Annual Report 2014

3U HOLDING

Summary of Group results

3U Group (IFRS)		Year-on-year comparison January 1–December 31 2014	2013
Sales	(in EUR million)	49.24	39.71
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	-0.17	-3.08
EBIT (earnings before interest and taxes)	(in EUR million)	-2.79	-5.06
EBT (earnings before tax)	(in EUR million)	-3.34	-4.71
Net earnings for the period	(in EUR million)	-3.24	-4.12
Earnings per share total (undiluted)	(in EUR)	-0.09	-0.12
Earnings per share total (diluted)	(in EUR)	-0.09	-0.12
Equity ratio	(in %)	48.60	80.13

3U Group (IFRS)		Quarterly comparison October 1–December 31 2014	2013
Sales	(in EUR million)	11.47	11.07
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	0.02	-0.24
EBIT (earnings before interest and taxes)	(in EUR million)	-1.01	-0.75
EBT (earnings before tax)	(in EUR million)	-1.20	-0.69
Net earnings for the period	(in EUR million)	-1.17	-0.53
Earnings per share total (undiluted)	(in EUR)	-0.03	-0.02
Earnings per share total (diluted)	(in EUR)	-0.03	-0.02
Equity ratio	(in %)	48.60	80.13

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Letter to our shareholders

Dear Shareholders,

The past year was a very important year for 3U HOLDING AG. It sets a milestone in our conversion and construction of a successful diversified holding company with the three pillars Telephony, Renewable Energies and Services. We have further stabilized your business by consistently improving our risk profile. At the same time fiscal year 2014 marked a turning point in our earnings development. We have made progress in our operating performance and have achieved the goals for the year through sales growth, but above all by our cost and efficiency measures. Thus, we have achieved an operating surplus (EBITDA) in the second half for the first time since the first half of 2011.

Is the turnaround already achieved therefore? No, of course not! Because for this to happen we have to achieve a positive net income again and also secure the generation of a positive cash flow. For that reason we will not relent in our process to make 3U HOLDING AG a profitable growing company that will sustain the interests of all stakeholders. The dynamics and achieved milestones of the past year show that we are on the right track. This has also been honoured by the capital market. The shares of 3U HOLDING AG significantly outperformed the benchmark Prime All Share in the financial year 2014.

We have already come a long way

- We increased sales over the previous year by 24 % to EUR 49.24 million.

- With EUR –0.17 million we have achieved an almost balanced EBITDA after last year a negative EBITDA of EUR –3.08 million was recorded.

- Through our 4-points target achievement strategy 2013, we have laid the foundation in the last two fiscal years for positive consolidated earnings in 2015.

- By investing in the property data center in Hanover and the wind farm Langendorf we achieve long-term stable and attractive returns.

Improving the risk profile

Three things led to the improvement of our risk profile: First, the separation from in the past loss making activities in the renewable energies area at the end of the reporting year. Second, the nevertheless occurring growth in this sector, particularly through the further expansion of the business field heating, ventilation, cooling (HVAC) and wind farm projects and the related diversification within the Group. And third, through the leverage of the solar park Adelebsen and the property data center in Hanover on attractive terms, we created new financial leeway that allows us to develop and to acquire relatively low-risk business in the segment Renewable Energies, especially in the area of wind farms.

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

Improvement in operational business

The progress in operational business is apparent in all figures. First of all, with consolidated sales of EUR 49.24 million we have grown by almost EUR 10 million compared to the previous year. EBITDA, which had been significantly negative in the previous year with EUR –3.08 million, was reduced to EUR –0.17 million. Therefore each quarter of the last fiscal year was well above last year's levels. Consolidated net income in 2014 was, as expected, still negative at EUR –3.24 million, but this also meant an improvement of around EUR 1 million.

The combined measures are effective

As you can see, dear shareholders, the extensive measures in the strategic development of the Group take effect. Our initiatives in our efficiency and cost program in the last two years make an impact in all the divisions. Therefore, we are cautiously optimistic in regard to the coming fiscal 2015.

Outlook for the current fiscal year

Despite continued uncertainty existing in the economic but above all the regulatory framework in the fields of telephony and renewable energies, we are optimistic about the future of 3U HOLDING AG. We focus on the things we can control ourselves and are convinced that the already implemented measures to increase efficiency will further develop their effect.

Against this background, we currently expect
- consolidated sales that will increase by at least 10 % over the previous year
- a strong expansion of our wind power activities
- positive EBITDA contributions of all segments,
- a consolidated profit and thus a strengthening of our equity basis.

As a matter of course we are just in the middle of the road towards an efficient and successful investment holding company. The entire transformation takes time. However, we have clearly proven in the past year, that we make progress step by step. We are convinced that 3U HOLDING AG is on the right track and it is our intention to convince you as well, dear shareholders. Therefore we ask you once again for your trust and would be delighted if you continue to join us on our track.

Marburg, March 2015

Management Board

Michael Schmidt Christoph Hellrung Andreas Odenbreit

Report of the Supervisory Board

Dear Shareholders,

in the following, I would like to inform you about the work of the Supervisory Board in fiscal year 2014:

Cooperation between Supervisory Board and Management Board

In fiscal year 2014 the Supervisory Board again regularly advised the Management Board on the management of the Company and continuously supervised its conduct of business. We satisfied ourselves that business complied with all legal and regulatory requirements at all times. The Management Board fulfilled its duty to inform us and furnished us with regular written and verbal reports containing up-to-date and comprehensive information on all issues of relevance to the Company and the Group relating to strategy, planning, business performance, the risk situation and compliance. This also included information on variances between actual performance and previously reported targets as well as on budget variances. The members of the Supervisory Board always had ample opportunity to critically examine the reports and resolution proposals submitted by the Management Board and contribute suggestions. In particular, we discussed intensively and examined the plausibility of all transactions of importance to the Company on the basis of written and verbal reports by the Management Board. On numerous occasions the Supervisory Board dealt at length with the risk situation of the Company, the liquidity planning and the equity situation. Thanks to an analysis of the value potential of the Group's businesses and the opportunities and risks of strategic steps, critical operating issues were presented to the Supervisory Board in a clear and differentiated way. Where required by law, the Articles of Association or the rules of procedure for the Management Board, the Supervisory Board provided its approval of individual business transactions.

In the periods between meetings, the Supervisory Board Chairman engaged in a close and regular exchange of views and information with the Management Board and was informed about major developments.

There were no indications of conflicts of interest of Management Board and Supervisory Board members, which must be disclosed to the Supervisory Board immediately and reported to the Annual General Meeting.

Meetings and participation

In fiscal year 2014 a total of six board meetings (March 6, 2014, March 24, 2014, May 26, 2014, August 27, 2014, November 7, 2014, and December 18, 2014 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 Supervisory Board exchanged opinions with the Management Board on the restructuring measures to be introduced in the Subsidiaries and discussed them critically in a timely matter. In addition, the Supervisory Board was informed by the Management Board continuously on the measures to optimize costs and increase efficiency in the area of renewable energies and discussed them with the Management Board.

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 Telephony and Renewable Energies to the continuously changing framework conditions.

In the segment Renewable Energies, the Supervisory Board dealt in particular with the plans for development and expansion of the business field wind power projects. Various options have been thoroughly examined and discussed in detail between the Supervisory Board and the Management Board. Both the purchase of the wind farm project development company Aufwind & ORBIS Havelland GmbH & Co. KG (today 3U ENERGY PE GmbH) and its limited partner, Aufwind & ORBIS Havelland Verwaltungs-GmbH, as well as the purchase of the wind farm Langendorf and associated companies with 15 wind turbines and an installed capacity of 22.5 MW played an important role in this context. Beyond that, discussion focused on the expansion of the business HVAC, and in particular the development of the e-commerce and the disappointing performance of the solar thermal activities, which were sold at the end of 2014.

Cloud computing and IT reselling were both focus of the discussions in the segment Services.

The Supervisory Board also dealt thoroughly with the segment Telephony. The focus of the discussion was, inter alia, the pricing by the Deutsche Telekom, regulatory decisions by the Federal Network Agency, opportunities and threats in the wholesale sector and the expansion of services relating to the data centers.

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

The members of the Supervisory Board continued to deal with the German Corporate Governance Code in the reporting year. The Management Board and Supervisory Board issued a Declaration of Conformity in accordance with § 161 of the German Stock Corporation Act (AktG) on March 12, 2015. 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.

In addition the Management Board – also on behalf of the Supervisory Board – reports on corporate governance at 3U HOLDING AG in the corporate governance report and the corporate governance declaration.

Audit of the 2014 annual and consolidated financial statements

BDO AG Wirtschaftsprüfungsgesellschaft, Essen, was chosen as auditor by the Annual General Meeting on August 27, 2014 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 2014 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 26, 2015. 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, 2014; 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 26, 2015

The Supervisory Board

Ralf Thoenes
Chairman

Corporate governance report

The German Corporate Governance Code has been applied in Germany since 2002 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.

The Government Commission on the German Corporate Governance Code made no amendments or additions to the Code in 2014. Detailed explanations of the model tables for management board compensation in the annexes to the Code were issued on September 30, 2014. They were taken into account in the compensation report.

Sound, systematic corporate governance is particularly important for a group such as 3U HOLDING AG with its numerous subsidiaries. The Supervisory Board and the Management Board are convinced that sound corporate governance, taking company and industry-specific issues into account, is an important building block for the future success of 3U HOLDING AG. Accordingly, responsibility for compliance with the principles of sound corporate governance is vested in senior management.

In the financial year 2014, the Management Board and Supervisory Board once again carefully examined the corporate governance of 3U HOLDING AG and the Group as well as the contents of the German Corporate Governance Code. During the reporting period, as in prior years, 3U HOLDING AG again fulfilled most of the Code's recommendations. The Supervisory Board and Management Board of 3U HOLDING AG therefore submitted a Declaration of Conformity with the German Corporate Governance Code on March 14, 2014 and most currently on March 12, 2015 with the following exceptions, which can be viewed permanently on its website (www.3u.net) under the path "Investor Relations/Corporate Governance".

Declaration by the Management Board and the Supervisory Board of 3U HOLDING AG on the recommendations of the Government Commission on the German Corporate Governance Code in accordance with section 161 of the AktG (German Stock Corporation Act).

3U HOLDING AG submitted the most current declaration of conformity required according to the German Stock Corporation Act on March 14, 2014 and most currently on March 12, 2015. It can be viewed permanently on its website (www.3u.net) under the path "Investor Relations/Corporate Governance".

Declaration by the Management Board and the Supervisory Board of 3U HOLDING AG on the recommendations of the Government Commission on the German Corporate Governance Code in accordance with section 161 of the AktG (German Stock Corporation Act).

1. Since last submitting a declaration of conformity on March 22, 2013, 3U HOLDING AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code as set out in the then valid version of the German Corporate Governance Code dated May 15, 2012 with the following exceptions:

- Code article 3.8: The directors' and officers' liability insurance policy does not include a deductible for members of the Supervisory Board. In this respect, 3U HOLDING AG is of the opinion that the level of responsibility and motivation with which the members of Supervisory Board of the Company perform their tasks would not be improved by any such deductible.

- Code article 4.1.5: In making appointments to senior positions, the Management Board is guided by the specific requirements of the function and looks for the best possible person meeting these requirements. If several equally qualified candidates are available, the Management Board takes into account the principles of diversity and an appropriate consideration of women by filling vacancies without making these criteria a priority principle.
- Code article 4.2.3: 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.
- Code article 5.1.2: The appointments to the Management Board made by the Supervisory Board are based on suitability and qualification and are aimed to fill the jobs with the best candidates. The Company believes that special weighting of other criteria to select potential candidates as prescribed by the Code would limit the options for the Management Board.
- Code article 5.4.1: In the cast of the Supervisory Board it applies as well that ability, experience and qualifications are the relevant selection criteria. To oblige to targets in terms of future appointments restricts the flexibility that would entail no other advantages for the Company. This is all the more because the Supervisory Board currently consists of only three members.

2. In future, 3U HOLDING AG will comply with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated May 13, 2013 with the following exceptions:

- Code article 3.8: The directors' and officers' liability insurance policy does not include a deductible for members of the Supervisory Board. In this respect, 3U HOLDING AG is of the opinion that the level of responsibility and motivation with which the members of Supervisory Board of the Company perform their tasks would not be improved by any such deductible.
- Code article 4.1.5: In making appointments to senior positions, the Management Board is guided by the specific requirements of the function and looks for the best possible person meeting these requirements. If several equally qualified candidates are available, the Management Board takes into account the principles of diversity and an appropriate consideration of women by filling vacancies without making these criteria a priority principle.
- Code article 4.2.3: 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.
- Code article 5.1.2: The appointments to the Management Board made by the Supervisory Board are based on suitability and qualification and are aimed to fill the jobs with the best candidates. The Company believes that special weighting of other criteria to select potential candidates as prescribed by the Code would limit the options for the Management Board.
- Code article 5.4.1: In the cast of the Supervisory Board it applies as well that ability, experience and qualifications are the relevant selection criteria. To oblige to targets in terms of future appointments restricts the flexibility that would entail no other advantages for the Company. This is all the more because the Supervisory Board currently consists of only three members.

Düsseldorf/Marburg, March 12, 2014

For the Supervisory Board	For the Management Board
Ralf Thoenes	Michael Schmidt

Further development of Corporate Governance

3U HOLDING AG continues to develop its understanding of good and responsible corporate governance. A professional and efficient management and control within the Group are based on governance, risk and compliance systems.

Primarily risks must be prevented there, where they may arise, and if this is not possible, they must be recognized and reduced. To ensure this, as automated as possible internal controls in the business processes are implemented. Since this is not fully implementable in any case, the effectiveness of the control system must be ensured by additional control measures by the management.

The second line of defence, which includes functions such as Group wide risk management and compliance, provides the framework for the internal control system, the risk management system, and the compliance management system, for example via policies and standard operating procedures. Close integration of the internal control system, risk management system and compliance management system maximizes the efficiency of risk prevention and management.

The risk manager of the Group monitors through independent audits the adequacy and effectiveness of the implemented processes and systems for risk management in the broadest sense. The Risk Manager reports directly to the CEO and the Supervisory Board.

The model is completed by the external monitoring of the auditor, who incorporates the results of the audits by the risk manager in his own assessment.

Appropriate control and risk management system

Corporate governance at 3U HOLDING AG involves dealing responsibly with risks. The continuous and systematic management of business opportunities and risks is fundamental to professional governance. It helps ensure that risks are identified, evaluated and managed at an early stage. The Management Board reports regularly to the Supervisory Board about the status of the main risks in the Group. The Supervisory Board focuses on monitoring the effectiveness of the accounting process and the internal control and risk management. 3U HOLDING AG continuously enhances the individual systems and adapts them to changing conditions. Key features of our control and risk management system are described in the opportunity and risk report.

Compliance

Compliance, in the sense of measures to ensure adherence to statutory requirements and internal company policies is a key management duty at 3U HOLDING AG. It contains a clear commitment to compliance with the law and internal policies: violations will not be tolerated (zero tolerance). All reports of misconduct will be pursued.

Avoidance of conflicts of interest

There were no major consulting or other service agreements between Members of the Supervisory Board and the Company during the reporting year. The contractual relationships in the financial year are disclosed in the remuneration report. Conflicts of interest of Management or Supervisory Board members, which are to be disclosed to the Supervisory Board without delay, did not occur.

The transactions with related parties are shown in the notes to the consolidated financial statements in 8.3.

Disclosure of securities transactions and shareholdings of Management and Supervisory Board

According to § 15a Securities Trading Act (WpHG), members of the Management Board and Supervisory Board and persons close to them are required by law to disclose the purchase and sale of 3U HOLDING AG shares or related financial instruments whenever the value of the transactions amounts to EUR 5,000 or more within a calendar year. In fiscal 2014, the following transactions have been reported to the Company:

Transaction date	Reporting person	Type of transaction	Quantity	Exercise price	Total volume
17.11.2014	Ralf Thoenes (Chairman of the Supervisory Board)	Purchase	25,000	0.6777 EUR	16,942.73 EUR
18.11.2014	Gerd Simon (Supervisory Board)	Purchase	7,986	0.6871 EUR	5,487.38 EUR
20.11.2014	Gerd Simon (Supervisory Board)	Purchase	2,014	0.6970 EUR	1,403.52 EUR
25.11.2014	Stefan Thies (Supervisory Board)	Purchase	12,000	0.6893 EUR	8,271.60 EUR

Shareholders and Annual General Meeting

The shareholders of 3U HOLDING AG exercise their rights at the Company's Annual General Meeting, which is chaired by the Chairman of the Supervisory Board in accordance with the Articles of Association. The Annual General Meeting takes place once a year. Each share confers one vote.

Shareholders can exercise their voting rights at the Annual General Meeting in person or by proxy, for which they can authorize a person of their choice or a Company-nominated proxy acting on their instructions. Shareholders can also cast their votes in writing by postal vote – without authorizing a proxy. On our website we make all documents and information on the Annual General Meeting available to shareholders in good time. In addition, questions can be addressed to members of our Investor Relations department via an info line or e-mail.

Transparency through high-quality information

Our dialogue with the capital market is aimed at informing all target groups fully, equally and quickly, and presenting valuation-relevant facts in high quality.

The presentations which are given to analysts and investors are immediately freely available on the website. Our Investor Relations department also makes extensive facts and data available on the website to help analysts and investors better understand and value our businesses and their upside potential.

We provide information on recurring dates, such as the date of the Annual General Meeting or the publication dates of interim reports, in a financial calendar published in the Annual Report, the interim reports and on the Company's website.

Information about the latest developments in the Group is also provided on our website. All press releases and ad hoc announcements of 3U HOLDING AG are published in German and English in the IR-News and Press section.

The Company's Articles of Association can also be viewed on the website, as can the consolidated financial statements, interim reports and information on implementation of the recommendations and suggestions of the German Corporate Governance Code. All interested parties can subscribe to the IR service on the website which always reports up to date news from the Group.

Corporate Governance Statement

The current Corporate Governance Statement by the Management of 3U HOLDING AG according to § 289a HGB is available to the public on the website 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 and Supervisory Board.

Remuneration Report

Comments on the remuneration of the Management 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 and Supervisory Board held shares in the Company as of December 31, 2014:

Name	Function	Number of shares	Percent
Michael Schmidt	Speaker of the Management Board	8,999,995 shares	25.49 %
Andreas Odenbreit	Management Board	20,500 shares	0.06 %
Ralf Thoenes	Chairman of the Supervisory Board	25,000 shares	0.07 %
Gerd Simon	Supervisory Board	20,000 shares	0.06 %
Stefan Thies	Supervisory Board	12,000 shares	0.03 %

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, 2014	EUR 35,314,016.00
Registered share capital in shares at December 31, 2014	35,314,016
Share price at year end 2014*	EUR 0.68
Share price high in period from January 1 to December 31, 2014*	EUR 0.77 (August 20, 2014)
Share price low in period from January 1 to December 31, 2014*	EUR 0.40 (January 15, 2014)
Market capitalisation at December 31, 2014	EUR 23,872,275.00
Earnings per share (undiluted) at December 31, 2014	EUR -0.09

*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 Stuttgart and Tradegate.

General market development

Global stock markets remained volatile in 2014 and markets in some regions finished the year with substantial gains. In general, the markets benefited from the continued availability of liquidity from the major central banks, as well as from interest rates that remained low.

The development of global stock markets over the first three months of the year was relatively uneven and marked by major fluctuation. The markets were impacted during this phase by the Federal Reserve's tapering of monthly bond purchases beginning in January 2014. Other influencing factors were turbulence in key emerging markets and political tensions. Following this initial phase, global markets resumed their upward trend, although this positive development was intermittently interrupted by increasing concerns regarding the escalation of the crisis in Ukraine. The announcement by the European Central Bank (ECB) that it would implement further monetary measures to counteract deflationary tendencies and the weak development of credit volume in the euro zone had a particularly positive effect on investors. The DAX reached record highs during this phase in the middle of the year. Stock-market sentiment was negatively impacted in the subsequent phase by geopolitical tensions and concerns about the pace of economic growth in Europe. European markets thus went into a significant decline during the summer months. But it did not take long for the markets to recover, and many sectors were able to recoup at least some of their previous share-price losses. In all likelihood, this positive development was primarily driven by the ECB's announcement that it would implement further monetary support measures. Share prices then declined again at the beginning of the fourth quarter due to renewed concerns regarding global economic activity and growth. However, this development was counteracted by the publication of largely solid third-quarter corporate results, as well as by expectations of a continuation of the expansionary monetary policy in Europe. As a result, stock markets developed positively throughout the remainder of the fourth quarter. In this environment – and despite the discontinuation of bond purchases by the Federal Reserve in October 2014 – many indices either reached new all-time highs or came close to breaking long-standing records during the last two months of the year.

Over the year, the DAX recorded an increase of only 2.7 % in 2014, significantly less than in the previous year, which he had concluded with a gain of more than 25 %.

Development of the 3U share

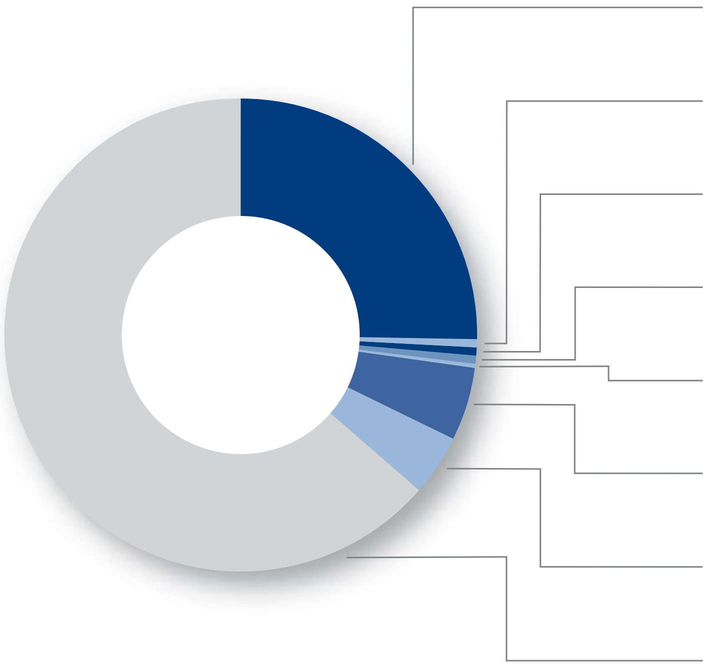
In this volatile capital market environment, the 3U shares developed significantly better. The shares of 3U HOLDING AG started in 2014, with a quote of EUR 0.41. Under moderate fluctuations the share price rose considerably in the first half of 2014 and held that level in the second half of 2014. It finished the year at EUR 0.68, which corresponds to an increase of around 66 % compared to the beginning of the year.

The Prime All Share Index developed in line with the other German indices. Starting from the end of the year 2013 level of 3654.30 points, it fluctuated during the year in a range of about 400 points, only to close with slight gains of 2.7 % at 3752.46 points at the end of 2014.

Share price performance of the 3U shares* from January 1, 2014 to December 31, 2014 vs. Prime All Share Index

*Tagesschlusskurs Xetra

Shareholder structure as at December 31, 2014



Michael Schmidt (Speaker of the Management Board)	25.49 %	8,999,995 shares
Ralf Thoenes (Chariman of the Supervisory Board)	0.07 %	25,000 shares
Andreas Odenbreit (Management Board)	0.06 %	20,500 shares
Gerd Simon (Supervisory Board)	0.06 %	20,000 shares
Stefan Thies (Supervisory Board)	0.03 %	12,000 shares
Roland Thieme (associated person)	5.25 %	1,854,071 shares
3U HOLDING AG (own shares)	4.17 %	1,473,025 shares
Remaining free float	64.87 %	22,909,425 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 transparent way to further strengthen the trust of the investors and to achieve a fair assessment on the capital market.

We have used diverse opportunities to inform about our business performance, report about the appeal of our share and present our Company in individual meetings in 2014. We keep an intense frequent dialogue with our investors. In the discussions with our investors it became clear that the development of 3U HOLDING AG is followed with interest but critical.

The liquidity of the 3U share has dropped slightly compared to the previous year. The average daily number of traded 3U shares in Frankfurt fell in 2014 to around 27,000 after an average daily number of around 30,000 3U shares were traded in the same period of 2013.

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, 1,473,025 shares at an average price of EUR 0.54 were repurchased by December 31, 2014; corresponding to 4.17 % 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

Originating from the telecommunications industry the 3U Group operates today in the three segments Telephony, Renewable Energies and Services.

The segment Telephony comprises the activities Voice Retail, Business Voice and Data Center Services & Operation. Under Voice Retail products like open call-by-call, pre-selection and call-through are being offered. The products voice termination (Wholesale, resale) and value added services are grouped under Voice Business. The products collocation, Infrastructure as a Service (IaaS), telecommunications services and the operation of networks and installations make up Data Center Services & Operation.

In the segment Renewable Energies the 3U Group essentially covers the area of HVAC, project development in the field of wind power and electricity generation with its own facilities using wind and solar energy. Activities in the area HVAC are supported by a central warehouse and logistics concept. Apart from the assembly of components for the climatisation of buildings, the distribution of products to wholesalers, craftsmen and self-builders belong to this area. This distribution is carried out mainly via the Group's online shop.

The segment Services comprises mainly of cloud computing, trading IT licenses and the consulting to management systems based on ISO 27001 as well as IT security. Cloud computing encompasses the development, distribution and operation of cloud-based CRM and ERP solutions.

Corporate management

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 and Earnings goals 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

Development of the economic environment

Overall, the German economy proved stable on annual average in 2014: The inflation-adjusted gross domestic product (GDP) was 1.6 % higher than in the previous year, which was above the average for the last ten years of 1.2 %, according to the Federal Statistical Office (DeStatis). Over the previous two years, GDP had grown much more moderately (2013 by 0.1 % and 2012 by 0.4 %). The economic situation has stabilized at the end of 2014 after a sweeping start to the year and the subsequent downturn last summer. However, Germany is thus still the engine of growth in Europe.

In the fourth quarter of 2014, there were more than 43 million employees working in Germany for the first time since reunification according to the calculations of DeStatis. Compared to the fourth quarter of 2013, the number of employed persons increased by 412,000 people or 1.0 %. The unemployment rate has declined in 2014 by only about 50,000 people, because through the net migration in the past year, the number of employed persons had increased significantly. The number of unemployed fell by international distinction in 2014 by 94,000 people (–4.3 %) to 2.1 million, the lowest level in Germany since reunification. In the EU, Germany is the least affected by unemployment.

Development of the telecommunications market in Germany

In 2014 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 2014 yearly average consumer price index for telecommunications services was 1.2 % lower than in 2013.

Fixed-line telephone services/internet was 0.6 % cheaper in 2014 than in 2013. 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 2.1 % on average in 2014 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 2014, total sales of telecommunications services declined slightly by 1.2 % compared to last year. Of the total sales of around EUR 58.3 billion in telecommunications services, which were made in Germany in 2014, EUR 33.5 billion (57.5 %) apply to fixed networks and EUR 24.8 billion (42.5 %) to the mobile networks. Sales in the total market fell by EUR 0.7 billion (–1.2 %). Deutsche Telekom and its competitors lost EUR 0.6 billion in sales in the fixed network business due to churn and a persistently strong price competition this year, while the cable operators gained an additional EUR 0.3 billion. However, Deutsche Telekom remains the dominant player in the pure fixed-line networks market (without cable operator) with a 47 % sales share.

The trend of a significantly increasing proportion of so-called non-voice sales in mobile telephony continues. Mobile data traffic per post-paid SIM card rose by 45 % in 2014 over the previous year, going from 195 MB to 283 MB (per user per month). According to estimates, the total outgoing data traffic from mobile networks rose by 48 % to 395 million GB (2013: 267 million GB) in 2014. In contrast, the generated voice volume in mobile networks is almost at the same level as last year. The shift away from fixed to mobile weakens overall.

After the fixed-line networks competitors of Deutsche Telekom recorded the same amount of sales as the market leader for the first time in 2012, they continued to expand their market share in a declining fixed-line networks market in 2014. The alternative telecommunications providers recorded sales of EUR 15.0 billion (EUR 0.2 billion; –1.3 %) in the fixed line area, while sales of Deutsche Telekom fell to EUR 13.4 billion (EUR –0.4 billion; –2.9 %) in this area.

The total number of conventional fixed telephone lines decreased by about 0.3 million in 2014 compared to the previous year. Despite a slight decrease in the amount of 0.8 million lines, Deutsche Telekom still dominates with a market share of 56 % and 20.6 million lines. Nearly two-thirds of non-Deutsche-Telekom-customers get their voice port from alternative telecommunications operators (10.5 million) in 2014, more than a third (5.7 million) from cable operators. The market share of cable operators grows at the expense of other market participants continuously (2014: +0.7 million).

The level of investment in telecommunications tangible assets rose by 7.8 % and amounted to EUR 6.9 billion (2013: EUR 6.4 billion) in 2014, despite the renewed decline in overall sales. With EUR 3.6 billion the telephone landline competitors of Deutsche Telekom bear once again more than half (over 52 %) of the investment in 2014. Since the market liberalization they have invested EUR 61.9 billion in Germany.

After the decline in the past years, VATM expects that in 2015 sales in the whole market will continue to shrink, however only a slight decline of 1.5 to 2.0 % is expected.

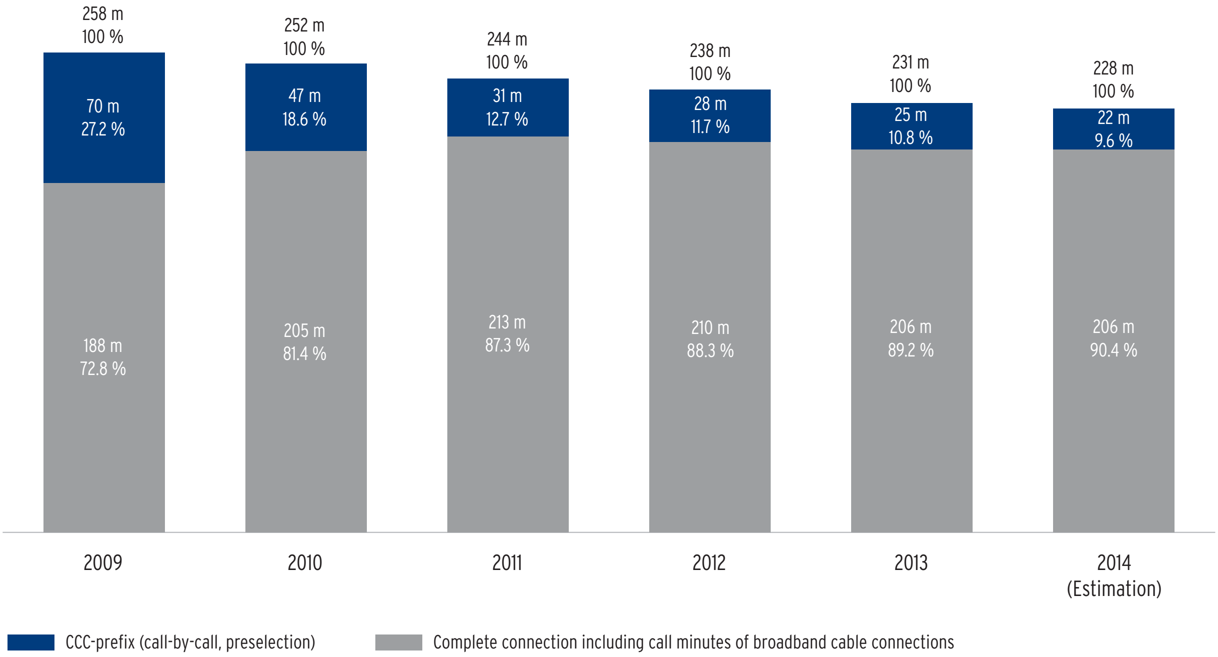
Development of the fixed-line telephony market in Germany

Customers of the competitors of Deutsche Telekom used their landlines an average of 228 million minutes daily in 2014. As in previous years, the proportion of call-by-call and pre-selection continued to decline. Nevertheless, pre-selection numbers are used for 22 million minutes every day after about 25 million minutes in 2013. 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 three years, but the market volume has shrunk dramatically in recent years. Compared to the year 2009, a decrease of approximately 70 % can be observed.

Total market competitors voice services from fixed networks in Germany based on call minutes

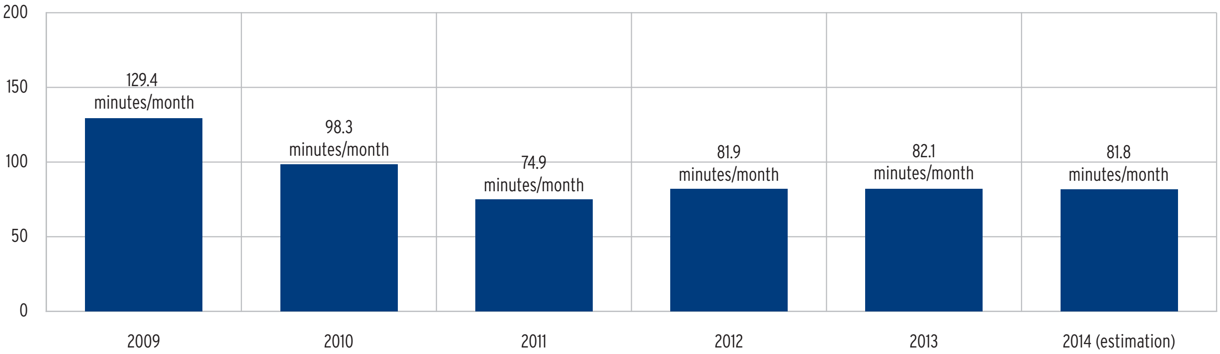
(Total market including local, long distance, international and mobile calls, in million minutes per day)



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 pre-selection has stabilized recognizable around 82 minutes per month and connection in recent years.

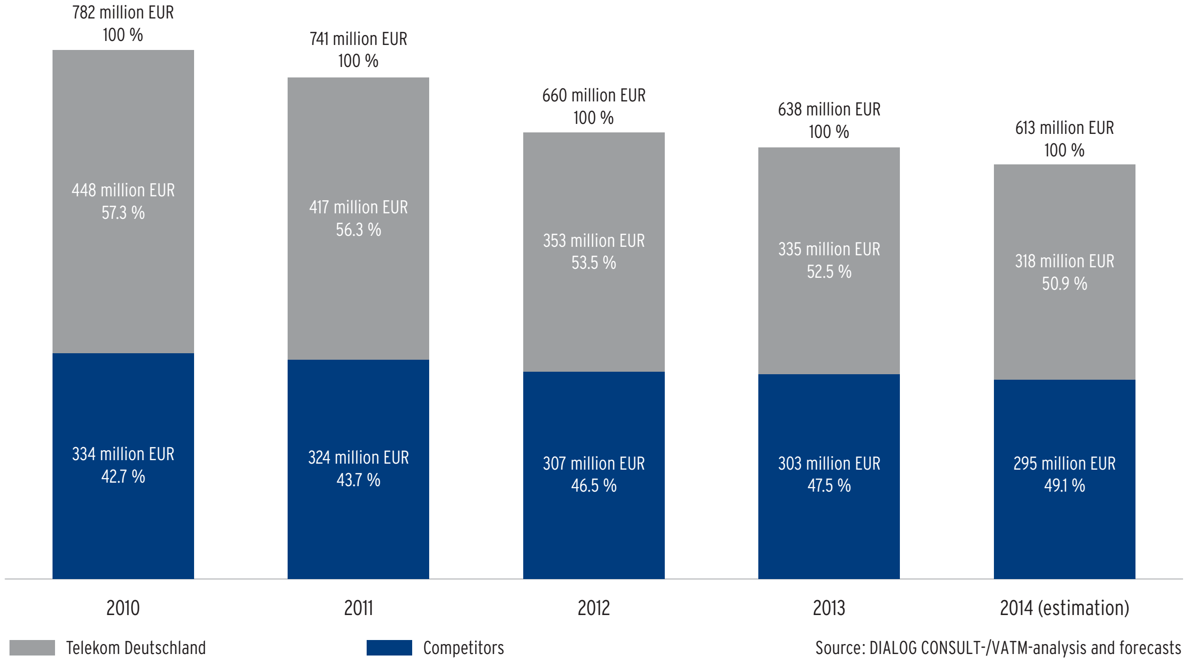
Voice minutes by network operator selection per telecom landline connection without unlimited calling
(Total market, including urban, suburban, long distance, international and mobile calls, in minutes per month)



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 4.0 million minutes. The since 2012 applicable regulation to time on hold lead to a significant shift in the number ranges used. This trend to geographical phone numbers continued in 2014 as well. Geographical phone numbers now have a market share of 32.5 %. 0180 numbers and 0800 numbers combined for 57.5 %. The other number ranges together make up only 10.0 % of call minutes. With 49.1 % of the total market of around EUR 613 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

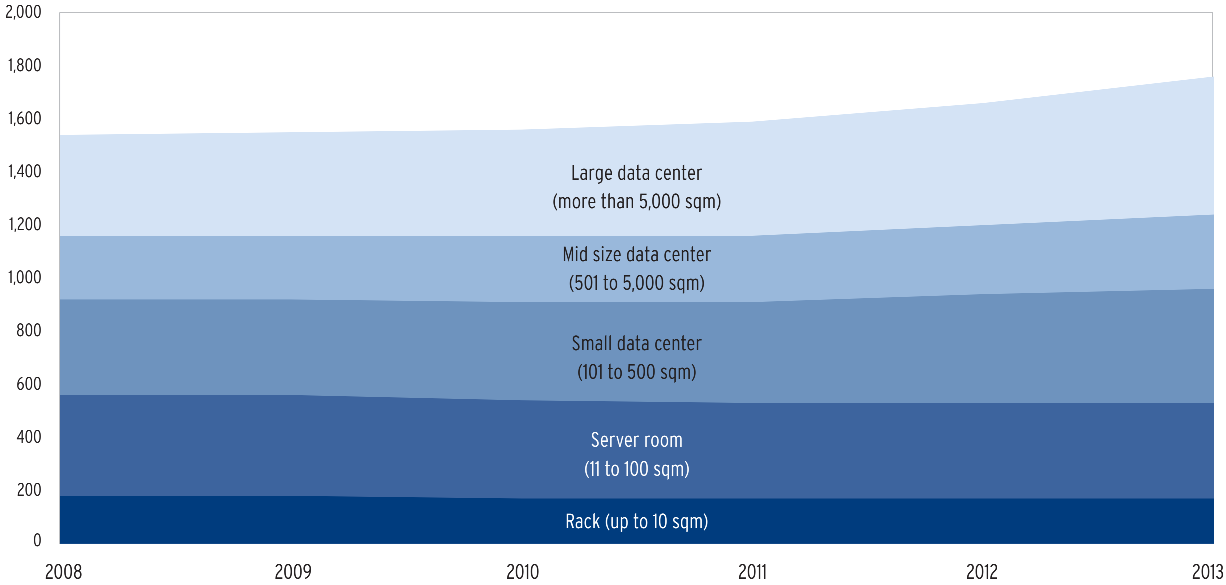
Development of the data center market in Germany

The importance of data centers for the economy has increased greatly in the past. In particular, the mobile Internet use is possible only through a powerful data center infrastructure, because many applications and data is no longer stored and located on the end devices, but centrally operated and stored in data centers. Between 2003 and 2013, the number of servers (including virtual server) has almost quadrupled in German data centers to almost 4 million, according to calculations by the Borderstep Institute. In the same period, the IT area in German data centers grew by about 42 % to about. 1.8 million sqm in about 51,100 data centers.

In 2014, nearly EUR 8 billion was invested in German data centers, of which EUR 7 billion were invested in IT hardware. The highest proportion of IT investments with about 50 % has the storage hardware investments. About a third of IT investment is spent on server hardware and one-sixth on network components. In addition, the investments for the modernization and reconstruction of the infrastructure of data centers significantly rose by 7 % to EUR 800 million in 2014.

The amount of investment for new data center buildings depends largely on the growth of data center space. In the period from 2008 to 2013, the IT area in Germany rose by a total of 14 % from approximately 1.54 million sqm to 1.76 million sqm, according to calculations by Borderstep. This corresponds to a moderate growth rate of 2.7 % p. a. This growth is mainly due to the increase of the space in large data centers.

Development of IT area in 1,000 sqm



Source: BITKOM/Borderstep Institut fur Innovation und Nachhaltigkeit gemeinnützige GmbH, 2014

The data center market is in constant change. Trends such as data center consolidation, virtualization and cloud computing, or the increase in the use of collocation services lead to changes in the structure of the data centers. A major consequence of this trend is that more and more companies and other organizations operate their information and communication technology (ICT) no longer in-house. This increases the intensity of competition in the data center market, particularly at the international level. Colocation data centers are faced with especially intense competition. As customers do not need to build buildings, they are more flexible in the use and choice of location and therefore their bargaining position is relatively good.

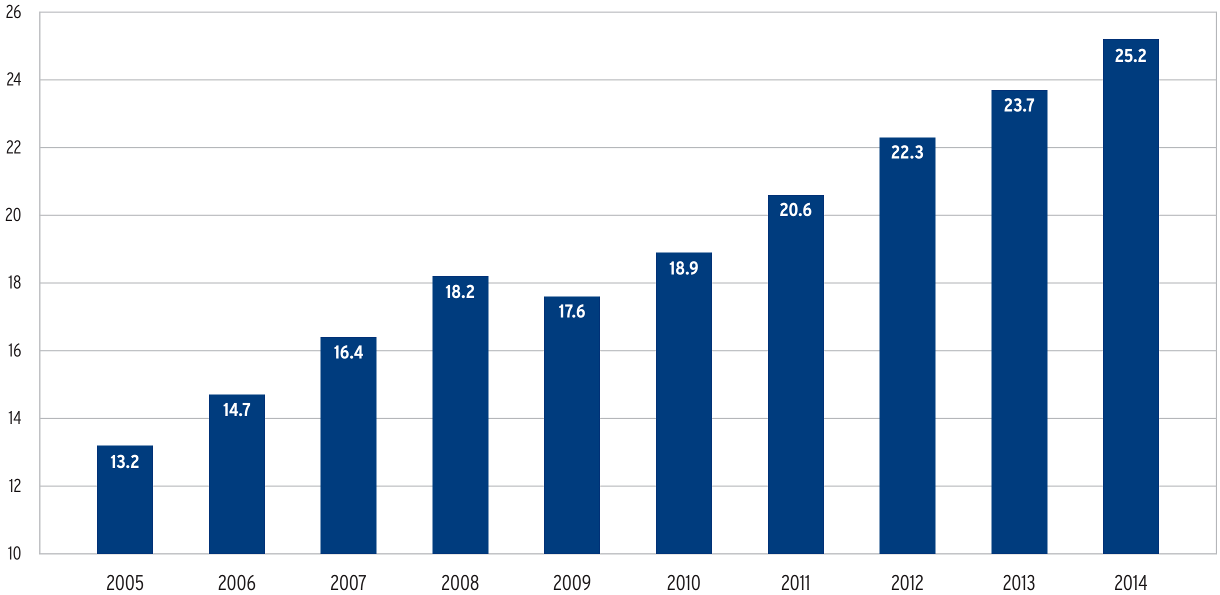
Development of the services market

The range of the product portfolio in the services area of 3U reaches from software development to consulting services.

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 systems 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.

According to the latest available data from the Bundesverband Deutscher Unternehmensberater BDU e. V. (Federal Association of German Management Consultants BDU e. V.), sales rose again in the German corporate consulting industry in 2014. Overall, clients from industry, business and authorities requested consultancy services in the amount of EUR 25.2 billion. This represents an increase of 6.4 % over the previous year (2013: EUR 23.7 billion).

Sector sales in the German consulting market from 2005 to 2014 in EUR billion



Source: Facts & Figures zum Beratermarkt 2014/2015, BDU e.V. 2015

According to BDU estimates more than 106,000 corporate consultants (+ 8.3 %) worked in Germany in nearly 15,400 consultancies in 2014. A total of 130,000 people were employed in the consulting industry in Germany.

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.

Focus of the software development is 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.

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.

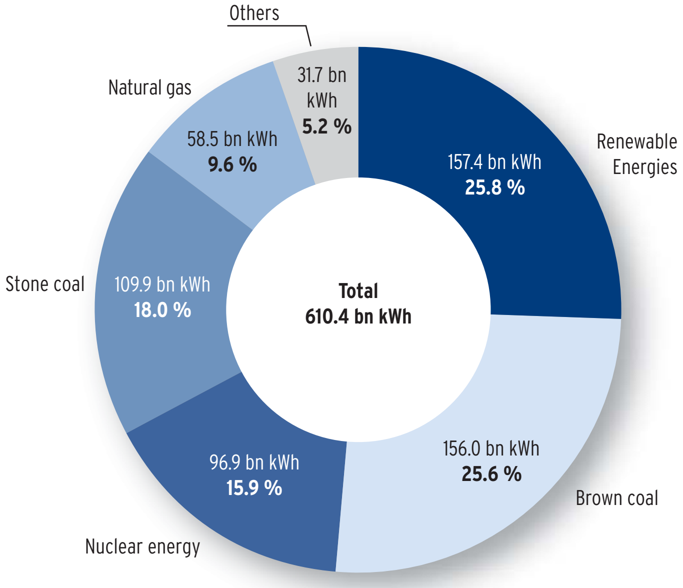
In the opinion of many experts cloud computing is one of the major IT trends, if not the most important one. However, cloud computing is not just a trend, but it is also a fundamental change in the provision and use of IT-related services. For private services from the cloud, such as email, data storage or online games have become commonplace. Companies win with cloud services, flexibility, speed, quality and efficiency.

Development of the renewable energies market

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 energies for the energy supply by 2050. An intermediate goal was defined by the Renewable Energies 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 energies sources, but also for the provision of heat from renewable sources. With 157 billion kWh renewable energies supplied more than a quarter of Germany's gross electricity generation. Together they had for the first time the largest share compared to all other particular energy sources.

Electricity mix in Germany in 2014

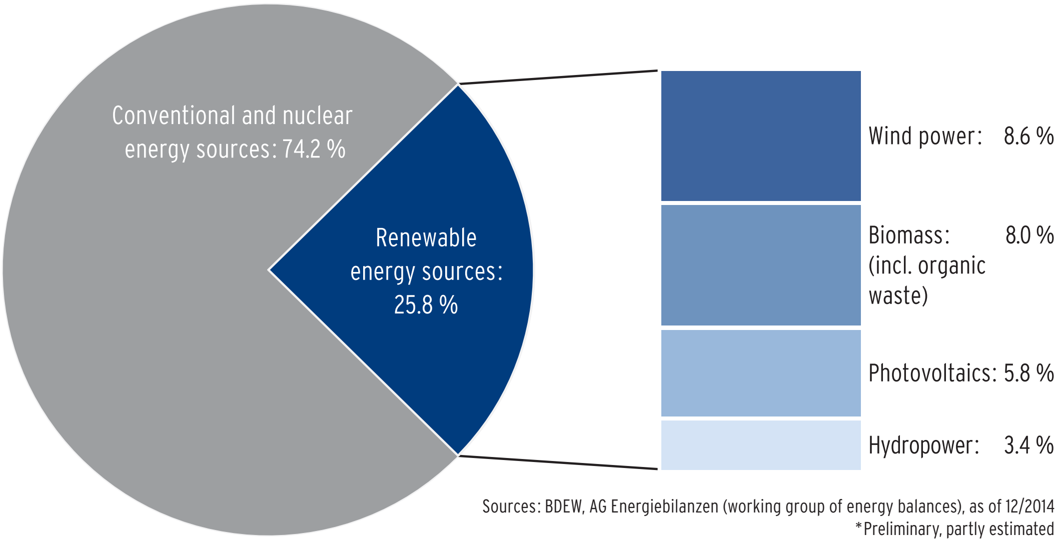


Source: BDEW (as of 12/2014)

The share of renewable energies in electricity generation in Germany (2013: 24.1 %) increased to a record high of 25.8 % in the past year. While the generation of electricity from photovoltaic, wind and biomass plants experienced significant growth, hydroelectricity stagnated. Wind power comes to a share in the power generation of 8.6 % (previous year: 7.9 %), biomass (incl. biogenic waste) of 8.0 % (previous year: 7.6 %), PV of 5.8 % (previous year: 4.5 %) and water of 3.4 % (previous year: 3.4 %). 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

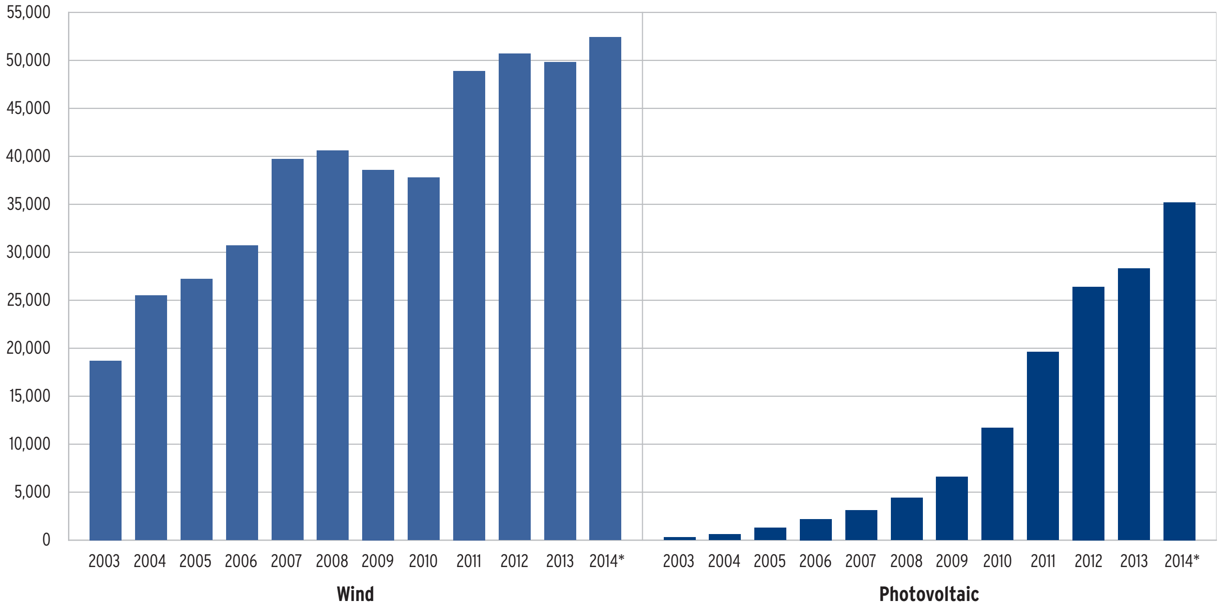
Gross national electricity consumption in Germany in 2014: 610 billion kWh*



Sources: BDEW, AG Energiebilanzen (working group of energy balances), as of 12/2014
*Preliminary, partly estimated

While the potential for hydroelectricity and biomass have been exhausted in essence in Germany, the generation of electricity through solar and wind energy in particular is becoming increasingly important. This is very evident in the rapid rise of the corresponding capacity.

Development of electricity from wind and photovoltaics (in GWh)



Source: BDEW (as of: 12/2014)

*preliminary, partly estimated

On June 27, 2014, the Bundestag passed the EEG 2014. After the approval of the Bundesrat it entered into force on August 1, 2014. The aim was to keep the EEG apportionment stable and thus ensure the affordability of electricity, while strengthening security of supply.

Development paths for each energy source have been established. The target range for the annual net additional construction of Wind energy is 2,400 MW to 2,600 MW. If more wind turbines are erected the remuneration decreases correspondingly ("breathing lid"). Repowering is excluded.

Concerning PV systems, from August 1, 2014 only so-called "small systems" get the previously fixed feed-in tariff (fixed from commissioning for a period of 20 years). These are from August 1, 2014, all newly installed systems up to 500 kWp, from January 1, 2016 all systems up to 100 kWp. From 2016, operators of PV systems of a power of 500 kWp resp. 100 kWp have to market directly their solar power. Operators of new facilities that exceed the threshold of 500 kWp from August 1, 2014 or the threshold of 100 kWp from 2016 therefore have to find a direct marketer who takes over the marketing of the self produced and injected electricity for them, if they are not able to sell to end-users themselves. In addition to the proceeds from marketing plant operators get a so-called market premium in the future. For existing installations nothing changes concerning the feed-in tariff. There is the right of continuance and no obligation for direct marketing. The power supply will continue to receive remuneration for the promotional rate that was valid at the time of commissioning.

The conditions predetermined by the EEG caused 3U HOLDING AG as well as most other professional investors to almost completely withdraw from the financing of PV systems in Germany and rely on wind energy projects, as these have a better and more calculable opportunity/risk profile. With the change in investment focus the importance of energy generated by solar energy will decrease for the 3U Group in the future, while the importance of wind energy projects will increase.

Development of the financial market

The inflation rate in Germany was at around 0.9 % p. a. on an annual average in 2014 and thus the targeted ECB benchmark of just under 2 % p. a. In particular, price declines in food and energy were responsible for this development.

The European Central Bank (ECB) cut its main refinancing rate twice in the past year from 0.25 % to 0.15 % on June 11, 2014 and to its current level of 0.05 % on September 10, 2014. Similar to the money market interest rates, the capital market interest rates fell significantly in the year 2014, with the exception of the European crisis countries; especially Greece. The yield on the ten-year German government bond, for example, fell continuously every month from 1.8 % in January 2014 to 0.45 % in January 2015.

The stock market in 2014 was characterized by a variety of critical developments such as the crisis in Ukraine or in the Middle East and weak growth prospects in China, Europe and the developing countries. In between, there were also signs of a rate hike by the US Federal Reserve. However bottom line, 2014 was a relatively good year for stocks, at least with respect to the development of major equity indices. European indices such as the DAX and the STOXX 50 have risen by only about 3 % compared to the end of 2013. The situation was different for the Dow Jones and the S&P 500. Due to the good economic development in the US, the Dow Jones gained around 8 % and the S&P 500 even more with 12 %.

According to the Bundesverband Deutscher Banken (Federal Association of German Banks) German government bonds were among the best investments of 2014. Federal bonds with five-year maturity achieved for example a 4.7 % yield, of which the interest coupon of the security contributed only 1.0 %.

3U HOLDING AG had an ambivalent attitude to the low level of interest rates. On the one hand it is negatively affected, as it has invested its cash exclusively in demand deposits and fixed-interest short-term investments and thereby generates currently only low interest income. At the same time, 3U took advantage of the low interest rates to secure itself long-term debt at attractive interest rates. Since the low interest rates should stay for the time being in Germany, 3U is planning an increased use of debt for future investments in the expansion of existing and the development of new business.

Report on business development

The key events of fiscal 2014 at a glance

Telephony

Consistent alignment of the product portfolio and expansion of the service portfolio around data centers

Business in the segment Telephony was characterized by the consistent alignment of the segment to the product areas Voice Retail, Business Voice and Data Center Services & Operation (DCS&O). In the area of DCS&O 3U offers redundant networking of the various data centers and intelligent backup solutions to give customers more protection and a higher reliability than a stand-alone data center. Through the integration of the new data center in Hanover we build a cross-border infrastructure for IT services and data transfer and continued to optimize them.

This was supported by the acquisition of a data center real estate including two commercial properties in Hanover. Overall, the object in Hanover consists of two buildings on an area of 7,345 sqm in total. The floor space of 3,067 sqm of one building is rented out as data center space and is built exclusively for this purpose. In the other building with 4,141 sqm of usable space, which is mainly used as an office and administration building, the data center of 3U TELECOM GmbH is located.

Services

Increase in sales from cloud solutions and IT license trade

With our cloud solutions, we are still on a positive growth path. The number of licenses for our cloud solutions was steadily increased. At the end of 2014, the ERP software was supplemented by the functions in the field of accounting. This enables our customers to manage their projects, orders, invoices, purchasing, inventory, shipping, and more within one single cloud-based software.

In license trading, we have adapted our sales structures to the effect that we focus less on the distribution of IT security licenses and more on selling software licenses from our partner Workshare. For Workshare we are working as exclusive partner of the DACH region as well as the official partner for the EMEA region.

Renewable Energies

Debt financing of PV park Adelebsen

On April 15, 2014, the Group received EUR 14.1 million by the credit agreement to finance the PV project in Adelebsen.

Purchase of a wind farm project development company.

On August 8, 2014, 3U HOLDING AG announced that 3U ENERGY AG, a subsidiary of 3U HOLDING AG, bought the wind farm project development company Aufwind & ORBIS Havelland GmbH & Co. KG (A&O KG), and its associated limited partner, the Aufwind & ORBIS Havelland Verwaltungs-GmbH, and thus has bought their existing development projects. The purchase price for the acquisition is EUR 2.0 million and a deferred purchase price adjustment at realization of backlog projects.

The planned wind farms are located in both topographically and climatically favourable location, ensuring a higher than average electricity production. With this acquisition, we have reached an important milestone in our strategic objective to accelerate the expansion of the business area of renewable energies. Within the acquired company, there is currently a wind farm project portfolio of up to 40 wind turbines with a total capacity of more than 100 MW. The wind farms are in various stages of development and will be put into operation in the years 2015–2017. Proceeds from the sale of the first wind farm are expected within one year. It is planned to operate a portion of future wind farms within the 3U Group.

Purchase of a wind farm

On October 24, 2014, we were able to announce that we signed a contract for an existing wind farm with 15 wind energy plants (WEP) and an installed capacity of 22.5 MW. This wind farm was acquired by 3U ENERGY AG, a subsidiary of 3U HOLDING AG. The purchase price for the complete acquisition of the shares is approximately EUR 12.2 million and thus at around TEUR 542 per MW. The wind farm is to be financed by borrowing EUR 9.0 million; which corresponds to a debt ratio of around 73 %. To this end, we hold an offer of a renowned German bank. The acquired wind farm Langendorf in Saxony-Anhalt was built in 2001 and put into operation. On average, the wind farm produces with its total of 15 wind turbines with a rated output of 1.5 MW each a current yield of around 35,000 MWh (average 2002–2013) in the year. Therefore, we expect for the wind farm sales of approximately EUR 3.1 million p. a. and a double-digit return on equity.

Sale of assets of 3U Euro Energy Systems GmbH (formerly EuroSun Vacuum-Solar-Systems GmbH)

In October 2014, the Management Board decided with the approval of the Supervisory Board the sale of substantially all assets of 3U Euro Energy Systems GmbH (formerly EuroSun Vacuum-Solar-Systems GmbH) to the former co-CEO and his newly founded company EuroSun Solarsystem GmbH.

In 2009, the strategic realignment of 3U HOLDING AG began with the entry in the future segment "renewable energies". German solar thermal manufacturers were able to double their sales in the year to EUR 2 billion. The 3U Group wanted to participate in this growth potential and therefore developed the business field solar thermal energy through the acquisition of 74.996 % of the shares in the company EuroSun Vacuum-Solar-Systems GmbH. In the following years, two Chinese subsidiaries were established to meet the expected demand.

In spite of superior forecasts one must state today that the area solar thermal has disappointed. Since 2009 – with the exception of 2011, which was impacted by the nuclear accident in Fukushima – the newly installed collector space has steadily declined annually. The EuroSun Vacuum-Solar-Systems GmbH was not spared by these external influences. As a result, profound restructuring measures were carried out in 2013, which led to a strong reduction of staff and to almost a halt of all activities in the Chinese subsidiaries. In 2014, the deficit was markedly reduced by these measures; however, a long-term success is not foreseeable.

Because of this ongoing negative outlook, the Management Board of 3U HOLDING AG decided to sell the solar thermal sector within the EuroSun Vacuum-Solar-Systems GmbH in October 2014. The co-shareholder and former managing director will continue to work in this area and has taken over the business associated with the fixed and current assets of EuroSun Vacuum-Solar-Systems GmbH.

The purchase price for the fixed and current assets result from the book value as of September 30, 2014. The payment of the purchase price in the amount of nearly EUR 1.2 million is done by granting an interest-bearing loan over four years, which is to be repaid in 48 monthly rates.

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. As part of the share buyback program started May 2, 2013, 1,473,025 shares, equivalent to 4.17 % of the share capital of EUR 35,314,016.00 were repurchased by December 31, 2014.

Earnings

Group sales increased significantly over the previous year by EUR 9.53 million from EUR 39.71 million to EUR 49.24 million. After bottoming out in the first quarter of 2013, the sales growth of the 3U Group continues. Consolidated sales increased significantly in each quarter compared to the same quarters last year and only in the fourth quarter 2014, with sales of EUR 11.47 million, were only slightly higher than in the fourth quarter of 2013. Especially the significant sales growth in the segment Renewable Energies and the light growth in the segment Telephony are responsible for the yoy increase.

Gross profit improved compared to fiscal year 2013 (hereinafter referred to as the previous year) from EUR 13.94 million by EUR 2.21 million to EUR 16.15 million. Gross profit amounts to 32.80 % of sales compared to 35.09 % in the previous year. Following the sharp rise in 2013, this level was not quite kept. However, the significant increase in sales offset the decline in gross margin in absolute terms.

On a quarterly basis, gross profit in fiscal 2014 increased steadily from quarter to quarter and reached EUR 4.67 million, the highest level of the year. This is noteworthy, particularly against the background that the sales in the fourth quarter of the fiscal year were the lowest of the year.

After the significant decrease in personnel costs and other operating expenses in the previous year, mainly due to cost reductions from the mid November 2012 initiated and implemented in 2013 4-points target achievement strategy 2013, these costs were reduced in fiscal year 2014 by a further EUR 0.7 million to a total of EUR 16.32 million. Other operating expenses increased slightly compared to the previous year. It should be taken into account that part of these expenses are external due diligence costs for the investigation of participation options in the amount of EUR 0.15 million. The average number of employees has decreased over the previous year by 3 staff.

EBITDA has improved significantly over the previous year. While in the previous year a negative EBITDA of EUR –3.08 million had to be accepted, EBITDA in fiscal 2014 amounted to EUR –0.17 million. On a quarterly basis, a slightly positive EBITDA was achieved. Overall, the fourth quarter was slightly below expectations due to the significant increase in other operating expenses, so that for the full year a positive EBITDA was not achieved. Required writedowns in the field of solar thermal energy in the amount of EUR 0.20 million have a negative impact on EBITDA in the fourth quarter.

The positive financial result in the previous year (EUR 0.35 million) deteriorated to EUR –0.55 million in fiscal year 2014. 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) and the issuance of debt to finance the solar park in Adelebsen and the data center property in Hanover. The share of earnings from the "at equity" consolidated companies declined compared to the same period last year by EUR 0.35 million to EUR –0.01 million.

The tax charge in the amount of EUR 0.29 million (previous year: EUR 0.16 million) relates to current taxes on income in the amount of EUR 0.23 million (previous year: EUR 0.13 million) and with EUR 0.06 million (previous year: EUR 0.032 million) deferred taxes.

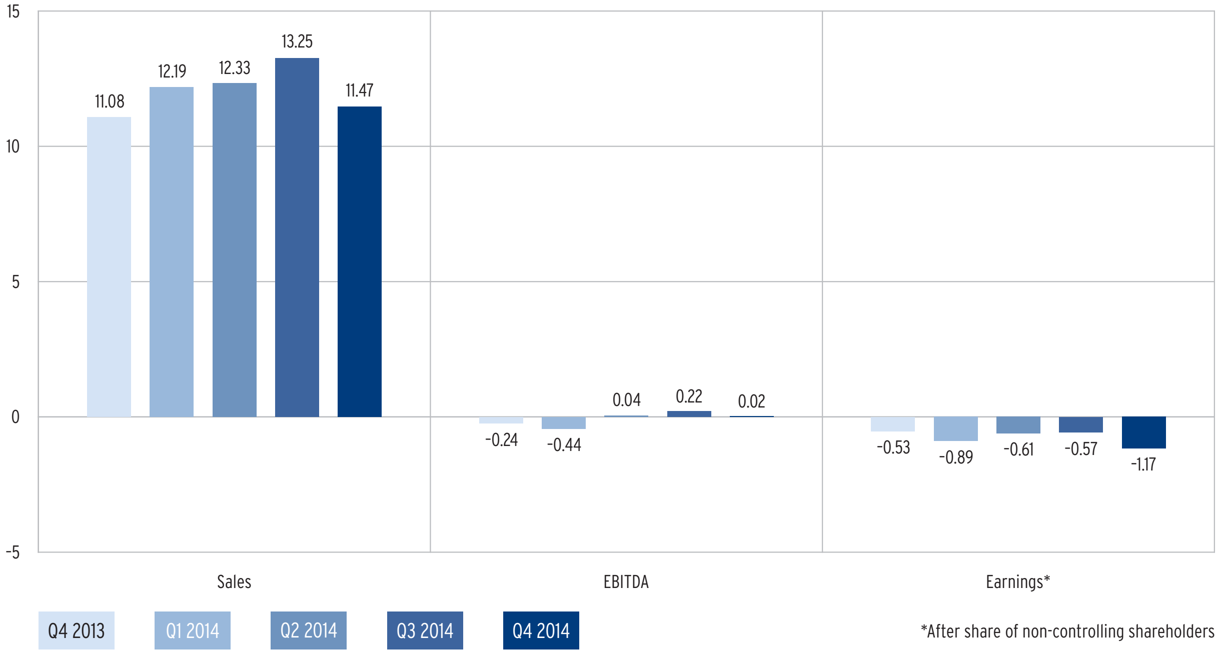
The reduction in deferred tax assets of EUR 0.12 million has been reflected in the deferred taxes for the financial year 2014.

As a consequence, the Group's earnings of EUR –3.24 million in 2014 are EUR 0.88 million higher than the Group's earnings for fiscal year 2013 (EUR –4.12 million). Group's earnings in the fourth quarter are influenced by significantly higher other operating expenses as well.

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



Segment Telephony

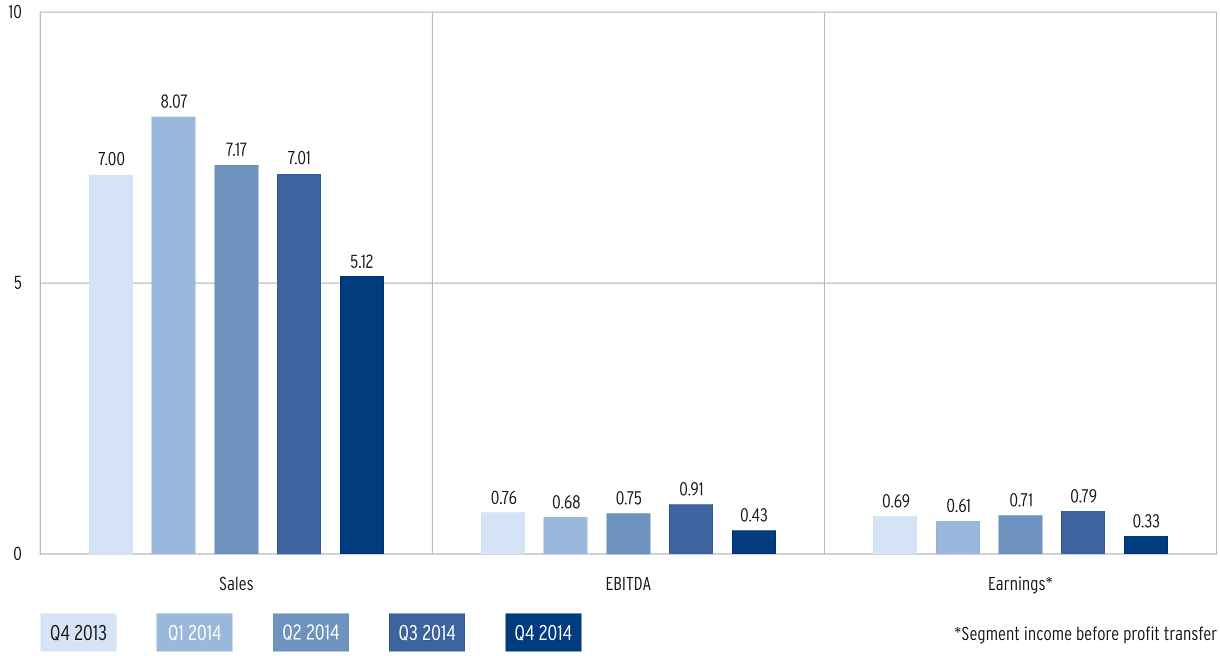
The intensive competition in Telephony continues. The Amendment to the Telecommunications Act has on the one hand contributed to further margin declines in segment Telephony, but on the other hand also opened up new opportunities for 3U. By focusing and optimizing processes and organizational units towards the product areas Voice Retail, Voice Business and Data Center Services & Operation earnings increased slightly compared to the previous year.

Sales in the segment increased during the reporting period over the previous year from EUR 25.54 million by EUR 1.83 million to EUR 27.37 million. Sales declined in the business area Voice Retail by approximately 29.36 %, while sales in Voice Business increased by approximately 28.21 %. The business area Data Center Services & Operation, which began its expansion only in 2013, contributed with EUR 1.85 million resp. 6.75 % to sales of the segment Telephony in the fiscal year 2014.

The material cost ratio could not be kept at the previous year's level of 78.49 % and declined to 75.97 % due to the decline of sales in the product range Retail Voice, which generally provides for higher margin sales. Taking into account the increase in sales, gross profit of EUR 6.99 million is still on the previous year's level (previous year: EUR 6.98 million). Taking into account lower other operating expenses and the increase in personnel costs of EUR 0.44 compared to the previous year lead to an increase in EBITDA over the previous year from EUR 2.42 million by EUR 0.35 million to EUR 2.77 million in fiscal year 2014. Partly previously purchased services from the segment Services were provided by own staff. This is related with the increase of employees in the segment Telephony.

Depreciation, amortization and the financial result in the segment Telephony have improved slightly over the previous year, so that the positive development of EBITDA is mainly reflected in earnings as well. Earnings in the segment Telephony improved compared to the previous year from EUR 2.17 million by EUR 0.27 million to EUR 2.44 million in the reporting period.

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



Segment Services

The segment Services was comprised of IT consulting and development, business consulting and the distribution and marketing resources, which were utilized Group-wide for several Group Companies until the end of 2013. As at January 1, 2014 the sales and marketing resources were allocated to the segment Telephony, as far as the employees are mainly active in this segment. The remaining employees from this area, which are responsible for various segments, were assigned to the area holding/consolidation.

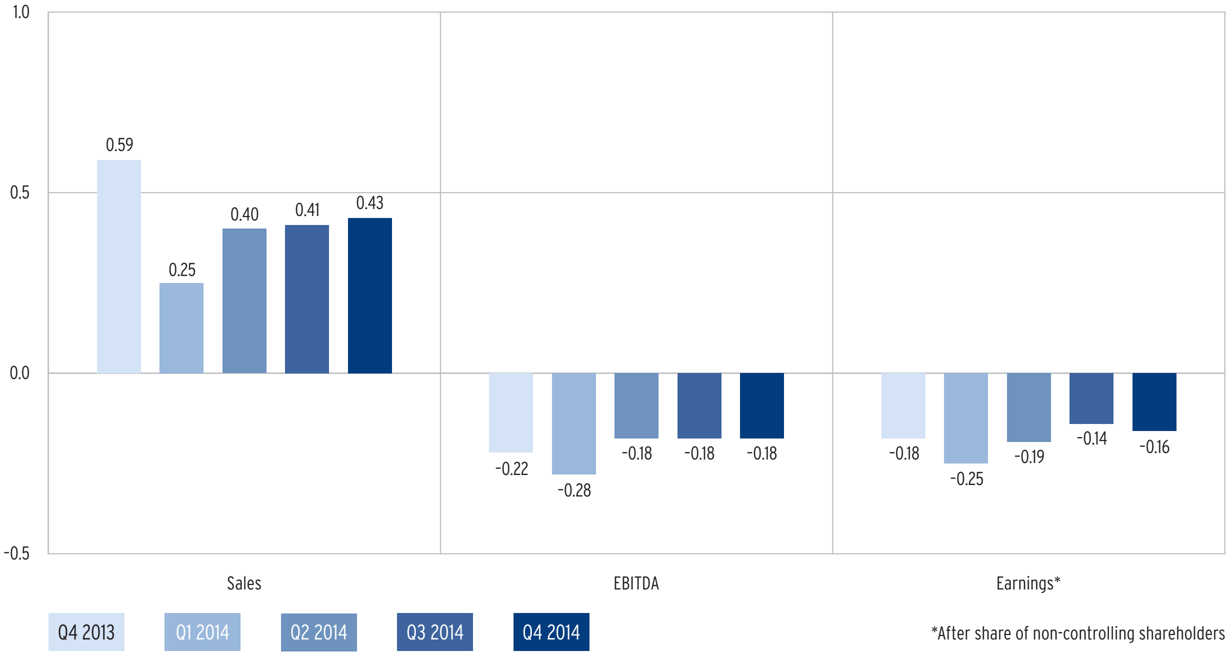
As in the previous year, the topics cloud computing and trade in IT licenses were mainly driven forward in the business year 2014. Sales decreased compared to the same period last year from EUR 2.34 million to EUR 1.49 million. Gross profit decreased by EUR 1.42 million to EUR 1.241 million compared to the previous year. EUR 1.17 million of sales reported in this segment are generated outside the Group, in contrast to the previous year. While in 2013 about 80 % of sales were still generated within the Group, it was only 21 % in the fiscal year 2014.

The workforce reduction in 2013 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 3.34 million in 2013 by EUR 1.94 million to EUR 1.44 million in the reporting period. Other operating expenses decreased considerably as well by EUR 0.77 million to EUR 0.68 million compared to the same period last year.

EBITDA was at EUR –0.82 million (previous year: EUR –2.07 million). In particular, lower internal Group services and the associated lower income contributed to this. Lower personnel expenses due to the staff measures carried out and lower other operating expenses had an offsetting effect.

In fiscal year 2014, the net loss amounted to only EUR –0.74 million, while the net loss in the previous year still amounted to EUR –1.67 million.

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



Segment Renewable Energies

In the segment Renewable Energies the 3U Group covers essentially the product range, heating, cooling, ventilation (HVAC), and project development in the field of wind power and electricity generation with its own facilities using wind and solar energy as at December 31, 2014. Activities in the area HVAC are supported by a central warehouse and logistics concept. Apart from the assembly of components for the climate in buildings, the distribution of products to wholesalers, craftsmen and self-builders belong to this area. The distribution is mainly done via the Group's online shops. The trade with solar system technology including the production of components of solar thermal and trading in photovoltaic systems was further reduced in the financial year 2014. In turn, development projects and existing power generation assets in the business area wind power were acquired.

In the segment Renewable Energies, sales increased from EUR 14.45 million to EUR 20.84 million. This increase in sales of EUR 6.39 million resp. 44.2 % is a result of the EUR 6.11 million sales increase in the area of HVAC, while the area of solar thermal decreased once again by EUR 0.17 million to EUR 1.31 million. As a consequence, the production in solar thermal as well as substantial inventories of the product range solar thermal was sold at the end of the fiscal year. The proportion of the product range HVAC generated approximately 81.5 % of sales in 2014 (previous year: 75.2 %).

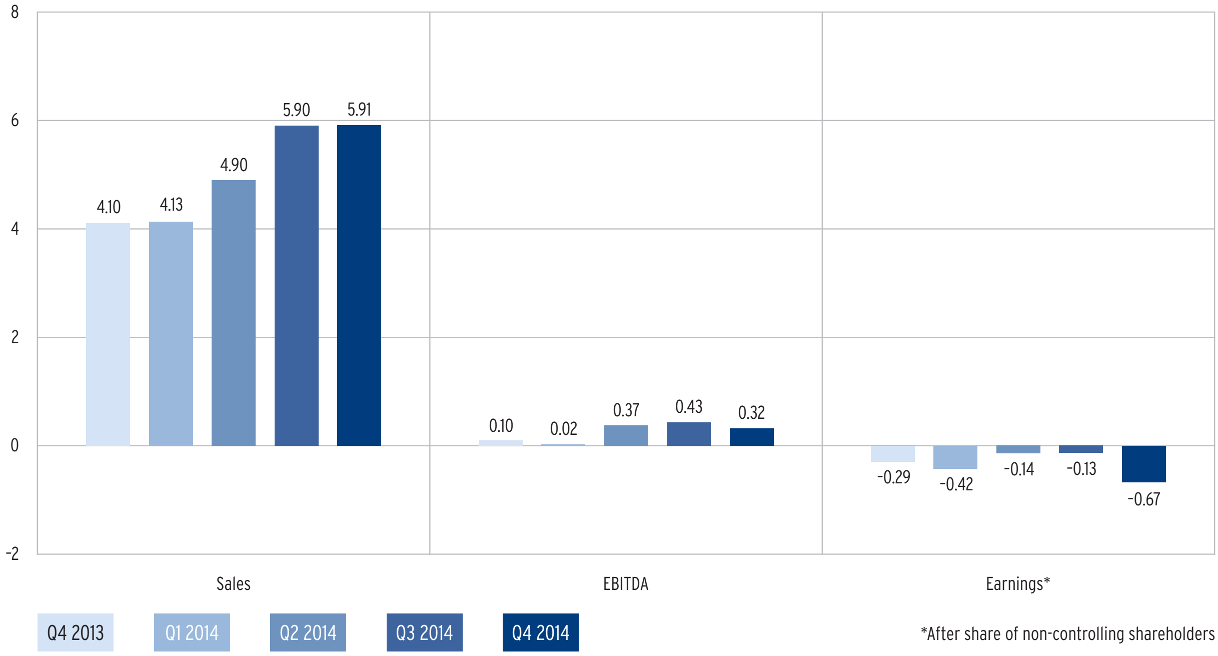
Gross profit in the segment Renewable Energies amounted to EUR 8.13 million and was EUR 2.20 million higher compared to the previous year. The product range HVAC contributed EUR 5.24 million (previous year: EUR 3.74 million), the solar park Adelebsen EUR 1.72 million (previous year: EUR 1.70 million) and the newly in 2014 acquired wind farm Langendorf EUR 0.70 million to gross profit. Devaluations of supplies in the solar thermal area in the amount of EUR 0.12 million had a negative impact in fiscal year 2014.

In fiscal year 2014, the reduction of employees – primarily in not so promising areas of the segment Renewable Energies – was more than offset by the build-up of employees in promising areas. Accordingly, staff costs increased over the previous year from EUR 2.62 million to EUR 3.47 million. Other operating expenses are with EUR 3.52 million (previous year: EUR 2.74 million) well above the previous year's level. Higher marketing expenses in connection with the sales growth in online sales and necessary write-downs and losses from the deconsolidation of the solar thermal area have contributed to this end. EBITDA improved from EUR 0.57 million in the previous year to EUR 1.14 million in the fiscal year 2014.

Higher depreciation on fixed assets in the amount of EUR 0.49 million and a higher negative financial result in the amount of EUR 0.06 million have contributed to the segment Renewable Energies' earnings being still negative with EUR –1.36 million (previous year: EUR –1.28 million). Depreciation and amortization increased in particular from the depreciation and amortization of the wind farm Langendorf in the amount of EUR 0.37 million (previous year: EUR 0.00 million).

In addition, tax expenses in the segment Renewable Energies amounting to EUR 0.17 million in fiscal year 2014 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.

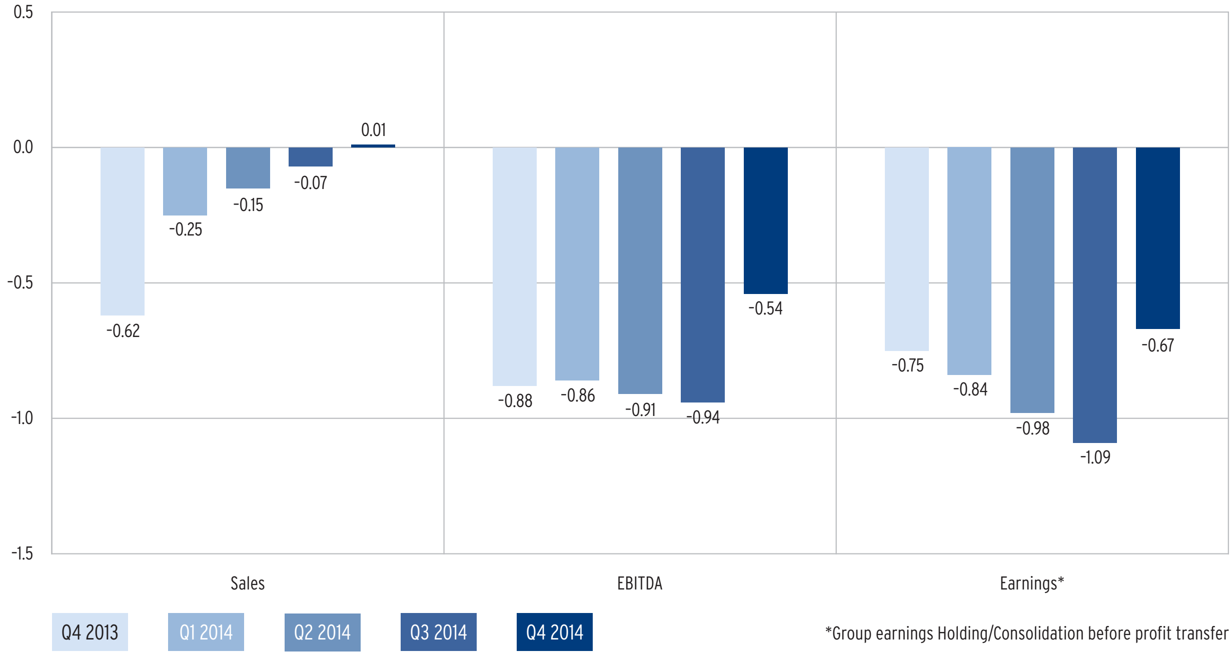
Holding/Consolidation reported sales of EUR –0.46 million (previous year: EUR –2.62 million) in the reporting period. These comprise of the sales of the Holding in the amount of EUR 1.69 million (same period last year: EUR 0.96 million) and the sales consolidations in the amount of EUR –2.15 million (previous year: EUR –3.58 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 –3.25 million (previous year: EUR –4.01 million) and is substantially shaped by staff costs in the amount of EUR 3.14 million (previous year: EUR 3.13 million) and other operating income in the amount of EUR 0.26 million (previous year: EUR 1.69 million). Concerning personnel costs it has to be considered that employees from the finance and law sector and since the beginning of 2014 also the Group-wide marketing resources are assigned to the parent Company. The inflow of staff from the marketing area offset the workforce reduction in the remaining areas. As a result, the personnel expenses over the previous year have not changed significantly.

Among the other operating expenses, the largest share of the expenses is attributable to consulting fees in the amount of EUR 0.62 million (previous year: EUR 0.58 million) and the intercompany billing of services with EUR 0.85 million (previous year: EUR 1.18 million). Other operating income consists mainly of income from intercompany services, income from payments from employees and tax refunds of sales tax for previous years.

Starting from EBITDA, higher depreciation and lower financial earnings have contributed to negative earnings of EUR –3.58 million (previous year: EUR –3.35 million).

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



*Group earnings Holding/Consolidation before profit transfer

Financial position

Capital structure

In the business year 2014, the Group has invested a total of EUR 22.14 million (previous year: EUR 1.54 million) in non-current assets. The investments were mainly investments by the Holding in the data centre property in Hanover and the purchase of the wind farm Langendorf.

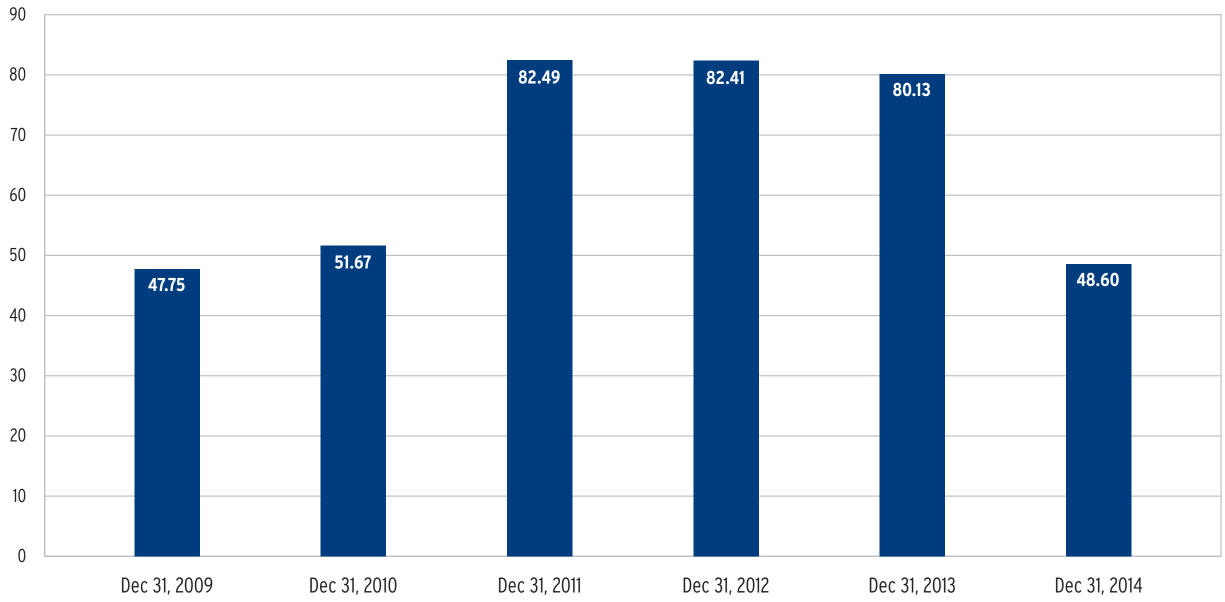
3U HOLDING AG invests its financial portfolio exclusively in call accounts and current time deposits at the Baden-Württembergische Bank, at Sparkasse Marburg-Biedenkopf and at Deutsche Kreditbank AG.

Compared to December 31, 2013, cash and cash equivalents increased by EUR 8.05 million from EUR 8.02 million to EUR 16.07 million as at December 31, 2014. In particular, the drawing on the loan from debt financing the solar park Adelebsen in the amount of EUR 14.14 million had a positive impact.

3U HOLDING AG continues to have a solid equity ratio. Considerably higher total assets and due to the lower equity capital the equity capital ratio fell significantly to 48.60 % compared to December 31, 2013 (80.13 %). The liability component is 51.40 % compared to 19.87 % at December 31, 2013.

Besides the loss of the fiscal year 2014 in the amount of EUR –3.63 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 0.52 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 equity ratio (in %)



Investments

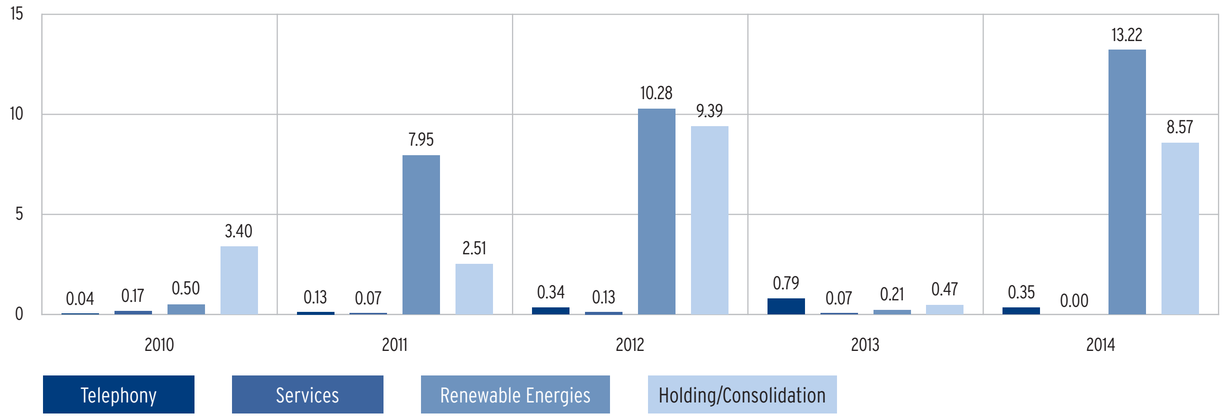
In fiscal 2014, the Group has invested a total of EUR 22.14 million (previous year: EUR 1.54 million) in non-current assets.

EUR 0.35 million were invested in the segment Telephony (previous year: EUR 0.79 million). The investments in the segments Services and Renewable Energies add up to EUR 0.00 million resp. EUR 13.22 million after EUR 0.07 million resp. EUR 0.21 million in the responding time period of 2013. The investments in the tangible assets of the Holding of EUR 8.57 million in the reporting period 2014 (previous year: EUR 0.46 million) were mainly made in properties and buildings.

The investments in the segment Renewable Energies mainly relate to the investment in the wind farm Langendorf. In the amount of EUR 12.91 million these investments relate to changes in the scope of consolidation, which were not affecting payment in the 2014 financial year.

Investments of roughly EUR 15.78 million in the existing business segments are planned for the financial year 2015. Of these, EUR 1.26 million will be invested in the segment Telephony, EUR 0.00 million in the segment Services, EUR 13.65 million in the segment Renewable Energies and EUR 0.87 million in the Holding company.

Development of investments in EUR million



Cash flow

The operating cash flow during the past financial year was EUR 0.02 million (previous year: EUR –3.61 million). The negative net income was offset by the increase in inventories related to the wind power project developments and the depreciation of the fiscal year. Cash flow from investing activities is characterized by payments for the acquisition of the data center property in Hanover and the expenditure for the purchase of the wind power project developments. Cash flow from investing activities amounted to EUR –10.30 million (previous year: EUR 5.07 million) and is EUR 15.37 million lower than in the previous year.

Cash flow from financing activities in the amount of EUR 18.38 million (previous year: EUR –0.20 million) contributed significantly to the financing of investments. It is mainly due to the drawing of the financial loans for the solar park Adelebsen and for the property in Hanover. This inflow is offset by the cash outflow from the scheduled loan repayment and the 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 2015. The liquidity position is still comfortable at December 31, 2014. The financing of the acquisition of the wind farm Langendorf is partly done by a long-term bank loan of EUR 9.0 million.

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, 2014	Dec 31, 2013
Cash flow	**8,090**	**1,264**
Cash flows from operating activities	16	-3,608
Cash flows from investing activities	-10,299	5,071
Cash flows from financing activities	18,373	-199
Exchange rate changes	**-41**	**9**
Changes in cash and cash equivalents	**8,049**	**1,273**
Cash and cash equivalents at beginning of period*	**8,019**	**6,746**
Cash and cash equivalents at end of period*	**16,068**	**8,019**

*Incl. fixed deposits as collateral in the amount of TEUR 2,332 (previous year: TEUR 1,500)

Assets position

Overview items of statement of financial position	December 31, 2014		December 31, 2013	
	TEUR	%	TEUR	%
Non-current assets	**56,102**	**65.5**	**36,558**	**64.1**
Fixed assets	54,246	63.3	35,695	62.6
Deferred tax assets	472	0.6	537	0.9
Other non-current assets	1,384	1.6	326	0.6
Current assets	**29,610**	**34.5**	**20,487**	**35.9**
Inventories	4,601	5.4	2,190	3.8
Trade receivables	5,988	7.0	7,428	13.0
Other current assets	2,953	3.4	2,850	5.0
Cash and cash equivalents	16,068	18.7	8,019	14.1
Assets	**85,712**	**100.0**	**57,045**	**100.0**
Non-current liabilities	**66,063**	**74.8**	**49,707**	**87.1**
Equity attributable to 3U HOLDING AG shareholders	42,476	49.6	47,112	82.6
Non-controlling interests	-823	-1.0	-1,403	-2.5
Provisions and liabilities	22,439	26.2	3,998	7.0
Current liabilities	**21,620**	**25.2**	**7,338**	**12.9**
Trade payables	3,331	3.9	3,711	6.5
Other provisions and liabilities	18,289	21.3	3,627	6.4
Liabilities	**85,712**	**100.0**	**57,045**	**100.0**

The total statement of financial position at December 31, 2014 amounted to EUR 85.71 million (previous year: EUR 57.05 million) and is thus EUR 28.66 million higher than last year. The causes of the changes compared to December 31, 2013 are mostly associated with the investments in the property in Hanover and the purchase of the wind farm Langendorf. It is accompanied on the liabilities side with the increase in financial liabilities.

Fixed assets in the amount of EUR 54.25 million (December 31, 2013: EUR 35.70 million) comprises in addition to intangible assets (EUR 1.67 million resp. EUR 0.73 million at December 31, 2013), fixed assets (EUR 44.49 million resp. EUR 30.38 million at December 31, 2013) and investment properties in the amount of EUR 8.08 million (at December 31, 2013: EUR 3.98 million). These relate exclusively to the properties to be rented out in Adelebsen and the data center property in Hanover in 2014.

Furthermore, deferred tax assets have been reduced in particular by lower deferred taxes on taxable loss carry forwards within the non-current assets.

Current assets of EUR 9.12 as of December 31, 2014 are higher than in the previous year. The proportion of liquid assets to current assets in the financial year 2014 is 54.3 % (previous year: 39.1 %). The increase in inventories resulted primarily from the acquisition and the continuation of the development projects in the area wind. Partially offsetting was the sale of inventories in the product range solar thermal. Another essential component of current assets are the demands for goods and services, which decreased to EUR 5.99 million (previous year: EUR 7.43 million) compared to the previous year.

On the liabilities side, in addition to the reduction in equity essentially due to the loss of the financial year revealed significant changes in non-current provisions and liabilities and current provisions and liabilities in 2014. The liabilities to banks contained therein include loans from the financing of the solar park Adelebsen and the acquisition of the property in Hanover. The non-current provisions increased particularly through the reinstatement obligation associated with the wind farm Langendorf.

In fiscal year 2014, the financing of the solar park Adelebsen was retrieved in the amount of EUR 14.14 million. The loan has a term of 18 years and is secured by the assignment of the claim from the power supply through space security of the PV system and limited personal easements by registration in the Land Registry. The loan was valued at December 31, 2014 at EUR 13.51 million. As part of this loan a credit in the amount of EUR 0.83 million was pledged to the debt service reserve account.

The acquisition of the property in Hanover was financed by a loan of EUR 6.00 million. The loan has a term until May 1, 2017 and was valued at 31 December 2014 with EUR 5.78 million. It is secured by mortgages in the amount of EUR 6.00 million. In addition, the rights and claims of the lease and rental agreements for this property were transferred. In connection with this lending it was agreed to comply with financial covenants; failure to comply with these indicators gives the bank the right to request further guarantees or to terminate the loan. The review of these covenants on a 12-month basis takes place for the first time on June 30, 2015. As further security serves the credit in the amount of EUR 1.50 million, which was pledged under the credit line.

In other liabilities, the purchase price for the wind farm Langendorf led to an increase over the previous year.

General statement concerning the economic situation

The Management Board views the economic situation of the Company at the time of preparation of the Consolidated Report as unsatisfactory overall, however, continues to see the continuation of the positive trends since the introduction of the 4-points target achievement strategy 2013.

The restructuring program initiated at end of 2012 and which was continued in 2013, has contributed to an improvement in earnings. In 2014 both the operating result (EBITDA) and Group earnings showed improvements compared to the previous year. In the fourth quarter of 2014 a positive EBITDA was achieved as was the case in the previous two quarters.

The Group objectives for 2014 were largely achieved in the period. However, the segments have partially contributed differently than originally planned.

The segment Telephony developed very well and excelled planning in all key financial indicators. Sales were higher by around EUR 4.0 million, EBITDA by around EUR 1.0 million and profit by about EUR 1.2 million than planned. The above-target sales come mainly from the product range Voice Business. This has contributed to a higher cost of materials ratio. The higher EBITDA is also due to the fact that maintenance measures and intercompany services were lower than planned. The latter has to do with the fact that the activities of carrier management and sales, which were provided by the segment Services in the previous year, are since provided by the segment Telephony. However personnel costs increased accordingly.

The segment Services developed weaker than expected. Lower than the budgeted figures were sales – including the intercompany sales – by around EUR 1.8 million, EBITDA by almost EUR 0.6 million and earnings by nearly EUR 1.0 million. In sales it is to be considered that approximately EUR 1.0 million were planned as internal sales, but were omitted under the new allocation of tasks between the segments. As a result, these not achieved external sales – especially with IT security products – led to the significant difference in the earnings.

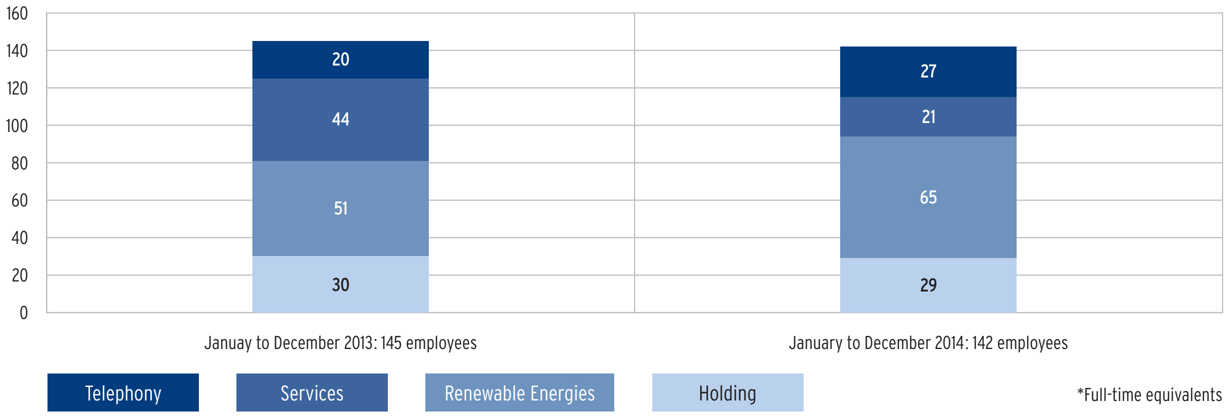
The segment Renewable Energies could not reach the target figures in the financial year 2014 as well. Sales were lower than planned by almost EUR 0.9 million, EBITDA by almost EUR 1.1 million and earnings by about EUR 1.5 million. Especially weaker-than-expected sales in the South African market and the market for solar thermal systems led to the plan shortfall in the segment Renewable Energies. As a consequence 3U withdrew from these two sub-markets.

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 146 people (previous year: 127). The yearly average was 142 (previous year: 145). The increase in the number of employees in 2014 is primarily attributable to the expansion of human capacity in the segment Renewable Energies. The average number of employees in the individual divisions is made up as follows:



Of the 158 total staff (including Members of the Management Board, temporary staff and part-time workers) the Group employed on the reporting date (December 31, 2013: 139), 40 people were women, representing a share of 25.3 % (previous year: 21.6 %). The age structure of the Group is distributed across all age groups, 13 % (2013: 16 %) of employees are younger than 30 years old, 35 % (2013: 38 %) are between 30 and 40 years old, 37 % (2013: 35 %) are between 40 and 50 years old and 15 % (2013: 11%) are older than 50 years. The average age in the Group is 41 years (2013: 40 years).

Our employees contribute decisively with their ideas to greater efficiency and competitiveness. Therefore, a cooperative communication 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. 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. As in previous years, no employees were significantly harmed by an accident at work in 2014.

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 increased commitment to renewable energies and the expansion of the area HVAC through efficient solutions for avoiding energy, we are actively investing in the environment and thus show social commitment. In the other divisions we increasingly rely on the use of renewable energies as well. We try to consider environmental aspects when buying products and services.

Events after the reporting period

Significant events after the end of the financial year did not occur.

Risk, opportunities and forecasting report

Risk management report

Risk management system

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 and Earnings goals 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.

The business strategy of 3U HOLDING AG

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

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

Every investment should offer prospects of an above-average return on investment in proportion to the estimated risk and based on a carefully researched and convincing business plan.

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 foremost risks are considered in the regular reporting by the risk manager. Opportunities are especially identified and documented 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 adapted to changing conditions and accordingly is subject to continuous development to ensure that in addition to internal changes and external factors such as legislative changes are taken into account.

In order to ensure optimal coverage, the principal risks of all subsidiaries are uniformly reported in the risk management system of 3U HOLDING AG. Additionally, present specific risks in the individual companies are assessed by them. The harmonization of individual risks at subsidiary level connected with the continuous improvement ensures maximum comparability.

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.

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 are further improved with the support of the professional risk management software r2c from Schleupen AG. The 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. 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 and opportunities 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 or enhance it. The thus derived risk and opportunities portfolio of the 3U Group is based on our assessment of the potential scale of damage/earnings expectations and the likelihood of occurrence of very different scenarios. The control or treatment of these risks and opportunities is done in two ways. For identified risks in the framework of this risk inventory indicators will be defined with metrics and associated thresholds that are appropriate to enable monitoring and assessment of these risks. The continuous monitoring and evaluation is done by decentralized risk managers and the central risk manager based on operational and financial metrics and is part of a monthly report. Chances are controlled within the respective corporate strategy and are not yet part of the monthly reporting. The integration of chance reporting in the monthly reporting is to be conceptualized in 2015.

In addition, there is at least once a year an additional risk inventory in this context with a focus on information security and derived from it the appropriate action in the subsidiary RISIMA Consulting GmbH, which is certified according to the international standard ISO 27001

We intensified our efforts to systematically document the opportunities identified in the risk inventory in the reporting year. Although chances are inextricably linked with risks, their characteristics differ from the characteristics of risks; making a more nuanced approach necessary (Opportunities will only pay off, e.g. if they are perceived and used deliberately and usually require a longer period to develop and implement). Therefore, the opportunities identified are not reviewed on a monthly basis like the risks using the software, but on a quarterly basis and measures are adjusted if necessary.

Risks

The current and future key 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 once again in fiscal year 2014 those risks with the highest risk potential in terms of damage and probability of occurrence. This is because the expected values in terms of the extent of damage in case of occurrence of a risk in these two segments was well above the expected values of the amount of damages in case of occurrence of a risk in the segment Services or other risks indirectly or directly affecting the 3U Group. 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. The variation takes into account the changed market and operating conditions. However, new risks and risk scenarios were identified and evaluated. These include for example risks relating to fraud in the area of Telephony. The risk of price decline however was further reduced because PELIA Gebäudesysteme GmbH (formerly 3U Einkauf und 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 a 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.

Furthermore, in the context of the financial statements, an IT audit was carried out by the auditors.

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.

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.

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. There are regular training and awareness raising activities with regard to rules and regulations to be followed.

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 energies will continue to exist for the current segments and future investments of the 3U Group. In particular, the discussions concerning the subsidies for renewable energies have caused uncertainty in the market. In the reporting year, 3U was able to make an important step in renewable energies projects with the acquisition of a wind farm project developer as well as an existing wind farm, but an appropriate and sustainable planning of major projects in the segment Renewable Energies 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 prompt reaction.

Segment Telephony

The most important product in this segment is still call-by-call. The various flat rate offers represent a general risk. The landline flat rates are making call-by-call redundant for domestic fixed-line calls in Germany. The ever-lower utilization of call-by-call services has meant that the market has shrunk by almost three quarters since 2008. 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 segment Telephony counters the expected decline in the call-by-call market with an active rate management system and a growing focus on profitable niches (e.g. data centers). The opportunities in this segment still exist, despite falling market volume.

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 cloud activities operate in a dynamic market environment with innovative solutions. The risk here is that the requirements and developments are not recognized and implemented in time. Therefore, the market is very closely monitored and if it is economically feasible and appropriate, the solutions are adjusted accordingly. So the business model was further developed in 2014. The number of users of the cloud products is growing steadily. There is a risk of a lack of customer satisfaction. This risk is encountered by using a regular quality inspection and by close contact with the customers. To counter the risks of a non-market-compliant product development, talks with strategic partners and financial investors are intensified to promote the growth and expansion into new markets.

The high technical standards in the IT security market and existing competitors are risks to the consulting activities of the Group. These risks are countered through high technical and organizational know-how of the staff. This is proven by the certification under the international standard ISO 27001.

The strategy in this market with its various products and services is crucial in order to position itself as a company in a suitable niche. Therefore we focused on the skills in the areas of corporate governance and IT security to reduce these risks in fiscal year 2014.

Due to the lack of external demand for the offered services in the field of sales and marketing, this business area in the segment Services was discontinued as at December 31, 2013. The staff switched to the segment Telephony or to the holding company according to their current activities focus.

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 2014, discussions about federal funding of renewable energies resulted in a certain level of insecurity among consumers and utilities and accordingly led to less planning reliability. The 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 energies market currently is in a consolidation phase. With the acquisition of a project development company in the field of wind turbines in August 2014 and the first purchase of an existing wind farms, the 3U Group is trying to consequently seize the opportunities offered in this market. Well-planned renewable energies 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 energies 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 trade with PV modules due to a poor chances/risks profile and separate from the activities in the field of solar vacuum tubes.

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 and — if economically viable — hedging transactions are carried out.

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 used in the 3U Group only to hedge the underlying transaction. Before financial instruments are used, careful risk analysis and evaluation is performed to minimize the risk potential by adequate 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. Our main challenges include particularly the regulatory environment and intense competition. The changes in the risk and opportunity development of all segments have required action by the Management Board. 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 and documented 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

Sales and gross margins generally decline in the call-by-call business and overall in Voice Retail. Although the 3U Group is also affected by this development, it still achieves significant margins in this area due to its strategy. The decline in margins in the call-by-call business can be greatly slowed in particular by a high level of process automation, active tariff management and use of the purchasing synergies in the business field Voice Business.

Although it must be assumed that sales in the traditional Voice Retail area will continue to fall in the long term, new products involving Data Center Services & Operation provide for profitable opportunities in the segment Telephony. In Hanover and Berlin data centers were taken over in 2013 and 2014, which provide significant and stable long-term earnings potential.

In the Voice Business area a continuous optimization of the technology platform leads to cost reductions while increasing flexibility. This provides the opportunity to increase the contribution margins and sales in this area.

Segment Services

The 3U Group has increased its activities in the field of cloud computing in the financial year 2014 and expanded and promoted the marketing of the Business Apps of the weclapp suite. The positive business development continued. An ever-increasing number of users of the weclapp suite is assumed in the medium term. An expansion into new markets through the support of strategic partners and financial investors will continue to be sought.

Through the segment Services consulting services as well as operational and administrative services and IT security software licenses are offered. This business area has great potential, even if this business is still in the development phase.

The business relations with the partner company TÜV SÜD Management Service GmbH, General Dynamics Fidelis and Workshare were intensified in 2014. Under the cooperation with TÜV SÜD it awards subcontracts in the areas of privacy audit, external data protection officer and penetration tests. For the US security company General Dynamics Fidelis we act as a partner company for the German market, and with the British software company Workshare we work very successfully as an exclusive partner for the DACH region. Although there is still need for investment, the opportunity to position ourselves with these strong partners in the market and to generate orders, is reason enough to assume growth in this area. The certification according to the international standard ISO 27001 supports the claim to be a competent contact and solutions partner for IT Security. As a result, the challenges in the maintenance and development of IT security processes, and hardware and software used in day to day operations of the customers are known. The market for IT security solutions is very diverse. By focusing on a few reputable manufacturers and their solutions, as well as specialization in selected areas of deliberation, we have created a high growth potential.

Segment Renewable Energies

The position achieved in recent years in online trading was expanded and additional market share was gained. Aiding was the expansion of the product portfolio to include for example, an enlarged range of pumps, pellet stoves, decentralized ventilation units and pipe installation systems as well as the dry screed floor heating system. The improved customer friendliness (e. g. longer service times and extended payment options) as well as the excellent customer reviews on Trusted Shops open up the opportunity for above-average growth and so another very positive development in the coming years can be assumed.

We also operate in the field of HVAC as a provider of procurement and logistics services for building equipment and as a production and trading company for wholesalers. The current product portfolio includes products for floor heating/heating, controlled ventilation, plumbing, solar, energy-and heat generation and heat storage as well as heat supply. The production of clad goods, a basic component in the range of under floor heating, was begun in the reporting year as well. With the dry screed system Climate 25 we sell already today a renovation system developed within the Group that underscores the considerable expertise of 3U in the surface temperature control. Due to the central control of purchasing, we can generate a higher purchasing volume than would be possible by the individual companies. As a result, better purchasing terms can be realized, which can be passed on to customers and thus gives the chance to win above-average market share.

In addition the 3U Group develops and distributes panel heating or cooling systems. These are characterized by high quality workmanship and comfort, as well as a good price-performance ratio. This creates positive marketing opportunities with appropriate earnings potential. In 2014 we became a member through our group company ClimaLevel Energiesysteme GmbH of the Association Gebäude-Klima e. V. (Climate of buildings), in which we are engaged in the fields of "home ventilation" and "indoor climate and comfort/humidification" and where we contribute our long-standing experience in the practical use of the ClimaLevel® Multiboden HKL (multi-floor HVAC) concerning heating, cooling and ventilation. The innovative multi floor HVAC which was one of the central elements in the concept house LISI, with which the Vienna University of Technology had won the international Solar Decathlon competition in 2013, was also met with great interest by customers and experts at the fair Debaukom 2014 on which we were represented with an own stand. The multi floor HVAC has the chance to gain market shares in the upper price segment and gain in importance due to its outstanding product properties.

The solar park Adelebsen produced all year round electricity. Until July 31, 2014 it was fed into the public grid as defined in the EEG rates of remuneration. Since August 2014, the solar farm utilizes the chance of the statutory program of direct marketing and has signed a contract with E.ON Energie Deutschland GmbH. Due to the direct marketing of the electricity, the solar park receive an additional management fee per MWh and can thus generate more sales in the future and possibly even expand them. Through a potential intensification of the cooperation with E.ON further potential could arise.

An important strategic milestone on the way to the expansion of the business field renewable energies projects was the purchase of wind farm projects and the acquisition of an existing wind farm with 15 wind turbines in the financial year 2014. The wind farm project development includes a wind farm project portfolio of up to 40 wind turbines and a total capacity of more than 100 MW. Currently, the wind farm project developments are in different stages. Commissioning is planned for the period 2015–2017. In addition to the sale of finished wind farms 3U will likely generate additional income through the selective sale of projects in earlier phases of the project. 3U HOLDING AG also reserves the option – in addition to the various sales opportunities of wind farm projects – to operate completed wind turbines themselves as part of its commitment in the field of renewable energies and thus generate additional cash flows. Thus additional profit potential could arise here, both from the operation resp. sale of finished wind power plants as well as from the selective sale of project developments.

Forecasting report

Economic outlook

According to the Projektgruppe Gemeinschaftsdiagnose world production continues to expand at a moderate pace in the fall of 2014. Although the upswing will continue in the US and in the UK, the recovery in the Euro area did not continue as expected in spring 2014. All in all, the institutes expect a rise in global production by 2.6 % in 2014 and 3 % in 2015.

The underlying growth momentum in the euro area is still low. Total economic output increased in the first half of 2014 significantly weaker than expected. The larger euro area countries are responsible for this for a good part. In France, the economic performance stagnated and Italy fell again into recession in the spring.

Total economic output in the euro area should expand only moderately in 2015. This is partly due to the high private and public debt and the ambition to tackle this. In some countries, unfavourable financing conditions are added because of problems in the banking sector. In addition, the business climate has deteriorated particularly strong in France and Italy during the year 2014. In its autumn forecast, the European Commission forecasts rising foreign and domestic demand with a gradual increase in growth to 1.1 % in the euro zone for the year 2015. By strengthening the financial sector, the growth in 2016 is expected to accelerate to 1.7 %, since the recent structural reforms should gradually bear fruit.

The German economy had cooled down during the year 2014 and thus leaves first impact on the labour market: The employment growth has slowed, and the registered unemployment rate has increased slightly in the fall of 2014. The inflation rate is very low, due to mainly external factors such as the decline in energy prices. Despite the expansionary fiscal policy and the continued low interest rates, the German economy is likely to be significantly under-utilized in 2015. The increase in production in 2015 will probably be less than previously expected; the institutes forecast that gross domestic product will increase by 1.2 % in 2015; on a calendar-adjusted basis this amounts to only a 1.0 % increase.

Outlook Telephony

Sales in the total market of telecommunications services in Germany have been declining in the past years. 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 characterized 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 –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 the years 2012 and 2013 the relevant market went down by around 10 % in 2014, while in previous years it shrank by 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.

Generally increasing investment in data centers can be expected for the future. According to the Borderstep Institut, investments in IT hardware will rise by about 2–3 % per year, while the investment in data center infrastructure will increase by more than 5 % per year.

The 3U Group will continue to pursue its 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. Overall, the Management Board expects a significant decline in sales in the segment Telephony but only a small decline in EBITDA and earnings, as the new product areas in the business fields Data Center Services & Operation cannot fully offset the expected decline in Voice Retail.

Outlook Services

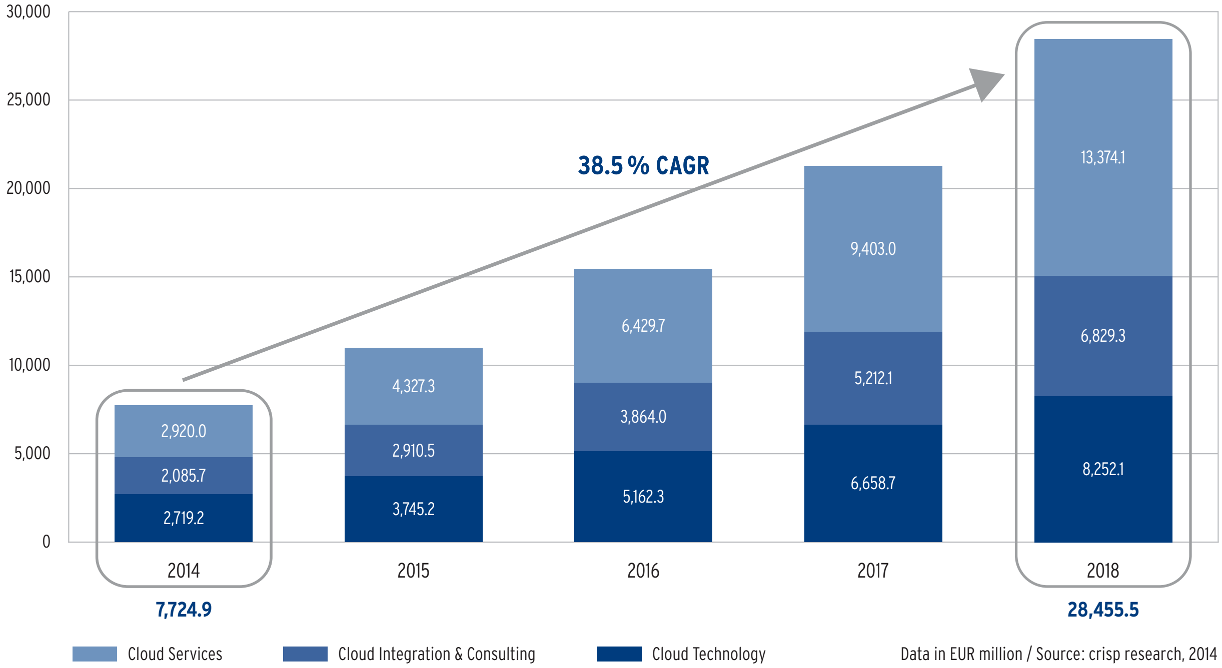
The services of the segment Services were mostly utilised outside the Group for the first time in 2014. This proportion of sales to external customers will be further expanded in the future. Especially with the topic cloud computing and IT and business consulting external customers are addressed.

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.

Use of cloud computing in business increases

The use of cloud solutions in business continues to grow. In the current year 2015 German companies will invest about EUR 11 billion in cloud services, technologies, and integration & advice. Thus, the German market is indeed dynamic, but slower in international comparison. The technical and financial benefits are immense. However, the requirements of the companies will increase both concerning the technical safety as well as to the legal environment in data protection. In the coming years, Crisp Research predicts a continuous strong growth of the cloud computing market volume to EUR 28.5 billion in Germany in 2018. This corresponds to a growth rate of about 38.5 % p. a.



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.

According to the latest available data from Bundesverband Deutscher Unternehmensberater BDU e. V. (Federal Association of German Management Consultants) total sales of the consultancy industry increased by 6.4 % to EUR 25.2 billion in 2014. According to the results of the market study "Facts & Figures for the advisor market 2014/2015" a similar sales growth can be expected in 2015.

Market experts attest good growth prospects for the respective 3U service offers such as IT services, cloud computing and consulting services. Therefore, the Board of 3U HOLDING AG expects a further sharp rise in external sales and a slightly positive EBITDA and a low negative result in 2015. This deviation from the previous forecast made in March 2014 is mainly due to the not yet satisfactory demand for IT security services and lower project revenues. Positive earnings in this area are expected in 2016.

Outlook Renewable Energies

The importance of renewable energies as an economic factor is increasing not only in Germany, but also globally. With the segment Renewable Energies, 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 in the business field wind power appears promising. Still pleasing is the development of the activities around HVAC of buildings.

In addition, other renewable energies projects are to be realized. The conditions are largely determined in this segment by the Renewable Energies Sources Act (EEG). With the reform to the EEG (Renewable Energies Act) of August 2014, the Grand Coalition submitted the framework, which gives all parties more planning reliability. 3U focuses to expand its wind power activities – this concerns both planning & project development and investments in wind farms and their operation – in an area that still has a good risk/reward profile.

Due to the existing diversification of the segment 3U is well positioned and therefore the Management Board expects further strong sales growth, a high EBITDA and convincing earnings in this segment in 2015.

Strategic direction

Lasting operative profitability in the segments is the top priority for the Group. Due to the unsatisfactory business development in the past three years a number of measures had to be implemented to counteract this development. After massive staff cuts in previous years, staff has been increased in promising business areas again in 2014.

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 good 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

2014 showed that the remedial measures of previous years are beginning to bear fruit. Some loss-making activities have been terminated or sold and promising business was expanded. These measures have resulted in the Group being better positioned at the end of the year 2014 to meet the many challenges ahead. After a few years of losses, the goal to achieve positive earnings again is within reach.

That said the Management Board of 3U HOLDING AG expects for the fiscal year 2015 consolidated sales of between EUR 54 million to EUR 58 million, EBITDA of EUR 4.0 million to EUR 6.0 million and earnings of between EUR –1.0 million and EUR 1.0 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 2015/2016. 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.

Group accounting-related internal control and risk management system

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. During the year the Group accounting process has been extensively analyzed, optimized and the documentation further developed. 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.

Other information

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, 2014 as follows:

Name	Function	Number of shares	Percent
Michael Schmidt	Speaker of the Management Board	8,999,995 shares	25.49 %
Andreas Odenbreit	Management Board	20,500 shares	0.06 %
Ralf Thoenes	Chairman of the Supervisory Board	25,000 shares	0.07 %
Gerd Simon	Supervisory Board	20,000 shares	0.06 %
Stefan Thies	Supervisory Board	12,000 shares	0.03 %
Number of own shares		1,473,025 shares	4.17 %

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 7,062,803.00 by August 26, 2019 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 connection with capital increases through contribution in kind, to grant shares for the purpose of acquiring companies, parts of companies or interests in companies or to acquire other assets (including third party claims against the Company or companies affiliated with the Company), and for the purpose of issuing shares to employees of the Company and with the Company affiliated companies in accordance with statutory requirements; 2. to the extent necessary to allow holders of issued warrants and convertible bonds by the Company or its subsidiaries, subscription rights for new shares to the extent that they are entitled to upon exercising their option or conversion rights or after fulfilment of their conversion or option obligations; 3. for fractional amounts, 4. when increasing the share capital in return for cash contributions, if the issue amount of the new shares does not fall far short of the market price for shares that are already listed at the time the issue amount is finally determined as defined in §§ 203 para. 1 and 2, 186 para. 3 sentence 4 AktG and the shares for cash contributions, excluding subscription rights, do not in total exceed 10 % of the share capital at the time the option is exercised. To the limit of 10 % of the share capital are credited, the shares issued during the term of the authorized capital excluding subscription rights of shareholders in accordance with §§ 71 para. 1 no. 8 sentence 5, 186 para. 3 4 AktG, as well as shares, which are connected to a conversion right or option right or a conversion obligation or option obligation due to option and/or convertible bonds issued since this authorization in exclusion of subscription rights according to §§ 221, para. 4, 186 para. 3 sentence 4 AktG have been issued. 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 1,473,025 shares have been acquired as at December 31, 2014, equivalent to 4.17 % of the share capital of EUR 35,314,016.00. From January to March 13, 2015 further repurchases of treasury stock totalling 199,094 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.

Transaction date	Reporting person	Type of transaction	Quantity	Exercise price	Total volume
17.11.2014	Ralf Thoenes (Chairman of the Supervisory Board)	Purchase	25,000	0.6777 EUR	16,942.73 EUR
18.11.2014	Gerd Simon (Supervisory Board)	Purchase	7,986	0.6871 EUR	5,487.38 EUR
20.11.2014	Gerd Simon (Supervisory Board)	Purchase	2,014	0.6970 EUR	1,403.52 EUR
25.11.2014	Stefan Thies (Supervisory Board)	Purchase	12,000	0.6893 EUR	8,271.60 EUR

All share transactions were published on the website of 3U HOLDING AG (www.3u.net) under the path "Investor Relations/Directors' Dealings".

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 12, 2015 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.

Value of the benefit granted for the year 2014

Inflow for the year 2014

Benefits (in TEUR)	Michael Schmidt Speaker of the Management Board			
	2013	2014	2014 (min.)	2014 (max.)
Fixed remuneration	300	300	300	300
Fringe benefits	27	34	34	34
Subtotal	**327**	**334**	**334**	**334**
Profit-sharing and bonuses (one year)	150	150	0	300
Profit-sharing and bonuses (spanning more than one year)	0	0	0	0
Total	**477**	**484**	**334**	**634**
Pension benefits	0	0	0	0
Total benefits	**477**	**484**	**334**	**634**

Benefits (in TEUR)	Andreas Odenbreit Management Board			
	2013	2014	2014 (min.)	2014 (max.)
Fixed remuneration	140	140	140	140
Fringe benefits	21	19	19	19
Subtotal	**161**	**159**	**159**	**159**
Profit-sharing and bonuses (one year)	18	18	0	35
Profit-sharing and bonuses (spanning more than one year)	0	0	0	0
Total	**179**	**177**	**159**	**194**
Pension benefits	0	0	0	0
Total benefits	**179**	**177**	**159**	**194**

Benefits (in TEUR)	Christoph Hellrung Management Board			
	2013	2014	2014 (min.)	2014 (max.)
Fixed remuneration	140	140	140	140
Fringe benefits	26	24	24	24
Subtotal	**166**	**164**	**164**	**164**
Profit-sharing and bonuses (one year)	18	18	0	35
Profit-sharing and bonuses (spanning more than one year)	0	0	0	0
Total	**184**	**182**	**164**	**199**
Pension benefits	0	0	0	0
Total benefits	**184**	**182**	**164**	**199**

Inflow (in TEUR)	Michael Schmidt Speaker of the Management Board		Andreas Odenbreit Management Board		Christoph Hellrung Management Board		Management Board total	
	2014	2013	2014	2013	2014	2013	2014	2013
Fixed remuneration	300	300	140	140	140	140	580	580
Fringe benefits	34	27	19	21	24	26	77	74
Subtotal	**334**	**327**	**159**	**161**	**164**	**166**	**657**	**654**
Profit-sharing and bonuses (one year)	150	150	18	18	18	18	186	186
Profit-sharing and bonuses (spanning more than one year)	0	0	0	0	0	0	0	0
Total	**484**	**477**	**177**	**179**	**182**	**184**	**843**	**840**
Pension benefits	0	0	0	0	0	0	0	0
Total benefits	**484**	**477**	**177**	**179**	**182**	**184**	**843**	**840**

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, 2014:

Name	Function	Number of stock options
Michael Schmidt	Speaker of the 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 2014 amounted to TEUR 68 (previous year: TEUR 68). For 2014 – as was the case in 2013 – no performance fee was accrued.

Name	Fixed remuneration in TEUR		Attendance-fee in TEUR		Performance related remuneration in TEUR		Total remuneration in TEUR	
	2014	2013	2014	2013	2014	2013	2014	2013
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 0.5 (previous year: TEUR 0.9), Mr. Simon TEUR 1.6 (previous year: TEUR 1.3) and Mr. Thies TEUR 0.8 (previous year: TEUR 1.3) as reimbursements for expenses in fiscal year 2014. Mr. Thoenes also received attendance fees and reimbursement of expenses for his supervisory activities at 3U ENERGY AG amounting to TEUR 6 (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 8 for its consultancy services for the 3U Group (previous year: TEUR 3). These were provided to 3U ENERGY AG in the amount of TEUR 4 and RISIMA Consulting GmbH in the amount of TEUR 4 (previous year: TEUR 3 for 3U ENERGY AG).

In addition, Thies & Thies Steuerberatungsgesellschaft mbH, whose managing director is Mr. Stefan Thies, billed tax consulting services in the amount of TEUR 0 in fiscal 2014 (previous year: TEUR 1). These were provided exclusively to 3U HOLDING AG in 2013.

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 1,610,000 options were forfeited at December 31, 2014.

Forfeited are in:

- 2011: 582,500 stock options
- 2012: 365,000 stock options
- 2013: 380,000 stock options
- 2014: 282,500 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 24, 2014

The Management Board

Michael Schmidt | Christoph Hellrung | Andreas Odenbreit

Consolidated Financial Statements

Consolidated statement of financial position as of December 31, 2014

Assets 3U Group (in TEUR)	Notes to the consolidated financial statements	December 31, 2014	December 31, 2013
Non-current assets		**56,102**	**36,558**
Intangible assets	[2.3.7] [2.3.8] [2.3.14] [6.1.1]	1,668	731
Property, plant and equipment	[2.3.9] [2.3.22] [6.1.2]	44,490	30,379
Investment Properties	[2.3.10] [6.1.3]	8,075	3,977
Other financial assets	[6.1.4]	0	0
Accounted investments using the equity method	[6.1.4]	13	608
Deferred tax assets	[2.3.17] [6.2]	472	537
Other non-current assets		1,384	326
Current assets		**29,610**	**20,487**
Inventories	[2.3.15] [6.3]	4,601	2,190
Trade receivables	[2.3.12] [6.4] [6.11]	5,988	7,428
Other current assets	[6.5]	2,953	2,850
Cash and cash equivalents	[2.3.12] [6.6] [6.11]	16,068	8,019
Total assets		**85,712**	**57,045**

Shareholders' equity and liabilities 3U Group (in TEUR)	Notes to the consolidated financial statements	December 31, 2014	December 31, 2013
Shareholders' equity	[6.7]	**41,653**	**45,709**
Issued capital (conditional capital TEUR 4,684; December 31, 2013: TEUR 4,684)	[6.7.1]	35,314	35,314
Own shares	[2.3.19] [6.7.1]	-1,473	-605
Capital reserve		10,088	9,622
Retained earnings		692	692
Total other comprehensive income		-89	14
Profit/loss carried forward		1,186	6,198
Net earnings		-3,242	-4,123
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG		**42,476**	**47,112**
Non-controlling interests	[6.7.4]	**-823**	**-1,403**
Non-current provisions and liabilities		**22,439**	**3,998**
Non-current provisions	[2.3.16] [6.10]	758	419
Non-current liabilities due to banks	[6.8]	21,014	3,501
Deferred taxes	[2.3.17] [6.2]	667	78
Current provisions and liabilities		**21,620**	**7,338**
Current provisions	[2.3.16] [6.10]	600	824
Current tax liabilities	[6.9]	371	201
Current liabilities due to banks	[6.8]	1,395	4
Trade payables	[2.3.12] [6.11]	3,331	3,711
Other current liabilities	[2.3.12] [2.3.18] [6.9] [6.11]	15,923	2,598
Total shareholders' equity and liabilities		**85,712**	**57,045**

Consolidated statement of income

3U Group (in TEUR)	Notes to the consolidated to the consolidated	Financial year Jan 1–Dec 31, 2014	Jan 1–Dec 31, 2013
Sales	[2.3.1] [5.1]	49,237	39,711
Other operating income	[5.2]	2,003	2,553
Changes of half-finished and finished products	[5.3]	470	-38
Other capitalised services	[5.4]	50	0
Costs of materials	[5.5]	-35,612	-28,291
Gross profit or loss		**16,148**	**13,935**
Staff costs	[5.6]	-10,056	-10,666
Other operating expenses	[5.7]	-6,260	-6,352
EBITDA		**-168**	**-3,083**
Depreciation and amortisation	[2.3.8] [2.3.9] [5.8]	-2,618	-1,972
EBIT		**-2,786**	**-5,055**
Income shares in companies that are accounted for using the equity method	[5.9]	-8	349
Other financial result	[2.3.4] [2.3.5] [5.9]	-544	-3
EBT		**-3,338**	**-4,709**
Income tax expenses	[2.3.6] [5.10]	-293	-156
Earnings before non-controlling interests		**-3,631**	**-4,865**
Net earnings for the period		**-3,631**	**-4,865**
Of which attributable to non-controlling interests		-389	-742
Thereof Group earnings		**-3,242**	**-4,123**

Consolidated statement of comprehensive income

3U Group (in TEUR)	Jan 1–Dec 31, 2014	Jan 1–Dec 31, 2013
Net earnings for the period	**-3,631**	**-4,865**
Attributable to 3U HOLDING AG shareholders	**-3,242**	-4,123
Of which attributable to non-controlling interests	-389	-742
Directly in equity comprised changes which could be reclassified retrospectively to the income statement		
Exchange rate differences	-3	12
Hedging instruments	-140	0
Deferred taxes	40	0
Other comprehensive income	**-103**	**12**
Total comprehensive income of the period	**-3,734**	**-4,853**
Attributable to 3U HOLDING AG shareholders	-3,345	-4,111
Of which attributable to non-controlling interests	-389	-742

Consolidated statement of changes in equity

3U Group (in TEUR)	Issued capital	Own shares	Capital reserve	Retained earnings	Total other comprehen-sive income
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**

3U Group (in TEUR)	Issued capital	Own shares	Capital reserve	Retained earnings	Total other comprehen - sive income
As of January 1, 2014	**35,314**	**-605**	**9,622**	**692**	**14**
Rebooking Earnings 2013	0	0	0	0	0
Total earnings 2014	0	0	0	0	-103
Buy back shares 2014	0	-868	353	0	0
Stock option plan 2011	0	0	113	0	0
Changes in the composition of the Group	0	0	0	0	0
As of December 31, 2014	**35,314**	**-1,473**	**10,088**	**692**	**-89**

	Profit/loss carried forward	Net earnings attributable to 3U HOLDING AG shareholders	Equity attributable to 3U HOLDING AG shareholders	Non-controlling interests	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**

	Profit/loss carried forward	Net earnings attributable to 3U HOLDING AG shareholders	Equity attributable to 3U HOLDING AG shareholders	Non-controlling interests	Total shareholders' equity
	6,198	**-4,123**	**47,112**	**-1,403**	**45,709**
	-4,123	4,123	**0**	0	**0**
	0	-3,242	**-3,345**	-389	**-3,734**
	0	0	**-515**	0	**-515**
	0	0	**113**	0	**113**
	-889	0	**-889**	969	**80**
	1,186	**-3,242**	**42,476**	**-823**	**41,653**

Consolidated statement of cash flows

3U Group (in TEUR)	Notes to the consolidated financial statements [Section 2.2.3 and 7]	Jan 1–Dec 31, 2014	Jan 1–Dec 31, 2013
Net earnings for the period		**-3,631**	**-4,865**
+/- Depreciation/write-ups of fixed assets		2,618	1,972
+/- Increase/decrease of provisions		-405	556
-/+ Profit/loss on disposal of non-current assets		135	8
-/+ Increase/decrease in inventories and trade receivables		2,359	-1,351
+/- Increase/decrease in trade payables		-338	472
+/- Changes to other receivables		-1,320	855
+/- Changes to other payables		181	-775
+/- Change in tax assets/liabilities including deferred taxes		283	-311
+/- Other non-cash changes		134	-169
Cash flows from operating activities		**16**	**-3,608**
+ Inflows from disposals of property, plant and equipment		258	155
- Outflows for investments in property, plant and equipment		-4,854	-1,266
- Outflows for investments in intangible assets		-63	-123
- Outflows for investments properties		-4,317	-147
+ Payments from earnings of associated companies		459	226
+ Inflows from disposal of financial assets		0	6,256
+ Cash inflow from the sale of consolidated companies and other business units		-39	0
- Cash outflow from the purchase of consolidated companies and other business units		-1,743	-30
+ Proceeds from the acquisition of subsidiaries		0	0
- Cash outflow from the loss of control of subsidiaries		0	0
Cash flows from investing activities		**-10,299**	**5,071**
Sum carried forward*		**-10,283**	**1,463**

*Refer to followowing page

3U Group (in TEUR)	Notes to the consolidated financial statements [Section 2.2.3 and 7]	Jan 1–Dec 31, 2014	Jan 1–Dec 31, 2013
Sum carried forward		**- 10,283**	**1,463**
+ Proceeds from issuing shares		0	0
- Cash outflow to companies' owner and minority partners (dividends, equity capital payback, purchase of own shares, other disbursements)		-516	-281
+ Cash inflow borrowing of money		20,000	321
- Outflows from the repayment of (finance) loans		-1,111	-239
Cash flows from financing activities		**18,373**	**-199**
Total cash flows		**8,090**	**1,264**
+/- Cash and cash equivalents not available for use		-832	0
+/- Changes in cash and cash equivalents due to exchange rate changes		-41	9
+/- Aggregate cash flows arising from obtaining or losing control of subsidiaries		0	0
Cash and cash equivalents at beginning of period		**6,519**	**5,246**
Cash and cash equivalents at end of period		**13,736**	**6,519**
Total change in cash and cash equivalents		**7,217**	**1,273**

* Refer to previous page

Notes for the financial year 2014

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 policies

2.1 Basis of preparation

These consolidated annual financial statements relate to 3U HOLDING AG and its Subsidiary companies. Consolidated financial statements of 3U HOLDING AG for the 2014 financial year were compiled in accordance with the accounting standards of the International Accounting Standards Board (IASB), the International Financial Reporting Standards (IFRS). The IFRS valid on December 31, 2014 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.

Presentation in the statement of financial position distinguishes between current and non-current assets and liabilities, which are generally broken down further by their respective maturities in the notes to the consolidated financial statments. In addition to the income statement, the statement of financial position and the cash flow statement, changes in shareholders' equity were also shown. The income statement has been prepared using the aggregate cost method.

The consolidated financial statements of 3U HOLDING AG give a true and fair view of the net assets, financial position and earnings. Consolidated financial statements and the Group Management Report of 3U HOLDING AG were compiled in accordance with Article 315a of the HGB (German Commercial Code) and will be published in the 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 which 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, 2014 and have been incorporated into EU law.

The following standards were applied for the first time:
- 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)*

*Applicable to financial years commencing from the date specified

- 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)*

According to the assessment of the Management Board the first-time application of these standards did not result in significant changes of the net assets, financial position and results of operations of the Group, in particular the new IFRS 10–12 had no effect. Only individual notes have been added. The scope of consolidation and integration methods of associated companies and joint ventures of 3U HOLDING AG have not changed by the application of these standards.

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:

- Annual improvements to IFRS – cycle 2011–2013 (July 1, 2014)*
- IFRIC 21 "levies" (July 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 pronouncements and statements that have not yet been implemented have, according to the investigations made by the Company, no material impact on the Consolidated Financial Statements of 3U.

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

- IFRS 9 "Financial Instruments" (January 1, 2018)*
- IFRS 14 "Regulatory Deferral Account" (January 1, 2016)*
- IFRS 15 "Revenue from Contracts with Customers" (January 1, 2017)*
- Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception" (January 1, 2016)*
- Amendments to IAS 1 "Disclosure Initiative" (January 1, 2016)*
- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between Investor and its Associate or Joint Venture" (January 1, 2016)*
- Amendments to IAS 27 "Equity Method in Separate Financial Statements" (January 1, 2016)*
- Amendments to IAS 16 and IAS 41 "Bearer Plants" (January 1, 2016)*
- Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization" (January 1, 2016)*
- Amendments to IFRS 11, "Accounting for Acquisitions of interests in Joint Operations" (January 1, 2016)*
- 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 2012–2014 cycle period (January 1, 2016)*

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 for financial years beginning on or after the specified date

2.2 Basis of group accounting

2.2.1 Scope and policies of consolidation

In 2014, the scope of consolidation for 3U HOLDING AG consists of 30 (previous year: 26) 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. Control exists when the 3U HOLDING AG has the power to govern the financial and operating policies of these companies.

7 (previous year: 1) Subsidiaries, whose impact on the net assets, financial position and results of operations is of minor importance are not consolidated. These are not yet active companies. They are valued at cost and are shown under non-current assets.

A business combination occurs when 3U HOLDING AG obtains control of another company. According to the rules of IFRS the business combination (capital consolidation) is based on the acquisition method (fair value method). The cost of an acquired subsidiary is measured at the fair value of the consideration transferred, i. e. the sum of surrendered assets acquired and liabilities assumed. Transaction costs are expensed as incurred. Acquisition costs are allocated to the acquired assets, liabilities and contingent liabilities. The assets and liabilities are measured in full at their fair values. 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 recognition 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 statement of financial position.

Income and expenses of a subsidiary are consolidated from the acquisition date in the Consolidated Financial Statements. Income and expenses of a subsidiary are included in the Consolidated Financial Statements until control is terminated by the parent company. Where necessary, the accounting policies of Subsidiaries are adjusted to the uniform Group accounting policies of 3U HOLDING AG.

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.

Transactions on the further purchase or sale of equity shares with other shareholders which do not touch the dominant influence of 3U HOLDING AG, lead to no change in goodwill. The difference between the fair value of the transmitted or received amounts and the relevant book value attributable to non-controlling interests is recognised in Group equity and should be adjusted against equity.

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 statement of financial position 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 statements of financial position 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)	
	2014	**2013**	**2014**	**2013**
Currency CHF	1.2024	1.2257	1.2144	1.2304
Currency CNY	7.4560	8.4183	8.1643	8.2199
Currency USD	1.2141	1.3791	1.3285	1.3281
Currency ZAR	14.0331	14.4309	14.3833	12.7905

In fiscal year 2014 a net gain arose from exchange rate changes in the amount of TEUR 58 (previous year: loss of TEUR 75). 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 date of the statement of financial position, 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 Basis of accounting an valuation

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 2014 research and development costs of EUR 0.4 million (previous year: 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 2014, 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 a non-recognition of a tax reduction becomes probable.

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

2.3.7 Goodwill

Goodwill resulting from capital consolidation is not amortised in accordance with IFRS 3. Goodwill recognised on the statement of financial position 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. Rights to use the land on which plants were built to produce renewable energies are amortized over the contractual period of use.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 statement of financial position 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

*Resp. over the remaining "EEG-maturity" for this plant

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.

Please refer to the comments under 2.3.14.

2.3.11 Cost of debt

Since January 1, 2009, cost of debt (IAS 23), which can be directly assigned to the purchase, construction or production of a qualified property asset, are capitalised as part of acquisition/manufacturing costs. 3U HOLDING AG includes interest and financing costs from finance leases in the cost of debt. In fiscal year 2013 and 2014, no borrowing costs were directly attributable.

2.3.12 Financial instruments

Financial assets

For the purposes of IAS 39, financial assets are classified as loans and receivables and as available-for-sale financial assets. On initial recognition, available-for-sale financial assets are measured at fair value. The Company stipulates the classification of its financial assets when they are initially recognised and reviews this allocation at the end of each financial year. Following initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognized net of deferred taxes via the overall result in equity. At the time the financial asset is derecognised or at which impairment in the financial asset is identified, the cumulative gain or loss posted in equity is recognised as profit or loss in the income statement. In fiscal years 2013 and 2014 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 statement of financial position 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 statement of financial position 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 statement of financial position 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

There were no finance leases in fiscal 2014.

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.

In the review for impairment the goodwill acquired in the scope of a business combination is assigned to each cash-generating unit, which is expected to benefit from the synergies of the combination. Impairment of goodwill may not be reversed. If the impairment of the cash-generating unit exceeds the carrying amount of goodwill allocated, the additional amount has to be accounted for by a proportional reduction of the carrying amounts the of assets allocated to the cash-generating unit.

The goodwill was determined in the context of business combinations within the segment Renewable Energies. The goodwill resulting in previous years, is allocated to the cash-generating unit "Onlineshop".

The underlying assumptions used in the determination of impairment may generally have a significant impact on the respective values and ultimately the amount of any impairment of goodwill.

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

The property, plant and equipment and other intangible assets of the Company are subject to an impairment test at least on each date of the statement of financial position 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.

Non-current 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, 2014.

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 date of the statement of financial position. Non-current provisions with a remaining term of more than one year are reported at their provisional discounted settlement amount as of the date of the statement of financial position.

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 statement of financial position. Deferred tax assets are recognised 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 date of the statement of financial position, 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 date of the statement of financial position, 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 1,610,000 options were forfeited at the date of the statement of financial position. 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 0.68 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, 2014. 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 date of the statement of financial position 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

Consolidated subsidiaries:

Company	Registered office	Country	Share held by 3U HOLDING AG**
010017 Telecom GmbH	Marburg	Germany	100 %
3U DYNAMICS GmbH	Marburg	Germany	100 %
3U ENERGY AG*	Marburg	Germany	99.998 %
3U ENERGY PE GmbH[1]	Kloster Lehnin	Germany	99.998 %
3U Euro Energy Systems GmbH[2]	Marburg	Germany	99.996 %
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 %
Calefa GmbH	Montabaur	Germany	60 %
ClimaLevel Energiesysteme GmbH	Cologne	Germany	75 %
Discount Telecom S&V GmbH	Marburg	Germany	100 %
EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH	Marburg	Germany	100 %
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 %
PELIA Gebäudesysteme GmbH[3]	Montabaur	Germany	100 %
Repowering Sachsen-Anhalt GmbH	Halle (Saale)	Germany	99.998 %
RISIMA Consulting GmbH*	Marburg	Germany	75 %
Selfio GmbH	Linz am Rhein	Germany	60 %
Solarpark Adelebsen GmbH*	Adelebsen	Germany	100 %
Triast GmbH	Kreuzlingen	Switzerland	100 %
TriTelA GmbH	Vienna	Austria	100 %
weclapp GmbH*	Marburg	Germany	74.996 %
Windpark DBF GmbH	Marburg	Germany	100 %
Windpark Langendorf GmbH & Co. KG	Elsteraue	Germany	99.998 %
Windpark Langendorf Verwaltungsgesellschaft mbH	Elsteraue	Germany	99.998 %

*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.
[1]Formerly: 3U ENERGY PE Verwaltung GmbH resp. Aufwind & Orbis Havelland Verwaltungs-GmbH
[2]Formerly: EuroSun Vacuum-Solar-Systems GmbH
[3]Formerly: 3U Einkauf & Logistik GmbH

Changes to the consolidated group

Compared to December 31, 2013, the following changes have occurred in the scope of consolidation:

On May 5, 2014, the Calefa GmbH, a 100 % subsidiary of Selfio GmbH was founded. Purpose of the company is trading with products from the HVAC area.

To expand the activities in the field of wind power a project development company with wind power projects as well as an existing wind farm was purchased.

On August 8, 2014, all shares in the Aufwind & ORBIS Havelland GmbH & Co. KG (A&O KG) and its associated partner, the Aufwind & ORBIS Havelland Verwaltungs-GmbH were purchased and the management was taken over. A&O KG is a wind farm project development company. At the time of acquisition the acquisition cost amounted to EUR 3.09 million, of which EUR 1.89 million was paid in 2014 resp. paid after the purchase price was due. In the acquisition costs included are related acquisition costs totaling EUR 1.20 million. For each approved wind power plant under BImSchG, for which there is a binding connection with the grid approval, a price of TEUR 200 for a maximum of 6 wind turbines will be charged. Since these subsequent purchase price payments are expected in the next two years, they were not discounted. As part of the purchase price allocation, the fair values of the assets and liabilities in the amount of EUR 2.68 million compare to the acquisition costs.

(In TEUR)	2014
Property, plant and equipment	10
Inventories	2,794
Other current assets	16
Cash and cash equivalents	3
Current provisions	3
Trade payables	96
Other current liabilities	45
Net assets	**2,679**

The uncovered goodwill in the amount of TEUR 411 was recognised in the consolidated statement of financial position and reported in the segment Renewable Energies. The determination of the cash-generating unit will be done after finalizing the purchase price allocation, which is so far provisional.

The companies were renamed 3U ENERGY PE GmbH & Co. KG and 3U ENERGY PE Verwaltung GmbH. Under an agreement dated December 22, 2014, the limited partnership interest in 3U ENERGY PE GmbH & Co. KG was incorporated in 3U ENERGY PE Verwaltung GmbH. Thus, the assets of the 3U ENERGY PE GmbH & Co. KG increased the assets of 3U ENERGY PE Verwaltung GmbH and the 3U ENERGY PE GmbH & Co. KG extinguished. 3U ENERGY PE Verwaltung GmbH was renamed on the same day in 3U ENERGY PE GmbH.

On October 24, 2014, all shares in the Windpark Langendorf GmbH & Co. KG as well as the general partner Windpark Langendorf Verwaltungs-GmbH together with the Repowering Sachsen-Anhalt GmbH were acquired and the management was subsequently taken over. The purchase price was EUR 11.96 million and which is accompanied in the scope of the purchase price allocation by the fair values of the assets acquired less liabilities in the amount of EUR 11.94 million. The purchase price was not due until December 31, 2014 and has not yet been paid accordingly.

(In TEUR)	**2014**
Intangible assets	600
Property, plant and equipment	11,949
Inventories	163
Trade receivables	203
Other current assets	44
Cash and cash equivalents	126
Non-current provisions	406
Deferred taxes	636
Current provisions	95
Trade payables	9
Net assets	**11,939**

The uncovered goodwill in the amount of TEUR 22 was recognised in the consolidated statement of financial position and reported in the segment Renewable Energies. The determination of the cash-generating unit will be done after finalizing the purchase price allocation, which is so far provisional.

(In TEUR)	**Total revenues 2014**	**Revenues since acquisition date**	**Total EBITDA 2014**	**EBITDA since acquisition date**
Windpark Projektentwicklung	0	0	–53	-2
Windpark Langendorf	2,707	659	1,786	501

On March 19, 2014 two additional shares of 3U DYNAMICS GmbH were purchased at EUR 1.00 each. Since that day, the share in that company is 100 %.

By contract dated December 16, 2014, 3U HOLDING AG acquired a further partial interest in the amount of EUR 6,500.00 in the EuroSun Vacuum-Solar-Systems GmbH. The purchase price was EUR 1.00. 3U HOLDING AG now holds 99.996 % shares in this company, which was renamed in 3U Euro Energy Systems GmbH.

The Tianjin EuroSun Solar Energy Technology Co., Ltd. and the Sanhe Euro Solar Solar Energy Technology Ltd. were sold with contracts of December 19, 2014 at a purchase price of EUR 1.00. The result of the deconsolidation was taken into account in other operating expenses resp. in the profit and loss proportion of companies accounted for using the equity method.

As a result of the deconsolidation, TEUR 37 income from the reclassification of exchange differences from other income is included in the profit and loss account.

In 2014, the scope of consolidation for 3U HOLDING AG consists of 30 (previous year: 26) German and foreign Subsidiaries, in which 3U directly or indirectly holds the majority of the voting rights resp. has the ability to control.

Joint Ventures

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

Company	Registered office	Country	Share held by 3U HOLDING AG*
Spider Telecom GmbH	Marburg	Germany	50 %

*3U HOLDING AG holds directly shares in this company.

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. The company was liquidated on March 7, 2014.

With the acquisition of Aufwind & ORBIS Havelland Projektentwicklung, the investments in six project-stock companies were acquired as well. These companies are used to hold the wind farm project developments at the time of implementation.

Company	Registered office	Country	Share held by 3U HOLDING AG
myFairPartner Limited*	London	Great Britain	20 %
Märkische Windkraft 110 GmbH & Co. KG**	Berlin	Germany	99.998 %
Märkische Windkraft 112 GmbH & Co. KG**	Berlin	Germany	99.998 %
Windpark Havelland Projekt I GmbH & Co. KG**	Kloster Lehnin	Germany	99.998 %
Windpark Merzdorfer Heide I GmbH & Co. KG**	Kloster Lehnin	Germany	99.998 %
Windpark Merzdorfer Heide II GmbH & Co. KG**	Kloster Lehnin	Germany	99.998 %
Windpark Ruppin Projekt GmbH & Co. KG**	Kloster Lehnin	Germany	99.998 %

*The Company does not pursue business anymore.
**The Company does not pursue in any business yet.

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, pre-selection, added-value services and termination services in the wholesale sector, is comprised of the original 3U bread and butter business Telephony.

The segment Services consists of IT services, systems development, IT licence sale 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, 2014	Telephony	Services	Renewable Energies	Subtotal	Holding/ Consolidation	Group
Total sales	38,089	1,501	29,329	68,919	-460	68,459
Intercompany sales (intra-segment sales)	-10,716	-14	-8,492	-19,222	0	-19,222
Segment sales	27,373	1,487	20,837	49,697	-460	49,237
Other operating income	1,099	81	645	1,825	178	2,003
Change in inventory	0	0	470	470	0	470
Other capitalised services	0	0	0	0	50	50
Costs of materials	-21,486	-327	-13,827	-35,640	28	-35,612
Gross profit or loss	**6,986**	**1,241**	**8,125**	**16,352**	**-204**	**16,148**
Staff costs	-2,013	-1,437	-3,470	-6,920	-3,136	-10,056
Other operating expense	-2,205	-624	-3,517	-6,346	86	-6,260
EBITDA	**2,768**	**-820**	**1,138**	**3,086**	**-3,254**	**-168**
Depreciation	-281	-28	-1,590	-1,899	-719	-2,618
EBIT	**2,487**	**-848**	**-452**	**1,187**	**-3,973**	**-2,786**
EBIT (earnings before interest and income taxes)						**-2,786**
Financial result						**-552**
Profit/loss of companies recognised at equity*						-8
Other financial result						-544
Income tax						-293
Earnings for the period						**-3,631**
Thereof attributable to the shareholders of 3U HOLDING AG						-3,242
Of which attributable to non-controlling interests						-389

*As of December 31, 2014, the carrying values of companies accounted in the statement of financial position "at equity" were TEUR 13 and allocated in the area Holding.

Segment reporting (in TEUR) January 1–December 31, 2013	Telephony	Services	Renew-able Energies	Subtotal	Holding/ Consoli-dation	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 recognised 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 non-controlling interests						-742

*As of December 31, 2013, the carrying values of companies accounted in the statement of financial position “at equity” were TEUR 608 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, 2014	Telephony	Services	Renewable Energies	Holding/ Consolidation	Group
Cash flows from operating activities	1,906	-853	153	-1,190	16
Cash flows from investing activities	-339	-2	-1,855	-8,103	-10,299
Cash flows from financing activities	233	959	4,150	13,031	18,373

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

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, 2014	Dec 31, 2013
Assets		
Segment Telephony	8,033	10,752
Segment Services	690	400
Segment Renewable Energies	37,885	22,184
Holding/Consolidation	23,036	15,690
Total segment assets	**69,644**	**49,026**
Assets not allocated	16,068	8,019
Total consolidated assets	**85,712**	**57,045**
Liabilities		
Segment Telephony	2,449	3,348
Segment Services	6,666	5,281
Segment Renewable Energies	51,442	31,979
Holding/Consolidation	-16,498	-29,272
Total segment liabilities	**44,059**	**11,336**
Reconciliation (shareholder's equity/non-controlling interests)	41,653	45,709
Total consolidated liabilities/shareholder's equity	**85,712**	**57,045**

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

Non-current assets in the amount of TEUR 34 (previous year: TEUR 69) are located abroad in 2014.

(In TEUR)	Depreciation and amortisation		Investments	
	2014	2013	2014	2013
Segment Telephony	281	253	347	790
Segment Services	28	27	3	69
Segment Renewable Energies	1,590	1,096	13,224	211
Holding/Consolidation	719	596	8,569	466
Total	**2,618**	**1,972**	**22,143**	**1,536**

Sales of principal services

(In TEUR)	2014	2013
Areas within the segment Telephony		
Voice retail	5,979	8,464
Voice business	19,545	15,244
Data center services & operation	1,849	1,828
Total segment Telephony	**27,373**	**25,536**
Areas within the segment Services		
IT services/Cloud applications	343	372
Marketing services	12	1,395
Consulting/IT security/trade with IT licences	1,132	577
Total segment Services	**1,487**	**2,344**
Areas within the segment Renewable Energies		
Photovoltaic	1,838	1,823
Solar heat	1,313	1,485
Heating, cooling, ventilation	16,980	10,866
Miscellaneous	706	275
Total segment Renewable Energies	**20,837**	**14,449**

The 3U Group achieved sales in the amount of 21.9 % (previous year: 32.6 %) with the largest customer in the segment Telephony in the past year.

Geographical information of sales

(In TEUR)	2014	2013
Telephony	**27,373**	**25,536**
Of which domestic	16,991	16,482
Of which foreign	10,382	9,054
Services	**1,486**	**2,344**
Of which domestic	1,314	2,197
Of which foreign	172	147
Renewable Energies	**20,838**	**14,449**
Of which domestic	18,568	12,576
Of which foreign	2,270	1,873

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

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

(In TEUR)	2014	2013
Switzerland	9,344	6,422
Austria	1,652	2,235

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 5,458 (previous year: TEUR 4,164) in 2014.

The accumulated costs of the still ongoing construction contracts amounted to TEUR 1,120 (previous year: TEUR 620) and the cumulative recognized gains and losses to TEUR 381 (previous year: TEUR 268).

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

Allocation of sales

(In TEUR)	2014	2013
Services	**34,587**	**30,244**
Telecom services	26,573	24,795
IT services/Cloud applications	339	59
Marketing	12	96
Consulting/IT security	417	310
Assembling and installation	6,508	4,977
Miscellaneous	738	7
Sales of goods	**14,650**	**9,467**
Photovoltaic and energy	2,510	1,848
Solar heat	1,290	1,361
Heating, cooling, ventilation	10,451	6,248
IT licences	399	10
Total group	**49,237**	**39,711**

5.2 Other operating income

Other operating income includes the following items:

(In TEUR)	2014	2013
Earnings from minimisation of loss reserves	416	168
Remuneration in kind car use and other non-cash benefits	388	401
Income from the reversal of provisions/ provisions with liability characteristics	211	475
Income for other accounting periods	210	67
Cash discount income	207	100
Income from currency conversion	71	24
Income from rental and lease income	12	140
Sales tax refunds prior years	0	387
Other income	488	791
Sum	**2,003**	**2,553**

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 of half-finished and finished products

Changes of half-finished and finished products of TEUR 470 (previous year: TEUR –38) comprise work in progress in the segment Renewable Energies.

5.4 Other capitalised services

Other capitalised services amounted to TEUR 50 (previous year: TEUR 0) and are essentially in connection with in-house efforts 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 field of renewable energies:

(In TEUR)	2014	2013
Connection services	19,615	16,916
Materials/products used renewable energies	11,492	7,536
Expenses for purchased services	2,245	1,818
Network costs	1,487	1,623
Expenses in trade of IT licences	282	0
Costs of interconnection	182	398
Write-offs on inventories	164	0
Performances in renewable energies	145	0
Sum	**35,612**	**28,291**

5.6 Staff costs

Staff costs comprise the following:

(In TEUR)	2014	2013
Salaries and wages	8,521	8,663
Social security contributions	1,268	1,414
Other staff costs	267	589
Total	**10,056**	**10,666**

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

The average number of employees (basis: head count) was:

Segment	2014	2013
Telephony	29	21
Services	22	46
Renewable Energies	72	62
Holding	30	32
Total	**153**	**161**

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 577 (previous year: TEUR 617).

5.7 Other operating expenses

Other operating expenses include the following items:

(In TEUR)	2014	2013
Travel and automobile costs	989	1,026
Promotion and hospitality expenses as well as sales commissions	908	715
Premises expenses/rental expenses	421	421
Other consulting costs	371	344
Value adjustments to receivables	358	598
Expenses from the loss of control of subsidiaries	304	0
Technical consultancy costs	284	355
Statements and audit costs	279	310
Costs of legal advice	260	330
Telephone/shipping costs	231	255
Expenses for other accounting periods	181	71
Maintenance	169	187
Insurances	158	148
Charges for monetary transactions	155	85
IT costs	102	120
Other taxes	98	237
Premiums and fees	58	70
Other social security expenses	54	71
Loss of receivables	31	133
Other operating expenses	849	876
Sum	**6,260**	**6,352**

Other operating expenses include expenses from currency conversions in the amount of TEUR 13 (previous year: TEUR 99).

5.8 Depreciation and amortisation

Amortization of intangible assets and property, plant and equipment amounted to TEUR 2,618 (previous year: TEUR 1,972). The increase in depreciation compared to the previous year is mainly due to amortization of the newly acquired properties in 2014 and on the wind farm Langendorf.

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)	2014	2013
Interest and similar income	29	145
Interest income	**29**	**145**
Interest expenses for loans receivable	-573	-148
Interest expenses	**-573**	**-148**
Profit/loss from companies included using the at-equity-method	**-8**	**349**
Total	**-552**	**346**

5.10 Income tax expenses

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

(In TEUR)	2014	2013
Current income tax expenses	234	124
Deferred taxes	59	32
Total	**293**	**156**

3U HOLDING AG and its German subsidiaries are subject to corporation and trade tax. In the business year 2014, 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 2014.

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 40 (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.

The profit and loss transfer agreements have been adjusted accordingly in 2014. The entries in the commercial register were made at the end 2014.

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:

Reconcilliation	**2014 TEUR**	**2014 %**	**2013 TEUR**	**2013 %**
EBT	-3,338	100.0	-4,709	100.0
Earnings tax rate (28.775 %; Vorjahr: 28.775 %)				
Calculated tax income/expenses	-961	28.8	-1,355	28.8
Tax-exempt income/non-deductible expenses	37	1.1	45	1.0
Effects of allowance of deferred taxes / Non-inclusion of deferred taxes from loss carry forwards	1,098	32.9	1,609	34.2
Effect of tax rate differences of foreign tax jurisdiction	-43	1.3	31	0.7
Deviations due to different trade tax collection rates	-8	0.2	-7	0.1
Effects on the loss of control of subsidiaries	87	2.6	0	0.0
Effects from tax rate changes	19	0.6	0	0.0
Aperiodic tax effects	66	2.0	-50	1.1
Miscellaneous	-2	0.1	-117	2.5
Effective tax expenses	**293**	**8.8**	**156**	**3.3**

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.

The calculation of basic and diluted earnings per share is based on the following data:

	2014	2013
Basis of the basic and diluted earnings per share (attributable share of net profits attributable to the shareholders of the parent company in TEUR)	**–3,242**	**–4,123**
Number of shares		
As of January 1	34,709,296	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
Buyback of own shares in January 2014	-84,496	–
Buyback of own shares in February 2014	-63,643	–
Buyback of own shares in March 2014	-68,374	–
Buyback of own shares in April 2014	-70,352	–
Buyback of own shares in May 2014	-77,993	–
Buyback of own shares in June 2014	-77,865	–
Buyback of own shares in July 2014	-85,133	–
Buyback of own shares in August 2014	-68,476	–
Buyback of own shares in September 2014	-78,093	–
Buyback of own shares in October 2014	-64,141	–
Buyback of own shares in November 2014	-69,585	–
Buyback of own shares in December 2014	-60,154	–
As of December 31	33,840,991	34,709,296
Number of ordinary shares for basic earnings per share	34,158,805	35,093,846
Effect of dilutive potential of ordinary shares: options	0	0
Weighted average number of ordinary shares for diluted earnings	34,158,805	35,093,846
Earnings per share		
Earnings per share, undiluted (in EUR)	-0.09	-0.12
Earnings per share, diluted (in EUR)	-0.09	-0.12

From January to March 13, 2015 further repurchases of treasury stock totalling 199,094 shares took place. The share buyback programme continues beyond this date as well.

6 Notes on the consolidated statement of financial position

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, 2014	Dec 31, 2013
Concessions, industrial property rights and similar rights and assets and licences to such rights and assets	1,065	561
Goodwill	603	170
Total	**1,668**	**731**

The acquired intangible assets are valued at cost less accumulated depreciation using the straight method. These relate primarily to usage rights of properties and software licenses for transmission and IT technology. We refer to the depreciation in the income statement. Usage rights for land were amortized over the contractually agreed term.

The goodwill is allocated to the segment Renewable Energies.

As part of the acquisition of the cash-generating unit "Online Store" goodwill in the amount of TEUR 170 was determined. The carrying amount of this cash-generating unit is EUR 2.31 million (previous year: EUR 1.75 million) including goodwill as at December 31, 2014. Impairment losses on goodwill are not yet recognized. The fair value (value in use) of the cash-generating unit amounts to EUR 4.13 million (previous year: EUR 2.16 million) as at December 31, 2014.

In connection with the acquisition of the Aufwind & ORBIS Havelland GmbH & Co. KG and Aufwind & ORBIS Havelland Verwaltungs-GmbH goodwill in the amount of TEUR 411 was revealed. The purchase of the Windpark Langendorf GmbH & Co. KG, the general partner GmbH together with the Sachsen-Anhalt GmbH resulted in goodwill of TEUR 22. Both goodwills were allocated to the segment Renewable Energies.

At the determination of the use values a WACC of 16.8 % was used by at December 31, 2014. Even when changing the key assumptions it cannot be expected according to current estimates that the use of the cash-generating units will be below their book values. We also 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.

The wind turbines of the wind farm Langendorf acquired during the financial year were reported under technical equipment and machinery. The related thereto property for the electric power transformation substation of the wind farm Langendorf was activated within land and properties.

The solar park Adelebsen 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. These properties include the data center property in Hanover with their non-intrinsically part in operational use and the commercial real estate in Adelebsen.

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 data center real estate in Hanover, which was acquired in the fiscal year, consists of two buildings. The building not being self used by the Company is recognized under investment properties. The other building is shown under tangible fixed assets.

The lease and rental income from investment properties amounted to TEUR 458 in fiscal year 2014 (previous year: TEUR 40). Operating expenses in fiscal year 2014 for the investment properties emerged in the amount of TEUR 80 (previous year: TEUR 88). Thereof TEUR 80 (previous year: TEUR 88) are allotted to leased investment properties and TEUR 0 to real estate which produced no rental income in 2014 or 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 8,855 (previous year: TEUR 5,160) as at December 31, 2014. The property acquired in Hanover in 2014 was not included in the previous year's value.

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:

	Adelebsen	Hanover
Land value interest/property yield of	5.98 %	6.15 %
Management costs	19.00 %	21.00 %
Remaining useful life of the building	33 years	33 years
Tax-free land value	23.00 EUR/sqm	153.00 EUR/sqm

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, 2014, Spider Telecom GmbH, was accounted for using the equity method. The summarised financial information for this investment is as follows:

Spider Telecom GmbH

Spider Telecom GmbH (in TEUR)	Dec 31, 2014	Dec 31, 2013
Total current assets	674	1,442
Total non-current assets	0	0
Total current liabilities	469	255
Total non-current liabilities	0	0
Sales	1,104	1,653
Profit/loss (-) after taxes	179	1,163

As at December 31, 2013 Sanhe EuroSolar Solar Energy Technology Ltd., Sanhe, China was accounted for using the equity method as well. It was sold late 2014.

The carrying value of this company accounted for using the equity method developed as follows:

Carrying amount (in TEUR)	2014	2013
As of January 1	**608**	**604**
Collected distribution of earnings	-459	-226
Disposal	-136	-179
Pro rata share of net result for the year	0	409
As of December 31	**13**	**608**

The day of the statement of financial position of the companies is December 31, 2014.

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 financial assets

myFairPartner Limited

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

Among the remaining equity interests the project-stock companies in the field of wind farm project development were reported.

Loans

There were no loans at December 31, 2014 resp. December 31, 2013.

6.1.5 Operate lease

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 8,603 (previous year: TEUR 1,751). Of this amount, TEUR 1,489 (previous year: TEUR 512) is due within one year and TEUR 3,787 (previous year: TEUR 561) within two to four years and TEUR 3,327 (previous year: TEUR 678) within five to ten years.

There is an option to extend the building lease after five years for another five years by the tenant. In addition, extension options also of five years exist in the wind farm area.There are no further 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 dates of the statement of financial position are made up as follows:

Deferred taxes (In TEUR)	Dec 31, 2014		Dec 31, 2013	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferrede tax liabilities
Intangible assets	0	213	0	63
Property, plant and equipment	0	537	0	69
Financial assets	0	0	0	7
Inventories	0	0	0	1
Other assets	1	4	1	1
Provisions	86	0	82	15
Liabilities	0	0	0	0
Other liabilities	53	0	16	19
Loss carry forwards	419	0	535	0
Sub total	**559**	**754**	**634**	**175**
Netting	87	87	97	97
Total	**472**	**667**	**537**	**78**

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 87 (previous year: TEUR 97).

Under the provisions of local tax law, temporally unlimited loss carry forwards for which no deferred tax assets were reported in the consolidated statement of financial position, amounted to a total of TEUR 29,753 (previous year: TEUR 26,137) for corporation tax and TEUR 30,243 (previous year: TEUR 25,912) 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 0 (previous year: TEUR 66) deferred taxes were not activated due to recoverability reasons.

6.3 Inventories

Inventories are made up as follows:

(In TEUR)	Dec 31, 2014	Dec 31, 2013
Raw materials and supplies	255	98
Work in progress	3,194	0
Finished products and goods	1,152	2,092
Payments on account	0	0
Total	**4,601**	**2,190**

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 2014 or 2013. A transfer of ownership of inventories is not in existence on the date of the statement of financial position.

The wind farm development projects of the Group are disclosed in work in progress.

6.4 Trade receivables

Trade receivables are composed as follows:

(In TEUR)	Dec 31, 2014	Dec 31, 2013
Trade receivables from third parties	9,029	13,085
POC receivables	101	95
Valuation allowances	-3,142	-5,752
Total	**5,988**	**7,428**

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 date of the statement of financial position. 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 3,074 (previous year: TEUR 5,336) 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 amounts of the statement of financial position 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, 2014	Dec 31, 2013
Receivables from tax refunds	1,864	2,088
Deposits	29	44
Advance payments	260	300
Others	800	418
Total	**2,953**	**2,850**

Income tax assets in the amount of TEUR 1,332 (previous year: TEUR 1,513) are included in receivables from tax refunds.

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

(In TEUR)	Dec 31, 2014	Dec 31, 2013
Other receivables	45	39
Valuation allowances	-38	-38
Total	**7**	**1**

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

Please refer to section 8.3 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 ff., 118 ff. 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 27, 2014, the Management Board was authorised, subject to approval by the Supervisory Board, to increase the share capital by up to EUR 7,062,803.00 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, 2014 1,610,000 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, 2014 the Company reports a capital reserve of TEUR 10,088 (previous year: TEUR 9,622) and retained earnings amounting to TEUR 692 (previous year: TEUR 692).

The capital reserve of TEUR 10,088 (previous year: TEUR 9,622) 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: TEUR 113) in 2014. Other changes resulted from the acquisition of treasury shares in the amount of TEUR 353 (previous year: TEUR 332). There was a withdrawal from the capital reserve in the amount of TEUR 15,861 in the previous year.

Own shares

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

(In units)	2014	2013
As of January 1	**605**	**0**
Buy back of own shares	868	605
As of December 31	**1,473**	**605**

Dividend payments

No dividend was declared for fiscal year 2013. For the year 2014 there will also be no dividend proposal by the Management Board due to Group earnings.

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. 1,473,025 shares (previous year: 604,720 shares), equivalent to 4.17 % of the share capital of EUR 35,314,016.00 were repurchased by December 31, 2014.

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 1.610.000 options were forfeited at the date of the statement of financial position.

The development of the stock options is as follows:

(In units)	2014	2013
As of January 1	**3,275,000**	**3,655,000**
Issued	0	0
Forfeited	282,500	380,000
As of December 31	**2,992,500**	**3,275,000**

6.7.4 Non-controlling interests

The equity interests of other shareholders amounted to TEUR –823 (previous year: TEUR -1,403).

The equity shares of non-controlling interests are divided among the individual Group companies as follows:

(In TEUR)	Dec 31, 2014	Dec 31, 2013
3U DYNAMICS GmbH	0	22
3U Euro Energy Systems GmbH	0	-777
ClimaLevel Energiesysteme GmbH	-23	7
RISIMA Consulting GmbH	-136	-72
Selfio GmbH	631	529
weclapp GmbH	-1,295	-1,112
Total	**–823**	**-1,403**

For companies with material non-controlling interests the financial ratios are as follows:

Selfio GmbH

	Dec 31, 2014	Dec 31, 2013
Share in %	40.0	40.0
Sales in TEUR	9,476	5,998
EBITDA in TEUR	518	372
Assets in TEUR	2,714	2,194
Liabilities in TEUR	1,134	872
Total Cash flow in TEUR	571	518

weclapp GmbH

	Dec 31, 2014	Dec 31, 2013
Share in %	25.004	25.004
Sales in TEUR	343	373
EBITDA in TEUR	-596	-1,867
Assets in TEUR	78	125
Liabilities in TEUR	5,256	4,574
Total Cash flow in TEUR	-27	62

6.8 Financial liabilities

The non-current financial liabilities refer to a long-term building loans amounting to TEUR 3,501, which were contracted 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, 2014 with TEUR 676 each (previous year: 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 TEUR 241 (previous year: TEUR 284) and will run till October 30, 2027.

In fiscal year 2014, the financing of the solar park Adelebsen was retrieved in the amount of EUR 14.14 million. The loan has a term of 18 years and is secured by the assignment of the claim from the power supply through space security of the PV system and limited personal easements by registration in the Land Registry. The loan was valued at December 31, 2014 at TEUR 13,508 (previous year: TEUR 0). As part of this loan a credit in the amount of TEUR 832 was pledged to the debt service reserve account.

The acquisition of the property in Hanover was financed by a loan of TEUR 6,000. The loan has a term until May 1, 2017 and was valued at 31 December 2014 with TEUR 5,775. It is secured by mortgages in the amount of TEUR 6,000. In addition, the rights and claims of the lease and rental agreements for this property were transferred. In connection with this lending it was agreed to comply with financial covenants; failure to comply with these indicators gives the bank the right to request further guarantees or to terminate the loan. The review of these covenants on a 12-month basis takes place for the first time on June 30, 2015. As further security serves the credit in the amount of TEUR 1,500, which was pledged under the credit line.

In the current financial liabilities of the previous year there were charges in current accounts at December 31, 2013 amounting to TEUR 4. In fiscal year 2014, the portion of the loan was classified as current debt that is due within one year.

In addition, there is a line of credit in the amount of EUR 1.5 million, which on December 31, 2014 as part of a guaranteed credit is drawn on by guarantees totalling TEUR 518 (previous year: TEUR 518). This credit line is backed by allocated EUR 1.5 million fixed deposits. This fixed deposit also serves as security for the loan for the property in Hanover.

6.9 Other current liabilities and current income tax liabilities

Other current liabilities comprise the following:

(In TEUR)	Dec 31, 2014	Dec 31, 2013
Purchase price obligation	13,160	0
Other taxes	560	365
Provisions of a liability nature	493	1,204
Staff obligations	549	587
Income tax	371	201
Other liabilities	1,161	442
Total	**16,294**	**2,799**

The obligation to pay the price relates to the acquisition of the wind farm Langendorf and the obligation to pay a subsequent purchase price adjustment from the acquisition of wind farm project development. The maturity requirements were not met at the date of the statement of financial position, December 31, 2014.

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

6.10 Provisions

Provisions comprise the following:

(In TEUR)	Dec 31, 2014 Current	Dec 31, 2014 Non-current	Dec 31, 2013 Current	Dec 31, 2013 Non-current
Restoration obligations	0	758	0	419
Litigation risks	53	0	55	0
Other	547	0	769	0
Total	**600**	**758**	**824**	**419**

The development is presented as follows:

(In TEUR)	As of Jan 1, 2014	Changes in the composition of the group	Utilisation	Reversal	Allocation	As of Dec 31, 2014
Restoration obligations	419	406	8	59	0	758
Litigation risks	55	0	4	0	2	53
Other	769	115	492	80	235	547
Total	**1,243**	**521**	**504**	**139**	**237**	**1,358**

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 non-current 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 statement of financial position according to the measurement categories of IAS 39/IFRS 7.8.

2014 (in TEUR)	Loans	Cash and cash equivalents	Trade receivables	Other financial assets	Liabilities
Loans and receivables	0	16,068	5,988	2,473	0
Financial liabilities that are valued at amortized cost	0	0	0	0	41,487
Financial liabilities that are measured at fair value in the income statement	0	0	0	0	0
Derivative designated as hedging instrument	0	0	0	0	140
Total	**0**	**16,068**	**5,988**	**2,473**	**41,627**

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**

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 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 2014.

Liabilities are divided into non-current liabilities amounting to TEUR 21,014 (previous year: TEUR 3,501) and current liabilities of TEUR 20,649 (previous year: TEUR 6,313).

Net losses including changes in value adjustments from loans and receivables amounted to TEUR 335 (previous year: TEUR 510).

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.

There are netting agreements in the segment Telephony entitling to offset financial assets and financial liabilities at the time of payment. As at December 31, 2014 there are financial assets in the amount of TEUR 1,581 (amount after netting: TEUR 297) and financial liabilities in the amount of TEUR 1,468 (amount after netting: TEUR 184 that are subject to a master netting agreement and which were not netted at the date of the statement of financial position.

Pledged collateral are basically financial liabilities and are explained in section 6.8.

In addition, collateral exist in connection with the wind farm Langendorf. Until the purchase price for the acquisition of the wind farm is paid, this is collateral to the financing bank of the seller.

6.12 Contingent liabilities and other financial obligations

As at December 31 the following financial obligations remain:

(In TEUR)	Dec 31, 2014	Dec 31, 2013
Within one year	1,498	673
Between one and five years	3,787	1,175
After five years	3,327	1,229
Total	**8,612**	**3,077**

The purchase commitments included in the other financial obligations occurring within a year amount to TEUR 8 (previous year: TEUR 66).

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). Also, there is a restriction for the debt service reserve account in connection with the financing of the solar park Adelebsen in the amount of EUR 0.83 million.

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 53 (previous year: TEUR 55) were created for existing legal disputes as at December 31, 2014.

7 Notes to the consolidated statement of cash flows

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

(In TEUR)	Dec 31, 2014	Dec 31, 2013
Fixed deposits	1,500	1,500
Credit with banks and cash	14,568	6,519
Total cash and cash equivalents	**16,068**	**8,019**
Less credit deposited as security	2,332	1,500
Cash and cash equivalents	**13,736**	**6,519**

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

Cash flow from investing activities amounted to TEUR –10,299 (previous year: TEUR 5,071) and cash flow from financing activities amounted to TEUR 18,373 (previous year: TEUR –199). In addition, exchange rate related changes and consolidation-related changes in the amount of TEUR –41 (previous year: TEUR 9) arose.

Cash and cash equivalents that are restricted have increased by TEUR 832 in connection with the financing of the solar park Adelebsen.

In total, cash and cash equivalents increased in an amount of TEUR 7,217 (previous year: TEUR 1,273).

Of the cash and cash equivalents reported at the end of the period amounting to TEUR 16,068 (previous year: TEUR 8,019), there is a restriction on the disposal of a total of TEUR 2,332 (previous year: TEUR 1,500). These are deducted from cash, so that the cash funds are reduced accordingly.

In fiscal year 2014, interest income received in the amount of TEUR 30 (previous year: TEUR 145) is offset by interest payments in the amount of TEUR 569 (previous year: TEUR 148).

No dividends (previous year: no dividends) were paid in fiscal 2014 to shareholders.

For the disinvestment/investment of shares in Subsidiaries liquid assets of TEUR 0 (previous year: TEUR 26) were accrued by the Group and TEUR 1,782 (previous year: TEUR 56) cash outflow was reported. The purchase or selling prices have been fully received or paid at maturity in cash.

The cash in and outflows are comprised of the following:

(In TEUR)		2014			2013	
	Inflow	Outflow	Net	Inflow	Outflow	Net
Acquisition	0	1,743	-1,743	26	56	-30
Disposition	0	39	-39	0	0	0
Total	**0**	**1,782**	**-1,782**	**26**	**56**	**-30**

Income taxes of TEUR 117 have been received (previous year: payment of TEUR 467) in 2014.

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, 2014 and December 31, 2013, reported equity and total assets amounted to:

	Dec 31, 2014	Dec 31, 2013	Change
Equity in TEUR	41,653	45,709	
Equity in % of total capital	48.60 %	80.13 %	-31.53 percentage points
Borrowed capital in TEUR	44,059	11,336	
Borrowed capital in % of total capital	51.40 %	19.87 %	31.53 percentage points
Total capital (equity plus borrowed capital) in TEUR	**85,712**	**57,045**	

Equity comprises total capital, the Group's reserves and non-controlling interests. 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. In principle, however, only those risks are addressed that have an impact on the cash flow of the Group. Derivative financial instruments are used exclusively as hedging instruments.

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, 2014 there were no forward exchange contracts active.

The book value of debt and assets denominated in foreign currency of the Group at the date of December 31, 2014 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 585 (previous year: TEUR 518) were utilised as part of bank guarantees at the date of the statement of financial position. 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.

In connection with the acquisition of the wind farm Langendorf there is a financing offer for EUR 9.0 million. The loan agreement has not yet been completed, since the due date for the purchase price is not due.

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. A variable-rate loan was transferred into fixed interest by a cash flow hedge. The variable interest rate of the bank loan was transformed to a fixed interest rate of 1.09 % p. a. through the interest rate swap. It is a micro-hedge with a high effectiveness of the hedging relationship, as it is a critical-term-match. The hedged cash flow risk hedging underlying transaction was valued at EUR 5,780,000 at the date of the statement of financial position. The fair value of the interest rate swap amounted to TEUR –140. Market interest rates would only have an effect if the primary financial instruments would be recognized at fair value. Since this is not the case, the financial instruments with fixed interest are not subject to interest rate risks as defined by 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 in the previous year 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.

Current receivables with these companies as at December 31, 2014 amounted to TEUR 7 (previous year: TEUR 1) and current liabilities in the amount of TEUR 85 (previous year: TEUR 76). At 3U HOLDING AG there were current demands on these companies amounting to TEUR 0 (previous year: TEUR 11) and current liabilities of TEUR 0 (previous year: TEUR 0).

Income of TEUR 480 (previous year: TEUR 337) and expenses in the amount of TEUR 982 (previous year: TEUR 422) result from these transactions at subsidiaries of 3U HOLDING AG in fiscal year 2013. This income amounted to TEUR 15 (previous year: TEUR 8) 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 2014 there was income of TEUR 8 (previous year: TEUR 0) and expenses of TEUR 45 (previous year: TEUR 43). As at December 31, 2014 there were current loans amounting to TEUR 0 (previous year: TEUR 0) and current debt of TEUR 0 (previous year: TEUR 2).

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.

In addition, there are receivables from a shareholder/director of a Subsidiary amounting to TEUR 20 (previous year: TEUR 20).

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 2014 amounted to TEUR 843 (previous year: TEUR 840).

In the variable remuneration of 2014 50 % of the maximum possible variable remuneration in 2014 of TEUR 300 (Michael Schmidt), TEUR 35 (Andreas Odenbreit) resp. TEUR 35 (Christoph Hellrung) is included.

Name	Fixed remuneration in TEUR		Variable remuneration in TEUR		Total remuneration in TEUR	
	2014	2013	2014	2013	2014	2013
Michael Schmidt (Speaker of the Management Board)	334	327	150	150	484	477
Andreas Odenbreit	159	161	18	18	177	179
Christoph Hellrung	164	166	18	18	182	184
Sum	**657**	**654**	**186***	**186**	**843**	**840**

*In an amount of TEUR 75 already paid in 2014, the balance of TEUR 111 is due short term.

In the fiscal year 2011 the following stock options were issued to Members of the Board. In fiscal year 2014, no stock options were granted.

Name	Function	Number of stock options
Michael Schmidt	Speaker of the 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, 2014 and was prolonged until December 31, 2015.

Shares held by the Management Board and the Supervisory Board as of December 31, 2014:

Name Function		Number of shares	Stock options 2014 Number	Stock options 2014 Value in EUR*
Michael Schmidt	Speaker of the Management Board	8,999,995	200,000	34,000
Andreas Odenbreit	Management Board	20,500	200,000	34,000
Christoph Hellrung	Management Board	0	200,000	34,000
Ralf Thoenes	Chairman of the Supervisory Board	25,000	0	0
Gerd Simon	Supervisory Board	20,000	0	0
Stefan Thies	Supervisory Board	12,000	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 2014, TEUR 113 (previous year: TEUR 113) 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 2014 amounted to TEUR 68 (previous year: TEUR 68). For 2014 – as was the case in 2013 – no performance fee was accrued.

Name	Fixed remuneration in TEUR		Attendance-fee in TEUR		Performance related remuneration in TEUR		Total remuneration in TEUR	
	2014	2013	2014	2013	2014	2013	2014	2013
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 recognised 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 0.5 (previous year: TEUR 0.9), Mr. Simon TEUR 1.6 (previous year: TEUR 1.3) and Mr. Thies TEUR 0.8 (prior year: TEUR 1.3) as reimbursements for expenses in fiscal year 2014. Mr. Thoenes also received attendance fees and reimbursement of expenses for his supervisory activities at 3U ENERGY AG amounting to TEUR 6 (previous year: TEUR 9) for fiscal year 2014.

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 8 (previous year TEUR 3) excl. VAT for its consultancy services for the 3U Group. These were provided to 3U ENERGY AG in the amount of TEUR 4 (previous year: TEUR 3) and RISIMA Consulting GmbH in the amount of TEUR 4.

Thies & Thies Steuerberatungsgesellschaft mbH, whose Managing Director is Mr. Stefan Thies, received TEUR 0 (previous year: TEUR 1) for tax consulting services in fiscal 2014. These were fully paid by 3U HOLDING AG in fiscal year 2013.

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

8.4 Events after the date of the statement of financial position

No material events have occurred after the end of the reporting period.

8.5 Auditor's Fees

The fees including additional expenses for the auditor BDO AG Wirtschaftsprüfungsgesellschaft in the financial year 2014 are:

Annual audit services	TEUR 268	(previous year: TEUR 303)
Other assurance services	TEUR 0	(previous year: TEUR 0)
Tax consulting services	TEUR 10	(previous year: TEUR 0)
Other services	TEUR 38	(previous year: TEUR 1)
Total	TEUR 316	(previous year: TEUR 304)

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.

Pursuant to § 26 para. 1 sentence 2 WpHG, 3U HOLDING AG announced on July 3, 2014 that its share in own shares has exceeded the threshold of 3 % of the voting rights and on that day amounted to 3.00 % (this corresponds to 1,059,527 voting rights).

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 24, 2015. 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 24, 2015

The Management Board

Michael Schmidt | Christoph Hellrung | Andreas Odenbreit

Appendix to the Notes: Development of fixed assets 2014

3U Group (in TEUR)	Historical acquisition and production cost					
	As of Jan 1, 2014	Additions	Reclassi-fications	Disposals	Changes in the basis of consolidation	As of Dec 31, 2014
I. Intangible assets						
1. Purchased concessions, industrial property rights and similar rights and assets and licences to such rights and assets	4,255	63	0	6	666	4,978
2. Customer base	334	0	0	0	0	334
3. Goodwill	183	0	0	0	433	616
Total intangible assets	**4,772**	**63**	**0**	**6**	**1,099**	**5,928**
II. Property, plant and equipment						
1. Land and buildings including buildings on third party land	13,206	4,186	0	95	13	17,310
2. Technical equipment and machines	24,005	412	0	485	11,797	35,729
3. Other equipment, plant and office equipment	2,248	236	26	54	0	2,456
4. Constructions in progress	324	20	-26	36	0	282
Total property, plant and equipment	**39,783**	**4,854**	**0**	**670**	**11,810**	**55,777**
III. Investment Properties						
Held as investment properties	4,097	4,317	0	0	0	8,414
Total investment Properties	**4,097**	**4,317**	**0**	**0**	**0**	**8,414**
Total fixed assets	**48,652**	**9,234**	**0**	**676**	**12,909**	**70,119**

Accumulated depreciation						Carrying amounts	
As of Jan 1, 2014	Additions	Reclassi-fications	Disposals	Changes in the basis of consolidation	As of Dec 31, 2014	As of Dec 31, 2014	As of Dec 31, 2013
3,694	223	0	4	0	3,913	1,065	561
334	0	0	0	0	334	0	0
13	0	0	0	0	13	603	170
4,041	**223**	**0**	**4**	**0**	**4,260**	**1,668**	**731**
1,034	488	0	61	0	1,461	15,849	12,172
6,762	1,431	0	156	-14	8,023	27,706	17,243
1,608	204	0	26	0	1,786	670	640
0	53	0	36	0	17	265	324
9,404	**2,176**	**0**	**279**	**-14**	**11,287**	**44,490**	**30,379**
120	219	0	0	0	339	8,075	3,977
120	**219**	**0**	**0**	**0**	**339**	**8,075**	**3,977**
13,565	**2,618**	**0**	**283**	**-14**	**15,886**	**54,233**	**35,087**

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**

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 2014 to 31. December 2014. 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 24, 2015

BDO AG
Wirtschaftsprüfungsgesellschaft

Fritz Wirtschaftsprüfer	Theis Wirtschaftsprüfer

*Free translation

Further Information

Financial calendar

- **Publication of report on Q1 2015**
  May 13, 2015
- **Annual General Meeting**
  May 21, 2015
- **Publication of report on Q2 2015**
  August 14, 2015
- **Publication of report on Q3 2015**
  November 13, 2015

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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

Impressum

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Disclaimer

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

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

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

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

3U Group*

3U HOLDING AG

Telephony

010017 Telecom GmbH
Marburg, Germany

3U MOBILE GmbH
Marburg, Germany

3U TELECOM GmbH
Marburg, Germany

3U TELECOM GmbH
Vienna, Austria

ACARA Telecom GmbH
Marburg, Germany

Discount Telecom S&V GmbH
Marburg, Germany

Exacor GmbH
Marburg, Germany

fon4U Telecom GmbH
Marburg, Germany

LineCall Telecom GmbH
Marburg, Germany

OneTel Telecommunication GmbH
Marburg, Germany

Triast GmbH
Kreuzlingen, Switzerland

TriTelA GmbH
Vienna, Austria

Services

3U DYNAMICS GmbH
Marburg, Germany

RISIMA Consulting GmbH
Marburg, Germany

weclapp GmbH
Marburg, Germany

Renewable Energies

3U ENERGY AG
Marburg, Germany

3U ENERGY PE GmbH[1]
Kloster Lehnin, Germany

3U Euro Energy Systems GmbH[2]
Marburg, Germany

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

Calefa GmbH
Montabaur, Germany

ClimaLevel Energiesysteme GmbH
Cologne, Germany

EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH
Marburg, Germany

Immowerker GmbH
Marburg, Germany

PELIA Gebäudesysteme GmbH[3]
Montabaur, Germany

Repowering Sachsen-Anhalt GmbH
Halle (Saale), Germany

Selfio GmbH
Linz am Rhein, Germany

Solarpark Adelebsen GmbH
Adelebsen, Germany

Windpark DBF GmbH
Marburg, Germany

Windpark Langendorf GmbH & Co. KG
Elsteraue, Germany

Windpark Langendorf Verwaltungsgesellschaft mbH
Elsteraue, Germany

*Consolidated Subsidiaries
[1] Formerly: 3U ENERGY PE Verwaltung GmbH resp. Aufwind & ORBIS Havelland Verwaltungs-GmbH
[2] Formerly: EuroSun Vacuum-Solar-Systems GmbH
[3] Formerly: 3U Einkauf & Logistik GmbH

3U HOLDING

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