



NEWS RELEASE

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Personal Communications Systems

VSE SYMBOL: PCS

PCS WIRELESS, INC. ANNOUNCES CLOSING OF STRATEGIC ALLIANCE WITH ADC TELECOMMUNICATIONS

Vancouver, B.C. - January 26, 1996. PCS Wireless, Inc. announced today that it has signed the formal closing documentation providing for the formation of a strategic alliance with ADC Telecommunications, Inc. of Minneapolis. The strategic alliance has 3 components:

- (1) ADC has subscribed for 1,666,667 common shares of PCS Wireless at this closing, plus an additional 3,333,333 common shares of PCS Wireless at later dates for a total of 5,000,000 common shares which 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") which is owned 50% by each of PCS Wireless and ADC. The Joint Venture has taken 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 which is now completed. The remaining two equity subscriptions will be completed upon PCS achieving certain performance milestones, or at any time past 120 days after this closing date, at ADC's discretion.

The price paid by ADC for the first tranche of PCS Wireless shares is 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, or the date of ADC's purchase, if more than 120 days past this closing date.

(continued . . .)

RAD/RASP Joint Venture

PCS Wireless and ADC have created a new 50/50 joint venture company. The new Joint Venture is initially capitalized at US\$5,000,000 in cash and cash equivalents. PCS Wireless has contracted 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 has provided 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 have integrated these technologies into their product matrix are now marketing them on a worldwide basis. PCS Wireless has additionally granted ADC the right to manufacture these product models under certain conditions.

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.

On Behalf of the Board

Ralph G. Scobie
President & CEO