

Lausanne, 17 February 1998

## **Orange Communication SA bids for Swiss mobile licence**

**Headquarters established in Lausanne Swissphone Engineering AG joins Consortium Orange Communications SA, a joint venture founded between VIAG AG and Orange plc, today announced that it has submitted bids to operate a national mobile telephone licence in Switzerland. It further revealed that Swissphone Engineering AG has joined the consortium and that headquarters for Orange Communications SA have been established in Lausanne.**

Should the consortium be awarded a licence, Orange Communications SA plans to create up to 1,250 jobs, most of which will be in the Canton of Vaud and Lake Geneva region. The company will invest more than one billion Swiss Francs in the venture. Orange plc, based in the UK, has extensive international experience in mobile telecommunications. It has built the biggest and most successful GSM1800 network in the world, which now has over 96% UK population coverage. Since its launch in 1994, Orange has acquired over 1.2 million customers representing 14.2% of the UK mobile market and has also developed one of the best recognised brands in the UK. Elsewhere in Europe, Orange operates two very successful service provider businesses. Hutchison Telecom (France) has around 260,000 customers with key retail outlets providing a range of innovative services. In Germany, Hutchison Telecom is one of the largest independent service providers with over 180,000 customers largely focused on the business sector.

VIAG AG has gained substantial fixed and mobile telecommunications experience through its VIAG INTERKOM subsidiary which was awarded the fourth German mobile telephony licence in February 1997 as well as a fixed and infrastructure licences. VIAG INTERKOM is constructing for the first time a combined GSM 1800 mobile and fixed telephone network to incorporate gradually all types of different services for the customer.

VIAG and Orange are already successfully working together in Austria where they are partners in the third national mobile licence, Connect Austria. Swissphone Engineering AG, headquartered in Samstagern, Zurich, is one of the leading paging companies in Europe, It currently employs 450 people and brings to the consortium extensive experience of operating in the Swiss telecoms market. It operates a modern call centre (AirCall Lausanne) and owns 335 antenna sites thus reducing the number of new sites which need to be built to operate a mobile network.

Orange plc and VIAG AG each currently hold 40% of the shares of Orange Communications SA with the remaining 20% held by Swissphone Engineering AG. However, it is the intention of the two major shareholders that a total 49% of the shareholding of Orange Communications SA should be made available for purchase by Swiss companies. It is also envisaged that shares of the company will eventually be offered to the public and listed on a Stock Exchange.

Orange Communications SA will have up to 1,250 employees in Switzerland, 70 - 75% of whom will be based in Lausanne, the Canton of Vaud, and Lake Geneva region. This will constitute a considerable centre of gravity in the advanced telecom environment in the Lausanne area and will help stimulate the creation of start up enterprises in special applications software and hardware, specialised high tech projects and product development management. This nucleus will offer unique opportunities to supplement the academic and management institutions already present in Lausanne in the formation of a high tech cluster.

Orange Communications SA intends to bring a distinctive new approach to the Swiss mobile market with a consumer proposition that is clear, simple and innovative. Integral to this strategy will be assisting the introduction of competition into the marketplace by offering value for money to the Swiss consumer.

Orange Communications SA is fully committed to the protection of the environment and will endeavour to maximise good environmental practices in the roll-out of its network. In Switzerland, it will work in close conjunction with both Swiss Agency for Environment, the company will ensure that a thorough environmental assessment is undertaken as part of the site selection and planning process.

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