REPORT FOR THE 3RD QUARTER

2016

KEY FIGURES

EUR million	01/01/-09/30/2016	01/01/-09/30/2015
Consolidated revenues	192.1	208.4
Result of the core business before depreciation and amortization	12.3	-4.9
Operating result	0.9	-14.5
Consolidated net loss for the fiscal year	-0.4	-14.7
Free cash flow	-19.3	-30.7
Earnings per share (diluted in EUR)	0.00	-0.11

EUR million	09/30/2016	31.12.2015
Total assets	213.0	221.1
Consolidated equity	1.9	17.9
Equity ratio (in %)	0.9	8.1
Number of employees	837	1,270

Information on the Gigaset share	Q3 2016	Q3 2015
Closing rate in EUR (at the end of the period)	0.45	0.76
Peak price in EUR (in the period)	0.60	0.94
Lowest price in EUR (in the period)	0.45	0.76
Number of shares in circulation (at the end of the period)	133,455,896	123,979,019
Market capitalization in EUR million (at the end of the period)	59.6	93.5

Note

The quarterly report is not audited. It was prepared based on the accounting policies applied for the most recent consolidated financial statements.

The quarterly report includes statements and information regarding Gigaset AG relating to future periods. The statements regarding the future represent estimates that were made based on all information available when the report was prepared. If the assumptions underlying the forecasts should prove inaccurate, the actual developments and results can deviate from current expectations. The Company does not accept any responsibility to update the statements included in this report outside of the provisions governing publication stipulated under the law.

Amounts included in tables and percentages (monetary units, percentages) can differentiate from the mathematically correct values due to rounding differences.

1. The prior year figures were adjusted from the perspective of materiality and based on the consolidated financial statements, since the sale of a brand as was discussed in the consolidated financial statements as of December 31, 2015, could not be finally realized.

IMPORTANT EVENTS IN Q3 2016

Reorganization of the Group takes effect

A comprehensive restructuring program was adopted and launched by the Executive Board of Gigaset AG back in December 2015. A wide variety of measures were initiated Group-wide in connection with this program in order to make the Company more efficient, more dynamic, and more cost-effective. This also provided for an extensive adjustment of the workforce to take place in several stages by the end of 2018. As a result of the successfully completed collective wage agreement and social compensation plan, the costs for personnel expenses were reduced for the first time as of the end of the second quarter. The positive effects of the restructuring program continued over the course of the third quarter and contribute to Result of the core business before depreciation and amortization, which has increased considerably by EUR 12.3 million, as well as to free cash flow, which increased by EUR 11.5 million to EUR -19.3 million. The restructuring program is taking effect as planned and gives the Company the flexibility to make entrepreneurial decisions as well as to successfully position new products and solutions.

For example with the new **keeper** – a Bluetooth 4.0 based and app-supported mini-transmitter – Gigaset has created a consumer-friendly solution providing an effective remedy for everyday stress situations. No matter whether a set of car keys cannot be found, a handbag has been left behind, or the car has cannot be found in a strange city: the new keeper and its visual and acoustic alarm mean that the stress in such situations is a thing of the past.

REPORT FOR THE 3RD QUARTER FROM JANUARY 1 TO SEPTEMBER 30, 2016

1 General economic environment

Gigaset continues to operate in a shrinking and increasingly competitive market environment in its core business for cordless telephones from which the most sales revenue is realized. Examining the economy as a whole, the two most important sales markets – Germany and France – are applied to describe the market situation; likewise, the six most important European countries (EU6) are applied in an expanded examination.

Germany

The market for cordless telephones in Germany decreased year-over-year by 12.0% in units in the third quarter of 2016. Thus, the negative overall trend continues. Measured on sales revenue, the market decline amounts to 10.9%. Despite the challenging circumstances, Gigaset continued to maintain a very good market share of more than 40% in units and value and gained market share and thus performed better than the market as a whole.

France

The French market for cordless telephones declined in the third quarter of 2016. Compared with the third quarter of the prior year, it shrank by 12.6% in units and 11.8% in value. Even in this important market, Gigaset achieved a very good sales-based position of 35.2% and marketed its products successfully.

EU6

If the examination is expanded to the market trend in the European markets observed by Gigaset, a decrease of 12.3% in units and 14.4% in value must be stated in comparison with the third quarter of the prior year. In total, Gigaset achieved a market share of 33.0% measured on sales revenue.[2] Thus, Gigaset remains the market leader in Europe, although necessary strategy adjustments clouded the results in some countries such as the United Kingdom.

2. The data was taken from surveys by the Retail Panel for cordless telephones of GfK Retail and Technology GmbH in the countries of Germany, France, the United Kingdom, Italy, the Netherlands, and Spain. Collection period July - September 2016. IP telephones and system phones included in this data.

2 Business performance

Consumer Products market

With a value-based market share of 33%, Gigaset is emphasizing its clear premium position and market leadership in the EU6 area in the third quarter of 2016. However, the Consumer business continues to suffer as described under the general 12.3% decline of the market.[3] Gigaset is countering this in Germany by consistently developing new products, for which corresponding capital expenditures were made. The most important developments include Gigaset GO and Gigaset HX – two new product lines that provide for the transition to IP-based telephony. It is also possible for Gigaset to conduct marketing in new shelf space at the Point of Sale over the HX line and thereby attract new customer groups in the segment for router-based mobile components.

In the United Kingdom, a change in strategy from consumer products to business products was carried out, which reduced the sales with negative margins. Gigaset implemented price increases across all regions. As a result of this action as well as through a simultaneous focus on higher-priced products, the margin was improved across all products.

Business Customer market

The Business Customers segment posted growth of 3% in the third quarter compared with the same three month period of the prior year. The positive business trend in the Netherlands and in Germany contributed significantly to this success. The disruptions in the business of the largest German OEM customer reported in the first half of 2016 also had an impact in the third quarter and curbed an even more positive result. The return on sales was also improved in the comparison period by optimizing the product mix.

In the third quarter, important certifications with telephony platforms were also achieved for the IP-DECT solutions from Gigaset pro. For example, the N510 IP Pro was successfully recertified by Broadsoft. Both solutions N510 IP Pro and N720 IP Pro were also officially certified by the platform provider Metaswitch. With the help of these certifications, the aforementioned products can also be marketed to users of the respective platforms and therefore expand the sales opportunities in the Business Customers segment.

Home Networks

Overall, the Home Networks segment developed in line with the market as a whole for Smart Home products and therefore below expectations. For Gigaset elements, the first half of 2016 was dominated by the reorganization of the business segment and a new marketing strategy, which is important for the consideration of revenue and margins in this segment. Home Networks may be declining based on sales revenue compared with the previous year, but not with respect to the margin. This is essentially because the product positioning was carried out in particular over the price in the previous year. This approach was abandoned this year. Furthermore, a new communication strategy focusing on security was worked out in order to facilitate a clear positioning of the product in the confusing Smart Home environment. Continuous improvements in the device software, the cloud services, and applications focus on the existing customers' needs. Accordingly, rising sales revenue is expected in the fourth quarter of 2016. With growth of 7% in registered users as of the second quarter, a positive trend has already been recorded.

3. The data was taken from surveys by the Retail Panel for cordless telephones of GfK Retail and Technology GmbH in the countries of Germany, France, the United Kingdom, Italy, the Netherlands, and Spain. Collection period July - September 2016. IP telephones and system phones included in this data.

3 Financial performance, cash flows and financial position of the Group

3.1 Financial performance

The report published in the prior year for the third quarter was adjusted insofar as the non-recurring income shown for this quarter from the sale of trademark rights to Goldin Group is no longer shown in the interim report for the third quarter of the prior year. This income has so far to this day not been realized and was also no longer reported in the fourth quarter of 2015. The following line items were adjusted: Additional ordinary result prior year: (EUR -20.6 million); income taxes prior year: (EUR 6.4 million).

The Gigaset Group generated total **sales revenue** in the amount of EUR 192.1 million (prior year: EUR 208.4 million) in the first nine months of fiscal year 2016 in a difficult economic environment. Sales revenue from the core business was subject to the usual seasonal fluctuations in the consumer business.

At EUR 16.3 million, the revenue trend for the business segments in the first nine months of 2016 is therefore ostensibly to be regarded as declining. However, looking at gross profit, it is only EUR 2.9 million below the prior year's level. Sales revenue decreased in the Consumer Products segment by EUR 10.7 million to EUR 157.9 million, and in the Business Customer segment by 7.1% to EUR 30.3 million. The decrease in revenue in the Consumer Products segment is related to the general market decline. However, Gigaset performed better in Germany than the market and was able to increase its market share. The decrease in revenue from Business Customers resulted from disruptions in the business with the largest German OEM customer, which was partially offset by solid distribution work. Sales revenue in the Home Networks segment decreased by EUR 1.5 million, whereas the margin remained unchanged, as the strategy of positioning over price reductions was abandoned as part of the new distribution strategy. A decrease of EUR 1.8 million to EUR 2.9 million was also posted for Mobile Products. Here, the sell-off of tablets in 2015 is compared to current sales from the smartphone business.

Sales revenue in € millions	Q3 2016	Q3 2015	Change
Consumer Products	157.9	168.4	-6.2%
Business Customers	30.3	32.6	-7.1%
Home Networks	1.2	2.7	-55.6%
Mobile Products	2.9	4.7	-38.3%
Gigaset Total	**192.2**	**208.4**	**-7.8%**

With a value-based market share of 33%, Gigaset emphasizes its premium position in the EU6 area also in the third quarter of 2016, even though it shrank by a total of 12.3%. This was contrasted by the trend in France and the Netherlands, where Gigaset achieved a good market development compared to the third quarter of the prior year. The current market share with respect to the units is 29% in France and 40% in the Netherlands.[4]

Decreases in revenue had to be accepted with respect to the most important customer in the Business Customer segment. Nevertheless, the revenue trend in the rest of the Business Customers business is positive. It increased by 3% in the third quarter compared to the three month period of the prior year. This increase can be attributed to a positive business trend in Netherlands and Germany. The return on sales was also improved as a result of optimizations in the product mix.

4. Source: The data was taken from surveys by the Retail Panel for cordless telephones of GfK Retail and Technology GmbH in the countries of Germany, France, the United Kingdom, Italy, the Netherlands, and Spain. Collection period July - September 2016. IP telephones and system phones included in this data.

In the Home Networks segment, Gigaset elements developed in line with the market as a whole for Smart Home and thus remains below the Company's expectations. Product positioning and market strategy are geared toward the topic of security and should better address the customers' needs together with continuing improvements in the device software, the cloud services, and applications. Growth of 7% in registered users in the third quarter of 2016 can be regarded as a positive start.

Sales revenues may have decreased by 7.8% overall for all business segments, but the margin quality was improved and the costs were substantially reduced. Net earnings from the core business before depreciation and amortization increased accordingly from EUR -4.9 million to a positive result of EUR 12.3 million.

Revenue by sales region developed as follows:

Sales revenue in € millions	Q3 2016	Q3 2015	Change
Germany	78.5	87.5	-10.3%
Europe	87.3	91.2	-4.3%
Rest of World	26.4	29.7	-11.1%
Gigaset Total	**192.2**	**208.4**	**-7.8%**

The sales revenue decline in Germany is significantly characterized by the decrease in the Business Customers segment due to the reorganization of its largest customer's corporate group (EUR -4.5 million) and as a result of the Home Networks segment (EUR -1.0 million).

The market and business strategy of the Home Networks segment was reoriented. The expectation is for the successes to take effect over the next few quarters.

In addition, the decline in the Consumer Products segment follows the general market trend in all European countries.

The summary region "Rest of World" posted declines in the regions of Latin America (EUR -1.0 million), MEA (EUR -0.7 million) and Russia (EUR -0.7 million).

Sales revenue by region of origin developed as follows:

Sales revenue in € millions	Q3 2016	Q3 2015	Change
Germany	87.9	110.8	-20.7%
Europe	81.6	77.1	5.8%
Rest of World	22.7	20.5	10.7%
Gigaset Total	**192.2**	**208.4**	**-7.8%**

The **cost of materials** for raw materials, merchandise, finished goods and purchased services was EUR 97.9 million – a decrease of EUR 15.9 million compared to EUR 113.8 million in the prior year. The cost of materials rate fell from 52.0% to 49.4%, including changes in inventories. This can be primarily attributed to the sales revenue trend, changes in inventories of finished goods and work in progress, and the USD exchange rate trend.

Gross profits, comprising sales revenue less the cost of materials and including the 2.9% change in inventories of finished goods and work in progress decreased year-over-year to EUR 97.2 million in the first nine months.

Other own work capitalized in the amount of EUR 7.2 million (prior year: EUR 7.9 million) mainly includes costs related to the development of new products.

Other income from the core business amounts to EUR 3.4 million and is thus EUR 3.0 million lower than in the first nine months of the prior year. The decrease can be primarily attributed to the recharging of services to the Gigaset Mobile Group, which were down EUR 2.4 million year-over-year.

Personnel expenses before restructuring for wages, salaries, social security contributions and old age pensions amount to EUR 59.8 million, representing a year-over-year decrease of EUR 9.5 million. The decrease results from the restructuring initiated at the end of 2015.

Other expenses from the core business in the amount of EUR 35.6 million (prior year: EUR 50.0 million) were incurred in the reporting period. These include in particular marketing costs (EUR 11.4 million; prior year: EUR 16.7 million), general administrative expenses (EUR 4.4 million; prior year: EUR 5.8 million), transport costs (EUR 4. 8 million; prior year: EUR 5.2 million), advisory fees (EUR 1.5 million; prior year: EUR 2.6 million), expenses for land and buildings (EUR 2.2 million; prior year: EUR 2.6 million), and expenses for the loaning of employees (EUR 3.5 million; prior year: 2.5 million). The decrease in other expenses from the core business of EUR 14.4 million can be attributed to cost-savings.

Earnings from the core business before depreciation and amortization thus amount to EUR 12.3 million (prior year EUR -4.9 million). Taking into account depreciation and amortization in the amount of EUR 12.9 million (prior year: EUR 15.6 million), earnings after depreciation and amortization amount to EUR -0.5 million (prior year: EUR -20.5 million).

The **additional ordinary result** in the amount of EUR 1.4 million (prior year: EUR 6.0 million) includes the profit and loss items that do not necessarily result from the core business. The exchange rate effects decreased by EUR 3.9 million compared to the first half of the previous year. The main reason for this was the introduction of hedge accounting in October 2015. On a net basis, the exchange rate gains and exchange rate losses for the third quarter of 2016 result in a positive contribution to earnings of EUR 0.2 million.

The **operating result** amounts to EUR 0.9 million (prior year: EUR -14.5 million). In conjunction with **net financial income** in the amount of EUR -0.9 million (prior year: EUR -1.1 million), the **result from ordinary activities** is EUR 0.0 million (prior year: EUR -15.7 million).

The **consolidated net loss for the fiscal year** as of September 30, 2016, amounts to EUR -0.4 million (prior year: EUR -14.7 million).

This results in earnings per share of EUR 0.0 (basic/diluted) (prior year: EUR -0.11 (basic/diluted)).

3.2 Cash flows

Cash flow can be broken down as follows:

EUR million	Q3 2016	Q3 2015
Cash flows from operating activities	-11.5	-21.3
Cash flows from investing activities	-7.8	-9.4
Free cash flow	-19.3	-30.7
Cash flows from financing activities	-0.4	-0.1

In the quarter just ended, the Gigaset Group recorded **cash outflows from continuing operations** in the amount of EUR -11.5 million (prior year: EUR -21.3 million). The negative free cash flow in the third quarter can be attributed to seasonal fluctuations. Free cash flow increased compared to the previous year, despite 7.8% lower sales revenue. This results in particular from the improved earnings situation and a smaller build-up of inventories as well as a smaller decrease in trade payables.

Cash outflows from investing activities amount to EUR -7.8 million and thus fall short of the previous year's level of EUR -9.4 million. Most of the capital expenditures in the current and past fiscal year relate to investments in fixed assets and hereby primarily the projects Einstein 2.0, Raptor, Maxwell B3, keeper and Whale HX.

Thus, free cash flow amounted to EUR -19.3 million compared to EUR -30.7 million in the previous fiscal year.

Cash outflow from financing activities amounts to EUR -0.4 million as of September 30, 2016 (previous year: EUR -0.1 million). The cash outflow includes the interest paid in the amount of EUR 0.4 million as part of the conversion of mandatory convertible bonds.

Please refer to the cash flow statement presented in the quarterly report for a detailed presentation of changes in cash and cash equivalents. The cash flow includes changes in exchange rates in the amount of EUR -0.2 million (prior year: EUR 0.2 million).

Cash and cash equivalents amounted to EUR 21.1 million as of September 30, 2016 (previous year: EUR 20.0 million).

3.3 Financial position

The Gigaset Group's **total assets** as of September 30, 2016, amounted to around EUR 213.0 million and thus decreased by approximately 3.7% compared to December 31, 2015.

Non-current assets increased slightly by EUR 2.3 million to EUR 99.3 million compared to December 31, 2015. Depreciation and amortization and the disposals exceed capital expenditures in intangible assets and property, plant and equipment; consequently, intangible assets decreased by EUR 1.4 million to EUR 34.0 million and property, plant and equipment by EUR 3.6 million to EUR 26.3 million. In contrast, deferred tax assets increased by EUR 7.3 million to EUR 20.6 million.

Current assets represent 53.4% of total assets. Compared to December 31, 2015, they decreased by EUR 10.4 million and amount to EUR 113.7 million. Inventories increased by EUR 4.0 million to EUR 28.3 million. Trade receivables decreased by EUR 0.9 million to EUR 29.6 million. Furthermore, the portfolio of cash and cash equivalents decreased from EUR 41.0 million to EUR 21.1 million compared to December 31, 2015. Please refer to the statement of cash flows presented in the quarterly report for a breakdown of changes in cash and cash equivalents.

Total liabilities amount to EUR 211.1 million (prior year: EUR 203.2 million), 43.5% of which are current.

The Gigaset Group's **equity** amounted to around EUR 1.9 million as of September 30, 2016, and is EUR 15.9 million lower than at the beginning of the year. Correspondingly, the equity ratio amounts to 0.9% compared to 8.1% as of December 31, 2015. Due to the 1.0% decrease in the discount rate to 1.3% for the recognized pension obligations, net actuarial losses in the amount of EUR 14.6 million were recognized in equity. Furthermore, changes in exchange rates were recognized directly in equity in the amount of EUR -0.3 million. The newly introduced cash flow hedging resulted in losses in the amount of EUR 0.7 million that were recognized directly in equity. In addition, equity was impacted by the consolidated net loss for the fiscal year of EUR 0.4 million.

Non-current liabilities mainly include pension obligations, provisions for restructuring, and deferred tax liabilities as well as non-current provisions for personnel expenses and provisions for guarantees. The EUR 27.6 million increase in non-current liabilities to EUR 118.4 million primarily resulted from the increase in pension provisions, which increased correspondingly due to a decrease in the discount rate of 2.3% as of December 31, 2015, to 1.3% on September 30, 2016.

At EUR 92.7 million, **current liabilities** are around 19.8% lower than reported in the annual financial statements as of December 31, 2015. The decrease in current liabilities results primarily from the EUR 12.7 million decrease in provisions, in particular the provisions from restructuring in the amount of EUR 2.3 million (prior year: EUR 6.2 million) and the other provisions in the amount of EUR 6.2 million (prior year: EUR 13.2 million). Trade payables decreased seasonally from EUR 45.8 million to EUR 37.5 million.

4 General assessment of the Group's expected performance

The strategic reorientation of the Company will be consistently continued. The Company expects the market decline in its core business to slow down this year. Since the downward trend in the cordless telephone business continues, Gigaset continues to invest in the establishment of new, promising segments and product groups. These investments will result in additional contributions to sales revenue that, however, will not be able to completely compensate the decline in the cordless telephone business this year. Due to the current development the Executive Board of Gigaset AG adjust the outlook for the full year 2016. The company now expects:

› a positive income from ordinary activities (income before taxes) for 2016

› an EBITDA of around EUR 20 million and

› a positive free cash flow from business operations, which will be slightly negative solely due to tax payments from past years.

Furthermore, Goldin Brand Ltd. has so far not exercised its rights under the contract regarding the acquisition of brands and domains entered into in 2015 and so far not paid the purchase price. The brand rights and domains remain the property of Gigaset until the purchase price is paid. Since the purchased objects have not yet been transferred to the buyer, Gigaset does not show any proceeds from the brand transaction also for the 2016 fiscal year. The proceeds will be accordingly recognized in the period in which both contracting parties have exercised their rights and fulfilled their obligations.

Munich, November 18, 2016

The Executive Board of Gigaset AG

Klaus Wessing Hans-Henning Doerr Guoyu Du

Consolidated Income Statement for the period from January 1 to September 30, 2016[5]

EUR'000	01/01 - 09/30/2016	01/01 - 09/30/2015[6]
Sales revenue	192,104	208,399
Change in inventories of finished goods and work in progress	2,982	5,510
Cost of materials	-97,891	-113,813
Gross profit	**97,195**	**100,096**
Other own work capitalized	7,193	7,913
Other income from the core business	3,446	6,427
Personnel expenses before restructuring	-59,840	-69,352
Other expenses from the core business	-35,649	-50,024
Result of the core business before depreciation and amortization	**12,345**	**-4,940**
Depreciation and amortization	-12,855	-15,578
Result of the core business after depreciation and amortization	**-510**	**-20,518**
Additional ordinary income	3,348	3,732
Additional ordinary expenses	-2,186	-1,835
Personnel expenses from restructuring	-19	0
Exchange rate gains	4,101	12,984
Exchange rate losses	-3,872	-8,893
Additional ordinary result	**1,372**	**5,988**
Operating result	**862**	**-14,530**
Other interest and similar income	24	12
Interest and similar expenses	-897	-1,158
Net financial income	**-873**	**-1,146**
Result from ordinary activities	**-11**	**-15,676**
Taxes on income	-353	1,018
Consolidated net loss for the fiscal year	**-364**	**-14,658**
Earnings per ordinary share		
- undiluted in EUR	0.00	-0.11
- diluted in EUR	0.00	-0.11

5. Please refer to details in the notes to the annual financial statements as of December 31, 2015, regarding the individual line items of the income statement
6. The prior year figures were adjusted from the perspective of materiality and based on the consolidated financial statements, since the sale of a brand as was discussed in the consolidated financial statements as of December 31, 2015, could not be finally realized.

Consolidated Income Statement for the period from July 1 to September 30, 2016[7]

EUR'000	07/01/ - 09/30/2016	07/01/ - 09/30/2015[8]
Revenues	59,098	65,788
Change in inventories of finished and unfinished goods	2,089	4,450
Purchased goods and services	-32,589	-36,280
Operating Margin	**28,598**	**33,958**
Other internal production capitalized	2,555	3,056
Other income from core business	889	2,407
Personnel expenses before restructuring	-17,715	-21,472
Other expenses from core business	-12,238	-17,816
Result from core business before scheduled depreciation	**2,089**	**133**
Scheduled depreciation	-3,967	-5,352
Result from core business after scheduled depreciation	**-1,878**	**-5,219**
Additional other income	1,545	438
Additional other expenses	0	-1
Restructuring costs for personnel	-9	0
Exchange rate gains	1,141	83
Exchange rate losses	-1,143	-1,339
Additional result	**1,534**	**819**
Earnings before interest and taxes	**-344**	**-6,038**
Other interest and similiar income	9	6
Interest and similiar expenses	-262	-315
Net financial result	**-253**	**-309**
Income from ordinary activities	**-597**	**-6,347**
Income taxes	881	702
Consolidated profit / loss for the year	**284**	**-5,645**
Earnings per share		
- undiluted in EUR	0.00	-0.04
- diluted in EUR	0.00	-0.04

7. Please refer to details in the notes to the annual financial statements as of December 31, 2015, regarding the individual line items of the income statement

8. The prior year figures were adjusted from the perspective of materiality and based on the consolidated financial statements, since the sale of a brand as was discussed in the consolidated financial statements as of December 31, 2015, could not be finally realized.

Statement of Comprehensive Income from January 1 to September 30, 2016

EUR'000	01/01/ - 09/30/2016	01/01/ - 09/30/2015
Consolidated profit/loss for the year	**-364**	**-14,658**
Items that may be reclassified subsequently to net income/loss		
Currency translation differences	-258	-2,083
Other income from investments accounted for by the equity method	0	-2,183
Cashflow Hedges	-1,117	0
Recognized income taxes for this item	396	0
Items that will not be reclassified to net income/loss		
Revaluation effects, net debt from defined benefit plans	-21,126	5,100
Recognized income taxes for this item	6,549	-1,581
Total changes not recognized in the income statement	**-15,556**	**-747**
Total comprehensive income and expenses	**-15,920**	**-15,405**

Statement of Comprehensive Income from July 1 to September 30, 2016

EUR'000	07/01/ - 09/30/2016	07/01/ - 09/30/2015
Consolidated profit/loss for the year	**284**	**-5,645**
Items that may be reclassified subsequently to net income/loss		
Currency translation differences	-143	-437
Other income from investments accounted for by the equity method	0	0
Cashflow Hedges	158	0
Recognized income taxes for this item	-49	0
Items that will not be reclassified to net income/loss		
Revaluation effects, net debt from defined benefit plans	-3,420	-2,076
Recognized income taxes for this item	1,060	644
Total changes not recognized in the income statement	**-2,394**	**-1,869**
Total comprehensive income and expenses	**-2,110**	**-7,514**

Consolidated Statement of Financial Position at September 30, 2016

EUR'000	09/30/2016	12/31/2015
ASSETS		
Non-current assets		
Intangible assets	33,960	35,313
Property, plant and equipment	26,290	29,906
Financial assets	18,386	18,386
Deferred tax assets	20,639	13,361
Total non-current assets	**99,275**	**96,966**
Current assets		
Inventories	28,301	24,299
Trade receivables	29,612	30,470
Other assets	34,065	27,591
Current tax assets	624	799
Cash and cash equivalents	21,119	40,963
Total current assets	**113,721**	**124,122**
Total assets	**212,996**	**221,088**

Consolidated Statement of Financial Position at September 30, 2016

EUR'000	09/30/2016	12/31/2015
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	132,456	132,456
Share premium	86,076	86,076
Revenue reserves	68,979	68,979
Accumulated other comprehensive income	-285,575	-269,655
Total equity	**1,936**	**17,856**
Non-current liabilities		
Pension obligations	93,201	70,020
Provisions	24,490	20,189
Deferred tax liabilities	717	616
Total non-current liabilities	**118,408**	**90,825**
Current liabilities		
Convertible bond	0	426
Provisions	15,500	28,248
Trade payables	37,549	45,783
Tax liabilities	13,137	13,981
Other liabilities	26,466	23,969
Total current liabilities	**92,652**	**112,407**
Total equity and liabilities	**212,996**	**221,088**

Consolidated Cash Flow Statement for the Period from January 1 to September 30, 2016[9]

EUR'000	01/01/ - 09/30/2016	01/01/ - 09/30/2015[10]
Result from ordinary activities before taxes on income	-11	-15.676
Depreciation of property, plant and equipment and amortization of intangible assets	12,855	15,578
Addition (+)/decrease (-) in pension provisions	2,055	2,369
Gain (-)/loss (+) from the sale of non-current assets	-56	-384
Gain (-)/loss (+) from deconsolidations	0	-828
Gain (-)/loss (+) from currency translation	-120	-3,106
Net profit or loss attributable to entities accounted for using the equity method	0	682
Net interest income	873	1,146
Interest received	22	11
Interest paid	-422	-639
Income taxes paid	-1,641	-1,609
Increase (-)/decrease (+) in inventories	-4,002	-7,090
Increase (-)/decrease (+) in trade receivables and other receivables	-6,733	15,441
Increase (+)/decrease (-) in trade payables, other liabilities and other provisions	-14,654	-30,825
Increase (+)/decrease (-) in other balance sheet items	400	3,622
Cash inflow (+)/outflow (-) from continuing operations (net cash flow)	**-11,434**	**-21,308**
Proceeds from the sale of shares in companies	0	25
Cash transferred with the sale of shares in companies and negative purchase prices	0	-107
Proceeds from the disposal of non-current assets	56	384
Payments for investments in non-current assets	-7,886	-9,645
Cash inflow (+)/outflow (-) from investing activities	**-7,830**	**-9,343**
Free cash flow	**-19,264**	**-30,651**

9. Prior-year amounts were adjusted. For more information, please refer to the annual report for 2015 A. General Information – Adjustment of the comparative information in the consolidated financial statements as of December 31, 2015
10. The prior year figures were adjusted from the perspective of materiality and based on the consolidated financial statements, since the sale of a brand as was discussed in the consolidated financial statements as of December 31, 2015, could not be finally realized.

Consolidated Cash Flow Statement for the Period from January 1 to September 30, 2016[11]

EUR'000	01/01/ - 09/30/2016	01/01/ - 09/30/2015[12]
Cash flows from the raising (+)/repayment (-) of current financial liabilities	0	4
Mandatory convertible bond	-428	-66
Cash inflow (+)/outflow (-) from financing activities	**-428**	**-62**
Cash and cash equivalents at the beginning of the period	35,339	45,697
Foreign exchange rate gains/losses	-152	179
Cash and cash equivalents at the beginning of the period measured at the rate of exchange prevailing at the balance sheet date of the prior year	35,491	45,518
Increase (-)/decrease (+) in restricted cash	-462	-399
Change in cash and cash equivalents	-19,692	-30,713
Cash funds at the end of the period	**15,185**	**14,585**
Restricted cash	5,934	5,365
Cash and cash equivalents reported on the statement of financial position	**21,119**	**19,950**

11. Prior-year amounts were adjusted. For more information, please refer to the annual report for 2015 A. General Information – Adjustment of the comparative information in the consolidated financial statements as of December 31, 2015
12. The prior year figures were adjusted from the perspective of materiality and based on the consolidated financial statements, since the sale of a brand as was discussed in the consolidated financial statements as of December 31, 2015, could not be finally realized.

Consolidated Statement of Changes in Equity at September 30, 2016

	EUR'000	Subscribed capital	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Consolidated equity
	December 31, 2014	132,456	86,076	68,979	-246,352	41,159
1	Capital increase	0	0	0	0	0
2	Consolidated net loss for fiscal year 2015	0	0	0	-14,658	-14,658
3	Foreign currency gains/losses	0	0	0	-2,083	-2,083
4	Changes in entities included based on the equity method and recorded directly in equity	0	0	0	-2,183	-2,183
5	Cash flow hedges	0	0	0	0	0
6	Remeasurement effects, Net liability under defined benefit plans	0	0	0	3,519	3,519
7	Total changes recognized in other comprehensive income	0	0	0	-747	-747
8	**Total net income (2+7)**	**0**	**0**	**0**	**-15,405**	**-15,405**
	September 30, 2015	132,456	86,076	68,979	-261,757	25,754
	December 31, 2015	132,456	86,076	68,979	-269,655	17,856
1	Capital increase	0	0	0	0	0
2	Consolidated net loss for fiscal year 2016	0	0	0	-364	-364
3	Foreign currency gains/losses	0	0	0	-258	-258
4	Changes in entities included based on the equity method and recorded directly in equity	0	0	0	0	0
5	Cash flow hedges	0	0	0	-721	-721
6	Remeasurement effects, Net liability under defined benefit plans	0	0	0	-14,577	-14,577
7	Total changes recognized in other comprehensive income	0	0	0	-15,556	-15,556
8	**Total net income (2+7)**	**0**	**0**	**0**	**-15,920**	**-15,920**
	September 30, 2016	**132,456**	**86,076**	**68,979**	**-285,575**	**1,936**

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