QSC AG

Company Presentation
Results Q3 2008

Cologne, November 19, 2008

1. Operational Update

2. Financial Results / Outlook

HIGHLIGHTS Q3 2008: BACK TO PROFITABILITY

- QSC returns to profitability with € 2.1 million net income
- Ongoing strong and profitable revenue growth despite increasing economic challenges
  - New business driven by
    - QSC's contribution to higher efficiency of customers
    - Increasing number of ULLs
  - No material loss of existing business / customers
  - No noticeable change in payment defaults
- Implementation of synergies following the Broadnet merger
- Increased focus on cost discipline

=> QSC well positioned for economic downturn

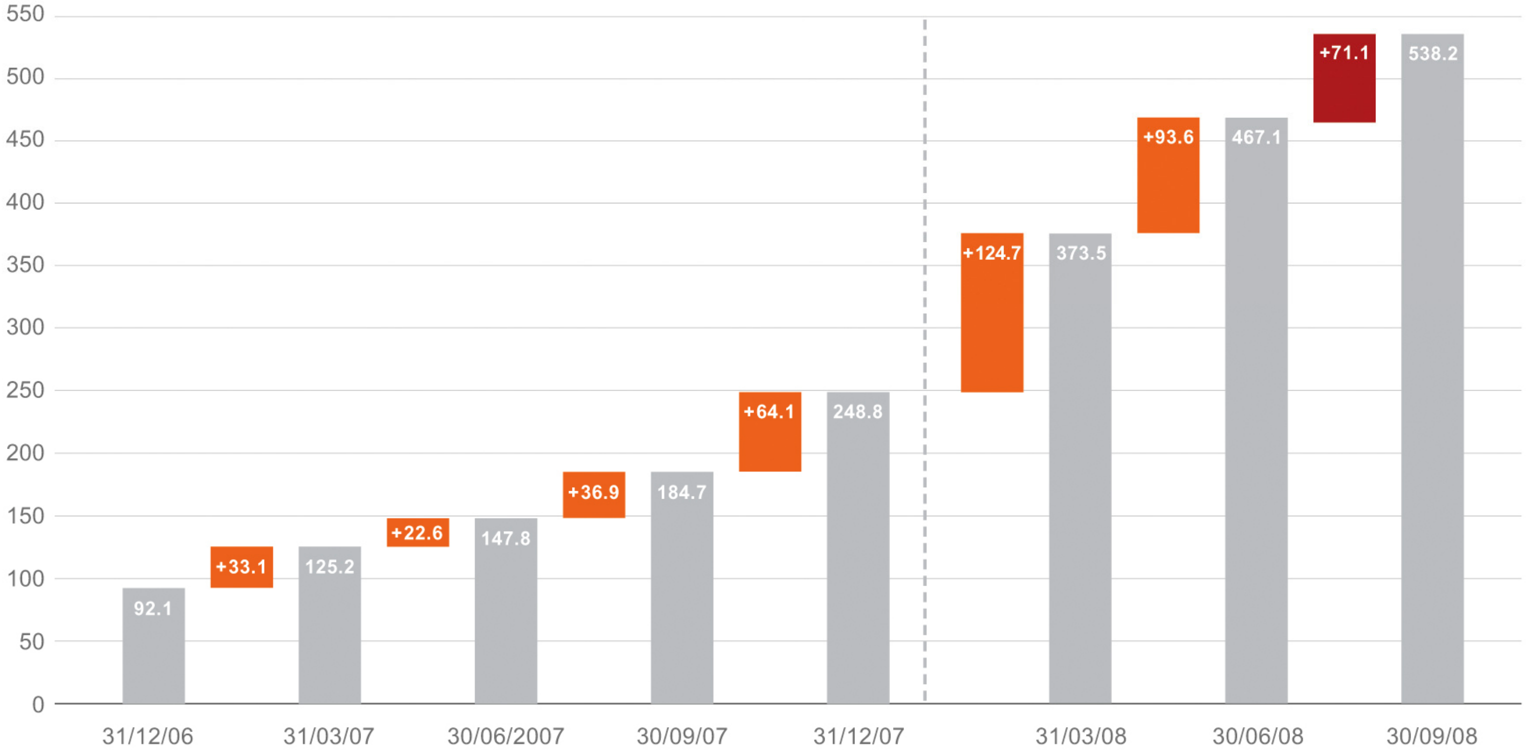
ENCOURAGING FINANCIAL DEVELOPMENT IN Q3 2008

- Revenues up by 25% to € 103.6 million
- EBITDA up by 147% to € 18.3 million
- EBITDA-margin doubles to 18%
- Net profit of € 2.1 million (Q3 2007: € -4.7 million)
- Significant reduction of CAPEX to € 21.1 million (Q3 2007: € 34.5 million)
- Well financed for anticipated growth
  - € 49.4 million liquidity as of September 30, 2008
  - € 36.7 million undrawn revolving credit facility available

Note: All results based on IFRS

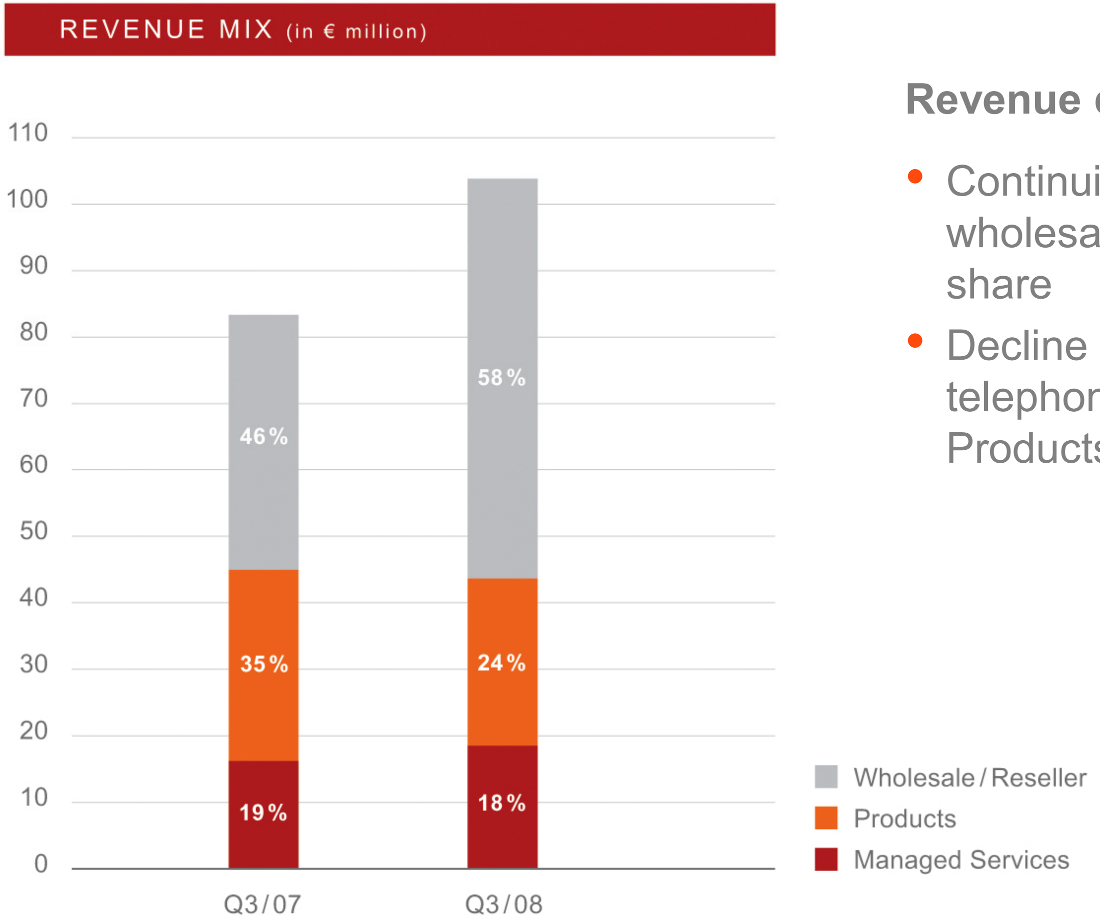
PROFITABILITY THRESHOLD OF ~ 550,000 ULLs REACHED IN OCTOBER

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



QSC AG Premium Telecommunication

ADSL2+ WHOLESALE MAIN REVENUE DRIVER IN 2008



Revenue drivers

- Continuing growth in ADSL2+ wholesale leads to higher revenue share
- Decline of traditional, minute-based telephony revenues reflected in Products

SUSTAINED GROWTH OF WHOLESALE BUSINESS

Break-up of revenues

- 50% of segment revenues from ADSL2+
- 11% from legacy voice

German Market 2008

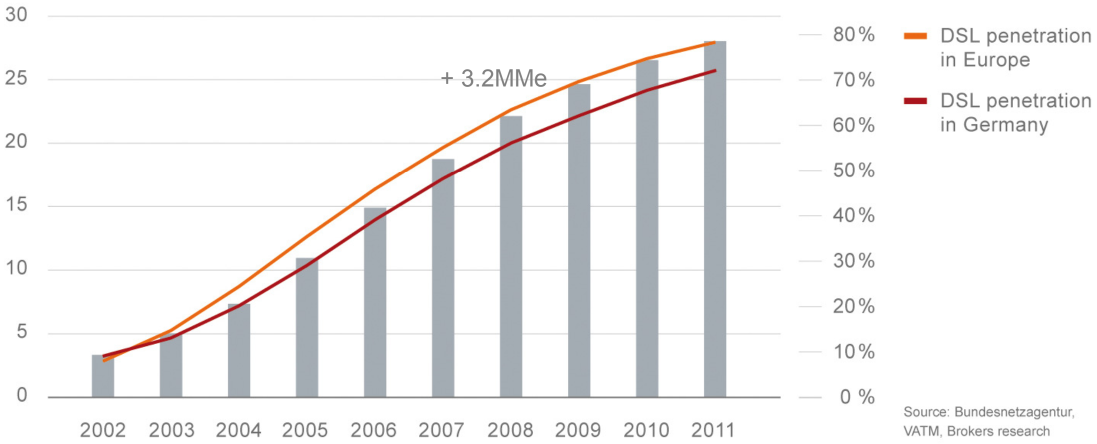
- 3.2 million new DSL customers expected
- Growing demand for unbundled lines
- Substitution of T-DSL Resale by ULLs (2.9 million on September 30, 2008)

QSC 2008

- All major wholesale partners under contract
- Profitable business with resellers i.e. international carriers
  - BT
  - Colt Telecom
  - Orange
  - Verizon

GERMANY REMAINS A DSL COUNTRY
Prospective market development in the coming years

DSL LINE GROWTH (in million)



Source: Bundesnetzagentur, VATM, Brokers research

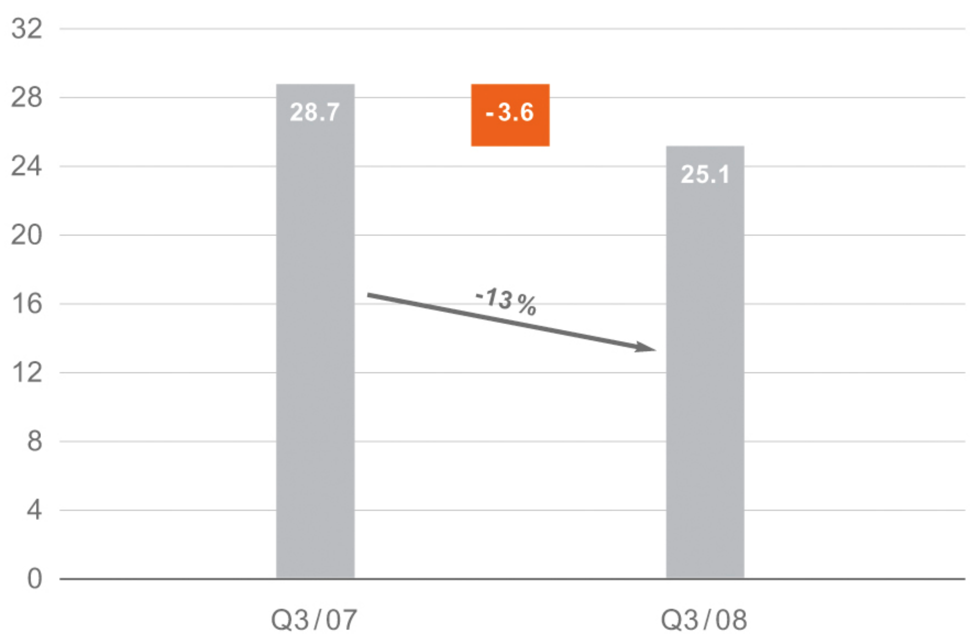
Main drivers for ADSL2+

+ Still growth in demand for DSL
+ Retail ISPs need access to "complete" ULL vs. "bundled" T-DSL wholesale lines
- Cable growth benefits from "catch up" effect following modernisation of local / regional networks

QSC AG
Premium Telecommunication

SLOW DOWN OF REVENUE DECLINE COUNTERED BY INCREASE OF VOIP/DIRECT ACCESS

PRODUCTS YEAR-ON-YEAR (in € million)



Break-up of revenues

- 45% legacy voice (H1 2008: 50%)

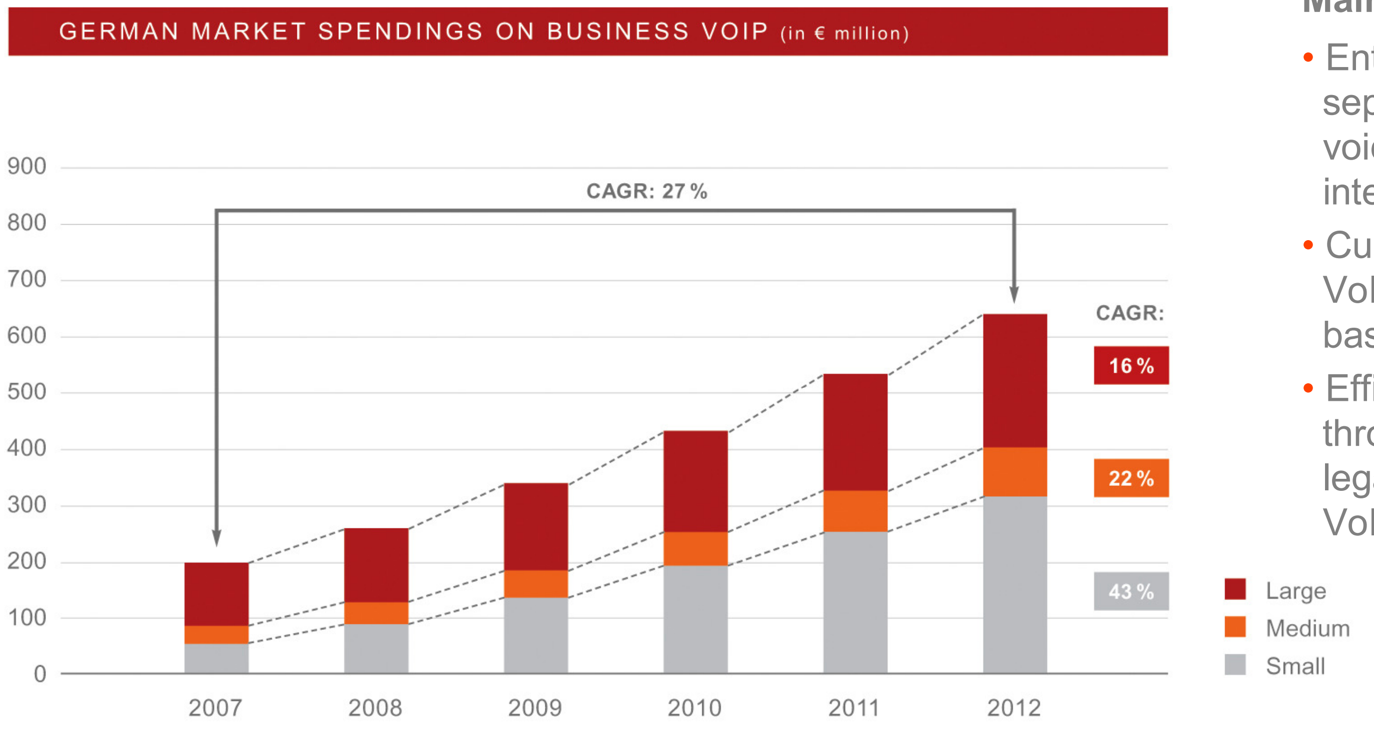
Market 2008

- Slow down of price competition
- Rapid gain of market share of VoIP

QSC 2008

- Growing demand for direct access to QSC's network and VoIP products
- Positive development of DSL and combined voice/data products for corporates and SOHOs
- New product S.HDSL bis: up to 20 Mbit/s symmetric

VOIP WILL BE A GROWTH DRIVER IN THE COMING YEARS



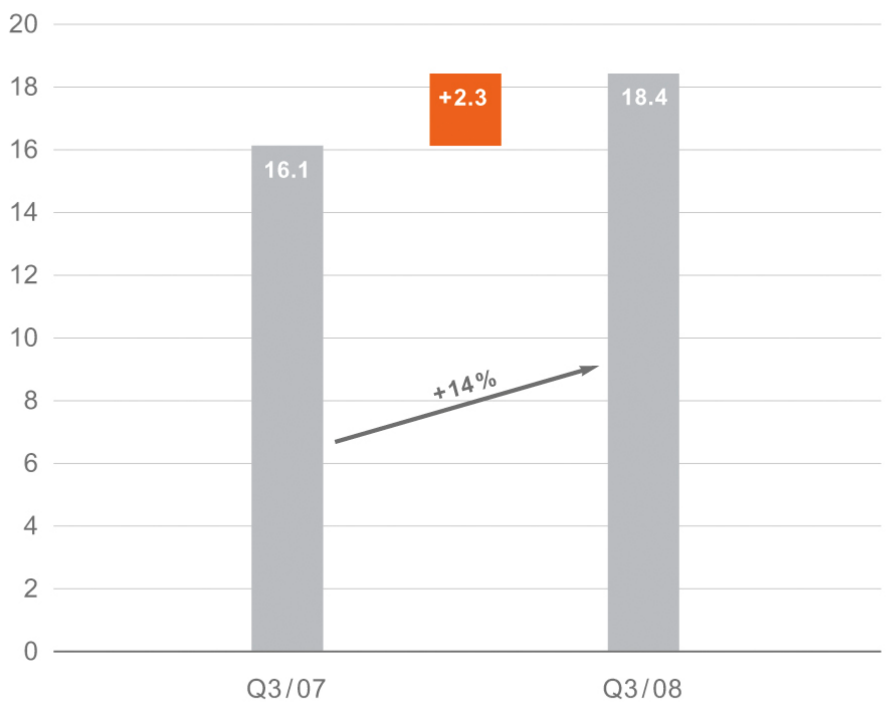
Source: IDC "Telekommunikationsmarkt in Deutschland", April 2008

Main drivers

- Enterprises replace separate data and voice networks by integrated IP networks
- Customers combine VoIP with further IP-based services
- Efficiency gains through migration from legacy telephony to VoIP based applications

QSC SELLS EFFICIENCY AND PRODUCTIVITY GAINS TO ENTERPRISE CUSTOMERS

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



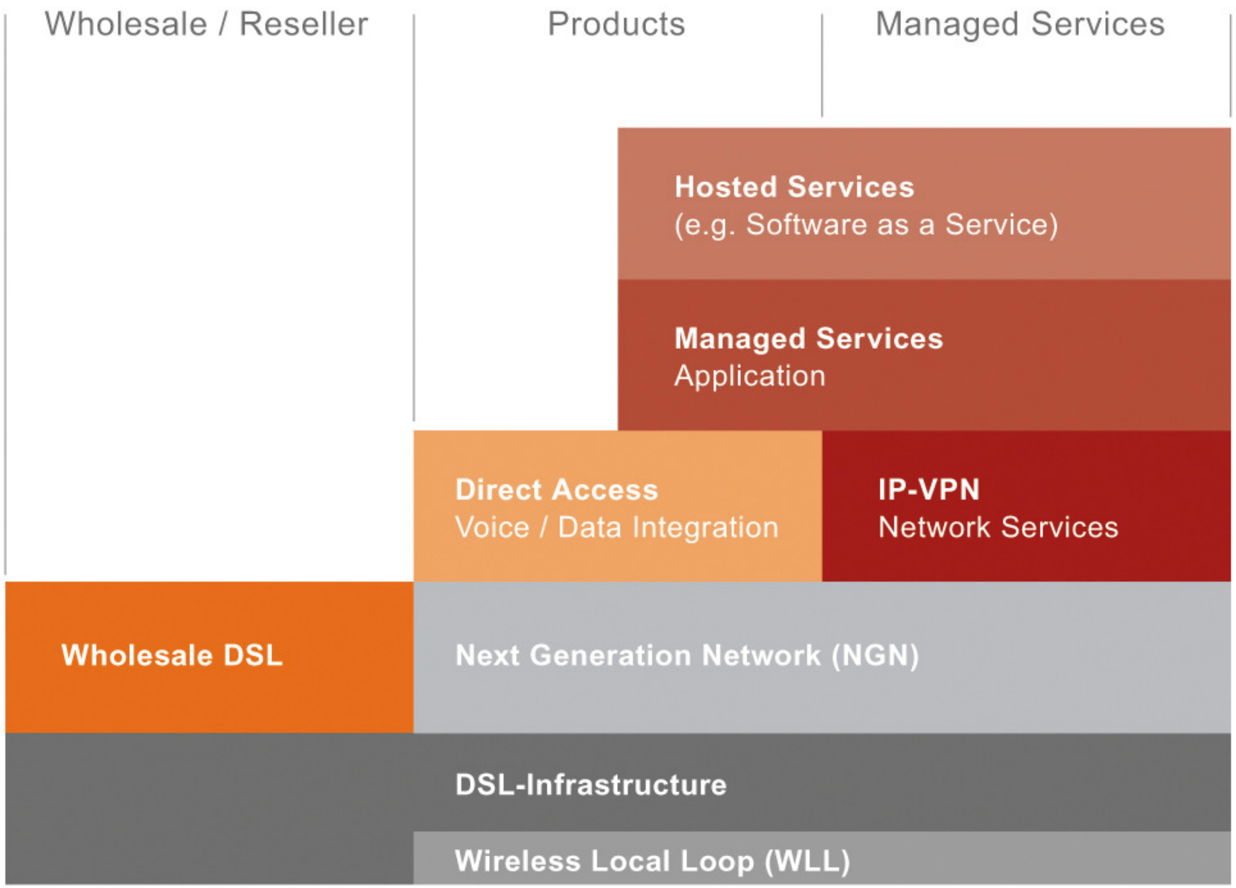
Market 2008

- Integration of VoIP in IP-VPN solutions
- Still growth opportunities in IP-VPN, especially in the SME-Segment
- High interest in new services like Communication-as-a-Service targeting call centers (**A**pplication **C**all **D**istribution)

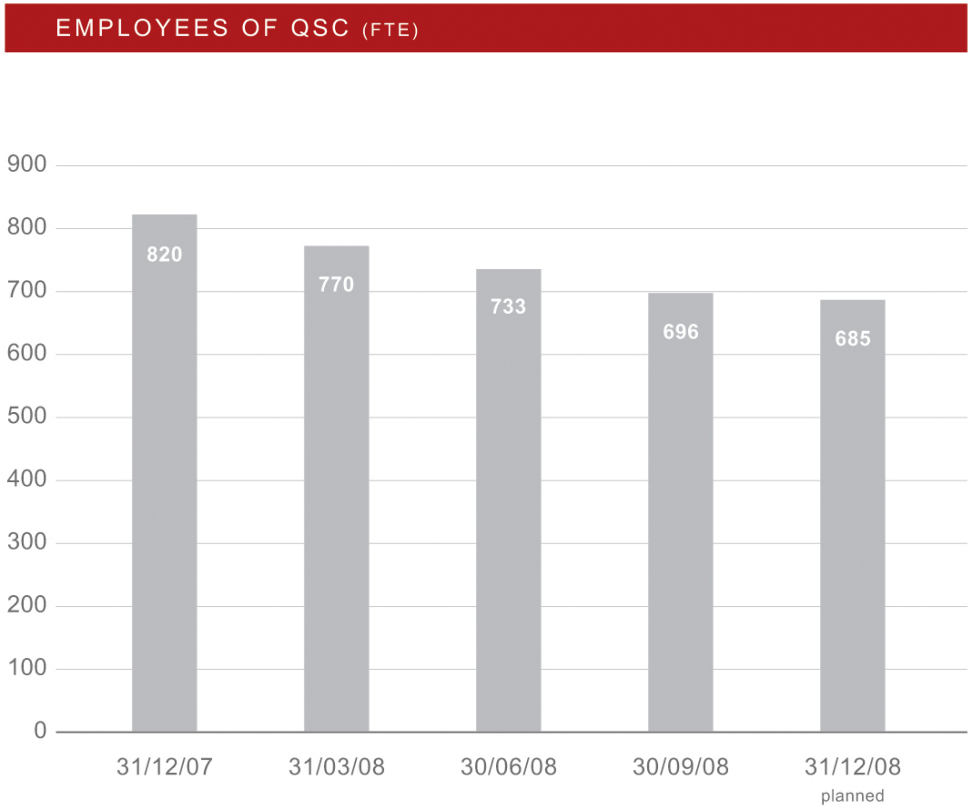
QSC 2008

- NGN 'ready' for the new services
- Growing demand of Managed and Hosted Services like VirtuOS ACD
- QSC sells efficiency and productivity gains

QSC's BUSINESS MODEL:
MOVING UP THE VALUE CHAIN

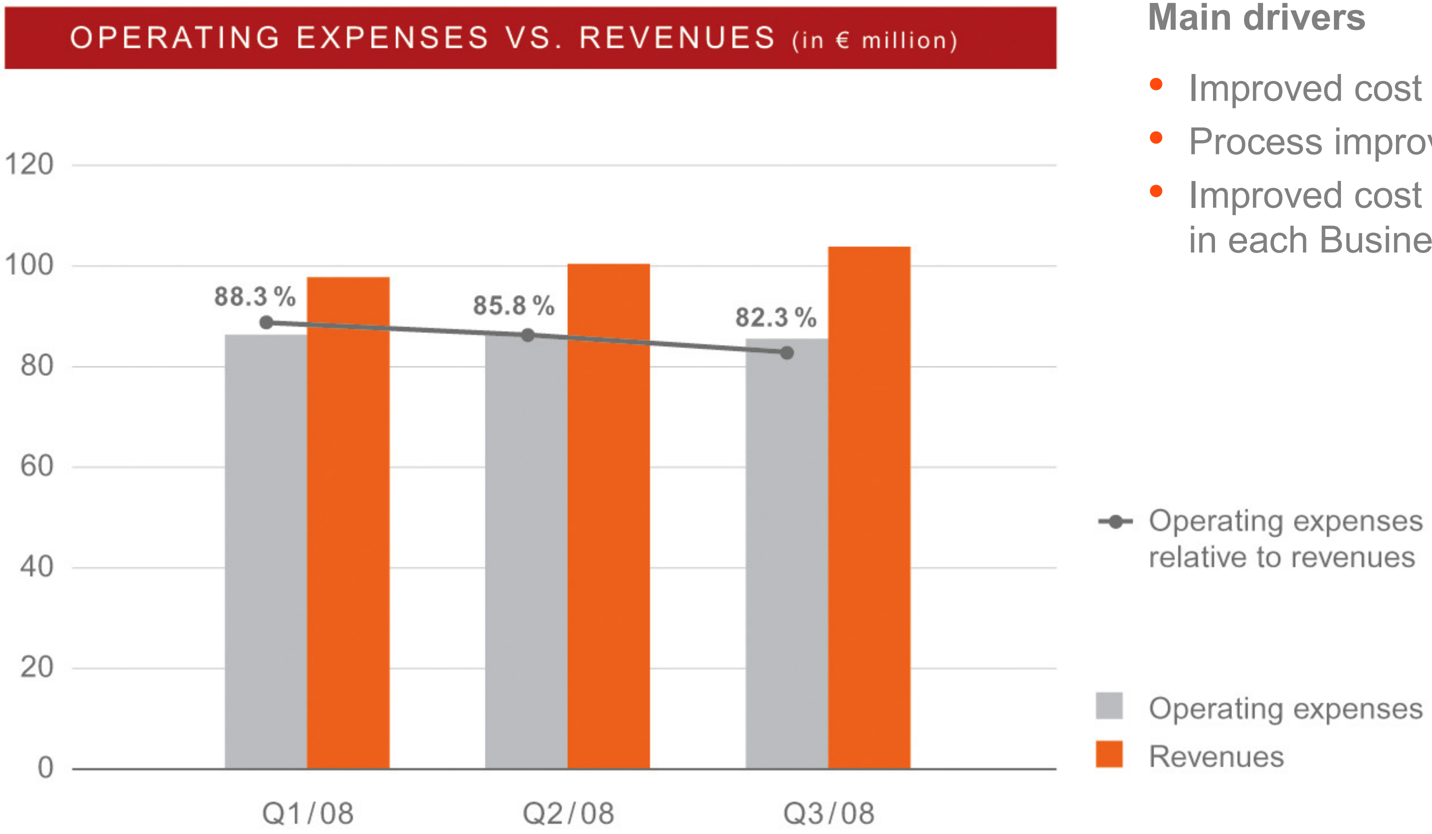


SWIFT INTEGRATION OF BROADNET ACQUISITION



- Network
  - Overlap is eliminated
  - QSC takes full advantage of Broadnet's WLL network
- Sales and marketing
  - All sales offices in Germany are merged
  - Consolidated product range
- Administration
  - Headquarter functions are consolidated in QSC's headquarter in Cologne

IMPROVED COST DISCIPLINE



Main drivers

- Improved cost discipline
- Process improvements
- Improved cost transparency in each Business Unit

QSC WELL POSITIONED FOR 2009 AND BEYOND

- QSC sells efficiency and productivity gains to enterprise customers
- QSC is well financed and under leveraged
- Growth in Wholesale / Reseller business
- Growing demand for new managed services in niche markets
- QSC – The NGN-Carrier => perfect starting position for the VoIP age
- Growth opportunities plus cost discipline will allow further profitability gains

1. Operational Update

2. *Financial Results / Outlook*

REVENUE GROWTH AND COST DISCIPLINE LEAD RETURN TO PROFITABILITY

In € million	Q3 2007	Q3 2008	Δ
• Revenues	83.2	103.6	+24.5%
• Network expenses [1]	57.9	70.3	+21.4%
• *Gross profit*	*+25.3*	*+33.3*	*+31.6%*
• Other operating expenses [1]	17.9	15.0	-16.2%
• *EBITDA profit*	*+7.4*	*+18.3*	*+147.3%*
• Depreciation	12.7	15.7	+23.6%
• *EBIT profit / loss*	*-5.3*	*+2.6*	*nm*
• Financial results	-0.6	-0.4	-33.3%
• Income taxes	-	-0.1	nm
• *Net profit / loss*	*-4.7*	*+2.1*	*nm*

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

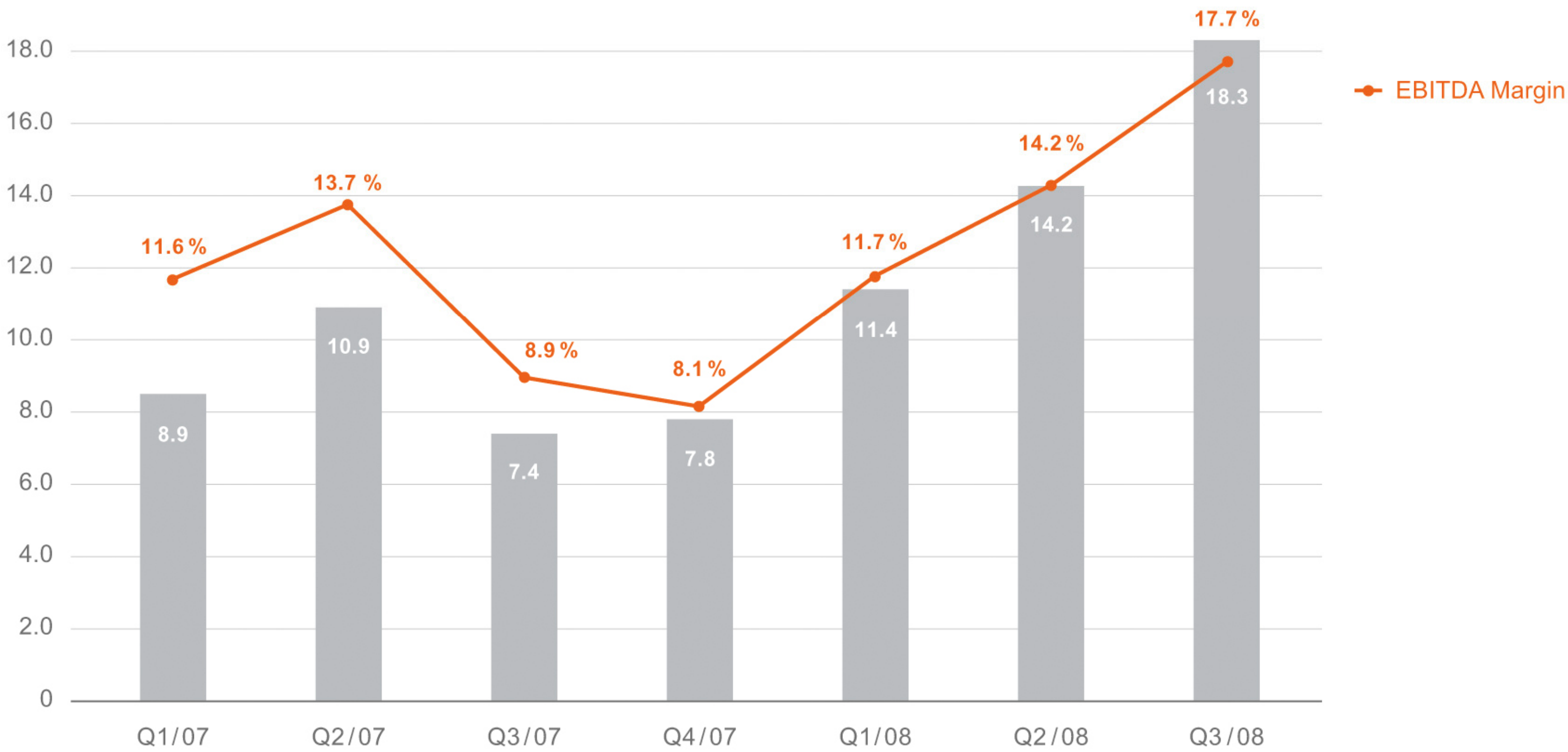
STRONG PROFITABILITY GROWTH Q-o-Q

In € million	Q2 2008	Q3 2008	Δ
• Revenues	100.2	103.6	+3.4%
• Network expenses (1)	69.3	70.3	+1.4%
• *Gross profit*	*+30.9*	*+33.3*	*+7.8%*
• Other operating expenses (1)	16.7	15.0	-10.2%
• *EBITDA profit*	*+14.2*	*+18.3*	*+28.9%*
• Depreciation	15.0	15.7	+4.7%
• *EBIT profit / loss*	*-0.8*	*+2.6*	*nm*
• Financial results	-0.6	-0.4	-33.3%
• Income taxes	-0.1	-0.1	-
• *Net profit / loss*	*-1.5*	*+2.1*	*nm*

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

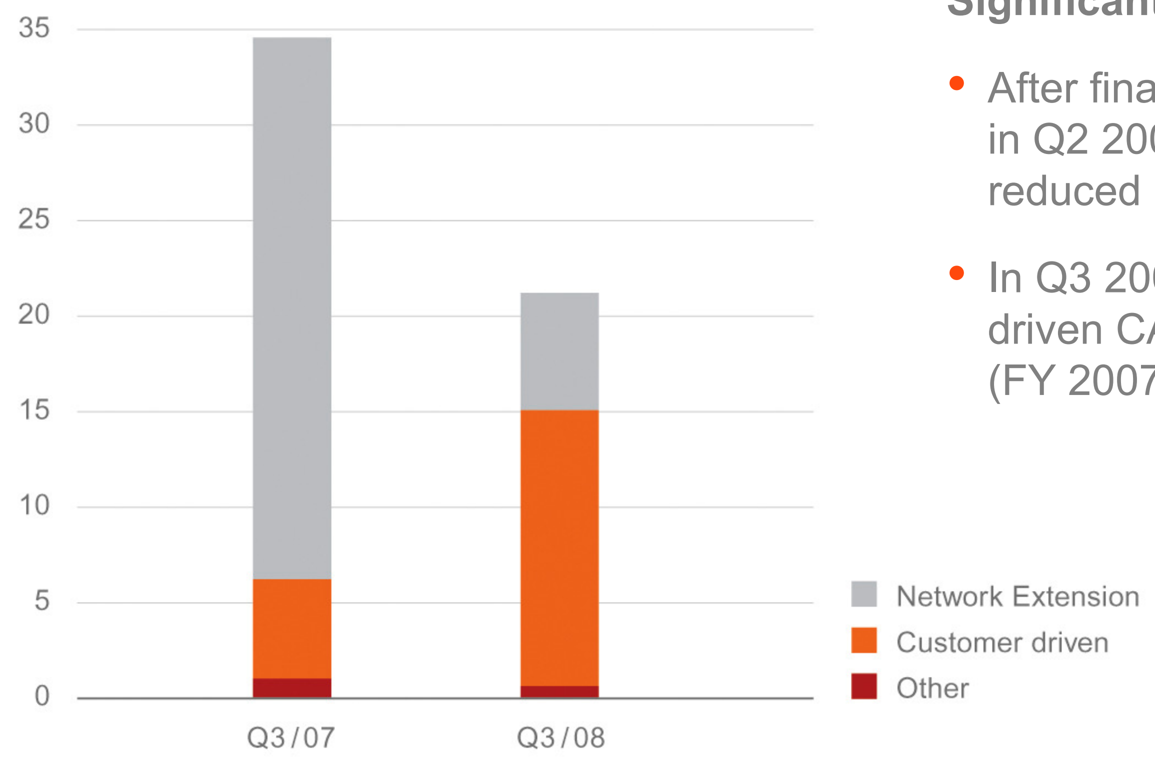
EBITDA MARGIN REACHES 18 PERCENT

EBITDA QUARTER-ON-QUARTER (in € million)



CUSTOMER GROWTH DRIVES CAPEX IN Q3 2008

CAPEX (in € million)

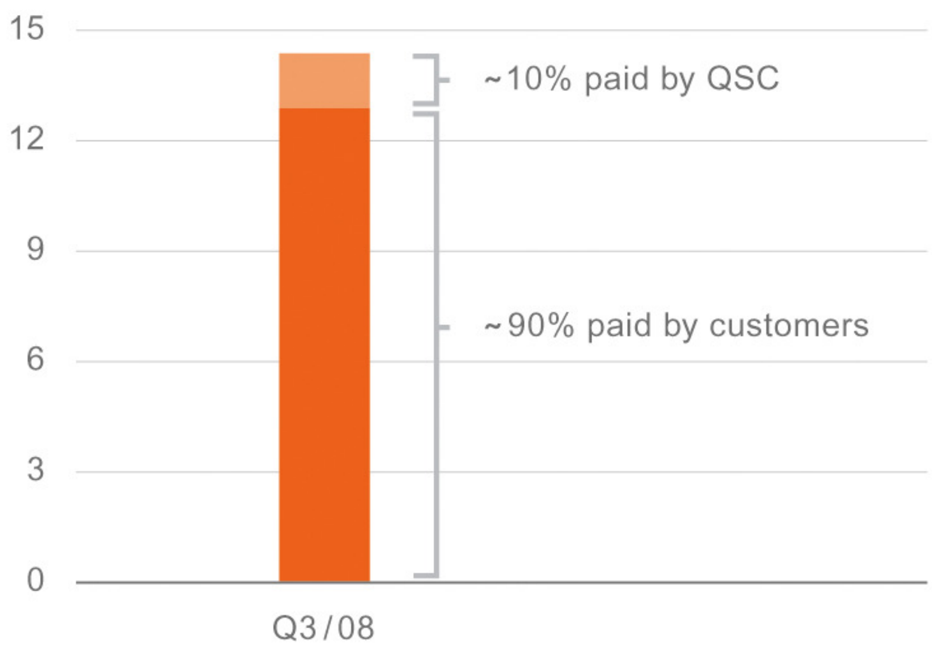


Significant reduction of CAPEX

- After finalisation of network rollout in Q2 2008, CAPEX substantially reduced by 39%
- In Q3 2008, share of customer-driven CAPEX rose to 68% (FY 2007: 44%)

90% OF CUSTOMER-DRIVEN CAPEX IS INVOICED TO CUSTOMERS

CUSTOMER RELATED CAPEX (in € million)

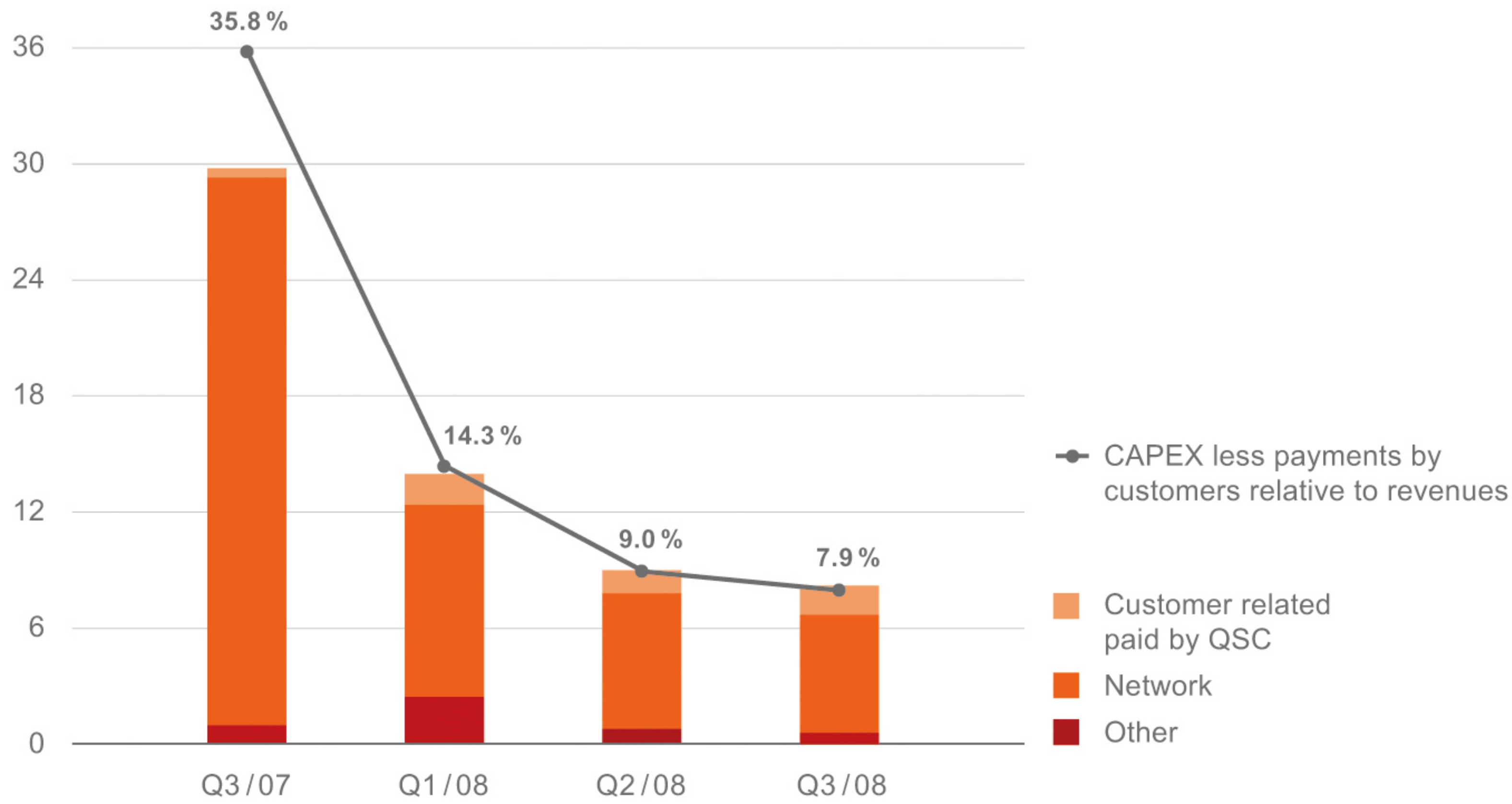


Customer related CAPEX as prepayment for future revenues

- 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

STRONG IMPROVEMENT OF CASH / REVENUES RATIO

CASH RELEVANT CAPEX (in € million)



SIGNIFICANT REDUCTION OF INTEREST-BEARING LIABILITIES / IMPROVED WORKING CAPITAL

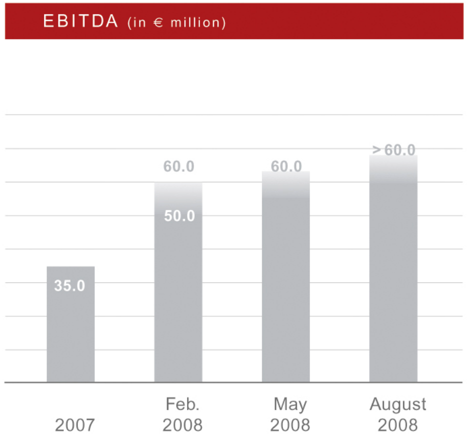
In € million	Q2 2008	Q3 2008	Δ
+ Cash and short-term deposits	+49.2	+47.7	-1.5
+ Available-for-sale financial assets	+13.8	+1.7	-12.1
+ Liquidity	*+63.0*	*+49.4*	*-13.6*
- Finance lease obligations	-46.5	-42.2	-4.3
- Short- and long-term liabilities	-12.4	-10.6	-1.8
- Liabilities due to banks	-3.0	-	-3.0
- Financial debt	*-61.9*	*-52.8*	*-9.1*
= Net liquidity (net debt)	*+1.1*	*-3.4*	*-4.5*
+ Trade receivables	+58.1	+60.5	+2.4
- Trade payables	-71.4	-62.9	+8.5
= Working capital	*-13.3*	*-2.4*	*+10.9*

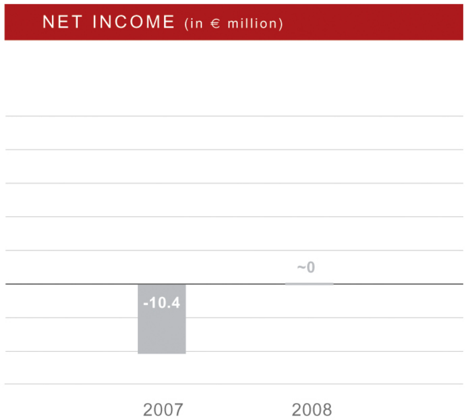
SOLID FINANCING OF QSC:
€ 36.7 million undrawn revolving credit facility

Amount:	€ 50 million revolving credit facility
Banks:	Commerzbank (40%) Sparkasse KölnBonn (30%) DZ Bank (30%)
Term:	December 31, 2011
Interest rate:	EURIBOR +1.0-1.85% p.a. depending on EBITDA margin
Covenants:	Equity / Total assets (adjusted) Net debt / EBITDA EBITDA margin in %

As of 30/09/2008: € 36.7 million undrawn revolving credit facility available
QSC has drawn down € 0 in liquidity and € 13.3 million in guarantees

OUTLOOK 2008
QSC expressly reiterates its guidance





- QSC expects revenues of more than € 405 million
- QSC expects EBITDA of more than € 60 million
- Net income ~ € 0 million

FINANCIAL CALENDER 2008

December 4, 2008 — 5th Annual MidCap Forum
Exane BNP Paribas, Paris

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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

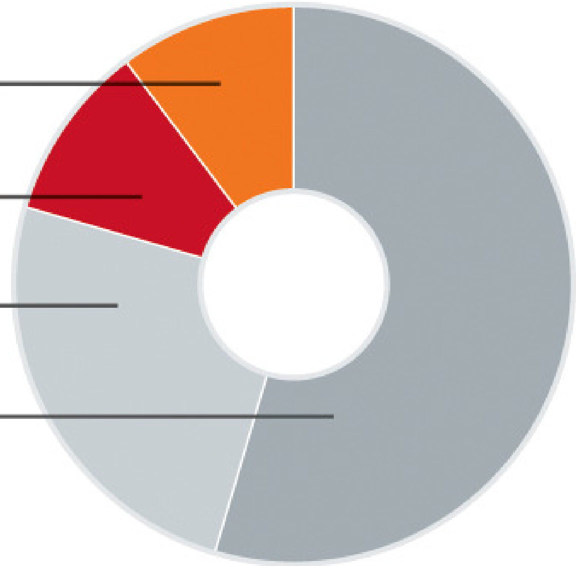
SHAREHOLDER STRUCTURE

10.13 % Gerd Eickers[1]

10.09 % Dr. Bernd Schlobohm[2]

24.54 % Baker Capital Group

55.24 % Free float



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

Status quo: 31/10/2008

NETWORK ROLL-OUT IS COMPLETED

- **1,900 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
- **Network breakeven achieved**
  - QSC cross the threshold at some 550,000 ULLs (10/2008)

ALL SEGMENTS WITH ATTRACTIVE MARGINS

SEGMENT CONTRIBUTION MARGIN (in percent)