Interim Report
January – March 2006

Key figures

CHF in millions, except where indicated		31.03.2006	31.03.2005
Swisscom Group			
Net revenue		2 375	2 445
Operating income before interest, taxes, depreciation and amortization (EBITDA)		1 034	1 092
As % of net revenue	%	43.5	44.7
Operating income (EBIT)		686	735
Income from continuing operations		544	607
Net income		544	613
Net income attributable to equity holders of Swisscom AG		460	520
Equity		6 846	7 654
Equity ratio[1]	%	51.1	53.8
Number of full-time equivalent employees[2]	FTE	16 544	15 397
Average number of full-time equivalent employees[3]	FTE	16 453	15 367
Revenue per employee	CHF in thousands	144	159
EBITDA per employee	CHF in thousands	63	71
Net cash provided by operating activities		733	873
Equity free cash flow[4]		67	606
Capital expenditure		235	176
Net funds[5]		1 719	1 736

1 Equity as a percentage of total assets.
2 Excludes 517 and 501 full-time equivalent employees of the employment company Worklink at March 31, 2006 and 2005, respectively.
3 Excludes 515 and 488 full-time equivalent employees of the employment company Worklink in the first three months of 2006 and 2005, respectively.
4 Definition of equity free cash flow: net cash provided by operating activities, net proceeds from the sale and purchase of investments, less net capital expenditure on tangible assets and intangible assets, issuance and repayment of financial liabilities (excluding leasing liabilities) and dividend payments to minority interests.
5 Definition of net debt (net funds): total financial liabilities and liabilities from collecting activities, less cash and cash equivalents, current financial assets, receivables from collecting activities and financial assets from lease and leaseback transactions.

Summary

In the first quarter of 2006 Swisscom reported a decline in net revenue of 2.9% to CHF 2,375 million and a decline in operating income before interest, taxes, depreciation and amortization (EBITDA) of 5.3% to CHF 1,034 million. Net income fell by 11.3% to CHF 544 due to a lower EBITDA and a lower net financial result. Net revenue and EBITDA were affected by special items. Adjusted by these special items, net revenue increased year-over-year by 1.7% and EBITDA declined by 1.1%.

In view of keen competition and price reductions at Mobile and Fixnet, Swisscom's net revenue and operating income before interest, taxes, depreciation and amortization (EBITDA) forecast for the 2006 financial year remains unchanged at around CHF 9.5 billion and around CHF 4.0 billion, respectively.

CHF in millions, except where indicated	31.03.2006	31.03.2005	Change
Net revenue	2 375	2 445	-2.9%
Other income	80	32	150.0%
Goods and services purchased	(409)	(431)	-5.1%
Personnel expenses	(594)	(559)	6.3%
Other operating expenses	(418)	(395)	5.8%
EBITDA	1 034	1 092	-5.3%
Depreciation and amortization	(348)	(357)	-2.5%
EBIT	686	735	-6.7%
Net financial result	(10)	20	–
Equity in net income of affiliated companies	(1)	(1)	–
Income before income taxes	675	754	-10.5%
Income tax expense	(131)	(147)	-10.9%
Income from continuing operations	544	607	-10.4%
Income from discontinued operation (debitel)	–	6	–
Net income	544	613	-11.3%
Net income attributable to equity holders of Swisscom AG	460	520	-11.5%
Net income attributable to minority interests	84	93	-9.7%
Average number of shares outstanding (in thousands)	56 716	61 464	-7.7%
Earnings per share (in CHF)	8.11	8.46	-4.1%

Net revenue and operating income before interest, taxes, depreciation and amortization (EBITDA)

Net Revenue fell year-over-year by CHF 70 million (-2.9%) to CHF 2,375 million. Operating income (EBITDA) dropped by CHF 58 million (-5.3%) to CHF 1,034 million and EBITDA margin decreased from 44.7% to 43.5%. These decreases can be primarily attributed to the following special items: price reductions for mobile termination fees, transfer of international carrier services activities to a joint venture with Belgacom as of July 1, 2005, retroactive price adjustments of international roaming tariffs and the acquisition of Antenna Hungária at the end of October 2005.

The most important year-over-year changes in net revenue and EBITDA are presented in the table below.

CHF in millions	Net revenue	EBITDA
Interim financial statements as of March 31, 2006	2 375	1 034
Interim financial statements as of March 31, 2005	2 445	1 092
Change to the previous year	**(70)**	**(58)**
Analysis of change to the previous year		
Effect of price reduction for mobile termination fees	(72)	(72)
Effect of transfer international carrier services activities to a joint venture	(51)	–
Effect of retroactive price adjustments of roaming tariffs	(28)	12
Effect of acquisition of Antenna Hungária	41	13
Other changes excluding special items	40	(11)
Total change to the previous year	(70)	(58)

Disregarding the afore-mentioned special items, net revenue increased year-over-year by CHF 40 million or 1.7%. The Fixnet segment contributed to this increase in the area of access revenue thanks to an increase of ADSL subscribers. This was partially offset by a decrease in traffic revenue due to price reductions. Without the effect of price reductions for mobile termination fees, Mobile reported an increase in revenue thanks to a higher number of subscribers and new data services. The decrease in revenue in the Solutions segment is a result of continuing keen competition and pressure on prices. Revenue increased in the segment Other, mainly as a result of higher revenue from Swisscom IT Services and the acquisition of Comit at the beginning of 2006.

In the field of corporate business Swisscom IT Services and Swisscom Solutions reported successes in the first three months of 2006, following the acquisition of new customers and the renewal of long-term contracts with a total order volume of CHF 115 million.

Other Income

Other income increased by CHF 48 million to CHF 80 million which is mainly attributable to the increase in work-in-progress at Solutions and Swisscom IT Services and capitalized costs. Capitalized costs increased primarily as a result of further developments in network infrastructure, especially the introduction of VDSL technology at Fixnet.

Operating expenses

Expenditure on goods and services purchased decreased largely as a result of the transfer of international carrier services and retrospective reductions in international roaming tariffs. Personnel expenditure rose by CHF 35 million. The main causes of the increase are the revaluation and recognition of provisions for workforce reduction measures and personnel-related commitments totaling CHF 15 million. The year-over-year increase in headcount by 1,147 full-time equivalent employees primarily stems from acquisitions (Antenna Hungária, Comit, Cybernet and Siemens business fields).

Net financial result

Net financial result fell by CHF 30 million. The main reasons for the decline were the poorer net interest result compared with the previous year and gains from the sale of investments in the previous year.

Income tax expense

Income tax expense amounted to CHF 131 million (previous year: CHF 147 million), which corresponds to an effective income tax rate of 19.4% (previous year: 19.5%).

Net income and earnings per share

Net income decreased year-over-year by CHF 69 million (-11.3%) to CHF 544 million. The decline in EBITDA and lower net financial result was partially offset by lower depreciation and amortization and income tax expense.

As a result of last year's share buy-back scheme and the ensuing lower average number of shares, earnings per share only fell by 4.1% to CHF 8.11.

Contingent liabilities

In the proceedings initiated against Swisscom Mobile by the Competition Commission (WEKO) in connection with mobile termination fees the Secretariat of the WEKO has provided Swisscom Mobile with its draft decision for the imposition of sanctions with a request for comment. The draft decision proposes sanctions of CHF 489 million for the period April 1, 2004 to May 31, 2005. Swisscom refutes the claims in the draft decision. Should the Competition Commission issue its decision in the form proposed by its Secretariat, Swisscom Mobile would appeal to the Appeals Commission for Competition Matters and, if necessary, in the final event to the Federal Court. In view of its legal assessment, Swisscom is of the opinion that it is unlikely that sanctions will be imposed and has therefore not recognized any provisions as at March 31, 2006.

Review of the Segments

The development of the individual segments is presented in the following table:

	Net revenue[1]			EBITDA		
CHF in millions	31.03.2006	31.03.2005	Change	31.03.2006	31.03.2005	Change
Fixnet	1 281	1 378	-7.0%	526	519	1.3%
Mobile	958	1 040	-7.9%	459	509	-9.8%
Solutions	293	314	-6.7%	18	23	-21.7%
Other	316	246	28.5%	36	39	-7.7%
Corporate	164	169	-3.0%	1	5	-80.0%
Intercompany	(637)	(702)	-9.3%	(6)	(3)	–
Total	2 375	2 445	-2.9%	1 034	1 092	-5.3%

[1] Includes intersegment revenue.

Fixnet

The Fixnet segment comprises primarily access services to residential and business customers, national and international telephony for residential customers, fixed retail telephony traffic in respect of residential customer, wholesale traffic services offered to national and international telecommunication providers and payphone services, operator services and prepaid calling cards. Fixnet also provides leased lines, sells customer equipment and operates a directories database.

On July 1, 2005 Fixnet brought its international carrier business into a joint venture with Belgacom in which Belgacom holds 72% and Swisscom 28%. Swisscom Fixnet will still present revenue from incoming traffic since not all contracts were transferred to the joint venture by July 2005. The transfer of the remaining contracts is planned to be completed by 2007.

The development of Fixnet is presented in the following table:

CHF in millions	31.03.2006	31.03.2005	Change
Local and long-distance traffic	99	106	-6.6%
Fixed-to-mobile traffic	90	111	-18.9%
Internet traffic	16	22	-27.3%
International traffic	52	55	-5.5%
Total retail traffic	**257**	**294**	-12.6%
Wholesale traffic	98	148	-33.8%
Other traffic	27	32	-15.6%
Access	512	487	5.1%
Other revenue	170	158	7.6%
Revenue from external customers	1 064	1 119	-4.9%
Intersegment revenue	217	259	-16.2%
Net revenue	1 281	1 378	-7.0%
Segment expenses (incl. intercompany)	(755)	(859)	-12.1%
EBITDA	526	519	1.3%
Margin as % of net revenue	*41.1*	*37.7*	
Depreciation and amortization	(193)	(210)	-8.1%
EBIT	333	309	7.8%

Number of lines in thousands	31.03.2006	31.03.2005	Change
PSTN lines	2 923	2 982	-2.0%
ISDN lines	888	921	-3.6%
Total number of lines PSTN / ISDN	3 811	3 903	-2.4%
ADSL retail lines	775	550	40.9%
ADSL wholesale lines	414	328	26.2%
Total number of ADSL lines	1 189	878	35.4%

Retail traffic volume in millions of minutes	31.03.2006	31.03.2005	Change
Local and long-distance traffic	1 711	1 756	-2.6%
Fixed-to-mobile traffic	231	228	1.3%
Internet traffic	470	674	-30.3%
Total national traffic	2 412	2 658	-9.3%
International traffic	235	241	-2.5%
Total retail traffic	2 647	2 899	-8.7%

Wholesale traffic volume in millions of minutes	31.03.2006	31.03.2005	Change
National traffic	4 390	4 238	3.6%
International traffic	–	758	–
Total wholesale traffic	4 390	4 996	-12.1%

CHF in millions or number	31.03.2006	31.03.2005	Change
Capital expenditure	119	78	52.6%
Number of full-time equivalent employees at end of period	7 075	7 389	-4.2%

Revenue from Fixnet with external customers decreased by 4.9% to CHF 1,064 million compared with the previous year. The Fixnet segment saw on the one hand an increase in access revenue thanks to the strong growth in ADSL and on the other a decrease in revenue as a result of lower revenue from traffic and the transfer of the international carrier services activities. This net decrease in revenue was compensated for by lower costs so that EBITDA rose year-over-year by 1.3% to CHF 526 million. The omission of revenue with weak margins from international carrier services led to an increase in EBITDA margin from 37.7% to 41.1%. The increase in capital expenditure is mainly due to the development of the network infrastructure for VDSL technology.

Revenue from retail traffic fell by 12.6% to a total of CHF 257 million. The decline in local and long-distance traffic and Internet traffic is, above all, attributable to the pressure of competition with cable network companies and the continuing migration of Internet traffic to ADSL. Revenue in fix-to-mobile and international traffic fell mainly as a result of price reductions in connection with lower termination prices.

Revenue from wholesale traffic declined by 33.8% to CHF 98 million. The decrease is mainly due to the transfer of international carrier services activities with weak margins as well as price reductions in regulated national interconnection tariffs.

Access revenue rose by 5.1% to CHF 512 million. On the one hand there was an increase in the number of ADSL lines and on the other a decrease in the number of analogue and digital access lines (PSTN/ISDN). The number of ADSL lines increased year-over-year by 35.4% to 1,189,000 lines. This business included 775,000 lines subscribed to by retail customers and 414,000 by the customers of other providers. The number of analogue and digital access lines (PSTN/ISDN) decreased by 2.4% to 3,811,000, mainly as a result of the pressure of competition with cable network companies and substitution through mobile telephony.

The decrease in intersegment revenue is due to reduced revenue with Mobile and Solutions.

Fixnet's total segment expenses decreased year-over-year by 12.1% to CHF 755 million and can be attributed to the transfer of international carrier services activities and the reduction in termination prices at Mobile.

Mobile

Mobile consists principally of mobile telephony, which includes domestic and international traffic for calls made in Switzerland or abroad by Swisscom's customers and roaming by foreign operators whose customers use Swisscom's networks. It also consists of value added services numbers, data traffic as well as the sale of mobile handsets.

The development of Mobile is presented in the following table:

CHF in millions	31.03.2006	31.03.2005	Change
Connectivity voice	480	551	-12.9%
Connectivity data and value added services	162	146	11.0%
Base fees	162	170	-4.7%
Other revenue	36	34	5.9%
Revenue from external customers	840	901	-6.8%
Intersegment revenue	118	139	-15.1%
Net revenue	958	1 040	-7.9%
Segment expenses (incl. intercompany)	(499)	(531)	-6.0%
EBITDA	459	509	-9.8%
Margin as % of net revenue	*47.9*	*48.9*	
Depreciation and amortization	(92)	(94)	-2.1%
EBIT	367	415	-11.6%

Number of subscribers in thousands	31.03.2006	31.03.2005	Change
Postpaid	2 669	2 536	5.2%
Prepaid	1 701	1 447	17.6%
Total	4 370	3 983	9.7%

In CHF, minutes or millions	31.03.2006	31.03.2005	Change
ARPU in CHF	65	77	-15.6%
AMPU in minutes	120	112	7.1%
Number of SMS messages in millions	521	493	5.7%

CHF in millions or number	31.03.2006	31.03.2005	Change
Capital expenditure	45	69	-34.8%
Number of full-time equivalent employees at end of period	2 398	2 478	-3.2%

Mobile's revenue with external customers fell year-over-year by 6.8% to CHF 840 million. The decline in revenue due to price reductions for termination fees and roaming could not be completely offset by a higher number of subscribers and increased revenue from new data services. EBITDA fell by 9.8% to CHF 459 million. EBITDA margin was 47.9% (previous year 48.9%). Capital expenditure decreased by 34.8% to CHF 45 million. The decrease in capital expenditure was due to lower expenditures compared with the previous year in connection with the development of a national mobile broadband network, especially EDGE.

With effect from June 1, 2005 Swisscom Mobile reduced the fees for termination on their network by 40%. The effect of these price reductions for termination on the result and operating result (EBITDA) as per March 31, 2006 was CHF 72 million. In the first quarter of 2006 new roaming agreements were concluded with a number of foreign mobile phone providers. These new agreements include a reduction in prices for incoming and outgoing roaming traffic, effective retrospectively as of April 2005. The retrospective price adjustments led to a decrease in revenue from incoming roaming traffic of CHF 28 million and a decrease in expenses on outgoing roaming traffic of CHF 40 million in the financial statements as at March 31, 2006.

The number of subscribers increased year-over-year by a net total of 387,000 (9.7%) to 4,370,000. The increase is largely due to the churn management and the good market position of Mobile resulting from the launch of new products and tariff plans. At the end of March 2006 the product line Liberty family had 880,000 subscribers and M-Budget Mobile, a pre-paid product launched in the third quarter of 2005 165,000 subscribers.

Revenue from Connectivity Voice declined by 12.9% to CHF 480 million. The decline is due to price adjustments for termination and a reduction in prices for incoming roaming traffic. The charged average minutes per user per month (AMPU) increased due to the launch of new products and tariffs from 112 minutes to 120 minutes. Due to lower prices and a higher share of prepaid subscribers average revenue per subscriber fell from CHF 77 to CHF 65.

Revenue from Connectivity Data and Value Added Services rose year-over-year by 11.0% to CHF 162 million as a result of increased use and the launch of new data services. The number of SMS messages sent increased by 5.7% compared with the previous year.

Intersegment revenue fell by 15.1% to CHF 118 million as a result of the fee reductions for termination.

Mobile segment expenses fell by 6.0% to CHF 499 million year-on-year. The decrease was mainly a result of price adjustments for outgoing roaming traffic, effective retrospectively as of April 2005, and reduced personnel costs due to the lower headcount.

Solutions

"Solutions" comprises primarily fixed-line voice telephony services to business customers, networking which includes primarily leased lines, intranet services, management of communication infrastructures and planning, construction and operation of comprehensive communication solutions.

On February 28, 2006 the takeover of the business fields telephone equipment and IP-communication platforms for medium and larger business customers of Siemens Switzerland was concluded. The business fields taken over also include applications and services as well as the integration, operation and maintenance of data networks.

The development of Solutions is presented in the following table:

CHF in millions	31.03.2006	31.03.2005	Change
Local and long-distance traffic	21	24	-12.5%
Fixed-to-mobile traffic	19	27	-29.6%
International traffic	13	15	-13.3%
Total traffic	53	66	-19.7%
Leased lines	31	40	-22.5%
Intranet Services	35	40	-12.5%
Other revenue Service Business	55	60	-8.3%
Solution Business	68	60	13.3%
Other revenue	12	15	-20.0%
Revenue from external customers	254	281	-9.6%
Intersegment revenue	39	33	18.2%
Net revenue	293	314	-6.7%
Segment expenses (incl. intercompany)	(275)	(291)	-5.5%
EBITDA	18	23	-21.7%
Margin as % of net revenue	*6.1*	*7.3*	
Depreciation and amortization	(7)	(11)	-36.4%
EBIT	11	12	-8.3%

Traffic volume in millions of minutes	31.03.2006	31.03.2005	Change
Local and long-distance traffic	417	437	-4.6%
Fixed-to-mobile traffic	63	64	-1.6%
Total national traffic	480	501	-4.2%
International traffic	90	92	-2.2%
Total national and international traffic	570	593	-3.9%

CHF in millions or number	31.03.2006	31.03.2005	Change
Capital expenditure	7	3	133.3%
Number of full-time equivalent employees at end of period	1 922	1 805	6.5%

Revenue from external customers dropped by 9.6% to CHF 254 million compared with the previous year as a result of keen competition and price pressure. EBITDA fell by 21.7% to CHF 18 million.

Traffic revenue decreased by 19.7% to CHF 53 million, mainly as a result of downward market trends, price reductions in connection with lower termination fees and continuing competitive pressure.

The drop in leased line revenue of 22.5% to CHF 31 million was mainly due to the migration of existing products to Internet (IP) based services with lower prices and optimization of customer networks.

The decline in revenue from Intranet Services is attributable to the substitution of traditional technology with cheaper (IP) technology and lower prices due to competitive pressure.

The increase in revenue in the Business Solutions segment was a result of increased revenue in the business fields system integration.

The decrease in other revenue of 20.0% to CHF 12 million stems principally from lower revenue from the lease of private branch exchanges.

Segment expense declined in comparison with the previous year by 5.5% to CHF 275 million, mainly due to revenue-related lower purchasing volumes from other segments.

Other

The segment Other, comprises the Group companies Swisscom IT Services, Swisscom Broadcast, Antenna Hungária, the Accarda Group and Swisscom Eurospot.

After the acquisition of a 75% stake in Antenna Hungária in October 2005 and the successful conclusion of the public tender in the first quarter of 2006 Swisscom was able to acquire the outstanding shares. Antenna Hungária was delisted on the Hungárian Stock Exchange in February 2006 and is now a 100% subsidiary of Swisscom.

On January 4, 2006 Swisscom IT Services acquired a 100% stake in the banking and IT specialist Comit AG. Comit is included in the consolidated accounts from this date and is disclosed under Swisscom IT Services.

The development of the segment Other is presented in the following table:

CHF in millions	31.03.2006	31.03.2005	Change
Swisscom IT Services	84	58	44.8%
Swisscom Broadcast	36	39	-7.7%
Antenna Hungária	41	–	–
Accarda Group	29	26	11.5%
Swisscom Eurospot	11	5	120.0%
Revenue from external customers	201	128	57.0%
Intersegment revenue	115	118	-2.5%
Net revenue	316	246	28.5%
Segment expenses (incl. intercompany)	(280)	(207)	35.3%
EBITDA	36	39	-7.7%
Margin as % of net revenue	*11.4*	*15.9*	
Depreciation and amortization	(46)	(32)	43.8%
EBIT	(10)	7	–

CHF in millions or number	31.03.2006	31.03.2005	Change
Capital expenditure	31	18	72.2%
Number of full-time equivalent employees at end of period	4 259	2 817	51.2%

Revenue with external customers rose year-on-year by 57.0% to CHF 201 million, mainly as a result of higher revenue from Swisscom IT Services due to the acquisition of Comit and of Antenna Hungária at the end of October 2005. EBITDA fell by 7.7% to CHF 36 million. The EBITDA margin was 11.4% (previous year 15.9%). Headcount increased, mainly as a result of the acquisition of Antenna Hungária and Comit and growth-related increase in headcount at Swisscom IT Services.

The increase in revenue at Swisscom IT Services of 44.8% to CHF 84 million can be attributed mainly to higher revenue from IT outsourcing and the acquisition of Comit. The increase in revenue at Swisscom Eurospot of CHF 6 million to CHF 11 million is primarily attributable to the increase in use of services from Internet connections in hotels and conference centers by business customers.

Segment expenses rose in comparison with the previous year by 35.3% to CHF 280 million, primarily revenue-related and due to the acquisition of Antenna Hungária and Comit.

Corporate

The Corporate segment includes Group Headquarter divisions, shared services for Group companies, the real estate company Swisscom Immobilien AG and the employment company Worklink AG.

The development of Other is presented in the following table:

CHF in millions	31.03.2006	31.03.2005	Change
Revenue from external customers	16	16	–
Intersegment revenue	148	153	-3.3%
Net revenue	164	169	-3.0%
Segment expenses (incl. intercompany)	(163)	(164)	-0.6%
EBITDA	1	5	-80.0%
Margin as % of net revenue	*0.6*	*3.0*	
Depreciation and amortization	(12)	(11)	9.1%
EBIT	(11)	(6)	83.3%

CHF in millions or number	31.03.2006	31.03.2005	Change
Capital expenditure	37	8	362.5%
Number of full-time equivalent employees at end of period	890	908	-2.0%

Net revenue decreased as a result of lower charges from Group Headquarter divisions to the Swisscom-group companies. EBITDA decreased mainly due to higher expenditure on workforce reduction. The increase in capital expenditure in the Corporate segment can be attributed to higher expenditures by the real estate company Swisscom Immobilien AG.

Intersegment revenue fell by 3.3% to CHF 148 million and is attributable to a decrease in services which Group Headquarter divisions charge to other group companies.

Segment expenses decreased by 0.6% to CHF 163 million. This includes costs for workforce reduction measures of CHF 24 million (previous year CHF 8 million), including expenditure on the employment company Worklink AG.

Equity Free Cash Flow

Swisscom intends to pay out the equity free cash flow to shareholders. The equity free cash flow results from net cash provided by operating activities, net proceeds from the sale and purchase of investments, less net capital expenditure on tangible and intangible assets, issuance and repayment of financial liabilities (excluding leasing liabilities) and dividend payments to minority interests.

Equity free cash flow includes the following components:

CHF in millions	31.03.2006	31.03.2005	Change
EBITDA	**1 034**	**1 092**	**(58)**
Changes in operating assets and liabilities and other payments or receipts from operating activities	(143)	(111)	(32)
Net interest	(8)	1	(9)
Income taxes paid	(150)	(109)	(41)
Net cash provided by operating activities	**733**	**873**	**(140)**
Capital expenditure	(235)	(176)	(59)
Acquisition of subsidiaries and affiliated companies	(158)	–	(158)
Net investments in non-current financial assets	–	230	(230)
Dividends paid to minority interests	(285)	(357)	72
Other cash flow from investing and financing activities, net	12	36	(24)
Equity free cash flow	67	606	(539)
Net investments in current financial assets	618	597	21
Other changes of financial liabilities	(30)	(119)	89
Share buy-back / purchase of treasury stock	(136)	(164)	28
Net increase in cash and cash equivalents	519	920	(401)

In the first quarter of 2006, equity free cash flow amounted to CHF 67 million, CHF 539 million lower than the previous year. Equity free cash flow decreased as a result of lower net cash provided by operating activities, increased capital expenditure in fixed and intangible assets and higher expenditure for acquisitions as well as no proceeds from the sale of investments. Net cash provided by operating activities decreased primarily as a result of lower EBITDA and higher income tax payments. Acquisition of subsidiaries and affiliated companies include the payment for the acquisition of the remaining 25% share in Antenna Hungária as well as payments for the acquisition of Comit, Cybernet, Medgate and a business field taken over from Siemens.

As at December 31, 2005 and December 31, 2004 withholding tax of CHF 136 million and CHF 119 million respectively was due to the tax authorities in connection with the share buy-back programs in 2005 and 2004. In each case this was paid in the first quarter of the following year. The payments were presented under share buy-back in the cash flow statement.

Net debt (net funds)

CHF in millions	31.03.2006	31.12.2005	Change
Financial liability from cross-border tax lease arrangements	1 485	1 474	0.7%
Finance lease obligation	647	681	-5.0%
Other financial liabilities	193	148	30.4%
Liabilities from collecting activities	56	154	-63.6%
Total	**2 381**	**2 457**	-3.1%
Cash and cash equivalents	(1 543)	(1 023)	50.8%
Current financial assets	(1 081)	(1 684)	-35.8%
Receivables from collecting activities	(340)	(390)	-12.8%
Financial assets from lease and leaseback transactions	(1 136)	(1 125)	1.0%
Net funds	(1 719)	(1 765)	-2.6%

Net debt (net funds) consists of total financial liabilities and liabilities from collection activities less cash and cash equivalents, current financial assets, receivables from collection activities and financial assets from lease and leaseback transactions. On March 31, 2006, net funds amounted to CHF 1,719 million.

Current financial assets include term deposits and money market investments with a term of less than one year as well as securities and derivative financial instruments. The derivative financial instruments are mainly used to hedge currency risks in connection with lease obligations. Financial liabilities consist primarily of finance lease obligations and sale and leaseback obligations relating to buildings. The financial lease obligation reported is covered by non-current financial assets to an extent of CHF 1,136 million.

Outlook

As already announced after the 2005 financial statements, Swisscom expects net revenue in the 2006 financial year to around CHF 9.5 billion as a result of keen competition and price pressure on Mobile and Fixnet and an operating income before interest, taxes, depreciation and amortization (EBITDA) of around CHF 4.0 billion. Capital expenditure in 2006 in the Swisscom group will amount to around CHF 1.4 billion.

Consolidated income statement (condensed)

CHF in millions, except per share amount	Note	unaudited 31.03.2006	31.03.2005
Net revenue		**2 375**	**2 445**
Other income		80	32
Total		**2 455**	**2 477**
Goods and services purchased		409	431
Personnel expenses		594	559
Other operating expenses		418	395
Depreciation and amortization		348	357
Total operating expenses		**1 769**	**1 742**
Operating income		**686**	**735**
Net financial result	3	(10)	20
Equity in net income of affiliated companies		(1)	(1)
Income before income taxes		**675**	**754**
Income tax expense		(131)	(147)
Income from continuing operations		**544**	**607**
Income from discontinued operation (debitel)		–	6
Net income		**544**	**613**
Net income attributable to equity holders of Swisscom AG		460	520
Net income attributable to minority interests		84	93
Basic and diluted earnings per share (in CHF)			
- from continuing operations		8.11	8.36
- from discontinued operation (debitel)		–	0.10
- net income		8.11	8.46

Consolidated balance sheet (condensed)

CHF in millions	Note	unaudited 31.03.2006	31.12.2005
Assets			
Current assets			
Cash and cash equivalents		1 543	1 023
Current financial assets		1 081	1 684
Other current assets		2 588	2 537
Non-current assets held for sale	7	16	5
Total current assets		**5 228**	**5 249**
Non-current assets			
Property, plant and equipment		5 858	6 000
Goodwill and other intangible assets		813	722
Investments in affiliated companies		202	191
Non-current financial assets		1 194	1 163
Deferred tax assets		95	84
Total non-current assets		**8 162**	**8 160**
Total assets		13 390	13 409
Liabilities and equity			
Current liabilities			
Short-term financial liabilities	4	218	173
Current tax liabilities		222	229
Other current liabilities		2 045	2 333
Total current liabilities		**2 485**	**2 735**
Long-term liabilities			
Long-term financial liabilities	4	2 107	2 130
Accrued pension cost		790	805
Deferred tax liabilities		359	361
Other long-term liabilities		803	754
Total long-term liabilities		**4 059**	**4 050**
Total liabilities		**6 544**	**6 785**
Equity attributable to equity holders of Swisscom AG		6 424	6 001
Equity attributable to minority interests		422	623
Total equity		**6 846**	**6 624**
Total liabilities and equity		13 390	13 409

Consolidated cash flow statement (condensed)

CHF in millions	Note	unaudited 31.03.2006	31.03.2005
Cash flows from operating activities			
Operating income before interest, taxes, depreciation and amortization (EBITDA)		1 034	1 092
Change in operating assets and liabilities and other payments or receipts from operating activities		(143)	(111)
Net interest		(8)	1
Income taxes paid		(150)	(109)
Net cash provided by operating activities		**733**	**873**
Cash flows from investing activities			
Capital expenditure		(235)	(176)
Acquisition of subsidiaries, less cash and cash equivalents acquired		(146)	–
Acquisition of affiliated companies		(12)	–
Net investments in current and non-current financial assets		618	827
Other cash flow from investing activities, net		12	36
Net cash provided by investing activities		**237**	**687**
Cash flows from financing activities			
Repayment of financial liabilities		(30)	(119)
Share buy-back	5	(136)	(119)
Purchase of treasury stock		–	(45)
Dividends paid to minority interests		(285)	(357)
Net cash used in financing activities		**(451)**	**(640)**
Net increase in cash and cash equivalents		**519**	**920**
Cash and cash equivalents at beginning of year		1 023	2 387
Effect of exchange rate changes on cash and cash equivalents		1	–
Cash and cash equivalents at end of the period		**1 543**	**3 307**

Consolidated statement of equity (condensed)

CHF in millions	Equity attributable to equity holders of Swisscom (unaudited)	Equity attributable to minority interests (unaudited)	Equity Total (unaudited)
Balance at December 31, 2004	**6 790**	**663**	**7 453**
Translation adjustments	1	–	1
Fair value adjustments	(11)	–	(11)
Gains and losses directly recognized in equity, net	**(10)**	**–**	**(10)**
Net income	520	93	613
Total recognized income and expenses for the period	**510**	**93**	**603**
Dividends paid	–	(357)	(357)
Purchase of treasury stock	(45)	–	(45)
Balance at March 31, 2005	7 255	399	7 654
Balance at December 31, 2005	**6 001**	**623**	**6 624**
Translation adjustments	(10)	–	(10)
Fair value adjustments	17	–	17
Gains and losses directly recognized in equity, net	**7**	**–**	**7**
Net income	460	84	544
Total recognized income and expenses for the period	**467**	**84**	**551**
Dividends paid	–	(285)	(285)
Purchase of treasury stock	(44)	–	(44)
Balance at March 31, 2006	6 424	422	6 846

Notes to the Consolidated Interim Statements

1 Accounting principles

Swisscom's unaudited consolidated interim financial statements were drawn up in compliance with the International Accounting Standard (IAS) 34 "Interim Financial Reports". The same accounting principles apply as for the 2005 consolidated financial statements.

With effect from January 1, 2006, IAS 19 (revised) „Employee benefits" and IAS 39 (revised) „Financial Instruments: Recognition and Measurement, including the amendment to the fair value option" entered into force. Swisscom recognizes actuarial gains and losses in accordance with IAS 19 unchanged from the previously applied method. The changes in IAS 39 do not have a significant impact on valuation and presentation of financial assets or liabilities.

2 Segment reporting

Intersegment revenue is based on internal transfer prices which were fixed new as at January 1, 2006.

The financial review reports on the following segments

- **Fixnet**
- **Mobile**
- **Solutions**
- **Other**, comprising mainly Swisscom IT Services, where the most important companies are Swisscom IT Services AG and Comit AG, Swisscom Broadcast, Antenna Hungária, the Accarda Group, including Billag AG, Accarda AG, Medipa AG; and Swisscom Eurospot.
- **Corporate**, comprising divisions at Group Headquarters, shared services for group companies, the real estate company Swisscom Immobilien AG and the employment company Worklink AG.

Net revenue and operating results of the individual segments in the first quarters of 2006 and 2005 are presented in the following table:

31.03.2006 CHF in millions	Fixnet	Mobile	Solutions	Other (unaudited)	Corporate	Elimination	Total
Net revenue from external customers	1 064	840	254	201	16	–	2 375
Intersegment net revenue	217	118	39	115	148	(637)	–
Net revenue	**1 281**	**958**	**293**	**316**	**164**	**(637)**	**2 375**
Segment expenses	(755)	(499)	(275)	(280)	(163)	631	(1 341)
Operating income before depreciation and amortization (EBITDA)	**526**	**459**	**18**	**36**	**1**	**(6)**	**1 034**
Margin in %	*41.1*	*47.9*	*6.1*	*11.4*	*0.6*	–	*43.5*
Depreciation and amortization	(193)	(92)	(7)	(46)	(12)	2	(348)
Operating income (EBIT)	**333**	**367**	**11**	**(10)**	**(11)**	**(4)**	**686**

Notes to the Consolidated Interim Statements

31.03.2005 CHF in millions	Fixnet	Mobile	Solutions	Other	Corporate	Elimi- nation	Total
	unaudited						
Net revenue from external customers	1 119	901	281	128	16	–	2 445
Intersegment net revenue	259	139	33	118	153	(702)	–
Net revenue	**1 378**	**1 040**	**314**	**246**	**169**	**(702)**	**2 445**
Segment expenses	(859)	(531)	(291)	(207)	(164)	699	(1 353)
Operating income before depreciation and amortization (EBITDA)	**519**	**509**	**23**	**39**	**5**	**(3)**	**1 092**
Margin in %	*37.7*	*48.9*	*7.3*	*15.9*	*3.0*	–	*44.7*
Depreciation and amortization	(210)	(94)	(11)	(32)	(11)	1	(357)
Operating income (EBIT)	**309**	**415**	**12**	**7**	**(6)**	**(2)**	**735**

CHF in millions	unaudited 31.03.2006	31.03.2005
Interest income	28	36
Interest expense	(36)	(35)
Net interest (expense) income	**(8)**	**1**
Present value adjustment on accrued liabilities	(4)	(2)
Gain on disposal of financial assets	–	16
Foreign exchange gain	1	6
Other financial income and expenses, net	1	(1)
Net financial result	(10)	20

CHF in millions	unaudited 31.03.2006	31.12.2005
Finance lease obligation	29	29
Derivative financial instruments	143	142
Financial liability from purchase of treasury stock	44	–
Other short-term financial liabilities	2	2
Total short-term financial liabilities	**218**	**173**
Financial liability from cross-border tax lease arrangements	1 485	1 474
Finance lease obligation	618	652
Other long-term financial liabilities	4	4
Total long-term financial liabilities	**2 107**	**2 130**
Total financial liabilities	2 325	2 303

5 Share capital and treasury stock

In May 2005 Swisscom AG launched a share buy-back scheme in the amount of CHF 2 billion. A total of 4,764,200 shares for an average purchase price of CHF 419.80 were bought back. The General Meeting of Shareholders on April 25, 2006 resolved a capital reduction in the amount of the shares acquired as part of this scheme. The number of shares after the capital reduction is 56,718,561. The shares are scheduled to be destroyed in the second half of 2006.

As at December 31, 2005 and December 31, 2004 withholding tax of CHF 136 million and CHF 119 million respectively was due to the tax authorities in connection with the share buy-back programs in 2005 and 2004. In each case this was paid in the first quarter of the following year. The payments were presented under share buy-back in the cash flow statement.

As already announced Swisscom is launching a share buy-back scheme in the amount of CHF 2.25 billion during the second half of 2006.

6 Acquisition of subsidiaries and affiliated companies

In the first three months of 2006 Swisscom acquired investments for a total of CHF 158 million. CHF 146 million was spent on the acquisition of subsidiaries and CHF 12 million on stakes in affiliated companies.

On the date these consolidated accounts were released the final takeover balance sheet had not been completed. For this reason it was not possible to disclose all the information required under IFRS.

Acquisition of a 100% stake in Comit

Swisscom IT Services acquired a 100% stake in Comit AG, an IT service provider to banks. The transaction was completed on January 4, 2006. The purchasing price was CHF 80 million. The carrying amount of the net assets immediately before the acquisition according to the provisional balance sheet amounted to CHF 18 million. The net assets are made up of cash and cash equivalents of CHF 18 million, accounts receivable and other current assets of CHF 10 million and tangible and intangible assets of CHF 2 million minus liabilities of CHF 12 million.

Acquisition of a 100% stake in Cybernet

Swisscom Fixnet signed a contract for the takeover of the Internet service provider Cybernet (Switzerland) AG on October 20, 2005. The 100% takeover was completed with the approval of the Competition Commission on March 22, 2006 for a purchasing price of CHF 15 million.

Acquisition of business fields from Siemens Switzerland

Swisscom Solutions AG concluded an agreement with Siemens Switzerland on the takeover of the business fields telephone equipment and IP-communication platforms for medium and larger business customers. The business fields taken over also include applications and services as well as the integration, operation and maintenance of data networks. The takeover was completed on February 28, 2006 for a purchasing price of CHF 25 million.

Acquisition of a 40% stake in the Medgate Group

On February 9, 2006 Swisscom acquired a 40% stake in Medgate Holding AG. Since its foundation in 1999 Medgate has become the leading Swiss center in the field of telemedicine. Medgate is classified as an affiliated company and is included in the consolidated accounts using the equity method.

7 Non-current assets held for sale

Non-current assets held for sale includes the carrying amount of real estate of CHF 16 million which will probably be disposed off in 2006. The scheduled sale is part of Swisscom Immobilien AG's plan to optimize its use of buildings.

8 Contingent liabilities

Competition commission proceedings - mobile termination fees

In October 2002 the Competition Commission initiated proceedings against Swisscom Mobile in connection with mobile termination fees. On April 7, 2006, the Secretariat of the Competition Commission provided Swisscom Mobile with its draft decision, according to which it believes that Swisscom Mobile has a market-dominant position which it has supposedly abused by demanding disproportionately high termination fees. The Secretariat has indicated that it intends to propose to the Competition Commission that it impose a fine of around CHF 489 million plus 5% interest and has asked Swisscom Mobile to comment on the draft decision by May 22, 2006.

The proposed fine relates to the period from April 1, 2004 (when a new amendment to the Swiss Antitrust Law entered into effect) to May 31, 2005 (when Swisscom Mobile lowered its mobile termination fee from CHF 0.335 to CHF 0.20). Investigations into the mobile termination fees charged by Swisscom Mobile after May 31, 2005 will continue.

The fine amount could increase should the Competition Commission determine that the new mobile termination fee of CHF 0.20 is also excessive.

Swisscom Mobile is of the view that it is not dominant in the market for mobile termination and that its tariffs for mobile termination have not been abusive. Prior to lowering its mobile termination fee on June 1, 2005, Swisscom Mobile's fee was approximately 10% lower than the fee charged by its competitors. In addition, as Swisscom customers place a higher volume of calls to their competitor's networks than vice versa, Swisscom Mobile makes net payments to these mobile network operators.

Should the Competition Commission issue its decision in the form proposed by its Secretariat, Swisscom Mobile would appeal to the Appeals Commission for Competition Matters and, if necessary, in the final event to the Federal Court.

In view of its legal assessment, Swisscom is of the opinion that it is unlikely that sanctions will be imposed and has therefore not recognized any provisions as at March 31, 2006.

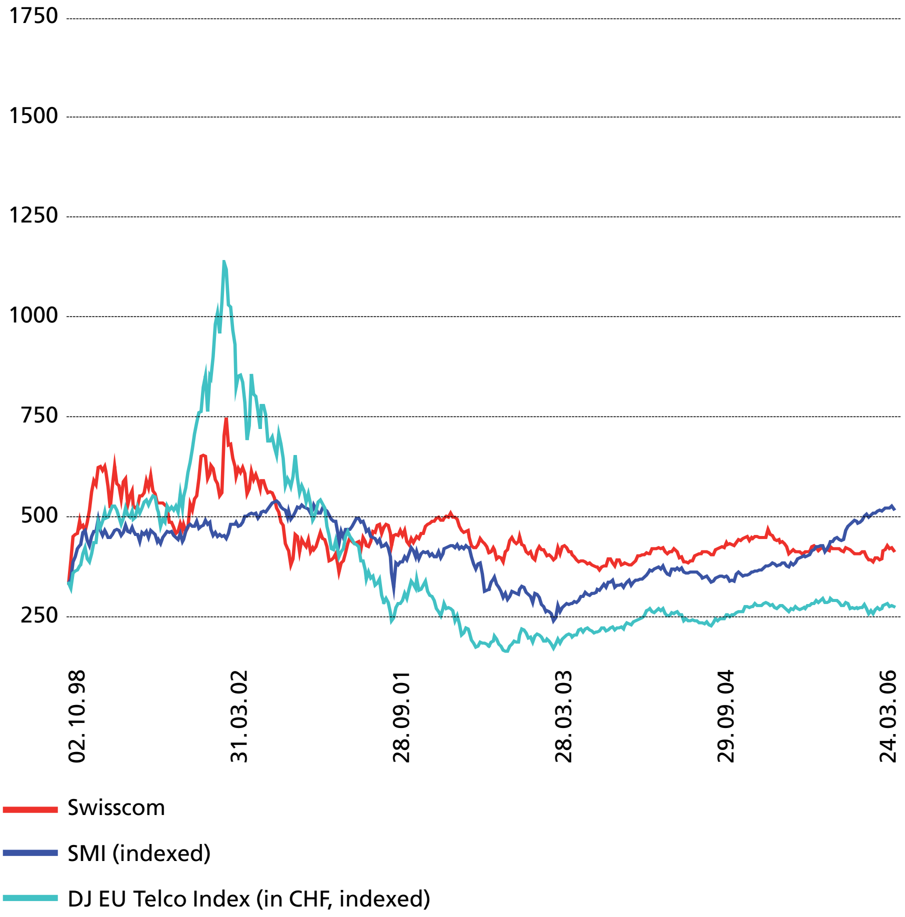
9 Post balance sheet events

Acquisition of a 98% stake in Core

On April 10, 2006 Swisscom Eurospot acquired a 98% stake in Core Communications Corp. Core is an American service provider of data communication and Internet solutions for the hotel industry. A purchasing price of USD 11 million (CHF 14 million) was paid in the second quarter of 2006. On the date these consolidated accounts were released the final takeover balance sheet had not been completed. For this reason it was not possible to disclose all the information required under IFRS.

Shareholder information

Performance of the Swisscom share on the virt-x



31.12.2005 – 31.03.2006	virt-x	NYSE
Closing price at 31.12.2005	CHF 414.75	USD 31.51
Closing price at 31.03.2006[1]	CHF 422.50	USD 32.36
Year high[1]	CHF 432.75	USD 32.94
Year low[1]	CHF 388.00	USD 29.88
Total trading volume	8 008 400	2 909 000
Daily average	125 131	46 919
Total volume in millions	CHF 3 260.03	USD 92.32
Daily average in millions	CHF 50.94	USD 1.49

Source: Bloomberg
[1] paid prices

Share information

On March 31, 2006 the company's share capital consists of 61,482,761 registered shares, of which the Swiss Confederation holds the majority in accordance with the Telecommunications Enterprise Act. On March 31, 2006 Swisscom had 57,439 registered shareholders and an average non-allotted share level of approximately 11%. The nominal value per registered share amounts to CHF 1.

As part of the 2005 share buy-back scheme Swisscom acquired 4,764,200 shares or 7.75% of the share capital. These shares will be destroyed in compliance with the resolution of the General Meeting of Shareholders on April 25, 2006. After the capital reduction the number of shares issued was reduced to 56,718,561 registered shares. The shares are scheduled to be destroyed in the second half of 2006.

The dividend payment of CHF 16 per share (previous year: CHF 14) agreed at the General Meeting of Shareholders in 2006 was paid on April 28, 2006. In addition to the total dividend payment of CHF 907 million, Swisscom is launching a share buy-back scheme in the second half of 2006 in the amount of CHF 2.25 billion. This means the shareholders will receive dividend payouts totaling CHF 3.16 billion during the current year.

Each share entitles the holder to one vote. Voting rights may only be exercised if the shareholder has been entered with voting rights into the Swisscom share register. However, the Board of Directors may refuse to enter a shareholder into the share register together with voting rights if such voting rights exceed 5% of the company's overall share capital.

Form 20-F

The 20-F report were submitted to the Security and Exchange Commission (SEC) on April 24, 2006 and can be called up under www.swisscom.com/ir.

Financial calendar

August 9, 2006	2006 Half-Year Report
November 8, 2006	2006 Third-Quarter Interim Report
April 25, 2007	Shareholders' Meeting, Zurich

Trading locations

Swisscom shares are traded on the pan-European platform virt-x under the symbol „SCMN" (Security ID: 874251) and in the form of American Depositary Shares (ADS) at a ratio of 1:10 on the New York Stock Exchange under the symbol „SCM" (Security ID: 949527).

Stock exchange	Bloomberg	Reuters	Telekurs
virt-x, London	SCMN, VX	SCM.VX	SCMN, VTX
NYSE, New York	SCM	SCM	SCM, NYS

Return policy

Swisscom's policy is to distribute the freely available funds (equity free cash flow) each year. The funds available for such payments consist of the net cash flow provided by operating activities, net proceeds from the sale and purchase of investments less net capital expenditure, taking out and repaying financial liabilities (excl. leasing liabilities) and dividend payments to minority interests. The disbursement is made via a dividend which amounts to about half of the year's net income adjusted for one-time items, and may be supplemented by a share buy-back. A share buy-back need not take place at the same time as dividend payouts.

Quarterly review 2005 and 2006

CHF in millions	1. quarter	2. quarter	3. quarter	4. quarter	2005	1. quarter	2. quarter	3. quarter	4. quarter	
Net revenue	**2 445**	**2 467**	**2 386**	**2 434**	**9 732**	**2 375**				
Other income	32	66	91	71	260	80				
Goods and services purchased	(431)	(462)	(479)	(459)	(1 831)	(409)				
Personnel expenses	(559)	(532)	(504)	(578)	(2 173)	(594)				
Other operating expenses	(395)	(432)	(421)	(569)	(1 817)	(418)				
EBITDA	**1092**	**1107**	**1073**	**899**	**4 171**	**1 034**	–	–	–	
Depreciation and amortization	(357)	(346)	(340)	(351)	(1 394)	(348)				
EBIT	**735**	**761**	**733**	**548**	**2 777**	**686**	–	–	–	
Net financial result	20	11	28	23	82	(10)				
Equity in net income of affiliated companies	(1)	7	3	4	13	(1)				
Income tax expense	(147)	(148)	(155)	(85)	(535)	(131)				
Income from continuing operations	**607**	**631**	**609**	**490**	**2 337**	**544**	–	–	–	
Income from discontinued operation (debitel)	6	53	–	(50)	9	–	–	–	–	
Net income	**613**	**684**	**609**	**440**	**2 346**	**544**	–	–	–	
Attributable to equity holders of Swisscom AG	520	596	534	372	2 022	460				
Attributable to minority interests	93	88	75	68	324	84				
Net revenue by Segments [1]										
Fixnet	1 378	1 372	1 262	1 296	5 308	1 281				
Mobile	1 040	1 067	1 051	1 010	4 168	958				
Solutions	314	314	312	328	1 268	293				
Other	246	255	249	309	1 059	316				
Corporate	169	171	172	178	690	164				
Intercompany elimination	(702)	(712)	(660)	(687)	(2 761)	(637)				
Total net revenue	**2 445**	**2 467**	**2 386**	**2 434**	**9 732**	**2 375**	–	–	–	
EBITDA by Segments										
Fixnet	519	546	528	498	2 091	526				
Mobile	509	492	445	404	1 850	459				
Solutions	23	26	23	2	74	18				
Other	39	52	43	8	142	36				
Corporate	5	(9)	37	(16)	17	1				
Intercompany elimination	(3)	–	(3)	3	(3)	(6)				
Total EBITDA	**1 092**	**1 107**	**1 073**	**899**	**4 171**	**1 034**	–	–	–	
Capital expenditure	176	255	236	420	1 087	235				
Equity free cash flow	606	927	829	(159)	2 203	67				
Number of full-time equivalent employees at end of period	15 397	15 307	15 288	16 088	16 088	16 544				

[1] Includes intersegment revenue.

Quarterly review 2005 and 2006

Operational data Fixnet Number of lines in thousands	1. quarter	2. quarter	3. quarter	4. quarter	2005	1. quarter	2. quarter	3. quarter	4. quarter
PSTN lines	2 982	2 951	2 930	2 922	2 922	2 923			
ISDN lines	921	919	911	900	900	888			
Total number of lines PSTN / ISDN	3 903	3 870	3 841	3 822	3 822	3 811	–	–	–
ADSL retail lines	550	603	645	708	708	775			
ADSL wholesale lines	328	345	365	390	390	414			
Total number of ADSL lines	878	948	1 010	1 098	1 098	1 189	–	–	–
Retail traffic volume in millions of minutes									
Local and long-distance traffic	1 756	1 654	1 547	1 671	6 628	1 711			
Fixed-to-mobile traffic	228	236	231	230	925	231			
Internet traffic	674	563	513	502	2 252	470			
Total national traffic	2 658	2 453	2 291	2 403	9 805	2 412	–	–	–
International traffic	241	231	220	234	926	235			
Total retail traffic	2 899	2 684	2 511	2 637	10 731	2 647	–	–	–
Wholesale traffic volume in millions of minutes									
National traffic	4 238	4 067	3 709	3 933	15 947	4 390			
International traffic	758	796	393	385	2 332	–			
Total wholesale traffic	4 996	4 863	4 102	4 318	18 279	4 390	–	–	–

Operational data Mobile Number of subscribers in thousands	1. quarter	2. quarter	3. quarter	4. quarter	2005	1. quarter	2. quarter	3. quarter	4. quarter
Postpaid	2 536	2 559	2 603	2 640	2 640	2 669			
Prepaid	1 447	1 485	1 571	1 641	1 641	1 701			
Total	3 983	4 044	4 174	4 281	4 281	4 370	–	–	–
In CHF, minutes or millions									
ARPU in CHF	77	78	74	67	74	65			
AMPU in minutes	112	120	124	124	120	120			
Number of SMS messages in millions	493	493	486	519	1 991	521			

Operational data Solutions Traffic volume in millions of minutes	1. quarter	2. quarter	3. quarter	4. quarter	2005	1. quarter	2. quarter	3. quarter	4. quarter
Local and long-distance traffic	437	428	400	407	1 672	417			
Fixed-to-mobile traffic	64	67	64	63	258	63			
Total national traffic	501	495	464	470	1 930	480	–	–	–
International traffic	92	92	86	86	356	90			
Total national and international traffic	593	587	550	556	2 286	570	–	–	–

The interim report is published in German and English. The German version is binding.

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 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.

General information:
Swisscom AG
Group Communications
CH-3050 Berne
T+ 41 31 342 36 78
F+ 41 31 342 27 79
E swisscom@swisscom.com
www.swisscom.com

Financial information:
Swisscom AG
Investor Relations
CH-3050 Berne
T+ 41 31 342 25 38
F+ 41 31 342 64 11
E investor.relations@swisscom.com
www.swisscom.com/ir