Press Release

Takeover offer for Fastweb shares was successful

Swisscom is pleased to announce that the public tender offer through its subsidiary, Swisscom Italia, for Fastweb ordinary shares was successful. According to preliminary figures, 71.262% of the Fastweb shares subject to the offer have been tendered. Together with the previously owned 82.082% of Fastweb shares, Swisscom will own 94.851% of Fastweb. Swisscom makes use of the right to waive the condition of the minimum threshold level of 95%. On 19 November 2010, Swisscom will pay EUR 18 in cash for each share to all those who accepted the offer, for a total consideration equal to EUR 183 million. Furthermore, Swisscom, through its subsidiary Swisscom Italia, will start the delisting process for Fastweb. The shareholders who have not yet tendered their shares have the right to sell them in the sell-out period. The detailed procedure will be agreed with both the Italian stock exchange regulator, Consob, and the company managing the market, Borsa Italiana.

The voluntary tender offer period started on 11 October 2010 and ended 12 November 2010. The preliminary information communicated by Banca IMI S.p.A., the intermediary mandated to coordinate the execution of the offer, states that 10,152,105 Fastweb shares, corresponding to 12.769% of Fastweb's share capital, have been tendered. Swisscom, during the offer period, has not, either directly or indirectly, acquired any Fastweb shares.

Swisscom announces that, even though the condition, mentioned in Section A.1 (a) of the offer prospectus, for the threshold level of at least 95% of Fastweb's share capital has not been met, the result of the public tender offer may undoubtedly be regarded as successful. In view of this, Swisscom will utilise its right to waive the condition for the offer's effectiveness mentioned in Section A.1 (a) of the offer prospectus and will accordingly proceed with the acquisition of all the shares tendered. Additionally, the condition of effectiveness mentioned in Section A.1 (b) of the offer prospectus has been met, considering that no material adverse change to the market situation with an impact on Fastweb has occurred.

As a result, the completed public tender offer will trigger the delisting procedure of Fastweb. As part of it, the remaining shareholders of Fastweb will obtain the right to sell their shares in a sell-out period. The terms which Swisscom will comply with during this mandatory acquisition will be announced as soon as the procedure is agreed with both the Italian stock exchange regulator, Consob, and the company managing the market, Borsa Italiana.

On 19 November 2010, upon transfer of the full ownership of the shares to Swisscom, holders will be paid EUR 18 in cash for each share tendered. At the settlement day, Swisscom will pay a total consideration equal to EUR 183 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 to at least the prior-year amount. Swisscom will also retain the necessary financial reserves for any further deals.

With the minority buy-out process, Swisscom intends to take over Fastweb in full and 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. The 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 other providers and continues to commit high investments to Italy's network infrastructure.

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