



MEDIA & ANALYST CONFERENCE H1 2009 RESULTS

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TABLE OF CONTENTS

- H1 2009 AT A GLANCE
- HIGHLIGHTS FROM THE DIVISIONS
- FINANCIAL RESULTS H1 2009
- LOOKING FORWARD / Q&A





H1 2009 AT A GLANCE



SOLID RESULTS (1)

- Higher Group profit: CHF 11.9m (increase of CHF 4.8m)
- Group EBIT: CHF 7.3m and EBIT margin of 3.1%
- Both divisions are profitable
 - Wireless Solutions: EBIT CHF 6.7m; EBIT margin: 5.3%
 - Security Solutions: EBIT CHF 3.2m; EBIT margin: 3.2%

SOLID RESULTS (2)

- Total revenue of CHF 235.2m, decrease of 5.6% (at constant exchange rates: +0.9%)
- Incoming Orders of CHF 233.8m (2008: CHF 292.4m, including a large contract from Armasuisse)
- Solid balance sheet structure as of 30 June 2009
 - Cash and cash equivalents: CHF 131.4m
 - Equity ratio: 25.6%

SOLID RESULTS (3)

CHFm	H1 2009	H1 2008
Net Revenue	235.2	249.1
Operating result	7.7	14.4
EBIT	7.3	16.7
EBIT margin	3.1%	6.7%
Group profit	11.9	7.1

STRATEGY IMPLEMENTED CONSISTENTLY

- Consistent implementation of B2B niche strategy, focusing on “Mission-Critical Communication”
- Further investments in innovation capabilities
- Acquisitions remain a component of the strategy. Clearly defined acquisition criteria continue to serve as a basis of decision making
- Strict cost management throughout the Group

TEMS – INTEGRATION ACCORDING TO PLAN

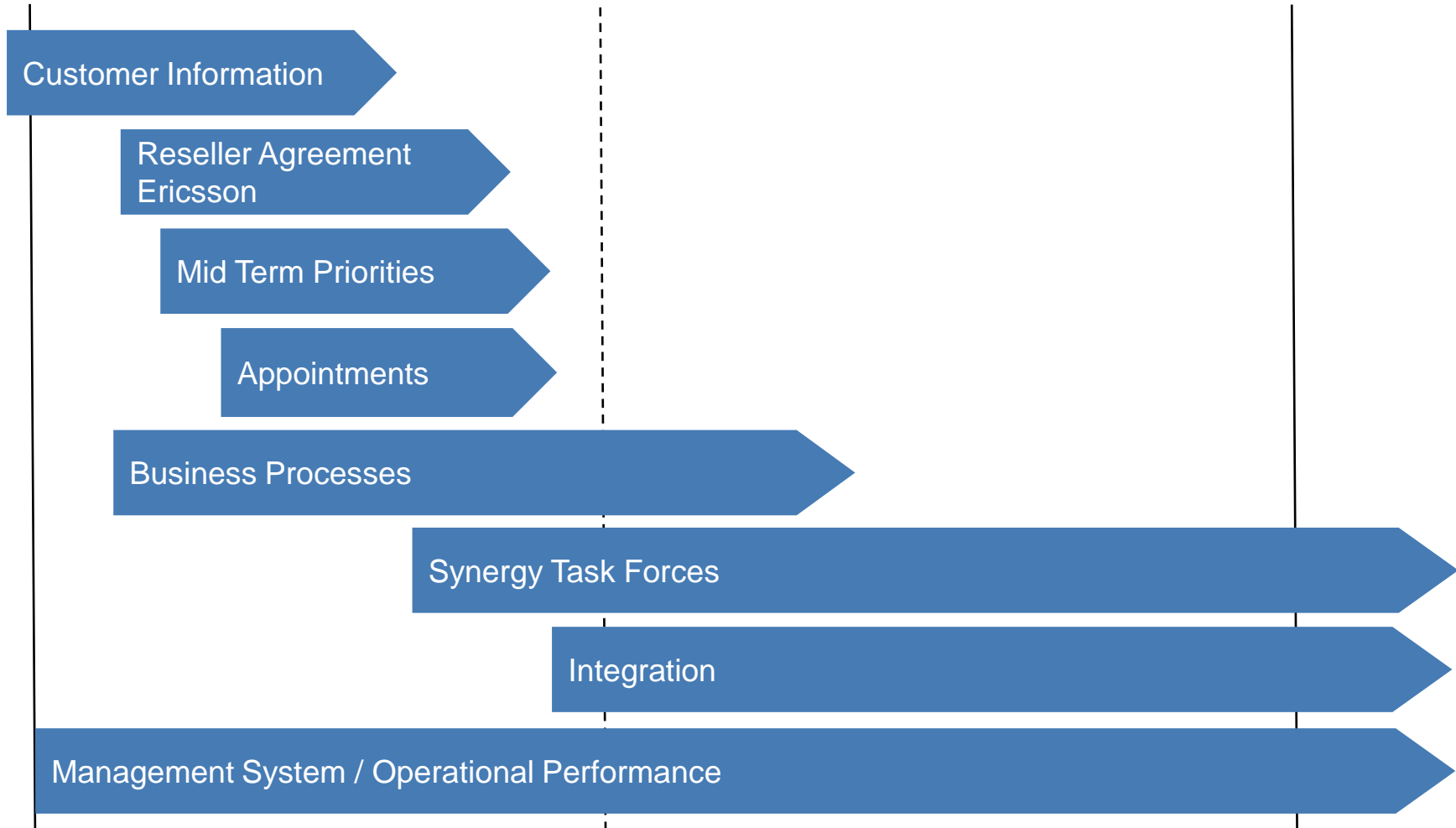
- Acquisition signed in March 2009 and successfully completed in June 2009
- Consolidated within the Group since June 2009 (one month)
- Integration proceeding rapidly and according to plan

TEMS – INTEGRATION STEPS

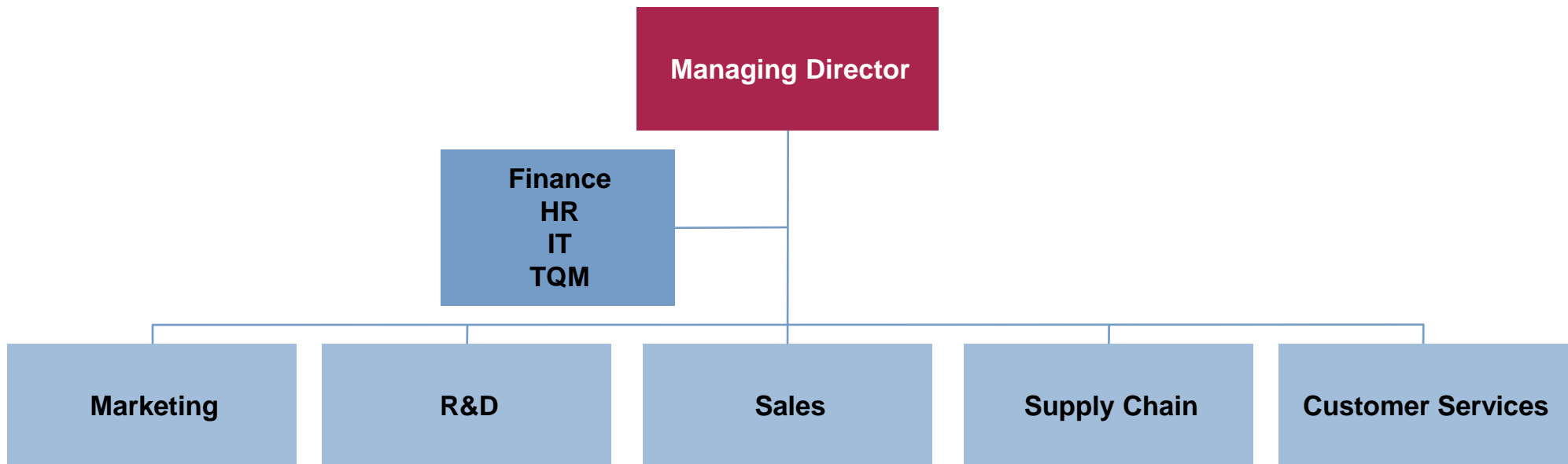
1 June 2009

26 August 2009

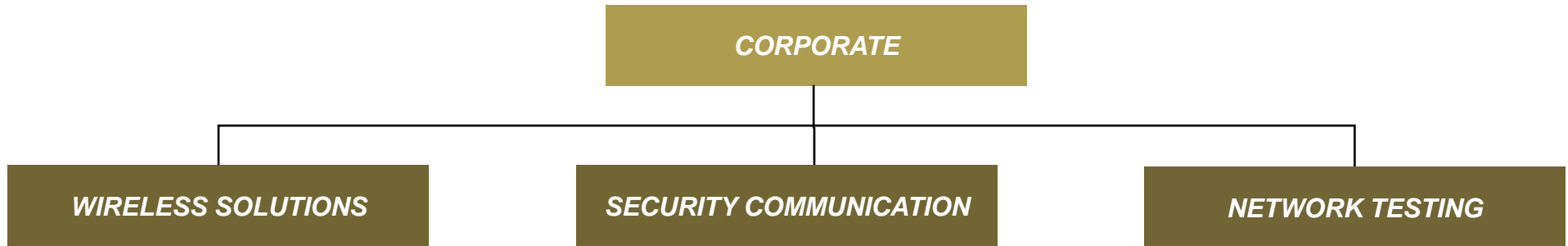
1 January 2010



NETWORK TESTING – FUNCTIONAL ORGANIZATION (AS OF 2010)



GROUP STRUCTURE AS OF 1 JANUARY 2010





HIGHLIGHTS FROM THE DIVISIONS





WIRELESS SOLUTIONS



MISSION-CRITICAL COMMUNICATION FOR SPECIFIC CUSTOMER SEGMENTS

WIRELESS SOLUTIONS ('INDOOR')

Core Segments

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

Product / Service Offering

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

Key Geographies

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

WIRELESS SOLUTIONS – CHALLENGING ENVIRONMENT IN H1 2009

- Customers postponed investments due to economic situation
- PBX manufacturers have seen reduced sales versus last year which has a negative impact on our OEM business
- European healthcare market remained stable year-on-year
- Customers in the US reduced CAPEX and OPEX on short notice
- Fewer orders in the industry and retail market segments
- Fiercer price competition on certain key deals

WIRELESS SOLUTIONS – SOLID PROFITABILITY IN H1 2009

- EBIT: CHF 6.7m (including extraordinary restructuring costs of CHF 1.6m)
- EBIT margin: 5.3% (excluding restructuring costs: 6.6%; H1/2008: 8.3%)
- Revenue at CHF 126.1m (H1/2008: CHF 147.4m); at constant exchange rates, revenue declined by 5.5% only
- Incoming Orders: CHF 139.5m (H1/2008: CHF 175.5m)
- Order Backlog: CHF 89.6m (compared to end of year 2008 CHF 75.5m)

WIRELESS SOLUTIONS – HIGHLIGHTS IN H1 2009

1

Danish Prison Authorities

Supply of Wireless Communication System with accurate positioning functionality to improve personal security for staff members

Order value: CHF 1.6m for first phase to be realized in 2009, CHF 6.0m for complete system over 4 years

2

Vattenfall (Germany)

Supply of Wireless Communication System for new lignite coal generating plant

Order value: CHF 1.5m

3

Avaya

Introduced new Ascom manufactured range of IP-DECT handsets and base stations according to plan in May 2009 and based on customer acceptance (OEM contract)

WIRELESS SOLUTIONS – FOCUS ITEMS 2009

1

Sales channels

- Continue to focus on three sales channels: Direct channel, indirect channel and OEM in order to maximize market penetration
- Push specific Sales Productivity Initiative and implement rigorously
- Launch new service offering

2

Innovation

- Continue to invest in R&D and to innovate product portfolio
- Successful market launch of new IP-DECT handsets, Ascom d41 and d62, opened up new opportunities particularly in the healthcare and retail sector

3

Supply chain

- Further improvements in operations and sourcing being implemented and realized



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 Geographies



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

SECURITY SOLUTIONS – REPUTABLE RESULT IN H1 2009

- Security Communication
 - International business: Sound success
 - Swiss business: Still important contracts in military and civilian sector, however no large military projects were placed (as expected)
- Telecom Solutions felt impact of slump in global economy
 - Many telecommunication companies deferred some of their infrastructure investments

SECURITY SOLUTIONS – SOLID EBIT IN H1 2009

- EBIT: CHF 3.2m (H1/2008: CHF 6.7m); EBIT margin: 3.2%
- Revenue of CHF 101.2m, largely on par with H1 2008
- Incoming Orders: CHF 84.2m
(H1/2008: CHF 117.4m due to a large order received from Armasuisse)
- Order Backlog: CHF 157.8m compared to end of 2008 CHF 167.7m

SECURITY SOLUTIONS – HIGHLIGHTS IN H1 2009

- 1 Norway**
Up-grade of alarm platforms (SecuriNet) to IP technology
Order value: CHF 1.9m
- 2 Germany**
Infrastructure up-grade for fire-brigade of German Bundeswehr
Order value: CHF 1.0m
- 3 Switzerland**
NIS Road
Order value: CHF 3.5m
- 4 United States**
Delivery of 'Monitor Master' units to major cellular network operator
Order value: CHF 5.0m

SECURITY SOLUTIONS – FOCUS ITEMS 2009

1

Security Communication: Internationalization

- Development of new markets via indirect channel (defense and civilian sectors)
e.g. Defense: 4 cooperation agreements already concluded

2

Telecom Solutions

- Start to making use of synergies with newly acquired TEMS business unit

3

Efficiency

- Further operational improvements

4

Innovation

- Continue to invest in own product portfolio



TEMS



MISSION-CRITICAL COMMUNICATION FOR SPECIFIC CUSTOMER SEGMENTS

TEMS

Core Segments



- Telecom operators
- Telecom infrastructure vendors
- Telecom professional service providers

Product / Service Offering

Air interface and radio network

- Air Interface Optimization
- Post Processing
- Network Planning



- Products
- Support

Key Geographies



- Global provider with locations in 17 countries worldwide

[TEMS]

TEMS – CONSOLIDATED SINCE JUNE 2009

- TEMS has only been consolidated for one month, i.e. since June 2009
- Revenue in June 2009: CHF 7.5m
- Incoming Order in June 2009: CHF 9.7m
- Merger with Telecom Solutions to form new division Network Testing, as of 2010



FINANCIAL RESULTS H1 2009



ASCOM P&L

CHFm	30 June 2009	30 June 2008
Net revenue	235.2	249.1
Gross profit	92.2	98.6
<i>Gross margin</i>	39.2%	39.6%
Marketing and distribution costs	(48.2)	(50.7)
Research and development costs	(18.3)	(17.3)
Administration costs	(18.0)	(16.2)
Total functional costs	(84.5)	(84.2)
Operating results	7.7	14.4
Non operating result	(0.4)	2.3
EBIT	7.3	16.7
<i>EBIT margin</i>	3.1%	6.7%
Net financial result	5.6	0.7
Income taxes	(1.0)	(3.3)
Profit from continuing operations	11.9	14.1
Loss from discontinued operations	-	(7.0)
GROUP PROFIT	11.9	7.1

NET REVENUE

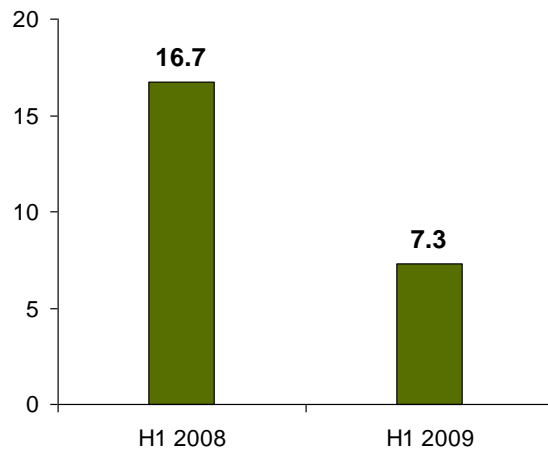
	H1 2008 in CHFm	Organic growth	Acquisition	FOREX translation	H1 2009 in CHFm	Δ 09/08
Wireless Solutions	147.4	(5.5)%	-	(9.0)%	126.1	(14.5)%
Security Solutions	102.2	(5.1)%	7.0%	(2.8)%	101.2	(0.9)%
TEMS	-	-	100%	-	7.5	n/a
Ascom Group	249.1	(5.0)%	5.9%	(6.4)%	235.2	(5.6)%

Note: TEMS consolidated since June 2009;
Consolidation effects CHF 0.3m are not shown

EBIT

Ascom Group

in CHF million



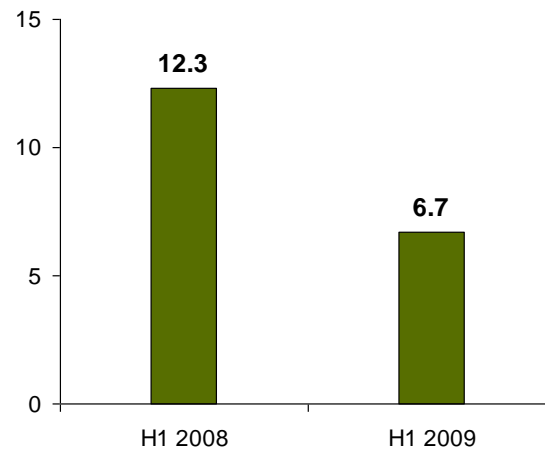
EBIT margin

H1 2009: 3.1%

H1 2008: 6.7%

Wireless Solutions

in CHF million



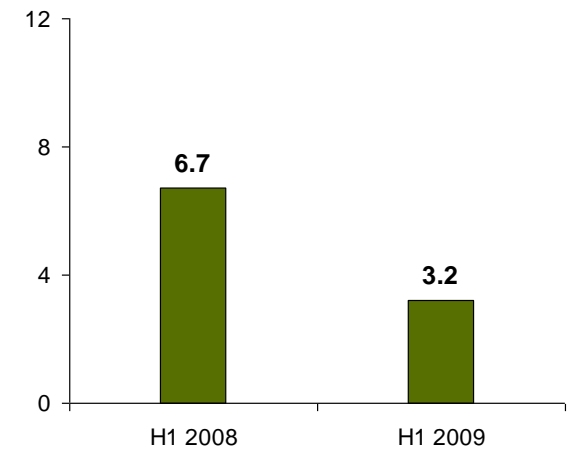
EBIT margin

H1 2009: 5.3%

H1 2008: 8.3%

Security Solutions

in CHF million



EBIT margin

H1 2009: 3.2%

H1 2008: 6.6%

CONDENSED BALANCE SHEET

	30 June 2009		31 Dec 2008	
Assets	CHFm	%	CHFm	%
Intangible assets	244.5	39	31.1	7
Other non-current assets	45.0	7	44.9	10
Non-current assets	289.5	46	76.0	17
Cash and cash equivalents	131.4	21	182.6	40
Other current assets	204.7	33	192.6	43
Total Assets	625.6		451.2	
Equity	160.1	26	148.7	33
Non-current liabilities	169.0	27	35.0	8
Current liabilities	296.5	47	267.5	59
Total Liabilities and Shareholders equity	625.6		451.2	

CONDENSED CASH FLOW STATEMENTS

CHFm	H1 2009	H1 2008	FY 2008
Cash flow from operating activities before changes in NWC	8.3	20.9	48.5
Changes in NWC including customer prepayments	15.2	(16.6)	(15.2)
Paid restructuring, tax and other expenses	(6.7)	(13.6)	(35.6)
Net cash flow from operating activities	16.8	(9.3)	(2.3)
Net cash flow from investing activities	(187.0)	(12.1)	(26.0)
Net cash flow from financing activities	119.9	(1.9)	(6.1)
Net (decrease)/increase in cash and cash equivalents	(50.3)	(23.3)	(34.4)
Unrestricted cash at end of reporting period	131.4	198.5	182.6



LOOKING FORWARD



OUTLOOK 2009

- Business environment remains challenging in 2009
- Improvement in market conditions expected in the course of 2010
- Revenue FY 2009 (on Group level)*
 - Organic and at constant exchange rates: $\leq 10\%$ below 2008 level
 - Including acquisitions and at comparable exchange rates: Above 2008 level
- EBIT FY 2009
 - Profitable for the entire year

*provided there is no further deterioration in currency relations



Q & A



LEGAL DISCLAIMER

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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!

