

# Swisscom Update

Merrill Lynch TMT Conference  
Carsten Schloter, CEO Swisscom

London, 3 June 2009



# Agenda: Swisscom Update

- 1) Q1 at a glance
- 2) Macro economic environment
- 3) Macro economic impact on telco sales
- 4) Operational KPI's, Swisscom cockpit
- 5) Outlook 2009, refinancing & payout

# 1) Q1 at a glance

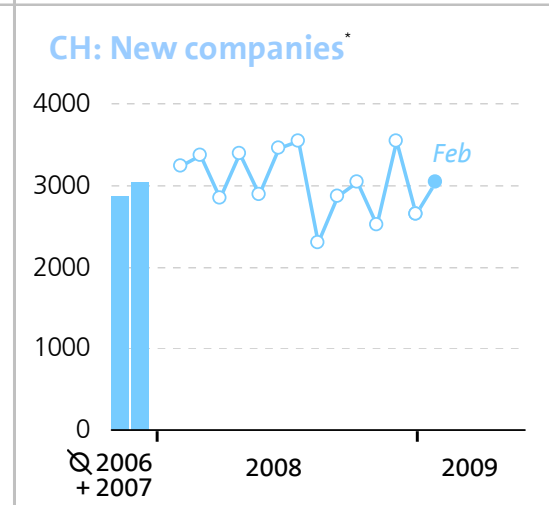
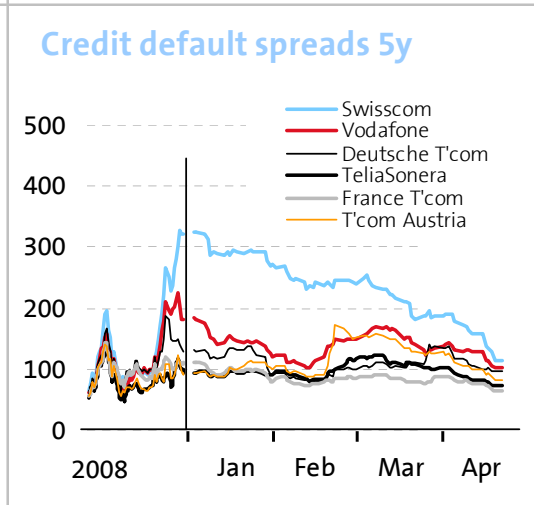
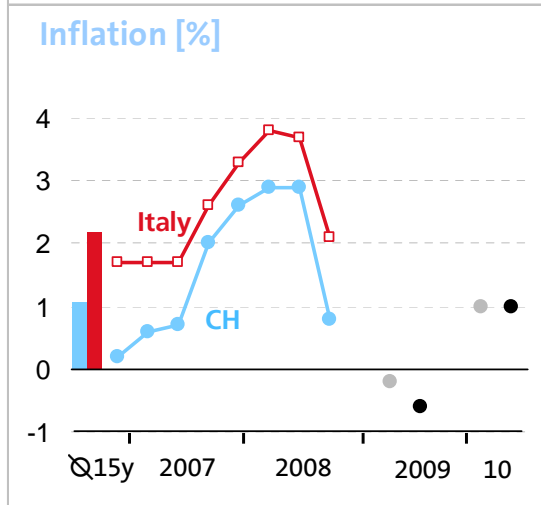
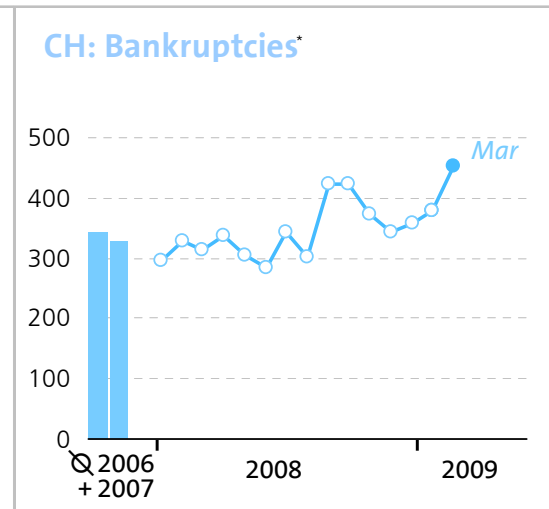
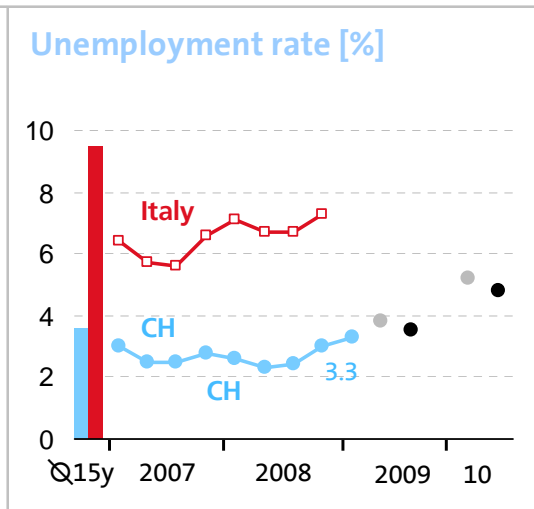
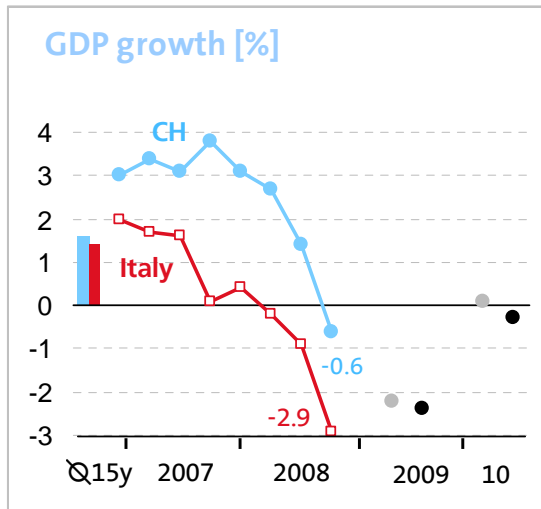
Q1 2009 versus Q1 2008: significant improvement of bottom line performance

Item (CHF)	Reported % change YOY	% Change on constant CHF/€ *)	Key reasons for YOY change
Revenues	-0.6%	(+0.9%)	<ul style="list-style-type: none"> <li>Forex: 6% weakening of Euro against Swiss Franc</li> </ul>
EBIT	+1.2%	(+1.2%)	<ul style="list-style-type: none"> <li>Depreciation -7% YOY</li> </ul>
FCF Proxy (EBITDA - Capex)	+5.7%	(+6.2%)	<ul style="list-style-type: none"> <li>Capex YOY -16%</li> </ul>
PBT	+11%	(+10.6%)	<ul style="list-style-type: none"> <li>No Forex loss in Q1 2009 (-CHF 36mm in Q1 2008)</li> <li>Interest charges YOY -20%</li> </ul>
EPS	+13.3%	(+13.0%)	<ul style="list-style-type: none"> <li>Effective tax rate down:                             <ul style="list-style-type: none"> <li>22.3% in Q1 2008</li> <li>20.1% in Q1 2009</li> </ul> </li> </ul>

\*) Percentages show YOY performance if Q1 2009 exchange rate would have been the same as the Q1 2008 rate. Avg. CHF/€ in Q1 2008: 1,5877. In Q1 2009: 1,4953. YOY strengthening of CHF/€ of 6%

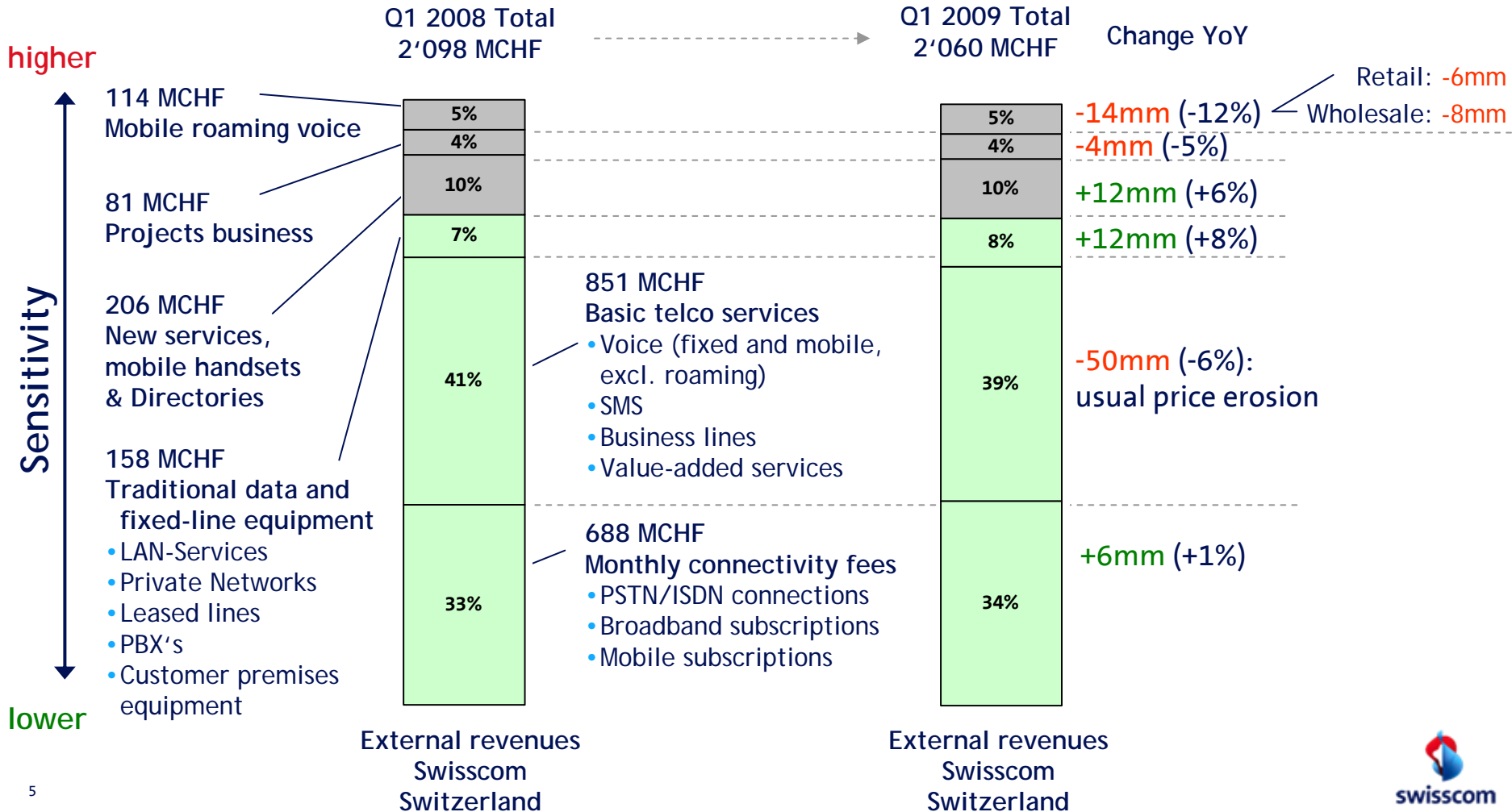
## 2) b. Macro economic environment

Swiss macro performance worsening, yet still better than most EU.  
Swisscom CDS spread improved markedly



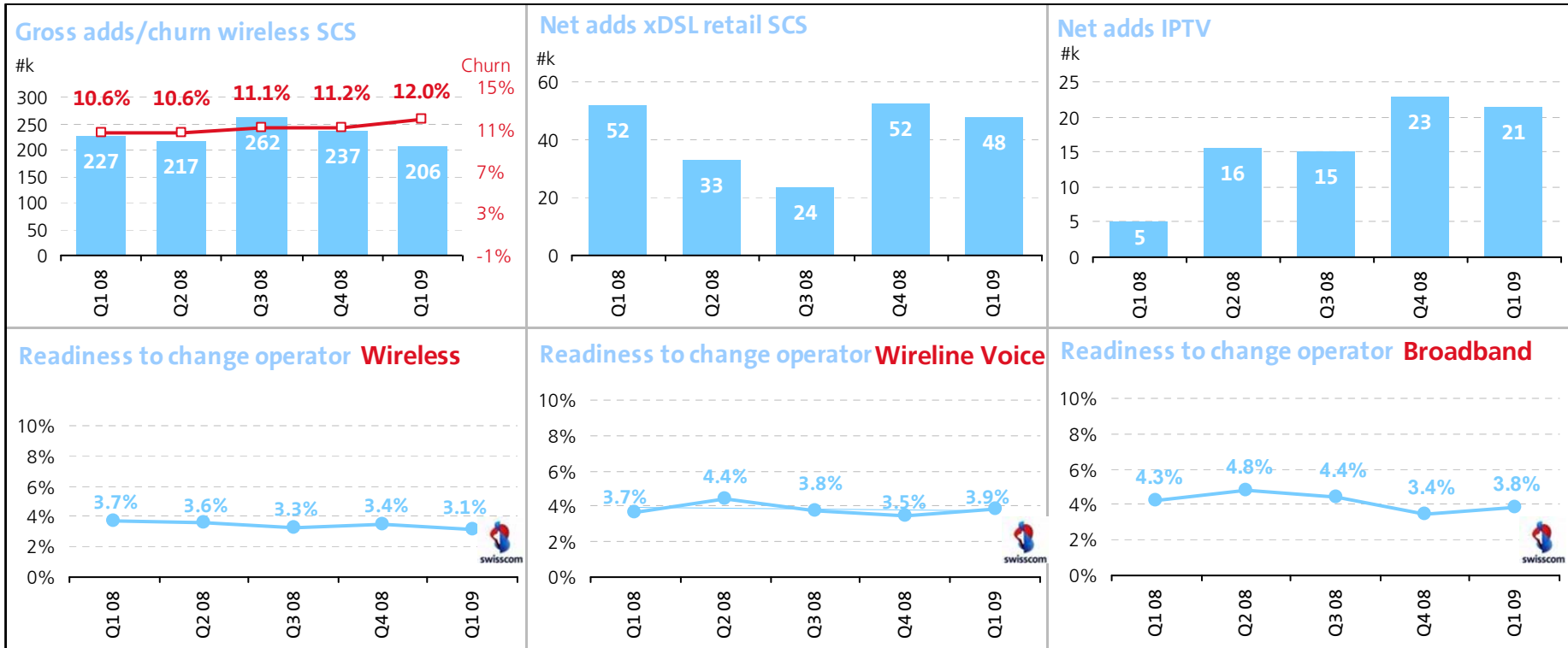
### 3. Macroeconomic impact on telco sales

Expected impact confirmed: esp. roaming and projects business impacted by slowing demand from worsening economic cycle. Basic voice continues to be impacted especially by pricing pressure (as in past years, not special to current cycle)



# 4. Operational KPI's - Swisscom cockpit

Gross adds and churn in wireless relatively weak, however customers' propensity to change provider, continues to be low for Swisscom customers

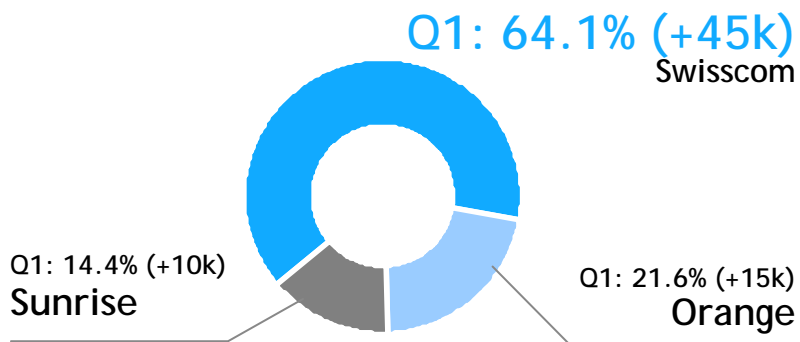


\* Readiness to change the operator is based on a representative monthly survey of 2'000 people carried out independently by GfK Switzerland through the "Switcher Study". Values indicated are quarterly averages of the results which are elaborated on a monthly basis

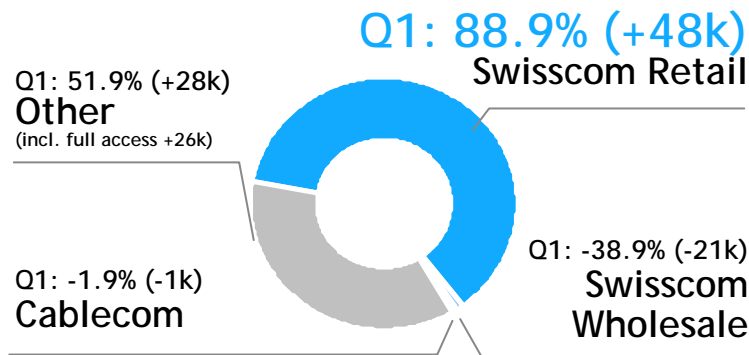
# 4. Operational KPI's - Swisscom cockpit

Strong momentum, Swisscom picking up high market share of net adds across products

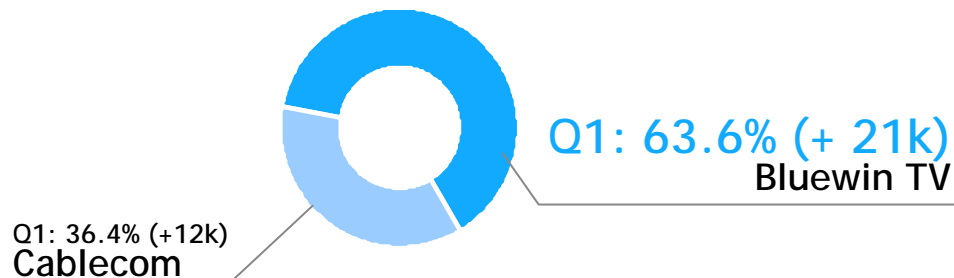
Wireless market Switzerland, market shares of net adds



Broadband market Switzerland, market shares of net adds



Digital TV market Switzerland, Q1 2009 market shares of net adds Cablecom vs Swisscom



## 5. Outlook 2009

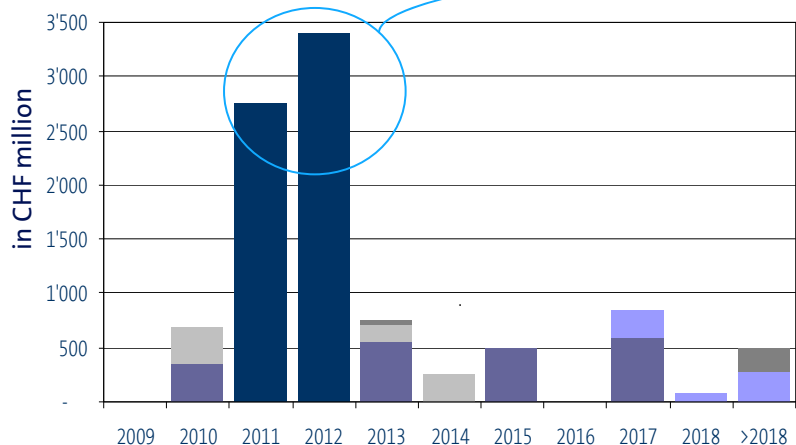
FY Guidance 2009 remains intact after Q1 results

<b>Net revenues</b>		<b>2008A</b>	<b>Q1 '08 as % of 2008</b>	<b>2009E</b>	<b>Q1 '09 as % of 2009</b>
Swisscom excl. Fastweb	bln CHF	9.5	24%	9.2-9.3	~25%
Fastweb	MEUR	1'708	23%	1'800	25%
<b>EBITDA</b>					
Swisscom excl. Fastweb	bln CHF	3.9	25%	3.8-3.9	~25%
Fastweb Industrial / (reported incl. TI)	MEUR	518 (548)	22%	560	22%
<b>Capex</b>					
Swisscom excl. Fastweb	bln CHF	1.36	19%	~1.35	~17%
Fastweb	MEUR	438	23%	415	20%
<b>Delta NWC</b>					
Swisscom Group incl. FWB	bln CHF	-0.3		-0.1-0	
<b>OpFCF</b>					
Swisscom Group incl. FWB	bln CHF	2.5	31%	2.6-2.7	~26%

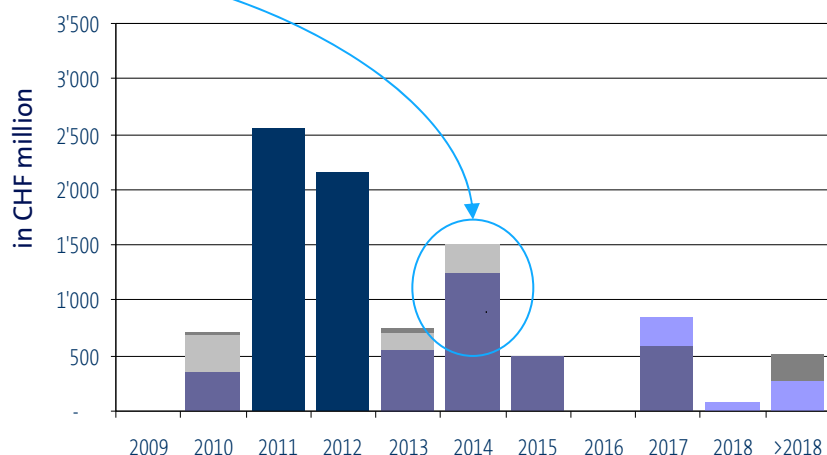
## 5. Refinancing

By successfully placing a CHF 1.25bln domestic bond at 3.5% coupon (!), Swisscom improved the maturity profile, and managed to lower its CDS spreads significantly

### YE 2008 debt portfolio



### Current debt portfolio

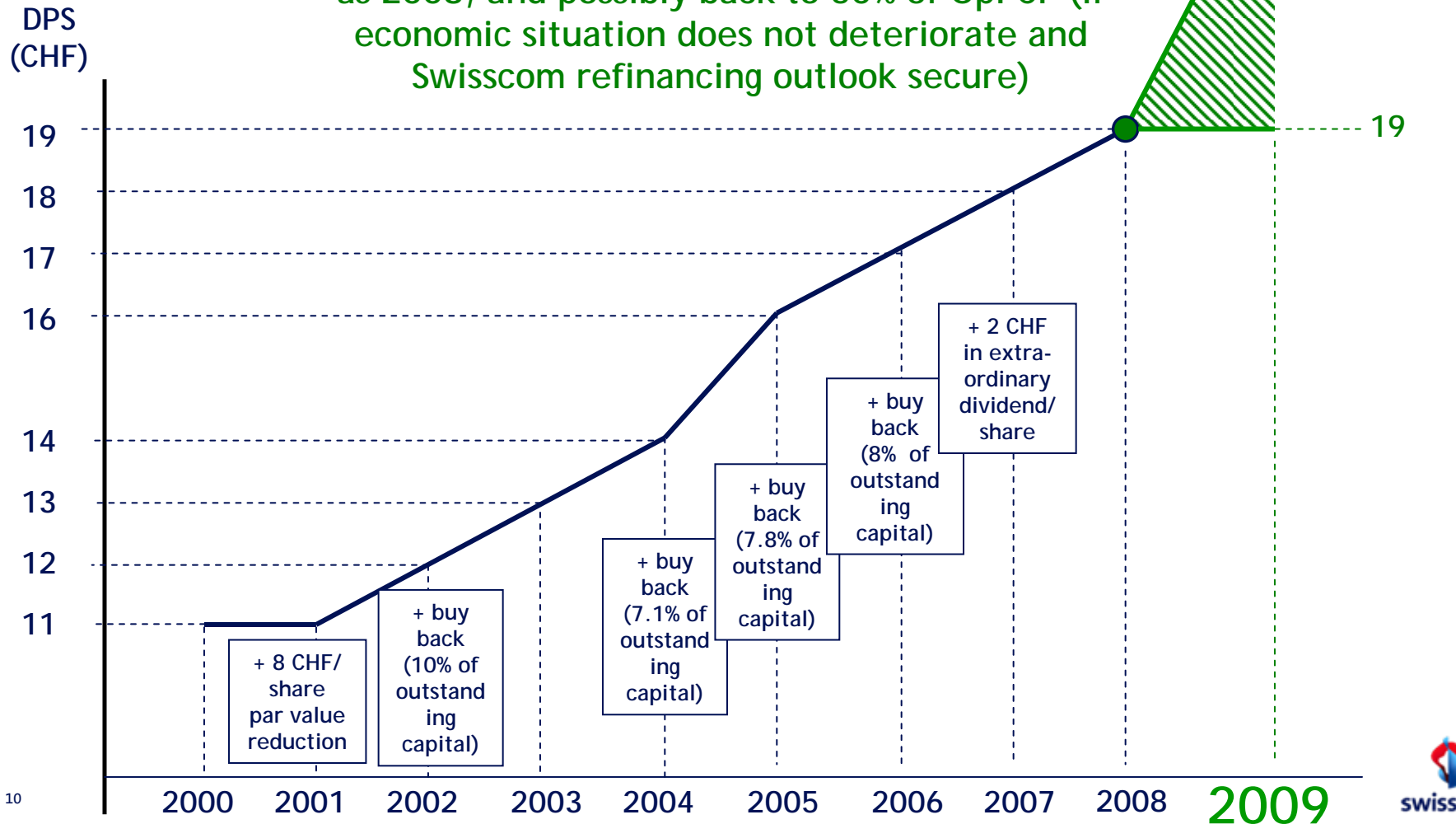


Maturity profile improved: 2011 and 2012 lowered significantly, and so did the overall sum, with net debt down 6% vis-à-vis 31.12.2008, opening up higher chances of returning to dividend policy of paying 50% of OpFCF from next year

# 5. Dividend Outlook

Very predictable historic pattern of ordinary dividend payments to shareholders

2009 dividend (payable in 2010) in minimum same level as 2008, and possibly back to 50% of OpFCF (if economic situation does not deteriorate and Swisscom refinancing outlook secure)



# Questions & Answers

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