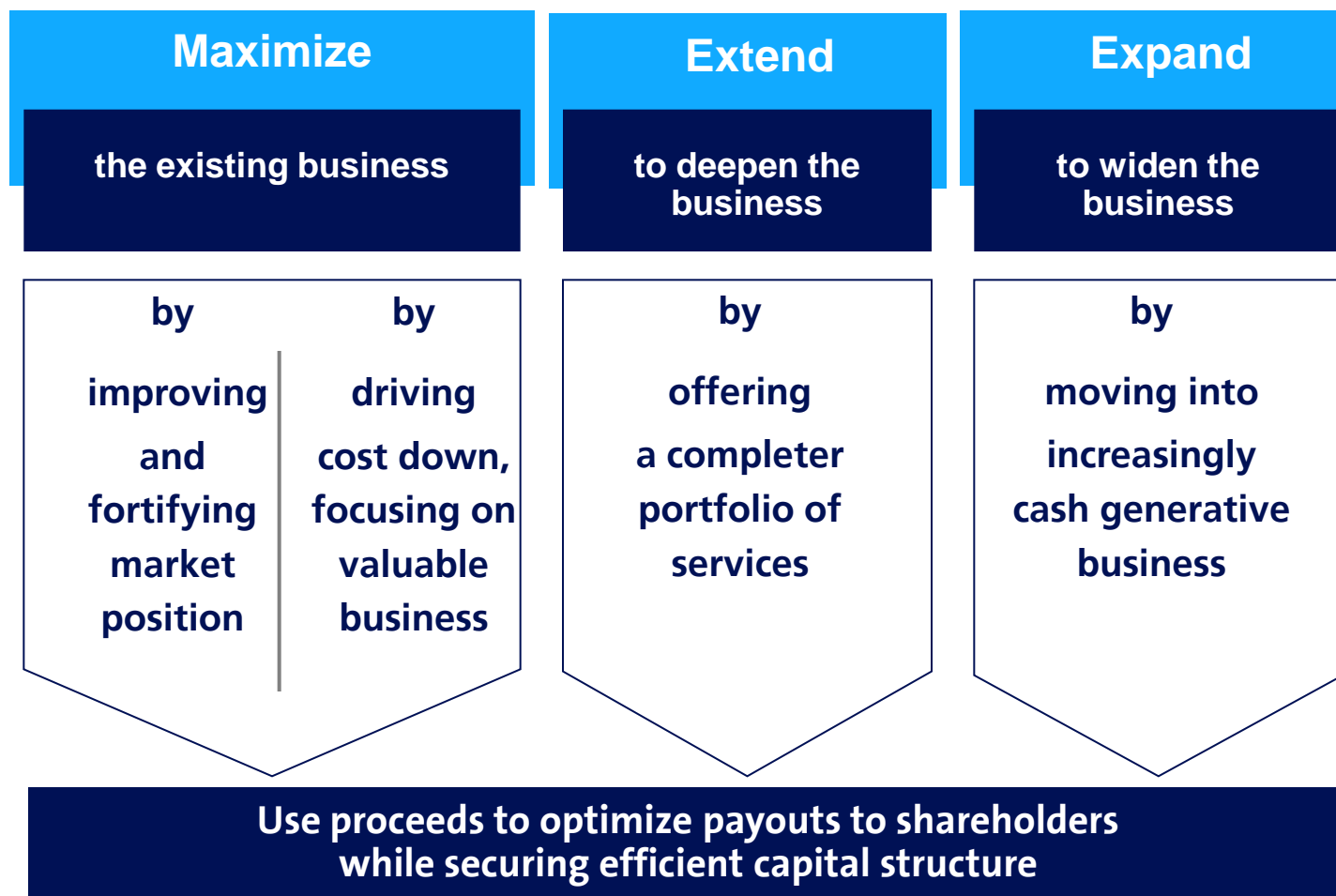

Company presentation

Bank am Bellevue - Swiss Equities Conference
Flims, 13 January 2012
Ueli Dietiker, CFO

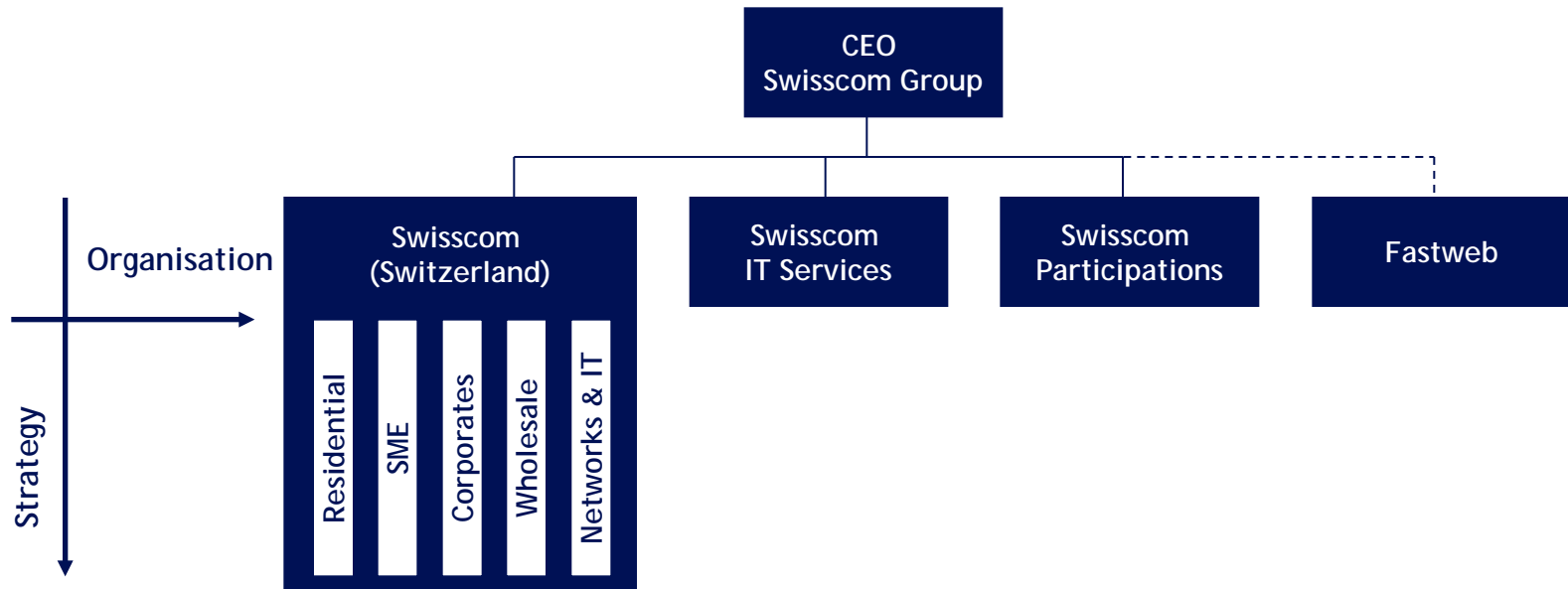


swisscom

Swisscom strategy: 3 pillars, 1 outcome



Organisation: aligned with strategy



| | | | | |
|----------|---|---|---|---|
| Maximize | ✓ | ✓ | | |
| Extend | ✓ | ✓ | ✓ | |
| Expand | | | ✓ | ✓ |

Swisscom Group: challenges 2012 and beyond

4

Market Performance

Highest customer satisfaction

Very strong mobile data growth and new TV subscribers

Fastweb meager in mass business and strong in Executive Segment

Performance & Priorities

Continued cost control

Continued investment into USP "Best Network"

Fastweb: initiate measures to restore FCF growth medium term

Special Items

Regulatory cases & spectrum auction

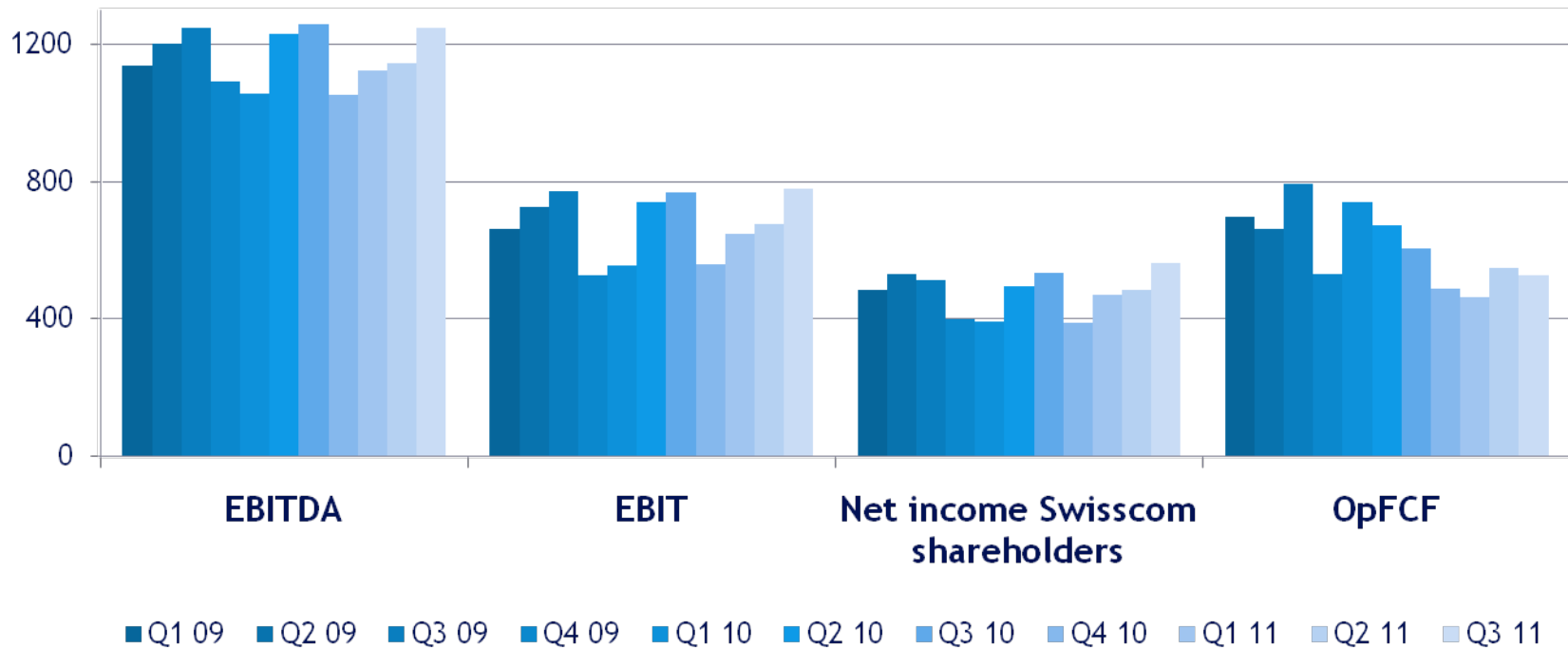
Be prepared for inner market consolidation (Switzerland & Italy)

Swisscom IT Services: flexibilisation operating model & increase footprint outside banking

Well prepared to face challenges 2012 and beyond

Performance: quarterly results

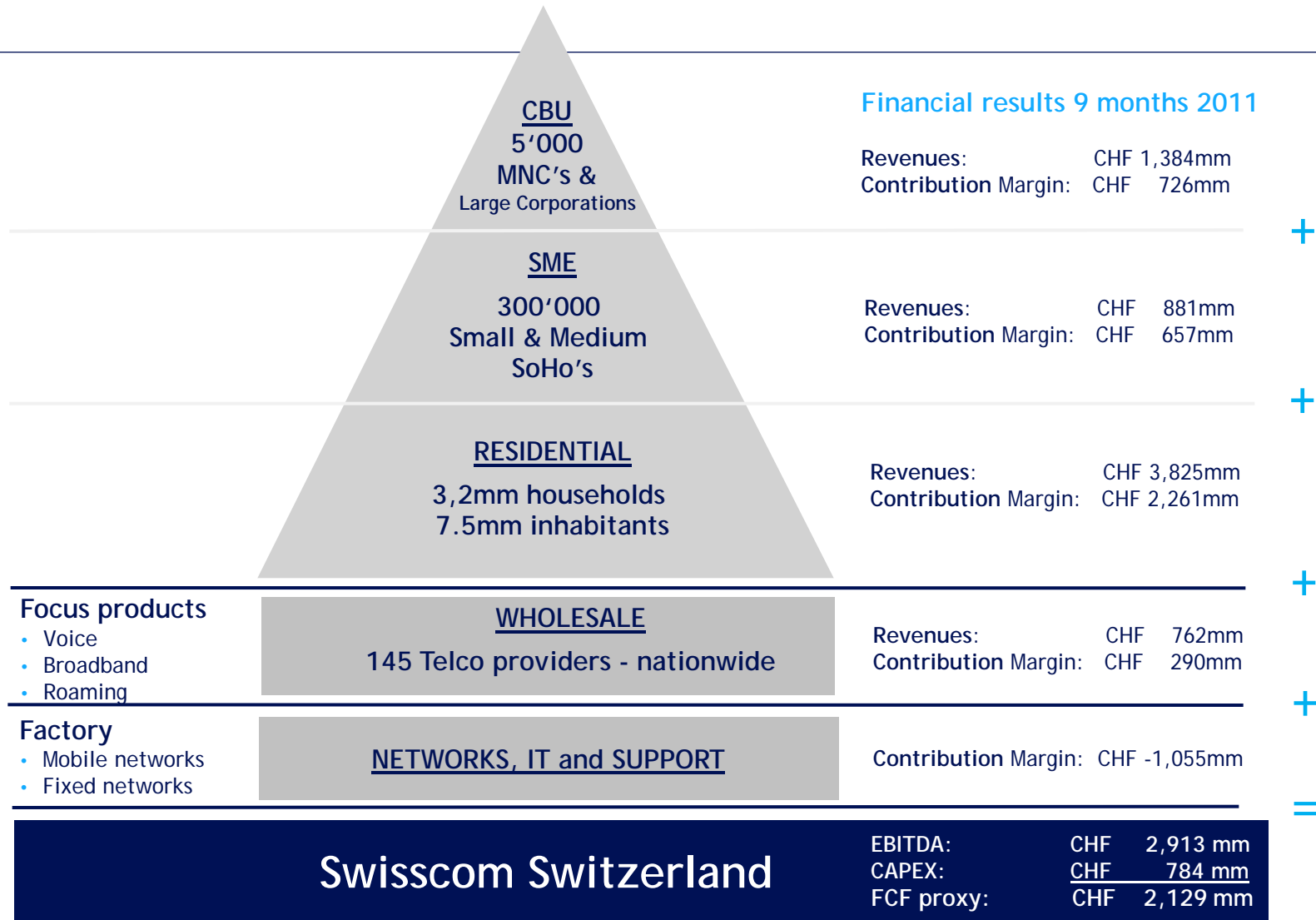
CHF mm *)



*) all figures as reported

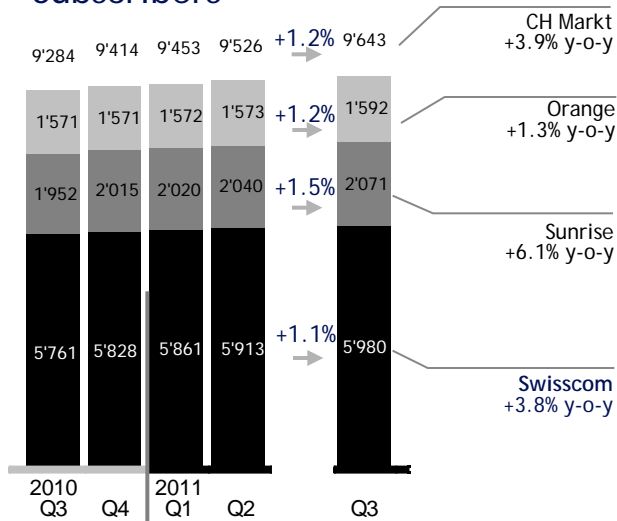
Solid quarterly results with normal seasonal patterns

Swisscom Switzerland: The cash generator



Wireless market Switzerland

Subscribers

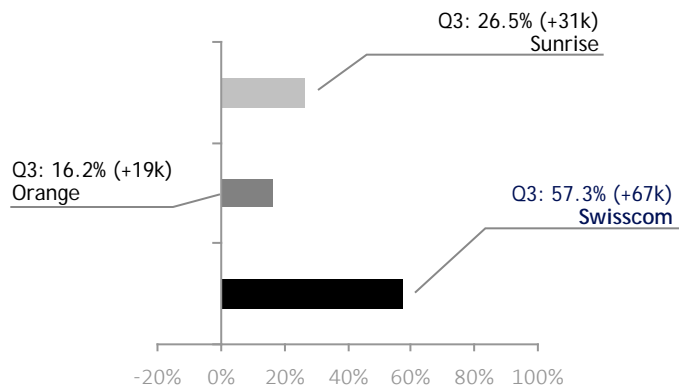


Market share Subscribers

| | 2010 | 2011 | | | Δ Q3/Q2 | Δ YoY Q3 | |
|-----------------|-------|-------|-------|-------|---------|----------|--------|
| | Q3 | Q4 | Q1 | Q2 | | | Q3 |
| Swisscom | 62.1% | 61.9% | 62.0% | 62.1% | 62.0% | -0.1pp | -0.0pp |
| Orange | 16.9% | 16.7% | 16.6% | 16.5% | 16.5% | -0.0pp | -0.4pp |
| Sunrise | 21.0% | 21.4% | 21.4% | 21.4% | 21.5% | +0.1pp | +0.5pp |

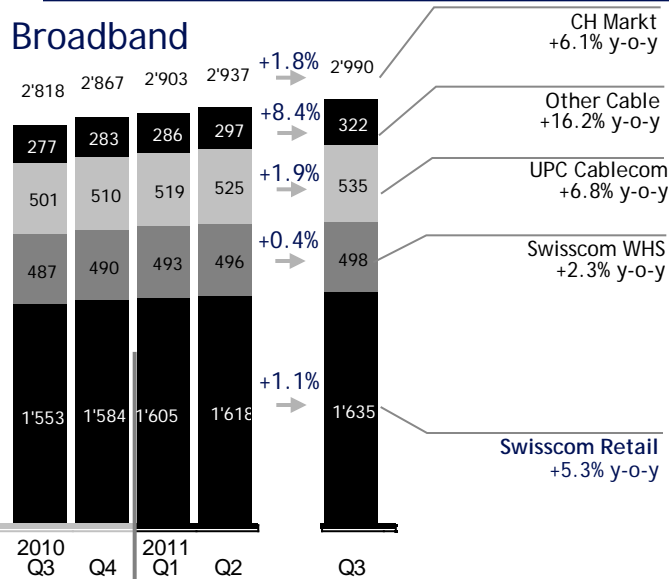
- Sunrise over latest quarters winning market share at the expense of Orange, in Q3 also at the expense of Swisscom

Market share net adds

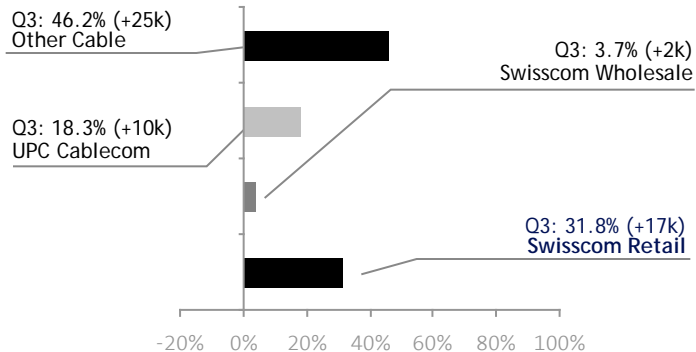


- Swisscom with up and downs, overall stable market share at 62%

Broadband market Switzerland



Market share net adds



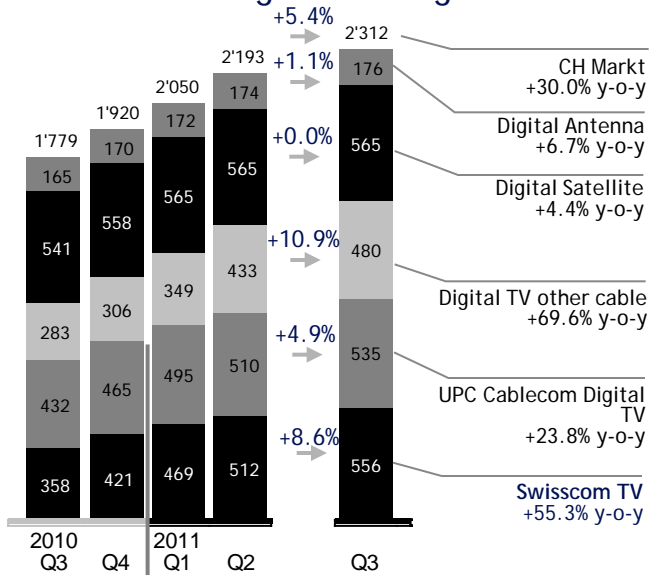
Market share Broadband

| | 2010 | | 2011 | | | Δ Q3/Q2 | Δ YoY Q3 |
|----------------------------------|-------|-------|-------|-------|-------|---------|----------|
| | Q3 | Q4 | Q1 | Q2 | Q3 | | |
| xDSL ¹⁾ | 72.4% | 72.3% | 72.3% | 72.0% | 71.3% | -0.7pp | -1.1pp |
| Swisscom Retail | 55.1% | 55.2% | 55.3% | 55.1% | 54.7% | -0.4pp | -0.4pp |
| Swisscom Wholesale ²⁾ | 17.3% | 17.1% | 17.0% | 16.9% | 16.7% | -0.2pp | -0.6pp |
| davon BBCS | 8.5% | 7.9% | 7.4% | 6.9% | 6.4% | -0.5pp | -2.1pp |
| davon Full Access | 8.5% | 8.9% | 9.3% | 9.7% | 9.9% | +0.2pp | +1.5pp |
| davon BSA | 0.3% | 0.3% | 0.3% | 0.3% | 0.3% | -0.0pp | -0.0pp |
| Cable | 27.6% | 27.7% | 27.7% | 28.0% | 28.7% | +0.7pp | +1.1pp |
| UPC Cablecom | 17.8% | 17.8% | 17.9% | 17.9% | 17.9% | +0.0pp | +0.1pp |
| Other Cable ³⁾ | 9.8% | 9.9% | 9.9% | 10.1% | 10.8% | +0.6pp | +0.9pp |

- Overall market growth in Q3 above prior year quarter
- UPC Cablecom in Q3 further recovering from historical lows over prior years with net adds share of 10k or 18.3%.
- Other cable operators growing again, with 46% share of net adds

Digital TV market Switzerland

Subscribers digital TV Segment

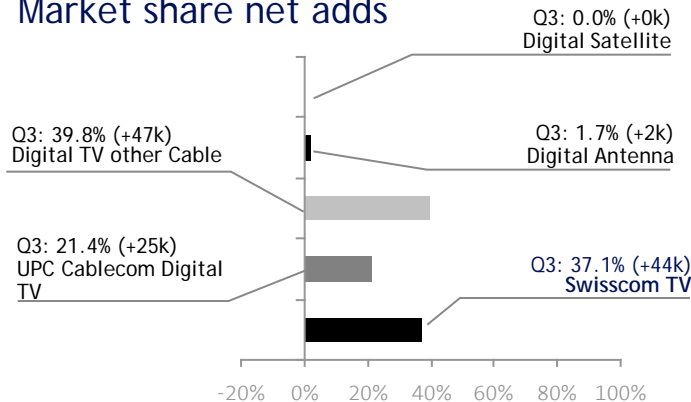


Market share digital TV Segment

| | 2010 | | 2011 | | | Δ Q3/Q2 | Δ YoY Q3 |
|-------------------------|-------|-------|-------|-------|-------|---------|----------|
| | Q3 | Q4 | Q1 | Q2 | Q3 | | |
| Swisscom TV | 20.1% | 21.9% | 22.9% | 23.3% | 24.1% | +0.7pp | +3.9pp |
| UPC Cablecom Digital TV | 24.3% | 24.2% | 24.2% | 23.2% | 23.1% | -0.1pp | -1.1pp |
| Digital TV other cable | 15.9% | 15.9% | 17.0% | 19.7% | 20.8% | +1.0pp | +4.8pp |
| Digital Satellite | 30.4% | 29.1% | 27.6% | 25.8% | 24.4% | -1.3pp | -6.0pp |
| Digital Antenna | 9.3% | 8.9% | 8.4% | 7.9% | 7.6% | -0.3pp | -1.7pp |

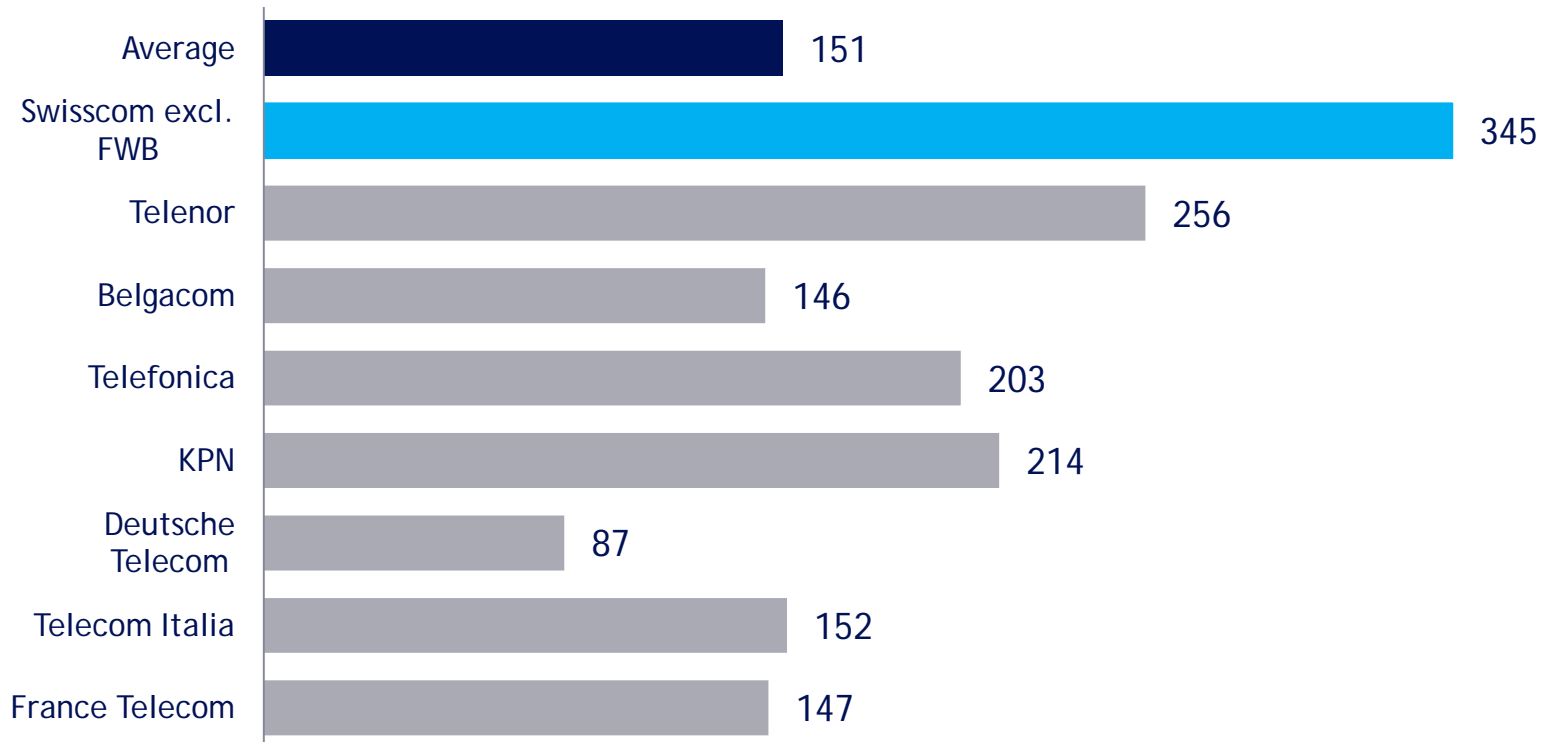
- Net adds volume TV in Q3 2011 with +119k above prior year quarter, of which Swisscom TV took +44k (37.1%)
- 5 years after launch, Swisscom TV overtook Cablecom as the market leader in digital TV

Market share net adds



Market Performance: domestic share and size matter

FCF proxy (EBITDA - CAPEX) per head of population in CHF *)



*) only domestic FCF proxy for each of the incumbents, no foreign operations. Source: own and broker research (February 2011)

**Economies of scale and high market share are important:
Swisscom more than twice as profitable as its European peers**

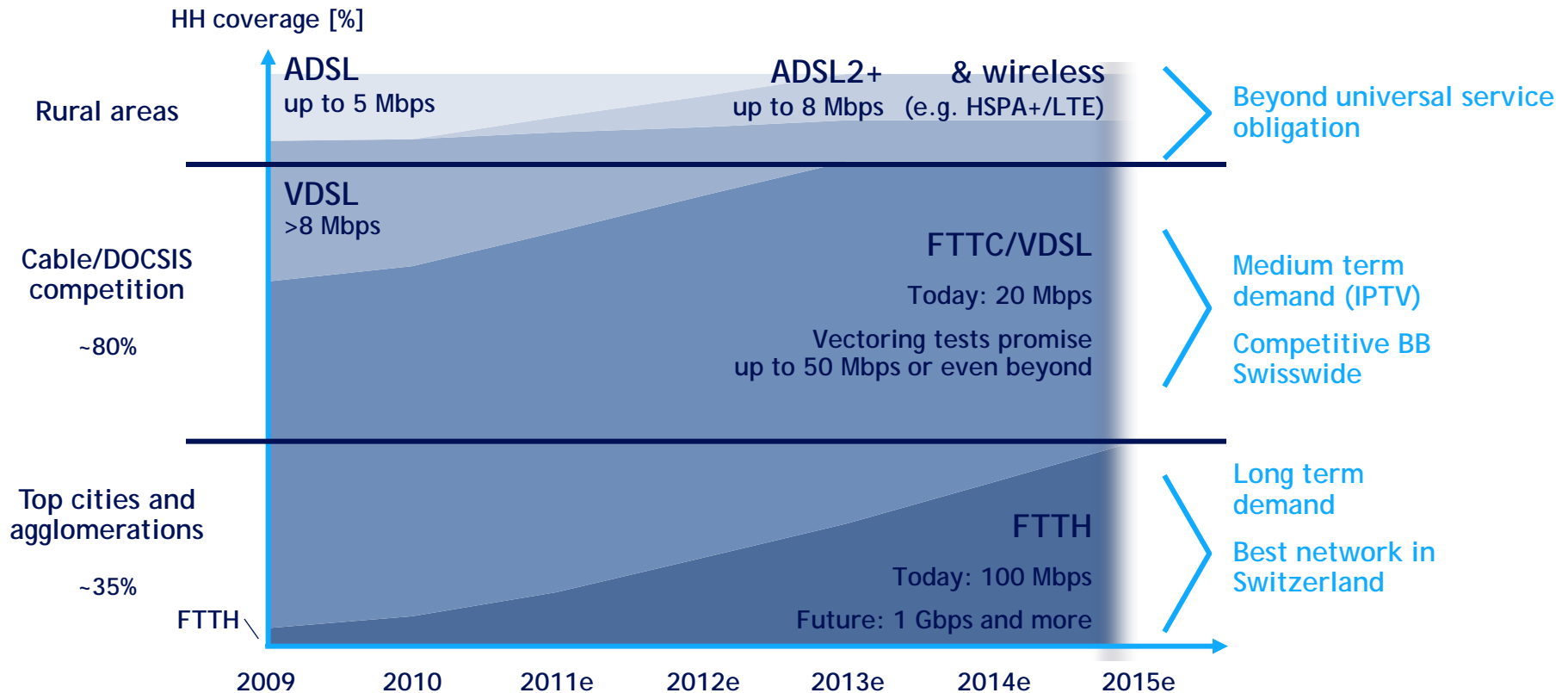
Fastweb: priorities



Fastweb: impairment

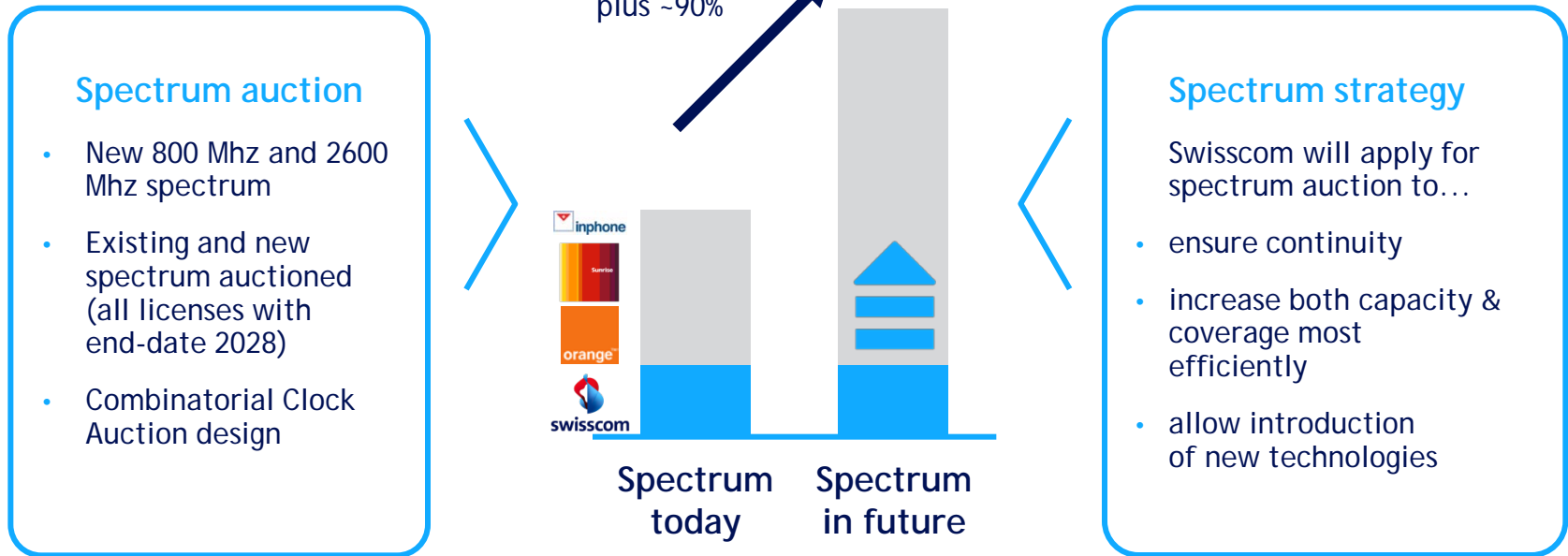
- The book value of Fastweb has been impaired based on the difficult economic situation in Italy and the resulting reduced prospects for growth. As a result, its overall value has dropped by around 35% since the acquisition
- Since the announcement of the acquisition of Fastweb, the Italian stock market index has dropped by 63%. The economic situation responsible for this also led to impairments at other Italian telecom companies
- Fastweb's updated business plan takes these developments into consideration with lower future growth (2.5% CAGR over 5 years) and a focus on cost efficiency (€ 120mm lower base in 2 years) and financial results
- Fastweb's impairment is having an impact on Swisscom's net income (minus CHF 1.2 billion) and thereby also reduces its tax expense for 2011
- The impairment has no impact on Swisscom's cash flow, its Swiss business and capital expenditures in Switzerland

Wireline network: fibre strategy



Since rolling-out FTTH is time-consuming, a mixed FTTC/FTTH strategy is pursued to meet medium term demand and cope with cable competition

Wireless network: mobile spectrum

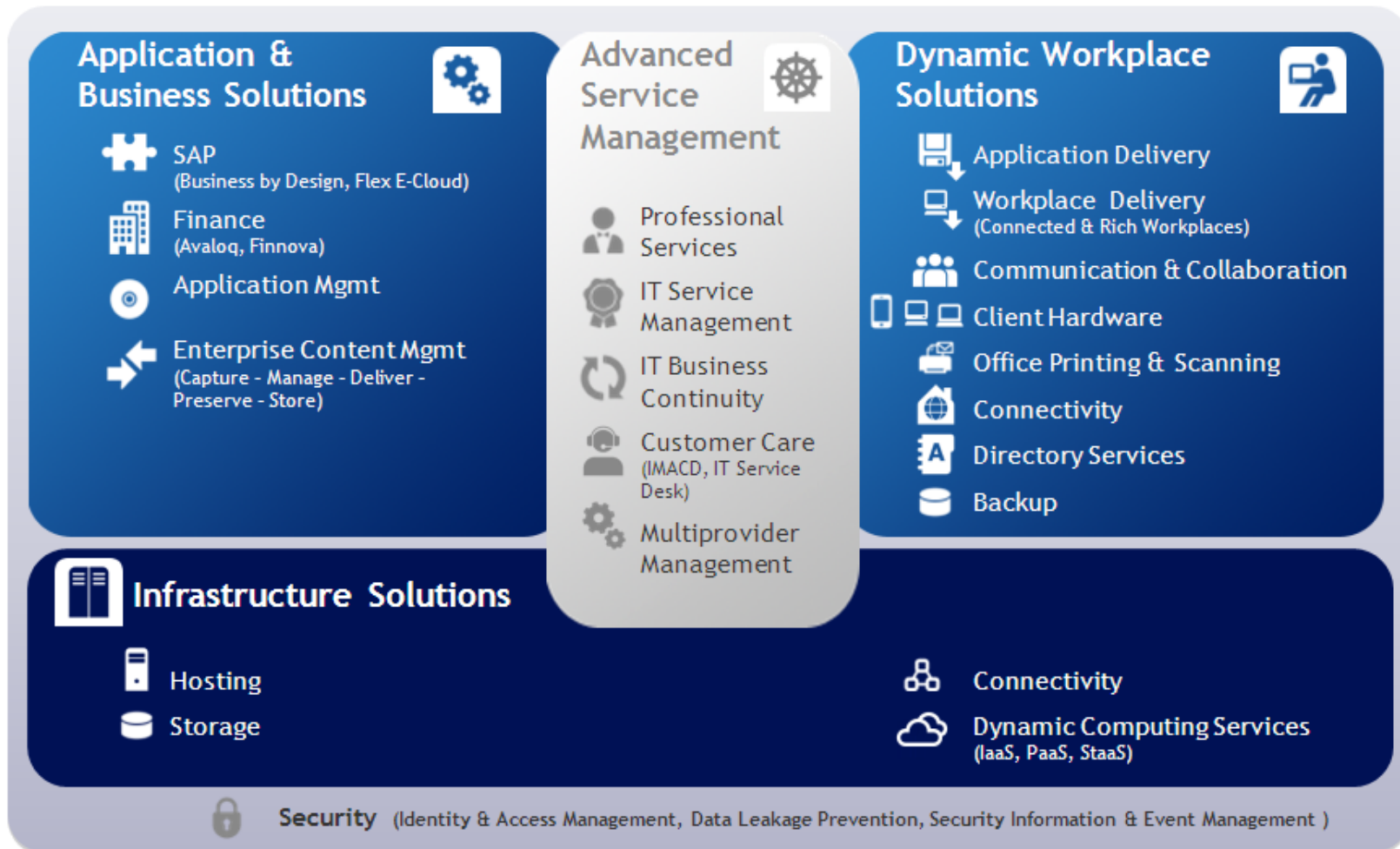


All existing and new mobile spectrum to be auctioned (likely to take place in Q1 2012); Swisscom will need to ensure both continuity and capacity for future bandwidth demand

Main regulatory cases

- **LRIC/ULL:** Federal Administrative Court overruled ComCom: telecoms regulator cannot change conditions about which competitors had reached an agreement yet
- **Leased Lines:** Appeal against ComCom's ruling that Swisscom has to resell lines at cost wherever there are not at least 2 providers. Case has been fully provisioned for, however should ruling be negative, then a price cut would extend itself into the future
- **Mobile Termination Rates:** The Federal Court confirmed the decision of the Federal Administrative Court, which has quashed the decision of the Competition Commission to impose a CHF 333 mm fine. The case is terminated, i.e. no fine for Swisscom
- **ADSL:** Competition Commission claims Swisscom having abused its market dominance in setting too high wholesale prices. Decision by Federal Administrative Court not expected before Q2 2012

Swisscom IT Services: the portfolio



Swisscom Participations: the portfolio

Current Business



eHealth

“Swisscom is 1st choice of ehealth services”

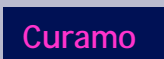


Smart Secure Living

“We care for you, your family and your home”

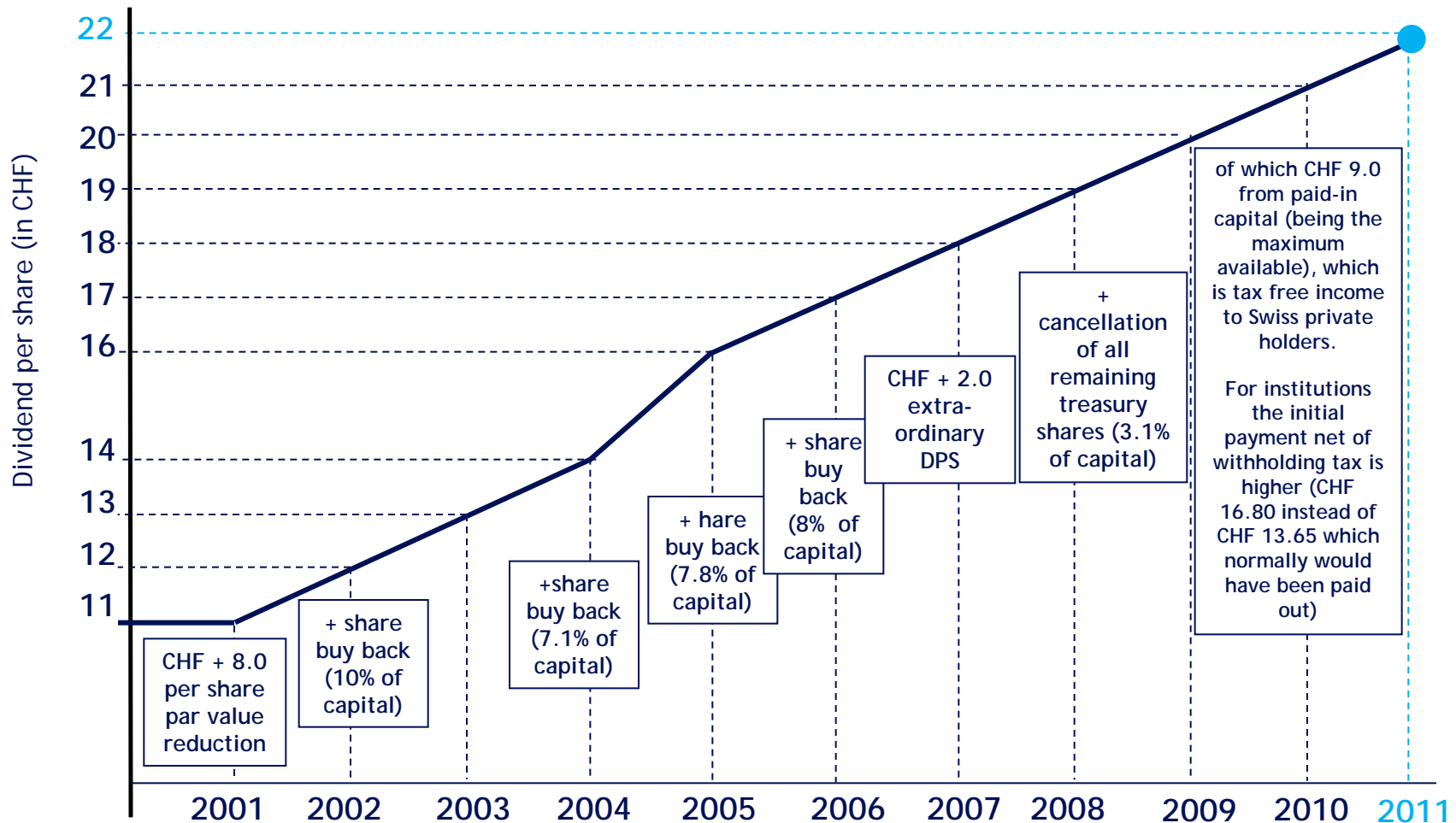
Interactive Home & Care

Ambient Assisted Living



Payout: dividend development

Swisscom is proposing an increase by CHF 1.00 to CHF 22.00 dividend/share



Q&A

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 and Fastweb's past and future filings and reports, including those filed with the U.S. Securities and Exchange Commission and in past and future filings, press releases, reports and other information posted on Swisscom Group Companies' websites.

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For further information, please contact:

phone: +41 58 221 6278 or +41 58 221 6279

investor.relations@swisscom.com
www.swisscom.ch/investor