



swisscom

Press Release

Shareholders approve payment of a stable dividend of CHF 22 per share

At today's Swisscom Annual General Meeting in Zurich, shareholders approved all recommendations put forward by the Board of Directors and agreed to payment of a dividend of CHF 22 per share, the same as in the previous year. The Annual General Meeting granted discharge to the members of the Board of Directors and Group Executive Board for the 2013 financial year and approved the proposed amendments to the Articles of Incorporation. Frank Esser was elected as a new member of the Board of Directors.

The 16th Annual General Meeting of Swisscom Ltd in Zurich was attended by 1,630 shareholders, representing 86.34% of the registered voting shares. At the end of 2013, there were approximately 66,000 registered Swisscom shareholders.

Stable core business with strong customer growth

According to the Chairman of the Board of Directors, Hansueli Loosli, Swisscom can look back on a successful year characterised by strong customer growth and a stable core business: "Customer growth was driven by investment in the market, in particular in next-generation telecom networks and innovation. We gained many new customers especially for Swisscom TV, our mobile communications offerings and at Fastweb. High order intake at Swisscom IT Services as well as our customers switching to bundled offerings contributed to our solid performance. Continuing competition and price pressure marked by substantial price erosion totalling CHF 350 million and an additional reduction in roaming fees of CHF 210 million led to lower operating income."

High dividend yield of around 4.2%

The shareholders approved the annual report, consolidated financial statements and financial statements for 2013 and followed the Board of Directors' recommendation to set the ordinary dividend per share at CHF 22 gross, the same as in the previous year. Based on the current share price, the dividend yield is around 4.2%. The total dividend amounts to CHF 1,140 million. A net dividend of



CHF 14.30 per share will be paid out to shareholders on 14 April 2014 after deduction of Swiss withholding tax of 35%.

Swisscom expects moderate growth in revenue and operating income (EBITDA) in 2014: It aims to achieve revenue of CHF 11.5 billion and EBITDA of CHF 4.35 billion. The expansion of the network infrastructure in Switzerland and Italy continues to require a very high level of investment: Swisscom anticipates investment spending to total CHF 2.4 billion, CHF 1.75 billion of which will be in Switzerland. "If our targets are met, we plan to once again recommend payment of a dividend of CHF 22 per share for the 2014 financial year at the 2015 Annual General Meeting," said Hansueli Loosli.

Discharge was granted to the members of the Board of Directors and Group Executive Board for the 2013 financial year. In a consultative vote, the meeting unanimously approved the Remuneration Report.

Amendment to the Articles of Incorporation as a result of the Minder Initiative

Various provisions of the Articles of Incorporation have been amended to implement the Ordinance on the "Minder Initiative" (including the approval of remuneration for the Board of Directors and Group Executive Board for the following financial year, amendments to the description of the remuneration system, capping the variable performance-related component at 100% of the basic salary, restriction on external mandates). The Annual General Meeting in 2015 will vote for the first time on the total remuneration to be paid to the members of the Board of Directors and Group Executive Board for the 2016 financial year. Unaffected by these amendments to the Articles of Incorporation, Swisscom will continue to put the Remuneration Report to a consultative vote.

Frank Esser elected as a new member of the Board of Directors.

As already announced, the Deputy Chairman of the Board of Directors, Richard Roy, will not be standing for re-election after having spent eleven years in office. Fifty-five-year-old Frank Esser, a telecommunications expert renowned throughout Europe, has been elected to the Board of Directors. Esser has a post-doctorate degree in economics, was one of the driving forces behind the expansion of mobile communications for Mannesmann in Germany, and also set up the mobile phone business for SFR in France. Esser was a member of the Vivendi Group Board of Directors from 2005 to 2012.



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All other members of the Board of Directors, the Chairman and the members of the Compensation Committee were likewise elected for a term of office of one year. At the meeting of the Board of Directors directly after the Annual General Meeting during which it constituted itself, Board member Theophil Schlatter was appointed as Vice-Chairman and Barbara Frei as Chairman of the Compensation Committee. The Annual General Meeting also elected Reber Rechtsanwälte, Zurich, as independent voting proxy, as well as KPMG AG, Muri bei Bern, as the external auditors.

<http://www.swisscom.ch/en/about/governance/annualgeneralmeeting.html>

Zurich, 7 April 2014