

NEWS RELEASE

Regensdorf, August 18, 2017

Positive business development in the first half of 2017

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In the first six months of 2017 mobilezone achieved sales of CHF 513 million (2016: CHF 523 million) and realized an operating profit (EBIT) of CHF 18.4 million (2016: CHF 18.3 million).

Net financial expenses rose by CHF 281,000 to CHF 947,000. The company's tax expense amounted to CHF 3.8 million, a decrease compared to the previous year of CHF 1.5 million. This was due to the smaller profit contribution from the German business and the elimination of a one-time charge in the previous fiscal year in the amount of CHF 0.5 million. Consolidated profit grew by 11 percent to CHF 13.7 million (2016: CHF 12.3 million).

Earnings per share were increased in the first six months of 2017 from CHF 0.38 to CHF 0.42. As of August 15, 2017, the mobilezone share price was CHF 13.40 compared to CHF 14.50 at the end of December 2016.

As of June 30, 2017, mobilezone's balance sheet shows cash and cash equivalents totaling CHF 44.9 million (12/31/16: CHF 27.0 million). The bank loans amount to CHF 153 million compared to CHF 93.2 million at the end of December 2016. The increase was used primarily for financing net current assets.

Segment Trade reports slight decrease in sales

The segment Trade includes activities in the company's branch network extending throughout Switzerland, in the online business, in the B2B sector, and also the activities of the einsAmobile in Germany.

The market environment in the retail business remains very demanding and challenging. In particular, the market as a whole is struggling to cope with declining customer frequency.

A new shop concept with a completely new design was introduced in the mobilezone shops in Brugg, Langenthal, Lugano, Schönbühl Bern, and Vevey. Other shops, such as the ones in Burgdorf and Uster, will be moved to a new and better location in the current fiscal year and will be remodeled in line with the new concept. In the second half of the current fiscal year the Mall of Switzerland in Ebikon will be opened.

In particular the online business in Germany showed record results both in terms of sales and operating profit. Specifically, in Germany more than 100 000 (2016: 90 000) mobile phone contracts were concluded online in the first half of the year. With the launch of DeinHandy.ch mobilezone took an important step in Switzerland toward applying its successful experience in Germany to the Swiss market.

Sales in the segment Trade fell from CHF 489 million to CHF 469 million, a drop of 4 percent. The wholesale portion of this total amounts to CHF 302 million (2016: CHF 309 million). EBIT decreased from CHF 12.9 million to CHF 12.4 million.

Segment Service Providing doubled EBIT to CHF 6.2 million

The Segment Service Providing includes the company's own TalkTalk mobile and fixed-line offers as well as the service business in Switzerland and Austria.

Sales in the segment Service Providing grew from CHF 34.3 million to CHF 43.3 million, an increase of 26 percent. EBIT rose by 100 percent to CHF 6.2 million.

The profitability of the repair and service business in Switzerland and Austria developed very positively in the first six months of fiscal year 2017.

TalkTalk's sales and EBIT also came in above last year's figures. The share of mobile phone customers of TalkTalk's total sales amounts to 47.5 percent (2016: 33.5 percent). In the area of mobile telephony the number of customers increased to 41 000 (12/31/16: 39 000) in the first six months of 2017.

Outlook for the second half of 2017

The market environment in the retail market in Switzerland will continue to remain challenging. In the second half of the year mobilezone expects the launch of a new iPhone model. This will boost the number of postpaid contracts, provided the new models are readily available. The enhanced online activities support mobilezone's adopted strategy. As in previous years, we expect a stronger profit contribution in the second half of 2017.

The semi-annual report, including the detailed semi-annual financial statements prepared in accordance with Swiss GAAP FER, is now available at www.mobilezone.ch/about-us/investors/reports.

For further information or questions

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Agenda

3/09/2018	Publication of the 2017 annual report
3/09/ 2018	Analyst and media conference 2017
4/05/2018	General meeting 2018
8/17/2018	Publishing of the semi-annual report 2018

Company profile of mobilezone

Established in 1999, mobilezone holding ag (stock ticker symbol SIX: MOZN) achieved sales of CHF 1,088 million and a consolidated profit of CHF 36.1 million in fiscal year 2016 and is Switzerland's leading independent telecom specialist.

The mobilezone Group employs a staff of more than 900 employees in its locations in Regensdorf, Urnäsch, Zweidlen, Zug, Vienna (Austria), and Obertshausen (Germany). The company offers the complete product line of mobile phones as well as subscription plans of all major providers for mobile and fixed-line telephony, digital TV, and Internet. Independent consulting and services for individual and business customers as well as repair services round out mobilezone's range of offerings. Independent consulting and services for individual and business customers as well as repair services round out mobilezone's range of offerings. The services and products are offered in 127 mobilezone shops in Switzerland as well as in 56 Ashop locations in Germany (Partnershops) and online via various web portals. In addition, mobilezone Group is active in Germany in the wholesale trade and also as supplier for specialist retailers.

Key figures of mobilezone Group

Million CHF	Jan. – June 2017	Jan. – June 2016
Net sales	512.6	523.4
Gross profit	65.3	66.2
<i>as % of net sales</i>	12.7%	12.6 %
EBIT*	18.4	18.3
<i>as % of net sales</i>	3.6%	3.5 %
Consolidated profit	13.7	12.3
<i>as % of net sales</i>	2.7%	2.4 %
Investments	4.7	3.1
	30.06.2017	30.06.2016
Shareholders' equity	-9.0	-20.4
<i>as % of total assets</i>	-3.6%	-10.3 %
Number of full-time employees	873	880
Number of Shops		
Switzerland	127	128
Germany	56	44

Trade

Million CHF	Jan.– June 2017	Jan.– June 2016
Net sales	469.3	489.1
EBIT*	12.4	12.9
Investments	3.7	2.1

Service Providing

Million CHF	Jan.– June 2017	Jan.– June 2016
Net sales	43.3	34.3
EBIT*	6.2	3.1
Investments	1.0	0.9

*CHF -0.2 million of the Group's EBIT (2016: CHF 2.3 million) are not allocated to any segment and remain in the holding company.