QSC AG

Company Presentation

Preliminary Results FY 2012 / Outlook 2013

Cologne, March 4, 2013

AGENDA

1. Highlights and Milestones 2012
2. Financial Results 2012
3. Current and Upcoming Regulatory Issues
4. Outlook 2013
5. Questions & Answers

QSC ACHIEVED ITS FINANCIAL TARGETS IN 2012 …

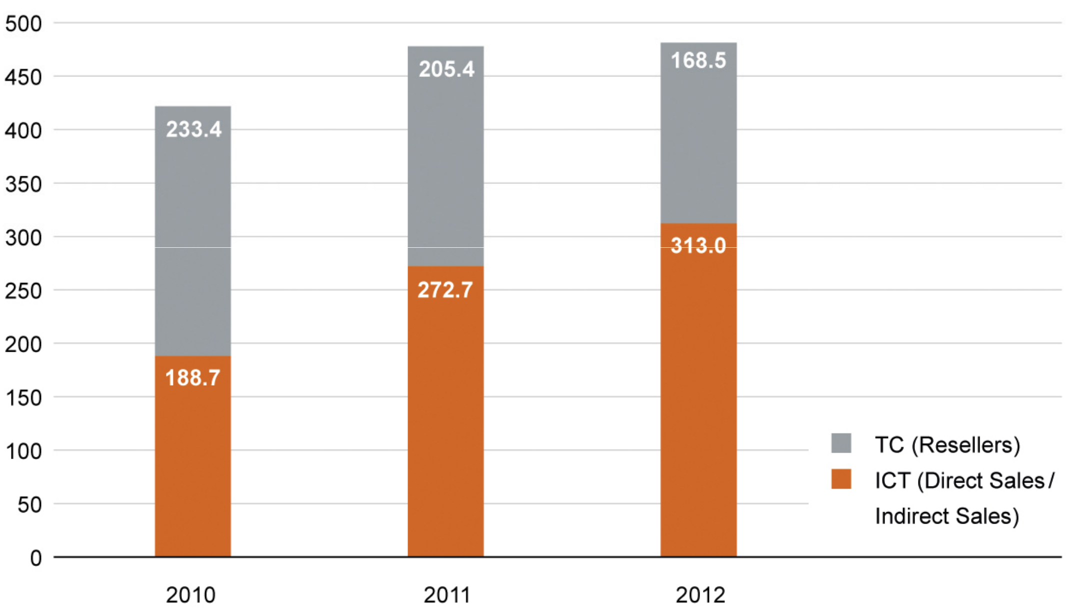
- Revenues of € 481.5 million (+1%)
  - ICT revenues in Direct Sales up by 24% to € 187.9 million
  - ICT revenues in Indirect Sales up by 3% to € 125.1 million
  - TC revenues in Resellers down by 18% to € 168.5 million
- EBITDA margin of 16%
- Free cash flow of € 23.6 million
- The Management Board will propose a dividend raise to € 0.09 per share

… AS WELL AS ALL OF ITS MILESTONES

Milestone	Target	Achievement	
Transformation	Accelerate transformation process from TC to ICT business	ICT revenue share rose from 57 % in 2011 to 65 % in 2012	✓
Integration	Simplify company structure	Merger of INFO AG completed in July 2012	✓
New customers	Win large ICT projects	Highest TCV in QSC's history	✓
New sales partners	Win 50 additional sales partners	Won 89 additional sales partners with an IT background	✓

TRANSFORMATION PROCESS ON TRACK

REVENUE MIX (in € million)



Growth drivers

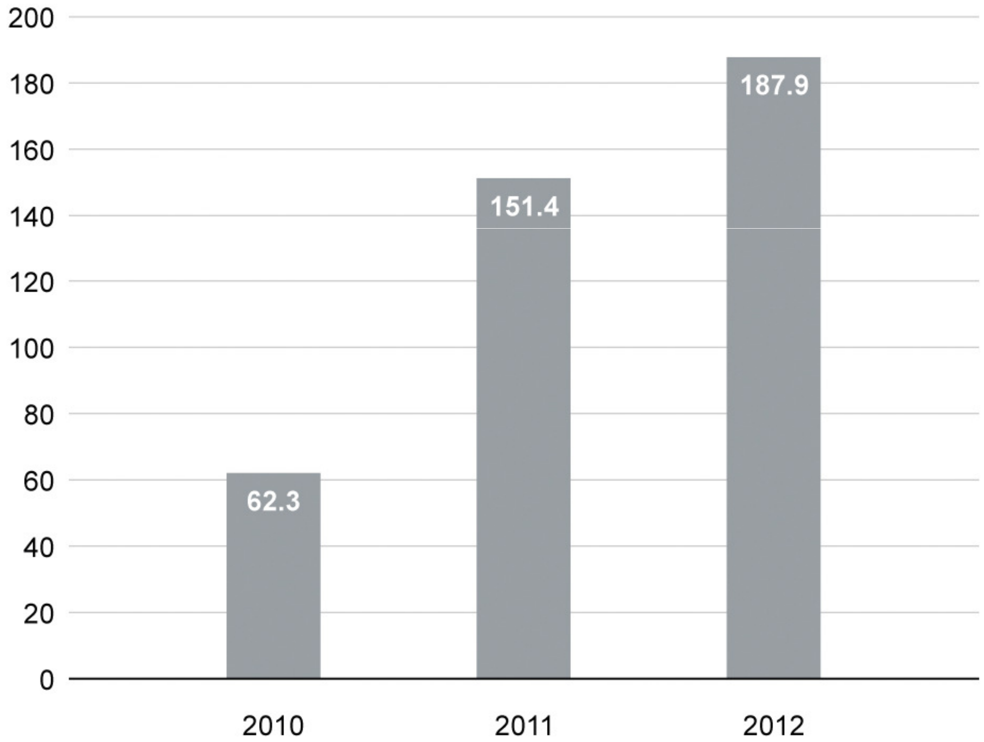
- Joint efforts of INFO AG and QSC to win customers
- Higher demand for ICT products
- Consolidation effect: INFO AG

Growth restraints

- Fierce price competition in TC business
- Declining demand for Call-by-Call and Preselect offerings
- Unfavorable voice regulation

DIRECT SALES BECAME THE LARGEST BUSINESS UNIT IN 2012

REVENUE DIRECT SALES (in € million)



Growth drivers

- Growing demand for large outsourcing projects
- Ongoing high demand for consulting services (SAP and Microsoft)
- Consolidation effect: INFO AG

Growth restraints

- "War for talent": IT experts are scarce
- Growing price competition in VPN business

A GOOD BASE FOR FUTURE GROWTH IN DIRECT SALES: THE HIGHEST TCV IN THE HISTORY OF QSC

- In 2012, QSC won new contracts with a TCV of € 193.1 million
- € 120.4 million stem from large orders from single customers
- Winning large orders only possible thanks to close collaboration of INFO AG and QSC teams

HUGE SUCCESS IN THE GAS AND ENERGY INDUSTRY

Industry	Total contract value 2012
Gas / Energy	€ 100,823,000
Consumer Electronics	€ 31,782,000
Industry / Oil & Chemistry	€ 16,867,000
Retail	€ 14,915,000
Insurance / Healthcare	€ 5,871,000
Food & Beverages (Tobacco)	€ 4,397,000
Logistics / Shipping	€ 3,642,000
Chemical Industry	€ 2,632,000
Others	€ 12,152,000
Total	€ 193,080,000

Aspects of the new contracts

- Recurring revenues will start in 2013
- Contracts run for at least 3-5 years
- QSC will become an integral part of its customers' ICT
- Start of a long-term customer relationship

VERTICAL SALES STRATEGY IS PAYING OFF

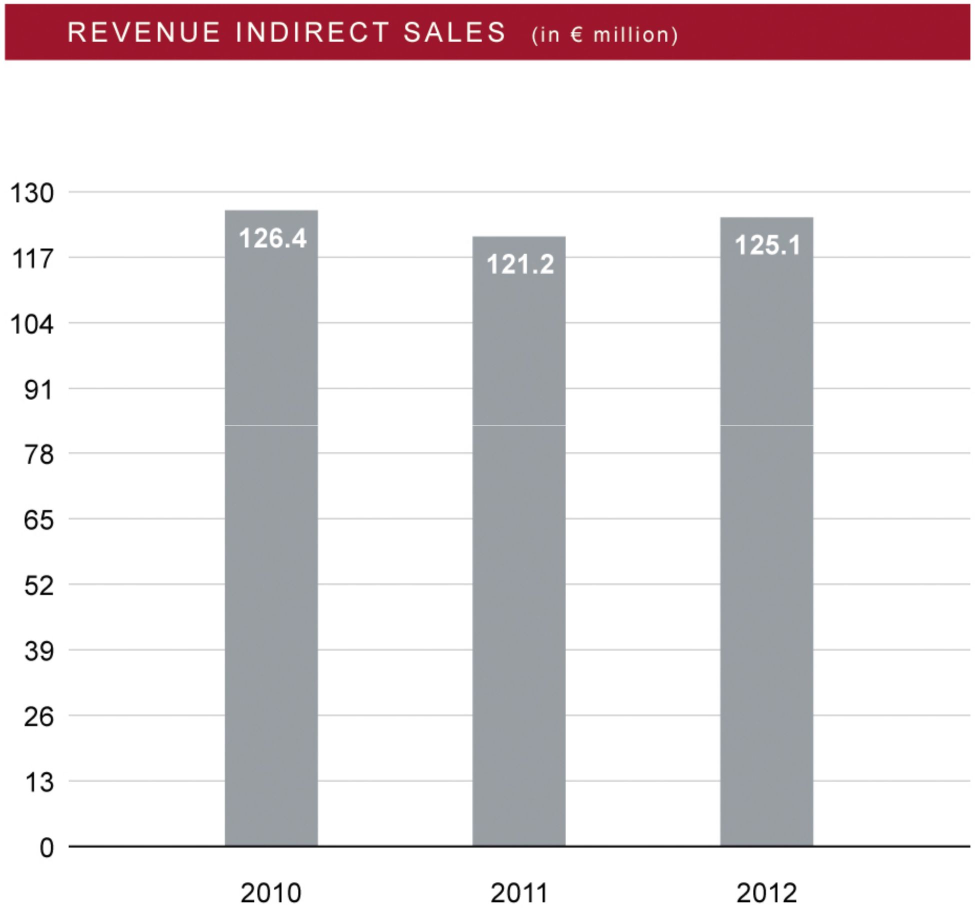
REGIONAL			VERTICAL	
NORTH (Hamburg)	**CENTRAL (Cologne)**	**SOUTH (Nuremberg)**	**Gas / Energy** COFELY GDF SUEZ amprion storengy gasunie GASPOOL Balancing Services GASCADE SWN BEB	**Retail**
19 Key Account Manager	12 Key Account Manager	12 Key Account Manager	6 Key Account Manager	New!

ACCELERATED INTEGRATION OF INFO AG HELPS TO SPEED UP PROCESSES IN DIRECT SALES

- Merger of INFO AG and INFO Holding came into effect on July 17, 2012, much earlier than anticipated
- Listing of INFO AG was terminated; no further costs for two public companies (AGM, designated sponsorship, financial reports, etc.)
- In Q3 2012, QSC started several initiatives to streamline back office
  - Consolidation of infrastructure locations
  - Centralization of procurement
  - Uniform management structures in various areas (Finance, HR, Legal, Marketing)
- Emphasis on soft factors: “One company, one culture”

⇒ **QSC is focusing on sales and not on cost synergies**

INDIRECT SALES GAINED STRENGTH DURING 2012



Growth drivers

- Growing demand for ICT products
- High demand for IP-based telephony services

Growth restraints

- Fierce price competition in legacy voice business
- Preparation time needed before additional partners are able to generate additional revenues

GOOD BASE FOR FUTURE GROWTH: QSC WON 89 ADDITIONAL SALES PARTNERS IN 2012

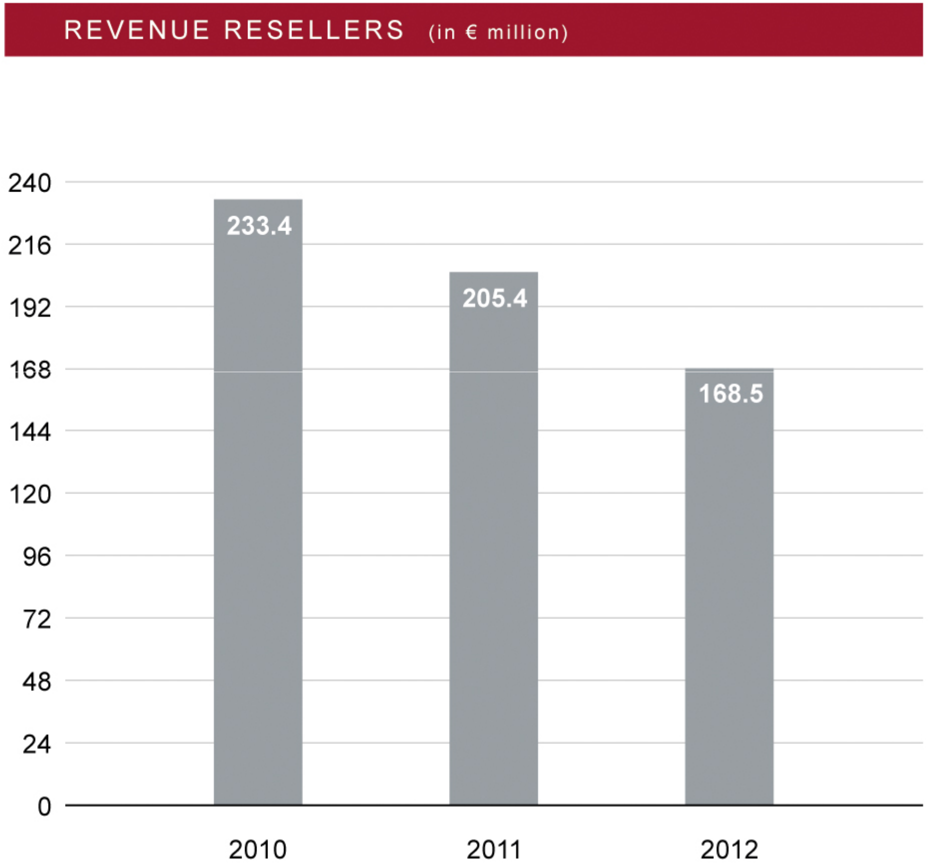
Partner Sales focuses on companies with 10 to 500 employees

⇒ Major revenue impact from 2013 onward

NEW GROWTH OPPORTUNITY: CLOUD SERVICES TOGETHER WITH MICROSOFT AND SAP

- QSC and Microsoft extended their partnership in 2012
  Main topics: Cloud Services, Windows 8, Collaboration Services
- In H2 2012, Microsoft and QSC began work on a “Workplace in the Cloud” – this innovation will be launched at CeBIT 2013
- In September 2012, QSC also announced the extension of its long-term partnership with SAP
- QSC is among the first providers in the DACH region to make SAP applications available from the Cloud
- First services in Q4 2012 will include the SAP Afaria facility management solution and the SAP Mobile Platform

REVENUE DECLINE IN TC BUSINESS STRONGER THAN EXPECTED



Growth restraints

- Fierce price competition in ADSL2+ and Call-by-Call/Preselect business
- Network Outsourcing also hit by adverse market conditions
- Unfavourable regulation

QSC'S OPERATING DEVELOPMENT IN 2012 AT A GLANCE

- **Growth in Direct Sales**
  QSC group is able to win projects in new dimensions
- **Growth in Indirect Sales**
  Focus on IP-based and ICT products help to overcome the temporary weakness during H1 2012
- **Decline in Resellers**
  Adverse market conditions speed up the withdrawal of QSC

⇒ 2012 has shown that acquiring INFO AG and IP Partner and initiating the transformation process were the right decisions

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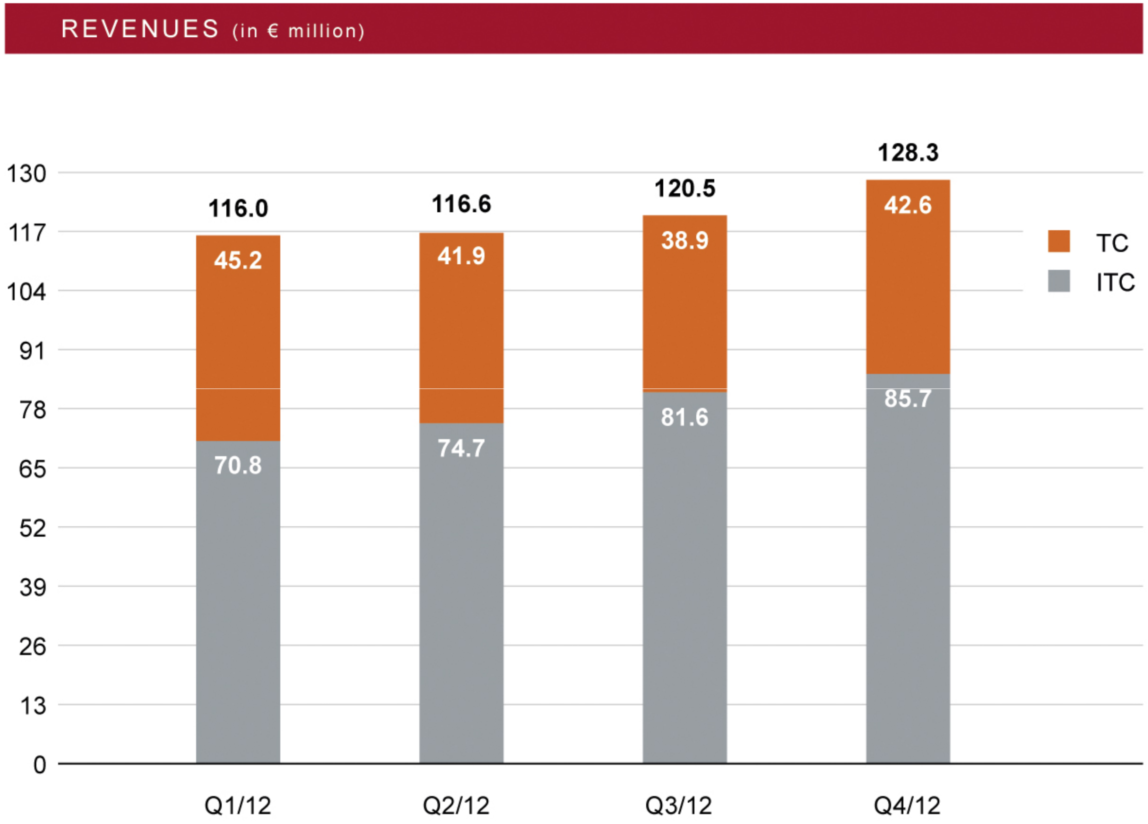
ON THE WHOLE, 2012 WAS CHARACTERIZED BY STABLE DEVELOPMENT

	2011	2012	Δ
• Revenues	478.1	481.5	+0.7%
• Cost of Revenues [(1)]	322.3	320.2	-0.7%
• *Gross profit*	*+155.8*	*+161.3*	*+3.5%*
• Other operating expenses [(1)]	75.9	83.4	+9.9%
• *EBITDA profit*	*+79.9*	*+77.9*	*-2.5%*
• Depreciation	53.7	53.3	-0.7%
• *EBIT profit*	*+26.2*	*+24.6*	*-6.1%*
• Financial results	-2.8	-3.9	-39.3%
• *EBT*	*+23.4*	*+20.7*	*-11.5%*

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

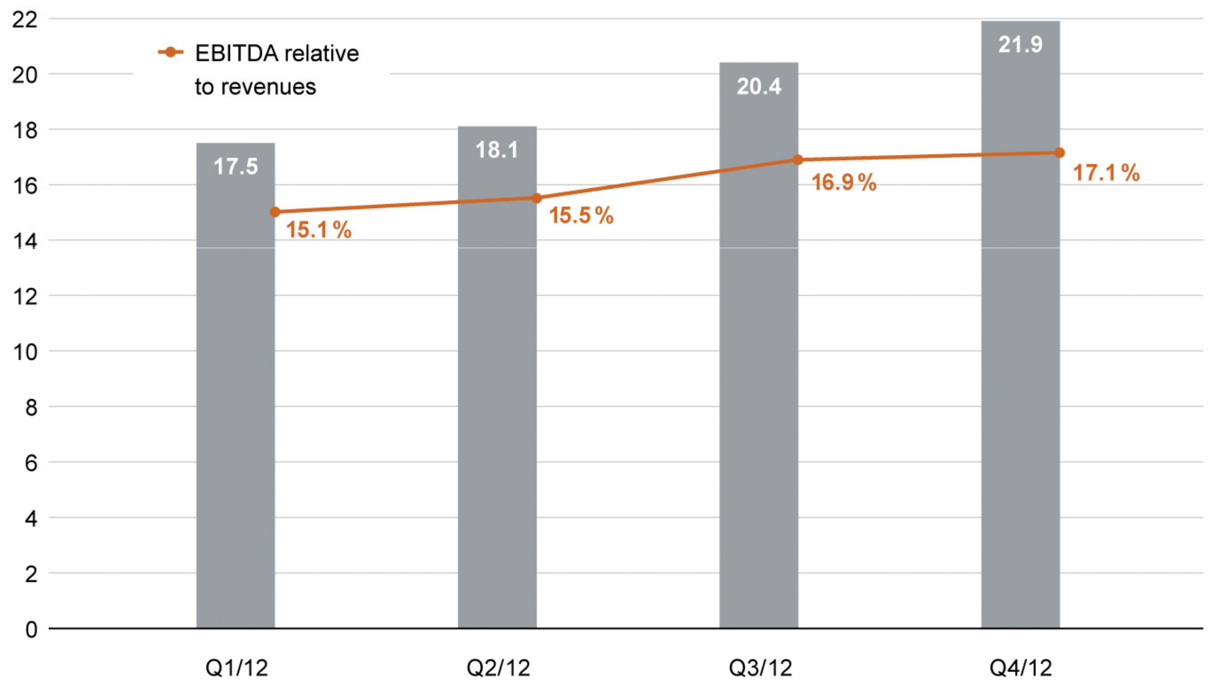
REVENUES GREW QUARTER BY QUARTER IN 2012



- Q1 2012: Traditionally low revenues in IT Consulting and IT Outsourcing
- Q4 2012: Boosted by one-off effect in Reseller business

PROFITABILITY GREW QUARTER BY QUARTER AS WELL

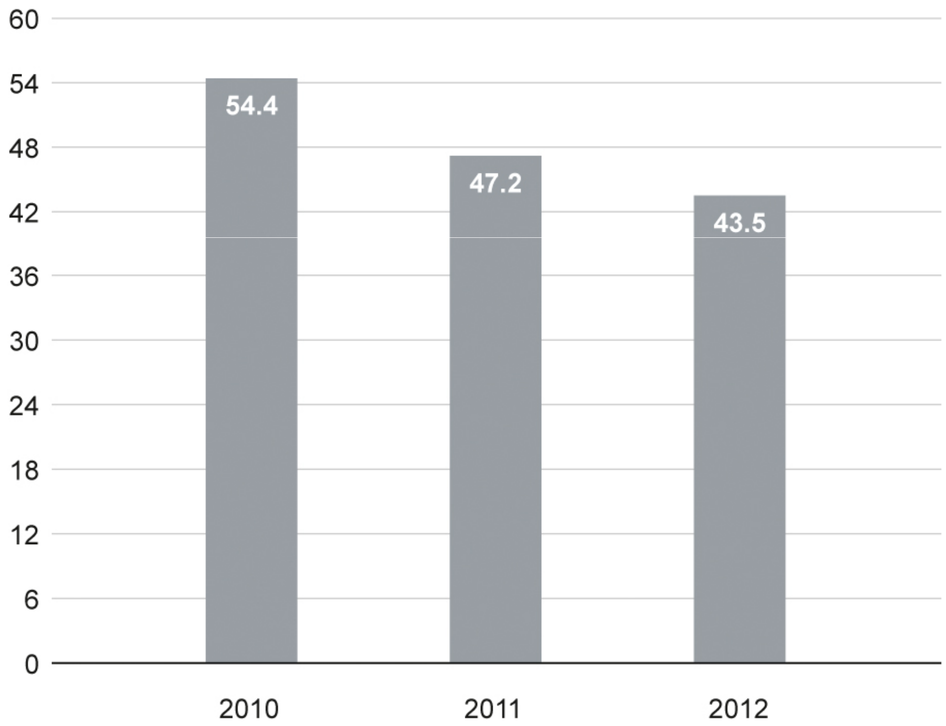
EBITDA (in € million)



- Q1 2012: Characterized by investment in anticipated growth
- Q4 2012: Benefited from one-off effect in Reseller business

LOWER INFRASTRUCTURE COSTS STRENGTHEN PROFITABILITY

INFRASTRUCTURE COSTS (in € million)

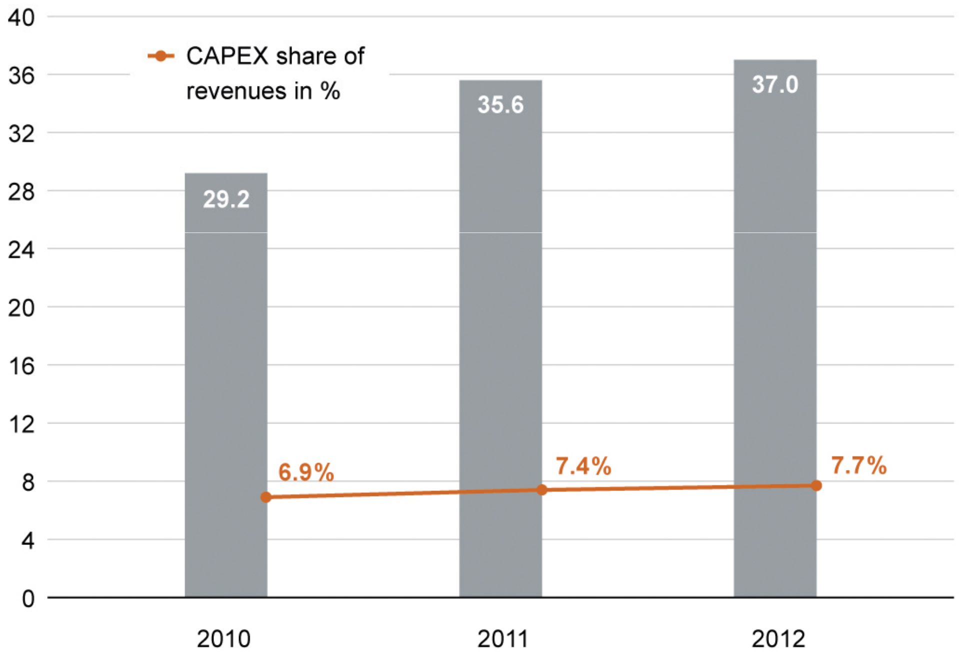


Drivers

- Ongoing optimization of the QSC infrastructure
- Renegotiation of maintenance contracts
- Renegotiation of contracts for leased lines etc

QSC INVESTS JUST UP TO 8% OF ITS REVENUES

CAPEX (in € million)



Three CAPEX components

- ~50% customer-driven investments (e.g. routers, servers)
- ~25% maintenance investments in existing infrastructure
- ~25% extension of capacity (e.g. data centres)

QSC EARNED A SUSTAINABLE FREE CASH FLOW

(in € million)	Dec. 31, 2011	Dec. 31, 2012	FCF 2012
Cash and short-term deposits	23.8	34.8	+11.0
Available-for-sale financial assets	0.3	0.4	+0.1
Liquidity	**24.1**	**35.2**	**+11.1**
Liabilities under financing arrangements	-13.6	-11.3	+2.3
Liabilities due to banks	-43.6	-79.2	-35.6
Interest-bearing liabilities	**-57.2**	**-90.5**	**-33.3**
Net debt	**-33.1**	**-55.3**	**-22.2**
Dividend			+11.0
Acquisitions			+5.8
Share buy-back			+29.0

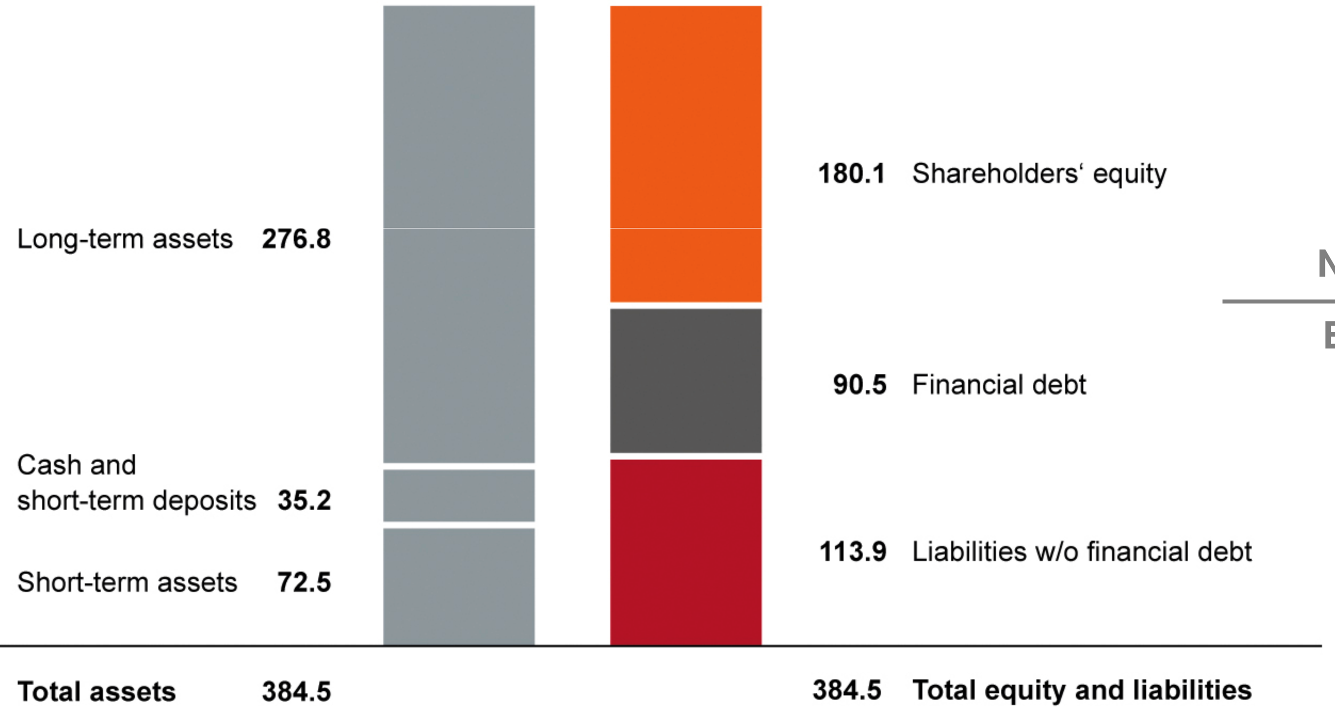
Free cash flow	**+23.6**

QSC'S FIRST SHARE BUY-BACK PROGRAM SUCCESSFULLY CONCLUDED

- As of November 5, QSC concluded its first share buy-back program in its history
- The company bought 13,699,913 shares (9.98% of capital stock) for € 29.0 million
- As of January 9, 2013, QSC decided to redeem treasury shares and to reduce capital stock

QSC'S FINANCING BUILT ON A SOLID BASE

CONSOLIDATED BALANCE SHEET AS OF DEC. 31, 2012 (in € million)



Net debt / EBITDA 0.7x

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REGULATION IN GERMANY HAS A PROFOUND IMPACT ON CONVENTIONAL TC BUSINESS

- Two main tendencies in Germany through EU regulation:
  - Lower regulated termination fees for mobile and fixed networks
  - Possible withdrawal of the regulator from certain markets
- Both developments impede conventional TC business
- QSC foresaw these developments and started the transformation process to become an ICT provider

HISTORY OF REVENUE LOSSES INITIATED BY THE REGULATOR (BNetzA)

- March 9, 2011: Reduction of mobile termination fees
  - Reduction by 49 – 53%
  - Effect on QSC: € -20 million revenues in 2011, no effect on profitability
- July 6, 2011: Reduction in fees for utilization of fixed networks
  - Reduction by some 20%, depending on the rate level in question
  - Effect on QSC: € -6 million revenues in H2 2011 and
    € -6 million in H1 2012, no effect on profitability

THE NEXT WAVE: THE DECISIONS OF NOVEMBER 2012

- December 1, 2012: Lower interconnection fees were proposed
- Three main elements:
  - Lower mobile fees: 45 – 47%
  - Lower fixed-line fees: 20 – 40%
  - A new structure of fixed-line termination fees concerning altnets
- Effects on QSC:
  - € -30 million revenues in 2013
    (~55% Reseller / ~45% Indirect Sales)
  - € 3 – 4 million less profit in 2013

NEGATIVE EU IMPACT ON FUTURE REGULATION

- Signals from EU Commission are advocating termination fees even lower than those proposed by BNetzA, especially for mobile networks
  - Decision to be expected in H1 2013
- Commission has recently focused more on incentives for incumbent investment than on competition

⇒ Fierce price competition, changing demand and possible negative outlook for regulatory effectiveness are major drivers of conventional TC business today

⇒ QSC will definitely focus on ICT business

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GUIDANCE FOR FINANCIAL YEAR 2013

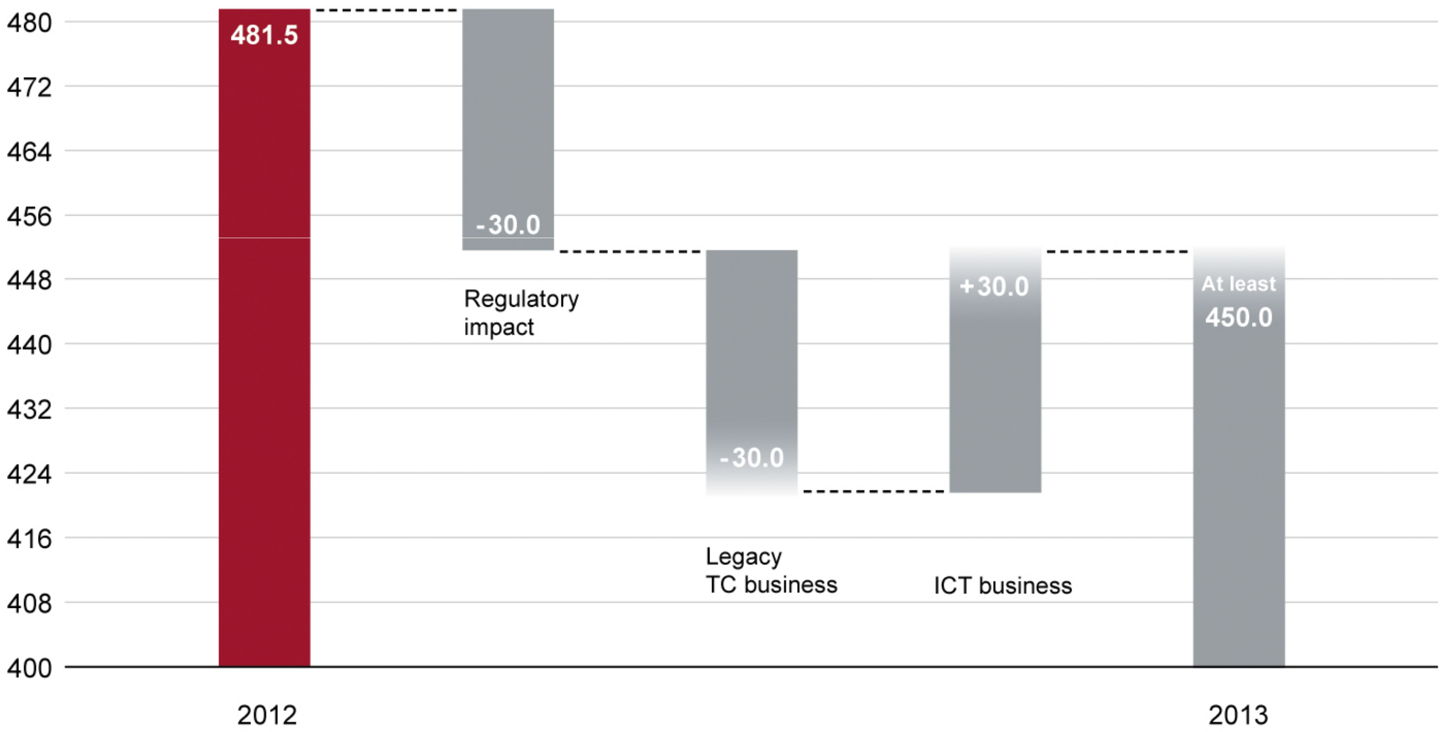
QSC anticipates:

- Revenues of at least € 450 million
- An EBITDA margin of at least 17%
- Free cash flow of at least € 24 million
- A dividend of at least € 0.09 per share

As in 2012, QSC expects a weaker H1 and a stronger H2

TRANSFORMATION AND REGULATION HAVE A SIGNIFICANT IMPACT ON REVENUES

REVENUES (in € million)



TWO-TRACK DEVELOPMENT IN 2013

Direct Sales – the growth driver

- TCV in 2012 was exceptionally high
- High level of new orders is a good base for growth in 2013 and beyond
- Business in 2013 will therefore grow faster than the ICT market

Indirect Sales – growth with new products

- New ICT products + new IT sales partners will lead to higher ICT revenues
- Partners also sell conventional TC products
- Despite regulatory impact Indirect Sales will remain stable in 2013

Resellers – shrinking importance of TC business

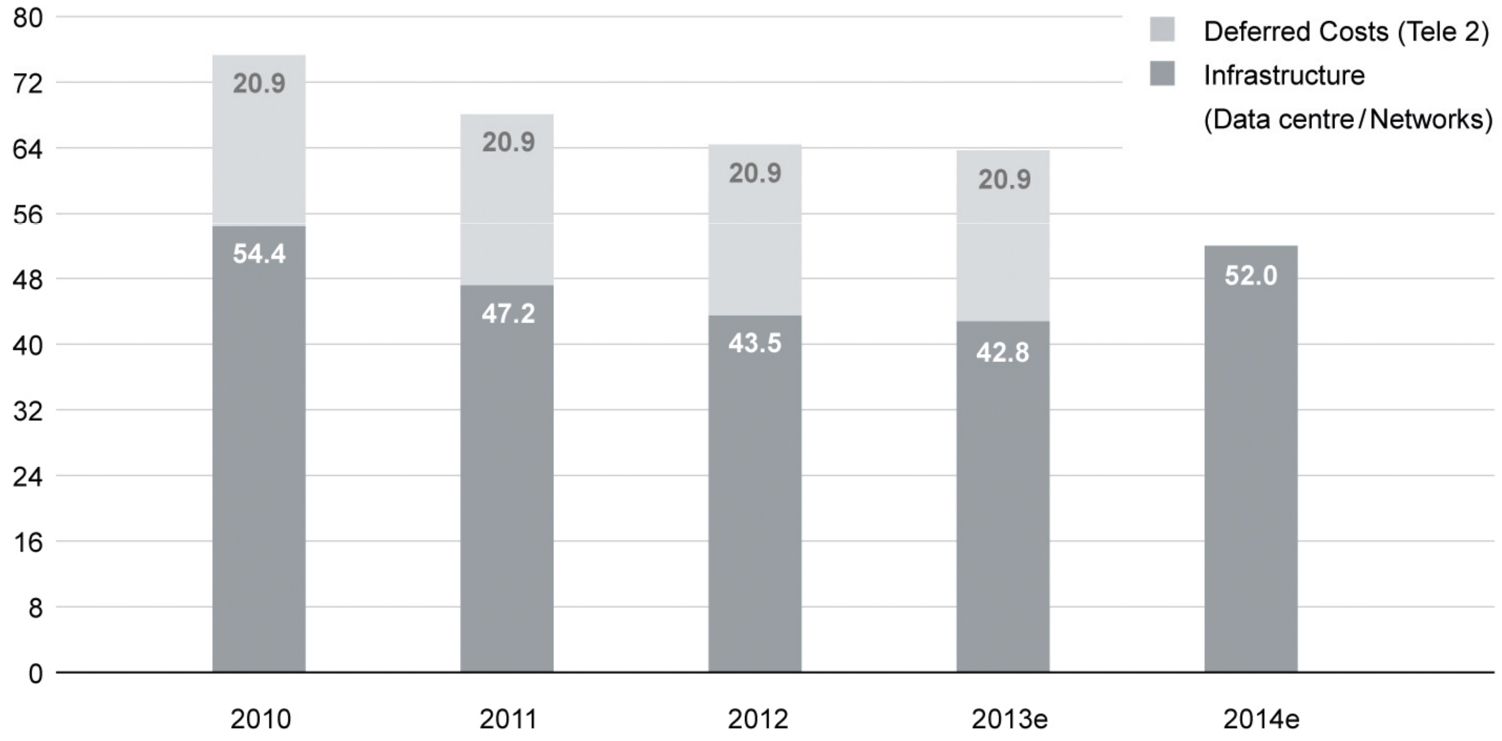
- Ongoing revenue decline due to market conditions and regulation

FINALIZATION OF TRANSFORMATION: OPERATING CHALLENGES IN 2013

- Further simplification of organizational structure:
  Merger of INFO AG and QSC AG is planned for 2013
- Higher efficiency of TC business
- Extension of the team despite the “war for talent”
- Stronger emphasis on Cloud business / launch of QSC-tengo
- Progress in R&D projects – first prototypes expected to be ready

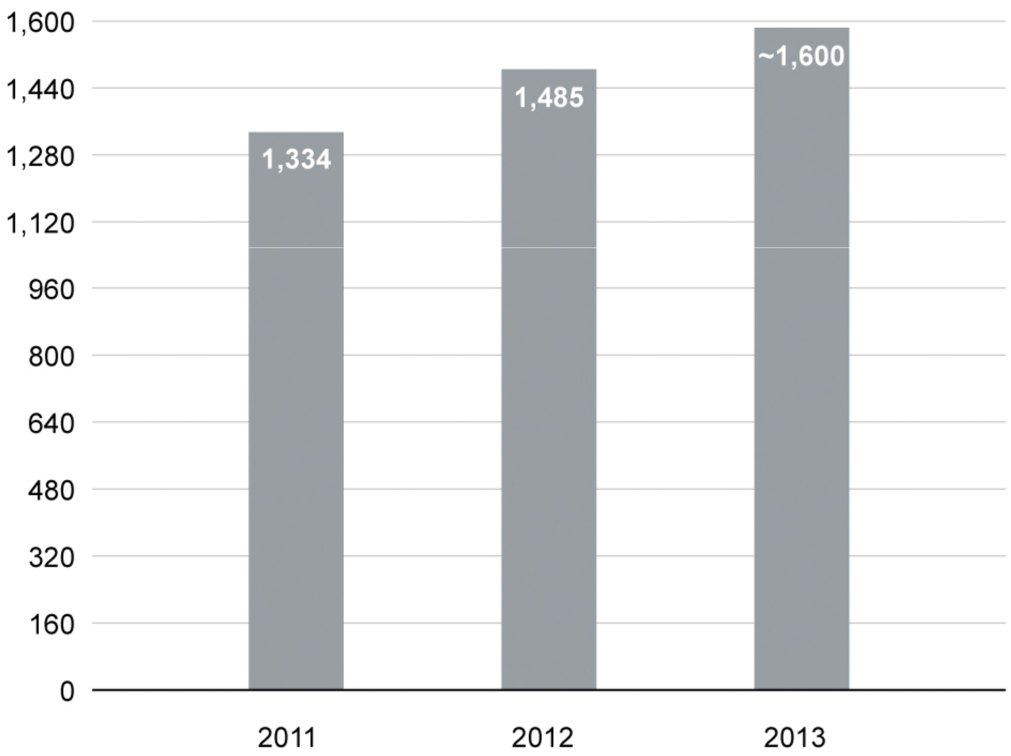
HIGHER EFFICIENCY IN TC BUSINESS – AN ONGOING PROCESS

INFRASTRUCTURE COSTS (in € million)



EXPANDING THE WORKFORCE

WORKFORCE (FTE as of December 31)

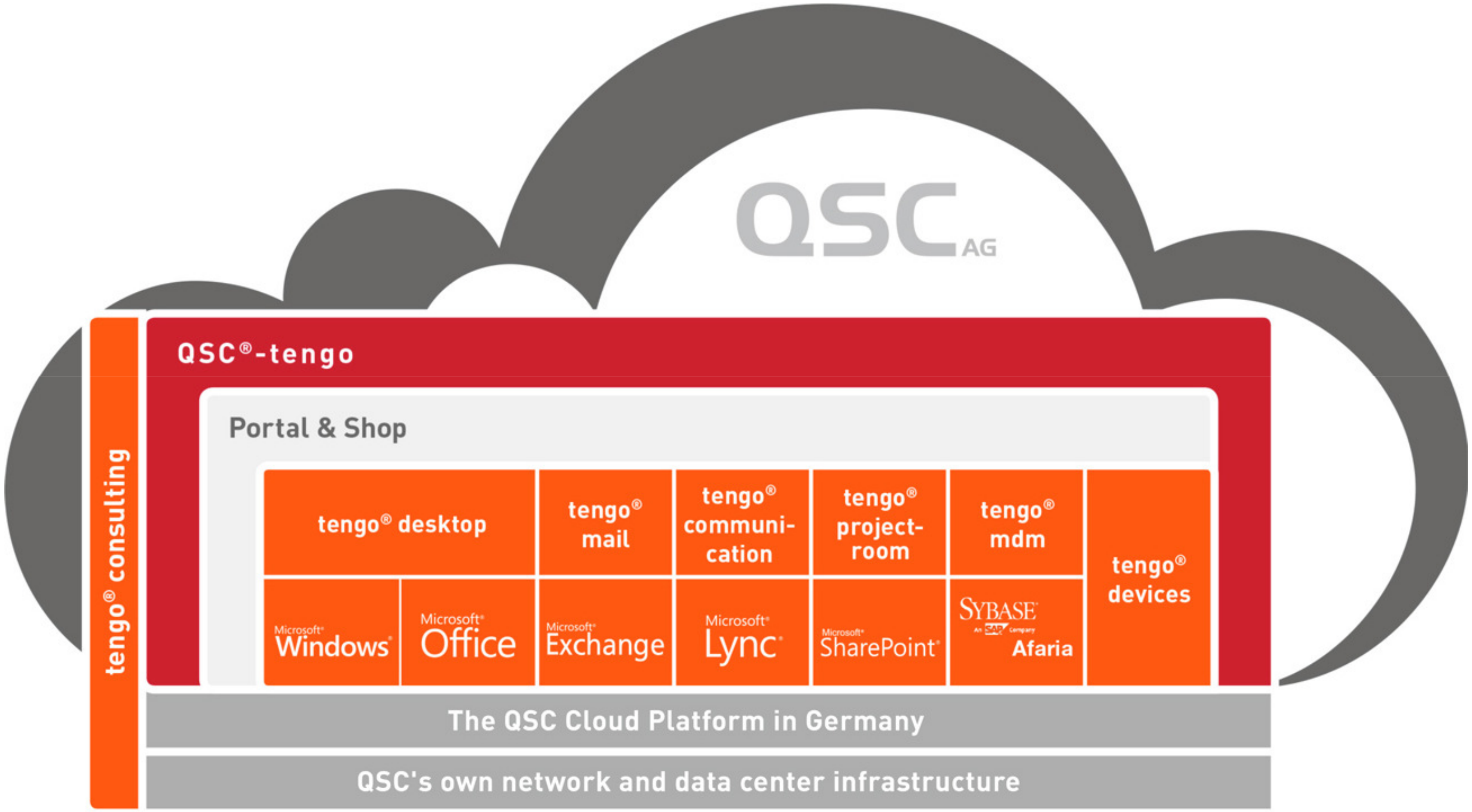


The "war for talent" is a huge issue in the entire ICT industry

QSC manages to win additional talent mainly thanks to

- Strong emphasis on vocational training (> 100 apprentices and trainees as of now)
- Intensive HR marketing
- Unique company culture

QSC WILL LAUNCH TENGO – THE WORKPLACE IN THE CLOUD



CORE FEATURES OF QSC-TENGO (1)

tengo® desktop
Virtual workplace including Microsoft Windows, Microsoft Office and storage in the Cloud

tengo® mail
E-mails, calendar and contacts synchronized with all devices based on Microsoft Exchange

tengo® communication
Communication platform for instant messaging, IP-based telephony, checking availability, conferencing and sharing based on Microsoft Lync

CORE FEATURES OF QSC-TENGO (2)

tengo® projectroom
Storage, editing and distribution of information and documents in virtual project rooms based on Microsoft Sharepoint

tengo® mdm
Central allocation and administration of mobile devices and distribution of internally developed apps

tengo® devices
Suitable devices for Cloud services (optional)

tengo® consulting
Modular consulting packages for implementing Cloud services, including active directory synchronization, data migration, and porting of telephone numbers

QSC-TENGO: AN ATTRACTIVE OFFER FOR BUSINESS CUSTOMERS

- It includes everything that employees of SMEs need for their daily work
- It is easy to handle – both offline and online
- It will run on numerous devices like PCs, tablets and smartphones
- It supports the trend of “Bring your own Device” (BYOD) as it allows to integrate all kinds of devices
- Customers do not have to invest, but will pay per-booked seat

⇒ The workplace of the future is the central platform for QSC‘s Cloud services for the workspace

NEXT STEP IN CLOUD BUSINESS: INNOVATIVE SERVICES FOR NEW MARKETS

- QSC has started numerous R&D initiatives since 2011
  - 2011: SensorCloud – a highly scalable platform for capturing, storing and using measurement data. Project won an innovation prize from the German Ministry of Economics and Technology.
  - 2011: O(SC)²AR – Open Service Cloud for the Smart Car Supported by the German Ministry of Technology as well
  - 2012: Energy Management – a Cloud platform for the energy sector in times of decentralization of power production (e.g. Wind, PV). Consortium with QSC now heading for EU support

ENERGY MANAGEMENT / SENSOR CLOUD: FIRST PILOTS WILL START IN 2013

- QSC has a proven track record of working for energy and gas providers
- QSC has built an ecosystem of industry and science partners
- Cooperations have led to the development of innovative services using Cloud-based m2m communication
  - Virtual utility – a platform for monitoring and managing decentral power plants using renewable energy sources.
    First pilots in 2013, launch planned for 2014
  - Smart Energy box – a device for measuring energy consumption
    First pilots in 2013

O(SC)^{2}AR: READY TO GO IN 2013

- Under the lead of RWTH Aachen and Street Scouter, a consortium has been working on innovative applications for electric vehicles. QSC is responsible for the development of apps as well as the connection to the Cloud
- First services are now ready for prototype testing:
  - Dynamic and adaptive range calculation
  - Apps for car usability
  - Reservation of battery charging stations
- Certification is planned for year-end 2013 / beginning of 2014

NEW SERVICES WILL OPEN UP NEW GROWTH OPPORTUNITIES FOR QSC

- QSC is focusing on developing and building up intellectual property (IP) for multi-billion markets like energy and electric mobility
- QSC will market its new services together with strong partners
- Strong R&D network will help to find suitable partners and to build up a long-term partnership
- New services will strengthen the Reseller business, starting in 2014

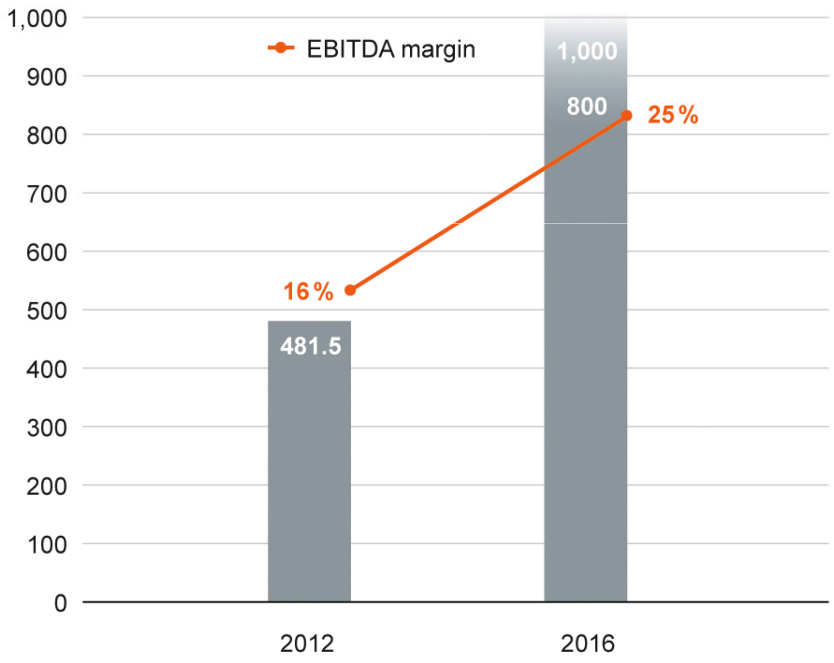
2013: A CHALLENGING BUT FORMATIVE YEAR

- Two-track operating development in 2013:
  Growth in ICT business vs. shrinking TC business
- Unfavorable regulation will lead to a sharp decline in TC revenues
- Profitability and financial strength of QSC group will grow during 2013
- QSC will terminate its preparations to become an ICT provider by
  - Simplifying its organization
  - Strengthening its workforce
  - Accelerating its Cloud business

⇒ Good base for sustainable and profitable growth from 2014 onwards

2013 WILL PAVE THE WAY FOR REALIZING OUR VISION 2016

REVENUES (in € million)



In 2016, QSC will be a company with

- Revenues of € 0.8 – € 1.0 billion
- An EBITDA margin of 25%
- Free cash flow of € 120 – € 150 million

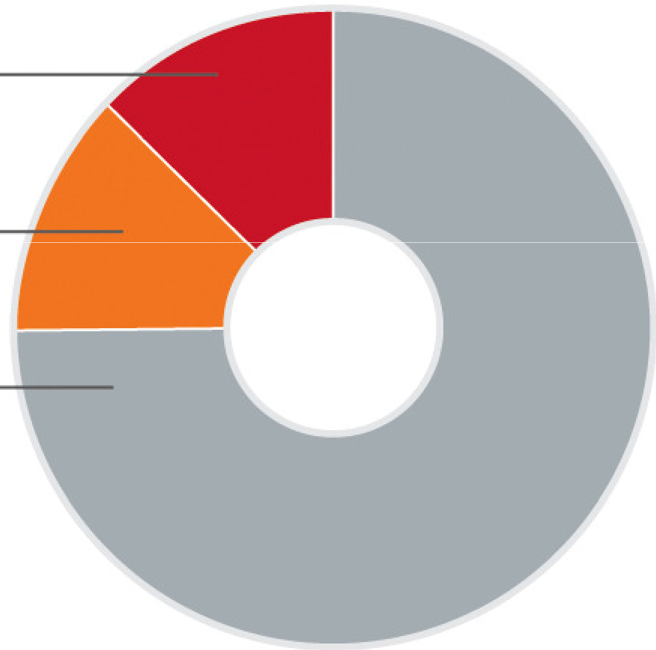
QSC'S FOUNDERS BELIEVE IN THIS VISION AND HAVE INCREASED THEIR SHAREHOLDINGS

SHAREHOLDER STRUCTURE

12.57 % Gerd Eickers [1]

12.52 % Dr. Bernd Schlobohm [2]

74.91 % Free float



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

As of February 28, 2013

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FINANCIAL CALENDAR

March 28, 2013	Publication of Annual Report 2012
May 13, 2013	Publication of Quarterly Report I/2013
May 29, 2013	Annual Shareholders Meeting
August 12, 2013	Publication of Quarterly Report II/2013
November 11, 2013	Publication of Quarterly Report III/2013

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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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