QSC AG

Company Presentation
Results Q1 2008

Cologne, May 15, 2008

Premium Telecommunication

1. Results Q1 2008
   Markus Metyas, Chief Financial Officer

2. Strategic update / New segmentation
   Dr. Bernd Schlobohm, Chief Executive Officer

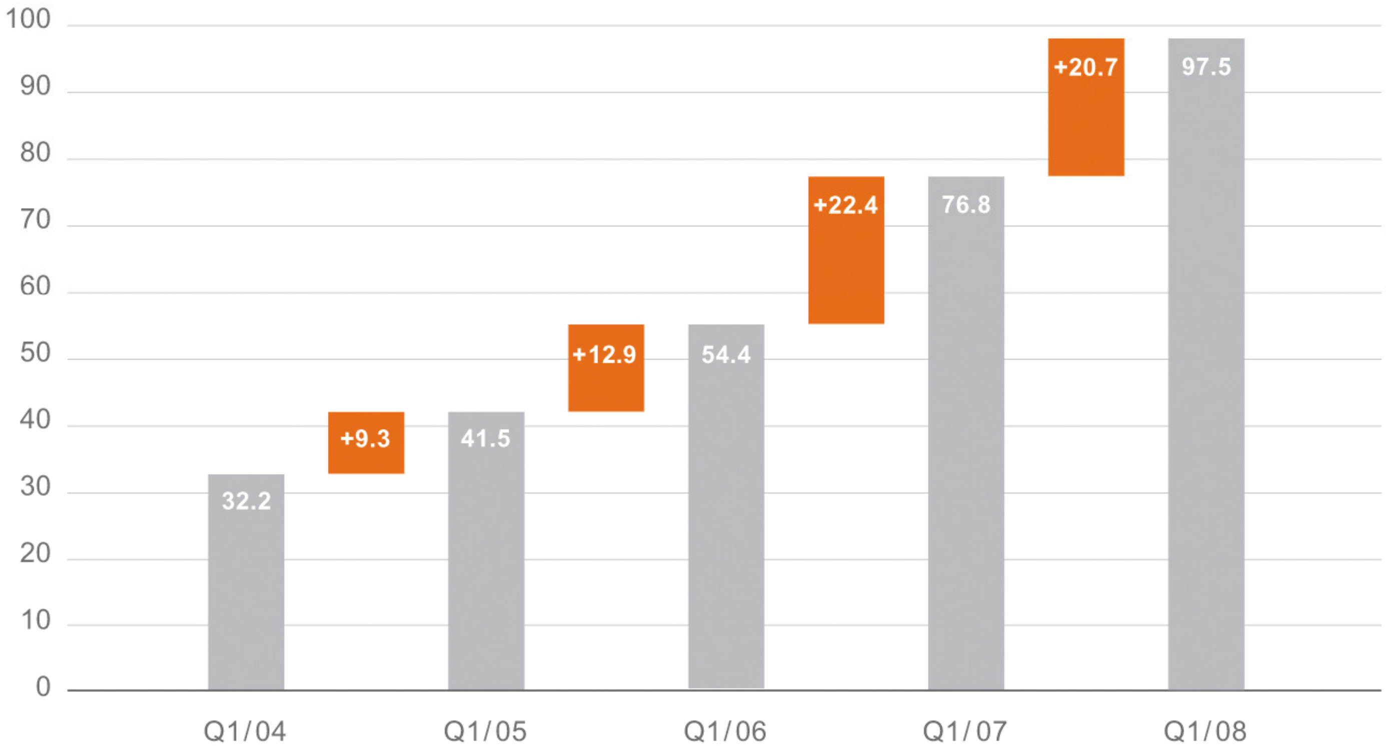
3. Questions & Answers

FINANCIAL OVERVIEW FOR Q1 2008

- Revenues up by 27% to € 97.5 million
- EBITDA up by 28% to € 11.4 million
- EBITDA-margin of 12%
- Net loss of € -4.1 million
- CAPEX of € 28.6 million – thereof ~60% customer-related
- € 68.8 million liquidity as of March 31, 2008

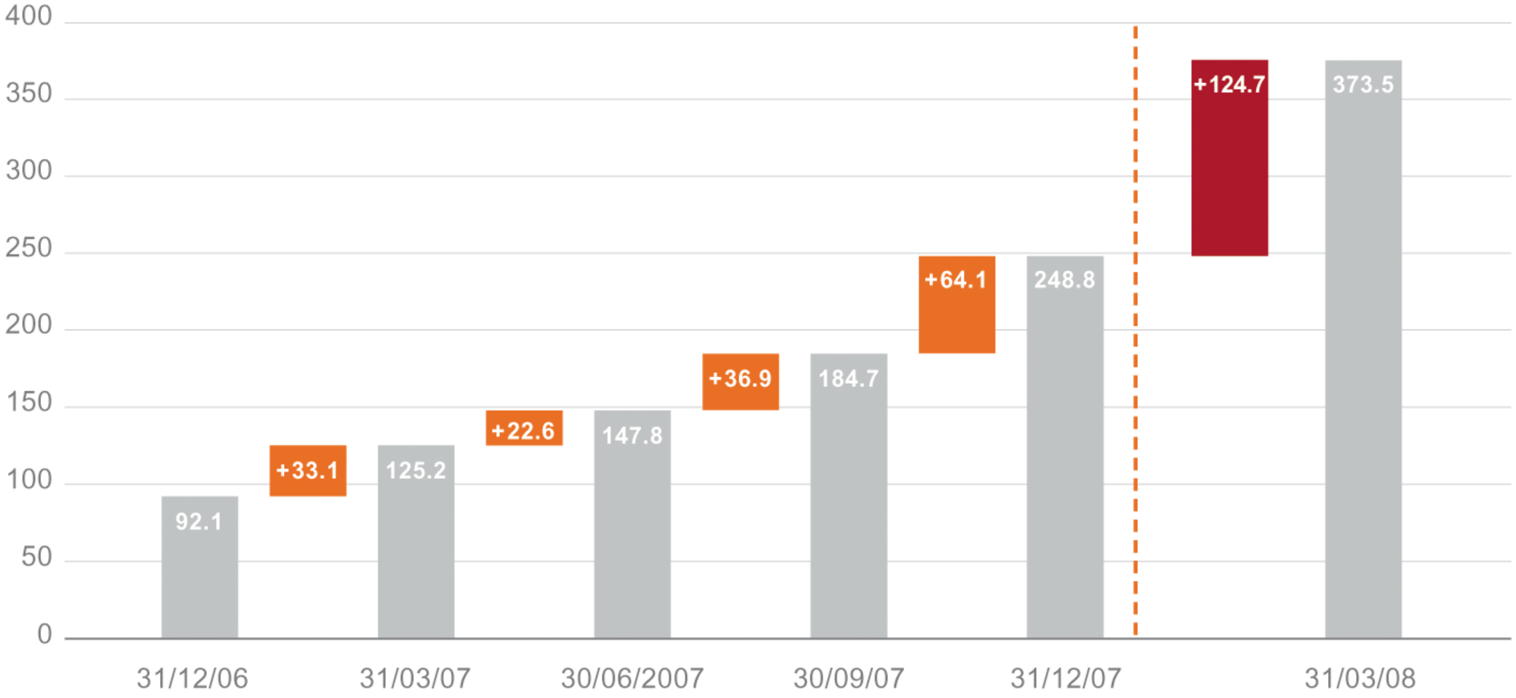
FASTEST ORGANIC GROWTH IN QSC'S HISTORY

REVENUE GROWTH YEAR-ON-YEAR (in € million)



DRIVING FACTOR: ACCELERATING RAMP-UP IN ULLs
Year-to-date growth very promising

UNBUNDLED LOCAL LOOPS (ULL) - ONLINE (in thousand)



QSC AG Premium Telecommunication

HIGHER REVENUES LEAD TO HIGHER EBITDA

In € million	Q1 2007	Q1 2008	Δ
• Revenues	76.8	97.5	+27.0%
• Network expenses [1]	49.1	66.3	+35.0%
• *Gross profit*	*+27.7*	*+31.2*	*+12.6%*
• Other operating expenses [1]	18.8	19.8	+5.3%
• *EBITDA profit*	*+8.9*	*+11.4*	*+28.1%*
• Depreciation	8.5	15.0	+76.5%
• *EBIT profit / loss*	*+0.3*	*-3.6*	*-108.3%*
• Financial results	+0.8	-0.4	n.m.
• Income taxes	-	-0.1	n.m.
• *Net profit / loss*	*+1.1*	*-4.1*	*-126.8%*

(1) Excluding depreciation and non-cash share-based payments

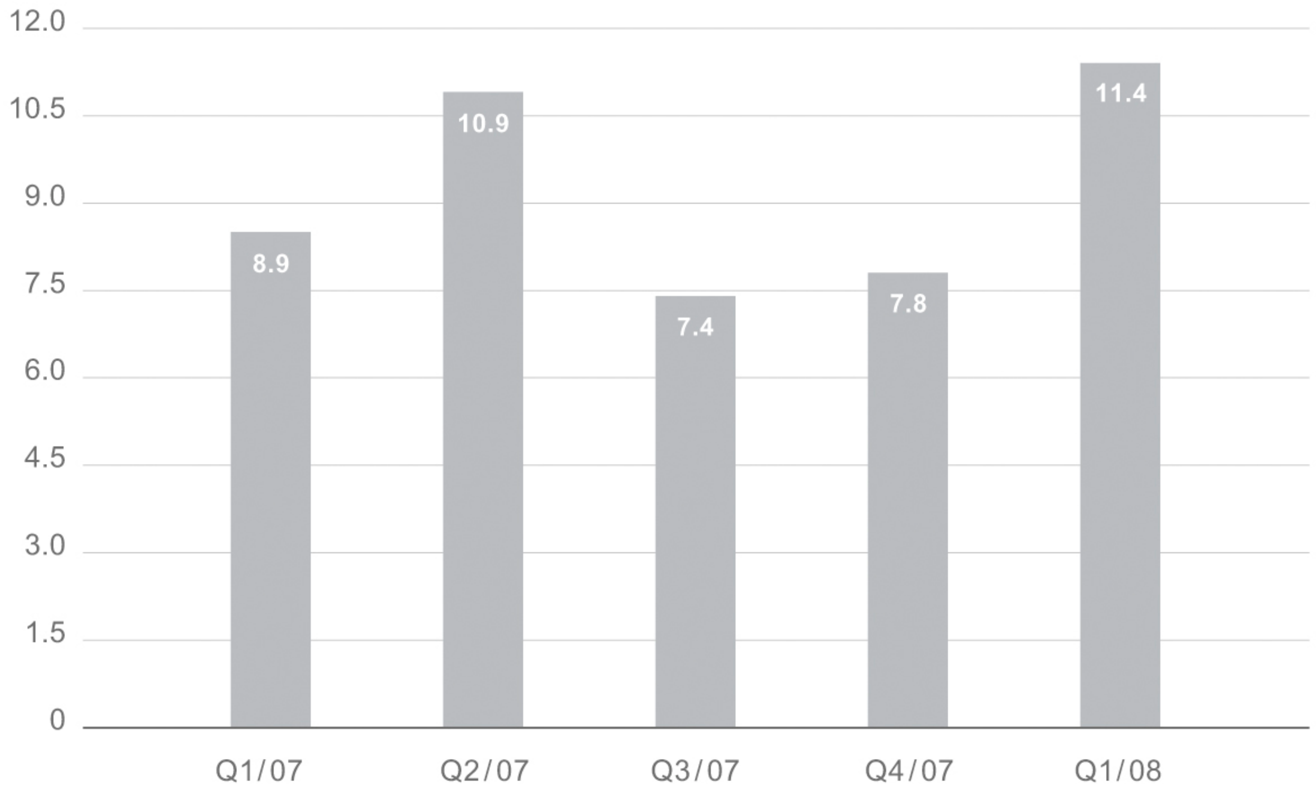
RENEWAL OF STRONG, PROFITABLE GROWTH

In € million	Q4 2007	Q1 2008	Δ
• Revenues	95.6	97.5	+2.0%
• Network expenses [1]	68.8	66.3	-3.6%
• *Gross profit*	*+26.7*	*+31.2*	*+16.9%*
• Other operating expenses [1]	18.9	19.8	+4.8%
• *EBITDA profit*	*+7.8*	*+11.4*	*+46.2%*
• Depreciation	13.9	15.0	+7.9%
• *EBIT loss*	*-6.1*	*-3.6*	*+41.0%*
• Financial results	-1.7	-0.4	n.m.
• Income taxes	+0.6	-0.1	n.m.
• *Net loss*	*-7.2*	*-4.1*	*+43.1%*

(1) Excluding depreciation and non-cash share-based payments

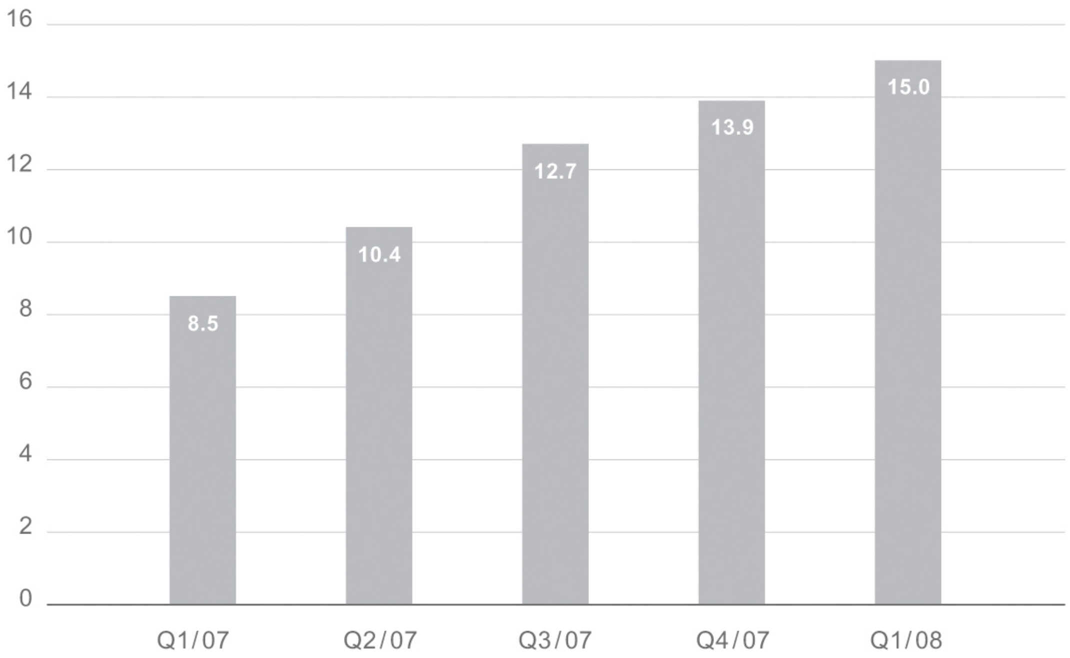
RETURN TO STRONG EBITDA GROWTH

EBITDA QUARTER-ON-QUARTER (in € million)



DEPRECIATION FOLLOWS CUSTOMER GROWTH

DEPRECIATION QUARTER-ON-QUARTER (in € million)

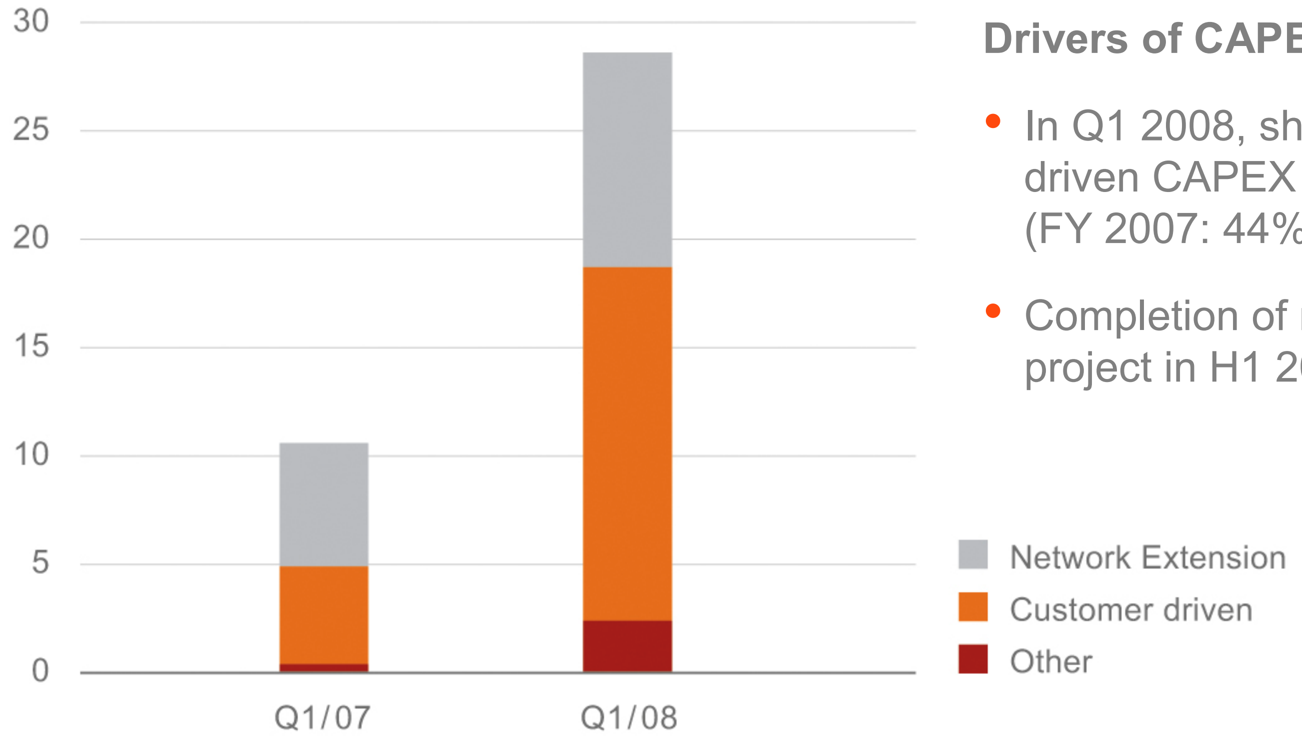


Drivers of depreciation

- Network roll-out (April 2008: 1,800 COs)
- Contract-related upfront expenses / installations (amortized over just 24 months)

CUSTOMER GROWTH DRIVES CAPEX

CAPEX (in € million)

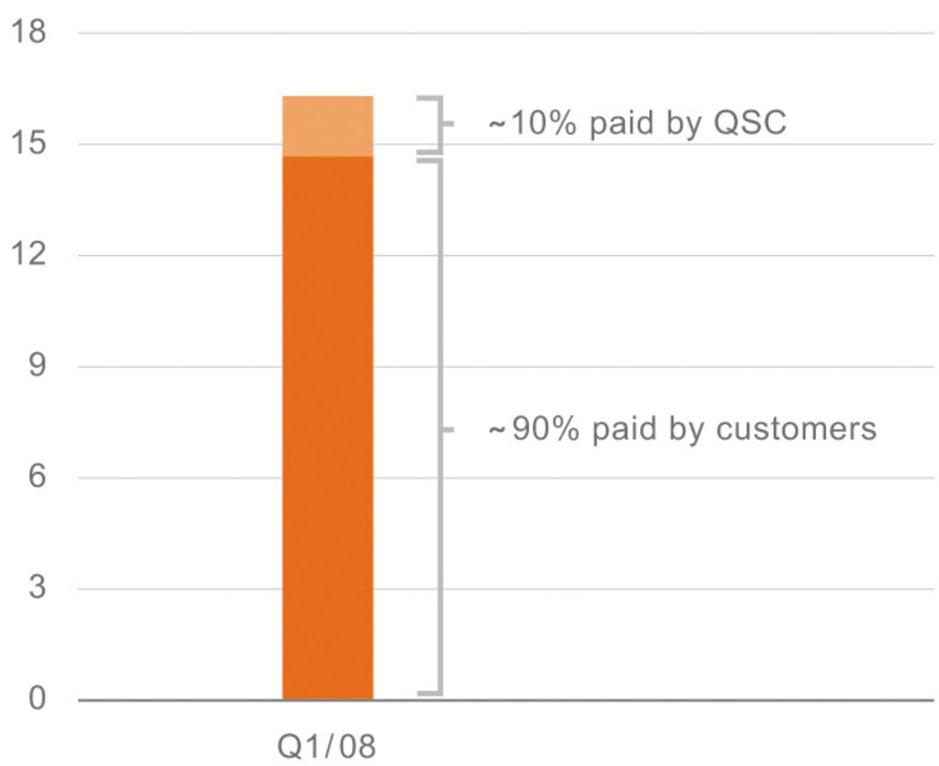


Drivers of CAPEX

- In Q1 2008, share of customer-driven CAPEX rose to some 60% (FY 2007: 44%)
- Completion of network expansion project in H1 2008

90% OF CUSTOMER-DRIVEN CAPEX IS INVOICED TO CUSTOMERS

CUSTOMER RELATED CAPEX (in € million)



Customer related CAPEX as a prepayment for future revenues

- In 2008, ~90% of customer-driven CAPEX is invoiced to customers
- Average term of cash payment: ~60 days
- Revenue recognition for upfront customer payment is spread over 24 months / same period for depreciation of CAPEX
- In 2008, QSC will profit from high stock of ports / line cards

NETWORK ROLL-OUT IS NEARLEY COMPLETED

- Until now, **some 1,800 central offices** under network coverage
- **Next Generation Network** (NGN) up and running
  - More than 90% of the traffic is IP-traffic
  - Significant cost-advantages
- Nationwide voice network (474 POIs)
- **Separate Wireless Local Loop (WLL) network**
  - in 42 regions
  - up to 400 Mbps
- **Significant spare capacity** still available
  - Backbone
  - Ports / Line cards
- **Network breakeven in sight**
  - QSC will cross the threshold at some 550,000 ULLs => 413,800 ULLs connected per April 30, 2008

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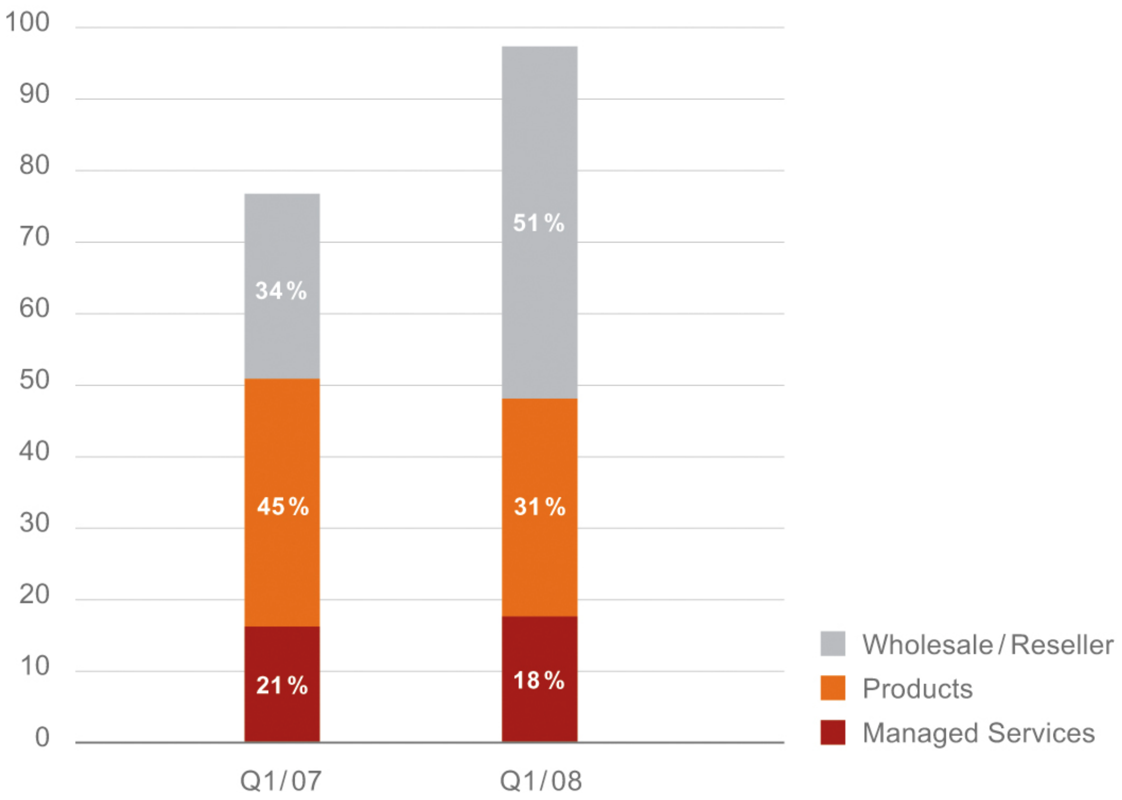
NEW SEGMENTATION REFLECTS NEW ORGANIZATIONAL STRUCTURE

BU Managed Services	**BU Products**	**BU Wholesale / Reseller**	**Business Units**
• Large Accounts • Complex industries	• SoHo • SME • Residential	• Wholesale / Resellers • ISPs & Carrier	**Target groups**
• VPN & MS • Individual solutions	• Direct Access • Standard VPN • IP-Centrex	• Preliminary products	**Product focus**
• Lab for innovation • Streamlining of processes	• Standarization • Reduction of Cost of Sales	• Automatization	**Process focus**

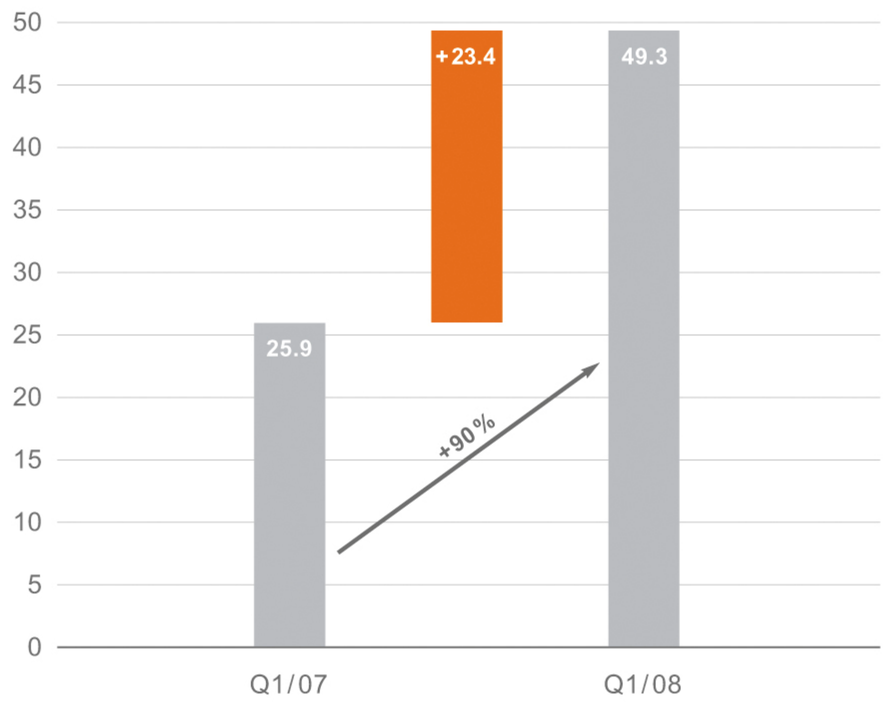
WHOLESALE / RESELLER ARE LARGEST SEGMENT

REVENUE MIX (in € million)



STRONG INCREASE IN WHOLESALE BUSINESS

WHOLESALE/RESELLER YEAR-ON-YEAR (in € million)



Break-up of revenues

- Segment has not changed a lot
- 36% of segment revenues from ADSL2+
- 13% from conventional voice

Market 2008

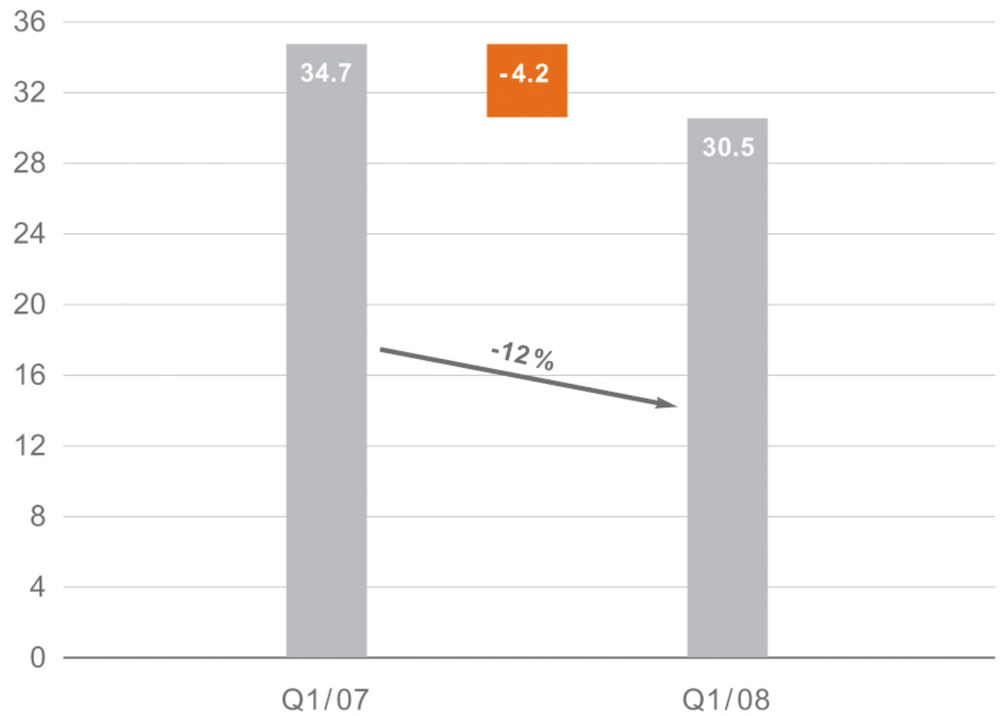
- 3.5 million new DSL customers expected for total market
- Growing demand for unbundled lines
- Gradual decrease of bottleneck of ULLs

QSC 2008

- All major wholesale partners under contract: 1&1, freenet, HanseNet
- Solid business with resellers i.e. international carriers

PRODUCT BUSINESS STILL AFFECTED BY LEGACY VOICE

PRODUCTS YEAR-ON-YEAR (in € million)



Break-up of revenues

- Product segment corresponds largely with old Business & Residential Customer segment
- 47% conventional voice

Market 2008

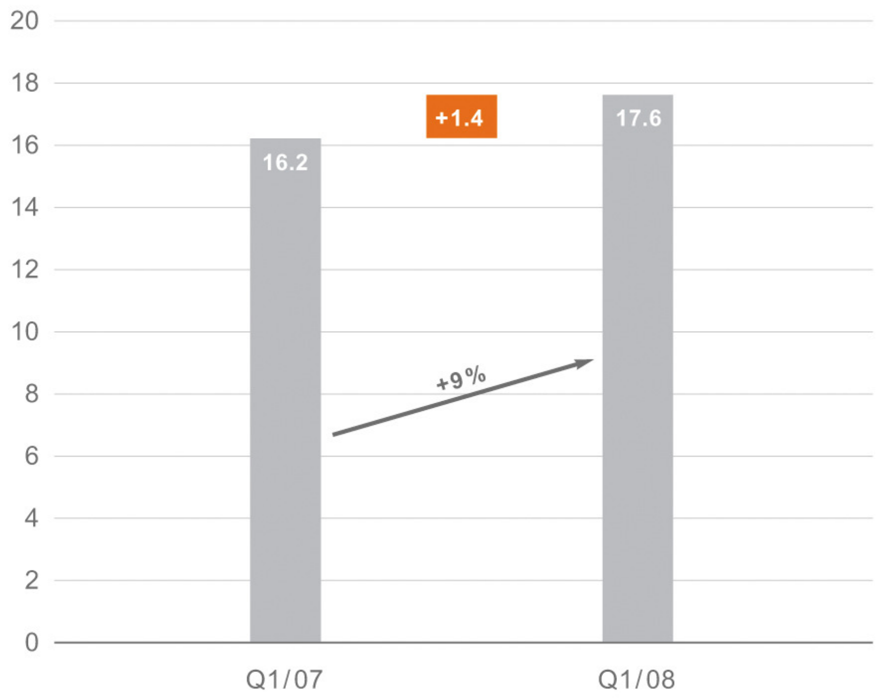
- Ongoing price competition in legacy voice, especially in the residential area
- Rapid gain of market share of VoIP

QSC 2008

- Efficiency gains through standardized product business
- Profits from growing demand for Direct Access to QSC's network

MANAGED SERVICES WILL GAIN FROM REORGA

MANAGED SERVICES YEAR-ON-YEAR (in € million)



Break-up of revenues

- Managed Services corresponds largely with Large Account segment
- But: Managed Services is pure solution business without legacy voice!

Market 2008

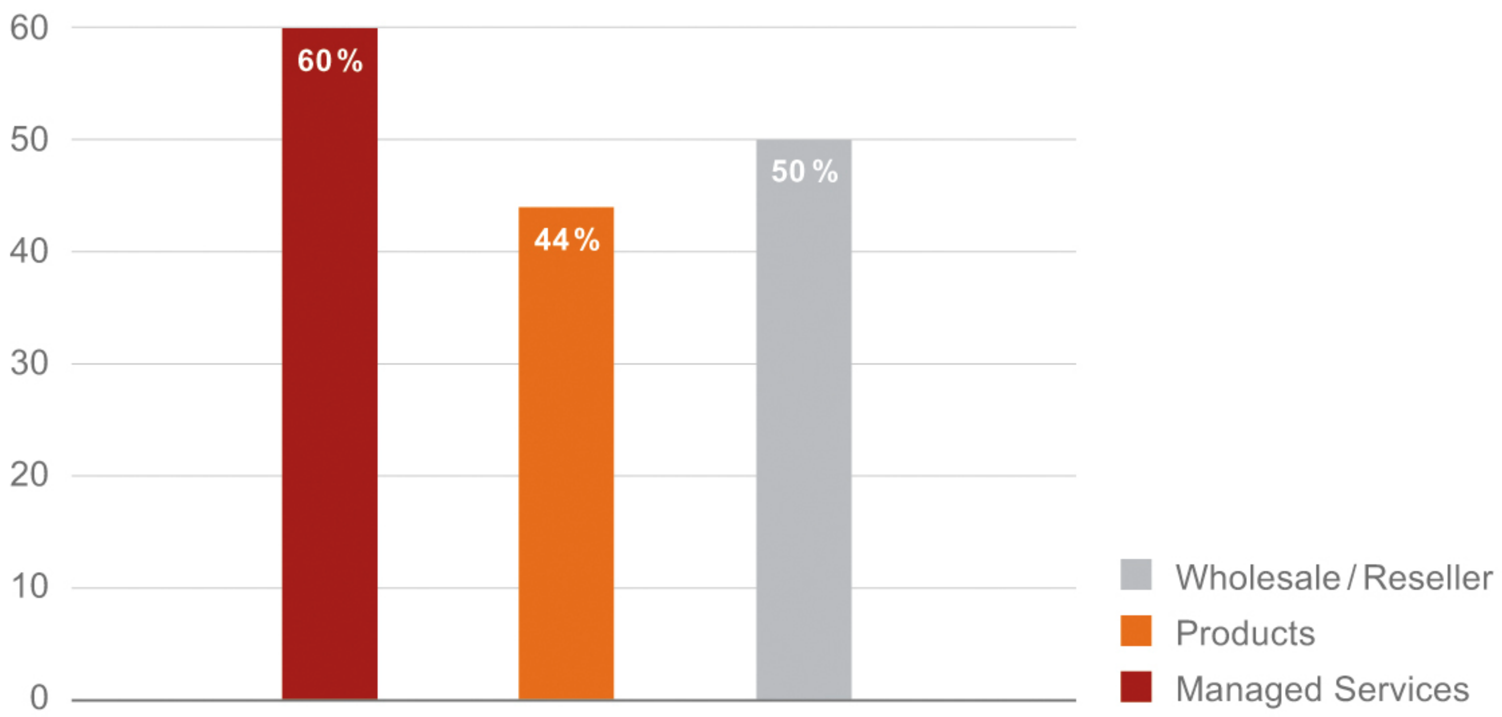
- High interest for new services like Unified Communications and Communication as a Service
- Market demands solutions and service
- Integration of VoIP in IP-VPN solutions

QSC 2008

- Well-positioned for the new services
- Managed Services profits strongly from reorganization

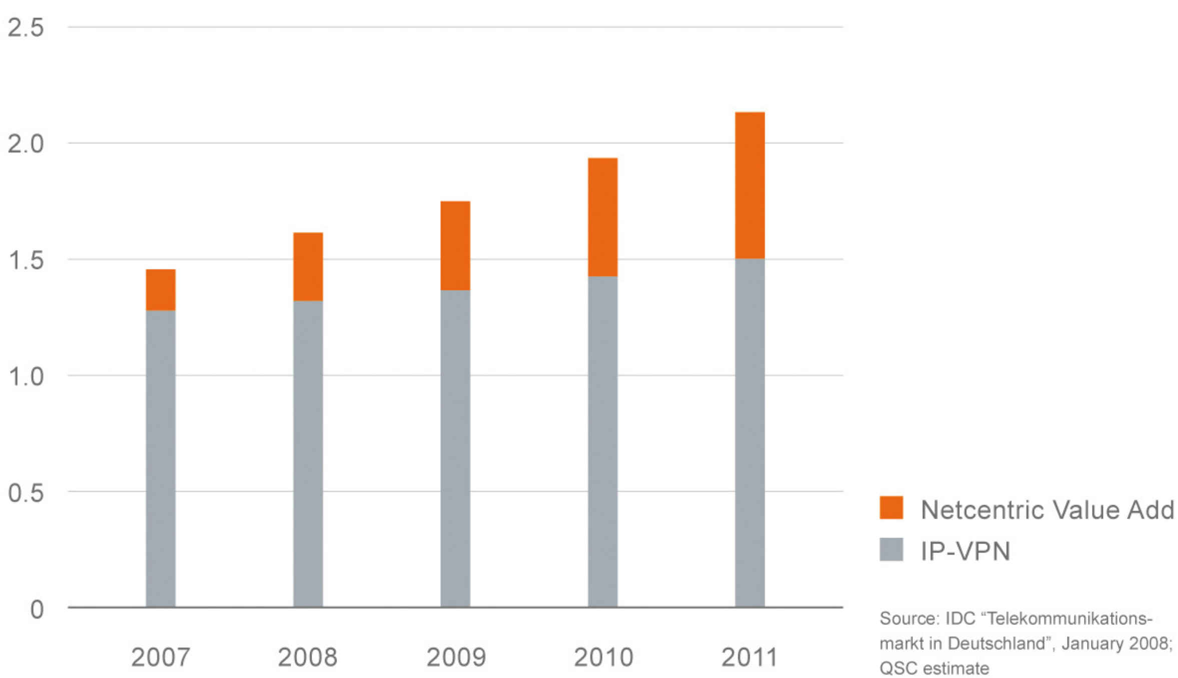
ALL SEGMENTS WITH ATTRACTIVE MARGINS

SEGMENT CONTRIBUTION MARGIN (in percent)



MANAGED SERVICES
Strong market growth

DEVELOPMENT OF GERMAN MARKET (in € billion)



Source: IDC "Telekommunikationsmarkt in Deutschland", January 2008; QSC estimate

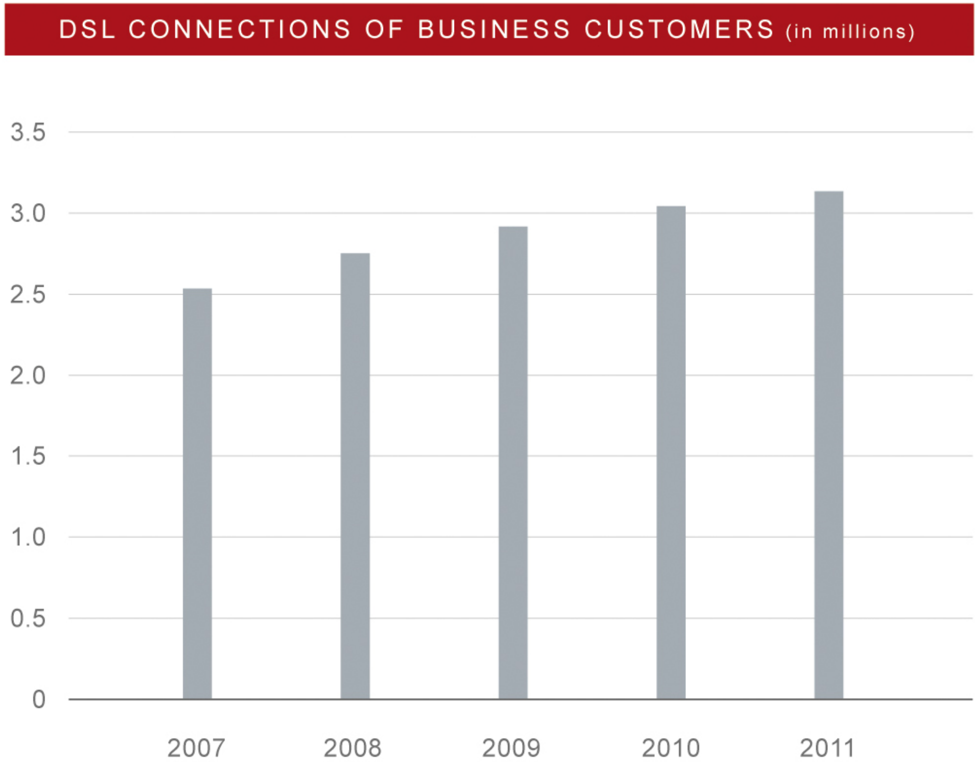
Main drivers

- Substitution of leased line networks
- VoIP integration
- Home offices
- Out-tasking
- Larger impact of Hosted Services
- Growing demand of medium-sized companies

Competitors

- T-Systems, BT, Colt, Arcor

PRODUCT BUSINESS
Growing business customer market for DSL connections



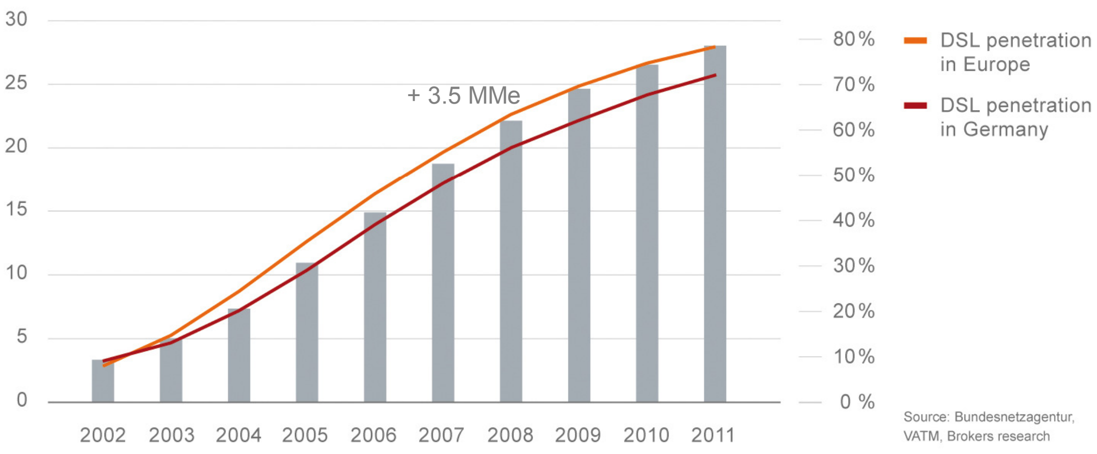
Main drivers
- Replacement of ISDN and Preselect
- VoIP/Data integration
- Applications as a new growth driver

Competitors
- T-Home, Arcor, Versatel, city carriers

Source: IDC "Telekommunikations-markt in Deutschland", January 2008

WHOLESALE BUSINESS
Germany is a DSL country

DSL LINE GROWTH (in million)



Source: Bundesnetzagentur, VATM, Brokers research

Main drivers

- Growth in demand for DSL
- Large retail ISPs need access to "complete" ULL vs. "bundled" T-DSL wholesale lines
  - new DSL lines on "complete" ULL
  - migration of existing T-DSL wholesale lines to "complete" ULL
- Possible consolidation in retail

Competitors

- T-Home, Telefonica, Arcor

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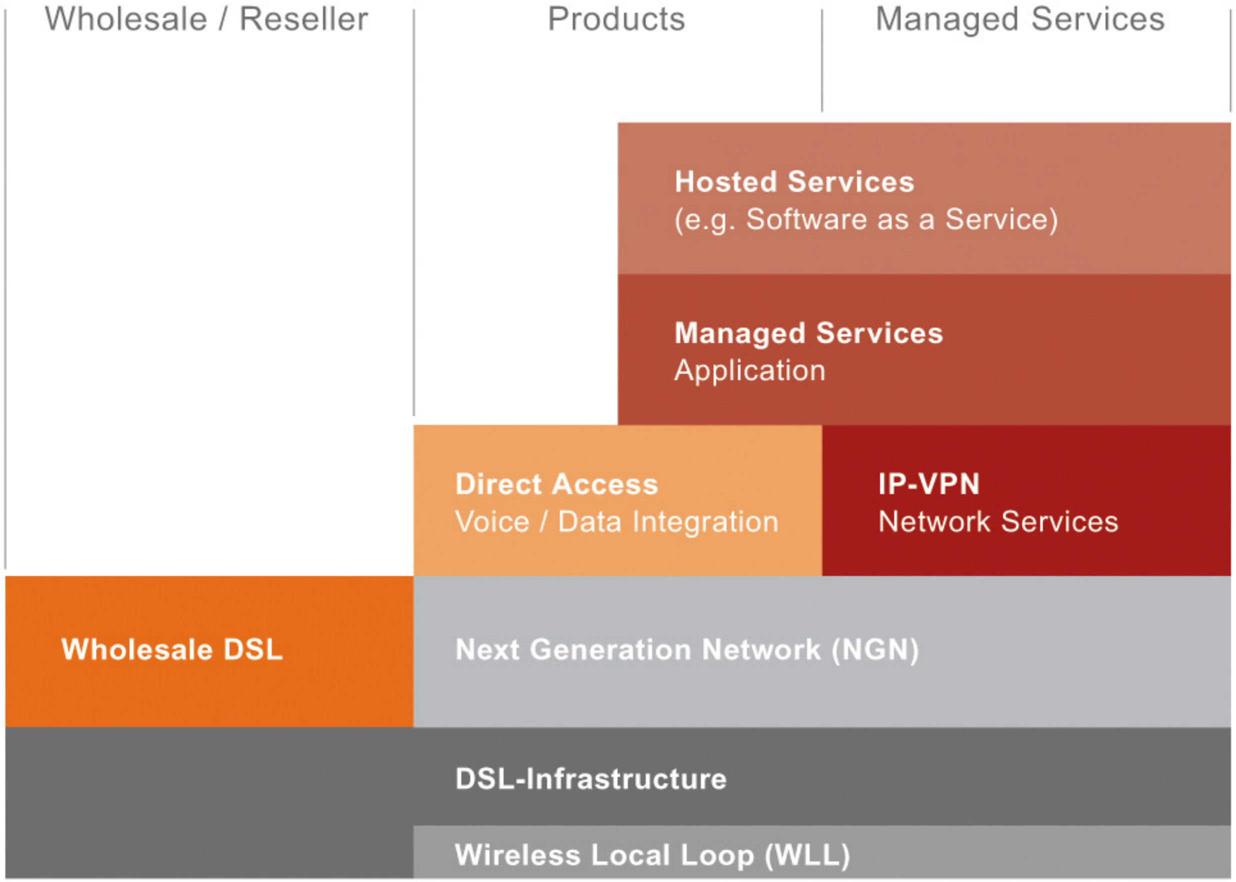
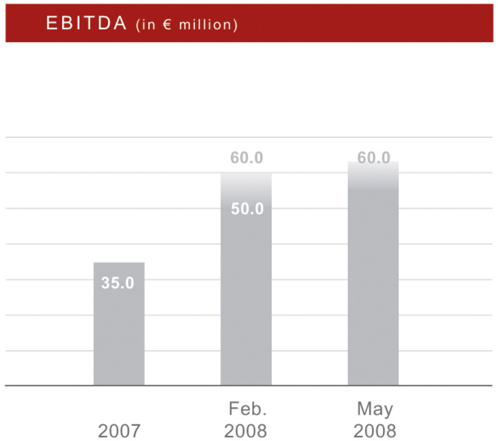
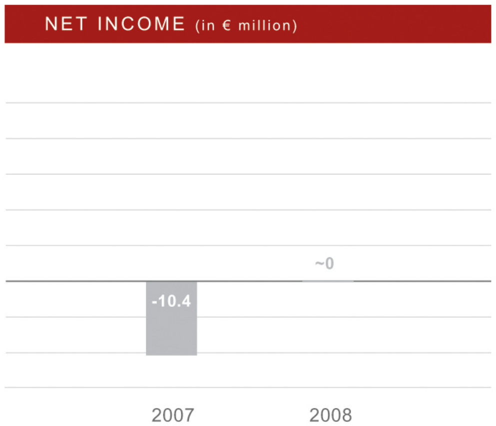
QSC's BUSINESS MODEL: MOVING UP THE VALUE CHAIN



OUTLOOK
QSC with higher expectations for 2008



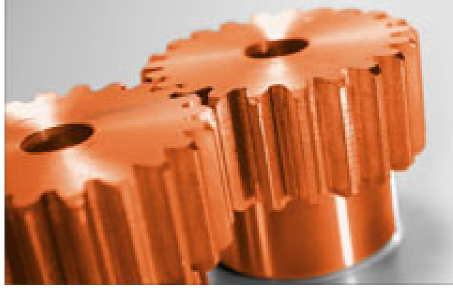


- QSC expects revenues and EBITDA at the upper end of the guidance, announced in February 2008
  - Revenue of € 385 to € 405 million
  - EBITDA expected to rise to € 50 to € 60 million
- Customer growth drives CAPEX and depreciation
- Net income ~ € 0 million

MULTIPLE OPPORTUNITIES FOR FURTHER GROWTH

- Germany = DSL country & direct access is “King”
- Strong growth in Wholesale / Reseller business
- QSC – The NGN-Carrier: Applications based on VoIP open up tremendous growth opportunities and afford substantial cost savings
- New opportunities by moving up the value chain for enterprise customers (Centrex, ACD, SaaS)
- Being a SME itself gives QSC a competitive edge as a premium provider in the SME business
- Network break even in sight

MISSION STATEMENT



QSC will be Germany's premier alternative provider of integrated telecommunication and managed services to business and wholesale customers

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FINANCIAL CALENDER 2008

May 21, 2008	Annual Shareholders' Meeting, Cologne
June 5, 2008	11th German Corporate Conference Deutsche Bank, Frankfurt
August 20, 2008	Publication of Quarterly Report II/2008
August 28, 2008	German Telco & Media Day WestLB, Frankfurt
September 11/12, 2008	Best of Germany Conference UBS, New York
November 19, 2008	Publication of Quarterly Report III/2008

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A complete list of the risks, uncertainties and other factors facing us can be found in our public reports and filings with the U.S. Securities and Exchange Commission.

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APPENDIX

STABLE SHAREHOLDER STRUCTURE SINCE IPO

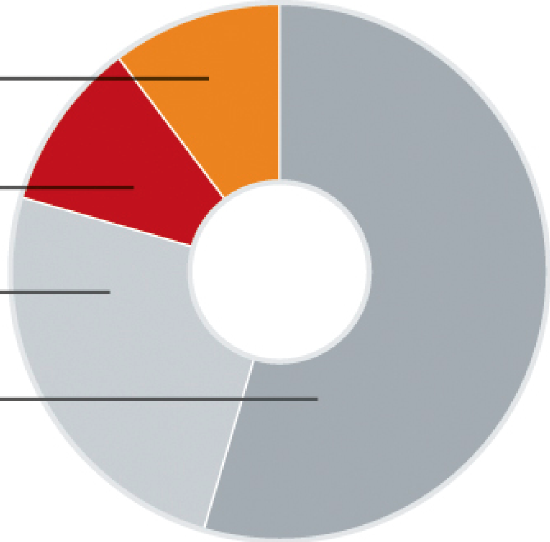
SHAREHOLDER STRUCTURE

10.13 % Gerd Eickers [1]

10.09 % Dr. Bernd Schlobohm [2]

24.55 % Baker Capital Group

55.23 % Free float



[1] Founder and Member of the Supervisory Board
[2] Founder and CEO

Status quo: 30/04/2008

THE PERFECT COMPLEMENT
Wireless Local Loop (WLL)

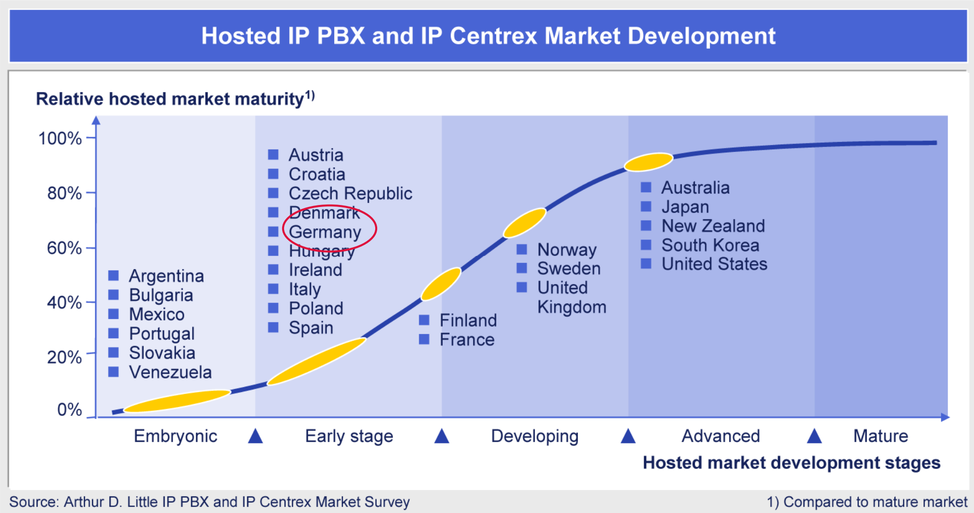
- Point-to-multipoint WLL for 42 German regions
- Point-to-point nationwide

- QSC offers WLL for small and large bandwidths (2-400 Mbps)
  - as VPN access (direct & backup – since mid 2007)
  - as Internet access (since January 2008)
  - Connections at year-end 2007: 843

Benefits

- QSC offers the highest available bandwidths, availability >99.0%
- Expansion of network coverage, overcoming ULL shortage
- “real“ physical redundancy for mission critical applications
- WLL is faster than DSL and cheaper than STM-1

THE TIME HAS COME FOR IP-CENTREX



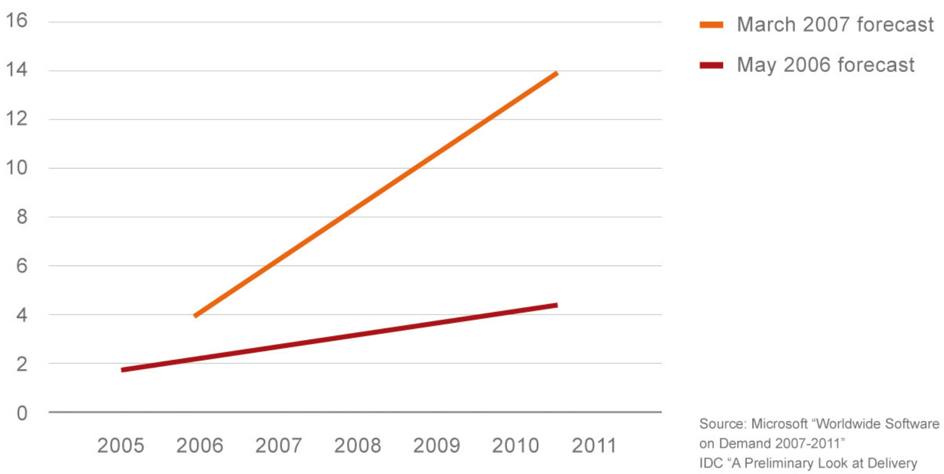
- Numerous customers want to use only IP-based and managed telco systems, after their current PBX contracts have run out
- These customers want to implement applications based on Computer Telephony Integration (CTI) at the same time
- Most new office buildings are equipped for ICT convergence
- Customers save up to 50% of costs

NGN SERVICES: ACD (Automated Call Distribution)
Efficient and flexible call management

- Virtual ACDs are purely net-based solutions for call management without any further hardware or software investments on the clients' side
- Virtual ACDs enable the professional management of all call-related activities and processes – not dependent on the telephone system or the number of calls.
- Virtual ACD solutions are IP-based and allow smooth migration from legacy ACD systems to the "new world"

THE NEXT LOGICAL STEP: SOFTWARE AS A SERVICE

DEVELOPMENT OF SAAS MARKET (in USD billion)



Source: Microsoft "Worldwide Software on Demand 2007-2011"
IDC "A Preliminary Look at Delivery Model Performance", March 2007

OPPORTUNITIES FOR QSC

- Fast-growing market, where Germany still lags behind other European markets and the U.S.
- QSC's NGN is a perfect basis for integrated IT outsourcing services and unified communication
- Partnerships with IT companies will also raise awareness for QSC among its target, enterprise customers
- Cross- and upselling potential for QSC

→ Convergence between IT Services and Telco Services for enterprise customers