

# 2021

---

**Interim Report**  
January–March

---



**swisscom**

# KPIs

In CHF million, except where indicated	31.03.2021	31.03.2020	Change	
<b>Net revenue and results <sup>1</sup></b>				
Net revenue	2,803	2,737	2.4%	
Operating income before depreciation and amortisation (EBITDA)	1,124	1,111	1.2%	
EBITDA as % of net revenue	40.1	40.6		
EBITDA after lease expense (EBITDA AL)	1,049	1,036	1.3%	
Operating income (EBIT)	516	504	2.4%	
Net income	638	394	61.9%	
Earnings per share	12.32	7.63	61.5%	
<b>Balance sheet and cash flows <sup>1</sup></b>				
Equity	10,462	9,056	15.5%	
Equity ratio	41.7	35.6		
Operating free cash flow proxy	509	520	-2.1%	
Capital expenditure	540	516	4.7%	
Net debt	5,849	6,552	-10.7%	
<b>Operational data</b>				
Fixed telephony access lines in Switzerland	in thousand	1,491	1,582	-5.8%
Broadband access lines retail in Switzerland	in thousand	2,028	2,053	-1.2%
TV access lines in Switzerland	in thousand	1,581	1,586	-0.3%
Mobile access lines in Switzerland	in thousand	6,177	6,299	-1.9%
Revenue generating units (RGU) Switzerland	in thousand	11,277	11,520	-2.1%
Broadband access lines wholesale in Switzerland	in thousand	567	525	8.0%
Broadband access lines in Italy	in thousand	2,765	2,659	4.0%
Mobile access lines in Italy	in thousand	2,066	1,779	16.1%
<b>Swisscom share</b>				
Number of issued shares	in thousand	51,802	51,802	-%
Market capitalisation		26,264	26,947	-2.5%
Closing price	CHF	507.00	520.20	-2.5%
<b>Employees</b>				
Full-time equivalent employees	number	19,077	19,110	-0.2%
Average number of full-time equivalent employees	number	19,070	19,182	-0.6%

<sup>1</sup> Swisscom uses various alternative performance measures. The definitions and the reconciliation to the values in accordance with IFRS are set out in the interim report on pages 24 and 25.

# Financial review

## Summary

Swisscom's net revenue was up by 2.4% or CHF 66 million at CHF 2,803 million, while operating income before depreciation and amortisation (EBITDA) increased by 1.2% or CHF 13 million to CHF 1,124 million. The impact of COVID-19 on the financial results for the first quarter of 2021 was generally minimal. The consolidated net income of CHF 638 million was significantly higher than the previous year (+61.9% or CHF 244 million) due to non-recurring effects in the financial result. The main reason for this was a shareholding that Fastweb transferred as a capital contribution to the newly founded fibre-optic network company FiberCop as part of the strategic partnership with TIM. This resulted in a revaluation of the participation of CHF 169 million, which was recognised in the income statement. In addition, Swisscom realised a gain of CHF 38 million on the sale of its participation in Belgacom International Carrier Services. The financial outlook for net revenue and EBITDA has been increased for financial year 2021; the outlook for capital expenditure has been reduced.

In the Swiss core business, net revenue increased slightly by 0.7% or CHF 15 million to CHF 2,080 million. The increase was due to growth in sales of smartphones. However, ongoing competitive and price pressure continued to cause a decline in revenue from telecom services. Revenue at Italian subsidiary Fastweb increased by 7.0% or EUR 38 million to EUR 581 million, with all customer segments reporting revenue growth. The number of customers with Fastweb increased year on year by 4.0% to 2.8 million in the broadband business and by 16.1% to 2.1 million in mobile telephony. In the Swiss core business, EBITDA increased by 0.8% or CHF 7 million to CHF 916 million. The decline in revenue from telecom services and the higher costs of subscriber acquisition and retention were offset by ongoing cost-saving measures. At Fastweb, EBITDA rose in local currency by 5.3% or EUR 9 million to EUR 179 million, as a result of the growth in revenue.

Swisscom's capital expenditure rose by 4.7% or CHF 24 million to CHF 540 million. In Switzerland, capital expenditure increased slightly by 1.1% or CHF 4 million to CHF 371 million. Capital expenditure on broadband networks increased, while investments in other infrastructure declined. At Fastweb, capital expenditure increased by 11.6% or EUR 16 million to EUR 154 million as a result of customer-driven investments and higher capital expenditure on the expansion of mobile telephony networks.

Operating free cash flow proxy declined by 2.1% or CHF 11 million to CHF 509 million owing to higher capital expenditure. Net debt fell by 10.7% or CHF 703 million compared with the prior year to CHF 5,849 million. The number of employees at Swisscom remained almost unchanged, at 19,077 FTEs (-0.2%). In Switzerland, headcount decreased by 2.3% or 382 FTEs to 15,975 FTEs.

The financial outlook for the 2021 financial year has been adjusted since the year-end report was issued on 4 February 2021. The revised financial outlook reflects current business performance, the higher-than-expected EUR exchange rate and the optical fibre partnership with Salt. Swisscom now expects net revenue of around CHF 11.3 billion, EBITDA of between CHF 4.3 billion and CHF 4.4 billion and capital expenditure of between CHF 2.2 billion and CHF 2.3 billion. If business develops as planned, Swisscom intends to propose to the 2022 Annual General Meeting an unchanged dividend of CHF 22 per share for the 2021 financial year.

## Segment results

In CHF million	31.03.2021	31.03.2020	Change
<b>Net revenue</b>			
Residential Customers	1,149	1,137	1.1%
Business Customers	778	779	−0.1%
Wholesale <sup>1</sup>	243	225	8.0%
Infrastructure & Support Functions	19	21	−9.5%
Intersegment elimination	(109)	(97)	12.4%
<b>Swisscom Switzerland</b>	<b>2,080</b>	<b>2,065</b>	<b>0.7%</b>
Fastweb	634	580	9.3%
Other Operating Segments	240	241	−0.4%
Intersegment elimination	(151)	(149)	1.3%
<b>Revenue from external customers</b>	<b>2,803</b>	<b>2,737</b>	<b>2.4%</b>
<b>Operating income before depreciation and amortisation (EBITDA)</b>			
Residential Customers	699	703	−0.6%
Business Customers	338	337	0.3%
Wholesale	138	132	4.5%
Infrastructure & Support Functions	(259)	(262)	−1.1%
Intersegment elimination	–	(1)	
<b>Swisscom Switzerland</b>	<b>916</b>	<b>909</b>	<b>0.8%</b>
Fastweb	195	181	7.7%
Other Operating Segments	34	42	−19.0%
Reconciliation pension cost <sup>2</sup>	(13)	(15)	−13.3%
Intersegment elimination	(8)	(6)	33.3%
<b>Operating income before depreciation and amortisation (EBITDA)</b>	<b>1,124</b>	<b>1,111</b>	<b>1.2%</b>

1 Incl. intersegment recharges of services performed by other network providers.

2 Operating income of segments includes ordinary employer contributions as pension fund expense. The difference to the pension cost according to IAS 19 is recognised as a reconciliation item.

As of 1 January 2021, Swisscom amended its organisational structure in Switzerland and the segment formerly known as IT, Network & Infrastructure was renamed Infrastructure & Support Functions. The departments with overlapping functions were merged organisationally at Swisscom Switzerland. As a result, Group Headquarters is no longer reported separately in the segment reporting. In addition, Swisscom has transferred various areas among the segments of Swisscom Switzerland and the Other Operating Segments as of 1 January 2021. The prior-year figures were restated accordingly. Further information can be found in Note 2 in the notes to the consolidated interim financial statements.

Reporting is divided into the segments Residential Customers, Business Customers, Wholesale, and IT, Infrastructure & Support Functions, which are grouped under Swisscom Switzerland, as well as Fastweb and Other Operating Segments. The Infrastructure & Support Functions segment does not charge network costs or management fees to other segments. Any other services between the segments are charged at market prices. The results of the Residential Customers, Business Customers and Wholesale segments thus correspond to a contribution margin before network costs.

## Swisscom Switzerland

In CHF million, except where indicated	31.03.2021	31.03.2020	Change
<b>Net revenue and results</b>			
Telecom services	1,388	1,439	-3.5%
Solutions business	273	267	2.2%
Merchandise	212	175	21.1%
Wholesale	173	164	5.5%
Revenue other	21	5	320.0%
<b>Revenue from external customers</b>	<b>2,067</b>	<b>2,050</b>	<b>0.8%</b>
Intersegment revenue	13	15	-13.3%
<b>Net revenue</b>	<b>2,080</b>	<b>2,065</b>	<b>0.7%</b>
Direct costs	(447)	(412)	8.5%
Indirect costs	(717)	(744)	-3.6%
<b>Segment expenses</b>	<b>(1,164)</b>	<b>(1,156)</b>	<b>0.7%</b>
<b>Segment result before depreciation and amortisation (EBITDA)</b>	<b>916</b>	<b>909</b>	<b>0.8%</b>
Margin as % of net revenue	44.0	44.0	
Lease expense	(58)	(59)	-1.7%
Depreciation and amortisation	(374)	(377)	-0.8%
<b>Segment result</b>	<b>484</b>	<b>473</b>	<b>2.3%</b>
<b>Operating free cash flow proxy</b>			
Segment result before depreciation and amortisation (EBITDA)	916	909	0.8%
Lease expense	(58)	(59)	-1.7%
<b>EBITDA after lease expense (EBITDA AL)</b>	<b>858</b>	<b>850</b>	<b>0.9%</b>
Capital expenditure	(371)	(367)	1.1%
<b>Operating free cash flow proxy</b>	<b>487</b>	<b>483</b>	<b>0.8%</b>
<b>Operational data in thousand and headcount</b>			
Fixed telephony access lines	1,491	1,582	-5.8%
Broadband access lines retail	2,028	2,053	-1.2%
TV access lines	1,581	1,586	-0.3%
Mobile access lines	6,177	6,299	-1.9%
Revenue generating units (RGU)	11,277	11,520	-2.1%
Broadband access lines wholesale	567	525	8.0%
Full-time equivalent employees	12,830	13,056	-1.7%

Swisscom Switzerland's net revenue increased by 0.7% or CHF 15 million to CHF 2,080 million. The increase was mainly due to a rise in sales of smartphones. However, ongoing competitive and price pressure continued to cause a decline in revenue from telecom services. This decreased by 3.5% or CHF 51 million to CHF 1,388 million. Of this decline, CHF 34 million (-3.4%) was attributable to the Residential Customers segment and CHF 17 million (-3.9%) to the Business Customers segment. On the other hand, sales from the solutions business rose by 2.2% or CHF 6 million to CHF 273 million. The increase in sales of merchandise by 21.1% or CHF 37 million to CHF 212 million is attributable to the rise in sales of smartphones. The market is showing signs of saturation and competitive pressure in the area of mobile communications and fixed-network services. The mobile subscriber base declined by 1.9% or 122,000 to 6.18 million compared with the previous year. Part of the decline was due to the announced gradual decommissioning of the ageing 2G mobile technology. The number of postpaid lines grew by 80,000 year on year, while the number of prepaid lines fell by 202,000. The number of broadband connections fell by 1.2% or 25,000 to 2.03 million within the space of a year. However, the number of inOne customers continues to increase. Swisscom Switzerland had a total of 2.47 million inOne customers in the Residential Customers segment at the end of March 2021. In this segment, inOne accounted for 68% of postpaid mobile lines and 79% of broadband connections. The number of TV connections decreased year on year by 0.3% or 5,000 to 1.58 million, while the number of fixed-network access lines fell year on year by 5.8% or 91,000 to 1.49 million.

Segment expense increased by 0.7% or CHF 8 million to CHF 1,164 million. Direct costs increased by 8.5% or CHF 35 million to CHF 447 million. In addition to higher costs for purchasing goods, costs for acquiring and retaining customers also rose. Indirect costs fell by 3.6% or CHF 27 million to CHF 717 million. This was chiefly due to

lower costs for customer service and network maintenance. In addition, capitalised costs increased due to a higher share of self-constructed assets in investments. Headcount fell year on year as a result of efficiency measures by 1.7% or 226 FTEs to 12,830 FTEs. The segment result before depreciation and amortisation increased by 0.8% or CHF 7 million to CHF 916 million. The decline in revenue from telecom services and the higher costs of subscriber acquisition and retention were offset by ongoing cost-saving measures. Capital expenditure rose slightly by 1.1% or CHF 4 million to CHF 371 million. Investments in the expansion of broadband networks increased, while investments in other infrastructure declined. As at the end of March 2021, 84% of all Swiss homes and businesses were connected with ultra-fast broadband exceeding 80 Mbps. Meanwhile, 65% of all homes and offices benefited from fast connections with superior bandwidths of over 200 Mbps. Swisscom intends to make ultra-fast broadband available in every Swiss municipality by the end of 2021, even in remote locations. Swisscom also plans to double FTTH coverage to up to 60% by the end of 2025.

## Fastweb

In EUR million, except where indicated	31.03.2021	31.03.2020	Change
<b>Net revenue and results</b>			
Residential Customers	286	280	2.1%
Corporate Business	237	211	12.3%
Wholesale	56	50	12.0%
<b>Revenue from external customers</b>	<b>579</b>	<b>541</b>	<b>7.0%</b>
Intersegment revenue	2	2	–%
<b>Net revenue</b>	<b>581</b>	<b>543</b>	<b>7.0%</b>
Segment expenses	(402)	(373)	7.8%
<b>Segment result before depreciation and amortisation (EBITDA)</b>	<b>179</b>	<b>170</b>	<b>5.3%</b>
Margin as % of net revenue	30.8	31.3	
Lease expense	(14)	(13)	7.7%
Depreciation and amortisation	(146)	(144)	1.4%
<b>Segment result</b>	<b>19</b>	<b>13</b>	<b>46.2%</b>
<b>Operating free cash flow proxy</b>			
Segment result before depreciation and amortisation (EBITDA)	179	170	5.3%
Lease expense	(14)	(13)	7.7%
<b>EBITDA after lease expense (EBITDA AL)</b>	<b>165</b>	<b>157</b>	<b>5.1%</b>
Capital expenditure	(154)	(138)	11.6%
<b>Operating free cash flow proxy</b>	<b>11</b>	<b>19</b>	<b>–42.1%</b>
<b>Operational data in thousand and headcount</b>			
Broadband access lines	2,765	2,659	4.0%
Mobile access lines	2,066	1,779	16.1%
Full-time equivalent employees	2,733	2,515	8.7%

Fastweb's net revenue rose year on year by 7.0% or EUR 38 million to EUR 581 million. Despite persistently challenging market conditions, Fastweb's broadband customer base grew by 4.0% or 106,000 year on year to 2.77 million. Fastweb is also growing in the fiercely competitive mobile telephony market. The number of mobile access lines increased by 16.1% or 287,000 year on year to 2.07 million. Bundled offers continue to play an important role. 35% of subscribers use a bundled offering combining fixed network and mobile. Residential customer revenue rose by 2.1% or EUR 6 million to EUR 286 million as a result of customer growth. Fastweb is also growing in the area of business customers. Revenue from business customers was up by 12.3% or EUR 26 million to EUR 237 million as a result of higher revenue from public administrations. Revenue from wholesale business increased by 12.0% or EUR 6 million to EUR 56 million.

The segment result before depreciation and amortisation was 5.3% or EUR 9 million higher at EUR 179 million on the back of the growth in revenue. Capital expenditure increased by 11.6% or EUR 16 million year on year to EUR 154 million due to higher customer-driven investments and increased investments in network infrastructure. Fastweb's headcount increased by 8.7% or 218 FTEs year on year to 2,733 FTEs as a result of acquisitions and the hiring of external staff.

## Other Operating Segments

In CHF million, except where indicated	31.03.2021	31.03.2020	Change
<b>Net revenue and results</b>			
Revenue from external customers	104	109	-4.6%
Intersegment revenue	136	132	3.0%
<b>Net revenue</b>	<b>240</b>	<b>241</b>	<b>-0.4%</b>
Segment expenses	(206)	(199)	3.5%
<b>Segment result before depreciation and amortisation (EBITDA)</b>	<b>34</b>	<b>42</b>	<b>-19.0%</b>
Margin as % of net revenue	14.2	17.4	
Lease expense	(3)	(3)	-%
Depreciation and amortisation	(13)	(15)	-13.3%
<b>Segment result</b>	<b>18</b>	<b>24</b>	<b>-25.0%</b>
<b>Operating free cash flow proxy</b>			
Segment result before depreciation and amortisation (EBITDA)	34	42	-19.0%
Lease expense	(3)	(3)	-%
<b>EBITDA after lease expense (EBITDA AL)</b>	<b>31</b>	<b>39</b>	<b>-20.5%</b>
Capital expenditure	(9)	(7)	28.6%
<b>Operating free cash flow proxy</b>	<b>22</b>	<b>32</b>	<b>-31.3%</b>
<b>Headcount</b>			
Full-time equivalent employees	3,514	3,539	-0.7%

Net revenue of the Other Operating Segments was almost unchanged year on year at CHF 240 million (-0.4%). As a result of higher costs, the segment result before depreciation declined by 19.0% or CHF 8 million to CHF 34 million. The profit margin decreased accordingly to 14.2% (prior year: 17.4%). Headcount declined by 0.7% or 25 FTEs to 3,514 FTEs.

## Depreciation and amortisation, non-operating results

In CHF million, except where indicated	31.03.2021	31.03.2020	Change
<b>Operating income before depreciation and amortisation (EBITDA)</b>	<b>1,124</b>	<b>1,111</b>	<b>1.2%</b>
Depreciation and amortisation of property, plant and equipment and intangible assets	(538)	(537)	0.2%
Depreciation of right-of-use assets	(70)	(70)	–%
<b>Operating income (EBIT)</b>	<b>516</b>	<b>504</b>	<b>2.4%</b>
Net interest expense on financial assets and liabilities	(17)	(12)	41.7%
Interest expense on lease liabilities	(11)	(11)	–%
Gain from transactions with equity-accounted investees	207	–	
Other financial result	45	(14)	
Result of equity-accounted investees	–	1	–100.0%
<b>Income before income taxes</b>	<b>740</b>	<b>468</b>	<b>58.1%</b>
Income tax expense	(102)	(74)	37.8%
<b>Net income</b>	<b>638</b>	<b>394</b>	<b>61.9%</b>
Attributable to equity holders of Swisscom Ltd	638	395	61.5%
Attributable to non-controlling interests	–	(1)	–100.0%
Earnings per share (in CHF)	12.32	7.63	61.5%

Net income rose by 61.9% or CHF 244 million to CHF 638 million as a result of one-off effects in the financial result. This was mainly due to a shareholding that Fastweb transferred as a capital contribution to the newly established fibre-optic company FiberCop as part of the strategic partnership with TIM. This resulted in a revaluation of the participation of CHF 169 million, which was recognised in the income statement. In addition, Swisscom realised a gain of CHF 38 million on the sale of its investment in Belgacom International Carrier Services. Without the gains from the investments, net income would have increased by CHF 37 million. The increase in operating income of CHF 12 million and the improved other financial result of CHF 59 million were offset by higher interest expense of CHF 5 million and increased income tax expense of CHF 28 million. The improvement in the other financial result was due to the better foreign currency result and gains on the valuation of interest rate swaps. Income tax expense was CHF 102 million (prior year: CHF 74 million), corresponding to an effective income tax rate of 13.8% (prior year: 15.8%). Swisscom anticipates a future effective consolidated tax rate of about 19%.

## Cash flows

In CHF million	31.03.2021	31.03.2020	Change
Operating income before depreciation and amortisation (EBITDA)	1,124	1,111	13
Lease expense	(75)	(75)	–
<b>EBITDA after lease expense (EBITDA AL)</b>	<b>1,049</b>	<b>1,036</b>	<b>13</b>
Capital expenditure	(540)	(516)	(24)
<b>Operating free cash flow proxy</b>	<b>509</b>	<b>520</b>	<b>(11)</b>
Change in net working capital	(21)	(205)	184
Change in defined benefit obligations	12	14	(2)
Net interest payments on financial assets and liabilities	(13)	(5)	(8)
Income taxes paid	(198)	(119)	(79)
Other operating cash flows	(19)	(16)	(3)
<b>Free cash flow</b>	<b>270</b>	<b>189</b>	<b>81</b>
Net proceeds (net expenditures) for company acquisitions and disposals	115	(8)	123
Other changes	(16)	25	(41)
<b>Decrease in net debt</b>	<b>369</b>	<b>206</b>	<b>163</b>

Operating free cash flow proxy declined by 2.1% or CHF 11 million to CHF 509 million, primarily due to higher capital expenditure at Fastweb. Free cash flow increased year on year by CHF 81 million to CHF 270 million, fuelled largely by the improvement in net working capital. Networking capital grew slightly by CHF 21 million compared with the end of 2020 (prior year: increase of CHF 205 million). This was partially offset by higher income tax payments. Tax payments were deferred in the first quarter of 2020. In the first quarter of 2021, net



cash inflows from acquisitions and disposals included the proceeds of CHF 126 million from the sale of the participation in Belgacom International Carrier Services.

## Net asset position

In CHF million, except where indicated	31.03.2021	31.12.2020	Change
Property, plant and equipment	10,748	10,725	0.2%
Intangible assets	1,747	1,745	0.1%
Goodwill	5,176	5,162	0.3%
Right-of-use assets	2,153	2,138	0.7%
Trade receivables	2,483	2,132	16.5%
Trade payables	(1,635)	(1,525)	7.2%
Provisions	(1,177)	(1,216)	-3.2%
Deferred gain on sale and leaseback of real estate	(99)	(106)	-6.6%
Other operating assets and liabilities, net	(482)	(240)	100.8%
<b>Net operating assets</b>	<b>18,914</b>	<b>18,815</b>	<b>0.5%</b>
Net debt	(5,849)	(6,218)	-5.9%
Lease liabilities	(1,976)	(1,988)	-0.6%
Defined benefit obligations	(471)	(795)	-40.8%
Income tax assets and liabilities, net	(614)	(643)	-4.5%
Equity-accounted investees and other non-current financial assets	458	320	43.1%
<b>Equity</b>	<b>10,462</b>	<b>9,491</b>	<b>10.2%</b>
Equity ratio in %	41.7	39.1	

Net operating assets were virtually unchanged at CHF 18,914 million (+0.5%) compared with year-end 2020. Pension liabilities decreased by CHF 324 million to CHF 471 million as a result of a positive return on plan assets and a higher discount rate. The increase in equity by 10.2% or CHF 971 million to CHF 10,462 million was attributable to net income of CHF 638 million and other comprehensive income of CHF 336 million recognised directly in equity. Correspondingly, the equity ratio rose from 39.1% to 41.7%.

On 31 March 2021, the Annual General Meeting of Swisscom Ltd approved the payment of an unchanged gross dividend of CHF 22 per share. A total dividend amount of CHF 1,140 million was paid out on 8 April 2021.

## Net debt

Net debt comprises financial liabilities less cash and cash equivalents, listed debt instruments, derivative financial instruments held for hedging financial liabilities and other current financial assets. Net debt and the net debt to EBITDA ratio are presented both with and without classification of leases as financial liabilities. For credit rating purposes, rating agencies include lease liabilities in the calculation of net debt. However, for the financial target of the Federal Council's financing structure, leases are not classified as financial liabilities or part of net debt.

In CHF million	31.03.2021	31.12.2020
Debenture bonds	6,164	6,110
Bank loans	293	484
Private placements	150	151
Other financial liabilities	272	297
<b>Total financial liabilities</b>	<b>6,879</b>	<b>7,042</b>
Cash and cash equivalents	(524)	(340)
Listed debt instruments	(292)	(271)
Derivative financial instruments for financing	(91)	(79)
Other current financial assets	(123)	(134)
<b>Net debt</b>	<b>5,849</b>	<b>6,218</b>
Lease liabilities	1,976	1,988
<b>Net debt incl. lease liabilities</b>	<b>7,825</b>	<b>8,206</b>

In recent years, Swisscom has taken advantage of favourable capital market conditions with a view to optimising the interest and maturity structure of the Group's financial liabilities. As at 31 March 2021, the average interest expense on financial liabilities was 1.08%, the average residual term to maturity was 6.4 years, and the share of the Group's variable interest-bearing financial liabilities was 6%.

## Outlook

In CHF million or in CHF billion	2020 reported	2021 outlook previously <sup>1</sup>	2021 outlook adjusted <sup>2</sup>
<b>Net revenue</b>			
<b>Swisscom Group</b>	<b>CHF 11,100 mn</b>	<b>~ CHF 11.1 bn</b>	<b>~ CHF 11.3 bn</b>
Swisscom w/o Fastweb			~ CHF 8.6 bn
Fastweb			~ EUR 2.4 bn
<b>Operating income before depreciation and amortisation (EBITDA)</b>			
<b>Swisscom Group</b>	<b>CHF 4,382 mn</b>	<b>~ CHF 4.3 bn</b>	<b>CHF 4.3–4.4 bn <sup>3</sup></b>
Swisscom w/o Fastweb			CHF 3.4–3.5 bn
Fastweb			~ EUR 0,8 bn
<b>Capital expenditure</b>			
<b>Swisscom Group</b>	<b>CHF 2,229 mn</b>	<b>~ CHF 2.3 bn</b>	<b>CHF 2.2–2.3 bn</b>
Swisscom w/o Fastweb			~ CHF 1.6 bn
Fastweb			~ EUR 0.6 bn

<sup>1</sup> Published on 4 February 2021.

<sup>2</sup> Exchange rate CHF/EUR 1.10 (2020: CHF/EUR 1.07).

<sup>3</sup> 2021 outlook for EBITDA after lease expense CHF 4.0–4.1 bn.

The financial outlook for the 2021 financial year has been adjusted since the year-end report was issued on 4 February 2021. The revised financial outlook reflects current business performance, the higher-than-expected EUR exchange rate and the optical fibre partnership with Salt. Swisscom now expects net revenue of around CHF 11.3 billion, EBITDA of between CHF 4.3 billion and CHF 4.4 billion and capital expenditure of between CHF 2.2 billion and CHF 2.3 billion. If business develops as planned, Swisscom intends to propose to the 2022 Annual General Meeting an unchanged dividend of CHF 22 per share for the 2021 financial year.

# Consolidated interim financial statements

## Consolidated statement of comprehensive income (unaudited)

In CHF million, except for per share amounts	Note	1.1.–31.3.2021	1.1.–31.3.2020
<b>Income statement</b>			
<b>Net revenue</b>	2	<b>2,803</b>	<b>2,737</b>
Direct costs	3	(680)	(626)
Personnel expense	3	(716)	(700)
Other operating expense	3	(422)	(407)
Capitalised self-constructed assets and other income	3	139	107
<b>Operating income before depreciation and amortisation</b>		<b>1,124</b>	<b>1,111</b>
Depreciation and amortisation of property, plant and equipment and intangible assets		(538)	(537)
Depreciation of right-of-use assets		(70)	(70)
<b>Operating income</b>		<b>516</b>	<b>504</b>
Financial income	6	264	7
Financial expense	6	(40)	(44)
Result of equity-accounted investees		–	1
<b>Income before income taxes</b>		<b>740</b>	<b>468</b>
Income tax expense		(102)	(74)
<b>Net income</b>		<b>638</b>	<b>394</b>
<b>Other comprehensive income</b>			
Actuarial gains and losses from defined benefit pension plans		276	(164)
Change in fair value of equity instruments		2	(7)
<b>Items that will not be reclassified to income statement</b>		<b>278</b>	<b>(171)</b>
Foreign currency translation adjustments of foreign subsidiaries		63	(35)
Change in cash flow hedges		(5)	(3)
<b>Items that are or may be reclassified subsequently to income statement</b>		<b>58</b>	<b>(38)</b>
<b>Other comprehensive income</b>		<b>336</b>	<b>(209)</b>
<b>Comprehensive income</b>			
Net income		638	394
Other comprehensive income		336	(209)
<b>Comprehensive income</b>		<b>974</b>	<b>185</b>
<b>Share of net income and comprehensive income</b>			
Equity holders of Swisscom Ltd		638	395
Non-controlling interests		–	(1)
<b>Net income</b>		<b>638</b>	<b>394</b>
Equity holders of Swisscom Ltd		974	186
Non-controlling interests		–	(1)
<b>Comprehensive income</b>		<b>974</b>	<b>185</b>
<b>Earnings per share</b>			
<b>Basic and diluted earnings per share (in CHF)</b>		<b>12.32</b>	<b>7.63</b>

## Consolidated balance sheet (unaudited)

In CHF million	Note	31.03.2021	31.12.2020
<b>Assets</b>			
Cash and cash equivalents		524	340
Trade receivables	7	2,483	2,132
Other operating assets	7	1,104	1,029
Other financial assets		170	170
Current income tax assets		20	4
<b>Total current assets</b>		<b>4,301</b>	<b>3,675</b>
Property, plant and equipment		10,748	10,725
Intangible assets		1,747	1,745
Goodwill		5,176	5,162
Right-of-use assets		2,153	2,138
Equity-accounted investees		49	155
Other financial assets		745	479
Deferred tax assets		180	183
<b>Total non-current assets</b>		<b>20,798</b>	<b>20,587</b>
<b>Total assets</b>		<b>25,099</b>	<b>24,262</b>
<b>Liabilities and equity</b>			
Financial liabilities	5	605	792
Lease liabilities		215	226
Trade payables	7	1,635	1,525
Other operating liabilities	7	1,586	1,269
Provisions	8	132	144
Current income tax liabilities		111	186
<b>Total current liabilities</b>		<b>4,284</b>	<b>4,142</b>
Financial liabilities	5	6,274	6,250
Lease liabilities		1,761	1,762
Defined benefit obligations		471	795
Provisions	8	1,045	1,072
Deferred gain on sale and leaseback of real estate		99	106
Deferred tax liabilities		703	644
<b>Total non-current liabilities</b>		<b>10,353</b>	<b>10,629</b>
<b>Total liabilities</b>		<b>14,637</b>	<b>14,771</b>
Share capital		52	52
Capital reserves		136	136
Retained earnings		11,998	11,085
Foreign currency translation adjustments		(1,728)	(1,791)
Hedge reserves		3	8
<b>Equity attributable to equity-holders of Swisscom Ltd</b>		<b>10,461</b>	<b>9,490</b>
Non-controlling interests		1	1
<b>Total equity</b>		<b>10,462</b>	<b>9,491</b>
<b>Total liabilities and equity</b>		<b>25,099</b>	<b>24,262</b>

## Consolidated statement of cash flows (unaudited)

In CHF million	Note	31.03.2021	31.03.2020
Net income		638	394
Income tax expense		102	74
Result of equity-accounted investees		–	(1)
Financial income	6	(264)	(7)
Financial expense	6	40	44
Depreciation and amortisation of property, plant and equipment and intangible assets		538	537
Depreciation of right-of-use assets		70	70
Gain on sale of property, plant and equipment		(3)	–
Revenue from finance leases		(12)	(14)
Change in deferred gain from the sale and leaseback of real estate		(7)	(3)
Change in operating assets and liabilities	7	(13)	(201)
Change in provisions		(1)	(1)
Change in defined benefit obligations		12	14
Interest received		–	11
Interest payments for financial liabilities		(13)	(16)
Interest payments for lease liabilities		(11)	(11)
Income taxes paid		(198)	(119)
<b>Cash flow from operating activities</b>		<b>878</b>	<b>771</b>
Purchase of property, plant and equipment and intangible assets		(535)	(513)
Sale of property, plant and equipment and intangible assets		4	1
Acquisition of subsidiaries, net of cash and cash equivalents acquired		(10)	(7)
Expenditure for equity-accounted investees		(1)	(1)
Proceeds from equity-accounted investees		126	–
Proceeds from finance lease receivables		21	21
Purchase of other financial assets		(6)	(3)
Proceeds from other financial assets		–	4
Other cash flows from financing activities		(3)	–
<b>Cash flow used in investing activities</b>		<b>(404)</b>	<b>(498)</b>
Issuance of financial liabilities	5	1	1,574
Repayment of financial liabilities	5	(198)	(562)
Repayment of lease liabilities		(93)	(91)
Other cash flows from financing activities		(4)	(33)
<b>(Cash flow used in) Cash flow from financing activities</b>		<b>(294)</b>	<b>888</b>
<b>Net increase in cash and cash equivalents</b>		<b>180</b>	<b>1,161</b>
Cash and cash equivalents at 1 January		340	328
Foreign currency translation adjustments in respect of cash and cash equivalents		4	(2)
<b>Cash and cash equivalents at the end of financial period</b>		<b>524</b>	<b>1,487</b>

## Consolidated statement of changes in equity (unaudited)

In CHF million	Share capital	Capital reserves	Retained earnings	Foreign currency translation adjustments	Hedge reserves	Equity attributable to equity holders of Swisscom	Non-controlling interests	Total equity
<b>Balance at 1 January 2020</b>	<b>52</b>	<b>136</b>	<b>10,454</b>	<b>(1,781)</b>	<b>11</b>	<b>8,872</b>	<b>3</b>	<b>8,875</b>
Net income	–	–	395	–	–	395	(1)	394
Other comprehensive income	–	–	(171)	(35)	(3)	(209)	–	(209)
<b>Comprehensive income</b>	<b>–</b>	<b>–</b>	<b>224</b>	<b>(35)</b>	<b>(3)</b>	<b>186</b>	<b>(1)</b>	<b>185</b>
Other changes	–	–	(4)	–	–	(4)	–	(4)
<b>Balance at 31 March 2020</b>	<b>52</b>	<b>136</b>	<b>10,674</b>	<b>(1,816)</b>	<b>8</b>	<b>9,054</b>	<b>2</b>	<b>9,056</b>
<b>Balance at 1 January 2021</b>	<b>52</b>	<b>136</b>	<b>11,085</b>	<b>(1,791)</b>	<b>8</b>	<b>9,490</b>	<b>1</b>	<b>9,491</b>
Net income	–	–	638	–	–	638	–	638
Other comprehensive income	–	–	278	63	(5)	336	–	336
<b>Comprehensive income</b>	<b>–</b>	<b>–</b>	<b>916</b>	<b>63</b>	<b>(5)</b>	<b>974</b>	<b>–</b>	<b>974</b>
Other changes	–	–	(3)	–	–	(3)	–	(3)
<b>Balance at 31 March 2021</b>	<b>52</b>	<b>136</b>	<b>11,998</b>	<b>(1,728)</b>	<b>3</b>	<b>10,461</b>	<b>1</b>	<b>10,462</b>

# Notes to the interim financial statements

## About this report

### General information

The Swisscom Group (hereinafter referred to as “Swisscom”) provides telecommunication services, and is active primarily in Switzerland and Italy. The unaudited consolidated financial statements as at 31 March 2021 cover Swisscom Ltd, as parent company, and its subsidiaries. Swisscom Ltd is a limited-liability company incorporated in accordance with Swiss law under a private statute, and has its registered office in Ittigen (Berne). Its address is: Swisscom Ltd, Alte Tiefenastrasse 6, 3048 Worblaufen. Swisscom is listed on the SIX Swiss Exchange. The number of issued shares is unchanged from the prior year and totals 51,801,943. The shares have a nominal value of CHF 1 and are fully paid-up. Each share entitles the holder to one vote. The majority shareholder of Swisscom Ltd is the Swiss Confederation (“Confederation”). The Confederation is required by current law to hold the majority of the capital and voting rights. The Board of Directors of Swisscom approved the issuance of these consolidated interim financial statements on 28 April 2021. As of this date, no material events after the reporting date have occurred.

### Basis of preparation

The consolidated interim financial statements for the three months to 31 March 2021 have been prepared in accordance with International Accounting Standard “IAS 34 Interim Financial Reporting” and should be read in conjunction with the consolidated annual financial statements for the financial year ended 31 December 2020. The consolidated interim financial statements were prepared in accordance with the accounting policies described in the 2020 consolidated financial statements and the revised accounting principles adopted on 1 January 2021.

In preparing the consolidated interim financial statements, management is required to make accounting estimates and assumptions. Adjustments are made for changes in estimates and assumptions during the reporting period in which the original estimates and assumptions changed.

Swisscom operates in business areas where the provision of services is not subject to any major seasonal or cyclical fluctuations during the financial year. Income taxes are calculated on the basis of an estimate of the expected income tax rate for the full year. For the consolidated interim financial statements, a CHF/EUR exchange rate of 1.107 was used as the end-of-period rate (31 December 2020: CHF/EUR 1.080) and 1.092 as the average rate for the period (prior year: CHF/EUR 1.069).

## 1 Changes in accounting principles

As of 1 January 2021, Swisscom adopted various amendments to the existing International Financial Reporting Standards (IFRS) and interpretations, none of which have a material impact on the results or the financial position of the Group.



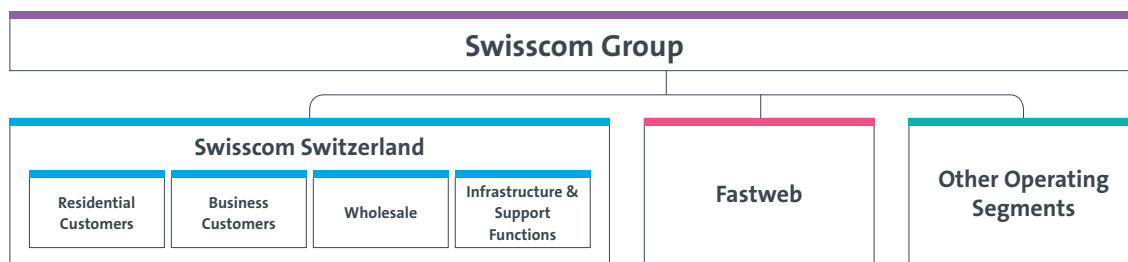
## 2 Segment information

### Changes in segment reporting

As of 1 January 2021, Swisscom amended its organisational structure in Switzerland and the segment formerly known as IT, Network & Infrastructure was renamed Infrastructure & Support Functions. The departments with overlapping functions were merged organisationally at Swisscom Switzerland. As a result, Group Headquarters is no longer reported separately in the segment reporting. In addition, Swisscom has transferred various areas among the segments of Swisscom Switzerland and the Other Operating Segments as of 1 January 2021. The prior-year figures were restated as follows:

In CHF million	Reported	Adjustment	Restated
<b>Net revenue</b>			
<b>2020 financial year</b>			
Residential Customers	4,564	(4)	4,560
Business Customers	3,100	–	3,100
Wholesale	976	–	976
Infrastructure & Support Functions (previously IT, Network & Infrastructure)	85	(2)	83
Elimination	(450)	(19)	(469)
<b>Swisscom Switzerland</b>	<b>8,275</b>	<b>(25)</b>	<b>8,250</b>
Fastweb	2,470	–	2,470
Other Operating Segments	1,020	(6)	1,014
Elimination	(665)	31	(634)
<b>Total net revenue</b>	<b>11,100</b>	<b>–</b>	<b>11,100</b>
<b>Segment result</b>			
<b>2020 financial year</b>			
Residential Customers	2,586	(2)	2,584
Business Customers	1,235	3	1,238
Wholesale	523	–	523
Infrastructure & Support Functions (previously IT, Network & Infrastructure)	(2,556)	(64)	(2,620)
<b>Swisscom Switzerland</b>	<b>1,788</b>	<b>(63)</b>	<b>1,725</b>
Fastweb	166	–	166
Other Operating Segments	111	(1)	110
Group Headquarters	(64)	64	–
Elimination	(99)	–	(99)
<b>Total segment result</b>	<b>1,902</b>	<b>–</b>	<b>1,902</b>

## General information



Reporting is divided into the segments Residential Customers, Business Customers, Wholesale, and IT, Infrastructure & Support Functions, which are grouped under Swisscom Switzerland, as well as Fastweb and Other Operating Segments.

The Infrastructure & Support Functions segment does not charge network costs or management fees to other segments. Any other services between the segments are charged at market prices. The results of the Residential Customers, Business Customers and Wholesale segments thus correspond to a contribution margin before network costs.

Segment expense encompasses the direct and indirect costs, which include personnel expense, other operating costs less capitalised costs of self-constructed assets and other income. Pension cost includes ordinary employer contributions. The difference between the ordinary employer contributions and the pension cost as provided for under IAS 19 is reported in the column “Eliminations”. In the first three months of 2021, an expense of CHF 13 million is disclosed under “Eliminations” as a pension cost reconciliation item in accordance with IAS 19 (prior year: CHF 15 million).

Leases between the segments are not recognised in the balance sheet in accordance with IFRS 16. The reported lease expense of the segments comprises depreciation and interest on leases excluding depreciation of indefeasible rights of use (IRU) of CHF 6 million (prior year: CHF 6 million) and the accounting for the rental of buildings between segments. The lease expense of assets of low value is presented as direct costs.

Capital expenditure consists of the purchase of property, plant and equipment and intangible assets and payments for indefeasible rights of use (IRU). In general, IRUs are paid in full at the beginning of the use and are classified as leases under IFRS 16. From an economic point of view, IRU payments will be considered as capital expenditure in the segment information. Capital expenditure in the first three months of 2021 included IRU payments of CHF 5 million (prior year: CHF 3 million).

Swisscom Switzerland sells some mobile handsets on a subsidised basis in a bundled offering with a mobile communications contract. As a result of the reallocation of revenue over the pre-delivered components (mobile handset), revenue is recognised earlier than the date of invoicing. This results in contract assets deriving from this business being recognised. In the segment reporting of Swisscom Switzerland, the recognition and dissolution of these contract assets is reported as other revenue. The amounts invoiced are reported under revenue from telecommunications services or merchandise.

## Segment information 2021

2021, in CHF million	Swisscom Switzerland	Fastweb	Other Operating Segments	Elimination	Total
Residential customers	1,130	312	–	–	1,442
Business customers	764	259	104	–	1,127
Wholesale customers	173	61	–	–	234
<b>Net revenue from external customers</b>	<b>2,067</b>	<b>632</b>	<b>104</b>	<b>–</b>	<b>2,803</b>
Net revenue from other segments	13	2	136	(151)	–
<b>Net revenue</b>	<b>2,080</b>	<b>634</b>	<b>240</b>	<b>(151)</b>	<b>2,803</b>
Direct costs	(447)	(231)	(18)	16	(680)
Indirect costs	(717)	(208)	(188)	114	(999)
<b>Segment result before depreciation and amortisation</b>	<b>916</b>	<b>195</b>	<b>34</b>	<b>(21)</b>	<b>1,124</b>
Lease expense	(58)	(14)	(3)	–	(75)
Depreciation and amortisation	(374)	(161)	(13)	4	(544)
<b>Segment result</b>	<b>484</b>	<b>20</b>	<b>18</b>	<b>(17)</b>	<b>505</b>
Interest expense on lease liabilities					11
<b>Operating income</b>					<b>516</b>
Financial income and financial expense, net					224
Result of equity-accounted investees					–
<b>Income before income taxes</b>					<b>740</b>
Income tax expense					(102)
<b>Net income</b>					<b>638</b>
Segment result before depreciation and amortisation	916	195	34	(21)	1,124
Lease expense	(58)	(14)	(3)	–	(75)
Capital expenditure	(371)	(168)	(9)	8	(540)
<b>Operating free cash flow proxy</b>	<b>487</b>	<b>13</b>	<b>22</b>	<b>(13)</b>	<b>509</b>

## Segment information Swisscom Switzerland 2021

2021, in CHF million	Residential Customers	Business Customers	Wholesale	Infrastructure & Support Functions	Elimination	Total Swisscom Switzerland
Fixed-line	503	223	–	–	–	726
Mobile	465	182	–	–	–	647
Revenue other	–	15	–	–	–	15
<b>Telecom services</b>	<b>968</b>	<b>420</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,388</b>
Solutions business	–	273	–	–	–	273
Merchandise	147	65	–	–	–	212
Wholesale	–	–	173	–	–	173
Revenue other	15	1	–	5	–	21
<b>Net revenue from external customers</b>	<b>1,130</b>	<b>759</b>	<b>173</b>	<b>5</b>	<b>–</b>	<b>2,067</b>
Net revenue from other segments	19	19	70	14	(109)	13
<b>Net revenue</b>	<b>1,149</b>	<b>778</b>	<b>243</b>	<b>19</b>	<b>(109)</b>	<b>2,080</b>
Direct costs	(279)	(202)	(99)	(2)	135	(447)
Indirect costs	(171)	(238)	(6)	(276)	(26)	(717)
<b>Segment result before depreciation and amortisation</b>	<b>699</b>	<b>338</b>	<b>138</b>	<b>(259)</b>	<b>–</b>	<b>916</b>
Lease expense	(10)	(8)	–	(40)	–	(58)
Depreciation and amortisation	(14)	(17)	–	(342)	(1)	(374)
<b>Segment result</b>	<b>675</b>	<b>313</b>	<b>138</b>	<b>(641)</b>	<b>(1)</b>	<b>484</b>
Capital expenditure	(3)	(10)	–	(358)	–	(371)

## Segment information 2020

2020, in CHF million, restated	Swisscom Switzerland	Fastweb	Other Operating Segments	Elimination	Total
Residential customers	1,120	300	–	–	1,420
Business customers	766	225	109	–	1,100
Wholesale customers	164	53	–	–	217
<b>Net revenue from external customers</b>	<b>2,050</b>	<b>578</b>	<b>109</b>	<b>–</b>	<b>2,737</b>
Net revenue from other segments	15	2	132	(149)	–
<b>Net revenue</b>	<b>2,065</b>	<b>580</b>	<b>241</b>	<b>(149)</b>	<b>2,737</b>
Direct costs	(412)	(212)	(17)	15	(626)
Indirect costs	(744)	(187)	(182)	113	(1,000)
<b>Segment result before depreciation and amortisation</b>	<b>909</b>	<b>181</b>	<b>42</b>	<b>(21)</b>	<b>1,111</b>
Lease expense	(59)	(14)	(3)	1	(75)
Depreciation and amortisation	(377)	(153)	(15)	2	(543)
<b>Segment result</b>	<b>473</b>	<b>14</b>	<b>24</b>	<b>(18)</b>	<b>493</b>
Interest expense on lease liabilities					11
<b>Operating income</b>					<b>504</b>
Financial income and financial expense, net					(37)
Result of equity-accounted investees					1
<b>Income before income taxes</b>					<b>468</b>
Income tax expense					(74)
<b>Net income</b>					<b>394</b>
Segment result before depreciation and amortisation	909	181	42	(21)	1,111
Lease expense	(59)	(14)	(3)	1	(75)
Capital expenditure	(367)	(148)	(7)	6	(516)
<b>Operating free cash flow proxy</b>	<b>483</b>	<b>19</b>	<b>32</b>	<b>(14)</b>	<b>520</b>

## Segment information Swisscom Switzerland 2020

2020, in CHF million, restated	Residential Customers	Business Customers	Wholesale	Infrastructure & Support Functions	Elimination	Total Swisscom Switzerland
Fixed-line	505	226	–	–	–	731
Mobile	497	196	–	–	–	693
Revenue other	–	15	–	–	–	15
<b>Telecom services</b>	<b>1,002</b>	<b>437</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,439</b>
Solutions business	–	267	–	–	–	267
Merchandise	120	55	–	–	–	175
Wholesale	–	–	164	–	–	164
Revenue other	(2)	1	–	6	–	5
<b>Net revenue from external customers</b>	<b>1,120</b>	<b>760</b>	<b>164</b>	<b>6</b>	<b>–</b>	<b>2,050</b>
Net revenue from other segments	17	19	61	15	(97)	15
<b>Net revenue</b>	<b>1,137</b>	<b>779</b>	<b>225</b>	<b>21</b>	<b>(97)</b>	<b>2,065</b>
Direct costs	(248)	(195)	(89)	(1)	121	(412)
Indirect costs	(186)	(247)	(4)	(282)	(25)	(744)
<b>Segment result before depreciation and amortisation</b>	<b>703</b>	<b>337</b>	<b>132</b>	<b>(262)</b>	<b>(1)</b>	<b>909</b>
Lease expense	(11)	(8)	–	(40)	–	(59)
Depreciation and amortisation	(17)	(20)	–	(340)	–	(377)
<b>Segment result</b>	<b>675</b>	<b>309</b>	<b>132</b>	<b>(642)</b>	<b>(1)</b>	<b>473</b>
Capital expenditure	(5)	(9)	–	(353)	–	(367)

### 3 Operating costs

#### Direct costs

In CHF million	1.1.–31.3.2021	1.1.–31.3.2020
Customer premises equipment and merchandise	248	201
Services purchased	174	160
Costs to obtain a contract	63	72
Costs to fulfill a contract	25	25
Network access costs of swiss subsidiaries	76	67
Network access costs of foreign subsidiaries	94	101
<b>Total direct costs</b>	<b>680</b>	<b>626</b>

#### Indirect costs

In CHF million	1.1.–31.3.2021	1.1.–31.3.2020
Salary and social security expenses	695	685
Other personnel expense	21	15
<b>Total personnel expense</b>	<b>716</b>	<b>700</b>
Information technology cost	57	59
Maintenance expense	60	54
Energy costs	30	29
Advertising and selling expenses	42	39
Consultancy expenses and freelance workforce	31	31
Administration expense	15	16
Allowances for receivables and contract assets	21	22
Miscellaneous operating expenses	166	157
<b>Total other operating expense</b>	<b>422</b>	<b>407</b>
Capitalised self-constructed tangible and intangible assets	(106)	(88)
Own work for capitalised contract costs	(14)	(9)
Gain on sale of property, plant and equipment	(3)	–
Miscellaneous income	(16)	(10)
<b>Total capitalised self-constructed assets and other income</b>	<b>(139)</b>	<b>(107)</b>
<b>Total indirect costs</b>	<b>999</b>	<b>1,000</b>

Capitalised self-constructed tangible and intangible assets include personnel costs for the manufacturing of technical installations, the construction of network infrastructure and the development of software for internal use.

### 4 Dividends

On 31 March 2021, the Annual General Meeting of Swisscom Ltd approved the payment of an unchanged gross dividend of CHF 22 per share. A total dividend amount of CHF 1,140 million was paid out on 8 April 2021.

## 5 Financial liabilities

In CHF million	Carrying amount 1.1.2021	Issuance	Repayment	Other changes <sup>1</sup>	Carrying amount 31.3.2021	Fair Value
<b>Financial liabilities</b>						
Bank loans	484	–	(197)	6	293	323
Debenture bonds	6,110	–	–	54	6,164	6,364
Private placements	151	–	–	(1)	150	155
Derivative financial instruments	90	–	–	(28)	62	62
Other financial liabilities	207	1	(1)	3	210	218
<b>Total financial liabilities</b>	<b>7,042</b>	<b>1</b>	<b>(198)</b>	<b>34</b>	<b>6,879</b>	<b>7,122</b>

1 Interest expense, interest payments, non-cash changes and foreign currency translation adjustments.

In the first quarter of 2021, short-term bank loans of CHF 197 million were repaid. Swisscom has two confirmed lines of credit totalling CHF 2.2 billion, which had not been used as at 31 March 2021.

## 6 Financial result

In CHF million	1.1.–31.3.2021	1.1.–31.3.2020
Interest income on financial assets	1	2
Change in fair value of interest rate swaps	19	–
Gain from transactions with equity-accounted investees	207	–
Foreign exchange gains	28	4
Other financial income	9	1
<b>Total financial income</b>	<b>264</b>	<b>7</b>
Interest expense on financial liabilities	(18)	(14)
Interest expense on lease liabilities	(11)	(11)
Change in fair value of interest rate swaps	–	(10)
Other financial expense	(11)	(9)
<b>Total financial expense</b>	<b>(40)</b>	<b>(44)</b>
<b>Financial income and financial expense, net</b>	<b>224</b>	<b>(37)</b>
Interest expense on lease liabilities	(11)	(11)
Net interest expense on financial assets and liabilities	(17)	(12)

As part of its strategic partnership with TIM, Fastweb transferred its stake in Flash Fiber as a capital contribution to the newly established fibre-optic company FiberCop. For contributing its 20% stake to Flash Fiber, Fastweb has received a 4.5% stake in FiberCop. The transaction was completed in March 2021. The fair value of the FiberCop investment is EUR 210 million (CHF 232 million). The transaction resulted in a gain on the Flash Fiber investment of CHF 169 million, which was recognised in the income statement in the first quarter of 2021. In addition, in the first quarter of 2021, Swisscom sold its holding in Belgacom International Carrier Services (BICS) for a sale price of EUR 115 million (CHF 126 million). Swisscom recognised a gain of CHF 38 million from the sale of BICS.

## 7 Operating net working capital

Operating assets and liabilities changed as follows in the first three months of 2021:

In CHF million	31.12.2020	Operational changes	Other changes <sup>1</sup>	31.03.2021
Trade receivables	2,132	331	20	2,483
Other operating assets	1,029	68	7	1,104
Trade payables	(1,525)	(90)	(20)	(1,635)
Other operating liabilities	(1,269)	(296)	(21)	(1,586)
<b>Total operating assets and liabilities, net</b>	<b>367</b>	<b>13</b>	<b>(14)</b>	<b>366</b>

1 Foreign currency translation and adjustments from acquisition and sale of subsidiaries.

## Other operating assets and liabilities

In CHF million	31.03.2021	31.12.2020
<b>Other operating assets</b>		
Contract assets	149	153
Contract costs	226	224
Inventories	130	120
Prepaid expenses	458	349
Other operating assets	141	183
<b>Total other operating assets</b>	<b>1,104</b>	<b>1,029</b>
<b>Other operating liabilities</b>		
Contract liabilities	992	737
Accruals for variable performance-related bonus	190	160
Other operating liabilities	404	372
<b>Total other operating liabilities</b>	<b>1,586</b>	<b>1,269</b>

## 8 Provisions and contingent liabilities

### Provisions

Provisions changed as follows in the first three months of 2021:

In CHF million	Dismantlement and restoration costs	Regulatory and competition law proceedings	Termination benefits	Others	Total
<b>Balance at 1 January 2021</b>	<b>741</b>	<b>233</b>	<b>63</b>	<b>179</b>	<b>1,216</b>
Additions to provisions	–	3	–	14	17
Adjustments recorded under property, plant and equipment	(40)	–	–	–	(40)
Present-value adjustments	1	1	–	–	2
Release of unused provisions	–	–	–	(2)	(2)
Use of provisions	(1)	–	(5)	(11)	(17)
Foreign currency translation adjustments	–	–	–	1	1
<b>Balance at 31 March 2021</b>	<b>701</b>	<b>237</b>	<b>58</b>	<b>181</b>	<b>1,177</b>
Thereof current provisions	–	–	54	78	132
Thereof non-current provisions	701	237	4	103	1,045

### Contingent liabilities for regulatory and competition law proceedings

With regard to the contingent liabilities reported in the 2020 consolidated financial statements in connection with regulatory and antitrust proceedings, Swisscom is of the opinion that an outflow of resources is unlikely and has therefore, as before, not recognised any provisions for this in the consolidated financial statements as at 31 March 2021.

# Alternative performance measures

Swisscom uses key indicators defined in the International Financial Reporting Standards (IFRS) throughout its financial reporting, as well as selected alternative performance measures (APMs). These alternative measures provide useful information on the Group's financial situation and are used for financial management and control purposes. As these measures are not defined under IFRS, the calculation may differ from the published APMs of other companies. For this reason, comparability across companies may be limited. The key alternative performance measures used at Swisscom for the interim financial reporting as at 31 March 2021 are defined as follows:

Key performance measure	Swisscom definition
<b>Adjustments</b>	Significant items that, due to their exceptional nature, cannot be considered part of the Swisscom Group's ongoing performance, such as termination benefits and significant positions in connection with legal cases or other non-recurring items. In addition, the application of changes in the IFRS accounting principles and standards can have an impact on comparability with the previous year if these principles are not applied retrospectively.
<b>At constant exchange rates</b>	Key performance measures considering currency effects (figures for 2021 are translated at the 2020 exchange rate to calculate the currency effect).
<b>Operating income before depreciation and amortisation (EBITDA)</b>	Operating income before depreciation, amortisation and impairment losses of property, plant and equipment, intangible assets and right-of-use assets, financial expense and financial income, result of equity-accounted investees and income tax expense.
<b>Operating income (EBIT)</b>	Operating income before financial expense and financial income, result of equity-accounted investees and income tax expense.
<b>Capital expenditure</b>	Purchase of property, plant and equipment and intangible assets and payments for indefeasible rights of use (IRU) which are classified as leases under IFRS 16. In general, IRUs are paid in full at the beginning of use.
<b>Operating free cash flow proxy</b>	Operating income before depreciation and amortisation (EBITDA) minus capital expenditure in property, plant and equipment, intangible assets and payments for indefeasible rights of use (IRU) and lease expense. Lease expense includes interest expenses on lease liabilities and depreciation of rights of use excluding depreciation of indefeasible rights of use (IRU) and impairment losses on right-of-use assets.
<b>Free cash flow</b>	Cash flows from operating and investing activities excl. cash flows from the purchase and sale of subsidiaries and purchase of and proceeds from equity-accounted investees and other financial assets.
<b>Net debt</b>	Financial liabilities less cash and cash equivalents, listed debt instruments, certificates of deposit, derivative financial instruments held for hedging financial liabilities and other current financial assets.
<b>Net debt incl. lease liabilities</b>	Net debt incl. lease liabilities.



## Reconciliation of alternative performance measures

In CHF million	1.1.–31.3.2021	1.1.–31.3.2020	Change reported	Change at constant exchange rates
<b>Net revenue</b>				
<b>Net revenue</b>	<b>2,803</b>	<b>2,737</b>	<b>2.4%</b>	<b>1.9%</b>
<b>Operating income before depreciation and amortisation (EBITDA)</b>				
<b>EBITDA</b>	<b>1,124</b>	<b>1,111</b>	<b>1.2%</b>	<b>0.8%</b>
<b>Capital expenditure</b>				
Capital expenditure in property, plant and equipment and intangible assets	535	513	4.3%	3.5%
Payments for indefeasible rights of use (IRU)	5	3	66.7%	
<b>Capital expenditure</b>	<b>540</b>	<b>516</b>	<b>4.7%</b>	<b>3.9%</b>

In CHF million	1.1.–31.3.2021	1.1.–31.3.2020	Change reported
<b>Operating free cash flow proxy</b>			
Cash flow from operating activities	878	771	107
Capital expenditure	(540)	(516)	(24)
Depreciation of right-of-use assets	(70)	(70)	–
Depreciation of indefeasible rights of use (IRU)	6	6	–
Change in deferred gain from the sale and leaseback of real estate	7	3	4
Change in operating assets and liabilities	13	201	(188)
Change in provisions	1	1	–
Change in defined benefit obligations	(12)	(14)	2
Gain on sale of property, plant and equipment	3	–	3
Revenue from finance leases	12	14	(2)
Interest received	–	(11)	11
Interest payments for financial liabilities	13	16	(3)
Income taxes paid	198	119	79
<b>Operating free cash flow proxy</b>	<b>509</b>	<b>520</b>	<b>(11)</b>
<b>Free cash flow</b>			
Cash flow from operating activities	878	771	107
Cash flow used in investing activities	(404)	(498)	94
Repayment of lease liabilities	(93)	(91)	(2)
Acquisition of subsidiaries, net of cash and cash equivalents acquired	10	7	3
Proceeds from equity-accounted investees	(126)	–	(126)
Expenditure for equity-accounted investees	1	1	–
Purchase of other financial assets	6	3	3
Proceeds from other financial assets	–	(4)	4
Other cash flows from financing activities	(2)	–	(2)
<b>Free cash flow</b>	<b>270</b>	<b>189</b>	<b>81</b>

# Further Information

## Share information

### Swisscom share performance indicators

31.12.2020–31.03.2021

Closing price as at 31 December 2020, in CHF<sup>1</sup>

Closing price as at 31 March 2021, in CHF<sup>1</sup>

Year high in CHF<sup>1</sup>

Year low in CHF<sup>1</sup>

Total volume of traded shares

Total turnover in CHF million

Daily average of traded shares

Daily average in CHF million

SIX  
Swiss Exchange

477.10

507.00

512.10

456.30

10,047,033

4,832.54

162,049

77.94

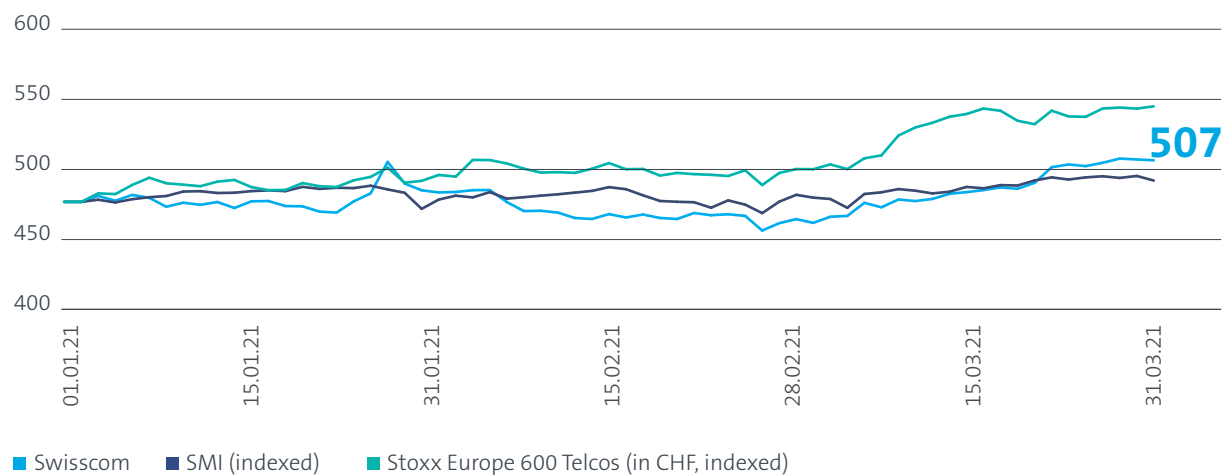
Source: Bloomberg

<sup>1</sup> paid prices

## Share performance

### Share performance since 1 January 2021

in CHF



## Financial calendar

- 5 August 2021 2021 Second-Quarter Results
- 28 October 2021 2021 Third-Quarter Results
- 3 February 2022 2021 Annual Results and Annual Report

## Stock exchanges

Swisscom shares are listed on the SIX Swiss Exchange under the symbol SCMN (Securities No. 874251). In the United States, they are traded in the form of American Depositary Receipts (ADR) at a ratio of 1:10 (Over The Counter, Level 1) under the symbol SCMWY (Pink Sheet No. 69769).

## Quarterly review 2020 and 2021

In CHF million, except where indicated	1. quarter	2. quarter	3. quarter	4. quarter	2020	1. quarter	2. quarter	3. quarter	4. quarter	2021
<b>Income statement</b>										
<b>Net revenue</b>	<b>2,737</b>	<b>2,706</b>	<b>2,758</b>	<b>2,899</b>	<b>11,100</b>	<b>2,803</b>				<b>2,803</b>
Direct costs	(626)	(624)	(656)	(763)	(2,669)	(680)				(680)
Personnel expense	(700)	(679)	(637)	(701)	(2,717)	(716)				(716)
Other operating expense	(407)	(416)	(441)	(534)	(1,798)	(422)				(422)
Capitalised self-constructed assets and other income	107	110	124	125	466	139				139
<b>Operating income (EBITDA)</b>	<b>1,111</b>	<b>1,097</b>	<b>1,148</b>	<b>1,026</b>	<b>4,382</b>	<b>1,124</b>				<b>1,124</b>
Depreciation and amortisation	(537)	(541)	(538)	(533)	(2,149)	(538)				(538)
Depreciation of right-of-use assets	(70)	(77)	(70)	(69)	(286)	(70)				(70)
<b>Operating income (EBIT)</b>	<b>504</b>	<b>479</b>	<b>540</b>	<b>424</b>	<b>1,947</b>	<b>516</b>				<b>516</b>
Net interest expense on financial assets and liabilities	(12)	(18)	(20)	(19)	(69)	(17)				(17)
Interest expense on lease liabilities	(11)	(11)	(12)	(11)	(45)	(11)				(11)
Other financial result	(14)	(38)	23	(9)	(38)	252				252
Equity-accounted investees	1	2	1	–	4	–				–
<b>Income before income taxes</b>	<b>468</b>	<b>414</b>	<b>532</b>	<b>385</b>	<b>1,799</b>	<b>740</b>				<b>740</b>
Income tax expense	(74)	(72)	(102)	(23)	(271)	(102)				(102)
<b>Net income</b>	<b>394</b>	<b>342</b>	<b>430</b>	<b>362</b>	<b>1,528</b>	<b>638</b>				<b>638</b>
Attributable to equity holders of Swisscom Ltd	395	343	431	361	1,530	638				638
Attributable to non-controlling interests	(1)	(1)	(1)	1	(2)	–				–
Earnings per share (in CHF)	7.63	6.62	8.32	6.97	29.54	12.32				12.32
<b>Net revenue</b>										
Swisscom Switzerland	2,065	2,019	2,046	2,120	8,250	2,080				2,080
Fastweb	580	599	613	678	2,470	634				634
Other Operating Segments	241	246	268	259	1,014	240				240
Intersegment elimination	(149)	(158)	(169)	(158)	(634)	(151)				(151)
<b>Total net revenue</b>	<b>2,737</b>	<b>2,706</b>	<b>2,758</b>	<b>2,899</b>	<b>11,100</b>	<b>2,803</b>				<b>2,803</b>
<b>Operating income before depreciation and amortisation (EBITDA)</b>										
Swisscom Switzerland	909	872	898	787	3,466	916				916
Fastweb	181	208	219	232	840	195				195
Other Operating Segments	42	40	56	46	184	34				34
Reconciliation pension cost	(15)	(16)	(16)	(18)	(65)	(13)				(13)
Elimination	(6)	(7)	(9)	(21)	(43)	(8)				(8)
<b>Total EBITDA</b>	<b>1,111</b>	<b>1,097</b>	<b>1,148</b>	<b>1,026</b>	<b>4,382</b>	<b>1,124</b>				<b>1,124</b>
<b>Capital expenditure</b>										
Swisscom Switzerland	367	409	410	413	1,599	371				371
Fastweb	148	146	145	190	629	168				168
Other Operating Segments	7	11	12	14	44	9				9
Intersegment elimination	(6)	(7)	(10)	(20)	(43)	(8)				(8)
<b>Total capital expenditure</b>	<b>516</b>	<b>559</b>	<b>557</b>	<b>597</b>	<b>2,229</b>	<b>540</b>				<b>540</b>

In CHF million, except where indicated	1. quarter	2. quarter	3. quarter	4. quarter	2020	1. quarter	2. quarter	3. quarter	4. quarter	2021
<b>Operating free cash flow proxy</b>										
Operating income (EBITDA)	1,111	1,097	1,148	1,026	4,382	1,124				1,124
Lease expense	(75)	(75)	(76)	(74)	(300)	(75)				(75)
<b>EBITDA after lease expense (EBITDA AL)</b>	<b>1,036</b>	<b>1,022</b>	<b>1,072</b>	<b>952</b>	<b>4,082</b>	<b>1,049</b>				<b>1,049</b>
Capital expenditure	(516)	(559)	(557)	(597)	(2,229)	(540)				(540)
<b>Operating free cash flow proxy</b>	<b>520</b>	<b>463</b>	<b>515</b>	<b>355</b>	<b>1,853</b>	<b>509</b>				<b>509</b>
<b>Net debt</b>										
Net debt	6,552	7,171	6,625	6,218	6,218	5,849				5,849
Net debt incl. lease liabilities	8,528	9,129	8,622	8,206	8,206	7,825				7,825
<b>Full-time equivalent employees</b>										
Swisscom Switzerland	13,056	12,857	12,876	12,845	12,845	12,830				12,830
Fastweb	2,515	2,605	2,634	2,703	2,703	2,733				2,733
Other Operating Segments	3,539	3,522	3,516	3,514	3,514	3,514				3,514
<b>Total headcount</b>	<b>19,110</b>	<b>18,984</b>	<b>19,026</b>	<b>19,062</b>	<b>19,062</b>	<b>19,077</b>				<b>19,077</b>
<b>Fastweb, in EUR million</b>										
Residential Customers	280	282	282	289	1,133	286				286
Corporate Business	211	224	226	246	907	237				237
Wholesale	50	55	59	93	257	56				56
<b>Revenue from external customers</b>	<b>541</b>	<b>561</b>	<b>567</b>	<b>628</b>	<b>2,297</b>	<b>579</b>				<b>579</b>
Segment result (EBITDA)	170	195	203	216	784	179				179
Margin as % of net revenue	31.3	34.7	35.7	34.3	34.0	30.8				30.8
Lease expense	(13)	(13)	(13)	(13)	(52)	(14)				(14)
<b>EBITDA after lease expense (EBITDA AL)</b>	<b>157</b>	<b>182</b>	<b>190</b>	<b>203</b>	<b>732</b>	<b>165</b>				<b>165</b>
Capital expenditure	(138)	(138)	(134)	(177)	(587)	(154)				(154)
<b>Operating free cash flow proxy</b>	<b>19</b>	<b>44</b>	<b>56</b>	<b>26</b>	<b>145</b>	<b>11</b>				<b>11</b>
Broadband access lines in thousand	2,659	2,692	2,704	2,747	2,747	2,765				2,765
Mobile access lines in thousand	1,779	1,830	1,889	1,961	1,961	2,066				2,066
<b>Information by geographical regions</b>										
Net revenue in Switzerland	2,155	2,106	2,140	2,213	8,614	2,164				2,164
Net revenue in other countries	582	600	618	686	2,486	639				639
<b>Total net revenue</b>	<b>2,737</b>	<b>2,706</b>	<b>2,758</b>	<b>2,899</b>	<b>11,100</b>	<b>2,803</b>				<b>2,803</b>
EBITDA Switzerland	924	890	922	786	3,522	927				927
EBITDA other countries	187	207	226	240	860	197				197
<b>Total EBITDA</b>	<b>1,111</b>	<b>1,097</b>	<b>1,148</b>	<b>1,026</b>	<b>4,382</b>	<b>1,124</b>				<b>1,124</b>
Capital expenditure in Switzerland	367	412	412	405	1,596	371				371
Capital expenditure in other countries	149	147	145	192	633	169				169
<b>Total capital expenditure</b>	<b>516</b>	<b>559</b>	<b>557</b>	<b>597</b>	<b>2,229</b>	<b>540</b>				<b>540</b>
Headcount in Switzerland	16,357	16,119	16,119	16,048	16,048	15,975				15,975
Headcount in other countries	2,753	2,865	2,907	3,014	3,014	3,102				3,102
<b>Total headcount (ful-time equivalent)</b>	<b>19,110</b>	<b>18,984</b>	<b>19,026</b>	<b>19,062</b>	<b>19,062</b>	<b>19,077</b>				<b>19,077</b>

In CHF million, except where indicated	1. quarter	2. quarter	3. quarter	4. quarter	2020	1. quarter	2. quarter	3. quarter	4. quarter	2021
<b>Swisscom Switzerland</b>										
<b>Revenue and results</b>										
Residential Customers	497	478	485	474	1,934	465				465
Business Customers	196	189	190	186	761	182				182
<b>Revenue wireless</b>	<b>693</b>	<b>667</b>	<b>675</b>	<b>660</b>	<b>2,695</b>	<b>647</b>				<b>647</b>
Residential Customers	505	500	500	507	2,012	503				503
Business Customers	226	227	223	223	899	223				223
<b>Revenue fixed-line</b>	<b>731</b>	<b>727</b>	<b>723</b>	<b>730</b>	<b>2,911</b>	<b>726</b>				<b>726</b>
Other revenue Business Customers	15	15	15	16	61	15				15
<b>Total revenue telecoms services</b>	<b>1,439</b>	<b>1,409</b>	<b>1,413</b>	<b>1,406</b>	<b>5,667</b>	<b>1,388</b>				<b>1,388</b>
Solutions business	267	260	259	272	1,058	273				273
Merchandise	175	175	176	233	759	212				212
Wholesale	164	158	168	171	661	173				173
Revenue other	5	1	17	25	48	21				21
<b>Total revenue from external customers</b>	<b>2,050</b>	<b>2,003</b>	<b>2,033</b>	<b>2,107</b>	<b>8,193</b>	<b>2,067</b>				<b>2,067</b>
Residential Customers	1,120	1,080	1,120	1,164	4,484	1,130				1,130
Business Customers	760	760	739	767	3,026	759				759
Wholesale	164	158	168	171	661	173				173
Infrastructure & Support Functions	6	5	6	5	22	5				5
<b>Total revenue from external customers</b>	<b>2,050</b>	<b>2,003</b>	<b>2,033</b>	<b>2,107</b>	<b>8,193</b>	<b>2,067</b>				<b>2,067</b>
<b>Segment result before depreciation and amortisation (EBITDA)</b>										
Residential Customers	703	683	683	629	2,698	699				699
Business Customers	337	339	340	332	1,348	338				338
Wholesale	132	125	134	133	524	138				138
Infrastructure & Support Functions	(262)	(277)	(258)	(307)	(1,104)	(259)				(259)
Intersegment elimination	(1)	2	(1)	–	–	–				–
<b>Segment result (EBITDA)</b>	<b>909</b>	<b>872</b>	<b>898</b>	<b>787</b>	<b>3,466</b>	<b>916</b>				<b>916</b>
Margin as % of net revenue	44.0	43.2	43.9	37.1	42.0	44.0				44.0
Lease expense	(59)	(58)	(58)	(57)	(232)	(58)				(58)
<b>EBITDA after lease expense (EBITDA AL)</b>	<b>850</b>	<b>814</b>	<b>840</b>	<b>730</b>	<b>3,234</b>	<b>858</b>				<b>858</b>
Capital expenditure	(367)	(409)	(410)	(413)	(1,599)	(371)				(371)
<b>Operating free cash flow proxy</b>	<b>483</b>	<b>405</b>	<b>430</b>	<b>317</b>	<b>1,635</b>	<b>487</b>				<b>487</b>
<b>Operational data in thousand</b>										
<b>Access lines</b>										
Residential Customers	1,291	1,276	1,257	1,235	1,235	1,207				1,207
Business Customers	291	288	289	288	288	284				284
<b>Fixed telephony access lines</b>	<b>1,582</b>	<b>1,564</b>	<b>1,546</b>	<b>1,523</b>	<b>1,523</b>	<b>1,491</b>				<b>1,491</b>
Residential Customers	1,754	1,750	1,747	1,746	1,746	1,733				1,733
Business Customers	299	298	298	297	297	295				295
<b>Broadband access lines retail</b>	<b>2,053</b>	<b>2,048</b>	<b>2,045</b>	<b>2,043</b>	<b>2,043</b>	<b>2,028</b>				<b>2,028</b>
Residential Customers	1,518	1,516	1,518	1,519	1,519	1,512				1,512
Business Customers	68	68	68	69	69	69				69
<b>Swisscom TV access lines</b>	<b>1,586</b>	<b>1,584</b>	<b>1,586</b>	<b>1,588</b>	<b>1,588</b>	<b>1,581</b>				<b>1,581</b>
Postpaid Residential Customers	2,931	2,933	2,962	2,991	2,991	2,990				2,990
Postpaid Business Customers	1,842	1,850	1,859	1,861	1,861	1,863				1,863
<b>Mobile access lines Postpaid</b>	<b>4,773</b>	<b>4,783</b>	<b>4,821</b>	<b>4,852</b>	<b>4,852</b>	<b>4,853</b>				<b>4,853</b>
Prepaid Residential Customers	1,526	1,481	1,432	1,372	1,372	1,324				1,324
<b>Mobile access lines</b>	<b>6,299</b>	<b>6,264</b>	<b>6,253</b>	<b>6,224</b>	<b>6,224</b>	<b>6,177</b>				<b>6,177</b>
RGU Residential Customers	9,020	8,956	8,916	8,863	8,863	8,766				8,766
RGU Business Customers	2,500	2,504	2,514	2,515	2,515	2,511				2,511
<b>Revenue generating units (RGU)</b>	<b>11,520</b>	<b>11,460</b>	<b>11,430</b>	<b>11,378</b>	<b>11,378</b>	<b>11,277</b>				<b>11,277</b>
Broadband access lines wholesale	525	533	543	555	555	567				567
Unbundled fixed access lines	66	63	59	56	56	52				52

## Forward-looking statements

This Interim Report is published in German and English. The German version is binding.

This interim report contains forward-looking statements. In this Interim Report, such forward-looking statements include, without limitation, statements relating to our financial position, 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.

Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication.

Swisscom disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

