



NEWS RELEASE

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Personal Communications Systems

VSE SYMBOL: PCS

PCS WIRELESS, INC. ANNOUNCES STRATEGIC ALLIANCE WITH ADC TELECOMMUNICATIONS

Vancouver, B.C. - December 12, 1995. PCS Wireless, Inc. announced today that it has signed a letter of intent providing for the formation of a strategic alliance with ADC Telecommunications, Inc. of Minneapolis. The formation of the alliance is conditional upon due diligence by both parties and the execution of formal documentation. The parties expect to complete such documentation on or before January 31, 1996. The strategic alliance has 3 components:

- (1) ADC has agreed to subscribe for 5,000,000 common shares of PCS Wireless. Upon completion this will represent 15.1% of the issued share capital. An appointee of ADC will join the board of PCS Wireless.
- (2) The establishment of a new joint venture corporation (the "Joint Venture") to be owned 50% by each of PCS Wireless and ADC. The Joint Venture will take over all aspects of the worldwide Remote Antenna Driver (RAD)/Remote Antenna Signal Processor (RASP) business.
- (3) PCS Wireless has entered into an OEM agreement to supply ADC with frequency division duplex (FDD) cellular and PCS Microcell Extender (MEX)/Base Station Extender (BEX) products, and under certain licensing conditions has granted ADC rights to manufacture these products on a non-exclusive basis.

Equity Subscription

ADC has agreed to subscribe for 5,000,000 shares, in three equal tranches with the first tranche in the amount of 1,666,667 shares to be completed upon execution of the formal strategic alliance documentation. The remaining two equity subscriptions will be completed upon PCS achieving certain performance milestones.

The price to be paid by ADC for the first tranche of PCS Wireless shares will be CDN\$1.26 per share, and for the second and third tranches, will be the volume weighted average of the daily closing price for the 10 business days following the achievement of each performance milestone.

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RAD/RASP Joint Venture

PCS Wireless and ADC will create a new 50/50 joint venture company. The new Joint Venture will initially be capitalized at US\$5,000,000 in cash and cash equivalents. PCS Wireless will transfer a significant number of its employees to the Joint Venture who will continue to carry out research and development functions on the RAD/RASP products. ADC will provide the Joint Venture with access to its manufacturing, sales and marketing.

MEX/BEX Supply and License Agreement

PCS Wireless has agreed to initially OEM FDD MEX/BEX products to ADC who intend to integrate these technologies into their product matrix and market them on a worldwide basis. PCS Wireless has additionally granted ADC the right to manufacture these product models under certain conditions.

Ralph Scobie, President & CEO of PCS Wireless stated: "This significant alliance ensures our ability to participate in the critical U.S. RAD/RASP marketplace."

Jack Reily, Vice President of Business Development for ADC Telecommunications stated: "ADC's alliance with PCS Wireless reaffirms our commitment as a player in the wireless arena. The agreement immediately broadens ADC's Wireless Systems Divisions product line with MEX/BEX technology, as well as establishing ADC as a systems supplier with RAD/RASP technology capabilities".

ADC Telecommunications, Inc. is a leading supplier of transmission and networking systems used to deliver voice, data and video services. The company holds a preeminent market position in physical connectivity products for fiber-optic, twisted pair, coaxial and wireless networks. Wholly owned business units include ADC Video Systems, ADC Fibermux, ADC Kentrox and AOFR. The company also operates international business units in Australia, Belgium, Canada, China, England, Mexico, Singapore and Venezuela. Estimated revenues for fiscal year 1995 were US\$583,000,000.

This strategic alliance, the letter of intent, and the formal documentation are subject to the approval of the Vancouver Stock Exchange.

On Behalf of the Board

Ralph G. Scobie
President & CEO