

WELCOME TO THE
ASCOM MEDIA & ANALYST CONFERENCE
2010 ANNUAL RESULTS

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2011 ANNUAL MEDIA CONFERENCE

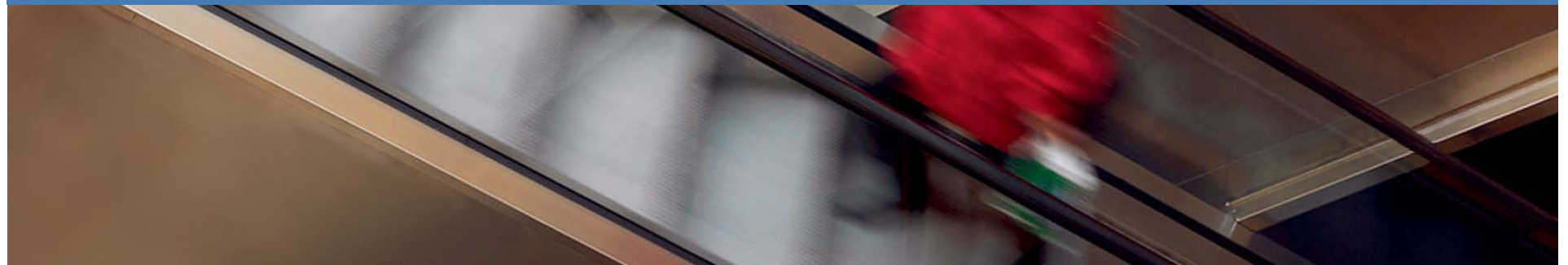
Riet Cadonau	CEO (until 31 March 2011)
Fritz Mumenthaler	CEO (as of 1 April 2011)
Martin Zwysig	CFO



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AGENDA

- 2010 RESULTS AT A GLANCE
- DIVISIONAL RESULTS
- 2010 FINANCIAL RESULTS
- 2011 – A FIRST STEP TOWARDS OUR GOALS
- QUESTIONS & ANSWERS



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2010 RESULTS AT A GLANCE



2010: BOUNCE BACK TO PROFITABLE GROWTH

- **Substantial growth on Group level**

- Total revenue: CHF 571.2m (2009: CHF 537.2m)
(Growth at constant exchange rates: +9.5%, in Swiss Francs: +6.3%)
- Organic growth: +5.3%

- **Strong increase in incoming orders**

- Incoming orders: CHF 575.1m (2009: CHF 514.4m)
(Growth at constant exchange rates: +15.2%, in Swiss Francs: +11.8%)
- Increased book-to-bill rate

PROFITABILITY – EBITDA INCREASED BY ONE THIRD

- **EBITDA margin at remarkable level of 12.0%**
 - EBITDA: CHF 68.4m (2009: CHF 49.8m); +37.3%
 - EBITDA margin 12.0% (2009: 9.3%)
 - EBIT: CHF 48.4m (2009: CHF 32.8m); +47.6%
 - EBIT margin: 8.5%

- **Substantial increase in Group profit**
 - CHF 32.5m (2009: CHF 24.4m); +33.2%

- **Strong balance sheet**
 - Cash and cash equivalents: CHF 129.0m (2009: CHF 127.7m)
 - Equity ratio improved to 32.6% (2009: 29.4%)

SHAREHOLDERS – PAY OUT OF A DIVIDEND OF 28%

- **Given the marked improvement in profit, the Board of Directors proposes a dividend to the Annual General Meeting 2011**

- **Dividend proposal**
 - Pay out of CHF 0.25 per share
 - Pay-out ratio of 28%
 - Dividend of CHF 9m

- **Very positive development of Ascom share price in 2010**

WIRELESS SOLUTIONS AND NETWORK TESTING SHOW EXCELLENT RESULTS

▪ **Wireless Solutions**

- EBITDA margin 13.1% (2009: 11.3%)
- Organic Growth: +11.6%

▪ **Network Testing**

- EBITDA margin 16.4% (2009: 13.6%)
- Organic Growth: +11.1%

▪ **Security Communication**

- EBITDA margin 1.8% (2009: 3.5%)

2010 FINANCIAL RESULTS OVERVIEW

CHFm	2010		2009
Incoming orders	575.1	+11.8%	514.4
Revenue	571.2	+6.3%	537.2
EBIT	48.4	+47.6%	32.8
EBITDA	68.4	+37.3%	49.8
Group profit	32.5	+33.2%	24.4
Number of employees (FTE) as of 31.12.	2,093	-3.2%	2,162

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DIVISIONAL RESULTS



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WIRELESS SOLUTIONS

LEADING WIRELESS ON-SITE COMMUNICATION COMPANY



WIRELESS SOLUTIONS – EXCELLENT RESULTS IN 2010

- Revenue: CHF 282.9m (2009: CHF 265.2m)
 - > Growth of 6.7%; at constant exchange rates +11.6%

- EBITDA: CHF 37.2m (2009: CHF 30.0m);
 - > EBITDA increased by 24%
 - > EBITDA margin: 13.1% (2009: 11.3%)

- Incoming orders: CHF 289.3m (2009: CHF 275.3m)
 - > Increase of 5.1%; at constant exchange rates +10.1%
 - > Book to Bill rate > 1

- R&D expenditure: 6.9% of revenue

STRONG PERFORMANCE IN ALL THREE CHANNELS

- Direct channel shows overall substantial improvement
 - Strong recovery in the US
 - Health care: Good development of hospital revenues, successful launch of the new VoWiFi handset i62
 - Industry segment: Both public and private companies started to invest again, mainly in the second half of 2010

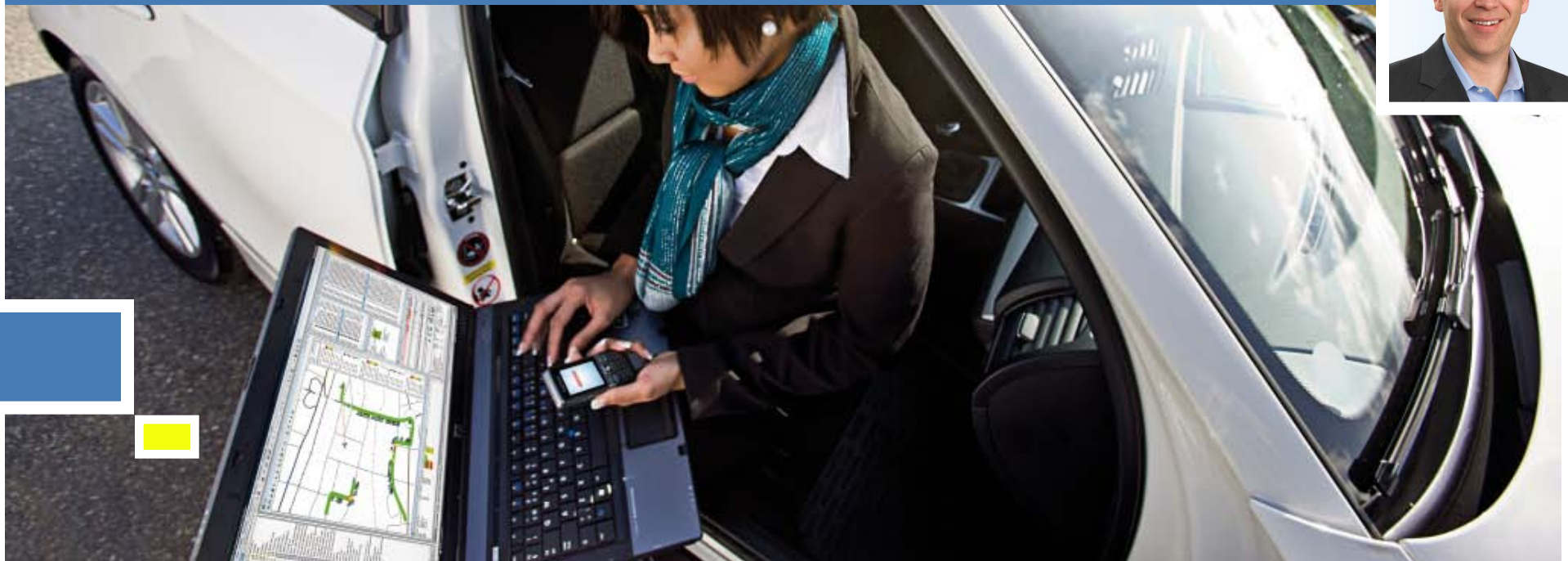
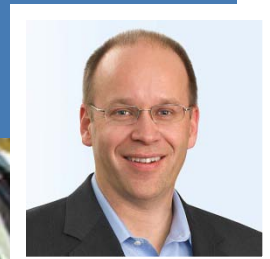
- OEM business bounced back strongly
 - Substantial growth with new customers, stabilization of existing customers
 - Net revenue above record year 2008

- Indirect sales channel grew very satisfactory
 - Investments started to pay back
 - Strong development in Middle East

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NETWORK TESTING

A GLOBAL MARKET LEADER FOR BENCHMARKING AND OPTIMIZATION OF MOBILE NETWORKS



NETWORK TESTING – VERY SATISFACTORY RESULTS IN 2010

- Revenue: CHF 168.5m (2009: CHF 133.3m)
 - > Growth of 26.4% (at constant exchange rates: +28.1%)
 - > Organic growth: +11.1%

- EBITDA: CHF 27.7m (2009: CHF 18.1m)
 - > EBITDA margin: 16.4% (2009: 13.6%)

- Incoming orders: CHF 177.5m (2009: CHF 130.5m)
 - > Increase of 36.0%; at constant exchange rates +37.4%

- R&D expenditure: 17.2% of revenue

IMPROVED MARKET ENVIRONMENT DURING 2010

- North America showed dynamic growth in customer demand, most other markets started to pick up again during the second half of 2010
 - Very good results in US: Ascom awarded first LTE projects in the US
 - Solid results, mainly by year end, also in India, Latin America and Europe
- Established a strong LTE product portfolio with extensive handset support including Samsung and LG Electronics
- Successful product release: TEMS Investigation 12.0 with unique, customer-required features
- All 33 integration projects completed by year end, as planned. Costs 20% below initial expectations

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SECURITY COMMUNICATION

LEADING POSITION IN HOME MARKET SWITZERLAND



CHALLENGING MARKET ENVIRONMENT IN 2010

- Swiss business remained stable due to significant installed base and follow-up orders
- International customers showed continuing reluctance to invest in large-scale projects
- Additional investments in product platforms to meet different customer needs

SECURITY COMMUNICATION – LOWER PROFITABILITY BUT INCREASE IN INCOMING ORDERS

- Incoming orders: CHF 111.0m (2009: CHF 108.2m)
 - > Increase of 2.6%

- Revenue: CHF 122.5m (2009: CHF 138.1m)

- EBITDA: CHF 2.2m (2009: CHF 4.8m); EBITDA margin: 1.8% (2009: 3.5%)
 - > Impact of provisions to cushion risks related to operational risks

- R&D expenditure: 7.3% of revenue

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2010 FINANCIAL RESULTS

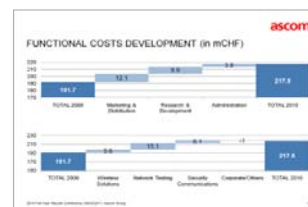
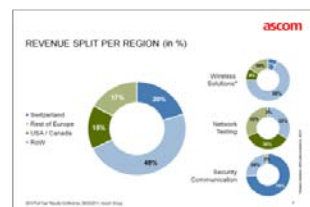
Martin Zwysig

CFO



CONSOLIDATED INCOME STATEMENT

CHFm	2009	2009 FX-adj.	2010
Revenue	537.2	520.2	571.2
Gross profit	227.3	221.9	269.3
<i>Gross margin</i>	42.3%	42.7%	47.1%
Total functional costs	(191.7)	(187.1)	(217.5)
Amortization of intangible assets from acquisition	(7.9)	(8.0)	(10.5)
Other income/(expenses), net	5.1	5.3	7.1
EBIT	32.8	32.1	48.4
Net financial result	(0.3)	(0.2)	(5.9)
Income tax	(8.1)	(7.9)	(10.0)
Group profit for the period	24.4	24.0	32.5
EBITDA	49.8	48.9	68.4
EBITDA (%)	9.3%	9.4%	12.0%



CONSOLIDATED BALANCE SHEET

	31.12.2009		31.12.2010	
	CHFm	%	CHFm	%
Intangible assets	238.8	39.2	221.5	38.1
Other non-current assets	41.6	6.8	39.9	6.9
Non-current assets	280.4	46.0	261.4	45.0
Cash and cash equivalents	127.7	21.0	129.0	22.2
Other current assets	201.1	33.0	189.9	32.8
Total assets	609.2		580.3	
Shareholders' equity	179.3	29.4	189.0	32.6
Non-current liabilities	130.7	21.5	83.9	14.4
Current liabilities	299.2	49.1	307.4	53.0
Total liabilities and shareholders' equity	609.2		580.3	

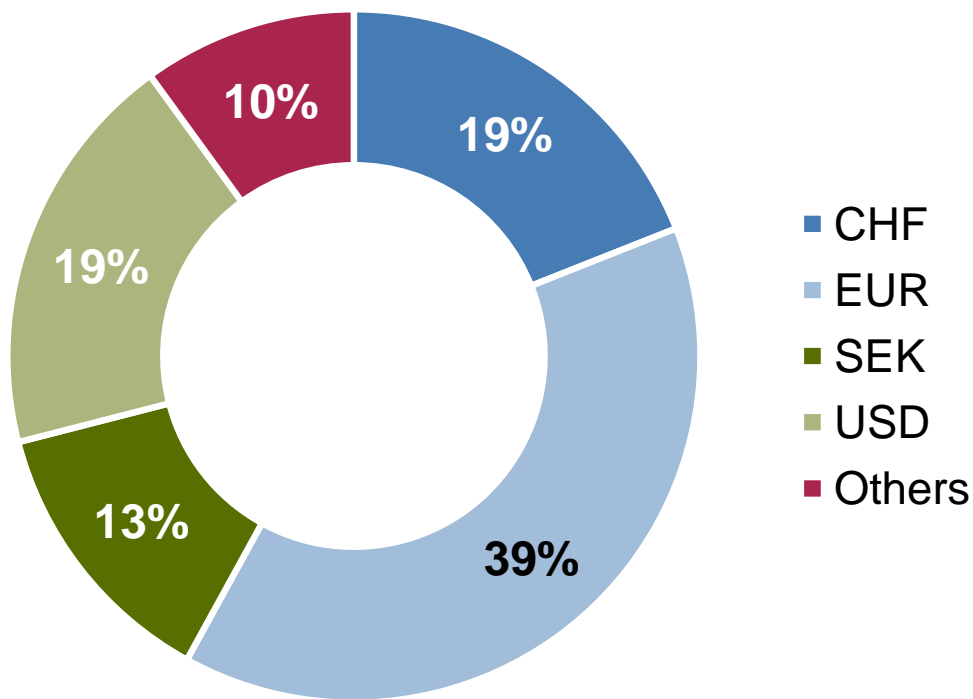


CONSOLIDATED STATEMENT OF CASH FLOWS

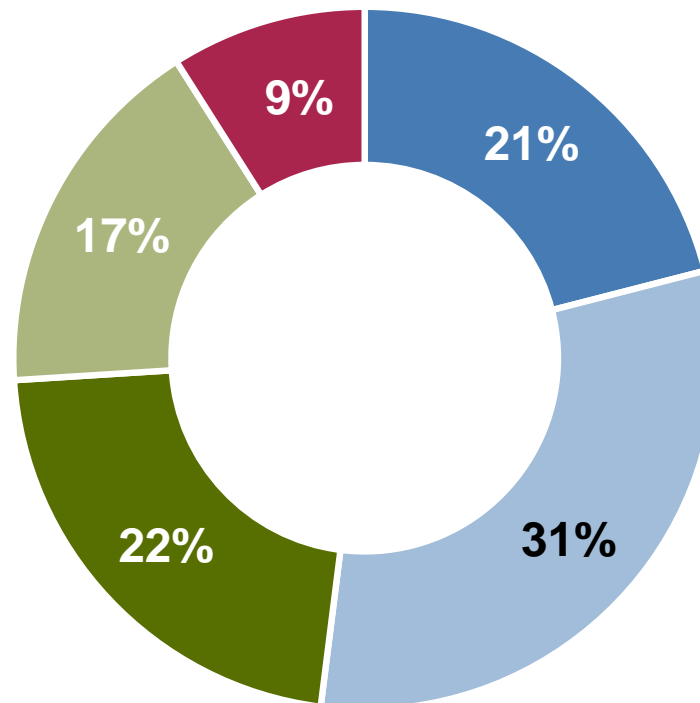
CHFm	2009	2010
Net cash flow from operating activities	24.5	46.2
Net cash flow from investing activities	(180.1)	(11.4)
Net cash flow from financing activities	99.5	(27.2)
Net increase/(decrease) in cash and cash equivalents	(54.9)	1.3
Cash and cash equivalents at 31.12.	127.7	129.0

TRANSACTIONAL CURRENCY EXPOSURE (in %)

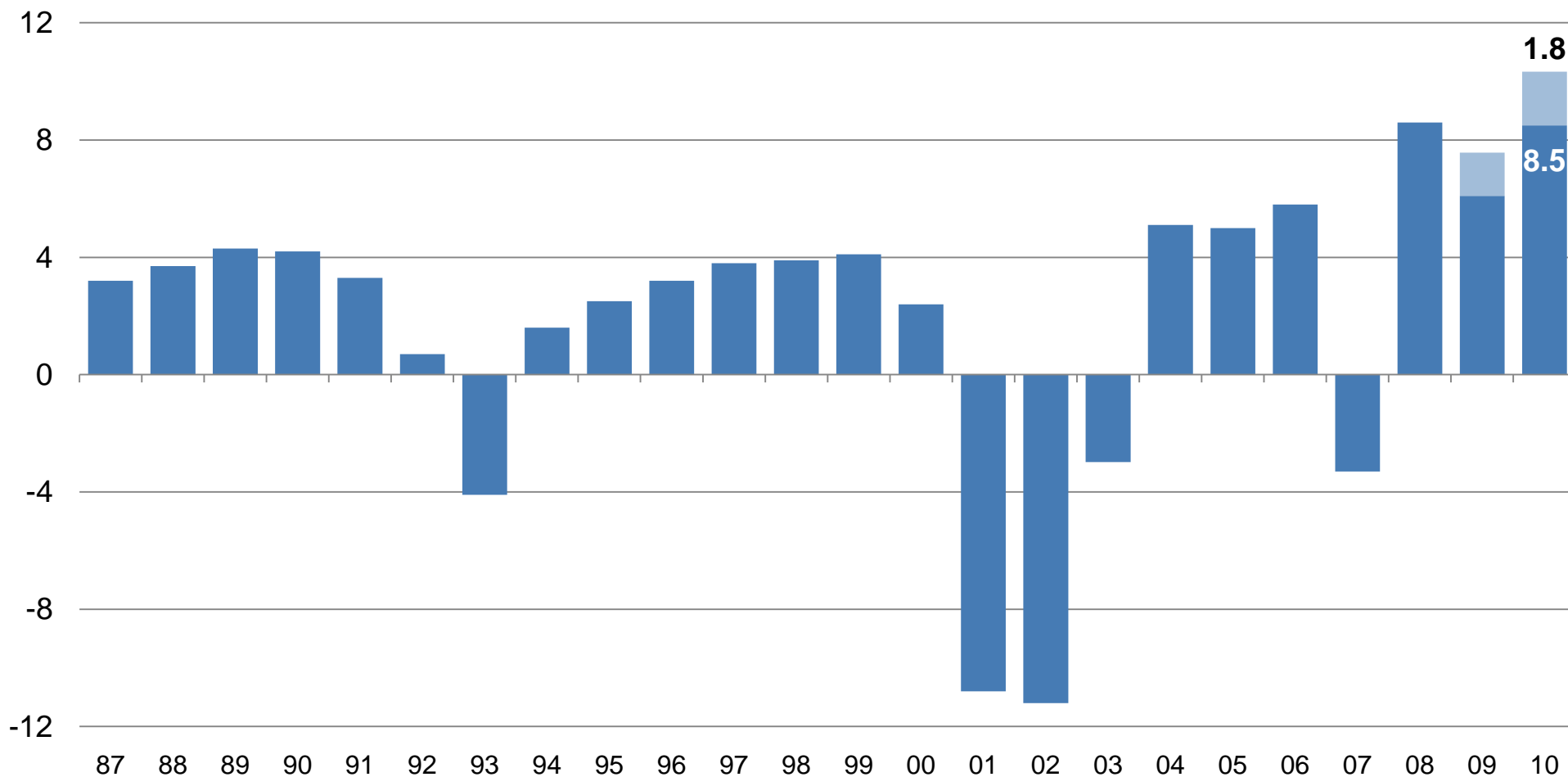
Global net revenue distribution in %



Global cost distribution in %



DEVELOPMENT OF THE EBIT MARGIN (1987-2010, in %)



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INVESTMENTS IN 2011 WILL ENABLE TARGETED GROWTH FROM 2012 ONWARDS

Fritz Mumenthaler

CEO (as of 1 April 2011)



MISSION-CRITICAL COMMUNICATION STRATEGY SINCE 2004

Customer needs:

- Communication systems and solutions, which enable quicker and very reliable responses, when security, safety or efficiency is mission critical
- Constant innovation, which ensures efficient use of customers' investments and resources

Strategy:

- Substantial investments in innovation and people
- Operational excellence
- Active portfolio strategy
- Market leadership in selected communication segments with international growth perspectives based on specific growth drivers

ASCOM – A MISSION-CRITICAL COMMUNICATION COMPANY

Wireless Solutions



Wireless on-site communication solutions for hospitals, elderly care, and other establishments

Leading wireless on-site communication company to become the international leader in health care communication

Network Testing



Testing and optimization solutions for mobile networks

No. 1 globally in mobile network optimization and benchmarking tools benefiting from LTE investments

Security Communication



Communication solutions for national and civil security organizations

Swiss national champion in communication technology

STRATEGIC PLAN 2011-2013: 'IN 13: 14 TO 15'

(2013: 14-15% EBITDA MARGIN)

THE CONSISTENT IMPLEMENTATION OF OUR PROVEN STRATEGY

2010 Sustainable profitability achieved

- Leading positions in growth markets
- All divisions profitable and positioned to capture future growth
- R&D spending increased to 10.0% of revenue (2009: 8.7%)

2011 Investments in complementary technologies, regional growth and new offerings to accelerate 'Mission-Critical Communication' strategy

- Investments to reinforce organic growth: Distribution, R&D, offering
- M&A (Wireless Solutions): Health care communication or market consolidation

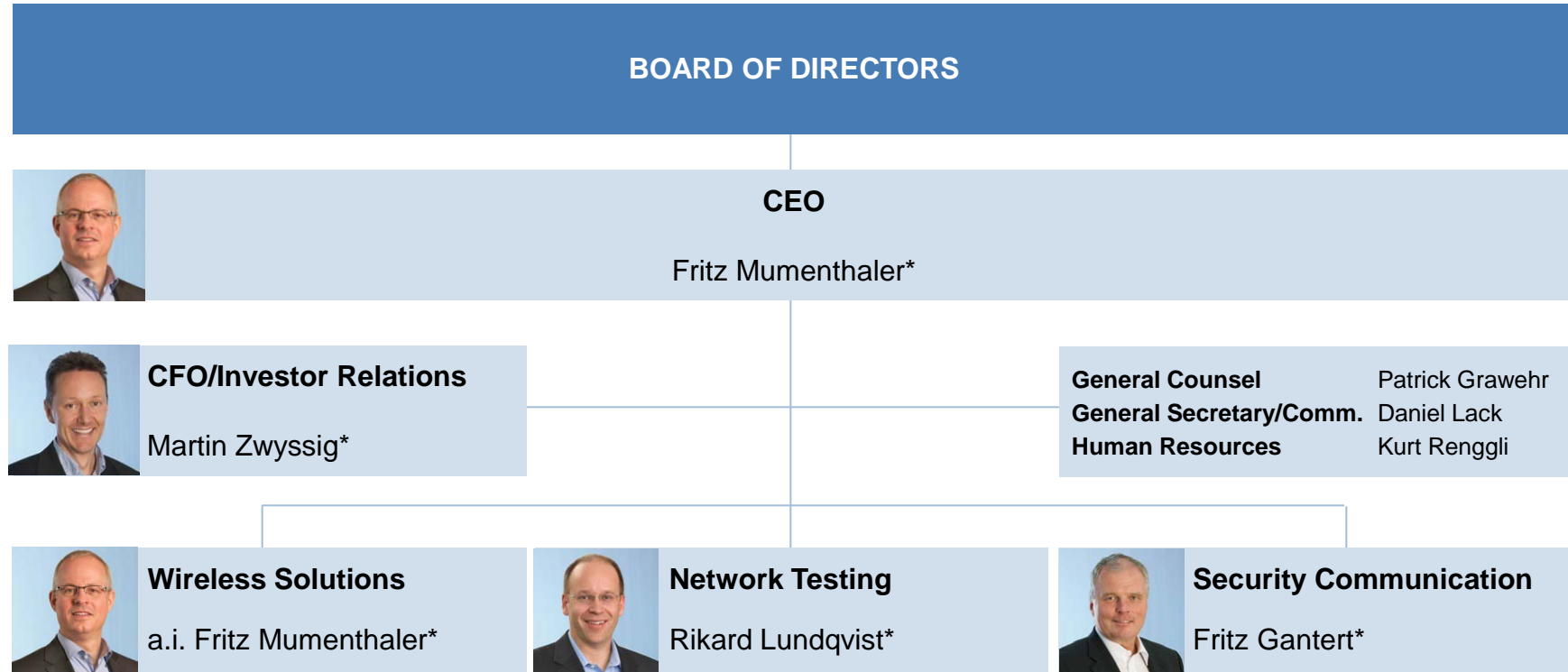
2012/13 Harvest the fruits

- Wireless Solutions (WS): Return on health care communication investments
- Network Testing (NT): Return on LTE investments, driven by mobile data growth
- Security Communication (SeCom): Benefits from improved efficiency

ASCOM – GLOBAL PRESENCE





MANAGEMENT TEAM AS OF 1 APRIL 2011



* Member of the Executive Board

STARTING FROM A VERY GOOD 2010: 2011 FIRST STEP TO ACHIEVE 'IN 13: 14 TO 15'

	INVESTMENTS	LEVEL	RESULTS
2011 PLAN	<p>WS</p> <ul style="list-style-type: none"> ▪ New products ▪ New technologies ▪ New markets and channels ▪ M&A <p>NT</p> <ul style="list-style-type: none"> ▪ Investments in products <p>SeCom</p> <ul style="list-style-type: none"> ▪ Life-cycle partnership in CH ▪ Investments in efficiency 		<ul style="list-style-type: none"> ▪ WS: continued growth and preparing for accelerated growth and profitability ▪ NT: preparing for LTE growth ▪ SeCom: even more stable and less risky business model
2012-13 PLAN	Harvesting and continued internationalization		<ul style="list-style-type: none"> ▪ Revenue CAGR (WS/NT) 5-10% p.a. organic growth ▪ EBITDA margin (Group): 'In 13: 14 to 15'

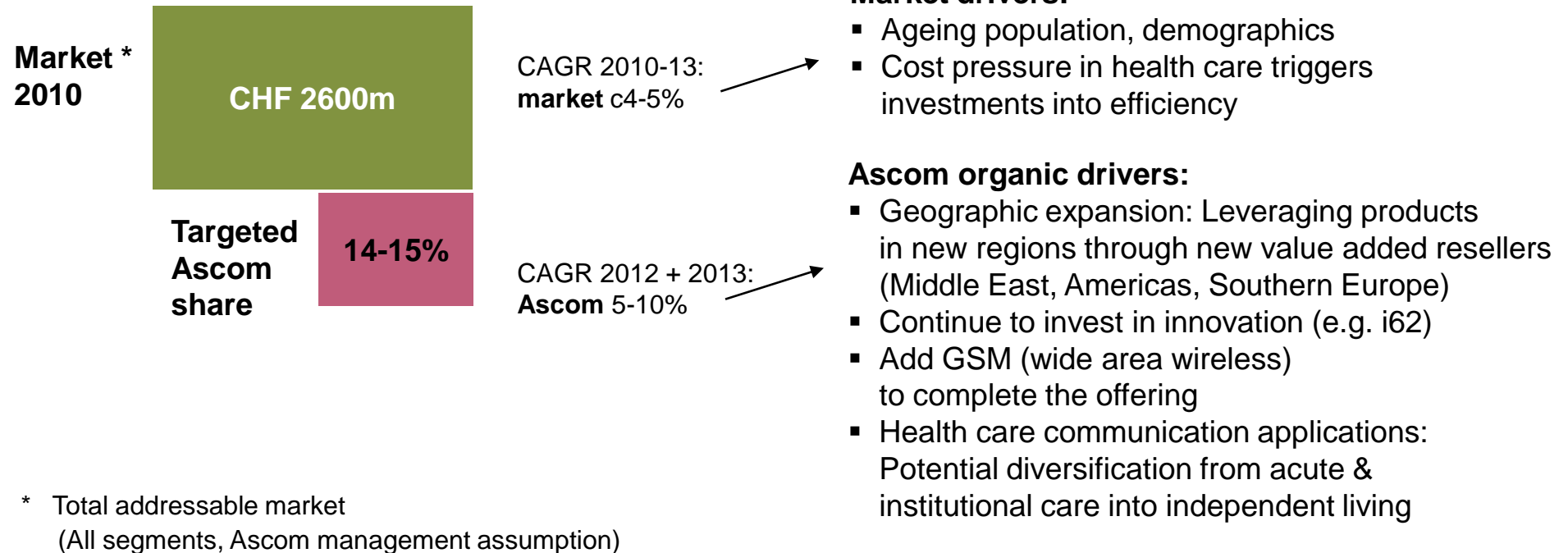
VALUE CREATION WIRELESS SOLUTIONS

STRATEGY

- Shift revenue mix further towards health care communication

FINANCIAL TARGETS 2013

- Revenue CAGR 2012 + 2013: 5-10%
- EBITDA margin 2013 12-15%



WIRELESS SOLUTIONS – FOCUS ITEMS 2011

1

INVESTMENTS IN NEW PRODUCTS AND TECHNOLOGIES

- Improve existing product range
- Add selectively new applications/technologies (e.g. GSM for Enterprise)
- Thereby improve our competitive position

2

EXPANSION OF SALES CHANNELS

- USA
- Southern and Eastern Europe
- Middle East

3

EXPANSION OF ALREADY STRONG POSITION IN HEALTH CARE MARKET

- Capitalize on growing health care market
- Address the independent living/home care segment
- Targeted acquisitions, preferably in the health care sector

VALUE CREATION NETWORK TESTING

STRATEGY

- Further strengthen the position as leading solutions provider in mobile network optimization and benchmarking as well as the No. 1 in LTE networks

FINANCIAL TARGETS 2013:

- Revenue CAGR 2012 + 2013: 5-10%
- EBITDA-margin 2013: 16-19%



* Addressable market (Ascom management assumption)

NETWORK TESTING – FOCUS ITEMS 2011

1

TECHNOLOGY ENHANCEMENT/INVESTMENTS

- Expansion of support for emerging technologies such as LTE
- Strengthening the leadership position in benchmarking and optimization:
 - ▶ New TEMS Investigation 12.0 offers broadest support for mobile devices

2

GROWTH OPPORTUNITIES

- Benefiting from LTE investments
- Further improvement of the position in the Reporting and Analysis segment due to the new TEMS Discovery offering

3

CONTINUED COOPERATION WITH INFRASTRUCTURE VENDORS

- Samsung/LG Electronics
- Development of interfaces for terminals for use with TEMS products
 - ▶ good understanding of needs of infrastructure vendors related to LTE

VALUE CREATION SECURITY COMMUNICATION

STRATEGY

- Focus on national and civil security communication, by maintaining a leading Swiss position as system integrator and as an option, doing business with international partners as product and system supplier.

FINANCIAL TARGETS 2013

EBITDA margin 2013 7-10%

Market:

Service- and Project-Business

Market drivers:

- Ongoing need for secure communication across national and civil security institutions
- Inter-operability, network centric operations, mobility of deployable forces

Ascom + drivers:

- Leader in domestic market with wide experience in tactical communications
- Substantial installed base in domestic market generates ongoing opportunities
- International, indirect business model to trigger growth at lower risk
- Technology shift: Need for IP networks and connectivity across heterogeneous network technologies

SECURITY COMMUNICATION – FOCUS ITEMS 2011

1

SWISS CHAMPION

- Consolidate the leading position in the Swiss home market for national and civilian security institutions
- Working with partners to exploit profitable product sales opportunities on the international market

2

PROFITABILITY IMPROVEMENT

- Initiatives started in last weeks to decrease the risk of the business and to improve the profitability already in 2011

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OUTLOOK



DIVISIONAL TARGETS FOR 2012/2013 PLAN (figures without potential acquisitions)

Wireless Solutions	Sales growth	5-10%	CAGR 2012 + 2013
	EBITDA margin	12-15%	Target 2013
Network Testing	Sales growth	5-10%	CAGR 2012 + 2013
	EBITDA margin	16-19%	Target 2013
Security Communication	Sales growth	Service- and project business	
	EBITDA margin	7-10%	Target 2013

[OUTLOOK]

OUTLOOK 2011

▪ Financial targets for 2011:

Revenue growth	Wireless Solutions: slight revenue growth Network Testing: stable Security Communication: slightly lower revenue
EBITDA margin	11.5-12.5% at Group level

▪ Financial medium-term targets for 2013:

Revenue growth	WS/NT 5-10%	Targets 2012 and 2013
EBITDA margin	14-15% (Group)	Target 2013

Outlook assumes a steady economical environment and at least stable currency relations

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QUESTIONS & ANSWERS



LEGAL DISCLAIMER

This document contains specific forward-looking statements, e.g. statements including terms like “believe”, “expect” or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of Ascom and those explicitly presumed in these statements.

Against the background of these uncertainties readers should not rely on forward-looking statements. Ascom assumes no responsibility to update forward-looking statements or adapt them to future events or developments.

THANK YOU!



MISSION-CRITICAL COMMUNICATION
OUR STRENGTH – YOUR BENEFIT

