



Swisscom to launch takeover offer for minority shares in Fastweb

The Board of Directors of Swisscom has decided to submit, through its subsidiary Swisscom Italia, to the remaining shareholders of Fastweb, a public takeover offer on all outstanding shares of Fastweb, representing 17.918% of Fastweb shares capital for an offer price equal to EUR 18 per share. Swisscom is looking to acquire all the remaining minority shares in Fastweb and to delist Fastweb from the Milan stock exchange. The total purchase price is EUR 256 million.

Currently Swisscom indirectly owns 82.082% of Fastweb's shares, acquired as part of the first public takeover offer in May 2007 and prior market purchases. Since being taken over by Swisscom, Fastweb has achieved strong growth, with a broadband customer base at 30 June 2010 of around 1,693,800. In 2009 Fastweb reported revenue of EUR 1,853 million and operating income (EBIT) of EUR 138 million. Swisscom believes the Italian market offers further growth potential and opportunities for Fastweb. Swisscom will focus on both core markets, Switzerland and Italy.

With its takeover offer, Swisscom intends to take over Fastweb in full and to delist the company from the Milan stock exchange. Given the dynamic market development in Italy, the full takeover will give Swisscom greater strategic and operational flexibility.

Swisscom will offer a takeover price of EUR 18 per share in cash. This represents a premium of EUR 4,63 or 34.6% on yesterday's official share price. The full acquisition of Fastweb is therefore expected to cost Swisscom up to EUR 256 million. Swisscom will finance the purchase price from its own funds or via an existing credit line. Irrespective of the deal, Swisscom will be in a position to pay a dividend in 2011 equivalent at least to the prior-year amount. Swisscom will also retain the necessary financial reserves for any further deals.

The public takeover offer to the remaining shareholders of Fastweb will not affect the company's identity, which will remain Italian. Fastweb is positioned as a strong alternative to the incumbent provider and continues to commit high investments to Italy's network infrastructure.

Swisscom will shortly submit its offer prospectus to the Italian stock exchange regulator Consob. The offer will be subject to a minimum acceptance level of 95% and the offer period will begin as promptly as possible after Swisscom is given the green light by Consob.

www.swisscom.ch/fastweb-offer

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