

QSC Buys All Shares of Network Company Plusnet and at the Same Time Receives €29.5 Million

- Plusnet co-shareholder TELE2 is paying €66.2 million for the early termination of the joint venture
- Purchase price for the 32.5%-share in Plusnet is €36.7 million
- QSC enters into two long-term contracts with TELE2 concerning DSL-Wholesale and Managed Outsourcing services

Cologne, December 23, 2010. Effective retroactively to October 31, 2010, QSC AG, Cologne, is acquiring the 32.5%-share in DSL network company Plusnet GmbH & Co. KG, Cologne, from Communication Services TELE2 GmbH, Düsseldorf, the German subsidiary of TELE2 Group, for €36.7 million. TELE2 is paying €66.2 million for the early termination of the existing contract, which would originally have run through December 31, 2013.

In parallel, QSC and TELE2 are entering into two agreements, which have a term of 10 years, respectively, concerning DSL-Wholesale and Managed Outsourcing services.

The transaction is subject to approval by the Bundesnetzagentur (Federal Network Agency). With this new agreement, QSC is again simplifying its shareholder structure and putting itself in a position that enables the company to arrange its Managed Outsourcing business more flexibly. QSC's CEO, Dr. Bernd Schlobohm, explains: "This agreement is of advantage to both parties. It enables TELE2 to change its cost structure from fixed costs to variable costs and to concentrate more on services for residential customers. QSC is improving the utilization of its NGN. In addition, we are strengthening our financial position and increasing our flexibility in the wholesale business."

Schlobohm adds that this share buy-back will not lead to additional investments but, on the contrary, will result in further efficiency gains in the coming years.

Forecast for the current fiscal year reiterated

The realignment of the shareholder structure of Plusnet, which had already been fully consolidated by QSC in the past, will have no impact on the forecast for the current fiscal year: The company continues to expect a free cash flow of more than €25 million, which would double the previous year's level of €12.9 million. In addition, the company plans to grow its revenues and EBITDA and to triple net income to more than €16 million, in comparison to €5.5 million in fiscal 2009. In the past fiscal year, QSC generated revenues of €420.5 million and an EBITDA of €76.9 million.