



Conclusion of mobile frequency auction: Sound basis for further expansion of the Swisscom mobile network

Swisscom participated successfully in the mobile frequency auction, and was able to acquire all of its preferred frequency blocks. In future Swisscom will have double the amount of frequency spectrum at its disposal for the mobile network compared with at present. Swisscom will pay around CHF 360 million for the auctioned frequencies.

The mobile frequency auction was a success for Swisscom. The company acquired spectrum for operation of the mobile network in all of the preferred frequency ranges. The wireless licences newly issued by ComCom will run until the end of 2028.

In light of this, Swisscom regards the price of around CHF 360 million as fair and as a necessary economic and financial investment in the long-term future of the mobile network. The costs can be financed within the envisaged framework and will not affect the company's dividend policy. The auction price is not part of the budgeted capital expenditure for 2012.

Thanks to the newly acquired frequencies, Swisscom can press ahead with expanding its much acclaimed mobile network (repeatedly ranked number one by the specialist journal *Connect*) so that it can meet customers' needs now and in the future.

Technology-neutral use of frequencies

The new licences reflect the principle of technology neutrality: the various mobile technologies (currently GSM, UMTS and LTE) can be deployed to provide efficient usage across the entire spectrum. In the auction Swisscom acquired usage rights for the following spectrum ranges:

- 800 MHz waveband: 2x10 MHz
- 900 MHz waveband: 2x15 MHz
- 1800 MHz waveband: 2x30 MHz
- 2100 MHz waveband: 2x30 MHz
- 2600 MHz waveband: 2x20 MHz plus 45 MHz

Swisscom was therefore successful in acquiring 42 percent of the frequency bands available for mobile communication.



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Press Release

In principle, lower frequencies are more suitable for large-scale coverage, say in rural areas, while higher frequencies are better for deployment in urban areas.

Auction of all mobile frequencies

At the request of ComCom, the Federal Office of Communications (OFCOM) put all of the frequency blocks available for mobile communications up for auction. The auction ran from 6 February to 22 February 2012. Besides Swisscom, the mobile network operators Orange and Sunrise also took part. Frequency blocks in the following ranges were up for auction: 800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz. For all of the auctioned frequency packages, the state received a total of CHF 996 million from the participants.

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