QSC AG

New Partnership with TELE2

Cologne, December 23, 2010

Premium Telecommunication

AGENDA

1. The agreements between QSC and TELE2
2. Implications for QSC
3. Questions & Answers

THE AGREEMENTS AT A GLANCE

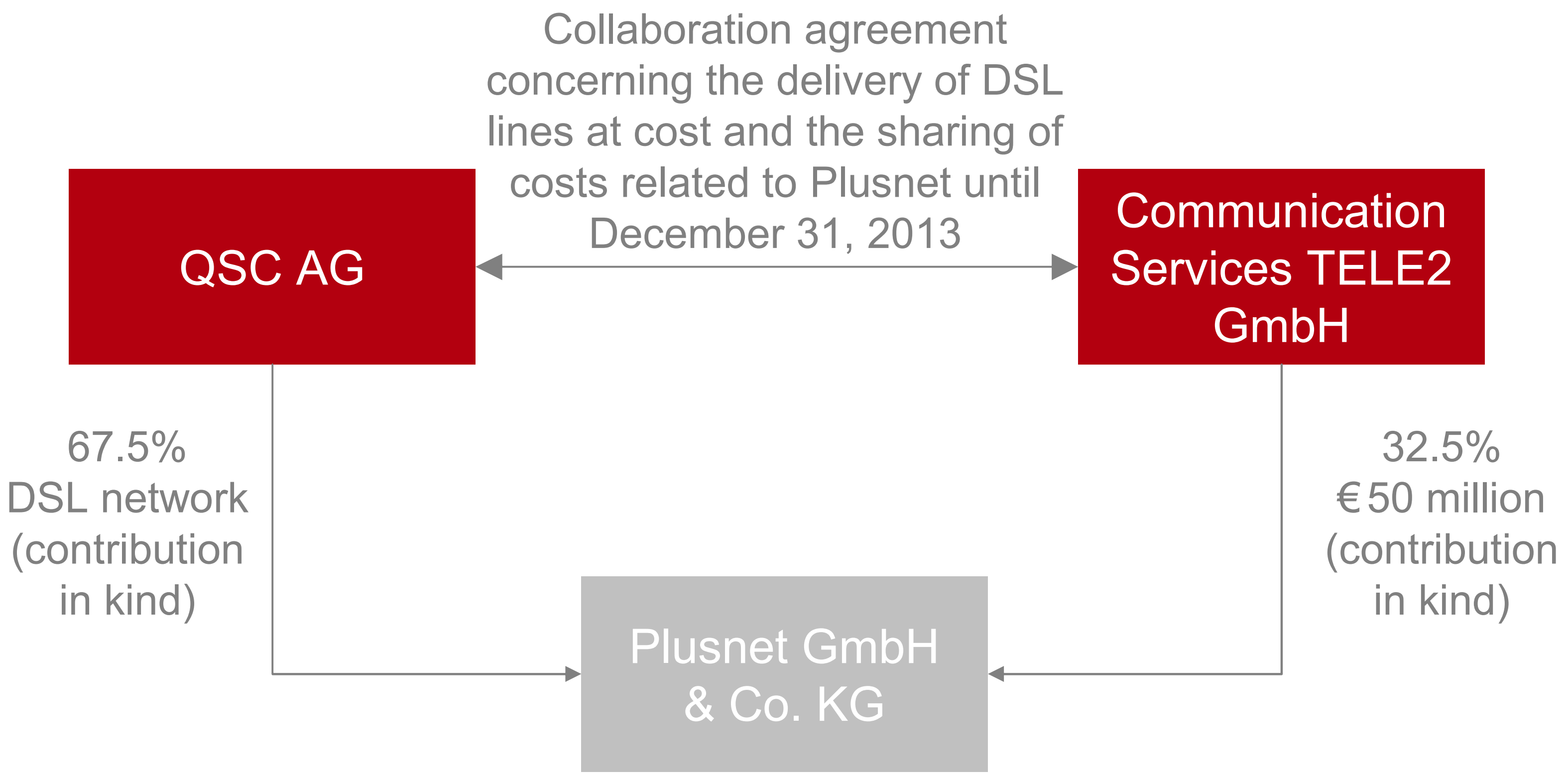
- **Premature termination of the collaboration agreement:**
  TELE2 is paying € 66.2 million for the premature termination of the collaboration agreement, which would otherwise have run through December 31, 2013

- **QSC acquires 32.5% of Plusnet:**
  QSC is paying € 36.7 million to acquire the 32.5%-stake of TELE2 in Plusnet, equivalent to the current book value of the stake

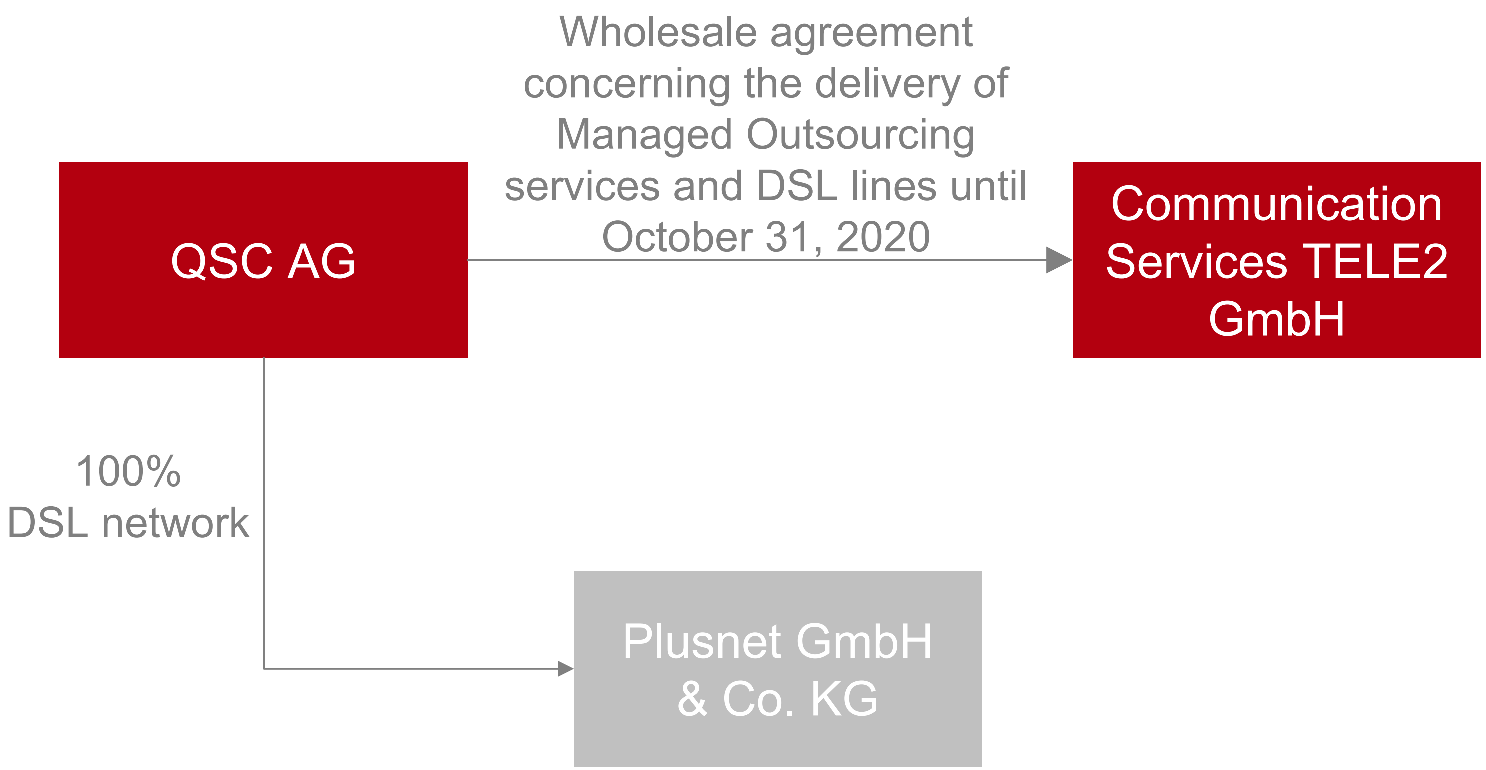
- **10-year Managed Outsourcing contract:**
  Following freenet, TELE2 is the second customer of QSC for its new Managed Outsourcing business

- **10-year DSL wholesale partnership:**
  With TELE2, QSC is gaining another branded DSL wholesale partner (current partners include 1&1, Congstar, HanseNet)

PLUSNET STRUCTURE SINCE FOUNDATION ON SEPTEMBER 1, 2006



NEW STRUCTURE AS OF NOVEMBER 1, 2010



CASH FLOWS AFTER CLOSING IN JANUARY 2011

Net settlement of TELE2 of € 29.5 million

NEW PARTNERSHIP FOR MANAGED OUTSOURCING

- TELE2 and QSC have signed a **partnership**, which **will** initially **run for ten years**
- QSC will **integrate TELE2's narrowband network** into its NGN; customers of 01013 and other services will stay with TELE2
- In the future, QSC will handle the **complete voice traffic**
- TELE2 is the second partner for QSC's Managed Outsourcing services
- With the new partnership, QSC will further broaden its **leading position in handling VoIP-based voice minutes** in Germany

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IMPLICATIONS FOR QSC'S FINANCIALS

- Transaction will become effective immediately but payments will not be due until January 2011
- No major impact on financials for FY 2010
- No major impact on Profit & Loss Statement from 2011 onwards
- Increase of net cash position by € 29.5 million after closing
- Advanced payments will boost QSC's free cash flow in 2011, but lack of TELE2 payments will lower free cash flows in 2012 and 2013
- Unchanged CAPEX forecast, as Plusnet had always been fully consolidated

TWO EFFECTS ON THE BALANCE SHEET

- Reduction in cash and liabilities to minority shareholders by € 37 million respectively
- Increase in cash and deferred costs by € 66 million respectively

Balance Sheet as of Sept 30, 2010 in EUR MM

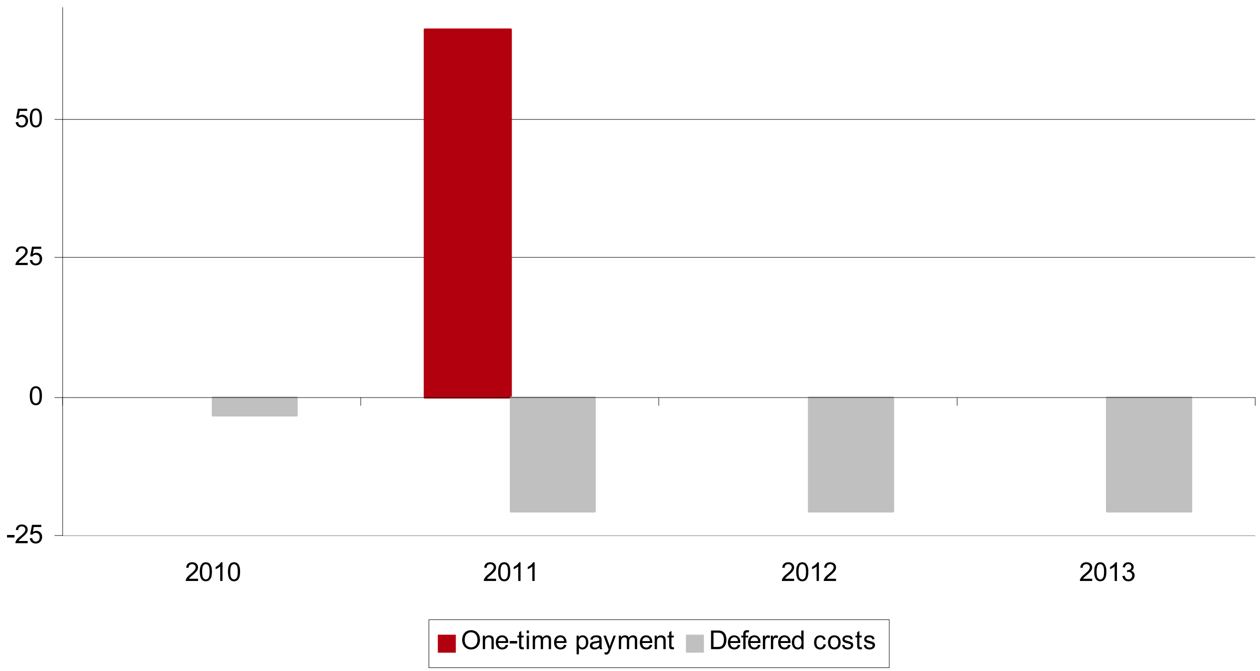
ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Long-term assets	187	Shareholders' Equity	173
Other short-term assets	66	Other liabilities	64
Cash and short-term deposits	48	Interest-bearing debt	27
		Long-term liabilities to minority shareholders	37
TOTAL	301	TOTAL	301
Net cash	*21*	*Equity Ratio*	*57%*

Pro-forma Balance Sheet including the transaction in EUR MM

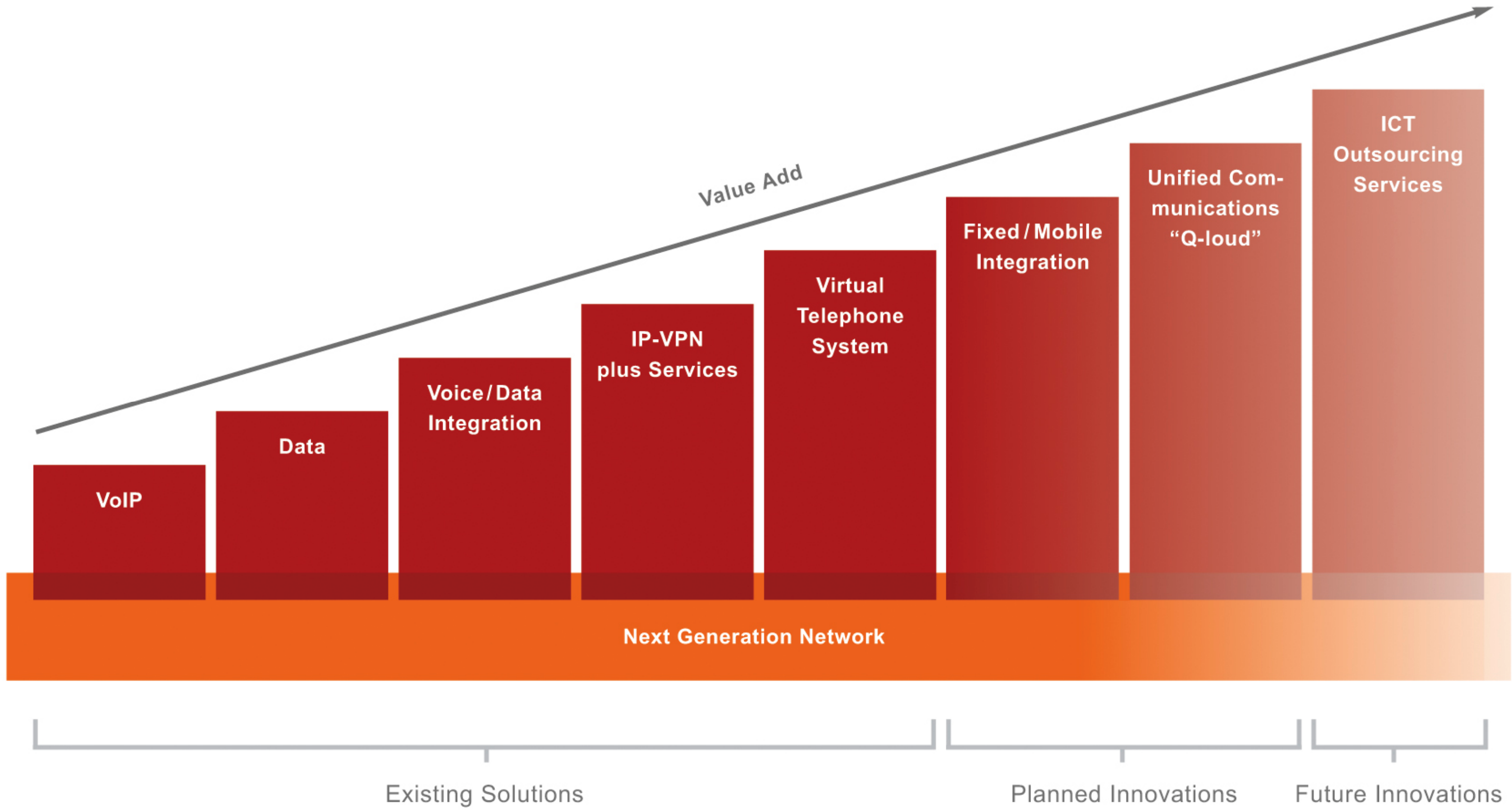
ASSETS		SHAREHOLDERS' EQUITY AND LIABILITIES	
Long-term assets	187	Shareholders' Equity	173
Other short-term assets	66	Other liabilities	64
Cash and short-term deposits	77	Interest-bearing debt	27
		Deferred cost	66
TOTAL	330	TOTAL	330
Net cash	*50*	*Equity Ratio*	*52%*

CASH FLOWS FOR ONE-OFF PAYMENT

- Majority of one-off payment of € 66 million will be deferred over three years (2011 – 2013)
- EBITDAs for 2012 and 2013 will include € 21 million respectively, which will reduce the deferred cost position and therefore be cash neutral



HIGH FREE CASH FLOW IN 2011 WILL FUEL THE TRANSFORMATION PROCESS



QSC'S MID-TERM DEVELOPMENT WILL BE DRIVEN BY FURTHER OPPORTUNITIES

Revenue opportunity

- Voice: QSC efficiently runs all 474 POI and a nationwide NGN
  => QSC is the perfect Managed Outsourcing partner for further telco companies who want to lower their costs per minute

Cost-cutting opportunities

- Data: QSC owns 100% of one of Germany's largest DSL networks
  => Cooperation and optimization in COs and backbone may boost profitability further

- Voice & Data: Ongoing optimization of network capacities to lower costs per unit (voice minutes, Mbps)

NEW AGREEMENTS SUPPORT TRANSFORMATION

- Net cash flow of € 29.5 million further increases financial strength and opportunities for the ICT transformation process
- With 100% of the Plusnet shares, QSC gets maximum flexibility for further network collaboration and consolidation
- Ongoing increase in network efficiency based on the long-term nature of the Managed Outsourcing agreement
- QSC will broaden its leading position in handling VoIP-based voice minutes in Germany
- Strong and clear balance sheet without minorities

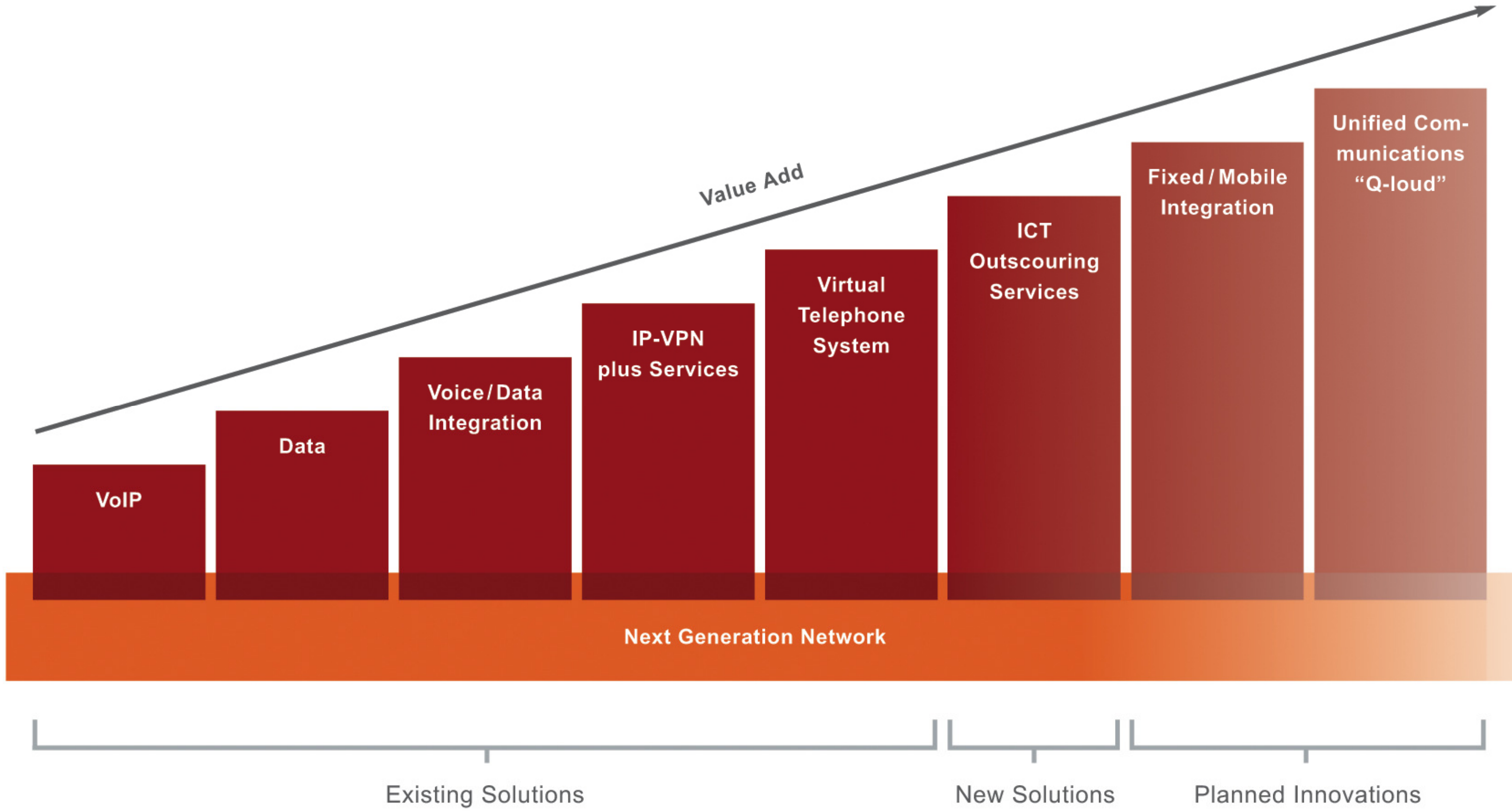
NEW ACQUISITION ACCELERATES TRANSFORMATION

- On December 21, 2010, QSC acquired all shares of IP Partner, Nuremberg
- IP Partner is a fast-growing provider of hosting and IT outsourcing services
- The company operates two data centers with more than 10,000 servers for over 1,000 business customers
- The purchase price involves two components: € 15 million in cash and € 10 million by April 2012 latest, contingent upon various prerequisites

⇒ **Acquisition strengthens IT competence of QSC**

⇒ **Acquisition accelerates transformation to an ICT service provider**

WITH IP PARTNER, QSC NOW REALIZES PLANNED ICT OUTSOURCING SERVICES



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