Cologne, 9 November 2015 – Results Q3 2015

THE DIGITISER OF THE GERMAN MITTELSTAND

SICHER.
INNOVATIV.
AN IHRER SEITE.

QSC AG

1. Strategic Update

QSC well on track in Q3 2015

- **Strong increase in profitability and financial strength**
  (Y-o-Y: EBITDA: +36%, Free cash flow +43%)

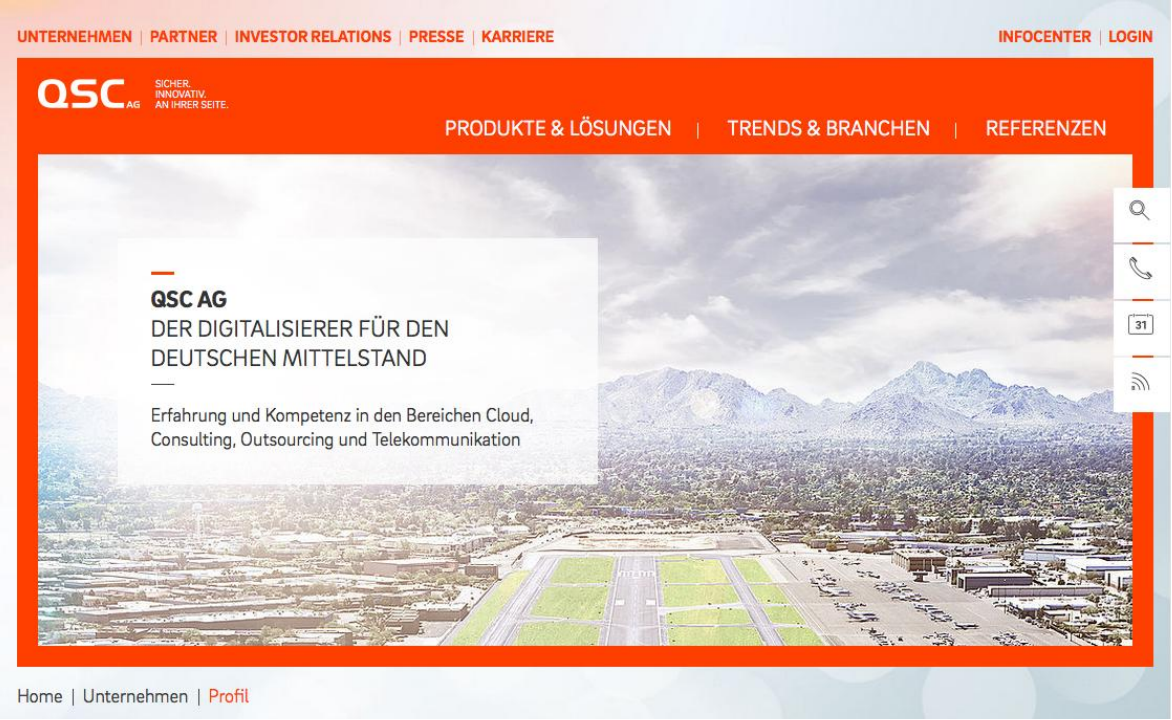
- **Double-digit growth in Consulting and Cloud business**
  New cloud product ready for launch: fonial – a cloud-based telephone system

- **Ongoing transformation of Outsourcing**
  Rising quality of revenues / Pure Enterprise Cloud implementation process started

- **TC business went better than expected in Q3 2015**
  Revenues and margin higher than in Q2 2015

- **Sharpening of the value proposition**
  QSC is the digitiser of the German Mittelstand

Clear value proposition: The digitiser of Germany’s SMEs

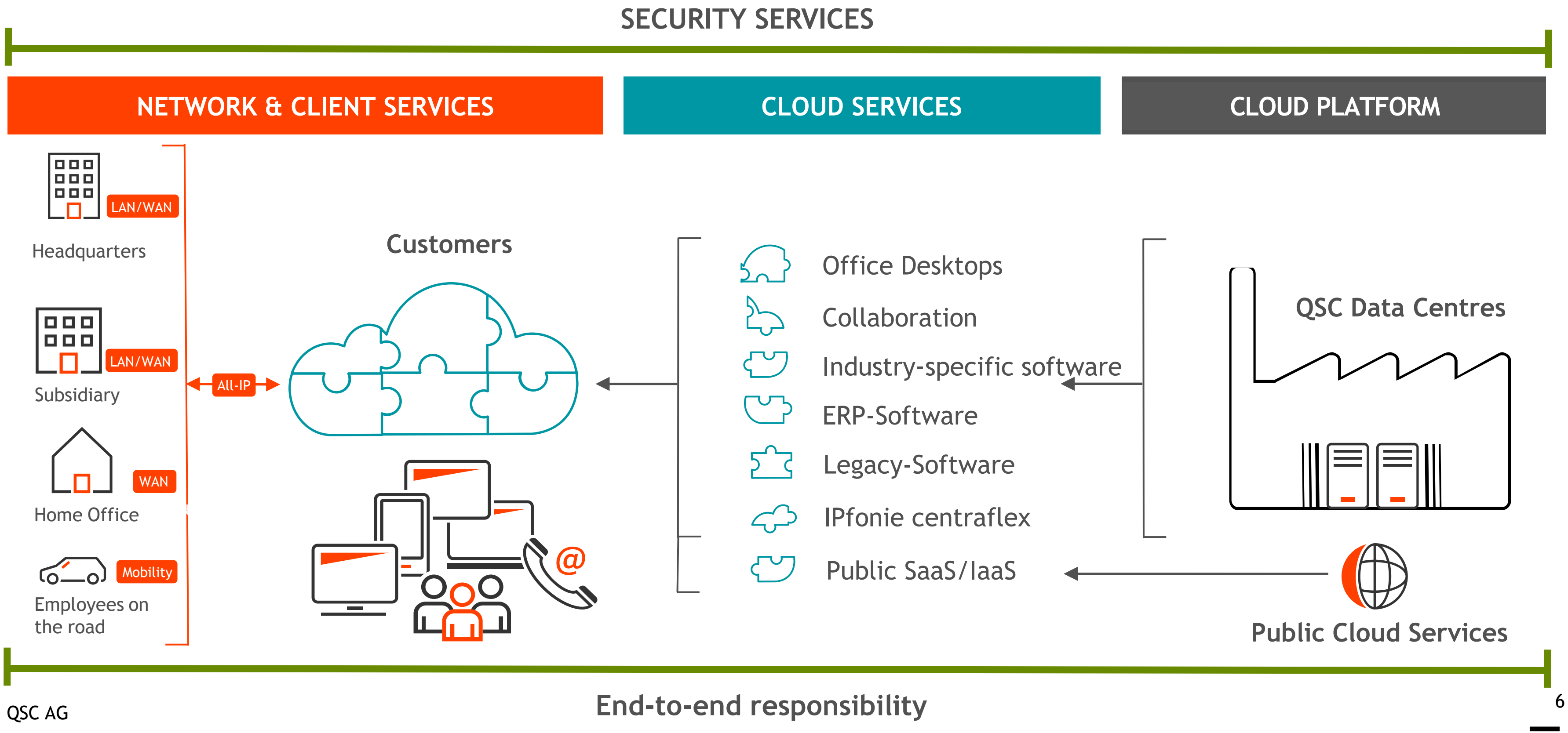


- New look and feel of QSC since 1 September 2015
- QSC presents itself as a likeable service provider
- Focus on 3 attributes
  - Secure
  - Innovative
  - At your side

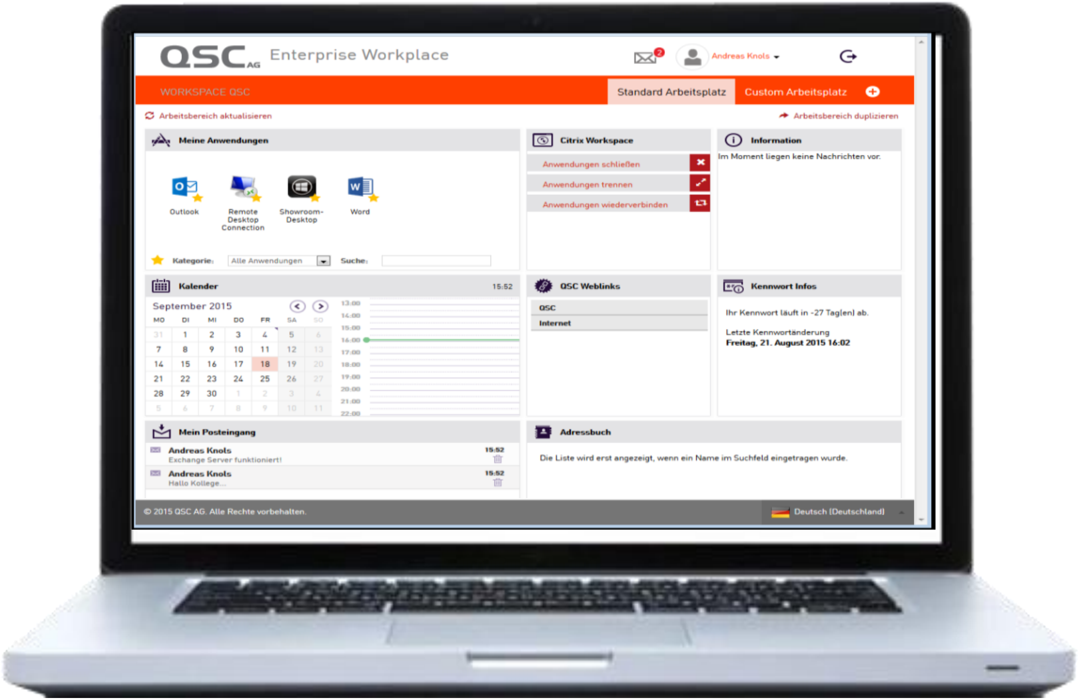
Digitisation in practice: The Tchibo case study

- Long-term strategic partner Tchibo has contracted QSC to further **digitise its IT landscape and business processes**
- **QSC will migrate several SAP systems to SAP HANA**, the innovative real-time database technology
- Working in **close collaboration with SAP**, QSC has been using this new technology since April 2012
- The new solution will allow Tchibo to call up and **analyse all data sets in real time**, enabling the company to react more quickly to its customers' buying patterns

The centrepiece of digitisation: Pure Enterprise Cloud



A further asset: An easy way to handle digital workplaces



- Pure Enterprise Cloud offers virtual, dynamic workplaces
- Personalised, secure data and software access on all devices
- Enterprise Workplace opens up access to the entire enterprise IT
- Low up-front investments necessary
- Quick implementation of additional workplaces

Innovation for the digital age: fonial

- Launch of fonial scheduled for mid-November 2015 – a new cloud-based telephone system goes live (www.fonial.de)
- Target group: start-ups and small companies with up to 20 employees
- fonial can be used at workplaces or mobile via smartphone or tablet
- Immediate availability after registration
- Intuitive handling based on sophisticated technology in QSC's All-IP network

Main issues in Q4 2015

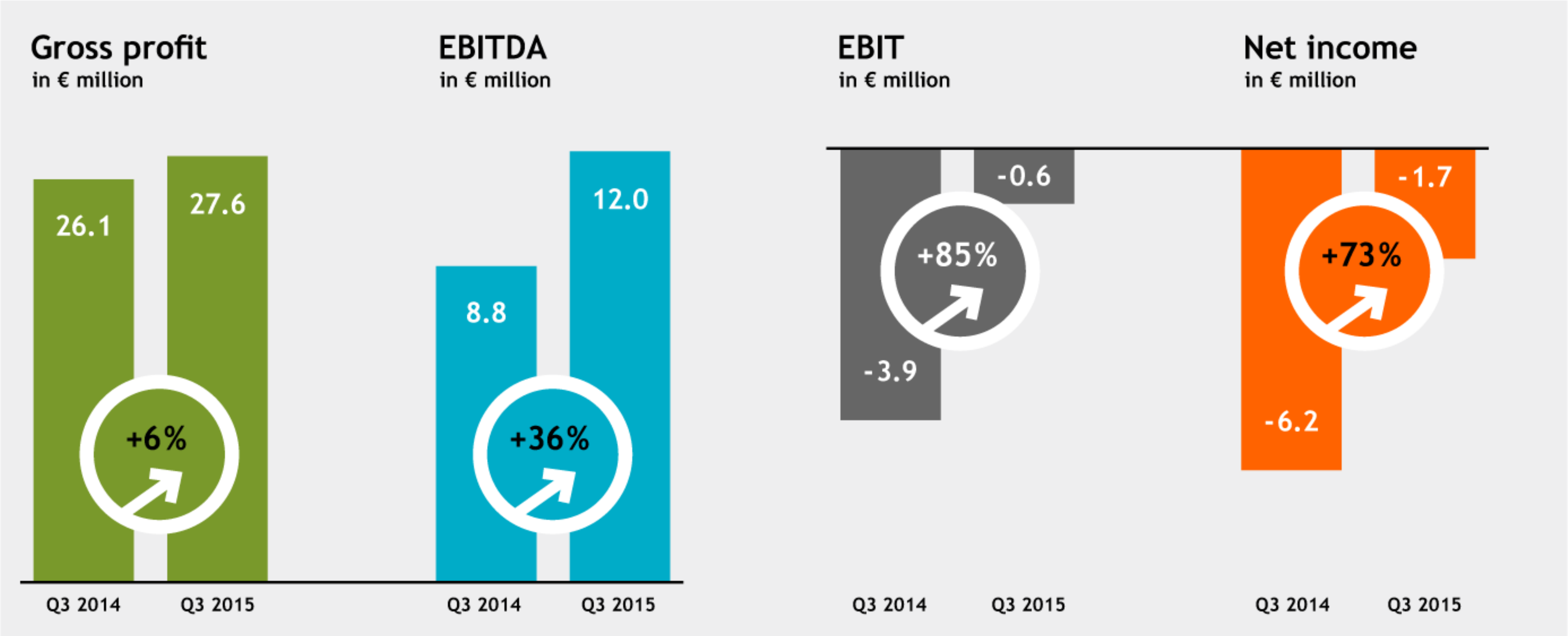
- **Launching fonial**
  The new internally developed product will strengthen the Cloud segment
- **Preparing for the launch of the Pure Enterprise Cloud (ongoing)**
  A new era in Outsourcing will begin
- **Focusing on higher margin revenues**
  Shift in focus, especially in Outsourcing
- **Supporting the launch of Vodafone's Secure E-Mail**
  QSC subsidiary FTAPI is delivering innovative encryption service
- **Continually implementing the cost-cutting programme**
  QSC is on a good way to reaching its ambitious targets

2. Financial Update and Outlook 2015

Q3 2015: The turnaround solidified

- Improvement in all earning figures versus Q3 2014 and Q2 2015
- Cost-cutting programme ongoing
- Staff reduction programme ahead of schedule
- Further increase in free cash flow
- Revenues at Q2 2015 level, better than expected
- Overall positive development led to an increased forecast for fiscal 2015

Significant improvement in earnings



Q3 2015 with strong performance

in € million	Q3 2014	Q3 2015	Δ in €m	Δ in %
Revenues	**106.6**	**100.0**	**-6.6**	**-6.2%**
Cost of revenues	80.5	72.4	-8.1	-10.1%
Gross profit	**26.1**	**27.6**	**+1.5**	**+5.7%**
Sales and marketing expenses	9.3	8.1	-1.2	-12.9%
General and admin expenses	8.2	7.6	-0.6	-7.3%
Other operating income	0.2	0.1	-0.1	nm
EBITDA	**8.8**	**12.0**	**+3.2**	**+36.4%**
Depreciation	12.7	12.6	-0.1	-7.9%
EBIT	**(3.9)**	**(0.6)**	**+3.3**	**+84.6%**
Financial result	(1.7)	(1.5)	+0.2	nm
Income tax	(0.6)	0.4	+1.0	nm
Net income	**(6.2)**	**(1.7)**	**+4.5**	**+72.6%**

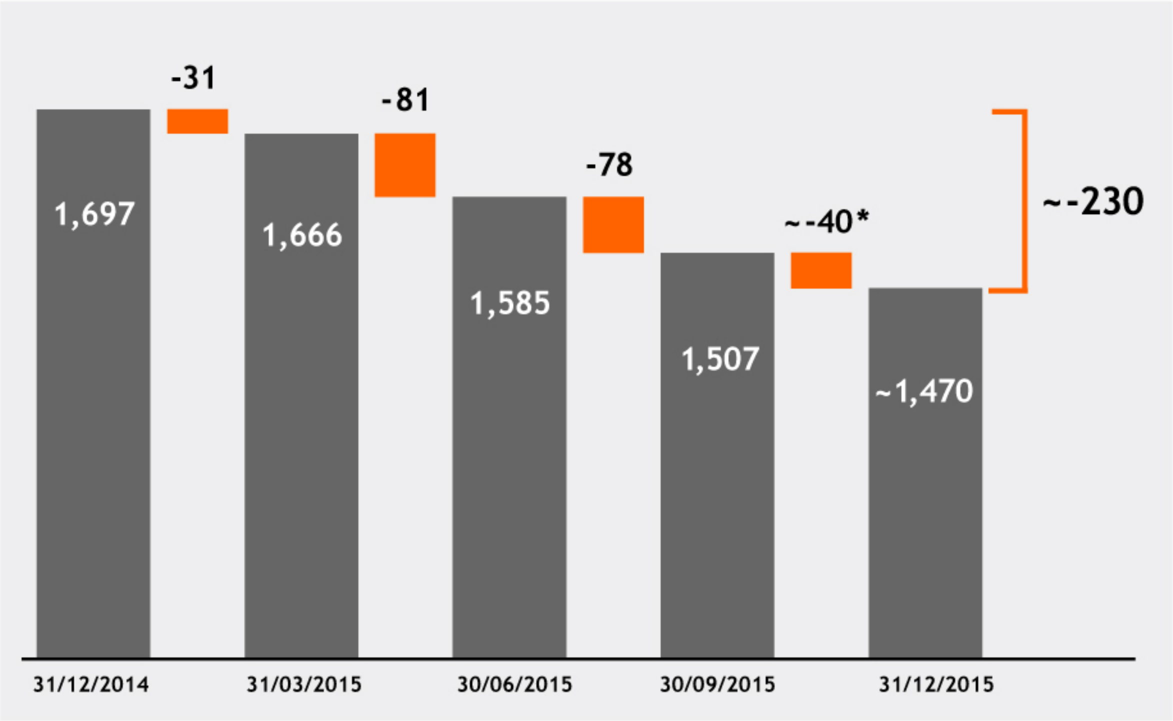
Revenues

- Q3 2015 went slightly better than expected mainly due to temporarily higher TC revenues
- For Q4 2015, QSC expects a moderate decline

Earnings

- Positive impact of the cost-cutting programme

Staff reduction programme ahead of schedule



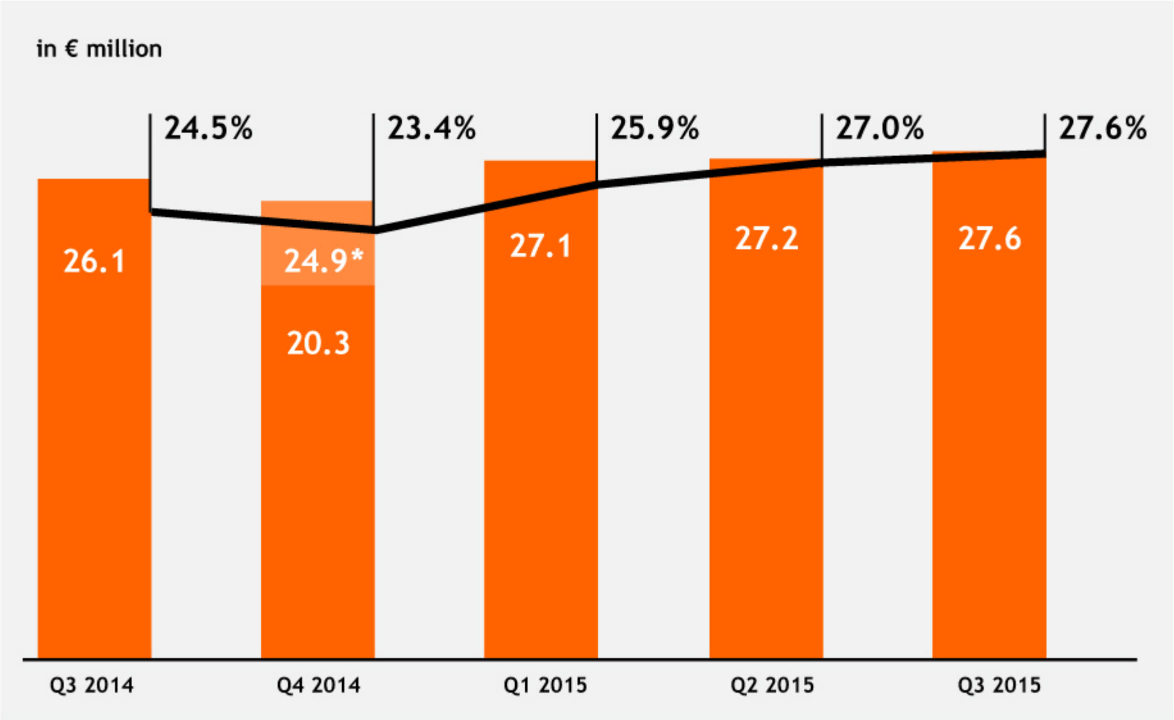
Major actions

- Termination of fixed-term contracts
- Natural staff attrition
- Socially responsible staff reduction

> More than 65% already agreed

* Agreed terminations (As of 30/09/2015)

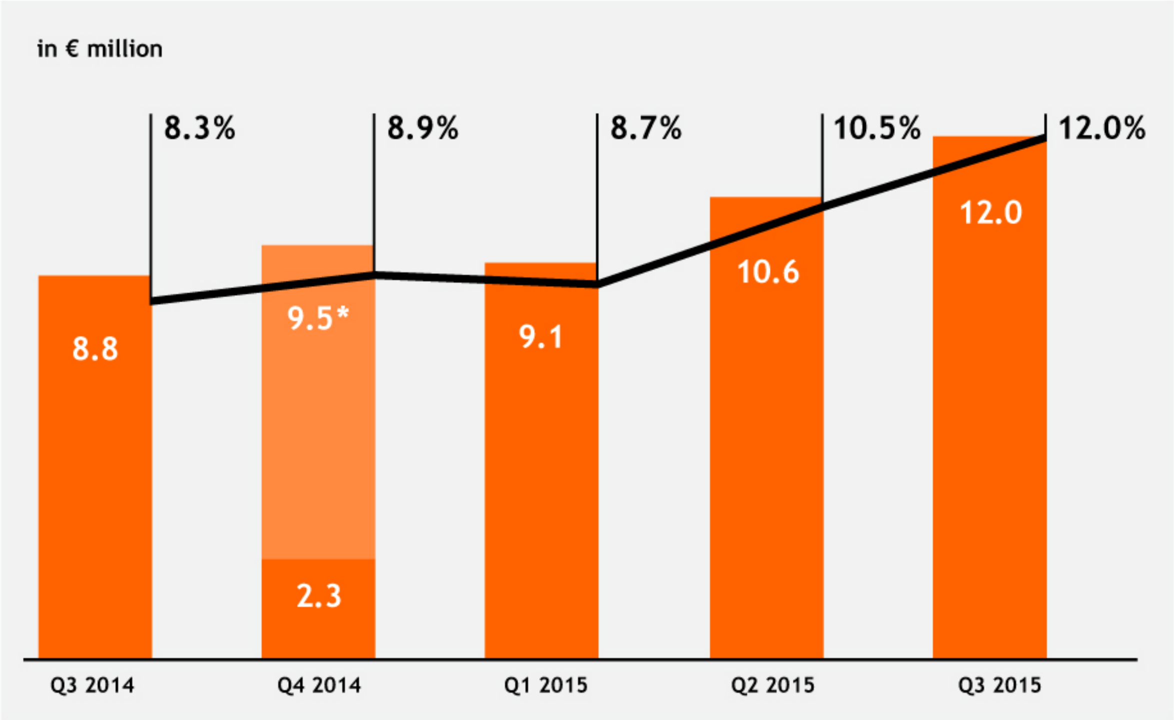
Step-by-step improvement in gross margin



- In Q3 2015, QSC increased its gross margin for the third time in a row
- Gross margin has improved by 3.1 basis points since Q3 2014

▬ Gross margin
* Excluding restructuring provisions

Double-digit growth in EBITDA margin

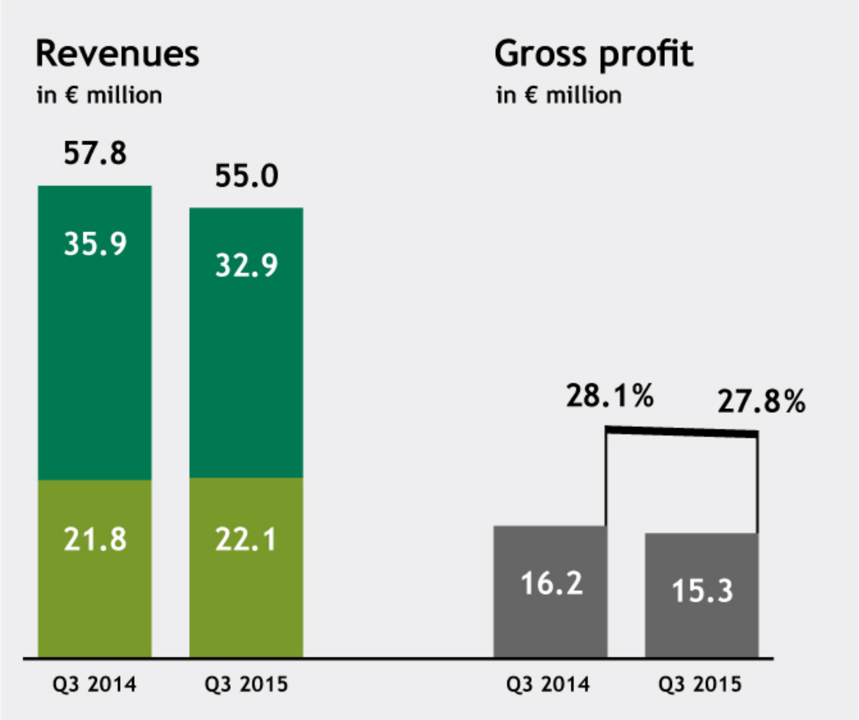


- In Q3 2015, QSC earned the highest EBITDA margin in seven quarters
- EBITDA margin now stands at 12%
- For FY 2015, QSC expects EBITDA margin >10%

▬ EBITDA margin

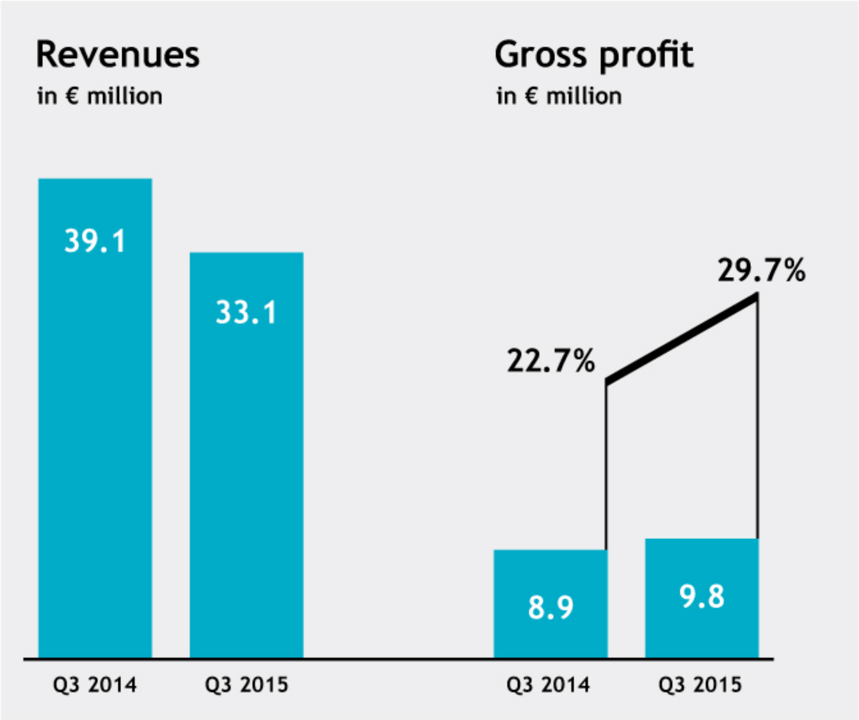
* Excluding restructuring provisions

Telecoms: Stable B-B-B business



- TC business impacted by regulatory effect of € 2.5 million
- Stable B-B-B revenues despite stricter regulation
- B-B-C additionally burdened by fierce price competition
- Despite fierce price competition, QSC was able to stabilise the gross margin

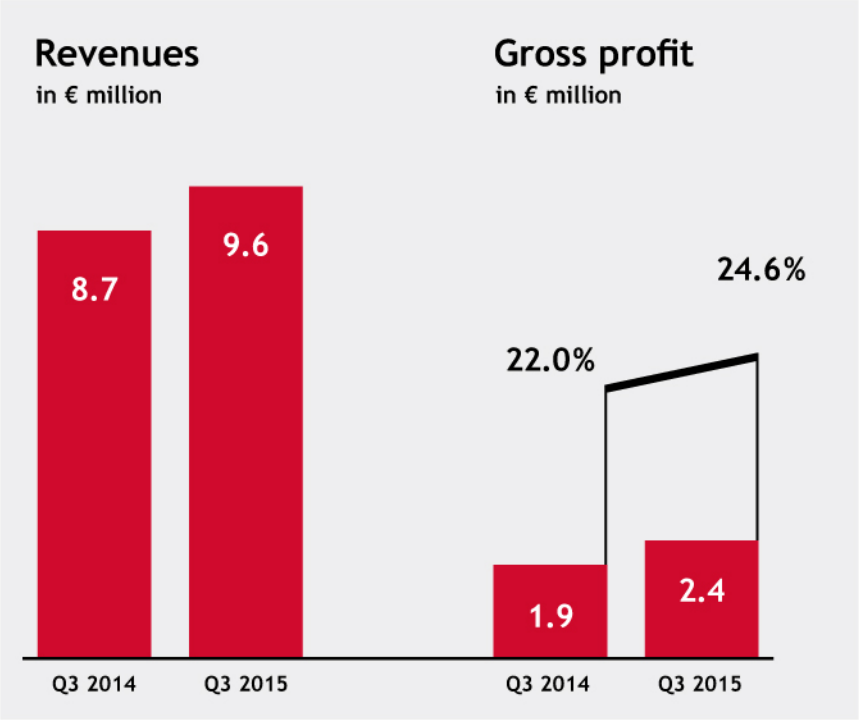
Outsourcing: Significant increase in gross margin



- Focus on SME customers and revenues with an adequate margin
- High commitment of existing customers: TCV of € 58.8 million (Q3 2014: € 55.3 million)
- Ongoing industrialisation and virtualisation
- Reorganisation and cost-cutting programme supported increase in gross profit

▬ Gross margin

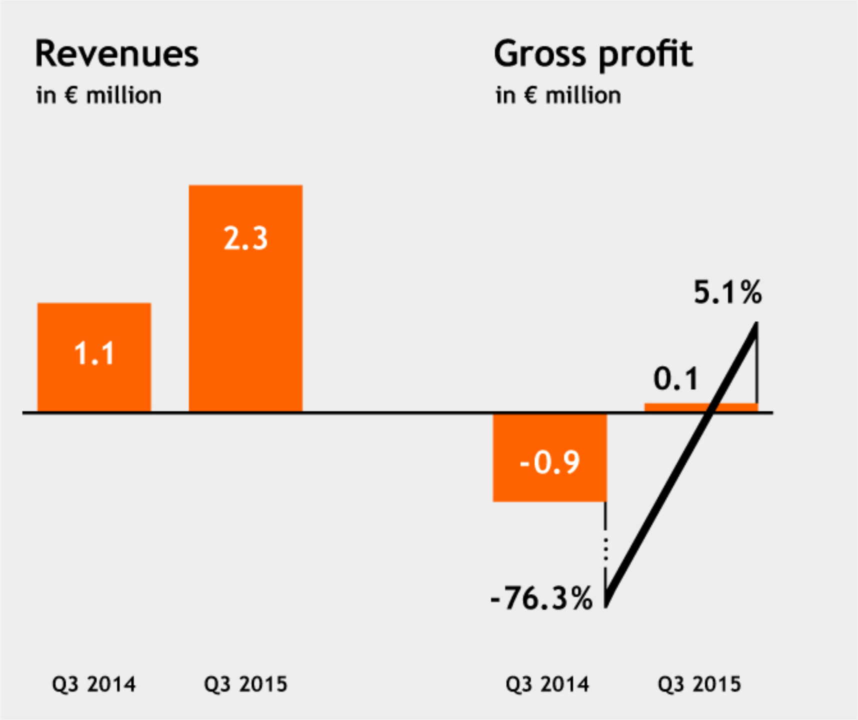
Consulting: Strong growth in revenues and margin



- Strong demand for SAP services
- Growing demand for cloud expertise (SAP HANA)

▬ Gross margin

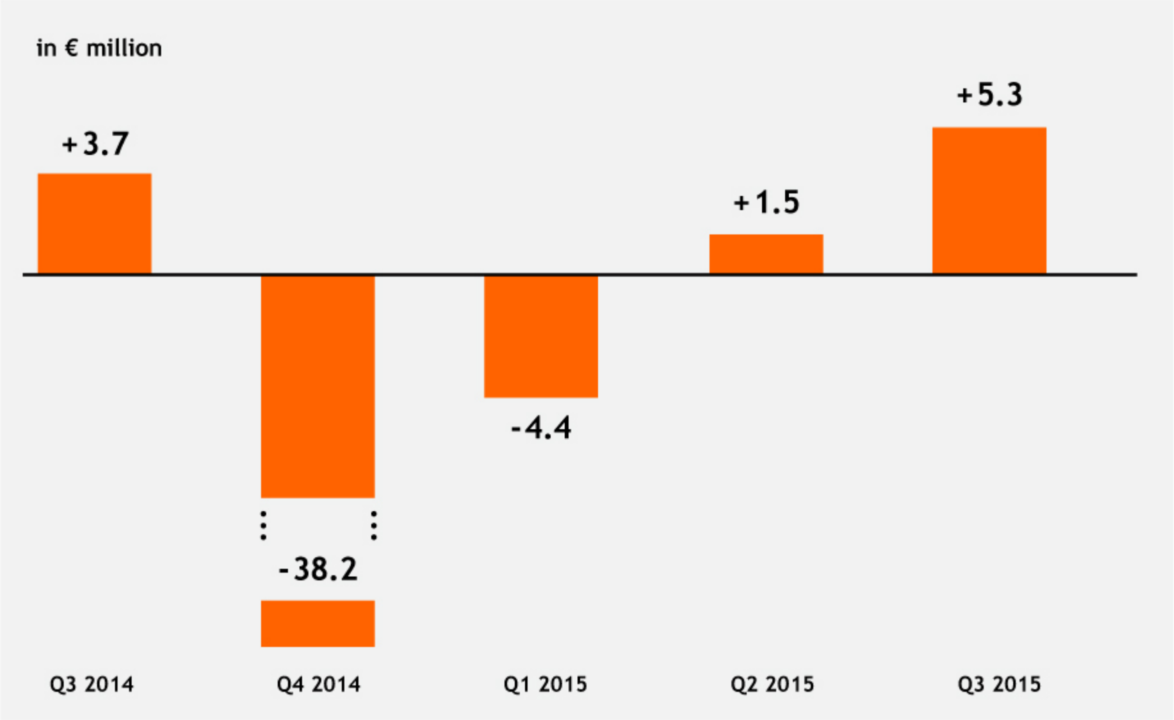
Cloud: Newest segment is starting to earn gross profit



- Increased demand for cloud-based services, i.e. cloud-based telephony
- fonial will open up a new sales channel for cloud-based telephony systems in Q4 2015
- Cloud business still in the early stages

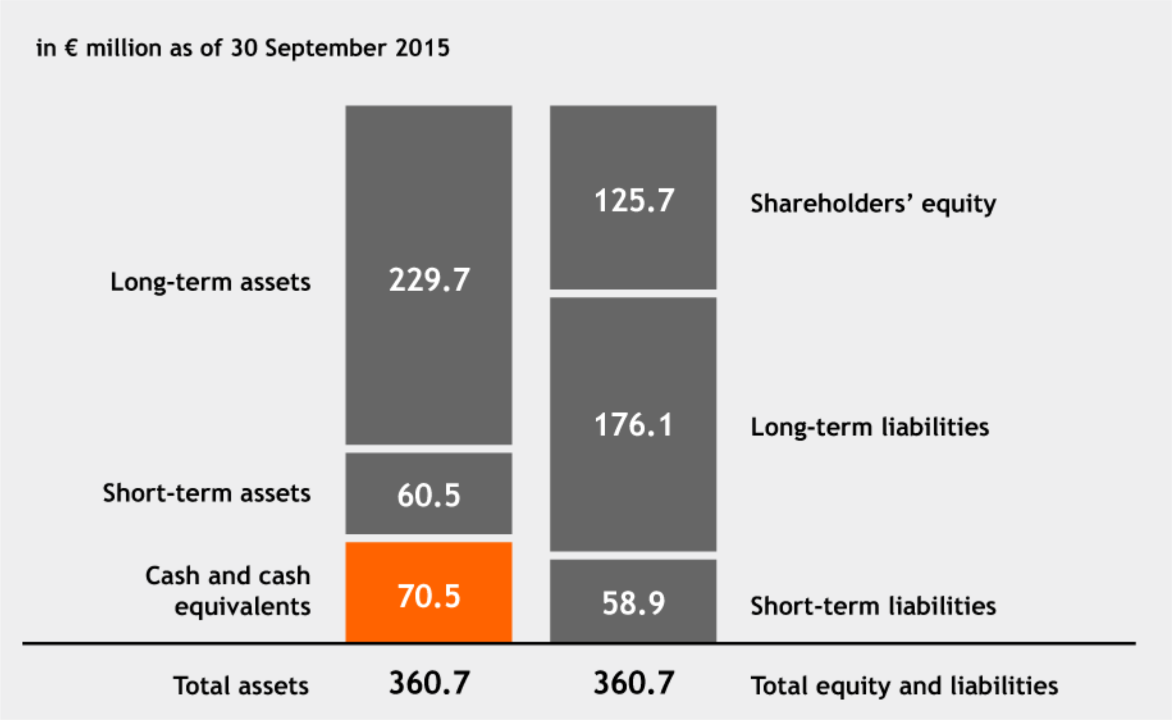
Gross margin

43% increase in free cash flow in Q3 2015



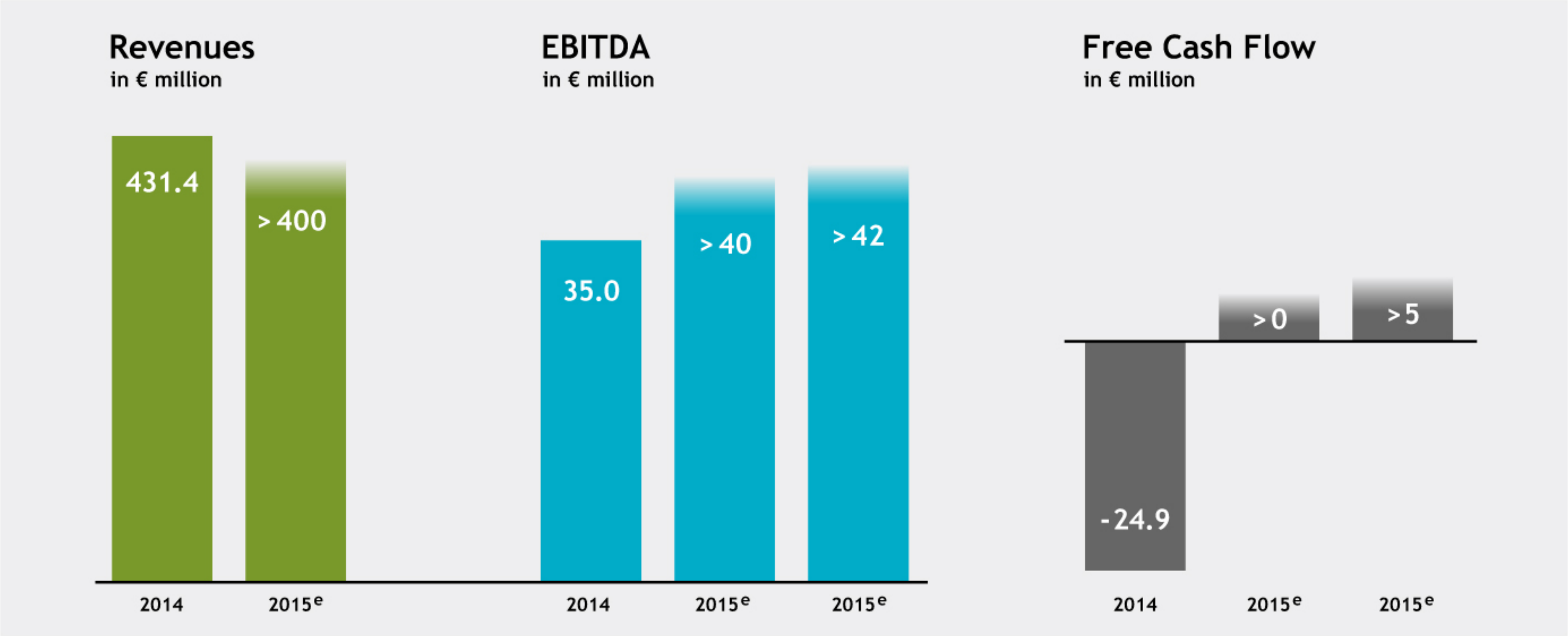
- Compared to Q3 2014, QSC managed to increase free cash flow significantly
- Compared to Q2 2015, QSC more than tripled free cash flow
- For Q4 2015, QSC expects moderate investments in Pure Enterprise Cloud

Equity ratio stands at a solid 35%



- Financing matches maturity: Long-term liabilities and equity cover 131% of long-term assets
- Strong cash position of € 70.5 million

Higher EBITDA and FCF forecast since August 2015



3. Questions & Answers

Contact

QSC AG
Arne Thull
Head of Investor Relations

T +49 221 669-8724
M +49 221 669-8009
invest@qsc.de
www.qsc.de

Twitter.com/QSCIRde
Twitter.com/QSCIRen
blog.qsc.de
xing.com/companies/QSC AG
slideshare.net/QSCAG

Safe harbor statement

This presentation includes forward-looking statements as such term is defined in the U.S. Private Securities Litigation Act of 1995. These forward-looking statements are based on management's current expectations and projections of future events and are subject to risks and uncertainties. Many factors could cause actual results to vary materially from future results expressed or implied by such forward-looking statements, including, but not limited to, changes in the competitive environment, changes in the rate of development and expansion of the technical capabilities of DSL technology, changes in prices of DSL technology and market share of our competitors, changes in the rate of development and expansion of alternative broadband technologies and changes in prices of such alternative broadband technologies, changes in government regulation, legal precedents or court decisions relating, among other things, to line sharing, rent for co-location and unbundled local loops, the pricing and timely availability of leased lines, and other matters that might have an effect on our business, the timely development of value-added services, our ability to maintain and expand current marketing and distribution agreements and enter into new marketing and distribution agreements, our ability to receive additional financing if management planning targets are not met, the timely and complete payment of outstanding receivables from our distribution partners and resellers of QSC services and products, as well as the availability of sufficiently qualified employees.

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.

Disclaimer

This document has been produced by QSC AG (the “Company”) and is furnished to you solely for your information and may not be reproduced or redistributed, in whole or in part, to any other person.

No representation or warranty (express or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained herein and, accordingly, none of the Company or any of its parent or subsidiary undertakings or any of such person’s officers or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.

The information contained in this document does not constitute or form a part of, and should not be construed as, an offer of securities for sale or invitation to subscribe for or purchase any securities and neither this document nor any information contained herein shall form the basis of, or be relied on in connection with, any offer of securities for sale or commitment whatsoever.

QSC AG
Mathias-Brüggen-Str. 55
50829 Cologne