



Q3 2015 results

Analyst and investor presentation
05 November 2015



Agenda

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Welcome and introduction

Louis Schmid, IR

1. Q3 in a nutshell
2. Quality key in Switzerland
3. Strengthening of Swiss position
4. Fastweb performance

Urs Schaeppi, CEO

5. Group financials
6. Guidance 2015

Mario Rossi, CFO

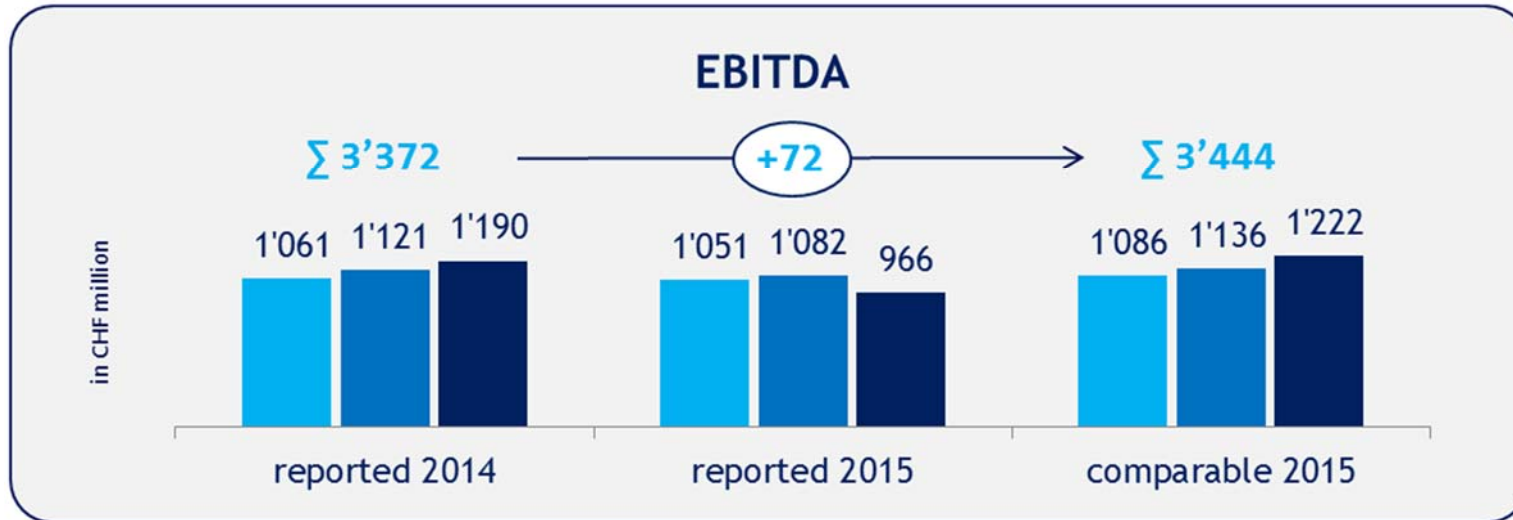
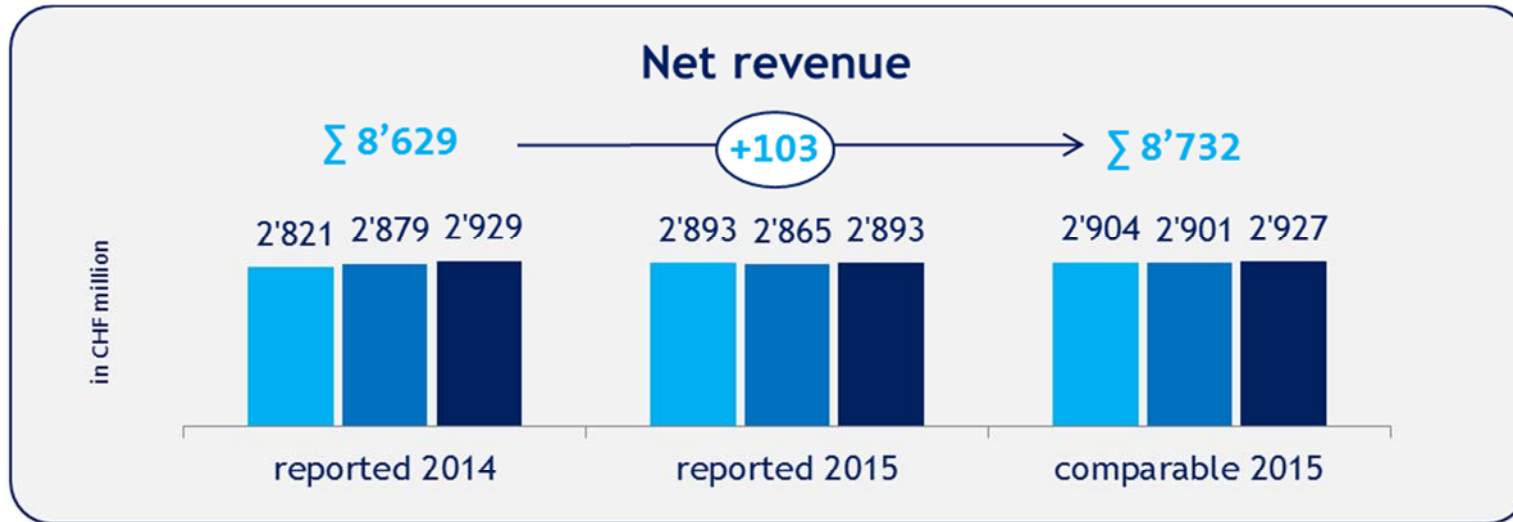
Q&A

All

Backup

1. Q3 key financials

Solid underlying performance



■ Q1 ■ Q2 ■ Q3

1. Q3 key financials

3rd quarter in row with underlying EBITDA growth

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Underlying Q3 2015 revenue almost flat YOY and underlying 9m 2015 up by CHF +103 million YOY

Net revenue	Q1	Q2	Q3	9m
reported 2014	2'821	2'879	2'929	8'629
reported 2015	2'893	2'865	2'893	8'651
YoY	72	-14	-36	22
Exchange rate CHF / EUR	55	74	56	185
M&A	-44	-38	-22	-104
comparable 2015	2'904	2'901	2'927	8'732
YoY	83	22	-2	103

Comparable Q3 2015 EBITDA increased by CHF +32 million YOY, 9m 2015 margin went up YOY by a total of CHF +72 million

EBITDA	Q1	Q2	Q3	9m
reported 2014	1'061	1'121	1'190	3'372
reported 2015	1'051	1'082	966	3'099
YoY	-10	-39	-224	-273
Exchange rate CHF / EUR	15	24	19	58
M&A	-	-	-	-
Pension cost reconciliation	20	16	14	50
Extraordinary real estate gain		14	37	51
Provision for FeAC* sanction (BBCS**)			186	186
comparable 2015	1'086	1'136	1'222	3'444
YoY	25	15	32	72

CAPEX YOY flat at CHF 1.7 billion as per end of Sept 2015

CAPEX	Q1	Q2	Q3	9m
reported 2014	519	598	610	1'727
reported 2015	549	593	595	1'737
YoY	30	-5	-15	10

* FeAC = Federal Administrative Court

** BBCS = Broadband Connectivity Services

1. Q3 highlights

Primarily driven by consumer demand and innovation

Residential Customers

- >1mm subs (thereof +78k net adds in Q3) on our **fixed bundle Vivo**
- **TV** subs base increased to >1.2mm (thereof +36k net adds in Q3), whereof >50% are on Swisscom TV 2.0
- Announcement of a UHD ready set-top box for spring 2016 & improved TV and gaming portfolio (cloud gaming)
- >1.8mm subs (thereof +36k net adds in Q3) on **infinity**. Of those, >0.5mm (thereof +237k net adds in Q3) on infinity plus

SME

- Strong performance of SME's **bundle** offering **My KMU Office**

Enterprise Customers

- Different **successful launches**: App Cloud, own UCC solution and in-house mobile service standard (3G/4G access points for voice in-house coverage)
- Strong **acquisition performance**: 9m order intake increased +42% YOY

Technology

- Announcement of **VoLTE** rollout (in H2 2015), **WiFi** Calling and increasing network capacity in urban areas with **microcells** (from 2016 onwards)

Regulation

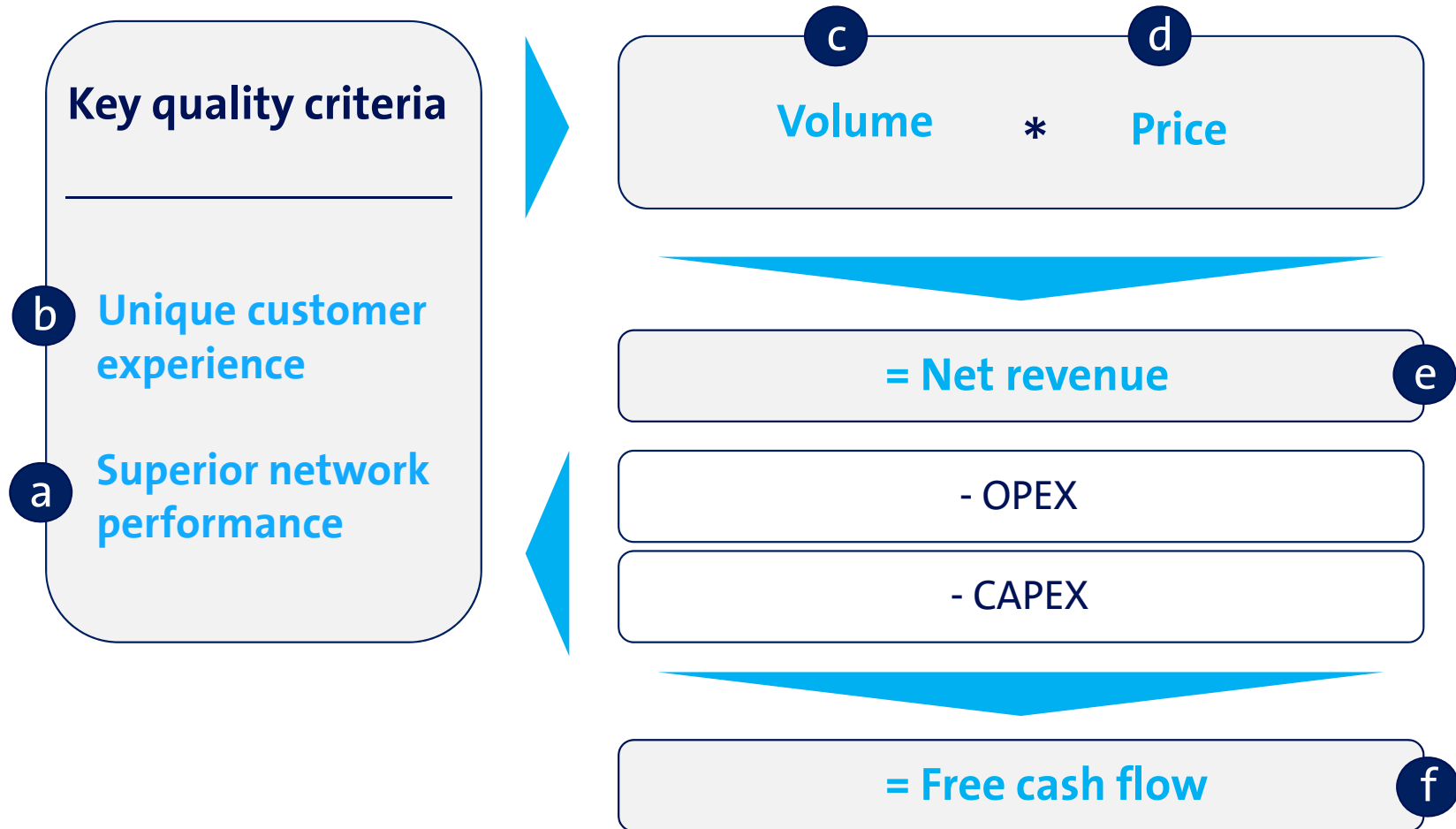
- **Broadband Connectivity Services** up to 2007: FeAC reduces COMCO sanction to CHF 186 mm. Swisscom booked a provision in the same amount and will file an appeal with the Federal Supreme Court

Financing

- Successful **EURO bond** issuance (€ 500mm)

2. Quality matters in Switzerland

Investing into quality pays off



2a. Increasing broadband footprint

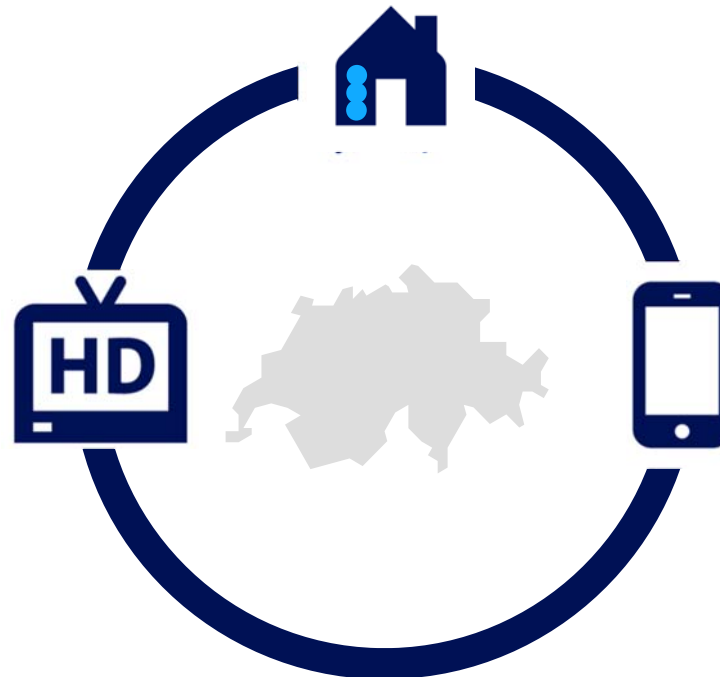
High(er) investments make long-term sense ...

Fibre to the Home (FTTH)

- 1'015'000 homes
- Fastest Surf-Speed in Switzerland: 1 Gbit/s

Ultra broadband technologies

- 1.7mm homes* with latest fibre technologies
- >93% coverage with digital TV
- ≈90% coverage with HDTV



Mobile broadband

- >99% coverage 2G
- >99% coverage 3G
- >98% coverage 4G/LTE
- 6th consecutive time winner of Connect test

* Homes passed as per Q3 2015: FTTC/Vectring = 457'000, FTTS/B = 241'000, FTTH = 1'015'000

** HDTV: high-definition television, provides about five times as many pixels as standard-definition television (SDTV)

2b. Superior customer experience ..

... especially in a market with highly quality conscious consumers

Products & offers

- Strongest TV proposition in Swiss market
 - winning multiple international awards
 - best content in Switzerland (most channels, VoD/SVoD, sports, gaming)
- Value added services (TV Air, iO, 2nd SIM, ...)
- Tariff innovations (1st mobile full flat, roaming EU in Infinity included, wireline bundles, 4-play discount)
- Successful multi-brand strategy

Distribution & customer service

- Strongest distribution with more than 150 own shops (top locations)
- Best rated customer service (PC Tipp)
- Highest customer satisfaction






Human-centred design

- Customer needs at the heart of all offer and process design

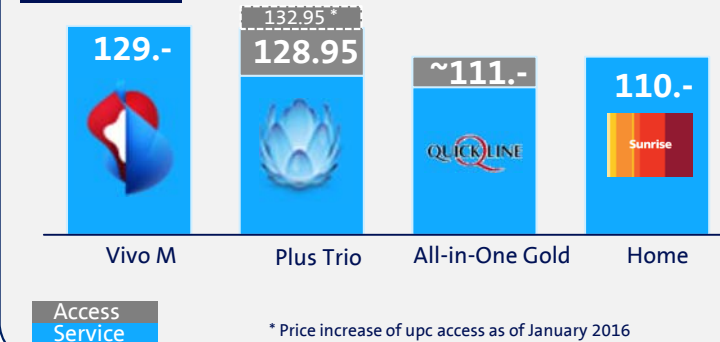
2b. ... thanks to an attractive TV proposition

On track for further growth and becoming market leader

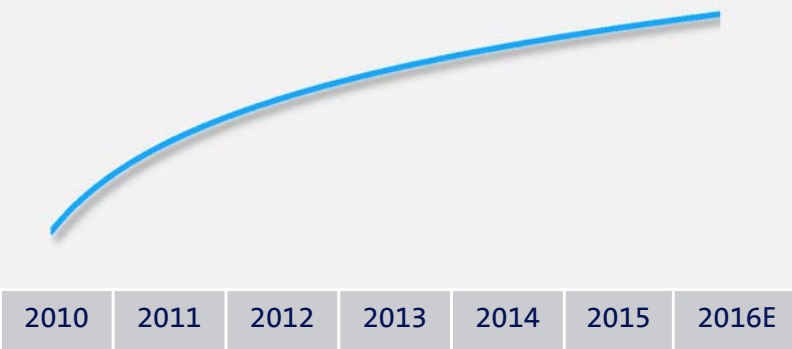
A compelling proposition...

-  – widest variety of channels and content
-  – superior picture quality (UHD coming Q2 '16)
-  – exceptional usability (easy content discovery, personal recommendation)
-  – Multi-screen convergent offering
-  – Cloud-based recording (up to 7 days replay, live pause, easy recording up to 1'200 hrs)

...combined with a competitive and stable pricing ...



...is resulting in a growing TV subs base ...



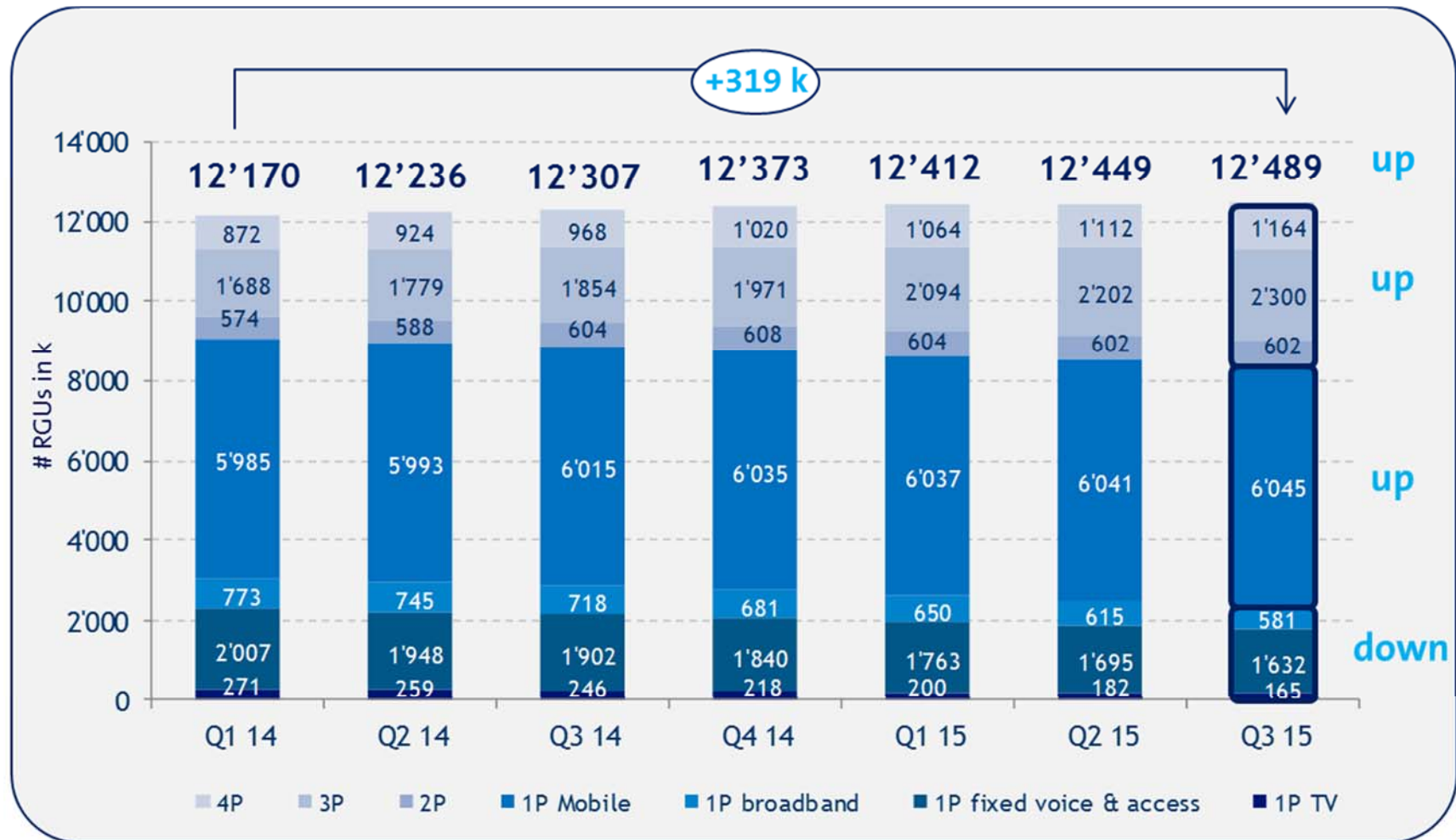
...and more loyal customers with significantly lower churn rates than non-bundled customers



- More than 1.2 million customers are already using Swisscom TV, of which over 1 million customers have a Vivo bundle subscription

2c. Leverage quantity

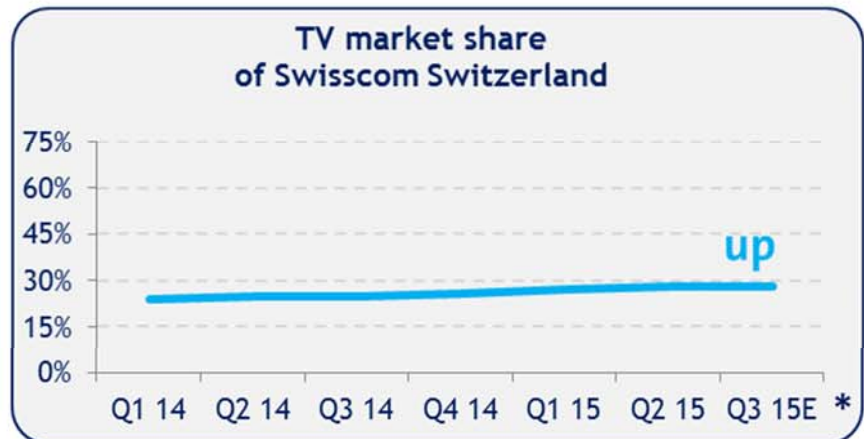
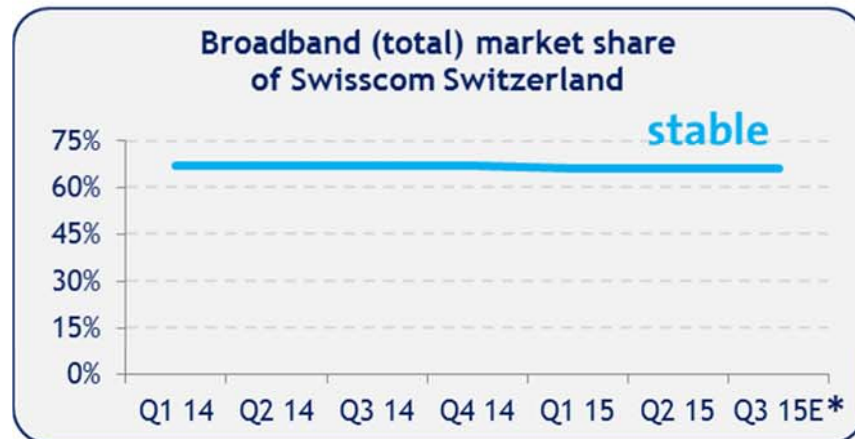
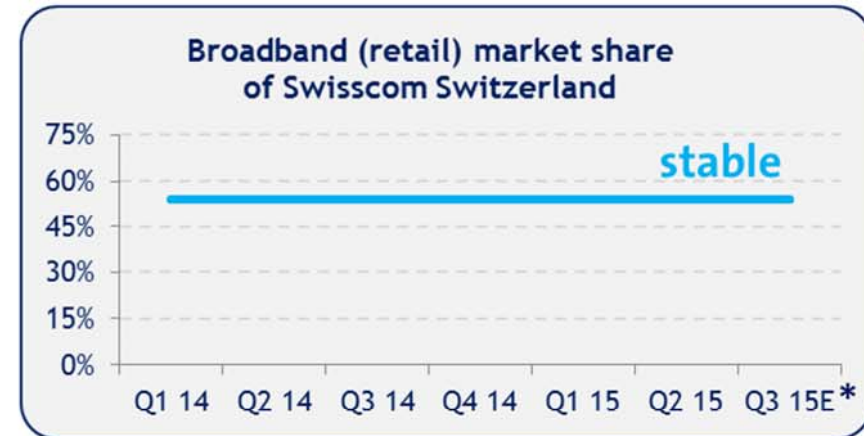
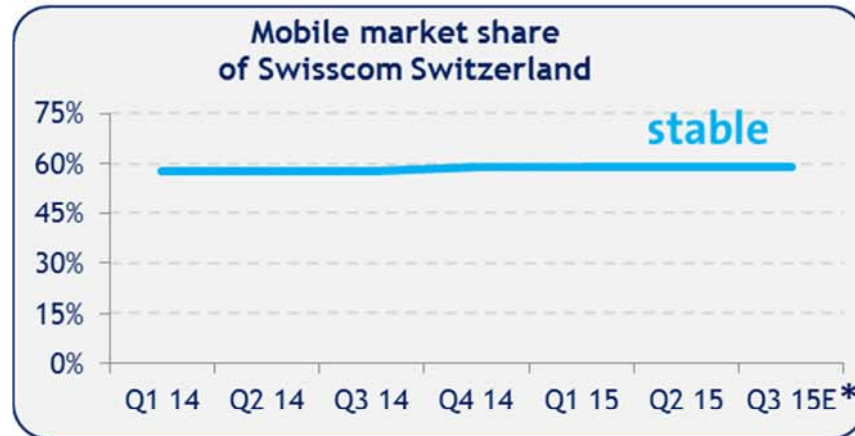
RGUs up and driving volume which matters in a fixed-cost business



2c. Leverage quantity

Strong market (share) performance

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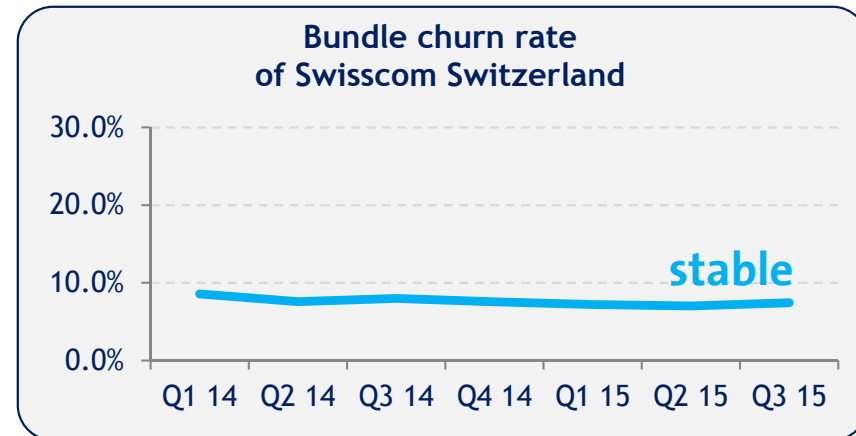
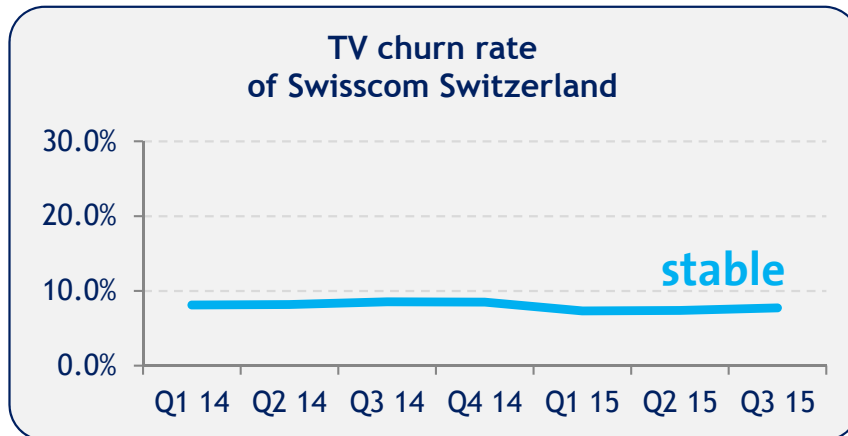
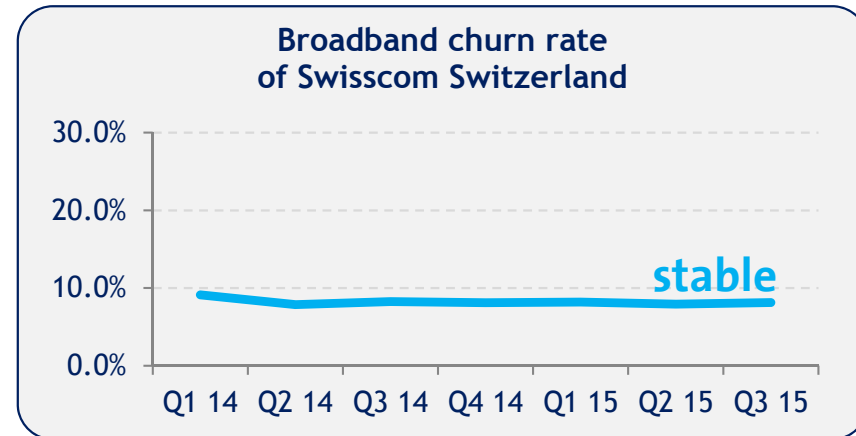
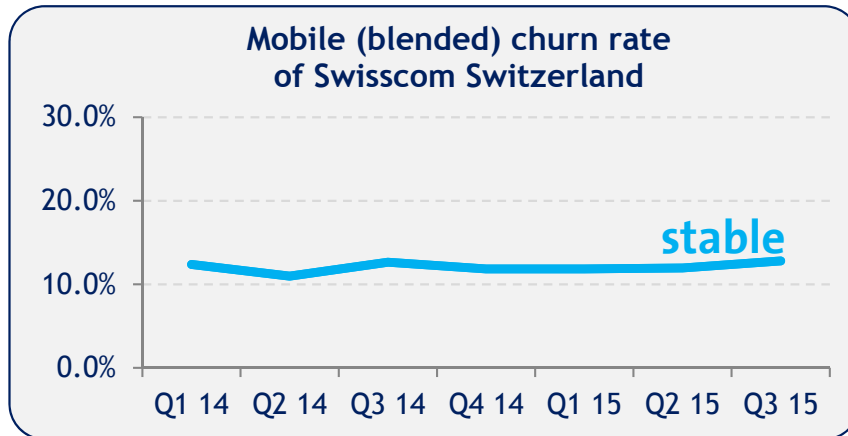


* Swisscom estimates

2c. Leverage quantity

Stable churn rates (at relatively low levels) thanks to satisfied consumers and high loyalty

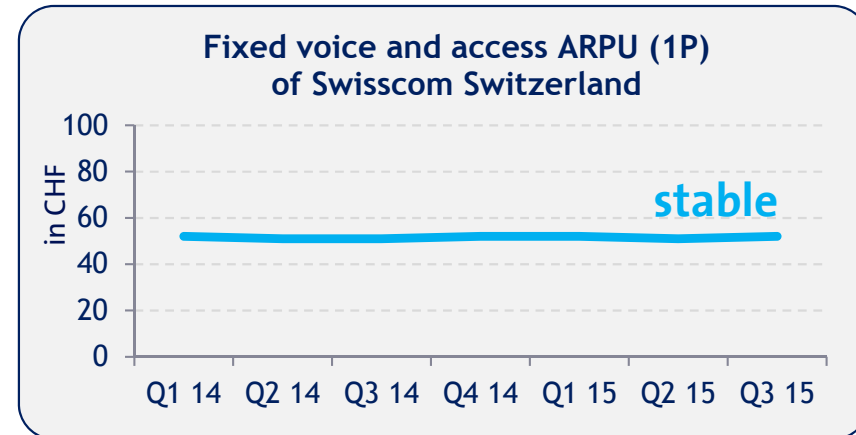
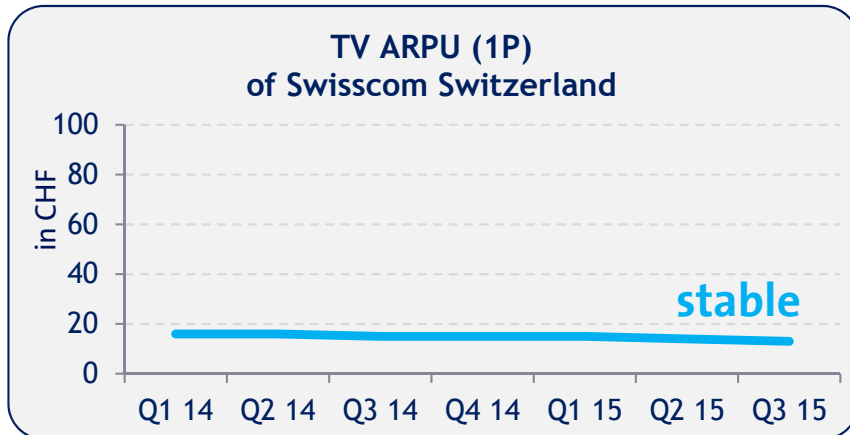
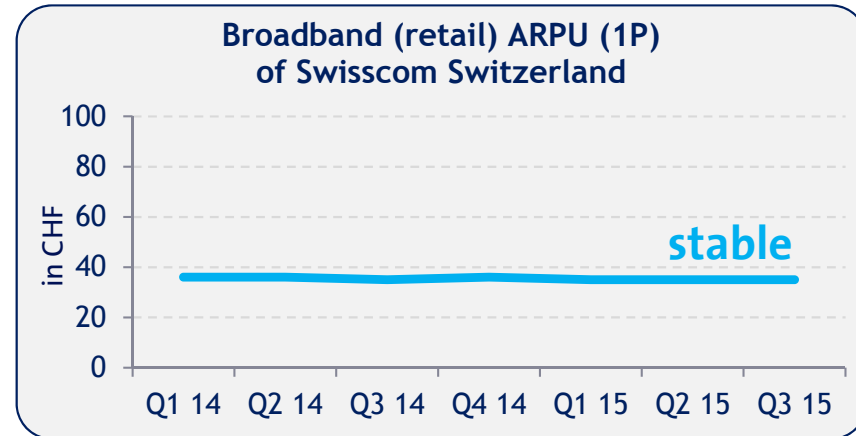
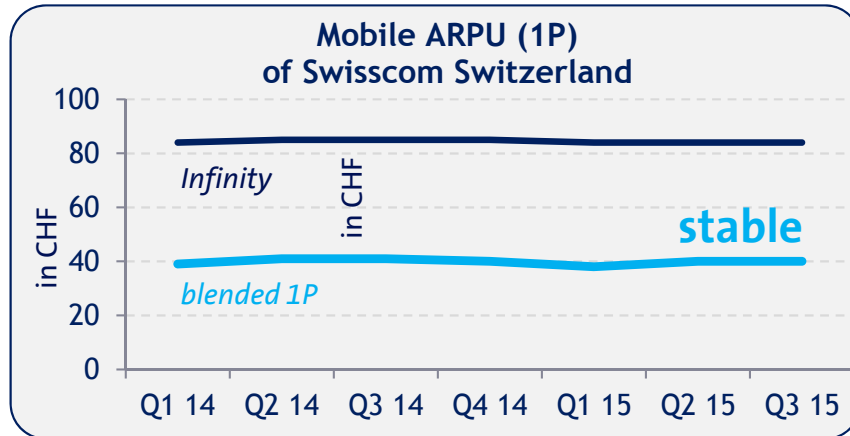
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2d. Monetise quality

Stable ARPU reflecting readiness of Swiss customers to pay for premium offerings

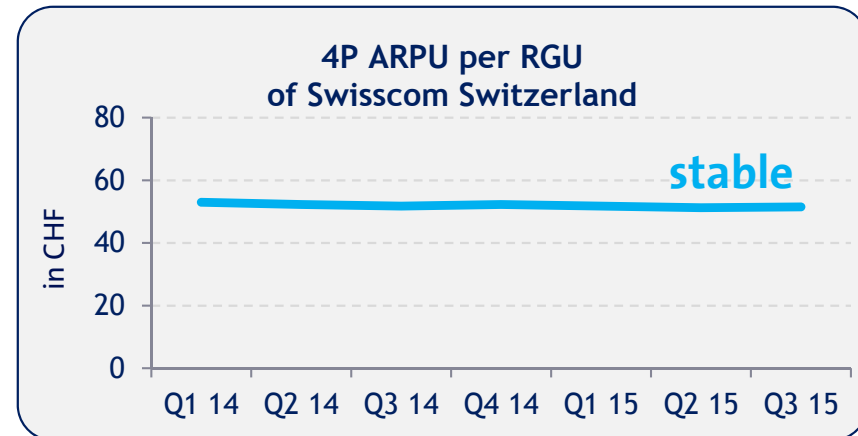
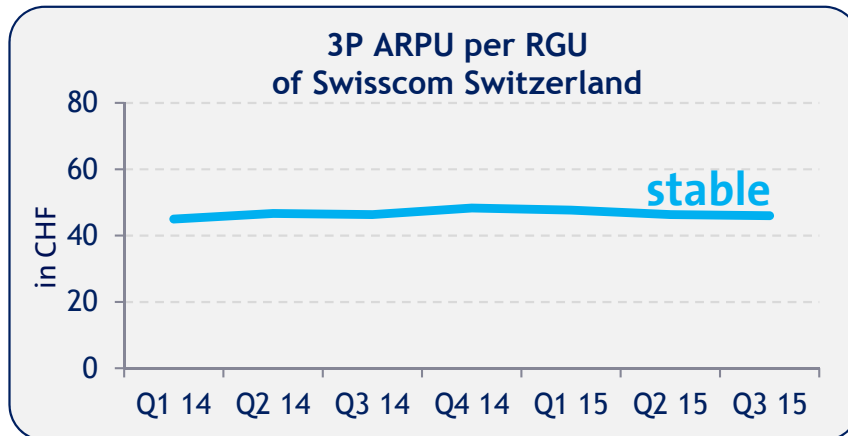
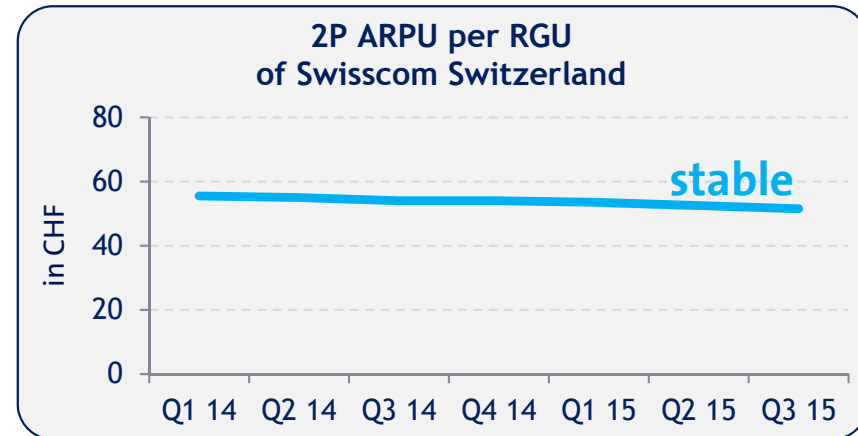
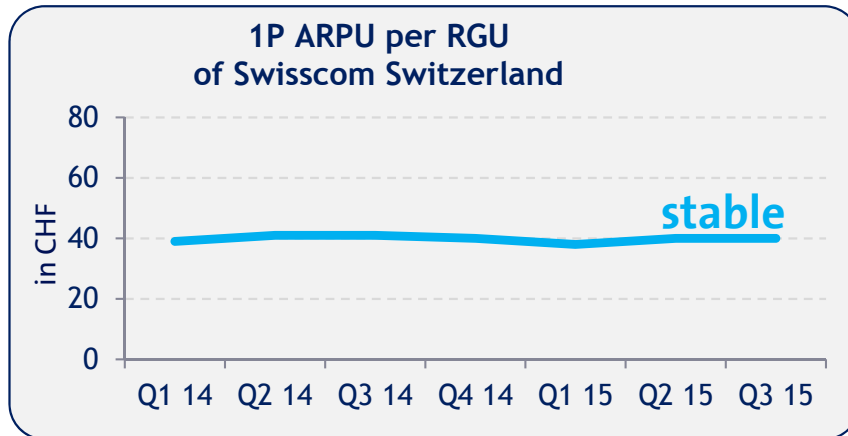
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2d. Monetise quality

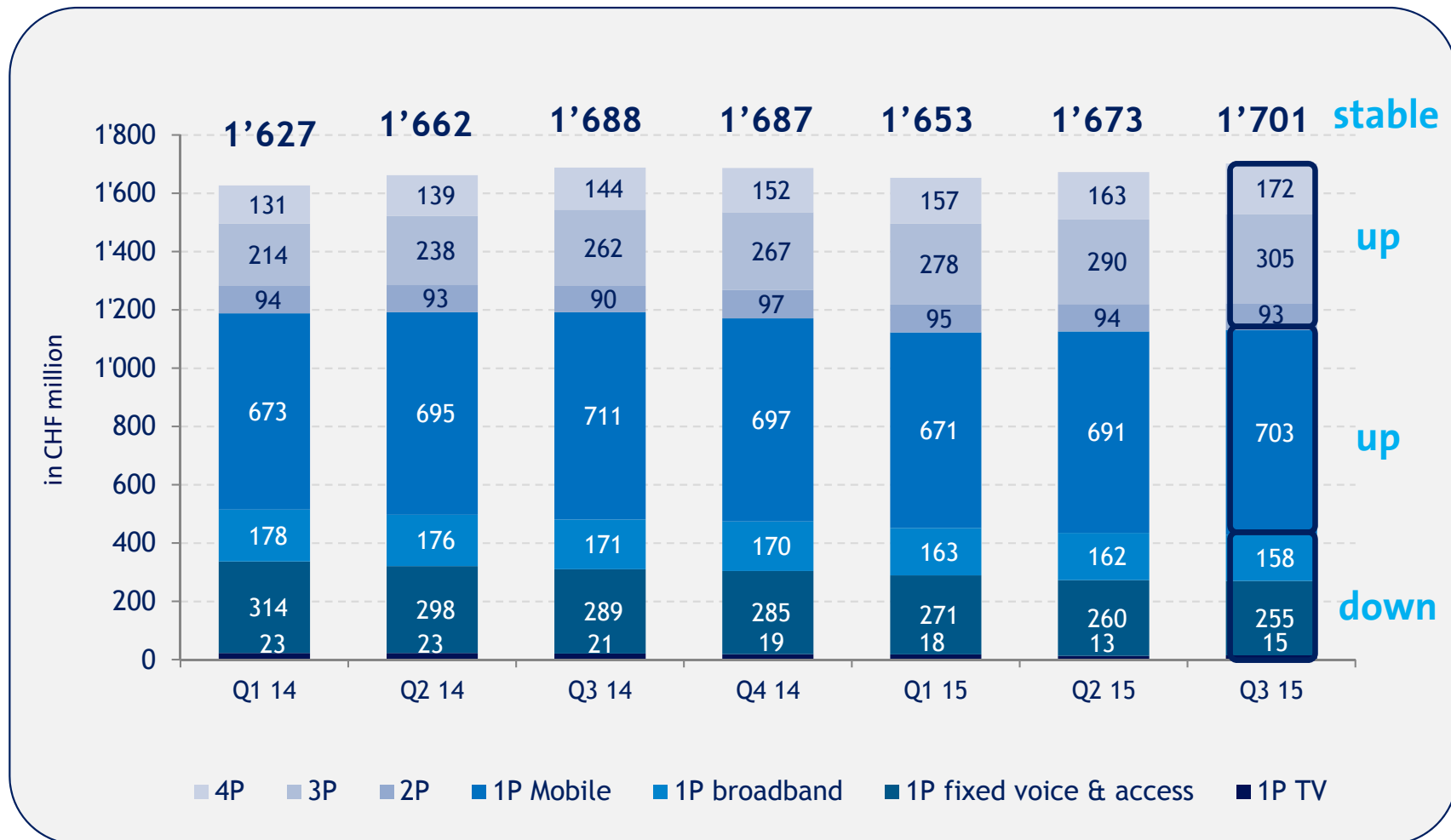
Bundling delivers high ARPU and makes Swisscom's value strategy more sustainable

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2e. Swiss 1P and bundle revenue

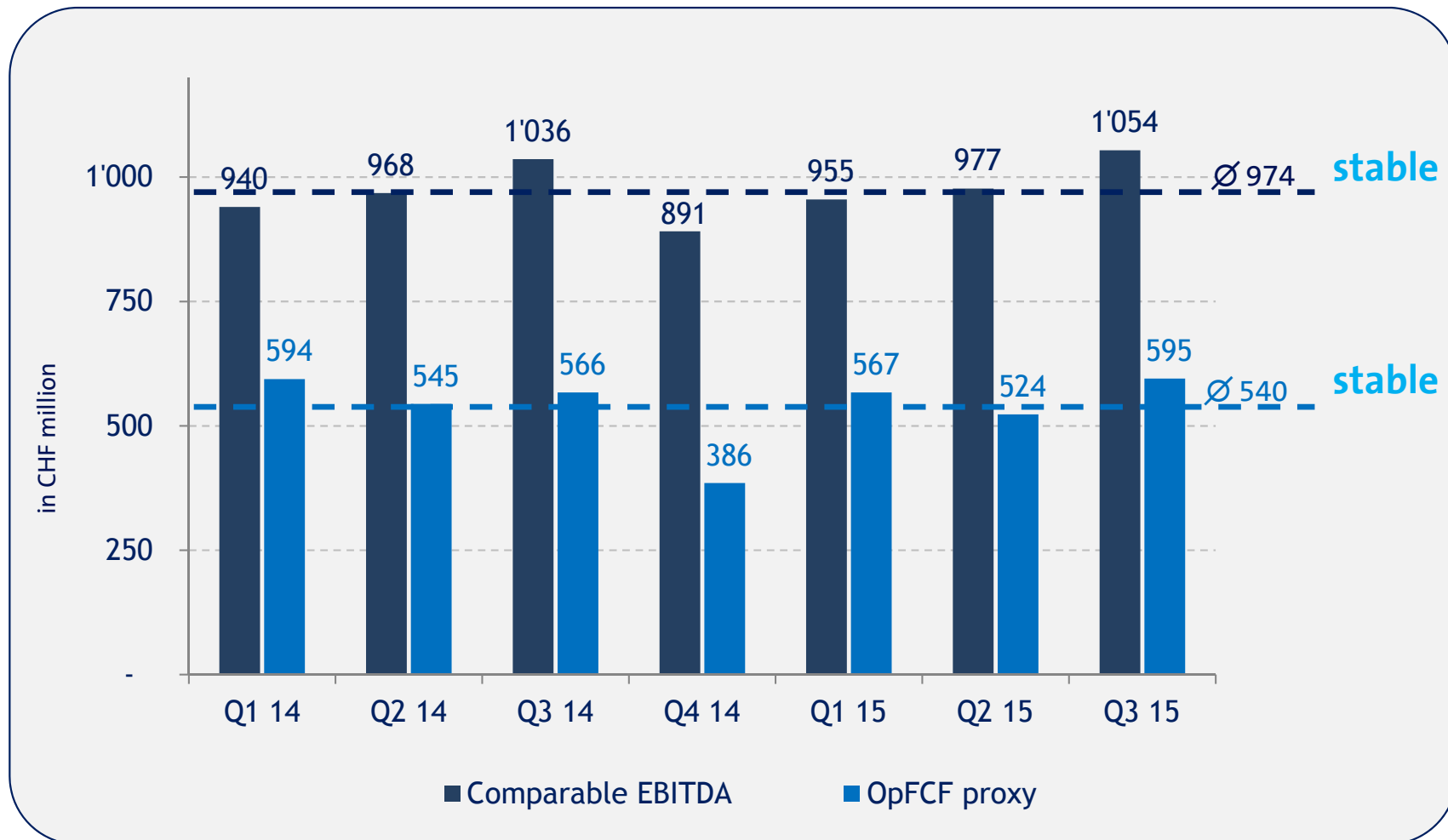
Revenue slightly improved thanks to solid volume trends and sustainable price levels



2f. FCF generation Swisscom Switzerland

Successful monetisation (Ø CHF ~0.5bln/quarter) is a function of high investments (OPEX and CAPEX)

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3. Strengthening of Swiss position

Swisscom is going to reposition itself to prepare optimally for the future

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Overview goals

Targeted adaptation of the organisation aiming to ...

- ensure the strong and established client focus
- generate a stronger focus on operational excellence
- further foster the innovative strength of Swisscom

... in order to strengthen the competitiveness and to prepare Swisscom for the challenges of the future

Key organisational adaptations

Sales & Services (~5900 FTE)

- E2E design responsibility for customer processes and central responsibility for operational marketing activities
- Market and customer care for RES/SME, field service responsibility also for ENT

Products & Marketing (~450 FTE)

- Marketing and product competencies for RES and SME

Enterprise Customers (~4500 FTE)

- Reduce complexity and increase agility

Digital Business (~15 FTE)

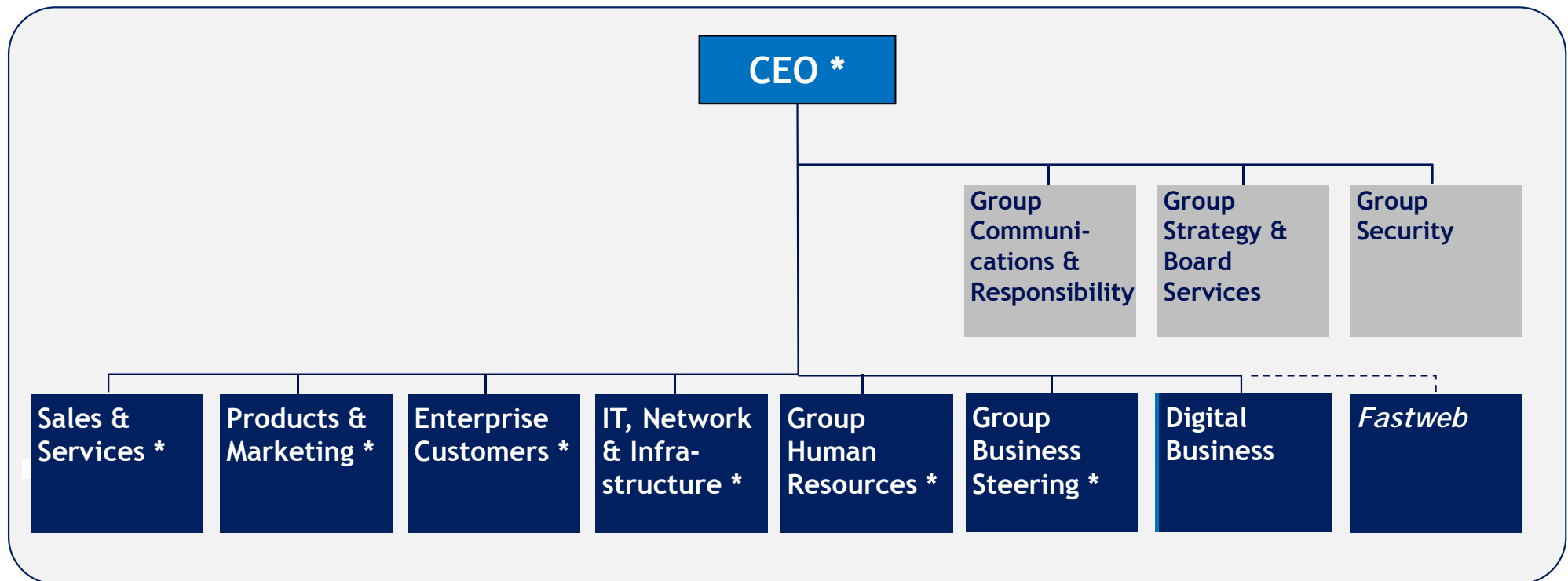
- Standalone OTT-unit for the independent building of business in growth areas and the development of an internet-DNA and a start-up mentality
- Management of investment companies in digital growth fields

The new organizational structure will be in place as of 1st January 2016. During 2016 a moderate reduction of staff is planned. Further details about FTE's and costs involved are to be specified. Completion of organizational change, and subsequent new reporting structure to be introduced by 1.1.2017 (incl. 2016 restatement)

3. Realigned organisational setup in Switzerland

Merge RES and SME: consolidate Sales & Service functions and synchronise/harmonise Products & Marketing

Overview high-level adaptations and target organisation

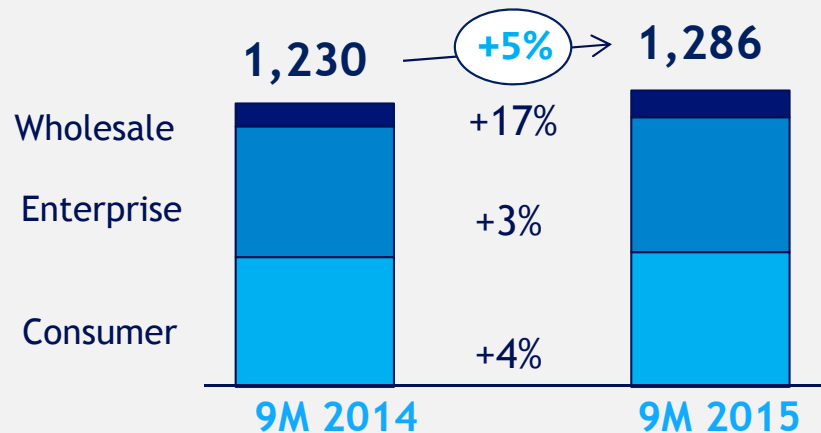


* Executive Board

4. Fastweb - revenue and net adds

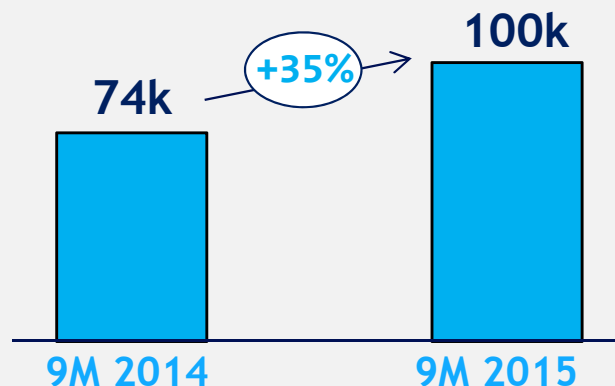
Strong 9m performance

Fastweb revenues evolution (€ million)



- Significant revenue growth in all business segments
 - Consumer +4%
 - Enterprise +3%
 - Wholesale +17%

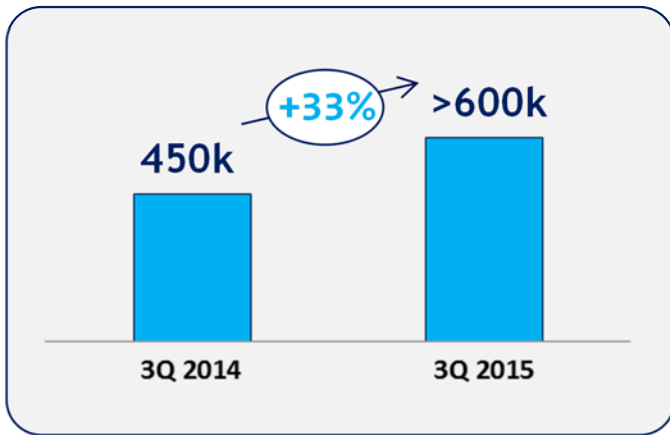
Fastweb broadband net adds evolution



- In the first 9m 2015 Fastweb net adds grew 35% YOY to 100k
- Net adds market co-leader also in Q3 2015

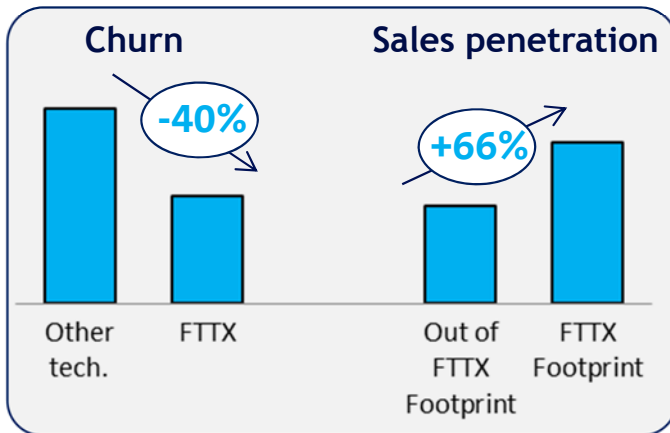
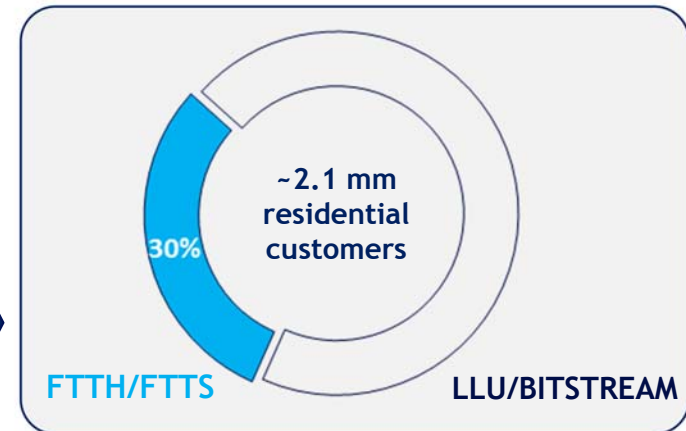
4. Fastweb - broadband performance

Gaining further traction in UBB areas



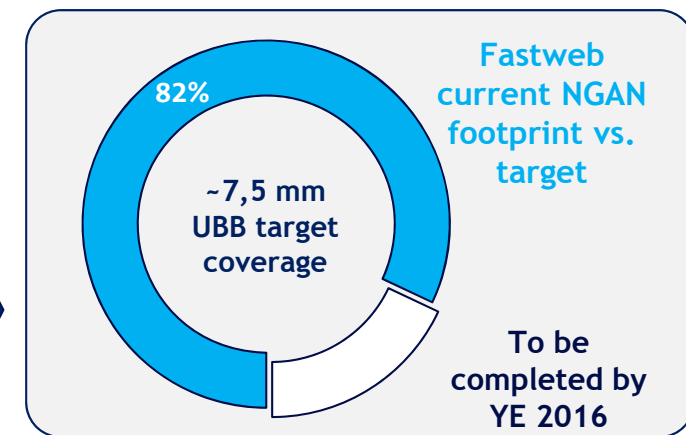
FTTx customer base grew 33% YoY to over 600k ...

... representing almost 30% of Fastweb active customers ...



... thanks to increased sales penetration and lower churn ...

... over an UBB coverage now at 6.2 million HHs and businesses at the end of Q3 (+7% vs. 2Q)



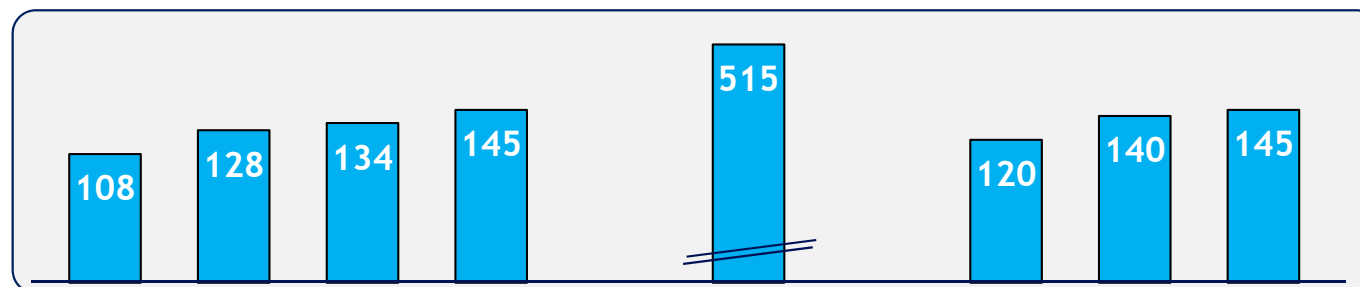
4. Fastweb - free cash flow generation

On track to deliver positive FCF in 2015

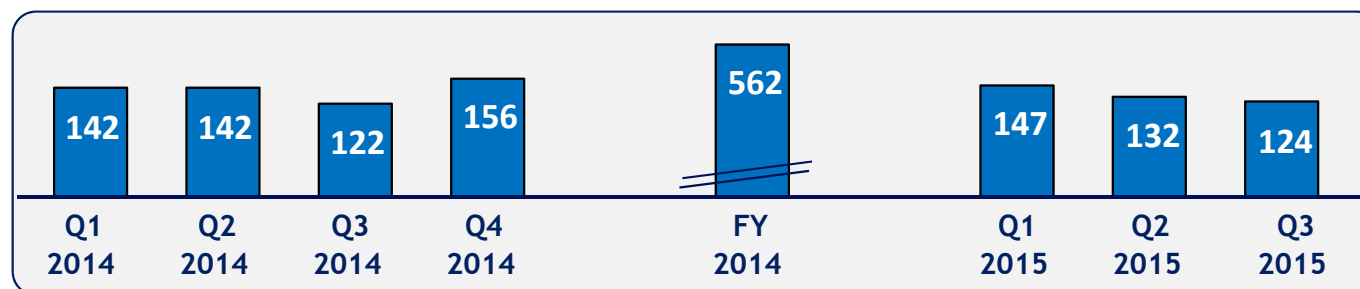
Quarterly figures (€ million)

EBITDA

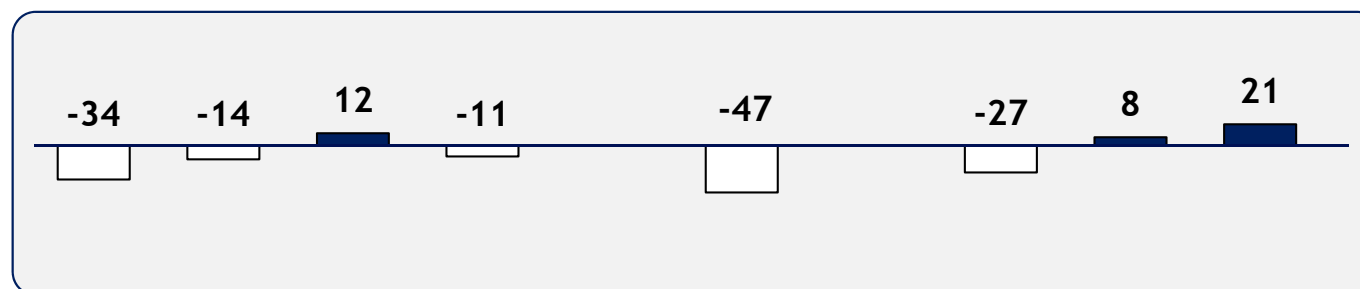
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CAPEX
(NGAN investment included)



=
FCF proxy



FCF proxy positive also in Q3

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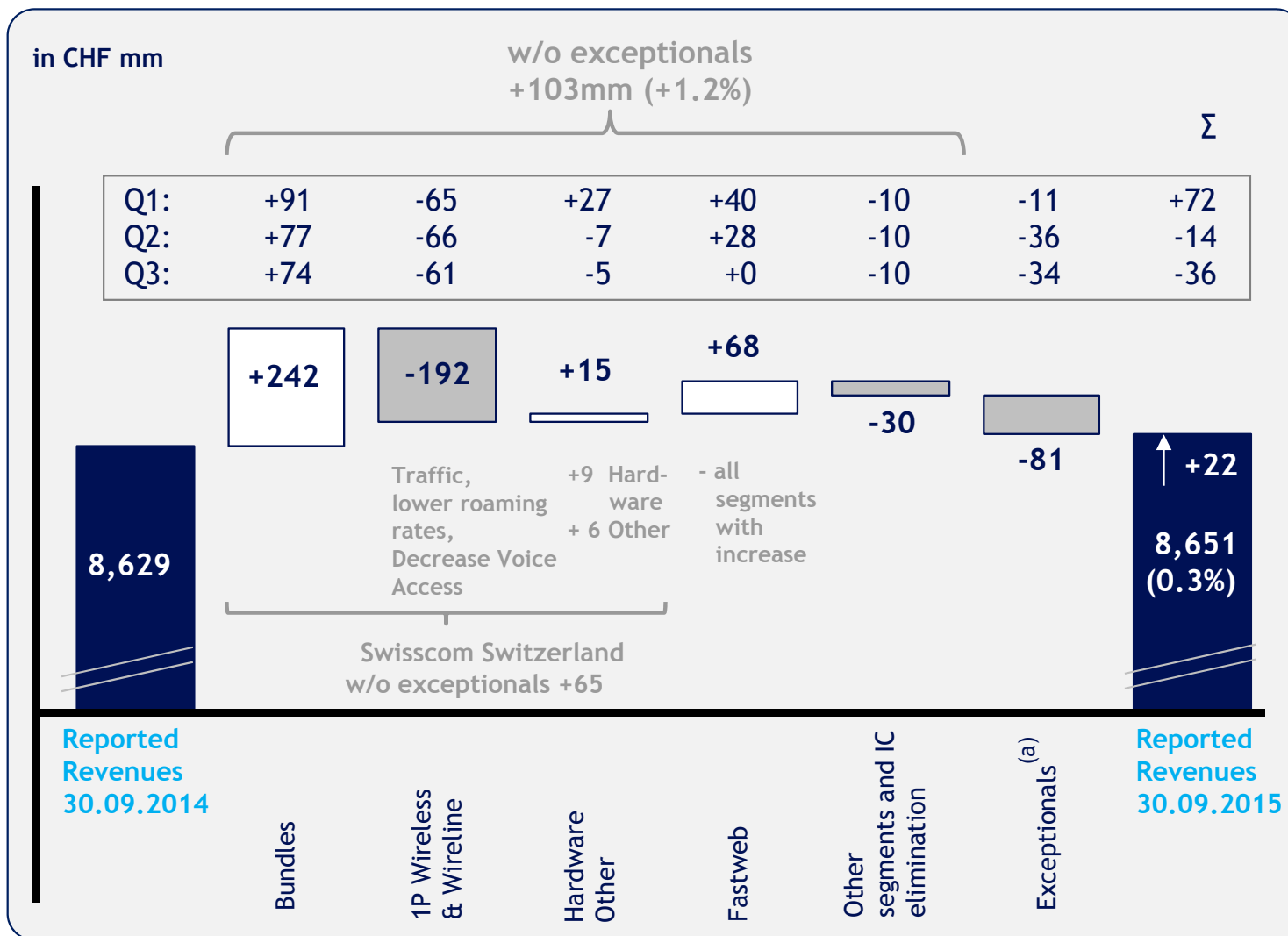
5. Revenue dynamics

Without FX and M&A effects, revenue went up CHF +103mm YOY (+1.2%)

Exceptionals: M&A is overcompensated by the currency effect

Swisscom Switzerland: revenue increase of bundles overcompensates 1P revenue decrease

Underlying top-line of Fastweb went up by CHF +68mm YOY, all segments with increase



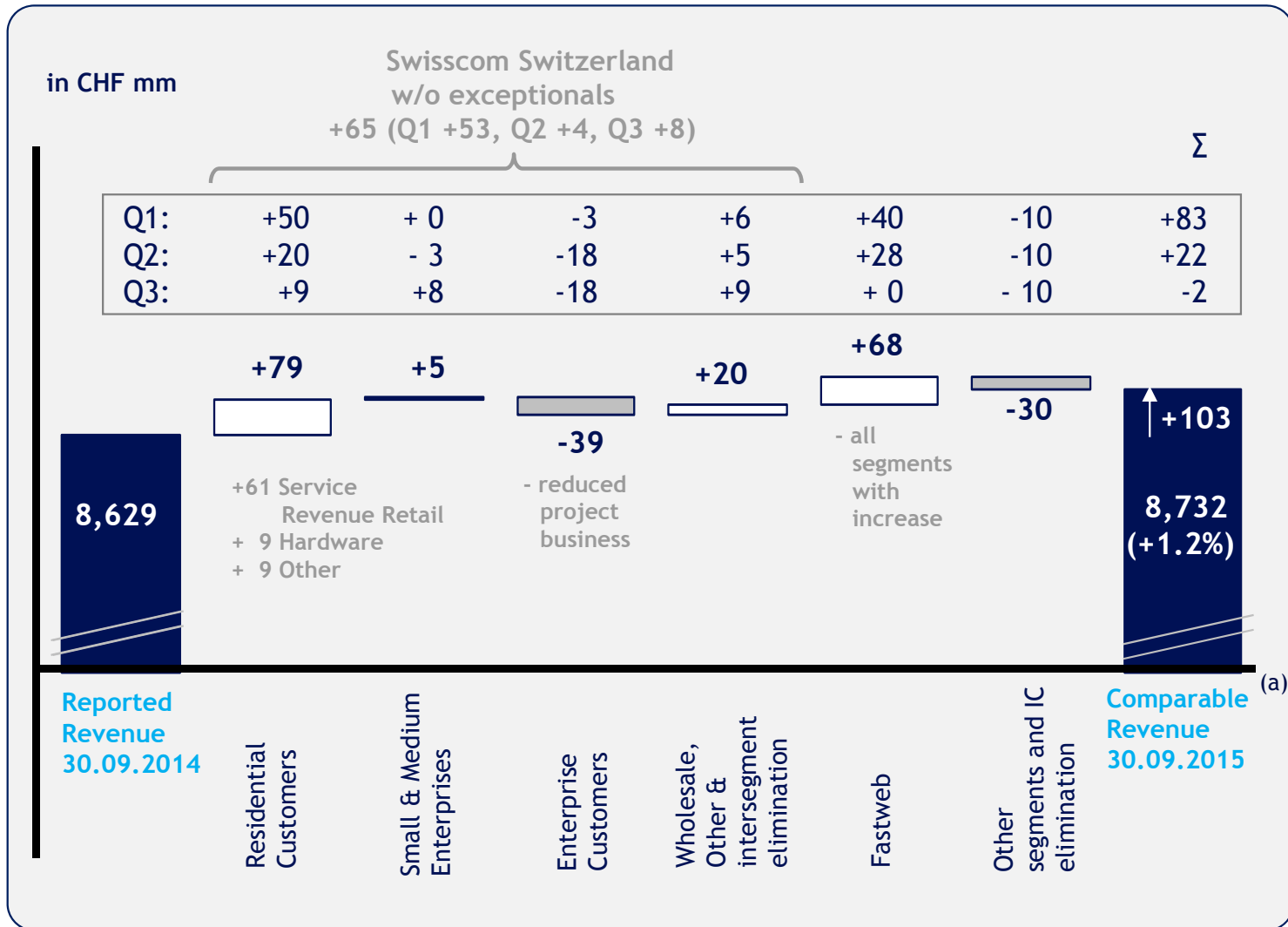
(a) M&A (CHF +104mm), change exchange rate (CHF -185mm, weakening of Euro against Swiss Franc of 11.9% (9m2014: 1.2157 vs. 9m 2015: 1.0715))

5. Comparable revenue breakdown by segments

Top-line w/o exceptionals increased by CHF +103mm

Top-line of Swisscom Switzerland up by CHF +65mm driven by Residential, especially Service Revenue Retail

Fastweb underlying revenue up CHF +68mm, revenue increase in all segments. Lower one-off revenues in Q3



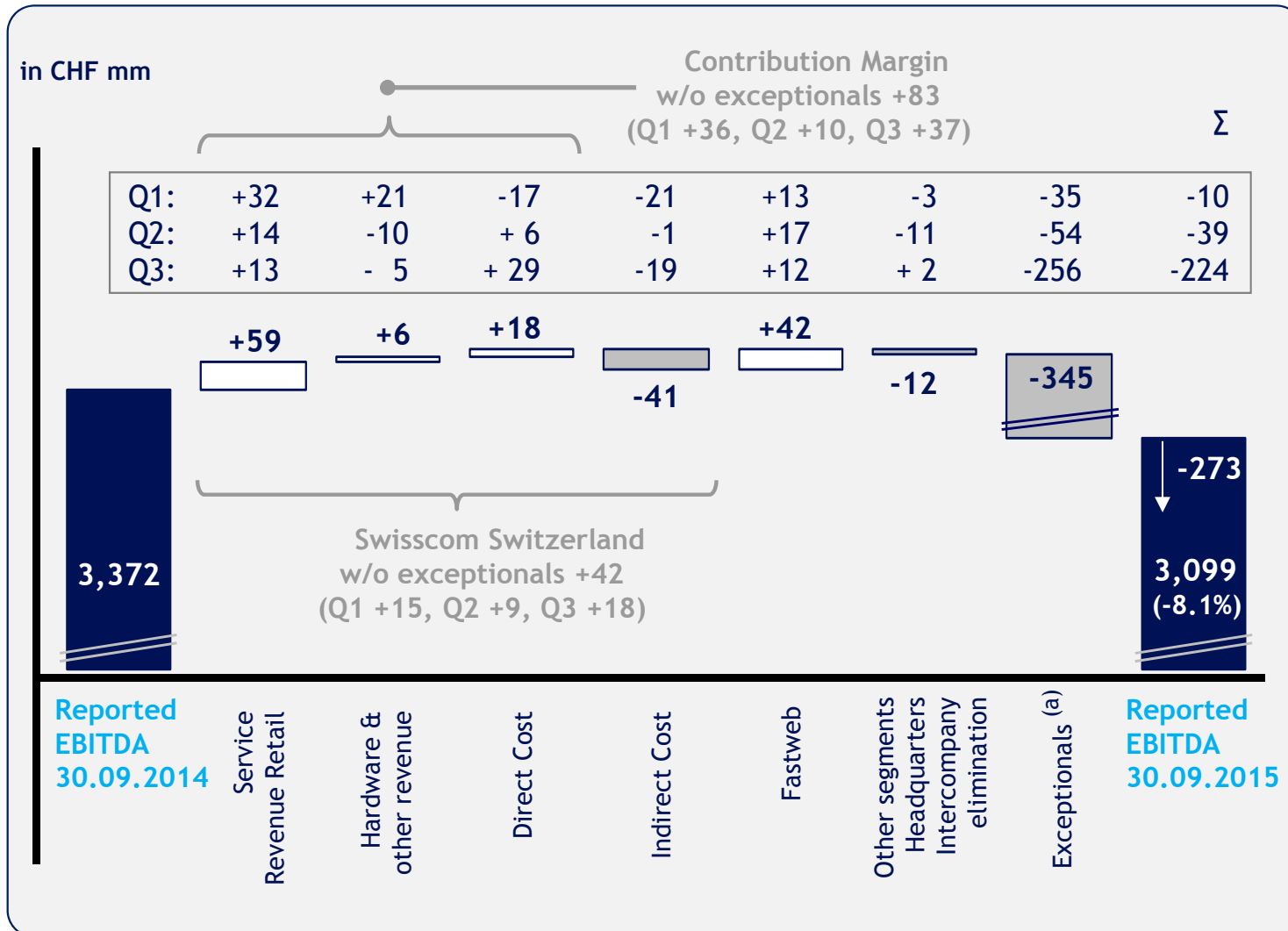
(a) Without M&A (CHF +104mm), change exchange rate (CHF -185mm, weakening of Euro against Swiss Franc of 11.9% (9m2014: 1.2157 vs. 9m 2015: 1.0715))

5. EBITDA breakdown

EBITDA down
CHF -273mm,
like-for-like up
CHF +72mm YOY

Exceptional items
(provision for FeAC
sanction, higher
pension cost, gain on
sale of real estate
and currency)
impacted EBITDA by
CHF -345mm

EBITDA of Swisscom
Switzerland w/o
exceptionals
up CHF +42mm.
Increase in Q3 also
due to lower direct
cost (SAC)



(a) Provision for FeAC sanction(BBCS, -186mm), higher pension cost reconciliation IAS19 (-50mm), lower gain on sale of real estate (-51mm), change exchange rate (CHF -58mm, weakening of Euro against Swiss Franc of 11.9%).

5. Comparable EBITDA breakdown by segments

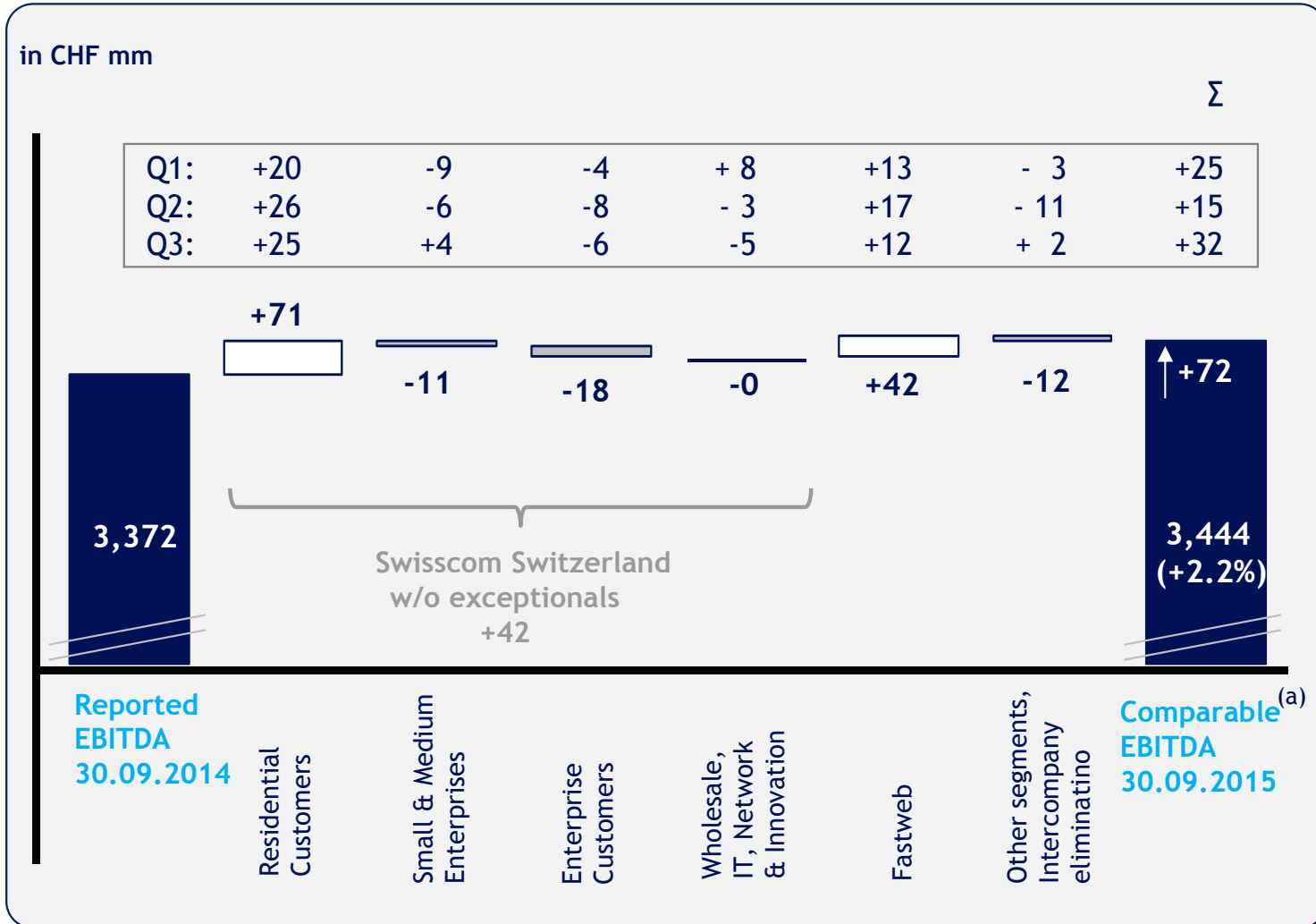
EBITDA of Swisscom Switzerland w/o exceptionals up CHF +42mm

Residential Customers with a higher contribution YOY driven by the increase in Service Revenue Retail and lower SAC

EBITDA of SME down YOY as a result of higher cost for customer retention and indirect cost

ENT with lower contribution YOY due to lower volumes and margins in the project business

EBITDA of Fastweb up CHF +42mm YOY, driven by higher revenues



(a) Without Provision for FeAC sanction (BBCS, -186mm), higher Pension cost reconciliation (-50mm), lower gain on sale of real estate (-51mm), change exchange rate (CHF -58mm, weakening of Euro against Swiss Franc of 11.9%).

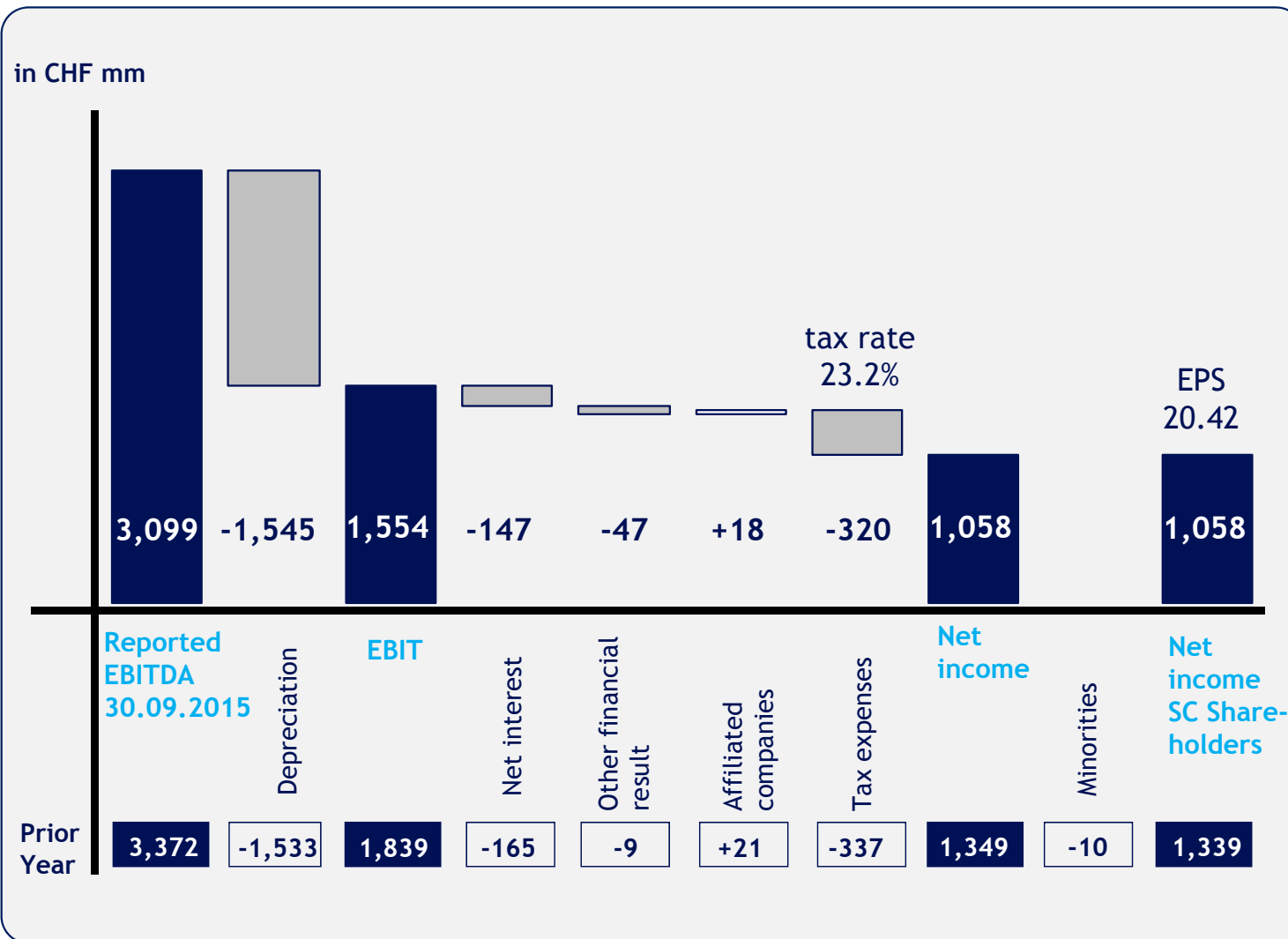
5. Net result

Net income of CHF 1,058 mm down by CHF -291 mm YOY primarily as a result of lower EBITDA

EBITDA down due to exceptionals such as the provision for the FeAC sanction (CHF 186 mm)

Tax rate of 23.2% above long-term rate as the provision is recognised without positive tax effect

Earnings per share equals to CHF 20.42

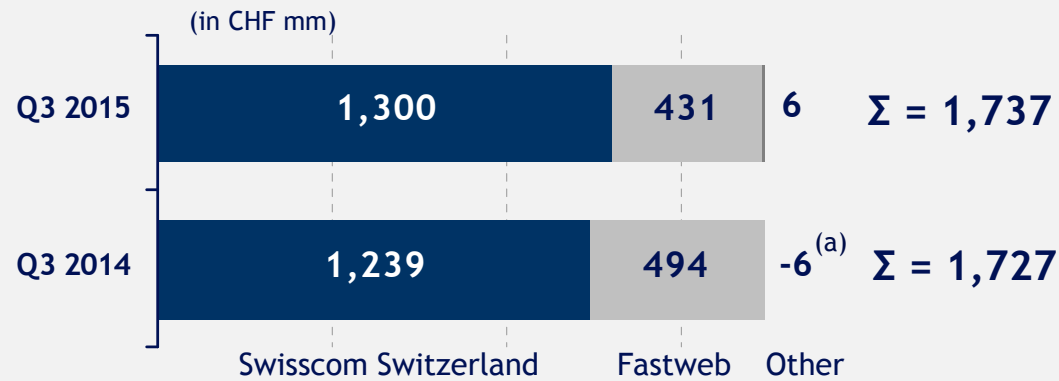


5. Capital expenditure

Expansion of UBB footprint led to higher CAPEX at Swisscom Switzerland of CHF +61 mm YOY

Fastweb with lower CAPEX of CHF -63 mm YOY, mainly driven by the lower Euro exchange rate

YOY Increase (CHF +10 mm) driven by expansion of Swiss fibre network



Swisscom Switzerland - CAPEX split

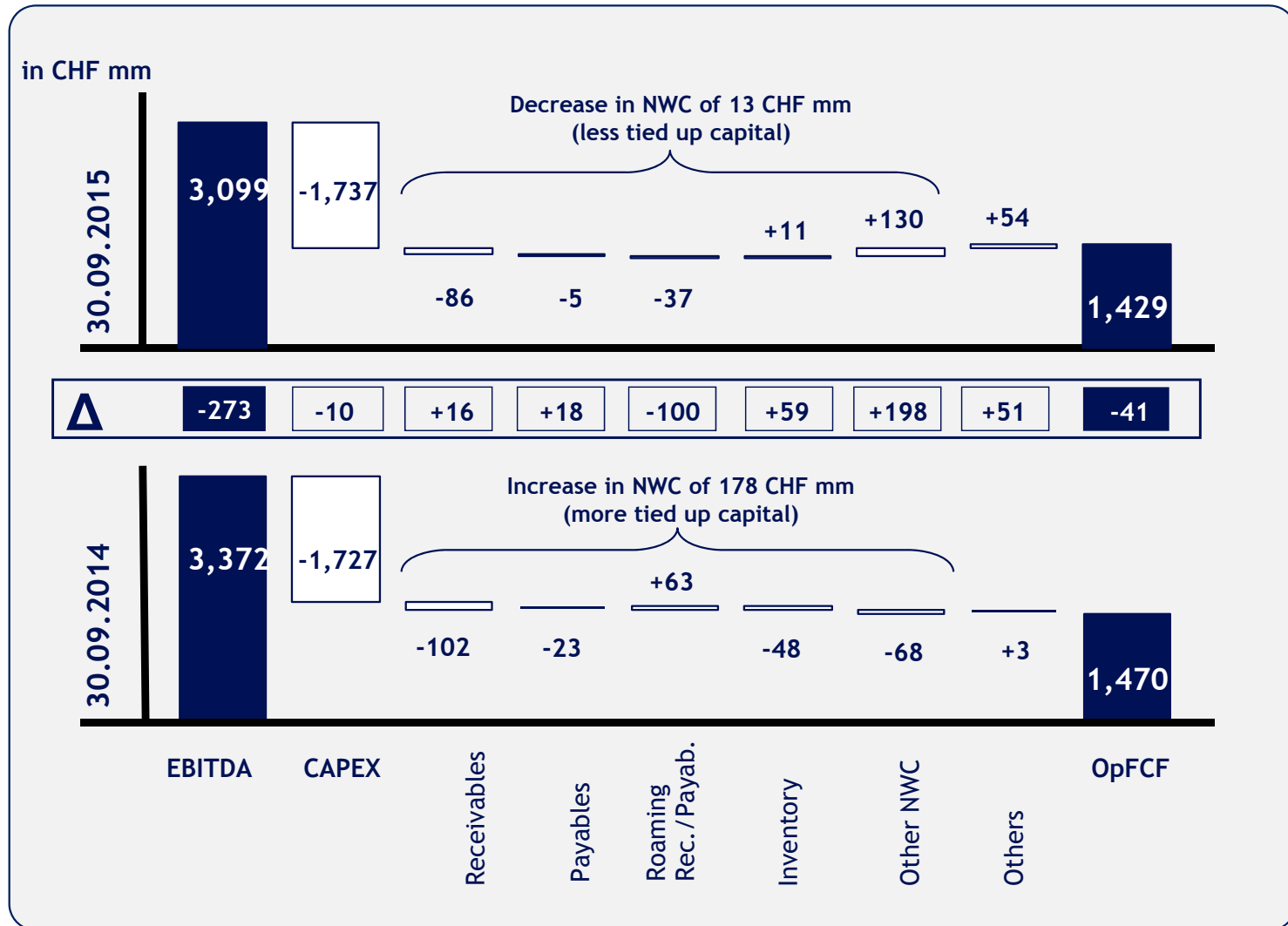
Category	2014	Q3 2015
Wireless network	13%	11%
Fixed network: Fibre (FTTx)	25%	26%
Fixed network & Copper access, backbone & transport infrastructure	27%	28%
Customer driven: Customer premises equipment & corporate customers	13%	14%
IT systems, All-IP & other	22%	21%

(a) Negative due to elimination of intercompany profit.

5. Operating free cash flow

Operating free cash flow as per 30 Sept 2015 of CHF 1'429mm (CHF -41mm YOY)

The provision for the FeAC sanction (CHF 186 mm) with no OpFCF impact



5. Refinancing

Successful Eurobond issuance

Bond details

Amount

Tenor

Spread

1.75%, 2015 - 2025

EUR 500 million

10 years

80 bps

Ratings

Issuer

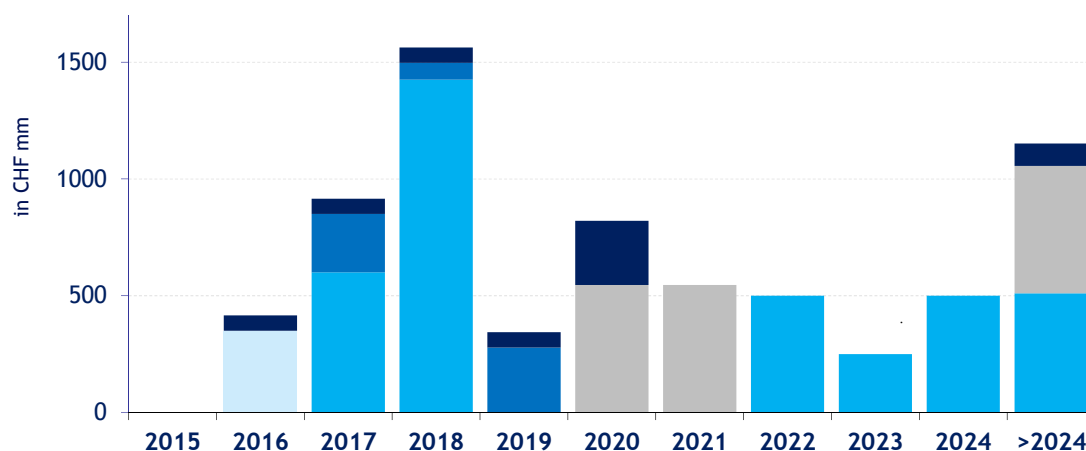
Use of proceeds

A/A2

Swisscom AG

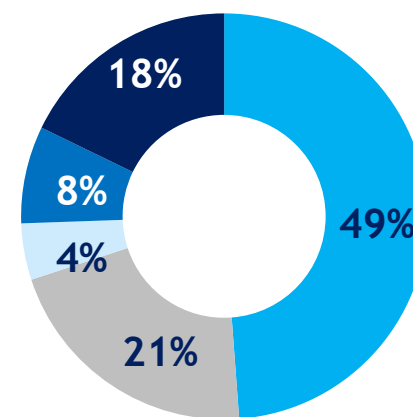
general corporate purposes

Maturity profile and financing structure after Eurobond settlement



Short-term money market borrowings are not included

■ Domestic Bonds ■ Eurobonds ■ Swiss private placement ■ Foreign private placement ■ Bank loans



6. Outlook 2015

Guidance confirmed

Underlying guidance unchanged - EBITDA amendment due to the provision for the FeAC* sanction (BBCS**) of CHF 186 million already communicated on 06 Oct 2015

in CHF billion	2014 results reported (CHF 1.21/EUR)	FX impact	Expected change for 2015 Swisscom w/o Fastweb	Expected change for 2015 Fastweb	Provision for FeAC sanction (BBCS)	2015 outlook (CHF 1.05/EUR)
Net revenue	11.703	-0.3	+0.1	0	-	>11.5
EBITDA	4.413	-0.1	-0.1 ***	>0	-0.2	>4.0
CAPEX	2.436	-0.1	0	<0	-	>2.3

* Federal Administrative Court

** Broadband Connectivity Services

** Higher cost due to all IP transition, lower income from real estate sales, higher pension fund expenses (under IFRS)

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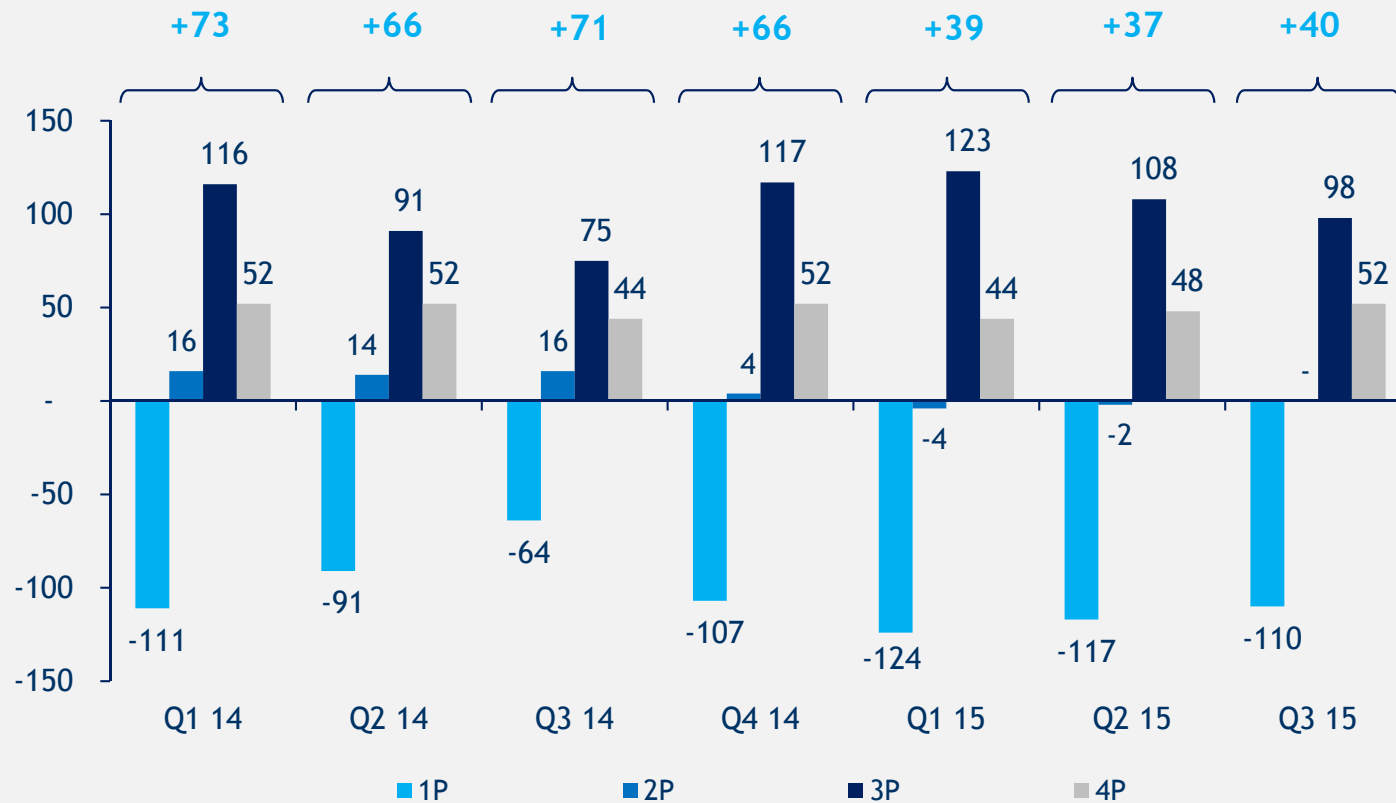
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RGU dynamics

Net adds of RGUs by products (in '000)



+40k RGUs in Q3 2015 with 3P and 4P over-compensating 1P losses

1P losses in 2015 accelerating

Net adds of RGUs in 2015 on a lower level

RGU's

Swisscom Switzerland Access Lines/Subs/Products (000)

YTD, (Change to 30.09.2014 in brackets)

		TV	Fixed Voice & Access	Broadband	Mobile	Number of products in Bundle	Sum	Δ
<p>1P</p> <p>↓</p> <p>Bundles</p>	Single Play	165 (-81)	1,632 (-270)	581 (-137)	6,045 (+30)	1	8,423	(-458) (-5.2%)
	2Play					2	602	(-2) (-0.3%)
	3Play ¹⁾					3	2,300 ²⁾	(+446) (+25%)
	4Play					4	1'164	(+196) (+20%)
	Revenue Generating Units	1,275 (+150) (+13%)	2,659 (-152) (-5.4%)	1,937 (+65) (+3.5%)	6,618 (+119) (+1.8%)		12,489	(+182) (+1.5%)

¹⁾ including n-play (Business) Bundles

²⁾ o/w additional 27k Mobile Subs and 50k in Business Bundles

ARPU

YTD, (Change to 30.09.2014 in brackets)

	TV ¹⁾	Fixed Voice & Access	Broadband ²⁾	Mobile ³⁾	Number of products in Bundle	Weighted average per underlying product ^{1,2)}
1P	14 (-2)	52 (+0)	36 (-0)	38 (-1)	1	40 (-1)
↓ Bundles					2	53 (-2)
					3	47 (+1)
					4	52 (-1)
Total weighted average						45 (-0)

1) ARPU Base Fee

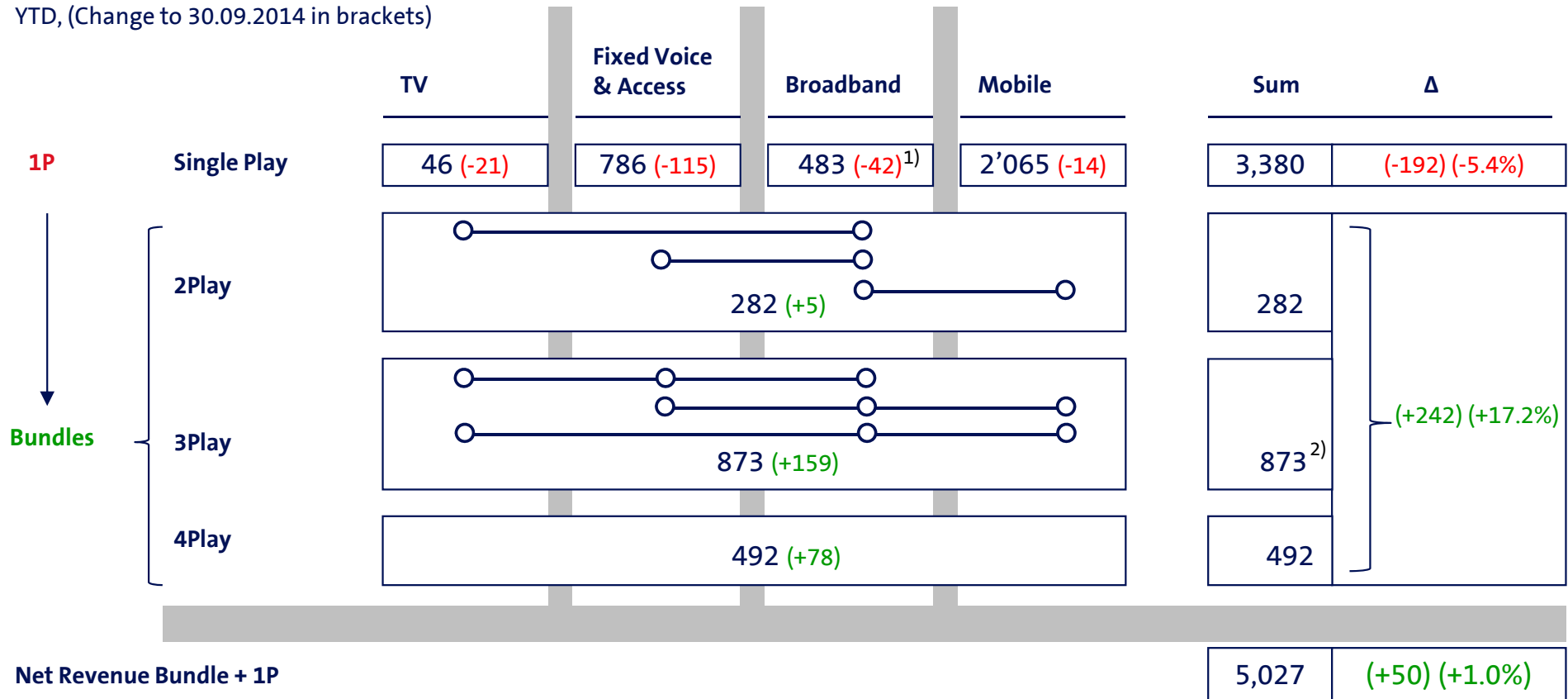
2) ARPU excl. Business Networks

3) ARPU excl. Mobile Termination

Revenues (RGU x ARPU)

Net revenues (CHF mm)

YTD, (Change to 30.09.2014 in brackets)



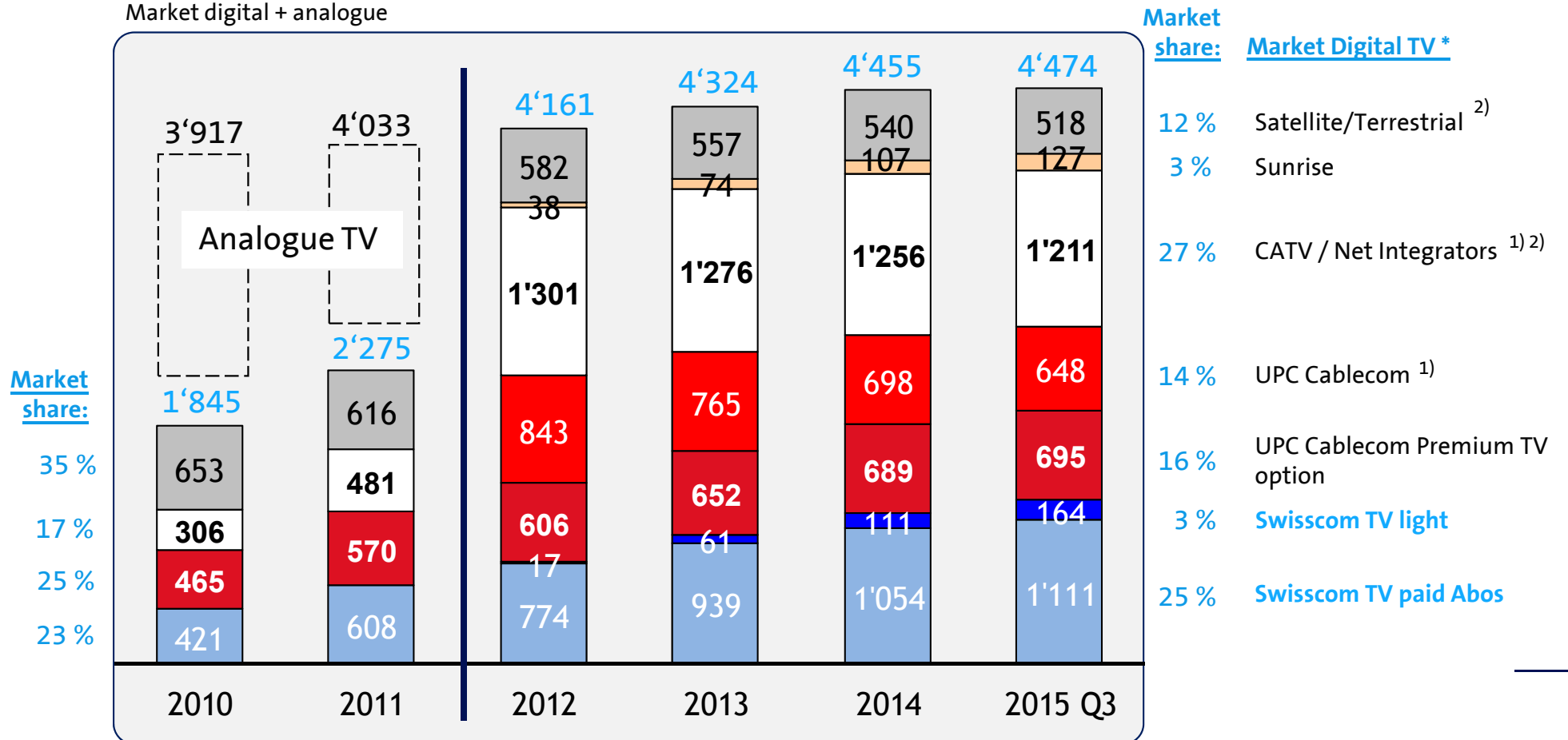
1) including revenues for business networks/internet which are not included in retail broadband ARPU

2) o/w CHF 19mm Business Bundles

TV market Switzerland

Market volumes (000) digital TV

Market digital + analogue

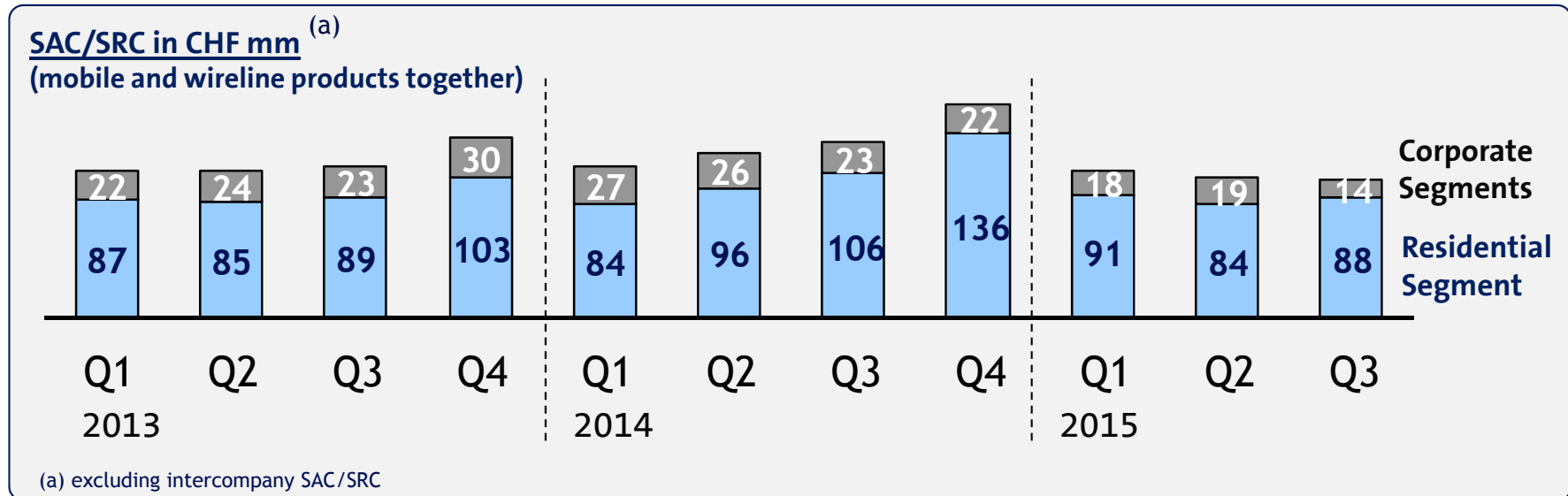
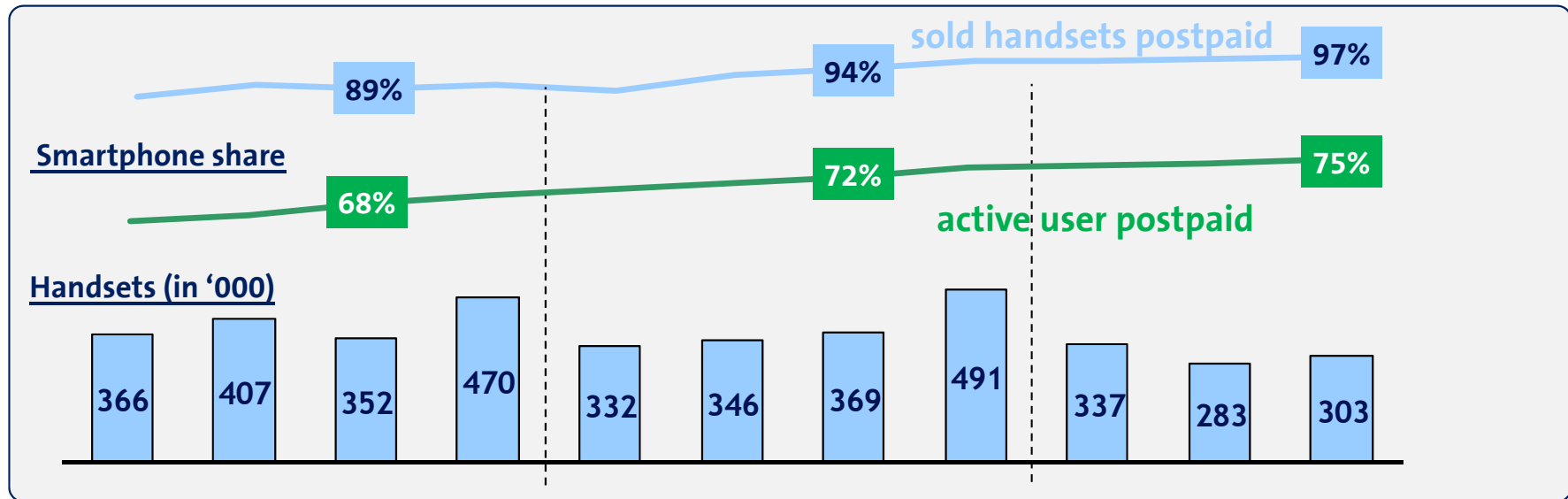


1) Migration to digital largely driven by analogue customers who have been transferred technically, but have not subscribed to a digital product yet: these are potential customers for Swisscom

2) Time series modified

* Estimates for Q3 2015

Handsets & SACs



Segment 'Residential'

Net revenue up by 2.1% YOY, driven by the higher Service Revenue Retail (increase in subs)

Contribution margin 2 increased by 3.3%, driven by higher Service Revenue Retail and lower SAC (direct cost)

Mobile postpaid subs increase thanks to infinity

	Q3/15	Q3oQ3	30.09.2015	YoY
Net revenue in MCHF ¹⁾	1'303	0.7%	3'877	2.1%
Direct costs in MCHF	-298	-6.3%	-894	-1.0%
Indirect costs in MCHF ²⁾	-249	1.6%	-755	2.3%
Contribution margin 2 in MCHF	756	3.4%	2'228	3.3%
<i>Contribution margin 2 in %</i>	<i>58.0%</i>		<i>57.5%</i>	
CAPEX in MCHF	48	29.7%	128	17.4%
FTE's	-7		4'891	0.3%
Broadband lines in '000 ³⁾	+13		1'662	3.3%
Voice lines in '000 ³⁾	-34		1'912	-6.5%
Wireless customers Prepaid in '000	-6		2'125	-1.8%
Wireless customers Postpaid in '000 ³⁾	+15		2'656	2.5%
Blended wireless ARPU MO in CHF	36	0.0%	35	0.0%
TV subs in '000 ³⁾	+36		1'231	13.2%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

3) sum of single play and bundles

Segment 'Small & Medium Enterprises'

The acquisition of 'yellow pages' (part of the PubliGroupe transaction in Sept 2014) and the integration of search.ch (in July 2015) led to an increase of net revenue, cost and FTE

EBITDA evolution in Q3 15 better than in previous quarters thanks to lower service revenue declines and SAC in Q3

Broadband lines up by 5.3%

	Q3/15	Q3oQ3	30.09.2015	YoY
Net revenue in MCHF ¹⁾	353	6.0%	1'020	3.8%
Direct costs in MCHF	-44	-13.7%	-128	-14.1%
Indirect costs in MCHF ²⁾	-70	42.9%	-204	43.7%
Contribution margin 2 in MCHF	239	2.6%	688	-0.6%
<i>Contribution margin 2 in %</i>	<i>67.7%</i>		<i>67.5%</i>	
CAPEX in MCHF	13	62.5%	36	44.0%
FTE's	+54		1'613	5.4%
Broadband lines in '000 ³⁾	+2		237	5.3%
Voice lines in '000 ³⁾	-4		497	-2.7%
Wireless customers in '000 ³⁾	+3		605	2.0%
Blended wireless ARPU MO in CHF	69	-1.4%	69	-2.8%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

3) sum of single play and bundles

Segment 'Enterprise Customers'

Topline, cost and FTE increased primarily due to the acquisition of Veltigroup

Lower EBITDA contribution YOY due to lower volumes and margins in the project business

of wireless subs up by 7.2% YOY

	Q3/15	Q3oQ3	30.09.2015	YoY
Net revenue in MCHF ¹⁾	643	0.8%	1'950	2.3%
Direct costs in MCHF	-131	0.0%	-415	3.0%
Indirect costs in MCHF ²⁾	-275	4.2%	-853	6.0%
Contribution margin 2 in MCHF	237	-2.5%	682	-2.4%
<i>Contribution margin 2 in %</i>	<i>36.9%</i>		<i>35.0%</i>	
CAPEX in MCHF	39	-20.4%	120	-1.6%
FTE's	+34		5'354	11.4%
Broadband lines in '000	+0		38	0.0%
Voice lines in '000	+0		250	-1.6%
Wireless customers in '000	+14		1'232	7.2%
Blended wireless ARPU MO in CHF	38	-5.0%	38	-5.0%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

Segment 'Wholesale'

	Q3/15	Q3oQ3	30.09.2015	YoY
<i>Revenue from external customers up 1.2%</i>	145	0.7%	433	1.2%
	105	10.5%	281	4.9%
Revenue from external customers in MCHF				
Intersegment revenue in MCHF				
Net revenue in MCHF	250	4.6%	714	2.6%
Direct costs in MCHF	-145	6.6%	-405	2.0%
Indirect costs in MCHF ¹⁾	-191	n.m.	-202	n.m.
Contribution margin 2 in MCHF	-86	n.m.	107	-62.5%
Contribution margin 2 w/o FeAC sanction	100	2.0%	293	2.8%
<i>Contribution margin 2 in %</i>	<i>-34.4%</i>		<i>15.0%</i>	
CAPEX in MCHF	-		-	
FTE's	-3		106	-3.6%
Full access lines in '000	-11		139	-31.9%
BB (wholesale) lines in '000	+10		301	24.9%

1) incl. capitalised costs and other income

Segment 'IT, Network and Innovation'

Lower gain on sale of real estate leads to lower CM2

CAPEX of CHF 1'016mm up 3.5% YOY, due to further rollout of broadband networks

	Q3/15	Q3oQ3	30.09.2015	YoY
Net revenue in MCHF	32	6.7%	97	4.3%
Direct costs in MCHF	-	-	-	-
Personnel expenses in MCHF	-200	2.0%	-638	4.8%
Rent in MCHF	-49	0.0%	-147	5.0%
Maintenance in MCHF	-47	-6.0%	-130	-9.7%
IT expenses in MCHF	-55	1.9%	-168	6.3%
Other OPEX in MCHF	-89	17.1%	-254	9.5%
Indirect costs in MCHF	-440	3.5%	-1'337	4.2%
Capitalised costs and other income in MCHF	96	-23.2%	293	-2.3%
Contribution margin 2 in MCHF	-312	15.6%	-947	6.4%
Depreciation, amortisation and impairment in MCHF	-279	4.5%	-822	4.8%
Segment result in MCHF	-591	10.1%	-1'769	5.7%
CAPEX in MCHF	358	-4.5%	1'016	3.5%
FTE's	+36		5'212	3.2%

Segment 'Fastweb'

Net revenues increased 4.6% YOY

All segments report an increase in revenue

EBITDA of EUR 405 million up by 9.5% YOY

Number of Broadband customers up by 7.7% YOY reaching 2,17 million customers

	Q3/15	Q3oQ3	30.09.2015	YoY
Consumer revenue in MEUR	196	4.8%	585	3.9%
Enterprise revenue in MEUR	193	-4.5%	584	3.0%
Wholesale revenue in MEUR ¹⁾	35	0.0%	117	17.0%
Net revenue in MEUR ¹⁾	424	0.0%	1'286	4.6%
OPEX in MEUR ²⁾	-279	-3.8%	-881	2.4%
EBITDA in MEUR	145	8.2%	405	9.5%
<i>EBITDA margin in %</i>	34.2%		31.5%	
CAPEX in MEUR	124	1.6%	403	-0.7%
OpFCF Proxy in MEUR	21	n.m.	2	-105.6%
FTE's	+4		2'381	0.1%
BB customers in '000	+15		2'172	7.7%
In consolidated Swisscom accounts				
EBITDA in MCHF	156	-4.3%	434	-3.6%
CAPEX in MCHF	133	-10.1%	431	-12.8%

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income

Segment 'Other'

Net revenue down by 7.2% YOY due to lower revenue out of construction activities and the sale of companies

EBITDA down by 31.4% YOY

	Q3/15	Q3oQ3	30.09.2015	YoY
External revenue in MCHF	80	-21.6%	257	-14.0%
Net revenue in MCHF ¹⁾	149	-13.4%	449	-7.2%
OPEX in MCHF ²⁾	-125	-11.3%	-390	-2.0%
EBITDA in MCHF	24	-22.6%	59	-31.4%
<i>EBITDA margin in %</i>	<i>16.1%</i>		<i>13.1%</i>	
CAPEX in MCHF	8	700.0%	20	33.3%
FTE's	+3		1'725	-13.5%

1) incl. intersegment revenues

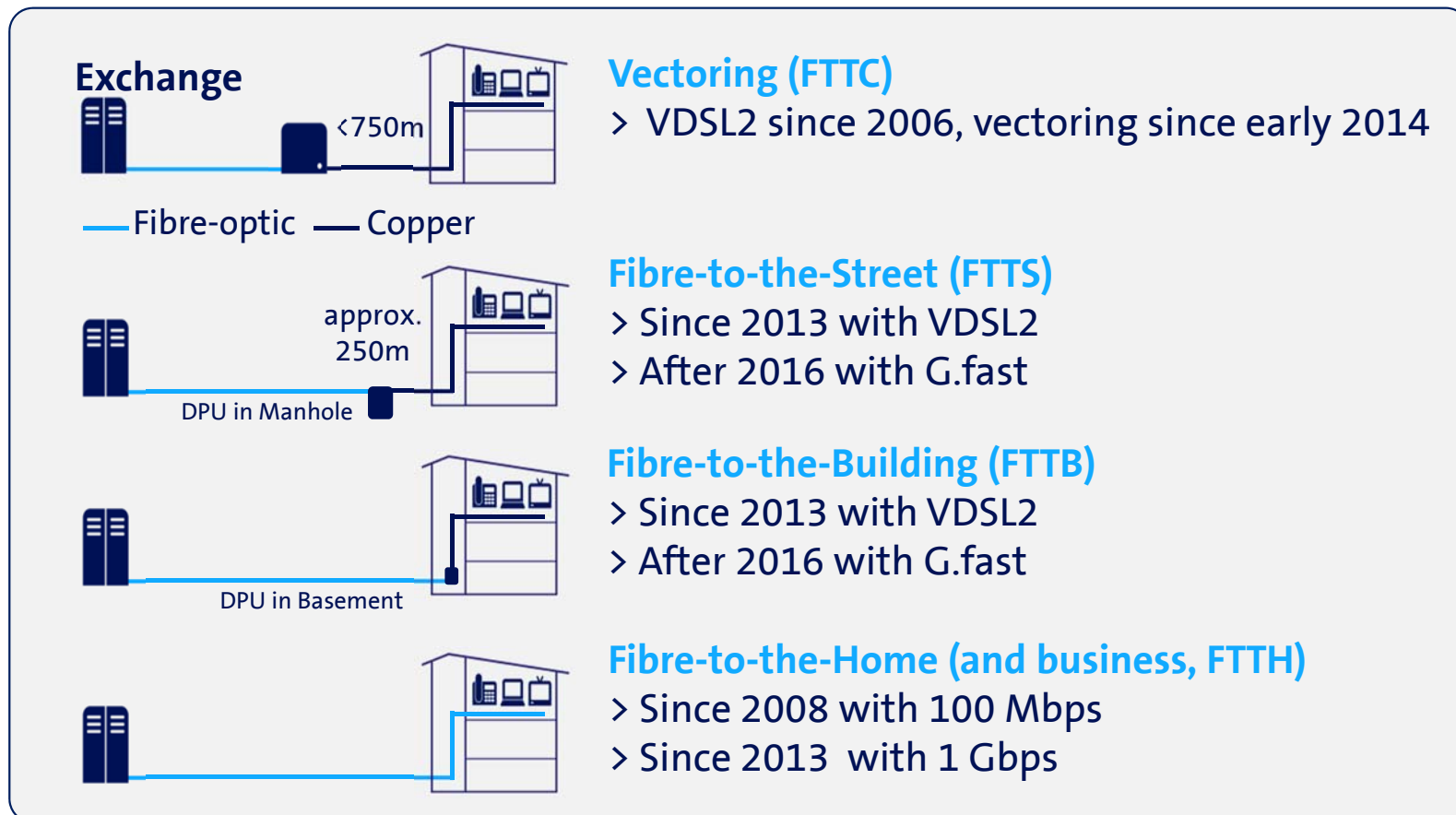
2) incl. capitalised costs and other income

Innovative fibre technologies

Thanks to a mixture of access technologies, Swisscom can offer its customers multimedia services throughout Switzerland

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- > Swisscom is bringing fibre-optic cabling ever closer to its customers throughout Switzerland
- > A mixture of innovative fibre-optic technologies provides ultra-fast broadband internet access, even outside major urban centers



Regulatory update

Decision of the Federal Administrative Court on Broadband Internet

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- The Competition Commission (COMCO) Secretariat started in October 2005 an investigation against Swisscom for alleged improper Broadband Connectivity Service (BBCS) pricing up to December 2007
- In October 2009, COMCO concluded that Swisscom held a market dominant position in the BBCS market and that it had abused this position applying a so-called margin squeeze with its competitors, not allowing them to conduct profitable operation of the broadband Internet business. Based on this the COMCO issued a decree with a fine of CHF 219 million. Swisscom contested this decree with the Federal Administrative Court
- On 6 October 2015 the Federal Administrative Court issued a decree with a fine of CHF 186 million confirming in principle the reasoning of the COMCO but reducing the fine. Swisscom has made a provision for the CHF 186 million
- Swisscom regrets the decree and maintains that the fine is unjustified and has no adequate legal foundation given e.g. that there was no obligation to offer BBCS, the investigation refers to the first few years following the launch of ADSL, initial losses are common with new businesses and the retail business was profitable in the long run

Next steps

- The Federal Administrative Court decree will be contested with the Swiss Federal Court. Swisscom expects the proceeding to take around 2 years till a final sentence is reached

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.

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