

# Background information on roaming

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As of: June 2011

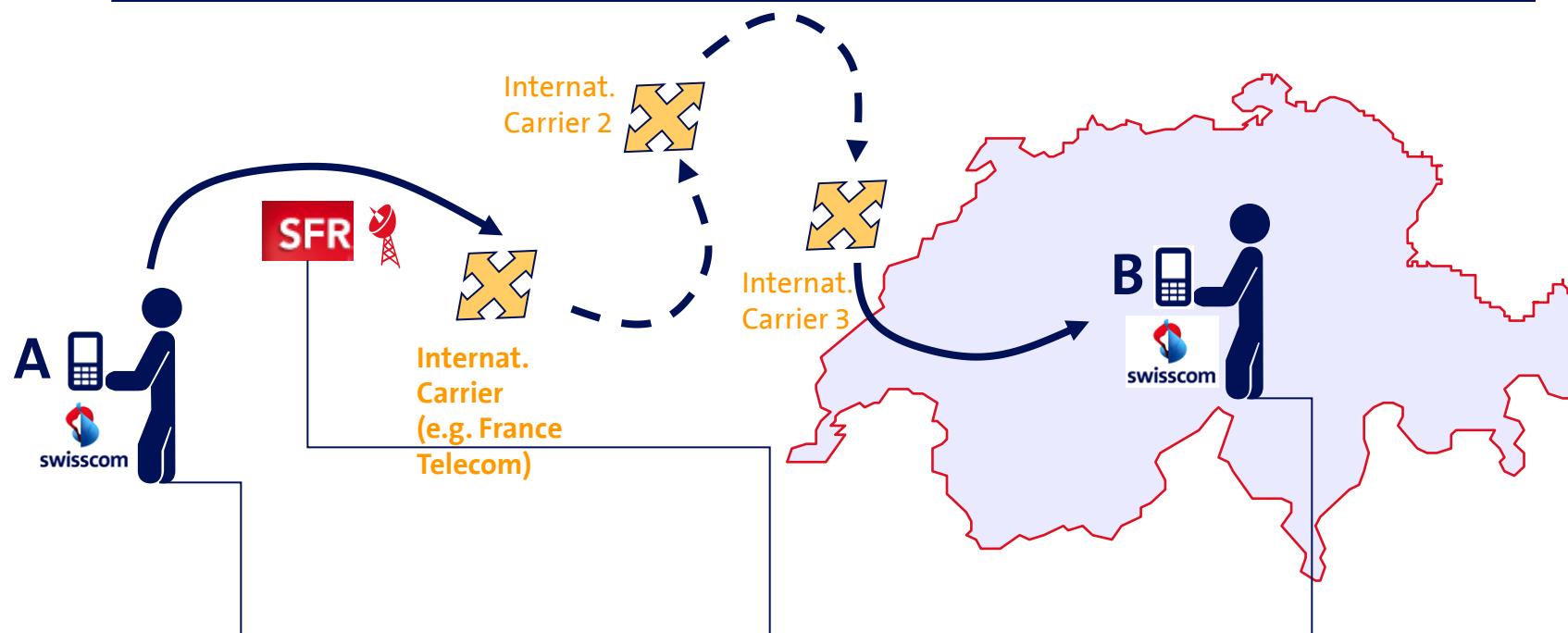
# Overview

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- **Roaming charges are incurred for mobile communication when abroad.** The so-called Inter-Operator Tariffs are the deciding factor in determining end customer prices. In the EU these tariffs are regulated.
- **As a Swiss company Swisscom does not automatically benefit from the regulated purchase conditions within the EU** so prices must be negotiated with each provider. In the past Swisscom passed these negotiated cost advantages on to its customers. This trend can also be expected to continue in future.
- **Swisscom has continued to lower its roaming prices both in Europe and worldwide** – since 2006 by up to 80 percent depending on the product and service.
- **Swisscom promotes price transparency and cost control:** On crossing the border into another country customers receive an SMS with tariff information for the country in question. Since summer 2011 customers are now warned when they reach a cost limit and further data roaming is prevented. .
- **With Swisscom customers not only benefit from what are by far the most favourable roaming tariffs in Switzerland,** they also enjoy the best roaming coverage: They can communicate in 216 countries throughout the world on 597 partner networks.
- **Swisscom also offers attractive global tariffs in comparison with European providers.** Switzerland also fares very well in the latest OECD report on data roaming: prices are significantly below the OECD average.

# Process for outgoing calls when abroad



## Caller Swisscom Customer A

- Customer A in France calls Customer B in Switzerland.
- On the network signalling path the location and the authorisation for the call are checked.

## International forwarding:

- SFR forwards the call from A to Switzerland via an international carrier:
- Depending on the country of origin (e.g. Australia) up to 3 international carriers may be necessary for a call to Switzerland.

## Call recipient Swisscom Customer B

- Customer B receives A's call from France
- Swisscom terminates this call with the Swisscom customer

# What are roaming charges?

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- **Roaming charges are the costs that the customer of a Swiss mobile phone provider has to pay when he uses his mobile phone for communication when abroad, whether he makes calls, sends SMS/MMS or downloads data.**
- **The Swiss mobile phone provider must find network operators in the appropriate country who will handle the Swiss customer's mobile phone traffic on their networks. So in bilateral contracts between the international providers so-called Inter-Operator Tariffs are set. These tariffs are crucial in determining the end customer prices (roaming charges).**
- **Inter Operator Tariffs are regulated in the EU. As a Swiss company, however, Swisscom does not automatically benefit from these conditions.** Prices must be negotiated with each provider. In the past Swisscom passed these negotiated cost advantages on to its customers. This trend can also be expected to continue in future.

# Swisscom continues to lower its roaming prices



**Euro Passport** (2006) option for roaming in Europe  
Voice price reduction in Europe 35%



**Tariff reduction roaming prices per minute** (2007)  
Voice price reduction in Europe 40%

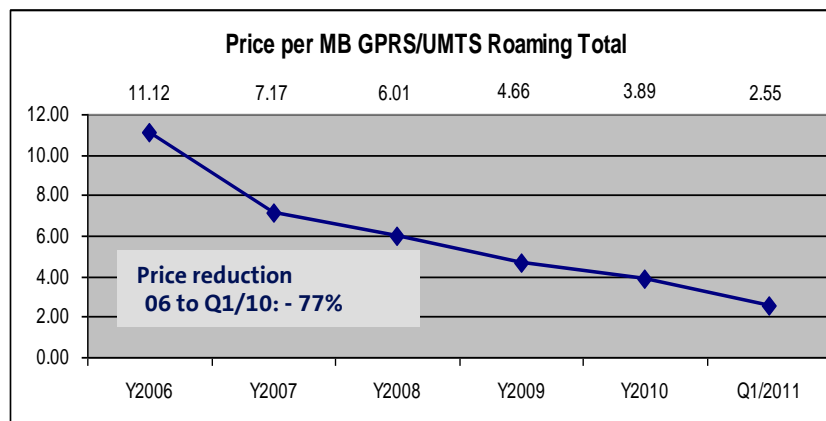
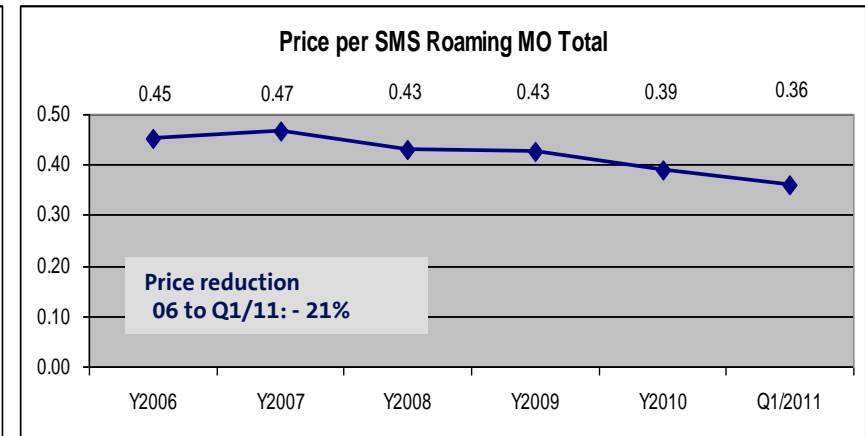
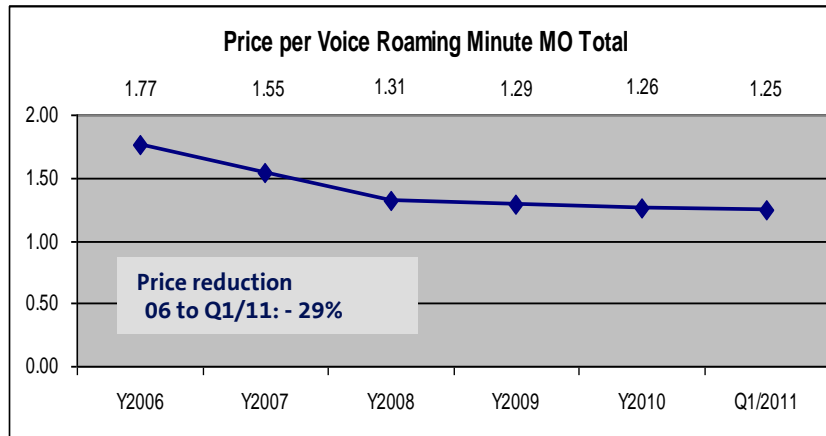


**World Option Flex** (2009) option for worldwide roaming  
Voice, SMS, data price reduction up to 80%;  
standard tariff data price reduction 30%;



**New data roaming price model** (2010)  
Data price reduction up to 90%

# Development of Swisscom roaming tariffs 2006 to Q1/2011 (worldwide average prices)



**Fact: Since 2006 Swisscom has continually reduced the roaming charges on all services (voice, SMS, data).**

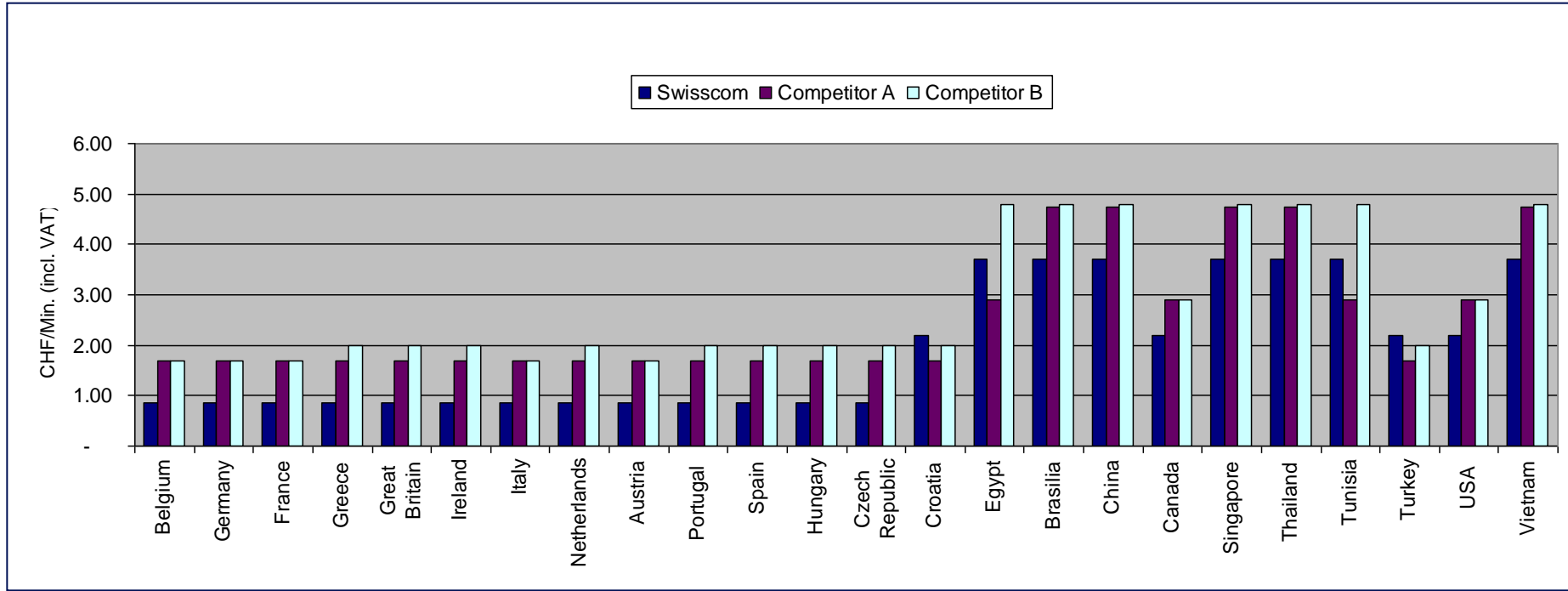
With World Option Flex customers are now already communicating virtually on the EU level, especially if the difference in purchasing power is taken into account.

Tariff overview: : <http://www.swisscom.ch/roaming>

# Swisscom is a pioneer in the Swiss market



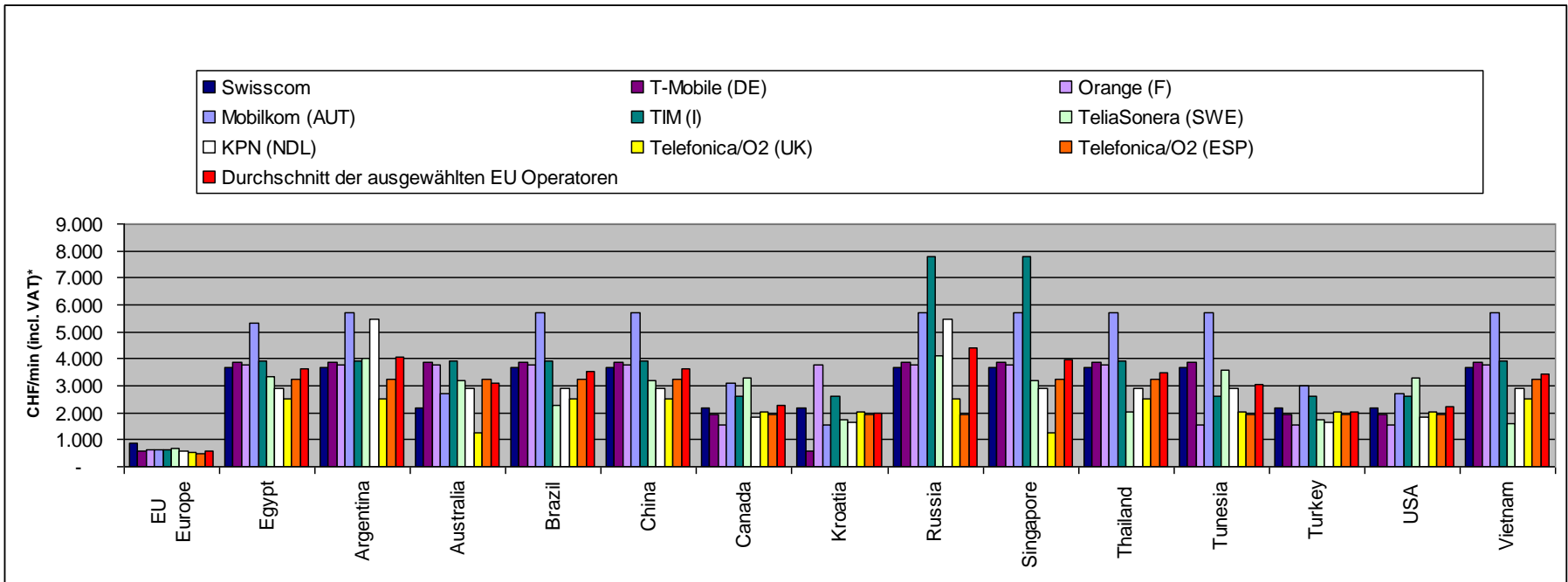
Price comparison of Swiss providers for outgoing telephone calls back to country of origin



# Swisscom also offers attractive global tariffs in comparison with European providers



Price comparison (standard tariffs) of European providers for outgoing telephone calls back to the country of origin



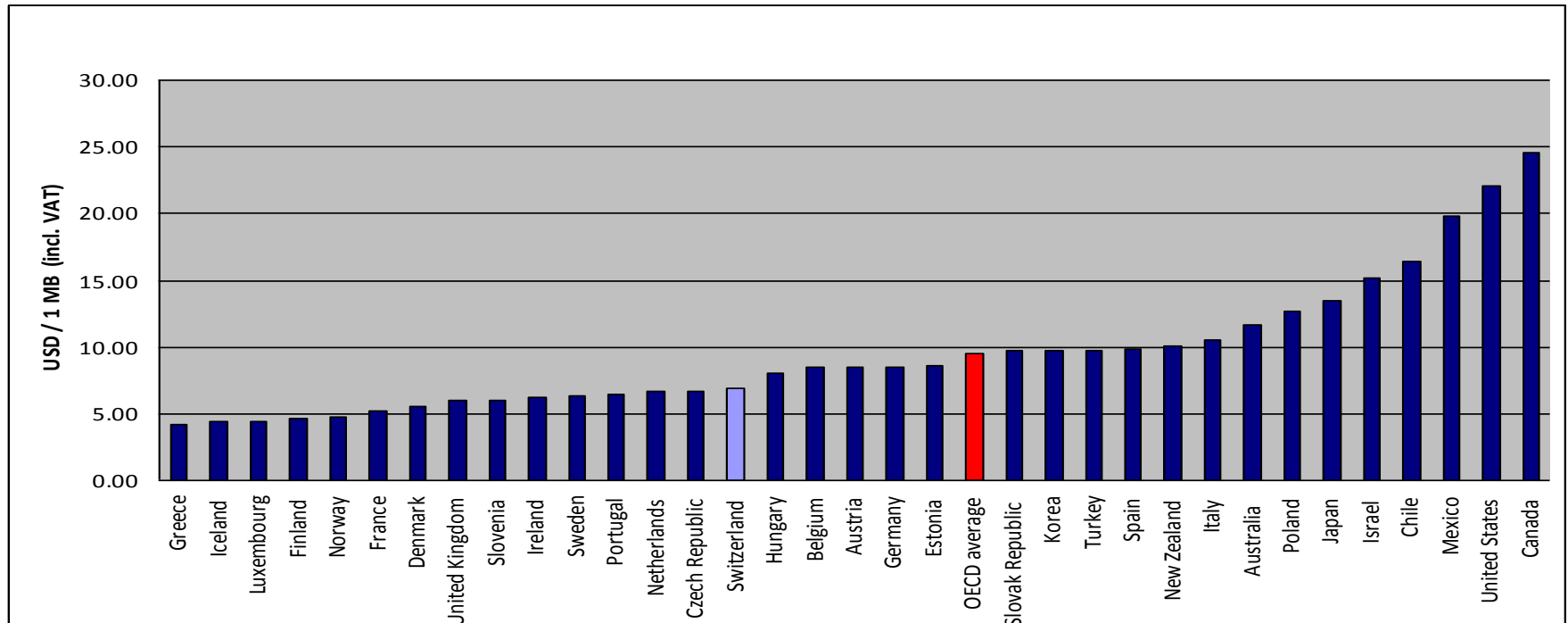
\* Purchasing power not taken into account



# In the latest OECD report on data roaming Switzerland fares very well: prices are significantly below the OECD average.



Price comparison of European providers for 1 MB data transfer (average standard tariffs for each country)



\* differences in purchasing power taken into account

[Link](#) to OECD report

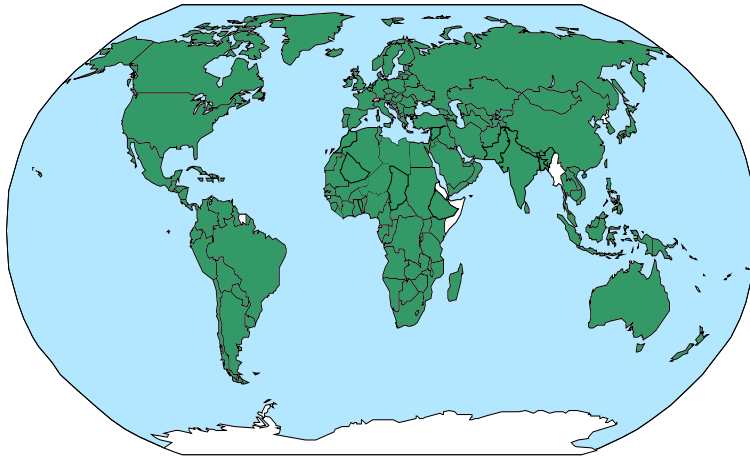
# Swisscom promotes price transparency and cost control

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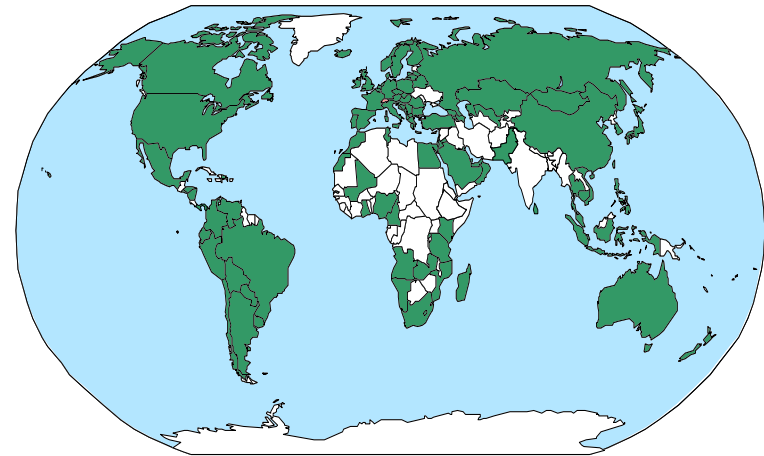


- **Swisscom offers fair terms:** with World Option Flex customers pay the basic fee only when they actually use the service. This option applies throughout the world on all networks and includes all services (telephony, SMS and data transmission).
- **On crossing the border into another country customers already receive an SMS notification** from Swisscom with tariff information on their destination country.
- **In order to increase price transparency and cost control Swisscom introduced further measures in summer 2011:**
  - SMS notification: when using data roaming customers will receive a free SMS in real time when a certain amount has been reached.
  - Cost limits: if a cost limit set by the customer is exceeded, data roaming is prevented. Customers can set these limits individually.

# Guaranteed worldwide coverage – more than 590 roaming partners in 214 countries



**GSM coverage:**  
**597 partners**  
**in 216 countries**  
Status 31.05.2011



**UMTS coverage:**  
**259 partners**  
**in 129 countries**  
Status 31.05.2011