










Q3 2017 results presentation

Conference call - 02 November 2017

Agenda

	Introduction	Louis Schmid, IR
	In a nutshell	Urs Schaeppi, CEO
	Swisscom Switzerland	
	Fastweb	
	Financials	Mario Rossi, CFO
	Q&A	All
	Backup	

Agenda

- Introduction
- **In a nutshell**
- Swisscom Switzerland
- Fastweb
- Financials
- Q&A
- Backup

Urs Schaeppi, CEO

Highlights

Q3 financially solid and operationally decent

4

Sound 9m financials

Higher EBITDA (CHF +47mn thanks to exceptionals and lower indirect cost) and lower CAPEX (CHF -181mn)



Convergence flagship **inOne** with take-up evolution as expected; **1mn customers as per end of Oct 2017**; inOne penetration well progressing



Revision of Telecoms Act passed to Parliament

Process as anticipated; no change expected before 2020



Q3 with unchanged RGU dynamics in Switzerland

Postpaid +30k, TV +6k, BB +11k, ongoing bundle migration (+66k) and fixed voice line cancellations (-80k)

New mobile product complements **SimplyMobile** Swisscom portfolio

Discount offering (w/o expiry date) for Retail customers only available in Coop subsidiaries

Further cornerstone reached to achieve targeted **cost savings 2017 of CHF 75mn**



Fastweb on track

Attractive mobile offerings led to strong commercial performance (+109k net adds in Q3); BB base (+10k in Q3) with increasing convergence weight



Enterprise Customers with local and standardised **cloud offerings**; developing **blockchain activities** for verticals in Switzerland via new subsidiary just recently established

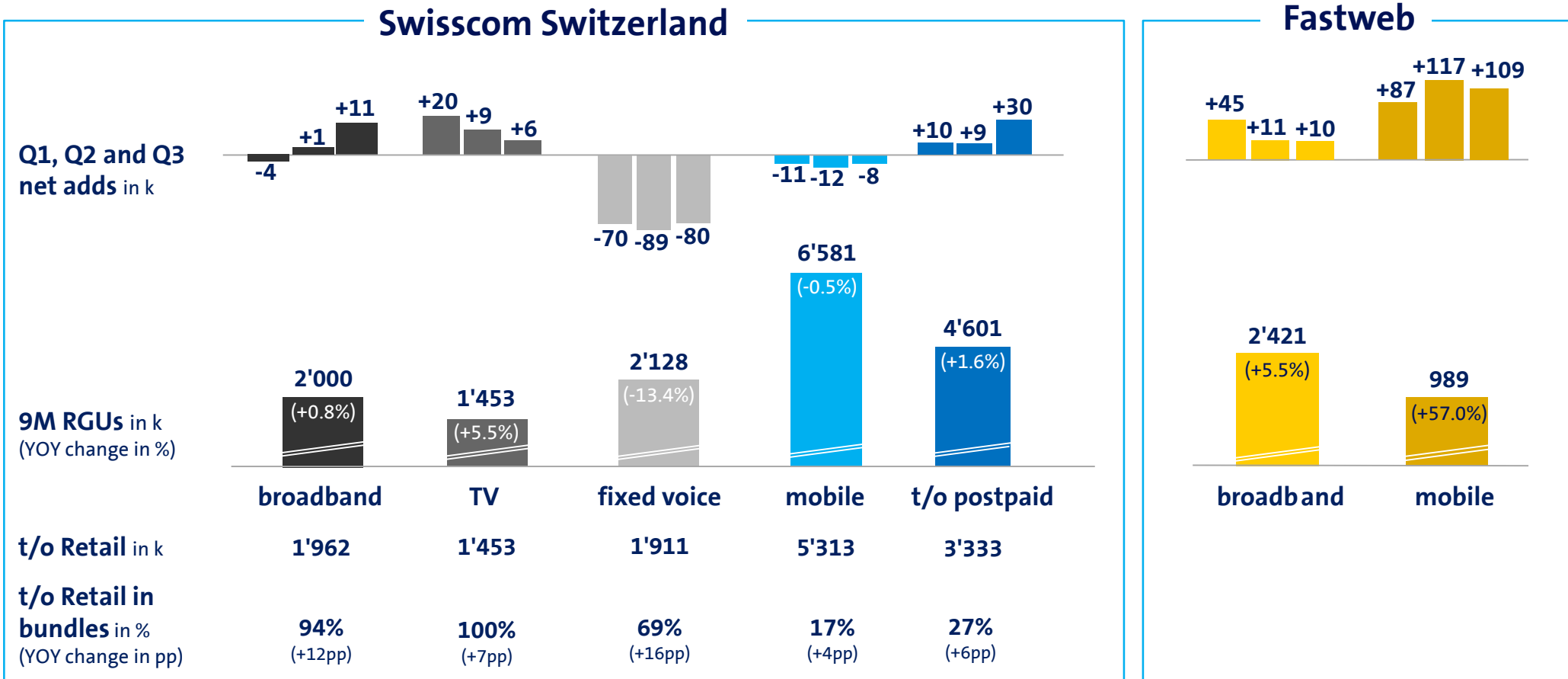


2017 guidance unchanged

Revenue CHF ~11.6bn
EBITDA CHF ~4.3bn
CAPEX CHF ~2.4bn

Market performance

With >12 million RGUs, Swiss customer base robust - Fastweb with growing subscriptions

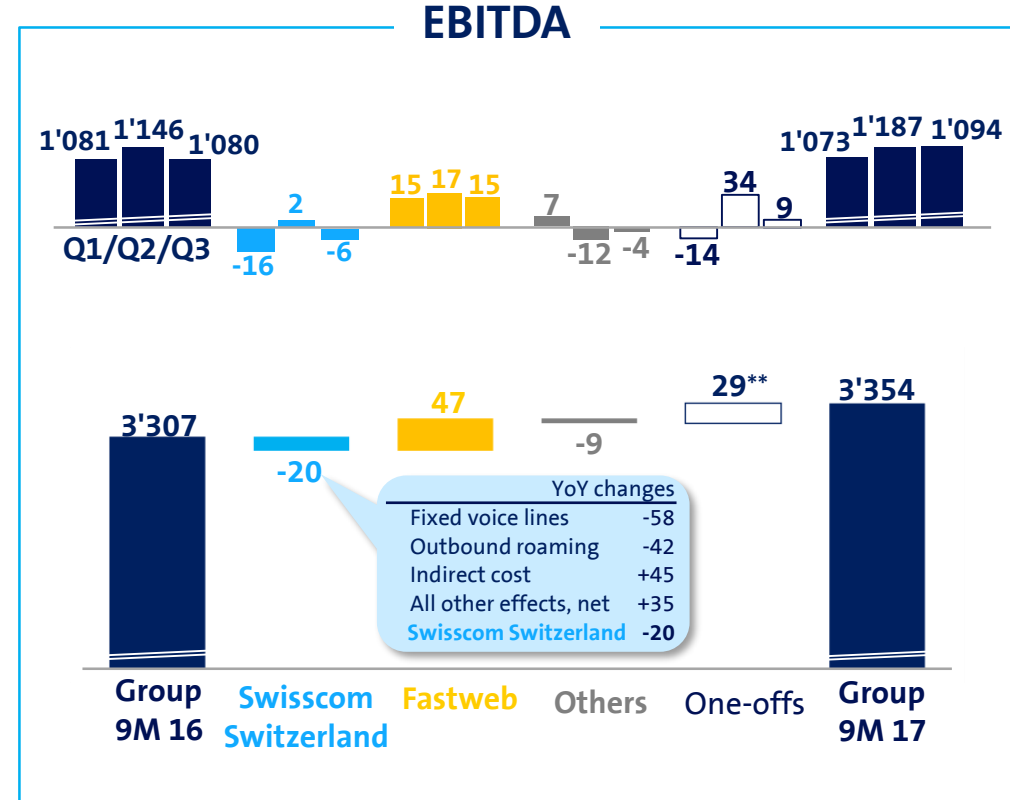
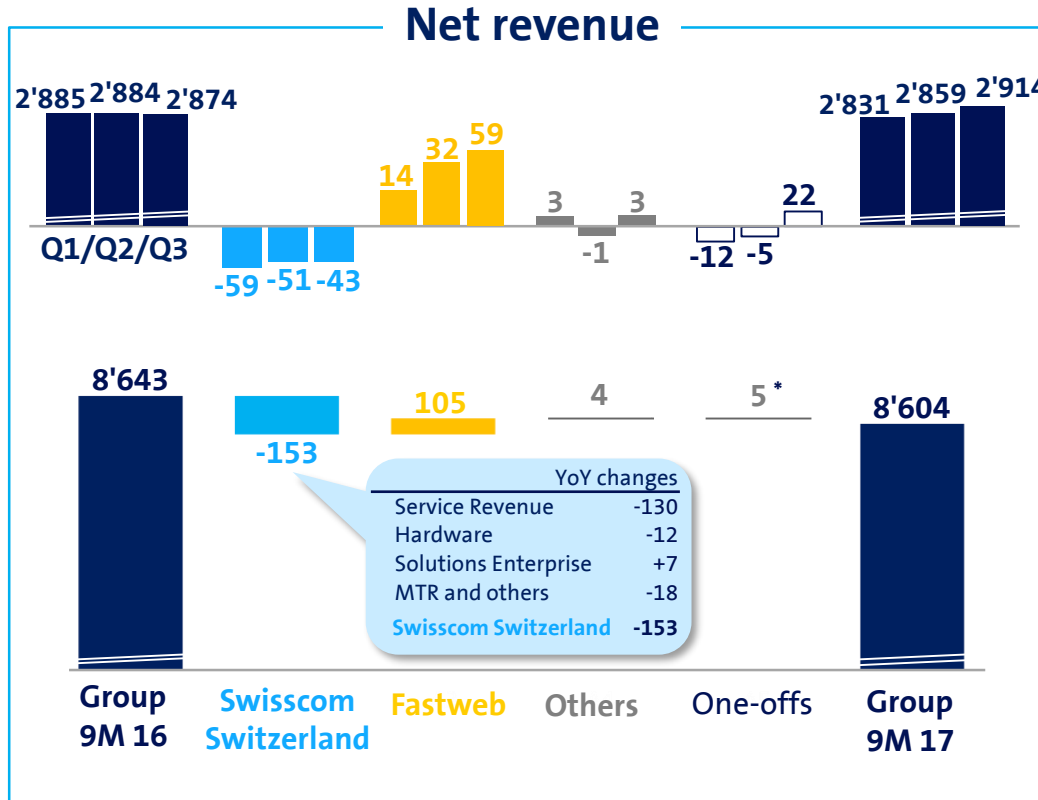


Swisscom Switzerland with 2 million broadband subscriptions

Financial performance

Underlying YoY changes in line with expectations - cost savings on track

in CHF mn



Solid financial result despite intense competition and price pressure

* Currency impact of CHF 5mn

** Currency impact of CHF 3mn, other income from litigations at Fastweb of CHF 102mn in Q2 17 and of CHF 60mn in Q2 16, gain from sale of real estate of CHF 16mn in 2016

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Urs Schaeppi, CEO

Continuously delivering the best ...

... to retain strong market position(s) and sustain value in the Swiss market

Leading network performance

- > Push ahead broadband expansion with efficient technology use
- > Provide best wireless coverage and capacity for supreme customer experience



Excellent customer services

- > Strongest distribution framework
- > Customer needs at the heart of all offer and process designs
- > Excellent quality reputation and strong brand



Superior product offerings

- > Value base management with a smart multi-brand approach
- > Invest in innovation to deliver outstanding experiences and realise new business opportunities



Accelerating cost focus

- > Boost operational improvements
- > Shape simplicity
- > Drive digitalisation to further cost optimisation
- > Continue All IP migration



Investing in value orientation, innovation and efficiency improvements pay off

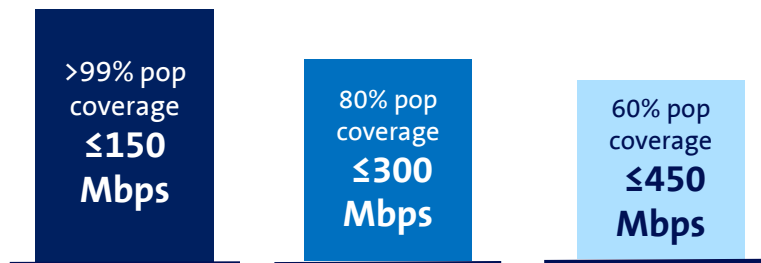
Increasing ultra-broadband footprint in Switzerland

Investment driven technology strategy to maintain leadership in Switzerland



Wireless

- > The densest network (>8k sites, o/w 2.5k indoor) in Switzerland
- > 4G (plus) broadband coverage as per 30 Sept

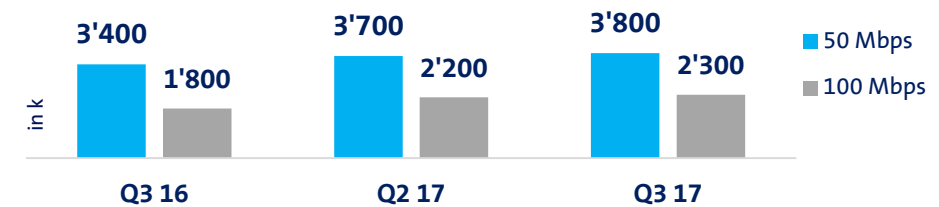


- > Swisscom testing 5G speeds (>20 Gbps) in the region of Zurich
- > Next spectrum auction (with 700 MHz, 1400 MHz and 3400-3800 MHz) expected in 2018

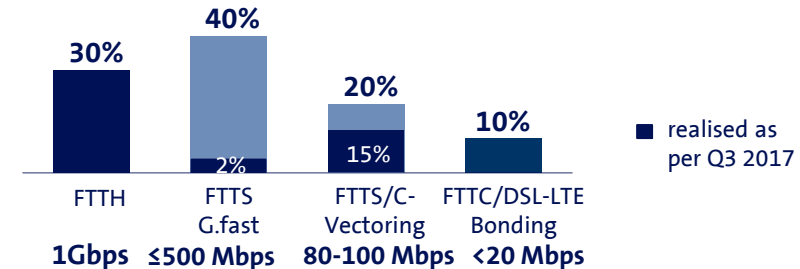


Wireline¹

- > As per 30 Sept 2017, 45% with ≥100 Mbps



- > 2020 target²: 85% with ≥100 Mbps



Swisscom remains pioneer in launching new technologies

¹ Consists of 3.7mn primary HH, 0.7mn businesses, 0.6mn 2nd and vacation homes, ² By 2021 at least +5pps with ≥80 Mbps

Leverage subs base with differentiation in products and services

Tailored quality products key to serve broad range of customer needs and stay ahead

Swisscom's position

- > **Maximise core business** in a highly penetrated market as strategic priority
- > Focus on **value base management**
- > Approach market with **multi-brands**

Best value for quality



Best value for money



Best price for price sensitives



Best price w/o expiry date



- > **Inspire customers** with innovative products and tailored services
- > Handle dynamics with **adequate market activities**

inOne – our convergence flagship

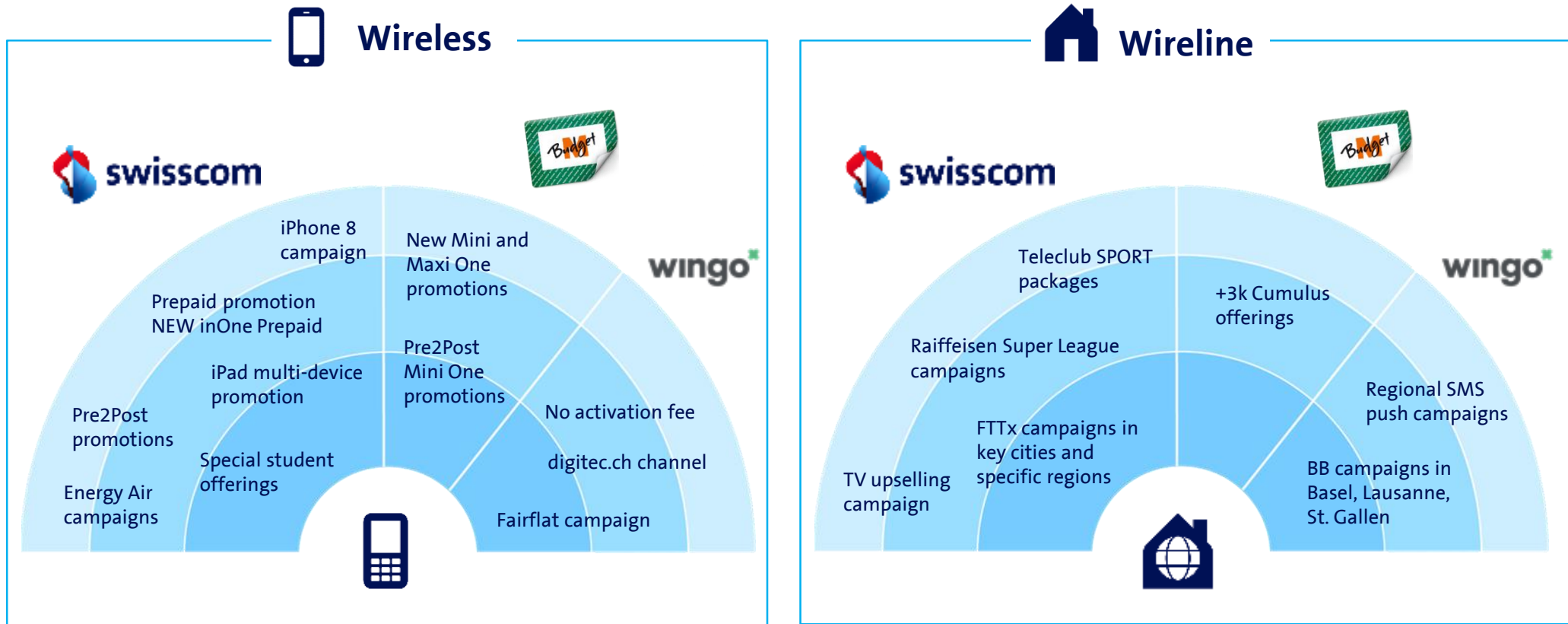
- > Customers increasingly **expecting more flexibility** on individual service combinations, speed and other values
- > **inOne** - the new price plan covering everything, launched in April - developing in line with expectations
- > Customers benefiting from **bundling discounts**
(CHF 20 for 1st and 2nd, CHF 40 for 3rd-5th SIM card in same HH)
- > **Freedom of choice** has positive effects on customer **loyalty** and **churn**



Convergence increasingly knocking at Swiss households' doors

Overview of specific Q3 market activities

Manage market dynamics selectively and well-aligned to sustain value



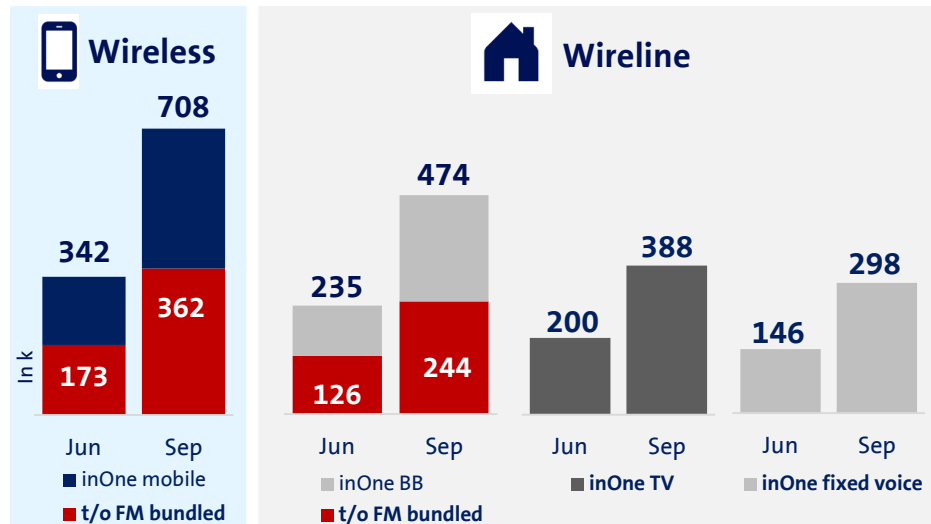
Retail market shares in Switzerland successfully defended during Q3

inOne performance - 938k customers with 1.9 million RGUs

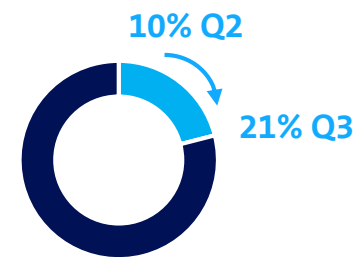
Swisscom's convergence approach and market activities pay off

Customer base as per 30 Sept 17

- > 938k customers (mostly from existing base) on inOne price plans
- > inOne base sums up to 1'868k RGUs
 - t/o 1'160k fixed (62% share)
 - >50% of mobile and BB RGUs in FM bundles

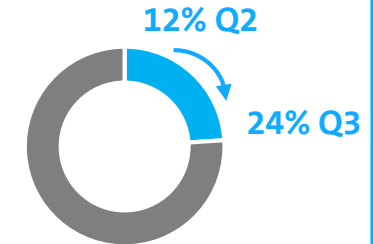


Penetration as per 30 Sept 17



inOne mobile

RGUs within Retail postpaid base



inOne broadband

RGUs within Retail BB base

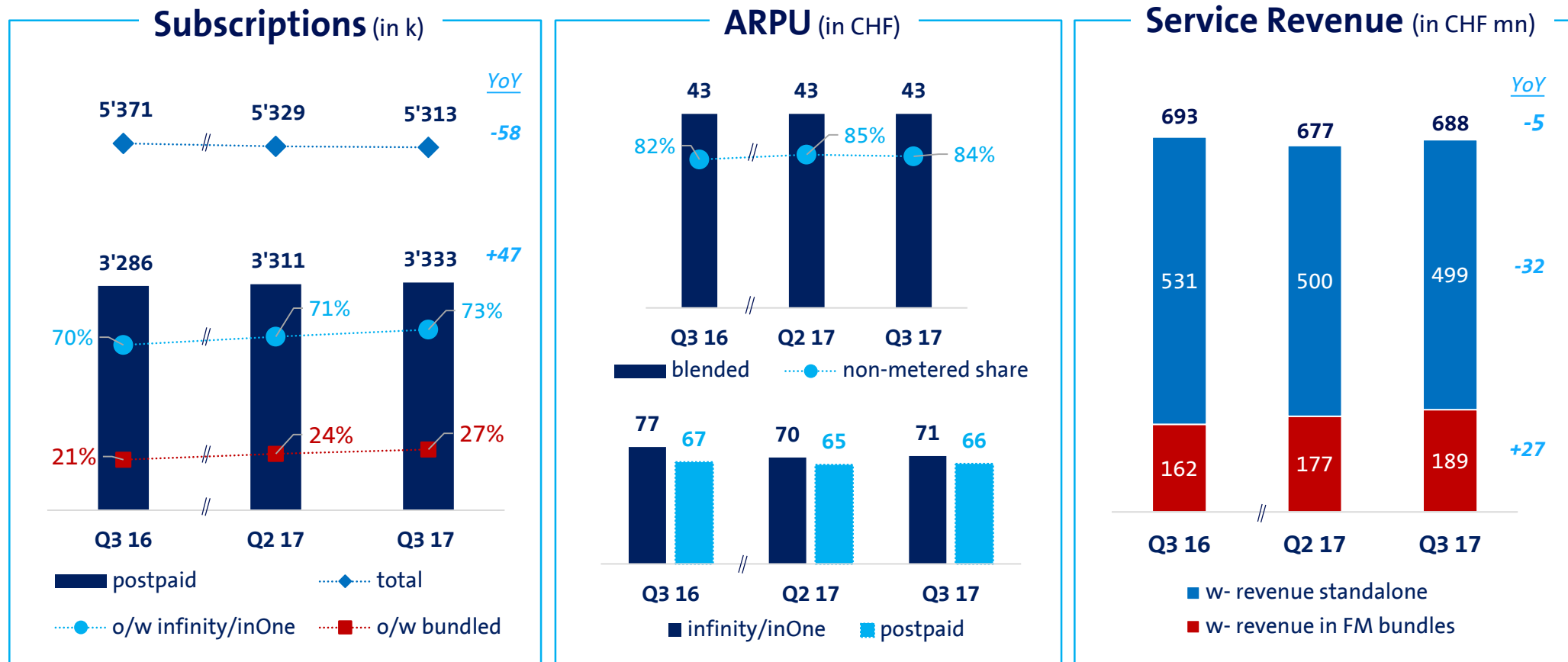
ARPU dynamics

- > Mobile (non-bundled) changeover with light ARPU uplifts
- > inOne broadband RGUs with right-grading effects weighing on ARPU, trend in Q3 improving
- > Converged subscriptions with slight ARPU dilution (Q2-Q3 \emptyset : CHF -8), in line with expectations

inOne penetration doubled in Q3 - impact on blended ARPUs so far negligible

Retail Customers - Wireless performance

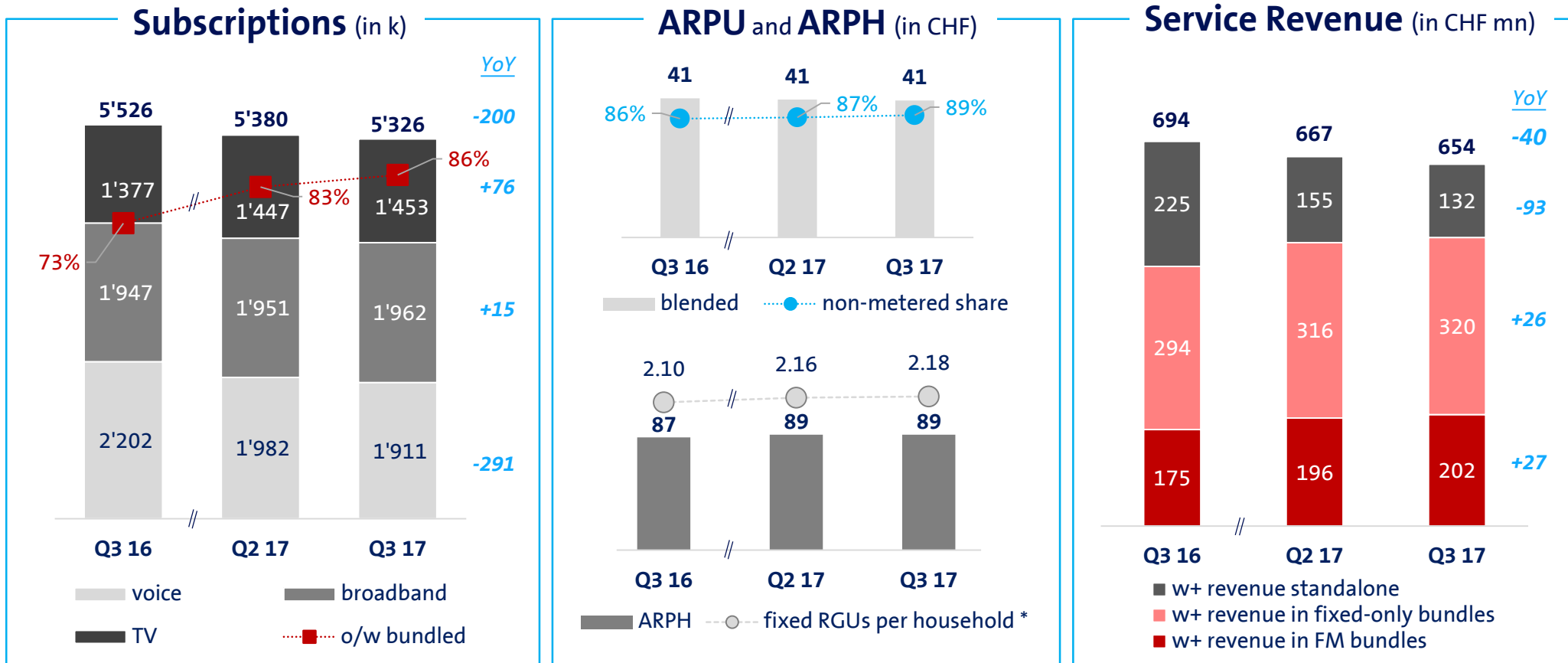
Positive momentum in postpaid continues - blended ARPU stable



Increasing revenue share from FM bundles – overall wireless service revenue higher QoQ

Retail Customers - Wireline performance

Voice line cancellations and convergence benefit weigh on service revenue

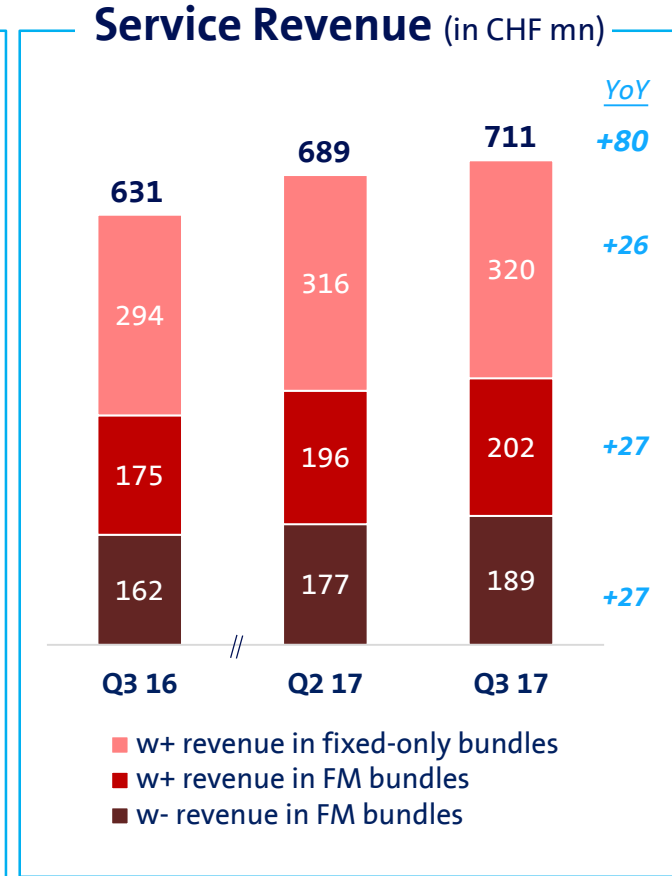
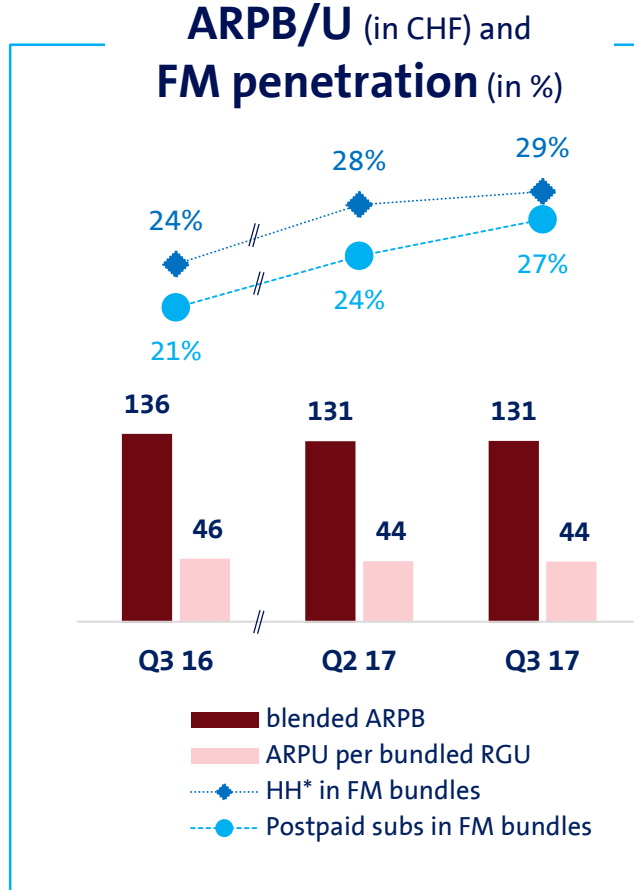
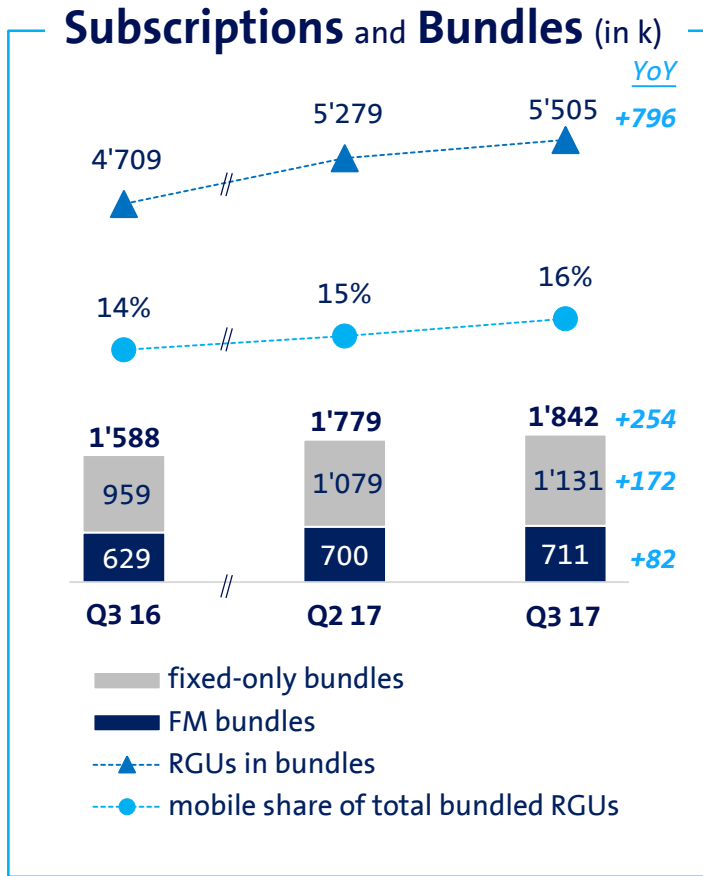


Share of bundled subscriptions further up primarily driven by TV

* HH = total broadband subscriptions + [total 1P voice subs – total 1P broadband subs]

Retail Customers - Convergence performance

Bundles with ongoing positive momentum – top line growth of CHF +80mn

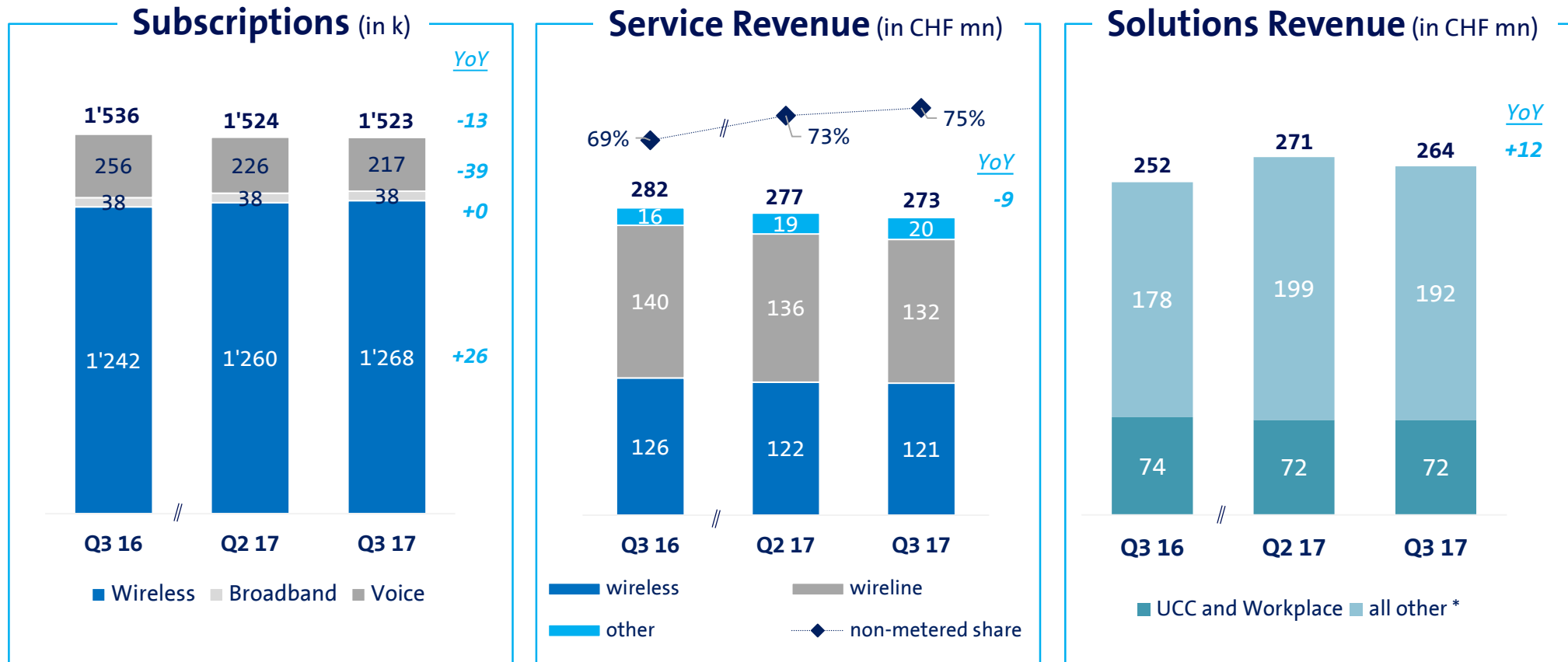


FM penetration with steady increase in Q3 2017

* HH = total broadband subscriptions + [total 1P voice subs – total 1P broadband subs]

Enterprise Customers - Telco and Solutions performance

Wireless with growing RGU base (+26k YOY), Solutions revenue up YOY (+12mn)



W- RGUs with ongoing momentum

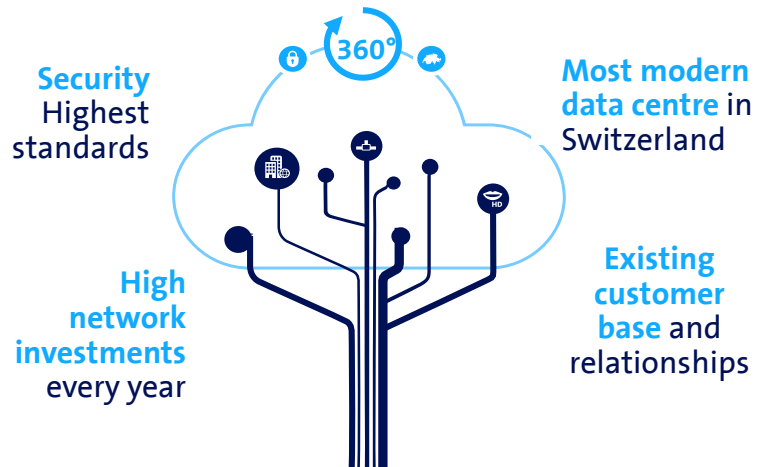
* Consists of revenues from vertical businesses, digital solutions, cloud and network services and other solutions

Enterprise Customers – Driving digitalisation further

Leverage existing corporate customer base with innovative ICT solutions

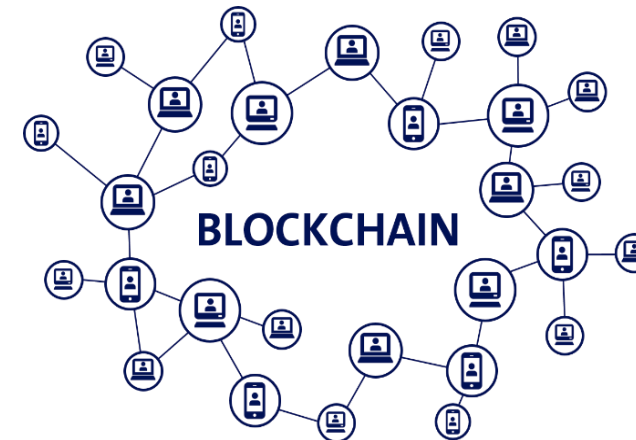
Swisscom's cloud offering

- > Swisscom with **Enterprise Service Cloud** and **Enterprise Cloud for SAP Solutions**
- > From Autumn 2017, Swisscom also integrates propositions offered by **Amazon** and **Microsoft Azure**
- > Attractive business thanks to **large degree of scalability**



Shape blockchain activities

- > Swisscom steps up blockchain activities and establishes **new subsidiary**
- > Push blockchain **applications** in and for Switzerland
- > **Decentralised, networked collaboration** in the fields of **healthcare, insurance and banking**



Swisscom broadens its portfolio continuously to keep its competitive edge in the B2B landscape

Operational Excellence

Cost focus a key priority to maintain Swiss margins stable

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- > Since YE 16, **FTE base of Swisscom Switzerland down by -569¹**
- > **All-IP transformation** increasingly contributes to improve the process excellence
 - > With more than **1.8mn customers** on All IP by Q3 2017
 - > Around **80%** of total All IP migration **completed**
- > Operational excellence initiatives with **indirect cost reduction of CHF -45 mn YOY**

¹ FTE situation as per 30.9.2017 for Switzerland (17'877 FTEs, -674 FTEs YoY), Swisscom Switzerland (15'307 FTEs, -728 FTEs YoY)

Further cornerstone achieved to accomplish targeted cost savings

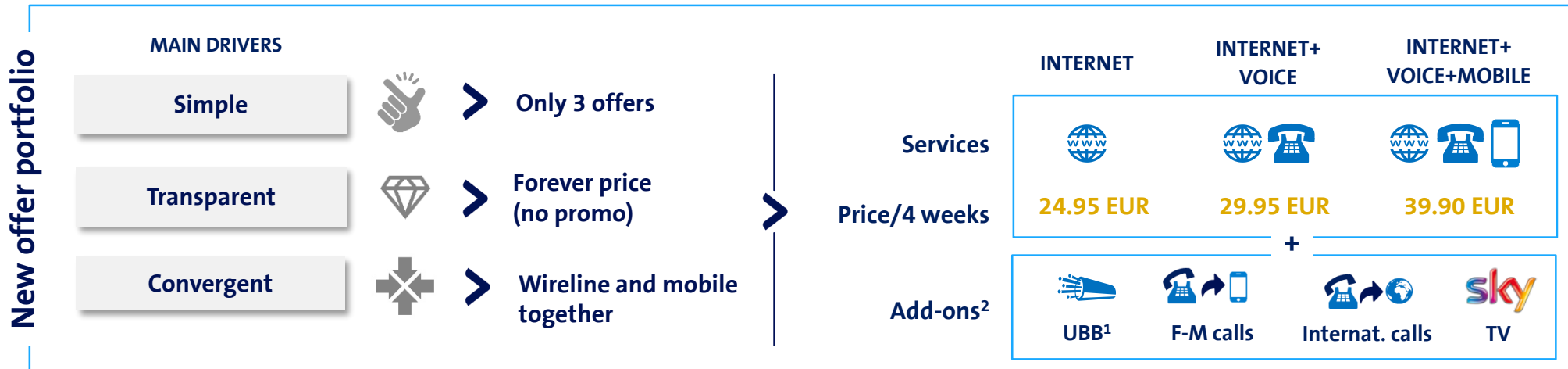
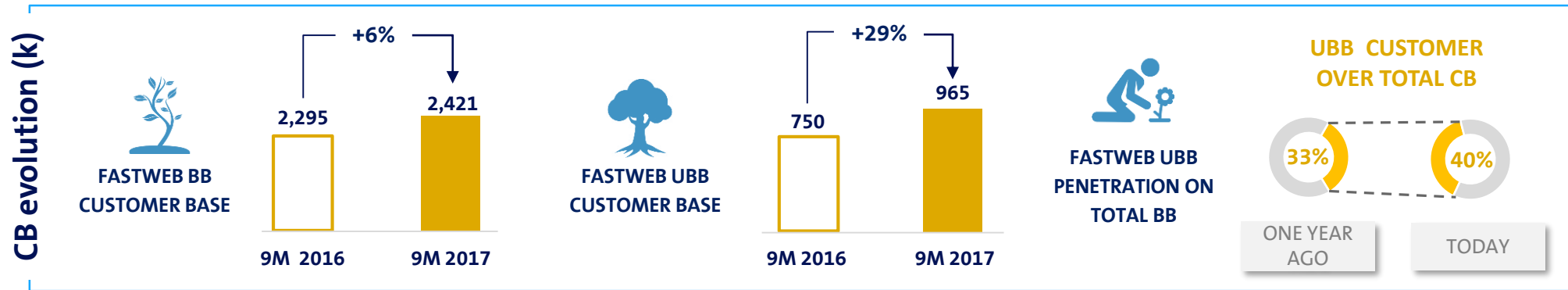
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Urs Schaeppi, CEO

Fastweb - Consumer Wireline

The highest UBB adoption in Italy supported by a new distinctive commercial offer

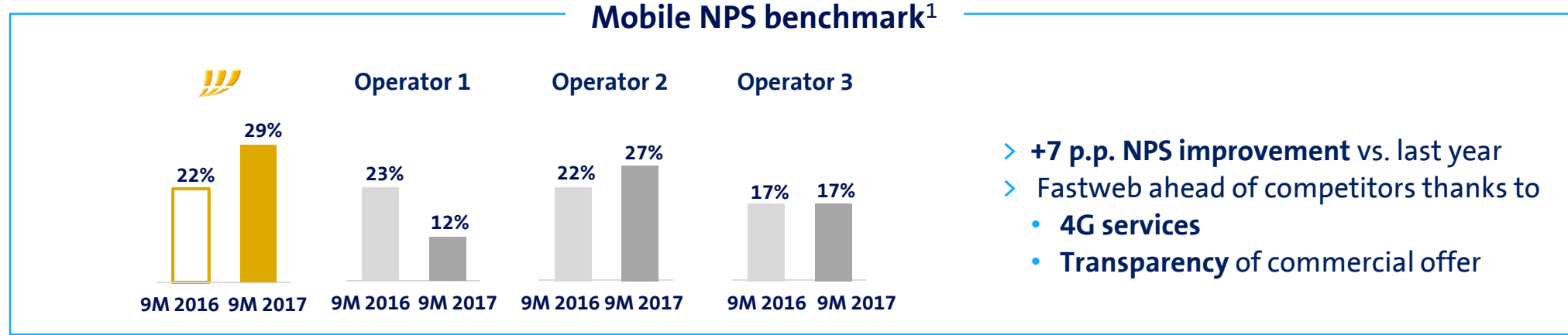
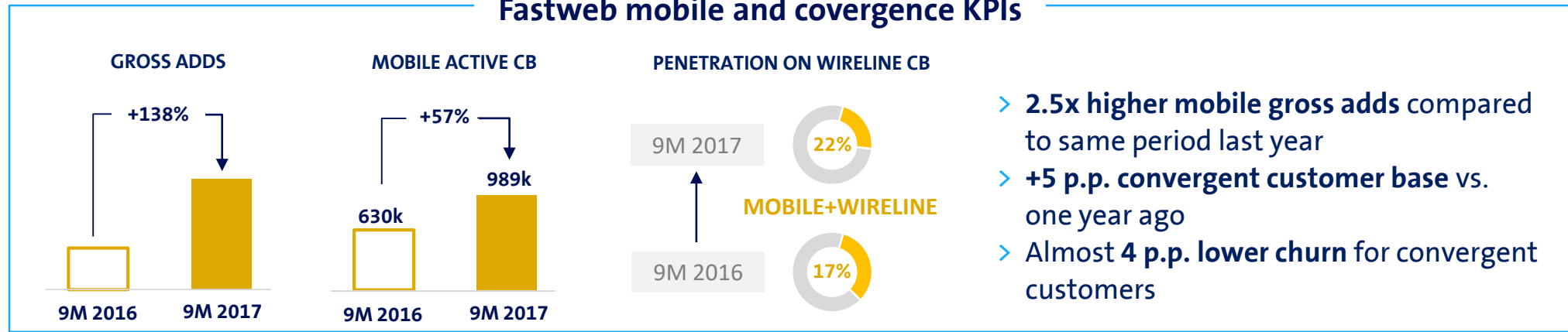


Further strengthening the wireline positioning in the Italian market

¹Always free for 12 months ²Price: 5 EUR/4 weeks

Fastweb - Consumer Mobile

1 million wireless customers – positioning as convergent player

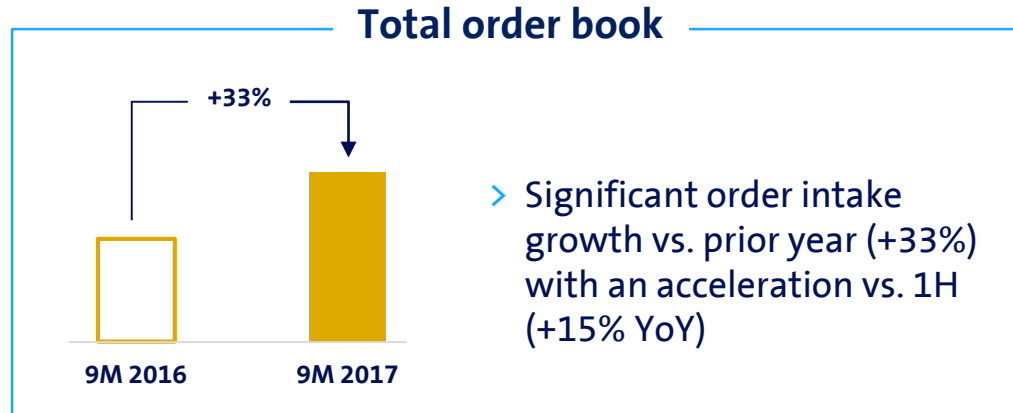


Still untapped potential for further growth

¹Source - External independent survey on customers buying mobile and wireline services from the same provider

Fastweb - Corporate segment

Another strong performance in all segments of the corporate market



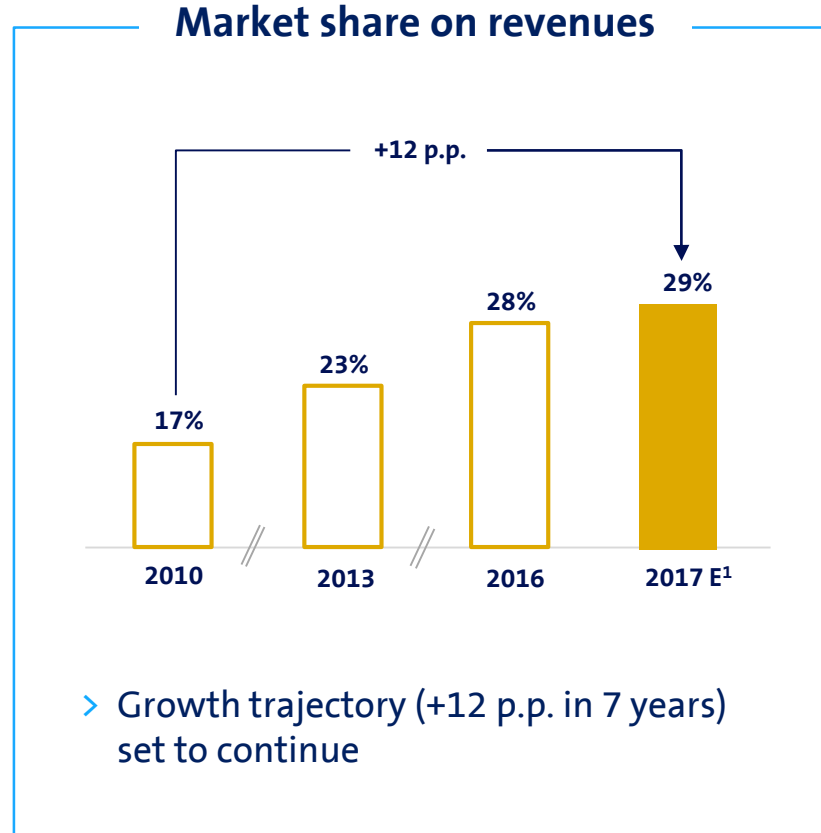
New contracts

PRIVATE

- UniCredit
- Rai Way
- AZIMUT LA DIREZIONE PER INVESTIRE

PUBLIC

- Municipality of Rome
- Region of Basilicata
- Ministry of Defense

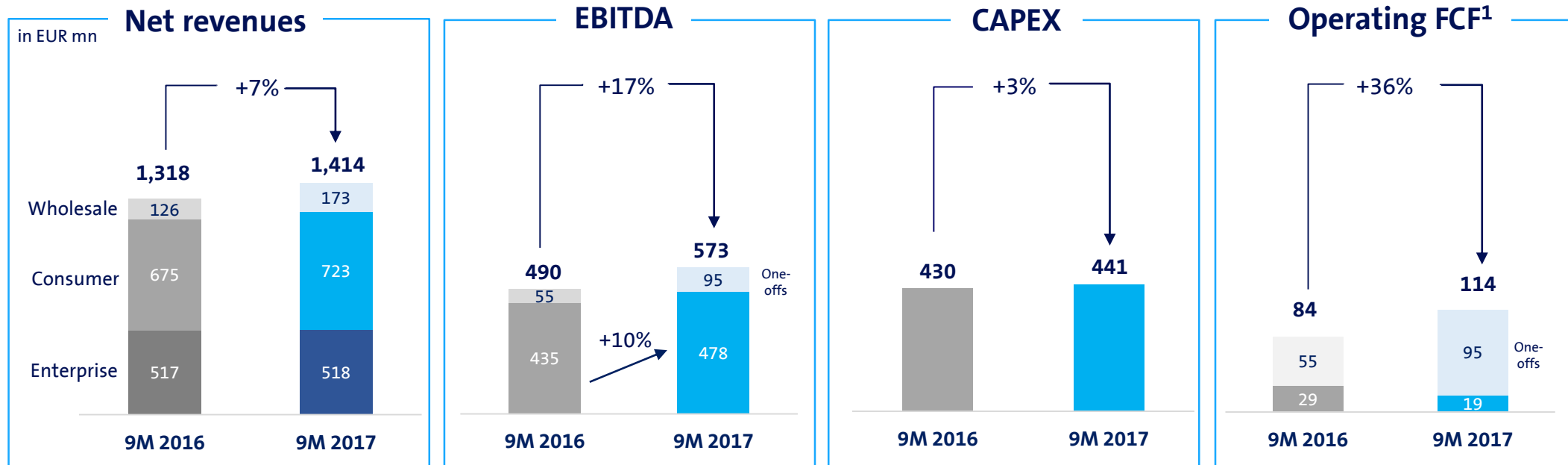


Market share gains expected also in 2017

¹Expectations based on 1H 2017 public results (source: Ernst & Young, 2017)

Fastweb - Financial summary

Growing revenues, EBITDA and FCF



- > Revenue increase of 7% driven by **Wholesale** and **Consumer**
- > 10% ordinary EBITDA growth, further supported by extraordinary items²
- > 4 weeks billing impact in Q3 of EUR +16mn, full year impact expected to be around EUR 40mn
- > 3% Capex increase mainly driven by higher investments in mobile and customer-driven costs



Strong performance of all financial KPIs further boosted by extraordinary items

¹ Operating FCF (excluding approx. 40 mn EUR cash related to financial investments in Tiscali business branch and FlashFiber)

² Q2 2017 EBITDA increase supported by other income from litigations EUR 95mn, Q2 2016 EUR 55mn

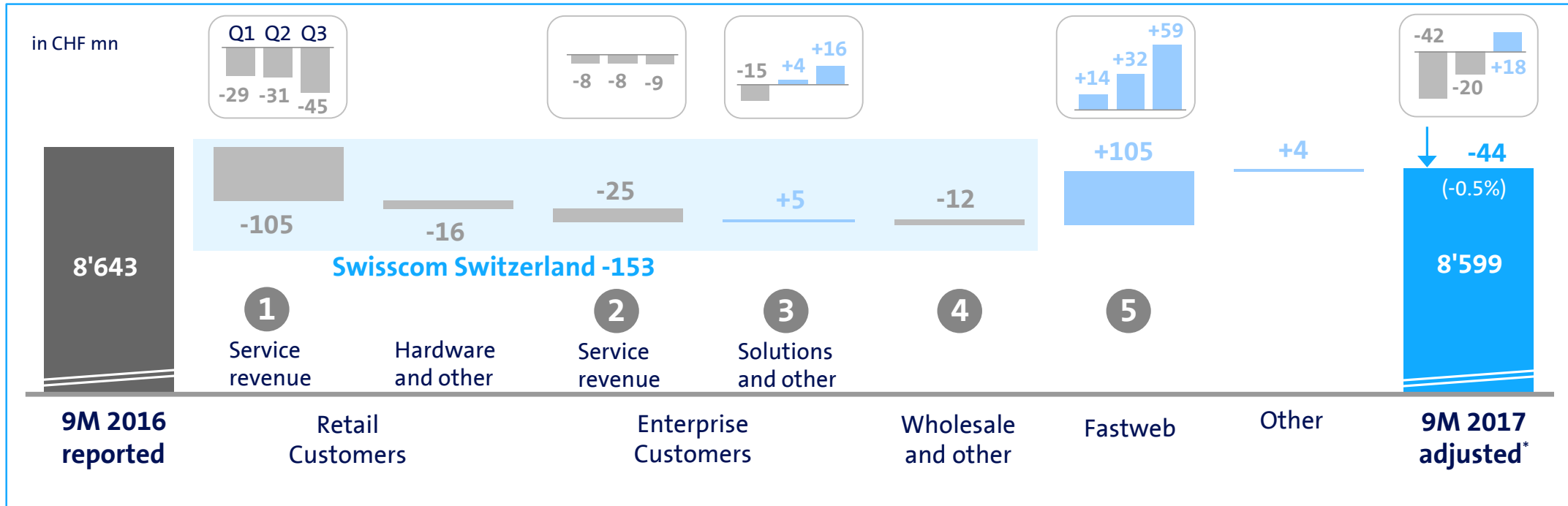
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Mario Rossi, CFO

Revenue breakdown by segments

Declining service revenue puts Swisscom Switzerland under pressure, Fastweb up



- 1** ↘ Lower voice access lines

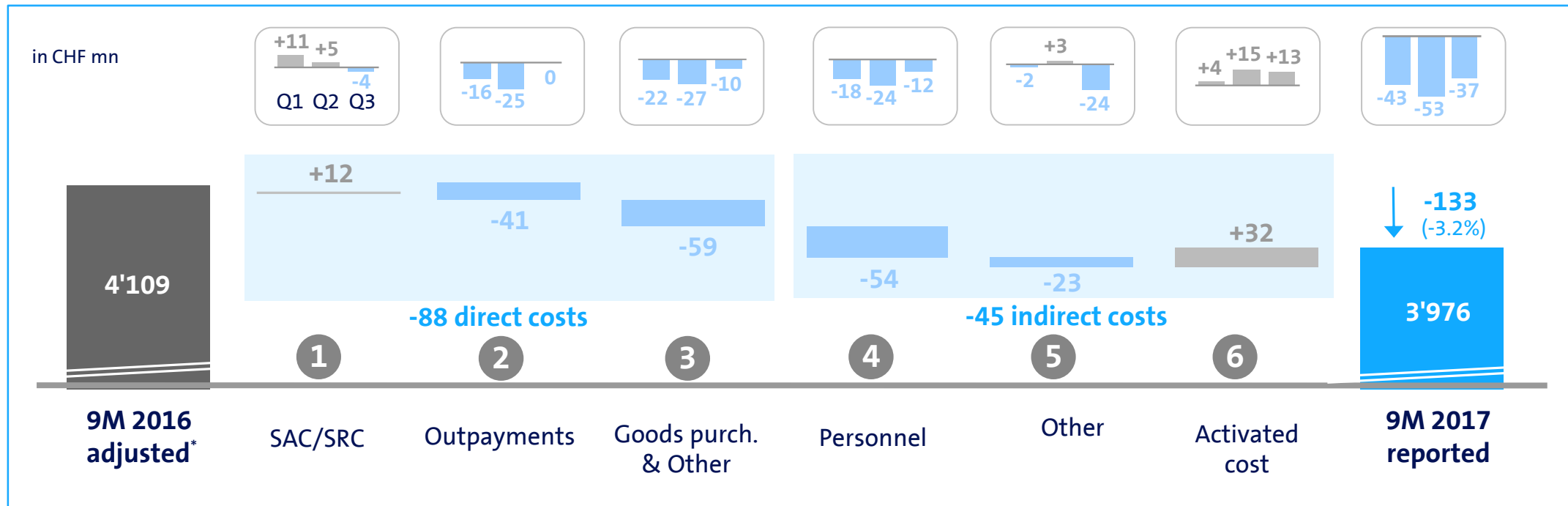
→ TV, BB and wireless RGUs affected by market saturation

↘ W- revenue impacted by roaming and convergence
- 2** Price pressure in wireless and wireline business
- 3** Solutions with Q3 revenue increase
- 4** Lower revenue from decrease of MTR rates partly compensated by higher inbound roaming
- 5** Fastweb with strong growth in Q3 mainly due to impacts from 4-weeks billing and cooperation with TIM

* At constant currency rate, excluding change exchange rate (CHF 5mn)

OPEX of Swisscom Switzerland

Operational excellence initiatives with expected impacts to lower OPEX



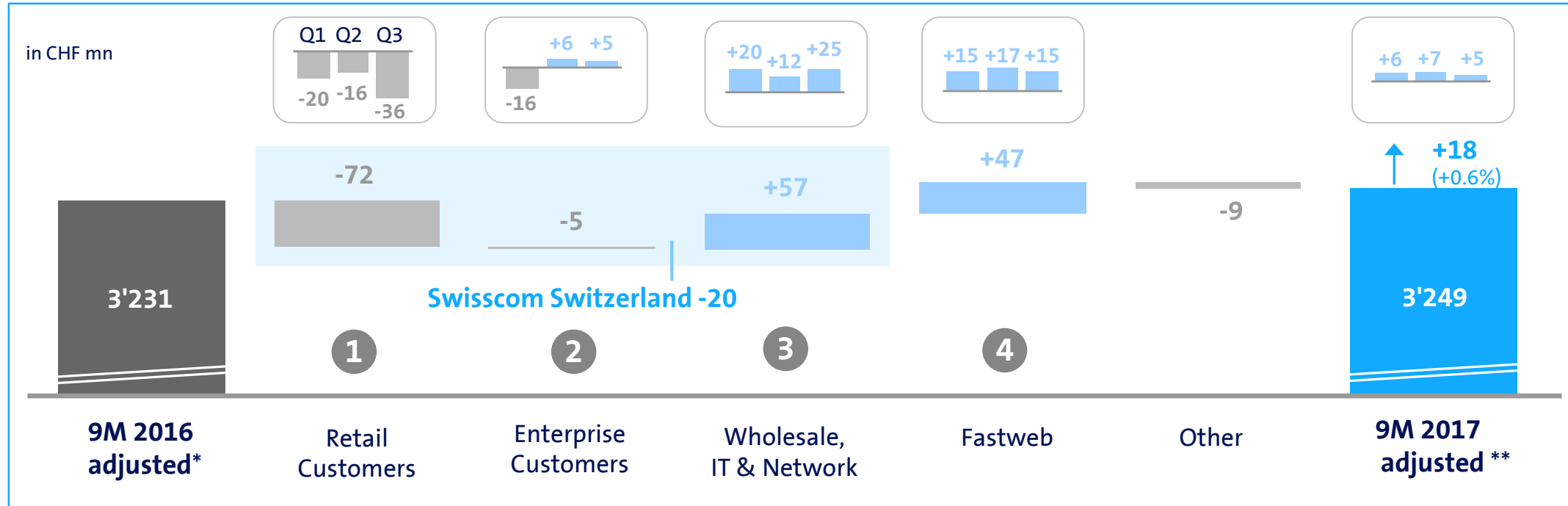
- ① SAC/SRC increased due to subsidized UHD boxes, however retention volume for wireless customers decreased
- ② Outpayments down primarily due to lower MTR tariffs and international voice termination, Q3 flat as lower MTR compensated by higher roaming cost
- ③ Decrease driven by lower hardware sales

- ④ Operational excellence leads to a FTE reduction at Swisscom Switzerland of -728 YoY (o/w -569 in 9m 2017)
- ⑤ Q3 with seasonal effects and one-off items
- ⑥ Less activated cost alongside with lower CAPEX

* Excluding gain from sale of real estate (CHF 16mn)

EBITDA breakdown by segments

Cost saving initiatives partly compensate top-line erosion

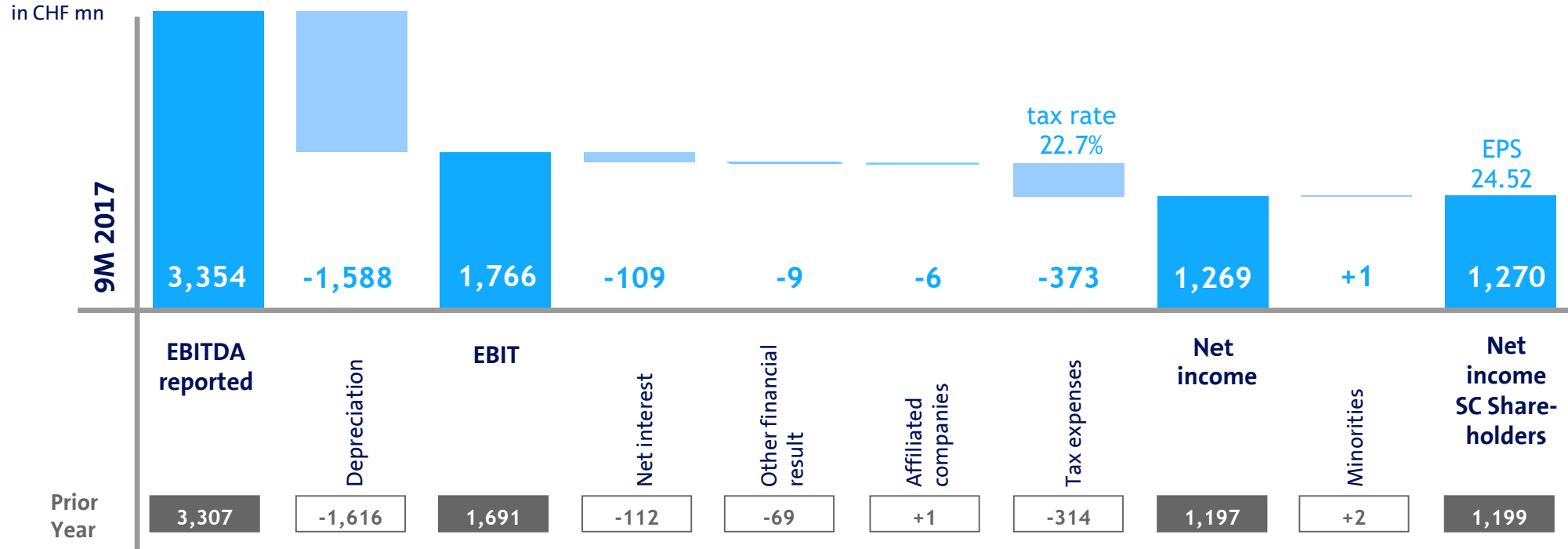


- 1 Lower costs partly compensate lower service revenue. However decrease accelerated in Q3 due to bundle discounts and promotions
- 2 Price pressure in Telco services mostly compensated by Solutions business and cost reduction, which led to a flat EBITDA (with improvements in Q2-Q3)
- 3 Increase is supported by higher inbound roaming revenue
- 4 Fastweb with an increase, supported by higher customer base, retroactive change in regulated prices and impact from 4-weeks billing

* 2016 Excluding gain from sale of real estate (CHF 16mn) and other income from litigations at Fastweb (CHF 60mn)
 ** 2017 At constant currency rate, excluding change exchange rate (CHF 3mn) and other income from litigations at Fastweb (CHF 102mn)

Net income

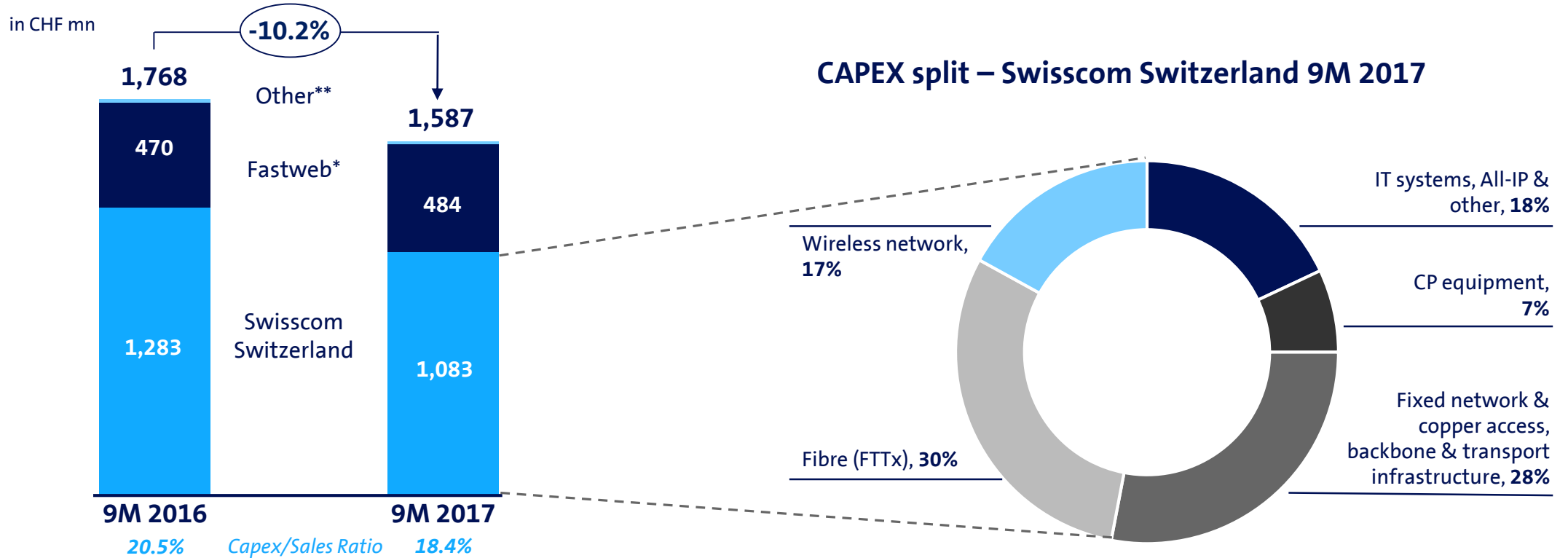
Bottom-line up by 6.0% mainly driven by higher EBIT



- > EBIT up by +4.4% YoY as a result of lower depreciation and higher EBITDA
- > Better other financial result due to fair value adjustments of interest rate swaps
- > Higher tax expenses mainly due to higher EBT

Capital expenditures

YOY decrease primarily driven by time lags in investment activities in Switzerland

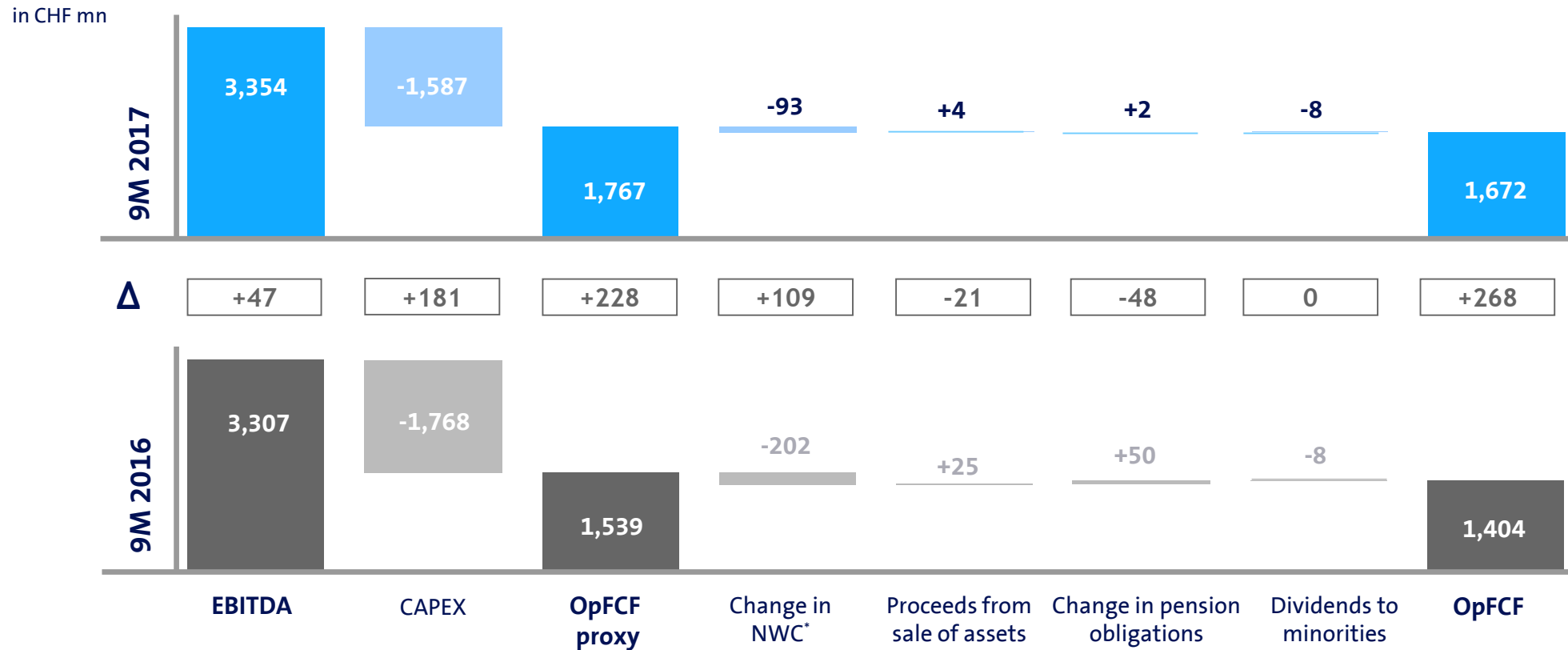


- > Swisscom Switzerland with CHF -200mn YOY driven by time lags, lower customer driven CAPEX and less project volume
- > FTTx investment pace in Switzerland unchanged, leading to expected fibre expenses of CHF ~600mn in 2017
- > In local currency Fastweb up by 2.6% due to higher customer driven CAPEX

* In local currency in 9M 2017: EUR 441mn, in 9M 2016: EUR 430mn, ** in 9M 2017 CHF 20mn, in 9M 2016 CHF 15mn

Operating free cash flow

OpFCF up primarily due to prepayment of the FeAC sanction in Q1 2016 and lower CAPEX



- > Prepayment of FeAC** sanction (CHF 186mn) in Q1 2016 led to higher net working capital compared to YE 2015
- > In 2017 lower positive change in pension obligations due to an expected extraordinary payment (CHF 50mn)
- > Positive (non-operating) cash impact from sale of investment in AWIN Ltd. of CHF 71mn in Q3 2017

* Change in net working capital and other cash flow from operating activities, ** Federal Administrative Court

Outlook

2017 guidance unchanged – CAPEX in Switzerland slightly lower YOY

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FY 2017:

in CHF mn	2016 reported	Adjustments	2016 pro forma	Change 2017 Swisscom w/o Fastweb	Change 2017 Fastweb	2017 outlook
Revenue	11'643			< 0	> 0	~ 11'600
EBITDA	4'293	-20*	4'273	~ -100	> 100**	~ 4'300
CAPEX	2'416			< 0	> 0	~ 2'400

FY 2018: guidance will be disclosed on 7 February 2018



Dividend outlook unchanged:
Swisscom plans to propose CHF 22/share at AGM on 4 April 2018

* Fastweb litigation of CHF -60mn and provisions (for restructuring and other risks) of CHF +40mn

** Incl. other income from litigations at Fastweb of CHF 102mn

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Reported vs. comparable revenue and EBITDA

in CHF mn	2016				2017				Change Q/Q			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue, reported	2'885	2'884	2'874	3'000	2'831	2'859	2'914		-54	-25	+40	
o/w currency effect					-12	-5	+22		-12	-5	+22	
Revenue, comparable change									-42	-20	+18	
EBITDA, reported	1'081	1'146	1'080	986	1'073	1'187	1'094		-8	+41	+14	
o/w provision for other risks				-20								
Gain from sale of real estate	10	5	1	1					-10	-5	-1	
Restructuring				-20								
Other income from litigations (Fastweb)		60				102				+42		
Currency effect					-4	-3	+10		-4	-3	+10	
EBITDA, comparable change									+6	+7	+5	

Segment 'Retail Customers'

Net revenue decreased driven by a lower service revenue and lower hardware sales.

Service revenue decreased (-2.5%) due to lower access lines, lower roaming revenue (price decrease data packages, inclusion additional voice and data volumes in inOne price plans), higher discount volumes (inOne) and the abundance of TV activation fees.

Contribution margin 2 decreased by 2.6%. Lower Service revenue and higher cost for SAC (UHD TV-Box) partly compensated by lower mobile termination fees and lower indirect cost (mainly personnel).

	Q3 2017	Q3/Q3	30.09.2017	YoY
Net revenue in MCHF ¹⁾	1'499	-4.1%	4'517	-3.4%
Direct costs in MCHF	-359	-0.6%	-976	-3.9%
Indirect costs in MCHF ²⁾	-269	-8.8%	-829	-5.5%
Contribution margin 2 in MCHF	871	-4.0%	2'712	-2.6%
Contribution margin 2 in %	58.1%		60.0%	
CAPEX in MCHF	39	-7.1%	120	-15.5%
FTE's	-63		5'731	-6.8%
Broadband lines in '000 ³⁾	+11		1'962	0.8%
Voice lines in '000 ³⁾	-71		1'911	-13.2%
Wireless customers Prepaid in '000	-38		1'980	-5.0%
Wireless customers Postpaid in '000 ³⁾	+22		3'333	1.4%
Blended wireless ARPU MO in CHF	36	-5.3%	37	0.0%
TV subs in '000 ³⁾	+6		1'453	5.5%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

3) sum of single play and bundles

Segment 'Enterprise Customers'

Net revenue down -1.6%, decrease in service revenue (-2.9%) due to price erosion, solutions revenue partly compensates.

Solutions revenue up 0.9%, higher revenue for Verticals and Cloud services mostly compensated by lower revenue for UCC and Workplace business with customer- and project-driven patterns.

Contribution margin 2 decreased by 0.8%, lower costs partly compensate lower revenue.

	Q3 2017	Q3/Q3	30.09.2017	YoY
Net revenue in MCHF ¹⁾	613	0.8%	1'851	-1.6%
Direct costs in MCHF	-172	-7.5%	-526	-6.7%
Indirect costs in MCHF ²⁾	-227	6.6%	-695	1.9%
Contribution margin 2 in MCHF	214	2.4%	630	-0.8%
<i>Contribution margin 2 in %</i>	<i>34.9%</i>		<i>34.0%</i>	
CAPEX in MCHF	14	-53.3%	51	-45.7%
FTE's	+10		4'622	-1.4%
Broadband lines in '000	+0		38	0.0%
Voice lines in '000	-9		217	-15.2%
Wireless customers in '000	+8		1'268	2.1%
Blended wireless ARPU MO in CHF	32	-8.6%	32	-8.6%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

Segment 'Wholesale'

Revenue from external customers down 1.4%. Lower revenue from lower mobile termination fees partly compensated by higher inbound roaming volumes.

Intersegment revenue down as lower outpayments (lower termination fees) are invoiced to the customer units.

Higher inbound roaming volumes and revenue positively impact Contribution Margin 2 (up 13.8%)

	Q3 2017	Q3/Q3	30.09.2017	YoY
External revenue in MCHF	157	5.4%	430	-1.4%
Intersegment revenue in MCHF	120	1.7%	268	-9.2%
Net revenue in MCHF	277	3.7%	698	-4.5%
Direct costs in MCHF	-148	-8.1%	-354	-17.3%
Indirect costs in MCHF ¹⁾	-6	n.m.	-14	n.m.
Contribution margin 2 in MCHF	123	20.6%	330	13.8%
Contribution margin 2 in %	44.4%		47.3%	
CAPEX in MCHF	-		-	
FTE's	+1		87	-3.3%
Full access lines in '000	-2		114	-10.9%
BB (wholesale) lines in '000	+17		419	19.4%

1) incl. capitalised costs and other income

Segment 'IT, Network and Infrastructure'

Indirect costs below prior year level (-3.3%) driven by lower costs for personnel, external employees and lower energy costs (one-off).

Capitalised costs and other income down due to lower gain from sale of real estate and lower activated costs (alongside with lower CAPEX).

	Q3 2017	Q3/Q3	30.09.2017	YoY
Net revenue in MCHF	41	-14.6%	125	-4.6%
Direct costs in MCHF	-3	-	-9	-
Personnel expenses in MCHF	-193	-3.0%	-610	-3.0%
Rent in MCHF	-50	-7.4%	-152	2.7%
Maintenance in MCHF	-49	6.5%	-134	0.8%
IT expenses in MCHF	-49	4.3%	-146	8.1%
Other OPEX in MCHF	-98	-15.5%	-308	-12.3%
Indirect costs in MCHF	-439	-5.0%	-1'350	-3.3%
Capitalised costs and other income in MCHF	103	-11.2%	324	-10.7%
Contribution margin 2 in MCHF	-298	-1.3%	-910	-0.2%
Depreciation, amortisation and impairment in MCHF	-319	1.6%	-958	5.0%
Segment result in MCHF	-617	0.2%	-1'868	2.4%
CAPEX in MCHF	310	-8.6%	912	-12.9%
FTE's	-61		4'867	-4.8%

Segment 'Fastweb'

Consumer revenue up by 7.1% YOY. ARPU decrease of around -2% overcompensated by the increase in customer base and introduction of 4 weeks billing cycle.

EBITDA up by 16.9% YOY, including an income from a settlement of a legal dispute of EUR 95mn (EUR 55mn in previous year).

On a comparable basis EBITDA up by +9.9%, driven by the revenue increase and retroactive lower prices for purchased wholesale products.

	Q3 2017	Q3/Q3	30.09.2017	YoY
Consumer revenue in MEUR	253	12.4%	723	7.1%
Enterprise revenue in MEUR	177	4.7%	518	0.2%
Wholesale revenue in MEUR ¹⁾	61	41.9%	173	37.3%
Net revenue in MEUR ¹⁾	491	12.4%	1'414	7.3%
OPEX in MEUR ²⁾	-321	13.8%	-841	1.6%
EBITDA in MEUR	170	9.7%	573	16.9%
EBITDA margin in %	34.6%		40.5%	
CAPEX in MEUR	139	-3.5%	441	2.6%
FTE's	+15		2'509	2.1%
BB customers in '000	+10		2'421	5.5%
Wireless customers in '000	+109		989	57.0%
In consolidated Swisscom accounts				
EBITDA in MCHF	194	14.8%	628	17.2%
CAPEX in MCHF	158	1.3%	484	3.0%

1) incl. revenues to Swisscom companies

2) incl. capitalised costs and other income

Segment 'Other'

Net revenue up by 8.5% YoY due to higher revenue at Cablex for construction services for Swisscom Switzerland.

EBITDA on previous year level.

	Q3 2017	Q3/Q3	30.09.2017	YoY
External revenue in MCHF	132	2.3%	383	0.8%
Net revenue in MCHF ¹⁾	215	8.0%	612	8.5%
OPEX in MCHF ²⁾	-166	9.2%	-483	10.5%
EBITDA in MCHF	49	4.3%	129	1.6%
<i>EBITDA margin in %</i>	<i>22.8%</i>		<i>21.1%</i>	
CAPEX in MCHF	15	15.4%	39	30.0%
FTE's	+32		2'617	4.6%

1) incl. intersegment revenues

2) incl. capitalised costs and other income

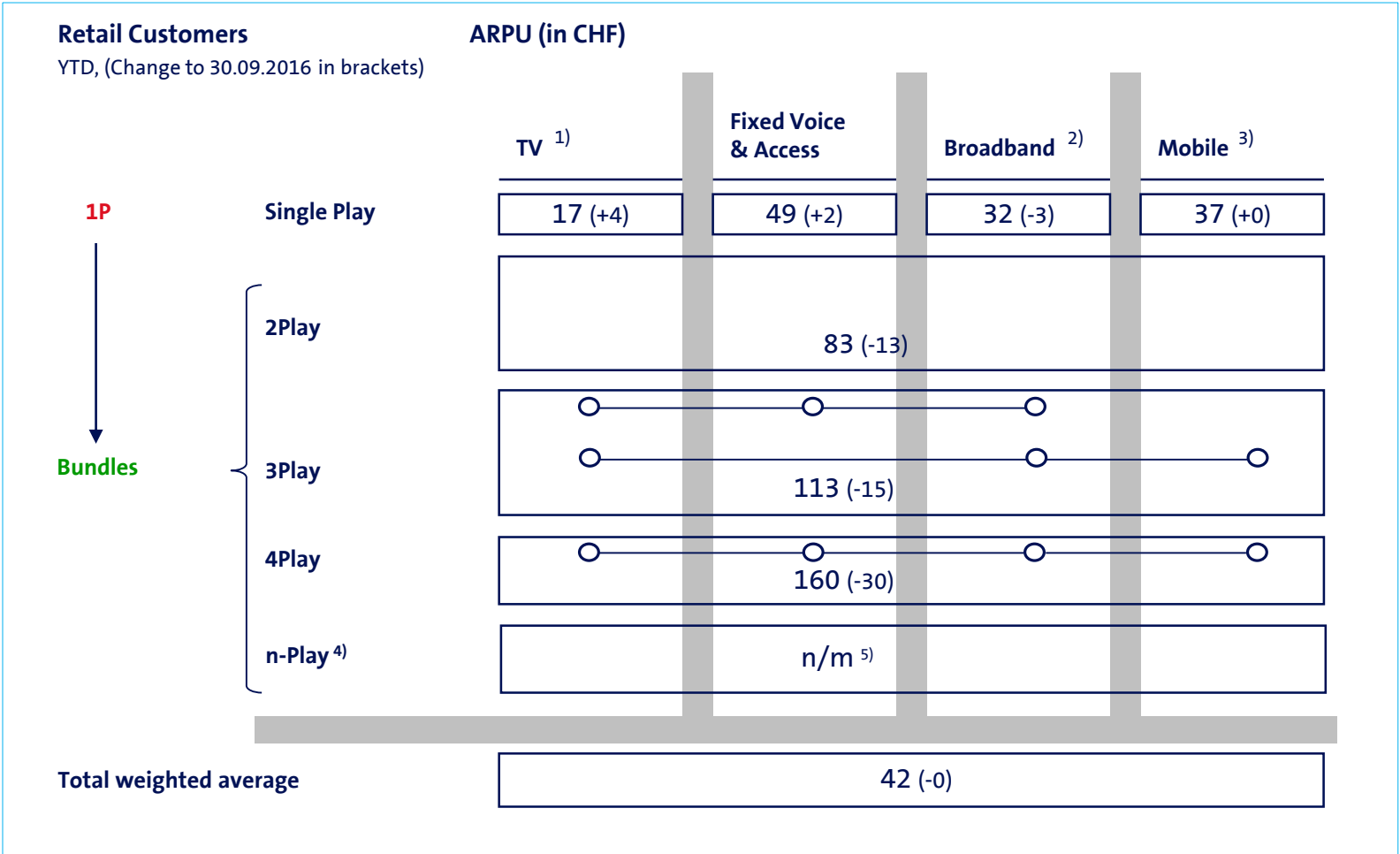
RGUs – Single Play and Bundles

Retail Customers YTD, (Change to 30.09.2016 in brackets)		Access Lines/Subs/Products (in k)				Number of products in Bundle	Sum ¹⁾ Δ	
		TV	Fixed Voice & Access	Broadband	Mobile			
<p>1P</p> <p>↓</p> <p>Bundles</p>	Single Play	7 (-86)	598 (-449)	119 (-240)	4'410 (-279)	1	5'134	(-1'054) (-17.0%)
	2Play					2	5'505	(+796) (+16.9%)
		222 (-57)						
	3Play					3		
		780 (-109)						
	4Play					4		
n-Play ²⁾					n			
Revenue Generating Units		1'453 (+76) (+5.5%)	1'911 (-291) (-13.2%)	1'962 (+15) (+0.8%)	5'313 (-58) (-1.1%)		10'639	(-258) (-2.4%)

¹⁾ Sum of RGUs takes into account opt-out volumes

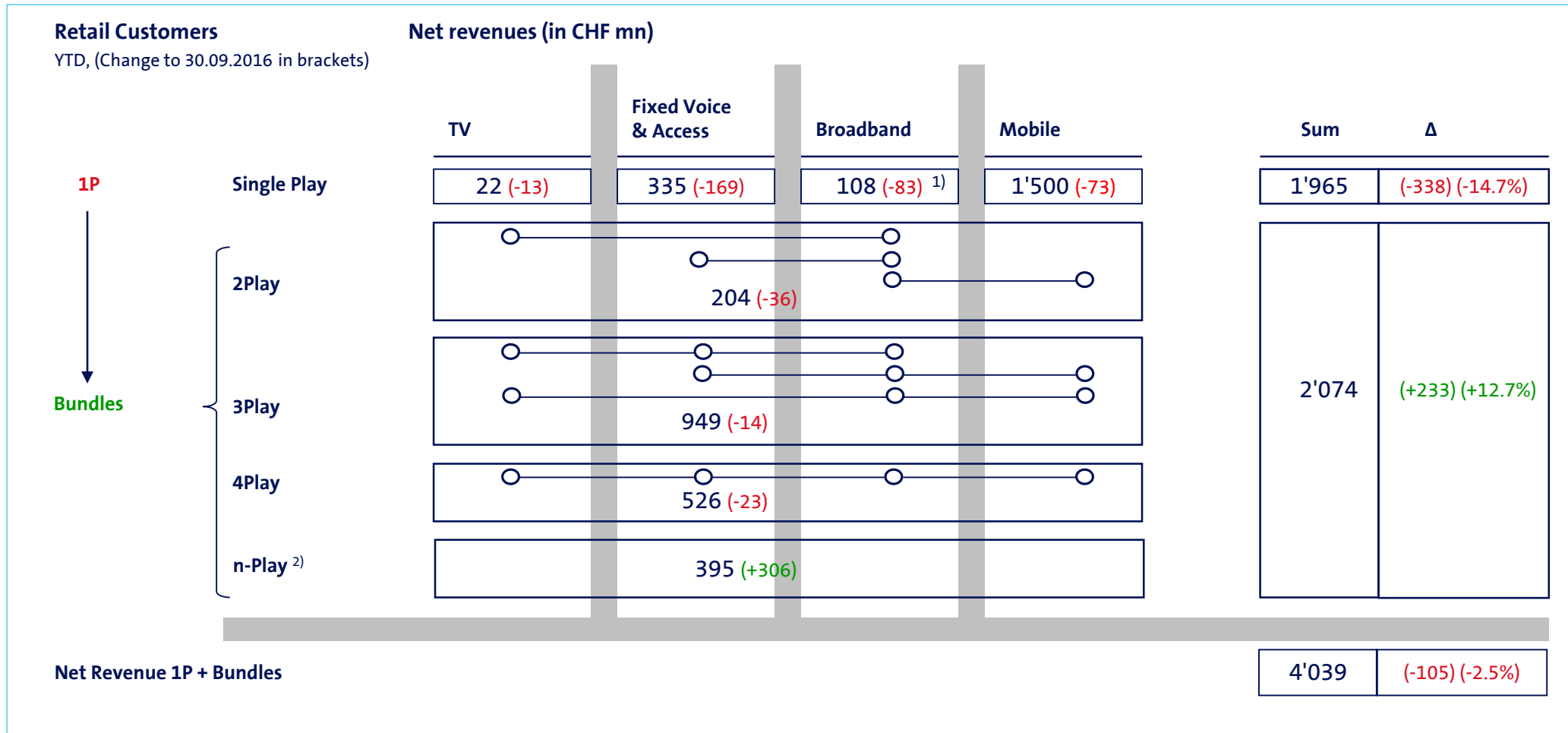
²⁾ All kind of other combinations, incl. inOne and SME business bundles

ARPU – Single Play and Bundles



1) ARPU base fee, 2) ARPU excl. business networks, 3) ARPU excl. mobile termination, 4) All kind of other combinations, incl. inOne and SME business bundles, 5) approx. CHF 174

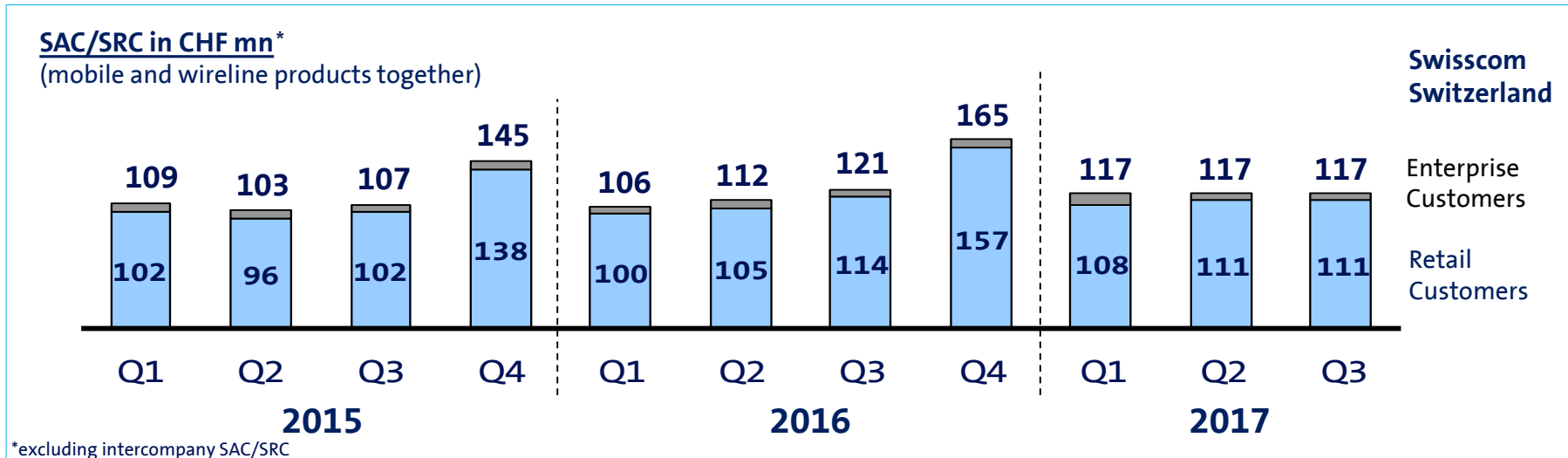
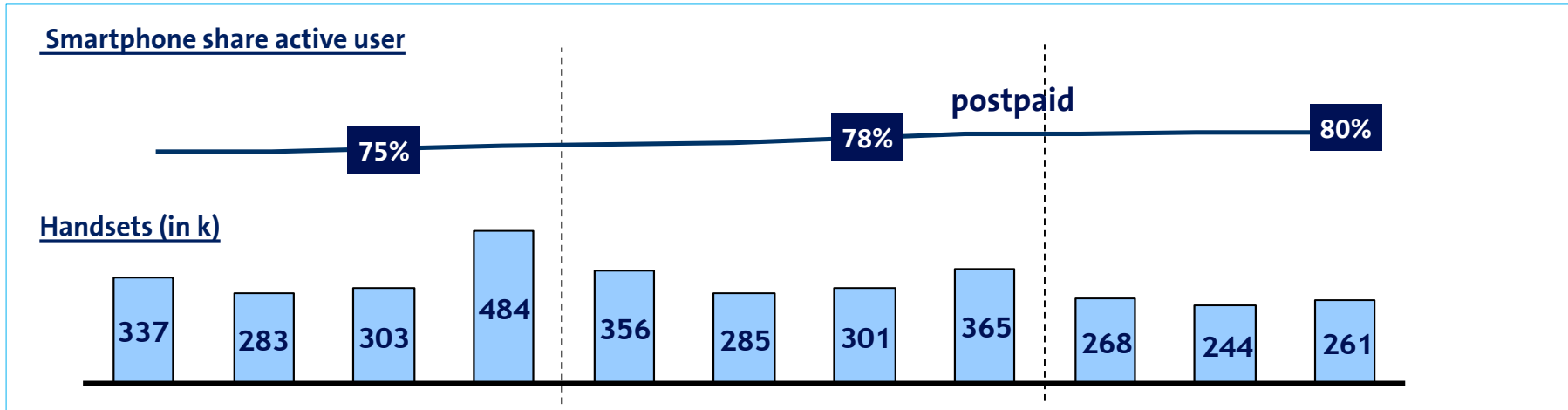
Revenues (RGU x ARPU) – Single Play and Bundles



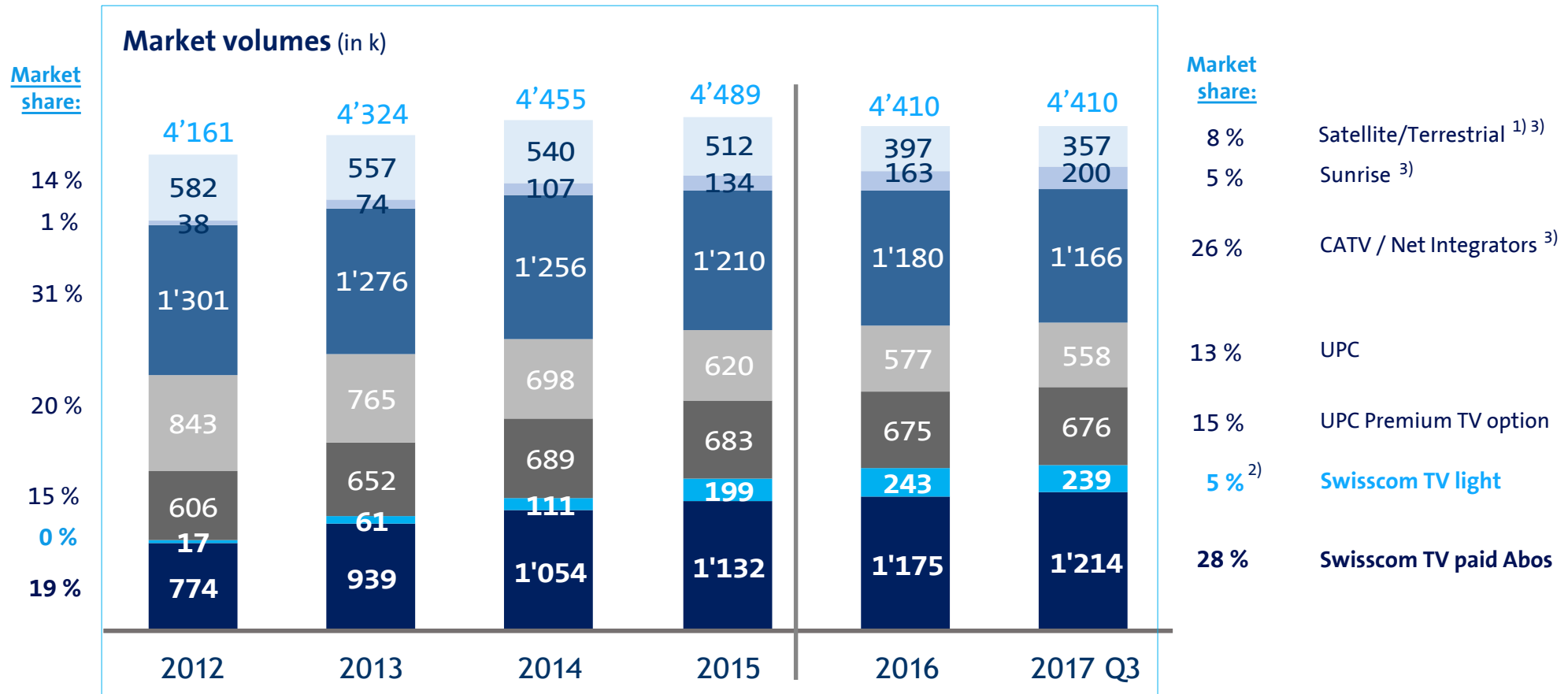
¹⁾ including revenues for business networks/internet which are not included in retail broadband ARPU

²⁾ all kind of other combinations, incl. inOne and SME business bundles

Handsets and SAC/SRC



TV market in Switzerland



1) Time series modified

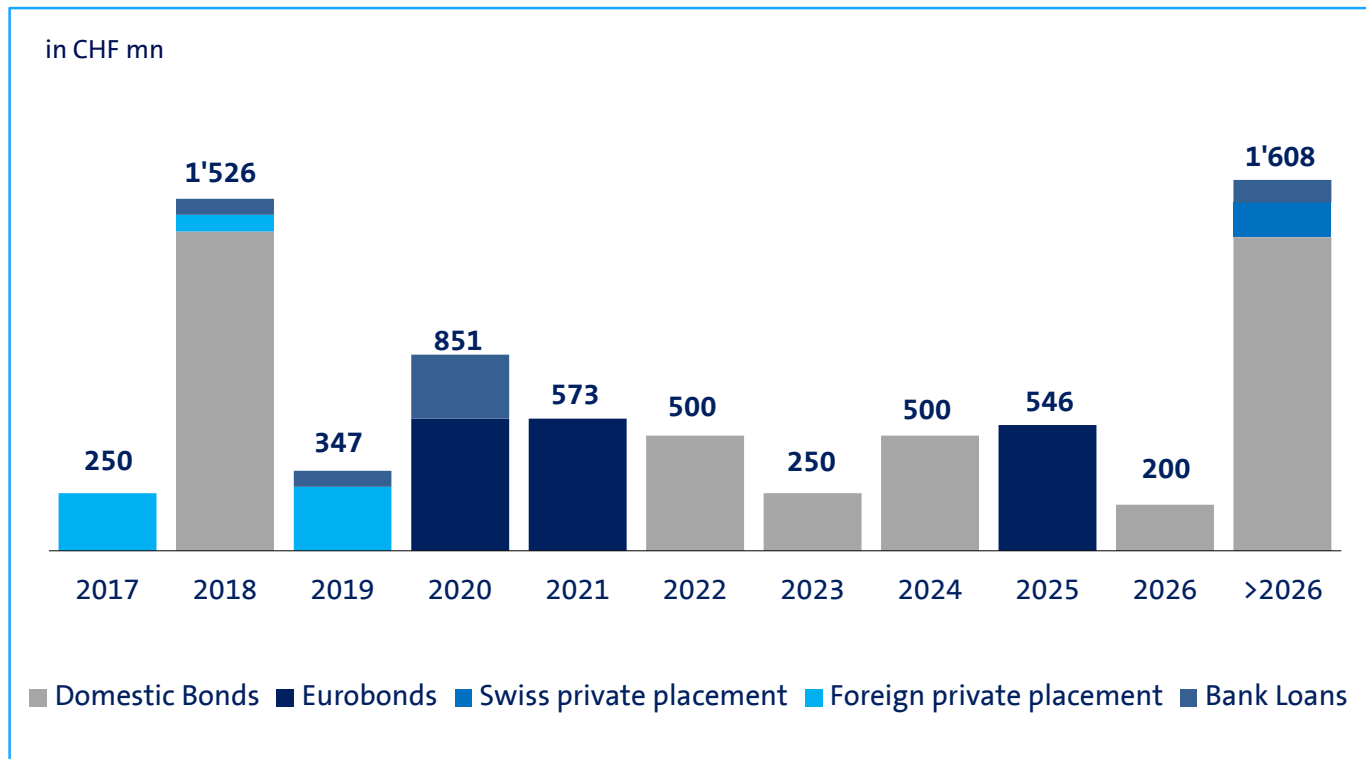
2) Figures (2016 and Q3 2017) and Market share exclude non-active TV light customers

3) Estimates for Q3 2017

Swisscom's smooth maturity profile

Actively managed with a duration of 4.7 years

Maturity profile after bond settlement as per 30.09.2017 *



- > Repayment of **CHF 600mn** domestic bond at maturity in Q3
- > **1.6%** average interest rate of portfolio (incl. derivatives)
- > Active management of interest rate risk within well defined risk limits: **79% fix, 21% floating**

* excl. short-term money market borrowings

Revision of the Telecommunications Act

Federal Council passed message of the Telecommunications Act Revision to the Parliament

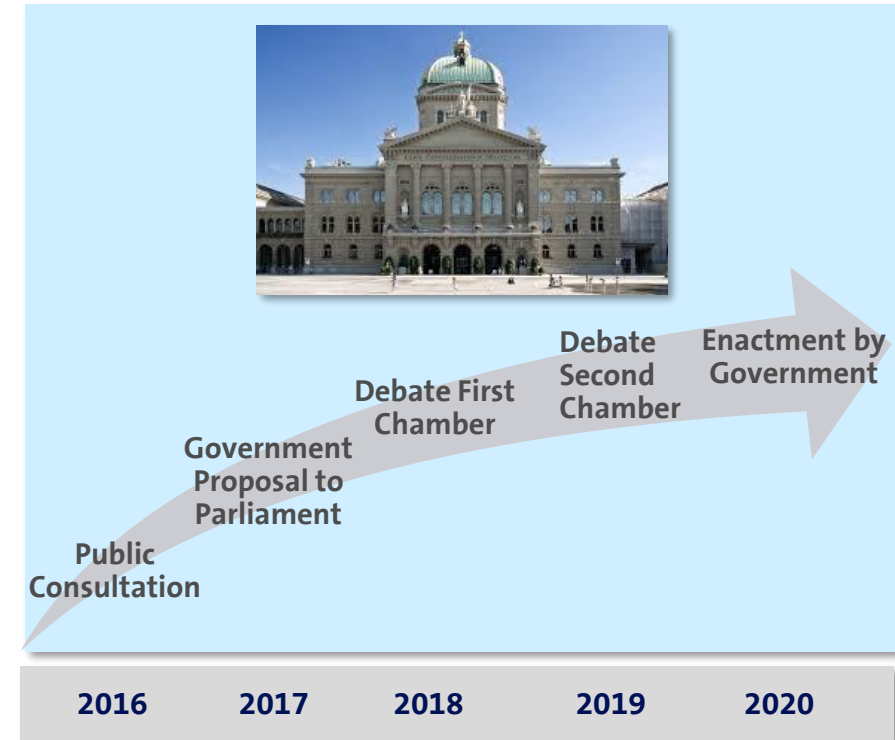
Issues to be debated

- > **Extension of access regulation** ("technology neutrality"); regulation not only limited to copper but also to fibre and cable networks
- > **Price regulation of roaming** (billing to the split)
- > **Customer and youth protection** (e.g. unwanted marketing calls, etc.)

Our position

- > Swisscom sees **no need for a revision of the Telecommunications Act**
- > Current situation shows that **market and competition work**
- > Revision will lead to an **extended regulation** that distorts the market and threatens important investment projects in the peripheral regions (infrastructure strategy of Swisscom)
- > **Flexible commercial solutions** instead of additional regulation (quickly adaptable to new needs and implemented without bureaucracy)

Revision not effective before 2020



The prevailing regulatory framework (Access Regulation limited to legacy infrastructure) supports competition and the development of a strong digital infrastructure all over Switzerland

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.
- > Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Swisscom’s ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Swisscom’s and Fastweb’s past and future filings and reports, including those filed with the U.S. Securities and Exchange Commission and in past and future filings, press releases, reports and other information posted on Swisscom Group Companies’ websites.
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