



17 August 2016

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

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

Ascom is on the right track with the implementation of its strategy – 2016 is a year of transformation

Ascom Group

- Implementation of the strategy to become a leading provider of healthcare ICT and mobile workflow solutions in 2020 is on track
- Portfolio decision to convert Ascom to a one-business company and streamlining of the Company with the target of a clearly lower cost base
- Group loss of CHF 5.6 million mainly due to substantial loss of Network Testing Division
- Financially sound with cash and cash equivalents of CHF 33.6 million and an equity ratio of 35.5% as of 30 June 2016
- Dedicated focus on profitable organic growth, no major acquisitions planned

Wireless Solutions

- Solid first half-year results with an overall flat revenue development
- Double-digit EBITDA margin of 10.0% impacted by investments made in connection with the transformation of the Company into a solutions provider
- Healthcare business increased revenue by 6.8%

Network Testing

- Net revenue declined to CHF 35.2 million due to a difficult market environment
- Functional costs reduced by about CHF 2 million compared to the prior half-year, however loss of CHF 7.9 million at EBITDA level

Outlook second half-year 2016

- Clearly stronger second half-year expected in both divisions
- Healthcare business expected to grow at double-digit rates

**Ascom Group – 2016 is a year of transformation**

Ascom is looking back to a challenging first-half year. Wireless Solutions achieved solid results with an overall flat revenue development and a double-digit EBITDA margin. However, the Group result was strongly impacted by the substantial loss in the Network Testing Division. In addition, one-time costs in connection with the change of the CEO, costs of exploring strategic options for Network Testing as well as consultancy costs in preparing the OneCompany structure lead to an additional deterioration of the result.

The Company closed first half-year 2016 with net revenue of CHF 181.3 million (H1/2015: CHF 201.6 million), an EBITDA of CHF 5.2 million (H1/2015: CHF 20.5 million) and a loss at Group level of CHF 5.6 million (Group profit H1/2015: CHF 11.4 million). Regardless of the first-half year result, Ascom is financially sound with cash and cash equivalents of CHF 33.6 million and a solid equity ratio of 35.5% as of 30 June 2016.

Wireless Solutions – Solid first half-year results

Wireless Solutions (accounting for about 80% of the Group's business) made further progress in its transformation towards becoming a leading provider of healthcare ICT and mobile workflow solutions. In the first half-year 2016, the division generated net revenue of CHF 146.5 million (H1/2015: CHF 147.1 million). The healthcare business (about 60% of the division's revenues) achieved net revenue growth of 6.8%. The drop in volume demand in the OEM channel and the investments made in connection with the transformation into a solutions provider contributed to lower profitability. The division achieved an EBITDA of CHF 14.6 million with a double-digit margin of 10.0% (H1/2015: 14.4%).

Strategic options for Network Testing

The division experienced a difficult first half-year due to the challenging market environment. Net revenue in the first half-year 2016 declined to CHF 35.2 million (H1/2015: CHF 54.6 million). Although the functional costs could be reduced by about CHF 2 million compared to the prior half-year, the division incurred a loss of CHF 7.9 million at EBITDA level.

In the last months, several intensive discussions with strategic and financial investors have taken place to evaluate strategic options for Network Testing. These discussions will be continued with the target to find a good solution for all stakeholders.

Ascom focuses on organic growth

Ascom Wireless Solutions has a good customer base mainly in Western Europe and in the USA and is expanding its presence to new geographic areas. The latest lighthouse wins in Australia and Singapore are good examples of Ascom's competitive edge. The Company wants to grow organically based on own expertise and a strong focus on innovation and software development. In order to participate in a broader way in workflow solutions, Ascom



will increase its software development efforts and investments. In addition, new strategic alliances and partnerships will support the Company in implementing its strategy.

Fundamental transformational steps in 2016

The swift implementation of this Ascom 2020 strategy with sustainable profitable growth is a priority for the Board of Directors. The Board is convinced that it has initiated the right steps to accelerate its strategy under the leadership of Holger Cordes as new CEO of Ascom.

2016 is a year of transformation for Ascom. On the one hand, the Company plans to fully concentrate on the transformation of Ascom into a leading provider of healthcare ICT and mobile workflow solutions. On the other hand, Ascom as a Group will be converted from a divisional and regional set up to a OneCompany organization with one business, one mission and one culture.

A fast implementation of the new OneCompany organization is important to accelerate the execution of the strategy. Ascom will be tailored to be an agile one-business company focused on healthcare ICT and mobile workflow solutions with a significant lower cost base. The Company will accelerate the integration of the portfolio and enhance a comprehensive value proposition. A global platform approach in R&D, product management and process standardization will strengthen the market position. The organization and administration will be leaner and more aligned with customer needs. Ascom will accelerate the pace of innovation by building a world-class cutting-edge development team to enhance the software development capabilities.

Looking forward

Supported by the increased order backlog and a strong sales pipeline, Ascom expects a clearly stronger second half-year 2016 in both divisions; in particular, healthcare business is expected to grow at double-digit rates. However, second half-year result will be impacted by the costs for the OneCompany program of about CHF 10 million, which will lower the annual cost base by about CHF 10 million with a payback of 12 months.

Ascom will become one company with one mission and one culture in a very promising growing market. The focus on one business will lead to better earnings stability. The Board of Directors and the Management are convinced that Ascom is well positioned to achieve sustainable organic growth and to generate strong cash flows in the coming years.



KEY FIGURES 1st Half-year

| CHFm | Wireless Solutions | | Network Testing | | Total Ascom | |
|----------------------------------|--------------------|-------|-----------------|------|--------------|-------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Incoming orders | 158.3 | 160.0 | 43.0 | 50.0 | 200.9 | 209.9 |
| Order backlog | 131.6 | 119.5 | 23.9 | 25.3 | 155.5 | 144.8 |
| Net revenue | 146.5 | 147.1 | 35.2 | 54.6 | 181.3 | 201.6 |
| EBITDA | 14.6 | 21.2 | -7.9 | 0.4 | 5.2 | 20.5 |
| Group loss/profit for the period | | | | | -5.6 | 11.4 |
| Employees (FTE) at 30.06. | 1,303 | 1,217 | 394 | 476 | 1,712 | 1,708 |

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER accounting standards since the beginning of 2015. Prior 1st half-year figures previously reported under IFRS have been restated accordingly.

The complete 2016 Half-year Report of the Ascom Group is available in English only and can be viewed online at: www.ascom.com/2016-en

The 2016 Half-year Report presentation is available at:

<http://www.ascom.com/corp/investor-relations/reports-presentation.html>

ABOUT ASCOM

[Ascom](http://www.ascom.com) 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.

This document does not constitute an offer or solicitation to subscribe for, purchase or sell any securities. This document is not being issued in the United States of America or the United Kingdom and should not be distributed in any jurisdiction in a manner where such distribution would not comply with regulatory requirements. In particular, this document may not be distributed into the United States, to United States persons or to publications with a general circulation in the United States. In addition, the securities of Ascom have not been and will not be registered in any jurisdiction outside Switzerland. The securities of Ascom may not be offered, sold or delivered and no solicitation to purchase such securities may be made within the United States or to U.S. persons absent an applicable exemption from the registration requirements of the United States securities laws or within any other jurisdiction and in a manner where such offer, sale, delivery or solicitation might not be in compliance with regulatory requirements (including the United Kingdom).