

freenet and QSC Forge Long-Term Network Partnership

Kiel/Cologne, June 10th, 2010 – freenet Cityline GmbH, a member of the freenet Group, and QSC AG, a leading mid-size services provider in the telecommunications industry with its own Next Generation Network (NGN), inked an agreement on a long-term network partnership. QSC will assume freenet's narrowband network-which handles preselection, call-by-call and Internet-by-call services- and integrate it into QSC's NGN. This network integration will generate synergies for both parties. End-customer business will remain exclusively with freenet. The agreement between freenet and QSC is long-term in nature and will initially run for a period of ten years. The transaction is subject to various conditions that could delay its execution.

"QSC has one of the most modern IP-based telecommunication networks in Germany," notes QSC AG Chief Executive Officer Bernd Schlobohm. "The agreement that has now been signed will fully integrate freenet's existing voice network into our own infrastructure over the course of the next five months."

"Following the sale of our DSL business and freenet's continued clear focus on its core lines of business, mobile communication and the mobile Internet, this partnership is the logical consequence," says Andreas Sand, the member of the management board of freenet Cityline GmbH responsible for landline business. "At the same time, it will serve as the basis for continuing to profitably operate our contracting legacy narrowband business under a now largely variable cost basis."

With this partnership, QSC will further broaden its leading position in handling Voice-over-IP-based voice minutes in Germany. Bernd Schlobohm adds: "This agreement once again shows that we are well aligned with our own Next Generation Network and can cost-efficiently implement IP-based services for other telecommunications companies. And the integration of the freenet infrastructure will also drive the growing performance of our NGN."

About QSC AG QSC AG (QSC), Cologne, is the leading medium-sized service provider to the telecommunications industry with its own Next Generation Network (NGN). QSC offers a complete portfolio of high-quality broadband communication services with a particular focus on medium-sized companies. In addition to providing intelligent network-related voice and data services, QSC implements complete enterprise networks (VPNs), including managed services. It provides high-performance DSL, Ethernet and wireless local loop connections of up to 800 Mbit/s. In the Wholesale line of business, QSC additionally supplies national and international carriers, ISPs as well as strong providers in the residential customer market with the necessary unbundled initial products. QSC currently employs about 700 people and is listed in the TecDAX index.

About freenet Group: The freenet Group is the biggest network-independent telecommunications provider in Germany. In its mobile communications activities, the Group pursues a long-term brand and product strategy centred on the strong 'mobilcom-debitel' brand and focusing on customer needs. The freenet Group is Germany's largest independent sales platform for mobile communications and fixed-line products, with some 800 exclusively branded shops and approx. 6,000 points of sale in addition to its well-established online and direct sales channels. This puts freenet in a position to provide independent consulting to customers across all networks and products.