

Thouvenin Rechtsanwälte
Klausstrasse 33
CH-8034 Zürich

Phone +41 44 421 45 45
Fax +41 44 421 45 00
E-mail info@thouvenin.com

www.thouvenin.com



Telecommunications Newsletter Switzerland

Swiss Federal Council intends to reduce its stake in Swisscom

The Swiss Federal Council has announced the decision to sell its majority interest in Swisscom.

According to the Swiss Telecommunication Enterprise Act, the Swiss Confederation is required to retain a majority interest in Swisscom. The Swiss Federal Council is of the view that this statutory required majority interest restricts the strategic positioning of Swisscom. In light of the uncertain developments in the telecommunication market, increased flexibility will be advantageous also for strategic alliances. A sale of the shares would also have the advantage that the Swiss Parliament could take its decisions and pass new laws in the telecommunications sector unbiased. The recent debate in the Swiss Council of States has revealed that the financial interests of the Swiss Confederation in Swisscom greatly influenced the Parliaments decision in the pending revision of the Swiss Telecommunication Act. It is expected that the revision of the Telecommunication Enterprise Act may take between two to three years.

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David Käzig

For further information, please contact:

David Käzig (d.kaenzig@thouvenin.com)