

Deutsche Bank, Swiss Equities Conference

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Agenda

- Profile
- Strategy & achievements
- Customer orientation - new organisation
- Swisscom Switzerland - the stable cash generator
 - Residential, market overview
 - Small & Medium Enterprises, market overview
 - Corporate Accounts, market overview
 - Swisscom Brand & Loyalty
 - Cost efficiency initiatives
- Fastweb - the growth generator
- Outlook & Guidance 2008

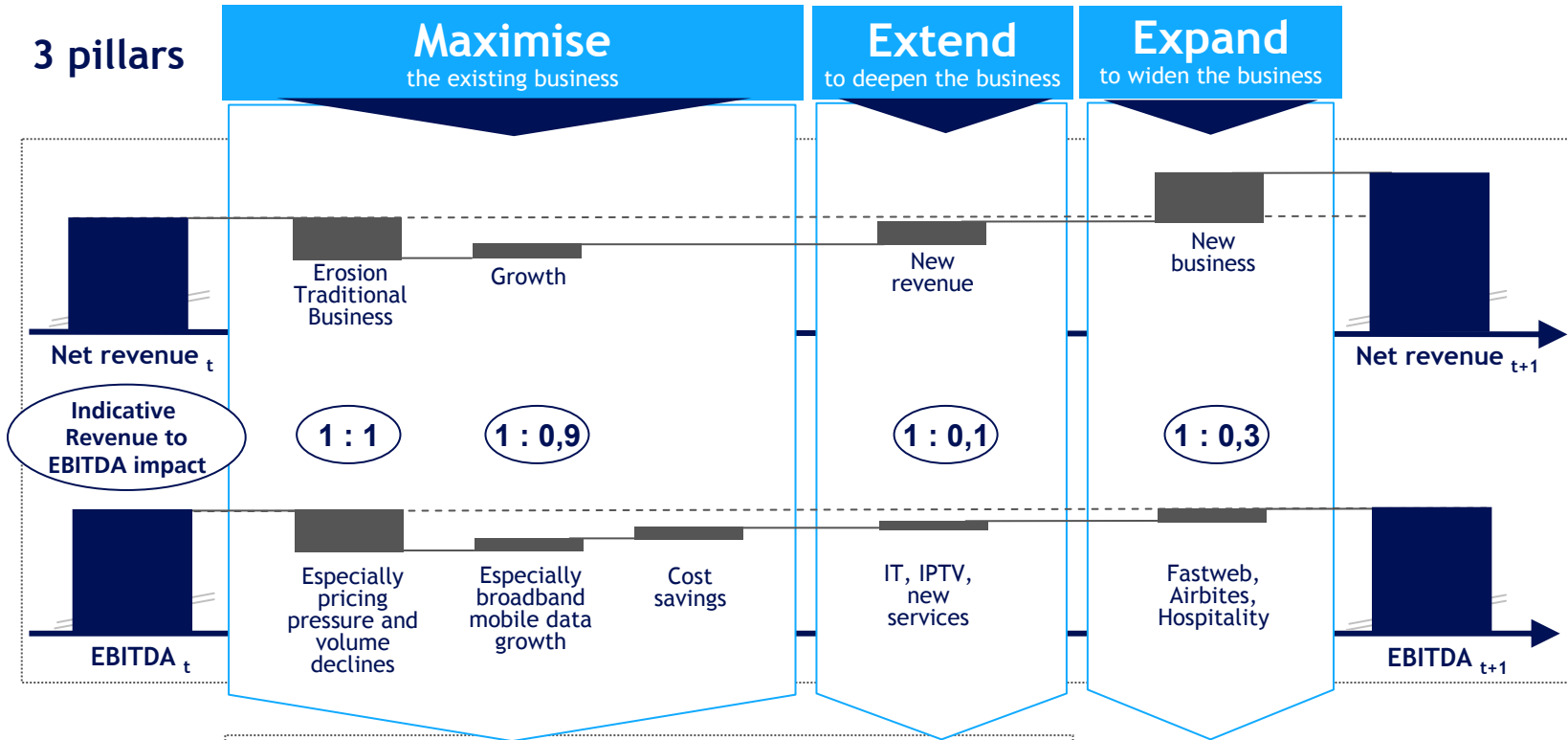
Profile

Swisscom Group		2007	Change YoY
Net revenue	in CHF bln	11.1	15%
EBITDA	in CHF bln	4.5	19%
CAPEX	in CHF bln	2.0	51%
OpFCF	in CHF bln	2.1	-5%
Net income	in CHF bln	2.1	31%
Earnings Per Share	in CHF/share	39.9	38%
Dividends Per Share	in CHF/share	20 ¹⁾	18%
Number of employees	FTE's per YE	19'844	16%

¹⁾ Dividend consists of ordinary payment of CHF 18 and extraordinary dividend of CHF 2 per share, both paid in April 2008

Time strategy

Maximise, Extend, Expand



3 objectives

1. strengthen competitive position and enlarge value chain in core business in Switzerland

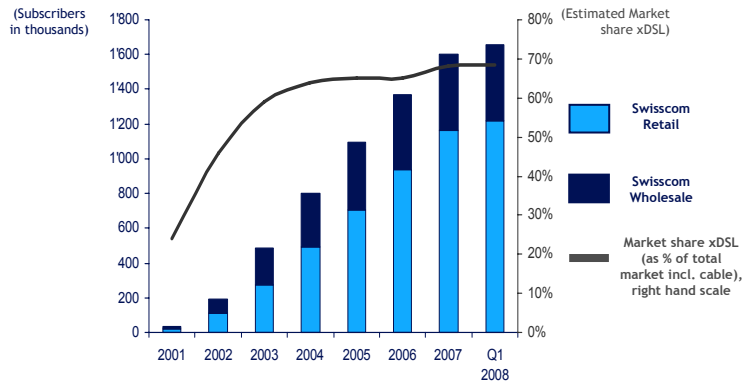
2. harness additional major potential for efficiency

3. pursue growth options outside current core business (clear industrial & strategic logic)

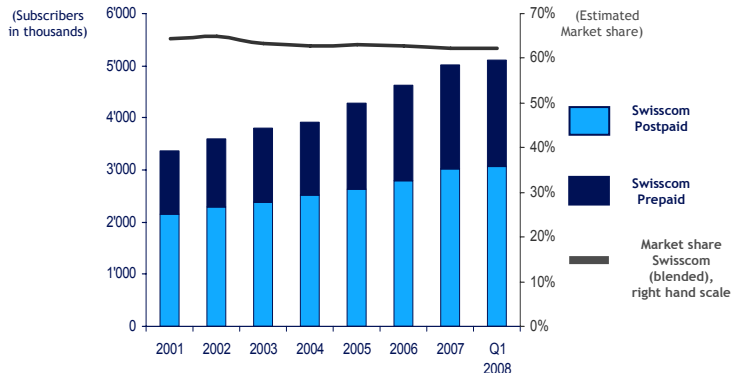
Pillar „Maximize“ achievements to date and future priorities

Achievements to date

Drove broadband market share



Stabilized mobile market share



Future priorities

Create a consistent brand experience and a customer centric service culture

- Be among the 10 most beloved brands in Switzerland

Maximize access market share

- Deliver superior network performance (bandwidth, in-house networks)

Differentiate the access through innovation

- Residential: triple screen, digital support
- SME and Large Accounts: Enterprise Communication

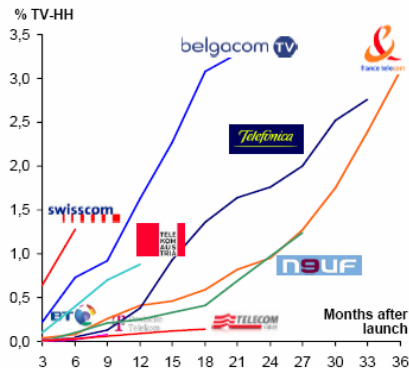
Realise efficiency gains

- Complexity reduction: product portfolio, transfer pricing
- Synergies from merging Fixnet, Mobile and Solutions
- Technology-driven savings (migration to All-IP)

Pillar „Extend“ achievements to date and future priorities

Achievements to date

Successfully launched IPTV

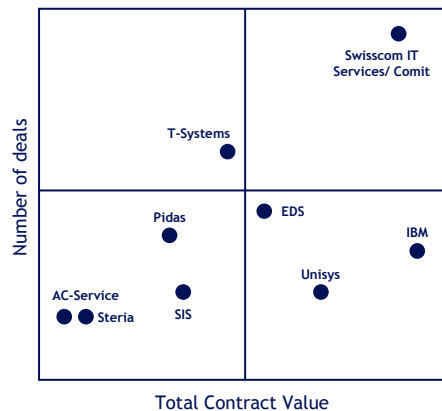


- 64k paying subs until end Q1 2008
- High satisfaction rate re. content / functionality
- Stability of service significantly improved

Future priorities

- Continue improving **service quality**
- Improve **cost structure** through process improvements
- Broaden **service offer** (e.g. launch HDTV and launch “light version” at lower price)

Substantial new IT Services deals won in 06/07⁽¹⁾



- #1 in desktops under management (CH)
- #1 in project business in Financial Services (CH)
- #2 in the overall IT Services market (CH)

- Continue delivery **industrialization and automation**
- Increase **global delivery capabilities** with partners
- Extend capabilities for **banks** with **adjacent solutions**

(1) Source: Active Sourcing, deals from 10 million Swiss francs upwards (Q4/05 - Q3/07)

Pillar „Expand“ achievements to date and future priorities

Achievements to date

FASTWEB

- Successful tender offer (82% acceptance) in May 07
- Core revenue growth in 2007 of 24%, core EBITDA growth of 33%
- Positive cash flow expected in 2008

airbites.net

- Building fibre-based city carriers in CEE
- 110k BB subscribers, strong organic customer growth
- No. 1 or 2 positions in several Ukraine cities

Hospitality Services

- Networked IP services for hotels and conferences
- ~ 2,400 contracted properties, >200k covered rooms
- Leading position in Europe, foothold in the US

Future priorities

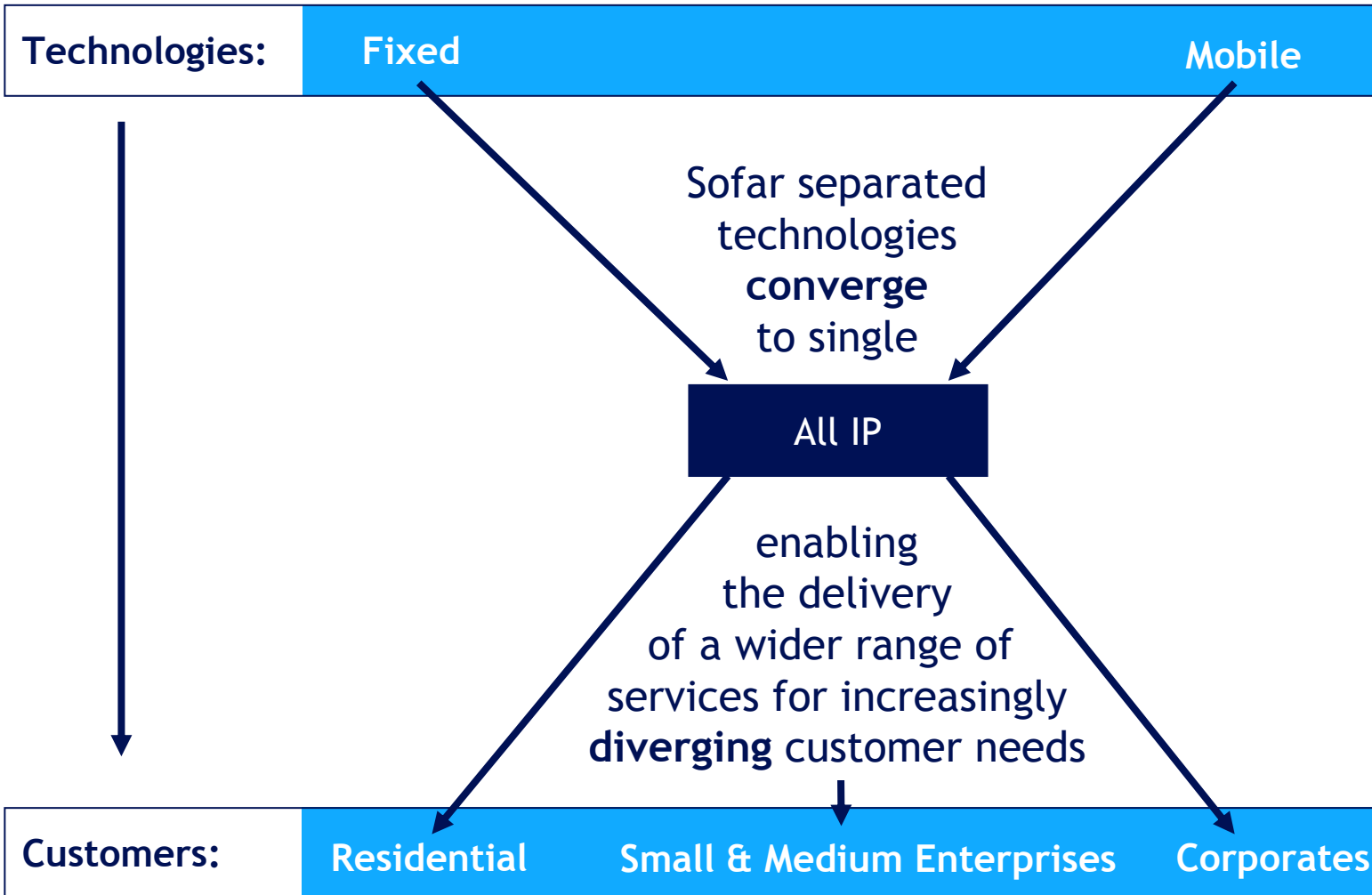
- Further develop market position as **leading attacker**
- Drive **customer, market share growth** in B2C, B2B
- Launch **MVNO** to enhance value

- Drive **organic customer growth**, increase **ARPU**
- Consider **selective M&A** to strengthen position

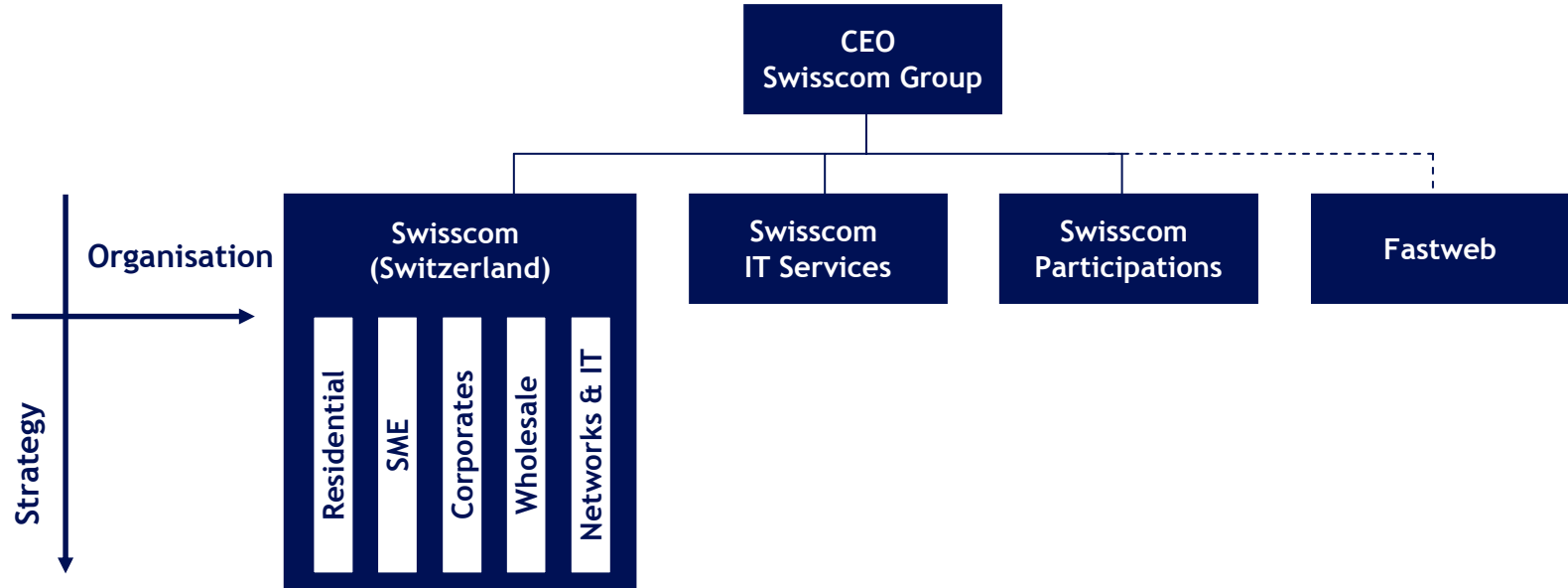
- Drive **organic growth** (# properties, usage)
- Launch/roll-out **IPTV service, triple play**

(1) Source: Active Sourcing, deals from 10 million Swiss francs upwards (Q4/05 - Q3/07)

From technology to customer orientation

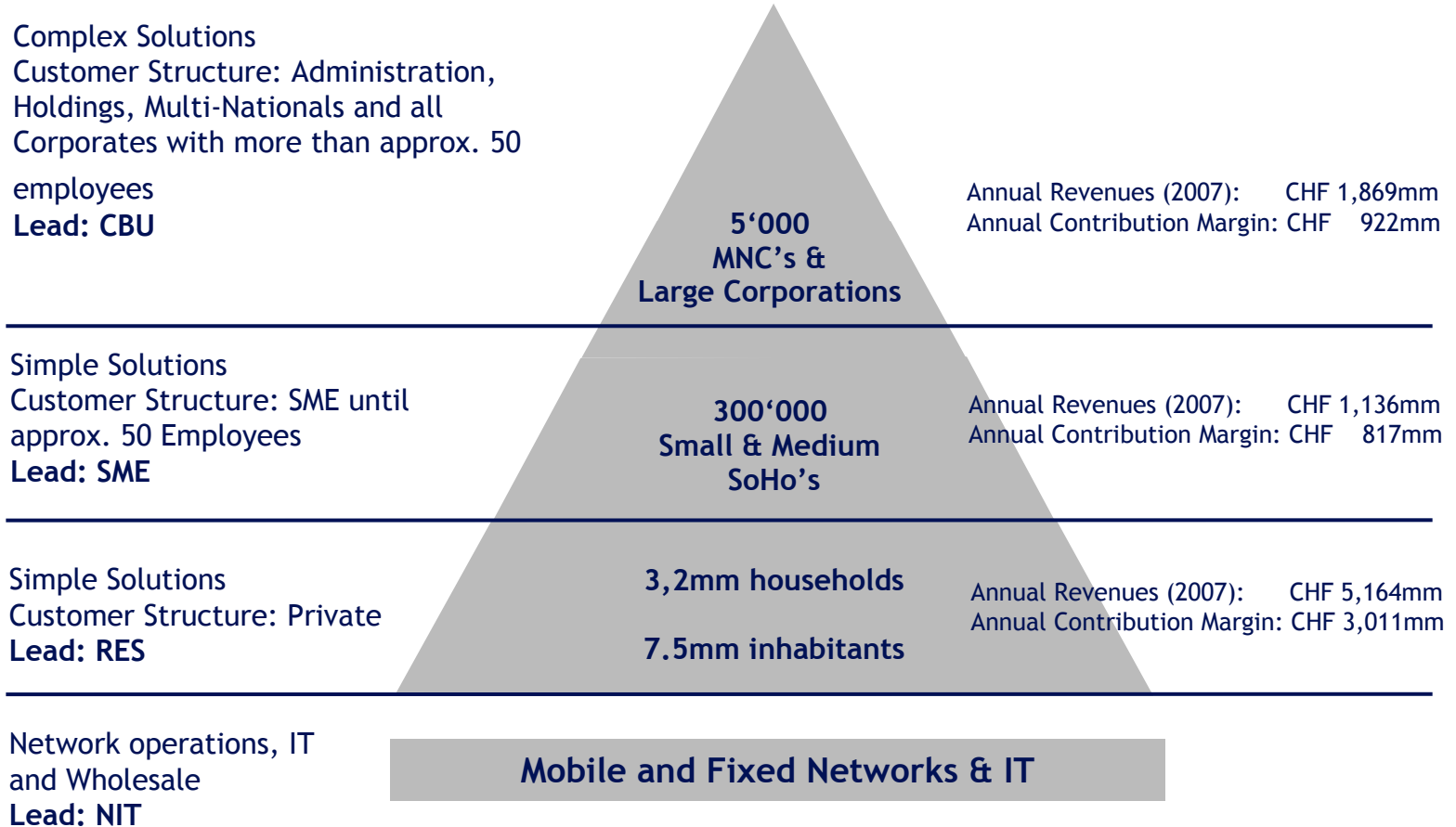


New organisation aligned with strategy to support shift from technology to customer orientation



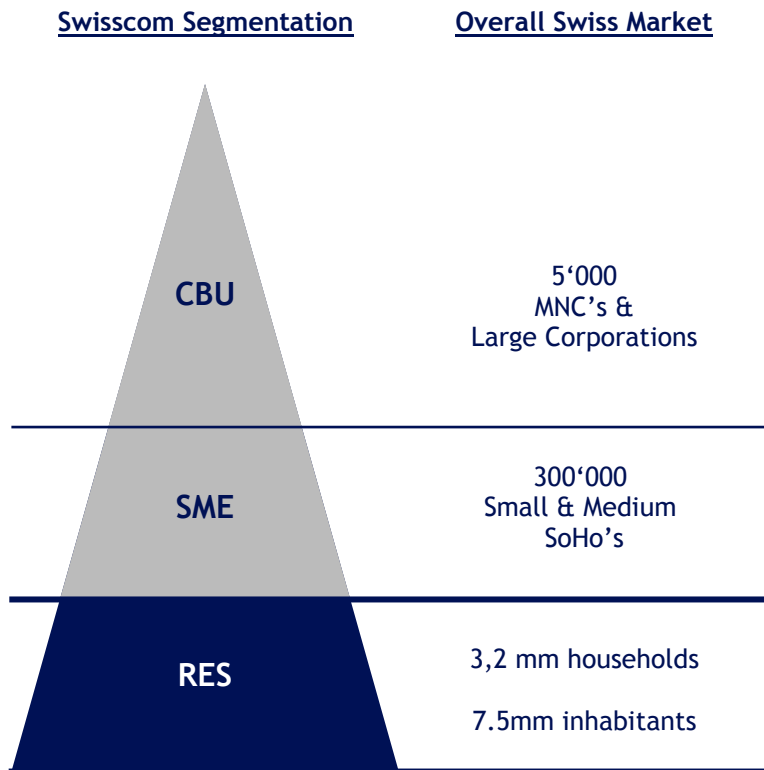
Maximize	✓	✓		
Extend	✓	✓	✓	
Expand			✓	✓

The various segments of Swisscom Switzerland, introduction



Residential customer base large, segmented and very loyal

Market View

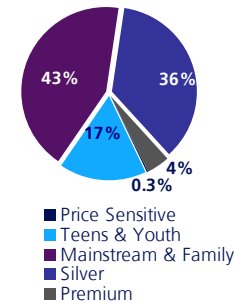


Details

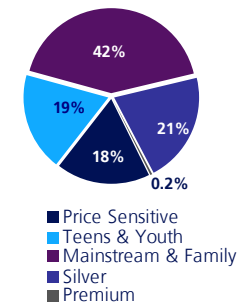
Swisscom residential customer base (31.3.2008)

- 2,091 k. mobile post-paid customers
- 2,038 k. mobile pre-paid customers
- 2,868 k. fixed voice lines
- 1,050 k. fixed broadband lines

Post-paid customer segmentation



Pre-paid customer segmentation



Market shares 2007

- Mobile voice: 62%
- Mobile data: 55%
- Fixed voice: 65%
- Broadband retail: 50%

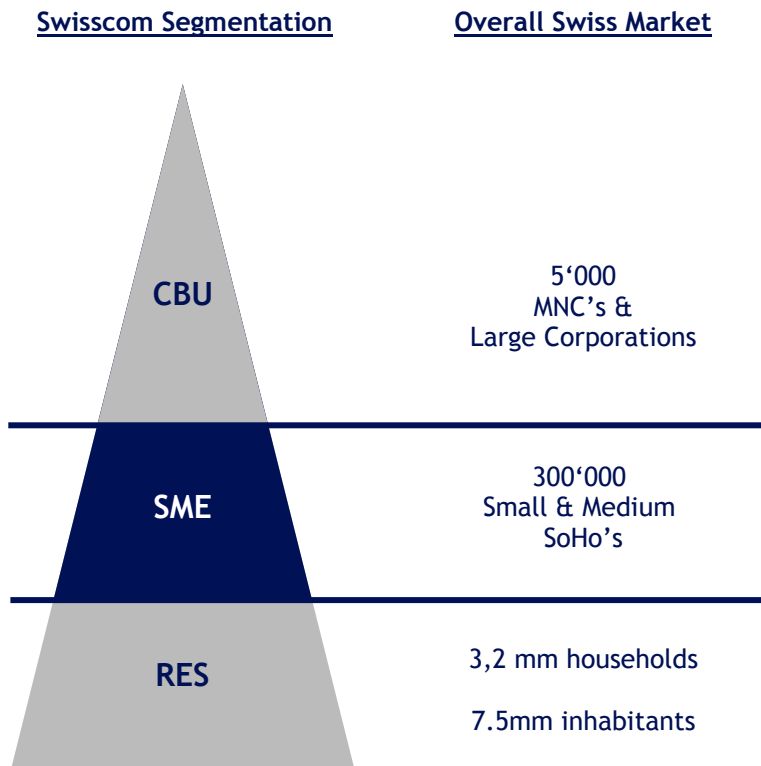
Churn rates 2007

- Mobile post-paid: 9%
- Mobile pre-paid: 16%
- Fixed voice: 9%
- Broadband retail: 9%

SME Market - unparalleled position

300,000 small- and medium-sized business customers served in Switzerland

Market View



Details

- Total number of companies in Switzerland is approx. 300'000, of which:
 - **88%** have less than 10 employees
 - **97%** have less than 50 employees
 - **86%** have one, and 11% between 2 and 5 locations
- Approx. **1.5 Mio employees (FTE)**, i.e. 48% of the entire workforce* of Switzerland
- Approx. **22'000 new companies (7% of basis)** p.a.

Swisscom SME customer base (31.3.2008)

- 380 k. mobile post-paid customers
- 509 k. fixed voice lines
- 148 k. fixed broadband lines

Swisscom market shares 2007 in SME segment

- Mobile voice: 83%
- Mobile data: 83%
- Fixed voice: 84%
- Broadband: 63%

* Excluding the public sector

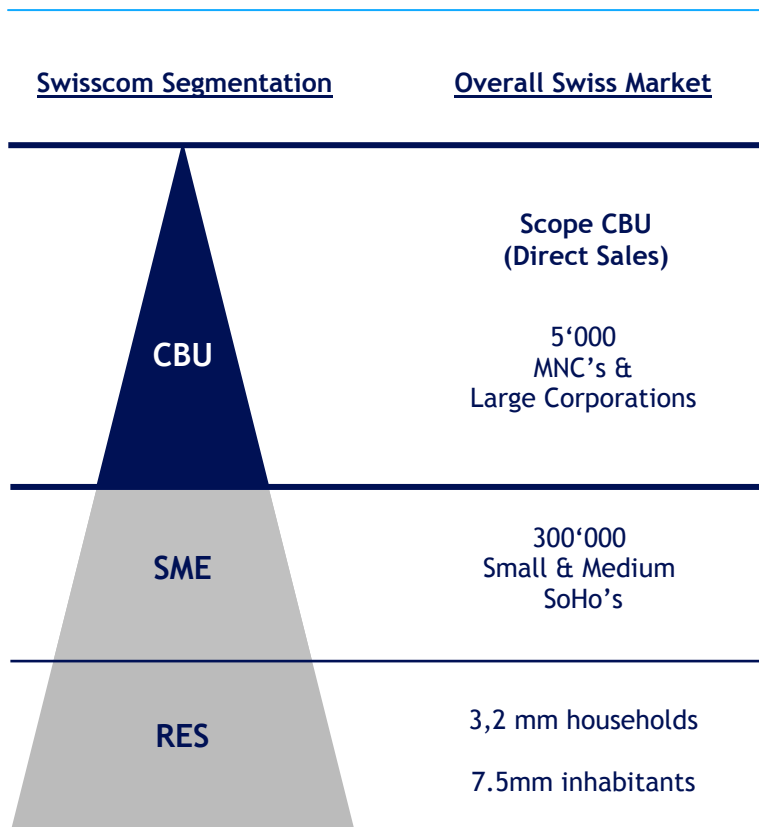
Sources:

- 1) Federal Statistical Office, Labor Market Indicators 2005" (published Feb 2007),
- 2) Market Share Measurement - Swisscom study and analysis 2007

Corporate Market - leading full-service-provider

Focus on 5000 largest corporations in Switzerland

Market Segmentation



Details

Corporate Customers

- Corporations: 5'000 largest.
- Locations: ~ 50'000.
- End-users: ~ 1.6 million.
- All industries

Efficient G2M approach

- Group client management (Potential ≥ CHF 1mm)
- Key account management (Potential ≥ CHF 250k)
- Account management (Potential > CHF 50k)

Swisscom Corporate customer base (31.3.2008)

- 591 k. mobile post-paid customers
- 288 k. fixed voice lines
- 18 k. fixed broadband lines

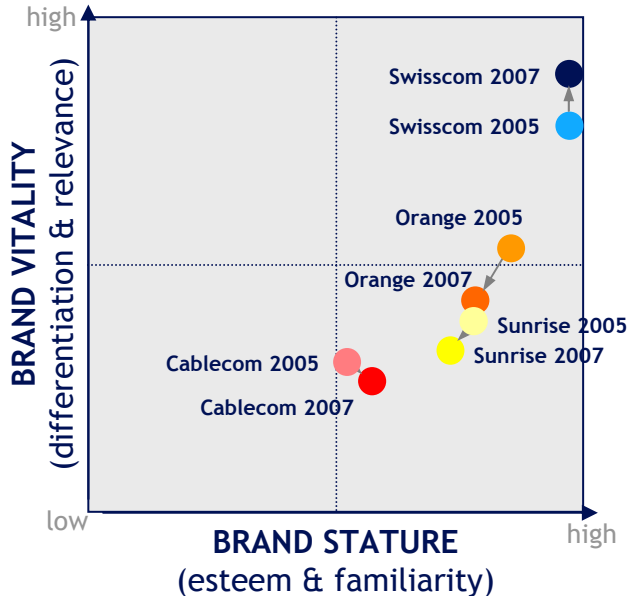
Swisscom market shares 2007 in Corporate segment

- Mobile voice: 78%
- Mobile data: 88%
- Fixed voice: 70%
- Broadband: 43%

Swisscom Switzerland - Strong brand and customer loyalty

Swisscom brand

Brandasset™ Valuator*



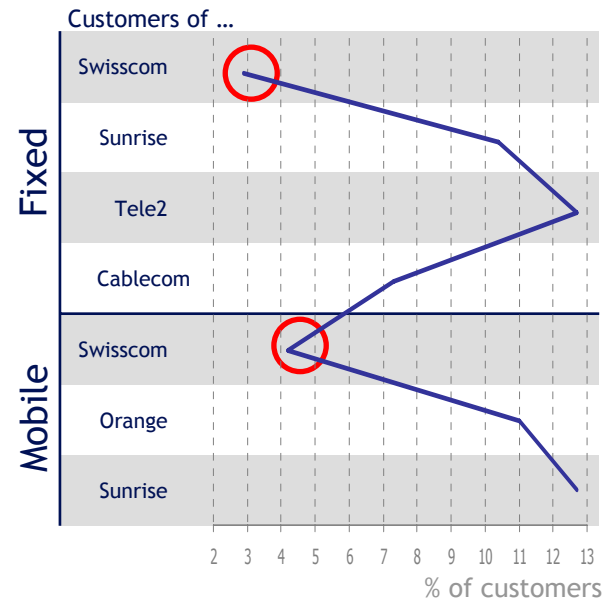
Swisscom brand awareness

- unaided: 88.1%
- aided: 96.9%

*Source: Advico Young & Rubicam, Brandasset™ Valuator, Oct. 2007

Customer loyalty

Intention to change operator**

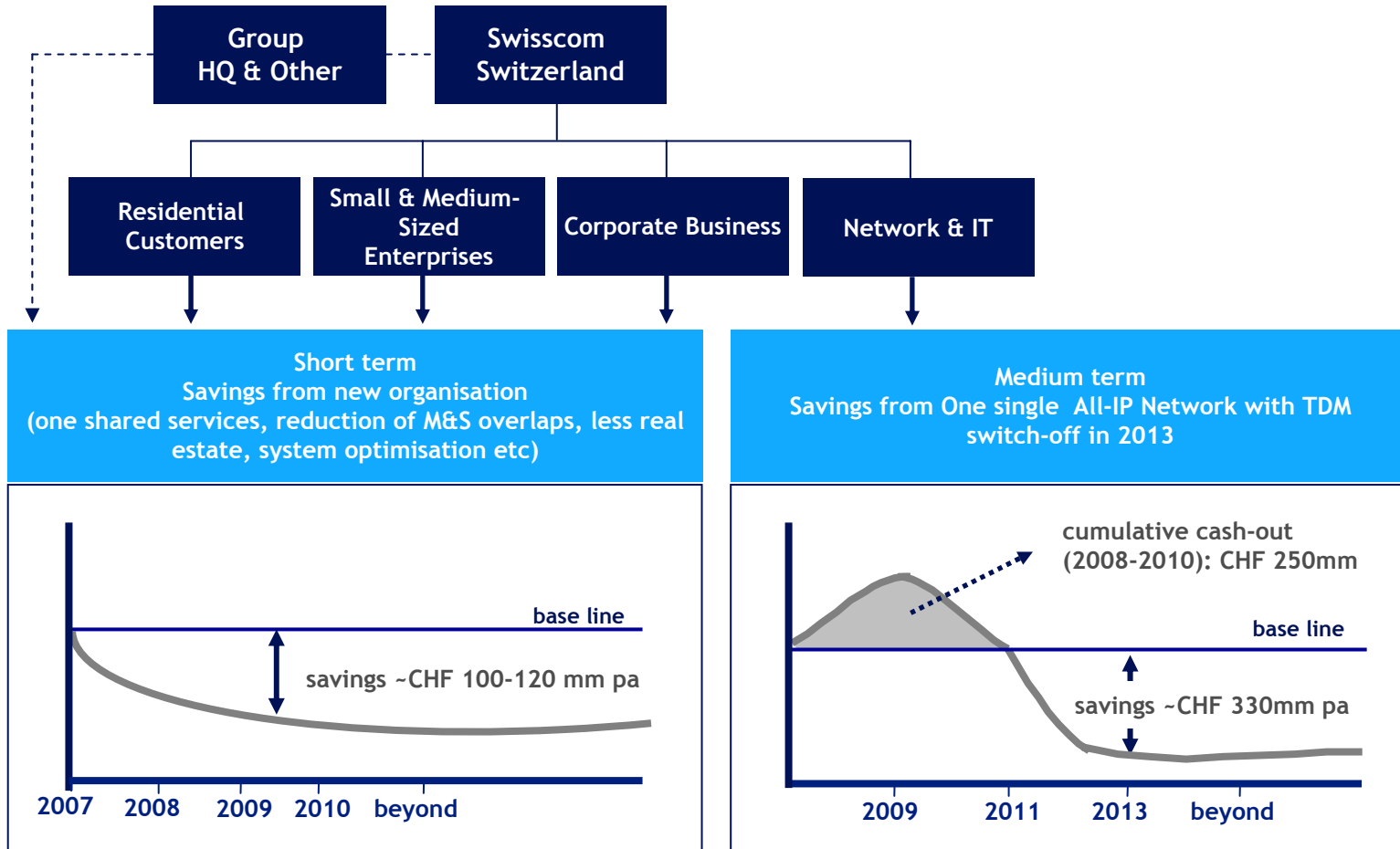


Customers willingness to

- re-elect Swisscom: 9 out of 10
- recommend Swisscom: 8.6 out of 10

**Source: IHA-GfK "Switcher-Studie", Dec. 2007

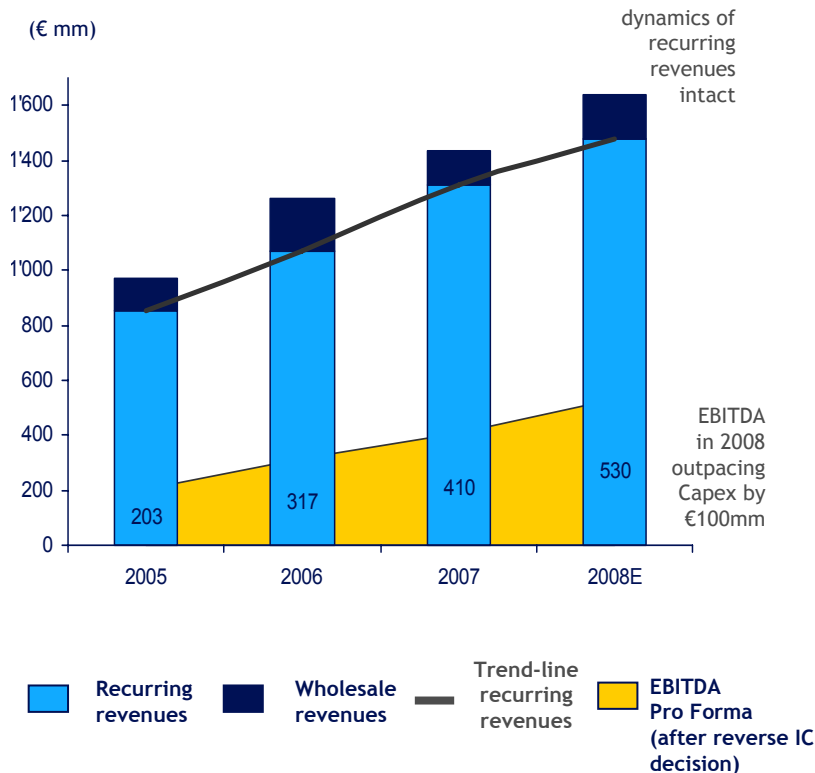
Swisscom Switzerland - Cost efficiency initiatives:



Fastweb - the growth generator

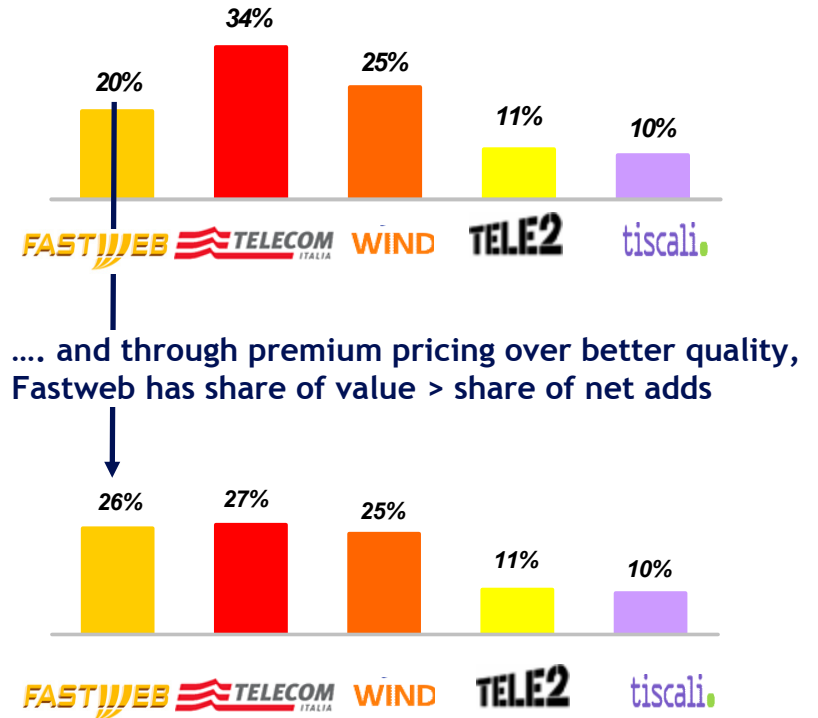
Focus on top line growth at Fastweb

Recurring business Fastweb with end-users (i.e. excluding proceeds from Wholesale)



Supported by Fastweb's success in picking up high share of net broadband adds

Fastweb's share of net adds Q1 2008 >> its market share of ~13% ...



Outlook & Guidance 2008

			2006	2007	2008
Swisscom Switzerland	Net revenue	in CHF mm	8'776	8'693	slightly down
	EBITDA	in CHF mm	3'729	3'898	slightly down
	CAPEX	in CHF mm	978	1'241	flat
Fastweb (FY pro forma adj. for extras)	Net revenue	in EUR mm	1,251	1,433	~ 1,640
	EBITDA	in EUR mm	317	410	~ 530
	CAPEX	in EUR mm	529	541	~ 425
Swisscom Group¹⁾	Net revenue	in CHF bln	9.7	11.1	~ 12.3
	EBITDA	in CHF bln	3.8	4.5	~ 4.8
	CAPEX²⁾	in CHF bln	1.3	2.0 ²⁾	2.1-2.2
	Δ NWC	in CHF bln	0.0	-0.4	~ -0.2
	OpFCF³⁾	in CHF bln	2.2	2.1	~2.4-2.5

1) Swisscom Group includes the segment 'Other' and Group Headquarters for which no separate guidance is provided

2) Capex 2007 ProForma for a FY of Fastweb was CHF 2.35bln. 2008 expenditure will on a comparable basis hence come down by CHF 150-250mm

3) Attributable to Swisscom shareholders

Q&A

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