Annual Report 2013

3U HOLDING

Summary of Group results

3U Group (IFRS)		Year-on-year comparison January 1 – December 31 2013	2012
Sales	(in EUR million)	39.71	60.98
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	-3.08	-9.93
EBIT (earnings before interest and taxes)	(in EUR million)	-5.06	-11.23
EBT (earnings before tax)	(in EUR million)	-4.71	-10.81
Net income/loss for the period	(in EUR million)	-4.12	-9.38
Earnings per share total (undiluted)	(in EUR)	-0.12	-0.27
Earnings per share total (diluted)	(in EUR)	- 0.12	-0.27
Equity ratio	(in %)	80.13	82.41

3U Group (IFRS)		Quarterly comparison October 1 – December 31 2013	2012
Sales	(in EUR million)	11.07	8.91
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	-0.24	-3.19
EBIT (earnings before interest and taxes)	(in EUR million)	-0.75	-3.80
EBT (earnings before tax)	(in EUR million)	-0.69	-3.82
Net income/loss for the period	(in EUR million)	-0.53	-3.09
Earnings per share total (undiluted)	(in EUR)	-0.02	-0.09
Earnings per share total (diluted)	(in EUR)	-0.02	-0.09
Equity ratio	(in %)	80.13	82.41

Contents

Letter to our shareholders

Dear Shareholders,

In last year's annual report, we reported that a difficult year was behind us and we were expecting another year with many challenges. Today we can tell you that this happened and the prospects have improved considerably.

In mid-November 2012, we had a 4-points target achievement strategy 2013 put into effect, which included continuous organizational, operational and strategic actions to secure the turnaround. Today we can state that all major Group key figures (sales, EBITDA and earnings) have risen continuously over the course of the year. For this overall positive development a number of measures had to be implemented which led to painful cuts in some areas in the past year.

The cost reduction and margin enhancement program in the segment Telephony executed from the first quarter of 2013 led to a significant increase in profitability. Core component of this program was the market-driven medium-term restructuring of the telecommunication networks, which led to lower network costs. In addition, the margins in the segment Telephony in fiscal 2013 were increased with declining but across the segment scheduled sales.

The cost optimization and efficiency improvement program in the segment Renewable Energies led to a separation from loss-making activities, respectively massive staff reductions. In contrast, the business area of heating, cooling and ventilation performed very well. Both Selfio GmbH and ClimaLevel Energiesysteme GmbH were able to increase their sales significantly in 2013. This dynamic development continues unabated in the current year, so we expect growth of about 50 % in the segment Renewable Energies.

IT Security takes an increasingly important role in almost every company. Due to this increased demand for IT security services – not least because of the increased concern of business customers in the context of the NSA spying activities – we have significantly expanded the business consulting/IT Security in recent quarters in the segment Services.

The personnel actions of 2013 mainly affected development capacities in the IT development area, which were no longer required after the main product, the business apps of the weclapp suite, has largely been completed. Our cloud products are still part of a megatrend. Market experts attest good growth prospects for the respective 3U service offers such as cloud computing and Software as a Service (SaaS). The product portfolio of the Subsidiary weclapp consisting of project management, contract management, inventory management, CRM, Helpdesk, Mobile Device Management and Organizer, can be combined with each other perfectly. Since the end of the third quarter, demand for these software products has also grown significantly, so that we achieve an increasingly better market presence. Although it is foreseeable now that we can achieve our goals on our own, we are still open for the option to grow even faster with a strategic partner.

New business field: Offering Data Centre Services (DCS)

Even though an important focus of our efforts was to optimize the existing business areas in the past few quarters, the segments were continuously developed and new niches occupied. For example, the subsidiary 3U TELECOM GmbH took over a data centre with an area of approximately 1,000 m^2 in Berlin in July 2013, and a data centre with an area of 600 m^2 in Hanover in October 2013.

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

On March 4, 2014 we were able to announce that 3U HOLDING has decided to acquire a data centre including two commercial properties in Hanover. Overall, the object in Hanover comprises two buildings on a plot area of a total of 7,345 sqm. The total floor area of 3,067 sqm of the one building is used exclusively as a data centre. In the other building with 4,141 sqm of floor space, which is mainly used as an office and administration building, is also the rented data centre of 3U TELECOM GmbH.

Due to the redundant network of multiple data centres and intelligent backup solutions 3U offers customers more protection and greater reliability than in a stand-alone data centre. With the integration of the new data centre we build a cross-border infrastructure for IT services and data transfer and optimize them. With this acquisition, we are expanding our data centre portfolio to four locations (Berlin, Hanover, Frankfurt/Main and Marburg); a further expansion in the coming years is planned. 3U thus develops a new business field, which complements the traditional telecommunications business very well.

Planned expansion of the business area Renewable Energy Projects

The solar park Adelebsen achieves income from the feed-in tariff since August 2012. In addition, 3U HOLDING receives rental income from the rental of indoor and outdoor space. Although we are very satisfied with the development of this project, the realization of another solar park is unlikely in light of the current legal framework. The conditions are largely determined in this segment by the German Renewable Energy Sources Act (EEG). The grand coalition aims for a short-term reform, so that the new EEG creates a long-term basic regulatory framework which allows all parties planning dependability. According to the issues paper to reform the EEG introduced by the minister of economic and energy affairs Sigmar Gabriel in January 2014 mainly wind power projects in attractive locations continue to have a good reward profile. Therefore, 3U HOLDING has looked intensively into wind power projects and identified potential projects in recent quarters. Given the enormous economic importance of such a project for the Group, they are examined with due diligence. At what time such a project can be realized, cannot yet be predicted.

We know that we have put the patience of our shareholders to the test in the past. But we have achieved the turnaround in the past fiscal year and are confident that we can continue on this path. We have followed up our announcements with consequent actions and 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. Therefore we ask you once again for your trust and would be delighted if you continue to join us on our track.

Marburg, March 24, 2014

Management Board

Michael Schmidt   Christoph Hellrung   Andreas Odenbreit

Report of the Supervisory Board

Looking back once again on a difficult financial year 2013 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 2013. 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 2013 a total of eight board meetings (February 18, 2013, March 4, 2013 [conference call], March 27, 2013, July 19, 2013, August 1, 2013, November 8, 2013, November 15, 2013 [conference call]) and December 20, 2013 took place, in which the Supervisory Board 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

The Supervisory Board gave intensive consideration to the Company's strategic development and orientation in the last business year again. 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. Particularly intensively discussed with the Management Board were the restructuring measures, which involved a large number of Group companies.

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 within the Supervisory Board and the Management Board. In particular, the Supervisory Board received explanations from the Management Board regarding business developments that deviated from prepared budgets and defined targets.

One focus of the Supervisory Board's discussions on the strategic development of the Group concerned the adjustment measurements in 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, extension of IT consulting as well as sales and marketing activities were the focus of discussions in the business area Services. The Supervisory Board dealt intensively with the segment Telephony. The focus of discussions were pricing by Deutsche Telekom, regulatory decisions by the Federal Network Agency, opportunities and risks in the wholesale sector and the impact of changes to the Telecommunications Act.

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.

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 14, 2014, 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.

Elections to the Supervisory Board

Due to the unsatisfactory economic development of the 3U Group, the Supervisory Board was increasingly criticized by some shareholders. Against this background the Supervisory Board asked for a vote of confidence by the Annual General Meeting May 29, 2013. In order to make this possible, all members of the Supervisory Board – in accordance with § 7 paragraph 4 of the Statute to the Board – declared to the Management Board their resignation from their positions as members of the Supervisory Board in compliance with the month's notice taking effect from the end of June 29, 2013.

The resignation took place with the stated goal and the desire to receive a vote of confidence from the shareholders through the new election and based on this confidence to continue to contribute to the development of the 3U Group.

Accordingly, the present Supervisory Board consisting of 1) the lawyer Mr. Ralf Thoenes, a partner of the law firm Altenburger in Dusseldorf, 2) Dipl.-Wirtsch.-Ing. (Degree in industrial engineering) Gerd Simon, an independent business consultant, Bad Homburg, and 3) Dipl.-Kfm. (Degree in business management) Stefan Thies, Managing Partner of Thies & Thies Steuerberatungsgesellschaft mbH (Tax Consultants), Heinsberg ran for election at the AGM of May 29, 2013 election and was re-appointed.

Audit of the 2013 annual and consolidated financial statements

BDO AG Wirtschaftsprüfungsgesellschaft, Essen, was chosen as auditor by the Annual General Meeting on May 29, 2013 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 2013 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 24, 2014. 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, 2013; 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 24, 2014

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 2013 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 14, 2014. 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 following members of the Management Board and Supervisory Board held shares were in the Company as of December 31, 2013:

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 %

The members of the Management Board and Supervisory Board not listed held no shares in the Company as of December 31, 2013.

The 3U share

The 3U share at a glance

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, 2013	EUR 35,314,016.00
Registered share capital in shares at December 31, 2013	35,314,016
Share price at year end 2013*	EUR 0.41
Share price high in period from January 1 to December 31, 2013*	EUR 0.60 (January 14, 2013)
Share price low in period from January 1 to December 31, 2013*	EUR 0.36 (August 2, 2013)
Market capitalisation at December 31, 2013	EUR 14,478,746.56
Earnings per share (undiluted) at December 31, 2013	EUR -0.12

*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

2013, the stock markets developed very heterogeneously. While the stock markets of the advanced economies, notably the U. S., Japan and Germany, developed very well and even recording historic highs in the USA and Germany, emerging countries, especially in Southeast Asia and South America had to cope with big losses.

Decisive for the sharp rise in stock prices on the one hand is the low interest rate policy of the major central banks. In addition, the European financial and sovereign debt crisis has lost some of its explosiveness in the view of many market participants.

However, conflicts in the Arab countries (Syria and Egypt), South America (Argentina and Brazil) and most recently in Ukraine pose at any time the risk of burdening the world economy noticeably and contribute to the uncertainty of the players in the equity markets.

Positive economic indicators such as new orders, business confidence and consumer confidence have led to a positive mood at the German stock markets during the reporting period. Accordingly, the German stock market was able to realize significant gains in the period. The German stock index DAX ended the year 2013 at 9,552.16 points, representing an increase of approximately 25 %.

Development of the 3U share

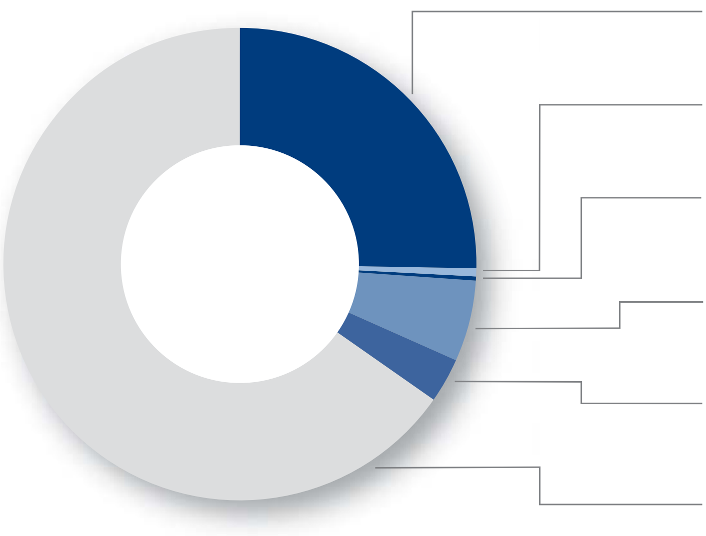
The shares of 3U HOLDING AG started the fiscal year 2013 with a quotation of EUR 0.51. After a slight increase to EUR 0.60 in the middle of January 3U shares rendered these gains subsequently and reached its low for the year in August. After a temporary recovery at the end of the third quarter, the share price again approached the lowest levels at the end of the reporting period with EUR 0.41, almost 20 % below the level from the beginning of the year. The Prime All Share Index started the business year 2013 at 2,852.87 points and closed at 3,654.30 points and was therefore able to gain around 28 %.

Share price

Share price performance of the 3U shares* from January 1, 2013 to December 31, 2013 vs. Prime All Share Index

*Daily closing price Xetra

Shareholder structure as at December 31, 2013



Michael Schmidt (Management Board)	25.49 %	8,999,995 shares
Andreas Odenbreit (Management Board)	0.06 %	20,500 shares
Gerd Simon (Supervisory Board)	0.03 %	10,000 shares
Roland Thieme (associated person)	5.58 %	1,971,232 shares
3U HOLDING AG (own shares)	1.71 %	604,720 shares
Remaining free float	67.13 %	23,707,569 shares

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 used 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 in 2013. 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 3U share remained almost unchanged compared to the previous year. The average daily number of traded 3U shares in Frankfurt amounted to 30,000 as in the year before.

The Management Board of 3U HOLDING AG has decided on the basis of the authorisation granted by the Annual General Meeting of May 31, 2012 to repurchase up to 10 % of its own shares (up to 3,531,401 shares) on the stock exchange during the period from May 1, 2013 until not later than May 30, 2017. During the time span of the share buyback programme, the Management Board reserves the right to suspend and resume the share buyback at any time, in accordance with the legal requirements to be observed. The shares may be used for all purposes according to the authorization given by the resolution of the Annual General Meeting of May 31, 2012.

In the scope of the share buyback programme started on May 2, 2013, 604,720 shares at an average price of EUR 0.45 were repurchased by December 31, 2013; corresponding to 1.71 % of the share capital of EUR 35,314,016.00. 3U HOLDING AG reports weekly on the progress of the share buy-back program on its website at http://www.3u.net/en/investorrelations/the-share/share-buyback.

Group Management Report

Fundamentals of the Group

Business model of the Group

3U HOLDING AG is currently active in the telephony, renewable energy and services sectors. Starting from our origins in the telecommunications industry, we are a listed management and holding company whose strategy is to be the comprehensive service provider for everything to do with building infrastructure.

In 1997, 3U was founded as 3U TELECOM GmbH as a network operator. A few years later, it was clear that the scope of the business should be expanded to secure the long-term success of the business. After extensive analysis and evaluation, it was decided to move into the service and renewable energy sectors through acquisitions and start-ups. Today, the 3U Group stands on the pillars of Telephony, Services and Renewable Energies.

What counts for 3U HOLDING AG is not overnight success, but long-term growth and a resulting increase in the value of the Company.

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 and the risk 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, EBITDA goals and budgeted cash flows for the following twelve months respectively. The planning for the two subsequent financial years is done based on the detailed planning of the first year plan. The assumptions for sales planning are analyzed on the respective levels of the Company; 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 organizational structure and the elements of the control system thus form an integral mechanism between strategic and front-line business levels.

Economic report

General economic and industry-specific conditions

Developments in the overall business environments

Economic conditions in Germany have improved during the year 2013 after the phase of weakness last winter. In a difficult international environment, the German economy has returned to a moderate growth path. The gross domestic product (GDP) rose by 0.4 % according to initial calculations by Statistisches Bundesamt (German Federal Statistical Office – DeStatis) over the previous year. The real growth in economic output in 2012 compared to the previous year had been 0.7 %,

However, many other European countries, as well as the eurozone as a whole, have presumably recorded a shrinking GDP in 2013 once again. The European Commission assumes in its autumn forecast 2013 that real GDP declined in the eurozone by 0.4 %. In this challenging European environment, the German economy showed a steady growth and has successfully withdrawn from the pull of the European economic crisis thanks to robust foreign and domestic demand. With the increase of GDP in 2013 Germany – as in previous years – is the economic powerhouse in Europe.

The economic performance was produced by an annual average of 41.8 million people employed in Germany in 2013. Those were 233,000 people or 1.0 % more than a year earlier. Thus, the total increase in employment in 2013 was only about half as high as in 2012, when the number of workers grew by 456,000 or 1.1 %. Nevertheless, the most recent annual result is still quite remarkable given the relatively moderate economic development. The number of employed persons reached a new record for the seventh year in a row in 2013. Again, employment growth is thus stronger than the decline in registered unemployment in 2013. Registered unemployment has decreased only slightly by 20,000 people. The unemployment rate continues to remain at a relatively low level of 6.8 %. The internationally comparable unemployment rate according to the narrower definition of the International Labour Organisation (ILO) was 4.9 % in 2013.

Development of the telecommunications market

In 2013 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 2013 yearly average consumer price index for telecommunications services was 1.6 % lower than in 2012.

Fixed-line telephone services/internet was 0.9 % cheaper in 2013 than in 2012. This decrease is particularly 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 2.4 % on average in 2013 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 2013, the telecommunications sector has shrunk for the eight year in a row. Sales of telecommunications services in Germany decreased by 1 % from EUR 60.2 billion in 2012 to EUR 59.6 billion in 2013. Sales generated in the mobile sector increased slightly by around EUR 0.3 billion to EUR 25.1 billion (+1.2 %), while the fixed-line networks area declined by around EUR 1.3 billion to EUR 29.7 billion. The cable operators have significantly increased their sales with an increase of EUR 0.4 billion, resp. 9.1 %.

The reason for the rise in the mobile sector, despite falling retail prices is the sharp rise in mobile networks' outgoing data traffic per user which increased by 15 % to 261 megabytes. The entire data transfer volume increased even by 21 %.

After the fixed-line networks competitors of Deutsche Telekom recorded the same amount of sales (EUR 15.5 billion each) for the first time in 2012, they continued to expand their market share in a declining fixed-line networks market in 2013. The alternative telecommunications providers recorded a slight decline of EUR 0.3 billion (–1.9 %) to EUR 15.2 billion in the fixed line area, while sales of Deutsche Telekom fell by EUR 1 billion (6.5 %) to EUR 14.5 billion in this area.

Deutsche Telekom saw a drop in the sales of telephone extensions by approximately 0.7 million in 2013, after a decrease of 0.9 million in the previous year. In a market shrinking by a total of 0.3 million, the competitors lose 0.2 million classical connections, but can grow by 0.6 million in connections with TV broadband cable and unbundled DSL (VoIP). This gives the competitors of Deutsche Telekom a market share of approximately 41.7 % (previous year: 40.8 %).

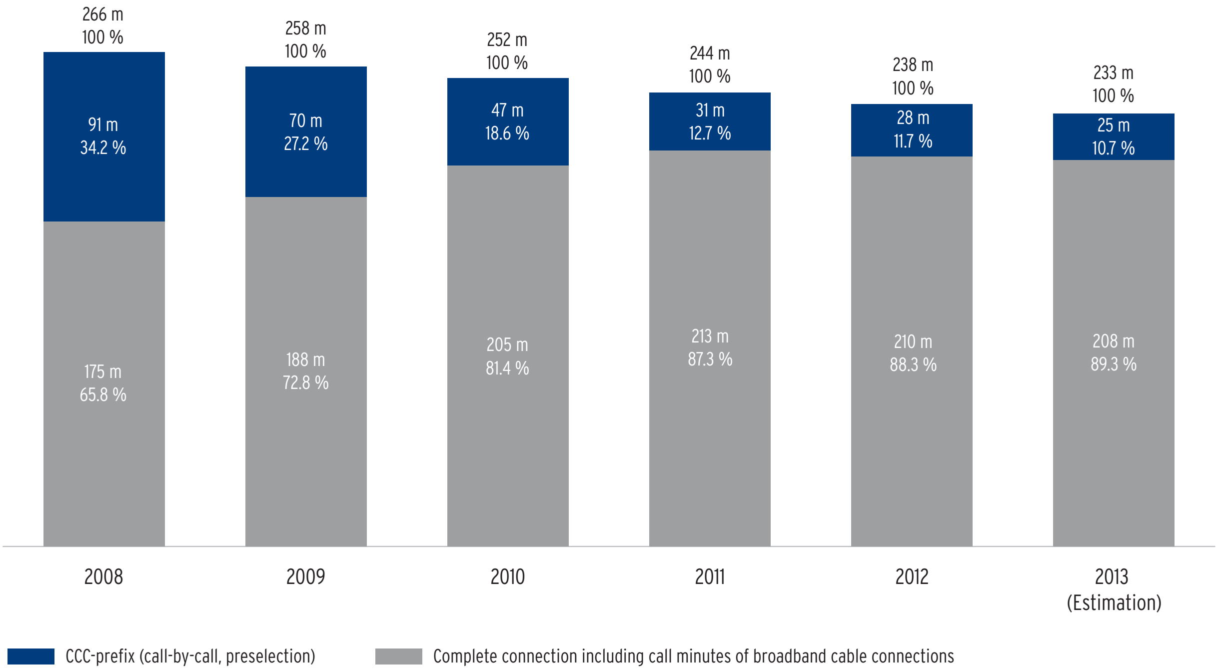
After years of declining or stagnating investment in tangible assets, the telecommunications companies increased in 2013 their network investments by EUR 0.4 billion. Despite the slight decline in total sales, especially the competitors invest in telecommunication assets. They contribute EUR 3.4 billion to the total of EUR 6.4 billion, and thus 53 % of the investment. Alternative providers have invested around EUR 58.4 billion since the market liberalisation began.

After the decline in the past years, VATM expects that in 2014 sales in the whole market will continue to shrink, however only a slight decline of 1 to 1.5 % is expected.

Development of the fixed-line telephony market in Germany

Customers of the competitors of Deutsche Telekom used their landlines an average of 233 million minutes daily in 2013. As in previous years, the proportion of call-by-call and preselection continued to decline. Nevertheless, preselection numbers are used for 25 million minutes every day after about 28 million minutes in 2012. The main reason for this decline is the lower number of Deutsche Telekom connections and the increasing number of customers who use a flat rate offer of Deutsche Telekom. With a decline by around 3 million call minutes a day, the decline has slowed over the last two years, but the market volume has shrunk dramatically in recent years. Compared to the year 2008, a decrease of approximately 73 % can be observed.

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)

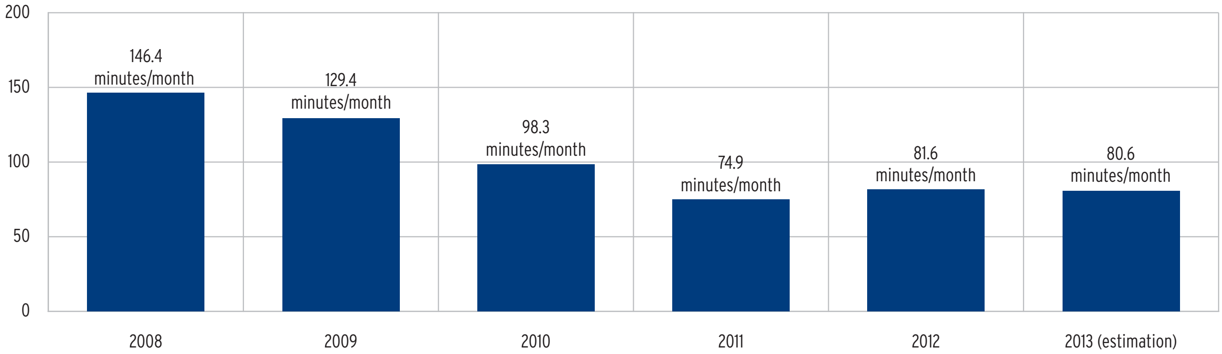


Source: DIALOG CONSULT-/VATM-analysis and forecasts

However, considering only the landlines of Deutsche Telekom without a flat rate, the voice volume generated by call-by-call or preselection has stabilized recognizable around 80 minutes per month and connection in recent years.

Voice minutes by network operator selection per telecom landline connection without unlimited calling

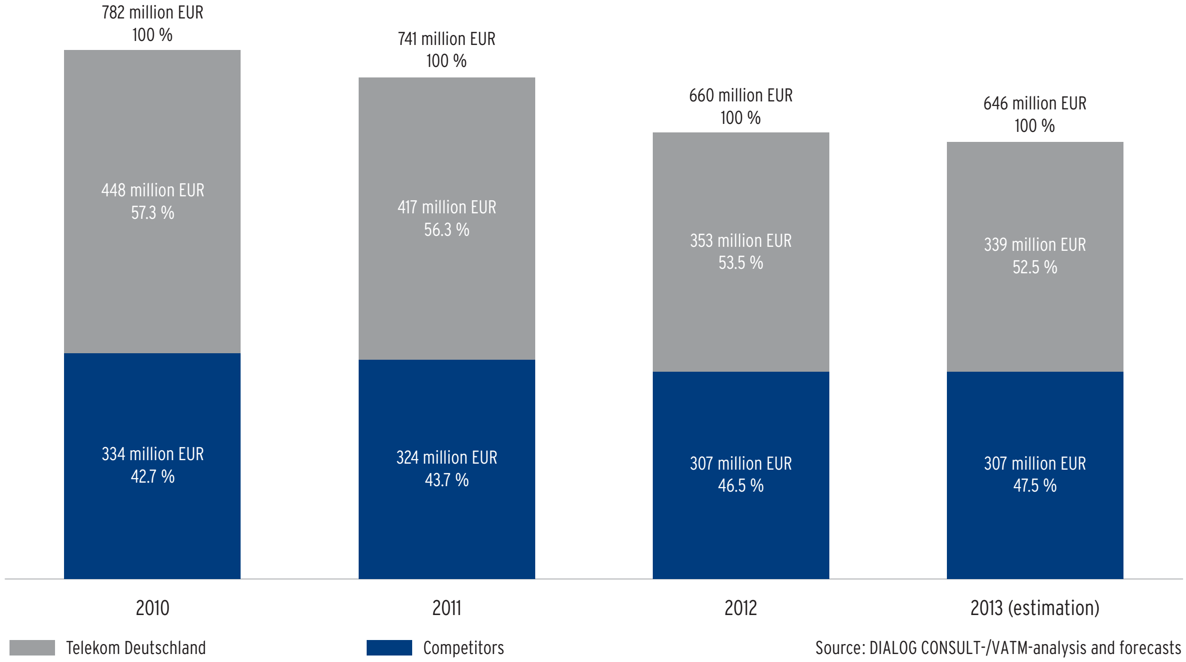
(Total market, including urban, suburban, long distance, international and mobile calls, in minutes per month)



Source: DIALOG CONSULT-/VATM-analysis and forecasts

Every day people make calls to information and value-added services of the telecommunications competitors that add up to 4.1 million minutes. The applicable new regulation to time on hold lead to a significant shift in the number ranges used since 2012. This trend significantly continued in 2013 as well. 0800 numbers and the 0180 numbers combined for 63.5 %. Geographical phone numbers now have a market share of 26.8 %. The other number ranges together make up only 9.7 % of call minutes. With 47.5 % of the total market of around EUR 646 million in information and value-added services all competitors combine for almost as much sales as Deutsche Telekom.

Sales with service numbers



Source: DIALOG CONSULT-/VATM-analysis and forecasts

These include geographical numbers, IN numbers* (0137, 0180, 0700, 0800 0900, 018 [2-9]) and inquiries numbers (118).
IN and inquiries numbers are always billed by the network provider and can not be used by call-by-call or preselection.
*IN = Intelligent Networks

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.

The consulting services include a wide range of products and services for a comprehensive and customized IT security management to increase IT security within companies. In addition, the identification and assessment of business risks and the associated legal obligations (risk management system) as well as the implementation of necessary and useful measures (compliance management system) and control of the measures carried out (internal control system) are offered.

Focus of the software development are business apps for the cloud and SaaS. The software is used as a web-based and therefore cost-effective solution over the Internet. Thus, customers always have mobile and secure access to their business data.

The capacities for the development of sales and marketing strategies and their implementation have been used exclusively for intra-group projects.

While there are projections at hand from renowned research facilities regarding the future development of the IT-market, it is already difficult to define the market in terms of business consulting and distribution and marketing strategies, which means that there is hardly any reliable current data on this market.

According to the latest available data from Bundesverband Deutscher Unternehmensberater BDU e. V. (Federal Association of German Management Consultants) 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 consultants remained optimistic and expected a sales increase of almost 7 %, as stated in the market study "Facts & Figures zum Beratermarkt 2012/2013".

According to BDU estimates almost 15,000 consulting companies with a total of 95,150 consultants and 17,100 other employees battle for customers in this billion-dollar market in Germany. Half a percent of consulting companies cover alone over 43 % of the market. On the other hand, 72 % of the nearly 15,000 companies each generate less than EUR 0.5 million in annual sales and together have only 13 % market share.

If the IT consulting is disregarded from this total, the German market for classic management consulting in strategy, organization, management, business administration, logistics and marketing amounted to a market volume of EUR 17.6 billion in 2012 (2011: EUR 16.0 billion). With a 10 % increase compared to 2011 this part of the market grew significantly more than the overall corporate consulting market.

IT security assumes an increasingly important role in almost every company. Both large corporations as well as small and medium-sized companies are exposed daily to attacks from the internet which can cause immense and costly damage. Above all, when placing an order or awarding contracts in an area where larger amounts of (personal) data is collected, IT security is a high or highest concern. Therefore, products and services as well as IT security licenses for a comprehensive IT security management meet a growing demand.

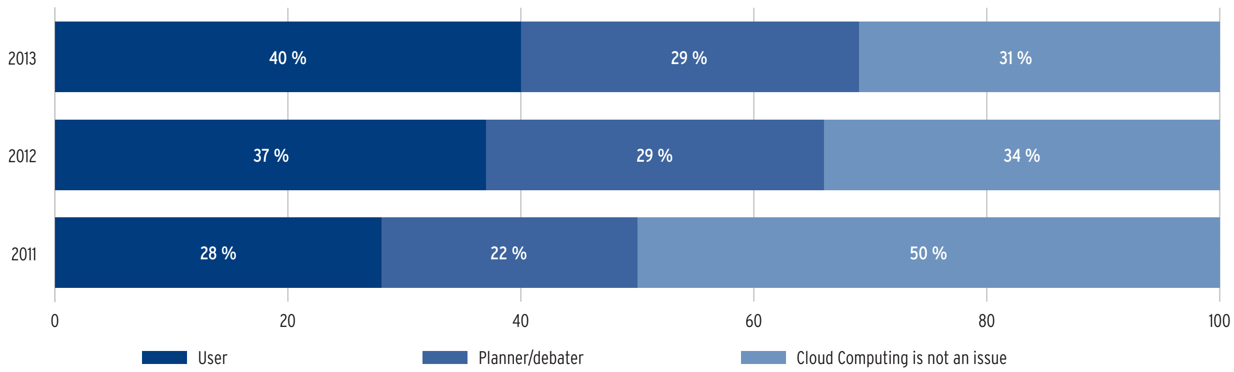
Nearly every company must take daily risks. Some risks have the potential to jeopardize the success of a company seriously. These include IT risks, risks due to non-compliance with legal requirements, personnel risks, market risks, etc. With the help of a suitable risk management system one can adequately respond to these risks and opportunities, however. Therefore, a durable high demand should also be expected in this area.

In the opinion of many experts cloud computing is one of the major IT trends, if not the most important one. However, cloud computing is not just a trend, but it is also a fundamental change in the provision and use of IT-related services. For private services from the cloud, such as email, data storage or online games have become commonplace. Companies win with cloud services, flexibility, speed, quality and efficiency. This change has been curbed by the NSA affair, but not stopped. This shows the most recent study of the Cloud Monitor, published by the inter-trade organisation BITKOM and the accounting firm KPMG in late January 2014.

Use of cloud computing in business rises

At the end of 2013 40 % of all companies in Germany used cloud computing. These are 3 percentage points more than the year before. In addition, there is a large group of prospects: 29 % of companies surveyed plan or discuss currently the use of cloud solutions. For 31 % however, cloud computing is not an issue.

Cloud computing usage over time



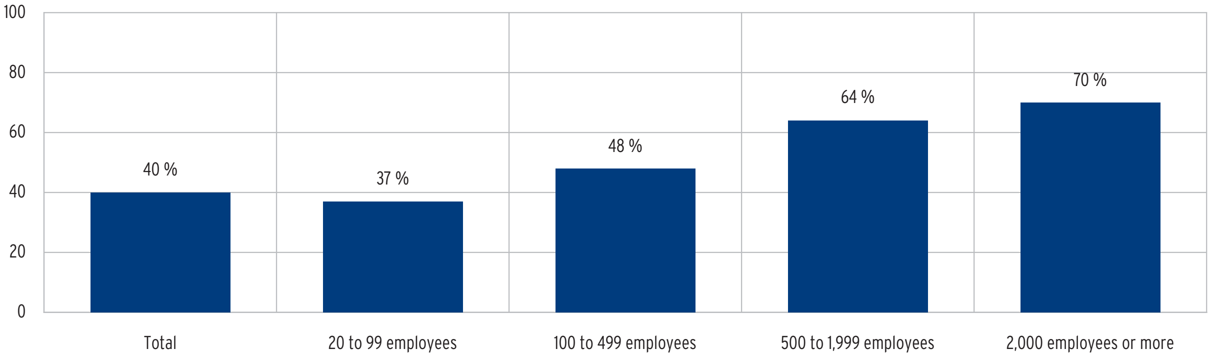
Base: Companies with more than 20 employees (2011: n = 411; 2012: n = 436; 2013: n = 403)

Source: Bitkom Research, KPMG

In large companies cloud solutions are standard

In large companies with more than 500 employees cloud computing is standard nowadays. Already about two-thirds of these companies use cloud solutions. For smaller companies with 20 to 99 employees, the proportion of cloud users is around 37 %.

Cloud Computing users in 2013 by company size



Base: Companies with more than 20 employees (n = 403) Source: Bitkom Research, KPMG

According to forecasts by Experton for BITKOM the market for cloud computing will grow strongly. Sales of cloud solutions for businesses should have increased in Germany by approx. 50 % 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.

Development of the future market of renewable energy

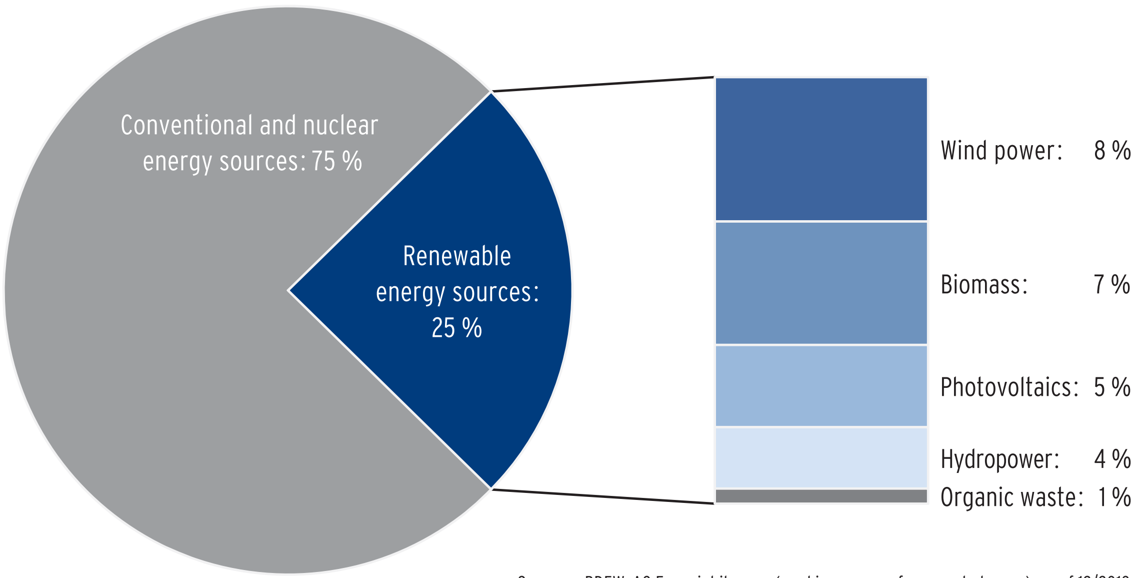
Securing a reliable economical and environment-friendly energy supply is one of the greatest challenges of the 21st century. Germany has taken a pioneering role and set especially ambitious targets for the prevention of greenhouse gases. It is the declared aim to achieve a share of at least 80 % renewable 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.

The share of renewable energy in electricity generation in Germany (2012: 22.8 %) increased to a record high of 23.4 % in the past year. While the generation of photovoltaic systems reached a new high with a growth of 7.3 %, the proportion of wind power declined due to weather conditions by 1.7 %. So wind power comes to a share in the power generation of 7.9 % (previous year: 8.1 %), biomass of 6.8 % (previous year: 6.3 %), PV of 4.5 % (previous year: 4.2 %), water of 3.4 % (previous year: 3.5 %) and municipal waste of 0.8 % (previous year: 0.8 %). This is confirmed by initial projections of BDEW Bundesverband der Energie- und Wasserwirtschaft e. V. (Federal Association of Energy and Water industry).

Contribution of renewable energies to cover the electricity consumption

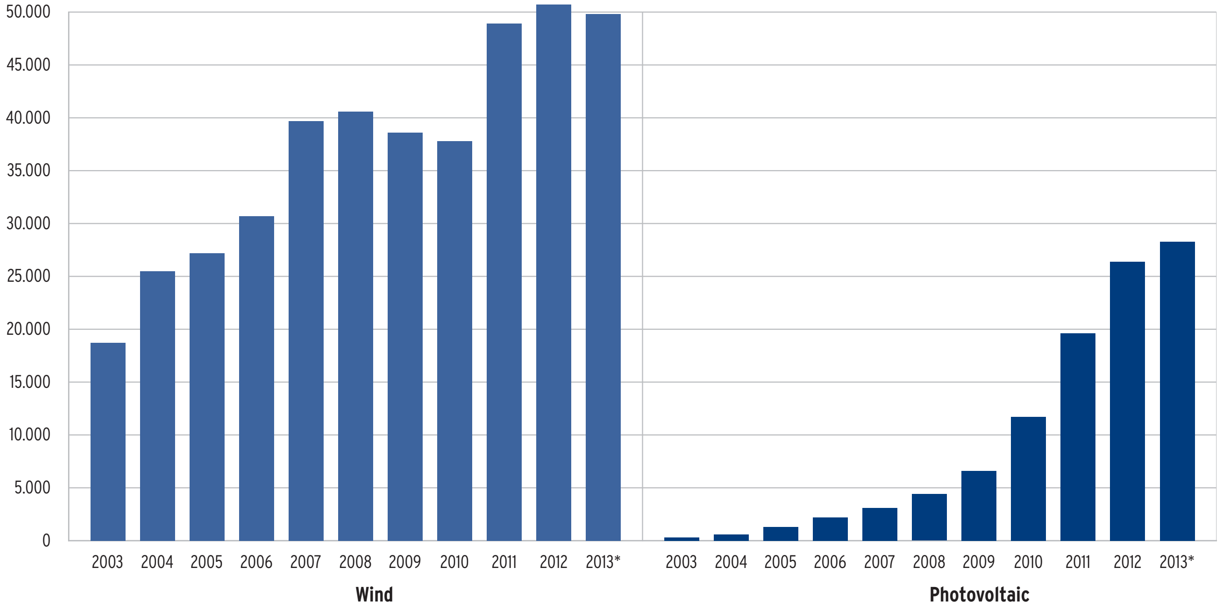
Gross national electricity consumption in Germany in 2013: 596 billion kWh*



Sources: BDEW, AG Energiebilanzen (working group of energy balances), as of 12/2013

*Preliminary, partly estimated

Development of electricity from wind and photovoltaics (in GWh)



Source: BDEW (as of: 12/2013) *preliminary, partly estimated

However, the industry is developing anything but homogeneous. Some international PV module manufacturers are looking back on a successful financial year 2013 and are confident in regard to further development. In Germany, however 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., led to the situation that German companies, which were world leaders just a few years ago are struggling for survival today or have already lost the battle.

The framework conditions for project companies which realize renewable energy projects are also extremely difficult.

In addition to the political will to increase the share of renewable energies, the associated costs are seen increasingly critical. Therefore, there is a fundamental need for reform of the Renewable Energy Sources Act (EEG) in particular in terms of cost development. The upcoming reform of the EEG is thus certainly one of the core tasks of the new federal government in 2014.

Development of the financial market

The inflation rate in the eurozone was at around 1.4 % p.a. on an annual average in 2013 and thus clearly below the targeted ECB benchmark of just under 2 % p.a. The lowest level was registered in October 2013 with 0.7 %. In particular, price declines in food and energy prices were responsible for this development.

The European Central Bank (ECB) cut its main refinancing rate twice last year to its current level of 0.25 %. At the end of the year the ECB said that unchanged or even lower interest rates were possible. While the money market interest rates remained at a low level throughout the year, the capital market interest rates rose significantly during the year 2013. For example the yield on ten-year German government bonds increased from its low at just over 1.1 % at the end of April to about 2.0 % at the end of August.

The established global equity markets recorded strong price gains in 2013. The low interest rate policy of the central banks supported the markets with ample liquidity throughout the year. In the U.S., the leading economic indicators improved rapidly and in Japan, the measures agreed upon by the government and central bank to weaken the yen helped especially the export industry. The end of the long recession and the advanced overcome of the sovereign debt crisis were the drivers behind the stock market recovery in Europe.

The Nikkei 225 index gained more than 50 % since the beginning of 2013, the U.S. indices partly over 30 % and the European indices between about 10 % (ATX) and well over 20 % (DAX). In contrast to previous years, however, the increases in corporate profits in 2013 could no longer keep up with those of share prices. Nevertheless, the dividend yields are often higher than the returns of safer bonds.

It was a good year for the corporate bond market in 2013. Corporate bonds once again posted high yields that were significantly above expectations. In the high-yield segment (bonds of issuers with poorer credit rating), the performance at the index level was around 7.3 %. Even in the investment grade segment investors generated 2.1 % income, which was higher than inflation.

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 the 3U Group. Overall, the willingness of banks to finance is further decreasing or associated with increased risk provisions. Still 3U plans 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 2013 at a glance

The decisions of the Federal Network Agency in late 2012 for tariff regulation have negatively impacted sales in the Telephony area in 2013. Also in the area of Renewable Energies, the negative impacts of policy decisions continued at the beginning of 2013. According to the original plans of 3U HOLDING from the beginning of the year 2012, the Solarpark Adelebsen should have been only the first in a series of major projects in the segment Renewable Energies that were supposed to be realized in 2012 and in subsequent years. To this end, several relevant projects have been identified and developed with both the intra-group planning capacities as well as together with an external partner network. The ongoing changes in the legal framework, especially the terms of feed-in tariffs which have particularly a direct influence on the profitability of projects, make proper and sustainable planning difficult.

As a consequence of these market developments, the Management Board implemented a Group-wide 4-points target achievement strategy 2013 in November 2012, which included continuous organizational, operational and strategic actions.

The 4-points target achievement strategy 2013 included 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 cost-cutting measures initiated or implemented starting in the fourth quarter of 2012 in all loss-making divisions led to a significant reduction in headcount in fiscal 2013.

In his March 2013 estimate the Management Board of 3U HOLDING AG expected 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.

For 2014, the Management Board anticipated 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 4-point target achievement strategy 2013 and the cost-cutting measures dominated fiscal year 2013. After the elimination of 25 jobs in the first half of 2013 measures to cut further 23 jobs were implemented within the Group in the third quarter. In addition, the conditions for the segments Telephony and Renewable Energies deteriorated in the reporting period. While the segment Telephony was negatively affected by decisions of the Federal Network Agency for tariff regulation, the ongoing changes in the legal framework, especially the terms of feed-in tariffs which have particularly a direct influence on the profitability of projects, make proper and sustainable planning Renewable Energies projects difficult. These extensive changes within the 3U Group and of the framework conditions made it necessary that the forecast given in March 2013 had to be updated in July 2013 and a further forecast adjustment came with the release of the 9-month figures of 2013. While in July primarily the earnings forecast had to be adjusted downward, it was mainly a sales revision in November. In this latest forecast the Management Board of 3U HOLDING AG expected for the fiscal year 2013 consolidated sales of between EUR 38 million to EUR 40 million and EBITDA of EUR –3.5 million to EUR –2.5 million. For 2014, the Management Board anticipated sales of between EUR 44 million and EUR 49 million, EBITDA between EUR –0.5 million and EUR 1.5 million and earnings of between EUR –3.5 million to EUR –1.5 million.

Telephony

Reconstruction of the telecommunications network

The cost reduction and margin enhancement program 2013 has led to a significant increase in profitability in the segment Telephony. Core component of this program was, inter alia, the reconstruction of the telecommunications network, which has led to declining network costs.

Expansion of the product and service portfolio around data centres

After the acquisition of a data centre in Berlin was published in July 2013, a further acquisition of a data centre in Hanover was announced in October 2013: The Subsidiary 3U TELECOM with its product and service portfolio 3U DCS (Data Centre Services) took over a data centre which is managed by own employees around the clock. With the redundant network of multiple data centres and intelligent backup solutions 3U DCS offers customers more protection and higher reliability than a standalone data centre. With the integration of the new data centre in Hanover, the cross border infrastructure for IT services and data transfer was expanded.

Besides the known possible uses of redundant data centres – such as backup and displacement of excess capacity – other scenarios can also be realized by the holistic approach, such as the use of two coupled TIER II data centres with which a total of 99.994 % availability is achieved.

At the same time we expand our chances in the field of IaaS (Infrastructure-as-a-Service) and PaaS (Platform-as-a-Service) services with this acquisition. The new data centre ensures, like all 3U data centres, highly available connectivity to all major telecom and IP networks from national and international carriers. Solutions in data centres, collocation, cloud computing, virtualization, network transmission services as well as building and infrastructure management are offered. Supplementary services in the field of telecommunications and fixed-line telephony round out the portfolio.

With this acquisition, we expand our data centre portfolio to four locations (Berlin, Hanover, Frankfurt/Main and Marburg); a further increase in the coming years is planned. 3U thus opens up a new business field that complements the traditional telecommunications business very well.

Services

Increasing interest for Business Apps leads to significant customer growth

In the segment Services, the Subsidiary weclapp, whose product portfolio currently includes Business Apps for ERP, CRM, project management, contract management, help desk, mobile device management and organizer, announced that in addition to German and English, the products are also available in French and Turkish. The peculiarity of the SaaS software is that one can alternate between languages at any time. After the number of customers had grown only moderately in the first three quarters, the acceptance of customers has increased greatly for weclapp cloud solutions since the fourth quarter of 2013, as evidenced by a high growth rate of customers. Nevertheless, the personnel actions carried out in all areas mainly affected the development capacities in the IT development area, which were no longer required after the main product, the business apps of the weclapp suite, had largely been completed.

RISIMA wins high-profile partners

In September 2013, RISIMA was able to conclude a framework agreement with TÜV SÜD. In the future RISIMA will receive orders by TÜV Süd, in which it will act as "external data protection officer", or will perform "privacy audits" or "IT penetration tests". In addition, RISIMA convinced one of the leading U.S. IT security companies with its consulting concept and highly skilled professionals to select RISIMA as a partner for Germany. To cope with the increasing customer requirements, the team of consultants has been significantly expanded during the reporting period.

3U DYNAMICS GmbH

The offer for the development of sales and marketing strategies to external customers was discontinued at the end of 2013, since the during the course of the year 2013 significantly reduced human resources were fully occupied serving the Group's internal demands for their services. At year's end the remaining employees of 3U DYNAMICS changed partly to the Subsidiaries for which they were active in the past as well as to 3U HOLDING.

Renewable Energies

Dynamic growth in the field of heating, cooling, ventilation

The online trade developed very dynamically. In addition to a steadily progressing expansion of the product portfolio the service area has been continuously expanded. Even the television was aware of it. The TV science magazine "Welt der Wunder" showed a report on the do-it-yourself installation of floor heating on n-tv and RTL II in October 2013. The laying of a floor heating Tacker-systems using the Selfio installation videos was tested. The result was clear: The laying of the floor heating system is feasible for self-builders without any problems and the video explains all the steps easily and understandably.

The demand for the ClimaLevel services has increased significantly during the year as well. A special thrust was given this by the news that the ClimaLevel Energiesysteme GmbH had contributed to the victory of the team Austria at the Solar Decathlon 2013. The aim of the international competition was to build a residential building as self-sufficient as possible for life in the future. The team from the Technical University of Vienna won in the overall standings with its design "Living Inspired by Sustainable Innovation" (LISI). During the planning and development team Austria was supported by ClimaLevel Energiesysteme, whose eponymous ClimaLevel® Multi Floor HCV for heating, cooling and ventilation was used in LISI.

Staff reduction in the Subsidiaries Immowerker, EuroSun and 3U ENERGY

There was some downsizing in some Subsidiaries from the area Renewable Energies, especially in the Subsidiaries Immowerker GmbH, EuroSun Vacuum-Solar-Systems GmbH and 3U ENERGY AG. In addition, the EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH did not develop as planned. Immowerker could not prevail with its offer to acquire crafts, installations and repairs in the area of heating and plumbing as well as in the maintenance of solar, heating and ventilation systems and reduced its business activities significantly at the end of 2013. 3U ENERGY and EuroSun had to adjust its human resources to the sluggish demand in the past fiscal year as well. This also meant that the Chinese subsidiaries of EuroSun, the Tianjin EuroSun Solarenergy Technology Co., Ltd. and the Sanhe Euro Solar Energy Technology Ltd., restricted or even halted production during the past fiscal year and a complete cessation of these production facilities is being considered. The main focus of 3U ENERGY will be in the project business in the future.

Others

Share buyback program

The Management Board of 3U HOLDING AG has decided on the basis of the authorisation granted by the annual general meeting of May 31, 2012 to repurchase up to 10 % of its own shares (up to 3,531,401 shares) on the stock exchange during the period from May 1, 2013 until not later than May 30, 2017. During the time span of the share buyback program, the Management Board reserves the right to suspend and resume the share buyback at any time, in accordance with the legal requirements to be observed. The shares may be used for all purposes according to the authorization given by the resolution of the Annual General Meeting of May 31, 2012. 604,720 shares, equivalent to 1.71 % of the share capital of EUR 35,314,016.00 were repurchased by December 31, 2013.

Repayment of loan amount

On July 10, 2013 euNetworks Managed Services GmbH (formerly LambdaNet Communications Deutschland GmbH) announced that it intends to fully repay the existing loan to 3U HOLDING AG. The loan amount of EUR 4.68 million was credited to our account on July 16, 2013.

Financials

Earnings

Group sales declined significantly from EUR 60.98 million by EUR 21.27 million to EUR 39.71 million compared to the previous year. In particular the sales shortfall in the segment Telephony is responsible for this. In this segment, sales declined by EUR 22.12 million compared to the previous year (previous year: EUR 47.65 million), while in the segment Renewable Energies sales compared to the previous year were expanded by EUR 1.57 million. Despite the decline in the segment Telephony, earnings could be improved, especially since only the low-margin sales in the wholesale/value-added services have declined significantly.

Comparing the quarterly performance during the 2013 financial year, consolidated sales rose continuously from quarter to quarter. Starting from the low point in the first quarter of 2013 with EUR 8.54 million, the Group achieved sales in the amount of EUR 11.07 million in the fourth quarter of 2013.

The earnings situation of the fiscal year 2013 is substantially influenced by the higher gross profit compared to the corresponding period 2012. Both the relative and the absolute margins were significantly increased compared to the previous year. Gross profit improved year-on-year by EUR 2.18 million from EUR 11.76 million to EUR 13.94 million. Gross profit amounts to 35.09 % of sales compared to 19.28 % last year.

Personnel expenses and other operating expenses amounted to EUR 17.02 million and were well below the level of the previous year (previous year: EUR 21.69 million). The cost savings from the 4-points target achievement strategy 2013, introduced in the middle of November 2012, fully engaged in the course of 2013. Part of this target achievement strategy was also a significant reduction in staff in many areas of the 3U Group. The average number of employees has decreased over the previous year by 31 employees. Even more pronounced is the comparison at the balance sheet date with a decrease of 61 employees compared to December 31, 2012. Due to this staff reduction, personnel expenses decreased by EUR 1.80 million from EUR 12.47 million in the previous year to EUR 10.67 million in 2013.

EBITDA has increased significantly compared to the previous year. While in the previous year a negative EBITDA of EUR –9.33 million had to be accepted, EBITDA in fiscal 2013 amounted to EUR –3.08 million. Whereas the restructuring expenses of EUR 0.76 million had a negative impact on EBITDA in fiscal 2012, the 4-points target achievement strategy 2013 positively affected the 2013 financial year. Especially the quarterly comparison shows the continuous improvement of the EBITDA. While a clearly negative EBITDA had been reported in the first quarter with EUR –1.61 million, the EBITDA in the fourth quarter is only slightly negative with EUR –0.24 million.

The financial result deteriorated from EUR 0.42 million in the previous year by EUR 0.07 million to EUR0.35 million in fiscal year 2013. This is primarily due to lower interest income due to the early payback of a loan given to the former subsidiary euNetworks Managed Services GmbH (formerly LambdaNet Communications Deutschland GmbH). The share of earnings from the "at equity" companies included improved compared to the previous year by EUR 0.25 million to EUR 0.35 million.

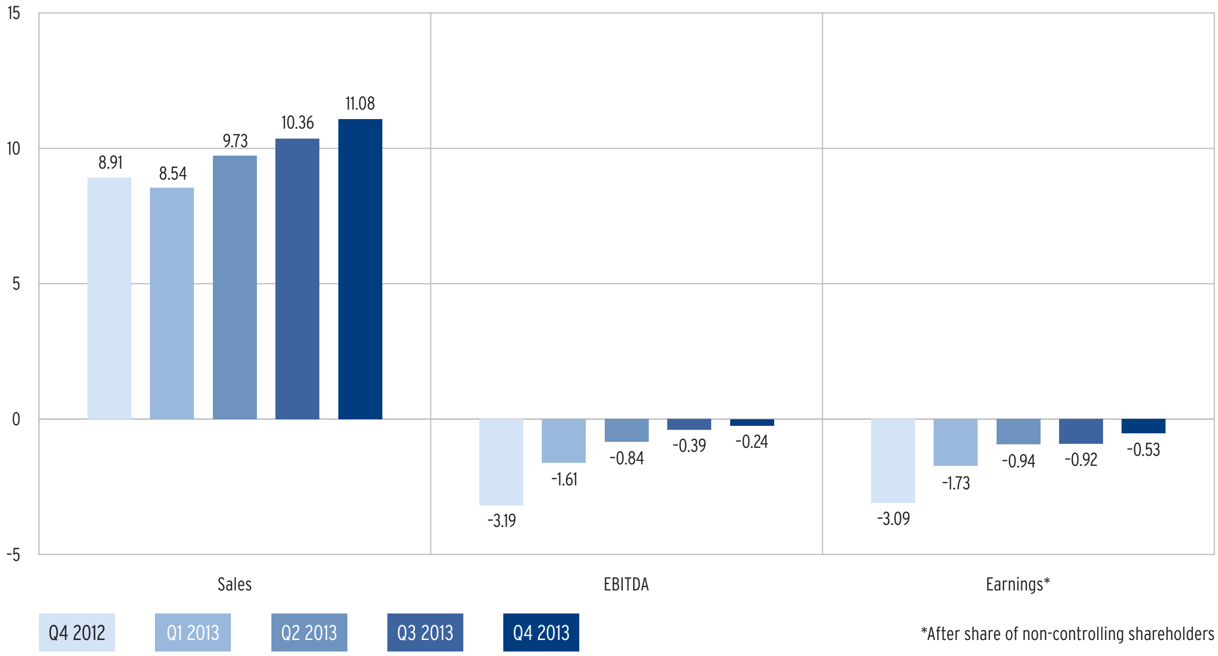
The tax charge in the amount of EUR 0.16 million (previous year: income tax refund of EUR –0.18 million) relates to current taxes on income in the amount of EUR 0.13 million (previous year: EUR 0.09 million) and with EUR 0.03 million (previous year: EUR –0.27 million) deferred taxes.

As a consequence, the Group's earnings in 2012 with EUR −4.12 million are EUR 5.26 million higher than the Group's earnings for the business year 2012 (EUR −9.38 million). Thus, the loss of fiscal year 2012 was more than halved in 2013. Group earnings as well show a continuous improvement from quarter to quarter.

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

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

Segment Telephony

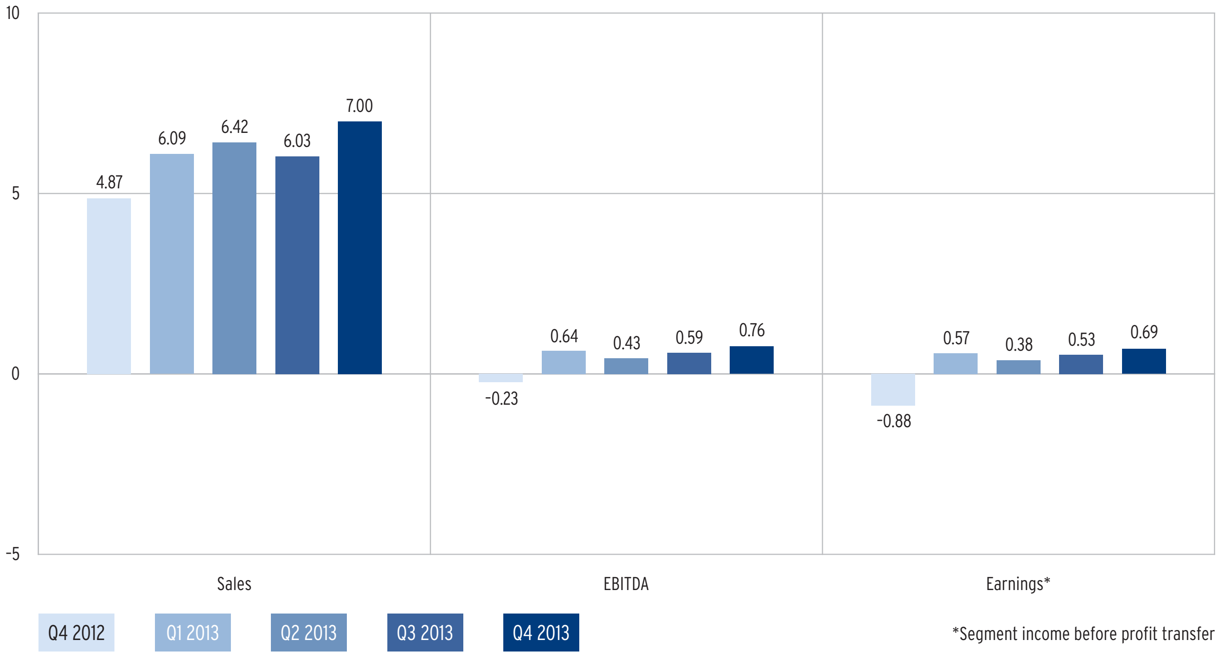
The intensive competition in Telephony continues. The Amendment to the Telecommunications Act has on the one hand contributed to further margin declines in segment Telephony, but on the other hand also opened up new opportunities for 3U. Despite the decline in sales, earnings increased significantly from the previous year. The profound restructuring of the network structure has contributed to a significant extent to this end. The strongest sales decline resulted from the low-margin wholesale business. By increasing the absolute margins in the other areas the decline in sales was a totally compensated, so that the gross profit improved significantly over the previous year.

Sales in the segment declined during the reporting period compared to the previous year from EUR 47.65 million by EUR 22.11 million to EUR 25.54 million. The sales declined in the wholesale/value-added services by around 55.7 %, while the other sales declined by only about 22.1 %. The business field Data centre services, which were started in 2013 contributed only slightly to sales in 2013.

The cost of materials ratio improved over the previous year due to lower-margin wholesale sales from 88.86 % in 2012 to 75.97 % in the reporting year. Taking other operating expenses/income and the increase in personnel expenses in the amount of EUR 0.2 million into account, an increase in EBITDA from EUR 0.04 million in 2012 by EUR 2.38 million to EUR 2.42 million is reported in fiscal year 2013.

Depreciation, amortization and the financial result in the segment Telephony have changed only slightly over the previous year, so that the positive development of EBITDA, only burdened by higher tax expenses (EUR 0.08 million; previous year: tax income of EUR 0.18 million) is essentially reflected in earnings. Earnings before profit transfer improved from EUR 0.04 million in the previous year by EUR 2.13 million to EUR 2.17 million in the reporting year.

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



*Segment income before profit transfer

Segment Services

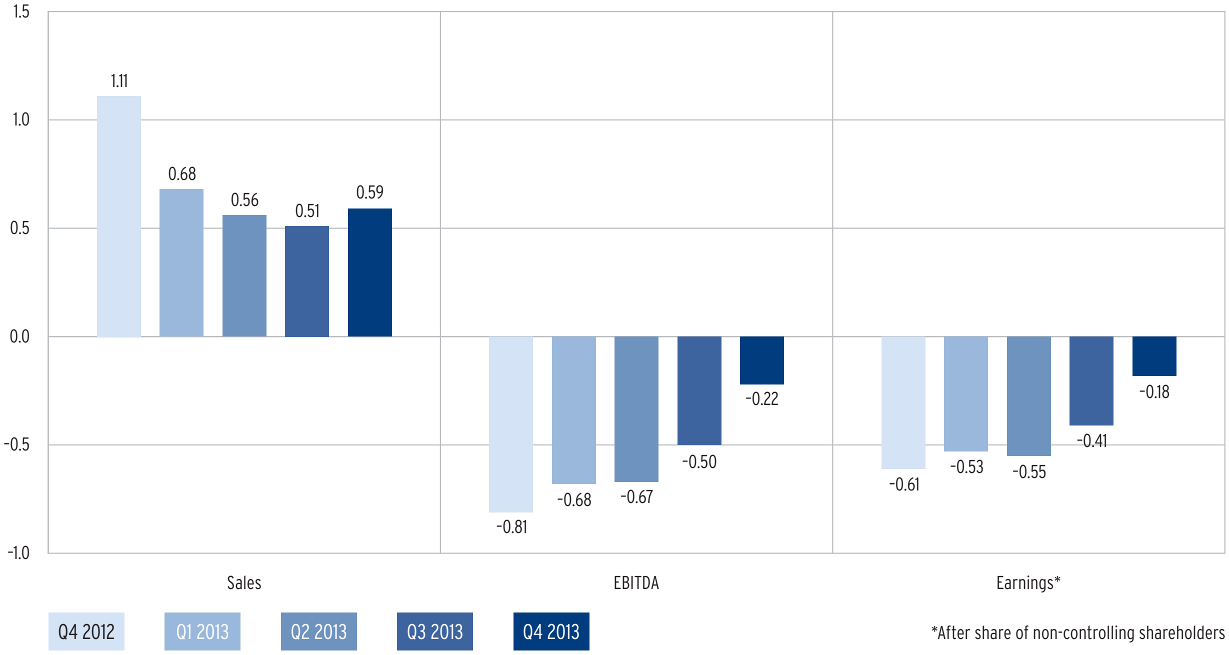
The segment Services is comprised of IT consulting and development, business consulting and the distribution and marketing resources, which are utilized Group-wide for several Group Companies. The topics of cloud computing and trade in IT security licenses were mainly driven forward in the 2013 financial year. Gross profit decreased by EUR 2.11 million to EUR 2.66 million over the previous year. In particular the significantly lower intragroup sales contributed to this end. Sales reported in this segment for the year 2013 amount to EUR 2.34 million (previous year: EUR 4.68 million). About 80 % of these sales were generated within the Group.

The workforce reduction over the previous year in particular in the area of internal Group services as well as in the field of IT development led to a decrease in personnel expenses from EUR 5.13 million in 2012 by EUR 1.79 million to EUR 3.34 million in the reporting year. Other operating expenses decreased slightly by EUR 0.10 million over the prior year. These also include expenses for external development and marketing resources.

EBITDA was at EUR –2.07 million (previous year: EUR –1.85 million). In particular, lower internal Group Services and the associated lower income have contributed to this end. This could not be fully compensated by the lower personnel expenses due to the carried out personnel actions. Earnings were negative with EUR –1.67 million (previous year: EUR –1.50 million). In addition to the effects described above it has to be considered that the non-capitalized development costs in the IT sector in the amount of EUR 0.84 million (previous year: EUR 1.22 million), which were necessary in order to promote the further product development, burdened earnings.

However, the quarterly trend shows a continuous improvement in EBITDA and earnings. In the fourth quarter of fiscal 2013, the net loss amounted to only EUR 0.18 million, while earnings in the first quarter of 2013 still amounted to EUR –0.53 million.

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



Segment Renewable Energies

The segment Renewable Energies is a well diversified area. 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.

In the segment Renewable Energies, sales increased from EUR 12.88 million to EUR 14.45 million. This increase in sales of EUR 1.57 million is a result of EUR 3.85 million sales increases in the area of heating, cooling, ventilation, while the areas of solar thermal and photovoltaic decreased by EUR 2.55 million. Market uncertainty in connection with the further development of the EEG has contributed to the decline in sales in these areas. The proportion of the area heating, cooling and ventilation approximately reached 75.2 % of sales (previous year: 54.5 %) in 2013.

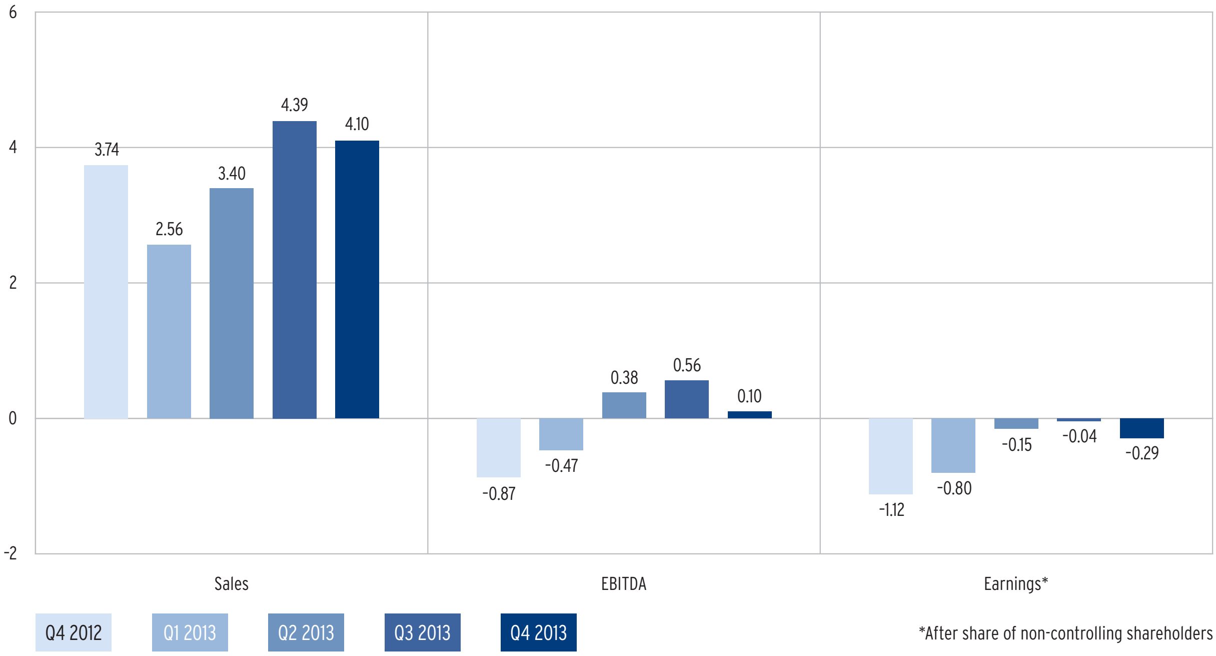
Gross profit in the segment Renewable Energies amounted to EUR 5.93 million; EUR 2.94 more than in the previous year. Solarpark Adelebsen contributed EUR 1.70 million (previous year: EUR 0.29 million) to gross profit. It should be noted that around 78 % of the gross income from the solar park depending on the sun exposure is incurred in the second and third quarter.

The reduction of employees – primarily in not so promising areas of the segment Renewable Energies – was almost completely offset by the build-up of employees in promising areas. Accordingly, personnel expenses decreased only slightly from EUR 2.95 million to EUR 2.62 million. Other operating expenses are with EUR 2.74 million (previous year: EUR 2.80 million) virtually unchanged. EBITDA for fiscal 2013 improved from a negative EBITDA in the previous year in the amount of EUR –2.76 million to EUR 0.57 million.

Higher depreciation on fixed assets and a higher negative financial result (an increase of EUR 0.65 million compared to the previous year) – both primarily due to the depreciation and the financial needs of the solar park Adelebsen – have contributed to the segment Renewable Energies' earnings being still negative with EUR –1.28 million (previous year: EUR –2.94 million).

In addition, tax expenses in the segment Renewable Energies amounting to EUR 0.15 million in fiscal year 2013, while a tax refund due to the recognition of deferred tax assets of EUR 0.03 million was reported in the previous year, affected earnings.

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



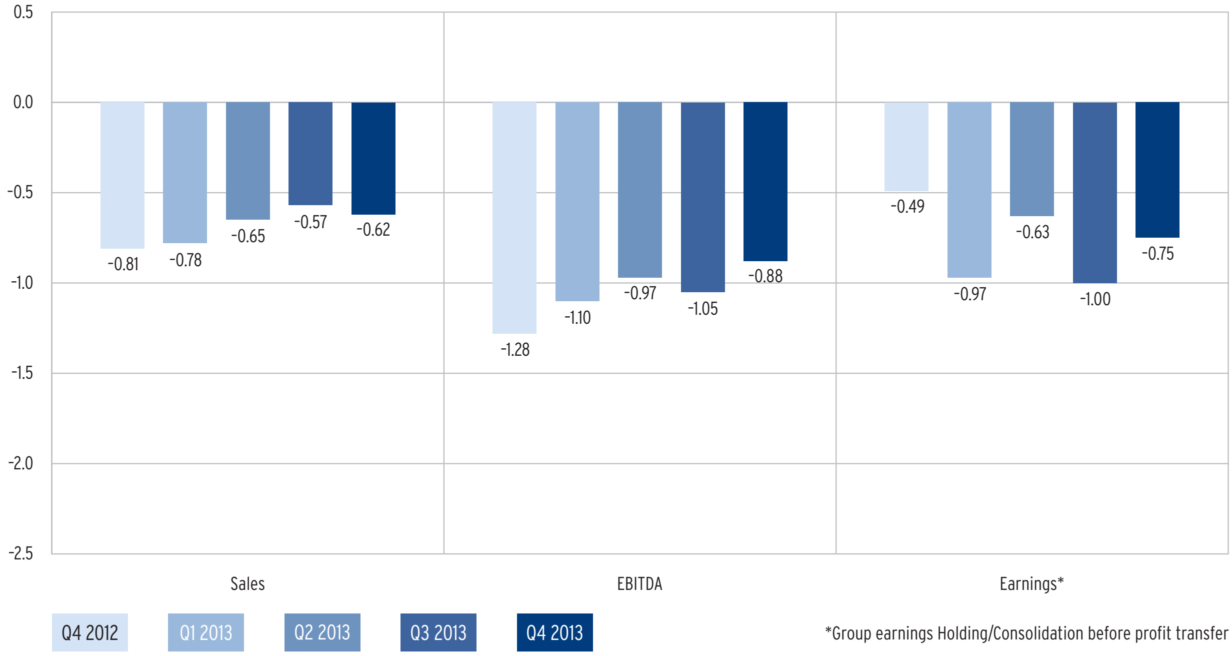
Holding/Consolidation
Holding activities together with the necessary Group consolidations are pooled in Holding/Consolidation.

Holding/Consolidation reported sales of EUR -2.62million (previous year: EUR –4.23 million) in the reported period. These comprise of the sales of the Holding in the amount of EUR 0.96 million (previous year: EUR 0.43 million) and the sales consolidations in the amount of EUR –3.58 million (previous year: EUR –4.66 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 –4.01 million (previous year: EUR –5.36 million) and is substantially shaped by staff costs in the amount of EUR 3.13 million (previous year: EUR 3.02 million) and other operating income/expenses in the amount of EUR 1.69 million (previous year: EUR 1.66 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 consulting costs with EUR 0.58 million (previous year: EUR 0.90 million) and the inter-company billing of services with EUR 1.18 million (previous year: EUR 0.92 million).

Starting from EBITDA higher depreciation and lower financial earnings have contributed to negative earnings of EUR –3.35 Mio. (previous year: EUR –5.00 Mio.).

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



*Group earnings Holding/Consolidation before profit transfer

Financial position

Capital structure

In fiscal 2013, the Group has invested a total of EUR 1.54 million (previous year: EUR 20.14 million) in long-term assets. The investments were mainly investments in the data centres and the reconstruction of the telecommunications network as well as investments in land and buildings at the Holding company.

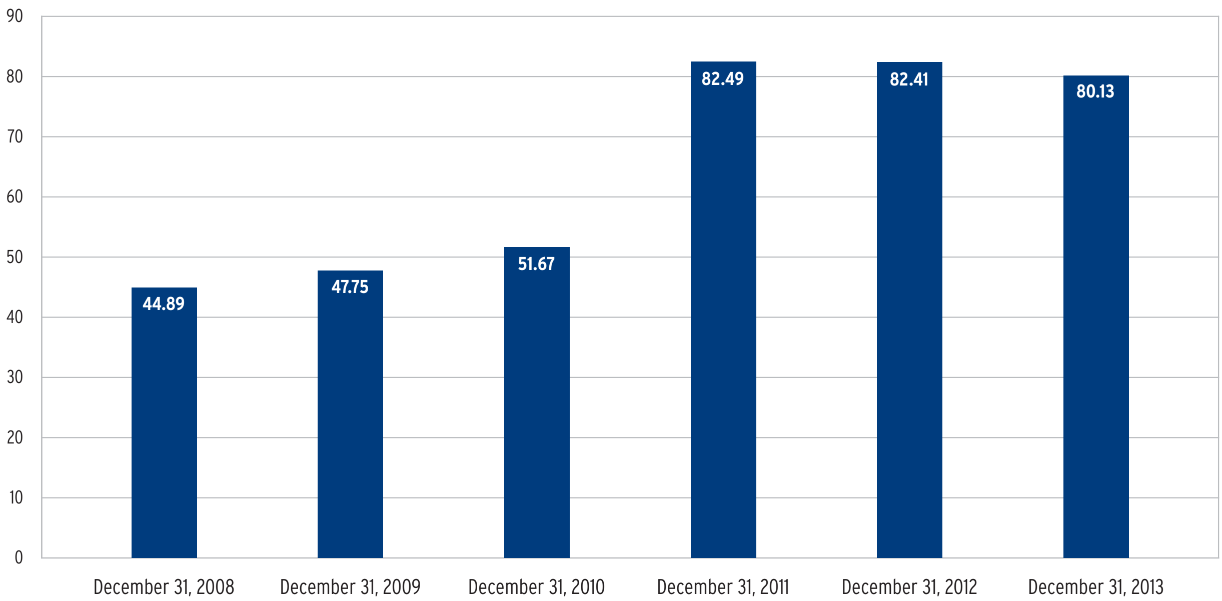
3U HOLDING AG invests its financial portfolio exclusively in call accounts and short-term time deposits at the Baden-Württembergische Bank, at Sparkasse Marburg-Biedenkopf, at Volksbank Mittelhessen and at Deutsche Bank AG.

Compared to December 31, 2012 cash and cash equivalents increased by EUR 1.27 million from EUR 6.75 million to EUR 8.02 million at December 31, 2013. In particular the full repayment of the loan by euNetworks Managed Services GmbH (formerly LambdaNet Communications Deutschland GmbH) had a positive impact.

3U HOLDING AG continues to post a very solid equity ratio. Due to the decline in total assets, the equity ratio of 80.13 % is only slightly less than in the previous year (82.49 %) despite the lower equity. The debt portion is only 19.87 % compared with 17.59 % last year.

Besides the loss of the fiscal year 2013 in the amount of EUR –4.87 million (including the loss attributable to the non-controlling shareholders) the acquisition of own shares under the share repurchase program in the amount of EUR 0.27 million contributed to the reduction in equity. An offsetting effect had the increase in capital reserves by EUR 0.11 million under the stock option program 2011.

Development in the equity ratio (in %)



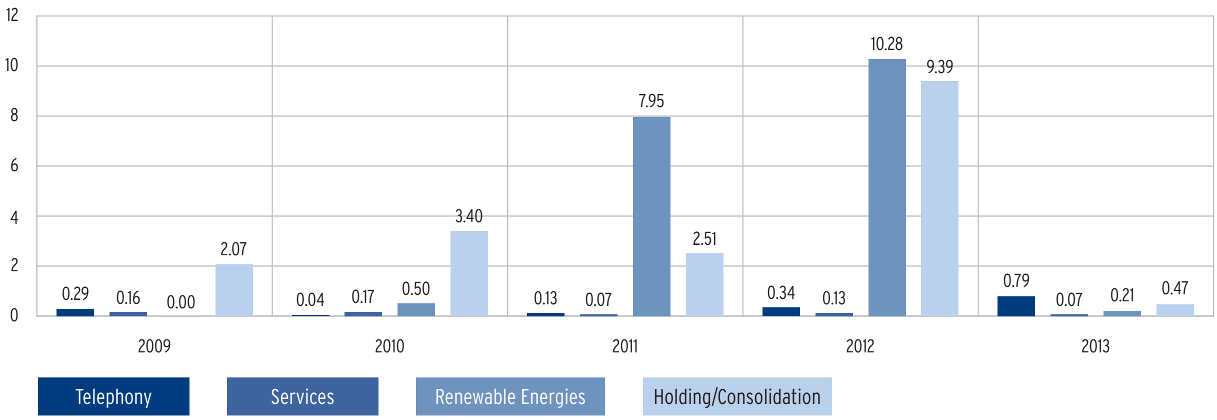
Investments

In fiscal 2013, the Group has invested a total of EUR 1.54 million (previous year: EUR 20.14 million) in long-term assets.

EUR 0.794 million were invested in the segment Telephony (previous year: EUR 0.34 million). The investments in the segments Services and Renewable Energies add up to EUR 0.07 million resp. EUR 0.21 million after EUR 0.13 million resp. EUR 10.28 million in the responding time period of 2012. The investments in the tangible assets of the Holding of EUR 0.47 million in the reporting period 2013 (previous year: EUR 9.39 million) were mainly made in properties and buildings.

Investments of roughly EUR 9.65 million in the existing business segments are planned for the financial year 2014. Of these, EUR 1.04 million will be invested in the segment Telephony, EUR 0.01 million in the segment Services, EUR 0.08 million in the segment Renewable Energies and EUR 8.25 million in the Holding company.

Development of investments in EUR million



Liquidity

Operating cash flow in the year was EUR -3.61 million (previous year: EUR -9.69 million). The main reason for this is the negative earnings for the period. Cash flow from investing activities is shaped by contributions from the repayment of the loan by euNetworks Managed Services GmbH (formerly LambdaNet Communications Deutschland GmbH) and the costs of investment in tangible fixed assets. Cash flow from investing activities amounted to EUR 5.07 million (previous year: EUR -17.28 million) and is EUR 22.35 million higher than in the previous year.

Cash flow from financing activities is slightly negative with EUR -0.20 million (previous year: EUR 0.34 million). It is mainly attributable to the outflow of funds from the scheduled loan repayment and repurchase of own shares.

The 3U Group was in a position to meet its payment obligations at all times in the reporting period and this is also guaranteed for 2014. The liquidity position is still comfortable at December 31, 2013. On February 28, 2013/January 15, 2014 a general loan agreement/credit agreement to finance the PV project in Adelebsen was signed. The Group will accrue up to EUR 14.0 million from it. This will significantly improve the liquidity position of the Group again.

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, 2013**	**Dec 31, 2012**
Cash flow	**1,264**	**-26,632**
Cash flows from operating activities	-3,608	-9,692
Cash flows from investing activities	5,071	-17,281
Cash flows from financing activities	-199	341
Exchange rate changes	**9**	**6**
Changes in cash and cash equivalents	**1,273**	**-26,626**
Cash and cash equivalents at beginning of period*	**6,746**	**33,372**
Cash and cash equivalents at end of period*	**8,019**	**6,746**

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

Assets position

Overview balance sheet items	December 31, 2013		December 31, 2012	
	TEUR	%	TEUR	%
Long-term assets	**36,558**	**64.1**	**43,438**	**70.6**
Fixed assets	35,695	62.6	42,473	69.0
Deferred tax assets	537	0.9	599	1.0
Other non-current assets	326	0.6	366	0.6
Current assets	**20,487**	**35.9**	**18,122**	**29.4**
Inventories	2,190	3.8	2,000	3.2
Trade receivables	7,428	13.0	6,255	10.2
Other current assets	2,850	5.0	3,121	5.1
Cash and cash equivalents	8,019	14.1	6,746	10.9
Assets	**57,045**	**100.0**	**61,560**	**100.0**
Long-term liabilities	**49,707**	**87.1**	**54,408**	**88.4**
Equity attributable to 3U HOLDING AG shareholders	47,112	82.6	52,795	85.8
Interests of non-controlling shareholders	-1,403	-2.5	-2,065	-3.4
Provisions and liabilities	3,998	7.0	3,678	6.0
Current liabilities	**7,338**	**12.9**	**7,152**	**11.6**
Trade payables	3,711	6.5	3,201	5.2
Other provisions and liabilities	3,627	6.4	3,951	6.4
Passiva	**57,045**	**100.0**	**61,560**	**100.0**

The balance sheet total at December 31, 2013 amounted to EUR 57.05 million (previous year: EUR 61.56 million) and is thus EUR 4.51 million lower than last year. The causes of the changes compared to December 31, 2012 are mostly associated with the decline in long-term assets and in particular the decrease in financial assets due to the early full repayment of the loan by euNetworks Managed Services GmbH (formerly LambdaNet Communications Deutschland GmbH).

Fixed assets in the amount of EUR 35.70 million (previous year: EUR 42.47 million) comprises in addition to intangible assets (EUR 0.73 million resp. EUR 0.84 million in the previous year), fixed assets (EUR 30.38 million resp. EUR 29.66 million in the previous year) and financial assets (EUR 0.00 million resp. EUR 6.86 million in the previous year) investment properties in the amount of EUR 3.98 million (previous year: EUR 5.11 million). These relate exclusively to the properties to be rented out in Adelebsen.

Furthermore, deferred taxes have been reduced in particular by lower deferred taxes on tax loss carryforwards within the long-term assets.

At December 31, 2013 current assets are of EUR 2.37 million than the previous year. The proportion of liquid assets to current assets in the financial year 2013 amounts to 39.1 % (previous year: 37.2 %). Another essential component of current assets is receivables from goods and services, which have risen compared to the previous year to EUR 7.43 million (previous year: EUR 6.26 million).

The liabilities side, beyond the marked change in equity due to the loss of fiscal year 2013 showed only minor changes in 2013. Long-term provisions increased especially with the new data centres in Berlin and Hanover and the associated removement obligations.

Long-term financial liabilities increased by the addition of a loan to finance the property in Linz am Rhein (EUR 0.30 million) to EUR 3, 50 million (previous year: EUR 3.41 million).

General statement concerning the economic situation

The Management Board views the financial situation of the Company at the time of drawing up of this Group report as unsatisfactory overall.

The restructuring program initiated at end of 2012 and which was continued in 2013, has contributed to a significant improvement in earnings. Still, the Group did not succeed yet, to achieve at least operationally a break-even result in 2013. Although it closed in on this goal with an EBITDA of EUR –0.24 million in the fourth quarter of fiscal year 2013, there is still a negative EBITDA of EUR –3.08 million for the full year 2013.

Margins in the segment Telephony were increased in 2013 despite declining, but largely planned sales. Due to absolute margins being lower than planned the earnings target in the segment Telephony was not fully achieved. The segment Renewable Energies was not able to achieve expected sales and earnings targets in 2013. In the segment Services, the restructuring measures were responsible that at least the earnings target was achieved in spite of missing sales goals.

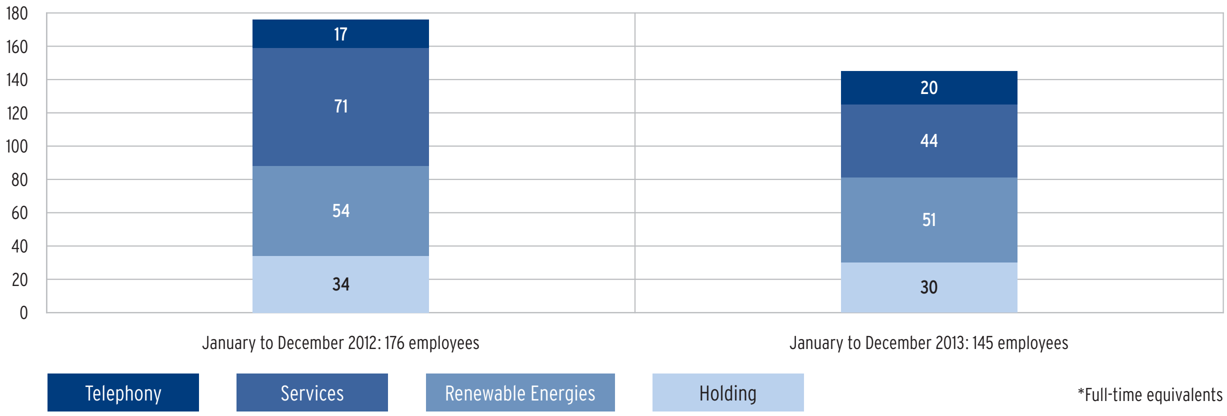
The earnings figures significantly deviated from the originally plan overall. In all segments consolidated EBITDA were below expectations. In the segment Renewable Energies earnings expectations were clearly missed. After the initiation of the energy transformation brought further optimism concerning the development in the renewable energy sector, the legislative standstill in regard 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 was no planning reliability for the implementation of projects in the renewable energy sector in the fiscal year.

Financial and 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 127 people (previous year: 188). The yearly average was 145 (previous year: 176). The decrease in the number of employees in 2013 is primarily attributable to the layoff in the segment Services and the Holding Company. The average number of employees in the individual divisions is made up as follows:



*Full-time equivalents

Of the 139 total staff (including Members of the Management Board, temporary staff and part-time workers) of the Group employed on the balance sheet date, 30 people were women, representing a share of 21.6 % (previous year: 19.3 %). The age structure of the Group is distributed across all age groups, 16 % (2012: 19 %) of employees are younger than 30 years old, 38 % (2012: 42 %) are between 30 and 40 years old, 35 % (2012: 31 %) are between 40 and 50 years old and 11 % (2012: 8 %) are older than 50 years. The average age in the Group is 40 years (2012: 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 center-stage.

Safety in the workplace is enhanced by appropriate training. After 2012, no employee was significantly harmed by an accident at work in 2013 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.

Events after the reporting period

Others

On March 4, 2014 3U HOLDING AG published an ad hoc notification in which it announced that it had purchased a data centre including two commercial buildings in Hanover.

The overall object in Hanover comprises of two buildings on an area totaling 7,345 m^2. The floor space of 3.067 m^2 of the one building is used exclusively as a data center. The other building with 4,141 m^2 of floor space, which is mainly used as an office and administration building, also hosts the approx. 550 m^2 data center of 3U TELECOM GmbH which was leased December 1, 2013. Both buildings are currently 100 % leased, with rental agreements of different maturities. Currently, an annual net rent of around EUR 735,000 is achieved.

3U HOLDING AG has a binding financing commitment for the financing of the commercial property.

Risk, opportunities and forecasting report

Risk report

Risk management system

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 and the risk 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, EBITDA goals and around budgeted cash flows in a month by month comparison. The planning for the two subsequent financial years is done based on the detailed planning of the first plan year. 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 segment Services and on organic as well as inorganic growth of the segment 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 in organic as well as in inorganic growth and in addition to that pursues a long-term oriented "buy-and-build"-strategy.

Risk management system of 3U HOLDING AG

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. The risk and opportunities management system of 3U HOLDING AG goes by the name of "3U-RICH". In the context of risk management mostly risks are considered in the regular reporting by the risk manager. Opportunities are also identified and discussed in the risk inventories of the individual companies; a more detailed analysis and evaluation is carried out by the Management Board and the management of the respective companies in the scope of the strategic business planning.

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. 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 risk management system is subject to continued improvements to ensure that both internal changes and external factors, for example changes in law, are taken into account.

As part of these continuous enhancements the risk management system was further improved at the beginning of fiscal year 2013. Material changes relate primarily to the harmonization of the individual risks at the level of the individual companies. With regard to an optimized reporting a number of significant risks have been identified which are reported uniformly by all Subsidiaries. Existing specific risks in individual companies are assessed by these additionally.

The risk management 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.

The accounting-related internal control system includes the policies, procedures and measures to ensure the accuracy of financial reporting. It is continually evolving. In addition, the accounting-related ICS also has the objective that the Group financial statements of 3U HOLDING and the Group management report are prepared in accordance with the Commercial Code.

The financial accounting is primarily responsible for the accounting and management reporting. Laws, accounting standards and other pronouncements are continually analyzed whether and to what extent they are relevant and how they impact financial reporting. The employees involved in the accounting process are regularly informed and trained about it.

The relevant accounting-related internal control system requirements are defined for example in the accounting policy. It is the basis of the financial reporting process together with the prior to the balance sheet date established completion date calendar, which regulates the responsibilities and dates of the financial statements. Embedded in the accounting process are also single internal controls. The accounting-related ICS comprises both preventive and detective controls and include, for example, IT-based and manual reconciliations, segregation of duties, the four-eyes principle and general IT controls such as a continuous unbroken allocation of document numbers in business transactions.

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.

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, in particular by the new version introduced February 2013 that offers even better handling. This software supports both the risk owners and the risk manager 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 risk manager informs 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 also receive this standardised monthly reporting from the risk managers. The managing directors of the individual subsidiaries are obliged to inform themselves about the risk situation of their respective companies by accessing the risk management software continuously. The degree of detail in the monthly report has risen significantly by the implementation of risk management software r2c. The Management Board decides after consultation with the risk manager and possibly the risk owners on the submission from risk management and initiates the necessary measures. In addition, the Management Board 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 risk management 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 risk management 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 with measured values and associated thresholds are defined 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.

In June 2013, the certification of the subsidiary RISIMA Consulting GmbH according to ISO 27001 took place. weclapp GmbH was certified as well according to this international standard in information security until the end of 2013. In this context, an additional risk inventory is performed at least once a year with emphasis on information security and appropriate measures are derived from it.

Risks

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 for example risks relating to the 3U TELECOM GmbH, which expanded its product portfolio to include data centre services. The risk of price decline was, however, reduced compared to the previous year, as the 3U Einkauf & Logistik GmbH centrally manages purchases for the companies in the segment Renewable Energies.

When the Group invests in new companies, they are subjected to a risk inventory to identify and evaluate company-specific risks and then to integrate them into the Group system and reporting.

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 amongst others 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.

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 in accordance with ISO 27001, and successfully confirmed it by the certification of weclapp until the end of 2013 and through the first certification of RISIMA in June 2013 by TÜV SÜD.

Since mid-2013 3U TELECOM is supported in the IT administration of the Group by RISIMA, which is supposed to take over the role of the central IT service provider within 3U corresponding with its increased expertise in the field of IT security. In the context of the ISO certification of weclapp and RISIMA by TÜV SÜD 3U TELECOM as well has been tested twice as an IT service provider in some areas last year. Furthermore, in the context of the financial statements, an IT audit was carried out by the auditors (IDW PS 330).

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 apply if through the investment and acquisition of companies through 3U HOLDING employees have to be integrated into the Group for the first time.

Cost-cutting measures in the loss-making divisions and a staff surplus resulted in a staff reduction in 2013. Within the segment Services, this is mainly due to the completion of the Business Apps of the weclapp suite, the main product of weclapp, whereby development capacities were no longer required. An increased risk potential through the implementation of the restructuring was considered.

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 one can mention the certification of the Subsidiary EuroSun Vacuum Solar Systems GmbH according to ISO 9001.

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 is performed. During the reporting period, the issue of transactions with related parties was stressed. All employees of the Group were and are trained on the importance of these measures as part of risk inventories.

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 concerning the subsidies for renewable energy have caused uncertainty in the market. In addition, an appropriate and sustainable planning of major projects in the segment Renewable Energies, like the 2012 realized Solarpark Adelebsen, are complicated by ongoing changes in the legal basis, with the terms of feed-in tariffs in particular having a direct impact on the profitability of projects. 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 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.

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.

The weclapp GmbH was able to prove its high technical and organizational-personnel expertise within the international standard ISO 27001. Cloud services encounter a certain amount of skepticism in the German market. Not all services are mature. Many companies that are not yet involved in the cloud, have concerns about unauthorized access to sensitive data and fear data loss. Last but not least, the NSA affair has contributed that cloud computing is seen more critical today than it was a year ago. According to a survey by BITKOM a quarter of the companies surveyed does not use cloud services due to safety concerns. The increasingly greater awareness regarding data security is simultaneously both a risk (decreasing acceptance of cloud solutions) as well as a great opportunity (businesses which guarantee the highest possible data security prevail).

The RISIMA Consulting GmbH was able to increase Group external sales in fiscal year 2013 by focusing on their core competencies corporate governance and IT security. The increase in staff at year-end 2013 took place to generate strong external growth.

3U DYNAMICS GmbH was mainly involved in internal tasks and projects in the reporting year, so that third-party sales could be realized only partially.

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. In 2013, 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. 3U Group is trying to consequently 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. Although well-planned renewable energy projects require large investments, they also offer a relatively stable market value. 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 Group 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 for example by conducting comprehensive regular supplier assessments and reviews to reduce the risk potential in this area.

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.

Significant risks relate to the capitalization and financing power, since a small equity base can lead to limited abilities to act for the Company.

A further important 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.

If 3U does foreign transactions, corresponding currency risks are subjected to a more intensive examination and analysis.

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.

Financial instruments are not currently used in the 3U HOLDING. However, should financial instruments be used in the future, careful risk analyzes and assessments will be carried out to minimize the risk potential by appropriate measures.

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 personnel measures that had already been decided and initiated in 2012, continued in the reporting year. Our risk management system in connection with other planning systems and reports permit the early identification of potential risks and subsequently support the risk supervision. However, risks may occur in the future due to erroneous assumptions that depart from the Company's expectations and could even jeopardize the continued existence of the 3U Group in the foreseeable future.

Opportunities report

In the 3U HOLDING AG opportunities and risks are systematically identified and evaluated. Potential opportunities are discussed in the context of risk inventories of the individual companies, thereby being able to recognize and distinguish potential risks. Further analysis and assessment of opportunities and possible measures are up to the Management Board and the management of the respective companies under their corporate strategy.

Since opportunities are also always accompanied by risks, it makes sense to always consider risks and opportunities together whenever possible, and to use a comprehensive understanding of the risks and risk contexts to use potential profit opportunities deliberately and controlled. Following are the major opportunities that have been identified within the individual segments.

Segment Telephony

In numerous forecasts of recent years, the massive decline in sales in the call-by-call business was predicted. Nevertheless, the segment Telephony of 3U HOLDING still generates significant sales and margins.

The Telecommunications Act, which among other things, requires call-by-call providers to info announce the minute rates before each call, poses an increased risk potential by the resulting possibility of complete control costs for the customer on the one hand, but on the other hand offer opportunities for the segment Telephony, since all market participants in the call-by-call business have to oblige and so the sometimes considerable tariff differences become transparent for the customers. In this competitive environment, the efficiently prepared telephony companies of 3U HOLDING AG can perform relatively well due to further cost optimizations.

Segment Services

After the completion of its main product, the Business Apps of weclapp Suite, the weclapp GmbH was able to successfully start with the marketing of the product and generate sales outside the Group.

RISIMA Consulting GmbH offers great opportunities as well. In fiscal 2013, the Group's external sales increased significantly. The product portfolio was expanded to include licensing and the personnel expertise was increased as well. The company is still in the development phase, but was able to win three major companies as a business partner in 2013. RISIMA is now officially partner of TÜV SÜD Management Service GmbH, a strategic partner of the U.S. company General Dynamics Fidelis, as well as an official partner of the British software company Workshare. Although there is still need for investment, the ability to position itself with these strong partners one can assume a strong growth of the company in the near future. The certification according to the international standard ISO 27001 supports the market presence of RISIMA. This even more increases opportunities to convince existing and potential customers from the know-how within 3U.

Segment Renewable Energies

Selfio GmbH was able to increase its position achieved during the last years and gain market share in the competitive online market. Increased co-operation with partners as well as the improved customer service, resulting from collaboration with Santander Consumer Bank (improved payment terms with attractive financing options) also contributed to this end. The excellent results of the customer survey by Trusted Shops suggest that this positive trend will continue also beyond the year 2013.

Through the central control of purchasing 3U Einkauf & Logistik GmbH can generate a higher purchase volume than would be possible by the individual companies. As a consequence, better conditions of purchase can be realized, which contributed to the positive result of all the companies of the segment Renewable Energies.

EuroSun Vacuum Solar Systems GmbH continues to align its quality management to the international standard ISO 9001, and was able to develop and improve its processes and structures and thus strengthen its competitive position during the year.

ClimaLevel Energiesysteme GmbH develops and distributes surface heating and cooling systems and solar thermal systems, which guarantee quality, efficiency and comfort. In addition to the classic floor heating the ClimaLevel® Multiboden HKL is becoming increasingly important for heating, cooling and ventilation. In 2013, ClimaLevel was part of the victorious team from the Technical University of Vienna in the international competition Solar Decathlon 2013, thus emphasizing its competencies.

The solar park Adelebsen produced year-round electricity that was fed in the public network according to the conditions laid down in the EEG feed-in tariffs. Although solar radiation was well below its long-term average especially in the first half of the year, the solar park still generated almost the expected average feed-in tariff.

Forecasting report

Economic outlook

According to the project group Gemeinschaftsdiagnose the global economy has revived in 2013 driven by the advanced economies.

The slightly faster pace of world economic growth in the first half of 2013 was sustained in the second half of the year, and should further increase in 2014. Thus, the indicators for the expectations of firms and households have increased significantly in almost all advanced economies lately.

The relevant sentiment indicators also point to a gradual economic recovery in the Euro zone. The economic sentiment indicator calculated by the European Commission has improved significantly since October 2012. An important reason for the rising sentiment is that doubts concerning the cohesion of the monetary union have decreased. Due to lower uncertainty, the willingness to consume and invest should continue to strengthen. However, a strong recovery is not in sight in the Euro zone. At least, the economic performance in most member countries will increase moderately in the coming months. Due to the decline in recent quarters there should have been a decrease of 0.4 % in production in the Euro zone in 2013, while in 2014 it should increase by 0.9 %, under the assumption that the crisis in the Euro zone does not intensify again. There are no guarantees, however, that re-forms will be rigorously and successfully implemented in the crisis-afflicted countries. Should there be a noticeable slowdown, or even a failure in the structural adjustment processes in the crisis states of the Euro zone, a clear fall in confidence could result that would heavily burden the economy.

The German economy is on the verge of an upturn. Livelier growth in the world economy and decreasing uncertainty about the crisis in the Euro zone are creating an environment in which favourable domestic economic conditions have a greater bearing. Rising employment and considerable increases in wages have been responsible for a robust development in private consumption for some time. The leading economic institutes in Germany expect gross domestic product to increase by 1.8 % in 2014 compared to the previous year.

The labour market is expected to improve further. Due to the considerable immigration, the number of employees will rise faster than the number of unemployed will decrease. The inflation rate, which was around 1.6 % in 2013, is predicted to rise to 1.9 % in 2014.

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.

Government interventions – launched nationally as well as by the EU – like the required cost parity of domestic long distance and EU international calls have a significant impact on the call-by-call market. Therefore, a medium-term market forecast is difficult.

As in previous years, the market is likely to shrink, even if this process may slow down. As in 2012 the relevant market went down by around 10 % in 2013, while in previous years it shrank by 15–35 %. Against this background, the Management Board expects a continuously declining development in the financial year 2014 analogous to the market development 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.

In particular, the offered services concerning data centres is to be developed further and should develop into an important pillar within the segment Telephony. The market environment remains very competitive. To what extent the new areas can compensate for the decline in sales and the resulting decrease in income from the call-by-call business is difficult to predict. Therefore, the Management Board anticipates a slight decline in sales and earnings on par with the previous year.

Outlook Services

In 2013, the services offered by the segment Services were mostly 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 according to the plans about half of the sales in this segment will be externally generated in 2014. 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 "SaaS". 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.

Many companies that are not yet involved in the cloud, have concerns about unauthorized access to sensitive data and fear of data loss. Last but not least, the NSA affair has helped that cloud computing is seen more critical today than it was a year ago. According to a survey by BITKOM a quarter of the companies surveyed does not use cloud services due to safety concerns. A further 13 % had actually postponed planned cloud projects and 11 % had given up even existing cloud solutions. Nevertheless, the use of cloud solutions in organizations continues to grow. The technical and financial benefits are immense. However, the requirements of the companies will increase concerning both the technical safety as well as the legal environment for data protection.

IT security assumes an increasingly important role in almost every company. Both large corporations as well as small and medium-sized companies are exposed daily to attacks from the internet which can cause immense and costly damage. Above all, when placing an order or awarding contracts in an area where larger amounts of (personal) data is collected, IT security is a high or highest concern. Therefore, products and services as well as IT security licenses for a comprehensive IT security management meet a growing demand. Nearly every company must take daily risks. Some risks have the potential to jeopardize the success of a company seriously. These include IT risks, risks due to non-compliance with legal requirements, personnel risks, market risks, etc. However, with the help of a suitable risk management system one can adequately respond to these risks and opportunities. Therefore, a durable high demand should also be expected in this area. In order to cope with the increasing demand and customer requirements, the subsidiary RISIMA has significantly expanded its team of consultants in recent quarters.

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 2014 and a slightly negative result. Positive results of this area are expected starting 2015.

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.

In addition, other renewable energy projects are to be realized. The conditions are largely determined in this segment by the Renewable Energy Sources Act (EEG). The grand coalition seeks a short-term reform, so that with the new EEG a long-term basic regulatory framework is created which allows all parties planning reliability. Depending on how the EEG is designed, the opportunities/risk-profile of renewable energy projects will change. We follow this development very closely.

Due to the existing diversification of the segment 3U is well positioned and therefore the Management Board expects further sales growth in this segment and low positive earnings in 2014.

Strategic direction

Lasting operative profitability in the segments is the top priority for the Group. Due to the unsatisfactory business development in the past two years a number of measures had to be implemented to counteract this development. Personnel adjustments were carried out in the whole Group; among others, especially the sales and marketing resources in the segments Services and Renewable Energies were reduced. The aim of these measures was 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

2013 was another very difficult year for the 3U Group. For one, there were external factors, such as legislative measures, which led to significantly more difficult conditions in the segments Telephony and Renewable Energies. Second, some target markets performed worse than predicted.

The Management Board of 3U HOLDING AG has launched a series of measures that have resulted in the Group being better positioned at the end of the year to meet the many challenges ahead. For this purpose it was necessary to separate from loss-making activities and in some instances also from staff. The already implemented resp. initiated activities significantly shape fiscal year 2013.

That said the Management Board of 3U HOLDING AG expects for the fiscal year 2014 consolidated sales of between EUR 44 million to EUR 49 million and EBITDA of EUR –0.5 million to EUR 1.5 million and earnings of between EUR –3.5 million and EUR –1.5 million. With this forecast it should be noted that the partial or entire sale of Subsidiaries belongs to the corporate purpose of 3U HOLDING AG as a holding company and can lead to positive special effects. However, there are limitations to plan net income therefrom and it is therefore disregarded in the preceding prognosis. In addition, 3U HOLDING AG plans to grow inorganically through acquisitions in 2014/2015. Resulting effects from this are also disregarded in the prognosis.

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.

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.

Takeover-related information

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.

For further information, please refer to the notes under 6.7.

Shares in the capital of the Company are owned as at December 31, 2013 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		604,720 shares	1.71 %

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.

The Management Board of 3U HOLDING AG has decided on the basis of the authorisation granted by the annual general meeting of May 31, 2012 to repurchase up to 10 % of its own shares (up to 3,531,401 shares) on the stock exchange during the period from May 1, 2013 until not later than May 30, 2017. During the time span of the share buyback programme, the Management Board reserves the right to suspend and resume the share buyback at any time, in accordance with the legal requirements to be observed. The shares may be used for all purposes according to the authorization given by the resolution of the Annual General Meeting of May 31, 2012.

As part of the share buyback program launched May 2, 2013 604,720 shares have been acquired as at December 31, 2013, equivalent to 1.71 % of the share capital of EUR 35,314,016.00. From January to March 14, 2014 further repurchases of treasury stock totalling 185,319 shares were executed. The share buyback program continues beyond this date as well.

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 14, 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	
	2013	2012	2013	2012	2013	2012
Michael Schmidt (Speaker of the Management Board)	327	308	150	150	477	458
Michael Göbel* (Management Board Member until 8.3.2012)	0	-27	0	3	0	-24
Andreas Odenbreit**	161	157	18	48	179	205
Christoph Hellrung (Management Board Member since 14.3.2012)	166	130	18	18	184	148
Sum	**654**	**568**	**186*** **	**219**	**840**	**787**

*There was a correction of an account for the business year 2011 in the amount of TEUR 30 in 2012.
**Mr. Odenbreit received a subsequent variable compensation in the amount of TEUR 30 in 2012.
***An amount of TEUR 75 already paid in 2012, the remaining amount of TEUR 111 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, 2013:

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 2013 amounted to TEUR 68 (previous year: TEUR 68). For 2013 – as was the case in 2012 – no performance fee was accrued.

Name	Fixed remuneration in TEUR		Attendance-fee in TEUR		Performance related remuneration in TEUR		Total remuneration in TEUR	
	2013	2012	2013	2012	2013	2012	2013	2012
Ralf Thoenes (Chairman)	10	10*	15	15	0	0	25	25
Gerd Simon	8	8	15	15	0	0	23	23
Stefan Thies	5	5	15	15	0	0	20	20
Sum	**23**	**23**	**45**	**45**	**0**	**0**	**68**	**68**

* The fixed remuneration for Mr. Thoenes for the financial year 2012 was recognized as expenses in accounting in 2013.

In addition, the Supervisory Board receives a reimbursement of their travel costs and other expenses. Mr. Thoenes received TEUR 0.9 (previous year: TEUR 0.1), Mr. Simon TEUR 1.3 (previous year: TEUR 1.1) and Mr. Thies TEUR 1.3 (prior year: TEUR 0.3) as reimbursements for expenses in fiscal year 2013. 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 9)

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 3 for its consultancy services for the 3U Group (previous year: TEUR 13). These were completely provided to 3U ENERGY AG (previous year: TEUR 13 to 3U TELECOM GmbH).

Thies & Thies Steuerberatungsgesellschaft mbH, whose Managing Director is Mr. Stefan Thies, received TEUR 1 (previous year: TEUR 0) for tax consulting services in fiscal 2013. These were fully paid by 3U HOLDING AG.

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 1,327,500 options were forfeited at the balance sheet date.

Forfeited are in:

- 2011: 582,500 stock options
- 2012: 365,000 stock options
- 2013: 380,000 stock options

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 21, 2014

The Management Board

Michael Schmidt | Christoph Hellrung | Andreas Odenbreit

Consolidated Financial Statements

Balance sheet as of December 31, 2013

Assets 3U Group (in TEUR)	Notes to the consolidated financial statements	December 31, 2013	December 31, 2012
Long-term assets		**36,558**	**43,438**
Intangible assets	[2.3.7] [2.3.8] [2.3.14] [6.1.1]	731	842
Property, plant and equipment	[2.3.9] [2.3.22] [6.1.2]	30,379	29,662
Investment Properties	[2.3.10] [6.1.3]	3,977	5,109
Financial assets	[6.1.4]	0	6,256
Accounted investments using the equity method	[6.1.4]	608	604
Deferred tax assets	[2.3.17] [6.2]	537	599
Other long-term assets		326	366
Current assets		**20,487**	**18,122**
Inventories	[2.3.15] [6.3]	2,190	2,000
Trade receivables	[2.3.12] [6.4] [6.11]	7,428	6,255
Other current assets	[6.5]	2,850	3,121
Cash and cash equivalents	[2.3.12] [6.6] [6.11]	8,019	6,746
Total assets		**57,045**	**61,560**

Shareholders' equity and liabilities 3U Group (in TEUR)	Notes to the consolidated financial statements	December 31, 2013	December 31, 2012
Shareholders' equity	[6.7]	**45,709**	**50,730**
Issued capital (conditional capital TEUR 4,684; December 31, 2012: TEUR 4,684)	[6.7.1]	35,314	35,314
Own shares	[2.3.19] [6.7.1]	-605	0
Capital reserve		9,622	25,037
Retained earnings		692	692
Adjustment item for currency difference		14	2
Profit/loss carried forward		6,198	1,132
Net income/loss		-4,123	-9,382
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG		**47,112**	**52,795**
Interests of non-controlling shareholders	[6.7.4]	**-1,403**	**-2,065**
Long-term provisions and liabilities		**3,998**	**3,678**
Long-term provisions	[2.3.16] [6.10]	419	158
Long-term liabilities due to banks	[6.8]	3,501	3,413
Deferred taxes	[2.3.17] [6.2]	78	107
Current provisions and liabilities		**7,338**	**7,152**
Current provisions	[2.3.16] [6.10]	824	528
Short-term tax liabilities	[6.9]	201	23
Short-term liabilities due to banks		4	13
Trade payables	[2.3.12] [6.11]	3,711	3,201
Other current liabilities	[2.3.12] [2.3.18] [6.9] [6.11]	2,598	3,387
Total shareholders' equity and liabilities		**57,045**	**61,560**

Income statement

3U Group (in TEUR)	Notes to the consolidated to the consolidated	Financial year Jan 1–Dec 31, 2013	Jan 1–Dec 31, 2012
Sales	[2.3.1] [5.1]	39,711	60,983
Other earnings	[5.2]	2,553	3,467
Changes in products and production work in progress	[5.3]	-38	-132
Other capitalised services	[5.4]	0	321
Costs of materials	[5.5]	-28,291	-52,879
Gross profit or loss		**13,935**	**11,760**
Staff costs	[5.6]	-10,666	-12,473
Other operating expenses	[5.7]	-6,352	-9,218
EBITDA		**-3,083**	**-9,931**
Depreciation and amortisation	[2.3.8] [2.3.9] [5.8]	-1,972	-1,302
EBIT		**-5,055**	**-11,233**
Income shares in companies that are accounted for using the equity method	[5.9]	349	97
Other financial result	[2.3.4] [2.3.5] [5.9]	-3	324
EBT		**-4,709**	**-10,812**
Income tax expense	[2.3.6] [5.10]	-156	182
Earnings before non-controlling shareholder interests		**-4,865**	**-10,630**
Net income/loss for the period		**-4,865**	**-10,630**
Of which attributable to minority non-controlling shareholders		-742	-1,248
Thereof Group earnings		**-4,123**	**-9,382**

Statement of income and accumulated earnings

3U Group (in TEUR)	Jan 1–Dec 31, 2013	Jan 1–Dec 31, 2012
Net income/loss for the period	**-4,865**	**-10,630**
Attributable to 3U HOLDING AG shareholders	-4,123	-9,382
Of which attributable to minority non-controlling shareholders	-742	-1,248
Directly in equity comprised changes which are reclassified in the future in the profit and loss statement		
Exchange rate differences	12	1
Change of the value comprised in equity	**12**	**1**
Total earnings of the period	**-4,853**	**-10,629**
Attributable to 3U HOLDING AG shareholders	-4,111	-9,381
Of which attributable to minority non-controlling shareholders	-742	-1,248

Statement of changes in equity

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

3U Group (in TEUR)	Issued capital	Own shares	Capital reserve	Retained earnings	Reserve for currency differences
As of January 1, 2013	**35,314**	**0**	**25,037**	**692**	**2**
Rebooking Earnings 2012	0	0	0	0	0
Total earnings 2013	0	0	0	0	12
Buy back shares 2013	0	-605	332	0	0
Stock option plan 2011	0	0	113	0	0
Transfer from capital reserve	0	0	-15,861	0	0
Distribution to non-controlling interests	0	0	0	0	0
Change of percentage increase	0	0	0	0	0
As of December 31, 2013	**35,314**	**-605**	**9,622**	**692**	**14**

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**

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
1,132	**-9,382**	**52,795**	**-2,065**	**50,730**
-9,382	9,382	**0**	0	**0**
0	-4,123	**-4,111**	-742	**-4,853**
0	0	**-273**	0	**-273**
0	0	**113**	0	**113**
15,861	0	**0**	0	**0**
0	0	**0**	-9	**-9**
-1,413	0	**-1,413**	1,413	**0**
6,198	**-4,123**	**47,112**	**-1,403**	**45,709**

Cash flow statement

3U Group (in TEUR)	Notes to the consolidated financial statements [Section 2.2.3 and 7]	Jan 1–Dec 31, 2013	Jan 1–Dec 31, 2012
Net income/loss for the period		**-4,865**	**-10,630**
+/- Depreciation/write-ups of fixed assets		1,972	1,302
+/- Increase/decrease of provisions		556	-429
-/+ Profit/loss on disposal of long-term assets		8	8
-/+ Increase/decrease in inventories and trade receivables		-1,351	3,412
+/- Increase/decrease in trade payables		472	-2,764
+/- Changes to other receivables		855	953
+/- Changes to other payables		-775	-311
+/- Change in tax assets/liabilities including deferred taxes		-311	-1,000
+/- Other non-cash changes		-169	-233
Cash flows from operating activities		**-3,608**	**-9,692**
+ Inflows from disposals of property, plant and equipment		155	0
- Outflows for investments in property, plant and equipment		-1,266	-14,505
- Outflows for investments in intangible assets		-123	-296
- Outflows for investments properties		-147	-5,130
+ Payments from earnings of associated companies		226	816
+ Inflows from disposal of financial assets		6,256	1,629
+ Cash inflow from the sale of consolidated companies and other business units		0	205
- Cash outflow from the purchase of consolidated companies and other business units		-30	0
Cash flows from investing activities		**5,071**	**-17,281**
Sum carried forward*		**1,463**	**-26,973**

*Refer to followowing page

3U Group (in TEUR)	Notes to the consolidated financial statements [Section 2.2.3 and 7]	Jan 1–Dec 31, 2013	Jan 1–Dec 31, 2012
Sum carried forward		**1,463**	**–26,973**
– Cash outflow to companies' owner and minority partners (dividends, equity capital payback, purchase of own shares, other disbursements)		-281	-1,059
+ Cash inflow borrowing of money		321	1,512
– Outflows from the repayment of (finance) loans		-239	-112
Cash flows from financing activities		**–199**	**341**
Total cash flows		**1,264**	**–26,632**
+/– Changes in cash and cash equivalents due to exchange rate changes		9	6
Cash and cash equivalents at beginning of period		**5,246**	**31,872**
Cash and cash equivalents at end of period		**6,519**	**5,246**
Total change in cash and cash equivalents		**1,273**	**–26,626**

Notes for the 2013 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 2013 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, 2013 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, 2013.

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, 2013 and have been incorporated into EU law.

The following standards were applied for the first time:

- Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income" (July 1, 2012)*
- Amendment to IAS 19 "Employee Benefits" (July 1, 2012)*
- IFRS 13 "Fair Value Measurement" (January 1, 2013)*
- Amendment to IAS 12 "Deferred Tax: realization of Underlying Assets" (January 1, 2013)*
- Amendment to IFRS 1 "Hyperinflation and removal of fixed dates for first-time application" (January 1, 2013)*
- Amendment to IFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities" (January 1, 2013)*
- Amendment to IFRS 1 "Government loans" (January 1, 2013)*
- Annual Improvements to IFRSs 2009–2011 "IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34" (January 1 2013)*
- IFRIC 20, "Accounting for stripping costs in the mining" (January 1, 2013)*

*Applicable to financial years commencing from the date specified

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, in particular the amendments to IAS 19 have no effect due to lack of defined benefit promises. Only individual notes have been added.

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 ahead of schedule:
- 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)*
- IAS 27 "Separate Financial Statements" (January 1, 2014)*
- IAS 28 "Investments in Associates and Joint Ventures" (January 1, 2014)*
- Amendments to IAS 36 "Disclosures to recoverable amount in non-financial assets" (January 1, 2014)*
- Amendments to IAS 39 "Novation of derivatives and continuation of accounting for security transactions" (January 1, 2014)*
- Amendments to IFRS 10, IFRS 11, IFRS 12 "Transition guidance" (January 1, 2014)*
- Amendments to IFRS 10, IFRS 12, IAS 27 "Investment Companies" (January 1, 2014)*
- Amendments to IAS 32 "Offsetting of financial assets and liabilities" (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 scope of consolidation and integration methods of associated companies and joint ventures of 3U HOLDING AG will not change by the application of these standards according to examinations made by the Company.

The IASB has released a set of further standards which have not been incorporated into EU law yet.
- Amendments to IFRS 9 and IFRS 7 "Financial Instruments and subsequent offer amendment" (deferred)*
- Amendments to IAS 19 "Defined Benefit Plan: Employee Contributions" (July 1, 2014)*
- Annual Improvements to IFRSs 2010–2012 Cycle (July 1, 2014)*
- Annual Improvements to IFRSs 2011–2013 Cycle (July 1, 2014)*
- IFRIC Interpretation 21 Levies (January 1, 2014)*

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 2013 financial year include 26 (previous year: 25) German and foreign Subsidiaries, in which 3U directly or indirectly holds the majority of the voting rights and in which 3U HOLDING AG controls the affiliated company

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 identified assets and assumed 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 assumed 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)	
	2013	2012	2013	2012
Currency CHF	1.2257	1.2072	1.2304	1.2053
Currency CNY	8.4183	8.2207	8.2199	8.1052
Currency USD	1.3791	1.3194	1.3281	1.2848
Currency ZAR	14.4309	11.1727	12.7905	10.5511

In fiscal year 2013 a net loss arose from exchange rate changes in the amount of TEUR 75 (previous year: profit of TEUR 293). 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

Earnings per share correspond to the profit 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 (fully 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 and consulting services in the field of risk and business process management as well as from the area of IT security.

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.

Proceeds from the installation of heating and cooling systems are recognized according to the stage of completion (percentage-of-completion method) because they are custom manufacturing jobs due to the extensive influence on essential components. The contracts are reported under "Receivables from construction contracts" or if a loss is recognized under "Liabilities from construction contracts". Where the prepayments exceed the cumulative services, the amount is recognized under liabilities.

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 2013 research and development costs of EUR 0.8 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. In fiscal year 2013, no manufacturing operations occurred that led to activation of interest expense due to their longevity.

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 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 used service 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.

2.3.12 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 2012 and 2013 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.

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.

Discharge

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. There were no finance leases in fiscal 2013.

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.

There were no finance leases in fiscal 2013.

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. Income and expenses resulting from expansion investments were not considered in this case.

The goodwill value (goodwill) was determined as part of the acquisition for the business unit of the online shop. This business unit also forms the cash-generating unit within the segment Renewable Energies for the fair value is determined as the value in use.

The value in use is based on the assumption of a weighted cost of capital approach (WACC) of 16.8 % (previous year: 12.9 %) at December 31, 2013.

These assumptions and the underlying methodology may in principle have a significant impact on the respective values and ultimately the amount of any impairment of goodwill.

The carrying amount of the cash-generating unit of the online shops at December 31, 2013 amounts to EUR 1.75 million. Included is the goodwill of EUR 0.17 million while impairments on the goodwill have not been included. The fair value (value in use) of the cash-generating unit as at December 31, 2013 amounts be EUR 2.16 million. Even when changing the central assumptions according to current estimates it is not to be expected that the value in use of the cash-generating unit is less than the book value.

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.

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. There were no available-for-sale non-current assets at December 31, 2013.

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 1,327,500 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 0.41 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, 2013. 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.

2.3.22 Fair value measurement

The fair value is defined as the price that would be taken in an orderly transaction between market participants at the measurement date for the sale of an asset or paid to transfer a liability.

The measurement of fair value relates each a specific asset or a specific liability. In determining the fair value, consequently, the characteristics of the asset or the related debt are taken into account, which a market participant would take into account in pricing the asset or liability at the measurement date. Such features include, among others, the following:
(a) state and location of the asset, and
(b) sales and use restriction on the asset.

With the aim of increasing the uniformity and comparability in the measurement of fair value and the related information, a design hierarchy is defined (so-called "fair value hierarchy"). This hierarchy divides the inputs used in the valuation techniques used to measure fair value into three levels. As part of the design hierarchy identical assets or liabilities in active markets quoted (not adjusted) prices (input factors at level 1) are given the highest priority, while unobservable inputs receive the lowest priority (input factors at level 3).

Input factors at level 2 are other than quoted market prices mentioned in Level 1 that are either directly observable or indirectly observable for the asset or liability.

3 Scope of consolidation

Included Subsidiaries in the full consolidation:

Company	Registered office	Country	Share held by 3U HOLDING AG**
010017 Telecom GmbH	Marburg	Germany	100 %
3U DYNAMICS GmbH	Marburg	Germany	60 %
3U Einkauf & Logistik GmbH	Montabaur	Germany	100 %
3U ENERGY AG*	Marburg	Germany	99.998 %
3U MOBILE GmbH*	Marburg	Germany	100 %
3U SOLAR (PTY) Ltd.	Somerset West	South Africa	100 %
3U TELECOM GmbH	Marburg	Germany	100 %
3U TELECOM GmbH	Vienna	Austria	100 %
ACARA Telecom GmbH	Marburg	Germany	100 %
ClimaLevel Energiesysteme GmbH	Cologne	Germany	75 %
Discount Telecom S&V GmbH	Marburg	Germany	100 %
EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH	Marburg	Germany	100 %
EuroSun Vacuum-Solar-Systems GmbH*	Marburg	Germany	74.996 %
Exacor GmbH	Marburg	Germany	100 %
fon4U Telecom GmbH	Marburg	Germany	100 %
Immowerker GmbH	Marburg	Germany	100 %
LineCall Telecom GmbH	Marburg	Germany	100 %
OneTel Telecommunication GmbH	Marburg	Germany	100 %
RISIMA Consulting GmbH*	Marburg	Germany	75 %
Selfio GmbH	Linz am Rhein	Germany	60 %
Solarpark Adelebsen GmbH*	Adelebsen	Germany	100 %
Tianjin EuroSun Solarenergy Technology Co., Ltd.	Tianjin	China	100 %
Triast GmbH	Kreuzlingen	Switzerland	100 %
TriTelA GmbH	Vienna	Austria	100 %
weclapp GmbH*	Marburg	Germany	74.996 %
Windpark DBF GmbH	Marburg	Germany	100 %

*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.

Changes to the consolidated group

Compared to December 31, 2012, the following changes have occurred in the scope of consolidation:

EuroSun Vacuum Solar Systems GmbH took over all remaining shares of Tianjin EuroSun Solar Energy Technology Co., Ltd 2013 from the former joint venture partner Beijing Yongdong Brilliant Heat-pipe Solar Energy Technology Co., Ltd. on January 24, 2013. Therefore, the company is 100 % owned by the EuroSun Vacuum Solar Systems GmbH. The company has been fully consolidated since January 2013.

The fair value of the acquired identifiable assets and liabilities amounted to TEUR 179 at first-time consolidation. Less the fair value of the already-held assets and liabilities in the amount of TEUR 119 and the purchase price for additional 33.33 % in the amount of TEUR 56, there remains a negative difference in the amount of TEUR 4, which was recognized in profit and loss in the initial consolidation. Non-Group sales were not achieved during the business year. Earnings for the financial year amounted to TEUR –1.

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 %. The Company continues to be fully consolidated also after the increase in the shareholding.

The consolidated financial statements of 3U HOLDING AG for the 2013 financial year include 26 (previous year: 25) German and foreign Subsidiaries, in which 3U directly or indirectly holds the majority of the voting rights resp. has the ability to control.

The company weclapp Inc. based in Delaware, USA was founded in early 2013 and is reported under other investments.

Joint Ventures

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

Company	Registered office	Country	Share held by 3U HOLDING AG*
Sanhe EuroSolar Solar Energy Technology Ltd.	Sanhe	China	51 %
Spider Telecom GmbH	Marburg	Germany	50 %

*3U HOLDING AG holds directly or indirectly shares in these companies.

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. All major decisions are adopted unanimously within the Board of Directors. The Board of Directors consists of four members, of which two members are delegated by each joint venture partner.

Please refer to the statements under point 6.1.4.

Other participations

With the share purchase agreement of October 7, 2009, 15 % of the shares in 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, 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.

The segment Services expanded in early 2013 by the establishment of a company in the USA. The weclapp Inc. based in Delaware, USA and with a branch in San Francisco was supposed to forward the development of the American market. The sales strategy for the USA stipulated direct sales online via www.weclapp.com and indirect sales through sales & service partners. As part of the restructuring measures weclapp was geared towards marketing its products in the European home market. The marketing in the United States has no more importance in the further developed sales strategy.

Company	Registered office	Country	Share held by 3U HOLDING AG
myFairPartner Limited*	London	Great Britain	20 %
weclapp Inc.**	Delaware	USA	100 %

*The Company does not exercise any business anymore.
**The company does not conduct any business.

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, value-added 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 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, 2013	Telephony	Services	Renewable Energies	Subtotal	Holding/ Consolidation	Group
Total sales	30,951	2,466	19,228	52,645	-2,618	50,027
Intercompany sales (intra-segment sales)	-5,415	-122	-4,779	-10,316	0	-10,316
Segment sales	25,536	2,344	14,449	42,329	-2,618	39,711
Other operating income	846	327	453	1,626	927	2,553
Change in inventory	0	0	-38	-38	0	-38
Other capitalised services	0	0	0	0	0	0
Costs of materials	-19,399	-13	-8,934	-28,346	55	-28,291
Gross profit or loss	**6,983**	**2,658**	**5,930**	**15,571**	**-1,636**	**13,935**
Staff costs	-1,572	-3,344	-2,617	-7,533	-3,133	-10,666
Other operating expense	-2,988	-1,385	-2,741	-7,114	762	-6,352
EBITDA	**2,423**	**-2,071**	**572**	**924**	**-4,007**	**-3,083**
Depreciation	-253	-27	-1,096	-1,376	-596	-1,972
EBIT	**2,170**	**-2,098**	**-524**	**-452**	**-4,603**	**-5,055**
EBIT (earnings before interest and income taxes)						**-5,055**
Financial result						**346**
Profit/loss of companies included at equity*						349
Other financial result						-3
Income tax						-156
Earnings for the period						**-4,865**
Thereof attributable to the shareholders of 3U HOLDING AG						-4,123
Of which attributable to minority non-controlling shareholders						-742

*As of December 31, 2013, the carrying values of companies accounted in the balance sheet “at equity” were TEUR 608 and allocated in the area Holding.

Segment reporting (in TEUR) January 1–December 31, 2012	Telephony	Services	Renew-able Energies	Subtotal	Holding/ Consoli-dation	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**
Profit/loss of companies included at equity*						97
Other financial result						324
Income tax						182
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

*As of December 31, 2012, the carrying values of companies accounted in the balance sheet “at equity” were TEUR 604 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 and loss 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 2013 (in TEUR) January 1–December 31, 2013	**Telephony**	**Services**	**Renewable Energies**	**Holding/ Consolidation**	**Group**
Cash flows from operating activities	2,191	-2,567	-165	-3,067	-3,608
Cash flows from investing activities	-779	-68	-99	6,017	5,071
Cash flows from financing activities	-551	2,525	573	-2,746	-199

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

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, 2013	Dec 31, 2012
Assets		
Segment Telephony	10,752	9,935
Segment Services	400	439
Segment Renewable Energies	22,184	25,720
Holding/Consolidation	15,690	18,720
Total segment assets	**49,026**	**54,814**
Assets not allocated	8,019	6,746
Total consolidated assets	**57,045**	**61,560**
Liabilities		
Segment Telephony	3,348	1,306
Segment Services	5,281	3,227
Segment Renewable Energies	31,979	33,702
Holding/Consolidation	-29,272	-27,405
Total segment liabilities	**11,336**	**10,830**
Reconciliation (shareholder's equity/interests of non-controlling shareholders)	45,709	50,730
Total consolidated liabilities/shareholder's equity	**57,045**	**61,560**

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. Essentially the cost plus method is applied. Administrative services are calculated as cost allocations.

Non-current assets in the amount of TEUR 69 are located abroad in 2013.

(In TEUR)	Depreciation and amortisation		Investments	
	2013	2012	2013	2012
Segment Telephony	253	245	790	336
Segment Services	27	135	69	125
Segment Renewable Energies	1,096	448	211	10,282
Holding/Consolidation	596	474	466	9,393
Total	**1,972**	**1,302**	**1,536**	**20,136**

Sales of principal services

(In TEUR)	2013	2012
Areas within the segment Telephony		
Open-call-by-call	8,100	11,399
Reg. call-by-call/preselection	364	522
Wholesale/value-added services	15,244	34,441
Data centre services	135	0
Miscellaneous	1,693	1,289
Total segment Telephony	**25,536**	**47,651**
Areas within the segment Services		
IT services/Cloud applications	372	2,025
Marketing services	1,395	2,199
Consulting/IT security	577	460
Total segment Services	**2,344**	**4,684**
Areas within the segment Renewable Energies		
Photovoltaic	1,823	2,632
Solar heat	1,485	3,226
Heating, cooling, ventilation	10,866	7,016
Miscellaneous	275	3
Total segment Renewable Energies	**14,449**	**12,877**

The 3U Group achieved sales in the amount of 32.6 % with the largest customer in the segment Telephony in the past year.

Geographical information of sales

(In TEUR)	2013	2012
Telephony	**25,536**	**47,651**
Of which domestic	16,482	25,675
Of which foreign	9,054	21,976
Services	**2,344**	**4,684**
Of which domestic	2,197	4,262
Of which foreign	147	422
Renewable Energies	**14,449**	**12,877**
Of which domestic	12,576	10,812
Of which foreign	1,873	2,065

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

Sales abroad were mainly achieved in the countries listed in the following.

(In TEUR)	2013	2012
Switzerland	6,422	18,166
Austria	2,235	2,935

5 Notes on the consolidated 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.

Proceeds from the installation of heating and air conditioning systems are recognized according to the stage of completion and reported as sales without sales tax. These concern sales of TEUR 4,164 (previous year: TEUR 2,736) in 2013.

The accumulated costs of the still ongoing construction contracts amounted to TEUR 620, the cumulative recognized gains and losses to TEUR 268.

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

Sales of principal services

(In TEUR)	2013	2012
Areas within the segment Telephony		
Open-call-by-call	8,100	11,399
Reg. call-by-call/preselection	364	522
Wholesale/value-added services	15,244	34,441
Data centre services	135	0
Miscellaneous	1,693	1,289
Total segment Telephony	**25,536**	**47,651**
Areas within the segment Services		
IT services/Cloud applications	372	2,025
Marketing services	1,395	2,199
Consulting/IT security	577	460
Total segment Services	**2,344**	**4,684**
Areas within the segment Renewable Energies		
Photovoltaic	1,823	2,632
Solar heat	1,485	3,226
Heating, cooling, ventilation	10,866	7,016
Miscellaneous	275	3
Total segment Renewable Energies	**14,449**	**12,877**

The 3U Group achieved sales in the amount of 32.6 % 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)	2013	2012
Income from the reversal of provisions/provisions with liability characteristics	475	367
Remuneration in kind car use and other non-cash benefits	401	499
Sales tax refunds prior years	387	0
Earnings from minimisation of loss reserves	168	1,031
Income from rental and lease income	140	61
Cash discount income	100	21
Income for other accounting periods	67	55
Income from currency conversion	24	585
Other income	791	848
Sum	**2,553**	**3,467**

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 –38 (previous year: TEUR –132) comprise work in progress in the segment Renewable Energies.

5.4 Own work capitalized

Own work capitalized amounted to TEUR 0 (previous year: TEUR 321) 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 in the area of Renewable Energies:

(In TEUR)	2013	2012
Connection services	16,916	37,715
Materials/products used Renewable Energies	7,536	4,818
Expenses for purchased services	1,818	6,935
Network costs	1,623	2,666
Costs of interconnection	397	741
Other costs of materials	0	4
Sum	**28,290**	**52,879**

5.6 Staff costs

Staff costs comprise the following:

(In TEUR)	2013	2012
Salaries and wages	8,663	10,110
Social security contributions	1,414	1,578
Other staff costs	589	785
Total	**10,666**	**12,473**

Expenses for the stock option plan 2011 in the amount of TEUR 113 (previous year: TEUR 145) are included in other staff costs.

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

Segment	2013	2012
Telephony	20	17
Services	44	71
Renewable Energies	51	54
Holding	30	34
Total	**145**	**176**

Social security contributions include not only employer payments statutory pension insurance provisions, unemployment insurance contributions 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 617 (previous year: TEUR 642).

5.7 Other operating expenses

Other operating expenses include the following items:

(In TEUR)	2013	2012
Travel and automobile costs	1,026	1,281
Promotion and hospitality expenses as well as sales commissions	715	1,197
Value adjustments to receivables	598	767
Premises expenses/rental expenses	421	424
Technical consultancy costs	355	297
Fiscal and other consulting costs	344	713
Costs of legal advice	330	232
Statements and audit costs	310	447
Telephone/shipping costs	255	215
Other taxes	237	41
Maintenance	187	204
Insurances	148	139
Loss of receivables	133	1,276
IT costs	120	130
Expenses for other accounting periods	71	331
Other social security expenses	71	120
Premiums and fees	70	74
Other operating expenses	961	1,330
Sum	**6,352**	**9,218**

Other operating expenses include expenses from currency conversions in the amount of TEUR 99 (previous year: TEUR 292).

Research and development costs amounted to EUR 0.8 million (previous year: EUR 1.2 million) in the business year.

5.8 Depreciation and amortisation

Amortisation of intangible assets and depreciation on property, plant and equipment amounted to TEUR 1,972 (previous year: TEUR 1,302). The increase in depreciation and amortisation compared with the previous year results in principle from the first time depreciation for a full year of 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)	2013	2012
Interest and similar income	145	464
Interest income	**145**	**464**
Interest expenses for loans receivable	-148	-140
Interest expenses	**-148**	**-140**
Earnings/loss from companies included using the at-equity-method	**349**	**97**
Total	**346**	**421**

5.10 Income taxes

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

(In TEUR)	2013	2012
Current income tax expenses	124	90
Deferred tax	32	-272
Total	**156**	**–182**

3U HOLDING AG and its German subsidiaries are subject to corporation and trade tax. In the business year 2013, 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 2013.

The tax rate used for foreign companies is 25 % for Austria, 25 % for China, 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.

Income tax recognized directly in equity amounted to TEUR 0 (previous year: TEUR 0).

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:

	2013 TEUR	2013 %	2012 TEUR	2012 %
EBT	-4,709	100.0	-10,812	100.0
Earnings tax rate (28.775 %; previous year: 28.775 %)				
Calculated tax income/expenses	-1,355	28.8	-3,111	28.8
Tax-exempt income/non-deductible expenses	45	1.0	30	0.3
Effects of allowance of deferred taxes / Non-inclusion of deferred taxes from loss carry forwards	1,609	34.2	2,871	26.6
Effect of tax rate differences of foreign tax jurisdiction	31	0.7	-8	0.1
Deviations due to different trade tax collection rates	-7	0.1	-1	0.0
Lowering of current tax expenses due to the usage of loss carry forwards so far not accounted for	0	0.0	13	0.1
Aperiodic tax effects	-50	1.1	15	0.1
Miscellaneous	-117	2.5	9	0.1
Effective tax expense	**156**	**3.3**	**-182**	**1.7**

5.11 Earnings per share

Undiluted 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:

	2013	2012
Basis of the basic and diluted earnings per share (attributable share of net profits attributable to the shareholders of the parent company in TEUR)	**–4,123**	**–9,382**
Number of shares		
As of January 1	35,314,016	35,314,016
Buyback of own shares in May 2013	-55,742	–
Buyback of own shares in June 2013	-69,055	–
Buyback of own shares in July 2013	-81,732	–
Buyback of own shares in August 2013	-81,223	–
Buyback of own shares in September 2013	-80,260	–
Buyback of own shares in October 2013	-89,516	–
Buyback of own shares in November 2013	-79,438	–
Buyback of own shares in December 2013	-67,754	–
As of December 31	34,709,296	35,314,016
Number of ordinary shares for basic earnings per share	35,093,846	35,314,016
Effect of dilutive potential of ordinary shares: options	0	0
Weighted average number of ordinary shares for diluted earnings	35,093,846	35,314,016
Earnings per share		
Earnings per share, undiluted (in EUR)	-0.12	-0.27
Earnings per share, diluted (in EUR)	-0.12	-0.27

From January to March 14, 2014 further repurchases of treasury stock totalling 185,319 shares took place. The share buyback programme continues beyond this date as well.

6 Notes on the consolidated 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, 2013	Dec 31, 2012
Concessions, industrial property rights and similar rights and assets and licences to such rights and assets	561	672
Goodwill	170	170
Total	**731**	**842**

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 or only marginally 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 was reported as an investment property in the 2012 financial year to the extent as it was not used by the 3U Group itself as a purchasing and logistics center. Due to the expansion of own operational use of the property it is accounted under property and equipment in the financial year 2013. 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 40 in fiscal year 2013 (previous year: TEUR 25). Operating expenses in fiscal year 2013 for the investment properties emerged in the amount of TEUR 88 (previous year: TEUR 157). Thereof TEUR 88 is allotted to leased investment properties and TEUR 0 to real estate which produced no rental income in 2013.

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 5,160 as at December 31, 2013 (previous year: TEUR 7,854).

The fair value (fair value hierarchy Level 3) were determined based on the discounted cash flow method by an independent appraiser (Certified expert for property valuation). Here, the following assumptions were made:

- Land value interest/property yield of 5.99 %
- Management costs 19.00 %
- Remaining useful life of the building 34 years
- Tax-free land value EUR 23.00 per m^2

In determining the fair value using the gross method, deductions for vacancy rates were considered due to the currently not full occupancy.

6.1.4 Financial assets

Investments accounted for using the equity method:

As of December 31, 2013, Spider Telecom GmbH, Marburg 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, 2013	Dec 31, 2012
Total current assets	1,442	1,156
Total long-term assets	0	0
Total current liabilities	255	363
Total long-term liabilities	0	0
Sales	1,653	1,837
Profit/loss (-) after taxes	1,163	768

Sanhe EuroSolar Solar Energy Technology Ltd.

The company started its operations July 20, 2012.

Sanhe EuroSolar Solar Energy Technology Ltd. (in TEUR)	Dec 31, 2013	Dec 31, 2012
Total current assets	612	564
Total long-term assets	190	201
Total current liabilities	542	533
Total long-term liabilities	0	0
Sales	670	20
Profit/loss after taxes	-98	-57

As at December 31, 2012 Tianjin EuroSun Solar Energy Technology Co. Ltd.., Tianjin, China was accounted for using the equity method as well. From January 1, 2013 it is considered as a fully consolidated company in the consolidated financial statements.

The valuation of these companies were as follows:

Carrying amount (in TEUR)	2013	2012
As of January 1	**604**	**1,027**
Accrual	0	301
Collected distribution of earnings	-226	-821
Disposal	-179	0
Pro rata share of net result for the year	409	97
As of December 31	**608**	**604**

Balance sheet day of the companies is December 31, 2013.

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.

Contingent liabilities or capital commitments do not exist with respect to these companies.

Other holdings

myFairPartner Limited

With the share purchase agreement of October 7, 2009, 15 % of the shares of myFairPartner Limited, London, were bought. myFaiPartner 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 at December 31, 2010.

Loans

The loan of TEUR 0 (previous year: TEUR 6,256) was a loan to LambdaNet Communications Deutschland GmbH (formerly LambdaNet Communications Deutschland AG), which had a term until April 30, 2016 and which was to be repaid annually. This loan was fully repaid prematurely in fiscal 2013.

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 as well as rent for buildings. Commitments for minimum lease payments under these leases amounted to TEUR 1,751 (previous year: TEUR 865). Of this amount, TEUR 512 (previous year: TEUR 440) is due within one year and TEUR 561 (previous year: TEUR 425) within two to four years and TEUR 678 (previous year: TEUR 0) within five to ten years. There is an option to extend the building lease after five years for another five years by the tenant. 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, 2013		Dec 31, 2012	
	Active deferred taxes	Passive deferred taxes	Active deferred taxes	Passive deferred taxes
Intangible assets	0	63	0	108
Property, plant and equipment	0	69	0	7
Financial assets	0	7	9	3
Inventories	0	1	0	1
Other assets	1	1	0	0
Provisions	82	15	2	0
Liabilities	0	0	0	0
Other liabilities	16	19	0	0
Loss carry forwards	535	0	600	0
Sub total	**634**	**175**	**611**	**119**
Netting	97	97	12	12
Total	**537**	**78**	**599**	**107**

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 97 (previous year: TEUR 12).

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 26,137 (previous year: TEUR 20,657) for corporation tax and TEUR 25,912 (previous year: TEUR 20,587) 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 66 (previous year: TEUR 111) deferred taxes were not activated due to recoverability reasons.

6.3 Inventories

Inventories are made up as follows:

(In TEUR)	Dec 31, 2013	Dec 31, 2012
Raw materials and supplies	98	7
Work in progress	0	85
Finished products and goods	2,092	1,728
Payments on account	0	180
Total	**2,190**	**2,000**

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 2013 or 2012. A transfer of ownership of inventories is not in existence on the balance sheet date.

6.4 Trade receivables

Trade receivables are composed as follows:

(In TEUR)	Dec 31, 2013	Dec 31, 2012
Trade receivables from third parties	13,085	11,608
POC receivables	95	0
Valuation allowances	-5,752	-5,353
Total	**7,428**	**6,255**

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

Receivables from construction contracts (PoC) relate to receivables not yet partially billed from planning services and material deployments for custom orders for the installation of heating and cooling systems. Payments thereon were not obtained.

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 5,336 (previous year: TEUR 4,944) 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, 2013	Dec 31, 2012
Receivables from tax refunds	2,088	2,444
Deposits	44	135
Advance payments	300	341
Others	418	201
Total	**2,850**	**3,121**

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

(In TEUR)	Dec 31, 2013	Dec 31, 2012
Other receivables	39	38
Valuation allowances	-38	-38
Total	**1**	**0**

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

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 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 derive 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.

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.

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, 2011 in the framework of the SOP 2011; at the balance date of December 31, 2012 1,327,500 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, 2013 the Company reports a capital reserve of TEUR 9,622 (previous year: TEUR 25,037) and retained earnings amounting to TEUR 692 (previous year: TEUR 692).

The capital reserve of TEUR 9,622 (previous year: EUR 25,037) contains the premium to the nominal amount from the issuance of shares of 3U HOLDING AG (TEUR 21,499). The stock option program led to an increase in the capital reserve in the amount of TEUR 113 (previous year: EUR 145 thousand) in 2013. Other changes resulted from the acquisition of treasury shares in the amount of TEUR 332 (previous year: TEUR 0), and the withdrawal from the capital reserve in the amount of TEUR 15,861 (previous year: TEUR 0).

Own shares

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

(In TEUR)	2013	2012
As of January 1	**0**	**3,301**
Purchase of own shares	605	0
Capital cancellation	0	-3,301
As of December 31	**605**	**0**

Dividend payments

For fiscal year 2012, no dividend was declared. For the year 2013 there will also be no dividend proposal by the Management Board due to the net income.

6.7.2 Share buyback programme

The Management Board of 3U HOLDING AG has decided on the basis of the authorisation granted by the annual general meeting of May 31, 2012 to repurchase up to 10 % of its own shares (up to 3,531,401 shares) on the stock exchange during the period from May 1, 2013 until not later than May 30, 2017. During the time span of the share buyback program, the Management Board reserves the right to suspend and resume the share buyback at any time, in accordance with the legal requirements to be observed. The shares may be used for all purposes according to the authorization given by the resolution of the Annual General Meeting of May 31, 2012. 604,720 shares, equivalent to 1.71 % of the share capital of EUR 35,314,016.00 were repurchased by December 31, 2013.

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 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 1,327,500 options were forfeited at the balance sheet date.

The development of the stock options is as follows:

(In units)	2013	2012
As of January 1	**3,655,000**	**4,020,000**
Issued	0	0
Forfeited	380,000	365,000
As of December 31	**3,275,000**	**3,655,000**

6.7.4 Interests of non-controlling shareholders

The equity Interests of other shareholders amounted to TEUR –1,403 (previous year: TEUR –2,065).

6.8 Financial liabilities

The long-term financial liabilities refer to a long-term building loans amounting to TEUR 3,501, which were closed for the financing of properties.

A loan for the Marburg site was valued at TEUR 1,800. 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. The loans were valued at December 31, 2013 with TEUR 708.

For the property in Linz am Rhein a loan in the amount of TEUR 300 was completed and secured by a mortgage of the same amount. The interest rate is 2.85 %. The loan was valued at EUR 284 and will run till October 30, 2027.

In the current financial liabilities are charges in current accounts at December 31, 2013 amounting to TEUR 4 (previous year: TEUR 11).

In addition, there is a line of credit in the amount of EUR 1.5 million, which on December 31, 2013 as part of a guaranteed credit is drawn on by guarantees totalling TEUR 518. This credit line is backed by allocated EUR 1.5 million fixed deposits.

6.9 Other current liabilities and current income tax liabilities

Other current liabilities comprise the following:

(In TEUR)	Dec 31, 2013	Dec 31, 2012
Social security contributions	6	10
Other taxes	365	388
Provisions of a liability nature	1,204	1,348
Staff obligations	587	1,145
Other liabilities	436	496
Income tax	201	23
Total	**2,799**	**3,410**

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

6.10 Provisions

Provisions comprise the following:

(In TEUR)	Dec 31, 2013 Current	Dec 31, 2013 Long-term	Dec 31, 2012 Current	Dec 31, 2012 Long-term
Restoration obligations	0	419	0	158
Litigation risks	55	0	58	0
Other	769	0	470	0
Total	**824**	**419**	**528**	**158**

The development is presented as follows:

(In TEUR)	As of Jan 1, 2013	Utilisation	Reversal	Allocation	Addition of accrued interest	As of Dec 31, 2013
Restoration obligations	158	27	8	291	5	419
Litigation risks	58	3	0	0	0	55
Other	470	244	106	649	0	769
Total	**686**	**274**	**114**	**940**	**5**	**1,243**

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

2013 (in TEUR)	Loans	Cash and cash equivalents	Trade receivables	Other financial assets	Liabilities
Loans and receivables	0	8,019	7,428	1,088	0
Financial liabilities that are valued at amortized cost	0	0	0	0	9,814
Financial liabilities that are measured at fair value in the income statement	0	0	0	0	0
Total	**0**	**8,019**	**7,428**	**1,088**	**9,814**

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**

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.

The maximum risk of loss of the liabilities valued at fair value affecting net income in the prior year was equal to their book value, according to the contract at maturity nothing had to be paid to the creditor.

The total interest expense/income from financial liabilities that are measured at fair value through profit or loss amounted to TEUR 0 (previous year: TEUR 0) in fiscal year 2013.

Liabilities are divided into long-term liabilities amounting to TEUR 3,501 (previous year: TEUR 3,413) and current liabilities of TEUR 6,313 (previous year: TEUR 6,601).

Net losses including changes in value adjustments from loans and receivables amounted to TEUR 510 (previous year: TEUR 843).

Neither financial liabilities which are measured at amortized cost, nor for financial liabilities that are measured at fair value through profit or loss, occurred net gains/net losses in the reporting year and the previous year.

It is also referred to under 2.3.12.

In the segment Telephony exist netting agreements entitling to offset financial assets and financial liabilities at the time of payment. As at December 31, 2013 there are financial assets in the amount of TEUR 2,605 (amount after netting: TEUR 2,204) and financial liabilities in the amount of TEUR 614 (amount after netting: TEUR 212) that are subject to a master netting agreement and which were not netted at the balance sheet date.

6.12 Contingent liabilities and other financial obligations

As at December 31 the following financial obligations remain:

(In TEUR)	Dec 31, 2013	Dec 31, 2012
Within one year	673	440
Between one and five years	1,175	425
After five years	1,229	0
Total	**3,077**	**865**

The purchase commitments included in the other financial obligations occurring within a year amount to TEUR 66 (previous year: TEUR 0).

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 10 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 55 (previous year: TEUR 58) were created for existing legal disputes as at December 31, 2013.

7 Notes to the cash flow statement

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

(In TEUR)	Dec 31, 2013	Dec 31, 2012
Fixed deposits	1,500	1,500
Credit with banks and cash	6,519	5,246
Total cash and cash equivalents	**8,019**	**6,746**
Less deposits offered as security	1,500	1,500
Cash and cash equivalents	**6,519**	**5,246**

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 –3,608 (previous year: TEUR –9,692) from operating activities in continued operations.

Cash flow from investing activities amounted to TEUR 5,071 (previous year: TEUR –17,281) and cash flow from financing activities amounted to TEUR –199 (previous year: TEUR 341). In addition, exchange rate related changes and consolidation-related changes in the amount of TEUR 9 (previous year: TEUR 6) arose.

In total, cash and cash equivalents increased in an amount of TEUR1,273 (previous year: decrease of TEUR –26,626).

Of the cash and cash equivalents reported at the end of the period amounting to TEUR 8,019 (previous year: TEUR 6,746), 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 2013, interest income received in the amount of TEUR 145 (previous year: TEUR 470) is offset by interest payments in the amount of TEUR 148 (previous year: TEUR 140).

No dividends (previous year: EUR 0.04 per share) were paid in fiscal 2013 to shareholders.

For the disinvestment/investment of shares in Subsidiaries liquid assets of TEUR 26 (previous year: TEUR 205) were accrued by the Group and TEUR 56 (previous year: TEUR 0) 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)		2013			2012	
	Inflow	Outflow	Net	Inflow	Outflow	Net
Acquisition	26	56	-30	0	0	0
Disposition	0	0	0	205	0	205
Total	**26**	**56**	**-30**	**205**	**0**	**205**

In 2013 income taxes of TEUR 467 have been paid (previous year: TEUR 817).

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. The equity ratio is defined as the target size. In so doing, it ensures that all Group companies can operate as going concerns.

As December 31, 2013 and 2012, reported equity and total assets amounted to:

	Dec 31, 2013	Dec 31, 2012	Change
Equity in TEUR	45,709	50,730	
Equity in % of total capital	80.13	82.41 %	-2.28 %-percentage points
Borrowed capital in TEUR	11,336	10,830	
Borrowed capital in % of total capital	19.87	17.59 %	2.28 %-percentage points
Total capital (equity plus borrowed capital) in TEUR	**57,045**	**61,560**	

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 international business the 3U Group is exposed to currency risks, which may have a corresponding impact. Where necessary, it also uses derivative financial instruments to manage these risks. There were no derivative financial instruments as at December 31, 2013.

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, 2013 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, 2013 is attributable to the activities of the segment Telephony and is as follows:

Assets: TEUR 707
Liabilities: TEUR 80

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. Despite the losses of the financial year, the cash reserves, in particular due to the loan repayment by the former subsidiary LambdaNet were slightly increased in 2013. 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 518 were utilised as part of bank guarantees at the balance sheet date. On February 28, 2013 a framework credit agreement and on January 15, 2014 a loan agreement to finance the solar park in Adelebsen was concluded. Under this loan agreement the 3U Group can draw from the as yet undrawn loan amounting of EUR 14.0 million.

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. 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 contracted among the Group companies and are according to market conditions. Here, the cost-plus method was applied.

Short-term receivables with these companies as at December 31, 2013 amounted to TEUR 1 (previous year: TEUR 1) and current liabilities in the amount of TEUR 76 (previous year: TEUR 810). At 3U HOLDING AG there were current demands on these companies amounting to TEUR 11 (previous year: TEUR 0) and current liabilities of TEUR 0 (previous year: TEUR 0).

Income of TEUR 337 (previous year: TEUR 496) and expenses in the amount of TEUR 422 (previous year: TEUR 270) result from these transactions at subsidiaries of 3U HOLDING AG in fiscal year 2013. This income amounted to TEUR 8 (previous year: TEUR 11) and expenses TEUR 0 (previous year: TEUR 0) at 3U HOLDING AG.

Business with other related parties relate primarily to supply and service relationships that were made on commercial terms and consulting services provided at market rates. These transactions were carried out with related parties/companies of companies/managers of subsidiaries.

In fiscal year 2013 there was income of TEUR 0 (previous year: TEUR 0) and expenses of TEUR 43 (previous year: TEUR 164). As at December 31, 2013 there were short-term loans amounting to TEUR 0 (previous year: TEUR 0) and short-term debt of TEUR 2 (previous year: TEUR 12).

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
Andreas Odenbreit	Marburg Board Member of 3U HOLDING AG
Christoph Hellrung	Hattingen Board Member of 3U HOLDING AG

Total remuneration of the Management Board granted in 2013 amounted to TEUR 840 (previous year: TEUR 787).

In the variable bonus of 2013 50 % of the maximum possible variable remuneration for 2013 is included: TEUR 300 (Michael Schmidt), TEUR 35 (Andreas Odenbreit) resp. TEUR 35 (Christoph Hellrung).

Name	Fixed remuneration in TEUR		Variable remuneration in TEUR		Total remuneration in TEUR	
	2013	2012	2013	2012	2013	2012
Michael Schmidt (Speaker of the Management Board)	327	308	150	150	477	458
Michael Göbel* (Management Board Member until 8.3.2012)	0	-27	0	3	0	-24
Andreas Odenbreit**	161	157	18	48	179	205
Christoph Hellrung (Management Board Member since 14.3.2012)	166	130	18	18	184	148
Sum	**654**	**568**	**186*** **	**219**	**840**	**787**

*There was a correction of an account for the business year 2011 in the amount of TEUR 30 in 2012.
**Mr. Odenbreit received a subsequent variable compensation in the amount of TEUR 30 in 2012.
***An amount of TEUR 75 already paid in 2012, the remaining amount of TEUR 111 is due shortly.

In the fiscal year 2011 the following stock options were issued to Members of the Board. In fiscal year 2013, no stock options were granted.

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.

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, 2013 and was prolonged until December 31, 2014.

Shares held by the Management Board and the Supervisory Board as of December 31, 2013:

Name	Function	Number of shares	Stock options 2013	
			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 2013, TEUR 113 (previous year: TEUR 145) 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 2013 amounted to TEUR 68 (previous year: TEUR 68). For 2013 – as was the case in 2012 – no performance fee was accrued.

Name	Fixed remuneration in TEUR		Attendance-fee in TEUR		Performance related remuneration in TEUR		Total remuneration in TEUR	
	2013	2012	2013	2012	2013	2012	2013	2012
Ralf Thoenes (Chairman)	10	10*	15	15	0	0	25	25
Gerd Simon	8	8	15	15	0	0	23	23
Stefan Thies	5	5	15	15	0	0	20	20
Sum	**23**	**23**	**45**	**45**	**0**	**0**	**68**	**68**

*The fixed remuneration for Mr. Thoenes for the financial year 2012 was recognized as expenses in accounting in 2013.

In addition, the Supervisory Board receives a reimbursement of their travel costs and other expenses. Mr. Thoenes received TEUR 0.9 (previous year: TEUR 0.1), Mr. Simon TEUR 1.3 (previous year: TEUR 1.1) and Mr. Thies TEUR 1.3 (prior year: TEUR 0.3) as reimbursements for expenses in fiscal year 2013. 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 9).

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 3 for its consultancy services for the 3U Group (previous year: TEUR 13). These were completely provided to 3U ENERGY AG (previous year: TEUR 13 to 3U TELECOM GmbH).

Thies & Thies Steuerberatungsgesellschaft mbH, whose Managing Director is Mr. Stefan Thies, received TEUR 1 (previous year: TEUR 0) for tax consulting services in fiscal 2013. These were fully paid by 3U HOLDING AG.

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

On March 4, 2014 3U HOLDING AG published an ad hoc notification in which it announced that it had purchased a data centre including two commercial buildings in Hanover.

The overall object in Hanover comprises of two buildings on an area totalling 7,345 m^2. The floor space of 3.067 m^2 of the one building is used exclusively as a data centre. The other building with 4,141 m^2 of floor space, which is mainly used as an office and administration building, also hosts the approx. 550 m^2 data centre of 3U TELECOM GmbH which was leased December 1, 2013.

Both buildings are currently 100 % leased, with rental agreements of different maturities. Currently, an annual net rent of around € 735,000 is achieved.

3U HOLDING AG has a binding financing commitment for the financing of the commercial property.

8.5 Auditor's Fees

The fees for the auditor BDO AG Wirtschaftsprüfungsgesellschaft in the financial year 2013 are:

Annual audit services	TEUR 303	(previous year: TEUR 514*)
Other assurance services	TEUR 0	(previous year: TEUR 19)
Tax consulting services	TEUR 0	(previous year: TEUR 8)
Other services	TEUR 1	(previous year: TEUR 167)
Total	TEUR 304	(previous year: TEUR 708)

*The fee 2012 included 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 21, 2014. 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 21, 2014

The Management Board

Michael Schmidt | Christoph Hellrung | Andreas Odenbreit

Appendix to the Notes: Development of fixed assets 2013

3U Group (in TEUR)	Historical acquisition and production cost					
	As of Jan 1, 2013	Additions	Reclassi-fications	Disposals	Changes in the basis of consolidation	As of Dec 31, 2013
I. Intangible assets						
1. Purchased concessions, industrial property rights and similar rights and assets and licences to such rights and assets	4,136	123	0	4	0	4,255
2. Customer base	0	0	334	0	0	334
3. Goodwill	517	0	-334	0	0	183
Total intangible assets	**4,653**	**123**	**0**	**4**	**0**	**4,772**
II. Property, plant and equipment						
1. Land and buildings including buildings on third party land	11,750	277	1,180	1	0	13,206
2. Technical equipment and machines	23,389	736	0	205	85	24,005
3. Other equipment, plant and office equipment	2,083	187	0	22	0	2,248
4. Constructions in progress	258	66	0	0	0	324
Total property, plant and equipment	**37,480**	**1,266**	**1,180**	**228**	**85**	**39,783**
III. Investment Properties						
Held as investment properties	5,130	147	-1,180	0	0	4,097
Total investment Properties	**5,130**	**147**	**-1,180**	**0**	**0**	**4,097**
Total fixed assets	**47,263**	**1,536**	**0**	**232**	**85**	**48,652**

Accumulated depreciation						Carrying amounts	
As of Jan 1, 2013	Additions	Reclassi-fications	Disposals	Changes in the basis of consolidation	As of Dec 31, 2013	As of Dec 31, 2013	As of Dec 31, 2012
3,464	233	0	3	0	3,694	561	672
0		334	0	0	334	0	0
347		-334	0	0	13	170	170
3,811	**233**	**0**	**3**	**0**	**4,041**	**731**	**842**
612	401	21	0	0	1,034	12,172	11,137
5,783	1,026	0	58	11	6,762	17,243	17,607
1,423	192	0	7	0	1,608	640	660
0	0	0	0	0	0	324	258
7,818	**1,619**	**21**	**65**	**11**	**9,404**	**30,379**	**29,662**
21	120	-21	0	0	120	3,977	5,109
21	**120**	**-21**	**0**	**0**	**120**	**3,977**	**5,109**
11,650	**1,972**	**0**	**68**	**11**	**13,565**	**35,087**	**35,613**

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**

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 2013 to 31. December 2013. 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 IFRS 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 21, 2014

BDO AG
Wirtschaftsprüfungsgesellschaft

Fritz	Theis
Wirtschaftsprüfer	Wirtschaftsprüfer

Further Information

Financial calendar

- **Publication of report on Q1 2014**
  May 15, 2014
- **Publication of report on Q2 2014**
  August 15, 2014
- **Annual General Meeting**
  August 27, 2014
- **Publication of report on Q3 2014**
  November 14, 2014

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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

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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

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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

weclapp Inc.
Delaware, USA

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
Marburg, Germany

EuroSun Vacuum-Solar-Systems GmbH
Marburg, Germany

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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