

QSC AG

Company Presentation
Results Q2 2011

Cologne, August 8, 2011

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AGENDA

1. Highlights Q2 2011
2. Financial Results Q2 2011
3. Outlook 2011
4. Questions & Answers

MAJOR ACHIEVEMENTS IN Q2 2011

- Ongoing transformation, accelerated by the acquisition of INFO AG and IP Partner
- QSC raised its holdings in INFO AG to more than 90 percent of the voting rights
- First projects initiated to intensify collaboration with INFO AG
- Fast integration of IP Partner
- Partnership agreement with E-Plus to launch mobile services for business customers

QSC COMPLEMENTS ITS ICT PORTFOLIO WITH MOBILE SERVICES

- In May 2011, QSC announced a partnership with E-Plus
- At the end of Q3 2011, QSC will launch its first own mobile services / Revenue impact from 2012 onward
- Business customer are provided with one-stop shopping for fixed-line and mobile services
- Core offering: Highly competitive flat rates
 - + Free fixed-mobile calls within QSC's network
 - + Integration of mobile services into IPfonie centraflex
 - + One app for mobile and fixed-line services for Android and iPhone

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A SHORT UPDATE ON INFO AG

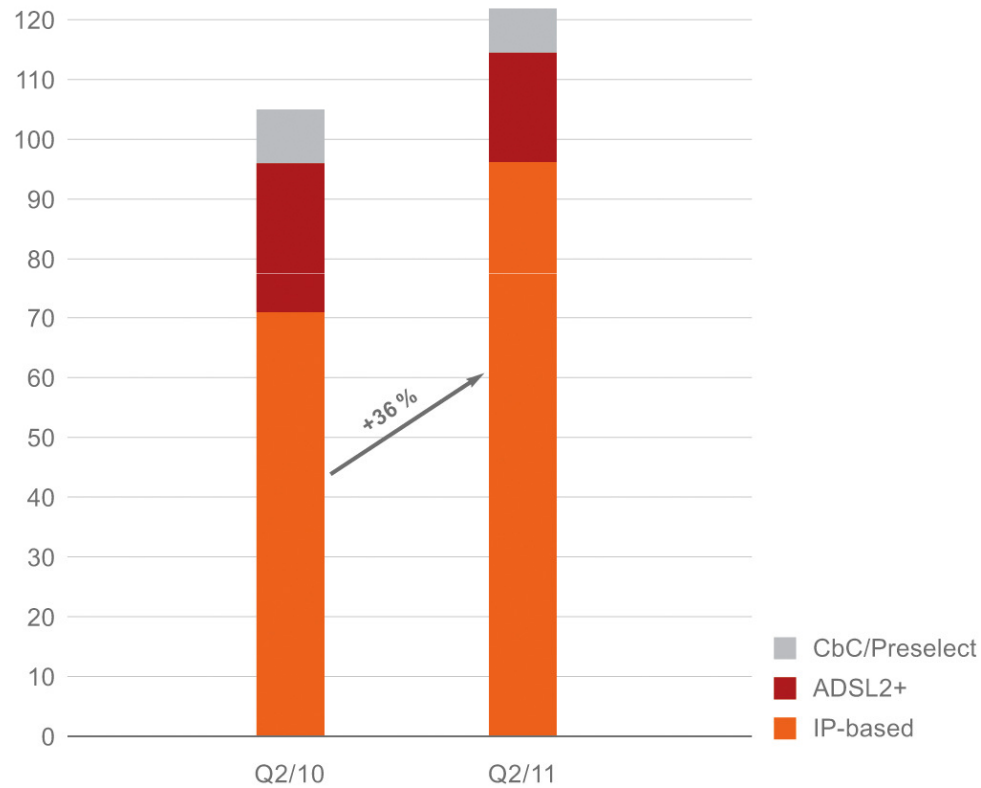
- After the voluntary public tender offer, QSC's holdings total 91.90% of the voting rights
- Since July 15, 2011, a squeeze-out has been possible in Germany with > 90% of voting rights
- Jürgen Hermann has also been CFO of INFO AG since July 1, 2011
- Since May, QSC and INFO have initiated first projects to intensify collaboration (sales, marketing, finance)
- In July, QSC and INFO won their first joint project after the announcement of the public tender offer

A SHORT UPDATE ON IP PARTNER

- QSC aims to integrate this Housing and Hosting specialist quickly
- Since July, the company has been led by a mixed team from IP Partner and QSC
- In summer 2011: ten roadshows for QSC's sales partners in Germany
- In H2 2011, QSC will start to adapt the products of IP Partner for its indirect partner channels:
 - Launch is planned in
 - Q4 2011 for Rack Housing with individual SLAs
 - Q1 2012 for a Cloud solution of Microsoft Exchange
 - Q2 2012 for back-up services in the Cloud

INFO AG AND IP PARTNER HELP TO RAISE THE SHARE OF IP-BASED REVENUES

REVENUE MIX (in € million)



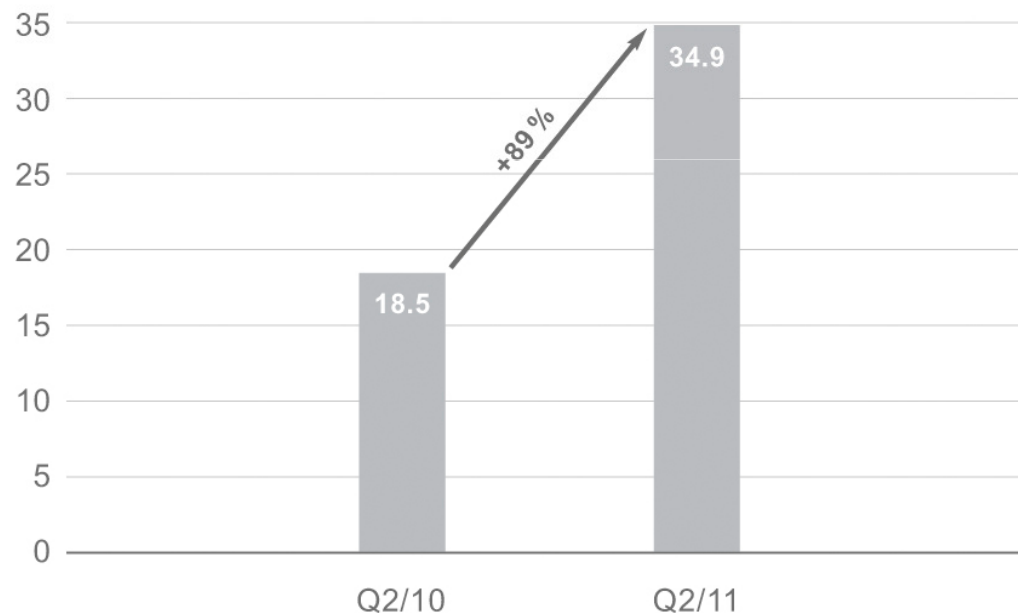
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– Results Q2 2011 –

QSC AG
Premium Telecommunication

SEGMENT MANAGED SERVICES IS BENEFITING THE MOST FROM THE ACQUISITIONS

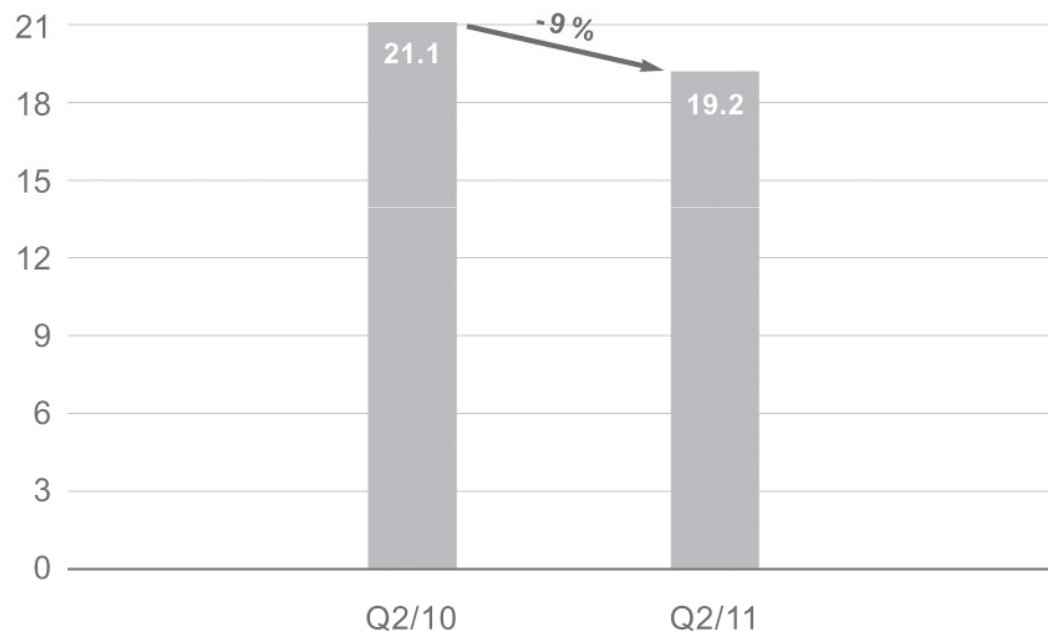
MANAGED SERVICES REVENUES (in € million)



- The majority of revenues of INFO AG and IP Partner have become part of the Managed Services segment
- INFO AG has won Dussmann Gruppe as a new customer
- IP Partner is now running a data center for DATEV

DECLINING REVENUES IN THE PRODUCT SEGMENT

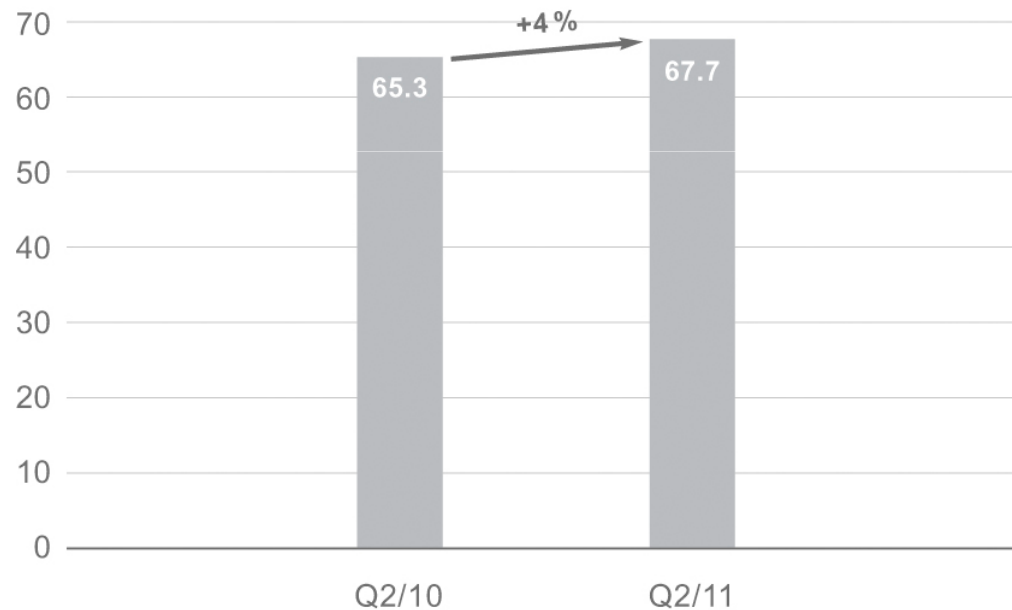
PRODUCTS REVENUES (in € million)



- Fierce price competition in voice business
- Decline of CbC/Preselect revenues by -18% to € 7.4 m
- So far, VoIP products have been unable to compensate for these negative effects

WHOLESALE/RESELLERS SEGMENT BENEFITED FROM THE NGN

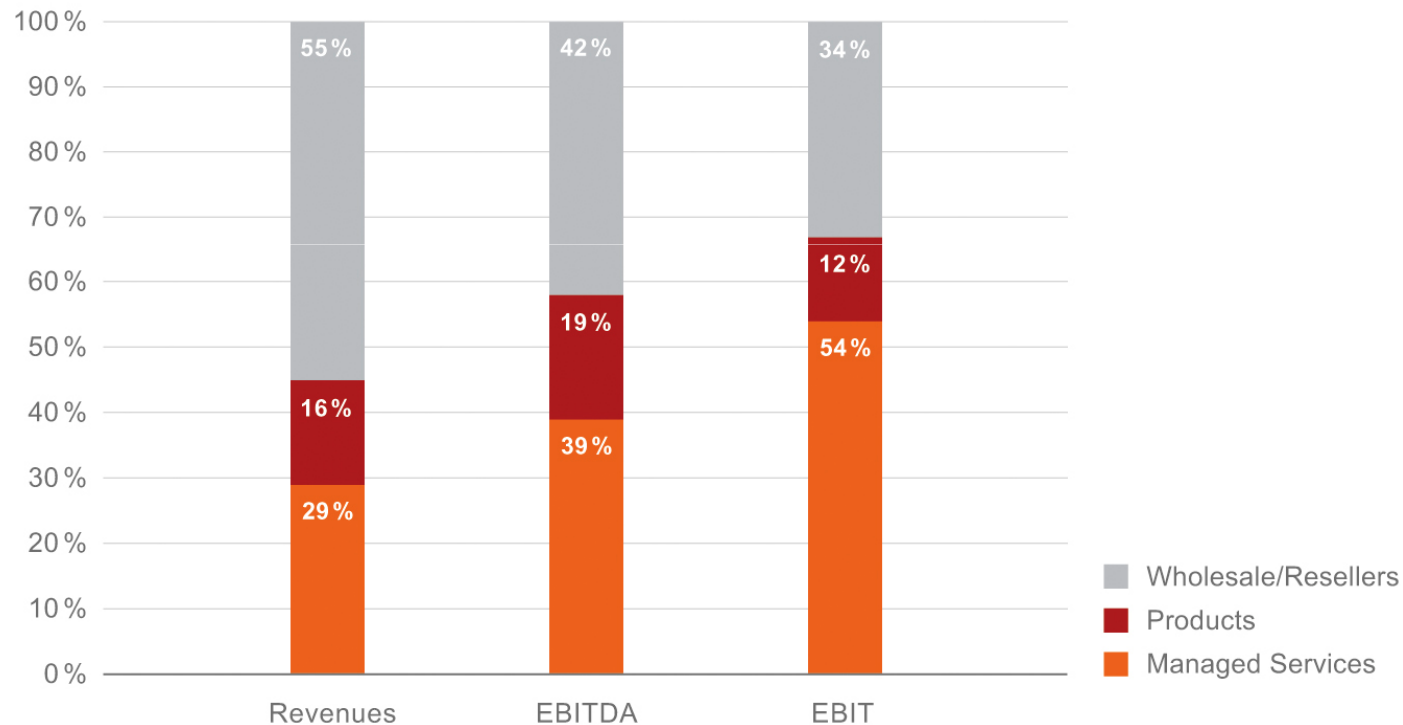
WHOLESALE/RESELLERS REVENUES (in € million)



- Rising revenues in Voice Wholesale and Managed Outsourcing
- QSC is able to earn sufficient margins thanks to its highly cost-effective NGN
- Revenues in ADSL2+ wholesale business declined as planned: -27% to € 18.3 m

SEGMENT REPORTING UNDERLINES THE ATTRACTIVENESS OF THE ICT BUSINESS

SHARE OF SEGMENTS OF REVENUES / EBITDA / EBIT



GENERAL TRENDS WITH IMPACT ON REVENUES

- (-) Fierce price competition in the voice market
- (-) Market saturation and pricing pressure in ADSL2+
- (-) Lower termination fees for mobile (since Q1 2011) and fixed-line (starting in Q3 2011) calls

versus

- (+) Demand for IP-VPN and VoIP services & applications
- (+) Market for ICT services (e.g. Housing, Hosting, ICT Outsourcing)
- (+) Growing interest in Cloud Services

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Q2 2011: QSC IS BACK ON GROWTH COURSE

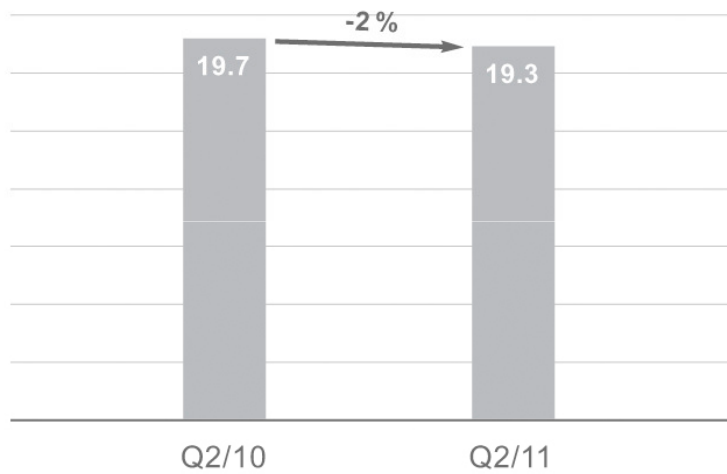
In € millions	Q2 2010	Q2 2011	Δ
• Revenues	104.9	121.8	+16.1%
• Network expenses ⁽¹⁾	66.9	82.9	+23.9%
• Gross profit	+38.0	+38.9	+2.4%
• Other operating expenses ⁽¹⁾	18.3	19.6	+7.1%
• EBITDA	+19.7	+19.3	-2.0%
• Depreciation	14.6	12.9	-11.6%
• EBIT	+5.1	+6.4	+25.5%
• Financial results	-0.5	-0.7	-40.0%
• Income taxes	-0.3	-1.8	nm
• Net profit	+4.3	+3.9	-9.3%

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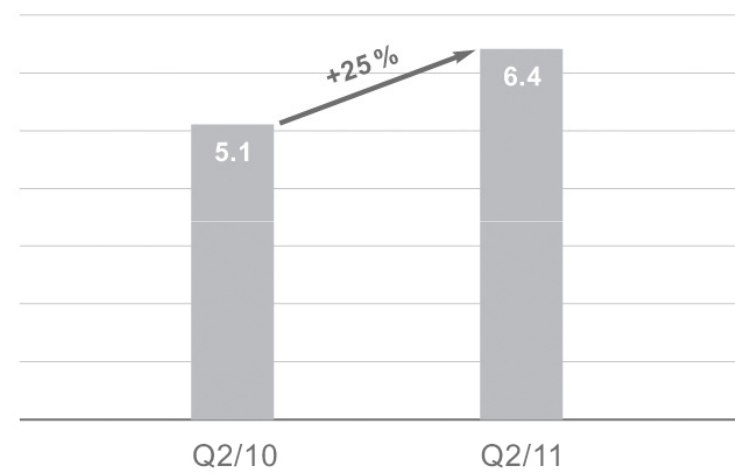
(1) Excluding depreciation and non-cash share-based payments

QSC EARNS RISING EBIT IN Q2 2011

EBITDA (in € million)

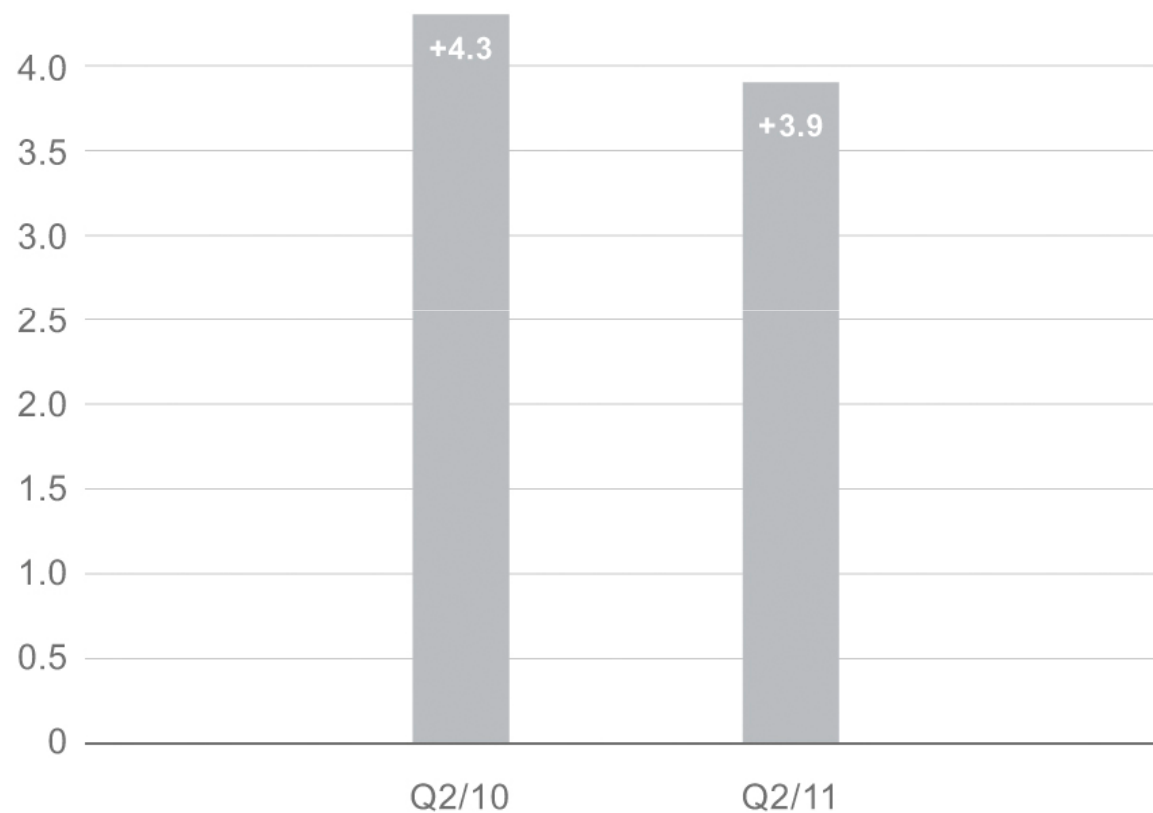


EBIT (in € million)



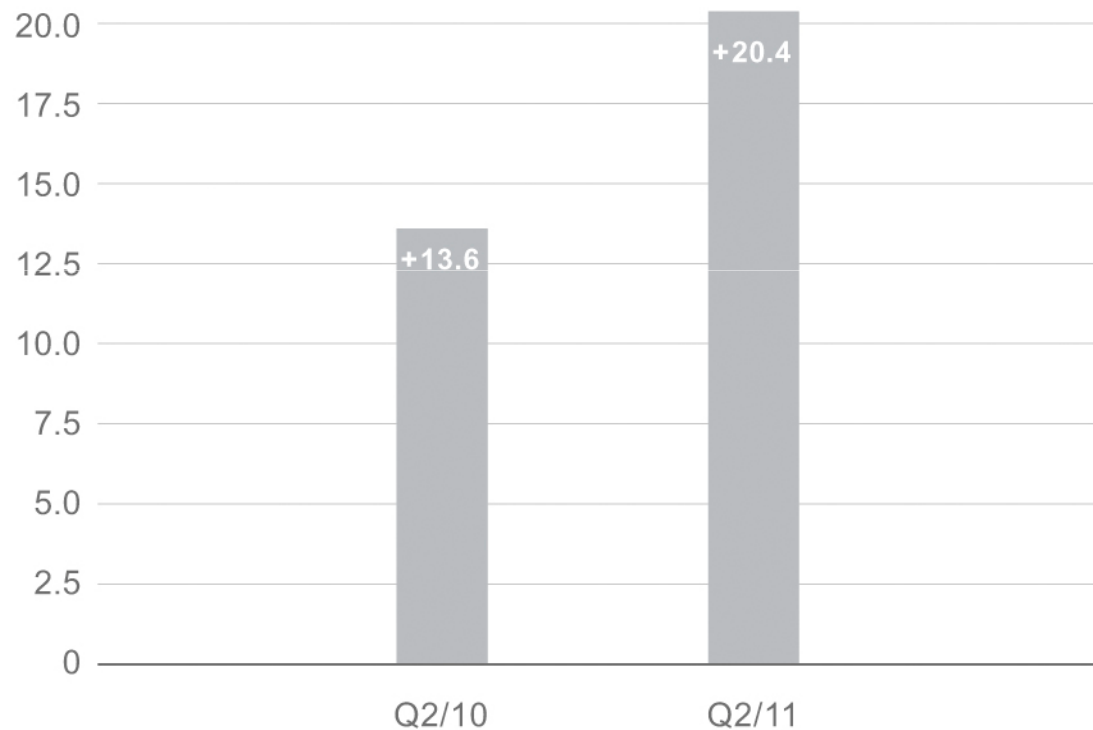
NET PROFIT IMPACTED BY TAX EFFECTS

NET PROFIT (in € million)



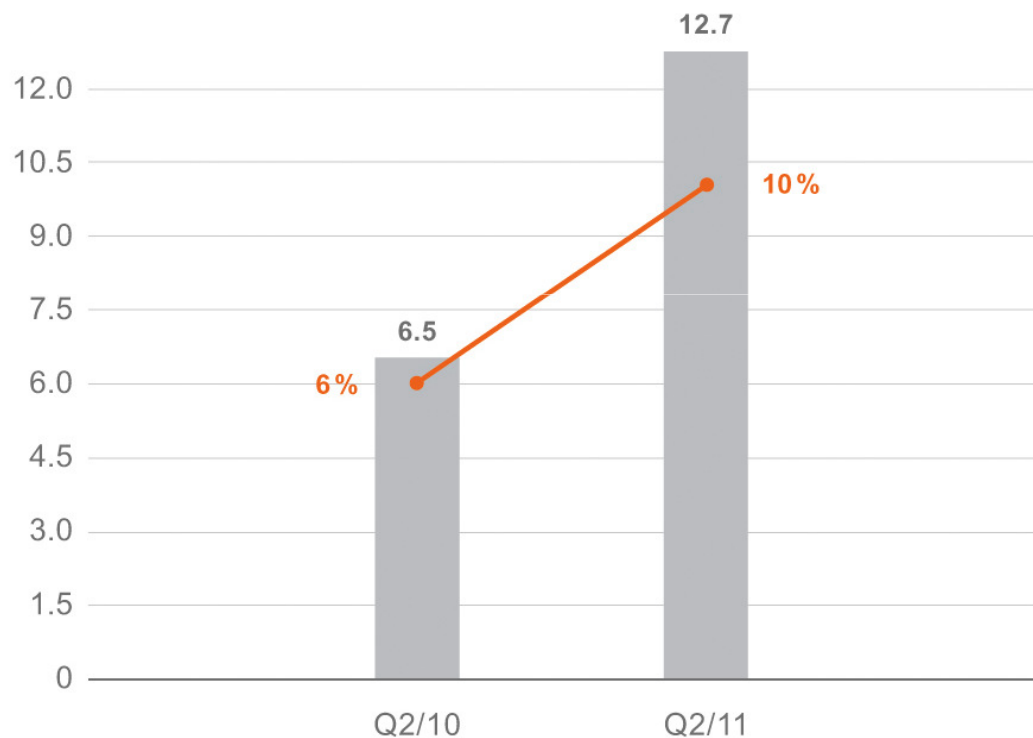
QSC IS GENERATING A HIGH OPERATING CASH FLOW

OPERATING CASH FLOW (in € million)



QSC IS INVESTING IN HOUSING AND HOSTING

CAPEX (in € million)

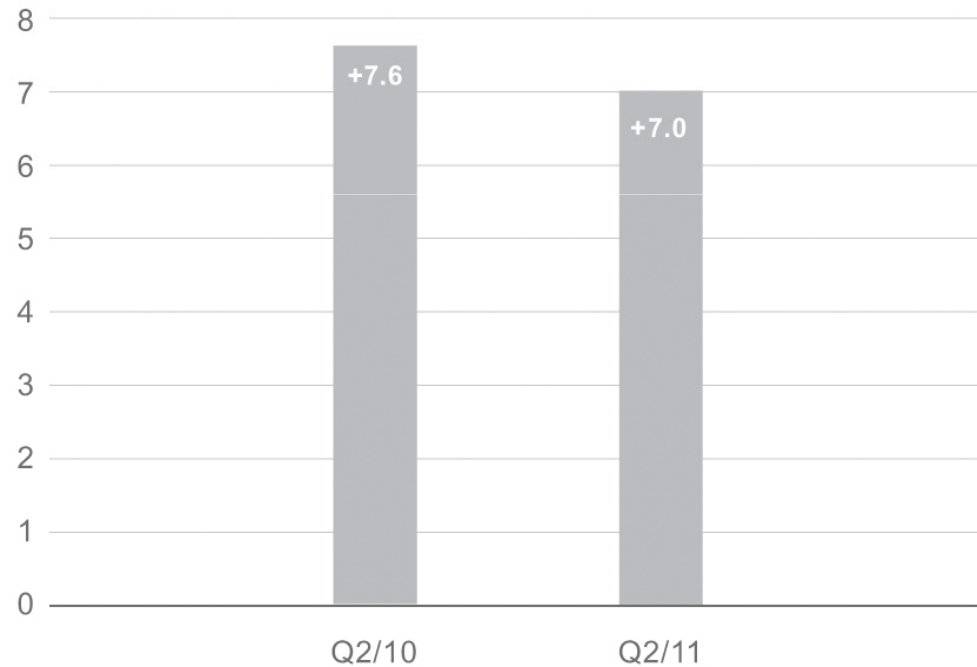


— CAPEX relative to revenues

- In Q2 2011, QSC spent approx. € 3 million for a new data center
- Overall, in 2011 QSC is doubling the space of its data centers in Munich and Nuremberg
- QSC will invest max. 8% of its revenues in 2011 and beyond

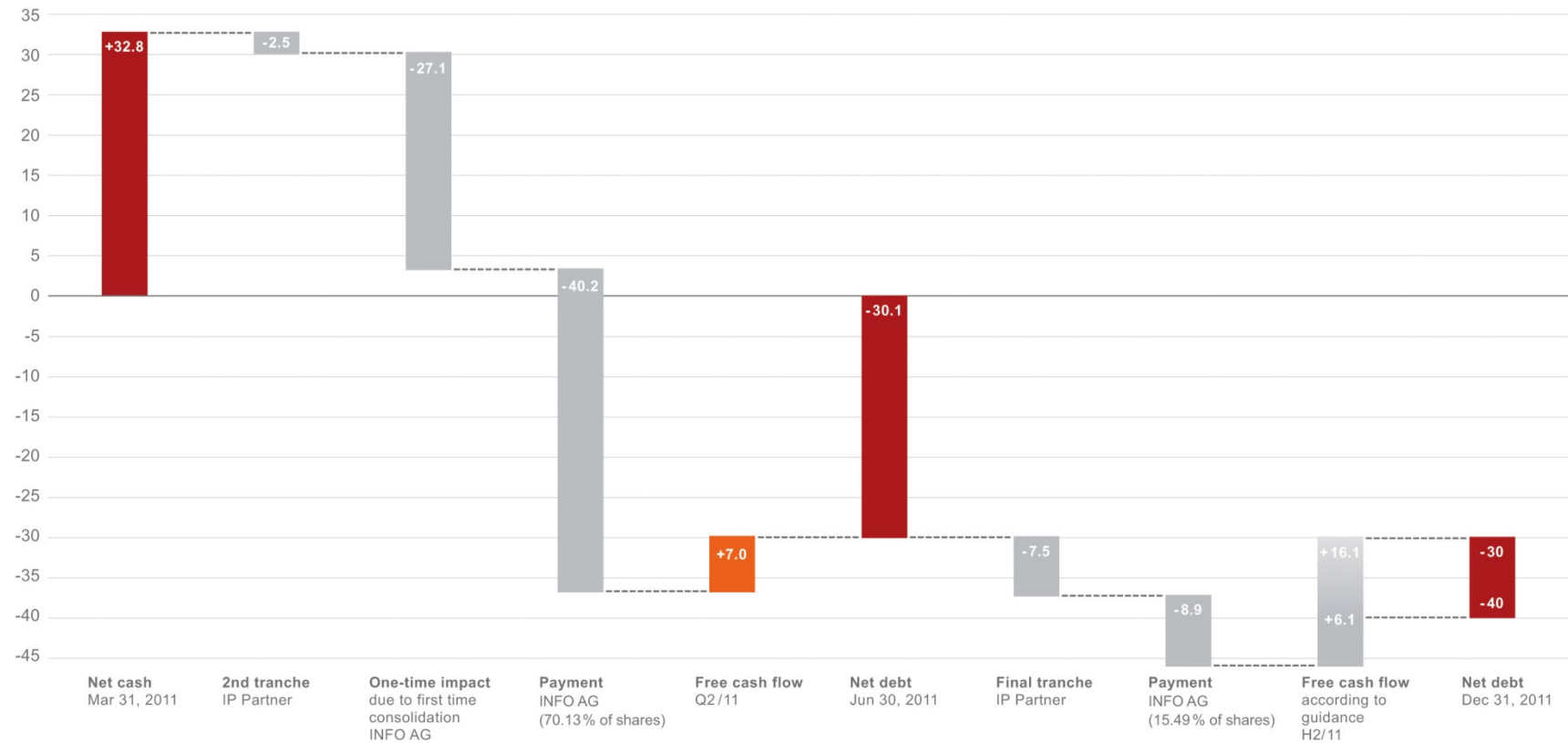
DESPITE HIGHER CAPEX QSC IS EARNING A SUSTAINABLE POSITIVE FREE CASH FLOW

FREE CASH FLOW (in € million)



EFFECTS OF ACQUISITIONS SHAPE QSC'S FINANCES

ANTICIPATED NET CASH DEVELOPMENT IN 2011



QSC IS SOLIDLY FINANCED FOR 2011 AND BEYOND

- Ongoing and sustainable positive free cash flow
 - Collaboration and integration with INFO AG and IP Partner will have an additional positive impact in 2012 and beyond
 - Low-level of net debt as of June 30, 2011
 - New credit facility of € 150 million planned
- ⇒ QSC has managed to finance the most important acquisitions in its history with its own means – a clear sign of financial strength

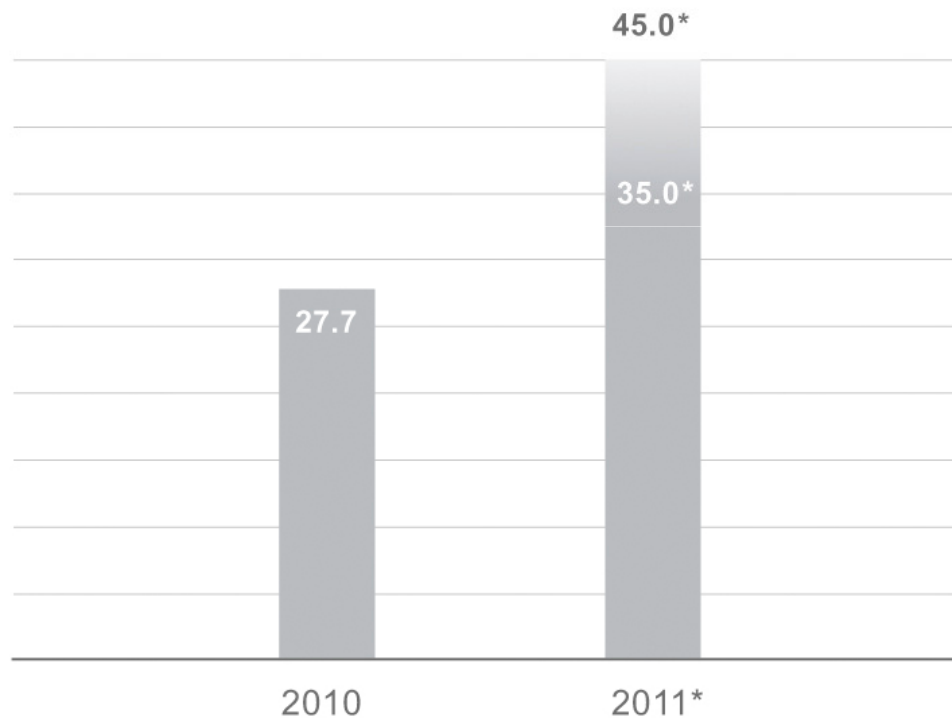
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OUTLOOK 2011

QSC REITERATES FORECAST FOR 2011

FREE CASH FLOW (in € million)



- Accelerated transformation process through the acquisition of INFO AG
- Focus on profitability and financial strength
- Payment of a dividend for fiscal 2011

* w/o acquisitions

2011: FOCUS ON COLLABORATION AND INTEGRATION

- IP Partner will have been fully integrated by the end of the year
 - Milestones for the collaboration with INFO AG
 - Sep 2011: Annual shareholders' meeting of INFO AG
 - Oct 2011: Analyst Day in Hamburg – presentation of the new ICT strategy of the QSC group
 - H2 2011: Collaboration in areas such as finance, marketing and especially sales
- ⇒ In 2012, all these initiatives will lead to rising contributions of the new subsidiaries to QSC's revenues and earnings

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FINANCIAL CALENDAR

August 31, 2011	TMT Conference Commerzbank, Frankfurt
September 6, 2011	Tech/Telco Day WestLB, London
September 7, 2011	TMT Conference Deutsche Bank, London
October 12, 2011	German Corporate Forum JP Morgan Cazenove, London
November 7, 2011	Publication of Quarterly Report III/2011
November 21 – 23, 2011	German Equity Forum Fall 2011 Deutsche Börse, Frankfurt

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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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