

Final decision on Swisscom's bid for Cesky Telecom now lies with the Czech government

Swisscom has taken part in the bidding process for the 51.1% stake held in Cesky Telecom by the National Property Fund (NPF) of the Czech Republic. On 29 March 2005 Swisscom submitted a final offer to the NPF amounting to Kc 481,50 per share for the 51.1% stake in Cesky Telecom. The Steering Committee for the sale of the 51.1% stake in Cesky Telecom announced that the highest bidder was Telefonica and that it was therefore recommending that the Czech government accept Telefonica's bid.

A decision on the sale of the majority stake in Cesky Telecom now lies with the Czech government. The price offered by Swisscom is the maximum justifiable purchase price from the standpoint of Swisscom shareholders.

In addition to financial attractiveness and a high level of transaction security, the Swisscom bid for Cesky Telecom contains a number of additional assurances that serve to protect the special interests of the Czech Republic. For instance, by assuming control of Cesky Telecom, Swisscom is planning a long-term investment in the Czech telecommunications market. Accordingly, Swisscom has no intention of splitting up the fixed and mobile network activities or rapidly reselling the company should it acquire the stake. Moreover, Swisscom has offered the Czech government a secondary listing of the Swisscom share under defined conditions in order to counteract any possible delisting of the Cesky Telecom share as a heavyweight on the Czech stock exchange.

Despite this attractive overall offer, the Steering Committee has decided against Swisscom.

Swisscom sees based on the current business plan and its assumptions no possibility of raising its offer per Cesky Telecom share and is convinced that its overall bid, which remains valid, is highly attractive.

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