

Gigaset AG

New opportunities for DECT

January 2013



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This is Gigaset

Sector: Communications technology

Core products: DECT cordless voice phones

Headquarters: Munich, Germany

Employees: approx. 1,600 worldwide

Financials 2011: Revenue: EUR 459 m

continued operations EBITDA: EUR 51 m

Gigaset AG Listed in the Prime Standard of the German stock exchange

Global presence: Sales in about 70 countries

Market position: Market leader in Europe (DECT)

Production site: Bocholt, Germany



An award-winning company



A selection of recent awards



The readers of the magazine “connect” selected the Gigaset SL910A “**Product of the Year 2012**” in the category cordless voice.



The SL910 is also winner of the **red dot design award** 2011.



Gigaset’s Bocholt factory has won the 2008 “**Factory of the Year / GEO Award**” for “outstanding change management”.



Gigaset’s Bocholt factory has won the 2012 “**Excellence in Production**” award in the category “Best in-house tool making with less than 50 employees.”

Success factor: manufacturing “Made in Germany”

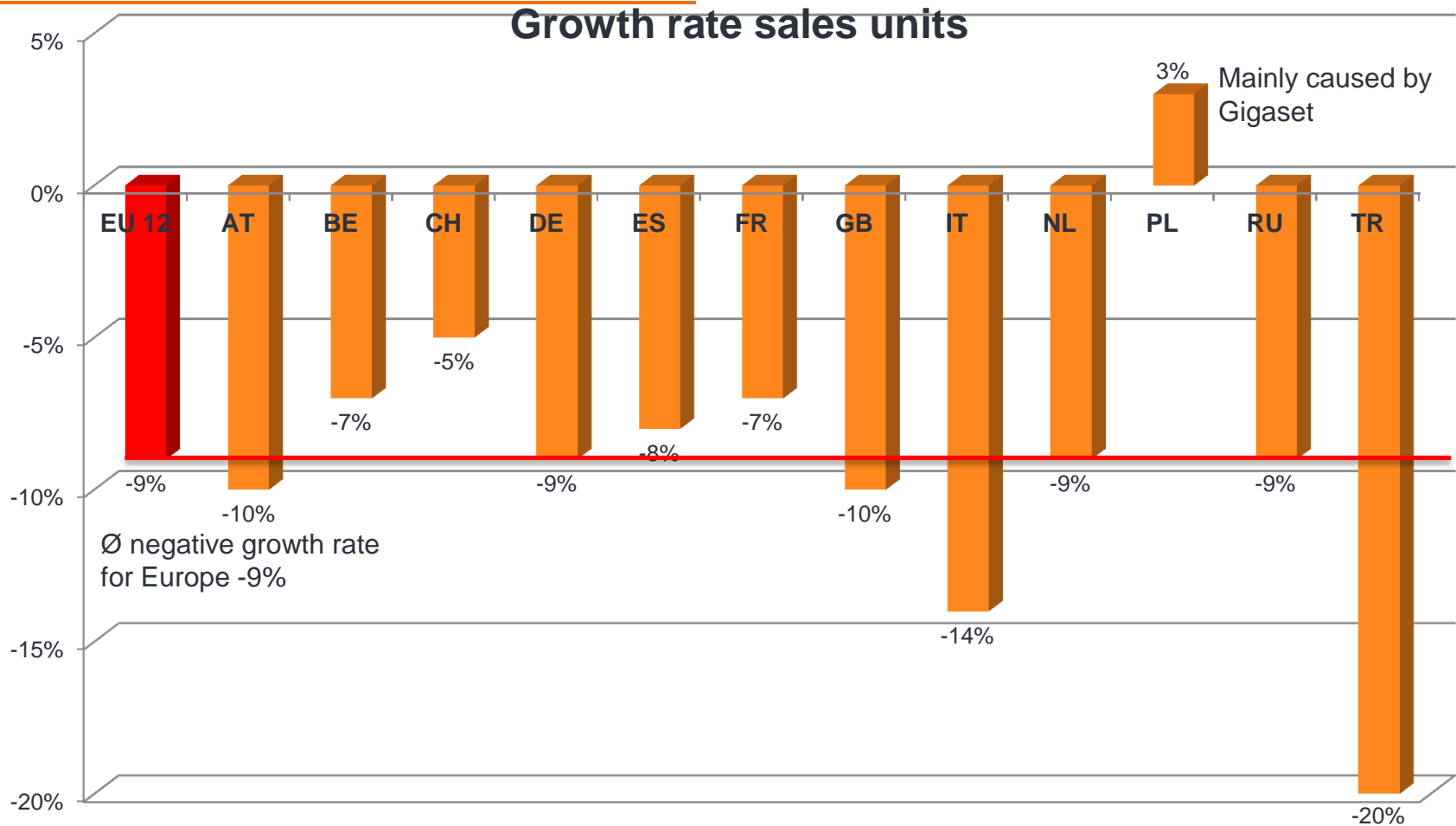


Area	Approx. 95,000 m ² , thereof about 54,000 m ² buildings
Employees	1,215 (R&D/Quality/Global Procurement/SCM/BA/Service/HR/etc.)
Production systems	50 production systems
Product variance	ca. 1,200 articles
Process quality	Approx. quality 100% (99.8% since 2011)
Delivery time	24 hours within Germany, 3 days within Europe



Traditional cordless voice markets became challenging

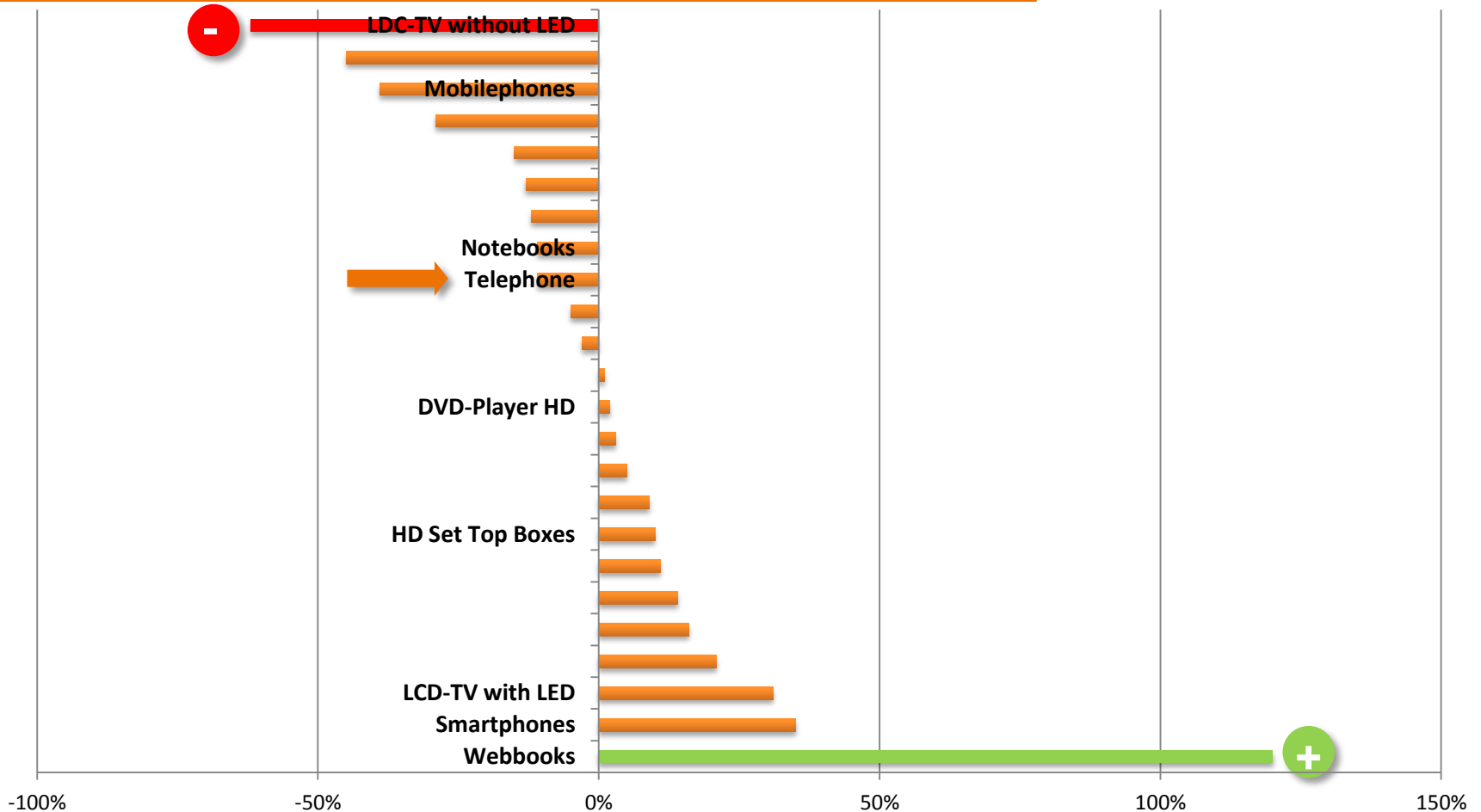
Market Development Jan-Oct 2012 vs. Jan-Oct 2011¹⁾



Source: 1) GfK EU12 Jan-Oct 2012

Shifting gears: while certain product categories are losing, others are winning

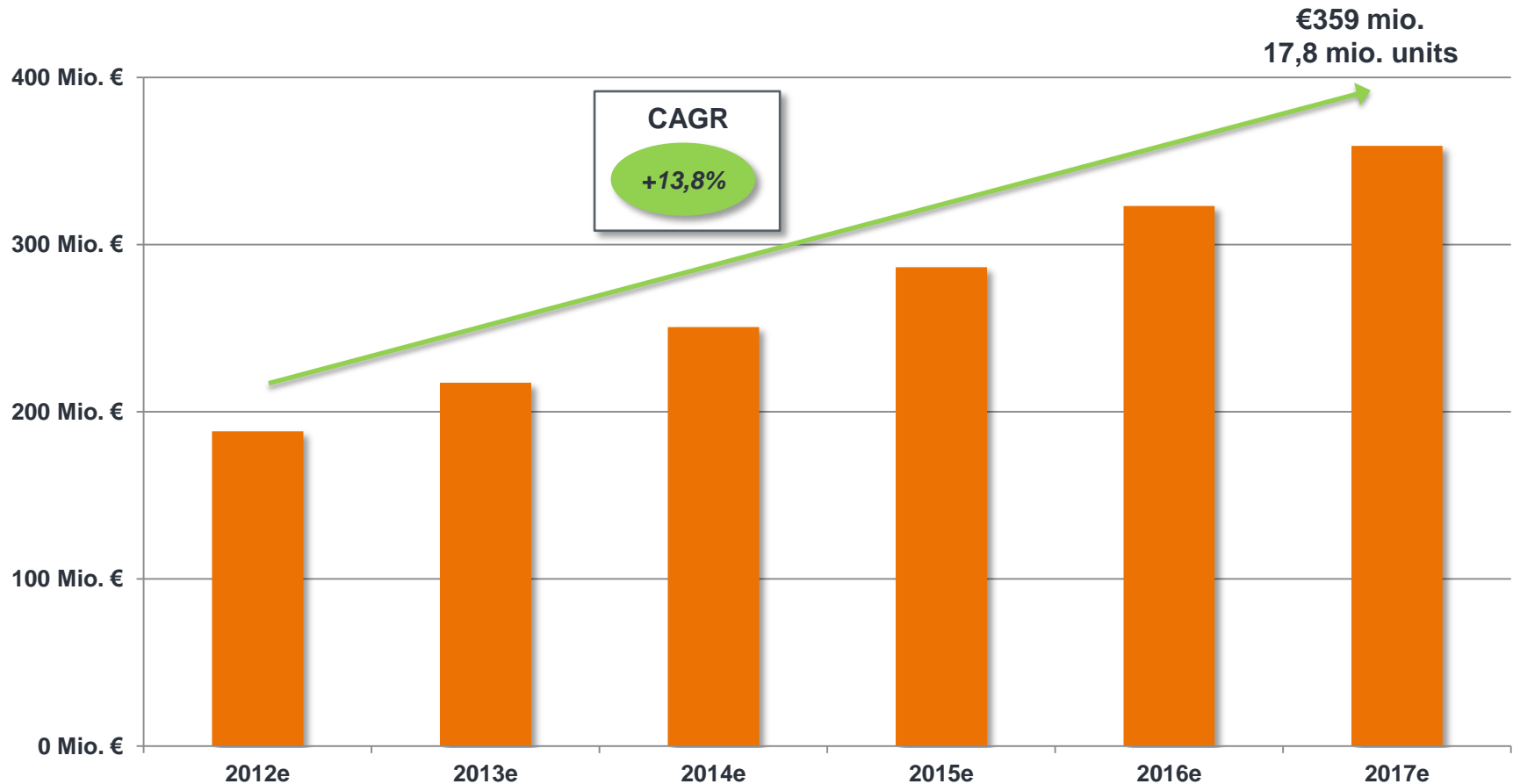
Main Market Insights: Growth Rate technical goods Jan-Oct 2012 Value³⁾



Source: 1) GfK EU12 Jan-Oct 2012

Room to grow: business telephony market Europe¹⁾

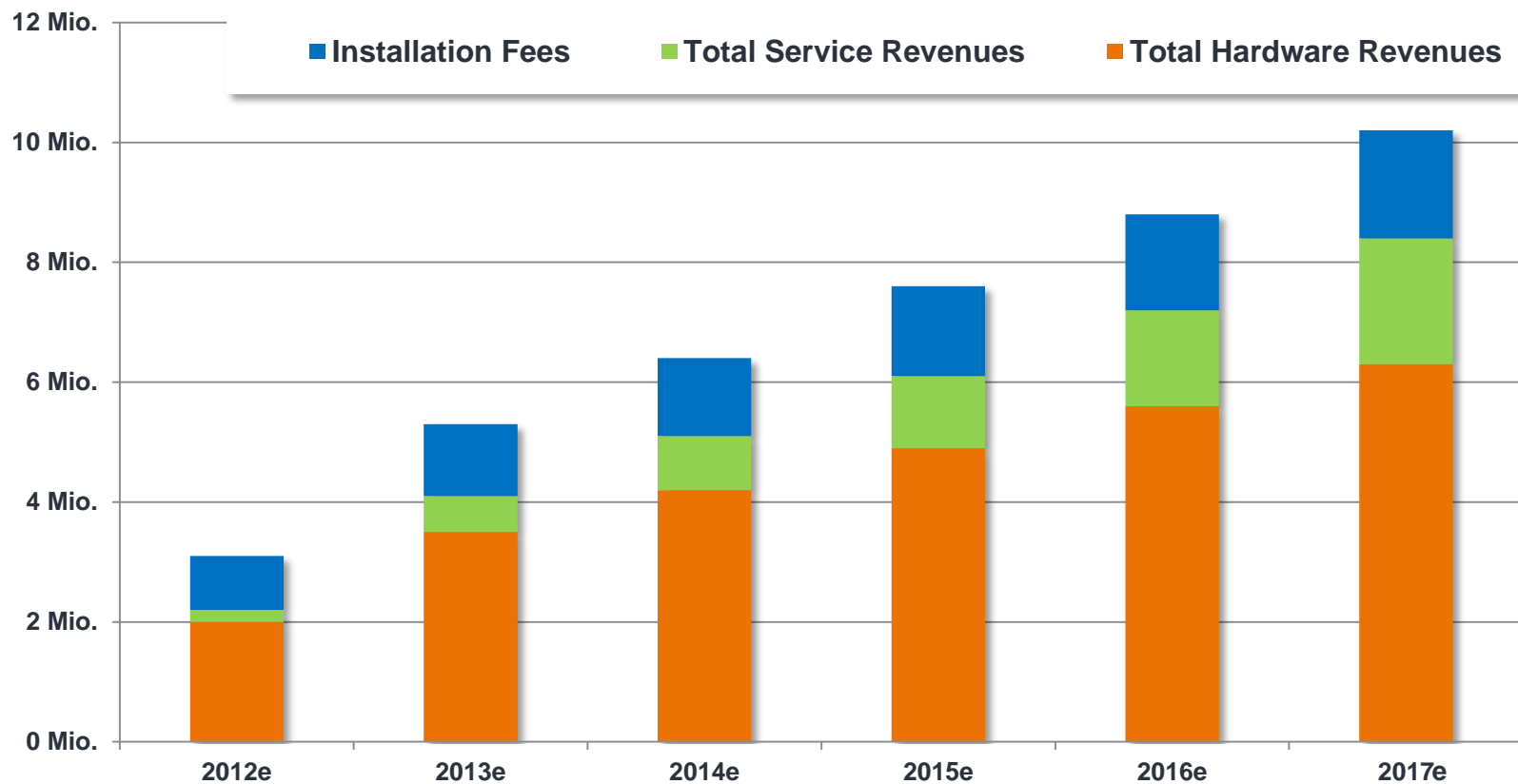
Market Value²⁾³⁾ (Extensions Corded IP business telephony <100 ext.), End User Price)



Source: 1) MZA PBX / IP PBX Forecasts 2012; 2) Value in end user prices for Gigaset selected countries (AUT, CZR, DEN, FRA, GER, HUN, ITA, NDL, NOR, POL, SPA, SWE and UK); 3) Excl. Terminals, Installation & Maintenance

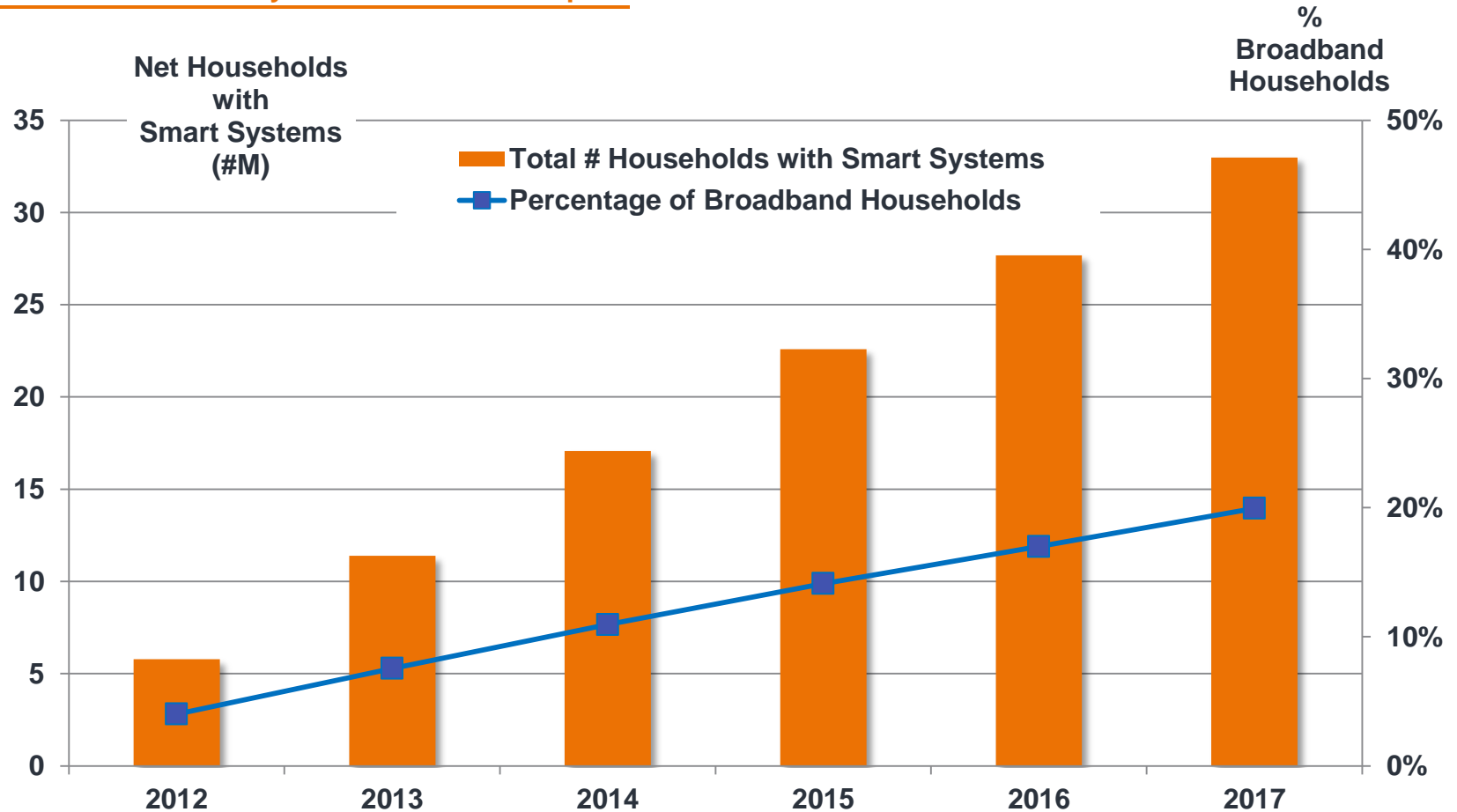
The smart home market offers growing opportunities

Annual Smart Home Revenue (2012 to 2017, Bn. \$)

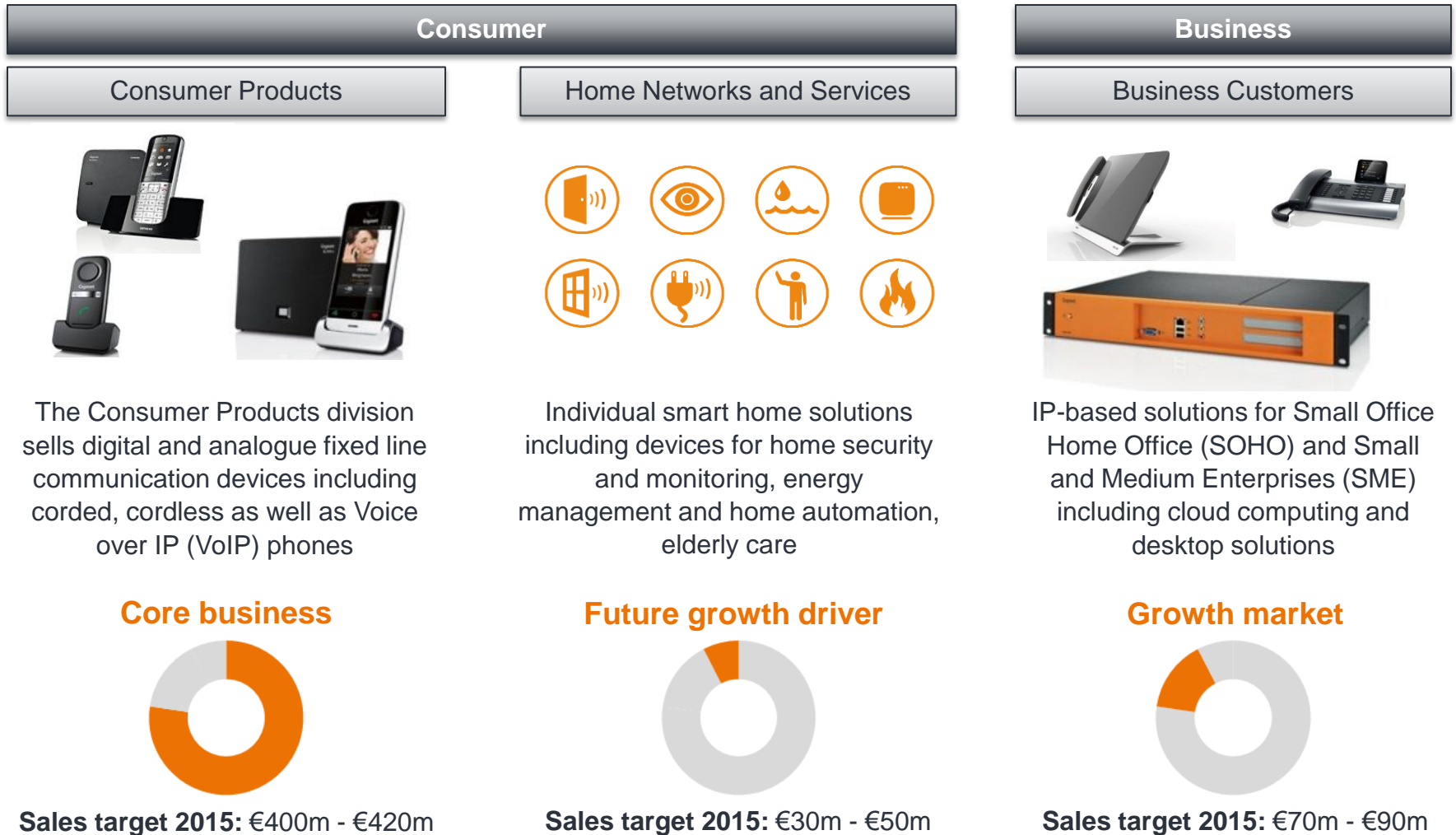


Number of households with Smart Systems increases

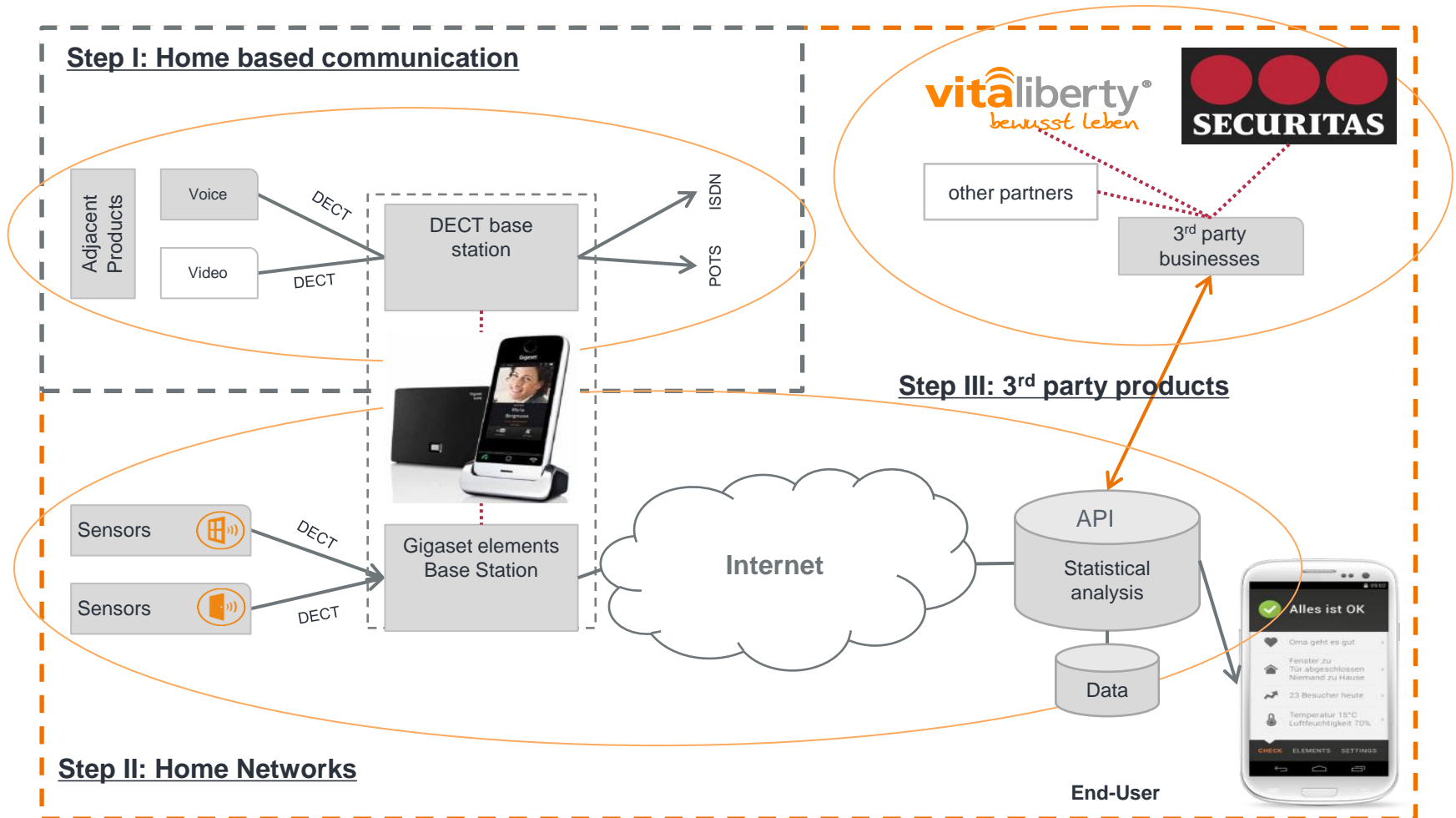
Households with "Smart" Systems: Western Europe



Expansion and growth strategy in three segments



Evolution from pure communication to Home Networks platform with service integration



Consumer Products: Cordless Voice Remains our core business

Today

- Revenues EUR 431 m (2011)
- Leading Brand in Western-Europe*
- Globally 2nd ranked brand in DECT industry*

Next steps

- As a driver of the ongoing industry consolidation Gigaset develops better than the entire market
- Clear increase in productivity and liquidity-boosting measures
- Continuation of the high-end strategy of Android operating system, video telephony, and VoIP products
- Part of the platform strategy of home networking



Gigaset SL 930

- Android landline telephone* offering access to Google Playstore with more than 800,000 apps**
- Console for home-network apps from Gigaset and its partners
- Market launch in H2/2013

*As the to company is aware of **As of January 2013, Statista

*Source: MZA, Shipment Review 1H 2012, DECT standard, base units

Business Customers:

Low Entry Barriers Provide Growth Opportunities

Today

- Revenue EUR 27 m (2011)
- Consisting of white label products (since 2008) and Gigaset pro (since 2011)
- Gigaset pro: IP based solution for SoHo and SME
- Coverage of customers of large enterprises through OEM business with partners



Next steps

- Acceleration of the SoHo and SME segment expansion by using the Gigaset growth platform
- Clear focus on Android
- Expansion of OEM business with global partners
- Expansion of the high-margin business solutions
- Participation of the high market potential of EUR 1.2 to 1.4 bn until 2015*

- Android-based open SIP Video Phone (MS Lync, Skype, Google Talk etc.) with 1280x800 resolution multi touch display.
- Touch interface for intuitive usability, integrated camera for point to point video calls in HD 720p quality.
- Including an open VPN client for connection to the company network as well as HDMI interface.
- Market launch at the end of 2013

*Source: Booz & Company Studies

Home Networks:

Evolutionary Development in a Strongly Growing Market

Today

- Established DECT standard already exists and is applicable for other use cases
- Gigaset stations in millions of households
- Favorable R & D conditions
- Today's solutions are expensive and not widely marketable
- Highly dynamic market



Gigaset elements

Next steps

- Open platform as basis for own products, third parties (partners) and hardware manufacturers
- Expansion of high-margin service business
- New sources of revenue through recurring revenue model (subscription via Apps)

- Open platform of hardware, software and cloud-based applications
- Together with partners, Gigaset will develop innovative solutions, new services and business models in the areas of security, elderly care, energy management, etc.
- Market launch expected for the second quarter of 2013

Gigaset: a strong and well established premium brand



Gigaset is back again with TV spots airing in Germany...

Conclusion



Great opportunities ahead!

Addressing new markets and product segments will allow the industry to grow and find additional profitability!

Gigaset

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