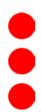
Media Release





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profitability in the second half-year

Preliminary results: 2016 was a year of major transformation for Ascom – Wireless Solutions achieved a solid result with increased

- 2016 was a year of major transformation for Ascom, in line with the Board's decision to strategically transform Ascom into a leading provider of healthcare ICT and mobile workflow solutions. The new management implemented the OneCompany organization according to plan and the related savings initiatives are largely executed.
- Wireless Solutions achieved a solid result with an increased gross margin and overall profitability in the second half-year 2016.
- As already communicated in August 2016, Ascom will realize for 2016 a non-cash extraordinary loss of around CHF 145 million in connection with the divestment of Network Testing. Moreover, Network Testing suffered from an operative loss of CHF 20.0 million in 2016. As a result of these extraordinary effects, Ascom expects a loss at Group level of around CHF 146 million for financial year 2016.
- Full details of Ascom's financial statements and the Annual Report 2016 will be published on 9 March 2017.

Implementation of the new OneCompany organization largely executed

During Q4 2016, Ascom successfully converted from a divisional and regional set-up to a OneCompany functional organization with one business, one mission and one culture. Going forward, Ascom fully concentrates on the transformation of the business into a leading provider of healthcare ICT solutions. Upcoming launches of new solutions and products, targeted sales initiatives and continuous improvement toward OneCompany will further drive operational excellence. As indicated in the half-year reporting 2016, the full year result 2016 was impacted by non-recurring costs for the OneCompany program of about CHF 10.6 million. These measures initiated will lower the annual cost base by about CHF 10 million in 2017.





Solid result for Wireless Solutions with a higher profitability in the second half-year Wireless Solutions once again proved to be a stable business with good profitability. Based on preliminary unaudited results, revenues recorded in 2016 were in line with the previous year of about CHF 301 million (2015: CHF 304.2 million). The healthcare business grew in

2016 by about 5%. Incoming orders amounted to about CHF 303 million (2015: CHF 311.8

million).

Adjusted for the restructuring costs of about CHF 10.6 million in connection with the OneCompany program, Wireless Solutions achieved in financial year 2016 an EBITDA margin of around 13.8% (2015: 15.0%) with increased R&D costs. Supported by a higher gross margin, the profitability increased in the second half-year to an EBITDA margin of about 17.4% (adjusted for the OneCompany restructuring costs) compared to 10.0% for the first half-year 2016 and to 15.5% for the second half-year 2015.

Group loss due to the divestment of Network Testing

The former Division Network Testing continued to suffer from the very difficult market environment for telecom operators with consolidating markets and significant price pressure over the last years. In the first nine months of 2016, the Network Testing Division (which was divested as of 30 September 2016) posted net revenue of CHF 53.8 million and an operating loss of CHF 20.0 million on EBIT level. As announced in the media release of 22 August 2016, the divestment of the Network Testing Division led to an extraordinary loss of around CHF 145 million, resulting principally from the non-cash recycling of goodwill previously offset against shareholders' equity according to Swiss GAAP FER. As a result of these extraordinary effects in connection with the divested Division Network Testing, Ascom expects a loss at Group level of about CHF 146 million for the financial year 2016.

2016 was a year of major transformation for Ascom and regardless of these extraordinary effects, Ascom is a financially sound company with an equity ratio of around 35%.

Outlook

Ascom confirms its mid-term targets for 2020 as communicated on 3 November 2016: Ascom strives to achieve 7–10% revenue growth in 2020 and has the ambition to reach an EBITDA margin of 20%.

Final results / Annual General Meeting 2017

Ascom will publish further information (including the targets for 2017), the full details of its financial statements and the 2016 Annual Report at the Annual Results Conference to take place on 9 March 2017. The Board of Directors will publish its proposals to the 2017 Annual General Meeting (including the dividend proposal) until 9 March 2017 at the latest.





Details on preliminary unaudited figures of 2016 Group result		
(in CHF million)		
EBIT Wireless Solutions (excluding one-offs)	34	
EBIT Network Testing	- 20	
One-offs (OneCompany restructuring, CEO change etc.)	- 13	
EBIT Group	1	
Extraordinary loss in connection with the divestment of NT	- 145	
Group loss	- 146	

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ABOUT ASCOM

Ascom is a global solutions provider focused on healthcare ICT and mobile workflow solutions. The vision of Ascom is to close digital information gaps allowing for the best possible decisions – anytime and anywhere. Ascom's mission is to provide mission-critical, real-time solutions for highly mobile, ad hoc, and time-sensitive environments. Ascom uses its unique product and solutions portfolio and software architecture capabilities to devise integration and mobilization solutions that provide truly smooth, complete and efficient workflows for healthcare as well as for industry and retail sectors.

Ascom is headquartered in Baar (Switzerland), has subsidiaries in 15 countries and employs around 1,200 people worldwide. Ascom registered shares (ASCN) are listed on the SIX Swiss Exchange in Zurich.

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