



Swisscom

“solid as a rock”

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"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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Brief strategy update

Swisscom's ultimate aim: Optimising capital efficiency

*A company committed to strong fundamentals
and financial discipline*

Innovative multi-service
focused company

Superior performance
in core
domestic and
mobile service
provider
businesses

Underline
domestic
focus by
moves into
adjacent and
complementary
businesses

Stabilise cash flow

Disciplined investor in options
with both defensive and
offensive character

Build a
number of
smaller options in
various
phases of
development
as a hedge

Investments in
international opportunities
with a
balanced
risk/reward
profile

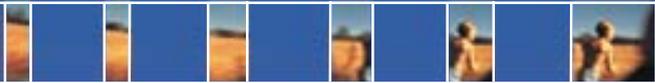
Grow cash flow

Return
surplus cash

Continue
further returns
of surplus
cash to
shareholders

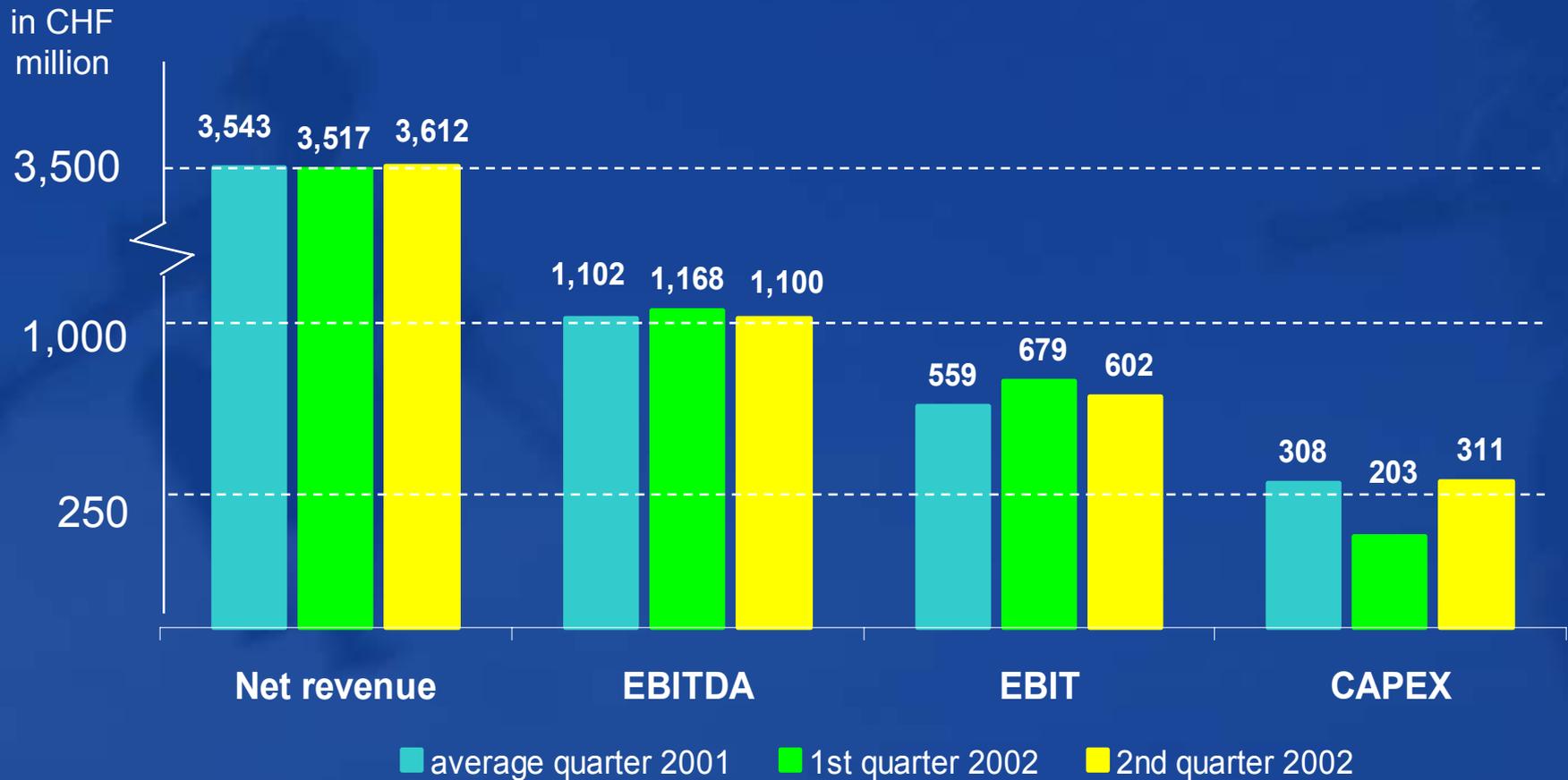
Return surplus cash

	Ongoing focus	Assessment
Sustainability	Focus on cash generating ability of business model	<ul style="list-style-type: none">– Reasonable– Continued to be strictly applied
Strategic fit	Pure focus on direct synergies with core businesses	<ul style="list-style-type: none">– Reasonable, but limits investment options– Potentially, other value aspects should be included
Management	Good management in place that is an asset to the Swisscom group	<ul style="list-style-type: none">– Reasonable– Continued to be strictly applied
Price	DCF based valuation on current and possible cash flows	<ul style="list-style-type: none">– Reasonable– Continued to be strictly applied
Size	Transactions should not put our existing business at risk; should leave the risk profile of the group largely unchanged	<ul style="list-style-type: none">– Reasonable– Continued to be strictly applied



Headlines first half 2002 and outlook 2002

“Swisscom - solid as a rock”



- Successfully completed 10% share buyback; Swiss Confederation now holds 62.7% stake from 65.5% previously
- Introduction of renumbering with automated local CPS as per 1 April 2002
- Introduced substantial fixed line tariff rebalancing with unified rates nation-wide as per 1 May 2002
- ADSL roll out strategy well on track - adding more customers than competition is
- Innovative launches in first half year 2002
- ULL debate continues

- Guidance unchanged, full year EBITDA 2002 similar to 2001
- However:
 - Fixed line operations and debitel expected to be weaker than in 2001
 - Mobile operations, and IT operations to compensate
- EBIT development (before exceptional items) positive due to lower depreciation and amortisation charges
- Net profits substantially lower than in 2001 due to absence of one-off gains on the sale of 25% of Swisscom Mobile and the sale of real estate
- However:
 - first time positive effect of share buy back on share ratios (EPS, CPS)



In summary

Commitment to value orientation - optimise cash returns on capital deployed

1. full focus on performance improvement of existing core business

2. sensibly weight the alternatives for further improvements in capital efficiency:

Continued share buy backs

- enhancing per share performance
- optimising capital structure
- creating attractive yields for shareholders and relative value enhancement
- ... but not an instrument to grow absolute cash flows

High yield acquisitions

- improving the company's total Free Cash Flow yield, without substantially changing its risk profile
- creating growing cash flows and absolute value enhancement
- ... but not an instrument that can be applied without rigorous investment criteria

“Swisscom’s Way” is to pick the best alternative - or even combine

A woman with long blonde hair, wearing a white business 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 lights. The roller coaster structure is visible, including a large star-shaped sign and a tall tower.

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Thank you for your attention

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