QUARTERLY REPORT II/2002

QSC AT A GLANCE

	01/01/-30/06/ 2002	01/01/-30/06/ 2001
All amounts in million EUR		
Revenues	21.5	12.4
EBITDA [1]	-31.2	-45.7
EBIT [2]	-48.4	-57.3
Net loss	-47.6	-54.7
Net loss per common share [3] (in EUR)	-0.47	-0.54
Equity	197.0 [4]	240.0 [5]
Balance Sheet Total	243.8 [4]	298.0 [5]
Equity ratio (in %)	80.8	80.5
Capital Expenditure	5.7	28.0
Liquidity	117.7 [4]	153.8 [5]
Share price as of 30/06/ (in EUR)	0.67	2.06
Number of shares as of 30/06/	105,008,714	105,008,714
Market capitalisation as of 30/06/	70.4	216.3
Employees	306 [4]	233 [6]

[1] Earnings before interest, taxes, depreciation and amortization

[2] Earnings before interest and taxes

[3] basic and diluted

[4] as of June 30, 2002

[5] as of December 31, 2001

[6] as of June 30, 2001

THE INTERNET IS CHANGING THE WORLD

BROADBAND WILL CHANGE THE INTERNET

QSC IS THE BROADBAND SOLUTION

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EXPERIENCED MANAGEMENT.

Dr. Bernd Schlobohm

The engineering post graduate founded QSC and heads engineering and strategy.

Gerd Eickers

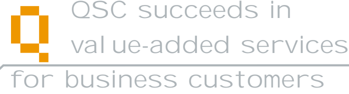
The experienced telecommunications specialist is also a co-founder. He is responsible for customer service, order management and regulatory affairs.

Markus Metyas

The former investment banker is in charge of finance, human resources and legal affairs.

Bernd Puschendorf

With many years of first hand sales experience, he has assumed responsibility for the areas sales and marketing in March 2002.



COMPANY REPORT.

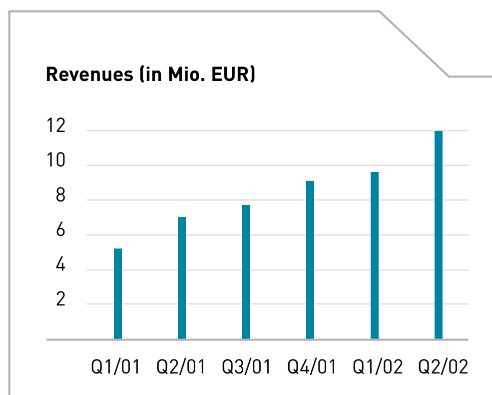
QSC grows its revenues in Q2 2002 by 25 per cent compared to Q1 2002

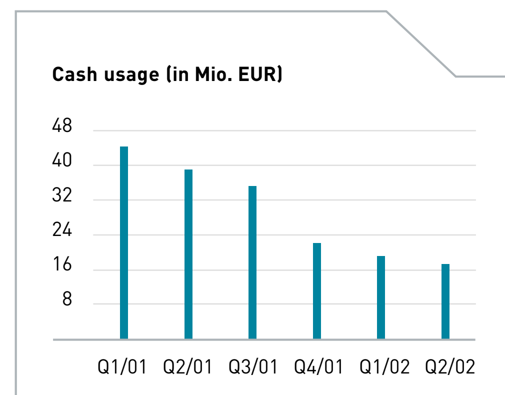
QSC continues to grow against the sector trend // QSC was successful in increasing its revenues during the second quarter of 2002, despite the continuing weak economy. At EUR 12.0 million, the company increased its quarterly revenues by almost 70 per cent compared to the same period last year (Q2 2001: EUR 7.1 million) and by 25 per cent compared to the first quarter of 2002 (Q1 2002: EUR 9.6 million). Revenues for the first six months of 2002 were EUR 21.5 million compared to EUR 12.4 million during the first half of 2001.

The increase in revenues was due to the heightened focus on solution-oriented services for business customers and the successful development of the Q-DSL end-user product family. The company also generated first revenues from its project business, which was launched in the spring of this year. In this business area, QSC provides companies with tailor-made telecommunications solutions, e.g. virtual private networks.

The share of revenues attributable to value-added services for the business customer segment continued to increase. The quarterly result was a direct reflection of this development. After an EBITDA loss of EUR -23.6 million for the second quarter of 2001, this quarter's EBITDA loss was reduced to EUR -14.9 million. This equates to EUR -31.2 million for the first six months (H1 2001: EUR -45.7 million).

QSC had its fifth consecutive quarter of reduced cash outflow: at EUR -17.1 million, QSC reduced its cash outflow by approximately 10 per cent from the first quarter of the year (Q1 2002: EUR 19.0 million). Cash and cash equivalents amounted to EUR 117.7 million as at June 30, 2002 compared to EUR 153.8 million as at December 31, 2001.





Integrated communication solutions complement QSC's service and product portfolio

Project business, a key element of the service portfolio At the 2002 CeBIT fair, QSC presented its strategy for the business customer segment. During the second quarter of this year, the company took the first steps to implement this strategy and engaged in its first projects with business customers seeking an efficient network solution for their various decentralised locations.

Under the product name Q-VPN, QSC offers its project customers inexpensive off-the-shelf solutions, such as virtual private networks (VPN), which can be readily implemented on the basis of QSC's high speed broadband connections. Special security functions within the QSC backbone as well as the integration of firewalls through the Q-Security product make Q-VPN a totally integrated communication solution. At the same time as a second source for telecommunications services, QSC allows its business customers to reduce their dependence from a single provider.

Kaufhof, a leading German retailer, opts for Q-VPN

QSC was able to win the Kaufhof retail group as a first well known and large business customer. Prior to the successful start of this co-operation, Kaufhof had bought IT and telecommunication services from, among others, Riodata. After the insolvency of this broadband service provider, QSC succeeded in migrating 700 former Riodata customers to the QSC network.

In addition to the project business, QSC continues to focus on its own product family Q-DSL. Q-DSL office and Q-DSL business meet with a positive response from small and medium-sized companies in particular and are thus a major contributor to QSC's revenues.

High quality customer service through dedicated key account management

Sales team with a new focus on projects // QSC continues its course to optimise its sales organisation in view of the increasing demands of its business customers. At the same time, the company intensifies its efforts to win large project customers. The development of tailor-made concepts for complex VPN solutions requires extensive know-how as well as seamless co-ordination with customers. Project customers expect a high level of individual service not only during the implementation phase but also after the project has entered the operations phase. QSC provides this service through its key account management structure, where the necessary know-how is bundled. Since the spring of 2002, QSC has been offering its tailor-made solutions with one face to the customer.

The new two-tier sales concept allows QSC to act faster and more efficiently. The company focuses on its most successful distributors offering them extensive support both in their marketing efforts for Q-DSL products and in technical questions. These distributors in turn provide QSC's trade partners with the necessary support.

QSC has launched a long-term marketing and advertising campaign to actively communicate the focus on the requirements of business customers. The campaign features in the national financial and IT press, relevant online media and bill boards in the centres of Cologne and Frankfurt. These measures are designed to enhance the brand awareness of QSC with business customers. Other integrated marketing, sales and public relations measures tailored to specific target groups will follow.

QSC uses online marketing tools on a nationwide basis. The Q-DSL home product in particular is successfully marketed through online efforts. QSC sells more than 90 per cent of its Q-DSL home lines through the Internet.

Employee structure reflects increasing importance of marketing and sales

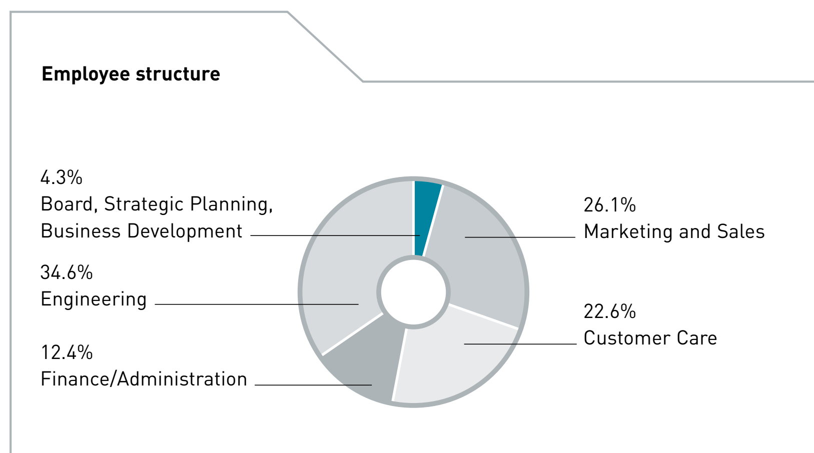
QSC benefits from increased supply of qualified employees

Expansion of sales force // The focus on the business customer segment and the expansion of the product and services portfolio towards solution oriented services has required additional manpower. As at June 30, 2002, QSC had 306 employees (March 31, 2002: 287). This represents an increase from the first quarter of more than six per cent. On June 30, 2001, QSC had 233 employees.

The sales force was clearly in the focus of QSC's recruitment drive in the first half of 2002. Thirteen marketing and sales specialists joined the sales force in the second quarter of 2002. More than a quarter of QSC's employees work in sales and marketing. Another 23 per cent work in customer-related service areas. The technical workforce, which used to dominate during the network roll-out phase, now accounts for just 35 per cent of all employees. On June 30, 2002, a total of 106 engineers and technicians were employed by QSC.

The recruitment situation and in particular the growing supply of IT specialists supported QSC's recruitment efforts in these areas. QSC was also able to win employees with excellent industry know-how from insolvent broadband provider Riodata.

QSC does not plan to further increase the number of its employees until the end of the year. Current staff levels are sufficient to realise the planned increase in revenues.



Significant efficiency gains // QSC had its fifth straight quarter of reduced cash outflow due to increases in sales and a significantly improved cost/revenue ratio.

At EUR 14.3 million, network expenses, which are reported under cost of sales, continue to be the largest expense item on QSC's statement of operations. Compared with the corresponding period of the previous year, network expenses were reduced by 37 per cent (Q2 2001: EUR 22.6 million). Compared with the first quarter of 2002, network expenses were reduced by almost 16 per cent (Q1 2002: EUR 17.0 million). At the same time, revenues increased by almost a quarter. This significant improvement is a direct result of QSC's network optimisation program and proves the scalability of QSC's business model.

Network optimisation program shows its effects

As expected, the expansion of the company's sales activities resulted in increased sales and marketing expenses of EUR 8.2 million for the reporting period (Q2 2001: EUR 4.5 million). Compared with the first quarter of 2002, sales and marketing expenses increased by approximately 37 per cent (Q1 2002: EUR 6.0 million). One of the reasons for the increase is the nationwide advertising campaign which was launched in June 2002.

QSC was able to further reduce its EBITDA loss during the second quarter of 2002 by EUR 1.4 million to EUR -14.9 million compared to the previous quarter. In the second quarter of 2001, EBITDA loss still amounted to EUR -23.6 million.

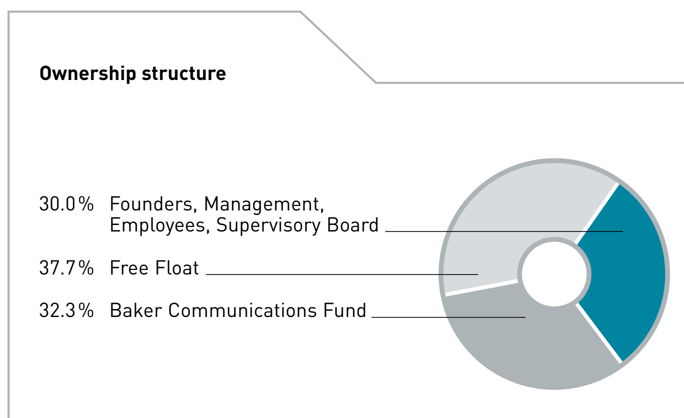
Neuer Markt fights image problems The market capitalisation of many listed companies decreased further during the second quarter of 2002. The exposure of balance sheet manipulations in the US and Europe together with the weak economic development had a negative impact on the market. The German growth stock segment, Neuer Markt, continued to lose market confidence due to a series of fraud allegations.

QSC endorses Neuer Markt

QSC endorses Neuer Markt as Europe's leading platform for growth companies. The company is confident that enterprises with open and transparent communication and conservative accounting practices such as QSC, will prevail on Neuer Markt after the current consolidation has been completed.

QSC's investor relations work concentrates on maintaining and building investor confidence. One crucial element is that the founders have never sold any shares. The supervisory board passed a vote of confidence in favour of the Chief Executive Officer extending his contract by a further three year term until April 30, 2005.

One of the most important measure to maintain the level of confidence in the company is to meet capital market expectations and to communicate openly. QSC continues to keep in regular contact with investors, analysts and journalists. In numerous personal meetings, the QSC management was able to explain the business model and the perspectives of the DSL market. Retail investors receive timely answers to their mail or telephone enquiries.



Outlook: tackling the business customer market // Targeted marketing and sales activities have top priority. QSC offers its business products and solution-oriented service packages to a specific clientele whose core business requires intensive data communication, such as planning and construction software users (CAD) or engineers and architects. Another important target group are multimedia service providers. They trust more and more in reliable broadband communication systems to provide their services.

Project business remains a growth driver

QSC meets the increasing demand for VPN solutions by expanding its project business, which requires individual and complex solutions for large enterprise customers. An important reference client is the retail group Kaufhof. In addition, QSC will market inexpensive off-the-shelf solution packages for small and medium-sized companies under the name Q-VPN. The recently launched security package Q-Security, a net-based firewall, which is sold as a package with Q-DSL office and Q-DSL business products, is also used to complement various solutions the company offers.

QSC is currently finalising the pilot test for its digital voice telephony product Q-Voice in Cologne. After successful completion of the test, which is expected by the end of the year, the product will be bundled with the business customer product Q-DSL business and introduced in Berlin, Cologne, Düsseldorf, Frankfurt, Hamburg and Munich.

QSC develops further innovative communication solutions catering for the specific needs of large enterprise customers. One example is a video transmission platform which, on the basis of the QSC network, allows to send and receive motion pictures in top quality. This solution is of particular interest for the film and media industry, for large enterprise customers with specific business communication requirements and for the health care sector. The first customer is MediaServe GmbH, who uses this technical platform to offer its video-on-demand service.

The positive outlook in the business customer segment allows QSC to confirm the financial objectives for the current business year: annual revenues are planned to reach between EUR 46 and 54 million and EBITDA loss between EUR -60 and -70 million. The company reiterates its planned target to reach EBITDA break-even during 2003 and cash flow break-even during 2004.

REVIEW REPORT.

To the management board of QSC AG, Cologne

We reviewed the accompanying interim financial statements of QSC AG, Cologne, for the period from April 1, 2002 to June 30, 2002, consisting of the condensed income statement, condensed balance sheet, condensed cash flow statement, statement of shareholders' equity, notes to the interim financial statements and further information. The preparation of the interim financial statements in accordance with U.S. Generally Accepted Accounting Principles is the responsibility of the Company's management. Our responsibility is to issue a report on these interim financial statements based on our review.

We conducted our review of the interim financial statements in accordance the Standard established by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements do not contradict US GAAP. A review is limited primarily to inquiries of company personnel and analytical procedures and thus provides less assurance than an audit. We have not performed an audit of financial statements and, accordingly, do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not presented in all material respects in accordance with U.S. Generally Accepted Accounting Principles.

Arthur Andersen
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft mbH

Fluck
Wirtschaftsprüfer

Berg
Wirtschaftsprüfer

Eschborn/Frankfurt am Main, August 16, 2002

STATEMENTS OF OPERATIONS

Consolidated Statements of Operations (unaudited)
(EUR amounts in thousands (TEUR), except for per share amounts)

	for the three months ended June 30,		for the six months ended June 30,	
	2002	2001	2002	2001
	in TEUR	in TEUR	in TEUR	in TEUR
Net revenues	**11,968**	**7,147**	**21,523**	**12,417**
Cost of revenues	14,297	22,641	31,308	42,393
Gross loss	**(2,329)**	**(15,494)**	**(9,785)**	**(29,976)**
Selling and marketing expenses	8,171	4,452	14,183	9,629
General and administrative expenses	4,110	3,104	6,625	5,393
Research and development expenses	245	524	587	708
Amortization of goodwill	–	67	–	84
Depreciation and amortization (including TEUR 3,577 in non-cash compensation in the 6 months ended June 30, 2002; 6 months ended June 30, 2001: TEUR 2,105)	9,152	5,574	17,233	11,556
Operating loss	**(24,007)**	**(29,215)**	**(48,413)**	**(57,346)**
Other income (expenses)				
Interest income	728	2,263	1,944	4,552
Interest expense	(10)	(114)	(100)	(131)
Share of post acquisition losses of equity method investees	(485)	(147)	(861)	(1,811)
Other non-operating income (loss)	–	28	(127)	28
Net loss before income taxes	**(23,774)**	**(27,185)**	**(47,557)**	**(54,708)**
Income taxes	–	–	–	–
Net loss	**(23,774)**	**(27,185)**	**(47,557)**	**(54,708)**
Loss attributable	(23,774)	(27,185)	(47,557)	(54,708)
Net loss per common share (basic and diluted)	(0.24)	(0.27)	(0.47)	(0.54)
Weighted average shares outstanding (basic and diluted)	101,134,647	101,134,647	101,134,647	101,134,647

The accompanying notes to unaudited consolidated financial statements are an integral part of these statements.

BALANCE SHEETS

Consolidated Balance Sheets (unaudited)
(EUR amounts in thousands (TEUR))

	as of June 30, 2002 in TEUR	as of Dec. 31, 2001 in TEUR
ASSETS		
Current assets		
Cash and cash equivalents	55,301	153,776
Held-to-maturity securities	62,416	–
Trade accounts receivable, net	13,361	15,581
Trade accounts receivable due from related parties	453	681
Unbilled receivables	204	7,256
Other receivables	13,853	17,430
Prepayments and other current assets	5,284	2,316
Total current assets	**150,872**	**197,040**
Non-current assets		
Property, plant and equipment, net		
Networking equipment and plant	73,679	82,096
Operational and office equipment	7,394	7,576
Total property, plant and equipment, net	**81,073**	**89,672**
Intangible assets, net		
Licenses	2,061	2,205
Software	1,895	2,043
Goodwill	2,377	1,407
Others	6	8
Total intangible assets, net	**6,339**	**5,663**
Investment in equity method investees	**4,876**	**4,996**
Other non-current assets	**590**	**603**
Total non-current assets	**92,878**	**100,934**
Total assets	**243,750**	**297,974**

	as of June 30, 2002 in TEUR	as of Dec. 31, 2001 in TEUR
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Current liabilities		
Short-term debt and current portion of long-term debt	27	357
Trade accounts payable	23,123	23,591
Trade accounts payable due to related parties	1,710	13,199
Accrued liabilities	18,002	18,769
Deferred revenues	2,666	883
Other current liabilities	1,013	807
Total current liabilities	**46,541**	**57,606**
Non-current liabilities		
Convertible bonds	50	39
Accrued pensions	178	162
Other non-current liabilities	–	201
Total non-current liabilities	**228**	**402**
Total liabilities	**46,769**	**58,008**
Shareholders' Equity		
Share capital	105,009	105,009
Additional paid-in capital	473,465	473,480
Treasury stock	(266)	(3,312)
Deferred compensation	(8,418)	(12,086)
Receivables due from shareholders	(1)	(1)
Accumulated deficit	(372,808)	(323,124)
Total Shareholders' Equity	**196,981**	**239,966**
Total liabilities and Shareholders' Equity	**243,750**	**297,974**

The accompanying notes to unaudited consolidated financial statements are an integral part of these statements.

STATEMENTS OF CASH FLOW

Consolidated Statements of Cash Flow (unaudited)
(EUR amounts in thousands (TEUR))

	for the six months ended June 30, 2002	2001
	in TEUR	in TEUR
Cash flow from operating activities		
Net loss	**(47,557)**	**(54,708)**
Adjustments to reconcile net loss to cash used in operating activities		
Non-cash compensation charge	3,577	2,105
Depreciation and amortization	13,656	9,535
Gain on sale of equipment	(71)	–
Share of post acquisition losses of equity method investees	861	1,811
Non-cash interest expense	82	33
Change in operating assets and liabilities		
Decrease in accounts receivable, net	2,220	1,556
Decrease in accounts receivable due to related parties	228	976
Decrease in unbilled receivables	7,052	4,072
Decrease/(Increase) in other receivables	3,577	(5,520)
Increase in prepayments and other current assets	(2,968)	(3,880)
Decrease/(Increase) in other non-current assets	13	(251)
Increase/(Decrease) in trade accounts payable	(11,957)	8,385
Decrease in accrued liabilities	(767)	(18,809)
Increase in deferred revenues	1,783	109
Decrease in accrued taxes	–	(56)
Increase/(Decrease) in other current liabilities	206	(243)
Increase in accrued pensions	16	15
Net cash used in operating activities	**(30,049)**	**(54,870)**

	for the six months ended June 30, 2002	2001
	in TEUR	in TEUR
Cash flow from investing activities		
Purchases of held-to-maturity securities	(62,416)	–
Acquisition of business, net of cash acquired	(1,001)	(1,760)
Purchases of intangible assets	(222)	(1,127)
Purchases of plant and equipment	(4,698)	(25,147)
Proceeds from sale of equipment	229	–
Net cash used in investing activities	**(68,108)**	**(28,034)**
Cash flow from financing activities		
Decrease in short-term debt and current portion of long-term debt	(330)	(76)
Issuance/(Redemption) of convertible bonds	12	(1)
Purchases of treasury stock	–	(352)
Net cash used in financing activities	**(318)**	**(429)**
Net decrease in cash and cash equivalents	**(98,475)**	**(83,333)**
Cash and cash equivalents at beginning of year	153,776	294,780
Cash and cash equivalents at end of period	**55,301**	**211,447**
Supplemental disclosures of cash flow information		
Cash paid during the period for		
Interest expense	18	64
Income taxes	–	–

The accompanying notes to unaudited consolidated financial statements are an integral part of these statements.

STATEMENTS OF EQUITY

Consolidated Statements of Shareholders' Equity from January 1, 2001 to June 30, 2002 (unaudited)
(EUR amounts in thousands (TEUR), except for per share amounts)

Balance at January 1, 2001
Purchase of treasury stock (January 1, 2001)
Convertible bonds forfeited due to termination of employment (January 1, 2001)
Purchase of treasury stock (May 1, 2001)
Convertible bonds forfeited due to termination of employment (May 1, 2001)
Initial deferred compensation recorded (July 1, 2001)
Purchase of treasury stock (July 1, 2001)
Reissue of treasury stock (October 1, 2001)
Initial deferred compensation recorded (October 1, 2001)
Amount amortized during the period
Net loss
Balance at December 31, 2001
Reissue of treasury stock (January 1, 2002)
Convertible bonds forfeited due to termination of employment (January 1, 2002)
Reissue of treasury stock (April 1, 2002)
Convertible bonds forfeited due to termination of employment (April 1, 2002)
Amount amortized during the period
Net loss
Balance at June 30, 2002

Ordinary Shares		Treasury Shares		Additional Paid-In Capital	Deferred Compen-sation Account	Accumu. Deficit	Receivab. Due from Share-holders'	Total Share-holders' Equity
	Amount		Amount					
Shares	TEUR	Shares	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
105,008,714	**105,009**	**934,954**	**(4,125)**	**477,304**	**(21,515)**	**(217,532)**	**(1)**	**339,140**
		88,512	(66)	(890)	890			(66)
				(23)	23			–
		366,052	(286)	(3,674)	3,674			(286)
				(136)	136			–
				441	(441)			–
		9,126	(50)	(68)	68			(50)
		(273,171)	1,215					1,215
				526	(526)			–
					5,605	(691)		4,914
						(104,901)		(104,901)
105,008,714	**105,009**	**1,125,473**	**(3,312)**	**473,480**	**(12,086)**	**(323,124)**	**(1)**	**239,966**
		(575,000)	2,869			(2,127)		742
				(45)	45			–
		(191,726)	177	76				253
				(46)	46			–
					3,577			**3,577**
						(47,557)		**(47,557)**
105,008,714	**105,009**	**358,747**	**(266)**	**473,465**	**(8,418)**	**(372,808)**	**(1)**	**196,981**

The accompanying notes to unaudited consolidated financial statements are an integral part of these statements.

QSC AG, COLOGNE

Notes to condensed financial statements (unaudited)
(EUR amounts in thousands (TEUR), except for per share amounts)

1. Organization and basis of presentation

a) **Organization** // QSC AG (in the following referred to as "QSC") was incorporated in January 1997 as a limited liability company under the name QS Communication Service GmbH. In the second half of 1999, it was registered as a joint-stock company in Cologne, North Rhine Westphalia, Germany under the name QS Communications AG. The annual general meeting held on May 17, 2001 resolved that the company changes its corporate name from "QS Communications AG" to "QSC AG".
QSC offers its business and residential customers DSL-based (Digital Subscriber Line) broadband "always-on" connections to the Internet, with up and downstream data transfer rates going up to 2.3 Mbit/s. DSL-technology makes efficient use of the last mile on the basis of unbundled network access, thus multiplying data traffic speeds by a factor of several times compared with standard subscriber connections. The QSC broadband network covers the 40 largest cities in Germany and reaches more than 20 million potential users. QSC provides its services through sales partners, mainly Internet service providers acting as resellers. QSC also serves the end-user market selling its products and services either direct or through retail and distribution partners.

b) **Basis of presentation** // The interim consolidated financial statements of QSC are unaudited and have been prepared in accordance with generally accepted accounting principles in the United States ("US GAAP") for interim financial reporting. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the financial statements reflect all adjustments (of a normal and recurring nature) which are necessary to present fairly the financial position, results of operations and cash flows for the interim periods. The financial statements should be read in conjunction with the audited consolidated financial statements as of December 31, 2001 and 2000. The results for the six month period ended June 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002.
All amounts except per share amounts are in thousands of EUR (TEUR).

c) **Principles of consolidation //** The consolidated financial statements include the accounts of QSC and its subsidiaries. All significant inter-company transactions have been eliminated in the consolidation. The equity method of accounting is used for companies and other investments in which QSC has significant influence. Generally this represents ownership of at least 20% and not more than 50%.

2. Significant accounting policies

a) **Recently issued statements of financial accounting standards //** In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") 141, "Business Combinations" and SFAS 142, "Goodwill and Other Intangible Assets". SFAS 141 requires that all business combinations initiated after June 30, 2001 be accounted for under the purchase method and addresses the initial recognition and measurement of goodwill and other intangible assets acquired in a business combination. SFAS 142 addresses the initial recognition and measurement of intangible assets acquired outside of a business combination and the accounting for goodwill and other intangible assets subsequent to their acquisition. SFAS 142 provides that intangible assets with finite useful lives be amortized and that goodwill and intangible assets with indefinite lives not be amortized, but, rather, tested at least annually for impairment. Under US GAAP, we adopted SFAS 142 as of January 1, 2002, and stopped, at that time, amortizing goodwill that resulted from business combinations completed prior to the adoption of SFAS 141. On adoption, the Company concluded that no intangible assets other then goodwill have indefinite lives.
SFAS 142 requires that the Company completes a first phase of the impairment review for goodwill and intangible assets with indefinite lives by June 30, 2002. The impairment test demonstrated that the fair value of the business exceeds its carrying amount and had no impact on our consolidated financial statements. In the first six months of 2002, QSC recorded no goodwill amortization charge. Had QSC adopted SFAS 142 on January 1, 2001, QSC would not have recorded a goodwill amortization charge of TEUR 84 for the first six months ended June 30, 2001. Therefore the adjusted net loss for the first six

months of 2001 would have been TEUR 54,624. The adjusted net loss per common share would not have been different from the reported net loss per common share.
In June 2001, the FASB issued SFAS 143, "Accounting for Asset Retirement Obligations". SFAS 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. SFAS 143 is effective for fiscal years beginning after June 15, 2002. Currently, QSC does not anticipate any material impact on its results of operation or its financial position arising from the adoption of SFAS 143.
In August 2001, the FASB issued SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 establishes a single accounting model for long-lived assets to be disposed of by sale consistent with the fundamental provisions of SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of". SFAS 144 is effective for fiscal years beginning after December 15, 2001 and interim periods within those fiscal years, with early application encouraged. The provisions of the statement are generally to be applied prospectively. QSC currently does not intend to dispose of any operation and accordingly, does not anticipate that adoption of SFAS 144 will have a material impact on its results of operations or its financial position.
In April 2002, the FASB issued SFAS 145 "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical corrections". The principal change is that gains or losses from extinguishment of debt which are classified as extraordinary items by SFAS 4 will no longer be classified as such. The provisions of SFAS 145 are effective for fiscal years beginning after May 15, 2002 although early application of the Statement related to the rescission of SFAS 4 is encouraged. QSC plans to adopt SFAS 145 for the fiscal year ending December 31, 2003.
In June 2002, the FASB issued SFAS 146 "Accounting for costs associated with disposal or exit activities". This Statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3 "Liability Recognition for Certain Employee Termination Benefits and Other costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)". This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under Issue 94-3, a liability for an exit cost as defined in Issue 94-3 was recognized at the date of an entity's commitment

to an exit plan. However, this standard does not apply to costs associated with exit activities involving entities acquired under business combinations or disposal activities covered under SFAS 144. QSC does not anticipate that adoption of SFAS 146 will have a material impact on its results of operations or its financial position.

b) **Use of estimates in the preparation of the financial statements** // The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosure of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) **Cash, cash equivalents and held-to-maturity securities** // The cash and cash equivalents consist of bank balances, cash on hand and debt securities with an original term of three months maximum. The securities are held-to-maturity securities and in accordance with SFAS 115 reported at amortized cost.

d) **Loss per share** // Under SFAS 128 "Earnings per share", loss per share is computed by dividing loss applicable to common stockholders by the weighted average number of shares of QSC's common stock outstanding exclusive of shares subject to repurchase if specified conditions are not met. Diluted earnings per share are calculated in the same manner except that the number of shares is increased assuming exercise of dilutive stock options and conversion of convertible preferred stock where these are dilutive.
For the six months ended June 30, 2001 and 2002, the dilutive effect of options and preferred stock was not considered because QSC recorded net losses and the impact of their assumed exercise would be anti-dilutive.
The loss per share calculation does not include 3,874,067 shares issued to employees through the exercise of convertible bonds, which are subject to forfeiture, nor does it include the effect of the possible conversion of convertible bonds into 5,101,711 shares of QSC common stock. The loss per share calculation does not include 47,484,647 preferred shares for the period January 1, 2000 to May 4, 2000. The 47,484,647 preferred shares were converted into 47,484,647 ordinary shares of QSC on May 5, 2000, as of which date they were included in the loss per share computation.

e) **Goodwill** // Goodwill consists of the excess purchase price over the fair value of the identifiable net assets acquired in acquisitions. Such amounts were amortized using the straight-line method over 4 years, until December 31, 2001. With the adoption of SFAS 142 as of January 1, 2002, goodwill is no longer amortized, but, rather, tested at least annually for impairment. We refer to a) "Recently issued statements of financial accounting standards".

f) **Segment information** // QSC applies the "management" approach in accordance with SFAS 131, "Disclosures about Segments of an Enterprise and Related Information", for identifying reportable segments. The management approach designates the internal organization used by management for making operating decisions and assessing performance as the source of QSC's reportable segments. QSC is operating in one segment: Internet and corporate network access in Germany.

3. Investments

On February 23, 2001, QSC signed contracts to acquire a 65% share in COMpoint Network Consulting GmbH, Vellmar/Germany ("COMpoint"). COMpoint, a limited liability company, is an Internet service provider offering telecommunications and network solutions to its customers. On April 22, 2002, QSC increased its share in COMpoint to 100%. Total acquisition cost for all shares amount to TEUR 1,285, paid in cash. QSC recorded TEUR 864 of goodwill in connection with the purchase of its share in COMpoint. QSC amortized TEUR 148 of this goodwill until December 31, 2001.
On April 24, 2001, QSC signed a contract to acquire a 41% share in Gesellschaft für Internet-Kommunikation AG, Aachen/Germany ("Ginko"). Ginko is an Internet service provider specializing in the provision of fast Internet access. On April 24, 2001, QSC participated in a capital increase and with purchases on December 14, 2001 and April 2, 3 and 8, 2002, QSC increased its share in Ginko to 100%. Total acquisition cost for all shares amount to TEUR 1,717 of which TEUR 1,378 was paid in cash and TEUR 339 in shares. QSC recorded TEUR 1,790 of goodwill in connection with the purchase of its share in Ginko. Whereas TEUR 822 relate to the shares acquired in 2002. TEUR 128 were amortized until December 31, 2001.

The acquisitions of both COMpoint and Ginko were made for reasons of vertical integration and have been accounted for under the purchase method of accounting.
On April 26, 2001, the shareholders of ALCHEMIA S.p.A., Milan/Italy, one of QSC's strategic investments made in 2000, resolved to change the company's name to Netchemya S.p.A. ("Netchemya"). QSC's share in Netchemya is TEUR 5,688 or 25%.
On January 28, 2002, QSC fulfilled its commitment acquiring a 49% interest in Grell Beratungs GmbH, Cologne ("Grell"). QSC's payment for this acquisition consisted of 575,000 ordinary shares of QSC stock at a per share value of EUR 1.29.
QSC uses the equity method of accounting for its investments in Netchemya and Grell. From April 26, 2001 to June 30, 2002, QSC recorded post-acquisition losses of TEUR 1,552 from its investment in Netchemya. From January 28 to June 30, 2002, QSC recorded post-acquisition losses of TEUR 5 from its investment in Grell.

4. Employee equity incentive program

QSC accounts for its stock option plans under provisions of APB Opinion 25, "Accounting for Stock Issued to Employees" for options granted to employees under stock option plans. Under APB Opinion 25, compensation expense is recognized based on the amount by which the fair value of the underlying common stock exceeds the exercise price of the stock options at the measurement date. In the case of SOP2000, the measurement date is the date of grant. In the case of SOP2000A, the exercise price of 483,169 convertible bonds was reduced in November 2000. The 483,169 convertible bonds are therefore accounted for using variable plan accounting. All other convertible bonds and shares exercised under SOP2000A have a measurement date equal to the grant date. The same applies to the stock option plan SOP2001. As at June 30, 2002, QSC had deferred compensation totaling TEUR 8,418. This amount is yet to be amortized as a charge to operations until the options have been exercised finally. In the first six months of 2002, QSC amortized TEUR 3,577 (2001: TEUR 2,105). QSC did not record any compensation expense in connection with the 483,169 convertible bonds subject to variable plan accounting. These bonds have a weighted average exercise price of EUR 4.23. QSC's stock closed at EUR 0.67 on the last trading day of the second quarter 2002 at the Frankfurt Neuer Markt stock exchange.

On May 16, 2002, the annual general meeting approved a fourth stock option plan ("SOP2002") authorizing the QSC Management Board to issue up to 2.45 million registered convertible bonds at 3.5% annual interest with a par value of EUR 0.01. The bonds have a term of up to five years. The authorization is limited until May 31, 2005. The holders of the convertible bonds have the right to change each bond to a registered no-par value share of QSC. Convertible bonds may be allotted to employees of QSC and its affiliated companies, to members of the Advisory Board, the Supervisory Board and the Management Board, as well as advisers and consulting companies. The plan will be funded by a conditional capital increase of up to TEUR 2,450. The conversion price is the closing price of QSC shares on the Neuer Markt segment of the Frankfurt Stock Exchange on the day of the issue of the convertible bond. The conversion rights are subject to a lock-up period, during which the bonds may not be converted. The lock-up period ends one year after the issue of the bonds for 33% of the conversion rights, two years after the issue for an additional 33% and three years after the issue for the rest.

5. Debt

Other non-current liabilities of TEUR 228 include convertible bonds of our employee equity incentive program and an accrual for existing pension obligations.

6. Allowance for doubtful accounts

In the first six months of 2002, allowance for doubtful accounts of TEUR 495 was recorded. In the first six months of 2001, the allowance for doubtful accounts was TEUR 62.
In March 2001, QSC obtained insurance policies covering losses on accounts receivables due to risks which might not be detected despite an effective credit management.

7. Events subsequent to the balance sheet date

The merger between QSC and COMpoint was recorded in the commercial register on July 1, 2002 and between QSC and Ginko on August 2, 2002. The commercial effective date for this transaction is January 1, 2002. This will have no impact on the reported results because both acquisitions have been consolidated under the purchase method of accounting.

QSC AG, COLOGNE

Management's discussion and analysis of financial condition and results of operations
(EUR amounts in thousands (TEUR), except for per share amounts)

The following discussion and analysis of QSC's financial condition and results of operations should be read in conjunction with the audited annual financial statements and the related notes thereto.

1. Overview

We commenced operations in January 1997 as a consulting company providing services in telecommunications and information technology. We phased out our consulting business at the end of December 1999.
We were the first company in Germany to publicly announce plans for a nationwide network based on symmetric DSL-technology (digital subscriber line) on November 10, 1999. This Germany wide network rollout has been largely completed covering more than 20 million homes and more than one million businesses.
We offer our business and residential customers broadband "always-on" connections to the Internet on the basis of standard copper subscriber lines. We provide our services through more than 120 sales partners, mainly Internet service providers acting as resellers. Since March 2001, we have been selling our Q-DSL product family to end-user customers. The Q-DSL product family is available either directly from us or from one of our more than 300 retail partners.

2. Factors affecting future operations

a) Revenues // We derive the following types of revenues from our DSL business:

- monthly recurring service charges for connections from the end-user customer to our facilities;
- monthly recurring charges for providing sales partners with broadband capacity at our Metropolitan Service Centres and on our backbone;
- non-recurring charges for installation and end-user equipment;
- monthly recurring charges for providing equipment housing to our sales partners within our Metropolitan Service Centres;
- monthly recurring charges for the leased-line fibre connection from our sales partners to our Metropolitan Service Centres.

We expect prices for both recurring and non-recurring services to decrease each year due to increased competition and future volume discounts.
We generate revenues under our service agreement with IN-telegence GmbH & Co. KG as a network carrier. These revenues are insignificant compared to our overall revenues.

b) Operating expenses // The following factors comprise our operating costs:

- Network expenses: we pay Deutsche Telekom monthly rental costs for using copper-lines between the end-users and Deutsche Telekom's central offices including non-recurring installation costs for such lines. Network expenses also include monthly rental costs for space within Deutsche Telekom's central offices and for our Metropolitan Service Centres. We pay Deutsche Telekom and other telecommunications companies monthly recurring and non-recurring costs for lines between Deutsche Telekom's central offices and our Metropolitan Service Centres, for lines between our Metropolitan Service Centres and our sales partners and for lines interconnecting our Metropolitan Service Centres. Other network expenses we incur are for repairs and maintenance of our network, for the operation of our network and for the design and deployment of our network. Network costs may vary in the future due to regulatory intervention concerning the monthly rental costs for space within Deutsche Telekom's central offices. We expect leased line costs for lines between central offices and Metropolitan Service Centres, for lines between Metropolitan Service Centres and our distribution partners and for lines interconnecting our Metropolitan Service Centres to decrease in the future due to intense competition and future volume discounts.
- Other operating expenses include costs for selling and marketing activities, research and development costs as well as general and administrative expenses.

c) **EBITDA //** In addition to other measurements, which are reflected in our statements of operations, we measure our financial performance by EBITDA. EBITDA consists of net loss excluding interest, taxes, share of post acquisition losses of equity method investments, amortization of deferred stock compensation, other non-operating income, depreciation and amortization of non-current assets and amortization of goodwill. We believe that EBITDA is a meaningful measure of performance because it is commonly used in the telecommunications industry. However, other companies may calculate it differently from us. We present EBITDA to enhance your understanding of our operating results. You should not construe it as an alternative to operating income as an indicator of our operating performance or as an alternative to cash flows from operating activities as a measure of liquidity. For the six months ended on June 30, 2001, we calculated negative EBITDA of TEUR 45,706. For the equivalent period of 2002, we calculated negative EBITDA of TEUR 31,180. The decrease is primarily caused by the increase in revenues and the measures which have been taken to optimize the network utilization.

d) **Capital expenditures //** The development and expansion of our business will require significant expenditures. When we enter a market, we primarily incur the following types of capital expenditures:

- expenditure for procurement, design and construction of space within Deutsche Telekom's central offices;
- purchase and installation of DSL access multiplexing equipment and asynchronous transfer mode switches;
- purchase and installation of equipment for our Metropolitan Service Centres;
- purchase and installation of our network management systems;
- demand-based expenditures for purchasing end-user DSL line cards and customer premises equipment.

We may have to purchase further equipment in future periods depending on the quantity and type of equipment we initially deploy in a central office or in a Metropolitan Service Centre. Following the near completion of the network rollout, the major portion of our capital expenditures is for the purchase of line cards and customer premises equipment to support customer and end-user growth. We expect that the average cost of both line cards and customer premises equipment will decrease in the next few years.

3. Results of operations (six months ended June 30, 2002 and 2001)

a) **Revenues** // In the first six months ended June 2002, we recorded revenues of TEUR 21,523. Compared with revenues of TEUR 12,417 in the first six months ended June 2001, this represents an increase of 73%, which is mainly due to an increase in the number of customers.
The Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin 101 "Revenue Recognition in Financial Statements" ("SAB 101") in December 1999. SAB 101 requires that, in certain circumstances, revenues received in the first month of a contract be recognized over an extended period of time instead of in the first month of the contract. QSC has adopted the provisions of SAB 101. Accordingly, we do not recognize revenues from non-recurring installation charges in the month they are invoiced, but we recognize them over the estimated average contract life of 12 months. For the period ended on June 30, 2002, we recognized TEUR 21,523 in revenues. TEUR 2,666 in installation charges are deferred and will be recognized in future periods.

b) **Cost of revenues** // Cost of revenues are our network expenses totaling TEUR 31,308 for the first half of 2002. During the equivalent period in 2001, we recorded network expenses of TEUR 42,393. This represents a decrease in network expenses of 26%. Although the network has been extended and the number of customers has increased, network expenses were reduced. This primarily reflects the measures which have been taken to optimize network utilization. We expect increasing network expenses in future periods due to intensified sales activity expected to result in a growing subscriber base.

c) **Selling and marketing expenses** // We recorded selling and marketing expenses of TEUR 14,183 in the first six months of 2002 and TEUR 9,629 for the first six months of 2001, representing an increase of 47%. Selling and marketing expenses increased reflecting our efforts to market and sell our end-user products.
Selling and marketing expenses consist primarily of salaries, costs incurred for promotional and advertising campaigns and the development of corporate identity. We expect selling and marketing expenses to further increase as we continue to promote our services.

d) General and administrative expenses // General and administrative expenses were TEUR 6,625 in the first half year of 2002 and TEUR 5,393 during the equivalent period of 2001 – an increase of 23%.
The increase in general and administrative expenses is due to the increased number of employees. We expect our general and administrative expenses to moderately increase in future periods as we expand our business and manage our organizational growth.

e) Research and development expenses // We recorded research and development costs of TEUR 587 in the first half year of 2002 and TEUR 708 in the equivalent period of 2001, representing an decrease of 17%.
Research and development costs primarily consist of development costs for advanced solutions and applications for our DSL business. We expect our research and development expenses to increase in future periods as we continue to develop value added services and new voice telephony products.

f) Other income (expenses) // Other income (expenses) consists primarily of interest income on our cash and cash equivalents balance. Interest income for the six months to June 30, 2002 was TEUR 1,944 in comparison to TEUR 4,552 in the equivalent period of 2001, which is due to a lower cash balance in the first quarter of 2002. Interest expense in the first half year of 2002 was TEUR 100. Interest expense was incurred from short-term loans, minority interests in the net income of our majority-owned subsidiary COMpoint Network Consulting GmbH, Vellmar/Germany ("COMpoint") and the interest accreted to the estimated strike price of the option to acquire the remaining 35% of COMpoint which took place on April 22, 2002. We recorded TEUR 131 interest expense during the equivalent period of 2001.
For the period from January 1 until June 30, 2002, we recorded our share of post acquisition losses from our equity method investees of TEUR 861. For the equivalent period in 2001, we recorded TEUR 1,811.

4. Liquidity, capital resources and investments

Our operations have required substantial capital investment for the network rollout. We financed our operations through equity. From 1999 through to June 30, 2002, we raised total net proceeds of TEUR 428,871 through private placements, our public share offering in April 2000 and our employee equity incentive programs. Cash, cash equivalents and securities on June 30, 2002 were TEUR 117,717.

The accumulated deficit of TEUR 372,808 includes TEUR 120,873 in dividends from a beneficial conversion feature in connection with our private placement in December 1999 and TEUR 20,184 deferred compensation resulting from the issuance of convertible bonds.

The non-cash beneficial conversion feature is the result of our private placement in December 1999, where we sold shares in series B preferred stock at a price per share deemed below the fair value per share for accounting purposes. We recognized the difference between the deemed fair value per share and the actual price per share as a non-cash dividend of TEUR 120,873 in connection with the beneficial conversion feature. The non-cash deferred compensation amount is the result of the issuance of our stock option plans, where we sold convertible bonds at a price per share deemed below the fair value per share for accounting purposes. In the first six months of 2002, we incurred TEUR 3,577 in compensation expense.

From January 1 through to June 30, 2002, net cash outflow from operating activities was TEUR 30,049. This was due to net losses of TEUR 47,557 and decreases in accounts payable and accrued liabilities of TEUR 12,724 and increases in assets of TEUR 13,090, offset by non-cash expenses of TEUR 18,105 and decreases in assets of TEUR 2,968 and increases in accounts payable and accrued liabilities of TEUR 2,005. We used TEUR 68,108 net cash for investing activities including TEUR 62,416 for short-term investments in debt securities which are classified as held-to-maturity. The balance of TEUR 5,692 was due to financial investments and purchases of intangible assets, plant and equipment. During the equivalent period of 2001, financial incestments and purchases of intangible assets, plant and equipment were TEUR 28,034. The 80% decrease is primarily due to our network rollout being largely completed and the decrease in investments in other entities. We expect further network related cash outflows, mainly from the purchase of DSL end user equipment and line cards. As such, we anticipate that future capital expenditures will correlate with end user growth.

Net cash used by financing activities during the first half year of 2002 amounts to TEUR -318. Due to the expansion of our business and network coverage, we expect to experience net cash outflows from both operating and investing activities in future periods. We may make investments in future periods in entities that are complementary in order to further support the growth of our business. We believe that our existing cash will be sufficient to fund those investments.

5. Shares and conversion rights held by Members of the Supervisory Board and the Management Board

Shares and conversion rights of Members of the Management Board:

	30/06/2002 Shares	30/06/2002 Conversion rights	31/12/2001 Shares	31/12/2001 Conversion rights
Dr. Bernd Schlobohm	13,818,372	0	13,818,372	0
Gerd Eickers	13,841,100	0	13,841,100	0
Markus Metyas	2,307	1,059,116	2,307	1,059,116
Bernd Puschendorf	0	1,000,000	0	0
	27,661,779	**2,059,116**	**27,661,779**	**1,059,116**

Shares and conversion rights of Members of the Supervisory Board:

	30/06/2002 Shares	30/06/2002 Conversion rights	31/12/2001 Shares	31/12/2001 Conversion rights
John C. Baker	0	19,130	0	9,130
Herbert Brenke	187,820	9,130	161,120	9,130
Manjit Dale	0	9,130	0	9,130
Ashley Leeds	9,130	0	9,130	0
David Ruberg	4,563	9,130	4,563	9,130
Claus Wecker	83,025	0	83,025	0
	284,538	**46,520**	**257,838**	**36,520**

6. Recent developments

In the first half year of 2002, QSC introduced three new products representing the development of QSC as a solution provider for voice and data transmission based on DSL-technology. Q-VPN allows companies of any size to build company networks by connecting geographically dispersed branch offices. Q-Security protects networks against unauthorized access allowing customers to define their own security requirements. Q-Voice allows customers to make telephone calls and transmit data over one and the same access. End-users can continue to use their existing telecommunications devices with uncompromising quality. QSC will continue to develop its range of products for its business clients.
As at January 1, 2002, we had 263 employees in total. We increased the number of employees until June 30, 2002 to a total of 306. 26 (or 60%) of the new employees joined our sales and marketing force. Temporarily, we expect a further moderate increase in the number of employees in future periods primarily due to the planned merger with COMpoint and Ginko.

7. Forward looking statements

The statements contained in this report that are not historical facts are forward looking statements. We have based these forward-looking statements on our current expectations and projections of future events. Actual results could differ materially from those anticipated in these forward looking statements as a result of the risks facing us or faulty assumptions on our part. Assumptions that could cause actual results to vary materially from future results include, but are not limited to:

- our ability to successfully market our services to current and new customers;
- our ability to generate customer demand for our services in our target markets;
- the development of our target markets and market opportunities;
- market pricing for our services and for competing services;
- the extent of increasing competition, especially by Deutsche Telekom AG;
- trends in regulatory, legislative and judicial developments.

GLOSSARY.

ADSL Asymmetrical Digital Subscriber Line; asymmetric data transmission technology with downstream rates between 1.5 Mbit/s and 8 Mbit/s and upstream rates between 16 kbit/s and 640 kbit/s.

ASP Application Service Provider; service providers that host, manage, support, and deliver software applications and database to customers from a remote data center over the Internet or wide area networks.

Backbone High-speed network that interconnects networks with lower speeds/capacities.

Bandwidth The transmission capacity of a line.

Broadband Data transmission capacity in excess of 128 Kilobit per second.

CO Central office or co-location room; local access switching facility of Deutsche Telekom, where the "last mile" begins.

ISDN Integrated Services Digital Network; digital switching technology allowing the transmission of any and all forms of telecommunication through a single line.

ISP Internet service provider. They facilitate customer data communication by provision of Internet access and related services, e.g. e-mail management.

Last Mile The distance from the telephone outlet to the nearest local switching center (central office).

Leased Line Any permanently available connection; no time lost due to dialling in and the setting up of a connection.

Line Sharing Shared use of a local loop for voice and broadband data services. Both services can be provided by different operators due to a separation of the frequency spectrum used.

Mbit/s / kbit/s Megabit per second/Kilobit per second; measuring units of data transmission speed.

MSC Metropolitan Service Centre; QSC's local access network mode where local broadband traffic is bundled and connected with Internet and/or the PoTS (Plain old Telephony System) world. The MSC's also house broadband application servers.

QoS Quality of Service; in order to ensure an agreed transmission service level, the transport protocol, e.g. must support Quality of Service. Quality of Service for instance, ensures that a video transmitted via QSC speedw@y-DSL will reach the user without distortions.

SDSL Symmetric Digital Subscriber Line; symmetric transmission technology, allows for data transfer into both directions at equal speeds of up to 2.3 Megabit per second.

TKG "German Telecommunication Law" of 1998. It constitutes the legal basis for the liberalisation of the Telecoms sector in Germany.

Video-on-demand The future of home entertainment. Via the Web, movies can be ordered and copied almost "live" through the telephone line. Due to QSC's DSL technology, the virtual video library as well as countless other multimedia services will grow from a technical concept stage to real consumer availability.

Voice over DSL The possibility to transmit voice and data simultaneously within the framework of DSL technology.

Web-Hosting Service providers offer server capacities mainly to business subscribers for their Internet applications.

CALENDAR

Quarterly Report III/2002
November 26, 2002

Conferences/Events
September 18, 2002
Terrapinn B2B media
Carriers World Europe 2002

Oktober 1, 2002
The Economist
2nd Annual Telecoms Conference

November 4, 2002
Euroforum
Broadband will change the Internet

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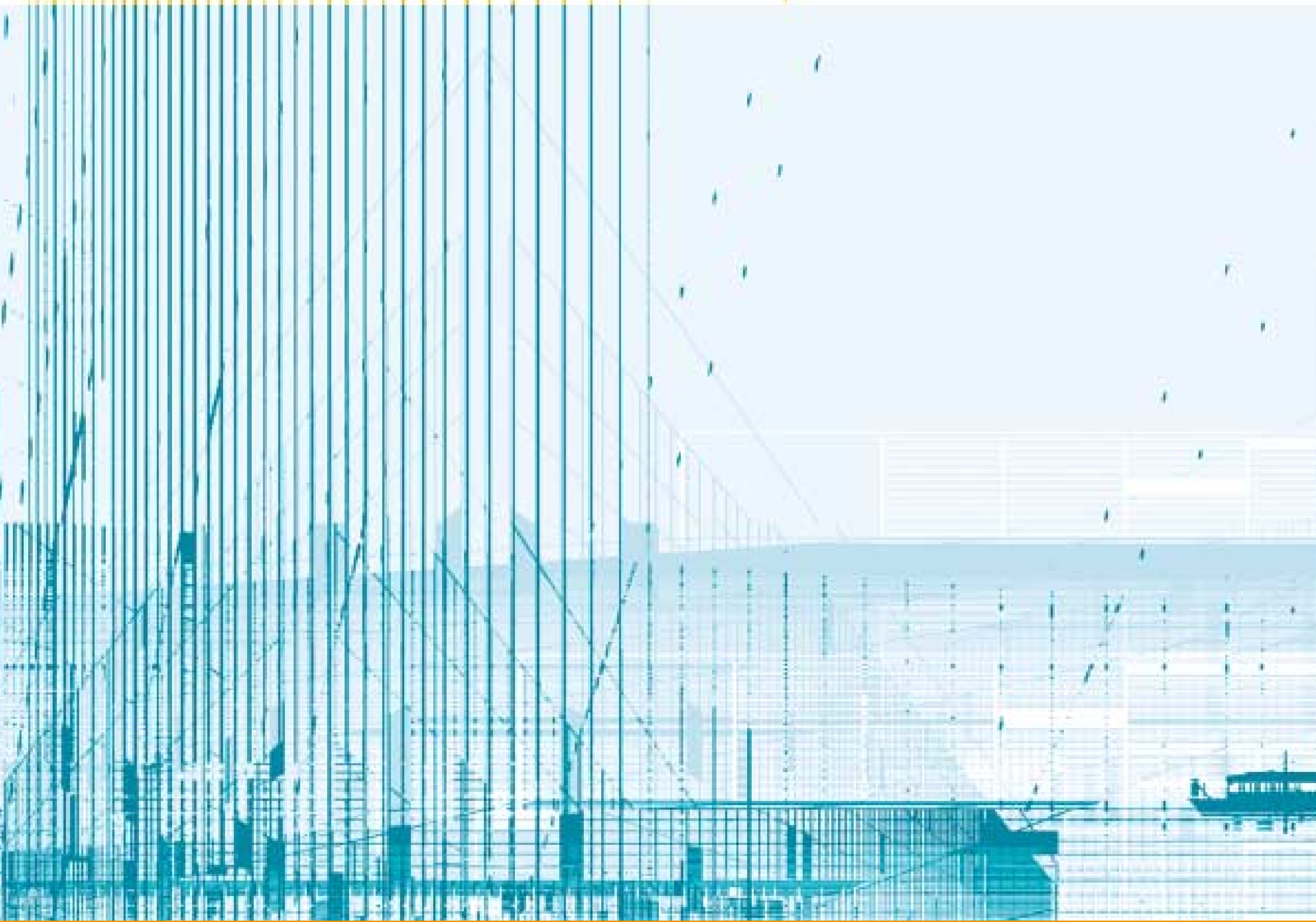

Further information under www.qsc.de