



ANNUAL MEDIA CONFERENCE 2009

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FY 2008 AT A GLANCE



TARGETS ACHIEVED (1)

CONTINUED OPERATIONS

- Revenue growth in continued operations of 3.8% (at constant exchange rates: +7.4%)
- Group EBIT: CHF 44.0m (2007: Loss of CHF -16.1m)
- Remarkable EBIT margin of 8.6%
- Excellent performance of Wireless Solutions: EBIT CHF 36.0m; EBIT margin: 11.7%
- Security Solutions returns to profit: EBIT CHF 9.7m; EBIT margin: 4.8%

TARGETS ACHIEVED (2)

GROUP LEVEL

- Profit from Continuing Operations: CHF 32.7m
- One-off losses of CHF -24.5m from the operations and divestments of the four divested units which have been disposed of in the meantime
- Net income: CHF 8.2 m (2007: loss of CHF 48.1 million)

TARGETS ACHIEVED (3)

CHFm	2008	2007
Incoming Orders	511.9	545.6
Net Revenue	509.2	490.5
EBIT	44.0	(16.1)
EBIT margin	8.6%	n/a
Profit from continuing operations	32.7	(20.6)
Group profit (after divestments)	8.2	(48.1)

TARGETS ACHIEVED (4)

- Rigorous and on schedule implementation of the VITESSE investment program
- Divestment of all four discontinued and loss-making units (Traffic in Switzerland, Industry Switzerland, Toll and Payphones) had been completed on schedule by year end 2008
- Successful acquisitions of two companies as part of the growth and internationalization strategy:
 - Argogroup (UK based): Transaction closed in March 2008
 - Comarco WTS (US based): Transaction closed in January 2009

VITESSE INITIATIVES MAINLY COMPLETED

Growth initiatives – ongoing

Portfolio focusing

Restructuring

WIRELESS SOLUTIONS

13 out of 16
measures completed

SECURITY SOLUTIONS

42 out of 44
measures completed

DIVESTMENTS (AS ANNOUNCED IN NOVEMBER 2007)

Traffic in Switzerland

- ▶ to Comlab (TIC part) and to Annax (Rolling Stock part) in March resp. May 2008

Industry Switzerland

- ▶ to Adaxys Solutions in March 2008

Toll

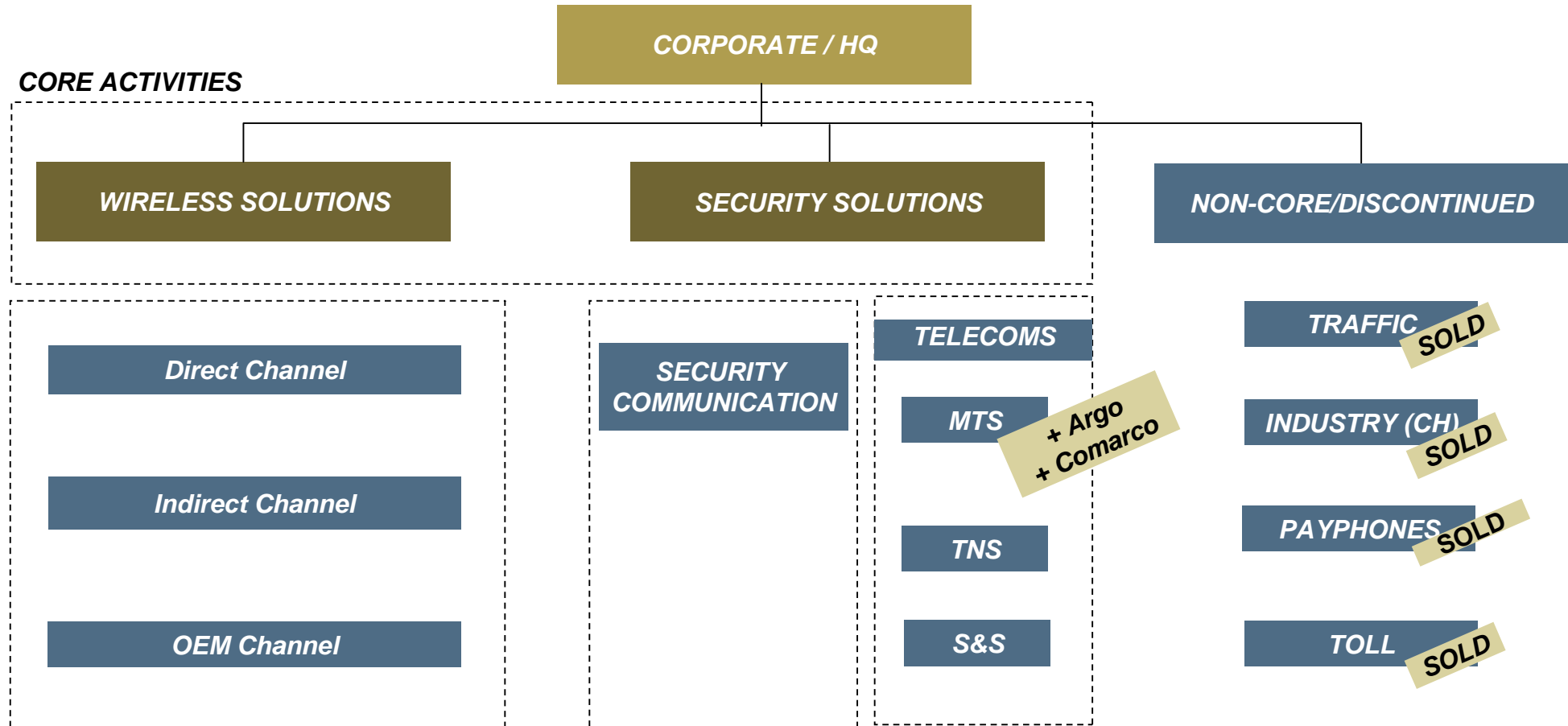
- ▶ to Ajax Holding SAS in September 2008

Payphones

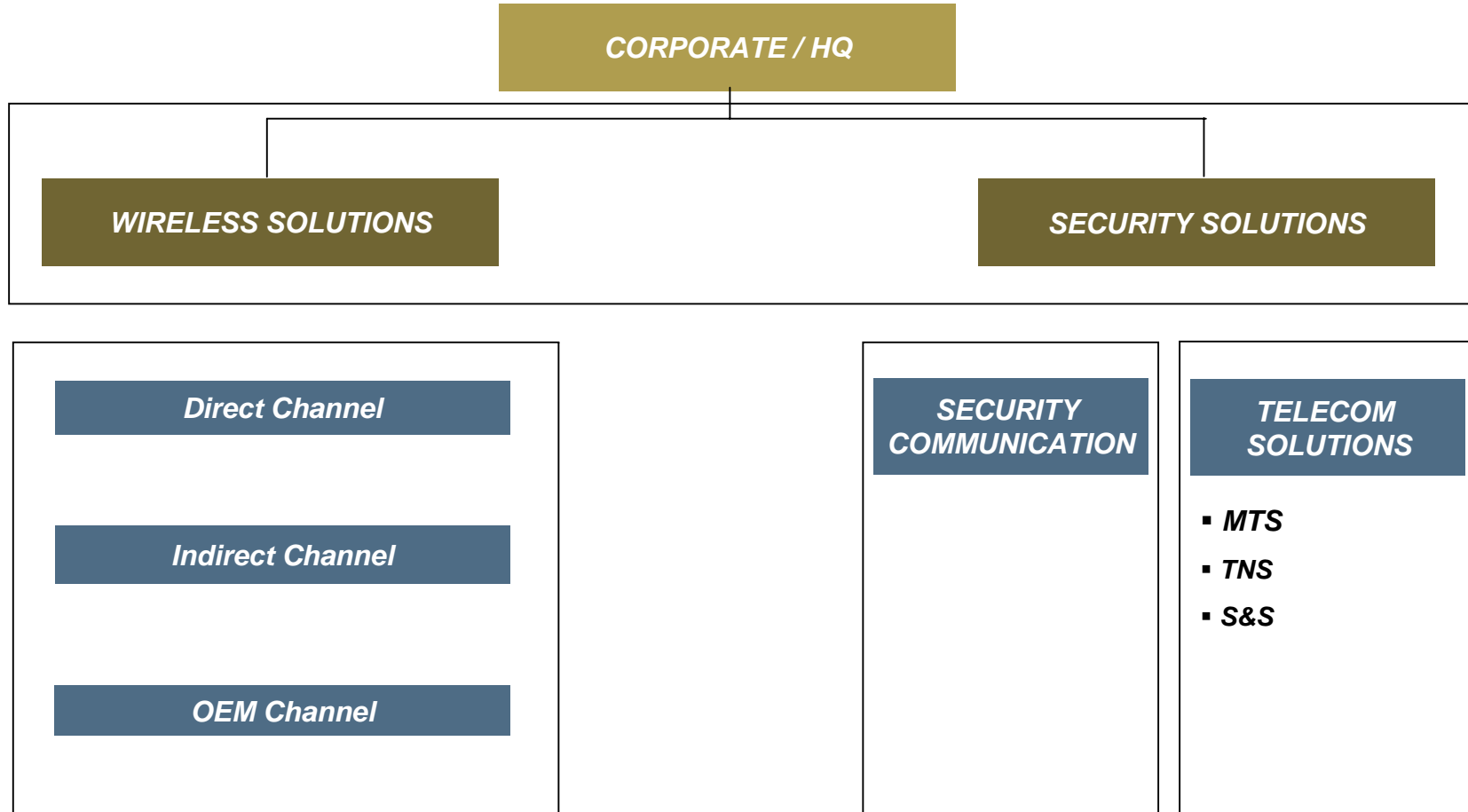
- ▶ to Airmedis (IAS part) and to Duons MCO (Payphones) in September resp. December 2008

▶ Sound industrial solutions have been found for all units

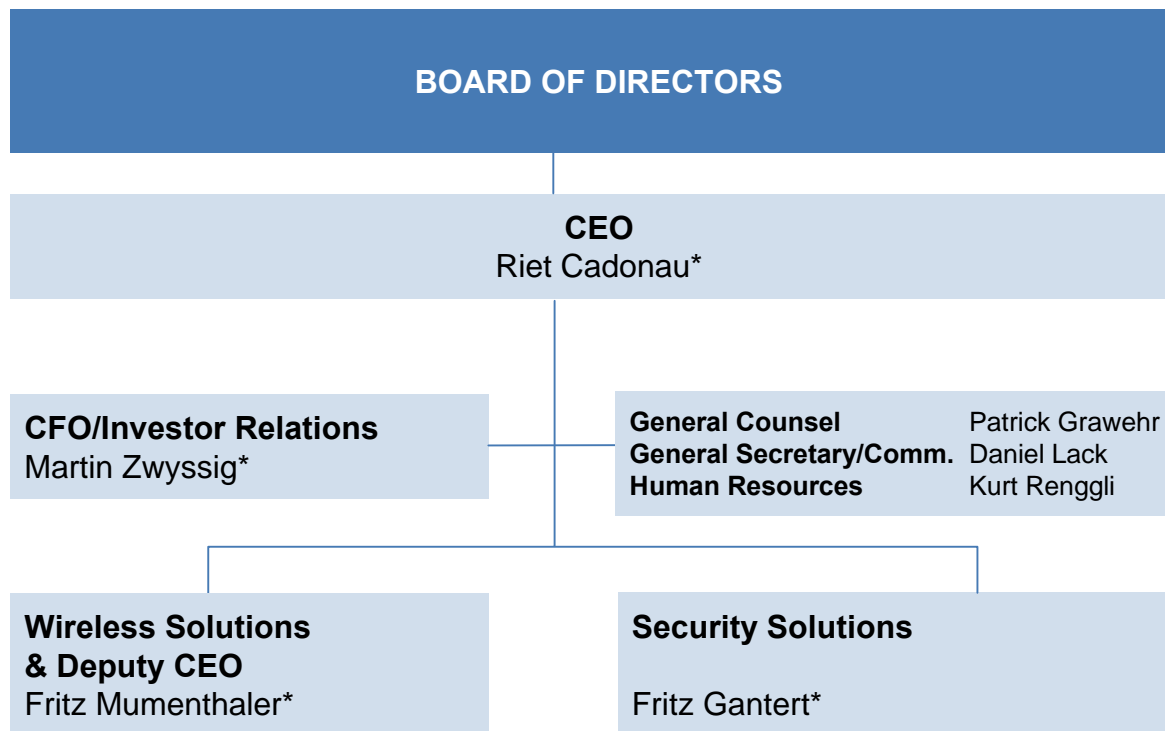
GROUP STRUCTURE IN 2008



GROUP STRUCTURE AS OF JANUARY 2009



MANAGEMENT TEAM



* Member of the Executive Board



HIGHLIGHTS FROM THE DIVISIONS





WIRELESS SOLUTIONS




MISSION CRITICAL COMMUNICATION FOR SPECIFIC CUSTOMER SEGMENTS

WIRELESS SOLUTIONS ('INDOOR')

Core segments

- Hospitals, elderly care, industry, hotels, retail sector, secure establishments (e.g. prisons) via direct and indirect channel
- Mobile workplace telephony equipment through OEM's

Product / Service Offering

- Voice
 - Alarming
 - Messaging
 - Localisation
- 
- Products
 - Systems
 - Solutions
 - Services

Key Geographies

- Direct channel: own sales organizations in most larger EU countries and the US
- Indirect channel: selected distributors in European countries, CEE, Australia and Middle East
- OEM's

WIRELESS SOLUTIONS ACHIEVED EXCELLENT RESULT

- EBIT: CHF 36.0m (2007: CHF 17.0m)
- EBIT margin of 11.7%
- Revenue growth of 2.3% (at constant exchange rates +7.6%)
to CHF 308.3m
- Incoming Orders increased by 2.2% (at constant exchange rates +7.4%)
to CHF 316.0m
- Solid order backlog of CHF 75.5m

WHAT MADE US OVERACHIEVE OUR TARGETS?

1

Direct Channel

- Overall excellent performance

2

Indirect Channel

- Signed up 9 new partners in 2008 (e.g. Spain, Portugal, Middle East)

3

OEM Channel

- For the first time since 4 years the negative growth trend was reversed
- Signed-up two major OEM customers

4

R&D: Delivered as planned

- Finalized projects for new DECT handsets, IP-DECT R3 and IP Nurse Call R1

5

Supply Chain Management

- Implementation of Vitesse Projects Centralization of Repair and Warehousing well on track
- Cost savings realized due to lean production and improved sourcing

WIRELESS SOLUTIONS – FOCUS ITEMS 2009

1

Sales channels

- Direct channel: Further improvement in processes and structures to enhance productivity
- OEM / Indirect channel: Ramp up deliveries

2

Innovation

- Continue to invest in own product portfolio
- Market introduction of 3 major new product lines: IP-DECT R3, New DECT handset range and IP Nurse Call will help to maintain pace in sales

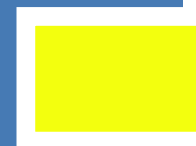
3

Supply chain

- Further improvements in operations and sourcing



SECURITY SOLUTIONS



MISSION CRITICAL COMMUNICATION FOR SPECIFIC CUSTOMER SEGMENTS

SECURITY SOLUTIONS ('OUTDOOR')

Core segments

- Defence, Public Safety organizations and infrastructure operators
- Telecom operators

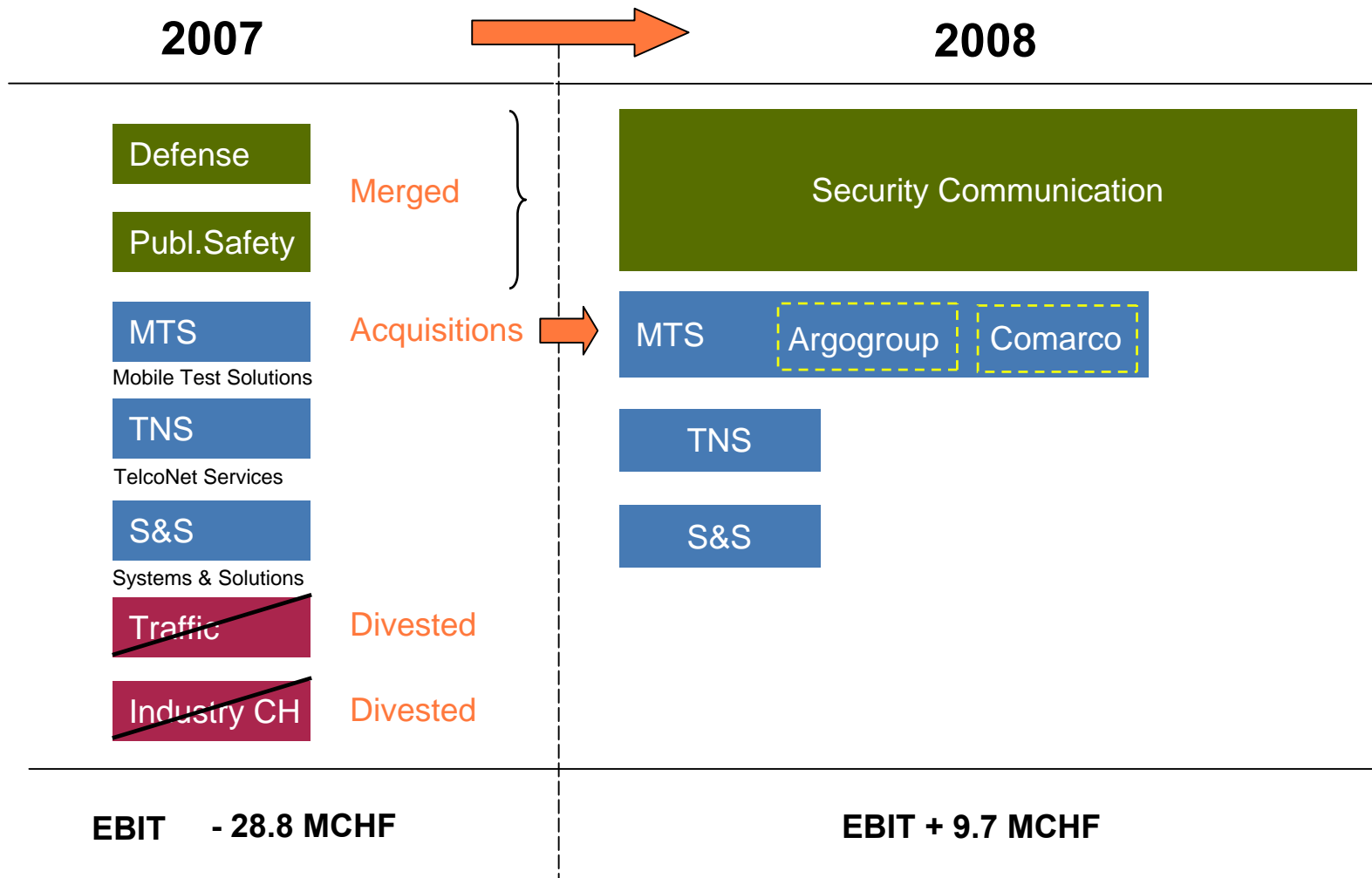
Product/Service offering

- Solution supplier, contractor and system integrator for defence, public safety (Voice, Alarming, Messaging, Mobilisation) and infrastructure operators
- Network quality of service benchmarking and diagnostic systems for mobile operators
- Software solutions and services for Telecom operators

Key geographics

- Security Communication: Today focus on Switzerland, Austria and Finland
- Telecom Solutions:
 - MTS: globally active
 - TNS: Switzerland and Germany
 - S&S: Germany and Switzerland

SESO ROADMAP 2007 / 2008



SECURITY SOLUTIONS RETURNS TO PROFIT

- EBIT increased to CHF 9.7m (2007: loss of CHF -28.8m)
- EBIT margin of 4.8%
- Revenue growth +6.3% (5.6% due to acquisition of Argo) to CHF 201.9m
- Incoming Orders: CHF 196.8m
(2007 CHF 236.9m due to large orders received from military customers)

WHAT MADE US ACHIEVE OUR TARGETS?

1

Streamlining of the activities

- Divestment of Traffic in Switzerland and Industry Switzerland
- Restructuring

2

Simplified organisational structures and business processes

- Merger of Defense and Public Safety to Security Communication

3

Outstanding performance in Security Communication Switzerland, MTS and S&S

- Major military contracts run according to plan

4

Mobile Test Solutions achieved critical mass

- Two acquisitions (Argogroup and Comarco WTS) allowed MTS to achieve a leading position
- MTS according to plan including the acquisitions

SECURITY SOLUTIONS – FOCUS ITEMS 2009

1

Efficiency

- Further operational improvements

2

Security Communication

- Successful delivery of large defence projects
- Continue internationalization

3

Mobile Test Solutions

- Finalize integration of Argogroup and Comarco WTS and capitalize on the leading position

4

Innovation

- Continue to invest in own product portfolio



FINANCIAL RESULTS FY 2008



ASCOM P&L

CHFm	2008	2007
Net revenue	509.2	490.5
Gross profit	208.9	177.1
<i>Gross margin</i>	<i>41.0%</i>	<i>36.1%</i>
Marketing and distribution costs	(102.7)	(104.4)
Research and development costs	(32.9)	(33.7)
Administration costs	(31.5)	(38.9)
Total functional costs	(167.1)	(177.0)
Operating results	41.8	0.1
Non operating result	2.2	(16.2)
EBIT	44.0	(16.1)
Net financial result	(3.1)	2.3
Income taxes	(8.2)	(6.8)
Profit/(loss) from continuing operations	32.7	(20.6)
Loss from discontinued operations	(24.5)	(27.5)
GROUP PROFIT	8.2	(48.1)

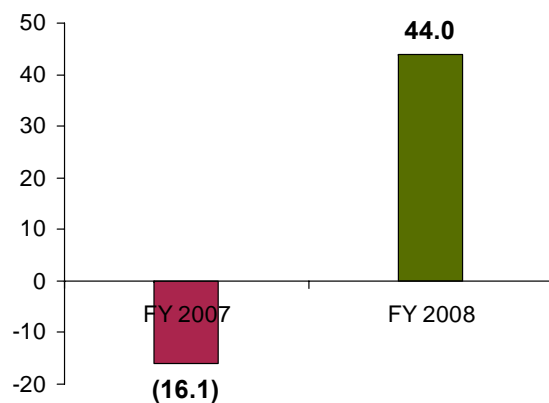
NET REVENUE

	2007 in CHFm	Organic growth	Acquisition	FOREX translation	2008 in CHFm	Δ 08/07
Wireless Solutions	301.3	7.6%	-	(5.3)%	308.3	2.3%
Security Solutions	189.9	1.4%	5.6%	(0.7)%	201.9	6.3%
Ascom Group	490.5	5.2%	2.2%	(3.6)%	509.2	3.8%

EBIT – SUBSTANTIAL IMPROVEMENT

Ascom Group

in CHF million



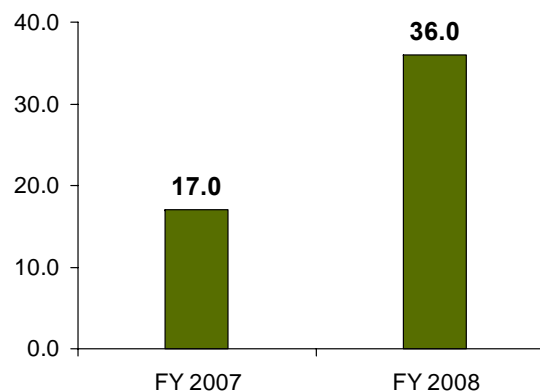
EBIT margin

FY 2008: 8.6%

FY 2007: negative

Wireless Solutions

in CHF million



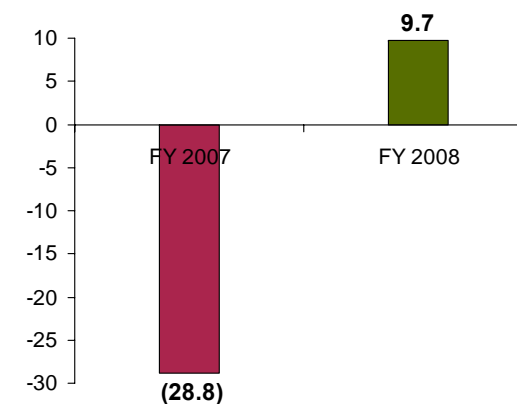
EBIT margin

FY 2008: 11.7%

FY 2007: 5.6%

Security Solutions

in CHF million



EBIT margin

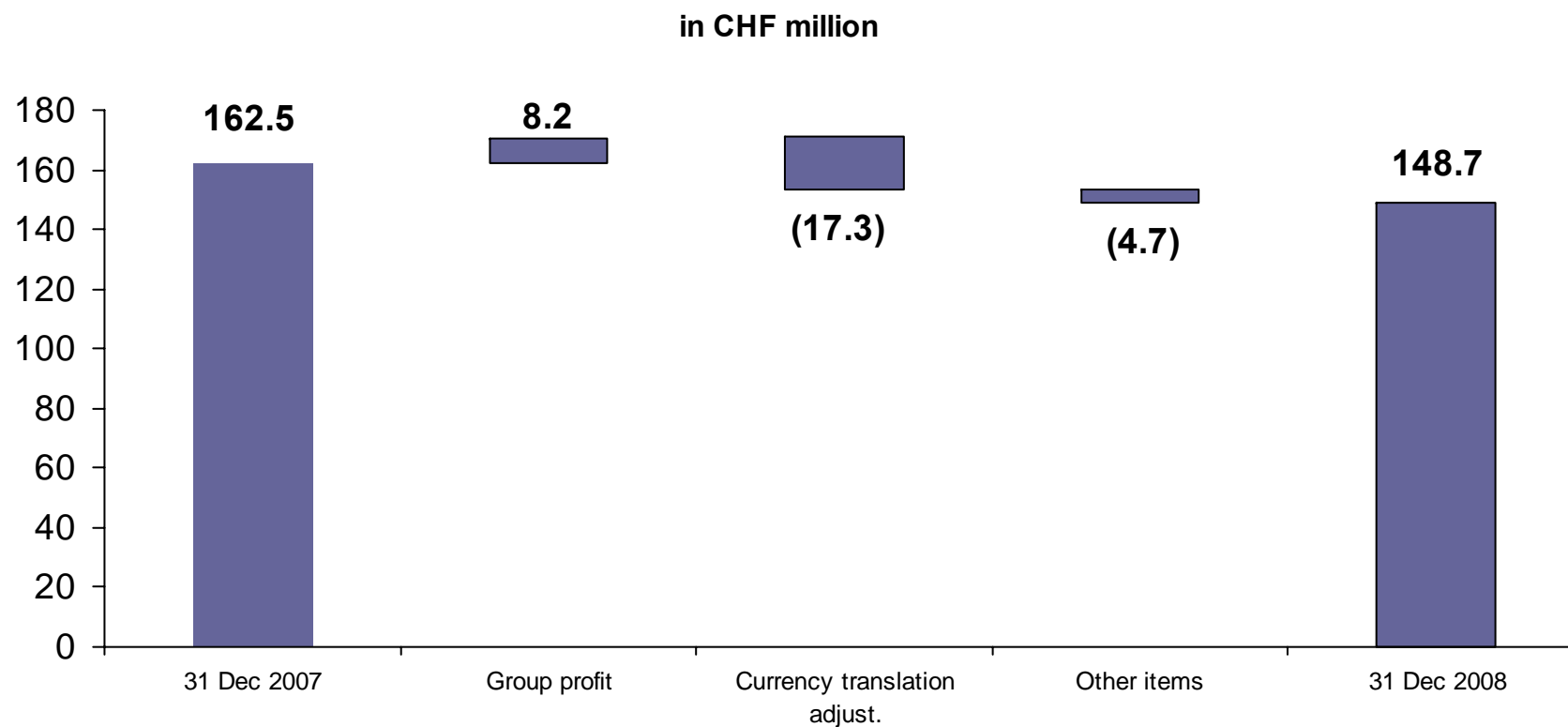
FY 2008: 4.8%

FY 2007: negative

CONDENSED BALANCE SHEET

	31 Dec 2008		31 Dec 2007	
Assets	CHFm	%	CHFm	%
Intangible assets	31.1	7	17.0	3
Other non-current assets	44.9	10	53.0	10
Non-current assets	76.0	17	70.0	13
Cash and cash equivalents	182.6	40	223.0	44
Other current assets	192.6	43	219.1	43
Total Assets	451.2		512.1	
Equity	148.7	33	162.5	32
Long term liabilities	35.0	8	49.3	10
Short term liabilities	267.5	59	300.3	58
Total Liabilities and Shareholders equity	451.2		512.1	

EQUITY



CONDENSED CASH FLOW STATEMENTS

CHFm	FY 2008	FY 2007
Cash flow from operating activities before changes in NWC	48.5	24.0
Changes in NWC including customer prepayments	(15.2)	63.1
Paid restructuring, tax and other expenses	(35.6)	(21.2)
Net cash flow from operating activities	(2.3)	65.9
Net cash flow from investing activities	(26.0)	(6.3)
Net cash flow from financing activities	(6.1)	(2.7)
Net increase/(decrease) in cash and cash equivalents	(34.4)	56.9
Unrestricted cash at end of reporting period	182.6	223.0



LOOKING FORWARD



ACQUISITIONS

- Acquisitions remain an important component of the growth and internationalization strategy
- With acquisitions of Argogroup and Comarco WTS, Ascom has started to demonstrate its capability to grow through acquisitions
- Ascom intends to make further value-enhancing acquisitions
- The clearly defined acquisition criteria serve as the basis of decision making

ASCOM ACQUISITION CRITERIA

- Strategic fit (Mission-Critical Communication)
- Focus on offering and/or geographic extension
- Own technology and/or customer base
- Profitable business (track record)
- Potential for profitable growth
- Management / key people strength and retention
- Interested in being acquired and reasonable price

ACQUISITIONS IN 2008

ARGOGROUP

- Announcement 10 March 2008 / transaction closed end of March 2008
 - Strengthens Ascom's position in the global market of mobile and stationary/IP-content testing (200 customers in more than 70 countries)
 - Supplementing current Ascom MTS offering with competitive technology
 - Argogroup operations in UK and Germany with customers worldwide

COMARCO WIRELESS TEST SOLUTIONS

- Announcement 29 September 2008 / transaction closed in January 2009
 - Further extends Ascom's position in the global market of mobile network testing, adding scanner and further cdma expertise
 - Following a successful strategic alliance, which won major customer in USA
 - Comarco WTS is based in California, with wide user base especially in Americas

CURRENT ACQUISITION FOCUS AREAS



HOW TO COPE WITH THE CHALLENGING ENVIRONMENT?

- Around two thirds of Ascom's activities are related to non-cyclical business areas
- Group's structures and processes have largely been streamlined thanks to the early implementation of VITESSE investment program and the divestment projects
- Ascom is prepared based on contingency plans for further restructuring, if needed
- Ascom has a strong balance sheet

OUTLOOK FOR 2009

- Confident to continue implementing the chosen strategy with success
- Additional investments both in innovation as well as in building up new distribution channels have been made
- Ascom's target is
 - to win market share, based on its investments in R&D and sales channels
 - to take advantage of the M&A opportunities in the market

OUTLOOK FOR 2009

REVENUE

- Organic growth: No visibility for organic growth for FY 2009
- Growth through planned acquisition

EBIT (mid term)

- 10% on Group level

Note:

Assumed that there is no further deterioration in currency relations and further substantial decline of the economical environment



Q & A



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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!

