

Swisscom

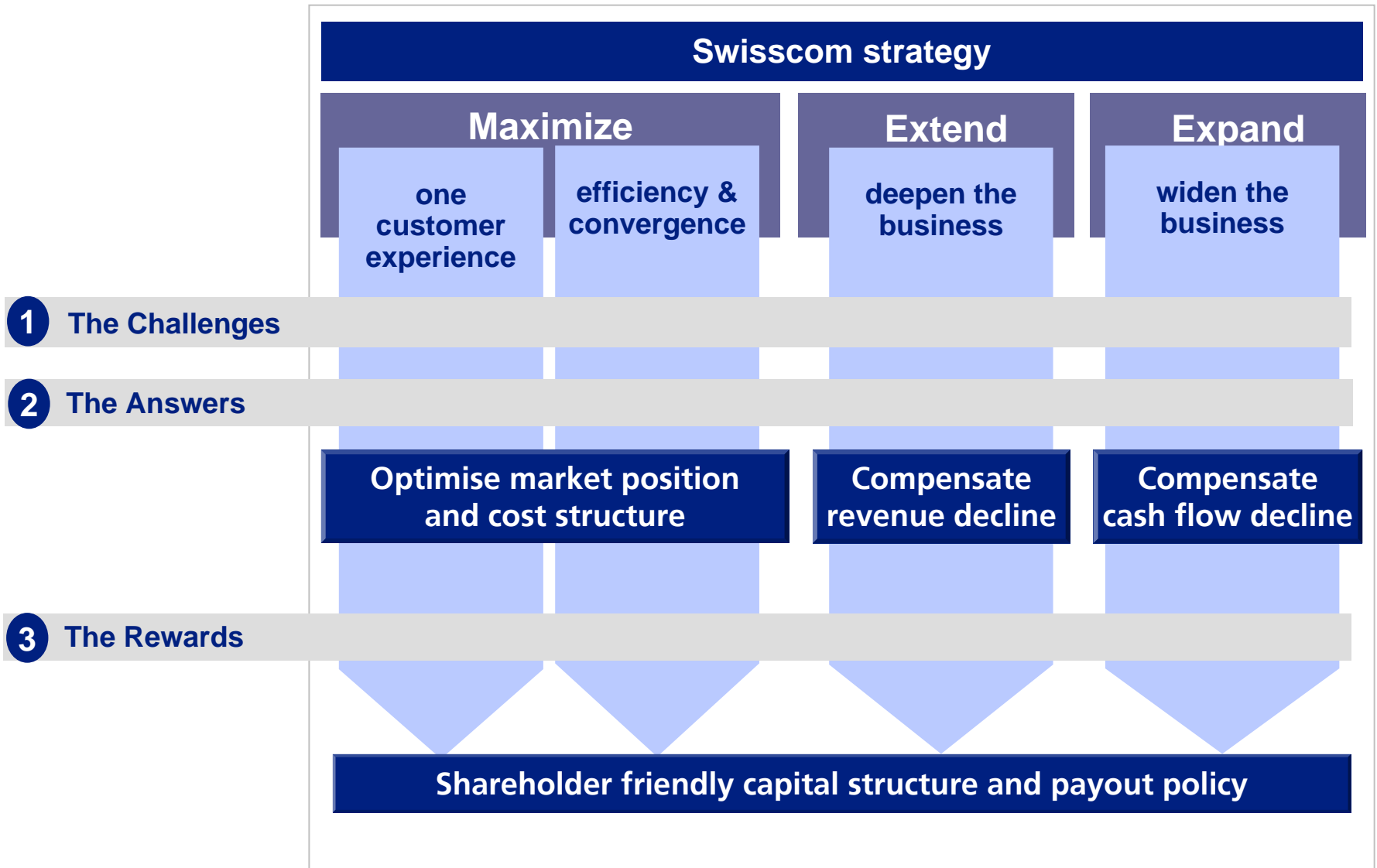
Challenges, Answers & Rewards

Merrill Lynch TMT Conference

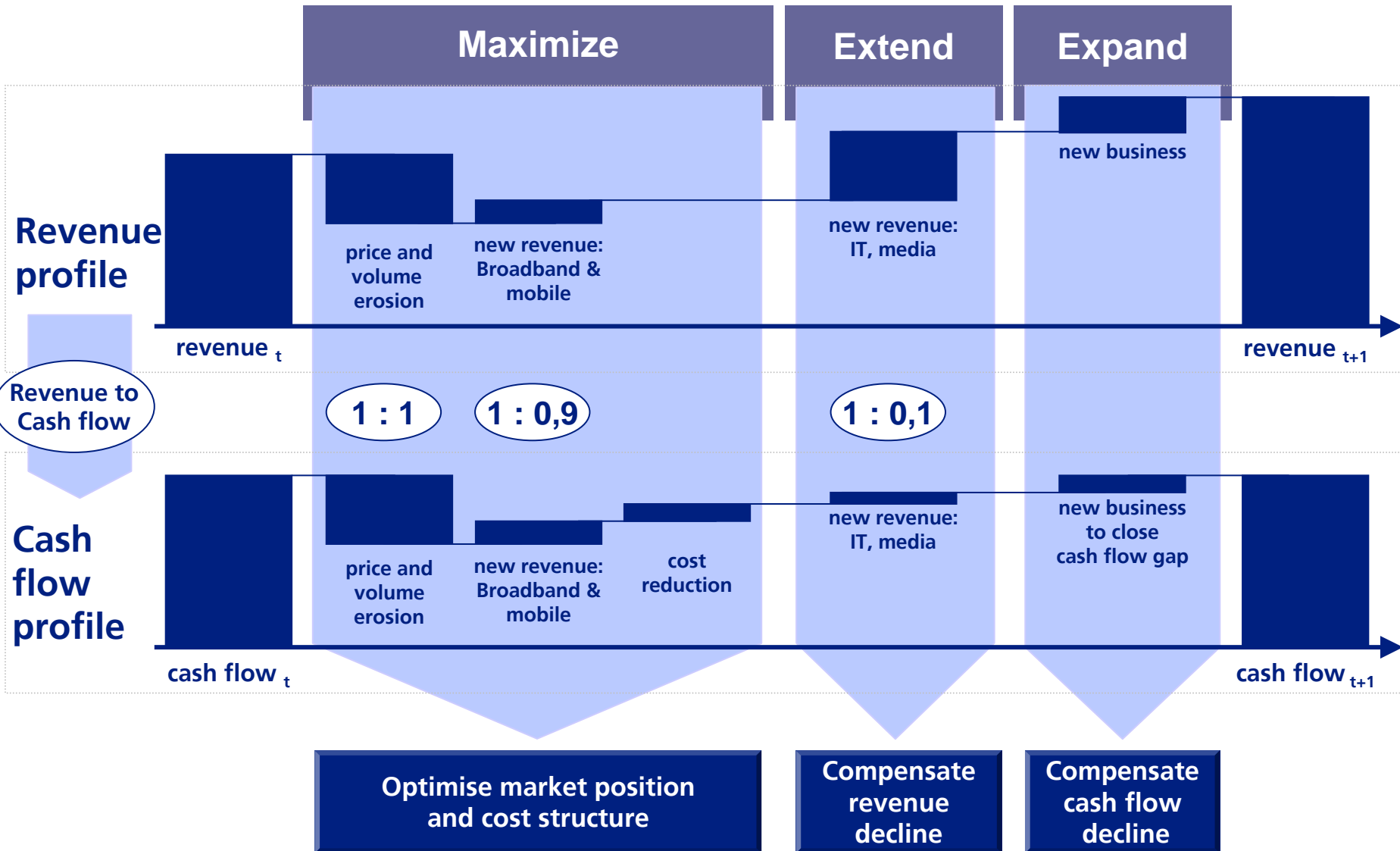
London, 5 June 2007

Carsten Schloter, CEO Swisscom

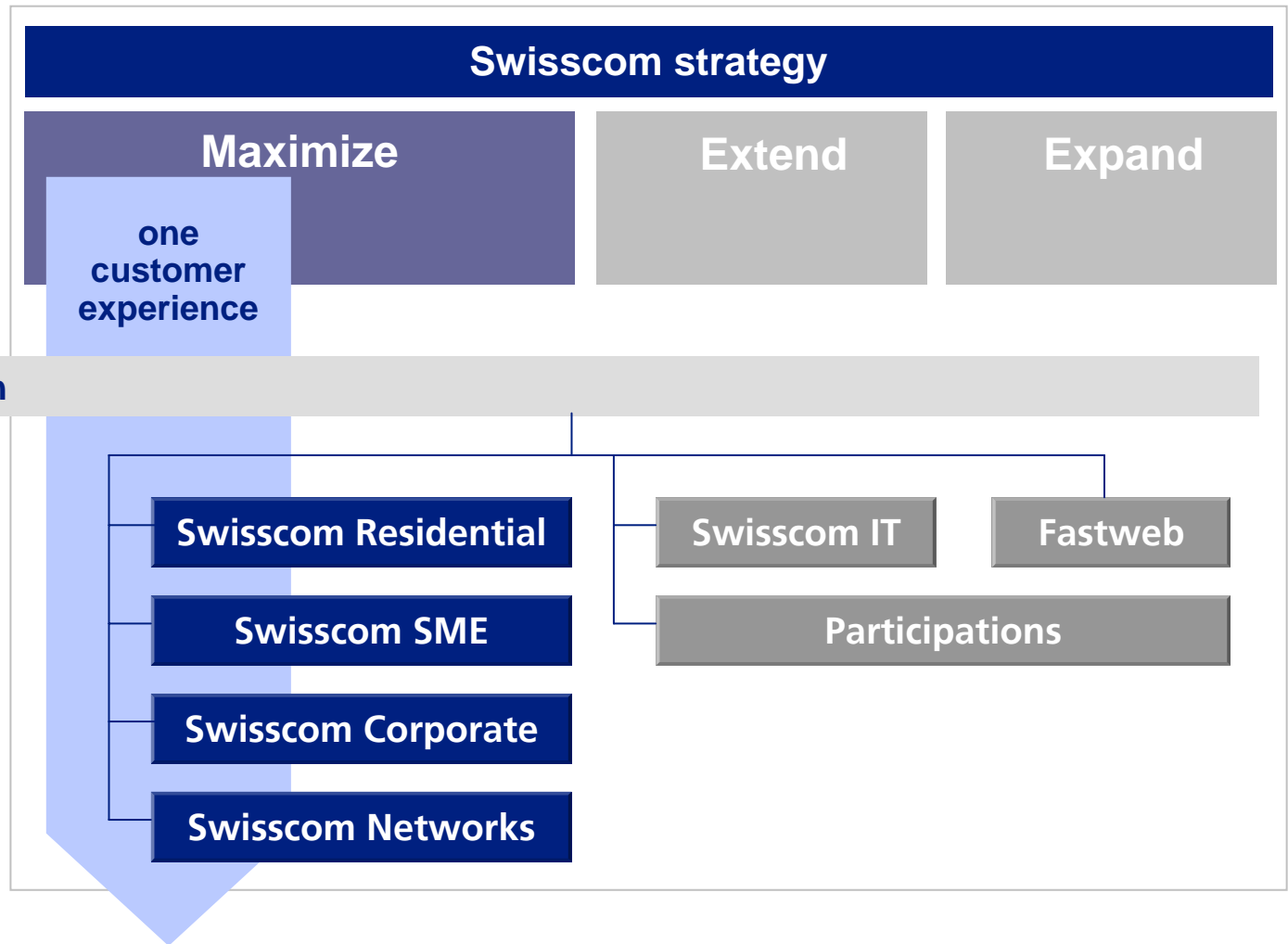
Agenda



1 The Challenges – how to grow value

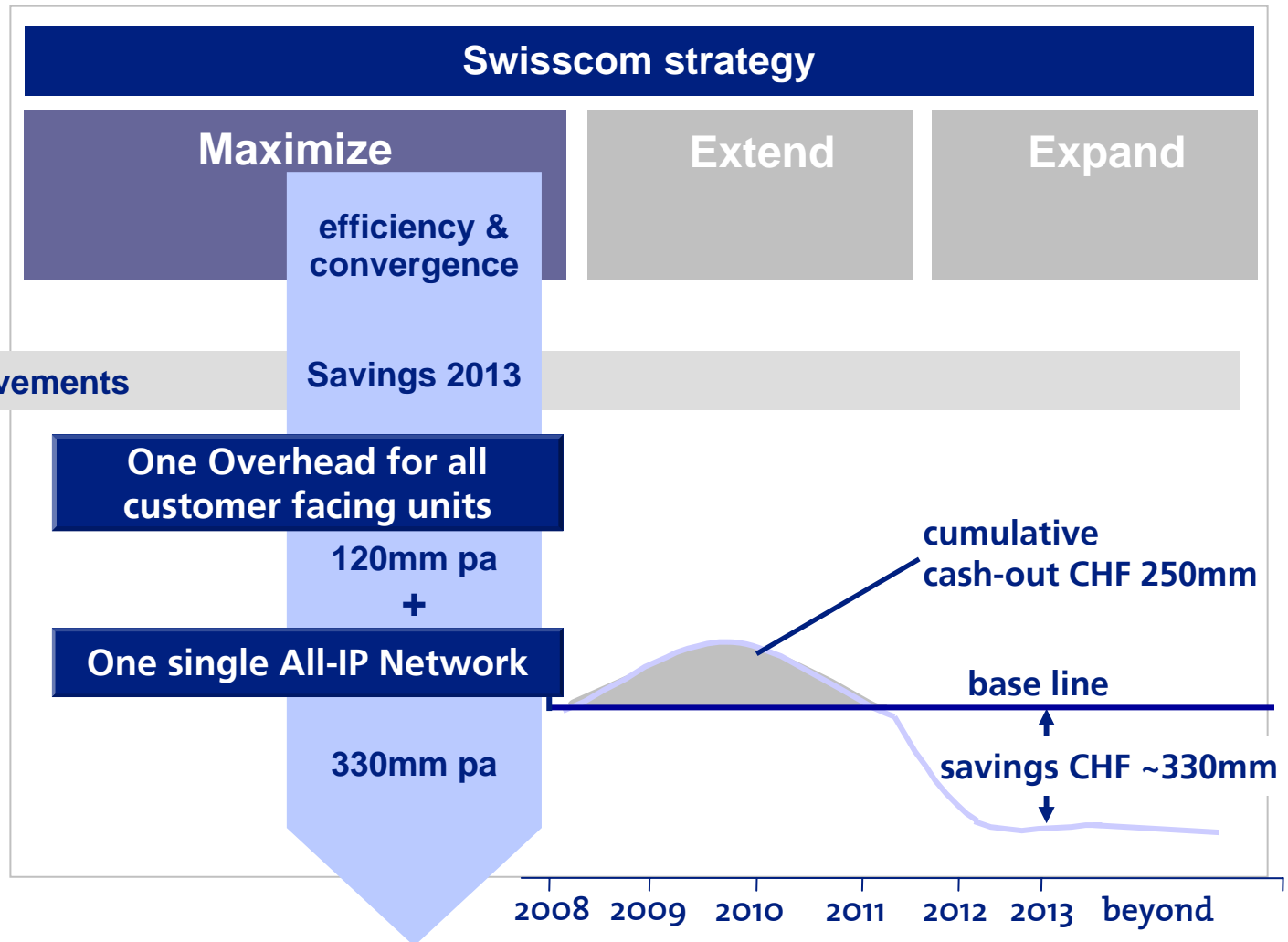


2 The Answers



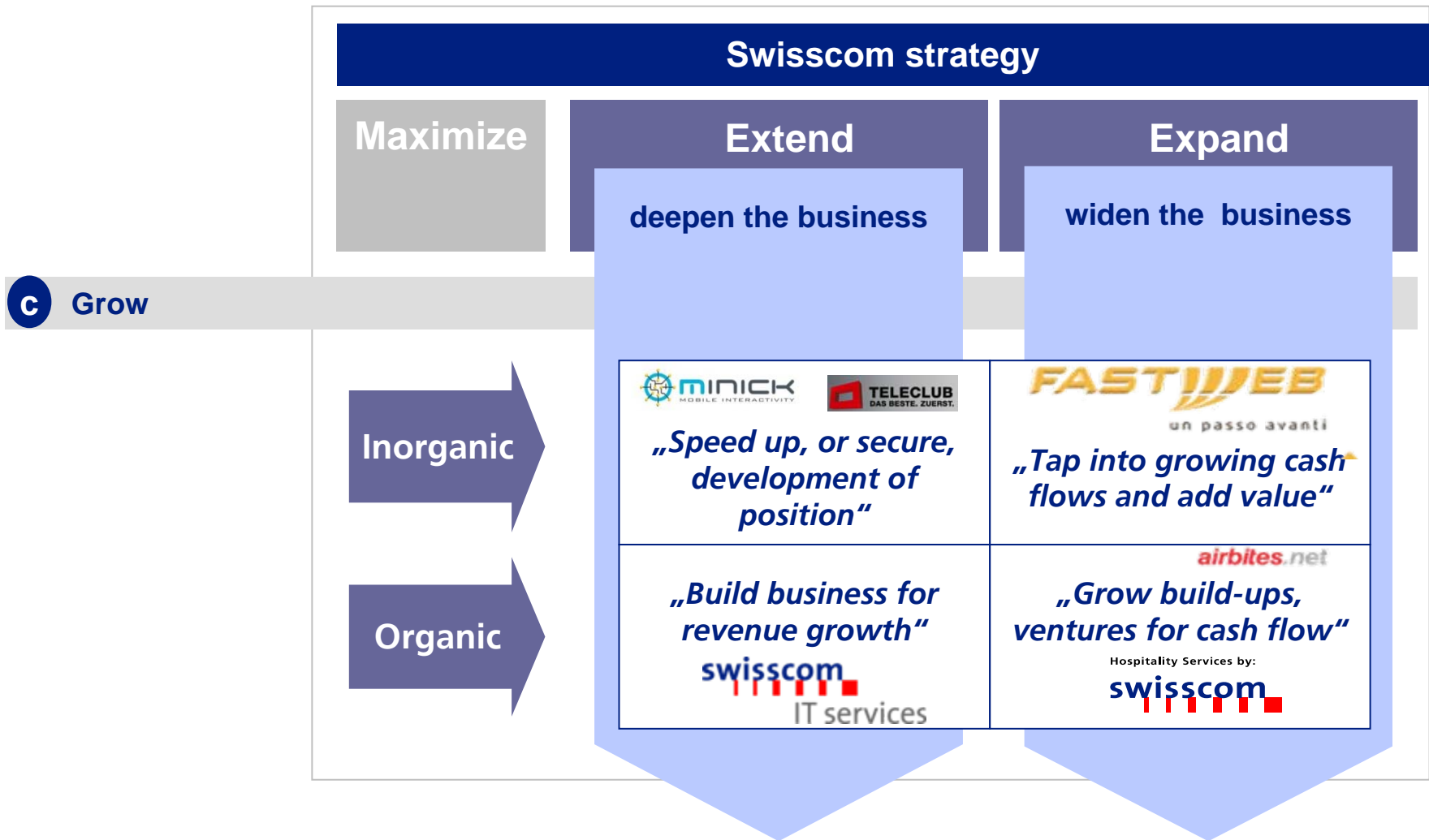
One single face towards the customer

2 The Answers



Reducing cost

2 The Answers

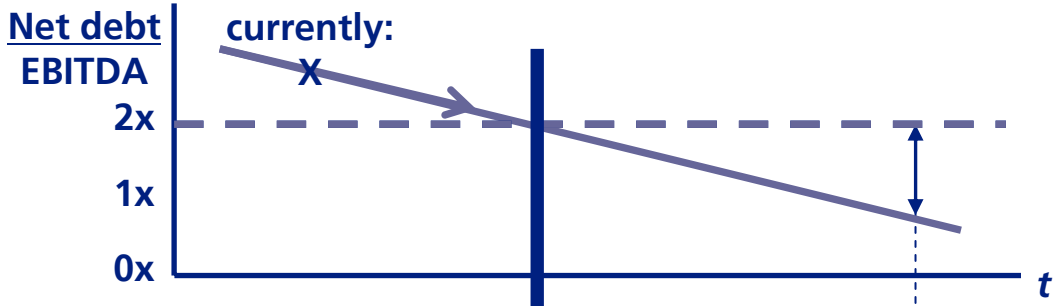


Compensate revenue and cash flow declines from traditional business

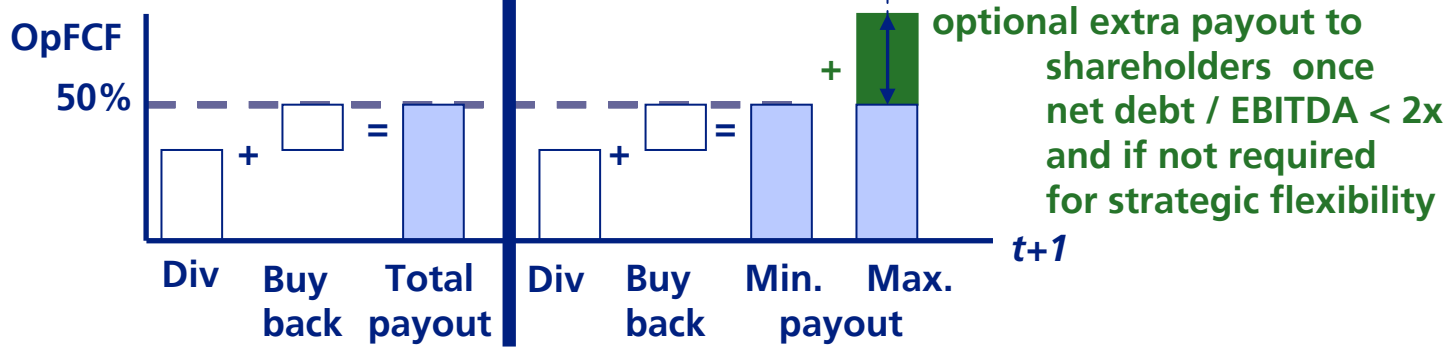
3 The Rewards

Swisscom financial policy

a Capital structure: limit net debt / EBITDA at max. 2x



b Payout policy t : 50% of OpFCF_{t-1}*) + additional return potential if net debt < 2x EBITDA



Attractive shareholder remuneration – with DPS at least stable

*) OpFCF = EBITDA – Capex +/- ΔNWC – Minorities

Thank you for your attention!

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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