

QSC AG

Company Presentation

Results Q2 2012

Cologne, August 13, 2012

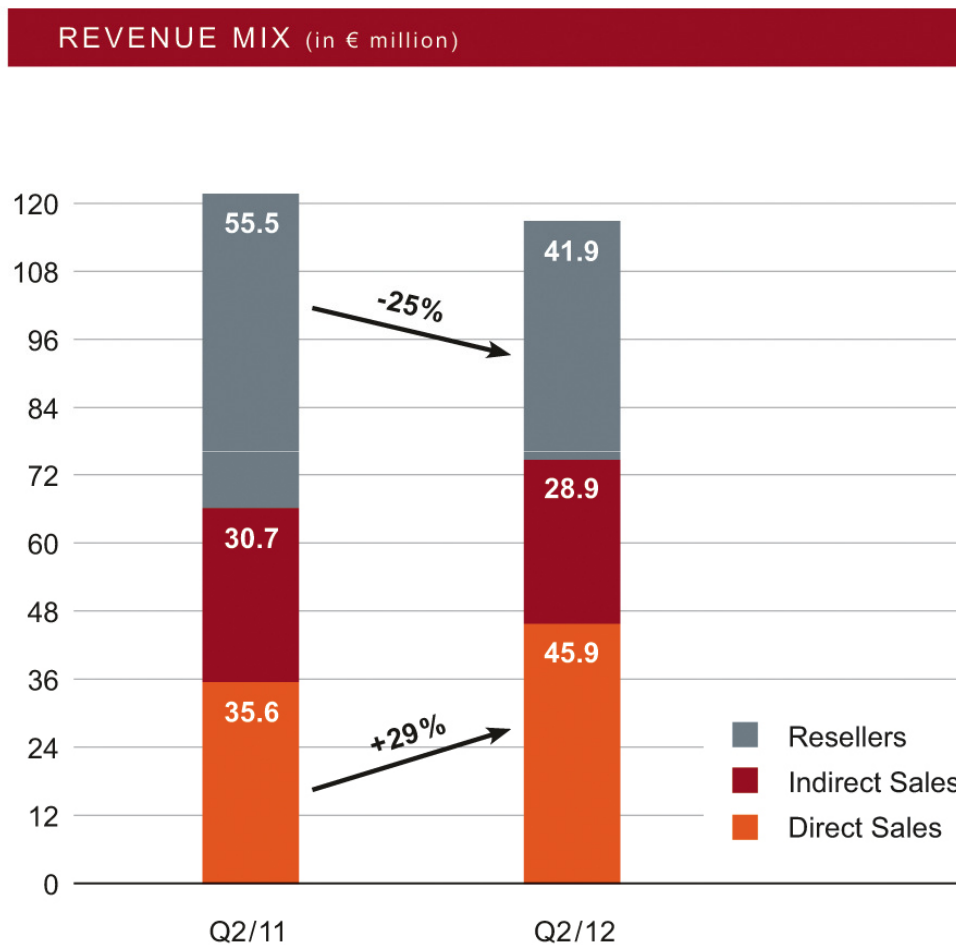
AGENDA

1. Highlights Q2 2012
2. Financial results Q2 2012
3. Financial outlook 2012
4. Questions & Answers

MAJOR ACHIEVEMENTS FROM APRIL TO JULY 2012

- Transformation process in Q2 2012:
 - ICT revenues in Direct Sales up by 29%
 - Mainly legacy TC revenues in Wholesale down by 25%
- New contracts in Direct Sales with a total contract value (TCV) of € 40.4 million in Q2 2012
- New IT Sales Partners: +53 partners since the start of 2012
- Extension of the partnership with Microsoft
- Merger with INFO AG completed ahead of schedule / Successful squeeze out

DIRECT SALES HAS BECOME THE LARGEST SEGMENT



Growth drivers

- New customers in Direct Sales
- One-month consolidation effect of INFO AG

Growth restraints

- Fierce price competition especially in ADSL2+ business
- Decline in legacy voice
- € 3 million less in termination fees

NEW CUSTOMERS: ANOTHER SUCCESSFUL QUARTER

Industry	Total contract value (Q2 2012)
Gas / Energy	€ 27,988,000
Chemical Industry	€ 2,632,000
Consumer Electronics	€ 2,401,000
Retail	€ 1,791,000
Food & Beverages (Tobacco)	€ 1,149,000
Finance	€ 635,000
Insurance / Healthcare	€ 570,000
Facility	€ 490,000
Logistics / Shipping	€ 429,000
Others	€ 2,270,000
Total	€ 40,355,000

Highlights

- **Amprion** (a leading electric grid operator in Europe): Outsourcing of the entire IT infrastructure and IT systems; SAP and Microsoft
- In H1 2012, QSC won orders with a total contract value of € 76.8 million – slightly more as in the entire year 2011

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⇒ Revenue impact from Q4 2012 / Q1 2013 onward

NEW CUSTOMERS: FROM TRANSITION TO REVENUE GENERATION

- Compared to 2010, the new QSC group is in a position to **win orders with a tenfold volume** and even more
- These orders typically run for at **least for 3–5 years**
- At the beginning, there is always a **transition period of 6–9 months**
- The transition impacts on **CAPEX as well as OPEX**
(used for migrating IT systems to QSC's data centres)
- In some cases, QSC takes over **additional IT talents**

NEW IT SALES PARTNERS: QSC HAS ALREADY WON 53 PARTNERS IN 2012 AND NOW AIMS TO WIN 80

Partner Sales focuses on companies with 10 to 500 employees



⇒ Major revenue impact from 2013 onward

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EXTENSION OF THE PARTNERSHIP WITH MICROSOFT: FIRST HYBRID CLOUD OFFERINGS IN H2 2012

- INFO AG is a Microsoft Gold Partner for Desktop and Server Platforms
- In July 2012, Microsoft Deutschland and INFO AG agreed to collaborate closely in three areas:
 - Cloud Services for German SMEs
 - UC and collaboration using MS Sharepoint, MS Exchange and MS Lync
 - Introduction of Windows 8
- For H2 2012, the QSC group plans to produce its first Microsoft hybrid cloud offerings

MERGER WITH INFO AG COMPLETED EARLIER THAN ANTICIPATED

Merger of INFO AG and INFO Holding came into effect on July 17, 2012

- All outstanding INFO AG shares were acquired (€ 5.8 million)
- Listing of INFO AG was terminated

INFO Holding was renamed INFO AG on July 17, 2012

- New company will be led by a four-member management board

Stronger integration to commence as early as second half of 2012

- Consolidation of infrastructure locations
- Centralization of procurement

PROGRESS MADE IN KEY AREAS

Milestone	Progress	Target for 2012
Integration	Merger completed	Merger completed > Target achieved
New customers	Total contract value of € 40.4 million Direct sales revenues up by 29%	Direct Sales growth faster than market
New products with Intellectual Property (IP)	3rd launch: QSC-Analyser	Launch 4-6 products
New sales partners	Won 53 IT sales partners in 2012	Win 80 IT sales partners > Raised target

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ONGOING TRANSFORMATION AND INFO AG CONSOLIDATION MAKE Y-o-Y COMPARISON MORE DIFFICULT

In € million	Q2 2011	Q2 2012	△
• Revenues	121.8	116.6	-4.3%
• Cost of revenues ⁽¹⁾	82.9	79.1	-4.6%
• Gross profit	+38.9	+37.5	-3.6%
• Other operating expenses ⁽¹⁾	19.6	19.4	-1.0%
• EBITDA profit	+19.3	+18.1	-6.2%
• Depreciation	12.9	13.2	+2.3%
• EBIT profit	+6.4	+4.9	-23.4%
• Financial results	-0.7	-1.0	-42.9%
• Income taxes	-1.8	-1.0	+44.4%
• Net profit	+3.9	+2.9	-25.6%

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

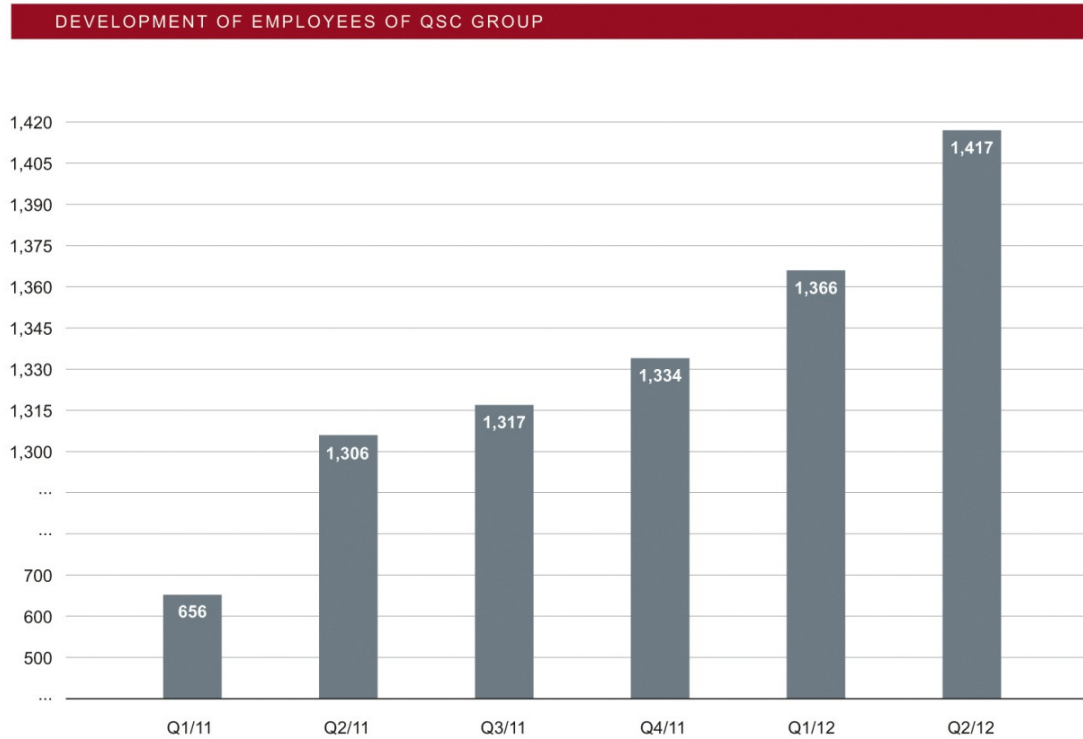
QSC'S PROGRESS SHOWS ITSELF MORE EASILY IN A Q-o-Q COMPARISON

In € million	Q1 2012	Q2 2012	△
• Revenues	116.0	116.6	+0.5%
• Cost of revenues ⁽¹⁾	78.1	79.1	+1.3%
• Gross profit	+38.0	+37.5	-1.3%
• Other operating expenses ⁽¹⁾	20.5	19.4	-5.4%
• EBITDA profit	+17.5	+18.1	+3.4%
• Depreciation	13.5	13.2	-2.2%
• EBIT profit	+4.0	+4.9	+22.5%
• Financial results	-0.9	-1.0	-11.1%
• Income taxes	-0.9	-1.0	-11.1%
• Net profit	+2.3	+2.9	+26.1%

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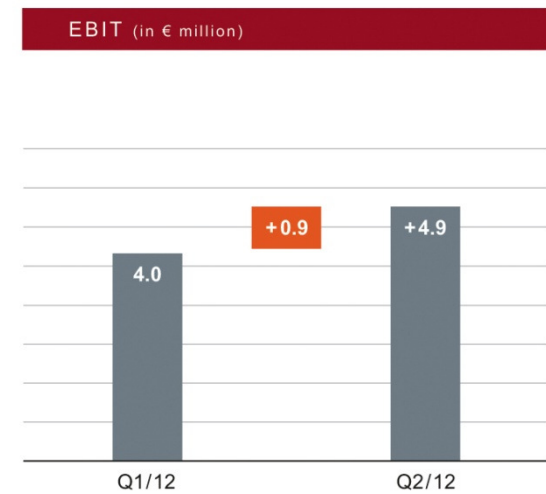
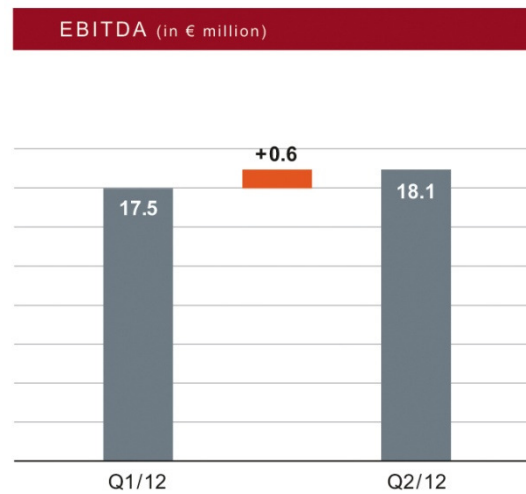
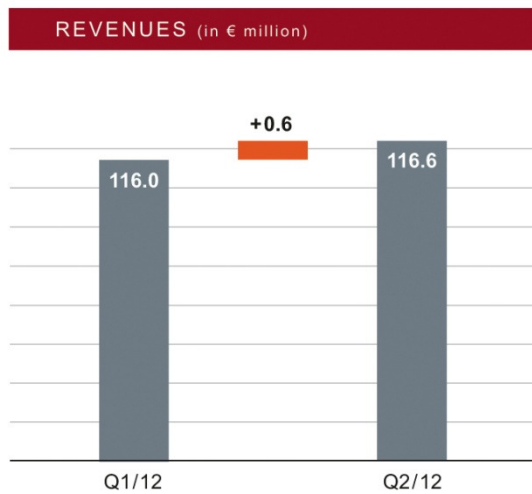
(1) Excluding depreciation and non-cash share-based payments

ONGOING EXTENSION OF THE WORKFORCE

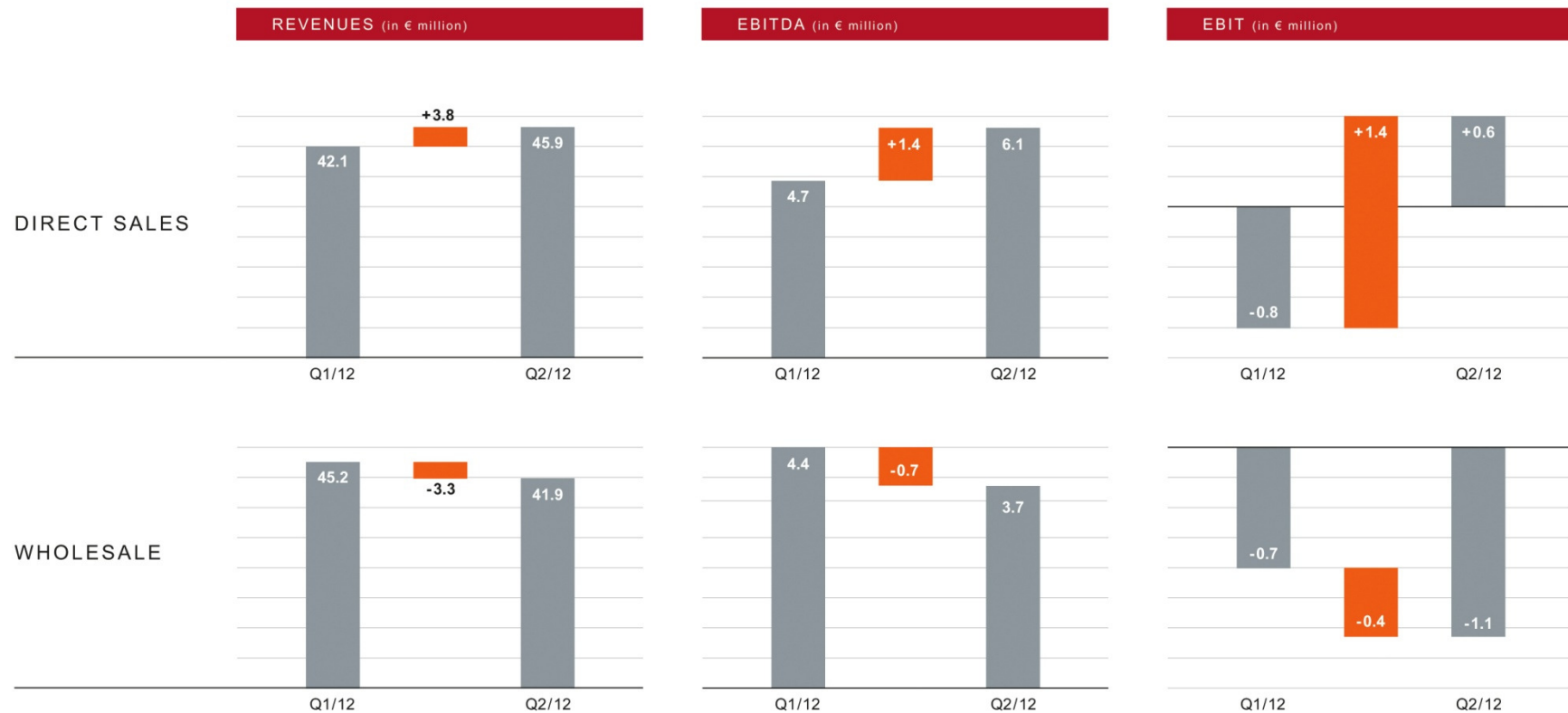


- Number of employees up by 51 in Q2 2012
- Compared to Q2 2011, total personnel costs rose by 27% to € 22.3 million
- In fast-growing Direct Sales, personnel costs rose by 47% to € 12.8 million

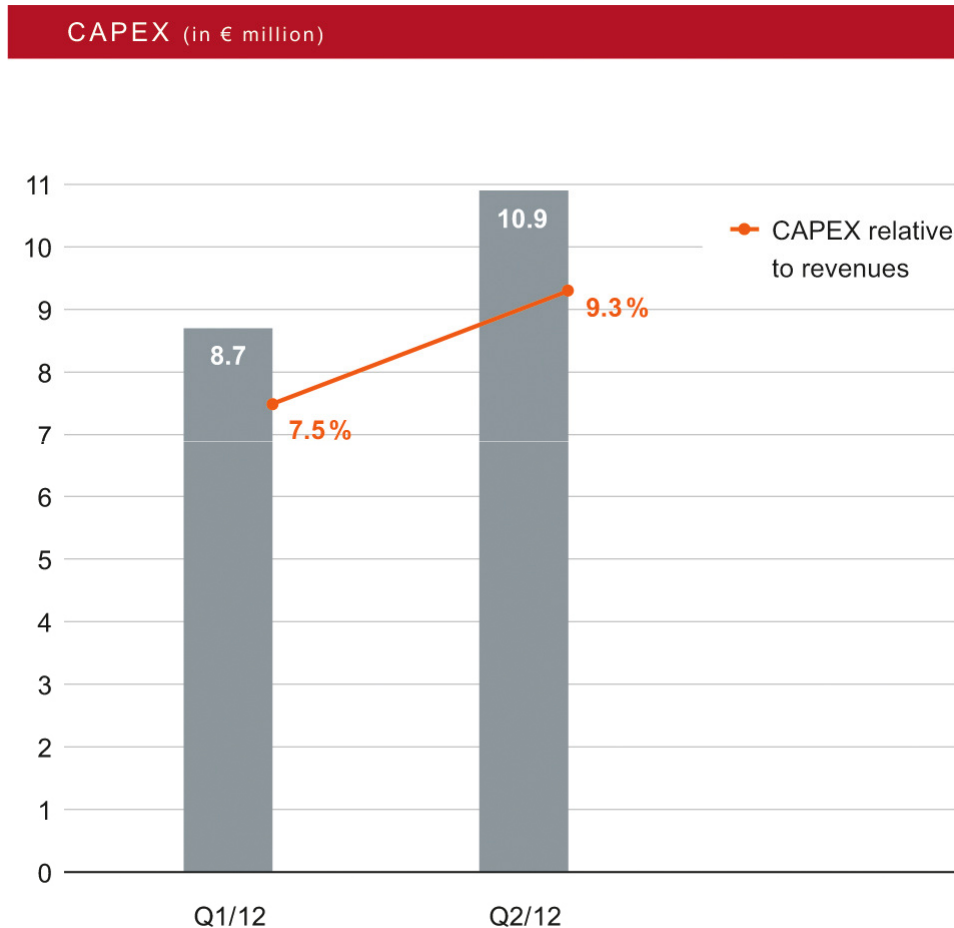
EARNINGS ROSE IN Q2 2012 DESPITE HIGHER PERSONNEL EXPENSES



QSC ACCELERATED TRANSFORMATION PROCESS IN Q2 2012 – DIRECT SALES BEING THE GROWTH DRIVER



CAPEX IMPACTED BY HUGE ORDERS IN DIRECT SALES



Main CAPEX components

- Customer-driven investments (e.g. routers, servers). For a large account, these investments can easily exceed € 1 million
- Maintenance investments for existing infrastructure
- Extension of capacity (e.g. data centers)

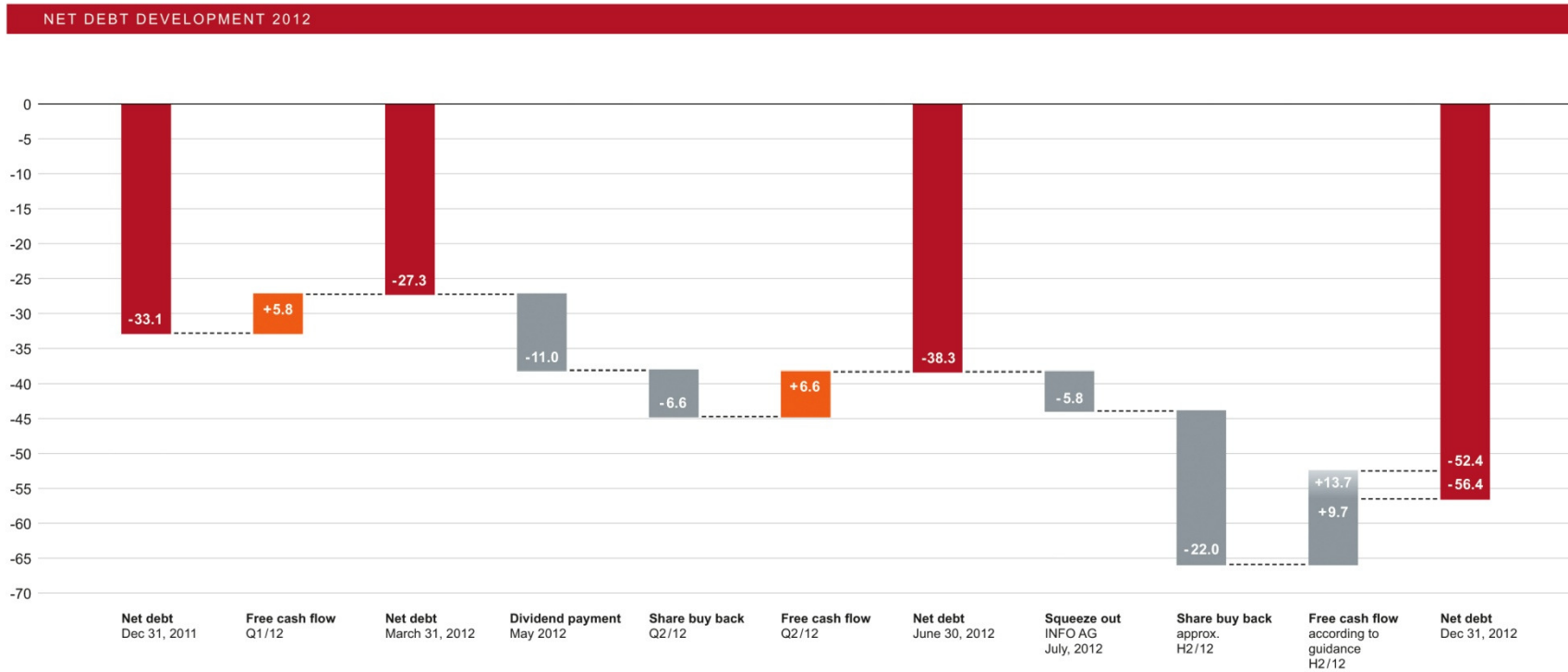
QSC EARNED A FREE CASH FLOW OF € 6.6 MILLION

(in € million)	March 31, 2012	June 30, 2012
Cash and cash equivalents	29.0	36.9
Available-for-sale assets	0.3	0.3
Liquidity	29.3	37.3
Liabilities under financing arrangements	-12.4	-11.4
Liabilities due to banks	-44.2	-64.2
Interest-bearing liabilities	-56.6	-75.6
Net debts	-27.3	-38.3
Dividend payment	-	11.0
Share buy back	-	6.6
Net debts (before dividend / share buy back)	-27.3	-20.7
Free cash flow	6.6	

TWO MAJOR SHAREHOLDER VALUE INITIATIVES

- Payment of the first dividend in the history of QSC as of May 17, 2012: € 0.08 represent a yield of 3.9% at this day
- Start of share buyback program in May 2012
 - By August 10, 2012, QSC has acquired 7,869,565 shares and spent € 16.7 million
 - The company now owns 5.7% of its shares
- QSC aims to buy up to 13.7 million shares (10% of capital stock) by December 31, 2012

OPERATING BUSINESS IS GENERATING A SUSTAINABLE FREE CASH FLOW IN 2012



$$\frac{\text{Net debt}}{\text{EBITDA}} = 0.7x$$

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QSC GIVES MORE PRECISE GUIDANCE

By July 2012, QSC had accelerated its transformation process

- Direct Sales has become the largest segment
- Wholesale revenues declined faster than expected
- Merger of INFO AG completed earlier than expected

QSC is thus providing more precise details to the guidance and now expects

- Revenues of € 480 – € 490 million
- An EBITDA margin of 16%
- Free cash flow of € 22 – € 26 million

Despite higher integration costs, QSC will be able to achieve all minimum goals

ACCELERATED TRANSFORMATION PROCESS

Direct Sales – the growth driver

- Strong operating growth in Q2 2012 (+9% q-o-q)
- High level of new orders
- Business will grow much faster than the ICT market

Indirect Sales – returning to growth course

- Stable development in H1 2012
- New ICT products + > 50 additional IT sales partners
- Business will generate higher revenues in the quarters to come

Wholesale – shrinking importance of TC business

- Revenue decline faster than expected in H1 2012
- Further decline expected in H2 2012

2012 IS A YEAR OF PREPARATION AND NOW ALSO A YEAR OF ACCELERATED INTEGRATION

Focus on sales synergies and product development

Main areas of integration

- Back office
- ICT infrastructure
- Procurement operations

Main areas of investments in expected growth

- More IT experts +80 in H1 2012
- More sales partners +53 in H1 2012
- New products with own Intellectual Property (IP) +3 in H1 2012

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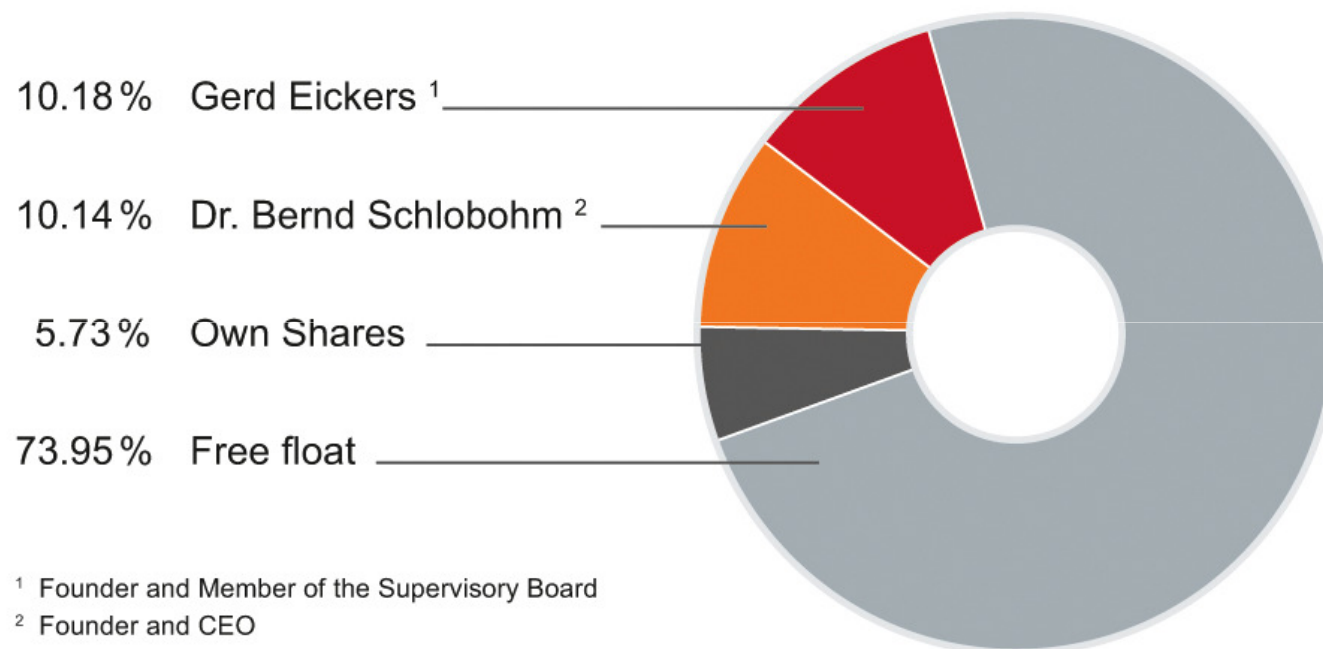
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SHAREHOLDER STRUCTURE



¹ Founder and Member of the Supervisory Board

² Founder and CEO

Status quo: August 10, 2012