



HALF-YEAR RESULTS 2010 CONFERENCE

25 AUGUST 2010

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H1 2010 AT A GLANCE: STRONG H1 RESULTS OF ASCOM GROUP



ASCOM DELIVERS PROFITABLE GROWTH

▪ **19.6% revenue growth**

- Total revenue of CHF 281.2m (H1 2009: CHF 235.2m)
(at constant exchange rates: + 20.7%)
- Wireless Solutions: Growth of 9.5% (at constant exchange rates: + 11.3%)
- Network Testing: Substantial growth based on TEMS acquisition

▪ **31.8% increase in incoming orders**

- Incoming orders of CHF 308.2m (H1 2009: CHF 233.8m)
- Order backlog: CHF 248.6m (H1 2009: 259.8m)

STRONG PROFITABILITY

- **EBIT and EBITDA margins more than doubled**

- Group EBIT: CHF 24.0m (H1 2009: CHF 7.3m)

EBIT margin: 8.5% (H1 2009: 3.1%)

(including integration and amortization costs of CHF 6.9m)

- Group EBITDA: CHF 33.9m (H1 2009: CHF12.3m)

EBITDA margin: 12.1% (H1 2009: 5.2%)

- **Substantial increase in Group Profit**

- CHF 17.1m (H1 2009: CHF 11.9m)

> increase by 43.3%

ALL THREE DIVISIONS IMPROVED PROFITABILITY

- **Wireless Solutions**

EBIT margin 10.1% (H1 2009: 5.3%); EBITDA margin 12.5%

- **Network Testing**

EBIT margin 8.0% (including integration and amortization costs of CHF 6.9m)

EBITDA margin 15.4%

- **Security Communication**

EBIT margin 8.1% (H1 2009: 5.1%); EBITDA margin 9.0%

SOLID BALANCE SHEET

- **Solid balance sheet as per 30 June 2010**
 - Cash and cash equivalents of CHF 112.4m
 - Equity ratio improved to 31.4%
 - Net cash CHF 37.3m

H1 2010 FINANCIAL RESULTS OVERVIEW

CHFm	H1 2010	H1 2009
Incoming orders	308.2	233.8
Revenue	281.2	235.2
EBIT	24.0	7.3
<i>EBIT margin</i>	8.5%	3.1%
GROUP PROFIT	17.1	11.9
EBITDA	33.9	12.3
<i>EBITDA margin</i>	12.1%	5.2%



H1 2010 FINANCIAL RESULTS



CONSOLIDATED INCOME STATEMENT

CHFm	1 st half-year 2010	1 st half-year 2009
Revenue	281.2	235.2
Gross profit	131.8	92.2
Gross margin	46.9%	39.2%
Marketing and distribution	(57.2)	(48.2)
Research and development	(26.6)	(18.3)
Administration	(23.3)	(18.0)
Total functional costs	(107.1)	(84.5)
Amortization of intangible assets from acquisition	(5.3)	(1.4)
Other income/(expenses), net	4.6	1.0
EBIT	24.0	7.3
Financial income/(expenses), net	(1.5)	5.6
Income taxes	(5.4)	(1.0)
Group profit for the period	17.1	11.9

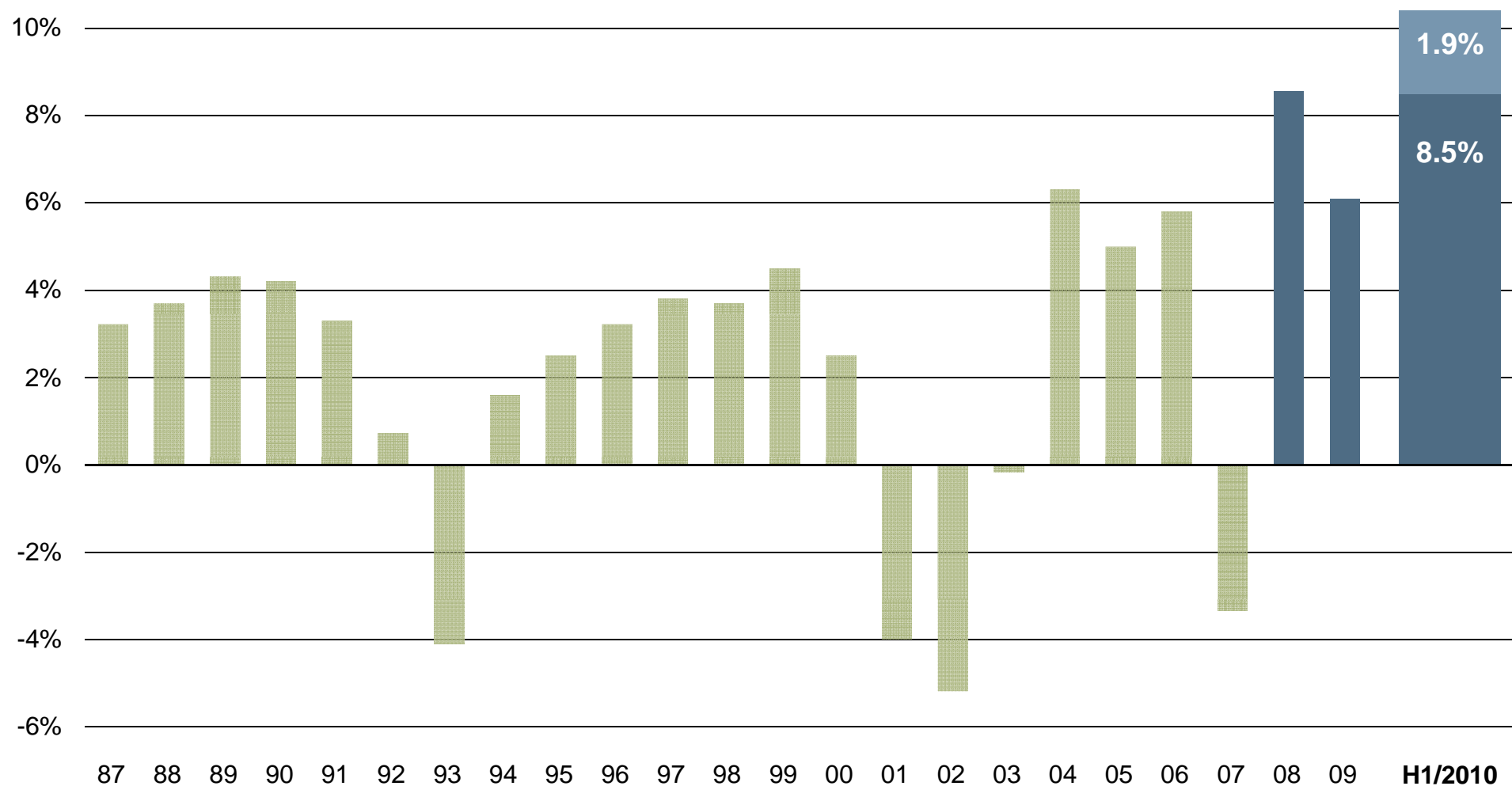
CONSOLIDATED BALANCE SHEET

	30.6.2010		31.12.2009	
CHFm		%		%
Non-current assets	269.4	46.4	280.4	46.0
Current assets	311.2	53.6	328.8	54.0
Total assets	580.6		609.2	
Shareholders' equity	182.5	31.4	179.3	29.4
Non-current liabilities	106.4	18.3	130.7	21.5
Current liabilities	291.7	50.3	299.2	49.1
Total liabilities and shareholders' equity	580.6		609.2	

CONSOLIDATED STATEMENT OF CASH FLOWS

CHFm	1 st half-year 2010	1 st half-year 2009
Net cash flow from operating activities	21.7	16.8
Net cash flow from investing activities	(6.7)	(187.0)
Net cash flow from financing activities	(27.7)	119.9
Net increase/(decrease) in cash and cash equivalents	(15.3)	(51.2)
Cash and cash equivalents at the end of the period	112.4	131.4

DEVELOPMENT OF THE EBIT MARGIN (1987- H1/2010)





HIGHLIGHTS FROM THE DIVISIONS






WIRELESS SOLUTIONS WHEN EVERY SECOND COUNTS



WIRELESS SOLUTIONS DIVISION (ON-SITE COMMUNICATION)

Core segments	<ul style="list-style-type: none">▪ Hospitals and elderly care (about 50% of Wireless Solutions business) via our direct and indirect channels▪ Industry, hotels, retail, secure establishments (e.g. prisons) via our direct & indirect channels▪ Mobile workplace telephony equipment via direct / indirect channel and 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	<ul style="list-style-type: none">▪ Direct channel: own sales organizations in most larger EU countries and the US▪ Indirect channel: selected Value Adding Resellers and distributors in European countries, Australia and Middle East▪ OEM channel
Megatrend	<ul style="list-style-type: none">▪ Healthcare is a growing market, also driven by demographic development

WIRELESS SOLUTIONS SHOWS PROFITABLE ORGANIC GROWTH

- Overall Ascom further strengthened its market position; demand for mobility solutions as part of enterprise communication bounced back

- All three sales channels performed well
 - OEM business grew significantly
 - All regions were able to grow their business (direct channel)

- Healthcare:
 - Demand from hospital and elderly care segments going well
 - Clear recovery in the US; capital spending of hospitals has recovered

- Industry segment still felt the lingering effect of the economic downturn

WIRELESS SOLUTIONS – EXCELLENT RESULTS IN H1 2010

- Incoming orders: CHF 157.9m (H1 2009: CHF 139.5m)
 - > Increase of 13.2%

- Revenue: CHF 138.2m vs. CHF 126.1m in H1 2009
 - > Growth of 9.5% (at constant exchange rates revenue increased by 11.3%)

- EBIT: CHF 13.9m vs. CHF 6.7m in H1 2009
 - > EBIT margin of 10.1% (almost doubling compared to H1 2009: 5.3%)

- EBITDA: CHF 17.3m (H1 2009: CHF 9.3m)
 - > EBITDA margin of 12.5% (H1 2009: 7.4%)

- R&D expenditures increased by 10%

WIRELESS SOLUTIONS – FOCUS ITEMS 2010

1

FURTHER STRENGTHEN OUR MARKET POSITION

- Leverage our investments made in R&D and Sales Channels
- R&D: Further enhancement of product portfolio
- Sales Channels: improve market penetration by adding new channel partners
- Systematically increase sales productivity based on findings of last years improvement project

2

INNOVATION

- Launch world's first VoWiFi handset on the IEEE 802.11n standard (Ascom i62)
- Launch of next generation of IP-Nurse-Call systems with enhanced functionality and speech

3

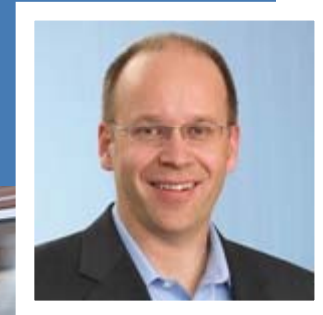
OPERATIONAL IMPROVEMENTS

- Bring the regionalization to the next level: realize cost as well as market synergies

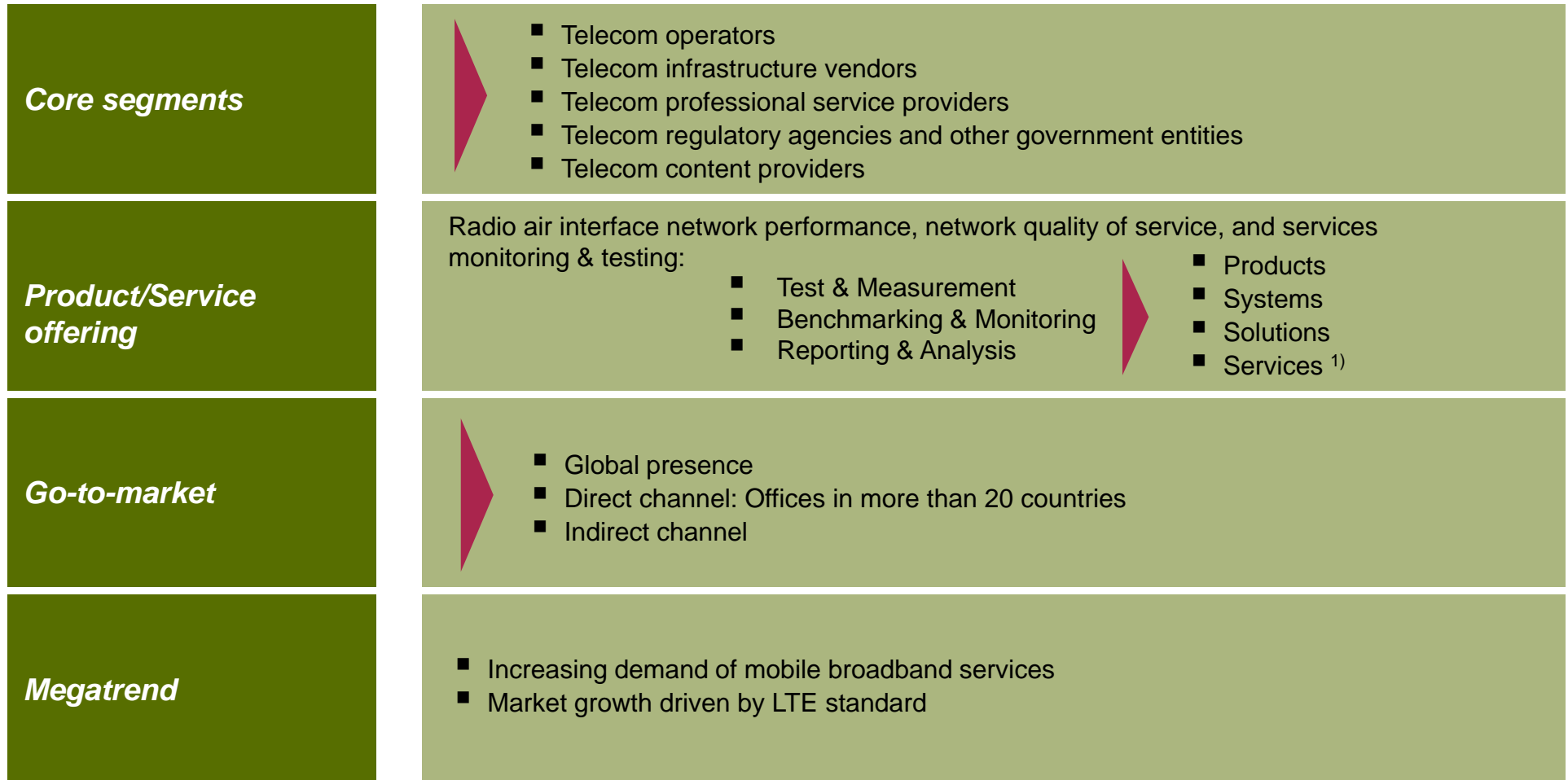


NETWORK TESTING

EVOLVING NETWORKS. TRUSTED SOLUTIONS.



NETWORK TESTING DIVISION (TESTING & OPTIMIZATION)

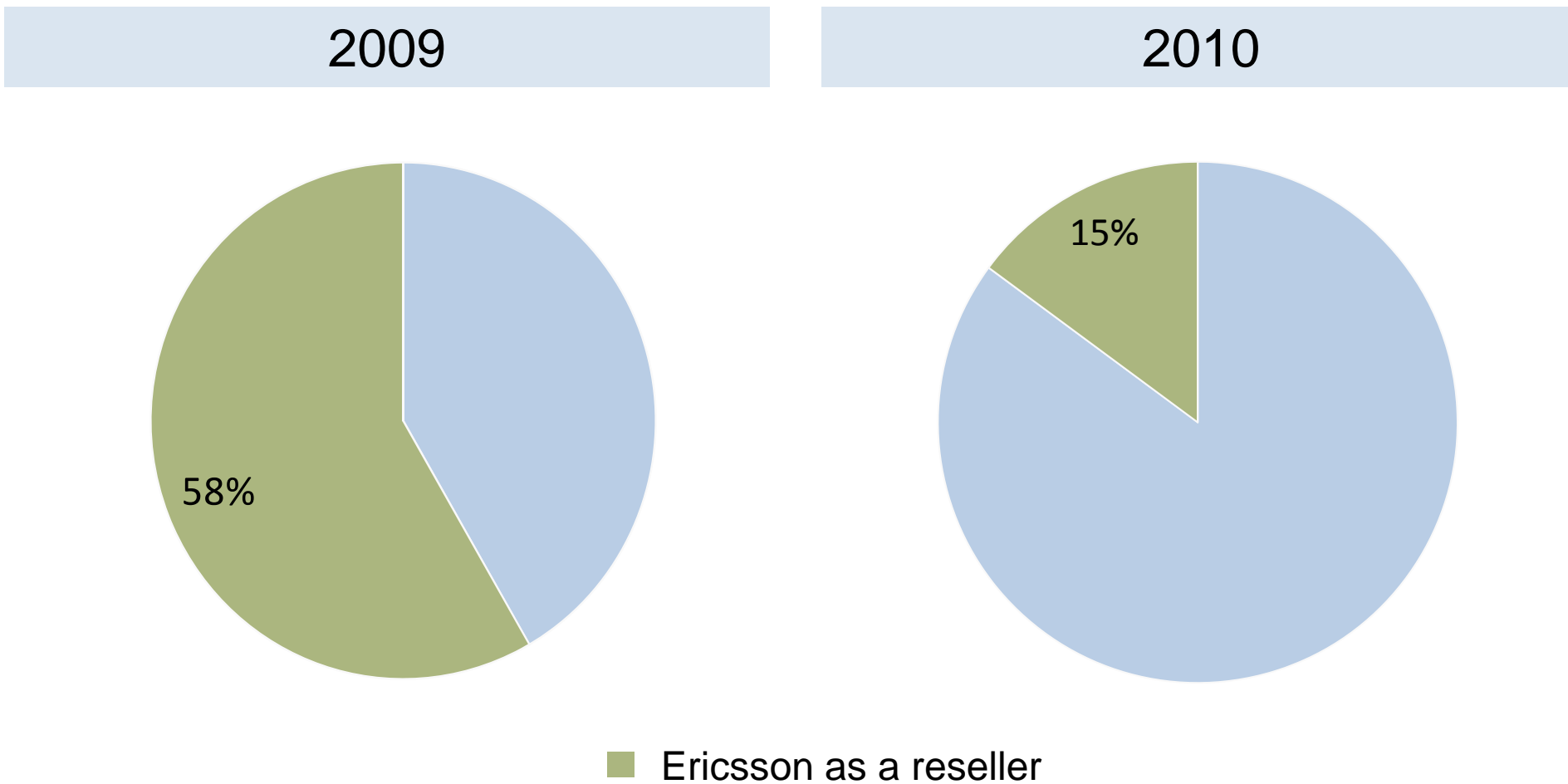


¹⁾ incl. Systems & Solutions (Application Development for Telecom Carriers)

MIXED MARKET ENVIRONMENT IN H1 2010

- North America showed dynamic growth, driven by strong demand for higher network capacity due to a rapid rise in the adoption of smart phones
- Customers in emerging markets delayed large investments in new technologies due in part to delayed spectrum awards, and impacted by current cyclical uncertainties
- In general, fewer large-scale opportunities due to CapEx spending contraction as well as a pause between network expansions and new technology rollouts
- New important direct sales relationships with end customers secured, thereby reducing the dependence on Ericsson as a reseller

REDUCTION OF DEPENDENCY ON ERICSSON AS A RESELLER



NETWORK TESTING – REMARKABLE RESULTS IN H1 2010

- Incoming orders: CHF 86.4m (H1 2009: CHF 37.7m)
- Revenue: CHF 80.1m (H1 2009: CHF 42.5m)
- EBIT: CHF 6.4m
 - > Overall one-time gain of CHF 1.5m due to divestments of TelcoNet Services and Network Planning Business
 - > EBIT includes amortization costs of CHF 5.3m and integration costs of CHF 1.6m
 - > EBIT margin 8.0% (w/o one-time gain, amortization and integration: 14.7%)
- EBITDA: CHF 12.3m
 - > EBITDA margin 15.4%
- High level of R&D expenditures (portion of revenue: 18.2%)

NETWORK TESTING – FOCUS ITEMS 2010

1

LTE ROLLOUT

- Network operators are planning to introduce the new LTE mobile network standard due to the increasing demand of mobile broadband services
- Expansion of LTE support accross whole NT product portfolio. Significant license agreements with LTE device and chipset vendors already secured
- Driving the LTE portfolio leadership and market recognition to exploit LTE network deployments will serve as a major growth driver for the business in the medium term

2

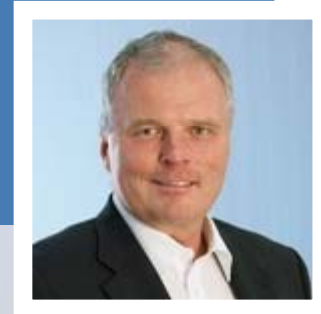
GROWTH OPPORTUNITIES

- Securing and gaining additional global sales channels
- Further improve sales productivity



SECURITY COMMUNICATION

SERVING OUR CUSTOMERS EVERYWHERE, AT ANY TIME



SECURITY COMMUNICATION DIVISION (SECURE COMMUNICATION)

Core segments	<ul style="list-style-type: none">■ Defense■ Public safety organizations■ Infrastructure operators
Product/Service offering	 <ul style="list-style-type: none">■ 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	<ul style="list-style-type: none">■ Direct channel: own sales organizations in Switzerland, Austria, Finland and Czech Republic■ Indirect channel: VAR's and system integrators in selected markets like UK, Spain, Sweden, France, Israel, Slovenia, Norway, Germany and others
Megatrend	<ul style="list-style-type: none">■ Secure communication in harsh environment as a condition for a proper operation of police forces, armed forces and rescue services

STABLE MARKET ENVIRONMENT IN H1 2010

- Swiss business on track. Important recurring orders from Armasuisse
- Regular follow-up orders of Armasuisse: eight ongoing delivery projects in Switzerland driven by significant installed base
- International business continued to develop. New markets have been addressed via indirect channels (defense and civil sectors). Several selected field trials with different partners have been set up
- Continuous investments in defense communication:
 - > Products / Internationalization

SECURITY COMMUNICATION – SOLID RESULTS H1 2010

- Incoming orders: CHF 65.2m (H1 2009: CHF 56.2m)
 - > Increase of 16.1%
- Revenue: CHF 64.3m (H1 2009: CHF 66.3m)
- EBIT: CHF 5.2m (H1 2009: CHF 3.4m)
 - > Including positive one-time effects of CHF 1.7m
 - > EBIT margin: 8.1% (H1 2009: 5.1%)
 - > EBIT margin without one-time effects: 5.4%
- EBITDA: CHF 5.8m (H1 2009: CHF 4.2m)
 - > EBITDA margin: 9.0% (H1 2009: 6.3%)

SECURITY COMMUNICATION – FOCUS ITEMS 2010

1

INTERNATIONALIZATION

- Continue to develop new markets via indirect channel (defense and civil sectors)
- Maintain leading position in home market

2

EFFICIENCY

- On time delivery of large projects according to business plan

3

INNOVATION

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



LOOKING FORWARD



OUTLOOK 2010

- **Organic growth on Group level compared to prior-year***
- **Guidance increased**
 - > New target for 2010 on Group level:* EBITDA margin: 11-12%

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

[LOOKING FORWARD]

DIVIDEND OUTLOOK

The Company intends to pay an annual dividend starting from 2011, provided a well ongoing course of business.



Q & A



LEGAL DISCLAIMER

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!



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OUR STRENGTH – YOUR BENEFIT

