QUARTERLY REPORT
THIRD QUARTER 2015

SECURE.
INNOVATIVE.
AT YOUR SIDE.

QSC AG

KEY DATA

in € million	01/07/ – 30/09/ 2015	01/07/ – 30/09/ 2014	01/01/ – 30/09/ 2015	01/01/ – 30/09/ 2014
Revenues	100.0	106.6	305.6	325.1
EBITDA	12.0	8.8	31.7	32.7
Depreciation / amortisation[1]	12.6	12.7	37.5	37.5
EBIT	(0.6)	(3.9)	(5.8)	(4.8)
Net income	(1.7)	(6.2)	(7.8)	(9.8)
Earnings per share[2] (in €)	(0.01)	(0.05)	(0.06)	(0.08)
Free cash flow	5.3	3.7	2.4	13.2
Capital expenditure (capex)	7.2	6.3	14.6	19.2
Capex ratio[3] (in %)	7.2	5.9	4.8	5.9
Liquidity			70.5[4]	88.1[5]
Shareholders' equity			125.7[4]	145.6[5]
Long-term liabilities			176.1[4]	180.2[5]
Short-term liabilities			58.9[4]	79.7[5]
Balance sheet total			360.7[4]	405.5[5]
Equity ratio (in %)			34.8[4]	35.9[5]
Xetra closing price as of 30 September (in €)			1.51	2.23
Number of shares as of 30 September			124,162,487	124,142,487
Market capitalisation as of 30 September			187.5	276.8
Number of employees as of 30 September			1,507	1,709

[1] Including non-cash share-based remuneration
[2] Basic and diluted
[3] Ratio of capital expenditure to revenues
[4] As of 30 September 2015
[5] As of 31 December 2014

CONTENTS

LETTER TO OUR SHAREHOLDERS

Dear Shareholders,

Secure. Innovative. At Your Side. That is our claim. QSC is the digitiser for the German SME sector. With its experience and innovative strength, QSC is securely accompanying its customers into the digital age. This positioning also characterises the Company's completely new window to the world. The new website allows users to experience QSC as a forward-looking one-stop provider.

QSC can offer experience and expertise in four key areas of the digital age: Cloud, Consulting, Outsourcing and Telecommunications. Our company is one of only a small number of providers to cover the entire range of IT and TC services and offer customers consistently high quality along the whole value chain. We will exploit these competitive strengths even more extensively in future. For our customers, numbering more than 30,000, this will create entirely new opportunities for digitisation in the years ahead. Tchibo, one of Germany's largest retailers, for example, is drawing on this expertise. In future, QSC will be assisting this long-term strategic customer in digitising its business processes as well.

Pure Enterprise Cloud strikes right note with SMEs

Digitising processes is inextricably linked with their automation – and this can generate substantial efficiency benefits for companies. With its Pure Enterprise Cloud, QSC is currently creating the conditions to leverage this efficiency potential and gradually migrate customers' IT into the digital age. Initial projects show that we have struck exactly the right note with SME players. The broad-based market launch is set to follow next year.

The Pure Enterprise Cloud underlines QSC's innovative strength and is characteristic of the Company's new start after a year full of challenges. The quarterly figures presented here show positive developments in earnings and free cash flow; the cost-cutting programme is clearly taking effect. To account for this, in August we raised our full-year forecast for 2015. Compared with the beginning of the year, QSC now expects to generate higher EBITDA and stronger free cash flow.

Innovation at QSC: cloud-based fonial telephone system

And QSC is looking ahead once again. The current quarter will see the market launch of fonial, a further internally developed cloud product. This cloud-based telephone system is easy to use, can be used both at the workplace and mobile, and is designed to meet the needs of companies with up to 20 employees. It is exclusively sold online. This new product exemplifies the standard of service we promise our customers – it enables smaller companies to migrate to the All-IP age in telephony and is thus "at their side". This product is doubtlessly innovative and – thanks to its operation at our proprietary data centres nationwide – also extremely secure. Secure. Innovative. At Your Side. That is what QSC stands for.

Cologne, November 2015

Jürgen Hermann
Chief Executive Officer

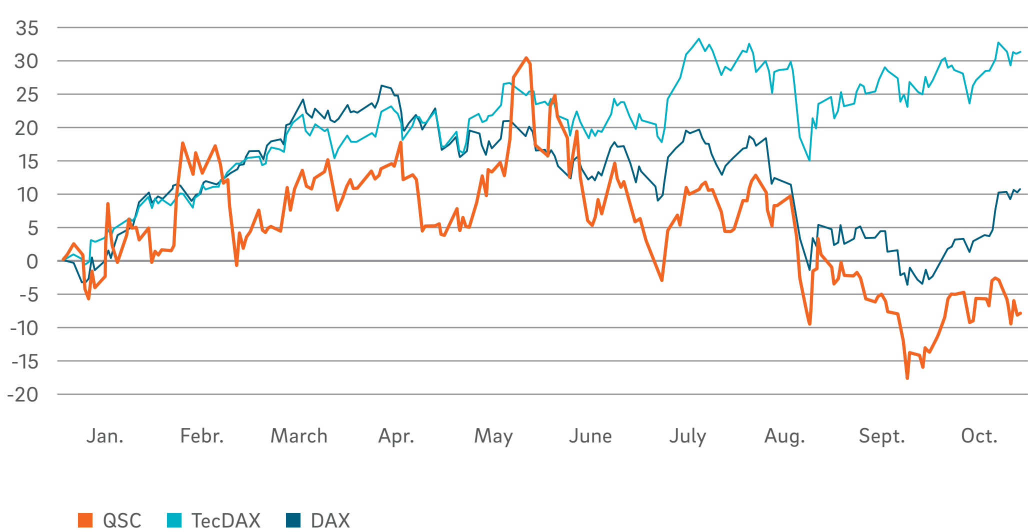
QSC SHARE PERFORMANCE

DAX cedes significant ground in third quarter of 2015. The uncertainties surrounding further developments in emerging economies in particular and the timing of the turnaround in US interest rate policy weighed on capital markets in the third quarter of 2015. The DAX lost 12 percent and closed at 9,660 points on 30 September 2015. The TecDAX, which managed to escape the negative trend once again, rose by 6 percent in the past quarter.

As a general rule, in times of uncertainty investors tend to steer clear of smaller stocks and companies in transformation – and QSC is one such company. The share price thus fell by 18 percent in the period under report and closed at € 1.51 on 30 September 2015. Above all in September, QSC's share price fell sharply in a turbulent market climate and only managed to leave the yearly low of € 1.40 reached on 24 September in the course of October. By the end of October 2015, the share price stood at € 1.60. Having said this, QSC already published the turnaround in its earnings performance upon the presentation of its half-year report on 10 August 2015 and also raised its full-year forecast for 2015 just over a week later. In talks, numerous fund managers expressly welcomed the progress made, but pointed out that they would be maintaining their more cautious approach until such time that the turnaround gained further ground. Most analysts assess the situation in similar terms. At the end of September 2015, seven analysts recommended holding QSC shares, while two advised investors to sell and one analyst issued a buy recommendation.

Seven analysts recommend "hold" for QSC's shares

QSC Share Price Performance
(indexed)



Retail investors own 64 percent of free float

Rising share of retail investors. The caution shown by institutional investors also left its mark on QSC's shareholder structure in the past quarter. Based on an analysis of the share register, the institutional share of free float fell by 4 percentage points to 36 percent as of 30 September 2015. At this time, 64 percent of the shares were held by retail investors. Overall, free float accounted for 75 percent of QSC shares and was distributed among 30,982 shareholders. QSC's two founders – Gerd Eickers and Dr. Bernd Schlobohm – were still the largest shareholders, with stakes of 12.5 percent each.

Shareholder Structure as of 30 September 2015

The interest shown by retail investors was the key factor driving lively trading with QSC shares in the past quarter. On average, more than 800,000 shares changed hands per trading day, equivalent to an 18 percent increase compared with the third quarter of 2014. Total stock market trading volumes amounted to € 94.6 million.

INTERIM CONSOLIDATED REPORT
THIRD QUARTER 2015

Business Framework

Robust upturn in Germany. In their autumn survey, Germany's leading economic research institutes forecast that German gross domestic product would grow by 1.8 percent in both 2015 and 2016. Among other factors, they predict a gradual revival in capital expenditure, a development from which the ICT industry can also expect to benefit. Cloud computing and IT security will remain key focuses of capital expenditure in this respect, as was demonstrated most recently by the IT SME Report presented by the BITKOM industry association in October 2015. Particularly when it comes to IT security, medium-sized German companies – QSC's core target group – have a significant need to catch up. The 2015 Security Monitor issued by the "Deutschland sicher im Netz" (DsiN) internet security association and DATEV eG makes it clear that there is a mismatch between advancing digitisation and the resultant increase in the number external accesses to internal company networks on the one hand and data and system protection on the other. According to the report, 55 percent of companies have yet to secure their e-mail traffic against third-party access. With its FTAPI software, QSC has an easy to implement solution for sending and receiving encrypted e-mails and documents. This software will also be used for Vodafone's new Secure E-Mail, most likely from the end of 2015.

Business Performance

EBITDA up 36 percent to € 12.0 million. The consistent implementation of the cost-cutting programme introduced at the end of February 2015 clearly paid off in the third quarter of 2015 as well. EBITDA grew year-on-year by 36 percent to € 12.0 million. All other key earnings figures also showed significant year-on-year improvements once again. The scale of this turnaround is apparent from the marked rise in free cash flow, which amounted to € 5.3 million in the third quarter of 2015, up 43 percent on the previous year's figure.

All key earnings figures improve on previous year

EBITDA
in € million

Consistent with expectations, the Company's revenues of € 100.0 million, on the other hand, fell short of the previous year's figure of € 106.6 million. While revenues in the Consulting and Cloud businesses increased, in some cases significantly, revenues in the other two segments decreased. Due to market and regulatory factors, B2B2C revenues in the Telecommunications

Outsourcing achieves notably higher margin

business declined further. The current reorganisation program left its mark on the Outsourcing business. Having said that, the clear focus on higher-margin orders and implementation of the cost-cutting programme led to a significant improvement in margins, especially in the Outsourcing segment.

Stable telecommunications business with corporate customers. Revenues in Telecommunications, the largest segment, came to € 55.0 million in the third quarter of 2015, as against € 57.8 million in the previous year's period. Here, QSC achieved slight revenue growth compared with the second quarter of 2015. Of revenues, 60 percent were attributable to the highly contested B2B2C business with resellers, which primarily targets private customers, and 40 percent to the stable B2B2B business with corporate customers. Despite stricter regulation, revenues in this business have consistently totalled around € 22 million per quarter for more than two years now. Overall, the latest decisions taken by the Federal Agency will cost QSC telecommunications revenues of around € 2.5 million per quarter in the current year.

Revenues, Telecommunications

in € million

Consistent reorganisation in Outsourcing. In the third quarter of 2015, Outsourcing revenues totalled € 33.1 million, as against € 39.1 million in the previous year's period. This segment has been subject to a far-reaching reorganisation of its business model in the current financial year. One key focus involves completing the Pure Enterprise Cloud (PEC), whose range of services covers all options for online IT use. It allows customers to gradually transform their IT to the cloud age, as it facilitates both effective provision and use of traditional IT applications and the integration of new cloud services.

Revenues, Outsourcing

in € million

QSC will target both new and existing customers with its PEC. During the ongoing reorganisation programme, the Direct Sales business is focusing on securing its existing business and managed to extend and expand numerous contracts in the third quarter of 2015. At € 58.8 million, order intake was above the previous year's figure of € 55.3 million.

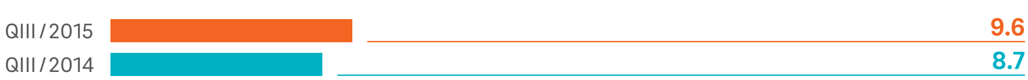
QSC extends and expands existing customer contracts

The opportunities harboured by the existing business are illustrated by an order placed by QSC's longstanding customer Tchibo in August 2015. This retailer has contracted QSC to further digitise its existing IT landscape and business processes. The key focus here is on migrating select SAP systems to the new real-time database technology SAP HANA, thus enabling the company to react faster and more precisely to customers' purchasing behaviour.

Double-digit growth in Consulting. As in the two previous quarters already, QSC generated double-digit growth in its Consulting segment in the third quarter of 2015. Revenues grew year-on-year by 10 percent to € 9.6 million. Here, QSC benefited in particular from its expertise in projecting and implementing SAP solutions.

Revenues, Consulting

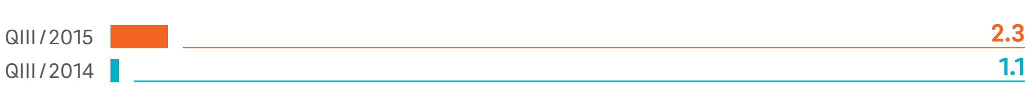
in € million



Cloud revenues double. Revenues in Cloud, QSC's newest segment, more than doubled to € 2.3 million in the third quarter of 2015. Q-loud is making an increasingly marked contribution in this respect. This subsidiary develops cloud solutions in the Internet of Things and works to this end with the internally developed "SOLUCON – The Enabling Technology" platform. In the third quarter of 2015, Huawei – one of the world's leading ICT providers – opted to draw in future on services from this platform, such as encryption, secure data transfer and transaction-based billing.

Revenues, Cloud

in € million



Staff cuts progressing rapidly. One core component of the current cost-cutting programme involves downsizing the workforce by around 350 employees by the end of 2016. At the end of September 2015, the Company had already concluded employment termination agreements with 230 employees. Given termination notice periods, this reduction will take time to impact on personnel expenses and on the number of employees reported.
The success already achieved in implementing this programme enabled QSC to raise its 2015 full-year forecast in August 2015. The Company now expects to generate EBITDA of more than € 42 million and free cash flow of more than € 5 million with revenues still expected to total more than € 400 million (please also see "Outlook").

Earnings Performance

Sustainable improvement in profitability. The turnaround in earnings consolidated further in the third quarter of 2015: Gross profit rose to € 27.6 million, up from € 26.1 million in the previous year's quarter. The gross margin improved over the same period by 4 percentage points to 28 percent.

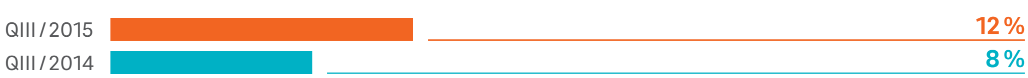
Gross margin

Marked reduction in costs compared with previous year's quarter

The key factor driving this increase in the Company's earnings strength is the consistent implementation of the cost-cutting programme. At € 72.4 million, cost of revenues for the period under report was thus 10 percent lower than the previous year's figure of € 80.5 million.
Over the same period, QSC managed to reduce its sales and marketing costs by 13 percent to € 8.1 million, and its general and administrative expenses by 7 percent to € 7.6 million.

EBITDA margin rises to 12 percent. In the third quarter of 2015, QSC generated EBITDA of € 12.0 million, as against € 8.8 million in the previous year's period. The development in this key figure over time underlines the upward trend. In the current financial year, EBITDA has risen from € 9.1 million in the first quarter and € 10.6 million in the second quarter to the current figure of € 12.0 million. In the quarter under report, the EBITDA margin came to 12 percent, up from 8 percent in the previous year's period. EBITDA is defined as earnings before interest, taxes, amortisation of deferred non-cash share-based remuneration, depreciation/amortisation and impairment losses on customer-related inventories and depreciation/amortisation of property, plant and equipment and intangible assets. The EBITDA margin expresses EBITDA as a percentage of revenues.

EBITDA margin



At € 12.6 million, depreciation and amortisation were virtually unchanged on the previous year's figure in the past quarter. As a result, QSC substantially improved its operating earnings (EBIT) as well, which came to € -0.6 million in the third quarter as against € -3.9 million one year earlier. After net financial expenses and taxes, this resulted in consolidated net income of € -1.7 million, compared with € -6.2 million in the previous year's period.

QSC substantially improves its third-quarter EBIT

Earnings Performance by Segment

Stable margins in Telecommunications business. In its largest segment, QSC has long been exposed to tough price competition, particularly in its business with resellers. The stabilisation in margins in the course of the year to date is therefore to be viewed all the more positively. The gross margin amounted to 28 percent in the third quarter of 2015, up from 26 percent in the previous quarter. Compared with the third quarter of 2014, the gross margin remained unchanged. In absolute figures, QSC generated gross profit of € 15.3 million in this segment in the past quarter, as against € 16.2 million in the previous year's period.

Gross margin, Telecommunications

Including sales and marketing expenses, this produced a segment contribution of € 11.1 million, compared with € 11.3 million one year earlier. The segment margin came to 20 percent, thus exceeding the previous quarter's figure by 1 percentage point. Compared with the third quarter of 2014, the margin remained stable.

Outsourcing posts substantial improvement in earnings. In the current year, QSC is pressing ahead with industrialising its processes to facilitate more efficient service provision in its Outsourcing business. At the same time, the Company aims to improve the quality of its revenues. This strategy is increasingly paying off. In the third quarter of 2015, the gross margin rose to 30 percent, up from 23 percent in the previous year's period, while gross profit improved to € 9.8 million, up from € 8.9 million one year earlier.

Gross margin, Outsourcing

Outsourcing with highest margin of all segments

Sales and marketing expenses decreased to € 2.4 million in the period under report, as against € 3.2 million in the third quarter of 2014. As a result, the segment contribution improved from € 5.7 million to € 7.4 million. The margin reached 22 percent, up from 15 percent in the previous year's period and higher than the margins in all other QSC segments in the third quarter of 2015.

Consulting remains on profitable growth course. While revenues in this personnel-intensive segment grew year-on-year by € 0.9 million to € 9.6 million, the cost of revenues in the third quarter of 2015 only rose by € 0.6 million to € 7.3 million. QSC thus managed to increase its gross profit from € 1.9 million in the previous year's period to € 2.4 million, while its gross margin improved from 22 percent in the third quarter of 2014 to 25 percent. The segment contribution improved in parallel, rising from € 1.5 million in the previous year's period to € 2.0 million.

Gross margin, Consulting

Fast-growing Cloud business with first positive gross profit. The doubling in revenues accompanied by only a slight increase in the cost of revenues enabled QSC's newest segment to post positive gross profit for the first time, in this case of € 0.1 million. This contrasts with the gross loss of € -0.9 million incurred in the previous year's period. The segment contribution also improved significantly from € -1.6 million in the previous year's period to € -1.0 million. This substantial improvement in earnings underlines the potential harboured by the scalable business model in the Cloud segment: Given the stable cost block required to perform services, rising revenues result in disproportionately high additional contribution margins.

Cloud segment business model is scalable

Gross margin, Cloud

Financial Position and Net Assets

Free cash flow increases to € 5.3 million. QSC achieved a further substantial increase in its free cash flow in the third quarter of 2015: At € 5.3 million, the free cash flow exceeded both the figures of € 3.7 million for the previous year and of € 1.5 million for the second quarter of 2015. The Company calculates its free cash flow as the change in net liquidity/debt before acquisitions and distributions. The following table presents the relevant input factors on the two reporting dates as of 30 September 2015 and 30 June 2015:

in € million	30 Sept. 2015	30 June 2015
Liquidity		
Cash and cash equivalents	70.4	65.9
Available-for-sale financial assets	0.1	0.1
Liquidity	**70.5**	**66.0**
Interest-bearing liabilities		
Liabilities under financing and finance lease arrangements	(5.3)	(6.1)
Liabilities due to banks	(158.3)	(158.3)
Interest-bearing liabilities	**(163.6)**	**(164.4)**
Net debt	**(93.1)**	**(98.4)**

Accordingly, liquidity increased by € 4.5 million to € 70.5 million in the third quarter of 2015. Interest-bearing liabilities decreased by € 0.8 million to € -163.6 million. As a result, net debt decreased by € 5.3 million to € -93.1 million as of 30 September 2015.

Moderate level of capital expenditure. Capital expenditure totalled € 7.2 million in the third quarter of 2015, as against € 6.3 million in the previous year. Of this expenditure, 65 percent were customer-related, while 35 percent involved licenses, infrastructure and other property, plant and equipment.

Capital expenditure

in € million

Depreciation-driven decline in property, plant and equipment. The moderate level of capital expenditure on the one hand and current depreciation and amortisation on the other led to a further reduction in the volume of property, plant and equipment and other intangible assets recognised in the balance sheet in the period under report. Since 31 December 2014, the value of property, plant and equipment has decreased by € 14.6 million to € 61.6 million. The amount recognised in the balance sheet for other intangible assets decreased by € 7.3 million to € 46.4 million as of 30 September 2015. These two changes were the main factors leading long-term assets to total € 229.7 million at the reporting date, as against € 255.6 million as of 31 December 2014.

Interest-bearing liabilities decrease as 2015 progresses

Short-term assets also declined, falling from € 149.9 million at the balance sheet date at the end of 2014 to € 131.0 million. This reduction is largely attributable to the change in cash and cash equivalents, which came to € 70.4 million as of 30 September 2015 as against € 87.8 million at the end of 2014. QSC distributed a dividend of € 12.4 million in the second quarter of 2015 and has also reduced its interest-bearing liabilities by € 5.0 million in the course of the year to date.

Equity ratio of 35 percent. Shareholders' equity totalled € 125.7 million as of 30 September 2015, compared with € 145.6 million at the end of 2014. This reduction was due the consolidated net loss, as well as to the dividend payment being charged directly to the accumulated deficit. At 35 percent, the equity ratio as of the balance sheet date was virtually unchanged on the figure of 36 percent as of 31 December 2014.

Long-term liabilities totalled € 176.1 million as of 30 September 2015, compared with € 180.2 million at the end of 2014. Of this total, the largest share involved long-term liabilities due to banks, which remained virtually unchanged at € 156.2 million. Short-term liabilities declined to € 58.9 million as of 30 September 2015, down from € 79.7 million at the end of 2014. One key factor here was the reduction in trade payables by € 12.5 million to € 32.3 million.

Employees

Workforce down to 1,507. QSC had a total of 1,507 employees as of 30 September 2015. At the end of 2014, the workforce still comprised 1,697 employees. Within its current cost-cutting programme, the Company aims to downsize its workforce by 350 employees by the end of 2016. Irrespective of this, QSC is selectively recruiting staff for high-growth business fields. For example, given significantly rising revenues, the Company is expanding its SAP Consulting team.

QSC hiring staff selectively in its growth businesses

Number of employees

Opportunity and Risk Report

No material change in opportunity and risk situation. The third quarter of 2015 did not witness any material changes in the opportunities and risks presented in the 2014 Annual Report. Just like other risks or erroneous assumptions, however, the risks listed there could lead future actual earnings to deviate from QSC's expectations. Unless they constitute historic facts, all disclosures in this unaudited interim consolidated report represent forward-looking statements. They are based on current expectations and forecasts concerning future events and may therefore change over time.

Events After the Reporting Period

QSC is not aware of any events of material significance subsequent to the quarter under report that would require disclosure here.

Outlook

QSC confirms higher forecast. In mid-August 2015, QSC raised its full-year forecast published at the end of February 2015 to account for the consolidation in July of the positive trend already seen in previous months. The Company now expects to generate EBITDA of more than € 42 million and free cash flow of more than € 5 million based on revenues totalling more than € 400 million. The Company had previously expected to report EBITDA of more than € 40 million and a positive free cash flow figure for the full year. This increase in the Company's earnings and financial strength is substantially due to the consistent implementation of the cost-cutting programme.

Market launch of Pure Enterprise Cloud to take place in 2016

Gradual reduction in personnel expenses. The positive impact of this programme is becoming more apparent from quarter to quarter in the current financial year. The downsizing in the workforce now underway is leading above all to a gradual reduction in personnel expenses.
At the same time, the Company is pressing ahead with automating processes, especially in its Outsourcing business, and is thus enhancing its efficiency. QSC will be tapping new potential here by introducing its Pure Enterprise Cloud (PEC). QSC will be presenting this innovation to its existing and new customers from 2016 and thus enabling German SME companies to gradually move into the cloud age. One other major topic, especially in the Outsourcing business, involves enhancing the quality of revenues.
The completion and market launch of the PEC will necessitate further capital expenditure in the current fourth quarter of 2015. QSC is nevertheless still budgeting full-year capital expenditure at an unchanged total of € 25 million.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Income (unaudited)

Euro amounts in thousands (€ 000s)

	01/07/–30/09/ 2015	01/07/–30/09/ 2014	01/01/–30/09/ 2015	01/01/–30/09/ 2014
Net revenues	**100,012**	**106,631**	**305,645**	**325,079**
Cost of revenues	(72,407)	(80,526)	(223,781)	(241,036)
Gross profit	**27,605**	**26,105**	**81,864**	**84,043**
Sales and marketing expenses	(8,065)	(9,276)	(25,887)	(26,815)
General and administrative expenses	(7,565)	(8,196)	(24,316)	(24,975)
Depreciation and non-cash share-based remuneration	(12,607)	(12,702)	(37,516)	(37,461)
Other operating income	179	296	778	802
Other operating expenses	(127)	(147)	(707)	(344)
Operating profit (loss)	**(580)**	**(3,920)**	**(5,784)**	**(4,750)**
Financial income	82	100	277	184
Financial expenses	(1,568)	(1,816)	(4,711)	(4,510)
Net income before income tax	**(2,066)**	**(5,636)**	**(10,218)**	**(9,076)**
Income tax	375	(584)	2,432	(682)
Net income (thereof attributable to equity holders of QSC AG)	**(1,691)**	**(6,220)**	**(7,786)**	**(9,758)**
Earnings per share (basic) in €	(0.01)	(0.05)	(0.06)	(0.08)
Earnings per share (diluted) in €	(0.01)	(0.05)	(0.06)	(0.08)

Consolidated Statement of Comprehensive Income (unaudited)

Euro amounts in thousands (€ 000s)

	01/01/ – 30/09/ 2015	01/01/ – 30/09/ 2014
Other comprehensive income		
Line items that are not reclassified in the income statement		
Actuarial gains from defined benefit pension plans	-	-
Tax effect	-	-
Line items that are not reclassified in the income statement	**-**	**-**
Line items that might subsequently be reclassified		
in the income statement		
Fair value measurement of cash flow hedges	(30)	(2,688)
Tax effect	10	869
Line items that might subsequently be reclassified		
in the income statement	**(20)**	**(1,819)**
Total fair value changes (net of tax) recognised directly		
in equity (attributable to equity holders of QSC AG)	**(20)**	**(1,819)**
Net income for the period	(7,786)	(9,758)
Total comprehensive income for the period	**(7,806)**	**(11,577)**

Consolidated Balance Sheet

Euro amounts in thousands (€ 000s)

	(unaudited) 30 Sept. 2015	(audited) 31 Dec. 2014
ASSETS		
Long-term assets		
Property, plant and equipment	61,601	76,169
Land and buildings	25,279	25,915
Goodwill	67,077	67,077
Other intangible assets	46,396	53,684
Trade receivables	5,069	7,761
Prepayments	3,134	2,641
Other long-term assets	243	2,948
Deferred tax assets	20,897	19,377
Long-term assets	**229,696**	**255,572**
Short-term assets		
Trade receivables	53,197	52,145
Prepayments	4,565	6,493
Inventories	1,046	1,278
Other short-term assets	1,674	1,855
Available-for-sale financial assets	144	343
Cash and cash equivalents	70,384	87,803
Short-term assets	**131,010**	**149,917**
TOTAL ASSETS	**360,706**	**405,489**

	(unaudited) 30 Sept. 2015	(audited) 31 Dec. 2014
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	124,162	124,142
Capital surplus	142,621	142,069
Other capital reserves	(3,085)	(3,066)
Accumulated deficit	(137,973)	(117,511)
Shareholders' equity	**125,725**	**145,634**
Liabilities		
Long-term liabilities		
Long-term liabilities under financing		
and finance lease arrangements	1,887	4,447
Liabilities due to banks	156,232	156,550
Convertible bonds	27	25
Accrued pensions	7,000	7,281
Other provisions	319	305
Other long-term financial liabilities	9,670	9,209
Deferred tax liabilities	935	2,333
Long-term liabilities	**176,070**	**180,150**
Short-term liabilities		
Trade payables	32,314	44,820
Short-term liabilities under financing		
and finance lease arrangements	3,395	4,427
Liabilities due to banks	2,131	4,518
Other provisions	4,363	10,883
Accrued taxes	2,110	1,757
Deferred income	3,743	3,900
Other short-term liabilities	10,855	9,400
Short-term liabilities	**58,911**	**79,705**
Liabilities	**234,981**	**259,855**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**360,706**	**405,489**

Consolidated Statement of Changes in Equity (unaudited)

Euro amounts in thousands (€ 000s)

	Equity attributable to equity holders of QSC AG				
			Other capital reserves		
	Capital stock	Capital surplus	Fair value of marketable securities	Actuarial losses	Cash flow hedge reserve
Balance as of 1 January 2015	**124,142**	**142,069**	**(1)**	**(1,590)**	**(1,475)**
Net income for the period	-	-	1	-	-
Other comprehensive income					
for the period, net of tax	-	-	-	-	(20)
Total comprehensive income	**-**	**-**	**-**	**-**	**(20)**
Revaluation of financial liabilities relating					
to business acquisition	-	-	-	-	-
Conversion of convertible bonds	20	3	-	-	-
Dividends	-	-	-	-	-
Non-cash share-based remuneration	-	549	-	-	-
Balance as of 30 September 2015	**124,162**	**142,621**	**-**	**(1,590)**	**(1,495)**
Balance as of 1 January 2014	**124,057**	**141,286**	**(1)**	**(1,175)**	**-**
Net income for the period	-	-	-	-	-
Other comprehensive income					
for the period, net of tax	-	-	-	-	(1,819)
Total comprehensive income	**-**	**-**	**-**	**-**	**(1,819)**
Conversion of convertible bonds	85	94	-	-	-
Dividends	-	-	-	-	-
Non-cash share-based remuneration	-	254	-	-	-
Balance as of 30 September 2014	**124,142**	**141,634**	**(1)**	**(1,175)**	**(1,819)**

Accumulated deficit	Total share-holders' equity	
(117,511)	**145,634**	**Balance as of 1 January 2015**
(7,786)	(7,785)	Net income for the period
		Other comprehensive income
-	(20)	for the period, net of tax
(7,786)	**(7,805)**	**Total comprehensive income**
		Revaluation of financial liabilities relating
(260)	(260)	to business acquisition
-	23	Conversion of convertible bonds
(12,416)	(12,416)	Dividends
-	549	Non-cash share-based remuneration
(137,973)	**125,725**	**Balance as of 30 September 2015**
(70,302)	**193,865**	**Balance as of 1 January 2014**
(9,758)	(9,758)	Net income for the period
		Other comprehensive income
237	(1,582)	for the period, net of tax
(9,521)	**(11,340)**	**Total comprehensive income**
-	179	Conversion of convertible bonds
(12,414)	(12,414)	Dividends
-	254	Non-cash share-based remuneration
(92,237)	**170,544**	**Balance as of 30 September 2014**

Consolidated Statement of Cash Flows (unaudited)

Euro amounts in thousands (€ 000s)

	01/01/ – 30/09/ 2015	01/01/ – 30/09/ 2014
Cash flow from operating activities		
Net income before income tax	(10,218)	(9,076)
Depreciation and amortisation of fixed assets	36,967	37,046
Non-cash income and expenditure	549	527
Gain (loss) from disposal of fixed assets	(12)	1
Changes in provisions	(6,434)	(3,090)
Changes in trade receivables	1,640	2,354
Changes in trade payables	(8,720)	778
Changes in other assets and liabilities	6,195	(7,560)
Cash flow from operating activities	**19,967**	**20,980**
Cash flow from investing activities		
Acquisition of a subsidiary less liquid assets acquired	-	(3,629)
Purchase of intangible assets	(6,757)	(7,895)
Purchase of property, plant and equipment	(11,681)	(10,813)
Proceeds from sale of property, plant and equipment	20	-
Cash flow from investing activities	**(18,418)**	**(22,337)**
Cash flow from financing activities		
Dividends paid	(12,416)	(12,414)
Issuance of convertible bonds	2	6
Proceeds from issuance of common stock	23	179
Proceeds of loans	-	150,000
Repayment of loans	(2,705)	(73,781)
Changes in advance payments relating to financing activities	(280)	(220)
Repayment of liabilities under financing and finance lease arrangements	(3,592)	(4,470)
Cash flow from financing activities	**(18,968)**	**59,300**
Change in cash and cash equivalents	**(17,419)**	**57,943**
Cash and cash equivalents as of 1 January	87,803	58,716
Cash and cash equivalents as of 30 September	**70,384**	**116,659**
Interest paid	4,354	2,684
Interest received	184	50
Income tax paid	339	3,464
Income tax received	2,787	89

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Corporate information

QSC AG (hereinafter also called “QSC” or “the Company”) is a one-stop ICT service provider for medium-sized enterprises in Germany. Its customers benefit from a full range of products and services in the fields of Telecommunications, Outsourcing, Consulting and Cloud. QSC draws on internally developed platforms to integrate both traditional IT applications and Cloud services. This enables companies to select a secure, customised approach to the Cloud and the Internet of Things. QSC’s proprietary infrastructure, comprising TÜV and ISO-certified data centres in Germany and its own nationwide voice data network, offers maximum end-to-end security for all applications. Products and services are marketed both directly and via partners.
QSC is a stock corporation registered in the Federal Republic of Germany. Its legal domicile is Mathias-Brüggen-Strasse 55, 50829 Cologne, Germany. The Company is registered in the Commercial Register of Cologne District Court under the number HRB 28281. QSC has been listed on the Deutsche Börse Stock Exchange since 19 April 2000 and, following the reorganisation of the equity market, in the Prime Standard since the beginning of 2003. On 22 March 2004, QSC was accepted into the TecDAX, which comprises the 30 largest and most liquid technology stocks in the Prime Standard.

Accounting policies

1 BASIS OF PREPARATION

These condensed interim consolidated financial statements of QSC AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) with due application of International Accounting Standard (IAS) 34 “Interim Financial Reporting”.
The interim consolidated financial statements do not include all the information and disclosures required of annual financial statements and should therefore be read in conjunction with the consolidated financial statements as of 31 December 2014.
The interim consolidated financial statements include all of the adaptations deemed necessary by the Management Board to provide a true and fair view of the financial position, financial performance and cash flows of the consolidated group. The results for the reporting period ending on 30 September 2015 do not necessarily allow any conclusions to be drawn concerning future developments in results.

The accounting policies applied when preparing these interim consolidated financial statements are basically consistent with those applied when preparing the consolidated financial statements for the 2014 financial year.
Income tax expenses have been determined on the basis of the weighted average annual tax rate expected for the 2015 financial year.
IFRS amendments requiring mandatory application from the 2015 financial year onwards did not have any impact on the interim financial statements as of 30 September 2015.
The preparation of interim financial statements in accordance with IFRS requires certain estimates and judgements to be made that affect the amounts of assets and liabilities thereby recognised and the disclosures of contingent assets and liabilities as of the balance sheet date. Actual amounts may differ from these estimates.
No material changes have arisen in the Management Board's assessment concerning application of accounting policies compared with the consolidated financial statements as of 31 December 2014. Unless otherwise stated, all amounts have been rounded up or down to the nearest thousand euro amount (€ 000s).
These condensed interim consolidated financial statements, including the interim consolidated report, have neither been audited pursuant to § 317 of the German Commercial Code (HGB) nor subject to an audit review by any suitably qualified person.

2 CONSOLIDATION

The interim consolidated financial statements comprise the financial statements of QSC AG and of its subsidiaries as of 30 September 2015. There have been no changes in the scope of consolidation since 31 December 2014.

3 FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and fair values of all financial instruments included in the interim consolidated financial statements with the exception of convertible bonds issued in connection with stock option programmes.

€ 000s	Classification category pursuant to IAS 39	Carrying amounts		Fair value	
		30/09/2015	31/12/2014	30/09/2015	31/12/2014
Financial instruments					
Cash and Cash Equivalents	LaR	70,384	87,803	70,384	87,803
Available-for-Sale Financial Assets	AFS	144	343	144	343
Long-Term Trade Receivables	LaR	5,069	7,761	5,069	7,761
Short-Term Receivables					
from Construction Contracts	LaR	1,507	875	1,507	875
Short-Term Trade Receivables	LaR	51,690	51,270	51,690	51,270
Trade Payables	FLAC	32,314	44,820	32,314	44,820
Liabilities due to Banks	FLAC	158,363	161,068	158,363	161,068
Liabilities under Financing					
and Finance Lease Arrangements	FLAC	5,282	8,874	5,331	9,039
Interest Swaps – Hedge Accounting	FV	2,463	2,262	2,463	2,262
Put Option, Minority Shareholders	FV	7,207	6,947	7,207	6,947
Other Short and Long-Term Liabilities	FLAC	10,885	9,400	10,885	9,400
Aggregated according to classification categories					
pursuant to IAS 39:					
Financial Assets Carried at Amortised Cost	LaR	128,650	147,709	128,650	147,709
Available-for-Sale Financial Assets	AFS	144	343	144	343
Financial Liabilities Measured at					
Amortised Cost	FLAC	206,844	224,162	206,893	224,327
Interest Swaps – Hedge Accounting	FV	2,463	2,262	2,463	2,262
Financial Liabilities Measured at Fair Value	FV	7,207	6,947	7,207	6,947

Abbreviations: LaR – Loans and Receivables / AFS – Available For Sale / FLAC – Financial Liabilities at Amortised Cost / FV – Fair Value

Cash and cash equivalents, available-for-sale assets, trade receivables and short-term receivables from construction contracts predominantly have short remaining terms. Their carrying amounts as of the balance sheet date thus approximate to their fair values. The same applies for trade payables. The fair values of liabilities under financing and finance lease arrangements and other short and long-term liabilities have been calculated using customary market interest rates.

The fair values of available-for-sale financial assets have been determined by reference to market prices (Level 1 as per IFRS 13.76). The carrying amount of long-term receivables already includes the discounted cash flows and thus corresponds to fair value.
The fair values of the interest swaps have been calculated by the intermediary bank on the basis of market data (Level 2 as per IFRS 13.81).
To calculate the fair values of the purchase options granted in connection with the acquisition of shares in FTAPI Software GmbH and fonial GmbH, the performance indicators expected by the Company on the basis of the respective company budgets have been measured using a risk and term-adequate interest rate (fair value: Level 3 as per IFRS 13.86).

		Subsequent to initial recognition		Net result	
€ 000s	**From interests, dividends**	**Allowance**	**At fair value**	**30/09/2015**	**30/09/2014**
Loans and Receivables (LaR)	273	-	-	273	169
Financial Liabilities Measured at Amortised Cost (FLAC)	(3,918)	-	-	(3,918)	(3,933)
Financial Instruments Measured at Fair Value	(470)	-	-	(470)	(142)
Net result by classification category	**(4,115)**	**-**	**-**	**(4,115)**	**(3,906)**

4 SEGMENT REPORTING

Consistent with IFRS 8 requirements, segments are delineated on the basis of the Company's internal organisational structure as referred to by the management for business decisions and performance assessments. As previously announced, QSC amended its segment reporting as of 1 January 2015. Since the beginning of the 2015 financial year, the previous segments of Direct Sales, Indirect Sales and Resellers have been superseded by segmentation based on product structures. Accordingly, the Company now reports by reference to the following segments: Telecommunications, Outsourcing, Consulting and Cloud. This breakdown by product facilitates transparent presentation of the Company's performance in the high-growth Cloud market, which is now reported as a standalone segment. Furthermore, reporting Consulting and Outsourcing separately enables the performance and profitability of these two very different business fields to be presented in greater detail. The fourth segment comprises QSC's Telecommunications business.
The new segmentation is based on the Company's internal management structure. The products and services offered in the four segments are presented below.

Telecommunications. This segment comprises all voice and data communication products. The products on offer include asymmetric ADSL2+ lines, symmetric SDSL lines and premium internet access via wireless local loop (WLL) networks.
Many customers also use their internet connections for voice telephony. QSC offers IP telephony connections (Voice over IP) and the appropriate telephone systems. Furthermore, the range of services also includes further forms of voice telephony, including open call-by-call and preselect offerings as well as value-added services.

Outsourcing. QSC offers its customers a full range of outsourcing services and concentrates here on services surrounding its own data centres within Germany. The key focus is on outsourcing infrastructure. Here, QSC assumes all IT operations and ensures a smooth and trouble-free service. The range of services includes operation of servers, appropriate firewall and security services, as well as their integration within secure and fast networking solutions. Moreover, QSC offers a broad portfolio of data centre services, from providing infrastructure in the form of housing and hosting through to building and operating proprietary data centres for customers. QSC's virtual private networks (VPNs) ensure that data can be securely exchanged among data centres, company outlets and branches, as well as with teleworkers, field staff, partners and suppliers.
In addition, the Company maintains a service desk to support users, as well as an SAP and Microsoft application service. Here, QSC employees maintain customers' systems and work consistently on developing them further. If so desired, QSC can also assume IT operations management and thus responsibility for secure operations independently of infrastructure outsourcing. This may also involve operating the relevant SAP or Microsoft environment, database management systems, collaboration services and/or platforms for mobile devices.
QSC is currently pressing ahead with reorganising its Outsourcing segment and is increasingly focusing on medium-sized companies. High priority is also being attached to the further development of the Pure Enterprise Cloud to enable Outsourcing customers to migrate to the cloud to an even greater extent in future.

Consulting. QSC has longstanding experience in advising companies on how to optimise their business processes with two key focuses on SAP and Microsoft. As well as applications development and SAP system customisation, the project work performed in the SAP environment also includes optimising key business processes and reporting.
For Microsoft applications and technologies, the focus is on implementing cloud services with the assistance of Microsoft Private Cloud solutions and the use of communication and collaboration solutions. In general, Consulting is set to play a key role in migrating customers' ICT into the cloud age.

Cloud. QSC is pursuing the strategy of systematically extending its range of services to include internally developed products and accessing new business fields. The focus here is on Software-as-a-Service (SaaS) and Platform-as-a-Service (PaaS) solutions for the cloud age. The Solucon platform serves as a basis for numerous innovations.
QSC already offers mobile and scalable workplace components as SaaS services. These include unified communication (UC) and collaboration solutions, a cloud-based virtual workplace and the smart management of mobile devices. With its takeover of a majority interest in the encryption specialist FTAPI in February 2014, the Company extended its portfolio to include products for the ultra-secure transmission and storage of critical company data.

The segment contribution is the key segment performance indicator referred to by the management. This is defined as EBITDA before general administration expenses and other operating income. For income statement purposes, the cost of revenues is thus allocated in full to the respective segment, as are sales and marketing expenses. The direct and indirect allocation of costs to individual segments is consistent with internal reporting and management structures. Indirect allocation of costs is primarily based on resource utilisation by the respective segments. The Management Board does not receive any regular information about segment-specific capital expenditure, assets and liabilities, general administration expenses, depreciation and amortisation and other operating income and expenses as components of the respective segment earnings figures.
The comparative figures presented in the tables for the third quarter of 2014 and for the first nine months of the 2014 financial year have been determined in accordance with the new delineation of segments.

€ 000s	Telecom-munications	Outsourcing	Consulting	Cloud	Consolidated Group
01/07/ – 30/09/2015					
Net revenues	**54,984**	**33,084**	**9,625**	**2,319**	**100,012**
Cost of revenues	(39,683)	(23,261)	(7,262)	(2,201)	(72,407)
Gross profit	**15,301**	**9,823**	**2,363**	**118**	**27,605**
Sales and marketing expenses	(4,209)	(2,435)	(327)	(1,094)	(8,065)
Segment contribution	**11,092**	**7,388**	**2,036**	**(976)**	**19,540**
General and administrative expenses					(7,565)
Depreciation and non-cash					
share-based remuneration					(12,607)
Other operating income					52
Operating loss (EBIT)					**(580)**
Financial income					82
Financial expenses					(1,568)
Net income before income tax					**(2,066)**
Income tax					375
Net income					**(1,691)**

€ 000s	Telecom-munications	Outsourcing	Consulting	Cloud	Consolidated Group
01/07/ – 30/09/2014					
Net revenues	**57,773**	**39,067**	**8,650**	**1,141**	**106,631**
Cost of revenues	(41,566)	(30,203)	(6,745)	(2,012)	(80,526)
Gross profit	**16,207**	**8,864**	**1,905**	**(871)**	**26,105**
Sales and marketing expenses	(4,909)	(3,208)	(417)	(742)	(9,276)
Segment contribution	**11,298**	**5,656**	**1,488**	**(1,613)**	**16,829**
General and administrative expenses					(8,196)
Depreciation and non-cash					
share-based remuneration					(12,702)
Other operating income					149
Operating loss (EBIT)					**(3,920)**
Financial income					100
Financial expenses					(1,816)
Net income before income tax					**(5,636)**
Income tax					(584)
Net income					**(6,220)**

€ 000s	Telecom-munications	Outsourcing	Consulting	Cloud	Consolidated Group
01/01/ – 30/09/2015					
Net revenues	**166,321**	**104,563**	**29,439**	**5,322**	**305,645**
Cost of revenues	(121,056)	(73,534)	(22,904)	(6,287)	(223,781)
Gross profit	**45,265**	**31,029**	**6,535**	**(965)**	**81,864**
Sales and marketing expenses	(12,756)	(8,209)	(1,283)	(3,639)	(25,887)
Segment contribution	**32,509**	**22,820**	**5,252**	**(4,604)**	**55,977**
General and administrative expenses					(24,316)
Depreciation and non-cash					
share-based remuneration					(37,516)
Other operating income					71
Operating loss (EBIT)					**(5,784)**
Financial income					277
Financial expenses					(4,711)
Net income before income tax					**(10,218)**
Income tax					2,432
Net income					**(7,786)**

€ 000s	Telecom-munications	Outsourcing	Consulting	Cloud	Consolidated Group
01/01/ – 30/09/2014					
Net revenues	**178,253**	**118,556**	**25,624**	**2,646**	**325,079**
Cost of revenues	(125,298)	(90,193)	(20,572)	(4,973)	(241,036)
Gross profit	**52,955**	**28,363**	**5,052**	**(2,327)**	**84,043**
Sales and marketing expenses	(14,272)	(9,550)	(1,342)	(1,651)	(26,815)
Segment contribution	**38,683**	**18,813**	**3,710**	**(3,978)**	**57,228**
General and administrative expenses					(24,975)
Depreciation and non-cash					
share-based remuneration					(37,461)
Other operating income					458
Operating loss (EBIT)					**(4,750)**
Financial income					184
Financial expenses					(4,510)
Net income before income tax					**(9,076)**
Income tax					(682)
Net income					**(9,758)**

5 AUTHORISED CAPITAL AND CONDITIONAL CAPITAL

Authorised capital. By resolution of the Annual Shareholders' Meeting on 27 May 2015, the Management Board is authorised, subject to approval by the Supervisory Board, to increase the Company's share capital by a total of up to € 50,000,000.00 on one or several occasions by 26 May 2020 by issuing new no-par registered shares in return for contributions in cash and/or kind (Authorised Capital). When drawing on authorised capital, the Management Board may, subject to approval by the Supervisory Board, exclude shareholders' subscription rights in four cases: (1) to exclude residual amounts from shareholders' subscription rights; (2) when the new shares are issued in return for contributions in kind, particularly in the context of company acquisitions; (3) if, pursuant to § 186 (3) Sentence 4 of the German Stock Corporation Act (AktG), the new shares are issued in return for cash contributions and if, at the time of final stipulation, the issue price does not fall materially short of the stock market price of the shares already listed; and (4) to the extent necessary to issue subscription rights for new shares to the bearers or creditors of warrant and/or convertible bonds in order to avoid dilution of their respective holdings.

Conditional capital. By resolution of the Annual Shareholders' Meeting on 27 May 2015, the Management Board is authorised, subject to approval by the Supervisory Board, to issue registered and/or bearer warrant and/or convertible bonds on one or several occasions by 26 May 2020 with a total nominal amount of up to € 150,000,000.00 with or without term restrictions and to grant option rights (where applicable also with a duty to exercise such rights) to the bearers or creditors of warrant bonds or conversion rights (where applicable also with a duty to exercise such rights) to shares in the Company that account for a combined share of € 40,000,000.00 in the Company's share capital. The conditional capital increase by up to € 25,000,000.00 approved by the Annual Shareholders' Meeting on 20 May 2010 (Conditional Capital IV) is rescinded. The share capital will rather be conditionally increased by up to € 40,000,000.00 by issuing up to 40,000,000 new no-par registered shares (Conditional Capital IV). The conditional capital increase serves to grant or impose option and/or conversion rights or obligations on the bearers or creditors of warrant and/or convertible bonds issued or guaranteed on the basis of the authorisation through to 26 May 2020 resolved by the Annual Shareholders' Meeting on 27 May 2015.
The Annual Shareholders' Meeting of QSC held on 27 May 2015 approved the 2015 Stock Option Programme (SOP 2015), which provides for the issuing to members of the Management Board, subject to approval by the Supervisory Board, of up to 750,000 convertible bonds with a nominal amount of € 0.01 each. The subscription period expires on 26 May 2020 at the latest. The convertible bonds have terms of up to 8 years following subscription. The conversion right may be exercised at the earliest after a qualifying period of 4 years after subscription and only when at least one of the two following conditions is met: the share price is either at least 20 percent higher than the conversion price or the share has, from a relative perspective, outperformed the TecDAX.

6 DIVIDEND PAYMENT

The Annual Shareholders' Meeting of QSC AG held on 27 May 2015 approved the distribution of a dividend of € 0.10 per no-par share with dividend entitlement. The dividend payment of € 12,416,248.70 was made directly after the Annual Shareholders' Meeting.

7 LEGAL DISPUTES

The Company is currently not involved in any material legal disputes.

8 RELATED PARTY TRANSACTIONS

QSC had business dealings in the first nine months of the 2015 financial year with companies in which members of its Management and Supervisory Boards are shareholders. IAS 24 states that individuals or companies are related parties when one of the parties has the possibility of controlling or exerting significant influence over the other party. All contracts with these companies require the approval of the Supervisory Board and are concluded on customary market terms.

€ 000s	Net revenues	Expenses	Cash received	Cash paid
01/01/–30/09/2015				
IN-telegence GmbH	434	102	504	122
Teleport Köln GmbH	26	3	35	3
QS Communication Verwaltungs Service GmbH	-	111	-	132
01/01/–30/09/2014				
IN-telegence GmbH	1,080	49	1,083	-
Teleport Köln GmbH	22	2	-	2
QS Communication Verwaltungs Service GmbH	-	93	-	127

€ 000s	Trade receivables	Trade payables
As of 30 September 2015		
IN-telegence GmbH	85	-
Teleport Köln GmbH	3	-
As of 31 December 2014		
IN-telegence GmbH	73	-
Teleport Köln GmbH	21	-

IN-telegence GmbH is a provider of value-added services in the telecommunications industry and mainly uses QSC's network services. QSC AG and one of its subsidiaries draw to a limited extent on the value-added services offered by IN-telegence. Teleport Köln GmbH supports QSC in installing end-customer connections and draws on QSC's telecommunications services. QS Communication Verwaltungs Service GmbH advises QSC in connection with product management for cloud services.

9 MANAGEMENT BOARD

Consistent with its strategy of becoming the leading cloud service provider to German SMEs, QSC has also reorganised its management board team. Udo Faulhaber has been Chief Marketing Officer since 1 August 2015, and Felix Höger will be Chief Technology and Operations Officer from 1 January 2016 onwards.
On 25 August 2015, Stefan A. Baustert subscribed 100,000 convertible bonds in QSC AG. These convertible bonds had been allocated to him by the Supervisory Board on 20 August 2015 within the framework of the 2015 stock option programme. The conversion price was set at € 1.71. Conversion into shares in QSC AG is only possible after a holding period of 4 years, i.e. no earlier than on 26 August 2019.

	Shares		Conversion rights	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Jürgen Hermann	340,000	240,000	350,000	350,000
Stefan A. Baustert				
(since 1 January 2015)	40,000	-	100,000	-
Udo Faulhaber				
(since 1 August 2015)	-	-	-	-
Henning Reinecke (from 1 Sept. 2013				
to 30 April 2015)	5,000 [1]	5,000	150,000 [1]	150,000
Barbara Stolz (from 1 June 2013				
to 31 Dec. 2014)	10,000 [1]	10,000	182,100 [1]	182,100
Stefan Freyer (from 1 Sept. 2013				
to 31 March 2014)	-	-	-	-

[1] Holdings at the time of leaving the Management Board

10 SUPERVISORY BOARD

	Shares		Conversion rights	
	30/09/2015	30/09/2014	30/09/2015	30/09/2014
Dr. Bernd Schlobohm,				
Chairman	15,518,372	15,518,372	200,000	200,000
Dr. Frank Zurlino,				
Deputy Chairman	10,000	10,000	-	-
Gerd Eickers	15,577,484	15,577,484	-	-
Ina Schlie	-	-	-	-
Anne-Dore Ahlers [1]	-	-	2,700	2,700
Cora Hödl [1]	-	-	4,100	4,100

[1] Employee representative

11 DIRECTORS' DEALINGS PURSUANT TO § 15A WPHG

The following statutory notifications were published in the period under report:

Trading date / stock exchange	Name / status	Type of transaction	Par value in € / no. of shares	Transaction volume in €
12 May 2015	Jürgen Hermann	Purchase	1.9406	194,061.91
Xetra	Chief Executive Officer		100,000	
8 July 2015	Stefan A. Baustert	Purchase	1.698	16,980.00
Zurich	Chief Financial Officer		10,000	

12 EVENTS AFTER THE REPORTING PERIOD

There are no items requiring disclosure here.

Cologne, November 2015

On behalf of the Management Board of QSC AG

Jürgen Hermann
Chief Executive Officer

Stefan A. Baustert

Udo Faulhaber

CALENDAR

Annual Shareholders' Meeting
25 May 2016

Quarterly Report
9 May 2016
8 August 2016
14 November 2016

CONTACT

QSC AG
Investor Relations
Mathias-Brüggen-Straße 55
50829 Cologne
P +49 221 669 – 8724
F +49 221 669 – 8009
invest@qsc.de
www.qsc.de

IMPRESSUM

Overall Responsibility
QSC AG, Köln

Art Direction
sitzgruppe, Düsseldorf

Photography
Marcus Pietrek, Düsseldorf

For further information: www.qsc.de