

# Gigaset

## Analyst Conference Call Q1 Results

14 May 2012

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**MADE IN GERMANY**

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## Operational and Strategic Highlights Q1 2012

### Operational Highlights

Increase of market share in several European Countries e.g. Germany, Austria, Switzerland, UK and Russia

Sales Agreements with important Northern European operator

Agreement to launch joint activities in end-user device business with IP based phones with Teldat

Innovations award for SL 910 from Spanish economic magazine Actualidad Económica

New sales partnership with a leading European hypermarket retailer for Southern Europe

Relaunch of SL 910 with new software, sales exceeded expectations

### Strategic Highlights

Start of Charles Fränkl as new CEO of Gigaset AG and reorganization of responsibilities

Management introduced new growth strategy in new business fields such as Home Networks

## Financial Highlights Q1 2012

### ■ Continued Operations

- Revenues from continued operations of EUR 112.2m nearly at previous year's level (EUR 115.0m)
- Adjusted EBITDA from continuing operations in the amount of EUR 10.9m (Q1/2011: EUR 12.1m)
- Profit increase by 28 % from EUR 3.0m in Q1 2011 to EUR 3.9m in Q1 2012
- Earnings per share from continuing operations at EUR 0.08
- Equity ratio improved to 27.4% (12/31/2011: 24.5%)
- Free cash flow was EUR -16.3m in Q1 2012 compared to EUR 2.1m in Q1 2011 due to seasonal factors
- Increase in Cash position from EUR 39,7 m (03/31/2011) to EUR 48.3m (03/31/2012)

# Consolidated Income Statement\*

## Continued Operations

in EUR million	Q1/2012	Q1/2011	Change
Group Sales	112.2	115.0	-2 %
Change in finished goods & work in progress	-3.5	0.6	n/a
Other own work capitalised	4.5	4.0	13 %
Cost of materials	-55.3	-56.6	-2 %
Personnel expenses	-26.2	-28.1	-7 %
Other income & expenses	-21.0	-20.5	2 %
<b>EBITDA</b>	<b>10.7</b>	<b>14.4</b>	<b>-26 %</b>
<b>EBIT</b>	<b>4.9</b>	<b>7.1</b>	<b>-31%</b>
<b>Net income</b>	<b>3.9</b>	<b>3.0</b>	<b>28%</b>
<b>EPS (diluted in EUR)</b>	<b>0.08</b>	<b>0.06</b>	<b>33%</b>

\*Rounded figures may not add up  
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# Comparison of adjusted EBITDA\*

## Continued Operations

in EUR million	Q1/2012	Q1/2011
EBITDA according to P&L	10.7	14.4
Adjustments:		
Total other operating income w/o FX income and reversal of provisions	1.2	2.2
Net effect of release/addition of provisions	-4.6	-6.8
Use of provisions	7.0	8.6
Interest expense provision for pensions	-0.7	-0.7
Currency result w/o FX effect on material	-0.2	0.5
Total restructuring	0.0	-0.9
Branding efforts	-2.9	-0.6
<b>Total adjustments</b>	<b>-0.2</b>	<b>2.3</b>
<b>EBITDA adjusted</b>	<b>10.9</b>	<b>12.1</b>
Group Sales	112.2	115.0
<b>EBITDA margin adjusted</b>	<b>9.7%</b>	<b>10.5%</b>

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## Consolidated Statement of Financial Position\*

in EUR million	03/31/2012	12/31/2011	Change
<b>Balance sheet total</b>	291.0	311.3	-7 %
<b>Non-current assets</b>	104.7	102.9	2 %
<b>Current assets</b>	186.3	208.4	-11 %
thereof inventories	37.1	35.8	3 %
thereof trade receivables	58.1	59.7	-3 %
thereof cash & cash equivalents	48.3	62.3	-22 %
<b>Equity</b>	79.7	76.2	5 %
Equity ratio	27.4%	24.5%	12 %
<b>Non-current liabilities</b>	34.5	33.6	3 %
<b>Current liabilities</b>	176.8	201.5	-12 %
thereof financial liabilities	8.4	6.0	37 %
thereof trade payables	76.6	96.2	-20 %
thereof provisions	23.5	27.2	-14 %

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## Consolidated Cash Flow Statement\*

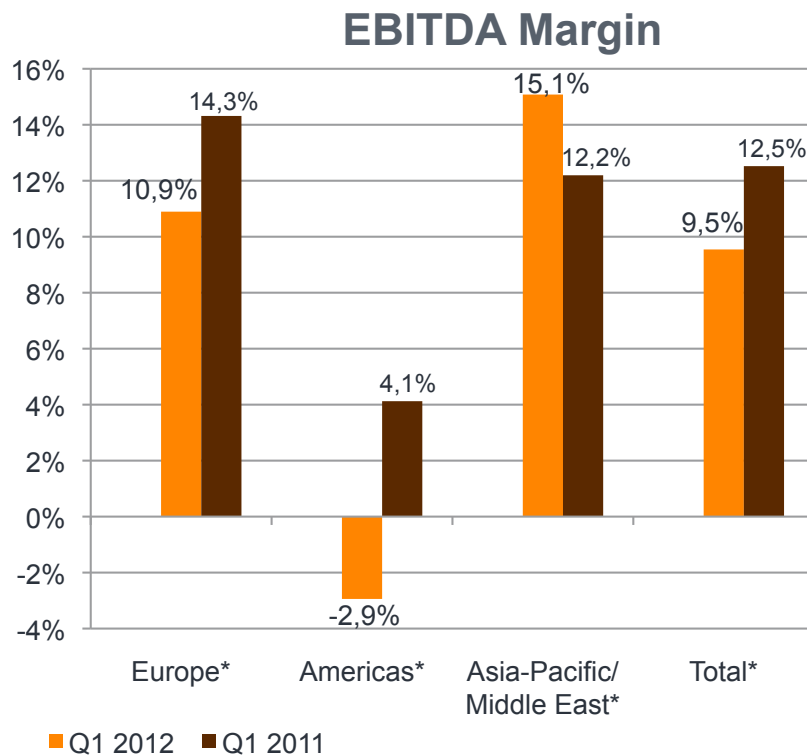
in EUR million	Q1 2012	Q1 2011	Change
Cash flow from operating activities	-14.0	2.9	n/a
Cash flow from investing activities	-2.3	-0.8	-188 %
Cash flow from financing activities	2.3	-1.1	n/a
Net change in cash & cash equivalents	-14.0	1.0	n/a
Free cash flow	-16.3	2.1	n/a

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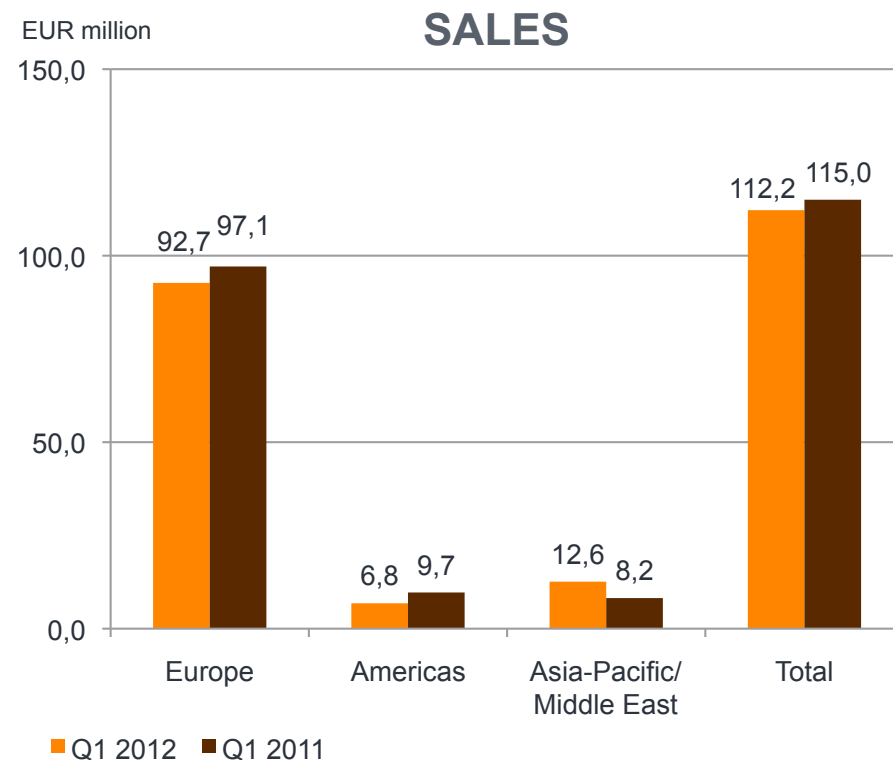


## Sales and EBITDA by Regions

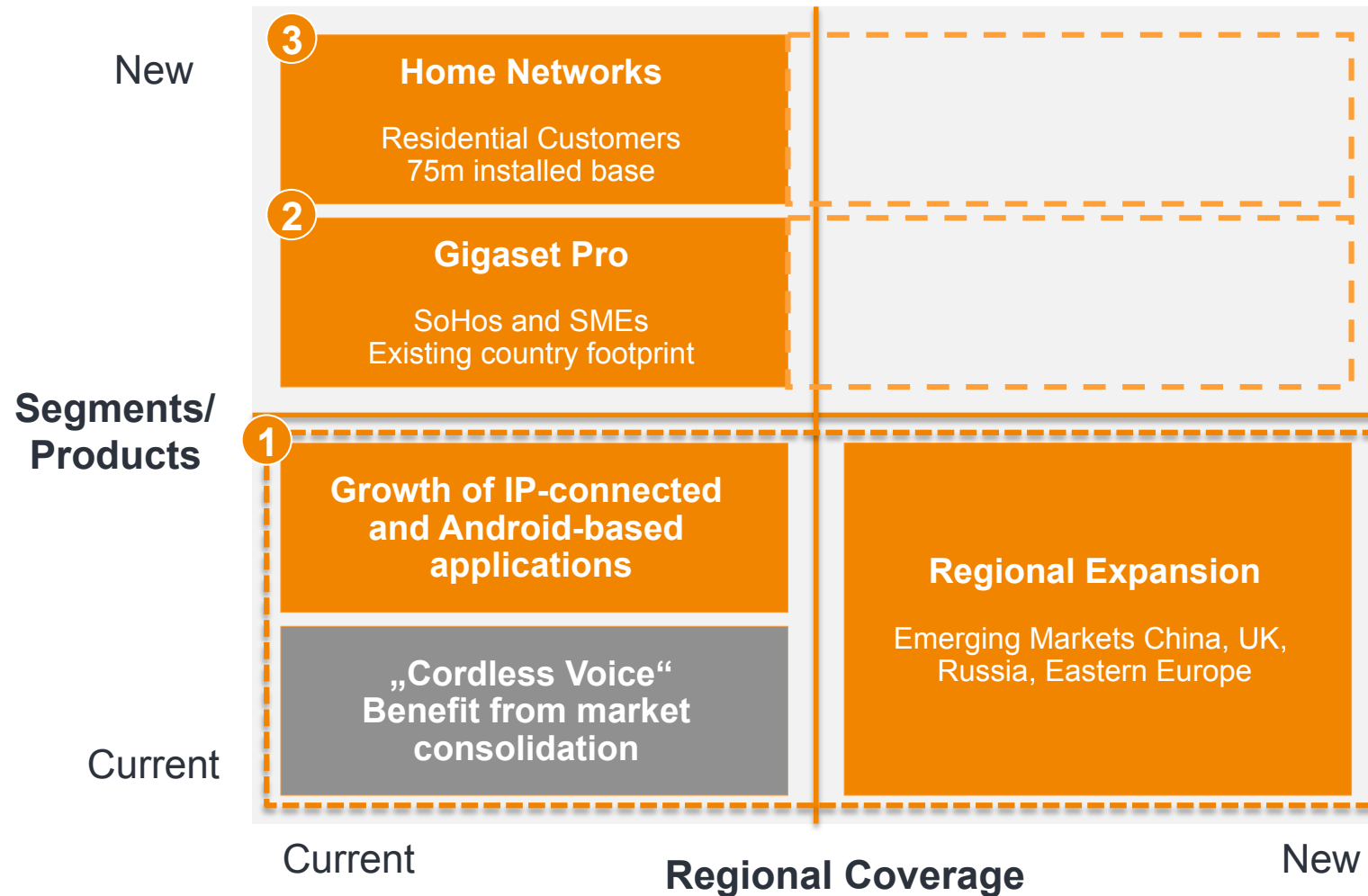
- Positive EBITDA development in Asia-Pacific/Middle East; Europe and Americas decreasing due to lower sales volumes and prices
- Positive sales development in Asia-Pacific/Middle East; sales decrease in Americas
- Sales decreased in Europe due to restrained purchasing behavior of customers resulting from difficult economic situation in Southern Europe



\*margin calculation based on €m figures  
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## Growth Drivers



## ■ Outlook Gigaset 2012

- Revenues of continuing operations at previous year's level
- Profitability below previous year's level
- At least a balanced free cash flow

# Consolidated Income Statement Group\*

## Continued and Discontinued Operations

in EUR million	Q1/2012	Q1/2011	Change
Group Sales	120.0	150.1	-20%
Change in finished goods & work in progress	-3.5	-0.6	-440%
Other own work capitalised	4.5	4.0	13%
Cost of materials	-59.2	-80.5	-26%
Personnel expenses	-26.8	-33.0	-19%
Other income & expenses	-24.6	-20.1	22%
<b>EBITDA</b>	<b>10.4</b>	<b>20.0</b>	<b>-48%</b>
<b>EBIT</b>	<b>4.6</b>	<b>12.8</b>	<b>-64%</b>
<b>Net income</b>	<b>3.6</b>	<b>8.6</b>	<b>-58%</b>
<b>EPS (diluted in EUR)</b>	<b>0.07</b>	<b>0.17</b>	<b>-59%</b>

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