

Gigaset

Gigaset AG Financial Results Press Conference

April 4, 2011

■ Highlights 2010

- Discontinuation of the old business model and renaming to Gigaset AG
- Investment portfolio cleanup
- Almost complete reduction in financial liabilities in the Group
- Complete repayment of all financial liabilities of Gigaset AG
- Positive EBITDA despite high charges from divestiture accounting
- Improvement of the EBITs that are still negative by EUR 56.5 million
- EBIT in continuing business is already positive at EUR 2.6 million

Consolidated Income Statement

In EUR millions	2009	2010	Change
Group sales	3,492	1,009	- 2,483
EBITDA	17.8	3.5	- 14.3
EBIT	- 139.8	- 83.3	+ 56.5
Net income	153.0	- 100.6	+ 52.4
EPS (diluted, in EUR)	- 5.51	- 3.45	+ 2.06

2010 Developments (Group income statement)

1/2

- Adjusted sales of Gigaset Communications Group increases by 4% to EUR 504 million.
- Reduction in EBITDA due to deconsolidation losses in the amount of EUR 38 million
- Clearly positive EBITDA from continuing activities
- Once again, high special charges due to impairments on the discontinued business areas reduce EBIT by EUR 29 million.

2010 Developments (Group income statement)

2/2

- Financial result improved by EUR 14 million
- Annual loss reduced by EUR 52 million
- EPS from continuing business improved from EUR – 2.35 per share to EUR – 0.26 per share

Consolidated statement of financial position

In EUR millions	2009	2010	Change
Balance sheet total	658.0	345.6	- 312.4
Equity	121.5	35.0	- 86.5
Equity ratio	18.5%	10.1%	-
Financial liabilities	87.7	4.7	- 83.0

2010 Developments (consolidated statement of financial position) 1/2

- Almost complete reduction in financial liabilities from EUR 212 million at the end of 2008 to less than EUR 5 million at December 31, 2010
- Group liquidity from continuing business reaches EUR 37 million
- All obligations owed and due to Siemens AG have been settled
- Successful capital increase strengthens share capital by EUR 13 million

2010 Developments (consolidated statement of financial position) 2/2

- Successful convertible bond will improve equity by an additional EUR 23 million as of June 30, 2011.
- Special and non-recurring effects from discontinued activities charged to equity at EUR 67 million
- Equity of Gigaset Communications Group is strengthened by EUR 43 million using the funds inflows from the capital increase and the convertible bond.

Income statement of Gigaset AG (individual company, German Commercial Code (HGB))

In EUR millions	2009	2010	Change
Sales	6.3	1.7	- 4.6
EBT	-45.0	+ 141.2	+ 186.2
Net income	- 45.3	+ 141.2	+ 186.5

2010 Developments (AG income statement)

- Declining revenues from assessments as a consequence of the reduction in the portfolio
- Positive effects from sale and revaluation of shares
- Special charges from portfolio adjustment charged against the net income for the year at EUR 31 million
- The net income achieved in 2010 compensates for losses in 2008 and 2009

Statement of financial position of Gigaset AG (individual company, German Commercial Code (HGB))

In EUR millions	2009	2010	Change
Balance sheet total	82.6	226.0	+ 143.4
Equity	25.5	181.3	+ 155.8
Equity ratio	30.9 %	80.2 %	-
Financial liabilities	5.7	0.0	- 5.7

2010 Developments (AG statement of financial position) 1/2

- Complete reduction of financial liabilities
- Successful capital increase strengthens share capital by EUR 13 million
- Successful convertible bond will improve equity by an additional EUR 23 million as of June 30, 2011.

2010 Developments (AG statement of financial position) 2/2

- Equity ratio increased to more than 80%
- New Authorized Capital for up to 20 million shares creates financial maneuverability
- Successful risk reduction allows provisions to be reduced by more than 50%.

■ The new Gigaset AG

Gigaset AG of Munich is a company active worldwide in the area of telecommunications and accessories.

Gigaset AG is the parent company of the Gigaset Group and thus one of the leading manufacturers of cordless telephones worldwide, as well as the market leader in Europe for DECT telephones.

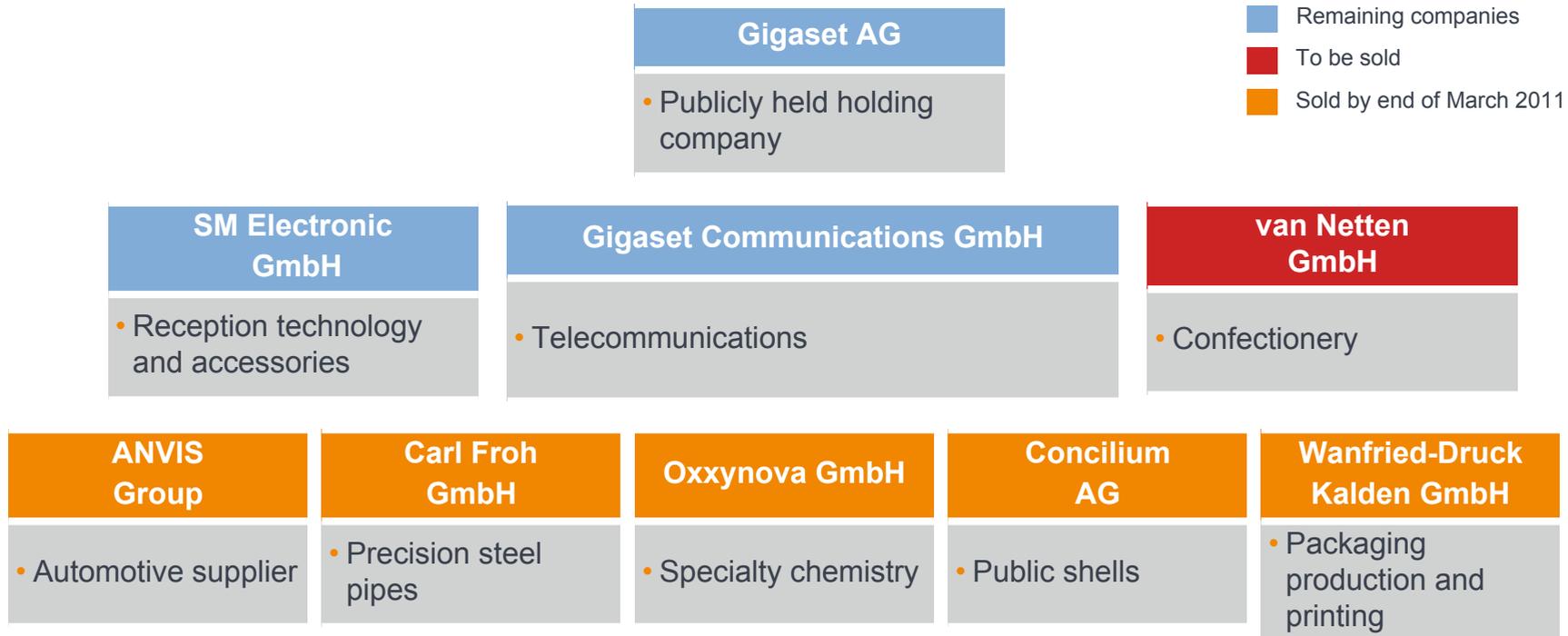
■ New orientation of the company 1/2

- Settlement of the lawsuits with Siemens AG
- Reduction of the charges from long-term debt relationships
- Creation of liquidity (capital increase/convertible bond)
- Reduction in complexity
- Concentration on the areas of telecommunications and accessories

■ New orientation of the company 2/2

- Investment portfolio cleanup
- Renaming to Gigaset AG
- Holding company moved into space belonging to Gigaset Communications GmbH

Investment portfolio cleanup



Gigaset Communications GmbH

2010 Actions

- Strengthening of equity from capital increase and convertible bond of Gigaset AG
- Forecast results exceeded due to:
 - Strong demand in the core markets
 - Premium price strategy
 - Continued cost savings measures

Gigaset Communications GmbH

2010 Actions

- Quantum leap in profitability due to:
 - Concentration on core business/adjustment of the product portfolio (focus on cordless voice business)
 - Optimization of processes and systems with significantly reduced headcount (streamlining and avoiding parallel structures)
 - New supplemental collective bargaining agreement (SCBA) Savings due to waiver of salary and uncompensated overtime
 - Strict cost management (change in the old "Group-think")



- Liquidity holdings of just under EUR 34.0 million
 - Free from liabilities to banks

Gigaset Communications GmbH

2011 Challenges

- Continuation of the growth trend by:
 - Entering the corporate client segment with the Gigaset pro brand
 - Market penetration into growth markets
 - New innovative products such as user interfaces and new accessories
 - Moving forward into new partnerships
 - Complementary acquisitions

Gigaset Communications GmbH

2011 Challenges

- Additional increase in profitability due to:
 - Strict cost control
 - Further implementation of ongoing restructuring
 - Conclusion of personnel restructuring in the 1st quarter
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- Additional strengthening of profitability and
 - the profit margin per unit

Gigaset Group

2011 Strategic Goals

- Sustainable increase in revenues and profitability by:
 - Innovations
 - Development of new business segments supplemented by:
 - Complementary acquisitions and
 - Increasing synergistic effects

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Outlook for 2011

- Financial supply secured:
 - Company free from bank debt at end of 2010
 - New financing alternatives
 - New authorized capital
- Significant increase in cash flow from operating activities
- Significantly improved Group revenues and EBITDA



Gigaset Group

2011 Forecast ("Guidance")

- Revenues: EUR 540 million
- EBITDA: EUR 57 million



Thank you for your attention!