



Swisscom

Company Presentation
“solid as a rock”

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- Company Profile
- Beliefs and strategy
- Key Figures
- Conclusions



Company Profile

Profile Swisscom: Switzerland's incumbent operator

- Domestically: sales > CHF 10 bln p.a., EBITDA margins close to 40%
- 94% owner of debitel, Europe's number 1 Mobile Service Provider
- Swisscom: a group of companies, each focussed on specific market segments, sharing common values such as our strong brand
- Swisscom concentrates on its domestic market with the objective to create value for all of our stakeholders
- With a prudent investment policy, we have created:
 - one of the strongest balance sheets in the sector.....
 -but also a less aggressive growth profile than some of our peers
- This profile is the result from consistently living by our proclaimed "Set of Beliefs"



Beliefs and strategy

- No global ambitions - Switzerland remains key to us
- No merger of equals - insufficient business rationale
- Clear investment focus
 - 1. improvements of core business
 - 2. organic growth
 - 3. non-organic growth
- Systematic opportunity screening - growth through acquisitions only if investment criteria are satisfied

- Strategic fit
- Viability of business model
- Good management
- Good value
- Size of transaction

- No imminent and compelling opportunities found that would satisfy all of our investment criteria
- Continue active screening, but likelihood of sizeable transaction (esp. in the international data arena) is decreasing
- Return cash to shareholders as viable alternative, either through:
 - share buy back program, and/or
 - special dividend, and/or
 - further reduction in the nominal value of the shares

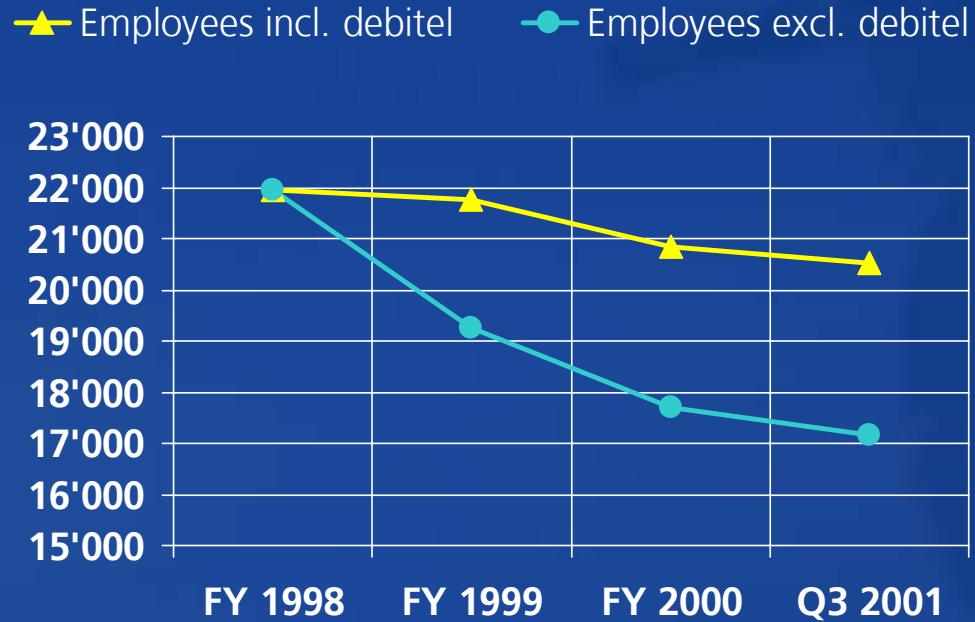
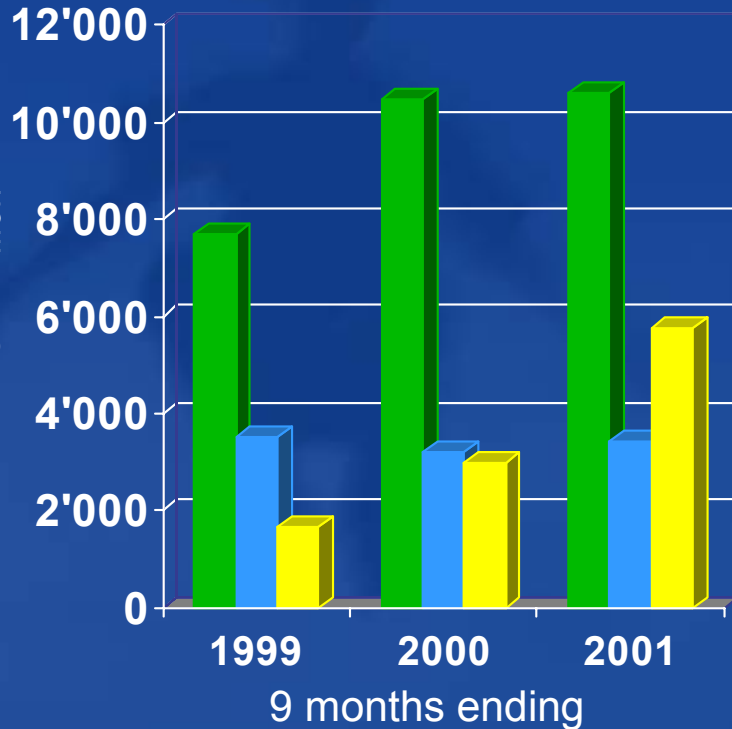
- Balance Sheet with a Net Cash position of some CHF 3 bln created through:
 - solid performance in the domestic market
 - continued lower cost of operations
 - more rationale behavior from competition
 - stabilising prices in both fixed and mobile markets
 - slowing market share losses
 - hence, rather stable EBITDA margins
 - successful sale of real estate portfolio CHF 2.5 bln)
 - successful sale of 25% stake in Swisscom Mobile to Vodafone (CHF 4.5 bln)
 - attractive UMTS license cost (CHF 50 mio)
 - prudent investment policy



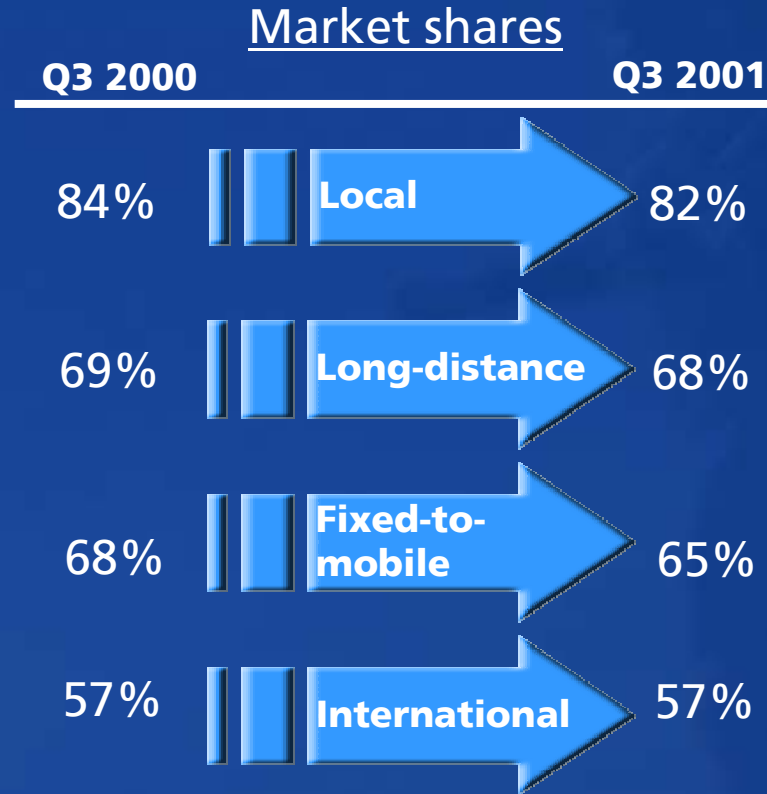
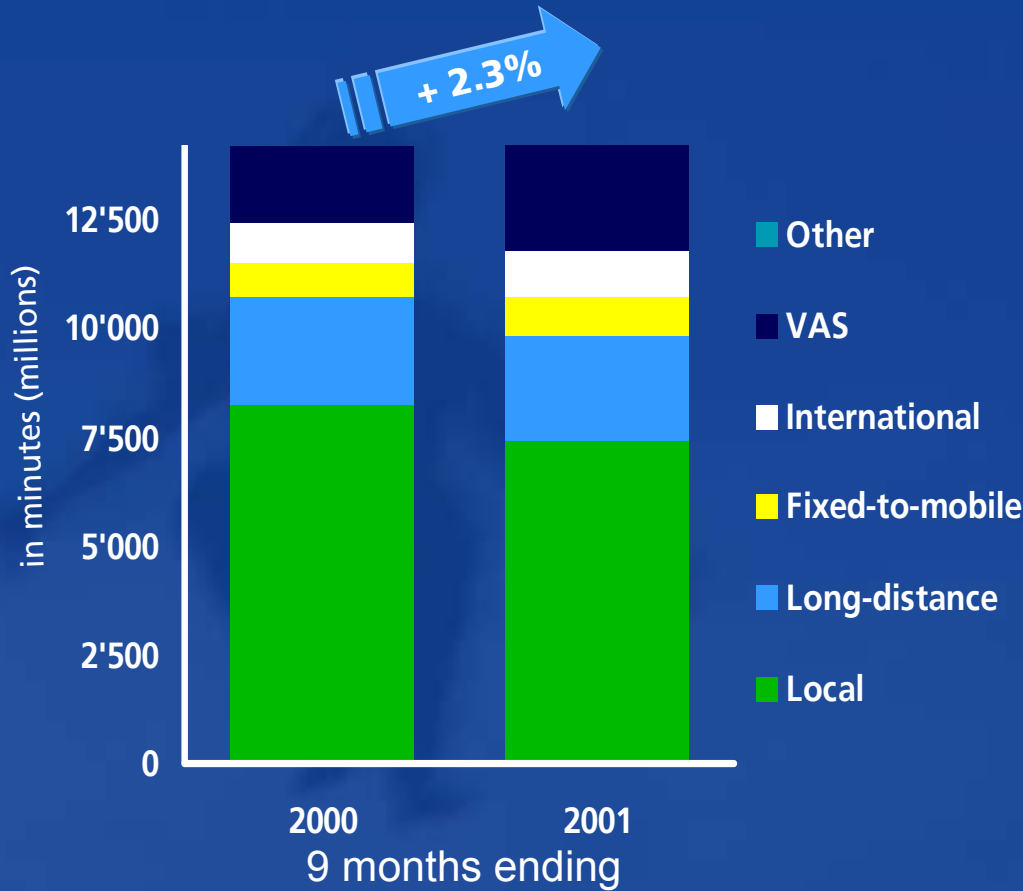
Key Figures

Swisscom - key figures for the group

■ Net revenue ■ EBITDA
■ Net income



Swisscom Fixed line businesses - Traffic volume* and market shares



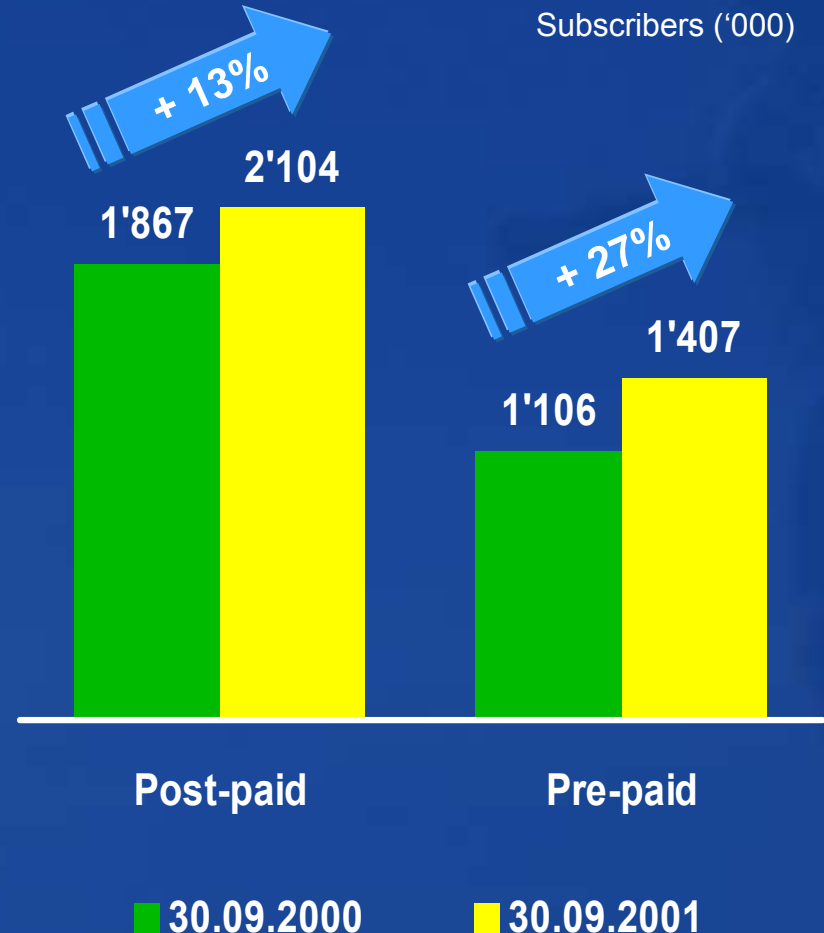
*Covers traffic from Fixnet Retail and Network and Enterprise Solutions

Swisscom Mobile - Key Figures

Key facts (30.9.2001)

- 3 GSM operators and 4 licensees for UMTS
- Swiss penetration rate of 71%
- 3.5 million Swisscom customers with ARPU of CHF 83
- Market share of 68% (and even higher in post paid and business segments)
- Acquisition costs per new post-paid subscriber of CHF 300 - 350
- EBITDA margin of 47.3%

Strong subscriber growth





Conclusions:

Stable domestic performance, providing further comfort that our focus is right

**Always looking for growth, but only if
“solid as a rock”**

A woman with blonde hair, wearing a white suit, is riding a roller coaster. She is smiling and looking to the right. The roller coaster car is moving upwards, and the background is a dark blue sky with some clouds. The roller coaster structure is illuminated with lights, and there are other rides visible in the background.

Thank you for your attention

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