

MEDIA RELEASE

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Ascom reports strongly increased Group profit for 2013 – higher dividend proposed

- **Group profit increased by about 70% to CHF 36.9 million**
- **Ascom core business recorded improved EBITDA margin of 15.7%**
- **Strong operating cash flow generation of CHF 63.3 million**
- **Net debt reduced to CHF 2.9 million**
- **Increased dividend of 0.40 CHF per share proposed**

- **Wireless Solutions:**
 - Further strengthened its leading global market position in the healthcare segment
 - Incoming orders increased by 7.6%
 - Outstanding EBITDA margin of 17.3% achieved

- **Network Testing:**
 - Confirmed with good results in 2013 the successful turnaround achieved in 2012
 - Strong growth in incoming orders by 17.7%
 - Double-digit EBITDA margin of 13.4% achieved

- **Guidance:**
 - Revenue growth (core business): 5–10% for 2014 and 2015
 - EBITDA margin (core business): 15–16% for 2014; 16–17% for 2015

- **Implementation of the new ordinance against excessive compensation:**
 - Adaption of Articles of Association at coming Annual General Meeting

EBITDA margin of 15.7% for the Ascom core business

Ascom realized a strong improvement in the results during fiscal year 2013. In its core business, which includes Wireless Solutions, Network Testing and Corporate, but excludes the non-core activities related to real estate, incoming orders rose by 10.6% year-on-year, also due to a strong order intake in December 2013. Order backlog increased by 12.4% year-on-year, creating a very good basis for further revenue growth. In 2013, Ascom generated in its core business revenue of CHF 439.2 million, representing a growth rate of 2.7%. Moreover, Ascom closed the year under review with a substantial hike in profitability and posted in its core business EBITDA of CHF 68.9 million and an EBITDA margin of 15.7%.

Including the non-core activities related to real estate, Ascom Group generated in 2013 total revenues of CHF 459.7 million (2012: CHF 449.8 million) corresponding to a growth rate of 2.2%. EBITDA amounted to CHF 67.6 million (2012: CHF 49.0 million) and the EBITDA margin increased to 14.7% (2012: 10.9%). Non-core activities contributed with a loss of CHF 1.3 million at EBITDA level.

Group profit increased by about 70%

Ascom reported a Group profit for 2013 at CHF 36.9 million, which is about 70% higher than in the previous year (2012: CHF 21.8 million). In view of the excellent results, the Board of Directors will propose to the Annual General Meeting an increased dividend of CHF 0.40 per share.

As of 31 December 2013, the Ascom Group reduced its net debt substantially to CHF 2.9 million (2012: CHF 41.3 million); cash and cash equivalents came to CHF 58.2 million (2012: CHF 63.1 million), and the equity ratio increased to 51.6%.

Ascom Wireless Solutions – very good results achieved in 2013

Wireless Solutions continued to steadily develop with a high profitability level. The division recorded revenue growth of 2.8% year-on-year to CHF 306.1 million (2012: CHF 297.7 million). Incoming orders increased by 7.6% to CHF 318.7 million, and order backlog rose by 14.4% to CHF 102.6 million. In terms of profitability, Wireless Solutions further improved its already high EBITDA margin and achieved the best year ever. In 2013, the division recorded an EBITDA of CHF 53.1 million (2012: CHF 48.2 million) corresponding to an outstanding margin of 17.3% (2012: 16.2%).

Wireless Solutions was able to strengthen and expand its excellent position in the healthcare segment, in particular in patient systems. During 2013, the division successfully completed the integration of the GE Nurse Call business, and it won significant orders in important healthcare markets. On 2 January 2014, the division closed the acquisition of the Australian company Integrated Wireless, which is an

excellent strategic step to gain access to the Asia Pacific markets and to further expand the division's leading position in the global healthcare market. Wireless Solutions positioned itself as "the solutions provider for workflow optimization in healthcare".

Ascom Network Testing – profitable growth and double-digit EBITDA margin

With solid 2013 results, Ascom Network Testing confirmed its successful turnaround implemented in 2012. Having optimized its organizational structure and significantly reduced its cost base in 2012, the division was able to capitalize on the recovery of its addressed markets and succeeded in achieving its financial targets. Revenue grew by 2.2% totaling CHF 133.3 million (2012: CHF 130.4 million), and incoming orders increased by 17.7% to CHF 139.6 million (2012: CHF 118.6 million). The division recorded a strong improvement in profitability with an EBITDA of CHF 17.9 million, corresponding to an EBITDA margin of 13.4% after a loss of CHF 4.6 million in 2012.

Network Testing positions itself as "trusted partner in wireless network investment and management". The division has a strong market position and a widespread organizational footprint with its truly global customer base that provides a solid basis for further organic growth.

Guidance 2014 and 2015

Ascom has defined specific growth initiatives for both divisions in order to reach revenue growth of 5–10% p.a. in its core business for 2014 as well as for 2015. This growth plan includes selected smaller acquisitions. Ascom has set its EBITDA margin targets for the core business at 15–16% for 2014 and at 16–17% for 2015. These margin targets reflect the Group's strong intention to grow also inorganically and hence anticipate costs related to the integration of the acquired businesses in the first twelve months.

Implementation of the new ordinance against excessive compensation

As of 1 January 2014, a new Swiss "Ordinance against excessive compensation in listed corporations" became effective that aims to further strengthen shareholders' rights. Ascom has decided to comply with the new ordinance earlier than required and will propose all necessary changes to the Articles of Association at the upcoming Annual General Meeting. The Board of Directors wants to avoid any uncertainties and to find appropriate solutions for Ascom.

Transfer of legal domicile

As of 1 November 2013, the Ascom Head Office has been relocated to Baar (ZG). The Board of Directors proposes to the shareholders at the Annual General Meeting to transfer the legal domicile of Ascom Holding AG to Baar as well.

Renewal of the Board of Directors

Ascom wants to strengthen its position in the global healthcare industry as well as continue to grow in new markets. Therefore the Board of Directors proposes with Christina Stercken and Dr Harald Deutsch two new candidates to be elected as Members of the Board of Directors. The current members Juhani Anttila, Dr J.T. Bergqvist, Cornelia Gehrig, and Andreas Umbach stand for re-election. Thus the Board of Directors continues to consist of six members.

KEY FIGURES

Ascom Group

	2013	2012
Incoming orders (CHFm)	478.0	436.4
Revenue (CHFm)	459.7	449.8
EBITDA (CHFm)	67.6	49.0
Group profit (CHFm)	36.9	21.8
Earnings per share (EPS _{in CHF})	1.07	0.64
Number of employees (FTE)	1,586	1,771

Wireless Solutions

CHFm	2013	2012
Incoming orders	318.7	296.1
Revenue	306.1	297.7
EBITDA	53.1	48.2
Number of employees (FTE)	1,109	1,247

Network Testing

CHFm	2013	2012
Incoming orders	139.6	118.6
Revenue	133.3	130.4
EBITDA	17.9	(4.6)
Number of employees (FTE)	462	507

The full 2013 Annual Report of the Ascom Group is available online at
<http://www.ascom.com/en/index/investor-relations/ir-reports-presentations.htm>

The full 2013 Annual Report presentation is available after the media and analyst conference at
<http://www.ascom.com/en/index/investor-relations/ir-reports-presentations/ir-media-presentations.htm>

ABOUT ASCOM

[Ascom](#) is a global solutions provider with comprehensive technological know-how in mission-critical wireless communication. The company focuses on the [Wireless Solutions](#) (high-value, customer-specific communication solutions) and [Network Testing](#) (a global market leader in testing and optimization solutions for mobile networks) divisions. The Ascom Group is headquartered in Switzerland, has subsidiaries in 17 countries, business activities in more than 130 countries, and employs around 1,600 people worldwide. Ascom registered shares (ASCN) are listed on the SIX Swiss Exchange in Zurich.

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