Annual Report 2012

3U HOLDING

Summary of Group results

3U Group (IFRS)		Year-on-year comparison January 1–December 31	
		2012	2011
Sales	(in EUR million)	60.98	77.27
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	-9.93	28.47
EBIT (earnings before interest and taxes)	(in EUR million)	-11.23	25.55
EBT (earnings before tax)	(in EUR million)	-10.81	26.32
Net income/loss for the period	(in EUR million)	-9.38	26.64
Earnings per share from continued activities (undiluted)	(in EUR)	-0.27	-0.05
Earnings per share from continued activities (diluted)	(in EUR)	-0.27	-0.04
Earnings per share from discontinued activities (undiluted)	(in EUR)	0.00	0.80
Earnings per share from discontinued activities (diluted)	(in EUR)	0.00	0.73
Earnings per share total (undiluted)	(in EUR)	-0.27	0.75
Earnings per share total (diluted)	(in EUR)	-0.27	0.68
Equity ratio	(in %)	82.41	82.49

3U 3U Group (IFRS)		Quarterly comparison October 1–December 31	
		2012	2011
Sales	(in EUR million)	8.91	16.58
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	-3.19	-2.49
EBIT (earnings before interest and taxes)	(in EUR million)	-3.80	-2.31
EBT (earnings before tax)	(in EUR million)	-3.82	-2.36
Net income/loss for the period	(in EUR million)	-3.09	-2.00
Earnings per share from continued activities (undiluted)	(in EUR)	-0.09	-0.07
Earnings per share from continued activities (diluted)	(in EUR)	-0.09	-0.06
Earnings per share from discontinued activities (undiluted)	(in EUR)	0.00	0.01
Earnings per share from discontinued activities (diluted)	(in EUR)	0.00	0.01
Earnings per share total (undiluted)	(in EUR)	-0.09	-0.06
Earnings per share total (diluted)	(in EUR)	-0.09	-0.05
Equity ratio	(in %)	82.41	82.49

Contents

Letter to our shareholders

Dear shareholders,

A very difficult year is behind us. In all segments, there have been developments that have burdened 3U HOLDING AG enormously and led to the unsatisfactory financial results of 2012. 3U HOLDING AG reported Group sales of EUR 61.0 million, EBITDA of EUR –9.9 million and earnings of EUR –9.4 million. To reverse this process, we have therefore decided a number of measures in the fourth quarter of 2012, which unless they have not been already implemented in the fourth quarter of 2012 will be addressed in 2013.

Framework conditions for segments Renewable Energies and Telephony deteriorated

The two major segments Telephony and Renewable Energies were strongly influenced by exceptional and unforeseen regulatory measures in the fiscal year 2012. In the segment Telephony this concerns in particular the decisions of the Federal Network Agency for regulation of rates, the requirement of price announcements during the period and the contractual changes of Telekom Deutschland GmbH concerning termination charges. Just the most recent decisions of the Federal Network Agency for regulation of rates are expected to account for sales losses of around EUR 5 million for the fiscal year 2013 alone.

In the field of renewable energy, the policy-induced uncertainty regarding the future of the Renewable Energy Sources Act (EEG) demonstrated specifically in the period from mid-February to mid-June 2012, led to severe impairments. Even after the amendment to the EEG coming into effect retrospectively on April 1, 2012, there was no planning security for major photovoltaic projects in the renewable energy sector, as the legislature has fixed the remuneration of solar farms depending on the respective annex rate for the previous period. In addition, calls to put the entire compensation practices for renewable energy to the test are getting louder.

Thus the negative impacts of policy decisions continue at the start of 2013. According to the original plans of 3U HOLDING AG from the beginning of 2012, the solar park in Adelebsen was supposed to be only the first in a series of major projects in the segment Renewable Energies to be realized in 2012 and in subsequent years. For this purpose, several such projects had been identified and developed by the in-house planning capabilities as well as together with an external partner network. The ongoing changes in the legal framework which in particular through the feed-in tariffs have a direct influence on the economics of projects complicate a proper and sustainable planning.

4-points target achievement strategy 2013

As a consequence of the market developments stated above, the Management Board implemented a Group-wide 4-points target achievement strategy 2013 which includes continuous organizational, operational and strategic actions to secure the turnaround.

The 4-points target achievement strategy 2013 includes the following measures:
- A cost reduction and margin enhancement program in the segment Telephony
- A cost optimization and efficiency improvement program in the segment Renewable Energies
- An acceleration program to launch weclapp products; the intensified search of a strategic partner
- A cost stabilization program for project development, besides Group internal tasks, the focus is on external projects

The Management Board of 3U HOLDING AG (from left): Christoph Hellrung, Michael Schmidt and Andreas Odenbreit

Cost reduction measures have already been initiated or implemented in all loss making areas of the Group in the fourth quarter of 2012. Concomitant, unavoidable staff reductions lead to a reduction in personnel costs in the current year starting from the first quarter of 2013 and consequently to lower staff costs in the current fiscal year 2013.

New business fields with encouraging dynamics

Encouraging are the developments in some of the most current companies within the 3U Group. Both Selfio GmbH and ClimaLevel Energiesysteme GmbH were able to exceed their sales targets in 2012 and plan substantial sales increases and surpluses for 2013. The solar park Adelebsen generates income from the feed-in tariff since August 2012. In the first half of 2013 a substantial reflux of liquid funds is expected from the project, which is currently funded solely with equity, either by selling and/or debt financing. After the completion of the construction of the solar park in the fourth quarter of 2012, the extensive warehouses and storage areas along with a siding track are currently marketed; about a quarter of the rental space is rented short term, a connection-rent is currently being negotiated.

3U HOLDING AG has in recent quarters next to large photovoltaic projects dealt intensively with wind power projects and identified potential projects. Should conditions remain stable and therefore more predictable here than in the PV market, 3U plans to engage in this area in the current year. For this purpose, a first project company has been established, which could be activated short term.

Share buyback program decided

The figures for 2012 represent a deep and turning point, because we are convinced that the agreed restructuring measures will help to achieve a turnaround in 2013. Also the newly founded companies in the segment Renewable Energies and promising developments in the segment Services send encouraging signals and strengthen our confidence to achieve sustainable positive results again in 2014.

In the opinion of the Management Board the substance and the opportunities that come with 3U HOLDING AG are not adequately represented by the current market capitalization. Therefore, the Management Board decided, with the approval of the Supervisory Board, to perform a new share repurchase on the stock exchange in the short term. Even if the Company may use any one of the options available in accordance with lawful purposes, from today's perspective it is particularly attractive to use these shares at a later time as consideration for the acquisition of companies or investments. The beginning of the share repurchase including further details will be announced separately before the start of the program.

2013 with lower sales but strong improvement in earnings

In the forecast concerning the development of fiscal year 2013 of March 16, 2013, the Management Board of 3U HOLDING AG still predicts a turnaround in earnings. Sales will be down compared to 2012 due to the shrinking telephony market; however earnings will greatly improve again. Currently sales between EUR 45 million and EUR 50 million, an EBITDA of between EUR –1.0 million and EUR 1.0 million and earnings between EUR –3.0 million and EUR –1.0 million are planned. The forecast for business development from 2014 predicts sustainable positive earnings. Here are disregarded any sale proceeds that can naturally be poorly planned, but have the potential to influence the results strongly positive. Not considered is the partial or complete sale of projects or Subsidiaries, since there are limitations to the planning of income from divestments, but which have the potential to greatly influence earnings positively.

We know that we have put the patience of our shareholders to the test in the past and continue to do so in 2013. You have also seen that we can follow up our announcements with consequent actions. We are putting all our energy to better position 3U HOLDING AG in the market again in the current business year. The path to a successful future will not be easy, and it will take time. But we are confident that we will overcome. Therefore we ask you once again for your trust and would be delighted if you continue to join us on our journey.

Marburg, March 27, 2013

Management Board

Michael Schmidt   Christoph Hellrung   Andreas Odenbreit

Report of the Supervisory Board

Looking back on a difficult financial year 2012 the Supervisory Board reports on the priorities of its supervisory and advisory services relating to the economic and financial situation of the Group and the implementation of strategic development.

Counselling and supervision of Management

The Supervisory Board regularly advised the Management Board and monitored its conduct continuously in the year 2012. We have convinced us of its lawfulness, expedience and compliance. The Management Board has fulfilled its duties to inform us and briefed us regularly, promptly and fully, in writing and orally about all relevant events and activities of the Company. This included information about any deviations from plans. Members of the Supervisory Board had ample opportunity to look into the submitted reports and draft resolutions of the Board critically and incorporate suggestions. In particular, we have extensively discussed all significant business activities of the Company on the basis of written and oral reports by the Management Board and reviewed for plausibility. To the extent required by law and bylaws we submitted our vote. In justified cases we also made decisions out of session by circular letter.

Meetings and participation

In fiscal year 2012 a total of seven board meetings (March 2, 2012, March 14, 2012, March 30, 2012, May 31, 2012, August 31, 2012, September 27, 2012 and November 9, 2012) took place, in which the Supervisory was represented at full strength. The Supervisory Board consists of three members and has not established any committees. Resolutions of the Supervisory Board were made both in meetings and in written correspondence. All resolutions of the Supervisory Board were passed unanimously. Outside the Supervisory Board meetings, the Supervisory Board was in close contact with the Management Board and was informed about the course of business as well as important events.

Focus of consultations in the Supervisory Board

One focus of the Supervisory Board discussions was on the strategic development of the Group, and above all the adapted development of the segments Renewable Energies and Services to the changing framework conditions. In the segment Renewable Energies, the Supervisory Board was particularly involved in the plans and measures for the solar park in Adelebsen, the establishment and development of new business fields, especially in the areas of heating, cooling, ventilation and the conversion of the existing trading activities.

Cloud computing as well as sales and marketing activities were the focus of discussions in the field Services. The Supervisory Board dealt intensively with the segment Telephony, which is characterized by declining sales and falling margins. In the centre of discussions were pricing by Telekom Deutschland GmbH, regulatory decisions by the Federal Network Agency opportunities and risks in the wholesale sector and the impact of changes to the Telecommunications Act. The latter in particular have contributed significantly to the forecast changes made during the reporting period.

Further topics of discussion in Supervisory Board meetings were compliance and corporate governance, specifically the efficiency audit of the Supervisory Board in line with the principles of corporate governance, and issues regarding human resources, including the employment contracts of the Management Board.

As in the past, the Supervisory Board gave intensive consideration to the Company's strategic development and orientation. The continued reporting of the Group's sales, earnings and business development as well as the Company's financial position constituted a significant topic of discussions for the Supervisory Board. In particular, the Supervisory Board received explanations from the Management Board regarding business developments that deviated from prepared budgets and defined targets. Especially the measures adopted by the Management Board in the fourth quarter of 2012 to help reduce the net loss in 2013 and designed to reach positive earnings from 2014 on were discussed in detail.

The risk monitoring system of the Company was subject of the statutory audit by the BDO AG Wirtschaftsprüfungsgesellschaft, Essen appointed to audit the financial statements. This audit confirmed that the Management Board of the Company has taken the appropriate measures required according to Article 91 (2) of the German Stock Corporation Act and that the existing monitoring system is capable of identifying, on a timely basis, events and developments which might endanger the continuation of the Company's existence.

Corporate Governance

On March 22, 2013, the Management Board and Supervisory Board issued the declaration of conformity in accordance with Article 161 of the German Stock Corporation Act. The declaration of conformity can be viewed on the 3U HOLDING AG website (www.3u.net) under the path "Investor Relations/Corporate Governance". The declaration of corporate governance according to Article 289a German Commercial Code (HGB) can be viewed there as well.

Changes in the composition of the governing bodies

On March 8, 2012 we received the news that Michael Göbel died after a long illness. On March 14, the Supervisory Board of 3U HOLDING AG appointed Christoph Hellrung, the long-time chief financial officer of various Subsidiaries of the 3U Group, successor to the post of CFO. Also on the same day the former interim Board Member Andreas Odenbreit was confirmed by the Supervisory Board as another regular member of the Management Board with the departments legal and personnel.

Changes in Supervisory Board did not occur in 2012.

Audit of the 2012 annual and consolidated financial statements

BDO AG Wirtschaftsprüfungsgesellschaft, Essen, was chosen as auditor by the Annual General Meeting on May 31, 2012 and was mandated by the Supervisory Board to audit the annual financial statements and consolidated financial statements. The auditor audited the annual financial statements and management report of 3U HOLDING AG prepared by the Management Board in line with the German Commercial Code, and the consolidated financial statements and group management report prepared in accordance with IFRS for the 2012 financial year. It awarded all reports an unqualified auditor's opinion. The aforementioned documents and the audit reports of the auditor were submitted to all members of the Supervisory Board in good time and were discussed in depth at the accounts review meeting on March 27, 2013. At this meeting, the responsible auditor reported on the main results of its audit and was available for further information. In accordance with Section 171 of the German Stock Corporation Act, the Supervisory Board thoroughly examined the annual financial statements of 3U HOLDING AG, the consolidated financial statements as well as the management reports for 3U HOLDING AG and the Group, and raised no objections. The Supervisory Board approved the results of the audits of both sets of financial statements by the auditor and also approved the annual financial statements of 3U HOLDING AG as well as the financial statements as at December 31, 2012; the consolidated financial statements are thus adopted.

The Supervisory Board would like to thank the Members of the Management Board and all employees for their performance and commitment in the past financial year.

Marburg, March 27, 2013

The Supervisory Board

Ralf Thoenes
Chairman

Corporate governance report

The German Corporate Governance Code has been applied in Germany since 2002. It was last updated in May 2012 and contains regulations, recommendations and suggestions for good and responsible corporate management. The purpose of the Code is to create greater transparency, thus increasing the confidence of investors, customers, employees and the public in the corporate management of German companies. 3U HOLDING AG welcomes the provisions of the German Corporate Governance Code (GCGC), which serves the interests of the companies as well as its investors.

Declaration of conformity

The Management and Supervisory Boards of 3U HOLDING AG discussed continuously the contents of the Corporate Governance Code at length and decided that the recommendations are largely observed.

3U HOLDING AG submitted the most current declaration of conformity required according to the German Stock Corporation Act on March 22, 2013. It can be viewed permanently on its website (www.3u.net) under the path "Investor Relations/Corporate Governance".

Deviations from the recommendations

Deductible D&O insurance

The D&O insurance of the Company does not contain deductibles for the Supervisory Board. Regarding this, 3U HOLDING AG thinks that the responsibility and motivation with which the members of the Supervisory Board of the Company perform their tasks cannot be improved by such deductibles.

Diversity

In the allocation of managerial functions the Management Board acts according to the requirements of the respective function and searches for the person who fulfils these requirements in the best possible way. If several candidates of similar qualification are available, the Management Board looks for diversity and an appropriate consideration of women in the Company in the allocation without elevating those criteria to an overriding principle.

Executive remuneration

The Supervisory Board has not stipulated a cap for compensation to be paid to Members of the Management Board (max. 2 years' salary) because the contracts have only a limited period of 3 years. Accordingly, the proposed limit of possible compensation claims of Board Members as intended with 4.2.3 is already inherently included in the employment contracts of the Board Members.

Age limits & diversity for members of the Management Board and Supervisory Board

The Supervisory Board chooses the members of the Management Board according to suitability and qualification and looks for the best composition possible for management positions. The Company is of the opinion that the special weighting of further criteria predetermined by the code would restrict the choice of possible candidates for the Management Board. Furthermore it has to be considered that the Management Board consists of just three members at this time.

The cast of the Supervisory Board is chosen according to suitability, experience and qualification as well. To follow other guidelines for choosing suitable members would restrict the flexibility without gaining other advantages for the Company. This is true all the more since the Supervisory Board currently consists of only three members.

Annual Corporate Governance Statement

The Management of 3U HOLDING AG has delivered the Annual Corporate Governance Statement according to § 289a HGB on March 23, 2012 and has made it available to the public on the web page of 3U HOLDING AG (www.3u.net) under the path "Investor Relations/Corporate Governance". In the declaration the relevant corporate governance practices applied beyond the legal regulations are explained. It further describes the workings of the Management Board and the Supervisory Board and presents the composition and working methods of the Management Board and Supervisory Board.

Remuneration Report

Comments on the remuneration of the Management Board and the Supervisory Board can be found in the remuneration report, which is part of the Group Management Report, as well as part of this statement on corporate governance.

The 3U share

Die 3U Aktie im Überblick

International Securities Identification Number (ISIN)	DE0005167902
Wertpapierkennnummer (WKN) *[Securities Identification Number]*	516790
Stock exchange symbol	UUU
Transparency level	Prime Standard
Designated sponsor	BankM – Repräsentanz der biw Bank für Investments und Wertpapiere AG
Initial listing	November 26, 1999
Registered share capital in EUR at December 31, 2012	EUR 35,314,016.00
Registered share capital in shares at December 31, 2012	35,314,016
Share price at year end 2012*	EUR 0.51
Share price high in period from January 1 to December 31, 2012*	EUR 0.84 (April 30, 2012)
Share price low in period from January 1 to December 31, 2012*	EUR 0.49 (December 4, 2012)
Market capitalisation at December 31, 2012	EUR 18,010,148.16
Earnings per share (undiluted) at December 31, 2012	EUR -0.27

*On Xetra

The shares of 3U HOLDING AG are no-par bearer shares listed in the Prime Standard of the Frankfurt Stock Exchange. Besides trading in Frankfurt on Xetra and the floor, the stock is also traded on the OTC markets in Berlin, Dusseldorf, Munich and Stuttgart.

General market development

The year 2012 was characterized by uncertainty and high volatility in the global stock markets. After a mix of ups and downs in the first half dominated by news about the development of the European sovereign debt crisis and the global economy, the stock gained momentum markets in the second half of 2012. Despite the perceived worldwide economic slowdown, the monetary easing by central banks provided supporting impulses with the release of liquidity. In particular, the purchase of government bonds of highly indebted countries and thus the promised aid to these countries in crisis by the ECB ensured a sensible easing of tensions in the markets. Accordingly, the German equity market realized significant gains in the reporting period. The German stocks index DAX finished the year at 7,612.39 points and therefore increased by 29 % over the level at the beginning of the year (5,900.18).

Development of the 3U share

The shares of 3U HOLDING AG started in fiscal year 2012 with a quotation of EUR 0.75. After a slight decline in the first quarter the 3U share gained significantly in April and reached with EUR 0.84 on April 30, 2012 its high for the year. From May 2012, the 3U share developed almost diametrically compared to the broad market and was at year's end at only EUR 0.51. It should be noted that after the AGM, a tax-free dividend of EUR 0.03 was distributed. The Prime All Share Index started the year at 2,211.64 points and closed at 2,852.87 and was therefore able to gain as much as the DAX.

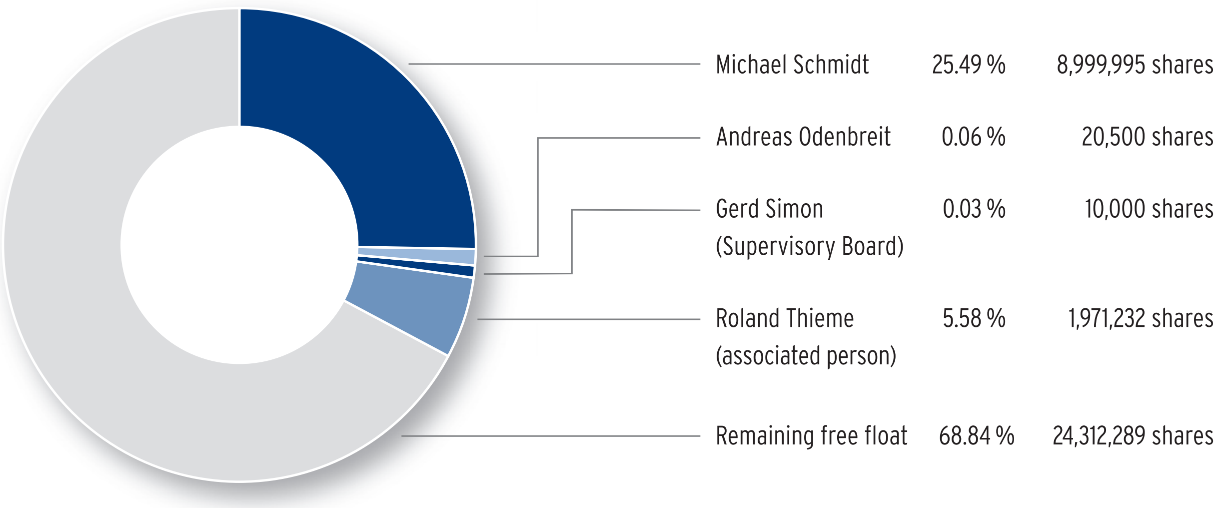
Share price

Share price performance of the 3U shares* from January 1, 2012 to December 31, 2012 vs. Prime All Share Index

Source: EquityStory AG/Interactive Data Managed Solutions AG

*Daily closing price Xetra

Shareholder structure as at December 31, 2012



Investor relations

An open dialogue with our shareholders is a top priority for us. We want to continue to promote the awareness of 3U HOLDING AG on the capital market. The 3U share shall be perceived as an attractive long-term investment. We want to convey the development of the Group and our strategy in an open, continuous and reliable way to further strengthen the trust of the investors and to achieve a fair assessment on the capital market.

We have taken opportunities in 2012 to use events for institutional investors and private shareholders to inform about our business performance, report about the appeal of our share and present our Company in individual meetings. We keep an intense frequent dialogue with our most important investors. In the discussions with our investors it became clear that the development of 3U HOLDING AG is followed with interest but that there is still scepticism regarding the future development of the Group and in particular the prospects for the segments Renewable Energy and Services.

The liquidity of the stock has decreased compared to the prior year. While it was above average in previous years, it corresponded to the rank of its market capitalization in the reporting period. The average daily number of traded 3U shares in Frankfurt decreased in 2012 compared to the previous year to approximately 30,000 units, after trading in the same period of last year amounted to a daily average of approximately 100,000 3U shares.

On the basis of the authorisation granted by the annual general meeting of August 19, 2010 3,923,770 shares were obtained between July 1, 2011 and October 25, 2011. This represented nearly 10 % of the share capital of EUR 39,237,786.00. In November 2012 the Management Board agreed to cancel these shares and thus reduce the total number of voting rights to 35,314,016. Simultaneously this increased the shareholding of CEO Michael Schmidt on 3U HOLDING AG to 25.49 %.

Group Management Report

General economic and industry-specific conditions

Developments in the overall business environments

According to initial calculations by the Federal Statistical Office (DeStatis), the German economy proved in a challenging economic environment to be resilient and withstood the European recession in 2012. The price-adjusted gross domestic product, according to initial calculations by DeStatis, was 0.7 % higher than last year, on a calendar-adjusted basis the growth rate was 0.9 %. The economic upswing occurred mainly in the first half; in the second half the German economy cooled down considerably.

Compared to Europe, Germany's economic growth in 2012 was well above average. In many other European countries however – and thus also in the EURO zone and the whole European Union (EU) – a decline in economic performance is expected for 2012. The German economy has successfully escaped the wake of the European economic crisis so far thanks to robust foreign and domestic demand and has grown slower but steadily. According to current estimates, Germany is once again one of the European leaders in 2012. A very similar situation was recorded in 2011 – but with substantially higher growth rates.

The economic performance was produced by an annual average of 41.6 million people employed in Germany in 2012. Those were 422,000 persons or 1.0 % more than a year earlier. In the wake of slowing economic growth in the second half, the increase in employment in the past year was not quite as strong as in 2011, in which the number of employed persons had increased by 561,000 persons or 1.4 % over 2010. Nevertheless, the most recent annual results are very formidable in view of the macroeconomic environment affected by the sovereign debt and banking crisis in the EURO zone. The number of employed persons reached for the sixth consecutive year a new record in 2012. The number of unemployed decreased according to DeStatis by 162,000 persons or 6.5 % to 2.3 million in 2012.

Development of the telecommunications market

In 2011 prices for telecommunications services for fixed-line telephony, internet and mobile communications stayed on average below those of the previous year for private households in Germany. According to information from DeStatis, the 2012 yearly average consumer price index for telecommunications services was 1.5 % lower than 2011.

Fixed-line telephone services/internet was 1.2 % cheaper in 2012 than in 2011. This decrease is in particular due to the competition in the segment of full-service packages (telephone and DSL-connection, telephone flat rate, internet flat rate). Mobile phoning became cheaper by 2.6 % on average in 2012 compared to the previous year.

According to a study by the (German) Association of Telecommunications and Value-Added Services (VATM) and Dialog Consult regarding the telecommunications market in 2012, the telecommunications sector has shrunk for the seventh year in a row. Although sales with telecommunication services in Germany declined less than in previous years from EUR 60.1 billion (2011: EUR 60.2 billion), once again a decrease of 0.2 % is recorded in 2012. Sales in the telecommunications fixed line declined by EUR 0.9 billion to EUR 30.9 billion and in the mobile sector increased slightly by around EUR 0.2 billion to EUR 24.8 billion (+0.8 %). The reason for this, despite falling retail prices is the sharp rise in mobile networks outgoing data traffic per user which increased by 33 % to 196 megabytes (no LTE).

Deutsche Telekom remains the dominating provider with a market share of almost 50 % in the market of fixed-line telephony, which decreased by 3.0 %, even though the former state-owned enterprise is expected to have made EUR 1.1 billion less sales in the sector of fixed-line telephony in 2012 than in the previous year. Deutsche Telekom, for example, saw a drop in the sales of full-service packages by approximately 1.1 million in 2012 – a similar decrease as in the previous year (–1.3 million). Competitors increase their customer base with classic lines by 0.2 million and with TV broadband cable and DSL unbundled (VoIP) by 0.6 million in an overall by 0.3 million customers declining market. This gives the competitors of Deutsche Telekom a market share of approximately 40.8 %.

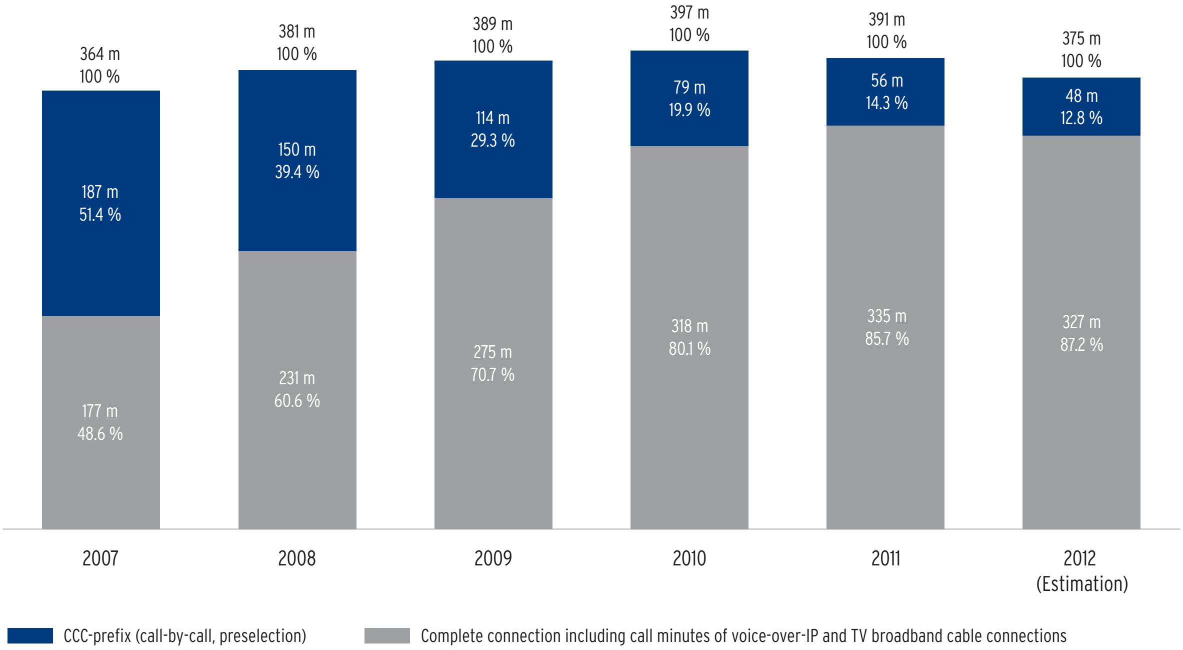
The level of capital expenditures in 2012 remained at the level of the previous years and was around EUR 6.0 billion compared to EUR 6.1 billion in the previous year. Competitors of Deutsche Telekom again carried more than half of the total investments of EUR 3.1 billion with 52 %; however it is striking that Deutsche Telekom has increased its annual investment in the last two years by around EUR 0.3 billion, while the annual investments of competitors in the same period decreased by EUR 0.4 billion. Alternative providers have invested almost EUR 55 billion since the market liberalisation began.

After the decline in the past years, VATM expects that in 2013 sales in the whole market will continue to shrink, however only a slight decline of 1 to 2 % is expected.

Development of the fixed-line telephony market in Germany

Competitors of Deutsche Telekom also had to accept a decline in call minutes for the past two years. While customers of the competitors used 391 million fixed-line telephony minutes daily in 2011 they were at only 375 million voice minutes daily in 2012.

Total market competitors voice services from fixed networks in Germany based on call minutes
(Total market including local, long distance, international and mobile calls, in million minutes per day)



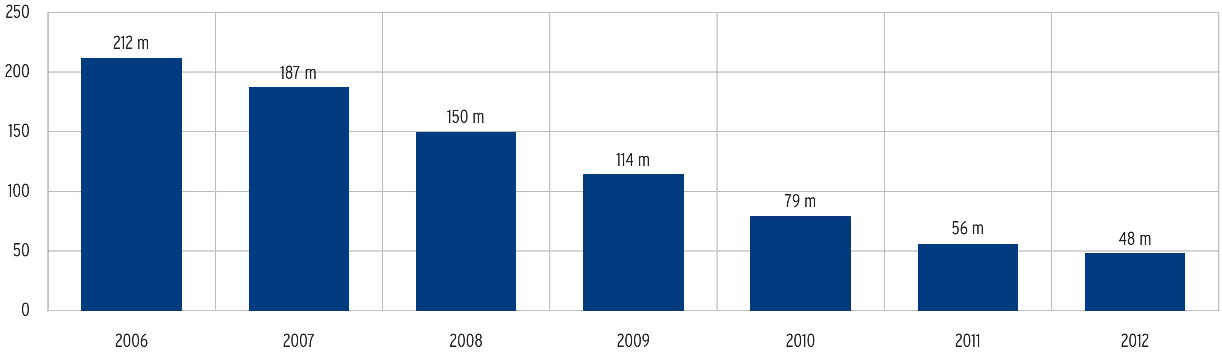
Source: DIALOG CONSULT-/VATM-analysis and forecasts

Not only the number of minutes but also the share of call-by-call and preselection decreased significantly due to the tremendous increase in use of complete connections of competitors and flat rates of Deutsche Telekom. Although the decline has slowed with a decrease of about 8 million call minutes per day, the market volume has declined dramatically in recent years. Compared to 2006, a drop of about 77 % can be observed.

Every day people make calls to information and value-added services that add up to 4 million minutes. In 90 % of times they choose links to 0180- and 0800-numbers. The other number ranges together account for only 10 % of call minutes. All competitors combined reach 46.5 % of the total sales of around EUR 660 million with information and value-added services.

With an estimated 9 million minutes of calls to information and value-added services and an average call duration of 2.5 minutes, consumers call about 3.6 million times per day a service number; accounting for about 1.3 billion calls per year.

Call minutes a day in millions



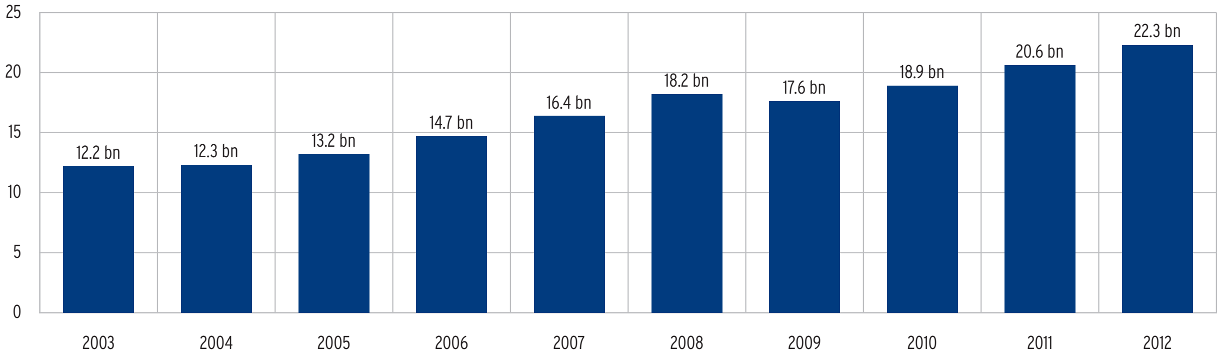
Source: DIALOG CONSULT-/VATM-analysis and forecasts 2011 and 2012

Development of the services market

The range of the product portfolio in the services area of 3U reaches from software development over consulting services to the development and implementation of distribution and marketing strategies.

While there are projections at hand from renowned research facilities regarding the future development of the IT-market, it is difficult to define the market in terms of business consulting and distribution and marketing strategies. The total turnover of the consultancy industry increased by 8.0 % to EUR 22.3 billion in 2012 (2011: EUR 20.6 billion). For 2013 the Bund der Unternehmensberater (German association of consultants) remains optimistic and expects a sales increase of almost 7 %, as stated in the market study "Facts & Figures zum Beratermarkt 2012/2013". An important aspect is the optimization of risk management systems, not only in the financial services sector.

Industry sales in the German consulting market from 2003 to 2012 in EUR bn



Source: Facts & Figures zum Beratermarkt 2012/2013, BDU e.V. 2013

Forrester Research expects in its current study "Global Tech Market Outlook 2013 to 2014" that the worldwide market for IT goods and services, led by the United States, will again grow faster in the years 2013 and 2014 than it was the case in 2012. The European IT market in 2013 will be hampered by the economic difficulties and therefore show only a slight growth. From 2014, both European and worldwide increases in demand will contribute to greater market growth. Contributing to the growth are especially recent developments, such as mobile devices, cloud computing, SaaS-based apps for collaboration and analytical software for large data volumes, while spending on hardware will stagnate at best.

Overall, Forrester Research expects the industry to grow by around 5 % in 2013 and nearly 7 % in the following year.

The importance of cloud computing is growing rapidly. According to a survey of the high-tech association BITKOM and the auditing and consulting firm KPMG in 2012 more than a third (37 %) of all companies in Germany employ cloud computing. Compared to last year this represents an increase of approximately 30 %. Especially at larger companies with more than 2,000 employees, cloud computing has asserted itself. While usage of cloud computing is at 65 % at companies of this size, it is about 45 % at companies with 100 to 1,999 employees, and only about 26 % at smaller companies with 20 to 99 employees.

The majority of cloud users rely on internal private clouds. Private clouds can either be operated from the company itself, jointly by several enterprises (community cloud) or by an external service. Public clouds are used much less frequently. Here the IT services are purchased by an external service provider over the Internet. Only 10 % of all companies used public cloud solutions in 2012. Compared to last year, this represents an increase of approximately 67 %

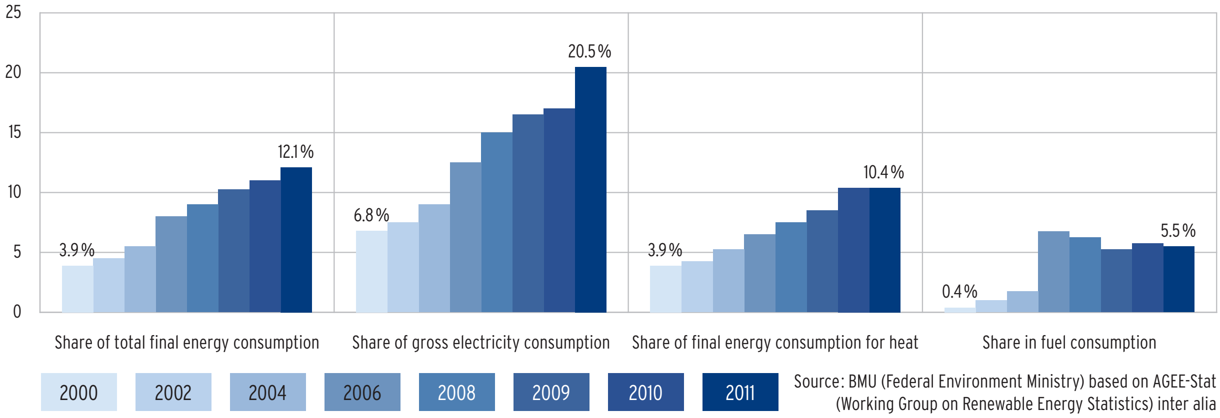
According to forecasts by Experton for BITKOM the market for cloud computing will grow strongly. Sales of cloud solutions for businesses are expected to increase in Germany by 53 % to EUR 4.6 billion in 2013. In these figures included are cloud services, hardware, consultancy and implementation services. In the coming years the growth will continue at double-digit rates. By 2016, sales are projected to triple to almost EUR 14 billion. The EU Commission estimates the contribution of the public cloud technology to GDP in the EU to at least EUR 88 billion by 2020.If both, the modernization of the legal framework as well as the improvement to the broadband infrastructure takes place, the contribution to GDP could even amount to EUR 250 billion.

Development of the future market of renewable energy

Securing a reliable economical and environment-friendly energy supply is one of the greatest challenges of the 21st century. Germany has taken a pioneering role and set especially ambitious targets for the prevention of greenhouse gases. It is the declared aim to achieve a share of at least 80 % renewable energy for the energy supply by 2050. An intermediate goal was defined by the Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz — EEG), by which the percentage of renewable energies for the energy supply ought to be increased to at least 35 % by 2020 and subsequently continue to be increased on an ongoing basis.

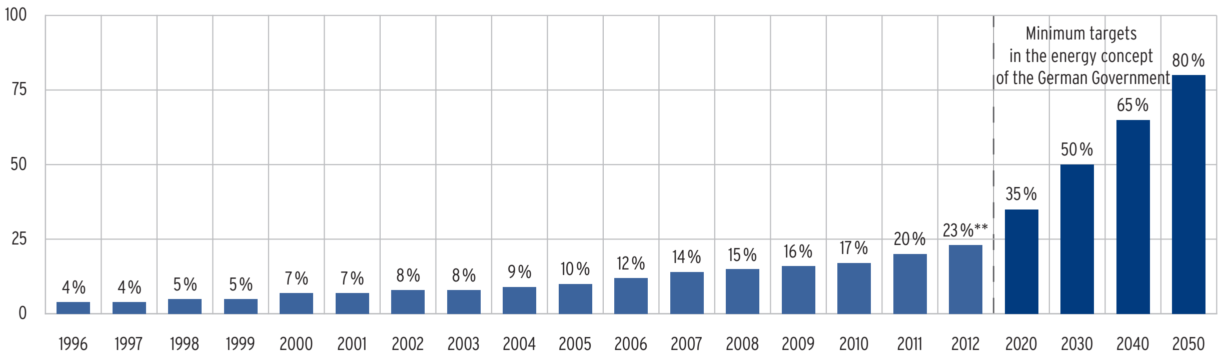
The expansion of renewable energies in Germany is progressing in leaps and bounds. This applies not only for the generation of electricity from renewable energy sources, but also for the provision of heat from renewable sources. This is confirmed by initial projections of BDEW Bundesverband der Energie- und Wasserwirtschaft e. V. (Federal Association of Energy and Water industry). In particular in power generation, renewable energies jumped to a share of around 23 % of electricity consumption — last year it was around 20 %. Would the expansion of renewable energies in Germany continue in the next 4 years as it has done in previous years, the minimum targets of the energy concept of the German government would be reached in 2016 rather than in 2020.

Share of renewable energy in the energy supply in Germany (in %)



Source: BMU (Federal Environment Ministry) based on AGEE-Stat (Working Group on Renewable Energy Statistics) inter alia

Share of the electricity from renewable energy sources (in %)*



*Based on the gross-domestic electricity consumption in Germany **Provisional Source: BDEW

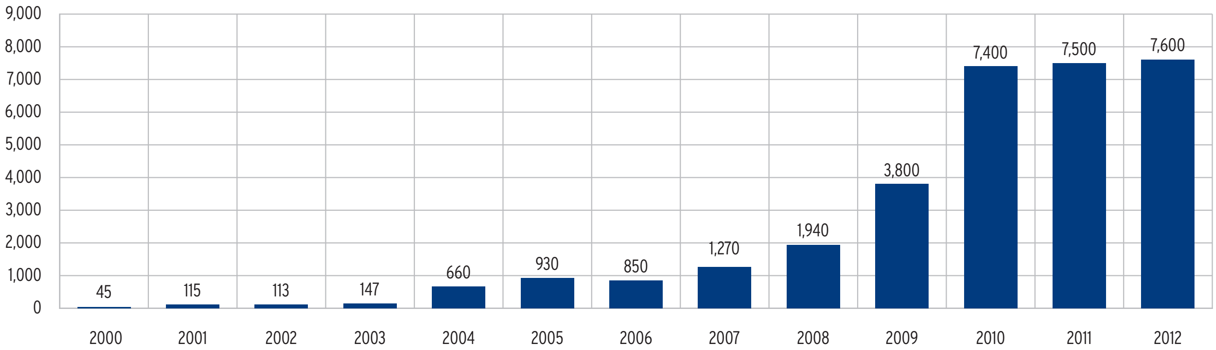
However, the industry is developing anything but homogeneous. The biggest problems have the PV module manufacturers, not only in Germany but worldwide. They suffer from huge over-capacities, resulting from enormous investments in production facilities, especially in China and from the drop in demand from Mediterranean countries, which have cut their funding for their development schemes in the wake of the debt crisis. German companies which were world leaders just a few years ago are struggling for survival today or have already lost the battle. Manufacturer of wind energy and biomass plants face similar problems.

The framework conditions for project companies which realize renewable energy projects are also extremely difficult. While investment costs especially for PV parks have decreased due to the sharp fall in module prices, it is very difficult to identify suitable sites. This is caused by the respective valid conditions being applicable at a given time give predictability only for a few months and this period is not sufficient to identify, plan and build a PV park.

Increasingly, it is being realized that the promotion of renewable energy needs to be reformed. However, opinions still are far apart concerning the "how". Some politicians are calling for a rapid change in the system, but which is not likely due to the general election being held in September 2013. A reform of the EEG is probable at the latest in 2014, in which new elements of regulation, the establishment of marketability and competitiveness, system integration, curbing of costs and possibly technology-specific differentiation of the instruments could be addressed.

PV plants adding up to about 7,600 MWp were completed in Germany in 2012 despite the difficult conditions. This is another record and considerably more than the Federal Government had anticipated and thought desirable.

Development of PV installations
(Newly installed capacity in MWp since 2000)



Sources: BSW-Solar, BNetzA, EEX (as of 01/2013)

Development of the financial market

In retrospect the first quarter of 2012 was marked by the positive effects of the more than EUR 1,000 billion provided to the banking system by the ECB, which not only led to a temporary easing of the European debt crisis – the bond yields in the EURO problem countries fell sharply – but through a decline in risk aversion caused a strong liquidity boom in equity markets as well.

The DAX and other stock indexes experienced 2012 the best start to the year in its history. After a turbulent second quarter, characterized by the consequences of the EURO crisis, the markets stabilized once again towards the middle of the year. The statement by ECB President Mario Draghi, "to do everything for the EURO", led to a significant easing of the debt crisis. Bond market spreads for Spain and Italy fell sharply and the EURO was able to recover. The equity markets have trended upward ever since, with the DAX and the S&P 500 were able to better their old highs for the year from spring 2012. More stability to the financial markets were given by the permanent European rescue fund "European Stability Mechanism" (ESM) passed in autumn and the "Outright Monetary Transactions" (OMT), a program authorized by the ECB, which allows the purchase of EURO government bonds with a duration of one to three years taking into consideration individual conditions.

Against this background it is not surprising that the development of the capital market took place with considerable volatility and was influenced by the news on the debt- and Euro-crisis and the reactions of the politicians.

3U HOLDING AG was not affected by the negative impacts of the financial crisis, because it has invested its cash only in fixed interest short-term investments. At the same time the very low interest rates lead to low current interest income. Against this background considerable investments were financed through own liquidity and not by debt financing.

While companies with lower credit ratings have considerable difficulty in obtaining financing from banks, this is less true for companies with a good equity ratio like 3U HOLDING AG. Overall, the willingness of banks to finance is further decreasing or associated with increased risk provisions. Still it is planned to use more debt for future investments in existing business fields as well as in new ones.

Report on business development

The key events of fiscal 2012 at a glance

Telephony

Amendment to the Telecommunications Act

The comprehensive amendment to the Telecommunications Act adopted by the Bundestag and the Bundesrat at the beginning of the year was published in the Federal Law Gazette on May 9, 2012 and became effective on May 10. The most significant change for the 3U Group is the requirement of price announcements for call-by-call telephony. Although the mandatory rate announcement in open call-by-call was not compulsory until August 1, 2012 the 3U Group implemented this transparency requirement already in the first quarter of 2012 to differentiate itself from the competition. The amendment has increased the competitive pressure in this area even further.

The decisions of the Federal Network Agency for price regulation in 2012 led to significant sales and earnings decreases. The most recent changes to be applied from December 2012 and from February 2013 will account for sales and earnings decreases in the segment Telephony from 2013 and are partly responsible for the revised forecasts.

Foundation and sale of Subsidiaries in the segment Telephony

Two more Subsidiaries were established in the segment Telephony during the reporting period to render telecommunications services of any kind. On January 12, 2012, the ACARA Telecom GmbH was founded with headquarters in Marburg. With a declaration of establishment TriTelA GmbH, based in Vienna / Austria was founded in Vienna on September 13, 2012. 3U HOLDING AG is the sole shareholder in both Subsidiaries.

By notarial deed dated June 21, 2012 a contract for the sale of all shares in the Younip Telecom GmbH was concluded by 3U HOLDING AG. The transfer of shares took place with payment of the purchase price on June 27, 2012.

Services

Award received as "Cloud Newcomer 2012"

In the segment Services, the Subsidiary weclapp, provider of browser-based business software solutions, received the award "Cloud Newcomer 2012" by the Experton Group during the presentation of the neutral and independent comparative study concerning cloud providers in May 2012. The analysts were especially impressed by the clarity and usability of the modular and web-based business applications.

Renewable Energies

Expansion of the segment Renewable Energies

3U HOLDING AG expanded its involvement in the area "heating, cooling and ventilation" in January 2012. ClimaLevel Energiesysteme GmbH was founded with a long-standing industry expert. 3U HOLDING AG holds a 75 % share in this company based in Cologne. ClimaLevel offers an exceptional floor system that optimally combines the functions of heating, cooling and ventilation.

Political framework conditions make long-term planning impossible

The profitability of projects in the segment Renewable Energies depend heavily on the conditions stipulated by the Renewable Energy Act (EEG). During the reporting period there was long uncertainty about the design and the date of the announced EEG. Especially for the PV market a significant reduction in feed-in tariff was approved. The amendment from August 23, 2012 with retroactive effect to April 1, 2012 provides for a degression of feed-in tariffs of up to 2.5 % per month. The degression, which is fixed for a three-month period, depends on the previous rate of new installations and is therefore not predictable for a longer period. Thus, PV-projects, which are usually implemented over a longer period of time, become an incalculable risk. As a result of these adverse conditions, 3U HOLDING AG had to reduce the human resources that had been built up for the implementation of PV projects.

Moreover, the abdication from further PV projects resulted in significant sales and earnings decreases, which are partly responsible for the revised forecasts in the reporting period.

Purchase of a property and foundation of 3U Einkauf & Logistik GmbH

On April 13, 2012 3U HOLDING AG signed a purchase agreement for the acquisition of a property with warehouses and an office building in Montabaur. Besides letting out a portion of the warehouse and the office building, this property mainly plays a central role in the concentration of warehousing and logistics resources within the 3U Group. For this purpose, the 100 % Subsidiary 3U Einkauf & Logistik GmbH was founded on July 4, 2012. It trades products for energy and heat generation / supply and provides warehousing and logistics services.

Completion of the solar park in Adelebsen

In the fourth quarter of 2011 3U had announced that it will build a solar park on an approximately 26 hectare former industrial area. The solar park, built in Adelebsen, Lower Saxony, has a capacity of approximately 10.1 MWp and went to the grid in late summer 2012. Currently the extensive warehouses and storage areas in Adelebsen along with siding are marketed; around a quarter of the rental space has been leased in the short term, a connection-rent is currently under negotiation.

Expansion of the segment Renewable Energies through new foundations

The staff resources built up within the 3U HOLDING AG that were established for the planning, development and design of renewable energy systems work with external planning experts in various projects. In future, the 3U Subsidiary EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH founded on November 7, 2012 and based in Dransfeld is supposed to develop, plan and project structural and technical systems, particularly systems for the renewable energy sector.

3U HOLDING AG plans to engage in wind power generation if conditions are favorable. For this purpose the Windpark DBF GmbH based in Marburg was founded December 4, 2012 as a project company, whose sole shareholder is 3U HOLDING AG.

Others

Payment of a tax-free dividend of EUR 0.03

The General Meeting of May 31, 2012 decided – after the pleasant business results in 2011 – to distribute a dividend of EUR 0.03 per share for the financial year 2011. The dividend was tax-exempt for domestic investors.

Cancellation of stocks

With the authorization granted by the AGM of the Company of August 19, 2010 the Management Board was authorized to acquire own shares in the Company and cancel them without the need for a further resolution. On the basis of this authorisation the Company repurchased in the scope of a share repurchase program 3,923,770 shares on the stock exchange until October 25, 2011 with a share of the capital of EUR 3,923,770,00 (equivalent to almost 10 % of the share capital of the Company). On November 9, 2012 Management Board and Supervisory Board of 3U HOLDING AG made the decision to cancel these shares. Thus the Company's share capital was reduced from EUR 39,237,786.00 to EUR 35,314,016.00. The capital reduction was carried out by cancellation of own shares according to § 71 Paragraph 1 No. 8 sentence 6 AktG.

Restructuring measures decided

The restructuring measures the Supervisory Board agreed to at the end of the fourth quarter of 2012 called for significant staff reductions. While in the segment Services primarily the sales and marketing resources for Telephony and Renewable Energies were reduced, the staff reduction in the segment Renewable Energies took place in areas 3U sees as not sustainable.

Human resources within 3U HOLDING AG, which were earmarked for the planned PV projects, were reduced. Embedded are these restructuring activities in the 4-points target achievement strategy 2013.

This 4-points target achievement strategy 2013 includes the following measures:

- a cost reduction and margin enhancement program in the segment Telephony,
- a cost optimization and efficiency improvement program in the segment Renewable Energies,
- an acceleration program to launch the weclapp products; the intensified search of a strategic partner,
- a cost stabilization program for the project development business; besides Group internal tasks the main focusing is on the acquisition of external projects.

Earnings

Group sales declined significantly from EUR 77.27 million by EUR 16.29 million to EUR 60.98 million compared to the previous year. In particular the sales shortfall in the discontinued area Broadband/IP is responsible for this since it accounted for sales after inter-segment consolidations of EUR 13.95 million in the first five months of 2011. At the same time, sales in the continued operations went down slightly in 2012 compared to the previous period. Sales in the continued operations decreased by EUR 2.34 million from EUR 63.32 million to EUR 60.98 million. Sales growth in the segment Telephony was not able to compensate fully the decline in sales in the segment Renewable Energies.

The earnings situation of the financial year 2012 is strongly influenced by the significantly lower gross profit. In continuing operations, gross profit decreased by EUR 8.88 million from EUR 20.64 million to EUR 11.76 million. This exponential decrease in gross profit compared to sales resulted primarily from significantly lower margins in the segment Telephony.

Previous year's earnings situation was largely determined by the sale of LambdaNet. From LambdaNet and the sale of the company resulted a profit contribution of EUR 28.34 million from discontinued operations.

In line with the increased number of employees, staff costs rose by around 25 % and amounted to EUR 12.48 million, compared to EUR 9.61 million in the previous year in the continuing operations. There are personnel expenses from restructuring in the amount of EUR 0.47 million (previous year: EUR 0.00 million) included in the staff costs.

Before deduction of discontinued operations, personnel expenses amounted to EUR 11.03 million in the previous year. The staff increase has taken place in principle in all segments, but turned out very differently. While in the segment Telephony personnel expenses increased by approximately 10 %, the increase was approximately 37 % in the segment Services and about 60 % in the segment Renewable Energies. The sharp rise in these segments was necessary to secure the necessary know-how for the development and expansion of these segments in the Group. Personnel costs within the Holding increased by approximately 8 %.

EBITDA has decreased significantly compared to the previous year. While in the previous year a positive EBITDA of EUR 28.47 million was achieved, EBITDA in fiscal 2012 was EUR –9.93 million. Even after adjustment of the previous year to the discontinued operations remains a decline in EBITDA of EUR 7.46 million. The restructuring charges of EUR 0.76 million (previous year: EUR 0.0 million) also had a negative impact on EBITDA in fiscal 2012.

The financial result decreased from EUR 0.77 million in the previous year by EUR 0.35 million to 0.42 million in the fiscal year 2012. This is primarily due to low earnings contributions from companies included "at equity".

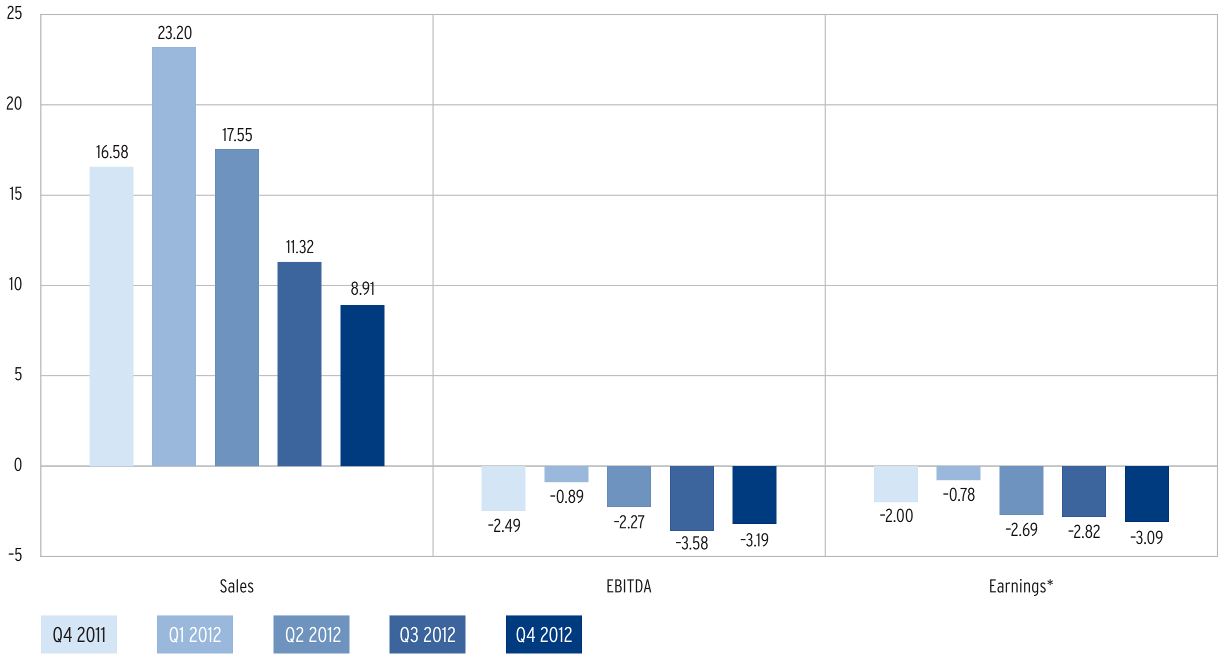
The income tax refund in the amount of EUR 0.18 million (previous year: tax charge EUR –0.78 million) relates to current taxes on income in the amount of EUR –0.09 million (previous year: EUR 0.44 million) and with EUR 0.27 million (previous year: EUR 0.34 million) deferred taxes.

As a consequence, the Group's earnings in 2012 with EUR –9.38 million are EUR 36.02 million below the Group's earnings for the business year 2011 (EUR 26.64 million). For the continuing operations, the decline was EUR 7.68 million compared to the previous year's earnings of EUR –1.70 million.

In accordance with internal reporting, 3U Group covers the segments Telephony, Services, Renewable Energies and Holding/Consolidation within its segment reporting. Because of the sale of all activities in the area Broadband/IP in the business year 2011, this former segment is separately reported under discontinued operations in the profit and loss statement.

Following, the different segments are reported including the sales between segments. Beyond that it needs to be noted that taxes on profits and income are carried by the parent company, 3U HOLDING AG, as long as subsidiary conditions exist.

Development (sales, EBITDA, earnings) — 3U Group in EUR million



*After share of non-controlling shareholders

Continued activities

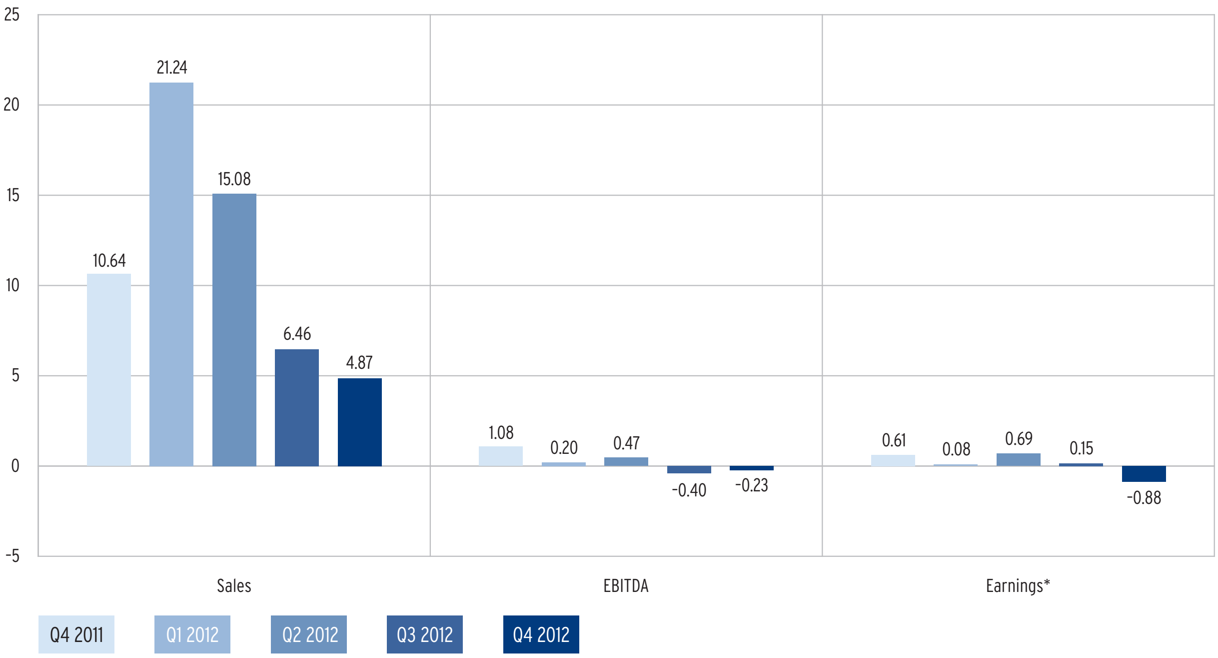
Segment Telephony

The very intense competition and the cuts by the Amendment to the Telecommunications Act and the associated additional margin declines have left their mark in the segment Telephony. Despite the increase in sales, earnings level of 2011 cannot be held. This results primarily from the fact that both sales and margins in the high-margin product areas have declined significantly. This was not to be compensated by the expansion of sales in the low-margin Wholesale / value added services.

Sales in the segment Telephony increased in the reporting period compared to the same period of 2011 from EUR 37.50 million to EUR 47.65 million. The market continues to be very difficult, due to the highly competitive conditions which have worsened in fiscal 2012 again and the continuously shrinking of the open call-by-call market. In this area, sales were decreased from EUR 18.04 million in 2011 to EUR 11.4 million in fiscal year 2012. In the area Wholesale / value added services sales increased from EUR 18.33 million in fiscal year 2011 to EUR 34.44 million in fiscal year 2012. These are usually operations with small margins.

The lower margins resulted in a lower gross profit of EUR 7.35 million. This decrease was offset only to a small extent by lower other expenses. With EUR 0.03 million EBITDA is EUR 5.16 million lower. Earnings decreased from EUR 4.68 million by EUR 4.64 million to EUR 0.04 million.

Development (sales, EBITDA, earnings) — Segment Telephony in EUR million



*Segment income before profit transfer

Segment Services

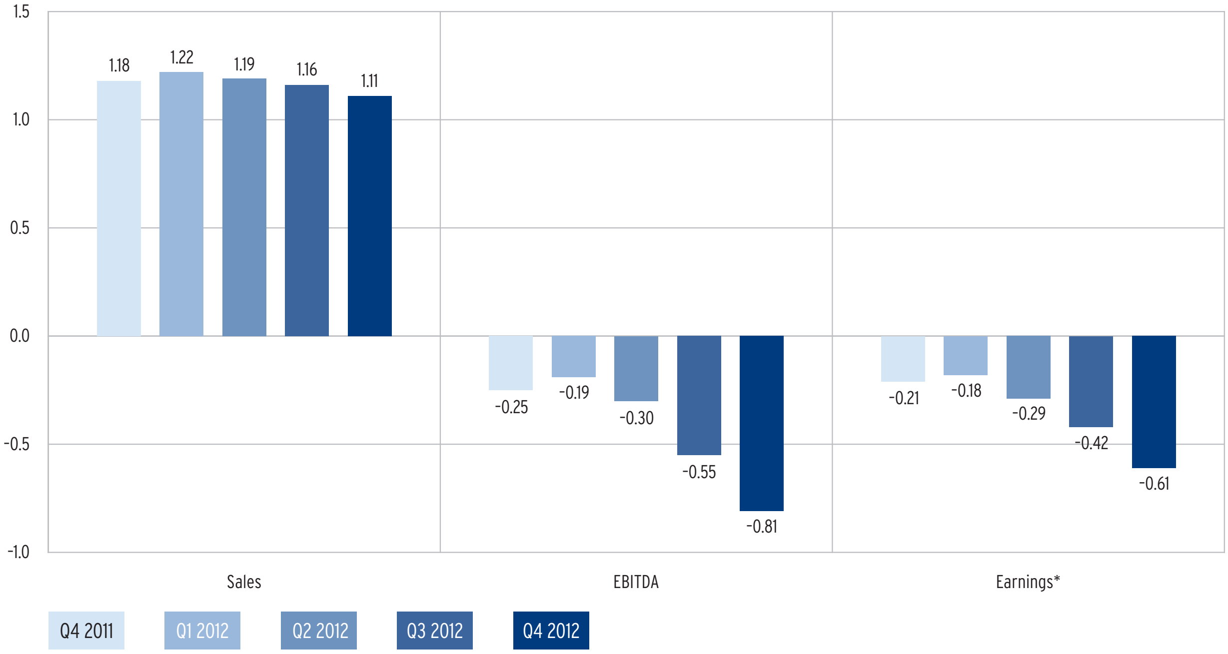
The segment Services is comprised of IT consulting and development, business consulting and the distribution and marketing resources, which are utilized Group-wide for several Group Companies. At the end of 2012 products in the area of IT development reached an appropriate marketability, which is suitable to accelerate the commercialization in 2013. With EUR 4.77 million gross profits was EUR 0.39 million higher compared to the previous year. In particular, external sales have contributed here.

The sales of EUR 4.68 million (previous year: EUR 4.34 million) reported in this segment for the year 2012 were still predominantly generated within the Group. Especially the IT staff was further strengthened in 2012 to advance the topic of cloud computing. Cloud computing enables the realization of cost advantages over conventional systems, especially if, for example, the payment is determined by the duration of use of the service and the service is used only occasionally. This can save a considerable degree of local resources. Increasingly, this resource efficiency is brought in connection with the sustainable use of ICT systems.

The further increase in staff led to an increase in personnel expenses by EUR 1.41 million from EUR 3.72 million to EUR 5.13 million. Other operating expenses also increased compared to the previous year by EUR 0.50 million to EUR 1.49 million. These also include expenses for external development and marketing resources. Restructuring measures were introduced in this segment at the end of 2012 that include in particular personnel actions. Under the framework of these measures, restructuring expenses of EUR 0.34 million have arisen, which are included in personnel expenses.

EBITDA was at EUR –1.85 million (previous year: EUR –0.32 million). In particular, higher staff expenses and higher other operating expenses and restructuring expenses have contributed to this. Earnings were negative with EUR –1.50 million (previous year: EUR –0.37 million). In addition to the above effects, it should be noted that earnings were burdened from the non-capitalized development costs in the IT sector amounting to EUR 1.22 million (previous year: EUR 1.36 million), which are necessary to develop products to marketability and promote further product development.

Development (sales, EBITDA, earnings) — Segment Services in EUR million



*After share of non-controlling shareholders

Segment Renewable Energies

The segment Renewable Energies comprises almost all activities of 3U in the sector of Renewable Energies, except for the SPP (Solar Power Plant) project and other internal planning services. The trade with solar system technology thereby consists of thermal solar plants for solar heat generation, regulation, heat storage and heat distribution as well as photovoltaic systems. The service portfolio ranges from system solutions for single-family homes up to very large solar plants. Furthermore this segment includes, among others, the development, production and trade of products for the electrical industry and environmental technology goods for thermal solar plants and plants for electricity generation from heat.

The segment Renewable Energies saw a significant increase in sales in fiscal 2011 due to the expansion of the product portfolio among others trading photovoltaic modules. Against the background of the feed-in tariff cuts under the EEG and the uncertainty of the current market sales fell in the photovoltaic field from EUR 19.18 million in 2011 to EUR 2.63 million in the fiscal year 2012. Significant resources were committed in fiscal year 2012 by setting up an own solar park with a capacity of more than 10 MWp. Nevertheless, sales in the field of solar thermal were increased to EUR 3.23 million (previous year: EUR 1.99 million) and in other product areas to EUR 7.02 million (previous year: EUR 3.87 million). This was due in particular to the growing online business and the marketing of innovative floor system.

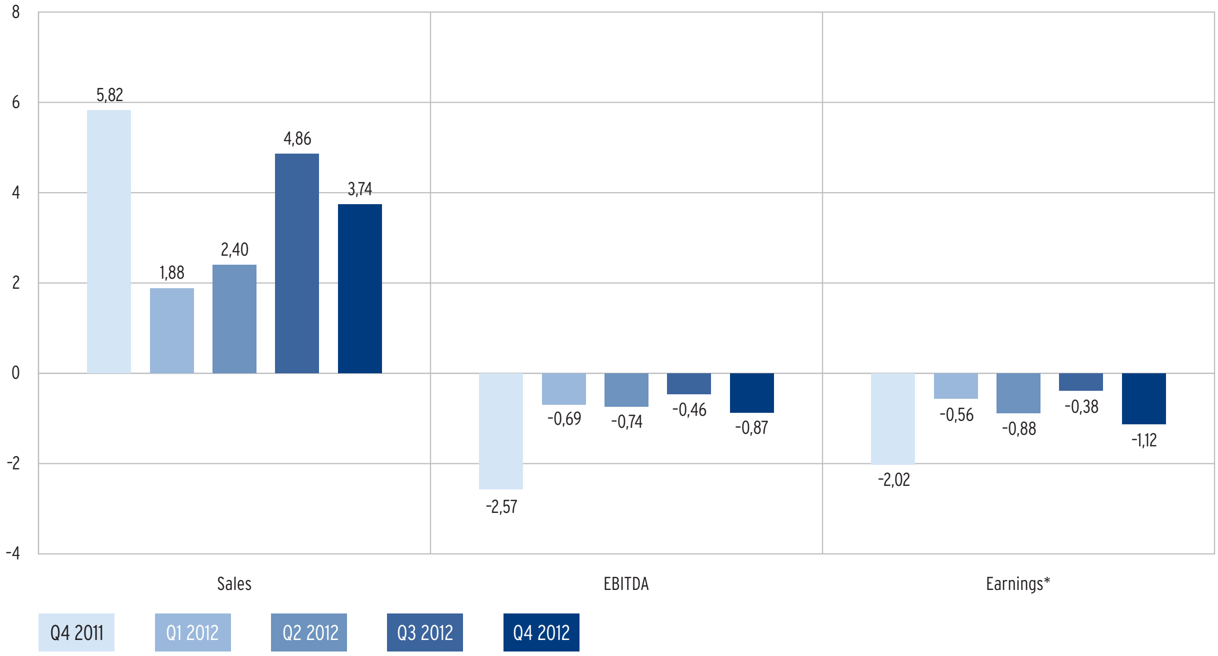
With EUR 3.00 million gross profits the segment Renewable Energies is almost on the same level as in the previous year. Despite increased staff expenses of EUR 1.10 million EBITDA increased by EUR 0.64 million. This was mainly due to significantly lower write offs on the accounts receivable compared with the previous year.

Higher depreciation on fixed assets and a higher negative financial result (an increase of EUR 0.32 million compared to the previous year) — both primarily due to the depreciation and the financial needs of the project Adelebsen — have contributed to the segment Renewable Energies' earnings being almost on the same negative level as in the previous year with EUR –2.94 million (previous year: EUR –2.93 million).

The restructuring measures initiated in the financial year 2012 strained earnings by EUR 0.42 million. EUR 0.29 million are included in inventory changes, EUR 0.12 million in personnel expenses and EUR 0.01 million included in other operating expenses.

In the previous year, the negative result was mainly influenced by depreciation of assets and PV modules in conjunction with the PV-trading business.

Development (sales, EBITDA, earnings) – Segment Renewable Energies in EUR million



Holding/Consolidation

The Holding activities including the research and development procedures concerning the Solar Power Plant (SPP) as well as the necessary Group consolidating are pooled in Holding/Consolidation. The consolidation adjustments related to the discontinued activities have been assigned to the discontinued activities.

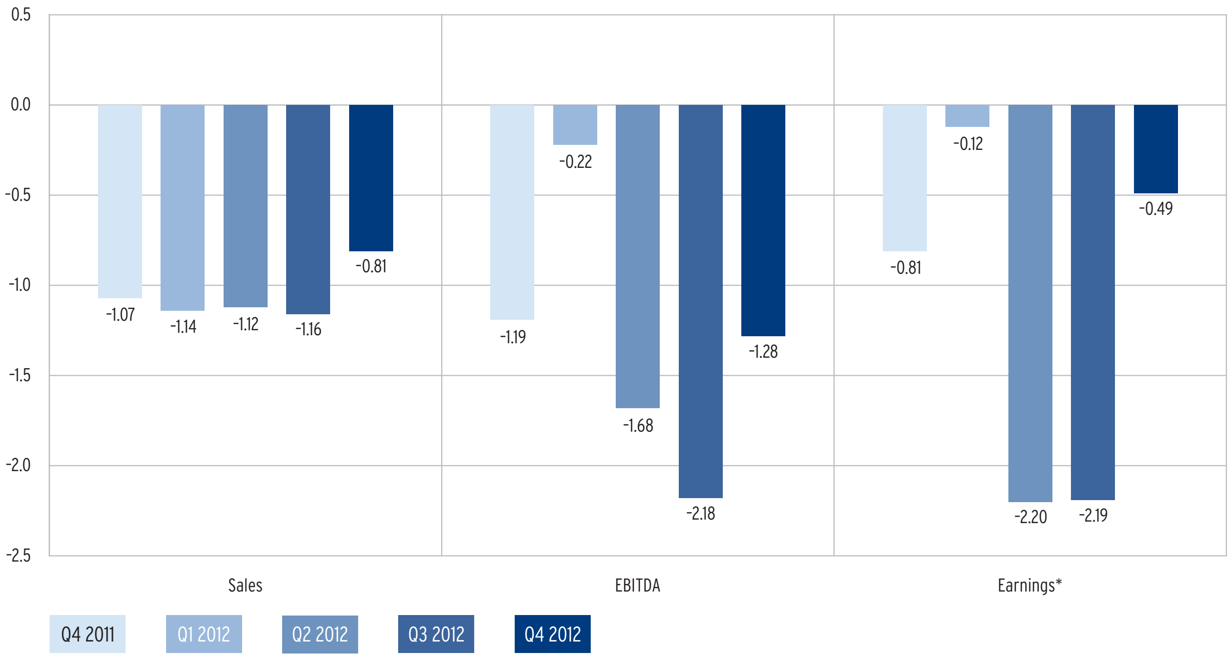
Staff resources have been set up in a competence team for the implementation of the SPP project and other internal planning services. Those will mostly pay off in the medium-term, when this expertise will be applied to SPPs as well as other renewable energy projects, which are marketed to third parties.

Holding/Consolidation reported sales of EUR –4.23million (previous year: EUR –3.57 million) in the reported period. These comprise of the sales of the Holding in the amount of EUR 0.43 million (previous year: EUR 0.07 million) and the sales consolidations in the amount of EUR –4.66 million (previous year: EUR –3.65 million). These sales consolidations result mainly from the consolidation of the sales between the segments as well as from the consolidation of services within the Group.

EBITDA amounts to EUR –5.36 million (previous year: EUR –3.94 million) and is substantially shaped by staff costs in the amount of EUR 3.02 million (previous year: EUR 2.81 million) and other operating income / expenses in the amount of EUR 1.66 million (previous year: EUR 2.39 million). Concerning personnel costs it has to be considered that employees from the finance and law sector as well as from the Competence Centre Renewable Energies are assigned to the parent Company. The largest percentage within other operating income/expenses refers to legal and consulting costs with EUR 0.9 million (previous year: EUR 1.02 million) and the inter-company billing of services with EUR 0.92 million (previous year: EUR 0.35 million).

Earnings before the correction of results from the segment Telephony is negative at EUR –5.0 million and has worsened by EUR 1.93 million (previous year: EUR –3.07 million). Starting from EBITDA higher depreciation and a lower financial result have contributed to the negative earnings effect that could not be offset by lower tax expenses.

Development (sales, EBITDA, earnings) — Holding/Consolidation in EUR million



*Group earnings Holding/Consolidation before profit transfer

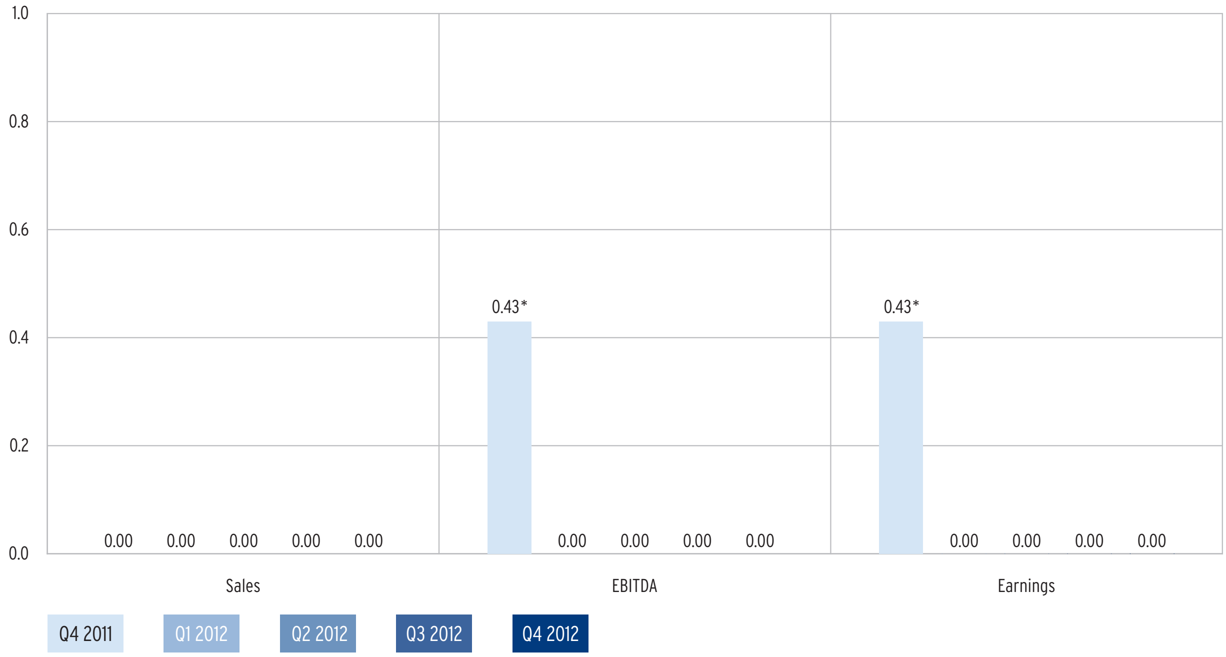
Discontinued activities

Segment Broadband/IP

The segment Broadband/IP was represented by LambdaNet Communications Deutschland GmbH AG (formerly: LambdaNet Communications Deutschland AG, following: LambdaNet), its subsidiaries as well as Exacor GmbH. After the sale of LambdaNet as of May 31, 2011, this segment was reported as discontinued activities in the previous year. Earnings due to the deconsolidation are assigned to the discontinued activities. The consolidation adjustments related to the discontinued activities have been fully assigned to the discontinued activities as shown in the segment reporting.

The discontinued operations Broadband/IP generated sales of EUR 13.95 million in the first five months of fiscal 2011. EBITDA was at EUR 30.94 million. Therein included is mainly the deconsolidation effect of the sale of LambdaNet. For fiscal year 2012, no expenses / income resulted from the discontinued operations broadband/IP.

Development (sales, EBITDA, earnings) — Segment Broadband/IP in EUR million



*Subsequent purchase price adjustment LambdaNet

Assets and financial position

The financial position of 3U HOLDING AG changed significantly in fiscal 2012 due to the high investment and the loss of the year. In fiscal 2012, the Group has invested a total of EUR 20.55 million (previous year: EUR 10.67 million in continued operations) in long-term assets. The investments were mainly investments in the site in Adelebsen, the PV system in Adelebsen, a logistics base in Montabaur and an administration building in Linz am Rhein.

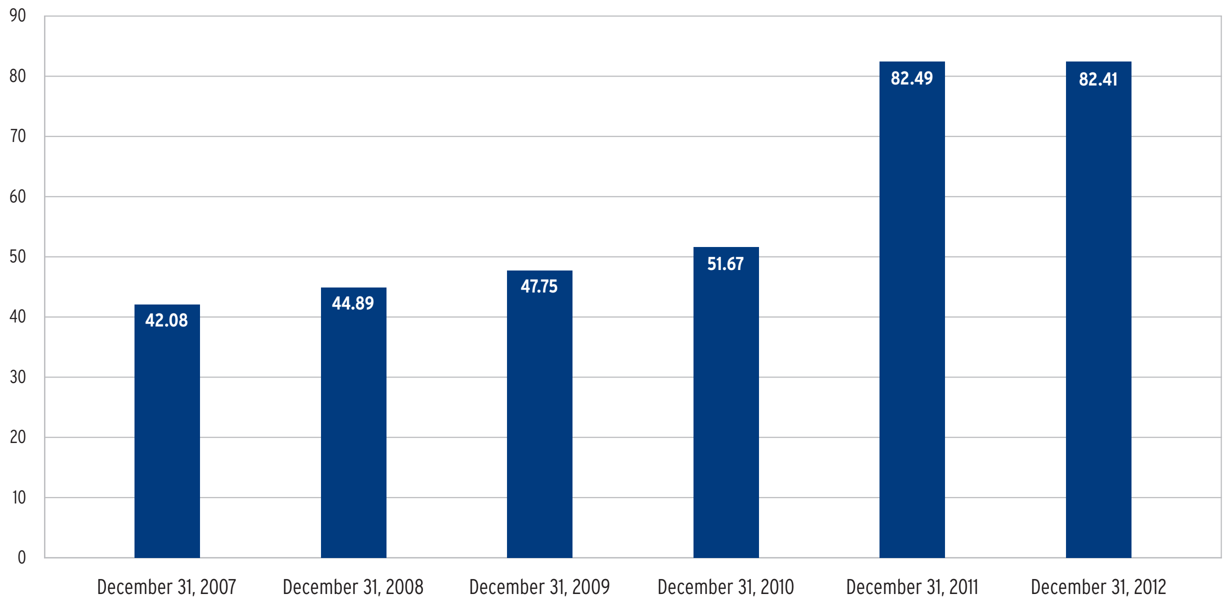
3U HOLDING AG invests its financial portfolio exclusively in call accounts and short-term time deposits at the Baden-Württembergische Bank, at Sparkasse Marburg-Biedenkopf, at Volksbank Mittelhessen and at Deutsche Bank AG.

Compared to December 31, 2011 cash and cash equivalents decreased by EUR 26.62 million from EUR 33.37 million to EUR 6.75 million at December 31, 2012. After deduction of the part which was financed through debt, EUR 19.05 million of this liquidity declines is due to investments in non-current assets.

3U HOLDING AG continues to post a very solid equity ratio. Due to the decline in total assets, the equity ratio of 82.41 % is virtually unchanged from the previous year (82.49 %) despite the significantly lower equity. The debt portion is only 17.59 % compared with 17.51 % for the same period last year.

Besides the loss of the fiscal year 2012 in the amount of EUR –10.63 million (including the loss attributable to the non-controlling shareholders) the distribution of EUR 1.06 million to shareholders contributed to the reduction in equity. An offsetting effect had the increase in capital reserves by EUR 0.15 million under the stock option program 2011.

Development in the equity ratio (in %)



Overview balance sheet items	December 31, 2012		December 31, 2011	
	TEUR	%	TEUR	%
Long-term assets	**43,438**	**70.6**	**27,035**	**35.8**
Fixed assets	42,473	69.0	26,121	34.6
Deferred tax assets	599	1.0	352	0.5
Other non-current assets	366	0.6	562	0.7
Current assets	**18,122**	**29.4**	**48,444**	**64.2**
Inventories	2,000	3.2	2,380	3.2
Trade receivables	6,255	10.2	9,287	12.3
Other current assets	3,121	5.1	3,405	4.5
Cash and cash equivalents	6,746	10.9	33,372	44.2
Assets	**61,560**	**100.0**	**75,479**	**100.0**
Long-term liabilities	**54,408**	**88.4**	**64,567**	**85.5**
Equity attributable to 3U HOLDING AG shareholders	52,795	85.8	63,091	83.6
Interests of non-controlling shareholders	-2,065	-3.4	-826	-1.1
Provisions and liabilities	3,678	6.0	2,302	3.0
Current liabilities	**7,152**	**11.6**	**10,912**	**14.5**
Trade payables	3,201	5.2	5,965	7.9
Other provisions and liabilities	3,951	6.4	4,947	6.6
Liabilities	**61,560**	**100.0**	**75,479**	**100.0**

The balance sheet total as at December 31, 2012 amounted to EUR 61.56 million (previous year: EUR 75.48 million) and decreased therefore by EUR 13.92 compared to the previous year. The reasons for the changes compared to December 31, 2011 relate primarily to the decline in cash and cash equivalents due to the prevalent self-financing of fixed investment in the reporting year.

Fixed assets in the amount of EUR 42.47 million (previous year: EUR 26.12 million) comprises in addition to intangible assets (EUR 0.84 million resp. EUR 0.82 million in the previous year), fixed assets (EUR 29.66 million resp. EUR 16.17 million in the previous year) and financial assets (EUR 6.86 million resp. EUR 9.13 million in the previous year) for the first time investment properties in the amount of EUR 5.11 million (previous year: EUR 0.00 million). These relate to the parts of the properties to be rented out in Adelebsen and Montabaur. Financial assets consist of EUR 6.26 million (previous year: EUR 7.89 million) from a loan granted to the former Subsidiary LambdaNet, which is to be repaid in annual instalments.

Further, within the non-current assets deferred taxes in particular increased by deferred taxes on tax losses carried forward.

Current assets are approximately EUR 30 million less at December 31, 2012 than the previous year. While a year ago it was dominated by the liquid assets the proportion of liquid assets at the current assets in fiscal 2012 is still 36.5 % (previous year: 68.9 %). Another essential component of current assets are receivables from goods and services, which decreased year on year by 32.5 % to EUR 6.27 million (previous year: EUR 9.29 million).

On the liabilities side, next to the marked change in equity due to the loss of fiscal year 2012 and the dividend payment to shareholders, the liabilities from trade accounts payable decreased by 46.3 % to EUR 3.20 million (previous year: EUR 5.97 million).

Long-term financial liabilities increased by the addition of two loans to finance the sites in Montabaur (in total EUR 1.50 million) to EUR 3,41 million (previous year: EUR 2.03 million).

The Management Board of 3U HOLDING decided on May 26, 2011 to use the authorization granted by the AGM of August 19, 2010 to repurchase up to 10 % of its own shares on the stock exchange in the period from July 1, 2011 to at the latest August 18, 2015. The share repurchase program was started on July 1, 2011 and was completed on October 25, 2011 after a total of 3,923,770 million shares were purchased, equivalent to almost 10 % of the share capital of EUR 39,237,786.00. In November 2012 the Management Board decided to collect these 3,923,770 shares. Since already at December 31, 2011, own shares were deducted from equity, it had no quantitative impact on the overall level of equity.

Operating cash flow in the year was EUR –9.69 million (previous year: EUR –2.96 million). The main reason for this is the negative result for the period. Cash flow from investing activities is influenced by the costs of investment in tangible fixed assets, as well as the payments for the acquisition of investment properties. Cash flow from investing activities amounted to EUR –17.28 million (previous year: EUR 12.59 million) and is EUR 29.87 million higher than in the previous year. In the previous year, investments in intangible assets were more than offset by the assets disposals from the sale of LambdaNet.

Cash flow from financing activities is slightly positive with EUR 0.34 million (previous year: EUR –5.40 million). It is mainly due to the proceeds from the scheduled amortization of a loan by LambdaNet and the outflow of funds from this year's dividend payment.

The 3U Group was in a position to meet its payment obligations at all times.

The liquidity situation is however not as comfortable at December 31, 2012 as it was the previous year. On February 28, 2013 a framework credit agreement to finance the PV project in Adelebsen was signed. From that the Group will accrue up to EUR 14.0 million. This will improve the liquidity position of the Group significantly.

The following cash flow statement shows the change in cash and has been prepared in accordance with the Company's reported cash flows (without correction in funds).

Cash flow statement (in TEUR)	Dec 31, 2012	Dec 31, 2011
Cash flow	**-26,632**	**4,230**
Cash flows from operating activities	-9,692	-2,961
Cash flows from investing activities	-17,281	12,588
Cash flows from financing activities	341	-5,397
Exchange rate changes	**6**	**0**
Consolidation-related change	**0**	**0**
Changes in cash and cash equivalents	**-26,626**	**4,230**
Cash and cash equivalents at beginning of period*	**33,372**	**29,142**
Cash and cash equivalents at end of period*	**6,746**	**33,372**

*Incl. fixed deposits as collateral in the amount of EUR 1.5 million

Statement concerning the financial situation

The Management Board views the financial situation of the Company at the time of drawing up of this report as unsatisfactory overall. Sales in the segment Telephony increased in fiscal year 2012. However this could not stop the further decline in margins. The segment Services and the segment Renewable Energies could not achieve the expected sales and earnings targets for the year 2012.

The earnings figures significantly deviated from the originally plan. In all segments consolidated EBITDA and earnings were below expectations. In the segments Telephony and Renewable Energies earnings expectations were clearly missed. In these segments, changes in the political environment had extreme effects. The Amendment to the Telecommunications Act led to greater declines in sales and margin losses in the segment Telephony than had been forecasted. After the initiation of the energy transformation brought further optimism concerning the development in the renewable energy sector, the legislative changes to the EEG caused the contrary. Especially the uncertainty on the further development and refinement of the EEG caused by the policy makers has led to situation where there is no planning reliability for the implementation of projects in the renewable energy sector in the fiscal year. This is also the reason why further planned projects – in addition to the PV project Adelebsen – could not be realized.

The changes in the fields of telephony and renewable energy confront the Group as a whole with new challenges. To meet these challenges, it is necessary to re-align the two segments and make appropriate adjustments.

To this end, the 3U Group has initiated a restructuring program at the end of 2012, which will continue in 2013. Through this program the Group should at least operationally achieve a balanced result in the year 2013.

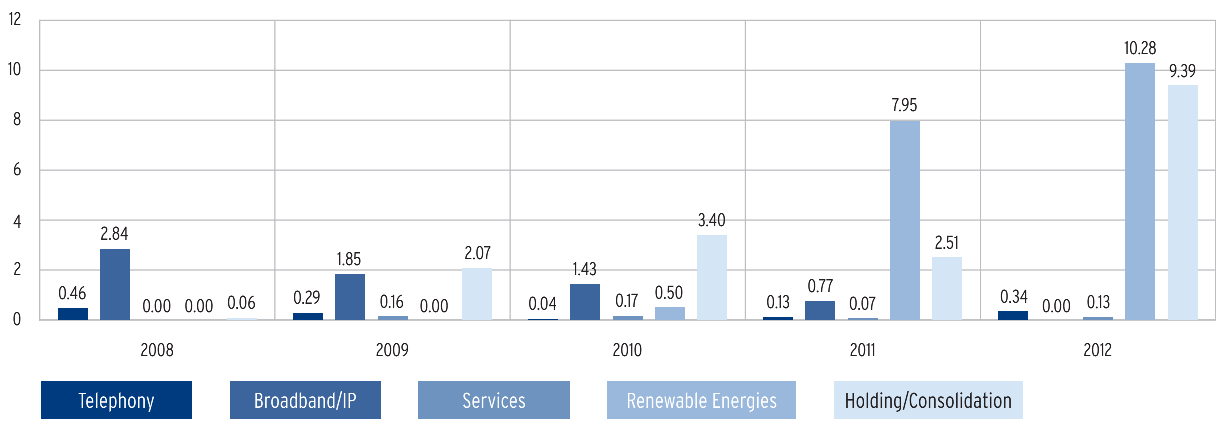
Investments/Divestments

Investments of EUR 20.22 million (Previous year: EUR 11.44 million resp. EUR 10.67 in continuing operations) in intangible assets, property and equipment were made within the Group during the 2012 reporting year.

EUR 0.34 million were invested in the segment Telephony (previous year: EUR 0.13 million). The investments in the segments Services and Renewable Energies add up to EUR 0.13 million resp. EUR 10.28 million after EUR 0.07 million resp. EUR 7.95 million in the responding time period of 2011. The investments in the tangible assets of the Holding of EUR 9.40 million in the reporting period 2012 (previous year: EUR 2.51 million) flowed mainly into the logistics centre in Montabaur and the solar park and commercial property in Adelebsen.

Investments of roughly EUR 3.83 million in the existing business segments are planned for the financial year 2013. Of these, EUR 1.06 million will be invested in the segment Telephony, EUR 1.57 million in the segment Services, EUR 0.32 million in the segment Renewable Energies and EUR 0.88 million in the holding company.

Development of investments in EUR million as at December 31*

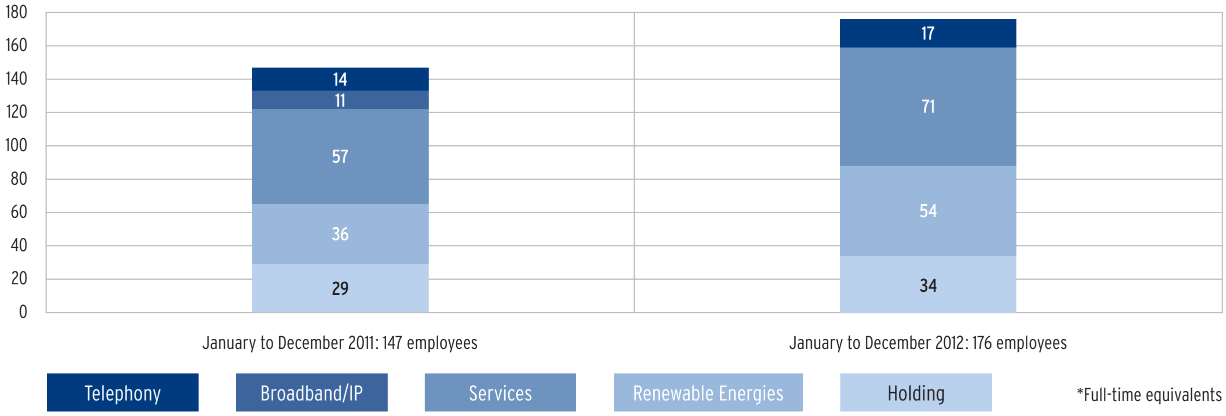


Non-financial performance indicators

It is above all the men and women that work for 3U HOLDING AG and its portfolio companies that are responsible for business success. Their identification with the 3U Group and commitment to its goals is therefore a top priority.

Staff*

On the financial statement date the 3U Group employed 188 people (previous year: 151). The yearly average was 176 (previous year : 147). The increase in the number of employees in 2012 is primarily attributable to the expansion in the segments Services and Renewable Energies. It more than compensated the staff reduction, which came with the non-continuation of the segment Broadband/IP after the sale of the Subsidiary LambdaNet on May 31, 2011. The average number of employees in the individual divisions is made up as follows:



*Full-time equivalents

Of the 202 total staff (including part-time workers and temporary staff) of the Group, employed on the balance sheet date, 39 people were women, representing a share of 19.3 %. The age structure of the Group is distributed across all age groups, 19 % of employees are between 20 and 30 years old, 42 % between 30 and 40 years old, 31 % between 40 and 50 years old and 8 % are older than 50 years. The average age in the Group is 38 years.

Our employees contribute decisively with their ideas to greater efficiency and competitiveness. Therefore, a cooperative communication aiding climate in the Group is encouraged, as all employees are motivated to make suggestions for the optimization of products and processes, to synergies and other improvements within the Group. The remuneration system is broken down into fixed and variable elements depending on the job, so that superior performance can be rewarded accordingly.

Promoting employee health

We understand health as defined by the World Health Organization (WHO) as psychic, physical and social wellbeing. To preserve and promote the health of our employees, we have implemented selective measures in the Group. Thus the Group supports the health care of its employees, for example, with subsidized sports offers, free flu shots and with training to prevent stress. Employees also have the opportunity to attend internal and external training and educational events. Their bond with 3U is reinforced by a series of measures in which social aspects are at centre-stage.

Safety in the workplace is enhanced by appropriate training. After 2011, no employee was significantly harmed by an accident at work in 2012 as well.

Corporate Responsibility

Impact of our business on the environment

The perception of corporate social responsibility is an integral part of our corporate strategy. We consider systematically the various interests of our stakeholders and the impact of our business on the environment. We are looking for a balance between economic objectives and social responsibility. With our commitment for renewable energy, we are actively investing in the environment and thus show social commitment. We try to consider environmental aspects when buying products and services.

Disclosures in line with Section 315 (4) of the German Commercial Code

Appointment and dismissal of the Management Board and amendments to the Articles of Association

The Management Board is appointed and dismissed in accordance with Articles 84 and 85 of the German Stock Corporation Act. All amendments to the Articles of Association conform to Articles 179 and 133 of the German Stock Corporation Act. However, according to Article 13 (2) of the Articles of Association in conjunction with Article 179 (2) sentence 2 of the German Stock Corporation Act, resolutions of the Annual General Meeting are passed with a simple majority of the votes cast unless another majority is prescribed by law. In addition, if the German Stock Corporation Act prescribes a majority of the share capital represented when the vote is taken, a simple majority of the capital represented is sufficient if legally permissible.

Share capital and authority of the Management Board to issue or buy back shares:

The share capital consists of 35,314,016 no-par bearer shares. All shares grant the same rights. Each share carries one vote and is decisive for the share of the profits. The rights and obligations from the shares are derived from statutory provisions.

Shares in the capital of the Company are owned as at December 31, 2012 as follows:

Name	Function	Number of shares	Percent
Michael Schmidt	(Management Board)	8,999,995 shares	25.49 %
Andreas Odenbreit	(Management Board)	20,500 shares	0.06 %
Gerd Simon	(Supervisory Board)	10,000 shares	0.03 %
Number of own shares		0 shares	0 %

On November 28, 2012, Mr Michael Schmidt, Germany informed us that via shares his voting rights on 3U HOLDING AG have exceeded the 25 % threshold of the voting rights on November 27, 2012 and on that day amounted to 25.49 % (this corresponds to 8,999,995 voting rights).

According to Article 3 (4) of the Articles of Association, the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital on one or more occasions by a total of no more than EUR 23,421,120.00 by August 27, 2014 by issuing new shares in exchange for cash contributions and/or contributions in kind. With the approval of the Supervisory Board the Management Board can fully or partially exclude the subscription right of shareholders in the following cases only: 1. In the event of capital increases against cash contributions provided that the par value of the new shares for which the subscription right is excluded does not exceed ten percent of the share capital existing on August 28, 2009 and that the issue amount of the new shares is not significantly below the stock exchange price as defined by Articles 203 (1) and (2), 186 (3) sentence 4 of the German Stock Corporation Act; 2. Provided that the capital increases in exchange for contributions in kind are carried out in order to acquire companies or equity investments in companies; 3. For fractional amounts. With the approval of the Supervisory Board the Management Board is authorised to stipulate the further details of the capital increase.

According to Article 3 (5) of the Articles of Association the share capital of the Company is to be contingently increased by up to EUR 4,684,224.00, divided into 4,684,224 shares (Contingent Capital I). The contingent capital increase is only to be carried out insofar as holders of option rights that the Company issued on the basis of the authorisation of the Annual General Meeting on August 19, 2010 make use of their option rights. The new bearer shares carry dividend rights from the beginning of the financial year for which no Annual General Meeting resolution has been passed regarding the appropriation of profit when the option rights are exercised. With the approval of the Supervisory Board the Management Board is authorised to stipulate the further details of the contingent capital increase and its implementation.

At the end of the second quarter the Management Board of 3U HOLDING decided to use the authorization granted by the AGM of August 19, 2010 to repurchase up to 10 % of its own shares on the stock exchange in the period from July 1, 2011 to at the latest August 18, 2015. BankM, Repräsentanz der biw Bank für Investments und Wertpapiere, were mandated with the execution. The share repurchase program was started on July 1, 2011 and was completed on October 25, 2011 after a total of 3,923,770 shares were purchased, equivalent to almost 10 % of the share capital of EUR 39,237,786.00. In November the Management Board made the decision to cancel these shares and thus reduce the number of shares to 35,314,016 and the Company's share capital to EUR 35,314,016.00.

For Members of the Management Board no agreements exist for the event of a takeover bid of 3U HOLDING AG.

Share transactions

According to Article 15a of the German Securities Trading Act those people with management tasks at 3U HOLDING AG must report their own transactions with 3U HOLDING AG shares or any related financial instruments, particularly derivatives, to 3U HOLDING AG and the German Financial Supervisory Authority (BaFin). This obligation also applies to people who have a close relationship with one of the above-named people, where the total transactions of a person with management tasks and the person that has a close relationship with this person reaches or exceeds a total amount of EUR 5,000.00 by the end of a calendar year. 3U HOLDING AG has not received any according transactions.

Annual Corporate Governance Statement according to Article 289a HGB

The Management of 3U HOLDING AG has delivered the Annual Corporate Governance Statement according to Article 289a HGB on March 22, 2013 and has made it permanently available to the public on the web page of 3U HOLDING AG (www.3u.net) under the path "Investor Relations/Corporate Governance".

Remuneration Report

The remuneration report summarises the principles determining the remuneration of the Management Board and Supervisory Board at 3U HOLDING AG and explains the amount and structure of the remuneration. The remuneration report is created on the basis of the recommendations of the German Corporate Governance Code, also containing the disclosures required in line with the German Commercial Code, supplemented by the Disclosure of Management Board Remuneration Act (VorstOG).

Remuneration of the Management Board

The structure and amount of remuneration of Board Members are determined by the Supervisory Board and reviewed regularly. In doing so the Supervisory Board respects the law stipulating the appropriateness of executive remuneration (VorstAG) which became effective August 5, 2009.

All Members of the Management Board of 3U HOLDING AG receive a fixed basic salary (fixed component), which is paid in monthly instalments. In addition, all members of the Management Board receive variable performance-based remuneration (performance related components). The performance-based remuneration is composed of a quantitative sub-goal and a qualitative sub-goal. If the quantitative sub-goal is achieved, the Supervisory Board primarily assesses the audited value of the EBITDA performance of the Group in relation to the budgeted value: a significant miss of budgeted sales targets can lead to deductions. Within the scope of achieving the qualitative target the Supervisory Board assesses the processing of priority tasks of the Management Board as well as the achievement of personal goals of the Management Board as set by the Supervisory Board. The Supervisory Board always determines objectives at the beginning of each financial year under consideration of the Group's situation.

Furthermore, the Members of the Management Board were granted a specific number of stock options in the 2011 stock option plan. The granting of stock options aims to reward the contribution of the Management Board (and the other employees of the 3U Group) to increased enterprise value and to encourage the long-term success of the Company.

Starting with the calendar year 2011, a part of the performance-related remuneration of a financial year will be paid under the condition that the Management Board is also going to sustainably manage the affairs of the Company in the next two years following the financial year in question. Regarding sustainability, especially the stability of the EBITDA performance of the Group and the investment structure as well as the motivation of the employees is considered. The Supervisory Board will assess the sustainability in the two years following the financial year and reclaim the partial amounts of the performance-related remuneration paid if the sustainability in business management is not warranted. A performance-related remuneration which has to be refunded by the Management Board has to be paid by the Management Board within 90 days after receipt of the written reclaim demand from the Supervisory Board.

In accordance with Article 87 par. 2 par. 1 AktG, the Supervisory Board is entitled to lower the remunerations of the Management Board appropriately if the situation of the Group worsens after the fixation of the remunerations and the continued granting of these remunerations would be inequitable for the Group. This also applies for the granting of any share options for remuneration purposes.

If the appointment to member of the Management Board is revoked for an important reason according to Article 84 par. 3 AktG, there exists no entitlement for a performance-related remuneration for this financial year as well as for any further financial years until expiration of the employment contract as member of the Management Board.

No pension commitments were given to the Members of the Management Board. The remuneration of the Members of the Management Board with individual details, broken down into fixed and performance-related components are shown below.

Name	Fixed remuneration in TEUR		Variable remuneration in TEUR		Total remuneration in TEUR	
	2012	2011	2012	2011	2012	2011
Michael Schmidt (Speaker of the Management Board)	308	308	150	300	458	608
Michael Göbel* (Management Board Member until 8. 3. 2012)	-27	153	3	85	-24	238
Andreas Odenbreit** (Management Board Member since 26. 5. 2011)	157	65	48	17	205	82
Christoph Hellrung (Management Board Member since 14. 3. 2012)	130	0	18	0	148	0
Sum	**568**	**526**	**219*** **	**402**	**787**	**928**

*There was a correction of an account for the business year 2011/2012 in the amount of TEUR 30 in 2012
**Andreas Odenbreit received no compensation for his Board activities, but drew his salary according to his employment contract in 2011.
Mr. Odenbreit received a subsequent variable compensation in the amount of TEUR 30 in 2012.
***An amount of TEUR 115 already paid in 2012, the remaining amount of TEUR 114 is due shortly

Stock option plan 2011

By way of resolution dated August 19, 2010, the Annual General Meeting authorized a contingent capital of up to EUR 4,684,224.00 for issuing stock options to members of the Management Board, executives and employees in the context of a stock option plan and authorised the Management Board accordingly. With the approval of the Supervisory Board, the Management Board made use of this authorisation on February 7, 2011 and established a stock option plan 2011.

Information on the number of stock options at December 31, 2012:

Name	Function	Number of stock options
Michael Schmidt	Management Board	200,000
Andreas Odenbreit	Management Board	0*
Christoph Hellrung	Management Board	0**

*However, Mr. Odenbreit has received stock options as an employee of 3U HOLDING AG.
**However, Mr. Hellrung has received stock options as a Board Member of LambdaNet Communications Deutschland AG.

The stock options are exercisable only after specified periods (vesting period). 3U HOLDING AG is entitled to reject the exercise of option rights to the extent that such exercise would result in a disproportionately high remuneration of the beneficiaries due to extraordinary, unforeseen developments.

All remuneration for Management Board activities for the time as Board Member of the Company was made by 3U HOLDING AG. The Subsidiaries did not pay any remuneration. With regard to the components with long-term incentive effects, we refer to the chapter "Detailed information on stock option programmes".

Remuneration of the Supervisory Board

Remuneration of the Supervisory Board is stipulated in Article 9 of the Company's Articles of Association. According to this, the Members of the Supervisory Board receive fixed basic remuneration of EUR 5,000.00 per year. The Chairman of the Supervisory Board and the Deputy Chairman receive twice and one and a half time the aforementioned remuneration respectively.

Furthermore, each Supervisory Board Member receives a bonus of EUR 1,000.00 per EUR 0.01 of the dividend in excess of EUR 0.05 per share distributed to shareholders for the past financial year as well as annual remuneration related to long-term company success of EUR 1,000.00 per EUR 100,000.00 earnings before taxes in the consolidated financial statements of the Company ("EBT") in excess of the average earnings before taxes in the consolidated financial statements ("EBT") for each of the three preceding financial years. However, total remuneration shall not exceed EUR 50,000.00 for the Chairman, EUR 37,500.00 for the Deputy Chairman and EUR 25,000.00 for the other Supervisory Board Members. In addition, all Supervisory Board Members receive a meeting fee of EUR 2,500.00 for each supervisory board or committee meeting that they attend. The Company reimburses the Supervisory Board Members for value added tax payable on their remuneration and expenses.

The remuneration for 2012 amounted to TEUR 68 (previous year: TEUR 158). The members of the Supervisory Board received a performance related remuneration in the amount of TEUR 90 for the year 2011 in accordance with Article 9 sec. 1c of 3U HOLDING AG's Articles of Association. The provision formed in 2011 was fully taken. There is no provision for performance based remuneration accrued for 2012.

Name	Fixed remuneration in TEUR		Attendance-fee in TEUR		Performance related remuneration in TEUR		Total remuneration in TEUR	
	2012	2011	2012	2011	2012	2011	2012	2011
Ralf Thoenes (Chairman)	10	10	15	15	0	40	25	65
Gerd Simon	8	8	15	15	0	30	23	53
Stefan Thies	5	5	15	15	0	20	20	40
Sum	**23**	**23**	**45**	**45**	**0**	**90**	**68**	**158**

In addition, the Supervisory Board receives a reimbursement of their travel costs and other expenses. Mr. Thoenes received TEUR 0.1 (previous year: TEUR 0.7), Mr. Simon TEUR 1.1 (previous year: TEUR 1.6) and Mr. Thies TEUR 0.3 (prior year: TEUR 0.9) as reimbursements for expenses in fiscal year 2012. Mr. Thoenes also received attendance fees and reimbursement of expenses for his supervisory activities at 3U ENERGY AG amounting to TEUR 9 (previous year: TEUR 21)

In the past financial year, the law firm Altenburger Rechtsanwälte – of which Ralf Thoenes, the Chairman of the Supervisory Board, is a partner – received a total of TEUR 13 for its consultancy services for the 3U Group (previous year: TEUR 20). This figure is broken down as follows: 3U TELECOM GmbH TEUR 13 (previous year: TEUR 12), 010017 Telecom GmbH TEUR 0 (previous year: TEUR 2), and 3U ENERGY AG (formerly 3U SOLAR Systemhandel AG) TEUR 0 (previous year: TEUR 6).

Detailed information on stock option plan

By way of resolution dated August 19, 2010, the Annual General Meeting authorised contingent capital of up to EUR 4,684,224.00 for issuing stock options to members of the Management Board, executives and employees in the context of a stock option plan and authorised the Management Board accordingly. With the approval of the Supervisory Board, the Management Board made use of this authorisation on February 7, 2011 and established a stock option plan for 2011.

Stock option plan 2011

The stock option plan (SOP) 2011 has the following key details:

The following are beneficiaries:

Group 1: Members of the Company's Management Board

Group 2: Employees of the Company and affiliated companies in Germany and abroad in key positions at the first level of management below the Management Board as well as members of the management of affiliated companies in Germany and abroad (Article 15 of the German Stock Corporation Act)

Group 3: All other employees of the Company and of the affiliated companies in Germany and abroad (Article 15 of the German Stock Corporation Act)

A total of 4,602,500 stock options were issued within the scope of the SOP 2011. The distribution between the individual groups is as follows (the value in parentheses indicates the maximum number of shares to possibly be issued):

Group 1: 400,000 (of 468,422) stock options

Group 2: 2,800,000 (of 2,810,535) stock options

Group 3: 1,402,500 (of 1,405,267) stock options

Total: 4,602,500 (of 4,684,224) stock options

The SOP 2011 has a term of five years. The non-transferable option rights can be exercised after a four-year qualifying period on February 7, 2015 at the earliest and no later than February 6, 2016.

The option rights may only be exercised within a period of fifteen banking days in Frankfurt am Main following the publication of the annual financial statements and/or consolidated financial statements, the Annual General Meeting or the publication of a quarterly report and/or the annual report. The options are not transferable. Each option right authorizes the purchase of a share in the company at the exercise price. The exercise price for the options is EUR 1.00 per share. At the time of inception of the SOP on February 7, 2011 the share was quoted at EUR 0.66, the premium thus amounted to 51.5 %.

The beneficiary may only sell shares received through the exercise of stock options within a month of the publication of the quarterly reports or after the publication of periodical reporting.

Of the 4,602,500 options issued in the framework of the SOP 947,500 options were forfeited at the balance sheet date.

Risk and opportunities report

The internal control system

The structure and organisation of the 3U Group are subject to continuous review and improvement. Ongoing adjustments of the organisation structure thereby guarantee clear responsibilities. The competencies within the monitoring, planning and control system are thus clearly defined. The monitoring and planning system mainly consists of the monthly Management information reporting. These include the budget and medium-term planning, the controlling reports, the monthly financial statements and the risk and opportunity management reporting. In addition there are regular meetings on all organisational levels as well as a rolling monthly planning/liquidity development.

The control system is based around sales planning, the EBITDA goals and around budgeted cash flows in a month by month comparison for the past twelve months in each case. The planning for the two subsequent financial years is done based on percentage increase rates. The Sales & Marketing group at Company level delivers the assumptions for the revenue planning; regulatory plans, the capital market outlook and industry trends flow in at market level. Changes relevant to earnings within a component are communicated directly between the Management Board and heads of division in the form of immediate reporting. The organisation structure and the elements of the control system thus form an integral mechanism between strategic and front-line business levels.

The 3U HOLDING AG business model

3U HOLDING AG is a listed management and investment company, which currently pursues a three-column-strategy. In addition to the traditional segment Telephony, Renewable Energies and Services have been built over the past years. This development will continue to be further advanced so that the future focal point of investments lays on organic growth of the segments Services and Renewable Energies.

The innovative technologies should be outstanding and convincing and possess a substantial and defensible technology and competitive advantage. They should be able to develop a distinct customer benefit and demonstrate particularly unique selling propositions and a clearly identifiable market potential.

Every investment should offer prospects of an above-average return on investment, which is in proportion to the estimated risk and based on a carefully researched and convincing business plan. 3U Group invests especially in organic growth and in addition to that pursues a long-term oriented "buy-and-build"-strategy.

„3U-RICH"-System

Entrepreneurial dealings are always associated with risks. Consciously entering into risks in search of business success is unavoidable and makes sense. The 3U Group considers all risks systematically and in doing so pursues the goal, on the one hand, of detecting and controlling risks in a controlled and conscious manner and, on the other hand, grasping opportunities that present themselves. The 3U Group's risk policy defines the desired relationship between risks and opportunities and is thus closely linked with the strategic business goals. Risk management serves to secure the business goals, the Company's success and a reduction in risk costs. To achieve optimum control of the business and to meet the legal and regulatory requirements, the Management Board has at its disposal a risk and opportunities management system appropriate to the size of the Company by the name of "3U-RICH". As well as the parent company, this Group-wide risk management and early warning system covers all Subsidiaries from which potentially existentially threatening developments for the Group may emanate. So our systematic dealing with potential risks and the risk-conscious handling of those risks are a central expression of how we secure and structure our future in this dynamic market environment. The "3U-RICH" system is subject to continued improvements to ensure that both internal changes and external factors, for example changes in law, are taken into account.

The "3U-RICH" system meets the legal requirements for a risk management system.
The 3U Group has integrated the topics of compliance, accounting process and ICS into the risk management system within the framework of a continuous improvement process. Thereby, 3U acts in accordance with the internationally accepted standard COSO ERM, as far as corporate management considers the advised methods to be appropriate.

Management Board and Supervisory Board of the 3U Group thereby illustrate the importance of Corporate Governance, which stands for responsible management and control of the company directed towards the long-term success of the company.

Formulating a risk management strategy
Derived from the business targets, the Management Board defines a risk strategy outlining the fundamental basis for risk management. Strategic measures for goal attainment are developed based on that. The goal is not to avoid all potential risks, but to create room to act that lets us consciously enter into risks based on comprehensive awareness of those risks and their relationships, always taking into account the risk-bearing capacity of the Group. At the forefront is a balanced ratio between opportunities and risks.

Accountability and reporting concept
The risk management system which has been introduced by the management of 3U Group for the whole Group has proven to be efficient. Each employee of the Group is compelled to behave risk-consciously within their assigned tasks and responsibilities. The respective operative superiors are immediately responsible for early recognition and supervision of risks. Regular training courses can help to ensure that all employees are aware of the requirements and the scheme.

The process and working procedures of risk management within the Group in terms of effectiveness and efficiency of the system were further optimized with the support of the professional risk management software r2c from Schleupen AG. This software supports both the risk owners and risk managers in assessing and managing risks in all Group companies.

The overall accountability for the functioning and effectiveness of the risk management system lies with the Management Board of the 3U Group. The central risk managers inform the Management Board of the current risk situation and its potential future development as part of the standardised reporting at least on a monthly basis. In addition to the Management Board, the Supervisory Board of the 3U Group and the Management of the Subsidiaries also receive this standardised monthly reporting from the risk managers. The degree of detail in the monthly report has risen significantly by the implementation of risk management software r2c. The Management Board decides upon what is put forward by the risk manager and, where necessary, initiates measures based upon new risk assumptions. In addition, it regularly informs the Supervisory Board of the risks and the measures initiated.

As part of a consultation process, a report is prepared twice a year for the Supervisory Board concerning the efficiency of the processes in the "3U-RICH" system and compliance with the rules and regulations and discussed in the presence of the risk manager. Topics include accounting processes, IKS and compliance so that the Supervisory Board is able to execute its surveillance duties systematically according to Article 107 Abs. 3, S. 2 AktG.

Methodology of the risk management system

Within the "3U-RICH" system, the risks faced by the 3U Group are captured in a manner down to the department level of the individual subsidiary as complete and financially sensible as possible, and as early as possible, in a risk inventory in order to detect developments that may jeopardize the development and existence of the business. The thus derived risk portfolio of the 3U Group is based on our assessment of the potential scale of damage and the likelihood of occurrence of very different scenarios. Indicators are established for the risks identified as part of the risk inventory which permits monitoring and evaluation of those risks. This constant observation and evaluation is handled by the decentralized risk owner and the central risk manager based on operational and financial indicators.

Moreover, at least once per year additional risk inventories with emphasis on information security are carried out in the Subsidiary weclapp GmbH within the ISO 27001 standard according to which the company is certified. Corresponding measures will be derived.

The key current and future risks in the Group

From the entirety of the risks identified for the Group, those main risks in the individual business segments are then named, which may materially affect from today's perspective the financial position and performance of the individual companies, and in aggregation could significantly affect the 3U Group if they occur.

The risks in the segments Telephony and Renewable Energies were decisive for the risk management within the 3U Group in the report year 2012, because the expected values in terms of amount of damage in case of occurrence of one of these risks in those two segments were significantly higher than the expected values of other risks. The risks from past risk inventories of Companies which have already been consolidated the year before have again been predominantly confirmed in the risk inventories. Only the peculiarity of the extent of damage and the probability of occurrence varies. However, new risks and risk scenarios were identified and evaluated. These include the risks of weclapp and Selfio concerning product liability and advisory liability and the risk for RISIMA concerning IT availability. By focusing on Group-external customers and the increase in external sales weclapp and Selfio have increased risks for products and advisory. Both RISIMA and weclapp have concerning IT security and related services a risk to the availability of the IT systems.

In the inventory of the new Subsidiaries company-specific risks were first identified and evaluated. The subsequent integration into the Group and reporting system was implemented.

General economic risks and opportunities in all segments
Individual risks that need to be identified, evaluated and monitored beyond the limits of their segments are recognised throughout the Group. Besides operative risks there are also strategic risks. The operative risks focus in all business segments on contractual obligations, possible loss or damage to technical systems, staff absenteeism and the maintenance of business processes. The strategic risks relate to the regulation and changes to the legal framework.

Each business activity of a company is based on contracts, amongst others with business partners. Almost all parts of the Groups organizational structure are affected. Contractual risks exist such as regulatory compliance of contract forms, compliance with contract terms and contract enforcement with business partners.

The Group manages this risk through an active contract management by the Group's internal legal department. In addition, the selection of business partners is evaluated and tested according to specific criteria. Opportunities occur through our own employed specialists who can also design the contracts in favour of 3U.

The provision of services in the segments of Telephony and Services are primarily based on software applications and on information and telecommunications technology. The implementation of those technologies is also of great importance in the Renewable Energies segment. Therefore the IT-availability and the IT-infrastructure are essential for the maintenance of business operations and the execution of critical processes. Appropriate system redundancies, prompt replacement investments and regular maintenance keep this risk on a market-based level. Among other things, the 3U Group confronted those IT risks by consistently adjusting the information security management systems of its Subsidiary weclapp, in accordance with ISO 27001, and by successfully obtaining certification from the TÜV Süd (German Association for Technical Inspection) once again in January 2013.

Focusing on internationally recognized standards represents an opportunity to convince existing and potential customers of the documented expertise of 3U.

In all business units of the 3U Group highly qualified personnel is needed. A lack or loss of the required know-how, skills and experience in the key positions of these companies could put attainment of the various business goals at risk. Observing the generally accepted principles of employee leadership forms the basis for a good working atmosphere. Therefore, staff management of all parts of the Group is controlled centrally by 3U HOLDING. According to the planning, appropriate staff is identified and recruited or already existing staff is qualified via a succession plan. Employee leadership and employee development represent the foundations of a positive corporate culture. Beyond that we apply a performance-based compensation system, internal and external training & development programs and a share option plan to ensure high levels of loyalty and bonding of our qualified men and women to the Company. These measures also affect the newly integrated employees of the Group, which work for companies 3U invested in or took over. Towards the outside world, the corporate culture represents the line we take with our customers and the credibility of and the trust in the Company.

The measures mentioned contribute to be perceived as an attractive employer in the region and beyond.

In order for the goals to be reached, they have to be in tune with the connected business processes and productivity of the Group. This also applies to companies that have been integrated by purchase or participation in the 3U Group structures. The application of modern methods in quality and process management also supports the continuous improvement in this segment. Additionally the vertical and horizontal communication within the Company needs to be efficient and in tune with given responsibilities and determined measures. The foundation which ensures this is based on the clearly defined work and procedure instructions as well as function descriptions and guidelines which within the framework of quality management are regularly reviewed and updated as necessary. As an example of the importance of structured processes within the 3U Group is the certification of the Subsidiary EuroSun Vacuum Solar Systems GmbH according to ISO 9001 in October 2012.

An effective and efficient operational sequence in all business processes also decreases the risk of a low level customer satisfaction.

Compliance Management

The Compliance Management is part of the Group-wide risk management system. In order to be able to fulfil the ever more demanding requirements and expectations, Compliance Management has been optimised continuously to further decrease the risks that arise. Key components of the Compliance Management form a value management system, a "whistleblower" process as well as other structural and organizational arrangements. In addition to general training and awareness activities under rules and regulations to be followed, once a year, a set of provisions is considered more intense and additional training and awareness-raising activities among the employees is performed. During the reporting period, the issue of privacy was stressed. All employees of the Group were and are trained on the importance of these measures as part of risk inventories. The implementation of a compliance management system also offers the chance to be recognized as a reliable and trustworthy business partner.

Risks from regulation and changes of legal parameters

Risks from regulation and changes of legal parameters in the areas of telecommunications/IT and especially renewable energy will continue to exist for the current segments and future investments of the 3U Group. In particular, the discussions at the beginning and in the course of 2012 concerning the subsidies for renewable energy have caused uncertainty in the market. The developments are monitored intensively by the Group to enable to prompt reaction.

Segment Telephony

The most important sector in this segment is the Call-by-Call market. The various flat rate offers represent a general risk. The land-line flat rates are making Call-by-Call redundant for domestic fixed-line calls in Germany. A similar risk exists through mobile flat rates which generally contain a flat rate for mobile and land-line. The substitution of land-line by mobile telephony leads to decreasing profits. Prices from mobile to mobile below land-line levels also constitute a risk for Call by-Call business. Beyond that another risk exists through the technology of Voice over IP (VoIP) as prices per minute come under pressure from flat rate offers. The amended Telecommunications Act, which among other things requires call-by-call providers to announce the minute prices before each call, affects the segment Telephony. The risk arises from the complete cost control for the customer who selects for his calls the provider, which offers him the best price-performance ratio. The chance is that all market participants in the call-by-call business shall comply with this obligation and the sometimes considerable differences in rates for customers will be transparent. The telephone companies within the 3U HOLDING AG could realize competitive advantages because of their advanced technical and business processes. The segment Telephony counters the expected decline in the industry with an active rate management system and a consistent focus on results. The announcement of Deutsche Telekom to cut prices increases the risk of sales and margin losses. The opportunities in this segment, despite falling sales and margins still exist. Competitors are subject to the same conditions and have similar risks. The efficient organizational structure and experience in this area has 3U better positioned than some of its competitors.

Segment Services

The companies of this segment function in a sector which is shaped by strong competition. But we see a vast market potential in the self-developed, innovative applications which have already been successfully implemented within the Group.

weclapp GmbH was able to prove the high standard of its technical and organisational personnel know-how within the framework of successful recertification by TÜV Süd in accordance with the international standard ISO 27001.

RISIMA Consulting GmbH has realized first Group external sales by focusing on its core competencies corporate governance and IT security.

3U DYNAMICS GmbH was involved mainly in internal tasks and projects, so that sales to third parties were very limited.

Segment Renewable Energies

In addition to the general risks in the Group there exist legal/regulatory risks and risks in dealing with suppliers and customers in this segment. National and international expansion of renewable energies is likely to increase significantly according to all expectations. Increasing energy prices based on increased demand with simultaneously decreasing resources and the effects of climate change becoming increasingly more visible have increased the acceptance by the German populace of an increased application of renewable energy. 3U Group has made it clear with Subsidiaries in the segment Renewable Energies that it wants to participate in this growth and to invest in these technologies. In 2012, discussions about federal funding of renewable energy resulted in a certain level of insecurity among consumers and utilities and accordingly led to less planning reliability. In addition, there is substantial overcapacity made in China, which is – according to market participants – offered at dumping prices coupled with a sharp drop in demand from the Mediterranean countries. This crowding out accelerates the current occurrence of market consolidation. As a result, the competition has intensified further. Marked by bankruptcies and significant adjustments in production the renewable energy market currently is in a consolidation phase. Nevertheless, no signs of a fundamental decrease in the demand for renewable energy are visible. 3U Group is going to seize the opportunities offered in this market by the development of innovative products in this segment, such as the concept of a "solar power plant" realised on the Company's property. In addition, other projects are currently being explored with high amounts of investments, which also provide a relatively high value security. The realization of such large projects also includes legal and regulatory risks, such as building code requirements. 3U HOLDING AG meets these risks by commissioning external consultants amongst others. The societal and industry-specific developments are closely monitored by the Company to respond promptly.

With its business model 3U is also affected by the declining compensation in accordance with EEG. The 3U group meets these special challenges in this part of renewable energy with reluctance, if the risks cannot be reduced through appropriate contractual arrangements. One activity undertaken for risk management / reduction is the decision by the Management Board, to suspend the trade with PV modules due to a poor chances/risks profile.

Risks in dealing with suppliers and customers, such as loss of suppliers and bad debt or changes in the purchasing and selling prices are controlled by the supplier and demand management.

Investments

The general economic situation and developments resulting from the finance crisis have had a significant influence on investment business. When economic conditions improve, a higher value is conceded to companies. This results in improved exit-scenarios. When economic conditions worsen, the number of companies for sale at favourable prices rises. 3U has an advantage on the market when compared with its competitors, because financing is easier to realise due to the very good equity ratio in connection with favourable liquidity.

Financial risks

As a company present on the market, the 3U Group is exposed to diverse risks. So one core goal of the Management is to control and minimise financial risks in terms of achieving reliable planning.

One key financial risk is the risk of sales being concentrated on one or only a few main customers. This risk correlates with the default risk, i. e. the risk that a contract partner in a financial transaction is not in a position to meet its obligations, thus exposing the 3U Group to financial losses. In addition, the share price, purchasing and liquidity, as well as changes in the market and interest rates, are some of the main areas where financial risks can occur.

Possible materialization of these potential risks is counteracted by a receivables and liquidity management process implemented across the Group, which ensures that sufficient liquidity is available at any time for the front-line business.

Crucial attributes of the internal control and risk management systems regarding the reporting process

The accounting process for all associated companies of the Group is realised centrally in the financial department of the holding. Thus, all companies are subject to uniform process and risk monitoring regarding the accounting process.

The implemented internal control system regarding the reporting process serves the purpose to ensure with suitable principles, methods and measures the compliance with regulations, standards and legislation to guarantee the regularity, reliability and integrity in accounting and financial reporting while taking potential risks into account. Work and procedure instructions, function descriptions and guidelines which are regularly reviewed and updated as necessary, are the foundations that ensure this. This includes an accounting policy, allocation assignments and the support by external consultants. The internal controlling system consists of internal controlling and monitoring functions, which are either integrated in the process sequences or executed independently of them. For example administrative and authorisation functions kept separate and allocated to different employees and clear responsibilities within the framework of regular reviews ("dual control") are integrated. Reviews independent of processes and controls are conducted by the Supervisory Board within the framework of its monitoring duties or by the risk management sector on the basis of defined key figures. The applied control mechanisms run partially automated in the assigned accounting software systems, so as not to interfere with the economy of operational sequences. The assigned IT systems are protected from unauthorised accesses by an authorisation concept. Furthermore the auditor examines the assigned IT-systems and their applications in the context of the annual audit.

New legal provisions as well as alterations of existing regulations regarding the accounting process and risks emerging thereof are under immediate examination regarding their repercussions for the 3U Group to adopt appropriate measures if necessary.

The implemented internal controls result from the identification of a risk at this point of the accounting process. These risks can have different origins, among other things based on legal requirements. The interaction of risk and compliance management and internal control system is particularly evident in the accounting process and therefore continues to be optimised within the ongoing improvement process.

The functions in all sectors of the accounting process are assigned and documented.

The implemented and continuously developing risk management system with the components compliance and internal control system however, is not able to guarantee complete security and compliance of Group accounting due to human failure, for example controlling errors or criminal actions by insiders.

Overall assessment of the risk situation

The main risks presented can potentially cause significant harm, today and in the future, to the 3U Group's financial, assets and earnings position. The changes in the risk and opportunity development of all segments have required action by the Management Board. Some organizational restructuring in conjunction with human resources measures were decided and have already been implemented in the reporting period. Other similar measures are also planned for 2013. The "3U-RICH" system in combination with other planning systems and reports allows us to detect potential risks at an early stage and then supports risk control. False assumptions can nonetheless create risks in the future, which then deviate from the business expectations.

Significant events following the end of the financial year

Services

The segment Services expanded in early 2013 through the incorporation of a company in USA. weclapp Inc., based in Delaware, USA and a branch office in San Francisco should promote the development of the American market. The sales strategy for the USA provides for direct sales online via www.weclapp.com and indirect sales via sales and service partners.

Renewable Energies

EuroSun Vacuum Solar Systems GmbH assumed all remaining shares of Tianjin EuroSun Solar Energy Technology Co., Ltd. from the former joint venture partner Beijing Yongdong Brilliant Heat-pipe Solar Energy Technology Co., Ltd. on January 24, 2013. The company is thus 100 % owned by EuroSun Vacuum Solar Systems GmbH

On February 13, 2013, the Federal Ministers Rösler and Altmaier submitted a joint proposal to dampen the cost of the expansion of renewable energy. In it the Ministries of Environment and Economics agree that short-term changes in the EEG are required to attenuate the costs of the expansion of renewable energy. Among other things, the proposal provides no changes for PV systems, where the remuneration is reduced further after the existing monthly breathing cover. For on-shore wind turbines, which will be put into operation after August 1, 2013, the initial fee will be reduced to 8 cents/kWh. The measures will be implemented directly by a change to the EEG and comes into force August 1, 2013. In addition, the Ministers agreed that the EEG must be fundamentally reformed.

On February 18, 2013, the shareholders of 3U ENERGY AG agreed on a share purchase and transfer agreement. Content of the agreement is the purchase of 12,500 shares (equals 25 % of the shares of the Company) in addition to all subsidiary rights by 3U HOLDING AG for a purchase price totalling EUR 1.00. Thus the share of 3U HOLDING AG in 3U ENERGY AG increases to 99.998 %.

On February 28, 2013 a framework credit agreement to finance the PV project in Adelebsen was signed. The Group will accrue up to EUR 14.0 million from it.

Due to the competitive environment and the reluctance of customers to buy solar thermal systems, the Management Board of 3U HOLDING AG has decided to restructure staff in the Immowerker GmbH in the first quarter of 2013, which will lead to significantly reduced personnel costs in 2013.

3U HOLDING AG

The restructuring measures agreed on with the Supervisory Board led to significant staff reductions in the first quarter of 2013. In addition to the already agreed on measures of the year 2012 further measures were agreed on in the first quarter of 2013. While in the segment Services primarily the sales and marketing resources for Telephony and Renewable Energies have been reduced, in the segment Renewable Energies staff was reduced in services and consultancy, whereas the area “Heating, Cooling & Ventilation” was expanded.

On March 16, 2013 3U HOLDING AG published an ad hoc notification with the preliminary results for 2012, an updated outlook for fiscal year 2013 with the associated four-points targets achievement strategy and the decision on a share buyback program.

Outlook

Economic outlook

The world economy has been steadily cooling down since the middle of 2011. This has been apparent in all key economic regions, albeit to differing degrees; and world trade has continued to slow down over the past 18 months as a result. The slackening of global economic momentum since mid-2011 is primarily due to the huge adjustment processes that are currently taking place in the euro area. Both public and private players have started to consolidate their finances, which is having a major negative impact on demand for consumer and capital goods. Moreover, concerns about the solvency of the State and banking systems in the crisis-afflicted countries of the euro area, as well as the risk of disorderly exits from the European Monetary Union, are unsettling investors, consumers and producers worldwide. The uncertainty of how US fiscal policy will be geared in the future has also a straining effect.

According to the ifo Institute, the world economy should not slip into a recession during 2013. However, nearly all of the key advanced and emerging economies will experience a period of economic weakness in the winter of 2012/13. World economic expansion should subsequently accelerate slightly over the course of 2013.

It is expected that the economic performance of the euro area looks set to fall in the winter months. This is due to contractive financial policy, the poor situation in the labour market, restrictive financing conditions and insecurity regarding the future of the euro crisis. In view of their need to reduce debts, private households will further reduce their expenditure. In the second half of 2013 economies in Europe are set to stabilise slightly, a sustained recovery is not in sight. Overall, gross domestic product in the euro area will drop by 0.2 % in 2013. The economic differences between individual EU member states will continue to increase. Aggregate production in the crisis-afflicted countries looks set to contract further. After a clearly weak phase at the turn of the year, more stable economies like Germany, Finland and Austria, on the other hand, will leave the downturn behind them in 2013.

After a strong start, overall economic output in Germany increasingly lost momentum over the course of 2012. Lingering uncertainty as a result of the European debt crisis clearly curbed the upward forces of domestic demand. The economy looks set to recover slightly in the first quarter of 2013; while gross domestic product should increase by 0.2 %. Over the course of the rest of 2013 the economy should experience an upswing, due to a pick up of private consumption and investment in equipment and machinery. Over the course of 2013 gross domestic product should subsequently increase by 1.4 %. The number of unemployed should gradually fall again over the course of the year. Due to the high starting level, however, there will be an annual increase of 60,000 persons in 2013. The unemployment rate is expected to rise slightly from 6.8 % in 2012 to 6.9 % in 2013. The inflation rate is forecast by ifo Institute to weaken to 1.6 % in 2013, after it was 2.0 % in 2012.

Outlook Telephony

Since 2005 the sales in the total market of telecommunications services in Germany have been declining. This development is based on strong sales decreases in the land-line sector and moderate decreases in the market of mobile telephony. Thus a displacement market prevails in the telecommunications industry, which is shaped by innovations and technical progress, but above all is characterised by a further price decline due also to the pronounced competitive situation. The strong fluctuations of the Call-by-Call market make a medium-term market forecast difficult.

As in previous years, the market is likely to shrink, even if this process may slow down. The relevant market went down by around 14 % in 2012, while in previous years it shrank by 20–30 %. Against this background, the Management Board expects a continuing declining development in the financial years 2013 and 2014 and an altogether increased volatility of the relevant market.

The 3U Group will continue to pursue their strategy to recognise and occupy profitable niches in the traditional core business. However the market environment becomes increasingly more difficult, so that declining sales and with it accompanying smaller yields are to be expected in this segment.

Outlook Services

In 2012, the services offered by the segment Services were mostly be utilised within the Group, however, noteworthy sales in this segment were generated externally. The share of sales with external customers will be further expanded in the future, so that already in 2013 about half of the sales in this segment will be externally generated. Especially with the topic cloud computing and IT and business consulting external customers are addressed.

In cloud computing, IT services are provided in the right quantities and flexible in real-time as a service via the Internet and billed according to use. In cloud computing various technical improvements and innovations converge and create the potential for a base innovation in the business field. Cost reduction, cost structure changes, cost variability, flexibility and entirely new business models are other important arguments. It is expected that cloud computing will change the entire information economy, its technologies and its business and therefore the relationship between suppliers and consumers for the long term. With a rapid adoption of cloud computing in business, the demand for technical infrastructure expertise decreases. For software vendors the traditional licensing business will shift in the direction of "software as a service". For users cloud computing has many advantages. Thus, for example, investments become variable costs. It is expected that almost all companies will use cloud computing in a few years – at least complementary.

On the German market cloud services encounters some scepticism. Not all services are fully developed. There has to be progress in several areas before the delivery model is adopted widely: In response to questions and challenges on issues such as IT security, integration with existing IT systems and data protection, availability and performance convincing answers have to be found, because the users expect the comprehensive, secure, compliant, high-performance and frictionless support of their business processes.

IT outsourcing is the transfer of responsibility for the operation of IT systems and the associated IT management based on partnership and on the basis of agreed services and service level agreements (SLA), which usually include the transfer of staff and assets. The outsourcing services may include the infrastructure, the application or the process level.

Market experts attest good growth prospects for the respective 3U service offers such as IT services, cloud computing, consulting services and marketing and distribution support. The Management Board of 3U HOLDING AG expects strong growing external sales from 2013 on, however, a positive contribution of this segment only from 2014.

Outlook Renewable Energies

The importance of renewable energies as an economic factor is increasing not only in Germany, but also globally. With the renewable energy segment, the Group participates in the progressive change in energy sustainability and the trend towards resource-saving and thus improving energy efficiency. In the future, the Group will be more broadly positioned in this field and will expand its product and service portfolio continuously. In addition to expanding the businesses already active in the market an increase of the planning and project development activities appears promising.

Pleasing is the current development of the activities around the subject of heating, cooling and ventilation of buildings. Overall, the Management Board expects a strong growth of this segment and a positive result for 2013. For 2014, this segment will continue to grow and provide a correspondingly larger positive contribution to earnings.

Strategic direction

Lasting operative profitability in the segments is the top priority for the Group. Due to the unsatisfactory business development in 2012 a number of measures had to be implemented to counteract this development in the fourth quarter of 2012 and the first quarter of 2013. For this, among others, especially the sales and marketing resources for Telephony and Renewable Energies were reduced in the segment Services. It also came to staff reductions in the segment Renewable Energies in the field services and consultancy. The aim of these measures is a significant cost reduction and a focus on higher-margin sales.

While the Segment Telephony will continue to shrink, the segments Services and Renewable Energies are expanded. In addition to expanding the business through organic growth the comfortable level of capital and the associated good credit rating allows the Group also inorganic growth especially in the segment Renewable Energies. The 3U Group pursues a strategy to retain successful businesses in the long term, but also to sell them if attractive offers arise.

Outlook 3U Group

2012 was a very difficult year for the 3U Group. It was heavily influenced by legislative action, which led to significantly more difficult conditions in the segments Telephony and Renewable Energies. The 3U Group has launched a series of measures in the last quarter of 2012 and the first quarter of 2013 that have resulted in the Group being better positioned at the end of the first quarter 2013 to meet the challenges of the current financial year. For this purpose it was necessary to separate from loss-making activities and in some instances in staff. With the already implemented resp. planned activities a turnaround in earnings should be reached in the financial year 2013.

The forecast quality is subject to the influence of the very dynamic development of each business field. On top of that, the full or partial sale of Subsidiaries belongs to the corporate purpose of 3U HOLDING AG as holding company. Hence, net earnings from this can hardly be planned and are therefore excluded from the following forecast.

That said the Management Board of 3U HOLDING AG expects Group sales of about EUR 45 million to EUR 50 million, EBITDA of EUR –1 million to EUR 1 million and earnings of about EUR –3,0 million to EUR –1,0 million in 2013.

For 2014, the Management Board anticipates sales of between EUR 50 million and EUR 55 million, EBITDA between EUR 2 million and EUR 5 million and earnings of between EUR 0 million to EUR 2 million.

The goal of all activities is to enhance the value of the 3U Group sustainably for the shareholders, but also for our employees. The success of those efforts will be reflected in a positive price trend for the 3U share.

With regard to the estimates and expectations presented, we point out that the actual future events can differ significantly from our expectations concerning the probable development.

Marburg, March 2013

The Management Board

Michael Schmidt | Christoph Hellrung | Andreas Odenbreit

Consolidated Financial Statements

Balance sheet as of December 31, 2012

Assets 3U Group (in TEUR)	Notes to the consolidated financial statements	December 31, 2012	December 31, 2011
Long-term assets		**43,438**	**27,035**
Intangible assets	[2.3.7] [2.3.8] [6.1.1]	842	824
Property, plant and equipment	[2.3.9] [6.1.2]	29,662	16,169
Investment Properties	[2.3.10] [6.1.3]	5,109	0
Financial assets	[6.1.4]	6,256	8,101
Accounted investments using the equity method	[6.1.4]	604	1,027
Deferred tax assets	[2.3.17] [6.2]	599	352
Other long-term assets		366	562
Current assets		**18,122**	**48,444**
Inventories	[2.3.15] [6.3]	2,000	2,380
Trade receivables	[2.3.12] [6.4] [6.11]	6,255	9,287
Other current assets	[6.5]	3,121	3,405
Cash and cash equivalents	[2.3.12] [6.6] [6.11]	6,746	33,372
Total assets		**61,560**	**75,479**

Shareholders' equity and liabilities 3U Group (in TEUR)	Notes to the consolidated financial statements	December 31, 2012	December 31, 2011
Shareholders' equity	[6.7]	**50,730**	**62,265**
Issued capital (conditional capital TEUR 4,684; December 31, 2011: TEUR 4,684)	[6.7.1]	35,314	39,238
Capital reserve		25,037	24,269
Own shares	[2.3.19] [6.7.1]	0	-3,301
Retained earnings		692	692
Adjustment item for currency difference		2	1
Profit/loss carried forward		1,132	-24,452
Net income/loss		-9,382	26,644
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG		**52,795**	**63,091**
Interests of non-controlling shareholders	[6.7.4]	**-2,065**	**-826**
Long-term provisions and liabilities		**3,678**	**2,302**
Long-term provisions	[2.3.16] [6.10]	158	144
Long-term liabilities due to banks	[6.8]	3,413	2,026
Deferred taxes	[2.3.17] [6.2]	107	132
Current provisions and liabilities		**7,152**	**10,912**
Current provisions	[2.3.16] [6.10]	528	971
Short-term tax liabilities	[6.9]	23	278
Short-term liabilities due to banks		13	0
Trade payables	[2.3.12] [6.11]	3,201	5,965
Other current liabilities	[2.3.12] [6.9] [6.11]	3,387	3,698
Total shareholders' equity and liabilities		**61,560**	**75,479**

Income statement

3U Group (in TEUR)	Notes to the consolidated financial statements	Financial year January 1–December 31, 2012 Continued activities	Discontinued activities	Group
Sales	[2.3.1] [5.1]	60,983	0	60,983
Other earnings	[5.2]	3,467	0	3,467
Changes in products and production work in progress	[5.3]	-132	0	-132
Other capitalised services	[5.4]	321	0	321
Costs of materials	[5.5]	-52,879	0	-52,879
Gross profit or loss		**11,760**	**0**	**11,760**
Staff costs	[5.6]	-12,473	0	-12,473
Other operating expenses	[5.7]	-9,218	0	-9,218
EBITDA		**-9,931**	**0**	**-9,931**
Depreciation and amortisation	[2.3.8] [2.3.9] [5.8]	-1,302	0	-1,302
EBIT		**-11,233**	**0**	**-11,233**
Income shares in companies that are accounted for using the equity method	[5.9]	97	0	97
Other financial result	[2.3.4] [2.3.5] [5.9]	324	0	324
EBT		**-10,812**	**0**	**-10,812**
Income tax expense	[2.3.6] [5.10]	182	0	182
Earnings before non-controlling shareholder interests		**-10,630**	**0**	**-10,630**
Net income/loss for the period		**-10,630**	**0**	**-10,630**
Of which attributable to minority non-controlling shareholders		-1,248	0	-1,248
Thereof Group earnings		**-9,382**	**0**	**-9,382**

3U Group (in TEUR)	Notes to the consolidated financial statements	Financial year January 1–December 31, 2011 Continued activities	Discontinued activities	Group
Sales	[2.3.1] [5.1]	63,315	13,952	77,267
Other earnings	[5.2]	5,415	27,531	32,946
Changes in products and production work in progress	[5.3]	164	0	164
Other capitalised services	[5.4]	45	0	45
Costs of materials	[5.5]	-48,304	-8,010	-56,314
Gross profit or loss		**20,635**	**33,473**	**54,108**
Staff costs	[5.6]	-9,614	-1,415	-11,029
Other operating expenses	[5.7]	-13,493	-1,120	-14,613
EBITDA		**-2,472**	**30,938**	**28,466**
Depreciation and amortisation	[2.3.8] [2.3.9] [5.8]	-787	-2,133	-2,920
EBIT		**-3,259**	**28,805**	**25,546**
Income shares in companies that are accounted for using the equity method	[5.9]	531	0	531
Other financial result	[2.3.4] [2.3.5] [5.9]	672	-429	243
EBT		**-2,056**	**28,376**	**26,320**
Income tax expense	[2.3.6] [5.10]	-743	-37	-780
Earnings before non-controlling shareholder interests		**-2,799**	**28,339**	**25,540**
Net income/loss for the period		**-2,799**	**28,339**	**25,540**
Of which attributable to minority non-controlling shareholders		-1,104	0	-1,104
Thereof Group earnings		**-1,695**	**28,339**	**26,644**

3U Group	Notes to the consolidated financial statements	Financial year Jan 1–Dec 31, 2012	Jan 1–Dec 31, 2011
Number of shares			
As of January 1		35,314,016	39,450,485
Buyback of own shares in January 2011		–	-212,699
Buyback of own shares in July 2011		–	-1,172,745
Buyback of own shares in August 2011		–	-1,143,583
Buyback of own shares in September 2011		–	-1,116,388
Buyback of own shares in October 2011		–	-491,054
As of December 31		35,314,016	35,314,016
Number of ordinary shares for basic earnings per share*		35,314,016	35,314,016
Effect of dilutive potential of ordinary shares: options		0	3,685,000
Weighted average number of ordinary shares for diluted earnings		35,314,016	38,999,016
Earnings per share from continued activities			
Earnings per share, undiluted (in EUR)	[2.2.5] [5.11]	-0.27	-0.05
Earnings per share, diluted (in EUR)	[2.2.5] [5.11]	-0.27	-0.04
Earnings per share from discontinued activities			
Earnings per share, undiluted (in EUR)	[2.2.5] [5.11]	0.00	0.80
Earnings per share, diluted (in EUR)	[2.2.5] [5.11]	0.00	0.73
Earnings per share total			
Earnings per share, undiluted (in EUR)	[2.2.5] [5.11]	-0.27	0.75
Earnings per share, diluted (in EUR)	[2.2.5] [5.11]	-0.27	0.68

*Adjustment of 2011 due to a simplified capital reduction in 2012

Statement of income and accumulated earnings

3U Group (in TEUR)	Jan 1–Dec 31, 2012	Jan 1–Dec 31, 2011
Net income/loss for the period	**-10,630**	**25,540**
Attributable to 3U HOLDING AG shareholders	-9,382	26,644
Of which attributable to minority non-controlling shareholders	-1,248	-1,104
Directly in equity comprised changes		
Exchange rate differences	1	1
Change of the value comprised in equity	**1**	**1**
Total earnings of the period	**-10,629**	**25,541**
Attributable to 3U HOLDING AG shareholders	-9,381	26,645
Of which attributable to minority non-controlling shareholders	-1,248	-1,104

Statement of changes in equity

3U Group (in TEUR)	Issued capital	Capital reserve	Own shares	Retained earnings	Reserve for currency differences
As of January 1, 2011	**43,598**	**23,307**	**-4,142**	**1,450**	**-18**
Rebooking Earnings 2010	0	0	0	0	0
Dividend payment for financial year 2010	0	0	0	0	0
Capital reduction of 4,359,740 shares	-4,360	830	4,288	-758	0
Stock option plan 2011	0	132	0	0	0
Buy back shares in 2011	0	0	-3,447	0	0
Total earnings	0	0	0	0	1
Alteration basis of consolidation	0	0	0	0	18
As of December 31, 2011	**39,238**	**24,269**	**-3,301**	**692**	**1**

3U Group (in TEUR)	Issued capital	Capital reserve	Own shares	Retained earnings	Reserve for currency differences
As of January 1, 2012	**39,238**	**24,269**	**-3,301**	**692**	**1**
Rebooking Earnings 2011	0	0	0	0	0
Capital reduction of 3,923,770 shares	-3,924	623	3,301	0	0
Dividend payment for financial year 2011	0	0	0	0	0
Stock option plan 2011	0	145	0	0	0
Total earnings	0	0	0	0	1
Alteration basis of consolidation	0	0	0	0	0
As of December 31, 2012	**35,314**	**25,037**	**0**	**692**	**2**

Profit/loss carried forward	Net income/loss attributable to 3U HOLDING AG shareholders	Equity attributable to 3U HOLDING AG shareholders	Interests of non-controlling shareholders	Total shareholders' equity
-29,499	**5,831**	**40,527**	**-222**	**40,305**
5,831	- 5,831	0	0	0
-784	0	-784	0	-784
0	0	0	0	0
0	0	132	0	132
0	0	-3,447	0	-3,447
0	26,644	26,645	-1,104	25,541
0	0	18	500	518
-24,452	**26,644**	**63,091**	**-826**	**62,265**

Profit/loss carried forward	Net income/loss attributable to 3U HOLDING AG shareholders	Equity attributable to 3U HOLDING AG shareholders	Interests of non-controlling shareholders	Total shareholders' equity
-24,452	**26,644**	**63,091**	**-826**	**62,265**
26,644	-26,644	0	0	0
0	0	0	0	0
-1,059	0	-1,059	0	-1,059
0	0	145	0	145
0	-9,382	-9,381	-1,248	-10,629
-1	0	-1	9	8
1,132	**-9,382**	**52,795**	**-2,065**	**50,730**

Cash flow statement

3U Group (in TEUR)	Notes to the consolidated financial statements [Section 2.2.3 and 7]	Jan 1–Dec 31, 2012	Jan 1–Dec 31, 2011
Net income/loss for the period		**-10,630**	**25,540**
+/- Depreciation/write-ups of fixed assets		1,302	2,920
+/- Increase/decrease of provisions		-429	407
-/+ Profit/loss on disposal of long-term assets		8	-27,369
-/+ Increase/decrease in inventories and trade receivables		3,412	-2,680
+/- Increase/decrease in trade payables		-2,764	-272
+/- Changes to other receivables		953	-1,257
+/- Changes to other payables		-311	-889
+/- Change in tax assets/liabilities including deferred taxes		-1,000	1,078
+/- Other non-cash changes		-233	-439
Cash flows from operating activities*		**-9,692**	**-2,961**
+ Inflows from disposals of property, plant and equipment		0	79
- Outflows for investments in property, plant and equipment		-14,505	-11,315
+ Inflows from disposals of intangible assets		0	0
- Outflows for investments in intangible assets		-296	-121
- Outflows for investments properties		-5,130	0
+ Payments from earnings of associated companies		816	653
- Outflows from additions to financial assets		0	-2,444
+ Inflows from disposal of financial assets		1,629	2,000
+ Cash inflow from the sale of consolidated companies and other business units		205	23,699
+ Cash inflow from the purchase of consolidated companies and other business units		0	37
Cash flows from investing activities*		**-17,281**	**12,588**
Sum carried forward		**-26,973**	**9,627**

*Refer to followowing page

3U Group (in TEUR)	Notes to the consolidated financial statements [Section 2.2.3 and 7]	Jan 1–Dec 31, 2012	Jan 1–Dec 31, 2011
Sum carried forward		**-26,973**	**9,627**
- Cash outflow to companies' owner and minority partners (dividends, purchase of own shares, equity capital payback, other disbursements)		-1,059	-4,231
+ Cash inflow from the issuance of debit and borrowing of money		1,512	0
- Outflows from the repayment of bonds and (finance) loans		-112	-112
- Repayment of lease liabilities		0	-1,054
Cash flows from financing activities*		**341**	**-5,397**
Total cash flows		**-26,632**	**4,230**
+/- Changes in cash and cash equivalents due to exchange rate changes		6	0
+/- Consolidation-related change in cash and cash equivalents		0	0
Cash and cash equivalents at beginning of period		**31,872**	**27,642**
Cash and cash equivalents at end of period		**5,246**	**31,872**
Total change in cash and cash equivalents		**-26,626**	**4,230**

***Thereof from discontinued activities:**

Cash flow (in TEUR)	Notes to the consolidated financial statements [Section 2.2.3 and 7]	Jan 1–Dec 31, 2012	Jan 1–Dec 31, 2011
Cash flows from operating activities		**0**	**3,543**
Cash flows from investing activities		**0**	**22,939**
Cash flows from financing activities		**0**	**-3,363**

Notes for the 2012 financial year

1 General information about the Group

3U HOLDING AG (subsequently also referred to as 3U or Company), headquartered in Marburg, is the holding company of the 3U Group and a listed stock corporation. It is registered with the Marburg Main District Court has since been registered in the Register of Companies there, under HRB number 4680.

The business activities of 3U HOLDING AG and its Subsidiaries comprise also the provision of telecommunication services in the segment Telephony. In addition 3U expanded its activities in the field of Renewable Energies and Services. These are reported in the segments Renewable Energies and Services.

The address of the registered office of the Company is:
Frauenbergstraße 31–33
35039 Marburg
Germany

2 Accounting and valuation methods

2.1 Accounting principles

These consolidated annual financial statements relate to 3U HOLDING AG and its Subsidiary companies. Consolidated financial statements of 3U HOLDING AG for the 2012 financial year were compiled in accordance with the accounting standard of the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRS). The IFRS valid on December 31, 2012 were observed and the interpretations of the International Financial Reporting Committee (IFRIC) were also applied. The consolidated financial statements contain all the information required by the IFRS as endorsed by the European Union (EU) and based upon the additional requirements pursuant to section 315a (1) German Commercial Code (HGB). Inasmuch as certain standards have been applied prematurely, that will be pointed out separately.

In addition to the income statement, the balance sheet and the cash flow statement, changes in shareholders' equity were also shown. The profit and loss statement has been prepared using the total cost method.

Consolidated financial statements of 3U HOLDING AG were compiled in accordance with Article 315a of the HGB (German Commercial Code) and will be published in the electronic German Federal Gazette.

Consolidated financial statements were compiled in Euros. The figures are stated in the consolidated financial statements in thousand of Euros (TEUR) and were rounded to whole TEUR. For reasons related to the calculations, rounding differences amounting to +/– one unit (EUR, % etc.) may occur.

The German Group companies prepare their accounts and documents in accordance with the International Financial Reporting Standards (IFRS). The foreign Subsidiaries prepare their accounts in accordance with the relevant local regulations. They differ from the International Financial Reporting Standards (IFRS) in considerable respects. All modifications were carried out that were required to present the annual financial statements in accordance with IFRS as of December 31, 2012.

The financial year of the Company and all Subsidiaries included in the consolidated financial statements is the calendar year.

Newly applied standards

3U took account of all standards and interpretations issued by the IASB, which were in force as of December 31, 2012 and have been incorporated into EU law.

The following standard was applied for the first time:

- Revised IFRS 1 "Financial instruments: Details" (July 1, 2011)

According to the assessment of the Management Board the first-time application of this standard did not result in significant changes of the net assets, financial position and results of operations of the Group.

The following accounting pronouncements published by the IASB have been incorporated into EU law but are not yet mandatory and have not been applied by 3U so far:

- IFRS 10 "Consolidated Financial Statements" (January 1, 2014)*
- IFRS 11 "Joint Agreements" (January 1, 2014)*
- IFRS 12 "Disclosures of Interests in Other Entities" (January 1, 2014)*
- IFRS 13 "Fair Value Measurement" (January 1, 2013)*
- IAS 27 "Separate Financial Statements" (January 1, 2014)*
- IAS 28 "Investments in Associates an Joint Ventures" (January 1, 2014)*
- IFRIC 20 "Stripping Costs in the Production Place of a Surface Mine" (January 1, 2013)*
- Amendments to IAS 1, IAS 19, IAS 12, IAS 32, IFRS 1, IFRS 7, (July 1, 2012; January 1, 2013 resp. January 1,2014)*

The individual effects of the changes will be reviewed by the parent company 3U HOLDING AG for the Group.

The recently implemented accounting standards as well as standards which have not been implemented yet have no major influence on the consolidated financial statements of 3U.

The IASB has released a set of further standards which have not been incorporated into EU law yet.

- IFRS 9 "Financial Instruments and subsequent amendments (amendments to IFRS 9 and IFRS 7)" (January 1, 2015)*
- Amendments to IFRS 1, IFRS 10, IFRS 11 und IFRS 12 und IAS 27 (January 1, 2013; January 1, 2014 resp. January 1, 2015)*
- Improvements to IFRSs 2009–2011 (January 1, 2013)*

The standards and amendments to standards and interpretations are not expected to have a material impact on the consolidated financial statements of the 3U Group.

*Applicable to financial years commencing from the date specified

2.2 Consolidation principles

2.2.1 Scope and method of consolidation

The consolidated financial statements of 3U HOLDING AG for the 2012 financial year include 25 (previous year: 19) German and foreign Subsidiaries, in which 3U directly or indirectly holds the majority of the voting rights.

The capital consolidation is based on the acquisition method (revaluation method). The parent company's acquisition costs are offset against the pro rata fair value of the Subsidiary's equity at the time of acquisition. The assets and liabilities and contingent liabilities of the Subsidiary, which are recognised at their fair values, take the place of the acquisition costs. Any surplus acquisition costs above the share in the fair values of the identified assets and liabilities acquired by the parent company are recognised as goodwill.

Initial consolidation takes place with effect from the day on which 3U HOLDING AG indirectly or directly enters into a controlling relationship with the Subsidiary. Amounts allocated to non controlling interests are reported separately under equity in the consolidated balance sheet.

Subsidiaries are deconsolidated from the date on which they are no longer controlled.

Internal sales, expenses and income within the Group and receivables and liabilities between the consolidated companies are eliminated. The income tax effects and deferred taxes are taken into account for consolidation procedures in income.

Interim results from Group internal deliveries and services are eliminated.

In the event of the sale of a Subsidiary and any other events which result in deconsolidation, the assets and liabilities included until this event and existing goodwill are offset against the proceeds from the disposal.

An associated company is a company over which the Group has a considerable influence through the option of participating in the decision-making processes with regard to its financial and business policy and which is not a subsidiary or a joint venture of the Group.

The earnings of associated companies are included by using the equity method. Shares in associated companies are posted on the balance sheet at historical cost, adapted in line with any changes in the Group share in the net assets of the associated company following the acquisition and reduced in line with the decline in value of the individual shares. If the amount of losses of an associated company corresponds or surpasses the value of the full book value of equity held in the associated company, 3U will not record further shares of loss unless 3U has incurred respective obligations.

2.2.2 Foreign currency changes

The assets and liabilities of foreign companies included are converted into Euro in accordance with the functional currency concept. The functional currency of the Subsidiaries is the local currency of the country in which the relevant company is headquartered. Consequently, assets and liabilities posted in foreign currency on the balance sheets of foreign Subsidiaries are converted into Euro at the relevant rate on the reporting date. Income and expenditure are converted at the average rate for the year. The difference between the historical rate and the rate on the reporting date resulting from the measurement of equity is taken directly to equity in accordance with IAS 21.

In the financial statements, transactions in foreign currencies are valued at the exchange rate at the time of the initial booking of the transaction. Up to the reporting date exchange gains and losses resulting from the valuation of financial instruments and cash and cash equivalents are included in income.

The conversion rates for foreign currencies are as follows:

	Exchange rate on the reporting date (EUR 1 in foreign currency units)		Average rate for the year (EUR 1 in foreign currency units)	
	2012	2011	2012	2011
Currency CHF	1.2072	1.2168	1.2053	1.2331
Currency CNY	8.2207	8.2253	8.1052	9.0010
Currency USD	1.3194	1.2949	1.2848	1.3943
Currency ZAR	11.1727	10.5132	10.5511	10.0623

In fiscal year 2012 net earnings arose from exchange rate changes in the amount of TEUR 293 (previous year: TEUR –16). The recognition within the profit and loss statement is included in other operating income or expenses.

2.2.3 Cash flow statement

The cash flow statement shows how the cash of the 3U Group changed during the reporting year as a result of inflows and outflows. In accordance with IAS 7 cash flows from operating activities (indirect method), investing activities and financing activities are differentiated.

In the first-time inclusion of Subsidiaries, only actual cash flows are reported in the cash flow statement. The cash amount from the purchase or sale of companies is reported as cash flow from investing activities. Aggregate cash flows from the purchase and sale of Subsidiaries or other business units are reported separately and classified as investing activities.

2.2.4 Use of estimates and assumptions

The compilation of the annual financial statements in accordance with the International Financial Reporting Standards requires estimates and assumptions which influence asset and liability amounts, information in the notes and the income statement. Assumptions and estimates are mainly applied in stipulating the useful lifes of fixed assets, in measuring receivables, in calculating discounted cash flows as part of impairment tests and in creating provisions. Management's estimates are based on experience and other assumptions, which are considered appropriate under the circumstances given. Estimates and assumptions are reviewed on an ongoing basis.

The actual amounts may deviate from these estimates and assumptions.

The operations of 3U Group result in various legal disputes. These are regularly examined to measure the provisions for any probable claims including estimated legal costs. With regard to the uncertainty of the outcome of these proceedings, there is the possibility of a negative impact on future operating results.

On each balance sheet date, 3U establishes whether there are any indications that non-financial assets are impaired. Goodwill is reviewed at least once a year and if there are any indications of impairment. To estimate the useful life, management must estimate the likely future cash flow from the asset or cash-generating unit and select an appropriate discount rate to calculate the present value of this cash flow.

2.2.5 Earnings per share

Undiluted earnings per share correspond to the profit of ongoing and of discontinued activities, each of which can be seen as belonging to the shareholders of 3U, respectively the profit (after taxes) divided by the weighted average quantity of outstanding stock during a financial year. 3U calculates the result per share (diluted) under the assumption that all possibly dilutive securities and remuneration plans which are based on securities are transformed or exercised.

2.3 Principles of balancing and accounting

2.3.1 Basic principles of sales realisation

Sales in the segment Telephony result from activities as a fixed-line provider with its own carrier network and its own switching technology.

Sales with third parties in the segment Services result from IT services, consulting services in the sector of marketing and distribution and consulting services in the sector of risk and business process management.

External sales in the segment Renewable Energies were generated by marketing solar heating and cooling systems and the production and distribution of vacuum solar tubes as well as with the trading of PV modules.

Sales are calculated and reported without value-added tax and after deduction of discounts granted on performance of the service or acceptance by the customer.

Fees from services are recognised as soon as the service is fully supplied and it is sufficiently probable that economic benefit from the transaction will accrue to the company. Sales which are not connected with operational business are reported under other operating income.

2.3.2 Total cost

Total cost comprises all arising costs in the year under review.

2.3.3 Research and development costs

Research costs, when incurred, are recognised as an expense in the profit and loss statement. The technological viability of the product is achieved only shortly before market maturity. Processes between the research and development stages are iteratively closely linked up to the stage of technological viability. Expenses for research and development which occur after the achievement of technological viability are insignificant. In fiscal year 2012 research and development costs of EUR 1.2 million were incurred by the Group.

2.3.4 Interest earned

Interest earned is recognised using the effective interest rate method at the time it is incurred. The effective interest rate is the interest rate with which the expected future inflows are discounted over the duration of financial assets to the net carrying amount of these assets.

2.3.5 Interest expenses

In accordance with the regulations of IAS 23, interest payable for qualified assets, if they are produced over a long period of time, have been capitalised as part of production costs since the financial year 2009.

Interest expenses are recognised using the effective interest rate method at the time they are incurred. The effective interest rate is the interest rate with which the expected future outflows are discounted over the duration of financial liabilities to the net carrying amount of these liabilities.

2.3.6 Income taxes

Income taxes are recognised and calculated in accordance with IAS 12 applying the balance-sheet orientated liability method. Tax expenses and refunds which are dependent on income and earnings are recorded as income taxes. Correspondingly, late payment fees and interest from subsequently assessed taxes are recognised as tax expense from the time of which a non-recognition of a tax reduction becomes probable.

Current taxes for due taxes from income or profit are recognised as of the time they occurred. Deferred taxes consist of expected tax payments or refunds from temporary assessment differences between the Group and tax balances sheets as well as the utilisation of tax loss carry-forwards and from consolidation entries. Capitalised goodwill does not result in deferred taxes. Deferred tax assets and liabilities are assessed with future valid tax rates, whereby tax rate changes in principle are only taken into consideration when the change in the law becomes effective. If the feasibility of deferred tax assets is not sufficiently probable, recognition does not occur.

2.3.7 Goodwill

Goodwill resulting from capital consolidation is not amortised in accordance with IFRS 3. Goodwill recognised on the balance sheet is assessed once a year for its economic benefit and for declines in value and more frequently if there are indications of declines in value (impairment test) and in the event of a decline in value is written down to its recoverable amount.

Please refer to the comments under 2.3.14.

2.3.8 Other intangible assets

Intangible assets are capitalised in accordance with IAS 38 (Intangible Assets) if it is likely that a future economic benefit relating to the use of the asset and costs of the asset can be reliably determined. Intangible assets are measured at cost less scheduled depreciation and impairments.

Depreciating intangible assets are in principle written down over a useful life of three to five years. In contrast, customer bases reported under intangible assets are written down on a straight-line basis over eight years.

Telecommunication licenses shown under intangible assets are written down linear over 10 years.

Again, please refer to the comments under 2.3.14.

2.3.9 Property, plant and equipment

Property, plant and equipment are reported pursuant to IAS 16 at depreciated cost. If property, plant or equipment are sold or retired, their acquisition cost and cumulated depreciation are eliminated from the balance sheet and the profit or loss resulting from their sale is posted in the income statement.

The original cost of property, plant and equipment includes the purchase price plus additional acquisition costs and subsequent acquisition costs as well as the present value of restoration obligations. Financing costs pursuant to IAS 23 have been included in the cost of assets since the 2009 financial year.

Depreciation is calculated linear based on the following estimated useful lives:

Buildings	25–40 years
Power plants	10–20 years
Operating equipment	4 years
Office equipment	3–13 years
Switching technology	5 years
Transfer technology	5–8 years
Leasehold improvements	Duration of the lease agreement

On land and land rights, no scheduled depreciation was made.

The useful lifes and depreciation methods used are examined in each period to ensure that the depreciation methods and the depreciation period correspond to the anticipated economic benefit of property, plant and equipment. If the acquisition costs of certain tangible assets are crucial, in relation to the overall acquisition and production costs, 3U assesses those components separately and writes them off.

The costs of restoration obligations are individually assessed per location when the obligation arises on conclusion of the contract and capitalised; they are checked to see whether they are up-to-date every year and adjusted if necessary.

Please refer to the comments under 2.3.14.

2.3.10 Investment properties

Properties that are held to earn rentals or for capital appreciation and are not used in production or used for administrative purposes, are reported separately under investment properties. The assessment of those held as investment properties are measured at amortized cost.

Depreciation is calculated on a linear basis over the following estimated useful lifes:
Buildings 25–40 years

On land and leasehold rights and buildings, no depreciation is made.

2.3.11 Cost of debt

Since January 1, 2009, cost of debt (IAS 23), which can be directly assigned to the purchase, construction or production of a qualified property asset, are capitalised as part of acquisition/manufacturing costs. 3U HOLDING AG includes interest and financing costs from finance leases in the cost of debt. In fiscal year 2012, no borrowing costs were directly attributable.

2.3.12 Financial instruments

Financial assets

For the purposes of IAS 39, financial assets are classified as loans and receivables and as available-for-sale financial assets. On initial recognition, available-for-sale financial assets are measured at fair value. The Company stipulates the classification of its financial assets when they are initially recognised and reviews this allocation at the end of each financial year. Following initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognized net of deferred taxes via the overall result in equity. At the time the financial asset is derecognised or at which impairment in the financial asset is identified, the cumulative gain or loss posted in equity is recognised as profit or loss in the income statement. In fiscal years 2011 and 2012 there were no financial assets for sale available.

Deviating from this, myFairPartner Limited cannot be assessed at fair value because the fair value cannot be calculated reliably. The balance sheet is prepared at amortisation costs. As of December 31, 2010 the investment has been recognised as an impairment loss.

In the case of standard sales and purchases of financial assets, they are reported on the trading date, i. e. the date on which the Company entered into the commitment to buy the asset. Standard purchases or sales are sales or purchases of financial assets, which prescribe delivery of the assets within a period, set by market rules or conventions.

Financial assets, which were classified as loans or receivables, are measured at amortised cost less impairments whereby the Company uses the effective interest rate method. Impairments of trade receivables and other receivables are recognised on separate value adjustment accounts.

The fair value of financial investments traded on organised markets is established by reference to the bid price listed on the stock exchange on the balance sheet date. Current financial assets included on the balance sheet comprise other current receivables. Assets are recognised at par value and, where they are associated with apparent risks, are adjusted individually. Lump-sum individual value adjustments are made based on uniform age structuring for the Group.

Receivables in foreign currencies are translated at the exchange rate on the closing date. Value adjustments based on exchange rates are recognised in profit or loss.

Cash and cash equivalents

This item includes all cash and cash equivalents that have a residual term of fewer than three months at the time of acquisition or investment. Cash and cash equivalents are priced at fair value. These include time deposits, which are partly lodged as security. They are not part of the cash funds and are deducted in the cash flow statement.

Impairments to financial instruments

If there are objective and substantial indications of impairment in relation to financial assets classified as loans and receivables and financial investments held to maturity, an impairment test is made as to whether the carrying value of the expected future cash flows exceeds the present value of a comparable financial asset discounted at the current market yield. Should this be the case, the asset will be written down by the difference. Indications of impairment include a material deterioration in credit worthiness, a particular breach of contract, the substantial probability of insolvency or another form of financial restructuring on the part of the debtor or the disappearance of an active market. Insofar as risks have already occurred, a specific provision is carried out. If the reasons for write downs previously undertaken no longer apply, the assets will be written up accordingly – but not beyond the cost of acquisition.

Derecognition

The Group will only derecognise a financial asset if the contractual rights to cash flows from a financial asset expire or it assigns the financial asset and all risks and opportunities associated with title to the financial asset to a third party.

Financial liabilities

Financial liabilities relate to original liabilities. Original liabilities are stated in the consolidated balance sheet if 3U has a contractual obligation to assign cash and cash equivalents or other financial assets to another party. An original liability is initially recognised at the fair value of the consideration received or at the value of the cash and cash equivalents less transaction costs incurred. Liabilities are subsequently measured at amortised cost using the effective interest rate method. Liabilities under finance leases are stated at the present value of the rental or lease instalments at the time the lease is concluded. In subsequent periods, the principle repaid in the rental and lease instalments lead to a reduction of the liability.
Financial liabilities are derecognised if the contractual obligations are settled, cancelled or expire.

2.3.13 Leases

According to IAS 17, a lease is classified as a finance lease if all opportunities and risks relating to the ownership are transferred to the lessee. The classification of leases thus depends on the economic substance of the agreement and not on a specific formal contractual form.

Assets held within the framework of a finance lease are initially recognised as the Group's assets at their fair value at the beginning of the lease, or if this is lower, at the present value of the minimum lease payments. The assets are depreciated over the term of the lease or the shorter useful life of the leased asset. The matching liability to the lesser is to be shown within the balance sheet as a commitment under a lease.

Lease payments are divided into interest expense and repayment of the lease commitment in such a way that the interest on the remaining liability remains constant. Interest expenses are recognised directly in the income statement.

Lease payments under operating leases are recognised as expenses on a straight-line basis over the term of the lease unless another systematic basis corresponds more closely to the temporal consumption of benefits for the lessee.

2.3.14 Impairment of non-financial assets

3U checks goodwill for possible impairment in accordance with the Group's accounting regulations at least once a year. Determination of the recoverable amount of a line of business to which goodwill was allocated is associated with estimates by Management. The Company determines these figures using valuation methods based on discounted cash flows. These discounted cash flows are based on three-year forecasts which build on financial plans approved by the management. The cash flow forecasts take account of past experience and are based on management's best estimate of future developments. Cash flows beyond the planning period are extrapolated without growth rates. The calculation of fair value less the cost of sales and the useful value is based, in essence, on the following assumptions:

	Telephony	Services	Renewable Energies
Risk-free interest rate	2.25 %	2.25 %	2.25 %
Market risk premium	6.25 %	6.25 %	6.25 %
Beta factor	0.44	0.77	1.10
Capitalisation interest rate	5.00 %	7.06 %	9.13 %

These premises and the underlying methodology can have a considerable impact on the respective figures and finally on the amount of a possible impairment in goodwill. In the opinion of the management no reasonable yet principally possible modification of a basic assumption, made to determine the attainable value of an operating area assigned with goodwill, could lead to a book value which significantly exceeds the attainable value.

The property, plant and equipment and other intangible assets of the Company are subject to an impairment test at least on each balance sheet date to ascertain whether there are any indications of impairment. In the event of such indications, the recoverable amount for the asset is determined in order to calculate the amount of any appropriate impairment charge. If the assets do not generate any cash flows independently of other assets, the recoverable amount for the individual asset value is calculated based on the cash generating unit to which the asset belongs.based on the cash generating unit to which the asset belongs.

If the recoverable amount of an asset (or of a cash-generating unit) is below its carrying amount, the carrying amount is reduced to the recoverable amount. The impairment amount must be recognised in income immediately. If write-ups are required in accordance with IAS 36, they are recognised in income.

The newly established recoverable amount is written up. However, it is not to be written up beyond the amount that would have been its carrying amount if it had not declined in value previously.

Long-term assets classified as available-for-sale are stated at the lower of their carrying amount or fair value less sales costs.

2.3.15 Inventories

Inventories are estimated at acquisition and/or manufacturing costs or at lower net sale values. Acquisition costs are generally calculated according to the principle of individual evaluation or according to the average method. Manufacturing costs consist of directly attributable expenses and production related material and factory overheads as well as depreciation. Inventory risks resulting from limited usability or significant storage period are taken into consideration by corresponding allowances.

2.3.16 Provisions

Provisions are recognised if there is a liability to a third party arising from a past event which is likely to be utilised and if the future expected outflow can be reliably estimated. The amount of provisions for litigation is determined on the basis of the outcome of the dispute as assessed by the Management Board to the best of its knowledge and in line with the facts known at the balance sheet date. Long-term provisions with a remaining term of more than one year are reported at their provisional discounted settlement amount as of the balance sheet date.

2.3.17 Deferred tax assets

Deferred tax assets and liabilities are calculated in accordance with IAS 12 ("Income Taxes") for all temporary differences between the tax values of assets, equity and liabilities and the values in the consolidated balance sheet. Deferred tax assets are recognized to the extent that it is likely that there will be taxable earnings available against which the deductible temporary difference can be applied. The assessment and measurement of deferred tax assets is examined on each balance sheet date, taking the current estimates into account in accordance with IAS 12.37 and IAS 12.56.

Deferred tax assets on benefits from unused tax loss carry forwards are capitalised to the extent that it can be assumed with sufficient probability that the respective company can generate sufficient taxable income in the future.

Deferred taxes are calculated on the basis of tax rates which are valid at the time of realisation or will apply in future. Deferred taxes are recognised as tax income or expense in the income statement unless they relate to items recognised directly in equity; then deferred taxes are recorded in equity without impact on profit or loss.

Deferred tax assets and liabilities are netted off, if they relate to income taxes collected from the same tax office and the Group intends to settle its current tax assets and liabilities on a net basis.

2.3.18 Other non-financial liabilities

Other non-financial liabilities encompass tax liabilities, liabilities to employees and other miscellaneous liabilities. At first-time recognition they are reported at the repayment amount, discounted if applicable. Foreign currency liabilities are measured at the exchange rate on the reporting date.

2.3.19 Acquisition of own shares

Own shares are recognised as a deduction from equity. On buying back own shares, the entire acquisition costs of those own shares are deducted as one amount from equity (one-line-adjustment).

2.3.20 Employee participation programme

The Group grants the Management Board and employees share-based remuneration through equity instruments. Remuneration with equity instruments is measured at fair value at the commitment date. The fair value of the share-based payments using equity instruments at the commitment date is recognised as an expense on a straight-line basis throughout the blocking or vesting period and recognised in capital reserves. This is based on the internal Group estimate of the number of shares which provide entitlement to additional remuneration.

On every balance sheet date, the Group reviews its estimates regarding the number of equity instruments that become non-forfeitable. The effects of any changes of estimates, where such exist, are recognised as profit or loss over the remaining time until the non-forfeiture.

Of the 4,602,500 options issued in the framework of the SOP 2011 947,500 options were forfeited at the balance sheet date. The stock option plan has a term of five years. The non-transferable option rights can be exercised after a four-year qualifying period on February 7, 2015 at the earliest and no later than February 6, 2016.

With EUR 0.51 per share the stock price (underlying of the option) was well below the strike price of EUR 1.00 per share as at December 31, 2011. The volatility of the share derived from the past leads to a fair time value of the option at the time of issuance of the stock options amounting to EUR 0.17.

At the balance sheet date there is no other employee stock options plan.

2.3.21 Comparative figures

Comparative figures are adapted where necessary, to ensure that they are comparable with the current year due to changes in reporting.

3 Scope of consolidation

Included Subsidiaries in the full consolidation:

Company	Registered office	Country	Issued capital	Share held by 3U HOLDING AG**	Earnings for the financial year 2012***
010017 Telecom GmbH	Marburg	Germany	25,000 EUR	100 %	-139,201.39 EUR
3U DYNAMICS GmbH	Marburg	Germany	25,000 EUR	60 %	-192,251.17 EUR
3U Einkauf & Logistik GmbH	Montabaur	Germany	25,000 EUR	100 %	-68,449.31 EUR
3U ENERGY AG*	Marburg	Germany	50,000 EUR	74.998 %	-1,058,599.40 EUR
3U MOBILE GmbH*	Marburg	Germany	25,000 EUR	100 %	37,901.04 EUR
3U SOLAR (PTY) Ltd.	Somerset West	South Africa	1,000 ZAR	100 %	-107,890.53 ZAR
3U TELECOM GmbH	Marburg	Germany	1,000,000 EUR	100 %	-1,764,943.15 EUR
3U TELECOM GmbH	Vienna	Austria	250,000 EUR	100 %	175,136.15 EUR
ACARA Telecom GmbH	Marburg	Germany	25,000 EUR	100 %	-3,304.88 EUR
ClimaLevel Energiesysteme GmbH	Cologne	Germany	25,000 EUR	75 %	35,345.71 EUR
Discount Telecom S&V GmbH	Marburg	Germany	25,000 EUR	100 %	91,698.24 EUR
EEPB Erneuerbare Energien Planungs- und Beratungs-gesellschaft mbH	Dransfeld	Germany	100,000 EUR	100 %	-4,755.25 EUR
EuroSun Vacuum-Solar-Systems GmbH*	Marburg	Germany	26,000 EUR	74.996 %	-1,207,795.25 EUR
Exacor GmbH	Marburg	Germany	25,000 EUR	100 %	-6,389.17 EUR
fon4U Telecom GmbH	Marburg	Germany	25,000 EUR	100 %	-26,042.12 EUR
Immowerker GmbH	Marburg	Germany	25,000 EUR	100 %	-536,359.25 EUR
LineCall Telecom GmbH	Marburg	Germany	25,000 EUR	100 %	270,875.44 EUR
OneTel Telecommunication GmbH	Marburg	Germany	3,025,000 EUR	100 %	971,305.14 EUR
RISIMA Consulting GmbH	Marburg	Germany	25,000 EUR	75 %	-11,053.11 EUR
Selfio GmbH	Linz am Rhein	Germany	1,250,000 EUR	60 %	-69,069.12 EUR
Solarpark Adelebsen GmbH*	Adelebsen	Germany	25,000 EUR	100 %	-56,740.67 EUR
Triast GmbH	Kreuzlingen	Switzerland	20,000 CHF	100 %	-9,323.32 CHF
TriTelA GmbH	Vienna	Austria	35,000 EUR	100 %	-8,203.58 EUR
weclapp GmbH*	Marburg	Germany	25,000 EUR	74.996 %	-1,884,337.82 EUR
Windpark DBF GmbH	Marburg	Germany	25,000 EUR	100 %	-570.55 EUR

*There are restrictions with regard to repayment of loans due to a subordination agreement and a letter of comfort on the part of the parent company
**3U HOLDING AG holds, directly or indirectly shares in these companies
***IFRS profit before profit transfer

Changes to the consolidated group

Compared to December 31, 2011, the following changes have occurred in the scope of consolidation:

With a partnership agreement of dated January 12, 2012 ClimaLevel Energy Systems GmbH, based in Cologne was founded with a long-standing industry expert. 3U HOLDING AG holds a 75 % share in this company. ClimaLevel offers an exceptional floor system that optimally combines the functions of heating, cooling and ventilation. The registration of the company in the Commercial Register took place January 24, 2012.

On January 12, 2012, the ACARA Telecom GmbH was founded with headquarters in Marburg. Purpose of the Company is the provision of telecommunications services of any kind. Sole shareholder of this company is the 3U HOLDING AG.

By notarial deed dated June 21, 2012 a contract for the sale of all shares in the Younip Telecom GmbH was concluded by 3U HOLDING AG. The transfer of shares took place with payment of the purchase price on June 27, 2012. The company was deconsolidated June 30, 2012 with a loss amounting to TEUR 5.

By notarial deed dated July 4, 2012 3U Einkauf & Logistik GmbH was founded with headquarters in Montabaur. Purpose of the Company is the trade of products of energy and heat generation/supply and the provision of warehousing and logistics services. The sole shareholder of this company is 3U HOLDING AG.

By notarial deed 5 % of shares in RISIMA Consulting GmbH were sold on August 7, 2012. 3U HOLDING AG holds 75 % of the shares of the Company.

With a declaration of establishment TriTelA GmbH, based in Vienna/Austria was founded in Vienna on September 13, 2012. Purpose of the Company is the provision of telecommunications services of any kind. 3U HOLDING AG is the sole shareholder in both Subsidiaries.

The EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH based in Dransfeld was founded on November 7, 2012, with the task of planning, development and design of structural and technical systems, especially systems of renewable energy production. Sole shareholder of this company is 3U HOLDING AG.

Sole shareholder of the Windpark DBF GmbH is 3U HOLDING AG. The Company was founded by deed dated December 4, 2012. Purpose of the Company is the production and sale of energy from renewable energy sources as well as the construction and operation of plants for energy.

The 2011 founded 3U SOLAR (PTY) Ltd., Johannesburg/South Africa is for the first time included in the full consolidation in the consolidated financial statements with the commencement of operations January 1, 2012.

Due to the acquisition of all shares of Immowerker GmbH by 3U HOLDING AG from 3U ENERGY AG with purchase agreement dated July 4, 2012 the Company is included in the consolidated financial statements at 100 %. The pre-existing non-controlling interests amounting to 25 % is omitted with the complete consolidation.

The consolidated financial statements of 3U HOLDING AG for the 2012 financial year include 25 (previous year: 19) German and foreign Subsidiaries, in which 3U directly or indirectly holds the majority of the voting rights resp. has the ability to control.

Joint Ventures

Companies included within the assessment according to the "at-equity"-method:

Company	Registered office	Country	Issued capital	Share held by 3U HOLDING AG	Earnings for the financial year 2012
Sanhe EuroSolar Solar Energy Technology Ltd.	Sanhe	China	422,535 EUR	51 %	-467,482.06 CNY
Spider Telecom GmbH	Marburg	Germany	25,000 EUR	50 %	783,213.46 EUR
Tianjin EuroSun Solarenergy Technology Co. Ltd.	Tianjin	China	300,000 EUR	66.67 %	-874,540.38 CNY

Because of provisions in the articles of association of Tianjin EuroSun Solar Energy Technology Co. Ltd. 3U may not exercise control despite the majority of shares in the company.

Likewise, because of provisions in the articles of association of Sanhe EuroSolar Solar Energy Technology Ltd. 3U may not exercise control despite the majority of shares in the company.

Other participations

With the share purchase agreement of October 7, 2009, 15 % of the shares in myFairPartner Limited, London, were bought. myFair-Partner Limited is a company located in London in the field of personnel placement based on a WEB 2.0 online solution. On December 15, 2010, a further 5 % of the shares in myFairPartner Limited were gained by 3U HOLDING AG. These shares had been deposited as security for a loan, which the company was not able to pay back. Due to the lack of influence on the company it is shown under other participations. The assessment took place at amortised cost. As of December 31, 2010, the investment was written off in full as impairment loss.

Company	Registered office	Country	Equity	Share held by 3U HOLDING AG	Earnings for the financial year 2010/2011
myFairPartner Limited	London	Great Britain	161,855 EUR	20 %	-210,684.00 EUR

Deconsolidation of the discontinued activities in the segment Broadband/IP

On May 31, 2011, 3U HOLDING AG sold all of its shares in LambdaNet Communications Deutschland AG. With the sale of the company no active operations in the segment of Broadband/IP exist anymore.

The results of the discontinued activities (without the related consolidation accounting) included in the consolidated financial statement are as follows:

(In TEUR)	January 1, 2011–May 31, 2011
Earnings	14,114
Operating expenses	-12,678
Interest income	-429
Profit/loss from ordinary operations before taxes	**1,007**
Attributable income tax	-37
Annual profit	**970**
Group appointed annual profit	970

Net cash flows of discontinued activities amounted to TEUR 23,119 until the termination of the participation in the consolidation circle.

Deconsolidation of the discontinued activities resulted in earnings from deconsolidation in the amount of TEUR 27,369 in fiscal year 2011, which is determined as follows:

(In TEUR)	May 31, 2011
Intangible assets	741
Tangible fixed assets	15,829
Accounts receivable	3,461
Other assets	6,839
Cash with banks and cash on hand	1,726
Assets of discontinued activities	**28,596**
Accruals	5,178
Lease liabilities	9,679
Trade payables	3,928
Other liabilities and accruals	11,797
Debts of discontinued activities	**30,582**
Net assets of discontinued activities	**–1,986**
Sale proceeds*	**25,383**
Deconsolidation profit	**27,369**

Earnings from discontinued operations therefore amounted to a total of TEUR 28,339 in fiscal year 2011.

*The proceeds from the sale contain a purchase price adjustment in favor of 3U HOLDING AG amounting to TEUR 425 and sales costs of TEUR 42.

4 Segment reporting

In accordance with the regulations of IFRS 8, business segments, the segment reporting of 3U HOLDING AG applies the "Management Approach" regarding segment identification.

The information that is regularly made available to the Management Board and Supervisory Board is therefore regarded to be relevant for the segment presentation.

In accordance with internal reporting, 3U HOLDING AG covers the segments Telephony, Services, Renewable Energies and Holding/Consolidation within its segment reporting.

The segment Telephony, which consists of the products call-by-call, preselection, added-value services and termination services in the wholesale sector, is comprised of the original 3U bread and butter business Telephony.

The segment Services consists of IT services, systems development, marketing and consulting

In the segment Renewable Energies all activities of this sector are summarised. It consists of the development, production, trading and operation of components from the renewable energies area as well as heating and cooling technology.

Holding activities, including the operations connected with the construction of the solar power plant (SPP), as well as the necessary Group consolidating entries are summarised under Holding/Consolidation.

Segment reporting follows the intra-segment consolidation, while the inter-segment consolidation occurs on holding level.

A detailed description of the segments is available in the Group management report in the business performance presentation.

Segment reporting (in TEUR) January 1 – December 31, 2012	Telephony	Services	Renewable Energies	Subtotal	Holding/ Consolidation	Group
Total sales	55,511	4,914	30,506	90,931	-4,229	86,702
Intercompany sales (intra-segment sales)	-7,860	-230	-17,629	-25,719	0	-25,719
Segment sales	47,651	4,684	12,877	65,212	-4,229	60,983
Other operating income	3,121	200	583	3,904	-437	3,467
Change in inventory	0	0	-132	-132	0	-132
Other capitalised services	0	0	156	156	165	321
Costs of materials	-42,343	-117	-10,488	-52,948	69	-52,879
Gross profit or loss	**8,429**	**4,767**	**2,996**	**16,192**	**-4,432**	**11,760**
Staff costs	-1,369	-5,131	-2,951	-9,451	-3,022	-12,473
Other operating expense	-7,025	-1,487	-2,804	-11,316	2,098	-9,218
EBITDA	**35**	**-1,851**	**-2,759**	**-4,575**	**-5,356**	**-9,931**
Depreciation	-245	-135	-448	-828	-474	-1,302
EBIT	**-210**	**-1,986**	**-3,207**	**-5,403**	**-5,830**	**-11,233**
EBIT (earnings before interest and income taxes)						**-11,233**
Financial result						**421**
Thereof: profit/loss of companies included at equity*						97
Income tax						182
Earnings from continued activities						-10,630
Earnings from discontinued activities						0
Earnings for the period						**-10,630**
Thereof attributable to the shareholders of 3U HOLDING AG						-9,382
Of which attributable to minority non-controlling shareholders						-1,248

*The carrying values of companies accounted in the balance sheet “at equity” were TEUR 604 and allocated in the area Holding.

Segment reporting (in TEUR) January 1–December 31, 2011	Telephony	Services	Renew-able Energies	Subtotal	Holding/ Consoli-dation	Group
Total sales	45,003	4,536	25,319	58,918	-3,573	71,285
Intercompany sales (intra-segment sales)	-7,502	-193	-275	-7,970	0	-7,970
Segment sales	37,501	4,343	25,044	66,888	-3,573	63,315
Other operating income	2,212	88	2,407	4,707	708	5,415
Change in inventory	0	0	164	164	0	164
Other capitalised services	0	0	11	11	34	45
Costs of materials	-23,935	-47	-24,341	-48,323	19	-48,304
Gross profit or loss	**15,778**	**4,384**	**3,285**	**23,447**	**-2,812**	**20,635**
Staff costs	-1,243	-3,721	-1,845	-6,809	-2,805	-9,614
Other operating expense	-9,341	-988	-4,841	-15,170	1,677	-13,493
EBITDA	**5,194**	**-325**	**-3,401**	**1,468**	**-3,940**	**-2,472**
Depreciation	-292	-113	-124	-529	-258	-787
EBIT	**4,902**	**-438**	**-3,525**	**939**	**-4,198**	**-3,259**
EBIT (earnings before interest and income taxes)						**-3,259**
Financial result						**1,203**
Thereof: profit/loss of companies included at equity*						531
Income tax						-743
Earnings from continued activities						-2,799
Earnings from discontinued activities						28,339
Earnings for the period						**25,540**
Thereof attributable to the shareholders of 3U HOLDING AG						26,644
Of which attributable to minority non-controlling shareholders						-1,104

*The carrying values of companies accounted in the balance sheet "at equity" were TEUR 1,027 and allocated in the area Holding.

The Management Board of 3U stipulates sales and the consolidated segment result before financing and income taxes as major performance indicators for a segment's business success, since it considers them crucial to a sector's success.

Below EBIT, the transition to the Group result is included in the column Group. The financial result is composed of interest income and interest expenses as well as the income of companies included according to the at-equity method. The interest income is the result of investments of liquidity that are not allocated to the segments. The interest expense is largely based upon financing in the Broadband/IP segment. The taxes on income are also not included in the segment result, as the tax expense may only be allocated to legal entities.

The following cash flow data were produced for the 3U Group (all amounts in TEUR):

Cash flow data 2012 (in TEUR) January 1–December 31, 2012	Telephony	Services	Renewable Energies	Holding/ Consolidation	Continued activities	Discontinued activities
Cash flows from operating activities	-2,719	-1,389	9,598	-15,182	-9,692	0
Cash flows from investing activities	-336	-124	-10,282	-6,539	-17,281	0
Cash flows from financing activities	-1,475	5	171	1,640	341	0

Cash flow data 2012 (in TEUR) January 1–December 31, 2011	Telephony	Services	Renewable Energies	Holding/ Consolidation	Continued activities	Discontinued activities
Cash flows from operating activities	284	-1,076	-7,074	1,362	-6,504	3,543
Cash flows from investing activities	522	-73	-8,370	-2,430	-10,351	22,939
Cash flows from financing activities	328	1,120	15,706	-19,188	-2,034	-3,363

For the purposes of monitoring earnings power and allocating resources between the segments, the Management Board scrutinizes the financial assets allocated to the individual segment. Liquid funds are not allocated to any segment.

(In TEUR)	Dec 31, 2012	Dec 31, 2011
Assets		
Segment Telephony	9,935	14,613
Segment Services	439	479
Segment Renewable Energies	25,720	14,215
Holding/Consolidation	18,720	12,800
Total segment assets	**54,814**	**42,107**
Assets not allocated	6,746	33,372
Total consolidated assets	**61,560**	**75,479**
Liabilities		
Segment Telephony	1,306	13,477
Segment Services	3,227	1,770
Segment Renewable Energies	33,702	19,182
Holding/Consolidation	-27,405	-21,215
Total segment liabilities	**10,830**	**13,214**
Reconciliation (shareholder's equity/interests of non-controlling shareholders)	50,730	62,265
Total consolidated liabilities/shareholder's equity	**61,560**	**75,479**

The uniform Group accounting policies and methods of calculation were applied in the segment reporting. Services between segments are subject to adherence of the arm's length principle and therefore Group wide calculated at prices that would be agreed with third parties. Basically, the price comparison method is or was applied for the area Broadband/IP and Group specific effects were added. In the other areas essentially the cost plus method is applied. Administrative services are calculated as cost allocations.

Long-term assets are located entirely within the country.

(In TEUR)	Depreciation and amortisation		Investments	
	2012	2011	2012	2011
Segment Telephony	245	292	336	131
Segment Services	135	113	125	73
Segment Renewable Energies	448	124	10,282	7,954
Holding/Consolidation	474	258	9,393	2,508
Total	**1,302**	**787**	**20,136**	**10,666**

Sales of principal services

(In TEUR)	2012	2011
Continued activities		
Areas within the segment Telephony		
Open-Call-by-Call	11,399	18,044
Reg. Call-by-Call/Preselection	522	754
Wholesale/value-added services	34,441	18,333
Miscellaneous	1,289	370
Total segment Telephony	**47,651**	**37,501**
Bereiche des Segments Services		
IT services/systems development	2,025	2,076
Marketing services	2,199	1,974
Consulting	460	293
Total segment Services	**4,684**	**4,343**
Areas within the segment Renewable Energies		
Photovoltaic	2,632	19,179
Solar heat	3,226	1,994
Miscellaneous	7,019	3,871
Total segment Renewable Energies	**12,877**	**25,044**

The 3U Group achieved sales in the amount of 49.9% with the largest customer in the segment Telephony in the past year.

Geographical information of sales

(In TEUR)	2012	2011
Continued activities		
Telephony	**47,651**	**37,501**
Of which domestic	25,675	36,007
Of which foreign	21,976	1,494
Services	**4,684**	**4,343**
Of which domestic	4,262	4,343
Of which foreign	422	0
Erneuerbare Energien	**12,877**	**25,044**
Of which domestic	10,812	20,750
Of which foreign	2,065	4,294

The assignment was for home and abroad to the place of delivery or other service.

The sales abroad were mainly achieved in Switzerland.

5 Notes on the income statement

5.1 Sales

Sales generated from activities as a provider of telecommunications are reported without sales tax and net of discounts granted. The income is recognised by way of invoicing after performance of telecommunications services.

Sales generated in the segment Services in the function as service provider are disclosed without value-added tax and after deduction of granted discounts. Revenue recognition is carried out through billing following the provision of services.

In the field of renewable energies, the revenues from the sale of solar heating systems, from trade with other components of energy from renewable sources as well as from the sale of other products without VAT are disclosed without value-added tax and after deduction of granted discounts. Sales from the design and construction of plants for the production of renewable energies are also reported net of VAT. Sales recognition is carried out through billing following the provision of the respective services.

The consolidated sales with third parties are comprised of the segments featured in Segment reporting.

Sales of principal services

(In TEUR)	2012	2011
Continued activities		
Areas within the segment Telephony		
Open-Call-by-Call	11,399	18,044
Reg. Call-by-Call/Preselection	522	754
Wholesale/value-added services	34,441	18,333
Miscellaneous	1,289	370
Total segment Telephony	**47,651**	**37,501**
Areas within the segment Services		
IT services/systems development	2,025	2,076
Marketing services	2,199	1,974
Consulting	460	293
Total segment Services	**4,684**	**4,343**
Areas within the segment Renewable Energies		
Photovoltaic	2,632	19,179
Solar heat	3,226	1,994
Miscellaneous	7,019	3,871
Total segment Renewable Energies	**12,877**	**25,044**
Discontinued activities		
Area Broadband/IP*		
Bandwidth/wavelength	0	2,834
Colocation	0	2,878
InternetTransit/DSL-Gate	0	2,219
DataLink/ViPNet	0	6,307
Miscellaneous	0	339
Total discontinued activities	**0**	**14,577**

*In 2011, for the period 1 January 1 to May 31 (values before consolidation)

The 3U Group achieved sales in the amount of 49.9% with the largest customer in the segment Telephony in the past year.

5.2 Other operating income

Other operating income includes the following items:

(In TEUR)	2012	2011
Earnings from minimisation of loss reserves	1,031	435
Other income	907	356
Income from currency conversion	585	168
Remuneration in kind for car use	499	259
Income from reversal of provisions	367	1,083
Income for other accounting periods	55	1,073
Income from receivables written down	19	9
Income from claims of compensation	4	2,194
Income from deconsolidation	0	27,369
Sum	**3,467**	**32,946**

The income from the reduction of allowances and expenses from loans previously written off is offset by bad debts and from impairment losses on receivables.

5.3 Changes in inventories

Changes in inventories of TEUR –132 (previous year: TEUR 164) comprise work in progress in the segment Renewable Energies. Moreover, changes in inventories include depreciation of unfinished products in the amount of TEUR 289 (previous year: TEUR 0) from the development of the ORC engine. This development is not pursued anymore in the 3U Group.

5.4 Own work capitalized

Own work capitalized amounted to TEUR 321 (previous year: TEUR 45) and are essentially in connection with planning and development in the area of Renewable Energies.

5.5 Costs of materials

Material costs are comprised mainly of connection services and network costs, raw materials and trading goods as well as costs expenses for services as part of project implementation in the field of renewable energy:

(In TEUR)	2012	2011
Connection services	37,715	19,575
Expenses for purchased services	6,935	332
Materials/products used Renewable Energies	4,818	24,009
Network costs	2,666	11,439
Costs of interconnection	741	943
Other costs of materials	4	16
Sum	**52,879**	**56,314**

5.6 Staff costs

Staff costs comprise the following:

(In TEUR)	2012	2011
Salaries and wages	10,110	9,491
Social security contributions	1,557	1,303
Other staff costs	806	235
Total	**12,473**	**11,029**

Expenses for the stock option plan 2011 in the amount of TEUR 145 (previous year: TEUR 132) are included in other staff costs.

The average number of employees (full-time equivalents) was:

Segment	2012	2011
Telephony	17	14
Services	71	57
Renewable Energies	54	36
Holding	34	29
Total continued activities	**176**	**136**
Discontinued activities	**0**	**11**
Total	**176**	**147**

Social security contributions include not only employer payments into legal pension and health insurance schemes but also expenses for equalisation tax and for fees paid to the employers' liability insurance association. Expenses for employers' payments to legally required pension schemes amounted to TEUR 642 (previous year: TEUR 475).

In the fourth quarter of fiscal year 2012, a restructuring program was initiated within the 3U Group, which includes both staff and strategic reorientation measures in individual segments. For the already initiated personnel actions, provisions of TEUR 467 (previous year: TEUR 0) were formed.

5.7 Other operating expenses

Other operating expenses include the following items:

(In TEUR)	2012	2011
Legal and consultancy fees	1,689	1,328
Automobile and travel costs	1,281	921
Loss of receivables	1,276	483
Promotion and hospitality expenses as well as sales commissions	1,197	1,367
Value adjustments to receivables	767	5,618
Rent expenses	424	700
Expenses for other accounting periods	331	247
Telephone costs/postage	215	880
Maintenance	204	340
Insurances	139	132
Other operating expenses	1,695	2,597
Total	**9,218**	**14,613**

Other operating expenses include expenses from currency conversions in the amount of TEUR 292 (previous year: TEUR 184).

Research and development costs amounted to EUR 1.2 million (previous year: EUR 1.4 million) in the business year.

5.8 Depreciation and amortisation

Amortisation of intangible assets and depreciation on property, plant and equipment amounted to TEUR 1,302 (previous year: TEUR 2,920). The decrease in depreciation and amortisation compared with the previous year results in principle from the cessation of amortization of discontinued operations TEUR 0 (previous year: TEUR 1,834). Depreciation increased through the first time depreciation of the solar power plant in Marburg and the solar park in Adelebsen.

5.9 Income from financial assets

This item relates to current and loan accounts as well as earnings of companies included using the "at equity"-method.

(In TEUR)	2012	2011
Interest and similar income	464	797
Interest income	**464**	**797**
Interest expenses for loans receivable	-140	-554
Zinsaufwendungen	**-140**	**-554**
Earnings/loss from companies included using the at-equity-method	**97**	**531**
Total	**421**	**774**

5.10 Income taxes

Taxes paid or due on income and deferred taxes are reported as taxes on income.

(In TEUR)	2012	2011
Current income tax expenses	90	443
Deferred tax	-272	337
Total	**-182**	**780**

3U HOLDING AG and its German subsidiaries are subject to corporation and trade tax. In the business year 2012, income was subject to corporation tax of 15 % plus a 5.5 % solidarity surcharge. Trade profits tax on operating profits amounted in Marburg to around 13 % in 2012.

The tax rate used for foreign companies is 25 % for Austria, 21 % for Switzerland and 28 % for the Republic South Africa respectively.

The income tax rate for the Group (parent company) is 28.775 % (around 29 %) as in the previous year.

Effective January 1, 2005, 3U HOLDING AG concluded profit transfer agreements with OneTel Telecommunication GmbH, LineCall Telecom GmbH and fon4U Telecom GmbH. The profit transfer agreements were approved in the Extraordinary General Meeting of November 15, 2005 and registered in the commercial register in December 2005.

Effective January 1, 2007, 3U HOLDING AG, as the controlling company, entered into a control and profit transfer agreement with 3U TELECOM GmbH, 010017 Telecom GmbH and Discount Telecom S&V GmbH. After being approved by the Annual General Meeting, these profit transfer agreements were recorded in the commercial register at the end of 2007.

In accordance with IAS 12.81, the following overview contains a offsetting and reconciliation of tax expenses resulting from the calculation using German tax rates on earnings before taxes and the actual tax expenses reported in these annual financial statements:

	2012 TEUR	2012 %	2011 TEUR	2011 %
EBT	-10,812	100.0	26,320	100.0
Earnings tax rate (28.775 %; previous year: 28.775 %)				
Calculated tax income/expenses	-3,111	-28.8	7,574	28.8
Tax-exempt income/non-deductible expenses	30	0.3	-286	-1.1
Effects of allowance of deferred taxes / Non-inclusion of deferred taxes from loss carry forwards	2,871	26.6	1,509	5.7
Effect of tax rate differences of foreign tax jurisdiction	-8	-0.1	52	0.2
Deviations due to different trade tax collection rates	-1	0.0	9	0.0
Lowering of current tax expenses due to the usage of loss carry forwards so far not accounted for	13	0.1	0	0.0
Aperiodic tax effects	15	0.1	-83	-0.3
Effect of deconsolidation segment Broadband/IP	0	0.0	-8,008	-30.4
Miscellaneous	9	0.1	13	0.0
Total	**-182**	**-1.7**	**780**	**3.0**

5.11 Earnings per share

Earnings per share correspond with the profit from continued operations and the profit from discontinued operations, which can be apportioned to the ordinary shareholders of 3U HOLDING AG, or the profit (after tax), divided by the weighted average number of shares outstanding during the financial year. 3U calculates earnings per share (diluted) on the assumption that all share options are exercised. It was a retroactive adjustment to the number of shares as a result of those simplified capital reduction in 2012.

Undiluted and diluted earnings per share are calculated based on the following data:

	2012	2011
Basis of the basic and diluted earnings per share (attributable share of net profits from continued activities attributable to the shareholders of the parent company in TEUR)	**-9,382**	**-1,695**
Basis of the basic and diluted earnings per share (attributable share of net profits from discontinued activities attributable to the shareholders of the parent company in TEUR)	**0**	**28,339**
Total Group	**-9,382**	**26,644**
Number of shares		
As of January 1	35,314,016	39,450,485
Buyback of own shares in January 2011		-212,699
Buyback of own shares in July 2011		-1,172,745
Buyback of own shares in August 2011		-1,143,583
Buyback of own shares in September 2011		-1,116,388
Buyback of own shares in October 2011		-491,054
As of December 31	35,314,016	35,314,016
Number of ordinary shares for basic earnings per share*	35,314,016	35,314,016
Effect of dilutive potential of ordinary shares: options	0	3,685,000
Weighted average number of ordinary shares for diluted earnings	35,314,016	38,999,016
Earnings per share from continued activities		
Earnings per share, undiluted (in EUR)	-0.27	-0.05
Earnings per share, diluted (in EUR)	-0.27	-0.04
Earnings per share from discontinued activities		
Earnings per share, undiluted (in EUR)	0.00	0.80
Earnings per share, diluted (in EUR)	0.00	0.73
Earnings per share total		
Earnings per share, undiluted (in EUR)	-0.27	0.75
Earnings per share, diluted (in EUR)	-0.27	0.68

*Adjustment of 2011 due to a simplified capital reduction in 2012

6 Notes on the balance sheet

6.1 Non-current assets

The development of individual non-current items and depreciation and impairment for the current financial year are presented separately in the consolidated statement of changes in assets (Appendix to the Notes).

6.1.1 Intangible assets

The carrying amounts of intangible assets are as follows:

(In TEUR)	Dec 31, 2012	Dec 31, 2011
Concessions, industrial property rights and similar rights and assets and licences to such rights and assets	672	654
Goodwill	170	170
Total	**842**	**824**

The acquired intangible assets are valued at cost less accumulated depreciation using the straight method. This relates primarily to software licenses for transmission and IT technology.

We refer to the depreciation on the income statement.

From the purchase price allocation in the scope of the contribution in kind at Selfio GmbH resulted a goodwill, which is not amortized, but is kept under review. We refer to our comments under 2.3.14.

6.1.2 Fixed assets

Please refer to the consolidated statement of changes in assets for the carrying amounts of property, plant and equipment.

3U has started with the construction of a new corporate headquarters in 2009. The main buildings are completed and have been activated.

The solar park in Adelebsen has been in regular operations since October 2012 and feeds this renewable electricity into the public grid.

During the construction period, there was no external funding for the solar park.

The solar park with all the technical components is reported under plant and machinery, while the land on which the open space system of the solar park was built, is reported under land and properties.

6.1.3 Investment properties

Basically under investment properties are those investment properties recognized, which are not operationally self used. The 3U Group has acquired two properties of mixed use in fiscal 2012. These properties include the logistics centre in Montabaur and the commercial property in Adelebsen.

The property in Montabaur is recognized as investment property, as it is not fully used by the 3U Group as a purchasing and logistics centre. For the commercial property in Adelebsen, only the part on which the open space system of the solar park was built was not reported as an investment property. The buildings and other property are shown under investment properties.

The lease and rental income from investment properties amounted to TEUR 25 in fiscal year 2012 (previous year: TEUR 0). Operating expenses in fiscal year 2012 for the investment properties emerged in the amount of TEUR 157 (previous year: TEUR 0). Thereof TEUR 25 are allotted to leased investment properties and TEUR 132 to real estate which produced no rental income in 2012.

There was no rent for investment properties in Adelebsen in 2012.

The valuation of the investment property is measured at amortized cost. Details of the development are presented in the consolidated fixed assets. The fair value of these investment properties amounted to TEUR 7,854 as at December 31, 2012 (previous year: TEUR 0).

The fair values were determined based on the discounted cash flow method. Here, the following assumptions were made:

- Land value interest rate/property interest rate 7 %
- Administrative fee 3 %
- Loss of rental 3–4 %

6.1.4 Financial assets

Investments accounted for using the equity method:

As of December 31, 2012, Spider Telecom GmbH, Marburg, Tianjin EuroSun Solarenergy Technology Co. Ltd., Tianjin, China, and Sanhe EuroSolar Solar Energy Technology Ltd., Sanhe, China were accounted for using the equity method. The summarised financial information for these investments is as follows:

Spider Telecom GmbH

Spider Telecom GmbH (in TEUR)	Dec 31, 2012	Dec 31, 2011
Total assets	1,156	1,674
Total liabilities	363	20
Sales	1,837	3,050
Profit/loss after taxes	768	1,629

Tianjin EuroSun Solarenergy Technology Co. Ltd.

The company started its operations at the end of 2011 and was therefore reported at the pro rata equity of TEUR 200 in the financial statements at December 31, 2011.

Tianjin EuroSun Solarenergy Technology Co. Ltd. (in TEUR)	Dec 31, 2012
Total assets	314
Total liabilities	187
Sales	92
Profit/loss including loss carryforward 2011 after taxes	-106

Sanhe EuroSolar Solar Energy Technology Ltd.

The company started its operations July 20, 2012.

Sanhe EuroSolar Solar Energy Technology Ltd. (in TEUR)	Dec 31, 2012
Total assets	786
Total liabilities	533
Sales	20
Profit/loss after taxes	-57

The valuation of this company was as follows:

Carrying amount (in TEUR)	
As of December 31, 2011	**1,027**
Accrual	301
Collected distribution of earnings	-821
Pro rata share of net result for the year	97
As of December 31, 2012	**604**

Balance sheet day of the Companies is December 31, 2012.

No restrictions on the ability of the associated company to transfer financial resources in form of cash dividends, credit or advance repayment to the shareholder apply.

Other holdings

myFairPartner Limited

With the share purchase agreement of October 7, 2009, 15 % of the shares of myFairPartner Limited, London, were bought. myFairPartner Limited is a company located in London in the field of personnel placement based on a WEB 2.0 online solution. On December 15, 2010, the 3U HOLDING AG accrued 5 % further shares of myFairPartner Limited. The shares were deposited as collateral for a loan which could not be repaid. The evaluation was conducted at acquisition cost. The investment was extraordinary written off on December 31, 2010.

Loans

The loan of TEUR 6,256 (previous year: TEUR 7,885) is one loan to LambdaNet Communications Deutschland GmbH (formerly LambdaNet Communications Deutschland AG), which has a term until April 30, 2016 and is to be repaid annually.

6.1.5 Operating Leasing

In the 3U Group contracts which fall under operating leases are primarily for vehicle leasing and leasing of office equipment technology. Commitments for minimum lease payments under these leases amounted to TEUR 865 (previous year: TEUR 772). Of this amount, TEUR 440 (previous year: TEUR 370) is due within one year and TEUR 425 (previous year: TEUR 402) within two to four years. There are no renewal or purchase options.

6.2 Deferred taxes

Deferred taxes are calculated after accounting for temporary differences under the liability method per IAS 12.

The deferred tax assets and liabilities as of the balance sheet dates are made up as follows:

(In TEUR)	Dec 31, 2012		Dec 31, 2011	
	Active deferred taxes	Passive deferred taxes	Active deferred taxes	Passive deferred taxes
Intangible assets	0	108	0	136
Property, plant and equipment	0	7	0	291
Financial assets	9	3	0	12
Inventories	0	1	0	0
Other assets	0	0	31	0
Provisions	2	0	27	0
Liabilities	0	0	64	0
Other liabilities	0	0	0	122
Loss carry forwards	600	0	659	0
Sub total	**611**	**119**	**780**	**560**
Netting	12	12	428	428
Total	**599**	**107**	**352**	**132**

3U HOLDING AG utilises the netting option provided for by IAS 12, whereby deferred tax assets and liabilities are reported net if they relate to the same tax authority (for the relevant taxable entity). In the reporting year, deferred tax liabilities were offset against deferred tax assets on loss carry forwards in the amount of TEUR 12 (previous year: TEUR 428).

Under the provisions of local tax law, temporally unlimited loss carry forwards for which no deferred tax assets were reported in the consolidated balance sheet, amounted to a total of TEUR 20,657 (previous year: TEUR 10,877) for corporation tax and TEUR 20,587 (previous year: TEUR 10,782) for trade tax and primarily relate to the loss carry-forwards from the companies being established. On deductible temporary differences in the amount of TEUR 111 (previous year: TEUR 0) deferred taxes were not activated due to recoverability reasons.

6.3 Inventories

Inventories are made up as follows:

(In TEUR)	Dec 31, 2012	Dec 31, 2011
Raw materials and supplies	7	67
Work in progress	85	209
Finished products and goods	1,728	2,101
Payments on account	180	3
Total	**2,000**	**2,380**

Inventories are priced with the net residual value in the amount of TEUR 0 (previous year: TEUR 0). Appreciation in value write-ups was not done neither in 2012 or 2011. A transfer of ownership of inventories is not in existence on the balance sheet date.

The work in progress reported last year was written off in the financial year as part of restructuring measures in full. The resulting expenses are shown under the restructuring charges.

6.4 Trade receivables

Trade receivables are composed as follows:

(In TEUR)	Dec 31, 2012	Dec 31, 2011
Trade receivables from third parties	11,608	17,243
Valuation allowances	-5,353	-7,956
Total	**6,255**	**9,287**

Depending on the age structure of the receivables, uniform valuation allowances are recognised within the Group for the receivables.

The Group writes off trade receivables which have been outstanding for more than one year or where a debt collection agency has stated that they are unrecoverable or are a default is to be expected with overwhelmingly likelihood. The procedure is supported by past experience which indicates that in principle no payment can be expected if trade receivables have been outstanding for more than one year.

In determining the value of trade receivables, account is taken of every change in creditworthiness from the time the credit period was granted until the balance sheet date. There is no significant concentration of credit risk since the customer base for the no value adjusted receivables is broad. Accordingly, the Management Board is convinced that no provisions above and beyond the impairment charges already recognised are required.

The impairment charges include individual write-downs on trade receivables amounting to TEUR 4,944 (previous year: TEUR 6,971) where insolvency proceedings have been instigated against the debtors, respectively which are older than one year. The recognised impairment is the result of the difference between the carrying amount of the receivable and the present value of the anticipated liquidation proceeds. The Group has no collateral for these balances.

The carrying amount of trade receivables is the fair value.

The most important financial assets of the Group are bank balances and cash in hand, trade and other receivables. The default risk for the Group mainly results from trade receivables. The balance sheet amounts include the valuation allowance for expected uncollectible receivables based on management experience and the estimates of the current economic environment of the Company. The risk of default for cash and cash equivalents is limited as these are held primarily by banks which have high credit ratings from international rating agencies.

6.5 Other current assets

Other current assets comprise the following:

(In TEUR)	**Dec 31, 2012**	**Dec 31, 2011**
Receivables from tax refunds	2,444	1,301
Deposits	135	214
Others	542	1,796
Total	**3,121**	**3,311**

Other current assets include receivables from companies in which an interest is held as follows:

(In TEUR)	**Dec 31, 2012**	**Dec 31, 2011**
Other receivables	38	691
Valuation allowances	-38	-38
Total	**0**	**653**

The carrying amount of other assets is equal the fair value.

Please refer to section 8.2 for information about default risk.

6.6 Cash and cash equivalents

The item cash and cash equivalent contains cash and short term deposits with an original term of three months or less. The carrying amount of these assets is their fair value.

Please refer to section 8.2 for information about default risk.

6.7 Shareholders' equity

6.7.1 Issued capital

The Management Board of 3U HOLDING decided on May 26, 2011 to use the authorization granted by the AGM of August 19, 2010 to repurchase up to 10 % of its own shares on the stock exchange in the period from July 1, 2011 to at the latest August 18, 2015. The share repurchase program was started on July 1, 2011 and was completed on October 25, 2011 after a total of 3,923,770 million shares were purchased, equivalent to almost 10 % of the share capital of EUR 39,237,786.00. In November 2012 the Management Board decided to collect these 3,923,770 shares. Since November 27, 2012 the nominal share capital comprises of 35,314,016 of no-par value shares with a nominal value of EUR 1.00 per share. The total share capital is fully paid. The total number of shares outstanding changed due to the capital reduction during the reporting year.

The Company has only one class of shares. These do not grant entitlement to a fixed dividend. Each share confers one vote at the Annual General Meeting and is definitive to the share of the shareholders in the Company's profit. An exception here is treasury shares held by the Company, from which the Company derives no rights. Details of the rights and duties of the shareholders can be derived from the provisions of the German Stock Corporation Act (Aktiengesetz — AktG) and in particular sections 12, 53a fl., 118 fl. and 186 AktG.

Authorised capital

At the Annual General Meeting on August 28, 2009, the Management Board was authorised, subject to approval by the Supervisory Board, to increase the share capital by up to EUR 23,421,120.00 in return for contributions in cash or in kind on one or more occasions up to August 27, 2014, whereby shareholders' subscription rights may be excluded.

Contingent capital

The Company has contingent capital of EUR 4,684,224.00. The contingent capital is to be used to grant subscription rights to members of the Management Board, executives and employees of the Company. Subscription rights of EUR 4,602,500 were offered to the beneficiaries until November 30 in the framework of the SOP 2011; at the balance date of December 31, 2012 947,500 of those were expired. Each option right entitles the holder to acquire one-par value bearer shares of the Company at the exercise price of EUR 1.00. The options may initially be exercised for the first time after a vesting period of four years and made the last time after five years since issuance of the options.

Reserves

As at December 31, 2012 the Company reports a capital reserve of TEUR 25,037 (previous year: TEUR 24,269), a reserve for own treasury shares of TEUR 0 (previous year: TEUR –3,301) and retained earnings amounting to TEUR 692 (previous year: TEUR 692).

The capital reserve of TEUR 25,037 (previous year: EUR 24,269) contains the premium to the nominal amount from the issuance of shares of 3U HOLDING AG (TEUR 21,499). In addition, the sub-par amounts of the repurchase of own shares in the amount of TEUR 145 (previous year: TEUR 132) which were used for capital cancellations were added to the capital reserves in the year 2012.

The paid-in capital for own shares developed as follows:

(In TEUR)	2012	2011
As of January 1	**3,301**	**4,142**
Purchase of own shares	0	3,447
Capital cancellation	-3,301	–4,288
As of December 31	**0**	**3,301**

Dividend payments

As proposed by the Management Board and Supervisory Board the resolution to pay a dividend of 0.03 EUR per dividend-bearing share for the fiscal year 2011 was passed by the Annual General Meeting 2012 and was disbursed in 2012. The disbursement totalled TEUR 1,059. There will be no dividend proposal for fiscal year 2012 due to the annual results.

6.7.2 Share buyback programme

There was no buyback programme during the reporting period.

6.7.3 Employee participation programmes

Stock option plan 2011

The stock option plan (SOP) 2011 has the following key details:

The following are beneficiaries:

Group 1: Members of the Company's Management Board

Group 2: Employees of the Company and affiliated companies in Germany and abroad in key positions at the first level of management below the Management Board as well as members of the management of affiliated companies in Germany and abroad (Article 15 of the German Stock Corporation Act)

Group 3: All other employees of the Company and of the affiliated companies in Germany and abroad (Article 15 of the German Stock Corporation Act)

A total of 4,602,500 stock options were issued within the scope of the SOP 2011. The distribution between the individual groups is as follows (the value in parentheses indicates the maximum number of shares to possibly be issued):

Group 1:	400,000	(of 468,422)	stock options
Group 2:	2,800,000	(of 2,810,535)	stock options
Group 3:	1,402,500	(of 1,405,267)	stock options
Total:	4,602,500	(of 4,684,224)	stock options

The SOP 2011 has a term of five years. The non-transferable option rights can be exercised after a four-year qualifying period on February 7, 2015 at the earliest and no later than February 6, 2016.

The option rights may only be exercised within a period of fifteen banking days in Frankfurt am Main following the publication of the annual financial statements and/or consolidated financial statements, the Annual General Meeting or the publication of a quarterly report and/or the annual report. The options are not transferable.

Each option right authorises the purchase of a share in the company at the exercise price. The exercise price for the options is EUR 1.00 per share.

The beneficiary may only sell shares received through the exercise of stock options within a month of the publication of the quarterly reports or after the publication of periodical reporting.

Of the 4,602,500 options issued in the framework of the SOP 947,500 options were forfeited at the balance sheet date.

Forfeited are:

- 2011: 582,500 stock options
- 2012: 365,000 stock options

6.7.4 Interests of non-controlling shareholders

The equity Interests of other shareholders amounted to TEUR −2,065 (previous year: TEUR −826)

6.8 Financial liabilities

The long-term financial liabilities refer to a long-term building loans amounting to TEUR 3,413, which were closed for the financing of properties.

A loan for the Marburg site was valued at TEUR 1,913. The interest rate is 3.85 % with a term until December 30, 2029. The loan is secured with mortgages in the amount of EUR 2.25 million.

Two loans, each with TEUR 750, were closed to finance the purchase of buildings in Montabaur. The interest rate is 3.25 %. The loans have a term until May 30, 2027 and are secured by mortgages in the amount of TEUR 750 each.

In the current financial liabilities are charges in current accounts at December 31, 2012 amounting to TEUR 11 (previous year: TEUR 0) and a negative fair value of forward contracts in the amount of TEUR 2 (previous year: TEUR 0).

In addition, there is a line of credit in the amount of EUR 1.5 million, which on December 31, 2012 as part of a guaranteed credit is drawn on by guarantees totalling TEUR 668. This credit line is backed by allocated EUR 1.5 million fixed deposits.

6.9 Other current liabilities

Other current liabilities comprise the following:

(In TEUR)	Dec 31, 2012	Dec 31, 2011
Social security contributions	10	0
Other taxes	388	1,309
Provisions of a liability nature	1,348	633
Staff obligations	1,145	1,021
Other liabilities	496	735
Income tax	23	278
Total	**3,410**	**3,976**

Provisions of a liability nature primarily comprise of obligations from outstanding invoices.

6.10 Provisions

Provisions comprise the following:

(In TEUR)	Dec 31, 2012 Current	Dec 31, 2012 Long-term	Dec 31, 2011 Current	Dec 31, 2011 Long-term
Restoration obligations	0	158	0	144
Litigation risks	58	0	655	0
Other	470	0	316	0
Total	**528**	**158**	**971**	**144**

The development is presented as follows:

(In TEUR)	As of Jan 1, 2012	Utilisation	Reversal	Allocation	As of Dec 31, 2012
Restoration obligations	144	9	0	23	158
Litigation risks	655	260	357	20	58
Other	316	229	10	393	470
Total	**1,115**	**498**	**367**	**436**	**686**

Provisions for risks of litigation mainly apply to a law suit regarding carrier services.

Other provisions include mainly provisions for financial statement costs and warranties.

The provisions for demolition obligations are long-term by nature and were formed to cover restoration of the original condition of various technical sites.

6.11 Reporting on financial instruments

Breakdown of carrying amounts in the balance sheet according to the measurement categories of IAS 39/IFRS 7.8

2012 (in TEUR)	Loans	Cash and cash equivalents	Trade receivables	Other financial assets	Liabilities
Loans and receivables	6,256	6,746	6,255	2,128	0
Financial liabilities that are valued at amortized cost	0	0	0	0	10,014
Financial liabilities that are measured at fair value in the income statement	0	0	0	0	2
Total	**6,256**	**6,746**	**6,255**	**2,128**	**10,016**

2011 (in TEUR)	Loans	Cash and cash equivalents	Trade receivables	Other financial assets	Liabilities
Loans and receivables	7,885	33,372	9,287	2,619	0
Financial liabilities that are valued at amortized cost	0	0	0	0	11,966
Financial liabilities that are measured at fair value in the income statement	0	0	0	0	0
Total	**7,885**	**33,372**	**9,287**	**2,619**	**11,966**

The fair value of cash and cash equivalents, current receivables and liabilities corresponds approximately to the carrying amount. This is primarily because of the short term of instruments of this kind respectively their market rate.

Liabilities are divided into long-term liabilities amounting to TEUR 3,413 (previous year: TEUR 2,026) and current liabilities of TEUR 6,601 (previous year: TEUR 9,940).

Net losses including changes in value adjustments from loans and receivables amounted to TEUR 843 (previous year: TEUR 5,789).

6.12 Contingent liabilities and other financial obligations

As at December 31 the following financial obligations remain:

(In TEUR)	Dec 31, 2012	Dec 31, 2011
Within one year	440	415
Between one and five years	425	441
After five years	0	90
Total	**865**	**946**

The purchase commitments included in the other financial obligations occurring within a year amount to TEUR 0 (previous year: TEUR 411).

The other remaining financial obligations refer to lease agreements relating to offices, technical space, technical devices and cars. The agreements concerned have a remaining term of 1 to 5 years.

For the collateralization of its own credit line there is a restriction in the amount of EUR 1.5 million (deposited as security).

In connection with the closing of two lease agreements between LambdaNet and Südleasing GmbH 3U HOLDING AG provided a guarantee in favour of Südleasing GmbH. Pursuant to the purchase agreement dated May 19, 2011 between euNetworks GmbH and 3U HOLDING AG, euNetworks will try with all available means that 3U HOLDING AG is released from this guarantee. The leases were terminated by LambdaNet until December 31, 2012. By letter of January 23, 2013 Südleasing GmbH confirmed that 3U HOLDING AG is released from this guarantee.

6.13 Legal disputes and contingent liabilities

The operations of 3U Group result in various legal disputes. With regard to the uncertainty of the outcome of these proceedings, there is the possibility of a negative impact on future operating results. This is why provisions for unsettled legal disputes totalling TEUR 58 (previous year: TEUR 655) were created for existing legal disputes as at December 31, 2012.

7 Notes to the cash flow statement

Cash and cash equivalents comprise bank balances and cash in hand.

(In TEUR)	Dec 31, 2012	Dec 31, 2011
Fixed deposits	1,500	8,522
Credit with banks and cash	5,246	24,850
Total cash and cash equivalents	**6,746**	**33,372**
Less deposits offered as security	1,500	1,500
Cash and cash equivalents	**5,246**	**31,872**

Cash flows are broken down into operating, investment and financing activities. The indirect calculation method was used for the presentation of cash flows from operating activities.

After adjustment for non-cash income and expenses (essentially depreciation) and consideration of the changes in working capital, the 3U Group generated a cash outflow of TEUR –9,692 (previous year: TEUR –2,961) from operating activities in continued operations.

Cash flow from investing activities amounted to TEUR –17,281 (previous year: TEUR 12,588) and cash flow from financing activities amounted to TEUR 341 (previous year: TEUR –5,397). In addition, exchange rate related changes in the amount of TEUR 6 (previous year: TEUR 0) arose.

In total, cash and cash equivalents increased in an amount of TEUR –26,626 (previous year: increase of TEUR 4,230).

Of the cash and cash equivalents reported at the end of the period amounting to TEUR 6,746 (previous year: TEUR 33,372), there is a restriction on the disposal of a total of TEUR 1,500 (previous year: TEUR 1,500). These are deducted from cash, so that the cash funds are reduced accordingly.

In fiscal year 2012, interest income received in the amount of TEUR 470 (previous year: TEUR 799) is partly offset by interest payments in the amount of TEUR 140 (previous year: TEUR 554).

Dividends of EUR 0.03 (previous year: EUR 0.02) per share were paid in fiscal 2012 to shareholders.

For the disinvestment/investment of shares in Subsidiaries liquid assets of TEUR 199 (previous year: TEUR 25,462) were accrued by the Group and TEUR 0 (previous year: TEUR 1,726) cash outflow was reported. The purchase or selling prices have been fully paid or received in cash.

The cash in and outflows are comprised of the following:

(In TEUR)		2012			2011	
	Inflow	Outflow	Net	Inflow	Outflow	Net
Acquisition	0	0	0	37	0	37
Disposition	205	0	205	25,425	1,726	23,699
Total	**205**	**0**	**205**	**25,462**	**1,726**	**23,736**

In 2012 income taxes of TEUR 817 have been paid (previous year: TEUR 443).

8 Other information

8.1 Capital management

The Group manages its capital with the aim of maximising the earnings of those involved in the Company by optimising the ratio of equity to borrowed funds. In so doing, it ensures that all Group companies can operate as going concerns.

As December 31, 2012 and 2011, reported equity and total assets amounted to:

	Dec 31, 2012	Dec 31, 2011	Veränderung
Equity in TEUR	50,730	62,265	-11,535
Equity in % of total capital	82.41 %	82.49 %	-0.08 %-percentage points
Borrowed capital in TEUR	10,830	13,214	-2,384
Borrowed capital in % of total capital	17.59 %	17.51 %	+0.08 %-percentage points
Total capital (equity plus borrowed capital) in TEUR	**61,560**	**75,479**	**-13,919**

Equity comprises total capital, the Group's reserves and interests of non-controlling shareholders. Borrowed capital is defined as non-current and current financial liabilities, provisions and miscellaneous liabilities.

8.2 Financial risks

On the basis of its normal business activities, the 3U Group is exposed to only minor interest rate and credit risks, which could have an impact on its net assets, financial position and results of operations. In the context of increasing international business the 3U Group is exposed to increased currency risks, which may have a corresponding impact. Where necessary, it also uses derivative financial instruments to manage these risks.

The following sections examine the individual risks and risk management.

Foreign currency risk

Foreign currency risks exist, in particular, if receivables, liabilities, cash and cash equivalents and planned transactions exist or occur in a currency other than the Company's local currency.

The 3U Group primarily conducts its business operations in Germany and invoices in Euro or USD. Trade payables in foreign currency are gaining more importance for the Group, so principally there is a foreign currency risk. There is a policy to hedge the risks, for example by forward contracts. It stipulates that these transactions are congruent concerning currencies and time.

As at December 31, 2012 there were the following forward exchange contracts active:

Conclusion	Maturity	Amount	Currency	Market value
November 30, 2012	January 15, 2013	100,000.00 EUR	USD	-1,906.43 EUR
December 20, 2012	January 15, 2013	100,000.00 EUR	USD	-20.45 EUR

The book value of debt and assets denominated in foreign currency of the Group at the date of December 31, 2012 is attributable to the activities of the segment Telephony and is as follows:

Assets : TEUR 145
Liabilities : TEUR 21

Default risk
3U is exposed to a credit risk to the effect that assets could be impaired if counterparties fail to comply with their obligations. To minimise credit risk, transactions are only concluded with debtors of undoubted creditworthiness and only up to a maximum of a preset risk limit.

Default risks are in line with the normal market risks and appropriate valuation allowances are made. The Group is not exposed to any major credit risk from one counterparty or a group of counterparties with similar characteristics. The Group defines counter parties as having similar characteristics if related companies are involved.

The differing rates by which overdue receivables are written down are primarily dependent on how long they have been outstanding and the degree of success in recovering them. Experience has shown that receivables that are outstanding for more than 365 days are irrecoverable and they are written off.

Liquidity/refinancing risk
The liquidity risk of the 3U Group basically consists in that the Group may be unable to meet its financial obligations. Due to the strong investment activity in 2012 and the losses of the financial year, the cash reserves of the Group have significantly decreased. Financial planning instruments are implemented throughout the Group to monitor and control liquidity. The planning horizon is one year.

The Group can take advantage of credit lines. As a guarantee facility TEUR 668 were utilised as part of bank guarantees at the balance sheet date. A framework credit agreement to finance the solar park in Adelebsen was concluded on February 28, 2013. Under this loan agreement the 3U Group can draw from the as yet undrawn loan amounting to EUR 14.0 million if all conditions – especially various security contracts/agreements – are complied with.

3U expects that it will be able to fulfil its other obligations from operating cash flow and from the inflow of maturing financial assets. Furthermore, 3U assumes that the current ratio of debt to equity will move through the inclusion of additional debt in favour of debt financing.

Interest risk

Most of 3U's interests bearing liabilities carry fixed rates. Changes to market interest rates would only have an impact if these financial instruments were accounted for at fair value. Since this is not the case, fixed rate financial instruments are not exposed to any interest rate risks for the purposes of IFRS 7.

Hence we abstained from sensitivity analyses within the meaning of IFRS 7.40.

The risk of rising interest on bank loans is monitored on a timely basis.

8.3 Related parties

In the normal course of doing business 3U HOLDING AG and its Subsidiaries entertain business relationships with associated companies who are considered related parties of the Group. These are Spider Telecom Ltd., Tianjin EuroSun Solar Energy Technology Co. Ltd. and Sanhe EuroSolar Solar Energy Technology Ltd. These commercial operations relate solely to supply and service relationships with these related companies. They were made on terms that are common among the Group companies. Short-term receivables with these companies as at December 31, 2012 amounted to TEUR 12 (previous year: TEUR 653) and current liabilities in the amount of TEUR 81 (previous year: TEUR 0).

Earnings from these business relations amount to TEUR 507 (previous year: TEUR 438) and expenses in the amount of TEUR 270 (previous year: EUR 0) in fiscal year 2012.

Business with other related parties relate primarily to supply and service relationships that were made on commercial terms and consulting services provided by a shareholder of a Subsidiary at market rates. In fiscal year 2012 there was income of TEUR 0 (previous year: TEUR 24) and expenses of TEUR 164 (previous year: TEUR 18). As at December 31, 2012 there were short-term loans amounting to TEUR 0 (previous year: TEUR 18) and short-term debt of TEUR 12 (previous year: TEUR 1).

Other business with related parties was made only to an insignificant extent, and on market conditions.

There is a receivable against myFairPartner Limited of TEUR 38 (previous year: TEUR 38), which is fully written off.

The following persons were appointed members of the Management Board of the Company in the reporting year:

Michael Schmidt	Lahntal Speaker of the Management Board of 3U HOLDING AG
Michael Göbel	Staufenberg Board Member of 3U HOLDING AG (until March 8, 2012)
Andreas Odenbreit	Marburg Board Member of 3U HOLDING AG (since March 14, 2012/from May 26, 2011 until March 13, 2012 Interim Member of the Board)
Christoph Hellrung	Hattingen Board Member of 3U HOLDING AG (since March 14, 2012)

Total remuneration of the Management Board granted in 2012 amounted to TEUR 817 (previous year: TEUR 898).

In the variable bonus of 2012 50 % of the maximum possible variable remuneration for 2012 is included: TEUR 300 (Michael Schmidt), TEUR 7 (Michael Göbel), TEUR 35 (Andreas Odenbreit) resp. TEUR 35 (Christoph Hellrung). In addition there is a premium payment in the amount of TEUR 30 (Andreas Odenbreit).

Name	**Fixed remuneration in TEUR**		**Variable remuneration in TEUR**		**Total remuneration in TEUR**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Michael Schmidt (Speaker of the Management Board)	308	308	150	300	458	608
Michael Göbel* (Management Board Member until 8. 3. 2012)	-27	153	3	85	-24	238
Andreas Odenbreit** (Management Board Member since 26. 5. 2011)	157	65	48	17	205	82
Christoph Hellrung (Management Board Member since 14. 3. 2012)	130	0	18	0	148	0
Sum	**568**	**526**	**219*** **	**402**	**787**	**928**

*There was a correction of an account for the business year 2011/2012 in the amount of TEUR 30 in 2012

**Andreas Odenbreit received no compensation for his Board activities, but drew his salary according to his employment contract in 2011.
Mr. Odenbreit received a subsequent variable compensation in the amount of TEUR 30 in 2012.

***An amount of TEUR 115 already paid in 2012, the remaining amount of TEUR 114 is due shortly

In the fiscal year 2011 the following stock options were issued to Members of the Board. In fiscal year 2012, no stock options were granted.

Name	Function	Number of stock options
Michael Schmidt	Management Board	200,000
Michael Göbel	Management Board	200,000*
Andreas Odenbreit	Management Board	0**
Christoph Hellrung	Management Board	0***

*Expired December 31, 2012.
*However, Mr. Odenbreit has received stock options as an employee of 3U HOLDING AG.
**However, Mr. Hellrung has received stock options as a Board Member of LambdaNet Communications Deutschland AG.

All remuneration for Management Board activities at 3U HOLDING AG are paid for the time as Member of the Board of 3U HOLDING AG.

There is a non-interest bearing loan receivable against the Board member Michael Schmidt in the amount of TEUR 17 which was limited until December 31, 2012 and was prolonged until December 31, 2013.

Shares held by the Management Board and the Supervisory Board as of December 31, 2012:

Name	Funkcion	Number of shares	Stock options 2012	
			Number	Value in EUR*
Michael Schmidt	Management Board	8,999,995	200,000	34,000
Andreas Odenbreit	Management Board	20,500	200,000	34,000
Gerd Simon	Supervisory Board	10,000	0	0

* Value when granted

The stock options may only be exercised after the expiry of set blocking periods (vesting period). Their value is spread over the vesting periods and recognised as expense in the respective financial year.

In 2012, TEUR 145 (previous year: TEUR 132) were recorded as compensation expense for stock options.

In the reporting year, the following persons were members of the Supervisory Board:

Ralf Thoenes
Düsseldorf
Lawyer in the partnership Altenburger in Düsseldorf
Chairman of the Supervisory Board of 3U HOLDING AG
Other Supervisory Board or Advisory Board mandates:
Chairman of the Supervisory Board of 3U ENERGY AG, Marburg

Gerd Simon
Bad Homburg vor der Höhe
Industrial Engineer
Deputy Chairman of the Supervisory Board of 3U HOLDING AG
Other Supervisory Board or Advisory Board mandates:
Member of the Supervisory Board of Elabs AG, Frankfurt am Main

Stefan Thies
Heinsberg
Degree in business and tax consulting
Member of the Supervisory Board of 3U HOLDING AG

The remuneration for 2012 amounted to TEUR 68 (previous year: TEUR 158). The members of the Supervisory Board received performance related remuneration in the amount of TEUR 90 for the year 2011 in accordance with Article 9 sec. 1c of 3U HOLDING AG's Articles of Association. The provision formed in 2011 was fully taken. There is no provision for performance based remuneration accrued for 2012.

Name	**Fixed remuneration in TEUR**		**Attendance-fee in TEUR**		**Performance related remuneration in TEUR**		**Total remuneration in TEUR**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
Ralf Thoenes (Chairman)	10	10	15	15	0	40	25	65
Gerd Simon	8	8	15	15	0	30	23	53
Stefan Thies	5	5	15	15	0	20	20	40
Sum	**23**	**23**	**45**	**45**	**0**	**90**	**68**	**158**

In addition, the Supervisory Board receives a reimbursement of their travel costs and other expenses. Mr. Thoenes received TEUR 0.1 (previous year: TEUR 0.7), Mr. Simon TEUR 1.1 (previous year: TEUR 1.6) and Mr. Thies TEUR 0.3 (prior year: TEUR 0.9) as reimbursements for expenses in fiscal year 2012.

Mr. Thoenes also received attendance fees and reimbursement of expenses for his supervisory activities at 3U ENERGY AG amounting to TEUR 9 (previous year: TEUR 21).

In the past financial year, the law firm Altenburger Rechtsanwälte – of which Ralf Thoenes, the Chairman of the Supervisory Board, is a partner – received a total of TEUR 13 for its consultancy services for the 3U Group (previous year: TEUR 20). This figure is broken down as follows: 3U TELECOM GmbH TEUR 13 (previous year: TEUR 12), 010017 Telecom GmbH TEUR 0 (previous year: TEUR 2), and 3U ENERGY AG (formerly 3U SOLAR Systemhandel AG) TEUR 0 (previous year: TEUR 6).

Details of the remuneration system for the Management Board and the Supervisory Board are presented in the remuneration report.

8.4 Events after the balance sheet date

Services

The segment Services expanded in early 2013 through the incorporation of a company in USA. weclapp Inc., based in Delaware, USA and a branch office in San Francisco should promote the development of the American market. The sales strategy for the USA provides for direct sales online via www.weclapp.com and indirect sales via sales and service partners.

Renewable Energies

EuroSun Vacuum Solar Systems GmbH assumed all remaining shares of Tianjin EuroSun Solar Energy Technology Co., Ltd. from the former joint venture partner Beijing Yongdong Brilliant Heat-pipe Solar Energy Technology Co., Ltd. on January 24, 2013. The company is thus 100 % owned by EuroSun Vacuum Solar Systems GmbH

On February 13, 2013, the Federal Ministers Rösler and Altmaier submitted a joint proposal to dampen the cost of the expansion of renewable energy. In it the Ministries of Environment and Economics agree that short-term changes in the EEG are required to attenuate the costs of the expansion of renewable energy. Among other things, the proposal provides no changes for PV systems, where the remuneration is reduced further after the existing monthly breathing cover. For on-shore wind turbines, which will be put into operation after August 1, 2013, the initial fee will be reduced to 8 cents/kWh. The measures will be implemented directly by a change to the EEG and comes into force August 1, 2013. In addition, the Ministers agreed that the EEG must be fundamentally reformed.

On February 18, 2013, the shareholders of 3U ENERGY AG agreed on a share purchase and transfer agreement. Content of the agreement is the purchase of 12,500 shares (equals 25 % of the shares of the Company) in addition to all subsidiary rights by 3U HOLDING AG for a purchase price totalling EUR 1.00. Thus the share of 3U HOLDING AG in 3U ENERGY AG increases to 99.998 %.

On February 28, 2013 a framework credit agreement to finance the PV project in Adelebsen was signed. The Group will accrue up to EUR 14.0 million from it.

Due to the competitive environment and the reluctance of customers to buy solar thermal systems, the Management Board of 3U HOLDING AG has decided to restructure staff in the Immowerker GmbH in the first quarter of 2013, which will lead to significantly reduced personnel costs in 2013.

3U HOLDING AG

The restructuring measures agreed on with the Supervisory Board led to significant staff reductions in the first quarter of 2013. In addition to the already agreed on measures of the year 2012 further measures were agreed on in the first quarter of 2013. While in the segment Services primarily the sales and marketing resources for Telephony and Renewable Energies have been reduced, in the segment Renewable Energies staff was reduced in services and consultancy, whereas the area "Heating, Cooling & Ventilation" was expanded.

On March 16, 2013 3U HOLDING AG published an ad hoc notification with the preliminary results for 2012, an updated outlook for fiscal year 2013 with the associated four-points targets achievement strategy and the decision on a share buyback program.

8.5 Auditor's Fees

The fees for the auditor BDO AG Wirtschaftsprüfungsgesellschaft in the financial year 2012 are:

Annual audit services	TEUR 514*	(previous year: TEUR 353)
Other assurance services	TEUR 19	(previous year: TEUR 96)
Tax consulting services	TEUR 8	(previous year: TEUR 10)
Other services	TEUR 167	(previous year: TEUR 43)
Total	TEUR 708	(previous year: TEUR 502)

*The fee includes additional auditing expenses for fiscal year 2011 in the amount of TEUR 133.

8.6 Declaration on the Corporate Governance Code in accordance with Article 161 AktG

Management Board and Supervisory Board of 3U HOLDING AG have submitted the declarations prescribed by Article 161 of the German Stock Corporation Act (AktG) and have made them permanently available to shareholders (www.3u.net).

8.7 Information in accordance with Article 160 (1) No. 8 AktG

In accordance with Article 21 sentence 1 WpHG, by way of a letter dated November 28, 2012, Michael Schmidt, Flachspfuhl 11, 35094 Lahntal, notified the Company that his voting rights of 3U HOLDING AG, Marburg, Germany, exceeded the threshold of 25 % of the voting rights on November 27, 2012 and amounted to 25.49 % (this corresponds to 8,999,995 voting rights) that day.

In accordance with Article 41 (2) sentence 1 WpHG, by way of a letter dated April 4, 2002, Roland Thieme, Alte Hute 2–4, 35094 Lahntal, notified the Company that he held a total of 7.68 % and therefore more than 5 % of the voting rights of 3U HOLDING AG (SCN 516790) as of April 1, 2002.

Additional information

The following companies owned by 3U HOLDING AG are making use of the exemptions permitted in Article 264 (3) HGB:

- 010017 Telecom GmbH, Marburg
- fon4U Telecom GmbH, Marburg
- 3U TELECOM GmbH, Marburg
- LineCall Telecom GmbH, Marburg
- Discount Telecom S&V GmbH, Marburg
- OneTel Telecommunication GmbH, Marburg

Date of approval of the financial statements for publication

The Management Board of 3U HOLDING AG approved the consolidated financial statements to be forwarded to the Supervisory Board on March 27, 2012. The Supervisory Board is responsible for examining the consolidated financial statements and for declaring that it approves the consolidated financial statements. After publication, the financial statements cannot be altered.

Marburg, March 27, 2013

The Management Board

Michael Schmidt

Christoph Hellrung

Andreas Odenbreit

Appendix to the Notes: Development of fixed assets 2012

3U Group (in TEUR)	Historical acquisition and production cost					
	As of Jan 1, 2012	Additions	Reclassi-fications	Disposals	Changes in the basis of consolidation	As of Dec 31, 2012
I. Intangible assets						
1. Purchased concessions, industrial property rights and similar rights and assets and licences to such rights and assets	3,840	296	0	0	0	4,136
2. Customer base	0	0	0	0	0	0
3. Goodwill	517	0	0	0	0	517
Total intangible assets	**4,357**	**296**	**0**	**0**	**0**	**4,653**
II. Property, plant and equipment						
1. Land and buildings including buildings on third party land	5,337	3,963	2,450	0	0	11,750
2. Technical equipment and machines	6,096	6,710	10,583	0	0	23,389
3. Other equipment, plant and office equipment	1,704	378	11	10	0	2,083
4. Constructions in progress	9,848	3,454	-13,044	0	0	258
Total property, plant and equipment	**22,985**	**14,505**	**0**	**10**	**0**	**37,480**
III. Investment Properties						
Held as investment properties	0	5,130	0	0	0	5,130
Total investment Properties	**0**	**5,130**	**0**	**0**	**0**	**5,130**
Total fixed assets	**27,342**	**19,931**	**0**	**10**	**0**	**47,263**

Accumulated depreciation						Carrying amounts	
As of Jan 1, 2012	Additions	Reclassi-fications	Disposals	Changes in the basis of consolidation	As of Dec 31, 2012	As of Dec 31, 2012	As of Dec 31, 2011
3,186	278	0	0	0	3,464	672	654
0	0	0	0	0	0	0	0
347	0	0	0	0	347	170	170
3,533	**278**	**0**	**0**	**0**	**3,811**	**842**	**824**
352	270	-10	0	0	612	11,137	4,985
5,288	490	5	0	0	5,783	17,607	808
1,176	243	5	-1	0	1,423	660	528
0	0	0	0	0	0	258	9,848
6,816	**1,003**	**0**	**-1**	**0**	**7,818**	**29,662**	**16,169**
0	21	0	0	0	21	5,109	0
0	**21**	**0**	**0**	**0**	**21**	**5,109**	**0**
10,349	**1,302**	**0**	**-1**	**0**	**11,650**	**35,613**	**16,993**

Appendix to the Notes: Development of fixed assets 2011

3U Group (in TEUR)	Historical acquisition and production cost					
	As of Jan 1, 2011	Additions	Reclassi-fications	Disposals	Changes in the basis of consolidation	As of Dec 31, 2011
I. Intangible assets						
1. Purchased concessions, industrial property rights and similar rights and assets and licences to such rights and assets	15,061	118	0	0	-11,339	3,840
2. Customer base	11,031	0	0	0	-11,031	0
3. Goodwill	344	3	0	0	170	517
Total intangible assets	**26,436**	**121**	**0**	**0**	**-22,200**	**4,357**
II. Property, plant and equipment						
1. Land and buildings including buildings on third party land	4,135	1,042	160	0	0	5,337
2. Technical equipment and machines	125,889	912	2	126	-120,581	6,096
3. Other equipment, plant and office equipment	3,630	130	0	13	-2,043	1,704
4. Constructions in progress	811	9,231	-162	0	-32	9,848
Total property, plant and equipment	**134,465**	**11,315**	**0**	**139**	**-122,656**	**22,985**
Total fixed assets	**160,901**	**11,436**	**0**	**139**	**-144,856**	**27,342**

Accumulated depreciation					Carrying amounts	
As of Jan 1, 2011	Additions	Disposals	Changes in the basis of consolidation	As of Dec 31, 2011	As of Dec 31, 2011	As of Dec 31, 2010
14,709	188	0	-11,711	3,186	654	352
10,084	299	0	-10,383	0	0	947
344	3	0	0	347	170	0
25,137	**490**	**0**	**-22,094**	**3,533**	**824**	**1,299**
197	155	0	0	352	4,985	3,938
108,056	2,122	53	-104,837	5,288	808	17,833
3,040	153	7	-2,010	1,176	528	590
0	0	0	0	0	9,848	811
111,293	**2,430**	**60**	**-106,847**	**6,816**	**16,169**	**23,172**
136,430	**2,920**	**60**	**-128,941**	**10,349**	**16,993**	**24,471**

Responsibility statement

Responsibility statement according to Article 37y WpHG i. V. m. Article 37w Abs. 2 Nr. 3 WpHG

We warrant that to the best of our knowledge that, in accordance with the accounting principles to be applied, the consolidated financial statements convey a true and accurate picture of the Group's net assets, financial position and results of operations and that the Group's business development including its results and its position including the major risks and opportunities inherent in its probable development are described truthfully and accurately in the Group Management Report.

Marburg, March 27, 2013

The Management Board

Michael Schmidt | Christoph Hellrung | Andreas Odenbreit

Auditor's report

We have audited the consolidated financial statements prepared by the 3U HOLDING AG, Marburg, comprising the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the financial year from 1. January 2012 to 31. December 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a(1) of the HGB and articles of association are the responsibility of the legal representatives of the parent company. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 of the HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the financial information of those components consolidated, the scope of the consolidation, the accounting and consolidation principles used and the significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a(1) of the HGB and articles of association and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Essen, March, 27 2013

BDO AG
Wirtschaftsprüfungsgesellschaft

Fritz Wirtschaftsprüfer	Theis Wirtschaftsprüfer

Further Information

Financial calendar

- **Publication of report on Q1 2013**
  May 15, 2013
- **Annual General Meeting**
  May 29, 2013
- **Publication of report on Q2 2013**
  August 15, 2013
- **Publication of report on Q3 2013**
  November 11, 2013

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Glossary

Cash flow
Key ratio for assessing the financial strength and earnings power of a company

The cash flow is calculated from the inflow and outflow of payments (cash or cash equivalents) from current operations (see cash flow statement).

Cash flow from financing activities
Includes inflows from borrowing or outflows from repayment of a loan, other liabilities to banks and interest liabilities from finance leases as well as outflows of funds for dividend payments and inflows/outflows arising from capital increases/decreases

Cash flow from investment activities
Outflows for the acquisition or inflows from the disposal of intangible assets, property, plant and equipment and investment assets, and of subsidiaries

Cash flow from operating activities
Change in liquid funds from the company's actual business operations (for example, the sale of products, the purchase of materials and of goods and services, and other moneys paid out in operations) and from other operations not classifiable as investment or financing activities

Cash flow statement
The cash flow statement is the cash-based component of accounting. It is a record of the values of cash flows within a financial year. To this end, inflows and outflows in the respective reporting period are offset, thus indicating the change in cash and cash equivalents.

Consolidation
Addition of sub-accounts to an overall account, e. g. of the single-entity balance sheets of individual companies in the Group to the consolidated balance sheet

Corporate governance
The German Corporate Governance Code represents important legal provisions for the management and monitoring of German companies listed on stock exchanges (corporate governance) and contains internationally and nationally recognised standards for good and responsible corporate management. The Code is intended to ensure that the German corporate governance system is transparent and enforceable. It is intended to build the confidence of international and national investors, customers, employees and the public in the management and monitoring of German companies listed and publicly traded on stock exchanges.

Declaration of conformity
Declaration by the Management Board and the Supervisory Board, in line with Article 161 of the German Stock Corporation Act, that the recommendations of the Government Commission of the German Corporate governance Code have been implemented.

Deferred tax assets
Future tax relief or tax burdens resulting when the recognition of asset and liability positions in the commercial and tax balance sheets diverge, but the difference is reversed over time (temporary differences). When deferred taxes are recognised, the effective tax expense resulting from the tax balance sheet is adjusted to the divergent net income according to commercial law. In addition, deferred taxes are recognised for future utilisation of tax loss carryforwards to the extent that there is a good likelihood of offsetting.

Earnings per share
This key ratio indicates the share of consolidated net income or loss generated that is attributable to one share. This key ratio is calculated by dividing the net result for the year (consolidated net income/loss) by the average weighted number of ordinary shares outstanding.

EBIT
Earnings before interest and taxes

EBITDA
Earnings before interest, taxes, depreciation and amortisation

EBT
Earnings before taxes

Equity ratio
The equity reported in the balance sheet divided by the total assets (the higher this key ratio is, the lower the level of debt)

Free Float
Shares which are publicly traded

Holding
The term "holding" (short for holding company or organisation) does not describe a legal form per se, but an organisational form of the parent company of affiliated companies established in practice.

IFRS
International Financial Reporting Standards

Market capitalisation
Term for the current market value of a company

It is calculated by multiplying the number of shares by the share price. Market capitalisation provides an indication of the price to be paid or realised for all shares of a company that are in circulation. However, it must be noted that large-scale acquisitions/disposals of shares can lead to an upwards or downwards trend in share prices.

Renewable Energies
Renewable energy is energy which comes from natural resources such as sunlight, wind, rain, tides, and geothermal heat, which are renewable (naturally replenished).

Risk management
Systematic method for identifying and assessing potential risks and for selecting and implementing measures to deal with risk

Risk management can be considered as the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimise, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

Scope of consolidation
Group of subsidiaries in a group which are included in the consolidated financial statements

SKW (SPP)
Solarkraftwerk
(Solar-Power plant)

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Disclaimer

The English translation of the German 3U annual report is provided for your convenience. Only the German version is audited by the auditor.

This annual report contains statements relating to the future which are subject to risks and uncertainties and which are assessments of the management of 3U HOLDING AG and reflect its current opinions with regard to future events. Such predictive statements can be recognised by the use of terms such as "expect", "assume", "estimate", "anticipate", "intend", "can", "plan", "project", "will" and similar expressions. Statements relating to the future are based on current and valid plans, estimates and expectations. Such statements are subject to risks and uncertainties, most of which are difficult to estimate and which are generally beyond the control of 3U HOLDING AG.

The following are — by no means exhaustive — examples of factors that may trigger or affect a deviation: the development of demand for our services, competitive factors — including price pressure —, technological changes, regulatory measures, risks in the integration of newly acquired companies. If any of these or other risks and uncertain factors occur, or if the assumptions on which the statements are based prove to be incorrect, the actual results of 3U HOLDING AG may differ materially from those outlined or implied in these statements. The company does not undertake to update predictive statements of this nature.

This annual report contains a range of figures which are not part of commercial regulations and the International Financial Reporting Standards (IFRS), such as EBT, EBIT, EBITDA and EBITDA adjusted for special influences, adjusted EBITDA margin, investments (capex). These figures are not intended to substitute the information for 3U HOLDING AG in accordance with the German Commercial Code (HGB) or IFRS. It should be noted that the figures for 3U HOLDING AG which are not part of commercial regulations and the IFRS, can only be compared to the corresponding figures of other companies to a certain extent.

3U Group

3U HOLDING AG

Telephony

010017 Telecom GmbH
Marburg, Germany

3U MOBILE GmbH
Marburg, Germany

3U TELECOM GmbH
Marburg, Germany

3U TELECOM GmbH
Vienna, Austria

ACARA Telecom GmbH
Marburg, Germany

Discount Telecom S&V GmbH
Marburg, Germany

Exacor GmbH
Marburg, Germany

fon4U Telecom GmbH
Marburg, Germany

LineCall Telecom GmbH
Marburg, Germany

OneTel Telecommunication GmbH
Marburg, Germany

Spider Telecom GmbH*
Marburg, Germany

Triast GmbH
Kreuzlingen, Switzerland

TriTelA GmbH
Vienna, Austria

Services

3U DYNAMICS GmbH
Marburg, Germany

myFairPartner Limited**
London, Great Britain

RISIMA Consulting GmbH
Marburg, Germany

weclapp GmbH
Marburg, Germany

Renewable Energies

3U Einkauf & Logistik GmbH
Montabaur, Germany

3U ENERGY AG
Marburg, Germany

3U SOLAR (PTY) Ltd.
Somerset West, South Africa

ClimaLevel Energiesysteme GmbH
Cologne, Germany

EEPB
Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH
Dransfeld, Germany

EuroSun
Vacuum-Solar-Systems GmbH
Marburg, Deutschland

Immowerker GmbH
Marburg, Germany

Sanhe EuroSolar Solar Energy Technology Ltd.*
Sanhe, China

Selfio GmbH
Linz am Rhein, Germany

Solarpark Adelebsen GmbH
Adelebsen, Germany

Tianjin EuroSun Solarenergy Technology Co. Ltd.*
Tianjin, China

Windpark DBF GmbH
Marburg, Germany

*"At equity" included investments
**Other investments

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