

Annual Results 2013

Munich, March 2014





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This presentation may contain forward-looking statements about the business, financial condition, results of operations and earnings outlook of Gigaset AG.

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Thus, you should not place undue reliance on the forward-looking statements.

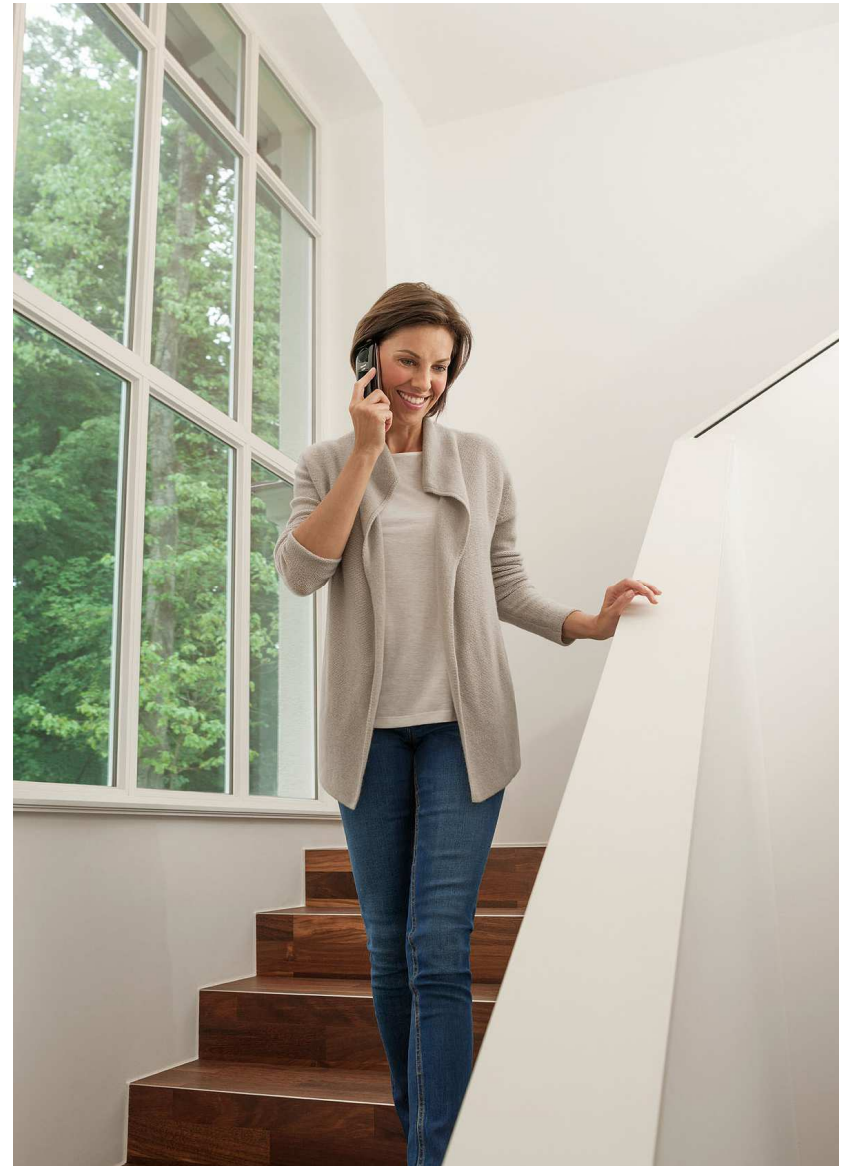
The forward-looking statements contained in this presentation are made as of the date hereof and Gigaset AG does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

Agenda

Review of fiscal 2013

Consolidated financial statements

Strategic outlook



Gigaset 2015

On the way to the new Gigaset AG

**Creation of new revenue streams
Securing lastingly profitable growth**

**Manufacturer of
communications
hardware**



**Provider of a broad portfolio
of hardware, software &
Internet services**

2012 ✓

Year of
restructuring

2013 ✓

Year of
implementation

Additional
opportunities
created.

2014

Year of
achievement

2015

Gigaset 2015

Lastingly
profitable growth

■ Highlights in 2013

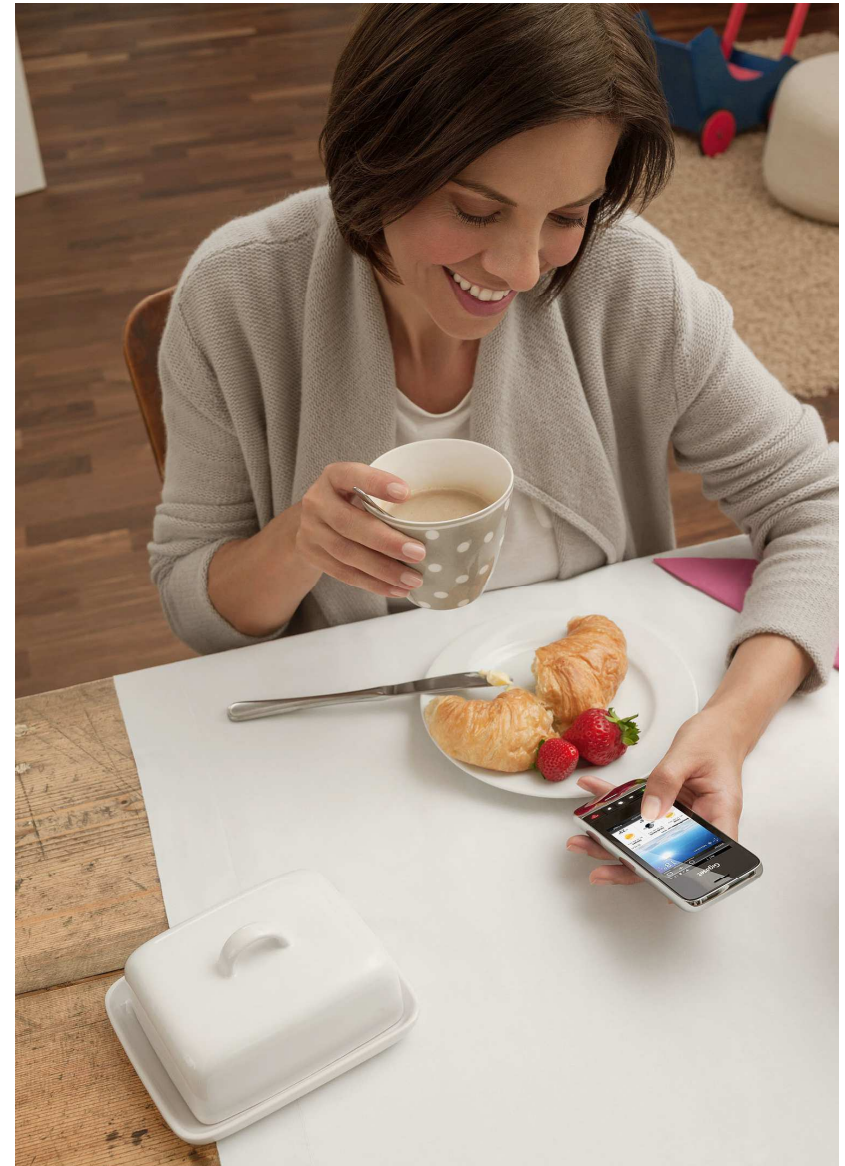
- **Gigaset 2015 strategy continued to be implemented rigorously**
 - Expansion of software expertise: Android and apps
 - Establishment of a cloud and rollout of Gigaset elements
 - Further strong revenue growth at the Business Customers Business Unit (+19 percent)
- **Financial situation stabilized**
 - The strategic investor Goldin takes a stake in the company
 - Program to cut costs by €30 million a year accomplished successfully in full
 - Bridging financing of €10.4 million to compensate for seasonal effects received in July and repaid as contractually agreed in October
 - Reorganization of the sales model in the U.S. and Brazil
 - For the first time since 2011 a positive EBITDA of €11 million
- **Further prospects have been opened up**
 - Strong cooperation partner (Goldin Group)
 - Launch of the first tablet models
 - Smartphone in the pipeline in 2014

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Key financial ratios and further measures

Gigaset stabilizes itself

- The market environment in our core business of cordless phones remains challenging
- Revenue from continuing operations for the whole of 2013 was €371.2 million (2012: €419.6 million)*
- Free cash flow: € –40.3 million*
- Efficiency program to cut costs by €30 million successfully implemented in full
- EBITDA is positive again at €11.0 million due to the efficiency program
- Seasonal credit line of €10.4 million received and repaid as agreed in October
- €11.3 million invested in new business segments and so in Gigaset's future
- The capital measures and stake taken by Goldin generate proceeds of €47.9 million
- New efficiency program for cuts of €17.5 million by the end of September adopted

**Further financing activities required.
General conditions sharply improved thanks to the Goldin Group.**

Income statement*

Continuing operations

€ million	Q4/2013	Q4/2012	Change	FY2013	FY2012	Change
Revenues	111.0	123.5	-10.1%	371.2	419.6	-11.5%
Change in inventories of goods	-7.0	-2.3	204.3%	-4.4	-0.6	633.3%
Other internal production capitalized	3.1	3.3	-6.1%	17.3	16.1	7.5%
Other operating income	4.9	4.4	11.4%	23.5	26.1	-10.0%
Purchased goods/services	-51.5	-61.2	-15.8%	-183.8	-216.1	-14.9%
Personnel expenses	-24.1	-32.3	-25.4%	-99.5	-131.0	-24.0%
Other operating expenses	-40.0	-41.0	-2.4%	-113.3	-116.8	-3.0%
EBITDA	-3.7	-5.5	32.7%	11.0	-2.8	492.9%
EBIT	-9.8	-12.1	19.0%	-15.1	-27.6	45.3%
Consolidated loss for the year	-18.2	-13.3	-36.8%	-34.6	-26.0	-33.1%
EPS (diluted in €)	-0.36	-0.26	-38.5%	-0.59	-0.52	-11.9%

- Market decline in Europe (-14 percent in 2013) could not be compensated for by gains in market share
- New business segments are still too young to make good the decline in revenue in core business
- €11.3 million invested in new business segments
- Personnel expenses and other operating expenses cut sharply thanks to the efficiency program
- EBITDA well in the black again
- Consolidated income reduced by loss of tax carryforwards

*Rounded values may not add up

Balance sheet

€ million	31/12/2013	31/12/2012	Change
Total assets	267.1	303.5	-12.0%
Non-current assets	101.8	117.2	-13.1%
Current assets	165.3	186.3	-11.3%
Inventories	27.5	33.4	-17.7%
Trade receivables	50.2	51.0	-1.6%
Cash and cash equivalents	57.0	54.7	4.3%
Equity	38.7	24.3	58.9%
Equity ratio	14.5%	8.0%	81,3%
Non-current liabilities	71.1	101.1	-29.7%
Current liabilities	157.3	178.0	-11.6%
Financial liabilities	30.2	0.3	9966.7%
Trade payables	71.5	86.6	-17.4%
Provisions	31.5	41.3	-23.7%

- Capital measures improve equity ratio
- Reduction in total assets due to continued streamlining of the portfolio
- Fall in current assets due to the sale of SM Electronic
- Company's total debt reduced further
- Decline in current liabilities due to the fall in provisions for restructuring and sale of SM Electronic

Cash flow statement*

€ million	Q4/2013	Q4/2012	Change	FY2013	FY2012	Change
Cash flow from operating activities	6.2	7.0	-11.4%	-35.0	-24.1	-45.2%
Cash flow from investing activities	-2.4	-3.0	-20.0%	-7.2	-8.8	-18.2%
Cash flow from financing activities	36.4	19.5	86.7%	44.9	26.2	71.4%
Net change in cash and cash equivalents	40.1	23.5	70.6%	2.6	-6.7	138.8%
Free cash flow	3.8	4.0	-5.0%	-42.3	-32.9	-28.6%
Cash and cash equivalents at December 31				57.0	54.7	4.2%

- Higher outflow from operating activities as a result of further severance payments as part of the cost-cutting and efficiency program and lower revenue
- Higher inflow from financing activities and successful placement of the capital increase and convertible bond

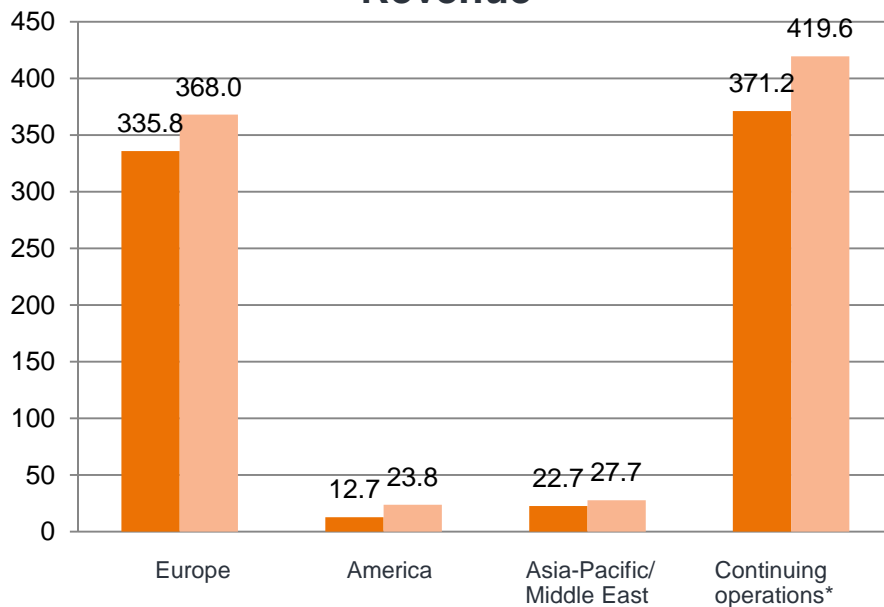
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Regional revenue and earnings performance

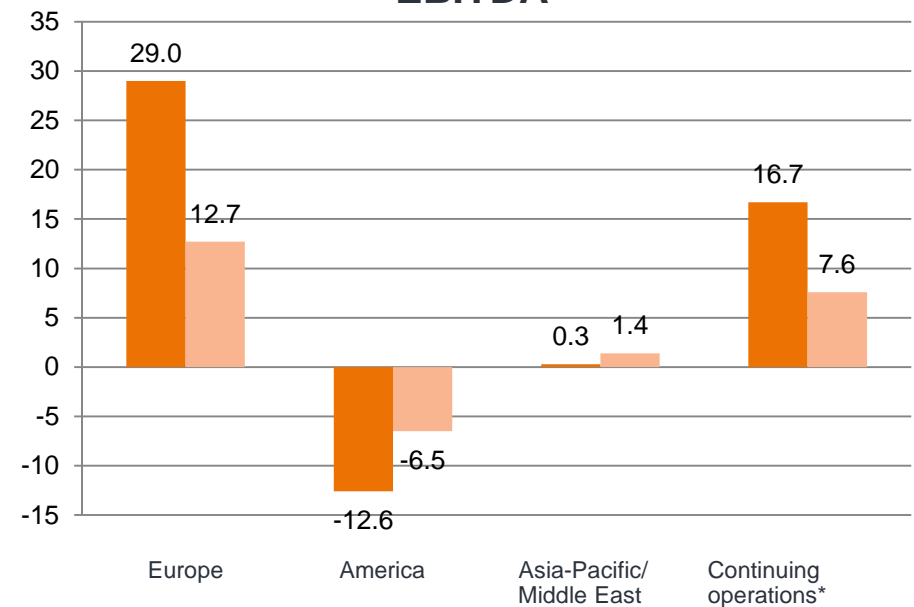
Decline in revenue varied by region

- **North/South America:** Changes in Argentina's import regulations and reorganization of the sales model in U.S. and Brazil
- **Asia-Pacific/Middle East:** Weak economic activity and continuing political crises in the Middle East

Revenue



EBITDA



2013 2012

*Excluding the holding's activities

Outlook for 2014

In view of the still challenging trends in the cordless phone business and the investments required in growth platforms, we anticipate (excluding tablets and mobile):

For 2014

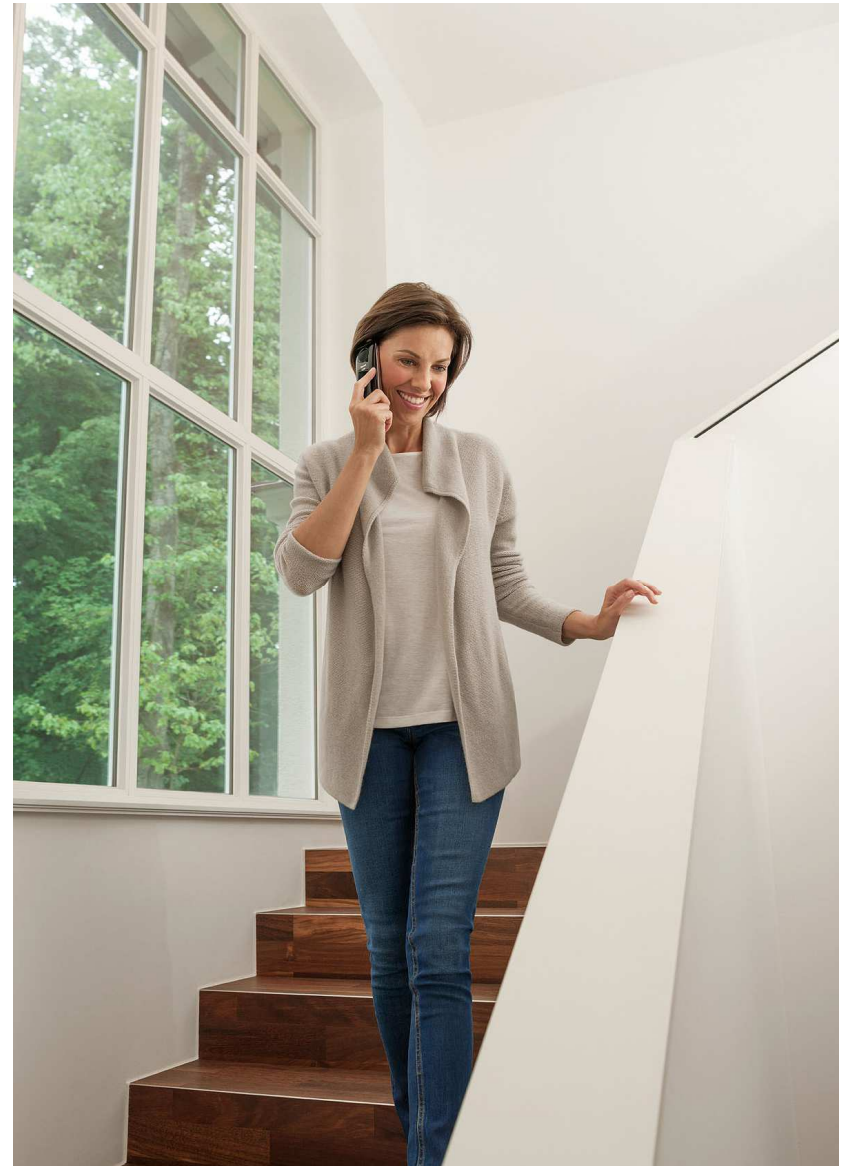
- A decline in revenue from continuing operations in a high single-digit to low double-digit percentage range.
- EDITBA to improve sharply year on year and to be positive again and an EBITDA margin in the upper single-digit percentage range thanks to the positive impact expected from the efficiency programs.
- A negative free cash flow in the low double-digit million range, among other things due to the investments required in further establishment of the new business segments and restructuring of the company.
- In addition, Gigaset expects additional revenues from tablet and smartphone business; however, they are difficult to predict due to the early stage of the joint activities with Goldin Fund Pte. Ltd., Singapore.

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Further concrete steps on the way to the ecosystem announced at CeBIT 2014

Gigaset elements

- Open API to simplify integration of future partners
- Machine learning to tap new segments (energy, care)
- New components (camera, smoke detector, intelligent socket)

Business customers

- High-end Android business phone Maxwell 10

Cordless voice

- Designer phone Dune
- Multi-access handsets
- Central control app Gigaset Go



Our vision becomes reality

The Gigaset ecosystem

2014 (tbc)



■ The journey has just begun ...

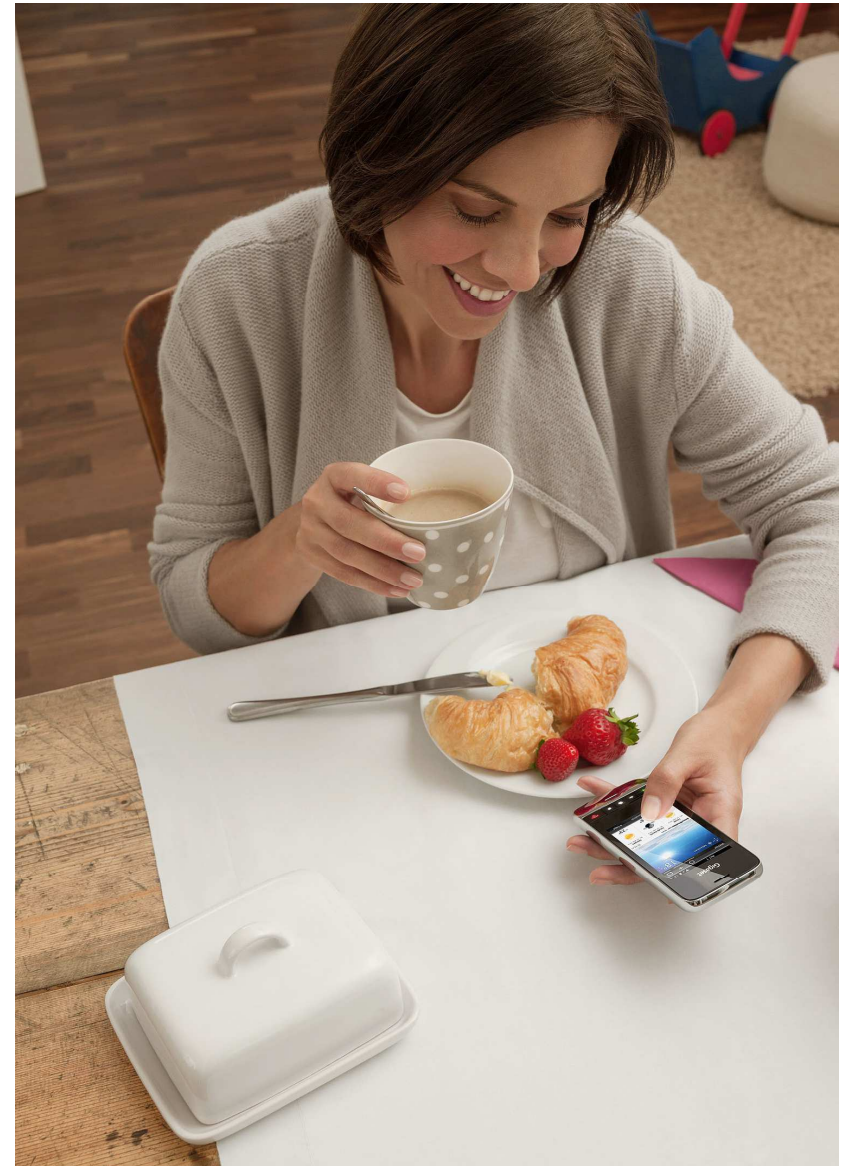


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Business Units – Highlights





Thank you for your attentiveness.