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Strong first half-year 2015 accelerates Ascom's transformation into a healthcare ICT company

- **Double-digit growth in both divisions**
 - Revenue growth on Group level of 9.0% at constant currencies despite the anticipated decrease in non-core real estate activities
 - Ascom core business (Wireless Solutions, Network Testing and Corporate, but excluding non-core real estate activities): Revenue growth of 13.3% at constant currencies
 - Wireless Solutions: Revenue increase of 14.6% at constant currencies
 - Network Testing: Revenue growth of 10.1% at constant currencies

- **Profitability substantially improved**
 - Group profit increased by one third to CHF 11.0 million
 - Ascom core business: EBITDA increased by 23% to CHF 20.6 million
 - Wireless Solutions: EBITDA margin increased by one third to 14.4%
 - Network Testing: EBITDA margin of 0.7%, impacted by the slowdown of the product unit Systems & Solutions and due to planned investments

- **Strategy implementation well under way**
 - Acceleration of strategy implementation with focus on healthcare ICT markets to be continued and – as announced in January 2015 – significant investments will be made during the full-year 2015
 - Selected acquisitions are intended to support growth strategy
 - Measures initiated to maintain in a sustainable way the revenue growth and to improve the profitability of Network Testing within the next 12 months
 - In parallel, various strategic options for Network Testing being evaluated

- **Guidance full-year 2015 confirmed** (core business at constant currencies):
 - Revenue growth: 3 – 7%
 - EBITDA margin: 13 – 16%

Strong development in Ascom's core business

In its core business (Wireless Solutions, Network Testing and Corporate, but excluding the activities related to non-core real estate) Ascom generated revenue of CHF 201.6 million (H1/2014: CHF 193.4 million) and achieved strong revenue growth of 13.3% at constant currencies and 4.2% at actual currencies. Incoming orders grew 4.1% at constant currencies and reached CHF 209.9 million (H1/2014: CHF 219.7 million). Also in terms of profitability, results for the first six months of 2015 were very satisfactory. Ascom closed the first half-year in its core business with an increase of 23% in EBITDA to CHF 20.6 million (H1/2014: CHF 16.7 million). This result includes planned and substantial additional investments to accelerate the "Ascom 2020" strategy with its focus on healthcare ICT. The EBITDA margin went up to 10.2% (H1/2014: 8.6%).

The Ascom Group includes, in addition to its core business, still some non-core real estate activities. Ascom as a Group generated in the first half-year revenue of CHF 203.3 million (H1/2014: CHF 202.7 million) and achieved revenue growth of 9.0% at constant currencies despite the anticipated revenue decrease in non-core real estate activities of CHF 7.6 million. Incoming orders amounted to CHF 211.6 million (H1/2014: CHF 229.0 million) and showed a flat development at constant currencies. Ascom Group closed the first half-year 2015 with an EBITDA margin of 10.1% (H1/2014: 10.5%).

Ascom is transforming into a healthcare ICT company

Continuous progress was made and Ascom is well positioned to lead the market for workflow optimization and to become the leading provider for integrated workflow solutions in healthcare. In January 2015, the strategic focus was announced to transform Ascom into a healthcare ICT company. The investment plan called "Ascom 2020" to accelerate the investments into solutions, software and professional services was successfully launched. The implementation of the plan is well underway and additional investments of up to CHF 8 million during the full-year 2015 will be made expanding Sales, Marketing and Technology capabilities whilst creating a new Global Solutions Center. The launch of Ascom Myco, a smart device, which is purpose-built for the healthcare industry, went according to plan and a number of reference projects in different countries were won. The investment into Ascom Myco represents a key strategic milestone for the division and important mid-term business catalyst.

Wireless Solutions experienced a very good first half-year 2015. All key regions made a positive contribution to the division's success and dynamic development. The business in North America bounced back and sales developed very well. Solid double-digit revenue growth rates were achieved also in the Nordic area, Germany and Switzerland. Sales with OEM partners continued to be very strong.

Given the division's excellent market position and supported by strong momentum in its key markets, Wireless Solutions grew its revenue to CHF 147.2 million (H1/2014: CHF 140.8 million), representing an increase of 14.6% at constant currencies and of 4.5% at actual currencies. Incoming orders amounted to CHF 160.0 million (H1/2014: CHF 161.9 million) and increased by 8.6% at constant currencies. Despite the planned and substantial additional investments to accelerate the "Ascom 2020" strategy, Wireless Solutions was able to increase its EBITDA margin to 14.4% (H1/2014: 10.9%).

Network Testing posted double-digit revenue growth

Network Testing (accounting for about 27% of the Group's business) posted in the first half-year 2015 revenue of CHF 54.6 million (H1/2014: CHF 52.7 million) representing a growth rate of 10.1% at constant currencies and 3.6% at actual currencies. The testing business of the division (which accounts for about 87% of the division's business and excludes the product unit Systems & Solutions) achieved in the first half-year 2015 revenue growth of 13.3% at constant currencies and 7.4% at actual currencies.

Incoming orders on divisional level amounted to CHF 50.1 million (H1/2014: CHF 57.9 million). Adjusted for currency effects, incoming orders of the division's testing business (excluding the product unit Systems & Solutions) were in line with the previous year.

The division generated above-average growth in Asia and Americas. Network Testing as a global industry leader in mobile network testing was selected by one of the largest network operators in China as the only vendor for Test & Measurement products from outside China. Impacted by the planned additional investments in the further development of the business and the slowdown of the Systems & Solutions unit, the EBITDA margin amounted to 0.7% whereas the division's testing business achieved an EBITDA margin of 1.5%. The product unit Systems & Solutions (which accounts for about 13% of the division's business) performed below expectations.

Group profit increased by about one third

Ascom is a financially sound global technology group. Driven by the positive business development, Ascom increased Group profit in the first six months by about one third to CHF 11.0 million (H1/2014: CHF 8.2 million) reflecting a substantial improvement in earnings quality as the Group profit for the first half-year 2015 does not include any gains from real-estate activities. By contrast, the Group profit for the first half-year 2014 benefited from real estate gains of CHF 4.7 million and amounted to CHF 3.5 million net of these effects. The Group closed the first half-year 2015 with an EBITDA margin of 10.1% (H1/2014: 10.5%). As of 30 June 2015, the Group showed a net cash position of CHF 22.5 million and an equity ratio of 53.6%.

Strategic options to be evaluated for Network Testing

Supported by the ongoing strong momentum in market, growth and profit development, Ascom will continue the accelerated implementation of the strategy to become the leading provider for integrated workflow solutions in healthcare and further transform into a healthcare ICT company. Selected acquisitions are intended to support the growth strategy. Measures have been initiated to maintain in a sustainable way the revenue growth and to improve the profitability of the Network Testing Division within the next 12 months. In parallel, various strategic options for Network Testing will be evaluated.

Based on the good results achieved for the first half-year 2015 and the positive outlook for the second half-year, Ascom confirms its 2015 guidance for the core business to reach an organic revenue growth of 3 – 7% and an EBITDA margin of 13 – 16%.

Key figures Ascom Group

1 st half-year CHFm	2015	2014
Incoming orders	211.6	229.0
Revenue	203.3	202.7
EBITDA	20.5	21.3
<i>EBITDA margin (in %)</i>	10.1%	10.5%
Group profit	11.0	8.2

Key figures Ascom core business*

1 st half-year CHFm	2015	2014
Incoming orders	209.9	219.7
Revenue	201.6	193.4
EBITDA	20.6	16.7
<i>EBITDA margin (in %)</i>	10.2%	8.6%

*incl. Wireless Solutions, Network Testing and Corporate, excl. activities related to non-core real estate

Key figures Wireless Solutions

1 st half-year CHFm	2015	2014
Incoming orders	160.0	161.9
Revenue	147.2	140.8
EBITDA	21.2	15.4
<i>EBITDA margin (in %)</i>	14.4%	10.9%

Key figures Network Testing

1 st half-year CHFm	2015	2014
Incoming orders	50.1	57.9
Revenue	54.6	52.7
EBITDA	0.4	2.3
<i>EBITDA margin (in %)</i>	0.7%	4.4%

The complete 2015 Half-Year Report of the Ascom Group is available in English only and can be viewed online at www.ascom.com/hyr2015-en.

The full presentation of the Media & Analyst Conference (in English) can be downloaded with the beginning of the conference at:
www.ascom.com/en/index/investor-relations/ir-reports-presentations/ir-media-presentations.htm

ABOUT ASCOM

[Ascom](#) is an international solutions provider with comprehensive know-how in healthcare workflows and telecommunications. The company is active in [Wireless Solutions](#) (an international market leader for high-value, customer-specific on-site communication solutions and workflow optimization) and [Network Testing](#) (a global market leader in testing, monitoring, post processing, and performance optimization for mobile networks). The Ascom Group is headquartered in Switzerland, has subsidiaries in 19 countries and employs around 1,700 people worldwide. Ascom registered shares (ASCN) are listed on the SIX Swiss Exchange in Zurich.

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