Swisscom Analyst Presentation
“managing uncertainty”

Zürich

4 March 2009

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Agenda

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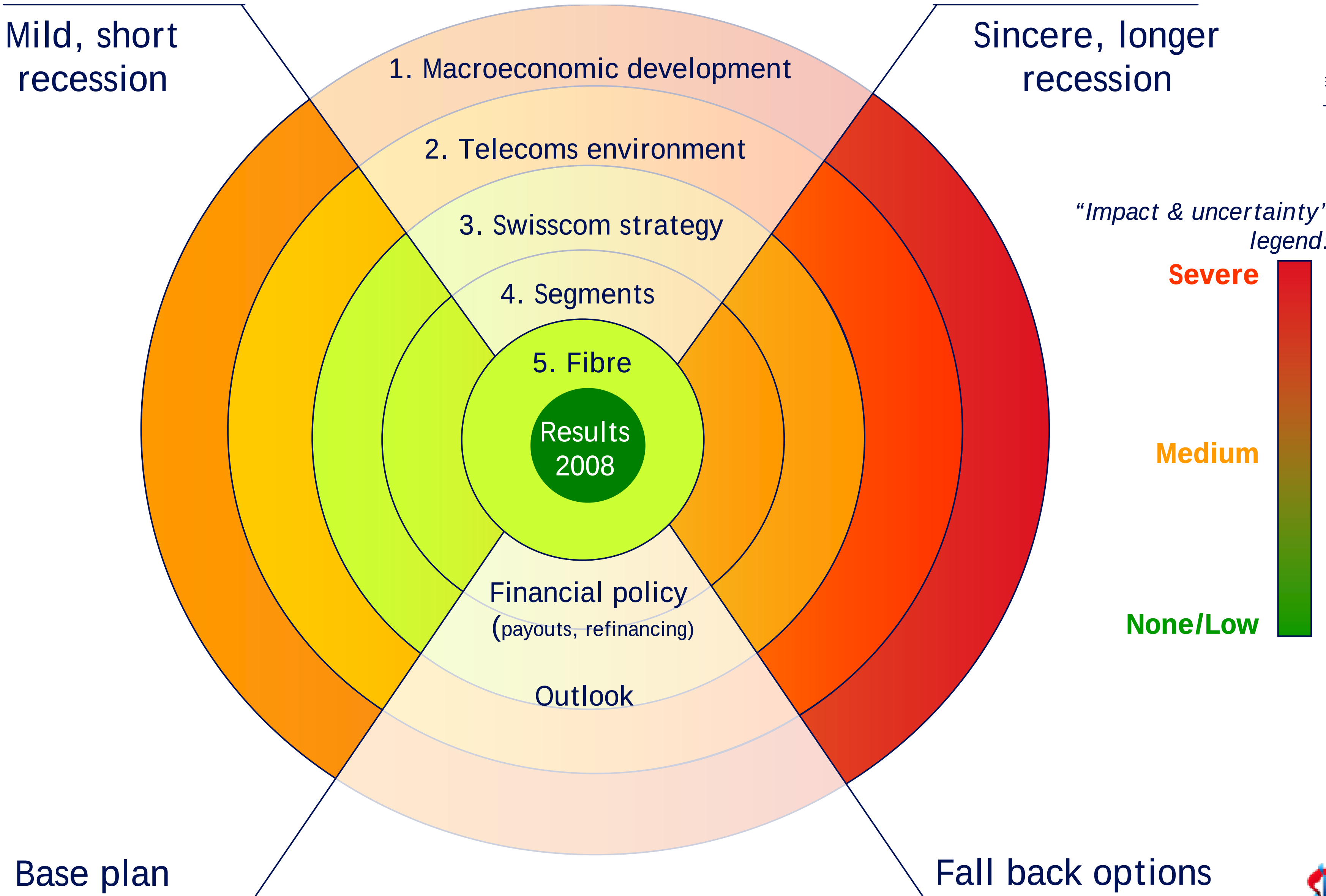
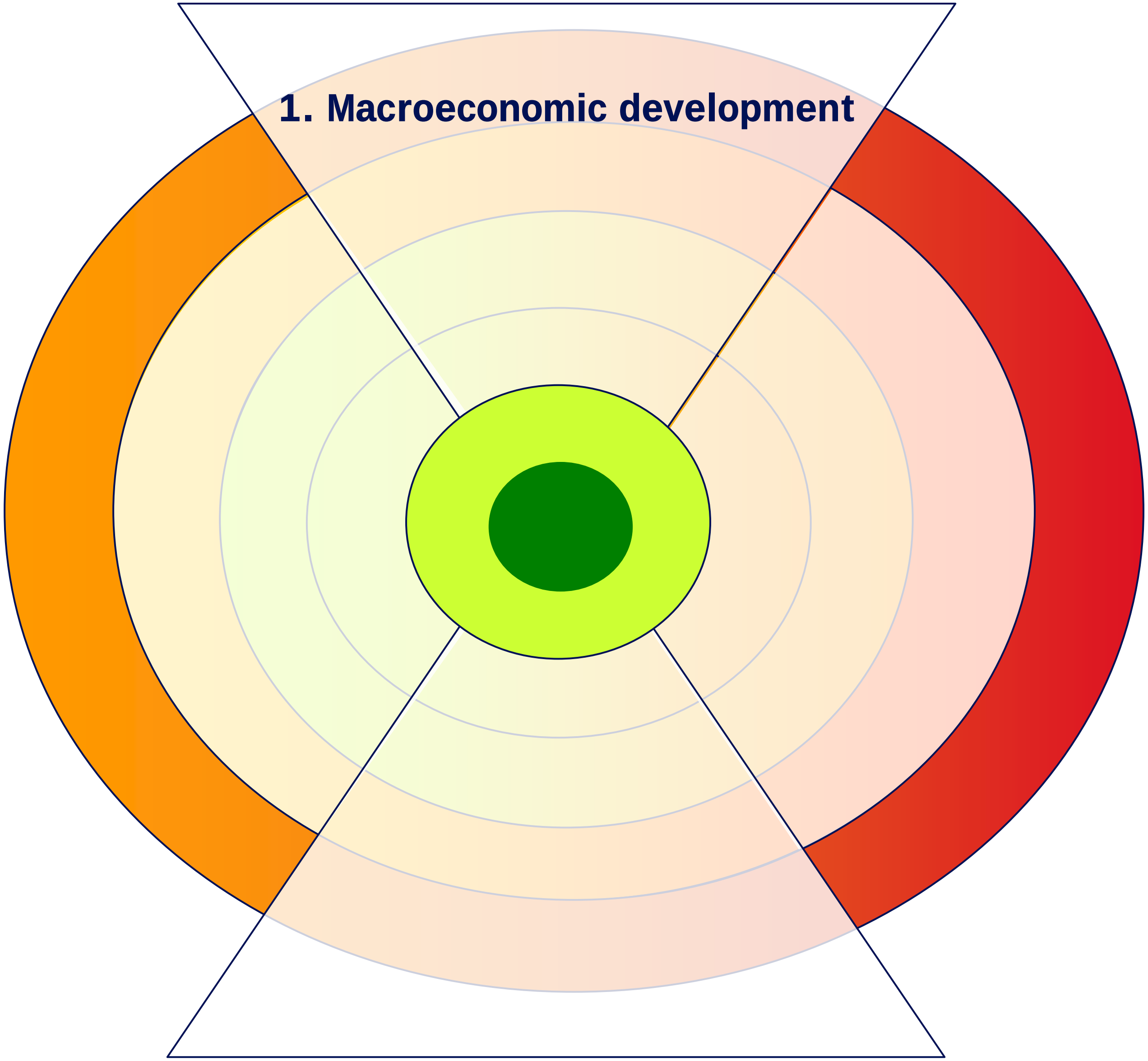
a) Overview – Carsten Schloter, CEO



"Managing uncertainty"

a) Overview



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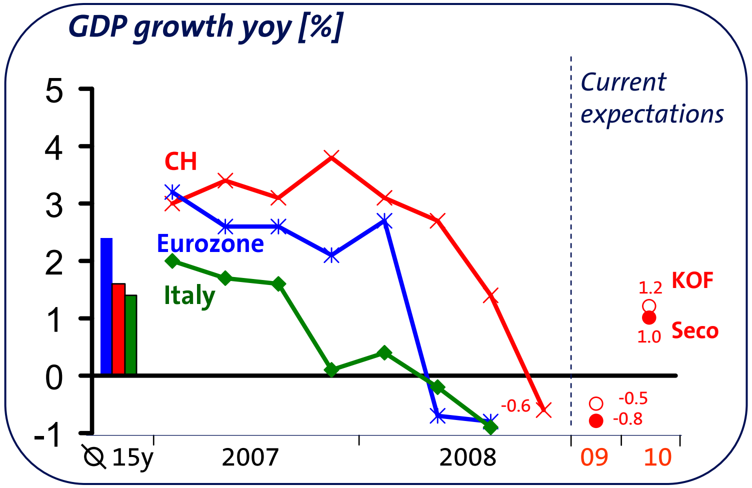
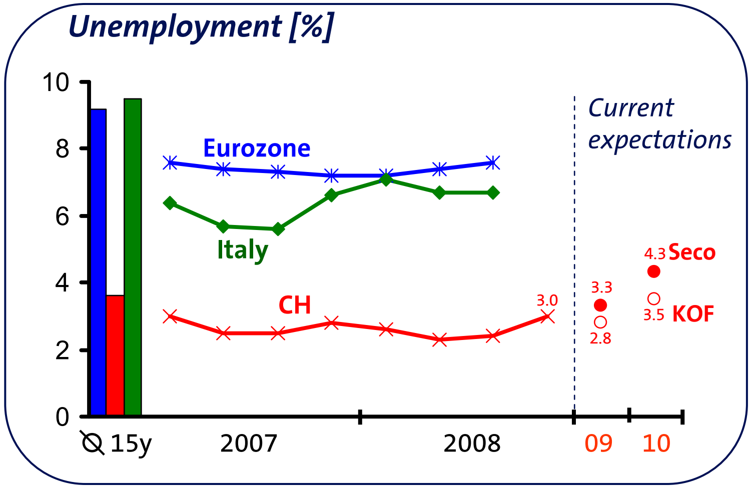
1. Macroeconomic development

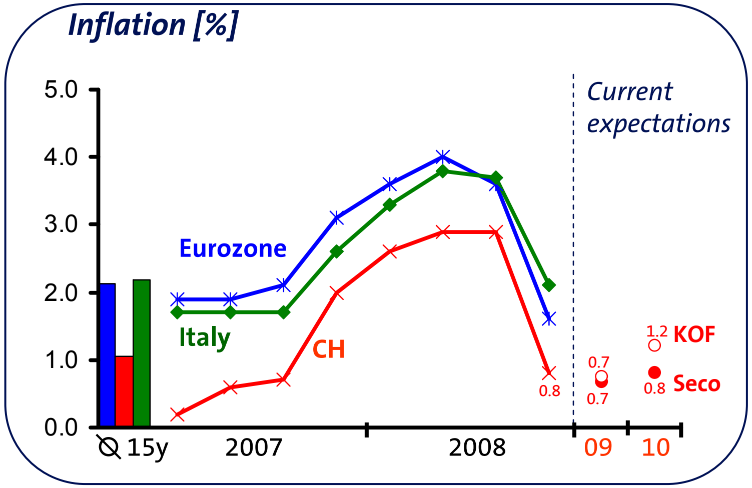
Switzerland and Italy compared with Europe



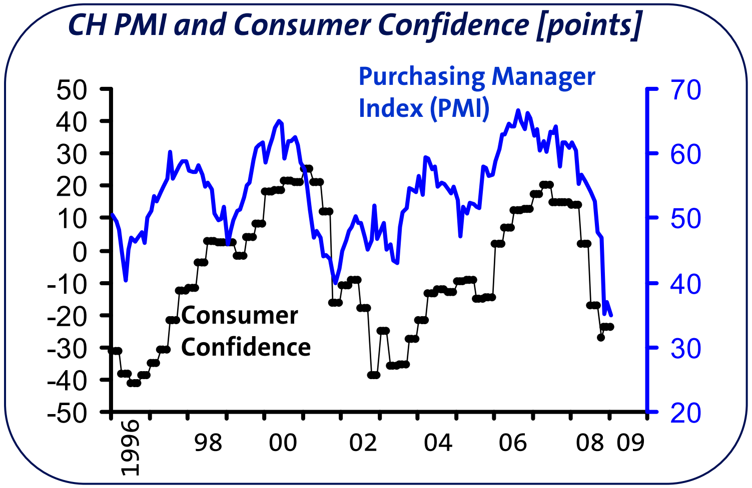
KOF and SECO currently expect a mild and short recession for CH with recovery in 2010 (mainly due to exports and industrial capex)



The unemployment rate is expected to increase in the next two years as a result of the recession



Mainly the oil price has brought inflation down in Q4/2008. For 2009 and 2010, the expected level is similar to 2007.



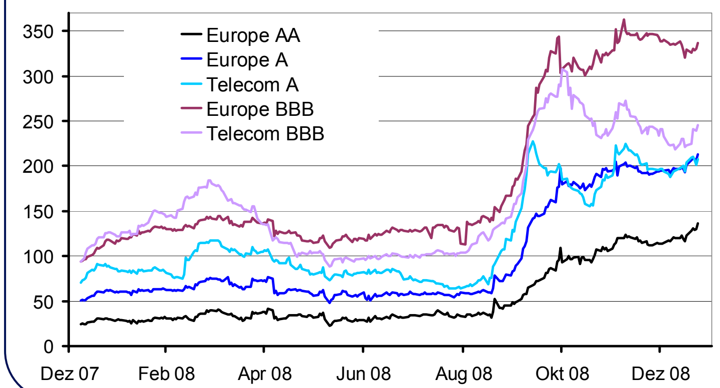
The crisis led to slump of both Consumer Confidence and Purchasing Manager Index

Sources: IMF, Credit Suisse, KOF, Seco

1. Macroeconomic development

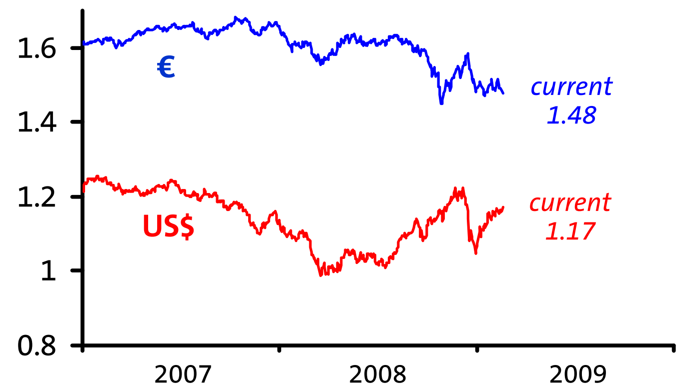
Switzerland compared with other countries

5y credit spreads over mid swap [bps]



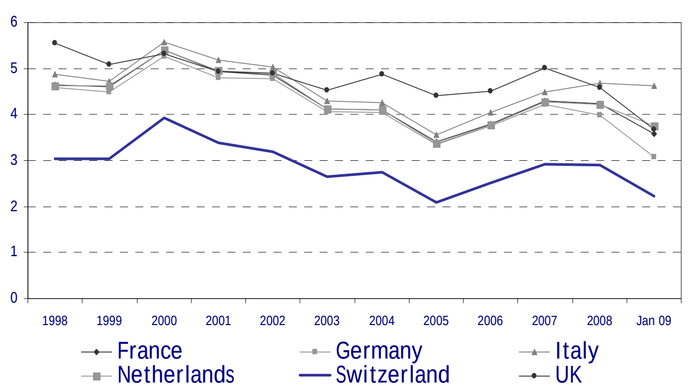
Credit spreads have increased substantially in autumn 2008

Exchange rates



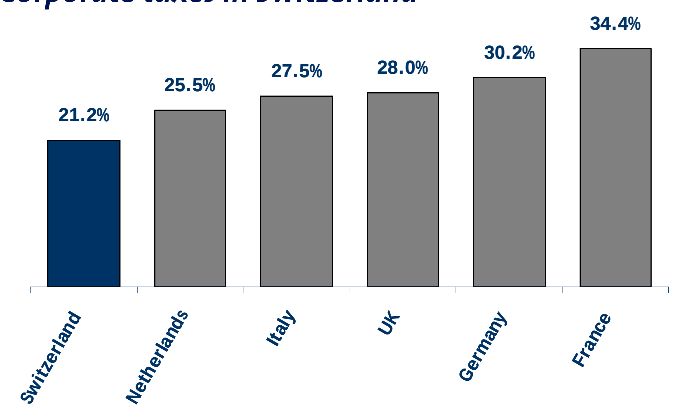
Increased volatility in currency rates. CHF has lost against EUR and gained against USD since autumn 2008.

Long term interest rates (10yr), cost of refinancing



Swiss franc interest rates consistently 1.5-2% below € rates, making funding significantly cheaper

Corporate taxes in Switzerland



Swiss taxes low, allowing for higher FCF conversion of gross profits than elsewhere

1. Macro economic development

Lower interest and tax rates result in comparatively higher earnings and FCF for Swiss companies, with over 20% more conversion of EBITDA into Free Cash Flow.
This percentage increases with higher leverage (and decreases with lower leverage)

	Switzerland	Germany	Italy	France	Netherlands	UK
EBIT	**100**	**100**	**100**	**100**	**100**	**100**
Debt	*500*	*500*	*500*	*500*	*500*	*500*
Interest Rate *)	*3.4%*	*4.7%*	*5.0%*	*4.8%*	*4.8%*	*5.5%*
Interest	***17.0***	***23.5***	***25.0***	***24.0***	***24.0***	***27.5***
EBT	**83.0**	**76.5**	**75.0**	**76.0**	**76.0**	**72.5**
Tax Rate	*21.2%*	*30.2%*	*27.5%*	*34.4%*	*25.5%*	*28.0%*
Tax	***17.6***	***23.1***	***20.6***	***26.1***	***19.4***	***20.3***
Earnings & FCF **)	**65.4**	**53.4**	**54.4**	**49.9**	**56.6**	**52.2**

23% higher than average

∅ = 53.3

*) long term (10 yr) rate +50bp
**) assuming depreciation = capital expenditure

„5% dividend yield in CHF is more than 6% in €“

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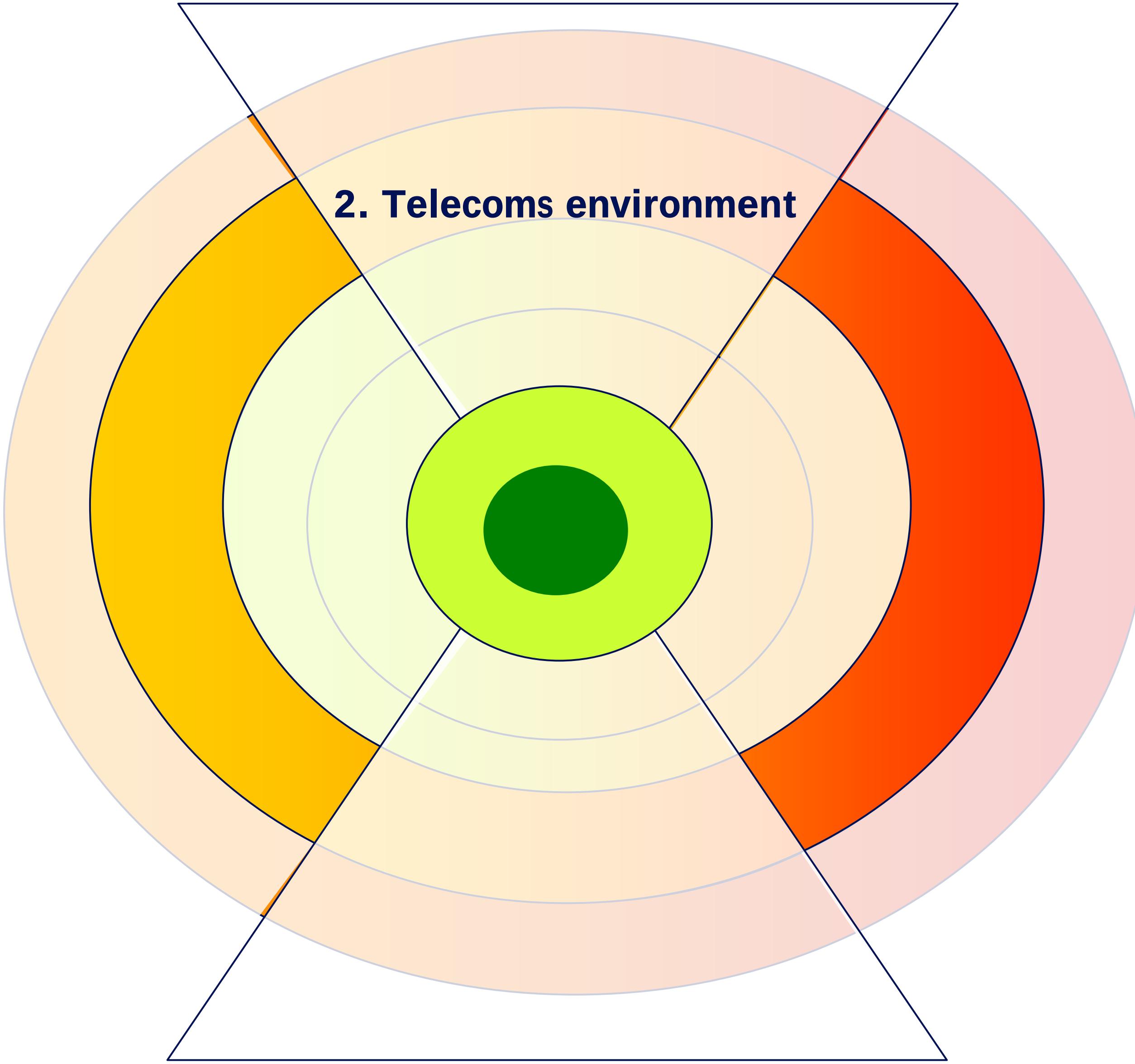
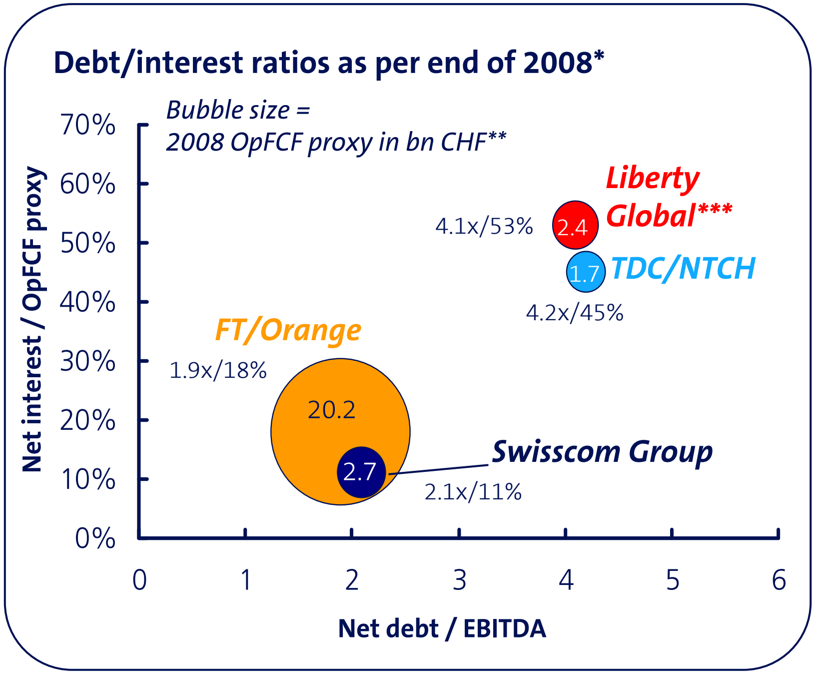
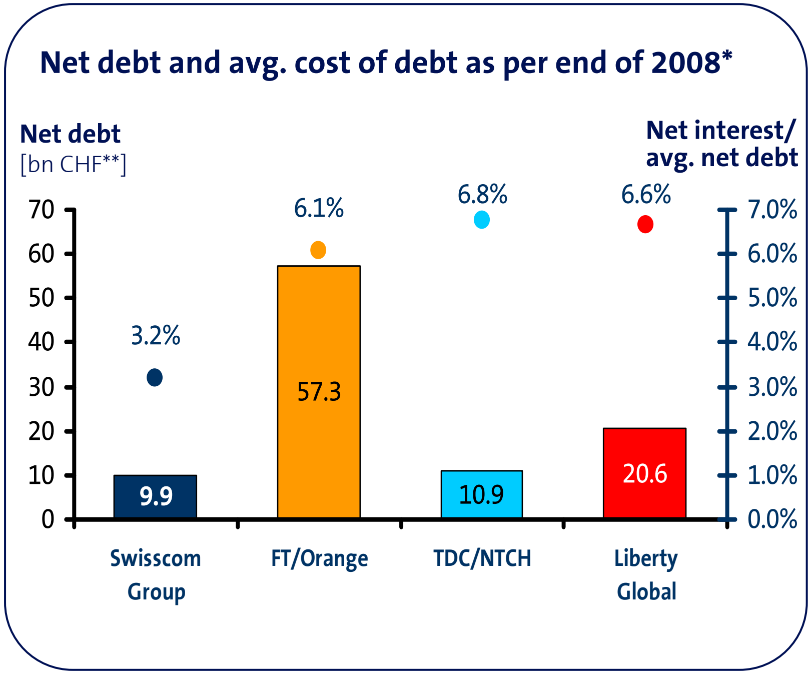
a) Overview



2. Telecoms environment

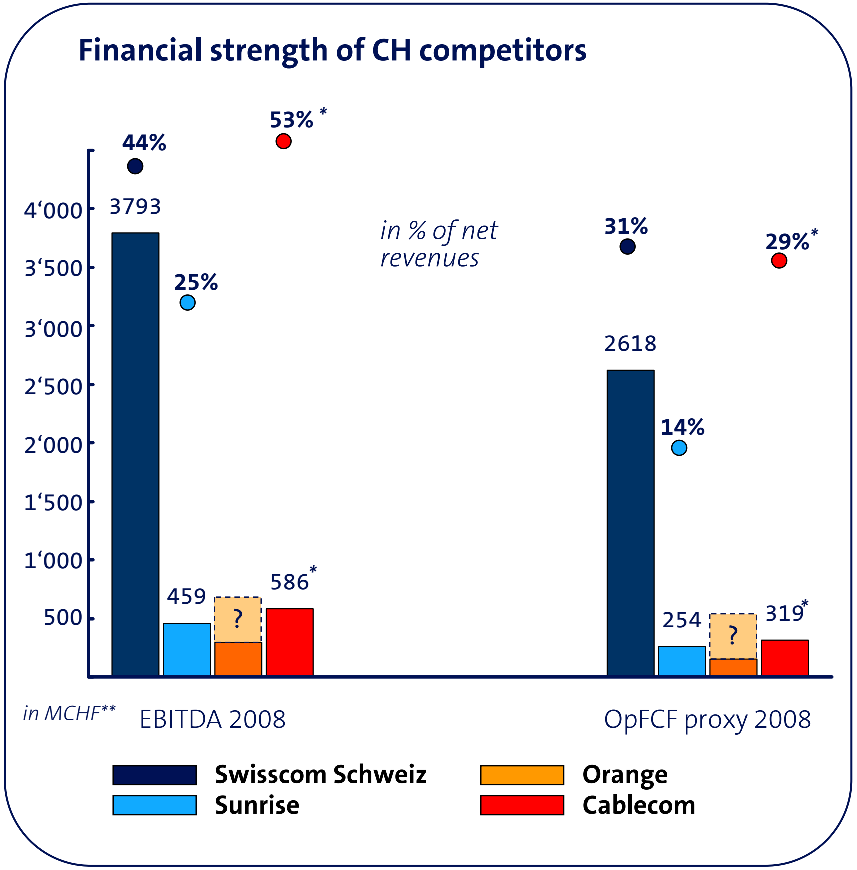
Financial strength of (mother companies of) players in Swiss market rather different





Sources: all figures based on or calculated based on publicly available data in quarterly/annual reports of FT/Orange, Liberty Global, TDC/NTCH
** NTCH and FT/Orange ratios based on Q3 figures (FY figures extrapolated)*
*** 1 EUR = 1.5 CHF; 1 DKK = 0.2 CHF; 1 USD = 1.1 CHF*
**** Liberty Global assumption: Operating cash flow = EBITDA*

Financial strength of players in Swiss market rather different



- Absolute EBITDA and cash flow level of main competitors in Switzerland significantly below Swisscom
- Swisscom as incumbent and Cablecom with own broadband infrastructure have the highest margins
- Attackers such as Sunrise and probably also Orange have significantly lower margins
- Potentially challenging investment effort over time given the absolute cash flow levels generated
- FCF after (high) interest burden offers limited room for maneuver in Swisscom's view

Sources: based on or calculated based on publicly available data in quarterly/annual reports of FT/Orange, Liberty Global, TDC/NTCH
** Cablecom assumption: Operating cash flow = EBITDA*
*** 1 DKK = 0.2 CHF; 1 EUR = 1.58 CHF; 1 USD = 1.1 CHF*

2. Telecoms environment

Limited sensitivity to swings in macro economic environment

higher

Sensitivity

lower

Total
8‘596 MCHF

495 MCHF
Mobile roaming

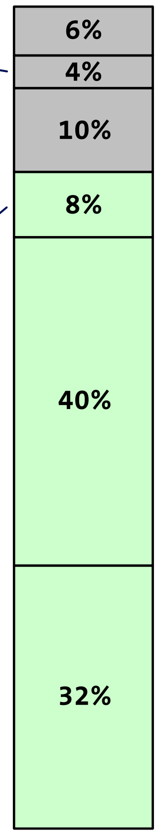
356 MCHF
Projects business

831 MCHF
New services, mobile handsets & Directories

662 MCHF
Traditional data and fixed-line equipment
- LAN-Services
- Private Networks
- Leased lines
- PBX‘s
- Customer premises equipment

3‘473 MCHF
Basic telco services
- Voice (fixed and mobile, excl. roaming)
- SMS
- Business lines
- Value-added services

2‘779 MCHF
Monthly connectivity fees
- PSTN/ISDN connections
- Broadband subscriptions
- Mobile subscriptions



External revenues Swisscom Schweiz 2008

Remarks:

Recent survey showed that following services - among a full basket of residential services (i.e. not just telco services) – are the last for people to drop in case of lower spending power:

- last (i.e. # 1 preferred): broadband internet
- # 3: mobile subscription
- # 4: fixed connection
- # 6: TV

= Access and basic communication services (mainly voice/data)

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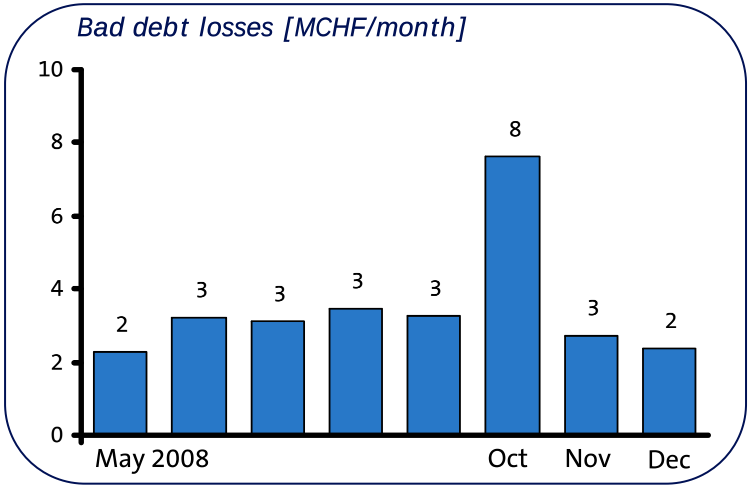
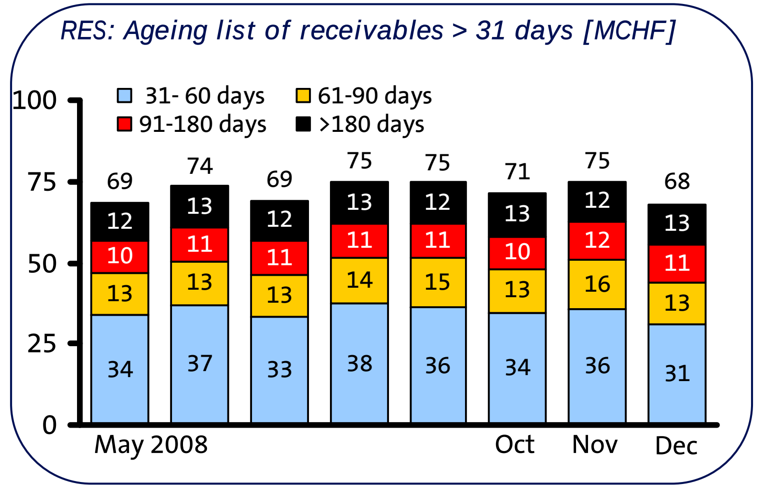
2. Telecoms environment

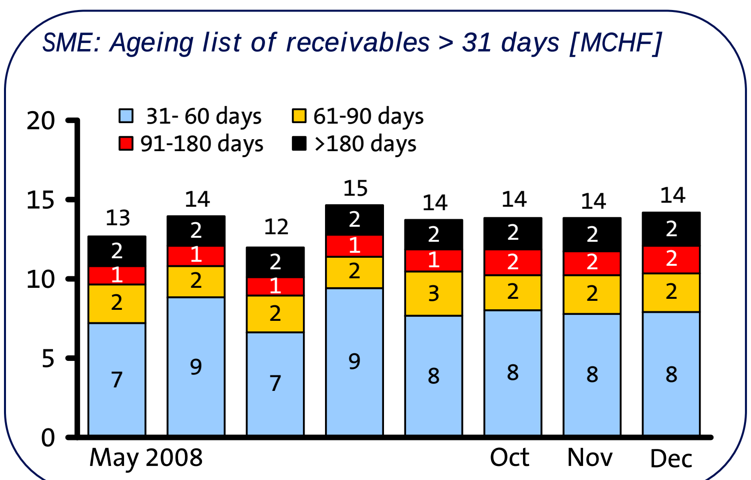
Receivables profile relatively stable, bad debt profile not worsening, yet requires monitoring



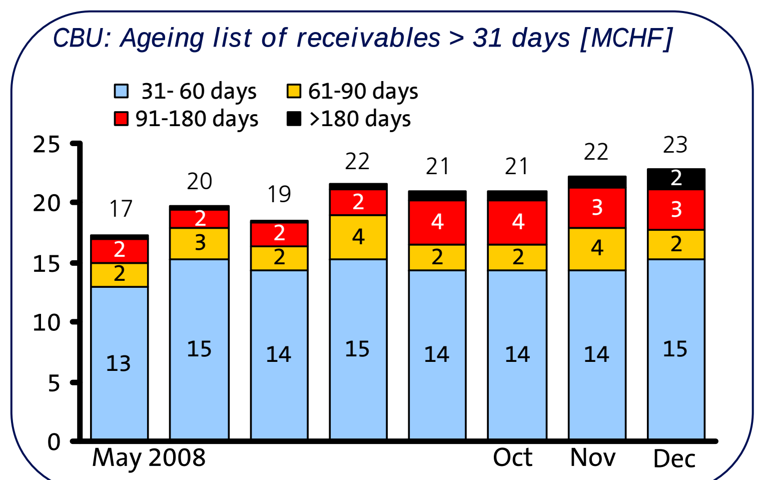
Except for effect from large single customer bankruptcy in October, no acceleration visible



Segment RES: Stable development. No significant changes



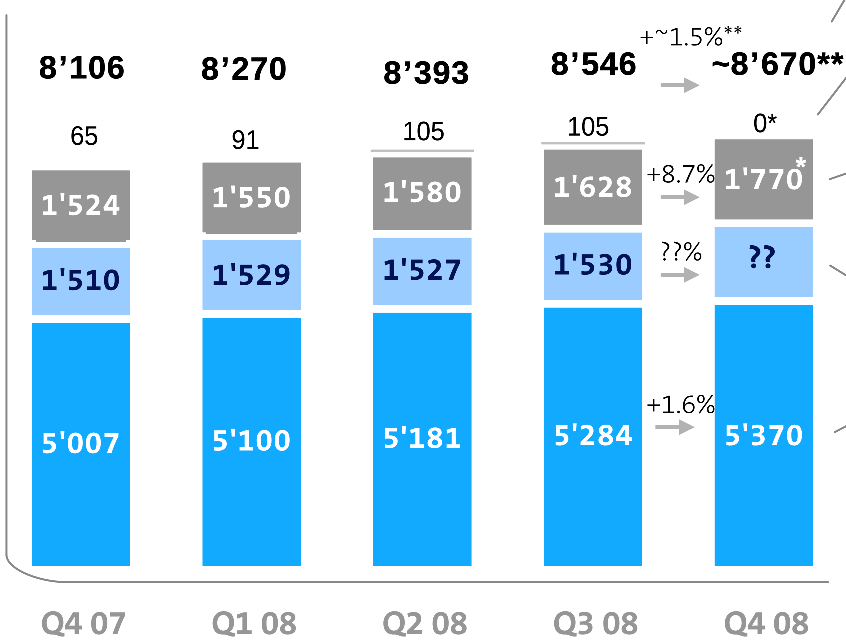
Segment SME: Stable development. No significant changes



Segment CBU: Slightly increasing trend. 2008 year end = highest value. To be monitored closely.

2. Telecoms environment

Mobile customer base Swisscom growing faster than market



Growth in 2008

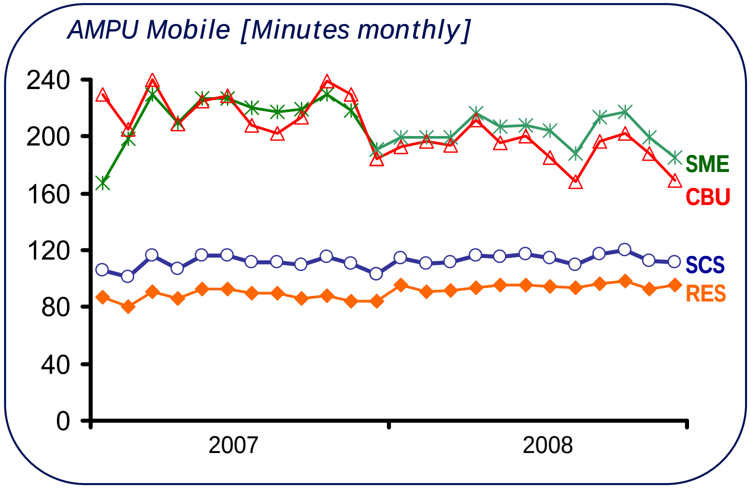
	Until 30.9.2008	Until 31.12.2008
CH market	+5.4%	~+7%**
Tele2	+61.5%	Now integrated into Sunrise
Sunrise	+6.8%	+16.1%*
Orange	+1.3%	??
Swisscom	+5.5%	+7.2%

* In Q4 Sunrise completed the acquisition of Tele 2’s operations in Switzerland. Customer base of Tele2 is integrated in Sunrise figures for Q4.

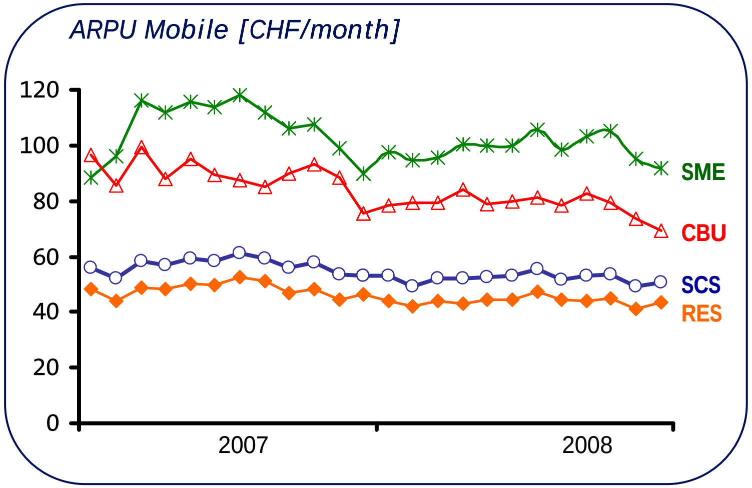
** estimated

2. Telecoms environment

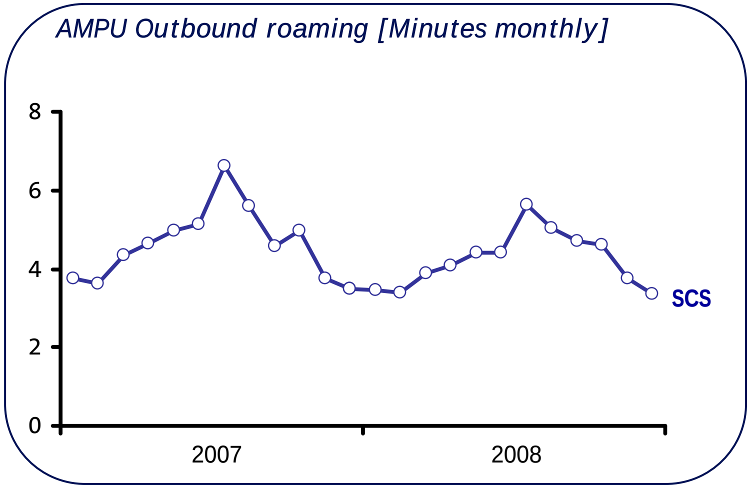
Usual seasonality in mobile business, trends unchanged - yet needs close watching



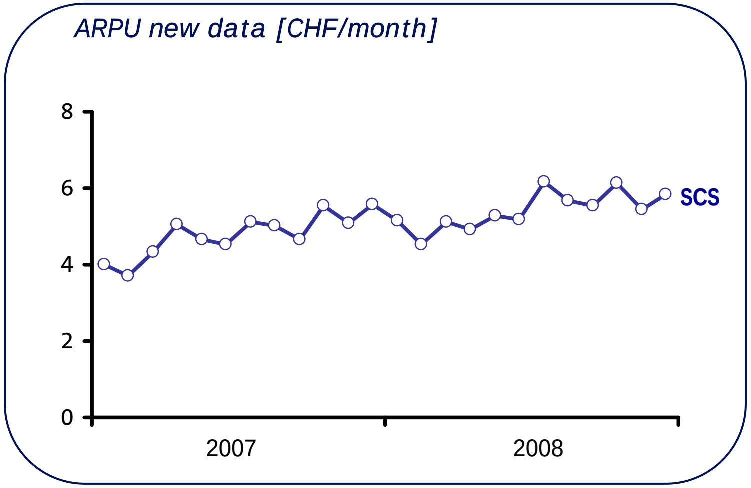
No significant slowdown – beyond usual season pattern - in Q4/2008.



Year end usage lower – as usual – however now mostly driven by lower roaming



Low year-end usage is normal, yet needs to be closely watched whether this recovers

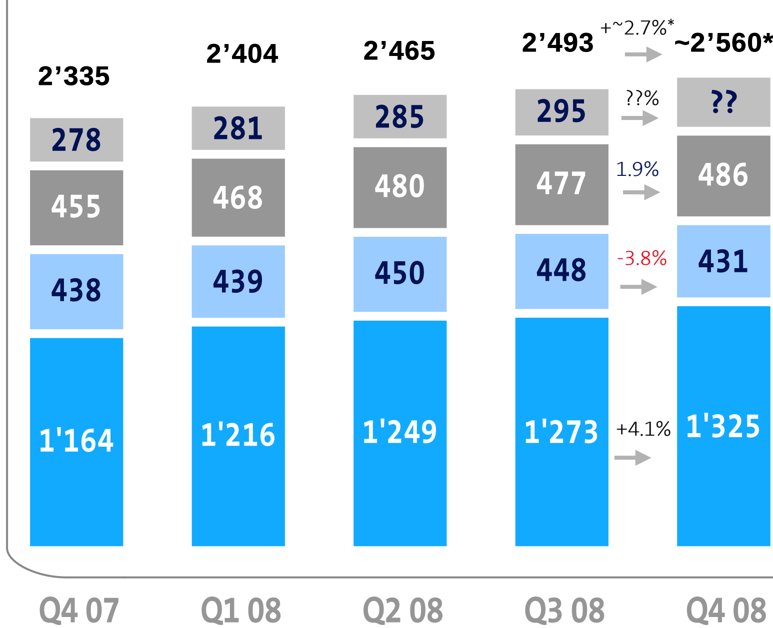


ARPU new data shows steady growth. No impact.

2. Telecoms environment

Broadband Swisscom growing faster than market

Broadband lines (000)]



Growth in 2008

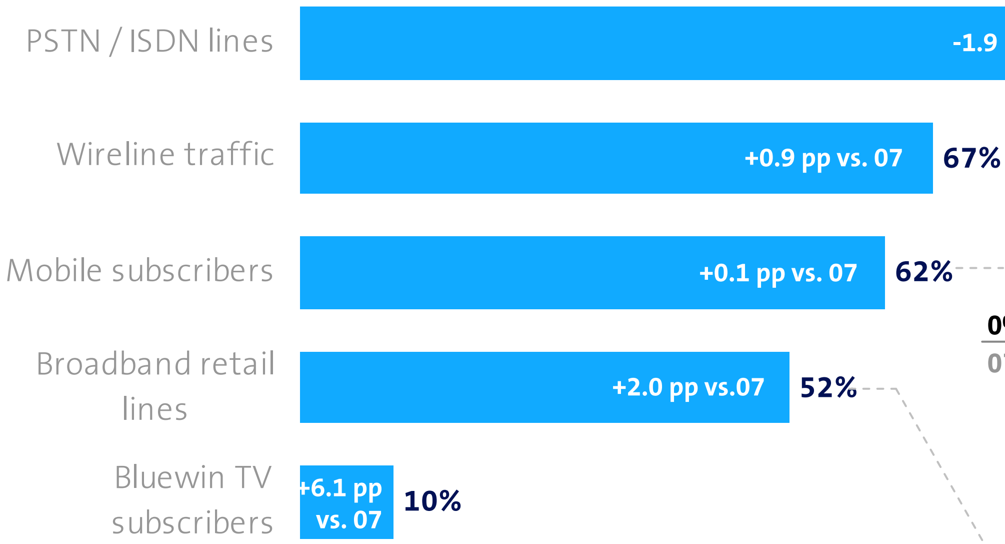
	Until 30.9.2008	Until 31.12.2008
CH market	+6.8%	~+9.6%*
Other1) / Other	+6.1%	??
Cablecom	+4.8%	+6.8%
Swisscom WHS	+2.2%	-1.6%
Swisscom xDSL	**+9.4%**	**+13.8%**

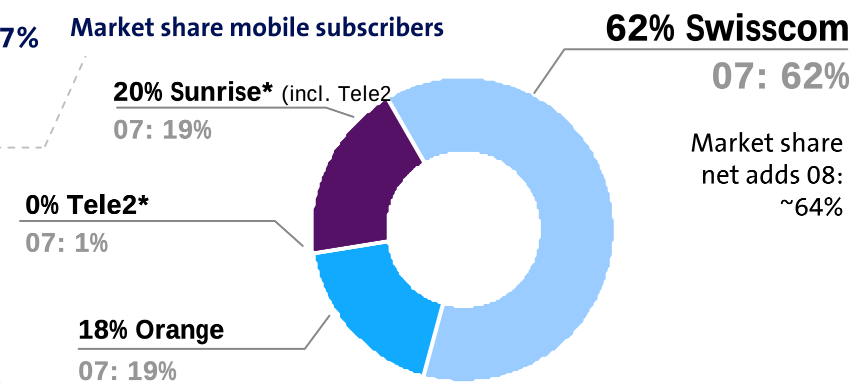
1) mainly other cable, Full Access

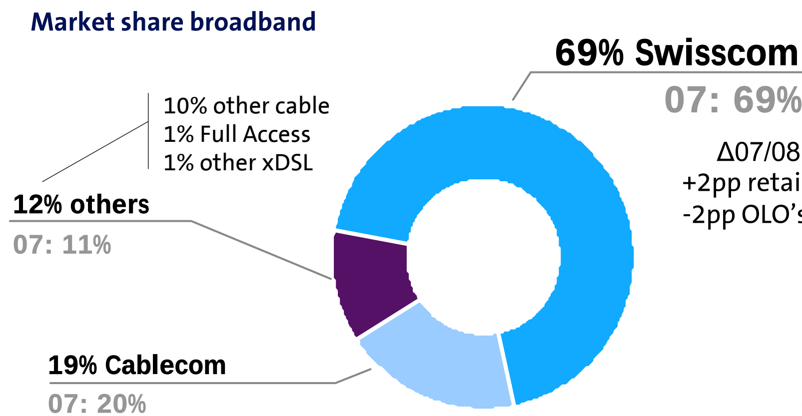
* estimated

2. Telecoms environment

Market shares robust





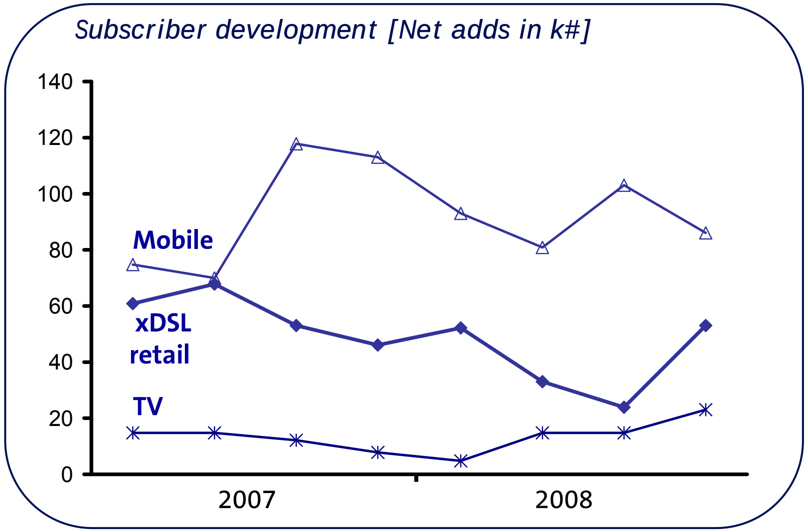


* In Q4 Sunrise completed the acquisition of Tele 2's operations in Switzerland. Customer base of Tele2 is integrated in Sunrise figures for Q4.

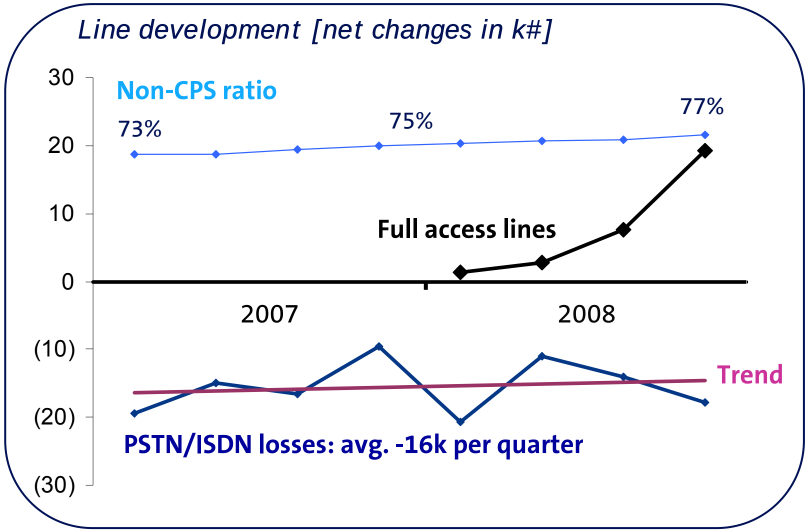
Market shares 2008 based on estimates

2. Telecoms environment

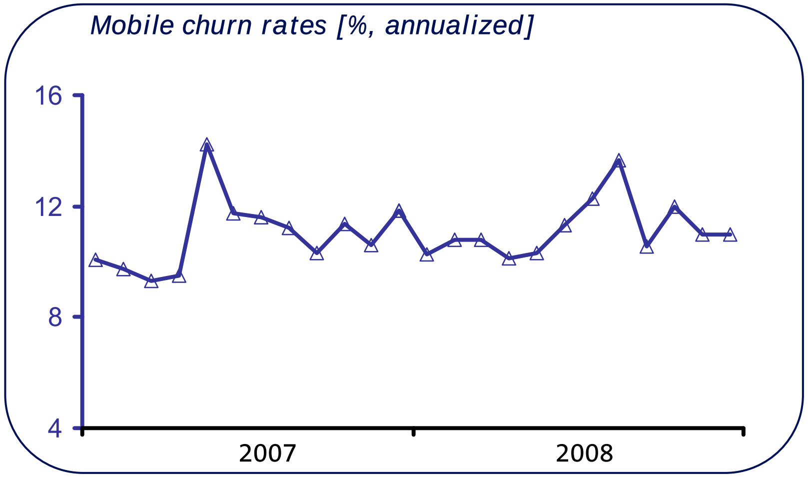
Subscriber development, churn and order intake show no signs of weakness



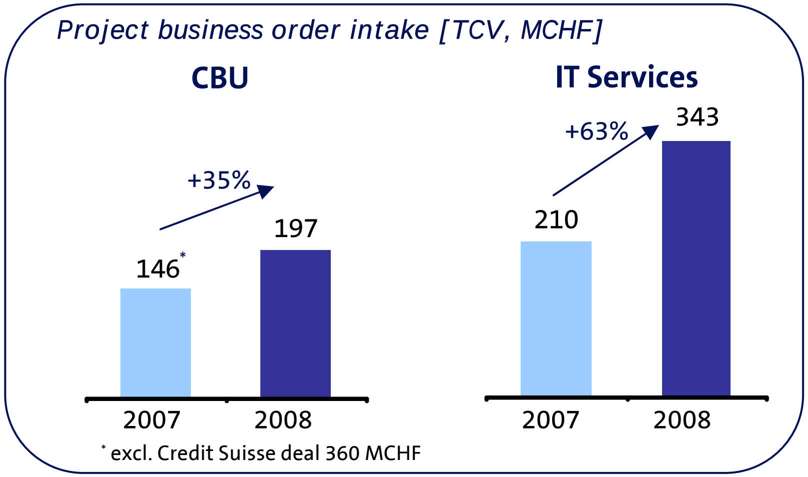
Ongoing strong net add development



Stable development of line losses (decreasing to Cable, increasing to Full access). Net winback of CPS customers.



No significant change in mobile churn rate



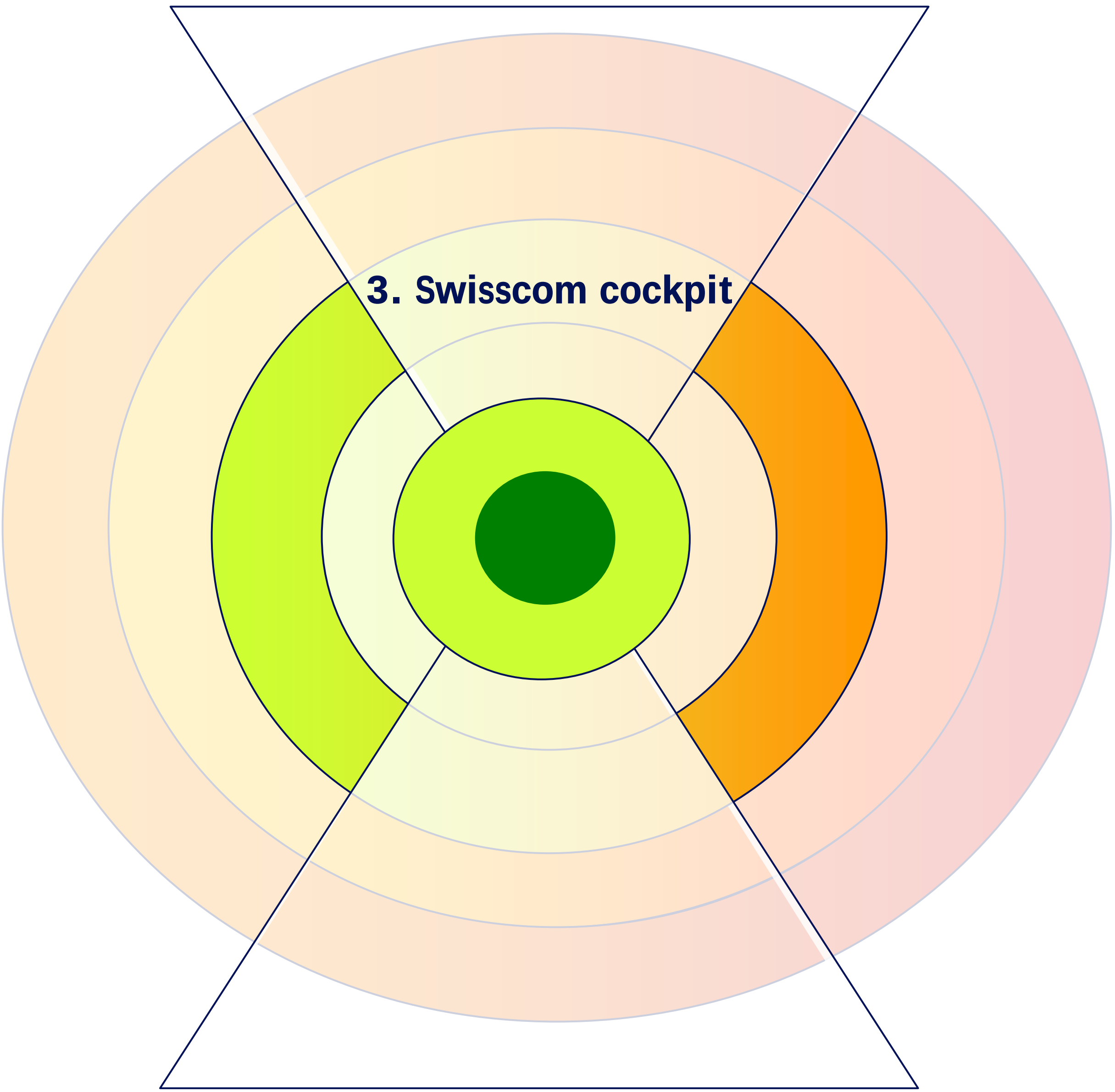
Substantial increase in order intake in the project and outsourcing business at CBU and IT Services.

2. Telecoms environment

Regulatory environment – most imminent proceedings

Proceedings	Explanation
<u>Access-Proceedings</u> • Interconnection (LRIC) • ULL: full access, co-location and rebilling	The current regulatory proceedings regarding the interconnection and the access proceedings Co-location, Full access and rebilling are covered by provisions of CHF 296 Mio. Swisscom accepted a reduction in price concerning the interconnection, Full access and rebilling, however not the collocation prices and the "third party effect clause".
Bitstream Access	Swisscom is considered as market dominant (court ruling February 2009), and will make a regulated offer late 2009
ComCo-Proceeding Mobile Termination I *(1.04.2004 - 31.05.2005)*	Proceeding about the question of market dominance and regulated prices with imposed sanction of CHF 333 mm. Contingent liability, not provision (chance of occurrence < 50%).
ComCo-Proceeding Mobile Termination II *(from 1.06.2005)*	Proceeding about the question of market dominance and regulated prices. Contingent liability, no provision (chance of occurrence < 50%).
ComCo-Proceeding ADSL	Proceeding regarding the broadband market and the accuse of a price squeeze (whether or not the competitors can generate a sufficient profit margin) with a threat of a sanction of CHF 237 mm. Contingent liability, no provision (chance of occurrence < 50%).

a) Overview



3. Swisscom cockpit

Special crisis cockpit developed. Constant monitoring in order to be able to act early

Macroeconomics/ capital market

External
- GDP development
- Inflation
- Unemployment rate
- Interest rates
- Spreads for refinancing
- CDS spreads of different sectors
- Purchasing Managers Index
- Consumer Confidence Index
- Rate of bankruptcies in Switzerland
- Rate of new company formations in Switzerland
- EUR and USD exchange rates

Internal
- comPlan coverage ratio

Competition

- Aggressiveness of competitors (Media spendings, price decreases, etc.)

Business KPIs

- RFI/RFP and order entries at CBU and SCIS
- Readiness to change the operator
- Market share of gross adds
- # of customers reducing usage
- Migrators to M-Budget products
- # of customers rightgrading
- # of down-migrators among xDSL profiles
- Average value of reload on prepaid
- Development SAC/SRC KPI
- Changes in wireline voice discounts
- Success rate of direct marketing actions
- Request for price decreases (SME/CBU)
- AMPUs (Outbound mobile, roaming, wireline)
- ARPUs (Mobile voice, new data)
- Net adds (Mobile, BB, TV)
- Churn rates (per segment/per product)

Business financials

- Extent of financial flexibility (MCHF of opex/capex not allocated yet)
- Ageing list of receivables of different segments
- Dunnings, collections
- Effective bad debt losses

Qualitative elements

- Incidents/requests regarding customer solvency issues
- Business customers sentiment barometer
- Development/incidents of key customers and key suppliers

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3. Measures

Short-term measures

Agility reserve

- Postpone opex and capex for internal projects

Suppliers

- Identify top 50 suppliers by risk (impact on technology and roadmaps) and elaborate alternative sourcing plan
- Renegotiate contract conditions

External employees and consultants

- Insourcing of external employees
- Assess necessity of new and existing contracts with consultants

Headcount

- Define areas for FTE freezes without impact on the business

Bad debt

- Identify top 50 customers by risk and introduce credit limits
- Improve and increase focus of monitoring of bad debt development and ageing list of receivables

...

Options for medium-term

Rollout capex

- Evaluate potential and priorities for substantial reduction of infrastructure rollout capex

MarCom, Sponsoring, PR

- Evaluate potential and priorities for substantial reduction of expenses

Working capital

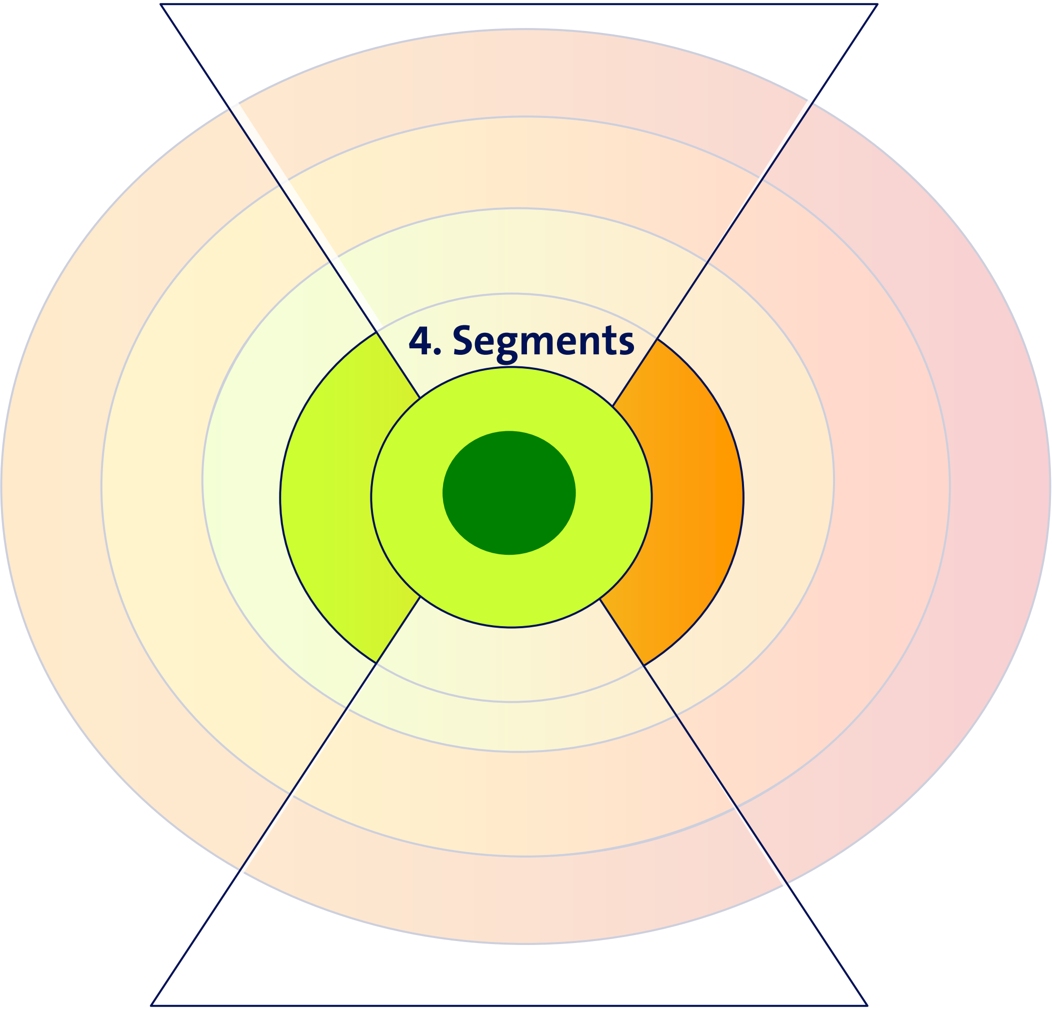
- Evaluate measures to free cash from working capital (e.g. introduction of pre-billing flat monthly rates)

Headcount reductions

Divestments (of assets or subsidiaries)

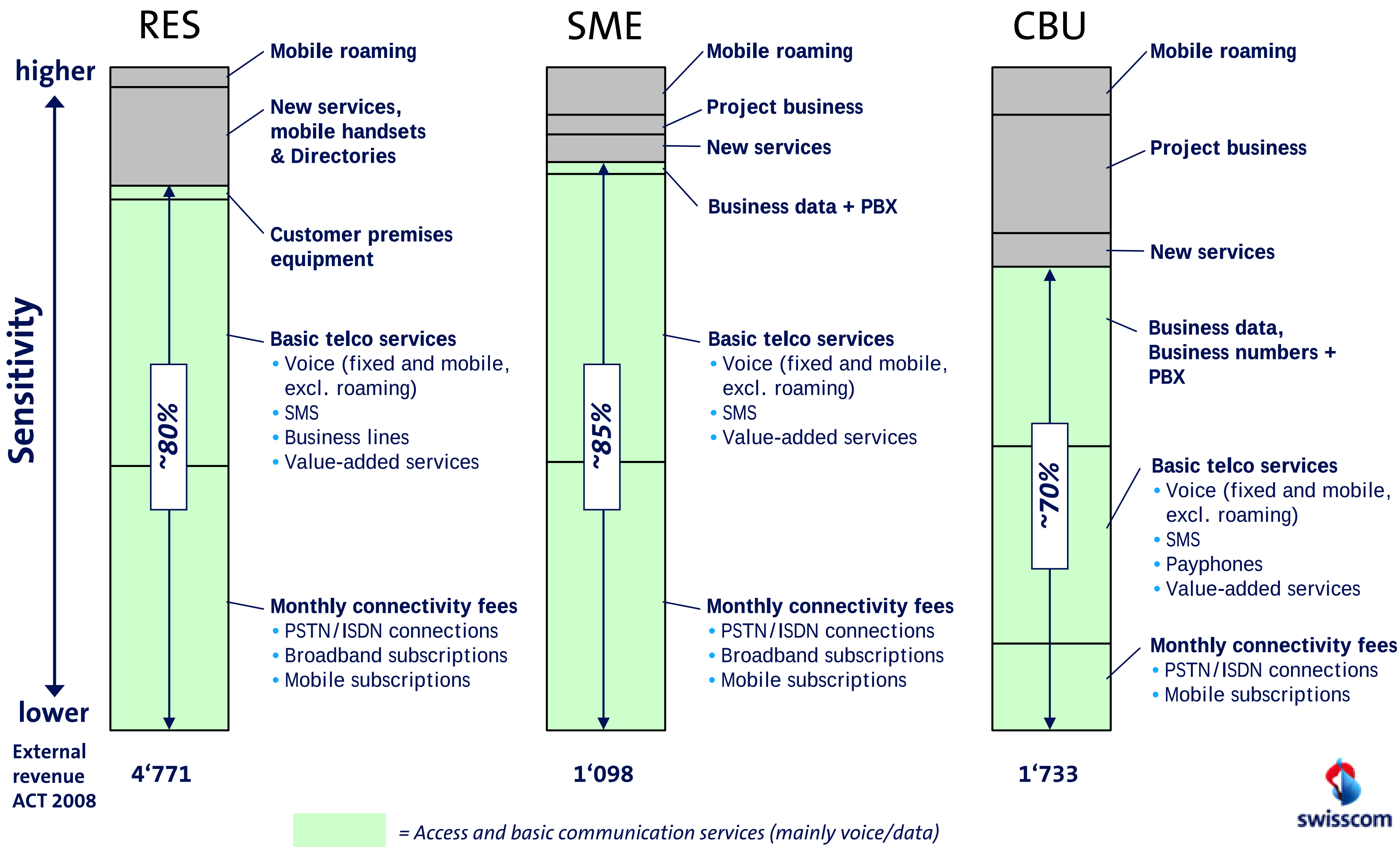
...

a) Overview



4. Swisscom segmental sensitivity

Proportion of services sensitive to downturn likely to be lowest in Segments Residential and SME



4. Swisscom segmental sensitivity

Potential changes in customer behavior in case of prolonged depression

RES

−

- Increasing price sensitivity -> focus on cost control and increased rightgrading as well as churn
- Less travel activities -> lower roaming usage
- Resistance for subscription and usage of new gadgets/services
- Cancellation of non-basic services
- Increasing hard substitution (one access)

+

- Increasing TV consumption
- Longer usage of handsets -> lower SAC/SRC

SME

−

- Increasing price sensitivity -> focus on cost control and increased rightgrading
- Less business travel activities -> lower voice roaming usage
- Resistance for subscription and usage of new gadgets/services
- Cost pressure -> FTE reductions and closure of locations

+

- Potential for ICT solutions as means for efficiency increases

CBU

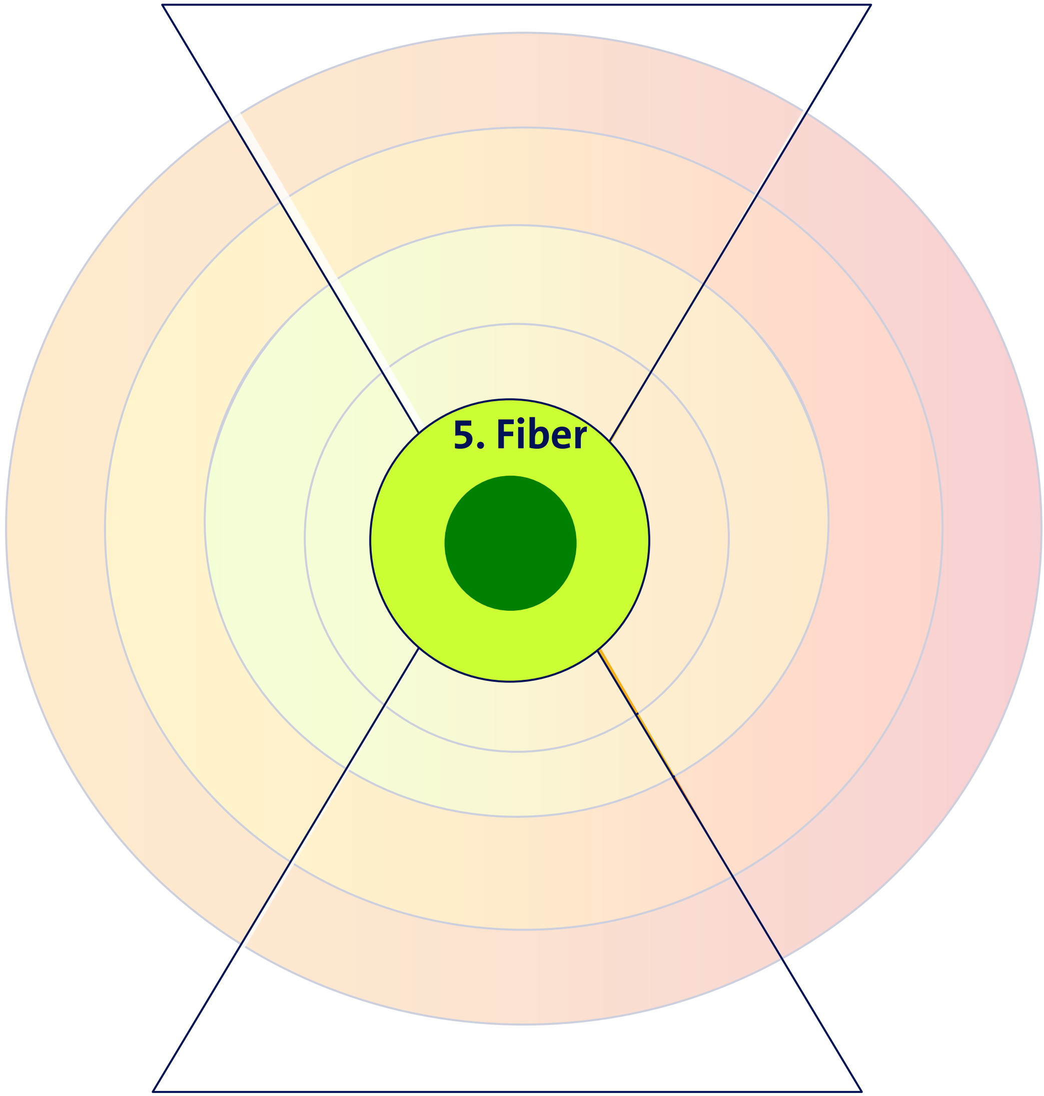
−

- Increasing price pressure -> renegotiations of existing contracts
- Prioritisation of investments/projects
- Less business travel activities -> lower roaming usage
- Resistance for subscription and usage of new gadgets/services
- “Clearing up” actions (validation of needs)
- Cost pressure -> FTE reductions and closure of locations

+

- Increasing demand for outsourcing projects for variabilisation of cost structure

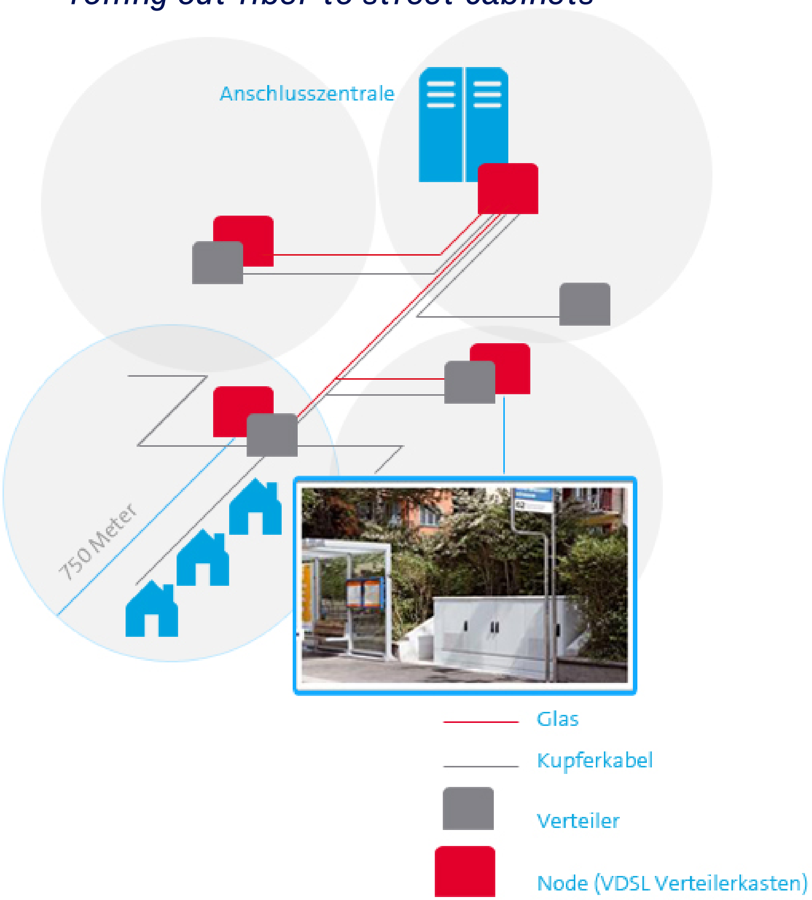
a) Overview



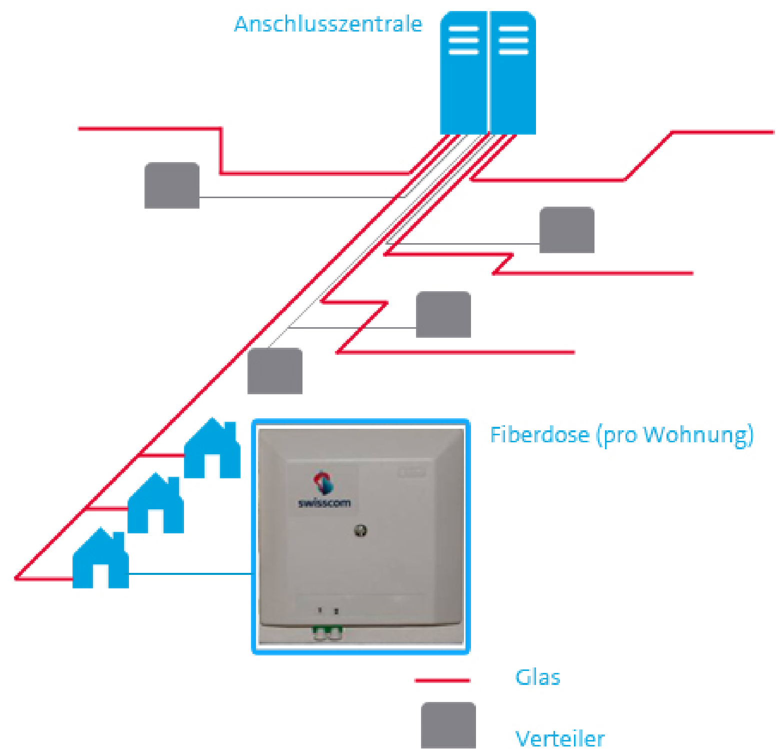
5. Fiber

“Regardless” of macro economic situation, Swisscom plans to allocate significant resources to further push fiber as a means to stay ahead of cable, and invest in the future

Focus until 2008: offering VDSL by rolling out fiber to street cabinets



Focus from 2009: selectively investing in FTTH: CHF 2 to 3 bln until 2015

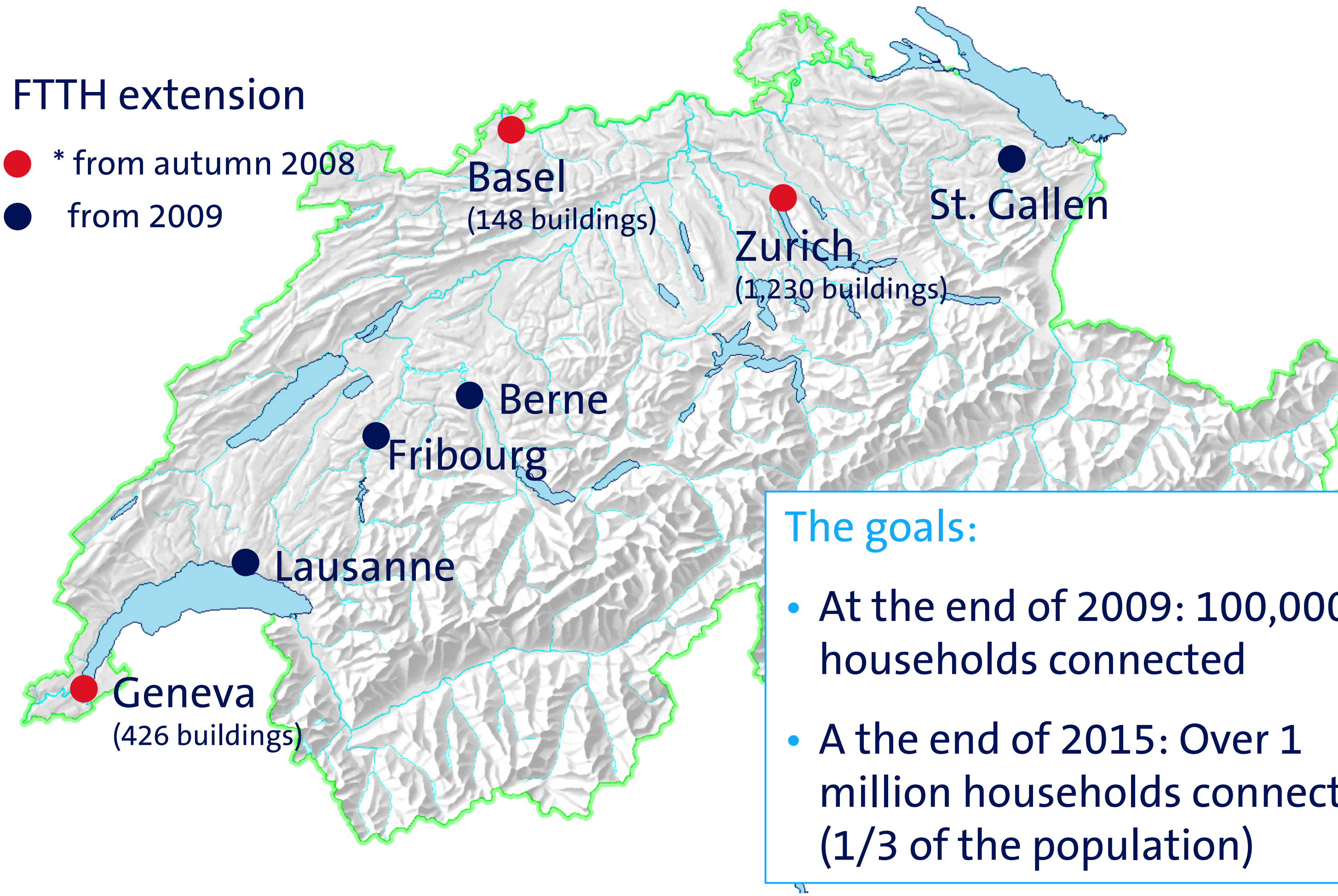


5. Fiber

FTTH roll out selectively - and as long term investment, also in turbulent & uncertain times

FTTH extension

- * from autumn 2008
- from 2009



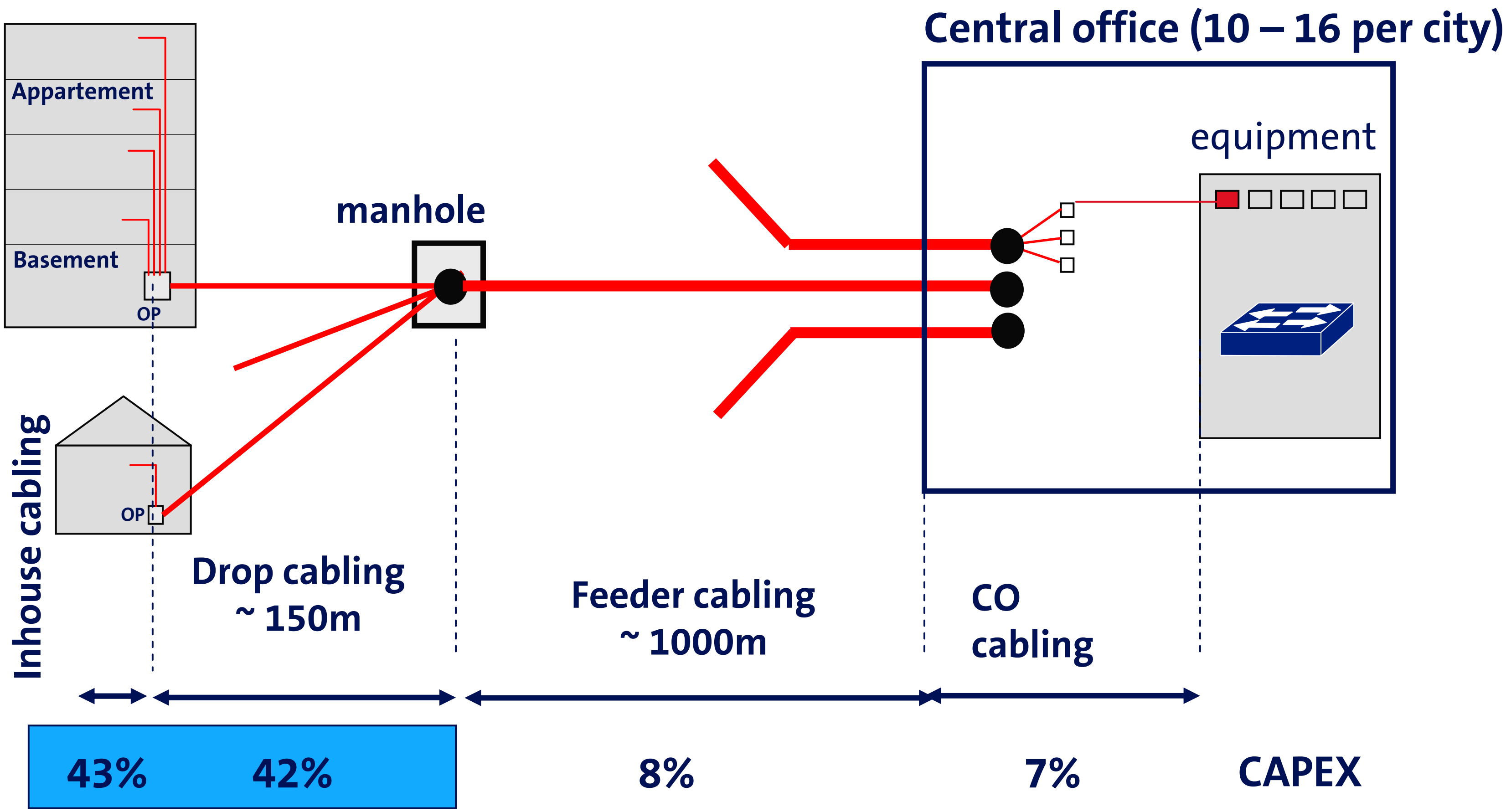
The goals:

- At the end of 2009: 100,000 households connected
- A the end of 2015: Over 1 million households connected (1/3 of the population)

* Including connected buildings at the end of 2008

5. Fiber

Investments for fiber dominated by civil works in last meters and in in-house cabling. Overall investments until 2015 likely to amount to CHF 2 to 3 bln (as part of the overall Swiss Capex envelope, which is not expected to increase from today's CHF 1.2-1.3 bln annually



5. Fiber

In order to promote a Swiss wide model, with minimal costs for parties involved, Swisscom promotes “Fibre Suisse”: a multi-fibre model, with co-investments by third parties

Possible forms of cooperation:

Willingness to invest: High

Construction partnership

Partners with their own ducts such as electrical utilities or cable network providers

Investment partnership

Partners without their own ducts

Leasing of individual optical fibres

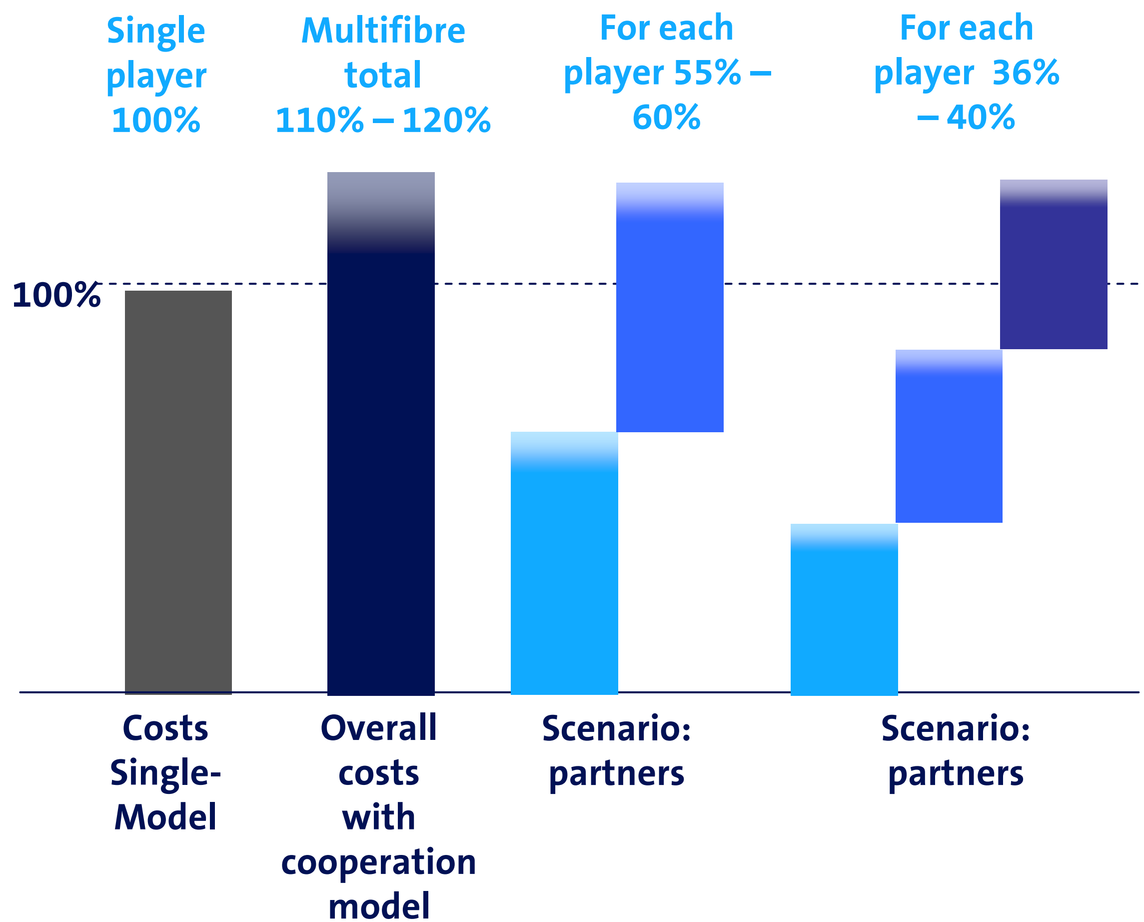
For service providers with own technology but no network

Leasing of transmission services

For providers without their own network

Low

Cost/benefits of cooperation:



b. Fastweb 1999-2008 10 years of growth

Stefano Parisi, CEO Fastweb

FY 2008 Results at a Glance

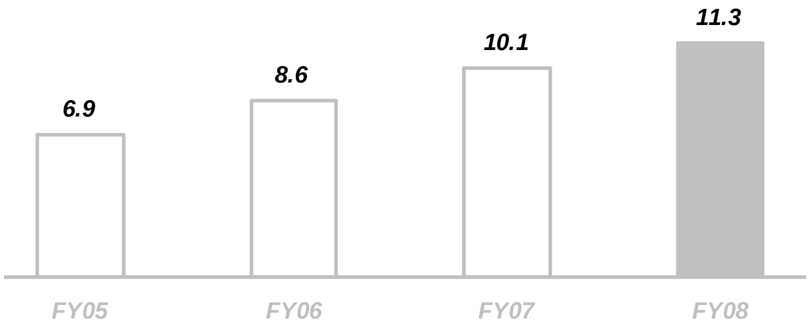
2008 was a year of solid industrial growth on all relevant KPIs - FY targets achieved

	Revenues	EBITDA	Net Result	FCF	Capex/Sales
FY Target	€1,640 Mln	€530 Mln	>0	>0	26%
FY Actual	€1,708 Mln	€518 Mln	€6 Mln	€55 Mln	26%
Actual Vs Target	104%	98%	In line	In line	In line

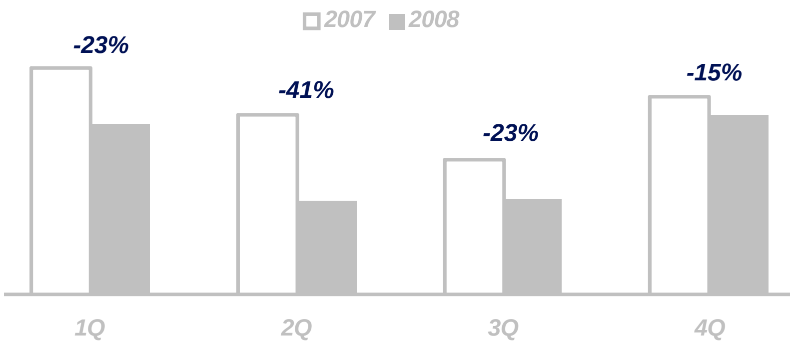
Overall CSI increased 5% vs 2007 further reinforcing FASTWEB position as the top quality player on the Italian market

2008 Italian BB Market Evolution

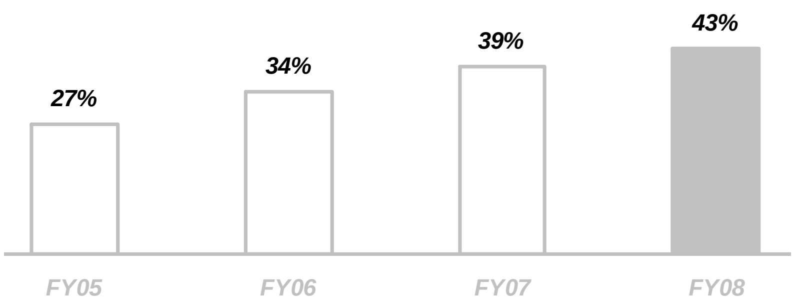
# of Italian BB Customers (Mln)



2008 vs 2007 Comparison of Italian BB Net Adds



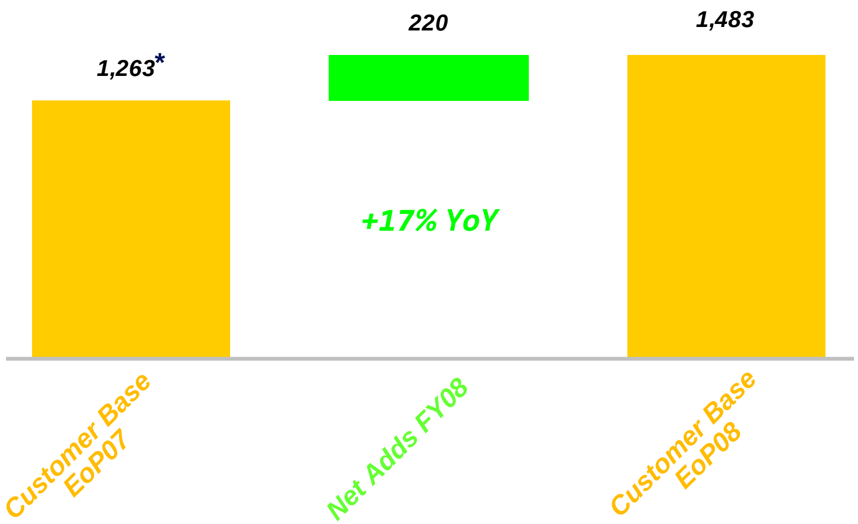
Italian BB Penetration



- ***Italian BB connections increased 12% to 11.3 Mln in 2008, posting lower growth than in previous years***
- ***# of BB net adds were lower in every quarter in 2008 vs 2007, however…***
- ***…BB penetration at 43% of households and business sites, still significantly below 50% European average***

2008 FASTWEB Customer Base Evolution

FY Customer Base Growth ('000)



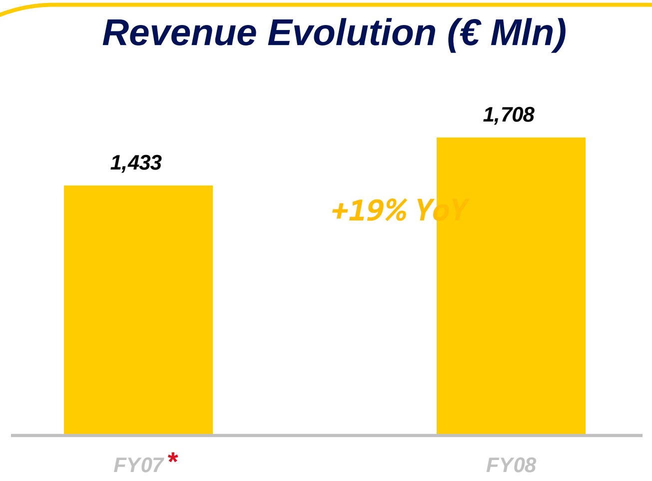
FY 08 FWB Share of BB Net Adds

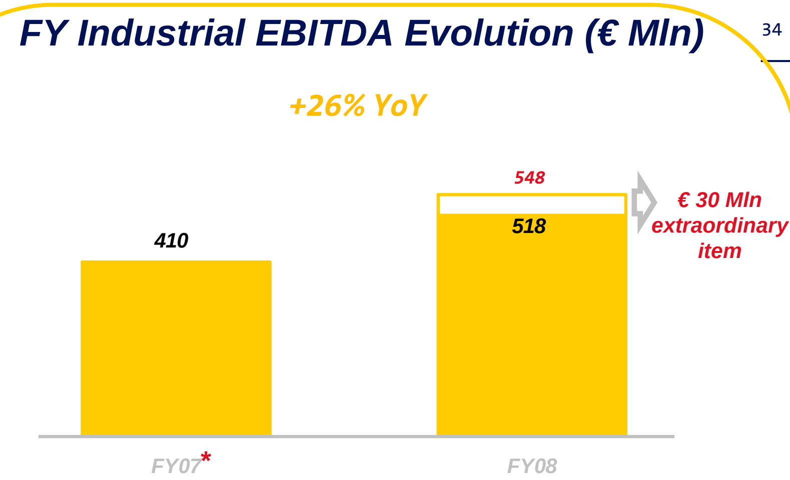
** Customer base 2007 restated by -50k inactive customers due to TI agreement*

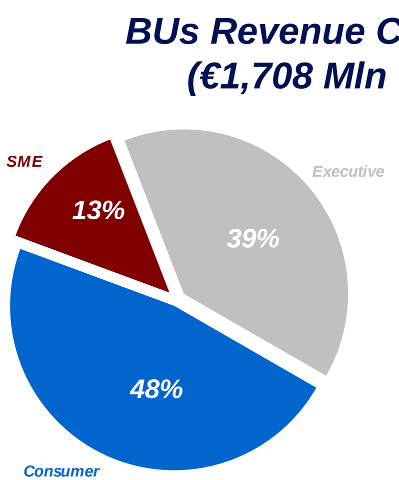
Customer base increased more than the Italian market (17% vs 12%)

FASTWEB market share of BB net adds grew vs 2007 (19% vs 17%), despite the Company premium price positioning in the market

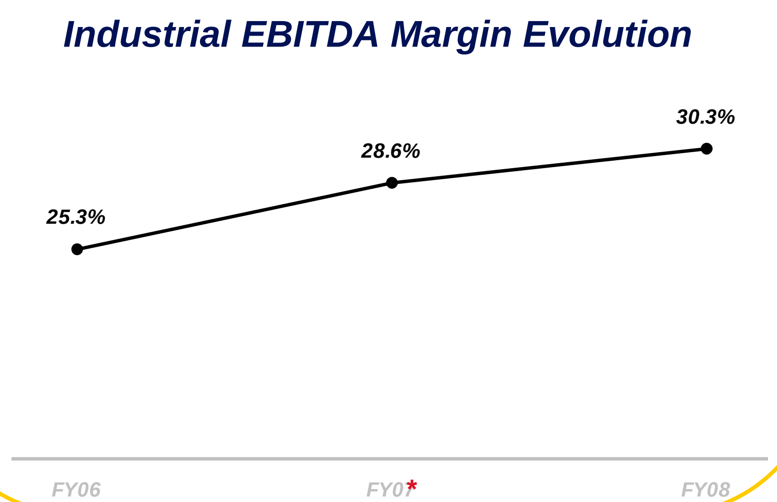
2008 Revenue & EBITDA Trend - Total FASTWEB







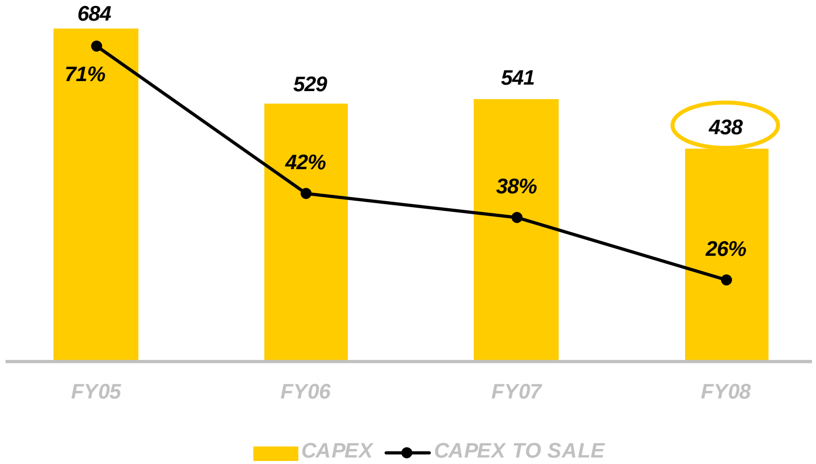
Revenue Mix	
Residential 39%	Business 61%



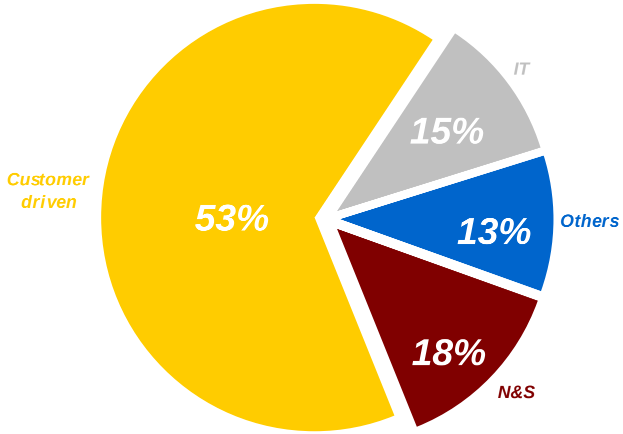
* Pro Forma Figures

2008 Capex & FCF Trend - Total FASTWEB

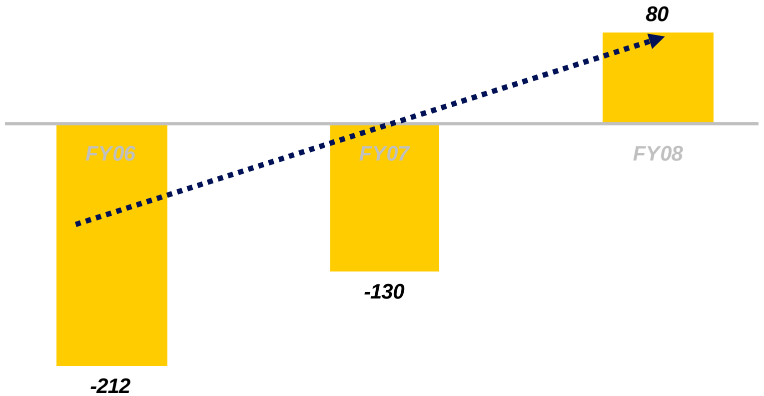
FY Capex and Capex/Sales Evolution



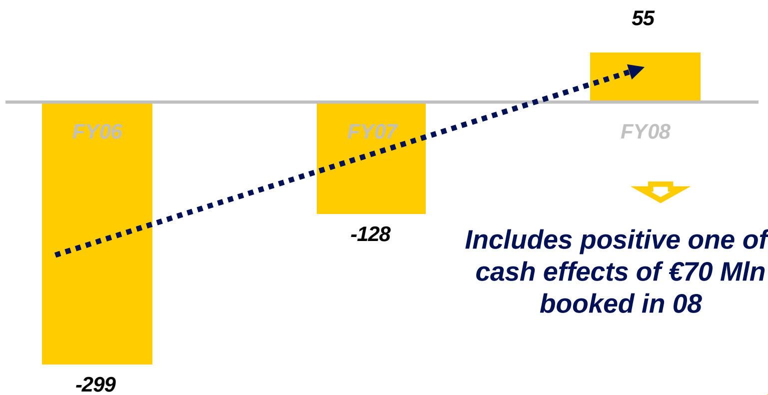
FY Capex Mix (€438 Mln = 100%)



EBITDA - Capex Evolution (€ Mln)

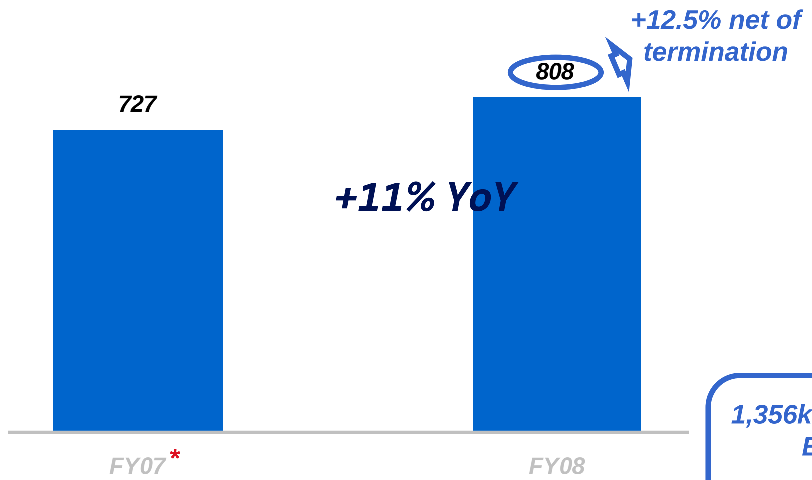


Free Cash Flow Evolution (€ Mln)

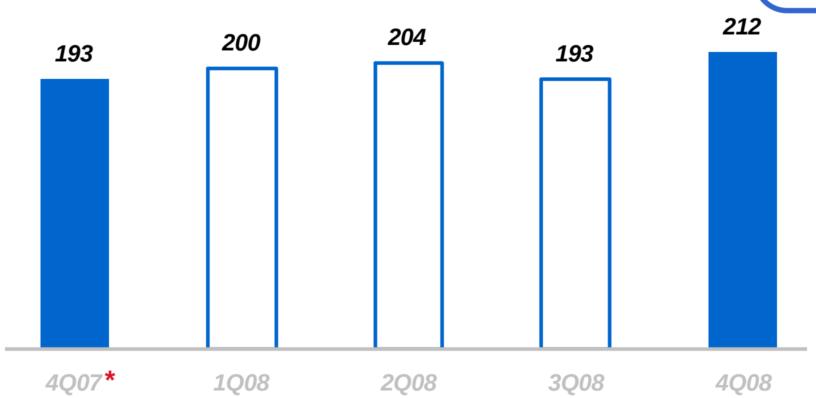


Consumer 2008 Revenue Trend

FY and Quarterly Revenue Evolution (€ Mln)



+10% QoQ



* Pro Forma Figures

1,356k customers EoP08

+5% CSI 08 vs 07

- **Consumer revenues increased 11% (+12.5% excluding the effect of termination) vs 13% growth target**
- **Improvement of operational KPIs:**
  - **Inbound vs outbound sale channels mix (over 50% of customers acquired through inbound channels in 2008)**
  - **Web sales representing 14% of total customer acquisition vs 4% in 2007**
  - **Customer base with IPTV set-top-box up 13% vs last year**

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Consumer Strategy

1 - Market Positioning

New focus on the residential segment only (see slide 17 for details)

Confirming premium price positioning

No further price adjustments currently envisaged

2 - Customer Base Re-positioning

Proactive management of customer base in order to further improve flat vs pay-as-you-go package mix

Increase customer retention and ARPU stabilization

3 - Differentiating as 4 Player

Launch of new mobile plans to address also young and elite clusters

Leveraging on strong market awareness of FASTWEB data services to push mobile data

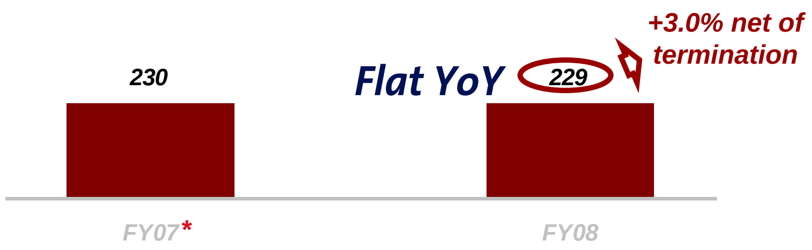
4 - Channel Mix

Further increase percentage of web sales

New dealer organization, from logistic to retail channel

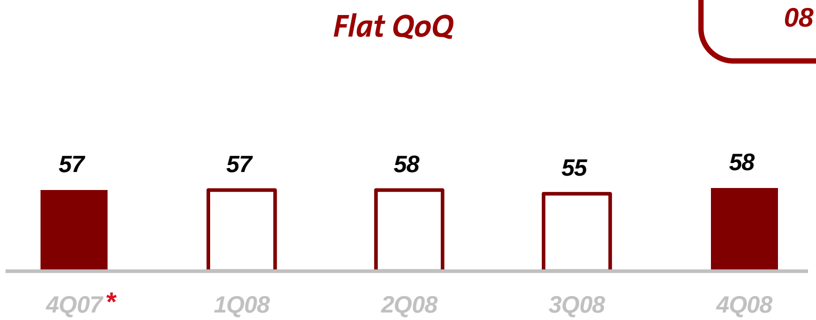
SME 2008 Revenue Trend

FY and Quarterly Revenue Evolution (€ Mln)



64k customers EoP08

+4% CSI 08 vs 07



- +3% SME revenues excluding the effect of termination
- Key reasons for the performance below target are:
  - •Customer base price re-positioning throughout the year as a churn prevention strategy
  - •ARPU differential between churners and new customers
- Strongest ever customer intake in 4Q indicates that the market is responding to the new dedicated portfolio of services launched in November

* Pro Forma Figures

SME Strategy to Ignite Growth (1/2)

1 - New Offer Portfolio

New integrated offer portfolio also addressing VAS/ICT + Mobile market to intercept higher "share of wallet"

Launched November 2008

Positive market response in 4Q

Unified Communications, Security, Backup, Video communications, Housing, Hosting, Solutions…

Voice, Data and E-mail in mobility

Smart Phones & Datacard

Broadband access up to 100 Mbit/s

IP-based Voice Services

IP-Centrex & VPN Solutions

SME Strategy to Ignite Growth (2/2)

2 - Brand

Marketing and advertising investments to increase visibility and market awareness based on a new brand and on a dedicated media plan

Launched February 2009

FASTWEB
SOLUZIONE
IMPRESA

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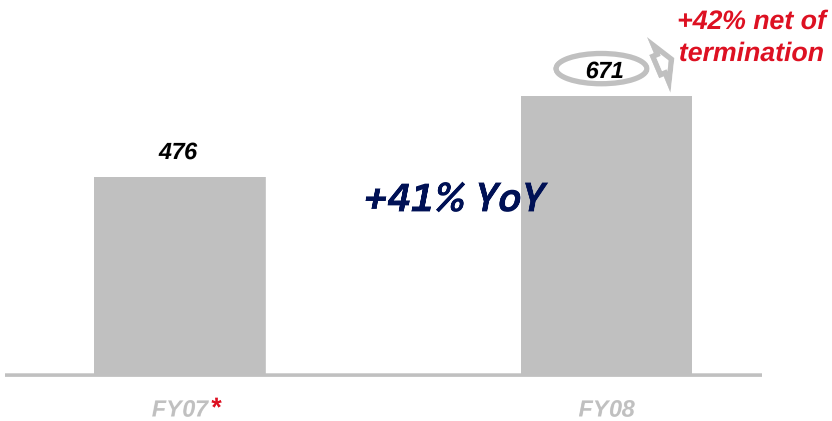
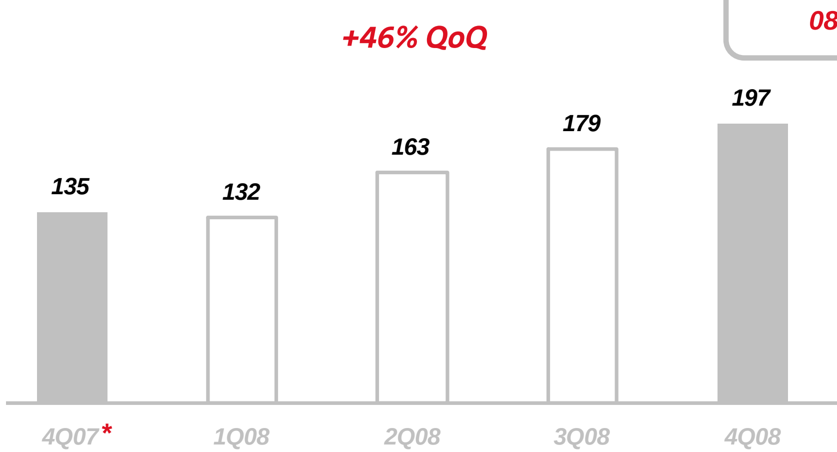
Executive 2008 Revenue Trend

FY and Quarterly Revenue Evolution (€ Mln)

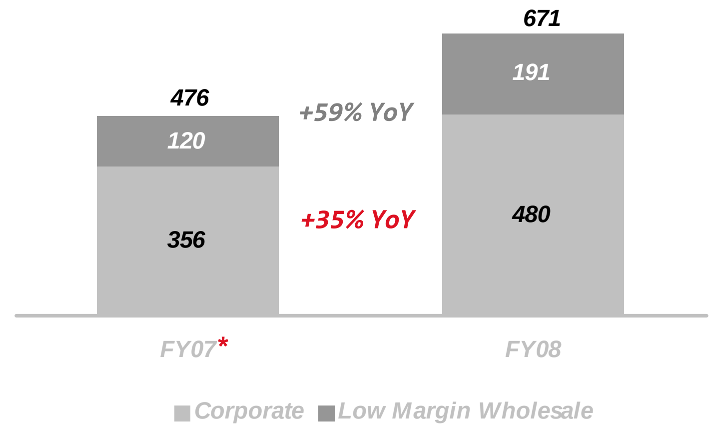


+5% CSI 08 vs 07



** Pro Forma Figures*

Corporate vs Low Margin Wholesale Mix (€ Mln)



- ***41% revenue growth well above 21% targeted for the year***
- ***Strong growth in 4Q driven by corporate revenues, thanks to the contribution of new contracts activated in 2H***
- ***Low margin Wholesale revenues (11% of total revenues) contribute to overall profitability and are managed on an opportunistic basis***

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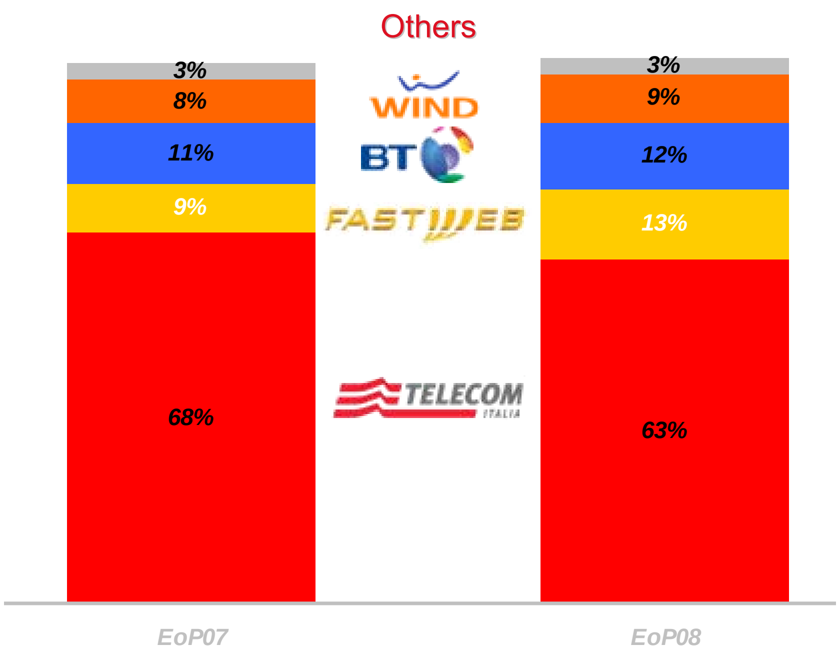
Executive Italian Market Overview

*Italian Corporate Market Share Evolution**



Market Value
€ 2,910 Mln

Market Value
€ 2,807 Mln

*** Source: Between + FASTWEB estimates***

Future Opportunities

- ***The Italian corporate market (no wholesale) declined 3.5% in 2008, a decline mainly driven by the voice component***
- ***Despite this trend, FASTWEB share increased 48% in the year***
- ***Today the Company is clearly the leading alternative player by revenues, growth rate and market share***
- ***Further significant opportunities as the TLC contracts of some of the major Italian corporates will be tendered over the next two years***

A €300 Mln additional opportunity**

***** Estimated combined value of existing contracts based on current prices***

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Executive Strategy

1 - Organisation

The BU organisation will be potentiated to further exploit growth opportunities in terms of:

- ***Customer Base management both for retention and upselling purposes***
- ***Introduction of professionals with specialized skills to push new products***

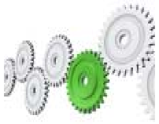
2 - Service Portfolio

Extension of the service portfolio in order to:

- ***Up-sell the customer base and to increase its stickiness***
- ***Acquire new customers oriented towards advanced and convergent services***

Main focus will be on Network Outsourcing and Unified Communication

3 - Processes



Improving both internal and external processes to better react to customer needs
Positive impact on customer loyalty and efficiency level

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FY 2009 Guidance

	2008 Actual	YoY Change	2009 Guidance*
	€ Mln		€ Mln
Revenues	1,708	+5%	~1,800
Industrial EBITDA	518	+8%	~560
Net result	6		>0
Capex-to-Sales	26%	-11%	~23%
FCF Proxi (EBITDA -CAPEX)	80	↑	~140

A sound base to deliver another year of solid industrial growth in 2009

** 2009 guidance is stated before any impact of the still pending ULL rates revision by AGCom*

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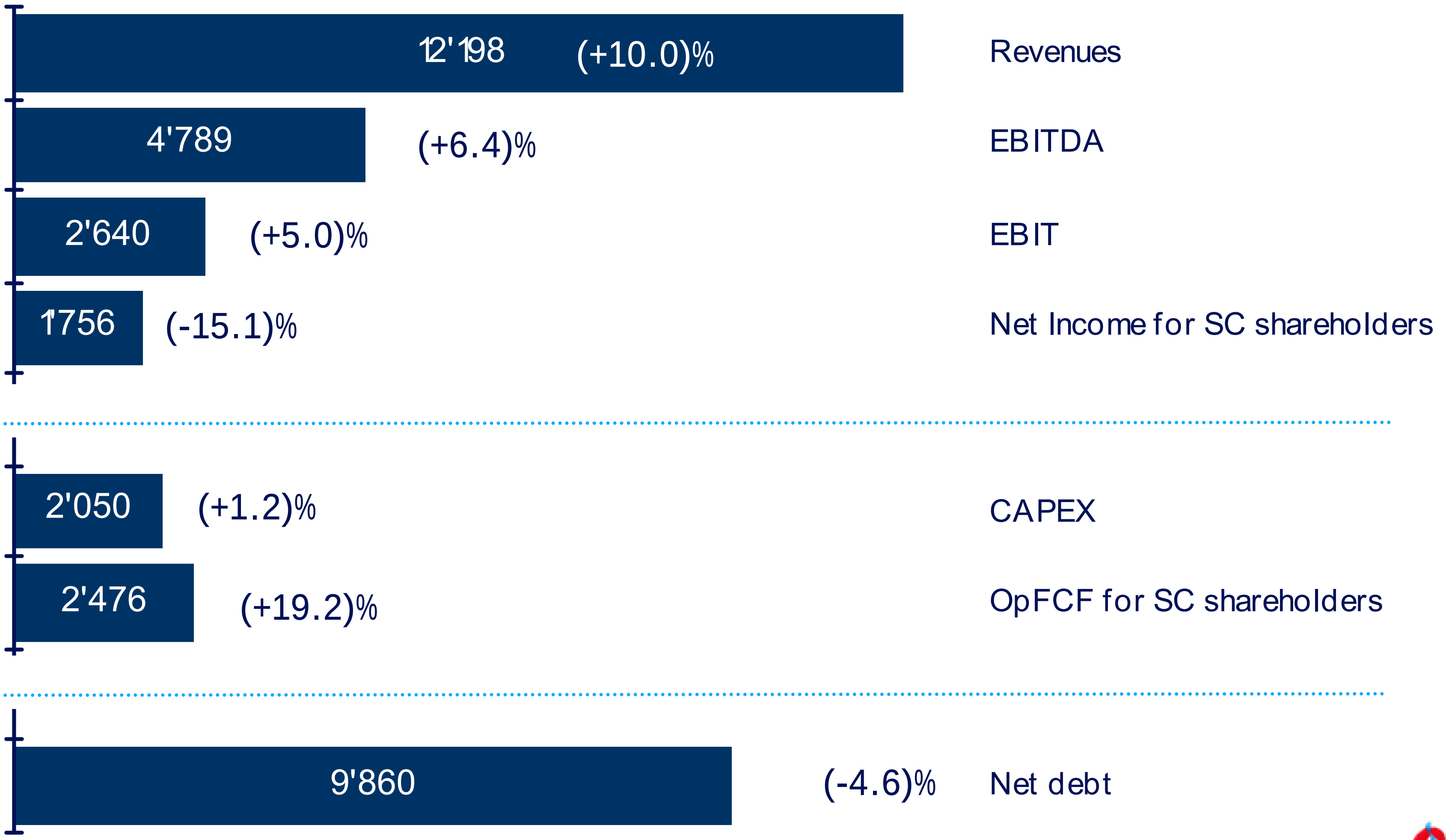
c) Results 2008 Swisscom Group

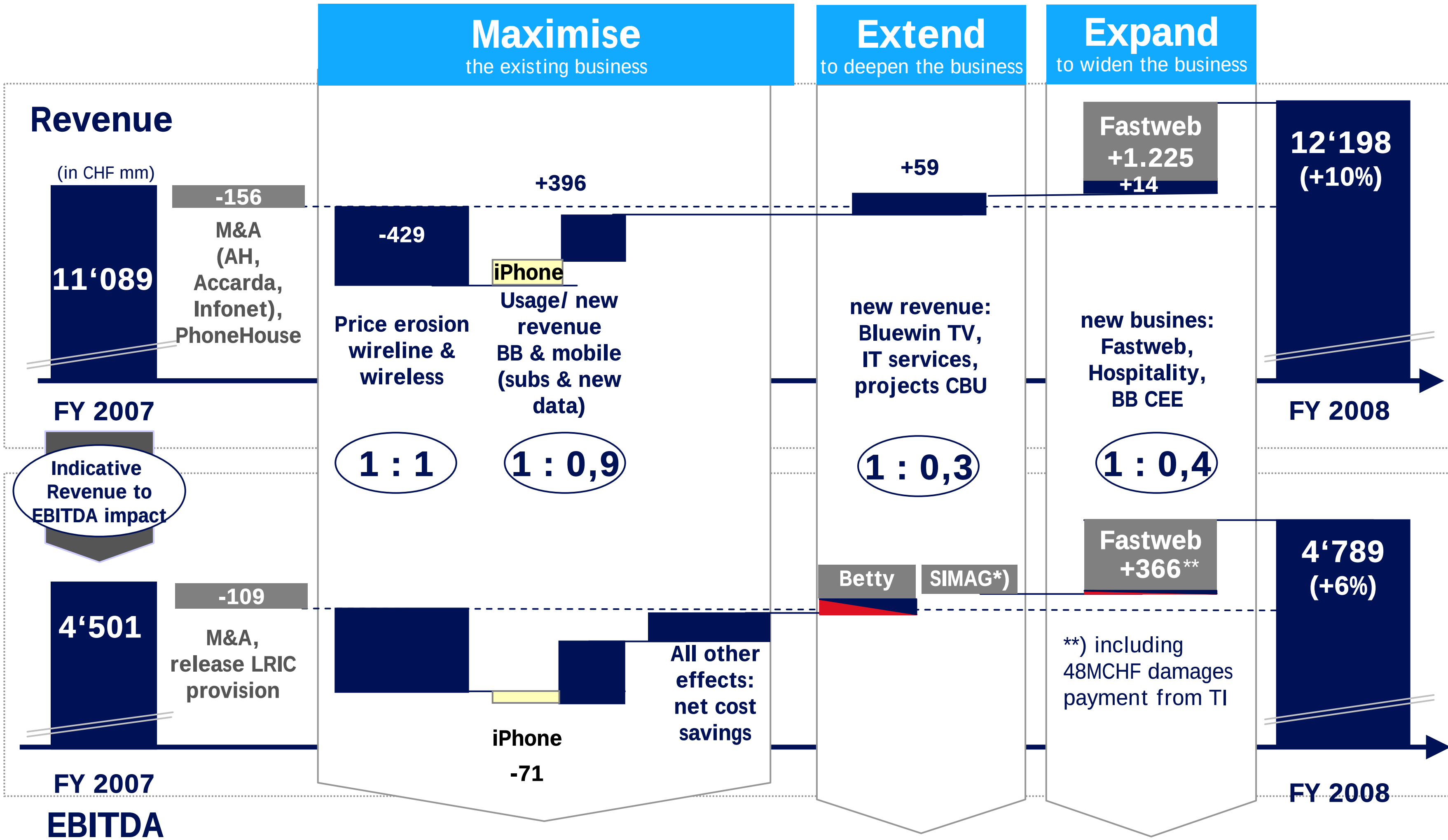
Ueli Dietiker, CFO

Financial performance 2008

in CHF mm (YOY change in %)



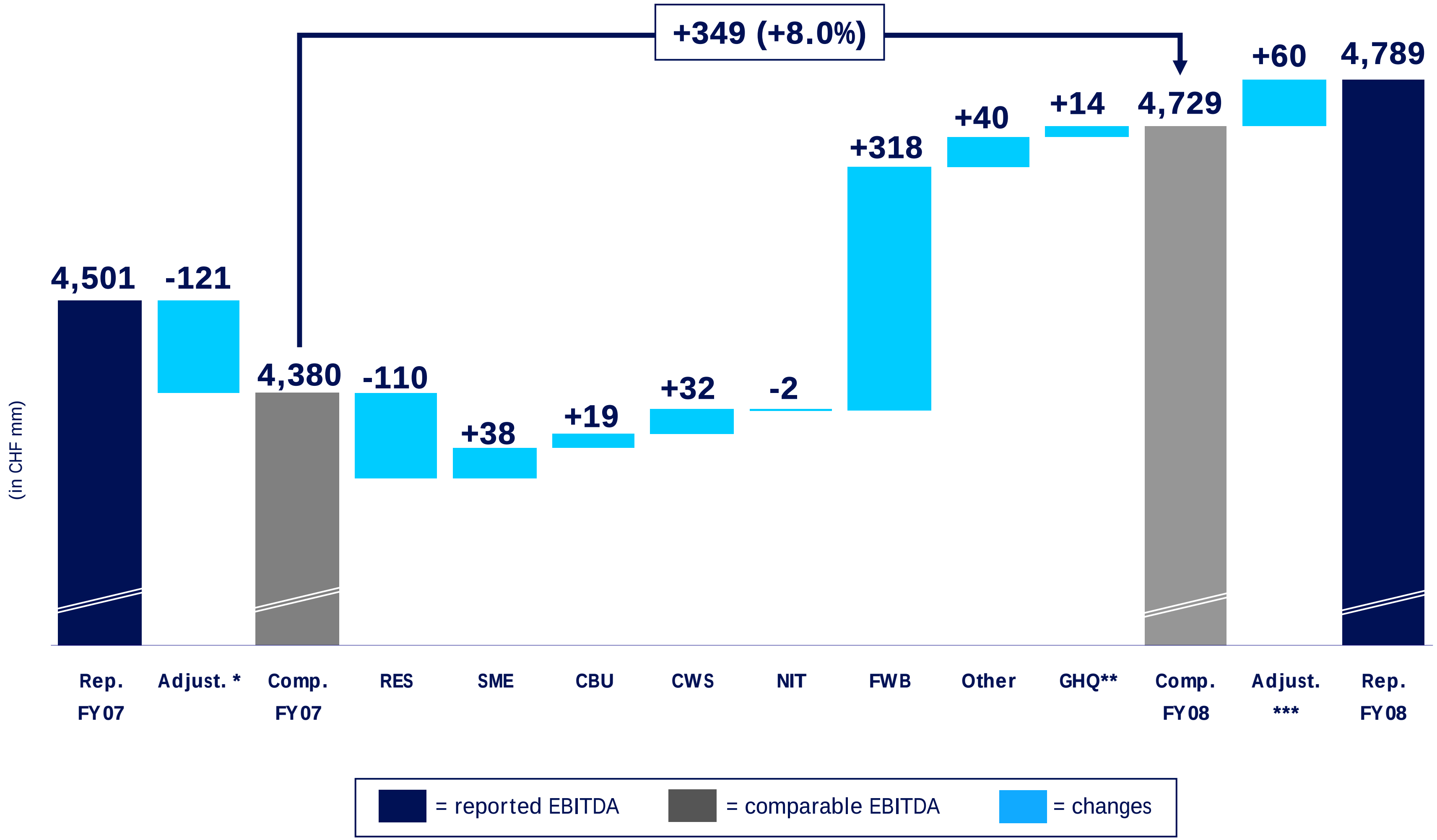
Financial results within the 3 pillar strategy



Stable development in pillar Maximise, growth in pillars Extend and Expand

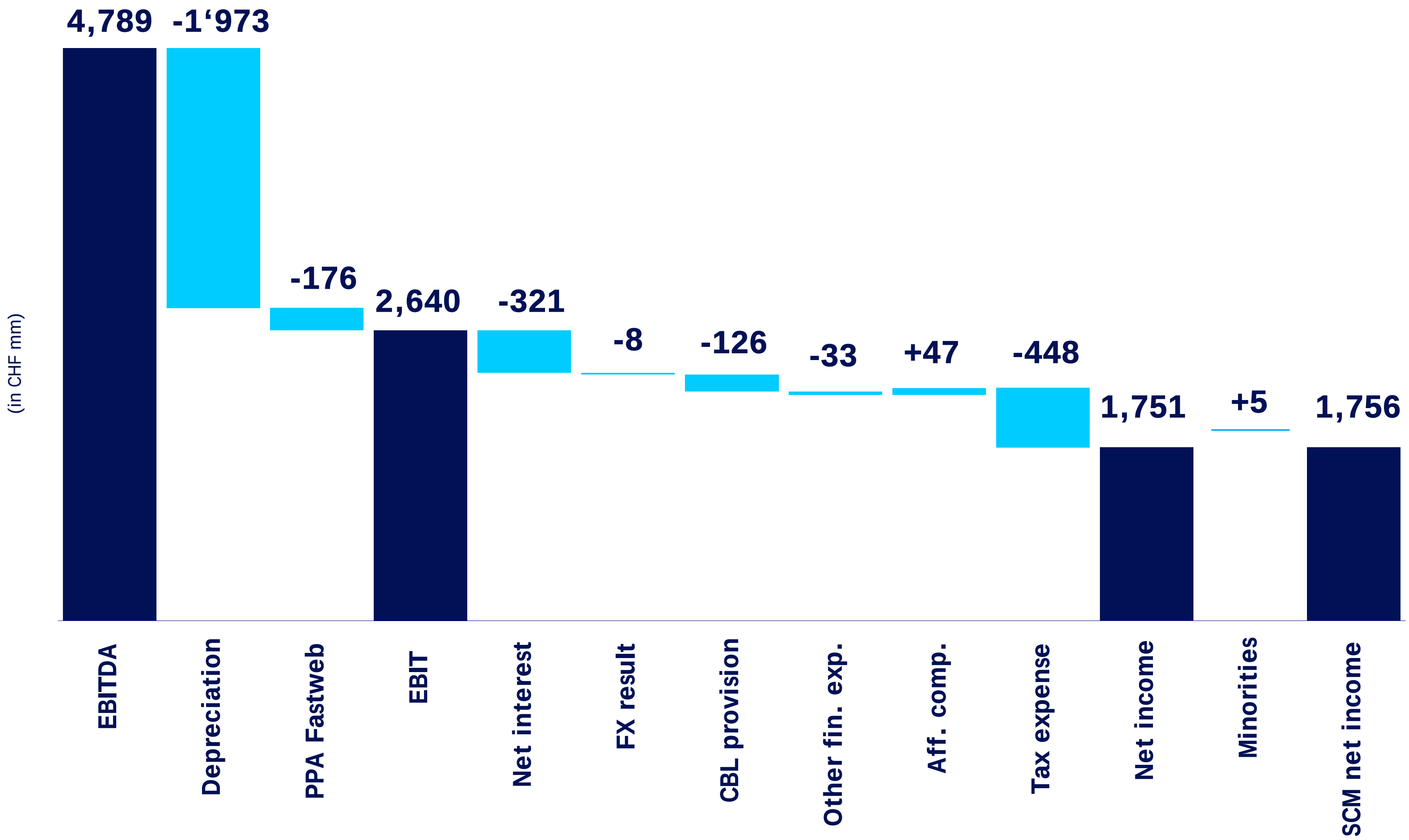
*) SIMAG had exceptional gain of CHF 23mm from sale real estate in 2007

EBITDA in a YOY comparison



* Adjustments 2007: release of LRIC provision of CHF 91 Mio., divestments Antenna Hungária, Accarda and Infonet of CHF 30 Mio.
** Group Headquarters incl. Elimination
*** Adjustments 2008: damages payment of TI to Fastweb of CHF 48 Mio., release LRIC provision CHF 12Mio.

P&L breakdown



Residential Customers

Financials and operational data

	31.12.2008	YOY
Net revenue in MCHF [1)]	5'148	-0.4%
Direct costs in MCHF	-1'286	8.3%
Indirect costs in MCHF [2)]	-949	-1.1%
Contribution Margin 2 in MCHF	**2'913**	**-3.6%**
Contribution Margin 2 in %	*56.6%*	
CAPEX in MCHF	162	5.2%
FTE's	5'112	7.8%

	31.12.2008	YOY
Access lines in '000	2'826	-2.1%
BB subs in '000	1'148	14.2%
Mobile subs in '000	4'293	5.5%
Mobile churn rate	12.0%	+/- 0pp
Total ARPU in CHF	44	-8.3%
thereof ARPU New Data in CHF	4	0.0%
Total AMPU in Min.	94	6.8%
National wireline traffic in Mmin	5'842	-7.4%
Intl' wireline traffic in Mmin.	713	0.4%
IPTV subs in '000	118	100.0%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

12m 2008 highlights

- Net revenue stable YOY
  - Mobile: CHF -18 MCHF YOY, main components: +77 handsets and data, -94 voice (esp. roaming and pricing)
  - Fixed and Other third party: CHF +2 mm YOY, main components: +40 access (xDSL), -44 traffic and +18 IPTV
- Direct cost increased by 99 MCHF to CHF 1'286 mm, all caused by CHF 153 mm of handset purchases and SAC's/SRC's iPhone
- Indirect cost down 1.1%, despite staff numbers up 8% (esp. in customer care and acquisition of The PhoneHouse shops), driven by lower IFRS pension expenses and Marketing communication
- # of IPTV subs doubled in 2008.
  - Self installation (run rate reached almost 90% in December) helps to reduce blended cash out per new customer to <CHF 700.
  - FCF proxy improved CHF 31 mm YOY

Small & Medium-sized Enterprises

Financials and operational data

	31.12.2008	YOY
Net revenue in MCHF [1)]	1'154	2.3%
Direct costs in MCHF	-178	-0.6%
Indirect costs in MCHF [2)]	-133	-7.6%
Contribution Margin 2 in MCHF	**843**	**4.7%**
Contribution Margin 2 in %	*73.1%*	
CAPEX in MCHF	7	17%
FTE's	782	-4.2%

	31.12.2008	YOY
Access lines in '000	511	0.4%
BB subs in '000	158	11.3%
Mobile subs in '000	411	14.2%
Mobile churn rate	8.0%	+3pp
Total ARPU in CHF	99	-6.6%
thereof ARPU New Data in CHF	11	34.6%
Total AMPU in Min.	203	-4.2%
National wireline traffic in Mmin	1'537	-4.5%
Intl' wireline traffic in Mmin.	196	-2.5%

1) incl. intersegment revenues
2) incl. capitalised costs and other income

12m 2008 highlights

- Net revenue up by 2.3% YOY to over 1’154 MCHF
  - Mobile: 14% subs growth and increased new data demand explain the revenue development at mobile (+44 MCHF)
  - Fixed: access revenue +4 MCHF, traffic revenue down by 4.5% as a result of lower volume and tariffs
- Good OPEX management leads to a CM2 of 73.1%. OPEX2) decreased by -12 MCHF to 311 MCHF
- ARPU decline (-6.6%) attributable to
  - lower roaming & termination rates
  - new price plans and
  - multi-SIM cards (mainly data-only)
- BB subs base increased by 11.3% and represents 31% of total access lines

Corporate Business

Financials and operational data

	31.12.2008	YOY
Net revenue in MCHF [1)]	1'888	1.1%
Direct costs in MCHF	-544	3.4%
Indirect costs in MCHF [2)]	-430	-4.4%
Contribution Margin 2 in MCHF	**914**	**2.5%**
Contribution Margin 2 in %	*48.4%*	
CAPEX in MCHF	78	59.2%
FTE's	2'099	1.7%

	31.12.2008	YOY
Access lines in '000	286	-1.0%
BB subs in '000	19	11.8%
Mobile subs in '000	666	15.2%
Mobile churn rate	7.0%	+0.4pp
Total ARPU in CHF	79	-11.2%
thereof ARPU New Data in CHF	15	45.0%
Total AMPU in Min.	191	-12.4%
National wireline traffic in Mmin	1'683	-0.5%
Intl' wireline traffic in Mmin.	368	3.7%

1) incl. intersegment revenues
2) incl. capitalised costs and other income

12m 2008 highlights

- Despite Infonet sale, net revenue increased by +20 MCHF YOY and amounted to 1,888 MCHF in 2008:
  - Mobile: +50 MCHF of additional revenue mainly from subs growth (+88k), multi-SIM and new data business (PDA and PC Cards)
  - Fixed: revenues slightly down YOY: access -7 MCHF and traffic -9 MCHF
  - Communication and Collaboration went up by +25 MCHF YOY thanks to new project and solution businesses
- Together with almost unchanged OPEX this led to an CM2 improvement which now stands at 48.4% of net revenue
- Substantial price reductions and multi-SIM dilution explain the ARPU decline of CHF -10 YOY
- AMPU fall by 27 Min. driven by significant growth of data-only SIM cards
- New orders increased by 35% y-o-y

Wholesale

Financials and operational data

	31.12.2008	YOY
Net revenue in MCHF [1)]	1'691	-3.7%
Direct costs in MCHF	-1'090	-8.2%
Indirect costs in MCHF [2)]	-10	nm
Contribution Margin 2 in MCHF	**591**	**-7.4%**
Contribution Margin 2 in %	*34.9%*	
CAPEX in MCHF	-	nm
FTE's	105	-17.3%

	31.12.2008	YOY
ULL in '000	31	nm
BB (wholesale) subs in '000	431	-1.6%
Wholesale traffic in Mmin.	12'878	-11.3%

1) incl. intersegment revenues
2) incl. capitalised costs and other income

12m 2008 highlights

- One-off impacts from LRIC provisions:
  - 2007: Release of 91 MCHF in indirect costs
  - 2008: Recognition of 6 MCHF in revenue, release of 18 MCHF in indirect costs
- Net revenue came down by 3.7% YOY
  - MCHF +22 from higher inbound roaming
  - MCHF -55 from lower termination & LRIC rates
  - MCHF -23 from lower intersegment revenues
  - MCHF -11 wireline access mainly from BB price reductions
- Lower direct costs (-8.2%):
  - MCHF -80 outpayments from lower roaming, fixed/mobile voice termination (volumes & rates)
- Higher indirect cost[2)] of 79 MCHF
  - 73 MCHF net impact from release of LRIC provision in 2007/2008
- CM2 increased - adjusted by release of LRIC provision- by 32MCHF, mainly due to shift to high margin revenue
  (not regulated products),

Network and Support Functions

Financials and operational data

	31.12.2008	YOY
Personnel expenses in MCHF	-587	5.6%
Rent in MCHF	-225	-3.8%
Maintenance in MCHF	-276	-9.5%
IT expenses in MCHF	-301	7.1%
Other OPEX in MCHF	-309	-1.9%
Indirect costs in MCHF	-1'698	0.4%
Capitalised costs and other income in MCHF	231	2.2%
Contribution Margin 2 in MCHF	**-1'467**	**0.1%**
Depreciation, amortization and impairment in MCHF	-941	-13.3%
Segment result in MCHF	**-2'408**	**-5.6%**
CAPEX in MCHF	927	-10.0%
FTE's	3'795	-2.5%

12m 2008 highlights

- Indirect costs remained stable compared to previous year (+0.4%). Higher costs for intensified construction activities, and consequently higher costs for external staff and maintenance have been compensated in Q4 as Q4 07 was impacted by higher costs in relation with VDSL rollout.
- Segment result improved by 142 MCHF YOY. This effect is primarily attributable to lower depreciation charges due to a change of useful lives of cable and ducts from 20 years to 40 years
- CAPEX of 927 MCHF (-10.0% YOY), mainly driven by lower VDSL investments

Other operating segments

Financials and operational data

	31.12.2008	YOY
Swisscom IT Services in MCHF	435	1.2%
Swisscom Participations in MCHF	359	-24.9%
Hospitality Services in MCHF	92	13.6%
Airbites CEE in MCHF	17	30.8%
External revenue in MCHF	903	-10.1%
Net revenue in MCHF [1)]	1'831	-5.8%
OPEX in MCHF [2)]	-1'507	-7.4%
EBITDA in MCHF	**324**	**2.2%**
EBITDA margin in %	*17.7%*	
CAPEX in MCHF	187	-21.4%
FTE's	4'637	-1.9%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

12m 2008 highlights

- YOY external revenue decline of 101 MCHF goes fully on the account of Antenna Hungária and the card business of Accarda (both sold in July 2007)
- Swisscom IT Services increased external revenues by 5 MCHF, despite the phase-out of an older banking platform, thanks to new financial service and outsourcing businesses
- Both Hospitality Services and Airbites Central and Eastern Europe show ongoing top-line growth
- EBITDA went up by +7 MCHF YOY as OPEX in 2007 were impacted extraordinary by –65 MCHF for Betty TV, whereas Antenna Hungária and Accarda cards profitability can no longer be consolidated. In addition, 2007 included additional gain of CHF 23mm from the sale of real estate
- CAPEX lower YOY especially caused by high expenditure in 2007 for construction of new IT data centre as well as the DVB-H/T rollout mid 2008 at Swisscom Broadcast.

Cash flow statement

(in CHF mm)	31.12.2007	31.12.2008
EBITDA	**4,501**	**4,789**
Δ in net operating assets and other CF from operating activities	-443	-277
Income taxes paid	-469	-401
Net cash provided by operating activities	**3,589**	**4,111**
CAPEX	-2,025	-2,050
Investments in affiliates/subsidiaries	-4,236	-45
Other cash flows from investing activities	311	297
Net cash used for investing activities	**-5,950**	**-1,798**
Issuance/repayment of debt, net	4,056	-715
Interest paid	-496	-436
Dividends paid to SCM sh'holders	-881	-1,036
Dividends paid to minority interests	-101	-12
Other cash flows from financing activities	66	-84
Net cash from (used for) financing activities	**2,644**	**-2,283**
Net change in cash and cash equivalents	**283**	**30**
Currency translation of cash and cash equivalents	**1**	**-29**
Cash and cash equivalents at end of the period	**957**	**958**

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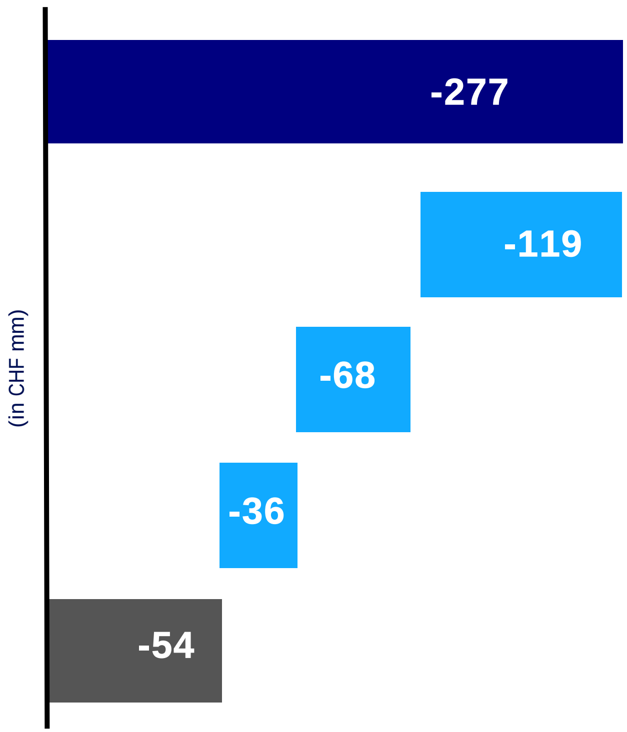
Development Net Working Capital/other



Reported 2008 change in operating assets and other cash flows from operating activities, thereof

- -67 pension contribution in excess of calculated IFRS expenses
- -52 build up reserve for fluctuation in asset value
- Cash-out payments of IC provisions
- Additional inventory in Swisscom Shops over year-end to ensure availability during major SAP-migration

Remaining 2008 change in operating assets and other cash flows from operating activities

Change in net working capital 2008 and other cash flows from operating activities includes 3 large effects which account for 80% of total changes.

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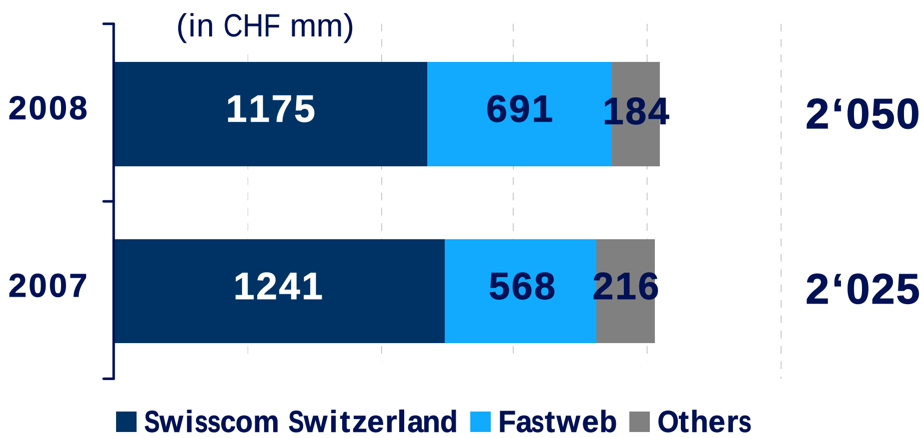
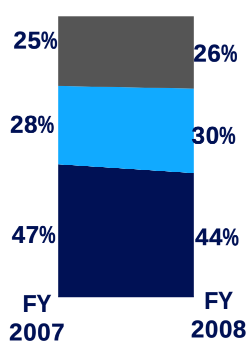
CAPEX breakdown

Consolidated CAPEX



CAPEX of Swisscom Switzerland



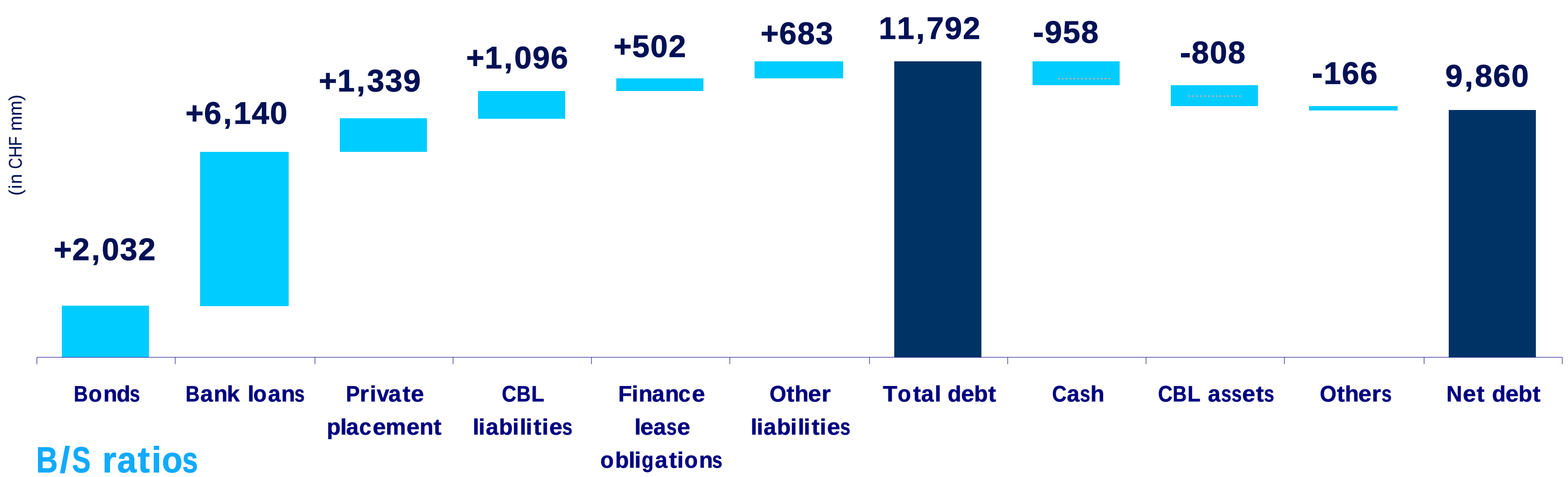
Next generation network and IT
- Continue **FTTx, VDSL, HSPA**
- **ALL IP** process IT

Customer focus projects
- Unified **CRM**
- Dispatching system for field force

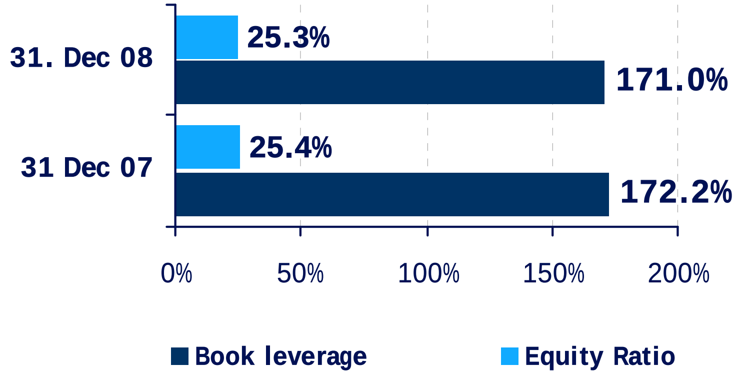
Existing infrastructure
- Infrastructure **capacity extension**
- **Universal Service Obligation**
- **ULL**

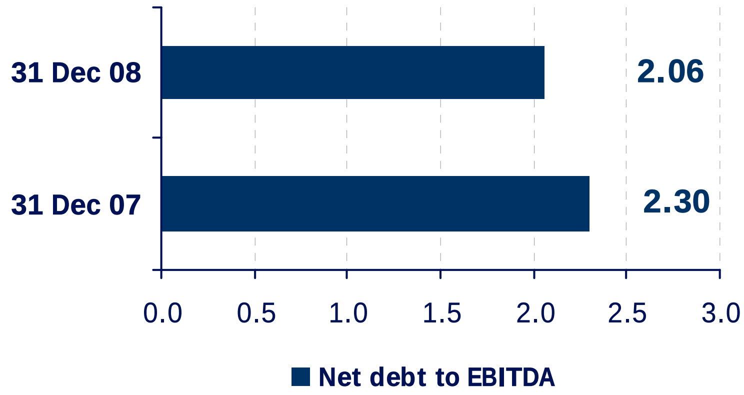
Group capital structure

Net debt as per 31 December 2008



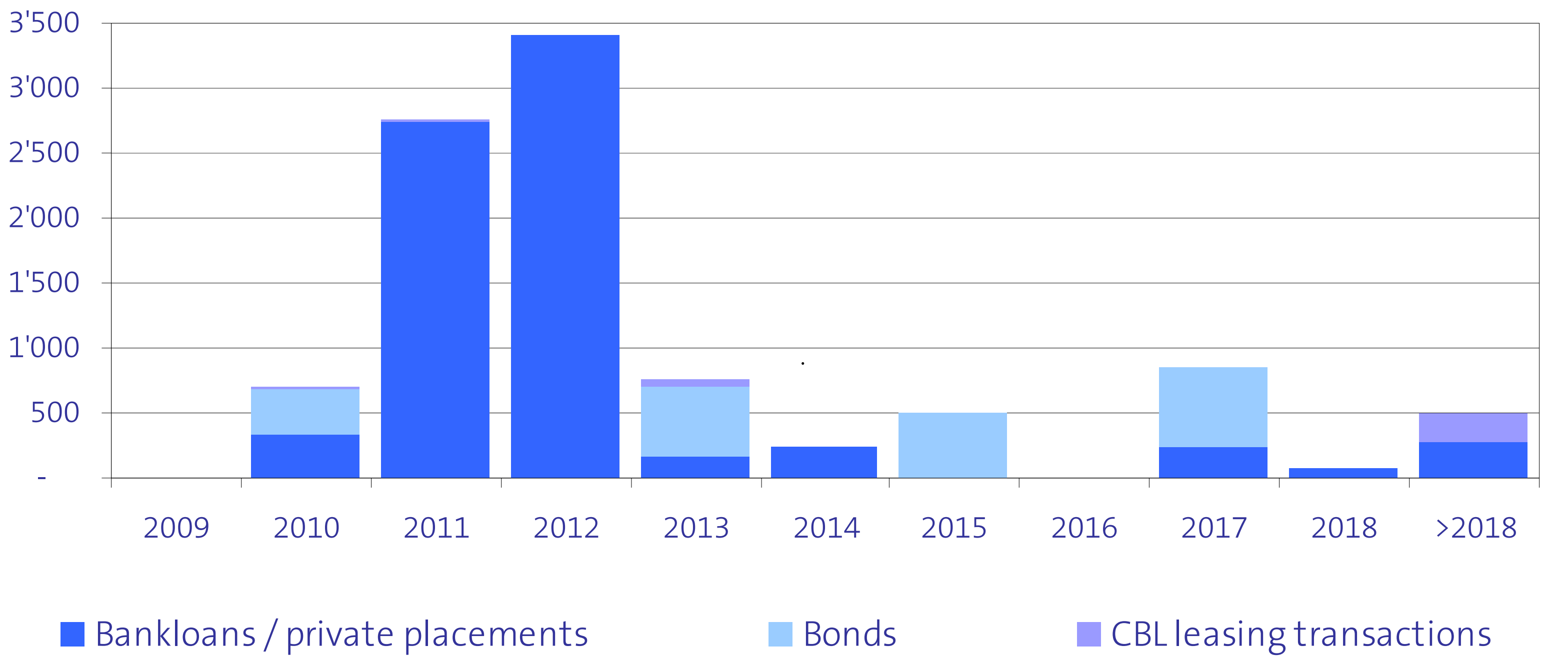
B/S ratios





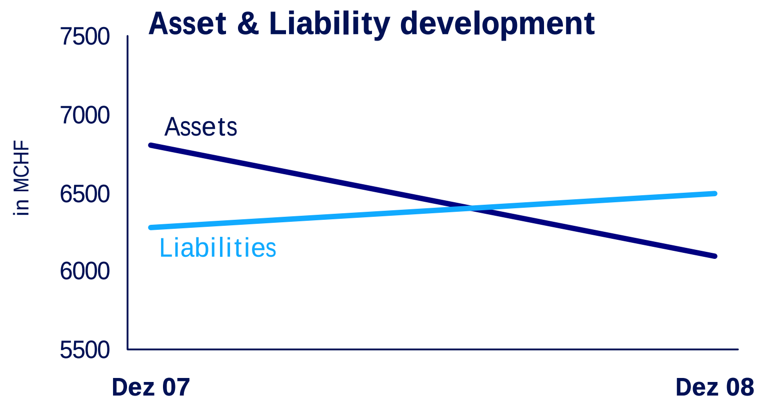
Debt portfolio as per 31 December 2008

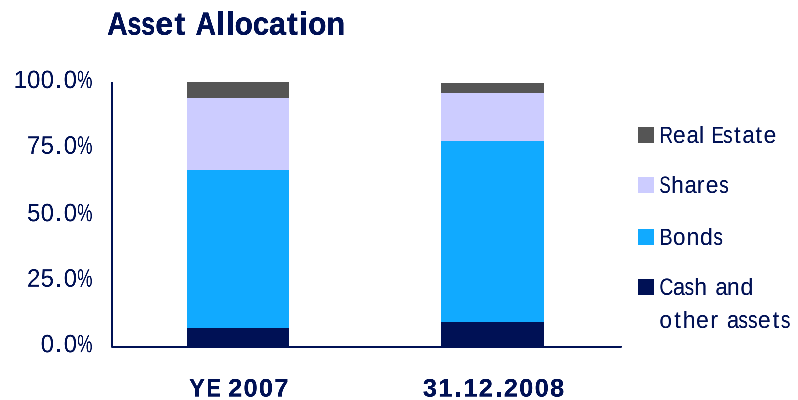
in CHF million	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	>2018
Bankloans / private placements	-	334	2'750	3'400	160	248	-	-	250	72	278
Bonds	-	350	-	-	550	-	500	-	600	-	-
CBL leasing transactions	2	13	3	-	43	-	-	-	-		220
Total	**2**	**697**	**2'753**	**3'400**	**753**	**248**	**500**	**-**	**850**	**72**	**498**



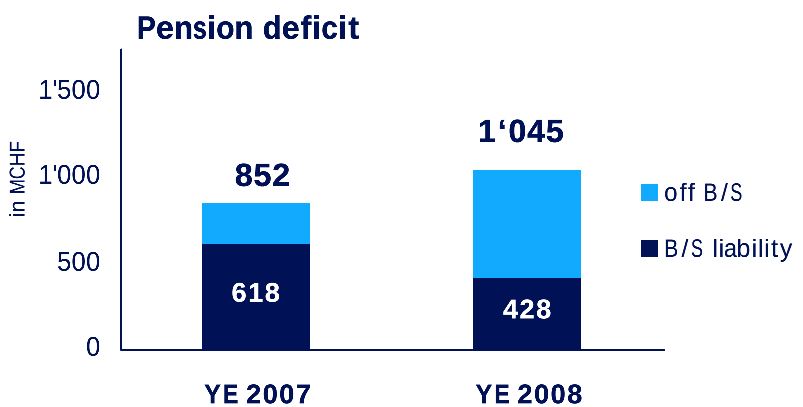
Current pension fund situation

Swiss GAAP: under-funding of CHF 395 million as per YE 2008 (93.9% coverage)





IFRS: under-funding (recognised in B/S) of CHF 428 million as per 31 Dec 08



Swiss GAAP funding ratio mainly determines future cash-flow changes and potential financing measures are subject to pension fund committee decision. Currently no decision taken!

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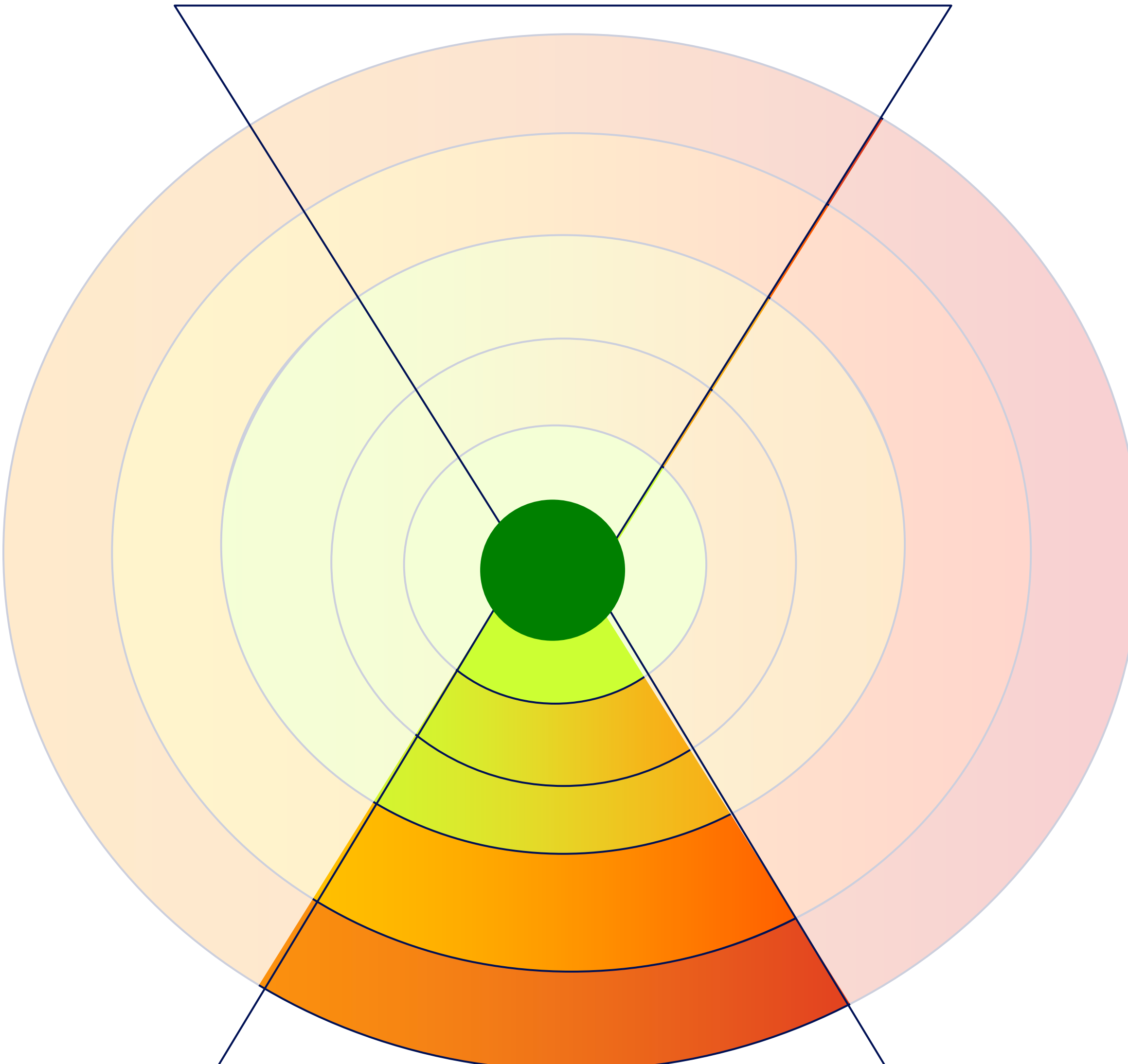
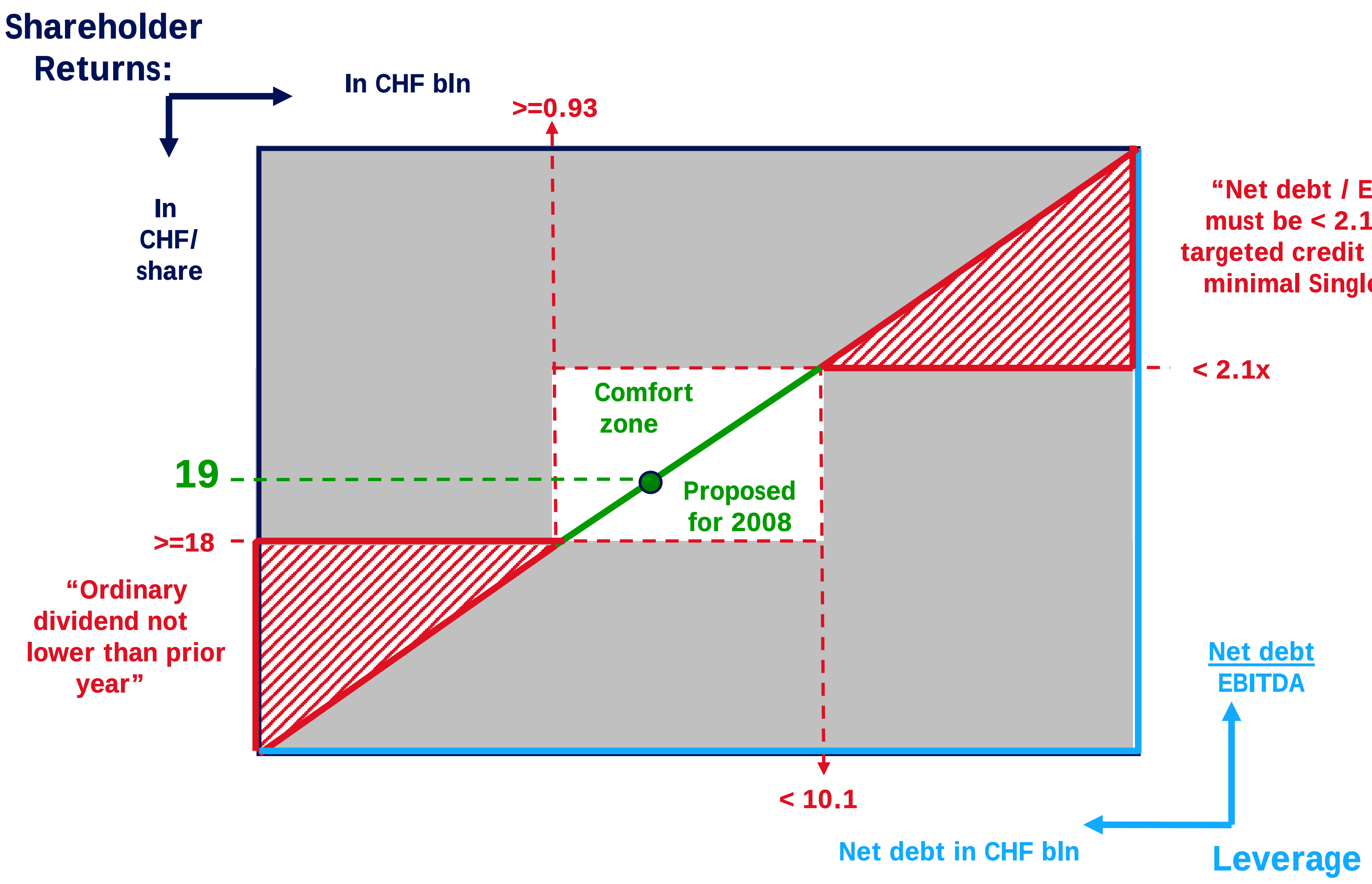


d)

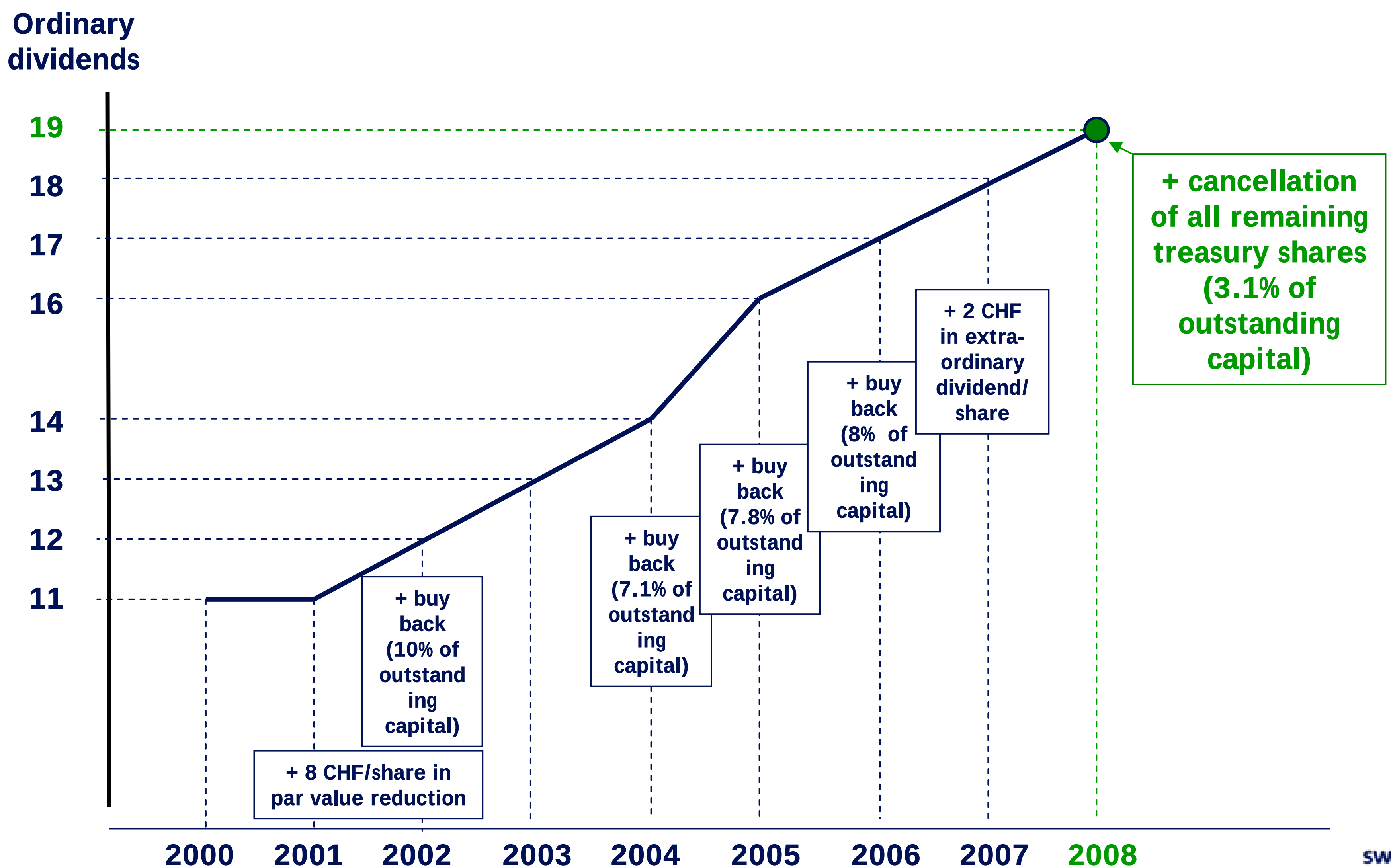
Financial Policy

Ueli Dietiker, CFO

d) Financial policy: find decent balance between shareholder returns and leverage

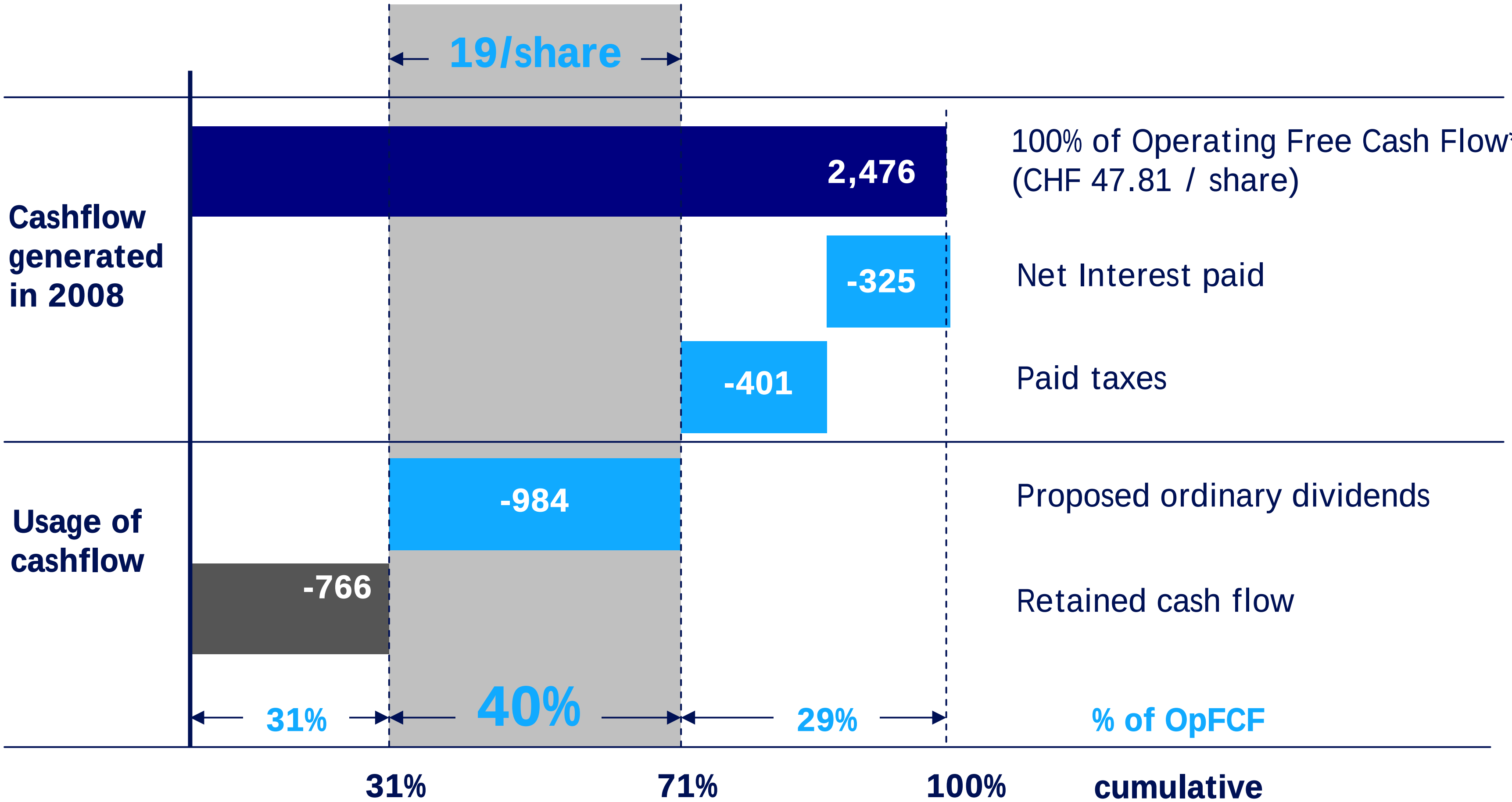


d) Financial policy - very predictable pattern of ordinary dividend payments to shareholders



d) Resulting use of Operating Free Cash Flow 2008

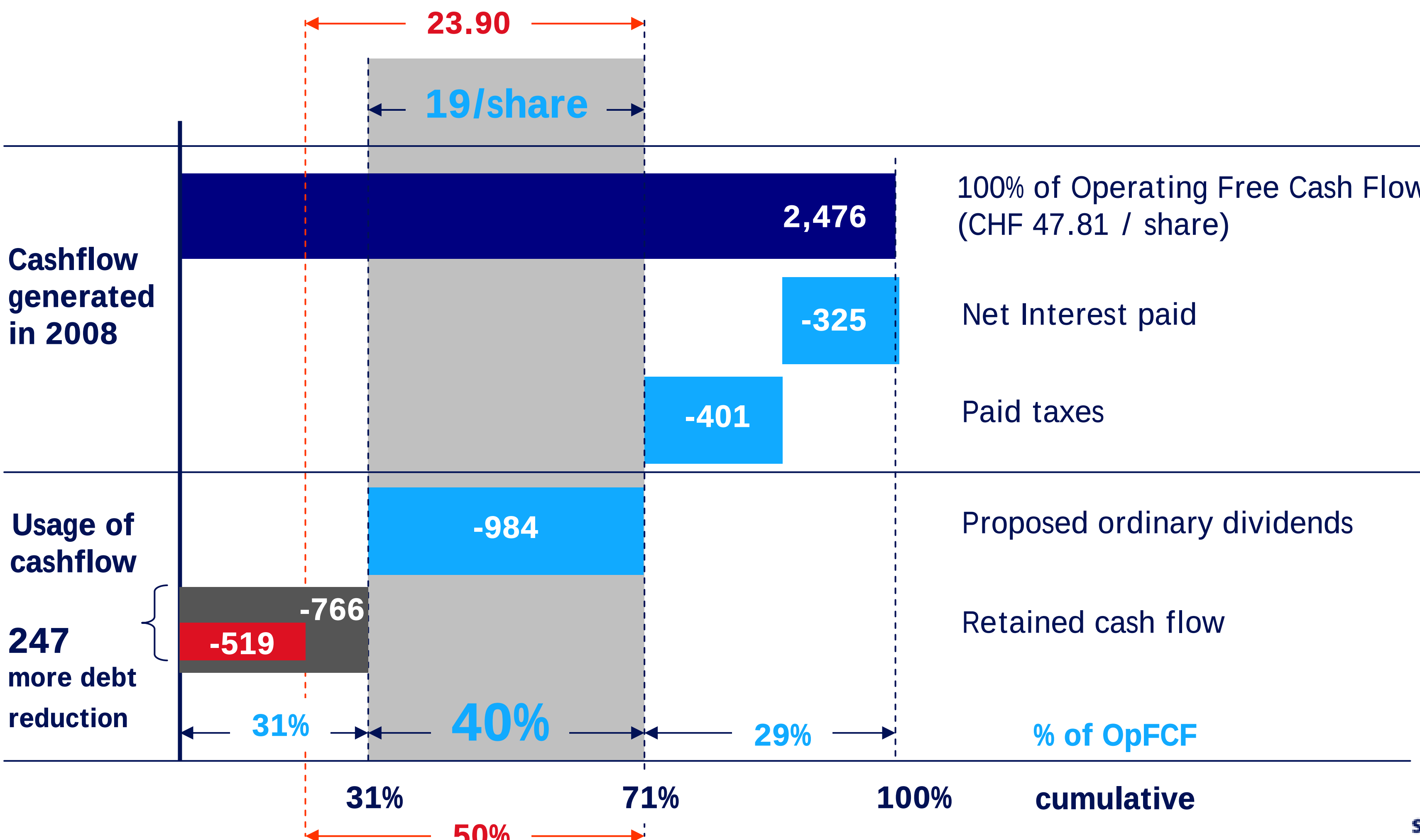
In order to prepare for more uncertain refinancing times, CHF 19/share in ordinary dividends are proposed (40% of OpFCF) for 2008 (payable 24 April 2009, with record date 23 April)…



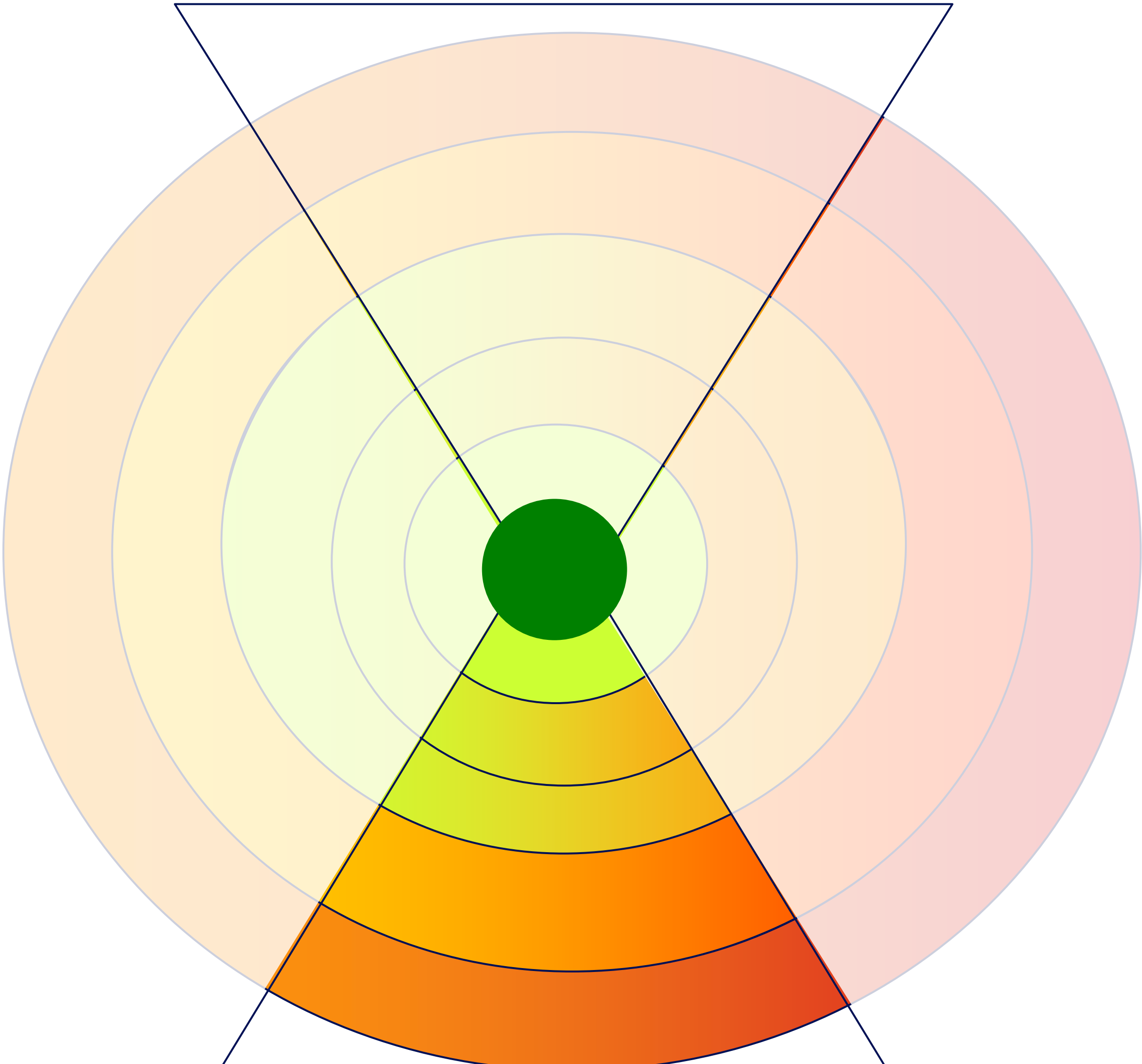
* Swisscom shareholders

d) Resulting use of Operating Free Cash Flow 2008

...instead of 50% of OpFCF, and to use the remaining CHF 4.9 / share (to 50% of OpFCF) for faster reduction of net debt (CHF 247mm higher debt if 50% of OpFCF would have been paid)



* Swisscom shareholders



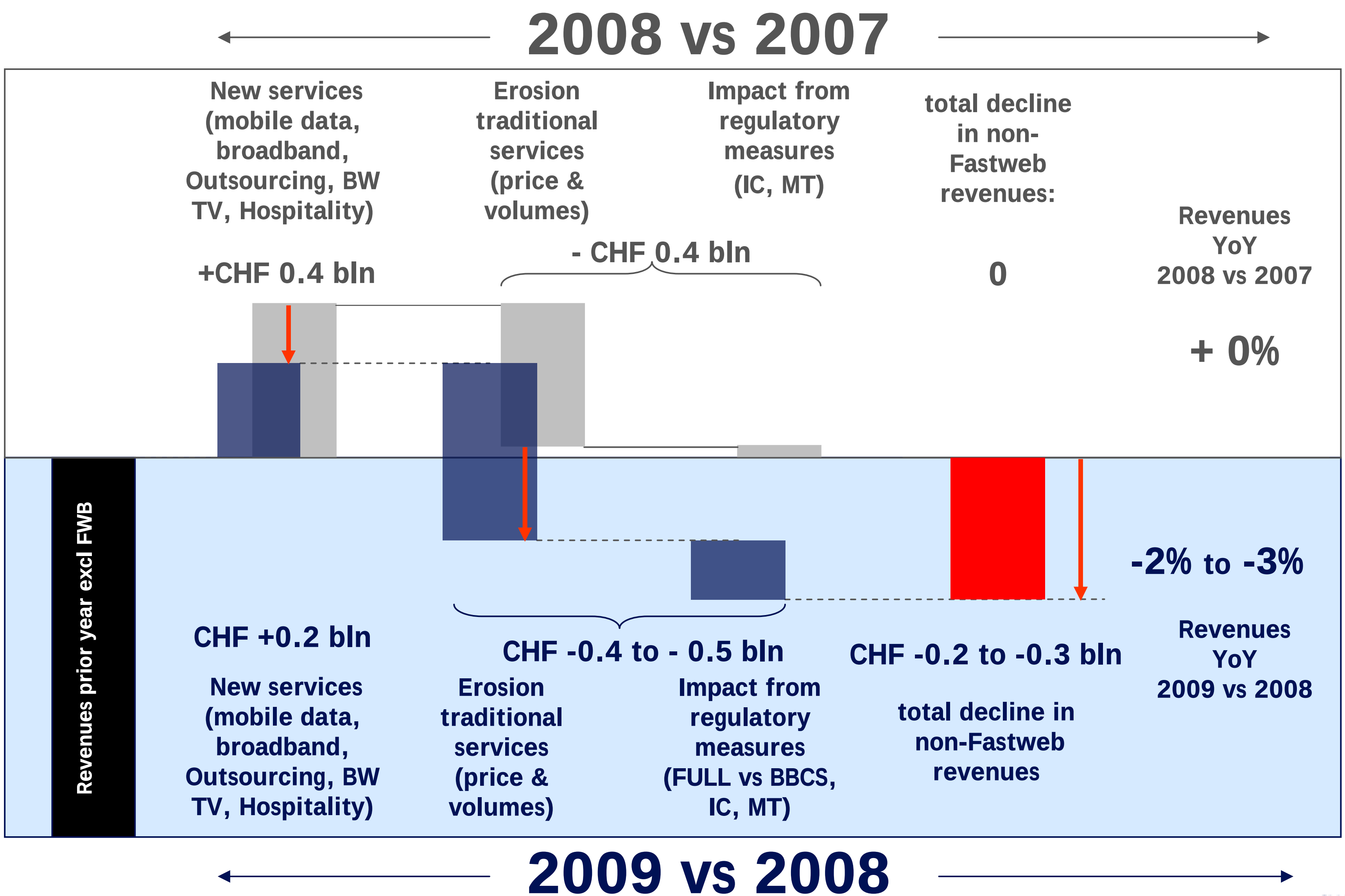
e)

Outlook & Conclusions

Carsten Schloter, CEO

e) Outlook – changing dynamics in Swiss business in '09

Broadband growth slowing down, regulatory impact increasing, causing Revenues decline



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e) Outlook – bringing it all together

Considering high currency volatility, Swisscom guides in local currencies only *) **)

Net revenues		**2008A**	**2009E**
Swisscom excl. Fastweb	bln CHF	9.5	9.2-9.3
Fastweb	MEUR	1'708	1'800
EBITDA			
Swisscom excl. Fastweb	bln CHF	3.9	3.8-3.9
Fastweb Industrial / (reported incl TI)	MEUR	518 (548)	560
Capex			
Swisscom excl. Fastweb	bln CHF	1.36	~1.35
Fastweb	MEUR	438	415
Delta NWC *)			
Swisscom Group incl FWB	bln CHF	-0.3	-0.1-0
OpFCF **)			
Swisscom Group incl FWB	bln CHF	2.5	2.6-2.7

*) NWC Guidance for the Group including Fastweb can be done in Swiss Francs, as numbers are small

**) OpFCF Guidance for the Group can be done in Swiss Francs, as sensitivity for exchange rate fluctuations is minimal: around CHF -15mm per 10 Swiss cents / € strengthening

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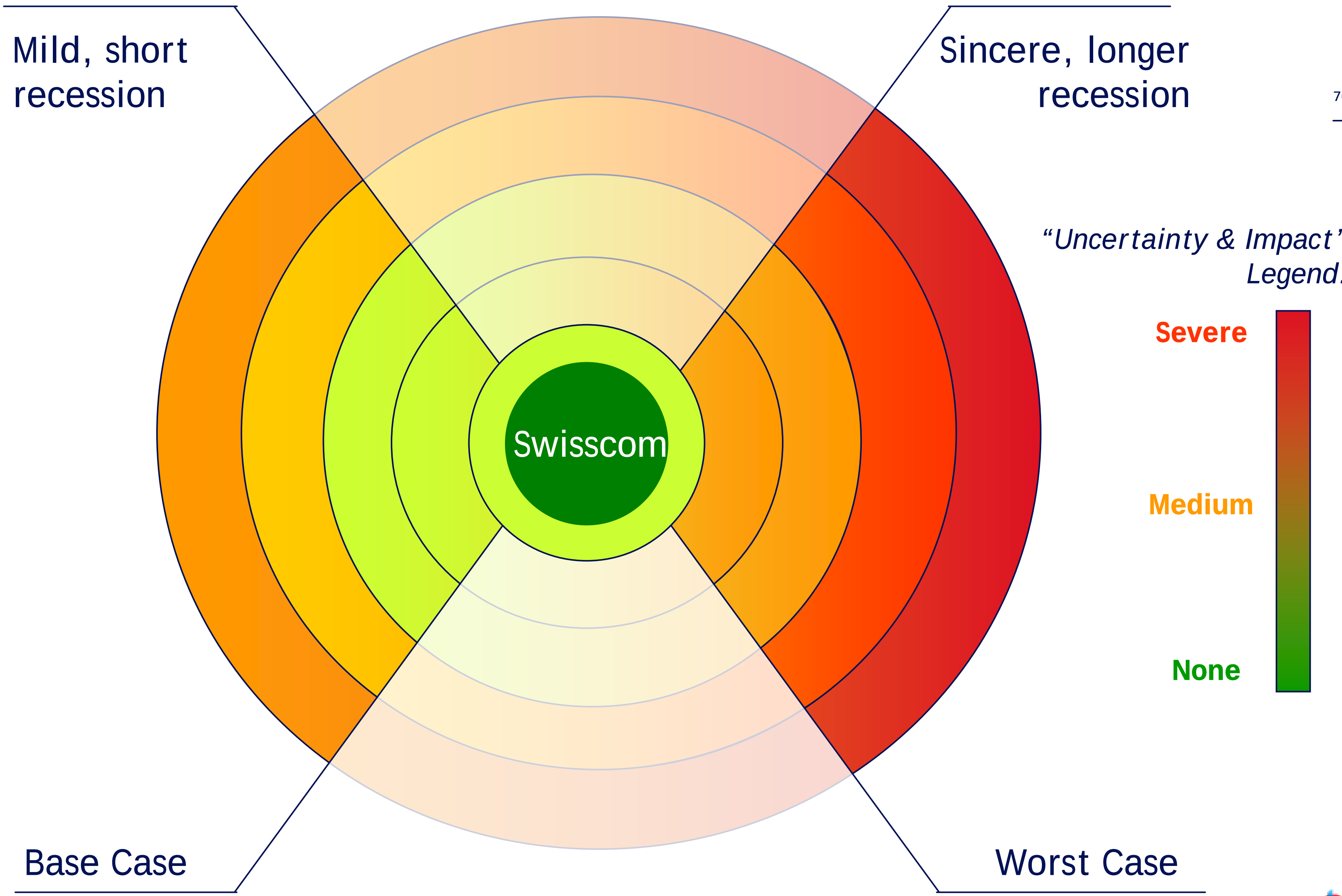
e) In conclusion:



Managing uncertainty

Questions & Answers

Cautionary statement regarding forward-looking statements

"This communication contains statements that constitute "forward-looking statements". In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations and business and certain of our strategic plans and objectives.

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