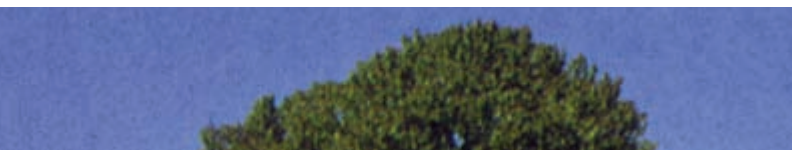


**Abridged Report of
Ascom Pensionskasse (APK)**

Financial Year 2000



2000 Annual Report



Based on the good results of 1999 APK was once again able in 2000 to distribute free funds to the active members and recipients of pensions. Without exception, the feedback was positive. Equally positively received were the regulations that came into effect on 1 January 2000. New possibilities: Withdrawal of capital upon retirement in the order of up to a maximum of 50% instead of the full pension, common-law partner's pension, the regulation of partial liquidations, etc. With these changes APK has set the tone for the liberalisation and adaptation to the social developments.

Again in the year under review, information played an important role for the APK. Through an annual statement of the insurance cover and the APK-Info, the insured persons are kept up to date about their personal insurance situation and about the most important events in the APK. Two information meetings were held, in addition to the annual delegates meeting, at which current issues related to the pension fund were presented and discussed. The APK now has its own Internet site under www.ascom.ch/apk.

On 1 April 2000, the Federal Council amended the BVV2 investment directives for pension schemes. This is intended to provide greater flexibility for investing capital while at the same time strengthening the security and personal responsibility. The first amendment to the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) as well as the 11th amendment to the AHV will – as far as can be judged – have no direct effect on the APK; the points included in these, in particular the equality between men and women including retirement age, are already implemented in the APK.

The foundation board consists of parity representation with 6 employee representatives and 6 employer representatives. During the year under review on the employer's side Jakob Schlapbach, who left the company, was replaced by Werner Siegenthaler and on the employees side Fred Kohler, who retired, was replaced by Hans Marti. We take this opportu-



nity to express our sincere thanks to the two departed members of the Foundation Board, Jakob Schlapbach and Fred Kohler, for their active participation.

Special topics dealt with by the Foundation Board were: Development and structure of the pension scheme, constitution of the Foundation Board and the committees, distribution of free funds, investment strategy, partial liquidation, conclusion of new affiliation agreements and selling and purchase of real estate.

For the performance of its diverse and complex tasks, the Foundation Board is supported by a number of committees. In addition, depending on the situation, the Foundation Board can appoint working groups for a limited period of time to handle special tasks. The Foundation Board continuously scrutinises the developments in the pension sector and registers new tendencies.

On the 31.12.2000 the fund comprised 5,091 active members (previous year: 5,247) and 3,283 pension recipients (previous year: 3,260). The pension fund's capital stood at CHF 1,397.3 million on 31.12.2000, a slight decrease compared with the previous year resulting from the decreased number of insured persons. The APK has a level of cover of 101.14%. Several affiliation agreements have been revoked with effect from 31.12.2001 (a total of approx. 480 insured persons).

Since the Balance Sheet date no events have occurred that have an influence on the statements in the Balance Sheet.

Berne, 29.5.2001

Ascom Pensionskasse

The full Annual Report in German can be obtained from the APK secretariat (Tel. 032/624 22 16).

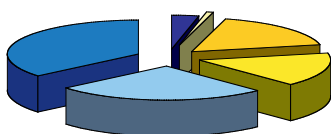
Balance Sheet

Assets	31.12.2000		31.12.1999	
	CHFm	%	CHFm	%
Liquid assets (post office/bank)	57.5	3.3	134.1	7.6
Receivables and prepaid expenses	15.3	0.9	17.3	1.0
Bonds / convertible and option	305.0	17.6	260.4	14.9
Mortgage loans	275.2	15.9	265.7	15.2
Total intangible assets	653.0	37.7	677.5	38.7
Shares	452.5	26.1	451.2	25.8
Real estate/land	627.0	36.2	620.4	35.5
Total tangible assets	1'079.5	62.3	1'071.6	61.3
Total Assets	1'732.5	100.0	1'749.1	100.0

Liabilities	31.12.2000		31.12.1999	
	CHFm	%	CHFm	%
Liabilities	5.4	0.3	4.1	0.3
Provisions, fluctuations and price transaction reserves	285.7	16.5	256.4	14.6
Savings capital	44.1	2.5	21.3	1.2
Pension fund capital	1'397.3	80.7	1'467.3	83.9
Total Liabilities	1'732.5	100.0	1'749.1	100.0

Necessary actuarial reserve (Savings fund and pension fund)	1'425.1	1'373.4
Level of cover	101.1%	108.4%

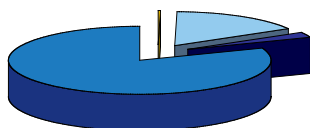
Assets 2000



■ Liquid assets	3.3%
■ Real estate/land	36.2%
■ Shares	26.1%
■ Mortgage loans	15.9%
■ Bonds	17.6%
■ Receivables	0.9%

Liabilities 2000

■ Savings capital	2.5%
■ Pension fund capital	80.7%
■ Liabilities	0.3%
■ Provisions/Reserves	16.5%



Income Statement

Income	in CHFm			
	2000		1999	
Contributions and transfers				
Employee contributions	24.8		25.6	
Employer contributions	25.4		26.2	
Purchase sum transfers	25.0	75.2	19.9	71.7
Income from interest				
Mortgage interest earned	10.6		9.9	
Other interest earned	1.2	11.8	2.7	12.6
Real estate				
Income from real estate	29.5		29.8	
Gains/(losses) on sales and value adjustments	-0.1	29.4	-11.2	18.6
Securities				
Income from interest and dividends	18.8		16.7	
Gains (net) on sale of securities incl. derivatives	86.8		21.1	
Non-realized losses (gains) on sale of securities	-111.9	-6.3	78.1	115.9
Provisions/Reserves				
Dissolution of reserves for price transaction variations and provisions for real estate, value adjustments	2.8		1.8	
Formation of fluctuation reserves for securities	-4.6		-29.7	
Allocation to renovation funds	-4.0	-5.8	-4.4	-32.3
Total Income		104.3		186.5

Expenses	in CHFm			
	2000		1999	
Termination payments	63.4		49.5	
Home ownership funding	3.2		3.1	
Pension payments incl. cost-of-living increase and death benefits	59.2		56.4	
General administrative costs (incl. security fund, administration of mortgages and securities)	3.1		2.9	
Constitution of a reserve for distribution of free funds	21.7			
Total Expenses		150.6		111.9
Surplus of expenses (income) Income Statement		-46.3		74.6
Total		104.3		186.5



General information and explanation of pension scheme

Foundation Organisation

- **Purpose of the Foundation**

The APK is an occupational pension plan set up in accordance with the provisions of the BVG (Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans) for employees (and their dependants) of Ascom companies and companies with business or financial affiliations with the latter, to provide financial benefits for retirement and in the event of premature death and disability.

The APK, based on a defined benefit plan, is governed by the Pension Scheme Regulations dated 1 January 2000. The fund is self-administered and thus bears full responsibility for risks.

Employers and employees pay equal contributions.

- **Legal Basis**

Deed of Registration dated 9 October 1997
Regulations dated 1 January 2000.

The Foundation is entered in the Occupational Pension Scheme Register for the Canton of Berne under No. BE.0221 and is subject to the supervision of the Berne Cantonal Office of Social Security and Supervisory Authority (ASVS).



• **Bodies**

Foundation Board: Employer representatives:

Anton Sutter, President / Peter Affolter /
Kurt Diethelm / Ernst Felchlin /
Bernhard Kolb / Jakob Schlapbach (till
28.2.2000) / Werner Siegenthaler (new)

Employee representatives:

Fred Kohler, Vice President (till
30.9.2000) / Daniel Messerli, Vice
President (from 1.10.2000) /
Hans Marti (new) / Jacques Schuler /
Teoman Schweizer / Alois Vogler /
Paul Weber

Committees: The Foundation Board is supported by
three committees with clearly defined
powers and responsibilities

- APK Real Estate committee
- APK Finance committee
- APK Human Resources committee

Delegates: A total of 37 delegates from 13 con-
stituencies representing all the affilia-
ted companies act as a liaison between
the Foundation Board and the insured.
The term of office is four years and
expires with the new election in
November 2001.



Management
Annegret Bertschy, Berne
Hans Stämpfli, Solothurn

Auditors
Ernst & Young Ltd., Berne

Actuaries
ATAG Libera AG, Pensionskassenberatung, Zurich

Principles of Accounting and Preparation of the Financial Statements



Bookkeeping, balancing of accounts and valuation comply with the provisions of the Swiss Code of Obligations and the BVG. The annual financial statement, consisting of the Balance Sheet, Income Statement and Appendix, provides an insight into the status of the financial situation of the Foundation.

The Foundation Board has entrusted the Foundation Accounting unit of Ascom to maintain the books in accordance with good commercial practice.

Invested assets and valuation principles

• Principles and organisation

The Foundation Board as the most senior body is responsible for the medium- and long-term investment of assets. Asset management is assigned as follows:

Investments in securities:	Ascom Finanz AG
Investments in real estate:	Ascom Immobilien AG

Investment activities are governed by the Foundation Board's investment strategy and respective asset management agreements as well as the investment guidelines.



- **Valuation principles**

Real estate is stated at market value. The following provisions/reserves are entered under liabilities:

- For deferred taxes: 22% of revaluation sum
- For selling costs: 3% of market value
- For price transaction variations: 5% of market value on residential property
15% of market value on commercial property.

Securities are valued as follows:

Nominal values:

- Bonds and medium-term notes at nominal value
- Convertible bonds and option bonds at market value
- Fluctuation reserves contained under liabilities:
 - 10% for bonds in Swiss francs
 - 15% for bonds in foreign currencies
 - 25% for convertible bonds and option bonds

Real values:

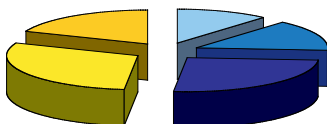
- Shares and equity funds at market value
- Fluctuation reserves contained under liabilities:
 - 25% of the market value

All other assets and liabilities are stated at nominal value.

Breakdown of securities according to investment categorie

(based on performance comparison)

	2000		1999	
	CHFm	%	CHFm	%
CHF Bonds	93.7	11.3	86.6	10.1
FC Bonds	123.4	14.9	119.6	14.0
Shares Switzerland	210.1	25.4	211.9	24.8
Shares abroad	244.0	29.6	239.0	27.9
Liquid assets/short-term receivables	154.9	18.8	198.1	23.2
Total	826.1	100.0	855.2	100.0



Performance of securities

	2000	1999
CHF bonds	3.0%	1.3%
Foreign currency bonds	2.8%	5.7%
Shares Switzerland	12.5%	8.1%
Shares abroad	-15.8%	49.6%
Liquid assets	3.0%	1.1%
Total incl. liquid assets	- 0.7%	14.3%
Total excl. liquid assets	-1.5%	18.9%
For comparison: BVG index excl. liquid assets	3.1%	6.7%

Derivative instruments

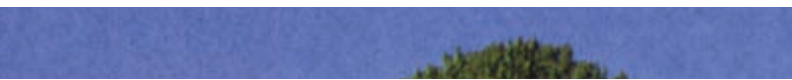
No call or put options were outstanding at 31 December 2000.



Return on investments

	2000	1999
Mortgages		
Net return on average assets	3.9%	3.7%
Securities (incl. liquid assets)		
Performance	- 0.7%	14.3%
Real estate		
Total net return (before valuation corrections of real estate based on market value)	4.8%	4.9%
Overall return		
On average value of interest-payable assets prior to valuation adjustments	1.8%	8.4%

Report of the Auditors



Ernst & Young Ltd. have conducted an audit of the Financial Statements, overall management, investment management and individual retirement accounts of the APK for the year ended 31 December 2000. In their opinion, these are in compliance with the law, the Deed of Foundation and the Regulations. Ernst & Young Ltd. recommend that the Financial Statements be approved.