



ANNUAL MEDIA CONFERENCE 2010

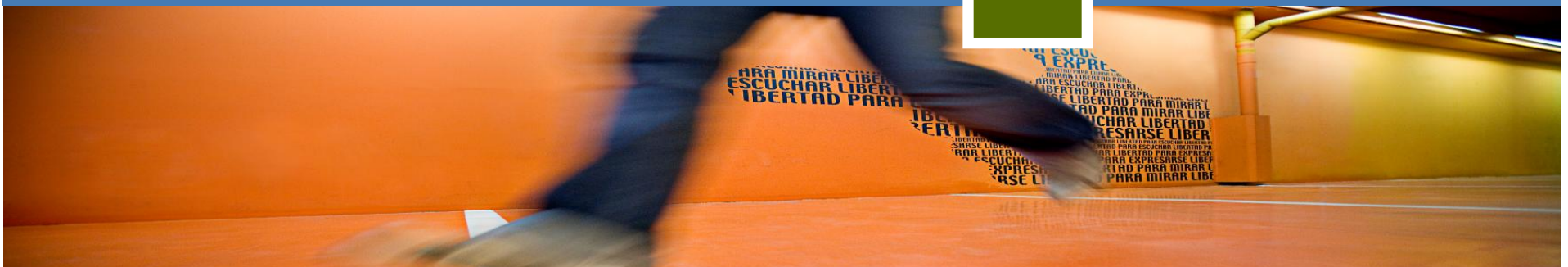
Riet Cadonau	CEO
Martin Zwysig	CFO
Fritz Mumenthaler	GM Wireless Solutions
Fritz Gantert	GM Security Communication
Rikard Lundqvist	GM Network Testing





TABLE OF CONTENTS

- 2009 FINANCIAL RESULTS OVERVIEW
- GROUP DEVELOPMENT IN 2009
- 2009 FINANCIAL RESULTS
- HIGHLIGHTS FROM THE DIVISIONS
- LOOKING FORWARD / Q&A





2009 FINANCIAL RESULTS OVERVIEW: TARGETS ACHIEVED ACCORDING TO EXPECTATIONS



SOLID RESULTS (1)

- **Significant increase in Group Profit**

- CHF 24.4m (2008: CHF 8.2m)

- **Solid profitability**

- Group EBIT: CHF 32.8m; EBIT margin: 6.1%
- Group EBITDA: CHF 49.8m; EBITDA margin: 9.3%
(including restructuring and integration costs of CHF 8.3m)

SOLID RESULTS (2)

- **All three divisions are profitable**

- **Wireless Solutions**: EBIT margin 8.7%; EBITDA margin 11.3%
(including restructuring costs of CHF 3.8m)
- **Network Testing**: EBIT margin 7.0%; EBITDA margin 13.6%
(including integration costs of CHF 4.5m)
- **Security Communication**: EBIT margin 2.5%; EBITDA margin 3.5%

SOLID RESULTS (3)

- **10.9% revenue growth at constant exchange rates**
 - Total revenue of CHF 537.2m, increase by 5.5%
(at constant exchange rates: + 10.9%)
 - Supported by acquisition of TEMS

- **Incoming orders of CHF 514.4m (2008: CHF 511.9m)**

- **Solid balance sheet**
 - Cash and cash equivalents of CHF 127.7m
 - Equity ratio of 29.4%

SUBSTANTIAL INVESTMENTS IN RESEARCH AND DEVELOPMENT

- Expenses for R&D increased to CHF 47.0m (2008: CHF 32.9m)
 - R&D expenses achieved portion of revenue of 8.7% (2008: 6.5%)
- ➔ Due to these investments in the company's innovation capabilities the product portfolio could be further extended and therefore the competitiveness has been improved

2009 FINANCIAL RESULTS OVERVIEW

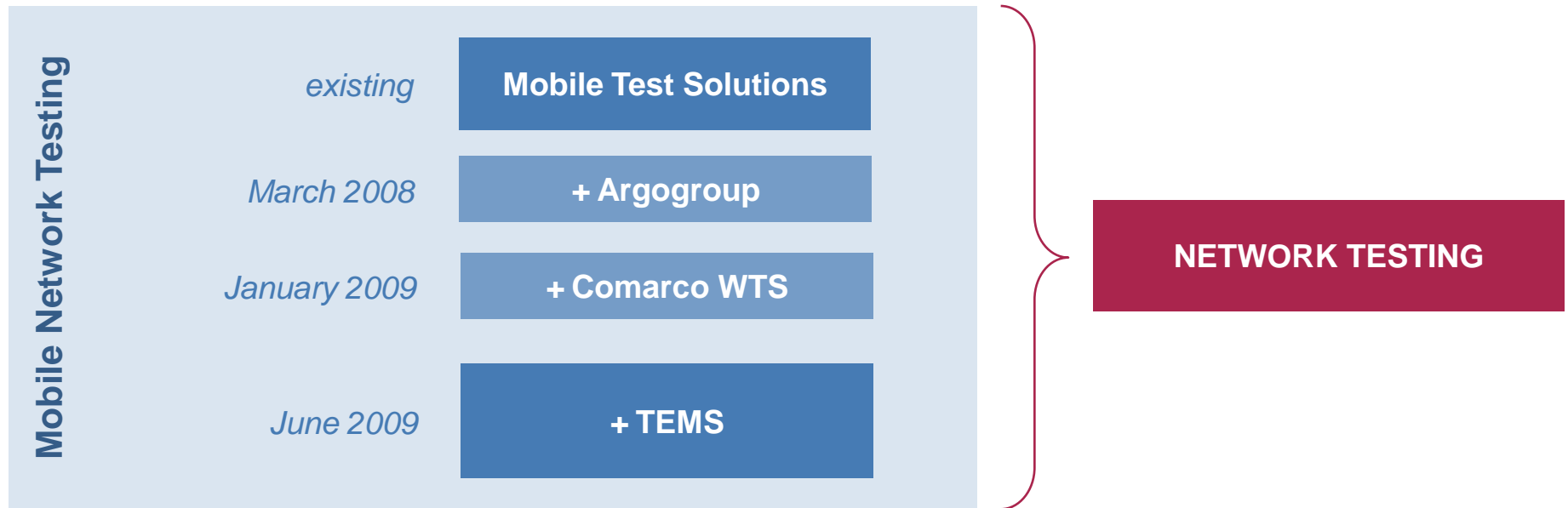
CHFm	2009	2008
Incoming orders	514.4	511.9
Net revenue	537.2	509.2
EBIT	32.8	44.0
<i>EBIT margin</i>	6.1%	8.6%
GROUP PROFIT	24.4	8.2
EBITDA	49.8	53.3
<i>EBITDA margin</i>	9.3%	10.5%



GROUP DEVELOPMENT IN 2009



ASCOM MAKES A SUBSTANTIAL LEAP FORWARD





CARVE OUT ACCOMPLISHED

- HR
 - All staff transferred to Ascom by end of 2009
- Legal Entities
 - New entities set up in Malaysia, India, China and South Africa
- Facilities
 - All new facilities set up

INTEGRATION ON TRACK

- Integration process has been pursued intensively and is according to plan

- 33 integration projects identified and set up, such as
 - Product management (e.g. product clean up)
 - Customer service
 - R&D

- Goals:
 -  Achievement of Business Plan
 -  Increased efficiency and productivity

OUR PROJECTIONS OF MARCH 2009

	Wireless Solutions	Security Communication ¹	Network Testing ^{2,3}
Key numbers (2008 pro-forma)⁴			
Sales (CHFm)	308	134	251
EBIT (CHFm)	36	6	38
margin (%)	11.7	4.4	15.2
Employees (no.)	1,168	403	640
Mission critical communication – targeted end markets	<ul style="list-style-type: none"> Hospitals, elderly care, industry, hotels, retail sector, secure establishments (e.g. prisons) Mobile workplace equipment 	<ul style="list-style-type: none"> Defense, public safety and infrastructure operators (rail, road, others) 	<ul style="list-style-type: none"> Mobile network operators, service providers, infrastructure vendors, governmental agencies
Market position	<ul style="list-style-type: none"> No. 2 in European enterprise DECT Leading in paging and professional messaging 	<ul style="list-style-type: none"> Leading position in domestic markets (CH/AT/FI) for security communication 	<ul style="list-style-type: none"> Leading in Benchmarking and Optimization No. 2 in Stationary Testing

Notes:

1 Excluding TNS, S&S and MTS

2 Including TNS, S&S, MTS and Comarco WTS (Comarco WTS not consolidated for 2008 in Ascom Group); CHF/USD=1.1891

3 **Before integration costs and amortisation of intangible assets acquired**

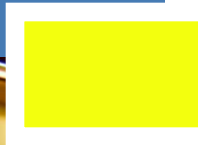
4 Unaudited pro-forma numbers except for Wireless Solutions

MARGIN PERFORMANCE ACCORDING TO PLAN

- Results impacted by the significantly weaker USD against the CHF since spring 2009
- Integration costs of CHF 4.5m and amortization of CHF 7.9m for intangible assets
- EBITDA: CHF 18.1m (EBITDA margin: 13.6%)
- EBIT: CHF 9.3m (EBIT margin: 7.0%)
- EBIT margin excluding integration and amortization costs: 16.3%
- TEMS EBIT margin (excluding integration and amortization costs): > 20%



GROUP STRUCTURE 2010



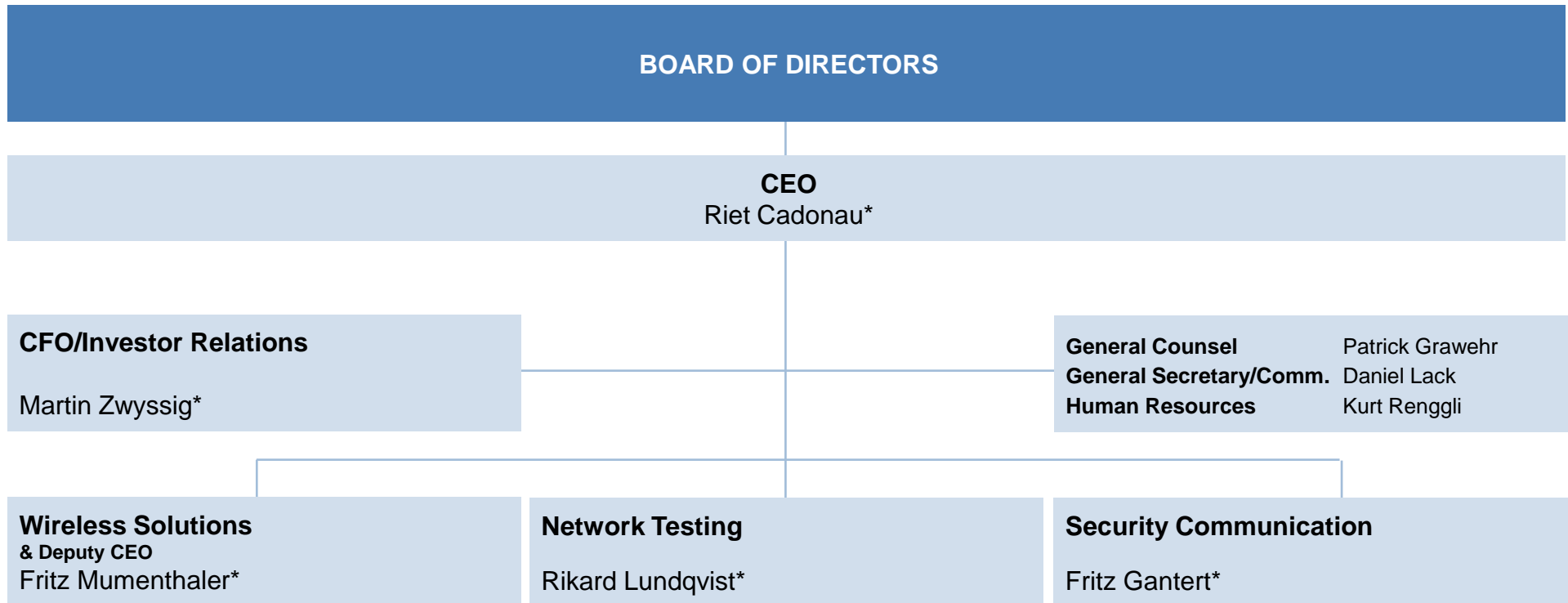
NUMBER OF EMPLOYEES INCREASED BY 16.0%

- Number of employees increased by 16.0% from 1864 to 2162 FTE
- Ascom gained in internationality: Percentage of employees outside Switzerland increased from 73.2% to 77.2%.
- Ascom has a workforce of some 2.300 employees worldwide (headcount)

Sweden	740
Switzerland	500
Netherlands	350
USA	175
Germany	115
UK	100

- Ascom has subsidiaries in 20 countries
 - New: India, Malaysia, China, South Africa

STRUCTURE AS OF 1 JANUARY 2010

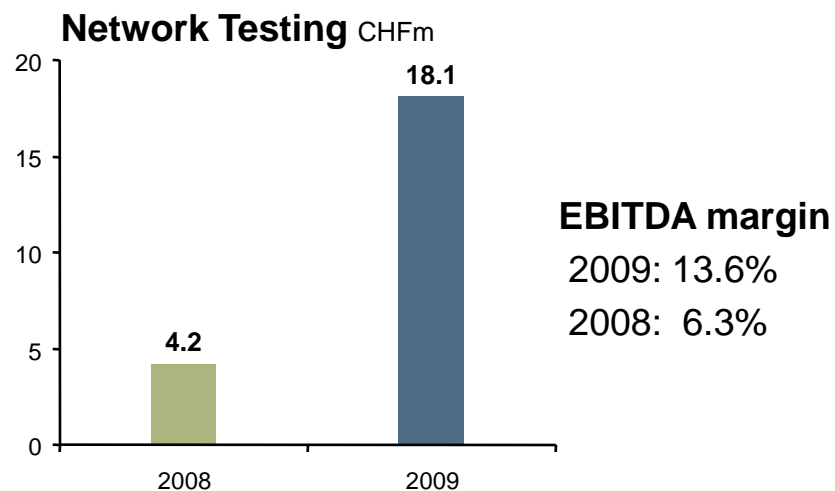
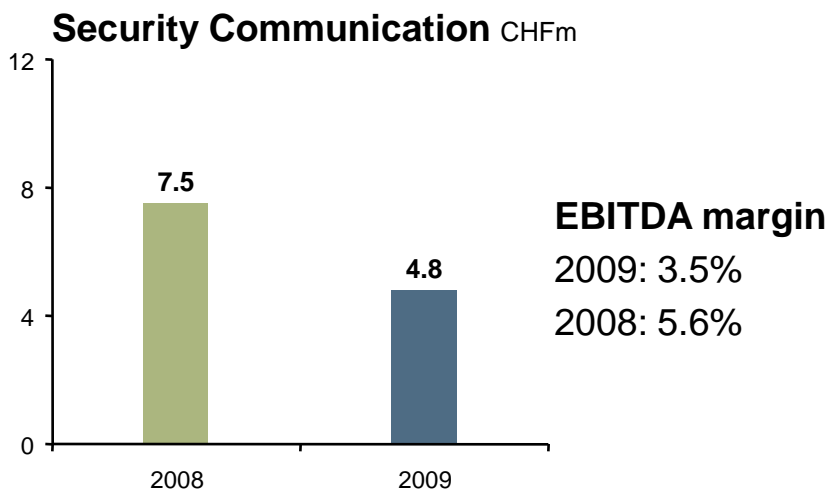
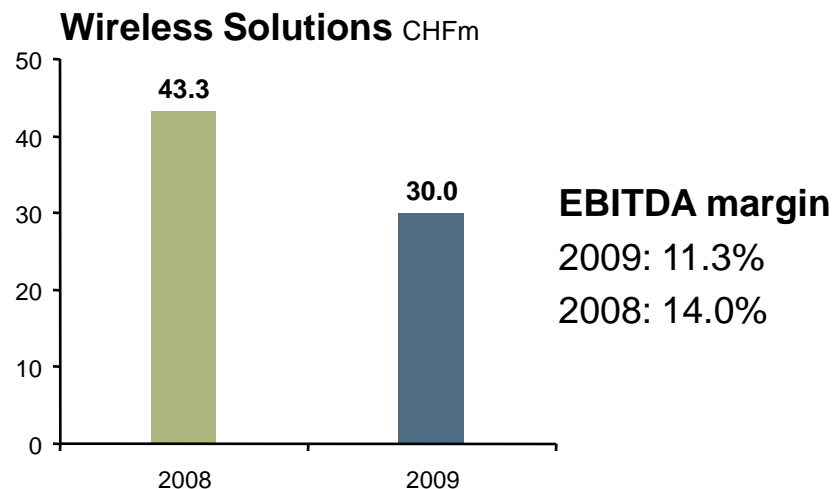
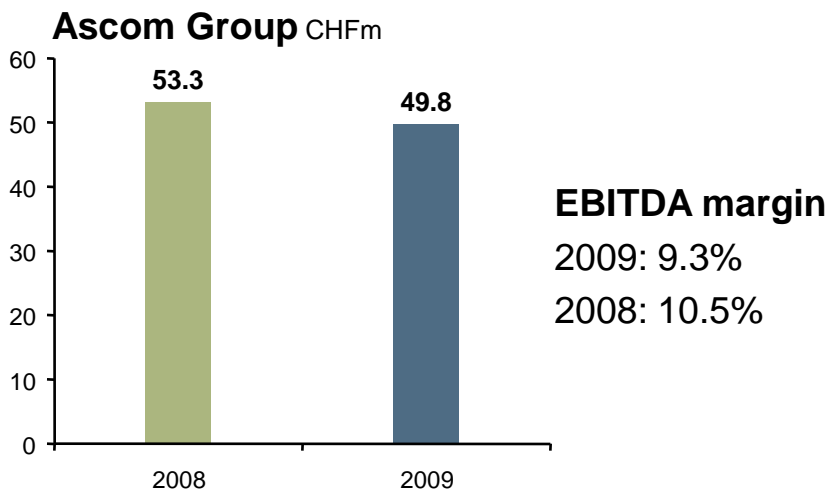


* Member of the Executive Board

CONSOLIDATED STATEMENT OF INCOME

CHFm	2009	2008
Revenue	537.2	509.2
Gross profit	227.3	208.9
<i>Gross margin</i>	<i>42.3%</i>	<i>41.0%</i>
Marketing and distribution	(104.2)	(102.7)
Research and development	(47.0)	(32.9)
Administration	(40.5)	(31.5)
Total functional costs	(191.7)	(167.1)
Amortization of intangible assets from acquisitions	(7.9)	0.0
Other income/(expenses), net	5.1	2.2
EBIT	32.8	44.0
Net financial result	(0.3)	(3.1)
Income taxes	(8.1)	(8.2)
Profit for the year from continuing operations	24.4	32.7
Loss for the year from discontinued operations	-	(24.5)
Group profit for the year	24.4	8.2

DEVELOPMENT OF EBITDA



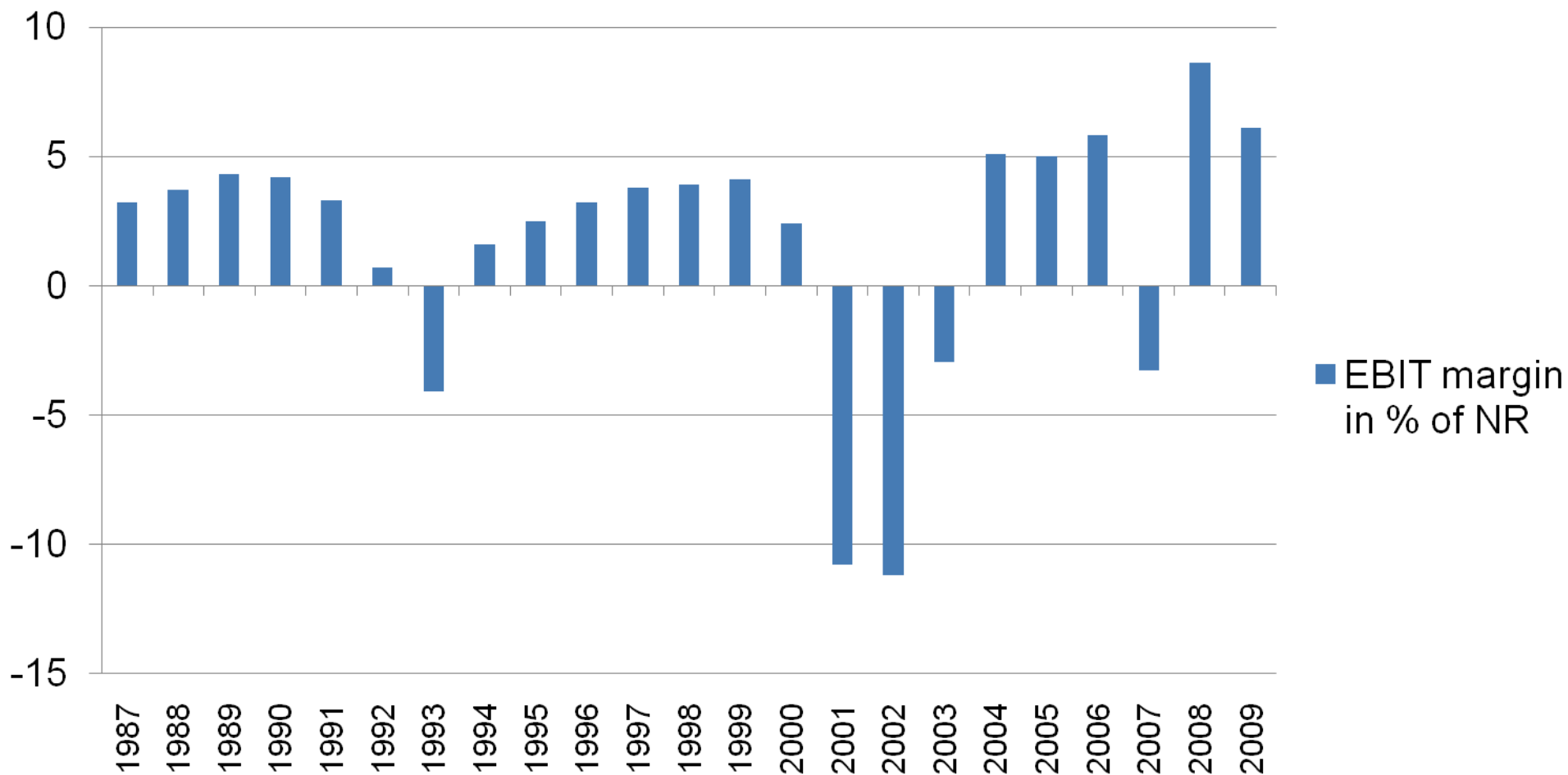
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31.12.2009		31.12.2008	
ASSETS	CHFm	%	CHFm	%
Intangible assets	238.8	39	31.1	7
Other non-current assets	41.6	7	44.9	10
Non-current assets	280.4	46	76.0	17
Cash and cash equivalents	127.7	21	182.6	40
Other current assets	201.1	33	192.6	43
Total assets	609.2		451.2	
Shareholder's equity	179.3	29	148.7	33
Non-current liabilities	130.7	22	35.0	8
Current liabilities	299.2	49	267.5	59
Total liabilities and shareholders' equity	609.2		451.2	

CONSOLIDATED STATEMENT OF CASH FLOWS

CHFm	2009	2008
Net cash flow from operating activities	24.5	(2.3)
Net cash flow from investing activities	(180.1)	(26.0)
Net cash flow from financing activities	99.5	(6.1)
Net increase/(decrease) in cash and cash equivalents	(54.9)	(40.4)
Cash and cash equivalents at 31.12.	127.7	182.6

DEVELOPMENT OF THE EBIT MARGIN (1987-2009)





WIRELESS SOLUTIONS WHEN EVERY SECOND COUNTS



CUSTOMERS, OFFERING AND GO-TO-MARKET

WIRELESS SOLUTIONS ('ONSITE')

Core segments

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

Offering

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> ▪ Voice ▪ Alarming ▪ Messaging ▪ Localisation | | <ul style="list-style-type: none"> ▪ Products ▪ Systems ▪ Solutions ▪ Services |
|--|--|--|

Go-to-market

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

CHALLENGING ENVIRONMENT IN 2009

- Customers postponed investments due to economic situation especially in the segments industry and retail
- PBX manufacturers have seen reduced sales as infrastructure investments were postponed due to the general uncertainties. This had a negative impact on our OEM business
- Customers in the US reduced investments due to lack of funds
- Governmental spending in Europe remained stable
 - This was good for our health care business in Europe
 - Business in secure establishments (e.g. prisons) and psychiatric clinics developed well
- Overall Ascom improved its market position versus its main competitors

WIRELESS SOLUTIONS – SOLID RESULTS IN 2009

- Incoming orders: CHF 275.3m (2008: CHF 316.0m)
(at constant exchange rates incoming orders declined by 5.4%)
- Revenue: CHF 265.2m vs. CHF 308.3m in 2008
(at constant exchange rates revenue declined by only 6.7%)
- EBIT: CHF 23.2m (including restructuring costs of CHF 3.8m)
- EBIT margin of 8.7% (excl. restructuring costs 10.2%)
- EBITDA: CHF 30.0m; EBITDA margin of 11.3%
- Number of FTE reduced from 1225 to 1155
- R&D investment could be maintained at constant exchange rates
- Improved margins and “restored” profitability in H2/2009

WIRELESS SOLUTIONS – HIGHLIGHTS

1

DANISH PRISON AUTHORITIES

Supply of IP-DECT communication system introducing the new high-end ruggedized d81 handset with precise location functionality, to improve personal security for staff members.

Order value: CHF 1.6m for first phase of which the main part was realized in 2009, CHF 6.0m for complete system over 4 years

2

HAUKELAND UNIVERSITY HOSPITAL, BERGEN (NORWAY)

Framework agreement to deploy an IP-DECT system with positioning and messaging functionality. Fully integrated with the nurse call system Ascom teleCARE, it will provide a efficient, secure and unified communication for all hospitals in the Bergen area

Order value: CHF 2.1m

3

AVAYA

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

Sales have started well.

WIRELESS SOLUTIONS – FOCUS ITEMS 2010

1

FURTHER STRENGTHEN OUR MARKET POSITION

- Leverage our investments made in R&D
- Improve market penetration by adding new channel partners

2

INNOVATION

- Round-off our state-of-the-art IP-DECT portfolio: complete range of IP-DECT handsets, high-end rugged IP-DECT Ascom d81
- Launch world's first VoWiFi handset i62 on 802.11 n
- Launch of radically re-designed IP Nurse Call with speech

3

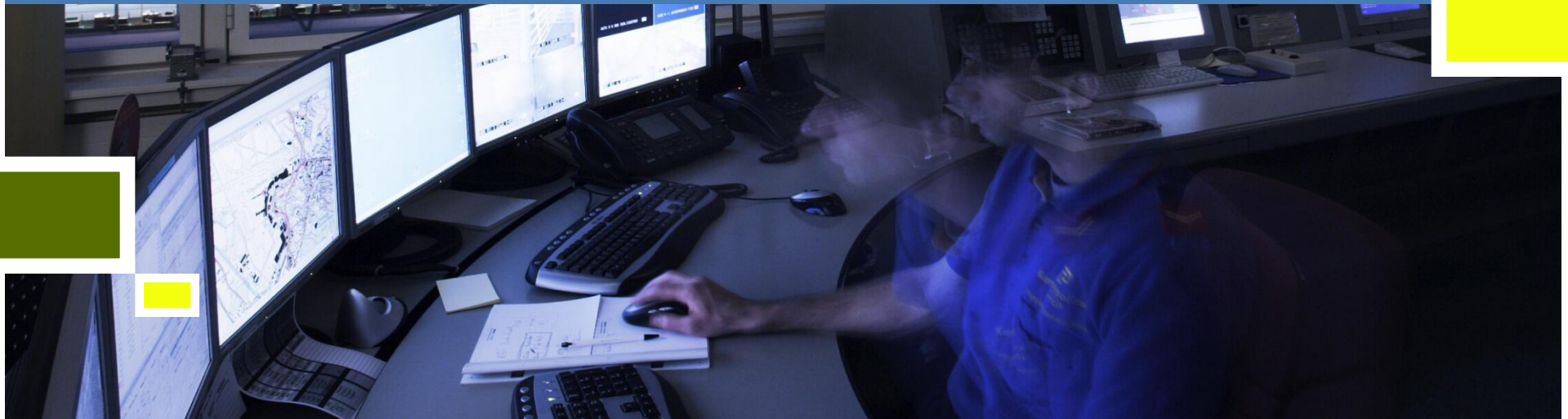
OPERATIONAL IMPROVEMENTS

- Regionalization: Implement regions in the direct channel to gain cost and sales synergies and to standardize business processes
- Systematically increase sales productivity based on findings of last years improvement project



SECURITY COMMUNICATION

SERVING OUR CUSTOMERS EVERYWHERE, AT ANY TIME



CUSTOMERS, OFFERING AND GO-TO-MARKET

SECURITY COMMUNICATION

Core segments

- Defense
- Public Safety Organizations
- Infrastructure Operators

Product/Service Offering

- Secure communication for the army and police forces
- Emergency call and information systems for infrastructure providers
- Alarm and mobilization systems for security organizations

Go-to-market

- Direct channel: own sales organizations in Switzerland, Austria, Finland, Poland and Czech Republic
- Indirect channel: VAR's and System Integrators in selected markets like UK, Spain, France, Israel, Slovenia, Norway, Germany and others

CHALLENGING ECONOMIC ENVIRONMENT IN 2009

- In general the market stagnated in 2009 due to economic situation
- Swiss business: Remarkable orders both for military and civil application however, as expected, no large military projects were released
- International business: higher incoming orders/revenue compared to 2008.

SECURITY COMMUNICATION – POSITIVE RESULTS IN 2009

- EBITDA: CHF 4.8m; EBITDA margin 3.5%
- EBIT: CHF 3.4m (2008: CHF 6.0m); EBIT margin: 2.5%
- Revenue growth by 2.5% to CHF 138.1m (2008: CHF 134.7)
- Incoming Orders: CHF 108.2m
(2008: CHF 129.3m due to a large order received from Armasuisse in H1/2008)

SECURITY COMMUNICATION – HIGHLIGHTS

1

DEFENSE

- Solid business in Switzerland
- 5 cooperation agreements with global system integrators in place
- First lab- and field-trials started with cooperation partners

2

INFRASTRUCTURE OPERATORS

- Solid and stable project and maintenance business in Switzerland
- Growing business in UK
- January 2010: substantial order from Israel

3

PUBLIC SAFETY

- Norway: upgrade of alarm platforms to IP technology, order value >2.0 MCHF
- Switzerland: AFIS upgrade, order value ~3 MCHF

SECURITY COMMUNICATION – FOCUS ITEMS 2010

1

INTERNATIONALIZATION

- Continue to develop new markets via indirect channel (defense and civilian sectors)
- Win reference projects in Defense (H2/2010)
- Maintain leading position in home market

2

EFFICIENCY

- Continuous operational improvements
- Ontime delivery of large projects

3

INNOVATION

- Continue to invest in own platforms/product portfolio
- Secure product readiness for international markets



NETWORK TESTING

EVOLVING NETWORKS. TRUSTED SOLUTIONS.



CUSTOMERS, OFFERING AND GO-TO-MARKET

NETWORK TESTING

Core segments



- Telecom operators
- Telecom infrastructure vendors
- Telecom professional service providers
- Telecom regulatory agencies and other government entities
- Telecom content providers

Product/Service Offering

Radio air interface network performance, network quality of service, and services monitoring and testing

- Planning & Design
- Test & Measurement
- Benchmarking & Monitoring
- Reporting & Analysis



- Products
- Systems
- Solutions
- Services

Go-to-market



- Global presence
- Direct channel: Offices in more than 20 countries
- Indirect channel

CHALLENGING ECONOMIC ENVIRONMENT IN 2009

Difficult market environment in 2009:

- Customers in Europe, Central and Latin America delayed investments
- Several infrastructure projects were postponed
- Increased price competition in South East Asia
- Weakening since spring 2009 of the US dollar against the Swiss franc

NETWORK TESTING – VERY SOLID RESULTS IN 2009

- EBITDA: CHF 18.1m; EBITDA margin 13.6%
- EBIT: CHF 9.3m (incl. integration and amortization costs of CHF 12.4m)
- EBIT margin 7.0% (excl. integration and amortization costs: 16.3%)
- Revenue: CHF 133.3m
 (revenue has been heavily impacted in particular by the significantly weakening of the USD against CHF since spring 2009)
- Incoming order: CHF 130.5m
- TEMS succeeded in achieving its targeted profitability and has generated EBIT above 20% (excluding integration and amortization costs)

NETWORK TESTING – HIGHLIGHTS

1

Major US network operator selects Ascom Network Testing for expansion of benchmarking program in the amount of USD 12 million

2

Continued close cooperation with Ericsson - the world's largest network equipment manufacturer

3

Early support for 4G technology – Long Term Evolution (LTE)

4

Important orders received from:

- Another major US network operator (USD 2.2 million)
- Major telecommunication company in Africa (USD 2.1 million)

NETWORK TESTING – FOCUS ITEMS 2010

1

TECHNOLOGY

- Expansion of support for emerging technologies such as LTE and TD-LTE
- Strengthening the leadership position

2

GROWTH OPPORTUNITIES

- Adapting offerings to capture growth opportunities in emerging markets (Asia-Pacific, Latin America, and Middle East/Africa)
- Growing faster than the market

3

INTEGRATION

- Optimizing the organization, governance and infrastructure
- Integration is expected to be mostly completed by mid 2010
- Adapting and optimizing offerings to keep competitive advantages

4

NEW COOPERATION PARTNER

- Samsung



LOOKING FORWARD



FOCUS ITEMS 2010

- Operational performance = first priority
- And:
 - Wireless Solutions: Leverage sales channels
 - Network Testing: Accomplishment of integration
 - Security Communication: Proof of concept of internationalization strategy
- Ascom's targets are:
 - 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

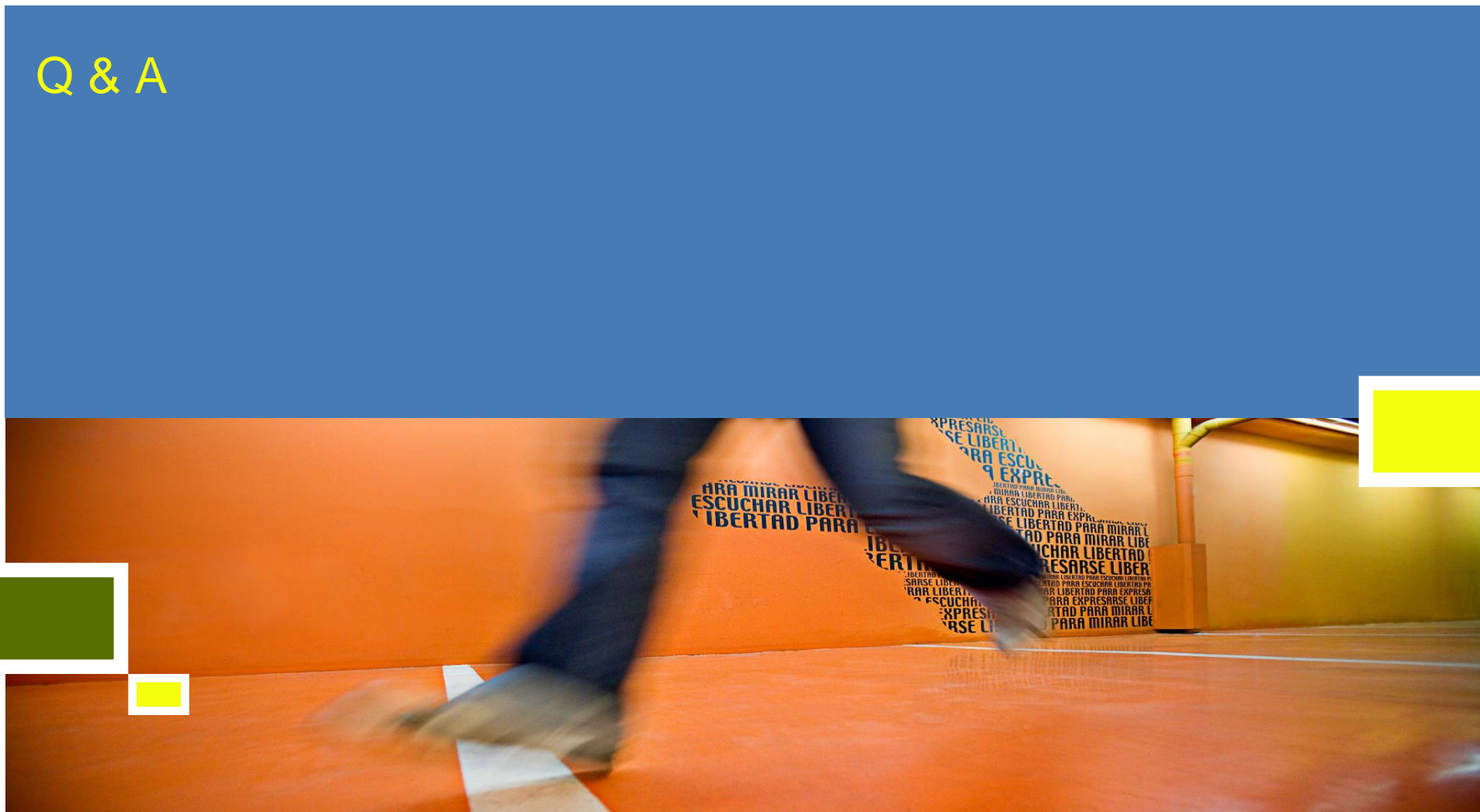
OUTLOOK 2010

- Although signs of a recovery were apparent towards the end of 2009, the market conditions are expected to improve rather slowly in 2010.
- Target for 2010 on Group level*: EBITDA margin: 10% to 11.5%

*provided that the economic environment remains at least stable and there is no further deterioration in currency relations



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!

