

2007

June 30

Half-year report

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Dear Shareholders, Ladies and Gentlemen:

During the first half of the year the mobilezone group once again managed to increase its sales by 19.9%. The gross sales revenue amounted to CHF 160.1 million compared to CHF 133.5 million in the previous year. The EBITDA was increased by 10.9% to CHF 11.8 million (previous year: CHF 10.7 million). The consolidated profit for the first half of the year was adversely affected by acquisitions and the setting up of new operating areas and is therefore CHF 6.3 million lower than in the previous year. Again, slight increases in market shares were achieved. For the three network operators, the number of signed agreements increased by 9.1% and the number of mobile phones sold by 10%. During the first half of the year, mobilezone managed to increase its number of retail outlets to 124 locations, 9 more outlets than at the start of 2007. The acquired locations in Ticino (AMEL CCD SA) and in Lucerne (Telepoint AG) were integrated into mobilezone and converted accordingly. The integration of the acquired outlets and the opening of new locations led to an increase in total investment of CHF 6.6 million compared to the first half of 2006. The expansion resulted in higher personnel and rental costs and also a respectively higher depreciation.

The landline sector showed the expected decrease in sales, partly influenced by lower prices. The group did, however, manage to improve the margin compared to the previous year. After acquiring a Call Center in Geneva, mobilezone commenced telemarketing in July and will increase the number of landline customers. Apart from sales activities for the landline sector, the Call Center will also be used for measures enhancing customer loyalty, contract extensions, etc. This year will also see the opening of a branch in Biel, creating some 20 new workplaces. In the Service Providing mobile sector, the number of customers increased as expected. An attractive pre-paid plan was launched in January 2007. CHF 2.7 million were invested during the first half of the year in setting up mobilezone's own customer base. The expected break even point for this new activity will be reached by the end of 2007 after six months of further development.

With the acquisition of Telepoint AG and the formation of mobilezone business ag on 1 April 2007, mobilezone also entered the SME sector. The first months were marked by the recruitment and training of new sales staff and negotiations with network operators, as in this sector, too, mobilezone acts as a neutral consultant.

Outlook

The consolidated result for the first half of the year was influenced by expansion and setup costs. mobilezone is optimistic for the financial year 2007. The many new products provided by manufacturers, the rising demand for mobile phones with GPS function, better digital cameras and the repositioning of Sunrise will maintain a healthy demand.

Regensdorf, 21. August 2007

mobilezone holding ltd.

Key data Group

(in CHF millions or as noted respectively)

		01-06/2007	01-06/2006
Profit and Loss Account			
Gross sales revenues		160,1	133,5
Net sales		147,7	124,0
EBITDA		11,8	10,7
EBIT		7,9	8,7
Net profit		6,3	7,0
Balance sheet			
Total assets		83,3	87,4
Net cash		14,5	16,4
Shareholders' equity		48,5	53,0
<i>as a percentage of total assets</i>	<i>%</i>	<i>58,3</i>	<i>60,6</i>
Share statistics			
Number of shares issued as of June 30	Pcs.	35 772 996	35 772 996
Earnings per share	CHF	0.18	0.20
Share price on June 30	CHF	7.75	6.80
Other key data			
Number of employees (FTE's) as of June 30		391	336
Number of shops as of June 30		124	112

January 1 to June 30	2007	2006
(in CHF 000)		
Gross sales revenues	160 113	133 514
Sales deductions including VAT	- 12 386	- 9 563
Net sales	147 727	123 951
Cost of goods and materials	- 113 968	- 94 744
Personnel costs	- 15 366	- 12 943
Other operating costs (net)	- 6 550	- 5 582
Operating profit before depreciation & amortization (EBITDA)	11 843	10 682
Depreciation of property, plant & equipment	- 1 438	- 1 118
Amortization of intangible assets	- 2 474	- 844
Operating profit before interest & tax (EBIT)	7 931	8 720
Financial income	110	360
Financial expense	- 119	- 102
Profit before income taxes	7 922	8 978
Income tax expenses	- 1 600	- 1 946
Net profit	6 322	7 032
Part Group Profit		
- of mobilezone holding Ltd. shareholders	6 254	7 032
- of minorities	68	0
Earnings per share – basic	CHF 0.18	0.20
Earnings per share – diluted	CHF 0.18	0.20

	30/06/2007	31/12/2006
(in CHF 000)		
ASSETS		
Property, plant & equipment	6 715	6 193
Intangible assets	9 729	4 829
Deferred tax assets	63	351
Securities	110	1 744
Other accounts receivable	82	73
Fixed assets	16 699	13 190
Inventories	22 012	25 095
Trade accounts receivable	22 160	28 650
Other accounts receivable	7 910	4 114
Cash and cash equivalents	14 484	16 397
Current assets	66 566	74 256
Total assets	83 265	87 446
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	358	358
Additional paid-in capital (share premium)	9 784	9 784
Retained earnings	38 186	42 808
mobilezone holding ltd. shareholder's equity	48 328	52 950
Equity minority parts	212	0
Total of equity	48 540	52 950
Deferred tax liabilities	2 231	2 197
Advances received	49	90
Long-term liabilities	2 280	2 287
Trade accounts payable	20 931	22 913
Current tax liabilities	2 444	4 300
Current provisions	56	100
Other current liabilities	9 014	4 896
Current liabilities	32 445	32 209
Total liabilities and shareholders' equity	83 265	87 446

January 1 to June 30	2007	2006
(in CHF 000)		
Net cash provided by/used in operating activities	16 274	12 241
Net investment in property, plant & equipment	- 1 960	- 1 947
Net investment in intangible assets / investments	- 7 374	- 1 758
Investment in financial assets, interest received	1 650	27
Net cash used in investing activities	- 7 684	- 3 678
Change in treasury shares, share repurchase	0	36
Dividend payment	- 10 732	- 8 943
Other financing activities	229	- 8
Net cash used in financing activities	- 10 503	- 8 915
Net decrease in cash & cash equivalents	- 1 913	- 352
Cash & cash equivalents at January 1	16 397	14 485
Cash & cash equivalents at June 30	14 484	14 133

The major part of investments in intangible assets relate to customer canvassing costs of the segment "Service Providing". A minor part consists of key accounts for new retail locations in retailing. Investments in participations include the purchase of Amel CCD SA (Centro Natel), and Telepoint AG.

Movements of shareholders' equity

(in CHF 000)	Share capital	Additional paid-in capital	Retained earnings	Total majority shareholders equity	Minority parts	Total of equity
31/12/2005	358	9 737	35 603	45 698		45 698
Net profit			7 032	7 032		7 032
Change in treasury shares		36		36		36
Dividend payment of CHF 0.25 per share			- 8 943	- 8 943		- 8 943
30/06/2006	358	9 773	33 692	43 823		43 823
31/12/2006	358	9 784	42 808	52 950		52 950
Net profit			6 254	6 254	68	6 322
Minority participations in new acquisitions/new establishments			- 144	- 144	144	
Dividend payment of CHF 0.30 per share			- 10 732	- 10 732		- 10 732
30/06/2007	358	9 784	38 186	48 328	212	48 540

January 1 to June 30

(in CHF 000)	mobilezone Group		Commerce		Service-Providing		Corporate/ Eliminations	
	2007	2006	2007	2006	2007	2006	2007	2006
Gross sales revenues	160 113	133 514	152 039	128 106	11 855	7 479	- 3 781	- 2 071
Net sales	147 727	123 951	141 293	119 135	10 215	6 887	- 3 781	- 2 071
EBITDA	11 843	10 682	8 429	9 461	3 384	1 705	30	- 484
EBIT	7 931	8 720	6 321	7 843	1 580	1 319	30	- 442

1**Accounting policies**

The unaudited condensed half-year financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting principles applied in preparing the half-year report correspond to the Company's accounting policies as set forth in the Annual Statement 2006, except for the new and amended International Financial Reporting Standards (IFRS) that became effective on January 1, 2007. The new or amended standards did not have any significant impact on mobilezone's financial reporting.

In January 2006 mobilezone began offering cell phone subscriptions with its own price plans under the company name mobilezone net ag. The accompanying costs of acquiring new customers by offering reduced prices for cell phones are capitalized and will be depreciated on a straight-line basis over the term of the subscription concerned. This activity is summarized, together with fixed net business, in the segment "Service Providing".

2**Changes in the scope of consolidation**

In the 1st six months of 2007, the activities of the companies Amel CCD SA (100%), Manno, Telepoint AG (70%), Kriens and the newly founded mobilezone business ag (70%), Regensdorf were first consolidated.

3**Seasonal fluctuations**

Due to the Christmas sales, the segment "Commerce" undergoes seasonal fluctuations. As a rule, the consolidated Group's sales and results are therefore lower in the first half of the year than in the second.

4**Contingent liabilities**

There are no significant contingent liabilities known that require disclosure.

5**Events after balance sheet date**

No events occurring after the balance sheet date that would have a significant impact on the half-year financial statements or would have to be disclosed here are known. The present report was approved by the Board of Directors on 14 August 2007.

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