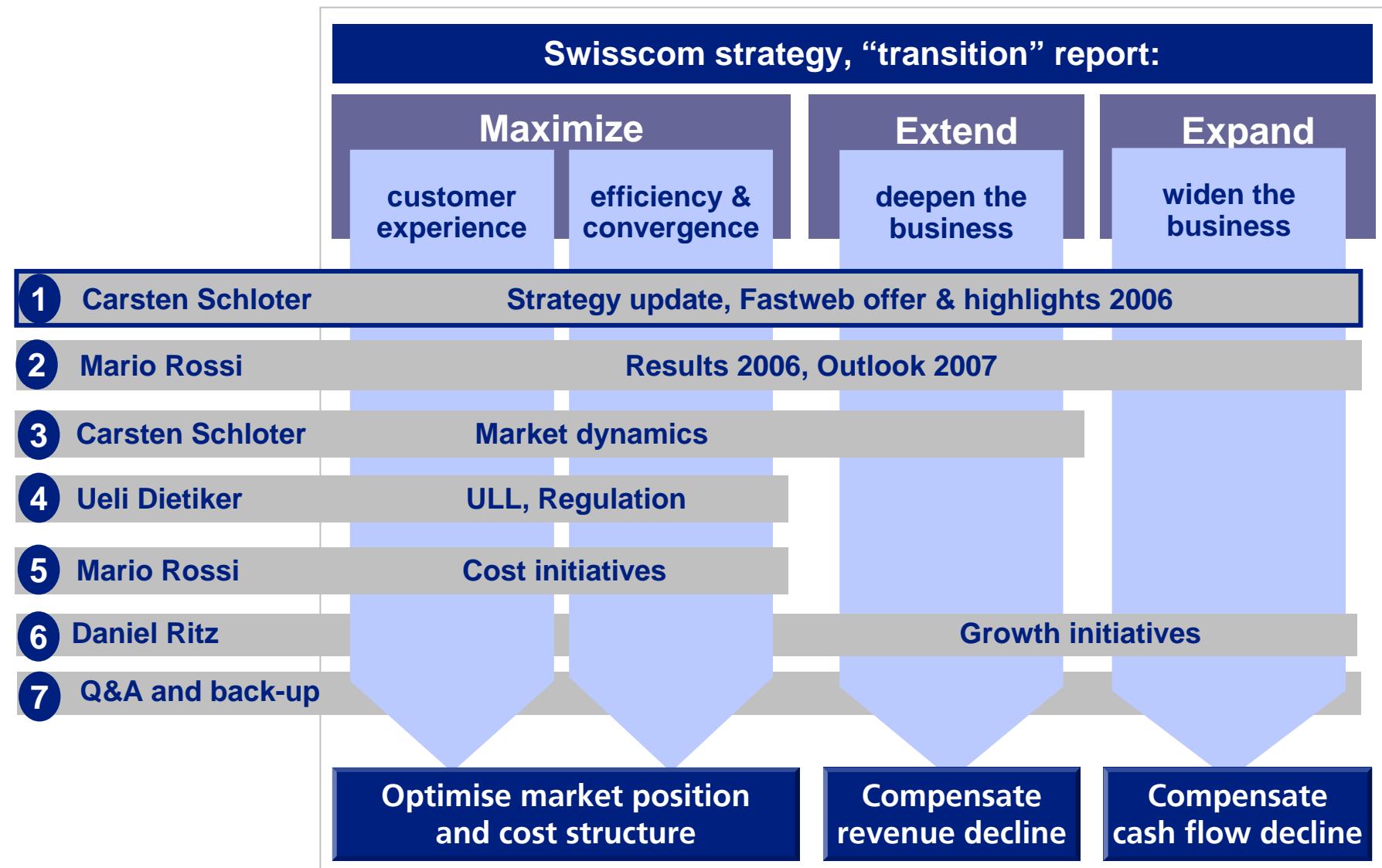


“In Transition”

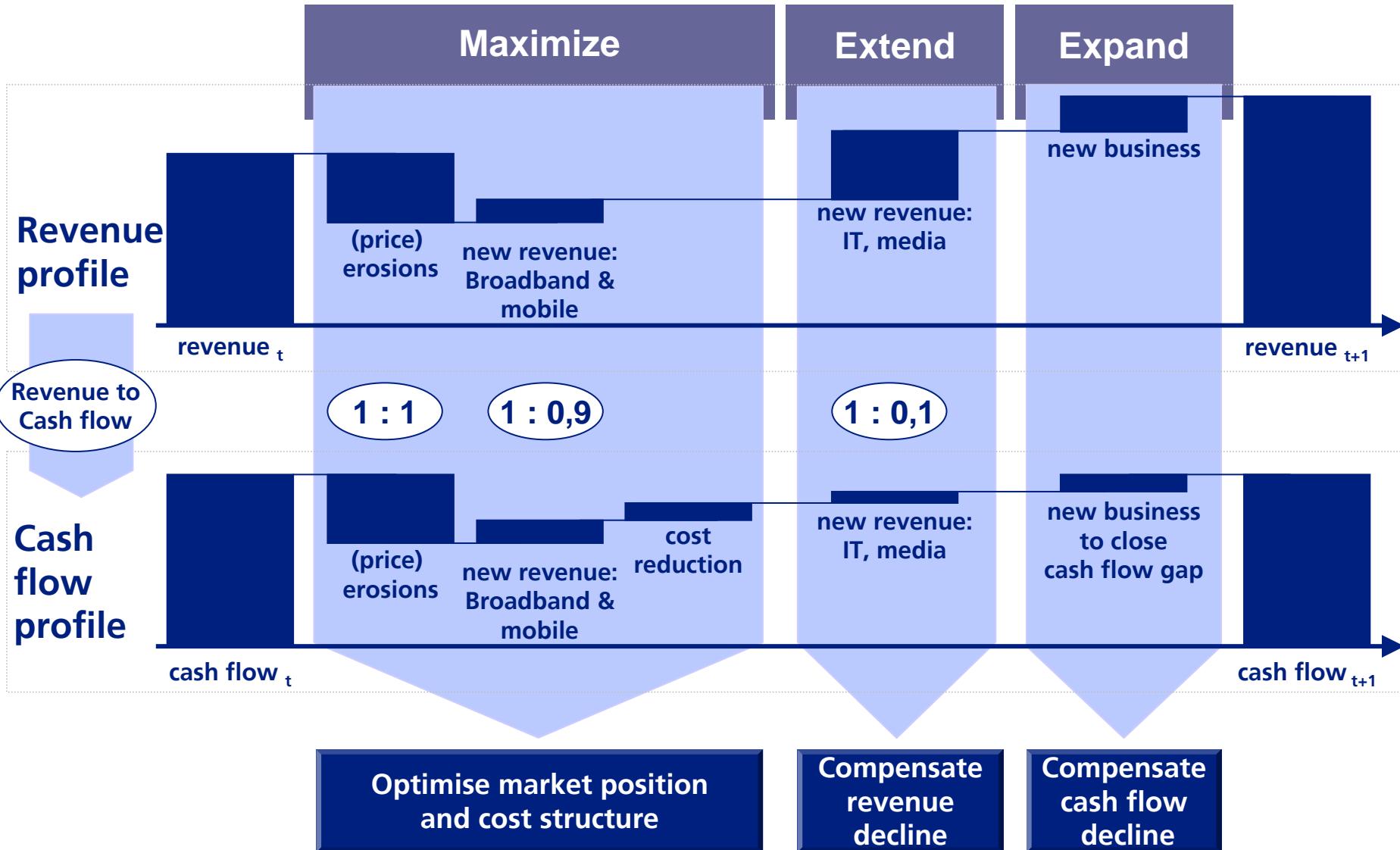
Investor / Analyst Presentation

13 March 2007, Zurich

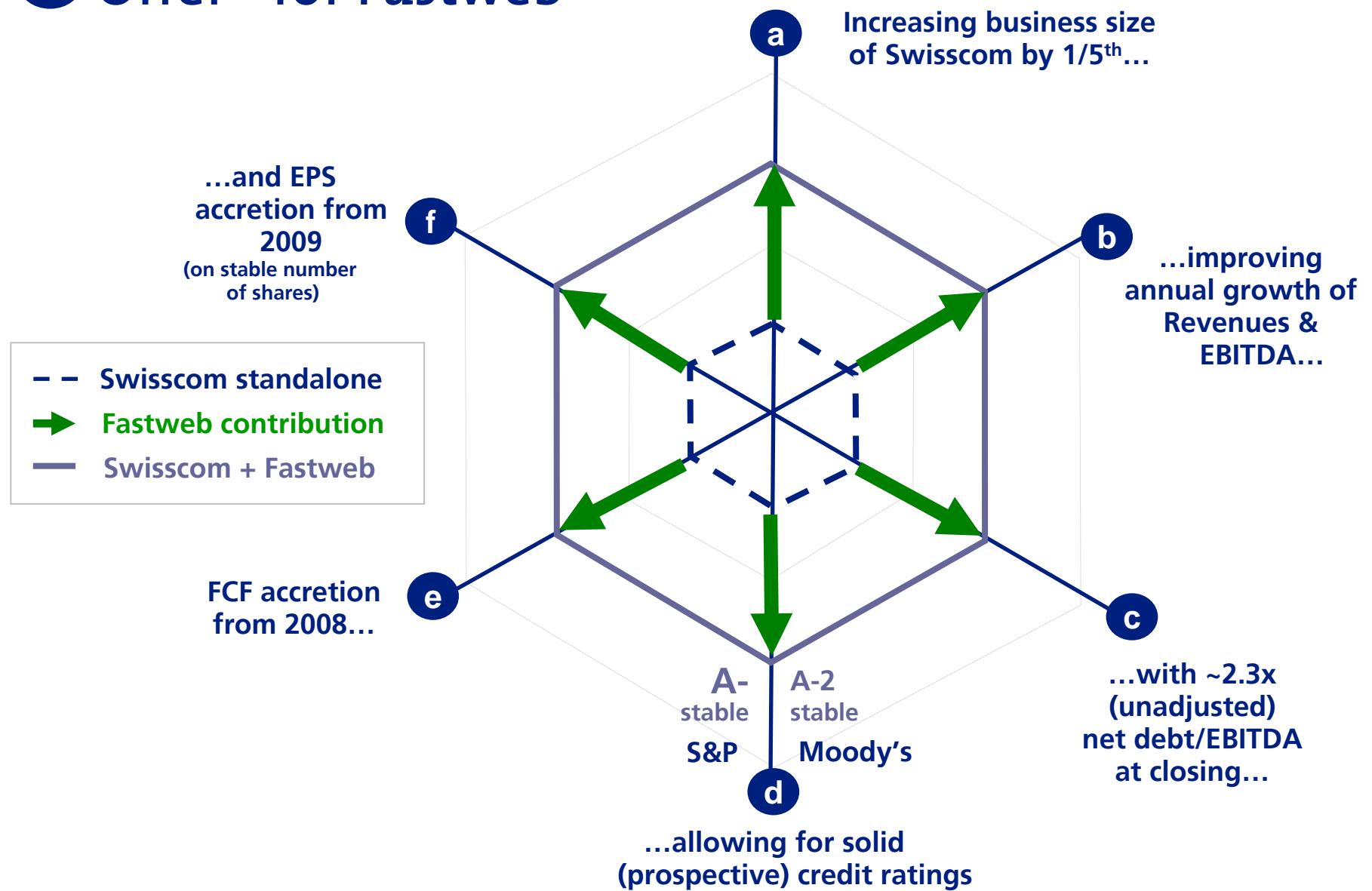
Agenda



1 Strategy update



1 Offer*) for Fastweb



1

Transaction highlights

Key Financial Terms

- Planned voluntary tender offer at € 47/share in cash for 100% of Fastweb:
 - Equity Value of CHF 6.1 bln
 - Enterprise Value of CHF 7.8 bln
- Funding of transaction at closing with bank debt:
 - Financing flexibility post closing through potential placement of up to 4.9 million treasury shares

Transaction considerations

- Filing and launch of offer in the second half of March
- Offer extended to US shareholders
- Key offer conditions including:
 - Minimum acceptance of 50%+1 share
 - Regulatory approvals

1 Rationale of offer for Fastweb

Maximize

Extend

Expand

Highlights of the Offer for Fastweb:

I.

Voluntary
tender offer
at €47 /
share...

II.

...fits into
strategic
framework of
Swisscom...

III.

...satisfying
all
investment
criteria...

IV.

...by buying
in the most
attractive
European
broadband
market...

V.

...the best
positioned
and
managed
broadband
player

Highlights of the implications:

VI.

OpFCF
growth &
synergies
from
combination

VII.

flexible
capital
structure

VIII.

FCF
accretive
from 2008

IX.

future
dividend
policy with
attractive
yield

X.

timetable
with rapid
execution
planned

Goal: reinvigorate growth – topline and bottomline

1

2006 in a nutshell

Key financials

(in CHF mm)	2006	YOY
Net revenue	9,653	-0.8%
EBITDA	3,787	-9.2%
EBITDA margin	39.2%	
EBIT	2,352	-15.3%
Net income *	1,905	-18.8%
SCM net income **	1,599	-20.9%
EPS ***	28.92	-14.4%
CAPEX	1,324	21.8%
EFCF	1,417	-35.7%
Net debt	4,379	n/m
FTE	17,068	6.1%

* Net income before minorities

** Net income to Swisscom sh'holders (excl. minority interests)

*** Avg. # of outstanding shares 2006: 55.299mm

Highlights

- Net revenue stable thanks to ADSL growth and new project- and outsourcing contracts
- Effects from MT, IC provision and IT one-offs explain CHF ~0,4bln of EBITDA decline
- CAPEX up by 22% largely due to VDSL rollout
- 8% share capital bought back in 2006
- Dividends in 2007: CHF 17 per share representing 59% of EPS 2006

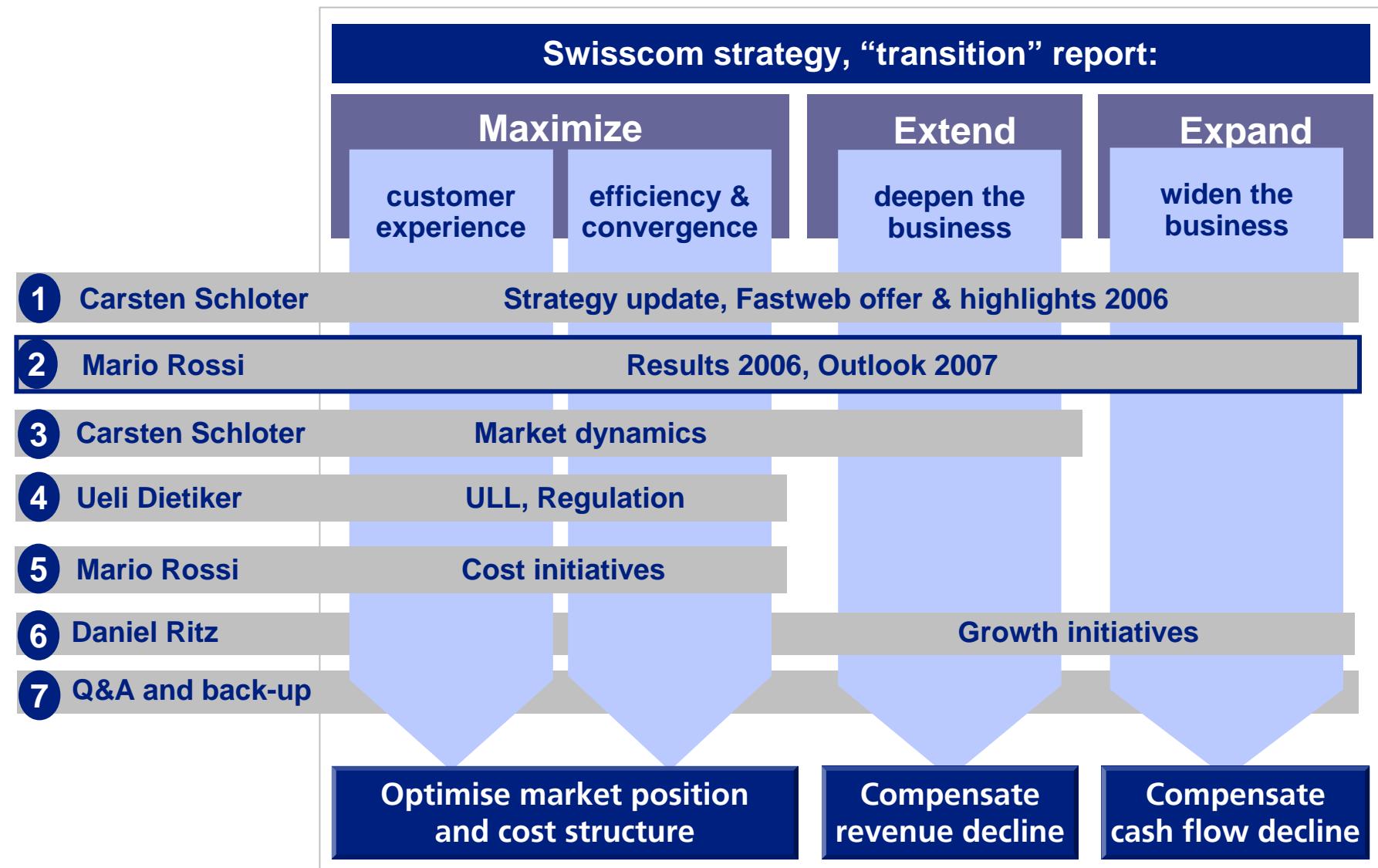
1 Key happenings in 2006...

- Privatization halted – unlikely to revive before 2008
- IPTV launched on 1st of Nov 2006 - 30k orders per end of February '07
- ULL decided – introduction upcoming, yet excluding BSA
- LRIC ruling established – CHF 180 million provision booked
- MT rates to be cut further – asymmetry to be lowered
- First investments abroad completed – especially broadband CEE
- Buy back of Vodafone's 25% stake in Mobile completed – annual growth of CHF 180 million net free cash flow to be expected from '07

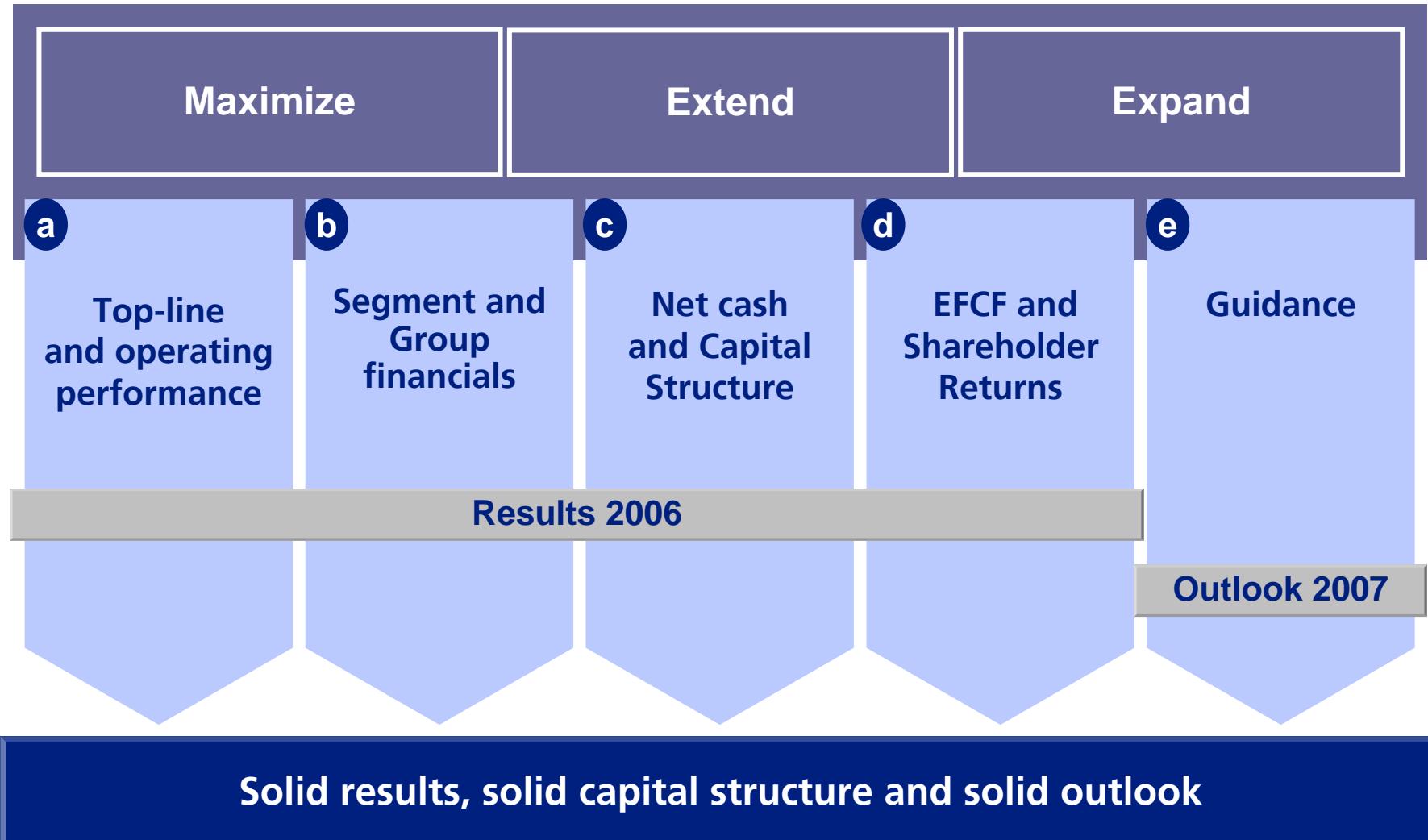
... and Outlook 2007 for Swisscom:

- Revenues: CHF 9.7 bln, EBITDA: CHF 3.9 bln, Capex: CHF 1.4 bln

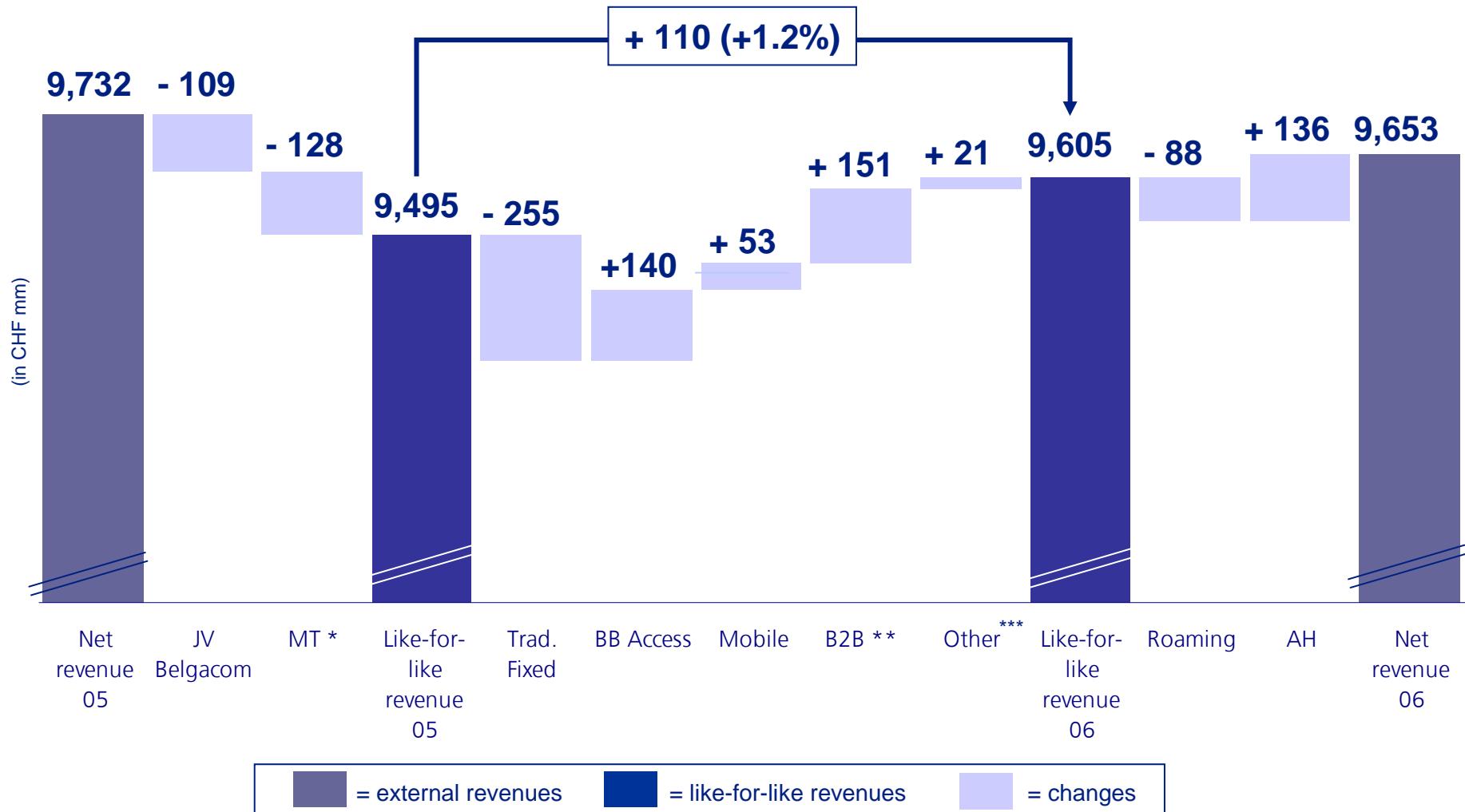
Agenda



2 Results 2006, Outlook 2007



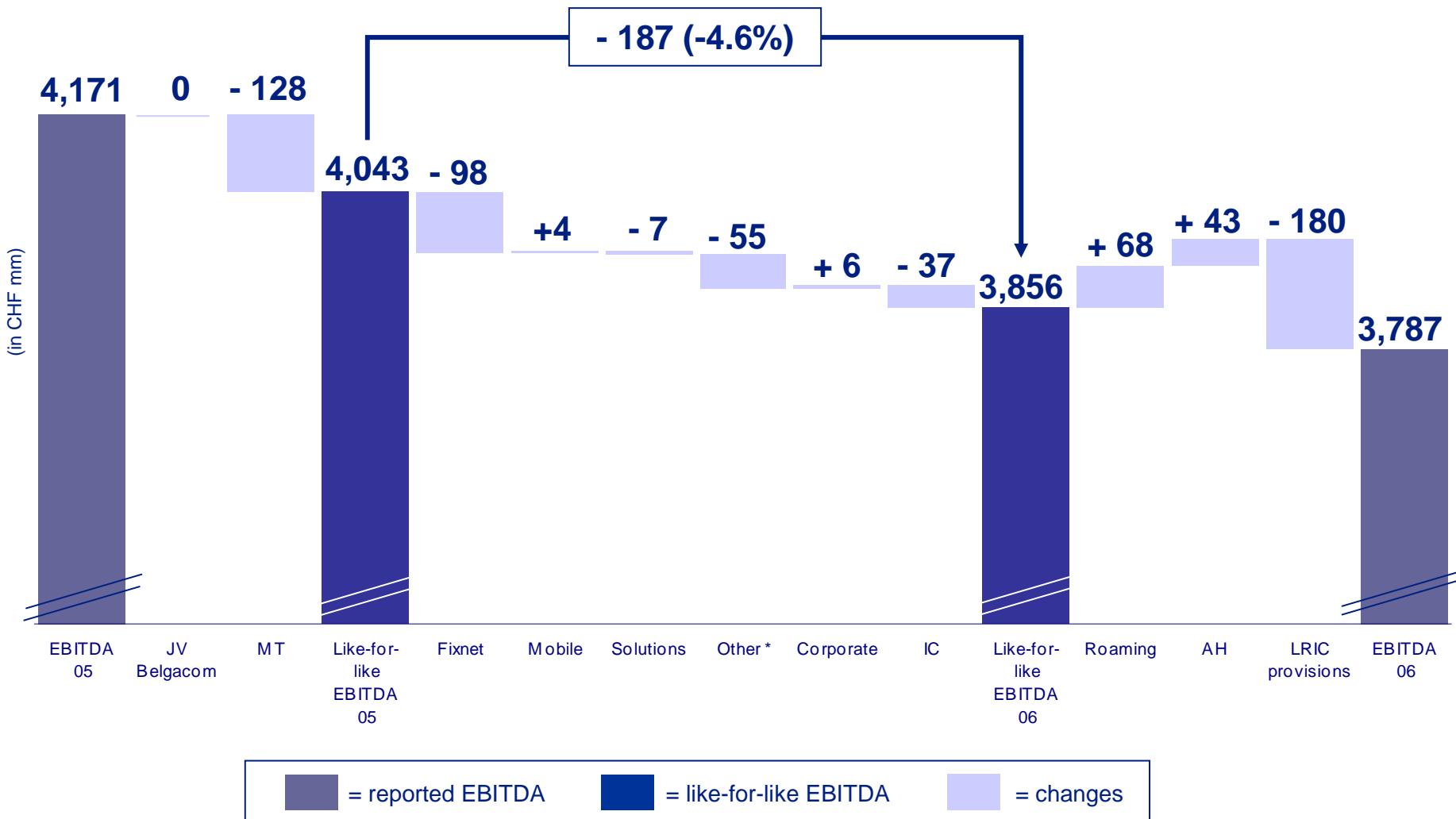
2a Drivers of group revenue



* Of which at Fixnet: CHF -44mm, at Mobile: CHF -74mm, at Solutions: CHF -10mm, ** Project- and Outsourcing Business

*** Of which at Hospitality Services: CHF +27mm, at Accarda: CHF +3mm, Airbites CEE: CHF +4mm, all other CHF -13mm

2a Group EBITDA development



- Includes CHF 49mm extra provisions for contractual risks at Swisscom IT Services as well as a similar amount of extra expenses incurred in H1 2006 relating to newly developed business

2b Fixnet – segment reporting

Financials and operational data

	2006	YOY
Net revenue in CHF mm ¹	4,969	-6.4%
EBITDA in CHF mm	1,806	-13.6%
EBITDA margin	36.3%	
EBIT in CHF mm	1,049	-18.9%
CAPEX in CHF mm	610	23.5%
Number of FTE's	7,205	1.2%
Access lines (thousands)	2006	YOY
PSTN	2,891	-1.1%
ISDN	856	-4.9%
Broadband	1,368	24.6%
Traffic in min. mm	2006	YOY
Retail	9,628	-10.3%
Wholesale	16,160	-11.6%

1 including inter-company (IC) revenue

2006 highlights

- External revenue excl. sale of int'l wholesale business and MT impact down by CHF 36mm
- Revenue composition changes further: access up to 50% of external revenue (from 46%) and traffic now at 35% (from 39%)
- Line losses to cable (74k) in 2006 not accelerating. Hard mobile substitution stands at 24k for 2006 (2005: 11k)
- EBITDA margin down to 36% from 39% year earlier – mainly due to extra IC provisions of CHF 180mm. Excl LRIC, margin went up to 40%
- ARPU Retail at CHF 69 (traffic CHF 36 and access CHF 33)
- IPTV launch on 1st of Nov 2006 with 30k orders as per end of February 2007
- CAPEX increase on back of VDSL roll out

2b Mobile – segment reporting

Financials and operational data

	2006	YoY
Net revenue in CHF mm ¹	4,022	-3.5%
of which service revs	3,614	-5.2%
EBITDA in CHF mm	1,802	-2.6%
EBITDA margin	44.8%	
EBIT in CHF mm	1,417	-4.1%
CAPEX in CHF mm	326	-2.4%
Number of FTE's	2,457	1.9%
	2006	YoY
Subscribers (thousand)	4,632	8.2%
ARPU (CHF/month)	65	-12.2%
AMPU in min.	124	3.3%
Data SMS in mm	2,107	5.8%

1 including inter-company (IC) revenue

2006 highlights

- Net revenue excl. 40% reduction of MT fees (1.6.2005) and renegotiated roaming agreements (for 2005 and 2006) up by CHF 62mm
- EBITDA corrected for same effects flat YOY
- Swisscom subscriber base up 8% thanks to M-Budget leading to over-proportional growth at prepaid (11.3% versus 6.3% at post-paid). Post-/prepaid ratio at YE06: 61:39
- Liberty community with 1,608k subscribers representing 35% of total customers base
- ARPU of CHF 65 with following components at YE06: voice at CHF 41, data&VAS at CHF 12 (of which CHF 7 from SMS) and base fees at CHF 12
- Advanced data revenues up by CHF 43mm to CHF 216mm and now representing an ARPU of CHF 3.6
- SAC and SRC for 2006: CHF 392mm (+ 1.8% YOY)
- Churn rate 2006 with 10.2%

2b Solutions – segment reporting

Financials and operational data

	2006	YOY
Net revenue in CHF mm ¹	1,220	-3.8%
EBITDA in CHF mm	66	-10.8%
EBITDA margin	5.4%	
EBIT in CHF mm	32	-8.6%
CAPEX in CHF mm	42	90.9%
Number of FTE's	1,929	7.5%
Traffic in min. mm	2006	YOY
National	1,786	-7.5%
International	342	-3.9%
Total	2,128	-6.9%

1 including inter-company (IC) revenue

2006 highlights

- Revenue components from service business down due to lower MT rates, continued substitution, competitive and pricing pressure
 - traffic: CHF -39mm (-16% YOY)
 - leased line: CHF -25mm (-17% YOY)
 - intranet: CHF -12mm (-7.9% YOY)
 - other: CHF -17mm (-6.9% YOY)
- Revenue from solution business up thanks to 1st time consolidation of Siemens Enterprise Networks CH, system integration and outsourcing business but not sufficient to absorb total revenue declines
- Cost decline of CHF 40mm YOY not enough to safeguard EBITDA margin at last year's 5.8%
- Increase of 134 FTE mainly from acquired Siemens Enterprise Networks CH

2b Other and Corporate – segment reporting

Financials and operational data

Segment Other	2006	YoY
Net revenue in CHF mm ¹	1,334	26.0%
EBITDA in CHF mm	118	-16.9%
EBITDA margin	8.8%	
EBIT in CHF mm	-90	n/m
CAPEX in CHF mm	219	42.2%
Number of FTE's	4,574	18.3%

Segment Corporate	2006	YoY
Net revenue in CHF mm ¹	637	-7.7%
EBITDA in CHF mm	23	35.3%
EBITDA margin	3.6%	
EBIT in CHF mm	-35	n/m
CAPEX in CHF mm	140	40.0%
Number of FTE's	903	0.9%

2006 highlights

Segment Other

- Revenue increase largely due to integration of Antenna Hungaria (AH), Comit and Hospitality Services and newly won contracts at Swisscom IT Services
- EBITDA down CHF 24mm despite good contribution from AH consolidation, as in connection with a small number of projects, Swisscom IT:
 - booked CHF 49mm provisions in H1 for newly developed business going forward
 - incurred a similar amount of extra expenses in H1 2006

Segment Corporate

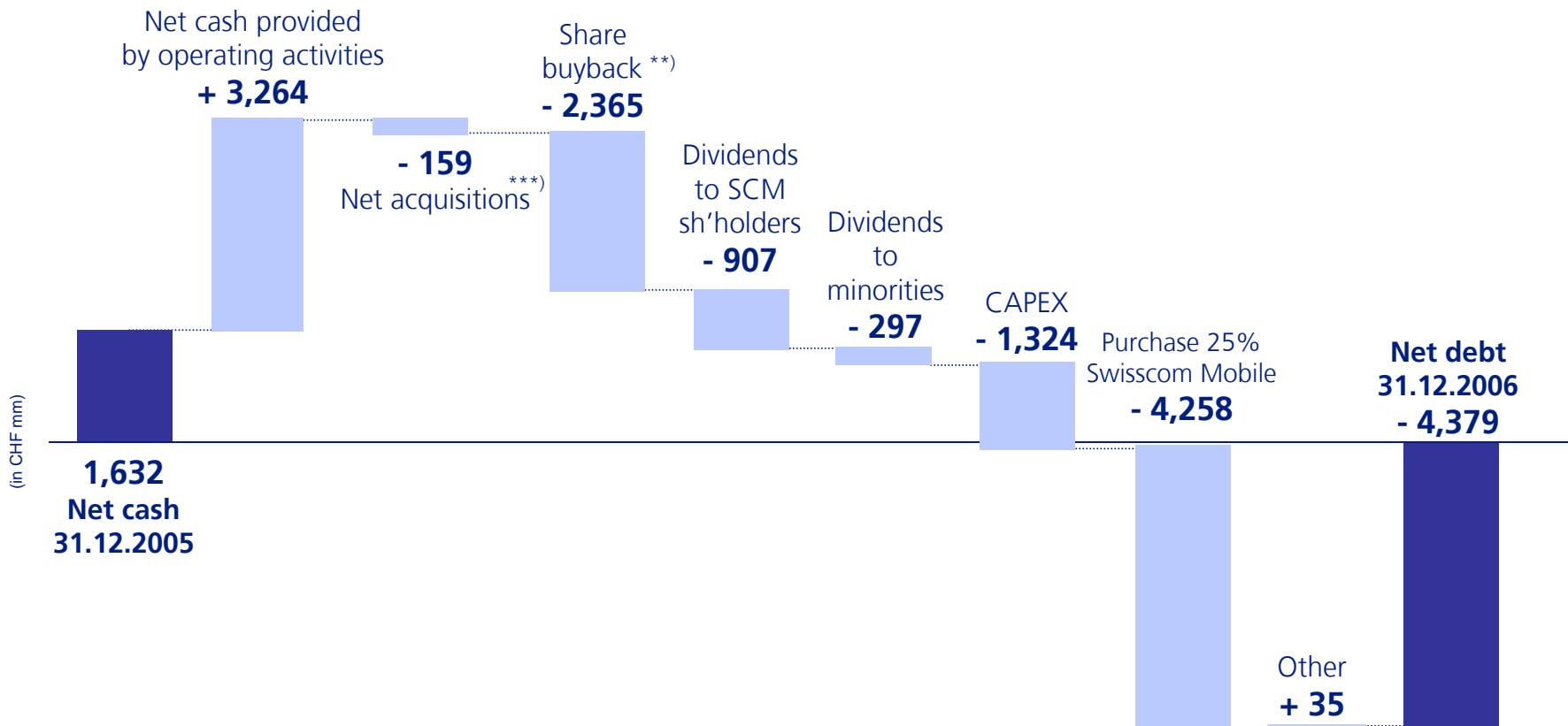
- EBITDA up by 35% mainly thanks to net cost savings

¹ including inter-company (IC) revenue

2b Group P&L overview

(in CHF mm)	31.12.2005	31.12.2006	YOY
EBITDA	4,171	3,787	-9.2%
Depreciation and amortisation	-1'394	-1'435	2.9%
EBIT	2'777	2'352	-15.3%
Net financial result	82	-51	n/m
Equity in net income of affiliated companies	13	30	n/m
Income tax expense	-535	-462	-13.6%
Discontinued operations (debitel)	9	36	n/m
Net income	2'346	1'905	-18.8%
Attributable to minority interest holders	324	306	-5.6%
Attributable to equity holders of Swisscom AG	2'022	1'599	-20.9%
Avg. number of shares outstanding (in thousands)	59.836	55.299	-7.6%
EPS (in CHF)	33.79	28.92	-14.4%

2c Change of net cash ^{*)}



YE book leverage of 97.2% and YE equity ratio of 28.9%

*) Definition of net debt (net cash): total debt and liabilities from collecting activities (Accarda Group) less cash and cash equivalents, current financial assets, receivables from collecting activities (Accarda Group), financial assets from cross-border tax lease transactions and non-current derivative financial instruments

**) consists of: withholding taxes for share buyback program 2005, paid for in 2006 and management incentive program 2006

***) Comit, Cybernet, Siemens Enterprise Networks CH, Core Communications, Minick, Betty, Swapcom, JWS

2d EFCF breakdown

(in CHF mm)

	31.12.2005	31.12.2006
+ EBITDA	+ 4,171	+ 3,787
- CAPEX	- 1,087	- 1,324
+/- Δ working cap. & other ¹⁾	- 189	0
- tax (cash)	- 544	- 496
- net interest	- 6	- 27
- minorities	- 367	- 297
= FCF from operations	1,978	1,643
- acquisitions/divestments (net)	+ 225	- 4,468
- debt issuance/repayments (net)	0	+4,242
= EFCF	2,203	1,417

1) Other items: one-off investments into pension funds of CHF 288 mm in 2005

2d Share buyback 2005 and 2006

▪ Buyback program 2005

- CHF 2 billion buyback
- completed @ avg. price of CHF 419.80 / share and with an accretion effect of 7.8%
- # of outstanding shares after cancellation in 2006 56.72 mm

▪ Buyback program 2006

- Program highlights:
 - Option trading
 - 4,9mm shares
 - Government participated over-proportionally
- Shares from buyback program reserved as acquisition currency for a potential Fastweb transaction

Up to 4,9mm shares reserved for potential Fastweb transaction

2d Future dividend policy and payouts 2007

Return policy adapted into ...

... pure Dividend policy

Return Policy (2003-2006)

- Return of Equity Free Cash Flow (t) in (t+1)
- Forms of payout:
 - Dividend (half of net income)
 - Share buybacks (remainder of EFCF)

Dividend Policy (2007 onwards)

- Around half of net income
- With aim to offer attractive Swiss franc yield

One-off share buyback 2008:

- CHF 500mm to complete the CHF 1.5 bln extra program as result from strategic goals '06-'09 set by Confederation

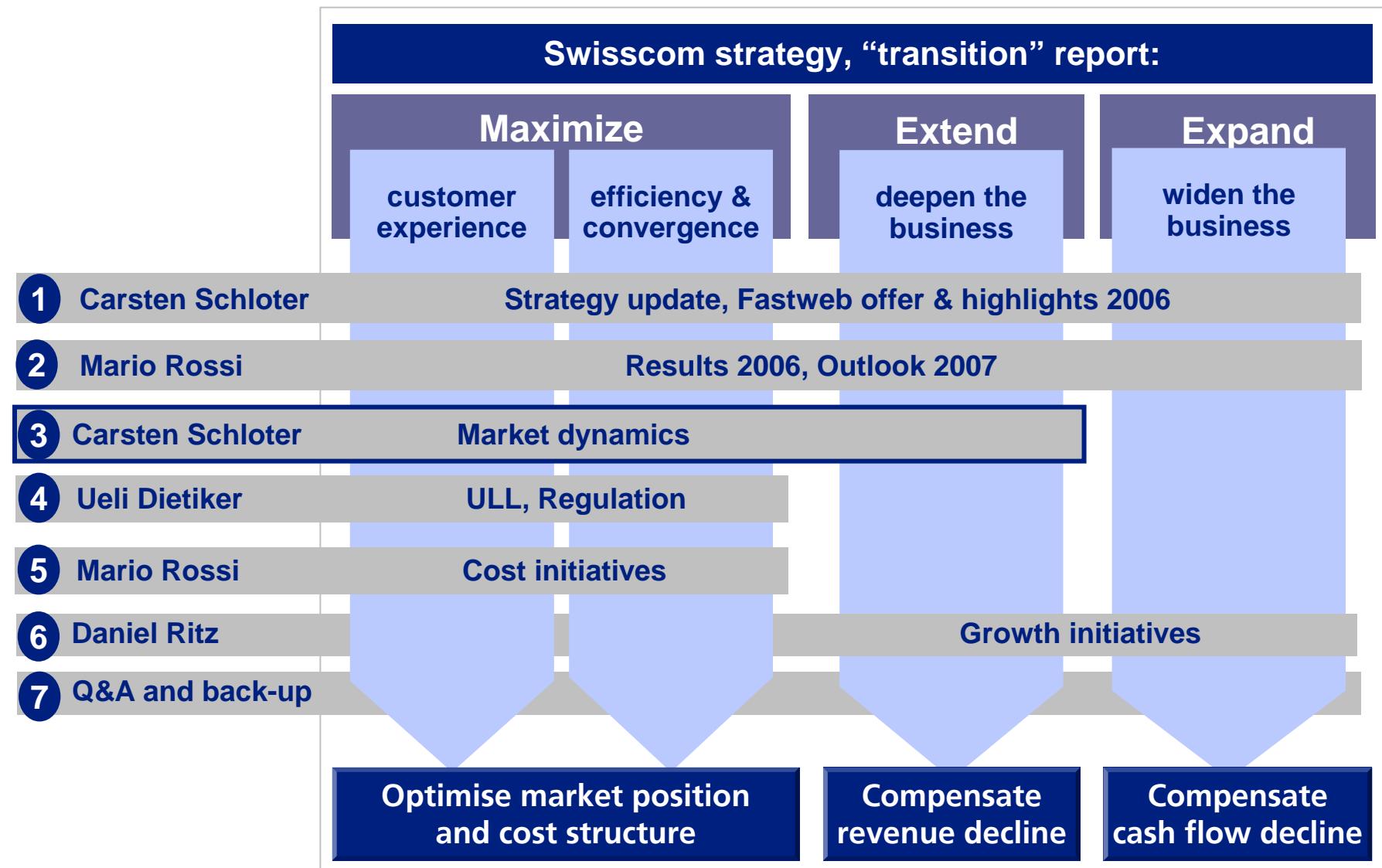
Implication: Dividends proposed for 2007 will be CHF 17 per share

Direct yield (dividends) materially unchanged

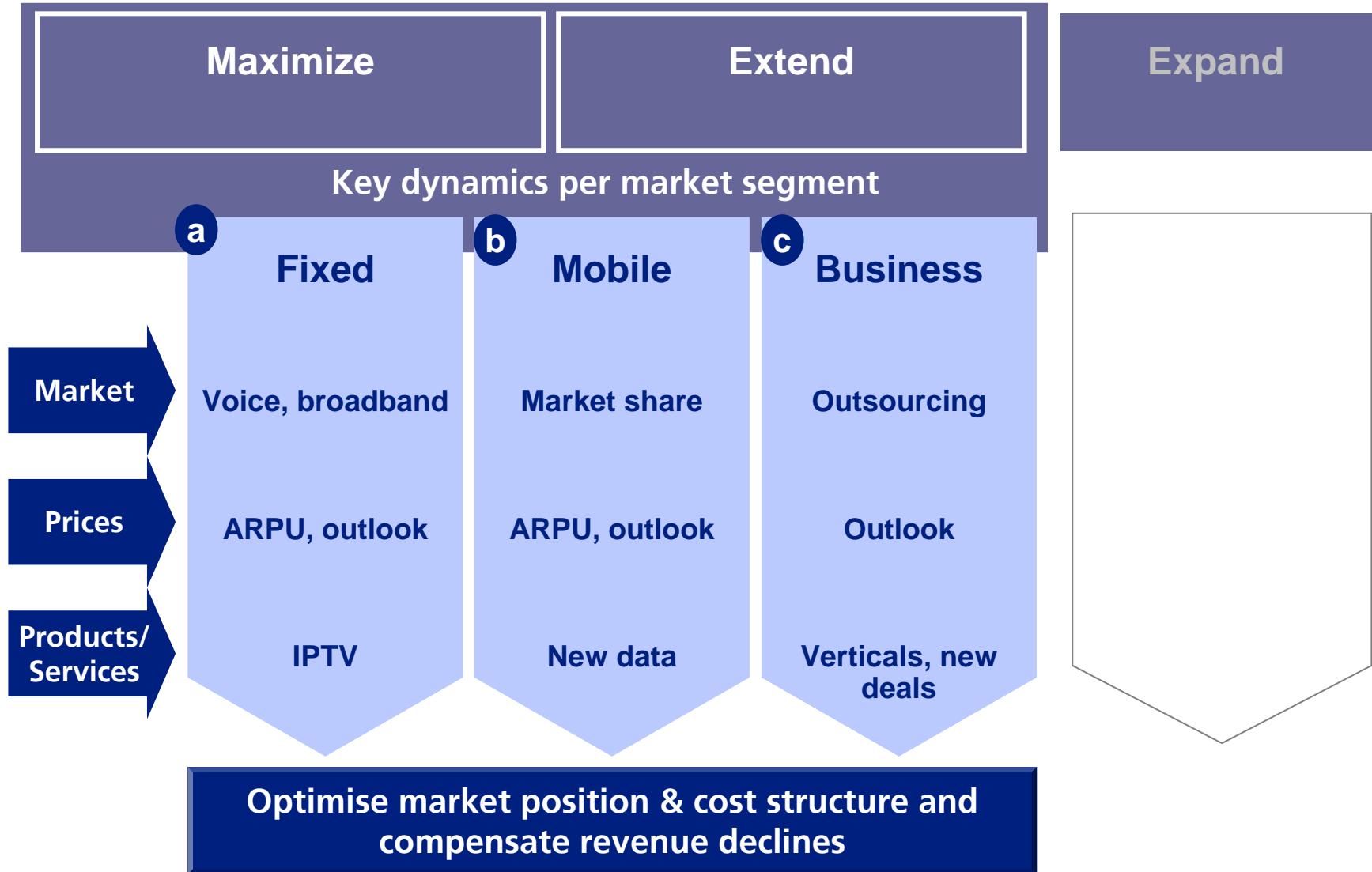
2e Swisscom Outlook 2007

	External Revenue	EBITDA	CAPEX	Explanations:
Actual results 2006:	9,7	3,8	1,3	
Swisscom Fixnet	-	+	+	EBITDA up due to IC provisions in 2006
Swisscom Mobile	+	+	+	
Swisscom Solutions	-	-	=	
Swisscom IT Services	+	+	=	EBITDA up because of one-offs in 2006
All other	+	=	-	
Guidance Full year 2007:	9,7	3,9	1,4	

Agenda



3 Market dynamics



3a Fixed: Market Overview Voice

Customer behavior

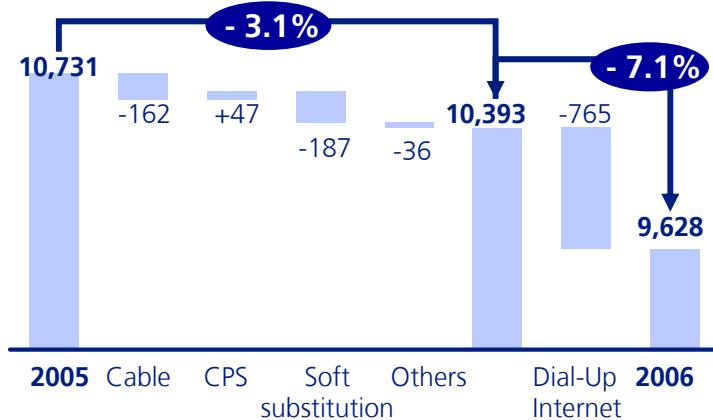
- Line losses reduced to 2.0% (2005: 2.8%)
 - superior customer experience
 - First effects of Bluewin TV
- Traffic losses reduced to 3.1% (2005: 3.9%)
 - Net CPS win-back: Systematic direct marketing and attractive new products. Effects on traffic low as win-backs mainly in Q4. Still ~940k CPS customers with potential to migrate to ULL products.
 - Soft substitution effect increased by 26% year over year
 - Migration to broadband continues to diminish Dial up-Internet traffic

Customer movements 2006

Access lines ('000)



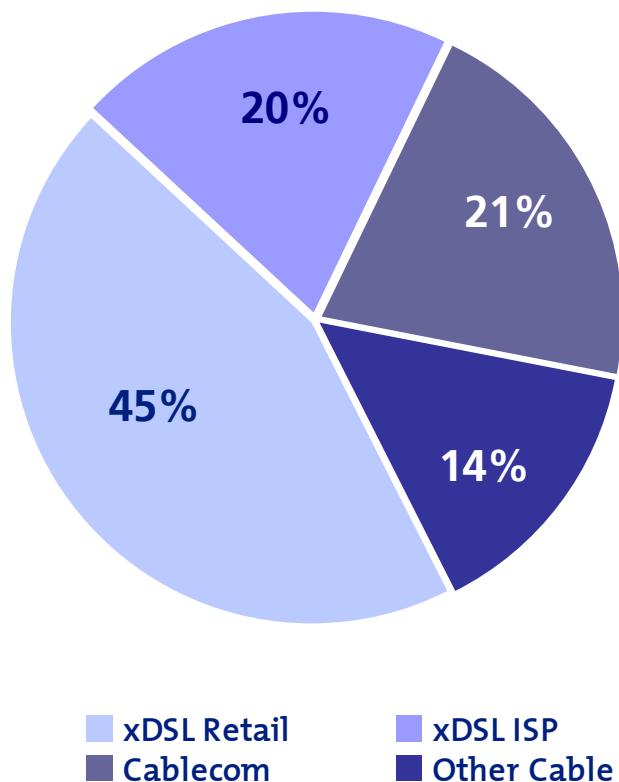
Narrowband Traffic (in min. mm)



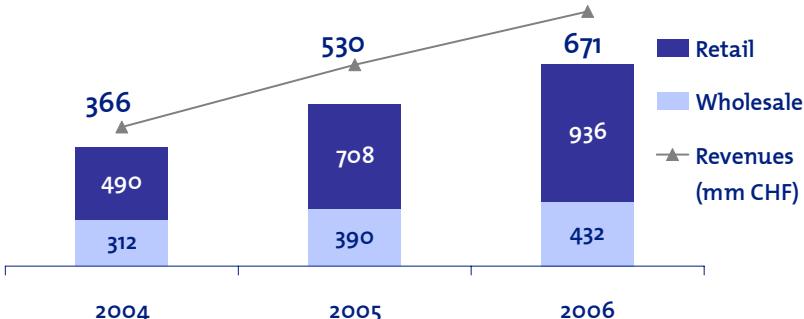
Number of CPS customers decreasing but ULL with further loss potential

3a Fixed: Market Overview Broadband

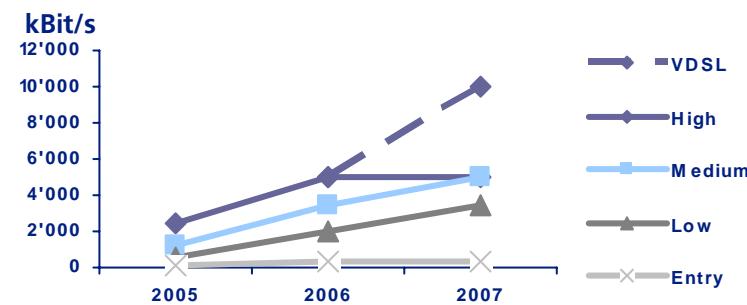
DSL market share at 65%
(as per 31.12.2006)



Broadband customers and revenues



Swisscom bandwidths

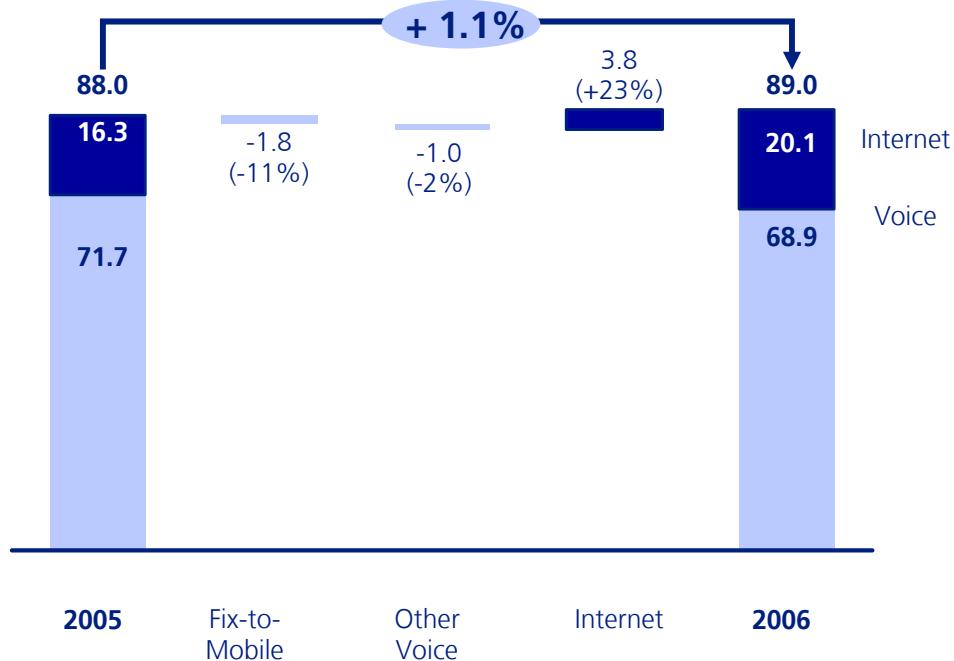


DSL success story continues

3a Fixed: ARPU development

ARPU dynamics and pricing trends 2007

- Voice ARPU reduction compensated by Internet
- Mobile termination rates main voice ARPU driver
- Other voice ARPU decreasing slowly
- Increase in broadband penetration leads to Internet ARPU increase
- ARPU development 2007 will strongly depend on ULL impacts



Broadband push leads to ARPU improvement

3a Fixed: Bluewin TV

Compelling offer

- More than 100 TV channels
- More than 500 videos in German, French and Italian
- Major sport events as pay-per-view or as sport package
- Attractive price and very good usability

Unique situation

- Bluewin TV available for 75% of population
- High dynamics in change of TV market (analogue to digital)
- Cablecom under attack for shutting down analogue channels and price increases

Success

- Permanent positive press about Bluewin TV offer
- 30k orders as per 02/2007 without significant advertisement campaigns
- First indices that Bluewin TV prevents access churn

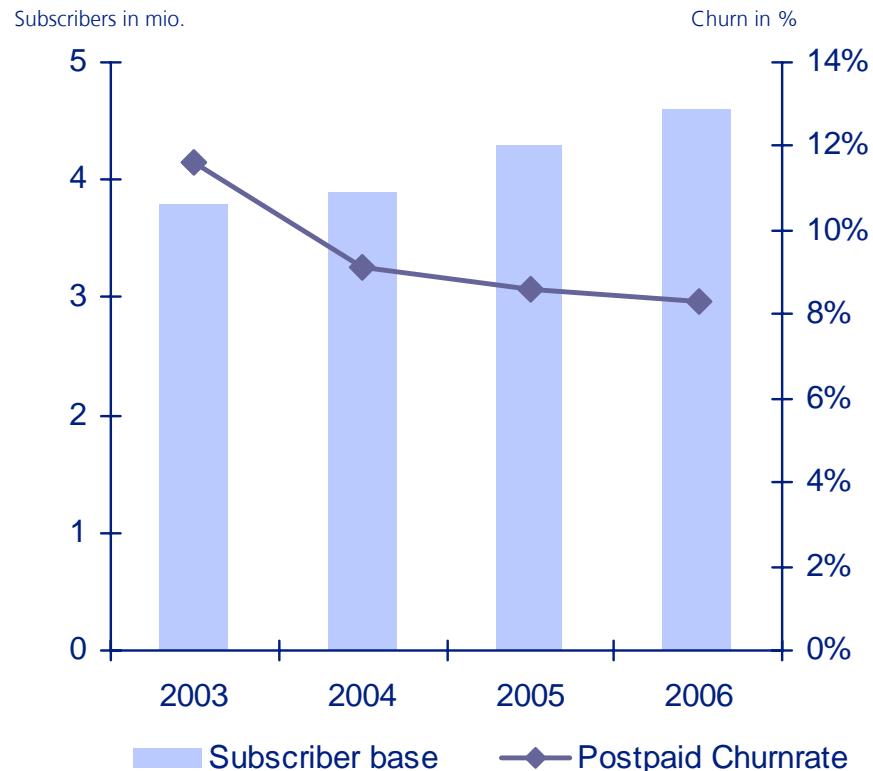
Good conditions to achieve CHF 100mm revenue in 2009

3b Mobile: Market Overview Subscribers

Market development

- SCM Market share stable at 63%
- 806k gross adds (+71k)
- Postpaid churn remaining on record low level (churn rate 8.3%)
- Subscriber base 4.6 mm (+8.2%)
- Trend 2007
 - stable market share
 - continuing subscriber growth (multi-SIM and no frills)

Subscriber base and postpaid churnrate



Subscriber growth 8% - stable market share - record low churn

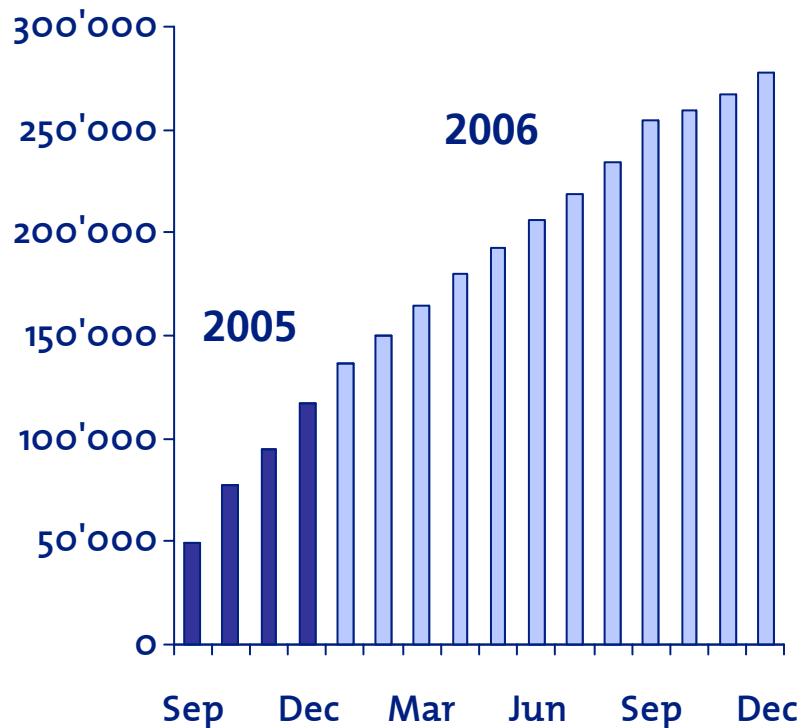
3b Mobile: MVNO Market

MVNO Market development

- M-Budget subscriber growth of 150k to ~280k at YE06
- M-Budget clear leader in no frills market
- Not much room for mass market entry of a new MVNO due to strong position of M-Budget and Coop
- Trend 2007:
 - Further growth in M-Budget
 - MVNO offers for specific customer groups expected

Continuing growth in M-Budget

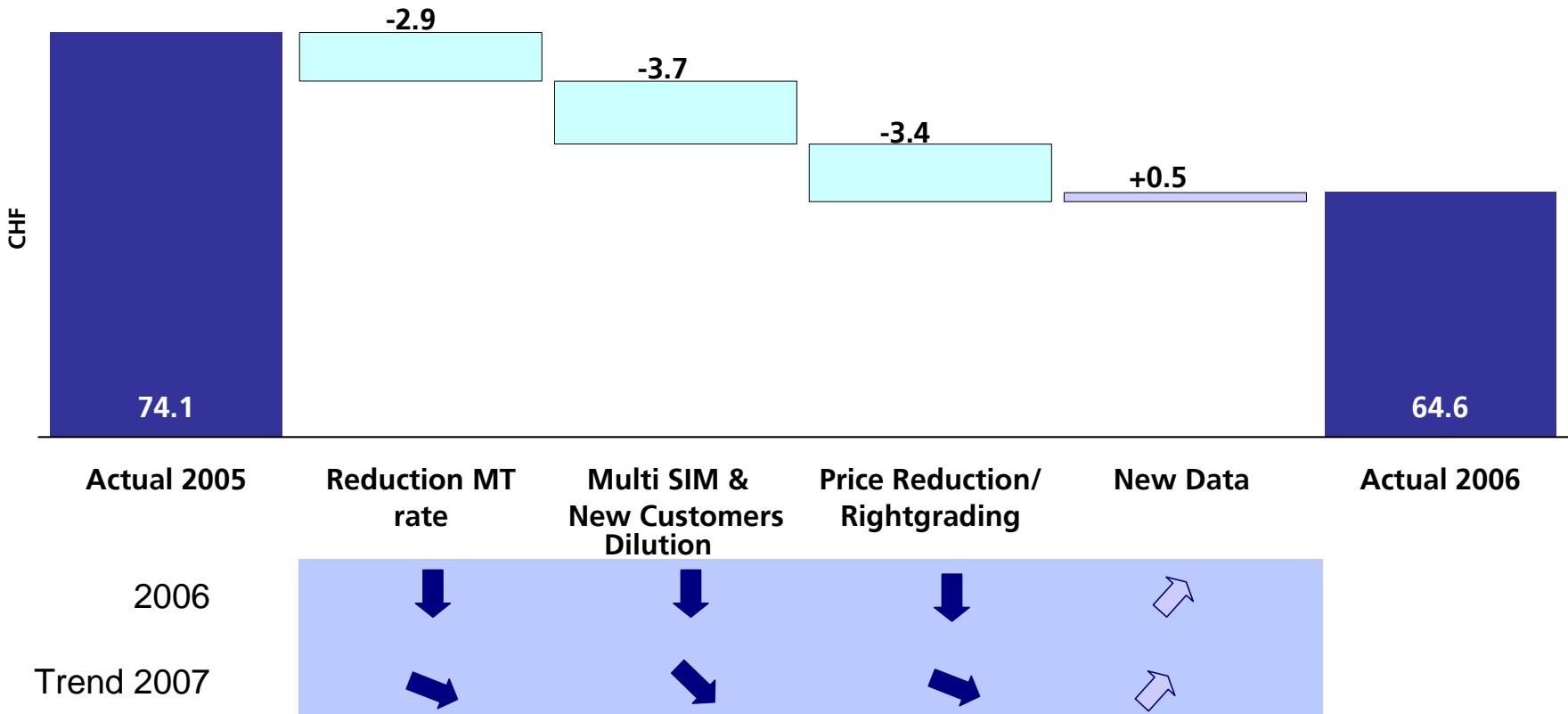
M-Budget Subscriber growth 2005/2006



Low MVNO risk in Swiss market due to existing no frills cooperations

3b Mobile: Pricing trends

ARPU dynamics 2006 and trend 2007



ARPU decrease expected to slow down

3b Mobile: New Data

New data highlights and propositions

- Continuing strong growth in new data revenue (+25%)
- Encouraging entrance in 3 G mass-market with "100 Sec. Tagesschau"
- Growth propositions 2007
 - Enforce position in TIME market
 - Further increase of MOBILE UNLIMITED penetration

New data growth: Key figures

▪ Subs. mobile unlimited (EOP)	55k
▪ Subs. instant messaging (EOP)	30k
▪ Revenue data traffic	+ 33%
▪ Revenue content	+ 8%
▪ Revenue MMS	+ 26%
▪ ARPU new data	+ 16%
▪ ARPU new data (avg. 2006)	CHF 3.6
▪ Revenue new data	+ 25%

Highest new data ARPU in Europe!

3c Business: Market Overview

Outsourcing

- Strong growth in IT Services in 2006 (+ 40 %, incl. acquisition of Comit)
 - #2 behind IBM, #1 in desktop outsourcing
- Outlook
 - mid-market still offers substantial potential
 - Strong push in desktop outsourcing in conjunction with MS Vista introduction
 - well positioned to provide SaaS (Software as a Service) as sizeable infrastructure provides competitive advantage

Achievements

- Win of largest outsourcing deal in Switzerland with SBB (Swiss Railways, 28'000 employees)
- One of the most complex Citrix projects throughout Europe with approx. 700 servers, 300 applications, with 25'000 users who log on from over 1'000 locations
- A challenging contract led to delays and a cost overrun in implementation
- Strengthening of review processes and project financial controlling have helped mitigate the risks attached to large projects
- Client fully operational since March 1st

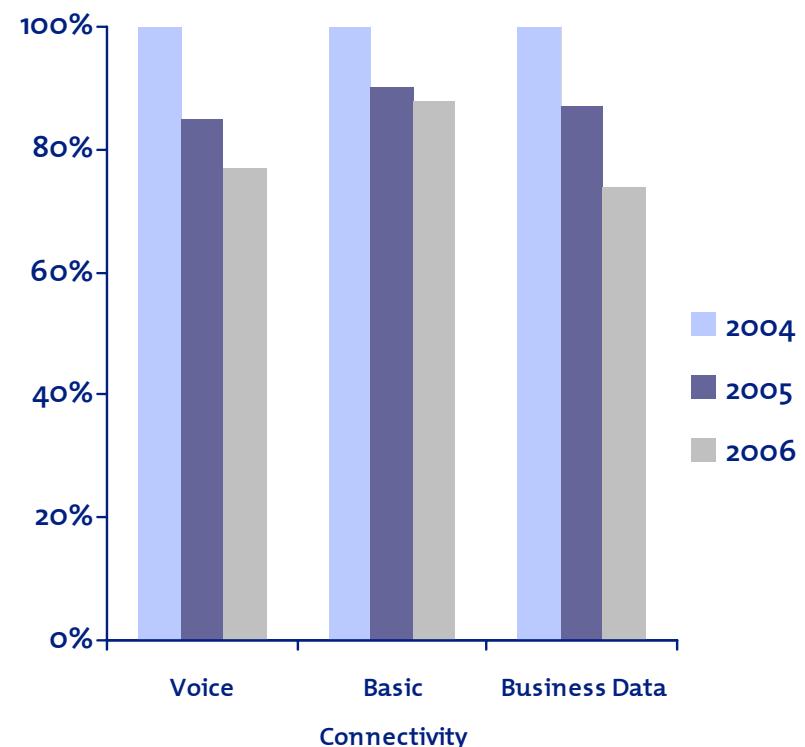
Local strengths driving growth in IT Outsourcing

3c Business: Prices

Comments

- Rate of price erosion in the Voice and Basic Connectivity areas is decreasing
- Prices in the Business Data area however are still decreasing at a rate so that prices are being cut in half every three years
- The price reductions in these three segments cannot be compensated by volume increases
- But, by acquiring (lower-margin) outsourcing deals, overall revenues can be held stable, though the profitability is reduced
- Outlook: Prices may come down due to potential/new VDSL products

Price dynamics 04-06 (index-linked)



**Reduction in revenues through price reductions
can be compensated with new outsourcing deals**

3c Business: Products/Services

New Deals

- Incoming orders 2006: CHF 600mm
- Credit Suisse
 - Partnership with BT to win the largest banking outsourcing deal in CH
- AXA – Winterthur
 - Global outsourcing deal for an integrated ICT solution for six years

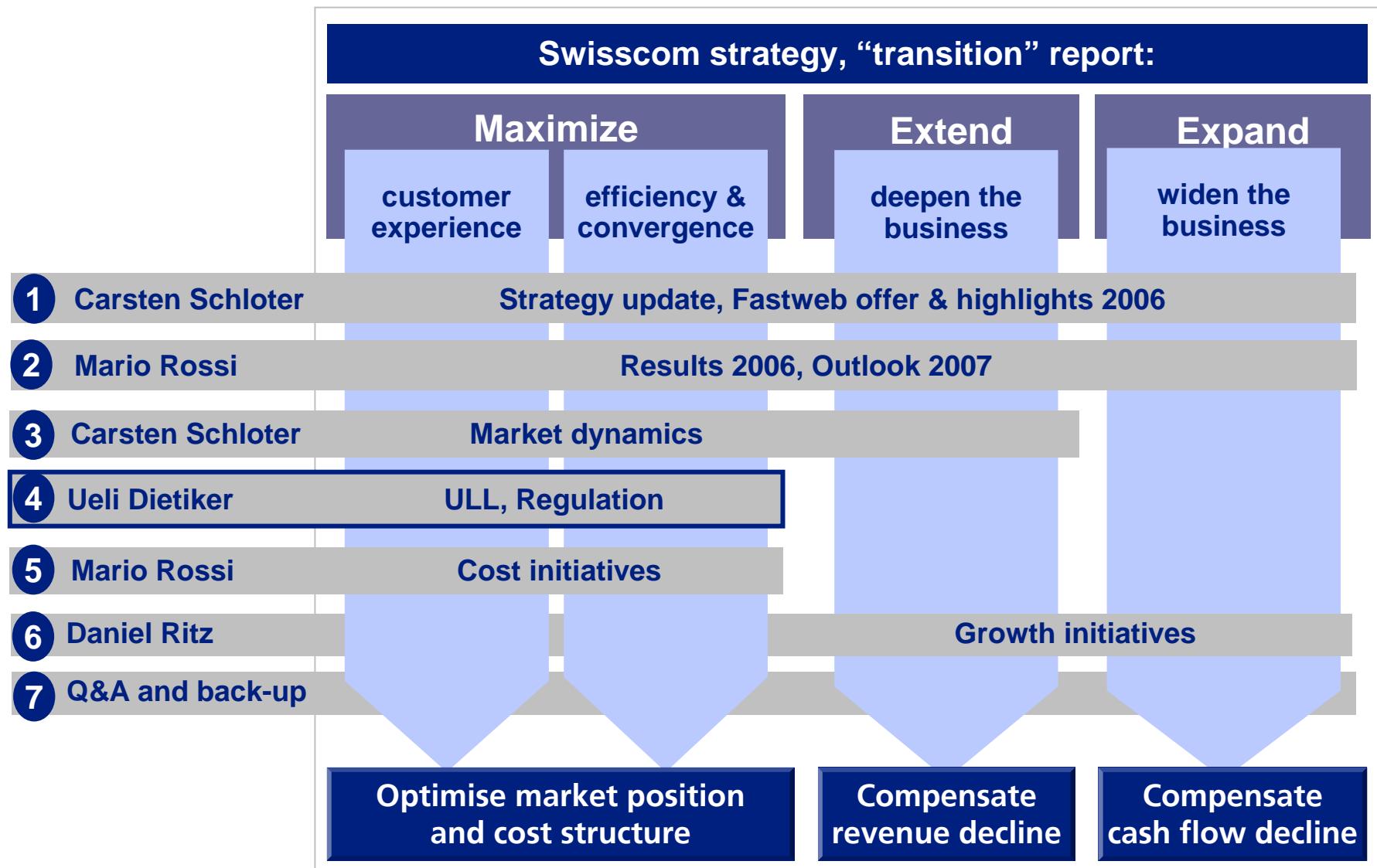
Developing Verticals

- Value of verticals lies in higher margin business and strong synergies with the outsourcing business
- Success story COMIT
 - #1 IT service provider for cantonal and private banks
 - Implementation of core banking software solutions and BPO services for banking processes such as securities administration
 - Successful migration of 18 banks in 2006, 12 migrations contracted for 2007 and 2008

Successful entry into the Telco outsourcing market

Successful expansion into selected verticals

Agenda



4

ULL, Regulation

Maximize

Extend

Expand

a ULL Strategy ...

- to win retail competition
- to win wholesale competition and
- to establish fair ULL product portfolio

b Other regulatory developments on ...

- Voice IC
- USO
- Termination charges
- GSM license prolongation

ULL and other regulatory developments managed

4a

Three pronged strategy in ULL



- Launch bundles and other attractive products proactively
- Engage in service competition
- Leverage strong starting position
- Offer bandwidths beyond CATV and ADSL 2+
- Introduce efficiency rebate scheme
- Analyze wholesale offers of VAS like Bluewin TV
- Offer ULL products in case of market dominance
- Adhere to LRIC, use European benchmarks for parameters
- Support PTS in technical trials

Turn ULL into opportunity

4a ULL starting positions in retail market

Swisscom position

- Products
 - Bundles based on new ULL products
 - VoIP and Internet
 - Mobile voice and Internet
 - Enhancement of convergent products
- Price
 - Enhancement of closed user group and flat pricing schemes
 - Interesting price points, maintaining quality premium
- Placement
 - Strong direct marketing

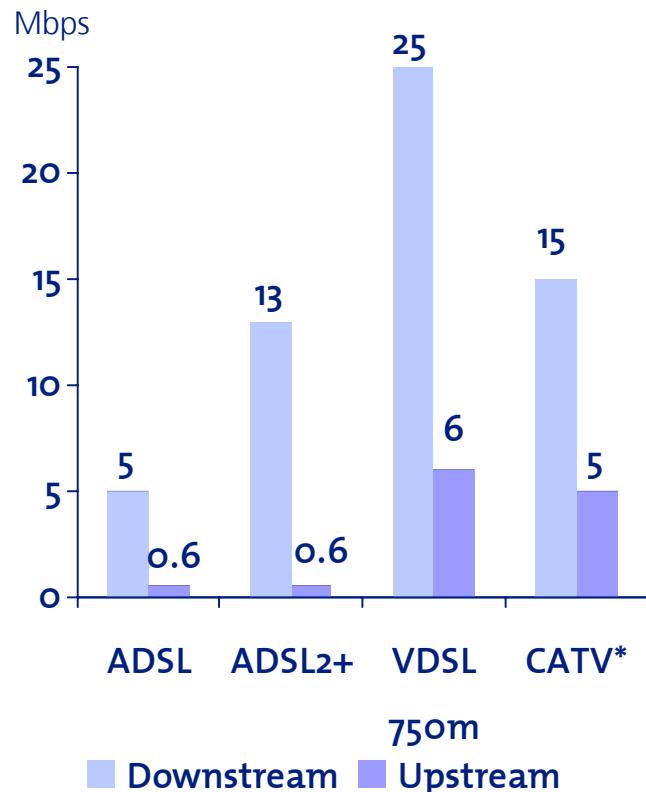
Competitors' position

- Availability of full access based products to be built up over time, estimated reach [% households, EOY]:
 - 2007: 30%
 - 2009: 70%
- Focus of competitors: converting existing CPS/mobile customers on rebilling and subsequently on full access based products, however:
 - CPS customer base declined from ~1040k in 2005 to ~940k in 2006
 - Still positive churn from CPS to Swisscom in January/February

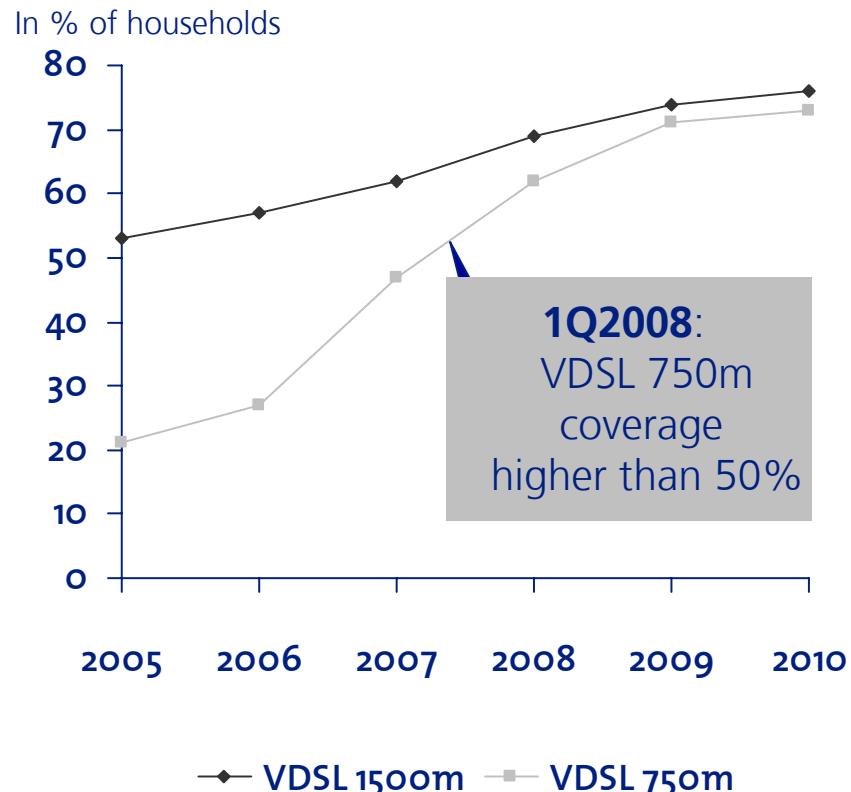
Act proactively to keep competitors at bay starting from day 1

4a Wholesale products

Maximum Bandwidths 2007/08



VDSL Coverage



Offer superior wholesale offers and introduce efficiency rebate scheme in 2007 to keep wholesale customers

*: With Docsis 3.0. Shared medium, higher maximum bandwidths marketable; assumptions: 30% broadband penetration, thereof 10% concurrent users; 500 customers per segment. Today, with Docsis 1.1, only 3/0.6 Mbps on average

4a ULL portfolio

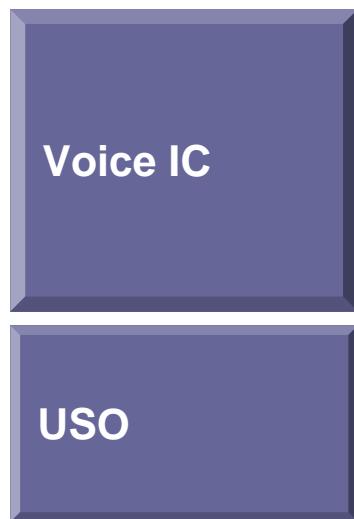
	Offer	Swiss wide	Regional	None	Remarks
Ducts	✓				<ul style="list-style-type: none"> ▪ Capacity?
Full access	✓				<ul style="list-style-type: none"> ▪ LRIC based price
Rebilling	✓				<ul style="list-style-type: none"> ▪ Rebate based on saved cost
Leased lines			✓		<ul style="list-style-type: none"> ▪ Only where market dominant
Bit stream access (BSA)				✓	<ul style="list-style-type: none"> ▪ SCM not market dominant

Ex-post regulation

Definitive product portfolio and price points only known after lawsuit by competitor and subsequent ruling by National Regulation Authority (NRA) or federal court

4b

Other regulatory developments



Fixnet

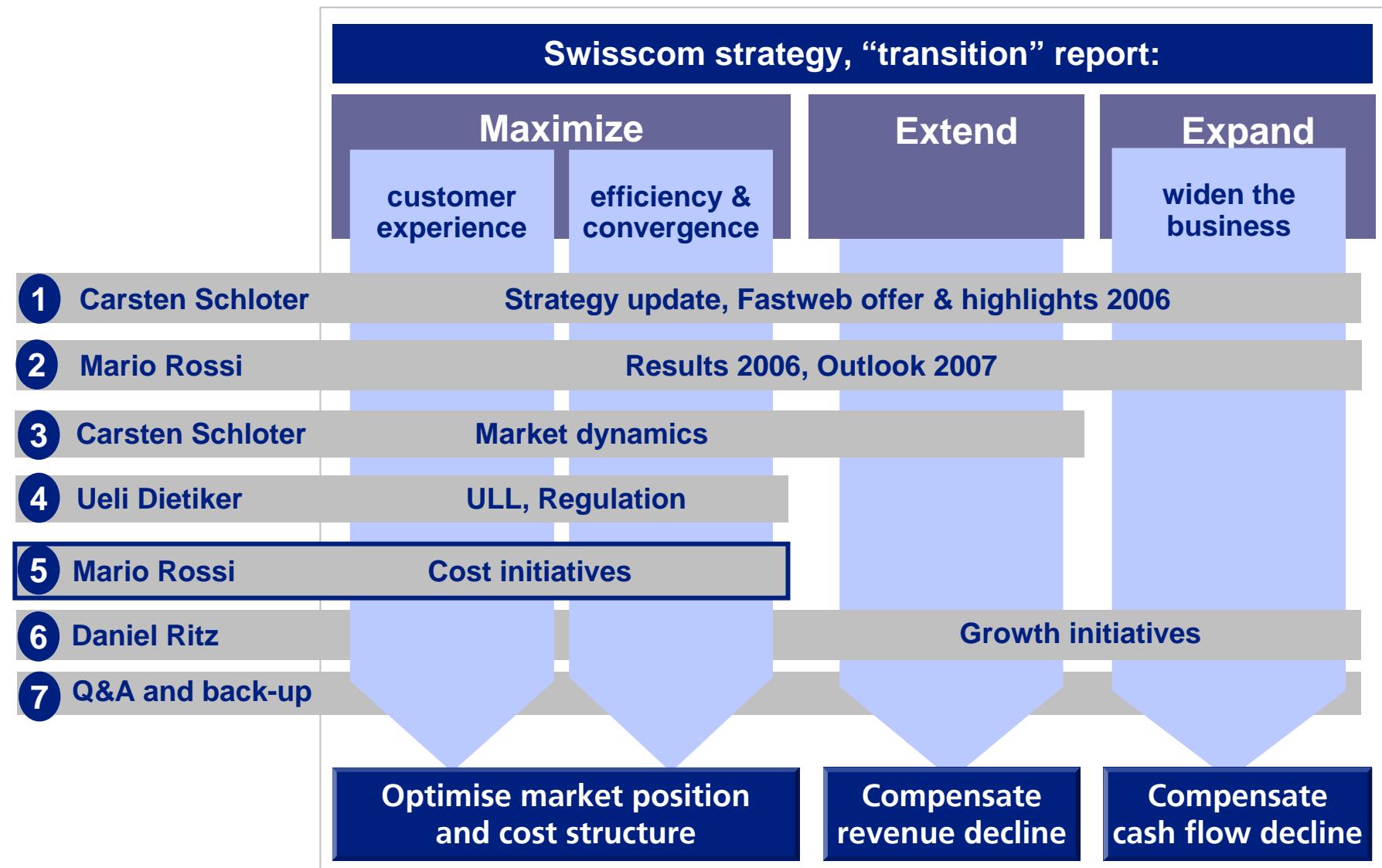
- Ruling on voice interconnection prices 2000-03
 - Lower price point (c. 30% on average for main products)
 - 3rd party effect still under discussion, leading to additional provisions of CHF 180mm in 2006
- Investigation for prices 2004-06 pending
- Broadband services: exemptions for technical reasons allowed
- Duration planned until 2017
- Use of compensation fund under discussion

Mobile

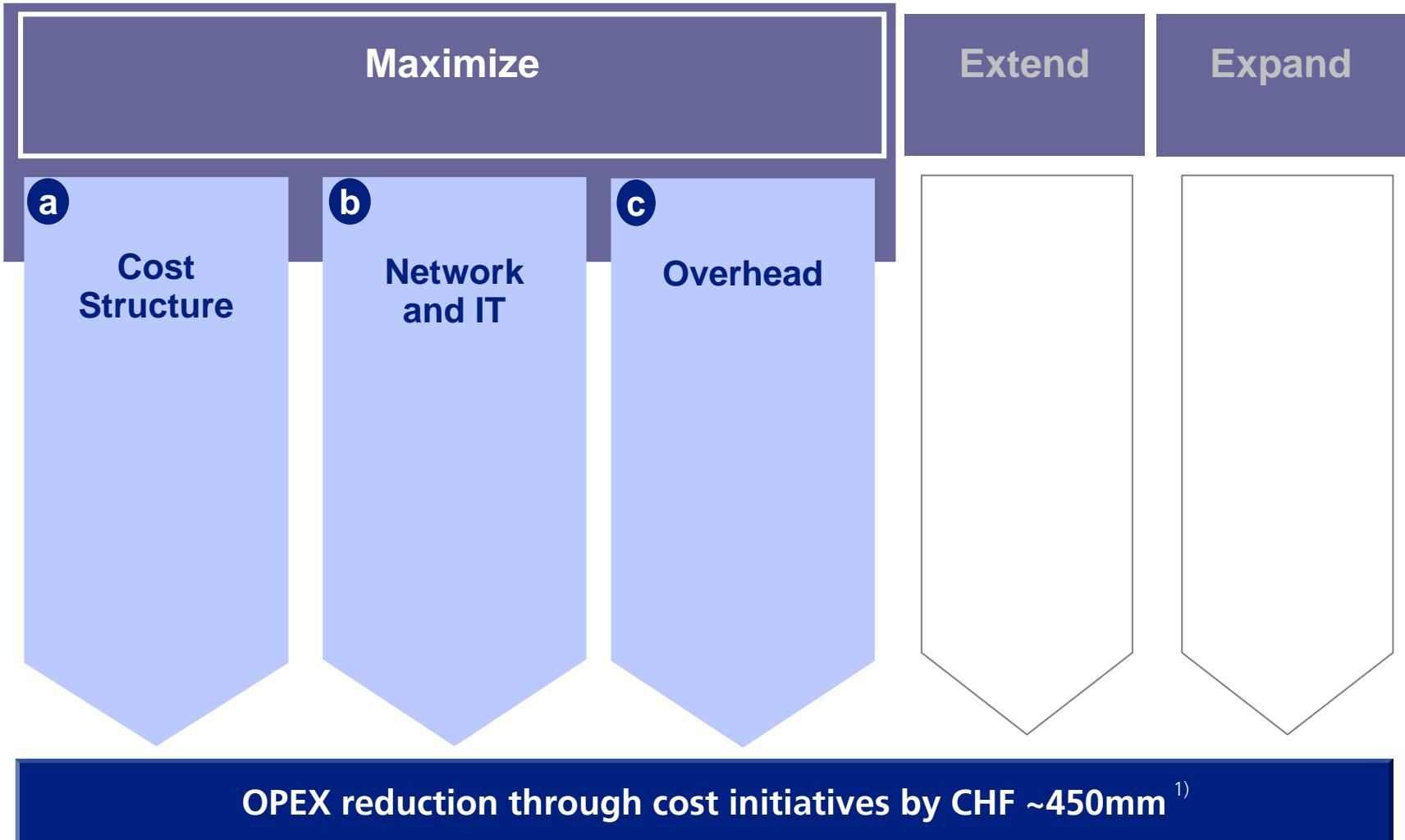
- Fine by competition authority of CHF 333mm
 - No provision as case will be disputed before Federal Administrative Court with good prospects of success
- Conditions of prolongation under discussion

Other regulatory developments harsh, but managed

Agenda



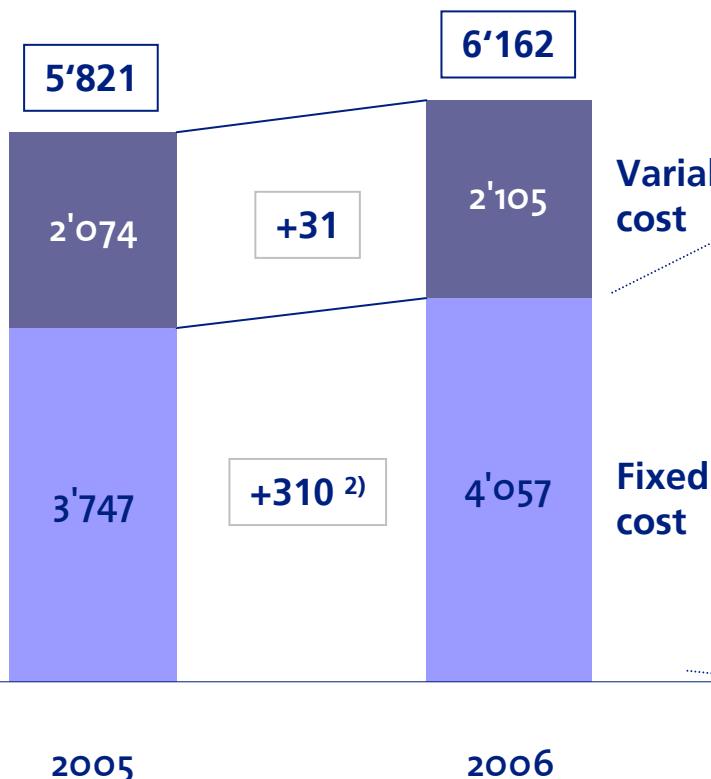
5 Cost initiatives



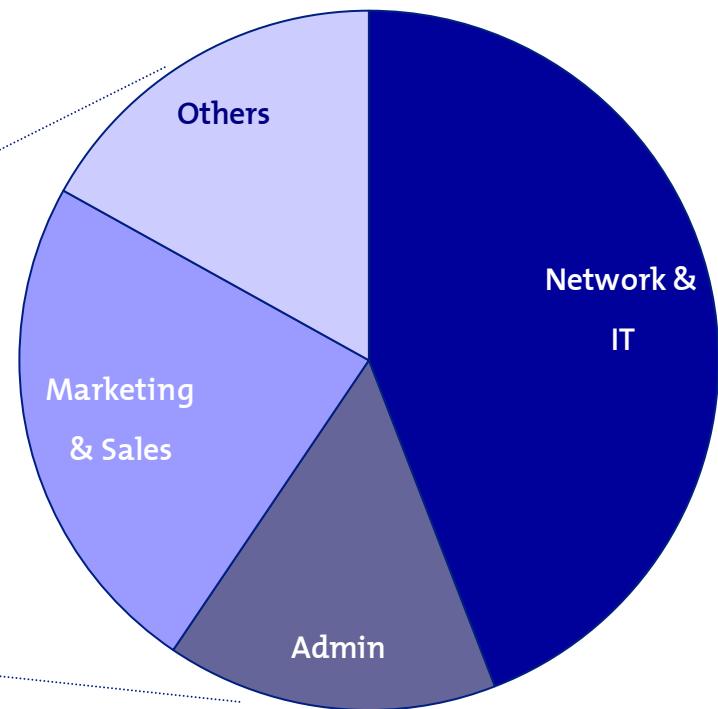
1) Management estimate in CHF mm, reduction of operating expenses in 2013 compared to 2006

5a Swisscom's cost structure

Operating expenditures [in CHF mm]



Fixed cost by function ¹⁾

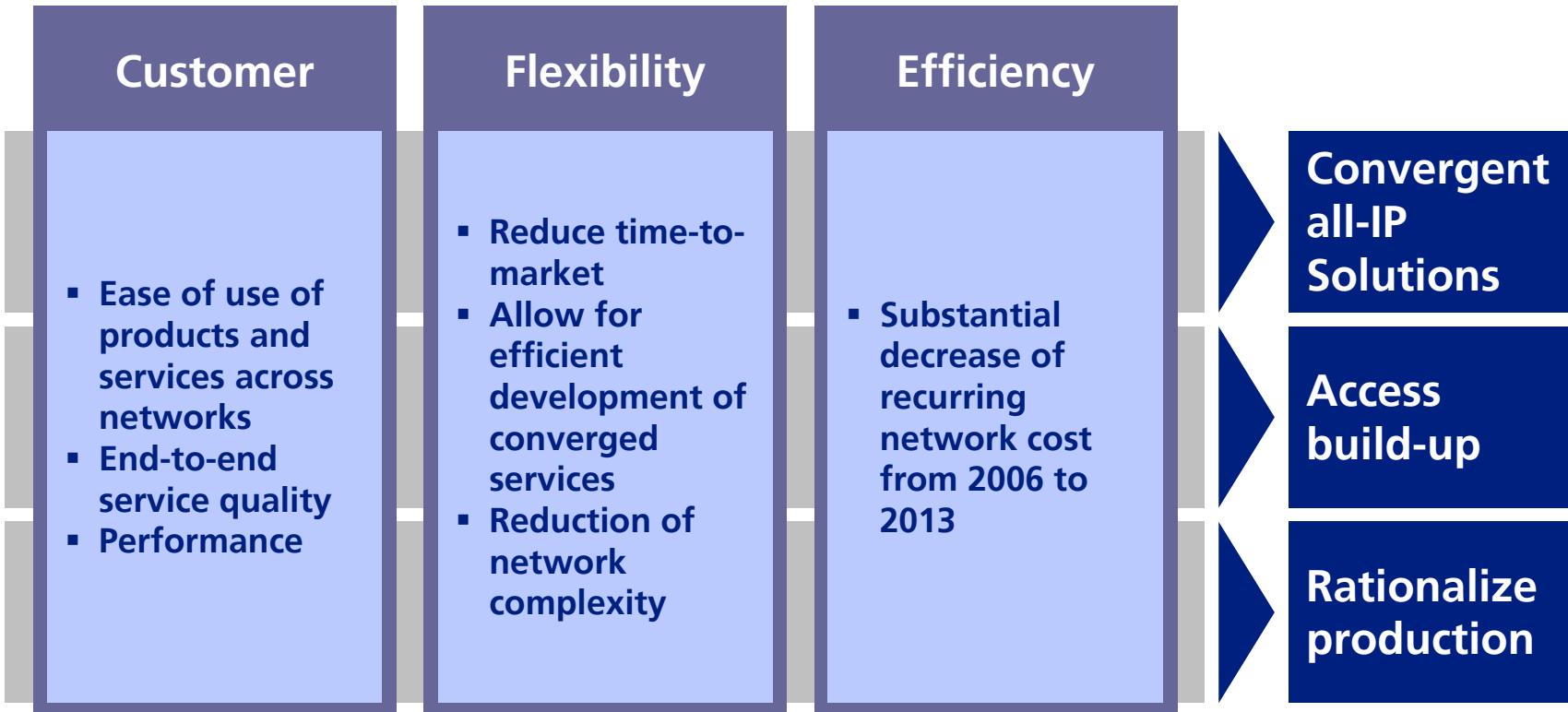


Focus of cost initiatives: reduction of network, IT and overhead cost

1) Management estimate

2) Including CHF 180mm LRIC provision, acquisitions of Antenna Hungaria and Comit

5b Objectives of network and IT initiative



5b Main pillars of network and IT initiative

Convergent
all-IP
Solutions

- Integrate core, edge platforms and move to one backbone for fix and mobile
- Implement the network control system for multimedia applications (IMS) and develop converged services (VoIP, Messaging, etc)
- Converged platforms for CRM and billing

Access
build-up

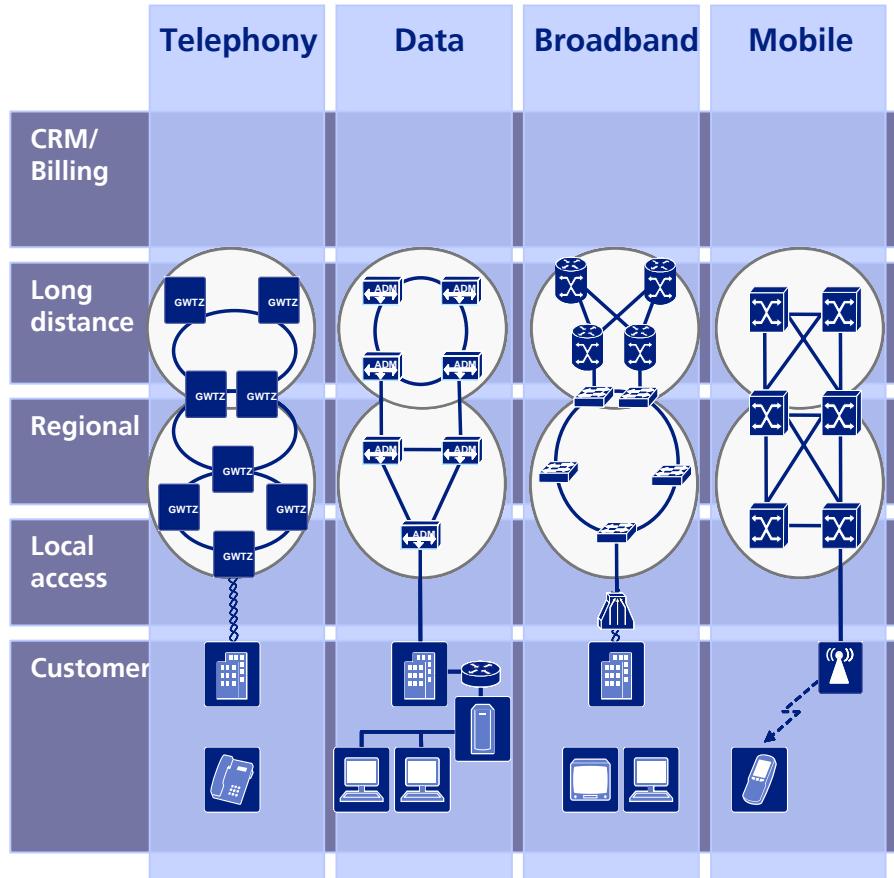
- Build out coverage: VDSL to 75% and HSPA+ to 80% by 2010
- Extend optical coverage of business customers
- Explore FTTH and realize a pilot in Zurich with a substantial number of users
- Build networking, hardware and software services for digital home

Rationalize
production

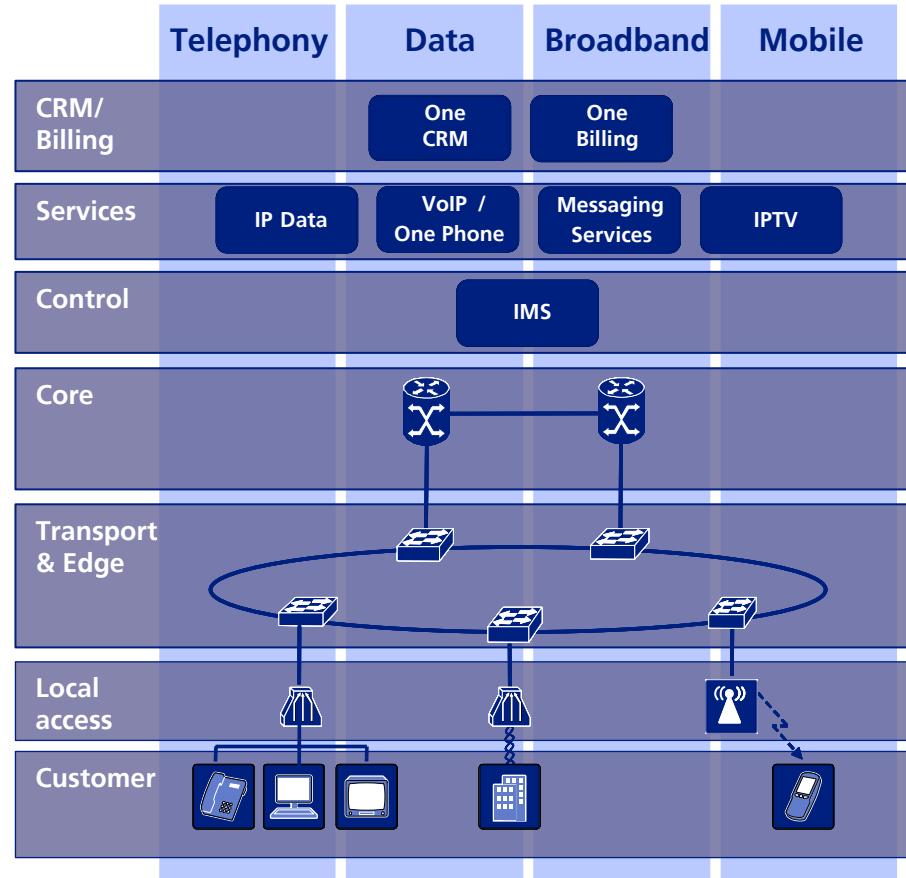
- Phase out of TDM network at the latest by 2013.
- Phase out of legacy data products such as frame relay, leased lines <2 MB until 2009
- Reuse legacy core and access network as backup infrastructure for business customers

5b Network initiative – technical view

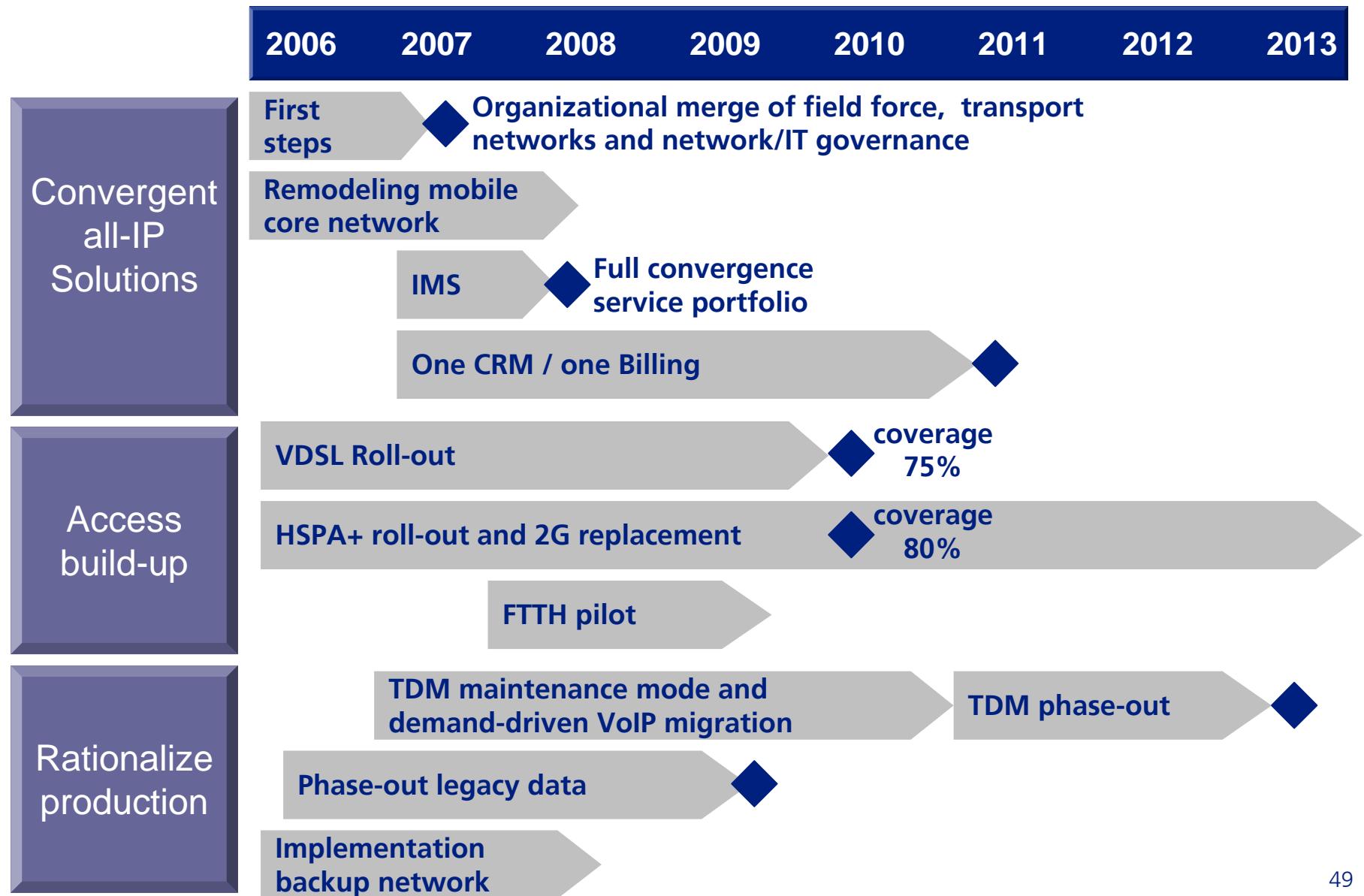
Today: parallel platforms for different services



All-IP: one platform for major services

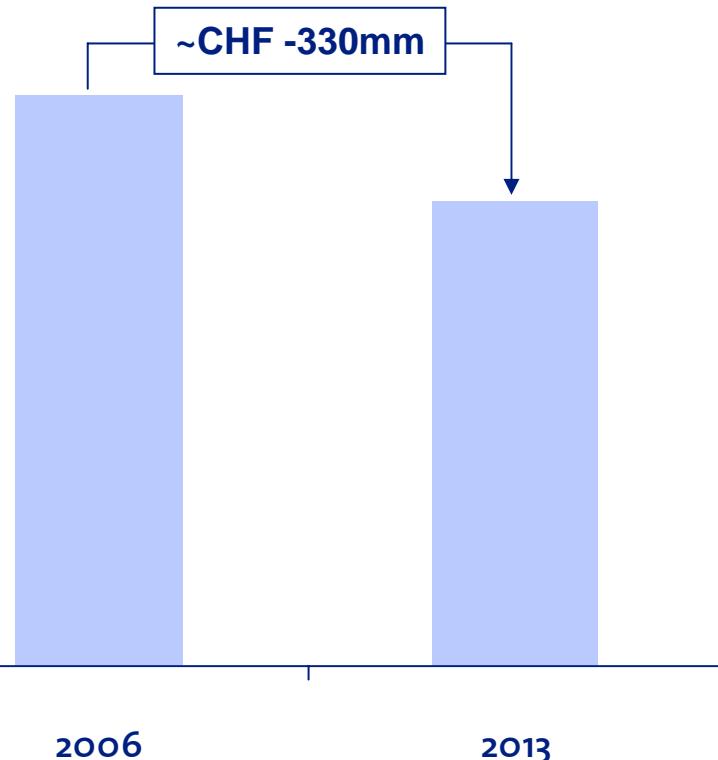


5b Roadmap of network and IT initiative



5b Financial impact of network & IT initiative

Opex savings network and IT



Objectives of network & IT initiative

- Ambition to reduce annual network and IT expenditures by CHF 330mm from 2006 to 2013
- Further upside through reduction of technical housing requirements not included in estimate
- Project cost approx. CHF 250mm
- Additional CAPEX during transformation period estimated at CHF 900mm

Goal 2013: reduction of annual network cost by CHF 330mm

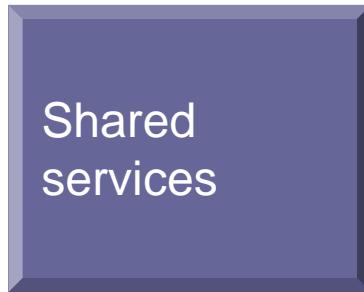
5c Main pillars of overhead reduction initiative

Savings 1)



- Decrease number of office buildings from 176 (in 2004) to 80 and reduction of office space by 230k m² in 2006
- Technologically and ergonomically optimized workplace

~70



- Shared service centre for human resources administration started operations beginning 2007
- Further overhead functions currently under review (e.g. accounting, purchasing, etc.)

~30



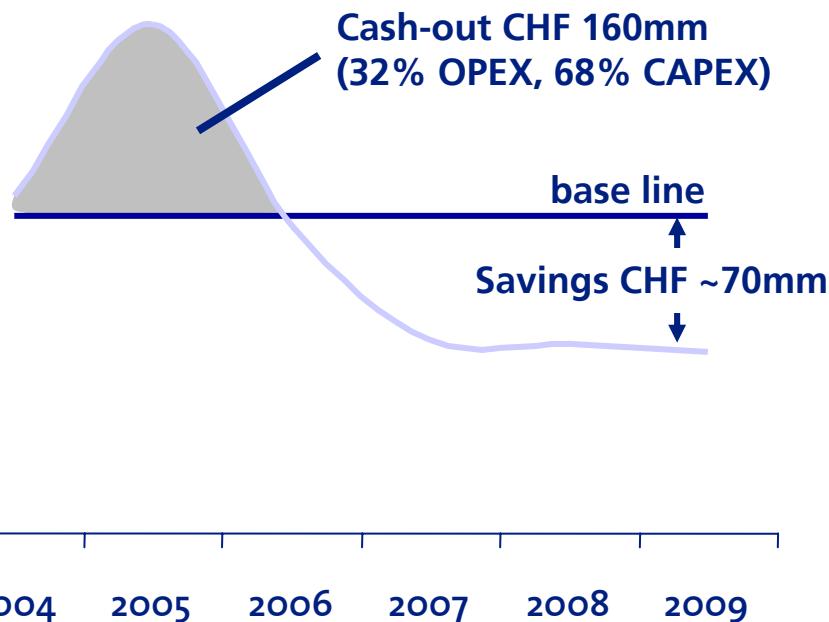
- Optimization of SAP organization and processes
- Consolidation of current SAP systems onto one platform

~20

Reduction of annual overhead expenditures by CHF ~120mm

5c Financial impact of real estate initiative

Project Costs / Savings

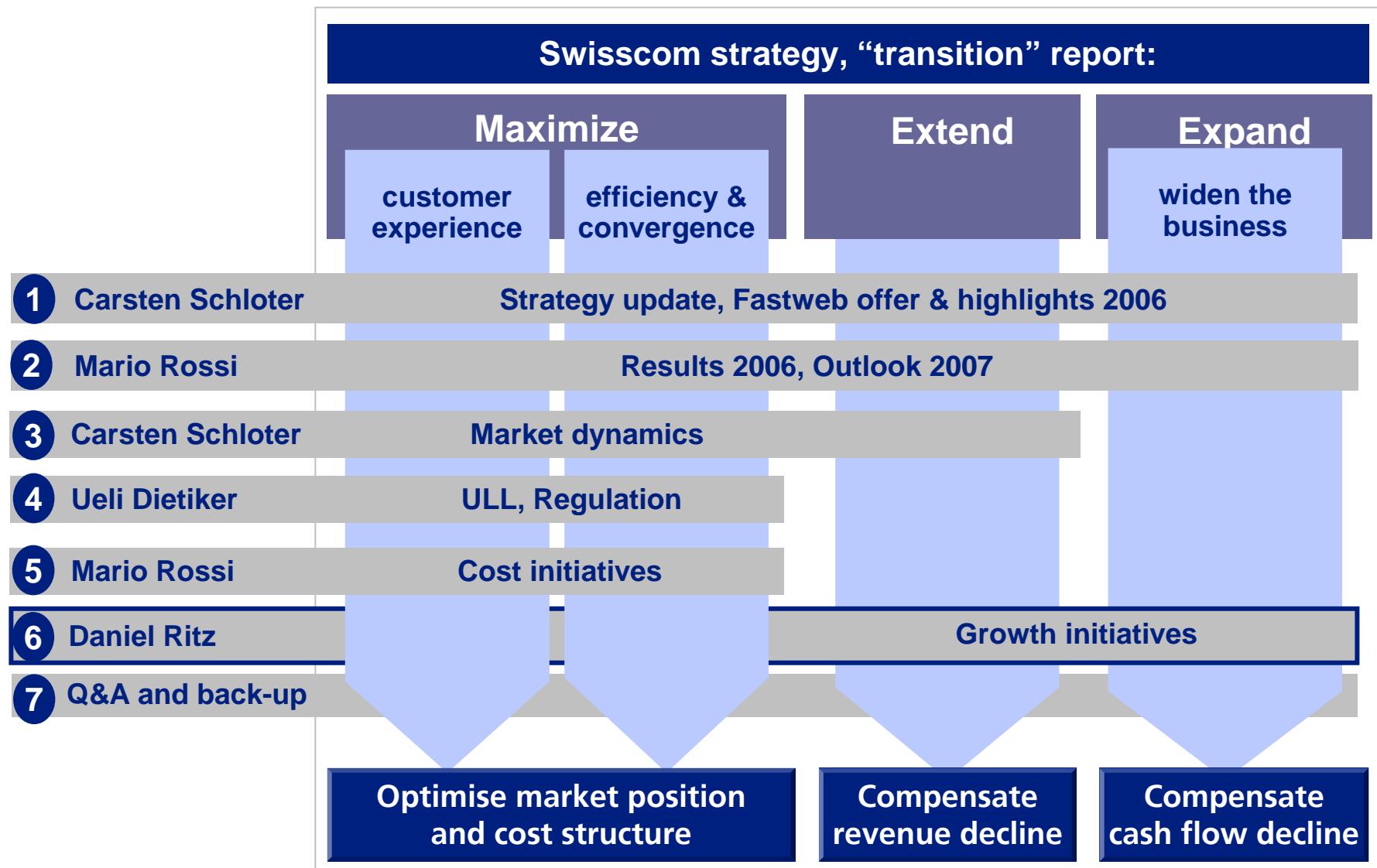


Key elements of real estate initiative

- Sale of two real estate portfolios (total of CHF 2,6bln) in 2001 and lease back agreement for parts of the sold property
- First opportunity to terminate contracts in 2006 resulted in real estate optimization initiative
- Decrease number of office buildings from 176 (in 2004) to 80 and reduction of office space by 230k m²
- Technologically and ergonomically optimized workplace

Reduction of annual real estate cost by CHF ~70mm

Agenda



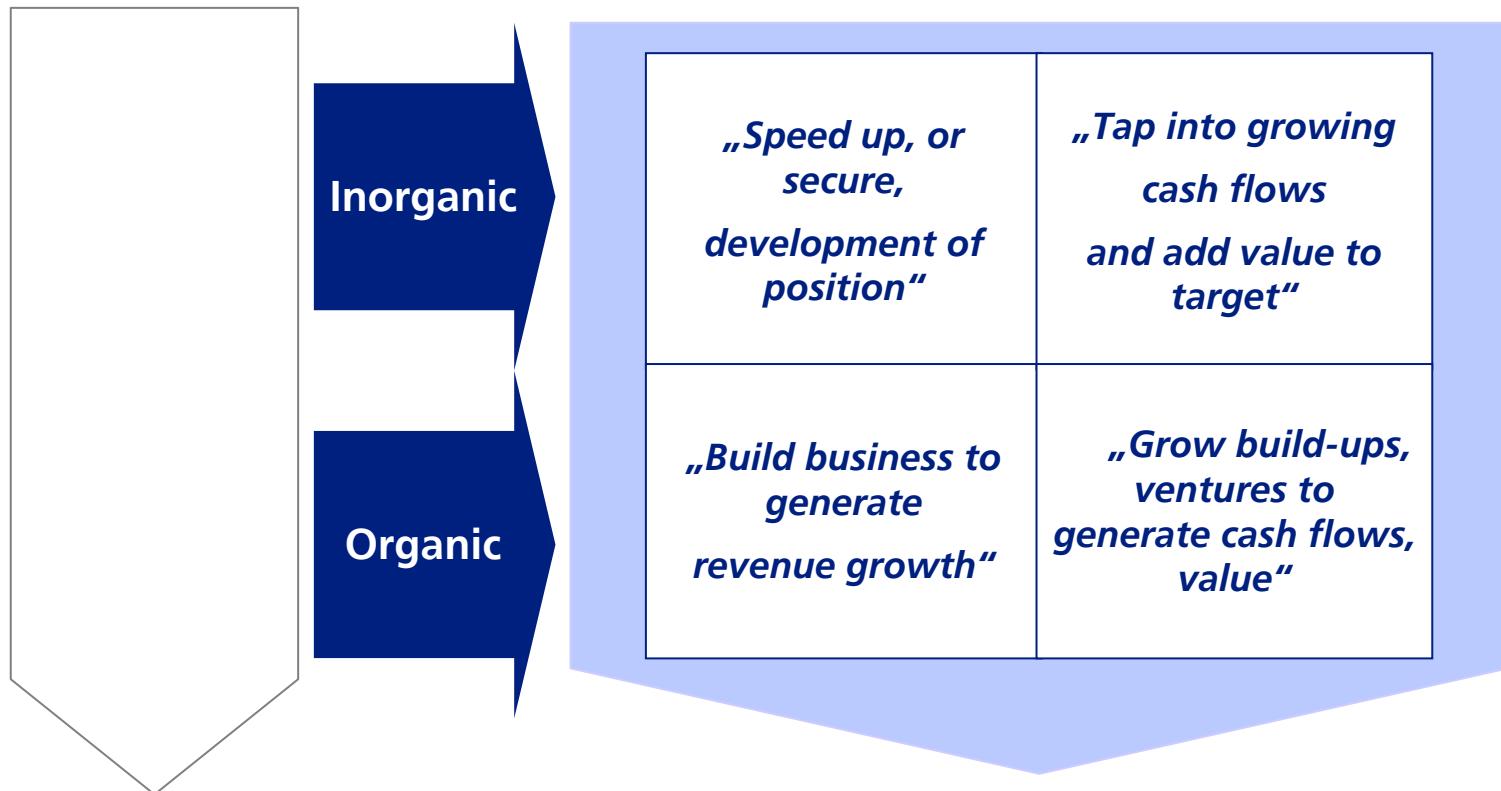
6 Growth initiatives

Maximize

Extend

Expand

Swisscom has a systematic approach of growth initiatives...



Compensate revenue and cash flow declines

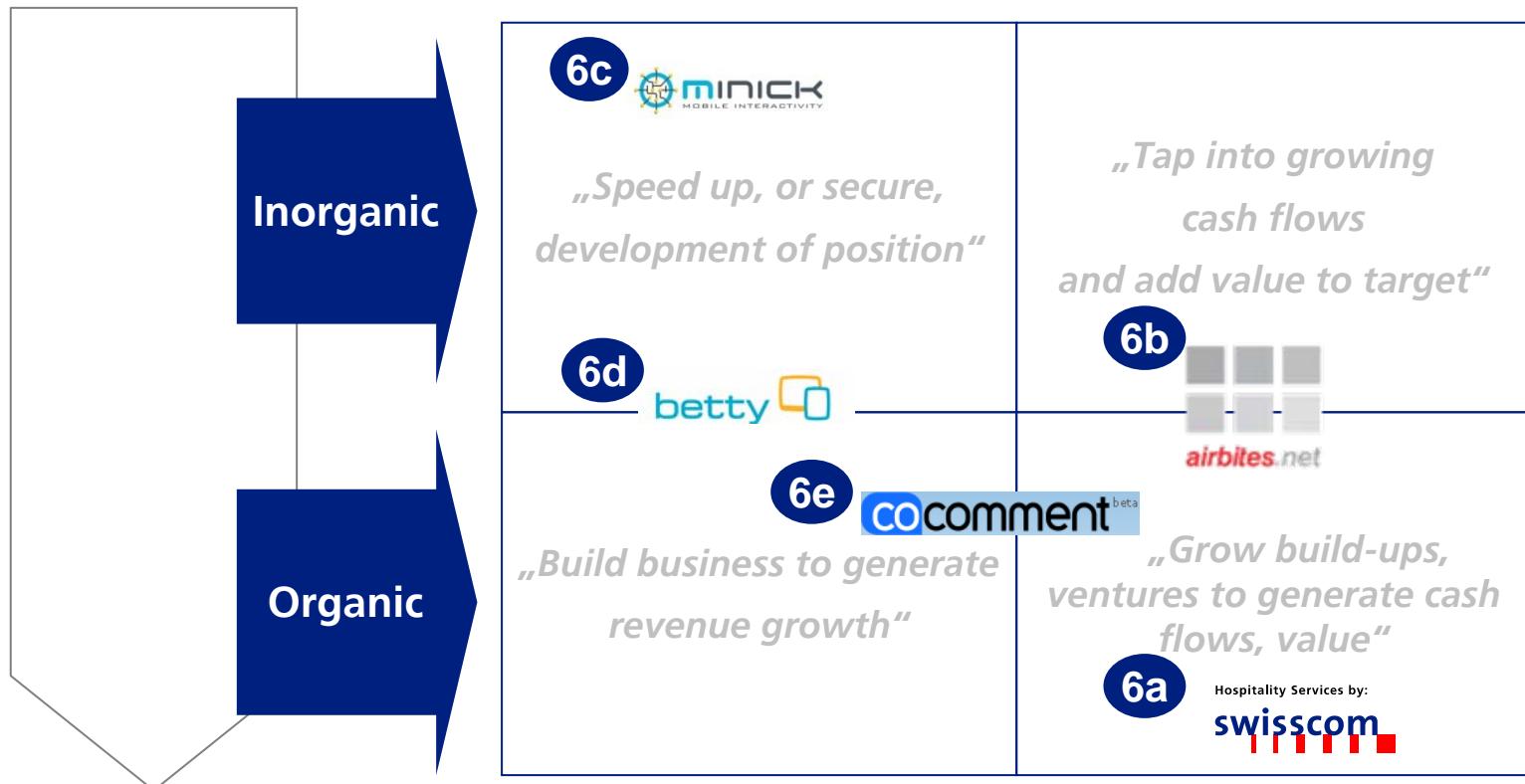
6 Growth initiatives - overview

Maximize

Extend

Expand

...with several platforms for growth and value creation



6ab Growth initiatives – key achievements to date

Business concept

Key achievements to date

a
Hospitality Services by:

swisscom

- **High speed Internet access** for travelers in **hotels** internationally
- **Conference services and event/business centre solutions**

- **CHF 58mm 2006 revenue** (up from CHF9m in '04)
- **2300 properties, 200K+ rooms, 14 counties + USA**
- **'06 EBITDA positive, '07 FCF positive expected**

b

airbites.net

- **Fiber-based LAN internet entertainment**
- **100 Mps** peer to peer, plus VAS
- **Low cost network**: city carrier structures with MDU focus

- Operations in **4 CEE countries** up and running
- **Close to 40 N-Nets acquired** since 09/06
- Currently **70k paying customers** - strong organic growth



Growth initiatives – key achievements to date

Business concept

c



- **Mobile Internet** portal/interactive application solution provider
- Develops /operates **mobile service platforms** for network operators, media companies, corporates, etc.

d



- Replaces conventional **TV remote control** and offers added value for viewers
- **Answers current unmet needs** from TV/content producers and advertisers

e

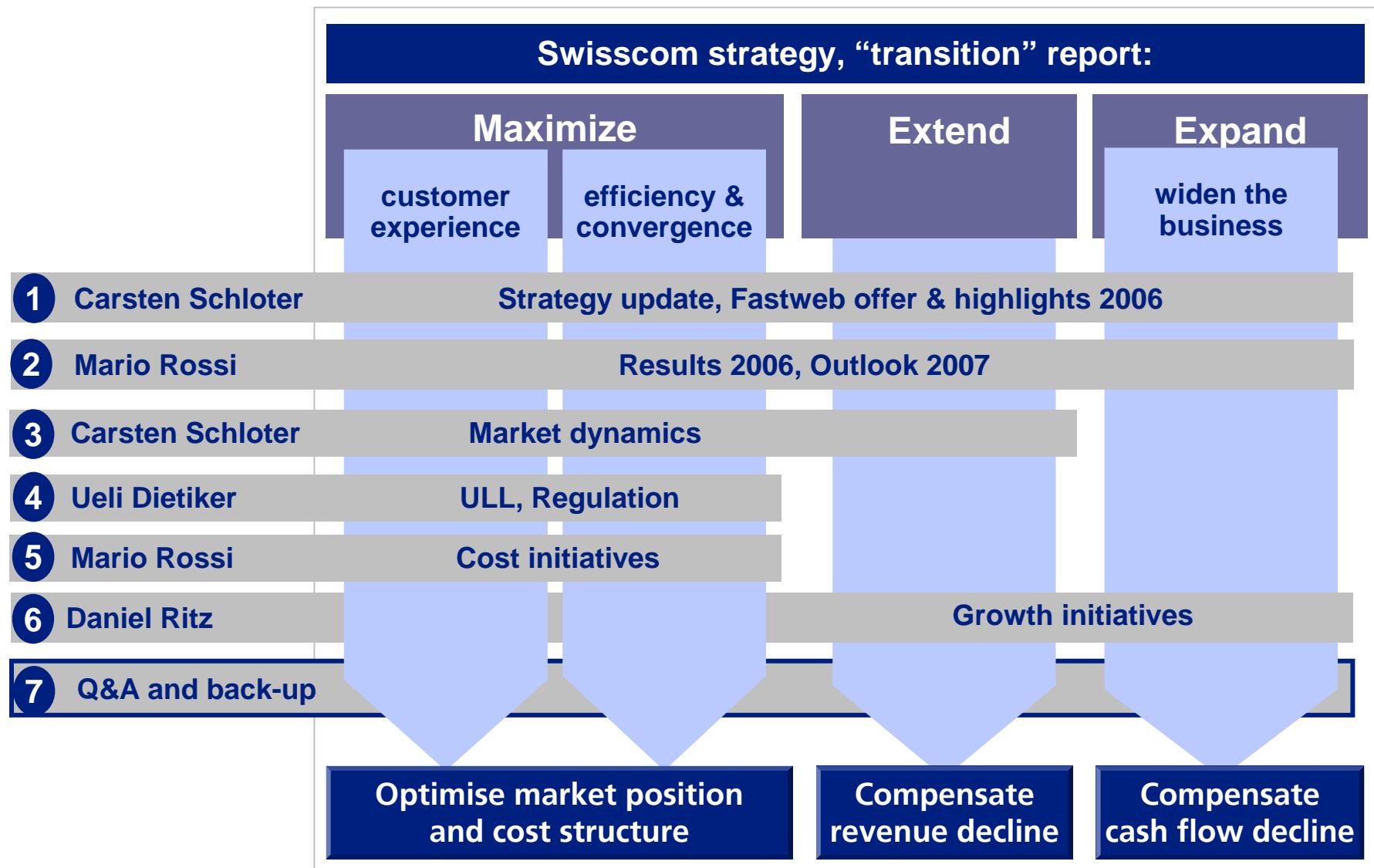


- **The window to internet conversations:** single location to blog on
- Enable **communities** and **identify 'authorities'**

Key achievements to date

- **220+ mobile portals launched**
- **Relationships with** e.g. T-Mobile, Telefonica, MTV, RTL
- **Successful operations** with BigBrother **across Europe**
- **8000 devices already operated** in Switzerland
- **Leading TV signed** (e.g. RTL, Sat1, StarTV)
- **Leading advertisers signed** (e.g. Pringle, Balsen, Ikea)
- **40 integration partners signed (CNN, Flickr, ..)**
- **1100+ additional users per Day** and **growing**
- **Japan** just launched – JV with NetAge

Agenda



7

Questions & Answers

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www.swisscom.com/ir

7

Back-up

7a

Fastweb offer

(copy of presentation 12 March 2007)

7b

Financials 2006

For further information, please contact:

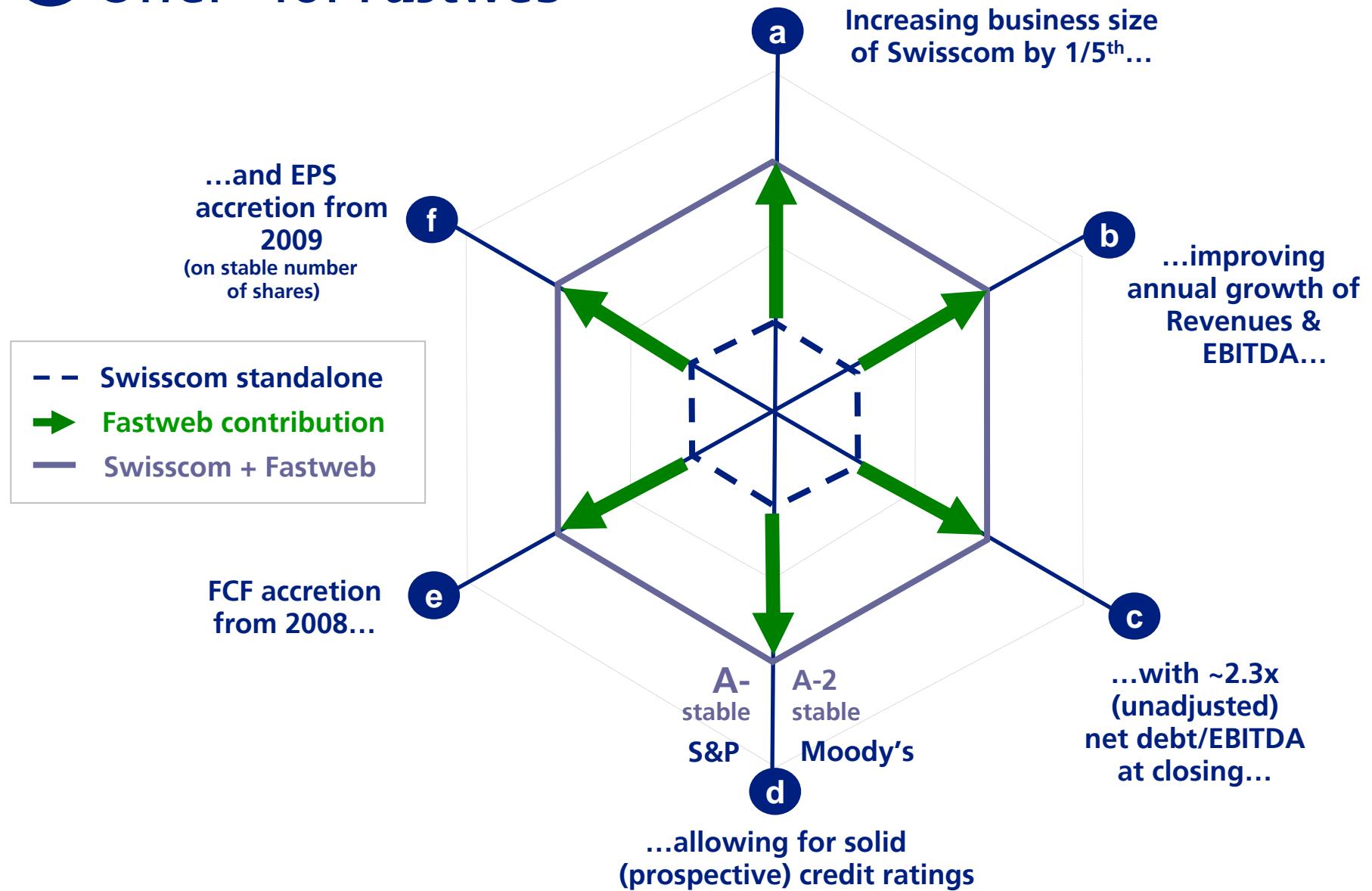
phone: +41 31 342 6410

fax: +41 31 342 6411

<mailto:investor.relations@swisscom.com>

www.swisscom.com/ir

7a Offer*) for Fastweb



*) Throughout this presentation, the offer acceptance is assumed to be 100%

7a Transaction highlights

Key Financial Terms

- Planned voluntary tender offer at € 47/share in cash for 100% of Fastweb:
 - Equity Value of CHF 6.1 bln
 - Enterprise Value of CHF 7.8 bln
- Funding of transaction at closing with bank debt:
 - Financing flexibility post closing through potential placement of up to 4.9 million treasury shares (CHF 2.2 bln on current pricing)

Transaction considerations

- Filing and launch of offer in the second half of March
- Offer extended to US shareholders
- Key offer conditions including:
 - Minimum acceptance of 50%+1 share
 - Regulatory approvals

7a Offer for Fastweb – Contents

Maximize

Extend

Expand

Highlights of the Offer for Fastweb:

I.

Voluntary tender offer at €47 / share...

II.

...fits into strategic framework of Swisscom...

III.

...satisfying all investment criteria...

IV.

...by buying in the most attractive European broadband market...

V.

...the best positioned and managed broadband player

Highlights of the implications:

VI.

OpFCF growth & synergies from combination

VII.

flexible capital structure

VIII.

FCF accretive from 2008

IX.

future dividend policy with attractive yield

X.

timetable with rapid execution planned

Goal: reinvigorate growth – topline and bottomline

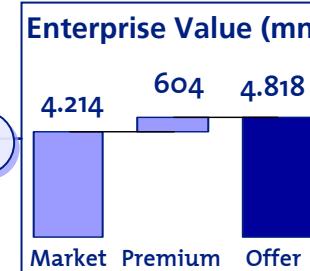
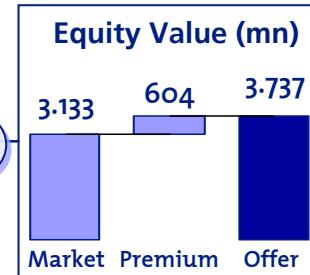
7a

I. Compelling voluntary tender offer

Offer at 19% premium to current*) and 27% to average 12 months share price

47 € per share offered – in cash

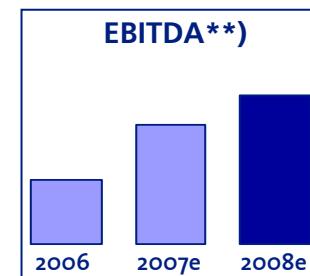
All figures in €



EV / EBITDA **)
2007: 9.2x
2008: 7.4x

79,508 mn. shares

Net debt 1.081 mn.
(2006A)



Offer price in range of broker target prices

Offer conditional on regulatory approvals and Minimum acceptance of 50% + 1 share

Compelling valuation – offer premium in line with Italian tender offer precedents

*) Based on unaffected last closing price of 8 March 2007

**) Source: average analyst forecasts for Fastweb EBITDA including provisions

7a

II. Fit with strategic framework

“Expand”
framework as
announced 1 year
ago (March 2006):

Fastweb fit now:

From analyst presentation 8 March 2006:

Expand:

“

from inside:

“

REPLICATE core competences to
enter into new markets and to
grow in existing segments

“

on outside:

“

LEVER core competences to
grow in adjacencies at home
and abroad

REPLICATE **reversely** by using
Fastweb's competences in:

- ✓ NGN operations
- ✓ Fibre technologies
- ✓ Multimedia applications

... where Fastweb has a multi-
year edge over the rest of
Europe

LEVER by using Swisscom
competences in:

- ✓ Mobile knowledge
- ✓ Converged offerings

... in a very large potential
market that has:

- ✓ 7x the Swiss population
- ✓ half the penetration for BB

**Fastweb represents an attractive option to support our core (“Maximize,
Extend”) business and to deliver on Swisscom Strategy**

7a

III. Investment criteria

Expand

Criteria:

1. Clear industrial logic

2. Growth and short term FCF accretion

3. Business benefits for Swisscom and/or the Target

4. Excellent management

5. Favorable competitive and regulatory environment

Fastweb Fit:

✓ Leading innovative player in adjacent geography with key competences

✓ CAGR revenues and EBITDA contribution from Fastweb >>10% p.a. with FCF accretion from 2008 and EPS accretion from 2009

✓ Cooperation in many areas incl. NGN, fiber, multimedia, mobile and convergent offerings

✓ Superb track record. Desire from Swisscom to cooperate with existing management

✓ Stable regime for altnets (ULL) with Fastweb by far the largest challenger of TI. No cable threat

Fastweb fulfils all criteria

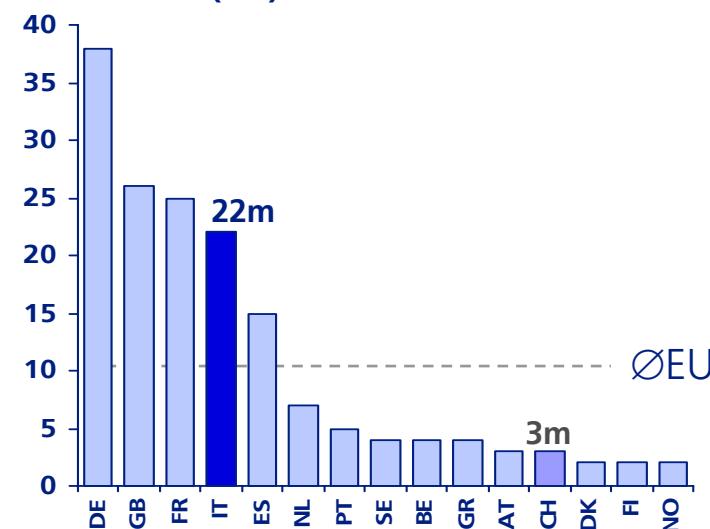
7a

IV. Europe's most attractive broadband market

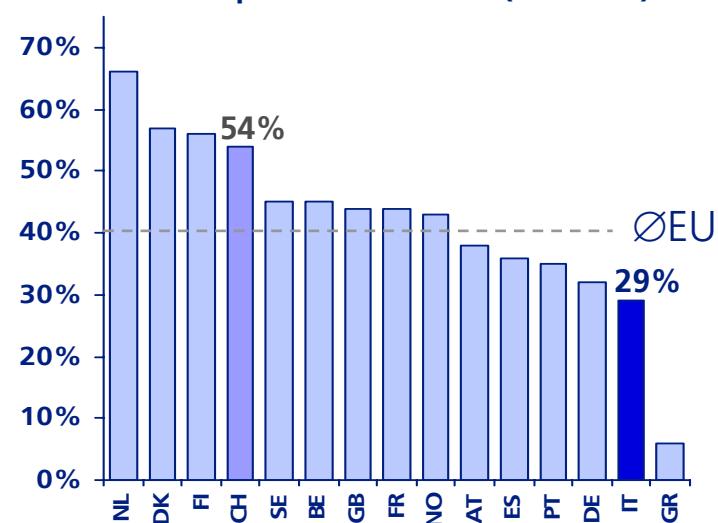
(i)

Italy not just one of the largest markets, but its modest broadband penetration provides additional potential

of HH 2006 (mn)



Residential BB penetration 2006 (% of HH)



Italy is one of the most attractive large scale broadband opportunities:
Over 7 million new broadband customers expected for the next five years

7a

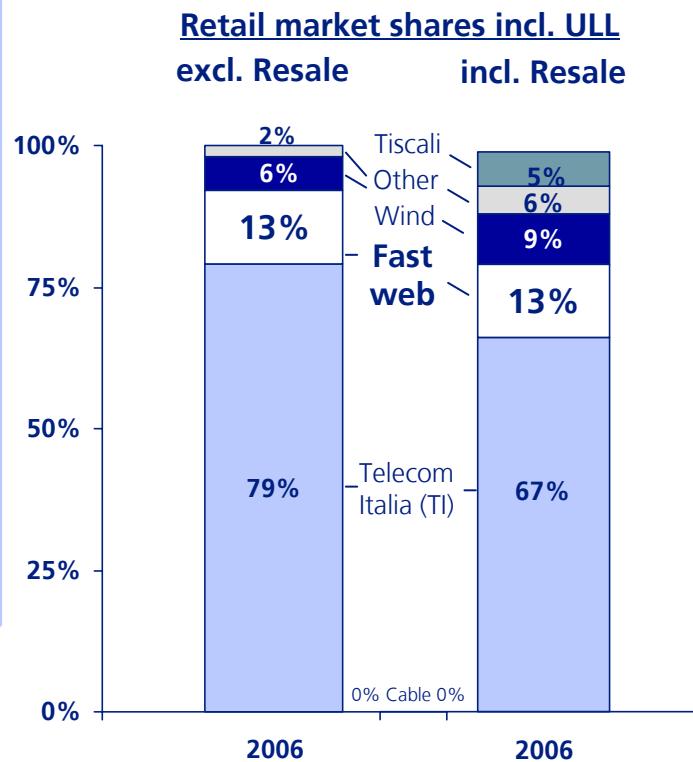
IV. Europe's most attractive broadband market (ii)

Good conditions for Fastweb with limited number of significant players and stable regulatory framework

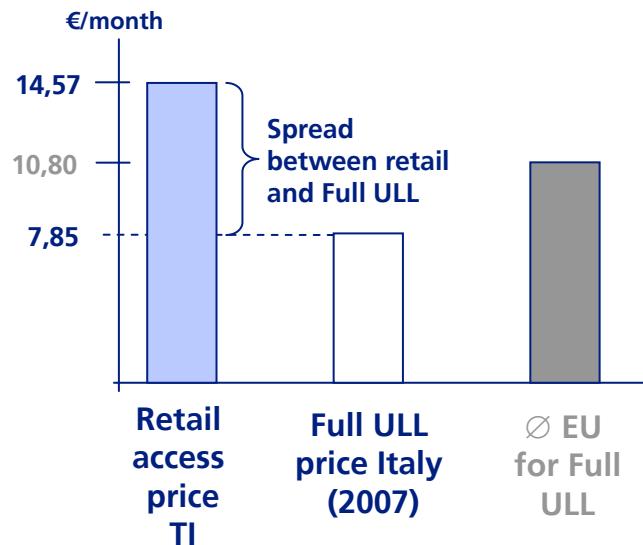
Competition

&

Regulation



- ✓ EU compliant regulatory framework
- ✓ MVNO opening 2008 creates options
- ✓ VDSL part of Bitstream access
- ✓ ULL available to OLO's at stable and attractive conditions:



Fastweb best positioned alternative player in a highly attractive market

7a

V. Fastweb best positioned player (i)

Leading alternative network operator across residential and business market segments

Highly innovative service offering

- ✓ First with integrated, IP voice-, Internet-, video-offer
- ✓ IPTV already since 2001
- ✓ Fully developed triple play package
- ✓ Commercial agreement with Sky to expand distribution and enrich premium content

Excellent market & competitive positioning

- ✓ No.1 BB attacker and only one with balanced portfolio of residential and business
- ✓ Above-average growth with net-add market share of more than 20%
- ✓ Recent wins of major corporate and PA contracts
- ✓ Highest level of customer satisfaction amongst all Italian BB providers

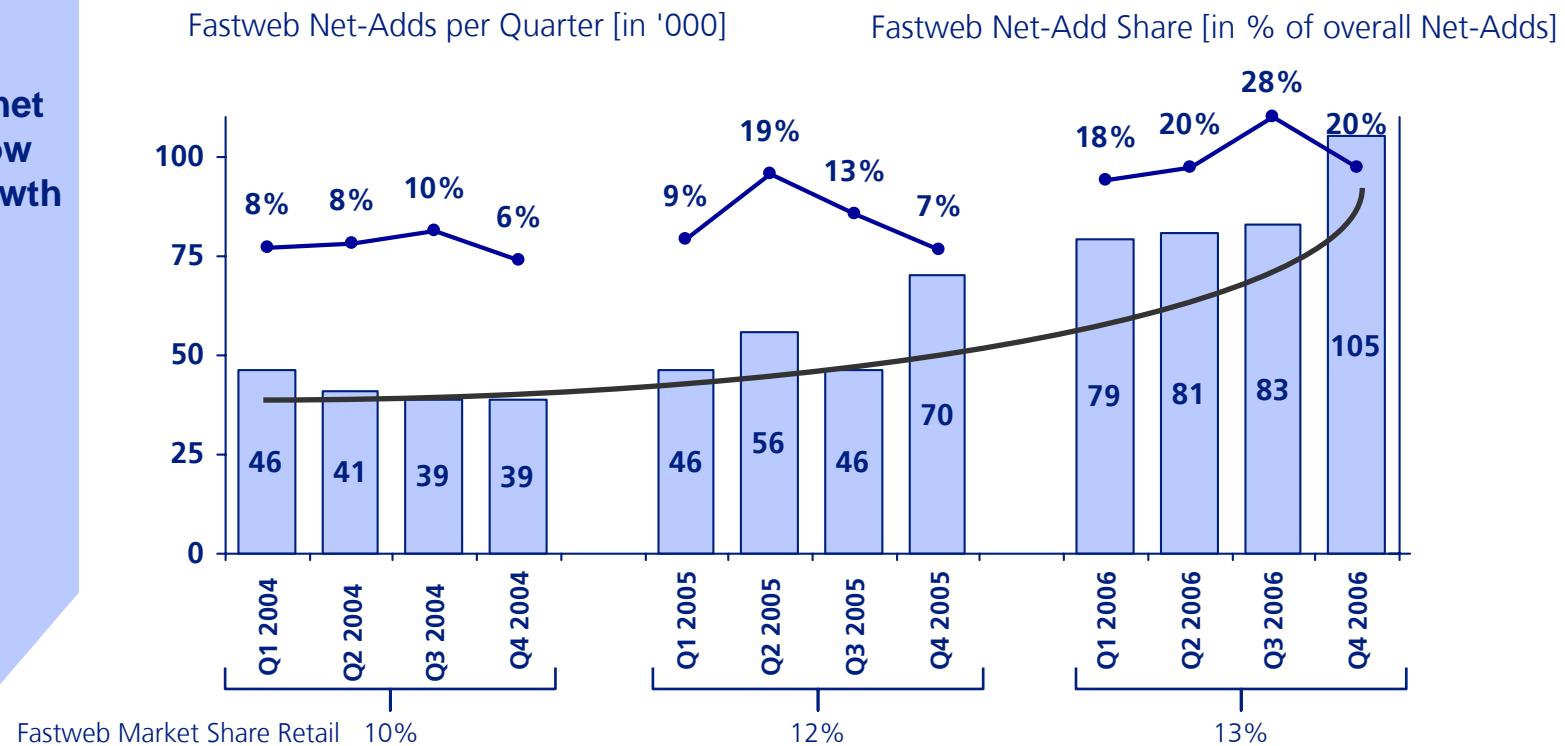
Fastweb with unique position – not just in Italy but also in the EU

7a

V. Fastweb best positioned player (ii)

Fastweb net adds show steady growth

Growing share of net adds



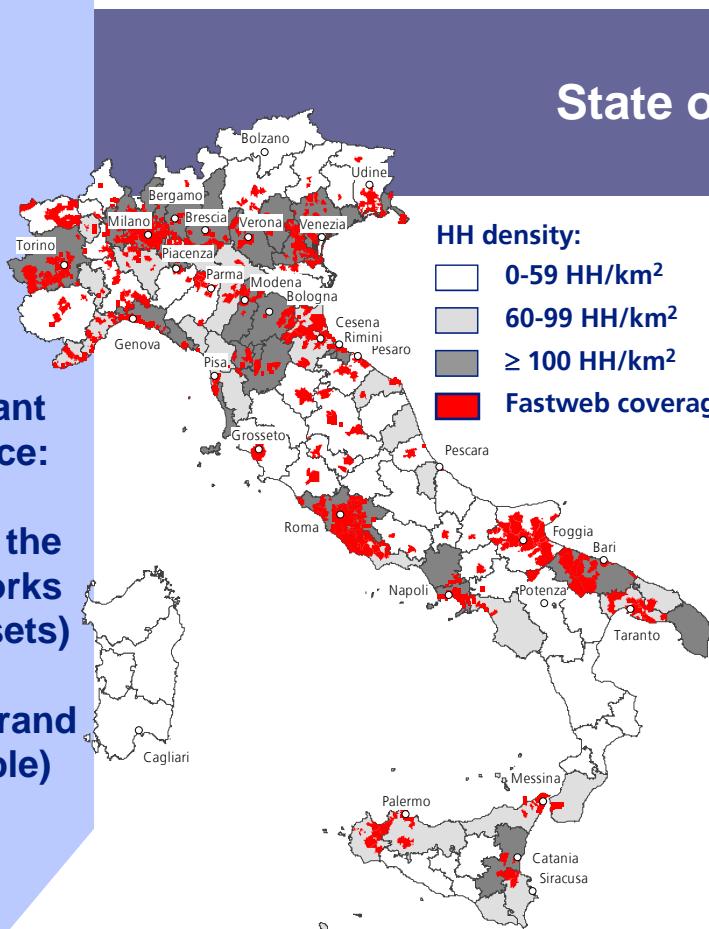
Both absolute and share of net adds growing with strong momentum

7a

V. Fastweb best positioned player (iii)

Significant substance:

- state of the art networks (fixed assets)
- strong brand (intangible)



State of the art network

- ✓ Investments of cumulated € 3,5 bln from 2000 to 2006
- ✓ Network fully IP-based and Triple Play ready
- ✓ Focus on high-density city regions
- ✓ Network footprint > 10m or 45% of residential households (incl. ULL and fibre), and around 50% reach of business customers
- ✓ Current infrastructure leaves significant room for strong customer growth

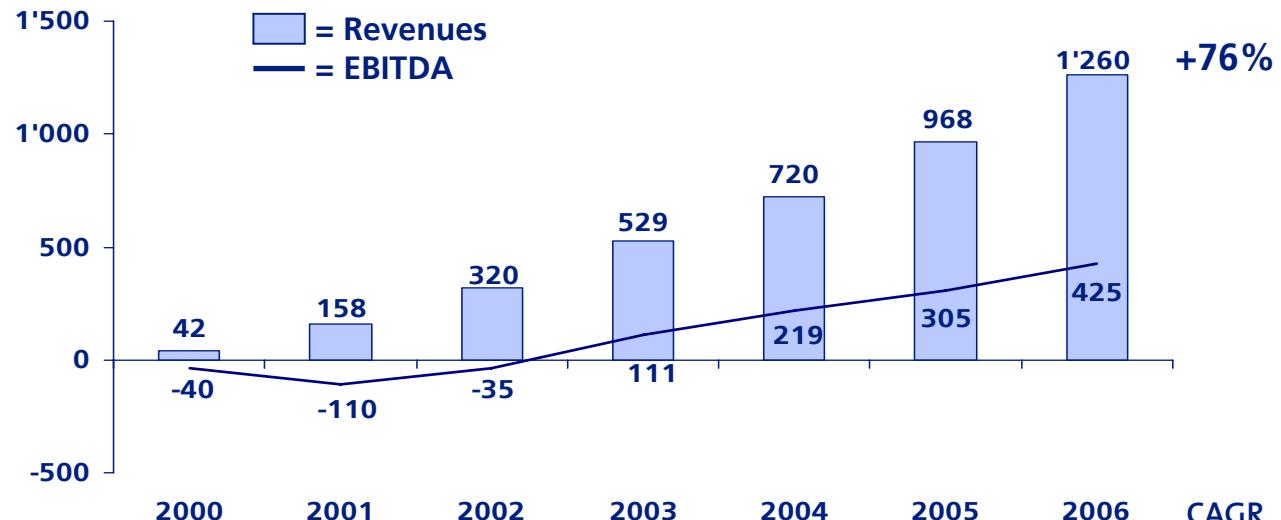
After six years of build-out, Fastweb's IP-based network covers 45% of households

7a

V. Fastweb best positioned player (iv)

EBITDA
margin
growing
consistently

Historical financial performance of Fastweb (€mm)



Customers ('000)	5	49	176	331	496	714	1,062	+144%
EBITDA*) Margin (%)	(95%)	(70%)	(11%)	21%	30%	32%	34%	

Surpassed critical mass – track record of growth - FCF breakeven in Q4 2006

7a

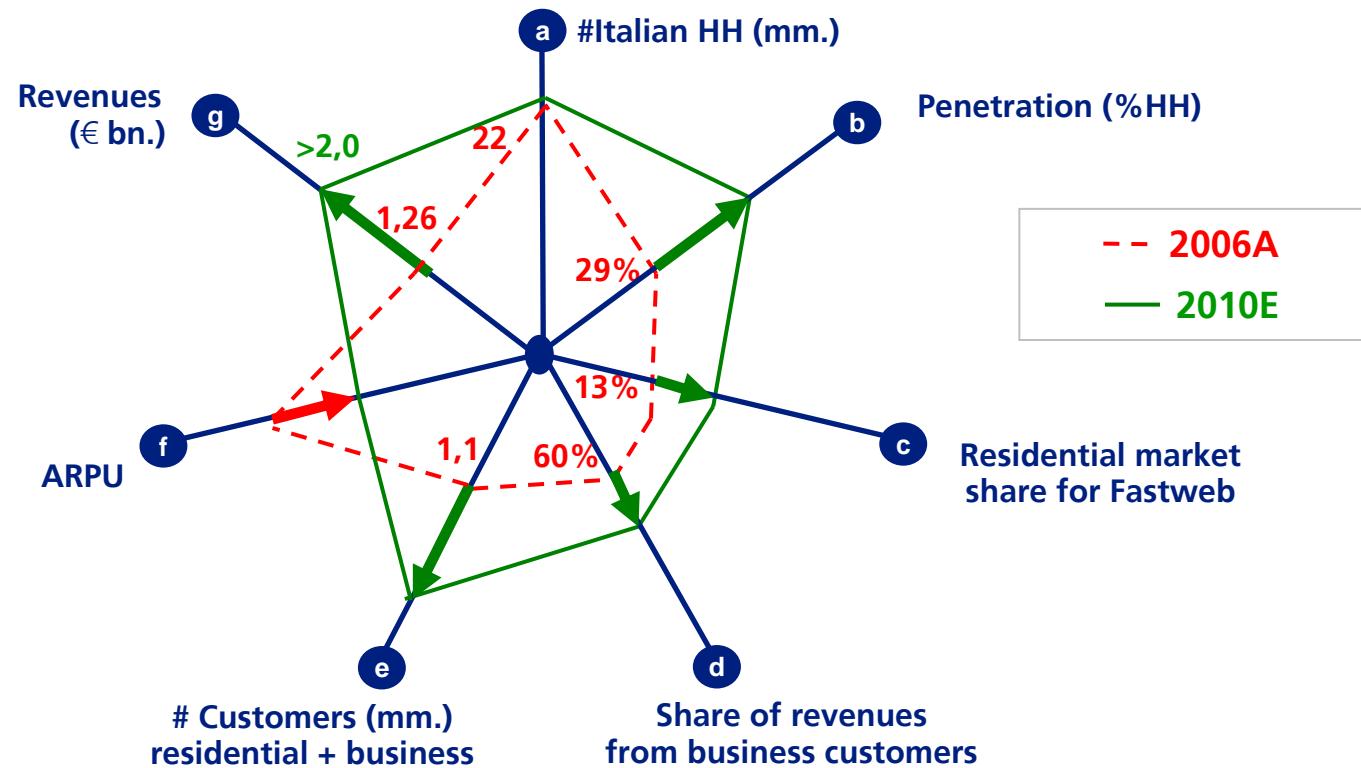
V. Fastweb best positioned player (v)

Fastweb to grow significantly:

- increasing broadband penetration
- strengthening of market share

...despite declining ARPU

Growth potential for Fastweb due to own strength and size of market



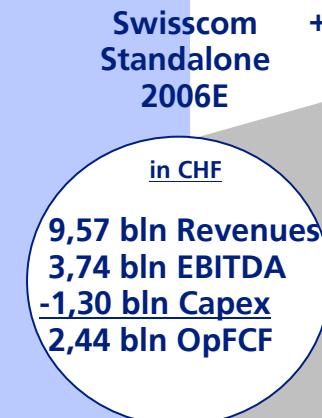
Revenue growth potential of > 65% until 2010

7a

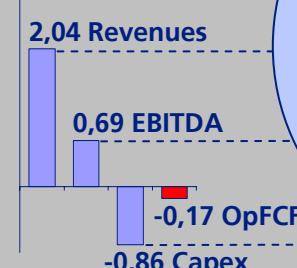
VI. Free cash flow growth ...

Financials of combination without effects from synergies

Combination
to reinvigorate
growth at
Group level



Fastweb
Standalone
2006A
in CHF bln *)



Combination
2006E
Pro Forma *)

11,61 bln Revenues
4,43 bln EBITDA
-2,16 bln Capex
2,27 bln OpFCF

=1/5th
one-off
business
enlargement

Combination
2007E
Pro Forma *)

12,0 bln Revenues (+3%)
4,8 bln EBITDA (+8%)
-2,1 bln Capex (-3%)
2,7 bln OpFCF (+19%)

Assuming full year
consolidation

*) Assuming exchange rate of CHF 1,62 / €
and EBITDA at Fastweb before provisions

Fastweb represents the best opportunity for Swisscom to boost
business size in one single step and annually thereafter

7a

VI. ... and potential synergies

Multiple fields
for partnering

Potential areas for synergies to further improve combined financials

Fastweb for Swisscom:

- ✓ Fastweb's NGN & FTTx know-how
- ✓ Fastweb's multi year TV- / video history to improve Swisscom's multimedia offering

Swisscom for Fastweb:

- ✓ Swisscom mobile expertise to support Fastweb's MVNO approach
- ✓ Swisscom leadership in convergent services especially for business customers

Joint partner relationships, product development and purchasing/logistics advantages

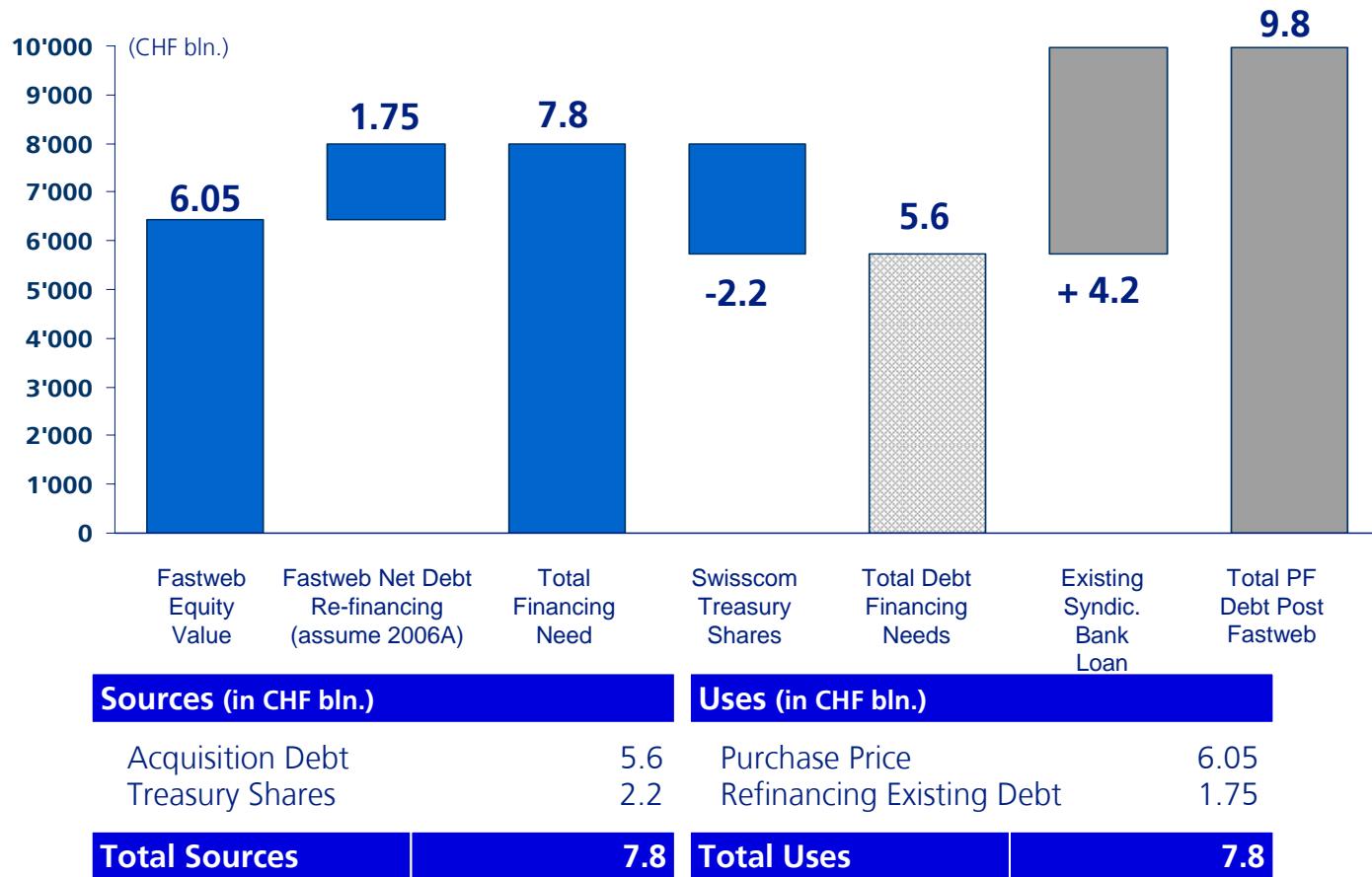
Swisscom and Fastweb can cooperate by leveraging respective expertises

7a

VII. Flexible capital structure

Assuming 100% acceptance, total PF Debt (including existing facilities) to stay < CHF 10 bln

Pro Forma Debt post acquisition

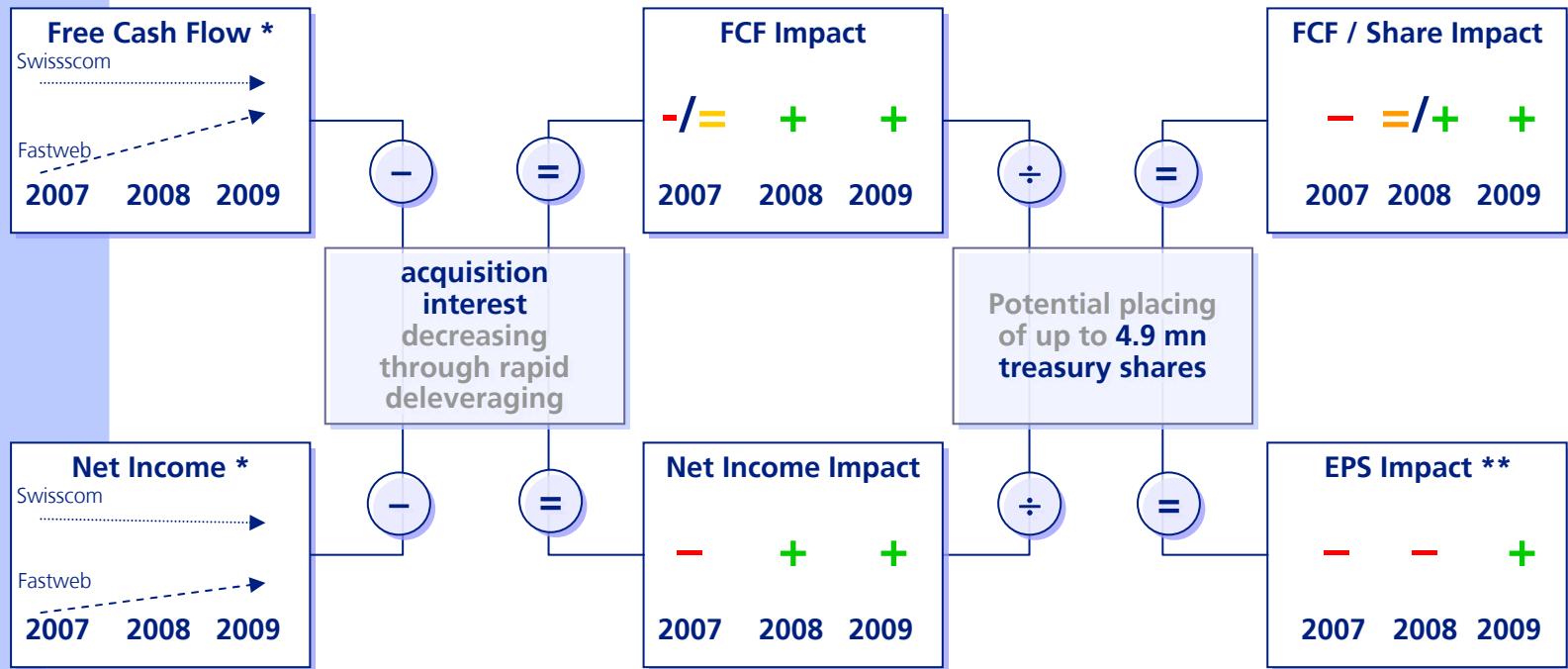


Capital structure optimization while maintaining financial flexibility.
Potential use of treasury shares dependent on acceptance level

7a

VIII. Rapidly accretive

Increasingly accretive transaction due to strong growth profile of Fastweb, despite potential use of treasury shares



FCF per share accretion from 2008;
also EPS – on stable number of shares – accretion from 2009

Note: Accretion analysis assumes 100% offer acceptance.

* Based on broker research estimates. Arrows are illustrative only.

** Accretive from 2009 on a like-for-like basis (i.e. assuming no share buy backs in the standalone case).

7a

IX. Future dividend policy with attractive yield

(i)

Where are we coming from: Return Policy (2003-2006)

From analyst presentation
13 August 2004:

”

The balancing act of value creation:

swisscom

Default:

Share buy back

Alternative:

Accretive acquisition

stable cash flows
decreasing number of shares

offering strong yield through
Return Policy

higher cash flows
stable number of shares

Alternative is only viable if free
cash flow yield is better than in
Default scenario – enabling
higher future returns

accre-
tion
through

> balance <

Swisscom's balanced value approach

Interim results presentation 2004

”

Fastweb represents an attractive option to deliver on the “alternative” to a share buy back: accretive acquisition that delivers absolute free cash flow growth.
IRR (Swisscom + Fastweb) > IRR (Swisscom standalone with continued buy backs)

7a

IX. Future dividend policy with attractive yield

(ii)

Move from return policy to dividend policy is consistent with new capital structure and amortisation of debt

Return policy adapted into...

...pure Dividend policy

Return Policy (2003-2006)

- **Return of Equity Free Cash Flow (t) in (t+1)**
 - EFCF = cash flow after acquisitions and debt amortization
- **Forms of payout:**
 - Dividend (half of net income)
 - Share buy backs (remainder of EFCF)
- **Key thought:**

“To buy back own shares as long as this is more attractive than investing into alternatives”

(logic since launch of Return Policy in 2003)

Dividend Policy (2007 onwards)

- Around half of net income
- With aim to offer attractive Swiss franc yield

One-off Share buy back 2008:

- CHF 500 million to complete the CHF 1.5 bln extra program as result from strategic goals '06-'09 set by Confederation

Direct yield (dividends) substantially unchanged, enabling attractive Swiss Franc yield

7a

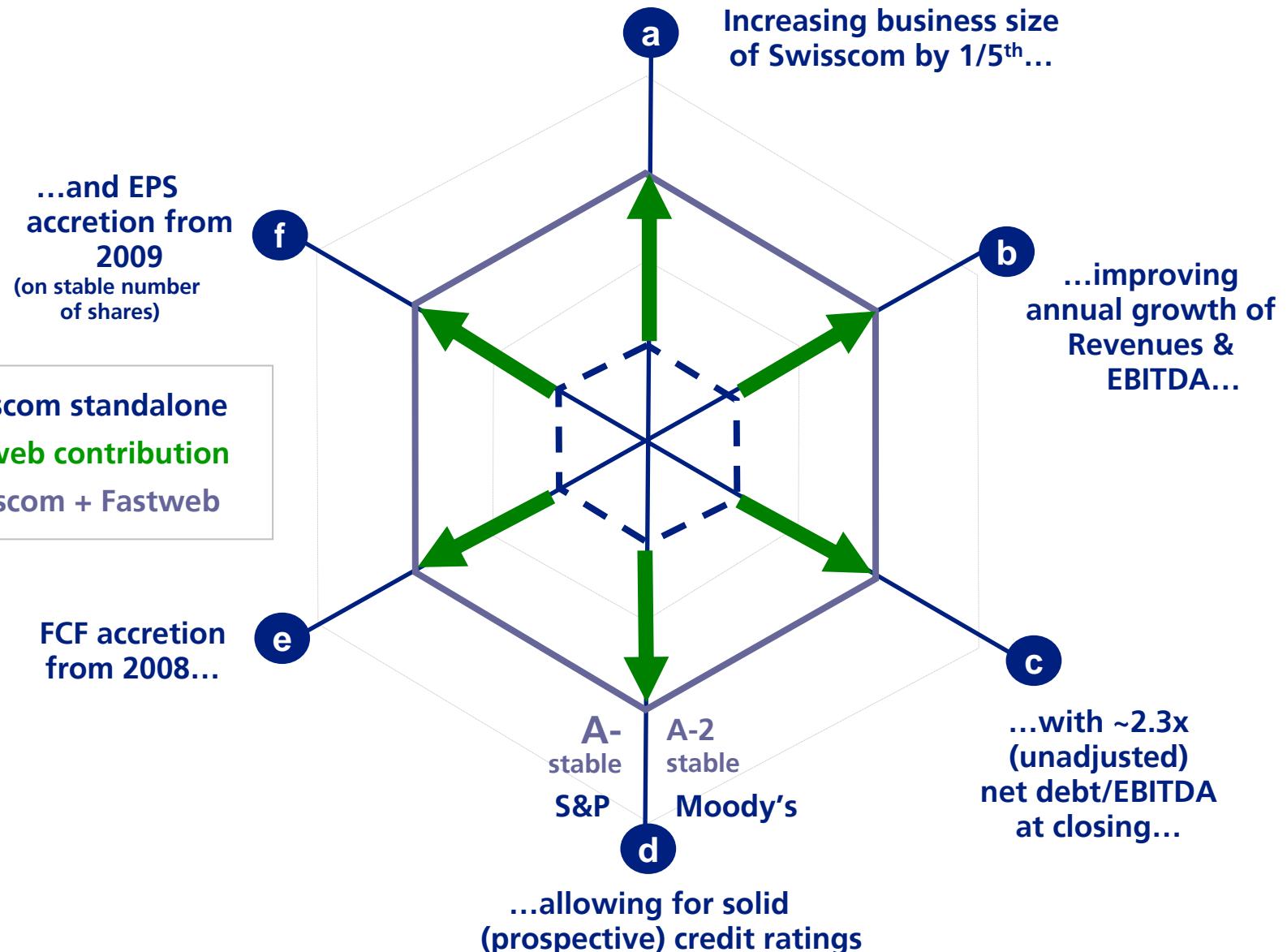
X. Offer – time table

Content	Timing	3-4 month transaction period												consolidation period		
		March			April			May			June		2H'07	2008	2009	→
Offer preparations																
Pre-announcement offer																
Regulatory approvals after filing offer documentation		12														
Tender offer period Acceptance > 50%																
Consolidation into accounts																
Free Cash Flow accretion																

✓ Fastweb board recommendation to its own shareholders
prior to start of offer period

Tender offer expected to close by June 2007 if key conditions are met:
regulatory approvals, minimum acceptance of 50%+1

7a In conclusion, driving growth



7

Back-up

7a

Fastweb offer

(copy of presentation 12 March 2007)

7b

Financials 2006

For further information, please contact:

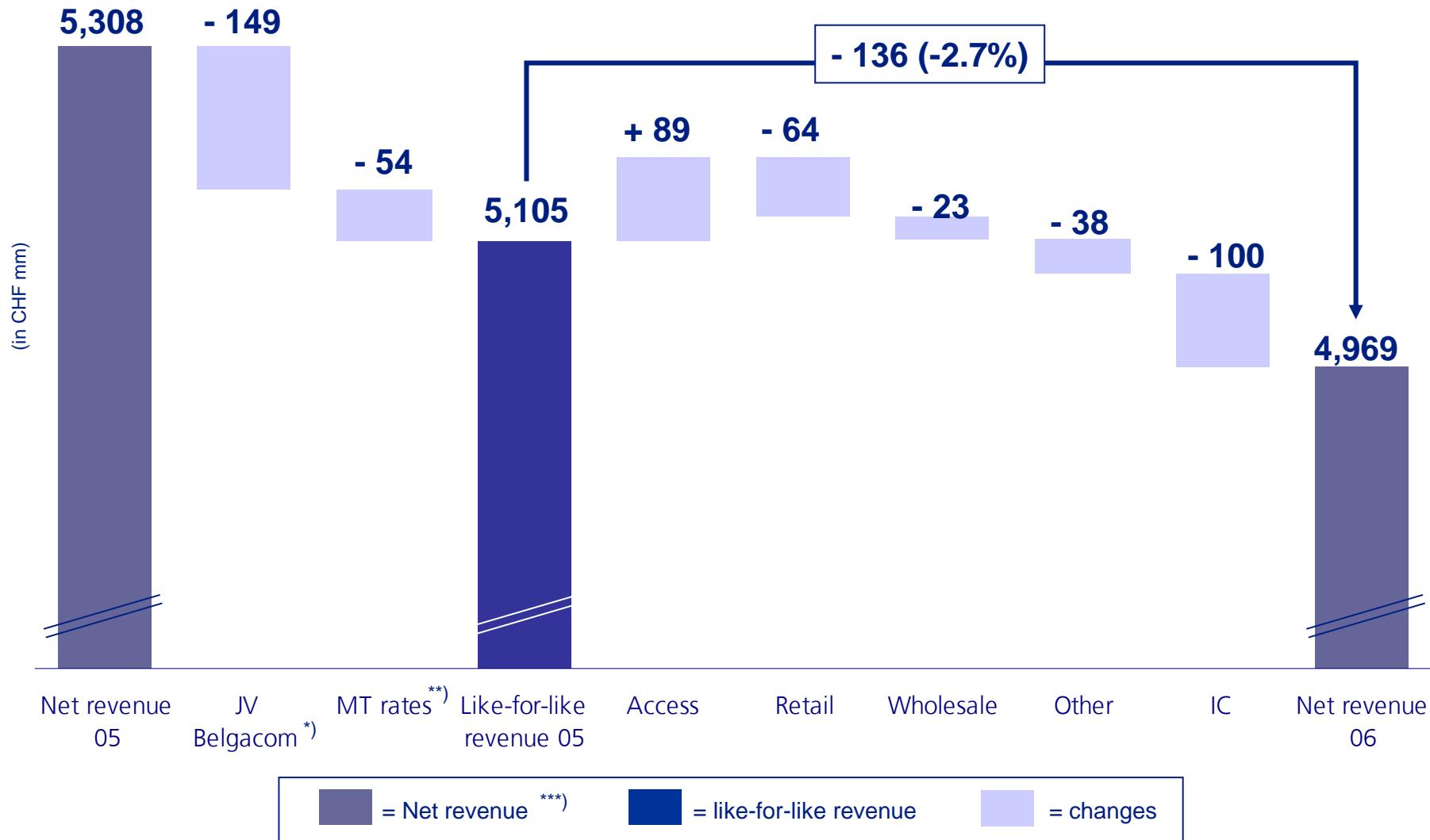
phone: +41 31 342 6410

fax: +41 31 342 6411

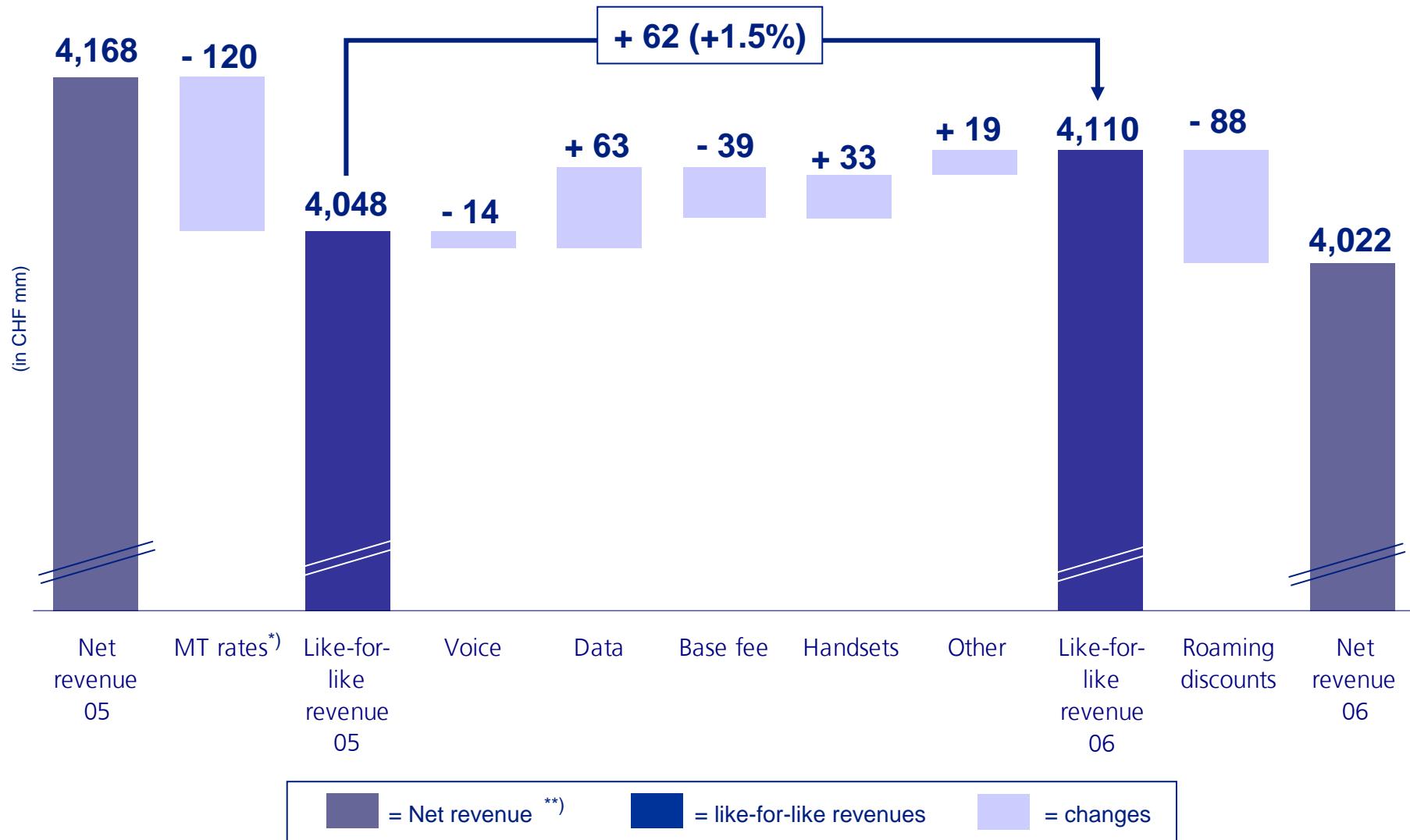
<mailto:investor.relations@swisscom.com>

www.swisscom.com/ir

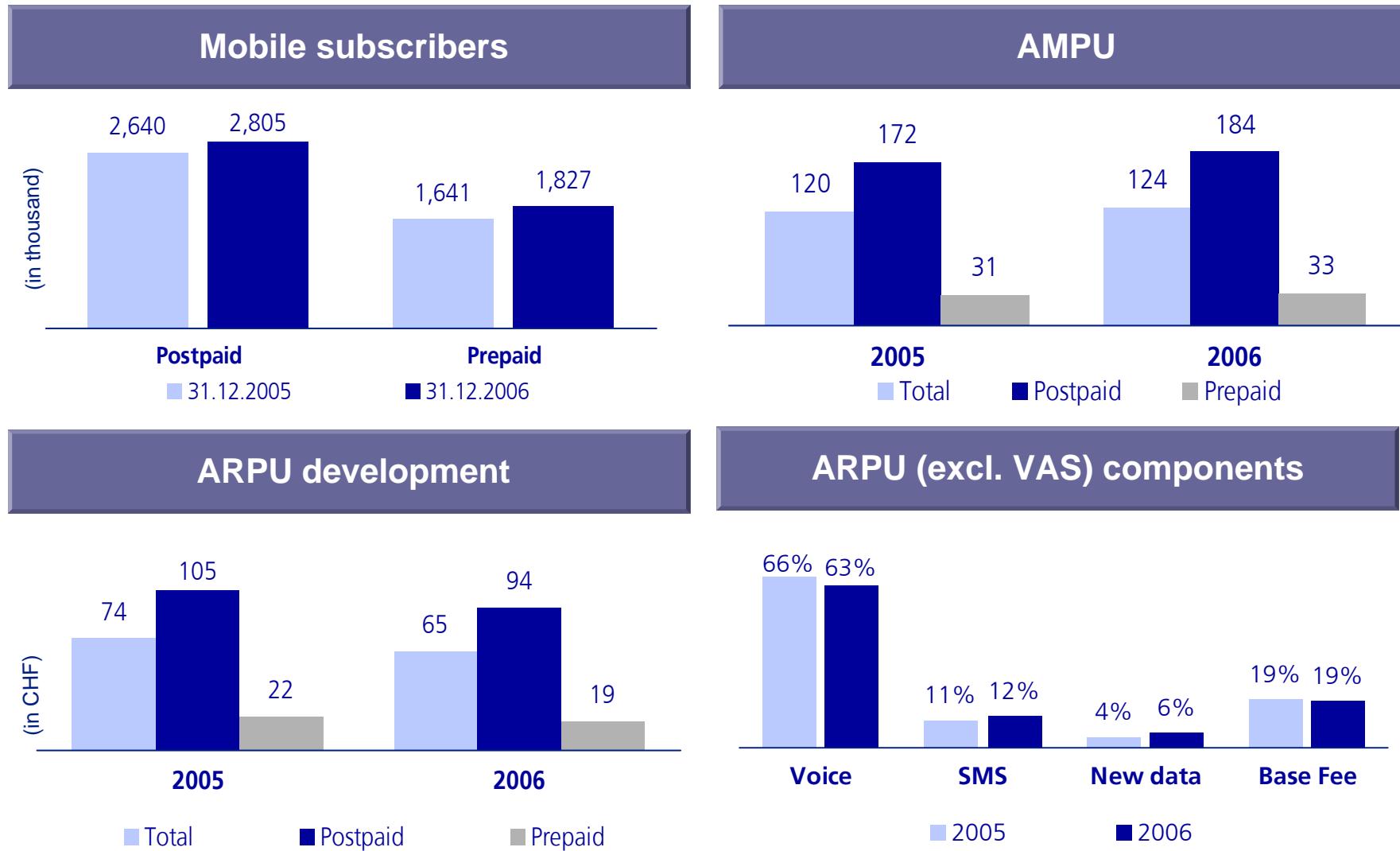
7b Fixnet revenues



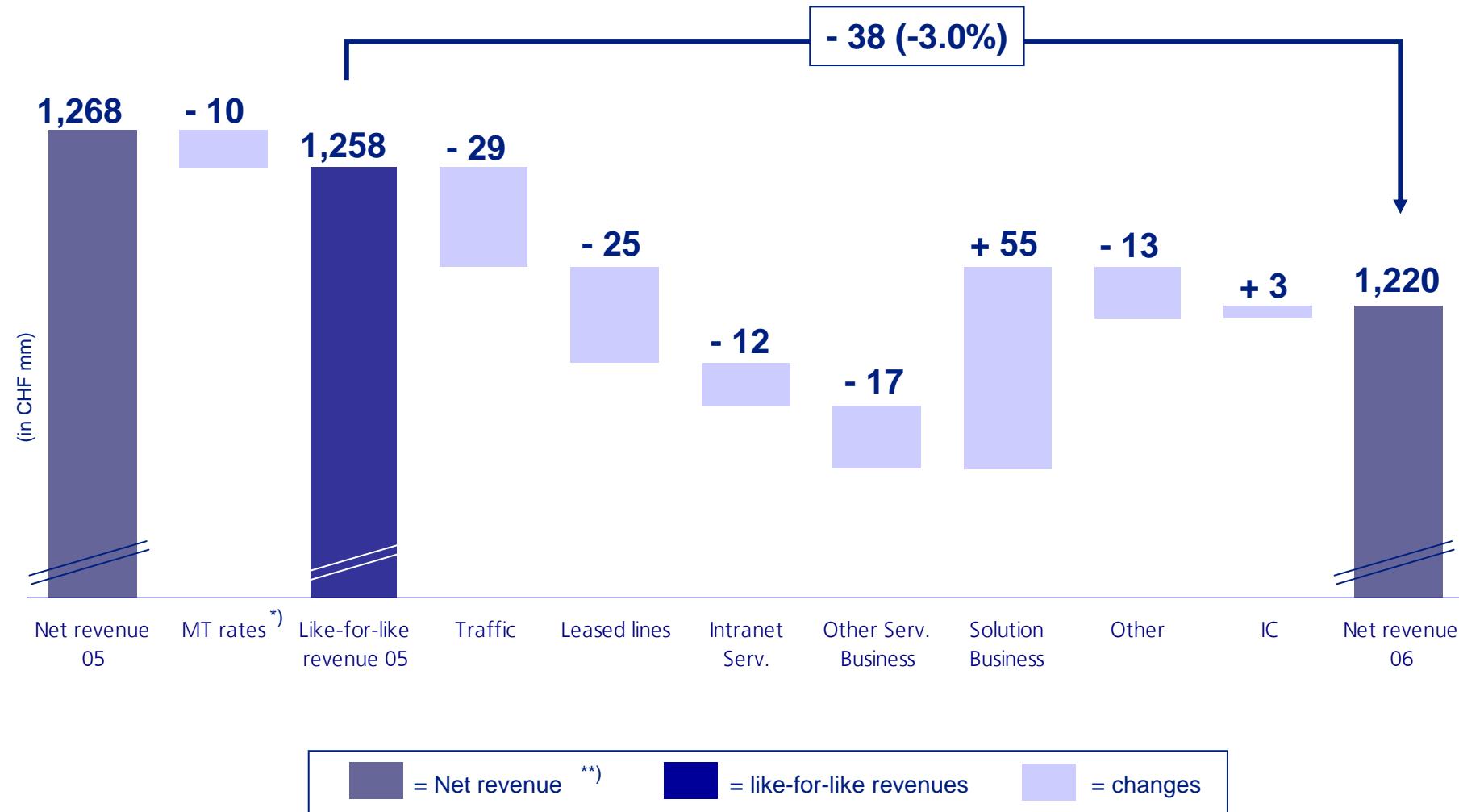
7b Mobile revenues



7b Mobile – operational snapshot

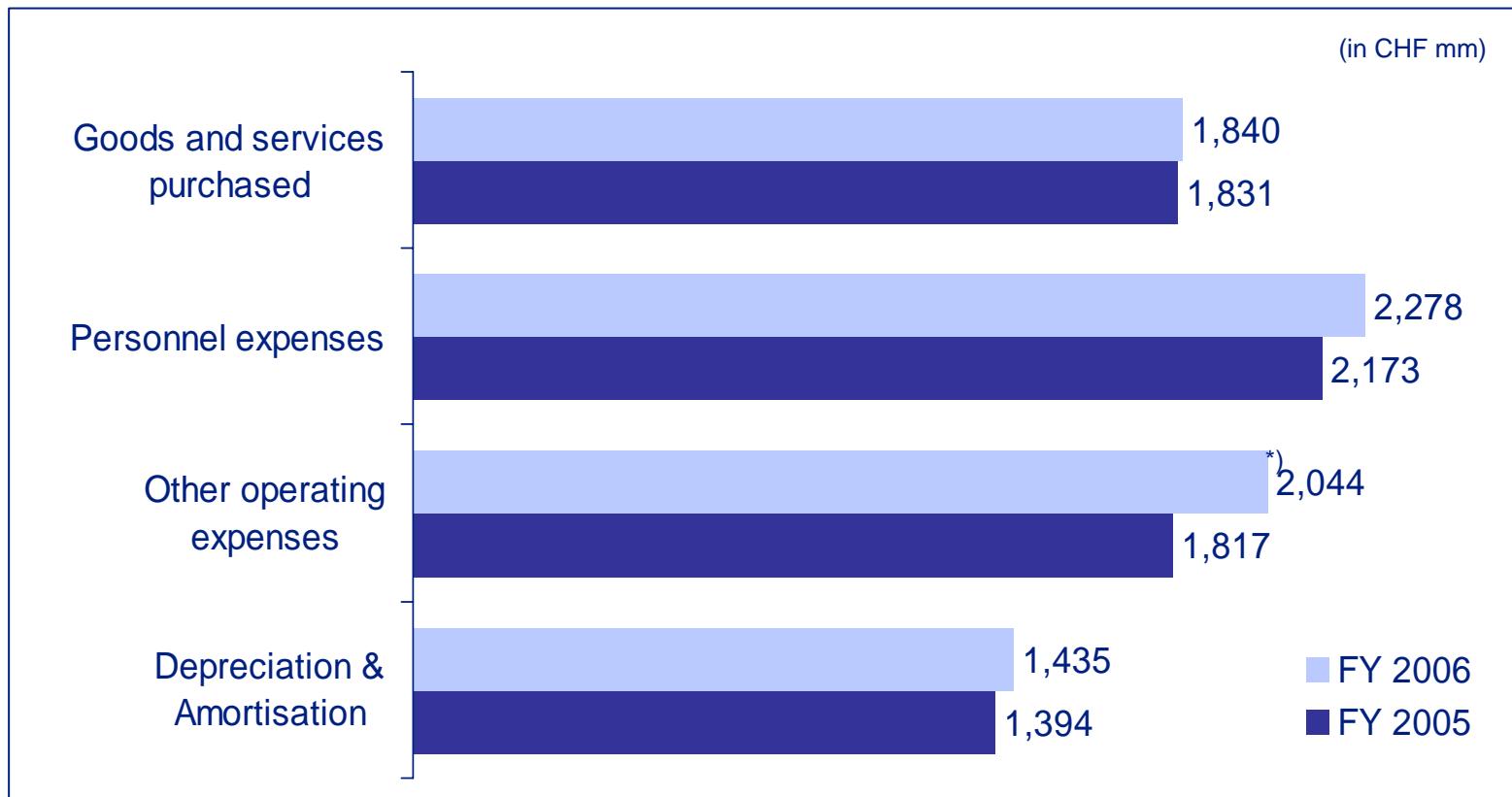


7b Solutions revenues



*) of which ext. revenue: CHF -10mm; **) incl. IC

7b Group OPEX overview



7b Group capital structure

(in CHF mm)	31.12.2005	31.12.2006
Short term debt	137	1,568
Long term debt	1647	4421
Long term net finance lease obligation	652	594
Liabilities from collecting activities (Accarda Group)	154	128
Total debt	2,590	6,711
less: financial assets from lease-and-leaseback transactions	- 1,125	-1,125
less: cash, cash equivalents, current financial assets and derivative financial investments	- 2,707	-822
less: other receivables from collecting activities (Accarda Group)	-390	-385
Net cash (debt)	1,632	-4,379
Total equity	6,624	4,503
Balance sheet total	13,409	15,597
Book leverage ¹	24.60%	97.20%
Equity ratio ²	49.40%	28.90%

¹ Book leverage = net debt / shareholders' equity, ² Equity ratio = shareholders' equity / total assets

7b Group CF overview

(in CHF mm)	31.12.2005	31.12.2006
EBITDA	4,171	3,787
Income taxes paid	-544	-496
Net interest	-6	-27
Change in net operating assets and other cash flows from operating activities	-189	0
Net cash provided by operating activities	3,432	3,264
CAPEX	-1,087	-1,324
Net divestments / (investments) in affiliates/subsidiaries	239	-4,465
Purchase of current financial assets, net	-569	+1,532
Net cash from investing activities	-1,417	-4,257
Repayment of debt	-152	+4,210
Share buyback, treasury stock and mgmt incentive plan	-2001	-2,365
Dividends paid to Swisscom shareholders	-861	-907
Dividends paid to minority interests	-367	-297
Net cash used in financing activities	-3,381	+641
Net change in cash and cash equivalents	-352	-1,366
Cash and cash equivalents at end of the period	1,023	673

7b Pension fund obligations as per YE 2006

(in CHF mm)	Fair value of plan assets	Δ	Benefit obligation
Swiss GAAP (FER)	6,745	721	-6,024
Different IFRS assumptions:			
- future salary increases			-324
- discount rate			-1,199
- pension indexation			-570
- other effects			-225
IFRS pension regime	6'745	-1,597	-8,342
Recognized as balance sheet liability :			
- unrecognized actuarial losses			886
- unrecognized prior service cost			-8
- recognized pension obligation			719

7b Distributable reserves for Swisscom AG^{*)}

(in CHF mm)	Shareholders' equity Swisscom AG	Share capital	non-distributable reserves	Reserves with own shares from SBB	Distributable reserves
31.12.2005 before 2005 profit distribution	5,661	61	12	2,002	3,586
Share cancellation SBB 2005	-1,960	-4	-1	-2,002	47
Dividends in 2006	-907				-907
Share buyback in 2006				2,212	-2,212
Net income 2006 Swiss GAAP	1,665				1,665
31.12.2006 before 2006 profit distribution	4,459	57	11	2'212	2,179

*) under Swiss GAAP (not IFRS)

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, the outcome of the tender offer for Fastweb, Fastweb' growth prospects and the prospects of the industry and markets in which it operates, the ability of Swisscom to integrate Fastweb successfully, the costs of the integration, the level of interest rates and the availability of the re-financing opportunities 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.

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