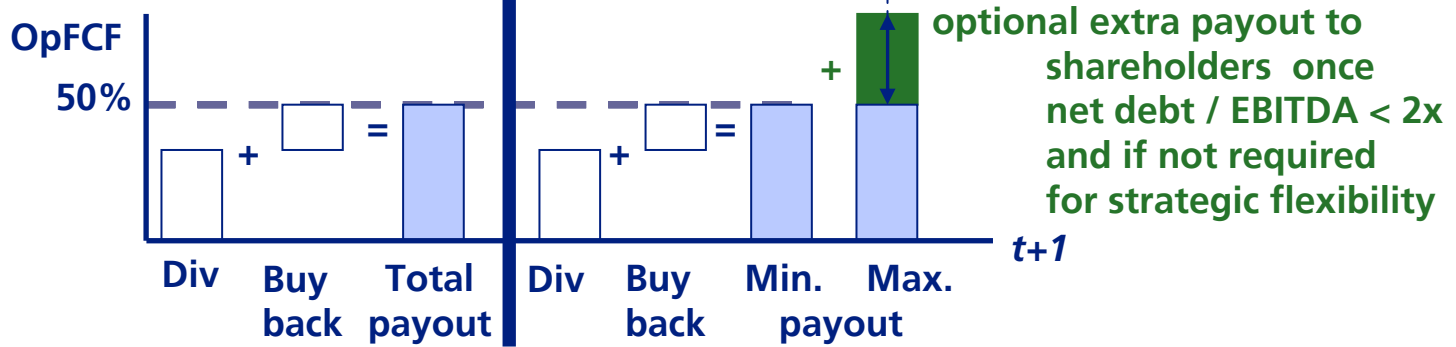
3 The Rewards

Swisscom financial policy

a Capital structure: limit net debt / EBITDA at max. 2x



b Payout policy t : 50% of OpFCF_{t-1}^{*)} + additional return potential if net debt < 2x EBITDA



Attractive shareholder remuneration – with DPS at least stable

^{*)} OpFCF = EBITDA – Capex +/- ΔNWC – Minorities

Thank you for your attention!

Questions & Answers

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 behavior of other market participants, the actions of governmental regulators, the outcome of the tender offer for Fastweb, Fastweb' growth prospects and the prospects of the industry and markets in which it operates, the ability of Swisscom to integrate Fastweb successfully, the costs of the integration, the level of interest rates and the availability of the re-financing opportunities 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."

For further information, please contact:

Swisscom Investor Relations

phone: +41 31 342 6410

fax: +41 31 342 6411

<mailto:investor.relations@swisscom.com>

www.swisscom.com/ir