

NEWS RELEASE

Regensdorf, August 24, 2018

mobilezone reports increased sales and profit in the first half of 2018

In the first half of 2018 mobilezone achieved sales of CHF 561 million and realized an operating profit of CHF 23.0 million.

- Sales increased by CHF 48 million to CHF 561 million;
- EBIT rose by 25 percent to CHF 23.0 million with an EBIT margin of 4.1 percent (2017: 3.6 percent);
- Tax expense amounted to CHF 5.3 million and grew by CHF 1.5 million compared to the previous year. The tax rate rose from 21.6 percent to 23.9 percent due to the higher profit from Germany;
- Consolidated profit grew by 23 percent to CHF 16.8 million (2017: CHF 13.7 million);
- Earnings per share grew in the first half of 2018 from CHF 0.42 to CHF 0.46. The share price on August 21, 2018, was CHF 10.42 compared to CHF 12.85 at the end of December 2017;
- The previously announced expectations for fiscal year 2018 (EBIT CHF 55 million – CHF 60 million) are confirmed;
- Starting in mid-September, after a hiatus of around two years, mobilezone will again offer the entire range of Salt products to its customers in Switzerland.

Successful integration of TPHCom

The integration and the performance of TPHCom are in line with expectations. For the fiscal year as a whole, the company expects EBIT to amount to EUR 11 million (+/- EUR 1 million).

Segment Trade increases EBIT and return on sales

The segment Trade includes activities in the company's branch network extending throughout Switzerland, in the online business, in the B2B sector as well as the activities in Germany to which the business activities of TPHCom have been added starting January 1, 2018.

Starting in mid-September, after a hiatus of about two years, mobilezone will again offer the entire range of Salt products to its customers in Switzerland. The amount this additional business will generate is difficult to estimate. The further development of the retail business in Switzerland is the company's top priority. For example, in the first half of 2018 sales of services (data transfer, setting up smartphones, and other services) in the mobilezone shops grew to CHF 1.3 million; this represents a threefold increase over the previous year's figure.

As of the end of June, mobilezone operated 123 shops in Switzerland. For the second half of 2018 a slight reduction to about 120 shops is expected.

The online business in Germany confirmed the positive results of the previous year, both in sales and operating result. In particular, more than 104,000 (2017: 100,000) mobile phone contracts were concluded online.

Sales in the segment Trade grew by 9.3 percent from CHF 469 million to CHF 513 million. The wholesale portion of this total amounts to CHF 246 million (2017: CHF 302 million). The drop in wholesale sales by CHF 56 million is balanced by TPHCom's initial sales of CHF 109 million. EBIT rose from CHF 12.4 million to CHF 17.8 million, which represents a return on sales of 3.5 percent (2017: 2.6 percent).

Segment Service Providing reports increase in sales and reduced profitability

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

Sales in the segment Service Providing grew by 11 percent from CHF 43.3 million to CHF 47.9 million. However, after having doubled in the previous year, EBIT dropped from CHF 6.2 million to CHF 4.5 million.

In the first half of 2018 the profitability of the repair and services business in Switzerland and Austria was below the record result of the previous year, but it is still regarded as positive.

As expected, TalkTalk's sales and EBIT also came in below last year's figures. In particular, mobile telephony could not fully make up for the loss of fixed-line customers. The share of mobile phone customers of TalkTalk's total sales rose to 55.0 percent (2017: 47.5 percent). In the area of postpaid SIM cards the number of customers grew in the past six months to 24,800 (12/31/17: 24,200).

Capital increase March 2018

The capital increase of 8,585,516 shares decided by the extraordinary General Meeting on March 9, 2018, was concluded at the end of March 2018. As a result, there are now 40,781,213 registered shares outstanding.

General Meeting April 2018

The General Meeting on April 5, 2018, decided to distribute a dividend in the amount of CHF 0.60 per share; the dividend was paid out on April 12, 2018.

Outlook for the second half of 2018

We are very satisfied with the course of the company's business in the first half of 2018. The previously announced EBIT goal for fiscal year 2018 in the amount of CHF 55 million - CHF 60 million is confirmed accordingly. In addition to the profitability of the trade activities in Germany, other important success factors are the further development and growing profitability of mobilezone's retail business in Switzerland.

Key figures of mobilezone Group

Million CHF	Jan. – June 2018	Jan. – June 2017
Net sales	560.6	512.6
Gross profit	75.2	65.3
as % of net sales	13.4%	12.7%
EBIT	23.0	18.4
as % of net sales	4.1%	3.6%
Consolidated profit	16.8	13.7
as % of net sales	3.0%	2.7%
Investments	3.5	4.7
	30.06.2018	30.06.2017
Shareholders' equity	11.8	-9.0
as % of total assets	3.9%	-3.6%
Number of full-time employees	922	873
Number of Shops		
Switzerland	123	127
Germany	65	56

Trade

Million CHF	Jan.– June 2018	Jan.– June 2017
Net sales	512.7	469.3
EBIT*	17.8	12.4
as % of net sales	3.5%	2.6%
Investments*	2.8	3.7

Service Providing

Million CHF	Jan.– June 2018	Jan.– June 2017
Net sales	47.9	43.3
EBIT*	4.5	6.2
as % of net sales	9.4%	14.2%
Investments*	0.6	1.0

*CHF 0.7 million of the Group's EBIT (2017: CHF -0.2 million) and CHF 0.1 million of investments (2017: CHF 0) are not allocated to any segment and remain in the holding company.

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

A telephone conference for investors and analysts will be held today at 9:15: invitation.
(<https://www.mobilezone.ch/about-us/investors/calendar>)

If you have questions or would like additional information please contact:

Markus Bernhard
Chief Executive Officer
mobilezone holding ag
mobilezoneholding@mobilezone.ch

About mobilezone

Established in 1999, mobilezone holding ag (stock ticker symbol SIX: MOZN) achieved sales of CHF 1,172 million and a consolidated profit of CHF 35.2 million in fiscal year 2017 and is the leading Swiss and German independent telecom specialist.

The mobilezone Group employs a staff of about 900 employees in its locations in Regensdorf, Unrest, Zweidlen, Zug, Vienna (Austria), Obertshausen (Germany), Berlin (Germany), and Münster (Germany). The company offers the complete product line of mobile phones as well as subscription plans of all major providers for mobile and fixed-line telephony, digital TV, and Internet. Independent consulting and services for individual and business customers and repair services as well as the company's activity in the wholesale trade and as supplier for specialist retailers round out mobilezone's range of offerings. The services and products are offered in 123 mobilezone shops in Switzerland as well as in 65 Ashop locations in Germany (Partnerships) and online via various web portals.

Agenda

03/08/2019	Publication of the 2018 annual report
03/08/2019	Analysts and media conference 2018
04/04/2019	General meeting 2019
08/23/2019	Publication of the 2019 semi-annual report