



WELCOME TO THE
ASCOM MEDIA AND ANALYST CONFERENCE

2011 HALF-YEAR RESULTS

IN 13:

14 TO

15

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2011 HALF-YEAR RESULTS

18 AUGUST 2011

Fritz Mumenthaler CEO

Martin Zwysig CFO



TODAY'S KEY MESSAGES

- Solid half-year results in line with existing full-year guidance
- Concentration of strengths – best owners to be sought for
Security Communication
- 2011 full-year guidance increased to an EBITDA margin of 13-14%*
(continuing operations)
- Mid-term target of a Group EBITDA margin of 14-15%* in 2013 confirmed

*provided that the economic environment and exchange rate situation do not deteriorate substantially

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AGENDA

- 2011 H1 ASCOM AT A GLANCE
- THE NEXT STEP IN IMPLEMENTING OUR STRATEGY
- 2011 H1 FINANCIAL RESULTS
- HIGHLIGHTS FROM THE DIVISIONS
- LOOKING FORWARD



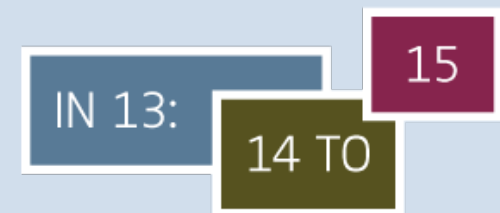
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2011 H1 ASCOM AT A GLANCE



ASCOM ACHIEVES A SOLID HALF-YEAR OPERATING RESULT

- On an adjusted basis net of negative currency effects and divestments, Group revenue stable and in line with company's guidance
- Gross margin increased to 48.7% (H1 2010: 46.9%)
- Wireless Solutions and Network Testing invested as planned in new products and markets to provide the basis for growth above average market growth in 2012 and 2013
- EBITDA margin of 11.7% in line with company's guidance
- Earning power at Group level remains largely stable



OVERALL STABLE REVENUE DEVELOPMENT

- **Revenue development in line with company's guidance**

- Total revenue of CHF 253.1m (H1 2010: CHF 281.2m)

- ▶ Flat on an adjusted basis, in line with company's guidance

Wireless Solutions: Organic growth of 5.2%

Network Testing: Flat revenue development net of currency and divestment effects

Security Communication: Declining revenue in line with expectations

- **Strong impact of negative currency translation effects**

- Ascom generates about 80% of its total revenue outside Switzerland
- About 60% of revenue is generated in USD and EUR while about 47% of costs are denominated in SEK and CHF

EBITDA DEVELOPMENT IN LINE WITH EXPECTATIONS

- **EBITDA margin of 11.7% within company's guidance**

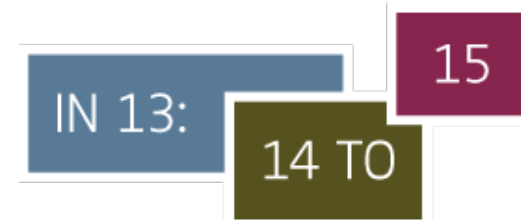
- Group EBITDA: CHF 29.6m (H1 2010: CHF 33.9m)

EBITDA margin: 11.7% (H1 2010: 12.1%)

▶ Group EBITDA increased by 4.0% adjusted by currency & divestment effects

- Group EBIT: CHF 19.5m (H1 2010: CHF 24.0m)

EBIT margin: 7.7% (H1 2010: 8.5%)



- **Group profit strongly affected by the declining financial result**

- CHF 9.0m (H1 2010: CHF 17.1m) including FX losses of CHF 6.6m and amortization of transaction costs of early re-deemed credit facilities of CHF 1.4m

DIVISIONS: STRONG RESULT OF WIRELESS SOLUTIONS

Wireless Solutions

- Increasing revenues: Organic growth of 5.2%
- Improved EBITDA: CHF 17.8m (H1 2010: CHF 17.3m)
- Strong EBITDA margin 13.4% (H1 2010: 12.5%)

Network Testing

- Stable revenue development (adjusted for FX and divestment effects)
- Lower EBITDA due to currency effects and investments in new products & markets: CHF 5.4m (H1 2010: CHF 12.3m)
- EBITDA margin 7.7% (H1 2010: 15.4%)

Security Communication

- Declining revenue in line with expectations
- Improved EBITDA vs. FY 2010 results: CHF 3.6m (H1 2010: CHF 5.8m)
- EBITDA margin 7.0% (H1 2010: 9.0%)

SOLID BALANCE SHEET

Solid balance sheet as per 30 June 2011

- Cash and cash equivalents of CHF 80.4m
- Net cash CHF 42.8m
- Equity ratio improved to 35.9%

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THE NEXT STEP IN IMPLEMENTING OUR STRATEGY



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
 - ▶ Need for state-of-the-art products, systems, solutions and services
- Continuous innovation, which ensures efficient use of customers' investments and resources

Strategy

- Market leadership in selected communication segments with international growth perspectives based on specific growth drivers
- Continuous investments in people, innovation and sales channels
- Active portfolio strategy

SECURITY COMMUNICATION: THOROUGH EVALUATION OF STRATEGIC POSITION

Thorough review of strategic position by Board of Directors and CEO:

- Security Communication is mainly Swiss based and contains different small business areas such as Defense, Public Safety and Infrastructure Operators with limited synergies
- Profit margins across these businesses vary considerably
- Major part of business activities is based on long-term project business, which is highly volatile and of cyclical nature
- Security Communication cannot reach critical mass in any of these business areas to justify the high level of R&D investment required to stay in the game
- Hence these business areas cannot be operated profitably stand-alone

SECURITY COMMUNICATION: DEFENSE BUSINESS - STRATEGIC RATIONALE

- Substantial dependency from one single customer
- The Swiss defense market is small, the demand is cyclical and overall declining
- Given the small domestic market, growth opportunities are limited and entail substantial risks
- The strategy to internationalize the defense business with partners did not materialize
- Defense Switzerland as a stand-alone business cannot reach the critical mass without an international part to flatten the cycles of demand from the Swiss defense business

SECURITY COMMUNICATION: BEST OWNERS TO BE SOUGHT FOR

- New and better ownership will be sought for the businesses of Security Communication
- First priority will be given to the obligations toward customers and employees; Ascom will respect their interests and has a positive track record with business transfers to new owners
- The Division's General Manager, Dr Fritz Gantert, will focus on the operational management of the business. He will implement the necessary structural adjustments and support with his experience the divestment process
- Dr Fritz Gantert will leave the Executive Board at the end of the year. The Board of Directors thanks him already now for his valuable contribution

CONCENTRATION ON TWO STRONG DIVISIONS

Investments in new products, markets, and technologies aim at further consolidating and expanding our leading market position in the respective markets. Our strategy focuses on creating sustainable values.

Wireless Solutions



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

Wireless on-site communication solutions for hospitals, elderly care homes, industrial sites, secure establishments and other facilities

www.ascom.com/wireless-solutions

Network Testing

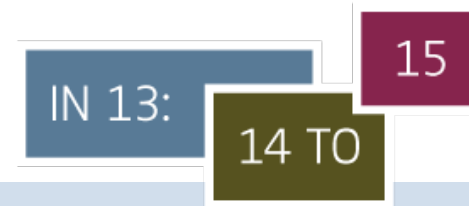


No. 1 globally in mobile network optimization and benchmarking tools benefiting from LTE investments

Testing and optimization solutions for mobile networks

www.ascom.com/networktesting

CONSISTENT GROWTH STRATEGY

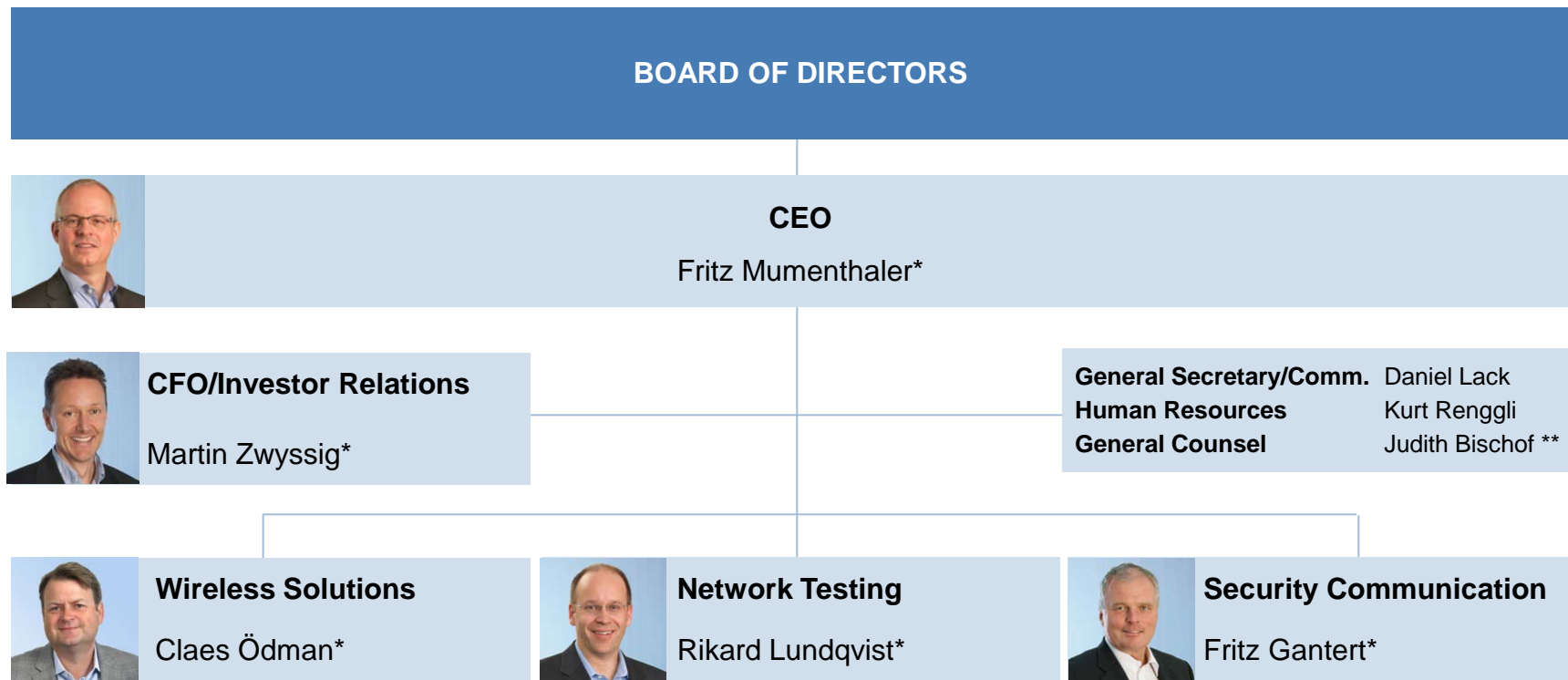


- Ascom will continue to consistently pursue the corporate strategy it adopted in 2004 and concentrate on Mission-Critical Communication in the business-to-business strategy
- The two divisions Wireless Solutions and Network Testing are well positioned to capture organically as well as inorganically market-share to build and fortify the Group's global market leader position in healthcare Communication and Network Testing
- Targeted investments in new products, technologies and markets in 2011 will provide the basis for growth above market in 2012 and 2013
- From 2012 onwards Ascom is targeting an average annual organic growth of 5-10% in its core business
- The Group will continue to grow inorganically and Ascom will explore opportunities for targeted, value-adding acquisitions to achieve the medium-term objectives of Wireless Solutions & Network Testing

ACQUISITION OF MIRATEL: ANOTHER STEP TOWARDS GLOBAL MARKET LEADERSHIP IN HEALTHCARE COMMUNICATION

- Ascom further strengthened its leading position as a provider of communication solutions for the healthcare sector by acquiring Finnish company Miratel as of 1 July 2011
- Miratel is an excellent strategic fit for Wireless Solutions
- Miratel is the clear market leader in nurse call solutions, communication and personal security systems for hospitals and care facilities in Finland
- Miratel has over 40 years' experience in nurse call systems and Ascom gets access to its strong installed base with a remarkable service business
- The acquisition will give Ascom the leading market position in the healthcare segment in Finland

OUR MANAGEMENT TEAM



* Member of the Executive Board

** As of 1 September 2011

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2011 H1 FINANCIAL RESULTS

Martin Zwysig

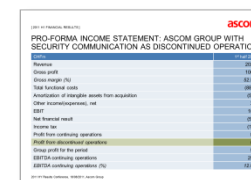
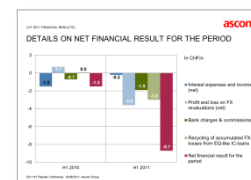
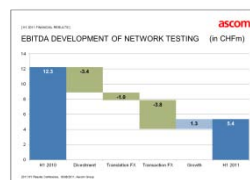
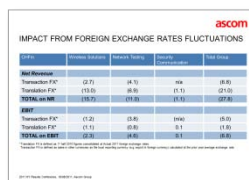
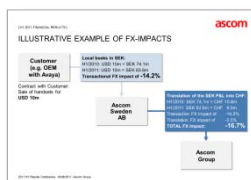
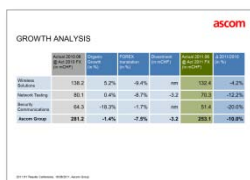
CFO



CONSOLIDATED INCOME STATEMENT

CHFm	1 st half 2010	1 st half 2010 (FX adj.*)	1 st half 2011
Revenue	281.2	260.3	253.1
Gross profit	131.8	122.4	123.2
<i>Gross margin (%)</i>	<i>46.9%</i>	<i>47.0%</i>	<i>48.7%</i>
Total functional costs	(107.1)	(100.0)	(100.7)
Amortization of intangible assets from acquisition	(5.3)	(5.1)	(5.0)
Other income/(expenses), net	4.6	4.9	2.0
EBIT	24.0	22.2	19.5
Net financial result	(1.5)	0.2	(8.7)
Income tax	(5.4)	(5.0)	(1.8)
Group profit for the period	17.1	17.4	9.0
EBITDA	33.9	31.7	29.6
<i>EBITDA (%)</i>	<i>12.1%</i>	<i>12.2%</i>	<i>11.7%</i>

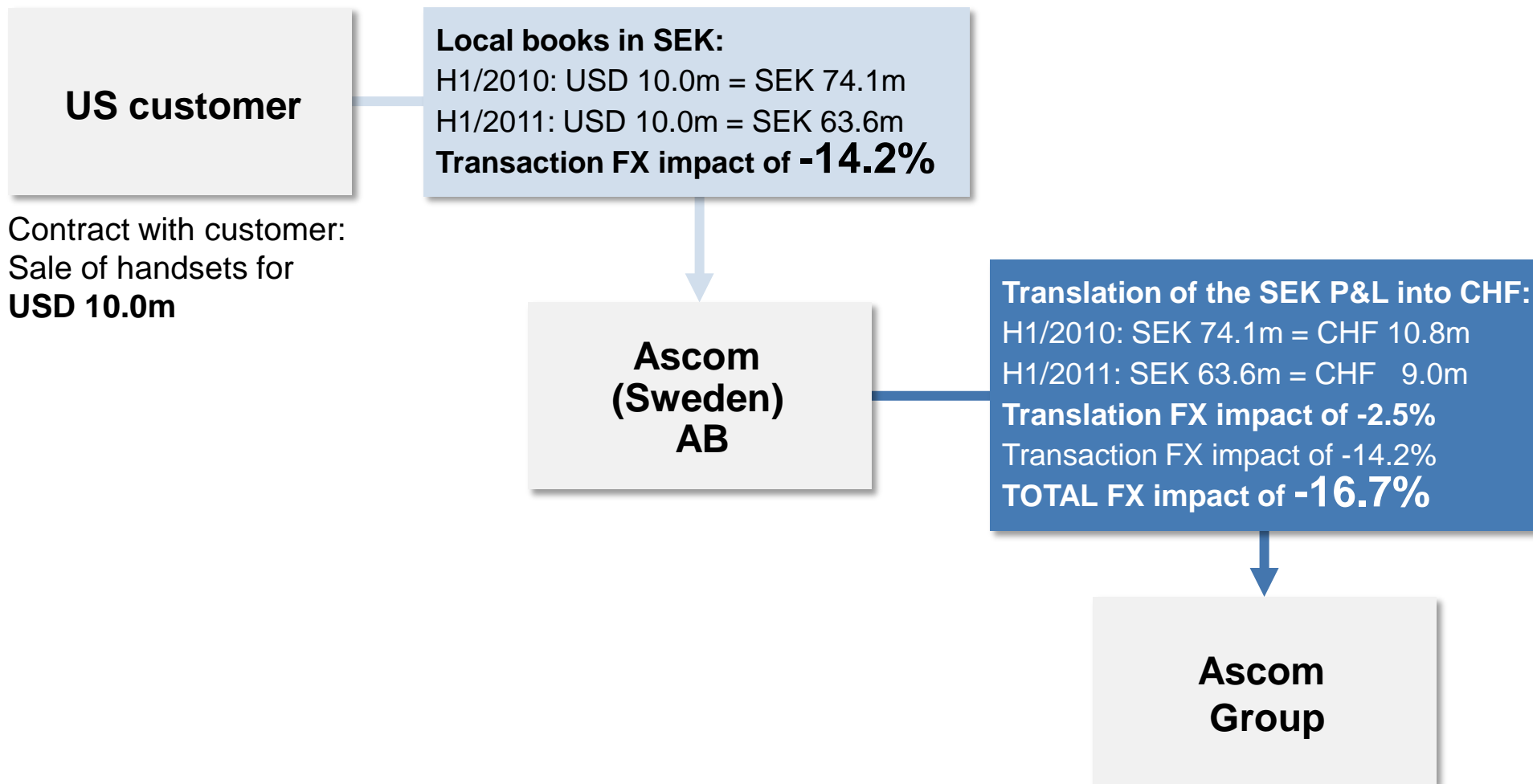
* "FX adj." is defined as 1st half 2010 figures consolidated at actual 2011 foreign exchange rates. Transaction FX effects are NOT adjusted.



GROWTH ANALYSIS - NET REVENUE

	Actual H1/2010 @ Act 2010 FX (in CHFm)	Organic growth (in %)	FOREX translation (in %)	Divestment (in CHFm)	Actual H1/2011 @ Act 2011 FX (in CHFm)	Δ 2011/2010 (in %)
Wireless Solutions	138.2	5.2%	-9.4%	n/a	132.4	-4.2%
Network Testing	80.1	-0.2%	-8.7%	-2.7	70.3	-12.2%
Security Communication	64.3	-18.3%	-1.7%	n/a	51.4	-20.0%
Ascom Group	281.2	-1.6%	-7.5%	-2.7	253.1	-10.0%

ILLUSTRATIVE EXAMPLE OF FX IMPACTS



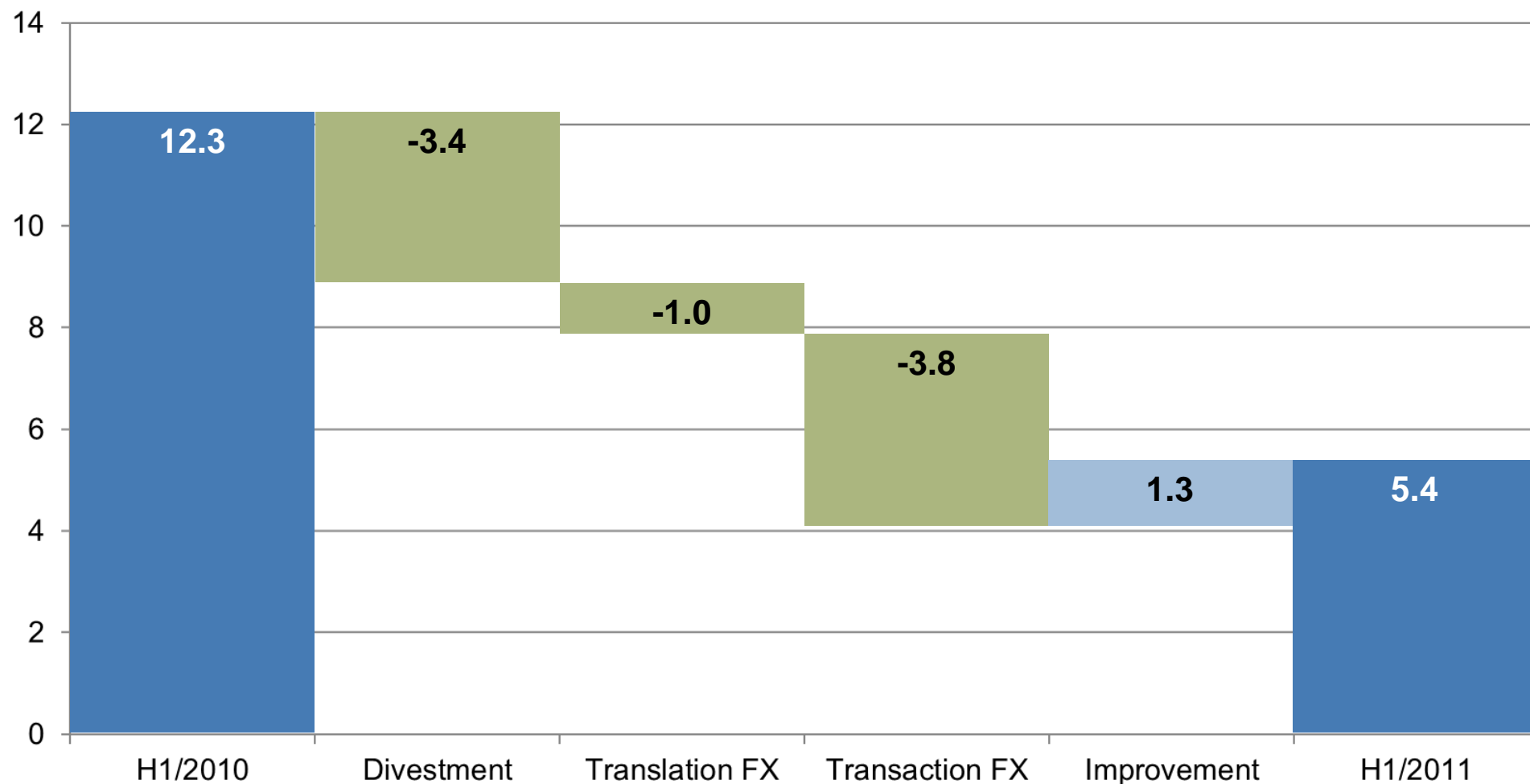
IMPACT FROM FOREIGN EXCHANGE RATES FLUCTUATION

CHFm	Wireless Solutions	Network Testing	Security Communication	Total Group
Net revenue				
Transaction FX impact*	(2.7)	(4.1)	n/a	(6.8)
Translation FX impact*	(13.0)	(6.9)	(1.1)	(21.0)
TOTAL FX impact on NR	(15.7)	(11.0)	(1.1)	(27.8)
EBITDA				
Transaction FX impact*	(1.2)	(3.8)	n/a	(5.0)
Translation FX impact*	(1.3)	(1.0)	0.0	(2.3)
TOTAL FX impact on EBITDA	(2.5)	(4.8)	0.0	(7.3)

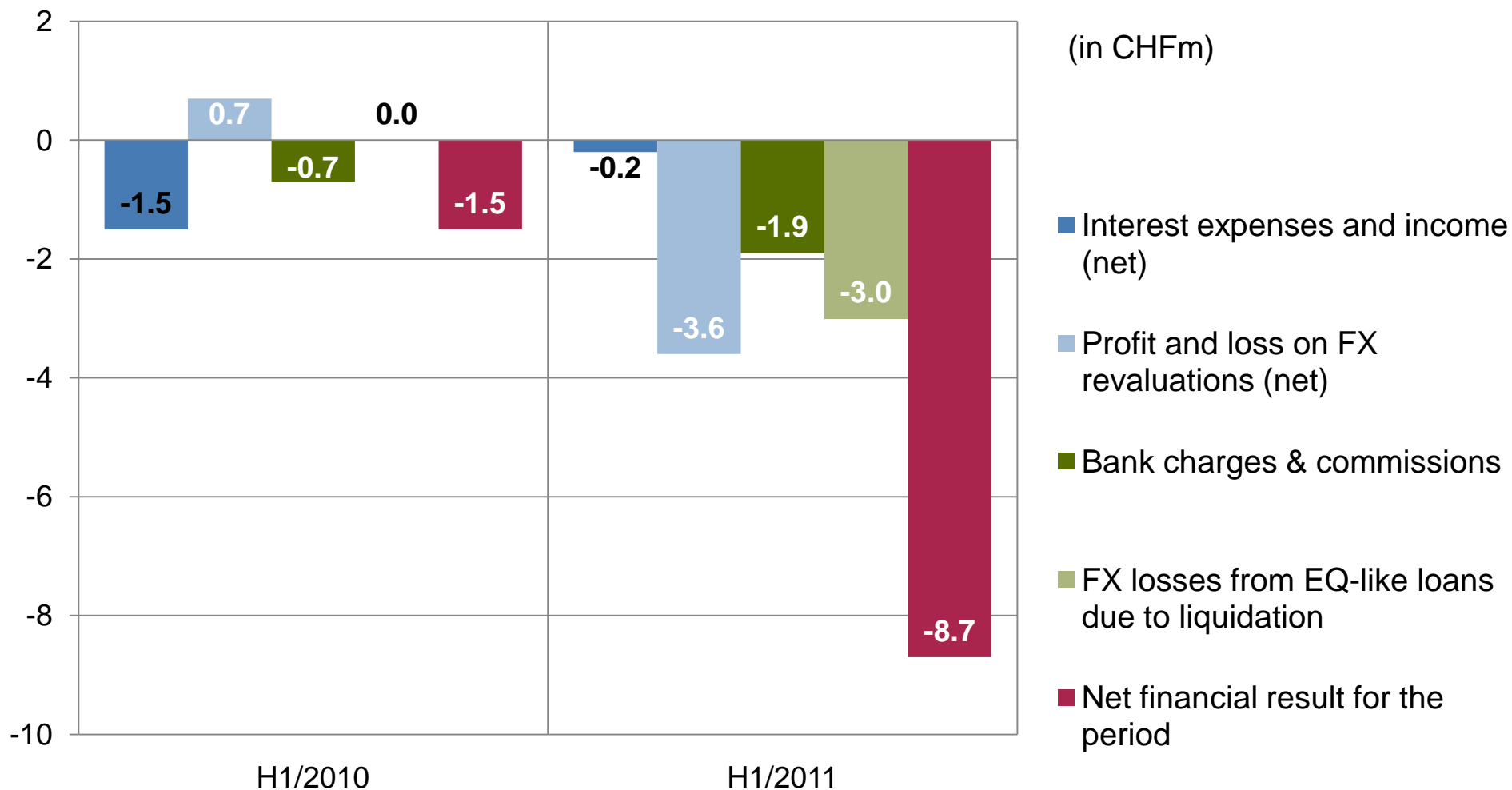
* Translation FX impact is defined as 1st half 2010 figures consolidated at actual 2011 foreign exchange rates.

Transaction FX impact is defined as revenue in other currencies as the local reporting currency (e.g. export in foreign currency) calculated at prior year average exchange rates.

EBITDA DEVELOPMENT OF NETWORK TESTING (in CHFm)



DETAILS ON NET FINANCIAL RESULT FOR THE PERIOD

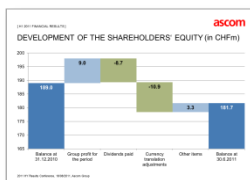


PRO FORMA INCOME STATEMENT: ASCOM GROUP WITH SECURITY COMMUNICATION AS DISCONTINUED OPERATION

CHFm	1 st half 2011
Revenue	202.5
Gross profit	106.3
<i>Gross margin (%)</i>	52.5%
Total functional costs	(88.1)
Amortization of intangible assets from acquisition	(5.0)
Other income/(expenses), net	3.2
EBIT	16.4
Net financial result	(5.8)
Income tax	(1.7)
Profit from continuing operations	8.9
<i>Profit from discontinued operations</i>	<i>0.1</i>
Group profit for the period	9.0
EBITDA continuing operations	25.9
<i>EBITDA continuing operations (%)</i>	12.8%

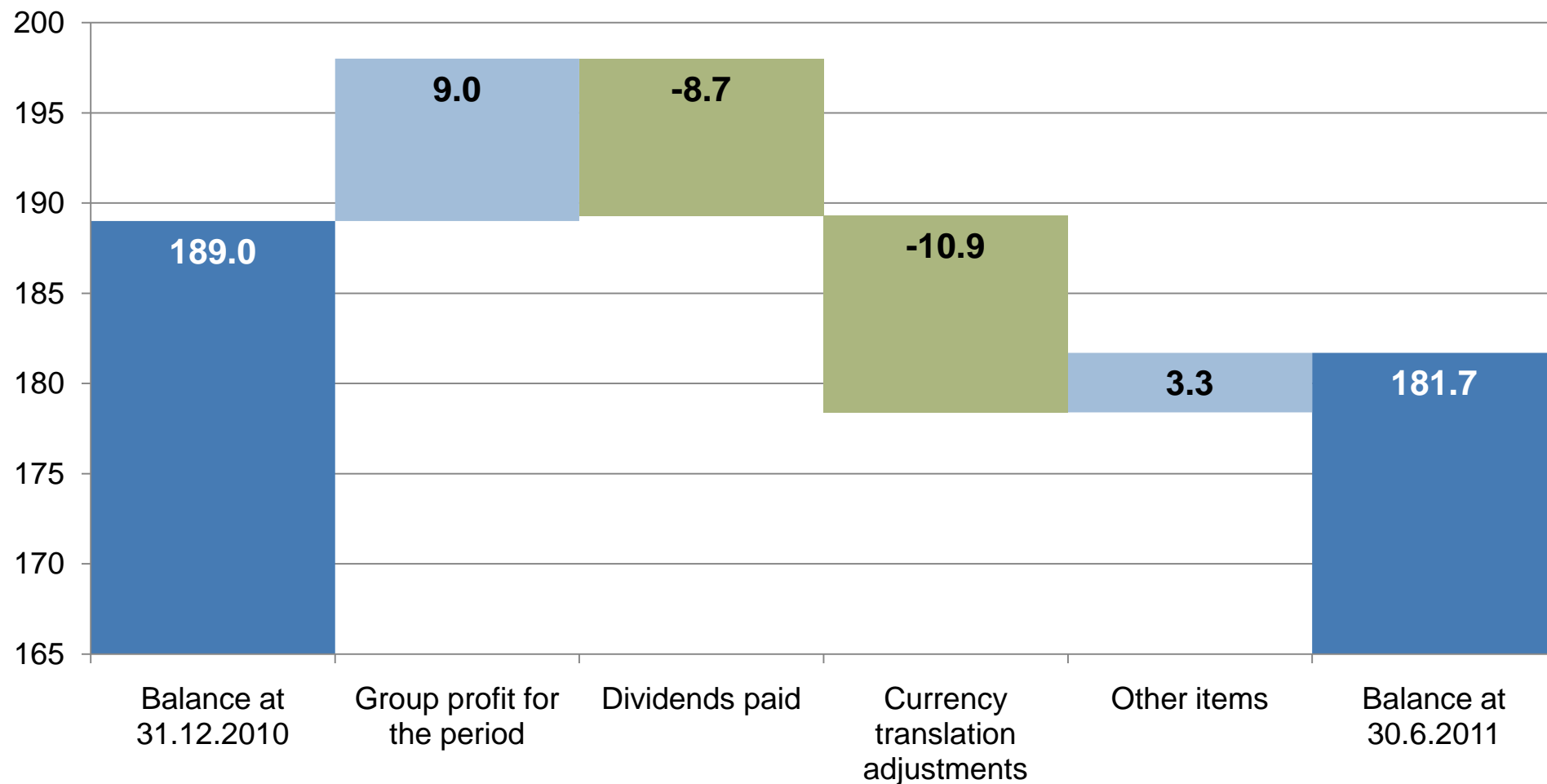
CONSOLIDATED BALANCE SHEET

	31.12.2010		30.6.2011	
	CHFm	%	CHFm	%
Intangible assets	221.5	38.1	203.9	40.2
Other non-current assets	39.9	6.9	40.9	8.1
Non-current assets	261.4	45.0	244.8	48.3
Cash and cash equivalents	129.0	22.2	80.4	15.9
Other current assets	189.9	32.8	181.3	35.8
Total assets	580.3		506.5	
Shareholders' equity	189.0	32.6	181.7	35.9
Non-current liabilities	83.9	14.4	82.4	16.3
Current liabilities	307.4	53.0	242.4	47.8
Total liabilities and shareholders' equity	580.3		506.5	



Item	31.12.2010
Intangible assets	221.5
Other non-current assets	39.9
Non-current assets	261.4
Cash and cash equivalents	129.0
Other current assets	189.9
Assets held for sale	0.0
Total assets	580.3
Shareholders' equity	189.0
Non-current liabilities	83.9
Current liabilities	307.4
Total liabilities and shareholders' equity	580.3

DEVELOPMENT OF SHAREHOLDERS' EQUITY (in CHFm)



PRO-FORMA BALANCE SHEET: ASCOM GROUP WITH SECURITY COMMUNICATION AS DISCONTINUED OPERATION

	30.6.2011	
	CHFm	%
Intangible assets	203.7	40.2
Other non-current assets	31.0	6.1
Non-current assets	234.7	46.3
Cash and cash equivalents	75.5	14.9
Other current assets	141.0	27.9
<i>Assets held for sale</i>	<i>55.3</i>	<i>10.9</i>
Total assets	506.5	
Shareholders' equity	181.7	35.9
Non-current liabilities	71.8	14.2
Current liabilities	134.6	26.5
<i>Liabilities in relation to assets held for sale</i>	<i>118.4</i>	<i>23.4</i>
Total liabilities and shareholders' equity	506.5	

CONSOLIDATED STATEMENT OF CASH FLOWS

CHFm	1 st half-year 2010	1 st half-year 2011
Net cash flow from operating activities	21.7	1.3
Net cash flow from investing activities	(6.7)	(3.5)
Net cash flow from financing activities	(27.7)	(43.4)
Net decrease in cash and cash equivalents	(15.3)	(48.6)
Cash and cash equivalents at the end of the period	112.4	80.4

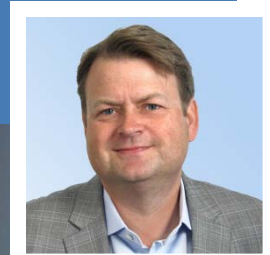
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HIGHLIGHTS FROM THE DIVISIONS



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WIRELESS SOLUTIONS WHEN EVERY SECOND COUNTS



WIRELESS SOLUTIONS – VERY GOOD RESULTS

- **Increasing revenue** ▶ Organic growth of 5.2%
- **Strong profitability** ▶ EBITDA increased by 10.5% on a currency-adjusted basis
- **All three sales channels performed well**
 - Direct channel sales grew overall with a very strong performance in the US
 - OEM business grew substantially with newer OEM partners and developed satisfactorily with other OEM partners
 - Indirect channel with international sales partners grew strongly showing a positive trend in Central and Eastern Europe
- **Special achievements**
 - Medical Device Directive in Europe for Mobile Monitoring Gateway (MMG)
 - FDA clearance in the US for Ascom Cardiomax

WIRELESS SOLUTIONS – FOCUS SECOND HALF-YEAR

1 FURTHER INVESTMENT IN SALES CHANNELS

- US
- International sales partners (Dubai, Spain, Southern & Eastern Europe)

2 PREPARE FOR FURTHER INORGANIC GROWTH

- Integration of Miratel in Finland
- Evaluation of further acquisition targets (mainly companies with a strong portfolio in the healthcare sector)

3 INVESTMENTS IN NEW PRODUCTS AND BUSINESS FIELDS

- Enhance existing product offering
- Add selectively new applications
- Address the independent living/homecare segment

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NETWORK TESTING

EVOLVING NETWORKS. TRUSTED SOLUTIONS.



NETWORK TESTING – CHALLENGING ENVIRONMENT

- **Revenue development stable** (adjusted for FX and divestment effects) and thus in line with company's guidance and industry forecast
 - North America showed ongoing growth
 - Rebound in business in emerging market regions (e.g. South East Asia, Central & South America)
 - Europe slowed down compared to strong 2010 result
- **Operating result strongly affected by currency effects:** Network Testing suffered most from unfavorable currency development as about 60% of division's revenue is generated in USD & around 30% in EUR while around 50% of costs are in SEK & CHF
- **Substantial investments** made in new products and markets, according to Group mid-term plan
- **Special achievements**
 - LTE upgrades successfully completed with key customer in US
 - Launch of new leading benchmarking platform (replacing QVoice Symphony)

NETWORK TESTING – FOCUS SECOND HALF-YEAR

1 ASSURE STRONG SECOND HALF-YEAR

- Convert strong sales funnel into revenue
- Further development of sales organization
- Further improvement of cost position

2 BENEFITING FROM INVESTMENTS IN EMERGING TECHNOLOGIES

- Expansion of support for emerging technologies such as LTE
- Further strengthening of the leadership position in benchmarking and optimization

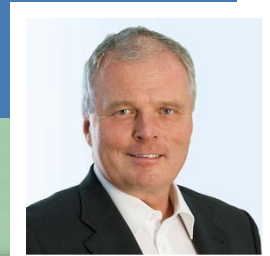
3 KEEP THE FOCUS ON INNOVATION

- Launch of new benchmarking platform
- Introduction of enterprise version of TEMS Discovery
- Scanner support for TD-LTE

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SECURITY COMMUNICATION

SERVING CUSTOMERS ANYWHERE, AT ANY TIME



SECURITY COMMUNICATION – IN LINE WITH EXPECTATIONS

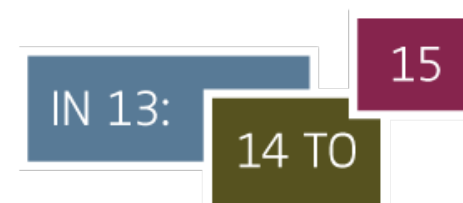
- Security Communication developed **according to expectations**
- **Substantial orders secured**, however overall Swiss defense business decreased due to its cyclical nature
- Position on the **Swiss market** further consolidated
- **Improvement in profitability** (vs. FY 2010) due to several actions implemented in H1 2011
- EBITDA-margin of 7.0% in line with **mid-term EBITDA guidance**

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LOOKING FORWARD



STARTING FROM A VERY GOOD 2010: 2011 FIRST STEP TO ACHIEVE



	INVESTMENTS	LEVEL	RESULTS
2011 PLAN	Wireless Solutions <ul style="list-style-type: none"> ▪ New products ▪ New applications ▪ New markets and channels ▪ M&A Network Testing <ul style="list-style-type: none"> ▪ Investments in products ▪ New markets and channels 		Wireless Solutions <ul style="list-style-type: none"> ▪ Continued growth and preparing for accelerated growth and profitability Network Testing <ul style="list-style-type: none"> ▪ Preparing for LTE growth
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

OUTLOOK 2011

▪ Financial targets for 2011 (continuing operations)*:

Revenue growth	Wireless Solutions: slight revenue growth Network Testing: stable
EBITDA margin	13-14% at Group level

▪ Financial medium-term targets for 2013 (continuing operations)*:

Revenue growth	5-10%	Targets 2012 and 2013
EBITDA margin	14-15%	Target 2013

* provided that the economic environment and exchange rate situation do not deteriorate substantially

INITIATED INVESTMENTS TO SUPPORT VALUE INCREASE

- Ascom is well positioned in **growth businesses** with a clear focus on innovative products, systems, solutions and services
- **EBITDA margin** target for 2011 **increased to 13-14%** (continuing operations)
- **Solid balance sheet** with surplus liquidity and improved equity ratio of 35.9%
- New **credit facility arrangement** further enhances the strategic flexibility and is a strong base for the targeted investments
- An increased share of less volatile businesses, more focused activities, an experienced management team and mature processes **reduce the risk profile**
- Continuous focus on **growth opportunities** and inorganic growth

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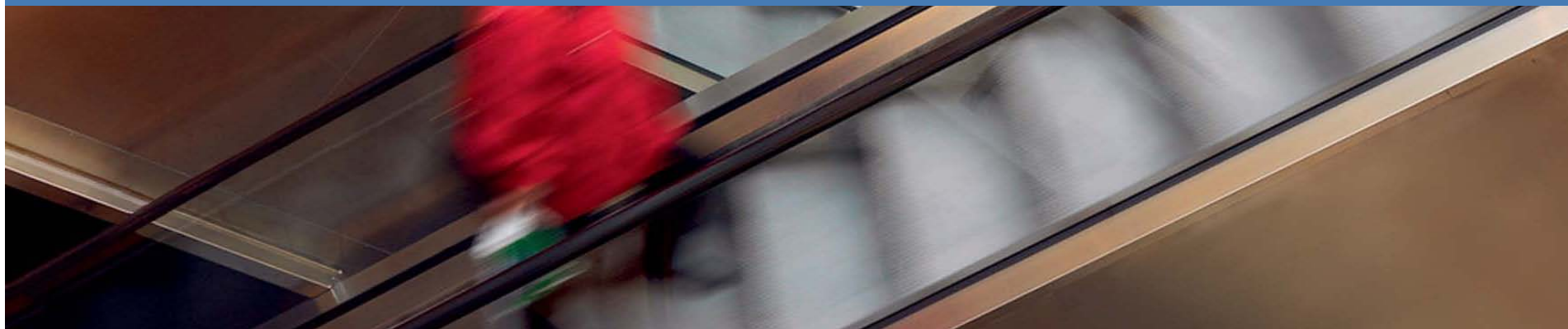
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Against the background of these uncertainties readers should not rely on forward-looking statements. Ascom assumes no responsibility to update forward-looking statements or adapt them to future events or developments.

THANK YOU!



THE MISSION-CRITICAL
COMMUNICATION COMPANY

