



## Swisscom customers to benefit from price reductions of more than CHF 50 million

Swisscom is lowering its charges for daytime telephone calls from the fixed network to all mobile networks by over 12 per cent from 1 November 2010 . Swisscom is also absorbing the majority of the costs of the 1 January 2011 increase in VAT for its customers. This means that customers will benefit from a price reduction (excl. VAT) of over CHF 50 million per year.

In early September 2010, Swiss mobile providers agreed to lower their termination charges. These are the fees that mobile network providers charge other providers for routing calls through their network. As a consequence of the lower termination charges, Swisscom is to lower its daytime charges (standard rate) for calls from the fixed network to all Swiss mobile networks by up to CHF 0.20 per minute and its evening and night-time charges (off-peak rate) by up to CHF 0.15.

### Charges from the fixed network

Calls to the mobile network from	Current standard rate	New standard rate	Current off-peak rate	New off-peak rate
Swisscom	CHF 0.37 per min.	<b>CHF 0.32 per min.</b>	CHF 0.27 per min.	<b>CHF 0.27 per min.</b>
Sunrise/Orange	CHF 0.40 per min.	<b>CHF 0.35 per min.</b>	CHF 0.30 per min.	<b>CHF 0.30 per min.</b>
Other networks*	CHF 0.55 per min.	<b>CHF 0.35 per min.</b>	CHF 0.45 per min.	<b>CHF 0.30 per min.</b>

\* e.g. Tele 2 and in&phone

Furthermore, Swisscom is also harmonising and simplifying its fixed network price structure: the off-peak rate now covers national calls to the fixed network and mobile networks, as well as calls abroad on weekdays between 7 p.m. and 7 a.m., weekends and public holidays. This means that the off-peak hours remain unchanged for calls to mobile networks, have been reduced for calls to the fixed network, but significantly extended for calls abroad. Up to now, the off-peak rate for calls abroad applied only at weekends.



**swisscom**

**Press Release**

**Swisscom to bear the majority of the VAT increase**

As the result of a referendum, the VAT rate is to increase from 7.6 to 8 per cent on 1 January 2011. Nevertheless, Swisscom has for the most part decided not to increase its charges and is to absorb the costs of the tax increase for its customers on all mobile tariffs, broadband access, fixed-network minute rates and Swisscom TV. The only charges to be increased are for analogue fixed-network connections, which will rise by a minimal CHF 0.10 to CHF 25.35, and for ISDN connections, which will rise by CHF 0.20 to CHF 43.20. Billing for specialist corporate business will be adjusted to take account of the additional VAT. The agreed price adjustments amounting to over CHF 50 million per year will lower Swisscom's revenue and EBITDA by around CHF 50 million annually.

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