

QSC AG

Jürgen Hermann, Chief Financial Officer

Deutsches Eigenkapitalforum
Frankfurt, November 11, 2009

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AGENDA

1. **QSC AG – the company**
2. Financials
3. Outlook
4. Questions & Answers

OUR MISSION STATEMENT

QSC is the leading medium sized telecommunications provider in the telecommunication industry, creating sustainable value for its medium sized customers, its partners and employees through superior quality and customer orientation!

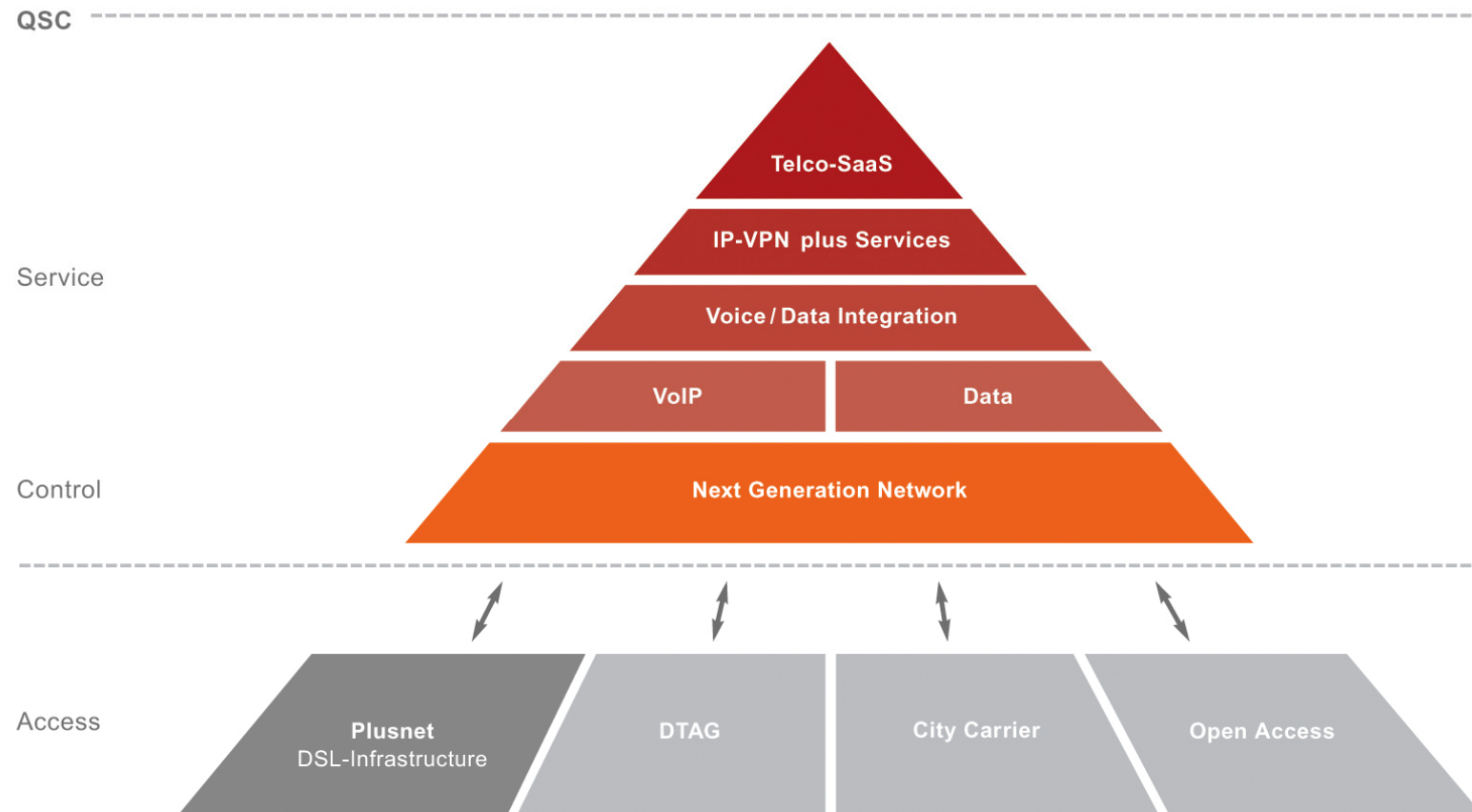
QSC AT A GLANCE

- QSC is a nationwide telecommunications provider for enterprise customers and resellers
- In 2008, QSC has generated revenues of € 413.3 million, earned an EBITDA of € 67.3 million and a positive net result
- In 2009, QSC will further improve its results and expects a Free Cash Flow > € 12 million leading to a Net Cash position
- Today QSC employs 700 staff, of which 450 are based in Cologne. QSC has seven additional offices in Berlin, Bremen, Frankfurt, Hamburg, Hanover, Munich and Stuttgart
- QSC is listed in the TecDAX stock index since 2004

MARKET APPROACH A CUSTOMER-DRIVEN ORGANIZATION

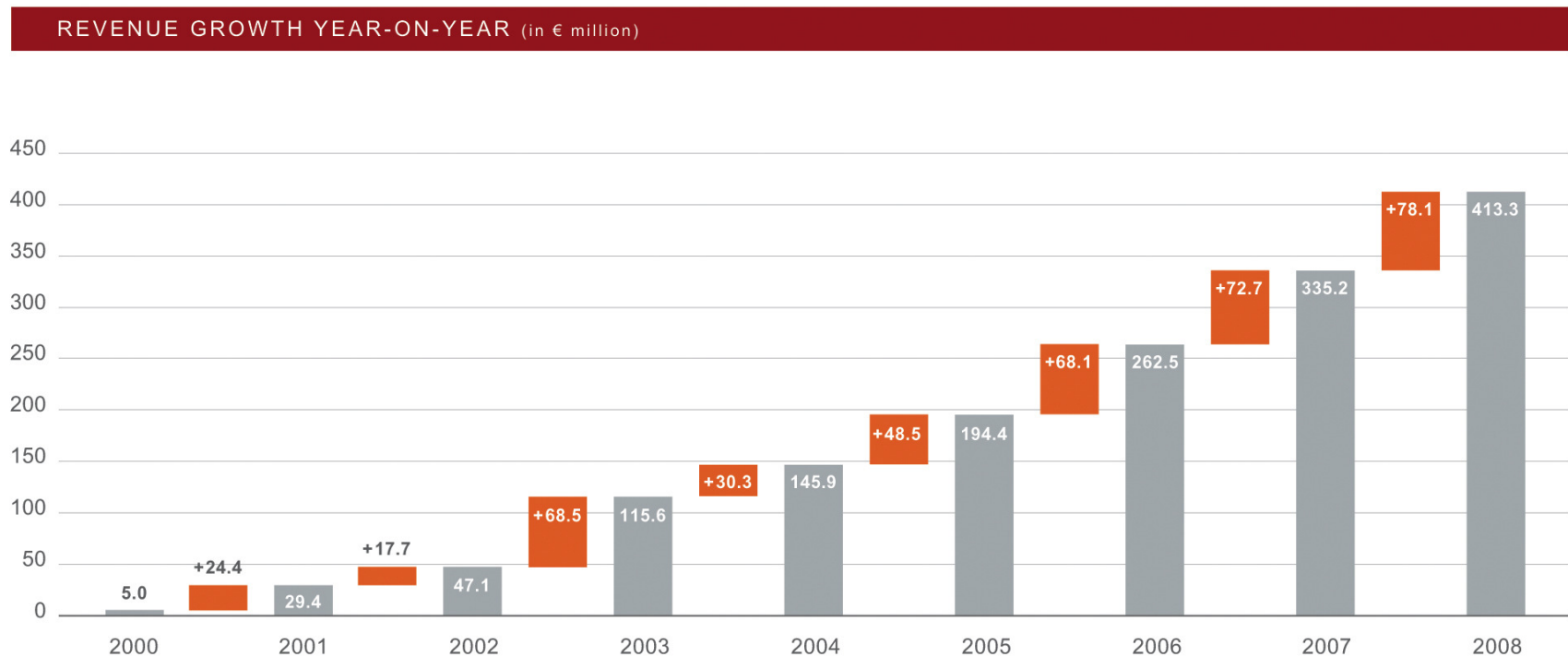
| Business Unit Managed Services | Business Unit Products | Business Unit Wholesale/Resellers | |
|---|--|---|---------------|
| 8,300 medium-sizes enterpises (Revenues >€ 50 million) | 3.3 million SMEs and SoHos (Revenues <€ 50 million) | < 1,000 ISPs, carriers, resellers and branded wholesalers | Target groups |
| Tailor-made solutions | Products with a high level of automatization | Pre-products for data and voice | Services |
| Direct sales force | Network of partners and distributors | Key account management | Sales |
| e.g. ADAC, ARAG, Tchibo | > 20,000 SMEs and SoHos | e.g. 1&1, Congstar, HanseNet, BT, Colt, Cable Operators | Customers |

QSC BUSINESS MODEL SOLUTION PROVIDER WITH THE RIGHT TOOLBOX

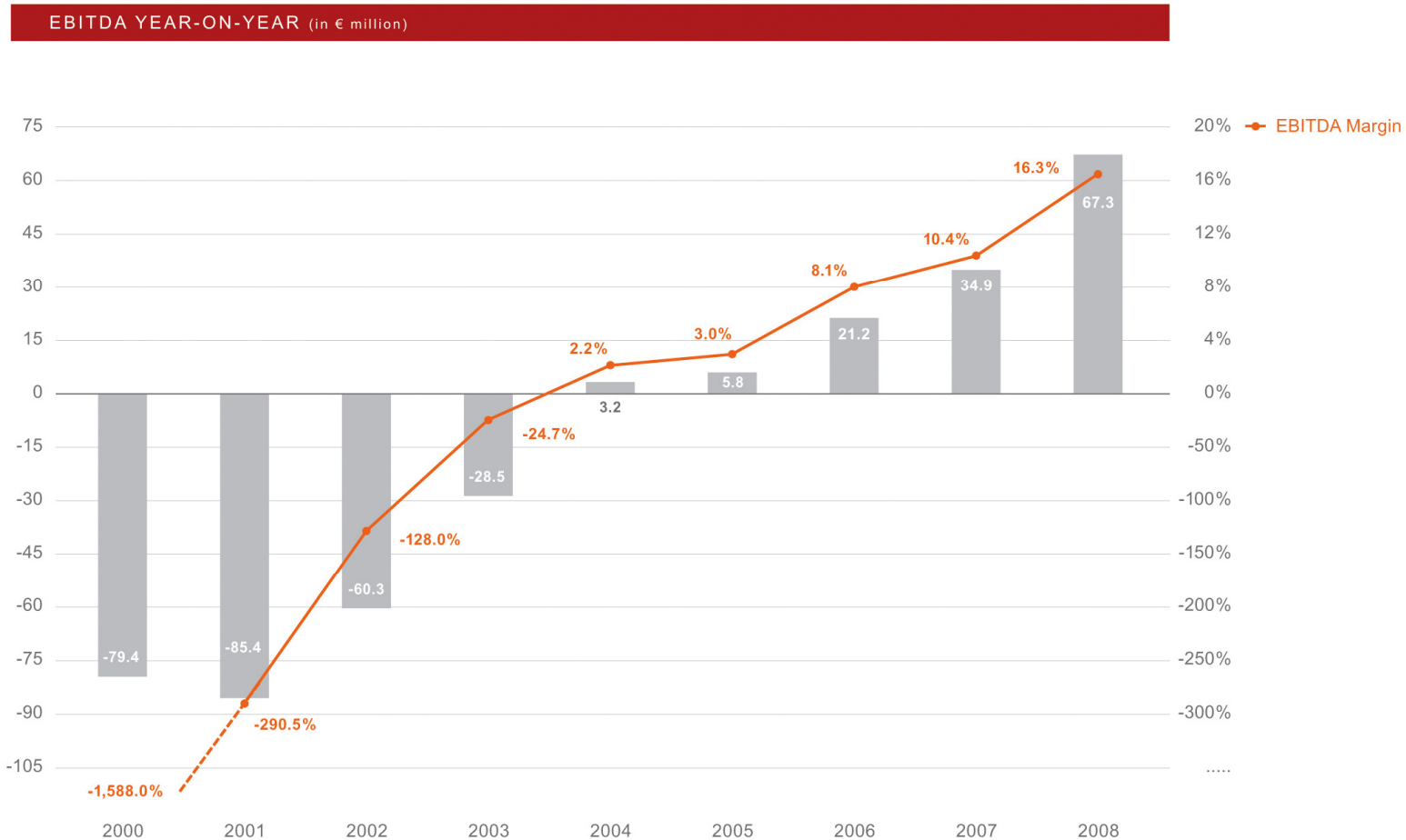


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SINCE IPO, QSC IS A GROWTH COMPANY



QSC FOCUSES ON PROFITABLE GROWTH



QSC IS WELL POSITIONED IN ATTRACTIVE MARKETS

- QSC is **the only medium-sized telco provider** with a nationwide infrastructure in Germany
- QSC is the only telco provider who **focuses on medium-sized companies** and is on eye level
- The **Next Generation Network is up and running**
- The NGN is a prerequisite for **ongoing innovative strength**
- Innovative products and services are marketed by a **focused sales strategy** to
 - **New mid-sized customers**
 - **Existing customer-base** by upselling
- QSC is active in **attractive growth markets**

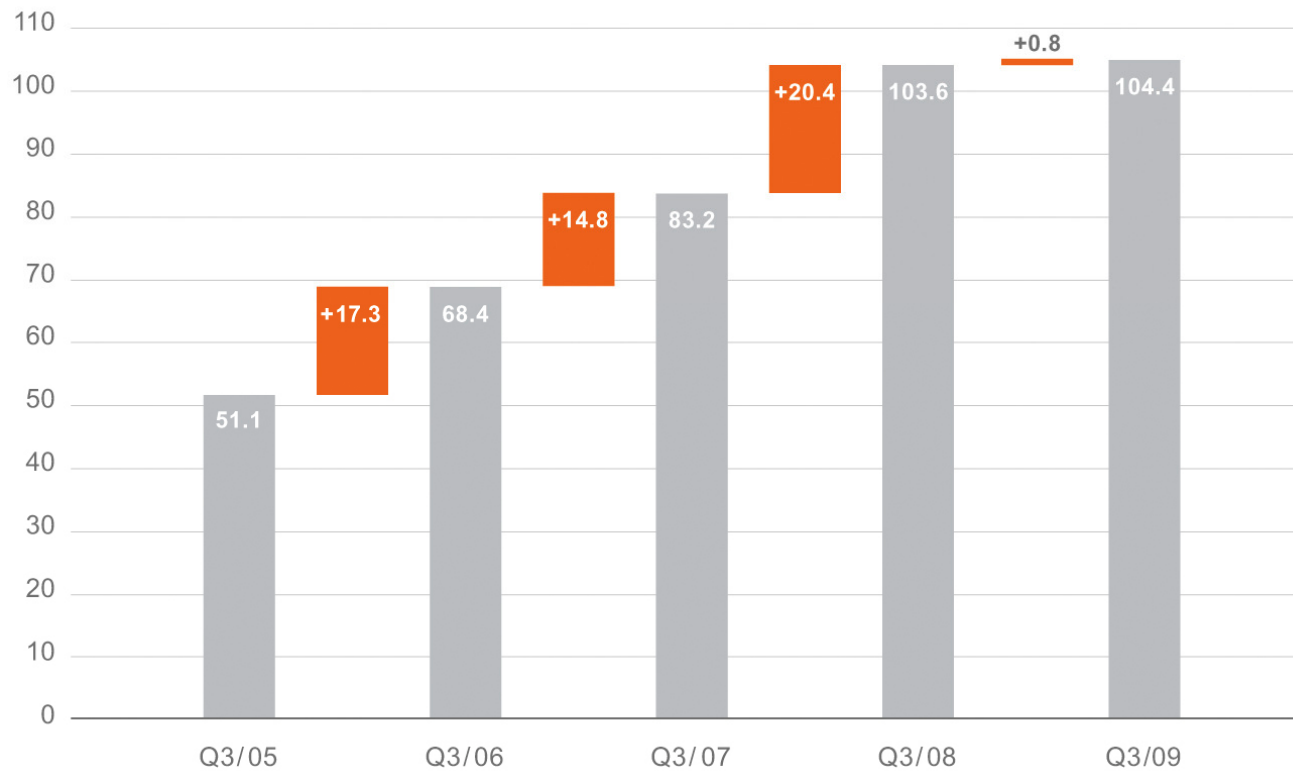
9 => **QSC is moving up the value chain!**

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DEVELOPMENT DURING ECONOMIC CRISIS COINED BY FOCUS ON HIGH-MARGIN REVENUES

REVENUE GROWTH YEAR-ON-YEAR (in € million)



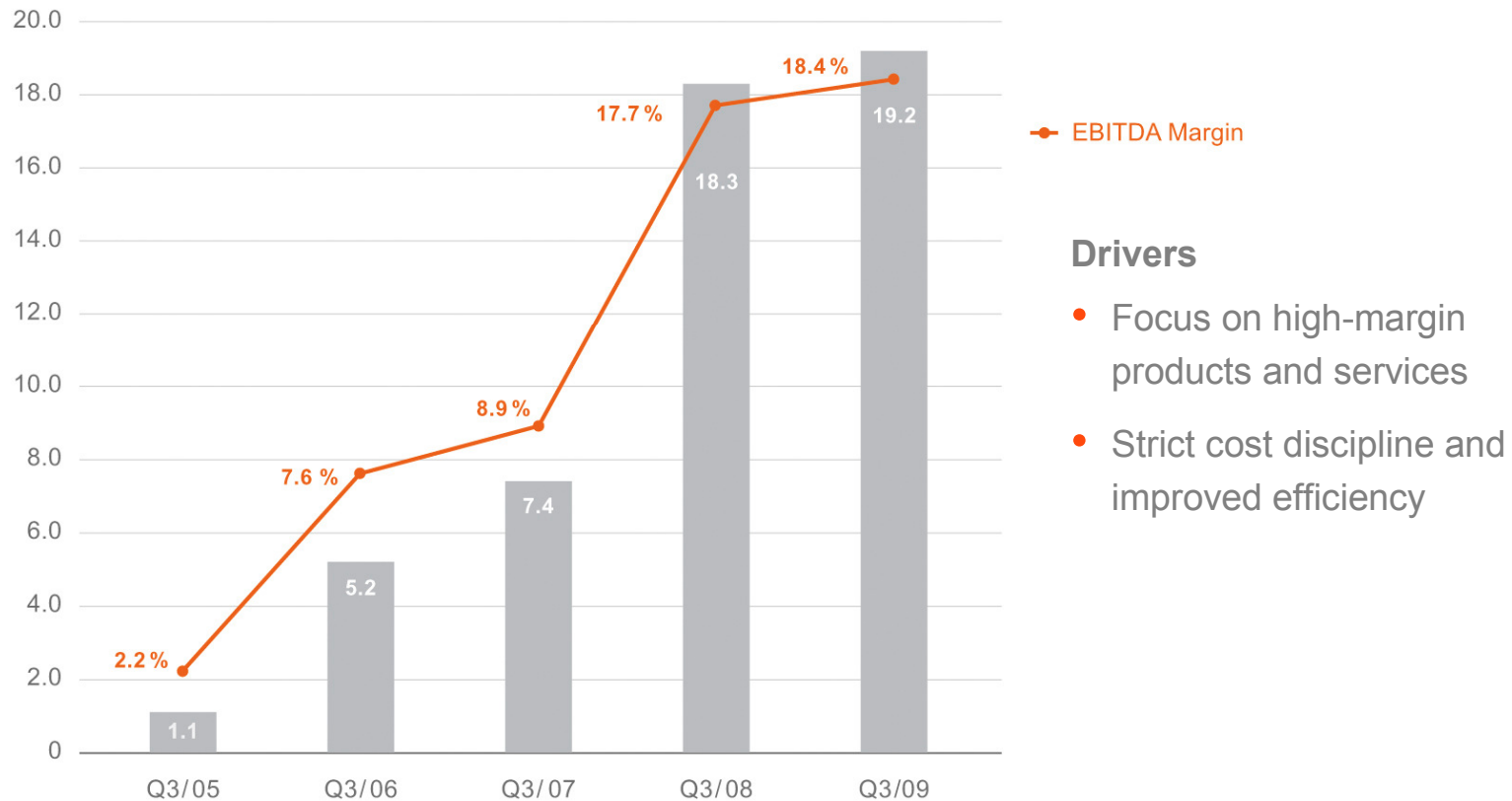
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– Results Q3 2009 –

QSC AG
Premium Telecommunication

HIGH-MARGIN REVENUES LEAD TO RISING EBITDA

EBITDA QUARTER-ON-QUARTER (in € million)



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– Results Q3 2009 –

QSC AG
Premium Telecommunication

Q3 2009 CHARACTERIZED BY HIGHER GROSS PROFIT

| In € millions | Q3 2008 | Q3 2009 | Δ |
|---|--------------|--------------|---------------|
| • Revenues | 103.6 | 104.4 | +0.8% |
| • Network expenses ⁽¹⁾ | 70.3 | 69.1 | -1.7% |
| • Gross profit | +33.3 | +35.3 | +6.0% |
| • Other operating expenses ⁽¹⁾ | 15.0 | 16.1 | +7.3% |
| • EBITDA profit | +18.3 | +19.2 | +4.9% |
| • Depreciation | 15.7 | 16.1 | +2.5% |
| • EBIT profit | +2.6 | +3.1 | +19.2% |
| • Financial results | -0.4 | -0.6 | -50.0% |
| • Income taxes | -0.1 | -0.4 | nm |
| • Net profit | +2.1 | +2.1 | - |

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

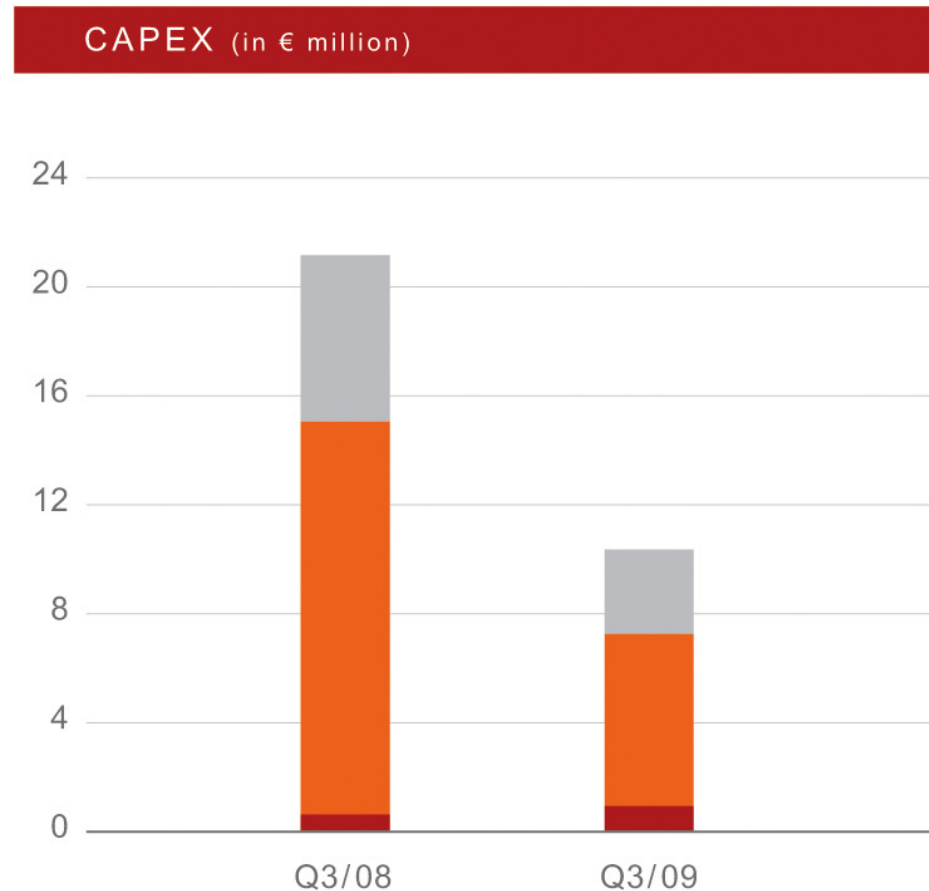
IN THE FIRST NINE MONTHS QSC HAS EARNED A SUSTAINABLE NET PROFIT

| In € millions | Q1-Q3 2008 | Q1-Q3 2009 | △ |
|---|--------------|---------------|---------------|
| • Revenues | 301.3 | 315.7 | +4.8% |
| • Network expenses ⁽¹⁾ | 205.9 | 208.2 | +1.1% |
| • Gross profit | +95.5 | +107.5 | +12.6% |
| • Other operating expenses ⁽¹⁾ | 51.6 | 49.8 | -3.5% |
| • EBITDA profit | +43.9 | +57.7 | +31.4% |
| • Depreciation | 45.7 | 49.8 | +9.0% |
| • EBIT profit (loss) | -1.8 | +7.9 | nm |
| • Financial results | -1.4 | -2.1 | -50.0% |
| • Income taxes | -0.3 | -1.2 | nm |
| • Net profit (loss) | -3.5 | +4.6 | nm |

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

CAPEX HALVED IN Q3 2009



Drivers

- Conclusion of network rollout in Q2 2008
- Customer-driven CAPEX declined due to less ADSL2+ installations

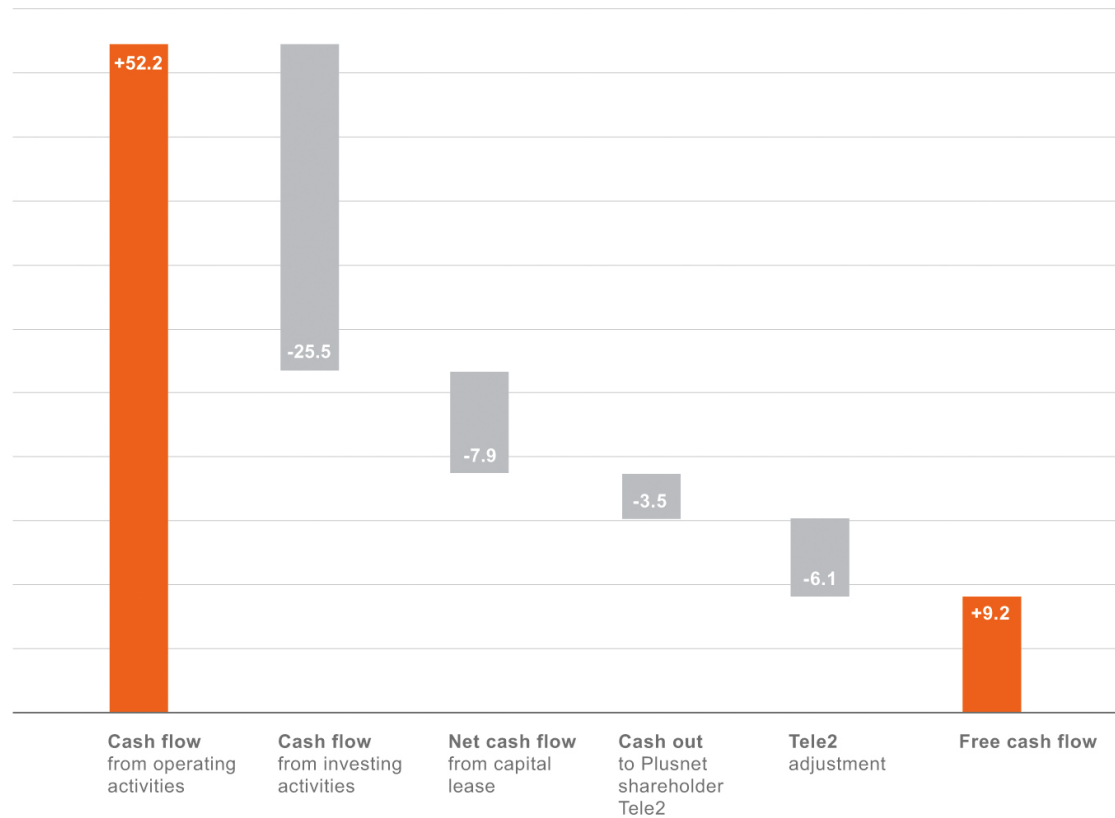
Consequence

- Low and stable level of CAPEX in 2009

- Network Extension
- Customer driven
- Other

QSC EARNS POSITIVE FREE CASH FLOW ...

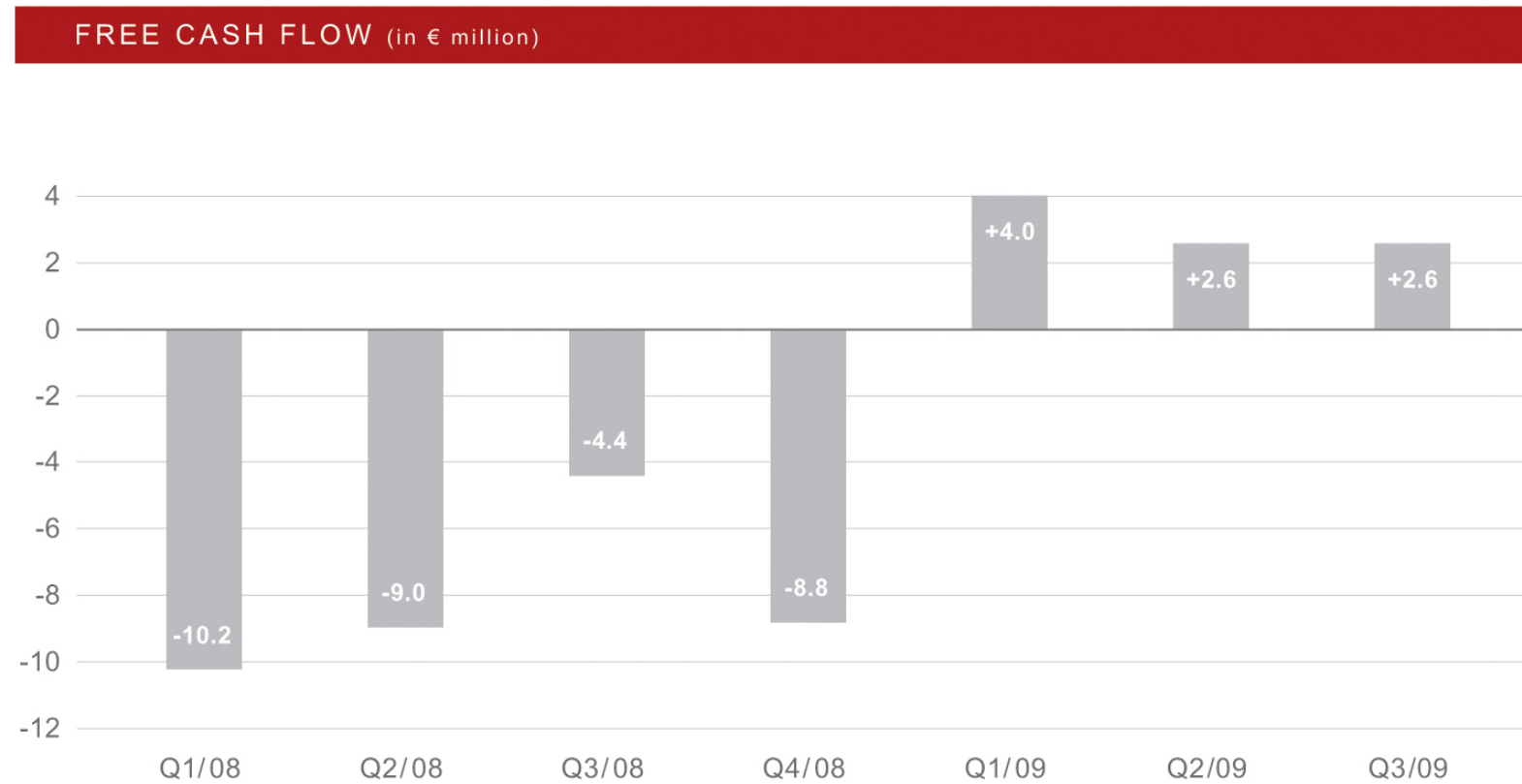
DERIVATION OF FREE CASH FLOW (in € million)



Drivers of FCF

- High cash flow from operating activities (+14% y-o-y)
- Lower Capex (-51% y-o-y)

... QUARTER BY QUARTER IN 2009

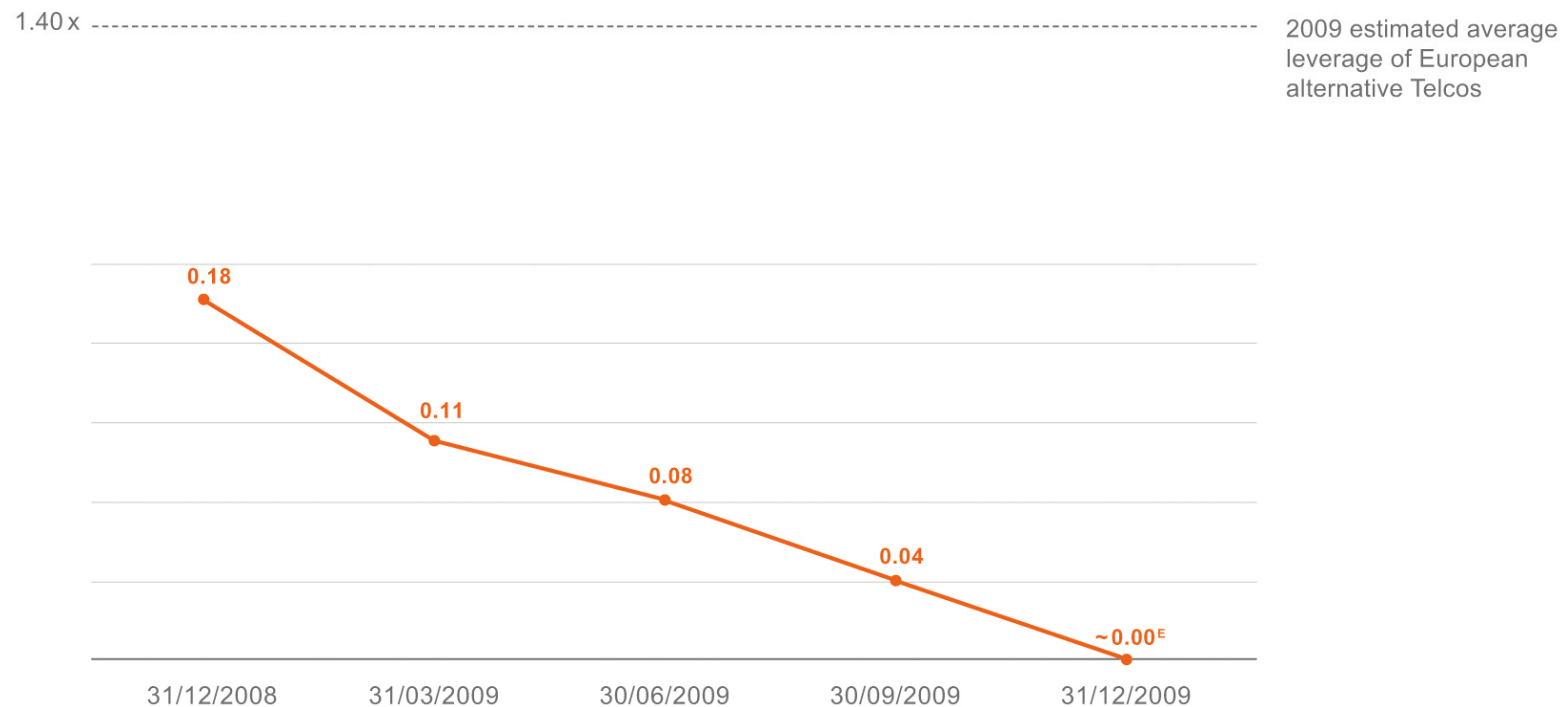


NET DEBT REDUCTION DUE TO FREE CASH FLOW

| In € millions | Dec. 31, 2008 | Sep. 30, 2009 | △ |
|---------------------------------------|---------------|---------------|--------------|
| + Cash and short-term deposits | +48.8 | +42.1 | -6.7 |
| + Available-for-sale financial assets | +0.3 | +0.3 | - |
| + Liquidity | +49.2 | +42.5 | -6.7 |
| - Finance lease obligations | -37.5 | -26.8 | +10.7 |
| - Other short-term liabilities | -8.8 | -3.7 | +5.1 |
| - Liabilities due to banks | -15.0 | -15.0 | - |
| - Financial debt | -61.3 | -45.5 | +15.8 |
| = Net liquidity (net debt) | -12.2 | -3.0 | +9.2 |

QSC'S FINANCIAL SOLIDITY OUTPACE THE EUROPEAN TELCO INDUSTRY

LEVERAGE RATIO (net debt to EBITDA)



MAJOR ACHIEVEMENTS IN Q3 2009

- Focus on high-margin revenues is paying off
- Profitability is rising
- Continued focus on industrialization to increase efficiency
- Relaunch IPfonie centraflex with new functionalities
- Development of new distribution channel for IP-based products

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OUTLOOK 2009

FOCUS ON CASH FLOW AND PROFITABILITY

- General conditions in Germany still gloomy
- QSC will continue to **focus on cash flow and profitability** in Q4 2009 and beyond
- **CAPEX will be less than € 50 million**, nearly half the amount of 2008

=> the investment period is over!

OUTLOOK 2009

QSC REVISED GUIDANCE

- **EBITDA at the upper end of the € 68- to 78-million corridor** and revenues at the lower end of the € 420- to € 440-million corridor
- **Free cash flow of at least € 12 million**, instead of the previously announced figure of at least € 10 million
- **Sustained net income**
- **QSC will be net debt free at year-end 2009**

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CONTACT

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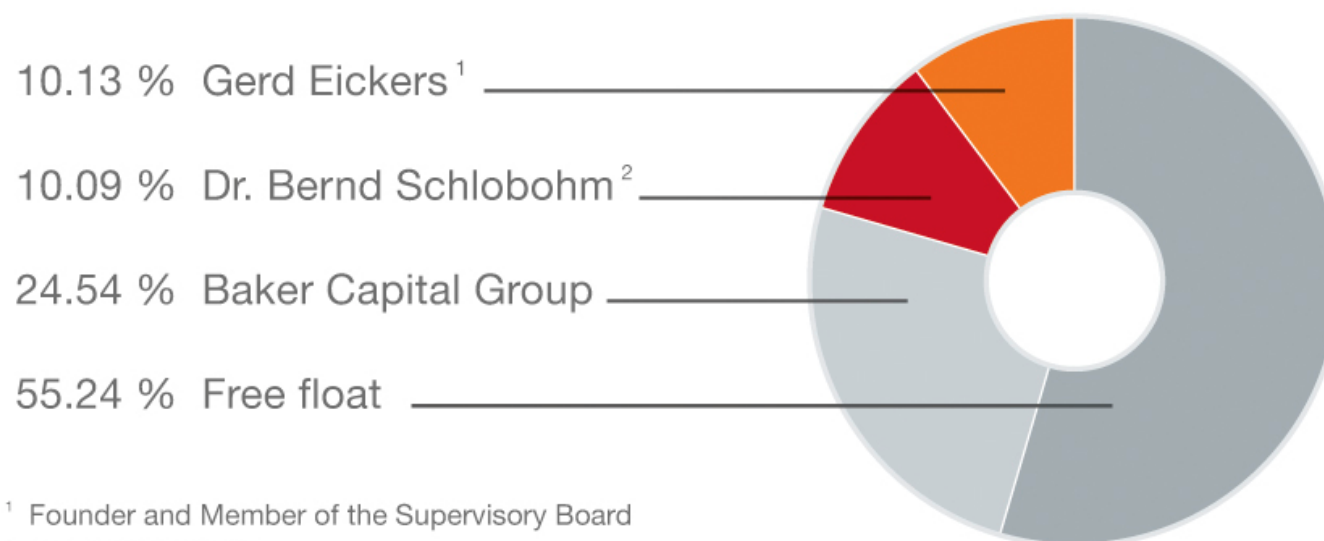
A complete list of the risks, uncertainties and other factors facing us can be found in our public reports and filings with the U.S. Securities and Exchange Commission.

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STABLE SHAREHOLDER STRUCTURE SINCE IPO

SHAREHOLDER STRUCTURE



¹ Founder and Member of the Supervisory Board

² Founder and CEO

Status quo: 31/10/2009