ascom

HALF-YEAR REPORT 2009

COMMITMENT IN CHALLENGING TIMES

LETTER FROM THE CHAIRMAN AND THE CEO

Dear Shareholders

Thanks to consistent implementation of its niche strategy and despite the global recession, Ascom succeeded in achieving solid results in the first half of 2009. Ascom Group remained profitable, although revenue declined due to economic developments, and results were negatively influenced by currency fluctuations. The Group profit increased by CHF 4.8 million to CHF 11.9 million in the first half of 2009. Ascom also completed the takeover of Comarco WTS during the reporting period and was additionally able to make a major and strategically important acquisition by purchasing TEMS. With TEMS, a world market leader in mobile network optimization, we have strengthened Ascom's global presence.

In the first half of 2009, Ascom continued to consistently implement its corporate strategy. The Group managed to deliver solid results, despite the impacts of the slump in the global economy as a result of the financial crisis. In addition, the acquisitions of Comarco WTS and TEMS were successfully completed in the period under review. The integration processes of the acquisitions are being pursued intensively and are on schedule. As TEMS has only been consolidated for one month within the Group, i.e. since June 2009, the results achieved by this unit are of limited significance.

Revenue and incoming orders

The Group generated more than 70% of its total revenue in international business. Thus the half-year results, in addition to weak economic environment, were also adversely affected by the weakness of the Euro against the Swiss Franc. Taking into account the pro rata consolidation of the acquisitions, the Group achieved total revenue of CHF 235.2 million during the reporting period compared with CHF 249.1 million last year. This corresponds to a decrease of 5.6%. Adjusted for currency effects, i.e. on constant exchange rates, Group revenue increased by 0.9%. The Wireless Solutions Division was affected by its customers' reluctance on investments during the first half of 2009, and achieved revenue of CHF 126.1 million compared with CHF 147.4 million in the same period of last year. However, on constant exchange rates revenue declined by only 5.5% compared to last year. The Security Solutions Division was able to hold up well in the first half of 2009 and generated revenue of CHF 101.2 million compared with CHF 102.2 million in the first half of 2008.

At CHF 233.8 million, incoming orders for the Ascom Group were down on the previous year's level of CHF 292.4 million. This also reflects the cautious behavior of customers in the current economic situation. Many of them have deferred major investment contracts to a later date. In addition, in contrast to the previous year, no large military contracts were awarded in the first half of 2009.

Positive operating result and profit at EBIT level

In the current difficult environment, Ascom succeeded not only in closing the first half of 2009 with a positive operating result of CHF 7.7 million, but also in earning a profit at EBIT level of CHF 7.3 million, reflecting an EBIT margin of 3.1%. In the reporting period, Wireless Solutions incurred one-time restructuring costs in the amount of net CHF 1.6 million, which were needed for capacity adjustments.

Higher Group profit

In the first half of 2009, Ascom posted a Group profit of CHF 11.9 million compared with CHF 7.1 million in the same period last year. Both divisions, Wireless Solutions and Security Solutions, provided a positive contribution to profits in the reporting period.

Solid balance sheet structure

Following the successful closing and financing of Comarco WTS and TEMS acquisitions, Ascom retains a solid balance sheet structure as of 30 June 2009. With cash and cash equivalents in the amount of CHF 131.4 million and an equity ratio of 25.6%, Ascom is financially sound and has the resources to continue developing the Group rapidly and in a targeted manner.

Strategically on course

After successfully streamlining the structure of the Group, Ascom has completed the next steps in the implementation of its corporate strategy with three acquisitions (Argogroup in 2008, Comarco WTS and TEMS in 2009). From 2010 onwards, TEMS will merge with the existing Telecom Solutions business unit, which remains part of the Security Solutions Division up to the end of 2009, to form a third division – Network Testing. Ascom will align its activities in accordance with three clearly focused and homogeneous divisions, under the common umbrella of ''Mission-Critical Communication'': Wireless Solutions, Security Communication and Network Testing, from 2010. This will create the prerequisites for us to reach our medium-term objectives for profitability and growth. We will continue to strengthen our market presence and will further invest in our company's innovation capabilities. We have set ourselves the goal of gaining market shares and capitalizing on opportunities that arise for further targeted, value-adding acquisitions. Strict cost management will continue to have a high priority.

Outlook

The year 2009 is generally viewed as suffering from the most serious recession for decades. We only expect an improvement in market conditions in the course of the year 2010. On the basis of current developments, we assume that revenue for the full year 2009 will be up to 10% below the previous year's level on a like-for-like basis on Group level, and on constant exchange rates. Taking the completed acquisitions into account, we are planning – at comparable exchange rates – for an increase in revenue compared with 2008. Furthermore, we are convinced that we will remain profitable for the entire year 2009.

Juhani Anttila	**Riet Cadonau**
Chairman of the Board of Directors	CEO

BUSINESS RESULTS

Solid first half-year for the Ascom Group in 2009

The Ascom Group continued to consistently pursue its corporate strategy in the first half of 2009 and performed well in a very difficult economic environment. The niche strategy, concentrating on business-to-business applications, under the joint umbrella of ''Mission-Critical Communication'', was further developed successfully. Revenue and incoming orders were below the previous year's figures due to the weak economy and negative currency translation effects. Nevertheless, both divisions Wireless Solutions and Security Solutions closed the first half of 2009 with positive operating results. TEMS, a global market leader in the optimization of mobile networks, has been consolidated within the Group since June 2009. As of 2010, TEMS will merge with the Telecom Solutions business unit to form the new Network Testing Division. Ascom will run its business activities in three homogeneous divisions – Wireless Solutions, Security Communication and Network Testing – from 2010 onwards.

Wireless Solutions

Despite the difficult environment, the division Wireless Solutions achieved a profit at EBIT level of CHF 6.7 million in the first half of 2009.

The division felt the impact of the slump in the global economy. Since Wireless Solutions earns the major portion of its revenue in Europe, the half-year result was also adversely affected by the weakness of the Euro against the Swiss Franc. Wireless Solutions generated revenue of CHF 126.1 million in the first half of 2009 compared with CHF 147.4 million in the previous year. Adjusted for currency translation effects, revenue fell by only 5.5% compared to last year.

Customers' reluctance on investments due to the economic situation resulted in incoming orders of CHF 139.5 million compared to CHF 175.5 million in the same period of last year. While the European healthcare market remained stable year-on-year, customers in the USA reduced their investments at short notice. Also in the industry and retail market segments, fewer orders were placed in light of uncertainties about future economic developments. In addition, fiercer price competition was observed. Encouraging is that Wireless Solutions nevertheless succeeded in winning a number of important orders for secure establishments in Scandinavia and Germany in the first half of 2009. Some of these orders, however, will generate revenue in 2010 only.

The division responded rapidly to the significant change in the business environment and adjusted its capacities selectively to the new situation, while also reducing costs. In the course of these structural adjustments, extraordinary restructuring costs of net CHF 1.6 million were incurred in the reporting period. Wireless Solutions showed a first-half profit at EBIT level of CHF 6.7 million and an EBIT margin of 5.3% (previous year 8.3%). Excluding the restructuring costs, the EBIT margin would have been 6.6%.

The Wireless Solutions Division is adhering to its strategy and continuing to focus on three sales channels (direct, indirect, OEM). In order to further strengthen its competitiveness, Wireless Solutions is continually expanding its product portfolio. The successful market launch of the new IP-DECT handsets, Ascom d41 and d62, in the first half of 2009 has opened up new opportunities for the division, particularly in the areas of healthcare and retail.

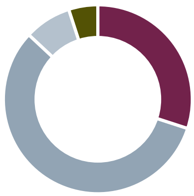
Wireless Solutions will continue to invest in research and development as well as in the sales channels in order to be ready for the future upturn and thereby achieve its medium-term objectives. Obviously, cost management will continue to have high priority.

Security Solutions

The Security Solutions Division held up well in the reporting period, closing the first half of 2009 with a respectable profit at EBIT level of CHF 3.2 million.

Security Solutions generated revenue of CHF 101.2 million, largely on a par with the same period of last year (CHF 102.2 million). The Security Communication business unit succeeded in posting growth in revenue with international

Revenue by region



Switzerland	30%
Europe excl. Switzerland	57%
Germany	8%
France	7%
UK	4%
Netherlands	15%
Scandinavia	6%
Other European countries	17%
USA/Canada	8%
RoW	5%

customers, while sales in the Swiss market fell short of last year's excellent results. The Telecom Solutions business unit generated revenue below the prior-year level due to the prevailing economic conditions.

Security Solutions reported incoming orders of CHF 84.2 million compared with CHF 117.4 million in the same period last year, which had been above average due to large military contracts. In addition, many telecommunications companies deferred some of their infrastructure investments in light of the major uncertainty about future economic developments.

The Security Communication business unit scored sound successes in the first half of 2009, particularly in its international business. For example, contracts to upgrade the existing communications infrastructure were concluded with customers in the Czech Republic and in Germany. Security Communication received substantial orders from Norway to upgrade alarm platforms to IP technology. In the unit's Swiss business, important contracts were once more gained in the military and civilian sectors. However, since no large military projects were placed, it proved impossible to repeat the previous year's high level of incoming orders. In the Telecom Solutions business unit, Systems & Solutions proved to be stable. TelcoNet Services (infrastructure services) and Mobile Test Solutions suffered from a drop in customer demand.

Despite the difficult economic climate, the division earned a profit of CHF 3.2 million at EBIT level in the first half of 2009, with an EBIT margin of 3.2% (previous year 6.6%).

Security Communication will continue to vigorously pursue its current internationalization strategy. Mobile Test Solutions has set itself the goal of further strengthening its solid market position and will make use of synergies with the newly acquired TEMS business unit.

TEMS

The TEMS business unit has been consolidated within the Ascom Group since the successful completion of the acquisition in June 2009. Integration is proceeding rapidly and according to plan. Since TEMS has only been consolidated within the Group for one month, the results achieved by this unit are of limited significance. TEMS generated revenue of CHF 7.5 million in the month of June and posted incoming orders of CHF 9.7 million.

As of 1 January 2010, TEMS will merge with Telecom Solutions (which will remain part of the Security Solutions Division until the end of 2009) to form the new Network Testing Division.

CONDENSED CONSOLIDATED BALANCE SHEET

	CHFm	30.6.2009	31.12.2008	30.6.2008
ASSETS	Property, plant and equipment	29.3	28.9	35.3
	Intangible assets	244.5	31.1	27.8
	Other non-current assets	15.7	16.0	20.9
	Non-current assets	**289.5**	**76.0**	**84.0**
	Inventories and work in process	58.2	48.6	47.1
	Trade receivables	85.1	83.7	79.8
	Other current assets	61.4	56.8	61.0
	Cash and cash equivalents	131.4	182.6	198.5
	Assets held for sale[1]	–	3.5	27.1
	Current assets	**336.1**	**375.2**	**413.5**
	Total assets	**625.6**	**451.2**	**497.5**
LIABILITIES	**Total equity**	**160.1**	**148.7**	**165.2**
AND	**Non-current liabilities**	**169.0**	**35.0**	**50.1**
EQUITY	Liabilities in relation to assets held for sale[1]	–	16.8	35.7
	Other current liabilities	296.5	250.7	246.5
	Current liabilities	**296.5**	**267.5**	**282.2**
	Total liabilities	**465.5**	**302.5**	**332.3**
	Total liabilities and equity	**625.6**	**451.2**	**497.5**
	Cash and cash equivalents plus marketable securities less interest-bearing liabilities	11.9	183.1	200.6
	Unrestricted cash and cash equivalents	131.4	182.6	198.5

[1] With the sale of the activities of Payphones, Multitoll, LPS and Traffic Security in 2007 and 2008, the restructuring of Ascom Group was completed and the remaining assets and liabilities in discontinued operations were reclassified to continuing operations in 2009.

The notes on pages 10 to 14 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CHFm	1st half-year 2009	1st half-year 2008	Fiscal year 2008
Revenue	235.2	249.1	509.2
Cost of goods sold	(143.0)	(150.5)	(300.3)
Gross profit	**92.2**	**98.6**	**208.9**
in % of revenue	39.2%	39.6%	41.0%
Marketing and distribution	(48.2)	(50.7)	(102.7)
Research and development	(18.3)	(17.3)	(32.9)
Administration	(18.0)	(16.2)	(31.5)
Operating result [1]	**7.7**	**14.4**	**41.8**
Amortization of intangible assets	(1.4)	(0.1)	(0.2)
Other income/(expenses), net	1.0	2.4	2.4
Profit before interest and taxes (EBIT)	**7.3**	**16.7**	**44.0**
in % of revenue	3.1%	6.7%	8.6%
Financial income/(expenses), net	5.6	0.7	(3.1)
Profit before income taxes	**12.9**	**17.4**	**40.9**
Income taxes	(1.0)	(3.3)	(8.2)
Profit from continuing operations	**11.9**	**14.1**	**32.7**
Loss from discontinued operations	–	(7.0)	(24.5)
Group profit	**11.9**	**7.1**	**8.2**
Currency translation differences	(0.9)	(3.2)	(17.3)
Comprehensive income/(loss) for the period	**11.0**	**3.9**	**(9.1)**

[1] Before amortization of intangible assets and other income/(expenses)

Allocation of Group profit/(loss)

Shareholders of Ascom Holding AG	11.9	7.1	8.2
Minority interest	–	–	–

Allocation of comprehensive income/(loss)

Shareholders of Ascom Holding AG	11.0	3.9	(9.1)
Minority interest	–	–	–

Earnings per share for profit/(loss) attributable to the shareholders of the Company in CHF

Group	0.34	0.20	0.23
Continuing operations	0.34	0.40	0.93
Group diluted	0.34	0.20	0.23
Continuing operations diluted	0.34	0.40	0.93
EBITDA in CHFm (Earnings before interest, tax, depreciation & amortization)	12.7	21.1	53.3
Capital expenditures in property, plant and equipment in CHFm	3.7	5.4	11.7

The 2009 first half-year figures include the results of Comarco WTS, which was acquired on 6 January 2009 and the network testing business of Ericsson, which was acquired on 2 June 2009 (refer to note 3 for more details).

The notes on pages 10 to 14 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

CHFm	1st half-year 2009	1st half-year 2008	Fiscal year 2008
Cash flow from operating activities before changes in net working capital	**8.3**	**20.9**	**48.5**
Changes in inventory and work in process	(3.8)	(2.1)	(7.8)
Changes in trade receivables	16.9	1.9	(4.6)
Changes in trade payables	(12.0)	(10.0)	(8.0)
Other items, excluding cash	14.1	(6.4)	5.2
Cash flow from operating activities	**23.5**	**4.3**	**33.3**
Paid restructuring expenses	(5.3)	(5.7)	(11.8)
Paid warranty costs and guarantees	(1.3)	(0.9)	(2.0)
Paid other accrued costs	(2.6)	(3.5)	(6.3)
Other income/(expenses)	(0.4)	1.0	(4.1)
Interest (paid)/received	0.5	2.9	5.7
Other financial income/(expenses)	5.3	(1.4)	(6.8)
Income tax paid	(2.9)	(6.0)	(10.3)
Net cash flow from operating activities	**16.8**	**(9.3)**	**(2.3)**
(Acquisition)/sale of consolidated companies and business units	(184.5)	(8.1)	(8.1)
(Purchase)/disposal of property, plant and equipment and intangible assets	(3.5)	(4.8)	(10.1)
Other	1.0	0.8	(7.8)
Net cash flow from investing activities	**(187.0)**	**(12.1)**	**(26.0)**
Increase in long-term interest bearing liabilities	110.0	–	–
Increase in short-term interest bearing liabilities	10.0	–	–
Purchase of own shares	(0.1)	(1.9)	(6.1)
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 and cash equivalents at the beginning of the period	182.6	223.0	223.0
Effect of exchange rate fluctuations on cash	(0.9)	(1.2)	(6.0)
Unrestricted cash and cash equivalents at end of reporting period	**131.4**	**198.5**	**182.6**

The notes on pages 10 to 14 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHFm	Equity attributable to shareholders of the holding company						Minority interests	Total
	Share capital	Own shares	Legal and special reserves	Other reserves	Retained earnings	Translation adjustments		
Balance at 1.1.2008	**18.0**	**(7.1)**	**21.9**	**3.0**	**135.0**	**(8.4)**	**0.1**	**162.5**
Total comprehensive income for the period	–	–	–	–	7.1	(3.2)	–	3.9
Cost of share-based payment	–	–	–	0.7	–	–	–	0.7
Purchase of own shares	–	(1.9)	–	–	–	–	–	(1.9)
Balance at 30.6.2008	**18.0**	**(9.0)**	**21.9**	**3.7**	**142.1**	**(11.6)**	**0.1**	**165.2**
Total comprehensive (loss) for the period	–	–	–	–	1.1	(14.1)	–	(13.0)
Cost of share-based payment	–	–	–	0.7	–	–	–	0.7
Purchase of own shares	–	(4.3)	–	–	–	–	–	(4.3)
Exercise of options	–	0.1	–	–	–	–	–	0.1
Balance at 31.12.2008	**18.0**	**(13.2)**	**21.9**	**4.4**	**143.2**	**(25.7)**	**0.1**	**148.7**
Total comprehensive income for the period	–	–	–	–	11.9	(0.9)	–	11.0
Cost of share-based payment	–	–	–	0.5	–	–	–	0.5
Purchase of own shares	–	(0.1)	–	–	–	–	–	(0.1)
Balance at 30.6.2009	**18.0**	**(13.3)**	**21.9**	**4.9**	**155.1**	**(26.6)**	**0.1**	**160.1**

The notes on pages 10 to 14 are an integral part of this condensed consolidated interim financial information.

SUMMARY OF KEY FINANCIAL DATA BY SEGMENT

CHFm, 1st half-year	Wireless Solutions		Security Solutions		TEMS[1]		Corporate		Consolidation		Total Ascom	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Incoming orders	139.5	175.5	84.2	117.4	9.7	–	0.1	–	0.3	(0.5)	233.8	292.4
Revenue	126.1	147.4	101.2	102.2	7.5	–	0.1	0.2	0.3	(0.7)	235.2	249.1
of which with other segments	0.3	0.4	–	0.1	–	–	0.1	0.2	(0.4)	(0.7)	–	–
Gross profit/(loss)	58.0	72.1	29.9	27.3	4.9	–	(0.1)	(0.4)	(0.5)	(0.4)	92.2	98.6
in % of revenue	46.0%	48.9%	29.5%	26.7%	65.3%	n/a	n/a	n/a	n/a	n/a	39.2%	39.6%
Operating result	9.5	15.3	4.9	8.4	0.6	–	(6.3)	(9.1)	(1.0)	(0.2)	7.7	14.4
in % of revenue	7.5%	10.4%	4.8%	8.2%	8.0%	n/a	n/a	n/a	n/a	n/a	3.3%	5.8%
Profit/(loss) before interest and taxes (EBIT)	6.7	12.3	3.2	6.7	(0.7)	–	(0.6)	(2.5)	(1.3)	0.2	7.3	16.7
in % of revenue	5.3%	8.3%	3.2%	6.6%	n/a	n/a	n/a	n/a	n/a	n/a	3.1%	6.7%
Financial income/(expenses), net											5.6	0.7
Profit/(loss) before income taxes according to income statement											12.9	17.4
EBITDA[2]	9.7	15.6	4.2	7.8	0.7	–	(0.6)	(2.5)	(1.3)	0.2	12.7	21.1
Capital expenditures	2.7	4.6	1.0	0.7	–	–	–	0.1	–	–	3.7	5.4
Employees	1,161	1,192	655	640	348	–	17	18	–	–	2,181	1,850

[1] TEMS includes the network testing business acquired from Ericsson on 2 June 2009.

[2] Earnings before interest, tax, depreciation and amortization.

Reportable segments' assets are reconciled to total assets as follows:

CHFm, 1st half-year	Wireless Solutions		Security Solutions		TEMS[1]		Corporate		Consolidation		Total Ascom	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Allocated Assets	127.5	142.0	125.3	105.6	218.3	n/a	4.8	1.3	2.1	–	478.0	248.9
Financial assets											10.4	9.2
Other not allocated non-current assets											2.5	2.1
Deferred tax assets											2.7	9.6
Financial assets held for trading purposes											0.6	2.1
Cash and cash equivalents											131.4	198.5
Assets held for sale											–	27.1
Total assets											**625.6**	**497.5**

The full disclosure in accordance with IFRS 8 will be provided at year end.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AT 30 JUNE 2009

1. GENERAL

These unaudited condensed consolidated half-year financial statements of Ascom Holding Ltd and its subsidiaries cover the period from 1 January to 30 June 2009 and were prepared in accordance with the International Accounting Standard for interim financial reporting (IAS 34). These half-year financial statements contain an update of information already published and must therefore be read in conjunction with the year-end financial statements dated 31 December 2008.

Ascom Group's business activities are not subject to any pronounced seasonal fluctuations.

Preparation of the consolidated half-year financial statements demands certain estimates and assumptions that affect the reported assets, liabilities, income and expenses and contingent liabilities at the time the accounts are prepared. If at a later point in time variations should occur to such estimates and assumptions, which were decided upon by the management in good faith at the time the accounts were prepared, the original estimates and assumptions will be adapted accordingly in the accounting period in which the data changed.

This interim report may contain forward-looking statements relating to the Group's business operations, performance and profitability. Because such statements are subject to a number of risks, uncertainties and other important factors, actual future performance and results may differ significantly from the statements made in this document.

PricewaterhouseCoopers AG has carried out a review of the condensed consolidated interim financial information. Their review report on the condensed consolidated interim financial information at 30 June 2009 is shown on page 15.

2. ACCOUNTING PRINCIPLES

The consolidated half-year financial statements were prepared according to the same accounting principles as those applied for the consolidated financial statements for the year ended 31 December 2008.

The International Accounting Standards Board (IASB) revised or introduced various International Financial Reporting Standards (IFRS) effective on 1 January 2009. The following revised or new standards or interpretations as of 1 January 2009 have had an effect in the preparation of these half-year financial statements:

IAS 1 (revised), 'Presentation of financial statements': The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

The group has elected to present the performance statement in one statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

IFRS 8, 'Operating segments': IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. Because of the fact that the previous reported segments were already in line with the internal reporting IFRS 8 has no effect on the number of reportable segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Executive Board has been identified as the chief operating decision-maker.

Goodwill is allocated by management to groups of cash-generating units on a segment level. Goodwill relating to the acquisition of the network testing business of Ericsson in the period has been allocated to the new reportable segment 'TEMS'. There has been no impact on the measurement of the company's assets and liabilities. Comparatives for 2008 have been restated as far as necessary.

As required by the standards, additional disclosures will be presented on an annual basis.

3. SIGNIFICANT TRANSACTIONS AND OPERATIONAL CHANGES

Acquisition of Comarco WTS and the network testing business of Ericsson

On 6 January 2009, Ascom acquired the net operating assets of the wireless testing business of Comarco WTS based in Lake Forest, California. On 2 June 2009, Ascom acquired 100% of the shares of Sweden based TEMS Network Testing AB. Together with the already existing Mobile Test Solutions business of Ascom these two strategic acquisitions will strengthen Ascom's worldwide leading position in the mobile network testing business.

The preliminary purchase consideration paid was CHF 177 million for TEMS and CHF 15 million for Comarco WTS. There will be changes to the purchase price consideration due to the outstanding assessment of the net working capital and acquisition costs.

The acquired businesses contributed revenues of CHF 13.6 million and a net loss of CHF 1.4 million to the group for the period from the date of acquisition to 30 June 2009. The disclosure of the impact on revenues of the acquired businesses from 1 January 2009 to 30 June 2009 would be impracticable as the TEMS business was fully integrated into Ericsson until the acquisition of Ascom.

Details of the net carrying values acquired, excluding fair value adjustments, deal costs and group consolidation entries are shown in the table below:

CHFm	Comarco WTS	TEMS	Total
Non-current assets	0.3	0.6	0.9
Current assets	4.5	23.4	27.9
Current liabilities	(4.5)	(25.0)	(29.5)
Net assets acquired	**0.3**	**(1.0)**	**(0.7)**

Preliminary fair value adjustments in the amount of CHF 59 million were identified for the two acquisitions.

For both acquisitions, it would be impractical to disclose a full breakdown of the net assets acquired and the fair value adjustments as the purchase price allocation is still work in progress. For the same reason the initial accounting of this acquisition is deemed provisional.

4. BORROWINGS

CHFm	1st half-year 2009	31.12.2008	1st half-year 2008
Non-current	110.0	–	–
Current	10.0	–	–
Total borrowings and loans[1]	**120.0**	**–**	**–**

[1] The total borrowings and loans contain one single loan agreement with a bank consortium of eight Swiss Banks in the amount of CHFm 120. The loan has to be repaid in stages over the period ending 31 December 2012.

Although global market conditions (the 'economic crises') have affected market confidence and consumer spending patterns, the group remains well placed to grow revenues through ongoing product innovation and the recent acquisitions (see note 3). Ascom has sufficient headroom to enable Ascom to conform to covenants on its existing borrowings. Ascom has sufficient working capital to service its operating business.

5. DIVIDEND PAYOUT, CHANGES IN SHAREHOLDERS' EQUITY, SHARE OPTIONS

The Annual General Meeting of Ascom Holding AG on 15 April 2009 decided not to distribute dividends and approved to carry forward the statutory loss for the year 2008 of CHF 3.4 million to the retained earnings.

In accordance with the resolution passed by the Board of Directors on 2 March 2009, a total of 467,700 new options were issued to members of Ascom's senior management on 2 March 2009 resp. 1 June 2009 and 30 June 2009. The options entitle holders to purchase one registered share of Ascom at a strike price of CHF 7.70 and are valid until 1 March 2013. The options are subject to a market hurdle as well as a blocking period (one third of the options can be exercised after one year).

During the period under review, no options were exercised under existing option plans.

The Annual General Meeting of 15 April 2009 approved the creation of authorized capital in the nominal amount of up to CHF 3.6 million at any time until 15 April 2011 by issuing up to 7,200,000 registered shares with a par value of CHF 0.50 per share.

6. CONTINGENT LIABILITIES

Guarantees related to business activities amounted to CHF 49 million (31 December 2008: CHF 144.4 million). There are no indications that these guarantees will result in obligations.

7. SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

No significant events took place after the end of the interim reporting period.

8. TIME OF RELEASE FOR PUBLICATION

The Board of Directors approved the interim financial statements on 18 August 2009 and will release them for publication at the press conference on 26 August 2009.

Foreign currency translation

Currency	Average 1st half-year 2009	Average 1st half-year 2008	Average fiscal year 2008	Balance sheet date 30.6.2009	Balance sheet date 31.12.2008	Balance sheet date 30.6.2008
US dollar	1.1186	1.063	1.082	1.084	1.059	1.040
Pound sterling	1.6679	2.114	2.041	1.791	1.530	2.050
Euro	1.5062	1.616	1.597	1.524	1.491	1.622
Swedish krona	0.1389	0.172	0.168	0.140	0.137	0.173

Share information

	30.6.2009	31.12.2008	30.6.2008
Number of registered shares nom CHF 0.50 in millions	36	36	36
Share price per registered share in CHF (high/low)	14.45/6.5	12.9/5.94	12.85/9.50
Share price at period end in CHF	13.70	8.19	9.95
Stock exchange capitalization in CHFm	493	295	358

PricewaterhouseCoopers

Report on the Review of the condensed consolidated interim financial information to the Board of Directors of Ascom Holding Ltd Berne

Introduction

We have reviewed the accompanying condensed consolidated interim financial information (condensed consolidated balance sheet, condensed consolidated statement of comprehensive income, condensed consolidated cash flow statement, consolidated statement of changes in equity and notes) on pages 6 to 14 of Ascom Holding Ltd for the period ended 30 June 2009. The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 ''Interim Financial Reporting''. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity''. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 ''Interim Financial Reporting''.

PricewaterhouseCoopers AG

St Räbsamen D. Banks

Stefan Räbsamen Daniel Banks
Audit expert
Auditor in charge

Zurich, 18 August 2009

www.ascom.com

Important dates

10 March 2010	Annual Media Conference
21 April 2010	Annual General Meeting
25 August 2010	Presentation of half-year results 2010

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Declaration on forward-looking statements
This Half-year Report contains statements that constitute forward-looking statements relating to Ascom. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to Ascom at the time of preparing this Half-year Report.

The Half-year Report of the Ascom Group can be viewed online at **www.ascom.com/hyr2009-en**

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