



3U HOLDING AG
Quarterly Report 1/2008

Summary of group results

3U Group (IFRS)		Quarterly comparison	
		Q1 2008	Q1 2007
Sales from continued operations	(in € million)	18.18	18.34*
EBITDA from continued operations (earnings before interest, taxes and amortisation)	(in € million)	1.45	0.16*
EBIT from continued operations (earnings before interest and taxes)	(in € million)	1.27	-0.09*
EBT from continued operations (earnings before tax)	(in € million)	1.53	-0.05*
Net income/loss for the period from continued operations	(in € million)	1.44	-0.06*
Net income/loss for the period from discontinued operations	(in € million)	0.37	-2.13*
Total earnings per share (basic)	(in €)	0.04	-0.05
Total earnings per share (diluted)	(in €)	0.04	-0.04
Equity ratio	(in %)	43.93	38.81

*The figures for the previous year have been adjusted for discontinued operations.

Contents

1

2	Letter to our shareholders
4	The 3U share
8	Report on Business Development
12	Related parties report
13	Report on risks and opportunities
14	Significant events since the end of the interim reporting period
15	Outlook
16	Consolidated balance sheet as of 31 March 2008 (IFRS)
18	Consolidated income statement (IFRS)
20	Cash flow statement (IFRS)
22	Statement of changes in equity (IFRS)
24	Notes to the consolidated financial statements as of 31 March 2008 (IFRS)
33	Responsibility statement
34	Financial calendar
35	Contact
36	Imprint
36	Disclaimer
37	3U Group

Letter to our shareholders

Dear shareholders,

A look at the figures of the recent quarters and particularly the first quarter of 2008 shows that we made the right decision in restructuring the existing investments with an eye to increasing profits. The investments in the fixed-line telephony segment, where sales volume was deliberately lower, contributed very positively toward Group results.

Continued positive results in fixed-line telephony segment

Earnings before interest, taxes and depreciation and amortisation from continued operations rose in the first quarter of 2008 as against the first quarter of 2007 by € 1.29 million to € 1.45 million. Net profit for the period from continued operations increased during the first quarter of 2008 to € 1.44 million, up € 1.50 million from the first quarter of 2007. The positive net profit for the period of € 0.37 million of companies held for sale is due to the fact that their recognition as companies held for sale caused depreciation and amortisation in the first quarter of 2008 to be deferred.

This brings the net profit for the Group during the first quarter of 2008 to € 1.82 million.

LambdaNet still held for sale

We continue to pursue the sale of LambdaNet, although the ongoing sub-prime crisis continues to present hurdles in the sales process. Sales negotiations continue and we are hopeful that we can close a sale this year.

Potential investments examined

Maintaining our focus on innovative technologies and corporate restructuring as part of our strategic realignment, we have already examined a good number of investment opportunities. In doing so, we are exercising caution and are fully aware of our duty to take responsible, sustainable investment decisions. We expect to make our first investments in 2008.

Good outlook for the 3U Group

Dear shareholders,

Our figures are proof positive that we have made the right moves in the field of telecommunications.

In respect of the new investments we are embarking upon, we are optimistic about continuing to improve the results of the 3U Group and thereby increase the value of the company over the long term.

Marburg, May 2008

The Management Board



Michael Schmidt



Oliver Zimmermann

4 The 3U share

Summary of the 3U share

International Securities Identification Number (ISIN)	DE0005167902
Wertpapierkennnummer (WKN) [Securities Identification Number]	516790
Stock exchange symbol	UUU
Trading segment	Prime Standard
Designated sponsor	AXG Investmentbank AG
Initial listing	26 November 1999
Authorised capital in EUR	€ 51,402,240.00
Authorised capital in shares	51,402,240
Registered share capital in EUR	€ 46,842,240.00
Registered share capital in shares	46,842,240
Share price on 31 March 2008*	€ 0.59
Share price high in period from 1 January to 31 March 2008*	€ 0.84 (2 and 4 January 2008)
Share price low in period from 1 January to 31 March 2008*	€ 0.55 (25 March 2008)
Number of shares	46,842,240
Market capitalisation at 31 March 2008	€ 27,636,921.60
Earnings per share (basic)	€ 0.04

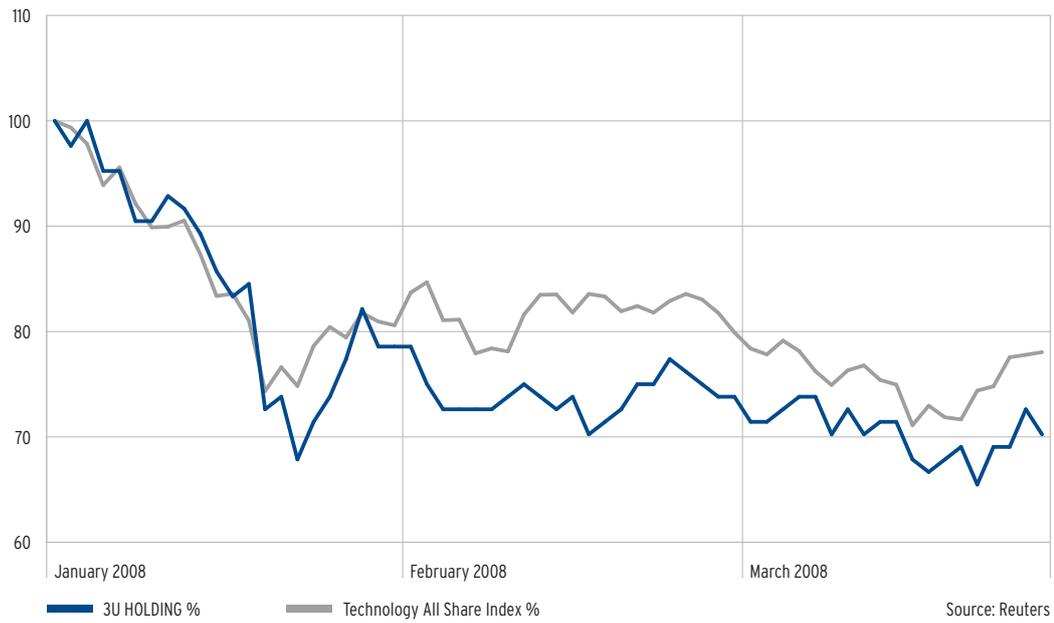
During the first quarter of 2008, the German stock market was in poor form. The DAX leading index dropped from 8,045 points at the beginning of 2008 to the low for the year so far, 6,182 points, on 17 March, 2008. During the same period, the Technology All Share Index dropped by roughly 400 points to 828 points. The ongoing sub-prime crisis in the USA, which also negatively impacted the German banking sector, a consistently low dollar exchange rate and rising prices for raw materials spawned insecurity and buying restraint among investors. The shares of 3U HOLDING AG did not remain unaffected by this generally negative trend, which was reflected in all price indexes. After starting the 2008 trading year at an XETRA closing price of € 0.84, the 3U shares did not maintain that price level. As at 31 March 2008, the share price was € 0.59, representing market capitalisation of € 27.64 million.

During the reporting period, a total of 4,360,150 shares of 3U HOLDING AG were traded on German exchanges. This corresponds to an average trading volume of 1,453,383 million shares per month.

*Daily closing price Xetra

Share price

Price performance of 3U shares* against the Technology All Share Index



*Daily closing price Xetra

Investor relations

The positive business performance of the investments in the fixed-line telephony segment, which favourably impacts the consolidated profit, the cash flow of the company and the bright prospects of 3U HOLDING AG as a management and investment company, were not reflected in the share price during the first quarter of 2008. The Management Board will continue to conduct an active and in-depth dialogue with investors, analysts and the financial media on a systematic basis. The new investments to be made during the course of the current financial year is likely to raise interest significantly in the shares of 3U HOLDING AG.

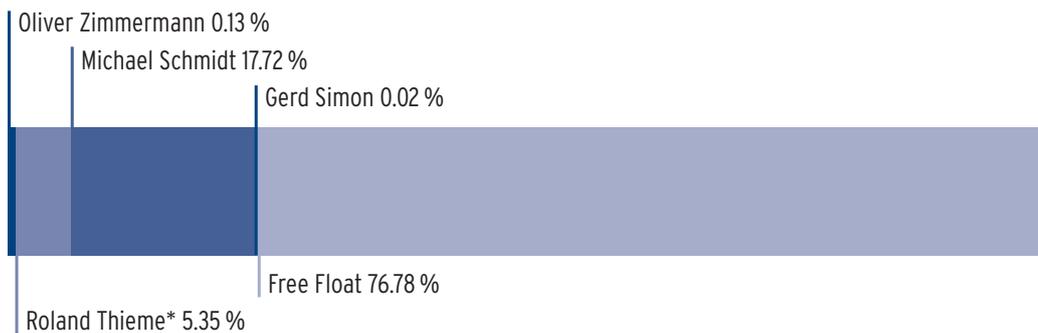
Since April 2008, 3U HOLDING AG has begun communicating news through the new 3U Investor Relations Newsletter. It can be found in the Investor Relations section of our home page (www.3u.net).

Shareholder structure

As of 31 March 2008, members of the governing bodies held the following shares with full voting and dividend rights:

Management Board	
Michael Schmidt	8,299,995 shares
Oliver Zimmermann	59,584 shares
Management Board total	8,359,579 shares

Supervisory Board	
Ralf Thoenes (Chairman)	0 shares
Gerd Simon (Deputy Chairman)	10,000 shares
Peter Coch	0 shares
Supervisory Board total	10,000 shares



*Manager of investments in the fixed-line telephony segment

As in past quarters, LambdaNet and the companies in the USA and Austria were once again reported as held for sale during the first quarter of 2008. In line with International Financial Reporting Standards (IFRS), revenues from the companies held for sale are not included in the consolidated income statement. This must be taken into account in any comparison with the relevant period of the previous year. Net profit for the period of the held-for-sale companies is reported separately in the consolidated financial statements as at 31 March 2008. Because the companies are recognised as held for sale, no depreciation or amortisation is taken on the companies in question.

Results of operations

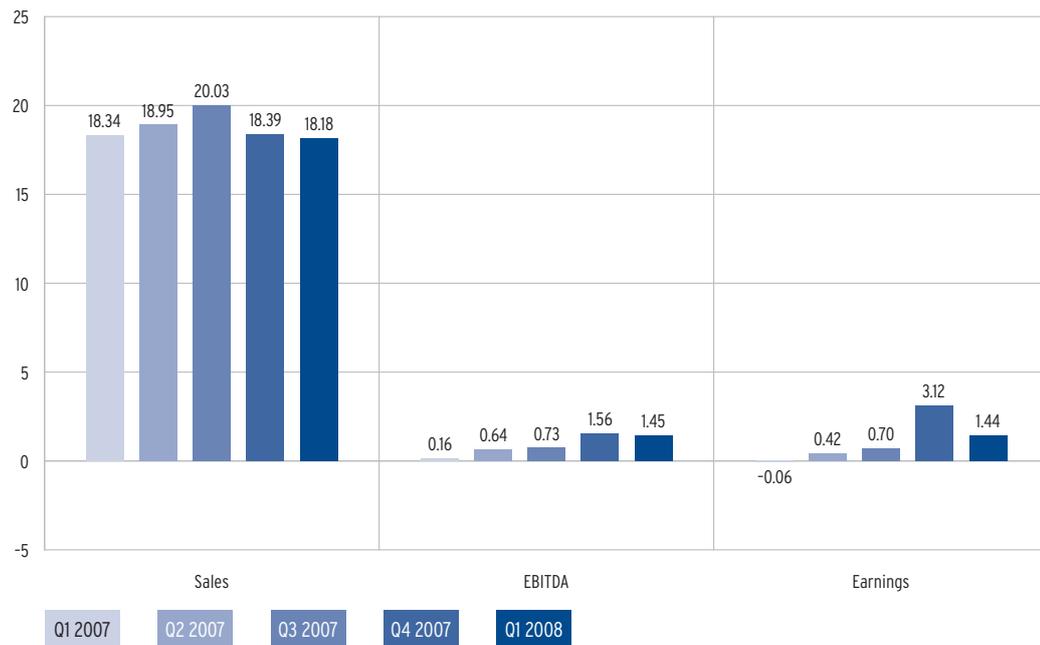
Consolidated revenue during the first quarter of 2008 was generated entirely by the fixed-line telephony segment. At € 18.8 million, revenue during the first quarter of 2008 is almost unchanged from the revenue figure of the first quarter of the previous year (€ 18.34 million) and the fourth quarter of 2007 (€ 18.39 million).

Our consistent profit orientation in the continued segment of fixed-line telephony continues to prove fruitful. The invoicing system was streamlined, receivables management improved and network costs lowered. Earnings before interest, taxes and depreciation and amortisation EBITDA increased by € 1.29 million in the first quarter of 2008 as against the first quarter of 2007, from € 0.16 million to € 1.45 million (fourth quarter of 2007: € 1.56 million). This means that for the fifth quarter in a row, EBITDA is positive.

Net profit of the continued operations for the first quarter of 2008 rose by € 1.50 million compared to that of 2007, from € -0.06 million to € 1.44 million, thus showing positive results for the fourth consecutive quarter.

Earnings of the held-for-sale international companies and LambdaNet contribute positive net profit for the period of € 0.37 million to the consolidated net profit for the period. Compared with the first quarter of 2007, the net profit for the first quarter of 2008 of the 3U Group posted a € 4.01 million rise, from € -2.19 million to € 1.82 million. The positive net profit for the period of € 0.37 million of companies held for sale is due to the fact that their recognition as companies held for sale caused depreciation and amortisation in the first quarter of 2008 in the amount of € 2.42 million to be deferred.

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



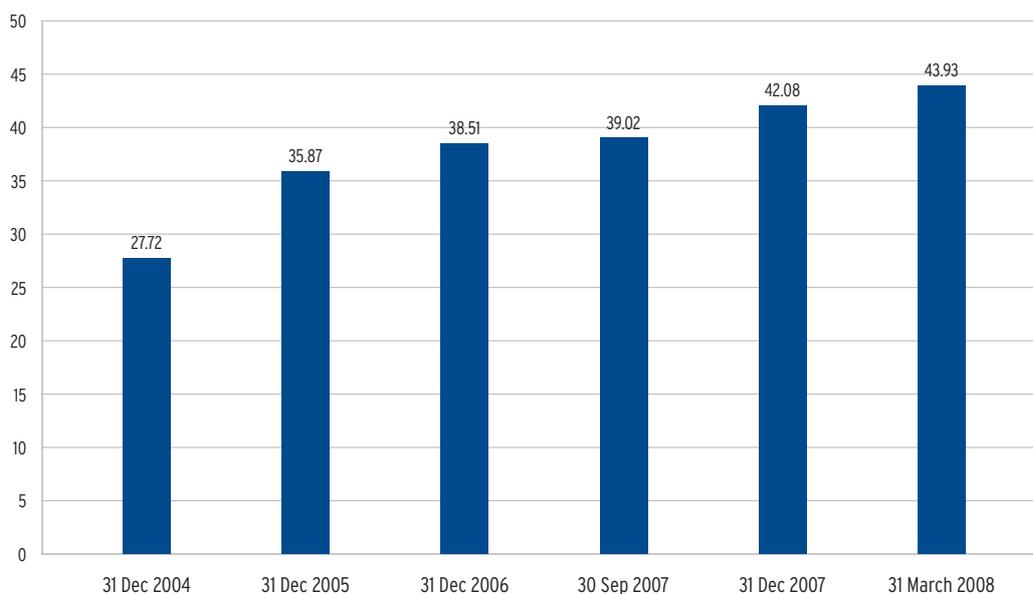
*The comparative figures (sales, EBITDA and earnings) of the previous period have been adjusted for discontinued operations. The EBITDA figures were adjusted for 2007 to take into account the non-recurring positive non-recurring effects of € 1.38 million in income from investment securities (Q4 2007).

Financial and asset position

Balance sheet ratios have changed considerably as a result of the classification of assets as held for sale. Comparisons with earlier reporting periods are therefore only of limited significance.

Presentation of the equity ratio remains unchanged and is therefore comparable. It is a key indicator of the company's stability. The equity ratio of 3U HOLDING AG has improved steadily, as the following overview demonstrates. As at 31 March the equity ratio was almost 44 %.

Development of equity ratio*



As of 31 March 2008, cash and cash equivalents amounted to € 33.68 million. The decrease in cash from 31 December 2007 (€ 34.45 million) is attributable primarily to the grant of a loan to LambdaNet in the amount of € 0.80 million as well as to in advance payments for network rentals in the amount of € 0.98 million.

Taking the cash and cash equivalents that were made available to the companies held for sale into account, cash and cash equivalents declined from € 38.54 million at 31 December 2007 to € 35.48 million primarily due to further repayments of € 1.61 million from LambdaNet, capital expenditure in property, plant and equipment of € 1.01 million as well as € 1.55 million in advance payments for network rentals and Interconnect connections.

*Figures in %

At 31 March, 2008 total assets were € 99.87 million (31 December 2007: € 99.92 million). At € 3.75 million (31 December 2007: € 3.81 million), non-current assets account for 3.76 % of total assets, almost equal to the figure at the reporting date of 31 December 2007 (3.81 %). Also nearly unchanged was the contribution of current assets to total assets. At € 96.12 million (31 December 2007: € 96.12 million) they accounted for 96.24 % (31 December 2007: 96.19 %).

At € 0.10 million, non-current provisions and liabilities remained exactly the same at 31 March 2008 as at 31 December 2007. Current provisions and liabilities declined to € 55.89 million as against 31 December 2007 (€ 57.78 million).

Capital expenditure

No significant capital expenditures were made during the first quarter of 2008.

LambdaNet made a number of minor purchases, for example in expanding equipment locations. Total capital expenditure for the first quarter of 2008 amounted to € 0.95 million.

Employees

The number of individuals employed by the 3U Group as at 31 March 2008 rose from 159 as at 31 December 2007 to 162.

Of these, 98 were employed by the held-for-sale company LambdaNet as at 31 March 2008 (31 December 2007: 95). Averaged over the quarter, the number of employees working for LambdaNet was 97.

The held-for-sale company in the USA continued to have three employees.

At 61 employees, staff in the fixed-line telephony segment remained almost unchanged at 31 March 2008 from the end of December 2007 (62 employees). On average, the number of employees on staff during the first quarter was 62.

Employee structure of continued fixed-line telephony segment in first quarter of 2008*



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

12 **Related parties report**

There were no extraordinary changes or developments in business relations with related parties in the first three months of the current financial year of 2008 as against 31 December 2007.

Report on risks and opportunities

As at 31 March 2008, there were no material changes in risks and their assessment as reported in the 2007 Annual Report. However, we would like to make reference to the notes to contingent liabilities and receivables and disclosures made with regard to regulatory risk under "Significant events since the end of the interim reporting period".

Significant events since the end of the interim reporting period

Discontinuation of risks

The risk described under contingent liabilities and receivables no longer applies since the Federal Administrative Court handed down its decision of 2 April 2008. The Management Board no longer expects any subsequent debits of high contractually agreed fees from the contracting parties, which are now subject to regulation. The decision of the Federal Administrative Court establishes value. For this reason, contingent liabilities and receivables continue to be recognised as at 31 March 2008. The 3U Group will continue to be exposed to risks arising from regulation. However, no concrete risks are foreseeable at this time.

The registration of resolutions regarding the spin-off of the telecommunications services and the renaming and strategic realignment of the company laid the groundwork for implementing the resolutions of the shareholders during the 2008 financial year.

Telecommunication

A look at the earnings figures for the investments in the fixed-line telephony segment shows that concentrating on profitable service sectors can yield positive contributions to earnings even as revenue figures decline. For this reason, the focus of subsequent quarters will continue to be fixed on further optimisation measures in the Call-by-Call and Wholesale segments.

LambdaNet Communications Deutschland AG continues to be held for sale. The ongoing sub-prime crisis has delayed a successful sale to date. Our aim continues to be the sale of LambdaNet at a satisfactory price during the current financial year.

Negotiations also continue on the sale of the fixed-line telephony companies in the USA and Austria.

Investment business

3U HOLDING AG has already examined numerous potential investments focused on innovative technologies and corporate restructuring. Initial investments are planned for 2008.

Opportunities

The restructured fixed-line telephony investments now provide 3U HOLDING AG with a portfolio of investments that have a sustainable and positive impact on consolidated profit.

The available cash gives 3U HOLDING AG a good starting point for taking advantage of lucrative investment opportunities that may arise. Selling LambdaNet would further improve an already very good situation. However, with the objective of fulfilling its corporate responsibility, the management of 3U HOLDING AG will only invest in companies if there is a realistic likelihood of achieving an above-average return on investment, taking into consideration any risks.

16 Consolidated balance sheet as of 31 March 2008 (IFRS)

Assets 3U Group (in T€)	31 March 2008	31 December 2007
Non-current assets	3,754	3,806
Intangible assets	902	950
Property, plant and equipment	960	1,940
Financial assets*	64	64
Prepaid network rentals – non-current	1,828	852
Current assets	96,120	96,115
Trade receivables	10,199	9,305
Other current assets	1,304	1,015
Current financial assets	2,000	2,000
Cash and cash equivalents	31,676	32,446
Assets held for sale (disposal groups)	50,941	51,349
Total assets	99,874	99,921

*This includes CityDial GmbH (associated company) with T€ 64 (previous year: T€ 64)

Shareholders' equity and liabilities 3U Group (in T€)	31 March 2008	31 December 2007
Shareholders' equity	43,878	42,043
Issued capital (conditional capital T€ 4,560; previous year: T€ 4,560)	46,842	46,842
Capital reserve	21,499	21,499
Retained earnings	-26,348	-27,989
Net income/loss	1,799	1,641
Adjustment item for currency difference	10	-9
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG	43,802	41,984
Minority interests	76	59
Non-current provisions and liabilities	103	103
Non-current provisions	103	103
Current provisions and liabilities	55,893	57,775
Current provisions	288	1,416
Current tax provisions relating to income tax	2,150	2,150
Trade payables	10,623	9,998
Other current liabilities	1,105	1,268
Liabilities held for sale (disposal groups)	41,727	42,943
Total shareholders' equity and liabilities	99,874	99,921

Consolidated income statement (IFRS)

3U Group (in T€)	3-month report	
	1 January-31 March 2008	2007
Sales	18,178	18,337
Cost of sales	-15,267	-16,078
Gross profit	2,911	2,259
Vertriebskosten	-395	-604
General and administrative expenses	-1,437	-2,064
Other operating income	347	1,025
Other operating expenses	-155	-703
Earnings from continued operations before interest and taxes	1,271	-87
Interest income	285	72
Interest expenses	-29	-35
Earnings from continued operations before income tax	1,527	-50
Income tax expense	-85	-6
Earnings from continued operations before minority interests	1,442	-56
Earnings from discontinued operations	374	-2,129
Net income/loss for the period	1,816	-2,185
Share of net income/loss for the period attributable to minority interests	17	0
Share of net income/loss for the period attributable to 3U HOLDING AG shareholders	1,799	-2,185

3U Group (in T€)	3-month report	
	1 January-31 March 2008	2007
Earnings per share from continued operations		
Earnings per share, basic (in €)	0.03	0.00
Earnings per share, diluted (in €)	0.03	0.00
Earnings per share total		
Earnings per share, basic (in €)	0.04	-0.05
Earnings per share, diluted (in €)	0.04	-0.04
Earnings per share from discontinued operations		
Earnings per share, basic (in €)	0.01	-0.05
Earnings per share, diluted (in €)	0.01	-0.04

20 Cash flow statement (IFRS)

3U Group (in T€)	1 January-31 March	
	2008	2007
Net income/loss for the period	1,816	-2,185
Depreciation/write-ups of fixed assets	174	3,695
Increase/decrease of provisions and valuation allowances	-1,589	-301
Profit/loss on disposal of non-current assets	-70	0
Increase/decrease in inventories and trade receivables	-1,018	1,298
Increase/decrease in trade accounts payable	604	-1,905
Changes to other receivables	-540	465
Changes to other payables	619	461
Change in network rentals prepaid and received	-1,466	-1,931
Other non-cash changes	24	-818
Cash flows from operating activities*	-1,446	-1,221
Of which: Cash flows from operating activities from continued operations	-895	-2,693
Of which: Cash flows from operating activities from discontinued operations	-551	1,472
Inflows from disposals of non-current assets	977	29
Outflows for investments in property, plant and equipment	-961	-709
Outflows for investments in intangible assets	-47	-3
Inflows from disposals of financial assets	0	1,454
Outflows from additions to financial assets	0	-1,000
Cash flows from investing activities	-31	-229
Of which: Cash flows from investing activities from continued operations	893	553
Of which: Cash flows from investing activities from discontinued operations	-924	-782
Sum carried forward	-1,477	-1,450

3U Group (in T€)	1 January-31 March	
	2008	2007
Sum carried forward	-1,477	-1,450
Outflows from the repayment of bonds and (finance) loans	-1,064	-768
Repayment of lease liabilities	-539	-463
Cash flows from financing activities	-1,603	-1,231
Of which: Cash flows from financing activities from continued operations	-800	-81
Of which: Cash flows from financing activities from discontinued operations	-803	-1,150
Increase/reduction in cash and cash equivalents	-3,080	-2,681
Changes to cash and cash equivalents from changes to the scope of consolidation	0	-79
Cash and cash equivalents at beginning of period from continued operations	34,446	7,930
Cash and cash equivalents at beginning of period from discontinued operations	4,102	6,049
Cash and cash equivalents at beginning of period	38,548	13,979
Cash and cash equivalents at end of period from continued operations	33,676	5,330
Cash and cash equivalents at end of period from discontinued operations	1,792	5,889
Cash and cash equivalents at end of period	35,468	11,219

Statement of changes in equity (IFRS)

3U Group (in T€)	Issued capital	Capital reserve	Reserve for currency differences	Revaluation reserve
As of 1 Jan 2007	46,842	21,379	-7	1,115
Consolidated profit*	0	0	0	0
Stock options	0	120	0	0
Revaluation securities	0	0	0	593
Income from the disposal of securities	0	0	0	-1,708
Changes taken directly to equity	0	0	-2	0
As of 31 Dec 2007	46,842	21,499	-9	0

3U Group (in T€)	Issued capital	Capital reserve	Reserve for currency differences	Revaluation reserve
As of 1 Jan 2008	46,842	21,499	-9	0
Consolidated profit**	0	0	0	0
Stock options	0	0	0	0
Revaluation securities	0	0	0	0
Income from the disposal of securities	0	0	0	0
Changes taken directly to equity	0	0	19	0
As of 31 March 2008	46,842	21,499	10	0

*Thereof T€ -2,501 from discontinued operations

**Thereof T€ 374 from discontinued operations

Retained earnings	Share of net income/loss attributable to 3U HOLDING AG shareholders	Share of shareholders' equity attributable to 3U HOLDING AG shareholders	Minority interests	Total shareholders' equity
-27,989	0	41,340	25	41,365
0	1,641	1,641	34	1,675
0	0	120	0	120
0	0	593	0	593
0	0	-1,708	0	-1,708
0	0	-2	0	-2
-27,989	1,641	41,984	59	42,043

Retained earnings	Share of net income/loss attributable to 3U HOLDING AG shareholders	Share of shareholders' equity attributable to 3U HOLDING AG shareholders	Minority interests	Total shareholders' equity
-26,348	0	41,984	59	42,043
0	1,799	1,799	17	1,816
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	19	0	19
-26,348	1,799	43,802	76	43,878

Notes to the consolidated financial statements as of 31 March 2008 (IFRS)

- | | |
|-------------------------------------|--|
| • Order book | See "Report on Business Development", page 8 et seq. |
| • Development of costs and prices | See "Report on Business Development", page 8 et seq. |
| • Employee participation programmes | No changes as against 2007 financial year |
| • Number of employees | See "Employees", page 11 |

General information about the Group

3U HOLDING AG (hereinafter also 3U HOLDING or the Company), headquartered in Marburg, was founded in 1999 as a result of a change in the form of 3U Telekommunikation GmbH, Eschborn (formerly registered with the Frankfurt am Main District Court, HRB number 47870). The company's registered office was relocated to Marburg in the 2003 financial year. It has since been registered in the Commercial Register there, under HRB number 4680.

On 31 October 2007, the name of the Company was changed from 3U TELECOM AG to 3U HOLDING AG on the basis of the resolution of the Annual General Meeting of 28 August 2007. In accordance with the resolution passed at the extraordinary General Meeting of 15 January 2007, the purpose of the company changed on 29 December 2007 to managing its own assets and the acquisition, management and disposal of investments in companies within and outside Germany, as well as rendering management and consulting services and other services for subsidiaries, investments and third parties. Effective 1 January, 2007, the service sectors held until that date by 3U HOLDING AG were spun off to 3U TELECOM GmbH.

The business activities of 3U HOLDING AG and its subsidiaries are asset management and the provision of telecommunication services in the fixed-line telephony and broadband/IP segments.

The address of the registered office of the Company is:
Neue Kasseler Straße 62F, 35039 Marburg.

Accounting principles

The interim financial report was prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS).

The present interim report has not been reviewed by auditors.

Supplementary disclosures in accordance with IAS 34

The accounting policies and methods of calculation used in the consolidated financial statements as of 31 December 2007 were applied unchanged for the interim statements as of 31 March 2008.

In addition, please note in respect to accounting that LambdaNet Communications Deutschland AG, Hannover, 3U TELECOM INC., Henderson (NV), USA and 3U TELECOM GmbH, Vienna, Austria have been recognised as held for sale under IFRS 5.

In order to provide readers of the financial statements with a better assessment of the financial impact of the discontinued operations (IFRS 5.30), there has been no consolidation of income and expenses between the continued operations and those held for sale.

The disclosures contained in the Notes below pertain, with the exception of those made expressly under the item "Assets and liabilities held for sale (disposal groups) and discontinued operations", to continued service sectors.

There were no extraordinary developments in business with related parties and the Company in the first three months of 2008 as against the previous year. For information about individual business relations, please refer to our Annual Report of 31 December 2007, Section 9.3.

Scope of consolidation

No changes to the scope of consolidation occurred as against 31 December 2007.

The following companies were reclassified as "held for sale":
LambdaNet Communications Deutschland AG, Hannover, Germany
3U TELECOM INC., Henderson (NV), USA
3U TELECOM GmbH, Vienna, Austria

Segment reporting

The following table gives a general overview of the segments of 3U HOLDING AG for the first quarters of 2008 and 2007:

(In T€)		External sales	Internal sales	Total sales	EBIT	Earnings from investments (equity method)	Scheduled depreciation and amortisation
Continued service sectors							
Continued fixed-line telephony segment	Q1 2008	18,178	6,647	24,825	1,256	0	174
	Q1 2007	18,537	6,303	24,840	-109	0	249
Service sectors held for sale							
Broadband/IP segment held for sale	Q1 2008	8,019	280	8,299	280	0	0
	Q1 2007	7,696	313	8,009	-2,148	0	3,440
Operations held for sale in the fixed-line telephony segment	Q1 2008	1,364	622	1,986	98	0	0
	Q1 2007	1,092	374	1,466	26	0	12
Transfer	Q1 2008	0	-7,549	-7,549	271	0	0
	Q1 2007	0	-6,990	-6,990	58	-2	0
Group including discontinued operations	Q1 2008	27,561	0	27,561	1,905	0	174
	Q1 2007	27,325	0	27,325	-2,173	-2	3,701

Assets and liabilities held for sale (disposal groups) and discontinued operations

Plan for disposal of LambdaNet Communications Deutschland AG

On 21 June 2007, the Management Board announced its intention to sell the subsidiary LambdaNet Communications Deutschland AG. LambdaNet operates in the Broadband/IP segment. The planned sale is part of the realignment of the 3U Group. 3U is actively searching for a buyer for LambdaNet and hopes to close a sale during 2008.

The earnings components presented in the consolidated income statement and allocable to discontinued operations are listed below. Comparable figures on earnings have been adjusted to include the operations classified as discontinued in the current business period.

Income statement (in T€)	1 January - 31 March	
	2008	2007
Sales	8,300	8,008
Other operating income	105	479
Current expenses	-8,124	-10,636
Earnings before tax	281	-2,149
Taxes	-3	0
Total earnings	278	-2,149

In the event of recognition as continued operations, current depreciation and amortisation of € 5.33 million would have been incurred since the second half of 2007. Should it not be possible to conclude the sales process successfully, contrary to the expectations of the Management Board, this depreciation will have to be posted during the 2008 financial year.

Assets held for sale (in T€)	31 March 2008
Property, plant and equipment	17,823
Assets under finance lease	17,697
Other non-current assets	5,861
Current assets	8,514
Total	49,895

Liabilities held for sale (in T€)	31 March 2008
Expensed, non-current leased liabilities	15,434
Other non-current liabilities	5,979
Expensed, current liabilities	2,195
Other current liabilities	17,147
Total	40,755

Discontinued operations in the fixed-line telephony segment

As part of the realignment of the Group, the Management Board has entered into sales negotiations over its shares in the 3U companies in the USA and Austria. We expect sales negotiations to conclude by mid-2008. They were classified in accordance with IFRS 5 as at 31 December 2007.

3U TELECOM Inc., USA

The earnings components presented in the consolidated income statement and allocable to discontinued operations are listed below. Comparable figures on earnings have been adjusted to include the operations classified as discontinued in the current business period.

Income statement (in T€)	1 January - 31 March	
	2008	2007
Sales	1,322	922
Other operating income	18	25
Current expenses	-1,282	-917
Earnings before tax	58	30
Taxes	0	0
Total earnings	58	30

Assets held for sale (in T€)	31 March 2008
Property, plant and equipment	86
Other non-current assets	58
Current assets	538
Total	682

Liabilities held for sale (in T€)	31 March 2008
Other current liabilities	475
Total	475

3U anticipates that the sales process will be concluded in the second quarter of 2008.

3U TELECOM GmbH, Austria

The earnings components presented in the consolidated income statement and allocable to discontinued operations are listed below. Comparable figures on earnings have been adjusted to include the operations classified as discontinued in the current business period.

Income statement (in T€)	1 January - 31 March	
	2008	2007
Sales	663	545
Other operating income	2	1
Current expenses	-626	-550
Earnings before tax	39	-4
Taxes	0	-5
Total earnings	39	-9

Assets held for sale (in T€)	31 March 2008
Property, plant and equipment	6
Other non-current assets	87
Current assets	270
Total	363

Liabilities held for sale (in T€)	31 March 2008
Other current liabilities	498
Total	498

3U anticipates that the sales process will be concluded in the second quarter of 2008.

Contingent liabilities and receivables

For call delivery to German mobile networks, 3U TELECOM GmbH pays what are known as termination fees. These are to be paid either to the mobile network carrier itself or to other carriers over whose networks calls are delivered. Until 2006, the fees due for this were not regulated and were contractually agreed.

With the regulatory orders of 30 August 2006, the Federal Network Agency for Electricity, Gas, Telecommunications, Post and Rail (BNetzA) determined that the German mobile network carriers T-Mobile Deutschland GmbH, Vodafone D2 GmbH, E-Plus Mobilfunk GmbH & Co. KG and O₂ (Germany) GmbH & Co. OHG were market powers with respect to termination in their own networks and that the termination fees were subject to the ex ante approval requirement. On the basis of this decision, the BNetzA subsequently ordered termination fees that were lower than those the mobile network carriers had previously agreed upon with their contracting parties.

The mobile network carriers took legal action against the regulatory orders of 30 August 2006. On 2 April 2008, the Federal Administrative Court upheld the regulatory orders of 30 August 2006.

The regulatory orders of 30 August 2006 that were challenged represent the adjudicatory basis for the subsequent fee approvals. Had the judgments on appeal upheld the ruling of the Cologne Administrative Court, they would have rendered the fee orders illegal because the adjudicatory basis would no longer have applied. It would then have been possible for the illegal fee orders to be suspended by the BNetzA retroactively as well.

This would have given the mobile network carriers the opportunity to charge fees that were higher than the regulated fees, retroactively as well.

The Management Board accounted for this risk by reporting contingent liabilities of € 4.87 million. In the absence of any other reliable estimates of the amount of an eventual obligation, the maximum risk was used as a basis. For eventual subsequent debits to 3U customers, assets of € 0.86 million were established. The risk of enforceability and recoverability of these claims was recognised using a 30 % discount.

The aforementioned risk no longer applies since the Federal Administrative Court handed down its decision of 2 April 2008. The Management Board no longer expects any subsequent debits of high contractually agreed fees on the part of the contracting parties, which are now regulated. The decision of the Federal Administrative Court establishes value. For this reason, the recognition of contingent liabilities and assets continues as at 31 March 2008. The 3U Group will continue to be exposed to risks arising from regulation. However, no concrete risks are foreseeable at this time.

Significant events since the end of the interim reporting period

Please see page 14 of this quarterly report.

**Statement required by Section 37y of the German Securities Trading Act (WpHG)
in conjunction with Section 37w (2) no. 3 of the WpHG**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Marburg, 23 May 2008

The Management Board



Michael Schmidt



Oliver Zimmermann

34 Financial calendar

- **2008 Annual General Meeting**
6 August 2008
- **Publication of report on Q2 2008**
26 August 2008
- **Publication of report on Q3 2008**
25 November 2008
- **Analysts' conference**
December 2008

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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 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 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 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.

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3U TELECOM GmbH
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**LambdaNet Communications
Deutschland AG**
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