

QSC AG

Company Presentation

Results Q3 2009

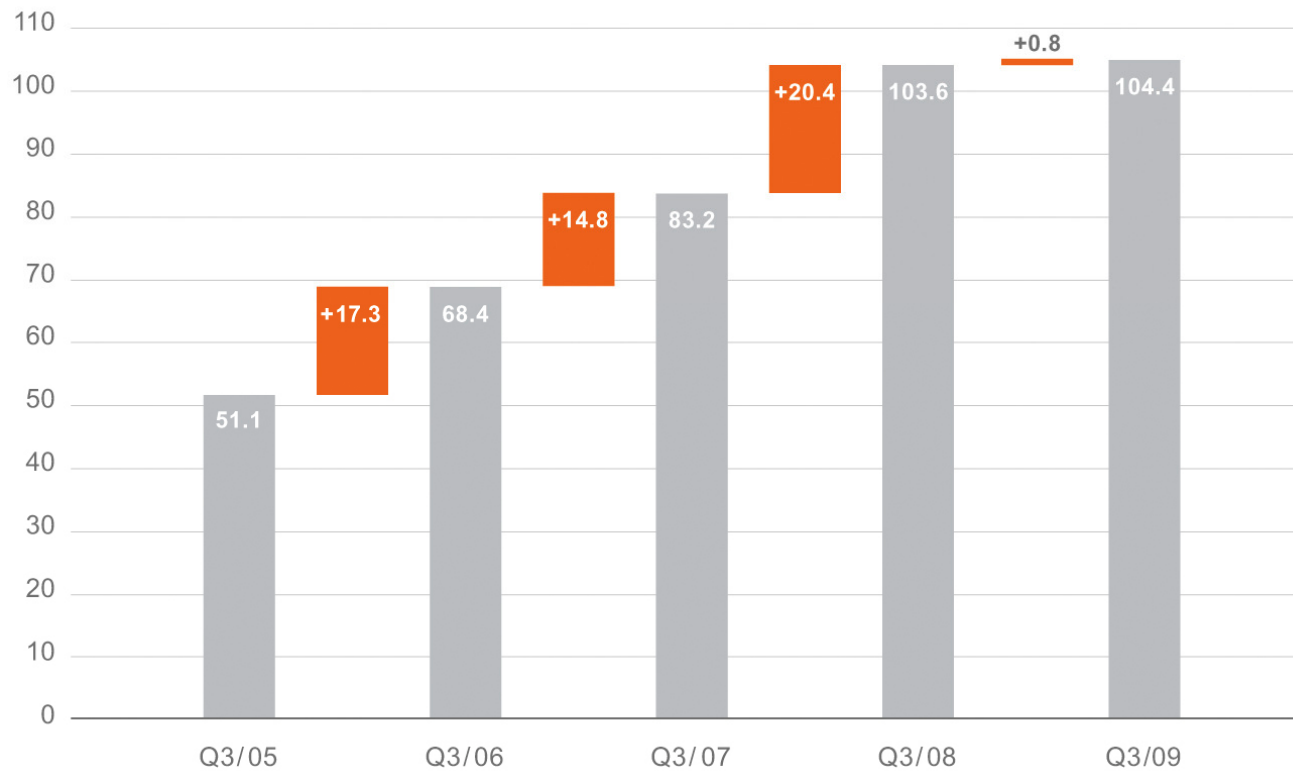
Cologne, November 9, 2009

AGENDA

1. Financial Results
Jürgen Hermann, Chief Financial Officer
2. Operational Update & Outlook
Dr. Bernd Schlobohm, Chief Executive Officer
3. Questions & Answers

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

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



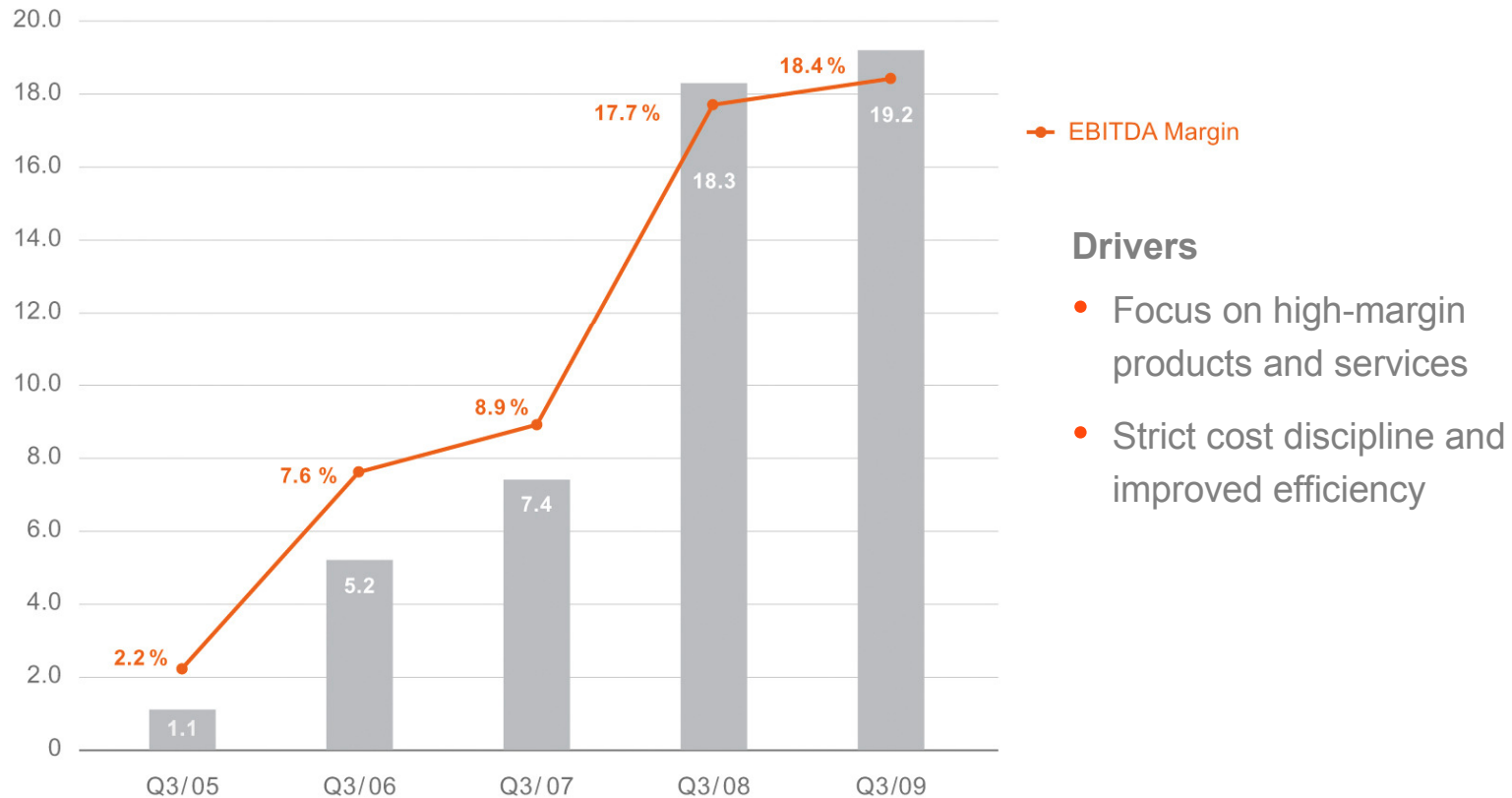
3

– Results Q3 2009 –

QSC AG
Premium Telecommunication

HIGH-MARGIN REVENUES LEAD TO RISING EBITDA

EBITDA QUARTER-ON-QUARTER (in € million)



Drivers

- Focus on high-margin products and services
- Strict cost discipline and improved efficiency

Q3 2009 CHARACTERIZED BY HIGHER GROSS PROFIT

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

5

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

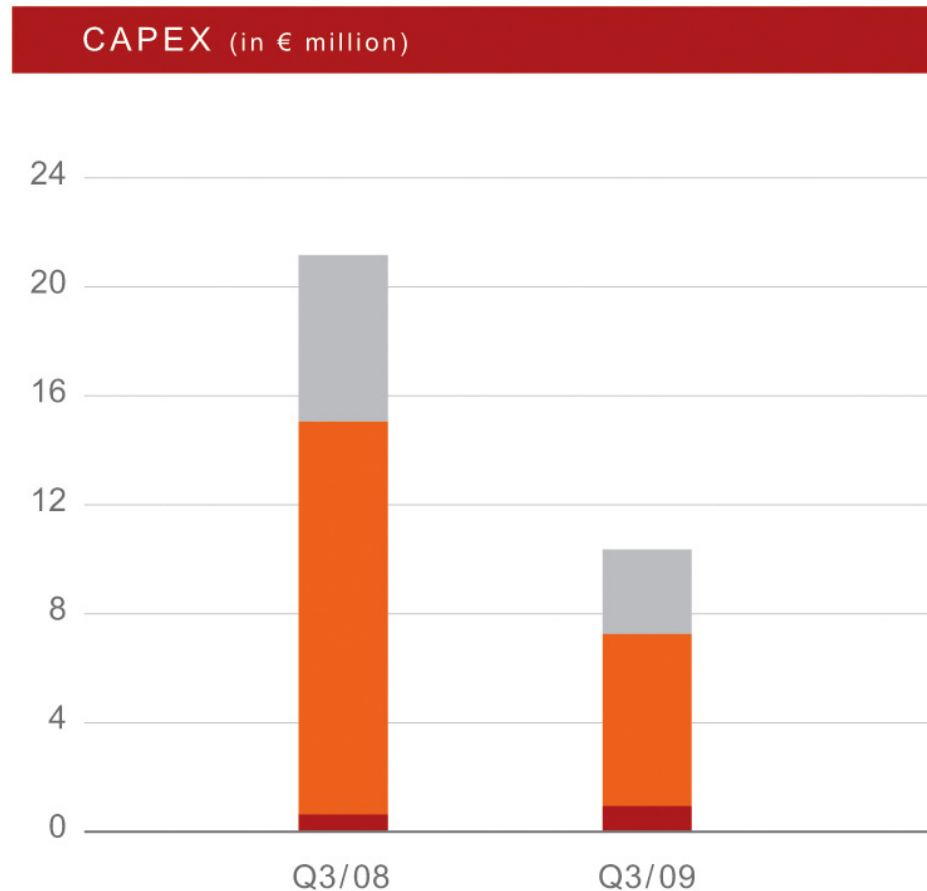
IN THE FIRST NINE MONTHS QSC HAS EARNED A SUSTAINABLE NET PROFIT

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

6

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

CAPEX HALVED IN Q3 2009



Drivers

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

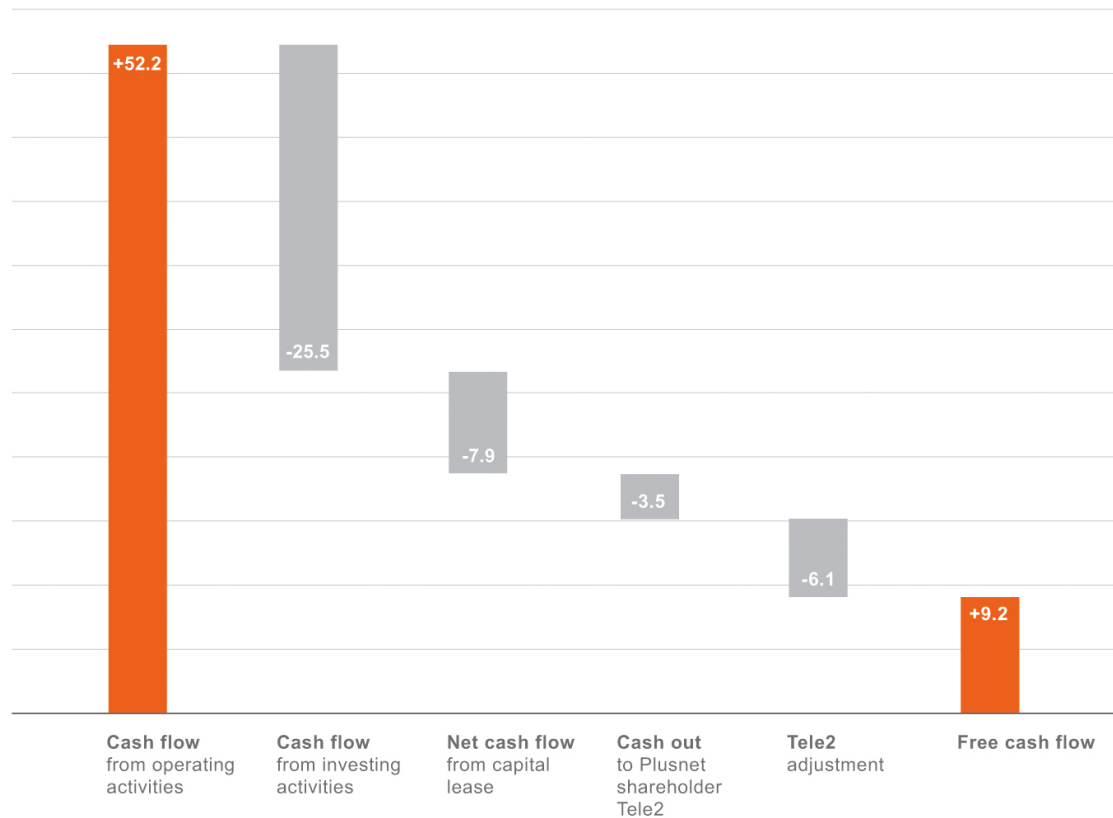
Consequence

- Low and stable level of CAPEX in 2009

- Network Extension
- Customer driven
- Other

QSC EARNS POSITIVE FREE CASH FLOW ...

DERIVATION OF FREE CASH FLOW (in € million)

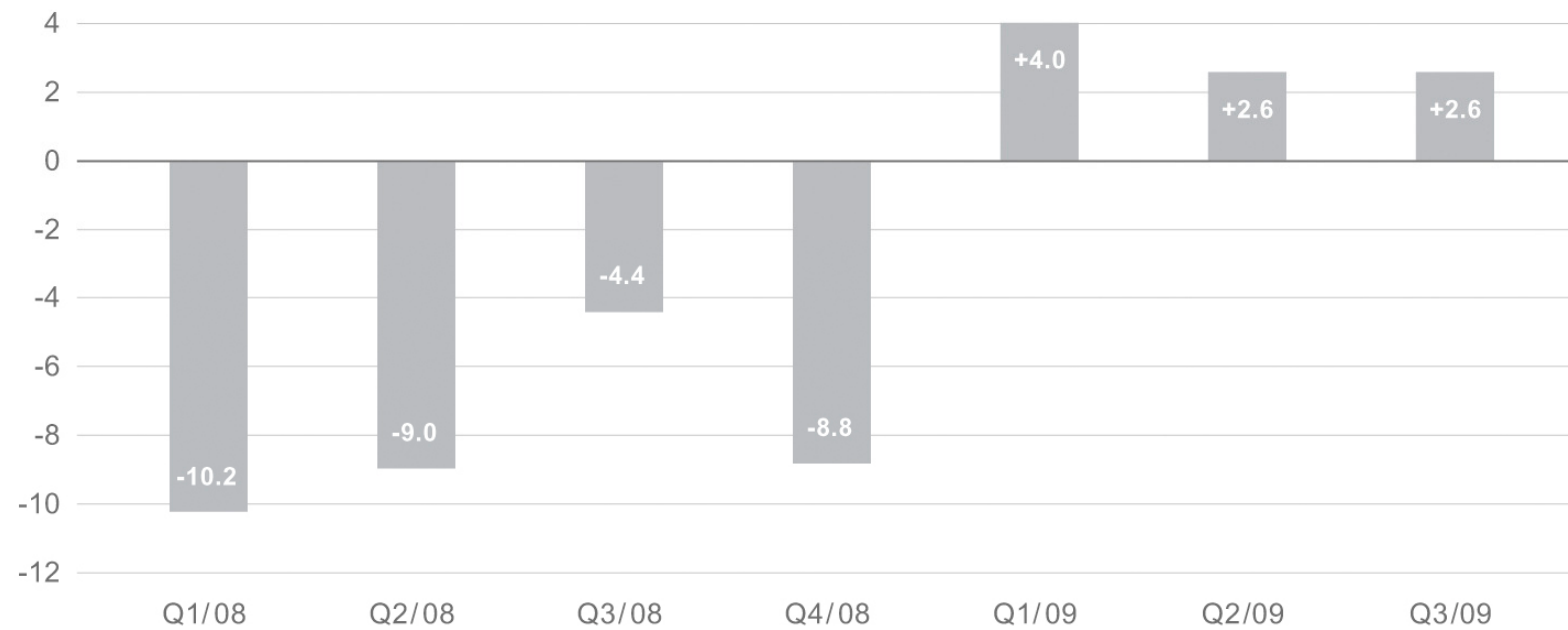


Drivers of FCF

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

... QUARTER BY QUARTER IN 2009

FREE CASH FLOW (in € million)

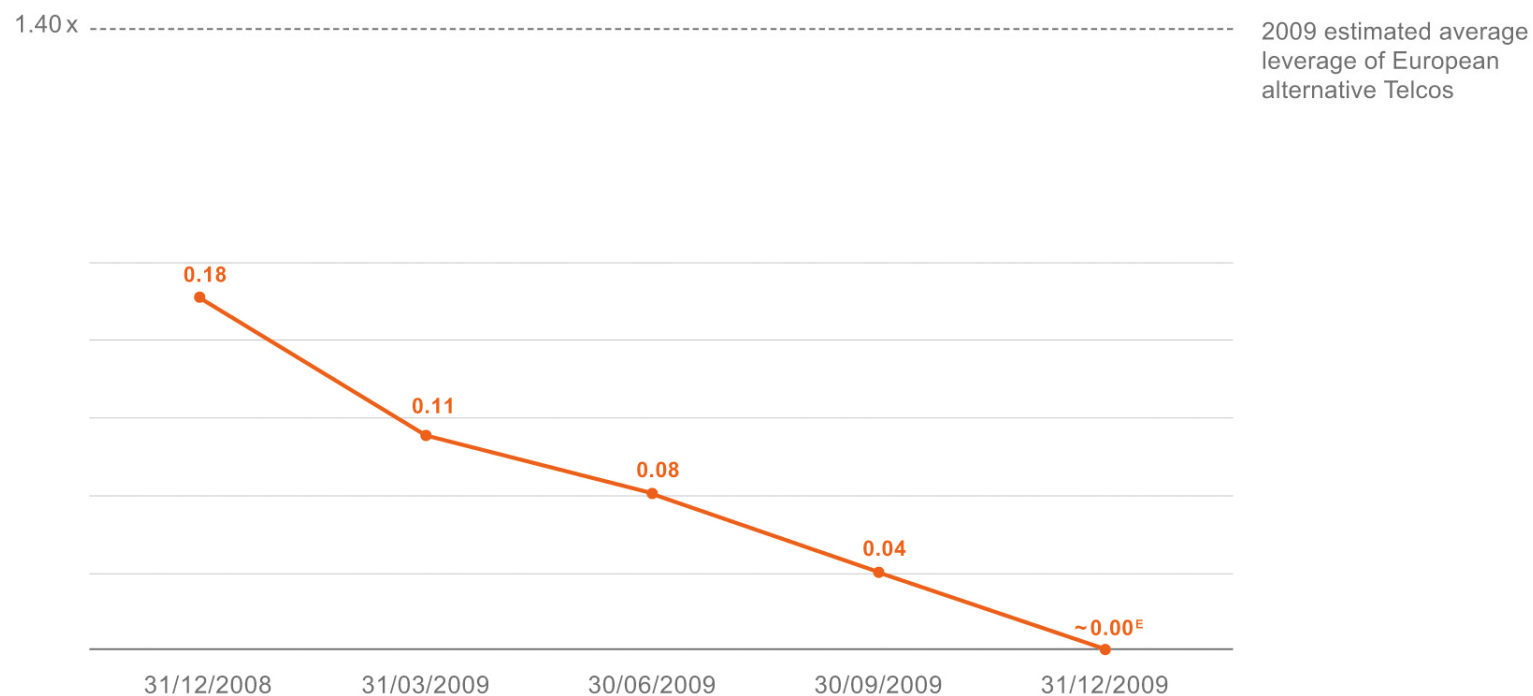


NET DEBT REDUCTION DUE TO FREE CASH FLOW

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

QSC'S FINANCIAL SOLIDITY OUTPACE THE EUROPEAN TELCO INDUSTRY

LEVERAGE RATIO (net debt to EBITDA)



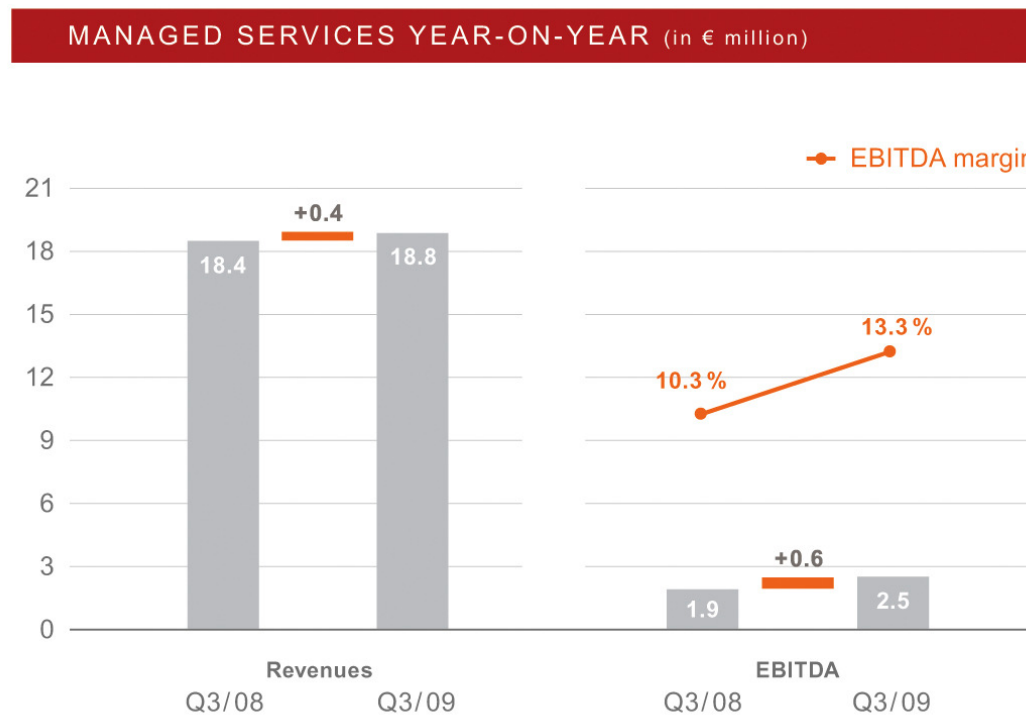
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MAJOR ACHIEVEMENTS IN Q3 2009

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

BU MANAGED SERVICES INDUSTRIALIZATION LEADS TO HIGHER EARNINGS



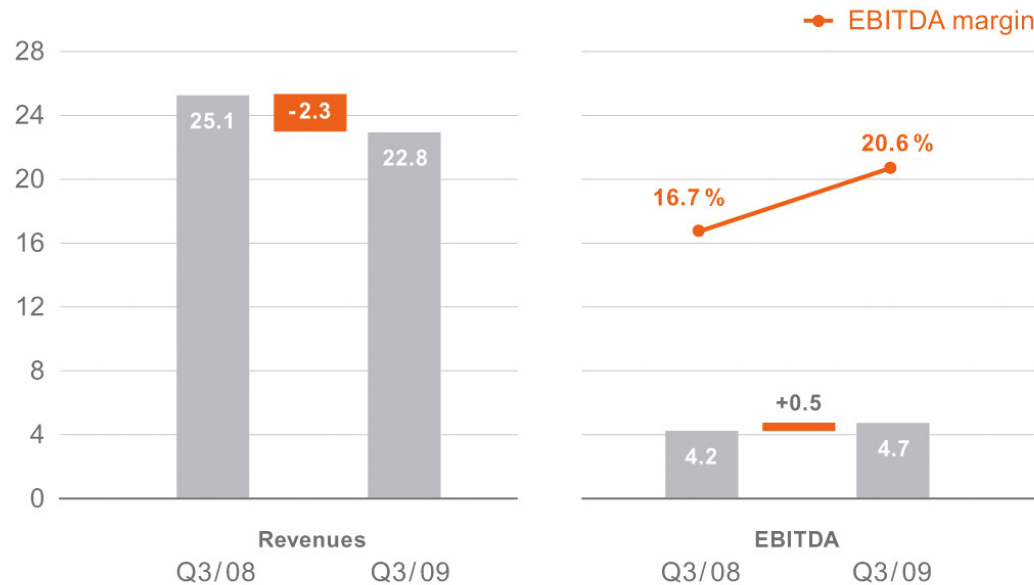
Major developments

- Positive development of new business with existing and new customers vs. price pressure in connection with contract renewals
- Customers won: Two high-profile large accounts and several mid-size companies

BU PRODUCTS

RISING PROFITS DESPITE LOWER REVENUES

PRODUCTS YEAR-ON-YEAR (in € million)



Break-up of revenues

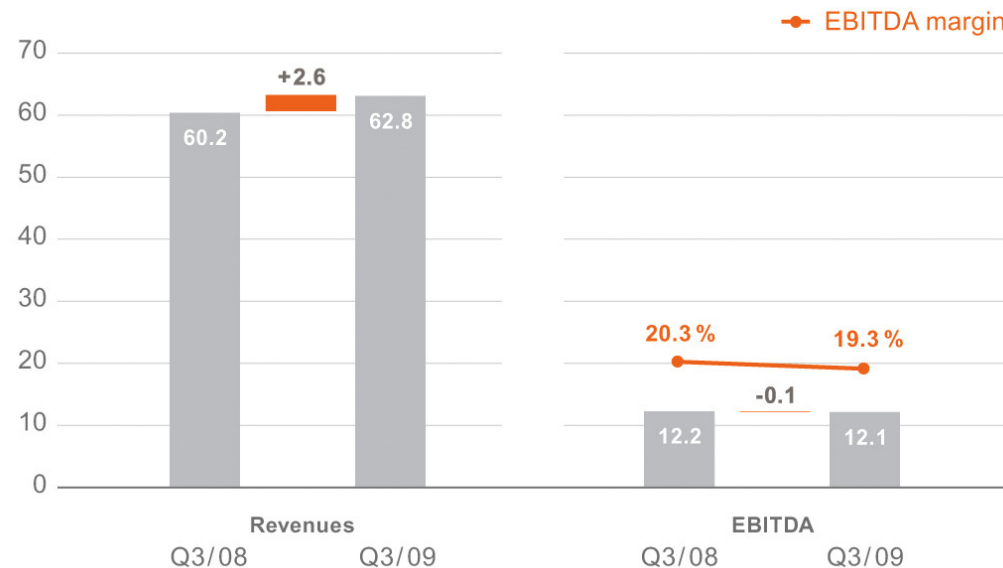
- 44% legacy voice

Major developments

- Focus on high-margin, IP-based products is paying off
- No further decline in revenues compared to Q2 2009 at € 22.7 million
- New distribution channel: With ALLNET and Michael Telecom, QSC has won two strong distributors for its IP-based product portfolio

BU WHOLESALE/RESELLERS ONGOING POSITIVE BUSINESS DEVELOPMENT

WHOLESALE/RESELLER YEAR-ON-YEAR (in € million)



Break-up of revenues

- +6,600 ADSL2+ lines
- 48% of segment revenues from ADSL2+
- 29% of segment revenues from voice wholesale

Major developments

- Despite growing market saturation, especially in urban areas, QSC still has net adds in ADSL2+ business
- Voice wholesale is growing year-on-year; NGN is paying off
- SHDSL wholesale for carriers on stable growth course

OUTLOOK 2009

FOCUS ON CASH FLOW AND PROFITABILITY

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

=> the investment period is over!

OUTLOOK 2009

QSC REVISED GUIDANCE

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

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FINANCIAL CALENDAR

November 10-11, 2009	German Equity Forum Fall 2009 Deutsche Börse, Frankfurt
March 31, 2010	Publication of Annual Report 2009
May 20, 2010	Annual Shareholders Meeting

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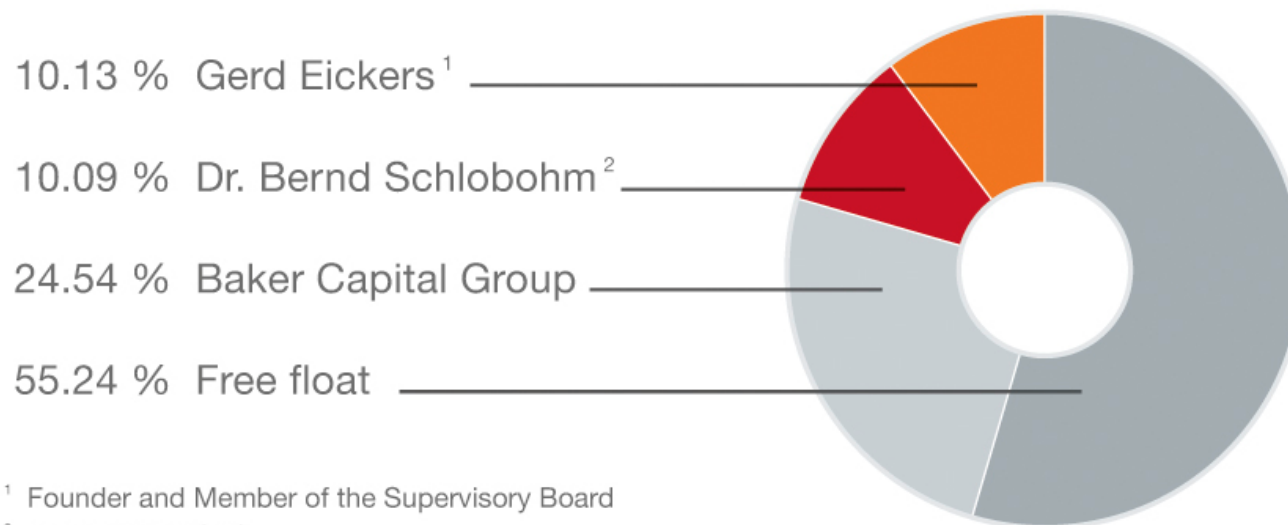
A complete list of the risks, uncertainties and other factors facing us can be found in our public reports and filings with the U.S. Securities and Exchange Commission.

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STABLE SHAREHOLDER STRUCTURE SINCE IPO

SHAREHOLDER STRUCTURE



¹ Founder and Member of the Supervisory Board

² Founder and CEO

Status quo: 31/10/2009