BRIGHTPOINT INC
Form 10-K
February 26, 2010

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009
1-12845
(Commission File no.)

Brightpoint, Inc.
(Exact name of registrant as specified in its charter)

Indiana	**35-1778566**
(State or other jurisdiction of Incorporation or organization)	*(I.R.S. Employer Identification No.)*

7635 INTERACTIVE WAY, SUITE 200, INDIANAPOLIS, INDIANA 46278
(Address of principal executive offices including zip code)
Registrant s telephone number, including area code: (317) 707-2355
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 Par value	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)
Preferred Share Purchase Rights	

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer þ	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ

The aggregate market value of the registrant s Common Stock held by non-affiliates as of June 30, 2009, which was the last business day of the registrant s most recently completed second fiscal quarter was $503,165,437.

The number of shares of Common Stock outstanding as of February 22, 2010: 70,161,430

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant s proxy statement in connection with its annual meeting of shareholders to be held in 2010, are incorporated by reference in Items 10, 11, 12, 13 and 14 of Part III of this Form 10-K.

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PART I

Item 1. Business.

General

Brightpoint, Inc. provides supply chain solutions to leading stakeholders in the global wireless technology industry. In 2009, we handled a total of approximately 83.5 million wireless devices. We handled approximately 64.3 million wireless devices through our logistic services business and approximately 19.2 million through our distribution business. We provide customized logistic services including procurement, inventory management, software loading, kitting and customized packaging, fulfillment, credit services and receivables management, call center and activation services, website hosting, e-fulfillment solutions, reverse logistics, transportation management and other services within the global wireless industry. Our customers include mobile network operators, mobile virtual network operators (MVNOs), resellers, retailers and wireless equipment manufacturers. We provide value-added distribution channel management and other supply chain solutions for wireless products manufactured by companies such as Apple, High Tech Computer Corp., Kyocera, LG Electronics, Motorola, Nokia, Research in Motion, Samsung and Sony Ericsson. We have operations centers and/or sales offices in various countries including Australia, Austria, Belgium, Colombia, Denmark, El Salvador, Finland, Germany, Guatemala, India, Italy, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States.

We were incorporated under the laws of the State of Indiana in August 1989 under the name Wholesale Cellular USA, Inc. and reincorporated under the laws of the State of Delaware in March 1994. In September 1995, we changed our name to Brightpoint, Inc. In June 2004, we reincorporated under the laws of the State of Indiana under the name of Brightpoint, Inc.

Our website is www.brightpoint.com. We make available, free of charge, at this website our Code of Business Conduct, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (Exchange Act), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the United States Securities and Exchange Commission (SEC). The information on the website listed above is not and should not be considered part of this annual report on Form 10-K and is not incorporated by reference in this document.

In addition, we will provide, at no cost, paper or electronic copies of our reports and other filings made with the SEC. Requests for such filings should be directed to Investor Relations, Brightpoint, Inc., 7635 Interactive Way, Suite 200, Indianapolis, Indiana 46278, telephone number: (877) 447-2355.

Unless the context otherwise requires, the terms Brightpoint, Company, we, our and us means Brightpoint, Inc. a consolidated subsidiaries.

Financial Overview and Recent Developments

Revenue and units handled. We saw a 1% increase in total wireless devices handled resulting from increased demand for prepaid and fixed fee wireless subscriptions and expanded service offerings in our Americas region as well as an increase in wireless devices sold through distribution in our EMEA region. However, revenue decreased 28% to $3.2 billion for the year ended December 31, 2009 primarily due to a decrease in both wireless devices sold through distribution because of the loss of key customers as a result of industry consolidation in North America and a decrease in average selling price for wireless devices sold due to a shift in mix to lower priced handsets sold in the Europe, Middle East and Africa (EMEA) region.

Spending and Debt Reduction Plan. In February 2009, we announced a plan to reduce forecasted spending for the year by approximately $40 to $45 million and to reduce average daily debt by approximately $100 million to $150 million. This plan was comprised of $12 to $14 million of cost avoidance and $28 to $31 million of spending reductions. The spending reduction measures included, among other things, a substantial workforce reduction goal of at least 220 positions, or approximately 7% of our workforce. The majority of the foregoing reductions in spending are reflected in our 2009 results of operations as a reduction of selling, general, and administrative expenses (SG&A). SG&A expenses were $212.7 million for the year ended December 31, 2009 which is a decrease of $41.5 million (16%) from 2008. Fluctuations in foreign currencies favorably impacted SG&A expenses for the year ended December 31, 2009 by approximately $6.5 million compared to 2008.

Workforce reduction. In 2009 we exceeded our global workforce reduction goal of 220 positions. We eliminated approximately 280 positions as part of our global workforce reduction. We incurred restructuring charges of $13.5 million for the year ended December 31, 2009 primarily related to this global workforce reduction.
Revised debt reduction. On May 7, 2009 we revised our debt reduction target to have less than $100 million of average daily debt outstanding during the fourth quarter of 2009. Because of our unanticipated share repurchase program and facility purchase discussed below, we further revised our debt reduction target for the fourth quarter of 2009 back up to approximately $150.0 million to $175.0 million of average daily debt outstanding. Average daily debt was $167.7 million for the fourth quarter of 2009, which represents a decrease of approximately $165.3 million from the fourth quarter of 2008. Interest expense was $9.2 million for the year ended December 31, 2009, which is a decrease of approximately $10.2 million from 2008. The significant reduction in interest expense was largely due to the decrease in average daily debt outstanding as well as lower overall interest rates.
European Centers of Excellence. We continue to focus on optimizing our European division operating and financial structure which will result in additional opportunities to improve our financial performance in the EMEA region. A main strategic component of this plan revolves around consolidating our current warehouse facilities and creating strategically located hubs or Centers of Excellence (supply chain delivery centers) to streamline our operations with the goal of becoming a low cost service provider of industry leading logistics services in the EMEA region. We anticipate having one or two centers established in 2010.
EMEA Shared Services Center. We have also made significant progress on our Shared Services model where we have centralized many business support (or back office) functions in EMEA the region. By the end of 2009, we had migrated certain back office functions from seven EMEA operating entities to the Shared Services Center. Most of the remaining EMEA operating entities are planned to be migrated to the Shared Services Center throughout 2010.
Share Repurchase Program. In July 2009, our Board of Directors approved the repurchase of up to $50 million of Brightpoint common stock (the Share Repurchase Program). As of December 31, 2009, we had repurchased 3.2 million shares of Brightpoint common stock for an aggregate value of approximately $16.5 million and at an average purchase price of $5.22 per share under the Share Repurchase Program. In January 2010, our Board of Directors approved the increase of our Share Repurchase Program by $30 million, allowing aggregate share repurchases of up to $80 million. On January 15, 2010 we repurchased 9.2 million shares of Brightpoint common stock from Partner Escrow Holding A/S, an affiliate of NC Telecom Holding A/S (f/k/a Dangaard Holding A/S) for $6.20 per share, for an aggregate of $57.3 million, as part of the program. After this repurchase, Partner Escrow Holding A/S does not own any Brightpoint stock. Funds for most of the above repurchases were provided by borrowings available under our Global Line of Credit. As a result of the above repurchases, we have repurchased a total of 12.4 million shares at a weighted average price of $5.95 per share under the Share Repurchase Program. This represents approximately 14% of our total shares previously outstanding. On February 22, 2010, our Board of Directors approved the increase of our Share Repurchase Program by $25 million, allowing aggregate share repurchases of up to $105 million. After this increase, there is approximately $28.9 million of availability remaining under the Share Repurchase Program, which expires on July 31, 2011.
Americas division headquarters purchase. On October 16, 2009, we entered into an agreement to purchase our Americas division headquarters located in Plainfield, Indiana for $31.0 million plus closing costs and commissions from KPJV 501 Airtech Parkway, LLC. We had been the tenant in an operating lease for the property. There were approximately ten years remaining on the initial lease term, with five year renewal option periods extending to 2044. The sum of the remaining minimum lease payments for the remaining ten years of the initial lease term was $43.1 million. The purchase was financed using availability on our Global Credit Facility, and we are not currently pursuing any other financing agreement for the property.

Global Wireless Industry

The global wireless industry s primary purpose is to provide mobile voice and data connectivity to subscribers. To enable this capability for the subscriber, the global wireless industry is generally organized as follows:

- *Mobile network operators:* build and operate wireless networks and provide voice and data access services to subscribers.

MVNOs: resell voice and data access services, or airtime, from other mobile operators and do not directly build and operate their own wireless networks.

Infrastructure designers, manufacturers, builders, and operators: companies who operate in this segment provide mobile operators with technology, equipment, and cell sites to host and operate the networks.

Component designers and manufacturers: design technology and components that are embedded within a wireless device. Components include semiconductor chip sets, displays, antennae and others.

Content providers: develop mobile content for use with wireless devices and provide consumers with content such as ring tones, messaging, music, streaming video and television, games and other applications.

Wireless device manufacturers: design, manufacture, and market wireless devices, such as cellular phones, wireless personal digital assistants, smartphones, netbooks and e-readers, which connect subscribers to a wireless network.

Supply chain management providers, retailers and resellers: supply chain management providers provide logistic and distribution services to physically move wireless devices and related products from manufacturers or mobile operators closer to, or directly into, the hands of mobile subscribers; retailers, value-added resellers and system integrators provide subscribers and potential subscribers with an access point, either physical or on-line, to purchase a subscription and/or a wireless device

Wireless voice and data services are available to consumers and businesses over regional, national and multi-national networks through mobile operators who utilize digital and analog technological standards, such as:

Generation	**Technology Standards**
1G Analog	AMPS
2G Digital	TDMA, CDMA, GSM, iDEN
2.5G Digital	GPRS, EDGE, CDMA 1xRTT
3G Digital	W-CDMA/UMTS, CDMA 1xEV-DO, HSDPA
3.5 G Digital	HC-SDMA, E-UTRA, WiMAX
4 G	LTE Advanced

Developments within the global wireless industry have allowed wireless subscribers to talk, send text messages, send and receive email, capture and transmit digital images and video recordings (multimedia messages), play games, download applications, browse the Internet, read books and watch television using their wireless devices. Wireless devices and services are also being used for monitoring services, point-of-sale transaction processing, machine-to-machine communications, local area networks, location monitoring, sales force automation and customer relationship management.

From 2008 to 2009, the estimated number of worldwide wireless subscribers increased from approximately 4.0 billion to approximately 4.5 billion. At the end of 2009, wireless penetration was estimated to be approximately 65% of the world s population. During 2009, shipments of wireless devices in the global wireless industry decreased by approximately 7% to an estimated 1.1 billion wireless devices. The replacement cycle remains the single biggest factor driving global wireless device sell-in demand. Compelling data centric services over fast networks should continue to fuel the future global demand for wireless devices. Ease of use and increased functionality of devices will continue to drive consumer demand for wireless devices and hence the replacement cycle. The convergence of telecommunications, computing and media is further accelerating the replacement cycle and driving demand. The industry data contained in this paragraph and elsewhere in this subsection is based on Company and industry analyst estimates.

We believe the following major trends are taking place within the global wireless industry, although there are no assurances that we will benefit from these trends (refer to Item 1A, Risk Factors):

Smartphones. We believe that some of the key drivers for the growth in volume of replacement devices shipped will be the migration to next generation systems and devices (3G, 3.5G and 4G) with streaming video and television, and increasing penetration of smartphones. Mobile data (mobile music, mobile TV, mobile banking, mobile advertising, and mobile social networking) and the availability of compelling content and enhanced device capabilities will continue to drive the replacement cycle. We expect smartphones to be 20%-25% of the total wireless devices shipped in 2010. While the new features, enhanced functionalities, smartphone penetration and migration to next generation systems are anticipated to increase both replacement device shipments and total wireless device shipments, general economic conditions, consumer acceptance, component shortages, manufacturing difficulties, supply constraints, network capacity and other factors could negatively impact anticipated wireless device shipments.

Increasing Subscribers. We expect the number of subscribers worldwide to continue to increase. Increased wireless service availability or lower cost of wireless service compared to conventional fixed line systems and reductions in the cost of wireless devices may result in an increase in subscribers. In particular, markets or regions such as Africa, India, China and Eastern Europe are expected to increase their number of subscribers significantly. The emergence of new wireless technologies and related applications may further increase the number of subscribers in markets that have historically had high penetration rates. More mobile operators may offer services including seamless roaming, increased coverage, improved signal quality and greater and faster data handling capabilities through increased bandwidth, thereby attracting more subscribers to mobile operators which offer such services.

Next Generation Systems. In order to provide a compelling service offering for their current and prospective subscribers, mobile operators continue to expand and enhance their systems by migrating to next generation systems such as 3G, 3.5G and 4G. These systems allow subscribers to send and receive email, capture and transmit digital images and video recordings (multimedia messages), play games, browse the Internet, watch television and take advantage of services such as monitoring services, point-of-sale transaction processing, machine-to-machine communications, location monitoring, sales force automation and customer relationship management. In order to realize the full advantage of these services and capabilities, many current subscribers will need to replace their wireless devices. As a result, the continued rollout of next generation systems is expected to be a key driver for replacement sales of wireless devices. However, the ability and timing of mobile operators to rollout these new services and manufacturers to provide devices which utilize these technologies may have a significant impact on consumer adoption and the rate of sale of replacement devices.

New or Expanding Industry Participants. With the opportunities presented by enhanced voice and data capabilities and an expanding market for wireless devices, many companies are entering or expanding their presence in the global wireless industry. In addition, companies such as Google and Microsoft (wireless device operating systems providers) and High Tech Computer Corp. and Apple (wireless device manufacturers) are bringing feature-rich operating systems or wireless devices to market in order to provide subscribers with capabilities that emulate their desktop computer. Nokia, High Tech Computer Corp., Google, Microsoft, and Apple and their products may heighten competition with other existing manufacturers and provide consumers with more feature-rich products, broader selection and new market channels, which may result in increased wireless device shipments.

Pricing Factors and Average Selling Prices. Industry estimates are that in 2009 the global wireless industry s average selling price for wireless devices declined from 2008. A number of factors impacted the actual average selling prices including, but not limited to, consumer discretionary spending, geographic mix, changes in the product life cycle, decreasing manufacturing costs due to higher volumes, manufacturing efficiencies, reductions in material costs, consumer demand, manufacturers promotional activities, operators promotional activity and trends in pricing for service plans, product availability, fluctuations in currency exchange rates, product mix and device functionality. We anticipate that the global wireless industry s average selling prices for wireless devices may continue to decline despite the fact that manufacturers have been adding enhanced features; however, we are unable to estimate the rate of such decline. The decline in average selling prices could offset any growth in revenue from overall growth in wireless device shipments and have an adverse impact on both the industry s and our distribution revenues. However, changes in average selling prices of wireless devices have little to no impact on our revenue from logistic services, which are typically fee-based services.

Our Business

Brightpoint, Inc. provides supply chain solutions to leading stakeholders in the global wireless technology industry. Our primary business is moving wireless devices closer to, or directly into, the hands of mobile subscribers. With approximately 83.5 million wireless devices handled in 2009, we believe we are the largest dedicated provider of customized supply chain solutions to mobile operators, MVNOs, resellers, retailers and wireless equipment manufacturers. Our business includes distribution channel management, logistic services, activation services and the sale of prepaid airtime. The majority of our business is conducted through product distribution and logistic services. While our activation services and prepaid airtime businesses are important to us, they are less significant than our other businesses in terms of revenue and units handled.

Logistic Services. Our logistic services include procurement, inventory management, software loading, kitting and customized packaging, fulfillment, credit services and receivables management, call center and activation services, website hosting, e-fulfillment solutions, reverse logistics, transportation management and other services. Generally, logistic services are fee-based services. In many of our markets, we have contracts with mobile operators and wireless equipment manufacturers to which we provide our logistic services. These customers include, but are not limited to, operating companies or subsidiaries of Debitel (Denmark and Germany), Euroset (Finland), Kyocera (United States), MetroPCS (United States), Research in Motion (United States), Sprint (United States), T-Mobile (United States), T-Mobile Slovensko (Slovakia), TracFone (United States), and Vodafone (Australia, New Zealand and Germany).

During 2009, 2008 and 2007 logistic services accounted for approximately 11%, 10% and 9% of our total revenue and accounted for approximately 77%, 71% and 69% of the total wireless devices we handled. In 2009, 2008 and 2007 our logistic services gross margin was 44.1%, 37.3% and 28.4% and accounted for approximately 57%, 48%, and 38% of total gross profit. Cost of revenue for logistic services is primarily composed of costs such as freight, labor and rent expense. Since we generally do not take ownership of the inventory in our logistic services arrangements and the accounts receivable are lower due to the fee-based nature of these services, the invested capital requirements and the risks assumed in providing logistic services generally are significantly lower than our distribution business.

Product Distribution. In our product distribution activities, we provide distribution channel management services to leading wireless devices manufacturers through the purchase of a wide variety of wireless voice and data products for delivery to our customers. Distribution channel management is similar to our logistic services, however it requires an investment of working capital due to the fact that in these arrangements we take ownership of the products and receive them in our facilities or have them drop-shipped directly to our customers. We actively market and sell these products to our worldwide customer base of approximately 25,000 customers. Product distribution revenue includes the value of the product sold and generates higher revenue per unit, as compared to our logistic services revenue, which does not include the value of the product. We frequently review and evaluate wireless voice and data products in determining the mix of products purchased for distribution and attempt to acquire distribution rights for those products that we believe have the potential for enhanced financial return and significant market penetration. In 2009, 2008 and 2007 approximately 89%, 90%, and 91% of our total revenue was derived from product distribution. In 2009, 2008 and 2007 approximately 23%, 29% and 31%, of our total wireless devices handled were sold through product distribution. In 2009, 2008 and 2007 our gross margin on product distribution revenue was 4.2%, 4.4% and 4.3% and was approximately 43%, 52% and 62% of total gross profit. Cost of revenue for product distribution includes the costs of the products sold and other direct costs such as freight, labor and rent expense.

The wireless devices we distribute include a variety of devices designed to work on various operating platforms and feature brand names such as Apple, High Tech Computer Corp., Kyocera, LG Electronics, Motorola, Nokia, Research In Motion, Samsung, and Sony Ericsson. In 2009, 2008 and 2007 our sales of wireless devices through product distribution totaled 19.2 million, 24.2 million and 25.3 million devices. As the industry s average selling prices have continued to fluctuate, our average selling prices have also fluctuated due to the mix of wireless devices we sell and the markets in which we operate. In 2009, 2008 and 2007 our average selling price for wireless devices was approximately $135, $149, and $141 per unit.

We also distribute accessories used in connection with wireless devices, such as batteries, chargers, memory cards, car-kits, cases and hands-free products. We purchase and resell original equipment manufacturer (OEM) and aftermarket accessories, either prepackaged or in bulk. Our accessory packaging services provide mobile operators and retail chains with custom packaged and/or branded accessories based on the specific requirements of those customers.

Activation Services. In our activation services business, we provide wireless activation solutions for our clients through retail, enterprise and online channels. We market these services under the Actify brand name in the United States and have activation agreements with AT&T, Sprint, T Mobile, Boost, and Verizon Wireless. We currently have agreements with the key Tier 1 U.S. operators to support the activation of wireless converged, embedded and mobile broadband devices. We establish and manage a network of authorized channel partners that include brick and mortar retailers, online retailers, corporate enterprise, value added resellers and OEMs. We provide our channel partners with access to authorized products and support them through commissions management, e-commerce procurement solutions, sales and marketing programs, merchandising programs, training programs, incentive programs and cooperative advertising. As our channel partners activate or upgrade subscribers through our agency agreements, they earn commissions. Through these agreements, we manage commissions from the mobile operators and pay the channel partners their pro-rata portion of the commissions after deducting our fees. For the mobile operators, we provide them with incremental points of sale and alternative distribution under a variable-cost model subscribers acquisition and retention. We provide additional managed services to serve corporate enterprise and OEM consumer and business channels, specializing in wireless procurement, ecommerce activations and account management services. Sales of wireless devices and related accessories to our network of channel partners are included in product distribution revenues and fees earned from commissions management services are included in logistic services revenues.

Prepaid Airtime. Through our prepaid airtime business model, we participate in the ongoing revenue stream generated by prepaid subscribers. We earn a fee from purchasing electronic activation codes from mobile operators and MVNOs and distributing them to retail channels. Much of our activity in the prepaid airtime business model is in our Europe and Americas Divisions. Sales of electronic activation codes to retail customers are included in logistic services revenues. In the fourth quarter of 2009 we began reporting the revenue associated with these agreements on a net basis as defined by Accounting Standards Codification (ASC) Section 605-45 (formerly Emerging Issues Task Force Issue No. 99-19) based on a change in the prepaid airtime business model. The revenue under these agreements was previously reported on a gross basis within logistic services revenue. We distribute prepaid airtime in many of our operations on behalf of mobile operators and MVNOs such as: Virgin Mobile (United States), Sonofon (Denmark), Tele2 (Sweden) and TeliaSonera (Sweden).

Our Strategy

Our strategy is to continue to grow as a leader in providing supply chain solutions to the global wireless industry. Our objectives are to increase our earnings and market share, improve our return on invested capital within certain debt-to-total-capital parameters and to enhance customer satisfaction by increasing the value we offer relative to other service alternatives and service offerings by our competitors.

Our strategy incorporates industry trends such as increasing sales of replacement devices, increasing subscribers, the migration to next generation systems and new or expanding industry participants as described in detail in the section entitled Global Wireless Industry. We will endeavor to grow our business through organic growth opportunities, new product and service offerings, start-up operations and joint ventures or acquisitions. In evaluating opportunities for growth, key components of our decision making process include anticipated long-term rates of return, short-term returns on invested capital and risk profiles as compared to the potential returns. No assurances can be given on the success of our strategy, and we reference Item 1A, Risk Factors .

Key elements of our strategy include:

Expand Existing Product and Service Offerings in Current Markets. Our plan includes the transfer of our industry know-how, relationships, and capabilities from one market to another in an effort to expand our product and service offerings within our current markets. This is intended to enhance the service offerings and product lines of some of our operations, which have relatively limited product lines and service offerings as compared to the collective product and service offerings of the entire Company. Opportunities in expanding our product lines include wireless handsets, data devices, memory cards, SIM-cards and accessories. Opportunities in expanding our service offerings include product fulfillment, electronic prepaid recharge services, reverse logistics management, repair services, and online activation services. Adding new products and services to our portfolio as one of our key strategic initiatives ensures our focus on diversifying our vendor and customer base on a global basis. With our business focused on the wireless industry, we strive to be the most valuable partner to our vendors and customers by offering them a comprehensive menu of wireless supply chain services at the most competitive prices.

Optimize Existing Global Business Model and Utilize Scale to Gain Efficiencies. We believe we have opportunity to significantly increase the value of our company by optimizing and leveraging our existing operations. We are committed to focusing on leveraging our infrastructure, market share, and cost structure to increase the value we offer relative to other service alternatives and service offerings by our competitors. Our global platform and services allow us to be a low cost service provider to the global wireless industry.

A main strategic component of this plan will revolve around consolidating our current warehouse facilities and creating strategically located hubs or Centers of Excellence (supply chain delivery centers) to streamline our operations with the goal of becoming a low cost service provider of industry leading supply chain solutions in the European region. By the fourth quarter of 2009 we had made progress on establishing our first Center Of Excellence in the Nordic region. We have requested proposals from potential service providers and anticipate having one or two Tier 1 centers established in 2010. No assurances can be given on the success of the implementation of our Centers of Excellence. See Item 1A, Risk Factors OUR IMPLEMENTATION OF EUROPEAN CENTERS OF EXCELLENCE MAY NOT BE SUCCESSFUL.

Expand into New Geographic Markets. We estimate that the global wireless industry shipped approximately 1.1 billion wireless devices in 2009. We believe that the wireless devices shipped in the geographic markets where we currently operate (our addressable market) were less than one-third of the global industry shipments of devices in 2009. We believe we are in a position to enter into new markets, thereby expanding our addressable market. In 2010, we believe that there may be additional expansion opportunities primarily in Africa and Asia.

Customers

We provide our products and services to a customer base of approximately 25,000 consisting of mobile operators, MVNOs, manufacturers, independent agents and dealers, retailers, and other distributors. During 2009, customers in each of our primary sales channels included the following:

Mobile Operators and MVNOs: Cellular South (United States), MetroPCS (United States), Sprint (United States), T-Mobile (United States), TracFone (United States), Verizon Wireless (United States), America Movil (Guatemala and El Salvador), SingTel (Australia), Vodafone (Australia, New Zealand and Germany), Reliance Infocomm (India), Tata TeleServices (India), Debitel AG (Europe), Netcom (Norway), Tele2 (Sweden), Telefonica (Spain) and T-Mobile Slovensko (Slovakia)

Dealers and Agents: Cellular Sales (United States), Russell Cellular (United States), Pro Cellular (United States), Telechoice (Australia), First Mobile Group (Australia and New Zealand), Dialect (Sweden) and Klartsvar (Sweden)

Mass Retailers: Best Buy (United States), Office Depot (United States) Radio Shack (United States), Harvey Norman (Australia), Coles Group (Australia), Woolworth s Group (Australia), Metro Group (Europe) and Pressbyran (Sweden)

Other Distributors: Wireless Channels (United States), Generation Next Group (formerly Computech) (Hong Kong and Singapore), Raduga Pte. Ltd (Singapore) and Excel International Limited (Hong Kong)

For 2009, 2008 and 2007 aggregate revenues generated from our five largest customers accounted for approximately 22%, 19% and 23% of our total revenue. No customer accounted for 10% or more of our revenue in 2009 or 2008. In 2009, 2008 and 2007, Generation Next Group, a customer of our Singapore operations accounted for approximately 9%, 7% and 10% of our total revenue and 31%, 29% and 29% of the Asia-Pacific division s revenue. See Item 1A, Risk Factors THE LOSS OR REDUCTION IN ORDERS FROM PRINCIPAL CUSTOMERS OR A REDUCTION IN PRICES WE ARE ABLE TO CHARGE THESE CUSTOMERS COULD MATERIALLY ADVERSELY AFFECT OUR BUSINESS.

We generally sell our products pursuant to customer purchase orders and subject to our terms and conditions. We generally ship products on the same day orders are received from the customer. Unless otherwise requested, substantially all of our products are delivered by common freight carriers. Because orders are filled shortly after receipt, backlog is generally not material to our business. Our logistic services are typically provided pursuant to agreements with terms between one and three years which generally may be terminated by either party subject to a short notice period.

Purchasing and Suppliers

We have established key relationships with leading manufacturers of wireless voice and data equipment such as Apple, High Tech Computer Corp., Kyocera, LG Electronics, Motorola, Nokia, Research In Motion, Samsung and Sony Ericsson. We generally negotiate directly with manufacturers and suppliers in order to obtain inventories of brand name products. Inventory purchases are based on customer demand, product availability, brand name recognition, price, service, and quality. Certain of our suppliers may provide favorable purchasing terms to us, including credit, price protection, cooperative advertising, volume incentive rebates, stock balancing and marketing allowances. Product manufacturers typically provide limited warranties directly to the end consumer or to us, which we generally pass through to our customers.

Nokia products (our largest supplier of wireless devices and accessories) represented approximately 20%, 26% and 30% of total units handled in 2009, 2008 and 2007. Motorola products represented 19%, 21%, 29% of total units handled in 2009, 2008 and 2007. Samsung products represented approximately 16% and 15% of total units handled in 2009 and 2008 and less than 10% in 2007. Kyocera products represented approximately 11% of total units handled in 2009. None of the products we sold from our other suppliers accounted for 10% or more of our total units handled in 2009, 2008 and 2007. Loss of the applicable contracts with Nokia, Motorola, Samsung, Kyocera or other suppliers, or failure by Nokia, Motorola, Samsung, Kyocera or other suppliers to supply competitive products on a timely basis, at competitive prices and on favorable terms, or at all, may have a material adverse effect on our revenue and operating margins and our ability to obtain and deliver products on a timely and competitive basis. See Competition.

We maintain agreements with certain of our significant suppliers, all of which relate to specific geographic areas. Our agreements may be subject to certain conditions and exceptions including the retention by manufacturers of certain direct accounts and restrictions regarding our sale of products supplied by certain other competing manufacturers and to certain mobile operators. Typically our agreements with suppliers are non-exclusive. Our supply agreements may require us to

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satisfy purchase requirements based upon forecasts provided by us, in which a portion of these forecasts may be binding. Our supply agreements generally can be terminated on short notice by either party. We purchase products from manufacturers pursuant to purchase orders placed from time to time in the ordinary course of business. Purchase orders are typically filled, subject to product availability, and shipped to our designated warehouses by common freight carriers. We believe that our relationships with our suppliers are generally good. Any failure or delay by our suppliers in supplying us with products on favorable terms and at competitive prices may severely diminish our ability to obtain and deliver products to our customers on a timely and competitive basis. If we lose any of our significant suppliers, or if any supplier imposes substantial price increases or eliminates favorable terms provided to us and alternative sources of supply are not readily available, it may have a material adverse effect on our results of operations.

Sales and Marketing

We promote our product lines, our capabilities and the benefits of certain of our business models through advertising in trade publications and attending various international, national and regional trade shows, as well as through direct mail solicitation, media advertising and telemarketing activities. Our suppliers and customers use a variety of methods to promote their products and services directly to consumers, including Internet, print and media advertising.

Our sales and marketing efforts are coordinated in each of our three regional divisions by key personnel responsible for that particular division. Divisional management devotes a substantial amount of their time to developing and maintaining relationships with our customers and suppliers. In addition to managing the overall operations of the divisions, each division s sales and operations centers are managed by either general or country managers who report to the appropriate member of divisional management and are responsible for the daily sales and operations of their particular location. Each country has sales associates who specialize in or focus on sales of our products and services to a specific customer or customer category (e.g., mobile operator, MVNOs, dealers and agents, reseller, retailer, subscriber, etc.). In addition, in many markets we have dedicated a sales force to manage most of our mobile operator relationships and to promote our logistic services including our activation services and prepaid airtime business models. Including support and retail outlet personnel, we had 493 employees involved in sales and marketing at December 31, 2009, of which 146 are in our Americas division, 209 in our EMEA division, and 138 in our Asia-Pacific division.

Seasonality

The operating results of each of our three divisions may be influenced by a number of seasonal factors in the different countries and markets in which we operate. These factors may cause our revenue and operating results to fluctuate on a quarterly basis. These fluctuations are a result of several factors, including, but not limited to:

- promotions and subsidies by mobile operators;
- the timing of local holidays and other events affecting consumer demand;
- the timing of the introduction of new products by our suppliers and competitors;
- purchasing patterns of customers in different markets;
- general economic conditions; and
- product availability and pricing.

Consumer electronics and retail sales in many geographic markets tend to experience increased volumes of sales at the end of the calendar year, largely because of gift-giving holidays. This and other seasonal factors have contributed to increases in our revenue during the fourth quarter in certain markets. Conversely, we have experienced decreases in demand in the first quarter subsequent to the higher level of activity in the preceding fourth quarter. Our operating results may continue to fluctuate significantly in the future. If unanticipated events occur, including delays in securing adequate inventories of competitive products at times of peak sales or significant decreases in sales during these periods, it could have a material adverse effect on our operating results. In addition, as a result of seasonal factors, interim results may not be indicative of annual results.

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Competition

We operate in a highly competitive industry and in highly competitive markets and believe that such competition may intensify in the future. The markets for wireless voice and data products are characterized by intense price competition and significant price erosion over the lives of products. We compete principally on the basis of value in terms of price, capability, time, product knowledge, reliability, customer service and product availability. Our competitors may possess substantially greater financial, marketing, personnel and other resources than we do, which may enable them to withstand substantial price competition, launch new products and implement extensive advertising and promotional campaigns.

The distribution of wireless devices and the provision of logistic services within the global wireless industry have, in the past, been characterized by relatively low barriers to entry. Our ability to continue to compete successfully will be largely dependent on our ability to anticipate and respond to various competitive and other factors effecting the industry, including new or changing outsourcing requirements; new information technology requirements; new product introductions; inconsistent or inadequate supply of product; changes in consumer preferences; demographic trends; international, national, regional and local economic conditions; and discount pricing strategies and promotional activities by competitors.

The markets for wireless communications products and integrated services are characterized by rapidly changing technology and evolving industry standards, often resulting in product obsolescence, short product life cycles and changing competition. Accordingly, our success is dependent upon our ability to anticipate and identify technological changes in the industry and successfully adapt our offering of products and services, to satisfy evolving industry and customer requirements. The wireless device industry is increasingly segmenting its product offering and introducing products with enhanced functionality that competes with other consumer electronic products. Examples include wireless devices with embedded mega-pixel cameras, which now compete to a certain extent with single function digital cameras, wireless devices with MP3 capabilities that compete with single function handheld audio players, and wireless devices with embedded navigation capabilities that compete with single function handheld navigation devices. These single function consumer electronic products are distributed through other distributors who may become our competitors as the wireless industry continues to introduce wireless devices with enhanced functionality. In addition, products that reach the market outside of normal distribution channels, such as gray market resellers, may also have an adverse impact on our operations.

Our current competition and specific competitors varies by service line and division as follows:

Product Distribution. Our product distribution business competes with broad-based wireless distributors who carry similar product lines and specialty distributors who may focus on segments within the wireless industry such as WLAN, Wi-Fi, navigation, and accessories. To a lesser extent we compete with information technology distribution companies who offer wireless devices in certain markets. Manufacturers also sell their products directly to large mobile operators and as mobile operator customers grow in scale, manufacturers may pose a competitive threat to our business.

For product distribution, specific competitors and the divisions in which they generally compete with us include BrightStar Corporation (all divisions), Tessco Technologies (Americas), D&H Distributing (Americas), Parktel (Americas), Cellnet Group Ltd. (Asia-Pacific), Axcom (EMEA), 20:20 Logistics (EMEA) and Ingram Micro (all divisions).

Logistic Services. Our logistic services business competes with general logistic services companies who provide logistic services to multiple industries and specialize more in the warehousing and transportation of finished goods. Manufacturers can also offer fulfillment services to our customers. Certain mobile operators have their own distribution and logistics infrastructure which competes with our outsource solutions.

For logistic services, specific competitors and the division in which they generally compete with us include ATC Technology Corporation (Americas), BrightStar Corporation (all divisions), CAT Logistics (Americas), Tessco Technologies (Americas), New Breed Logistics (Americas), UPS Logistics (Americas), Arvato Logistics Services (EMEA), CEVA Logistics (EMEA) and Kuehne + Nagel (EMEA).

Activation Services. Our activation services business competes with other specialists who establish and manage independent authorized retailers and value-added resellers and with mobile operators who have the infrastructure necessary to manage their indirect channels.

For activation services, specific competitors and the division in which they generally compete with us include American Wireless (Americas), Ingram Micro (Americas), LetsTalk (Americas), Simplexity (Americas), QDI (Americas), Wireless Channels (Americas) and Avenir S.A. (EMEA).

Prepaid Airtime. Our prepaid airtime business competes with broad-based wireless distributors who sell prepaid airtime, specialty distributors who focus on prepaid airtime and companies who manufacture or distribute electronic in-store terminals capable of delivering prepaid airtime. To a lesser extent we compete with mobile operators themselves as they distribute prepaid airtime through their own retail channels.

For prepaid airtime, specific competitors and the divisions in which they generally compete with us include American Wireless (Americas), InComm (Americas), Alphyra (EMEA) and Euronet (EMEA).

Information Systems

The success of our operations is largely dependent on the functionality, architecture, performance and utilization of our information systems. We have implemented, and continue to implement, business applications that enable us to provide supply chain solutions for our customers and suppliers. These solutions include, but are not limited to, e-commerce; electronic data interchange (EDI); credit scoring, collection services, web-based order entry, account management, supply chain management; warehouse management, serialized inventory tracking, inventory management and reporting. During 2009, 2008 and 2007, we invested approximately $8.3 million, $10.7 million and $8.6 million, in our information systems with the focus of increasing the functionality and flexibility of our systems. In 2008 we began implementing a global ERP system. Implementation of this system throughout all of our operating entities will continue throughout 2010 and into 2011. In 2010, we will also implement a global warehouse management and transportation management system. In the future, we intend to invest to further develop those solutions and integrate our internal information systems throughout all of our divisions. At December 31, 2009, there were approximately 228 employees in our information technology departments worldwide.

Employees

As of December 31, 2009, we had 2,705 employees; 1,135 in our Americas division, 529 in our Asia-Pacific division, 937 in our EMEA division, and 104 in our Corporate division. Of these employees, nine were in executive officer positions, 1,492 were engaged in service operations, 493 were in sales and marketing and 711 were in finance and administration (including 228 information technology employees). Our distribution activities and logistic services are labor-intensive and we utilize temporary laborers, particularly in our Americas division, due to the seasonal demands of our business. At December 31, 2009, we had 983 temporary laborers; 711 in our Americas division, 133 in our Asia-Pacific division and 139 in our Europe division. Of these temporary laborers, approximately 861 were engaged in service operations, 63 were in sales and marketing and 59 were in finance and administration. Worldwide, none of our employees are covered by a collective bargaining agreement, except for national collective labor agreements in Finland. We believe that our relations with our employees are good. See Item 1A, Risk Factors WE ARE SUBJECT TO CERTAIN PERSONNEL RELATED ISSUES.

Segment and Geographic Financial Information

Financial information concerning our segments and other geographic financial information is included in Note 1 to the Consolidated Financial Statements of this Annual Report on Form 10-K.

Item 1A. Risk Factors.

There are many important factors that have affected, and in the future could affect our business, including the factors discussed below which should be reviewed carefully, in conjunction with the other information contained in this Form 10-K. Some of these factors are beyond our control and future trends are difficult to predict. In addition, various statements, discussions and analyses throughout this Form 10-K are not based on historical fact and contain forward-looking statements. These statements are also subject to certain risks and uncertainties, including those discussed below, which could cause our actual results to differ materially from those expressed or implied in any forward-looking statements made by us. Readers are cautioned not to place undue reliance on any forward-looking statement contained in this Form 10-K and should also be aware that we undertake no obligation to update any forward-looking information contained herein to reflect events or circumstances after the date of this Form 10-K or to reflect the occurrence of unanticipated events.

General risks related to our operations

The loss or reduction in orders from principal customers or a reduction in the prices we are able to charge these customers could cause our revenues to decline and impair our cash flows. Many of our customers in the markets we serve

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have experienced severe price competition or have been acquired and, for these and other reasons, may seek to obtain products or services from us at lower prices than we have been able to provide these customers in the past. The loss of any of our principal customers, a reduction in the amount of product or services our principal customers order from us or our inability to maintain current terms, including prices, with these or other customers could cause our revenues to decline and impair our cash flows. Although we have entered into contracts with certain of our largest logistic services customers, we previously have experienced losses of certain of these customers through expiration or cancellation of our contracts with them, and there can be no assurance that any of our customers will continue to purchase products or services from us or that their purchases will be at the same or greater levels than in prior periods.

We buy a significant amount of our products from a limited number of suppliers, and they may not provide us with competitive products at reasonable prices when we need them in the future. We purchase wireless devices and accessories that we sell from wireless communications equipment manufacturers, network operators and distributors. We depend on these suppliers to provide us with adequate inventories of currently popular brand name products on a timely basis and on favorable pricing and other terms. Our agreements with our suppliers are generally non-exclusive, require us to satisfy minimum purchase requirements, can be terminated on short notice and provide for certain territorial restrictions, as is common in our industry. We generally purchase products pursuant to purchase orders placed from time to time in the ordinary course of business. In the future, our suppliers may not offer us competitive products on favorable terms without delays. From time to time we have been unable to obtain sufficient product supplies from manufacturers in many markets in which we operate. Any future failure or delay by our suppliers in supplying us with products on favorable terms would severely diminish our ability to obtain and deliver products to our customers on a timely and competitive basis. If we lose any of our principal suppliers, or if these suppliers are unable to fulfill our product needs, or if any principal supplier imposes substantial price increases and alternative sources of supply are not readily available, this may result in a loss of customers and cause a decline in our results of operations.

Our business could be harmed by consolidation of mobile operators. The past several years have witnessed a consolidation within the mobile operator community, and this trend is expected to continue. This trend could result in a reduction or elimination of promotional activities by the remaining mobile operators as they seek to reduce their expenditures, which could, in turn, result in decreased demand for our products or services. Moreover, consolidation of mobile operators reduces the number of potential contracts available to us and other providers of logistic services. We could also lose business or face price pressures if mobile operators that are our customers are acquired by other mobile operators that are not our customers.

The current global economic downturn could cause a severe disruption in our operations. Our business has been negatively impacted by the current global economic downturn. If this downturn is prolonged, there could be several severely negative implications to our business that may exacerbate many of the risk factors we identified below including, but not limited to, the following:

Counterparty risk:

- Our customers, vendors and their suppliers (e.g. component manufacturers) may become insolvent and file for bankruptcy, which could negatively impact our results of operations.

Liquidity:

- The global economic downturn and the associated credit crisis could continue and reduce liquidity and this could have a negative impact on financial institutions and the global financial system, which would, in turn, have a negative impact on us, our customers and our creditors.

- Credit insurers could drop coverage on our customers and increase premiums, deductibles and co-insurance levels on our remaining or prospective coverage.

- Our suppliers could tighten trade credit which could negatively impact our liquidity.

- We may not be able to borrow additional funds under our existing credit facilities if participating banks become insolvent or their liquidity is limited or impaired. In addition, we may not be able to retain our current accounts receivable factoring arrangement in Spain or secure new accounts receivable factoring agreements.

Demand:

- The global recession has resulted in severe job losses and lower consumer confidence, which could cause a decrease in demand for our products and services.

- The global recession has also shifted consumer demand for wireless devices. In particular, demand in countries in Europe has shifted toward wireless devices that carry lower average selling price, which has adversely impacted our revenue and gross profit.

Prices:

- o Certain markets have experienced and may continue to experience deflation, which could negatively impact our average selling price and revenue.

Our operations could be harmed by fluctuations in regional demand patterns and economic factors. In particular, our EMEA division has been adversely impacted and our results have been negatively impacted. The demand for our products and services has fluctuated and may continue to vary substantially within the regions served by us. Additionally, average selling prices have declined in our EMEA division as consumer demand has shifted to lower average selling price devices. We believe that the enhanced functionality of wireless devices and the roll-out of next generation systems has had and will continue to have a favorable effect on overall subscriber growth and handset replacement demand. Economic slow-downs in regions served by us or changes in promotional programs offered by mobile operators may lower consumer demand, lengthen the replacement cycle and create higher levels of inventories in our distribution channels which results in lower than anticipated demand for the products and services that we offer and can decrease our gross and operating margins. A prolonged economic slow-down in the United States or any other region in which we have significant operations could negatively impact our results of operations and financial position.

We have debt facilities that could prevent us from borrowing additional funds, if needed. Our global credit facility is secured by primarily all of our domestic assets and certain other foreign assets and stock pledges. Our borrowing availability is based primarily on a leverage ratio test, measured quarterly as total funded indebtedness over EBITDA adjusted as defined in the credit agreement. Consequently, any significant decrease in adjusted EBITDA could limit our ability to borrow additional funds to adequately finance our operations and expansion strategies. The terms of our global credit facility also include negative covenants that, among other things, may limit our ability to incur additional indebtedness, sell certain assets and make certain payments, including but not limited to, dividends, repurchases of our common stock and other payments outside the normal course of business, as well as prohibiting us from merging or consolidating with another corporation or selling all or substantially all of our assets in the United States or assets of any other named borrower. If we violate any of these loan covenants, default on these obligations or become subject to a change of control, our indebtedness under the credit agreement would become immediately due and payable, and the banks could foreclose on its security.

We may have difficulty collecting our accounts receivable. We currently offer and intend to offer open account terms to certain of our customers, which may subject us to credit risks, particularly in the event that any receivables represent sales to a limited number of customers or are concentrated in particular geographic markets. The collection of our accounts receivable and our ability to accelerate our collection cycle through the sale of accounts receivable is affected by several factors, including, but not limited to:

our credit granting policies,

contractual provisions,

our customers and our overall credit rating as determined by various credit rating agencies,

industry and economic conditions,

the ability of the customer to provide security, collateral or guarantees relative to credit granted by us,

the customer s and our recent operating results, financial position and cash flows; and

our ability to obtain credit insurance on amounts that we are owed.

Adverse changes in any of these factors, certain of which may not be wholly in our control, could create delays in collecting or an inability to collect our accounts receivable which could impair our cash flows and our financial position and cause a reduction in our results of operations.

We rely on our suppliers to provide trade credit terms to adequately fund our on-going operations and product purchases. Our business is dependent on our ability to obtain adequate supplies of currently popular product at favorable pricing and on other favorable terms. Our ability to fund our product purchases is dependent on our principal suppliers providing favorable payment terms that allow us to maximize the efficiency of our capital usage. The payment terms we receive from our suppliers is dependent on several factors, including, but not limited to:

- pledged cash requirements;

- our payment history with the supplier;
- the supplier s credit granting policies, contractual provisions;
- our overall credit rating as determined by various credit rating agencies;
- industry conditions;
- our recent operating results, financial position and cash flows; and
- the supplier s ability to obtain credit insurance on amounts that we owe them.

Adverse changes in any of these factors, some of which may not be in our control, could harm our operations.

A significant percentage of our revenues are generated outside of the United States in countries that may have volatile currencies or other risks. We maintain operations centers and sales offices in territories and countries outside of the United States. The fact that our business operations are conducted in many countries exposes us to several additional risks, including, but not limited to:

- potentially significant increases in wireless product prices
- increased credit risks, customs duties, import quotas and other trade restrictions;
- potentially greater inflationary pressures;
- shipping delays;
- the risk of failure or material interruption of wireless systems and services; and
- possible wireless product supply interruption.

In addition, changes to our detriment may occur in social, political, regulatory and economic conditions or in laws and policies governing foreign trade and investment in the territories and countries where we currently have operations. U.S. laws and regulations relating to investment and trade in foreign countries could also change to our detriment. Any of these factors could have a negative impact on our business and operations. We purchase and sell products and services in a number of foreign currencies, many of which have experienced fluctuations in currency exchange rates. In the past, we entered into forward exchange swaps, futures or options contracts as a means of hedging our currency transaction and balance sheet translation exposures. However, our local management has had limited prior experience in engaging in these types of transactions. Even if done well, hedging may not effectively limit our exposure to a decline in operating results due to foreign currency translation. We cannot predict the effect that future exchange rate fluctuations will have on our operating results. We have ceased operations or divested several of our foreign operations because they were not performing to acceptable levels. These actions resulted in significant losses to us. We may in the future, decide to divest certain existing foreign operations, which could result in our incurring significant additional losses.

Our operating results frequently vary significantly and respond to seasonal fluctuations in purchasing patterns. The operating results of each of our three divisions may be influenced by a number of seasonal factors in the different countries and markets in which we operate. These factors may cause our revenue and operating results to fluctuate on a quarterly basis. These fluctuations are a result of several factors, including, but not limited to:

- promotions and subsidies by mobile operators;
- the timing of local holidays and other events affecting consumer demand;
- the timing of the introduction of new products by our suppliers and competitors;

purchasing patterns of customers in different markets;

general economic conditions; and

product availability and pricing.

Consumer electronics and retail sales in many geographic markets tend to experience increased volumes of sales at the end of the calendar year, largely because of gift-giving holidays. This and other seasonal factors have contributed to increases in our sales during the fourth quarter in certain markets. Conversely, we have experienced decreases in demand in the first quarter subsequent to the higher level of activity in the preceding fourth quarter. Our operating results may continue to fluctuate significantly in the future. If unanticipated events occur, including delays in securing adequate inventories of competitive products at times of peak sales or significant decreases in sales during these periods, our operating results could be harmed. In addition, as a result of seasonal factors, interim results may not be indicative of annual results.

We make significant investments in the technology used in our business and rely on that technology to function effectively without interruptions. We have made significant investments in information systems technology and have focused on the application of this technology to provide customized distribution channel management and logistic services to wireless communications equipment manufacturers and network operators. Our ability to meet our customers technical and performance requirements is highly dependent on the effective functioning of our information technology systems. Further, certain of our contractual arrangements to provide services contain performance measures and criteria that if not met could result in early termination of the agreement and claims for damages. In connection with the implementation of this technology we have incurred significant costs and have experienced significant business interruptions. Business interruptions can cause us to fall below acceptable performance levels pursuant to our customers requirements and could result in the loss of the related business relationship or could result in incurring penalties for not meeting minimum performance levels. We may experience additional costs and periodic business interruptions related to our information systems as we implement new information systems in our various operations. Our sales and marketing efforts, a large part of which are telemarketing based, are highly dependent on computer and telephone equipment. We anticipate that we will need to continue to invest significant amounts to enhance our information systems in order to maintain our competitiveness and to develop new logistic services. Our property and business interruption insurance may not compensate us adequately, or at all, for losses that we may incur if we lose our equipment or systems either temporarily or permanently. In addition, a significant increase in the costs of additional technology or telephone services that are not recoverable through an increase in the price of our services could negatively impact our results of operations.

Our future operating results will depend on our ability to continue to increase volumes and maintain margins. A large percentage of our total revenues is derived from sales of wireless devices, a part of our business that operates on a high-volume, low-margin basis. Our ability to generate these sales is based upon demand for wireless voice and data products and our having adequate supply of these products. The gross margins that we realize on sales of wireless devices could be reduced due to increased competition or a growing industry emphasis on cost containment. However, a sales mix shift to fee-based logistic services may place negative pressure on our revenue growth while having a positive impact on our gross margins. Therefore, our future profitability will depend on our ability to maintain our margins or to increase our sales to help offset future declines in margins. We may not be able to maintain existing margins for products or services offered by us or increase our sales. Even if our sales rates do increase, the gross margins that we receive from our sales may not be sufficient to make our future operations profitable.

Our business growth strategy includes acquisitions. We have acquired businesses in the past and plan to continue to do so in the future based on our global business strategy. Prior or future acquisitions may not meet our expectations at the time of purchase, which could adversely affect our operations causing operating losses and subsequent write-downs due to asset impairments.

Our business depends on the continued tendency of wireless equipment manufacturers and network operators to outsource aspects of their business to us in the future. We provide functions such as distribution channel management, inventory management, fulfillment, customized packaging, prepaid and e-commerce solutions, activation management and other outsourced services for many wireless manufacturers and network operators. Certain wireless equipment manufacturers and network operators have elected, and others may elect, to undertake these services internally. Additionally, our customer service levels, industry consolidation, competition, deregulation, technological changes or other developments could reduce the degree to which members of the global wireless industry rely on outsourced logistic services such as the services we provide. Any significant change in the market for our outsourced services could harm our business. Our outsourced services are generally provided under multi-year

renewable contractual arrangements. Service periods under certain of our contractual arrangements are expiring or will expire in the near future. The failure to obtain renewals or otherwise maintain these agreements on terms, including price, consistent with our current terms could cause a reduction in our revenues and cash flows.
We depend on third parties to manufacture products that we distribute and, accordingly, rely on their quality control procedures. Product manufacturers typically provide limited warranties directly to the end consumer or to us, which we

generally pass through to our customers. If a product we distribute for a manufacturer has quality or performance problems, our ability to provide products to our customers could be disrupted, causing a delay and/or reduction in our revenues.

Rapid technological changes in the global wireless industry could render our services or the products we handle obsolete or less marketable. The technology relating to wireless voice and data equipment changes rapidly resulting in product obsolescence or short product life cycles. We are required to anticipate future technological changes in our industry and to continually identify, obtain and market new products in order to satisfy evolving industry and customer requirements. Competitors or manufacturers of wireless equipment may market products or services that have perceived or actual advantages over our service offerings or the products that we handle or render those products or services obsolete or less marketable. We have made and continue to make significant working capital investments in accordance with evolving industry and customer requirements including maintaining levels of inventories of currently popular products that we believe are necessary based on current market conditions. These concentrations of working capital increase our risk of loss due to product obsolescence.

Natural disasters, epidemics, hostilities and terrorist acts could disrupt our operations. Although we have implemented policies and procedures designed to minimize the effects of natural disasters, epidemics, outbreak of hostilities or terrorist attacks in markets served by us or on our facilities, the actual effect of any such events on our operations cannot be determined at this time. However, we believe any of these events could disrupt our operations and negatively impact our business.

The global wireless industry is intensely competitive and we may not be able to continue to compete successfully in this industry. We compete for sales of wireless voice and data equipment, and expect that we will continue to compete, with numerous well-established mobile operators, distributors and manufacturers, including our own suppliers. As a provider of logistic services, we also compete with other distributors, logistic services companies and electronic manufacturing services companies. Many of our competitors possess greater financial and other resources than we do and may market similar products or services directly to our customers. The global wireless industry has generally had low barriers to entry. As a result, additional competitors may choose to enter our industry in the future. The markets for wireless handsets and accessories are characterized by intense price competition and significant price erosion over the life of a product. Many of our competitors have the financial resources to withstand substantial price competition and to implement extensive advertising and promotional programs, both generally and in response to efforts by additional competitors to enter into new markets or introduce new products. Our ability to continue to compete successfully will depend largely on our ability to maintain our current industry relationships. We may not be successful in anticipating and responding to competitive factors affecting our industry, including new or changing outsourcing requirements, the entry of additional well-capitalized competitors, new products which may be introduced, changes in consumer preferences, demographic trends, international, national, regional and local economic conditions and competitors discount pricing and promotion strategies. As wireless telecommunications markets mature and as we seek to enter into new markets and offer new products in the future, the competition that we face may change and grow more intense.

We may not be able to grow at our historical or current rates or effectively manage future growth. Although we experienced a revenue decline in 2009, in prior years we have experienced domestic and international growth. There can be no assurances as to our ability to achieve future growth. We will need to manage our expanding operations effectively, maintain or accelerate our growth as planned and integrate any new businesses which we may acquire into our operations successfully in order to continue our desired growth. If we are unable to do so, particularly in instances in which we have made significant capital investments, it could materially harm our operations. Our inability to absorb, through revenue growth, the increasing operating costs that we have incurred and continue to incur in connection with our activities and the execution of our strategy could cause our future earnings to decline. In addition, our growth prospects could be harmed by a decline in the global wireless industry generally or in one of our regional divisions, either of which could result in reduction or deferral of expenditures by prospective customers.

Our business strategy includes entering into relationships and financing that may provide us with minimal returns or losses on our investments. We have entered into several relationships with wireless equipment manufacturers, mobile operators and other participants in our industry. We intend to continue to enter into similar relationships as opportunities arise. We may enter into distribution or logistic services agreements with these parties and may provide them with equity or debt financing. Our ability to achieve future profitability through these relationships will depend in part upon the economic viability, success and motivation of the entities we select as partners and the amount of time and resources that these partners devote to our alliances. We may ultimately receive only minimal or no business from these relationships and joint ventures, and any business we receive may not be significant or at the level we anticipated. The returns we receive from these relationships, if any, may not offset possible losses, our investments or the full amount of financings that we make upon entering into these relationships. We may not achieve acceptable returns on our investments with these parties within an acceptable period or at all.

Our implementation of European Centers of Excellence may not be successful. The success of our strategy to optimize our European operational and financial structure relies in large part on launching and effectively operating our Centers of Excellence (supply chain delivery centers). The creation and launch of these Centers of Excellence requires substantial capital expenditure and requires significant time and attention from our management and operational personnel. In the event we are unsuccessful at launching or operating these Centers of Excellence or in the event the Centers of Excellence fail to yield the anticipated operational efficiencies then our European strategy could be negatively impacted.

We are subject to certain personnel related issues. Our success depends in large part on the abilities and continued service of our executive officers and other key employees. Although we have entered into employment agreements with several of our officers and employees, we may not be able to retain their services. We also have non-competition agreements with our executive officers and some of our existing key personnel. However, courts are sometimes reluctant to enforce non-competition agreements. The loss of executive officers or other key personnel could impede our ability to fully and timely implement our business plan and future growth strategy. In addition, in order to support our continued growth, we will be required to effectively recruit, develop and retain additional qualified management. Competition for such personnel is intense, and there can be no assurance that we will be able to successfully attract, assimilate or retain sufficiently qualified personnel. The failure to retain and attract necessary personnel could also delay or prevent us from executing our planned growth strategy.

We are subject to a number of regulatory and contractual restrictions governing our relations with certain of our employees, including national collective labor agreements for certain of our employees who are employed outside of the United States and individual employer labor agreements. These arrangements address a number of specific issues affecting our working conditions including hiring, work time, wages and benefits, and termination of employment. We could be required to make significant payments in order to comply with these requirements. The cost of complying with these requirements could be material.

Our business is labor-intensive, and we experience high personnel turnover. In addition, we are from time to time subject to shortages in the available labor force in certain geographical areas where we operate. A significant portion of our labor force is contracted through temporary agencies and a significant portion of our costs consists of wages to hourly workers. Growth in our business, together with seasonal increases in units, requires us to recruit and train personnel at an accelerated rate from time to time. We may not be able to continue to hire, train and retain a significant labor force of qualified individuals when needed, or at all. Our inability to do so, or an increase in hourly costs, employee benefit costs, employment taxes or commission rates, could cause our operating results to decline. In addition, if the turnover rate among our labor force increases further, we could be required to increase our recruiting and training efforts and costs, and our operating efficiencies and productivity could decrease.

We rely to a great extent on trade secret and copyright laws and agreements with our key employees and other third parties to protect our proprietary rights. Our business success is substantially dependent upon our proprietary business methods and software applications relating to our information systems. We currently hold one patent relating to certain of our business methods.

With respect to other business methods and software, we rely on trade secret and copyright laws to protect our proprietary knowledge. We also regularly enter into non-disclosure agreements with our key employees and limit access to and distribution of our trade secrets and other proprietary information. These measures may not prove adequate to prevent misappropriation of our technology. Our competitors could also independently develop technologies that are substantially equivalent or superior to our technology, thereby eliminating one of our competitive advantages. We also have offices and conduct our operations in a wide variety of countries outside the United States. The laws of some other countries do not protect our proprietary rights to the same extent as the laws in the United States. In addition, although we believe that our business methods and proprietary software have been developed independently and do not infringe upon the rights of others, third parties might assert infringement claims against us in the future or our business methods and software may be found to infringe upon the proprietary rights of others.

We depend on our computer and communications systems. As a multi-national corporation, we rely on our computer and communication network to operate efficiently. Any interruption of this service from power loss, telecommunications failure, weather, natural disasters or any similar event could negatively impact our business and operations. Additionally, hackers and

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computer viruses have disrupted operations at many major companies. We may be vulnerable to similar acts of sabotage, which could materially harm our business and operations.

The market price of our common stock may continue to be volatile. The market price of our common stock has fluctuated significantly from time to time. The trading price of our common stock could experience significant fluctuations in the future, including as a result of:

- actual or anticipated variations in our quarterly operating results or financial position;
- repurchases of common stock;
- commencement of litigation;
- the introduction of new services, products or technologies by us, our suppliers or our competitors;
- changes in other conditions or trends in the wireless voice and data industry;
- changes in governmental regulation and the enforcement of such regulation;
- changes in the assessment of our credit rating as determined by various credit rating agencies; and
- changes in securities analysts estimates of our future performance or that of our competitors or our industry in general.

General market price declines or market volatility in the prices of stock for companies in the global wireless industry or in the distribution or logistic services sectors of the global wireless industry could also cause the market price of our common stock to decline.

There are amounts of our securities issuable pursuant to our Amended and Restated 2004 Long-Term Incentive Plan that, if issued, could result in dilution to existing shareholders, reduce earnings and earnings per share in future periods and reduce the market price of our common stock. We have reserved a significant number of shares of common stock that may be issuable pursuant to our Amended and Restated 2004 Long-Term Incentive Plan. Grants made under this plan could result in dilution to existing shareholders.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We provide our supply chain solutions from our sales and operations centers located in various countries including Australia, Austria, Belgium, Colombia, Denmark, Finland, Germany, Guatemala, India, Italy, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, United Arab Emirates, the United Kingdom, and the United States. All of these facilities are occupied pursuant to operating leases except for our primary North America distribution facility, which we purchased in the fourth quarter of 2009. The table below summarizes information about our sales and operations centers by operating division.

	Number of Locations(1)	**Aggregate Square Footage**
Americas	8	1,094,330
Asia-Pacific	9	152,560
Europe, Middle East and Africa	15	474,956
	32	1,721,846

(1) Refers to facilities operated by the Company that are greater than 1,000 square feet.

We believe that our existing facilities are adequate for our current requirements and that suitable additional space will be available as needed to accommodate future expansion of our operations.

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Item 3. Legal Proceedings.

The Company is from time to time involved in certain legal proceedings in the ordinary course of conducting its business. While the ultimate liability pursuant to these actions cannot currently be determined, the Company believes these legal proceedings will not have a material adverse effect on its financial position or results of operations. For more information on legal proceedings, see Note 11 Legal Proceedings, in the Notes to Consolidated Financial Statements.

Item 4. Submission of Matters to a Vote of Security Holders.

During the fourth quarter of 2009, no matters were submitted to a vote of security holders.

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PART II

Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our Common Stock is listed on the NASDAQ Global Select Market under the symbol CELL. The following tables set forth, for the periods indicated, the high and low sale prices for our Common Stock as reported by the NASDAQ Stock Market.

2009	High	Low
First Quarter	$5.44	$3.06
Second Quarter	6.83	4.14
Third Quarter	9.29	5.14
Fourth Quarter	9.03	6.91

2008	High	Low
First Quarter	$15.32	$8.02
Second Quarter	10.35	6.89
Third Quarter	8.75	6.21
Fourth Quarter	7.23	3.10

The Company has declared the following forward and reverse common stock splits. All of the forward stock splits were effected in the form of common stock dividends.

Declaration Date	Dividend Payment or Stock Split Effective Date	Split Ratio
August 31, 1995	September 20, 1995	5 for 4
November 12, 1996	December 17, 1996	3 for 2
January 28, 1997	March 3, 1997	5 for 4
October 22, 1997	November 21, 1997	2 for 1
June 26, 2002	June 27, 2002	1 for 7
July 29, 2003	August 25, 2003	3 for 2
September 15, 2003	October 15, 2003	3 for 2
August 12, 2005	September 15, 2005	3 for 2
December 5, 2005	December 30, 2005	3 for 2
May 9, 2006	May 31, 2006	6 for 5

At February 24, 2010, there were 324 shareholders of record.

We have not paid cash dividends on our Common Stock other than S corporation distributions made to shareholders during periods prior to the rescissions of S corporation elections. In addition, certain of our bank agreements require consent from the lender group prior to declaring or paying cash dividends, making capital distributions or other payments to shareholders. The Board of Directors intends to continue a policy of retaining earnings to finance the growth and development of the business and does not expect to declare or pay any cash dividends in the foreseeable future.

The information regarding equity compensation plans is incorporated by reference to Item 12 of this Form 10-K, which incorporates by reference the information set forth in the Company s Definitive Proxy Statement in connection with the 2010 Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission no later than 120 days following the end of the 2009 fiscal year.

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Purchases of Equity Securities by the Issuer and Affiliated Purchasers

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 1, 2009 October 31, 2009	3,000,000	$ 5.17	3,000,000	$ 33,549,125
November 1, 2009 November 30, 2009				$ 33,549,125
December 1, 2009 December 31, 2009	14,767	7.17		$ 33,549,125
Total	3,014,767	$ 5.18	3,000,000	$ 33,549,125

On July 28, 2009 our Board of Directors approved the repurchase of up to $50 million of our common shares under a share repurchase program with an expiration date of July 31, 2011. On October 1, 2009 we announced that we entered into a settlement agreement with NC Telecom Holding A/S (NC Holding), which provided for us to purchase 3 million Brightpoint shares from NC Holding for $15.5 million. These shares were purchased under the previously announced Share Repurchase Program.

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The following line graph compares, from January 1, 2005 through December 31, 2009, the cumulative total shareholder return on the Company s Common Stock with the cumulative total return on the stocks comprising the S&P SmallCap 600 Index, NASDAQ Market Value Index and the Hemscott Group Index (Electronics Wholesale). The comparison assumes $100 was invested on January 1, 2005 in the Company s Common Stock and in each of the foregoing indices and assumes reinvestment of all cash dividends, if any, paid on such securities. The Company has not paid any cash dividends and, therefore, the cumulative total return calculation for the Company is based solely upon share price appreciation and not upon reinvestment of cash dividends. Historical share price is not necessarily indicative of future stock price performance.

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN AMONG BRIGHTPOINT, INC., NASDAQ
MARKET INDEX, S&P SMALLCAP 600 INDEX AND HEMSCOTT GROUP INDEX

Assumes $100 invested on January 1, 2005
Assumes dividends reinvested
Fiscal Year Ended December 31, 2009

	2004	2005	2006	2007	2008	2009
Brightpoint, Inc.	$ 100.00	$ 212.86	$ 185.84	$ 212.23	$ 60.10	$ 101.55
NASDAQ Market Index	$ 100.00	$ 102.20	$ 112.68	$ 124.57	$ 74.71	$ 108.56
S&P SmallCap 600 TR	$ 100.00	$ 107.68	$ 123.96	$ 123.59	$ 85.19	$ 106.97
Hemscott Group Index	$ 100.00	$ 119.14	$ 129.23	$ 144.10	$ 90.25	$ 141.96

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Item 6. Selected Financial Data.

(Amounts in thousands, except per share data)	Year Ended December 31, 2009[1]	2008[1]	2007[1]	2006[1]	2005[1]
Revenue	$ 3,185,283	$ 4,428,745	$ 4,126,083	$ 2,397,193	$ 2,106,509
Gross profit	275,819	333,404	261,874	150,867	131,633
Operating income (loss) from continuing operations	32,303	(278,466)	63,201	49,670	45,107
Income (loss) from continuing operations	35,055	(326,391)	46,364	37,777	33,255
Total gain (loss) from discontinued operations, net of income taxes	(8,499)	(15,362)	1,375	(2,167)	(22,815)
Net income attributable to common shareholders	26,556	(342,114)	47,393	35,610	10,440
Earnings per share basic:[2]					
Income (loss) from continuing operations	$ 0.44	$ (4.17)	$ 0.76	$ 0.77	$ 0.69
Discontinued operations	(0.11)	(0.20)	0.02	(0.04)	(0.48)
Net income (loss)	$ 0.33	$ (4.37)	$ 0.78	$ 0.73	$ 0.21
Earnings per share diluted:[2]					
Income (loss) from continuing operations	$ 0.43	$ (4.17)	$ 0.73	$ 0.75	$ 0.67
Discontinued operations	(0.10)	(0.20)	0.02	(0.04)	(0.46)
Net income (loss)	$ 0.33	$ (4.37)	$ 0.75	$ 0.71	$ 0.21

	2009	2008	2007	2006	2005
Working capital	$ 148,452	$ 234,741	$ 525,778	$ 159,760	$ 121,336
Total assets	1,013,991	1,146,360	1,972,361	778,353	487,824
Long-term obligations	97,017	175,607	441,521	3,750	
Total liabilities	737,064	895,796	1,370,778	583,525	338,782
Shareholders equity	276,927	250,564	600,765	194,828	149,042

(1) The consolidated statements of operations reflect the reclassification

of the results of operations of our France, Poland, Philippines, Turkey and locally branded PC notebook business in Slovakia to discontinued operations for all periods presented in accordance with U.S. generally accepted accounting principles. Operating data includes certain items that were recorded in the years presented as follows: restructuring charges in 2009, 2008, 2007, 2006 and 2005; $7.7 million non-cash gain on settlement of an indemnification claim in 2009; $16.3 million of tax benefits in 2009; $325.9 million goodwill impairment charge in 2008; $18 million of charges related to valuation allowances on certain tax assets that are no longer expected to be utilized in 2008;

and $16.1 million of tax benefits in 2007. See Item 7, Management s Discussion and Analysis of Financial Condition.

(2) Per share amounts for all periods have been adjusted to reflect the 6 for 5 Common Stock split (paid in the form of a stock dividend) effected on May 31, 2006, and the 3 for 2 common stock splits (paid in the form of stock dividends) effected on December 30, 2005 and September 15, 2005.

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Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations.

OVERVIEW AND RECENT DEVELOPMENTS

Brightpoint, Inc. is a global leader in providing supply chain solutions to the wireless industry. We provide customized logistic services including procurement, inventory management, software loading, kitting and customized packaging, fulfillment, credit services and receivables management, call center and activation services, website hosting, e-fulfillment solutions, reverse logistics, transportation management and other services within the global wireless industry. Our customers include mobile network operators, mobile virtual network operators (MVNOs), resellers, retailers and wireless equipment manufacturers. We provide value-added distribution channel management and other supply chain solutions for wireless products manufactured by companies such as Apple, High Tech Computer Corp., Kyocera, LG Electronics, Motorola, Nokia, Research in Motion, Samsung and Sony Ericsson. We have operations centers and/or sales offices in various countries including Australia, Austria, Belgium, Colombia, Denmark, Finland, Germany, Guatemala, El Salvador, India, Italy, the Netherlands, New Zealand, Norway, Portugal, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States.

We measure our performance by focusing on certain key performance indicators such as the number of wireless devices handled, gross margin by service line, operating income, cash flow, cash conversion cycle, and liquidity. We also use return on invested capital (ROIC) and return on tangible capital (ROTC) to measure the effectiveness of the use of invested capital and tangible capital.

We manage our business based on two distinct service lines which include product distribution and logistic services. During 2009, wireless devices sold through distribution declined by 21%, and wireless devices handled through logistic services increased by 10%. Our distribution gross margin decreased by 0.2 percentage points to 4.2%, and our logistic services gross margin increased by 6.7 percentage points to 44.1%. We are focused on increasing the total volume of wireless devices handled as opposed to increasing volume in one specific service line as we believe that both service lines provide a reasonable return in relation to the capital invested and the risk assumed.

Significant developments and events in 2009 include:

Spending and Debt Reduction Plan. In February 2009, we announced a plan to reduce forecasted spending for the year by approximately $40 to $45 million and to reduce average daily debt by approximately $100 million to $150 million. This plan was comprised of $12 to $14 million of cost avoidance and $28 to $31 million of spending reductions. The spending reduction measures included, among other things, a substantial workforce reduction goal of at least 220 positions, or approximately 7% of the Company s workforce. The majority of the foregoing reductions in spending are reflected in the Company s 2009 results of operations as a reduction of selling, general, and administrative expenses (SG&A). We believe that we realized the previously stated forecasted spending reduction and cost avoidance targets in 2009. SG&A expenses were $212.7 million for the year ended December 31, 2009 which is a decrease of $41.5 million (16%) from 2008. Fluctuations in foreign currencies favorably impacted SG&A expenses for the year ended December 31, 2009 by approximately $6.5 million compared to 2008.

Workforce reduction. In 2009 we exceeded our global workforce reduction goal of 220 positions. We eliminated approximately 280 positions as part of our global workforce reduction. We incurred restructuring charges of $13.5 million for the year ended December 31, 2009 primarily related to this global workforce reduction.

Revised debt reduction. On May 7, 2009 we announced a revised debt reduction target of having less than $100 million of average daily debt outstanding during the fourth quarter of 2009. Because of our unanticipated share repurchase program and facility purchase discussed below, we announced a further revised debt reduction target for the fourth quarter of 2009 back up to approximately $150.0 million to $175.0 million of average daily debt outstanding. Average daily debt was $167.7 million for the fourth quarter of 2009, which represents a decrease of approximately $165.3 million from the fourth quarter of 2008. Interest expense was $9.2 million for the year ended December 31, 2009, which is a decrease of approximately $10.2 million from 2008. The significant reduction in interest expense was largely due to the decrease in average daily debt outstanding as well as lower overall interest rates.

Share Repurchase Program. In July 2009, our Board of Directors approved the repurchase of up to $50 million of Brightpoint common shares (the Share Repurchase Program). As of December 31, 2009, we had repurchased

3.2 million shares of Brightpoint common stock for an aggregate of approximately $16.5 million and at an average purchase price of $5.22 per share under the share repurchase program. The Share Repurchase Program will expire on July 31, 2011. In January

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2010, our Board of Directors approved the increase of the Share Repurchase Program by $30 million, allowing aggregate share repurchases of up to $80 million. On January 15, 2010 we repurchased 9.2 million shares of Brightpoint stock from Partner Escrow Holding A/S, an affiliate of NC Telecom Holding A/S (f/k/a Dangaard Holding A/S) for $6.20 per share as part of the program. Funds for most of the above repurchases were provided by borrowings from availability under our Global Line of Credit. After this repurchase, Partner Escrow Holding A/S does not own any Brightpoint stock. As a result of the above repurchases, we have repurchased a total of 12.4 million shares at a weighted average price of $5.95 per share under the Share Repurchase Program. This represents approximately 14% of our total shares previously outstanding. On February 22, 2010, our Board of Directors approved the increase of our Share Repurchase Program by $25 million, allowing aggregate share repurchases of up to $105 million.

Americas division headquarters purchase. On October 16, 2009, we entered into an agreement to purchase our Americas division headquarters located in Plainfield, Indiana for $31.0 million plus closing costs and commissions from KPJV 501 Airtech Parkway, LLC. We had been the tenant in an operating lease for the Property. There were ten years remaining on the initial lease term, with five year option renewal periods extending to 2044. The sum of the remaining minimum lease payments for the remaining ten years of the initial lease term was $43.1 million. The purchase was financed using availability on our Global Credit Facility, and we are not currently pursuing any other financing agreement for the Property.

The consolidated statements of operations reflect the reclassification of the results of operations of our France, Poland and Turkey businesses to discontinued operations for all periods presented in accordance with U.S. generally accepted accounting principles. We exited our France business in the third quarter of 2009 and our Poland and Turkey businesses in the first quarter of 2009.

In the fourth quarter of 2009 we began reporting the revenue associated with certain prepaid airtime agreements on a net basis as defined by Accounting Standards Codification (ASC) Section 605-45 (formerly Emerging Issues Task Force Issue No. 99-19) based on a change in our prepaid airtime business model. The revenue under these agreements was previously reported on a gross basis within logistic services revenue and cost of revenue. Had the revenue from these agreements been reported on a net basis for all of 2009, total revenue would have been approximately $3.1 billion and total gross margin would have been 8.8%. Logistic services revenue would have been $296.8 million and logistic services gross margin would have been 53.1% for 2009. See footnote 12 in the Notes to the Consolidated Financial Statements for the impact of this change to the revenue reported for the first three quarters of 2009.

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2009 RESULTS OF OPERATIONS
Revenue and units handled by division and service line

	Year Ended December 31,				
	2009	% of Total	2008	% of Total	Change
	(Amounts in 000s)				
Distribution revenue					
Americas	$ 448,086	16%	$ 705,229	18%	(36%)
Asia-Pacific	834,906	30%	1,143,293	28%	(27%)
Europe, Middle East and Africa	1,544,509	54%	2,155,876	54%	(28%)
Total	$2,827,501	100%	$4,004,398	100%	(29%)
Logistic services revenue					
Americas	$ 192,276	54%	$ 184,188	43%	4%
Asia-Pacific	33,631	9%	47,924	11%	(30%)
Europe, Middle East and Africa	131,875	37%	192,235	46%	(31%)
Total	$ 357,782	100%	$ 424,347	100%	(16%)
Total revenue					
Americas	$ 640,362	20%	$ 889,417	20%	(28%)
Asia-Pacific	868,537	27%	1,191,217	27%	(27%)
Europe, Middle East and Africa	1,676,384	53%	2,348,111	53%	(29%)
Total	$3,185,283	100%	$4,428,745	100%	(28%)

	Year Ended December 31,				
	2009	% of Total	2008	% of Total	Change
	(Amounts in 000s)				
Wireless devices sold through distribution					
Americas	2,988	16%	5,397	22%	(45%)
Asia-Pacific	6,420	33%	10,185	42%	(37%)
Europe, Middle East and Africa	9,766	51%	8,649	36%	13%
Total	19,174	100%	24,231	100%	(21%)
Wireless devices handled through logistic services					
Americas	55,995	87%	51,577	88%	9%
Asia-Pacific	2,686	4%	2,014	3%	33%
Europe, Middle East and Africa	5,625	9%	4,710	9%	19%

Total	64,306	100%	58,301	100%	10%
Total wireless devices handled					
Americas	58,983	71%	56,974	69%	4%
Asia-Pacific	9,106	11%	12,199	15%	(25%)
Europe, Middle East and Africa	15,391	18%	13,359	16%	15%
Total	83,480	100%	82,532	100%	1%

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The following table presents the percentage changes in revenue for the year ended December 31, 2009 by service line compared to the prior year, including the impact to revenue from changes in wireless devices handled, average selling price, foreign currency, and acquisitions.

	2009 Percentage Change in Revenue vs. 2008				
	Wireless devices handled (1)	**Average Selling Price (2)**	**Non-handset based revenue (3)**	**Foreign Currency**	**Total Percentage Change in Revenue**
Year ended December 31, 2009:					
Distribution	(17%)	(4%)	(5%)	(3%)	(29%)
Logistic services	3%	(3%)	(16%)	0%	(16%)
Total	(15%)	(4%)	(7%)	(2%)	(28%)

(1) Handset-based volume represents the percentage change in revenue due to the change in quantity of wireless devices sold through our distribution business and the change in quantity of wireless devices handled through our logistic services business.

(2) Average selling price represents the percentage change in revenue due to the change in the average selling price of wireless devices sold through our distribution business and the change in the

average fee per wireless device handled through our logistic services business.

(3) Non-handset distribution revenue represents the percentage change in revenue from accessories sold, freight and non-voice navigation devices sold through our distribution business. Non-handset based logistic services revenue represents the percentage change in revenue from the sale of prepaid airtime, freight billed, and fee based services other than fees earned from wireless devices handled. Changes in non-handset based revenue do not include changes in reported wireless devices.

Revenue and wireless devices handled by division:

	Year Ended December 31,				
Americas		**% of**		**% of**	
(Amounts in 000s)	**2009**	**Total**	**2008**	**Total**	**Change**

REVENUE:					
Distribution	$448,086	70%	$705,229	79%	(36%)
Logistic services	192,276	30%	184,188	21%	4%
Total	$640,362	100%	$889,417	100%	(28%)
WIRELESS DEVICES HANDLED :					
Distribution	2,988	5%	5,397	9%	(45%)
Logistic services	55,995	95%	51,577	91%	9%
Total	58,983	100%	56,974	100%	4%

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The following table presents the percentage changes in revenue for our Americas division by service line for the year ended December 31, 2009 compared to the prior year, including the impact to revenue from changes in wireless devices handled, average selling price, and foreign currency.

	2009 Percentage Change in Revenue vs. 2008				
	Wireless devices handled	Average Selling Price	Non-handset based revenue	Foreign Currency	Total Percentage Change in Revenue
Year ended December 31, 2009:					
Distribution	(37%)	2%	0%	(1%)	(36%)
Logistic services	3%	1%	0%	0%	4%
Total	(29%)	2%	0%	(1%)	(28%)

The decrease in wireless devices sold through distribution for the year ended December 31, 2009 was driven by weaker market conditions in North America and Latin America, the loss of key customers in North America due to industry consolidation and the loss of supplier relationships in Latin America. The increase in distribution average selling price for the year ended December 31, 2009 was driven by a shift in mix to smartphones compared to the prior year.

The increase in wireless devices handled through logistic services for the year ended December 31, 2009 was primarily driven by an expanded service offering and the growth, through increased market share and new market entry, of incumbent customers. Current economic conditions are increasing demand for prepaid and fixed fee wireless subscriptions, which are the primary product offering of certain Brightpoint logistics customers.

Asia-Pacific

	Year Ended December 31,				
(Amounts in 000s)	2009	% of Total	2008	% of Total	Change
REVENUE:					
Distribution	$834,906	96%	$1,143,293	96%	(27%)
Logistic services	33,631	4%	47,924	4%	(30%)
Total	$868,537	100%	$1,191,217	100%	(27%)
WIRELESS DEVICES HANDLED :					
Distribution	6,420	71%	10,185	83%	(37%)
Logistic services	2,686	29%	2,014	17%	33%
Total	9,106	100%	12,199	100%	(25%)