



2016

at a glance

Annual Report publications

The Annual Report, Sustainability Report and Swisscom at a glance are part of Swisscom's Annual Report 2016. The three publications are available online at: swisscom.ch/report2016



The “best companion in the connected world” concept

Digitisation is changing our lives, our behaviour and our needs. Regardless of how vastly our customers' needs differ, we still want to address each of those needs individually. Because nothing feels better than knowing you have a reliable partner at your side.

The images on the cover of the 2016 report symbolise the collaboration between our customers and Swisscom.

From left to right

Annual Report: Impact Hub in Zurich, customer Ava AG with Lea von Bidder

Sustainability Report: Jucker Farm in Seegräben with customer Martin Jucker

Swisscom at a glance: Swisscom Shop in Zurich with customer Therese G.

We would like to thank our customers and employees who took the time to have these pictures taken.

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Switzerland – small yet formidable.

Switzerland may be small. But within its borders lies great strength.

It is a country of farmers, engineers, chocolatiers, particle physicists and hoteliers. It is a quadrilingual direct democracy forged by the will of its people in the heart of Europe, with a collective head of state made up of seven members. This diversity is what makes Switzerland successful, and the most competitive country in the world according to the World Economic Forum.

One for all, all for one

Inscribed in the dome of the Swiss Federal Palace is the motto “Unus pro omnibus, omnes pro uno” – “one for all, all for one”. When this sense of affinity is combined with Switzerland’s diversity, it unites a small country in such a way that it surpasses itself. To this end, Swisscom supports

Switzerland by connecting people, cultures and generations.

The name Swisscom is itself a symbol for Switzerland and communication. Swisscom is forging new paths for the Swiss economy, such as through the Digital Switzerland initiative designed to make the country a leading location for digital innovation. It is also working on new applications for personal use, including the online solution myCloud for storing photos, videos and files securely and free of charge on servers in Switzerland.

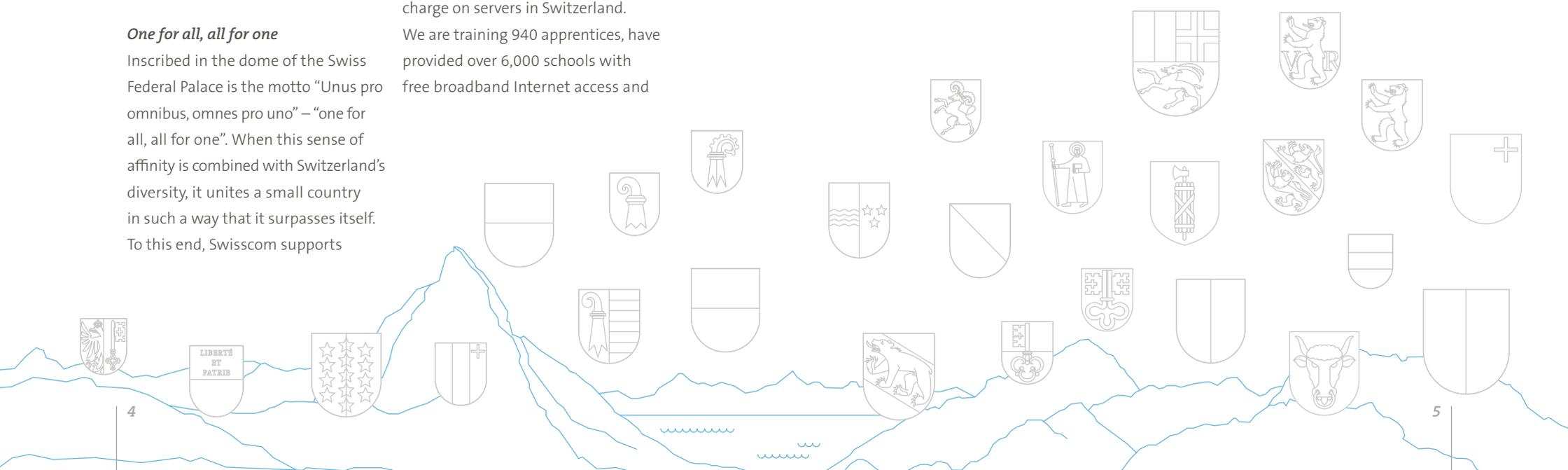
We are training 940 apprentices, have provided over 6,000 schools with free broadband Internet access and

in 2016 helped over 43,200 pupils, parents, teachers and seniors get ready for the digital world as part of our media courses.

Connected farmers and industries

What farmer would have thought decades ago that they would one day no longer have to milk or muck out? That they would have a cyber cowhouse where everything is performed automatically by robots, and an online shop in which to sell their products? Those who do not want to get left behind must be ready for

change. To accompany traditions into the future requires responsibility and inspiration – both in Switzerland and across the globe. Digital solutions are giving a multitude of industries new impetus. And the stronger and more reliable the networks used, the quicker the flow of data and the greater the spectrum of possibilities. Because the world keeps turning. And one thing is certain: Switzerland and Swisscom will not be left behind.



Digitisation – opportunity and challenge.

Dear readers

We want to give our customers our best. That is the guiding principle behind everything we do. We want to be there for them and support them whenever and wherever they need us – whether it's Eva Bräutigam's tailoring shop, on the sidelines of a football pitch or on the Juckerhof. Nowadays, we use and edit our data, transfer money, operate machinery and communicate with people dear to us from wherever we happen to be, without a second thought. We rely on secure, fast and reliable infrastructure like never before. At Swisscom, we aim to meet these requirements. Which is why we have been investing in the expansion of our networks and data centres for years. For us, digitisation is not only a challenge, but above all an opportunity.

We never lose sight of the people we develop our products and build our networks for, however. Our customers' needs change depending on their

age, previous experience and life situation. However they use technology, they should feel that Swisscom is the right choice and always offers them the best experience. This means for us that we must cater to a wide range of needs by developing easy-to-use, secure products, building strong networks and offering competent, friendly advice. This is what we aimed to achieve in 2016 and tried to give our very best in doing so.

We prepare for future trends and continuously gear our strategy, company and employees' skills to dealing with them. Digitisation affects more than just Swisscom and its customers, however: it places the entire country before a host of new challenges. Which is why we are playing our part in further boosting Switzerland's attractiveness as a business location through trend studies, programmes to foster innovation and targeted investment in start-ups. And we are fully aware of

the responsibility we have vis-à-vis our customers, shareholders, employees, society and the environment. Sustainability is one of our corporate values, and the fact that we trained more than 900 apprentices in 2016 and were rated the fourth most sustainable company in the world by Newsweek magazine shows

just how dedicated we are to it. Swisscom at a glance presents facts and strategic priorities. But Swisscom wouldn't be where it is without its customers; so they too shall have their say here and tell us about what motivates them in their daily lives to achieve their goals.

We hope you will enjoy this issue.



Visiting the Berne Impact Hub. From left: Urs Schaeppi, CEO Swisscom Ltd
Hansueli Loosli, Chairman of the Board of Directors Swisscom Ltd

Hansueli Loosli

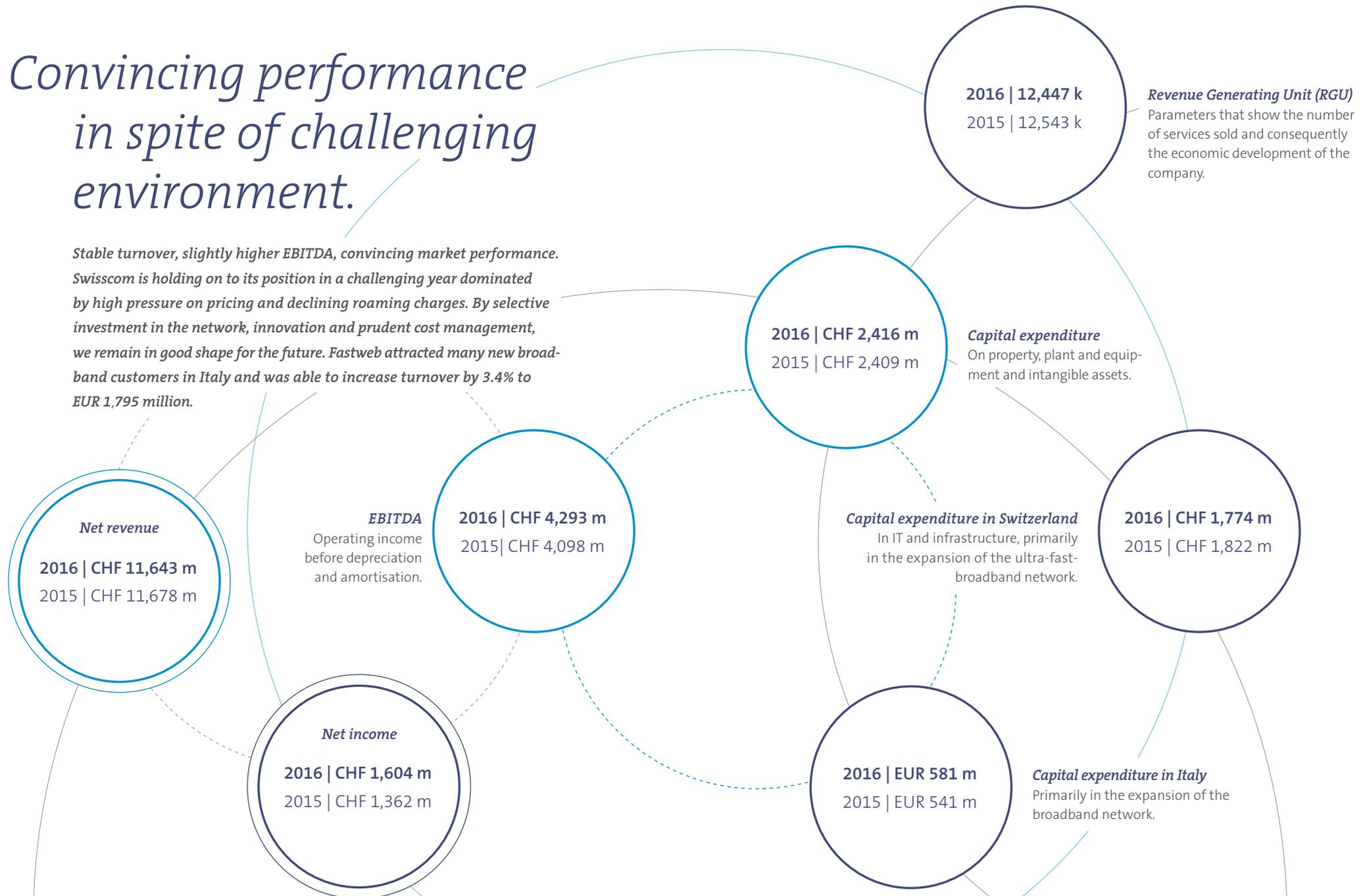
Chairman of the Board of Directors Swisscom Ltd

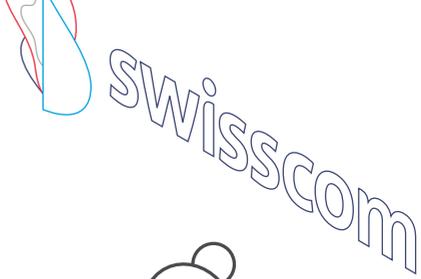
Urs Schaeppi

CEO Swisscom Ltd

Convincing performance in spite of challenging environment.

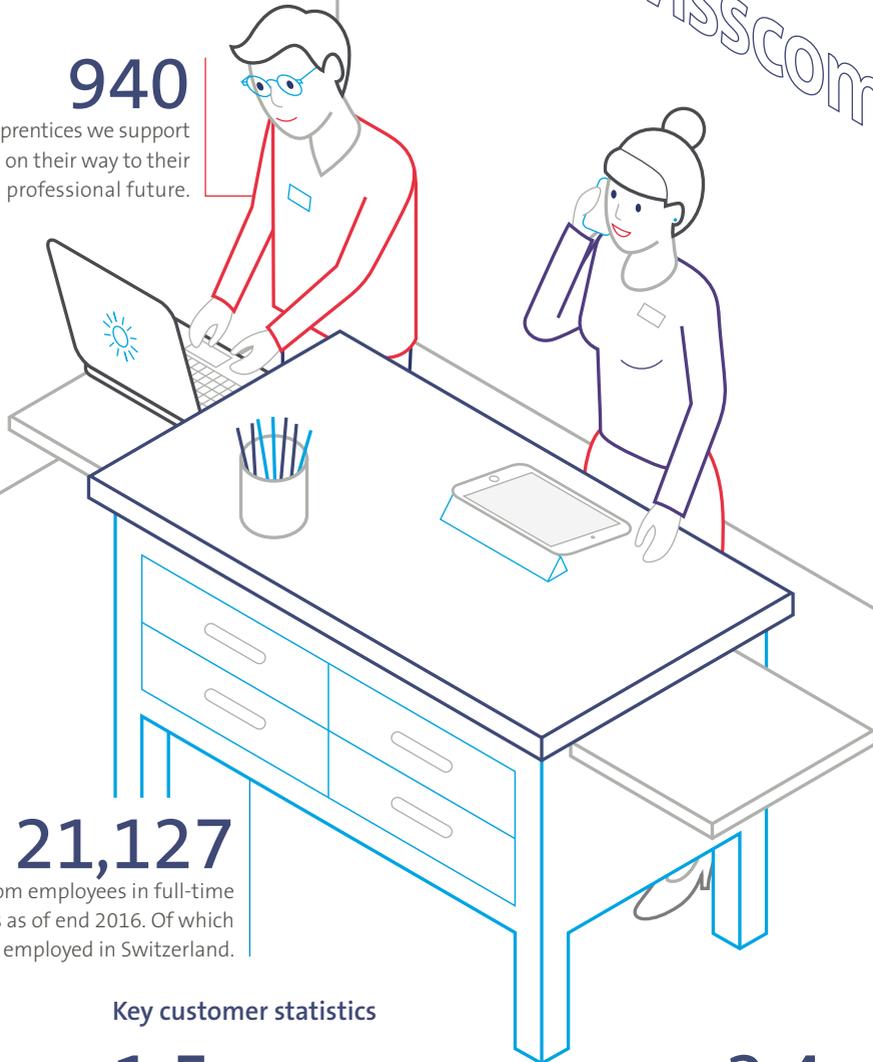
Stable turnover, slightly higher EBITDA, convincing market performance. Swisscom is holding on to its position in a challenging year dominated by high pressure on pricing and declining roaming charges. By selective investment in the network, innovation and prudent cost management, we remain in good shape for the future. Fastweb attracted many new broadband customers in Italy and was able to increase turnover by 3.4% to EUR 1,795 million.





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Apprentices we support on their way to their professional future.

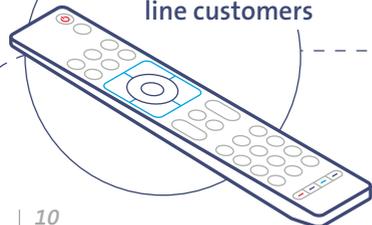


21,127

Swisscom employees in full-time positions as of end 2016. Of which 18,372 employed in Switzerland.

Key customer statistics

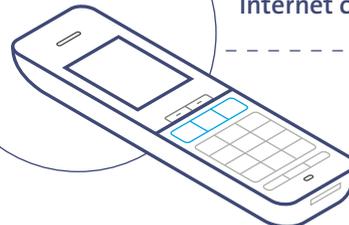
1.5 million
Swisscom TV access line customers



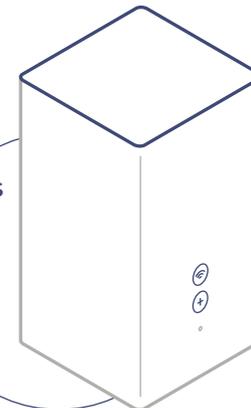
6.6 million
Mobile access line customers



2.4 million
Fixed access line customers



1.9 million
Internet connections

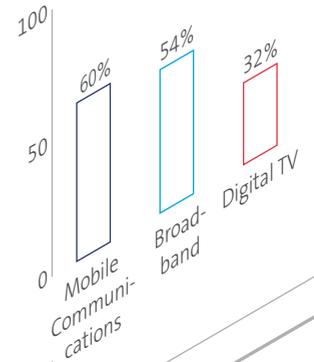


1.5 million
All IP customers

By end 2016 Swisscom already had this many customers. All IP means “everything via the Internet protocol” services such as TV, data and now also fixed-line telephony over a single IP-based network.

19.6% part-time

Thanks to our flexible working model we were able to retain talent – contributing substantially to the success of the company. The proportion of part-time employees has increased steadily in recent years. Currently 19.6% of our employees in Switzerland work part-time, of which 43.7% are women.



Market shares

In the Swiss Telecommunications market, around CHF 12 billion revenue was generated, CHF 8.6 billion from IT services. Swisscom market share is 9%. This market share makes us one of the largest IT service providers.

Working for the future every day.

Digitisation brings new business models, is changing society and allows things to communicate with each other. For Swisscom, digitisation is a challenge but also a great opportunity. Martin Vögeli, Head of Group Strategy & Board Services, outlines how Swisscom is preparing for this.

Competition is extremely fierce in the Swiss ICT sector. 2016 marked the first year in which we were unable to offset the decline in the number of fixed-line connections. What will the “next big thing” be for Swisscom?

What will be big in twenty years has not even been invented yet. Who would have thought ten years ago that a keyless mobile phone would be the “next big thing”? It’s important for us to lay the foundations for a successful future, for example in Internet-based growth. With our innovative business model and services we are well positioned to hold our own internationally. And because the networked world is only as strong as its infrastructure, we will be investing further in our networks in the years to come. For example in 2016, we were the first European telecommunications provider to put into operation G.fast – an enhancement based on our copper infrastructure. Moreover, we believe that the cloud is an important field of development and will replace parts of the physical infrastructure. Outside of Switzerland Fastweb is our biggest growth project.

We want to offer our customers the best experiences. How can we do that?

We want to score points and differentiate ourselves with customer proximity and excellent service. Digitisation will offer us new instruments that will improve customer experience and reduce costs. Personalisation assumes an important role in customer interaction.

Which trends will shape our business this year?

I see three big growth drivers: the Internet of Things, data-based business models and artificial intelligence. First so-called artificial intelligence projects are already successfully in use, for example language recognition in call centres.

Despite opportunities offered: will jobs disappear with digitisation?

No, although digitisation is changing the work place and certain job profiles will not exist any more. But new ones will be created. Future uses and especially the cloud will require efficient networks. That will create jobs. Furthermore, we are working on a number of new products in the business customer sector which are only possible thanks to digitisation. It is already so, that as a company and employer we must actively deal with these changes.

What does Swisscom mean to you?

Our business is fascinating. Digitisation offers completely new opportunities which can make a contribution to the company and the Swiss economy. Swisscom is very much involved in this development. This is all only possible thanks to the people who work here, their innovative spirit and their passion for our customers. Swisscom has a quite special corporate culture, employee identification with the company is very high. There are many motivated and conscientious colleagues that make a real difference.



“The innovative spirit and passion of my colleagues makes the difference.”

Married to her needle and thread: Eva Bräutigam.

Eva Bräutigam spends six days sewing to ensure that her garments are a perfect fit for her customers – both women and men. “You have to either love it or leave it,” comments Eva on being a bespoke seamstress: the traditional handicraft from England, which she is one of the last in Switzerland to master.

Well-toned biceps

Eva’s tape measure dangles around her neck. It frames her delicate upper body, which, far from being stooped, is upright and firm, thanks to Eva’s evening boxing classes.

A bespoke seamstress would be in a fix if she didn’t have well-toned biceps: the iron alone weighs six kilos – a hulking piece of hot iron dating back to an almost forgotten era, unquestionably the tool of a centuries-old profession.

Not faster but longer

The needle won over Eva’s heart – stitch by stitch. Accompanied by shimmering delicate silk, robust Harris Tweed, the finest woollen thread from England and Italy: nothing but the best will do. Thousands of delicate stitches connect linings, inlays and outer fabric materials.

Three fittings are necessary until Eva can marry the fabric with her customer’s unique shape. “You can’t sew faster – only longer into the night,” Eva explains as being her only way of getting a garment finished if it is needed urgently.

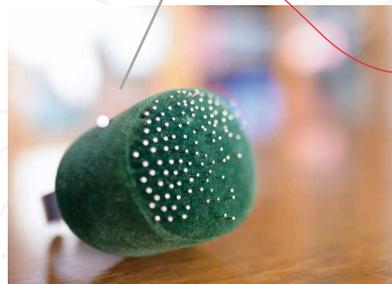


“I can only deliver garments that are a perfect fit.”

Interwoven with her customers

Eva devotes 60 to 80 hours to sewing a suit or a dress. By the time she is finished, she is so emotionally attached to her garment that it is no wonder that Eva views her customers as being just as unique as her creations. Tailor-made instead of off-the-peg: Eva, a native of Kreuzlingen, also passes on her conviction in her work to her service. Anyone who has clothes made by Eva also has her mobile number. “I must be personally available for my customers. The quality of the fabrics I use is not only what counts; what I understand to be personal service is just as important.” You feel first-hand what good service is. “As I am a business

customer with Swisscom, I receive more personal advice, which I very much appreciate.” Eva thinks it’s just a question of time until she also has a connection in the second basement of her atelier at Lagerstrasse 96 in Zurich. Because she often goes down to her storeroom in search of tailor’s busts and the exquisite fabrics from which bespoke dreams are made – and Eva Bräutigam’s dream profession.



evabraeutigam.ch

Targeted investment in the future.

Switzerland boasts one of the best IT and telecommunications infrastructures worldwide. A world in which people, applications and devices are connected with each other, and services and devices communicate independently with each other. Constantly available high-performance networks constitute the basis for this networked world. Swisscom invests around CHF 1.8 billion into Switzerland each year in a groundbreaking mix of network technologies and infrastructure. In Italy, investments in the broadband networks of subsidiary Fastweb total EUR 581 million.

G.fast – the first in Europe

In October 2016, Swisscom was the first telecommunications company in Europe to integrate the innovative G.fast transmission standard into its fixed network. G.fast is a hybrid fibre-optic technology (made of copper and glass). It allows higher frequencies to be used on very short copper lines, raising bandwidth to up to 500 Mbps.

Development of new antennas

The installation of antennas in existing fixed network conduits can increase the density of the mobile network. Swisscom carried out the pilot project in four Swiss cities, and further installations are in the pipeline.

More speed in peripheral regions

With a combination of fixed and mobile networks (DSL+LTE bonding), Swisscom is increasing surfing speeds to up to 40 Mbps in more sparsely populated regions.

Overview of mobile phone coverage

4G+	4G	3G	2G
LTE advanced up to 300 Mbps	LTE	UMTS/HSPA	GSM/GPRS/EDGE
40% coverage of the Swiss population	99% coverage of the Swiss population	Over 99% coverage of the Swiss population	

Network expansion

In total, Swisscom connected more than 3.5 million homes and offices with ultra-fast broadband with speeds in excess of 50 Mbps by the end of 2016 – of which more than 2.5 million were with the latest fibre-optic technologies.

Even greater capacity: 4G+

By the end of 2017, Swisscom will expand 4G+ coverage (speeds of up to 300 Mbps) to reach 67% of the Swiss population. This will be made technically possible by interconnecting several LTE signals on different frequencies – known as carrier aggregation.

Hackers deployed by Swisscom

Swisscom seeks to continuously enhance the security of its infrastructure, including by adopting new and innovative approaches. To give an example, 98 IT security experts (white-hat hackers) from US start-up HackerOne were commissioned by Swisscom to attack an anonymised test instance of the Swisscom customer centre. They identified and patched 48 security holes. The findings of the stress test (adopting the crowd security approach) are assisting Swisscom security experts in implementing even more effective protection measures for the customer centre.

Knocked down, but blossoming: the Jucker Farm.

The fruit farm run by the Jucker family has a long history – which was nearly cut far too short. “My brother and I drove the company into the ground, so we had no choice but to pick up the pieces,” explains Martin, the older of the two.

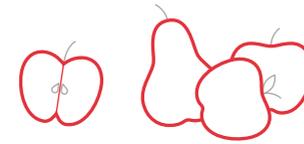


“We didn’t know who we really are until we suffered a setback.”

On the verge of bankruptcy

Martin, his brother Beat and father Ueli sit together over a glass of wine. “We had no idea whether we would get the loan we needed to survive,” Martin recalls. 2002 was a tough year. The two brothers – the fifth generation to run the farm – drove the family business close

to bankruptcy on the back of too-rapid growth and miscalculation. Luckily, though, they were granted the much-needed loan. Slowly, things began to pick up again. Martin and Beat came to understand what an oasis their farm actually was with its views of the Pfäffikersee on one side and the Alps on the other.



Online in bare feet

Bit by bit, they expanded their fruit farm to create a farm park, complete with farm shop, bakery, hay fort, goat enclosure, apple tree maze, berry picking, farm restaurant and a chill-out zone with hammocks strung between the fruit trees. A real oasis. The Jucker brothers also host a world-renowned pumpkin festival – the most recent one held under a Roman theme – which sees around 8,000 visitors streaming to the farm. With that many visitors, even the sprawling Jucker Farm was no longer big enough. The brothers decided to expand their company by adding another farm park in Rapperswil-Jona and an asparagus farm in Rafz. All three farms pursue more than just traditional agriculture, and take a more creative and sustainable approach, offering both relaxation and adventure. They also double as an event location for weddings, seminars and company celebrations, and can cater to up to 2,000 guests. “For our guests and employees to enjoy a perfect signal on their smartphones and tablets even out here, we need a reliable network, as well as a supportive partner like Swisscom, who will provide immediate support for even the smallest of glitches,”

explains Martin, who himself is rarely seen without his smartphone and tablet, but all the more often out enjoying nature in his bare feet while managing his business online.

Less harvesting, more managing

The brothers’ work little resembles what their father did in his time: there is now more managing than picking fruit. “Progress is only possible when older generations agree to let go of tradition to some extent and welcome change,” Martin says. He is strategically developing Jucker Farm AG, for example by taking a stake in farmy.ch, an award-winning online shop that delivers fresh produce from local farms directly to your door.

The two “Entrepreneurs of the Year 2014” are keen to explore further ideas and continue expanding – but with a sense of proportion. Meanwhile, 74-year-old dad Ueli continues to work among the tens of thousands of fruit trees on his sons’ farm in Seegräben. He is, after all, a true farmer: for as long as he lives.

juckerfarm.ch

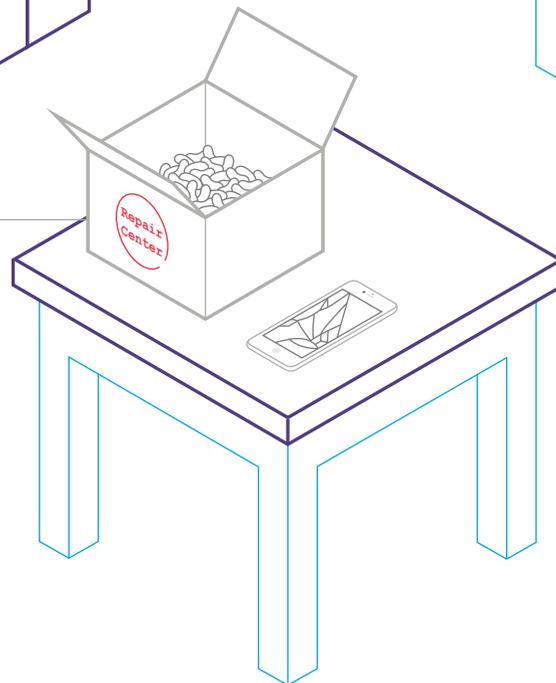


Inspiring others.

Today, we choose how we communicate in our private and professional lives based on our preferences and how we feel at the time. Our customers, too, should be able to make unrestricted use of the latest technologies. We design our customer experiences such that they feel the same each time customers come into contact with Swisscom. Our colleagues working in the call centres answer 12 million calls each year. This number has remained just as high as it was five years ago. Compare this to the volume of customer interaction through electronic channels, which has increased fivefold to 65 million per year. And we're there for our customers, with a comprehensive range of support available.

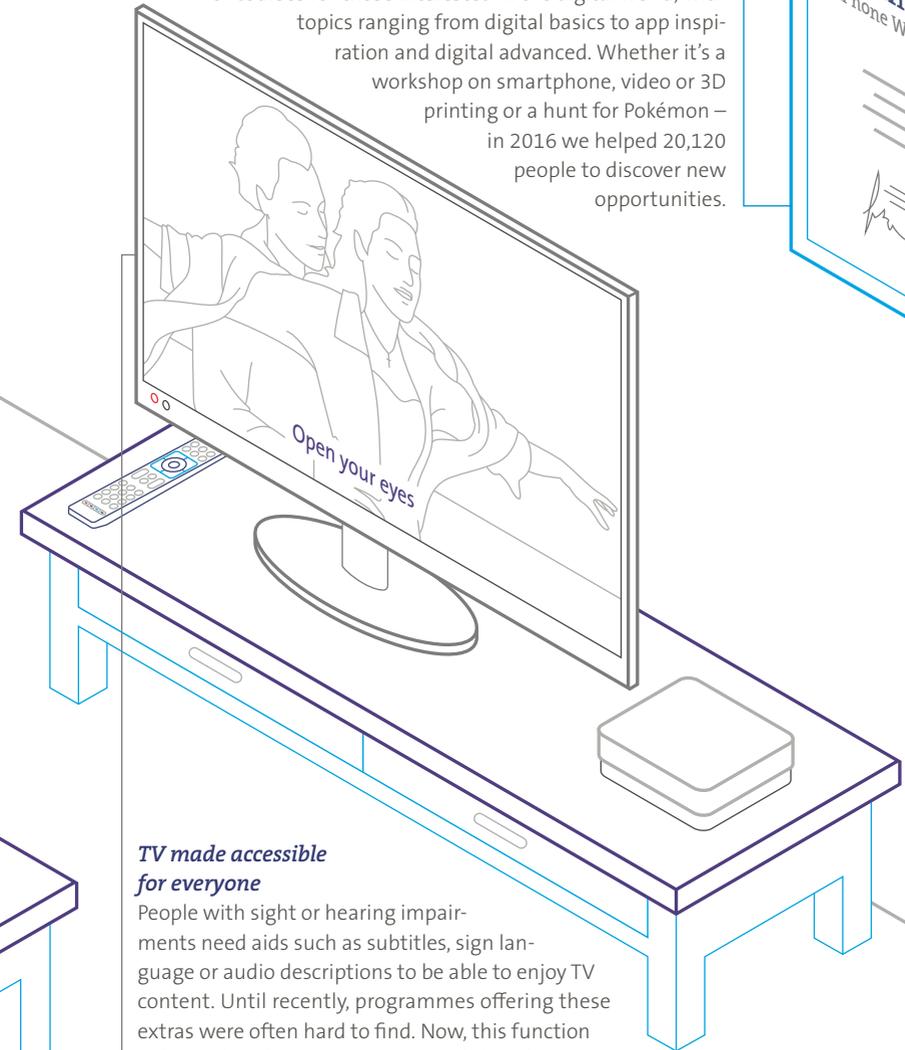
Repairs carried out quickly and on site

Following successful tests in Winterthur, Lausanne and Zurich, Swisscom opened a further six Repair Centers in selected Swisscom Shops in German-speaking and French-speaking Switzerland by the end of 2016. Smartphones are repaired within 24 hours whenever possible, with express repairs being completed within as few as three hours. A total of 15,400 devices found their way to our Repair Centers in 2016.



TV made accessible for everyone

People with sight or hearing impairments need aids such as subtitles, sign language or audio descriptions to be able to enjoy TV content. Until recently, programmes offering these extras were often hard to find. Now, this function only needs to be activated once and the relevant content will be highlighted in the programme overview. For some time now, Swisscom has also offered customers with sight or hearing impairments their own support channel via chat.



Our course offerings in a relaxed setting
Whether you're a first-time user, advanced user or professional: the Swisscom Academy offers a wide range of courses for those interested in the digital world, with topics ranging from digital basics to app inspiration and digital advanced. Whether it's a workshop on smartphone, video or 3D printing or a hunt for Pokémon – in 2016 we helped 20,120 people to discover new opportunities.



Sending large files made easy

The Swiss online storage solution for personal data, myCloud, allows data to be accessed from anywhere and at any time – whether photos, video clips or files.

With myCloud Transfer, Swisscom launched a new free service for sending digital data packets of up to 5 gigabytes in 2016. Hosted on secure Swisscom servers in Switzerland, myCloud Transfer works on all PCs, tablets and smartphones and is entirely easy to use: all it takes is a few clicks.

No more unwanted advertising calls

The plug has been pulled on annoying advertising calls from the end of 2016 onwards. All IP customers* can activate the free call filter for their fixed network connection with a click of the mouse in the customer centre or by calling the hotline or visiting one of our shops. Doing so will block the majority of advertising calls, as well as anonymous and unidentifiable calls.

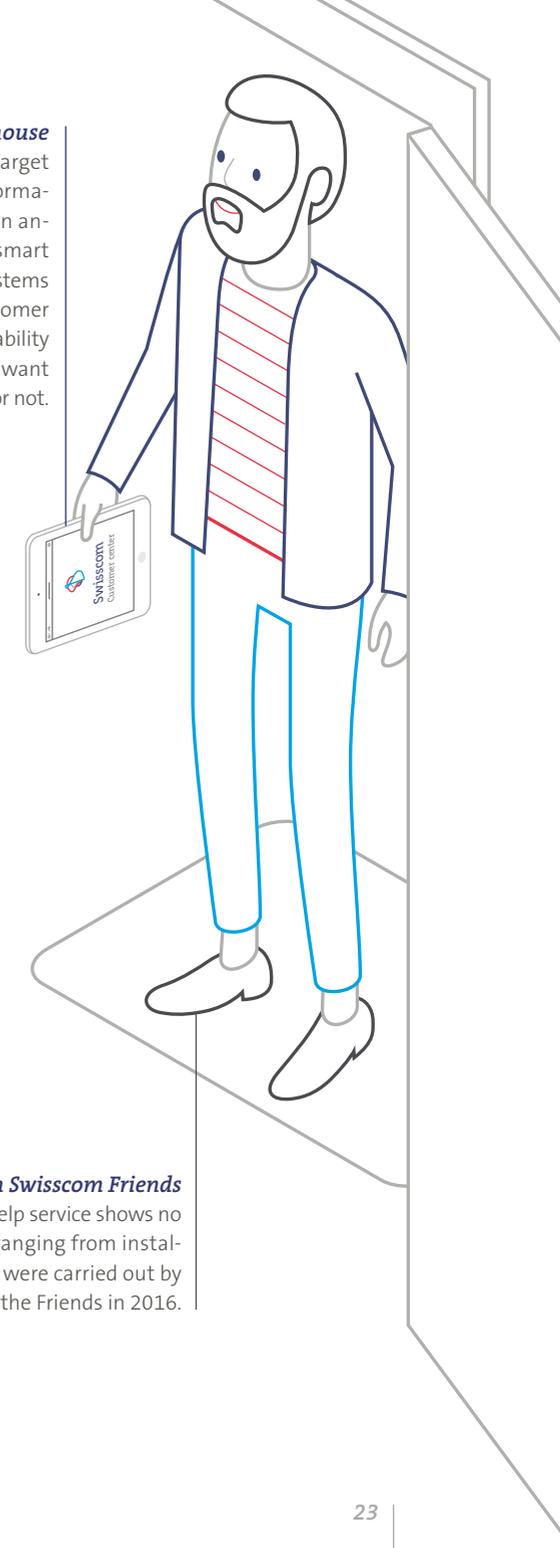
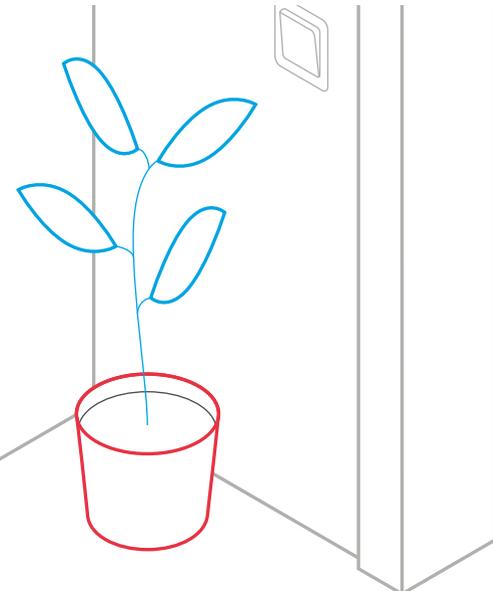
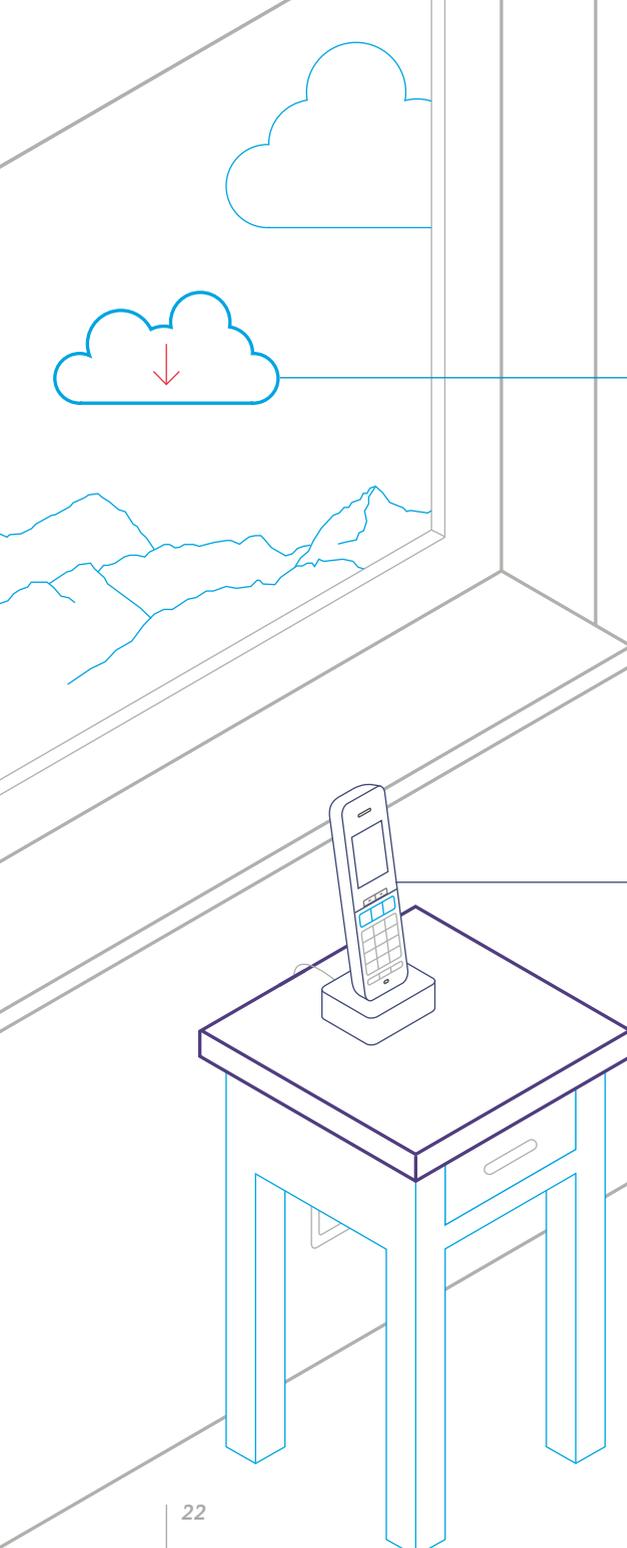
* Customers who have been converted to IP (Internet Protocol).

Determining data usage at the click of a mouse

Swisscom also processes data in order to target customers more effectively and offer them information that is more relevant to them. Based on anonymised and aggregated mobile phone data, smart data solutions – such as traffic monitoring systems – are developed for third parties. The online customer centre now gives Residential Customers the ability to decide, at the click of a mouse, whether they want to make their data available for these purposes or not.

A neighbourly help service with Swisscom Friends

Demand for the rapid neighbourly help service shows no sign of slowing. 22,000 deals, ranging from installations to solving technical issues, were carried out by the Friends in 2016.



App-titude for the Champions League: Massimo Ceccaroni.

Massimo Ceccaroni has something like 100 sons. He prepares them for the perilously competitive environment of football. Barcelona's Rakitić and Arsenal's Khaka have already managed the leap into the Champions League. The hope is that many more talented youngsters will follow them there. Another reason for FC Basel 1893 to work together with Swisscom.

A professional, through and through

He's known to everyone as Massi. He's the technical director of the club's junior talent scheme and wants to hone the skills of young footballers. And his main aim? To get as many junior players as possible into the first eleven. Since 2001, more than 45 of them have managed it. "A good footballer doesn't keep developing unless his character is built up," says Massi, who spent the whole of his career playing for FC Basel 1893. A professional, through and through – and a figure of veneration in the border city on the Rhine.

No half measures, but triple instead

Massi's relationship with his lads has a father-son character, and they keep it matey and relaxed when off the pitch. They may lark about, but they don't hang about. Absolute concentration and dedication are required when training. There are no half measures about it – in fact, their development is threefold: in football,



at school, and as persons, the 14- to 20-year-olds are guided on their way. "If you feel OK in your legs and heart, your brain's more likely to work better," is Massi's firm conviction. How does a footballer improve? He takes his athleticism, tactics, technique and mind to their limits. How that's seen is subjective, including from the trainer's point of view. That's why FC Basel 1893 joined with Swisscom to develop a Junior Talent App. The basic idea behind it is this: all the junior players' performance data are stored in a single shared database, where they can be accessed on the move at the touch of a button. These data serve as an introduction to any player: his training plan, performance results and injury history

make evaluation of them and their game objective and help the lads to make progress.

Wimps stand aside

At first, the club had no more than a hazy idea of what the app was meant to be able to do. "Swisscom were alongside us all the way through, discussed and agreed the main criteria with us and showed a lot of understanding for us footballers, because we, of course, don't always understand everything," says Massi with a smile. "By the end, I was surprised by how much the developers managed to get the app to do."

At FC Basel 1893, the courage to innovate is in demand, both on the pitch and off it. "If we want to stay at the top, we have to keep on developing ourselves," says Massi with conviction. "Standing still means going backwards."

Find out more about the Swiss App of the Year here:

swisscom.ch/app-of-the-year

"In 5 to 10 years, FC Basel will be somewhere completely different from where it is now."

Sustainable growth.

Rapidly developing environments require a constant change in thinking. In order to remain competitive, companies must continuously adapt and evolve. Swisscom aims to grow sustainably by refining its core business, for example with entertainment services (TV) and fibre-optic connections. It also sees further opportunities for growth in health care, the financial industry, the Internet of Things, digital solutions for corporate customers and digital security offerings.

Low Power Network

Swisscom is the first provider in Switzerland to set up an additional network dedicated to the Internet of Things, which by the end of 2016 already covered 80% of the Swiss population. The Low Power Network (LPN) is designed for the transmission of small amounts of data independently of the electrical network and thus forms the basis for connecting smart cities, energy-efficient buildings, machine-to-machine networking and new digital applications.

Pilot project with SBB

Swisscom and SBB are working together to test various infrastructure applications on the LPN, including the connectivity of water meters for automated read-outs and leak detection as well as the use of temperature sensors to monitor the condition of rolling stock. This network also allows data to be transmitted in conditions where other forms of technology fail.

Banking: contracts extended

Around 170 banks in Switzerland outsource integral components of their value chain to Swisscom, whether it's operating their entire IT infrastructure, processing payment and securities transactions or facilitating digitisation. In 2016, over 30 banks concluded long-term contract extensions for comprehensive services offered by Swisscom.

IT security: reducing risk

The protection of data against misuse and attacks is becoming increasingly important to private and business users alike. The market potential for services and products in IT security, identity and access management is estimated to be around CHF 2 billion per year in Switzerland – a figure that is on the rise. Swisscom is a distinguished provider of IT security and already assumes this role for over 100 financial institutions, who place their trust in Swisscom's IT solutions on a daily basis.

Health: streamlined processes

4,000 doctors use the curaPrax information system offered by Swisscom. By acquiring the TriaMed software for practices from Galenica, we have now further extended our customer base. In 2017, the Electronic Patient Records Act will come into force.

Fastweb: making the most of market opportunities in Italy

Swisscom is continuing to develop its subsidiary Fastweb in Italy. By expanding the ultra-fast broadband network and mobile communications business, Fastweb intends to strengthen its market position and generate growth. The aim is for 13 million or half of homes and businesses to be connected to the ultra-fast broadband network by the end of 2020.

Think ahead and make provisions for future changes.

Swisscom is aware of its responsibility to the environment, society and business. We have been meeting this challenge for years and have defined our targets in our 2020 Corporate Responsibility Strategy. Being rated the fourth most sustainable company in the world by US magazine Newsweek in 2016 motivates us and confirms that we are on the right track.

Clear out your cupboards

As part of our "Swisscom Mobile Aid" campaign, 460,000 mobile phones that are no longer being used have been handed into Swisscom Shops since 2012 to be recycled or resold, depending on their condition. Our partner SOS-Kinderdorf used the proceeds to finance more than two million warm meals. There are still eight million mobiles lying unused in people's drawers.

A Switzerland that promotes fairness all around the globe

Swisscom is committed to fair and efficient partnerships with suppliers who share its social and environmental objectives. It is aiming to improve the working conditions of more than two million people in this way by 2020. Some 740,000 workplaces have been audited to date. 140 suppliers were checked in 2016, meaning that we have met the annual target we set ourselves.

medienstark.ch

Provides practical tips to all those interested in making children media savvy in their everyday lives. Tips, figures and question time in the form of texts, images and videos – close to the action and in a nutshell.

Time is precious

Rapid digital transformation and its implications for the way in which people use mobile devices prompted Swisscom to hold its "2016 Awareness Day". Pause, examine your own digital behaviour and give someone your undivided attention for 30 minutes. We gave away one million minutes in this way.

The power of the sun

Solar Impulse circumnavigated the world in 550 hours without using any fuel – only the power of the sun. Swisscom was on board with a special energy-efficient solution it developed for the crew's communication with the pilots.

Keep pace

Our media courses are designed to support parents and teachers in providing young people with assistance in handling digital media in a responsible and discerning manner. In 2016, 43,236 schoolchildren, parents, teachers and older people took part in our media courses.

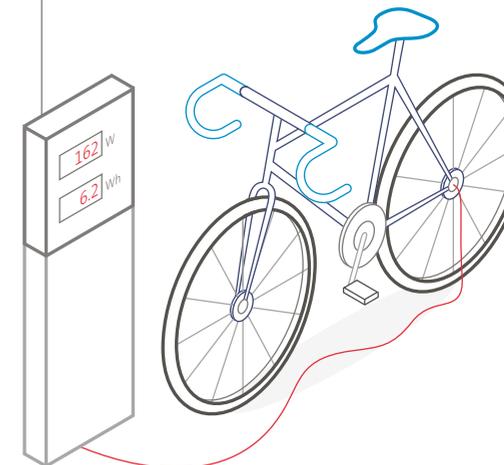
Over the course of the last 15 years, we have installed high-speed Internet in more than 6,000 schools, providing more than 120,000 teachers and 900,000 schoolchildren with access to a vast world of information.

Winner of the Watt d'Or award for the second consecutive time

Swisscom won the coveted Watt d'Or award for the second time in a row in 2016 for its business park in Ittigen. The park's energy consumption is three and a half times lower than that of average office buildings constructed ten years ago – using over 20% less energy than the most stringent Minergie standard – the Minergie-P-Eco label for office buildings.

Greater efficiency

It is possible to maintain a high quality of life while saving energy. Swisscom demonstrated this as the main partner of ENERGY CHALLENGE 2016, a campaign launched by SwissEnergy.



Making the Switzerland of tomorrow a success.

A country that is at the cutting edge of the digital age and offers prospects for old and young alike: that is our vision of the Switzerland of tomorrow. And it is why Swisscom is committed to various projects and organisations. Our aim is to bring together Swiss researchers and innovative entrepreneurs from home and abroad to ensure investment in and establish networks for Switzerland.

StartUp Challenge: getting off the ground with a little help

Swisscom is giving five companies the opportunity to participate in a mentoring programme in Silicon Valley as part of the StartUp Challenge. Two hundred start-up companies applied last year, with over 90 applications received from the IT, Web and software categories. Since the challenge first began in 2013, over 650 companies have got involved.

FinTech commitment: targeted encouragement

In 2016, Swisscom established a FinTech fund worth more than CHF 10 million. A promising business case and competent management, partners and customers offer a solid basis for

forming a partnership with us. Swisscom has invested more than CHF 100 million in start-up companies since the year 2000.

Research: contributing to security

As a partner of École Polytechnique Fédérale de Lausanne (EPFL), Swisscom enables research work to be performed in the areas of human activity and the smart home ("intelligent living") as well as "5G for Switzerland". We are also committed to supporting universities, such as in the area of network security at the Federal Institute of Technology (ETH) in Zurich.

Swiss Innovation Park: bringing the best to Switzerland

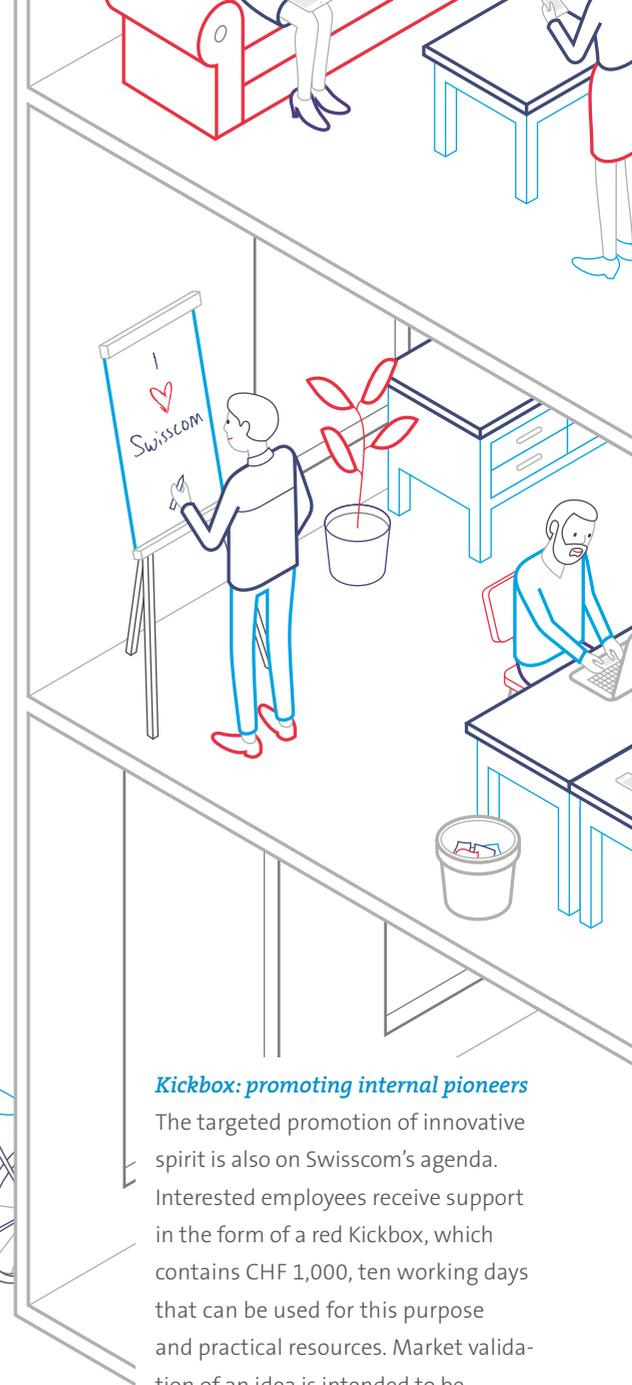
The foundation hopes to strengthen Switzerland as a place of thinking and as a place of business. The innovation park with its five locations provides support for established companies settling in Switzerland Innovation hubs. Swisscom is a benefactor of the Swiss Innovation Park and actively helps to shape it as a member of the Foundation Council.

digitalswitzerland: international innovation

The aim of digitalswitzerland is for Switzerland to be a leading location for digital innovation. The city and canton of Zurich, the Federal Institute of Technology (ETH) and around 40 companies, including Swisscom, are working to help make this happen. The Kickstart Accelerator initiative offers international start-ups a promotional programme in Switzerland.

Kickbox: promoting internal pioneers

The targeted promotion of innovative spirit is also on Swisscom's agenda. Interested employees receive support in the form of a red Kickbox, which contains CHF 1,000, ten working days that can be used for this purpose and practical resources. Market validation of an idea is intended to be achieved within two months.



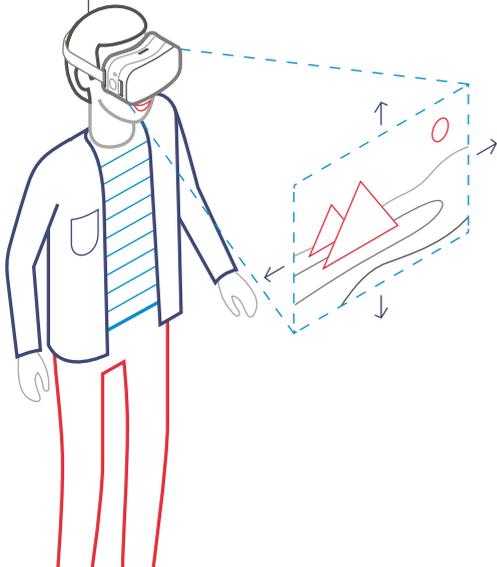
A gimmick, entertainment or something more?

From a virtual tour around your next home to seeing the distance to the goal during a football match on TV – we can already see examples of augmented or virtual reality in action today. While augmented reality is often associated with games and entertainment, in certain circumstances it has even been known to save lives. For example, by displaying a heart attack patient's heart rate on a paramedic's headset and sending the patient's data with images straight to the hospital.

But what do these terms mean?

Virtual reality – VR

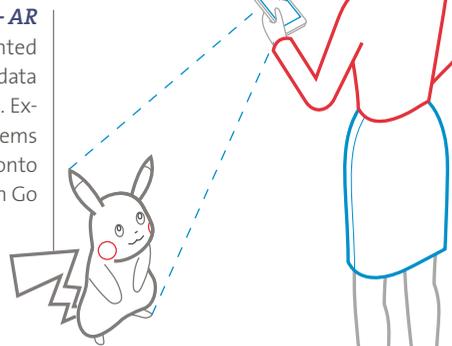
An enclosed headset is worn that replaces the real world with a simulated one. This changes the way in which we access content, with passive observation being replaced by active participation. The first devices are now available.



Augmented reality – AR

The environment is supplemented by information, and digital data is transferred to the real world. Examples such as navigation systems that project route information onto the windscreen and Pokémon Go are just the beginning.

swisscom.ch/virtual-reality



Artificial Intelligence – AI

Thanks to artificial intelligence, a computer can complete tasks requiring human intelligence. This then makes it possible to make good use of growing mountains of data.

Where does Swisscom stand?

AR: Smart Assistance

Our service technicians have very specialist knowledge, which previously meant that several people would work together on site. Smart Assistance is a self-support app that can be accessed through the augmented reality headset and can assist with initial support. If the case becomes more complicated and requires specialist knowledge, an employee can be called in via video support – without having to be there in person.

These developments are still in their infancy, but they have the potential to change our lives forever. The increasing proliferation of hardware and applications for virtual reality will revolutionise the customer experience. The way in which we access content is changing: passive observation is being replaced by active participation. Already, videos with a 360° panoramic

AI: Project Echo

The vision of Echo is to show how a company or its products are perceived on the market. This involves compiling customer feedback from a range of channels, such as social media, blogs or newspaper articles, in a database. With the help of artificial intelligence, these vast amounts of data are then analysed.

AI: Project Marmo

Efficient customer service: We help the service agent to resolve problems quickly. Once the problem has been defined, Marmo finds hits for similar issues and proposes the best solutions in a fraction of a second.

AI: voice recognition for call centres

Swisscom introduced new voice recognition software for its hotline at the beginning of August. The so-called customer voiceprint ensures an even faster and more reliable identity verification process than ever before.

view that can be controlled by the user are gaining popularity on social networks. Virtual reality will soon be included in offerings of media and video on demand. Applications for virtual reality place extremely high demands on the infrastructure. Swisscom hopes to satisfy this demand and is set to offer the new 5G mobile communication standard in 2020. This will make it possible to handle data rates that are up to 100 times higher.

Key dates

Q1
2017



8 February 2017

Publication of 2016 Annual Results and Annual Report

Q2
2017



3 April 2017

Annual General Meeting in Zurich

5 April 2017

Ex-dividend date

7 April 2017

Dividend payment

3 May 2017

2017 First-Quarter Results

Q3
2017



17 August 2017

2017 Second-Quarter Results

Q4
2017



2 November 2017

2017 Third-Quarter Results

Q1
2018



February 2018

Publication of 2017 Annual Results and Annual Report

Publishing details

Publisher

Swisscom Ltd, Berne

Realisation

Swisscom Ltd, Corporate Communications

Nordjungs GmbH, Zurich

Kiro AG, Zurich

Photographer

Stefan Walter, Zurich

Translation

CLS Communication AG, Basel

Printing

Stämpfli Publikationen AG, Berne

Printed on chlorine-free, bleached paper

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