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Ascom Group Media Office, Daniel Lack, Company Secretary & CCO

+41 41 544 78 10, daniel.lack@ascom.com

Ascom made good progress with its transformation into a leading provider of healthcare ICT solutions in 2015

Ascom Group

- Net revenue increase by 1.5% at constant currencies
- EBITDA margin of 11.6% (excl. additional restructuring costs for CHF 4 million for Network Testing)
- Net cash position of CHF 37.3 million and solid equity ratio of 40.7%
- Group profit of CHF 24.3 million
- Unchanged dividend of CHF 0.45 per share proposed (payout ratio of 66.7%)

Wireless Solutions

- Solid results and good profitability
- Net revenue growth of 3.7% year-on-year at constant currencies
- EBITDA margin of 15.0% despite additional expenditure of about CHF 6 million due to the investment program
- Strengthening the leading market position in healthcare ICT due to important hospital lighthouse wins, strategic alliance in the USA, an acquisition in Italy

Network Testing

- Results were impacted by difficult market conditions, mainly towards year-end
- Net revenue decline of 4.5% at constant currencies
- EBITDA margin of 2.7% excluding restructuring cost of about CHF 4 million
- New partnering opens up market opportunities in in-building networks

Outlook

- Wireless Solutions with revenue growth of 5–10% at constant currencies and an EBITDA margin of 14–18% for 2016 and 2017
- Network Testing returning to growth and significant improvement in profitability

**2015 was a strategically important year for Ascom**

As announced in January 2015, Ascom has embarked to transform the Group into a company focusing on IT and communication technology primarily in the healthcare industry by 2020. Already today, Ascom is well positioned as a provider of integrated workflow solutions mainly in healthcare and the market offers attractive and profitable growth opportunities on a global level. During 2015, the Company accelerated investments into solutions, software and professional services and expanded Sales, Marketing and Technology capabilities.

Thanks to the Wireless Solutions Division, Ascom Group reported an increase in revenues at constant currencies in 2015 of 1.5%, and generated revenues of CHF 410.8 million (2014: CHF 437.7 million). EBITDA on Group level amounted to CHF 43.8 million (2014: CHF 64.8 million) including restructuring costs of CHF 4 million for the Network Testing Division. Excluding these restructuring costs, Ascom posted an EBITDA margin of 11.6% for fiscal year 2015 (2014: 14.8%).

Unchanged dividend of CHF 0.45 per share

Ascom generated a Group profit of CHF 24.3 million (2014: CHF 37.5 million). As of 31 December 2015, the Group has a net cash position of CHF 37.3 million (2014: CHF 27.1 million) and a solid equity ratio of 40.7% (2014: 34.4%).

The Board of Directors proposes an unchanged dividend of CHF 0.45 per share to the Annual General Meeting in acknowledgement of the continued solid business performance of Wireless Solutions, offering a dividend yield of about 3% and a payout ratio of 66.7% (2014: 43.2%).

Solid result for Wireless Solutions

In 2015, Wireless Solutions experienced a good performance in important key regions. Overall, the division recorded revenue growth of 3.7% year-on-year at constant currencies, posting revenues of CHF 304.2 million (2014: CHF 318.9 million). Growth in the acute care segment was clearly above-average. Despite additional expenditure of around CHF 6 million as part of the accelerated investment program, the division achieved a solid EBITDA margin of 15.0% (2014: 17.5%).

Supported by the successful launch of Ascom Myco, a purpose-built smart device for the healthcare industry leading to important hospital lighthouse project wins, the division was able to further strengthen its leading market position in healthcare ICT. Wireless Solutions established in 2015 an important strategic alliance with Tyco SimplexGrinnell for integrated healthcare communication solutions in the United States and Canada. Another important step towards becoming a leading provider of healthcare ICT solutions was the acquisition of the Italian medical software company UMS (United Medical Software), announced in December 2015.

**Difficult market environment for Network Testing**

In the second half-year 2015, Network Testing faced an increasingly challenging market environment due to substantial changes in the North American Telecom sector. One major North American operator postponed significant network investments, resulting in a revenue decline of USD 8 million for Network Testing in 2015. The negative impact was partly offset by otherwise good results in North America. In addition, Systems & Solutions (which was divested as of December 2015) suffered from a declining demand. Overall, Network Testing recorded revenues of CHF 107.0 million (2014: CHF 119.0 million), a decline by 4.5% at constant currencies. To improve profitability and to align the testing business to the new market realities, structural changes and cost measures already have been initiated in December 2015. Excluding restructuring costs of around CHF 4 million, the EBITDA margin was at 2.7%. The division's testing business (excluding Systems & Solutions) posted an EBITDA margin of 6% before restructuring costs.

In order to improve the division's profitability, also growth initiatives have been launched, including a partnering with Ranplan, a British mobile network planning and design innovator that opens up new market opportunities in the field of in-building networks.

Outlook

Ascom has the ambition to be present in every tier-one hospital in the world by 2020, and will continue its transformation towards becoming a leading provider of healthcare ICT solutions. Wireless Solutions aims for sustainable growth both organically as well as through strategic partnerships or further targeted acquisitions, while maintaining and increasing its level of profitability. As announced, Ascom is actively pursuing ongoing discussions of potential strategic options for Network Testing with various interested parties, representing both strategic and financial investors.

Ascom confirms its guidance for Wireless Solutions for 2016 and 2017, targeting revenue growth of 5–10% at constant currencies with an EBITDA margin of 14–18%. Due to the seasonality of the business, the second half-year is expected to be distinctively stronger than the first one. Network Testing has the objective to return to growth combined with a significant improvement in profitability, also expecting a stronger second half-year.


KEY FIGURES
Ascom Group

	2015	2014
Net Revenue in CHFm	410.8	437.7
EBITDA in CHFm	43.8	64.8
Group profit in CHFm	24.3	37.5
Earnings per share (EPS) in CHF	0.69	1.07
Number of employees (FTE) at 31.12.	1,658	1,696

Wireless Solutions

	2015	2014
Incoming orders in CHFm	311.8	333.3
Net Revenue in CHFm	304.2	318.9
EBITDA in CHFm	45.5	55.8
Number of employees (FTE) at 31.12.	1,237	1,196

Network Testing

	2015	2014
Incoming orders in CHFm	101.1	117.3
Net Revenue in CHFm	107.0	119.0
EBITDA in CHFm	-1.1	10.6
Number of employees (FTE) at 31.12.	407	485

Ascom switches from IFRS to Swiss GAAP FER valid as of financial year 2015

The consolidated financial statements 2015 of the Ascom Group have been prepared in accordance with Swiss GAAP FER accounting standards for the first time. For reasons of comparability, the 2014 figures were restated to reflect a Swiss GAAP FER comparison for both financial years.

The full 2015 Annual Report of the Ascom Group is available online at

<http://www.ascom.com/en/index/investor-relations/ir-reports-presentations/annual-reports.htm>

The full 2015 Annual Report presentation is available at

<http://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 1,600 people worldwide. Ascom registered shares (ASCN) are listed on the SIX Swiss Exchange in Zurich.

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