

## **QSC Boosts Profitability Sharply In Second Quarter Of 2009**

- EBITDA advances by 34 percent to € 19.0 million
- Net profit totals € 1.1 million
- Positive free cash flow of € 2.6 million
- Guidance for full 2009 fiscal year expressly reiterated

Cologne, August 12, 2009. QSC AG's focus on higher-margin products and services is paying off in today's extremely difficult economic environment. In the second quarter of 2009, the company grew its EBITDA by 34 percent year on year to € 19.0 million, with revenues rising by three percent to € 103.7 million during the same period.

The company's ability to successfully grow its profitability and financial strength can be seen, in particular, in the Products segment: In spite of a 10-percent decline in revenues from the second quarter of 2008 to € 22.7 million, segment EBITDA rose by 34 percent to € 3.9 million during the same period. The Managed Services segment continued to be stable: At € 18.6 million, revenues in the second quarter of 2009 remained at the previous year's level, as did the EBITDA of € 1.9 million. QSC recorded the strongest year-on-year revenue and profitability growth in the Wholesale/Reseller segment, where revenues rose by 10 percent to € 62.3 million, EBITDA by 42 percent to € 13.2 million.

A half-year comparison underscores QSC's higher profitability: While revenues advanced by seven percent to € 211.3 million in the first half of 2009, EBITDA soared by 50 percent to € 38.5 million. QSC thus increased its EBITDA margin by five percentage points to 18 percent during the space of a year.

Thanks to its focus on higher-margin products and services and strict cost discipline, QSC was also able to improve its operating profit (EBIT) and its net income in the second quarter of 2009. EBIT rose to € 2.3 million, as opposed to € -0.8 million for the comparable quarter the year before; during the same period, net income rose to € 1.1 million, as opposed to € -1.5 million the year before.

### **Net debt to be eliminated nearly entirely by year-end 2009**

In the second quarter of 2009, QSC earned a positive free cash flow of € 2.6 million, with this metric standing at € 6.6 million for the first six months. QSC thus reduced its net debt to € -5.6 million, in contrast to € -12.2 million at the outset of the fiscal year. The company plans to eliminate this net indebtedness nearly entirely by year end. QSC Chief Executive Officer Dr. Bernd Schlobohm notes: "In spite of the economic crisis, QSC has thus been able to significantly improve both its financial strength and its profitability."

### **Guidance expressly reiterated**

Given the positive development of the first half of 2009, QSC is expressly reiterating the guidance it had announced in February for the full 2009 fiscal year. The company thus anticipates a positive free cash flow of more than € 10 million and an EBITDA of between € 68 and € 78 million. This will go hand in hand with revenues of between € 420 and € 440 million, as well as a sustained net profit. In a market environment that is expected to remain difficult, QSC will continue to focus on improving the quality of its revenues, and will give higher profitability priority over higher revenues.

In € million	Q2 2009	Q2 2008	H1 2009	H1 2008
<b>Revenues</b>	103.7	100.2	211.3	197.7
- Wholesale/Reseller segment	62.3	56.6	126.6	108.3
- Products segment	22.7	25.3	47.6	53.2
- Managed Services segment	18.6	18.3	37.1	36.2
<b>EBITDA</b>	19.0	14.2	38.5	25.6
- Wholesale/Reseller segment	13.2	9.3	25.2	16.6
- Products segment	3.9	2.9	8.7	6.0
- Managed Services segment	1.9	2.0	4.6	3.0
<b>EBIT</b>	2.3	-0.8	4.7	-4.4
<b>Net income</b>	1.1	-1.5	2.5	-5.6
<b>Free Cashflow</b>	2.6	-9.0	6.6	-19.2
<b>CAPEX</b>	12.9	19.7	24.4	48.3
<b>Workforce</b>	665	733	-	-

**Further information is available from:**

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