



Q1 Results 2014

22 May 2014

Operational Highlights Q1 2014

Consumer Products

Leading position in the market reinforced

New headsets and design phone Dune presented at CeBIT 2014

Business Customers

Own business under the brand “Gigaset pro” could be strengthened

Pathbreaking cooperations with network operators signed

Home Networks

Expansion of device portfolio announced at CeBIT 2014

Open API and machine learning functionality announced at CeBIT 2014

Financial Highlights in Q1 2014

■ leading position in the market reinforced

- The core business market, Consumer Products, is still challenging and influenced by weak consumer electronics market
- Gigaset further increased its market share in Europe by one percent in units
- By selling SM Electronics to Microelectronic NH GmbH realignment towards telecommunications business could be completed
- Sales volumes from continued operations in Q1 2014 amount to EUR 65,0 million (Q1 2013: EUR 86.7 million)
- EBITDA : -7,6 million (Q1 2013: EUR 4,6)
- Free cash flow from continued operations of EUR -28,0 million in Q1 2014 compared to EUR -24,4 million in Q1 2013 mainly due to seasonal factors

Already announced efficiency program of EUR 17,5 million will become effective in September 2014 to improve profitability

Consolidated Income Statement*

Continued Operations

in EUR million	Q1/2014	Q1/2013	Change
Group Sales	65.0	86.7	-25 %
Change in finished goods & work in progress	0.5	-2.1	-123 %
Other own work capitalised	2.1	5.3	-60 %
Other operating income	2.2	7.2	-69 %
Cost of materials	-31.0	-42.0	-26 %
Personnel expenses	-24.9	-25.3	-2 %
Other operating expenses	-21.5	-25.2	-15 %
EBITDA	-7.6	4.6	-265 %
EBIT	-13.9	-2.0	-595 %
Net income	-12.2	-3.3	-270 %
EPS (diluted in EUR)	-0.12	-0.07	-71 %

*Rounded figures may not add up

Consolidated Statement of Financial Position*

in EUR million	03/31/2014	12/31/2013	Change
Balance sheet total	235.9	267.1	-12 %
Non-current assets	119.6	101.8	+17 %
Current assets	116.4	165.3	-30 %
thereof inventories	29.2	27.5	+6 %
thereof trade receivables	30.5	50.2	-39 %
thereof cash & cash equivalents	28.3	57.0	-50 %
Equity	24.6	38.7	-36 %
Equity ratio	10.4 %	14,5 %	-28 %
Non-current liabilities	77.1	71.1	+8 %
Current liabilities	134.2	157.3	-15 %
thereof financial liabilities	30.2	30.2	0 %
thereof trade payables	52.3	71.5	-27 %
thereof provisions	26.1	31.5	-17 %

*Rounded figures may not add up

Consolidated Cash Flow Statement*

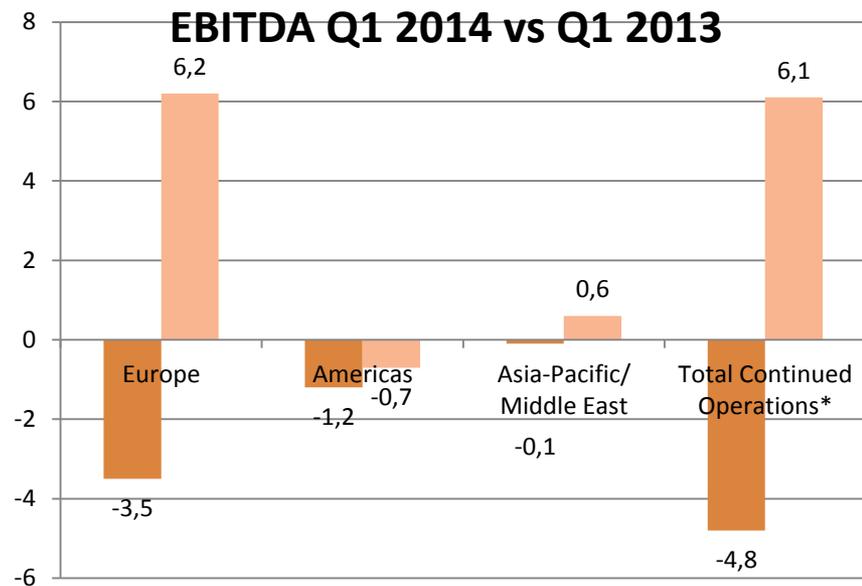
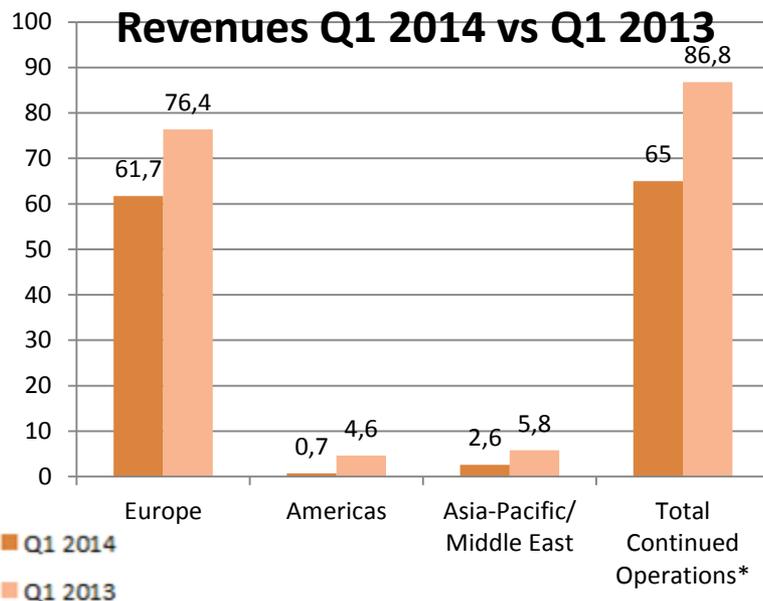
in EUR million	Q1 2014	Q1 2013	Change
Cash flow from operating activities	-9.5	-21.9	-57 %
Cash flow from investing activities	-18.5	-2.5	-640 %
Cash flow from financing activities	0.0	0.1	-100 %
Net change in cash & cash equivalents	-28.0	-24.4	-15%
Free cash flow	-28.0	-24.4	-15 %

*Rounded figures may not add up

Regional revenues and EBITDA

Sales decrease regionally different

- **Europe:** loss of revenue due to the declining overall market for cordless phones could only be partially compensated by the increase in market share
- **America:** exiting non-profitable areas and adjusting go to market models impacted revenues
- **Asia Pacific/Middle East:** Political unrest



*w/o Holding activities

Outlook 2013 & Targets 2014

Due to ongoing, challenging developments in our core markets and the necessary investments in growth platforms, we expect:

2013

- Further **decreasing turnover** in our core business in a high single-digit or low double-digit percentage range.
- A significantly improved and again **positive EBITDA** compared to previous year's levels due to positive effects of the efficiency program.
- A **negative free cash flow** in the mid-double-digit million range due to necessary investments

2014

- First significant positive impacts on sales, earnings and cash flow from established new business units
- Increase in sales and a further improved operational EBITDA in continued operations

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