## Swisscom in a nutshell

### Key figures

<table>
<thead>
<tr>
<th>Metric</th>
<th>2013 A</th>
<th>2014 A</th>
<th>2015 E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenue</strong> in CHF billion</td>
<td>11.4</td>
<td>11.7</td>
<td>&gt; 11.4</td>
</tr>
<tr>
<td><strong>EBITDA</strong> in CHF billion</td>
<td>4.3</td>
<td>4.4</td>
<td>~ 4.2</td>
</tr>
<tr>
<td><strong>EBIT</strong> in CHF billion</td>
<td>2.3</td>
<td>2.3</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Net income</strong> in CHF billion</td>
<td>1.7</td>
<td>1.7</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>CAPEX</strong> in CHF billion</td>
<td>2.4</td>
<td>2.4</td>
<td>2.3</td>
</tr>
<tr>
<td><strong>FCF proxy</strong>* in CHF billion</td>
<td>1.9</td>
<td>2.0</td>
<td>~ 1.9</td>
</tr>
<tr>
<td><strong>Net debt / EBITDA</strong></td>
<td>1.8</td>
<td>1.8</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Dividend / share</strong>** in CHF</td>
<td>22</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td><strong>FTE in thousand</strong></td>
<td>20.1</td>
<td>21.1</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>FTE in Switzerland</strong> in thousand</td>
<td>17.4</td>
<td>18.3</td>
<td>n/a</td>
</tr>
</tbody>
</table>

* 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

• 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

The best in the networked world – everywhere and all the time

1. Building the best infrastructure
2. Creating the best experiences
3. Realizing the best growth opportunities
4. Enabling through business transformation
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

<table>
<thead>
<tr>
<th>OTT Communication</th>
<th>Entertainment</th>
<th>Advertising</th>
<th>«My Digital Life»</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secure relevancy at customers and build up differentiation against OTT’s</td>
<td>Expand our positioning in advertising</td>
<td>Build up ecosystem of «My Digital Life»</td>
<td></td>
</tr>
</tbody>
</table>
Best Experience - Enabling Services

Enabling Services support the provision of internet services

- Security & Identity
- Data Insights
- Payment & Billing
- API

Profit from growth of OTT’s and the digitization of business customers and their processes

Efficiently reuse data & functionality to Swisscom’s core assets through API’s
### 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

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