



ASCOM ACQUISITION OF TEMS

23 March 2009

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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.



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TRANSACTION HIGHLIGHTS



TEMS – COMPELLING STRATEGIC RATIONALE

- 1** Acquisition of a global leading market player with a large installed base and critical mass in mobile network testing and optimization
- 2** Profitable, software-driven business model
- 3** Experienced, successful and committed management team
- 4** Enables Ascom to broadly cover the mobile testing value chain by adding planning and optimization to Ascom's current testing capabilities
- 5** Creates a strong third pillar for Ascom in line with its "Mission-Critical Communication" strategy

TRANSACTION SUMMARY

Purchase price

CHF 190 million on a debt and cash free basis

Financing

Combination of Ascom cash (CHF70m) and secured debt financing (CHF120m)

Financial impact

Significantly enhances Ascom's profitability and expected to be EPS accretive in FY 2010

Timing

Closing expected in June 2009

TEMS FULFILS ALL OF ASCOM'S ACQUISITION CRITERIA

Strategic fit (Mission-Critical Communication)

**Yes, complementary to
Mobile Test Solutions**

Focus on offering and/or geographic extension

Yes, both

Own technology and/or customer base

Yes, both

Profitable business (track record)

Yes, highly profitable

Potential for profitable growth

Yes

Management / key people strength and retention

Yes, both

Interested in being acquired and reasonable price

Yes, both

OVERVIEW OF TEMS



TEMS – AT A GLANCE

Seller

- Telefonaktiebolaget LM Ericsson and affiliates

Business activities

- Provider of solutions for the design, roll-out, testing and optimization of mobile networks

Market position

- A global leading market player in mobile network air interface monitoring

Financial highlights

- 2008 Sales of CHF165m¹
- Strong profitability

Locations

- Primary locations are Reston, Virginia (USA) and Skellefteå (Sweden) with presence in 17 countries around the globe

Customers

- Over 450 customers including the major operators, network equipment vendors, regulatory authorities and research institutions

Employees

- Around 300 employees and 60 contractors worldwide

Notes:

1 CHF/USD=1.1891

[OVERVIEW OF TEMS]

TEMS – IMPRESSIVE GLOBAL CUSTOMER BASE

Selected customers in Europe, Middle East and Africa



Selected customers in Americas



Selected customers in Asia



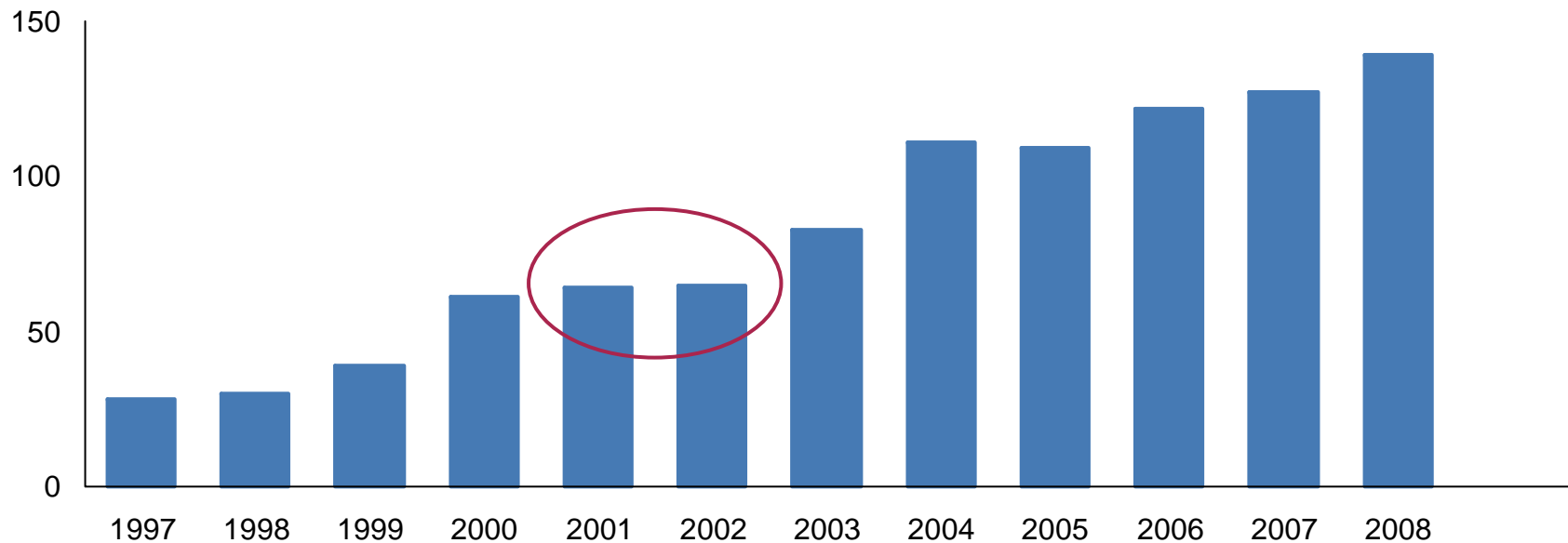
Global top 20 operators

Operator	Subscribers (millions)	TEMS customer
China Mobile	369	☑
Vodafone	252	☑
China Unicom	160	☑
Telefónica	160	☑
America Movil	153	☑
T-Mobile	120	☑
Orange	115	☑
Telenor	90	☑
MTS	86	☑
AT&T	70	☑
Orascom	70	☑
Telecom Italia	67	☑
Verizon	66	☑
VimpelCom	63	☑
SingTel	61	☑
Bharti Airtel	55	☑
Sprint	54	☑
NTT DoCoMo	53	☑
Telkomsel	44	☑
TeliaSonera	42	☑

Source: Company reports

TEMS – A TRACK RECORD OF UNINTERRUPTED GROWTH

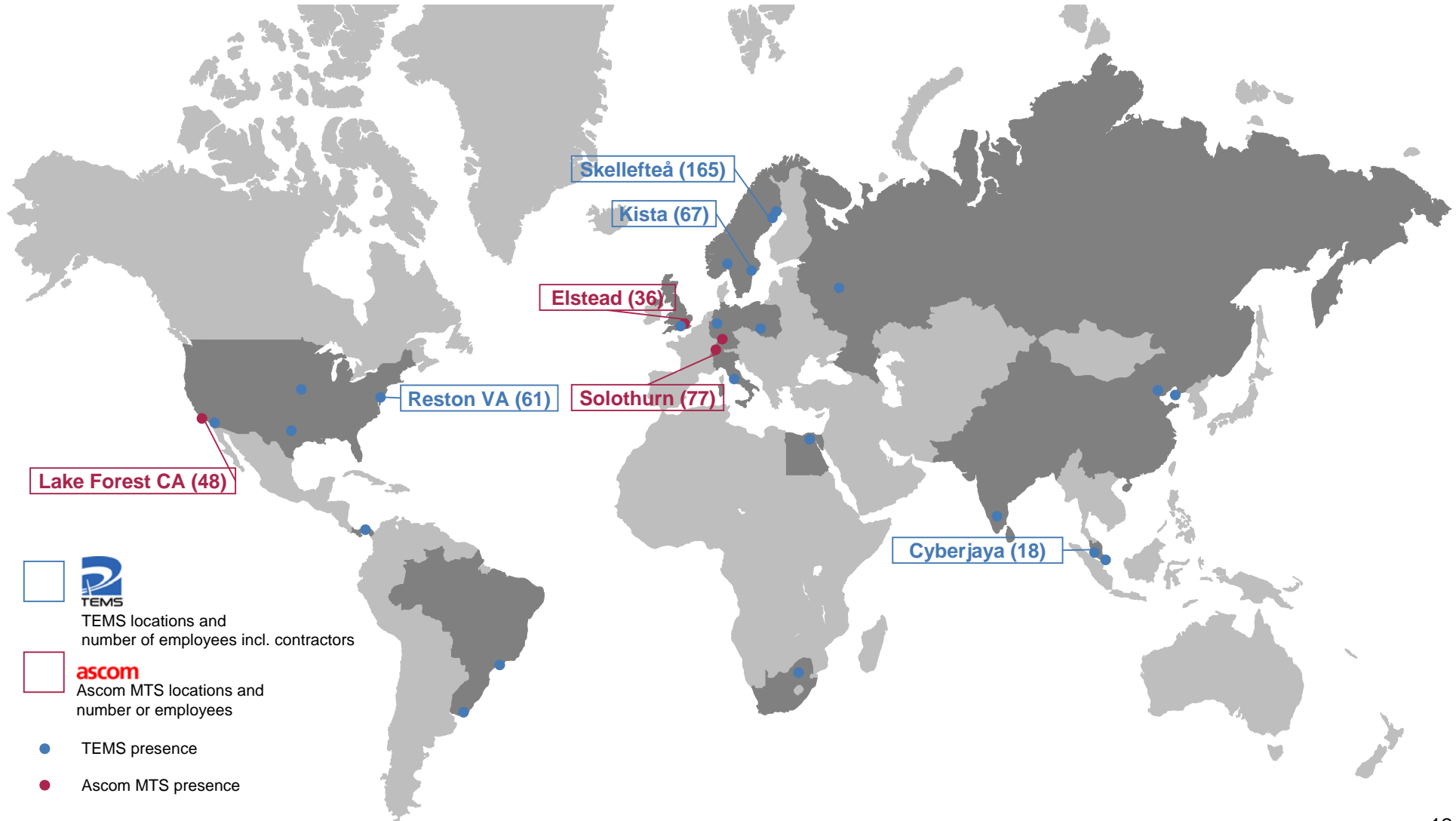
TEMS revenue development (USDm)



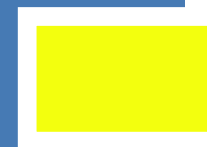
- Revenue growth showed to be resilient to the telecom industry recession 2001–2002

[OVERVIEW OF TEMS]

TEMS – A GLOBAL PRESENCE



MARKET OVERVIEW

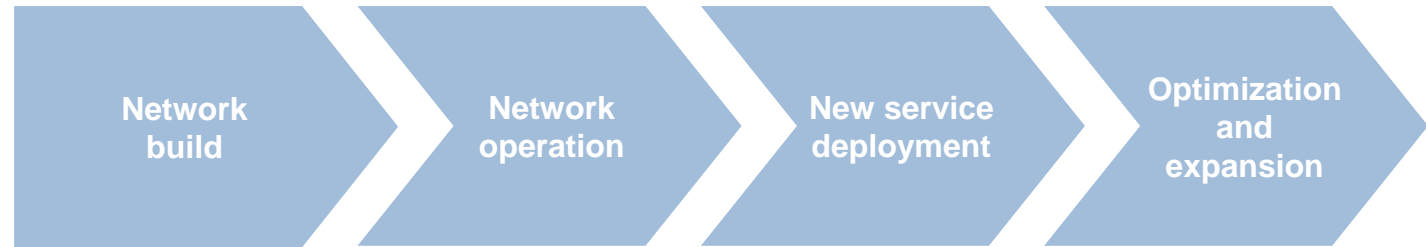


MOBILE NETWORK TESTING – ADDRESSABLE MARKET

What is being tested?

- Mobile network signal and network protocols ('air interface')
- Mobile network services and applications

When tested?



Why test?

- Enables mobile network operators to:
 - increase capital and operational efficiency
 - measure performance against competitors
 - cost-effectively manage growth in network traffic
 - efficiently deploy new value-added services
 - optimize the user experience of mobile services

MOBILE NETWORK TESTING – KEY SEGMENTS

Stationary Testing

- Testing of services and applications over the network

Air Interface Benchmarking

- Measurement of network during operation (signal strength, capacity, call quality, user experiences)

Air Interface Optimization

- Fault diagnosis and identification of measures to improve performance and radio coverage

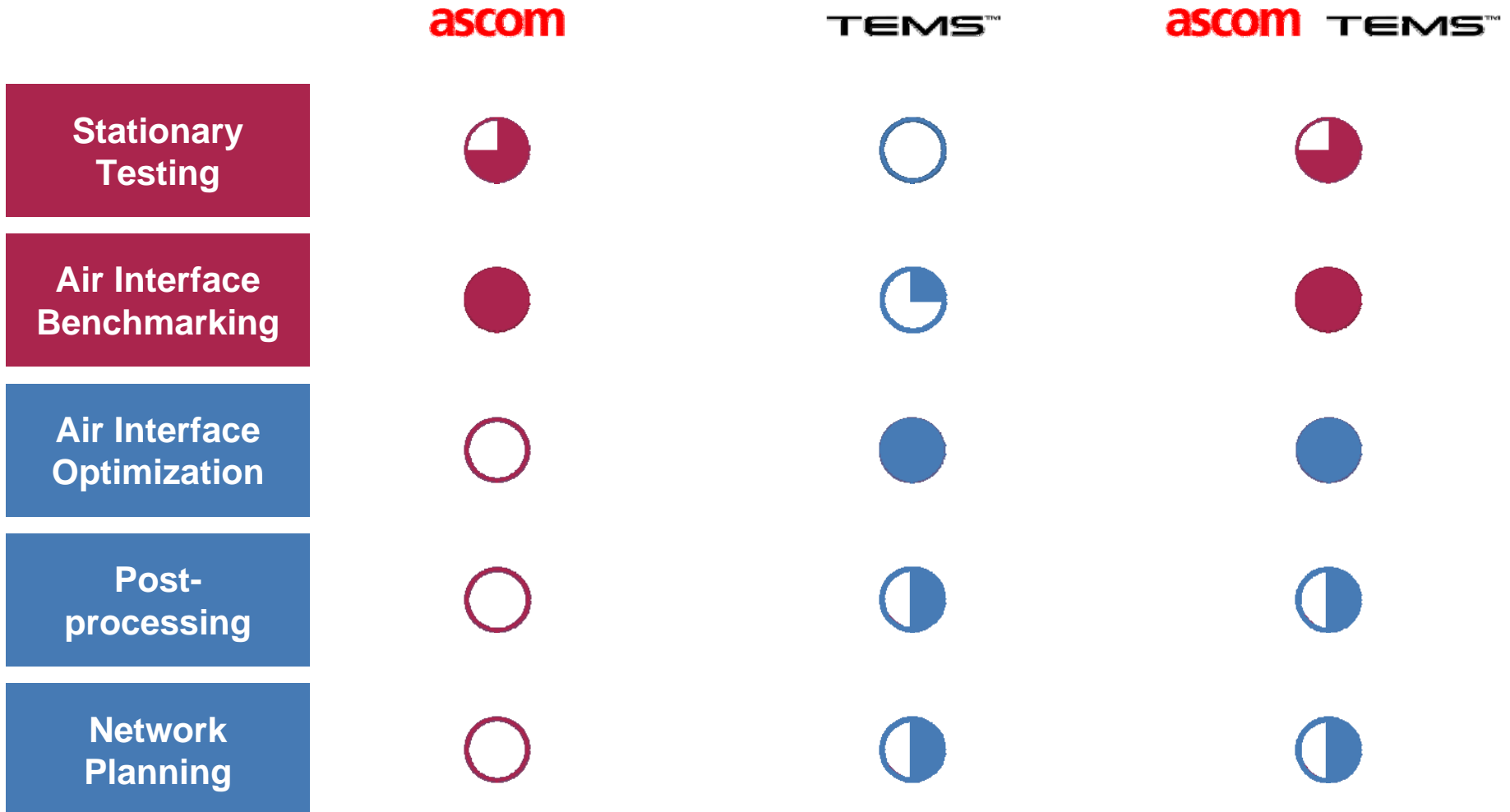
Post-processing

- Software tools for analyzing data from network elements

Network Planning

- Optimizing cell-site locations and configurations

HIGHLY COMPLEMENTARY MARKET POSITIONS

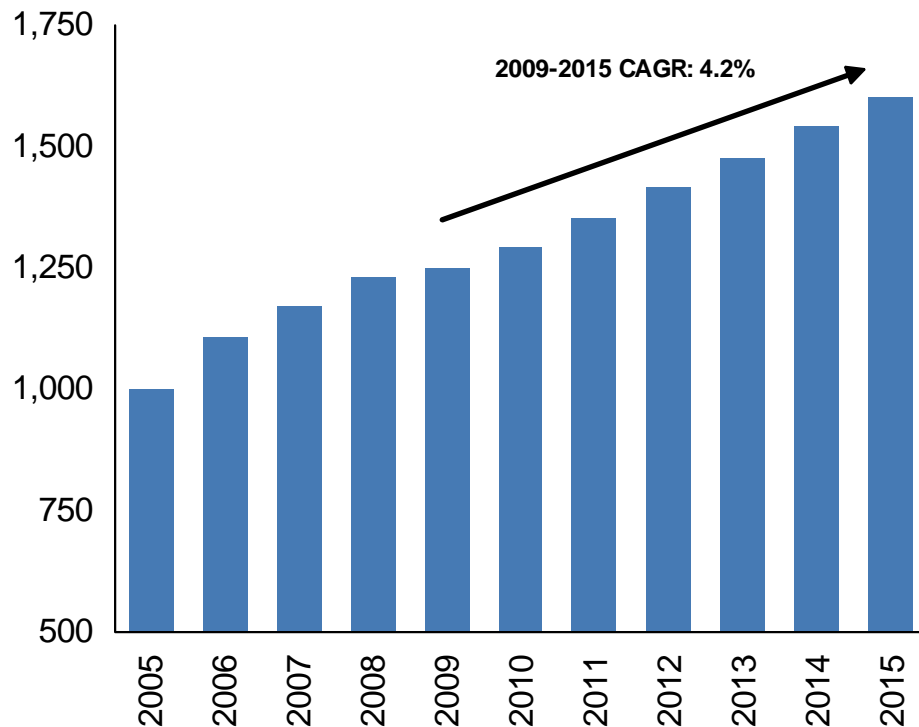


MARKET ATTRACTIONS AND DRIVERS

- Exposure to all phases of the mobile network lifecycle – deployment, expansion, maintenance and optimization
- Enables operators to reduce both capital and operating expenditures through efficient network planning, maximizing capacity of existing networks and automation of otherwise resource-intensive tasks
- Combination offers greater resilience to economic downturns as operators choose to optimize capacity on existing networks rather than invest in new ones
- Facilitates operators in service differentiation and reducing churn by measuring and optimizing user experience and effective deployment of new services
- Combination ideally positioned to benefit from next wave of growth driven by migration from 3G to 4G (LTE)

MOBILE TEST EQUIPMENT MARKET

Market forecasts (USDm)¹



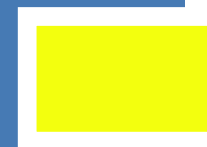
- Market anticipated to grow at 4.2% CAGR between 2009 and 2015
- TEMS has historically grown at 8.4% CAGR between 2005 to 2008 vs. 7.2% market
- Market growth driven by:
 - Proliferation of mobile broadband access
 - Growth in voice traffic in emerging markets
 - Adoption of new network technologies such as LTE
 - Growing focus of mobile carriers on service quality
- Ascom expects above market CAGR of 5%, particularly driven by software focus and optimization capabilities

Note:

¹ Hard- and software mobile test equipment market for installation and maintenance application

Source: Frost & Sullivan (March 2009)

WAY FORWARD



ASCOM – THREE CLEARLY-FOCUSED DIVISIONS

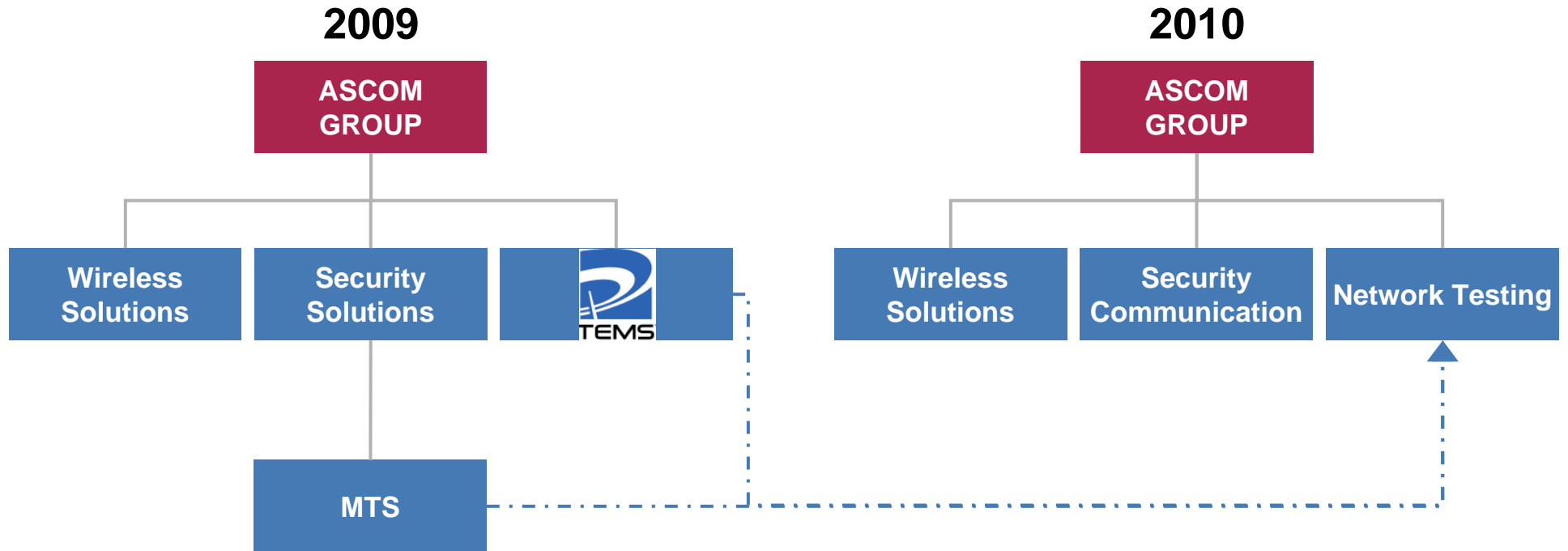
	Wireless Solutions	Security Communication ¹	Network Testing ^{2,3}
Key numbers (2008 pro-forma)⁴			
Sales (CHFm)	308	134	251
EBIT (CHFm)	36	6	38
<i>margin (%)</i>	11.7	4.4	15.2
Employees (no.)	1,168	403	640
Mission critical communication – targeted end markets	<ul style="list-style-type: none"> Hospitals, 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

[WAY FORWARD]

INTEGRATING TEMS



EXPECTED SYNERGIES AND INTEGRATION COSTS

Expected synergies

- Ability to provide full suite of stationary test, benchmarking, optimization and post-processing tools globally (“one-stop shopping”)
- Leverage installed base comprising almost every major mobile network operator
- Cost synergies (e.g. supply chain)

Associated integration costs

- Estimated total of CHF20m for 2009/2010

INTEGRATION STRATEGY

Transaction structure

- Share deal in Sweden (TEMS Sweden AB)
- Asset deals in all other countries including the US, Malaysia and China

Integration plan in two phases

- FY 2009: Carve-out from Ericsson and creation of stand-alone structures
- FY 2010: Merger with MTS/Argogroup/Comarco WTS to form the new Network Testing Division of Ascom

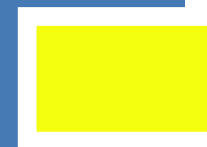
Main TEMS locations

- Reston, Virginia (USA) and R&D centre in Skellefteå (Sweden)

Brand

- Ascom to maintain single brand strategy
- TEMS will be a subbrand, for the time being

FINANCING THE TRANSACTION



ATTRACTIVE FINANCING OF THE TRANSACTION SECURED

Ascom cash

- CHF70m

Credit facility

- CHF120m senior amortising term loan facility
- Attractive spread over LIBOR
- Maturity: 31 December 2012

Lending banks

- Consortium of 8 Swiss banks led by UBS and Credit Suisse

FINANCING OF THE TRANSACTION



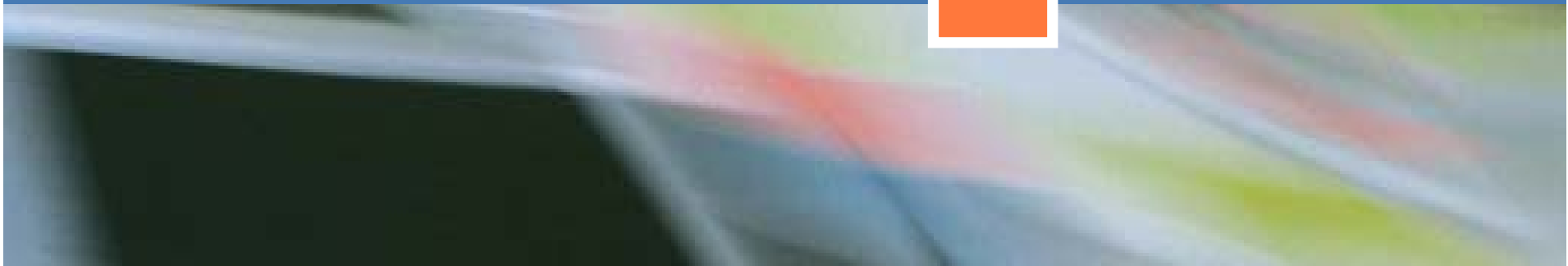
Key financial data (CHFm, 2008 pro-forma)¹

Total cash	113
Total debt	120
Net debt	7
Total debt/EBITDA (x)	1.4
Net debt/EBITDA (x)	0.1

Notes:

1 Pro-forma unaudited numbers

CONCLUSION



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[CONCLUSION]

OUTLOOK 2010

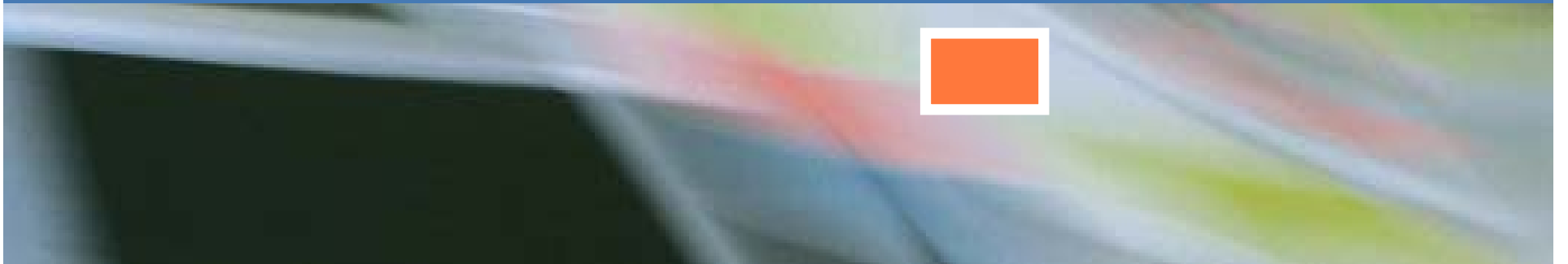
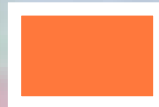
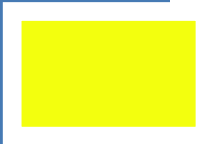
Revenue

- Significant leap for Ascom due to TEMS acquisition

EBIT

- 2009 and 2010 EBIT will be impacted by integration costs (total of CHF20m for 2009/2010)
- 10% on Group level achievable in 2010

Q&A



THANK YOU!

