

Gigaset AG

Results for the second quarter
and the first half of 2014

Munich, August 7, 2014

Disclaimer

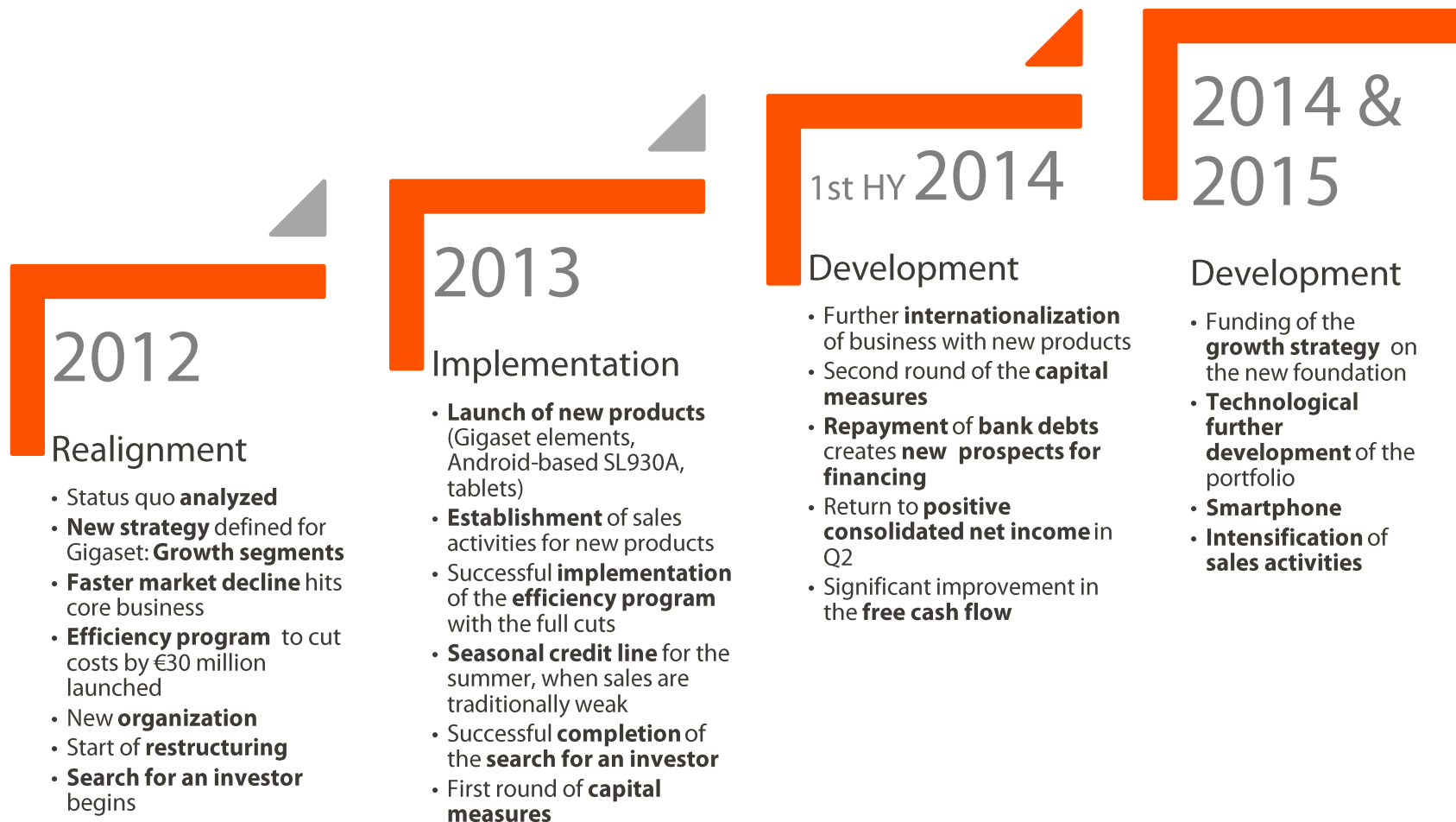
This presentation may contain forward-looking statements about the business, financial condition, results of operations and earnings outlook of Gigaset AG.

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.

Such risks and uncertainties include actual customer behavior, increased competition and pricing pressure, the availability of products, the stability and reliability of our technology, the financial climate and accessibility of financing, general conditions in the macro-economy, the payment behavior of our customers, variability and availability of interest rates, general economic conditions being less favorable than expected, and other factors. 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.

Gigaset successfully implements strategy



Financial spotlights in Q2/2014: Consolidated profit & positive free cash flow

- Gigaset constantly wins market share in core business (units +1%; revenue +0.3%)
- Decline in the cordless phone market unabated (-12% by volume; -13% by revenue)
- Total revenue in Q2 falls to €82.0 million (-15%)
- Further growth in the strategically important Business Customers segment in Q2 (revenue +8%)
- Impact of the efficiency programs and the elimination of negative one-off tax effects from the previous year result in positive consolidated net income of €1.3 million in Q2 (Q2/2013: € -9.4 million)
- Positive free cash flow in Q2 of €1.1 million
- Free cash flow improves from € -35.5 million in H1/2013 to € -8.9 million in H1/2014 (excl. a one-off outflow of €18.0 million from interim consolidation at Gigaset Mobile)
- Extensive restructuring of the funding base in the space of just 12 months: Capital measures enable complete repayment of bank loans

Gigaset has successfully overcome a crucial phase

Items in the consolidated statement of comprehensive income (continuing operations)

In € million	H1/2014	H1/2013	Q2/2014	Q2/2013
Group sales	147.0	183.5	82.0	96.8
EBITDA	2.6	11.0	10.3	6.4
EBIT	-9.6	-2.5	4.3	-0.5
Net income	-10.9	-12.7	1.3	-9.4
EPS (diluted in €)	-0.11	-0.25	0.01	-0.18

- Continuing market decline in core business results in falling revenue
- Significant improvement in consolidated net income due to efficiency programs and the elimination of negative one-off tax effects
- Sharp improvement in all profit ratios based on Q2

Items in the balance sheet and cash flow statement

Balance sheet

In € million	30/06/2014	31/12/2013
Total assets	237.2	267.1
Equity*	23.0	38.7
<i>Equity ratio</i>	9.7%	14.5%
Non-current liabilities	79.4	71.1
Current liabilities	134.8	157.3

Cash flow statement

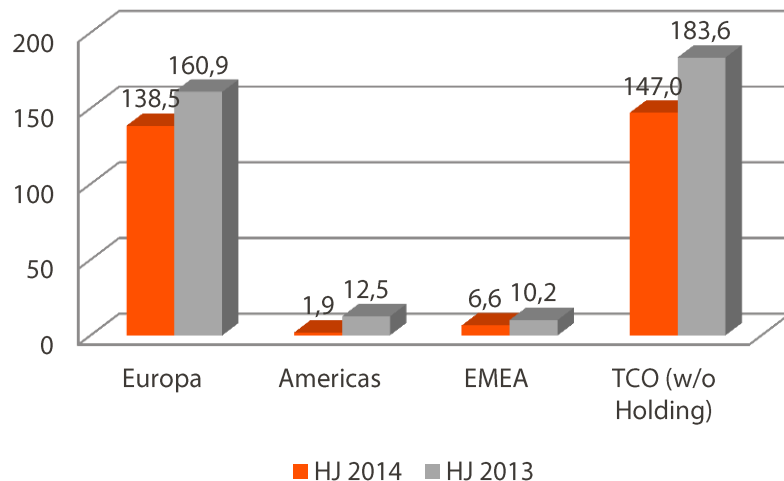
In € million	H1/2014	H1/2013
Cash flow from operating activities	-7.4	-31.4
Cash flow from investing activities	-19.5	-4.1
Cash flow from financing activities	-2.3	0.1
Free cash flow	-26.9	-35.5

- Completion of streamlining of the portfolio and falling revenue reduce total assets
- Capital measures in 2014 will improve the equity ratio
- Positive free cash flow in Q2
- Free cash flow in H1 reduced by -18.0 million by interim consolidation at Gigaset Mobile
- Excluding the special effect of interim consolidation at Gigaset Mobile, the free cash flow in H1 was € -8.9 million, an improvement of €26.6 million over H1/2014

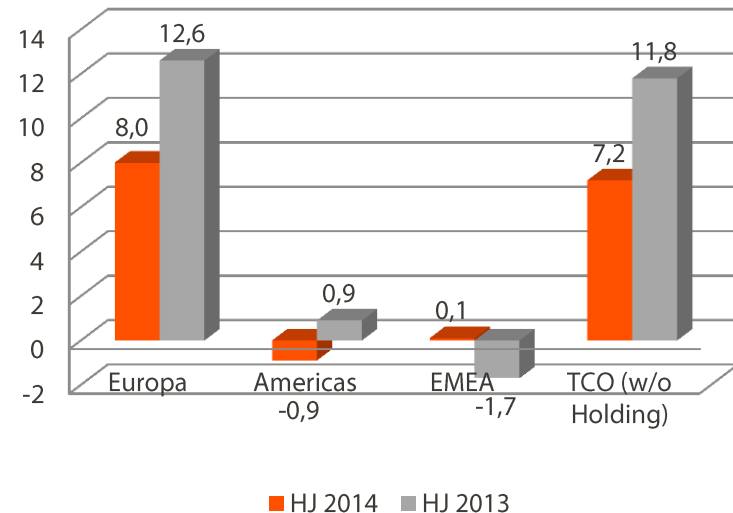
Revenue and EBITDA by region

- Europe: Continuing losses in revenue as a result of the market's decline in core business could only be partly compensated for by new business segments and gains in market share
- Americas: Successful transition to lower-risk sales models at a lower level of revenue
- Asia-Pacific and Middle East: Political unrest negatively impacts business

Revenue in € million



EBITDA in € million



Outlook for the 2nd half of 2014

In view of the still challenging trends in the cordless phone business and due to 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.

The Gigaset ecosystem: Networking of everything



Further steps on the way to the ecosystem

Gigaset elements

- Open API for simple integration of future partners
- Machine learning to tap new segments
- New components (camera & intelligent socket in 2014)

Business Customers

- High-end Android business phone Maxwell 10

Cordless voice

- Multi-access handsets
- App drive "Gigaset Go"
 - Control & configuration
 - Connection & replacement



Thank you for your attentiveness.