

Annual report
2009

Transparency
through independence

mobilezone[®]
the best for communication

mobilezone – the name stands for transparency. As Switzerland's leading neutral telecom specialist we offer our customers an important added value: absolute independence. This allows mobilezone to help customers navigate the labyrinth of prices, services, and products and to compare the offerings of all network operators and device manufacturers. Perspective, clarity, and comprehensibility make free choice possible. Our five theme pages show how this transparency works in our day-to-day business and the advantages it offers our customers.

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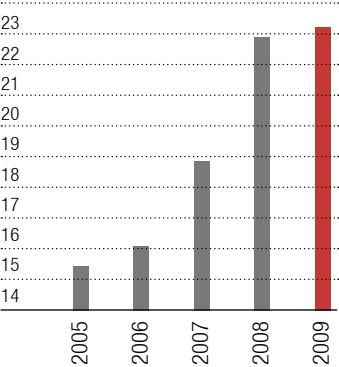
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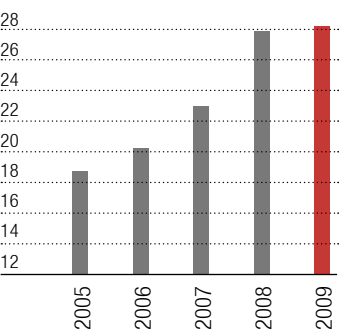
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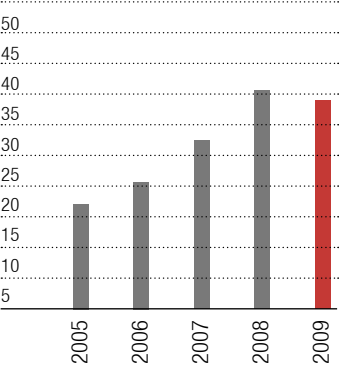
Consolidated profit (in CHF million)



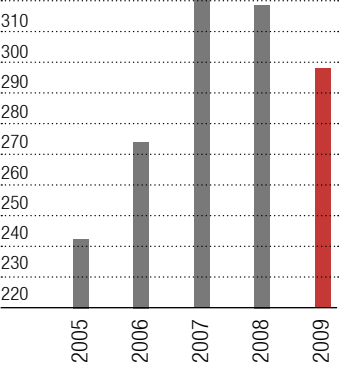
EBIT (in CHF million)



EBITDA (in CHF million)



Net sales (in CHF million)



Key figures

Group (CHF 000 or as indicated)

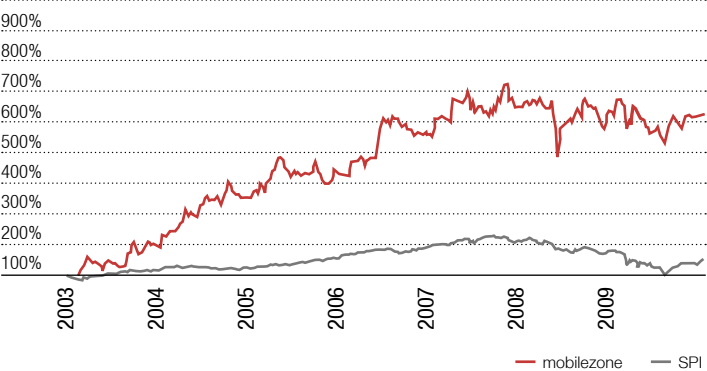
Net sales
Gross profit
Operating profit EBITDA
Operating profit EBIT
Net profit
Total assets
Net cash & cash equivalents
Shareholders' equity
Net cash from operating activities
Investments in property, plant & equipment and intangible assets

Number of full-time employees as of December 31
Number of shops as of December 31

Data per title (in CHF or as indicated)

Outstanding shares at year end (pieces)
Earnings per share – undiluted/diluted
Equity per share
Payout per share ³
Share price (highest/lowest)
Share price as of December 31

Share price since 2003



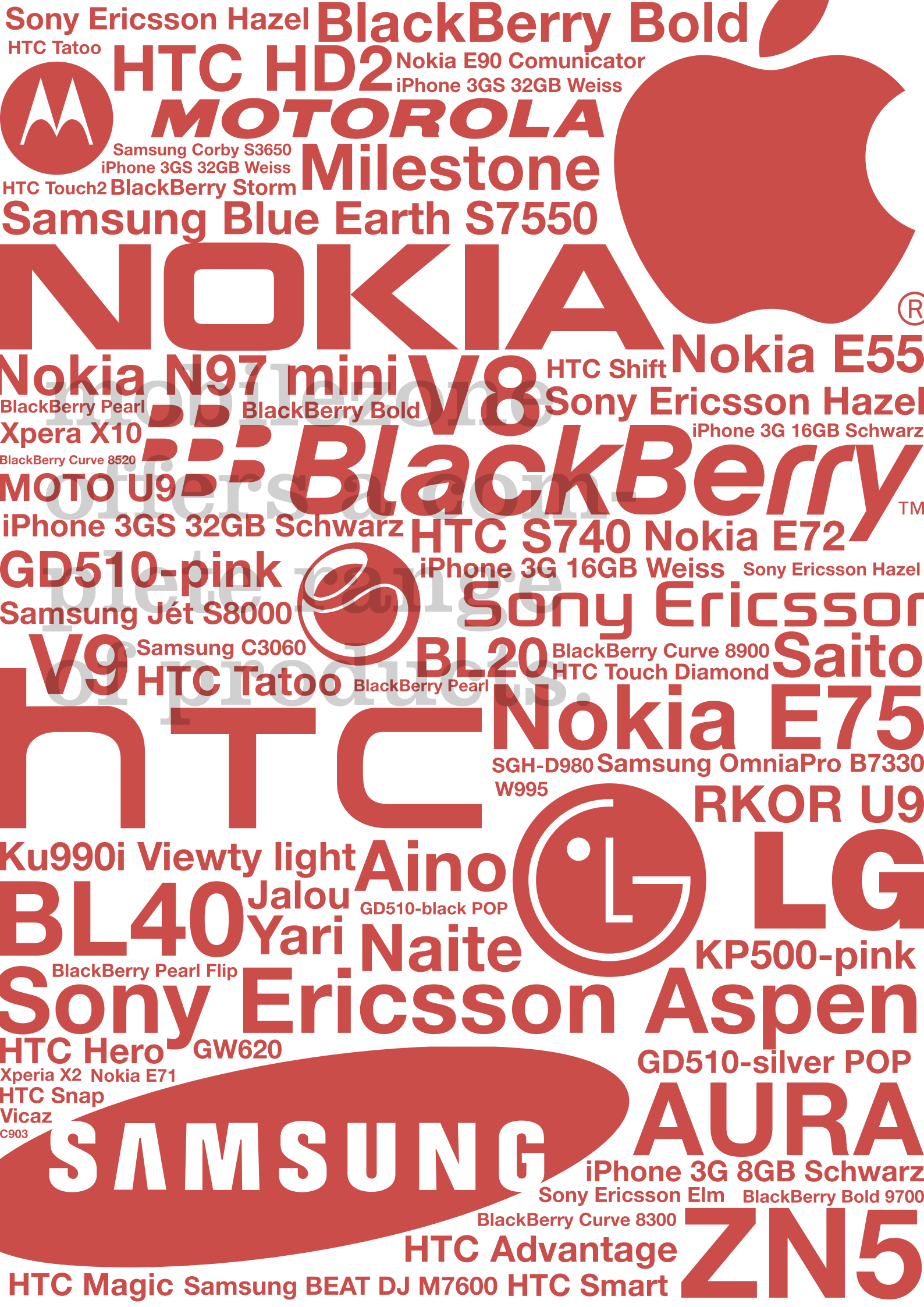
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	2009	%	2008	%	2007	%	2006	%	2005	%
	297 898		318 030		320 912		274 102		243 590	
	95 334	32.0 ¹	95 390	30.0 ¹	78 905	24.6 ¹	66 114	24.1 ¹	59 996	24.6 ¹
	37 898	12.7 ¹	41 105	12.9 ¹	32 389	10.1 ¹	25 271	9.2 ¹	22 524	9.2 ¹
	28 206	9.5 ¹	27 892	8.8 ¹	22 994	7.2 ¹	20 244	7.4 ¹	18 831	7.7 ¹
	23 260	7.8 ¹	22 895	7.2 ¹	18 879	5.9 ¹	16 149	5.9 ¹	15 408	6.3 ¹
	107 440		104 453		108 922		87 446		76 890	
	27 367		23 936		19 438		16 397		14 485	
	79 909	74.4 ²	72 060	69.0 ²	61 016	56.0 ²	52 950	60.6 ²	45 698	59.4 ²
	25 289		30 833		32 860		18 999		6 799	
	6 609		11 222		14 898		8 268		3 783	
	523		542		453		349		317	
	135		131		127		115		104	
	35 772 996		35 772 996		35 772 996		35 772 996		35 772 996	
	0.65		0.64		0.53		0.45		0.43	
	2.23		2.01		1.71		1.48		1.28	
	0.55		0.43		0.33		0.30		0.25	
	7.97/5.94		7.85/6.10		8.40/6.90		7.99/4.71		5.68/3.70	
	7.80		6.74		7.70		7.70		5.45	

¹ as a percentage of net sales

² as a percentage of the balance sheet total

³ 2009: According to the Board of Directors' proposal to the General Meeting of April 9, 2010



Sony Ericsson Hazel BlackBerry Bold

HTC Tatoo



HTC HD2

Nokia E90 Communicator

iPhone 3GS 32GB Weiss

MOTOROLA

Samsung Corby S3650

iPhone 3GS 32GB Weiss

Milestone

HTC Touch2 BlackBerry Storm

Samsung Blue Earth S7550

NOKIA



Nokia N97 mini V8

HTC Shift

Nokia E55

BlackBerry Pearl

BlackBerry Bold

Sony Ericsson Hazel

Xperia X10

iPhone 3G 16GB Schwarz

BlackBerry Curve 8520

MOTO U9

iPhone 3GS 32GB Schwarz

HTC S740 Nokia E72

GD510-pink

iPhone 3G 16GB Weiss

Sony Ericsson Hazel

Samsung Jét S8000



Sony Ericsson

V9

Samsung C3060

BL20

BlackBerry Curve 8900

Saito

HTC Tatoo

BlackBerry Pearl

HTC Touch Diamond

HTC

Nokia E75

SGH-D980 Samsung OmniaPro B7330 W995

RKOR U9

Ku990i Viewty light

Aino



LG

BL40

Jalou

GD510-black POP

Yari

Naite

KP500-pink

BlackBerry Pearl Flip

Sony Ericsson Aspen

HTC Hero

GW620

GD510-silver POP

Xperia X2 Nokia E71

HTC Snap

Vicaz

C903

SAMSUNG

AURA

iPhone 3G 8GB Schwarz

Sony Ericsson Elm BlackBerry Bold 9700

BlackBerry Curve 8300

HTC Advantage

ZN5

HTC Magic Samsung BEAT DJ M7600 HTC Smart

Mobile phone variety under one roof.

Almost every day brings new mobile phones from the manufacturers.

Design and functionality, user interface, weight, and price are decisive factors in when buying a mobile phone.

Only those who have optimal opportunities for comparison can find what is right for them among the great variety of products. And mobilezone offers the largest selection in Switzerland, a complete range of mobile phones and accessories at the best terms.

Offering unique and extensive variety in one place, mobilezone makes comparison and choice possible – and thus also transparency.

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mobilezone is on course for continued success. Despite the difficult economic situation in 2009, mobilezone maintained its focus on expansion and could further increase its market share. New shops and increased activities in the business customer segment led to solid growth. Independence, customer focus, and collaboration on a partnership basis with network operators and manufacturers – these are mobilezone's three success factors, and the company will continue to focus on them in the future as well.

The largest independent telecom specialist

mobilezone is Switzerland's leading independent provider of telecom services and products for mobile and fixed-net telephony. The company is completely independent of manufacturers and network operators (Swisscom, Orange und Sunrise), and this guarantees customers the greatest possible transparency regarding prices, services, and products. More than 500 employees competently advise individual and business customers regarding services and products. Moreover, in its 135 shops all across Switzerland mobilezone offers the largest selection of mobile phones and accessories from all manufacturers. Proximity to customers is a top priority for mobilezone, and that is why the company is represented with centrally located shops in all bigger Swiss towns and shopping centers. Established in 1999, mobilezone is now the most important sales partner for all network operators in Switzerland.

Business Segments

TRADE

Individual customers

- 135 shops centrally located all across the country
- Advice regarding price plans and devices
- Comprehensive product range of mobile phones and accessories
- Independent partner of Swisscom, Orange, and Sunrise

Business customers

- Consulting services for companies of any size
- Customized evaluation of available options

SERVICE PROVIDING

Fixed-line and mobile telephony

- Own fixed-line subscriptions
- Own mobile phone subscriptions*

* Sale of mobilezone's own mobile phone subscriptions was discontinued in December 2009.

mobilezone is present in all regions of Switzerland with a total of 135 shops in central locations and larger shopping centers.

➔ 135 SHOPS
ADDRESSES ON PAGE 74



Good news: Record result even in the difficult year 2009

Dear Shareholders,

mobilezone ends its anniversary year on a very positive note. The year was very successful for mobilezone even though it was marked by the anticipated changes at the network operators and the entrance into the market of new innovative manufacturers as well as by the global economic crisis. Fiscal year 2009 was a promising start into the company's second decade. Two megatrends shape society and continue to form the basis for mobilezone's strategy: the strong demand for unlimited mobility and the continuing desire to communicate. The companies in the telecommunications industry again and again come up with new, innovative products and services to meet these customer demands.

In 2009 new manufacturers, such as Apple, strongly emphasized their market claims and others, such as Google, have announced their market aspirations. Established companies, such as Nokia and Samsung, were challenged and are trying to defend their market position. This competition ensures that customers will have many new, fantastic products to choose from in 2010 as well. Among the network operators Orange and Sunrise announced their merger in late fall of 2009. The Swiss competition commission is expected to approve the plan in spring of 2010. As a result of this merger, Swisscom, which so far had been the uncontested market leader, will have to deal with a strong challenger. At the same time, this merger also presents an opportunity for new companies to enter the market. We can say one thing for sure: Switzerland's telecommunications market is in flux, and the changes mentioned above will offer new challenges and new opportunities for all market participants. And mobilezone is ready to take advantage of the new opportunities.



Urs T. Fischer

In 2009 mobilezone further expanded its strong position in the market segment independent of the network operators. As the previous year, this fiscal year ended with the best result in the history of the company. Both EBIT at CHF 28.2 million (2008: CHF 27.9 million) and the consolidated profit at CHF 23.3 million (2008: CHF 22.9 million) as well as the earnings per share of CHF 0.65 (2008: CHF 0.64) could be increased again slightly.



Martin Lehmann

At CHF 297.9 million, net sales lagged by CHF 20.1 million behind the previous year's result of CHF 318.0 million. The decline was the result of the discontinuation at the end of the first half of 2008 of the wholesale business and of the sales activities in the mobile business of the segment Service Providing. After adjustment for this effect in the amount of CHF 28.7 million, the company could record a sales increase for 2009 in the amount of CHF 8.6 million, which was achieved primarily with business clients.

In addition, mobilezone could further strengthen its balance sheet structure: As of the end of December 2009, net current assets had increased by CHF 11.8 million to CHF 60.4 million. Cash and cash equivalents grew by CHF 3.4 million to CHF 27.4 million. At the end of 2009 equity capital amounted to CHF 79.9 million, which corresponds to an equity ratio of 74.4 percent.

The excellent result of fiscal year 2009 was achieved with the company's long-standing business of arranging mobile phone subscriptions and also with increased sales of accessories and of our mobile phone insurance product. In total, 445,000 (2008: 441,000) mobile phone contracts were concluded or renewed for the network operators Swisscom, Orange, and Sunrise. This represents an increase of about 4,000 in the total number of contracts concluded for these network operators in 2009 compared to the previous year.

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Fiscal year 2009 saw a growth trend for the shops of the network operators. Among the independent providers, only mobilezone was able to maintain its market share as national telecom specialist. The trend toward consolidation in the retail and business customer markets continues. Thanks to its absolute independence of all manufacturers and network operators, mobilezone offers retail and business customers the unique opportunity to compare all price plans, services, and products in one shop. Proximity to customers remains an important success factor for mobilezone. Accordingly, the company is steadily expanding its network of shops all across Switzerland, and by the end of 2009 mobilezone had a presence in 135 (2008: 131) locations. The newest shops were opened in the shopping center Wankdorf in Bern and in the shopping center Stückerli in Basel. The decisive factors for mobilezone's continued positive development are the density of the shop network as well as our employees who approach their tasks with great energy, are passionate about their work, and communicate their competence and sense of enjoyment to customers.

The newly elected Board of Directors began its work in April 2009. A strategy review in summer and in-depth talks with market participants reassured us that mobilezone can continue to be successful on the path it has chosen. Our consumer business remains at the core of mobilezone's activities and the main driver of the company's sales. In the current fiscal year the business customer segment is again expected to show the most growth. In March 2010 mobilezone will launch its new Internet shop as an additional way to access the market.

The very positive business development, the positive outlook as well as the company's extraordinarily high equity and liquidity have led the Board of Directors to propose to the general meeting, which is to be held on April 9, 2010, an increase of the dividend by 28 percent from CHF 0.43 to CHF 0.55. In the future mobilezone plans to continue to actively manage shareholders' equity and to pay out most of the profits produced, as long as the company remains comparatively comfortably situated and as long as there are no opportunities for large-scale acquisitions.

Despite – or perhaps because of – the upcoming changes, mobilezone is optimistic regarding the current fiscal year. In the past year the company's business model again proved to be very robust. The market environment is very challenging, and our whole team will continue to meet these challenges with commitment and confidence. More innovations in mobile phones will continue to stimulate demand in this fiscal year as well. And mobilezone will continue to focus on expansion and will open new shops in top locations, for example, at the end of February 2010 in the shopping center Schönbühl in Lucerne. In addition, the offerings for business customers will also be expanded further.

In conclusion, mobilezone sincerely thanks every one of our more than 500 employees for the excellent result of fiscal year 2009. Our people work every day with energy, passion, and a sense of fun for mobilezone. A big thank you is also owed to our customers; they were loyal to us in 2009, and we hope they will also remain loyal to mobilezone in 2010. And a special thank you to you, dear shareholder; you have given us the needed stability in the market. The entire team of mobilezone is looking forward to challenging developments and a successful year in 2010.



Urs T. Fischer
Chairman of the Board of Directors



Martin Lehmann
CEO

2009: An eventful year

APRIL Changes in the Board of Directors

At the regular general meeting on April 7, 2009, it was decided to reduce the Board of Directors from previously five members to three members. The three-member board consists of Hans-Ulrich Lehmann, who was reelected, and Urs T. Fischer (Chairman) and Cyrill Schneuwly, who were both newly elected.

MAY Net- and Notebooks added to the product line

mobilezone expanded its offerings in the telecom sector and now also offers net- and notebooks for individual and business customers who want mobile Internet access. This offer is made in cooperation with Hewlett-Packard and Acer.

MAY Grand festival to celebrate 10-year anniversary

To celebrate its 10th anniversary, mobilezone invited about 1000 guests, partners, employees, vendors, and friends to a night of superlative entertainment. The party took place in the Maag Event Hall in Zurich, and live performances of Gölä, Bligg and Seven as well as star djs made the night an unforgettable extravaganza.

JULY New corporate design

The new look of mobilezone was revealed: The product catalogs appeared in a new design and gradually the display windows in the shops will be changed to visually match the new look.

AUGUST Training of junior staff

As many as 35 employees are currently being trained by mobilezone in the areas of consumer electronics and logistics, and 15 new apprentices have begun their retail salesclerk apprenticeship.

AUGUST/SEPTEMBER New shops

mobilezone continued its commitment to expansion and opened new shops in top locations, such in the shopping center Wankdorf, in the Stade de Suisse in Bern, and in the shopping center Stücki in Basel.

DECEMBER Successful mobile phone insurance product

With about 37,000 mobile phone insurance policies, mobilezone is the most successful mobile phone insurer in Switzerland. The great demand for this product is due, among other things, to the increased use of touch screen models. The insurance product "NoRisk" is offered in collaboration with Elvia.

Our focus and objectives

Independence, customer focus, and collaboration on a partnership basis with all network operators and device manufacturers – these are mobilezone's three essential success factors, the foundation on which the company will continue to build also in the future. Thanks to its expert customer advice, mobilezone offers both individual and business customers the unique opportunity to freely and independently choose among all services and devices the combination that is right for them. To better portray this strength of our brand, we have reviewed the company's market position and have developed a new brand presence. Our new look supports mobilezone's identity as a competent adviser and telecom specialist without denying our roots as discounter. We are committed to transparency in the telecommunications market. That is our mission, which we intend to carry out successfully in Switzerland by means of appropriate business strategies that take our stakeholders into account.

Customers

Our customers are central to all our activities. We want to delight and inspire them. We are striving to offer them a positive experience and a high added value. We want to be their preferred provider, a partner they trust. We see our future development primarily in the continued expansion of our network of shops across all of Switzerland, and we are working on a slowly and steadily adding more shops at top locations. Qualified employees who are customer-friendly and provide expert advice to our private and business customers are particularly important to us. At the same time, online sales will take on greater significance as we build a completely new, customer-friendly website with a modern online shop. Currently, mobilezone's activities in the business customer segment are centered primarily in German-speaking Switzerland, and the company plans to expand its activities into Romandy and Ticino.

Shareholders

We seek to continuously increase the company value, achieve attractive returns, and we follow an earnings-based dividend distribution policy. We are working on ensuring that mobilezone will also in future be valued as a very attractive dividend-paying stock on the Swiss investment scene.

Employees

At the core of our success are our competent, motivated, customer-friendly, and loyal employees. We offer an attractive working environment with secure jobs as well as apprentice training, advanced vocational training, and many opportunities for career advancement. We expect our employees to be motivated and passionate about service. We advance their know-how and promote an open and friendly work environment based on trust; we want to be the preferred employer for our employees.

Partners

We have excellent and long-standing business relations with our partners. For the network operators Swisscom, Orange, and Sunrise we are the most important independent sales partner. We buy our products directly from the device manufacturers and thus profit from particularly attractive purchasing terms. And we are committed to dealing fairly and on an equal and cooperative basis with our business partners and vendors.

Public relations

With its offerings mobilezone contributes in an important and meaningful way to our increasingly mobile society. We create and maintain jobs all across the nation and manage natural resources responsibly. We are committed to integrity and professionalism in becoming a renowned company in Switzerland. Our new brand presence is intended to contribute to this goal.

A word cloud of Swiss city names in German. The names are arranged in a dense, overlapping manner. The largest words are 'Sion' at the top left and 'Wil' at the bottom right. Other prominent words include 'Luzern', 'Bern', 'Zürich', 'Basel', 'Genève', 'Lausanne', 'Winterthur', 'St. Gallen', 'Appenzel', 'Schaffhausen', 'Langenthal', 'Weinfelden', 'Lenzburg-Staufen', 'Köniz', 'Meyrin', 'Oftringen', 'Niglen', 'Bellinzona', 'Biel', 'Solothurn', 'Bremgarten', 'Hinwil', 'Spreitenbach', 'Altdorf', 'Balerna', 'Arbon', 'Bülach', 'Brig', 'Bulle', 'Graz', 'Vorges', 'Vevey', 'Delémont', 'Baden', 'Stans', 'Neuchâtel', 'Steinhausen', 'Locarno', 'Interlaken', 'Gossau', 'Schaffhausen', 'Langenthal', 'Weinfelden', 'Lenzburg-Staufen', 'Winterthur', 'Köniz', 'Meyrin', 'Oftringen', 'Niglen', 'Bellinzona', 'Biel', 'Solothurn', 'Bremgarten', 'Hinwil', 'Spreitenbach', 'Altdorf', 'Balerna', 'Arbon', 'Bülach', 'Brig', 'Bulle', 'Graz', 'Vorges', 'Vevey', 'Delémont', 'Baden', 'Stans', 'Neuchâtel', 'Steinhausen', 'Locarno', 'Interlaken', 'Gossau', 'Schaffhausen', 'Langenthal', 'Weinfelden', 'Lenzburg-Staufen', 'Winterthur', 'Köniz', 'Meyrin', 'Oftringen', 'Niglen', 'Bellinzona'. The colors are primarily shades of red, with some blue and green accents.

Direct contact in 135 shops. Proximity to our customers in all regions of Switzerland is central to mobilezone's business strategy. That is why optimal planning, design, and development of the shops are extremely important. Indeed, mobilezone has shops in all larger towns and shopping centers in Switzerland – and their number is steadily increasing. The shops are laid out neatly and offer a clear view of products and a good overview of the entire product range. Above all, mobilezone values an open and friendly atmosphere, in which customers feel welcome and well advised. Our customers trust us because we meet them with openness and transparency.

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Positive results for the business segments thanks to a stable market. The two business segments Trade and Service Providing successfully weathered the global economic crisis. The segment Trade reports mobilezone's second best business result after the record year 2008. In the private customer area the result was due in part to the Apple iPhone 3G, of which more than 43,000 were sold and which prompted the network operators to develop new price models. The business customer area also showed strong growth. And in the segment Service Providing's fixed-line business mobilezone could also increase its market share despite an overall slight decline in the market. However, mobilezone's sales of its own mobile products were discontinued.

Successful fiscal year in the segment Trade

Private customers

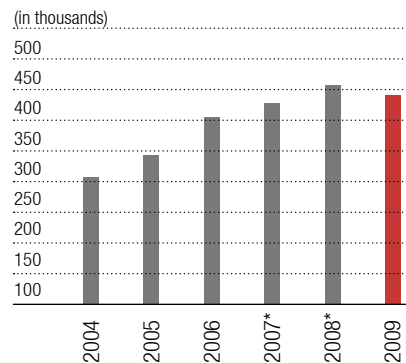
Market environment

In the mobile phone market the network operators Swisscom, Orange, and Sunrise could increase their in share of subscription contracts by 6 percent over the previous year to 54 percent. The network operators expanded their national networks of shops. The market share of independent providers has decreased correspondingly and now amounts to 46 percent. However, mobilezone was able to further expand its leading position among independent providers by 3 percent to 52 percent. The current pricing options for the smartphones, especially regarding free access to data and the Internet, have led to an increase in basic fees and a stimulation of the market.

Subscription and prepaid business

The number of mobile phone subscriptions concluded in 2009 has remained stable at a high level. Several new prepaid and postpaid offers and the new postpaid contract business with the prepaid brand Yallo introduced by Sunrise have kept the market on a constant course. Compared to the previous year, the number of contracts concluded or renewed for the network operators Swisscom, Orange, and Sunrise increased by one percent to 445,000. Effective at year end, mobilezone discontinued the sale of its own mobile phone subscriptions using the Orange network.

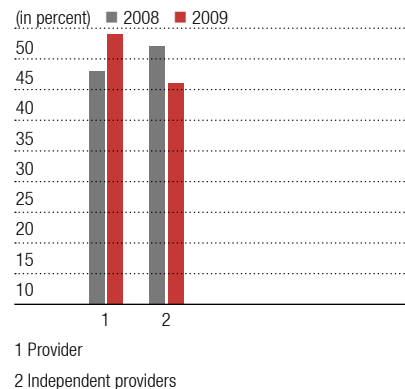
TOTAL MOBILE PHONE SUBSCRIPTIONS CONCLUDED MOBILEZONE



* incl. Tele 2 and mobilezone net

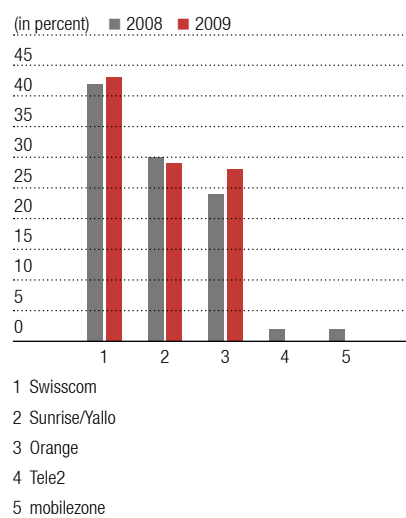
MARKET SHARES TOTAL MARKET SWITZERLAND

Mobile phone subscriptions total market



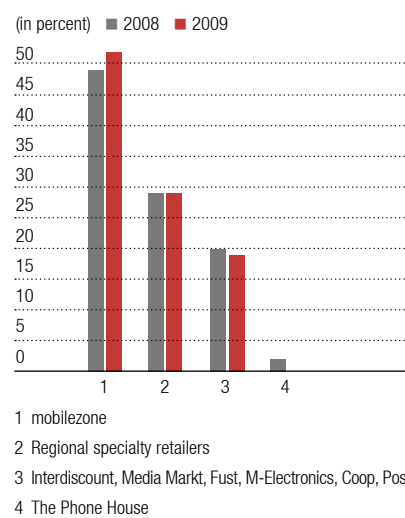
PROVIDER SHARES WITH MOBILEZONE

Mobil phone subscriptions



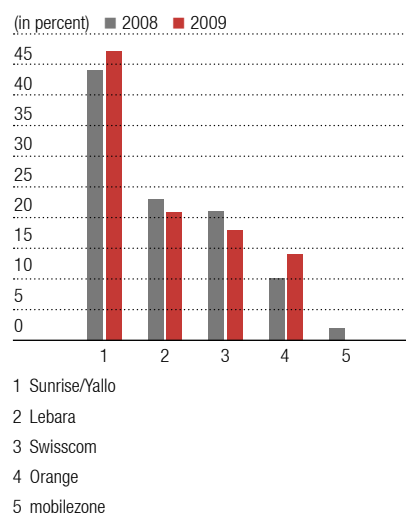
- 1 Swisscom
- 2 Sunrise/Yallo
- 3 Orange
- 4 Tele2
- 5 mobilezone

Mobile phone subscriptions independent providers only



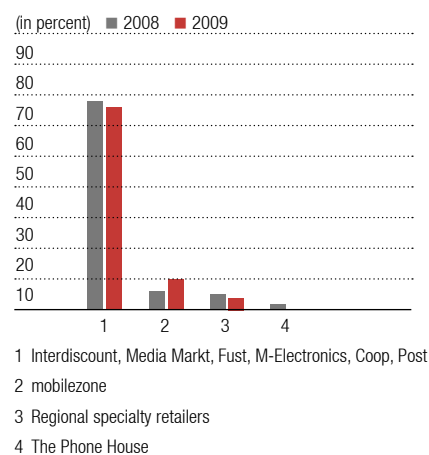
- 1 mobilezone
- 2 Regional specialty retailers
- 3 Interdiscount, Media Markt, Fust, M-Electronics, Coop, Post
- 4 The Phone House

Prepaid business



- 1 Sunrise/Yallo
- 2 Lebara
- 3 Swisscom
- 4 Orange
- 5 mobilezone

Prepaid business independent providers only



- 1 Interdiscount, Media Markt, Fust, M-Electronics, Coop, Post
- 2 mobilezone
- 3 Regional specialty retailers
- 4 The Phone House

Products

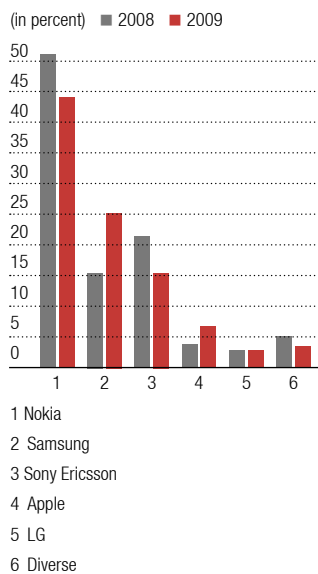
The Apple iPhone has practically revolutionized mobile Internet access. The boom of the multi-functional smartphones is continuing. All products now on the market offer more and more applications as well as an increasing number of functions on the net. At the same time, the net ensures ever higher capacities and speeds.

The smartphones of the various brand manufacturers are the big winners of the year. Sales of the Apple iPhone grew at an enormous rate. With a total of 43,000 of these phones sold, the Apple iPhone ranks second among the bestselling mobile phones at mobilezone. Nokia retained its leading position in the market despite a slight decline; Samsung showed impressive growth, but Sony Ericsson lost market share.

Other product innovations on the market are the net- and notebooks that were offered for the first time in partnership with Hewlett-Packard and Acer; they are an optimal addition to mobilezone's comprehensive product line. The newly established television business with Swisscom-TV, formerly Bluewin-TV, was also marketed successfully.

With about 37,000 mobile phone insurance policies, mobilezone remains the most successful mobile phone insurer in Switzerland. The insurance product "NoRisk" is offered in collaboration with Elvia.

SHARES OF BRANDS AT MOBILEZONE*



* based on quantity of devices sold

THE "TOP TEN" BESTSELLERS AMONG MOBILE PHONES



Samsung
SGH-F 480
57 000**



Apple
iPhone
43 000**



Nokia
5800 XpressMusic
36 000**



Nokia
6303
25 000**



Sony Ericsson
W595
25 000**



Nokia
6300
22 000**



Nokia
6600 Slide
21 000**



Nokia
6700
15 000**



Samsung
S8000 Jet
15 000**



Nokia
N97
13 000**

** Number of devices sold by mobilezone

Shops

In 2009 mobilezone expanded its network of shops by a net amount of four new shops to a total of 135 shops all across Switzerland. The new shops were opened in the shopping center Wankdorf in Bern as well as in Switzerland's second largest shopping center, the Stücker in Basel, and in the Métropole in Lausanne, in the Migros Center in Köniz, in the Lenzopark in Lenzburg, and also in the shopping center Illuster in Uster. And mobilezone will continue also in future to focus on central and top locations.

mobilezone is present at all top locations: Since 2009 the company also has a shop in the new shopping center Stücker in Basel, the second largest shopping center in Switzerland.



SHOPS OPENED IN 2009

Basel, EKZ Stücker-Areal
Bern, EKZ Wankdorf
Köniz, Migros Center
Lausanne, Métropole 2000
Lenzburg, EKZ Lenzopark
Uster, EKZ Illuster

SHOPS CLOSED IN 2009

Genf, Rue de Rive 10
Lugano, Via Nassa 7

SHOPS PLANNED IN 2010

Effretikon, Effi-Märt
Langendorf, Fabrikstrasse 6
Luzern, Shopping center Schönbühl
Sion, Rue de la Porte-Neuve 26

Service

An essential success factor that contributed to mobilezone's positive result in fiscal year 2009 is the competent and independent advice the company offers customers in its shops. Indeed, mobilezone's independence and its outstanding competence in consulting and service have paid off because consumers compare offers more carefully and pay more attention to prices, both in regard to devices as well as to service and price packages.

To maintain its high standards, mobilezone sets great store by the training and continuing education of its employees. As many as 35 employees are currently being trained by mobilezone in the areas of consumer electronics and logistics, and 15 new apprentices have begun their retail salesclerk apprenticeship.

Brand presence

mobilezone has chosen a new and promising corporate design that is designed to solidify its image as competent adviser and telecom specialist without denying its roots as discounter. In connection with the new positioning of the company, new design concepts for various communication points were also implemented. The new corporate design appeared for the first time in last year's annual report and has since then been widely used in the company's millions of print catalogs, in shop display windows, in identification labels on vehicles, on letterhead, and on posters.

Outlook

mobilezone's business model proved to be very resilient in the difficult economic situation of the past year. Even though consumer confidence was at the lowest point in 13 years, Swiss society continued to be shaped by two very powerful trends: a strong demand for communication and a keen desire for mobility. mobilezone connects these two demands. That is why we are optimistic about the current fiscal year. Continued technical innovations in mobile phones as well as the demand to have access to data and the Internet at any time and from anywhere will continue to stimulate the market also in the future.

mobilezone will continue to expand its market position in the individual customer business by adding more shops. In addition, in 2010 the company will launch a new customer-oriented web shop as a third sales channel. The website is part of mobilezone's new brand presence, which is designed to strengthen the company's market position in the future and to differentiate mobilezone from its competitors as a competent and credible partner for independent advice and attractive prices.

The merger of Orange and Sunrise, which has been announced for 2010, will drastically change the market. But mobilezone has a solid position in the market and sees the coming changes as great opportunities. Very likely new market participants will push their way into the market, and as a result mobilezone as the leading independent telecom specialist will likely become even more important.

Business customers

Market environment

The business customer segment offers great potential for growth because here mobilezone's competition consists of only small regional providers. This business area has continued its strong growth, and sales have doubled compared to the previous year. However, a shortage of qualified personnel for sales and consulting has posed difficulties in tapping the full potential of this business area. In 2009 several large customer accounts were acquired, among them Schweizerische Mobiliar and Basler Versicherungen as well as other customers in the insurance and banking industries.

Service

mobilezone offers its business customers comprehensive services to optimize their telecommunications costs. Among the services offered are evaluation of the best solutions and price plans, review of existing contracts, providing new and replacement devices in an uncomplicated way, resolving problems quickly and efficiently in cases of repair as well as competent consulting with a contact person. Customers can make use of the products and services that are offered in the company's 135 shops all across the country.

Outlook

For the future, mobilezone plans to further expand its activities in the business customer area and to focus even more strongly on the acquisition of SMEs. In addition, mobilezone plans to bring the resources of a successful retail business to bear on the business customer segment even more and will further solidify its position as independent telecom specialist in this business segment.

Service Providing shows conflicting trends

Fixed-line telephony

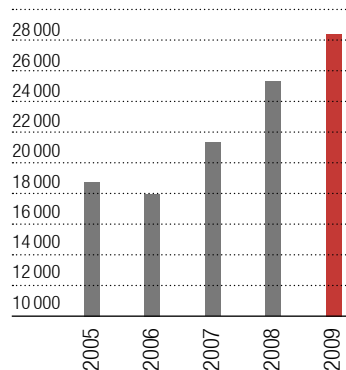
Even though the overall market in Switzerland is undergoing a slight decline, mobilezone was again able to expand its market share in 2009. The number of customers grew by 20 percent from the previous year's figure of 23,500 to nearly 29,000, and net sales came to CHF 11.5 million (an increase of 2 percent). Service Providing's fixed-line business is an important additional business for mobilezone.

Mobile telephony

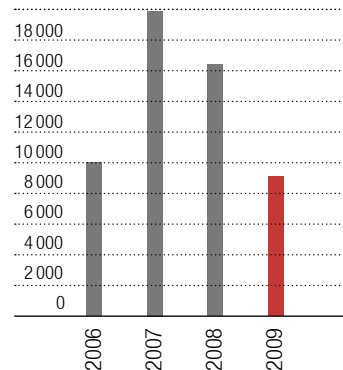
Sales in the segment Service Providing's mobile telephony business were discontinued at year end. Because mobilezone in 2009 made virtually no investments in the acquisition of new customers or in contract renewals, the financial statement at the end of the fiscal year shows a correspondingly positive balance. The company will continue to provide customer service for existing customers.

CUSTOMERS SERVICE PROVIDING

Number of customers fixed-line telephony



Number of contract customers mobile telephony



Adrian Bruno Federico Miguel Gonalo Zlal Yannick Dari
Sanjee Marie-Alice Kurt Igor Ivana Miguel Tuncay Uemit Alex
Andra Verena Michele Aaron Aziz Barbara Mike Mirjana Mirk
Mirza Mohamed Monika Muhamet Nadia Avdiya Basma Mura
Nuno Oliver Musa Mustafa Kelly Maria Evelyn Fabian Zlatk
William Yves Migul Tina Hoang Vanessa Toni Ulrich Nangga
a Semir Norbert zkan Alfred Christian Eva Nelson Sabin
Volkan Werner Georges Prend Rachel Jrme Ahmet Niklau
Lukas Maja Luigi Manuel Volkan Alessandro Gianluca Javier
Vittorio Emanuel Luca Manuela Tayfun Svetlana Tamara Jim
ny Markus Daniel Genita Giuseppe Nicole Helder Franck Frit
Gael Rosana Sabrina Tiago Ulrick Cecilia Tarique Sullivan Tani
Vincenzo Alberto Carole Micael Juan Pablo Mario Tiago Valer
ina Allan Jeannette Marcel Narjesse Anja Eugenio Assya Bea
Franco Rahim Georgio Pascale Sophie Jakob Mihaly Stepha
e Thierry Rosa Sarah Snezana Vincent Alessio Khomsan Dra
jana Christophe Brian Carita Arsim Benjamin Rocco Loren
Matteo Elia Pasho Van Vania Stefano Thomas Riza Mathieu Jo
achim Eric Fouad Cornelia Daniele Antonello Halit Marcia Pas
qualino Namja Raphael Arjana Kamuran Natalie Stefan Grego
y Jesus Michela Matthieu Aloyse Loyse Marc Nikola Pamel
Sao Thai Sara Simao Pedro Pierre Raffaele Antonio Billy Bo
Carlos Arnold Carmine Kubilay Leo Roman Sadegh Sonja Ka
lir Roberto Carlos Silvya Andreas Ismail Jrgen Karin Nermi
Paolo Roland Sadija Patrizia Peter Arlette Carole Cristina Dal
oor Francisco Graldine Francesco Gerardo Solange Halil M
chel Sami Enis Ralph Georges Mayron Lola Marco Victor Julia
e Reto Anna Catia Dne Edis Ramazan Slavko Jean-Franois
Alexandre Cem Mejrema Julien Kim Letizia Massimo Robie
Mehmet Mikael Najet Claudio Elvis Huong Jens Peter Jrm
Roger Sait Angelo Cline Skelzen Ricardo Salih Ivan Jaime S
nisa Anglique Dejan Sheila Patrick Nathalie Simeon Erna Fa
bio Henrique Samet David Serkan Erika Fabrice Irfan Janos L
idon Marianna Raul Sandra Daniela Michle Natascha Pasca
Sezer Cristian Fiona Gernot Charbel Melanie Juana Filip Gio
yanni Paulo Sandro Fatih Giuseppina Domenico Edoardo Fari
Gray Severios Charly Severios Dino Liliana Marko Sarand
Erdogan Danilo Engin Enzo Ibrahim Joaom Ramon Cinzia Jr
Sascha Davide Melik Gwenale Jules Corinne Hanspeter Mar
na Dimitri Fabrizio Michele Philippe Satria Grlr Haikel Dile
Hansrued Michael Sergio Debora Hermann Jonas Martin Se
vet Dennis i Hazni Jos Mariano Denis Severin Claudio Dami

Focus on customer satisfaction. The more products, service packages, and price options are offered in the market, the more important it is for customers to get competent and personal advice. Our employees in the shops and in the business customer segment help customers to choose from all the services and devices the combination that best meets their needs. Competent consultation includes evaluating the best price-performance ratio, reviewing existing contracts, and configuring the devices. Thanks to the independent advice to its customers, mobilezone can credibly offer the optimal solution for each customer, and in this way the company creates clarity and genuine transparency.

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The guidelines for mobilezone's Corporate Governance. This report on corporate governance defines the general principles that are designed to ensure responsible and purposeful leadership and control on the highest company level. The information on corporate governance corresponds to the guidelines of the SIX Swiss Exchange. mobilezone is committed to all stakeholders and implements this commitment with both a modern corporate management practices that conform to the corporate governance guidelines and a transparent information policy.

1. Group structure and shareholders

1.1 Group structure

The mobilezone Group consists of two business areas: Trade (mobilezone ag, mobilezone business ag, and Europea Trade AG) and Service Providing (mobilezone com ag, mobilezone crm ag, and mobilezone net ag). A list of consolidated companies is provided in Note 2 on page 66 of this report. The parent company is mobilezone holding ag, Riedthofstrasse 124, 8105 Regensdorf, Switzerland. It is listed on the Swiss Exchange SIX (Valor no.: 1258340, ISIN: CH 0012583404). As of December 31, 2009, the market capitalization was CHF 279.0 million.

1.2 Significant shareholders

A list of significant shareholders is provided in Note 3 on page 67 of this report. There is no shareholder's agreement between the significant shareholders.

1.3 Cross-shareholdings

There are no cross-shareholdings.

2. Capital structure

2.1 Capital

The amount of ordinary, authorized, and conditional capital is shown in Note 3 on page 67 of this report.

2.2 Authorized and conditional capital in particular

Details regarding the amount of the increase in authorized and conditional capital, the group of beneficiaries, and the terms and conditions of the issue of equities are set forth in Articles 36 and 37 of the Articles of Association. The current Articles of Association may be viewed at any time on the company's website at <http://www.mobilezoneholding.ch/frontend/inc/statuten/statuten-de.pdf>

2.3 Changes in capital

Changes in capital made in 2008 and 2009 are listed in the consolidated equity statement on page 41 of this report, and the changes made in 2007 are listed on page 39 of the 2007 annual report.

2.4 Shares and participation certificates

As of December 31, 2009, there were 35,772,996 bearer shares with a par value of CHF 0.01 each. Of these, 14,000 shares were in the Group's own holdings. The shares in the Group's own holdings carry neither voting nor dividend rights. All other shares carry equal voting and dividend rights.

2.5 Profit-sharing certificates

There are no profit-sharing certificates.

2.6 Limitations on transferability and nominee registrations

Not applicable, as only bearer shares exist.

2.7 Convertible bonds and warrants/options

As of the balance sheet date, there were no convertible bonds or options issued by Group companies outstanding.

3. Board of Directors

3.1 Members of the Board of Directors



Urs T. Fischer



Hans-Ulrich Lehmann



Cyrill Schneuwly

URS T. FISCHER

Urs T. Fischer has been chairman of the Board of Directors of the mobilezone Group since April 2009. After graduating with a diploma in engineering from the ETH Zurich, he held various management positions at IBM Switzerland and Digital Equipment Corporation, Switzerland. He was the CEO of Sunrise Communication AG in Zurich and was CEO and member of the Board of Directors of Ascom Group, Bern. From 2004 to 2007 Urs T. Fischer was general manager of Hewlett-Packard (Switzerland) GmbH in Dübendorf, and since 2009 he has been CEO of the international IT-systems company ACP in Vienna. He is on the Board of Directors of various corporations that are not listed on the stock exchange, among them HSBC Private Bank (Suisse) SA, and he is also industry adviser of Capvis Equity Partners AG.

HANS-ULRICH LEHMANN

Hans-Ulrich Lehmann has been a member of the mobilezone Group's Board of Directors since 2001. After his business training, he worked as accountant and financial manager in various companies. From 1989 to 1991 he was managing director of Forbo Stamfloor AG in Eglisau and subsequently managing director of autronic ag in Dübendorf. Since 1996 he has been the owner of Lehmann Holding AG. Hans-Ulrich Lehmann is member of the Board of Directors of autronic ag, of mobile solutions ag, of mobiletouch ag, of monsoon networks ag, and of immoplaza ag.

CYRILL SCHNEUWLY

Cyrill Schneuwly has been a member of mobilezone Group's Board of Directors since April 2009. He is a business economist and certified accountant, and upon graduation he initially held various positions at a trust company in Zurich. Subsequently, he was accountant in charge in the audit and consulting department of Arthur Andersen AG in Zurich, and then he worked as corporate controller at CWS International AG in Baar. Since 1998 he has been with Intershop Holding AG in Zurich, first as CFO and since 2008 as CEO.

3.2 Other activities and vested interests

Information about other activities and vested interests of the members of the Board of Directors can be viewed at <http://www.mobilezoneholding.ch/index.php?lang=en&cat=5&subcat=2>

3.3 Cross-involvement

There is no cross-involvement with the boards of other companies listed on the stock exchange.

3.4 Elections and terms of office

The Board of Directors is elected individually by the General Meeting of Shareholders for a one-year term. Unlimited reelection is possible.

3.5 Internal organizational structure

Urs T. Fischer is Chairman, and Hans-Ulrich Lehmann and Cyrill Schneuwly are members of the Board of Directors. The Board of Directors meets as often as required by business but at least three times a year. In the past year five meetings were held that usually lasted half a day each, and a two-day strategy meeting was also held. In addition to the CEO, the CFO usually attends the meetings. In exceptional cases, external consultants are called in for consultation on specific questions.

3.6 Audit Committee

The reduction of the Board of Directors from five to three members in April 2009 has led the Board of Directors to decide at the meeting held on August 14, 2009, that the tasks of the Audit Committee should be carried out by the entire Board of Directors as a whole. Therefore, the Audit Committee was abolished.

3.7 Definition of areas of responsibility

To the extent allowed by law, the Board of Directors has delegated managerial functions to the Group management. The breakdown of tasks and competencies is established in the bylaws and rules of organization. They can be viewed at any time at http://www.mobilezoneholding.ch/media/Organizational_regulations.pdf

3.8 Information and Control instruments vis-à-vis the Group management

Each member of the Board of Directors has the right to be informed about the course of business by the Group management, even outside of official meetings, and this includes the right to be informed about individual transactions. The information and control tools the Board of Directors uses vis-à-vis the Group management include the following:

- Consolidated budget (annual)
- Quarterly reports with budget comparison
- Profit and loss forecast (beginning in the 3rd quarter)
- Sales statistics (in every meeting)
- Financial projections (quarterly)
- Detailed oral reports of the Group management on the course of business (in every meeting)

4. Group management

4.1 Members of the Group management



Martin Lehmann
CEO



Markus Bernhard
CFO



Werner Waldburger
CMO



Dino di Fronzo
Sales Director



Fritz Hauser
CIO

MARTIN LEHMANN

Since July 2007 Martin Lehmann has been the CEO of the mobilezone Group. After his business training, he held various positions in accounting and sales. In 1993 he became head of the sales department and member of the management of autronic ag in Dübendorf. From 1998 to 1999 he was managing director of mobile solutions ag. Until 2007 Martin Lehmann was co-founder, head of the sales department, and member of the management of mobilezone Group. In 2008 he received an advanced education diploma in “KMU Management” (management of small and medium-sized businesses) from the university in St. Gallen (HSG St. Gallen).

MARKUS BERNHARD

Markus Bernhard has been the mobilezone Group's CFO since 2007. Following his graduation from the university St. Gallen (HSG St. Gallen) with a degree in economics, he received his diploma as certified public accountant. From 1991 to 1997 he worked as auditor at Revisuisse Price Waterhouse AG in Zurich. He was CFO of Cope Inc. in Rotkreuz until 2000 and subsequently was CFO of Mount10 Holding AG, also in Rotkreuz. Markus Bernhard is a member of the Board of Directors of Novavisions AG in Rotkreuz and is on the audit committee of the municipality of Risch.

WERNER WALDBURGER

Werner Waldburger has been the mobilezone Group's COO since 1999. Following his apprenticeship as radio and television electrician, he graduated from the commercial college and passed the advanced examinations in retailing. He held various positions in sales, both in the office and in the field before working as Head of Consumer Electronics Purchasing at Dipl. Ing. Fust AG from 1989 to 1999. In 2009 Werner Waldburger received an advanced education diploma in marketing from the university in St. Gallen.

DINO DI FRONZO

Dino di Fronzo has been the mobilezone Group's Sales Director since 2007. Following his apprenticeship as technical businessman, he continued his education and received diplomas as marketing planner and business economist. In 1990 he began working as Product Manager at ABB Niederspannungssystem AG in Baden before moving on in 1992 to the position of Sales Manager at Legrand Schweiz AG in Birr. From 1996 to 1999 he was Manager Profit Center M-Electronics at Migros Genossenschaft Aare. Subsequently, he managed various marketing and sales departments in the Migros Genossenschaftsbund.

FRITZ HAUSER

Fritz Hauser has been the mobilezone Group's CIO since 2007. He completed an electronics engineer apprenticeship before continuing his education and receiving diplomas as technical businessman and certified computer scientist. From 1991 to 1994 he managed the IT support of an IT-distributor. Subsequently, he worked as Product Manager IT before coming to mobile solutions ag in 1997 as Project Manager. In 1999 he worked first as Product Manager and one year later became Manager Information Technology at mobilezone ag.

4.2 Other activities and vested interests

Information about other activities and vested interests of the members of the Board of Directors can be viewed at <http://www.mobilezoneholding.ch/index.php?lang=en&cat=5&subcat=2>

4.3 Management contracts

There are no management contracts regarding the transfer of managerial functions to third parties.

5. Compensations, shareholdings, and loans

5.1 Content and method of determining the compensation and the shareholding programs

The members of the Board of Directors receive compensation independent of profit in an amount set annually by the Board of Directors. The Board of Directors determines the compensation of Group management at the request of the CEO. The Board of Directors determines the CEO's total compensation. The total compensation of the CEO and the Group management consists of a base salary and a profit-related bonus; this bonus may amount to as much as 100% of the base salary. For the fiscal year 2009 the bonus was based on the operating profit per EBITDA calculation. There are no profit-sharing programs. Further information on compensations is provided in Note 4 to the financial statement of mobilezone holding ag on page 68. No severance payments were made to parting members of any governing bodies in the reporting year.

5.2 Compensation of former members of governing bodies

No compensation was paid to former members of governing bodies.

5.3 Share allotment in the reporting year

No shares were allocated to members of governing bodies or parties closely linked to them.

5.4 Share ownership

Share ownership information is provided in Note 5 to the financial statements of mobilezone holding ag on page 69.

5.5 Options

As of December 31, 2009, there were no options.

5.6 Additional fees and remunerations

In the previous year, the law firm Kloter Attorneys-at-Law, in which the former Board member Michael Kloter is a partner, invoiced the Group's companies for fees totaling CHF 86,000.

5.7 Loans granted to governing bodies

There are no loans or securities for loans to the members of the Board and management, or to parties closely linked to them.

5.8 Highest total compensation

In the reporting year, the highest total compensation in the amount of CHF 578,000 (2008: CHF 575,000) was paid to the CEO. No shares or options were allocated to these persons in the reporting year.

6. Shareholders' participation

6.1 Restrictions on voting rights and representation

There are no restrictions on voting rights, and the rules in the Articles of Association regarding participation in the General Meeting of Shareholders do not deviate from those mandated by law.

6.2 Statutory quorums

There are no statutory voting quorums that deviate from those mandated by law.

6.3 Convocation of the General Meeting of Shareholders

There are no statutory rules on convening the General Meeting of Shareholders that deviate from those mandated by law.

6.4 Agenda

Shareholders representing shares with a par value of CHF 35,000 may ask to have a subject for discussion entered on the agenda for the General Meeting. Convening the meeting and setting its agenda must be requested in writing, and the item for discussion as well as the proposals and motions must be named in the written request. There are no deadlines.

6.5 Inscriptions into the share register

Not applicable, as only bearer shares exist.

7. Changes of control and defense measures

7.1 Obligation to make an offer

The opting-out regulation was revoked at the Group's General Meeting in April 2007.

7.2 Clauses regarding changes of control

There are no change-of-control clauses.

8. Auditor

8.1 Duration of the mandate and term of office of the lead auditor

Since fiscal year 2007, Ernst & Young AG has been the auditor of mobilezone holding ag and all its Group companies. The auditor is chosen annually by the General Meeting. The lead auditor, Michael Bugs, was in charge of the audit mandate for the first time for the 2007 consolidated financial statements.

8.2 Auditing fees

The auditing fees for Ernst & Young AG for the reporting year amount to CHF 120,000 (2008: CHF 123,000).

8.3 Additional fees

In the past year, Ernst & Young AG did not invoice the Group for any additional fees for business consulting.

8.4 Supervisory and control instruments pertaining to the audit

At least once per year the Board of Directors attends Ernst & Young AG's concluding discussion of the Group audit. The auditor reports the findings from the audit in a report to the Board of Directors.

9. Information policy

Every year the mobilezone Group publishes an annual and a semi-annual report pursuant to IFRS (International Financial Reporting Standards) rules. Additional information on important changes and essential business activities is published on an ad-hoc basis. All information, including publication dates and a list of contact addresses, is available at www.mobilezoneholding.ch under the headings "Financial Reports," "Media/Press Room," "Calendar," and "Contacts." Anyone who wishes to receive mobilezone's media information automatically can register under the heading "Media/Press Room" at the link for "Email Service."

mobilezone shows the way to the best price plan.

Seeing clearly in the price package jungle. The three Swiss network operators Swisscom, Orange, and Sunrise offer about 80 different price packages for mobile phone subscriptions. Post-paid, prepaid, or text message subscription? Free minutes or free favorite numbers? Surfing or often abroad? So many different terms and options – it is difficult to keep track of everything and to find the most cost-effective price package among the abundance of offers. Here, mobilezone shows the way to the ideal subscription. We are the only ones offering customers the opportunity to directly compare all service packages and price options. We simply help our customers see and understand what price plan best fits their needs. That is what we mean by transparency.

Profits increased also in 2009, and mobilezone continues on its road to success. The operating result EBIT increased slightly by CHF 0.3 million to CHF 28.2 million, as did the consolidated profit, to CHF 23.3 million (+CHF 0.4 million). The profit per share, too, increased again slightly to CHF 0.65.

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Consolidated income statement

Januar 1 to December 31 (CHF 000)	Notes	2009	2008
Net sales	1	297'898	318'030
Other operating income		301	92
Cost of goods and materials		-202'564	-222'640
Personnel costs	2	-39'347	-37'241
Other operating costs	3	-18'390	-17'136
Operating profit (EBITDA)		37'898	41'105
Depreciation of property, plant & equipment	7	-4'078	-3'663
Amortization of intangible assets	8	-5'614	-9'550
Operating profit (EBIT)		28'206	27'892
Financial income	4	168	381
Financial expense	5	-9	-38
Profit before taxes		28'365	28'235
Income tax expense	6	-5'096	-5'340
Net profit ¹		23'269	22'895
		CHF	CHF
Earnings per share	15	0.65	0.64
Earnings per share -diluted	15	0.65	0.64

¹ Group net profits of 2009 and 2008 correspond to comprehensive income of 2009 and 2008, respectively.

Consolidated balance sheet

as of December 31 (CHF 000)	Notes	2009	2008
Assets			
Property, plant & equipment	7	10'501	10'645
Intangible assets	8	4'765	7'798
Goodwill	8	5'753	5'753
Deferred tax assets	6	209	745
Securities	10	116	116
Other accounts receivable		517	565
Fixed assets		21'861	25'622
Inventories	11	22'998	20'917
Trade accounts receivable	12	29'371	27'360
Other accounts receivable	13	5'843	6'618
Cash & cash equivalents	14	27'367	23'936
Current assets		85'579	78'831
Total assets		107'440	104'453
Liabilities and shareholders' equity			
Share capital	15	358	358
Treasury shares		-94	-57
Capital reserves		9'784	9'784
Retained earnings		69'861	61'975
Shareholders' capital		79'909	72'060
Deferred income tax liabilities	6	2'351	2'136
Long-term liabilities		2'351	2'136
Trade accounts payable		12'476	16'540
Current tax liabilities		3'322	4'050
Current provisions	16	0	100
Other current liabilities	17	9'382	9'567
Current liabilities		25'180	30'257
Total liabilities and shareholders' equity		107'440	104'453

Consolidated statement of cash flows

January 1 to December 31 (CHF 000)	Notes	2009	2008
Profit before income taxes		28'365	28'235
Adjustments to reconcile profit before tax to net cash flow:			
Non-cash transactions			
Interest income and expenses, net		-159	-343
Depreciation & amortization	7,8	9'692	13'213
Changes in provisions, net		-100	0
Changes in value adjustments, net		56	-120
Loss from disposals of fixed assets		94	0
Employee benefit plans, IAS 19		37	-466
Working capital adjustments			
Trade accounts receivable		-1'952	-3'357
Other accounts receivable		775	5'411
Inventories		-2'197	10'564
Trade accounts payable		-4'063	-15'813
Other accounts payable		-184	-2'143
Income taxes paid		-5'074	-4'348
Net cash from operating activities		25'290	30'833
Acquisitions of			
property, plant & equipment	7	-4'009	-5'223
intangible assets	8	-2'600	-5'999
subsidiaries, liquid assets deducted	9	0	-3'936
Proceeds from disposals of			
property, plant & equipment	7	0	275
securities		10	49
Interest received		167	388
Net cash from investing activities		-6'432	-14'446
Interest paid		-7	-38
Purchase of treasury shares		-80	-215
Sale of treasury shares		41	169
Dividends paid		-15'381	-11'805
Net cash from financing activities		-15'427	-11'889
Net increase/decrease in cash & cash equivalents		3'431	4'498
Cash & cash equivalents at January 1		23'936	19'438
Cash & cash equivalents at December 31	14	27'367	23'936

Consolidated statement of changes in shareholders' equity

Movements of shareholders' equity (CHF 000)	Share capital	Treasury shares	Capital reserves	Retained earnings	Total
At December 31, 2007	358	0	9'784	50'874	61'016
Net profit ¹				22'895	22'895
Purchase of treasury shares		-215			-215
Sale of treasury shares		169			169
Dividends paid				-11'805	-11'805
Profit from treasury shares		-11		11	0
At December 31, 2008	358	-57	9'784	61'975	72'060
Net profit ¹				23'269	23'269
Purchase of treasury shares		-80			-80
Sale of treasury shares		41			41
Dividends paid				-15'381	-15'381
Profit from treasury shares		2		-2	0
At December 31, 2009	358	-94	9'784	69'861	79'909

As of December 31, 2009, the line item «Retained Earnings» includes legally required reserves in the amount of CHF 1,648,000 (December 31, 2008: CHF 1,766,000); it is required that they not be distributed. These reserves were established based on the legal requirements of the Swiss Code of Obligations.

As of December 31, 2009, mobilezone holding ag held 14,000 (December 31, 2008: 7,972) treasury shares for trading purposes.

No other transactions were posted directly to the equity capital. Additional information regarding the share capital is provided in note 15.

¹ Group net profits of 2009 and 2008 correspond to comprehensive income of 2009 and 2008, respectively.

Notes to the consolidated financial statements

Segment information

Income statement (CHF 000)

Net sales revenues with third parties
Net sales revenues with other segments

Net sales

Other operating income
Cost of goods and materials
Personnel costs
Other operating costs

Operating profit (EBITDA)

Depreciation of property, plant & equipment
Amortization of intangible assets

Operating profit (EBIT)

Balance sheet (CHF 000)

Fixed assets
Current assets

Total assets

Liabilities

Investments in property, plant & equipment and intangible assets

The management of mobilezone Group is the main decision maker and determines the business activities. The mobilezone Group has two reportable segments, which correspond to the management structure of the group. The segment Trade consists of mobilezone ag, mobilezone business ag, and Europea Trade AG. The segment Service Providing consists of mobilezone com ag, mobilezone crm ag, and mobilezone net ag.

The mobilezone Group monitors performance on the basis of the segment operating profit before interests and taxes (EBIT). The total assets of each segment comprise all assets of the segment. Internal reporting of the mobilezone Group is based on the International Financial Reporting Standards (IFRS).

Except for the trading activities in the segment Trade, which realized net sales in the EU market of CHF 7.6 million in the first half of 2008, the segment operations are limited exclusively to Switzerland. These trading activities were discontinued as of June 2008.

The item «Unallocated/Eliminations» comprises transactions between the segments and the holding company. Within the assets, loans between Group companies are eliminated.

The contribution of the three largest customers (network operators) to the Group's net sales amount to CHF 181.6 million or 61 percent (previous year: CHF 175.8 million or 55 percent). The three largest customers belong to the Trade segment.

.....

Total mobilezone Group		Trade		Service Providing		Unallocated/Eliminations	
2009	2008	2009	2008	2009	2008	2009	2008
297'898	318'030	278'563	293'293	19'335	24'737	0	0
0	0	162	3'112	599	1'590	-761	-4'702
297'898	318'030	278'725	296'405	19'934	26'327	-761	-4'702
301	92	2'580	3'071	1'159	0	-3'438	-2'979
-202'564	-222'640	-197'114	-215'404	-7'462	-12'159	2'012	4'923
-39'347	-37'241	-39'138	-37'397	-2'113	-2'375	1'904	2'531
-18'390	-17'136	-19'551	-16'923	-1'843	-1'887	3'004	1'674
37'898	41'105	25 502	29'752	9'675	9'906	2'721	1'447
		0					
-4'078	-3'663	-3'832	-3'462	-246	-201	0	0
-5'614	-9'550	-1'708	-1'533	-3'906	-8'017	0	0
28'206	27'892	19'962	24'757	5'523	1'688	2'721	1'447
21'861	25'622	17'291	22'006	3'817	5'336	753	-1'720
85'579	78'831	63'926	62'269	7'087	7'096	14'566	9'466
107'440	104'453	81'217	84'275	10'904	12'432	15'319	7'746
27'531	32'393	47'719	41'906	7'411	11'185	-27'598	-20'698
6'609	11'222	3'976	8'158	2'633	3'064	0	0

Principles of Group accounting

Corporate information

The mobilezone Group (hereinafter: mobilezone) conducts business in the area of mobile and fixed-line telecommunications. Its core activity is in the trade segment with mobilezone ag, which was established in May 1999 and has 135 outlets in all larger Swiss cities and towns, and mobilezone business ag, which as an independent service provider focuses on business clients. The business model of mobilezone is based on agreements with the providers active in Switzerland; they pay mobilezone for finding new customers and for renewing contracts with existing customers. These commissions allow mobilezone to provide its customers with mobile telephones at very low prices or even at no charge. For the first six months of 2008 Europea Trade AG was active in the wholesale business. Since July 2008 Europea Trade AG has been responsible for purchasing for mobilezone. The segment Service Providing consists of the companies mobilezone com ag, mobilezone net ag, and mobilezone crm ag. As service providers without networks of their own, they offer customers fixed-line and mobile telecommunications services and products. The services are based on the network capacities of the companies Colt Telecom AG (fixed-line) and Orange Communications SA (mobile). The parent company of the mobilezone Group is mobilezone holding ag, Riedthofstrasse 124, 8105 Regensdorf /Switzerland. The company is listed on the SIX Swiss Exchange: Ticker MOB / Valor no. 1 258 340.

1. Important principles of Group accounting

1.1 Principles of balance sheet preparation

The consolidated financial statements of mobilezone provide a true and fair picture of its financial position, the results of operations, and cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law. They have been prepared on a historical cost basis, except for derivative financial instruments and marketable securities, which are traded in regular organized markets; they are listed at fair market value. The reporting currency is the Swiss franc (CHF).

1.2 Declaration of compliance with IFRS

The consolidated financial statements of the mobilezone Group have been prepared in compliance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

1.3 Changes in accounting and assessment methods

For fiscal year 2009, the following three new IFRS were adopted by mobilezone Group for the first time:

IFRS 8 Operating Segments

IFRS 8 took effect as of January 1, 2009, and replaces previous standard IAS 14 Segment Reporting. The new standard requires segment reporting to be performed on the basis of the corporate organization and management structure. The adoption of IFRS 8 will not lead to any changes, as the previous business segments according to IAS 14 already correspond to the segments subject to reporting under IFRS 8.

IAS 1 Presentation of Financial Statements (amended)

Revised standard IAS 1 Presentation of Financial Statements became effective on January 1, 2009, and requires all equity transactions with shareholders to be presented in a statement of changes in equity. Equity transactions with non-shareholders are to be presented either in one single statement of comprehensive income or in two separate statements. In fiscal years 2008 and 2009, no transactions with non-shareholders occurred that require disclosure in a statement of comprehensive income. Therefore the presentation of a statement of comprehensive income has been waived.

IFRS 7 Financial Instruments – Disclosures

The amended standard contains expanded disclosure requirements regarding fair value management and liquidity risk. Apart from the disclosures, the adoption of the standard has no effects on the financial statements of mobilezone Group.

mobilezone Group will adopt the new and amended standards in the reporting period following the effective date specified in the standard.

The following standards and interpretations adopted as of January 1, 2009, have no significant effects on the financial statements of mobilezone Group.

- IAS 23 Borrowing Costs
- IFRS 2 Amendments – Vesting Conditions and Cancellation
- IFRS 2 and IAS 27 Amendments – Acquisition Costs of a Subsidiary in the Separate Financial Statements of a Parent Entity
- IAS 32 and IAS 1 – Amendments – Callable Financial Instruments and Obligations Arising in the Case of Liquidation
- IAS 39 Recognition and Measurement, and IFRS 7 Financial Instruments – Disclosures
- IFRIC 9 and IAS 39 – Amendments – Reassessment of Embedded Derivatives and Financial Instruments
- IFRIC 13 Customer Loyalty Programs
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 18 Transfer of Assets from Customers
- Annual Amendment Procedure 2009 (edition 2008)

The following new or amended Guidelines (IAS/IFRS) or Interpretations (IFRIC) will become effective for the reporting years beginning on or after July 1, 2009, or at a later date as indicated below. They will have no effects on mobilezone's net assets, financial position, and results of operations but will result, to the extent they are applicable to mobilezone, in additional or adjusted disclosures in the upcoming years:

- IFRS 3 Business Mergers – amended (July 1, 2009)
- IAS 27 Consolidated and Separate (Non-Consolidated) Financial statements – amended (July 1, 2009)
- IAS 39 Amendment – Risk Items Qualifying as Hedged Items (July 1, 2009)
- IFRS 2 Amendments – Group Cash-Settled Share-Based Payment Transactions (January 1, 2010)
- IAS 32 Amendment – Classification of Rights Issues (February 1, 2010)
- IAS 24 Related Party Disclosures (January 1, 2011)
- IFRS 9 Financial Instruments (January 1, 2013)
- IFRIC 17 Distribution of Non-Cash Assets to Owners (July 1, 2009)
- IFRIC 14 IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (January 1, 2011)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (July 1, 2010)
- Annual Amendment Procedure 2010 (edition 2009)

1.4 Principles of consolidation

Scope of consolidation

The consolidated financial statements of mobilezone include the financial statements of mobilezone holding ag and all the subsidiaries it controls directly or indirectly by majority of votes or other means. The scope of consolidation is explained in Note 2 on page 66 of the financial statements of mobilezone holding ag. Those entities are fully consolidated. Assets and liabilities, as well as income and expenses, are incorporated 100% on the basis of the method of full consolidation.

Investments and joint ventures where mobilezone exerts significant influence but which it does not control are recognized on the balance sheet on the basis of the equity method and stated under the item “Investments in associated companies.” The share in the net profits of associated companies is stated separately in the income statement. Significant balances and transactions with investments and joint ventures that are recognized according to the equity method are disclosed as items relating to associated companies.

Capital consolidation is based on the purchase method, whereby the acquisition costs of subsidiaries is offset at the time of acquisition against the fair market value of the net assets acquired, determined according to uniform corporate valuation principles. Companies acquired or disposed of during the year are consolidated as of the date of acquisition and deconsolidated as of the date of disposal.

Upon consolidation, all accounts payable to, accounts receivable from, and income and expenses between the companies included in the consolidation are eliminated. Intercompany paper profits within the Group are also eliminated upon consolidation.

Segment information

The segment reporting format reflects the structure of the mobilezone Group. The assets as well as the liabilities include all balance sheet items that can be directly allocated to a segment.

The retail segment consists of the companies mobilezone ag, mobilezone business ag, and Europea Trade AG. The segment Service Providing consists of the companies mobilezone com ag, mobilezone net ag, and mobilezone crm ag.

1.5 Principles of recognition and valuation

Foreign currency translation

The consolidated financial statements are prepared in Swiss francs. The functional currency of all Group companies is the Swiss franc. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate effective on the balance sheet date. Gains or losses arising from transactions and foreign currency translations of balance sheet items are included in the current year's income statement.

Financial assets

mobilezone classifies its financial assets according to the following categories:

- Financial assets affecting net income through profit and loss
- Loans and receivables
- Financial assets available for sale

Classification depends on the purpose for which the financial assets were acquired. The management makes the pertinent decision at acquisition and reviews the allocation in question on each balance sheet date.

Financial assets affecting net income through profit and loss

This category contains two subcategories: “Financial assets held for trading purposes” and those initially instituted as “affecting net income at fair value.” A financial asset is allocated to one of these subcategories if it has been acquired with a view to sale in the short term. Derivatives are also classified as being held for trading purposes, unless they are being held for hedging purposes in accordance with IAS 39. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on any stock exchange. They arise when mobilezone directly makes funds, goods, or services available to a debtor and does not intend to trade with the receivable. Receivables from sales of services and products are valued at their nominal value, less the necessary value adjustments for receivables at risk. The nominal value corresponds roughly to the market value. With the exception of balances maturing more than twelve months after the balance sheet date, they are included in the current assets. The former are classified as long-term assets.

Financial assets available for sale

Financial assets available for sale are non-derivative assets that, as a result of a management decision, are available for sale or do not belong to any of the other categories. They are included in the long-term assets, unless the management intends to sell them within twelve months after the balance sheet date.

Purchases and sales of financial assets are recognized in the financial statements as of the date of the transaction. This is the date on which mobilezone commits itself to the purchase or sale of the asset in question. The assets are initially recognized at fair value, plus transaction costs for all financial assets that are not recognized as “affecting the net income at fair value.” The financial assets are deleted from the accounts as soon as the rights to receive cash flows from them have expired or have been transferred and mobilezone has essentially transferred all risks and advantages to the buyer.

Financial assets available for sale and financial assets “affecting the net income at fair value” are valued and recognized at fair value. The fair value of the financial assets available for sale and financial assets “affecting the net income at fair value”, which are traded in organized markets, is determined by the market price (buying rate) listed on the balance sheet date. In the case of non-listed securities, the fair value is determined by means of the discounted cash-flow method or at historical cost, less any necessary value adjustments.

Loans and receivables are recognized at amortized cost using the effective interest rate.

Realized and unrealized profits and losses that result from changes in the fair value of financial assets affecting the net income through profit and loss are recognized in the income statement for the period in which they arise. Unrealized profits and losses that result from changes in the fair value of investments in the category “financial assets available for sale” are included in the shareholders' equity. If these are sold or significant value reductions occur, then the accumulated changes in fair value are reclassified from shareholders' equity to the income statement.

Property, plant, and equipment

Property, plant, and equipment are stated at historical cost or manufacturing cost less accumulated depreciation. Depreciation is charged to the income statement on a straight-line basis on the basis of the following estimated useful lives of items of property, plant, and equipment:

- Office equipment and furniture including EDP 2 to 5 years
- Shop equipment 5 to 8 years
- Vehicles 3 to 5 years

Intangible assets

Acquired rights, such as contracts with clients, lessors, suppliers, and similar rights that generate financial earnings, are capitalized and amortized over the contractual or estimated useful life of usually 5 years. The business segment Service Providing grants a discount on the purchase price of a mobile telephone to new customers signing up for a mobile telephone subscription. The difference between the cost and the (reduced) selling price of the mobile telephone is capitalized as customer acquisition cost and will be depreciated on a straight-line basis over the term of the subscription concerned (generally 24 months). The acquisition costs for fixed-line customers are capitalized and will be depreciated over a term of 24 months.

Goodwill

Companies are consolidated as of the date of acquisition. In all company mergers, the recognizable assets, liabilities, and contingent liabilities are revaluated at their market values and integrated according to the purchase method. Moreover, assets that originate in either a contractual or a legal right or that can be separated from the business and whose market value can be reliably determined are entered separately in the income statement as intangible assets. These assets are essentially client lists. The remaining goodwill will not be depreciated but will be tested annually for impairment.

In accordance with the method of push-down accounting, goodwill with respect to intangible assets is transferred to those cash-generating units that can be expected to profit from the acquisition or to generate future cash flow from it.

Impairment

Goodwill items and other intangible assets with an indefinite useful life undergo the annual impairment test in the course of the fourth quarter. The “discounted cash flow” model that is used for the impairment test to calculate the value in use depends on a number of factors. These include estimates of future cash flow, discount rates, and other variable factors. The basis here is provided by the forecast figures for the reporting year as well as the medium-term planning over four more years. Important assumptions and evaluations are necessary to arrive at these estimates. Factors such as volumes, selling prices, sales growth, gross margin, labor and operating expenses as well as investments in property and equipment, market conditions, and other economic factors are based on assumptions the management views as realistic. Impairment of goodwill is immediately entered as depreciation in the income statement and is not re-appreciated in the following periods. The value of plant and equipment and other assets, including intangible assets, is always subject to review when, due to events or changed circumstances, an overvaluation of the book values appears possible. If the book value exceeds the realizable value, then an impairment loss is recognized.

Treasury shares

Treasury shares are included in the shareholders' equity at historical acquisition cost. Any profits and losses from transactions with treasury shares are treated as not affecting net income and are set off against capital reserves.

Inventories

Inventories are stated at cost or net realizable value, whichever is lower. The cost of inventories is calculated using the weighted average cost method. Slow moving items are subject to appropriate value adjustments. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. The price of a mobile phone is determined based on whether the product is sold on a stand-alone basis or in conjunction with a provider subscription. Net realizable value therefore takes into account both components. In addition, price protection arrangements with suppliers are also taken into account in determining the need for any value adjustments.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, current credit bank balances, and current deposits with original maturity of less than three months. Cash and cash equivalents are treated as financial assets through profit and loss.

Current financial liabilities

Current financial liabilities include trade and other current accounts payable and are stated at amortized cost.

Provisions for liabilities and contingencies

Provisions are set aside for current or future legal or de-facto obligations when, on the balance sheet date, as a result of past events, reasonable estimates regarding the future transfer of economic values are possible and when such a transfer is likely. The provisions are determined based on the best possible estimate of the expected expenditures. If the time value of money is material, provisions are determined by discounting the expected future cash flow on the balance sheet date at a rate that reflects current market rates and assessments of the risks specific to the liability.

Contingent liabilities are stated in the Notes if a future obligation is possible or if a present obligation exists, but an outflow of funds is not probable or the amount cannot be reliably determined.

Leasing

Payments made under operating leases are recognized in the income statement on a straight-line basis over the term of the lease. Revenue-based and other contingent leases are accrued on an estimated basis.

Leasing agreements are recognized in the balance sheet when, upon conclusion of the agreement, the majority of significant risks and rewards of ownership devolve to the Group (Financial Leasing). Lease payments are divided according to the annuity method into interest and principal payments. Leased assets are depreciated over the shorter of either the lease term or the asset's estimated useful life.

Pension benefits

The pension benefit expenses and liabilities are calculated periodically by an actuary using the projected unit credit method. The defined benefit obligations are determined on the basis of the cash value of the estimated future cash flows. In this case, the interest rate for federal obligations plus a risk premium in Swiss francs are used. The plan assets are estimated and stated at fair value. Any profits or losses arising from adjustments to figures based on actuarial calculations are included via the average remaining service period of the insured employees in the income statement if they exceed ten percent of the higher amount of the pension obligation and the plan assets at the beginning of the reporting year.

Revenues

Net sales include all revenues from the sale of goods and services, less reductions in earnings, rebates, discounts, VAT, and write-offs of trade accounts receivable. Revenues from the sale of goods are included in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. One-time commissions from providers are recognized upon conclusion of the contract. Recurring airtime profit-sharing commissions are based on the subscribers' monthly payments of mobile telephone bills to the providers. These amounts are recorded in the income statement based on the providers' invoices on an accrual basis.

Income tax

Current income taxes are calculated based on the taxable income of the year and are recorded in the income statement. Deferred income taxes are calculated using the balance sheet liability method on any temporary differences arising from divergences between the book value of assets and liabilities for financial reporting purposes and the value used for tax purposes. Deferred tax is calculated using tax rates enacted or substantially enacted on the balance sheet date and will be offset in future tax periods. Assets from loss carry-forwards and temporary differences are recorded only to the extent that it is probable that they will be realized in the future.

2. Estimates and discretionary decisions

The preparation of financial statements in accordance with IFRS requires evaluations, assumptions, and estimates that influence the items in the financial statements as of the balance sheet date. These evaluations, assumptions, and estimates are based on empirical values and other factors that are considered adequate under the given conditions. The actual results may deviate from these estimates. The estimates and the assumptions based on them are subject to continuous revision. Changes to estimates that affect the annual financial statements are included in the reporting period in which the estimate was revised as well as in future reporting periods if they are affected by the revised estimates.

Intangible assets/Goodwill

For acquisitions, the fair value of acquired intangible assets is determined. The acquired intangible assets have a finite useful life and are therefore depreciated. Any residual value (difference between the purchase price and acquired net assets) represents goodwill. Goodwill has an indeterminate useful life and is not depreciated; however, it is subject to annual review for possible impairment. The estimates regarding intangible assets and goodwill therefore affect depreciation. Furthermore, various assumptions are made when testing goodwill for impairment that require medium-term and long-term estimates. This concerns both internal planning data (cash flow, growth rates, etc.) as well as external parameters (discount rate).

Explanations and amounts regarding the impairment test and goodwill can be found in Note 8.

Deferred tax assets

Deferred taxes are calculated primarily on the basis of temporary differences and, in individual cases, also on the basis of tax loss carry-forwards, in as far as realization seems probable. The recoverability therefore depends on whether future prognoses concerning the relevant tax object materialize over a period of several years. Should these future prognoses prove to be incorrect, then this could lead to value impairment. Explanations and amounts regarding deferred tax assets can be found in Note 6.

Employee benefits

In accordance with the IFRS, the pension plan agreements of the mobilezone Group qualify as a defined benefit. The status is based on actuarial assumptions, some of them long-term, that may deviate from reality. Actuarial differences above the so-called 10-percent corridor are amortized over the average remaining period of service of the employees. Both the determined status as well as the amortization of a difference contain estimations that may affect the company's financial position. Explanations and amounts regarding pension benefits can be found in Note 18.

3. Type and scope of financial risks

3.1 Financial risk management

The financial instruments of mobilezone Group predominantly include cash and cash equivalents to provide sufficient funds for the business activities of the Group companies. The Group has various other financial instruments at its disposal, such as trade accounts payable and receivable resulting directly from business activities. The main risks arising from these financial instruments include liquidity risk and risk of loss of receivables. Regarding other financial assets, such as securities and other receivables, the maximum financial risk in the event of a failure of the counterparty corresponds to the book value of these instruments. In the fiscal years ending on December 31, 2009, and December 31, 2008, the mobilezone Group did not use any hedge accounting.

3.2 Foreign currency risk

The revenues in the retail business and in the service providing business are all denominated in Swiss francs. Approximately 56% (2008: 50%) of purchases in the retail business in 2009 were denominated in Euro. The currency volatilities of the Euro have no significant impact on mobilezone's operating profits and shareholders' equity. The Group decided generally not to hedge against the currency risk on purchases due to the short-term nature of payments in Euro (7–14 days) and the high inventory turnover. In the reporting year, the Group used only a few future exchange transactions with a short maturity. As of the balance sheet date, any open contracts are valued at fair market value with any changes in fair market value recognized in the income statement. As of December 31, 2009, or December 31, 2008, there were no open future exchange transactions.

3.3 Credit risk/ risk of loss of receivables

The Group is exposed to credit risks arising from its ordinary business activity. Due to the peculiarities of this business sector – a large portion of retail sales is made in cash – the business activity results in relatively few outstanding accounts receivable, compared to total sales. As the number of network operators in Switzerland is limited by law, these accounts receivable in the segment Trade are due from only a small number of counterparties. In 2009, 65% of the net sales revenue (2008: 59%) in the segment Trade was achieved with the three largest clients (network operators). The company meets this risk by negotiating short terms of payment. To counteract the significantly higher risk of loss of receivables in the segment Service Providing mobilezone Group employs predetermined hedging strategies, such as appraisal of creditworthiness and the sale of the overdue receivables to a debt collection agency. Limiting and controlling the outstanding receivables also minimize risk. Current bank credit balances and deposits are held exclusively at financial institutions. This risk of default is minimized by maintaining business relationships with several banks and other financial institutions and by continuously monitoring the credit risk.

3.4 Interest rate risk

As there are currently no bank loans, current bank liabilities, and other interest-bearing liabilities, there is no interest rate risk.

3.5 Liquidity risk

Currently, mobilezone Group bears no liquidity risk as its financial position features a large amount of cash and cash equivalents. Furthermore, there are sufficient credit lines (CHF 10 million) to satisfy peak demands on net current assets.

3.6 Capital management

The primary objective of mobilezone Group's investment control is to ensure that the Group maintains a high degree of creditworthiness and an advantageous proportion of shareholders' equity in order to support its business activities. Capital includes the shareholder's equity items capital stock, capital reserves, and retained earnings. For the purposes of adjusting or maintaining its capital structure, the Group may adjust dividend distributions to shareholders, issue new shares, or borrow capital. As of December 31, 2009, or December 31, 2008, no changes were made to the objectives and guidelines.

Notes to the consolidated financial statements

1 Net sales (CHF 000)	2009	2008
Sales mobile communication products	95'959	108'362
One-time commissions and recurring		
«airtime» profit-sharing of providers	182'598	185'816
Revenue from mobile and fixed-net subscriptions	19'341	23'852
Total net sales	297'898	318'030

2 Personnel costs (CHF 000)	2009	2008
Wages and salaries	34'511	33'359
Social security costs	2'935	2'569
Pension costs	1'281	590
Other personnel costs	620	723
Total personnel costs	39'347	37'241

In the reporting year, the pension costs include an increase (previous year: a reduction) resulting from applying IAS 19.

Number of full-time employees as of December 31	523	542
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3 Other operating costs (CHF 000)	2009	2008
Operating lease costs	10'633	9'408
Advertising	19'375	21'792
Repair & maintenance, general and administrative costs	7'679	9'079
less: contributions received from third parties	-19'297	-23'143
Total other operating costs	18'390	17'136

In the reporting year, bank and mail charges in the amount of CHF 535,000 have for the first time been allocated to the item «Other operating costs.» In the previous year, the bank and mail charges in the amount of CHF 598,000 were re-allocated from «Financial expense» to «General and administrative costs.» Bank and mail charges arise mainly from payments made by customers of Service Providing at the mail office counter or from payments of the shops' cash revenues at banks and mail offices.

Advertising costs are essentially covered through cost contributions from business partners.

4 Financial income (CHF 000)	2009	2008
Income from interest	168	381
Total financial income	168	381

For the previous year, currency differences in the amount of CHF 396,000 were re-allocated from «Financial income» to «Cost of goods and materials.» For the reporting year, the cost of goods and materials includes CHF 1,539,000 of currency differences. Currency differences are reductions in the cost of goods and materials resulting from the foreign exchange system rates applied by the Group, which are always above the foreign exchange purchasing rates actually brought to account.

5 Financial expense (CHF 000)	2009	2008
Expense of interest	9	38
Total financial expense	9	38

In the previous year, the bank and mail charges in the amount of CHF 598,000 were re-allocated from «Financial expense» to «General and administrative costs.» As in the previous year, in the reporting year there were no financial debts outstanding.

6	Income tax expense (CHF 000)	2009	2008
	Current income taxes	4'345	5'902
	Deferred income taxes	751	-562
	Total income tax	5'096	5'340

Current income taxes are based solely on the profit in the reporting year. Deferred income taxes are based solely on the changes in temporary differences and the recognition of future tax loss carry-forwards. Taxes on capital are included under «Other operating costs.»

Income tax reconciliation (CHF 000)	2009	2008
Profit before taxes	28'365	28'235
Average applicable tax	18.47%	19.61%
Expected tax expense	5'240	5'538
Impact on tax expense from effect of tax rate changes	-144	-198
Effective income tax expense	5'096	5'340

The average tax rate is the weighted average of the tax rates of the individual Group companies and can thus vary from one year to the next.

Deferred tax assets (CHF 000)	2009	2008
Intangible assets	7	14
Inventories	4	9
Tax benefits from loss carry-forwards	198	722
Total deferred tax assets	209	745

The amount of CHF 184,000 (previous year: CHF 655,000) of the recognized loss carry-forwards relate to mobilezone net ag.

Based on the available realistic budget figures, it is likely that these loss carry-forwards can be offset in the coming years.

Deferred tax liabilities (CHF 000)	2009	2008
Inventories	1'607	1'464
Trade accounts receivable	654	553
Other receivables	90	98
Provisions	0	21
Total deferred tax liabilities	2'351	2'136

As in the previous year, no taxes on earnings were recognized directly in shareholders' equity.

Notes to the consolidated financial statements

7 Property, plant & equipment (CHF 000)	Shop equipment	Other property, plant & equipment	Total
Acquisition costs			
At December 31, 2007	17'981	3'986	21'967
Additions	4'575	648	5'223
Change in scope of consolidation	0	4	4
Disposals	-335	-702	-1'037
At December 31, 2008	22'221	3'936	26'157
Additions	2'634	1'375	4'009
Change in scope of consolidation	0	0	0
Disposals	-296	-62	-358
At December 31, 2009	24'559	5'249	29'808
Accumulated depreciation			
At December 31, 2007	10'114	2'497	12'611
Additions	2'901	762	3'663
Change in scope of consolidation	0	0	0
Disposals	-252	-510	-762
At December 31, 2008	12'763	2'749	15'512
Additions	3'348	730	4'078
Change in scope of consolidation	0	0	0
Disposals	-224	-59	-283
At December 31, 2009	15'887	3'420	19'307
Book value:			
At December 31, 2008	9'458	1'187	10'645
At December 31, 2009	8'672	1'829	10'501
		2009	2008
Fire insurance value of property, plant & equipment		12'000	12'000

8 Intangible assets (CHF 000)	Customer acquisition costs	Acquired shop location	Goodwill	Total
Acquisition costs				
At December 31, 2007	13'082	6'631	4'356	24'069
Additions	5'994	5	0	5'999
Change in scope of consolidation	2'672	0	1'397	4'069
Disposals	-1'921	-52	0	-1'973
At December 31, 2008	19'827	6'584	5'753	32'164
Additions	2'555	45	0	2'600
Change in scope of consolidation	0	0	0	0
Disposals	-1'094	-50	0	-1'144
At December 31, 2009	21'288	6'579	5'753	33'620
Accumulated amortization				
At December 31, 2007	6'868	4'168	0	11'036
Additions	8'753	797	0	9'550
Change in scope of consolidation	0	0	0	0
Disposals	-1'921	-52	0	-1'973
At December 31, 2008	13'700	4'913	0	18'613
Additions	4'883	731	0	5'614
Change in scope of consolidation	0	0	0	0
Disposals	-1'094	-31	0	-1'125
At December 31, 2009	17'489	5'613	0	23'102
Book value				
At December 31, 2008	6'127	1'671	5'753	13'551
At December 31, 2009	3'799	966	5'753	10'518

Testing goodwill for impairment

In accordance with IAS 36, goodwill is to be tested for impairment at least once a year, and if there are any indications at any time of impairment, such a test is to be carried out immediately. At mobilezone Group, the annual test for impairment is carried out in the course of the fourth quarter. The test of goodwill is done for each cash-generating unit (CGU) on the basis of value in use calculations. The value in use corresponds to the cash value of the discounted cash flow. In this case, the forecast estimates for 2009 and the planning data for the years 2010–2013 were used. The assumptions used in the calculations correspond to the average long-term expected growth rates of the operating business in the relevant CGU. For the impairment tests the growth in sales and operating result (EBIT) are decisive. Even if zero growth formed the basis for the cash-flow prognoses per CGU, the book value would not exceed the calculated value in use. Even an increase of the discount rate by two percentage points would not result in the book value of the goodwill per CGU exceeding the calculated value in use in question.

The gross profit margin in the planning period is based on experience assumptions. The «risk-free» interest rate of long-term government bonds serves as the basis of the pre-tax discount rate, which is increased in the case of specific market and product risks. The growth rate of the planning period is calculated on the basis of medium-term planning.

The value of the growing perpetuity at the end of the planning period (terminal value) is calculated on the basis of a growth rate of 1% and discounted to the date of evaluation. On the basis of the company values calculated using the DCF method, mobilezone does not have to undertake any value adjustments for the goodwill items.

Goodwill can be assigned to the following CGU:

Goodwill 2009 (CHF 000)	Trade shops	Trade B2B	Service Providing Fixed-line	Total
Book value Goodwill	3'047	1'792	914	5'753
Discount rate	8.8%	8.8%	8.8%	
Sales growth forecast/anticipated	2.4%	11.2%	0.4%	
Sales growth terminal value	1%	1%	1%	
Goodwill 2008 (CHF 000)				
Book value Goodwill	3'047	1'792	914	5'753
Discount rate	9.6%	9.6%	9.6%	
Sales growth forecast/anticipated	5.4%	29.5%	16.5%	
Sales growth terminal value	1%	1%	1%	

9 Acquisitions

No acquisitions were made in fiscal year 2009.

The following acquisition was made in fiscal year 2008:

Company	Date	Shares
Tojaco Trading GmbH, Urnäsch	March 2008	100%

The purpose of the company is trade and providing services of all kinds in the area of telecommunications to business customers.

The following assets and liabilities were taken over as a result of the acquisition of Tojaco Trading GmbH:

(CHF 000)	
Cash & cash equivalents	2'264
Trade accounts receivable	56
Other accounts receivable	23
Inventories	75
Accruals	627
Property, plant & equipment	4
Financial assets	25
Total Assets	3'074
Trade accounts payable	697
Other accounts payable	150
Deferrals	96
Total liabilities	943
Net assets	2'131
Purchase price	6'200
Acquired cash & cash equivalents	-2'264
Net outflow of funds	3'936
Purchase price	6'200
Capitalization of customers	-2'672
Net assets	-2'131
Goodwill	1'397

The goodwill consists of asset values that cannot be separately identified or reliably determined and of synergies that can be achieved with mobilezone Group's existing business segments.

In 2008, the share of consolidated profit contributed by the company acquired in the previous year amounted to CHF -591,000.

10	Securities (CHF 000)	2009	2008
	The shares not listed are valued at acquisition cost less necessary value adjustments.	116	116

11	Inventories (CHF 000)	2009	2008
	Inventories, gross	25'079	22'882
	less value adjustments	-2'081	-1'965
	Total inventories	22'998	20'917

The gross value of inventories carried at fair value less costs to sell amounted to CHF 4,744,000 (2008: CHF 4,509,000). In the reporting year value adjustments in the costs of goods and materials were made in the amount of CHF 116,000 (2008: CHF 501,000).

12	Trade accounts receivable (CHF 000)	2009	2008
	Accounts receivable, gross	29'643	27'692
	less value adjustments	-272	-332
	Total trade accounts receivable	29'371	27'360

As of December 31, 2009, deductions in the amount of CHF 272,000 (2008: CHF 332,000) were made from the value of trade accounts receivable.

Trade accounts receivable are interest-free and are usually payable within 30 days.

As of December 31, 2009, receivables in the amount of CHF 26.2 million (previous year: CHF 22.2 million) were outstanding from the company's three biggest customers (network operators).

As of December 31, 2009 mobilezone Group's accounts receivable amounted to CHF 29.6 million (2008: CHF 27.7 million), of which CHF 2.6 million (2008: CHF 0.6 million) are due and not subject to value adjustments. In terms of maturity, this balance of overdue receivables breaks down as follows: CHF 1.6 million (2008: CHF 0.4 million) due within 30 days, CHF 0.4 million (2008: CHF 0.1 million) due in 31 to 60 days, CHF 0.5 million (2008: CHF 0.1 million) due in 61 to 120 days, and CHF 0.1 million (2008: CHF 0) due in more than 120 days.

	Value adjustments (CHF 000)	2009	2008
	At January 1	332	953
	Additions from acquisitions	0	5
	Allocations	1'300	2'305
	Usage	-1'334	-2'578
	Dissolutions	-26	-353
	At December 31	272	332

13	Other accounts receivable (CHF 000)	2009	2008
	Accruals	5'677	6'205
	Other accounts receivable	166	413
	Total other accounts receivable (current)	5'843	6'618

14	Cash & cash equivalents (CHF 000)	2009	2008
	Cash on hand and current bank balances	27'367	23'936
	Total cash & cash equivalents	27'367	23'936

Cash & cash equivalents are not subject to any restrictions on disposal. The Group has unutilized lines of credit in the amount of CHF 10 million.

15	Share capital (bearer shares at CHF 0.01 par value)	Number
	Number of shares issued at January 1, 2008	35'772'996
	less treasury shares:	
	held for trading purposes	-7'972
	Number of shares outstanding at December 31, 2008	35'765'024
	less treasury shares:	
	held for trading purposes	-14'000
	Number of shares outstanding at December 31, 2009	35'758'996

The treasury shares do not have any dividend or voting rights at the annual general meeting. All other shares are equally entitled to dividends and voting.

Details regarding treasury shares and contingent and authorized capital are included in Note 3 to the financial statements of mobilezone holding ag on page 67.

Calculations of earnings per share		2009	2008
Consolidated net profit	CHF	23'269'000	22'895'380
Weighted average number of shares outstanding	Pieces	35'757'093	35'765'740
Earnings per share	CHF	0.65	0.64
Consolidated net profit	CHF	23'269'000	22'895'380
Weighted average number of outstanding and potential shares	Pieces	35'757'093	35'765'740
Earnings per share - diluted	CHF	0.65	0.64

In April 2009 a dividend of CHF 0.43 per share (2008: CHF 0.33) was paid to the shareholders.

16	Current provisions (CHF 000)	2009	2008
	At January 1	100	100
	Dissolution	-100	0
	At December 31	0	100

The costs of warranty claims are continually recognized in the income accounting. Therefore, this provision was dissolved.

17	Other current liabilities (CHF 000)	2009	2008
	Deferrals		
	Wages and salaries	2'459	2'423
	Social security costs	180	175
	Other	2'508	2'656
	Other liabilities		
	VAT	2'696	2'986
	Social security costs	852	977
	Other	687	350
	Total other current liabilities	9'382	9'567

18 Employee benefit plans

The mobilezone Group has several pension plans, which contain insurance agreements and which have been prepared for the majority of employees for the period after retirement. The pension plans qualify as defined benefit plans in accordance with IAS 19. The obligations and the assets to cover them are examined and re-valuated at least once a year by an independent expert (actuary).

The basic assumptions relevant for the calculations were determined as follows:

	2009	2008
Discount interest rate	3.0%	3.0%
Expected yield on investment	3.0%	2.5%
Expected wage growth	up to 1%	up to 1%

The changes to the net present value of the liabilities are represented as follows:

(CHF 000)	2009	2008
Employee benefit obligations as of January 1	15'392	9'132
Current service cost	1'270	705
Interest expense	465	331
Employee contributions	972	1'003
Actuarial profits	-1'093	2'173
Additions from coverage capital invalidity	0	2'382
Additions from acquisitions	0	1'048
Benefits paid incl. CHF 49,000 of service cost in 2009 to be set off subsequently	-811	-1'382
Employee benefit obligations as of December 31	16'195	15'392

The changes to the current market value of the planning assets are represented as follows:

(CHF 000)	2009	2008
Cash value of plan assets as of January 1	13'790	9'316
Expected yield from plan assets	364	255
Additions from coverage capital invalidity	0	2'492
Actuarial profits	-1'439	20
Employer contributions	1'346	1'148
Employee contributions	972	1'003
Additions from acquisitions	0	938
Benefits paid	-762	-1'382
Cash value of plan assets as of December 31	14'271	13'790

The expected estimated employer contributions for the fiscal year 2010 amount to CHF 1.2 million.

Amounts recognized in the balance sheet:

(CHF 000)	2009	2008
Cash value of the defined benefit plan obligation as of December 31	16'195	15'392
Cash value of plan assets as of December 31	14'271	13'790
Deficit	1'924	1'602
Balance of the actuarial profits not yet posted	-2'353	-2'068
Asset from retirement benefit plan	-429	-466

Composition of retirement benefit plan expenses:

(CHF 000)	2009	2008
Current service cost	1'270	705
Interest expense	465	331
Expected yield from plan assets	-364	-255
Recognized actuarial losses	61	0
Recognized service cost to be set off subsequently	-49	0
Effects of ceiling on value adjustment (IAS 19 § 58b)	0	-99
Total retirement benefit plan expenses	1'383	682
Actual yield from plan assets	-1'075	275

The plan assets consists exclusively of asset values as a component of the insurance solutions.

Data for the current reporting period and the four previous reporting periods:

(CHF 000)	2009	2008	2007	2006	2005
Cash value of benefit obligations	16'195	15'392	9'132	7'380	7'797
Cash value of plan assets	-14'271	-13'790	-9'316	-7'734	-6661
Deficit (Surplus)	1'924	1'602	-184	-354	-1136
Experience value adjustment to benefit obligations	1'515	-659	-402	1'387	-753
Experience value adjustment to plan assets	-1'439	20	66	222	286

19 Financial instruments

The financial assets and liabilities can be assigned to the following categories:

2009 (CHF 000) Book value	Loans and Receivables	Financial assets available for sale	Financial liabilities stated at amortized cost
Assets			
Securities	0	116	0
Other accounts receivable	88	0	0
Trade accounts receivable	29'371	0	0
Cash & cash equivalents	27'367	0	0
Liabilities			
Trade accounts payable			12'476
Other current accounts payable			687
Total	56'826	116	13'163
2008 (CHF 000) Book value	Loans and Receivables	Financial assets available for sale	Financial liabilities stated at amortized cost
Assets			
Securities	0	116	0
Other accounts receivable	94	0	0
Trade accounts receivable	27'360	0	0
Cash & cash equivalents	23'936	0	0
Liabilities			
Trade accounts payable			16'540
Other current accounts payable			350
Total	51'390	116	16'890

Due to their short-term maturity, the book values of the financial instruments correspond roughly to their market value.

The difference to the book values in the balance sheet items other accounts receivable and other current liabilities concern, above all, deferrals and expenses that are not financial instruments according IFRS.

20 Maturity profile of financial obligations

All financial obligations of mobilezone are payable within one year. mobilezone has no interest-bearing obligations.

21 Operative leasing

As of December 31, 2009, mobilezone Group operated in 135 shops all across Switzerland, all of which were leased. Leases typically have a fixed term of 5 years, with an option to renew for several years.

As of the balance sheet date, future payments for shops and other long-term contracts with fixed term are coming due as follows:

2009			
(CHF 000)	Shops	Other	Total 2009
Less than 1 year	9'608	270	9'878
Between 1 and 5 years	25'949	218	26'167
More than 5 years	2'361	0	2'361
Total	37'918	488	38'406
2008			
(CHF 000)	Shops	Other	Total 2008
Less than 1 year	9'583	250	9'833
Between 1 and 5 years	23'918	395	24'313
More than 5 years	5'441	0	5'441
Total	38'942	645	39'587

In the reporting year the amount of CHF 10,633,000 was recognized as an expense from operating leases in the income statement (2008: CHF 9,408,000). These expenses included revenue-based rents, less the minimum rent, amounting to CHF 34,000 (2008: CHF 51,000).

The expected lease income from sublease agreements amounts to CHF 246,000 (2008: CHF 357,000).

22 Contingent liabilities und future commitments, capital commitments, and restrictions of ownership

As of December 31, 2009, and December 31, 2008, no items had to be reported under this heading.

23 Risk assessment

As the parent company of the mobilezone Group companies, mobilezone holding ag is deeply involved in the risk assessment process across all group companies. The risk assessment process is integrated into the Group's annual strategy process. The aim is not to avoid all risk but rather to create options that are intended to help the Group companies to consistently take advantage of existing opportunities and to increase their business success. Risk management supports the companies in reaching their business goals by providing transparency regarding the risk situation (as a basis for strategic and operating decisions), by recognizing potential threats to the Group's net assets, financial position, and results of operations, and by taking measures to reduce risks to an acceptable level.

In connection with risk assessment process, the Board of Directors of mobilezone holding ag is kept informed about any observed risks and opportunities.

24 Relationship with related parties and companies

Related parties are members of the Board of Directors, Group Management, their close relatives, and key shareholders, including companies controlled by them.

Hans-Ulrich Lehmann, a member of the Board of Directors, is a co-owner of Immo plaza AG. This company rents the central warehouse and the administrative building in Regensdorf to mobilezone ag. Hans-Ulrich Lehmann is the owner of Autronic AG, Mobiletouch AG, Mobile Solutions AG, and Monzoon Networks AG. Autronic AG is a distributor of mobile telephones in Switzerland and supplies mobilezone ag with HTC mobile phones in particular. Mobile Solutions AG develops content for mobile phone applications. Mobiletouch AG repairs mobile telephones. Moonzoon Networks AG is a provider of public wireless Internet access and services. Michael Kloter was a member of the Board of Directors of mobilezone holding ag until April 2009. All transactions take place at market values.

Transactions and balances with related parties and companies (CHF 000)	2009	2008
Service revenue from Autronic AG	234	377
Service revenue from Monzoon Networks AG	4	6
Service revenue from Mobile Solutions AG	98	156
Service revenue from Mobiletouch AG	127	142
Service revenue from Immo plaza AG	71	0
Sales of goods to Mobile Solutions AG	3	0
Sales of goods to Mobiletouch AG	10	0
Purchases from Autronic AG	14'952	27'804
Purchases from Mobiletouch AG	1'049	1'153
Expense of services from Immo plaza AG	525	413
Expense of services from Kloter Rechtsanwälte	n/a	86
Expense of services from Monzoon Networks AG	0	1
Expense of services from Mobile Solutions AG	249	0
Accounts receivable Autronic AG	5	101
Accounts receivable Mobiletouch AG	37	39
Accounts receivable Mobile Solutions AG	15	0
Accounts receivable Immo plaza AG	11	0
Accounts payable Autronic AG	637	4'818
Accounts payable Kloter Rechtsanwälte	n/a	43
Accounts payable Mobile Solutions AG	4	4
Accounts payable Mobiletouch AG	58	77
Accounts payable Immo plaza AG	6	0

The shares in mobilezone ag are broadly distributed. Significant shareholders are listed in the Notes to the financial statements of mobilezone holding ag on page 67.

25 Statement of compensation paid to Board of Directors

Information regarding the compensation paid to and the shares held by the members of the Board of Directors and the management are provided in the Notes to the financial statements of mobilezone holding ag on pages 68 and 69.

In 2009, the fee for members of the Board of Directors may be paid in shares at a 50% proportion upon the members' choice. The shares would be transferred after conclusion of the general annual meeting. As per December 31, 2009, an amount of CHF 264,000 has been posted as affecting net income and is included in the accruals and deferrals. Half of this amount can be paid in 2010 as mobilezone shares.

26 Events following the balance sheet date

There have been no events that are required to be disclosed here.

On March 8, 2010, the Board of Directors approved these consolidated financial statements for publication. They are still subject to approval by the General Meeting on April 9, 2010.

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of mobilezone holding ag shown on page 38 to 62, which comprise the balance sheet, income statement, statement of cash flows, statement of changes in equity and notes for the year ended 31 December 2009.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2009 give a true and fair view of the financial position, the result of operations and the cash flows in accordance with IFRS and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Michael Bugs
Licensed audit expert
(Auditor in charge)

Stefanie Walter
Licensed audit expert

Zurich, March 8, 2010

Income statement

January 1 to December 31 (CHF 000)	2009	2008
Financial income	26'718	18'308
Income from services provided and other income	1'708	1'732
Total income	28'426	20'040
Administrative expenses	739	891
Financial expenses	35	61
Total expenses	774	952
Net profit	27'652	19'088

Balance sheet before appropriation of available earnings

As of December 31 (CHF 000)	Note	2009	2008
Assets			
Cash & cash equivalents		18'520	10'603
Treasury shares		109	54
Accounts receivable from			
third parties		26	75
Group companies		29'327	23'011
Current assets		47'982	33'743
Investments	2	36'568	36'568
Securities		116	116
Fixed assets		36'684	36'684
Total Assets		84'666	70'427
Liabilities & shareholders' equity			
Current accounts payable to			
third parties		678	558
Group companies		2'358	369
Accruals and deferrals		322	462
Current liabilities		3'358	1'389
Share capital	3	358	358
General reserves		131	131
Reserve for own shares	3	109	54
Free reserves		5'953	6'008
Available earnings			
Balance brought forward		47'105	43'399
Net profit		27'652	19'088
Shareholders' equity		81'308	69'038
Total liabilities & shareholders' equity		84'666	70'427

Notes to the financial statements

Except for the comments that follow, there are no further facts that require disclosure in accordance with Art. 663b OR.

1	Contingent liabilities/subordinated claims	12.31.2009	12.31.2008
	Subordination to mobilezone net ag	1'000'000	3'000'000
	Joint and several liability from VAT - Group taxation	p.m.	p.m.
	Guarantee furnished to a bank for a subsidiary	11'000'000	11'000'000

2	Scope of consolidation and significant investments in subsidiaries and associates	Investment held %	Paid-in capital (CHF)	Consolidation
	mobilezone ag, Regensdorf	100	2'850	C
	mobilezone business ag, Urnäsch	100	100	C
	Europea Trade AG, Urnäsch	100	100	C
	mobilezone net ag, Regensdorf	100	500	C
	mobilezone com ag, Risch	100	100	C
	mobilezone crm ag, Geneva	100	100	C

Telepoint AG was merged with mobilezone ag in June 2009. AMEL CCD, SA, was merged with mobilezone ag in June 2008.

C = fully consolidated

3 Share capital, authorized and conditional share capital

As of December 31, 2009, capital stock consists of 35,772,996 bearer shares at a par value of CHF 0.01 each. As of the balance sheet date, there was authorized share capital in the amount of CHF 30,000 (2008: CHF 30,000). In addition, as of December 31, 2009, conditional share capital in the amount of CHF 132,910 (2008: CHF 132,910) is earmarked for the exercise of employee stock options (up to CHF 22,910), for the exercise of conversion and option rights relating to debenture loans (up to CHF 100,000), and for the exercise of other options (up to CHF 10,000). As in the previous year, there were no options outstanding as of the balance sheet date.

Change in number of treasury shares	Number of bearer shares	Maximum	Price in CHF Average	Minimum	Total (CHF 000)
At January 1, 2008	100				1
Purchases at cost	30'800	7.35	6.97	6.51	215
Disposals at sale prices	-22'928	7.80	7.36	7.00	-170
Income from stock price					8
At December 31, 2008	7'972				54
Purchase at cost	12'028	6.80	6.65	6.49	80
Disposals at sale prices	-6'000	7.15	6.93	6.82	-42
Income from stock price					17
At December 31, 2009	14'000				109

Significant shareholders

As of December 31, 2009, the company knew of the following shareholders controlling 3 percent or more of capital/votes of the Group companies:

in %	2009	2008
Schroders Plc., GB-London	5.0	4.7
Bestinver Gestion SA, E-Madrid	5.1	n.a.
Asialand Holding Corp., VG-Tortola	5.1	5.1
Vanguard International Explorer Fund, USA-Wayne	3.3	3.3
Patinex AG, Wilen	10.0	5.3
Total	28.5	18.4

4	Compensation to members of the Board of Directors and Group management (CHF 000)					
		Fee Salary fixed	Fee Salary variable ³	Pension and social security contributions	Health and accident insurance contribution	Total
Board of Directors						
Urs T. Fischer ¹	2009	100	0	6	0	106
	2008	0	0	0	0	0
Hans-Ulrich Lehmann	2009	75	0	4	0	79
	2008	30	40	4	0	74
Cyrill Schneuwly ¹	2009	75	0	4	0	79
	2008	0	0	0	0	0
Charles Gebhard ²	2009	0	0	0	0	0
	2008	50	45	4	0	99
Ruedi Baer ²	2009	0	0	0	0	0
	2008	34	40	0	0	74
Walter Heutschi ²	2009	0	0	0	0	0
	2008	30	40	3	0	73
Michael R. Kloter ²	2009	0	0	0	0	0
	2008	34	40	0	0	74
Total Board of Directors		2009	250	0	14	0
		2008	178	205	11	0
Group Management						
Martin Lehmann	2009	240	252	82	4	578
	2008	240	248	83	4	575
Other members of the Management	2009	756	734	264	12	1'766
	2008	756	743	260	13	1'772
Total Group Management		2009	996	986	346	16
		2008	996	991	343	17

¹ from April 7, 2009² to April 7, 2009³ including long-time service compensation

5 Shares held by the Board of Directors and by the Group management

Name	Position	Year	Number of shares
Urs T. Fischer	President of the Board of Directors ¹	2009	1'000
		2008	n.a.
Hans-Ulrich Lehmann	Member of the Board of Directors	2009	100'000
		2008	100'000
Cyrill Schneuwly	Member of the Board of Directors ¹	2009	1'000
		2008	n.a.
Charles Gebhard	President of the Board of Directors ²	2009	n.a.
		2008	29'600
Ruedi Baer	Vice President of the Board of Directors ²	2009	n.a.
		2008	1'062'000
Walter Heutschi	Member of the Board of Directors ²	2009	n.a.
		2008	0
Michael R. Kloter	Member of the Board of Directors ²	2009	n.a.
		2008	26'000
Martin Lehmann	Chief Executive Officer	2009	1'062'033
		2008	1'062'033
Markus Bernhard	Chief Financial Officer	2009	18'000
		2008	18'000
Dino Di Fronzo	Sales Director	2009	0
		2008	0
Fritz Hauser	Chief Information Officer	2009	0
		2008	0
Werner Waldburger	Chief Marketing Officer	2009	0
		2008	0

¹ from April 7, 2009

² until April 7, 2009

Risk assessment

As the parent company of the mobilezone Group companies, mobilezone holding ag is deeply involved in the risk assessment process across all Group companies. The risk assessment process is integrated into the Group's annual strategy process. The aim is not to avoid all risk but rather to create options that are intended to help the Group companies to consistently take advantage of existing opportunities and to increase their business success. Risk management supports the companies in reaching their business goals by providing transparency regarding the risk situation (as a basis for strategic and operating decisions), by recognizing potential threats to the Group's net assets, financial position, and results of operations, and by taking measures to reduce risks to an acceptable level.

In connection with risk assessment process, the Board of Directors of mobilezone holding ag is kept informed about any observed risks and opportunities.

Proposal by the Board of Directors

Appropriation of available earnings	2009	2008
Balance brought forward	47'104'571	43'398'780
Net profit	27'652'018	19'088'179
Available earnings at the disposal of the Annual General Meeting	74'756'589	62'486'959

The proposal of the Board of Directors of mobilezone holding ag to the Annual General Meeting to be held on April 9, 2010, is to dispose of the available earnings as follows:

Payment of a dividend of CHF 0.55 (previous year: CHF 0.33) per bearer share entitled to dividends	19'675'148	11'805'089
Payment of an anniversary dividend of CHF 0.10	0	3'577'300
To be carried forward	55'081'441	47'104'571
Total	74'756'589	62'486'959

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of mobilezone holding ag shown on page 64 to 70, which comprise the balance sheet, income statement and notes for the year ended December 31, 2009.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2009 comply with Swiss law and the company's articles of incorporation.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Over-sight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Michael Bugs
Licensed audit expert
(Auditor in charge)

Stefanie Walter
Licensed audit expert

Zurich, March 8, 2010

Advanced Audio Distribution Profile A2DP

Bluetooth 2.1+EDR

Bluetooth 2.1+EDR

Bluetooth 2.1+EDR

Bluetooth 2.1+EDR



Innovation as the diving force. Manufacturers continually come up with new technical features such as multimedia applications and higher capacities. In addition, the network operators' creative fee schedules provide new attractive offers at every turn. But where is real progress? Who will indeed benefit from what new development? mobilezone is always up-to-date and provides access to all innovations. In the shops, customers receive all relevant information regarding the new products and fee schedules. This transparency helps customers save money. Because not every innovation in the telecommunications industry meets a personal need.

Shops

AARAU Bahnhofstrasse 11 **AIGLE** MMM Chablais Centre, Chemin sous le Grand Pré 4 **ALTDORF** Lehnplatz 20 **ARBON** Zentrum Novaseta, St. Gallerstrasse 17 **BADEN** Badstrasse 7 **BALERNA** Centro Breggia, Via S. Gottardo 56a **BASEL** RailCity Basel, Güterstrasse 115 | Clara-Huus Center, Webergasse 34 | Gerbergasse 70 | St. Jakob Park, St. Jakob-Strasse 397 | Freie-Strasse 20 | Steinenvorstadt 2 | EKZ Stüchi, Hochbergerstrasse 70, Mailing address: Badenstrasse 5 **BELLINZONA** Viale Stazione **BERN** Waaghaus-Passage 8 | Von Werdt-Passage 3 | c/o Loeb Warenhaus, Spitalgasse 47–51 | EKZ Westside, Gilberte-de-Courgenay-Platz 4 | EKZ Wankdorf, Papiermühlestrasse 85 **BIASCA** Via Lucomagno 17 **BIEL** Centre Boujean, Zürichstrasse 24 | Unionsgasse 20, Nidaugasse 18 | Bahnhofstrasse 6 **BREMgarten** EKZ Sunne-Märt, Sonnengutstr. 2 **BRIG** Bahnhofstrasse 4 **BRUGG** Neumarktplatz 5 **BUCHS AG** EKZ Wynecenter, Bresteneggstrasse 9B **BUCHS SG** Bahnhofstrasse 28 **BÜLACH-SÜD** EKZ «Migros Center Bülach-Süd», Feldstrasse 85 **BULLE** Grand Rue 30 **BURGDORF** EKZ Neumarkt 2nd floor, Lyssachstrasse 27 **CHUR** Quaderstrasse 8, EKZ «City Shop Chur» **COLLOMBEY** CC «Parc du Rhône», rte du Montagnier **CRISSIER** MMM Centre Crissier, Ch. de Closalet 7 **DELEMONT** Avenue de la Gare 42 **DIETLIKON** Coop Megastore, Industriestrasse 28 **ECUBLENS** Centre commercial du Croset 1 **EGGERKINGEN** Gäupark, Hausimollstrasse 1, Pavillon **EMMENBRÜCKE** Emmen-Center **FRAUENFELD** Passage, Bahnhofstrasse 70 **FRIBOURG** Rue du Romont 12 | EKZ Fribourg-Centre, Av. de la Gare 10 **GENEVA** Rue de Jargonant 3 | CC Eau-Vives 2000 | CC «Planète Charmilles» 11, Promenade de l'Europe | CC Les Cygnes, Rue des alpes 22 | Rue de Carouge 18 | Rue du Mont-Blanc 17 | La Praille mall, Route des Jeunes 10 | CC Balaxert, Avenue Louis-Casali 27 | Geneva «Bel-Air», Rue de la Confédération 3, Bel-Air | Geneva CRM, Rue de Lausanne 45a–47a **GENEVA-THÔNEX** Thônex Centre Commercial, Rue de Genève 106 **GLARUS** Schweizerhofstrasse 7 **GLATTZENTRUM** Einkaufszentrum «Mittlere Verkaufsebene» **GOSSAU** St. Gallerstrasse 17 **GRANCIA** Parco Commerciale Grancia **HEIMBERG** EKZ Coop Megastore, Blümlisalpstr. 61 **HINWIL** EKZ Coop Megastore, Wässerstrasse 38 **IBACH** EKZ Mythen-Center, Mythencenterstrasse 18 **INTERLAKEN** Rugenpark, Rugenparkstrasse 1 **KÖNIZ** EKZ Bläuacker, Bläuacker 10 **KREUZLINGEN** Hauptstrasse 49a **KRIENS** EKZ Pilatus-Markt, Ringstrasse 19 **LA CHAUX-DE-FONDS** Avenue Léopold-Robert 33 | CC des Eplatures; Bd. des Eplatures 20 | Les Entilles mall, Av. Léopold-Robert 151 **LANGENDORF** (opening: Feb. 25, 2010) Ladendorf Langendorf, Fabrikstrasse 6 **LANGENTHAL** Bärenplatz, Marktgasse 12–14 **LAUSANNE** CC Métropole 2000, Rue de Terreaux 23 | Rue Haldimand 5 | Rue Mauborget 12 **LENZBURG-STAUFE** EKZ Lenzopark, Aaraustrasse 21 **LOCARNO** Largo Zorzi 8 **LUGANO** Palazzo Ransila, Via Pretorio 9, Corso Pestalozzi 3 **LUCERNE** Kapellgasse 7 | Kramgasse 5 | Pilatusstrasse 7 | (opening: Feb. 24, 2010) Shoppingcenter Schönbühl, Langensandstrasse 23 **LYSS** Hirschenplatz 1A **MANNNO** Via Cantonale 43 **MARIN** Av. Champs-Montants, CC Manor **MARTIGNY** Manoir mall Mels Pizol Center, Grossfeldstrasse 63 **MEYRIN** CC Meyrin, Avenue de Feuillasse 24 **MONTREUX** Centre Forum, Place du Marché 6 **MORGES** Grand Rue 10 **NEUCHÂTEL** Rue de Seyon 6 | CC La Maladière, Rue Pierre-à-Mazel 10 **NYON** CC La Combe, Rue de la Morâche 6 **OFTRINGEN** Perry-Center, Bernerstrasse **OFTRINGEN A1** EKZ A1, Spitalweid 2 **OLTEN** Baslerstrasse 60 **PFÄFFIKON** EKZ Seedamm-Center Passage **RAPPERSWIL** Obere Bahnhofstrasse 44 **REGENSDORF** Einkaufszentrum Regensdorf | Riedthofstrasse 124 **RORSCHACH** Hauptstrasse 67 **SARNEN** EKZ-MM Sarnen-Center, Nelkenstrasse 5 **SCHAFFHAUSEN** EKZ Herblinger-Markt, Stüdlackerstrasse 10 | Vordergasse 41 **SCHÖNBÜHL** EKZ Coop, Sandstrasse 8 | Shoppyland, Industriestrasse 20 **SIERRE** Noës Centre Commercial **SIGNY-CENTRE** Rue de Fléchères **SION** (closing date unknown) Rue de la Porte-Neuve 21 | (opening: March 2, 2010) Rue de la Porte-Neuve 26 **SOLOTHURN** Marktplatz 45 **SPREITENBACH** EKZ Shoppi-Tivoli, Center Mall, Laden 18 **ST. GALLEN** EKZ Shopping Arena, Zürcherstrasse 462 | EKZ Neumarkt 1, St.-Leonhardstr. 35 | Multergasse 31 **ST. MARGRETHEN** EKZ Rheinpark **STANS** EKZ Länderpark, Bitzstrasse 2 **STEINHAUSEN** Einkaufszentrum Zugerland **SURSEE** EKZ Surseepark, Bahnhofstrasse 28 **THALWIL** Gotthardstrasse 44 **THUN** Bälliz 62 **USTER** EKZ Illuster, Zürichstrasse 14 **VERNIER** CC Coop Blandonnet, Route de Meyrin 171 **VEVEY** CC St. Antoine, Avenue du Général-Guisan 15 **VILLARS-SUR-GLÂNE** CC Moncor, Route de Moncor 1 **VISP** Bahnhofstrasse 2 **VOLKETSCHWIL** Volkiland, Industriestrasse 1 **WEINFELDEN** Zentrum-Passage **WETTINGEN** Zentrumsplatz, Landstrasse 87 **WIL** ob. Bahnhofstr. 21 **WINTERTHUR** Untertor 13 **WOHLEN** Bahnhofstrasse 5 **YVERDON** Rue du Lac 24 **ZUG** Baarerstr. 16, EKZ Metalli **ZÜRICH** Einkaufszentrum Neumarkt, Hofwiesenstrasse 350 | MMM Altstetten, Altstetterstrasse 145 | Stauffacherstrasse 35 | EKZ Letzipark, Baslerstrasse 50 | Bahnhofstrasse 87 | Sihlcity, Kalandplatz 1 | City Shopping, Löwenstrasse 35 | Bellevue, Theaterstrasse 12 | Löwenstrasse 56

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