

FINANCIAL YEAR 2007

COMMITMENT

MEDIA AND ANALYST CONFERENCE – 12 MARCH 2008

Riet Cadonau Chief Executive Officer

Fritz Mumenthaler Deputy CEO / GM Wireless Solutions

Fritz Gantert GM Security Solutions

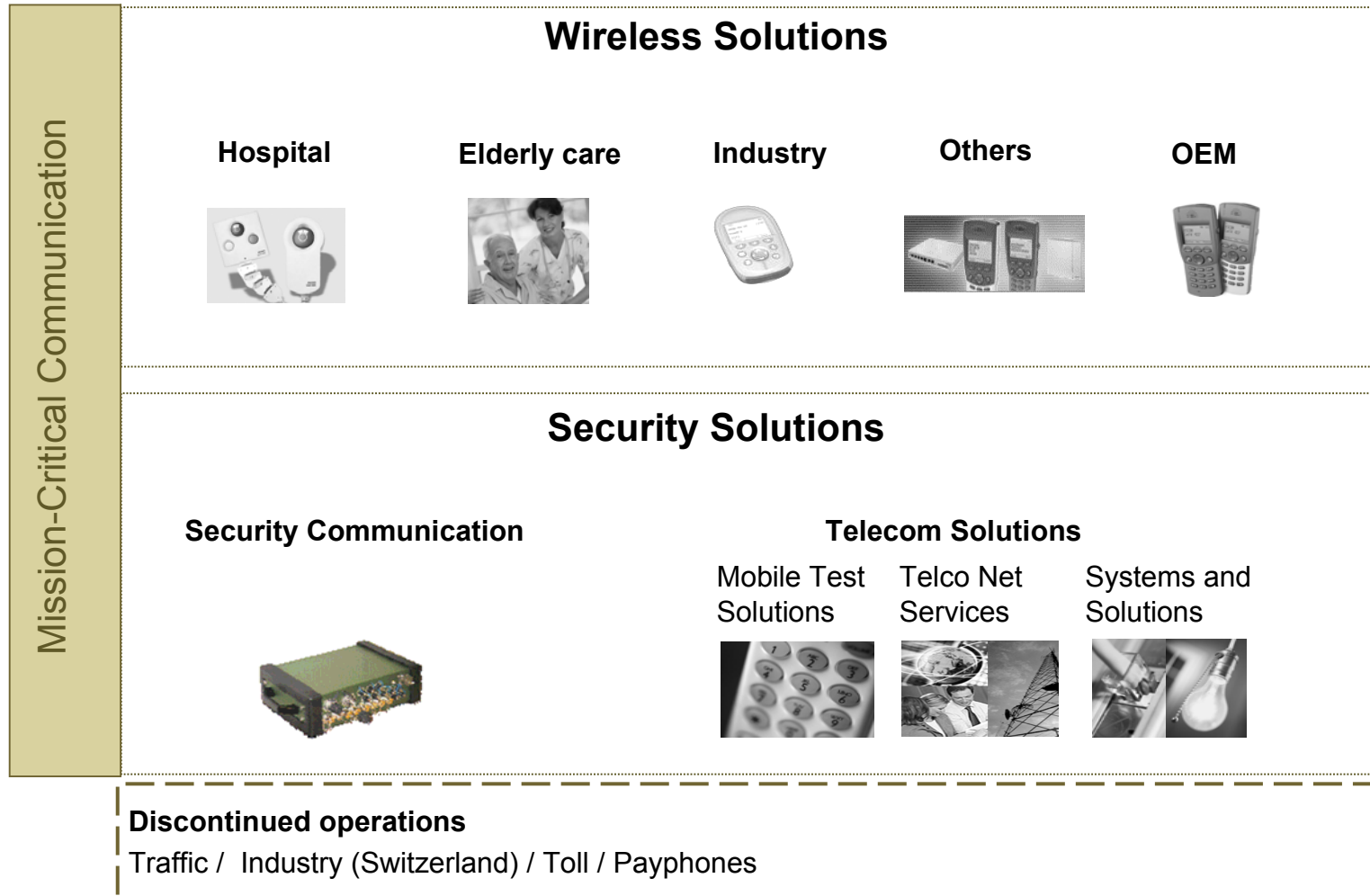
Alberto Romaneschi Chief Financial Officer

- INTRODUCTION
- FINANCIAL RESULTS 2007
- INVESTMENT PROGRAM VITESSE
- DIVESTMENTS
- BUSINESS ACTIVITIES
- PROPOSALS OF BOARD TO GENERAL MEETING
- GUIDANCE & CONCLUSION

INTRODUCTION



FOCUS ON TWO CORE BUSINESSES



FINANCIAL COMPARISON 2007/06

- New segment set-up **continuing operations**
 - Wireless Solutions
 - Security Solutions
 - Corporate
- Segment Special Products reported until 2006 dissolved
- Toll, Industry (CH), Traffic and Payphones now **discontinued operations**

FINANCIAL RESULTS OVERVIEW

- Increase in revenue by 6.9% and in order backlog by 27% in (newly defined) continuing operations in FY 2007
- Wireless Solutions is on track and continues to have a strong bottom line, revenue grew by 5.4% in FY 2007
- New business portfolio Security Solutions, revenue increased by 9.3% in FY 2007. Bottom-line slightly negative, due to non operational losses in Real Estate
- Substantial loss on group level of CHF 48.1m due to charges of around CHF 70m (VITESSE: CHF 45.9 m / Loss on EBIT level before VITESSE of discontinued operations: CHF (24.3)m)
- Net cash flow from operating activities: CHF 65.9m in FY 2007
- Solid net cash position: CHF 224m per 31 Dec 2007 and debt free

FINANCIAL RESULTS FY 2007



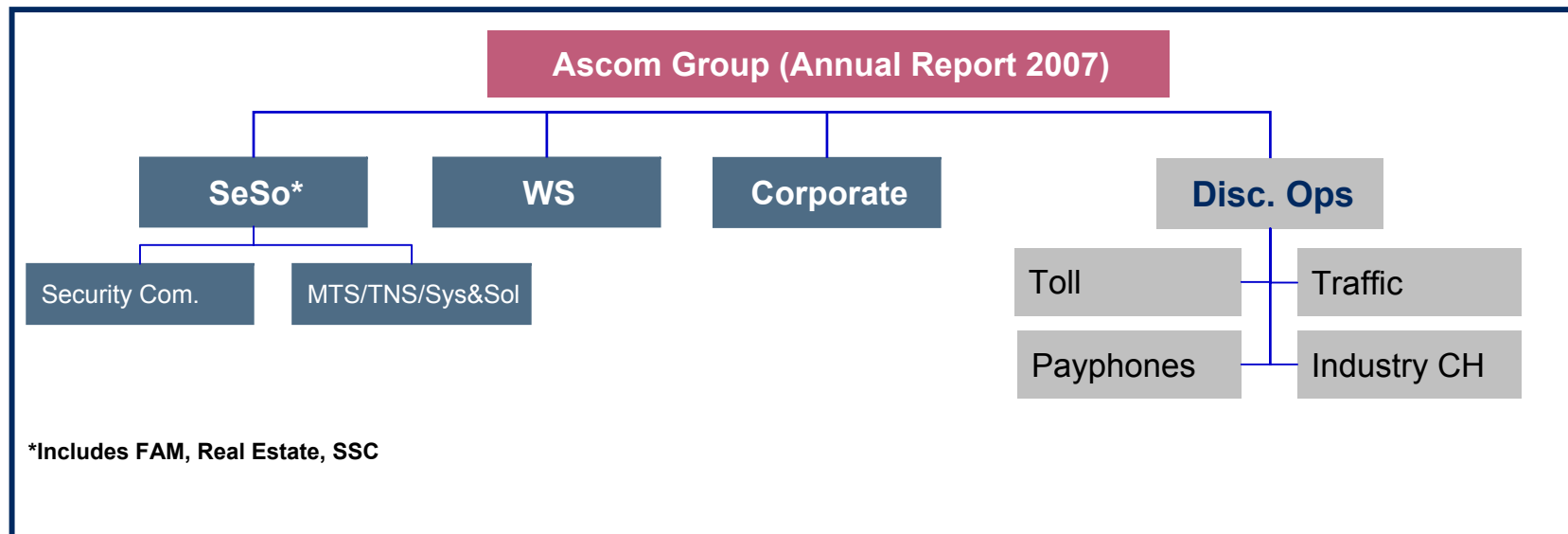
[Ascom Group]

REVIEW 2007

- Wireless Solutions delivered another solid performance
- Security Solutions did groundwork for sustainable recovery
- Discontinued operations showed results worse than expected
- Ascom Group generated high cash flow, shows a healthy balance sheet and a large cash position

[Ascom Group]

COMPARABILITY AND SEGMENT REPORTING (1)



COMPARABILITY AND SEGMENT REPORTING (2)

- **Significant changes in 2007 reporting**
 - **Traffic and Industry (CH) moved to Discontinued Operations** from Security Solutions
 - **Real Estate moved to Security Solutions** from Special Products
 - **Shared Services Switzerland moved to Security Solutions** from Corporate
 - **Payphones moved to Discontinued Operations** from Special Products
 - **Manufacturing France within Special Products** until September 2006
 - **Corporate represents Holding and Corporate costs only** (before and after allocation to business units)

COMPARABILITY AND SEGMENT REPORTING (3)

A. VITESSE

- 82 projects/tasks approved by Executive Board and confirmed by the Board of Directors in November 2007
- One-off costs in the amount of CHF 45.9m in 2007 – VITESSE covers only those projects
- Pro forma statements are provided for comparison purpose

B. Manufacturing France

- Manufacturing France was sold in September 2006
- 2006 profit & loss figures are normalized net of consolidation effects

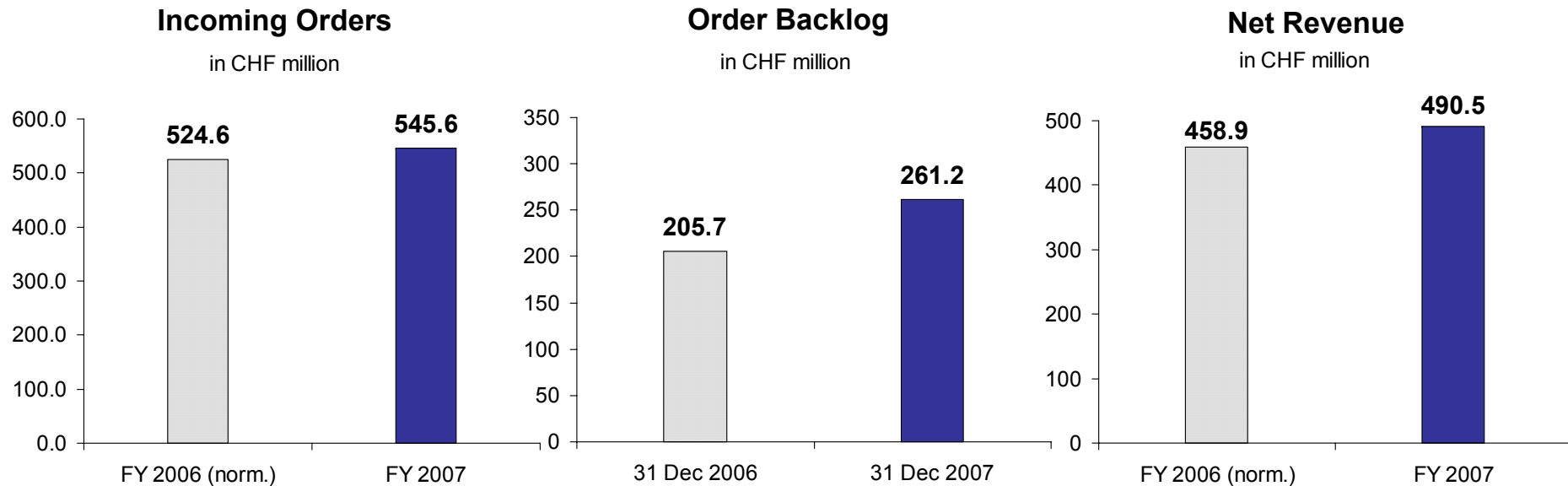
[Ascom Group]

TOTAL ASCOM

CHFm	FY 2007 (IFRS)	FY 2006 (IFRS)	FY 2006 normalized*
Incoming orders	545.6	536.2	525
Net revenue	490.5	474.9	459
EBIT excl. VITESSE	26.2	34.9	36
VITESSE costs (excl. CHF 3.6m related to disc. operations)	(42.3)	-	-
EBIT incl. VITESSE	(16.1)	34.9	36

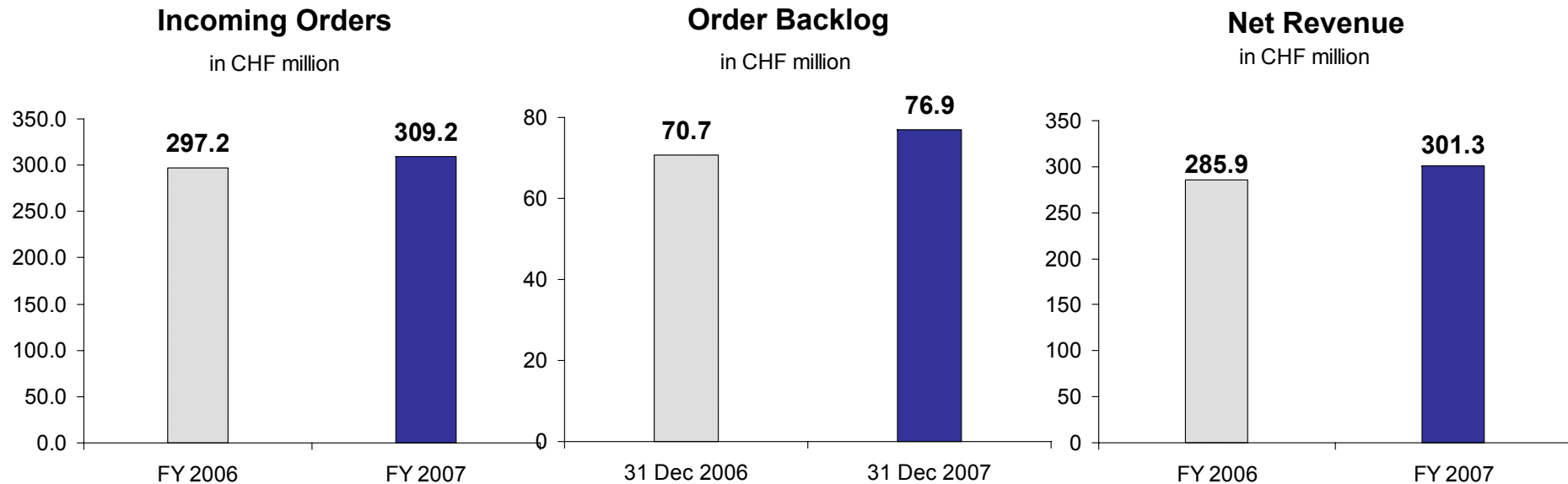
* FY 2006 figures normalized: excl. activities Manufacturing France (sold in September 2006), and respective consolidation effects

INCOMING ORDERS / ORDER BACKLOG / REVENUE



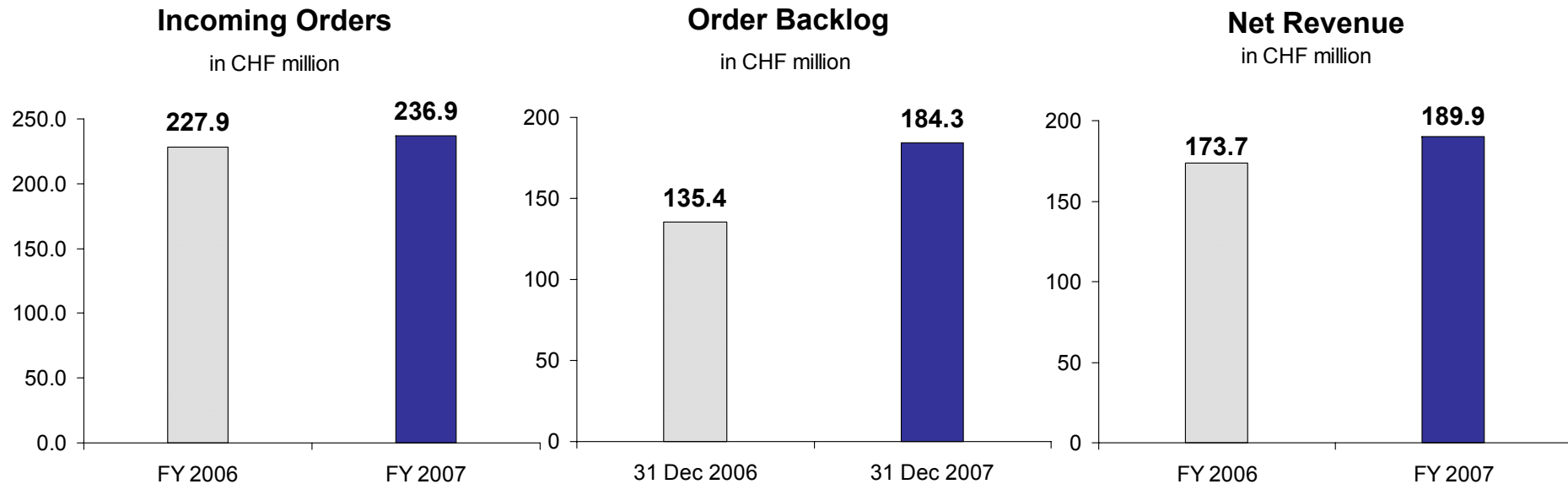
- Incoming Orders: Continuing operations + 4% in FY 2007 on a normalized basis
- Order backlog: +27% as of 31 Dec 2007 – strong base for growth potential
- Net revenue: + 6.9% in FY 2007 on a normalized basis
(WS contributing 61% / SeSo 39%)

WIRELESS SOLUTIONS



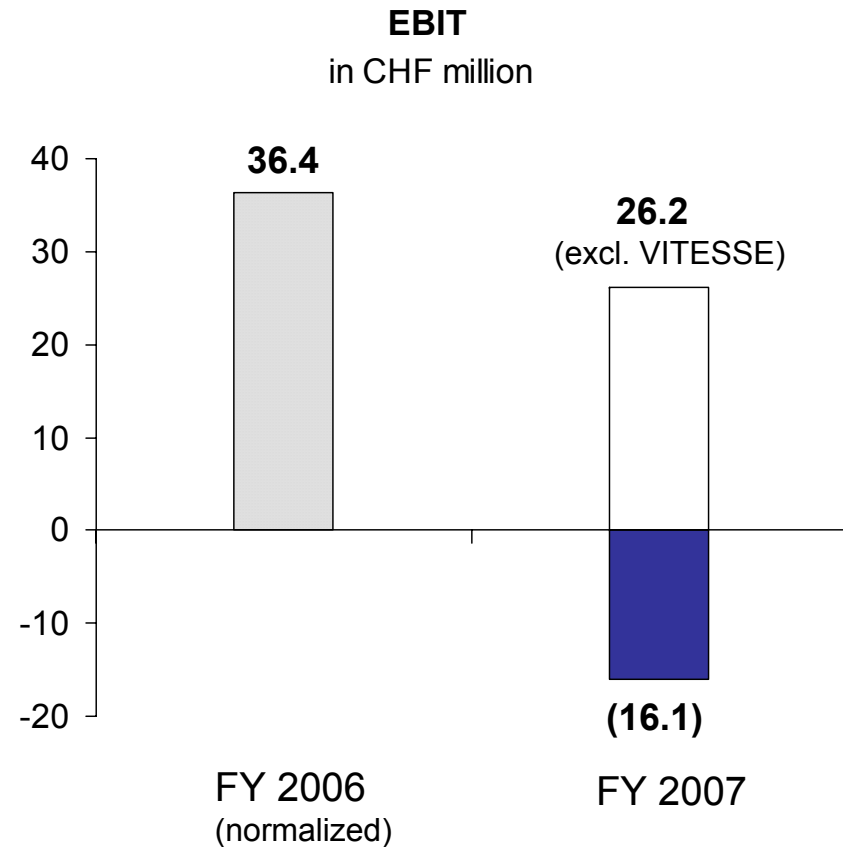
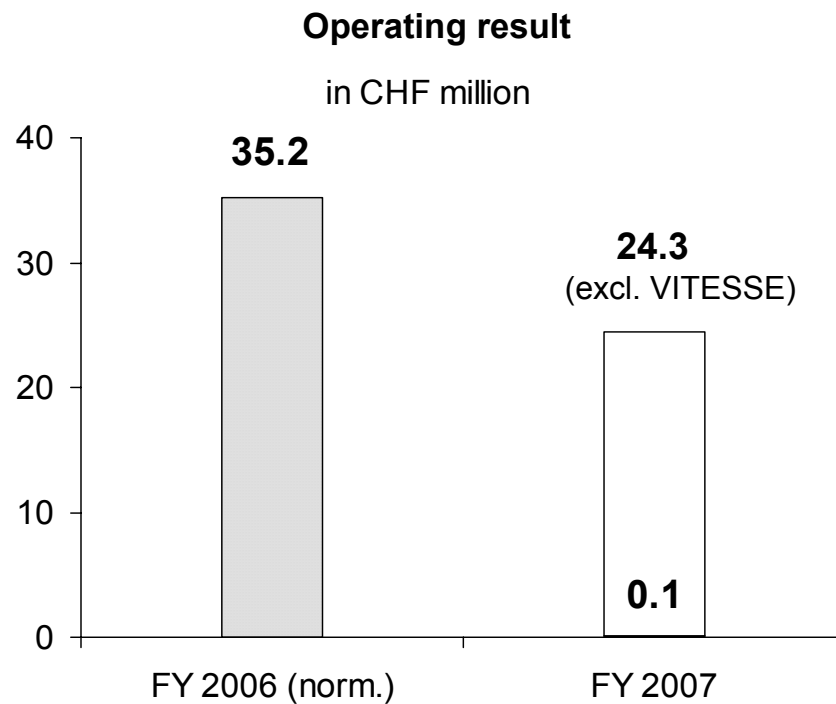
- Incoming Orders: + 4.0% in FY 2007, US + 37%, European countries combined + 4%
- Order backlog: + 8.8% as of 31 Dec 2007
- Net revenue: 2007 growth target achieved with + 5.4%, sales from direct channels contributed 83.5% of total revenue and rose by 6%

SECURITY SOLUTIONS



- Incoming Orders: + 4.0% in FY 2007
- Order backlog: + 36.1% as of 31 Dec 2007, excellent basis for future revenue growth
- Net revenue: newly defined division increased revenue + 9.3%, Security Communication revenue rose significant, Telecom Solutions performed very well in Systems & Solutions

OPERATING RESULT AND EBIT

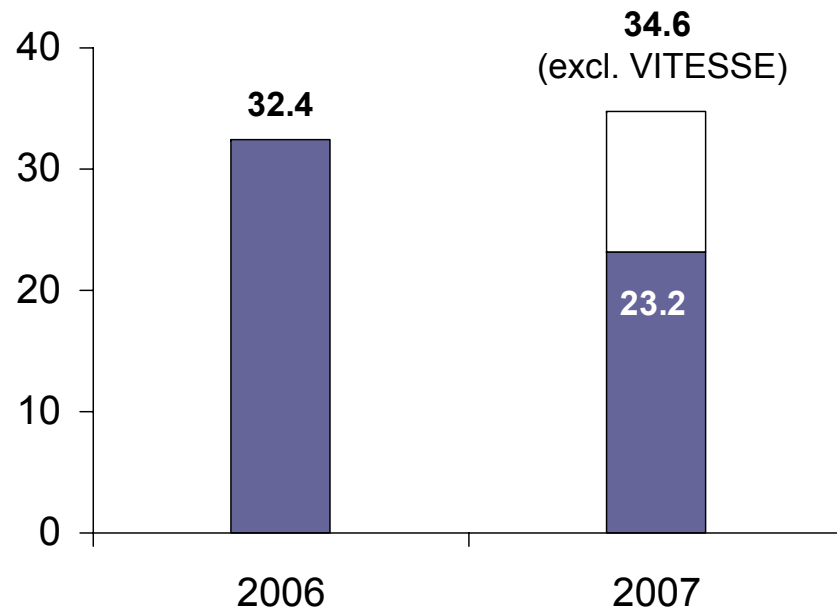


- Operating result and EBIT in FY 2007 are substantially affected by VITESSE initiatives

WIRELESS SOLUTIONS

Operating result

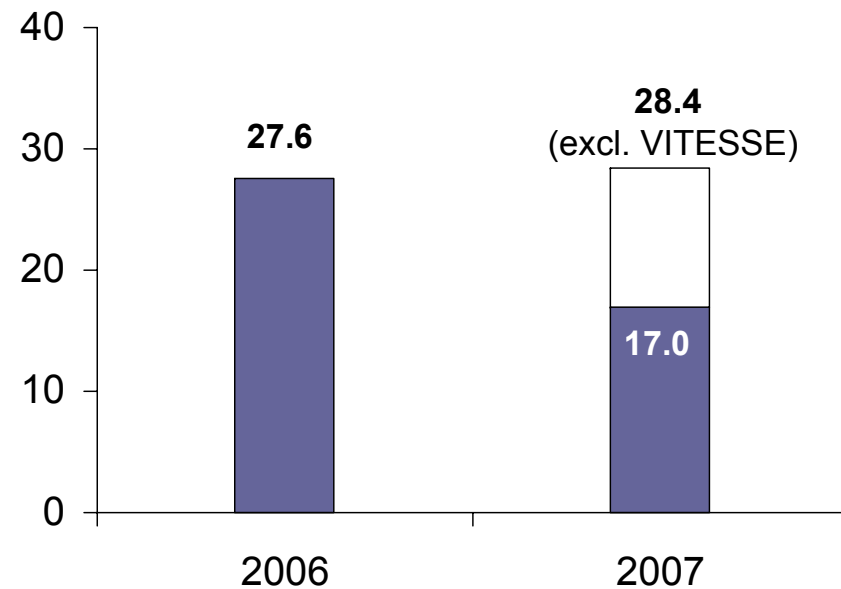
in CHF million



- Including VITESSE initiatives operating result came to CHF 23.2m in FY 2007
- Excl. VITESSE initiatives operating result would have been at CHF 34.6m in FY 2007

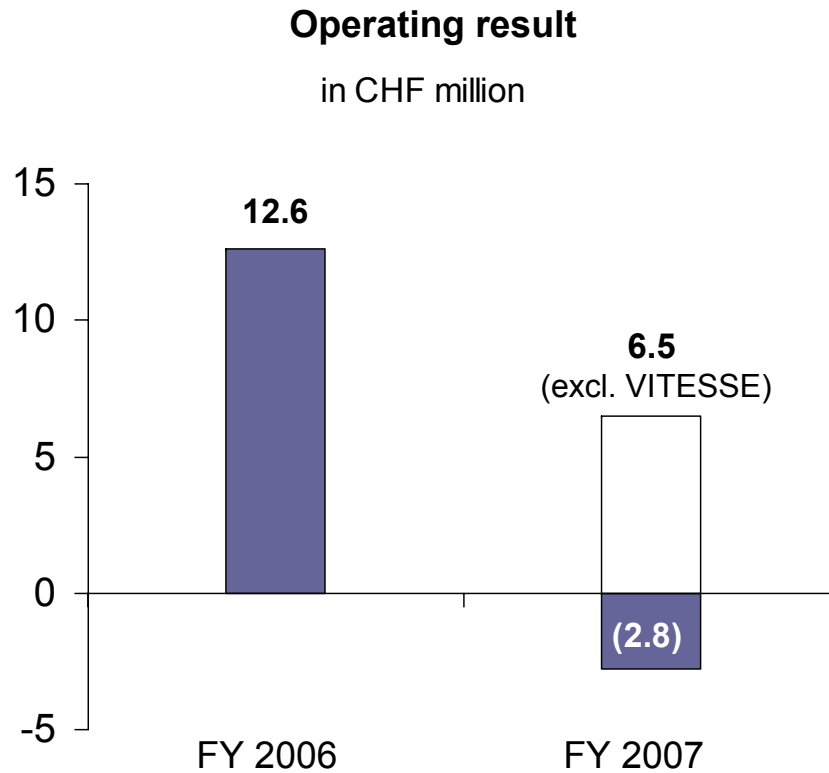
EBIT

in CHF million

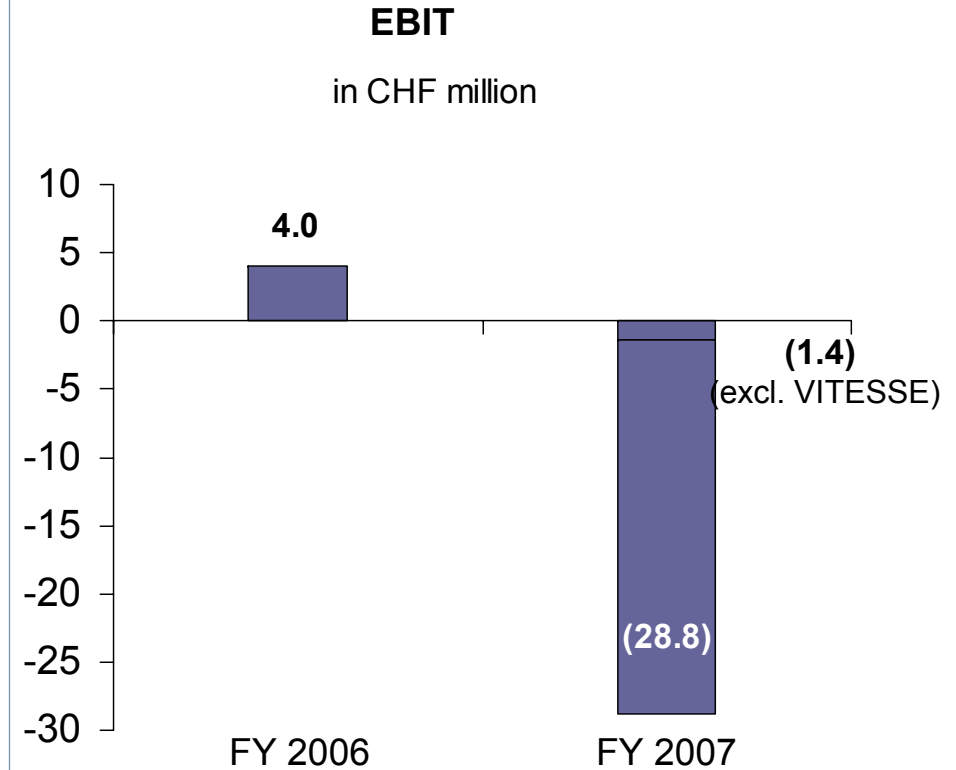


- EBIT CHF 17.0m in FY 2007 mainly due to one-off effects relating to VITESSE program
- EBIT margin 9.4% (excl. VITESSE) in FY 2007 compared to 9.7% in FY 2006

SECURITY SOLUTIONS



- Due to VITESSE initiatives operating result came to loss of CHF (2.8)m in FY 2007
- Operating result without VITESSE initiatives would have been CHF 6.5m in FY 2007



- EBIT 2007 was affected by one-off expenses for:
- Restructuring measures, impairments on inventory and intangible assets, onerous leases
 - Result was negatively impacted due to losses of CHF (4.5)m relating to real estate activities in 2007

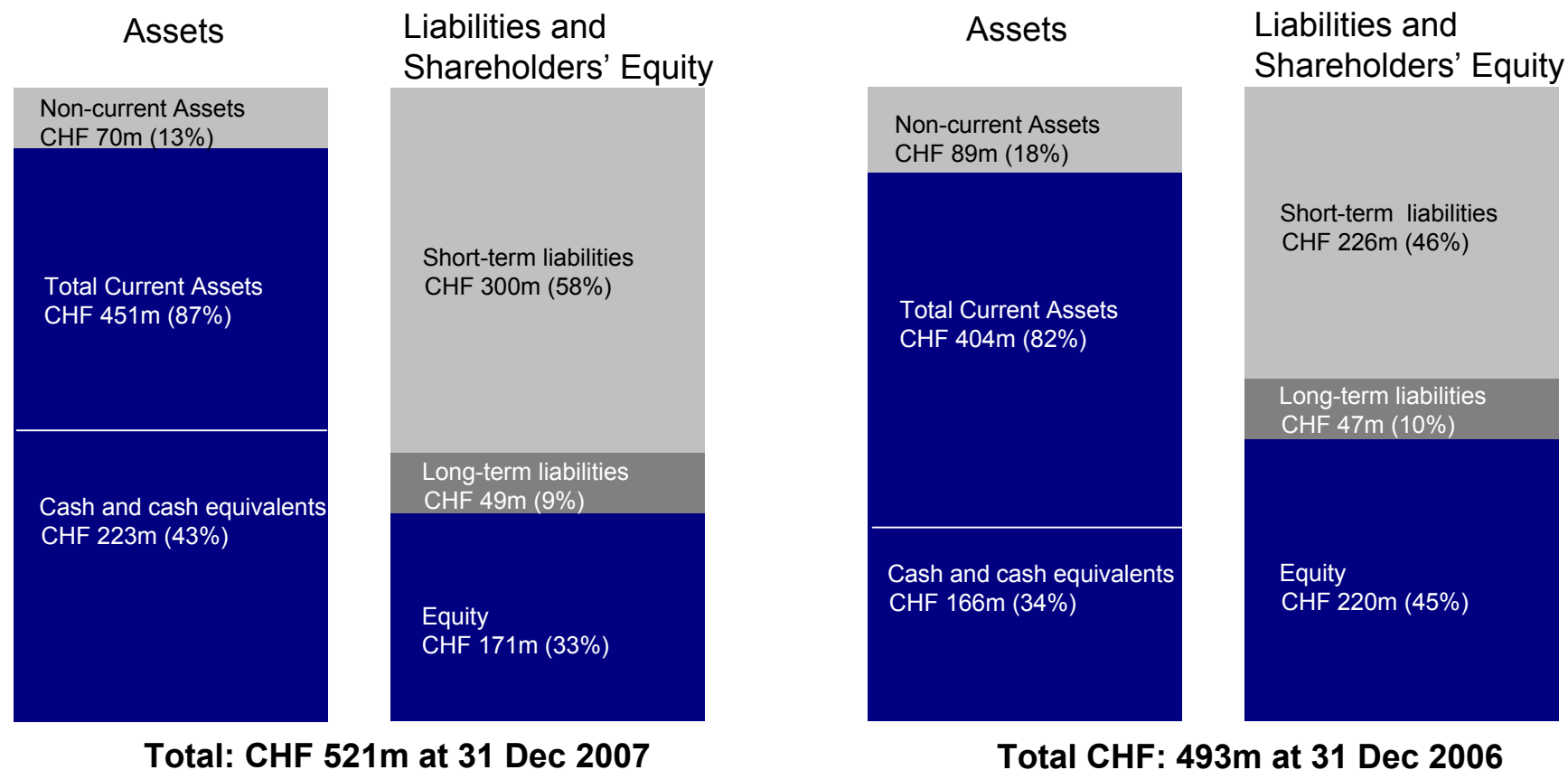
CONSOLIDATED INCOME STATEMENT

CHFm	FY 2007	FY 2006
EBIT	(16.1)	34.9
Financial income/(expenses), net	2.3	0.7
Income taxes	(6.8)	0.4
(Loss)/profit continuing operations	(20.6)	36.0
Loss from discontinued operations	(27.5)	(18.9)
Group (loss)/profit	(48.1)	17.1

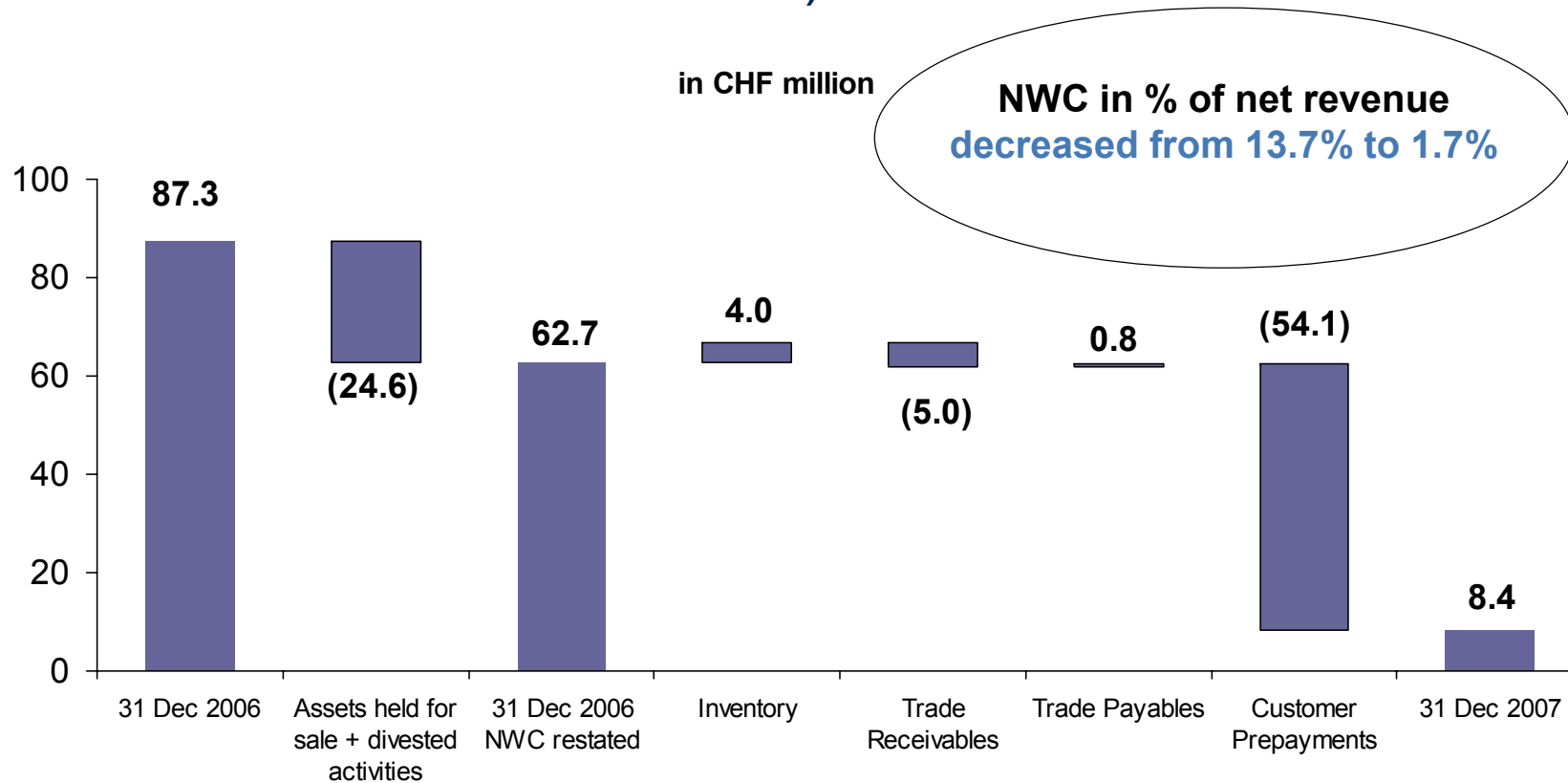
DISCONTINUED OPERATIONS

- Toll
 - Capacity underutilization / Restructuring and adjustments in 2007
 - New management in place / all loss-making delivery projects completed
 - Ready for sale at break-even level
- Payphones
 - Reduced demand by customers
 - Restructuring measures in 2007: Headcount cut
 - Expected break-even level in 2008
- Industry Switzerland (LPS)
 - Capacity underutilization
 - Restructuring measures in 2007
 - Set up for sale prepared
- Traffic
 - Loss-making customer projects and weak offering
 - Cost reduction and investment in processes and leadership change
 - Close to break even ready for sale

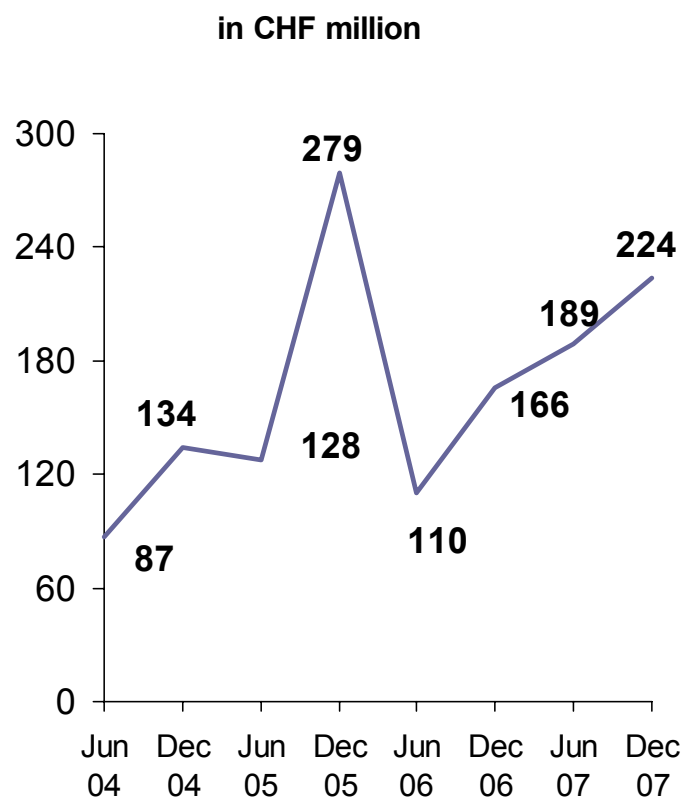
BALANCE SHEET AT 31 DECEMBER



NET WORKING CAPITAL (CONTINUING OPERATIONS)



NET CASH POSITION



CHFm	Dec 07	Jun 07	Dec 06
Mortgages	-	-	-
Other debt	-	-	-
Gross debt	-	-	-
Cash and securities	224	189	166
Net cash	224	189	166

Note: Net cash position CHF 110.6m at 30 June 2006 includes par value repayment of CHF 180m and dividend payment of CHF 10.1m in H1 2006

CASH FLOW STATEMENT – ASCOM (1)

CHFm	FY 2007	FY 2006
Group (loss)/profit	(48.1)	17.1
Depreciation, amortization and impairment	23.3	14.6
Increase in provisions, net of releases	44.2	11.3
Loss from sale PPE, subsidiaries and BU's	0.8	1.4
Other items	3.8	7.0
Cash flow from operating activities before changes in net working capital	24.0	51.4
Changes in net working capital		
Changes in inventory and work in process	0.5	(6.6)
Changes in trade receivables	18.2	6.0
Changes in trade payables	(5.8)	(1.2)
Other items excl. cash (mainly customer prepayments)	50.2	(4.6)
Cash flow from operating activities	87.1	45.0

CASH FLOW STATEMENTS – ASCOM (2)

CHFm	FY 2007	FY 2006
Cash flow from operating activities	87.1	45.0
Paid restructuring expenses	(4.4)	(8.5)
Paid warranty costs and guarantees	(5.4)	(5.4)
Paid other accrued costs	(5.5)	(3.0)
Other income / (expenses)	0.3	(4.9)
Interest received, net	4.8	2.8
Other financial (income) / expenses	(1.7)	(2.1)
Income tax paid	(9.3)	(9.0)
Net cash flow from operating activities	65.9	14.9
Proceeds from sale of consol. companies and BU's	-	38.1
(Purchase)/proceeds from sale of property, plant, equipment, net	(3.6)	24.1
Other	(2.7)	(2.2)
Net cash flow from investing activities	(6.3)	60.0
Net cash flow from financing activities	(2.7)	(189.9)
Increase/(decrease) in cash and cash equivalents	56.9	(115.0)
Unrestricted cash at end of year	223.0	165.6

BUSINESS ACTIVITIES

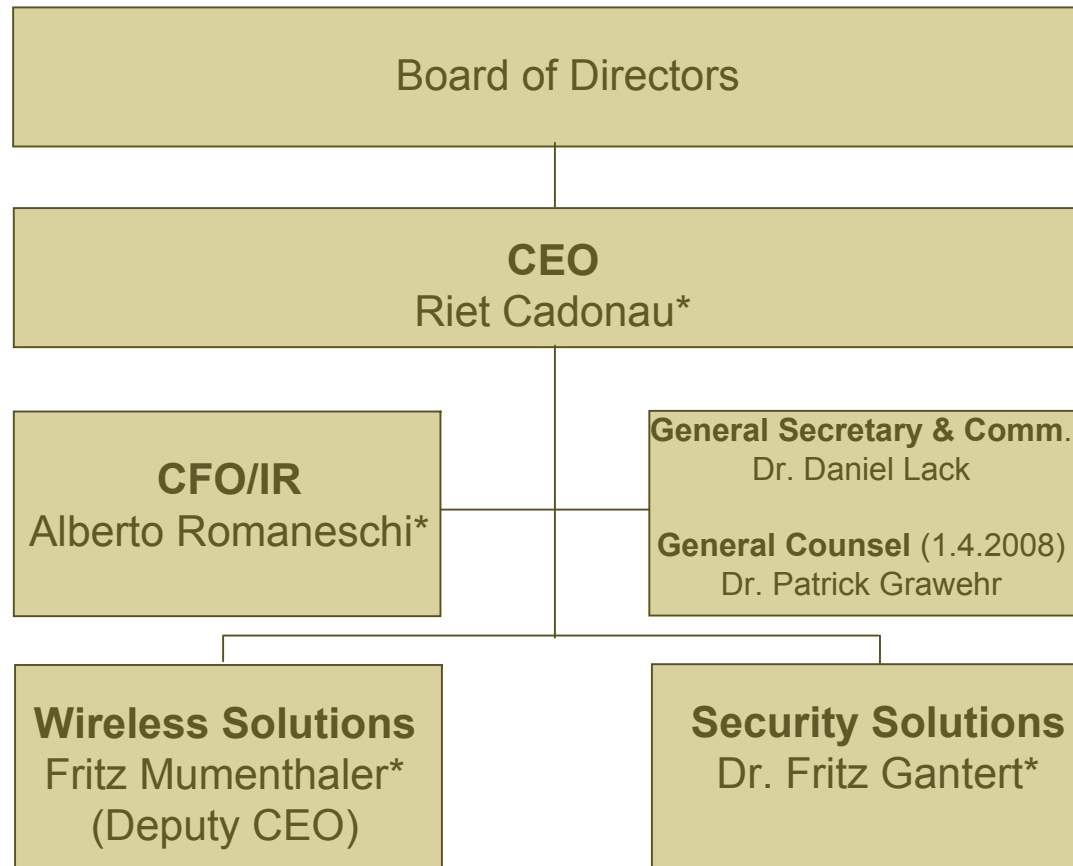


ASCOM – OUR BUSINESS

Provide customized, mission-critical communication products, solutions and services for demanding environments

- **Wireless Solutions:** Focusing on wireless communication for demanding environments to allow for seamless on-site communication for hospitals, elderly care, industry and others (like hotels and retail)
- **Security Solutions:** Focusing on integrated communication solutions and alarming / mobilization applications for armies and public / private security organizations, as well as products and services for telecom operators

CORPORATE STRUCTURE



* Member of the Executive Board

[Ascom Group]

OUR COMMITMENT

10 by 10



We have committed to reach 10 % EBIT margin by 2010

Drive for 5



Furthermore, we drive for an organic growth of at least 5 % p.a.

PROGRAM VITESSE

Growth initiatives

Wireless Solutions

- Strengthen sales skills/capacity CATAPULT
- Accelerate growth through investments into direct sales channels

Security Solutions

- Investments into technology platform / R&D
- Internationalization through Value Added Resellers (VARs) BOOST
- International sales competence

Portfolio focusing

- Divestment of Traffic and Industry (CH)
- Complementary acquisitions to strengthen positions

Restructuring

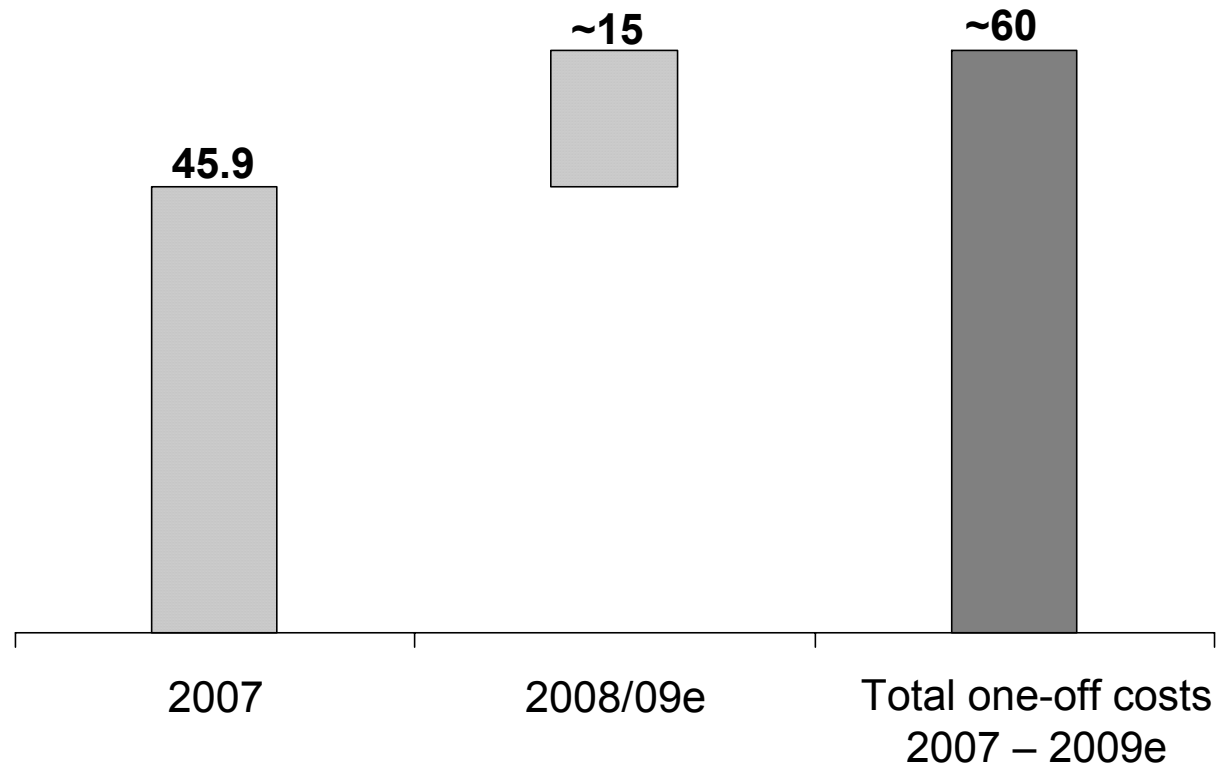
- Centralization of warehousing and repair activities
- Turnaround Germany
- Low performers initiative

- Merge of Defense & Public Safety = Security Communication
- Streamline Ascom CH (i.e. Shared Service Centre, streamline management layers)
- Write-offs / provisions for 'onerous' leases (CH)

[Ascom Group]

VITESSE ONE-OFF COSTS UNTIL END 2009

One-off costs (estimated) Ascom Group
in CHF million



VITESSE PROGRESS REPORT (FTE Situation)

- Restructuring initiatives includes a plan to reduce 155 jobs net at several European locations (incl. discontinued operations)
- Restructuring initiatives includes headcount cut as well as replacements
- Actual status of net reduction: net around 150 FTE as at end of February 2008

VITESSE PROGRESS REPORT (Status of Key Projects)

• **Wireless Solutions**

- **Project Catapult** (strengthening sales force in USA)
 - All sales people hired from competitor by End of 2007
 - People trained and now active in the market since January 2008
 - First successes visible (orders booked) – ahead of plan

- **Project Centralized Repair** (Centralization of 5 repair centres to 1)
 - Transfer plan agreed and communicated with countries (BE, NL, UK, CH)
 - Three repair centres will be centralized in 2008. The last one will be centralized in Q1 2009
 - Project slightly ahead of plan

- **Project Centralized Warehouses** (centralization of 9 Warehouses incl. partial centralization of 3rd party product sourcing)
 - Detailed analyze in progress. Final execution plan ready by End of March 2008.
 - Gradual approach in order to ensure continuous supply.
 - Completion planned in Q3 2009
 - Project on track

VITESSE PROGRESS REPORT (Status of Key Projects)

- **Security Solutions**

- **Security Communication** (Merge of Public Safety and Defence)
 - New organization and macro processes implemented as of 1 January 2008
 - Detailed processes reviewed in Jan/Feb implementation in progress
 - Project expected to close by End of March, as planned
- **Project BOOST** (Internationalization of SeSo product portfolio)
 - Detailed market analyses completed as planned by end of 2007
 - Strategy planning completed. Implementation started (UK and Germany)
 - First product adaptations in progress and on track
- **Technology Investment**
 - Detailed analyses and roadmap planning completed
 - Implementation started and well on track. Detailed reviews every month

DIVESTMENTS

- Status Divestments
 - Sale of Tunnel & In-house Communication (TIC), as part of Traffic (Announcement 10 March 2008 / closing of transaction expected end of March 2008)

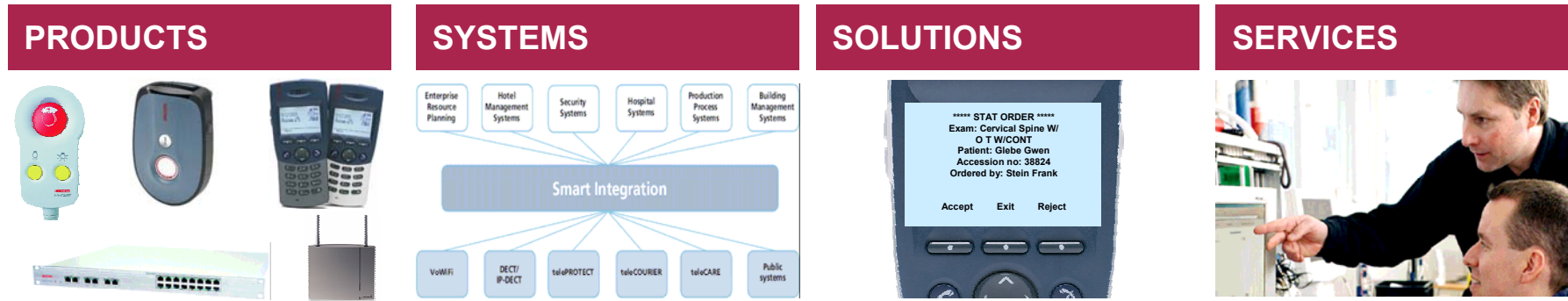
- Divestments Discontinued Operations (planned until year end 2008)
 - Toll
 - Industry (CH)
 - Traffic
 - Payphones

- Confirmation of the Executive Board, to divest all discontinued operations by end of 2008

WIRELESS SOLUTIONS



COMPREHENSIVE OFFERING



- Workplace telephony
 - DECT
 - IP-DECT
 - VoWiFi
- Paging
- Nurse call
- Messaging platform

- Supplying integrated suite of products to provide complete communications networks
- Integration of both own and third party products (hardware and software)

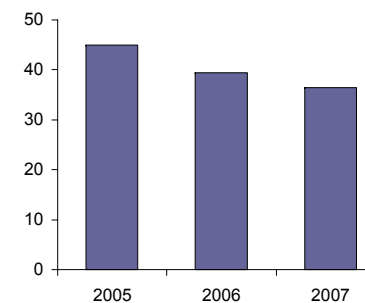
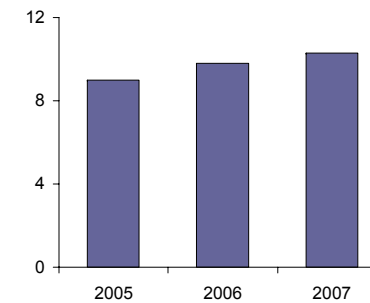
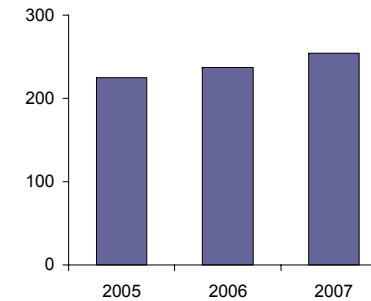
- Implementation of systems geared towards specific customer applications
- Tailor-made on-site wireless communication solutions enabling quicker response where “mission- critical” communication is of utmost importance

- Current focus on after sales services
 - Maintenance
 - Service calls/On-site assistance
 - Repair
 - Training
- Targeting professional services focus in 2008
- Remote management business concept

DISTRIBUTION CHANNELS

	OFFERING
<p>Direct Channel</p> <p>84%</p>	<p>(Systems, Solutions & Services) Products, Systems, Customized Solutions (e.g. Integrations, Applications), Project Management, Installation, Commissioning and Services - Managed out of 11 National Sales Units</p>
<p>Indirect Channel</p> <p>4%</p>	<p>(Products & Standard Systems) Products and Standard Systems through local distributors - Managed out of divisional HQ</p>
<p>OEM</p> <p>12%</p>	<p>(Handhelds & Base Stations) DECT Terminals, Fixed radio equipment DECT and ip DECT, VoWiFi Terminals for work place telephony ("Enterprise") - Managed out of divisional HQ</p>

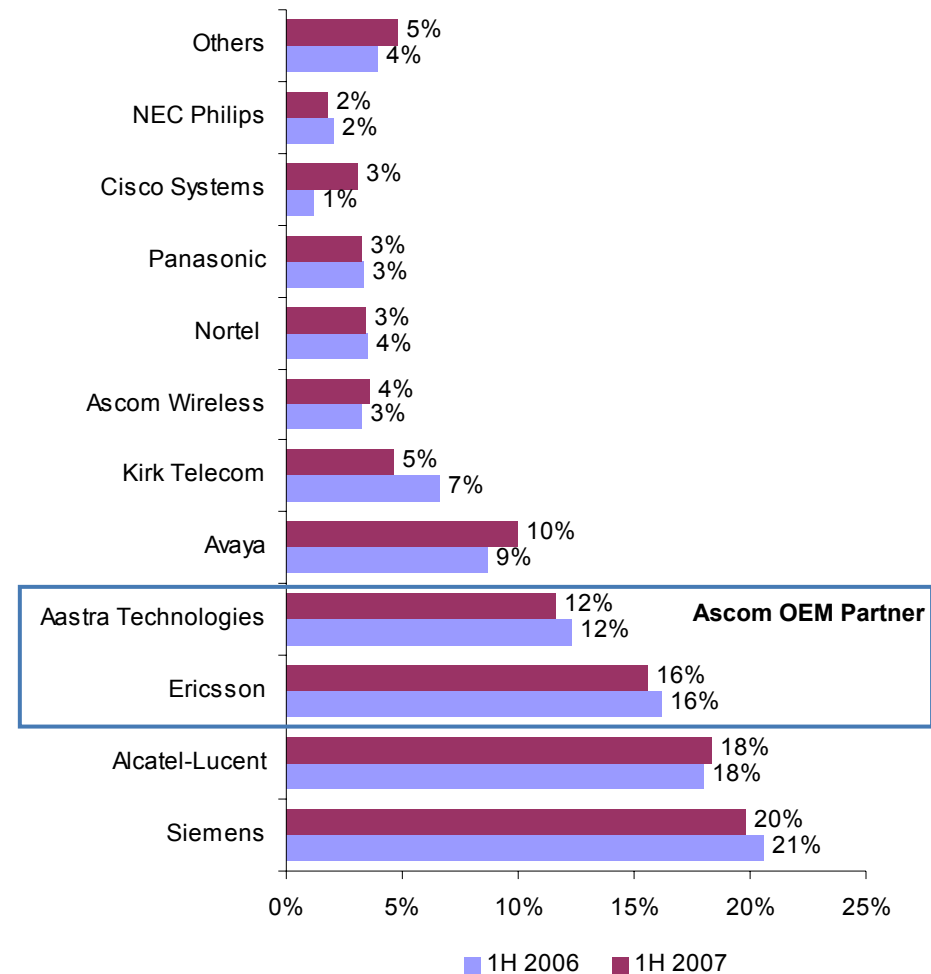
REVENUES in CHFm



A WORLD PLAYER IN ENTERPRISE DECT

- Ascom is currently the second largest producer of Enterprise DECT in the world
- This allows Ascom to leverage Economies of Scale
- This is only possible with a strong base in OEM
- We are building a position in VoWiFi as well, as we are having discussions with potential OEM partners on VoWiFi
- Our target is to become the World Leader in Cordless Work-Place Telephony

SHARE OF SUPPLIED DECT HANDSETS (in Volumes)



LATEST HIGHLIGHTS

- New OEM Partnership (announced 7 March 2008)
 - Commercial impact:
 - lower double digit CHF million revenue p.a. starting in 2009
 - First full revenue impact 2010
 - Operating margin will support mid-term guidance
 - Development has been started, first products to be introduced 2009
- As announced on 30 November 2007, there are negotiations ongoing with a few other potential OEM partners on IP-DECT and on VoWiFi
- This is reversing the declining trend in OEM
- New International Distribution Partners have been signed up in Spain (4), Italy (2), Austria, Poland, Hungary, Slovenia, Russia

FOCUS ITEMS

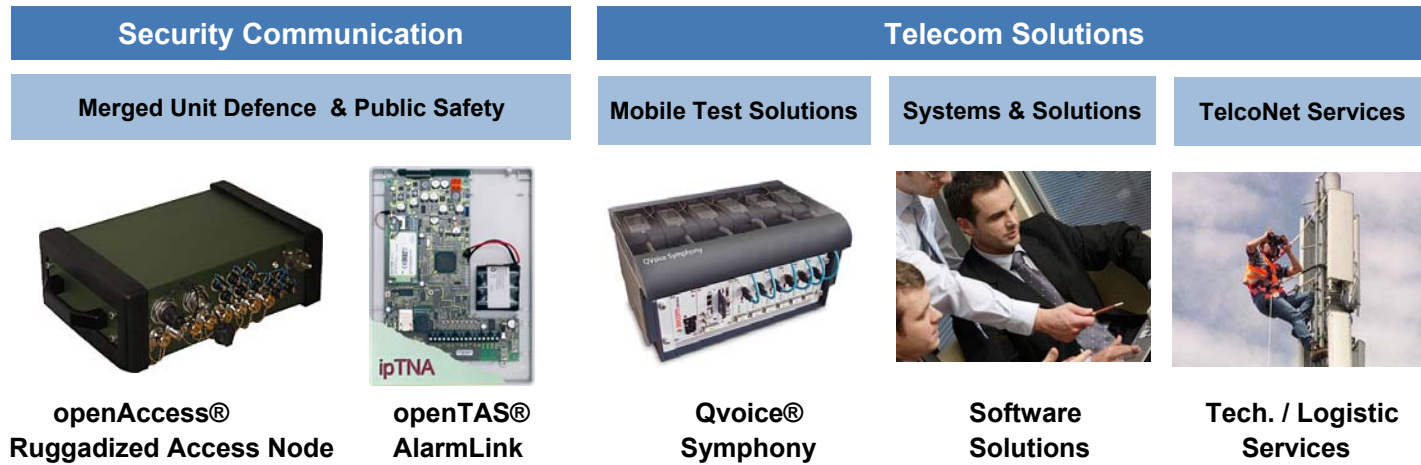
- Continue to develop OEM (IP-DECT and VoWiFi)
- Continue to develop international partners
- Continue to focus on innovation: Launch Plan 2008: New DECT handsets for OEM and Ascom Channel, UPAC R1 and R2, IP-Nurse Call R1
- VITESSE
 - Centralize Repair
 - Centralize Warehouses
 - Improve sales productivity

SECURITY SOLUTIONS



[Security Solutions]

COMPREHENSIVE OFFERING



Key Offerings & Products

- Communication solutions for operation in a demanding environment
- Products and solutions for alarming and mobilisation applications

Systems and products for drive-/ walk testing of mobile networks

Customer specific software solutions for the telco industry

Site engineering, installation and commissioning, network integration, support services

LATEST HIGHLIGHTS

- Growth by acquisition
 - Acquisition of ARGO Group

- Organic growth
 - New remarkable order from FIN Def Forces for security communication equipment (tactical access nodes)

 - Substantial Order Backlog based on received orders from Armasuisse / AFIS / TUS

DETAILS ON ARGO GROUP ACQUISITION

Business rationales:

- Opens an attractive market niche for Ascom with growth potential
→ mobile operators expand into IP / data area (download, games)
- Extends Ascom's offering into stationary / IP-testing field
- Offering Ascom MTS / Argo is complementary but related
- Customer benefit: One supplier (complete offering) for drive / walk- and stationary / IP- testing
- Additional international presence and strong market position in the UK and in Germany
- Synergies in sales

FOCUS ITEMS

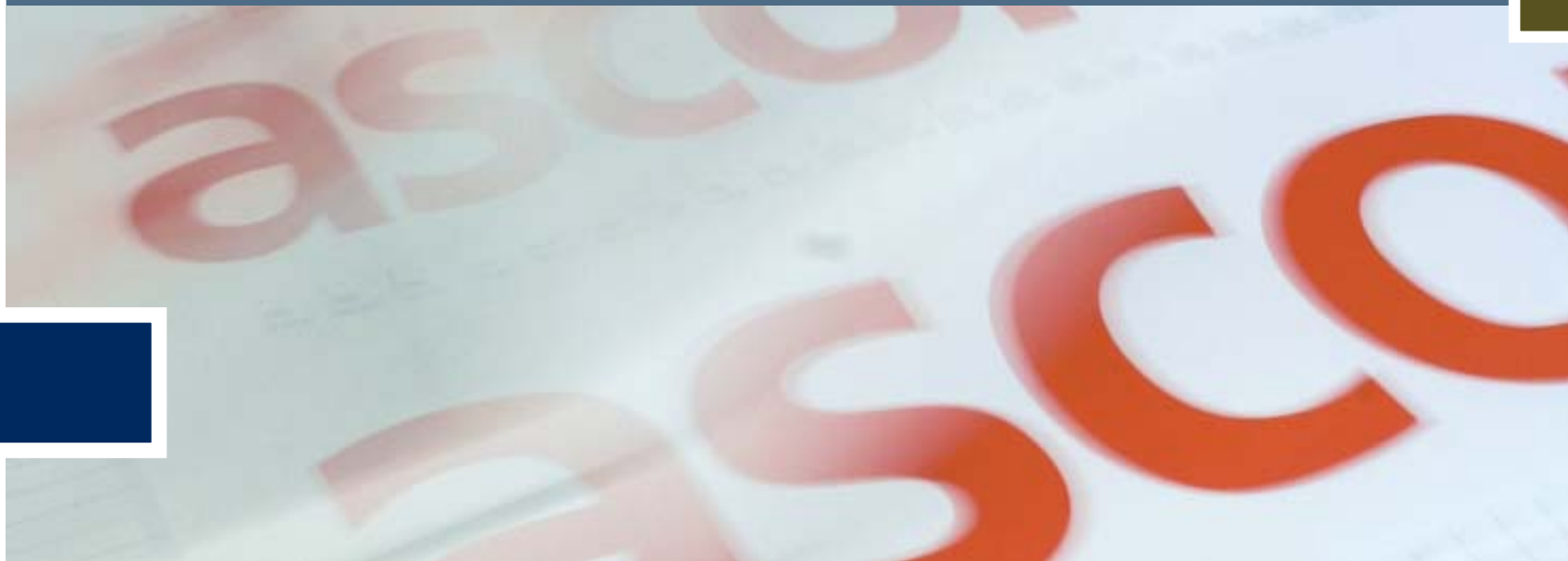
Security Communication

- Execution of internationalization strategy by:
 - Building up “SeCom International” led by a new experienced manager
 - Implementation Value Added Reseller Strategy
 - Establish partnerships with system integrators / local partners outside CH / FIN
- Implementation of customer projects (substantial order backlog) according to plan
- Finalizing organizational changes and optimizing processes

Telecom Solutions

- MTS:
 - Further expand business based on Comarco alliance
 - Integration of ARGO
- S&S:
 - Execution of order backlog according to plan

PROPOSAL TO ANNUAL GENERAL MEETING 2008



PROPOSAL OF THE BOARD OF DIRECTORS TO ANNUAL GENERAL MEETING ON 15 APRIL 2008

- No dividend payment

Elections

- Re-election of Board Members for a period of one year:
 - Juhani Anttila
 - J.T. Bergqvist
 - Wolfgang Kalsbach
 - Paul E. Otth
 - Axel Paeger
- Rolf A. Meyer does not stand for re-election
- Re-election of PricewaterhouseCoopers as group auditors and statutory auditors for FY 2008

GUIDANCE & CONCLUSION



[Ascom Group]

GUIDANCE

2008

Wireless Solutions EBIT margin 9 – 11%, Revenue growth 5%

Security Solutions EBIT margin 4 – 6%, Revenue growth 5%

2010

- EBIT margin 10 – 12% on Group level
- Yearly revenue growth at least 5% in core business

KEY INVESTMENT HIGHLIGHTS

- 1** Focused business portfolio and defendable leadership position in multiple, stable and primarily non-cyclical industries
- 2** Clear commitment due to investment program VITESSE to accelerate growth and increase profitability
- 3** Large installed customer base to leverage next-generation technologies
- 4** Proven management team to drive business improvement
- 5** Strong balance sheet
Low capital intensity of business

[Ascom Group]

OUR COMMITMENT

10 by 10



We have committed to reach 10 % EBIT margin by 2010

Drive for 5



Furthermore, we drive for an organic growth of at least 5 % p.a.

Q & A



THANK YOU!

CUSTOMER SATISFACTION

ENGAGEMENT

COST EFFICIENCY

RESPONSIBILITY

COMMITMENT

ADDITIONAL INFORMATION



KEY FIGURES – IFRS

CHFm	FY 2007 (IFRS)	FY 2006 (IFRS)
Incoming orders	545.6	536.2
Order backlog	261.2	205.7
Net revenue	490.5	474.9
Gross profit	177.1	178.4
<i>Gross margin</i>	36.1%	37.6%
Operating result	0.1	33.6
<i>Operating margin</i>	0.02%	7.1%
EBIT	(16.1)	34.9
<i>EBIT margin</i>	n/a	7.3%
EBITDA	3.7	47.6

KEY FIGURES – PRO FORMA (excl. VITESSE)

CHFm	FY 2007 (pro forma)	FY 2006 (normalized)	Δ 2006/07
Incoming orders	545.6	524.6	21.0
Order backlog	261.2	205.7	55.5
Net revenue	490.5	458.9	31.6
Gross profit	188.5	178.9	9.6
<i>Gross margin</i>	38.4%	39.0%	n/a
Operating result	24.3	35.2	(10.9)
<i>Operating margin</i>	5.0%	7.7%	n/a
EBIT	26.2	36.4	(10.2)
<i>EBIT margin</i>	5.3%	7.9%	n/a
EBITDA	38.4	48.6	(10.2)

KEY FIGURES – PRO FORMA (excl. VITESSE)

CHFm	FY 2007 (pro forma)	FY 2006	Δ 2006/07
Incoming orders	309.2	297.2	12.0
Order backlog	76.9	70.7	6.2
Net revenue	301.3	285.9	15.4
Gross profit	145.6	133.9	11.7
<i>Gross margin</i>	48.3%	46.8%	n/a
Operating result	34.6	32.4	2.2
<i>Operating margin</i>	11.5%	11.3%	n/a
EBIT	28.4	27.6	0.8
<i>EBIT margin</i>	9.4%	9.7%	n/a
EBITDA	37.1	35.9	1.2

KEY FIGURES – PRO FORMA (excl. VITESSE)

CHFm	FY 2007 (pro forma)	FY 2006	Δ 2006/07
Incoming orders	236.9	227.9	9.0
Order backlog	184.3	135.4	48.9
Net revenue	189.9	173.7	16.2
Gross profit	45.0	46.5	(1.5)
<i>Gross margin</i>	23.7%	26.8%	n/a
Operating result	6.5	12.6	(6.1)
<i>Operating margin</i>	3.4%	7.3%	n/a
EBIT	(1.4)	4.0	(5.4)
<i>EBIT margin</i>	n/a	2.3%	n/a
EBITDA	2.0	7.9	(5.9)

[Discontinued Operations]

DISCONTINUED OPERATIONS 2007

CHFm	Toll	Pay- phones	Traffic Security	LPS	Other	Total 2007
Incoming orders	23.2	18.0	28.7	13.8	0.4	84.1
Net revenue	18.2	23.1	19.6	15.6	0.6	77.1
Gross profit	1.2	4.3	(3.0)	(0.9)	(0.4)	1.2
<i>Gross margin</i>	6.6%	18.6%	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	1.6%
Operating result	(3.0)	(5.3)	(12.6)	(2.3)	(0.6)	(23.8)
<i>Operating margin</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
EBIT	(3.8)	(5.5)	(13.3)	(5.6)	0.2	(28.0)
EBIT excl. VITESSE						(24.3)
Loss from discontinued operations						(27.5)

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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.

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