“Unlimited”

Results Q3 2012
Investor & Analyst Presentation
8 November 2012

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Agenda "Unlimited"

1. "Uelimited" **Carsten Schloter, CEO**
   – Saying Thank You! to Ueli Dietiker for his Unlimited energy as CFO over 39 quarters
2. Unlimited
   – Q3: introduced complete overhaul of mobile pricing plans to make cannibalisation of rated voice and SMS irrelevant
   – Sole price differentiation over speed. Voice, SMS and data in each plan **unlimited**
   – Customer reception excellent
   – Investments into network and service quality paying off
3. Fastweb
   – Results satisfactory
   – Investing to build more FTTS and secure stronger market position
4. Group results **Ueli Dietiker, CFO**
5. Operational focus points
6. Outlook: 2012 with restructuring charge, 2013 with pension fund
7. Q&A

Attachment: *Segmental results, Details on IPTV, Access revenues, 1P and Bundle RGUs, ARPU and resulting revenues, Smartphones & SACs*

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1. Uelimited – CFO without limits

Ueli Dietiker

CFO until 31.12.2012

Today last external quarterly presentation (number 39…)

Stays with Swisscom as CEO of Related Business and Board member for several subsidiaries

Swisscom to profit from Ueli's experience in many areas going forward

Multi talent

Not only as CFO, but also as interim manager for HR, for IT Services and as CEO for Swisscom Fixnet, Ueli has proven to be a real asset to the Swisscom group of companies

As CFO, Ueli will be succeeded by Mario Rossi

Mario has been with Swisscom in financial roles since 1998 (just before the IPO)

He had assignments including CFO at Fastweb, and also acted as Group CFO for Swisscom when Ueli was managing the fixed line business in 2006/2007

Mario Rossi

Thank you Ueli – welcome Mario

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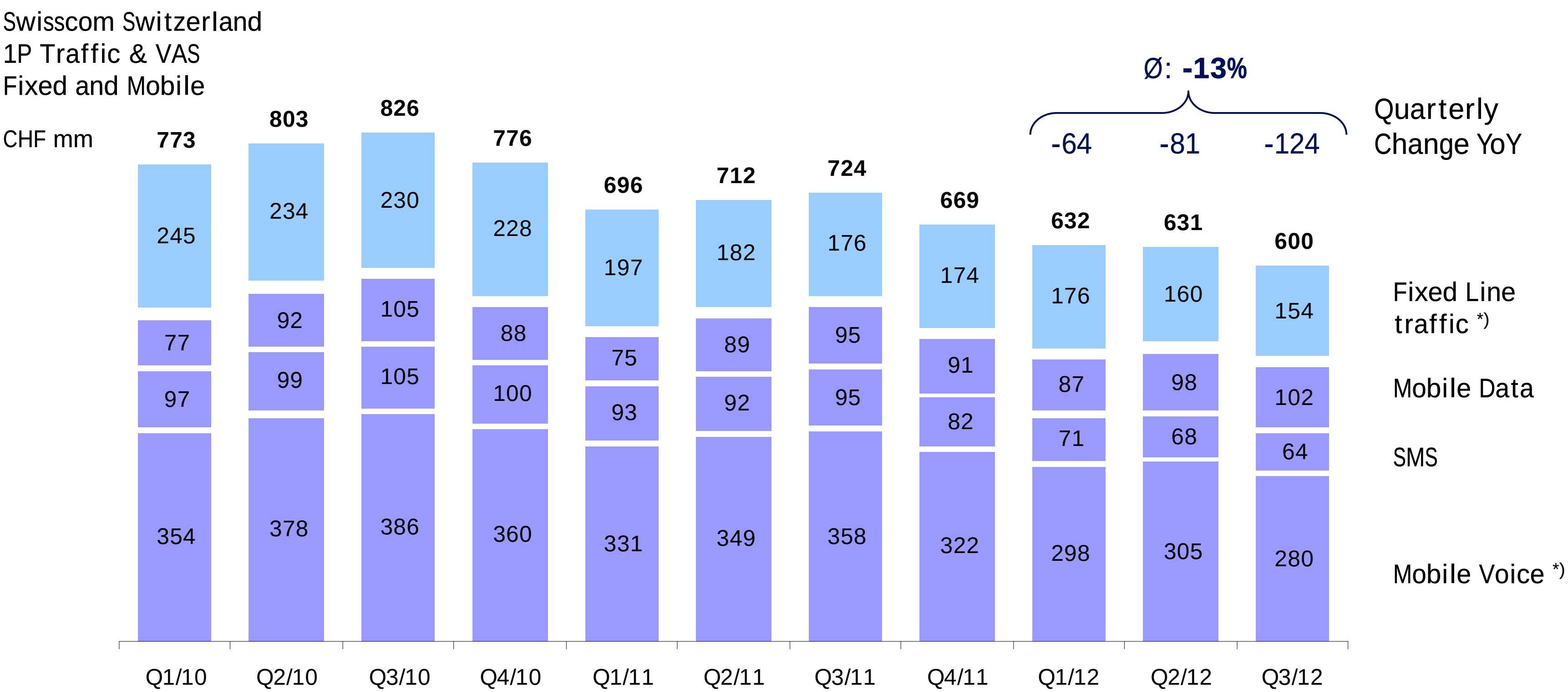
2. Unlimited - decline

Cannibalization of metered revenues continues...

...initially triggered by free to use OTT alternatives (e.g. Whatsapp, iMessage etc), increasingly by ourselves through bundling strategy



*) including revenue VAS

Revenues from products charged on basis of usage will ultimately disappear

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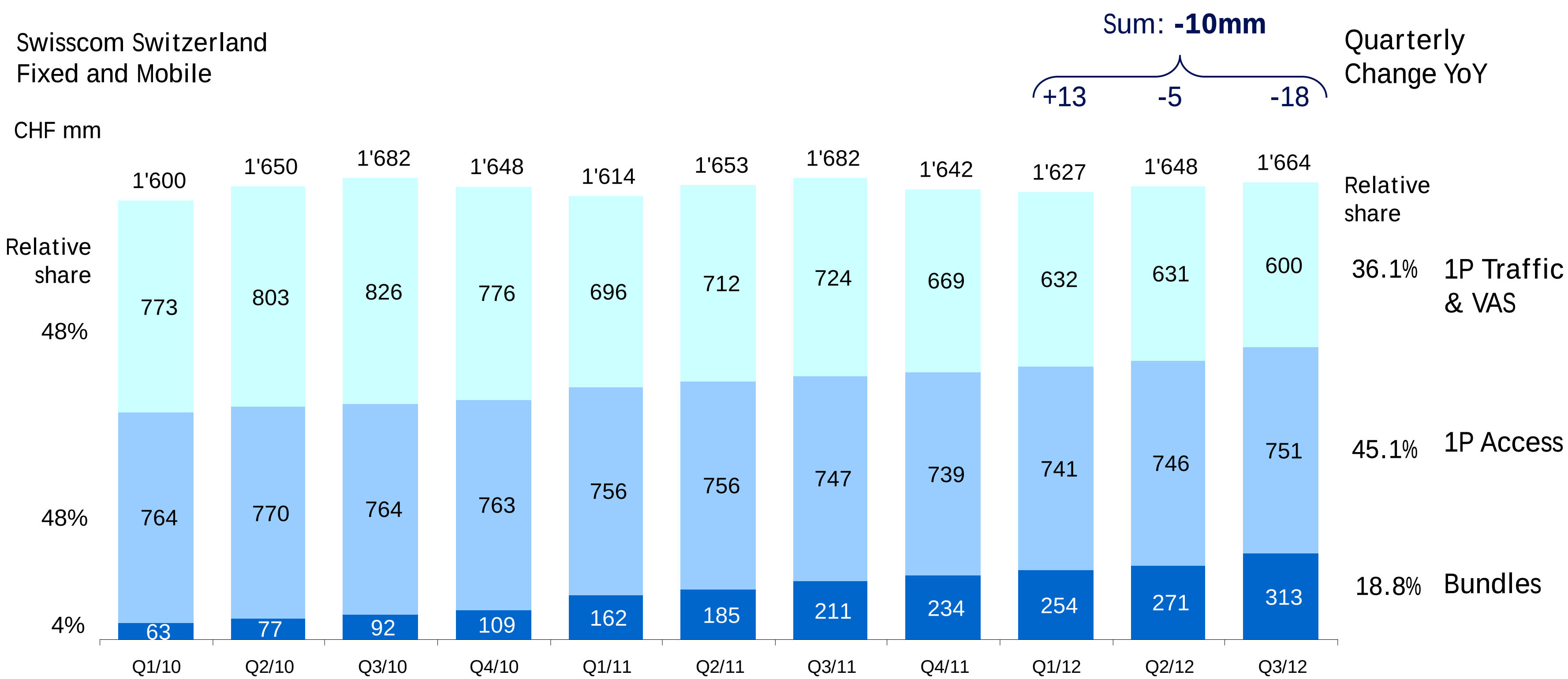
2. Unlimited - compensation

Growth in revenues from Bundles nearly compensates decline in traffic…

… however more volumes need to be included in the bundle free of charge



Bundles now representing nearly 19% of revenues (compared to "nothing" 3 years ago)

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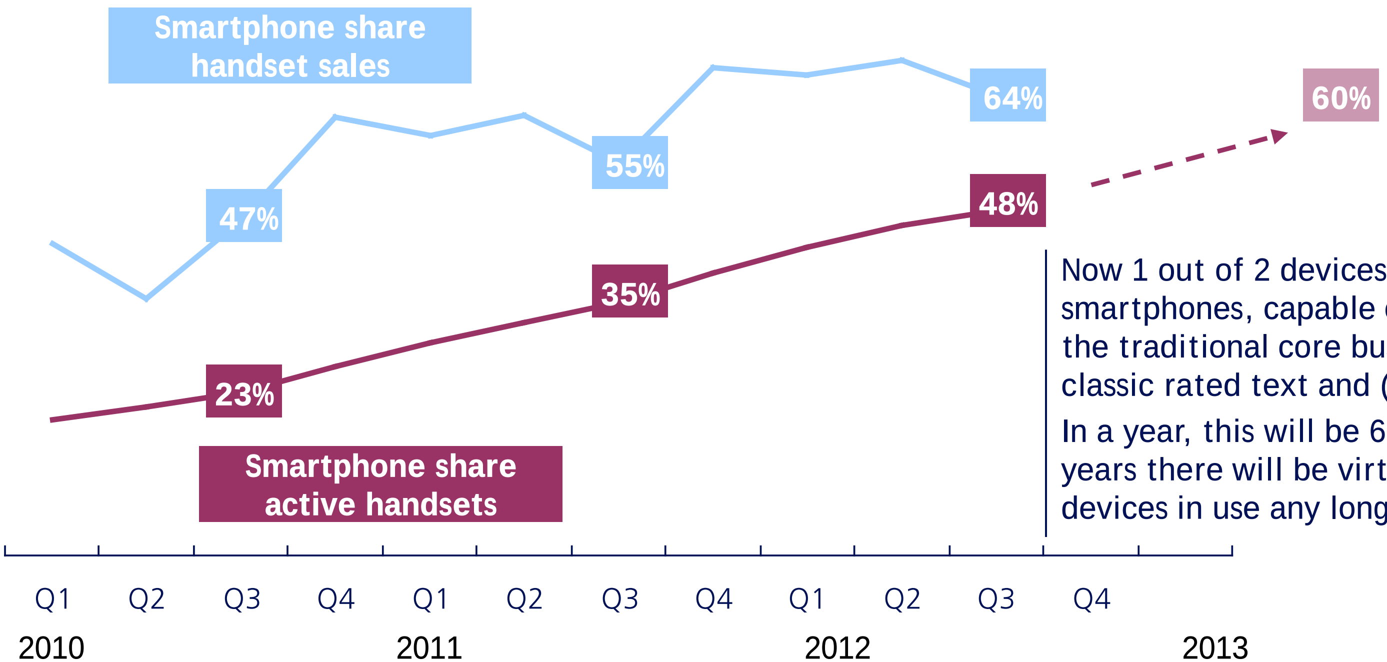
2. Unlimited - growth

Smartphone and tablet penetration (i.e. Apps) massively change consumer behaviour



Now 1 out of 2 devices in use are smartphones, capable of circumventing the traditional core business of telco's: classic rated text and (increasingly) voice

In a year, this will be 60%, and in a few years there will be virtually no ordinary devices in use any longer

OTT providers offer opportunity to circumvent SMS entirely (Whatsapp, iMessage, etc). Just a matter of time until something similar happens on larger scale to voice (Viber, "iVoice"?)

2. Unlimited – change to behaviour and business model

Customers increasingly desire

Value for money:

Classic rated products no longer an alternative for free-to-use alternatives

Predictability of bill:

Cost of (rapidly growing) data consumption increasingly unpredictable as customer has no idea how much data is being used (also in background)

Speed:

Speed is intuitive & visible – and therefore valuable. Data volume is not. Mobile data pricing should be aligned with what is known from the fixed line world: speed based

Operators to grab the opportunity

Best network getting more important:

Network quality, spectrum, coverage & capacity increasingly important to experience reliable and consistent speed of connection. This requires capability to (continue) to invest. Swisscom invests 3x avg. European incumbent and operates 2x more antennas than nr. 2 and 3 in Switzerland

Cloud offers opportunities:

Long term vision of secure access to everything with every device: metered products will not work here, and operators have to grab the opportunity to offer an all-inclusive alternative such as Swisscom's Infinity program

OTT and cloud services with access from everywhere will offer great opportunities to operators who have the right (all-inclusive) pricing model on the back of superior network quality

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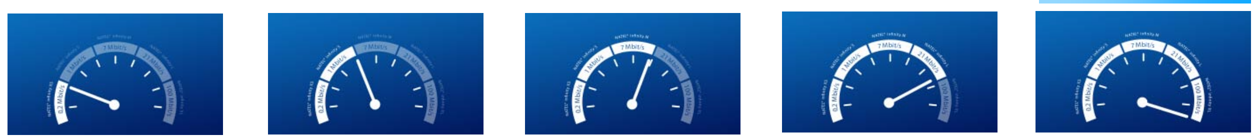
2. Unlimited – speed is the only price criterion

New mobile price plans from 25 June 2012

-> Offering 5 plans with all-inclusive domestic voice/SMS/data, designed for the following usage profiles

	infinity XS	infinity S	infinity M	infinity L	infinity XL
typical usage	Voice and SMS	Voice and SMS	Voice and SMS	Voice and SMS	Voice and SMS
	Mail w/o attachment	Mail w/o attachment	Mail w/o attachment	Mail w/o attachment	Mail w/o attachment
		+ social media	+ social media	+ social media	+ social media
			+ video small density	+ video small density	+ video small density
				+ video HD	+ video HD
					+cloud



Bandwidth (max)	0,2 Mbit/s	1 Mbit/s	7,2 Mbit/s	21 Mbit/s	100 Mbit/s
Price (CHF/month)	59	75	99	129	169
Roaming in W-Europe (min. voice, # SMS, Mb Data)	-	-	30/30/30	100/100/100	200/200/200

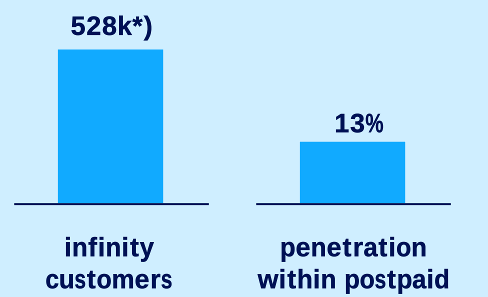
-> Special offers to the youth segment launched mid August at 10-25% discount of S, M and L plans

In each plan, all voice, SMS and data usage is included. Customer only has to pick the desired speed. Gives "total" control over monthly bill to customer. And "peace of mind" to Swisscom, as this pre-empts OTT threats and is not easily replicable by other operators due to required network quality/density

2. Unlimited – enthusiastic customer response

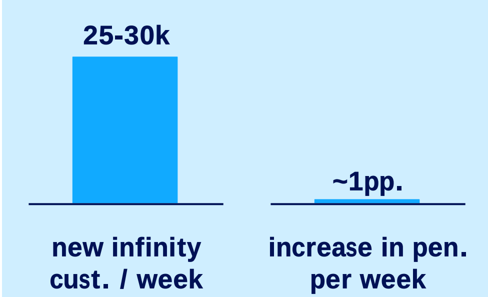
Status after 3 months of operation (per 30.9.2012)

Immediate pick up



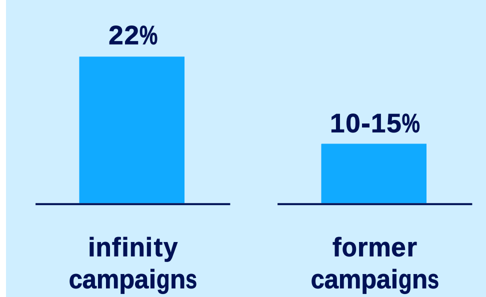
- 528'000*) customers on the new price plans with monthly flat rates
- 110'000 of them prev. "BeFree" customers that have been transferred to NATEL infinity XL

Growing customer base



- Every week 25-30'000 existing/new customers chose NATEL infinity
- Penetration of infinity within postpaid hence increases by 1pp./week

High response rate



- Offers are well received by the end customer
- Outbound call campaigns with extraordinary high response rates (22% vs. former 10-15%)

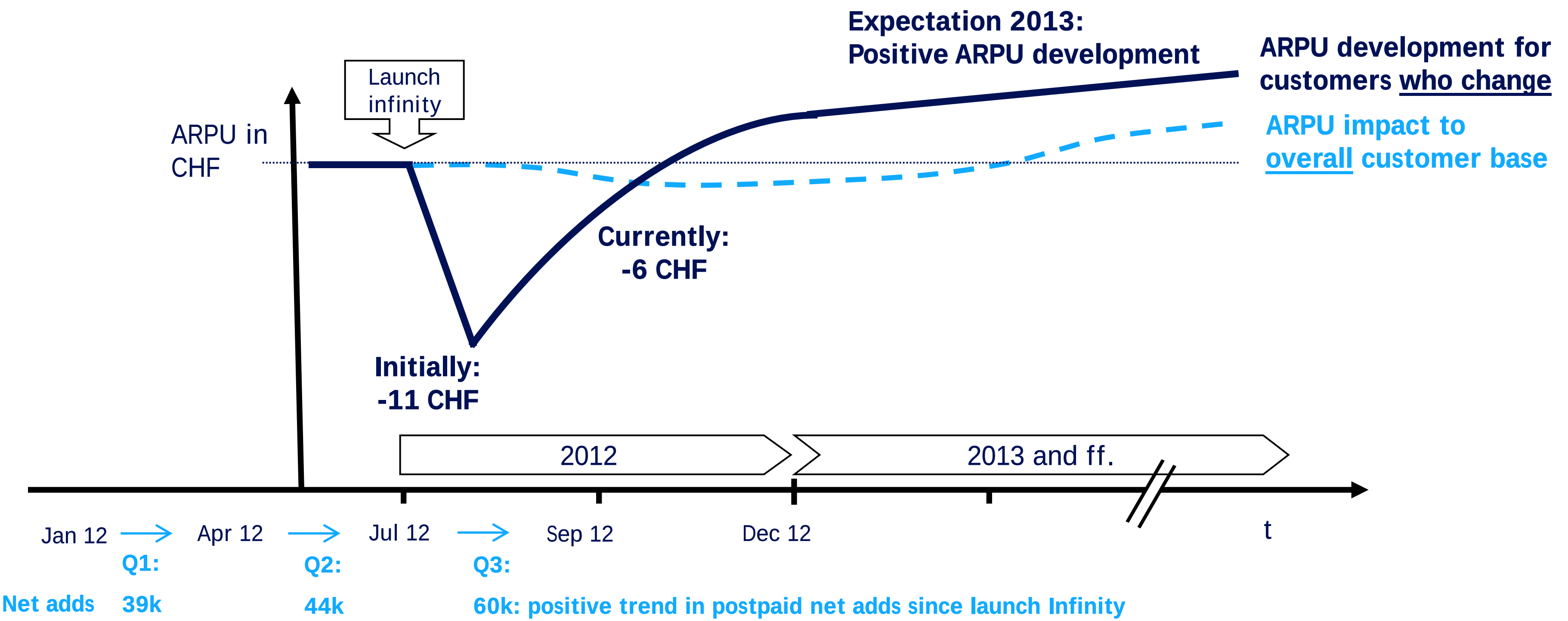
*) 630k per 31.10.2012

Overall customer reaction very positive – many of them moving quickly to infinity

2. Unlimited – ARPU dynamics from infinity migrators

Initial ARPU dilution by "rightgraders" rapidly improving

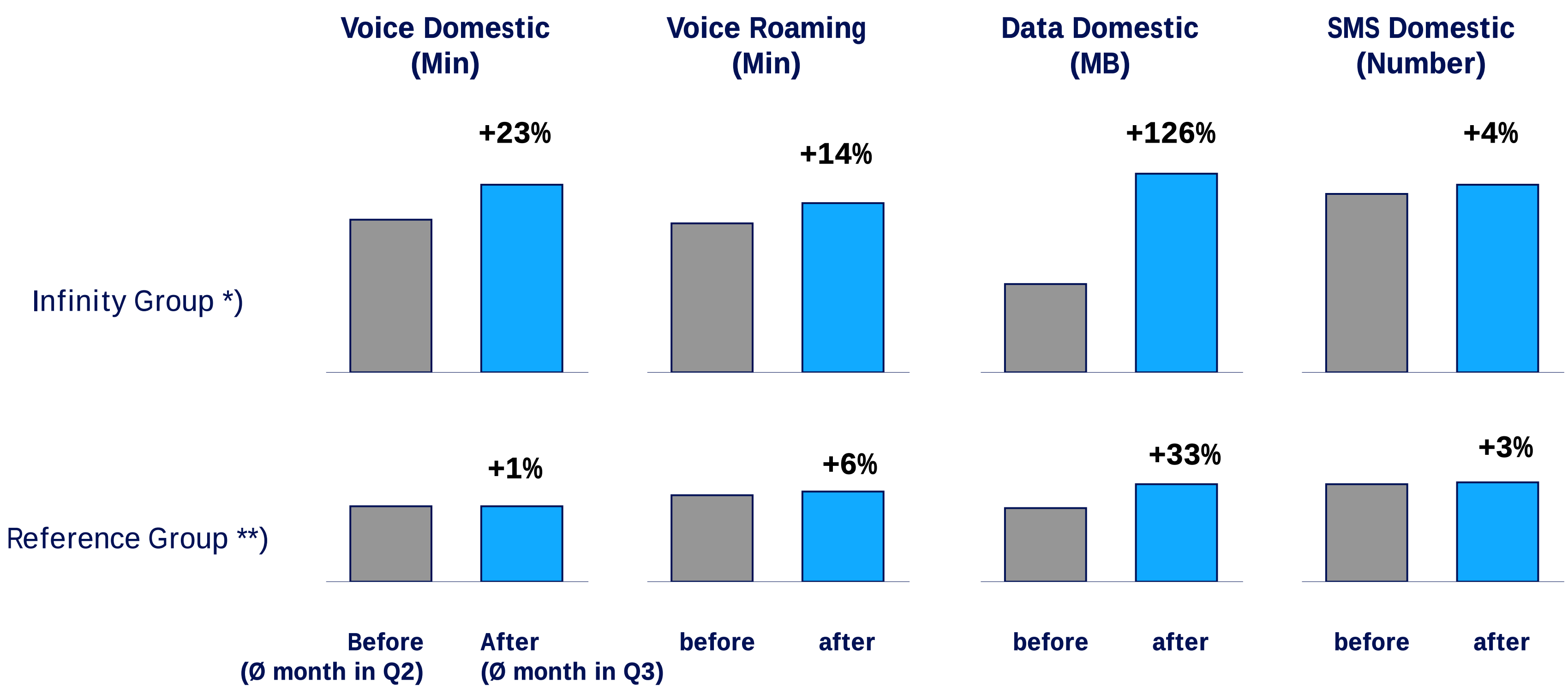
- During first 3 months, 85% of migrators have optimised (i.e. improved their average monthly bill)
- Most other migrators will „buy security" by moving to Infinity, but not necessarily improve their monthly bill



Most obvious rightgraders have moved to Infinity plans already. Expect positive ARPU development from 2013 through "wronggraders" and upselling to higher speed plans for existing customers

2. Unlimited – data consumption growing more rapidly

The customers having changed to Infinity take advantage of the unlimited volume offering



Although consumption increases more rapidly, network capacity is in place to handle a continuation of this ttrend

*) customers having changed in July

**) average Postpaid

2. Unlimited – data only plans launched last week

Now offering data-only plans at a discount if taken in combination with a mobile Infinity subscription or an internet access subscription

Unlimited[1] surfing with	NATEL® data S	NATEL® data M	NATEL® data L	NATEL® data XL
Saving data on the internet				✓
HD Video, photo upload, gaming			✓	✓
Youtube, Live TV, music streaming		✓	✓	✓
News, e-mail, surfing, facebook	✓	✓	✓	✓
Download up to	1 Mbps	7.2 Mbps	21 Mbps	100 Mbps
Upload up to	0.5 Mbps	1.0 Mbps	2 Mbps	10 Mbps
Price for infinity/DSL custom.	CHF 9.-	CHF 29.-	CHF 49.-	CHF 69.-
Price w/o NATEL data benefit	CHF 39.-	CHF 49.-	CHF 69.-	CHF 89.-

Unlimited surfing, speed differentiated

- Unlimited[1] surfing with all NATEL® data offer
- Offers are differentiated in terms of speed

[1] capped at 5 GB (S/M), 10 GB (L/XL) to limit cannibalization

Special price for infinity/DSL customers

- Special price for infinity and DSL customers to stimulate 2nd SIM pickup without cannibalizing infinity and DSL

These offers are tailored to prevent cannibalization of fixed internet access, and to drive 2nd SIM card penetration

2. Unlimited - summary

Complete overhaul of (mobile) pricing was necessary to make cannibalisation irrelevant

- Price differentiation on speed only
  - Tariff plans (all you can eat) delivering real, predictable and intuitive customer value
- No regret move, as costs are fixed
  <10% is variable related to termination on other networks
- Fortifies competitive strength
  - Only strongest networks can deliver (Swisscom Capex much higher, better coverage & capacity, more spectrum)
  - Pre-empts loss to OTT

Thoughts going forward

- Fine tune plans when necessary to meet (evolving) customer needs
- Accept initial ARPU decline caused by “right graders” before “up-graders” start kicking in
- Continue to invest to deliver upon perceived quality of service and to cement number 1 market position
- Market such that customers over time move up the chain to higher speeds, thereby increasing ARPU
- Think about similar ways to address the fixed line (voice) market cannibalisation threats. First example: data-only SIM card combination launched last week

In a world where OTT and cloud services grow rapidly, early moving into all-you can eat plans supported by superior network quality, can deliver extra long term value to Telco operators

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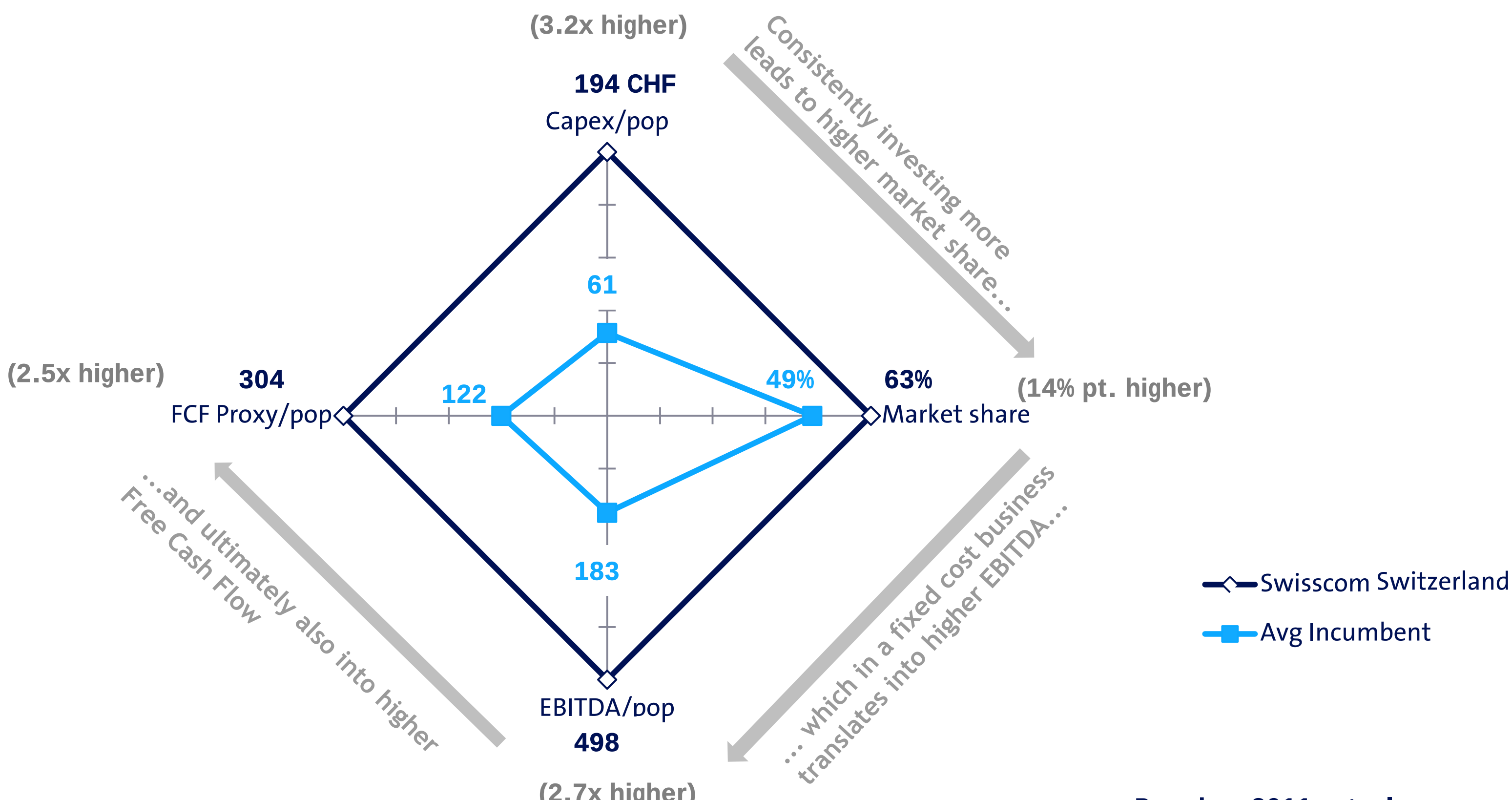
2. Unlimited – why higher investments make sense

Swisscom invests more – thus generating much higher FCF than other incumbents



Based on 2011 actuals

In a quality conscious market, higher investments into networks and service levels lead to superior FCF generation

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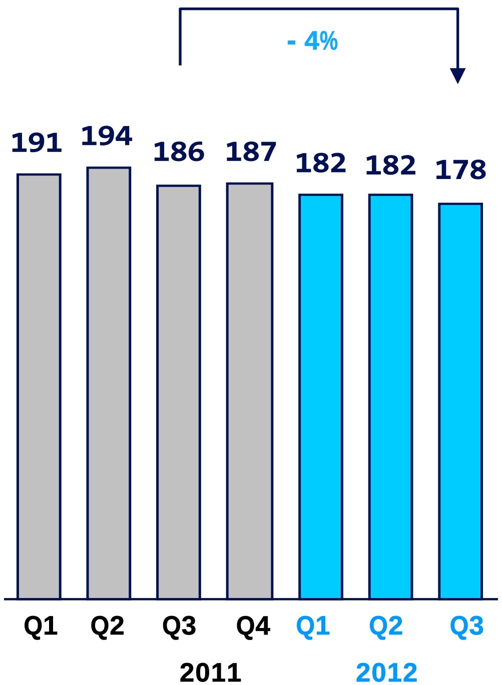
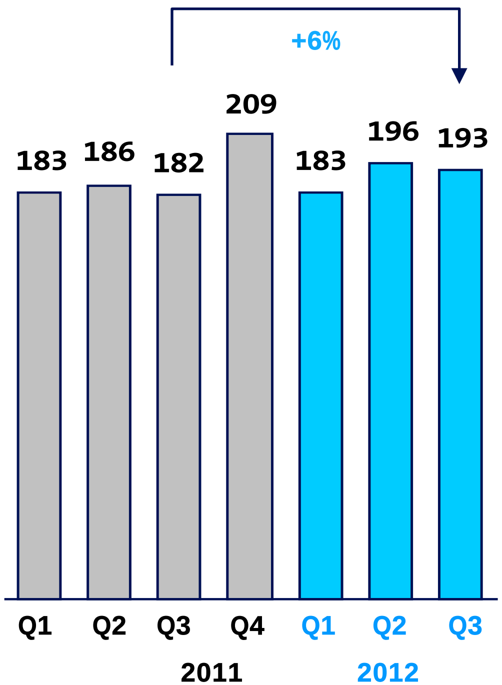
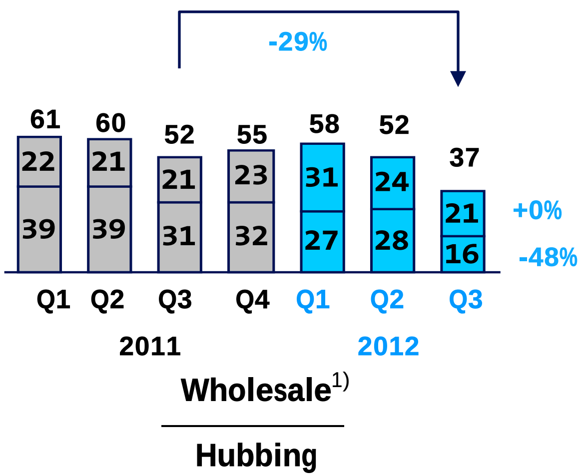
3. FASTWEB – results stable

FASTWEB quarterly revenues (in EUR mm)





Total revenues without Hubbing at € 1'190 mm slightly increasing YoY (+0.3%)



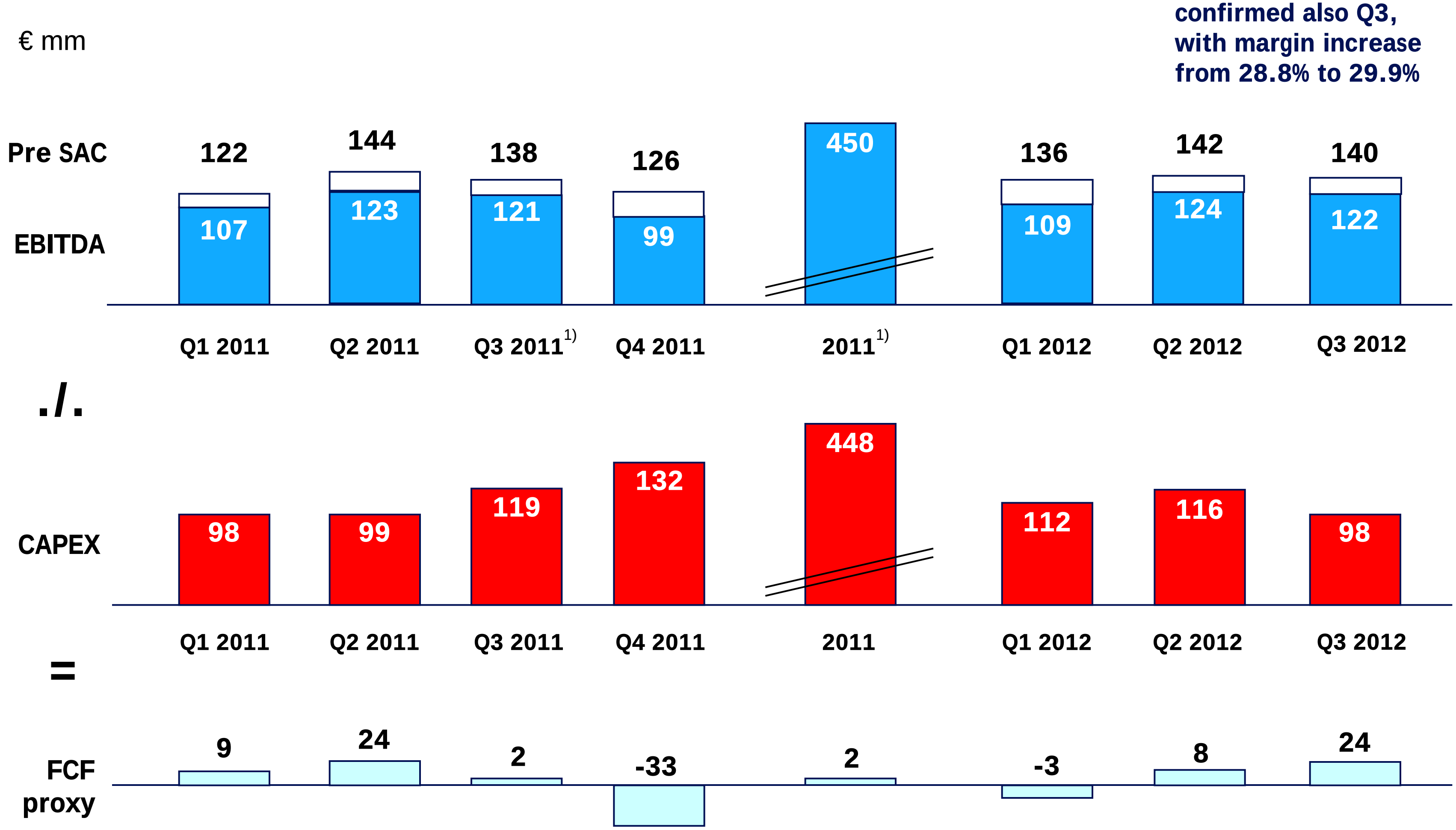
Consumer revenue decrease (driven by reduction in interconnection rates and competitive pressure) more than compensated by increase in Enterprise top line

Managed reduction of low margin hubbing revenue

1) incl. revenues to Swisscom companies

3. FASTWEB – results stable

EBITDA growth vs. PY confirmed also Q3, with margin increase from 28.8% to 29.9%



FCF proxy in Q3 2012 positively impacted by Capex reduction

1) excl. other income of €56 mm recognised in Q3 2011 following a settlement of a dispute with another Telco provider

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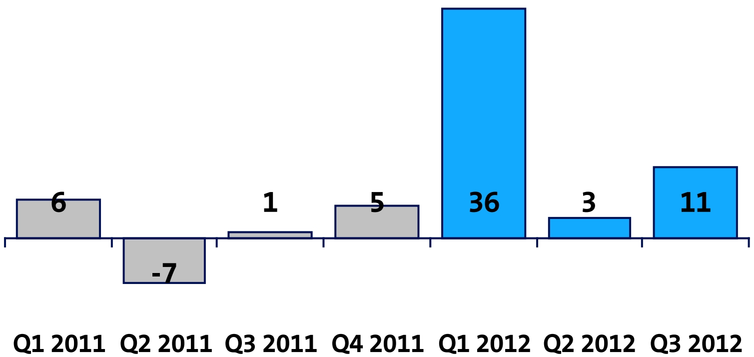
3. FASTWEB – results stable

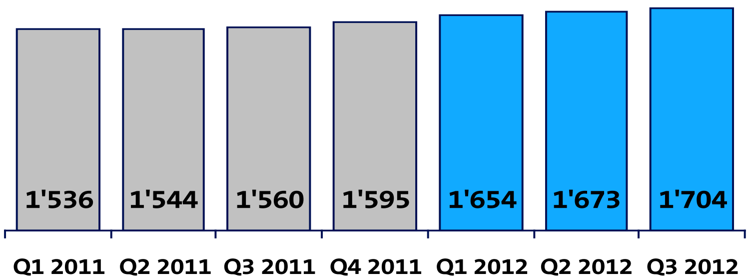
Net Adds BB excl. Sky

(000)



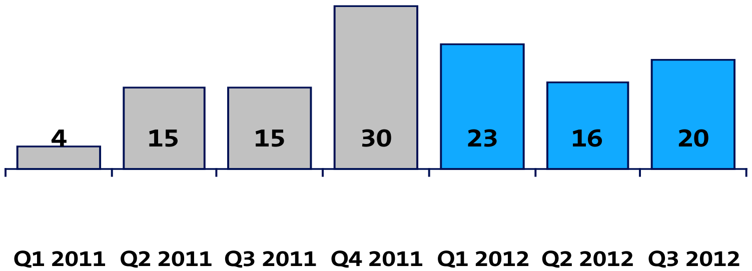
Customer Base BB 1)

(000)



Net Adds Sky (excl. Migrators)

(000)



- **Italian Broadband ongoing market slow-down confirmed in Q3 (zero net adds growth)**
- **FASTWEB market leader in customer acquisitions in July-September and the only operator with positive net adds in each of the last five quarters**

1) Q1 and Q2 of 2011 adjusted by customer transfer (-197k) to another operator due to the settlement of a legal dispute

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3. Fastweb – investing to strengthen market position

New investment program to strengthen relative and absolute position for Fastweb

Rationale

- FASTWEB current success is based on a growing demand from families and businesses for quality of service and bandwidth
- NGA is a key success factor and expansion through FTTS is feasible thanks to existing 33 thousands kilometers of fiber network, satisfying demand at lower cost and more homogeneously than FTTH
- In only two years FASTWEB can increment its NGA coverage from 2 million households and business today to 5.5 million across 20 cities

Implications

- Leverage and enhance the company's current positioning as the provider of ultra-broadband services in Italy
- Cost efficient and timely roll out thanks to existing infrastructure and cooperation agreement on passive infrastructure with Telecom Italia. Total NGA Capex up to €400 million until 2016 to expand and enhance NGA. Around €130 million Capex in 2013
- Program can easily be slowed down or accelerated depending on general (macro and telco) development in Italy

Customers on fibre create 2x higher life time value than those on copper ULL, with churn on ULL 50% higher than on fibre

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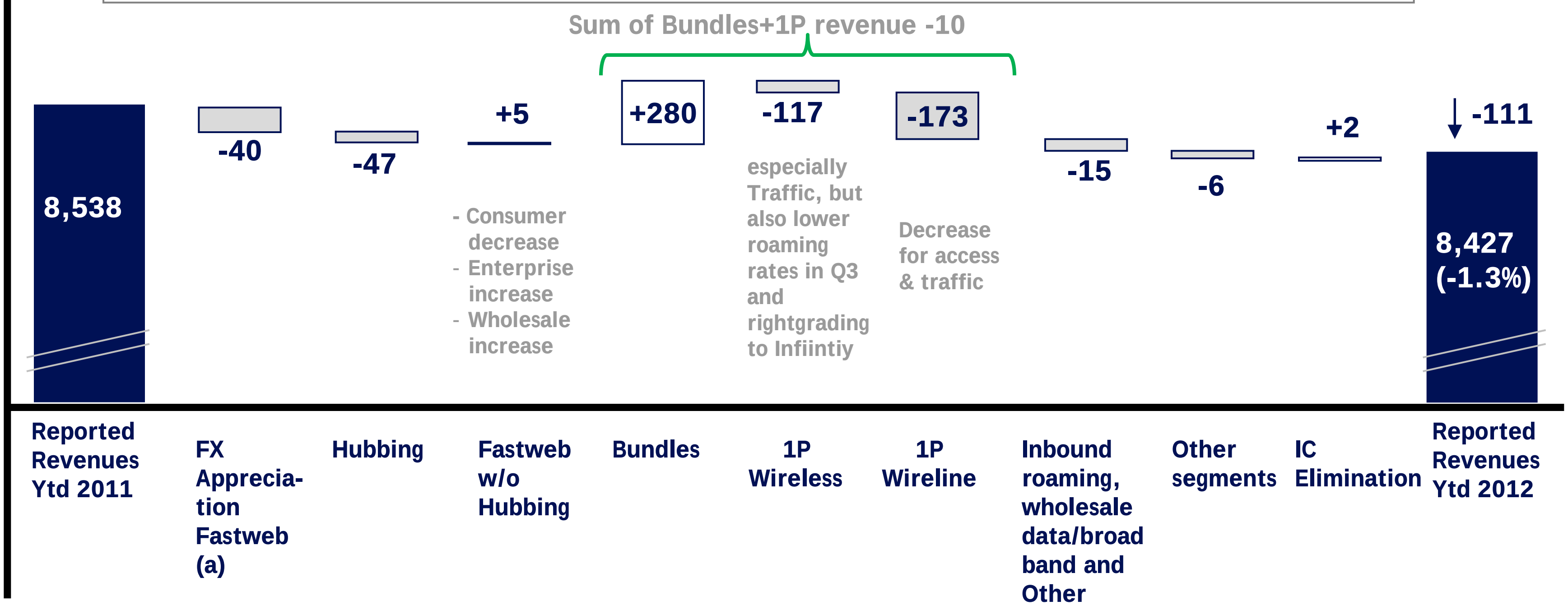
4. Group results - revenues

Change YoY (9m 2011 versus 9m 2012) in CHF mm, total Swisscom Group

Fastweb: -82 | Swisscom w/o Fastweb: -29

										Σ
Q1:	-36	-16	+0	+ 92	-17	-62	-15	-7	+1	-60
Q2:	-17	-14	+1	+ 86	-33	-58	-10	+3	+1	-41
Q3:	+13	-17	+4	+102	-67*)	-53	+10	-2	+0	-10



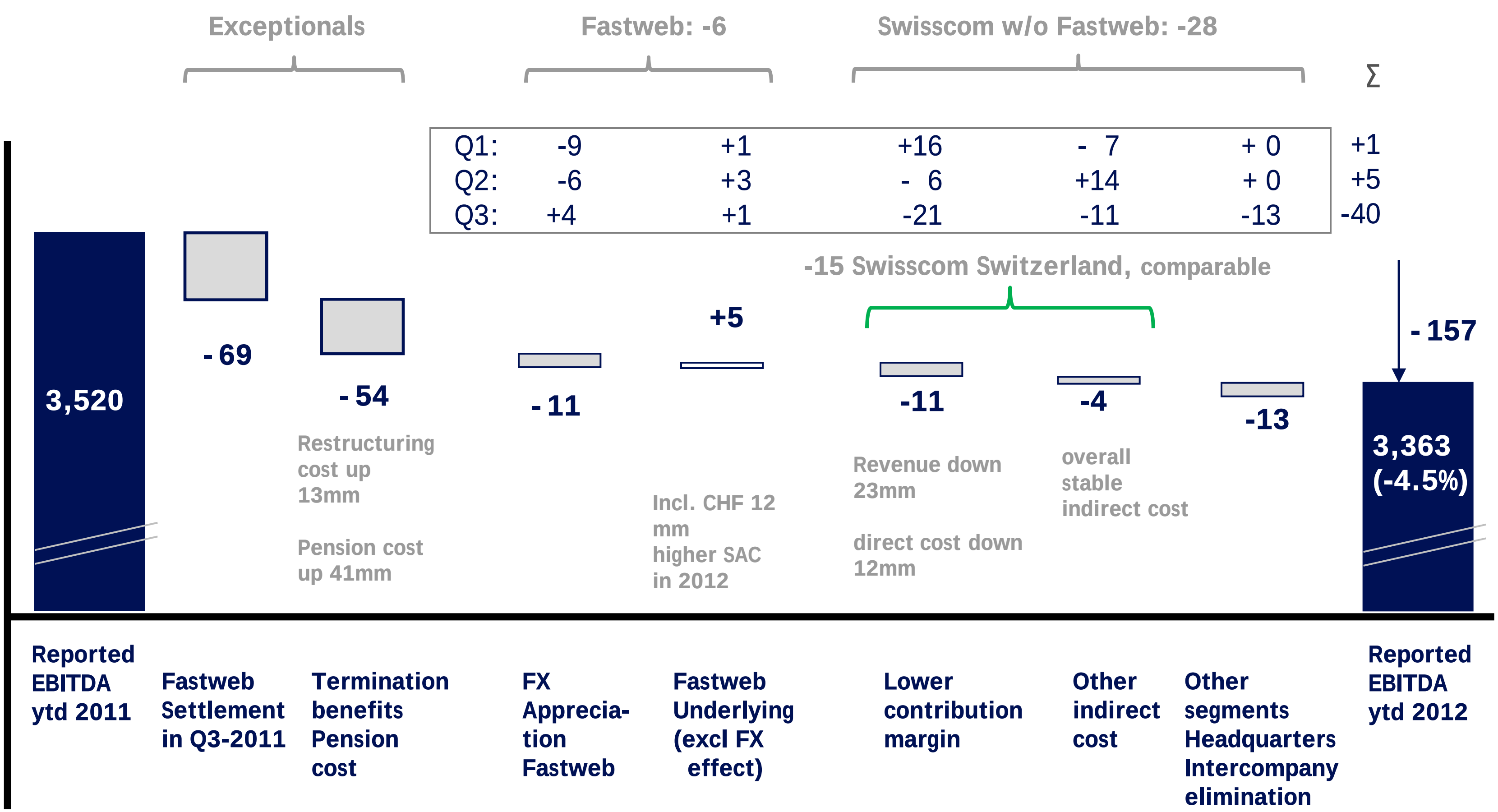
(a) Average exchange rate CHF/€ ytd 2011: 1.2358 vs. ytd 2012: 1.2037, i.e. a weakening of Euro against Swiss Franc of 2.6%

(*) would have been -54 mm on a comparable basis to prior quarters, as since Q3 additional SIM cards taken as part of a bundle, are included in Bundles Revemues

80% of revenue reduction related to FX and Hubbing at Fastweb

4. Group results - EBITDA

Change YoY (9m 2011 versus 9m 2012) in CHF mm, total Swisscom Group



Reported EBITDA down 4.5%, driven by exceptionals as well as roaming price cuts and right grading in Q3

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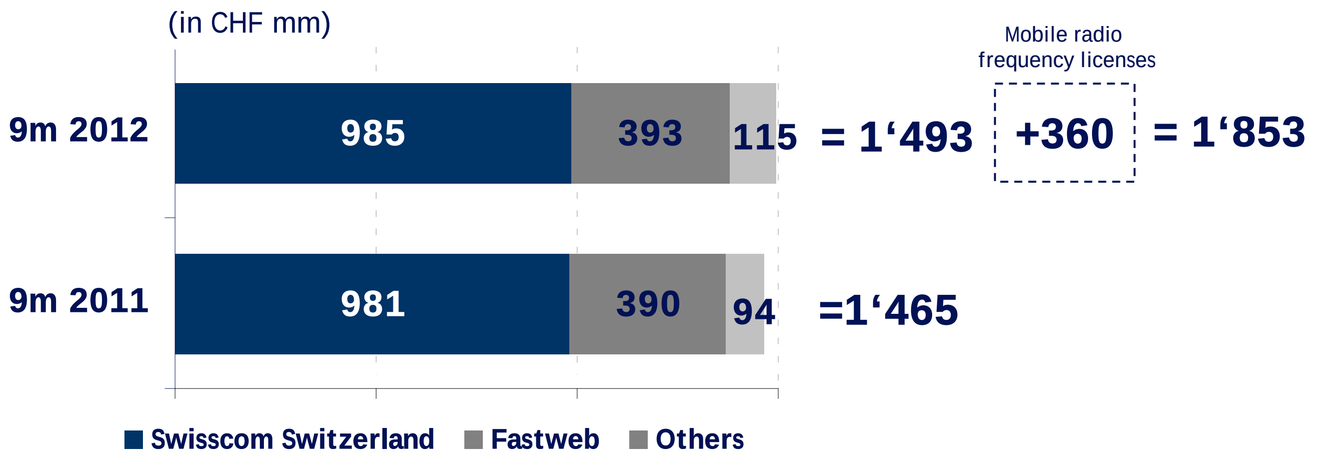
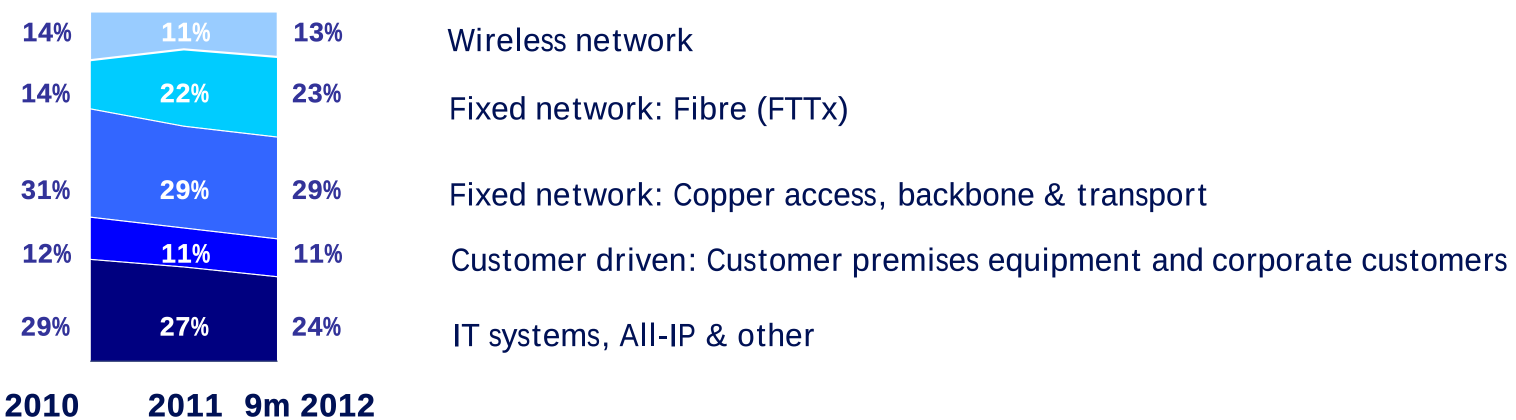
4. Group results - CAPEX breakdown

Comparable CAPEX increase YoY (+CHF 28mm) due to further broadband rollout at SCS and higher CAPEX at real estate subsidiary SIMAG



CAPEX of Swisscom Switzerland* – trend to invest more into fibre continues



* without CAPEX for mobile radio frequency licences

5. Operational focus points

TV

- TV net adds in Q3 of 34,000 (compared to 27,500 at Cablecom)
- Cablecom launched new low cost offer with automatic transfer from analogue to digital
- Swisscom contemplates to offer an attractive alternative, designed to attract price sensitive customers while not loosing high value customers who use extra services such as video and live sports
- "Battle" over next 18-24 months to win the remaining 1.5 million Swiss TV consumers who today are still on analogue

Mobile

- More rapid migration taking place from pre paid to post paid since launch Infinity tariffs (Q3 2012):

	Q1	Q2	Q3
Postpaid	+39k	+44k	+60k
Prepaid	-6k	-12k	-21k
Total	33k	32k	39k

- Improving quality of customer base through Infinity
- Difficult to say what share of net adds Swisscom had in Q3, as competitors haven't published yet. However inportings >> outportings in Q3

Operationally, robust development continues, with more dynamic composition changes underneath. TV and Mobile deserve special focus into 2013

6. Outlook – new developments for 2012 and 2013

Several changes to impact numbers for both 2012 and 2013

Restructuring

- Streamlined organisational structure to be introduced from 1.1.2013 with less overlaps and smaller HQ
- CHF 50 million to be booked in Q4 2012 as restructuring provision
- Benefits of approx CHF 35 mm in lower cost from 2013 onwards from 400 FTE's reduction (100 management, 300 other), however compensated by extra cost for 300 new employees in growth areas, and salary increase overall

Pension fund

- New IFRS rule (IAS19) causes from 2013 annual cost increase of approximately CHF 60 mm
- This will weigh fully on EBITDA, however not on FCF as contributions will not increase (contributions determined by Swiss FER principles, not IFRS)

SACs/SRCs

- Q4 2012 can be expected to be higher than Q4 of last year, esp. because of pent-up demand for new iPhone 5
- Extra cost (at expense of Q4 EBITDA) of around CHF 20 to 30 mm

Capex

- 2012 on plan (CHF 2.2 bln without license cost for mobile spectrum)
- 2013 will likely see an increase due to ~CHF 150mm higher investments in Italy

Isolated special items will impact 2013. Overall guidance to be published on 7 February 2013 upon results announcement 2012

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6. Outlook 2012

Underlying EBITDA outlook unchanged

CHF bln	2011 actual	2012 target	2012 revisited per 30.9.2012
Exchange rate CHF/€	1.232	1.20	1.20
Revenues	**11.467**	**11.3**	**11.3**
EBITDA	**4.584**	**4.4** →	**4.35**
CAPEX	**2.095**	**2.2** (excl. cost for mobile spectrum)	**2.2** (excl. cost for mobile spectrum)
Dividend per share (payable the year after)	**22** (paid on 13 April 2012)	**22** despite extra cost for mobile spectrum (upon achieving the financial targets above, payable in 2013)	**22** despite extra cost for mobile spectrum (upon achieving the financial targets above, payable in 2013)

CHF 50 million restructuring provision in Q4 causes expected reported EBITDA to be CHF 4.35 bln (from CHF 4.4 bln previously), despite higher SACs/SRCs in Q4. Underlying EBITDA stays the same

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Q&A

Attachm. Segmental results: residential customers

Financials and operational data

	30.09.2012	YOY
Net revenue in MCHF 1)	3'768	-0.2%
Direct costs in MCHF	-876	-0.2%
Indirect costs in MCHF 2)	-679	-1.3%
Contribution Margin 2 in MCHF	**2'213**	**0.1%**
Contribution Margin 2 in %	*58.7%*	
CAPEX in MCHF	99	7.6%
FTE's	4'417	-6.8%

	30.09.2012	YOY
Voice lines in '000	2'274	-4.6%
BB lines in '000	1'484	3.6%
Wireless customers prepaid in '000	2'210	-1.5%
Wireless customers postpaid in '000	2'384	2.8%
Wireless cancellation rate (annualised)	14.2%	0.2 pp
Blended wireless ARPU MO in CHF	36	-7.7%
TV subs in '000	705	30.8%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

9m 2012

- **Net revenue** on level prior year (-0.2%). Voice line loss and ongoing price erosion is almost compensated by increasing number of bundles products, ongoing subscriber growth and a higher number of sold smart phones.
- **Bundles:** strong increase in bundle revenue (+47.2%) as the number of bundle customers successfully grow.
- **Single play revenue**: decrease -9.7% due to customer shift to bundle products and ongoing voice line loss.
- **Direct cost** stable -0.2%. Lower outpayments and lower subscriber acquisition/retention cost compensate by the increase of goods and services purchased.
- **Indirect cost** down by -1.3% (efficiency gains)
- **Contribution Margin** slightly up +0.2%-points to 58.7%
- **TV subscriber base** up +30.8%

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Attachm. Segmental results: Small & Medium-sized Enterprises

Financials and operational data

	30.09.2012	YOY
Net revenue in MCHF [1)]	872	0.8%
Direct costs in MCHF	-105	-3.7%
Indirect costs in MCHF [2)]	-107	13.8%
Contribution Margin 2 in MCHF	**660**	**-0.3%**
Contribution Margin 2 in %	*75.7%*	
CAPEX in MCHF	10	11.1%
FTE's	832	2.5%

	30.09.2012	YOY
Voice lines in '000	518	0.4%
BB lines in '000	190	11.1%
Wireless customers in '000	543	6.7%
Wireless cancellation rate (annualised)	6.8%	0.1 pp
Blended wireless ARPU MO in CHF	81	-4.7%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

9m 2012

- Net **revenue** up by +0.8%.
  Ongoing growth of wireless and broadband subscribers as well as strong development of bundle products overcompensate price erosion.
- **Direct costs** down by -3.7% due to lower outpayments and acquisition/retention costs.
- **Indirect cost** up +13.8% (efficiency gains are overcompensated by expenses for service level and a higher number of FTE).
- **Contribution Margin** down by -0.8%-points to 75.7% mainly due to higher indirect costs.
- **BB lines** up +11.1%

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Attachm. Segmental results: corporate business

Financials and operational data

	30.09.2012	YOY
Net revenue in MCHF 1)	1'361	-0.7%
Direct costs in MCHF	-296	-4.8%
Indirect costs in MCHF 2)	-353	5.4%
Contribution Margin 2 in MCHF	**712**	**-1.8%**
Contribution Margin 2 in %	*52.3%*	
CAPEX in MCHF	58	-34.1%
FTE's	2'405	0.4%

	30.09.2012	YOY
Voice lines in '000	242	-0.8%
BB lines in '000	34	6.3%
Wireless customers in '000	1'016	11.9%
Wireless cancellation rate (annualised)	5.0%	-0.3 pp
Blended wireless ARPU MO in CHF	53	-10.2%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

9m 2012

- **Revenue** slightly down by -0.7%.
- Ongoing increase of wireless data is overcompensated by wireline business (price erosion).
- **Direct cost** down by -4.8% driven by lower outpayments and acquisition/retention costs.
- **Indirect cost** increase by +5.4% mainly due to higher personnel expenses (pension costs).
- **Contribution Margin** slightly down by -0.6%-points to 52.3%.

Attachm. Segmental results: wholesale

Financials and operational data

	30.09.2012	YOY
Revenue from external customers in MCHF	451	-3.0%
Intersegment revenue in MCHF	279	-6.1%
Net revenue in MCHF	**730**	**-4.2%**
Direct costs in MCHF	-437	-3.3%
Indirect costs in MCHF [1)]	-16	45.5%
Contribution Margin 2 in MCHF	**277**	**-7.4%**
Contribution Margin 2 in %	*37.9%*	
CAPEX in MCHF	-	nm
FTE's	109	0.9%

	30.09.2012	YOY
Full access lines in '000	310	4.4%
BB (wholesale) lines in '000	181	-5.7%

1) incl. capitalised costs and other income

9m 2012

- **Net revenue** decreased by 32 MCHF
  - lower roaming rates
  - ongoing substitution towards full access
  - revenue decrease in data services
- **Direct costs** down by 15 MCHF as many revenue drivers push also down direct cost
- **Full access lines** (ULL) further increased, mostly substituting wholesale broadband lines

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Attachm. Segmental results: network and support functions

Financials and operational data

	30.09.2012	YOY
Personnel expenses in MCHF	-489	3.8%
Rent in MCHF	-137	3.8%
Maintenance in MCHF	-132	8.2%
IT expenses in MCHF	-216	5.9%
Other OPEX in MCHF	-176	-12.0%
Indirect costs in MCHF	-1'150	1.9%
Capitalised costs and other income in MCHF	120	5.3%
Contribution Margin 2 in MCHF	**-1'030**	**1.5%**
Depreciation, amortisation and impairment in MCHF	-659	5.1%
Segment result in MCHF	**-1'689**	2.9%
CAPEX in MCHF	1'177	48.6%
FTE's	4'087	0.2%

9m 2012

- **Indirect costs** up by 21 MCHF mostly driven by higher termination benefits and higher pension cost.
  Higher costs for network maintenance and IT systems were nearly compensated by further cost savings due to efficiency improvements.
- **Segment result** decreased by 47 MCHF as a result of higher indirect costs and higher depreciation partly offset by higher capitalised costs mainly due to increased investment activities.
- **CAPEX** of 1’177 MCHF include a one time investment of 360 MCHF due to the auction of mobile radio frequencies by the swiss confederation earlier this year.
- Comparable CAPEX of 817 MCHF are above previous year (3.2%) mainly driven by higher spending for broadband-infrastructure.

Attachm. Segmental results: Fastweb

Financials and operational data

	30.09.2012	YOY
Consumer revenue in MEUR	542	-5.1%
Enterprise revenue in MEUR	572	3.8%
Wholesale revenue in MEUR 1)	147	-15.0%
Net revenue in MEUR 1)	1'261	-2.6%
of which net revenue excl. hubbing in MEUR	1'190	0.3%
OPEX in MEUR 2)	-906	2.0%
EBITDA in MEUR	**355**	**-12.8%**
EBITDA margin in %	*28.2%*	
CAPEX in MEUR	326	3.2%
OpFCF Proxy in MEUR	29	-68.1%
FTE's	2'911	-6.3%

In Swisscom accounts	**30.09.2012**	**YOY**
EBITDA in MCHF	428	-14.9%
CAPEX in MCHF	393	0.8%

	30.09.2012	YOY
BB customers in '000	1'704	9.2%
Mobile value customers in '000	372	27.0%

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income

9m 2012

- **Revenues** decreased by 2.6% YoY
  - Shortfall in Consumer revenues driven by reduction in interconnection rates and by competitive pressure due to loss-making offers (mobile to fixed cross subsidy) by competitors
  - Managed reduction of low margin Wholesale revenues (Hubbing) compensated by an increase in high margin Wholesale and Enterprise business
- Reported **EBITDA** reached 355 MEUR, down by 12.8% YOY driven by other income in Q3/2011 due to a dispute settlement. Excluding this one off, EBITDA increased by 1.1% - despite the increase of SAC (+10 MEUR) - thanks to significant cost reduction for bad debt and tight cost control in OPEX section.
- **Contribution to Swisscom** EBITDA in CHF -14.9% due to the still stronger Swiss Franc in a YOY context (Currency impact in Swisscom accounts: revenue -40 MCHF / EBITDA -11 MCHF)
- **Customer base** increased to 1’704k, +109k growth in 2012 so far, confirming the good trend since September 2011 in all segments (+9.2% in YoY context).

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Attachm. Segmental results: Other

Financials and operational data

	30.09.2012	YOY
Swisscom IT Services in MCHF	387	-3.3%
Swisscom Participations in MCHF	249	5.1%
Hospitality Services in MCHF	47	-11.3%
Other in MCHF	-	n.m.
External revenue in MCHF	683	-1.0%
Net revenue in MCHF [1)]	1'267	0.4%
OPEX in MCHF [2)]	-1'051	2.3%
EBITDA in MCHF	**216**	**-8.1%**
EBITDA margin in %	*17.0%*	
CAPEX in MCHF	130	15.0%
FTE's	4'492	1.4%

1) incl. intersegment revenues

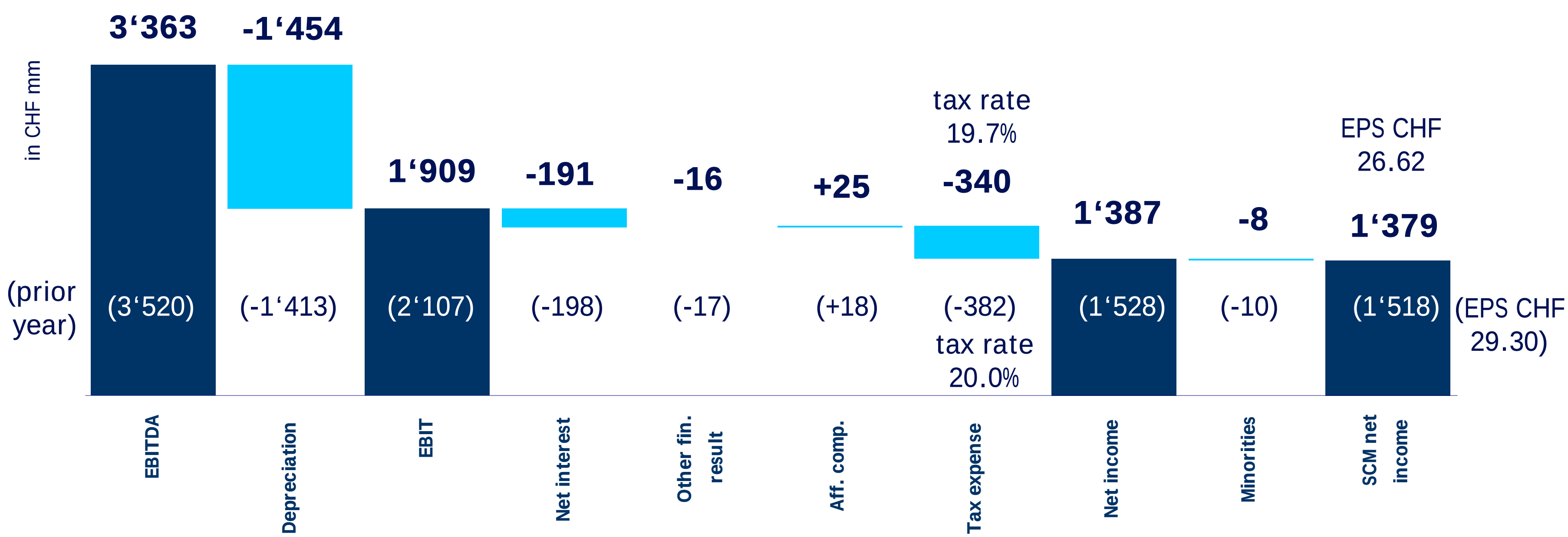
2) incl. capitalised costs and other income

9m 2012

- **External revenue** down by 7 MCHF (-1.0%):

  IT Services down by 13 MCHF, mainly due to lower project business revenue
- **Net revenue** up by 5 MCHF, higher intersegment revenue is partly offset by lower external revenue
- **EBITDA** down by 19 MCHF, due to decreases at Swisscom Participations and Hospitality Services
- **CAPEX** up by 17 MCHF, mainly due to higher spendings at the real estate subsidiary SIMAG
- **Order intake IT Services** amounts to 293 MCHF (YTD)

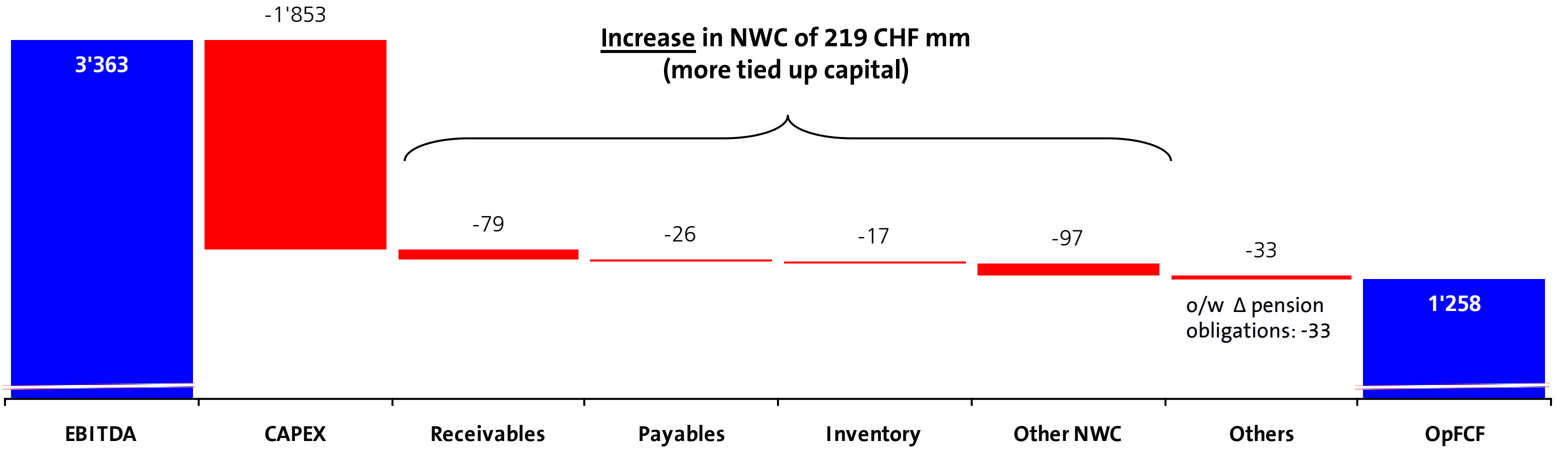
Attachm. Group results: P&L breakdown



Net income down mainly following the EBITDA development

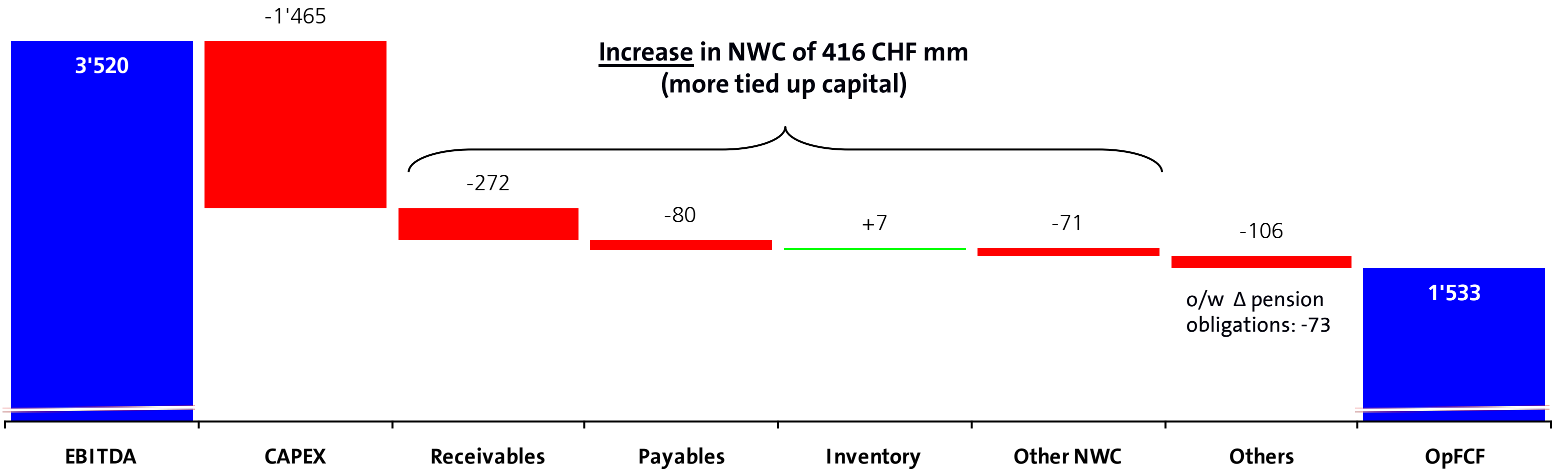
Attachm. Group results: operating free cash flow breakdown

YTD Sep 2012



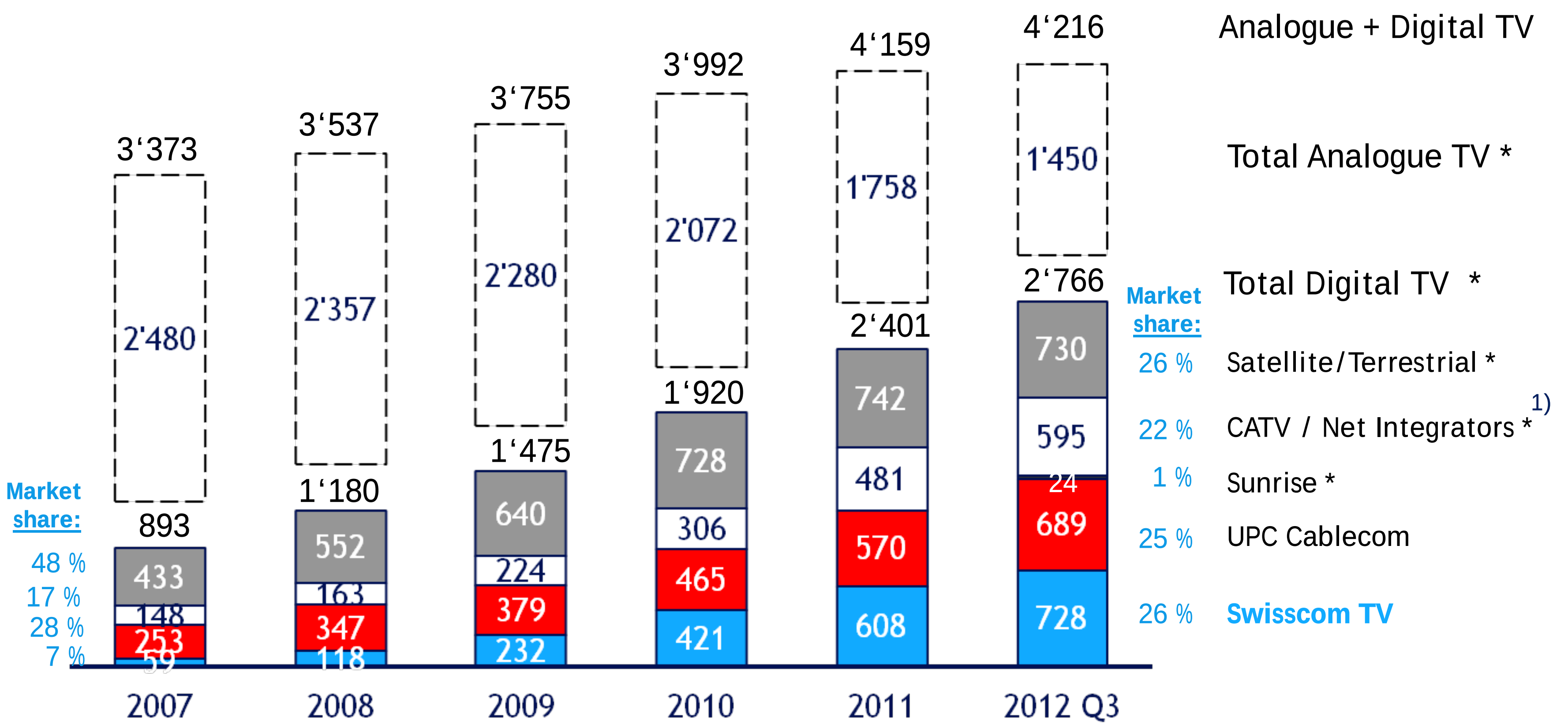
Δ	EBITDA	CAPEX	Receivables	Payables	Inventory	Other NWC	Others	OpFCF
Δ	-157 o/w pension -41	-388	+193	+54	-24	-26	+73 o/w pension +40	-275 o/w pension -1

YTD Sep 2011



Attachm. TV market Switzerland

Market volumes (000) digital and analogue TV



1) Migration to digital largely driven by analogue customers who have been transferred technically, but have not subscribed to a digital product yet: these are still potential customers for Swisscom

* Estimates for 2012 Q3

Cable customers who are being migrated to digital continue to be potential customers for Swisscom’s IPTV solution

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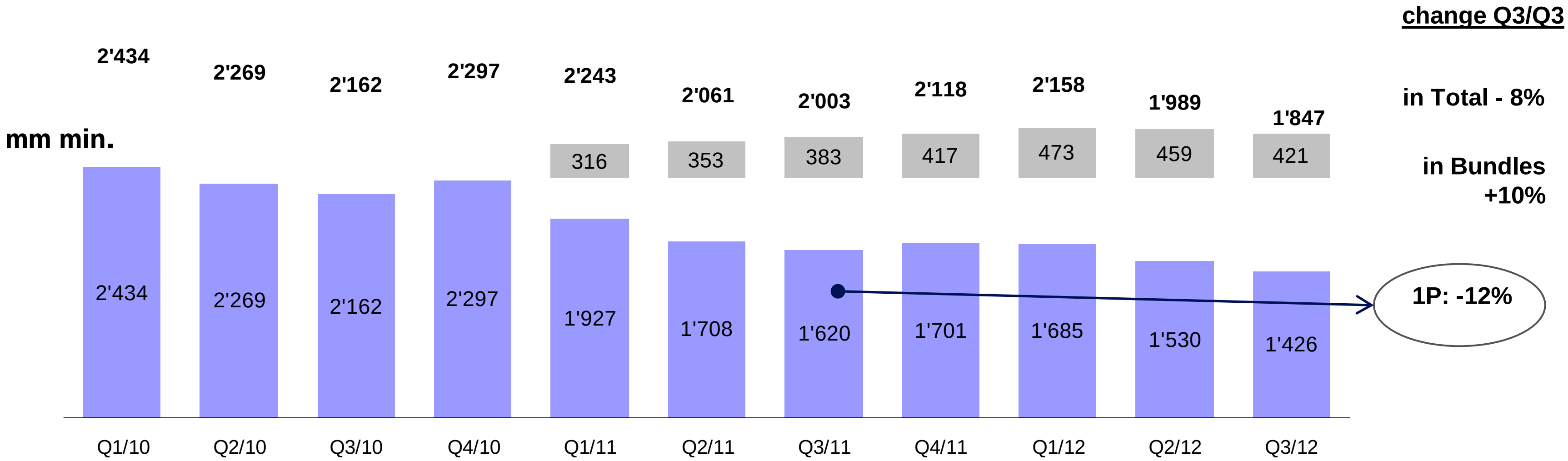
Attachm. Volume development

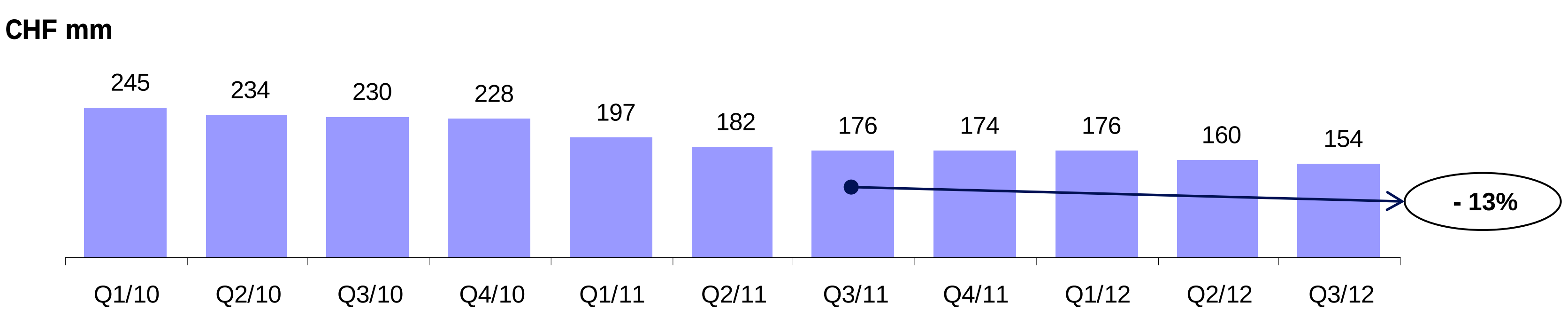
Cannibalization of rated volumes continues

Wireline voice, volumes

Swisscom Switzerland



1P wireline revenues traffic *)



*) including revenue VAS

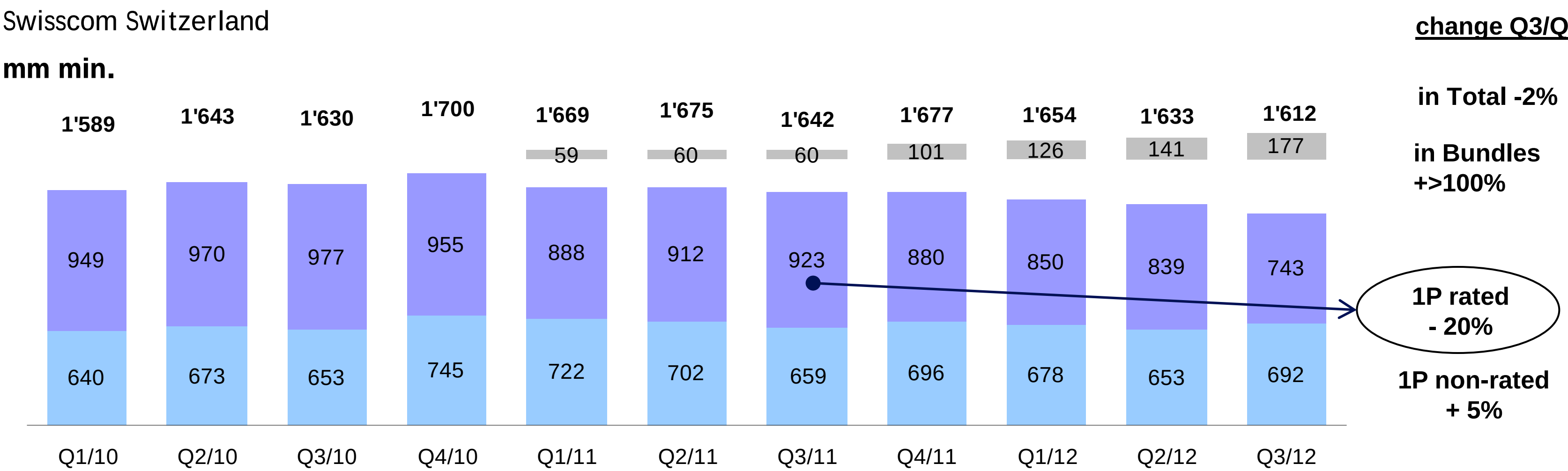
Attachm. Volume development

Cannibalization of rated volumes continues

Wireless voice volumes

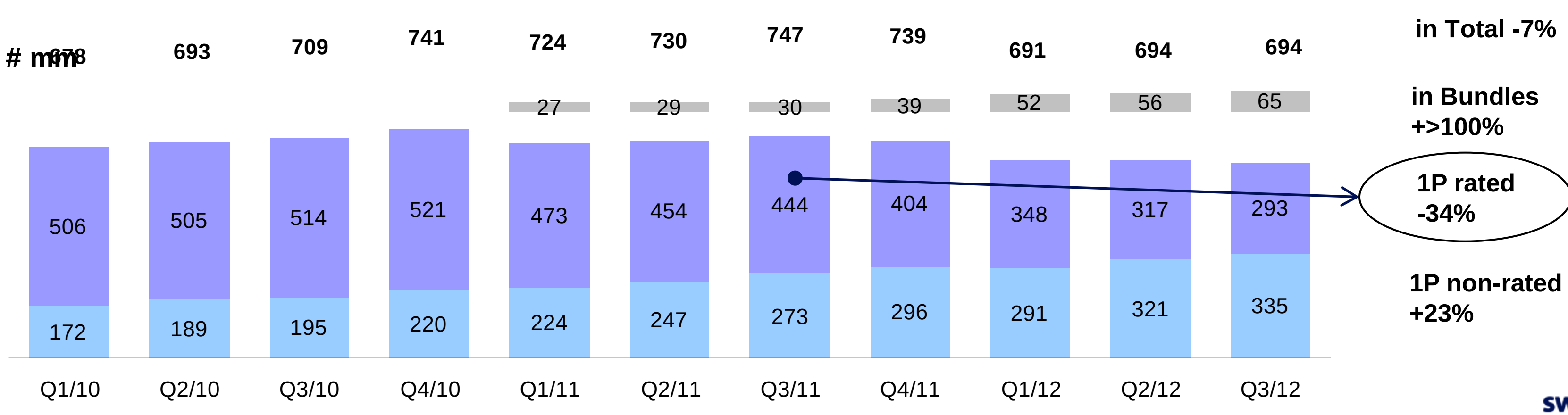
Swisscom Switzerland

mm min.



SMS volumes

\# mm

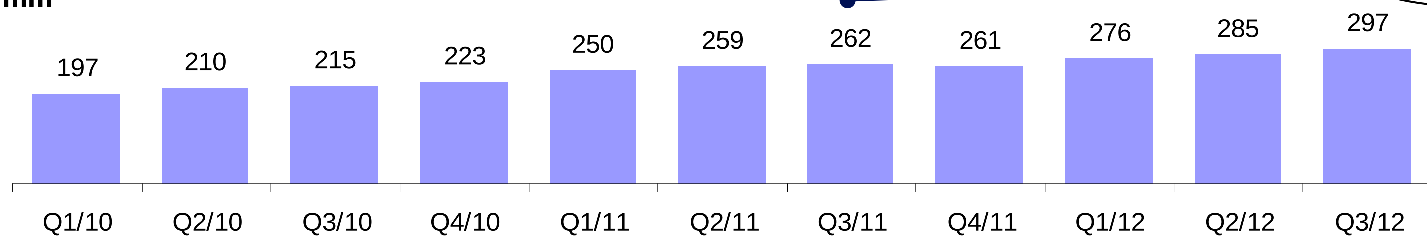


Attachm. Revenue development

1P (single play) wireless access revenues increasing

CHF mm

+35 mm YoY

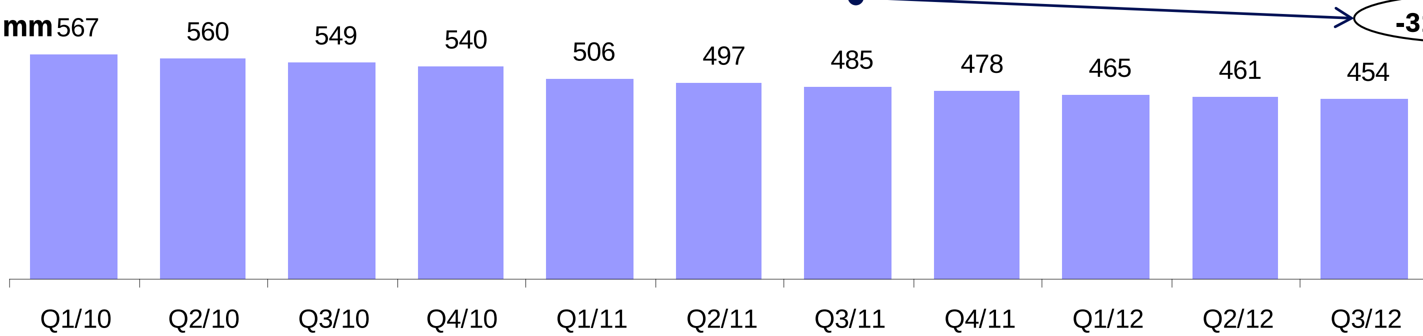


+

1P wireline access revenues [1] declining

CHF mm

-31 mm YoY



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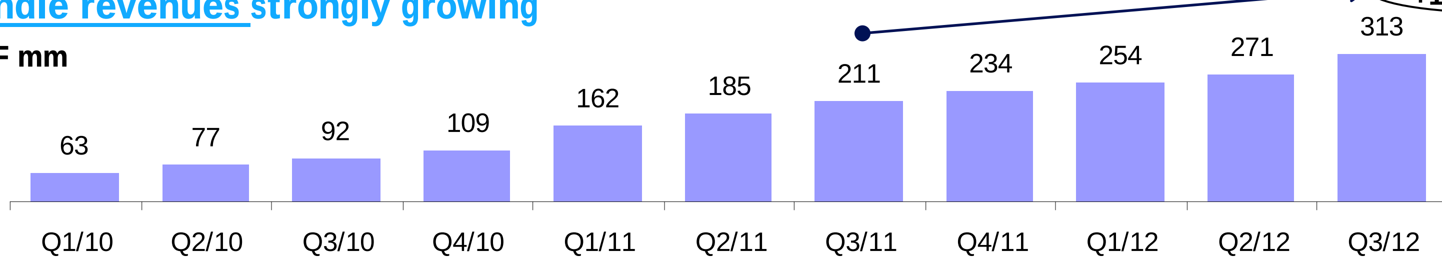
Bundle revenues strongly growing

CHF mm

+102 mm YoY



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Total +106 mmYoY

1) Including revenue wireline business networks

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Attachm. RGU's

Swisscom Switzerland

Access Lines/Subs/Products (000)

YTD, (Change to 30.09.2011 in brackets)

		TV	Fixed Voice & Access	Broadband	Mobile	Number of products in Bundle	Sum	Δ
1P	Single Play	248 (+34)	2,407 (-265)	969 (-103)	5,882 (+26)	1	9,506	(-308) (-3.1%)
Bundles	2Play		239 (+18)			2	478	(+36) (+8.1%)
	3Play	387 (+78)	and 11 additional Mobile Subs			3	1,172	(+245) (+26%)
	4Play	113 (+80)	and 15 additional Mobile Subs			4	467	(+335)
	Revenue Generating Units	728 (+172) (+31%)	3,034 (-109) (-3.5%)	1'708 (+73) (+4.5%)	6,153 (+173) (+2.9%)		11,623	(+309) (+2.7%)
	Migration to ULL		+13					+13
	Net Change		-96					322 (+3%)

Number of Revenue Generating Units growth 3% yoy

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Attachm. ARPU

YTD, (Change to 31.09.2011 in brackets)

		TV (incl. VOD and Pay per View)	Fixed Voice & Access	Broad-band [1]	Mobile [2]	Number of products in Bundle	Weighted average per underlying product [1,2]
1P	Single Play	27 (+3)	53 (+0)	38 (-1)	43 (-3)	1	44 (-2)
Bundles	2Play		113 (-3)			2	57 (-1)
	3Play	131 (-1)				3	44 (-0)
	4Play	234 (-34)				4	59 (-8)
Total weighted average		48 (-1)					48 (-1)

Move to bundles implies up-scaling to higher ARPU's

1) ARPU excl. Business Networks
2) ARPU excl. Mobile Termination

Attachm. Revenues (RGU x ARPU)

Net revenues (CHF mm)

YTD, (Change to prior year in brackets)

		TV	Fixed Voice & Access	Broadband	Mobile	Sum	Δ
1P	Single Play	56 (+10)	1,181 (-136)	633 (-47)	2,231 (-117)	4,101	(-290) (-6.6%)
Bundles	2Play		245 (+23)			245	(+280) (+50%)
	3Play	422 (+103)				422	
	4Play	171 (+154)				171	
Net Revenue Bundle + 1P						4,939	(-10) (-0.2%)

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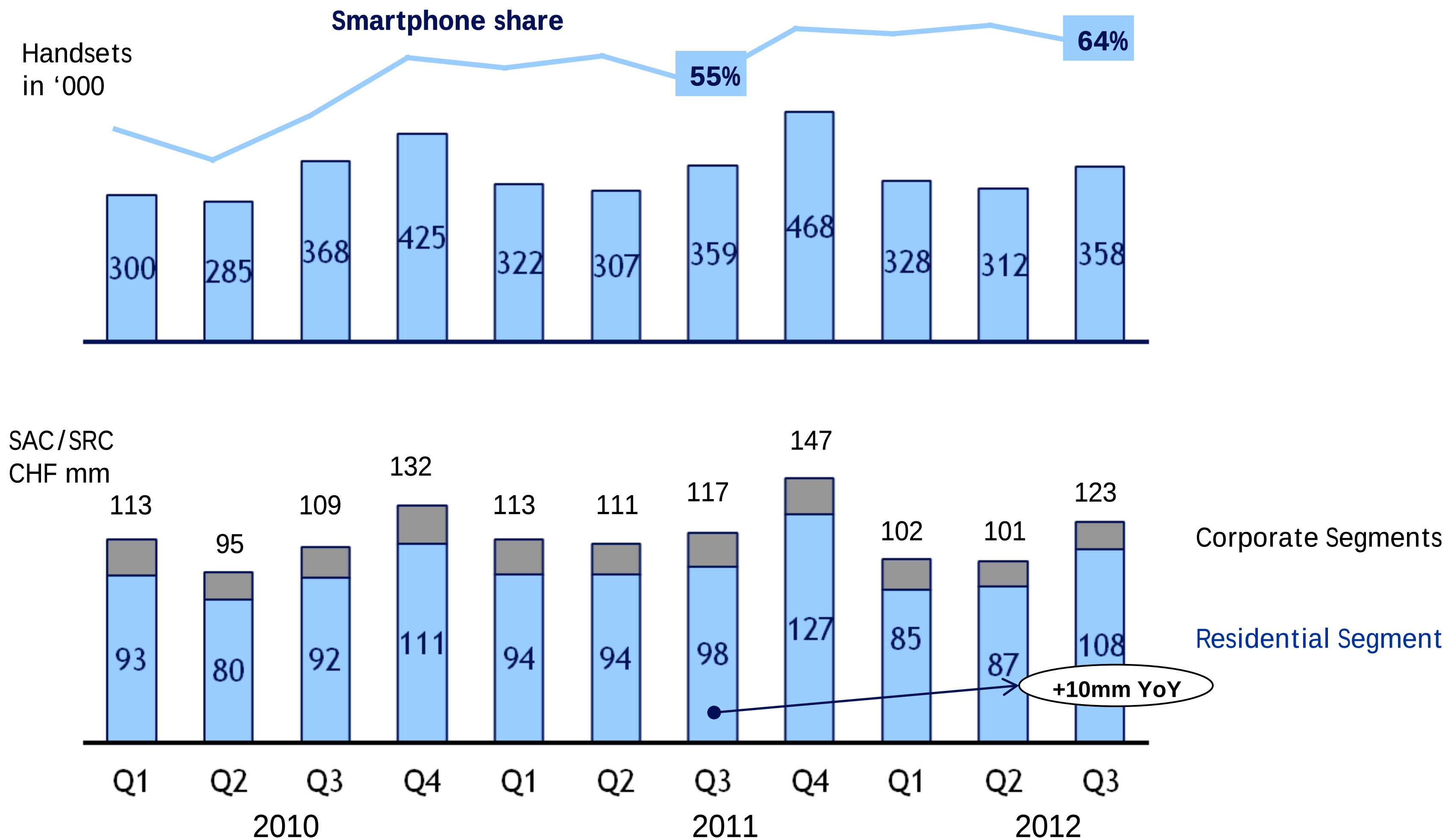
Attachm. Handsets & SACs



SAC/SRC in the residential segment increase in Q3 by CHF 10mm yoy, due to higher subsidies per handset and the higher smartphone volume