



Analyst Conference Call Q3 Results

17 November 2011

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Operational Highlights Q3 2011

- **Product Innovations:** Launch of new premium-model SL 910, first full touch phone for the home worldwide
- **Gigaset pro:** new distribution contracts with sales partners in Germany, Austria, France, Netherlands and UK
- **Cordless voice:** Revenue declines in southern Europe (partially) offset by revenue increase in Emerging Markets
- **Investor Relations:** Initiation of analyst coverage from Bankhaus Lampe („Buy“ recommendation)
- **Management:** Announcement of Charles Fränkl as new CEO of Gigaset AG (starting 01/01/2012)

Financial Highlights Q3 2011

Continued Operations

- EBITDA increased by 67% to EUR 14.4m (Q3 2010: EUR 8.6m)
- EBIT improved significantly from EUR -0.4m in Q3 2010 to EUR 6.9m in Q3 2011
- Positive net income of EUR 5.1m compared to EUR -3.5m in Q3 2010
- Comfortable cash position of EUR 47.2m (31/12/2010: EUR 36.6m) and low financial/bank liabilities of EUR 6.3m (31/12/2010: EUR 4.7m)
- Clearly positive free cash flow of EUR 4.1m in Q3 2010 compared to EUR -7.8m
- Shareholders' equity more than doubled from EUR 35.0m (31/12/2010) to EUR 72.3m; equity ratio at 24% (31/12/2010: 10%)

Consolidated Income Statement*

Continued Operations

in EUR million	Q3/2011	Q3/2010	Change	9M/2011	9M/2010	Change
Group Sales	109.2	119.2	-8 %	328.0	356.9	-8 %
Change in finished goods & work in progress	7.7	3.0	161 %	6.9	4.1	68 %
Other own work capitalised	4.9	3.4	43 %	13.5	13.4	0 %
Cost of materials	-60.8	-66.2	-8 %	-170.3	-188.0	-9 %
Personnel expenses	-24.3	-29.2	-17 %	-80.7	-91.1	-11 %
Other income & expenses	-22.3	-21.4	4 %	-57.3	-63.9	-10 %
EBITDA	14.4	8.6	67 %	40.1	31.4	28 %
EBIT	6.9	-0.4	n/a	17.7	4.6	284 %
Net income	5.1	-3.5	n/a	10.3	-3.8	n/a
EPS (diluted in EUR)	0.10	-0.13	n/a	0.22	-0.15	n/a

*Rounded figures may not add up

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Consolidated Statement of Financial Position*

in EUR million	30/09/2011	31/12/2010	Change
Balance sheet total	296.7	345.6	-14 %
Non-current assets	94.7	91.0	4 %
Current assets	202.0	254.6	-21 %
thereof inventories	48.5	36.5	33 %
thereof trade receivables	58.7	83.4	-30 %
thereof cash & cash equivalents	47.2	36.6	29 %
Equity	72.3	35.0	106 %
Equity ratio	24.4%	10.1%	140 %
Non-current liabilities	43.4	66.0	-34 %
Current liabilities	180.9	244.5	-26 %
thereof financial liabilities	6.3	4.7	33 %
thereof trade payables	104.5	89.8	16 %
thereof provisions	26.5	37.1	-29 %

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Consolidated Cash Flow Statement*

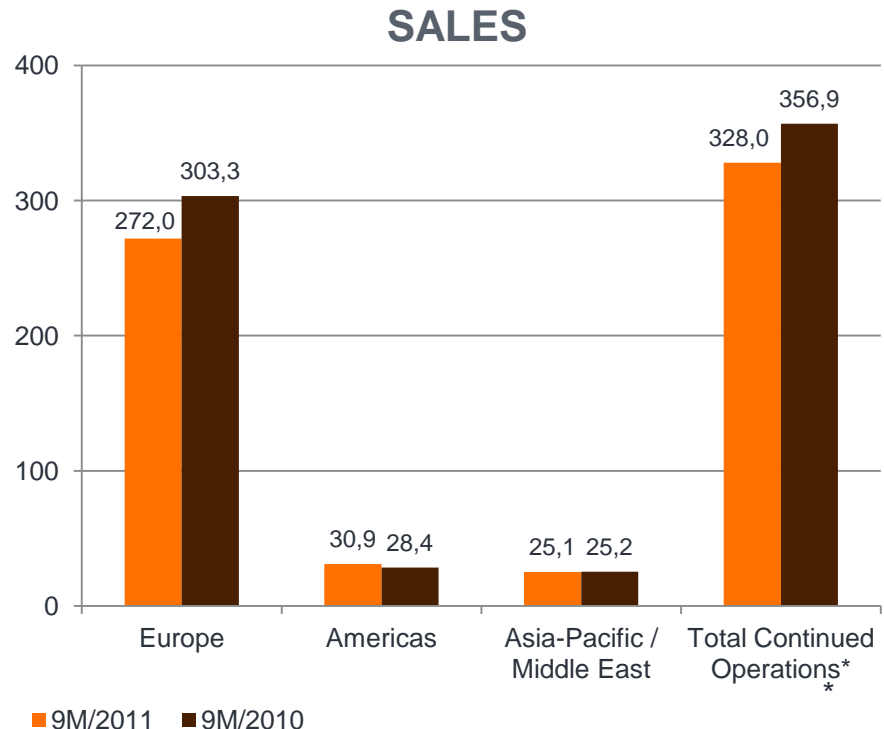
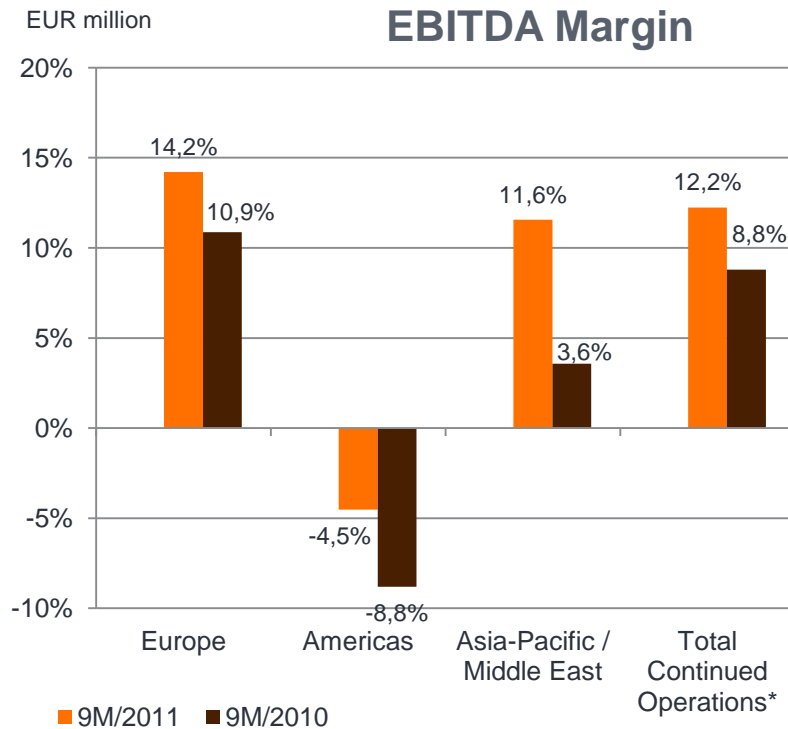
in EUR million	Q3 2011	Q3 2010	Change
Cash flow from operating activities	6.7	-6.7	n/a
Cash flow from investing activities	-2.7	-1.1	145 %
Cash flow from financing activities	0.7	-9.5	n/a
Net change in cash & cash equivalents	4.7	-17.3	n/a
Free cash flow	4.1	-7.8	n/a

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Operating 9M Revenues by Business Areas

- Generally positive EBITDA development (significant yoy improvements in all regions)
- Sales decreased in Europe due to restrained purchasing behavior of customers resulting from difficult economic situation in Southern Europe
- Positive sales development in the rest of the world



*including Holding activities

Four-Pillar Strategy Going Forward

Cordless Voice

- Development and production of cordless phones
- Focus on private consumers
- Distribution via retail channels
→ core business and main revenue driver ("main pillar")

Next Generation

- Development of "cloud friendly" phones and other innovations
- Focus on consumer and professional
- Distribution mainly through retail channels or Internet
→ preparation for future demands of the voice market

Gigaset PRO

- Development of professional IP telephones and telephone systems
- Focus on small and medium-sized enterprises (up to 50 lines)
- Distribution of Value Added Resellers and Distributors
→ expanding product portfolio with the help of the strong brand

Inorganic Growth

- New financing alternatives available
- Focus on telecommunication sector
- Synergies and additional "know how"
→ targets must have a "strategic fit" to the core business

Gigaset Group Outlook for 2011

- Guidance despite challenging market environments confirmed
- Q3 figures fully in line with projected development
- Strong focus on profitability
- Extension of sales organisation in growth areas
- Careful management of corporate funds in terms of acquisitions

Keep on showing good results,
grow confidence of capital market participants!!

Forecast Gigaset Group 2011 (“Guidance”)

Guidance 2011:

Revenues: EUR 540 m

EBITDA: EUR 57 m

EPS basic: EUR 0.40

EPS diluted: EUR 0.36

Consolidated Income Statement Group*

Continued and Discontinued Operations

in EUR million	Q3/2011	Q3/2010	Change	9M/2011	9M/2010	Change
Group Sales	109.2	239.6	-54%	368.4	764.2	-52%
Change in finished goods & work in progress	7.7	2.4	228%	5.3	8.8	-40%
Other own work capitalised	4.9	4.4	12%	13.5	15.3	-12%
Cost of materials	-60.8	-155.8	-61%	-196.0	-468.5	-58%
Personnel expenses	-24.3	-52.4	-54%	-86.4	-168.6	-49%
Other income & expenses	-22.3	-37.2	-40%	-60.5	-112.1	-46%
EBITDA	14.4	0.9	1444%	44.2	39.2	13%
EBIT	6.9	-10.0	n/a	21.7	-8.7	n/a
Net income	5.1	-12.7	n/a	14.0	-21.4	n/a
EPS (diluted in EUR)	0.10	-0.48	n/a	0.29	-0.81	n/a

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