

Welcome to the annual press conference for fiscal 2014

Charles Fränkl, Kai Dorn

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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.

Words such as "may", "will", "expect", "anticipate", "contemplate", "intend", "plan", "believe", "continue" or "estimate", and variations of these words and similar expressions, identify these forward-looking statements. The forward-looking statements reflect our current views and assumptions and are subject to risks and uncertainties that may cause actual and future results and trends to differ materially from our forward-looking statements.

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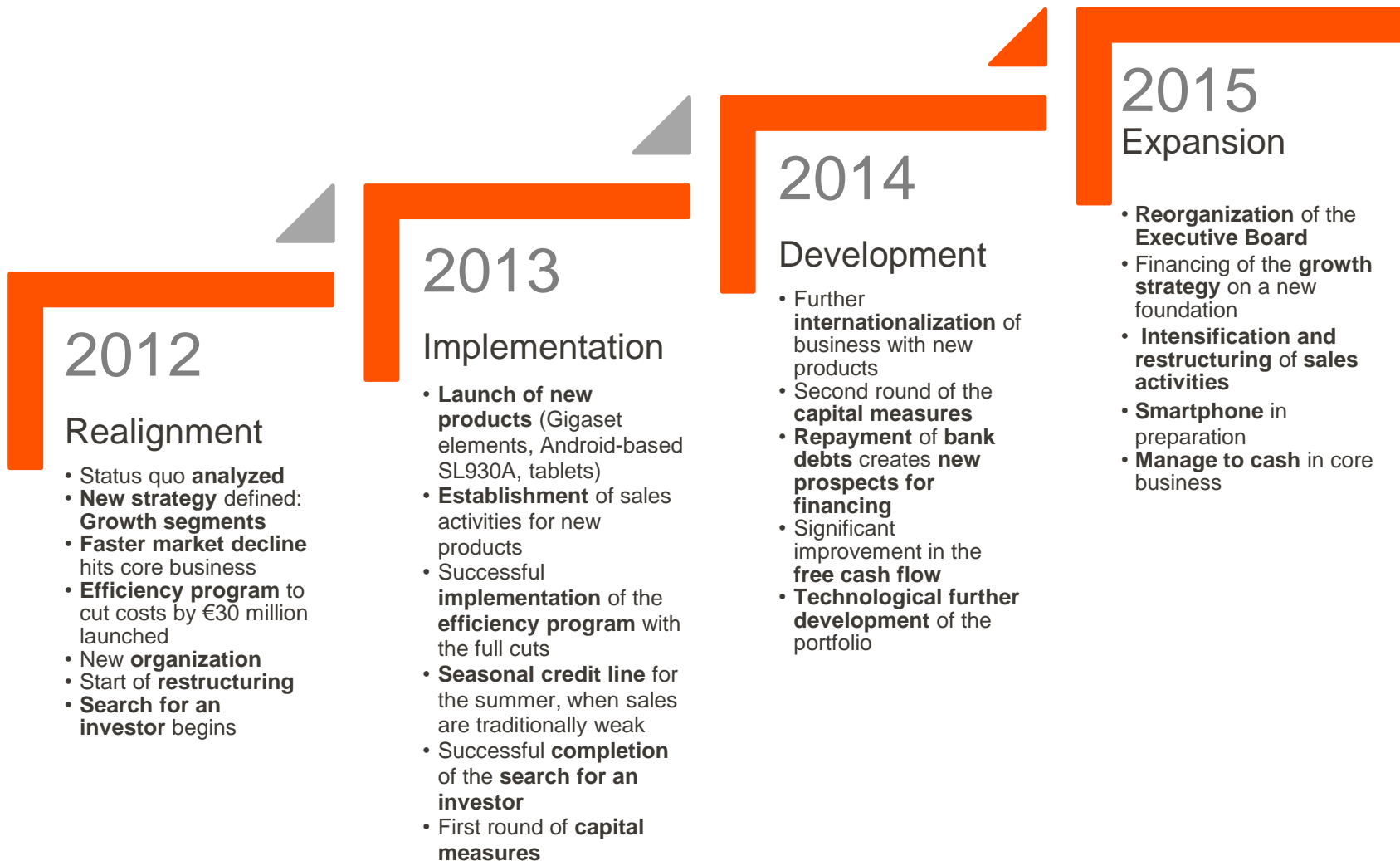
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Talk by CEO Charles Fränkl (part 1)



Gigaset continues to implement strategy successfully



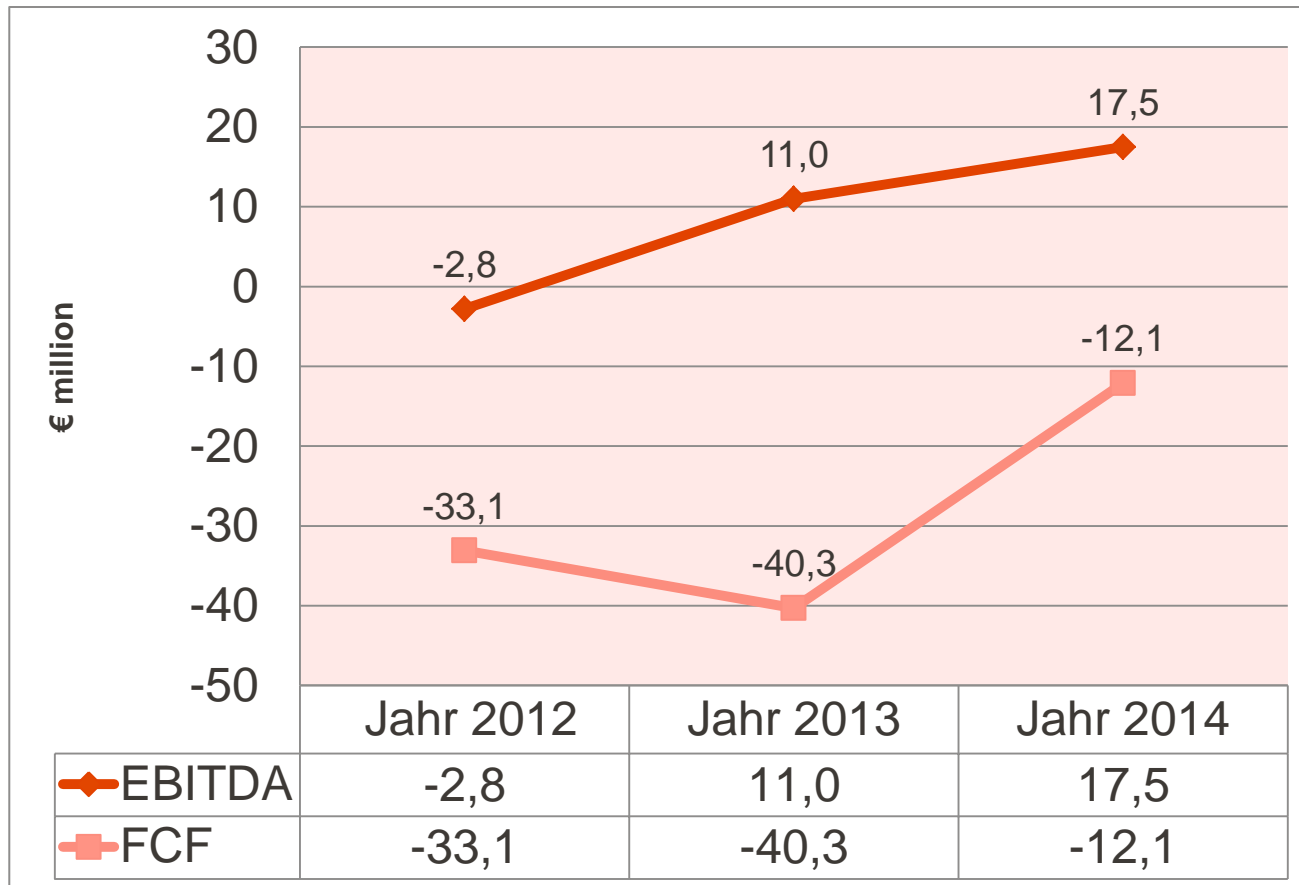
Highlights from fiscal 2014

- Equity ratio increased – the company is free of bank debts
- The strategy for growth segments is gaining traction:
 - Revenue in the Home Networks BU was almost tripled year on year
 - Business Customers grows by around 7% year on year
- Strategically important products rolled out, such as:
 - Gigaset elements “camera”
 - Maxwell 10
 - Designer phone CL 540 “Dune”
 - IP phone C430 IP
- High market shares and price premium maintained



Highlights from fiscal 2014 – ctd.

- Cost-effectiveness improved despite tough market situation



The foundations for success have been laid

Modernized portfolio

- Launch of **Android**-based products
- Expansion of the **home network** portfolio
- Expansion by the **cloud solution** by integrating core business
- Growth at the **Business Customer BU** through innovations

Structural adjustments

- New **business segments** established
- Goodbye to the past as a **holding company**
- Successful cost and **efficiency adjustments**
- Reorganization of the **Executive Board**

Financing of growth

- Strategic **investor** Goldin Fund Pte. Ltd. on board
- Repayment of all financial debts thanks to the **capital measures**

Talk by CFO Kai Dorn



Key financial ratios

Gigaset stabilizes itself further

- Market environment in our core business of cordless phones remains challenging
- New business segments are growing, but do not yet compensate for losses in core business
- Revenue from continuing operations in 2014: €326.1 million (2013: €371.2 million)*
- Free cash flow negative, but sharply improved to € –12.1 million*
- EBITDA margin rises from 3.0% in 2013 to 5.4% in 2014
- Capital increase and convertible bond yield proceeds of €33.9 million
- Equity ratio rises further to 16.4%

**The turnaround at Gigaset is making good progress,
but is not yet accomplished**

*from continuing operations

FY 2014: Income statement (continuing operations)

€ million	Fiscal year		Change
	2014	2013	
Revenues	326.1	371.2	-12.1%
EBITDA	17.5	11.0	59.1%
EBIT	-10.5	-15.1	30.5%
Consolidated net income/ loss for the year	-16.6	-34.6	52.0%
EPS (diluted in €)	-0.15	-0.59	74.6%

- Market decline in Europe could not be compensated for
- Exchange losses (net) of €2.2 million due to the weak euro
- Profit ratios improved across the board

Q4/2014: Income statement (continuing operations)

€ million	Fiscal year		Change
	Q4/2014	Q4/2013	
Revenues	107.1	111.0	-3.5%
EBITDA	10.4	-3.7	n.a.
EBIT	0.4	-9.8	n.a.
Consolidated net income/ loss for the year	-5.5	-18.2	69.8%
EPS (diluted in €)	-0.05	-0.26	80.8%

- Decline in revenue almost canceled out
- EBITDA and EBIT significantly improved

2014: Balance sheet

€ million	12/31/2014	12/31/2013	Change
Total assets	251.2	267.1	-6.0%
Cash	50.5	57.0	-11.4%
Equity	41.2	38.7	6.5%
<i>Equity ratio</i>	16.4%	14.5%	13.1%
Non-current liabilities	87.4	71.1	22.9%
Current liabilities	122.7	157.3	-22.0%

- Capital measures improve equity ratio
- Reduction in total assets due to continued streamlining of the portfolio and the decline in revenue
- Lasting reduction in the company's overall debt by 8.0%

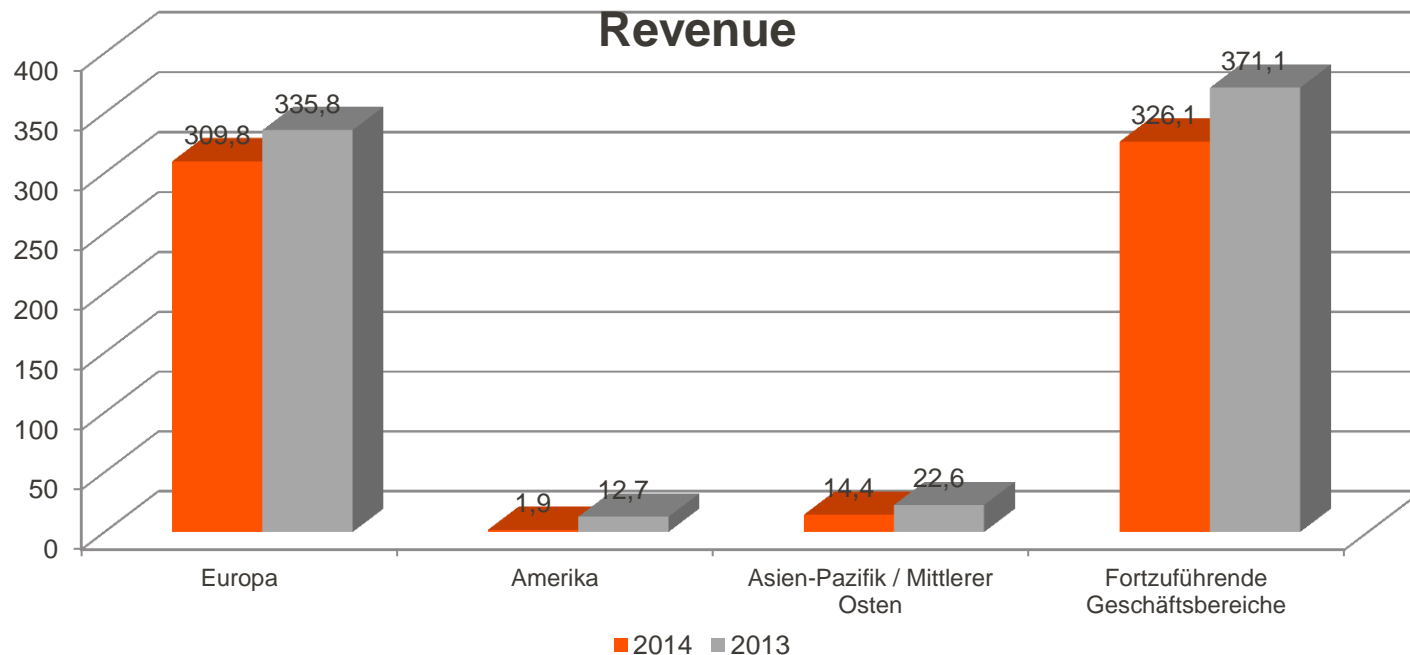
2014: Cash flow statement

€ million	Fiscal year		Change
	2014	2013	
Cash flow from operating activities	8.6	-35.0	n.a.
Cash flow from investing activities	-20.7	-7.3	n.a.
Free cash flow	-12.1	-42.3	-71.4%
Cash flow from financing activities	3.7	44.9	-91.8%
Cash and cash equivalents at Dec. 31	50.5	57.0	-11.4%
Net change in cash and cash equivalents	-6.5	2.6	n.a.

- Return to outflow of cash from operating activities
- Repayment of the syndicated loan (€30.2 million) reduces cash flow from financing activities
- Spending in the double-digit million range to establish new business segments
- Free cash flow of €7.3 million compared with €4.5 million in Q4/2103
- Cash flow from investing activities includes an €18 million investment in the joint venture Gigaset Mobile

2014: Revenue by region

- **North/South America:** Reorganization of the sales model in the U.S. and Argentina. Deconsolidation of Brazilian business
- **Asia-Pacific/Middle East:** Weak economic activity and continuing political crises in the Middle East



Outlook for 2015

The company expects the decline in the market for its core business to slow slightly. In view of the nevertheless challenging trends in the cordless phone business and the investments required in growth platforms, we anticipate (excluding tablets and mobile):

- A decline in revenue from continuing operations in a high single-digit to low double-digit percentage range.
- A positive EBITDA once more in the lower double-digit million range. However, the EBITDA is expected to be below that of the previous year due to lower revenue, the investments required in new business segments and restructuring of the company. An EBITDA margin in the low to middle single-digit range is anticipated.
- A negative free cash flow in the high single-digit to low double-digit million range due to considerable investments in the new business segments is assumed.

Gigaset also expects positive contributions to earnings from business with mobile devices, in particular from its future smartphone business. However, a more precise figure can only be put on the latter after the company has entered the market.

Talk by CEO Charles Fränkl (part 2)



Shifting dynamics: Networking of everything



Shifting dynamics through a further improvement in cost-effectiveness and growth



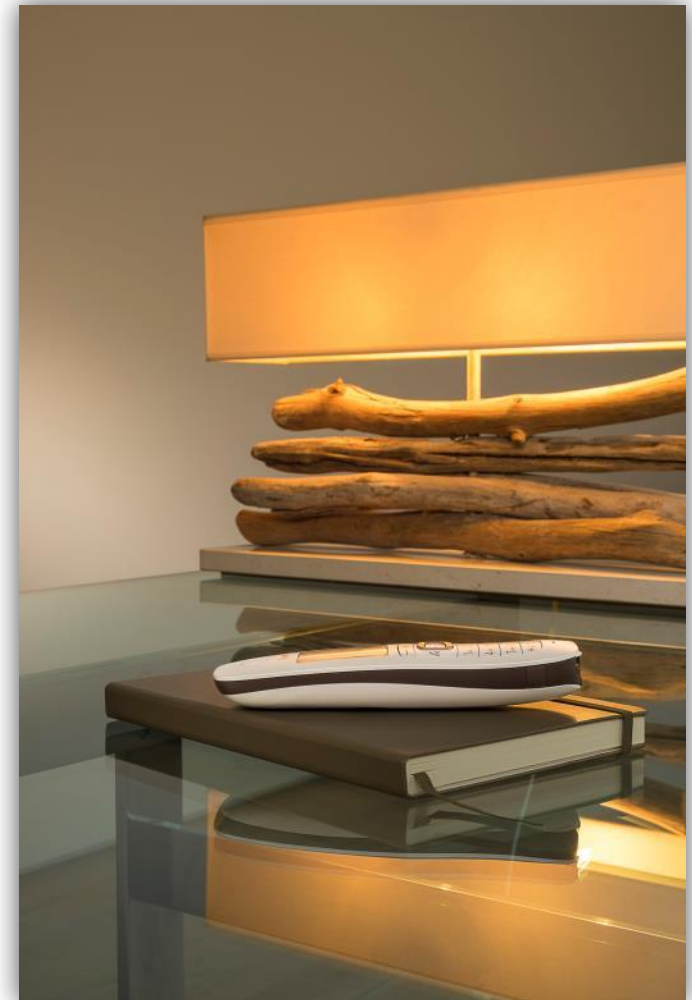
The reasons for smartphones in 2015:

- **The global DECT phone market = 60 million units**
- **The global smartphone market = more than 1 billion units**
- **The smartphone market is growing annually by 13%, also in 2015***
- **Transplanting of Gigaset's DNA to the new product**

New opportunities for additional growth at Gigaset

Proven success factors are the foundation

- A **strong brand**
- A **global and dense sales network**
- A **competent team**



Thank you for your attentiveness.
Questions please!