



## 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 %         |
| <b>EBITDA</b>                               | <b>-7.6</b>  | <b>4.6</b>   | <b>-265 %</b> |
| <b>EBIT</b>                                 | <b>-13.9</b> | <b>-2.0</b>  | <b>-595 %</b> |
| <b>Net income</b>                           | <b>-12.2</b> | <b>-3.3</b>  | <b>-270 %</b> |
| <b>EPS (diluted in EUR)</b>                 | <b>-0.12</b> | <b>-0.07</b> | <b>-71 %</b>  |

\*Rounded figures may not add up

# Consolidated Statement of Financial Position\*

| in EUR million                  | 03/31/2014 | 12/31/2013 | Change |
|---------------------------------|------------|------------|--------|
| <b>Balance sheet total</b>      | 235.9      | 267.1      | -12 %  |
| <b>Non-current assets</b>       | 119.6      | 101.8      | +17 %  |
| <b>Current assets</b>           | 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 %  |
| <b>Equity</b>                   | 24.6       | 38.7       | -36 %  |
| Equity ratio                    | 10.4 %     | 14,5 %     | -28 %  |
| <b>Non-current liabilities</b>  | 77.1       | 71.1       | +8 %   |
| <b>Current liabilities</b>      | 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\*

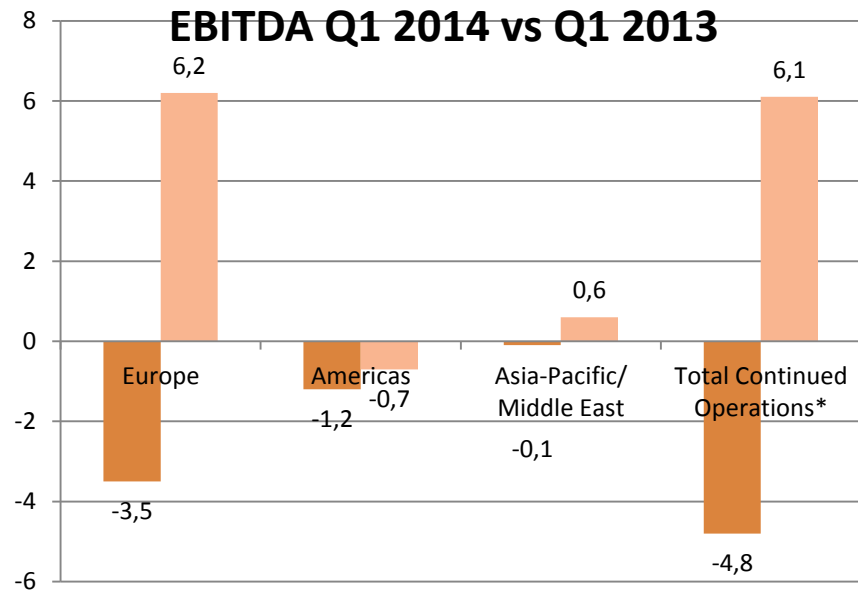
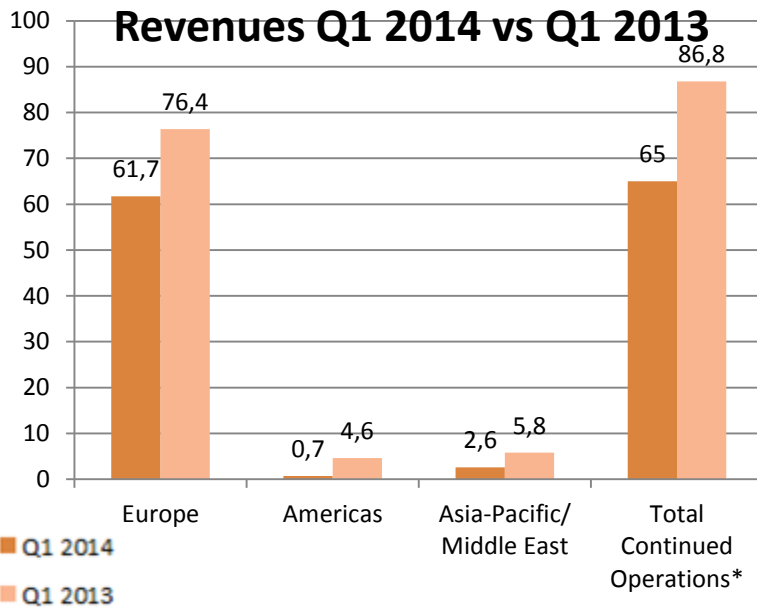
| in EUR million                                   | Q1 2014      | Q1 2013      | Change       |
|--|--------------|--------------|--------------|
| Cash flow from operating activities              | -9.5         | -21.9        | -57 %        |
| Cash flow from investing activities              | -18.5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

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# 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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