

ASCOM || PENSIONS KASSE

Abridged Report 2008



May 2009

This report is available in D/F/I/E

The full version of the annual report is available in German

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ANNUAL REPORT 2008

The year 2008 will go down in history as one of the most difficult years ever for pension funds. The turbulence on the equity market has shaken most social security funds to the very foundation and forced many into an underfunding situation. In addition to losses on the share markets in excess of 30%, the Hedge Funds were also unable to escape the effects. On its total investments, APK achieved a negative performance of 14% and thus in comparison with other pension funds lies in the middle of the field.

In the year under review, the investment strategy was not adjusted. However, with the loss of value of the securities there has been a shift in the percentage share of some individual investment categories; the share of real estate rose and had a stabilising effect. The bandwidths for some investment categories were temporarily suspended by the Foundation Board. In this difficult environment, great attention must be paid to the liquidity situation; APK was at all times able to meet its commitments.

The merger of the APK with the «Ascom Kadervorsorge-Stiftung» and the «Alpha-Vorsorge-Stiftung» foundations, which took effect on 1.1.2008, was executed successfully without any objections being received. In order to make a comparison of the figures possible, in this year's annual report the data of the balance sheet dated 31.12.2008 is compared with that of the merger balance sheet. Within a period of one year, the balance sheet total of the merged APK reduced by CHF 257.3 million to CHF 1'208.3 million. The value fluctuation reserves of CHF 196.6 million have been fully depleted. As at 31.12.2008, the available pension fund capital stood at CHF 1'195.2 million as opposed to actuarial commitments of CHF 1'206.2 million. This equates to a coverage ratio of 99.1% (compared with 115.6% as at 1.1.2008). This result indicates a reduced risk capability. With the aid of an Asset/Liability study, the Foundation Board will assess the investment strategy and if necessary make changes.

The merger has no effect on the number of beneficiaries since the same groups of people were involved. The number of actively insured members reduced by 78 persons to 1'653. This figure reflects further reorganisation measures taken by individual companies. The number of people drawing a pension stood at 3'308, i.e. 37 less than one year ago. In accordance with the new Statutes, the Foundation Board comprises 6 employer repre-

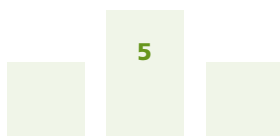
sentatives and 6 employee representatives from the electoral groups of the founding company and the affiliated companies. Of the elected or appointed members of the Foundation Board, 9 are existing members and 3 are new.

In the year under review four meetings of the Foundation Board were held, two of them with the new members. In addition to the standard items on the agenda, the Foundation Board dealt with the new organisation. In preparation for the planned change in the Chairmanship, an Executive Board was appointed in the middle of 2008. This comprises the four heads of the departments Insurance Management/Administration, Capital Investment, Real Estate and Accounting. In addition to the general guidelines, a strategy was also approved by the Foundation Board. This foresees an opening of the fund and aims at growth.

An attempt to provide an outlook in the extremely fragile environment is accompanied by many uncertainties. The first months of the year show no signs of a stabilisation. On the one hand secure values are demanded, which however can hardly contribute to generating the required rate of return. It is thus necessary to continually analyse the situation and to take advantage of the opportunities that arise. If the coverage ratio continues to move downwards during 2009, the APK will also not be able to avoid initiating rescue measures.

Anton Sutter
Chairman

Annegret Bertschy
Managing Director



BALANCE SHEET

Assets

| | 31.12.2008 | | 01.01.2008 (merger balance sheet) | |
|--------------------------------|------------------|--------------|--------------------------------------|--------------|
| | CHF thousands | % | CHF thousands | % |
| Investments | | | | |
| Cash and other liquid assets | 55'510 | 4.6 | 95'897 | 6.5 |
| Receivables | 3'481 | 0.3 | 3'774 | 0.3 |
| Receivables from employers | 979 | 0.1 | 690 | 0.0 |
| Bonds | 112'405 | 9.3 | 151'411 | 10.3 |
| Currency management | 0 | 0.0 | 40'544 | 2.8 |
| Equities | 441'615 | 36.5 | 568'555 | 38.8 |
| Mortgage loans | 99'033 | 8.2 | 112'392 | 7.7 |
| Equipments | 0 | 0.0 | 0 | 0.0 |
| Real estate | 492'603 | 40.8 | 489'849 | 33.4 |
| Total Investments | 1'205'626 | 99.8 | 1'463'112 | 99.8 |
| Prepayments and accrued income | 2'709 | 0.2 | 2'534 | 0.2 |
| Total assets | 1'208'335 | 100.0 | 1'465'646 | 100.0 |

Liabilities

31.12.2008

01.01.2008

(merger balance sheet)

| | CHF thousands | % | CHF thousands | % |
|---|------------------|--------------|------------------|--------------|
| Liabilities | | | | |
| Termination benefits and pensions | 2'401 | 0.2 | 1'343 | 0.1 |
| Other liabilities | 5'564 | 0.5 | 5'043 | 0.3 |
| Total Liabilities | 7'965 | 0.7 | 6'386 | 0.4 |
| Accrued liabilities and differed income | 1'530 | 0.1 | 2'553 | 0.2 |
| Contribution reserve employers | 3'679 | 0.3 | 3'679 | 0.3 |
| Pension liabilities and actuarial reserves | | | | |
| Retirement savings capital from active insured persons, capital accounts included | 328'199 | 27.2 | 349'433 | 23.8 |
| retirement savings capital from pensioners, savings capitals included | 814'000 | 67.4 | 826'327 | 56.4 |
| Actuarial reserves | 63'950 | 5.3 | 80'669 | 5.5 |
| Total pension liabilities | 1'206'149 | 99.9 | 1'256'429 | 85.7 |
| Reserve for fluctuation in asset value | 0 | 0.0 | 196'599 | 13.4 |
| Underfunding | -10'988 | -1.0 | 0 | 0.0 |
| Total liabilities | 1'208'335 | 100.0 | 1'465'646 | 100.0 |

INCOME STATEMENT

Income Statement

2008

CHF
thousands

| | |
|---|----------------|
| Ordinary and other contributions and transfers-in | |
| Employees contributions | 11'941 |
| Employers contributions | 12'452 |
| One-time payments and purchase amounts | 1'011 |
| Total | 25'404 |
| Entry lump sum transfers | |
| Termination benefit transfers | 23'005 |
| Total inflow from contributions and entry lump sum transfers | 48'409 |
| Regulatory benefits | |
| Retirement pensions | -50'826 |
| Survivor's pensions | -10'737 |
| Disability pensions | -3'796 |
| Other regulatory benefits | -436 |
| Lump-sum payments on retirement | -2'715 |
| Total | -68'510 |
| Non regulatory benefits | |
| Cost of living allowances | -5'005 |
| Voluntary benefits of the fund | -24 |
| Total | -5'029 |

| | 2008 |
|--|--------------------------|
| | CHF thousands |
| Termination benefits | |
| Termination benefits for leavers | -33'324 |
| Withdrawals for home ownership/divorce | -892 |
| Total | -34'216 |
| Total outflow for benefits and withdrawals | -107'755 |
| Formation/dissolution of insurance capital, actuarial reserves and contribution reserves | |
| Dissolution of insurance capital of active insured persons, capital and surplus accounts included | 21'234 |
| Dissolution/formation of pensioners insurance capital | 12'326 |
| Dissolution/formation of actuarial reserves | 16'720 |
| Total | 50'280 |
| Expenses from insurance benefits | |
| Insurance Expenses | -12 |
| Insurance costs | |
| Contribution to Security Fund BVG | -192 |
| Net result from insurance activities | -9'270 |

| | 2008 |
|--|--------------------------|
| | CHF thousands |
| Net return on liquid assets and money market demands | –8'016 |
| Net return on bonds | –11'862 |
| Net return on currency management | 8 |
| Net return on equities | –202'913 |
| Net return on mortgages loans | 3'513 |
| Net return on real estate | 36'184 |
| Total net return | –183'086 |
| Interest expenses | –11'982 |
| Administration expenses from investments | –2'137 |
| Total return on investments | –197'205 |
| Other income/expenses | |
| Extraordinary income | 0 |
| Total other income/expenses | 0 |
| General administration expenses | –1'112 |
| Expense surplus before releasing from reserves for fluctuations in assets value | –207'587 |
| Dissolution of fluctuation reserves | 196'599 |
| Expense surplus | –10'988 |

Due to the merger a comparison with the previous year is not possible.

GENERAL INFORMATION AND ORGANIZATION

Legal form and objectives

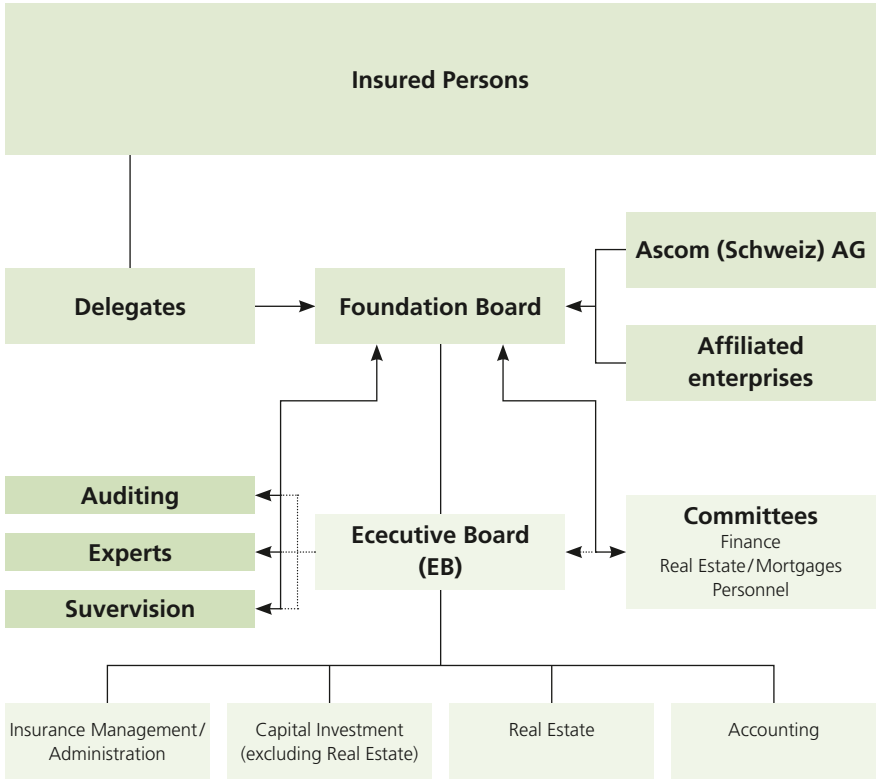
The Foundation provides retirement, disability and surviving dependants' insurance to employees of the founding company in Switzerland as well as to the affiliated companies by written agreements. Further information will be found in the Deed of Foundation and the Regulations.

BVG registration and registration with the Security Fund

The Foundation is entered in the BVG-Register under the number BE.0221 and pays BVG-contributions to the Security Fund.

Information about the Deed of Foundation and the Regulations

| | |
|---|--|
| Deed of Foundation: | Decision of the Foundation Board, dated 26 August 2008, (replaces the Deed of Foundation of 9 October 1997, due to the merger). The Deed of Foundation has been approved by the Supervisory Authority on 20 March 2009 |
| Regulations: | Edition 2008 with appendix and amendments to Regulations of 26 August 2008 |
| Partial liquidation regulations: | dated 26 June 2007, valid from 1 January 2008 |
| Provisions regulations: | dated 26 August 2008, valid from 31 December 2008 |
| Investment regulations: | dated 7 November 2007, valid from 1 January 2008 |



Governing body / Authorized signatories

In the APK all authorizes signatories sign collectively in pairs. In the year under review, the following persons were recorded in the register of commerce.

Foundation board (FB):

| Employer representatives | Function | Start of mandate | Elected until |
|---------------------------------|-----------------|-------------------------|----------------------|
| Sutter Anton | Chairman | 25.06.1987 | 30.06.2012 |
| Bracher Hans | Member | 11.07.2002 | 30.04.2008 (leave) |
| Choffat Philippe | Member | 11.07.2002 | 30.06.2012 |
| Grawehr Patrick | Member | 01.07.2008 | 30.06.2012 |
| Maurer André | Member | 16.10.2001 | 30.06.2012 |
| Renggli Kurt | Member | 01.08.2008 | 30.06.2012 |
| Zimmermann Hans | Member | 24.10.2005 | 30.06.2012 |

Employee representatives

| | | | |
|----------------------|---------------|------------|------------|
| Marti Hans | Vice Chairman | 01.10.2000 | 30.06.2012 |
| Fischer Andreas | Member | 01.07.2005 | 30.06.2012 |
| Mühlemann Hanspeter | Member | 01.07.2006 | 30.06.2012 |
| Schlunegger Rosmarie | Member | 01.07.2002 | 30.06.2012 |
| Waldvogel Hermann | Member | 01.07.2007 | 30.06.2012 |
| Widrig Andreas | Member | 01.07.2008 | 30.06.2012 |

Delegates:

Total 34 delegates from the two electoral groups, e.g. of the founding company (11) and the affiliated companies (23), act as liaison between the Foundation Board and the insured persons.

Committees:

APK Finance Committee (Investment Committee)

| | | |
|---------------|-------------------|---------------------------------------|
| Chairmanship: | Sutter Anton | Member FB |
| Members: | Choffat Philippe | Member FB |
| | Maurer André | Member FB |
| | Waldvogel Hermann | Member FB |
| | Bertschy Annegret | President EB |
| | Krättli Erwin* | Head of Department Capital Investment |
| | Müller Roland* | Head of Department Accounting |

APK Real Estate / Mortgages Committee

| | | |
|---------------|-----------------|--------------------------------|
| Chairmanship: | Krättli Erwin | Vice President EB |
| Members: | Fischer Andreas | Member FB |
| | Marti Hans | Member FB |
| | Zimmermann Hans | Member FB |
| | Zingg Marlene* | Head of Department Real Estate |
| | Müller Roland* | Head of Department Accounting |

APK Personnel Committee

| | | |
|---------------|----------------------|--|
| Chairmanship: | Bracher Hans | Member FB (until 30.04.2008) |
| | Renggli Kurt | Member FB (from 01.08.2008) |
| Members: | Mühlemann Hanspeter | Member FB |
| | Schlunegger Rosmarie | Member FB |
| | Bertschy Annegret | Head of Division Insurance Management/ President EB |

* without right to vote

When appointing the members of committees, equal representation or regional representation is of no significance. It is primarily the qualifications of a member that are taken into account.

Executive Board (EB):

Bertschy Annegret President EB
Krättli Erwin Vice President EB
Zingg Marlene Member EB
Müller Roland Member EB

Department Heads

Insurance Management/Administration
Capital Investment
Real Estate
Accounting

Actuaries, auditors, advisors, supervisory authority

Pension actuary: ABCON AG, Bern/Martin Schnider
Auditor: Ernst & Young AG, Bern/
 Urs Feierabend und Rita Casutt
Advisor (Investment strategy): Complementa Investment-Controlling AG,
 St. Gallen/Michael Brandenberger
Supervisory authority: Office for Social Security and Supervisory Authority
 of the Canton of Berne, ordinal number BE.0221

ACTIVELY INSURED PERSONS



Actively insured persons

| | 2005 | | 2006 | | 2007 | | 2008 | |
|--|--------------|-----|--------------|-----|--------------|-----|--------------|-----|
| Status as per January 1 | 2'345 | | 2'154 | | 1'756 | | 1'731 | |
| Entries | 193 | | 225 | | 263 | | 240 | |
| Departures: | | | | | | | | |
| Persons leaving | 298 | | 552 | | 242 | | 264 | |
| Deaths | 3 | | 0 | | 0 | | 2 | |
| Disabilities | 4 | | 5 | | 5 | | 1 | |
| Retirements | 79 | 384 | 66 | 623 | 41 | 288 | 51 | 318 |
| Actively insured persons on December 31 | 2'154 | | 1'756 | | 1'731 | | 1'653 | |

Age structure of the actively insured persons

| Age | 31.12.2004 | 31.12.2005 | 31.12.2006 | 31.12.2007 | 31.12.2008 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| | % | % | % | % | % |
| 18–24 (risk-insured persons) | 2.9 | 3.1 | 2.7 | 3.8 | 3.7 |
| 25–34 | 21.9 | 20.9 | 21.3 | 19.0 | 17.6 |
| 35–44 | 30.8 | 30.7 | 29.7 | 31.1 | 31.9 |
| 45–54 | 25.5 | 26.7 | 26.1 | 25.0 | 26.6 |
| 55–65 | 18.9 | 18.6 | 20.2 | 21.1 | 20.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

PENSION RECIPIENTS



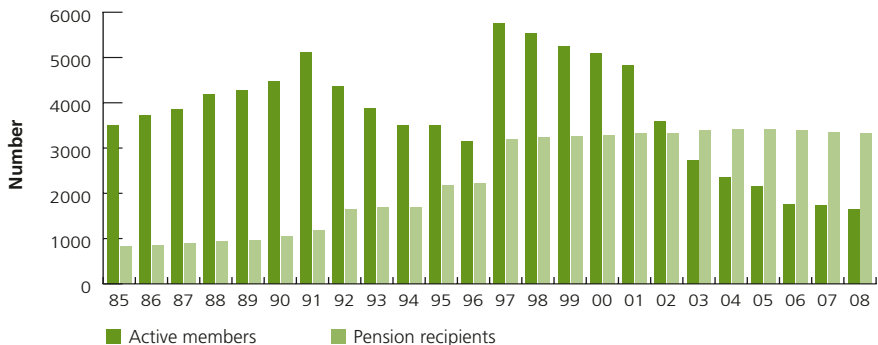
Pension recipients

| | 2005 | | 2006 | | 2007 | | 2008 | |
|--|--------------|-----|--------------|-----|--------------|-----|--------------|-----|
| Status as per January 1 | 3'421 | | 3'417 | | 3'383 | | 3'345 | |
| New pensions/changes (type): | | | | | | | | |
| Retirement pensions | 80 | | 67 | | 46 | | 66 | |
| Disability pensions | 21 | | 7 | | 10 | | 5 | |
| Spouses' pensions | 49 | | 44 | | 30 | | 33 | |
| Children's pension | 14 | 164 | 15 | 133 | 9 | 95 | 4 | 108 |
| Departures: | | | | | | | | |
| Deaths | 133 | | 137 | | 118 | | 127 | |
| Expiry of pension entitlement | 35 | 168 | 30 | 167 | 15 | 133 | 18 | 145 |
| Total Pension recipients on December 31 | 3'417 | | 3'383 | | 3'345 | | 3'308 | |

Current pensions / Number of pension recipients

| | December 31 | | | |
|---|--------------|--------------|--------------|--------------|
| | 2005 | 2006 | 2007 | 2008 |
| Retirement pensions | 2'014 | 2'018 | 2'010 | 2'010 |
| Bridging pensions | 4 | 5 | 5 | 19 |
| Disability pensions | 272 | 264 | 257 | 238 |
| Spouse's pensions | 756 | 761 | 758 | 762 |
| Children's pensions | 125 | 114 | 117 | 116 |
| Subtotal Pensions form the Pensions Fund | 3'171 | 3'162 | 3'147 | 3'145 |
| Cost of living allowances on pensions of the Savings Fund | 253 | 230 | 207 | 190 |
| Other pensions | 8 | 8 | 7 | 7 |
| ./. Recipients of multiple pensions | -15 | -17 | -16 | -34 |
| Total Pension recipients on December 31 | 3'417 | 3'383 | 3'345 | 3'308 |

Number of active members and pension recipients 1985–2008



THE FORM OF THE IMPLEMENTATION OF THE OBJECTIVE

Comment on the pension plan

The pension plan is implemented as a defined contribution plan according to the Swiss federal law on vesting in pension plans. The employers are obliged, within the scope of the Foundation, to insure in the pension plan in accordance with the Regulations all employees in their employ. The insured salary equates to the determining salary minus a coordination sum. The amount of the coordination sum is defined in the pension plan of the respective employer. A coordination sum of 30% of the determining salary is recommended, but in maximum this should be equivalent to the coordination sum defined by the BVG. Within the limits of the legal and regulatory provisions, the maximum determining salary can be defined by the affiliated company, just as they can define the splitting of the contributions between the employee and the employer.

Financing, financing method

The Foundation operates according to the principle of a defined contribution plan. The contributions comprise an age-independent risk contribution of 3.5% and an age-related graduated savings contribution. The basis for calculating the contributions is the insured annual salary.

The risk benefits are financed from the risk contributions using a pension valuation assessment procedure and are dependent on the level of the insured salary. They run until the effective or theoretical attainment of the actuarial retirement age of 62. Upon attaining the actuarial retirement age, the insured person's maintained savings capital will be converted into a retirement pension or a spouse's pension.

The pension capital of an actively insured person is equivalent to the individual savings capital and at the time of retirement will be converted into a retirement pension.

SIGNIFICANT ACCOUNTING POLICIES AND VALUATION METHODS, CONSISTENCY

Statement of compliance with Swiss GAAP FER 26

Bookkeeping, balancing of accounts and valuation complies with the provisions of the Swiss Code of Obligations (OR) and the BVG. The Financial Statements, consisting of the Balance Sheet, Income Statement and Appendix, give a true and fair view of the financial situation of the pension fund according to the spirit of the law governing occupational pension plans and complies with the regulations laid down in the Swiss GAAP FER 26.

Significant accounting policies and valuation methods

The following valuation principles were applied as at 31 December 2008.

Securities

Bonds and shares are valued at market value on the balance sheet day, the funds certificates are valued at the net asset value. The exchange gains and losses achieved and not achieved are entered into the books under Net Income.

Foreign currency translations

Income and expenses in foreign currencies are translated at the prevailing daily exchange rate. Assets and liabilities in foreign currencies are translated at the year-end exchange rates. The resulting exchange rate profits and losses are recognised in the Income Statement.

Mortgage loans

Mortgage loans are shown in the balance sheet at nominal value less necessary economic value adjustments.

Real Estate

The current market value of that real estate which is fully owned by the APK is calculated purely using the capitalised earnings value method. The capitalisation rate consists of the basic rate plus surcharges for risk and negotiability, operating, maintenance and management costs and for depreciation for age.

The co-ownerships of business properties are valued using the DCF (Discounted Cash Flow) method. For added value over and above the investment value, provisions are made for deferred taxes.

Pension liabilities and actuarial reserves

The pension liabilities and the actuarial provisions are calculated annually by the expert in accordance with recognised valuation principles and based on generally accessible actuarial principles.

Value fluctuations reserves

The value fluctuation reserves are formed to cover the market-specific risks associated with the capital investments in order to support the sustainable fulfilment of the promised benefits. Based on financial and economic considerations as well as on the actual conditions, the target figures set by the Foundation Board as at 31.12.2008 were:

| | |
|---|-----|
| CHF bonds | 10% |
| Foreign currency bonds | 15% |
| Equities including funds* | 25% |
| Residential properties including land | 5% |
| Commercial properties including co-properties | 10% |

* Incl. Commodities, Private Equity and Funds of Hedge Funds.

The target figure for the value fluctuation reserves for 2008 is CHF 159.5 million. As a result of the poor development of the capital markets, all value fluctuation reserves had to be dissolved.

Other assets / Other liabilities

The other assets and liabilities are shown in the balance sheet at nominal values.

ACTUARIAL RISKS AND COVERAGE RATIO

Type of risk benefit coverage, reinsurances

The Foundation is completely autonomous and carries the actuarial risks for age, death and disability, as well as the investment risks on the invested savings capital, itself. To cover the actuarial benefit risks appropriate provisions are made. The amount of these provisions is determined by the provisions regulations and the calculations made by the pension fund insurance expert.

To cover the investment risks, as far as this is possible, value fluctuation reserves are set aside. These reserves are determined according to financial/economical considerations and the financial situation of the APK. As of 31.12.2008 there are no longer any value fluctuation reserves available.

| | |
|---|-------------------|
| Savings capital in CHF thousands | 31.12.2008 |
| ▪ of the active insured members | 328'199 |
| ▪ of the pensioners | 814'000 |
| Actuarial provisions | 63'950 |
| Total required insurance capital | 1'206'149 |
| Available to cover the regulatory commitments | 1'195'161 |
| Coverage ratio in accordance with BVV2 Art. 44 | 99.1% |

Results of the the last actuarial audit

The last actuarial calculations were made per 31.12.2008. The coverage ratio in accordance with BVV2 Art. 44 amounts to 99.1%.

An expert report (actuarial balance sheet) as per 1.1.2009 will be commissioned.

The savings capital and the actuarial provisions are determined annually by the expert.

Actuarial fundamentals

The actuarial calculations are based on the following basic principles:

- Actuarial fundamentals (technical bases) BVG 2005
- Actuarial interest rate 3.5%

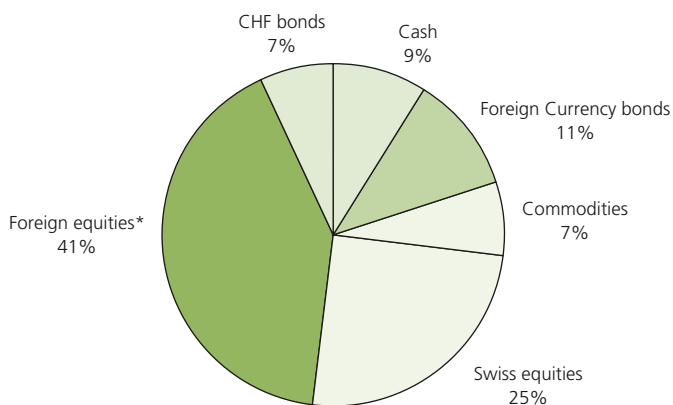
PRESENTATION OF THE INVESTMENTS BY INVESTMENT CATEGORIES

| Investment categories | Status as per 31.12.2008 in 1'000 CHF | % | Investment Strategy 2008 / % | Band- widths 2008 / % |
|--|--|--------------|---|--------------------------------------|
| Liquid funds and money market investments | 55'510 | 4.6 | 3.0 | |
| Accounts receivable | 3'481 | 0.3 | | |
| Accounts receivable from employer | 979 | 0.1 | | |
| CHF bonds | 44'644 | 3.7 | 4.0 | 3–5 |
| Foreign currency bonds | 67'761 | 5.6 | 6.0 | 5–7 |
| Commodities | 40'829 | 3.4 | 5.0 | 4–6 |
| Swiss equities | 154'079 | 12.7 | 14.0 | 12–16 |
| Foreign equities | 152'332 | 12.6 | 17.0 | 15–19 |
| Funds of Hedge Funds | 91'320 | 7.6 | 9.0 | 8–10 |
| Private Equity | 3'054 | 0.3 | 1.0 | 0–1 |
| Mortgage loans | 99'034 | 8.2 | 9.0 | 8–10 |
| Equipments | 0 | 0.0 | | |
| Real estate | 492'603 | 40.7 | 32.0 | 28–36 |
| Prepayments and accrued income | 2'709 | 0.2 | | |
| Total assets | 1'208'335 | 100.0 | 100.0 | |
| Investments in foreign currencies | 296'353 | 24.5 | | |
| Total equities* | 441'615 | 36.5 | | |
| Total intangible assets | 934'218 | 77.3 | | |

* Commodities, Private Equity and Funds of Hedge Funds included

EXPLANATION TO THE CAPITAL INVESTMENTS

Composition of the securities, liquid assets included, by investment categories at 31.12.2008



Investment categories

31.12.2008
Mio. CHF

| | |
|------------------------|--------------|
| CHF bonds | 44.6 |
| Foreign Currency bonds | 67.8 |
| Commodities | 40.8 |
| Swiss equities | 154.1 |
| Foreign equities* | 246.7 |
| Cash | 55.5 |
| Total | 609.5 |

* Hedge Funds & Private Equity included

Performance of securities

| | 2008 | |
|------------------------|---------------|---------------|
| | APK % | Benchmark* % |
| Cash | -1.67 | 2.70 |
| CHF bonds, Switzerland | 4.54 | 4.53 |
| CHF bonds, foreign | -9.98 | 4.53 |
| Foreign Currency bonds | -11.36 | -1.63 |
| Commodities | 21.64 | -40.41 |
| Funds of Hedge Funds | -28.62 | 5.00 |
| Private Equity | 23.93 | 9.00 |
| Swiss equities | -32.32 | -34.05 |
| Foreign equities | -43.60 | -44.76 |
| Total | -27.23 | -25.14 |

*The benchmark represents a standard of comparison for a capital investment.
Often an index or an absolute figure is used for this.

Return / Performance of the capital investments

| | 2008 Mio. CHF |
|---|------------------|
| Net assets on average | 1'334.4 |
| Total net result from investments (without interest costs) | -185.2 |

Return on total investments

| | 2008 |
|------------|--------|
| Net return | -13.9% |

Securities

| | 2008 |
|---|--------|
| Performance of the securities, including cash | -27.2% |

Mortgage loans

| | 2008 |
|----------------------------------|------|
| Net return on direct investments | 3.1% |

Real estate

| | 2008 |
|------------|------|
| Net return | 7.0% |

REPORT OF THE STATUTORY AUDITOR

Report of the Statutory Auditor

Ernst & Young AG have conducted an audit of the Financial Statements, overall management, investment management and individual retirement accounts of the APK for the year ended 31.12.2008. In their opinion, these are in compliance with the law, the Deed of Foundation and the Regulations. Ernst & Young AG recommend that the Financial Statements be approved.

The annual financial statement for 2007 has been approved without conditions

At the meeting on 26.8.2008, the Foundation Board approved the Statutes of the Ascom Pensionskasse (merger with the «Ascom Kadervorsorge-Stiftung» and the «Alpha-Vorsorge-Stiftung» on 1.1.2008) and the Reserves Regulations valid from 31.12.2008. With the letter dated 5.9.2008, these documents were forwarded to the supervisory authority. The approval of the Reserves Regulations is still outstanding.

Further information

Underfunding / comments about the measures taken (BVV2, Art. 44)

As of 31.12.2008 the APK has an underfunding. The coverage ratio stands at 99.1%. At the Foundation Board meeting on 25.11.2008, it was decided that in the financial year 2009 the savings capital will receive interest at the minimum rate defined by the Swiss Federal Council. Depending on development of the finance markets, the Foundation Board will decide on further remedial measures at its next meeting (April 09).

Events occurring after the balance sheet date

As a result of the uncertain economical situation, the coverage ratio is volatile.

Ascom Pensionskasse (APK)

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