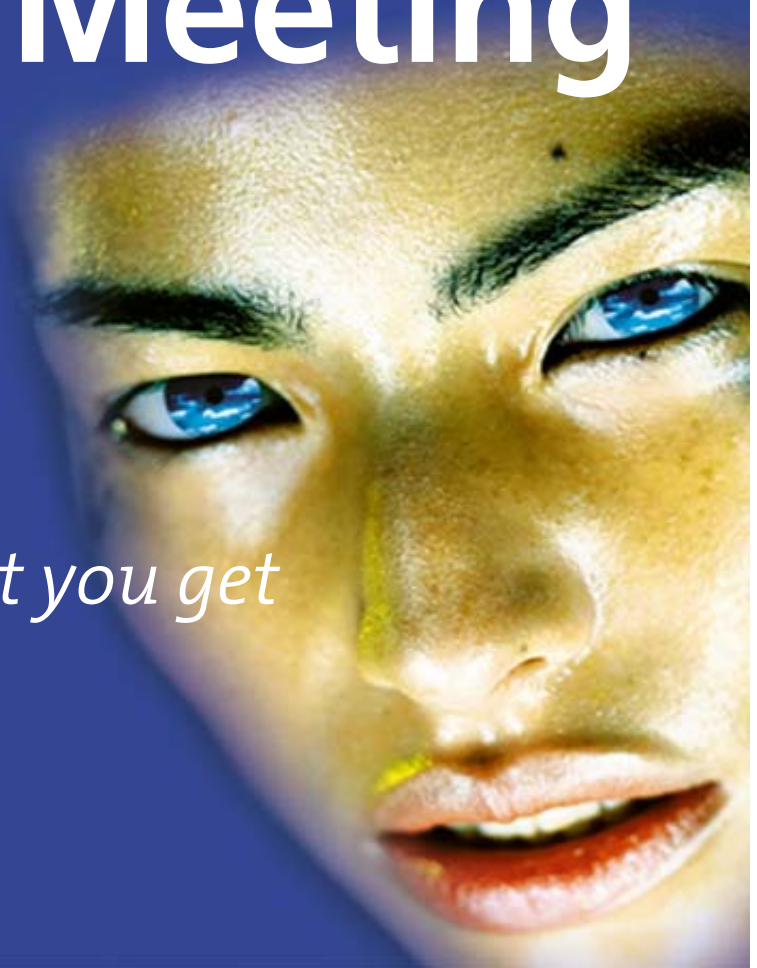


Analysts Meeting

See what you get

13 April 2000
London



Agenda

		Page
1) JENS ALDER	Introduction	3
2) CARSTEN SCHLOTER	Domestic Core Business: MobilCom, PubliCom	12, 20
3) HEINZ KARRER	Domestic Core Business: Data, SI&O and Wholesale	27
4) DOMINIK KOEHLIN	International	33
5) JENS ALDER	e-business	41
6) DAVE SCHNELL	Financials	50
7) JENS ALDER	Conclusion	63
8) BACK-UP	International	66
9) BACK-UP	Financials	72

Introduction

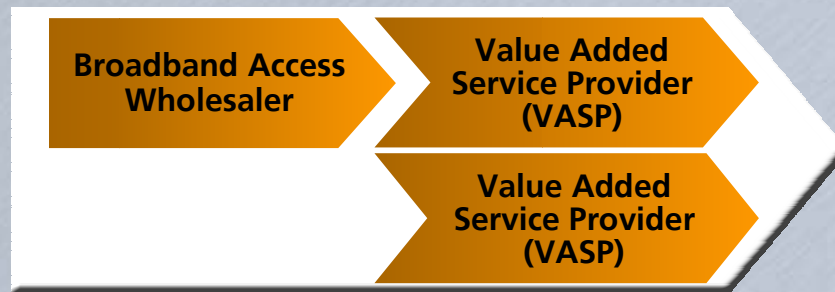
Jens Alder
CEO

Where we left off last time

Convergence

Decomposition

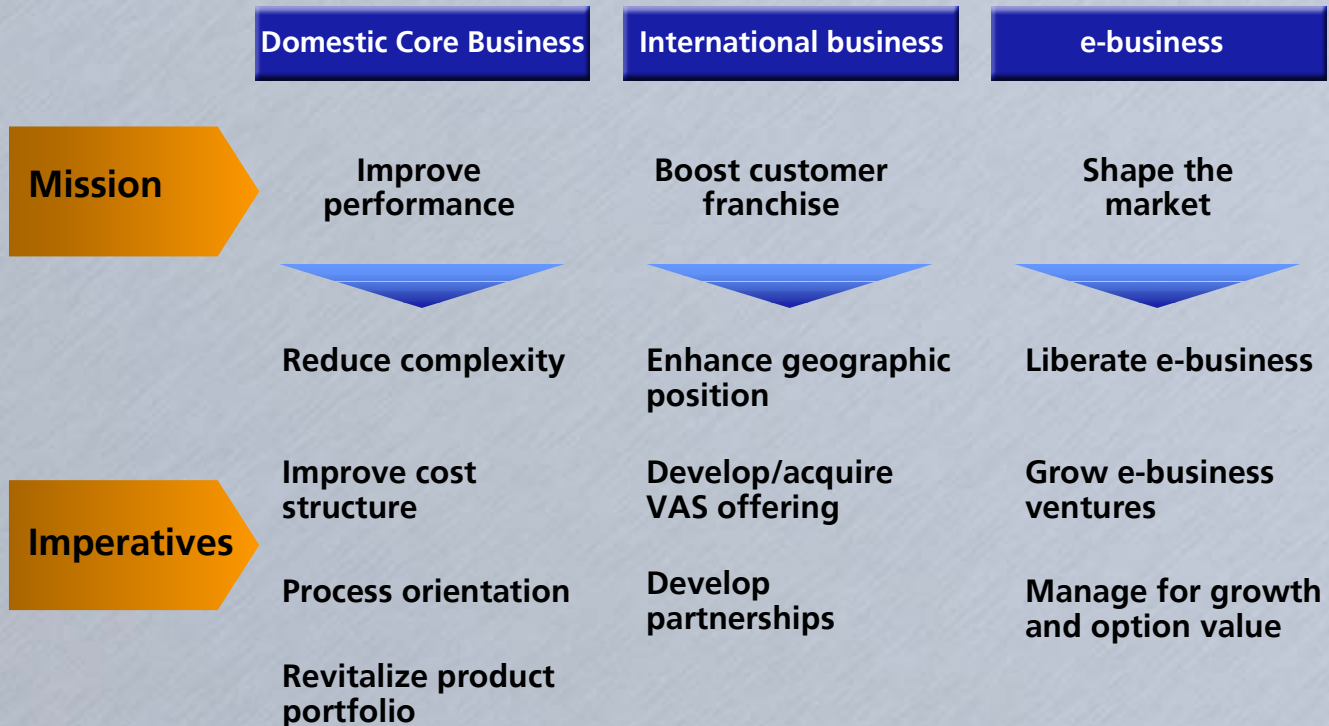
Customer
franchise



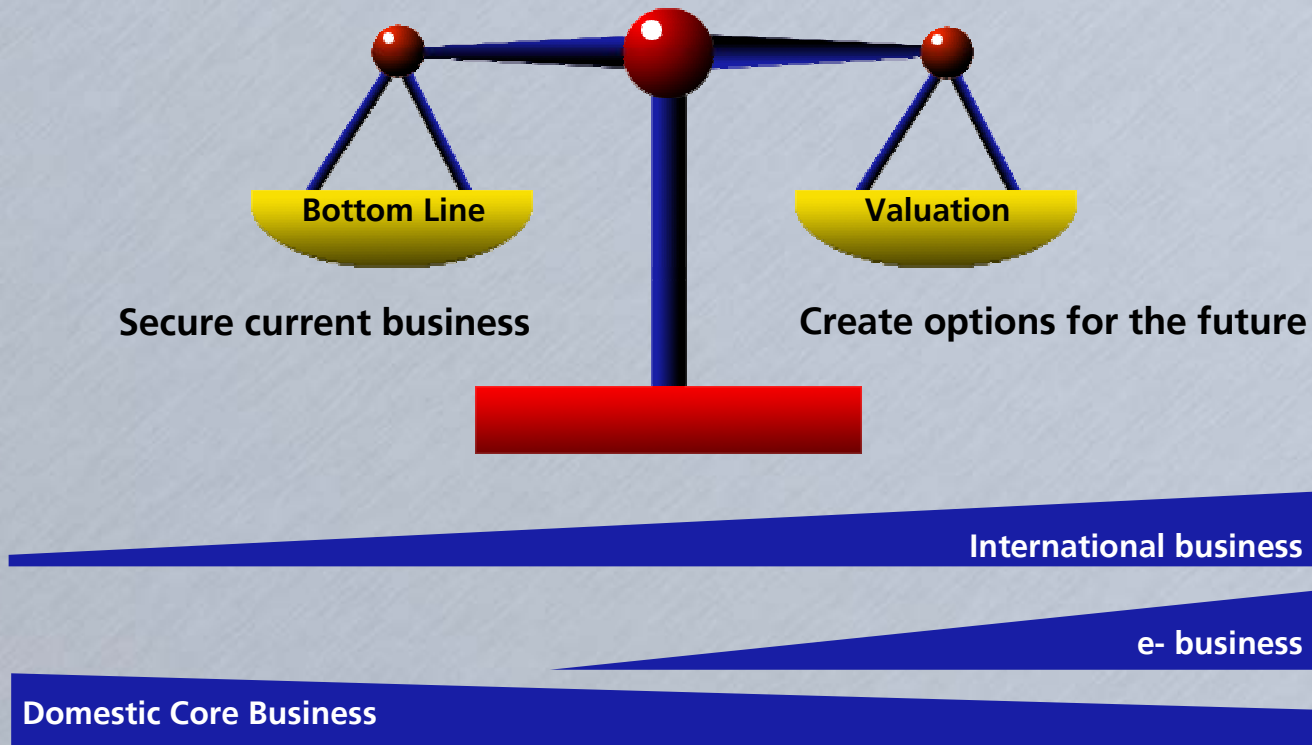
Complementary skills and assets to implement European VASP strategy



Clear mission and imperatives



Manage bottom line and valuation



Main levers

Domestic Core Business

International business

e-business

Secure current business

- "Fit for competition" program
- Operational efficiency

Create options for the future

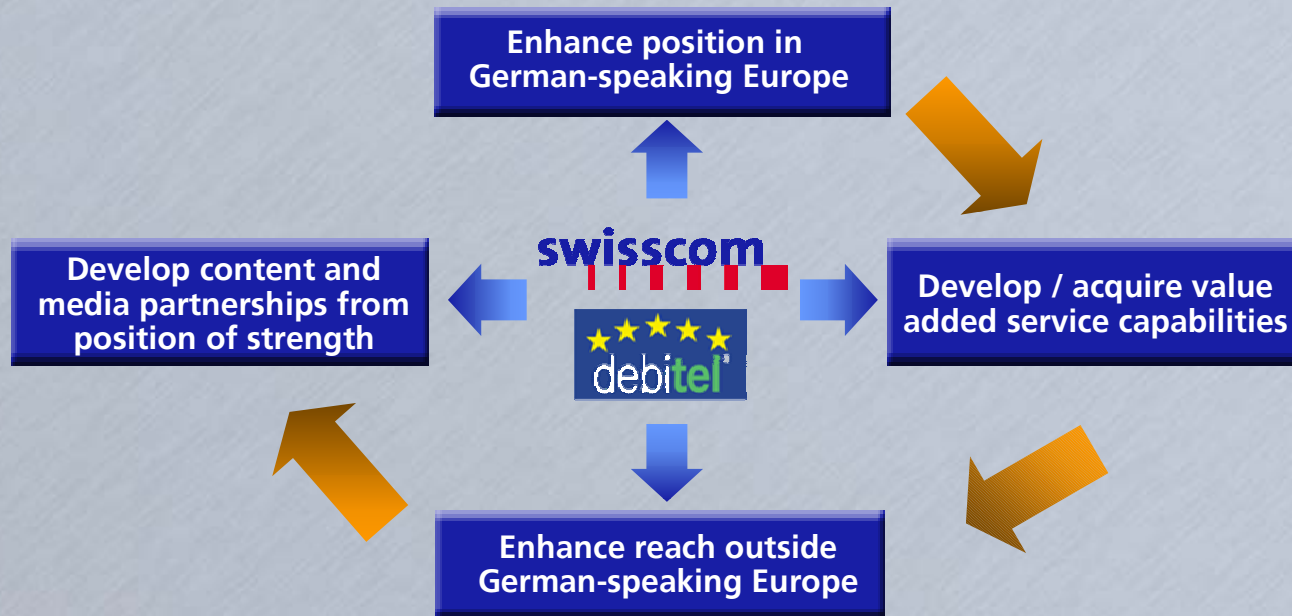
- Mobile customers
- UMTS/Mobile Data
- Broadband access
- Systems Integration & Outsourcing
- debitel customers
- UMTS Germany
- Mobile Data
- Potential IPO of tbw
- e-marketplace
- Incubator

Clear responsibilities assigned



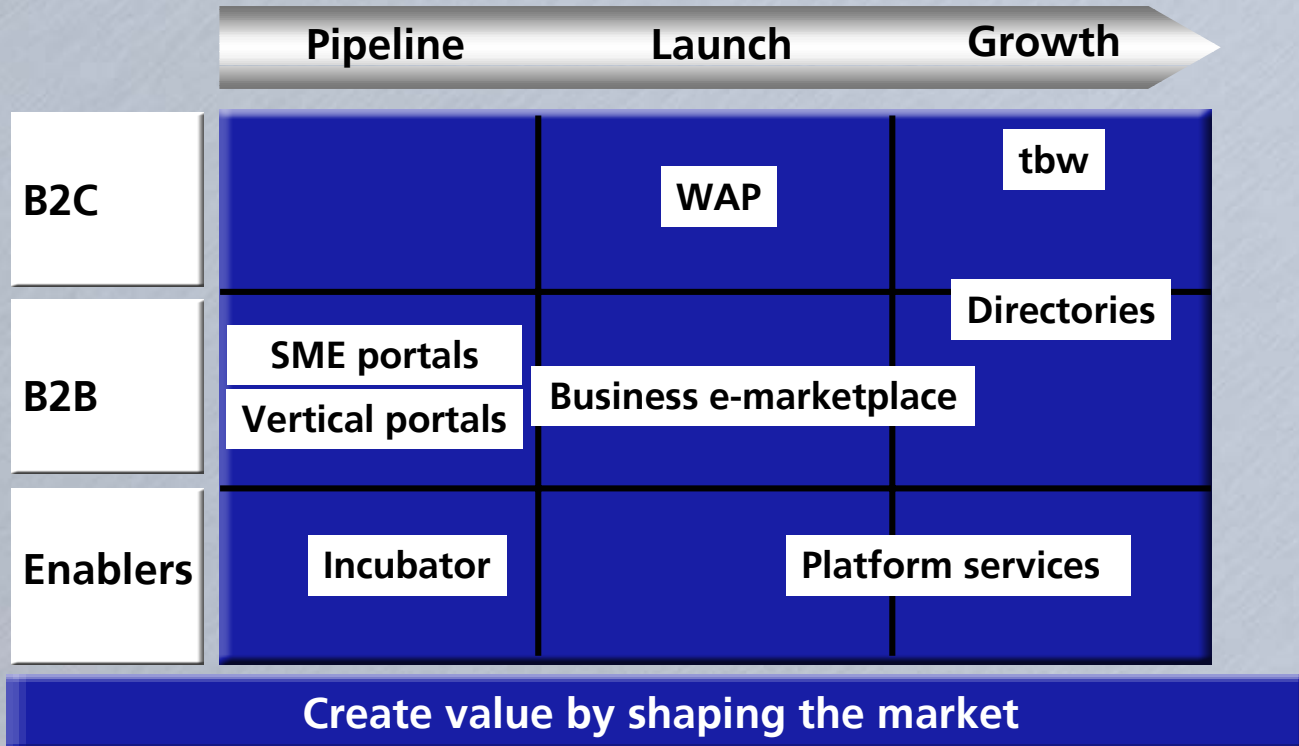
Management focus on the three key areas of challenge

International business: Swisscom/debitel development path

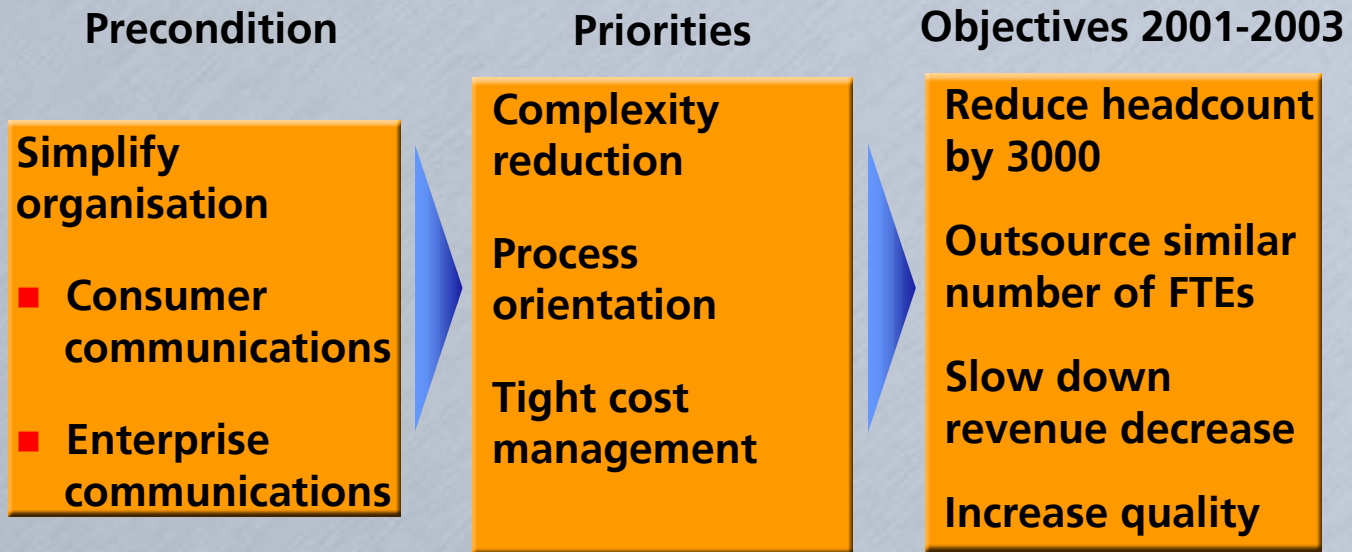


Create value by boosting customer franchise

e-business: strong portfolio with high growth potential



Domestic Core Business: "Fit for competition"



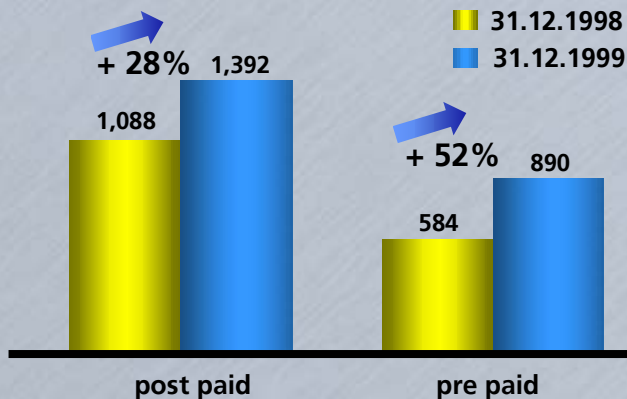
Create value by improving performance

MobilCom

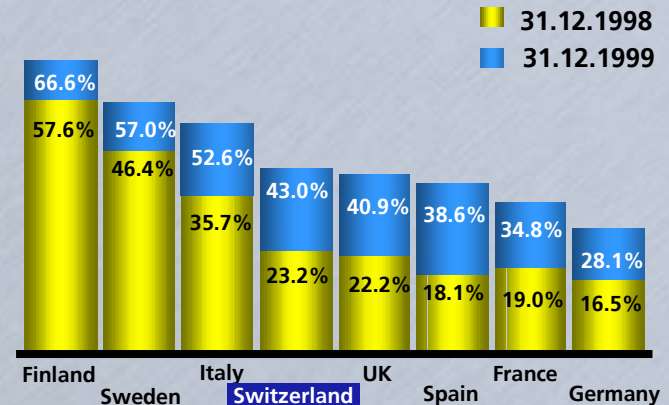
Carsten Schlöter

Customer development / market penetration

**Swisscom customer development
(Subscribers in thousands)**



Penetration rates in Europe



	post paid*	pre paid	total
Customer growth: 1999	303,780	305,431	609,211

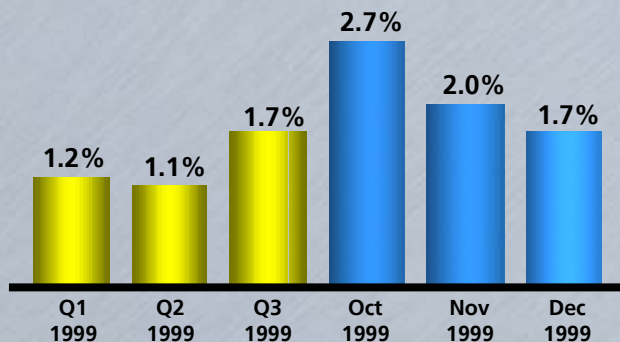
*including NATEL C

Further strong growth potential for Swisscom



Competition

Average churn rate



Actions

- Price reductions
 - between 25% and 50%
- Marketing initiatives
 - permanent advertising presence
- Increased dealer commissions
 - managing distribution channels

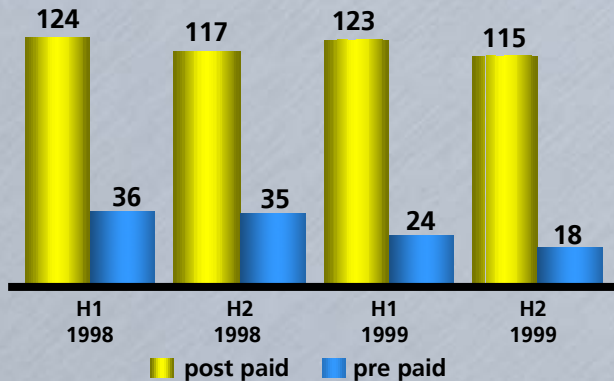
	Q1 1999	Q2 1999	Q3 1999	Q4 1999
Acquisition costs: (CHF per new customer post paid)	53	42	106	280
Market share:	96%	89%	80%	75%

Swisscom will maintain its strong market position

Facts & figures

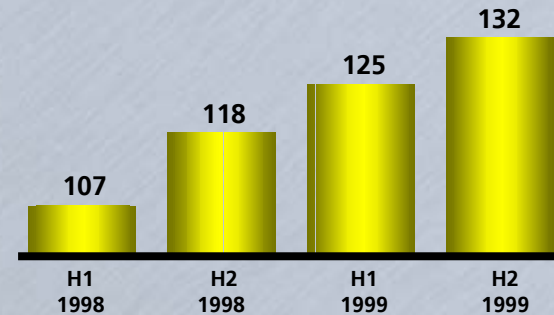
ARPU

CHF



AMPU post paid

Minutes



Outgoing minutes in millions:

1998
1,374

1999
2,029

Price reductions lead to greater usage

swisscom
■■■■■

Market positioning

Pricing strategy

- Best price-performance ratio
- No price-breaker strategy

Products

- Integration of value added services
- COMBOX with Internet access
- Corporate Mobile Network
- NATEL office link

Network quality

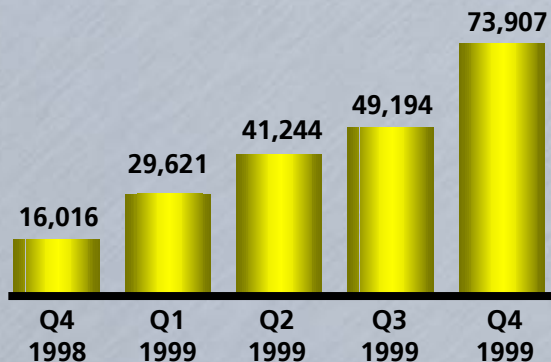
- Increased network capacity
- Improved coverage

Swisscom will defend its leadership

Mobile Data Services 2000

SMS

Thousands of messages



Annual growth over 430%

The future

WAP

- Commercial since 21.02.2000
- First operator in Switzerland
- Number of content providers steadily increasing

GPRS

- Roll-out in H2 2000
- First provider in Switzerland

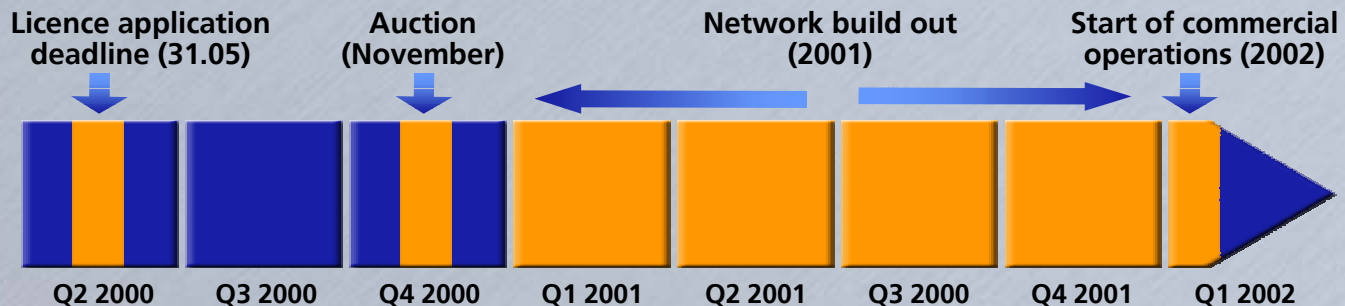
UMTS

- Swisscom will continue to be an innovative operator in the future

First mover advantage

Switzerland: UMTS licensing process

- Auction of 4 national UMTS licences, valid for 15 years
- All licences have identical frequency schemes
- Minimum coverage: 50% of population by the end of 2004
- Site-sharing provisions
- National roaming conditional upon 50% coverage (20% for new entrants)



Swisscom will apply for a UMTS licence

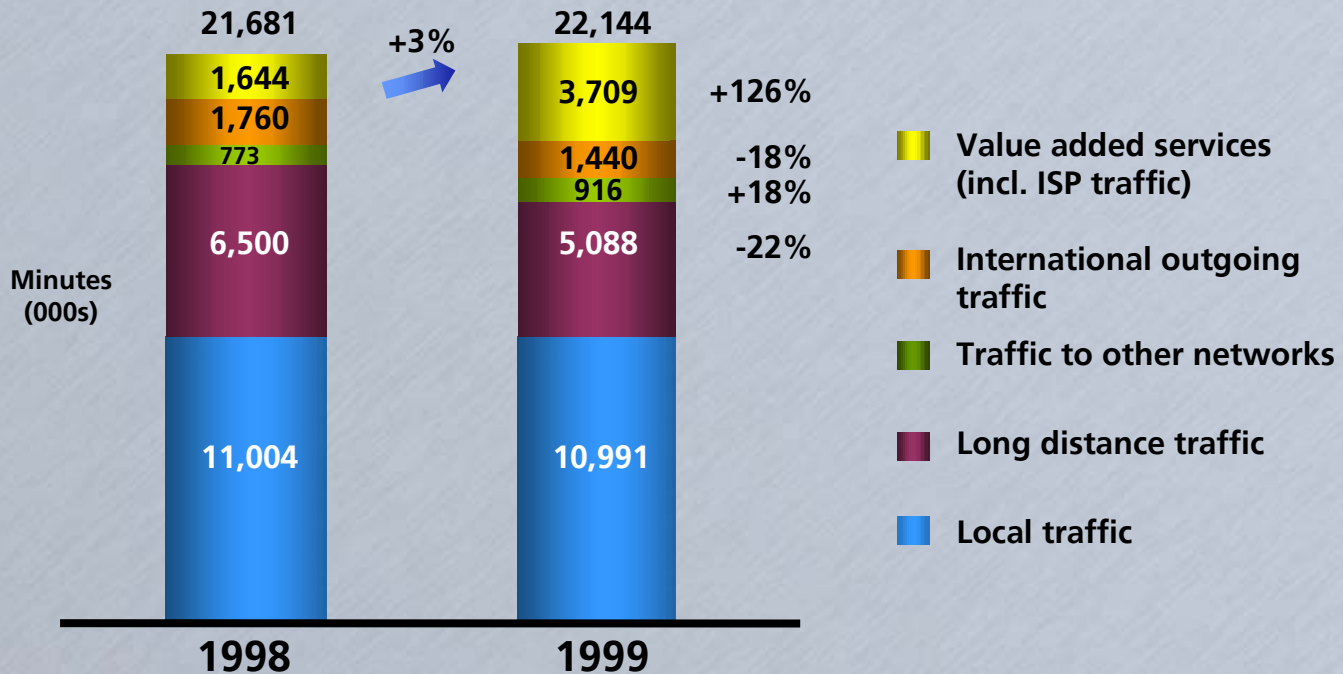
Conclusion for MobilCom

- Ongoing growth despite stiff competition
- Well defended leadership
- Stable ARPU despite price decline
- Well positioned for Mobile Data Services

Strong position to exploit future growth potential

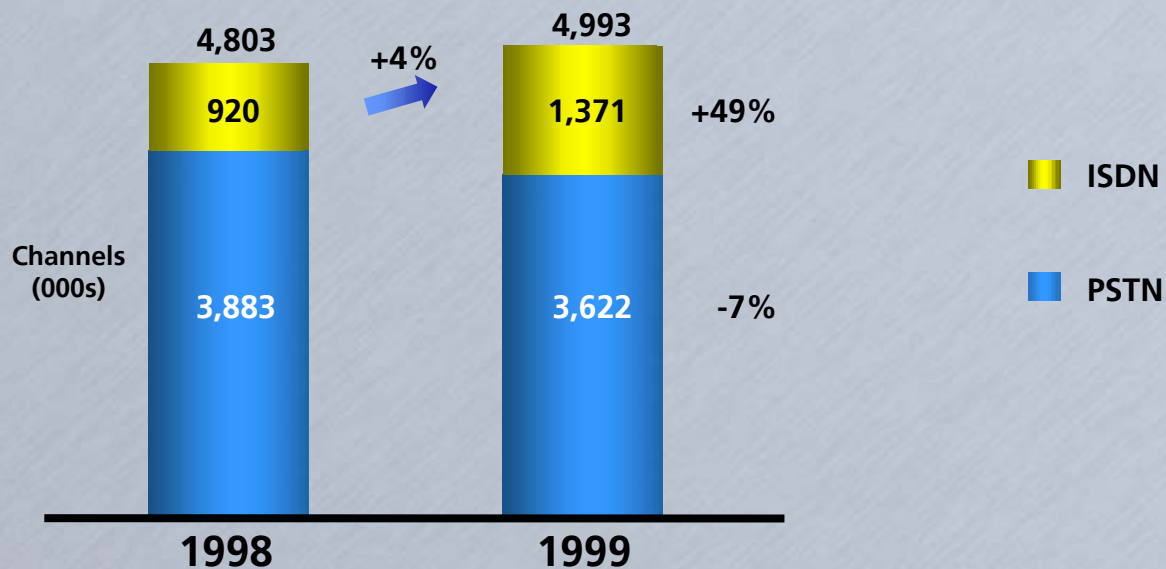
PubliCom

Network traffic



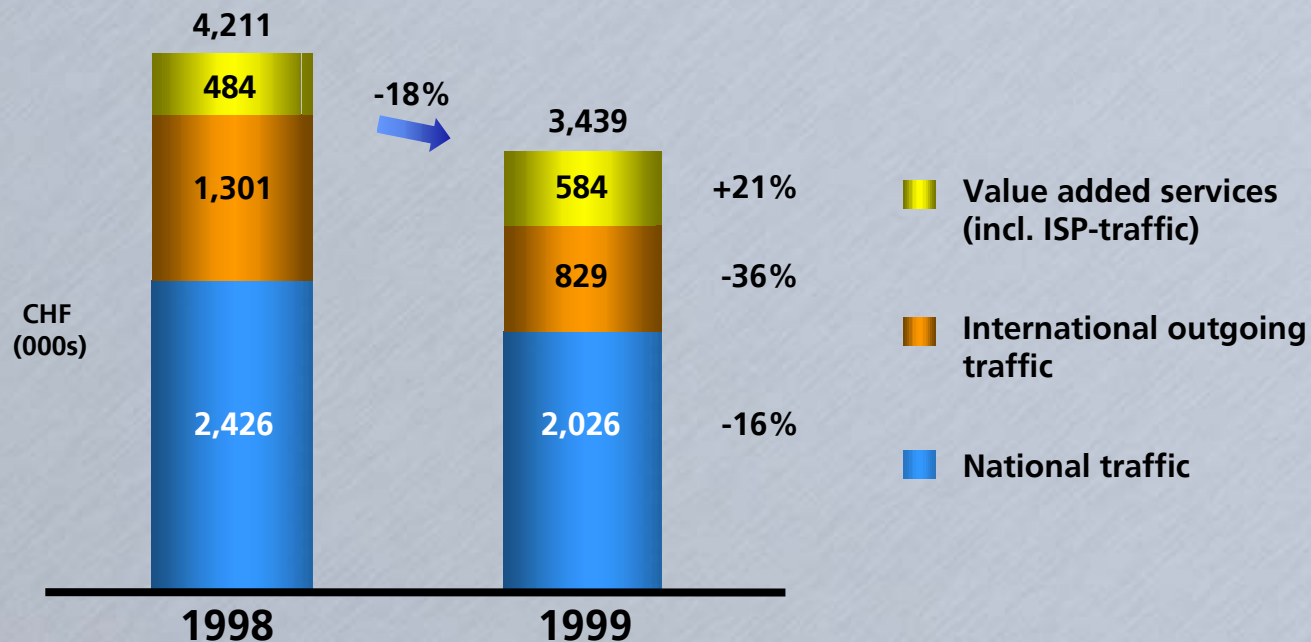
Increased ISP traffic compensates for decline in long distance

Access channels



ISDN is a success story

Traffic revenues⁽¹⁾



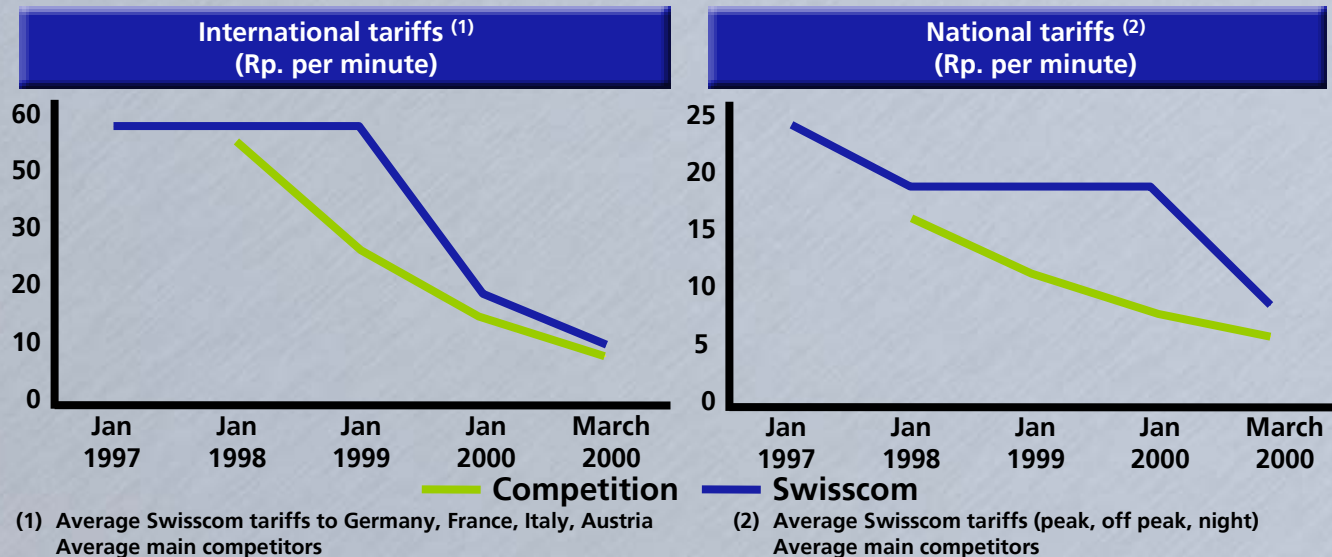
(1) Revenues excluding access, customer premises equipment

Strong competition in long distance

Competitive environment

- 240 registered telecom providers (fixed network)
- 37 interconnection agreements with Swisscom
- Approx. 20% loss in national and international traffic

➔ Stiff competition



Competitive pricing stabilises market share

Product launches

1999

- Network services: Callback by busy, 3-way calling, Call waiting, etc.
- ISDN packages: ISDN Family, ISDN Business, ISDN Combi (with the blue window)
- ISP services: 0800 ISP, 0840 ISP
- phoneCard: low cost branded prepaid card
- Combox in fixed network (same as mobile)
- FollowME ^{NATEL}
- Messaging services from Teleguide (SMS, e-mail, Fax)

2000

- Fixed/Mobile/Internet bundles
- Unified Messaging
- VPN/CMN/Centrex - Corporate Virtual Network solution
- Corporate Access 058
- Dualphone: DECT/GSM
- ADSL Broadband Access

Market leadership through innovation

Broadband access

Geographic roll-out: 7 cities



Target customers:

- Retail, teleworkers, SOHOs
- SME
- 45,000 customers by 2001

Price:

- Not yet fixed - current development in WLL and CATV under consideration

Roll-out:

- Launch in summer 2000 in Zurich and Geneva
- Progressive roll-out in other cities

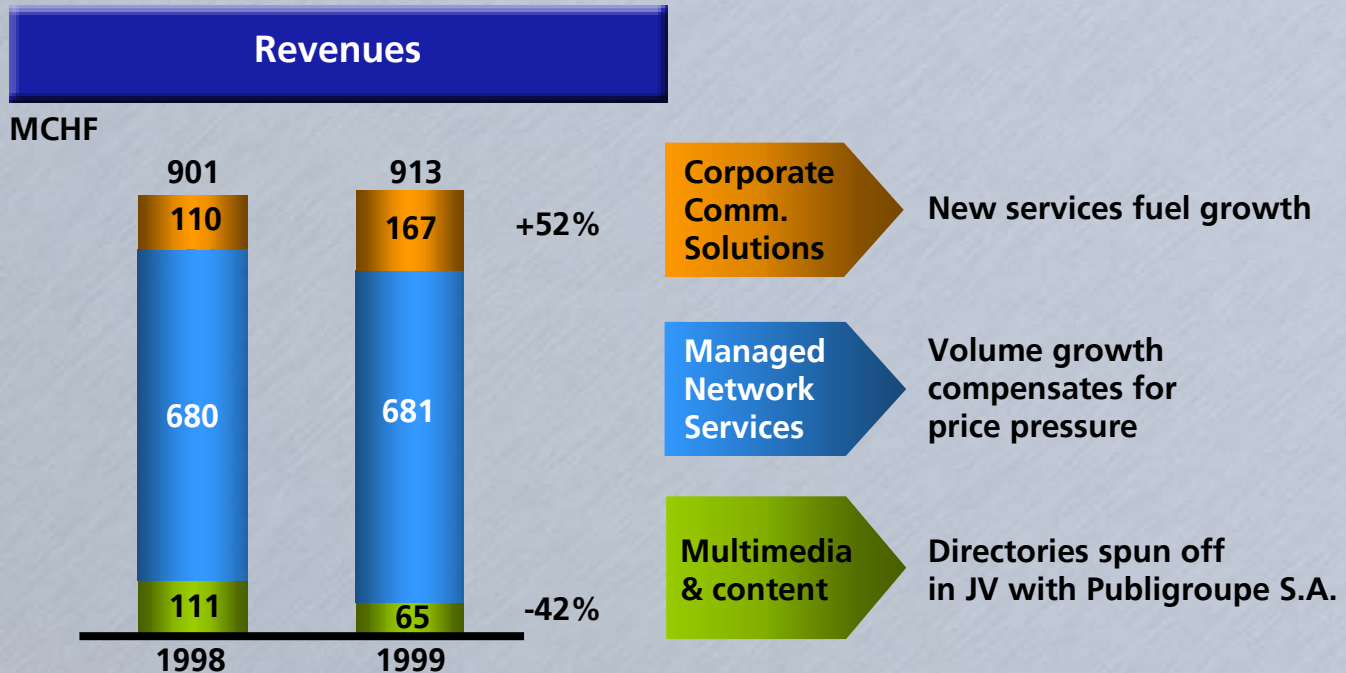
Offering:

- Switched broadband access (retail)
- Dedicated access for ISP (resale)
- Broadband access for tbw
- IP-VPN
- Broadband remote access

Data, SI&O and Wholesale

Heinz Karrer

Data - facts and figures



Corporate Communication Solutions is the growth engine

Leading edge in IP platform and services

IP scalable service platform

- Multi-protocol label switching
- Converged IP platform
- Dense Wave Division Multiplexing
- Scalability (bandwidth, customers)

Enabler

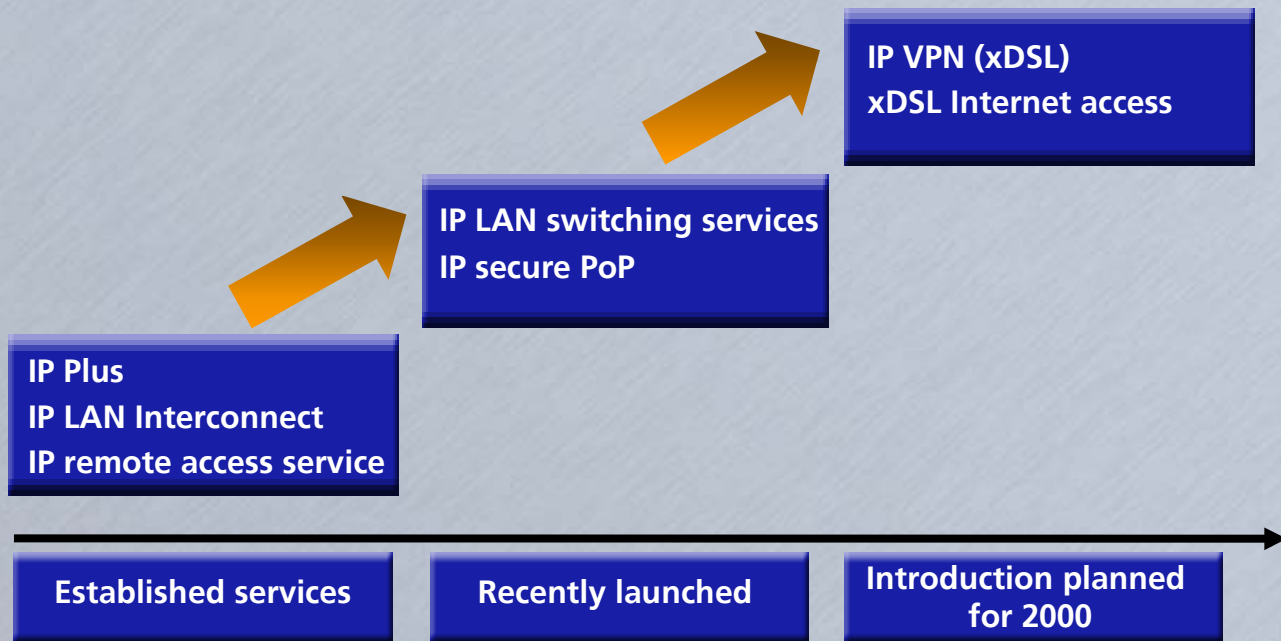
Value added services

- IP Virtual Private Network
- Internet access options
- ISP services
- Voice over IP

Additional revenue streams

Pilot projects with major customers already in place

IP-based value added services



Systems Integration & Outsourcing

**Swisscom's position
in value chain**

Swisscom's strategy

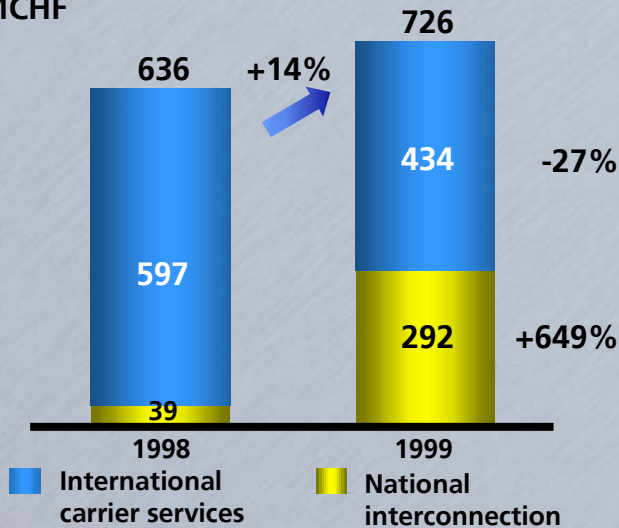


First deals with large customers already operational

Wholesale⁽¹⁾

Revenues ⁽¹⁾

MCHF



(1) Previous carrier services excluding broadcasting

The future

- Providing innovative broadband services, e.g. DSL access
- Maximising capacity utilisation of existing network infrastructure

National services provide strong basis for growth

International

Dominik Koechlin

Summary of 1999

- **Successful refocusing and significant value creation in the international portfolio**
- **Doubling of Swisscom's mobile customer base through the successful acquisition of debitel and strong starting position in B2C business**
- **Clearly differentiated international strategy as base for future value creation**

Management promises delivered

Divestiture of non-core assets

Digi, Sterling

- Digi resulted in a gain on discontinued operations of approx. MCHF 183
- Sterling Cellular resulted in a gain on discontinued operations of approx. MCHF 68⁽¹⁾

Unisource

- Unisource de-merged and non-core assets sold
- AUCS/Infonet Management contract concluded
- World class global solution partner

(1) Booked in January 2000

All announced divestitures successfully completed

Swisscom / debitel

Swisscom has more than doubled its mobile customer base

- debitel welcomed its 5m customer this year
- Market recognises value of debitel

Management co-operation strengthened

- Carsten Schlöter has joined the Swisscom management team

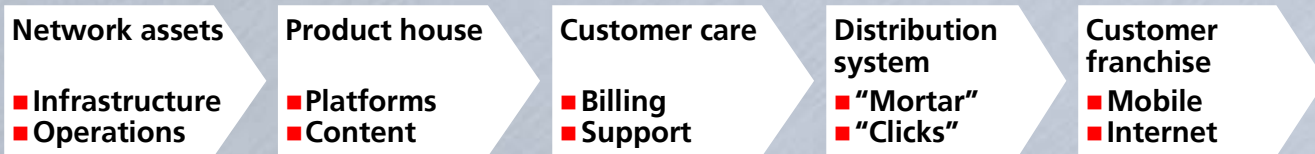
Synergy development is well on track

- MoU signed for joint purchasing of user devices through Dangaard
- Use of debitel's distribution channels for tbw under evaluation
- EasyRoam to be launched by debitel and Dangaard
- tesion is the major source for debitel's fixed line services

Joint efforts to obtain UMTS licence under way

debitel has proven a successful acquisition

Swisscom's approach to 3G mobile data



Invest in 2G legacy networks
- build from network forward

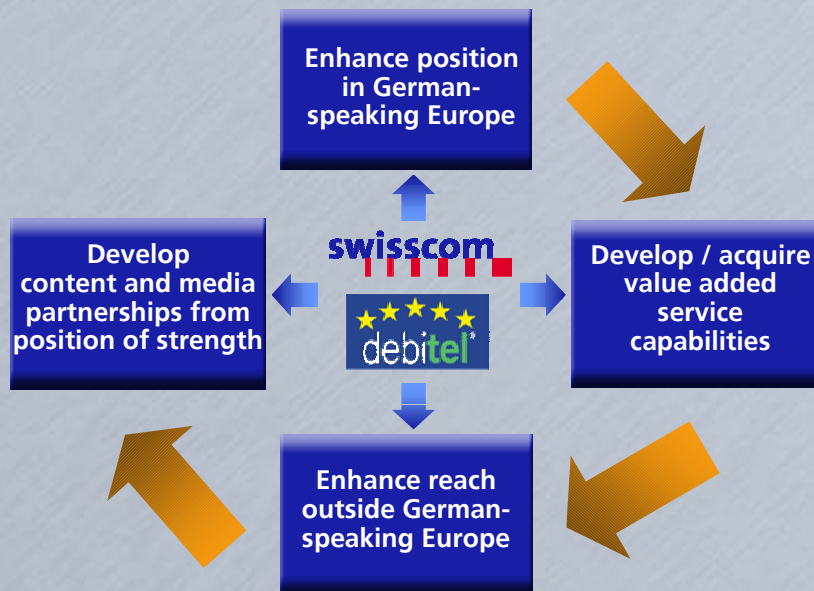
Legacy approach

Swisscom approach

Invest in 3G customer franchise
- build from customer backwards

Leverage customer franchise; no investments in GSM assets

Swisscom/debitel will pursue the following directions



- Bid for 3G licenses in Germany, Switzerland
- Move to attain 3G platform access in other European countries
- Announce development partners
- More deals with M-commerce partners

Aggressive push is required to build position

Role of tesion and UTA

tesion

Successful operations

- Ranked second best regional and city carrier
- Customer growth over 200%
- Revenue growth over 300%



Ideal partner for debitel

- Aggressive development of fixed network wholesale strategy
- Wholesale agreement with debitel
- National network build-out under construction

UTA

No.1 alternative operator in Austria

- Best-in-class fixed operator
- Well equipped for Internet growth
- Commercial agreement with ONE to offer converged mobile services
- One of the most modern backbone networks in Europe (10GB)



Footprint for future expansion of mobile/data position in German-speaking Europe

Provide strategic assets for future direction

Mobile Data positioning

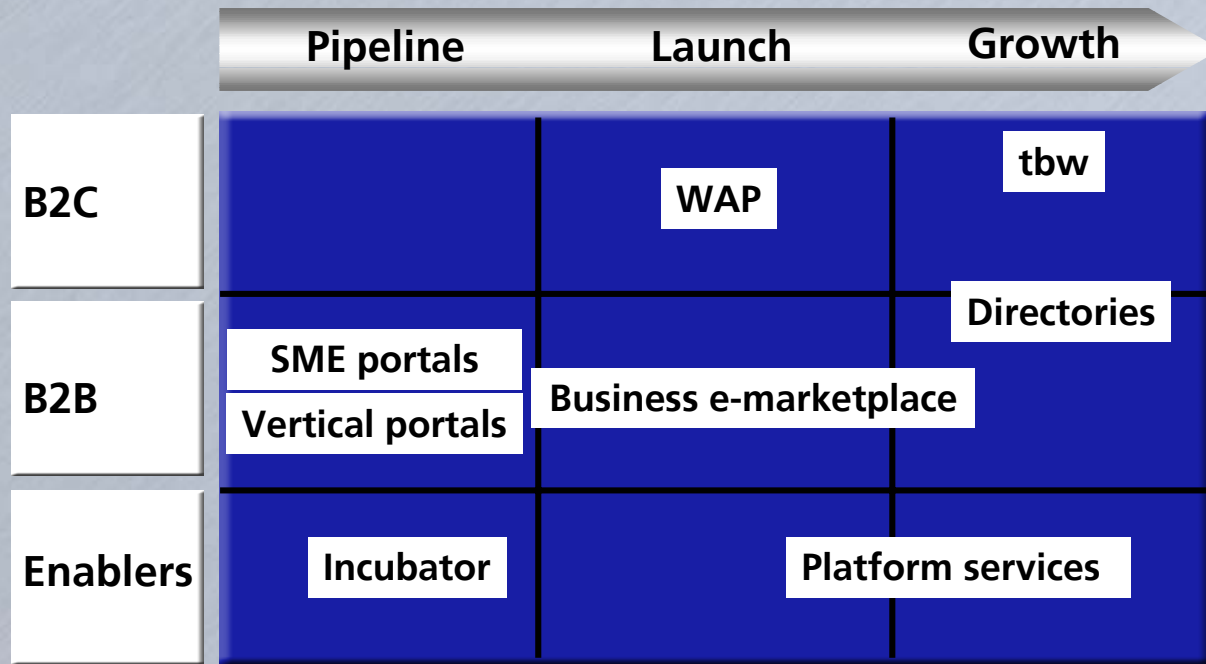
- Swisscom's international strategy is to play a leadership role in European Mobile Data
 - a convergence play, but led by thrust in mobile data
- debitel remains the key asset for this growth strategy
- Entry strategy built on customer franchise, not on ownership of network assets
 - no large investments in GSM (legacy) assets
 - fast roll-out of UMTS services, investments in UMTS networks only where necessary
- The existing portfolio is currently under evaluation and adjustments are being made in line with this strategy

Aiming at a European leadership position

e-business

Jens Alder
CEO

e-business portfolio

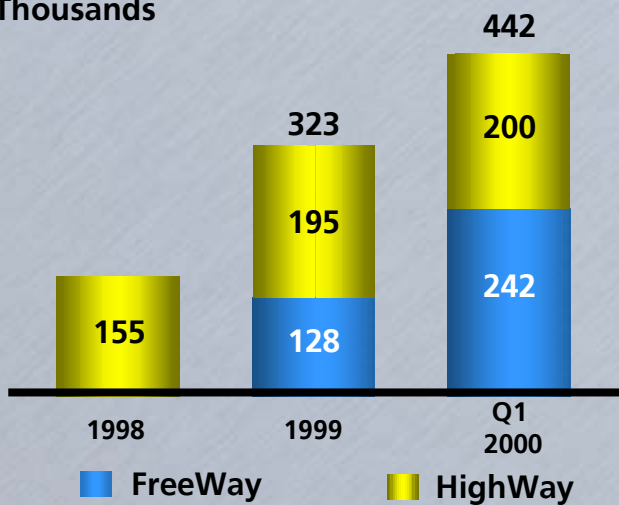


Swisscom is shaping the e-business market

tbw key figures

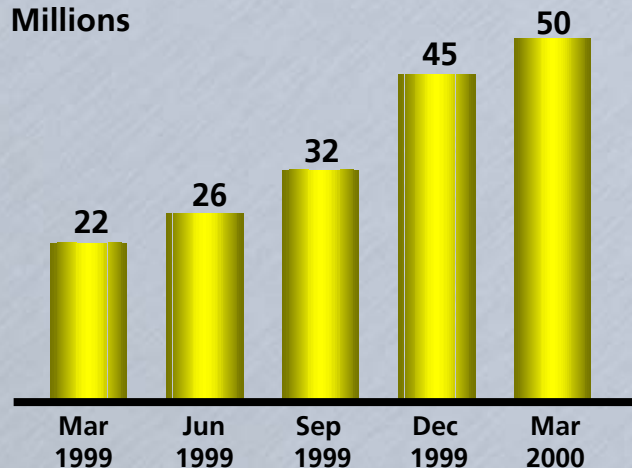
Unique users tbw

Thousands



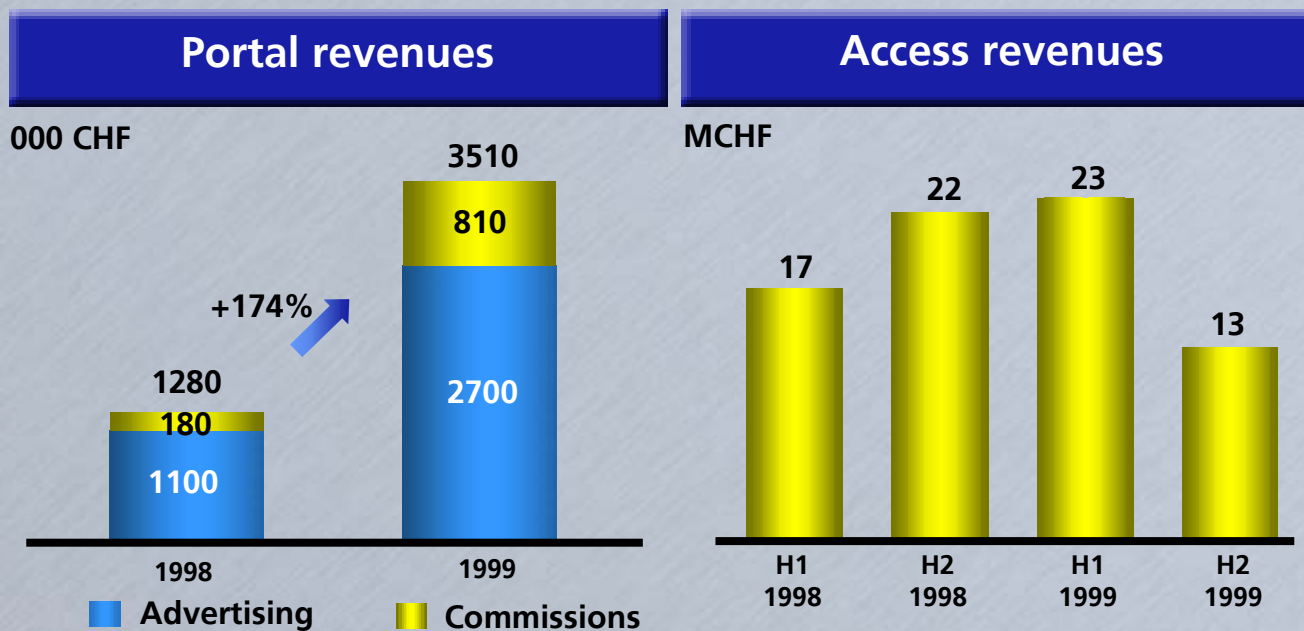
Monthly pageviews

Millions



tbw is a continuing success story

tbw key figures



Portal revenues growing strongly

Partnership with TA Media

Classifieds/Vertical Portal Joint Venture

- Winner Market AG
- Excellent starting position
- Horizontal portal traffic and premier content

Marketing Partnership

- TA Media - a marketing powerhouse
- Cross-selling opportunities
- Bundling of subscriptions

Content Partnership

- Leverage TA Media pool
- Content for vertical channel creation
- Leverage two powerful brands

Attractive content for tbw subscribers

Potential IPO of tbw

Objectives

- Higher value-transparency
 - Flexibility for more growth
 - Acquisition and partnering currency
 - Increase tbw profile
 - Management incentives
- 
- Possible timing: H2 2000
 - Swisscom to keep majority

B2B e-marketplace

Status

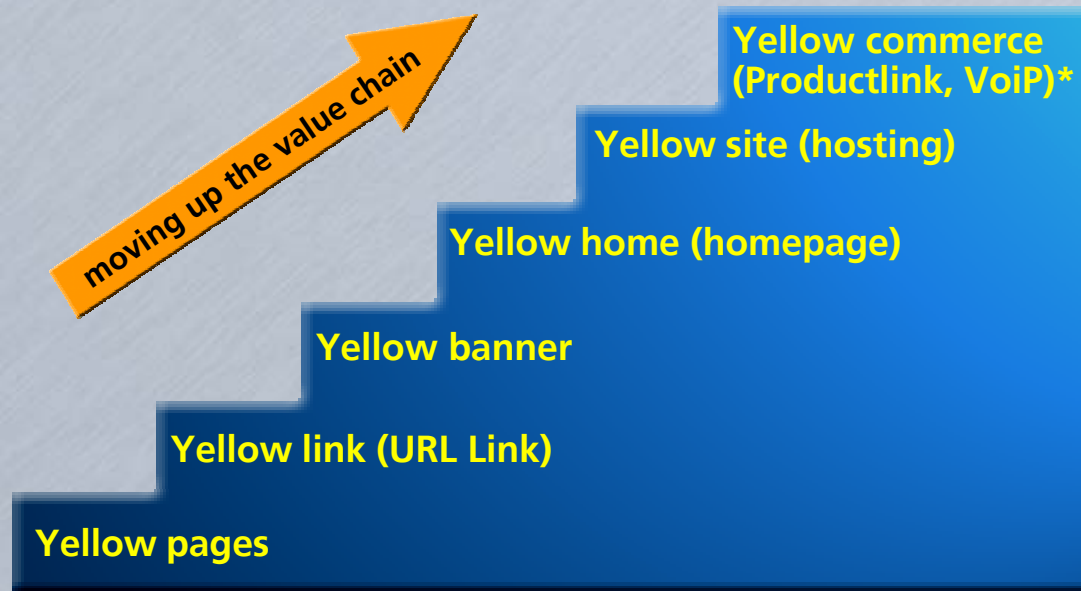
- Contract with Commerce One
- New unit established
- Internal e-procurement pilot operational
- e-marketplace with supplier content online
- First partner deals signed

Outlook

- Multivertical e-marketplaces
- Spin-off; strategic equity partners
- Geographic expansion

Shaping the Swiss B2B market

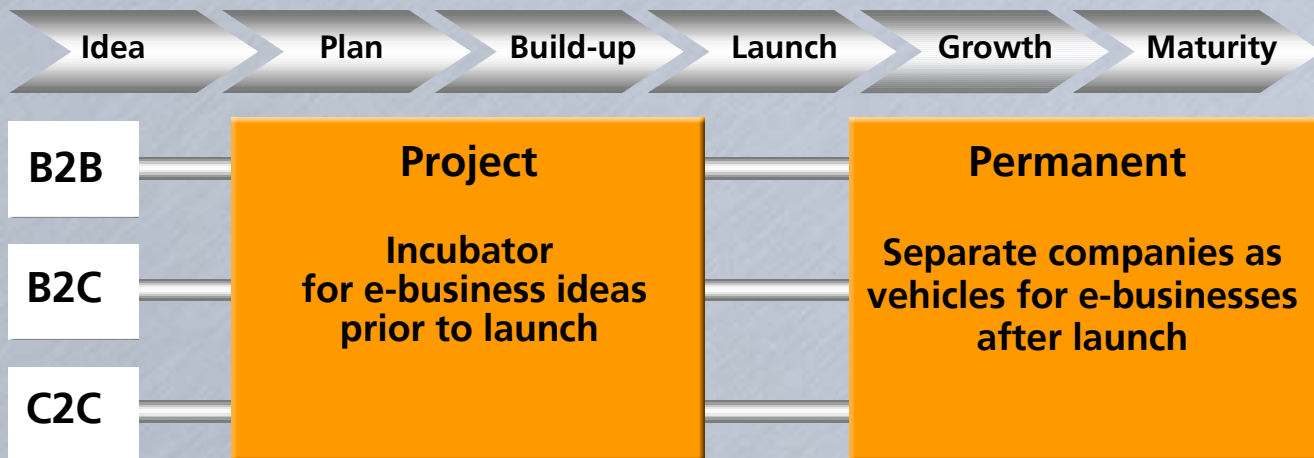
Directories



* To be launched H2 2000

Leveraging existing content for e-business

Capturing and growing e-business opportunities



New structure/process to accelerate implementation

Financials

Dave Schnell
CFO

Key figures

MCHF	1998	1999	99/98
Net revenues	10,461	11,160	6.7%
Total operating expenses	6,098	6,796	11.4%
EBITDA	4,472	4,441	-0.7%
as % of net revenues	42.7%	39.8%	
EBIT ⁽¹⁾	2,901	2,488	-14.2%
as % of net revenues	27.7%	22.3%	
Net income from continuing operations	2,074	2,208	6.5%
Discontinuing operations	-519	183	
Net income	1,555	2,391	53.8%
Earnings per share	22.91	32.51	41.9%

(1) Including restructuring charges (1998: MCHF -50; 1999: MCHF 249)

Strong improvement in net income

Key figures excluding debitel

MCHF	1998	1999	99/98
Net revenues	10,461	10,238	-2.1%
Total operating expenses	5,877 ⁽¹⁾	5,915	0.6%
EBITDA	4,693 ⁽¹⁾	4,400	-6.2%
as % of net revenues	44.9%	43.0%	
EBIT ⁽²⁾	3,122 ⁽¹⁾	2,542	-18.6%
as % of net revenues	29.8%	24.8%	
Number of FTE employees	21,574 ⁽³⁾	19,254	-10.8%

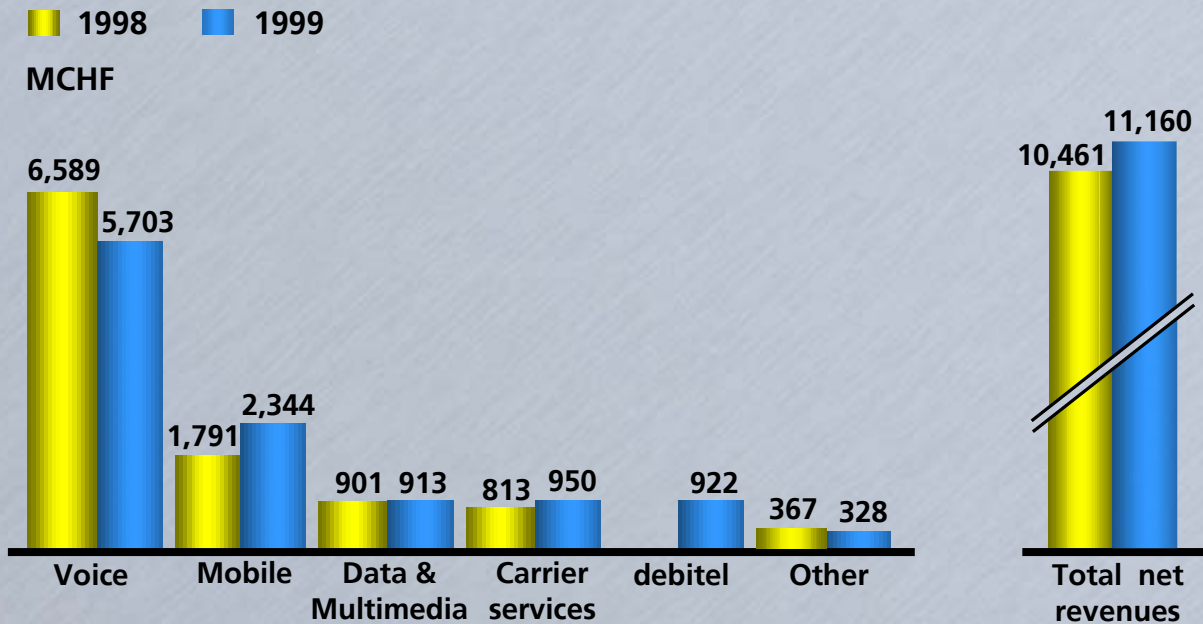
(1) Excluding stamp tax (1998: MCHF 221)

(2) Including restructuring charges (1998: MCHF -50; 1999: MCHF 249)

(3) Excluding employees of UTA (1998: 372)

Lower EBITDA because of strongly increased competition

Net revenues



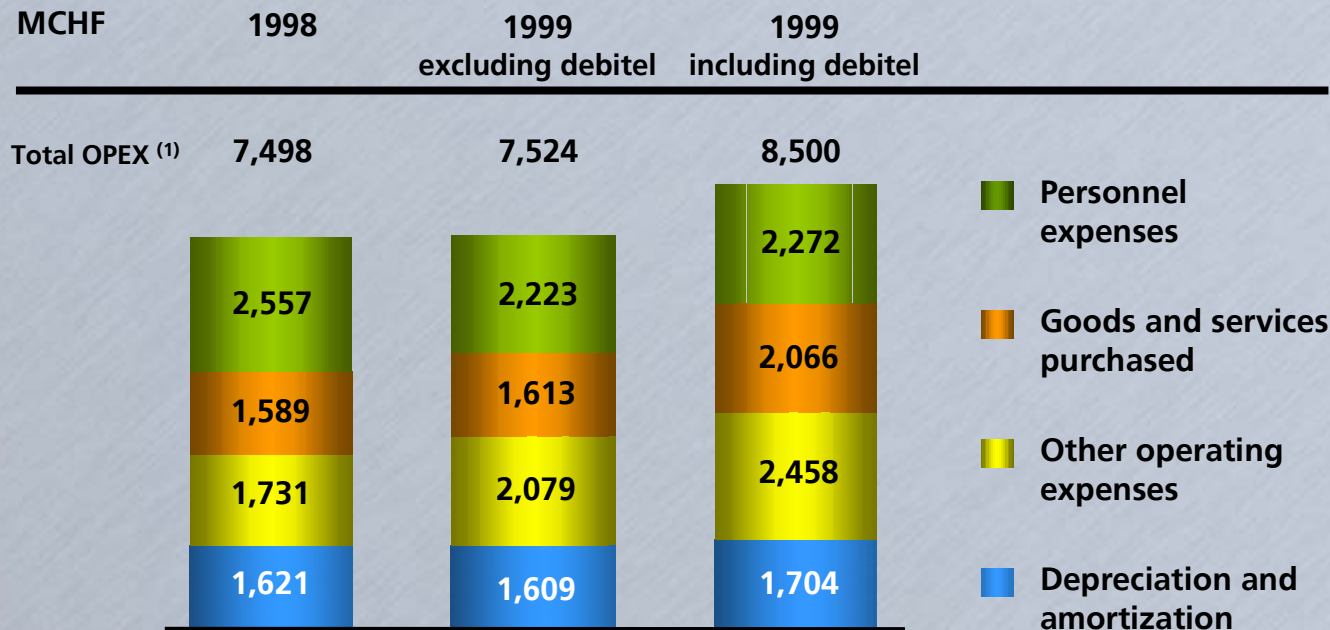
Strong revenue growth by mobile and first consolidation of debitel

Segment reporting

MCHF	Voice	Mobile	Data & Multimedia	Carrier services	debitel	Other	Total
Net revenues from external customers	5,703	2,344	913	950	922	328	11,160
Intersegment net revenues	182	445	325	923			1,875
Net revenues	5,885	2,789	1,238	1,873	922	328	13,035
EBIT (pre-goodwill)	1,130	1,218	158	399	30	206	3,141
as % of net revenues (1999)	19.2%	43.7%	12.8%	21.3%	3.3%		24.1%
as % of net revenues (1998)	25.1%	43.5%	24.0%	21.5%			27.8%
Amortization of goodwill			-3		-84		-87
Segment operating income	1,130	1,218	155	399	-54	206	3,054
Restructuring charges							-249
Corporate expenses not allocated							-317
Operating income (EBIT)							2,488

Stable margins in mobile despite competition

Cost analysis



(1) Excluding restructuring charges (1998: MCHF -50; 1999: MCHF 249) and excluding stamp tax (1998: MCHF 221)

Personnel expenses reduced by 13%

Cost analysis excluding debitel

MCHF	1998	1999	99/98	
Roaming	147	263	116	increased international mobile traffic
National traffic fees		153	153	termination on other networks
International traffic fees	691	438	-253	
Other	751	759	8	
Total goods & services purchased	1,589	1,613	24	

MCHF				
Rent	132	186	54	equipment replacement
Loss on disposal of fixed assets, net	41	174	133	IT infrastructure and Millennium Project
EDP	323	417	94	increased incentives
Incentives for mobile telephony dealers	44	97	53	
Other	1,191	1,205	14	
Total other operating expenses	1,731	2,079	348	

Further cost management needed

Capital expenditure

MCHF	1998	1999	99/98
Fixed-line networks	547	555	1.5%
Mobile networks	318	329	3.5%
Buildings	118	145	22.9%
Other	322	439	36.3%
Total	1,305	1,468	12.5%

Focus on new technologies for networks

Net income

MCHF	1998	1999
Operating income (EBIT)⁽¹⁾	2,901	2,488
Financial expense	-407	-259
Financial income	93	220
Income tax expense	-319	-535
Income before equity in net (loss) income of affiliated companies and minority interests	2,268	1,914
Equity in net (loss) income of affiliated companies	-212	301
Minority interest in (loss) income of consolidated subsidiaries	18	-7
Net income from continuing operations	2,074	2,208
Discontinuing operations	-519	183
Net income	1,555	2,391

(1) After restructuring charges (1998: MCHF -50; 1999: MCHF 249)

Divestitures successfully executed

swisscom
■■■■■

Financing structure

MCHF	1998	1999
Short-term debt	1,264	4,049
Long-term debt	4,245	3,073
Finance lease obligation	517	637
Interest-bearing debt	6,026	7,759
Less: cash, cash equivalents and securities available for sale	-1,787	-1,276
Net debt (excluding pension liability)	4,239	6,483
Pension liability	1,851	2,248
Incl. curtailment benefits	768	575
Total shareholders' equity	5,347	6,685
Book leverage (excluding pension liability)	79.3%	97.0%
Equity ratio	31.6%	32.0%

Healthy ratios for further expansion

Sale of CABLECOM Group

MCHF

Proceeds from sale to NTL	5,800
Debt	-1,606
Net proceeds	4,194
Swisscom's stake of net proceeds (33.33%)	1,398
Book value	57
Gain	1,341

Book gain in 2000 from the disposal of Swisscom's stake

Divestiture of commercial real estate



Expected to be finalised before year-end 2000

Dividend of CHF 15

MCHF

Gross dividend per share	CHF 15
Payment date	05.06.2000
Payout ratio	46.1%
Return of gross dividend per share ⁽¹⁾	2.3%

Number of shares

Number of shares at 31.12.1999	73,550,000
Nominal value	CHF 25
Swiss Confederation's stake	65.5%

(1) Share price at 31.12.1999: CHF 644

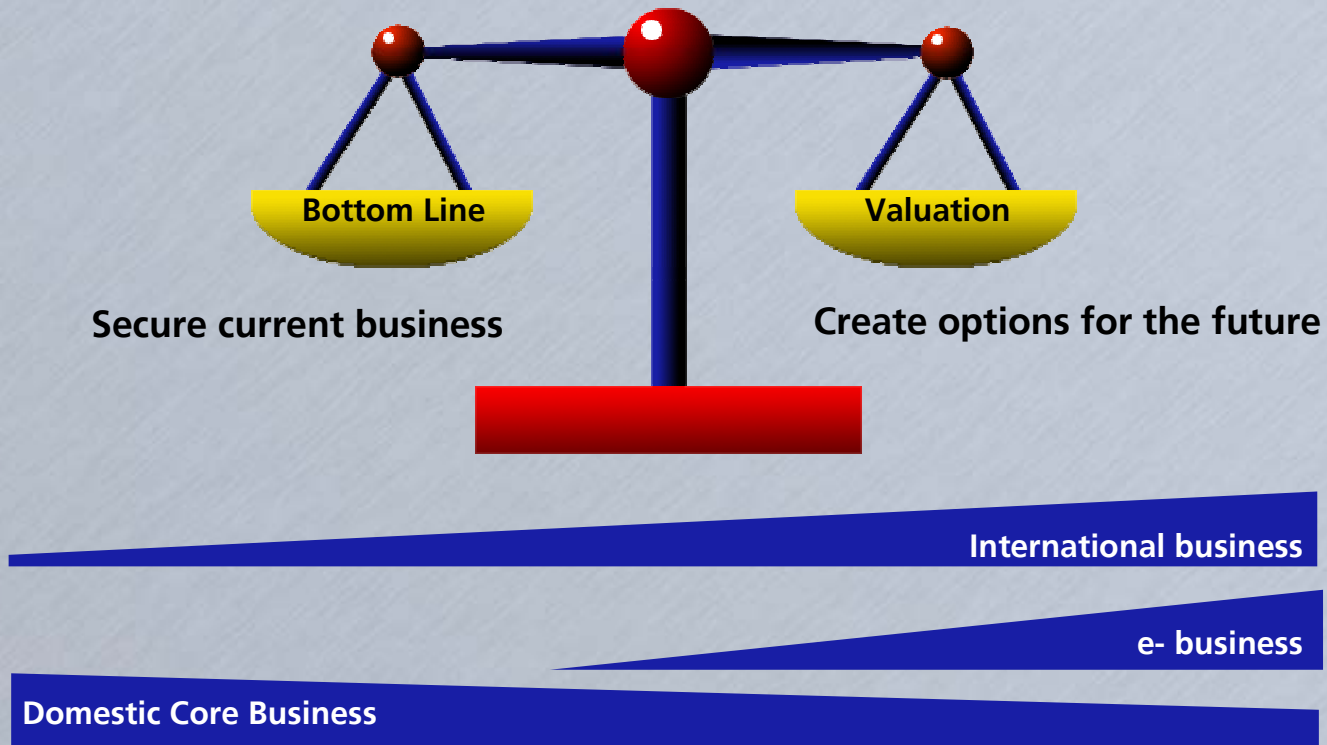
Attractive payout ratio of 46%



Conclusion

Jens Alder
CEO

Manage bottom line and valuation



Main levers

Domestic Core Business

International business

e-business

Secure current business

- "Fit for competition" program
- Operational efficiency

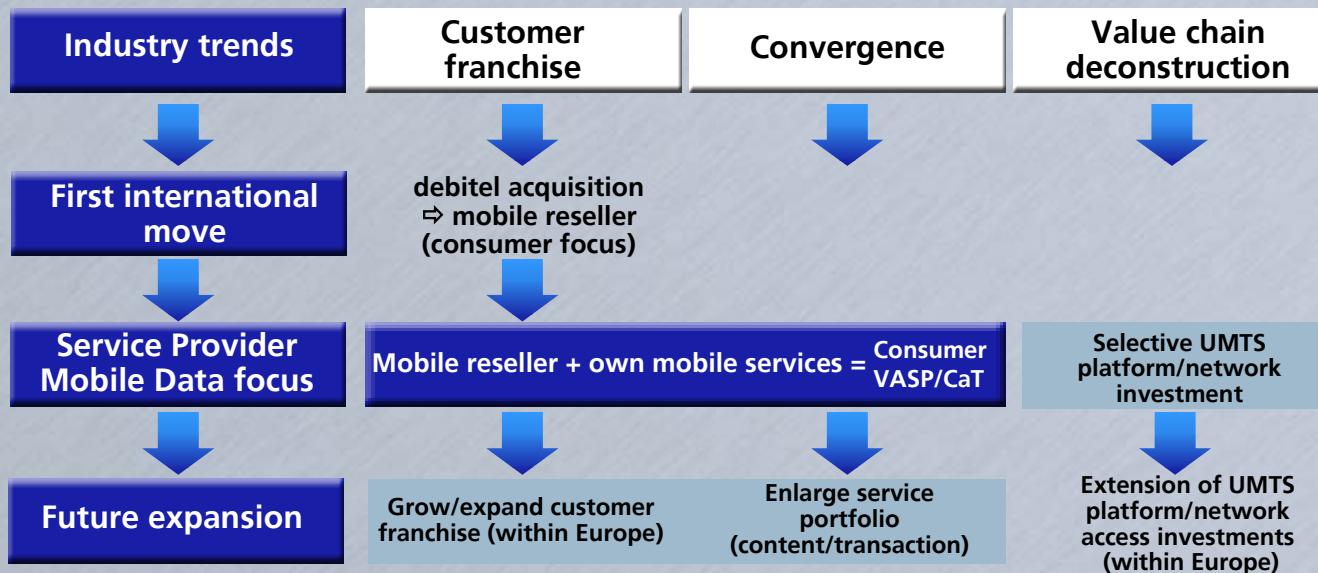
Create options for the future

- Mobile customers
- UMTS/Mobile Data
- Broadband access
- Systems Integration & Outsourcing
- debitel customers
- UMTS Germany
- Mobile Data
- Potential IPO of tbw
- e-marketplace
- Incubator

Back-up

International

Swisscom's international strategy



Build a leading position in Mobile Data

German Mobile

Network assets

- Infrastructure
- Operations

- Traditional Swisscom strength
- Build-out partnerships
- Alternative MVNO strategy prepared

Product house

- Platforms
- Content

- Own WAP portal
- Shared partnerships with Swisscom

Customer care

- Billing
- Support

- Sophisticated multi-service billing system
- Leading reputation for customer care

Distribution system

- "Mortar"
- "Clicks"

- >5,000 Points of Sale
- Metro, EP strongest points of sale
- debitel.net - powerful new online channel
- Partnerships with Palm, Psion, Casio, Compaq

Customer franchise

- Mobile
- Internet

- >3m mobile customers
- Direct billing relationship
- Strong brand

debitel/Swisscom are well positioned for UMTS

Route to 3G leadership

Customer franchise

- Swisscom is the third largest mobile provider in German-speaking Europe
- 7m mobile subscribers in strategic markets

Customer relationship management

- Excellent customer management systems and processes at debitel

Customer access

- Over 8,000 points of sale in Europe, including exclusive agreements

Strategic partners

- Europe's largest retailer (Metro)
- Largest handset wholesaler (Freecom/Dangaard)
- CaT partnerships (UBS, Credit Suisse for WAP banking)
- Mobile Internet: hardware suppliers (Psion, Casio, 3com/PALM and Compaq)

Customer franchise is an excellent starting position

International B2C business

Germany

debitel/dNS

- 100,000 Internet customers
- Strong consumer Internet portal with debitel.net
- Recent agreements with 3com, Compaq, Casio and Psion for co-operation in e-commerce and mobile Internet
- Recent marketing agreement with Yahoo

Outlook

- Leverage debitel customer base into growing Internet portal business

Austria

UTA

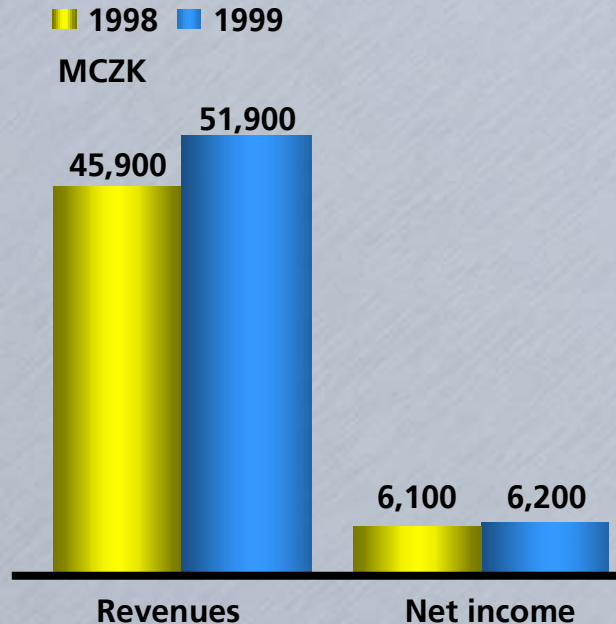
- Approx. 90,000 consumer Internet customers
- Bi-monthly doubling of customer base in 1999
- #2 market share position
- Voted best ISP by leading business magazine

Outlook

- National consumer Internet portal with potential for media partnership

Strong starting point in German speaking markets for international ISP growth

Cesky Telecom



- CT holds 51% of the largest GSM mobile operator in the Czech Republic
- Sale of the remaining 51% in CT owned by the Czech government is underway
- Swisscom network planning process will be used to drive CT's network extension
- CT is looking to strengthen its ISP business
- Focus on operational efficiency and growth in new business

Responding well to competition

Back-up

Financials

Net revenues

MCHF	1998	1999	99/98
Access	1,343	1,366	1.7%
National traffic revenue	2,426	2,026	-16.5%
Outgoing international traffic revenue	1,301	829	-36.3%
Value-added and information services	484	584	20.7%
Customer premises equipment	1,035	898	-13.2%
Voice	6,589	5,703	-13.4%
Mobile	1,791	2,344	30.9%
Data & Multimedia	901	913	1.3%
Carrier services	813	950	16.9%
debitel		922	
Other revenues	367	328	-10.6%
Total net revenues	10,461	11,160	6.7%

Consolidated cash flow

MCHF	1998	1999
Net cash provided by operating activities	3,574	3,366
Capital expenditures	-1,305	-1,468
Investments in subsidiaries, affiliated companies and other non-current assets	-240	-3,581
Other investing activities	206	248
Net cash used in investing activities	-1,339	-4,801
Free cash flow	2,235	-1,435
Net cash (used in) provided by financing activities	-732⁽¹⁾	887
Net increase (decrease) in cash and cash equivalents	1,503	-548
Cash and cash equivalents at end of year	1,759	1,211

(1) Including net proceeds of MCHF 2,462 from IPO

Equity in net income from affiliates

MCHF	Interest	1998	1999
Cablecom / Balcab	33.3%	5	4
UTA Telekom AG	50.0% plus 1 share		-69
Swisscom Directories / PubliDirect	51.0% / 49.0%		22
Unisource N.V.	33.3%	-152	408
tesion	50.0%	-23	-29
Telsource / Cesky Telekom	49.0% / 13.2%	-42	-25
Estel	50.0%		-3
Freecom, ROL, Dansk GSM (debitel)			-3
Other equity in affiliates			-4
Total net (loss) income of affiliated companies ⁽¹⁾		-212	301

(1) Excluding Sterling Cellular Ltd. and Digi Swisscom Berhad

Accrued pension cost

MCHF	1998	1999
Present value of funded obligations	5,028	5,754 ⁽¹⁾
Fair value of plan assets	-2,713	-3,419
Benefit obligation in excess of plan assets	2,315	2,335
Unrecognized actuarial losses and prior service cost	-464	-87
Liability in the balance sheet	1,851	2,248
Early retirement program (1997)	-768	-428
Early retirement program (1999)		-147
Net liability without retirement programs	1,083	1,673

(1) Increase in accrued pension cost of MCHF 452 upon adoption of IAS 19 (revised)

Tax calculation

MCHF	1998	1999
Income before income taxes, equity in net (loss) income of affiliated companies and minority interest	2,587	2,449
Weighted average statutory tax rate ⁽¹⁾	25%	25%
Income tax expense at weighted average statutory tax rate	647	612
Reduction in income taxes resulting from:		
Deferred tax asset recorded on incorporation ⁽²⁾	-230	
Amortization of goodwill		22
Loss on investment in affiliated companies	-52	-16
Income of non-taxable subsidiary	-3	-18
Other	-43	-65
Income tax expense as reported	319	535
Effective tax rate	12.3%	21.8%

(1) The weighted average statutory tax rate includes both Federal and Cantonal taxes.

(2) Upon incorporation on 01.01.1998 Swisscom became subject to income taxes. At this date, the tax basis of accrued pension cost was lower than the IAS basis in the amount of MCHF 920. This difference resulted in a deferred tax asset of MCHF 230 which has been recorded as a deferred income tax credit during 1998.

Goodwill - debitel

MCHF

Cost of acquisition	3,394
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Interest in fair value of net assets acquired	34
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Goodwill	3,360
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Years of amortization	10
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Amortization of goodwill per year	336
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