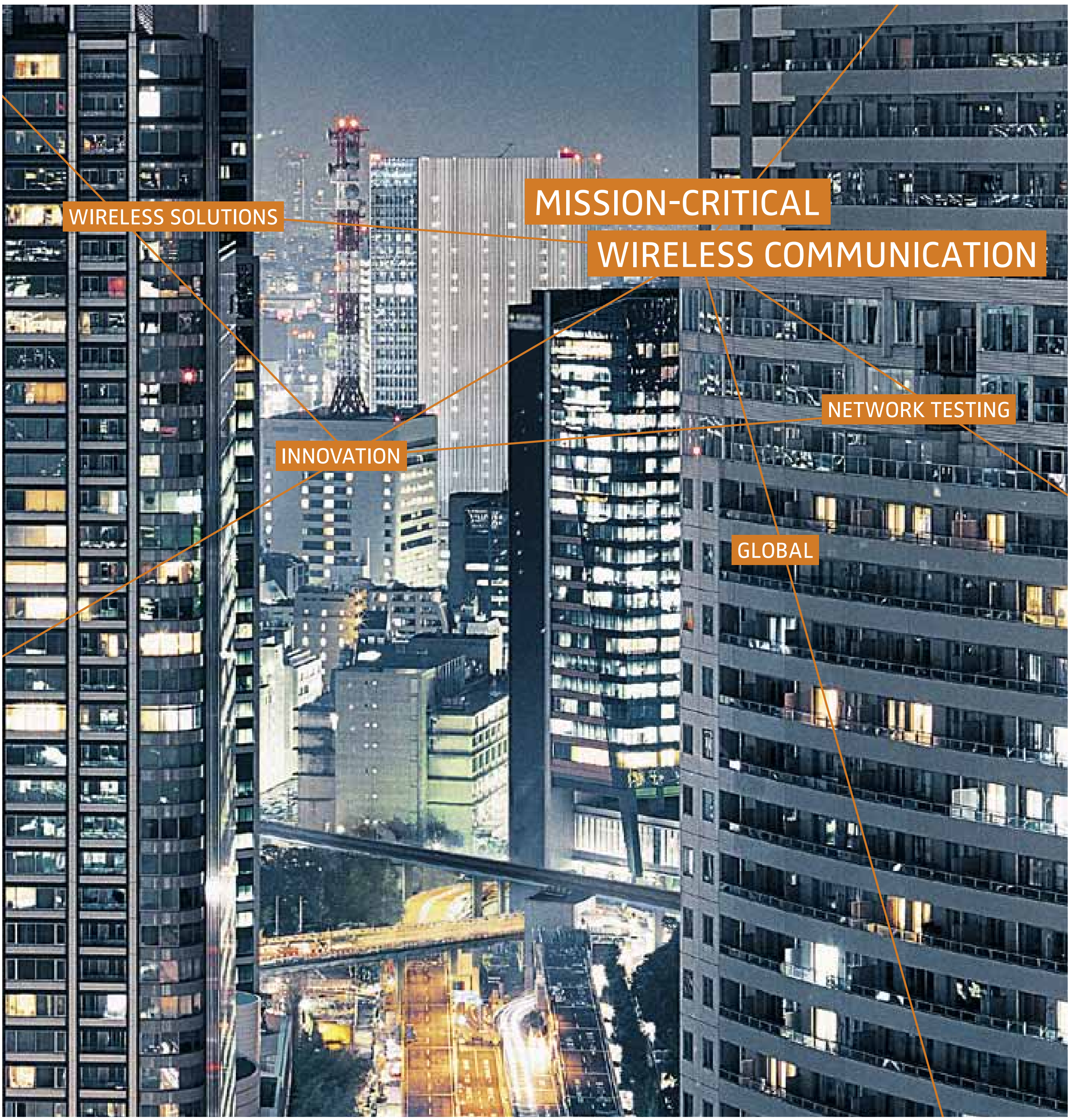
ascom

HALF-YEAR REPORT 2013



LETTER TO SHAREHOLDERS

Dear Shareholders

Ascom is pleased to report very good results for the first half-year 2013. The Group increased its incoming orders by 19.5% (Network Testing +44.4% and Wireless Solutions +12.7%) and generated revenue of CHF 225.1 million, representing a growth rate of 5.5% (Network Testing +7.2% and Wireless Solutions +5.8%).

Moreover, Ascom closed the first half-year with a substantial hike in profitability: EBITDA increased to CHF 27.9 million, corresponding to a double-digit EBITDA margin of 12.4%, and Group profit rose to CHF 14.5 million, which represents a considerable increase over the same period last year.

Given the good performance in the first half-year and the fact that Ascom traditionally has a strong second half-year, we are confident that Ascom will further increase its profitability in the second half-year 2013 and in the years to come.

Strong first half-year 2013 results

Ascom Network Testing successfully confirmed the turnaround achieved in 2012 and closed the first half-year 2013 with very good results. Ascom Wireless Solutions further strengthened its strong market position and showed a good first half-year as well. As a result, the Group showed substantial growth in incoming orders and in revenue, as well as a significant improvement in its profitability for the first half of 2013.

Ascom recorded a strong increase in incoming orders of 19.5% to CHF 259.7 million (H1/2012: CHF 217.4 million). Order backlog stood at CHF 159.5 million (31 December 2012: CHF 122.0 million) at the end of the reporting period, creating a very good basis for future revenue growth. For the first six months of 2013, Ascom generated revenue of CHF 225.1 million (H1/2012: CHF 213.4 million), corresponding to growth of 5.5%.

Most importantly, Ascom also recorded a significant improvement in profitability. EBITDA for the first half-year amounted to CHF 27.9 million (H1/2012: CHF 15.0 million), resulting in an EBITDA margin of 12.4% (H1/2012: 7.0%). Both divisions achieved double-digit EBITDA margins with 14.0% for Wireless Solutions and 11.8% for Network Testing.

To maintain its innovation leadership, Ascom once again made substantial investments in R&D. For the first six months of 2013, the expenses for R&D amounted to CHF 24.0 million, which corresponds to 10.7% of revenue.

Profit hike for Ascom

Ascom almost tripled its net profit compared to the previous year, with Group profit amounting to CHF 14.5 million (H1/2012: CHF 5.2 million). It has to be considered that the first half-year result of 2012 includes a positive amount of CHF 2.6 million due to a restatement according to IAS 19 standard in conjunction with defined benefit pension plans and a one-time profit contribution of CHF 6.1 million from divested activities on the one hand, and restructuring expenses of the Network Testing Division amounting to CHF 8.8 million on the other hand. Therefore, the one-time effects have been mostly neutralized.

As of 30 June 2013, the Group further solidified its balance sheet with a strong equity ratio of 42.1% (31 December 2012: 32.0%). Ascom repaid loans of CHF 27.9 million net and distributed CHF 12.2 million of dividends from the capital contribution reserves during the first half of 2013. Net debt decreased to CHF 21.8 million (31 December 2012: CHF 41.3 million).

Ascom Wireless Solutions – stable business on a high profitability level

Wireless Solutions enhanced its strategic focus on the healthcare segment and on improving its operational efficiencies. The division's business continues to remain stable and on a high profitability level. For the first six months, Wireless Solutions achieved revenue growth of 5.8% while incoming orders increased by 12.7%. Wireless Solutions managed to maintain its high margins and achieved an EBITDA margin of 14.0%.

Ascom key figures

CHFm 1st half-year	2013	2012	△
Incoming orders	259.7	217.4	+ 19.5%
Revenue	**225.1**	**213.4**	**+ 5.5%**
EBITDA	**27.9**	**15.0***	**+ 86.0%**
Group profit	14.5	5.2*	+ 178.8%

* Previous year's profitability was positively affected and restated due to the retrospective adoption of amended IAS 19 standard in conjunction with defined benefit pension plans.

The division was able to win important hospital projects in the UK and in Germany, which further strengthened its leading position in the healthcare segment. Wireless Solutions offers a unique value proposition and is the only provider who can deliver intelligent integration, advanced alarm/messaging services, system management and on-site wireless handsets in one package ("Power of One"). The division's current R&D investment focuses on integrated solutions to improve workflows, and the new platform for the next generation healthcare mobile device. Wireless Solutions expects to continue its good performance during the second half-year as well.

Ascom Network Testing – turnaround confirmed

Ascom Network Testing successfully confirmed the turnaround achieved in 2012 and closed the first half-year 2013 with very good results. Revenue grew by 7.2% while incoming orders increased by a remarkable 44.4%. Due to substantial cost savings combined with the growth in revenue, Network Testing recorded a substantial improvement in profitability and reached double-digit EBITDA margins.

Thanks to the now stronger and more focused organization, already implemented in 2012, the division was well prepared to benefit from the stabilization of global market conditions. In the Americas as well as in the EMEA region (Europe, Middle East, Africa), demand from customers showed a robust development, whereas the market environment remained challenging in the Asia Pacific region mainly due to soft market conditions and pending regulatory decisions. All four product units, Benchmarking & Monitoring, Test & Measurement, Reporting & Analysis, and Systems & Solutions, performed well. Thanks to substantial investments in R&D, the division was able to benefit from new releases for all product lines, additional key functionalities such as support for VoLTE, and the launch of the Blixt technology for throughput measurement testing. Software platforms have been rationalized and streamlined and form the basis for Benchmarking & Monitoring and other product lines. Network Testing expects to continue the good development and to further improve the profitability in the second half-year.

Ascom Head Office to be relocated to Baar (Canton of Zug)

The Ascom Head Office has been reduced and will be relocated to Baar (Canton of Zug) as of 1 November 2013. The Board of Directors will make a proposal to the shareholders at the next Annual General Meeting to transfer the legal domicile of Ascom Holding AG to Baar as well.

Share matching plan for top management

The Board of Directors has decided to introduce in the second half-year a share matching plan as a long-term incentive for the top management instead of options. The beneficiaries are required to buy company shares at market price and to keep them until 30 June 2016 in order to benefit from the plan. Most benefits are tied to the achievement of mid-term profitability targets. With this new long-term incentive plan, the Board of Directors would like to encourage the management to become investors of Ascom in order to ensure an alignment with the interests of the long-term shareholders.

Outlook – guidance confirmed

In January 2011, Ascom announced an EBITDA margin target of 14–15% for the year 2013. Given the favorable results for the first half-year 2013, we are very confident that Ascom will achieve these goals and also the targeted growth of 5%.

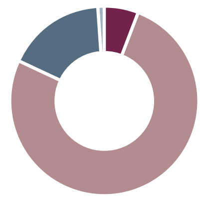
In March 2013, we further increased the EBITDA margin target for 2013 to a new ambition level of 15–16%. Due to the traditionally stronger second half-year for Ascom and based on the assumption that Network Testing continues to improve its profitability, we see a fair chance to achieve even this ambition level. Furthermore, we confirm our mid-term targets of reaching an average growth of 5–10% in 2014 and 2015, targeting an EBITDA margin of 17–18% in 2015.

Juhani Anttila
Chairman

Fritz Mumenthaler
CEO

BUSINESS RESULTS

Revenue by region Wireless Solutions



Ascom Wireless Solutions – strong market position further strengthened

Wireless Solutions enhanced its strategic focus on the healthcare segment and on improving its operational efficiencies. The division is on track with regards to its strategic and operational goals, and achieved good results for the first half of 2013. Wireless Solutions generated growth of 5.8% and closed the first half-year 2013 with revenue of CHF 149.7 million (H1/2012: CHF 141.5 million), while incoming orders increased by 12.7% to CHF 171.9 million (H1/2012: CHF 152.5 million). Wireless Solutions managed to maintain its high margins and achieved an EBITDA margin of 14.0% for the first six months.

The division continued to successfully pursue its strategic focus on the healthcare segment. Wireless Solutions was able to win two major healthcare projects in UK and Germany, thereby strengthening its strategic positions in these important markets. Wireless Solutions was awarded with a large order from King's Health Partners in UK and also secured an important hospital project in Germany (Klinikum Stuttgart) in the face of strong competition. The division also continued to perform well in the retail segment in the UK. Moreover, important customer orders have been secured in the industry segment (e.g. from Vattenfall in Germany) and in the security segment (e.g. from Vestre Fængsel, Denmark's largest prison).

The direct sales channel performed very well in the UK as well as in the German-speaking countries, while business in France was affected by the difficult economic situation. The development in the US mobility business was more reluctant as some US customer investments have been postponed due to other priorities caused by the implementation of "Obamacare". GE's Nurse Call business, which was acquired on 18 June 2012, showed a good performance and made a positive contribution to the division's top-line development. Sales with OEM partners developed satisfactorily and according to plan. The performance of the indirect sales channel was insufficient and the division has therefore started to refocus its endeavors for international expansion on some key markets.

Book-to-bill ratio grew to 115% (H1/2012: 108%), resulting in an order backlog of CHF 113.5 million, which is 11.3% higher compared to last year.

In terms of profitability, Wireless Solutions managed to maintain its high margins and closed the period under review with good results. EBITDA reached CHF 21.0 million (H1/2012: CHF 21.2 million), resulting in an EBITDA margin of 14.0%. Wireless Solutions continued to focus on improving its operational efficiency and reducing functional costs. Despite integration costs related to the acquisition of GE's Nurse Call business, functional costs remained at the same level as last year.

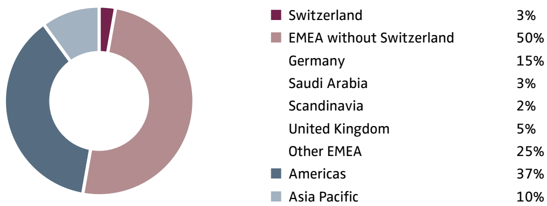
In the period under review, the division slightly increased its investments in R&D – representing 8.8% of its revenue as a whole – in order to support its organic growth. The division's current R&D investment focuses on integrated solutions to improve workflows, and the new platform for the next generation healthcare mobile device.

Wireless Solutions offers a unique value proposition in a mission-critical (and often life-critical) environment. The increasing demand for customized solutions drives the software content of the value proposition (in particular Unite middleware and applications). Today, Wireless Solutions is the only provider who can deliver intelligent integration, advanced alarm/messaging services, system management and on-site wireless handsets in one powerful package ("Power of One"). The division aims to increase its market position by developing the local organizations as well as through acquisitions. Service and solution capabilities in the local units shall be increased. The division aims to make further investments into integrated solutions focused on mobility. In addition, Wireless Solutions wants to position itself for the future nurse call market.

To better serve these targets, Wireless Solutions implemented a new organizational structure with three focused global product lines: Mobility, Patient Systems, and Unite Solutions. This setup will further facilitate the implementation of the division's healthcare strategy.

Wireless Solutions expects to continue its good performance during the second half-year and to end financial year 2013 with top-line growth of about 5% and profitability at a similar level as in 2012, provided that the market environment does not deteriorate.

Revenue by region Network Testing



Very good results for Ascom Network Testing

Network Testing successfully confirmed the turnaround achieved in 2012 and closed the first half-year with very good results. The division showed a considerable increase on the top-line: revenue grew by 7.2% and came to CHF 65.2 million (H1/2012: CHF 60.8 million), while incoming orders increased by remarkable 44.4% to CHF 77.1 million (H1/2012: CHF 53.4 million). At the same time, profitability improved substantially. The combination of higher revenue and the fully realized cost savings executed in 2012 resulted in an EBITDA margin of 11.8% for the first six months of 2013.

After challenging conditions during 2012, Network Testing has seen global markets stabilize during the first half-year. The main business drivers have been requests from customers to support capacity expansion in LTE networks, including Voice over LTE technology (VoLTE), solutions that enhance network operators' operational efficiency and solutions that provide an insight into how subscribers experience the services provided by network operators. In mature markets, the division has seen some shift in customer demand and expectations from concentrating on network and technology rollouts to establishing an increased focus on network maintenance and monitoring.

The improvement in market conditions has been most pronounced in the Americas and EMEA regions. Robust customer demand was seen in the Americas, while increased spending by operators (also due to LTE investments) and improved organizational performance contributed to strong growth in Western Europe, Middle East and Africa. However, the market environment in the Asia Pacific region remained challenging mainly due to soft market conditions and pending regulatory decisions combined with increased price pressure and continued software piracy issues.

All four product units performed well during the first half-year. Benchmarking & Monitoring showed excellent results, with significant improvements in the capabilities of its solutions and solid market demand, particularly in the United States. The market for Test & Measurement stabilized. Rollout activities of LTE and other network technologies, as well as features such as VoLTE, continue to contribute positively, but the product unit continues to face some downside challenges, mainly due to price pressure. Reporting & Analysis achieved a strong increase in both revenue and incoming orders. Growth in this product unit continues to be a cornerstone of Network Testing's strategy. The Systems & Solutions product unit secured important orders from one of the largest mobile and fixed network operators in Europe, with a combined value of EUR 10 million.

The book-to-bill ratio has improved significantly, to 118% for the first half of 2013 versus 88% during the first half of 2012. As a result, the order backlog as of 30 June 2013 was 12.5% higher compared to last year and 39.0% higher than at year-end 2012.

Network Testing's good operating results for the first half-year clearly showed the expected positive effects of the business restructuring initiatives executed in 2012. Due to these substantial cost savings and the favorable development of revenue, EBITDA increased by CHF 19.5 million compared to last year and amounts to CHF 7.7 million, resulting in an encouraging margin of 11.8%.

Network Testing remains focused on making a continuous high level of investment in R&D. The division spent CHF 10.9 million in R&D, which corresponds to 16.7% of revenue. These investments have resulted in new releases for all product lines, adding key functionalities such as support for VoLTE testing and Ascom's groundbreaking Blixt technology for throughput measurement testing. In addition, the division has seen tangible benefits from the significant efforts it has made to rationalize and streamline the software platforms that form the basis for its Benchmarking & Monitoring and other product lines.

Network Testing has the vision and the ambition to become the mobile industry's independent authority for validating network performance and customer experience across disparate network infrastructures, technologies and devices. Ascom is supporting the capacity expansion challenges of its customers by continuously adding support for new technologies and network features. Ascom is also ensuring the operational efficiency of its customers with innovative solutions for testing and monitoring, as well as providing solutions that enable a deep understanding of the true customer experience.

Due to the good development in the first six months and the resulting strong order backlog, Network Testing expects single-digit growth in revenue for the full-year 2013 compared to last year, and will see further improvements in profitability in the second half of 2013.

CONSOLIDATED BALANCE SHEET

	CHFm	Note	30.6.2013	31.12.2012 [1]
ASSETS	Property, plant and equipment		17.4	18.2
	Intangible assets		229.5	235.5
	Deferred income tax assets		11.7	22.7
	Financial assets		3.8	4.8
	Other assets		1.2	1.3
	Non-current assets		**263.6**	**282.5**
	Inventories and work in progress		30.4	30.7
	Trade receivables		91.2	114.5
	Income tax receivables		2.2	1.0
	Other assets		30.1	27.9
	Financial assets		1.0	1.8
	Cash and cash equivalents		55.2	63.1
	Current assets		**210.1**	**239.0**
	Total assets		**473.7**	**521.5**
LIABILITIES AND SHAREHOLDERS' EQUITY	Equity attributable to owners of the parent	5	199.3	166.8
	Shareholders' equity		**199.3**	**166.8**
	Borrowings	6	77.0	103.5
	Deferred income tax liabilities		6.7	8.2
	Employee benefit obligations		45.6	81.3
	Provisions	7	6.4	10.9
	Other liabilities		1.9	1.8
	Non-current liabilities		**137.6**	**205.7**
	Borrowings	6	–	0.9
	Provisions	7	13.2	19.4
	Trade payables		23.8	23.0
	Income tax payables		3.0	2.2
	Other liabilities		96.8	103.5
	Current liabilities		**136.8**	**149.0**
	Total liabilities		**274.4**	**354.7**
	Total liabilities and shareholders' equity		**473.7**	**521.5**

[1] Previous-year numbers are restated as disclosed in note 2.

The notes on pages 10 to 14 are an integral part of the consolidated interim financial statements.

CONSOLIDATED INCOME STATEMENT

CHFm	1st half-year 2013	1st half-year 2012 [1]
Revenue	225.1	213.4
Cost of goods sold	(113.0)	(111.1)
Gross profit	**112.1**	**102.3**
Marketing and distribution	(49.0)	(52.2)
Research and development	(24.0)	(25.1)
Administration	(16.8)	(15.4)
Amortization of intangible assets from acquisition [2]	(6.0)	(5.3)
Other income/(expenses), net	1.5	0.4
Earnings before interest and income tax (EBIT)	**17.8**	**4.7**
Financial income	1.1	0.6
Financial expenses	(2.6)	(2.8)
Earnings before income tax	**16.3**	**2.5**
Income tax	(1.8)	(3.4)
Profit/(loss) for the period from continuing operations	**14.5**	**(0.9)**
Profit for the period from discontinued operations	–	6.1
Group profit for the period [3]	**14.5**	**5.2**

[1] Previous-year numbers are restated as disclosed in note 2.
[2] This line item exclusively contains amortization of intangible assets initially capitalized due to a purchase price allocation at acquisition date.
[3] Attributable to the owners of the parent.

Earnings per share in CHF

Group – basic	0.42	0.15
Continuing operations – basic	0.42	(0.03)
Group – diluted	0.42	0.15
Continuing operations – diluted	0.42	(0.03)

Consolidated statement of comprehensive income

CHFm	1st half-year 2013	1st half-year 2012 [1]
Profit/(loss) for the period from continuing operations	14.5	(0.9)
Profit for the period from discontinued operations	–	6.1
Group profit for the period	**14.5**	**5.2**
Currency translation adjustments	0.8	2.7
Other comprehensive income that will be reclassified subsequently to profit or loss	**0.8**	**2.7**
Actuarial gains/(losses) on defined benefit plans	36.8	14.4
Income tax effect	(9.2)	(3.6)
Other comprehensive income that will not be reclassified subsequently to profit or loss	**27.6**	**10.8**
Total comprehensive income for the period [2]	**42.9**	**18.7**

[1] Previous-year numbers are restated as disclosed in note 2.
[2] Attributable to the owners of the parent.

The notes on pages 10 to 14 are an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CHFm	Attributable to owners of the parent						
	Share capital	Own shares	Share premium	Other capital reserves	Currency translation adjustments	Retained earnings	Total shareholders' equity
Balance at 1.1.2012 [1]	**18.0**	**(15.5)**	**21.9**	**7.9**	**(43.2)**	**153.7**	**142.8**
Group profit for the period [1]	–	–	–	–	–	5.2	5.2
Other comprehensive income [1]	–	–	–	–	2.7	10.8	13.5
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**2.7**	**16.0**	**18.7**
Share-based payments	–	–	–	0.6	–	–	0.6
Purchase of own shares	–	(1.2)	–	–	–	–	(1.2)
Disposal of own shares	–	0.3	–	(0.1)	–	–	0.2
Distribution of share premium	–	–	(8.7)	–	–	–	(8.7)
Total transactions with owners	**–**	**(0.9)**	**(8.7)**	**0.5**	**–**	**–**	**(9.1)**
Balance at 30.6.2012 [1]	**18.0**	**(16.4)**	**13.2**	**8.4**	**(40.5)**	**169.7**	**152.4**
Balance at 1.1.2013 [1]	**18.0**	**(15.9)**	**13.3**	**8.5**	**(35.9)**	**178.8**	**166.8**
Group profit for the period	–	–	–	–	–	14.5	14.5
Other comprehensive income	–	–	–	–	0.8	27.6	28.4
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**0.8**	**42.1**	**42.9**
Share-based payments	–	–	–	0.5	–	–	0.5
Purchase of own shares	–	(0.4)	–	–	–	–	(0.4)
Disposal of own shares	–	2.1	–	(0.4)	–	–	1.7
Distribution of share premium	–	–	(12.2)	–	–	–	(12.2)
Total transactions with owners	**–**	**1.7**	**(12.2)**	**0.1**	**–**	**–**	**(10.4)**
Balance at 30.6.2013	**18.0**	**(14.2)**	**1.1**	**8.6**	**(35.1)**	**220.9**	**199.3**

[1] Restated.

The notes on pages 10 to 14 are an integral part of the consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

CHFm	1st half-year 2013	1st half-year 2012 [1]
Group profit for the period	14.5	5.2
+ Depreciation and impairment of property, plant and equipment	2.3	2.5
+ Amortization and impairment of intangible assets	7.8	7.9
+/- (Profit)/loss from disposal of property, plant and equipment	(0.1)	–
+/- (Profit)/loss from divestment of a subsidiary or business	–	(14.2)
+ Share-based payments	0.6	0.5
+/- Addition/(release) of provisions	(1.0)	13.1
- Provisions paid	(8.4)	(8.8)
+/- Change in employee benefit obligations and assets [2]	0.3	(4.7)
+/- Change in inventory and work in progress	0.5	0.5
+/- Change in trade receivables	24.4	17.1
+/- Change in trade payables	0.7	(9.4)
+/- Change in other assets and other liabilities	(7.8)	(15.9)
- Interest income	(0.3)	(0.6)
+ Interest expenses	2.0	2.1
+ Interest received	0.2	0.6
- Interest paid	(0.9)	(0.6)
+ Income tax expenses [2]	1.8	3.6
- Income tax paid	(3.9)	(7.2)
+/- Foreign currency translation differences on intra-group positions	(0.5)	(1.4)
Net cash flow from operating activities	**32.2**	**(9.7)**
- Purchase of property, plant and equipment	(1.4)	(1.5)
+ Proceeds from disposal of property, plant and equipment	0.2	0.1
- Purchase of intangible assets	(0.7)	(2.1)
- Acquisition of a subsidiary or business [3]	(1.1)	(23.3)
+/- Proceeds/(outflows) from divestment of a subsidiary or business	–	(61.5)
+/- Change in financial assets and other non-current assets	1.3	1.2
Net cash flow from investing activities	**(1.7)**	**(87.1)**
+ Proceeds from borrowings	8.0	88.6
- Repayment of borrowings	(35.9)	–
+ Proceeds from disposal of own shares	1.7	0.2
- Purchase of own shares	(0.4)	(1.2)
- Distribution of share premium	(12.2)	(8.7)
Net cash flow from financing activities	**(38.8)**	**78.9**
+/- Foreign currency translation differences on cash and cash equivalents	0.4	(0.1)
Net increase/(decrease) in cash and cash equivalents	**(7.9)**	**(18.0)**
+ Cash and cash equivalents at the beginning of the period	63.1	73.3
Cash and cash equivalents at the end of the period	**55.2**	**55.3**

[1] Previous-year numbers are restated as disclosed in note 2.

[2] Recognized in profit or loss.

[3] Contingent purchase price payment relating to the technology-related business of Veelong Corp. acquired in previous year as disclosed in note 8.

The notes on pages 10 to 14 are an integral part of the consolidated interim financial statements.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND BASIS FOR PREPARATION

These unaudited consolidated interim financial statements of Ascom Holding Ltd. and its subsidiaries cover the period from 1 January to 30 June 2013 and are prepared in accordance with the International Accounting Standard for interim financial reporting (IAS 34). These consolidated interim 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 2012.

Preparation of the consolidated interim 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 are adapted accordingly in the accounting period in which the data changes. The impact of such changes is recorded in total comprehensive income of the relevant period.

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

Income tax in the interim periods is accrued using the tax rate that would be applicable to expected total annual earnings.

Ascom Holding Ltd., the parent company of the Group, is a public limited company and is domiciled in Berne, Switzerland.

2. ACCOUNTING PRINCIPLES

The consolidated interim financial statements were prepared according to the same accounting principles as those applied for the consolidated financial statements for the year ended 31 December 2012, except as described below.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2013:

IFRS 10 – ''Consolidated Financial Statements'', IFRS 11 – ''Joint Arrangements'', IFRS 13 – ''Fair Value Measurement'', IAS 27 (revised) – ''Separate Financial Statements'', IAS 28 (revised) – ''Investments in Associates and Joint Ventures'', IFRIC 20 – ''Stripping Costs in the Production Phase of a Surface Mine'' and IFRS 1 (amendment) – ''Government Loans''. These changes have no significant impact on the Group’s financial statements.

IFRS 12 – ''Disclosure of Interests in Other Entities'', IAS 1 (amendment) – ''Presentation of Items of Other Comprehensive Income'', IFRS 7 (amendment) – ''Disclosures – Offsetting Financial Assets and Financial Liabilities'' and Annual Improvements to IFRSs 2009–2011 Cycle. These changes result in additional disclosures or changes in presentation in the Group’s financial statements.

IAS 19 – ''Employee Benefits'' was amended in June 2011. The effects of this amendment on the consolidated financial statements are mainly based on the following modifications of IAS 19:

- Elimination of the corridor approach and recognition of all actuarial gains and losses in other comprehensive income as they occur.
- Immediate recognition of all past service costs.
- Net interest amount that is calculated by applying the discount rate to the net defined benefit liability or asset (funded status) replaces interest cost and expected return on plan assets.

Ascom adopted the amended IAS 19 standard retrospectively from 1 January 2012 with the following major effects on the consolidated financial statements of the comparative period:

Restatement of consolidated balance sheet

CHFm	31.12.2012
Increase in deferred income tax assets	15.5
Decrease in other assets (non-current)	(13.1)
Net increase in total assets	**2.4**
Net decrease in total shareholders' equity	**(56.9)**
Decrease in deferred income tax liabilities	(3.3)
Increase in employee benefit obligations	62.6
Net increase in total liabilities	**59.3**

Restatement of consolidated income statement and statement of comprehensive income

CHFm	1st half-year 2012
Decrease in cost of goods sold	1.1
Decrease in marketing and distribution	0.6
Decrease in research and development	0.2
Decrease in administration	2.4
Increase in earnings before interest and income tax (EBIT)	**4.3**
Increase in financial expenses	(0.9)
Increase in income tax expenses	(0.8)
Net increase in Group profit for the period	**2.6**
Net increase in other comprehensive income	10.7
Net increase in total comprehensive income	**13.3**

Restatement of consolidated statement of cash flows

CHFm	1st half-year 2012
Net increase in Group profit for the period	2.6
Decrease in employee benefit obligations and assets	(4.3)
Increase in interest expenses	0.9
Increase in income tax expenses	0.8
Net increase/(decrease) in cash flow from operating activities	**–**

3. FOREIGN CURRENCY TRANSLATION

CHF	ISO code	Unit	30.6. 2013	Average 1st half-year 2013	31.12. 2012	Average 1st half-year 2012
Euro	EUR	1	1.234	1.226	1.207	1.205
Pound sterling	GBP	1	1.439	1.446	1.479	1.463
Swedish krona	SEK	1	0.141	0.143	0.141	0.136
US dollar	USD	1	0.943	0.935	0.915	0.927

4. SEGMENT INFORMATION

Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision-maker, which is defined as the Chief Executive Officer (CEO). Ascom has two clearly focused divisions as reportable segments: Wireless Solutions and Network Testing being homogenous units under the common umbrella of Mission-Critical Wireless Communication.

Wireless Solutions is a provider of wireless and customer-specific communication solutions for key areas such as healthcare, retail, manufacturing industry, hotels and secure establishments. Network Testing offers expertise and solutions that enable wireless operators to expand network capacity by testing, benchmarking and optimizing mobile networks. All other activities, such as leasing of industrial real estate and facility management services, are summarized in ''Other''. Corporate includes those Group activities that cannot be assigned directly to the operating segments, primarily corporate headquarters activities. No operating segments were aggregated.

CHFm 1st half-year	Wireless Solutions[1]		Network Testing		Other		Corporate[1]		Consolidation		Total Ascom[1]	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Incoming orders	171.9	152.5	77.1	53.4	10.8	11.7	–	–	(0.1)	(0.2)	259.7	217.4
Order backlog	113.5	102.0	44.9	39.9	1.1	0.6	–	–	–	–	159.5	142.5
Revenue	**149.7**	**141.5**	**65.2**	**60.8**	**10.3**	**11.1**	**–**	**0.1**	**(0.1)**	**(0.1)**	**225.1**	**213.4**
of which with other segments	0.1	0.1	–	–	–	–	–	–	(0.1)	(0.1)	–	–
Cost of goods sold	(74.1)	(66.5)	(28.9)	(35.9)	(9.7)	(10.0)	(0.1)	2.0	(0.2)	(0.7)	(113.0)	(111.1)
Gross profit/(loss)	**75.6**	**75.0**	**36.3**	**24.9**	**0.6**	**1.1**	**(0.1)**	**2.1**	**(0.3)**	**(0.8)**	**112.1**	**102.3**
as % of revenue	50.5%	53.0%	55.7%	41.0%	5.8%	9.9%	n/a	n/a	n/a	n/a	49.8%	47.9%
Marketing and distribution	(36.1)	(37.0)	(12.7)	(16.7)	–	–	(0.2)	0.9	–	0.6	(49.0)	(52.2)
Research and development	(13.1)	(11.5)	(10.9)	(14.3)	–	–		0.7	–	–	(24.0)	(25.1)
Administration	(6.0)	(5.1)	(4.5)	(4.6)	(0.2)	(0.5)	(6.4)	(5.4)	0.3	0.2	(16.8)	(15.4)
Amortization of intangible assets from acquisition	(0.5)	(0.1)	(5.5)	(5.2)	–	–	–	–	–	–	(6.0)	(5.3)
Other income/(expenses), net	(1.8)	(3.6)	(1.8)	(2.4)	–	(0.1)	5.1	6.5	–	–	1.5	0.4
EBIT	**18.1**	**17.7**	**0.9**	**(18.3)**	**0.4**	**0.5**	**(1.6)**	**4.8**	**–**	**–**	**17.8**	**4.7**
as % of revenue	12.1%	12.5%	1.4%	n/a	3.9%	4.5%	n/a	n/a	n/a	n/a	7.9%	2.2%
Financial income/(expenses), net											(1.5)	(2.2)
Earnings before income tax											**16.3**	**2.5**
Income tax											(1.8)	(3.4)
Profit/(loss) from continuing operations											**14.5**	**(0.9)**
Profit from discontinued operations											–	6.1
Group profit for the period											**14.5**	**5.2**
EBITDA[2]	**21.0**	**21.2**	**7.7**	**(11.8)**	**0.6**	**0.7**	**(1.4)**	**4.9**	**–**	**–**	**27.9**	**15.0**
as % of revenue	14.0%	15.0%	11.8%	n/a	5.8%	6.3%	n/a	n/a	n/a	n/a	12.4%	7.0%
Capital expenditures[2]	1.1	2.7	0.6	0.5	0.4	0.3	–	0.1	–	–	2.1	3.6
Employees (FTE) at the end of the period[2]	1,256	1,243	482	559	–	13	14	20	–	–	1,752	1,835

[1] Previous-year numbers are restated.

[2] Disclosed numbers relate to continuing operations.

Transfer prices between Ascom's operating segments are on an arm's length basis in a matter similar to transactions with third parties. Inter-segment revenue are eliminated on consolidation.

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

CHFm	Wireless Solutions		Network Testing		Other		Corporate [1]		Consolidation		Total Ascom [1]	
	30.6. 2013	31.12. 2012	30.6. 2013	31.12. 2012	30.6. 2013	31.12. 2012	30.6. 2013	31.12. 2012	30.6. 2013	31.12. 2012	30.6. 2013	31.12. 2012
Reportable segments' assets	130.4	149.2	250.3	258.5	12.4	18.1	9.7	3.9	(3.0)	(1.6)	399.8	428.1
Deferred income tax assets											11.7	22.7
Financial assets											4.8	6.6
Income tax receivables											2.2	1.0
Cash and cash equivalents											55.2	63.1
Total assets											**473.7**	**521.5**

[1] Previous-year numbers are restated.

5. DISTRIBUTION OF SHARE PREMIUM, OWN SHARES, SHARE-BASED PAYMENTS

At 10 April 2013, the Annual General Meeting of Ascom Holding Ltd. approved a distribution of share premium of CHF 0.35 per share entitled to dividends. The total payout amounted to CHF 12.2 million.

In the period under review, Ascom purchased 40,000 registered shares and disposed 204,500 registered shares.

During the period under review, 204,500 options of the Ascom Stock Option Plans were exercised, 3,000 options were forfeited, and 8,000 options expired.

6. BORROWINGS

At 30 June 2013, the Group's total credit facilities comprised cash lines of CHF 143.6 million and guarantee lines of CHF 47.3 million available from financial institutions and banks worldwide (31 December 2012: cash lines of CHF 143.5 million and guarantee lines of CHF 47.1 million). At 30 June 2013, Ascom used the cash credit lines as shown in the following table:

CHFm	30.6.2013	31.12.2012
Non-current	77.0	103.5
Current	–	0.9
Total borrowings	**77.0**	**104.4**

The financial covenants contained in these credit facilities are fully complied with. The fair value of the borrowings is equal to the carrying amount.

7. PROVISIONS AND CONTINGENT LIABILITIES

In 2012, Ascom launched a restructuring program to improve the operational performance of its Network Testing Division. In the period under review, CHF 4.1 million were consumed. Remaining cash outflows are expected to occur within 12 months.

In June 2013, a tax case was decided in favor of Ascom and related provision of CHF 1.8 million was released in line item income tax of the consolidated income statement.

8. FINANCIAL INSTRUMENTS

Contingent consideration

The purchase price of the technology-related business acquired from Veelong Corp. at 3 January 2012 included a performance-related part (contingent consideration). At 1 March 2013, a total amount of CHF 1.1 million was paid out under this agreement. At closing date, the remaining contingent consideration amounts to CHF 2.9 million (31 December 2012: CHF 3.7 million). No adjustment to the fair value was necessary in the period under review.

The purchase price of GE's Nurse Call business acquired at 18 June 2012 included a contingent consideration based on assumed revenue for the earn-out period. After expiration of the earn-out period, the entire earn-out payable of CHF 1.3 million could be released and recognized as other income in the consolidated income statement of the period under review.

Fair value estimation

At closing date, the fair value of investments in third parties amounts to CHF 0.9 million (31 December 2012: CHF 0.9 million). Neither significant changes in the fair value hierarchy nor in the fair value measurement assumptions of financial instruments occurred in the period under review.

9. EVENTS AFTER THE END OF THE INTERIM REPORTING PERIOD

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

10. TIME OF RELEASE FOR PUBLICATION

The Board of Directors approved the 2013 consolidated interim financial statements on 14 August 2013 and gave permission for publication at the media conference on 22 August 2013.

11. SHARE INFORMATION

	1st half-year 2013	Fiscal year 2012
Number of registered shares nom. CHF 0.50 at the end of the period	36,000,000	36,000,000
Share price per registered share in CHF (high/low of the period under review)	12.60/8.60	9.60/6.60
Share price per registered share at the end of the period in CHF	11.75	8.86
Market capitalization at the end of the period in CHFm	423.0	319.0

Important dates

5 March 2014	Annual Media Conference
1 April 2014	Annual General Meeting

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Declaration on forward-looking statements
This Half-year Report contains 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 complete 2013 Half-year Report of the Ascom Group is available in English only and can be viewed online at:
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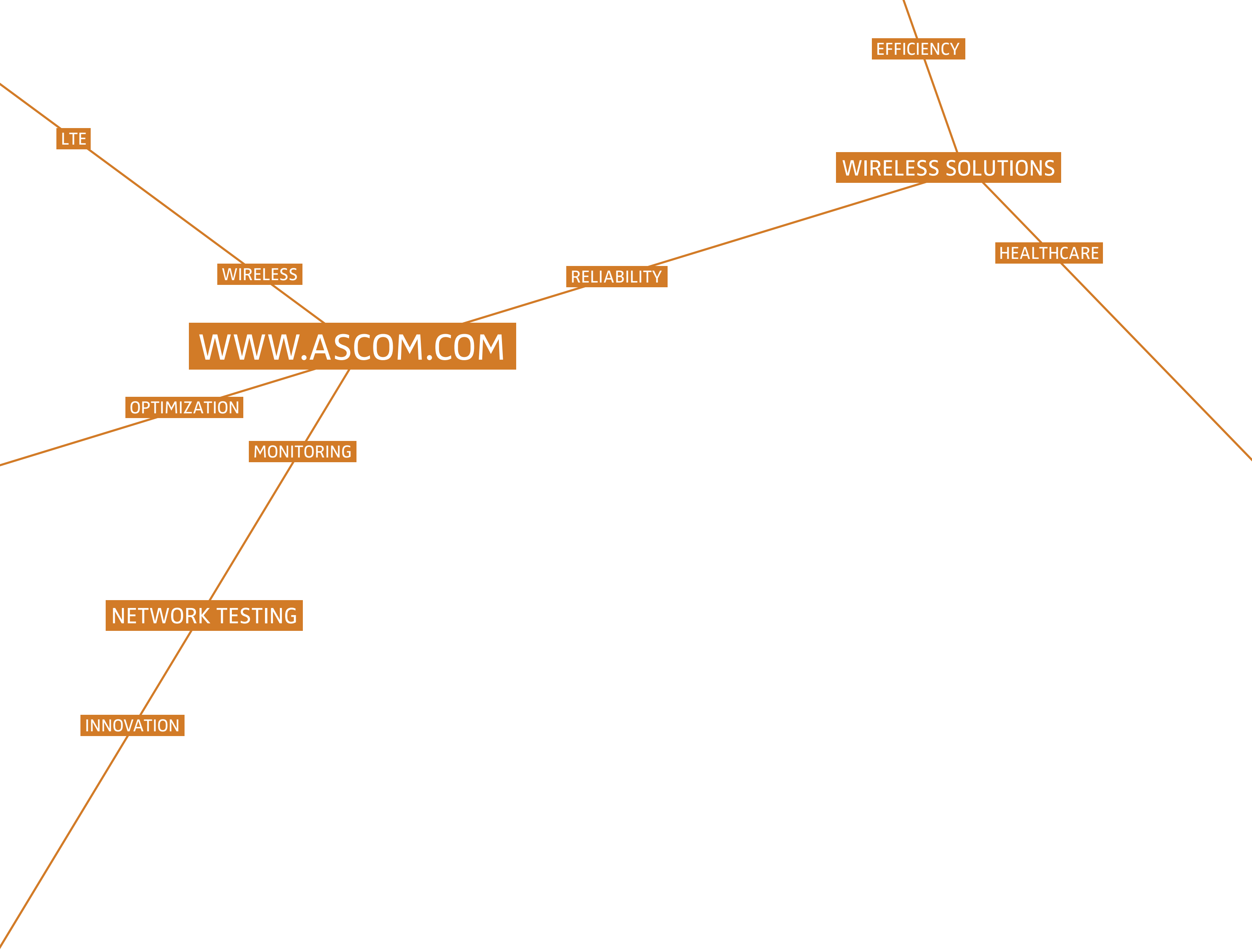
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