Gigaset

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Ad-hoc-News

Gigaset resolves upon issuance of new shares and convertible bonds with subscription rights

München, 25 June 2014 – Gigaset AG (ISIN DE0005156004) resolved today to increase its share capital by way of a rights offering of shares and to issue a new convertible bond.

The Executive Board of Gigaset AG ("the Company"), with the approval of the Supervisory Board, resolved to make partial use of the Company's authorized capital to increase its share capital by EUR 25,051,279.00 (approximately 26% of the current share capital) by issuing 25,051,279 bearer shares of common stock without par value (no-par shares) against cash contributions. The new shares will carry full dividend rights as of January 1, 2014. The new shares will be offered by the Company through indirect subscription rights to its existing shareholders and holders of the convertible bond issued by the Company in 2013 ("2013 convertible bond") at a subscription ratio of 43:11 (which means 43 subscription rights carry the right to acquire 11 new shares), whereby each existing share and each fractional 2013 convertible bond grants one subscription right. The issue price per new share amounts to EUR 1.00.

Furthermore, the Executive Board of Gigaset AG, with the approval of the Supervisory Board, resolved to issue a convertible bond against cash contributions that will mature in 2016 and will be divided into 9,476,877 bearer bonds of equal rank, each with a nominal amount of EUR 1.00. Each such bond will be convertible into one no-par bearer share of the Company with a nominal participation in the share capital of the Company of EUR 1.00 per share and full dividend rights as of the year of issuance ("Convertible Bonds"). The Convertible Bonds will be offered by the Company through indirect subscription rights to its existing shareholders and holders of the 2013 convertible bond at a subscription ratio of 31:3 (which means 31 subscription rights carry the right to acquire three Convertible Bonds), whereby each existing share and each fractional 2013 convertible bond grants one subscription right. The issue price per Convertible Bond amounts to EUR 1.00. The conversion period is expected to begin on December 10, 2014, and the maturity date is expected to be January 23, 2016. The Convertible Bonds will bear interest at a rate of 3.0% p.a. on their nominal value and are subject to mandatory conversion into shares of the Company at the end of their term.

In both cases, the subscription rights of existing shareholders have been excluded only to the extent required to grant holders of the 2013 convertible bond subscription rights to new shares or bonds to the same extent that they would hold such subscription rights upon voluntary or mandatory conversion of their bonds. The Company will not arrange for subscription rights trading.

The securities prospectus required for both measures is currently under review by the German financial markets regulatory authority Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin); the Executive Board expects the approved prospectus to be published on June 27, 2014 on the Company's web site. The subscription period is expected to last from July 1, 2014 to July 14, 2014. Listing of the new shares form the authorized capital as well as from the conditional capital is planned to take place on July 23, 2014 at the Frankfurt Stock Exchange under the interim ISIN DE000A1YDAG7.

Goldin Fund Pte. Ltd., Singapore (Singapore), has irrevocably undertaken to exercise the subscription rights stemming from its existing shares and to purchase any new shares or Convertible Bonds which have not been subscribed for by other existing shareholders during the subscription period at a price equal to the subscription price.

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The Company plans to use the net proceeds from the issuance of new shares of EUR 24.6 million and from the issuance of Convertible Bonds of approx. EUR 9.3 million to retire the debt outstanding under its existing syndicated loan facility, which is expected to amount to approx. EUR 17.2 million (including accrued and unpaid interest as of such time), and to repay an upstream loan granted by the affiliated company Gigaset Mobile Pte. Ltd., Singapore (Singapore) in the nominal value of EUR 8.0 million. The remaining amount of around EUR 8.7 million is to be used to expand the Company's business.

Gigaset AG, Munich, is an internationally operating company in the area of communications technology. It is Europe's market leader in DECT telephones. The premium supplier is likewise the leader worldwide with around 1,400 employees and sales activities in around 70 countries. Under the name Gigaset pro, the company continues to develop and market innovative business telephony solutions for small and medium-sized enterprises. The company also operates in the smart home arena. Cutting-edge, cloud-based products and solutions for the smart home are developed and marketed under the name Gigaset elements.

Gigaset AG is listed on the Prime Standard of Deutsche Börse and is therefore subject to the highest requirements for transparency. Its shares are traded on the Frankfurt Stock Exchange under the symbol 'GGS' (ISIN: DE0005156004).

More information on Gigaset can be found at: http://www.gigaset.com

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