

**QUARTERLY REPORT**

**1/2006**



**3U TELECOM** 

**3U TELECOM** 

# GROUP RESULTS IN OVERVIEW

01

3U GROUP (IFRS)		QUARTERLY COMPARISON	
		Q1 2006	Q1 2005
Sales	(in € million)	32.15	26.68
EBITDA (earnings before interest, taxes, depreciation and amortisation)	(in € million)	2.78	1.30
EBIT (earnings before interest and taxes)	(in € million)	-1.32	-3.61
EBT (earnings before taxes)	(in € million)	-1.86	-5.13
Net income/loss for the period	(in € million)	-1.93	-5.14
Earnings per share (basic)	(in €)	-0.04	-0.11
Earnings per share (diluted)	(in €)	-0.04	-0.11
Equity ratio	(in %)	35.95	24.27



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**DEAR SHAREHOLDERS,**

The new 2006 financial year began as expected. The 3U Group was able to generate growth and increase profitability, mainly due to restructuring measures and an expansion of activities in the call-by-call business. Sales and earnings improved significantly in the first quarter of 2006 compared to the prior-year quarter. Despite continuing price and competitive pressure, the 3U Group increased sales to € 32.15 million in the first quarter of 2006, a year-on-year increase of 20.5%. In particular, reduced costs and synergy effects in the network infrastructure resulted in EBITDA of € 2.78 million (Q1 2005: € 1.30 million). We are confident that the operating result in the Fixed Line segment in particular can be further improved and thus allow the strategic and operational measures introduced by the Management Board to continue to generate success.

**OPERATING SUCCESSES FOR FIXED LINE SEGMENT**

Despite price reductions of up to 30% in mobile telephone network calls implemented in the competitive environment at the beginning of 2006, the 3U Group still generated Fixed Line sales of € 23.04 million in the reporting period. Market share increased in the first quarter of 2006, even though, in line with expectations, sales were slightly lower than in the previous quarter (Q4 2005: € 25.11 million). The segment EBITDA of € 0.38 million in the first quarter of 2006 is an encouraging development, which clearly shows that the restructuring measures introduced by the Management Board are having the desired effect:

- Further rise in profitability in the OneTel subsidiary, reinforcing its position as price leader in the Fixed Line segment.
- No new customer acquisitions are currently being considered due to higher customer acquisition costs in the DSL and VoIP business. Commercial sense and demonstrable efficiency have priority for all the products offered by the 3U Group.
- Preparations were made for the introduction of a new carrier selection code (010017). 010017 Telecom GmbH has contributed to the increase in the market share in call-by-call business since 8 May.

**CONTINUED POSITIVE EARNINGS SITUATION AT LAMBDANET**

The Broadband/IP segment is also on the right track. Despite the normal market price adjustments for carrier services implemented at the beginning of the year, adjusted for the deconsolidated Carrier 24 GmbH, year-on-year sales for the first quarter of the financial year increased to € 9.11 million (Q1 2005: € 8.95 million). In the first quarter of the financial year, EBITDA increased by € 0.58 million to € 2.40 million, as a result of which the EBITDA margin also increased to over 25%. LambdaNet developed the sales potential of existing customers in the carrier segment and gained a number of new customers. In the medium term, the recently expanded sales team is expected to contribute to the further growth of the 3U Group, in particular in the area of VPN services. Bank liabilities have been reduced as a result of the positive operating cash flow at the LambdaNet subsidiary since the beginning of the year. This will result in a future improvement in the capital structure, the significant balance sheet key ratios and the financial stability of the entire Group.

### SUCCESSSES NOT YET REFLECTED IN SHARE PRICE DEVELOPMENT

The positive operating developments and the restructuring successes achieved in the past year are yet to be reflected in the share price. Consequently the value of 3U shares at the end of the quarter was only slightly higher than the balance of cash and cash equivalents. In light of the positive business outlook, the return to stability of the core Fixed Line business and falling levels of net indebtedness over the course of the year, the Management Board believes the Company's shares possess significant appreciation potential. The various commercially expedient acquisition possibilities that are starting to re-emerge also potentially serve to increase the earning power and hence the value of the 3U Group. We are therefore confident that we can successfully shape the future of the 3U Group in the interests of our shareholders.

Marburg, May 2006

The Management Board



Berth Hausmann



Michael Schmidt



Roland Thieme

## OVERVIEW OF 3U SHARES

International Securities Identification Number (ISIN)		DE0005167902
Stock exchange symbol		uuu
Trading segment		Prime Standard
Industry key		Telecommunication
Designated Sponsors		Helaba Landesbank Hessen-Thüringen and Axxon Wertpapierhandelsbank AG
Initial listing		25 November 1999
Registered share capital	(in €)	46,842,240.00
Share price on 31 March 2006*	(in €)	0.89
Share price high in Q1 2006*	(in €)	0.96 (13 March 2006)
Share price low in Q1 2006*	(in €)	0.82 (23 January 2006)
Number of shares		46,842,240
Market capitalisation on 31 March 2006	(in € million)	41.69
Earnings per share (basic)	(in €)	-0.04

## CURRENT ANALYST RECOMMENDATIONS AS OF 31 MARCH 2006

INSTITUTION	DATE	RECOMMENDATION	SHARE PRICE TARGET
SES Research	28 March 2006	"Hold" (unchanged)	€ 1.35
Helaba Trust	1 March 2006	"Buy" (unchanged)	No information

\* Daily closing price Xetra

## PRICE PERFORMANCE OF 3U SHARES AGAINST THE TECHNOLOGY ALL SHARE INDEX



At 20.2 million shares, the trading volume of 3U shares remained at a high level in the first quarter of 2006. The share price moved within a range of € 0.82 and € 0.96 during the quarter, the high for the period coinciding with the publication of the business figures for 2005. The share price increased by approximately 7.7% in the first quarter of 2006, rising from € 0.83 on 2 January 2006 to a closing rate of € 0.89 as of 31 March 2006. 3U shares therefore developed slightly less favourably than the Technology All Share Index. At the end of the quarter, the 3U Group's market capitalisation was just under € 41.7 million.

## SHAREHOLDER STRUCTURE

As of 31 March 2006, members of the governing bodies held the following shares with full voting and dividend rights:

### MANAGEMENT BOARD

Berth Hausmann	22,000 shares
Michael Schmidt	8,299,995 shares
Roland Thieme	2,508,330 shares

### SUPERVISORY BOARD

Hubertus Kestler (Chairman)	0 shares
Ralf Thoenes (Deputy Chairman)	0 shares
Gerd Simon	0 shares



## INVESTOR RELATIONS

3U TELECOM AG's Management Board continued its proactive dialogue with institutional investors, analysts and business media in the new 2006 financial year. The discussions centred in particular on the clearly more positive expectations for operating business as well as the restructuring successes that are yet to be reflected in the share price. Analysts issued positive ratings of 3U in particular as a result of the return to profitability in the core Fixed Line segment and falling levels of net indebtedness over the course of the year. The resolution on the forthcoming share buy-back programme to be proposed to the Annual General Meeting of 23 May 2006 is also expected to lead to a further stabilisation of the share price.

## EARNINGS SITUATION

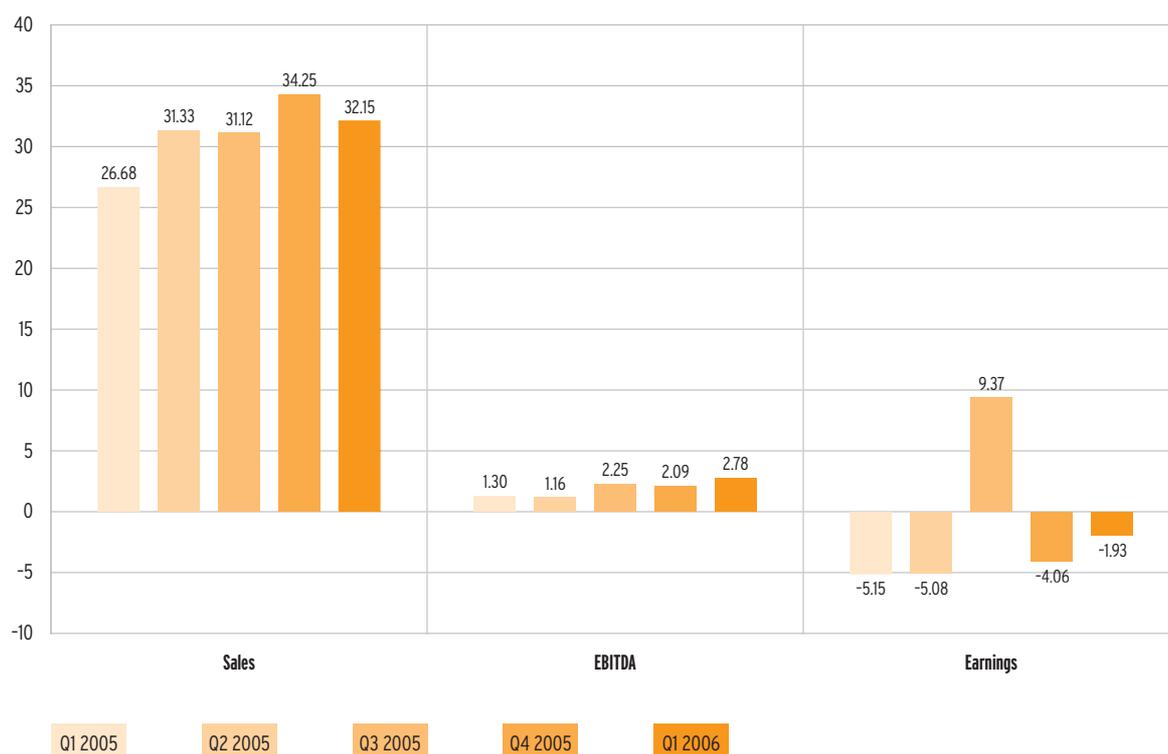
### GROUP

In the first quarter of 2006, total sales of the 3U Group increased from € 26.68 million in Q1 2005 to € 32.15 million as of 31 March 2006, which represents an increase of 20.5% compared to the prior-year period. Despite the falls in prices recorded in the Fixed Line segment, Group sales remained at a high level in the first quarter of the new year following the extremely encouraging performance in the fourth quarter of 2005. Overall, sales fell by € 2.10 million compared to the previous quarter.

Group EBITDA in the first quarter of 2006 were € 2.78 million, more than twice as high as the comparable prior-year quarter (Q1 2005: € 1.30 million). Despite the fall in sales, this represents an increase of € 0.69 million (33%) compared to the fourth quarter of 2005 (Q4 2005: € 2.09 million). This results in an overall Group EBITDA margin of more than 8% and provides strong evidence of the success of the restructuring of the Group.

Group-wide depreciation of the network infrastructure, system technology and the customer base amounted to € 3.76 million. The deconsolidation of the subsidiary 3U TELECOM S.R.L., Italy, negatively impacted the consolidated result in the first quarter by € 124 thousand.

Development (sales, EBITDA, earnings) – 3U Group in € million

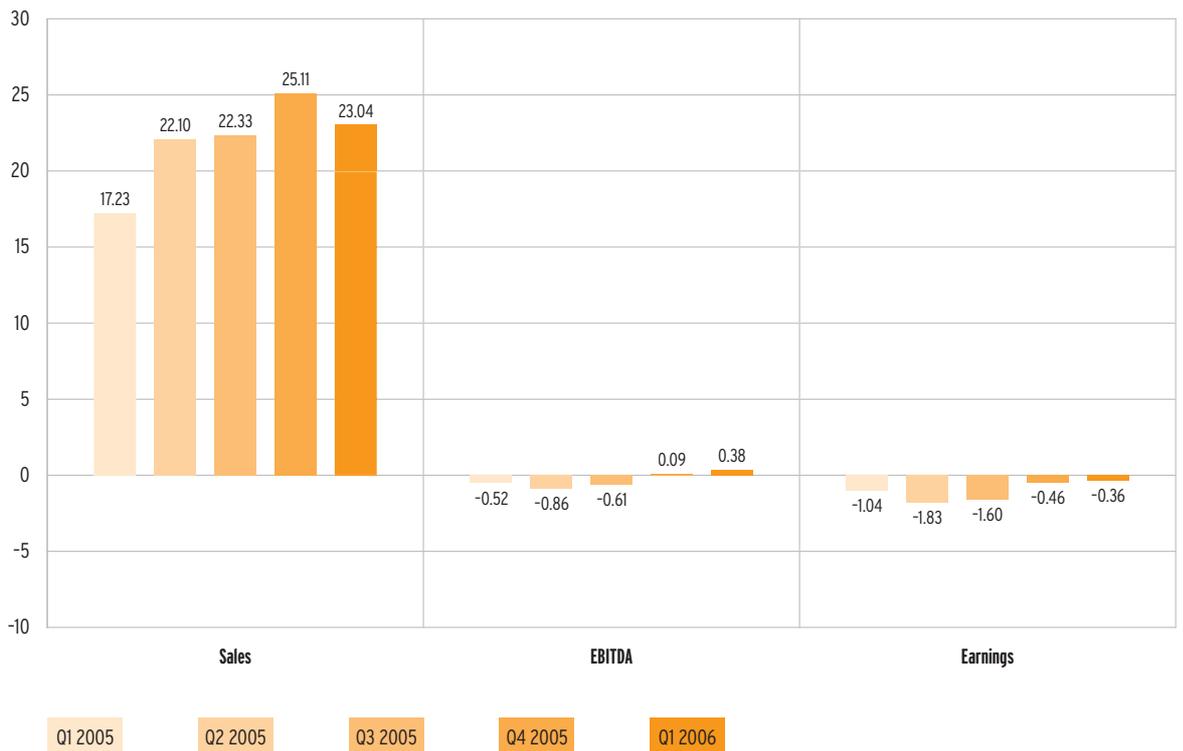


**FIXED LINE SEGMENT**

At € 23.04 million, the 3U Group generated a year-on-year increase in sales of € 5.81 million in the Fixed Line segment, which corresponds to an increase of 33.7 % (Q1 2005: € 17.23 million). Not least due to the improved cost structure resulting from the implementation of the restructuring measures, EBITDA, at € 0.38 million, continued the recent positive trend in the first quarter of 2006, and represented an improvement of € 0.29 million compared to previous quarter (Q4 2005: € 0.09 million).

The positive development in the Fixed Line segment was attributable in particular to sales growth in wholesale business at the One Tel subsidiary – which was achieved despite the considerable falls in prices for the termination of the mobile phone network in December 2005. The positive development also continued abroad, for example in the USA. In the Fixed Line segment in particular, market share is expected to expand as a result of the commencement of operation of long distance carrier selection code. Management’s declared aim is to stabilise and extend long-term operating profitability in this segment.

**Development (sales, EBITDA, earnings) – Fixed Line in € million**



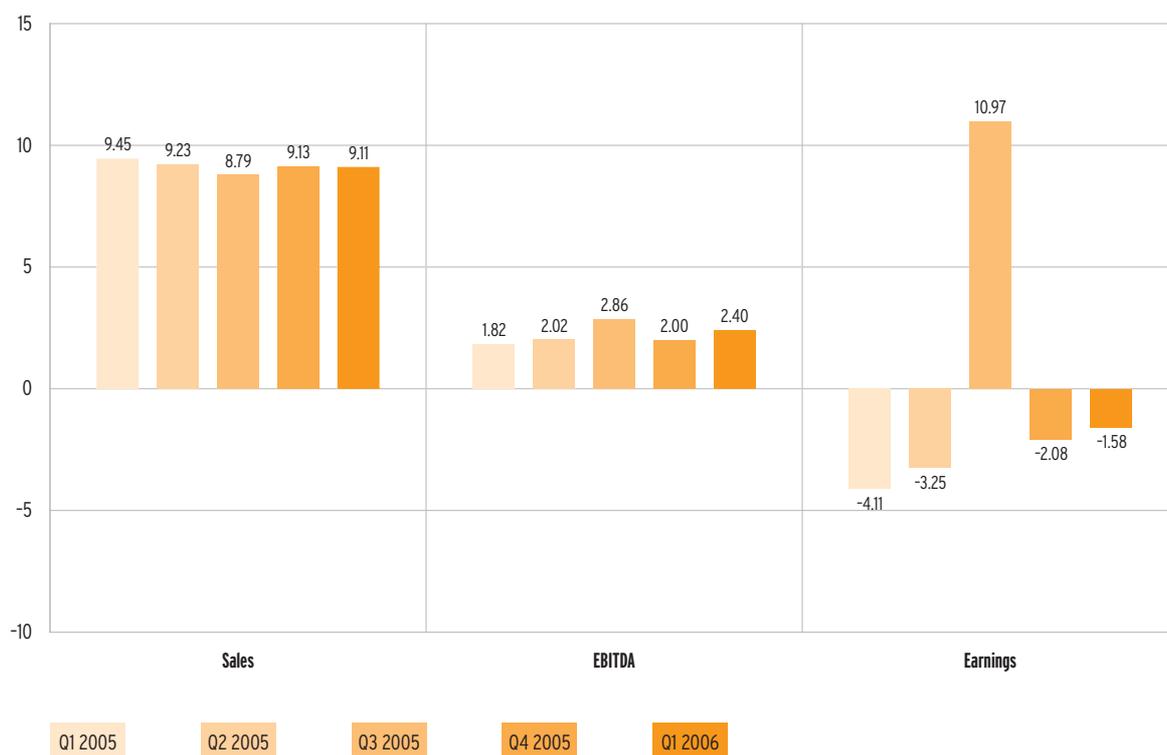
## BROADBAND/IP SEGMENT

At € 9.11 million, sales at LambdaNet were fully in line with projections and remained at the same level as in the fourth quarter of 2005 (€ 9.13 million).

In the first quarter of 2006, EBITDA in the Broadband/IP segment amounted to € 2.40 million. A further improvement in the cost structure made it possible to achieve an increase in EBITDA compared to both the preceding quarter (€ 2.00 million) and the first quarter of 2005 (€ 1.82 million).

However, VPN products for business customers (Corporates) remained below expectations. Despite this, the Management of the 3U Group expects the recently expanded sales team and overall positive market developments in respect of the marketing of VPN products to result in an improved performance from this business over the course of the year. The performance of the carrier services business exceeded expectations, with the result that a continuing positive trend is now emerging for this business.

### Development (sales, EBITDA, earnings) – Broadband/IP segment in € million



## NET ASSETS AND EARNINGS POSITION

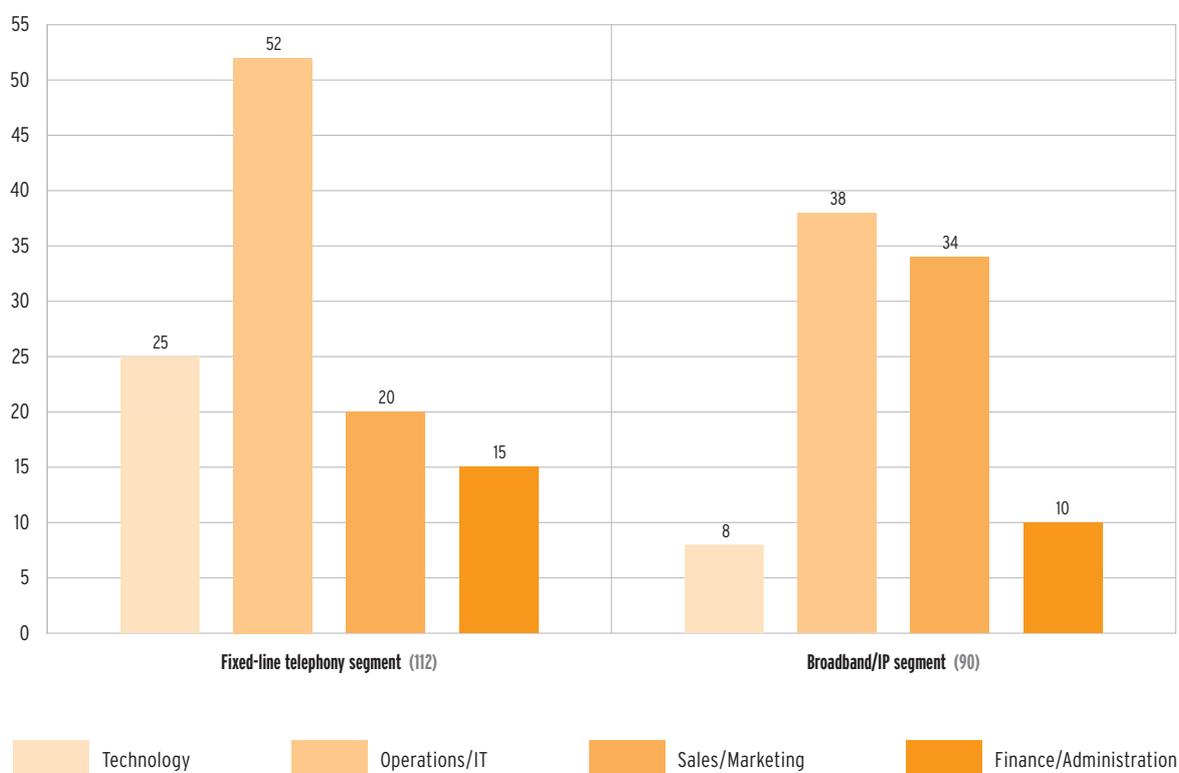
Total assets recorded a slight fall of € 3.90 million during the period under review, decreasing from € 127.75 million at the start of the period to € 123.85 million as of 31 March 2006. The significantly improved balance sheet structure that was put in place last year thus hardly changed and remains very solid. Accordingly, the equity ratio was also unchanged at the end of the first quarter of 2006 at 35.9%.

At € 82.49 million, fixed assets represent 66.6% of total assets, and are thus slightly lower than the previous quarter value of € 85.36 million. The Company's liquidity position remains positive. At the end of the quarter, cash and cash equivalents amounted to € 36.91 million, despite the commenced repayment of the bank loan (Q1 2005: € 37.66 million). At the end of the first quarter of 2006, the interest-bearing liabilities of the 3U Group totalled € 20.04 million (Q4 2005: € 20.67 million). In the first quarter of 2006, the Group's operating cash flow was € -2.59 million. The fall in cash and cash equivalents compared to 31 December 2005 is attributable to annual advance payments for Deutsche Telekom AG's interconnection links. Trade receivables increased slightly compared to the previous quarter, while the corresponding liabilities fell slightly.

## EMPLOYEES

While the number of employees remained virtually unchanged compared to the previous quarter in the Fixed Line segment, the number of employees at LambdaNet increased from 82 to 90. This was due to the planned expansion of the sales team, which was not finalised until the first quarter of 2006.

Employee structure in the first quarter of 2006\*



\* Employees including temporary staff based on full-time equivalents (weighted quarterly figures)

The realignment implemented at the end of 2005 will be systematically continued during the course of the current financial year. Accordingly, we expect to generate sales of between € 132.0 million and € 138.0 million for 2006 as a whole. EBITDA is expected to increase to between € 8.0 million and € 8.5 million in the same period. To achieve these goals on the cost side, we are concentrating on achieving a further reduction in structural costs in our individual companies and realising synergy effects in technology and customer care. On the sales side we expect to generate sales growth in the core Fixed Line segment as well as in the Broadband/IP segment.

#### **FIXED LINE: SUSTAINABLE PROFITABILITY AT HIGH SALES LEVEL**

Based on the operating successes realised to date in the OneTel and fon4U subsidiaries, continued consistent tariff management and the commencement of operation of new carrier selection codes are expected to result in further gains in market share in the Fixed Line segment. Efficient offerings in the wholesale business are also expected to support sales growth. Synergies in the network infrastructure and falling structural costs will ensure the long-term sustainability of our core business.

#### **BROADBAND/IP: EXPANSION OF CORPORATE SALES/VPN AS PRIMARY OBJECTIVE**

The subsidiary LambdaNet continues to be well positioned in the area of managed services as an efficient, technical service provider for business customers. LambdaNet has recently reinforced its sales team in order to be able to derive further future benefits from the attractive market growth potential that exist in this area. This will make it possible to increase the number of medium and long-term customer relationships and leverage further cross-selling potential. Carrier services remains the largest sales driver in the Broadband/IP segment. Here sales activities focus on new customer acquisition, including ComBots, which was acquired in the first quarter of 2006, as well as the expansion of the existing customer base. Thus, despite an intensively competitive market environment with low growth rates, we were able to maintain and even slightly improve our market share.

**GROUP: LEVERAGING CORE COMPETENCIES TO INCREASE SALES AND EARNINGS / EXAMINATION OF ACQUISITION TARGETS TO ROUND OFF THE PRODUCT PORTFOLIO**

As an efficient partner for fixed line network telephony and data services, the 3U Group continues to focus on its clear core competencies in order to gain new business customers as well as additional sales partners. These core competencies consist of:

- Integrated cost-effective technology platforms (IP, voice network, DSL and VoIP platforms)
- High flexibility combined with more rapid and higher quality of implementation of product and service offerings
- Strong performance in customer care and billing
- Broad target group coverage through efficient Fixed Line and Broadband/IP segments
- Multiple distribution channels with different products and solutions based on a uniform technology platform

We are also giving increasing consideration to potential acquisitions with a view to rounding off the product and service portfolio and extending our future customer base. This will, for example, provide a market opening to offer extra content in addition to pure voice and data services, and thus significantly enhance the attractiveness of the product portfolio. The resolution on the repurchase of own shares to be put before the Annual General Meeting of 23 May 2006 is designed to support these activities.

All measures serve to generate an increase in the overall Group's profitability – including those implemented in connection with the further improvement of internal cost structures, one of the central targets for the current financial year. In this way, we will establish framework conditions that will enable us to significantly improve the value of our Company in the interest of all our shareholders.

## CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2006 (IFRS)

ASSETS 3U GROUP (IN € THOUSAND)	31 MAR 2006	31 DEC 2005
<b>NON-CURRENT ASSETS</b>	<b>87,131</b>	<b>88,723</b>
Intangible assets	12,263	13,112
Property, plant and equipment	44,823	47,248
Financial assets*	25,400	24,996
Deferred taxes	57	99
Other non-current assets	648	736
Prepaid expenses	3,940	2,532
<b>CURRENT ASSETS</b>	<b>36,723</b>	<b>39,031</b>
Trade receivables	17,329	16,813
Other current assets	3,233	3,428
Cash and cash equivalents	11,510	15,278
Prepaid expenses	4,651	3,512
<b>TOTAL ASSETS</b>	<b>123,854</b>	<b>127,754</b>

\*This includes CityDial GmbH (associated company) with € 102 thousand (previous year: € 90 thousand).

<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>3U GROUP (IN € THOUSAND)</b>	<b>31 MAR 2006</b>	<b>31 DEC 2005</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>44,530</b>	<b>45,821</b>
Issued capital	46,842	46,842
Capital reserve	21,021	20,901
Revaluation reserve	2,539	2,213
Retained earnings	-23,931	-24,210
Net income/loss	-1,931	77
Minority interests	0	9
Adjustment item for currency difference	-10	-11
<b>NON-CURRENT PROVISIONS AND LIABILITIES</b>	<b>36,151</b>	<b>37,096</b>
Non-current provisions	4,788	4,647
Non-current liabilities due to banks	13,238	13,781
Non-current lease liabilities	17,100	17,523
Other non-current liabilities	0	53
Deferred taxes	623	600
Deferred income	402	492
<b>SHORT-TERM PROVISIONS AND LIABILITIES</b>	<b>43,173</b>	<b>44,837</b>
Current provisions	4,799	6,677
Current liabilities due to banks	2,448	2,515
Trade payables	22,744	23,425
Current lease liabilities	2,761	2,778
Other current liabilities	6,644	6,118
Deferred income	3,777	3,324
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>123,854</b>	<b>127,754</b>

## CONSOLIDATED INCOME STATEMENT AS OF 31 MARCH 2006 (IFRS)

3U GROUP (IN € THOUSAND)	3-MONTH REPORT	
	1 JAN 2006 - 31 MAR 2006	1 JAN 2005 - 31 MAR 2005
Sales	32,152	26,677
Cost of sales	-29,102	-24,642
<b>GROSS PROFIT</b>	<b>3,050</b>	<b>2,035</b>
Selling expenses	-1,530	-2,123
General and administrative expenses	-2,627	-3,276
Other operating income	2,456	1,269
Other operating expenses	-2,324	-821
Amortisation of customer base/goodwill	-345	-689
<b>EARNINGS BEFORE INTEREST AND TAXES</b>	<b>-1,320</b>	<b>-3,605</b>
Interest income	289	89
Interest expenses	-838	-1,683
Income from financial assets (equity method)	11	20
<b>EARNINGS BEFORE TAXES</b>	<b>-1,858</b>	<b>-5,134</b>
Income tax expense	-73	-5
<b>EARNINGS BEFORE MINORITY INTERESTS</b>	<b>-1,931</b>	<b>-5,139</b>
Minority interests	0	0
<b>CONSOLIDATED NET LOSS</b>	<b>-1,931</b>	<b>-5,139</b>
<b>EARNINGS PER SHARE</b>		
Earnings per share, basic (in €)	-0.04	-0.11
Earnings per share, diluted (in €)	-0.04	-0.11
Average shares outstanding, basic (per item)	46,842,240	46,842,240
Average shares outstanding, diluted (per item)	49,914,490	47,708,490

## CASH FLOW STATEMENT (IFRS)

3U GROUP (IN € THOUSAND)	1 JAN 2006 - 31 MAR 2006	1 JAN 2005 - 31 MAR 2005
<b>INCOME FOR THE PERIOD</b>	<b>-1,931</b>	<b>-5,139</b>
Depreciation of fixed assets	3,757	4,908
Increase/decrease of provisions and value adjustments	-1,737	364
Profit/loss from disposals of tangible assets	0	0
Increase/decrease of trade receivables	-516	-4,777
Increase/decrease of trade accounts payable	-681	3,765
Changes to other receivables	325	-3,731
Changes to other payables	-11	1,716
Changes to deferred items	-2,184	2,729
Other cash-neutral changes	390	-2,079
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-2,588</b>	<b>-2,244</b>
Inflows from disposals of tangible assets	0	0
Outflows for investments in tangible assets	-551	-454
Outflows for investments in intangible assets	0	0
Outflows from the acquisition of consolidated companies and other business units	0	0
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-551</b>	<b>-454</b>
Outflows from the repayment of (finance) loans	-543	0
Other	0	48
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-543</b>	<b>48</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-3,682</b>	<b>-2,650</b>
Changes to cash and cash equivalents from changes to the scope of consolidation	-86	0
Cash and cash equivalents at beginning of period	15,278	16,499
Cash and cash equivalents at end of period	11,510	13,849

## STATEMENT OF CHANGES IN EQUITY AS OF 31 MARCH 2006 (IFRS)

3U GROUP (IN € THOUSAND)	ISSUED CAPITAL	CAPITAL RESERVES	REVALUATION RESERVE/ RETAINED EARNINGS	PROFIT/ LOSS CARRIED FORWARD	MINORITY INTERESTS	CURRENCY	NET INCOME	TOTAL SHARE- HOLDERS' EQUITY
<b>AS OF 1 JAN 2005</b>	<b>46,842</b>	<b>20,322</b>	<b>845</b>	<b>-24,210</b>	<b>9</b>	<b>-10</b>	<b>0</b>	<b>43,798</b>
Consolidated profit	0	0	0	0	0	0	77	77
Stock options	0	579	0	0	0	0	0	579
Revaluation of securities	0	0	1,368	0	0	0	0	1,368
Currency changes taken directly to equity	0	0	0	0	0	-1	0	-1
<b>AS OF 31 DEC 2005</b>	<b>46,842</b>	<b>20,901</b>	<b>2,213</b>	<b>-24,210</b>	<b>9</b>	<b>-11</b>	<b>77</b>	<b>45,821</b>

3U GROUP (IN € THOUSAND)	ISSUED CAPITAL	CAPITAL RESERVES	REVALUATION RESERVE/ RETAINED EARNINGS	PROFIT/ LOSS CARRIED FORWARD	MINORITY INTERESTS	CURRENCY	NET INCOME	TOTAL SHARE- HOLDERS' EQUITY
<b>AS OF 1 JAN 2006</b>	<b>46,842</b>	<b>20,901</b>	<b>2,213</b>	<b>-24,133</b>	<b>9</b>	<b>-11</b>	<b>0</b>	<b>45,821</b>
Consolidated profit	0	0	0	0	0	0	-1,931	-1,931
Adjustments for previous years	0	0	0	202	0	0	0	202
Stock options	0	120	0	0	0	0	0	120
Revaluation of securities	0	0	326	0	0	0	0	326
Changes taken directly to equity	0	0	0	0	-9	1	0	-8
<b>AS OF 31 MAR 2006</b>	<b>46,842</b>	<b>21,021</b>	<b>2,539</b>	<b>-23,931</b>	<b>0</b>	<b>-10</b>	<b>-1,931</b>	<b>44,530</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2006 IN ACCORDANCE WITH IFRS

• Order book	See "Report on Business Development" page 9 et seq.
• Development of costs and prices	See "Report on Business Development" page 9 et seq.
• Employee participation programme	No changes
• Analysis of income	See "Segment Report" page 10 et seq.
• Number of employees	See "Employees" page 13

### SUPPLEMENTARY DISCLOSURES IN ACCORDANCE WITH IAS 34

The accounting policies and methods of calculation used in the consolidated financial statements as of 31 December 2005 were applied unchanged for the interim financial statements as of 31 March 2006.

### CONSOLIDATED GROUP

With the exception of the disposal of 3U TELECOM S.R.L., Italy, there were no changes to the consolidated group.

### DISPOSAL OF 3U TELECOM S.R.L., ITALY

On 31 March 2006, 3U TELECOM AG entered into a sales agreement relating to the disposal of TELECOM S.R.L., Italy, which offers fixed line network telecommunications services in Italy. The company was sold in connection with the fundamental restructuring of the Group. The deconsolidation was effected as of 1 January 2006, the date when the Group's ability to exercise control over 3U TELECOM S.R.L., Italy, was transferred.

A book profit of € 812 thousand arose on the deconsolidation of 3U TELECOM S.R.L., Italy. This is calculated as follows:

(IN € THOUSAND)	1 JAN 2006
Intangible assets	76
Property, plant and equipment	8
Trade receivables	76
Other receivables	141
Cash and cash equivalents	86
Other current assets	85
<b>ASSETS OF SUBSIDIARY AT TIME OF DISPOSAL</b>	<b>472</b>
Financial liabilities	950
Trade payables	185
Other liabilities	141
Provisions	7
<b>ASSETS OF SUBSIDIARY AT TIME OF DISPOSAL</b>	<b>1,283</b>
<b>NET ASSETS OF SUBSIDIARY</b>	<b>-812</b>
Sales proceeds	0
<b>DECONSOLIDATION RESULT</b>	<b>812</b>

No income statement was prepared due to the deconsolidation date of 1 January 2006.

Valuation adjustments of € 935 thousand made in respect of loans were set off against the deconsolidation result, as a result of which the net result of the disposal was € -124 thousand.

#### SIGNIFICANT EVENTS SINCE THE END OF THE INTERIM FINANCIAL REPORTING PERIOD

None.

#### BASIS OF ACCOUNTING

The interim financial report complies with the provisions of International Financial Reporting Standards (IFRS).

## FINANCIAL CALENDAR

- **ANNUAL GENERAL MEETING**  
23 May 2006
- **PUBLICATION OF FIGURES FOR Q2/2006**  
15 August 2006
- **PUBLICATION OF FIGURES FOR Q3/2006**  
15 November 2006
- **ANALYST'S CONFERENCE**  
Q4 2006

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**PHOTOS**

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**TEXT**

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This quarterly report contains statements relating to the future which are subject to risks and uncertainties and which are assessments of the management of 3U TELECOM 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 TELECOM 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 TELECOM may differ materially from those outlined or implied in these statements. The company does not undertake to update predictive statements of this nature.

This quarterly 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 TELECOM AG in accordance with the German Commercial Code (HGB) or IFRS. It should be noted that the figures for 3U TELECOM 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.

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