Analysts Meeting

Moving a changing world

10 April 2001
London

swisscom

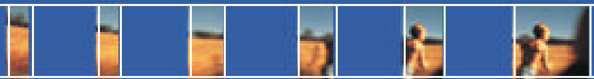
Agenda

swisscom

- Strategy, overview, philosophy	Jens Alder
- Highlights 2000 / outlook	
- Regulation & privatisation	
- Fix Com – Retail – Wholesale – Network Services	
- Bluewin & Conextrade	
- Enterprise Com	Heinz Karrer
- Swisscom Mobile	Carsten Schloter
- debitel	
- Financial performance 2000	Dave Schnell
- Financials 2001 and onwards	
- Back-up financials	

Disclaimer

"The following presentation may contain forward looking statements. Actual results may differ materially from those expressed or implied in such forward looking statements. Additional information as to factors that could cause actual results to differ from anticipated or projected results is available in Swisscom's Annual Report on Form 20-F which is on public file with the SEC and posted on our websites. We do not undertake any obligation to update and revise any forward looking statements made in this presentation to reflect events or circumstances that occur after the date of this presentation."



Strategy, Overview, Philosophy

Jens Alder, CEO

‘Justifiably Swiss’ (1)
Focus on Switzerland

- Defend domestic market leadership
- Maximise core business performance
- Improve strategic position of domestic businesses (through focused partnerships if required)

Reverse post-deregulation profitability decline
Maintain sound cash flow

'Justifiably Swiss' (2)
Growth options and investment strategy

swisscom

- No merger of equals / consolidation play at parent level
- No diversification in home market into a 'services group'
- Two areas identified for growth: mobile VAS with debitel, and potentially Datacom / ASP / IT space
- Strong position; window of opportunity ahead
- Acquisitions / investments only if stringent criteria are met
- Share buy-back as viable alternative for excess cash (after debt reduction and investments)

Take advantage of good starting position

Strategic directions

swisscom

Mobile

Leverage dominant position and invest in growth

Fixed, Internet & Solutions

Improve performance and customer focus

debitel

Leverage customer base and expand in value chain

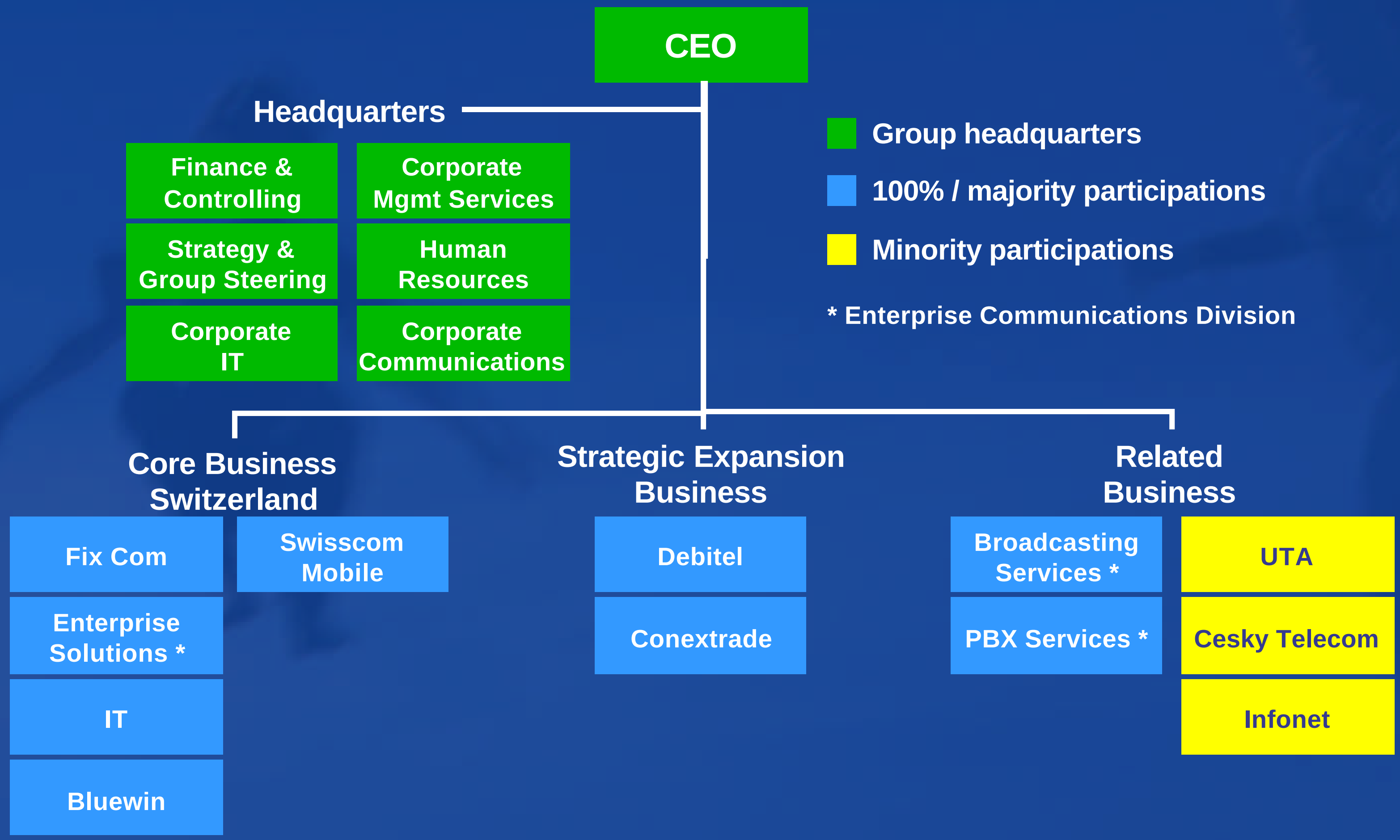
Related business

Prioritise value generation and control

Market developments

Actively screen for opportunities

Group organisation – migration to a business holding structure



Swisscom is well positioned to face future challenges

Swisscom, a player with a clear direction:

- Focused, consistent, transparent strategy
- Domestic market as sustainable cash generator
- Strategic expansion provides focused levers for growth
- Related businesses allow opportunistic value creation
- Careful, risk-conscious, earnings-driven investment policy
- Recognising our strengths and limitations in an uncertain world

Highlights 2000 and Outlook

Highlights 2000

- Secured
  - partnership with Vodafone
  - ‘cheap’ Swiss UMTS license
  - access for debitel to 3G Germany over D2 Mannesmann
- Decided to migrate to business holding
- Reduced staff by 1795 (-9%) excluding debitel
- Slowed down market share losses through
  - aggressive pricing policy
  - continued strong product/service offerings
- Realised record
  - fixed line volumes (+30% to 40 billion minutes)
  - revenue (+28% to CHF 14.1 billion)
  - net profits (+32% to CHF 3.2 billion)
  - cash from operations (+ 24% to CHF 4.5 billion)
- One of the strongest balance sheets in the sector
- Very comfortable ratios

Outlook

swisscom

- Slow down of
  - pressure on tariffs
  - market share losses
  - volume decline
- Drive further cost containment through
  - staff reductions
  - efficiency improvements through new organisational model
- EBITDA margins for the group (incl. debitel) to stabilise in the 22-25% range
- Net income 2001 significantly higher, thanks to extra-ordinaries
  - Vodafone deal
  - sale of real estate portfolio

Regulation & Privatisation

Swisscom's assessment of regulation impact

EU-like regulation for basic telecoms services

+

Sufficient flexibility to offer customised and value-added services

+

3 years of regulatory practice

↓

Fair regulatory environment

Process for full privatisation is under way

swisscom

May 2000 — Public announcement by Swisscom

May - Dec 2000 — Government lobbying

Swisscom has successfully kicked off the political process for potential full privatization.

Jan 2001 — Government proposal

Apr 2001 — Interest Groups' feedback

At present, the Swiss political consultative process is running . . .

2H 2001* — Proposal to Parliament

2002* — Parliamentary process

2003* — Referendum

. . . with the final outcome uncertain and still some time away

* expected timing

Fix Com

Overview Fix Com

swisscom

Fix Com is:

Retail segment

Premium	Classic
300’000 customers	3,1 million customers

Wholesale segment

160 customers

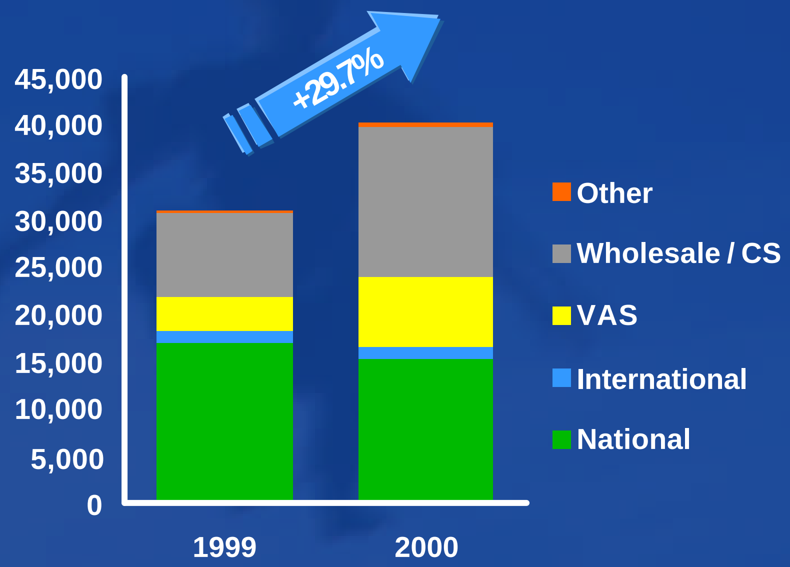
- Access network
- Core network
- ISP systems & networks
- Broadband services
- Broadband portal(s)

+ Network Services

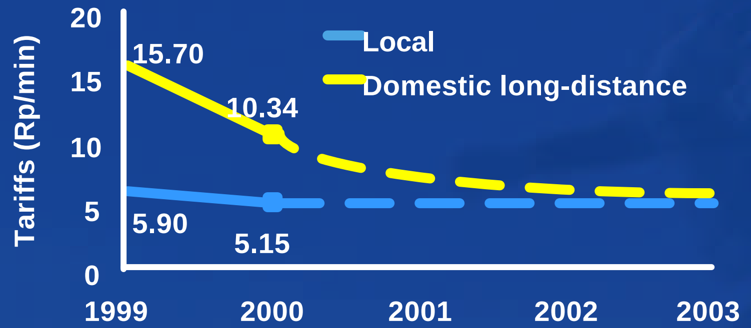
Fixed market – traffic & tariff trends

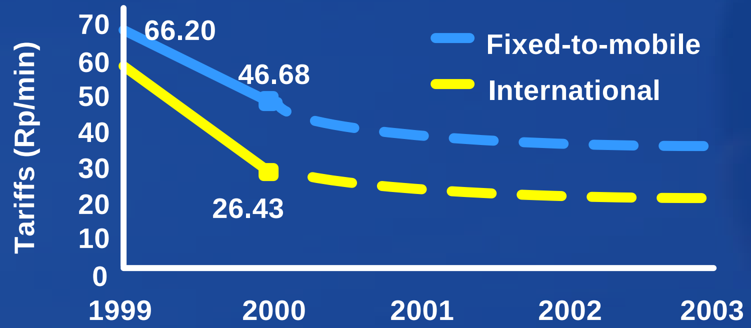
National traffic: limited decline...

Traffic volume (million mins)



...thanks to aggressive pricing policy





Tariff erosion slowing down with prices at competitive levels

Fix Com

Retail Segment

Retail market share

swisscom

Key trends

- Local: growing competitive offers, Swisscom's attractive pricing secures market share
- Domestic long distance: decreasing competition, customer loyalty through attractive "Evening Call" and "Weekend Call" offers
- Fixed-to-Mobile: market growth more than compensates relative loss of market share
- International: tariff rebalancing slows loss of market share

Swisscom's market share development

2000

83%

69%

65%

55%

For each segment: maximum decline over next 3 years of 10 -15 % points

Erosion of market share slowing down, thanks to competitive pricing policy and product / service quality enhancements

Retail market – key trends

swisscom

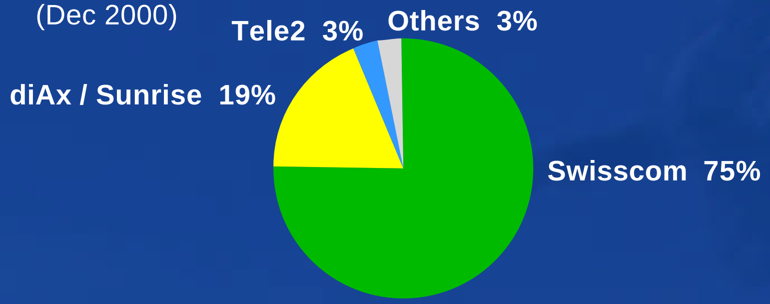
Summary: fixed line trends

- Limited growth potential in access connections
- Stagnating voice and growing internet dial-up traffic volume

- Aggressive roll-out of broadband technology to drive traffic growth
- Long term growth of VAS based on broadband technology

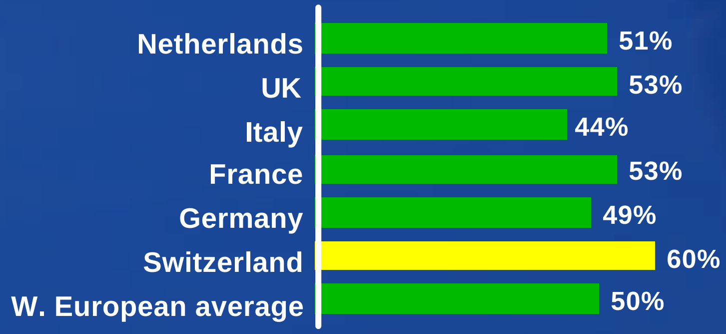
Current market share of retail traffic

(Dec 2000)



Above average fixed line penetration

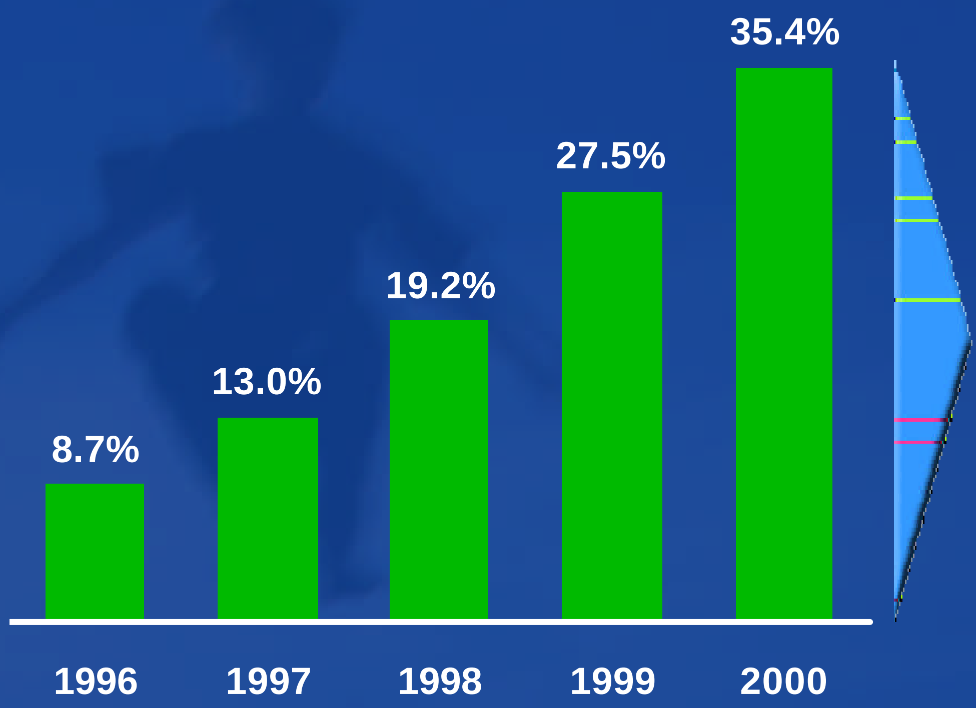
2000 PSTN connections as % of population



Source: ITU

Retail market – broadband opportunities

Switzerland has one of the highest ISDN penetrations in Europe . . .

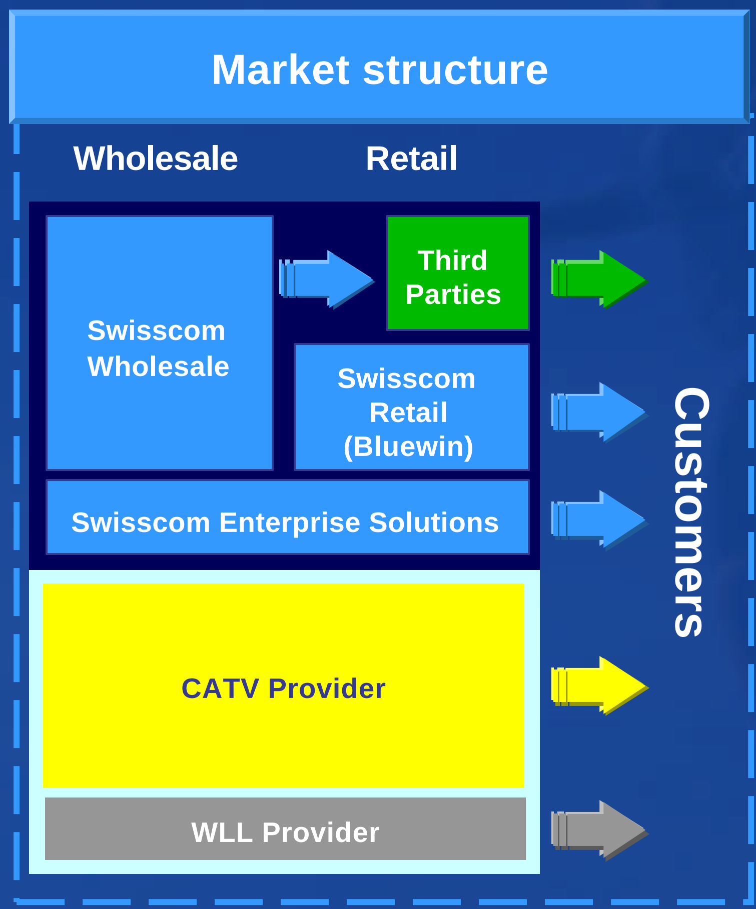


. . . firm basis for a high take-up of broadband services

Retail market – broadband driving growth in access

Expected total market in Switzerland by 2003: around 0.5 million broadband connections

- Unbundling of the Local Loop (ULL) not obliged
- Cablecom a strong competitor
- Prices of CATV access are currently rising
- Swisscom on track to capture half of the broadband market by 2003 through wholesale and retail offerings
- Bluewin and Fix Com cooperation to be further intensified to reach these targets



Fix Com

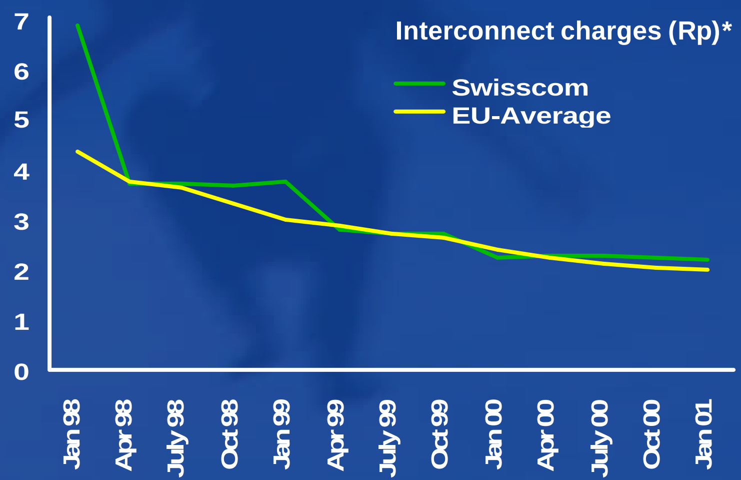
Wholesale Segment

Wholesale – market trends

swisscom

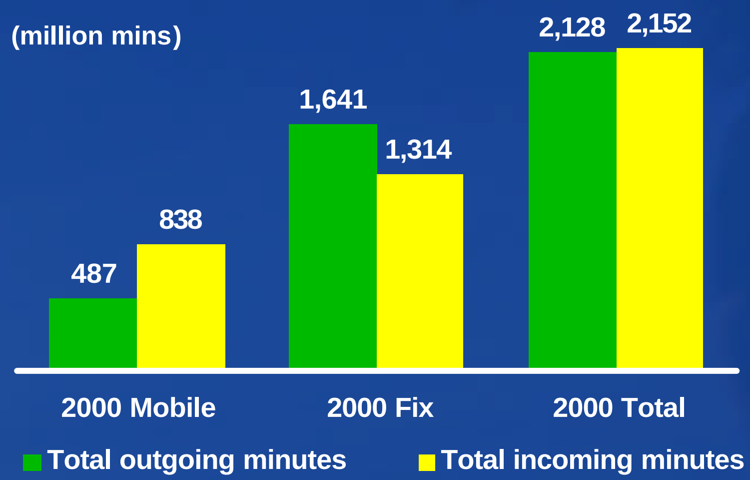
- Swisscom is clearly dominant in the wholesale market, with a stable marketshare in the 65-70% range, whilst pricing is competitive
- Swisscom's international traffic flows are expected to remain balanced

Interconnect charges are developing in line with EU average, and are stabilising



* Data based on Interconnection benchmark of Ovum Ltd.; charges per 3 min call, average based on Ovum traffic assumptions

Swisscom dominates with a 75% market share of incoming traffic



Fix Com

Network Services

Network – current technological status

swisscom

Voice

- Fully digital voice network (SS7 enabled)
- Completely redundant structure for high availability
- Exchanges: 19 transit, 242 local, 732 remote
- Network is built so that 100% of customers could be served with ISDN

Data

- 100% digital data network
- Comprehensive roll out of broadband IP Network (925 DSLAMs operational)
- Several platforms (MILANET, SWANET*) providing high quality data services (Frame Relay, ATM, Leased Lines, etc.)

Transport

- 100% digital inter-exchange transmission system
- Redundant network (2 layers; self healing ring structures)
- Advanced DWDM** deployment to enhance fibre capacity

Access Network

- 27,600km route fibre – 778,000km fibres deployed
- Copper access to 4.02 million customers
- Around 89% of network underground (availability, capacity, lower maintenance costs)
- Due to universal service obligation virtually 100% access coverage

At the leading edge of technology: poised to exploit broadband opportunites

* MILANET = Leased Line platform; SWANET = ATM Network ** Dense wavelength division mulitplexing

Network – technical directions

swisscom

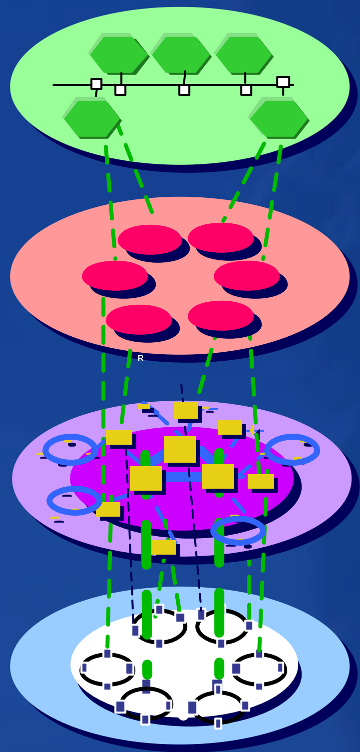
	Situation today	Tomorrow
Services	Services integrated in the network	Separation of layers
Switching	One network per service	IP-based network for all Services
Transmission	SDH / PDH, Narrowband subscriber connections	Optical networks xDSL

Multimedia-Applications

Network Services

IP based Routing Network

Optical transmission



Our target: a clearly layered architecture

Bluewin & Conextrade

Overview Bluewin

swisscom

Internet business CHF 123 million in revenues 2000	Directories business CHF 106 million in revenues 2000

Access business
- 550,000 active subs at December 2000
- strongest brand in Switzerland

Portal business
- 600 million page portal views in 2000
- 70 million in December alone

Application services
- Leading player in Switzerland
- 10,000 Swiss SOHO / SME web-hosting packages

Printed directories
- Over 130 directories published in German, French and Italian
- Revenues via advertising

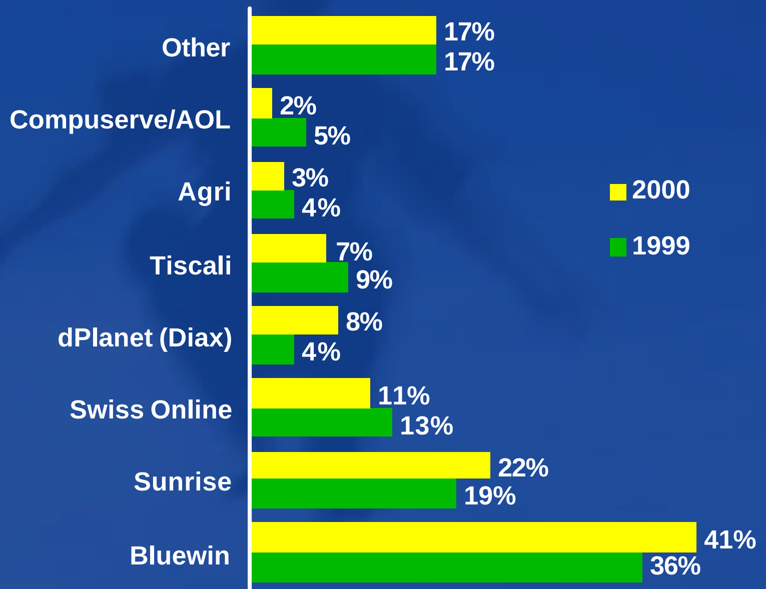
Yellow Pages Online
- 1 million page views per month
- Revenues: online advertising / products

Swisscom Directories data
- 6 million residential and business entries
- Revenues:
  - data sold to other directories publishers and service providers
  - Individual and business subscriptions

Bluewin –
the leading Swiss ISP and portal

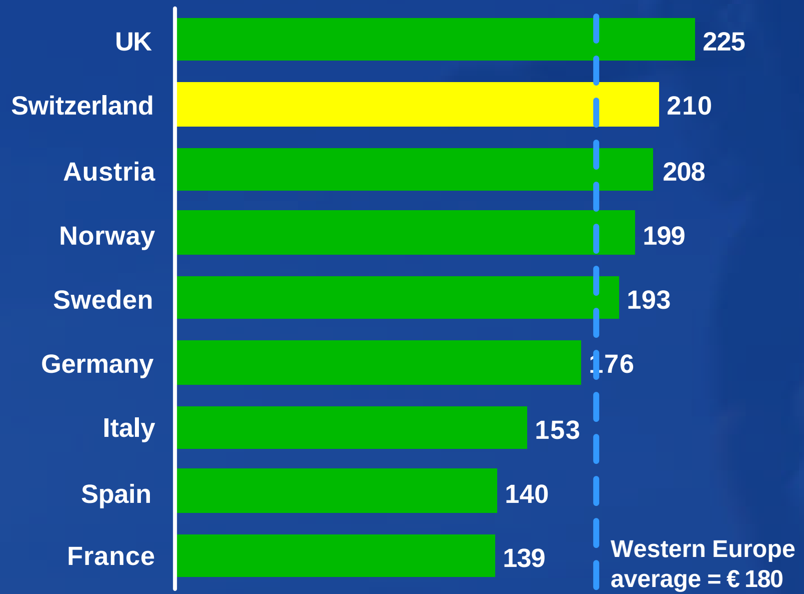
swisscom

Market share of major ISPs



Average quarterly online spending

(€ per buyer YE 2000)



Sources: left and top right: IHA-GfM, June 2000;
bottom right: WEMF, August 2000

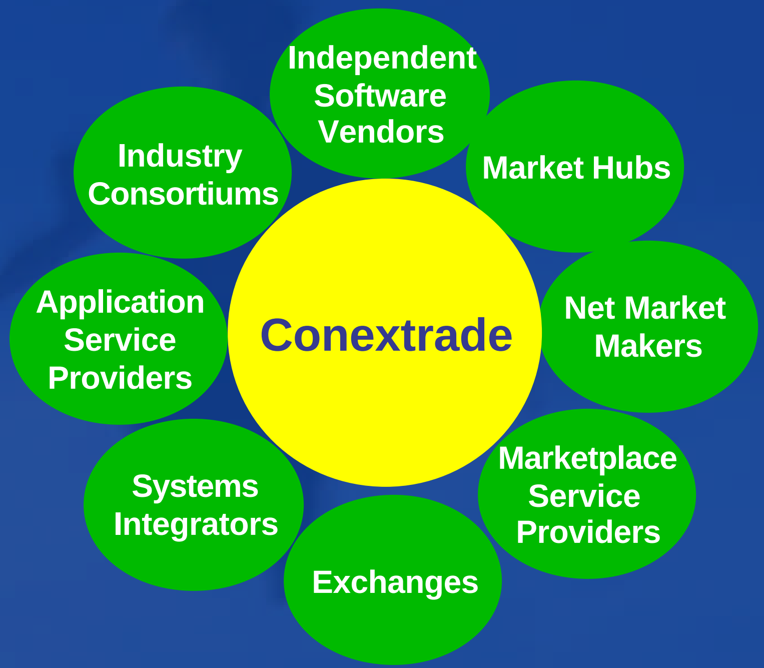
21% of Swiss users buy online: the highest proportion in Europe (avg. 15%)

Bluewin’s way forward

swisscom

Goals	Strategy
Internet business Reinforce position as the premier Internet service provider in Switzerland	- Swisscom’s full commitment to offer retail Broadband through Bluewin: access is key - Further increase attractiveness of BW portal - Pursue strategic partnerships
Directories business Maintain market-leading presence in the Swiss directories market	- Enhance and expand (traditional) directories offerings - Grow business through introduction of new technology

Overview Conextrade –
the most integrated B-2-B marketplace . . .



- Horizontal marketplaces ✓
- Vertical marketplaces ✓
- Auctions / RFQ ✓
- Consulting & Imple. Ser. ✓
- Provide Services to other marketplaces ✓
- Catalogue management ✓
- Applications hosting ✓
- Content administration ✓

Conextrade’s way forward

swisscom

Goals	Strategy
B-to-B marketplace Become the leading B2B marketplace for Swiss enterprises **Value Added Services** Become the leader in delivery of fully integrated end-to-end solutions	■ Swisscom’s full commitment to offer e-procurement solutions (B2B) exclusively through Conextrade ■ Pursue strategic partnerships ■ Offer complementary service portfolio (payments, auctioning, logistics, procurement services)

Bluewin & Conextrade in summary

- Bluewin and Conextrade
  - are the core of Swisscom‘s fixed net e-business strategy
  - act in a rigid financial and strategic framework to limit Swisscom‘s financial exposure
- Bluewin is the leading ISP in the B2C market in Switzerland
  - will focus on the Swiss retail market – plans no internationalisation
  - ISP’s strategic focus is access: narrow band today, broadband in the future
  - Swisscom‘s broadband services will be rolled out by Bluewin
- Conextrade becomes the leading trade enabler in Switzerland
  - offers services to national business customers which enable electronic commerce around the business model of a e-marketplace

Enterprise Com

Heinz Karrer

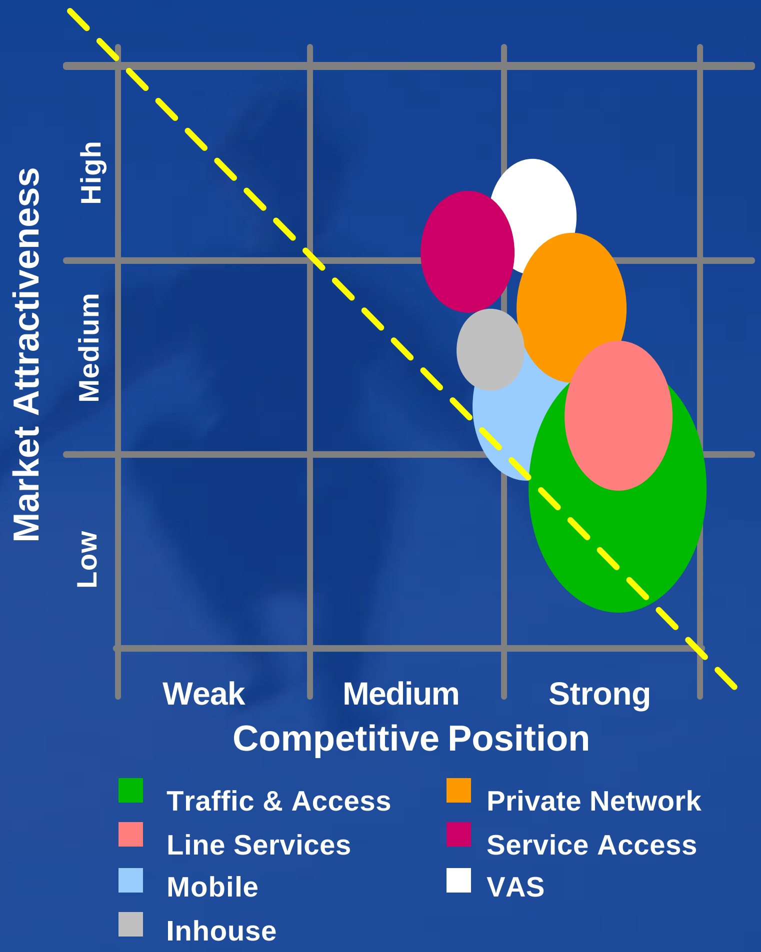
Enterprise Com is Swisscom's Business-to-Business division

swisscom

Enterprise Communications (EC)

- Electronic Commerce Solutions (ECS)
- Enterprise Solutions (ES)
- PBX Services (PS)
- Broadcasting Services (BCS)

Enterprise Solutions – a strong and profitable product portfolio



Line Services:

- Transfer technology – Color Line
- Private Line national, Private Line International

Private Networks:

- Private Line plus, LAN-I
- City Services, RAS
- ATM, IP-Net (under development)
- Frame Relay, IP-Telephony (planned), X.25

Service Access:

- IP Plus, Telex
- Security Systems / Firewalls, Telehousing

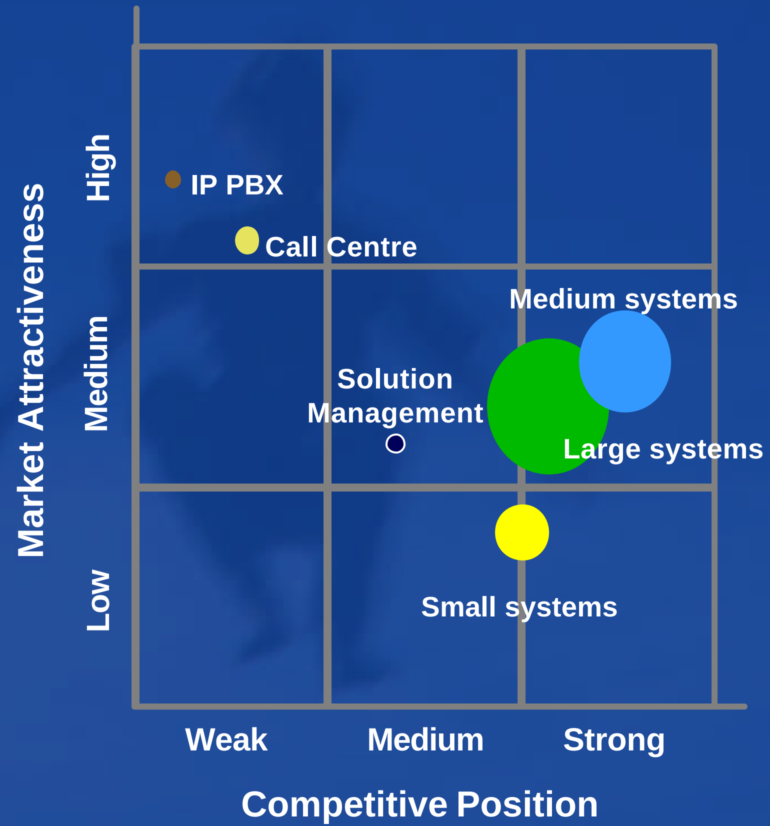
Inhouse:

- Inhouse Communication – Equipment (Cisco, Nortel)
- LAN-Switching, Maintenance contracts

Enterprise Solutions – key messages

- By far the leader in IP services
- Limited revenue increase – but in line with market growth
- Pressure on Access & Traffic and Leased Lines
- ES also generates significant value for Fix Com and IT
- Well positioned for strong growth in the IP-environment
- Steps taken to assure mid- and long term sustainable profitability

PBX Services – a developing product portfolio



Large PBX systems and services
- GDX
- Meridian 1
- Hicom 300

Medium PBX systems and services
- Ascotel
- Hicom 150
- Varix

Small PBX systems and services
- Casatel

Other products
- Call Centre
- IP PBX
- Solution Management

PBX Services – key messages

A fully focused organisation, which

- Maintains market share despite growing competition
- Has a very strong customer base in the traditional PBX services area
- Has the largest service field force in Switzerland
- Moves from a product and support company towards a service company
- Addresses the challenge of migration into in-house IP PBX environment

Electronic Commerce Solutions – a comprehensive product portfolio

Application Services Provision

- Sell-Side Solutions (Full Functionality Shops)
- Vertical Industry Solutions
  eg Health Care Info. Mgt Solutions , 'Lotto'

E-Communication Solutions

- Payment Platform
- EDI Services
  WebEDI Services
- Netgrouper (Collaboration)

Dedicated Hosting Solutions

- Facilities
- Connectivity
- Computing Platform
- Middleware

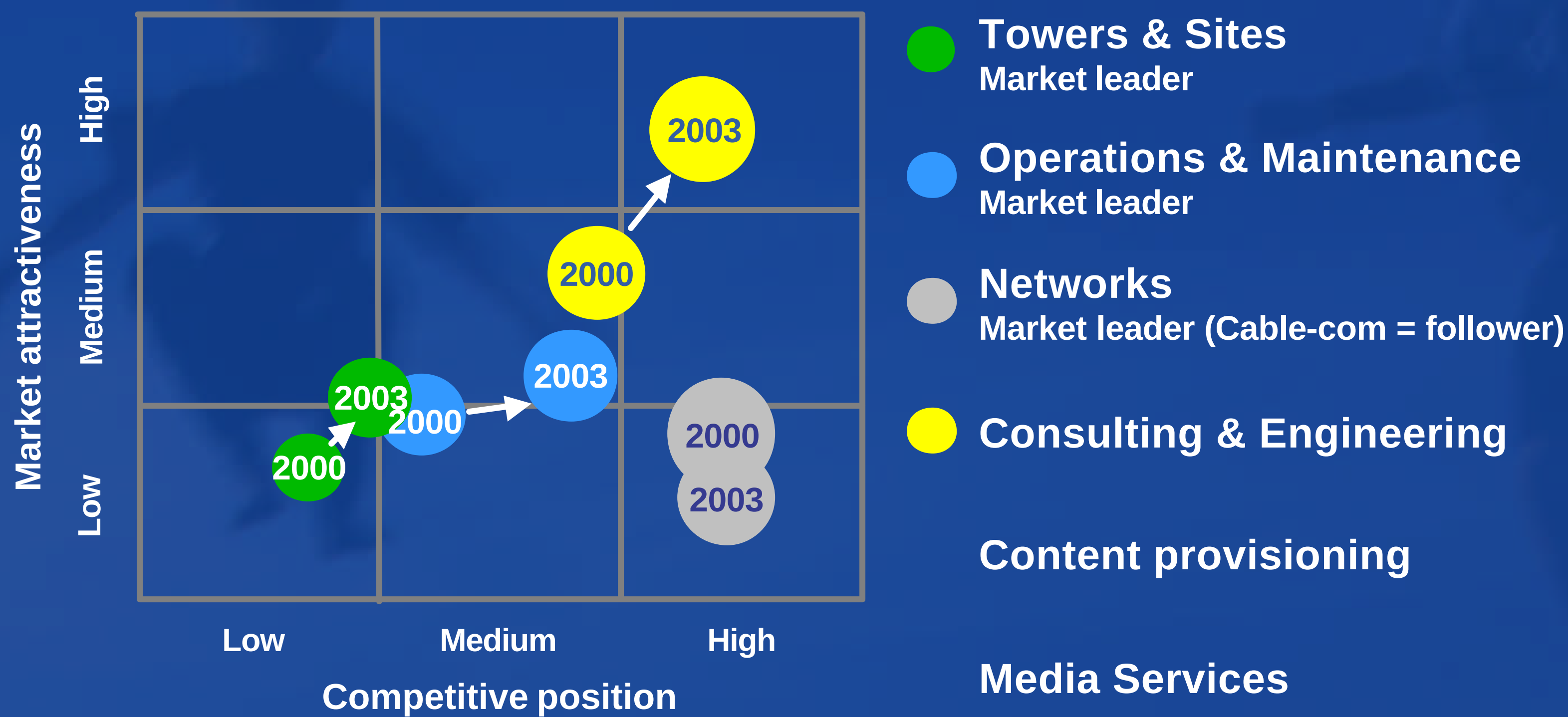
Electronic Commerce Solutions – key messages

- Strong market growth
- Strong brand for ASP, hosting and other solutions
- In response to market environment
  - complexity increase for customers
  - trend towards outsourcing

  ➔ ECS is focusing on end-to-end E-commerce solutions (systems integration and services) as the basis for future ASP business
- ECS has already developed ASP models and is operating them successfully (Swiss Lottery over Internet etc)

Broadcasting Services – product development

Current and planned product portfolio



Broadcasting Services – key messages

- Profit from long term sustainable customer relationships due to
  - extensive asset base of 500 sites
  - broadcasting and wireless distribution know-how in engineering, operations and maintenance
- Capacity – and overall revenue – increase through product offering for Wireless Local Loop (WLL), Private Mobile Radio (PMR) and others
- Colocation for 2nd, 2.5 and 3rd generation mobile operators is allocated to Swisscom Mobile

Swisscom Mobile

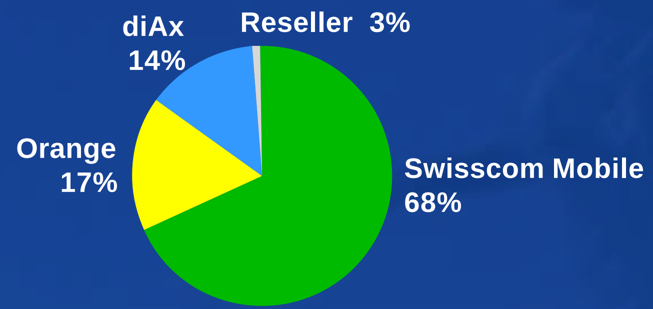
Carsten Schloter
CEO Swisscom Mobile

Swisscom Mobile – a snapshot

Key facts

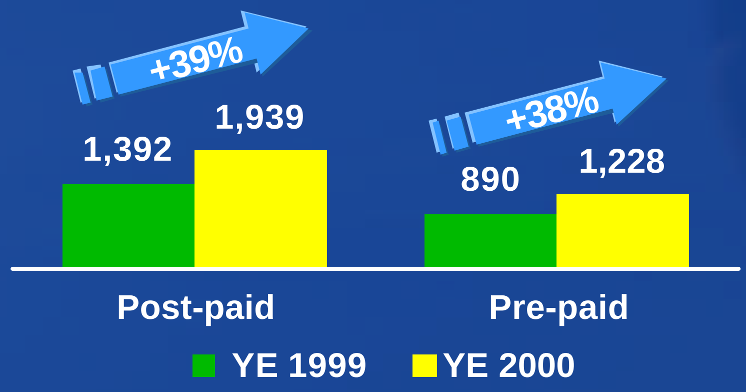
- 3.2 million customers (YE 2000)
- 68% market share (YE 2000)
- 54% of net additions / 58% of gross additions (2000)
- 43.9% EBITDA margin (2000)
- Lean organisational structure
- Broad multi-channel distribution network

Strong market position (YE 2000)



Strong subscriber growth

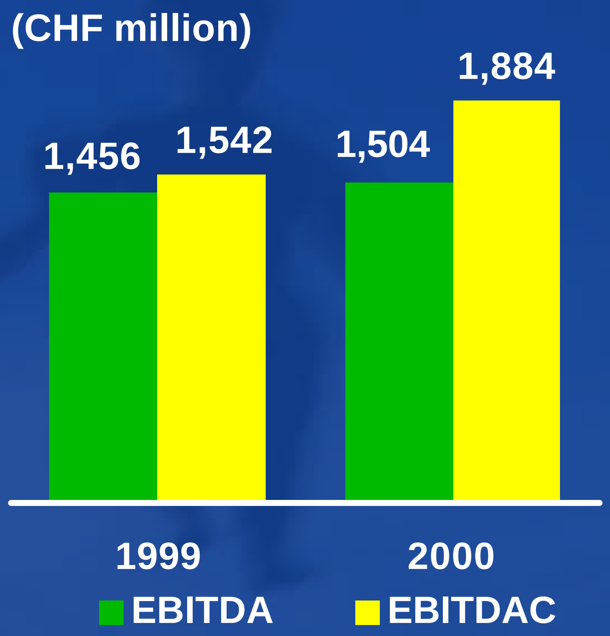
Subscibers (000)



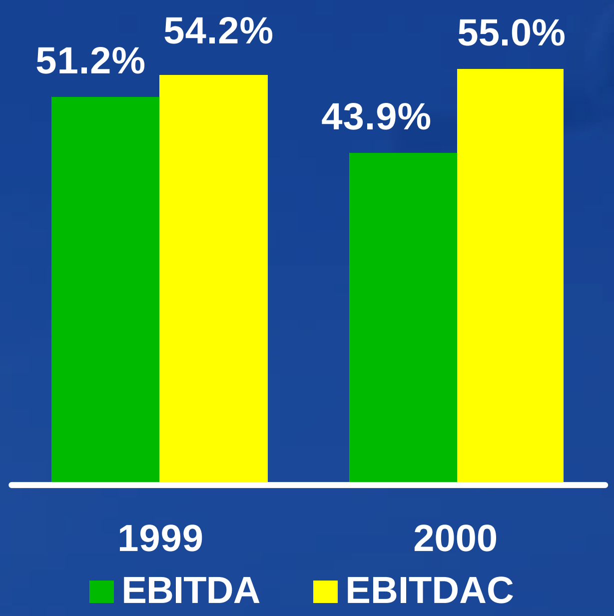
Swisscom Mobile has one of the highest EBITDA margins in the industry

swisscom

EBITDA & EBITDAC*



EBITDA & EBITDAC margin

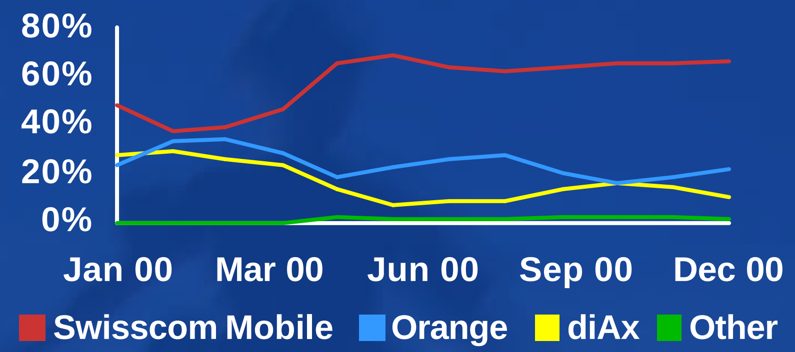


Increased spending on subscriber acquisition in 2000

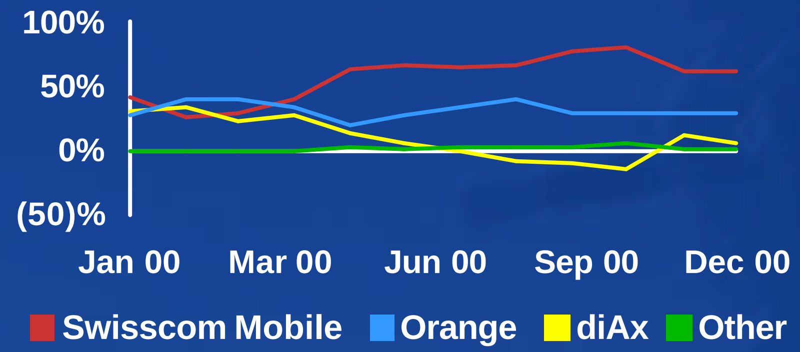
* EBITDAC = EBITDA before subscriber acquisition costs

Swisscom Mobile has stabilised its high market share

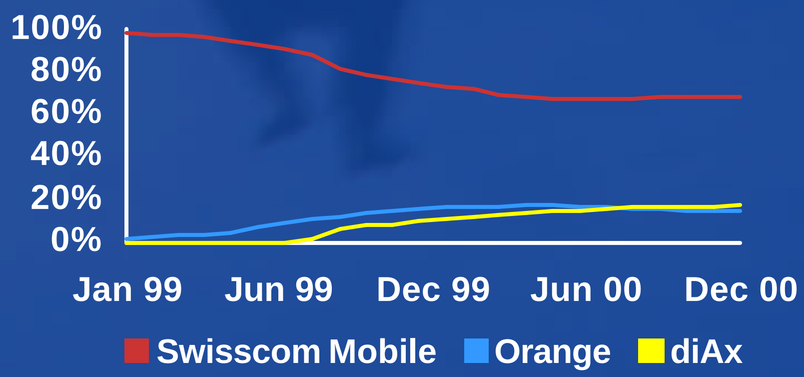
Share of gross additions 2000



Share of net additions 2000



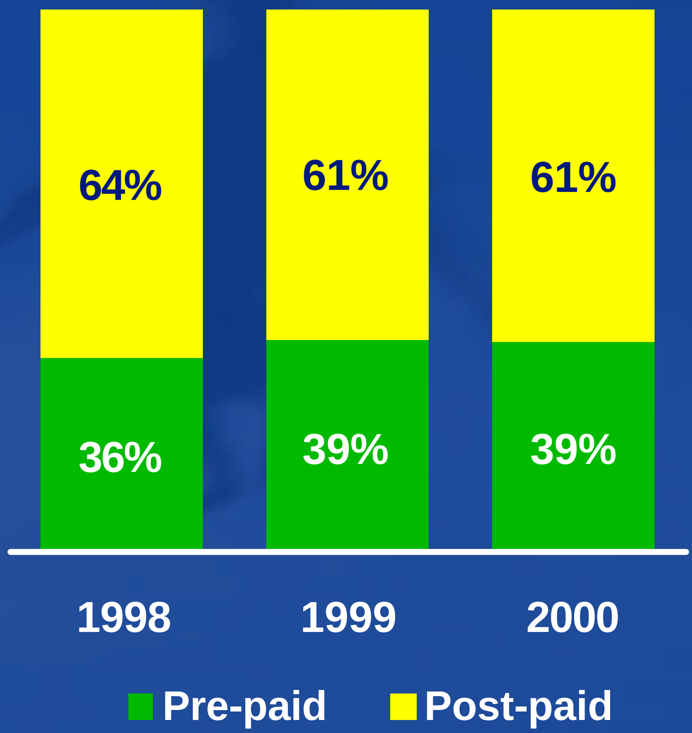
Market share



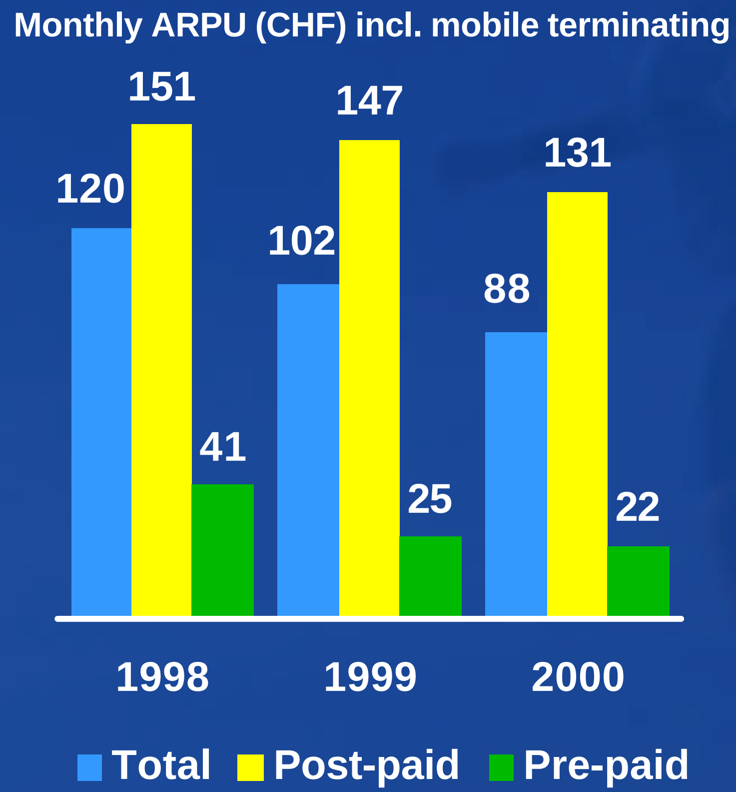
Swisscom Mobile's market share of net and gross additions exceeds 60% and has been stable at these levels since April 2000

Swisscom Mobile benefits from a good subscriber base

Share pre- / post-paid of Swisscom Mobile



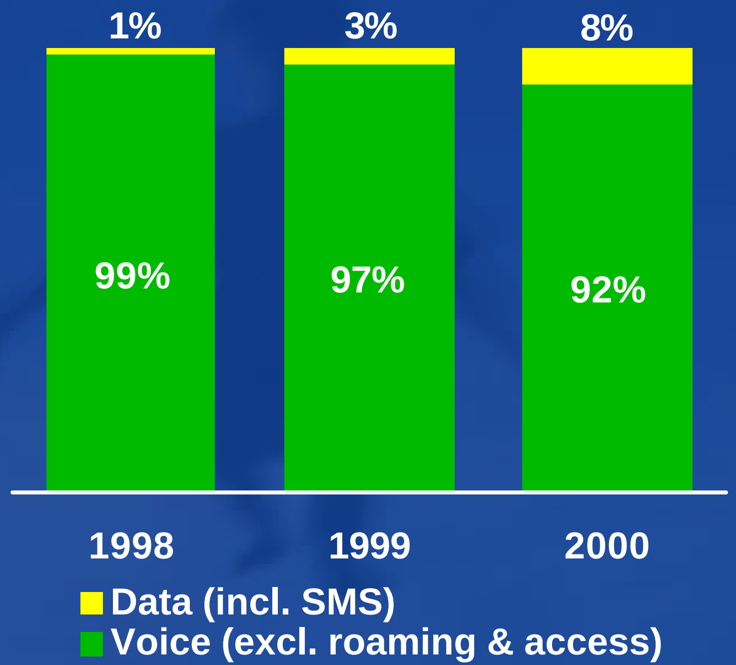
ARPU



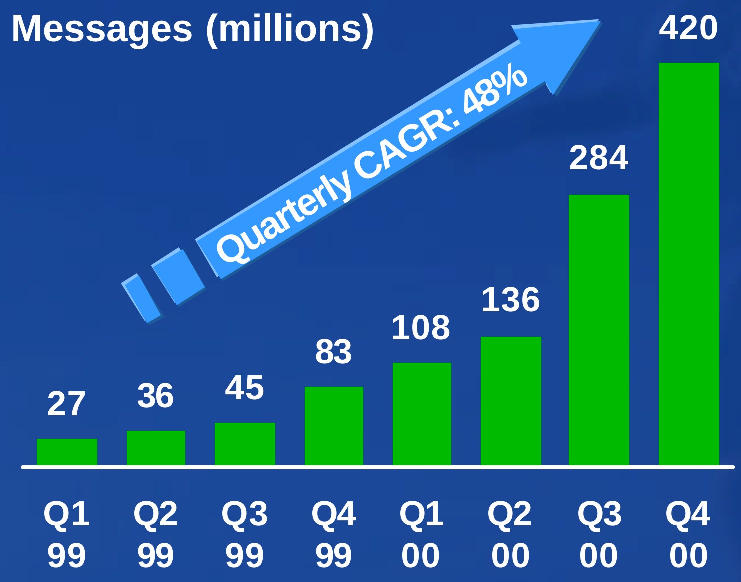
Non-voice communication will be the main growth driver going forward

swisscom

Share data / voice revenue



SMS

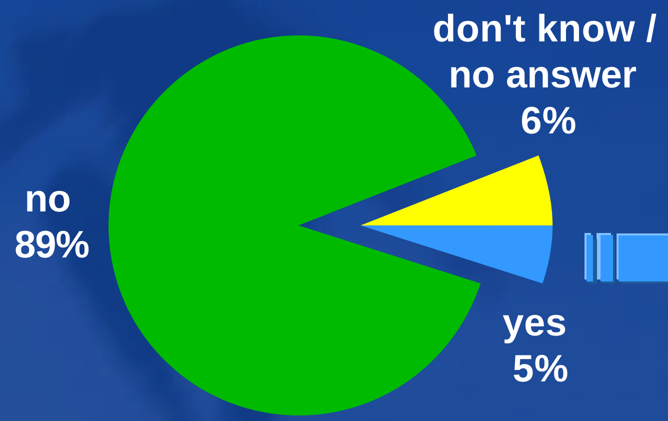


Data communications: strong growth potential in 2.5G and 3G environment

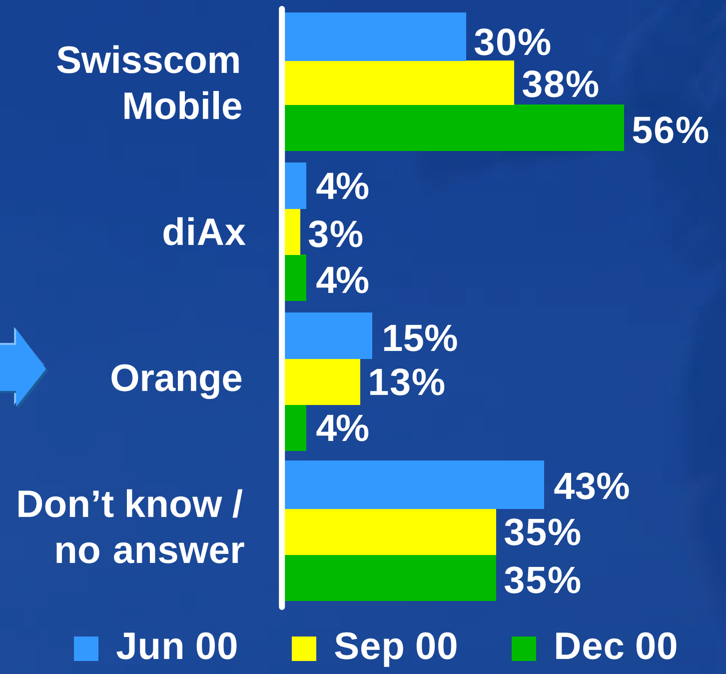
Source: Mobile Com

High satisfaction level

Do you intend to change operator within the next 6 months?



Which new operator will you select?



Source: Link

Swisscom’s reputation continues to rise

Core strategic initiatives

swisscom

Establish international partnership to compensate for lack of scale

Create mobility portal to maximise value proposition to end customers

Build up enabling service platform layer by leveraging Vodafone solutions

Improve IT infrastructure and data quality as condition for successful up-selling activities

Establish service creation unit to enable attractive end customer offerings

Develop services for B2B solutions providers

Improve customer relationships to reduce the risk of losing market share

Strategic partnership with Vodafone

Strategic agreement	Operational initiatives

Strategic agreement

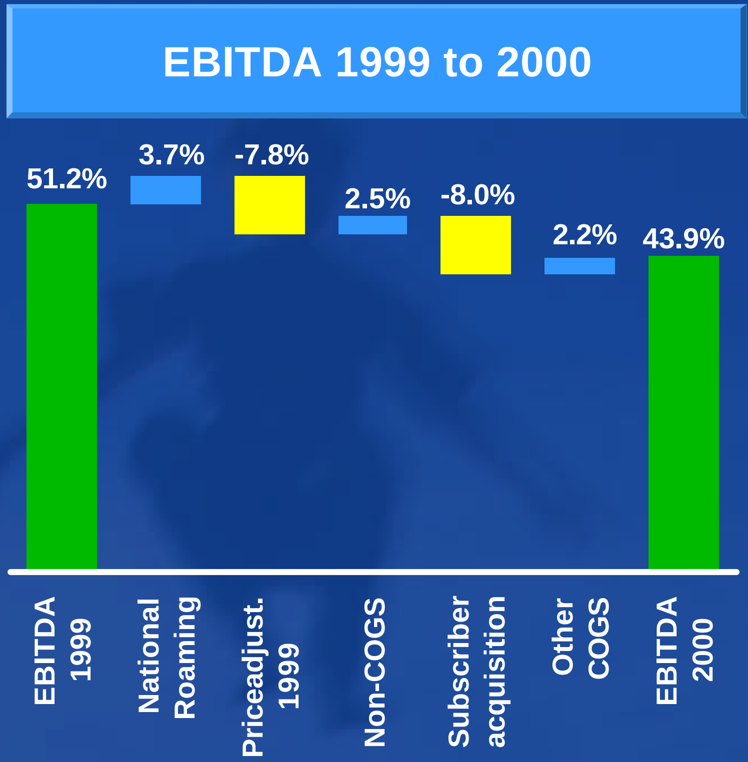
- Access to Vodafone Group's existing and future products and services
- Access to pan-European roaming
- Procurement partnership (infrastructure, access devices)
- Participation in Vodafone Group development initiatives
- Potential to extend co-operation into multi-access portal

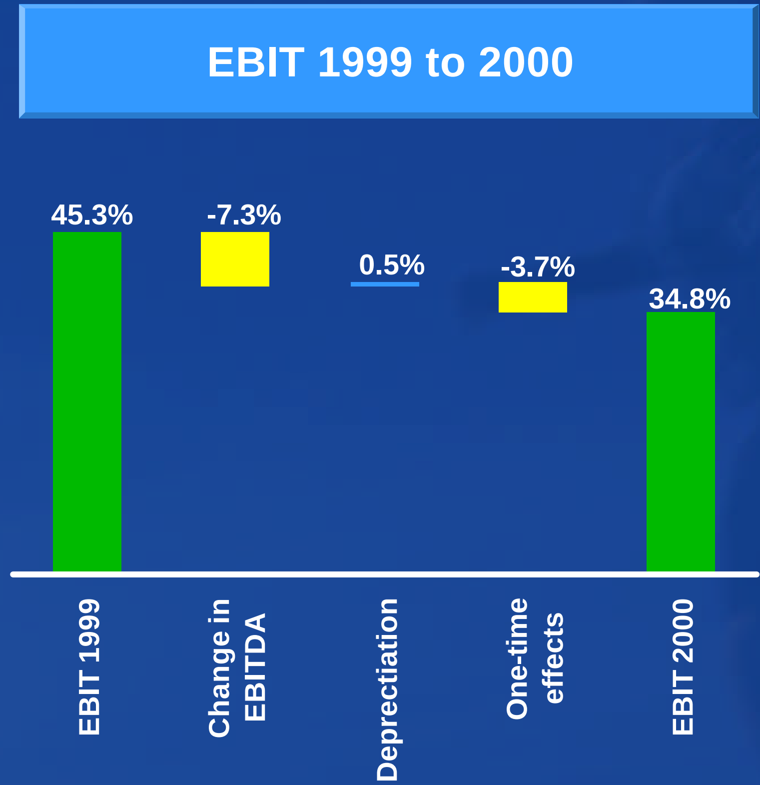
Operational initiatives

- Pan-European roaming tariff
- Price advantages on procurement of UMTS infrastructure
- Procurement of handsets
- Management of patents
- Benchmarking
- Global Product Management
- Enabling platform

EBITDA development in 2000 driven by strong subscriber growth

swisscom





Higher efficiency while spending more on subscriber acquisition

Profit & Loss statement
Swisscom Mobile

swisscom

(CHF millions)	1999	2000	change
Total Revenues	2,846	3,429	20.5%
of which intercompany	500	582	
Voice	2,635	3,139	
Data	58	146	
Handsets and Others	153	144	
OPEX	1,390	1,925	
Non COGS	614	703	14.5%
COGS	776	1,222	57.5%
EBITDA	1,456	1,504	3.3%
EBITDA margin	*51,2 %*	*43,9 %*	
Depreciation	166	312	
EBIT	1,290	1,192	-7.6%
EBIT margin	*45,3 %*	*34,8 %*	

One of the most successful incumbent mobile operators in Europe

- Swisscom Mobile has suffered less from liberalisation compared to other Western European incumbent operators
- A high quality subscriber base provides for relatively stable ARPU levels
- However, competition for higher margin customers will increase as the Swiss mobile market matures
- Excellent network in a country with difficult geography and very strict regulations regarding the protection from non-ionising radiation (NISV / ORNI)
- Pressure from the financial markets on the bottom line result of mobile operators will help Swisscom Mobile to keep its high market share

swisscom

debitel®

KOMMUNIKATION IST ALLES

debitel overview

swisscom

debitel's business model

Network Operator	Enhanced Service Provider	Distribution

Network Operator
- Access to 3 of 4 existing mobile network operators in Germany
- Similar access to UMTS networks under negotiation
- Purchase of airtime and services

Enhanced Service Provider
- Full ownership of end customer
- Independent marketing and branding, product/service development
- Single face to the customer / dealer

Distribution
- Exclusivity of existing distribution outlets
- Direct sales / own controlled outlets
- Nationwide coverage of distribution network

debitel's existing business segments

Mobile
- Voice
- Data
- Value-Added Services

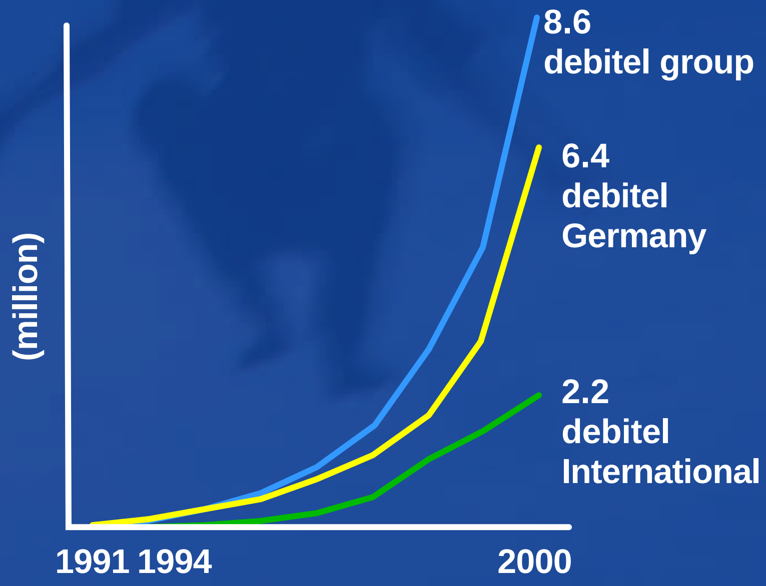
Internet / Mobile Services
- Fixed line via PC
- Mobile via Handset / Terminal
- Via TV (in 3-5 years)

Fixed line
- Voice
- Data
- Value-Added Services

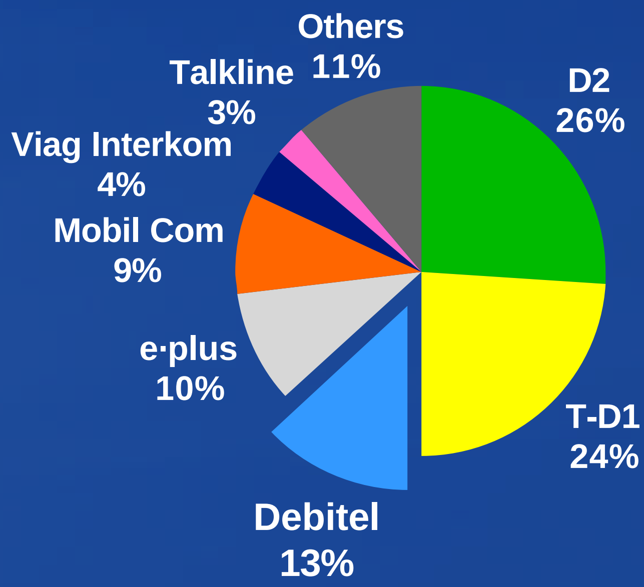
debitel: a proven success

- debitel is Europe's and Germany's leading independent service provider
- debitel ranks third on the German mobile market, the largest mobile market in Europe

Customers at Dec 2000



Market share at Dec 2000



Distribution as a key success factor

swisscom

Superstores

Media Markt	126 MM superstores 19 Flachsman
Saturn	60 superstores
Metro	53 cash & carry markets
Kaufhof Horten	74 department stores
real extra	310 supermarkets
Praktiker der billige baumarkt	295 DIY superstores
Others	> 150 outlets

Retailers

Electronic Partner EP	2,176 specialised dealers
Selectric premium	564 specialised dealers
Photo Porst	192 subsidiaries 344 franchise dealers
Chris Kein Com	78 cooperation partners
Ruefach	463 retailers
Mercedes-Benz	53 subsidiaries 530 car dealers
BMW	56 dealers 2 subsidiaries
Vobis	137 superstores and subsidiaries, 10 franchise dealers
Others	Independent dealers

Direct Sales

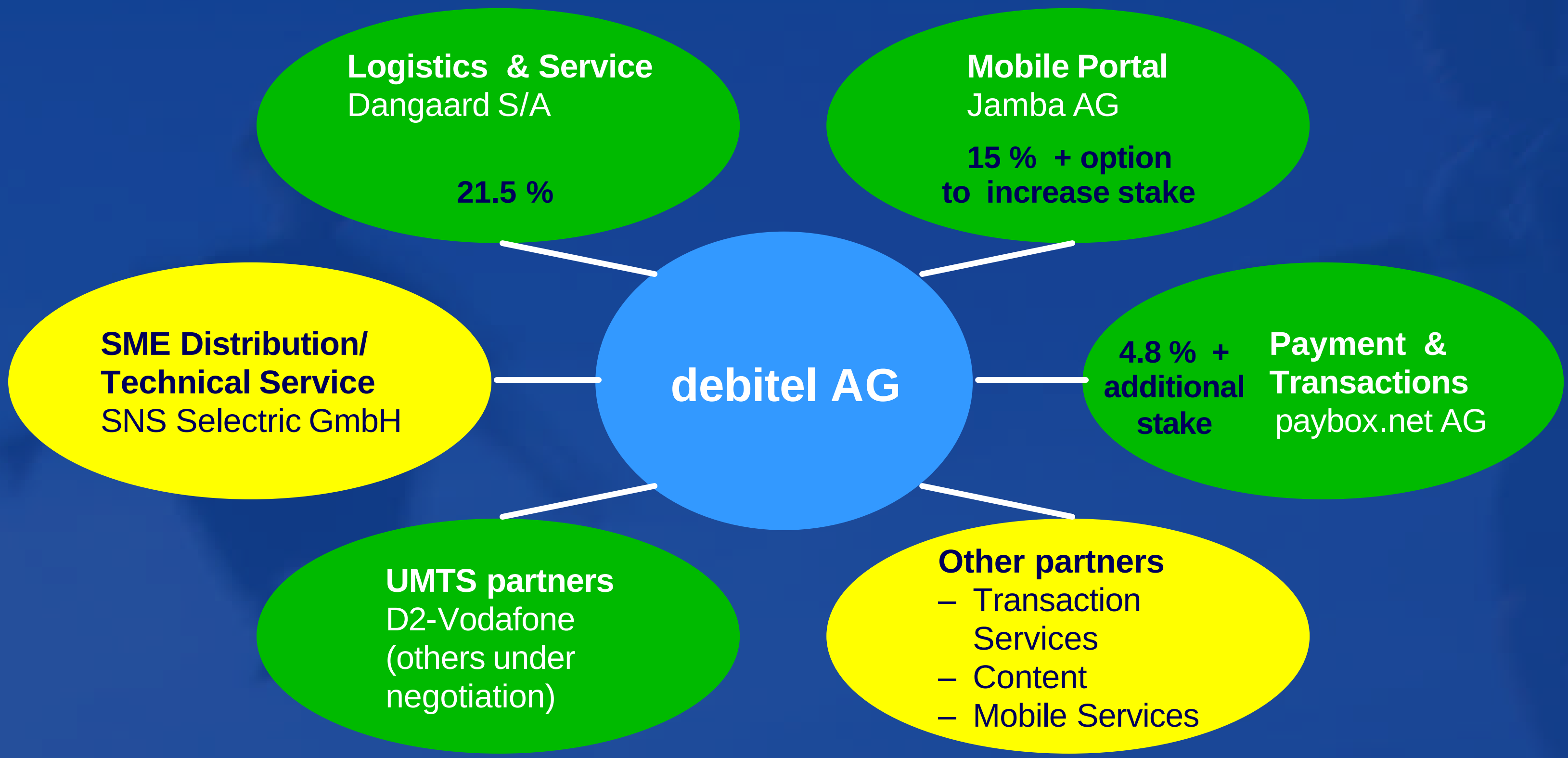
Direct management

26 own outlets

20 mobile communications centres (DCX)

debitel has exclusive access to approximately 20% of total retail space in Germany

Partnerships as a key success factor



Strategic partnerships provide debitel with a leading product portfolio at minimal cost

Customer service quality and operating efficiency as key success factors

swisscom

First class customer service quality

markt intern
Nr. 1 im Leistungsspiegel für Service Provider 1999

markt intern
Nr. 1 im Leistungsspiegel für Service Provider 2000

markt intern
Nr. 1 im Leistungsspiegel für Service Provider 2001

Operating efficiency to create cost leadership

- First telecom provider in Germany to bill fixed, mobile and internet services through one billing system; development for content billing under way
- Efficient system at Point of Sale for multi-product activation, logistics and dealer information
- Strong focus on workflow technology allows high automation (in-house development and operation)
- Uniform accounting, billing and other host systems in all debitel companies

Successful migration of service provider model to UMTS

swisscom

MOU with Mannesmann / Vodafone

- Extension of existing 2G service provider agreement to HSCSD, GPRS and UMTS services
- Non-exclusivity
- Access right to D2 network infrastructure
  - HLR data (customer, transaction, location information)
  - Network management information
  - Programming of SIM card
- No obligation for UMTS network build-out

Further contracts under negotiation

Ongoing negotiations with further network operators regarding enhanced service provider agreements with debitel for UMTS services

debitel has access to UMTS services at no incremental cost; focus on value-added services will support long term margins

Financial performance

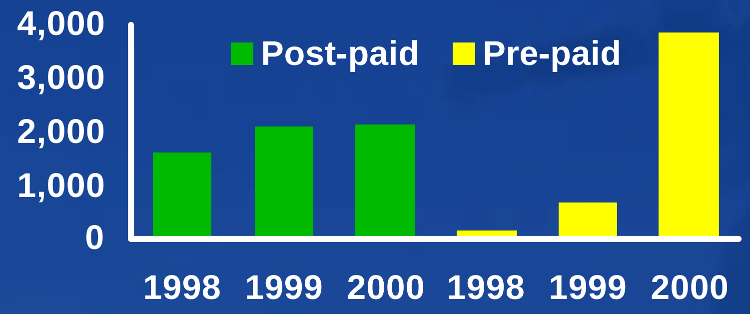
swisscom

€ (millions)	1998	1999	2000
Mobile	1,034	1,271	1,886
Fixed line	20	45	47
Internet		10	32
Total Germany	1,054	1,326	1,965
International	413	637	631
Total revenues	1,467	1,963	2,597
EBITDA	78	96	98
EBITDA margin	*5.3%*	*4.9%*	*3.8%*
EBIT	64	72	67
EBIT margin	*4.4%*	*3.7%*	*2.6%*
EBT	65	71	62
Net income	31	34	40
Subscribers	3,059	4,693	8,605
FTEs	2,040	2,523	3,145

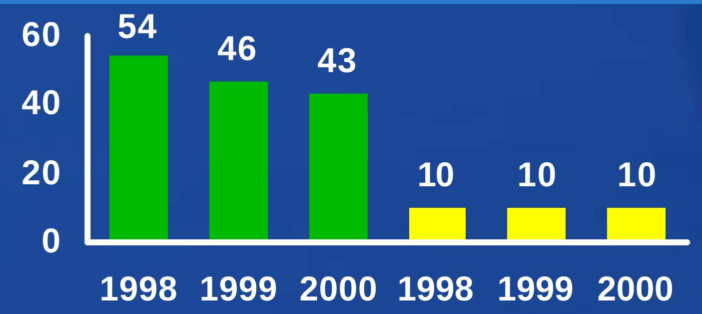
All figures in US GAAP

Strong revenue growth driven by:

Doubling number of mobile subscribers debitel Germany (000)…



… despite slightly decreasing ARPUs debitel Germany (in €)



Financial Performance 2000

Dave Schnell, CFO

Key figures

swisscom

(CHF millions)	**1999**	**2000**	D
Net revenue	11,052	14,093	+ 27.5%
EBITDA	4,192	4,039	- 3.6%
as % of net revenue	*37.9%*	*28.7%*	
EBIT	2,488	1,836	- 26.2%
as % of net revenue	*22.5%*	*13.0%*	
Net income	2,391	3,161	+ 32.2%
EPS (in CHF)	32.5	43.0	
Number of FTE employees	21,777	20,604	- 5.4%

Strong improvement in net income

Key figures excluding debitel

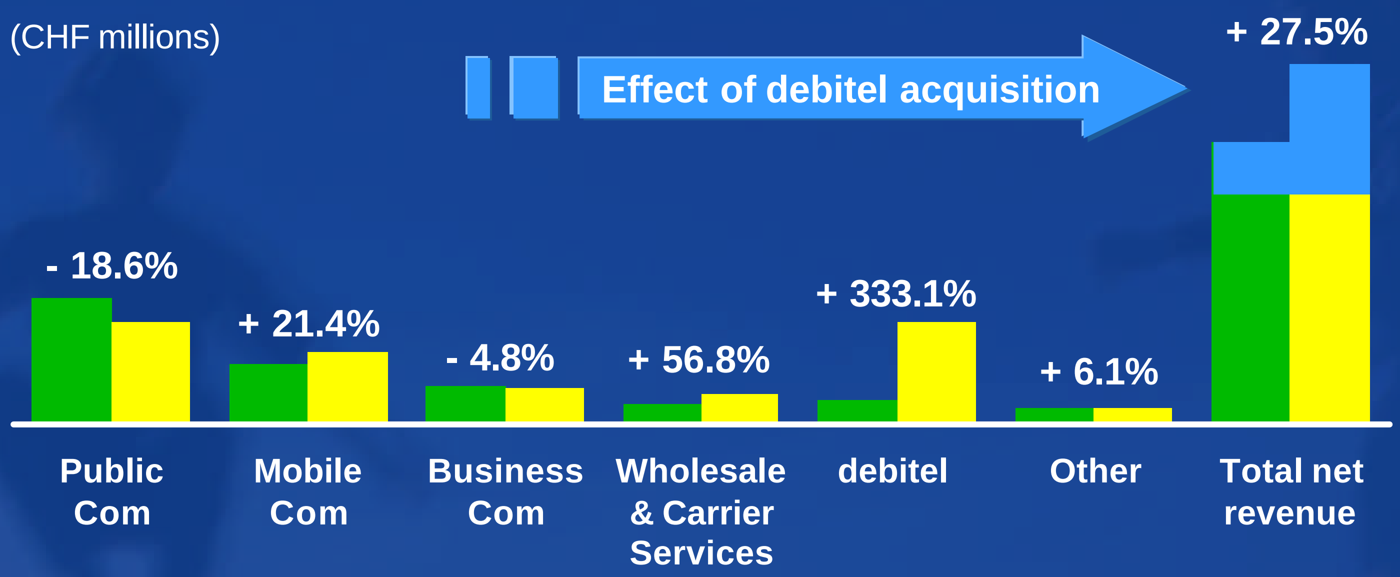
swisscom

(CHF millions)	1999	2000	D
Net revenue	10,130	10,100	- 0.3%
Total operating expenses	6,051	6,321	+ 4.5.%
EBITDA	4,152	3,874	- 6.7%
as % of net revenue	*41.0%*	*38.4%*	
EBIT	2,542	2,031	- 20.1%
as % of net revenue	*25.1%*	*20.1%*	
Number of FTE employees	19,254	17,459	- 9.3%

EBITDA decrease due to intense competition in the Swiss market

Net revenue by segment

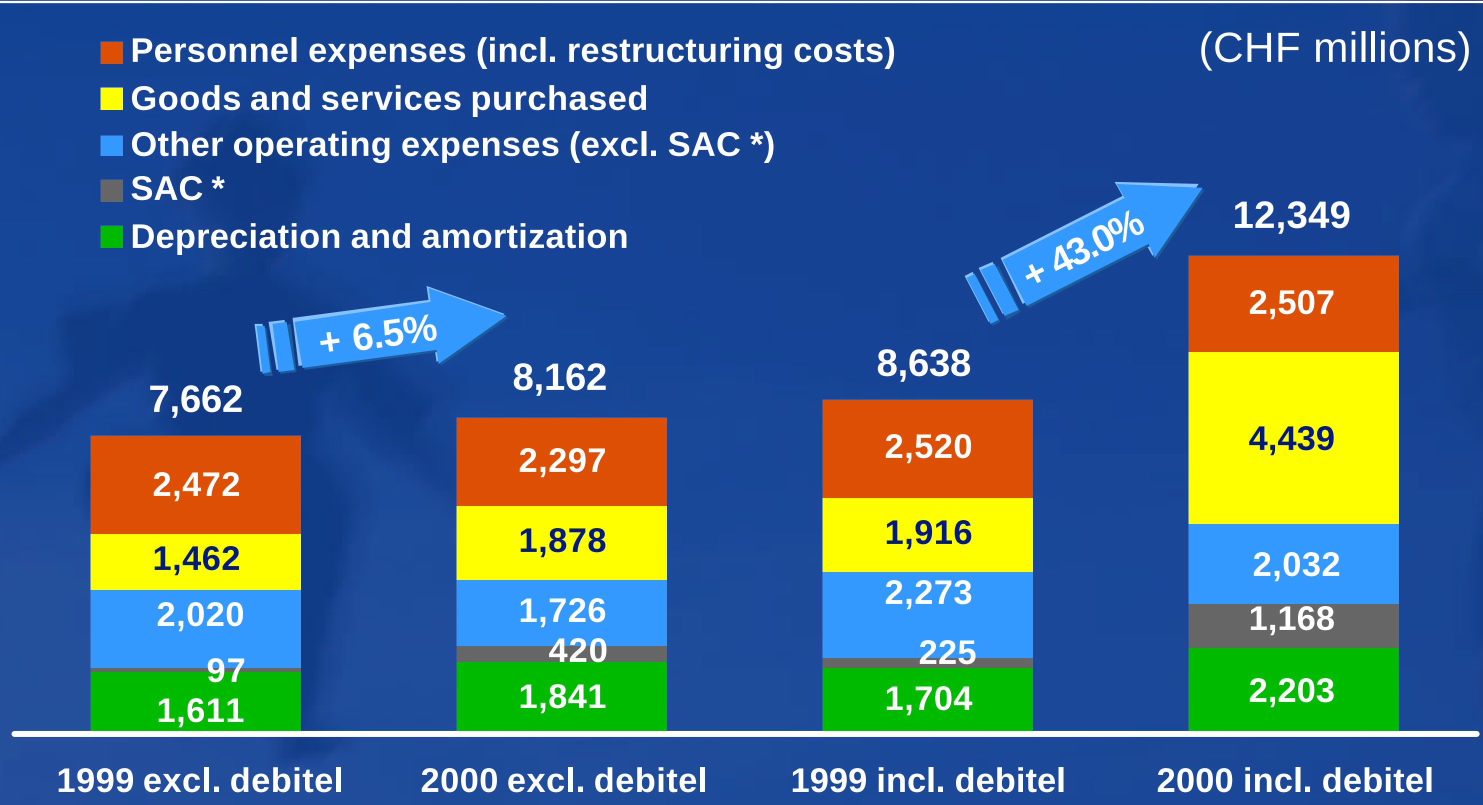
(CHF millions)



	Public Com	Mobile Com	Business Com	Wholesale & Carrier Services	debitel	Other	Total net revenue
2000	4,042	2,847	1,383	1,179	3,993	649	14,093
1999	4,968	2,346	1,452	752	922	612	11,052

Mobile and debitel as revenue growth engines

Cost analysis



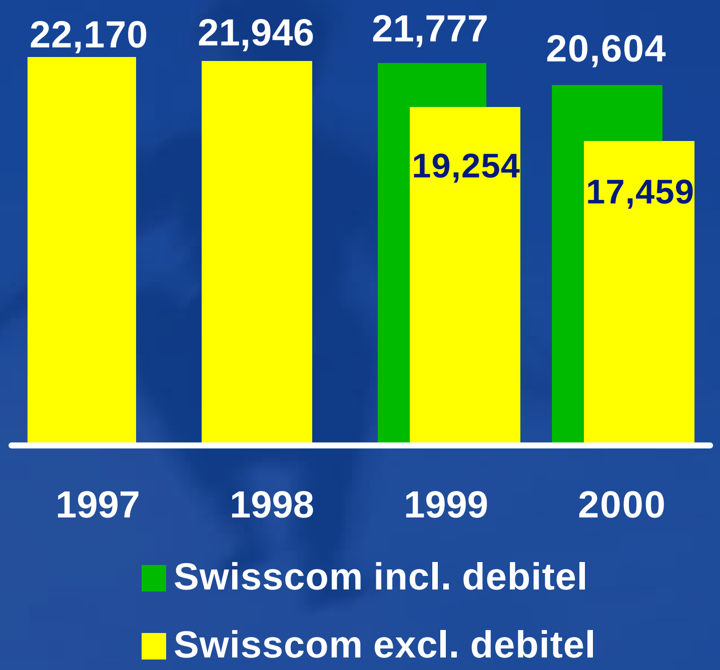
Subscriber acquisition costs main driver of increases

* SAC: Subscriber acquisition costs mobile business (commissions and handset subsidies)

Cost containment through headcount reduction

swisscom

Number of FTE employees



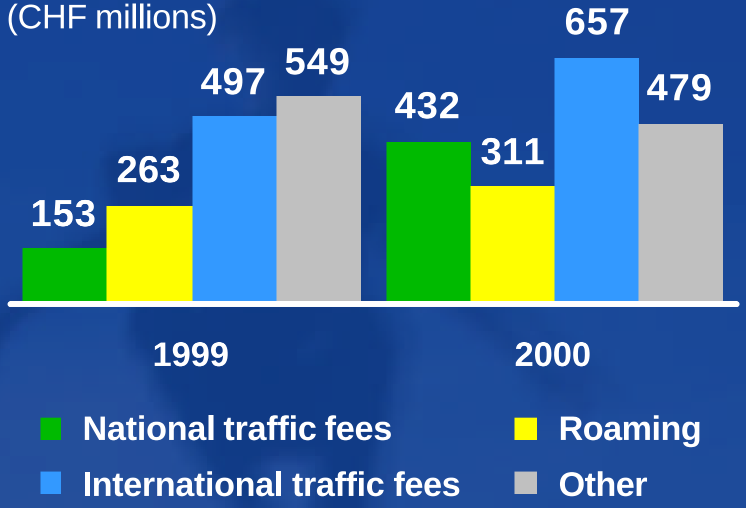
Outlook

- Further workforce cuts through the reduction of approximately 3,000 FTEs until end of 2003
- Additional headcount reduction of approximately 3,000 other FTEs through outsourcing in the same period

Swisscom fully on track with staff reduction program

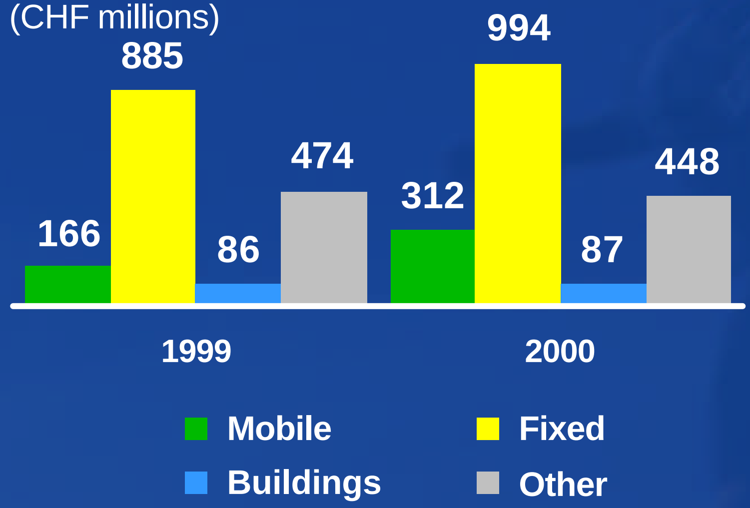
Cost analysis excluding debitel

Goods and services purchased



Total increase of CHF 416 million largely driven by termination cost on other Swiss networks

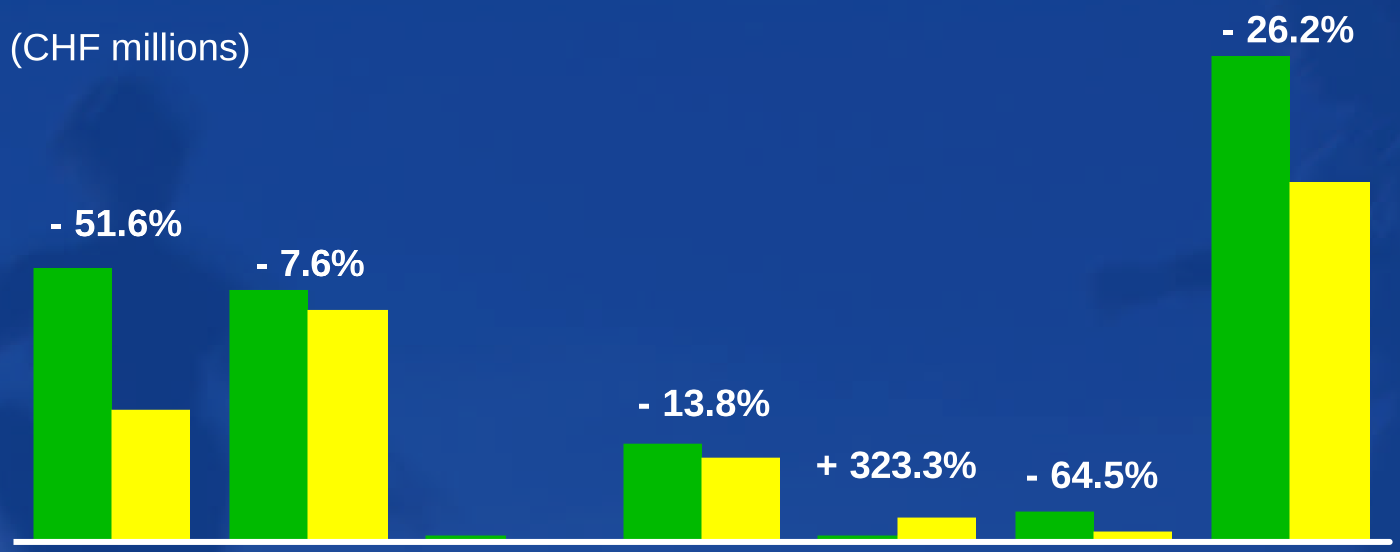
Depreciation and amortisation



Higher depreciation charges in mobile and fixed line networks driven by a reduction in the useful lifetimes of equipment due to technological advancements

Operating income by segment

(CHF millions)



	Public Com	Mobile Com	Business Com	Wholesale & CS	debitel *	Other *	Total EBIT **
2000	677	1,192	-8	432	127	55	1,836
1999	1,399	1,290	29	501	30	155	2,488

* Operating income before amortisation of goodwill
** Operating income minus amortisation of goodwill, termination benefits and non allocated corporate expenses

Net income

swisscom

(CHF millions)	1999	2000
EBIT	2,488	1,836
Financial result	- 39	161
Income tax expense	- 535	- 640
Income before equity in net income of affiliated companies and minority interest	1,914	1,357
Equity in net income of affiliated companies	301	1,749[1]
Minority interest	- 7	-14
Net income from continuing operations	2,208	3,092
Discontinuing operations	183	69
Net income	2,391	3,161

(1) Swisscom disposed of its shares in Cablecom, tesion, D Plus and Arcor realizing gains of CHF 1,335 million, CHF 119 million, CHF 197 million and CHF 31 million respectively

Consolidated cash flow

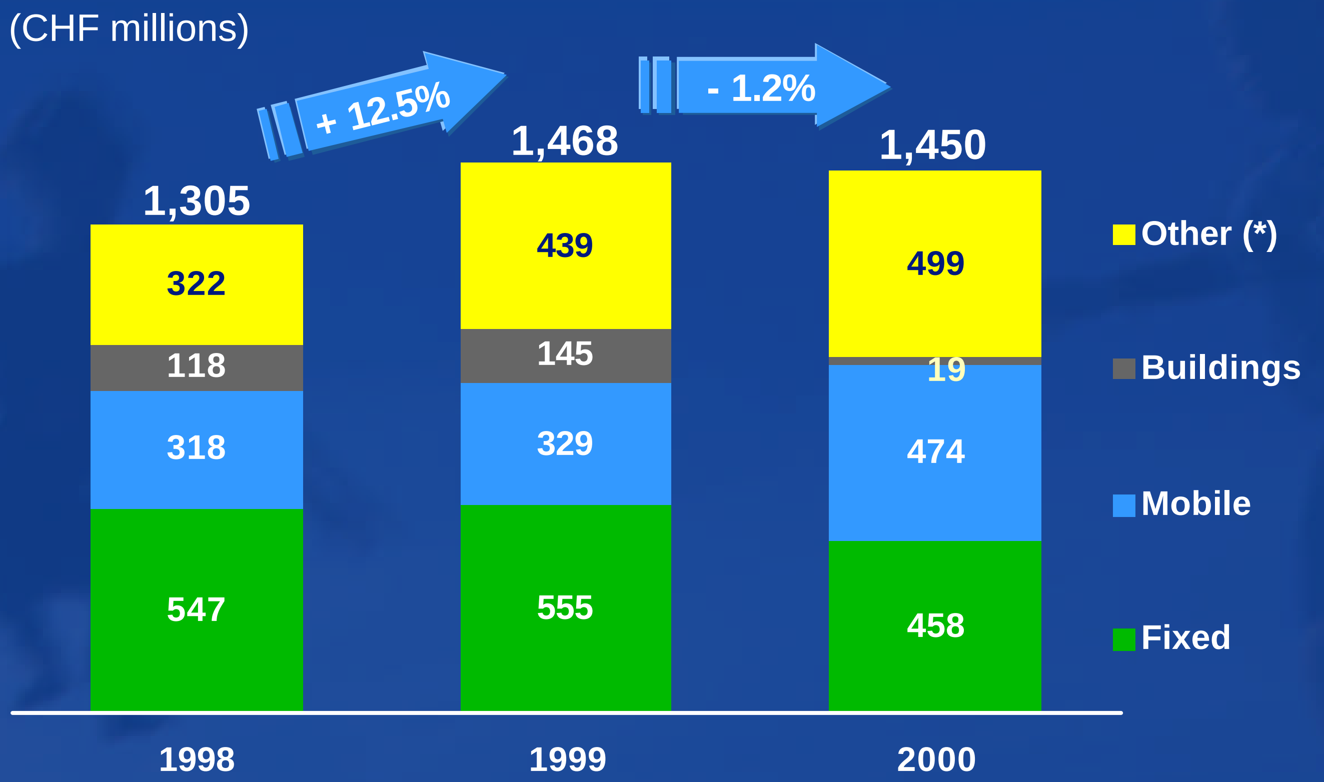
swisscom

(CHF millions)	**1999**	**2000**
Net cash provided by operating activities	3,366	4,186
Capital expenditures	*- 1,468*	*- 1,450*
Aquisition of subsidiaries, net of cash acquired	*- 3,296*	
Proceeds from sale of affiliated companies		*1,734*
Other investing activities	*- 37*	*219*
Net cash (used in) provided by investing activities	- 4,801	503
Free cash flow	- 1,435	4,689
Net cash provided (used in) by financing activities	887	- 3,631
Net (decrease) increase in cash and cash equivalents	- 548	1,058
Cash and cash equivalents at end of year	1,211	2,265

Continued strong cash generation

Capital expenditure by segment

swisscom



Swisscom acquired a Swiss UMTS license for CHF 50 million

* Other includes software, IT hardware and the capex of consolidated subsidiaries

Capital structure

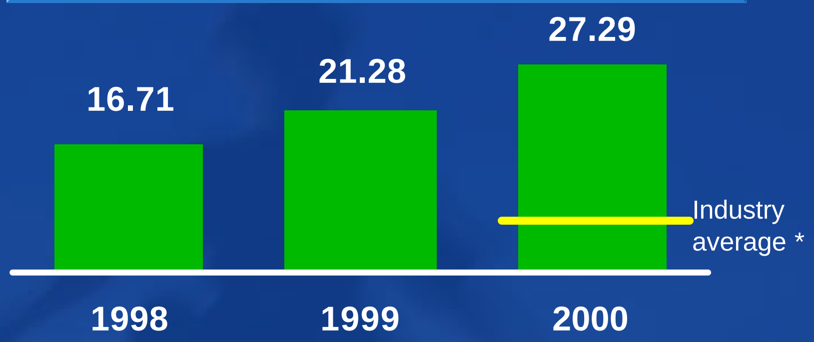
(CHF millions)	1998	1999	2000
Short term debt	1,264	4,049	2,685
Long term debt	4,245	3,073	1,822
Interest bearing debt	5,509	7,122	4,507
Long term net finance lease obligation	517	509	766
Less: cash, cash equivalents and securities	- 1,787	- 1,276	- 2,332
Net debt	4,239	6,355	2,941
Shareholders’ equity	5,347	6,685	8,592
Balance sheet total	16,944	20,918	22,115
Book leverage(1)	79.3%	95.1%	34.2%
Equity ratio(2)	31.6%	32.0%	38.9%

(1) Book leverage = Net debt / Shareholders’ equity
(2) Equity ratio = Shareholders’ equity / Total assets

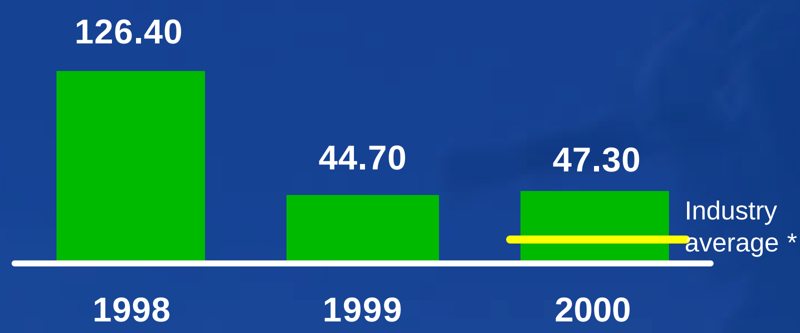
Strong ratios

swisscom

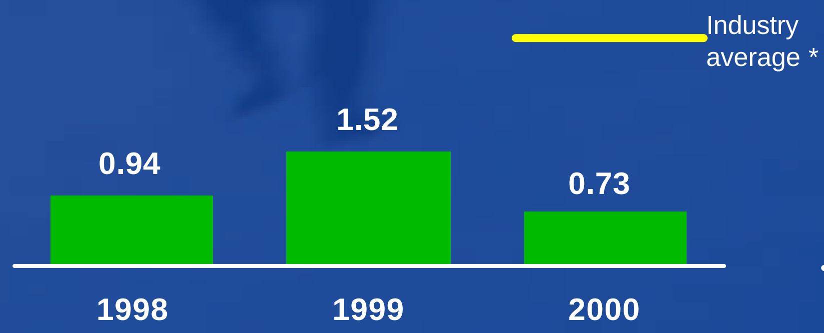
EBITDA net interest coverage (x)



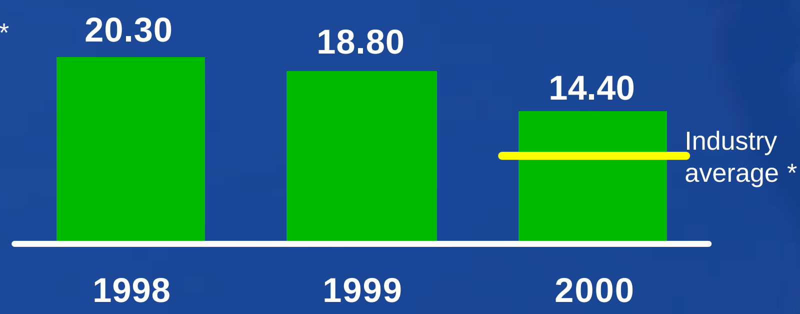
ROE (in %)



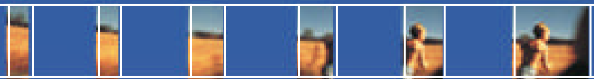
Net debt to EBITDA (x)



ROCE (in %)



* Source: Deutsche Bank, UBS Warburg



Financials
2001 and Onwards

Expected gain on Vodafone deal

(CHF millions)		2001E [1]	
Proceeds of 25% Swisscom Mobile stake sale (cash and/or Vodafone shares)		4,500	(- cost)
Gain before taxes	approx.	4,000	(- cost)
Taxes payable	approx.	- 1,000	
Deferred tax asset	approx.	+ 1,000	
Gain after taxes	approx.	4,000	(- cost)

Deferred tax asset allows recovery of taxes payable

(1) The payment of the second tranche is expected within 12 months following closing (30 March 2001). Therefore CHF 2.3 billion (minus costs) of the total proceeds, might be received in 2002

Sale and lease back of real estate

swisscom

Reasons for the sale of real estate

- Non core business
- Reduced property requirements - staff reduction
  - technological developments
- Reduce invested capital in non-core assets
- Transfer of major property risk to real estate specialists

- First package of real estate sold on 2 March 2001 for CHF 1.27 billion
- Second package of buildings sold on 30 March 2001 for CHF 1.28 billion
- Lease back of approximately 2/3 of the space
- Rental cost p.a. of around CHF 130 million on average over the next 5 years

Total book gain after taxes of around CHF 500 million in 2001

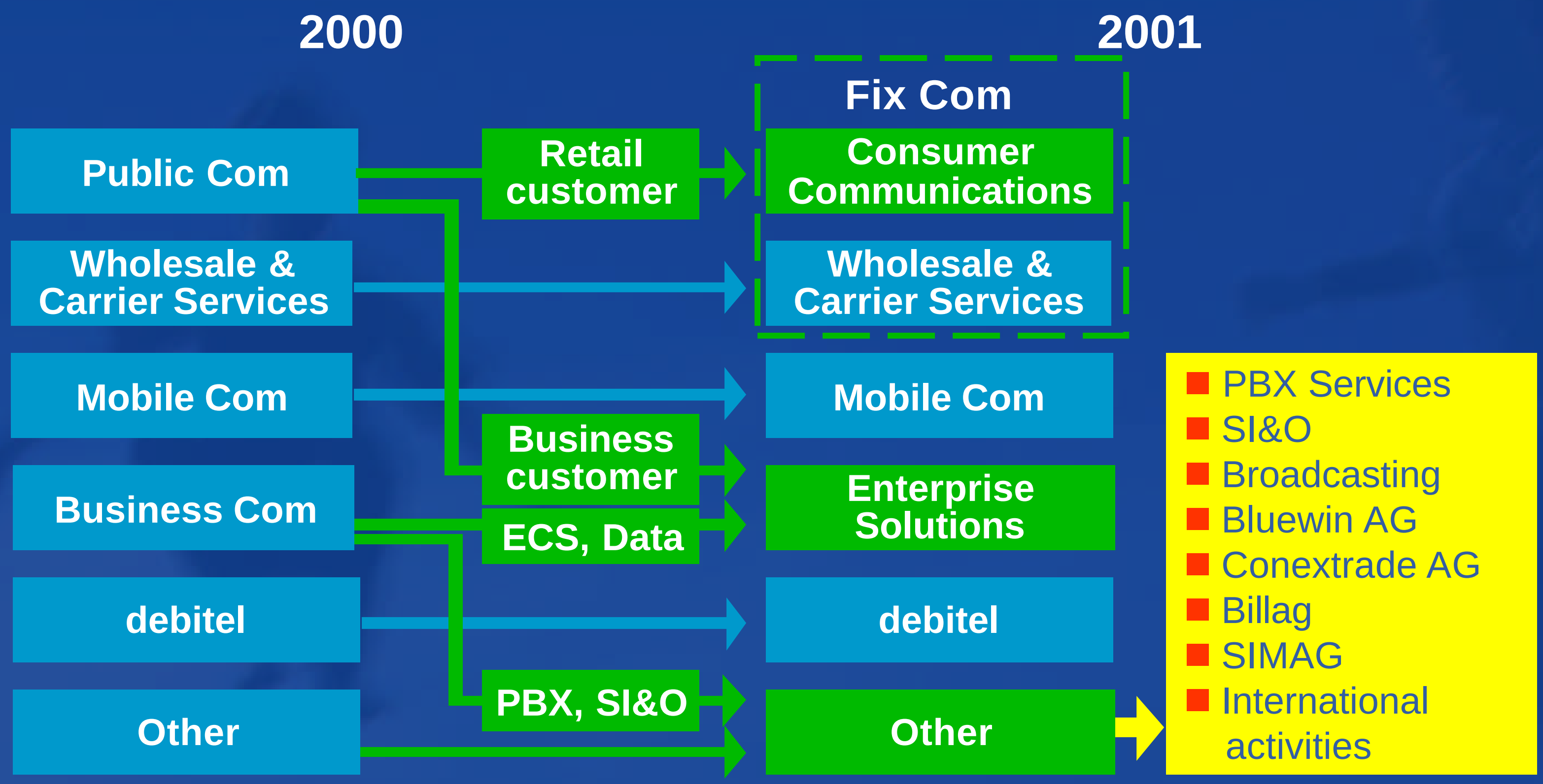
Dividend of CHF 11 and capital reduction of CHF 8

	Proposed dividend for 2000
Gross dividend per share	CHF 11
Capital reduction	CHF 8
Pay-out ratio (1)	44.2%
Total dividend and capital reduction (in millions)	CHF 1,397
Dividend yield (1)(2)	4.5%
Nominal value per share at 31 December 2000	CHF 25
Nominal value per share after reduction	CHF 17
Swiss Confederation's stake in Swisscom	65.5%

Share buybacks under consideration

(1) Including capital reduction
(2) Share price at 31.12.2000: CHF 421.5

New segment reporting in 2001



Further information will be presented along with 1st quarter 2001 report

Summary

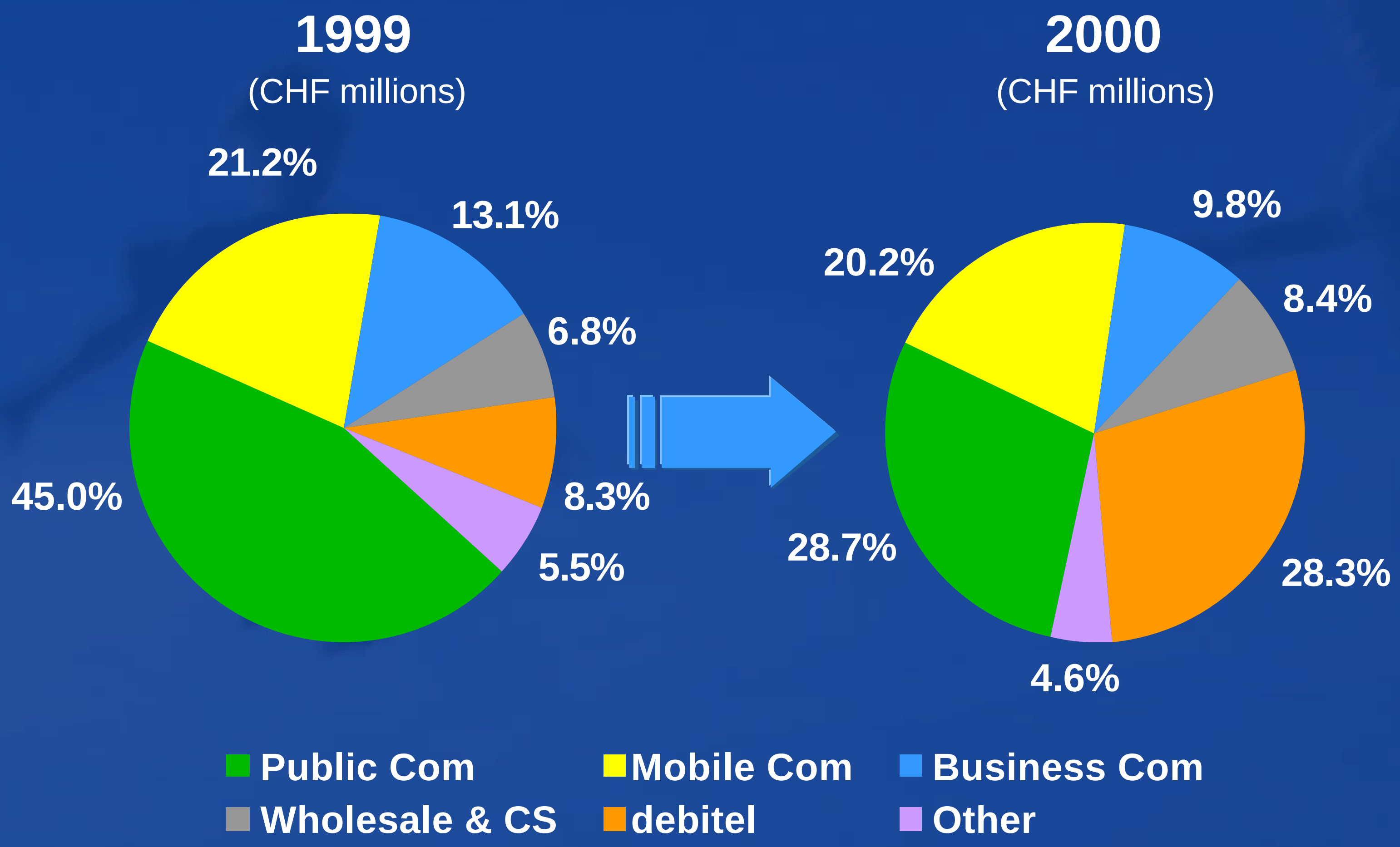
swisscom

- One of the strongest balance sheets in the sector
- Comfortable ratios
- Strong growth in 2000
  - net revenue
  - net income
  - free cash flow
- Pressure on margins to flatten out from 2001
  - EBITDA (for the group): 22-25%
- 2001 profits to be strong thanks to
  - gain on Vodafone deal
  - real estate sale

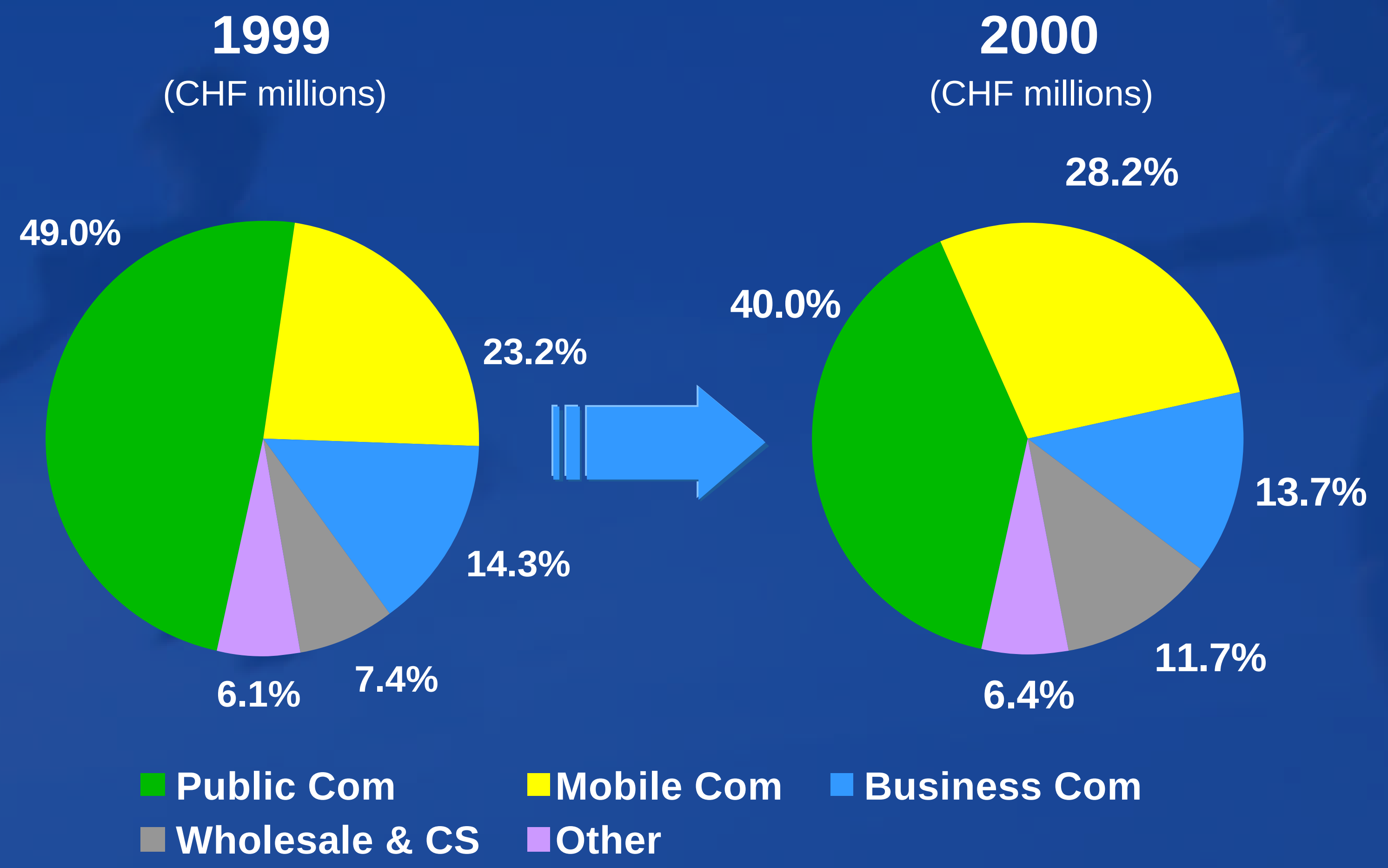
Strong financial position to move ahead

Back-up Financials

Net revenues by segments



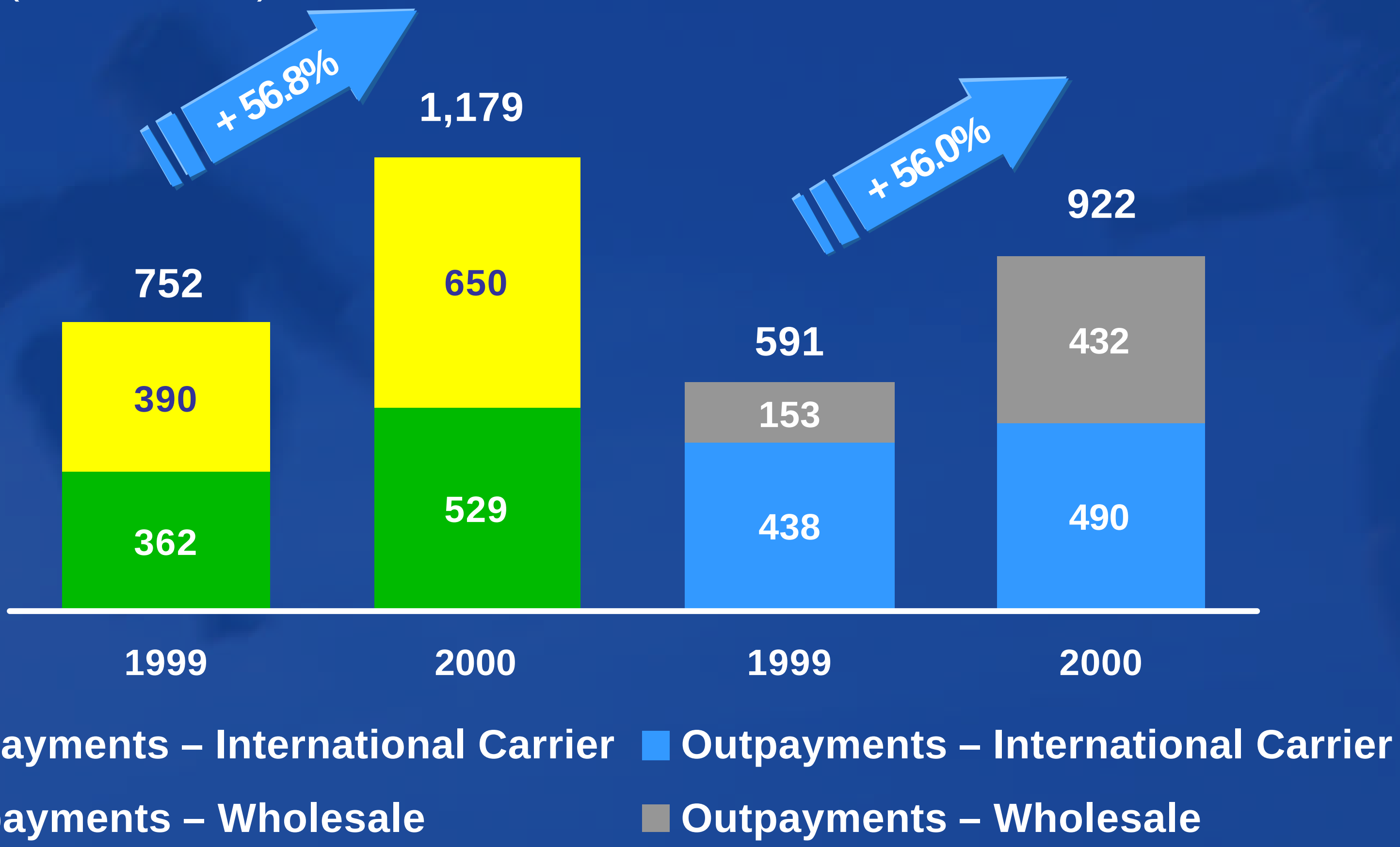
Net revenues excluding debitel by segments



Balance between incoming and outgoing interconnection revenues

swisscom

(CHF millions)



Public Com – breakdown by source

(CHF millions)	1998	1999	2000	CAGR
Access	1,343	1,384	1,393	+ 1.8%
National calling (1)	2,250	1,970	1,457	- 19.5%
International outgoing calling	1,284	781	352	- 47.6%
Value added services	199	284	366	+ 35.6 %
Customer premises equipment	347	245	228	- 18.9 %
Other	402	304	246	- 21.8 %
Public Com revenues	5,825	4,968	4,042	- 16.9%

(1) National calling includes local and national long distance revenues

Tax calculation

swisscom

(CHF millions)	1999	2000
Income before income taxes, equity in net income of affiliated companies and minority interest	2,449	1,997
Weighted average statutory tax rate	25%	25%
Income tax expense at weighted average statutory tax rate	612	499
Increase (reduction) in income taxes resulting from:		
Tax (benefit) provision on investments in affiliated companies	- 16	49
Amortisation of goodwill	22	81
Effect of different tax rates in other countries	2	30
Income of subsidiary not taxable	- 18	- 8
Other	- 67	- 11
Income tax expense as reported	535	640
Effective tax rate	21.8%	32.0%

Equity in net income from affiliates

swisscom

(CHF millions)	*Stake*	1999	2000
Cablecom [1]	-	4	1,371
UTA Telekom AG	*45.5%*	- 69	-87
Swisscom Directories / PubliDirect [2]	*51.0% / 49.0%*	22	19
Unisource [3]	*33.3%*	408	318
tesion[4]	-	- 29	164
Telsource (Cesky Telecom)[5]	*49.0% (13.2%)*	- 25	- 14
Estel	*50.0%*	- 3	- 3
Other equity in affiliates		- 7	- 19
Total net income of affiliated companies		301	1,749

(1) Vesicom, (2) Swisscom Directories has been fully consolidated since 1 October 2000
(3) D Plus (CHF 197 million), Arcor (CHF 31 million), (4) including gain of sale (CHF 176 million)
(5) including amortisation of goodwill (CHF 50 million)