Agenda

1. Introduction
2. Q1 summary
3. Priorities 2016
4. Q1 operations
5. Q1 financials
6. Q&A
7. Backup

Louis Schmid, IR
Urs Schaeppi, CEO
Mario Rossi, CFO
All
Q1 performance in a nutshell

*Financially solid*

**Q1 key figures**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>2893</td>
<td>2885</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1051</td>
<td>1081</td>
</tr>
<tr>
<td>CAPEX</td>
<td>351</td>
<td>364</td>
</tr>
<tr>
<td>FCF proxy</td>
<td>549</td>
<td>596</td>
</tr>
<tr>
<td>Net income</td>
<td>602</td>
<td>485</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>36.3%</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

**YoY comments**

- **Group revenue** almost stable (-8mn YoY)
  - Pleasant performance from Solutions Revenue +15mn and Fastweb +13mn
  - Lower contributions from Service Revenue -10mn and Hardware -8mn
- **EBITDA** increased by +30mn YoY (margin +1.2 %pts)
  - Cost discipline drives underlying OPEX in Switzerland down
  - YOY contribution of Fastweb up by +14mn
- **Net income** up by +13mn YO, despite higher depreciation
- **CAPEX** up YoY, driven by FTTS rollout (ahead of plan)

Financial results on track to achieve FY guidance: Q1 delivered 25% of revenue and 26% of FCF proxy (EBITDA minus CAPEX)
Q1 performance in a nutshell

Operationally decent

Swisscom RGU base successfully defended in an increasing competitive environment.

Fastweb with good momentum

Q1 net adds and customer base

<table>
<thead>
<tr>
<th>Service</th>
<th>Net Adds</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireless</td>
<td>-10</td>
<td>-43</td>
</tr>
<tr>
<td>Fixed voice</td>
<td>-11</td>
<td>-47</td>
</tr>
<tr>
<td>Broadband</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>TV</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>Swisscom BB</td>
<td>52</td>
<td>40</td>
</tr>
</tbody>
</table>

Swisscom RGU

- RGU base in Switzerland at 12.5 mn (+120k YoY)
  - Broadband and TV with solid growth in Q1, nearly sufficient to compensate the accelerated fixed line losses
  - High penetration and increased competition in wireless led to lower Q1 volume, strong portfolio with top-quality products key to retain strong market share of 60%
  - Bundle penetration further increased, mainly driven by UBB rollout and outstanding TV offering

Fastweb BB subs

- Fastweb with 2.2 mn broadband subs (+117k YoY)
  - Q1 net adds of +40k YoY

YoY comments
Continued focus on our five priorities 2016...
... for a solid performance and sustainable shareholder return

- **Maximise core business**
  - Defend market shares in Switzerland
  - Retain price levels and margins
  - Differentiate through quality in services, infrastructure and products

- **Operational excellence**
  - Focus on cost, speed and quality to achieve material cash savings
  - Reduction of headcount
  - Increase cost efficiency in infrastructure development

- **Develop Fastweb**
  - Provide best customer experience
  - Seamless connection everywhere
  - Increase scale in core and adjacent businesses

- **Growth focus**
  - Benefit through differentiation and enhancing of core business
  - Selective ICT focus and discipline in selecting new growth areas

- **Transformation**
  - Push All IP migration
  - Enhance agility
  - Shape leadership and products
Maximise core business

*Tailored top-quality products key to serve broad range of customer needs*

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**Switzerland with saturated markets**

- **Swiss penetration 2005-2015**
  - Mobile
  - Broadband
  - TV

---

**Portfolio of Swisscom well positioned**

- High Value
  - Best value for the quality sensitive
  - NATEL® infinity 2.0
  - Prepaid NATEL® easy
  - NATEL® light
  - Vivo
  - Best price for the price sensitive
  - Value for money for the price sensitive digital native

- Low Willingness to pay
  - Budget
  - wingo

---

Retain strong market position in high value segments and stimulate demand in lower value segments
Maximise core business
Swisscom mobile portfolio further amended to stay ahead

Continuing Value Strategy

- **Natel infinity 2.0**
  - additional value and new features embedded: more speed, more roaming, cloud storage and TV Air
  - tariff plans adjusted: more for more (except M pricing unchanged)
  - SIM only option newly available
  - bundling with fixed possible

- **Natel light**
  - improved offering in the lower postpaid segments

- **M-Budget with new ‘One’ offerings**
  - enhanced with a lower-end postpaid product ‘Mini One’
  - loyalty program newly integrated

Early indicators of new product launches promising
Maximise core business

Data roaming prices of Swisscom by far the most affordable

Swisscom cut prices for data roaming again …

- Infinity price plans enhanced with EU roaming during Q2 last year. At end of March 2016, 1.1 mn subscribers already on infinity plus or 2.0 (~half of infinity customer base)

- New prices for EU data packages … down -20%; 200 MB data for CHF 15 and the 1 GB package for CHF 39

- … and new prices for mobile surfing outside EU 200 MB now for CHF 19

- Swisscom has the most attractive roaming service in the Swiss market allowing worry-free usage abroad

Adhere to managing downward-trend and simultaneously increasing customer experience
Maximise core business

*High innovation rate drives Swisscom’s TV success*

**Our ambition: deliver the best TV experience**

- '09: launch Bluewin TV
- '10: IPTV leader
- '11: 1 million TV subs
- '12: launch Teleclub Play
- '13: launch HBB TV
- '14: launch Swisscom TV
- '15: intro replay
- '16: launch Swisscom 2.0
- '15: launch UHD TV and voice recognition

**The new generation: again a step forward**

- New remote with voice recognition
- New box: smaller and highly performing

Exceptional TV proposition key to differentiate, grow TV market share and leverage fixed bundling
**Operational Excellence**

*Cost reduction program on track to achieve CHF 50 mn savings in 2016*

- **Head-count reduction**
  - Since YE 15 underlying FTE base of Swisscom Switzerland reduced by -105 FTEs. On track to achieve targeted savings (CHF 50mn in 16)

- **Organisational realignment**
  - New organisation for One Field Services

- **Simplicity**
  - Different efficiency programs launched

- **All-IP benefits**
  - All IP transformation on track 40% completed
  - +100k connections migrated to All IP in 1st quarter 2016

- **Streamlining processes**
  - Sales to activation process
  - Reduction of call centres from 14 to 8

- **Increase efficiency**

Cost focus shows first effects in Q1. Indirect costs of Swisscom Switzerland down (CHF -11 mn YOY)
Fastweb announced a new investment plan…
... to cover 50% of population by 2020 with speed up to 200 Mbps

Ambition is to extend the competitive advantage achieved in current UBB footprint to new areas
... and is compatible with future FTTH infrastructure availability
... in case economic conditions are favourable

Fastweb FTTS network can easily interconnect with FTTH infrastructure
The new plan of Fastweb has a compelling investment rationale

Proven by the outstanding track record achieved to date

LLU vs. FTTS sales penetration

FTTS customer base

Higher sales penetration

Higher CB

Higher ARPU

Lower churn rate

Lower costs

Italian UBB Connections (in k)

Growth

In a growing UBB market, Fastweb is leader with 46% share of Italian UBB connections

Success beyond expectation leads to acceleration of further expansion

1 AGCom, companies data, internal estimates
Status of All IP transformation

1st quarter 2016: +100k connections migrated to All IP

1st phase: launch of migration in 2014
- Official All IP migration start

2nd phase: market driven migration in 2015
- Transformation of special applications* to large EcoSystem
- First portfolio adjustments of PSTN products

3rd phase: pushed migration in 2016-2017
- Voice only transformation
- IP portfolio completed
- Special applications critical

* special applications: elevator telephony, alarming systems, modem applications

All IP project key to achieve recurring cash savings target from 2018 onwards
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Urs Schaeppi, CEO
Q1 operations with ups and downs ...

... but revenue with CHF 2.9 bn stable YOY - both composition and total

A balanced ‘bouquet’ of business drivers

**Ups**
- Growing TV business also drives **bundling** penetration further
- **Solution** business with growth
- **Fastweb** on track and with growth

**Downs**
- Fixed voice line losses ongoing
- **Mobile RGUs** slightly declining
- Roaming and corporate **mobile prices** dilute ARPUs

Q1 revenue of CHF 2’885 mn (-0.3% YOY)

<table>
<thead>
<tr>
<th>Service Revenue</th>
<th>in CHF mn</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Solution</strong></td>
<td>277</td>
</tr>
<tr>
<td><strong>Hardware</strong></td>
<td>136</td>
</tr>
<tr>
<td><strong>Other SCS</strong></td>
<td>251</td>
</tr>
<tr>
<td><strong>Fastweb</strong></td>
<td>480</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>76</td>
</tr>
</tbody>
</table>

-200 300 800 1300 1800

* other Swisscom Switzerland incl. wholesale

Service revenue with ~60% top-line contribution key to retain
Net adds with diverging trends in Switzerland

Bundling with growth across all products, wireless with -10k in Q1 2016

Swisscom Switzerland with +120k RGUs over last 12 months.
Q1 2016 with a contribution of -11k
Wireless with weaker volume trends

Swisscom with a solid performance in a saturated market

- Last year the Swiss mobile market declined by -84k RGUs
- Swisscom with +85k RGUs in 2015 grew its market share by +1.2%-points

Wireless with a nearly unchanged RGU base (-0.15% since YE 15)
- Last quarters also influenced by Swiss Post migration

Swisscom’s wireless position remains strong!

Swisscom market share increased by +4%-points YOY, with 69% of postpaid Retail share by far the strongest product in the Swisscom portfolio
Steady volume dynamics in Fixed

Growth in Broadband, TV and bundles continues and compensates voice line losses

Wireline RGUs Swisscom Switzerland

Market shares and TV penetration

Bundle penetration of fixed RGUs

- Voice line losses driven by mobile substitution and CPS migration
- Around 500k Residential customers are voice only subscribers
- Swisscom #1 TV provider in Switzerland with solid growth in Q1 2016 (+36k) and a market share of 30%
- Continuous bundle migration reflects strong value proposition (increasing UBB footprint and outstanding Swisscom TV 2.0 offering)

Swisscom Switzerland with 5.9 million RGUs in wireline.
TV being most successful and stimulating migration to bundles further
Overview of ARPUs by 1P and bundles

**ARPU infinity impacted by EU roaming enhancement introduced last year**

- Mobile ARPU declining due to **roaming** (infinity, lower data prices), **bundle migration** and **price pressure** at Enterprise Customers

- **ARPU of 1P fixed voice and broadband** stable

- **Bundles ARPU at CHF 135** (-3% YOY due to roaming, opt out of fixed voice lines and TV light growth)

Lower contribution from roaming impacts ARPU of 1P wireless and bundles
Changes of service revenue Swisscom Switzerland

1P wireless ARPU with highest impact on YOY changes

Service revenue in Q1 2016 nearly unchanged YOY (-0.6%), with diverging contributions from ARPU (CHF -20 mn), VAS* (CHF -6 mn) and RGU (CHF +15 mn)

* YOY decline mainly driven by the abolition of air fee surcharges at Enterprise Customers
Fastweb performance 1Q 2016

*CB growth driven by UBB take up and churn reduction, positive revenue trend*

Customer Base Wireline

- 40k net adds in 1Q representing a share on market net adds of 41% vs. 37% in 1Q last year
- UBB penetration on total CB at over 30% vs. 24% in 1Q last year

Net revenues per segment

- Growing revenues in all market segments, and particular in consumer (+3%) thanks to decreasing churn

<table>
<thead>
<tr>
<th>Segment</th>
<th>1Q 2015</th>
<th>1Q 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale</td>
<td>429</td>
<td>440</td>
<td>+3%</td>
</tr>
<tr>
<td>Enterprise</td>
<td>168</td>
<td>171</td>
<td>+2%</td>
</tr>
<tr>
<td>Consumer</td>
<td>216</td>
<td>223</td>
<td>+3%</td>
</tr>
</tbody>
</table>

Wireline overall churn

- Wireline churn decreasing 15% YoY
Strategic actions reflected in solid first quarter financial performance …

... paving the way for another year of robust growth

- Growing revenues in all market segments
- Strong increase in EBITDA driven by recurring margin and lower SAC (Subscriber Acquisition Costs)
- Increasing CAPEX incl. FTTS investments
- Positive FCF, with gap vs. first quarter 2015 due to different phasing of cash-out
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Mario Rossi, CFO
## Revenue breakdown by segments

**Swisscom Switzerland with price pressure in wireless business, Fastweb growths**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2015 reported</th>
<th>Q1 2016 adjusted</th>
<th>Exceptions</th>
<th>Q1 2016 reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Customers &amp; SME</td>
<td>2,893</td>
<td>2,891</td>
<td>-2 (-0.1%)</td>
<td>2,885</td>
</tr>
<tr>
<td>Enterprise Customers</td>
<td>+2</td>
<td>-10</td>
<td>-13</td>
<td></td>
</tr>
<tr>
<td>Wholesale &amp; other</td>
<td>+5</td>
<td>-11</td>
<td>-3 (+0.1%)</td>
<td></td>
</tr>
<tr>
<td>Fastweb</td>
<td></td>
<td></td>
<td>-6</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td>-8 (-0.3%)</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

1. Roaming weighs on service revenues, RGU wireline, RGU wireless flat due to signs of market saturation
2. Lower hardware sales are driven by lower wireless acquisition volumes and lower avg. prices per handset
3. Price pressure in the wireless business continued, air fee abandoned
4. Solutions and project business back to growth
5. Fastweb with top-line increase in all segments, strong increase in Consumer (+3% YoY)

* Sale of Hospitality and Alphapay (CHF -17 mn), integration of search.ch (CHF +6 mn), acquisition of OWT (CHF +3 mn), change exchange rate (CHF +2 mn)
### OPEX of Swisscom Switzerland

**Operational excellence initiatives with first impacts to lower OPEX Switzerland**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2015 reported</th>
<th>SAC/SRC</th>
<th>Goods purch. &amp; Other</th>
<th>Operational excellence Q1..2016</th>
<th>Repair &amp; maint. NW</th>
<th>Other</th>
<th>Q1 2016 adjusted</th>
<th>Q1 2016 reported</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-3</td>
<td>-12</td>
<td>-4</td>
<td>-13</td>
<td>+6</td>
<td>-26 (-1.9%)</td>
<td>1,379</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,400</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,379</td>
</tr>
</tbody>
</table>

1. Reduced wireless customer acquisition volumes lead to lower SAC/SRC costs; nevertheless the retention volume increased YOY
2. Lower costs for goods purchased due to lower average purchase prices for mobile handsets
3. ‘Operational excellence’ leads to an underlying reduction of 105 FTEs; on track to achieve gross cash savings of CHF 50mn in 2016
4. Less incidents in the access network lead to a cost reduction for repair & maintenance

*Integration of search.ch (CHF +4 mn), acquisition of OWT (CHF +2 mn), higher gain from sale of real estate (CHF -1 mn)*
EBITDA breakdown by segments

Cost saving initiatives compensate decline in service revenue business

in CHF mn

1,051

Swisscom Switzerland +7

1

Residential Customers & SME

-8

Enterprise Customers

-15

Wholesale, IT & Network

+13

Fastweb

+6

Q1 2015 reported

+30

Q1 2016 adjusted

+26
(+2.5%)

Other

1,077

+4

Q1 2016 reported

+30
(+2.9%)

1

Lower SAC/SRC and lower indirect costs lead to EBITDA increase

2

Ongoing price pressure in the wireless business leads to a decrease in EBITDA

3

Fastweb with another strong quarter driven by solid growth in the consumer segment, customer base broadband increased to 2.24mn, strong position in the enterprise market maintained

* Integration of search.ch (CHF +2 mn) and acquisition of OWT (CHF +1 mn), higher gain from sale of real estate (CHF +1 mn), pension IAS 19 (CHF -1 mn), change exchange rate (CHF +1 mn)
Net income

Higher EBITDA as well as a better other financial result improves bottom-line

<table>
<thead>
<tr>
<th></th>
<th>Q1 2016</th>
<th>Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA reported</td>
<td>1,081</td>
<td>1,051</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-546</td>
<td>-507</td>
</tr>
<tr>
<td>EBIT</td>
<td>535</td>
<td>544</td>
</tr>
<tr>
<td>Net interest</td>
<td>-39</td>
<td>-47</td>
</tr>
<tr>
<td>Other financial result</td>
<td>-40</td>
<td>-57</td>
</tr>
<tr>
<td>Affiliated companies</td>
<td>0</td>
<td>+5</td>
</tr>
<tr>
<td>Tax expenses</td>
<td>-92</td>
<td>-94</td>
</tr>
<tr>
<td>Net income</td>
<td>364</td>
<td>351</td>
</tr>
<tr>
<td>Net income SC Shareholders</td>
<td>+1</td>
<td>0</td>
</tr>
<tr>
<td>EPS</td>
<td>365</td>
<td>351</td>
</tr>
</tbody>
</table>

> EBIT down by -1.7% YoY, higher depreciation driven by high investment level of the prior year partly compensated by higher EBITDA
> Better other financial result due to higher foreign exchange losses in prior year
Capital expenditures

CAPEX up by +8.6% YoY due to further UBB extension in Switzerland and Italy

> Swisscom Switzerland with higher CAPEX driven by continued UBB extension (ahead of plan)
> Fastweb CAPEX in local currency up by +4.8% YoY primarily driven by customer growth

* in local currency in Q1 2015: EUR 147 mn, in Q1 2016: EUR 154 mn
Operating free cash flow

OpFCF down to CHF 184 million due to prepayment of the FeAC sanction

Prepayment of FeAC sanction (CHF 186mn) in Q1 2016 led to higher net working capital compared to YE 15

* Change in net working capital and other cash flow from operating activities
Successful CHF bond issuance & renewal of backstop facilities

*Further diversification achieved*

**Terms and conditions of new CHF bond**

- Instrument rating: A2 by Moody's, A by S&P
- Status: Senior unsecured debt
- Amount: CHF 200 million
- Coupon: 0.375%
- Settlement Date: 31.03.2016
- First Coupon Date: 31.03.2017
- Maturity: 31.03.2028

**Backstop facilities and private placement**

- Successful renewal of backstop facility of CHF 1bn
- In total CHF 2bn unused committed credit lines
- Swiss private placement in the amount of CHF 150mn renewed (with maturity in 2031)

**Maturity profile after bond settlement as per 31.03.2016**

- Rating agencies confirmed Swisscom's A (S&P) and A2 (Moody's) rating
- Financing costs further optimized: 1.9% avg. interest rate of portfolio (incl. derivatives)
- Active management of interest rate risk within well-defined risk limits: ~79% fix/~21% floating

* Short-term money market borrowings are not included in the above maturity profile
Outlook: Guidance 2016 confirmed

Net revenue CHF >11.6 billion, EBITDA CHF ~4.2 billion, CAPEX CHF >2.3 billion

Upon meeting its 2016 guidance, Swisscom plans to propose an unchanged dividend of CHF 22 per share to the AGM in 2017.

* Provision for FeAC sanction (CHF 186 mn) and restructuring (CHF 70 mn)
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RGU dynamics

-11k RGUs in Q1 2016 mainly resulting from 1P wireless losses

1P losses accelerating

Market saturation leads to lower Net Adds

Net adds of RGUs by products (in '000)

Q1 14 | Q2 14 | Q3 14 | Q4 14 | Q1 15 | Q2 15 | Q3 15 | Q4 15 | Q1 16

1P: +73 | +66 | +71 | +66 | +39 | +37 | +40 | +54 | -11

2P: 116 | 91 | 75 | 52 | 44 | 48 | 52 | 52 | 36

3P: 16 | 16 | 14 | 16 | 4 | 4 | 0 | 0 | 0

4P: 52 | 91 | 75 | 52 | 44 | 48 | 52 | 52 | 36

RGU dynamics

-11k RGUs in Q1
2016 mainly resulting from 1P wireless losses

1P losses accelerating

Market saturation leads to lower Net Adds

Net adds of RGUs by products (in '000)

Q1 14 | Q2 14 | Q3 14 | Q4 14 | Q1 15 | Q2 15 | Q3 15 | Q4 15 | Q1 16

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3P: 16 | 16 | 14 | 16 | 4 | 4 | 0 | 0 | 0

4P: 52 | 91 | 75 | 52 | 44 | 48 | 52 | 52 | 36

37
<table>
<thead>
<tr>
<th>Bundles</th>
<th>1P</th>
<th>2Play</th>
<th>3Play</th>
<th>4Play</th>
<th>Sum</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>8,130</td>
<td>(-520) (-6.0%)</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>560</td>
<td>(-44) (-7.3%)</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,590</td>
<td>(+496) (+24%)</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,252</td>
<td>(+47) (+18%)</td>
</tr>
</tbody>
</table>

**RGUs**

<table>
<thead>
<tr>
<th>Product</th>
<th>TV</th>
<th>Fixed Voice &amp; Access</th>
<th>Broadband</th>
<th>Mobile</th>
<th>Number of products in Bundle</th>
<th>Sum</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1P</td>
<td>127 (-73)</td>
<td>1,500 (-263)</td>
<td>503 (-147)</td>
<td>6,000 (-37)</td>
<td>1</td>
<td>8,130</td>
<td>(-520) (-6.0%)</td>
</tr>
<tr>
<td>2Play</td>
<td>280 (-22)</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>560</td>
<td>(-44) (-7.3%)</td>
</tr>
<tr>
<td>3Play 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>2,590</td>
<td>(+496) (+24%)</td>
</tr>
<tr>
<td>4Play</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td>1,252</td>
<td>(+47) (+18%)</td>
</tr>
</tbody>
</table>

**Revenue Generating Units**

<table>
<thead>
<tr>
<th>Bundles</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Sum</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1,367 (+166)</td>
<td>2,582 (-153)</td>
<td>1,968 (+60)</td>
<td>6,615 (+47)</td>
<td>12,532</td>
<td>(+120) (+1.0%)</td>
</tr>
</tbody>
</table>

1) including n-play (Business) Bundles
2) o/w additional 25k Mobile Subs and 87k in Business Bundles
### ARPU

#### YTD, (Change to 31.03.2015 in brackets)

<table>
<thead>
<tr>
<th>Bundles</th>
<th>Single Play</th>
<th>TV</th>
<th>Fixed Voice &amp; Access</th>
<th>Broadband</th>
<th>Mobile</th>
<th>Number of products in Bundle</th>
<th>Weighted average per underlying product</th>
</tr>
</thead>
<tbody>
<tr>
<td>1P</td>
<td>1Play</td>
<td>13 (-1)</td>
<td>53 (+2)</td>
<td>35 (-0)</td>
<td>36 (-1)</td>
<td>1</td>
<td>39 (-1)</td>
</tr>
<tr>
<td></td>
<td>2Play</td>
<td>100 (-7)</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>50 (-4)</td>
</tr>
<tr>
<td></td>
<td>3Play</td>
<td>134 (-9)</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>45 (-3)</td>
</tr>
<tr>
<td></td>
<td>4Play</td>
<td>197 (-10)</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td>49 (-2)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>44 (-1)</td>
<td>44 (-1)</td>
</tr>
</tbody>
</table>

1) ARPU Base Fee  
2) ARPU excl. Business Networks  
3) ARPU excl. Mobile Termination
Revenues (RGU x ARPU)

Net revenues (CHF mn)
YTD, (Change to 31.03.2015 in brackets)

<table>
<thead>
<tr>
<th>Bundles</th>
<th>TV</th>
<th>Fixed Voice &amp; Access</th>
<th>Broadband</th>
<th>Mobile</th>
<th>Sum</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Play</td>
<td>13 (-5)</td>
<td>237 (-34)</td>
<td>147 (-16)</td>
<td>649 (-22)</td>
<td>1,046</td>
<td>(-77) (-6.9%)</td>
</tr>
<tr>
<td>2Play</td>
<td></td>
<td></td>
<td>82 (-13)</td>
<td></td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>3Play</td>
<td></td>
<td></td>
<td>341 (+63)</td>
<td></td>
<td>341</td>
<td>(+73) (+13.8%)</td>
</tr>
<tr>
<td>4Play</td>
<td></td>
<td></td>
<td>180 (+23)</td>
<td></td>
<td>180</td>
<td></td>
</tr>
<tr>
<td>1P + 1P</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,649</td>
<td>(-4) (-0.2%)</td>
</tr>
</tbody>
</table>

1) including revenues for business networks/internet which are not included in retail broadband ARPU
2) o/w CHF 26mn Business Bundles
### TV market Switzerland

**Market volumes (in k)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Analogue TV</th>
<th>Market digital + analogue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4033</td>
<td>4161</td>
</tr>
<tr>
<td>2012</td>
<td>1301</td>
<td>582</td>
</tr>
<tr>
<td>2013</td>
<td>843</td>
<td>557</td>
</tr>
<tr>
<td>2014</td>
<td>765</td>
<td>1276</td>
</tr>
<tr>
<td>2015</td>
<td>698</td>
<td>1256</td>
</tr>
<tr>
<td>2016</td>
<td>620</td>
<td>1210</td>
</tr>
</tbody>
</table>

**Market share:**

- Analogue TV: 27%
- Digital TV: 73%

**Market IPTV:**

- Satellite/Terrestrial: 11%
- Sunrise: 3%
- CATV / Net Integrators: 27%
- UPC Cablecom: 14%
- UPC Cablecom Premium TV option: 15%
- Swisscom TV light: 5%
- Swisscom TV paid Abos: 25%

---

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 Q1 2016
Handsets & SAC/SRCs

### Smartphone share
- 2014: 88%
- 2015: 74%
- 2016: 97%

### Handsets (in k)
- Q1 2014: 332
- Q2 2014: 346
- Q3 2014: 369
- Q4 2014: 491
- Q1 2015: 337
- Q2 2015: 283
- Q3 2015: 303
- Q4 2015: 484
- Q1 2016: 356

### Sold handsets postpaid
- 2014: 96%
- 2015: 76%
- 2016: 97%

### Active user postpaid
- 2014: 70%
- 2015: 88%
- 2016: 76%

### SAC/SRC in CHF mn *
- Q1 2014: 27
- Q2 2014: 26
- Q3 2014: 23
- Q4 2014: 22
- Q1 2015: 18
- Q2 2015: 19
- Q3 2015: 22
- Q4 2015: 21
- Q1 2016: 13

*excluding intercompany SAC/SRC

---

Q: What is the trend in smartphone share from 2014 to 2016?
A: The trend in smartphone share from 2014 to 2016 shows an increase, from 88% in 2014 to 97% in 2016.

Q: How many handsets were sold postpaid in Q4 2014 and Q1 2015?
A: In Q4 2014, 491 handsets were sold postpaid, and in Q1 2015, 337 handsets were sold postpaid.

Q: What is the percentage of active user postpaid in 2014 and 2015?
A: In 2014, 70% of users were active postpaid, and in 2015, 88% of users were active postpaid.

Q: What is the total SAC/SRC in CHF mn from Q1 2014 to Q1 2016?
A: The total SAC/SRC in CHF mn from Q1 2014 to Q1 2016 is 88 CHF mn.
## Reported vs. comparable revenue and EBITDA

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q1  Q2  Q3  Q4</td>
<td>Q1  Q1/Q1</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue, reported</strong></td>
<td>2’893  2’865  2’893  3’027</td>
<td>2’885  -8</td>
<td></td>
</tr>
<tr>
<td>o/w M&amp;A impact</td>
<td>-8</td>
<td>-8</td>
<td></td>
</tr>
<tr>
<td>Currency effect</td>
<td>2</td>
<td>+2</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue, comparable</strong></td>
<td></td>
<td></td>
<td>-2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA, reported change</strong></td>
<td>1’051  1’082  966  999</td>
<td>1’081  +30</td>
<td></td>
</tr>
<tr>
<td>o/w Provision for FeAC sanction</td>
<td>-186</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M&amp;A impact</td>
<td>3</td>
<td>+3</td>
<td></td>
</tr>
<tr>
<td>Pension reconciliation IAS 19</td>
<td>-1</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>Gain from sale of real estate</td>
<td>9  0  3  14</td>
<td>10  +1</td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td>-70</td>
<td></td>
<td>+0</td>
</tr>
<tr>
<td>Other income from litigations (Fastweb)</td>
<td>17</td>
<td></td>
<td>+0</td>
</tr>
<tr>
<td>Currency effect</td>
<td>1</td>
<td>+1</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA, comparable change</strong></td>
<td></td>
<td></td>
<td>+26</td>
</tr>
</tbody>
</table>
## Segment ‘Residential’

Net revenue nearly flat, higher service revenue Retail compensated by lower hardware revenue.

Service revenue increase (CHF +3 mn) due to higher subscriber base partly compensated by lower roaming revenue (price decrease data packages, inclusion traffic in infinity price plans).

Contribution margin 2 increased by 3.4%, driven by lower cost (SAC, marketing cost, handling of incidents in the access network).

<table>
<thead>
<tr>
<th></th>
<th>31.03.2016</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenue in MCHF</strong> 1)</td>
<td>1'287</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Direct costs in MCHF</td>
<td>-295</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Indirect costs in MCHF 2)</td>
<td>-237</td>
<td>-5.2%</td>
</tr>
<tr>
<td><strong>Contribution margin 2 in MCHF</strong></td>
<td>755</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Contribution margin 2 in %</strong></td>
<td>58.7%</td>
<td></td>
</tr>
<tr>
<td>CAPEX in MCHF</td>
<td>31</td>
<td>-16.2%</td>
</tr>
<tr>
<td>FTE’s</td>
<td>4'774</td>
<td>-2.1%</td>
</tr>
<tr>
<td>Broadband lines in ‘000 3)</td>
<td>1’687</td>
<td>3.0%</td>
</tr>
<tr>
<td>Voice lines in ‘000 3)</td>
<td>1’835</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Wireless customers Prepaid in ‘000</td>
<td>2’123</td>
<td>-1.2%</td>
</tr>
<tr>
<td>Wireless customers Postpaid in ‘000 3)</td>
<td>2’658</td>
<td>1.2%</td>
</tr>
<tr>
<td>Blended wireless ARPU MO in CHF</td>
<td>33</td>
<td>-2.9%</td>
</tr>
<tr>
<td>TV subs in ‘000 3)</td>
<td>1’318</td>
<td>13.6%</td>
</tr>
</tbody>
</table>

1) incl. intersegment revenues  
2) incl. capitalised costs and other income  
3) sum of single play and bundles
Segment ‘Small & Medium Enterprises’

Net revenue up by 2.8%, higher revenue from localsearch.ch partly compensated by lower service revenue (CHF -3 mn). Impact from higher subscriber base over-compensated by lower ARPU (price decrease roaming data packages, inclusion roaming volumes in infinity price plans).

Contribution margin 2 increased by 3.2%, revenue driven.

<table>
<thead>
<tr>
<th></th>
<th>31.03.2016</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue in MCHF 1)</td>
<td>336</td>
<td>2.8%</td>
</tr>
<tr>
<td>Direct costs in MCHF</td>
<td>-40</td>
<td>-4.8%</td>
</tr>
<tr>
<td>Indirect costs in MCHF 2)</td>
<td>-72</td>
<td>5.9%</td>
</tr>
<tr>
<td>Contribution margin 2 in MCHF</td>
<td>224</td>
<td>3.2%</td>
</tr>
<tr>
<td>Contribution margin 2 in %</td>
<td>66.7%</td>
<td></td>
</tr>
<tr>
<td>CAPEX in MCHF</td>
<td>10</td>
<td>0.0%</td>
</tr>
<tr>
<td>FTE’s</td>
<td>1’616</td>
<td>5.1%</td>
</tr>
<tr>
<td>Broadband lines in ’000 3)</td>
<td>243</td>
<td>4.7%</td>
</tr>
<tr>
<td>Voice lines in ’000 3)</td>
<td>484</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Wireless customers in ’000 3)</td>
<td>606</td>
<td>1.3%</td>
</tr>
<tr>
<td>Blended wireless ARPU MO in CHF</td>
<td>64</td>
<td>-5.9%</td>
</tr>
</tbody>
</table>

1) incl. intersegment revenues
2) incl. capitalised costs and other income
3) sum of single play and bundles
Segment ‘Enterprise Customers’

Net revenue nearly flat, decrease in service revenue compensated by higher solutions revenue.

Service revenue (CHF -10 mn) impacted by price pressure in the wireless revenue and the abolition of air-fee surcharges in the VAT business.

Contribution margin 2 decreased by 3.2% due to lower service revenue.

FTE's up due to the acquisition of Open Web Technology (in Q1-16) and new services such as Cloud services.

<table>
<thead>
<tr>
<th></th>
<th>31.03.2016</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue in MCHF 1)</td>
<td>656</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Direct costs in MCHF</td>
<td>-143</td>
<td>1.4%</td>
</tr>
<tr>
<td>Indirect costs in MCHF 2)</td>
<td>-301</td>
<td>1.3%</td>
</tr>
<tr>
<td>Contribution margin 2 in MCHF</td>
<td>212</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Contribution margin 2 in %</td>
<td></td>
<td>32.3%</td>
</tr>
<tr>
<td>CAPEX in MCHF</td>
<td>39</td>
<td>8.3%</td>
</tr>
<tr>
<td>FTE's</td>
<td>5'503</td>
<td>3.7%</td>
</tr>
<tr>
<td>Broadband lines in '000</td>
<td>38</td>
<td>0.0%</td>
</tr>
<tr>
<td>Voice lines in '000</td>
<td>263</td>
<td>5.2%</td>
</tr>
<tr>
<td>Wireless customers in '000</td>
<td>1'228</td>
<td>2.8%</td>
</tr>
<tr>
<td>Blended wireless ARPU MO in CHF</td>
<td>35</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

1) incl. intersegment revenues
2) incl. capitalised costs and other income
## Segment ‘Wholesale’

<table>
<thead>
<tr>
<th></th>
<th>31.03.2016</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue from external customers in MCHF</strong></td>
<td>139</td>
<td>-6.1%</td>
</tr>
<tr>
<td><strong>Intersegment revenue in MCHF</strong></td>
<td>81</td>
<td>-1.2%</td>
</tr>
<tr>
<td><strong>Net revenue in MCHF</strong></td>
<td>220</td>
<td>-4.3%</td>
</tr>
<tr>
<td><strong>Direct costs in MCHF</strong></td>
<td>-123</td>
<td>-0.8%</td>
</tr>
<tr>
<td>**Indirect costs in MCHF <strong>(^1)</strong></td>
<td>-4</td>
<td>n.m.</td>
</tr>
<tr>
<td><strong>Contribution margin 2 in MCHF</strong></td>
<td>93</td>
<td>-7.9%</td>
</tr>
<tr>
<td><strong>Contribution margin 2 in %</strong></td>
<td>42.3%</td>
<td></td>
</tr>
<tr>
<td><strong>CAPEX in MCHF</strong></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>FTE’s</strong></td>
<td>92</td>
<td>-18.6%</td>
</tr>
<tr>
<td><strong>Full access lines in ’000</strong></td>
<td>120</td>
<td>-25.9%</td>
</tr>
<tr>
<td><strong>BB (wholesale) lines in ’000</strong></td>
<td>329</td>
<td>18.3%</td>
</tr>
</tbody>
</table>

\(^1\) incl. capitalised costs and other income

---

Revenue from external customers down 6.1% due to lower tariffs on inbound roaming.

Lower revenue leads also to a lower contribution margin 2.
## Segment ‘IT, Network and Innovation’

<table>
<thead>
<tr>
<th>Item</th>
<th>31.03.2016</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue in MCHF</td>
<td>30</td>
<td>-11.8%</td>
</tr>
<tr>
<td>Direct costs in MCHF</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Personnel expenses in MCHF</td>
<td>-222</td>
<td>1.8%</td>
</tr>
<tr>
<td>Rent in MCHF</td>
<td>-48</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Maintenance in MCHF</td>
<td>-39</td>
<td>-7.1%</td>
</tr>
<tr>
<td>IT expenses in MCHF</td>
<td>-58</td>
<td>3.6%</td>
</tr>
<tr>
<td>Other OPEX in MCHF</td>
<td>-86</td>
<td>4.9%</td>
</tr>
<tr>
<td>Indirect costs in MCHF</td>
<td>-453</td>
<td>1.3%</td>
</tr>
<tr>
<td>Capitalised costs and other income in MCHF</td>
<td>105</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Contribution margin 2 in MCHF</strong></td>
<td>-318</td>
<td>1.9%</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment in MCHF</td>
<td>-291</td>
<td>9.0%</td>
</tr>
<tr>
<td><strong>Segment result in MCHF</strong></td>
<td>-609</td>
<td>5.2%</td>
</tr>
<tr>
<td>CAPEX in MCHF</td>
<td>345</td>
<td>13.1%</td>
</tr>
<tr>
<td>FTE’s</td>
<td>5170</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

The segment includes also revenues from rent of real estate (down CHF -4 mn).

Reduced maintenance as incidents in the cable network decreased.

Higher indirect cost nearly compensated by higher capitalised cost, contribution margin 2 down by CHF -6 mn.
**Segment ‘Fastweb’**

Net revenues increased 2.6% YoY, all segments report an increase in revenue.

Consumer revenue up 3.2%, decrease of ARPU (-3%) overcompensated by an increase in customer base (+5.5%, reaching 2.2 million customers).

Strong position in the Enterprise market confirmed, revenue up.

EBITDA up by 9.2% YOY, revenue driven.

<table>
<thead>
<tr>
<th></th>
<th>31.03.2016</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer revenue in MEUR</td>
<td>223</td>
<td>3.2%</td>
</tr>
<tr>
<td>Enterprise revenue in MEUR</td>
<td>171</td>
<td>1.8%</td>
</tr>
<tr>
<td>Wholesale revenue in MEUR 1)</td>
<td>46</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>Net revenue in MEUR 1)</strong></td>
<td>440</td>
<td>2.6%</td>
</tr>
<tr>
<td>OPEX in MEUR 2)</td>
<td>-309</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>EBITDA in MEUR</strong></td>
<td>131</td>
<td>9.2%</td>
</tr>
<tr>
<td><strong>EBITDA margin in %</strong></td>
<td>29.8%</td>
<td></td>
</tr>
<tr>
<td>CAPEX in MEUR</td>
<td>154</td>
<td>4.8%</td>
</tr>
<tr>
<td>OpFCF Proxy in MEUR</td>
<td>-23</td>
<td>n.m.</td>
</tr>
<tr>
<td>FTE’s</td>
<td>2’407</td>
<td>1.4%</td>
</tr>
<tr>
<td>BB customers in ’000</td>
<td>2’241</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

**In consolidated Swisscom accounts**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA in MCHF</td>
<td>144</td>
<td>10.8%</td>
</tr>
<tr>
<td>CAPEX in MCHF</td>
<td>169</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

1) incl. revenues to Swisscom companies
2) incl. capitalised costs and other income
## Segment ‘Other’

<table>
<thead>
<tr>
<th>Metric</th>
<th>31.03.2016</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>External revenue in MCHF</td>
<td>76</td>
<td>-15.6%</td>
</tr>
<tr>
<td>Net revenue in MCHF 1)</td>
<td>129</td>
<td>-10.4%</td>
</tr>
<tr>
<td>OPEX in MCHF 2)</td>
<td>-107</td>
<td>-16.4%</td>
</tr>
<tr>
<td>EBITDA in MCHF</td>
<td>22</td>
<td>37.5%</td>
</tr>
<tr>
<td>EBITDA margin in %</td>
<td></td>
<td>17.1%</td>
</tr>
<tr>
<td>CAPEX in MCHF</td>
<td>6</td>
<td>0.0%</td>
</tr>
<tr>
<td>FTE's</td>
<td>1'769</td>
<td>-8.8%</td>
</tr>
</tbody>
</table>

1) incl. intersegment revenues  
2) incl. capitalised costs and other income

**Net revenue down by 10.4% YoY due to lower revenue out of the sale of companies partly compensated by higher revenue out of construction activities**

**EBITDA up by CHF 6 mn YoY.**
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.

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.”

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