

QSC AG

Company Presentation

Results Q1 2009

Cologne, May 13, 2009

AGENDA

1. Operational Update
Dr. Bernd Schlobohm, Chief Executive Officer
2. Financial Results
Jürgen Hermann, Chief Financial Officer
3. Outlook
Dr. Bernd Schlobohm, Chief Executive Officer
4. Questions & Answers

MAJOR ACHIEVEMENTS IN Q1 2009

- Ongoing profitable revenue growth despite deep recession
- Highly cost-efficient NGN enables QSC to grow in
 - Voice business with enterprise customers
 - Voice wholesale business
- Increased focus on cost discipline and working capital improvement
- Focus on high-margin products and services is paying off
- IPfonie centraflex wins IT INNOVATION AWARD at CeBIT 2009
- Two new board members: Joachim Trickl and Jürgen Hermann

FINANCIAL OVERVIEW FOR Q1 2009

- Free cash flow of €4.0 million
(Q1 2008: €-10.2 million)
- Net profit of €1.4 million
(Q1 2008: €-4.1 million)
- EBITDA up 71% to €19.5 million
(Q1 2008: €11.4 million)
- Revenues up 10% to €107.6 million
(Q1 2008: €97.5 million)
- Significant reduction in CAPEX to €11.5 million
(Q1 2008: €28.6 million)

⇒ **Good start to 2009 thanks to positive development in all 3 segments**

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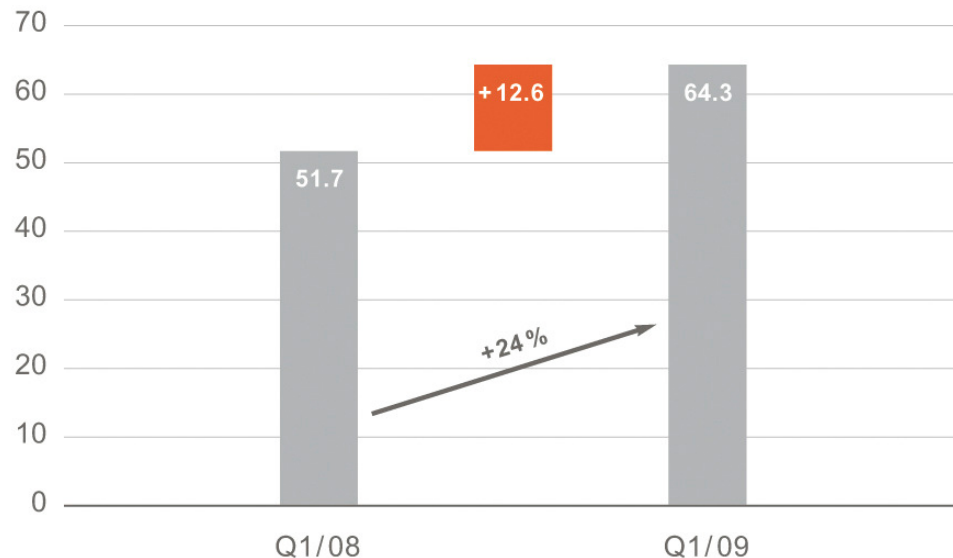
NB: All results are based on IFRS

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BU WHOLESALE/RESELLERS GROWTH IN VOICE AND SHDSL BUSINESS

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



Break-up of revenues

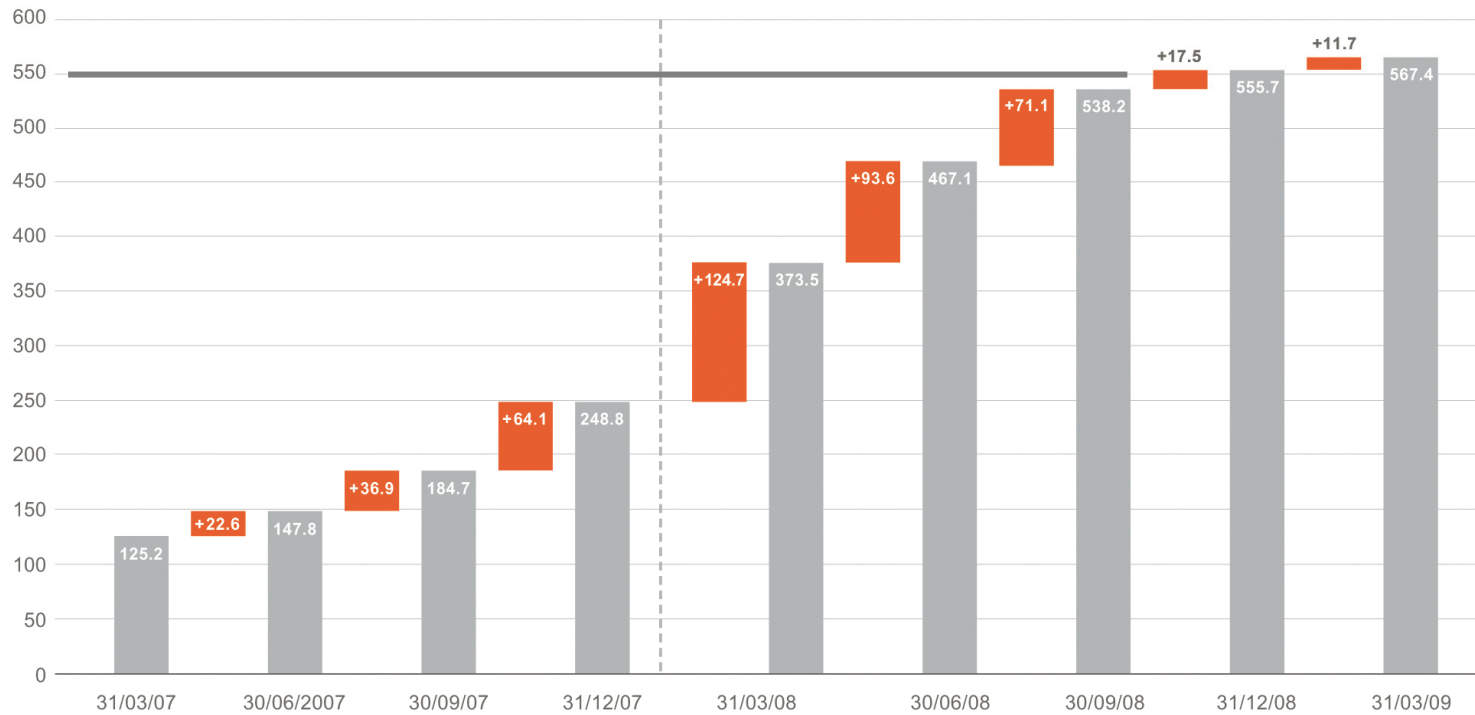
- 47% of segment revenues from ADSL2+
- 30% of segment revenues from voice wholesale

Major developments

- NGN enables QSC to be a front runner in voice wholesale business
- Growing demand among cable operators for voice services
- SHDSL wholesale for carriers on stable growth course
- ADSL2+ wholesale is growing moderately, fierce price competition

BU WHOLESALE/RESELLER ADSL2+ GROWTH IS SLOWING DOWN

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



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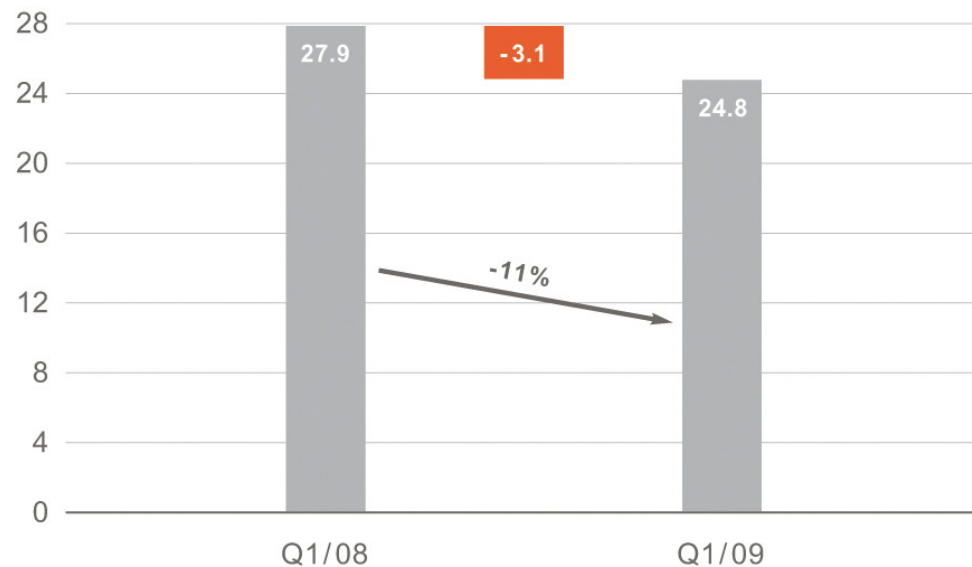
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BU PRODUCTS

DIRECT ACCESS BUSINESS IS STABILIZING REVENUES

PRODUCTS YEAR-ON-YEAR (in € million)



Break-up of revenues

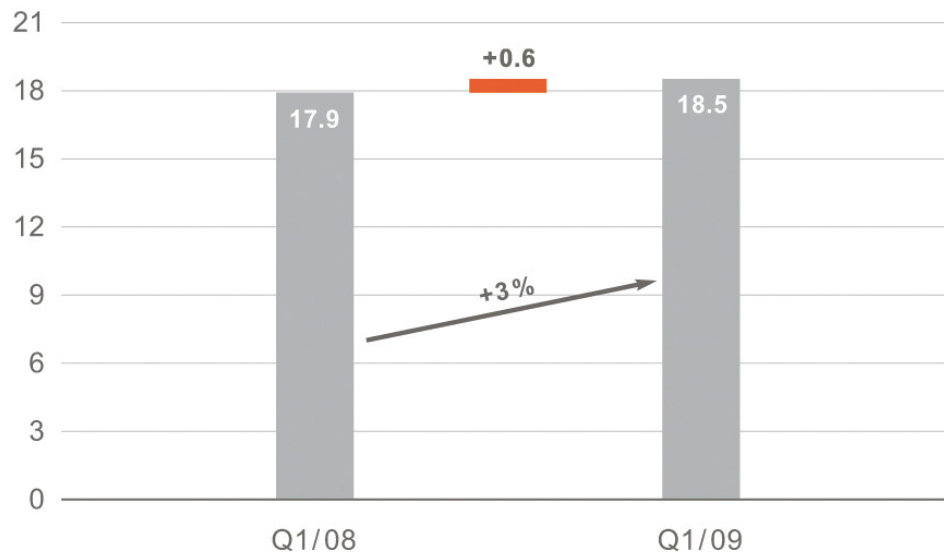
- 47% legacy voice

Major developments

- Same level of revenues as in Q2, Q3 and Q4 2008
- Growing demand for direct access and value-added services
- QSC stopped actively marketing its remaining residential product, Q-DSL home, in early April

BU MANAGED SERVICES ONGOING GROWTH IN DIFFICULT ENVIRONMENT

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



Major developments

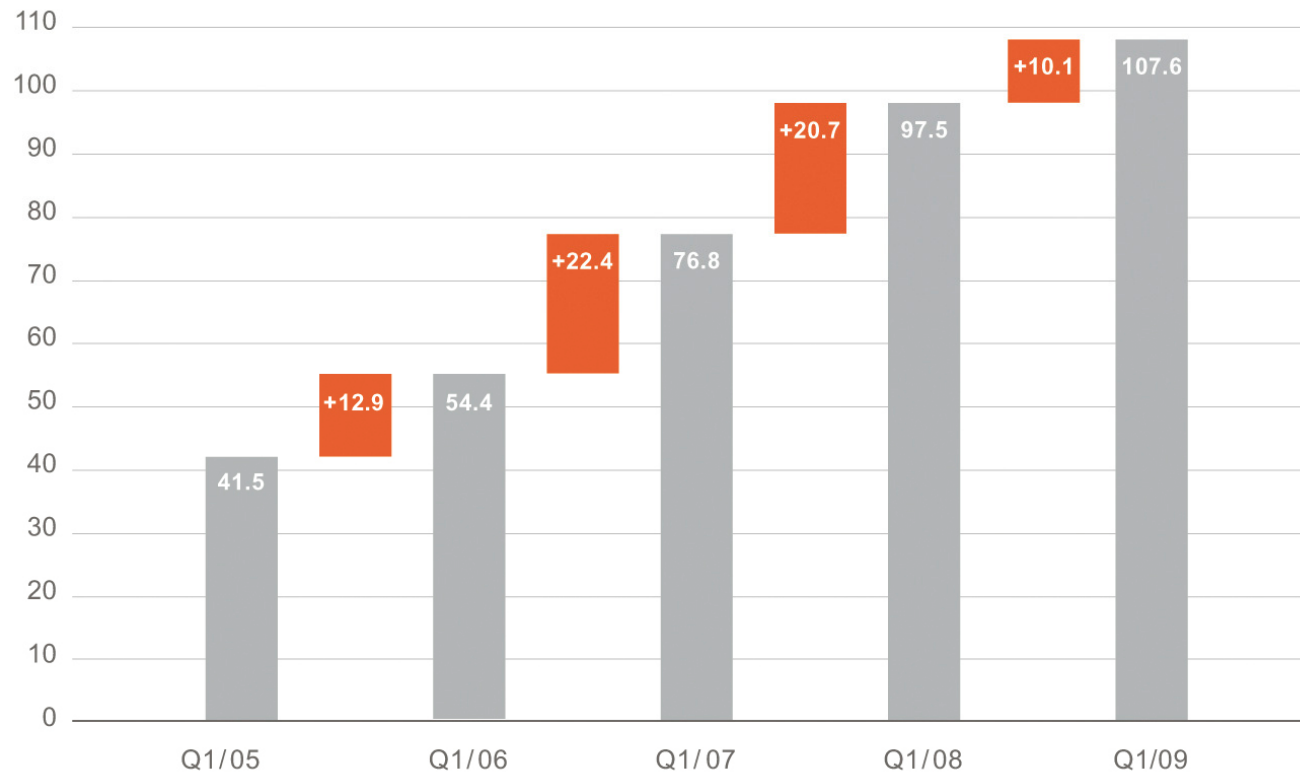
- In recession, it is taking somewhat longer to turn an initial contact into an order
- 70% of new business stems from existing customers
- New customer: ADAC in April 2009
- Growth opportunity: Integration of VoIP in IP-VPN solutions
- Growing demand for Managed and Hosted Services (Telco-Software-as-a-Service)

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QSC STAYS ON GROWTH COURSE

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



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FOCUS ON HIGHER-MARGIN PRODUCTS AND SERVICES IS PAYING OFF

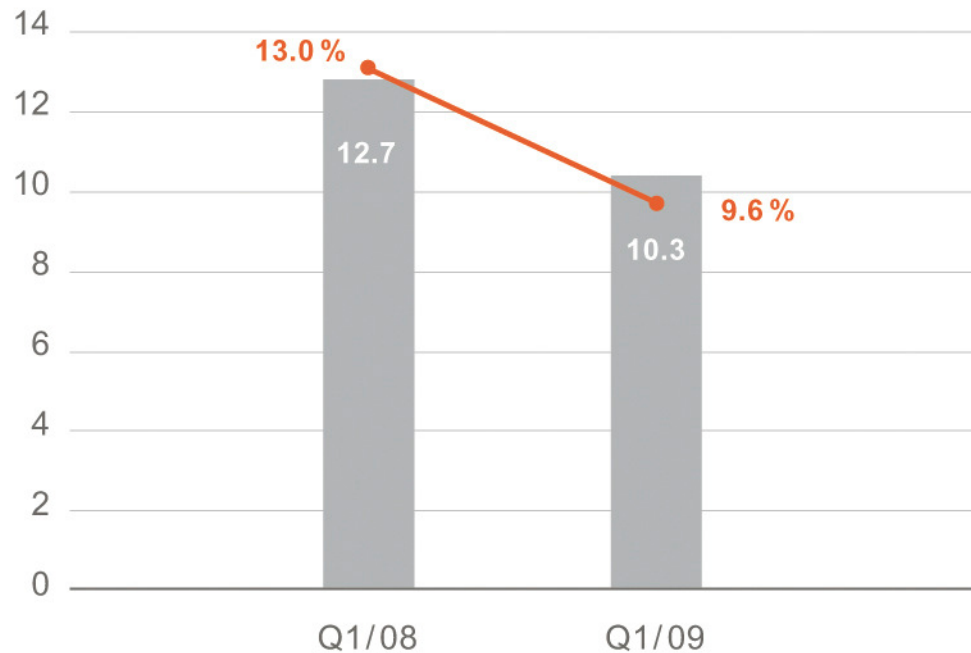
In € million	Q1 2008	Q1 2009	△
• Revenues	97.5	107.6	+10.4%
• Network expenses ⁽¹⁾	66.3	71.1	+7.2%
• Gross profit	+31.2	+36.5	+17.0%
• Other operating expenses ⁽¹⁾	19.8	17.0	-14.1%
• EBITDA profit	+11.4	+19.5	+71.1%
• Depreciation	15.0	17.1	+14.0%
• EBIT profit (loss)	-3.6	+2.5	nm
• Financial results	-0.4	-0.6	-50.0%
• Income taxes	-0.1	-0.5	nm
• Net profit (loss)	-4.1	+1.4	nm

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

EFFICIENCY GAINS IN SELLING AND MARKETING

SELLING AND MARKETING (in € million)



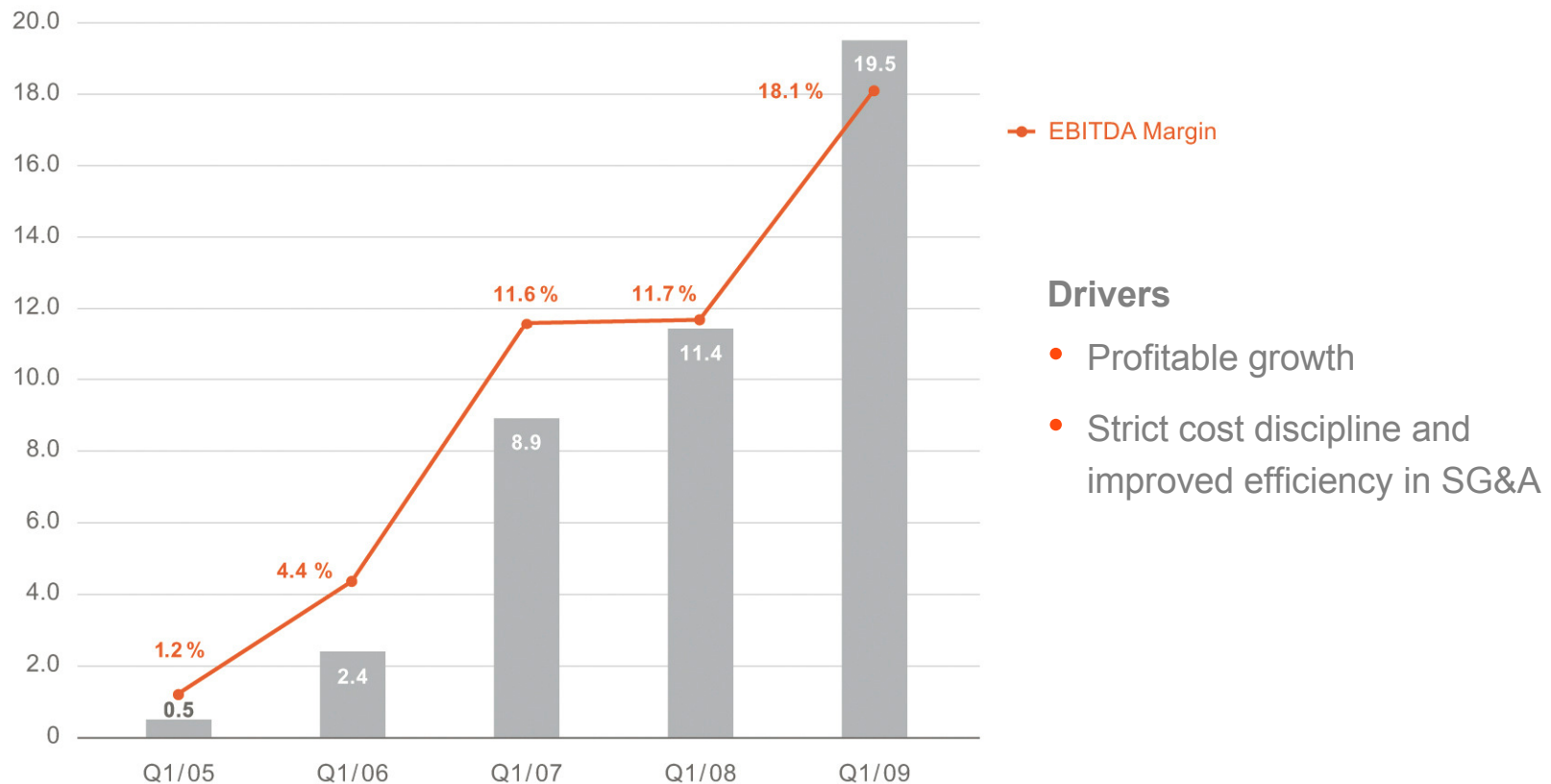
— Expenses relative to revenues

Drivers

- QSC swiftly achieved synergies following the Broadnet merger
- Strict cost discipline

VERY POSITIVE DEVELOPMENT OF EBITDA MARGIN

EBITDA QUARTER-ON-QUARTER (in € million)



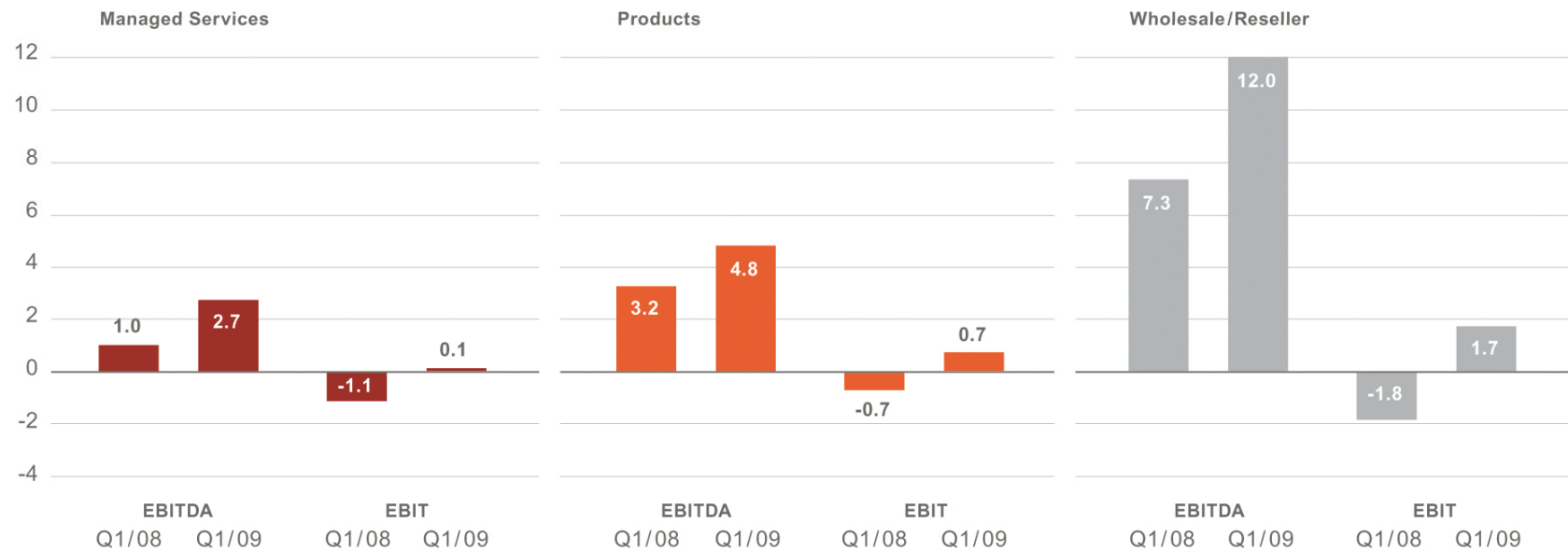
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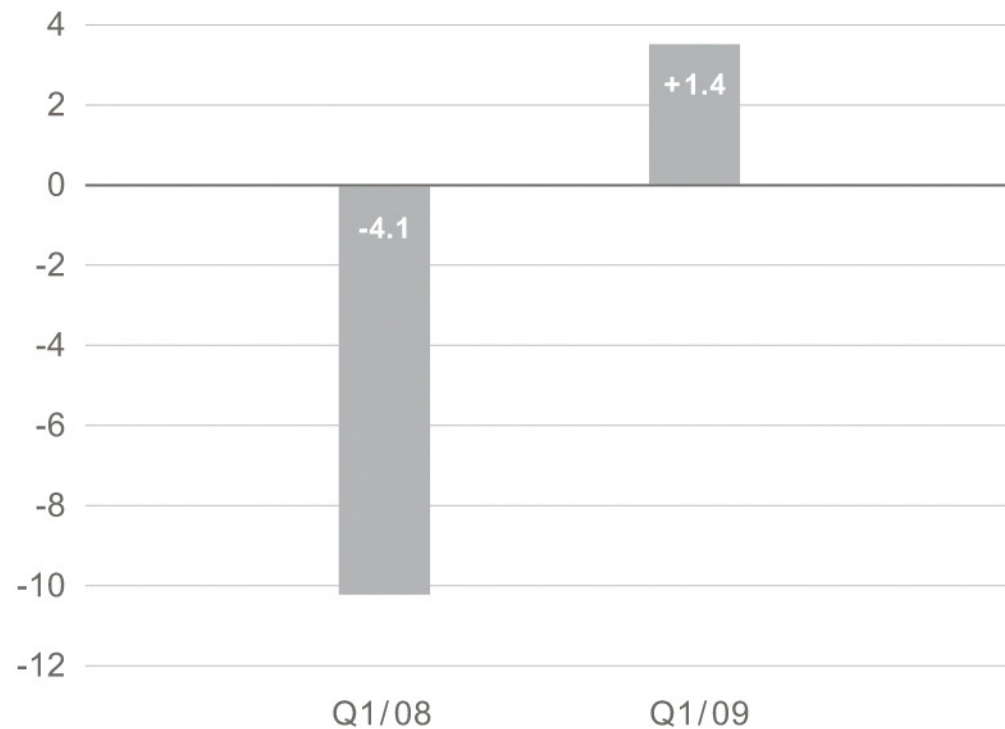
ALL 3 SEGMENTS ARE CONTRIBUTING TO PROFITS

EBITDA/EBIT YEAR-ON-YEAR (in € million)



QSC IS EARNING A SUSTAINABLE NET PROFIT

NET INCOME YEAR-ON-YEAR (in € million)

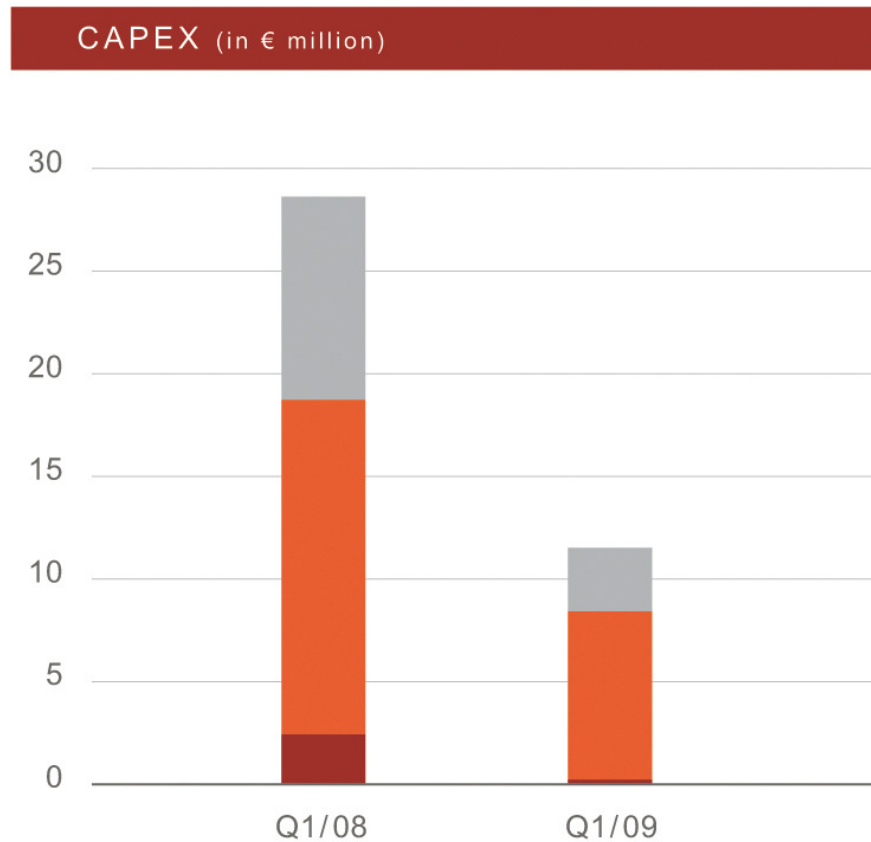


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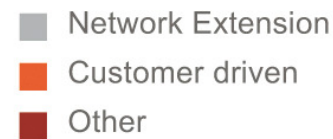
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LOW AND STABLE LEVEL OF CAPEX IN 2009



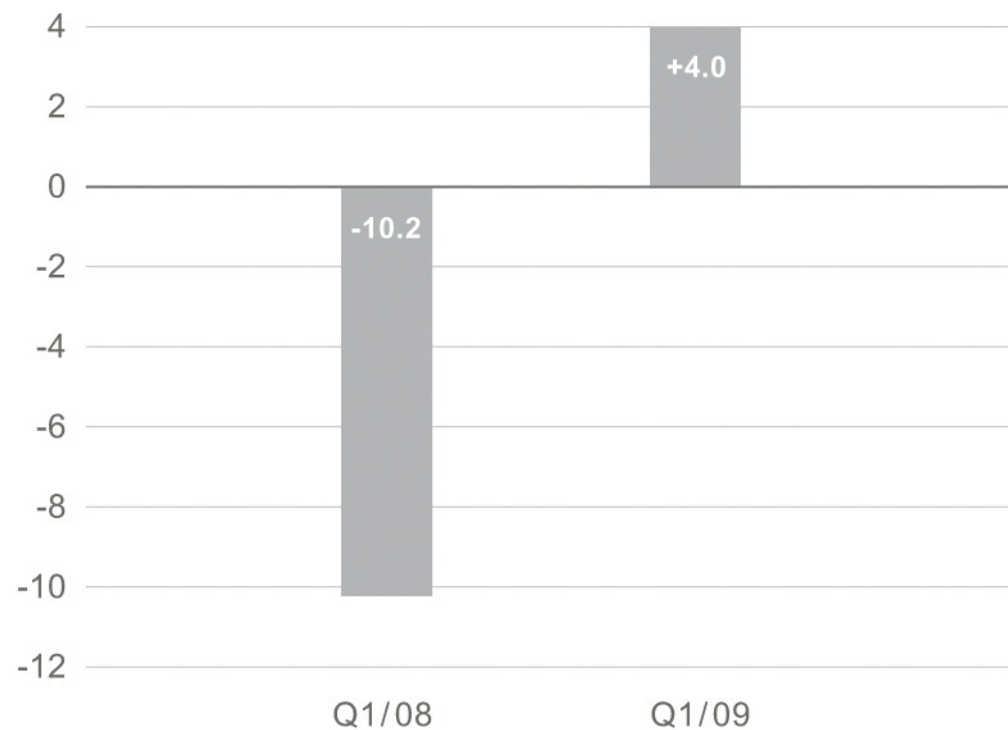
Significant reduction in CAPEX

- Conclusion of network rollout in Q2 2008
- Share of customer-driven CAPEX rose to 71% (Q1 2008: 57%)



SIGNIFICANT POSITIVE FREE CASH FLOW

FREE CASH FLOW YEAR-ON-YEAR (in € million)



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QSC STRENGTHENED FINANCIAL POSITION IN Q1 2009

In € million	Dec. 31, 2008	Mar. 31, 2009	△
+ Cash and short-term deposits	+48.8	+44.4	-4.5
+ Available-for-sale financial assets	+0.3	+0.3	-
+ Liquidity	+49.2	+44.7	-4.5
- Finance lease obligations	-37.5	-31.0	+6.5
- Short- and long-term liabilities	-8.8	-6.9	+1.9
- Liabilities due to banks	-15.0	-15.0	-
- Financial debt	-61.3	-52.9	+8.4
= Net liquidity (net debt)	-12.2	-8.2	+4.0

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OUTLOOK 2009

POSITIVE DEVELOPMENT DESPITE RECESSION

- Recession: Gloomy economic outlook for Germany
- Growth in most market segments of relevance to QSC
- Efficiency gains based on our services portfolio should provide relatively good insulation from the recessionary environment
- QSC will concentrate on positive Free Cash Flow and Profitability
 - Sharpened focus on profitable revenues
 - More focused market segmentation (“what to sell & what not to sell”)
 - Greater focus on the most profitable revenues
 - Further automatization
 - Strict cost discipline

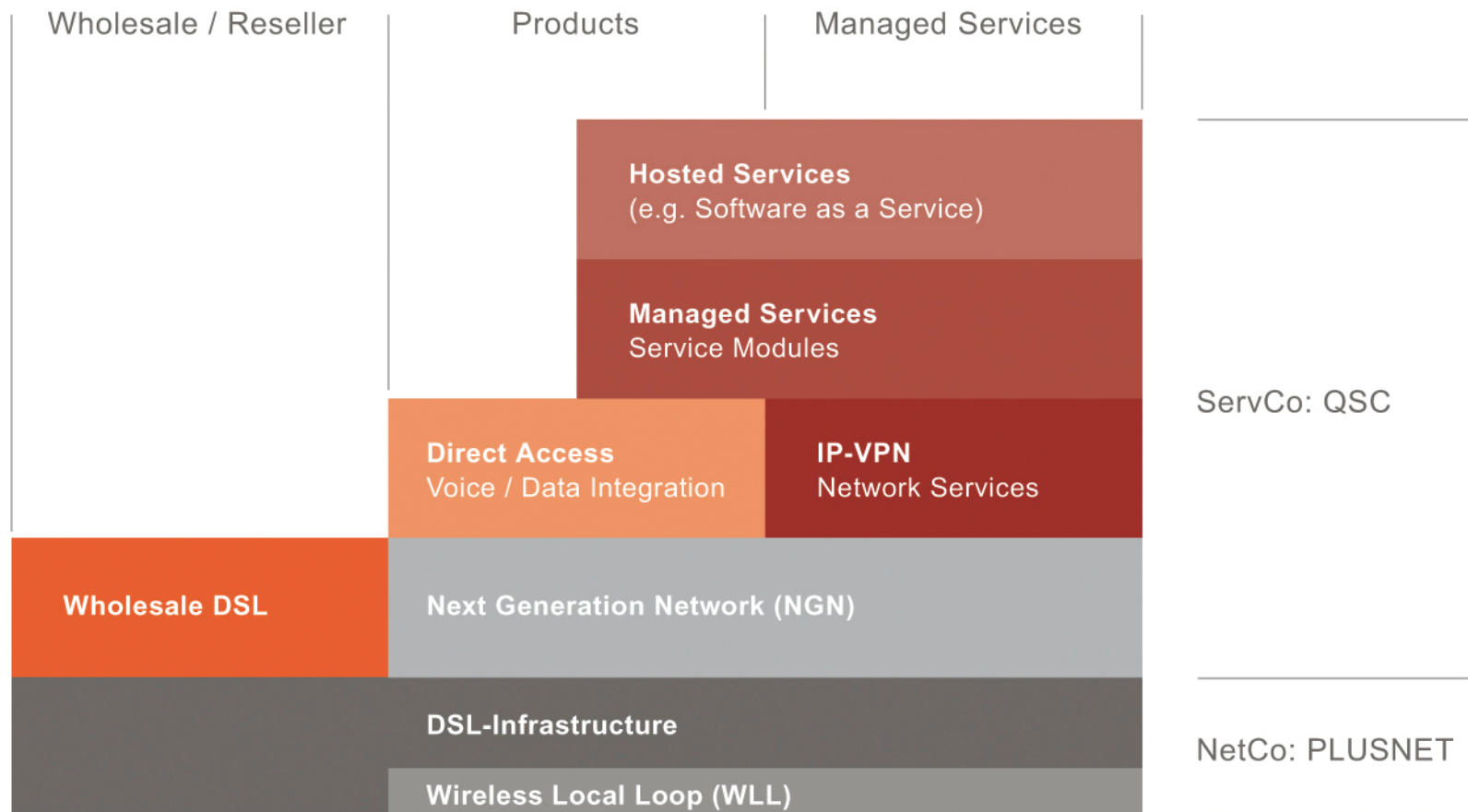
OUTLOOK 2009

QSC REITERATES GUIDANCE

- Focus 2009: Improvement of cash flow and earnings
- Free Cash Flow > €10 million
- EBITDA of between €68–€78 million
- Sustainable positive net income
- Revenues of between €420–€440 million with improved quality of revenues
 - Further growth in Wholesale, especially Voice Wholesale
 - Stabilization of Products
 - Greater focus on and further growth in Managed Services

OUTLOOK 2009

QSC IS MOVING UP THE VALUE CHAIN



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FINANCIAL CALENDAR 2009

May 20, 2009	Annual Shareholders Meeting
June 24, 2009	German & Austrian Corporate Conference Deutsche Bank, Frankfurt
August 12, 2009	Publication of Quarterly Report II/2009
August 25, 2009	9th German Technology & Telecoms Conference Commerzbank, Frankfurt
November 9–11, 2009	German Equity Forum Fall 2009 Deutsche Börse, Frankfurt
November 12, 2009	Publication of Quarterly Report III/2009

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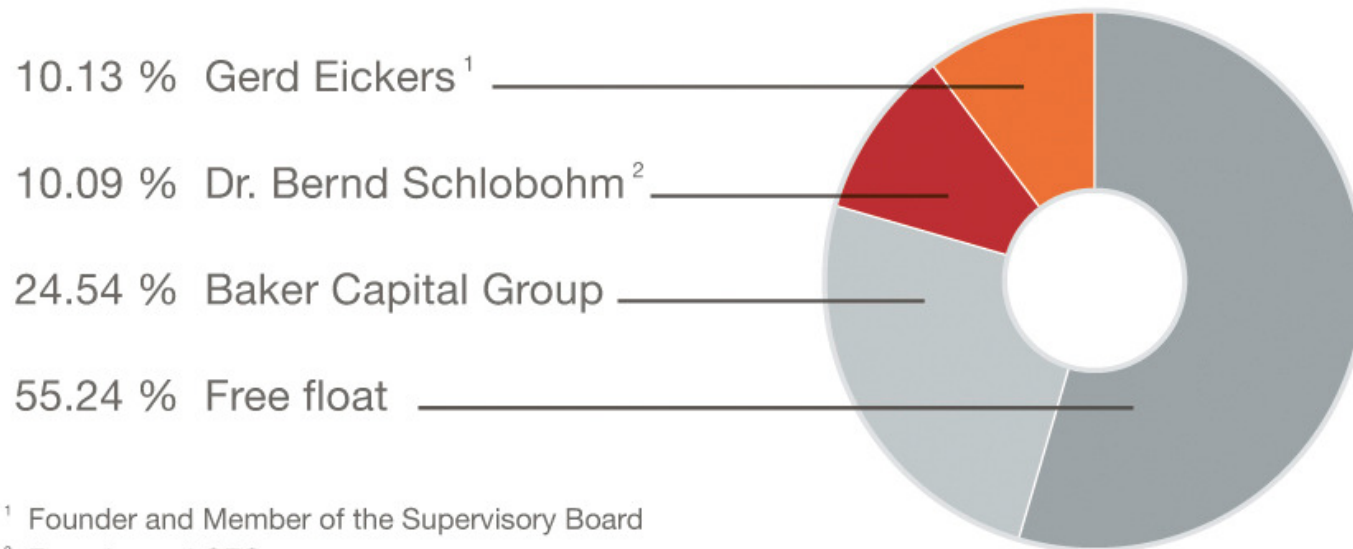
A complete list of the risks, uncertainties and other factors facing us can be found in our public reports and filings with the U.S. Securities and Exchange Commission.

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STABLE SHAREHOLDER STRUCTURE SINCE IPO

SHAREHOLDER STRUCTURE



¹ Founder and Member of the Supervisory Board

² Founder and CEO

Status quo: 30/04/2009