

Swisscom Eurospot and the WIFI market

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Investor's event, Paris, 7th October 2004

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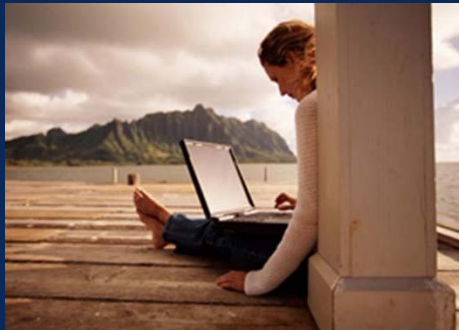
1. Relevant WIFI markets

2. Positioning of Swisscom Eurospot

Relevance of WiFi depends upon individual markets.

The usage and relevance of WLAN is critically dependent upon the specific requirements and the dynamics of the individual, relevant markets.

1 ... *at home*



2 ... *in the office*



3 ... *everywhere*



4 ... *on the move*

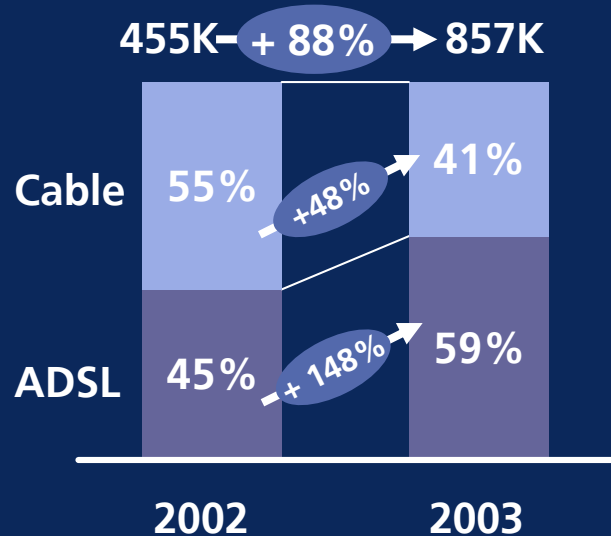


1. Relevant WIFI markets: residential broadband access

Residential market is key to mass market adoption

The growth in the residential broadband access market coupled with a rising WLAN enabled laptop penetration is driving the mass market adoption of the technology, which is crucial for all players.

Rapid rise in penetration of BB from 13% to 25% in Switzerland



driving WiFi penetration at home and with customers becoming acquainted with the usage and the convenience

Security needs driving adoption in enterprises

The enterprise communications market is increasingly adopting WLAN as a complement technology because of improvements in security, demands on internal mobility and flexibility for business partners working on-site.

security concerns

- standards emerging
- CIO's less hesitant

flexibility requirements

- Internal mobility
- partners on-site



Increasing requests for integrated solutions offering both security for employees and tunneled access for visitors

Ubiquitous connectivity demands seamless access

The requirements of the mobile knowledge worker when out of the office are driving the demand for ubiquitous, high quality, high speed data access - anytime and anywhere. WiFi is being seamlessly integrated.

- Business customers want the same convenience on the move as in the office
- Demanding full geographic broadband coverage and high quality of service

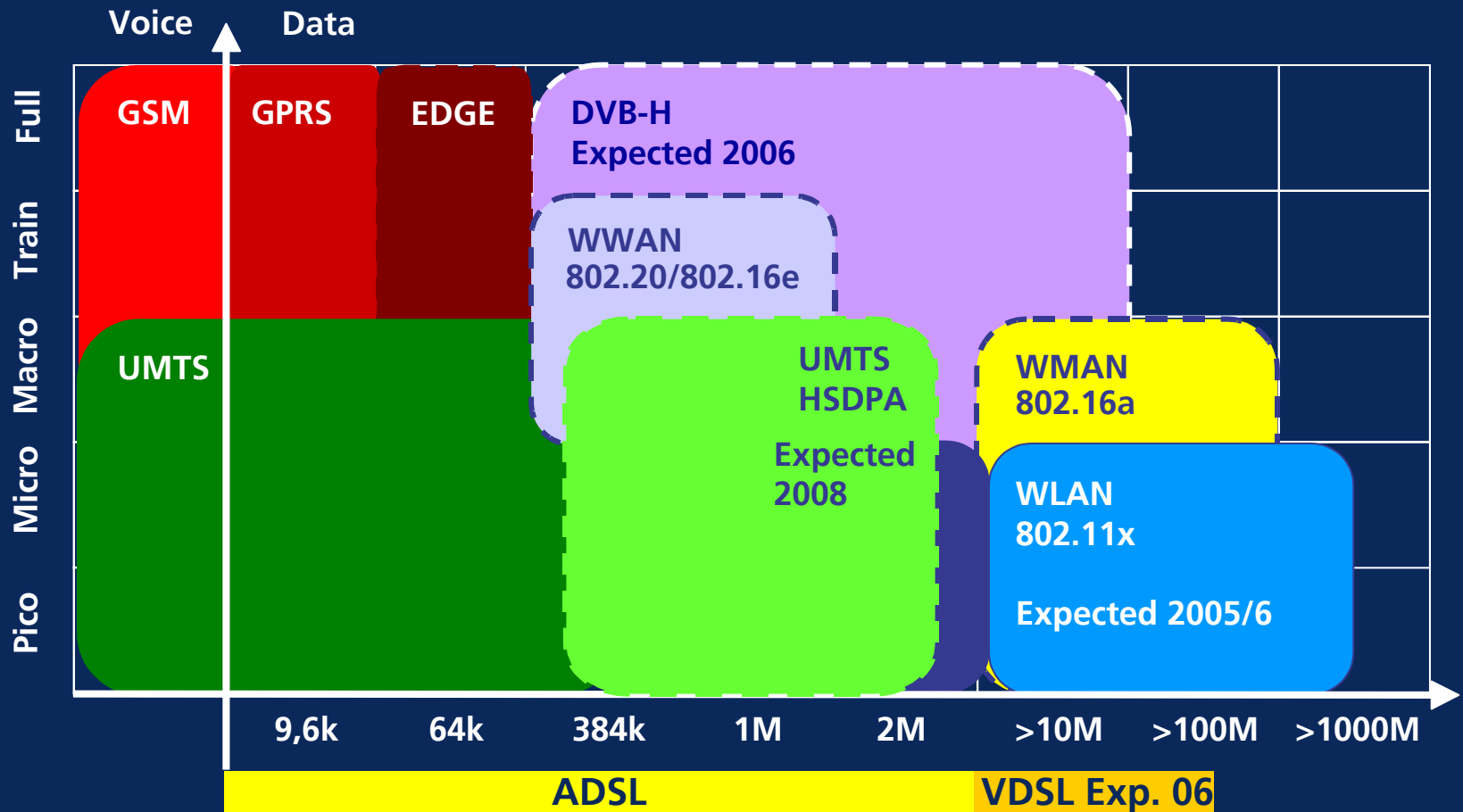


Realising the wish with a single technology is impossible in the near term, but there are ways of getting close

... seamless access and authentication across a multitude of technologies!

Bandwidth v. coverage trade-off actively managed

Mobile networks no longer use a single technology, but seamlessly integrate a wide range of technologies, including WLAN, to better manage the critical bandwidth to coverage tradeoffs.



1. The relevant WIFI markets

2. Positioning of Swisscom Eurospot

Disruption creates new market niches

WLAN technology led to emergence new defendable niches. Swisscom has during the last 12 months rapidly build up a presence across Europe providing communications and services to the hospitality industry.



And now recognised by the hospitality industry in this role.

Offering trusted mobile broadband connectivity at locations across Europe to professionals on the move.



Provider of broadband internet access solutions for business guests of the hospitality industry

Where

- Since inception, a strong focus on
 - Hotels
 - Conference centres
 - Incidentally airports, train stations, ...

Who

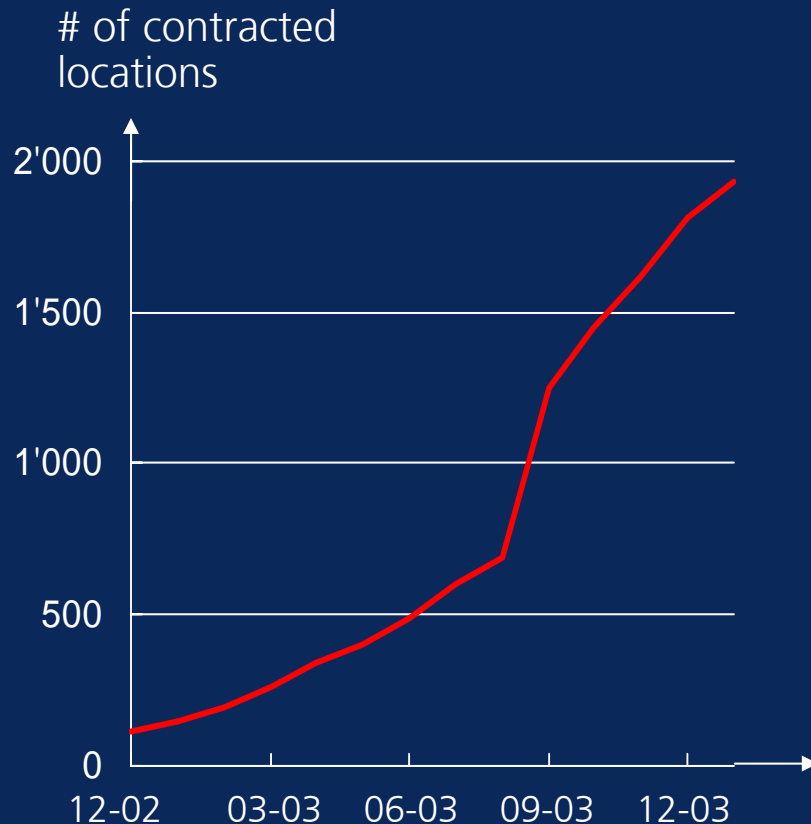
- Our offer is targeted on professionals on the move with a need for plug & play, secure and fast connectivity

What

- Enabling instant access in the rooms and public areas to corporate VPN, e-mail and the web
- A comprehensive range of conference services to support meeting organizers and event planners
- Self-service PCs for „light travelling“ users
- A customer care hotline in 6 languages (0800EUROSPOT) to support end-users

Rapid site acquisition critical to establish presence

Swisscom Eurospot has quickly secured a leading position in Europe and is recognised as such by the hospitality industry and service providers



- In northern Europe (Germany, UK, Benelux), Swisscom Eurospot has a leading position
- In southern Europe (Spain, Italy and Portugal), Swisscom Eurospot ties with the incumbents – race still on
- 2'000 hotspots representing ca. 200'000 rooms mainly in four and five stars hotels

A business model welcomed by the hospitality industry

Business model

- Develop exclusive partnerships with hoteliers whereby we carry CAPEX and OPEX costs for providing the services and share revenue with locations

Achievements

- Over 2'600 locations under contract
- 1'600 operational locations
- 20'000 access points rolled-out (since March 2003)
- 6'000 connections per day

Organisation

- 120 employees
- Pan-european presence in 10 countries


Ownership

- 100% owned by Swisscom Ltd

The reasons why Wi-Fi is not GSM ...

Technology	Terminal Equipment	Network	Killer Application	Network Equipment Market	Network Service Market
•GSM	•Handset	•MAN	•Phone call while walking in the street	•Large	•Large
•Wi-Fi	•PC/Laptop	•Private LAN at home	•No more cables says the wife •Surf on the sofa with the family	•Large	•None
	•Laptop	•Private LAN in the office	•Get access to info during meetings •Reduce moving costs	•Large	•None
		•Public LAN	•Better use time to check e-mails during this boring presentation	•Niche	•Niche

...are the reasons why we are not in the hotspot, hotzone or any other hot business



However, we do provide in hotels and conference centres plug & play, secure and fast internet access based services and solutions to professionals on the move...



...and 802.11 is but one of the technologies we use and like very much for its own merits.

Thank you for your attention!

Questions & Answers

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