QSC AG: QUARTERLY REPORT

2nd Quarter 2013

QSC AG

Key Data

All amounts in € million	01/04/–30/06/ 2013	01/04/–30/06/ 2012	01/01/–30/06/ 2013	01/01/–30/06/ 2012
Revenues	113.5	116.6	226.5	232.6
EBITDA	19.2	18.1	38.0	35.6
Depreciation/amortization [1]	12.6	13.2	25.2	26.6
EBIT	6.6	4.9	12.8	9.0
Net profit	5.2	2.9	10.3	5.2
Earnings per share [2] (in €)	0.04	0.02	0.08	0.04
Return on revenue (in percent)	4.6	2.5	4.5	2.2
EBITDA margin (in percent)	16.9	15.5	16.8	15.3
EBIT margin (in percent)	5.8	4.2	5.7	3.9
Free cash flow	6.5	6.6	11.6	12.3
Capital expenditures (capex)	8.7	10.9	18.5	19.6
Capex ratio [3] (in percent)	7.7	9.3	8.2	8.4
Shareholders' equity			179.7 [4]	180.2 [5]
Long-term liabilities			103.9 [4]	96.0 [5]
Short-term liabilities			99.0 [4]	110.9 [5]
Balance sheet total			382.6 [4]	387.1 [5]
Equity ratio (in percent)			47.0 [4]	46.6 [5]
Xetra closing price as of 30/06/ (in €)			2.78	2.18
Number of shares as of 30/06/			123,808,987	137,306,877
Market capitalization as of 30/06/			344.2	299.3
Employees as of 30/06/			1,615	1,417

[1] including non-cash share-based remuneration

[2] basic and diluted

[3] ratio of capital expenditures to revenues

[4] as of June 30, 2013

[5] as of December 31, 2012

Highlights

Sharp growth in ICT business

QSC's evolution into a full-fledged ICT provider is increasingly paying off. In the second quarter of 2013, revenues in its two ICT lines of business, Direct Sales and Indirect Sales, again rose year on year: Direct Sales revenues grew by 10 percent to € 50.3 million, and Indirect Sales revenues by 7 percent to € 30.8 million. As expected, on the other hand, revenues of € 32.4 million with resellers, the majority of which come from conventional TC business, fell short of the previous year's level of € 41.9 million.

Females now make up one half of Supervisory Board

Following the Annual Shareholders Meeting on May 29, 2013, the QSC Supervisory Board comprises three female and three male members. On April 24, 2013, the workforce had already elected Anne-Dore Ahlers and Cora Hödl as the new employee representatives on this corporate body. The shareholders voted for the head of the global tax department at SAP AG, Ina Schlie. Moreover, they also elected the Company's former Chief Executive Officer of long years' standing, Dr. Bernd Schlobohm, the managing partner of the Horn & Company management consulting firm, Dr. Frank Zurlino, and QSC co-founder Gerd Eickers.

QSC streamlines its corporate structure

In recent months, QSC has been streamlining its organizational structure in two steps: The Company first merged four smaller IT-related corporations with INFO AG, and then went on to merge INFO AG with QSC AG effective August 6, 2013. With these moves, the Company has eliminated the remaining legal obstacles to cross-locational and intercompany collaboration within the Group.

9 analysts recommend QSC shares as a Buy

With its share price advancing by 32 percent to € 2.78 on June 30, 2013, QSC shares numbered among the Deutsche Börse winners during the first half of 2013. Investors rewarded the Company's operating advances in its evolution into a full-fledged ICT provider. And analysts also fuelled QSC share performance: At the end of July 2013, two neutral assessments were being offset by 9 Buy recommendations.

Dear Shareholders,

In the second quarter of 2013, Direct Sales won a continuous stream of orders valued at € 30.5 million; one year earlier, this metric had stood at only € 12.4 million. Undoubtedly, winning a major request for proposals for a multiple-year Outsourcing project in 2012 provided an even stronger boost to order bookings overall. Yet it can now be seen that QSC's true strength lies in its ability to win numerous smaller projects: As a mid-size enterprise, we enjoy the trust of German small and mid-size enterprises, where we are operating at eye level and step by step tapping into extremely attractive customer potential.

Many small and mid-size enterprises are still hesitant to outsource their IT to professional providers and to utilize Cloud services. However the heterogeneous nature of existing IT systems, the resulting security risks and the growing trend toward mobile work are putting increasing pressure on them to act. Many companies are already having a difficult time in catering to the urgings of their people for locationally independent access to information on both company as well as personal laptops, smartphones and tablets.

One-stop-shopping for Cloud computing

Even more than in the past, these enterprises will be paying careful attention to the assurance of the highest security standards as well as a nearby data center location in selecting a partner. And this is precisely where QSC is scoring points. All of our TÜV- and ISO-certified data centers are situated in the Federal Republic of Germany. And for more than ten years, QSC has been building and operating Virtual Private Networks for enterprises and utilizing a wide variety of measures to safeguard their data communications. Both our data centers and the voice-data network also serve as key building blocks for efficient and secure Cloud computing "Made in Germany." Plus innovative software as well as extensive Consulting offerings. Our experts, for example, are providing support to customers in deploying the SAP Mobile Platform and the Microsoft Lync realtime server application.

Jürgen Hermann, Chief Executive Officer,
Barbara Stolz, Arnold Stender (left to right)

Following the merger of INFO AG with QSC AG on August 6, 2013, we can now truly offer one-stop shopping for all of these products and services. The operative business of all three business units is today bundled at QSC AG. The merger has created a company with one value system, one leadership structure and one organization. This is a crucial milestone in our evolution into an integrated ICT provider.

QSC grew again its profitability

Operatively speaking, this evolution is increasingly paying off. In spite of regulatory-induced lower revenues, QSC was again able to grow its profitability in the second quarter of 2013: EBITDA improved by 6 percent to € 19.2 million, EBIT rose by 35 percent to € 6.6 million and consolidated net income surged by 79 percent to € 5.2 million. This growth was attributable to the greater percentage of higher-margin ICT revenues. We will therefore continue to rigorously expand our ICT lines of business, investing in future growth here – first and foremost in additional professionals and innovative products. The need for action on the part of small and mid-size enterprises will be opening up enormous opportunities in the coming years for QSC as a German ICT and Cloud provider. We will be utilizing these opportunities.

Cologne, August 2013

Jürgen Hermann
Chief Executive Officer

Barbara Stolz

Arnold Stender

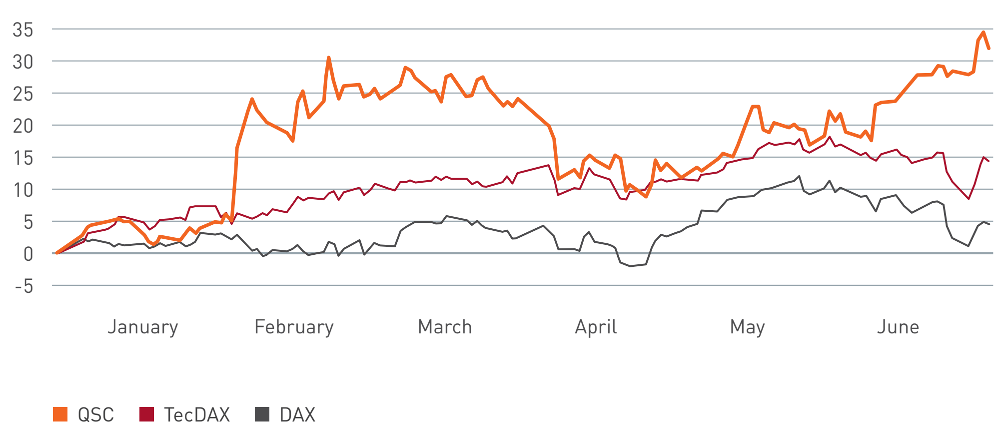
QSC Share Performance

QSC shares sustain rise in volatile environment • Sound corporate numbers and low interest expense, on the one hand, coupled with a very weak economy in the Euro zone, on the other, were what characterized developments on the German capital market during the second quarter of 2013. Each new news report fuelled considerable volatility. Although the DAX had already surpassed the 8,500 mark, it went on to close at a relatively low 7,959 points as of June 28, 2013, representing a 2-percent rise by comparison with March 31, 2013. The TecDAX, too, ultimately gained 2 percent to close at 946 points at the end of June.

QSC shares outperformed the volatile overall market, especially in June 2013. Trading prices advanced to € 2.78 as of June 28, up 7 percent from March 31, 2013. QSC shares have thus risen by 32 percent during the first six months of the current fiscal year, while the TecDAX improved by only 14 percent during the same period. This year, investors have been rewarding the Company's progress in its evolution into a full-fledged ICT provider. In view of good quarterly numbers, an attractive dividend and the growth potential stemming from the Company's positioning as a Cloud provider, virtually no investors were willing to part with their QSC shares. Consequently, trading volume remained relatively low in the second quarter of 2013. An average of 332,000 shares were traded per day, with trading volume standing at € 54.5 million by comparison with € 75.8 million in the first quarter of 2013.

QSC share price up by 32 percent in the 1st half year

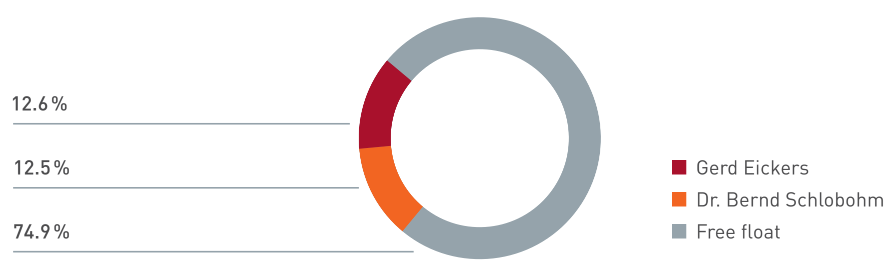
QSC SHARE PRICE PERFORMANCE (indexed)



Norges Bank holds more than 3 percent of QSC shares

Nine Buy recommendations in spite of sharply higher trading prices • Progress in the Company's operating business prompted many analysts to adjust their guidance during the first half of 2013, with some of them significantly increasing their share price targets. In spite of significantly higher trading prices, nine analysts were recommending QSC shares as a Buy at the end of July, as opposed to two neutral assessments. Two institutions, DZ Bank and HSBC Trinkaus & Burkhardt, ended their coverage during the first half of 2013, without this move narrowing interest on the part of institutional investors. On the contrary: The percentage of the free float accounted for by institutional investors rose to 62 percent by June 30, 2013; 38 percent were in the hands of private investors. In June 2013, Norges Bank, the Norwegian central bank, notified QSC that its voting rights had passed the 3-percent mark. Overall, 74.9 percent of QSC shares are widely held by a total of 26,741 shareholders. 12.6 percent and 12.5 percent, respectively, are held by QSC founders Gerd Eickers and Dr. Bernd Schlobohm.

SHAREHOLDER STRUCTURE AS OF JUNE 30, 2013



Consolidated Interim Report QII/2013

GENERAL ECONOMIC CONDITIONS

Germany's businesses remain skeptical • Sluggish demand in the Euro zone continues to dampen the mood of the German economy. According to the ifo Business Climate Index, entrepreneurs continue to assess their situation better than their business expectations. Consumers are significantly more optimistic; the overall indicator in the GfK Consumer Confidence Index stands at a level that had not been seen since September 2007. This means that, in contrast to previous years, the economy in Germany is being buoyed by personal consumption, while both capital investments and exports remain comparatively weak. Against this backdrop, the majority of economic researchers expect to see German gross domestic product rise only modestly for the full 2013 calendar year.

Economic experts see only modest GDP rise for 2013

ICT providers anticipating positive business development • The mood of skepticism in the German economy is having only a marginal impact on the ICT industry. According to a survey conducted by industry association BITKOM, nearly three quarters of enterprises there expect to see revenues rise this year. However, differing developments are occurring within the industry: Conventional TC business continues to suffer from stiff price competition as well as heightened regulation. On July 19, 2013, the German Federal Network Agency finalized the reduction in interconnection fees for mobile calls that had been in effect since December 1, 2012, which QSC had already incorporated in its planning. The agency thus ignored the urging of the EU Commission to make a further adjustment and now risks breach of contract action. QSC does not anticipate any further consequences as a result of this, at least for the current fiscal year.

COURSE OF BUSINESS

Regulatory effect masking successes in ICT business • In the second quarter of 2013, QSC generated revenues of € 113.5 million, compared to € 116.6 million for the same quarter one year earlier. Regulatory and market-related shortfalls in conventional TC revenues were offset by growth in ICT business.
The German Federal Network Agency had ordered a significant reduction in mobile and fixed-network routing and interconnection fees effective December 1, 2012. At QSC, this heightened regulation is resulting in revenue shortfalls totaling between € 7 million and € 8 million per quarter year on year in the Resellers and Indirect Sales Business Units during the current fiscal year. Since QSC typically passes on these kinds of fees to its customers, this will not result in any noteworthy decrease in profitability. At the same time, however, the German Federal Network Agency additionally modified the structure of the fixed-network fees effective December 1, 2012. Since QSC itself operates a fixed network, this new regulation is reducing EBITDA by nearly one million euros a quarter.

Order intake improves to € 30.5 million

Direct Sales benefiting from strong order bookings • QSC's largest business unit continued to sail a growth course in the second quarter of 2013: Direct Sales revenues increased by 10 percent to € 50.3 million in the second quarter of 2012. This rise stemmed from having won numerous requests for proposals for Outsourcing projects in previous quarters. And in the second quarter of 2013, too, the Company recorded high ongoing order intake of € 30.5 million; in 2012, this metric had still been averaging around € 18 million. QSC is scoring points as a mid-size enterprise, especially among SMEs that pay particular attention to geographical proximity and the observance of the strictest security standards in selecting their Outsourcing partners. All of QSC's data centers are situated in the Federal Republic of Germany, and are thus subject to the country's especially stringent data protection rules.

REVENUES, DIRECT SALES (in € million)

Stronger demand for voice products in Indirect Sales • In spite of regulatory-induced shortfalls, Indirect Sales again improved its revenues year on year in the second quarter of 2013. Revenue growth of 7 percent to € 30.8 million stemmed first and foremost from temporarily stronger demand for voice products. Thanks to its highly efficient Next Generation Network (NGN), QSC is able to repeatedly offer attractive proposals with sufficient margins in the hotly contested TC market.

This business unit is generating sustained revenues primarily with broadband Internet lines and, increasingly, with innovative ICT products. The past quarter saw the market launch of QSC-tengo, the Cloud Workplace. During the current quarter, QSC will be showcasing this innovation to additional distribution partners and driving their certification.

REVENUES, INDIRECT SALES (in € million)

TC business with resellers continues to decline • As expected, revenues of € 32.4 million with resellers, most of which stem from conventional TC business, were down significantly from the previous year's level of € 41.9 million. On the one hand, this was attributable to sustained stiff price competition in a stagnating market and, on the other, to heightened regulation of conventional TC business. Similarly to Indirect Sales, though, the NGN enabled this business unit to modestly expand its own market position in voice business in the second quarter of 2013.

REVENUES, RESELLERS (in € million)

PROFITABILITY

QSC generates revenues of € 226.5 million in first half of 2013 • In the second quarter of 2013, QSC generated revenues of € 113.5 million, compared to € 116.6 million for the same quarter the year before. In the first six months of the current fiscal year, the Company recorded revenues in the amount of € 226.5 million, by comparison with € 232.6 million for the same period one year earlier. During this period, growth in operating business was offset by a regulatory-induced revenue shortfall of some € 15 million.

Operating business of QSC is growing in the 1st half year

Gross margin advances to 33 percent • At € 75.5 million, cost of sales declined analogously to revenues in the second quarter of 2013, remaining below the previous year's level of € 79.1 million. Gross profit rose moderately from € 37.5 million in the second quarter of 2012 to € 37.9 million. This improved gross margin by one percentage point to 33 percent.
At € 10.4 million, sales and marketing expenses remained stable year on year in the second quarter of 2013. This item essentially includes personnel expense, commission payments to distribution partners and advertising expenses. During the past quarter, general and administrative expenses increased to € 9.1 million, compared to € 8.8 million in the second quarter of 2012; this is because QSC had been readying the merger of INFO AG with QSC AG in the spring of 2013, as well as the preceding mergers of four INFO AG subsidiaries with INFO AG.

EBITDA margin improves to 17 percent • In spite of the regulatory-induced revenue shortfall and regulatory-induced profitability decreases as a result of the modified fee structure for fixed-network providers, QSC nevertheless succeeded in increasing its EBITDA by 6 percent to € 19.2 million in the second quarter of 2013; during the first six months, this metric had risen by 7 percent to € 38.0 million. EBITDA is defined as earnings before interest, taxes, amortization of deferred non-cash, share-based remuneration, as well as depreciation and amortization of property, plant and equipment, and intangible assets. The EBITDA margin improved by one percentage point over the second quarter of 2012 to 17 percent.

EBITDA (in € million)

EBIT margin rises to 6 percent

Depreciation expense declined to € 12.6 million in the second quarter of 2013, by comparison with € 13.2 million for the same quarter the year before. Operating profit, EBIT, thus increased by 35 percent quarter to quarter to stand at € 6.6 million. The EBIT margin improved to 6 percent, compared to 4 percent in the second quarter of 2012. A six-month comparison basis, too, shows significant progress in profitability, with EBIT reaching € 12.8 million, in contrast to € 9.0 million for the first half of 2012.

Consolidated net income nearly doubles • In the second quarter of 2013, consolidated net income rose to € 5.2 million, compared to € 2.9 million for the same quarter one year before. QSC had thus already earned net income in the amount of € 10.3 million during the first half of 2013, in contrast to € 5.2 million for the same period one year earlier. In spite of a € 6.1-million decline in revenues, QSC succeeded in improving consolidated net income by € 5.1 million during this period – it is clear to see that the Company's focus on higher-margin ICT revenues is paying off.

CONSOLIDATED NET INCOME (in € million)

PROFITABILITY BY SEGMENT

Direct Sales earns EBITDA margin of 21 percent • In the second quarter of 2013, Direct Sales grew its revenues by 10 percent to € 50.3 million. Given this clear growth and strong order intake, this business unit significantly beefed up its workforce during this period – within the space of a year, the headcount at INFO AG, alone, rose by 166 to 902 people as of June 30, 2013. Consequently, cost of sales increased by 9 percent to € 33.0 million, in contrast to € 30.2 million in the second quarter of 2012.

Given the significant progress in integrating INFO AG, Direct Sales is no longer solely bearing the administrative costs of QSC's largest subsidiary during the current fiscal year. General and administrative expenses of € 2.9 million were therefore down sharply from the previous year's level of € 5.3 million. And at € 3.9 million, sales and marketing expenses, too, were down from their € 4.3-million level in the second quarter of 2012.

Lower expenses and higher revenues in the second quarter of 2013 led to a significant improvement in profitability in Direct Sales. Segment EBITDA rose by 74 percent to € 10.6 million; segment EBIT advanced by a factor of eight to € 4.8 million, in contrast to € 0.6 million in the second quarter of 2012. With an EBITDA margin of 21 percent and an EBIT margin of 10 percent, Direct Sales generated higher margins than the Company as a whole, thus underscoring this business unit's importance with respect to the goal of profitable growth.

Direct Sales grows EBITDA by 74 percent

EBITDA, DIRECT SALES (in € million)

Indirect Sales posts highest EBITDA margin of 25 percent • In spite of regulatory-induced shortfalls, Indirect Sales remained on a growth course in the second quarter of 2013, with revenues rising by 7 percent to € 30.8 million. Stronger demand for voice products played a significant role in this success. Cost of sales rose from € 15.0 million the year before to € 16.4 million in the second quarter of 2013. While sales and marketing expenses of € 3.6 million were up only modestly from the previous year's level, general and administrative expenses increased from € 2.1 million in the second quarter of 2012 to € 3.2 million as a result of the new allocation of the costs of INFO AG.

Indirect Sales earned EBIT margin of 16 percent

Given higher expenses and a greater share of revenues in lower-margin voice business, segment EBITDA of € 7.8 million was down from its level of € 8.3 million for the same quarter one year earlier. Nor did EBIT of € 5.0 million in the second quarter of 2013 quite match the previous year's level of € 5.4 million. However, Indirect Sales nevertheless continued to earn the highest margin of the three business units: In the second quarter of 2013 its EBITDA margin stood at 25 percent, its EBIT margin at 16 percent.

EBITDA, INDIRECT SALES (in € million)

Stiff pricing competition burdens results with resellers • Sustained stiff pricing competition as well as lower, regulatory-induced routing and interconnection fees led to a significant decrease in revenues with resellers in the second quarter of 2013; these revenues, which predominantly stem from conventional TC business, declined to € 32.4 million, compared to € 41.9 million in the second quarter of 2012. Cost of sales declined from € 33.9 million for the same quarter one year earlier to € 26.1 million. Sales and marketing expenses rose moderately to € 2.9 million, in contrast to € 2.7 million for the corresponding quarter the year before, while the new allocation sent general and administrative expenses up to € 3.0 million, compared to € 1.4 million in the second quarter of 2012.

Consequently, segment EBITDA of € 0.8 million in the second quarter of 2013 remained below the previous year's level of € 3.7 million; the EBITDA margin declined from 9 percent in the second quarter of 2012 to 2 percent. At the EBIT level, the loss in the Resellers Business Unit increased from € -1.1 million the year before to € -3.3 million in the second quarter of 2013.

EBITDA, RESELLERS (in € million)

FINANCIAL POSITION AND NET WORTH

Strong cash flows from operating activities • In the second quarter of 2013, QSC generated a cash flow from operating activities in the amount of € 15.9 million, compared to € 18.2 million for the same quarter the year before, since, in contrast to the previous year, trade accounts payable had remained at a constant level. Cash used in investing activities stood at € 7.7 million, in contrast to € 10.5 million in the second quarter of 2012. Cash used in financing activities totaled € -6.0 million in the second quarter of 2013, compared to € 0.3 million for the same period one year earlier, when the Company had taken out a significantly higher volume of loans.

QSC earns free cash flow of € 11.6 million in first half of 2013 • In the second quarter of 2013, QSC earned a free cash flow of € 6.5 million; after six months, this central steering metric now stands at € 11.6 million. Free cash flow represents the change in net liquidity/debt prior to acquisitions and distributions. The following table shows all parameters of relevance in this connection as of June 30, 2013, and March 31, 2013:

Free cash flow of € 6.5 million in second quarter

In € million	June 30, 2013	March 31, 2013
Liquidity		
Cash and short-term deposits	43.2	41.0
Available-for-sale financial assets	0.3	0.3
Liquidity	**43.5**	**41.4**
Interest-bearing liabilities		
Liabilities under financing and finance lease arrangements	(10.4)	(10.5)
Liabilities due to banks	(88.0)	(81.1)
Interest-bearing liabilities	**(98.4)**	**(91.6)**
Net debt	**(54.9)**	**(50.2)**

Consequently, liquidity increased by € 2.1 million to € 43.5 million in the second quarter of 2013. Interest-bearing liabilities rose by € 6.8 million to € -98.4 million, increasing net debt by € 4.7 million to € -54.9 million as of June 30, 2013.

QSC pays dividend for FY 2012

However, this rise was solely attributable to the distribution of the dividend following the Annual Shareholders Meeting on May 29, 2013, resulting in a cash burn of € 11.1 million. Since distributions are left out of consideration in the calculations, the result is a free cash flow rounded to € 6.5 million for the second quarter of 2013.

Capital expenditures ratio of 8 percent in second quarter of 2013 • Capital expenditures in the second quarter of 2013 stood at € 8.7 million, compared to € 10.9 million for the same period one year earlier. They consisted predominantly of preliminary capital investments at the data centers for new Outsourcing projects and for connecting new customers. QSC thus invested eight percent of its revenues for this purpose in the second quarter of 2013.

CAPITAL EXPENDITURES (in € million)

As a result of ongoing depreciation expense, the total value of long-term assets in the balance sheet declined from € 279.4 million as of December 31, 2012, to € 271.7 million as of June 30, 2013. During the same period, the value of property, plant and equipment, alone, decreased by € 6.6 million to € 101.0 million as of June 30, 2013.

Short-term assets rose from € 107.7 million as of December 31, 2012, to € 110.8 million as of June 30, 2013. An € 8.4-million rise in liquid assets to € 43.2 million was offset by a € 9.5-million reduction in trade accounts receivable to € 54.3 million. Moreover, the level of prepayments rose from € 4.4 million at year-end 2012 to € 8.7 million as of June 30, 2013, since QSC has to make considerable prepayments at the beginning of each year for full-year utilization of Deutsche Telekom's infrastructure.

Shareholders' equity impacted by dividend payment and withdrawal of treasury shares from circulation • Shareholders' equity stood at € 179.7 million as of June 30, 2013, by comparison with € 180.2 million as of December 31, 2012. In this connection, capital stock decreased by € 13.6 million to € 123.8 million as a result of the withdrawal from circulation of treasury shares. As of December 31, 2012, QSC had still been separately presenting these shares at their par value, which had been acquired during the course of fiscal 2012 within the framework of a share buyback program. Accumulated deficit, on the other hand, rose from € -82.8 million at year-end 2012 to € -97.2 million as of June 30, 2013. QSC charged both the withdrawal of treasury shares from circulation as well as the dividend payment in the amount of € 11.1 million directly against this metric. On the other hand, this loss was offset by consolidated net income of € 10.3 million in the first half of 2013.

Long-term assets financed completely through shareholders' equity and long-term debt • Long-term debt rose to € 103.9 million as of June 30, 2013, in contrast to € 96.0 million as of December 31, 2012. In this connection, liabilities due to banks increased from € 74.8 million at year-end 2012 to € 84.5 million; long-term liabilities under financing and finance lease arrangements, on the other hand, decreased from € 7.2 million as of December 31, 2012, to € 6.2 million. This means that 104 percent of the Company's long-term assets of € 271.7 million are being financed through shareholders' equity and long-term debt.
Short-term debt declined from € 110.9 million as of December 31, 2012, to € 99.0 million as of June 30, 2013. In this connection, trade accounts payable rose to € 54.3 million from € 52.5 million as of December 31, 2012. As planned, on the other hand, deferred income continued to decrease to € 16.5 million, in contrast to € 23.5 million at year-end 2012. QSC utilizes this line item primarily to record payments from former Plusnet co-shareholder TELE2 for premature termination of the contract, whose original term was to run through year-end 2013, and thus returns this line item on a periodic basis.

HUMAN RESOURCES

QSC succeeds in recruiting additional ICT experts • In spite of the sometimes serious shortage of skilled professionals, QSC was able to win additional ICT experts in the second quarter of 2013. As of June 30, 2013, the Company employed a total of 1,615 people – 198 more than one year earlier and 50 more than the previous quarter.

WORKFORCE

QSC investing in Direct Sales growth

Given rising revenues and strong order bookings, QSC is investing in the growth of Direct Sales, in particular; a sufficient number of IT Outsourcing and IT Consulting specialists serves as the foundation for winning and executing larger projects. Within the space of a single year, INFO AG, alone, augmented up its workforce by 166 people to a total of 902 professionals as of June 30, 2013. During this same period, 570 people were working at QSC AG, 87 at former Hosting provider IP Exchange, which was merged with INFO AG in May 2013. Network operating company Plusnet employed a workforce of 56 people.

Majority of employees to be attributable to QSC AG in the future • Following the merger of IP Exchange with INFO AG and the subsequent merger of INFO AG with QSC AG, more than 95 percent of all employees have been working for QSC AG since August 2013. These mergers will enable working conditions at all locations to be harmonized over the course of the coming quarters. As of June 30, 2013, QSC employed 434 and 856 people, respectively, at its two key locations in Cologne and Hamburg; 72 were working in Nuremberg, which is where QSC is primarily driving its Housing business. The remaining 253 people were distributed among the Company's sales offices and branch locations throughout Germany as well as home offices.

RISK REPORT

No major change in risk position • During the second quarter of 2013, there were no major changes in the risks presented in the 2012 Annual Report. Nevertheless, due to these or other risks and incorrect assumptions, QSC's actual future results could vary materially from its expectations. All statements contained in this unaudited Consolidated Interim Report that are not historical facts are forward-looking statements. They are based upon current expectations and predictions of future events and could therefore change over the course of time.

SUBSEQUENT EVENTS

The locations of INFO AG will remain in place

INFO AG merged with QSC AG • On August 6, 2013, the merger of INFO AG with QSC AG went into force upon being entered in the Cologne Commercial Register. The INFO AG corporation thus became defunct; nor will the INFO AG corporate name be continued. The primary domicile of QSC AG continues to be Cologne. The headquarters and locations of former INFO AG will remain in place. Through this merger, the Company has finalized its transformation process from a TC provider into an integrated ICT provider. QSC is not aware of any further reportable events of particular importance subsequent to the close of the quarter.

OUTLOOK REPORT

Greater financial strength and profitability planned for 2013 • Given its positive operating development during the first half of fiscal 2013, QSC is reiterating its guidance for the full fiscal year. The Company is planning for an EBITDA margin of at least 17 percent and a free cash flow in the amount of at least € 24 million on revenues of at least € 450 million. Operating business is likely to again develop on a two-track basis during the second half of the year: Rising ICT revenues will offset declining conventional TC revenues, especially in the Resellers Business Unit. TC business will additionally be burdened by several decisions issued by the German Federal Network Agency in the autumn of 2012: This, alone, will result in a revenue shortfall of some € 30 million and an EBITDA decline in the amount of € 3 to € 4 million year on year for the full 2013 fiscal year.

EBITDA margin of at least 17 percent planned

Direct Sales remains on growth course • Following a very good first quarter of 2013, which was additionally augmented by non-recurring effects, growth in Direct Sales normalized during the second quarter of 2013. Given good order bookings, the Company also anticipates that growth will again outpace the market in this largest business unit during the second half of the year. QSC is planning for stable revenue development in Indirect Sales for the full 2013 fiscal year, as from today's vantage point the temporarily higher demand for voice products will not be sustained to the same extent in the second half of 2013. In the Resellers Business Unit, QSC continues to anticipate significant decreases in its predominantly conventional TC revenues.
The rising percentage of ICT revenues is strengthening QSC's financial position and profitability. This is a basis that will enable the Company to continue to invest in future growth. In doing so, QSC is specifically recruiting ICT experts given the sustained high level of new orders, and is driving the development of innovative ICT products; the expenses in this connection are predominantly included in current expense. Capital expenditures, themselves, will continue to remain at a level of between six and ten percent of revenues during the coming quarters. These outlays are attributable primarily to preliminary capital investments at the data centers for new Outsourcing projects as well as for connecting new customers.

Consistent processes and leadership structures • Following the merger of INFO AG with QSC AG, the Company is now striving to lend consistency to its processes and structures. There are also cost and service centers, in addition to profit centers in the three business units, which are responsible for their own revenue and profitability performance. Consistent, cross-locational leadership is in place for all departments.

Consolidated Interim Financial Statements

CONSOLIDATED STATEMENT OF INCOME (unaudited)

Euro amounts in thousands (K€)

	01/04/–30/06/ 2013	01/04/–30/06/ 2012	01/01/–30/06/ 2013	01/01/–30/06/ 2012
Net revenues	113,452	116,616	226,464	232,647
Cost of revenues	(75,514)	(79,128)	(150,961)	(157,203)
Gross profit	**37,938**	**37,488**	**75,503**	**75,444**
Sales and marketing expenses	(10,372)	(10,424)	(20,231)	(22,174)
General and administrative expenses	(9,115)	(8,798)	(17,327)	(17,604)
Depreciation and non-cash share-based remuneration	(12,579)	(13,164)	(25,162)	(26,646)
Other operating income	729	2	848	236
Other operating expenses	(22)	(190)	(783)	(304)
Operating profit	**6,579**	**4,914**	**12,848**	**8,952**
Financial income	79	139	161	285
Financial expenses	(941)	(1,147)	(2,076)	(2,175)
Net profit before income tax	**5,717**	**3,906**	**10,933**	**7,062**
Income tax	(483)	(1,036)	(628)	(1,899)
Net profit	**5,234**	**2,870**	**10,305**	**5,163**
thereof attributable to non-controlling interests	-	69	-	53
thereof attributable to owners of QSC AG	5,234	2,801	10,305	5,110
Earnings per share (basic) in €	**0.04**	**0.02**	**0.08**	**0.04**
Earnings per share (diluted) in €	**0.04**	**0.02**	**0.08**	**0.04**

CONSOLIDATED BALANCE SHEET (unaudited)

Euro amounts in thousands (K€)

	30/06/2013	31/12/2012
ASSETS		
Long-term assets		
Property, plant and equipment	101,010	107,614
Land and buildings	27,139	27,259
Goodwill	76,265	76,265
Other intangible assets	50,396	50,525
Trade receivables	3,221	4,525
Prepayments	1,805	1,976
Other long-term assets	713	707
Deferred tax assets	11,181	10,539
Long-term assets	**271,730**	**279,410**
Short-term assets		
Trade receivables	54,291	63,814
Prepayments	8,722	4,413
Inventories	1,645	1,365
Other short-term assets	2,650	2,963
Available-for-sale financial assets	343	343
Cash and short-term deposits	43,169	34,820
Short-term assets	**110,820**	**107,718**
TOTAL ASSETS	382,550	387,128

	30/06/2013	31/12/2012
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	**123,809**	**137,307**
Nominal value of treasury shares from share buy-back	-	(13,630)
Capital stock	**123,809**	**123,677**
Capital surplus	154,346	140,542
Other capital reserves	(1,207)	(1,207)
Consolidated retained earnings / (Accumulated deficit)	(97,239)	(82,776)
Shareholders' equity	**179,709**	**180,236**
Liabilities		
Long-term liabilities		
Long-term liabilities under financing		
and finance lease arrangements	6,211	7,200
Liabilities due to banks	84,483	74,817
Convertible bonds	22	13
Accrued pensions	6,947	6,905
Other provisions	731	856
Deferred income	818	932
Deferred tax liabilities	4,644	5,306
Long-term liabilities	**103,856**	**96,029**
Short-term liabilities		
Trade payables	54,344	52,452
Short-term liabilities under financing		
and finance lease arrangements	4,183	4,147
Liabilities due to banks	3,519	4,351
Other provisions	6,420	6,452
Accrued taxes	3,168	3,505
Deferred income	16,502	23,500
Other short-term liabilities	10,849	16,456
Short-term liabilities	**98,985**	**110,863**
Liabilities	**202,841**	**206,892**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	382,550	387,128

CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

Euro amounts in thousands (K€)

	01/01/–30/06/ 2013	01/01/–30/06/ 2012
Cash flow from operating activities		
Net profit before income tax	10,933	7,062
Depreciation and amortization of fixed assets	25,024	26,420
Non-cash income and expenditure	138	226
Loss from disposal of fixed assets	17	635
Changes in provisions	(2,383)	(4,182)
Changes in trade receivables	10,827	10,540
Changes in trade payables	1,537	12,386
Changes in other assets and liabilities	(16,551)	(21,814)
Cash flow from operating activities	**29,542**	**31,273**
Cash flow from investing activities		
Purchase of intangible assets	(6,368)	(4,637)
Purchase of property, plant and equipment	(9,938)	(11,944)
Cash flow from investing activities	**(16,306)**	**(16,581)**
Cash flow from financing activities		
Dividends paid	(11,138)	(10,985)
Payments for share buy-back	-	(6,640)
Issuance of convertible bonds	9	-
Proceeds from issuance of common stock	168	59
Proceeds from loans granted	8,834	20,605
Repayment of liabilities under financing		
and finance lease arrangements	(2,760)	(4,579)
Cash flow from financing activities	**(4,887)**	**(1,540)**
Change in cash and short-term deposits	**8,349**	**13,152**
Cash and short-term deposits as of January 1	34,820	23,755
Cash and short-term deposits as of June 30	**43,169**	**36,907**
Interest paid	1,403	1,952
Interest received	172	393
Income tax paid	1,329	3,534

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)

Euro amounts in thousands (K€)

	01/01/–30/06/ 2013	01/01/–30/06/ 2012
Other comprehensive income		
Actuarial gain on defined benefit pension plans	-	1
Other comprehensive income	**-**	**1**
Net profit for the period	10,305	5,163
Total comprehensive income for the period	**10,305**	**5,164**
thereof attributable to non-controlling interests	-	53
thereof attributable to owners of QSC AG	10,305	5,111

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

Euro amounts in thousands (K€)

	Equity attributable to owners of QSC AG				
	Capital stock	Capital surplus	Other capital reserves	Consolidated retained earnings / (Accum. deficit)	Total
Balance as of January 1, 2013	**123,677**	**140,542**	**(1,207)**	**(82,776)**	**180,236**
Net profit for the period	-	-	-	10,305	10,305
Withdrawal of treasury shares	-	13,630	-	(13,630)	-
Conversion of convertible bonds	132	36	-	-	168
Dividend distribution	-	-	-	(11,138)	(11,138)
Non-cash share-based remuneration	-	138	-	-	138
Balance as of June 30, 2013	**123,809**	**154,346**	**(1,207)**	**(97,239)**	**179,709**
Balance as of January 1, 2012	**137,257**	**140,095**	**(362)**	**(72,069)**	**204,921**
Net profit for the period	-	-	-	5,110	5,110
Non-cash share-based remuneration	-	-	1	-	1
Net profit and total comprehensive income	**-**	**-**	**1**	**5,110**	**5,111**
Acquisition of treasury shares	(3,399)	-	-	(3,241)	(6,640)
Conversion of convertible bonds	50	9	-	-	59
Dividend distribution	-	-	-	(10,985)	(10,985)
Non-cash share-based remuneration	-	227	-	-	227
Balance as of June 30, 2012	**133,908**	**140,331**	**(361)**	**(81,185)**	**192,693**

Equity attributable to non-controlling interests	Total shareholders' equity	
-	**180,236**	**Balance as of January 1, 2013**
-	10,305	Net profit for the period
-	-	Withdrawal of treasury shares
-	168	Conversion of convertible bonds
-	(11,138)	Dividend distribution
-	138	Non-cash share-based remuneration
-	**179,709**	**Balance as of June 30, 2013**
2,378	**207,299**	**Balance as of January 1, 2012**
53	5,163	Net profit for the period
-	1	Non-cash share-based remuneration
53	**5,164**	**Net profit and total comprehensive income**
-	(6,640)	Acquisition of treasury shares
-	59	Conversion of convertible bonds
-	(10,985)	Dividend distribution
-	227	Non-cash share-based remuneration
2,431	**195,124**	**Balance as of June 30, 2012**

Notes to the Consolidated Interim Financial Statements

CORPORATE INFORMATION

QSC AG (hereinafter also called "QSC," "QSC AG" or the "Company") offers small and mid-size organizations comprehensive information and telecommunications services ("ICT services") – from telephony, data transfer, Housing and Hosting to IT Outsourcing and IT Consulting. The Company thus numbers among the leading SME providers of ICT and Cloud services in Germany. QSC offers custom Managed Services for individual ICT requirements as well as a comprehensive product portfolio for customers and marketing partners that can be modularly adapted to suit the communications and IT needs in question. QSC offers its services on the basis of its own Next Generation Network (NGN) and operates an Open Access platform that unites a wide range of different broadband technologies.
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 carried on the Register of Companies of the Local Court of Cologne under Number HRB 28281. QSC has been listed on the Deutsche Börse Stock Exchange since April 19, 2000, and on the Prime Standard since the beginning of 2003. On March 22, 2004, QSC was added to the TecDAX index, which includes the 30 largest and most liquid technology issues in the Prime Standard.

GENERAL PRINCIPLES

1 Basis of preparation

The unaudited Consolidated Interim Financial Statements of QSC AG and its subsidiaries (Consolidated Interim Financial Statements) have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations by the International Financial Reporting Interpretations Committee (IFRIC) in accordance with International Accounting Standards (IAS) 34, "Interim Financial Reporting." The Consolidated Interim Financial Statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Group's Consolidated Financial Statements as of December 31, 2012.
It is the opinion of the Management Board that the Consolidated Interim Financial Statements contain all adaptations that are necessary for a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The financial results presented in the Consolidated Interim Financial Statements for the period from January 1 through June 30, 2013, do not necessarily indicate the development of future results.

The Consolidated Interim Financial Statements have been prepared using the same accounting and valuation policies as were applied in the Consolidated Financial Statements for the 2012 fiscal year. Modifications to the IFRS whose application is mandatory beginning in fiscal year 2013 did not have any impact on the interim financial statements for the period ended June 30, 2013. In connection with drawing up the Consolidated Interim Financial Statements under IFRS, it is necessary to make certain estimates and judgments that relate to the assets and liabilities recorded in the balance sheet as well as to information on contingent receivables and liabilities on the date of the balance sheet. Actual amounts may therefore differ from those estimates. No major changes have been made to the Management Board's estimates in conjunction with the application of accounting and valuation methods relative to the Consolidated Financial Statements for the fiscal year ended December 31, 2012.
The Consolidated Interim Financial Statements are rounded, except when otherwise indicated, to the nearest thousand (K€).

2 Consolidation

The Consolidated Interim Financial Statements comprise the financial statements of QSC AG and its subsidiaries as of June 30, 2013. There has been a change in the composition of the consolidated companies by comparison with December 31, 2012: Since February 21, 2013, newly founded companies Broadnet NGN GmbH, Q-loud GmbH and tengo complete GmbH, all domiciled in Cologne, have been fully consolidated in the Consolidated Financial Statements. All of them are cash contributions with a capital stock of K€ 25 each.
Through contracts dated April 3, 2013, four wholly-owned, previously fully consolidated subsidiaries of INFO AG were merged with it: INFO Business Systems GmbH, INFO Customer Service GmbH, both domiciled in Hamburg, IP Exchange GmbH and IPX-Server GmbH, both domiciled in Nuremberg. All of the mergers went into effect upon entry in the Commercial Register on May 27, 2013.

3 Segment reporting

In accordance with IFRS 8, QSC identifies reportable segments on the same basis as is used internally by Management for evaluating performance and making decisions. QSC's segmentation conforms to its customer structure, as explained below.

The Direct Sales Business Unit focuses on more than 8,000 larger and mid-size enterprises in Germany. Its portfolio comprises national and international site networking, outsourcing solutions, data center services, such as Housing and Hosting, as well as Cloud services to an increasing extent. IT Consulting is another important element of this business unit's portfolio; the QSC Group is a consulting partner for SAP and Microsoft solutions.

The Indirect Sales Business unit addresses nearly 900,000 smaller and mid-size companies in Germany that typically do not have staff of their own for information and communications technology, obtaining their ICT services from regional partners instead. QSC is therefore focusing on collaborating with regional service providers, sales partners and distributors. The Company offers them Internet connections, direct connections to the QSC voice network, Voice-over-IP products, as well as standardized Cloud services, such as a virtual telephone system and a flexible modular design system for utilizing QSC data centers.

The Resellers Business Unit is where QSC bundles its business with ICT services providers that predominantly address residential customers; they include telecommunications carriers, cable network operators and Internet service providers. For their customers, QSC makes a variety of preliminaries available, along with such conventional voice services as call-by-call offerings and unbundled DSL lines. Moreover, this business unit also includes Managed Outsourcing, under which QSC integrates the narrowband voice networks of alternative providers into its Next Generation Network (NGN) and provides full operation of their fixed network business.

Management has stipulated operating profit, i.e., earnings before interest and income tax in accordance with IFRS, as the key steering parameter for the segments. Thus, costs are fully attributed to their respective business units; also performed is a complete calculation of profit or loss with the exception of interest and income tax. Both the direct and indirect attribution of costs to the individual segments corresponds to the Company's internal reporting system and steering logic. There are also directly and indirectly attributable items under assets and liabilities. With the exception of deferred tax assets and liabilities, assets and liabilities that are indirectly attributable are allocated according to wfinancial viability on the basis of contribution margins.

in K€	Direct Sales	Indirect Sales	Resellers	Reconciliation	Consolidated
01/04/ – 30/06/2013					
Net revenues	**50,289**	**30,786**	**32,377**	**-**	**113,452**
Cost of revenues	(33,021)	(16,397)	(26,096)		(75,514)
Gross profit	**17,268**	**14,389**	**6,281**	**-**	**37,938**
Sales and marketing expenses	(3,903)	(3,564)	(2,905)		(10,372)
General and administrative expenses	(2,867)	(3,211)	(3,037)		(9,115)
Depreciation and amortization	(5,752)	(2,695)	(4,082)		(12,529)
Non-cash share-based remuneration	(18)	(16)	(16)		(50)
Other operating income	79	132	496		707
Operating profit / (loss)	**4,807**	**5,035**	**(3,263)**	**-**	**6,579**
Assets	197,620	109,296	64,453	11,181	382,550
Liabilities	73,063	44,888	80,246	4,644	202,841
Capital expenditures	6,019	1,620	1,053	-	8,692

in K€	Direct Sales	Indirect Sales	Resellers	Reconciliation	Consolidated
01/04/ – 30/06/2012					
Net revenues	**45,895**	**28,850**	**41,871**	**-**	**116,616**
Cost of revenues	(30,221)	(14,990)	(33,917)		(79,128)
Gross profit	**15,674**	**13,860**	**7,954**	**-**	**37,488**
Sales and marketing expenses	(4,267)	(3,423)	(2,734)		(10,424)
General and administrative expenses	(5,322)	(2,065)	(1,411)		(8,798)
Depreciation and amortization	(5,410)	(2,803)	(4,838)		(13,051)
Non-cash share-based remuneration	(44)	(38)	(31)		(113)
Other operating income	(24)	(102)	(62)		(188)
Operating profit / (loss)	**607**	**5,429**	**(1,122)**	**-**	**4,914**
Assets	184,562	112,734	87,043	7,961	392,300
Liabilities	73,152	30,447	88,838	4,739	197,176
Capital expenditures	7,960	1,847	1,070	-	10,877

in K€	Direct Sales	Indirect Sales	Resellers	Reconciliation	Consolidated
01/01/ – 30/06/2013					
Net revenues	**100,878**	**61,273**	**64,313**	**-**	**226,464**
Cost of revenues	(66,049)	(32,749)	(52,163)		(150,961)
Gross profit	**34,829**	**28,524**	**12,150**	**-**	**75,503**
Sales and marketing expenses	(8,364)	(7,279)	(4,588)		(20,231)
General and administrative expenses	(5,801)	(6,171)	(5,355)		(17,327)
Depreciation and amortization	(11,286)	(5,421)	(8,317)		(25,024)
Non-cash share-based remuneration	(49)	(45)	(44)		(138)
Other operating income	28	103	(66)		65
Operating profit / (loss)	**9,357**	**9,711**	**(6,220)**	**-**	**12,848**
Assets	197,620	109,296	64,453	11,181	382,550
Liabilities	73,063	44,888	80,246	4,644	202,841
Capital expenditures	12,013	3,464	2,992	-	18,469

in K€	Direct Sales	Indirect Sales	Resellers	Reconciliation	Consolidated
01/01/ – 30/06/2012					
Net revenues	**87,958**	**57,664**	**87,025**	**-**	**232,647**
Cost of revenues	(57,416)	(29,866)	(69,921)		(157,203)
Gross profit	**30,542**	**27,798**	**17,104**	**-**	**75,444**
Sales and marketing expenses	(9,243)	(7,050)	(5,881)		(22,174)
General and administrative expenses	(10,457)	(4,235)	(2,912)		(17,604)
Depreciation and amortization	(10,835)	(5,609)	(9,975)		(26,419)
Non-cash share-based remuneration	(89)	(76)	(62)		(227)
Other operating income	(113)	167	(122)		(68)
Operating profit / (loss)	**(195)**	**10,995**	**(1,848)**	**-**	**8,952**
Assets	184,562	112,734	87,043	7,961	392,300
Liabilities	73,152	30,447	88,838	4,739	197,176
Capital expenditures	13,742	3,743	2,088	-	19,573

4 Treasury shares withdrawn from circulation, reducing capital stock

On January 9, 2013, the Management Board, with the consent of the Supervisory Board and on the basis of the authorizing resolution under Item 5 of the agenda, which was adopted by the Annual Shareholders Meeting on May 20, 2010, resolved to withdraw from circulation treasury shares that had already been acquired during the 2012 fiscal year utilizing the simplified procedure pursuant to § 71, Para. 1, No. 8, Sent. 6, German Stock Corporation Act ("AktG"), thus reducing the Company's capital stock. Through this resolution, all 13,629,913 bearer shares held by QSC AG at this point in time and mathematically accounting for € 1.00 per share of the capital stock were withdrawn from circulation. The reduction of capital stock went into effect on January 11, 2013. The withdrawal of treasury shares from circulation reduced the capital stock of the Company by € 13,629,913.00. To comply with regulations under German stock corporation law (§ 237, Para. 5, German Stock Corporation Act), the capital surplus was increased by the same amount and charged to the accumulated deficit.

5 2012 stock option program

On May 16, 2012, the QSC Annual Shareholders Meeting agreed to the 2012 stock option program (2012SOP), which calls for the issuance of convertible bonds having a par value of € 0.01 each to employees and, with the consent of the Supervisory Board, to members of the Management Board. In March 2013, the Management Board allocated subscription rights to employees for a total of 2,879,700 convertible bonds within the framework of the 2012SOP. By June 30, 2013, a total of 841,600 convertible bonds having a par value of € 0.01 each had been subscribed. All employees of QSC whose employment had not been terminated as of December 1, 2012, are entitled to subscribe. The subscription term will end on May 15, 2017, at the latest. The convertible bonds have a term of up to 8 years subsequent to subscription. The conversion right may be exercised – however, not until after a waiting period of 4 years subsequent to subscription – only if at least one of the following two conditions is met: Either the trading price is at least 20 percent higher than the exercise price or shares have developed relatively better than the TecDAX.

6 Dividend

On May 29, 2013, the Annual Shareholders Meeting of QSC AG resolved to distribute a dividend of € 0.09 per dividend-entitled no-par share. The distribution, totaling € 11,138,038.83, was disbursed on May 30, 2013.

7 Related party transactions

During the first six months of 2013, QSC participated in transactions with companies affiliated with members of management. According to IAS 24 related parties are individuals or companies that have the possibility of influencing or even controlling the other party. All contracts with these companies require approval of the Supervisory Board and are concluded under normal market conditions.
IN-telegence GmbH is a provider of value-added telecommunications services in the telecommunications industry and predominantly utilizes network services provided by QSC. Teleport Köln GmbH supports QSC in installing end-customer connections. QS Communication Verwaltungs Service GmbH provides consultancy on the product management of voice products.

in K€	Net revenues	Expenses	Cash received	Cash paid
01/01/ – 30/06/2013				
IN-telegence GmbH	466	23	521	27
Teleport Köln GmbH	16	2	17	2
QS Communication Verwaltungs Service GmbH	-	80	-	101
01/01/ – 30/06/2012				
IN-telegence GmbH	433	20	558	16
Teleport Köln GmbH	18	3	24	3
QS Communication Verwaltungs Service GmbH	-	106	-	126

in K€	Trade receivables	Trade payables
30/06/2013		
IN-telegence GmbH	126	-
Teleport Köln GmbH	4	-
QS Communication Verwaltungs Service GmbH	-	5
30/06/2012		
IN-telegence GmbH	96	7
Teleport Köln GmbH	4	-
QS Communication Verwaltungs Service GmbH	-	-

8 Management Board

Following the conclusion of the 2012 fiscal year, Dr. Bernd Schlobohm had requested that the Supervisory Board not extend his Management Board term of office, which was set to expire on April 30, 2013, beyond the date of the Annual Shareholders Meeting planned for May 29, 2013. The Supervisory Board complied with this request on January 22, 2013. At the same meeting, the Supervisory Board appointed Jürgen Hermann to succeed Dr. Bernd Schlobohm as the Company's new Chief Executive Officer effective May 30, 2013.
On March 19, 2013, the Supervisory Board appointed Barbara Stolz the Company's new Chief Financial Officer effective June 1, 2013.

	Shares		Conversion rights	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
Dr. Bernd Schlobohm (through May 29, 2013)	15,493,372	13,918,372	200,000	200,000
Jürgen Hermann	225,000	225,000	200,000	200,000
Arnold Stender	-	-	25,000	25,000
Barbara Stolz (from June 1, 2013)	-	-	30,000	30,000

9 Supervisory Board

As scheduled, the Annual Shareholders Meeting on May 29, 2013, conducted elections for the shareholder-representative seats on the Supervisory Board. The Annual Shareholders Meeting voted for former QSC Chief Executive Officer Dr. Bernd Schlobohm, QSC co-founder Gerd Eickers, managing partner of the Horn & Company management consulting firm Dr. Frank Zurlino, and Ina Schlie, the head of the global tax department at SAP AG. Former Supervisory Board Chair Herbert Brenke and longstanding member David Ruberg had not been candidates for reelection.
On April 24, 2013, the QSC Group workforce had already elected Anne-Dore Ahlers and Cora Hödl as new employee representatives on the Supervisory Board. Former Supervisory Board members Klaus-Theo Ernst and Jörg Mügge had not been candidates for reelection.
In its meeting on May 29, 2013, the Supervisory Board elected Dr. Schlobohm as Supervisory Board Chair and Dr. Frank Zurlino as Vice Chair. Ina Schlie was selected to chair the Audit Committee, Gerd Eickers the Nominating and Personnel Committee. The newly formed Strategy Committee is headed up by Dr. Bernd Schlobohm.

	Shares		Conversion rights	
	30/06/2013	30/06/2012	30/06/2013	30/06/2012
Herbert Brenke (through May 29, 2013)	187,200 [2]	187,200	-	-
Dr. Bernd Schlobohm (from May 29, 2013)	15,493,372	13,918,372	200,000	200,000
Gerd Eickers	15,552,484	13,977,484	-	-
Ina Schlie	-	-	-	-
Dr. Frank Zurlino (from May 29, 2013)	10,000 [3]	-	-	-
Anne-Dore Ahlers [1] (from May 29, 2013)	-	-	2,700	-
Cora Hödl [1] (from May 29, 2013)	-	-	4,100	-
Klaus-Theo Ernst [1] (through May 29, 2013)	500 [2]	500	-	-
Jörg Mügge [1] (through May 29, 2013)	4,000 [2]	4,000	-	-
David Ruberg (through May 29, 2013)	14,563 [2]	14,563	-	-

[1] Employee Representative
[2] Holdings at the time of retirement
[3] Holdings at the time of election

Cologne, August 2013

Jürgen Hermann
Chief Executive Officer

Barbara Stolz

Arnold Stender

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Consolidated Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Management Report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Cologne, August 2013

Jürgen Hermann
Chief Executive Officer

Barbara Stolz

Arnold Stender

Calendar

Quarterly Reports
November 11, 2013

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Further information at www.qsc.de