QSC AG

Company Presentation

Results Q1 2013

Cologne, May 13, 2013

AGENDA

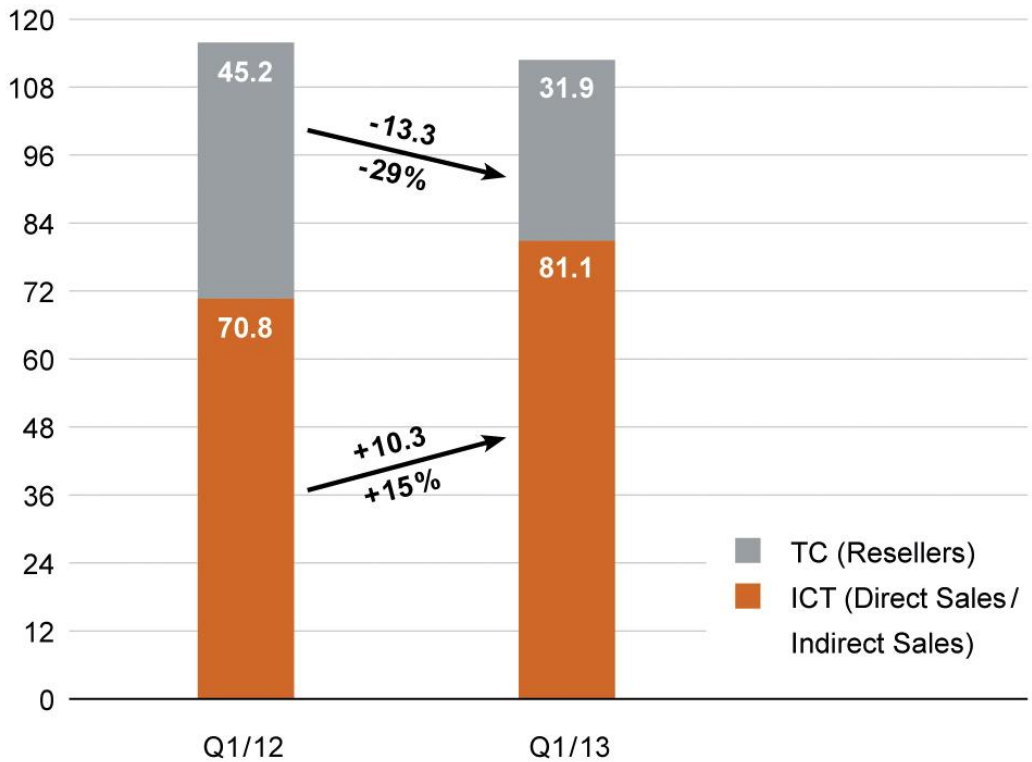
1. Highlights Q1 2013
2. Financial Results Q1 2013
3. Outlook 2013
4. Questions & Answers

GOOD START TO 2013

- Favorable revenue mix
  - Increase in ICT revenues of 15% to € 81.1 million
  - Decrease in TC revenues of 29% to € 31.9 million
- QSC managed to compensate for negative regulatory impact to a certain extent
- EBITDA margin increases by 2 percentage points to 17%
- Successful launch of QSC-tengo – the Cloud workplace

FAST GROWTH IN ICT BUSINESS

REVENUE MIX (in € million)



Growth drivers

- Huge 2012 order backlog beginning to generate revenues
- One-off hardware revenues to start work on large orders
- Temporarily higher demand for IP-based voice products

Growth restraints

- Unfavorable voice regulation
- Fierce price competition in legacy TC business

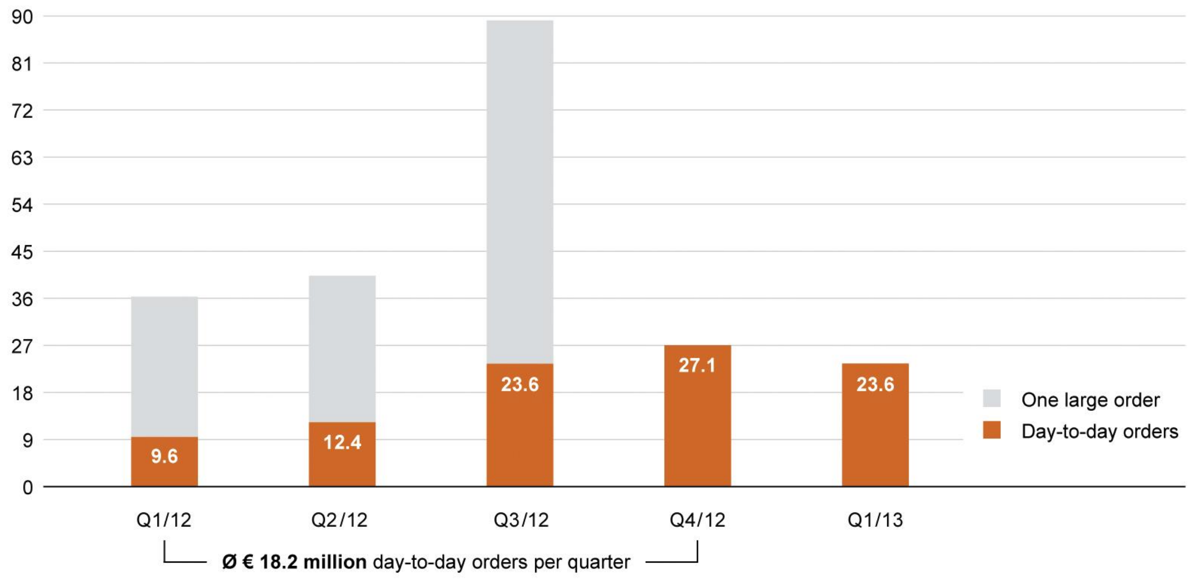
TC BUSINESS IMPACTED BY TIGHTENED REGULATION

- Effective December 1, 2012, the German regulator lowered interconnection fees. Three major changes:
  - Lower mobile fees: minus 45% – 47%
  - Lower fixed-line fees: minus 20% – 40%
  - A new structure of fixed-line termination fees for altnets
- Effects on QSC:
  - € 7-8 million less revenues per quarter in 2013 (~55% Resellers / ~45% Indirect Sales)
  - Some € 1 million less profit per quarter in 2013

⇒ **QSC partly managed to compensate for these effects in Q1 2013**

ICT BUSINESS BENEFITS FROM ONGOING HIGH ORDER ENTRY

TOTAL CONTRACT VALUE (in € million)

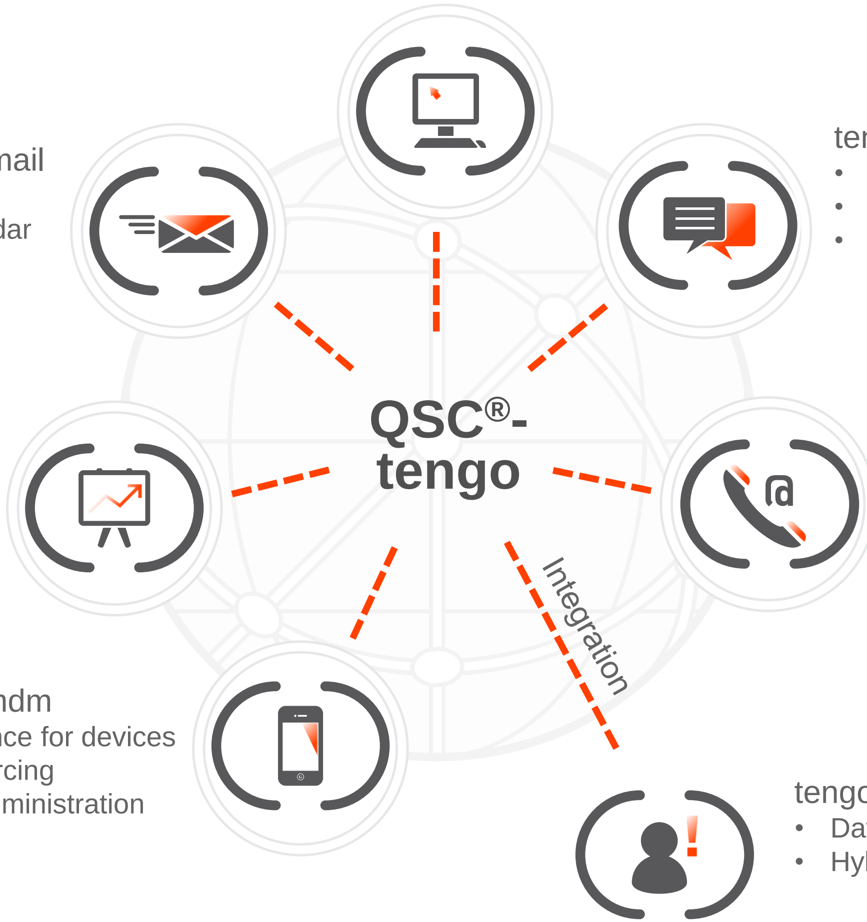


- In Q1 2013, QSC managed to win new orders with a volume of € 23.6 million (e.g. SportScheck, Nowega)
- Day-to-day orders at a higher level than the 2012 average
- TCV in 2012 positively impacted by three larger outsourcing orders

ICT BUSINESS IS BOOSTED BY INNOVATIVE PRODUCTS

- After 4 launches in 2012, QSC will continue to bring innovative ICT products to market in 2013
- First 2013 launch: presentation of QSC-tengo – the Cloud workplace – at CeBIT 2013
- In the pipeline:
  - Smart energy box (pilots planned for 2013)
  - Virtual utility platform (first pilots in 2013)
  - Numerous ICT products to simplify Cloud / data center use

QSC-TENGO: THE CLOUD WORKPLACE



tengo® desktop
- Desktop from the data center
- Standard office applications

tengo® mail
- E-mail
- Calendar
- Tasks

tengo® communication
- Instant messaging
- Audio and video conferencing tools
- Desktop and application sharing

tengo® projectroom
- Project management tool
- Search function
- Project documentation

tengo® centraflex
- IP-based voice and video telephony
- Conference calls
- E-fax service
- Mobile app

tengo® mdm
- Guidance for devices
- Resourcing
- App administration

tengo® consulting
- Data and mail migration
- Hybrid solutions

QSC-TENGO HELPED QSC TO BECOME A "2013 CLOUD LEADER" IN TWO CATEGORIES

- In April 2013, German market researcher Experton honoured QSC as a Cloud Leader in two categories
    - IaaS managed private Cloud
    - Cloud Services for the "Mittelstand" (SMEs)
- The jury: "QSC proves that Cloud Services and Mittelstand go together"
- QSC-tengo stands for this approach because of
    - Its convenience
    - Its safety (all data are hosted in QSC's German data centers)

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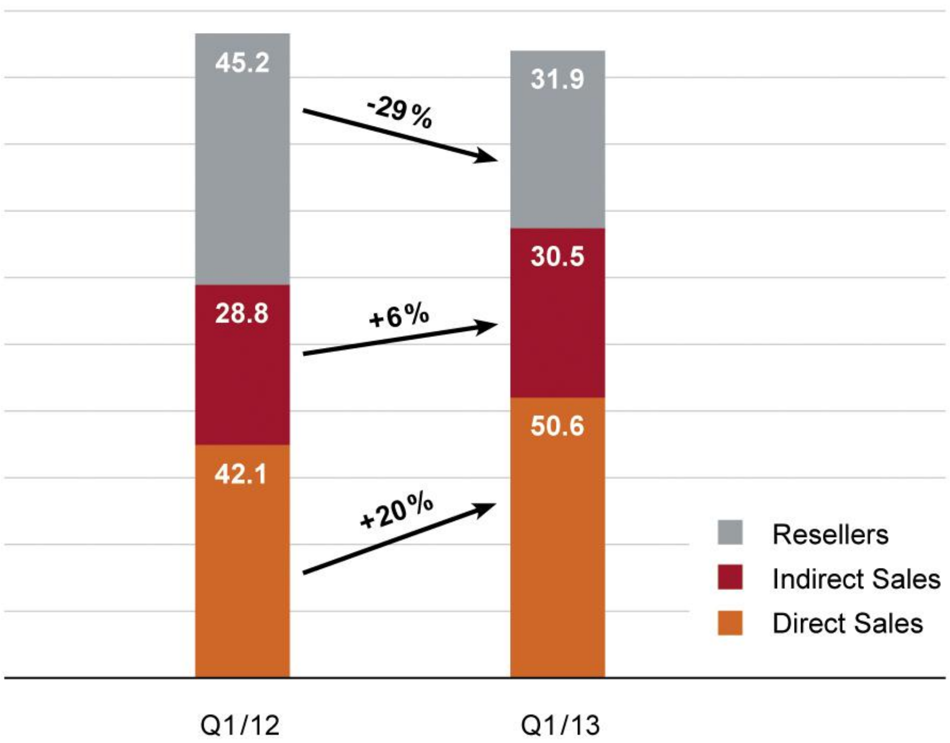
HIGHER PROFITS DESPITE LOWER REVENUES

In € million	Q1 2012	Q1 2013	Δ
• Revenues	116.0	113.0	-2.6%
• Cost of Revenues[1]	78.1	75.4	-3.5%
• *Gross profit*	*+37.9*	*+37.6*	*-0.8%*
• Other operating expenses[1]	20.4	18.7	-8.3%
• *EBITDA profit*	*+17.5*	*+18.9*	*+8.0%*
• Depreciation	13.5	12.6	-6.7%
• *EBIT profit*	*+4.0*	*+6.3*	*+57.5%*
• Financial results	-0.9	-1.1	-22.2%
• Income taxes	-0.8	-0.1	nm
• *Net profit*	*+2.3*	*+5.1*	*+121.7%*

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

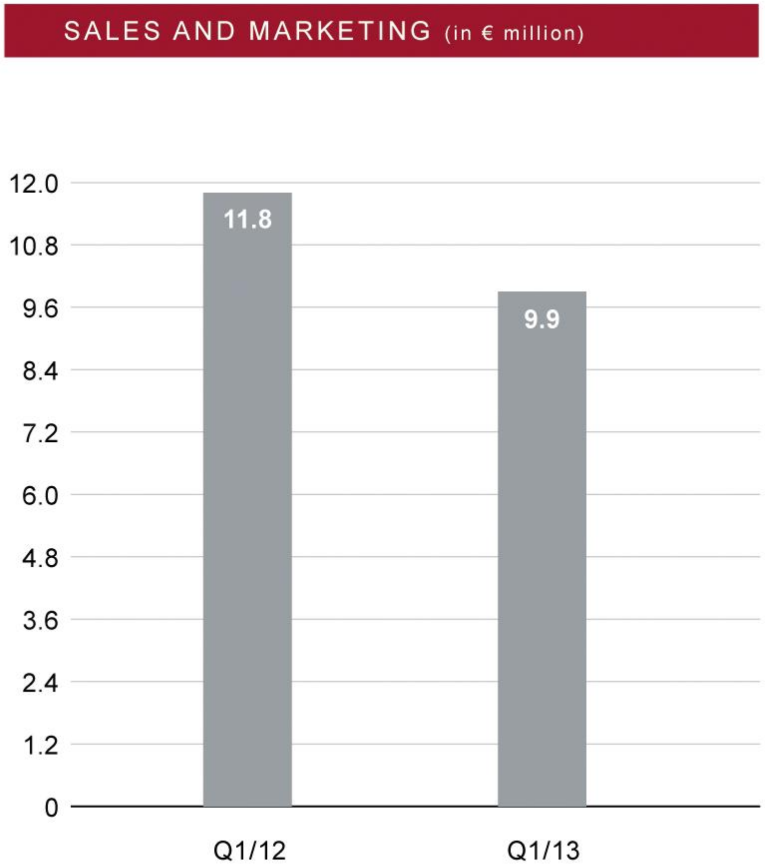
POSITIVE DEVELOPMENT IN HIGHER MARGIN ICT BUSINESS HELPS TO BOOST PROFITABILITY

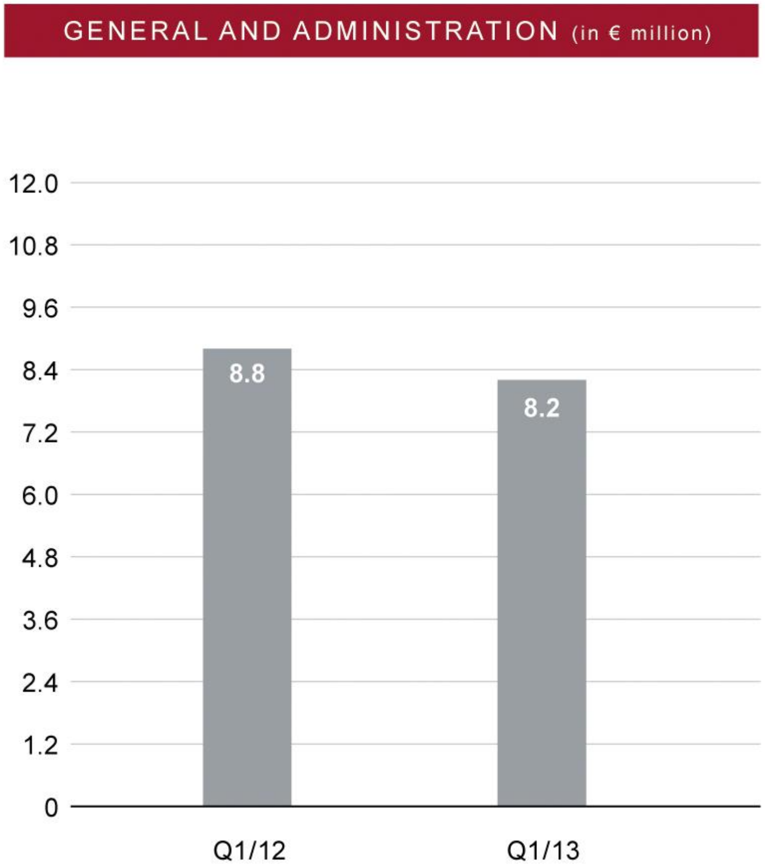
REVENUE MIX (in € million)



- Only 28% of QSC's revenues still stem from low-margin TC business (Q1 2012: 39%)
- In Q1 2013, QSC earned significantly higher EBITDA margins in its ICT segments
  - Direct Sales: 20%
  - Indirect Sales: 24%
  - Resellers: 4%

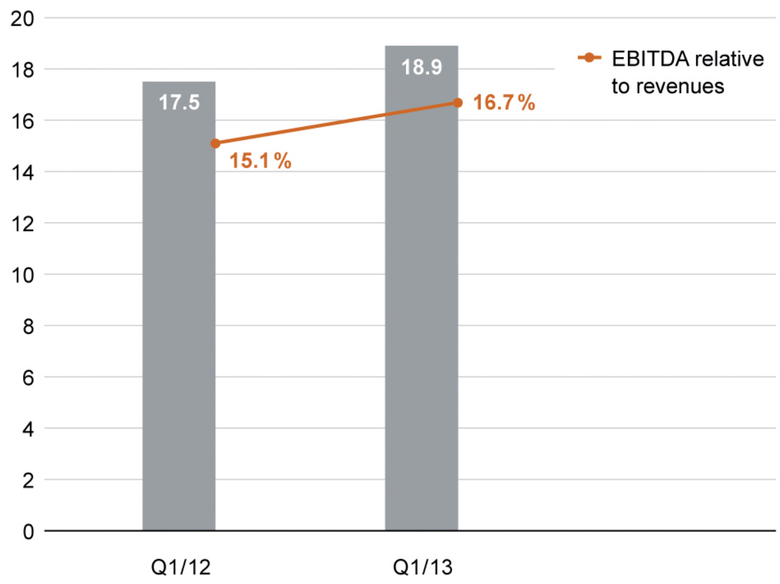
ANOTHER PROFIT DRIVER: DECLINING OTHER OPERATING COSTS



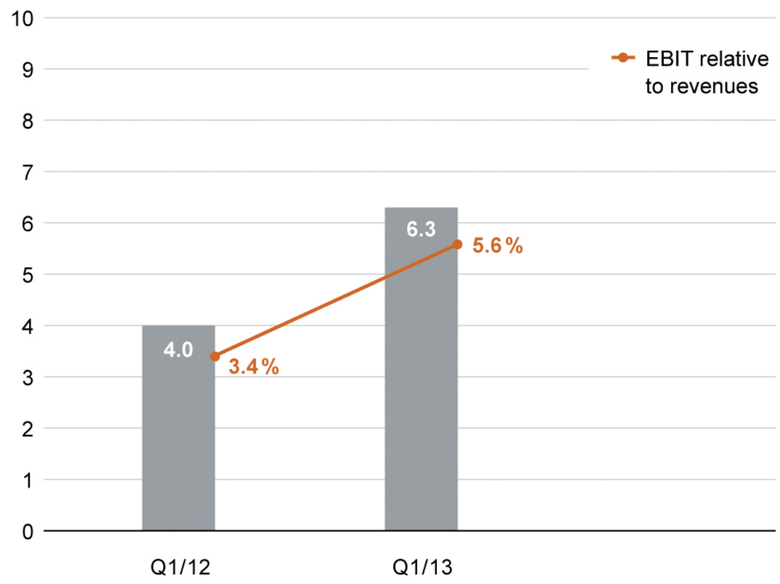


HIGHER-MARGIN REVENUES AND LOWER COSTS LEAD TO HIGHER PROFITABILITY

EBITDA (in € million)

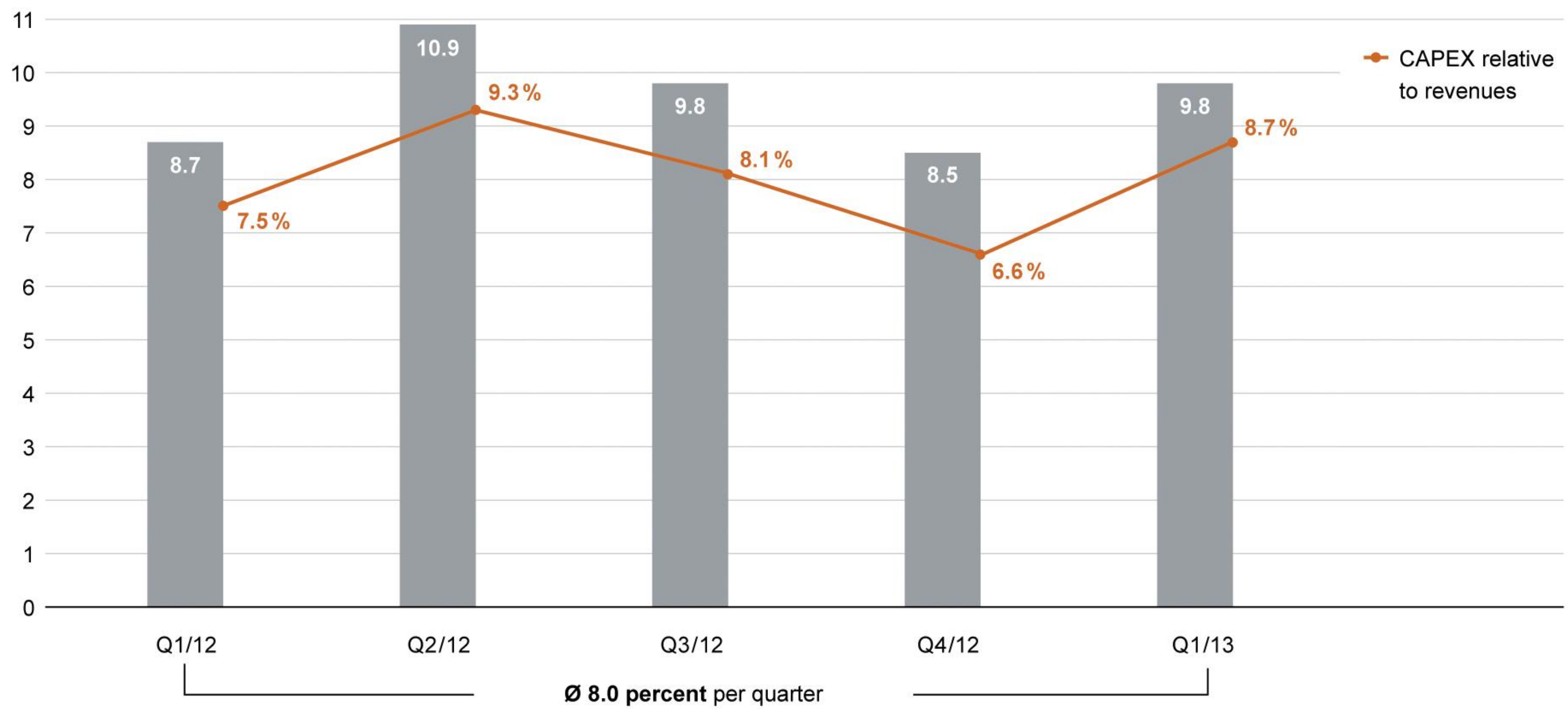


EBIT (in € million)



IN Q1 2013, QSC INVESTED IN NEW CUSTOMERS AND IN NEW PRODUCTS

CAPEX (in € million)



DESPITE HIGHER CAPEX, QSC EARNED A SUSTAINABLE FREE CASH FLOW

(in € million)	Dec. 31, 2012	March 31, 2013	FCF Q1/2013
Cash and short-term deposits	34.8	41.0	+6.2
Available-for-sale financial assets	0.4	0.4	-
Liquidity	**35.2**	**41.4**	**+6.2**
Liabilities under financing arrangements	-11.3	-10.5	+0.8
Liabilties due to banks	-79.2	-81.1	-1.9
Interest-bearing liabilities	**-90.5**	**-91.6**	**-1.1**
Net debt	**-55.3**	**-50.2**	**+5.1**
Free cash flow	**+5.1**		

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QSC CONFIRMS GUIDANCE FOR FISCAL 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

TWO-TRACK DEVELOPMENT IN 2013

Direct Sales – the growth driver

- Q1 revenues were exceptionally high because of one-off hardware revenues
- High level of new orders remains a good basis for growth in 2013 and beyond
- Growth in 2013 much faster than the ICT market

Indirect Sales – growing with new products

- Indirect Sales benefited from higher demand for IP-based voice products in Q1 2013 – demand will "normalize" over the coming quarters
- 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 because of market conditions and regulation

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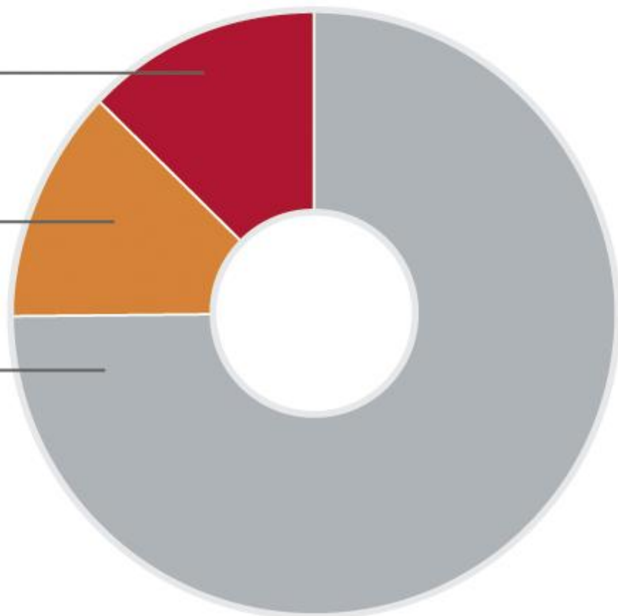
SHAREHOLDER STRUCTURE AFTER THE TWO FOUNDERS ACQUIRING ADDITIONAL SHARES

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 April 30, 2013

FINANCIAL CALENDAR

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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paulrobertlloyd.com/2009/06/social_media_icons

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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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