



Swisscom denies allegations made by COMCO regarding marketing of sports programmes

In a decree issued yesterday, the Competition Commission imposed a sanction of CHF 71.8 million on Swisscom and Cinetrade/Teleclub due to alleged prohibited marketing of sports content via pay TV. Swisscom and Cinetrade deny the allegations and remain confident that they acted lawfully in the marketing of sports content.

The Competition Commission (COMCO) has imposed a sanction of CHF 71.8 million due to alleged prohibited marketing of sports content via pay TV. According to COMCO, Swisscom and Cinetrade/Teleclub occupy a dominant market position, particularly with respect to the broadcasting of national football and ice hockey events, and must offer all TV platforms in Switzerland – if technically feasible – an equivalent Teleclub sport offering at non-discriminatory terms and conditions. In July 2015, the COMCO Secretariat had petitioned the Competition Commission to impose a sanction of CHF 143 million. Swisscom and Cinetrade/Teleclub deny these allegations and maintain that the sanction is unjustified.

High investments in expanding sports broadcasting

Swisscom and the Cinetrade Group comply with the law in the marketing of sports programmes via pay TV. As in other countries, broadcasting rights for sports programmes are granted periodically as part of an open process in which other interested parties, such as cable providers, can also participate. The high levels of investment that Swisscom and Cinetrade have made in recent years to make sports broadcasts, which were previously neglected in Switzerland, attractive for pay TV justify an expanded sports offering via the Swisscom TV platform. This is the only way in which the investments can be sufficiently protected.

Swisscom's entry into the TV business in 2006 presented Swiss consumers with an alternative for the first time in the Swiss TV market, which had previously been monopolised by cable network operators. Fierce competition ensued. This competition drove Swisscom and Cinetrade/Teleclub to gradually



build up a comprehensive package of live broadcasts of the Swiss football and ice hockey league matches. Thanks to Swisscom's and Cinetrade's involvement, sports fans today can benefit from a much wider selection of live broadcasts on both free TV and pay TV, both via the Swisscom TV platform and the networks of cable providers. Thanks to this commitment shown by Swisscom and Cinetrade to Swiss sports, there are now four to six times more Swiss football matches available to watch live on free TV than before, for example.

COMCO opened an investigation into the broadcasting of live sport on pay TV in April 2013. Swisscom will carefully review the more than 200-page decree that has now been handed down. Given the very high fine and the decision's fundamental character, an appeal will be lodged with the Federal Administrative Court and, if necessary, the Federal Supreme Court. Swisscom regards its chances in the appeal procedure as intact and, based on its current assessment, is therefore not setting aside any provisions.

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Swisscom AG

SCMN / Valor 874251 / ISIN CH0008742519

Group Media Relations

CH-3050 Bern

Phone +41 58 221 98 04

Fax +41 58 221 81 53

E-Mail media@swisscom.com

www.swisscom.ch