

Acting in the best interest of all shareholders

Swisscom Ltd acknowledges that the Federal Council has instructed its representative on the Board of Directors to vote against a possible acquisition that Swisscom might make abroad and, instead, to support the distribution of free capital to shareholders. The Board of Directors of Swisscom Ltd will review the proposals made by the government representative along with all other corporate, financial and legal issues related to the matter in the course of its regular decision-making process.

The government representative's instruction does not relieve the Board of Directors nor the executive board from their legal obligation to responsibly perform their duties in the best interests of the company and all shareholders.

A few years ago, Swisscom established a long-term pay-out policy. In line with this return policy, the equity free cash flow was paid out to shareholders in full on an annual basis. The dividend is about half of the normalised profit. This year the entire pay-out will total around CHF 2.9 billion and take place in the form of a dividend and a share buy-back.

Berne, 25 November 2005