

Swisscom - the trustworthy companion in the digital world

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Swisscom in a nutshell

Key figures

	2013 A	2014 A	2015 E
Net revenue in CHF billion	11.4	11.7	> 11.4
EBITDA in CHF billion	4.3	4.4	~ 4.2
EBIT in CHF billion	2.3	2.3	n/a
Net income in CHF billion	1.7	1.7	n/a
CAPEX in CHF billion	2.4	2.4	2.3
FCF proxy* in CHF billion	1.9	2.0	~ 1.9
Net debt / EBITDA	1.8	1.8	n/a
Dividend / share** in CHF	22	22	22
FTE in thousand	20.1	21.1	n/a
FTE in Switzerland in thousand	17.4	18.3	n/a

* FCF proxy = EBITDA minus CAPEX

** Upon meetings its 2015 guidance, Swisscom plan to again propose a dividend of CHF 22/share to the AGM 2016

Market tendencies

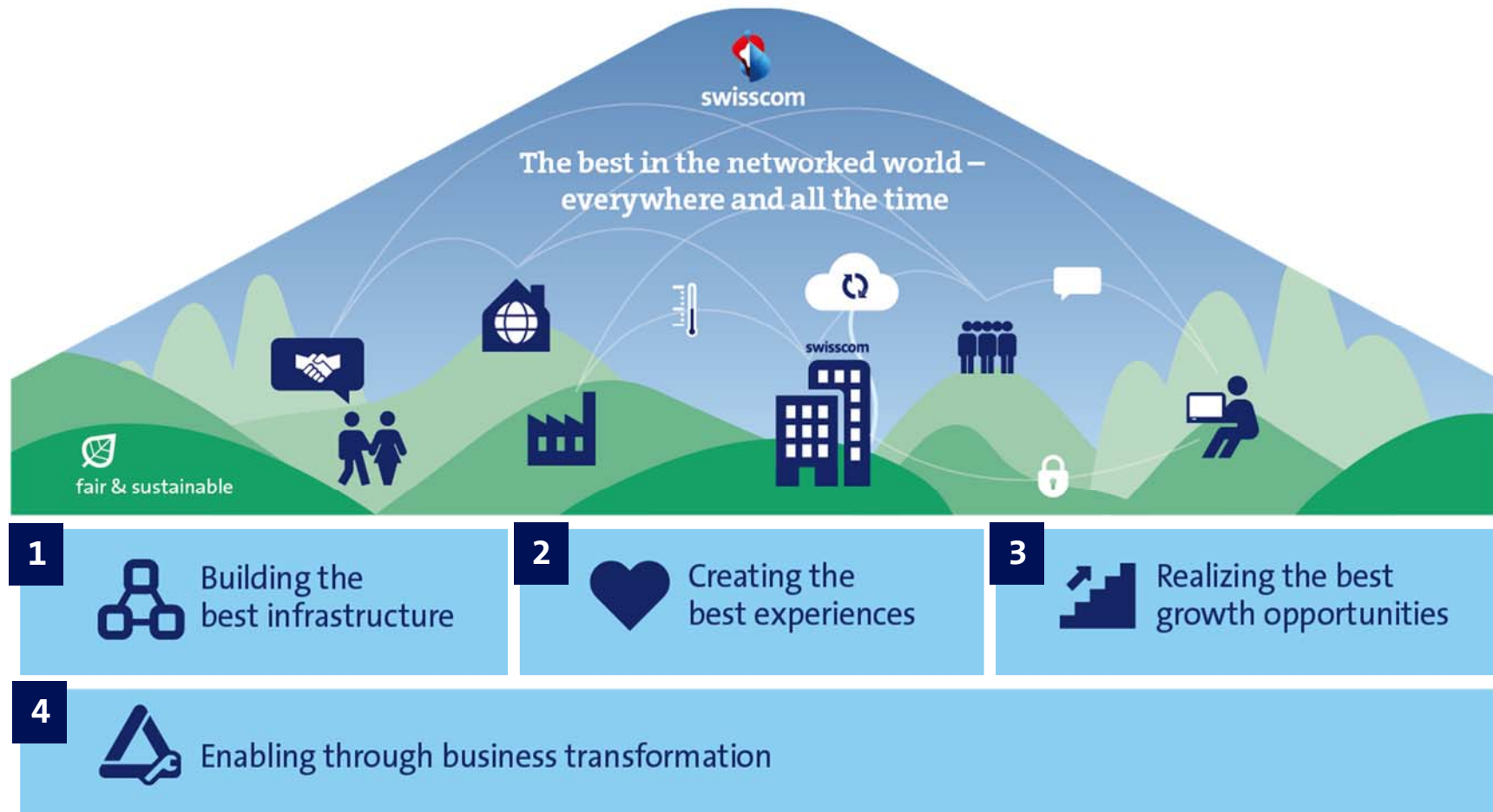
Global competition, local network

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- **Telecommunication is global**
 - OTT providers (Apple, Google, Microsoft, Amazon) as competitors
- **Telco landscape in change**
 - EU market highly fragmented
 - (In-market) consolidation possible
- **Convergence of Telecommunication and IT**
 - All IP drives convergence (further)
 - ICT with higher importance – also for verticals
- **Access - local and key**
 - Increasing network dynamics
 - Investments at high level but crucial for (long-term) success

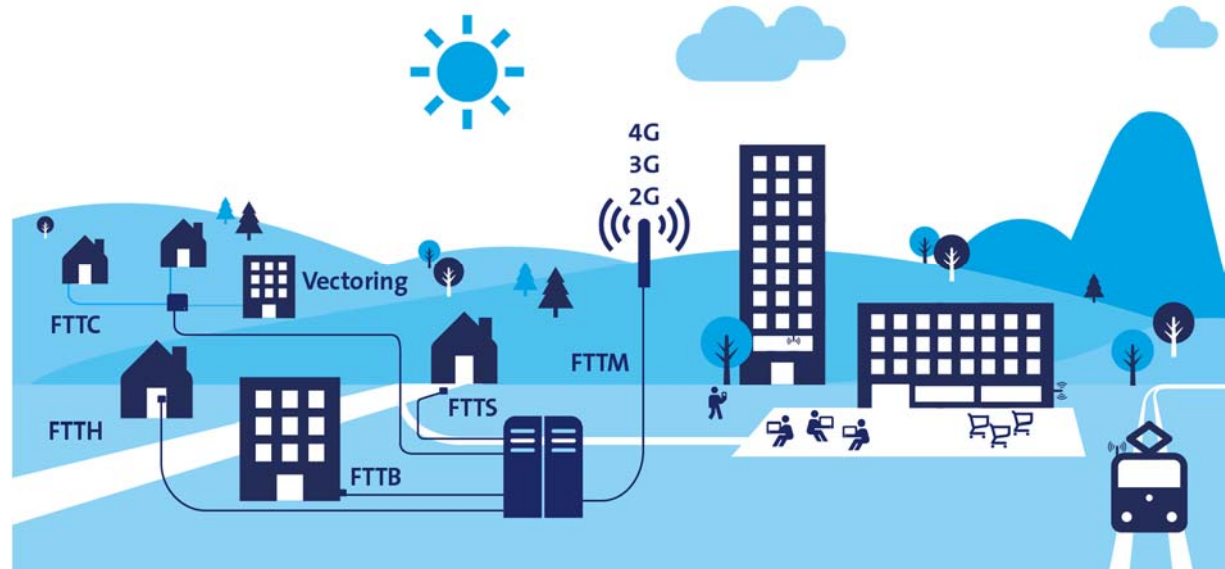
Swisscom strategy

Trustworthy companion in the digital world



Best infrastructure - ultra broadband

Ubiquitous wireless broadband and fiber for Swiss homes and businesses



Wireless

- > 4G: 97% of Swiss population
- > 3G: 99% of Swiss population
- > 2G: 99.8% of Swiss population

Goal 2016:

- > 99% of population have access to download speeds of up to 150 Mbit/s

Wireline

- > Ultra broadband connections: > 1.4 m homes & businesses
- > Swisscom TV > 92% homes & businesses
- > Swisscom TV HD-quality > 88% homes & businesses

Goal 2020: 85% UBB coverage (>100 Mbit/s)

Best Experience - Internet Services

Swisscom best positioned with comprehensive set of services

OTT
Communication

Entertainment

Advertising

«My Digital Life»

Secure relevancy at customers and build up differentiation against OTT's

Expand our positioning in advertising

Build up ecosystem of «My Digital Life»

io



Vidia



TV Air



TELECLUB

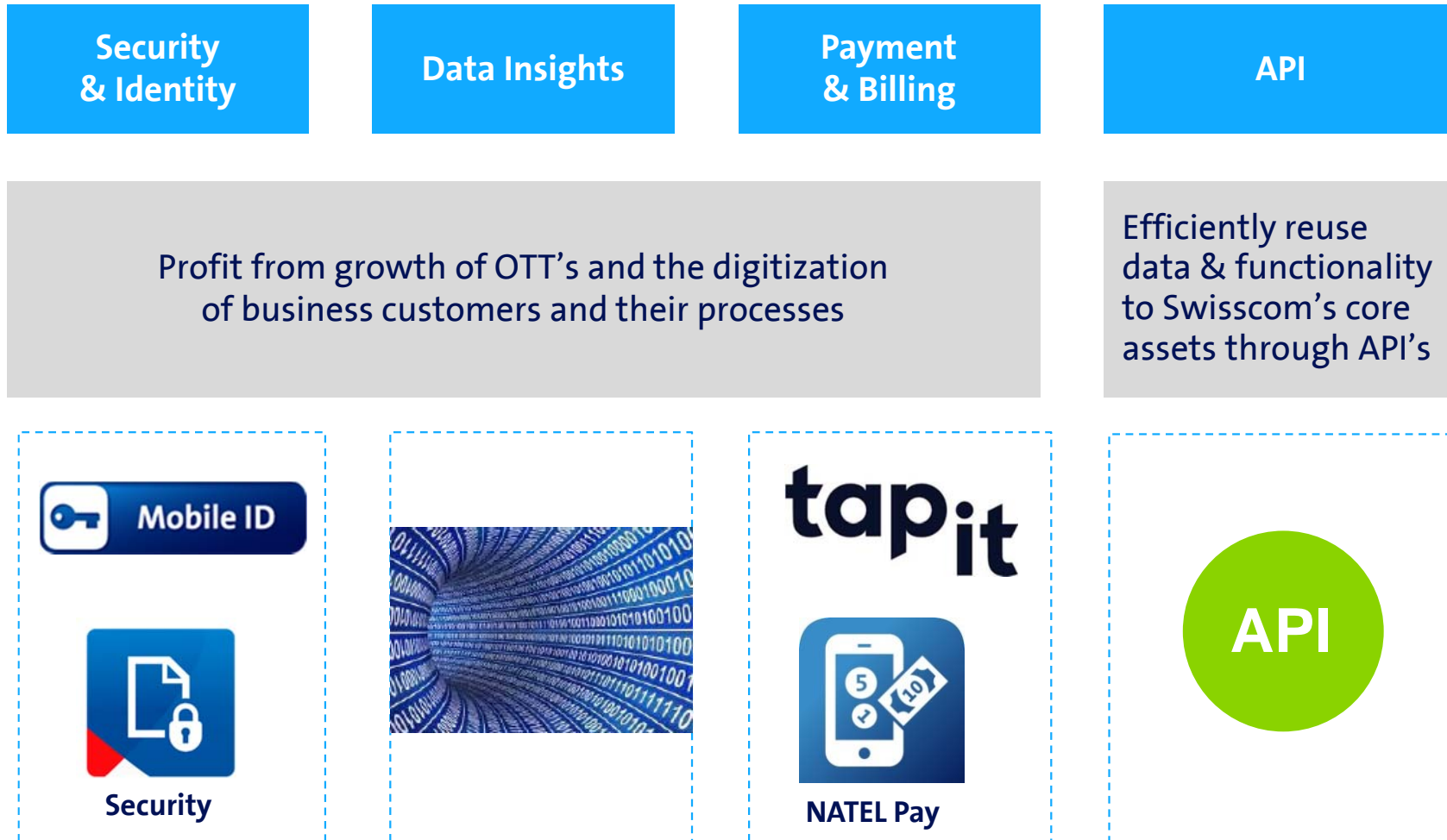
bluwin

local.ch



Best Experience - Enabling Services

Enabling Services support the provision of internet services



Exploit growth potential - Bundles

Bundles will strengthen the core business even more in the future

Residential Convergent & Wireline

Consolidate and enhance bundle portfolio



Establish and enhance new Vivo portfolio



Expand advance in TV2.0



Facilitate easier internet access



New telephony experiences

Residential Wireless

Strengthen the mobile portfolio and realize revenue growth



Secure market share and revenue



Provide best roaming experience and transfer revenues into flat rates



Develop new revenue segments by exploiting opportunities such as MyDigitalLife and Internet of Things

Exploit growth potential - Verticals

Expansion of position in Banking, build-up and growth in eHealth & Energy Services



Banking

- > Banking Business Services (BPO)
- > Platform Services
- > Business Platform – Banking-as-a-Service
- > Back Office Solutions
- > Front Solutions

eHealth

- > Software & Networking
- > Billing & Consulting
- > Operation & Collaboration
- > Fit & healthy








Energy

- > Storage of energy via heating system
- > Grid balancing energy
- > Home automation

Exploit growth potential - Participations

Fastweb well under way

	Strategy		Achievements
	Maintain Market Leadership	>	First operator after incumbent with strong position in business market
	Maintain Network & Fiber Leadership	>	Large build out of new generation network
	Increase Scale with Partnerships	>	Material growth of customer base with Sky
	Improve overall Service Quality	>	Net promoter score excels with corporate and medium businesses
	Provide value by delivering results	>	Revenue and EBITDA growing

Securing a sustainable future by transforming people, technologies and business models

Our organizational change

- > Simplicity & customer focus
- > Skills and culture of innovation
- > New business models
- > Agility, flexibility and learning aptitude

Our technological change

- > Modern, efficient and effective infrastructure
- > Central enabler of the digital world
- > Verticals for customer centric digitization approach

Be prepared for a sustainable future

- > Active management of the **transformation** taking place, regarding people, technologies, business models
- > Increase of efficiency, flexibility and faster time to market by transforming to All IP and phasing out TDM.
Ambition: complete TDM migration YE 2017

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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