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
### Swisscom Group 2007 Change YoY

<table>
<thead>
<tr>
<th>Category</th>
<th>2007</th>
<th>Change YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>in CHF bln</td>
<td>11.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>in CHF bln</td>
<td>4.5</td>
</tr>
<tr>
<td>CAPEX</td>
<td>in CHF bln</td>
<td>2.0</td>
</tr>
<tr>
<td>OpFCF</td>
<td>in CHF bln</td>
<td>2.1</td>
</tr>
<tr>
<td>Net income</td>
<td>in CHF bln</td>
<td>2.1</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>in CHF/share</td>
<td>39.9</td>
</tr>
<tr>
<td>Dividends Per Share</td>
<td>in CHF/share</td>
<td>201(^1)</td>
</tr>
<tr>
<td>Number of employees</td>
<td>FTE's per YE</td>
<td>19'844</td>
</tr>
</tbody>
</table>

1) Dividend consists of ordinary payment of CHF 18 and extraordinary dividend of CHF 2 per share, both paid in April 2008
Profile | Strategy | Customer orientation - new organisation | Swisscom Switzerland | Residential | SME | Corporate customers | Brand & Loyalty | Costs | Fastweb | Outlook

Time strategy
Maximise, Extend, Expand

3 pillars

Maximise
the existing business

- Erosion
  - Traditional
  - Business

- Growth

- Especially
  - pricing pressure
  - and volume declines

Extend
to deepen the business

- New
  - revenue

- Especially
  - broadband mobile data growth

- Cost savings

Expand
to widen the business

- New
  - business

- Fastweb,
  - Airbites,
  - Hospitality

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

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

<table>
<thead>
<tr>
<th>Number of deals</th>
<th>T-Systems</th>
<th>Swisscom IT Services’ Comit</th>
<th>P1ain</th>
<th>EDS</th>
<th>BHH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contract Value</td>
<td>Swisscom IT Services’ Comit</td>
<td>P1ain</td>
<td>EDS</td>
<td>BHH</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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(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

Technologies:

- Fixed
- Mobile

Sofar separated technologies converge to single

All IP

enabling the delivery of a wider range of services for increasingly diverging customer needs

Customers:

- Residential
- Small & Medium Enterprises
- Corporates
New organisation aligned with strategy to support shift from technology to customer orientation

CEO
Swisscom Group

Swisscom (Switzerland)

Residential
SME
Corporates
Wholesale
Networks & IT

Swisscom IT Services
Swisscom Participations
Fastweb

Maximize

Extend

Expand
The various segments of Swisscom Switzerland, introduction

Complex Solutions
Customer Structure: Administration, Holdings, Multi-Nationals and all Corporates with more than approx. 50 employees
Lead: CBU

Simple Solutions
Customer Structure: SME until approx. 50 Employees
Lead: SME

Simple Solutions
Customer Structure: Private
Lead: RES

Network operations, IT and Wholesale
Lead: NIT

- **5'000 MNC's & Large Corporations**
  - Annual Revenues (2007): CHF 1,869mm
  - Annual Contribution Margin: CHF 922mm

- **300'000 Small & Medium SoHo's**
  - Annual Revenues (2007): CHF 1,136mm
  - Annual Contribution Margin: CHF 817mm

- **3,2mm households**
  - Annual Revenues (2007): CHF 5,164mm
  - Annual Contribution Margin: CHF 3,011mm

- **7.5mm inhabitants**
Residential customer base
large, segmented and very loyal

Market View

Swisscom Segmentation

Overall Swiss Market

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

Price Sensitive
- Teens & Youth
- Mainstream & Family
- Silver
- Premium

Post-paid customer segmentation

Pre-paid customer segmentation

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

Churn rates 2007
• Mobile post-paid: 9%
• Mobile pre-paid: 16%
• Fixed voice: 9%
• Broadband retail: 9%

Market shares 2007
• Mobile voice: 62%
• Mobile data: 55%
• Fixed voice: 65%
• Broadband retail: 50%

RES

3,2 mm households
7.5mm inhabitants

SME

300'000
Small & Medium
SoHo’s

CBU

5’000
MNC’s &
Large Corporations
SME Market - unparalleled position

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

**Market View**

**Swisscom Segmentation**

- RES
- SME
- CBU

**Overall Swiss Market**

- 300'000 Small & Medium SoHo’s
- 5’000 MNC’s & Large Corporations
- 3,2 mm households
- 7.5mm inhabitants

**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:
2) Market Share Measurement - Swisscom study and analysis 2007
Corporate Market - leading full-service-provider

Focus on 5000 largest corporations in Switzerland

Market Segmentation

<table>
<thead>
<tr>
<th>Swisscom Segmentation</th>
<th>Overall Swiss Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBU</td>
<td></td>
</tr>
<tr>
<td>5'000 MNC’s &amp; Large Corporations</td>
<td></td>
</tr>
<tr>
<td>SME</td>
<td></td>
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<tr>
<td>300'000 Small &amp; Medium SoHo’s</td>
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<tr>
<td>RES</td>
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<tr>
<td>3.2 mm households</td>
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</tr>
<tr>
<td>7.5mm inhabitants</td>
<td></td>
</tr>
</tbody>
</table>

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 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:

- **Short term**
  - Savings from new organisation
  - (one shared services, reduction of M&S overlaps, less real estate, system optimisation etc)

- **Medium term**
  - Savings from One single All-IP Network with TDM switch-off in 2013

Cumulative cash-out (2008-2010): CHF 250mm

Savings ~CHF 330mm pa

Savings ~CHF 100-120 mm pa
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% ....

EBITDA in 2008 outpacing Capex by €100mm

... and through premium pricing over better quality, Fastweb has share of value > share of net adds
## Outlook & Guidance 2008

### Swisscom Switzerland

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenue</strong></td>
<td>8'776</td>
<td>8'693</td>
<td>slightly down</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>3'729</td>
<td>3'898</td>
<td>slightly down</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>978</td>
<td>1'241</td>
<td>flat</td>
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</table>

### Fastweb

*(FY pro forma adj. for extras)*

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenue</strong></td>
<td>1,251</td>
<td>1,433</td>
<td>~ 1,640</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>317</td>
<td>410</td>
<td>~ 530</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>529</td>
<td>541</td>
<td>~ 425</td>
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</table>

### Swisscom Group

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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</thead>
<tbody>
<tr>
<td><strong>Net revenue</strong></td>
<td>9.7</td>
<td>11.1</td>
<td>~ 12.3</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>3.8</td>
<td>4.5</td>
<td>~ 4.8</td>
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<tr>
<td><strong>CAPEX</strong> 2)</td>
<td>1.3</td>
<td>2.0</td>
<td>2.1-2.2</td>
</tr>
<tr>
<td><strong>Δ NWC</strong></td>
<td>0.0</td>
<td>-0.4</td>
<td>~ -0.2</td>
</tr>
<tr>
<td><strong>OpFCF</strong> 3)</td>
<td>2.2</td>
<td>2.1</td>
<td>-2.4-2.5</td>
</tr>
</tbody>
</table>

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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
Cautionary statement regarding forward-looking statements

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For further information, please contact:
phone: +41 31 342 6410
fax: +41 31 342 6411
investor.relations@swisscom.com
www.swisscom.ch/investor