

Annual Report 2015

Summary of Group results

3U Group (IFRS)		Year-on-year comparison January 1–December 31	
		2015	2014
Sales	(in EUR million)	48.24	49.24
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	4.01	-0.17
EBIT (earnings before interest and taxes)	(in EUR million)	0.63	-2.79
EBT (earnings before tax)	(in EUR million)	-0.29	-3.34
Net earnings for the period	(in EUR million)	-0.82	-3.24
Earnings per share total (undiluted)	(in EUR)	-0.02	-0.09
Earnings per share total (diluted)	(in EUR)	-0.02	-0.09
Equity ratio	(in %)	50.21	48.60

3U Group (IFRS)		Quarterly comparison October 1–December 31	
		2015	2014
Sales	(in EUR million)	13.19	11.47
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	1.25	0.02
EBIT (earnings before interest and taxes)	(in EUR million)	0.52	-1.01
EBT (earnings before tax)	(in EUR million)	0.54	-1.20
Net earnings for the period	(in EUR million)	0.49	-1.17
Earnings per share total (undiluted)	(in EUR)	0.01	-0.03
Earnings per share total (diluted)	(in EUR)	0.01	-0.03
Equity ratio	(in %)	50.21	48.60

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Letter to our shareholders

Dear Shareholders,

The past fiscal year was marked by some very different trends that convey an overall streaky impression.

We set out to grow our segment Renewable Energies and to continuously further improve the efficiency of our business processes in all segments and as a whole to increase our profitability. And we succeeded:

We increased significantly sales, operating earnings (EBITDA) and segment earnings in the segment Renewable Energies.

- We maintained the level of earnings in the segment Telephony despite declining sales.
- We disposed of unprofitable business lines and expanded promising investments.
- Overall, the Group increased EBITDA significantly by around EUR 4.0 million compared to the same period last year.

However, the most important milestone for us in the past financial year was the achievement of positive quarterly earnings in the fourth quarter with which we have returned to profitability after a long dry spell. This was achieved despite not realising a substantial positive contribution to earnings from the sale of a wind farm project. The shift in sales and earnings from this project to future periods had a significant impact on the relevant consolidated outcomes of the past year. Therefore the Group's key figures are in the upper range of our forecast of December 2015 and have almost reached the lower limit of the forecast from March 2015.

We have stabilized the profitability of your Company and made it more efficient in the past fiscal year. But that is not enough for us. We are still a good deal away from our minimum requirement and our goals. At the same time we see that the world around us tends to get more uncertain. Therefore, we continue to focus on the things we can influence ourselves.

The framework for this is our holistic strategic development program. We combine our vision for the diversified portfolio of the 3U Group with the claim to generate sustainable earnings and value contributions. The diversification of 3U HOLDING AG is for us no end in itself. It allows us to seize opportunities for growth, while increasing the stability of our business in a volatile environment.

For the significant long-term improvement of our profitability, we put on the lever on two points: First, we increase the performance of our business through continuously improving efficiency. For this each business unit has clear targets. Secondly, we continue to grow the most profitable business areas.

Outlook for the current fiscal year

Despite still existing uncertainty in the economic but especially the regulatory framework in the business fields telephony and renewable energy, we are confident for the development of 3U HOLDING AG. For the current fiscal year, we expect further progress in our strategic development. Even though many challenges still lay ahead, we maintain a cautiously optimistic view of the 2016 financial year. We expect a significant increase in sales and EBITDA, and finally the return to a positive net profit for the Group.



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

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3U HOLDING AG has changed significantly in recent years and so today we are a different company. We remain highly diversified, but are more focused than in the recent past. With the further strategic development we have already reached clearly visible improvements. 3U HOLDING AG is now more stable than at the beginning of our process of change. Nevertheless, we are still in a period of transformation. The value prospects from further increases in efficiency and our growth opportunities as a diversified group are large. We will work very hard to continue to improve.

Thank you for your trust and constructive support on our way.

Marburg, March 2016

Your Management Board



Michael Schmidt



Christoph Hellrung



Andreas Odenbreit

Report of the Supervisory Board

Dear Shareholders,

Following, I would like to inform you about the work of the Supervisory Board in fiscal year 2015:

Cooperation between Supervisory Board and Management Board

In fiscal year 2015 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 chances and 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 2015 a total of seven board meetings (March 26, 2015; May 11, 2015; May 21, 2015; June 9, 2015; August 18, 2015; November 17, 2015 and December 17, 2015) took place, in which the Supervisory Board was represented at full strength. The members of the Board participated in the Supervisory Board meetings in so far the chairman hadn't decided otherwise. 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.

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

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year again. The Supervisory Board exchanged opinions with the Management Board on the 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 and discussed them with the Management Board.

The continued reporting of the Group's sales, earnings, business development and financial position constituted a significant topic of discussions within the Supervisory Board and the Management Board. Significant developments in the various subsidiaries were presented to the Supervisory Board by the heads of the various business areas. 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.

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.

The Supervisory Board addressed very intensively an M & A process to acquire a substantial interest in the segment Telephony in the first quarter. Here in particular, the chairman was in constant contact with the Management Board and was informed of all significant activities in a timely matter.

In the segment Renewable Energies, the Supervisory Board dealt with 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 wind farm projects developed within the 3U ENERGY PE GmbH, as well as the purchase of external wind farms 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 share acquisition of the minority shareholders carried out at the end of 2015.

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

Further topics of discussion in Supervisory Board meetings were the suspension of the share buyback programme, 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, in addition to the examination by the Supervisory Board, 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 1, 2016. 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 2015 annual and consolidated financial statements

BDO AG Wirtschaftsprüfungsgesellschaft, Essen, was chosen as auditor by the Annual General Meeting on May 21, 2015 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 2015 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 18, 2016. 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, 2015; 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 18, 2016

The Supervisory Board



Ralf Thoenes
Chairman

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Corporate governance report

The German Corporate Governance Code has been applicable since 2002. It was updated in May 2015 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.

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 2015, 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.

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 declaration of conformity required according to the German Stock Corporation Act during the reporting period on March 12, 2015 and most currently on March 1, 2016. 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

1. Since last submitting a declaration of conformity on March 12, 2015, 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 June 24, 2014 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 5, 2015 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 1, 2016

For the Supervisory Board
Ralf Thoenes

For the Management Board
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.

Secondly this is done for example by 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

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.

Objectives of the Supervisory Board and the Management Board with regard to their respective composition and the composition of the management levels below the Management Board

Currently the Supervisory Board consists of three male members. Their appointment was made until the end of the Annual General Meeting deciding on the discharge for the financial year 2017. Neither an enlargement of the Supervisory Board is planned nor a change in the Supervisory Board. Therefore, the Supervisory Board has decided on September 30, 2015 that the target to reach for the proportion of women in the Supervisory Board of 3U HOLDING AG by June 30, 2017 is 0 %.

The Management Board currently consists of three male members. The Supervisory Board is of the opinion that the Management Board positions are currently best possible occupied and an enlargement of the Management Board is not appropriate in terms of the Company size and structure. Therefore, the Supervisory Board has decided on September 30, 2015 that the target to reach for the proportion of women in the Management Board of 3U HOLDING AG by June 30, 2017 is 0 %.

There is currently only one management level below the Management Board level in the 3U HOLDING AG, which currently consists of three male members. The Management Board has decided on September 30, 2015 that the target to reach for the proportion of women in the management level below the Management Board of 3U HOLDING AG by June 30, 2017 is 0 %.

Avoidance of conflicts of interest

There were 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 2015, the following transaction has been reported to the Company:

Transaction date	Reporting person	Type of transaction	Quantity	Exercise price	Total volume
11/27/2015	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	20,000	EUR 0.6300	EUR 12,600.00

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, 2015:

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 %
Stefan Thies	Supervisory Board	12,000 shares	0.03 %
Jürgen Beck-Bazlen	Supervisory Board	1,120,000 shares	3.17 %

The 3U share

The 3U share at a glance

International Securities Identification Number (ISIN)	DE0005167902
Wertpapierkennnummer (WKN) [<i>Securities Identification Number</i>]	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, 2015	EUR 35,314,016.00
Registered share capital in shares at December 31, 2015	35,314,016
Share price at year end 2015*	EUR 0.60
Share price high in period from January 1 to December 31, 2015*	EUR 0.75 (February 26, 2015)
Share price low in period from January 1 to December 31, 2015*	EUR 0.50 (November 12, 2015)
Market capitalisation at December 31, 2015	EUR 21,188,409.60
Earnings per share (undiluted) at December 31, 2015	EUR -0.02

*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 Trade-gate.

General market development

As a result of the expansion of the ECB's bond-buying program, the associated continuing depreciation of the Euro and improved macroeconomic data in the Eurozone, the German equity markets entered 2015 with substantial gains. As the year progressed however, persistent concerns about the Chinese economy and the disappointing performance of the United States economy caused momentum to weaken. The agreement reached in the summer on the Greek debt crisis led to only temporary stabilization. From mid-August, the Chinese government's unexpected devaluation of the Renminbi, massive declines in the Asian equity markets as well as further evidence of slower growth in China burdened the equity markets in Germany as well. With its decision not to raise its rates for the time being, the U.S. Fed highlighted the mounting risks for the global economy. After the German benchmark indices reached historic highs in April, a significant consolidation began that lasted until the end of the third quarter. After approximately two months of a recovery rally stocks tended significantly weaker in December again.

Development of the 3U share

After the 3U share could not keep up with the positive trend in the capital market in the first quarter of 2015, the price decline in the second and third quarter was significantly lower than in the broad market. In the fourth quarter, the volatility of the stock increased; but fluctuated around the level of EUR 0.60 at which it also ended the financial year 2015. Starting from EUR 0.68 at the beginning of the year this represents a decline of EUR 0.08, resp. a loss of nearly 12 %.

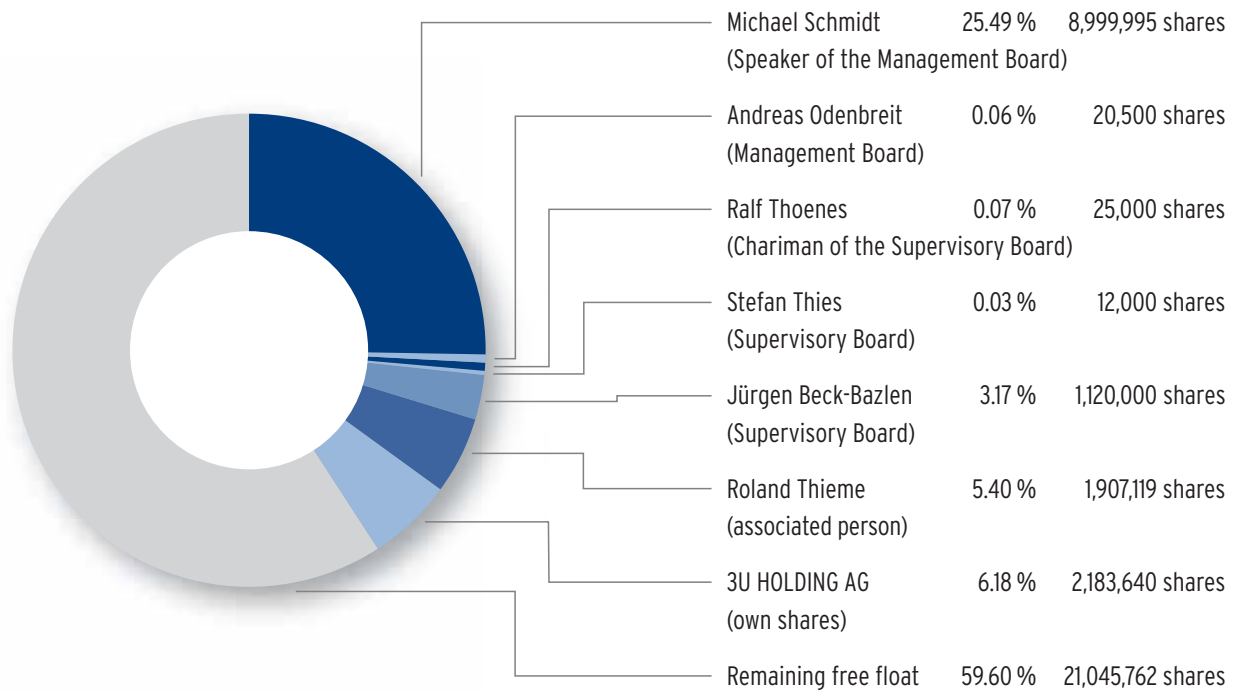
The Prime All Share Index developed in line with the other German indices. Starting from the year-end 2014 level at 3,752.46 points, it rose significantly in the first four months of 2015 only to massively decline until the end of the third quarter. The fourth quarter was marked by a roughly two-month recovery rally and steep decline in December, so that the Prime All Share Index ended the year at a level of 4232.17 points. This represents an increase of 12.8 % since the beginning of the year.

Share price performance of the 3U shares* from January 1, 2015 to December 31, 2015 vs. Prime All Share Index



*Daily closing price Xetra

Shareholder structure as at December 31, 2015



Investor relations

The dialogue with our shareholders is a high priority for us. Throughout the year Investor Relations is available to all capital market participants for substantial information and pursuing a comprehensive capital market supervision, which is based on the principles of timeliness, continuity, credibility and equal treatment.

The fixed dates for the regular reporting set the framework for the capital market communication. The start of the year forms the publication of the consolidated financial statements for the previous fiscal year. The key financial data of the fiscal year and a forecast for the following year shall be made public in advance.

3U HOLDING AG informs the capital market over the past reporting period, about six weeks after the quarter ends. The related reports are available on the Investor Relations pages of the website of 3U HOLDING AG.

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 2015. We keep an intense frequent dialogue with our investors.

The most significant group of shareholders are the private investors of 3U HOLDING AG. They make up the largest number of investors. The investor relations pages of 3U HOLDING AG serve as a central and practical center for them. The website is constantly modernized and updated and provides, among other explanations for strategy and business development, all current publications and an annual report archive that goes back to the foundation of 3U HOLDING AG in the year 1999.

Moreover, there is the option of direct contact with the Investor Relations section. At the annual general meeting, all shareholders have the opportunity to get a picture of the 3U HOLDING AG and experience the Management Board live. During the general meeting Investor Relations is available for talks with investors on site.

The liquidity of the 3U share has dropped even more compared to the previous year. The average daily number of traded 3U shares in Frankfurt fell in 2015 to around 15,000 after an average daily number of around 27,000 3U shares were traded in the same period of 2014.

Not least because of these reasons, the Management Board of 3U HOLDING AG decided on November 12, 2015 to suspend the current share buyback program. The Management Board had decided in April 2013 based on the authorization granted by the Annual General Meeting on 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. In the scope of the share buyback programme started on May 2, 2013, 2,183,640 shares at an average price of around EUR 0.57 were repurchased by November 13, 2015; corresponding to 6.18 % of the share capital of EUR 35,314,016.00. The Management Board reserves the right to resume the share buyback at any time, in accordance with the legal requirements, if it seems opportune to him. 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.



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20 Fundamentals of the Group

Business model of the Group

Originating from the telecommunications industry the 3U Group operated until December 31, 2015 in the three segments Telephony, Renewable Energies and Services.

The segment Telephony comprised 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 covered 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 climatization 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 was mainly comprised 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.

As part of the restructuring of the IT organization, IT operations was assigned to the previous segment Telephony instead of the segment Services. With the discontinuation of the operating activities of sales and marketing activities for external customers and the restructuring of the IT organization, the segment Services continues to lose importance. After the segment sales from services accounted for only 6 % of consolidated sales in 2013, the figure was only 3 % in 2014.

In addition, there are substantial intersections between the segment Telephony and its business unit DCS and the segment Services with its business area cloud computing which made an assignment to two different segments obsolete.

The combined activities in the hitherto existing segment Renewable Energies come mainly from two fields: Renewable energy in the narrow sense and the business range HVAC. Participations that used to be active in both areas in the past and thus formed a common basis, have no more relevance.

Therefore, the segments of the 3U Group are rearranged in accordance with the changed internal reporting from the current financial year forward. The segments Telephony and Services are combined to form the new segment ITC (Information and Telecommunications Technology). The activities in HVAC (heating, cooling, and ventilation) are reported as a new segment SHAC (Sanitary, Heating and Air Conditioning Technology). In the segment Renewable Energies remain the project development in the field of wind power and electricity with own plants.

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 between Management Board and Managing Directors of the Subsidiaries as well as a monthly Forecast-/liquidity development.

The control system is based around sales planning, EBITDA and Group 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

The economic situation in Germany was marked by a solid and steady economic growth in 2015. The price-adjusted gross domestic product (GDP) was 1.7 % higher on an annual average in 2015 than in the previous year, according to initial calculations by the Federal Statistical Office. This should put the German economy, thanks to robust domestic demand and stable economic situation, in midfield compared to other European states. With the preliminary results, German GDP has continued the solid growth of the previous year. In 2014, the real growth in economic output had stood at 1.6 %, in 2013 at 0.3 %. A longer-term view shows that economic growth in 2015 was again above the average for the last ten years of 1.3 %.

For most other European countries economic growth is expected to raise again compared to last year, after experiencing partly sharp declines in previous years. Overall, the European Commission forecasts an increase in real GDP of 1.9 % for the entire EU 28 in its autumn forecast, which would thus be slightly above the German level. For the 19 Eurozone countries it expects a GDP growth of 1.6 %.

The economic performance was achieved by around 43 million employed people on an annual average in 2015, whose place of work is in Germany. That was 329,000 persons or 0.8 % more than a year earlier. Thus, the increase in employment in 2015 was slightly lower than in 2014, in which the number of employed people grew by 375,000 persons or 0.9 %. An increased participation of domestic population as well as the immigration of foreign workers more than offset negative demographic effects. The number of workers grew by 426,000 persons (+ 1.1 %) to 38.7 million on an annual average of 2015.

According to preliminary estimates based on the Labour Force Survey, there were just fewer than 2 million unemployed in Germany on an annual average in 2015. These were around 140,000 people (-6.7 %) less than in 2014. The number of unemployed fell for the first time since reunification under the 2 million threshold. The unemployment rate, defined as the share of unemployed in the total workforce fell from 4.7 % in 2014 to 4.3 % in the year 2015.

Development of the telecommunications market in Germany

In 2015 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 2015 yearly average consumer price index for telecommunications services was 1.3 % lower than in 2014.

Fixed-line telephone services/internet was 0.7 % cheaper in 2015 than in 2014. 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 2.0 % on average in 2015 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 2015, total sales of telecommunications services declined compared to last year. Of the total sales of around EUR 57.9 billion in telecommunications services, which were made in Germany in 2015, EUR 33.1 billion (57.2 %) apply to fixed networks and EUR 24.8 billion (42.8 %) to the mobile networks. Sales in the total market fell by EUR 0.6 bil-

lion (-1.0 %). Because of customer churn and a persistently strong price competition, Deutsche Telekom and the competitors loses EUR 0.9 billion in the fixed network business this year, while the cable operators grow by EUR 0.5 billion. However, Deutsche Telekom remains the dominant player in the pure fixed-line networks market (without cable operator) with a 48.7 % sales share. Including the cable operators, the incumbent still has a 40.5 % sales share in the fixed-line networks market.

The voice minutes in mobile stagnated with 305 million minutes per day in 2015 (2014: 303 million). The movement away from fixed lines, towards mobile thus weakens; however so-called over-the-top providers like Skype and WhatsApp, who do not market connections, grow heavily in mobile as well.

The total data transfer volume in the mobile sector significantly increased in 2015 again with an increase of around 29 % to 510 million gigabytes. Thus, the total volume has increased to more than five times since 2011. With 377 MB per month the average data volume per SIM card should be 30.4 % more in 2015 than in 2014. 2011 this figure was at 76 megabytes.

The fixed-line networks competitors of Deutsche Telekom recorded the same amount of sales as the market leader for the first time in 2012 and saw rising sales until then. Since then they had to suffer sales declines, just like Deutsche Telekom. The alternative telecommunications providers recorded total sales of EUR 14.1 billion (EUR 0.4 billion; -2.8 %) in 2015 in the fixed line segment, while sales of Deutsche Telekom in this area decreased to EUR 13.4 billion (EUR -0.5 billion; -3.6 %).

The total number of conventional fixed telephone lines stagnated in 2015 compared to the previous year. Despite a slight decrease in the amount of 0.4 million lines, Deutsche Telekom still dominates with a market share of 55 % and 20.3 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 (6.1 million) from cable operators. The market share of cable operators grows at the expense of other market participants continuously (2015: +0.5 million).

The level of investment in telecommunications tangible assets rose by 5.4 % and amounted to EUR 7.8 billion (2014: EUR 7.4 billion) in 2014, despite the renewed decline in overall sales. With EUR 4.2 billion the telephone landline competitors of Deutsche Telekom bear once again more than half (over 53.8 %) of the investment in 2015.

After the decline in the past years, VATM expects that in 2016 sales in the whole telecommunication market will continue to shrink by an estimated 1.0 %.

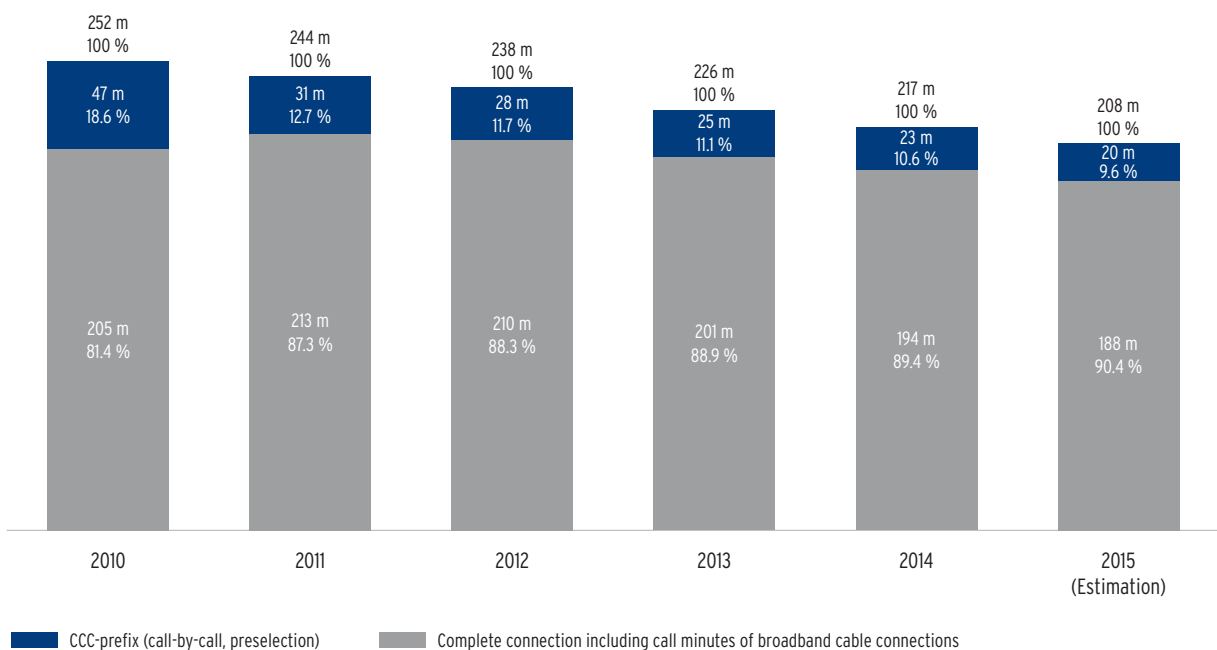
Development of the fixed-line telephony market in Germany

Customers of the competitors of Deutsche Telekom used their landlines an average of 208 million minutes daily in 2015. As in previous years, the proportion of call-by-call and pre-selection continued to decline. Nevertheless, pre-selection numbers are used for 20 million minutes every day after about 23 million minutes in 2014. 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 four years, but the market volume has shrunk dramatically in recent years. Compared to the year 2010, a decrease of approximately 57 % 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)

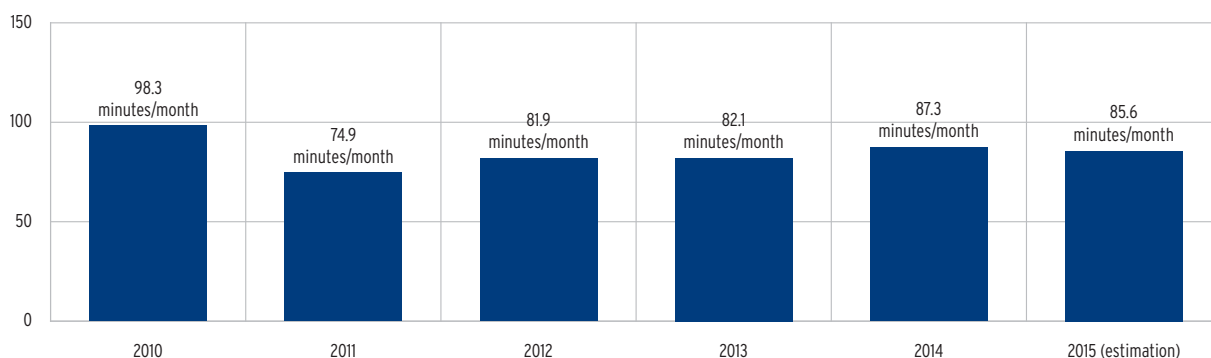


Source: DIALOG CONSULT-/VATM-analysis and forecasts

However, considering only the landlines of Deutsche Telekom without a flat rate, the voice volume generated by call-by-call or pre-selection has even grown in recent years.

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

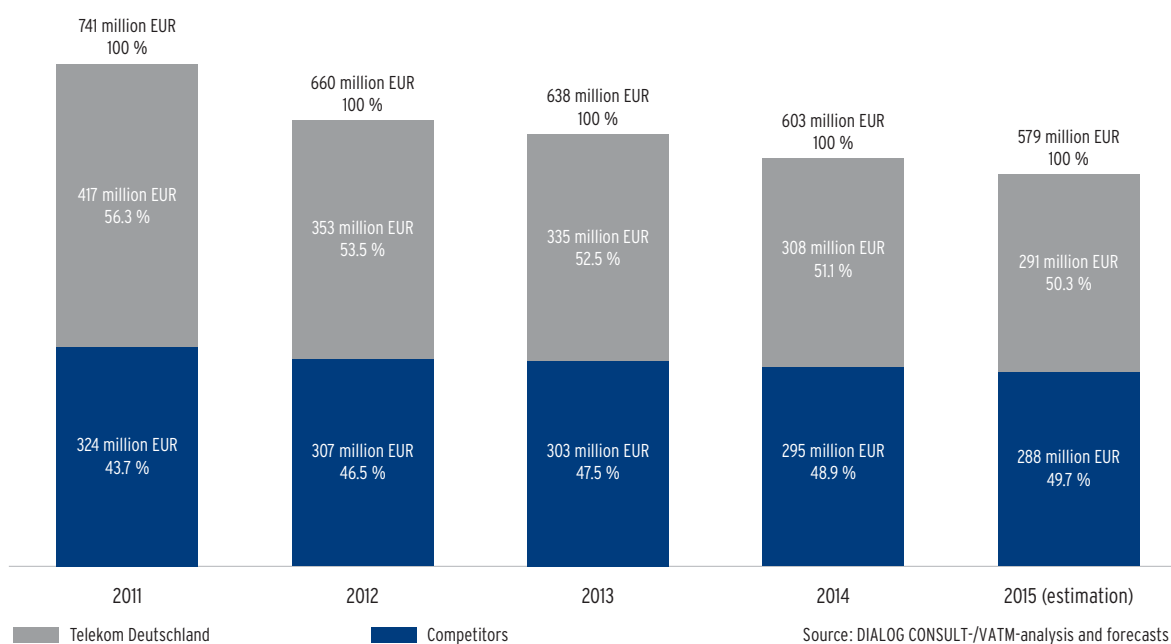
(Total market, including urban, suburban, long distance, international and mobile calls, in minutes per month)



Source: DIALOG CONSULT-/VATM-analysis and forecasts

With EUR 288 million, the share of all competitors of Deutsche Telekom in sales of information and value-added services is 49.7 % of total sales of EUR 579 million. Sales of service numbers decline in 2015 once again (-4.0 %). Every day people make calls to information and value-added services of the telecommunications competitors that add up to 4.9 million minutes. While the use of the 0180-point alley continues to fall (-0.1 million minutes), the figures for 0800 and geographical service numbers (1.8 million and 2.2 million minutes) stabilize. The other number ranges together account for only 4.0 % of call minutes.

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 a prognosis 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.

According to estimates of Datacenter Dynamics (DCDi) the data center space is even greater with currently 2.65 million sqm in Germany. That's 24 % of the area offered throughout Western Europe. Currently Germany gains market share, not least because of data security concerns towards Anglo-Saxon providers. DCDi assumes that the data center space will continue to increase and should amount to 3.1 million sqm in Germany in 2020. This corresponds to a growth of around 4 % per annum.

Colocation has become an essential factor with the construction and expansion of data centers. Total investment for Colocation and outsourcing in Germany is expected to rise from currently USD 2.25 billion to \$ 4.6 billion in 2020 that is an average annual growth of nearly 15 %. By contrast, IT equipment and solutions (from USD 3.7 billion to USD 4.5 billion) rises by a modest 4 % p. a. Spending on secondary DC equipment (power, UPS, air and more) simultaneously grow at an annual rate of 8 % from USD 3.5 billion to USD 5.2 billion.

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.

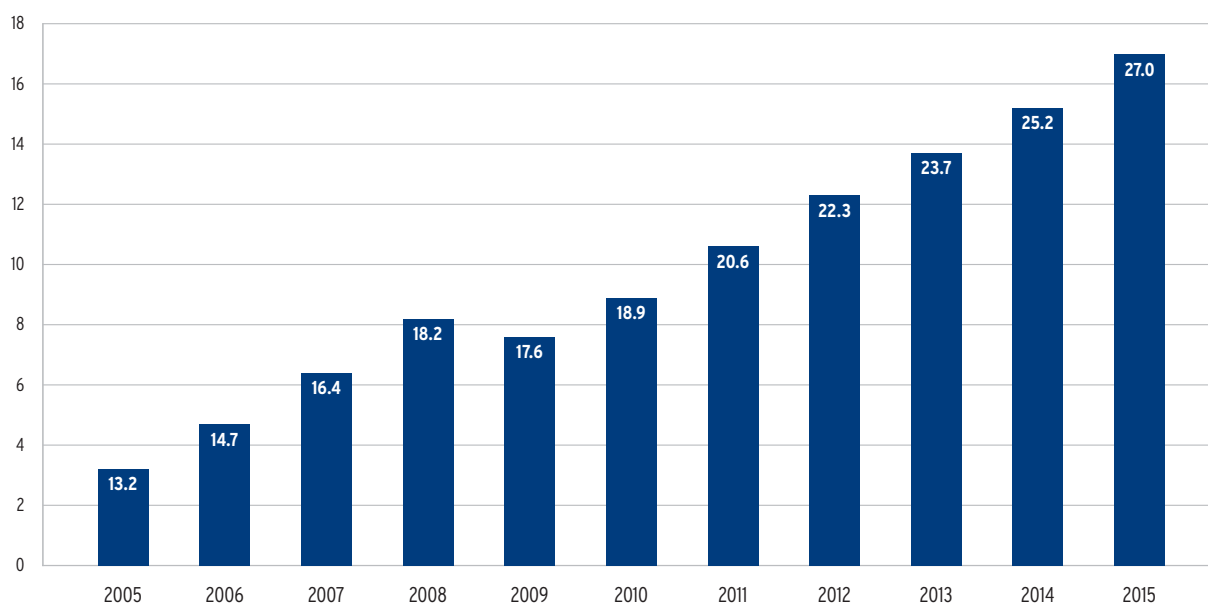
Development of the services market

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 2015. Overall, clients from industry, business and authorities requested consultancy services in the amount of EUR 27 billion. This represents an increase of 7 % over the previous year (2014: EUR 25.2 billion).

Sector sales in the German consulting market from 2005 to 2015 in EUR billion



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

According to BDU estimates more than 100,000 corporate consultants worked in Germany in more than 15,000 consultancies in 2015. A total of 150,000 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.

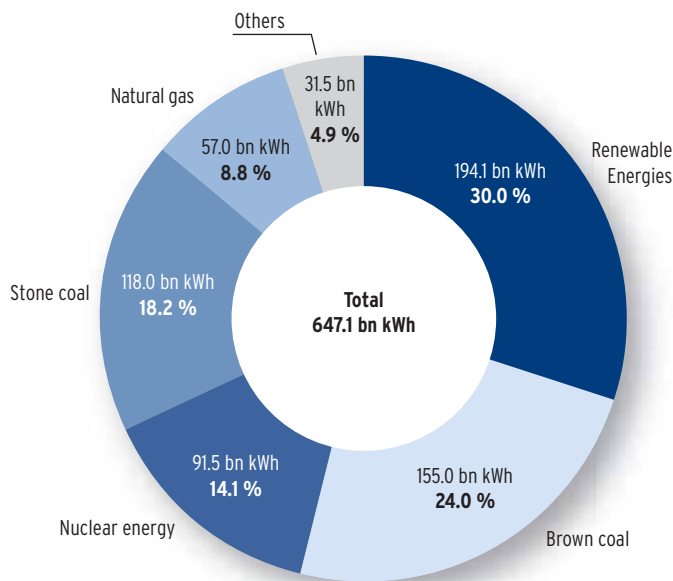
In the opinion of many experts cloud computing is one of the major IT trends, if not the most important one. However, cloud computing is not just a trend, but it is also a fundamental change in the provision and use of IT-related services. For private services from the cloud, such as email, data storage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

Development of the renewable energies market in Germany

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 194 billion kWh renewable energy provided 30 % of Germany's gross electricity production in 2015 (2014: 25.9 %) and thus clearly extended its lead as the main power source before lignite.

Electricity mix in Germany in 2015

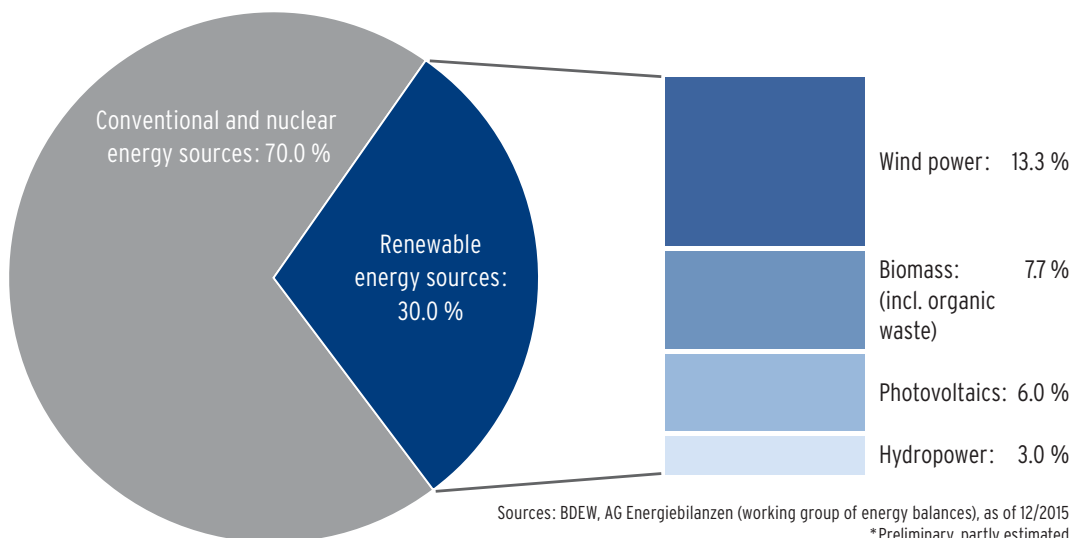


Source: BDEW Bundesverband der Energie- und Wasserwirtschaft e.V. (as of: 12/2015)

Especially the generation of electricity from wind plants has experienced very strong growth, while the generation of electricity from photovoltaic systems grew only moderately. Hydroelectric power and biomass stagnated. Wind power has a proportion of the total German electricity generation of 13.3 % (previous year: 8.6 %), biomass (including biogenic waste) of 7.7 % (previous year: 8.0 %), photovoltaic 6.0 % (previous year: 5.8 %) and water of 3.0 % (previous year: 3.4 %) according to the first estimates of the BDEW Bundesverband der Energie- und Wasserwirtschaft e.V. (German Association of Energy and Water).

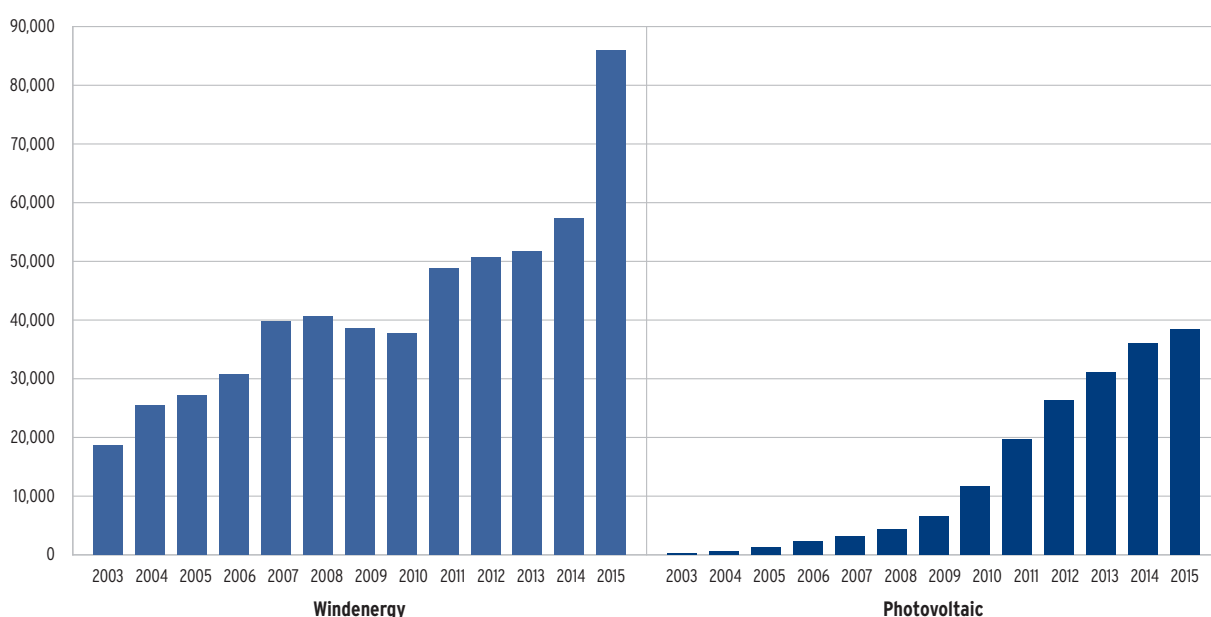
Contribution of renewable energies to cover the electricity consumption

Gross national electricity consumption in Germany in 2015: 647.1 billion kWh*



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 photovoltaic (in GWh)



Source: BMWi (as of: 12/2015)

On June 27, 2014, the Bundestag passed the Renewable Energy Law (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 only so-called "small systems" get the fixed feed-in tariff (fixed from commissioning for a period of 20 years) since August 1, 2014. These are currently 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. Wind energy projects on the other hand 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.

The segment Renewable Energies of the 3U Group currently comprises besides the engagement on energy generating and project development also the area HVAC. This area also has very good growth prospects, since a number of developments have a positive impact here. Firstly, the construction activity will remain at a high level for the foreseeable future due to the low interest rates, resulting in a corresponding demand for HVAC products and their installation. The increase in energy efficiency in buildings required by policy makers and advocated by consumers is a major societal challenge. By 2050 – so stipulated by politics – the entire building stock in Germany should be almost carbon neutral. To achieve this goal, the replacement investments in more efficient equipment and climate-friendly measures will continue to increase disproportionately. A third important development, from which the 3U Group and its activities in this area benefit, is the development that starting from a very low baseline more and more products are demanded online in this area.

Development of the financial market

The inflation rate in Germany was at around 0.3 % p.a. on an annual average in 2015 (2014: 0.9 %) and thus clearly below the targeted ECB benchmark of just under 2 % p.a. In particular, price declines in energy were responsible for this development.

The European Central Bank (ECB) lowered its main refinancing rate to the current 0.05 % level on September 10, 2014. The yield on ten-year German government bond remains at very low levels. At the beginning of the year 2015, the yield was 0.45 % before falling to a record low value of 0.16 % in April. Later in the year, the yield rose to 0.83 % by June only to decline again in the remainder of the year and to finish the year at 0.59 %.

The DAX ended 2015 at a level of 10,743 points, which represents an increase of 9.6 % since the beginning of the year. MDAX and TecDAX developed considerably better and recorded stock price increases of 22.7 % resp. 33.5 %. However, the volatility in the stock market was enormous. The DAX for example, had a range of more than 3,000 points between the year low in September 2015 at 9,325 points and the record high in April 2015 12,390. This was a decrease of almost 25 %. Nevertheless, the equity markets recorded an increase for the fourth year in a row.

Stocks were once again supported by the low priced money provided by the central banks, which for years has had a positive impact on the stock markets. However, by mid-2015 economic concerns had a substantial impact. In addition to the geopolitical tensions investors were worried about the plunge in the Chinese stock markets and the fall in oil prices.

Report on business development

The key events of fiscal 2015 at a glance

Telephony

The business area Telephony is subject – like the other parts of the company as well – to a constant process optimization strategy. In fiscal 2015, we have set up our receivables management more efficiently together with a reputable business partner from the financial sector and thereby minimizing our financial exposure.

Due to a compromise with a business partner on controversial services from previous periods, an additional income was generated.

Services

Increase in sales from cloud solutions and IT license trade

With our cloud solutions, we are still on a positive growth path. Functionalities as well as the number of licenses for our cloud solutions were steadily increased.

Renewable Energies

Debt financing of wind farm Langendorf

On April 28, 2015 the Group received a cash inflow of EUR 9.0 million by the credit agreement to finance the wind farm in Langendorf.

Wind farm project Lüdersdorf

3U HOLDING AG had announced the sale of a wind farm project with 2 wind turbines each of 3.3 MW on September 28, 2015. On December 20, 2015 the parties have stated that there is no consensus alternative to rescind the contract.

The execution of the purchase contract and the amount as well as the maturity of the purchase price was conditioned upon the occurrence of various terms and scenarios. Associated with these were mutual rights of subsequent improvement resp. withdrawal. On December 18, 2015 it had been determined on both sides that some conditions were not met, and so the contract was cancelled.

3U ENERGY PE GmbH will push ahead the construction of the wind farm, so that the initial operation is still scheduled for the second quarter 2016.

Increase in the stake of Selfio GmbH

3U HOLDING AG completely took over Selfio GmbH with effect from December 31, 2015. The purchase price for the 40 % shares to be transferred amounts to EUR 2.0 million. The purchase decision is based on an external valuation.

Selfio GmbH was founded on June 1, 2011 by contribution of the predecessor company by the previous partners with an equity interest in the amount of TEUR 500 as well as a cash contribution of 3U HOLDING AG in the amount of TEUR 750 and therefore has a share capital of EUR 1.25 million.

The online shop has been able to increase its sales by more than 60 % p.a. on average since its foundation and achieves disproportionately increasing positive earnings since 2013. In the recent year sales amounted to almost EUR 12 million and earnings to almost EUR 0.3 million. The positive business development will lead to sharply rising sales and earnings and in total to a further increase in enterprise value in the coming years, supported by a wider range of products and by addressing additional customer segments.

Others

Share buyback

On November 12, 2015, the Management Board of 3U HOLDING AG decided to suspend the share buyback program ongoing since May 2, 2013 on November 13, 2015. The Management Board had decided in April 2013 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. In the scope of the share buyback programme, 2,183,640 shares at an average price of around EUR 0.57 were repurchased by November 13, 2015; corresponding to 6.18 % of the share capital of EUR 35,314,016.00. The Management Board reserves the right to resume the share buyback at any time, in accordance with the legal requirements. 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.

Earnings

Group sales

Group sales fell slightly over the previous year by EUR 1.00 million from EUR 49.24 million to EUR 48.24 million. Sales in the segment Telephony declined this, while in the segment Services and particularly in the segment Renewable Energies sales improved. After a year low in the second quarter 2015, Group sales increased both in the third and fourth quarters of the fiscal year. At EUR 13.18 million, consolidated sales were higher in the fourth quarter 2015 than in the fourth quarter of 2014.

The cost of materials decreased significantly compared to last year. This results primarily from the fact that sales from the segment Telephony with low gross margins were largely replaced through sales in the segment Renewable Energies with significantly higher gross margins. In fiscal 2015, the segment Renewable Energies had a significantly larger sales contribution with EUR 26.76 million than the segment Telephony with EUR 19.77 million. The segment Renewable Energies contributed more than 50 % of Group sales for the first time. The segment Telephony had this role in fiscal year, 2014.

EBITDA

EBITDA has improved significantly over the previous year. While a negative EBITDA of EUR -0.17 million had to be accepted in the previous year, EBITDA in the fiscal year 2015 was EUR 4.01 million. Thus for the first time since the 2011 fiscal year, the 3U Group reached a positive EBITDA for the full year. On a quarterly basis a clearly positive EBITDA was achieved in each quarter in fiscal 2015. In the fourth quarter, EBITDA was also further increased compared to the other quarters of the fiscal year 2015. Personnel expenses with EUR 10.20 million (previous year: EUR 10.06 million) did not change significantly.

The costs incurred in the amount of EUR 0.33 million for external consulting and support services in the context of a major M & A process for the 3U Group for a planned, but not completed acquisition of a substantial interest adversely affected EBITDA. The wind farm Langendorf acquired in fiscal 2014 contributed EUR 2.28 million (previous year: EUR 0.50 million) to EBITDA in fiscal 2015.

Group earnings

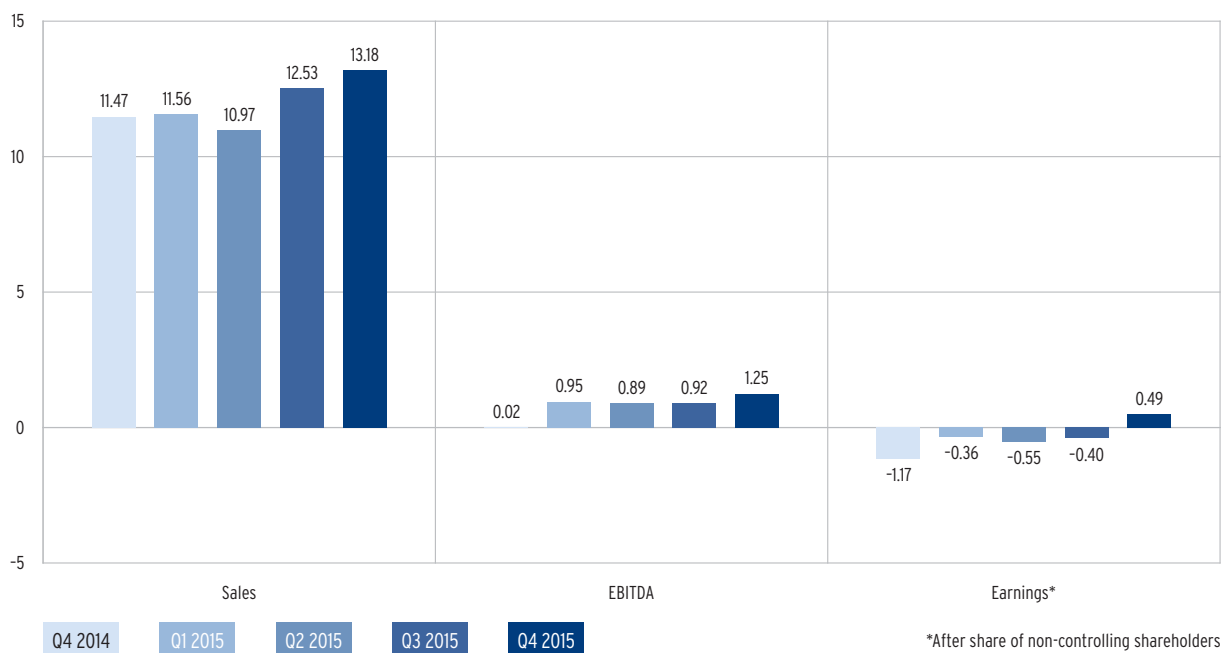
Group earnings for the 2015 financial year totalled EUR -0.82 million and were EUR 2.42 million higher than Group earnings in the business year 2014 (EUR -3.24 million). With of EUR 0.49 million Group earnings was clearly positive in the fourth quarter of fiscal 2015. This is the best quarterly result since 2011.

The increase in interest-bearing debt related to investments in the financial year 2014 has contributed to a decline in financial earnings. In addition, depreciation has increased significantly due to these investments. This has contributed that for the full year 2015, no positive Group earnings were achieved.

Tax expenses for fiscal 2015 amounted to EUR 0.45 million and was thus EUR 0.16 million higher than in the previous year.

Earnings attributable to the non-controlling interests increased over the previous year to EUR 0.48 million. Here, the acquisition of the remaining, not yet held shares in Selfio GmbH had no impact, because the proportionate earnings of fiscal 2015 are still attributable to the former non-controlling shareholders.

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



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.

Segment Telephony

Segment sales

Sales in the segment Telephony decreased significantly from EUR 27.37 million to EUR 19.77 million during the reporting period compared to the same period last year. By further focusing and optimizing processes and organizational units in the product areas Voice Retail, Voice Business Customer and Data Center Services & Operation relative margins were increased compared to the same period last year.

Sales from Voice Retail fell due to lower volumes and price declines in landline from EUR 5.98 million to EUR 4.67 million. Sales from Voice Business Customer fell from EUR 19.55 million to EUR 13.57 million. The business unit Data Center Services & Operation, which expansion only started in 2013, couldn't reach last year's level with EUR 1.53 million in the fiscal year 2015.

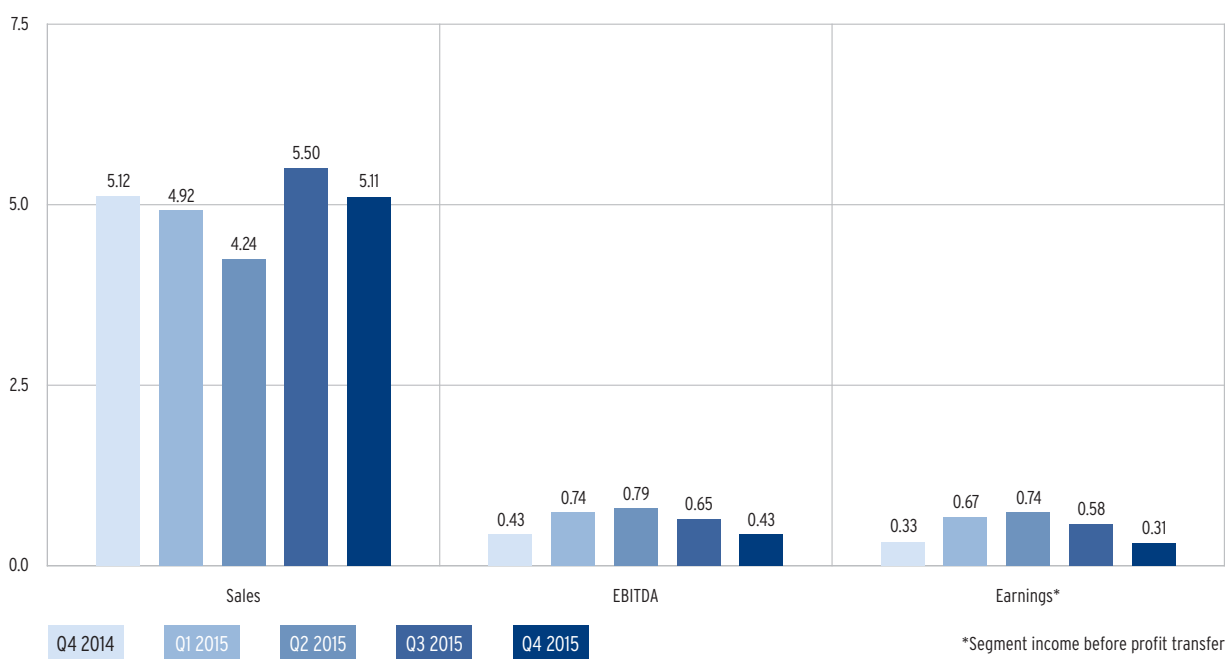
EBITDA

Taking into account much lower other operating expenses and slightly higher personnel expenses over the same period last year, EBITDA declined from EUR 2.77 million last year to EUR 2.61 million. Lower other operating expenses resulted from lower write-downs on receivables and lower other tax burdens. A compromise agreement with a business partner on controversial services from previous periods had a positive effect.

Segment earnings

Earnings of the segment Telephony decreased compared to the previous year from EUR 2.44 million by EUR 0.15 million to EUR 2.29 million in fiscal 2015. Overall, the segment Telephony still contributes significantly to 3U Group's earnings.

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



Segment Services

Segment sales

As in the previous year, the topics cloud computing and trade in IT licenses were mainly driven forward in the business year 2015. Sales increased compared to the same period last year from EUR 1.49 million to EUR 1.87 million. To this increase in sales both the IT services/cloud applications area as well as the area of consulting/IT Security/IT reselling contributed. In the area of IT services/cloud applications sales grew year on year by 60.1 %. The reason for this is in particular a strong customer growth. In the area of consulting/IT Security/IT reselling this growth amounted to 15.5 %.

EBITDA

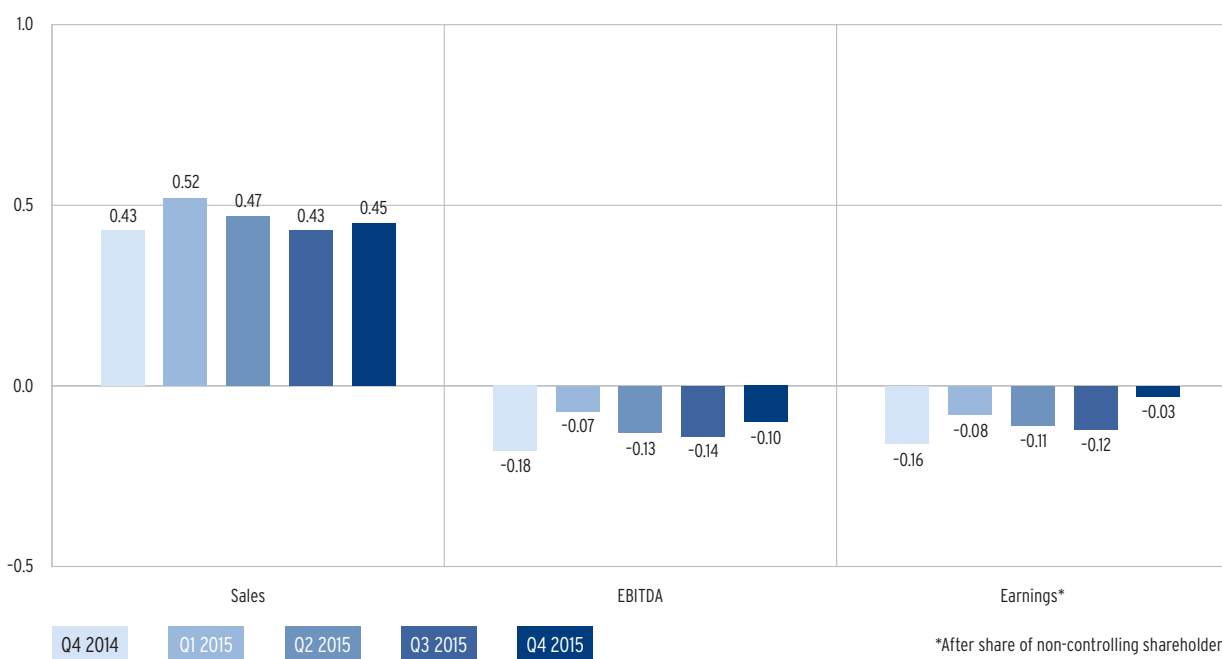
EBITDA was EUR -0.44 million (previous year: EUR -0.82 million) and improved over the previous year by EUR 0.38 million. Lower personnel expenses and lower other operating expenses have contributed year on year contributed to this end.

Segment earnings

Segment earnings improved over the previous year by EUR 0.40 million to EUR -0.34 million. The effect of the recognition of deferred taxes on losses carried forward in the amount of EUR 0.07 million had a positive contribution.

Earnings attributable to non-controlling shareholders was as in the previous year clearly negative and amounted to EUR -0.14 million.

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



Segment Renewable Energies

Segment sales

In the segment Renewable Energies sales increased from EUR 20.84 million to EUR 26.76 million. This increase in sales of EUR 5.92 million or 28.4 % is mainly due to the increase of EUR 3.82 million in the product range HVAC and EUR 3.32 million in the business field wind energy, while the discontinuation of the product range solar thermal led to a decrease of EUR 1.30 million. The product range HVAC generated approximately 77.7 % of sales in this segment in 2015 (previous year: 81.5 %).

EBITDA

EBITDA improved from EUR 1.14 million last year to EUR 5.00 million in fiscal 2015. On a quarterly basis, EBITDA increased from quarter to quarter, reaching its highest mark with EUR 1.42 million in the fourth quarter 2015. Higher selling expenses both by our own staff as well as by higher external marketing costs and higher maintenance costs associated with the wind farm Langendorf have reduced EBITDA growth, while material expenses increased by just 7.1 % compared to last year.

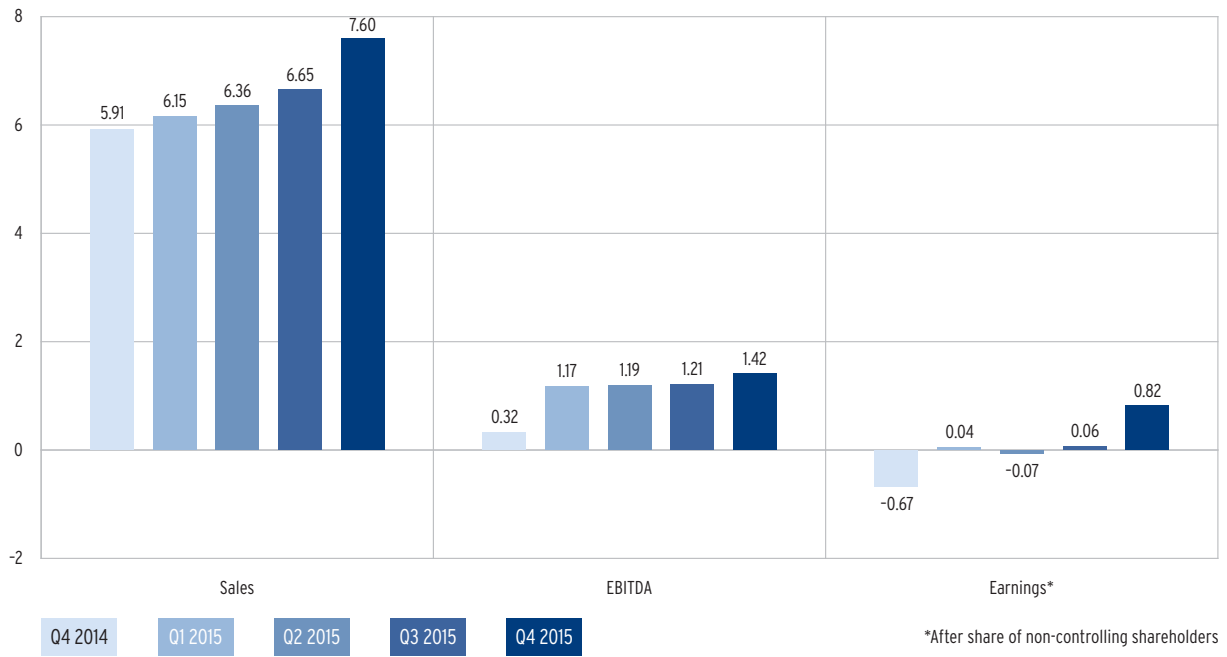
Segment earnings

Compared to last year, segment earnings improved by EUR 2.21 million to EUR 0.85 million. Positive full-year earnings were achieved in this segment for the first time. The business field wind energy contributed EUR 0.75 million to the positive segment earnings.

Tax expenses for fiscal 2015 amounted to EUR 0.40 million and was thus EUR 0.23 million higher than in the previous year.

Earnings attributable to the non-controlling shareholders- contrary to the previous year – is positive and amounts to EUR 0.23 million. This earnings part relates to the business area HVAC.

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.

Sales

Holding/Consolidation reported sales of EUR -0.17 million (previous year: EUR -0.46 million) in the reporting period. These comprise of the sales of the Holding in the amount of EUR 1.82 million (same period last year: EUR 1.69 million) and the sales consolidations in the amount of EUR -1.99 million (previous year: EUR -2.15 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.

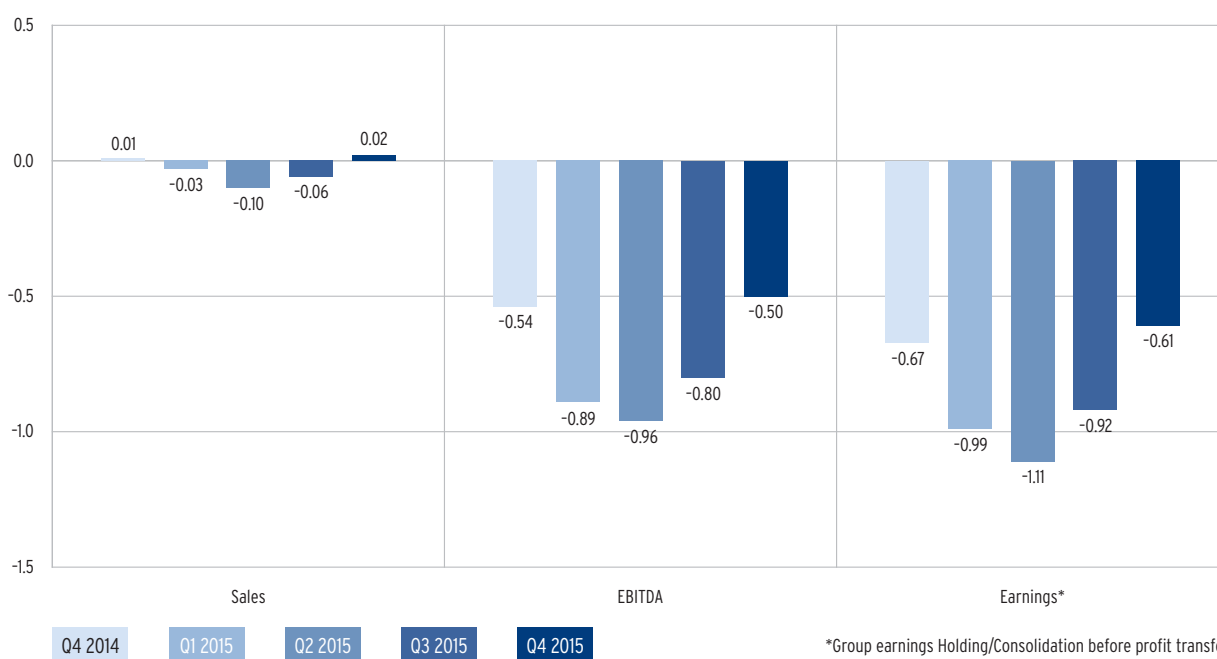
EBITDA

EBITDA amounts to EUR -3.15 million (previous year: EUR -3.25 million) and is substantially shaped by staff costs in the amount of EUR 2.93 million (previous year: EUR 3.13 million) and other operating income/expenses. Concerning personnel costs it has to be considered that employees from the finance, human resources and law sector as well as the group-wide marketing resources are assigned to the parent Company.

Earnings

Earnings from this area is negative for the Group with EUR -3.63 million and in line with the previous year.

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



Financial position

Capital structure

In fiscal 2015, the Group made payments for net investments in the amount of EUR 14.64 million (previous year: EUR 10.30 million). The payments related mainly to investments in the data center, IT and telecommunications infrastructure and the acquisition of the wind farm Langendorf, for which the substantial purchase price was due in the financial year 2015.

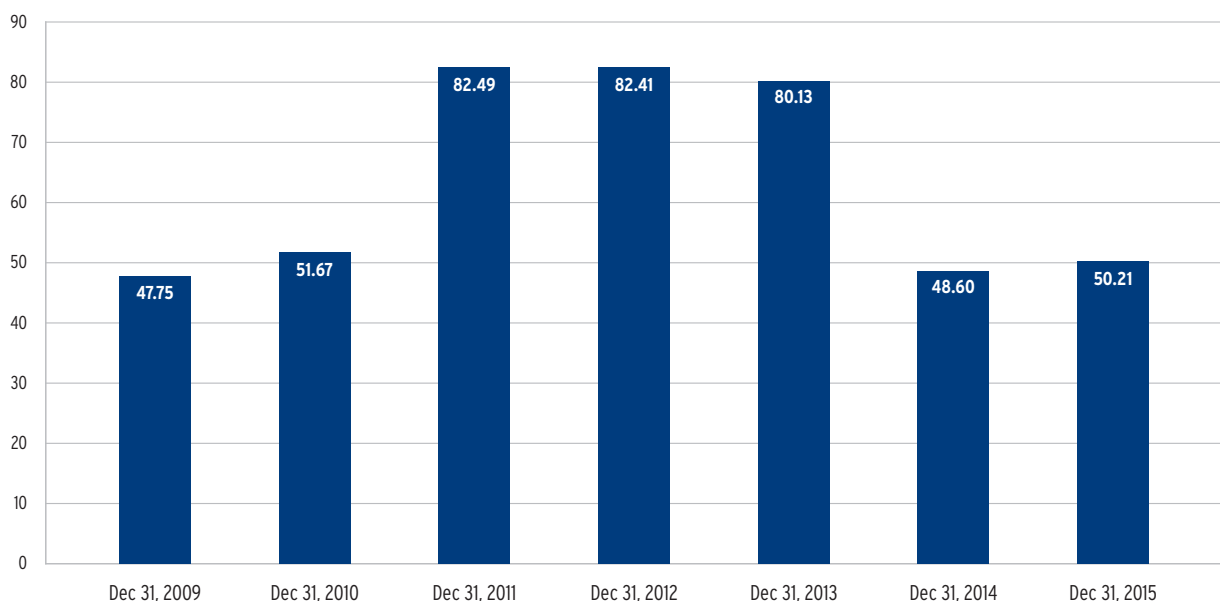
3U HOLDING AG invests its financial portfolio exclusively in call accounts and current time deposits at the Baden-Württembergische Bank, at Sparkasse Marburg-Biedenkopf and at Deutsche Kreditbank AG.

Compared to December 31, 2014, cash and cash equivalents decreased by EUR 8.37 million from EUR 16.07 million to EUR 7.70 million as at December 31, 2015. To this reduction have contributed particularly the purchase price payment for the wind farm Langendorf without the leveraged portion, project costs associated with the wind farm project Lüdersdorf and the acquisition of the further shares in Selfio GmbH.

3U HOLDING AG continues to have a solid equity ratio. Due to the lower total assets, the equity ratio with 50.21% has risen slightly over the previous year (48.60%), while the absolute amount of equity was lower. The debt component is 49.79% compared to 51.40% at the same time last year.

Besides the loss of the fiscal year 2015 in the amount of EUR -0.74 million (including earnings attributable to the non-controlling shareholders) the acquisition of own shares under the share repurchase program in the amount of EUR 0.46 million and the increase of shares in the Selfio GmbH amounting to EUR 1.98 million contributed heavily to the reduction in equity.

Development equity ratio (in %)



Investments

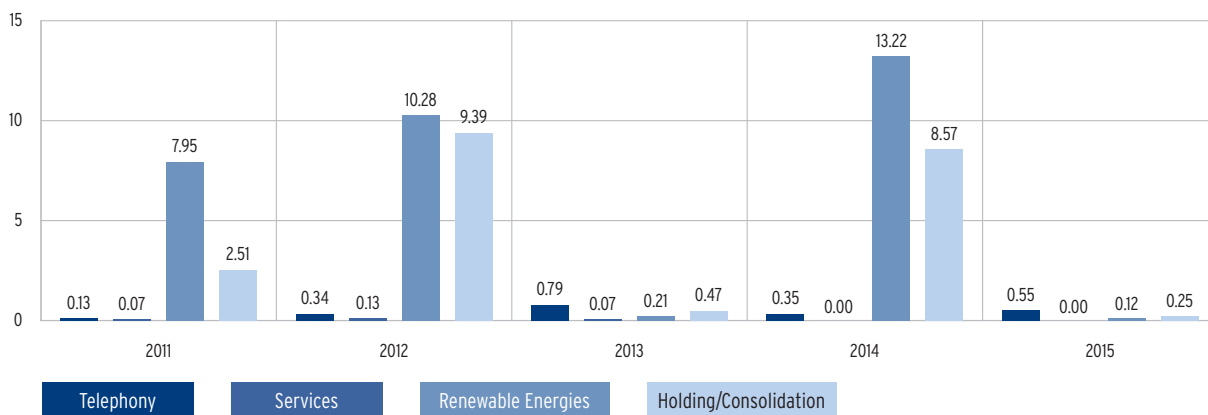
In fiscal 2015, the Group has invested a total of EUR 0.92 million (previous year: EUR 22.14 million) in non-current assets.

EUR 0.55 million were invested in the segment Telephony (previous year: EUR 0.35 million). The investments in the segments Services and Renewable Energies add up to EUR 0.00 million resp. EUR 0.12 million after EUR 0.00 million resp. EUR 13.22 million in the responding time period of 2014. The investments in the tangible assets of the Holding of EUR 0.25 million in the reporting period 2015 (previous year: EUR 8.57 million) were mainly made in properties and buildings.

Investments in the segment Renewable Energies relate besides tangible assets also intangible assets in connection with IT software. Planned investments in the acquisition of a further wind farm were not made in the year 2015.

Investments of roughly EUR 14.38 million in the newly structured segments are planned for the financial year 2016. Of these, EUR 1.38 million will be invested in the segment ITC, EUR 12.01 million in the segment Renewable Energies, EUR 0.08 million in the segment SHAC and EUR 0.91 million within the Holding company.

Development of investments in EUR million



Cash Flow

Operating cash flow in the past financial year amounted to EUR 1.12 million (previous year: EUR 0.02 million). The loss for the period and the cash outflow due to the significant increase in inventories related to the wind power project developments were more than compensated by the depreciation of the fiscal year and the cash inflow from the reduction of debt. Cash flow from investing activities is shaped by the payment of the purchase price for the wind farm Langendorf acquired in the financial year 2014 as well as the payout in connection with the increased stake in Selfio GmbH. Cash flow from investing activities of EUR -14.66 million (previous year: EUR -10.30 million) was EUR 4.36 million higher than in the previous year.

Cash flow from financing activities of EUR 5.38 million (previous year: EUR 18.37 million) contributed to the financing of investments. It resulted mainly from taking out a loan for the wind farm Langendorf. In addition, a capital increase in the amount of EUR 0.15 million was done by the other shareholder at the subsidiary weclapp GmbH. Cash flow from financing activities was reduced by the repayment of existing loans. The payout to non company owners and non-controlling shareholders mainly relates to payments for 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 2016. The liquidity position is still comfortable at December 31, 2015. The financing of the project realization and the construction of the wind farms Lüdersdorf is ensured by a long-term bank loans amounting to EUR 8.9 million. A general loan agreement for the project funding has already been completed on December 2, 2015.

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, 2015	Dec 31, 2014
Cash flow	-8,156	8,090
Cash flows from operating activities	1,119	16
Cash flows from investing activities	-14,656	-10,299
Cash flows from financing activities	5,381	18,373
Exchange rate changes	12	-41
Consolidation-related changes	-226	0
Changes in cash and cash equivalents	-8,370	8,049
Cash and cash equivalents at beginning of period*	16,068	8,019
Cash and cash equivalents at end of period*	7,698	16,068

*Incl. fixed deposits as collateral in the amount of TEUR 3,232 (previous year: TEUR 2,332)

Assets position

Overview items of statement of financial position	December 31, 2015		December 31, 2014	
	TEUR	%	TEUR	%
Non-current assets	53,481	69.6	56,102	65.5
Fixed assets	51,777	67.4	54,246	63.3
Deferred tax assets	502	0.6	472	0.6
Other non-current assets	1,202	1.6	1,384	1.6
Current assets	23,335	30.4	29,610	34.5
Inventories	6,798	8.9	4,601	5.4
Trade receivables	6,912	9.0	5,988	7.0
Other current assets	1,927	2.5	2,953	3.4
Cash and cash equivalents	7,698	10.0	16,068	18.7
Assets	76,816	100.0	85,712	100.0
Non-current liabilities	64,899	84.5	64,092	74.8
Equity attributable to 3U HOLDING AG shareholders	39,806	51.8	42,476	49.6
Non-controlling interests	-1,237	-1.6	-823	-1.0
Provisions and liabilities	26,330	34.3	22,439	26.2
Current liabilities	11,917	15.5	21,620	25.2
Trade payables	3,517	4.6	3,331	3.9
Other provisions and liabilities	8,400	10.9	18,289	21.3
Liabilities	76,816	100.0	85,712	100.0

Total assets as of December 31, 2015 amounts to EUR 76.82 million (previous year: EUR 85.71 million) and is thus EUR 8.89 million lower than last year. The causes for the changes compared to December 31, 2014 lie substantially in the reduced fixed assets due to depreciation and the reduction of cash in connection with the investments made. This is faced with the reduction of liabilities, mainly due to the purchase price paid for the wind farm Langendorf.

Fixed assets in the amount of EUR 51.78 million (Previous year: EUR 54.25 million) comprises in addition to intangible assets (EUR 1.53 million resp. EUR 1.67 million in the previous year) and fixed assets (EUR 42.16 million resp. EUR 44.49 million in the previous year) also the investment properties in the amount of EUR 7.90 million (previous year: EUR 8.08 million). These relate as in the previous year to the properties to be rented out in Adelebsen and Hanover.

Current assets of EUR 23.34 million as of December 31, 2015 are EUR 6.27 million lower than in the previous year (EUR 29.61 million). The proportion of liquid assets to current assets in the financial year 2015 is 33.0 % (previous year: 54.3 %). The increase in inventories resulted primarily from continuation of the project developments in the area wind farms. Another essential component of current assets are the demands for goods and services, which increased to EUR 6.91 million (previous year: EUR 5.99 million) compared to the previous year.

On the liabilities side, in addition to the reduction in equity essentially due to the acquisition of further shares in Selfio GmbH and the loss of the financial year, there were significant changes in non-current provisions and liabilities and current provisions and liabilities in the business year 2015. Both result from the purchase price payment for the wind farm Langendorf, which was leveraged to essential parts.

The loan has a term until December 30, 2019 and is secured by the assignment of the claim from the power supply through space security of the wind turbines and the substation and by registration limited personal easements in the land registry and secured by a mortgage. The loan was valued at EUR 7.15 million on December 31, 2015. As part of this loan a credit in the amount of EUR 0.90 million was pledged to the debt service reserve account.

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 values the economic situation of the Company at the time of preparation of the Consolidated Report as unsatisfactory overall, however, still sees the continuation of the positive trends, which started at the end of 2012.

In the reporting period both the operating result (EBITDA) and Group earnings showed improvements compared to the previous year. Positive earnings were achieved on a quarterly basis in the fourth quarter of 2015 for the first time since 2011

However, the total consolidated financial targets for this period were not met in fiscal year 2015. This is primarily due to the segments Services and Renewable Energies.

The segment Telephony developed very well and excelled planning in almost all key financial indicators. Only the sales were lower than planned by about EUR 1.1 million. Compared to the planning, EBITDA and earnings before profit transfer were higher by approximately EUR 1.0 million. Sales below the planning originate primarily from the product range Voice Business. The higher EBITDA and earnings is mainly due to a compromise with a business partner on controversial services from previous periods had a positive effect.

The segment Services underperformed. Sales including intra-Group sales were around EUR 0.8 million, EBITDA approximately EUR 0.5 million and earnings just under EUR 0.4 million behind the budgeted figures. Here a growing licensing business is offset by a significant decline in sales in the project business. Sales growth in licensing business relates both to our cloud solutions and license trading.

The segment Renewable Energies could not reach the target figures in the financial year 2015. Sales were by around EUR 7.5 million, EBITDA by around EUR 3.0 million and earnings by about EUR 1.9 million lower than planned. Especially significantly lower sales from the wind farm project development led to the plan shortfall in the segment Renewable Energies. In addition, the acquisition of a further wind farm was planned, but was not realized due to the existing yield expectations.

Financial and non-financial performance indicators

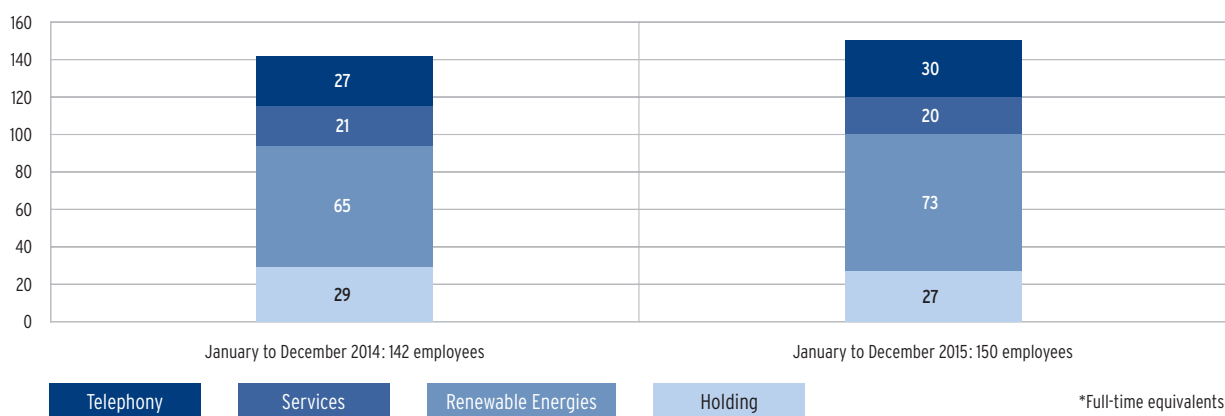
We use our group-wide financial performance indicators to set goals, to measure success and determine the variable compensation of executives. The most important financial performance indicators for us are sales, earnings before interest, taxes, depreciation and amortization (EBITDA) and profit after tax.

Non-financial performance indicators are not covered by regular reporting. Coordination and control are carried out between the Management Board and Managing Directors in direct consultations.

Highly qualified and motivated employees are the prerequisites for ensuring the success of a company in the long term. Responsible personnel development and continuous improvement play a decisive role. Therefore, sustainable development and targeted promotion of the potential of all employees is the core task of personnel management of the Company. Through targeted personnel development the Company wants to increase its attractiveness as an employer and thereby further increase the employees' identification with the 3U Group and their commitment to its objectives.

Staff*

On the financial statement date the 3U Group employed 150 people (December 31, 2014: 146). The yearly average was 150 (previous year: 142). The increase in the number of employees in 2015 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 165 total staff (including Members of the Management Board, temporary staff and part-time workers) the Group employed on the reporting date (December 31, 2014: 158), 38 people were women, representing a share of 23.0 % (2014: 25.3 %). The age structure of the Group is distributed across all age groups, 18 % (2014: 13 %) of employees are younger than 30 years old, 32 % (2014: 35 %) are between 30 and 40 years old, 32 % (2014: 37 %) are between 40 and 50 years old and 18 % (2014: 15 %) are older than 50 years. The average age in the Group is 40 years (2014: 41 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 2015.

The days of sick leave per employee in the 3U Group were 6.7 days in 2015; still well below the national average, which lies at 9.7 days according to the Federal Statistical Office.

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.

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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 consultations on all organisational levels as well as a rolling monthly forecast/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 model 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 diversification will be continued and since 2016 will be restructured in new segments. In addition to organic growth of the existing businesses the focus of the future investment will be mainly on inorganic growth in the wind energy sector.

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 covers all Subsidiaries as well. 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 fulfil 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 partly 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 was conceptualized and should be introduced in 2016.

Efforts to systematically document the opportunities identified in the risk inventory were continued 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 chances identified are not reviewed on a monthly basis like the risks using the software, but on a regular basis and measures are adjusted if necessary.

Determining the comprehension of risks

Risk is the possibility of a negative deviation of actual results from the expected result (corporate goal). There is the risk that adverse events occur (loss of assets or income reduction) or the risk that desired events do not occur (missed opportunities).

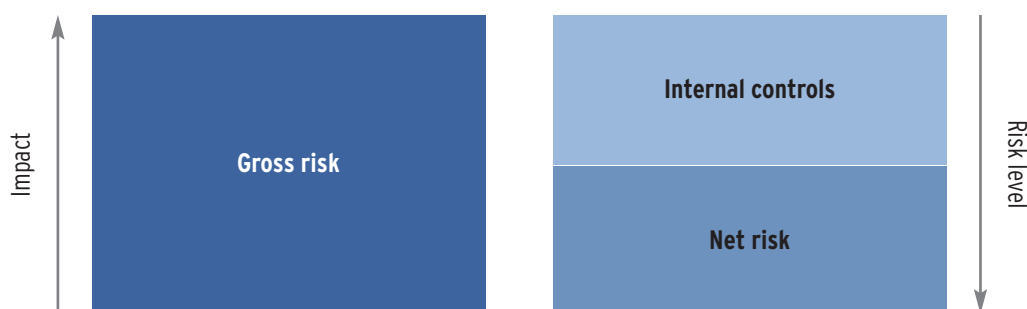
Distinction between gross and net risk

The assessment of risks identified in the risk inventory is carried out using the methodology of the so-called gross and net risks. In determining the gross risks, compensating controls of risk mitigation and risk control are initially not considered. Compensatory controls measures are defined as measures that avoid, reduce or transfer risk. In addition, it is possible to accept risks to an acceptable level, provided a further reduction is not economical.

A pure consideration of gross risks is necessary because in a pure net consideration there is the danger that currently well controlled, but existence-imperilling risks, are not monitored continuously and in a timely manner. This could lead to changes in the processes and possibly resulting in risks not being detected in time.

Basis for the operational risk management are the remaining net exposures. They result when the existing compensating controls in the risk assessment are taken into account.

Gross risks become net risks (residual risks) through internal controls



The risk assessments are carried out for both the gross and net exposures in the categories of damage and probability of occurrence with the help of indicators.

For the probability the following characteristics are assigned:

- | | |
|--------------------|------------------------------------|
| (1) Not likely | – less than 25 % |
| (2) Low | – at least 25 % and less than 50 % |
| (3) Middle | – at least 50 % and less than 75 % |
| (4) High | – at least 75 % and less than 95 % |
| (5) Almost certain | – at least 95 % to 100 % |

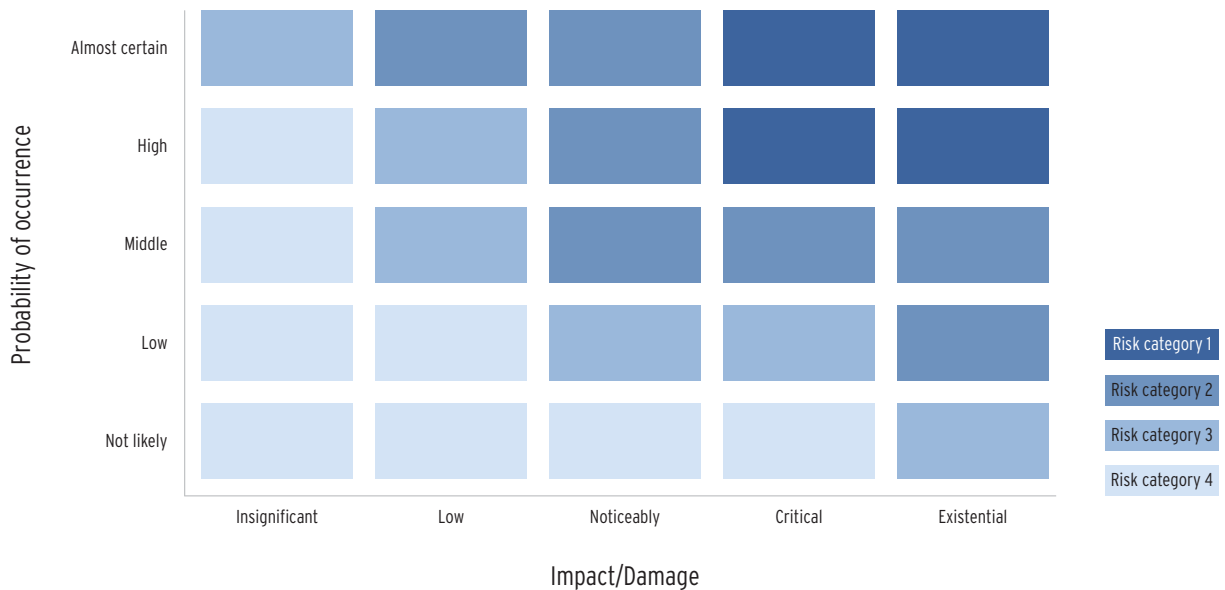
The loss amounts are determined individually for each of these companies on the individual company level. Separate risks are aggregated at Group level. As part of the continuous improvement of the 3U-RICH-system all risks are aggregated and categorized according to a rating scheme in 2016.

The extents of damage of the risks in the Group are based on the subscribed capital. The key figures are assigned different amounts of damage (impact/damage):

- | | |
|-------------------|--|
| (1) Insignificant | – the subscribed capital is consumed by less than 5 %, resp. EUR 1.76 million |
| (2) Low | – the subscribed capital is consumed by at least 5 % and less than 10 %, resp. EUR 1.76 million and EUR 3.52 million |
| (3) Noticeably | – the subscribed capital consumed by at least 10 % but less 25 %, resp. EUR 3.52 million and EUR 8.8 million |
| (4) Critical | – the subscribed capital is consumed by at least 25 % and less than 50 %, resp. EUR 8.8 million and EUR 17.6 million |
| (5) Existential | – the subscribed capital is consumed by at least 50 % resp EUR 17.6 million, existence-imperilling or completely |

From multiplying the figures for damage and probability of occurrence, a division into four classes of risk can be derived.

Classes of risk



Risk category 1 is the highest category and the risks therein may be existence-imperilling risks. All risks identified in the risk inventories are controlled. The measures applied differ in scope. Exceptions, however, are possible in individual cases. This has to be approved by the Management Board. This includes the removal of a risk from supervision if the monthly reports over a period of at least six months assign it to the risk class 4.

Following the risk inventories the calculated key figures are transferred into the software. As part of the monthly reporting, the figures and the classes are shown on the basis of quantitative evaluation as an amount of loss in EUR and a probability of occurrence in percentage. Multiplying these two variables produces an expected value in EUR. This value in turn is transferable in the presentation of the risk classes.

In order to increase the clarity and better explain the impact, selected significant gross risks of the Group are shown in the following scheme with their net consideration on the segment level.

Risks	Probability of occurrence	Amount of damage	Risk category	Changes compared to the previous year
Operative Risks				
Segment Telephony	Low	Insignificant	4	➡
Segment Services	Low	Insignificant	4	↘
Segment Renewable Energies	Low	Low	3	➡
Strategic Risks				
Segment Telephony	Middle	Low	3	➡
Segment Services	Low	Insignificant	4	➡
Segment Renewable Energies	Low	Low	3	➡
Regulatory Risks				
Segment Telephony	Middle	Low	3	➡
Segment Services	Low	Insignificant	4	➡
Segment Renewable Energies	Middle	Low	3	➡
Financial Risks				
Segment Telephony	Low	Insignificant	4	➡
Segment Services	Not likely	Insignificant	4	↗
Segment Renewable Energies	Low	Noticeably	3	↗

➡ Unchanged ↘ Decreased ↗ Increased

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 2015 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. These include the risks of 3U ENERGY PE GmbH, which arise from the project business "wind turbines".

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 the 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 development of wind farm projects, 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.

Risks from the 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 approx. 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).

Risks from the segment Services

The companies of this segment perform in a sector which is shaped by strong competition.

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 2015. The number of users of the cloud products is growing steadily. There is a risk of a lack of customer satisfaction especially due to differing expectations. 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. 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 2015.

Risks from the 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 2015, 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 is still in a consolidation phase. With the development of wind farm projects 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 through the use of qualified internal and external resources. 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 due care, if the risks cannot be reduced through appropriate contractual arrangements.

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 to avoid defaults, to collect outstanding debts from companies, organizations and individuals with no failures if possible and the entire areas of credit management, terms management and credit management are the tasks of debt management in the broadest sense. In a narrow sense, the debt management refers to collecting open payments from goods, services and loans that are already in default. Debt management sifts, arranges, registers and organizes the outstanding payments and ensures that if a default arises the invoice recipient is reminded in a timely, comprehensive and effectively manner of his contractual obligations from the sale of goods or services.

On behalf of the invoicing party debt management takes over the processing of payments between companies and customers. With a professional debt management the ongoing liquidity of companies is ensured. By regularly conducting comprehensive regular supplier assessments and reviews the risk potential in this area is reduced as well.

Financial risks

As a company being active 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.

3U HOLDING AG has 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.

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.

In fiscal 2016, the 3U Group will receive a new segment structure. While the segments Telephony and Services are combined, the existing segment Renewable Energies is divided into two segments. The overall risk situation of the Group will not change thereby.

Opportunities report

In the 3U Group 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.

Here too, it should be taken into account that the 3U Group will get a new segment structure in the fiscal year 2016. The currently identified chances however do not change.

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. The data centers in Hanover and Berlin 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 2015 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 and Workshare were intensified in 2015. Under the cooperation with TÜV SÜD it awards subcontracts in the areas of privacy audit, external data protection officer, penetration tests and training. 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 consulting, we have created a growth potential for us.

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 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.

The solar park Adelebsen produced electricity all year round as defined in the EEG compensation rates. 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 receives an additional management fee per MWh and can thus generate more sales in the future and possibly even expand them.

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 an extensive portfolio of wind farm projects. Currently, the wind farm project developments are in different stages. 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

The International Monetary Fund (IMF) sees significant risks for the global economy and lowered its economic forecast recently. The organization expects acceleration from 3.1 % in 2015, to 3.4 % in 2016 and 3.6 % in 2017. However, the figures for 2016 and 2017 were reduced by 0.2 percentage points in the World Economic Report.

Germany resists this trend: Here, the IMF has even increased its forecasts for this year by 0.1 percentage points and for next year by 0.2 percentage points. The fund now expects 1.7 % growth each. Germany is therefore exactly on the growth path, which is predicted for the entire Euro area.

The economy is very robust in most developed economies. In a number of emerging economies, by contrast, the economic situation deteriorated once again. More specifically, there are signs of problems intensifying in China and more recently in Russia. In addition, many of the emerging economies dependent on commodities have also been negatively impacted by the sharp decline in the price of oil and key industrial raw materials since mid-2014. However world trade all in all, is expected to increase by 3.4 % in 2016 and 3.6 % in the following year.

In view of the upward tendency in production, the working population will grow by 0.6 % or 256,000 persons in 2016, following a similar sized increase this year. Additional workers are still largely being recruited from the "hidden reserves" or the immigrant pool. The decline in unemployment, by contrast, has ground to a halt. Unemployment is expected to rise slightly over the forecasting period as refugees increasingly become available in the labour market. The unemployment rate will climb a little from 6.4 % this year to 6.5 % in 2016.

Respondents to the ECB's Survey of Professional Forecasters have revised their inflations expectations for 2016 downwards, mainly reflecting the sharp decrease in oil prices. In principle, however they continue to expect an increase of the inflation rate from 2017. In 2016, the economists expect an annual inflation rate of only 0.7 % instead of the previous 1.0 %. For 2017 they have reduced their expectation to 1.4 % from 1.5 %.

New segment structure in 2016

As part of the restructuring of the Group's internal IT organization and the increasing intersection between the previous segment Telephony and the segment Services, it is expedient to combine these segments and to report on the whole on these areas. The entire service portfolio, which was previously included in the segments Telephony and Services will therefore be reported under the segment designation ITC (Information and Telecommunications Technology).

Another significant change relates to the previous segment Renewable Energies. The combined activities in the hitherto existing segment Renewable Energies come mainly from two fields: Renewable energy in the narrow sense and the business range HVAC. Participations that used to be active in both areas in the past and thus formed a common basis have no more relevance. The current segment Renewable Energies is therefore comprised of two divisions that have almost no more intersections upon closer examination. In order to increase transparency and in accordance with the requirements of IFRS, the Management Board decided

to report separately on the segment SHAC from fiscal 2016. Accordingly, only the activities relating to the production of renewable energy is reported in the future segment Renewable Energies. In the following outlook for the segments this new segmentation is already taken into account.

According to the segmentation of 2016 and beyond the key figures for these segments would look like the following:

In EUR million	Sales	EBITDA	Segment earnings
ITC (Information and Telecommunications Technology)	21.6	2.1	1.9
EE (Renewable Energies)	5.9	3.9	0.5
SHAC (Sanitary, Heating and Air Conditioning Technology)	20.9	1.2	0.4

Outlook ITC

Sales in the total market of telecommunications services in Germany have been declining for many 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, according to the inter-trade organization VATM. Against this background, the Management Board expects a continuously declining development analogous to the market development in the business year 2016.

Generally increasing investment in data centers can be expected for the future. According to researchers like IDC, Gartner or A. T. Kearney, investments in data centers will rise sharply. According to A. T. Kearney the European data center market is to grow by more than 6 % annually and reach a volume of EUR 270.4 billion by 2020. This market addressed the 3U Group with its portfolio DCS (Data Center Services).

The 3U Group will continue to pursue its strategy to recognise and occupy profitable niches in the area Telephony. In particular, the offered services concerning data centers are to be developed further and should develop into an important pillar. 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.

A promising market is addressed with the topics of cloud computing and IT Security as well as business consulting. In cloud computing, IT services are provided in the right quantities and flexible in real-time as a service via the Internet and billed according to use. In cloud computing various technical improvements and innovations converge and create the potential for a base innovation in the business field. Cost reduction, cost structure changes, cost variability, flexibility and entirely new business models are other important arguments. It is expected that cloud computing will change the entire information economy, its technologies and its business and therefore the relationship between suppliers and consumers for the long term. With a rapid adoption of cloud computing in business, the demand for technical infrastructure expertise decreases. For software vendors the traditional licensing business will shift in the direction of “Software as a Service” (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.

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.

Market experts attest good growth prospects for Cloud Computing, Software as a Service, Data Center Services, IT services and consulting services. In these business areas, the Management Board of 3U HOLDING AG expects further rising sales in 2016, while revenue in the telephony will continue to decline.

Overall, the Management Board expects sales on the level of the previous year in the segment ITC (2015: EUR 21.6 million) and a not insignificant lower EBITDA (2015: EUR 2.1 million) and earnings (2015: EUR 1.9 million) because the newer product areas will not reach the profit margin of the business area Voice Retail in fiscal 2016 just yet. In the future however, the newer business areas should contribute to an improvement of the margin.

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

The Group plans to realize other renewable energy projects. 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 planning reliability until the end of 2016. 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. The further development in this area depends on various factors which are hard to predict today. We follow the activities of all relevant market participants very closely and will position ourselves accordingly.

While the project business is relatively volatile, very stable and predictable sales and earnings are achieved by the renewable energy generation. Overall, the Management Board expects substantial gains in sales (2015: EUR 5.9 million), EBITDA (2015: EUR 3.9 million) and earnings (2015: EUR 0.5 million) for this segment in 2016; especially due to the project business.

Outlook SHAC

The activities around the topic of heating, cooling and ventilation of buildings further evolve encouraging. A number of developments have a positive impact here. Firstly, the construction activity will remain at a high level for the foreseeable future due to the low interest rates, resulting in a corresponding demand for HVAC products and their installation. In addition policy makers require increasing energy efficiency in buildings. This leads to a substantial demand for replacement investments especially in the business area heating and air conditioning. Finally, we benefit in this segment of the demand shift towards online trading. Currently only a small fraction of the products from the HVAC sector is in demanded online in Germany. However, this proportion is growing at a rate of nearly 30 % p. a. With our online trading activities, we want to grow faster than the market.

With the already existing different business units within this segment the 3U Group is promising positioned. After sales of EUR 20.9 million, EBITDA of EUR 1.2 million and earnings of EUR 0.4 million in fiscal 2015, the Management Board expects further strong growth in sales and a significant increase in EBITDA and earnings of these activities.

Strategic direction

Lasting operative profitability in the segments is the top priority for the Group. In recent years and especially in 2015, we have achieved significant progress in this regard.

In the segment ITC the earnings levels is to be defended. Scheduled declines in the business area Telephony should be offset and at a later stage overcompensated by the newer business fields.

While we intend to mainly grow the segment SHAC organically, our strategy in the segment Renewable Energies is to grow inorganically as well.

With its investment strategy, 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

The pursued development of successful business fields in recent years, while simultaneously dismantling activities which developed below expectations, are slowly bearing fruit. The profitability of the segment ITC and the increasing importance of the segments Renewable Energies and SHAC give the Management Board of 3U HOLDING AG the confidence to achieve the following formulated objectives.

For fiscal 2016, the Management Board expects sales between EUR 54 million and EUR 60 million, EBITDA of EUR 6.0 million and EUR 8.0 million and net earnings of between EUR 0.5 million and EUR 2.5 million.

The partial or entire sale of Subsidiaries belongs to the corporate purpose of 3U HOLDING AG and can lead to positive special effects. In addition, 3U HOLDING AG plans to grow inorganically through acquisitions. However, there are limitations to plan resulting effects.

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.

70 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 of the consolidated financial statements.

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, 2015 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 %
Stefan Thies	Supervisory Board	12,000 shares	0.03 %
Jürgen Beck-Bazlen	Supervisory Board	1,120,000 shares	3.17 %
Number of own shares		2,183,640 shares	6.18 %

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.

From this authorisation to establish a stock option program the Management Board of 3U HOLDING AG with the approval of the Supervisory Board made use on February 7, 2011 and established a stock option plan 2011. By the end of the term of the stock option plan 2011 on February 6, 2016, no options were exercised. The stock options have fully expired and with this the possibility of drawing on the Contingent Capital I.

The Management Board had decided based on the authorization granted by the Annual General Meeting on 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. The authorisation granted by the Annual General Meeting gave the Management Board the right to suspend the share buyback program at any time in accordance with the legal compliance requirements. Based on this authorization, the Management Board decided on November 12, 2015 to suspend the share buyback program on November 13, 2015.

In the scope of the share buyback programme, 2,183,640 shares at an average price of around EUR 0.57 were repurchased; corresponding to 6.18 % of the share capital of EUR 35,314,016.00. The repurchased shares may be used for all intended purposes mentioned in the resolution of the AGM of May 31, 2012.

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 were reported the following transactions in the last financial year:

Transaction date	Reporting person	Type of transaction	Quantity	Exercise price	Total volume
11/27/2015	Jürgen Beck-Bazlen (Supervisory Board)	Purchase	20,000	EUR 0.6300	EUR 12,600.00

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 1, 2016 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 2015

Benefits (in TEUR)	Michael Schmidt Speaker of the Management Board			
	2014	2015	2015 (min.)	2015 (max.)
Fixed remuneration	300	300	300	300
Fringe benefits	34	17	17	17
Subtotal	334	317	317	317
Profit-sharing and bonuses (one year)	150	150	0	300
Profit-sharing and bonuses (spanning more than one year)	0	0	0	0
Total	484	467	317	617
Pension benefits	0	0	0	0
Total benefits	484	467	317	617

Benefits (in TEUR)	Andreas Odenbreit Management Board			
	2014	2015	2015 (min.)	2015 (max.)
Fixed remuneration	140	140	140	140
Fringe benefits	19	19	19	19
Subtotal	159	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	177	177	159	194
Pension benefits	0	0	0	0
Total benefits	177	177	159	194

Benefits (in TEUR)	Christoph Hellrung Management Board			
	2014	2015	2015 (min.)	2015 (max.)
Fixed remuneration	140	140	140	140
Fringe benefits	24	24	24	24
Subtotal	164	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	182	182	164	199
Pension benefits	0	0	0	0
Total benefits	182	182	164	199

Inflow for the year 2015

Inflow (in TEUR)	Michael Schmidt Speaker of the Management Board		Andreas Odenbreit Management Board		Christoph Hellrung Management Board		Management Board total	
	2015	2014	2015	2014	2015	2014	2015	2014
Fixed remuneration	300	300	140	140	140	140	580	580
Fringe benefits	17	34	19	19	24	24	60	77
Subtotal	317	334	159	159	164	164	640	657
Profit-sharing and bonuses (one year)	75	75	0	0	0	0	75	75
Profit-sharing and bonuses (spanning more than one year)	0	0	0	0	0	0	0	0
Total	392	409	159	159	164	164	715	732
Pension benefits	0	0	0	0	0	0	0	0
Total benefits	392	409	159	159	164	164	715	732

In addition, Mr Michael Schmidt received TEUR 75, Mr Andreas Odenbreit TEUR 18 and Mr Christoph Hellrung TEUR 18 as an annual variable compensation in the reporting year and the previous year for the respective preceding years.

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, 2015:

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.

By the end of the term of the Stock Option Plan 2011 on February 6, 2016, no options were exercised. The stock options are so completely forfeited.

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 2015 amounted to TEUR 167 (previous year: TEUR 68). For 2015 a performance fee of TEUR 92 (previous year: TEUR 0) was accrued.

Name	Fixed remuneration in TEUR		Attendance-fee in TEUR		Performance related remuneration in TEUR		Total remuneration in TEUR	
	2015	2014	2015	2014	2015	2014	2015	2014
Ralf Thoenes (Chairman)	10	10	18	15	40	0	68	25
Gerd Simon (until 5/21/2015)	3	8	5	15	13	0	21	23
Stefan Thies	6	5	18	15	26	0	50	20
Jürgen Beck-Bazlen (since 5/21/2015)	3	–	13	–	13	–	29	–
Sum*	23*	23	53*	45	92	0	167*	68

*Due to rounding differences in the totals line

In addition, the Supervisory Board receives a reimbursement of their travel costs and other expenses. Mr Thoenes received TEUR 1.8 (previous year: TEUR 0.5), Mr Simon TEUR 0.4 (previous year: TEUR 1.7), Mr Thies TEUR 0.8 (prior year: TEUR 0.8) and Mr Beck-Bazlen TEUR 1.3 (previous year: none) as reimbursements for expenses in fiscal year 2015. Mr Thoenes also received attendance fees and reimbursement of expenses for his supervisory activities at 3U ENERGY AG amounting to TEUR 9 (previous year: TEUR 6) for fiscal year 2015.

Mr Simon received for the first time meeting fees and reimbursement in the amount of TEUR 9 of expenses for his supervisory activities at 3U ENERGY AG in the fiscal year 2015.

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 40 (previous year TEUR 8) plus VAT for its consultancy services and reimbursements for expenses for the 3U Group. These were provided to 3U HOLDING AG as part of a due diligence in the first quarter and to 3U ENERGY AG in the amount of TEUR 12 (previous year: TEUR 4 to 3U ENERGY AG and TEUR 4 for RISIMA Consulting GmbH).

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 had the following key details:

The following were 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 had a term of five years. The non-transferable option rights could 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 were not transferable.

Each option right authorized the purchase of a share in the company at the exercise price. The exercise price for the options was 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 have sold 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 1,840,000 options were forfeited at December 31, 2015.

- 2011: 582,500 stock options
- 2012: 365,000 stock options
- 2013: 380,000 stock options
- 2014: 282,500 stock options
- 2015: 230,000 stock options

By the end of the term of the Stock Option Plan 2011 on February 6, 2016, no options were exercised. The stock options are so completely forfeited.

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, den March 4, 2016

The Management Board

Michael Schmidt

Christoph Hellrung

Andreas Odenbreit



Consolidated Financial Statements

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Consolidated statement of financial position as of December 31, 2015

Assets 3U Group (in TEUR)	Notes to the consolidated financial statements	December 31, 2015	December 31, 2014
Non-current assets		53,481	56,102
Intangible assets	[2.3.7] [2.3.8] [2.3.14] [6.1.1]	1,530	1,668
Property, plant and equipment	[2.3.9] [2.3.22] [6.1.2]	42,156	44,490
Investment Properties	[2.3.10] [6.1.3]	7,901	8,075
Other financial assets	[6.1.4]	171	0
Accounted investments using the equity method	[6.1.4]	19	13
Deferred tax assets	[2.3.17] [6.2]	502	472
Other non-current assets	[6.1.4]	1,202	1,384
Current assets		23,335	29,610
Inventories	[2.3.15] [6.3]	6,798	4,601
Trade receivables	[2.3.12] [6.4] [6.11]	6,912	5,988
Receivables from tax refunds	[6.5]	486	1,332
Other current assets	[6.5]	1,441	1,621
Cash and cash equivalents	[2.3.12] [6.6] [6.11]	7,698	16,068
Total assets		76,816	85,712

Shareholders' equity and liabilities 3U Group (in TEUR)	Notes to the consolidated financial statements	December 31, 2015	December 31, 2014
Shareholders' equity	[6.7]	38,569	41,653
Issued capital (conditional capital TEUR 4,684; December 31, 2014: TEUR 4,684)	[6.7.1]	35,314	35,314
Own shares	[2.3.19] [6.7.1]	-2,184	-1,473
Capital reserve		10,345	10,088
Retained earnings		-719	692
Total other comprehensive income		-73	-89
Profit/loss carried forward		-2,056	1,186
Net earnings		-821	-3,242
Total shareholders' equity attributable to the shareholders of 3U HOLDING AG		39,806	42,476
Non-controlling interests	[6.7.4]	-1,237	-823
Non-current provisions and liabilities		26,330	22,439
Non-current provisions	[2.3.16] [6.10]	665	758
Non-current liabilities due to banks	[6.8]	24,960	21,014
Deferred taxes	[2.3.17] [6.2]	705	667
Current provisions and liabilities		11,917	21,620
Current provisions	[2.3.16] [6.10]	401	600
Current tax liabilities	[6.9]	264	371
Current liabilities due to banks	[6.8]	3,218	1,395
Trade payables	[2.3.12] [6.11]	3,517	3,331
Other current liabilities	[2.3.12] [2.3.18] [6.9] [6.11]	4,517	15,923
Total shareholders' equity and liabilities		76,816	85,712

Consolidated statement of income

3U Group (in TEUR)	Notes to the consolidated to the consolidated	Financial year Jan 1-Dec 31, 2015	Jan 1-Dec 31, 2014
Sales	[2.3.1] [5.1]	48,236	49,237
Other income	[5.2]	2,339	2,003
Changes of half-finished and finished products	[5.3]	885	470
Other capitalised services	[5.4]	14	50
Costs of materials	[5.5]	-30,025	-35,612
Gross profit or loss		21,449	16,148
Staff costs	[5.6]	-10,197	-10,056
Other operating expenses	[5.7]	-7,241	-6,260
EBITDA		4,011	-168
Depreciation and amortisation	[2.3.8] [2.3.9] [5.8]	-3,386	-2,618
EBIT		625	-2,786
Income shares in companies that are accounted for using the equity method	[5.9]	6	-8
Other financial result	[2.3.4] [2.3.5] [5.9]	-917	-544
EBT		-286	-3,338
Income tax expenses	[2.3.6] [5.10]	-449	-293
Earnings before non-controlling interests		-735	-3,631
Net earnings for the period		-735	-3,631
Of which attributable to non-controlling interests		86	-389
Thereof Group earnings		-821	-3,242

Consolidated statement of comprehensive income

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3U Group (in TEUR)	Jan 1–Dec 31, 2015	Jan 1–Dec 31, 2014
Net earnings for the period	-735	-3,631
Attributable to 3U HOLDING AG shareholders	-821	-3,242
Of which attributable to non-controlling interests	86	-389
Directly in equity comprised changes which could be reclassified retrospectively to the income statement		
Exchange rate differences	-11	-3
Thereof deferred taxes	0	0
Hedging instruments	39	-140
Thereof deferred taxes	-12	40
	16	-103
Directly in equity comprised changes which could not be reclassified retrospectively to the income statement	0	0
Other comprehensive income	16	-103
Total comprehensive income of the period	-719	-3,734
Attributable to 3U HOLDING AG shareholders	-805	-3,345
Of which attributable to non-controlling interests	86	-389

Consolidated statement of changes in equity

3U Group (in TEUR)	Issued capital	Own shares	Capital reserve	Retained earnings	Total other comprehensive 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

3U Group (in TEUR)	Issued capital	Own shares	Capital reserve	Retained earnings	Total other comprehensive income
As of January 1, 2015	35,314	-1,473	10,088	692	-89
Rebooking Earnings 2014	0	0	0	0	0
Total earnings 2015	0	0	0	0	16
Buy back shares 2015	0	-711	248	0	0
Stock option plan 2011	0	0	9	0	0
Proceeds/payments to non-controlling interests	0	0	0	19	0
Change of percentage increase	0	0	0	-1,430	0
As of December 31, 2015	35,314	-2,184	10,345	-719	-73

	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

	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
	1,186	-3,242	42,476	-823	41,653
	-3,242	3,242	0	0	0
	0	-821	-805	86	-719
	0	0	-463	0	-463
	0	0	9	0	9
	0	0	19	54	73
	0	0	-1,430	-554	-1,984
	-2,056	-821	39,806	-1,237	38,569

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, 2015	Jan 1-Dec 31, 2014
Net earnings for the period		-735	-3,631
+/- Depreciation/write-ups of fixed assets		3,386	2,618
+/- Increase/decrease of provisions		-291	-405
-/+ Profit/loss on disposal of non-current assets		159	135
-/+ Increase/decrease in inventories and trade receivables		-3,188	2,359
+/- Increase/decrease in trade payables		95	-338
+/- Changes to other receivables		444	-1,320
+/- Changes to other payables		313	181
+/- Change in tax assets/liabilities including deferred taxes		749	283
+/- Other non-cash changes		187	134
Cash flows from operating activities		1,119	16
+ Inflows from disposals of property, plant and equipment		9	258
- Outflows for investments in property, plant and equipment		-760	-4,854
- Outflows for investments in intangible assets		-78	-63
- Outflows for investments properties		-84	-4,317
+ Payments from earnings of associated companies		0	459
- Cash outflow from the sale of consolidated companies and other business units		-30	-39
- Cash outflow from the purchase of consolidated companies and other business units		-13,713	-1,743
Cash flows from investing activities		-14,656	-10,299
Sum carried forward*		-13,537	-10,283

*Refer to following page

3U Group (in TEUR)	Notes to the consolidated financial statements [Section 2.2.3 and 7]	Jan 1–Dec 31, 2015	Jan 1–Dec 31, 2014
Sum carried forward*		-13,537	-10,283
+ Proceeds from additions to equity (capital increases, sale of treasury shares etc.)		150	0
- Cash outflow to companies' owner and minority partners (dividends, equity capital payback, purchase of own shares, other disbursements)		-539	-516
+ Cash inflow borrowing of money		9,000	20,000
- Outflows from the repayment of (finance) loans		-3,230	-1,111
Cash flows from financing activities		5,381	18,373
Total cash flows		-8,156	8,090
+/- Restrictions in cash and cash equivalents		-900	-832
+/- Changes in cash and cash equivalents due to exchange rate changes		12	-41
+/- Aggregate cash flows arising from obtaining or losing control of subsidiaries		-226	0
Cash and cash equivalents at beginning of period		13,736	6,519
Cash and cash equivalents at end of period		4,466	13,736
Total change in cash and cash equivalents		-9,270	7,217

* Refer to previous page

Notes for the financial year 2015

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 2015 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, 2015 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 statements. 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 (TEUR, % 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, 2015.

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, 2015 and have been incorporated into EU law.

The following standards were applied for the first time:

- Annual improvements to IFRS – cycle 2011-2013 (January 1, 2015)*
- IFRIC 21 “levies” (June 17, 2014)*

*Applicable for financial years beginning on or after the specified date

According to the assessment of the Management Board the first-time application of these standards did not result in changes of the net assets, financial position and results of operations of the Group. In particular, the new IFRIC 21 have no impact on the recognition of obligations relating to the payment of a levy, which fall within the scope of IAS 37.

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:

- Amendments to IAS 19 – “Defined Benefit Plans: Employee Contributions” (February 1, 2015)*
- Annual Improvements to IFRSs – 2010-2012 cycle (February 1, 2015)*
- Amendments to IAS 16 and IAS 41 “Bearer Plants” (January 1, 2016)*
- Amendments to IFRS 11, “Accounting for Acquisitions of interests in Joint Operations” (January 1, 2016)*
- Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization” (January 1, 2016)*
- Annual Improvements to IFRS – 2012-2014 cycle period (January 1, 2016)*
- Amendments to IAS 1 – “indication Initiative” period (January 1, 2016)*
- Amendments to IAS 27 “Equity Method in Separate Financial Statements” (January 1, 2016)*

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, 2018)*
- Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception” (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)*

The individual effects of the changes are reviewed by the parent company 3U HOLDING AG for the 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 2015, the scope of consolidation for 3U HOLDING AG consists of 22 (previous year: 30) 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. Domination by 3U HOLDING AG occurs in accordance with IFRS 10, if the following conditions are met:

- 3U HOLDING AG exerts power over the subsidiary;
- 3U HOLDING AG is exposed to fluctuating yields from its participation;
- 3U HOLDING AG affects the amount of yields by virtue of its power.

14 (previous year: 6) Subsidiaries, whose impact on the net assets, financial position and results of operations individually and as a group is of minor importance are not consolidated. These are either not yet active or not anymore 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 or the influence of the subsidiary on the asset, financial and earnings position is of minor importance.

Internal sales, expenses and income within the Group and receivables and liabilities between the consolidated companies are eliminated. Income tax effects as well as deferred taxes are taken into account within the consolidation procedures affecting 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.

IFRS 11 distinguishes between two types of joint arrangements:

- joint operation;
- joint venture (JV).

A joint venture (JV) is a joint arrangement in which the parties exercise joint control and also hold rights to the net assets of the investee company.

A joint operation is when two or more companies come to an agreement in which they have direct interests in the assets and obligations for the liabilities.

The accounting for the investment in joint ventures (JV) is done using the equity method under IAS 28.

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 according to IAS 28.

Shares in joint ventures and associated companies are posted on the balance sheet at historical cost, adapted in line with any changes in the Group share in the net assets of the joint venture or associated company following the acquisition and reduced in line with the decline in value of the individual shares. If the amount of losses of a joint venture or 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 expenses 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 follow:

	Exchange rate on the reporting date (EUR 1 in foreign currency units)		Average rate for the year (EUR 1 in foreign currency units)	
	2015	2014	2015	2014
Currency CHF	1.0825	1.2024	1.0676	1.2144
Currency USD	1.0906	1.2141	1.1101	1.3285
Currency ZAR	16.9324	14.0331	14.1594	14.3833

In fiscal year 2015 a net gain arose from exchange rate changes in the amount of TEUR 6 (previous year: TEUR 58). 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 estimations and assumptions

The compilation of the annual financial statements in accordance with the International Financial Reporting Standards requires estimations and assumptions which influence asset and liability amounts, information in the notes and the income statement. Assumptions and estimations are mainly applied in stipulating the useful lives and terminal values of fixed assets, in measuring receivables, in calculating discounted cash flows as part of impairment tests and in creating provisions. Management's estimations

are based on experience and other assumptions, which are considered appropriate under the circumstances given. Estimations and assumptions are reviewed on an ongoing basis. Necessary adjustments are made in accordance with IAS. 8

The actual amounts may deviate from these estimations 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 as well as services in connection with own data centers.

Sales with third parties in the segment Services result from IT services and consulting services as well as from the sale and from the trade and the granting of IT licenses.

External sales in the segment Renewable Energies were generated by marketing solar heating and cooling systems, the planning and development of projects in the field of renewable energy and of electricity generation with own facilities.

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.

Sales within Holding/Consolidation are also achieved from the rental of real estate.

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 2015 research and development costs of EUR 0.5 million (previous year: EUR 0.4 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 2015, 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.

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 balance 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 tax 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. Regular depreciation is recognized under the item depreciation.

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. Software licenses for transmission and IT equipment are depreciated over three to ten 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 linearly over the following estimated useful lives taking into account the residual value and reported under the item depreciation:

Buildings	25-40 years	Switching technology	5 years
Power plants	10-20 years*	Transfer technology	5-8 years
Operating equipment	4 years	Leasehold improvements	Duration of the lease agreement
Office equipment	3-13 years	*Resp. over the remaining "EEG-maturity" for this plant	

On land and leasehold rights no depreciation is ceased.

The used service lives 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 lives:

Buildings 25-40 years

On land and leasehold rights no depreciation is ceased.

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 accrues interest and financing costs from finance leases generally in the cost of debt. In fiscal year 2014 and 2015, 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 2014 and 2015 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 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.

Financial liabilities are derecognised if the contractual obligations are settled, cancelled or expire.

2.3.13 Leases

A lease is classified under IAS 17 as a finance lease if it transfers substantially all of ownership risks and rewards to the lessee. The classification of leases is therefore dependent on the substance of the arrangement and not of a form of the contract.

In the context of financing lease contracts held assets are recognized at first as Group assets at their fair value at the inception of the lease or, if lower, the present value of the minimum lease payments. Depreciation is calculated over the lease term or the shorter life of the leased asset. The corresponding liability to the lessor is shown in the balance sheet as an obligation under finance leases.

Lease payments are apportioned between finance charges and reduction of the lease obligation so a constant interest rate of the remaining liability is achieved. Interest expenses are recognized directly in the income statement.

In fiscal 2015, a contract was concluded for a finance lease which begins on January 1, 2016. Until that time, there were no finance leases.

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 estimations 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 estimations 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 of assets allocated to the cash-generating unit.

Goodwills were determined in the context of business combinations within the segment Renewable Energies. Goodwills resulting in previous years are allocated to the cash-generating units "online shop", "project development" and "production of wind energy".

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, 2015.

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 estimations 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 estimations of the number of shares which provide entitlement to additional remuneration.

On every date of the statement of financial position, the Group reviews its estimations regarding the number of equity instruments that become non-forfeitable. The effects of any changes of estimations, 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, 1,840,000 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 0.60 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, 2015. 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

Subsidiaries included in the full consolidation:

Company	Registered office	Country	Share held by 3U HOLDING AG**
010017 Telecom GmbH	Marburg	Germany	100 %
3U ENERGY AG*	Marburg	Germany	99.998 %
3U ENERGY PE GmbH	Kloster Lehnin	Germany	100 %
3U Euro Energy Systems GmbH*	Marburg	Germany	99.996 %
3U TELECOM GmbH	Marburg	Germany	100 %
3U TELECOM GmbH	Vienna	Austria	100 %
ClimaLevel Energiesysteme GmbH	Cologne	Germany	75 %
Discount Telecom S&V GmbH	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 %
Märkische Windkraft 110 GmbH & Co. KG	Berlin	Germany	100 %
OneTel Telecommunication GmbH	Marburg	Germany	100 %
PELIA Gebäudesysteme GmbH	Montabaur	Germany	100 %
Repowering Sachsen-Anhalt GmbH	Marburg	Germany	100 %
RISIMA Consulting GmbH*	Marburg	Germany	75 %
Selfio GmbH	Linz am Rhein	Germany	100 %
Solarpark Adelebsen GmbH*	Adelebsen	Germany	100 %
weclapp GmbH*	Marburg	Germany	74.9998 %
Windpark Langendorf GmbH & Co. KG	Elsteraue	Germany	100 %
Windpark Langendorf Verwaltungsgesellschaft mbH	Elsteraue	Germany	100 %

*There are restrictions with regard to repayment of loans due to a letter of comfort resp. a subordination agreement on the part of the parent company.

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

Changes to the consolidated group

Compared to December 31, 2014, the following changes have occurred in the scope of consolidation:

On April, 28 2015, the shareholders' meeting of weclapp GmbH decided to increase the share capital by EUR 600,000.00. From this capital increase 3U HOLDING AG assumed a share of EUR 450,000 while EUR 150,000 was paid in by the co-shareholder. As part of this capital increase, the share of 3U HOLDING AG in weclapp GmbH increased slightly from 74.996 % to 74.9998 %.

TriTeIA GmbH in Vienna/Austria will not develop any business activities due to changes in the regulatory framework in the Austrian telecommunications market. The company is therefore reported under other financial assets as of January 1, 2015.

The companies 3U MOBILE GmbH, ACARA Telecom GmbH, Triast GmbH, 3U DYNAMICS GmbH, Calefa GmbH, EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH and Windpark DBF GmbH currently have no business activities. The companies are therefore reported under other financial assets as of November 1, 2015.

With share purchase agreement of August 19, 2015, 3U HOLDING AG sold its 100 % stake in 3U SOLAR (PTY) Ltd. from South Africa. The shares were transferred with the payment of the share purchase price in December 2015. The company was deconsolidated during the financial year 2015.

Märkische Windkraft 110 GmbH & Co. KG was first included in the consolidated financial statements because it has commenced operations.

The consolidated financial statements of 3U HOLDING AG as of December 31, 2015 include besides 3U HOLDING AG 22 (December 31, 2014: 30) German and foreign Subsidiaries, in which 3U directly or indirectly holds the majority of the voting rights resp. has the ability to control.

14 (December 31, 2014: 6) subsidiaries whose influence is both individually and collectively immaterial to the financial condition and results of operations are not consolidated. These are essentially non-active companies. They are valued at cost and reported under non-current assets.

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 financial assets

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 financial assets. The assessment took place at amortised cost. As of December 31, 2010, the investment was written off in full as impairment loss. The company is in liquidation.

Windkraft Lüdersdorf II GmbH & Co. OHG is a company responsible for building the infrastructure of a wind farm project with several operators. The company had not begun its business as of December 31, 2015.

The other companies have no or insignificant operations. The impact of these companies on the financial assets and results of operations is both individually and collectively immaterial.

Company	Registered office	Country	Share held by 3U HOLDING AG**
3U DYNAMICS GmbH	Marburg	Germany	100 %
3U MOBILE GmbH	Marburg	Germany	100 %
ACARA Telecom GmbH	Marburg	Germany	100 %
Calefa GmbH	Montabaur	Germany	100 %
EEPB Erneuerbare Energien Planungs- und Beratungsgesellschaft mbH	Marburg	Germany	100 %
myFairPartner Limited*	London	Great Britain	20 %
Märkische Windkraft 112 GmbH & Co. KG	Berlin	Germany	100 %
Triast GmbH	Kreuzlingen	Switzerland	100 %
TriTeLA GmbH	Vienna	Austria	100 %
Windkraft Lüdersdorf II GmbH & Co. OHG	Potsdam	Germany	40 %
Windpark DBF GmbH	Marburg	Germany	100 %
Windpark Havelland Projekt I GmbH & Co. KG	Kloster Lehnin	Germany	100 %
Windpark Havelland Projekt II GmbH & Co. KG	Kloster Lehnin	Germany	100 %
Windpark Merzdorfer Heide I GmbH & Co. KG	Kloster Lehnin	Germany	100 %
Windpark Merzdorfer Heide II GmbH & Co. KG	Kloster Lehnin	Germany	100 %
Windpark Ruppiner Projekt GmbH & Co. KG	Kloster Lehnin	Germany	100 %

*In liquidation

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

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 in fiscal year 2015.

The segment Telephony, which consists of the products Voice Retail, Voice Business Customer und Data Center Services & Operation, is comprised of the original 3U business Telephony.

The segment Services consists of IT services, system 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 energy 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, 2015	Telephony	Services	Renew- able Energies	Subtotal	Holding/ Consoli- dation	Group
Total sales	22,683	1,893	36,948	61,524	-171	61,353
Intercompany sales (intra-segment sales)	-2,912	-19	-10,186	-13,117	0	-13,117
Segment sales/Group sales	19,771	1,874	26,762	48,407	-171	48,236
Other income	1,262	70	678	2,010	329	2,339
Change in inventory	0	0	885	885	0	885
Other capitalised services	0	0	0	0	14	14
Costs of materials	-14,714	-537	-14,812	-30,063	38	-30,025
Gross profit or loss	6,319	1,407	13,513	21,239	210	21,449
Staff costs	-2,264	-1,306	-3,697	-7,267	-2,930	-10,197
Other operating expense	-1,444	-542	-4,821	-6,807	-434	-7,241
EBITDA	2,611	-441	4,995	7,165	-3,154	4,011
Depreciation	-299	-17	-2,281	-2,597	-789	-3,386
EBIT	2,312	-458	2,714	4,568	-3,943	625
Financial result*	91	-122	-1,236	-1,267	356	-911
Profit/loss of companies recognised at equity**	0	0	0	0	6	6
Other financial result	91	-122	-1,236	-1,267	350	-917
Income tax	-109	100	-397	-406	-43	-449
Earnings for the period*	2,294	-480	1,081	2,895	-3,630	-735
Thereof attributable to the shareholders of 3U HOLDING AG	0	-144	230	86	0	86
Segment earnings*/Group earnings	2,294	-336	851	2,809	-3,630	-821

*Before earnings transfer

**As of December 31, 2015, the carrying values of companies accounted in the statement of financial position "at equity" were TEUR 19 and allocated in the area Holding.

Segment reporting (in TEUR) January 1–December 31, 2014	Telephony	Services	Renew- able Energies	Subtotal	Holding/ Consoli- dation	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/Group sales	27,373	1,487	20,837	49,697	-460	49,237
Other 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
Financial result*	96	-148	-877	-929	377	-552
Profit/loss of companies recognised at equity**	0	0	0	0	-8	-8
Other financial result	96	-148	-877	-929	385	-544
Income tax	-143	6	-170	-307	14	-293
Earnings for the period*	2,440	-990	-1,499	-49	-3,582	-3,631
Thereof attributable to the shareholders of 3U HOLDING AG	0	-247	-142	-389	0	-389
Segment earnings*/Group earnings	2,440	-743	-1,357	340	-3,582	-3,242

*Before earnings transfer

**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.

The Management Board of 3U stipulates sales with the intersegment sales, EBITDA and the segment result before earnings transfer as major performance indicators for a segment's business success, since it considers them crucial to a segment's success. It should be noted that the tax on income – to the extent affiliation relationships with the 3U HOLDING AG exist – are borne by the controlling company, 3U HOLDING AG.

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

Cash flow data 2015 (in TEUR) January 1–December 31, 2015	Tele- phony	Services	Renew- able Energies	Holding/ Consoli- dation	Group
Cash flows from operating activities	1,518	-384	391	-406	1,119
Cash flows from investing activities	-647	-62	-11,887	-2,060	-14,656
Cash flows from financing activities	-3,406	475	11,405	-3,093	5,381

Cash flow data 2014 (in TEUR) January 1–December 31, 2014	Tele- phony	Services	Renew- able Energies	Holding/ Consoli- dation	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

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, 2015	Dec 31, 2014
Assets		
Segment Telephony	11,182	8,033
Segment Services	757	690
Segment Renewable Energies	39,141	37,885
Holding/Consolidation	18,038	23,036
Total segment assets	69,118	69,644
Assets not allocated	7,698	16,068
Total consolidated assets	76,816	85,712
Liabilities		
Segment Telephony	3,864	2,449
Segment Services	6,653	6,666
Segment Renewable Energies	51,887	51,442
Holding/Consolidation	-24,157	-16,498
Total segment liabilities	38,247	44,059
Reconciliation (shareholder's equity/non-controlling interests)	38,569	41,653
Total consolidated liabilities/shareholder's equity	76,816	85,712

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 0 (previous year: TEUR 34) are located abroad in 2015.

(In TEUR)	Depreciation and amortisation		Investments	
	2015	2014	2015	2014
Segment Telephony	299	281	551	347
Segment Services	17	28	0	3
Segment Renewable Energies	2,281	1,590	123	13,224
Holding/Consolidation	789	719	247	8,569
Total	3,386	2,618	921	22,143

Sales of principal services

(In TEUR)	2015	2014
Areas within the segment Telephony		
Voice Retail	4,674	5,979
Voice business customer	13,570	19,545
Data center services & operation	1,527	1,849
Total segment Telephony	19,771	27,373
Areas within the segment Services		
IT services/Cloud applications	549	343
Marketing services	17	12
Consulting/IT security/trade with IT licences	1,308	1,132
Total segment Services	1,874	1,487
Areas within the segment Renewable Energies		
Photovoltaic	1,901	1,838
Solar heat	12	1,313
Heating, cooling, ventilation	20,797	16,980
Wind	3,977	657
Miscellaneous	75	49
Total segment Renewable Energies	26,762	20,837

The 3U Group achieved sales in the amount of TEUR 6,178 resp. 12.8 % (previous year: TEUR 10,755 resp. 21.9 %) with the largest customer in the segment Telephony in the past year.

Geographical information of sales

(In TEUR)	2015	2014
Telephony	19,771	27,373
Of which domestic	13,922	16,991
Of which foreign	5,849	10,382
Services	1,874	1,486
Of which domestic	1,382	1,314
Of which foreign	492	172
Renewable Energies	26,762	20,837
Of which domestic	24,165	18,567
Of which foreign	2,597	2,270

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)	2015	2014
Switzerland	5,041	9,344
Austria	1,194	1,652

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. The income from traded royalties are calculated in advance and accrued over the service period.

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 6,858 (previous year: TEUR 5,458) in 2015.

The accumulated costs of the still ongoing construction contracts amounted to TEUR 2,910 (previous year: TEUR 1,120) and the cumulative recognized gains and losses to TEUR 1,169 (previous year: TEUR 381).

The proceeds from the lease of property are recognized on a monthly basis at the beginning of the month.

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

Allocation of sales

(In TEUR)	2015	2014
Services	21,527	34,490
Telecommunication services	19,162	26,573
IT services	51	242
Marketing	0	12
Consulting/IT security	194	417
Assembling and installation	483	6,508
Miscellaneous	1,637	738
Sales of goods	26,214	14,650
Energy and photovoltaic	5,152	2,510
Solar heat	12	1,290
Heating, cooling, ventilation	20,313	10,451
IT licences	737	399
User fee	495	97
Cloud applications	495	97
Total group	48,236	49,237

5.2 Other income

Other income includes the following items:

(In TEUR)	2015	2014
Earnings from minimisation of loss reserves	800	416
Remuneration in kind car use and other non-cash benefits	400	388
Income from the reversal of provisions/ provisions with liability characteristics	272	211
Insurance compensation	151	25
Income for other accounting periods	137	210
Income from deconsolidation	41	0
Income from currency conversion	32	71
Other income	506	682
Sum	2,339	2,003

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

5.3 Changes in inventories

Changes in inventories of TEUR 885 (previous year: TEUR 470) comprise work in progress in the segment Renewable Energies. This applies particularly to project developments in field of wind power.

5.4 Own work capitalized

Own work capitalized amounted to TEUR 14 (previous year: TEUR 50) 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)	2015	2014
Connection services	12,477	19,615
Materials/products used renewable energies	12,176	11,492
Expenses for purchased services	2,779	2,245
Network costs	1,453	1,487
Expenses in trade of IT licences	515	282
Performances in renewable energies	467	145
Costs of interconnection	158	182
Write-offs on inventories	0	164
Sum	30,025	35,612

5.6 Staff costs

Staff costs comprise the following:

(In TEUR)	2015	2014
Salaries and wages	8,703	8,521
Social security contributions	1,331	1,268
Other staff costs	163	267
Total	10,197	10,056

Expenses for the stock option plan 2011 in the amount of TEUR 9 (previous year: TEUR 113) are included in other staff costs.

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

Segment	2015	2014
Telephony	33	29
Services	21	22
Renewable Energies	79	72
Holding	29	30
Total	162	153

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 603 (previous year: TEUR 577).

5.7 Other operating expenses

Other operating expenses include the following items:

(In TEUR)	2015	2014
Maintenance	1,091	169
Promotion and hospitality expenses as well as sales commissions	963	908
Travel and automobile costs	937	989
Other consulting costs	487	371
Value adjustments to receivables	458	358
Premises expenses/rental expenses	373	421
Costs of legal advice	357	260
Insurances	297	158
Technical consultancy costs	289	284
Statements and audit costs	269	279
Charges for monetary transactions	203	155
Telephone/shipping costs	194	231
Expenses for other accounting periods	159	181
Other taxes	154	98
IT costs	130	102
Other social security expenses	74	54
Premiums and fees	48	58
Loss of receivables	45	31
Expenses from the loss of control of subsidiaries	18	304
Other operating expenses	695	849
Sum	7,241	6,260

Other operating expenses include expenses from currency conversions in the amount of TEUR 26 (previous year: TEUR 13).

5.8 Depreciation and amortisation

Amortization of intangible assets and property, plant and equipment amounted to TEUR 3,386 (previous year: TEUR 2,618). The increase in depreciation compared to the previous year is mainly due to full-year amortization of the acquired properties in the financial year 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)	2015	2014
Interest and similar income	45	29
Interest income	45	29
Interest expenses for loans receivable	-962	-573
Interest expenses	-962	-573
Profit/loss from companies included using the at-equity-method	6	-8
Total	-911	-552

5.10 Income tax expenses

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

(In TEUR)	2015	2014
Current income tax expenses	452	234
Deferred taxes	-3	59
Total	449	293

3U HOLDING AG and its German subsidiaries are subject to corporation and trade tax. In the business year 2015, 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 2015.

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

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

Deferred tax on hedging instruments recognized directly in equity amounted to TEUR 29 (previous year: TEUR 40).

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 transfer agreements have been adjusted in accordance with the tax requirements in 2014. The entries in the commercial register were made at the end 2014.

Effective January 1, 2015, 3U ENERGY AG as controlling company concluded a control and profit transfer agreement with 3U ENERGY PE GmbH. After approval of the shareholders of 3U ENERGY AG this profit transfer agreement was entered into the commercial register at the end of 2015.

In accordance with IAS 12.81, the following overview contains an 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:

Reconciliation	2015 TEUR	2015 %	2014 TEUR	2014 %
EBT	-286	100.0	-3,338	100.0
Earnings tax rate (28.775 %; previous year: 28.775 %)				
Calculated tax income/expenses	-82	28.7	-961	28.8
Tax-exempt income/non-deductible expenses	39	-13.6	37	-1.1
Effects of allowance of deferred taxes / Non-inclusion of deferred taxes from loss carry forwards	466	-162.9	1,098	-32.9
Effect of tax rate differences of foreign tax jurisdiction	1	-0.3	-43	1.3
Deviations due to different trade tax collection rates	13	-4.5	-8	0.2
Effects on the loss of control of subsidiaries	-7	2.4	87	-2.6
Effects from tax rate changes	0	0.0	19	-0.6
Aperiodic tax effects	10	-3.5	66	-2.0
Miscellaneous	9	-3.1	-2	0.1
Effective tax expenses	449	-156.8	293	-8.8

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:

	2015	2014
Basis of the basic and diluted earnings per share (attributable share of net profits attributable to the shareholders of the parent company in TEUR)	-821	-3,242
Number of shares		
As of January 1*	33,840,991	34,709,296
Buyback of own shares in January	-80,683	-84,496
Buyback of own shares in February	-78,500	-63,643
Buyback of own shares in March	-83,189	-68,374
Buyback of own shares in April	-53,396	-70,352
Buyback of own shares in May	-65,785	-77,993
Buyback of own shares in June	-74,171	-77,865
Buyback of own shares in July	-62,037	-85,133
Buyback of own shares in August	-60,375	-68,476
Buyback of own shares in September	-57,900	-78,093
Buyback of own shares in October	-61,072	-64,141
Buyback of own shares in November	-33,507	-69,585
Buyback of own shares in December	-	-60,154
As of December 31	33,130,376	33,840,991
Number of ordinary shares for basic earnings per share	33,339,804	34,158,805
Effect of dilutive potential of ordinary shares: options	0	0
Weighted average number of ordinary shares for diluted earnings	33,339,804	34,158,805
Earnings per share		
Earnings per share, undiluted (in EUR)	-0.02	-0.09
Earnings per share, diluted (in EUR)	-0.02	-0.09

*Buyback of own shares in 2013 in sum: 604,720 shares; in 2014 in sum: 868,305

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, 2015	Dec 31, 2014
Concessions, industrial property rights and similar rights and assets and licences to such rights and assets	927	1,065
Goodwill	603	603
Total	1,530	1,668

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.

As part of the acquisition of the cash-generating unit "Online Store" goodwill in the amount of TEUR 170 was determined. It was also in the context of the acquisitions of the Aufwind & ORBIS Havelland GmbH & Co. KG together with Aufwind & ORBIS Havelland Verwaltungs-GmbH (after accretion 3U ENERGY PE GmbH) that 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 Repowering Sachsen-Anhalt GmbH resulted in goodwill of TEUR 22. All goodwills were allocated to the segment Renewable Energies.

In fiscal 2015, the value in use determined in the context of the impairment tests exceeded the carrying amounts of the cash-generating units in all cases so that impairment of the goodwill in fiscal 2015 as well as in previous periods has not been made.

To calculate the value in use the key assumptions in the online shop are based on the growth rates of the past as well as available market studies. The assumption of the sales in project development is based on the previously existing offers for individual wind farm projects and on known offers from other developers. It is also expected that the necessary approvals for planned wind farm projects are granted. Sales in the wind farm Langendorf were determined on the basis of secured EEG remuneration and an availability of at least 97 %.

In determining the use values as of December 31, 2015, a weighted average cost of capital before tax (WACC) of 9.37 % for the cash-generating unit "Online Shop", 12.23 % for the project development (3U ENERGY PE GmbH) and 11.07 % for the production of wind energy (Windpark Langendorf GmbH & Co. KG) was used (previous year: 16.8 %). Changes in key assumptions may generally have a significant impact on the respective values. According to current estimations it is not expected that the use values of the cash-generating units are 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 in the financial year 2014 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 properties are shown under investment properties. The data center real estate in Hanover, which was acquired in the fiscal year 2014, 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 475 in fiscal year 2015 (previous year: TEUR 458). Operating expenses in fiscal year 2015 for the investment properties emerged in the amount of TEUR 90 (previous year: TEUR 80). Thereof TEUR 90 (previous year: TEUR 80) are allotted to leased investment properties and TEUR 0 to real estate which produced no rental income in 2015 resp. 2014.

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 9,345 (previous year: TEUR 8,855) as at December 31, 2015. In the reporting year subsequent acquisition costs of EUR 83 were incurred.

The fair values (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	5.97 %	5.94 %
Management costs	19.00 %	21.00 %
Remaining useful life of the building	32 years	37 years
Tax-free land value	23.00 EUR/sqm	148.50 EUR/sqm

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

6.1.4 Financial assets

Investments accounted for using the equity method

As of December 31, 2015, Spider Telecom GmbH, was accounted for using the equity method. Via Spider Telecom GmbH substantial contributions margins for the telephony network operation are generated. The summarised financial information for this investment is as follows:

Spider Telecom GmbH

Spider Telecom GmbH (in TEUR)	Dec 31, 2015	Dec 31, 2014
Total current assets	557	674
Total non-current assets	0	0
Total current liabilities	444	469
Total non-current liabilities	0	0
Write-offs	0	0
Interest earnings	1	0
Interest expenses	3	2
Taxes	2	72
Sales	890	1,104
Profit/loss (-) after taxes	88	179

Cash and cash equivalents in the amount of TEUR 245 (previous year: TEUR 274) are included in current assets. Current liabilities include financial liabilities of TEUR 0 (previous year: TEUR 0). There were no long-term financial liabilities at December 31, 2015 resp. at December 31, 2014.

The day of the statement of financial position of the companies is December 31, 2015 resp. December 31, 2014.

The Spider Telecom GmbH has concluded a cost allocation agreement with its other shareholders. In the fiscal year an amount of TEUR 390 (previous year: TEUR 360) were settled based on this agreement.

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

Carrying amount (in TEUR)	2015	2014
As of January 1	13	608
Collected distribution of earnings	0	-459
Disposal	0	-136
Pro rata share of net result for the year	6	0
As of December 31	19	13

As at January 1, 2014 Sanhe EuroSolar Solar Energy Technology Ltd., Sanhe, China was accounted for using the equity method as well. It was sold late 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 other financial assets were also the project-shelf companies in the field of wind farm project development as well as other companies whose influence, both individually and collectively are immaterial to the financial condition and results of operations.

Other long-term assets

Loans

Since January 1, 2015, there is a loan agreement with a term of 48 months and an interest rate of 2.5 %. The loan is secured by transferring ownership of fixed assets and inventories. The balance of the loan is TEUR 809 as at December 31, 2015.

6.1.5 Operate lease

There are contracts in connection with operating leases within the 3U Group, in which the 3U Group is the lessee that 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 2,329 (previous year: TEUR 8,603). Of this amount, TEUR 571 (previous year: TEUR 1,489) is due within one year and TEUR 1,066 (previous year: TEUR 3,787) within two to four years and TEUR 692 (previous year: TEUR 3,327) within five to ten years.

There are options to extend in the wind farm areas of five years. There are no further extension or purchase options. As a lessor, the 3U Group concluded leases for real estate. The minimum lease payments under these leases amount to TEUR 616 (previous year: TEUR 698). Of this amount, TEUR 229 (previous year: TEUR 262) are due within one year and TEUR 387 (previous year: TEUR 362) within two to four years and TEUR 0 (previous year: TEUR 74) within five to ten years.

There are options to extend the building lease by the tenant.

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, 2015		Dec 31, 2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	0	192	0	213
Property, plant and equipment	0	720	0	537
Other assets	37	3	1	4
Provisions	125	16	86	0
Liabilities	46	35	0	0
Other liabilities	0	0	53	0
Loss carry forwards	555	0	419	0
Sub total	763	966	559	754
Netting	261	261	87	87
Total	502	705	472	667

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 261 (previous year: TEUR 87).

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 30,412 (previous year: TEUR 29,260) for corporation tax and TEUR 31,636 (previous year: TEUR 30,406) for trade tax and primarily relate to the loss carry-forwards from the companies being established as well as 3U HOLDING AG.

At the balance sheet date there are taxable temporary differences associated with subsidiaries in the amount of TEUR 177 (previous year: TEUR 190) on which no deferred taxes have been accrued, since neither sale nor profit distributions are planned.

6.3 Inventories

Inventories are made up as follows:

(In TEUR)	Dec 31, 2015	Dec 31, 2014
Raw materials and supplies	239	255
Work in progress	4,095	3,194
Finished products and goods	2,464	1,152
Total	6,798	4,601

Inventories are priced with the net residual value in the amount of TEUR 0 (previous year: TEUR 0). Write-ups were not carried out in 2015 or 2014.

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

As part of the interim financing for the wind farm Lüdersdorf the project development and the corresponding land rights with a carrying value of EUR 2,124 (previous year: TEUR 0) were used as collateral.

6.4 Trade receivables

Trade receivables are composed as follows:

(In TEUR)	Dec 31, 2015	Dec 31, 2014
Trade receivables from third parties	7,906	9,029
POC receivables	144	101
Valuation allowances	-1,138	-3,142
Total	6,912	5,988

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 1,138 (previous year: TEUR 3,074) 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 decrease in specific allowances is essentially due to a mutual compromise with a business partner in the segment Telephony. 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 estimations 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, 2015	Dec 31, 2014
Receivables from tax refunds	1,137	1,864
Deposits	19	29
Advance payments	278	260
Others	493	800
Total	1,927	2,953

Income tax assets in the amount of TEUR 486 (previous year: TEUR 1,332) are included in receivables from tax refunds.

Other current assets include receivables from affiliated companies which have not been consolidated or in which an associated equity investment is held as follows:

(In TEUR)	Dec 31, 2015	Dec 31, 2014
Other receivables	185	45
Valuation allowances	-38	-38
Total	147	7

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

Please refer to section 8.2 for information about default risk.

6.6 Cash and cash equivalents

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

Please refer to section 8.2 for information about default risk.

6.7 Shareholders' equity

6.7.1 Issued capital

Since November 27, 2012 the nominal share capital comprises of 35,314,016 of no-par value shares with a nominal value of EUR 1.00 per share. The total share capital is fully paid.

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

The Management Board of 3U HOLDING decided on May 26, 2011 to use the authorization granted by the AGM of August 19, 2010 to repurchase up to 10 % of its own shares on the stock exchange in the period from July 1, 2011 to at the latest August 18, 2015. The share repurchase program was started on July 1, 2011 and was completed on October 25, 2011 after a total of 3,923,770 million shares were purchased, equivalent to almost 10 % of the share capital of EUR 39,237,786.00. In November 2012 the Management Board decided to collect these 3,923,770 shares.

Authorised capital

At the Annual General Meeting on August 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, 2015 1,840,000 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, 2015 the Company reports a capital reserve of TEUR 10,345 (previous year: TEUR 10,088) and retained earnings amounting to TEUR -719 (previous year: TEUR 692).

The capital reserve of TEUR 10,345 (previous year: TEUR 10,088) contains the premium to the nominal amount from the issuance of shares of 3U HOLDING AG in an amount of TEUR 21,499 (previous year: TEUR 21,499). The stock option program led to an increase in the capital reserve in the amount of TEUR 9 (previous year: TEUR 113) in 2015. Other changes resulted from the acquisition of treasury shares in the amount of TEUR 463 (previous year: TEUR 353).

Own shares

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

(In units)	2015	2014
As of January 1	1,473,025	604,720
Buy back of own shares	710,615	868,305
As of December 31	2,183,640	1,473,025

Dividend payments

No dividend was declared for fiscal year 2014. For the year 2015 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. On

this basis, the Management Board decided on November 12, 2015 to suspend its share buyback program. 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. 2,183,640 shares (previous year: 1,473,025 shares), equivalent to 6.18 % of the share capital of EUR 35,314,016.00 were repurchased by December 31, 2015.

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 1,840,000 options were forfeited at the date of the statement of financial position.

The development of the stock options is as follows:

(In units)	2015	2014
As of January 1	2,992,500	3,275,000
Issued	0	0
Forfeited	230,000	282,500
As of December 31	2,762,500	2,992,500

6.7.4 Non-controlling interests

The equity interests of other shareholders amounted to TEUR -1,237 (previous year: TEUR -823).

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

(In TEUR)	Dec 31, 2015	Dec 31, 2014
ClimaLevel Energiesysteme GmbH	42	-23
RISIMA Consulting GmbH	-125	-136
Selfio GmbH	146	631
weclapp GmbH	-1,300	-1,295
Total	-1,237	-823

The share of non-controlling shareholders in Selfio GmbH relates to the income entitlement for the fiscal year 2015.

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

Selfio GmbH (as at December 31, 2015 3U HOLDING AG is 100 % shareholder)

	Dec 31, 2015	Dec 31, 2014
Share in %	0.0	40.0
Sales in TEUR	11,679	9,476
EBITDA in TEUR	645	518
Assets in TEUR	2,475	2,714
Liabilities in TEUR	723	1,134
Total Cash flow in TEUR	-1,079	571
Earnings attributable to non-controlling interests	146	103

In fiscal 2015, an amount of TEUR 77 (previous year: EUR 0) was paid out to the non-controlling shareholders.

weclapp GmbH

	Dec 31, 2015	Dec 31, 2014
Share in %	25.0002	25.004
Sales in TEUR	549	343
EBITDA in TEUR	-507	-596
Assets in TEUR	300	78
Liabilities in TEUR	5,499	5,256
Total Cash flow in TEUR	176	-27
Earnings attributable to non-controlling interests	-155	-182

ClimaLevel Energiesysteme GmbH

	Dec 31, 2015	Dec 31, 2014
Share in %	25.0	25.0
Sales in TEUR	7,072	6,288
EBITDA in TEUR	458	-61
Assets in TEUR	1,885	1,560
Liabilities in TEUR	1,718	1,651
Total Cash flow in TEUR	103	-4
Earnings attributable to non-controlling interests	84	-30

RISIMA Consulting GmbH

	Dec 31, 2015	Dec 31, 2014
Share in %	25.0	25.0
Sales in TEUR	1,327	1,146
EBITDA in TEUR	54	-224
Assets in TEUR	658	868
Liabilities in TEUR	1,154	1,409
Total Cash flow in TEUR	-179	208
Earnings attributable to non-controlling interests	14	-64

6.8 Financial liabilities

The non-current financial liabilities refer to long-term banking loans, which were contracted for the financing of properties, solar parks and wind farms.

A loan for the Marburg site was valued at TEUR 1,575 (previous year: TEUR 1,688). The loan has 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, 2015 with TEUR 621 each (previous year: TEUR 676).

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 188 (previous year: TEUR 241) 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, 2015 at TEUR 12,548 (previous year: TEUR 13,508). As part of this loan a credit in the amount of TEUR 832 was pledged to a 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 2015 with TEUR 5,475 (previous year: 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 took place on June 30, 2015 and December 31, 2015 and confirmed their compliance. As further security serves the credit in the amount of TEUR 1,500, which was pledged under the credit line.

In fiscal year 2015, the financing for the acquisition of the wind farm Langendorf in the amount of TEUR 9,000 was retrieved. The loan has a term until December 30, 2019 and was valued on December 31, 2015 with TEUR 7,150 (previous year: EUR 0). It is secured by the assignment of the claim from the power supply through space security of the 15 wind turbines and limited personal easements by registration in the land registry and registration of a land charge amounting to TEUR 100. Under this loan also a credit in the amount of TEUR 900 was pledged to a debt service reserve account.

The short-term debt is the part of the loan which 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, 2015 as part of a guaranteed credit is drawn on by guarantees totalling TEUR 595 (previous year: TEUR 585). 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.

Of the loans payable are due as of December 31:

(In TEUR)	Dec 31, 2015	Dec 31, 2014
Within a year	3,218	1,395
Between one and five years	14,783	9,768
After five years	10,177	11,246
Total	28,178	22,409

The loans have an interest between 1.89 % and 3.85 % p. a.

6.9 Other current liabilities and current income tax liabilities

Other current liabilities comprise the following:

(In TEUR)	Dec 31, 2015	Dec 31, 2014
Purchase price obligation	1,447	13,160
Other taxes	583	560
Provisions of a liability nature	770	493
Staff obligations	523	549
Income tax	264	371
Other liabilities	1,194	1,161
Total	4,781	16,294

The obligation to pay the price relates to the remaining purchase price from 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, 2015.

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

6.10 Provisions

Provisions comprise the following:

(In TEUR)	Dec 31, 2015 Current	Dec 31, 2015 Non-current	Dec 31, 2014 Current	Dec 31, 2014 Non-current
Restoration obligations	0	665	0	758
Litigation risks	13	0	53	0
Other	388	0	547	0
Total	401	665	600	758

The development is presented as follows:

(In TEUR)	As of Jan 1, 2015	Changes in the com- position of the group	Utili- sation	Reversal	Accumu- lation	Allo- cation	As of Dec 31, 2015
Restoration obligations	758	0	105	0	12	0	665
Litigation risks	53	0	22	21	0	3	13
Other	547	-2	301	155	0	299	388
Total	1,358	-2	428	176	12	302	1,066

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.

2015 (in TEUR)	Loans	Cash and cash equivalents	Trade receivables	Other financial assets	Liabilities
Loans and receivables	0	7,698	6,912	2,625	0
Financial liabilities that are valued at amortized cost	0	0	0	0	36,212
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	101
Total	0	7,698	6,912	2,625	36,313

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

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 fair valuations in the balance sheet are classified according to a three-level hierarchy. The hierarchy gives the type and quality of the fair value (market prices). The following levels exist:

- Stage 1: publicly known market prices for the relevant financial instrument (e.g. stock market prices.).
- Stage 2: market prices which are not generally accessible and possibly derived from prices for similar financial instruments or underlying assets.
- Stage 3: prices that are not based on market data.

The fair value of interest swaps was determined according to stage 2. The assessment is based on market data at the measurement date and using generally accepted valuation models. For the fair value measurement of interest rate swaps market observable yield curves and volatilities of active markets are considered.

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 2015.

Liabilities are divided into non-current liabilities amounting to TEUR 24,960 (previous year: TEUR 21,014) and current liabilities of TEUR 11,252 (previous year: TEUR 20,649).

Net losses including changes in value adjustments from loans and receivables amounted to TEUR 456 (previous year: TEUR 335).

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, 2015 there are financial assets in the amount of TEUR 1,323 (amount after netting: TEUR 279) and financial liabilities in the amount of TEUR 1,389 (amount after netting: TEUR 345) 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.

6.12 Contingent liabilities and other financial obligations

As at December 31 the following financial obligations remain:

(In TEUR)	Dec 31, 2015	Dec 31, 2014
Within one year	6,930	1,498
Between one and five years	1,066	3,787
After five years	692	3,327
Total	8,688	8,612

The purchase commitments included in the other financial obligations occurring within a year amount to TEUR 6,359 (previous year: TEUR 8). Included in order commitments is the obligation from the contract for the construction of two wind turbines with the system manufacturer (tangible assets EUR 6.4 million). The financing of this contract is part of the interim financing contract concluded in 2015 in the amount of EUR 8.9 million

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 are restrictions for the debt service reserve account in connection with the financing of the solar park Adelebsen in the amount of EUR 0.83 million and for the wind farm Langendorf in the amount of EUR 0.90 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 13 (previous year: TEUR 53) were created for existing legal disputes as at December 31, 2015.

7 Notes to the consolidated statement of cash flows

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

(In TEUR)	Dec 31, 2015	Dec 31, 2014
Fixed deposits	1,500	1,500
Credit with banks and cash	6,198	14,568
Total cash and cash equivalents	7,698	16,068
Less credit deposited as security	3,232	2,332
Cash and cash equivalents	4,466	13,736

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 1,119 (previous year: TEUR 16) from operating activities in continued operations.

Cash flow from investing activities amounted to TEUR -14,656 (previous year: TEUR -10,2999) and cash flow from financing activities amounted to TEUR 5,381 (previous year: TEUR 18,373). In addition, exchange rate related changes and consolidation-related changes in the amount of TEUR 12 (previous year: TEUR -41) arose.

Cash and cash equivalents that are restricted have increased by TEUR 900 in connection with the financing of the wind farm Langendorf.

In total, cash and cash equivalents increased in an amount of TEUR 9,270 (previous year: TEUR 7,217).

Of the cash and cash equivalents reported at the end of the period amounting to TEUR 7,698 (previous year: TEUR 16,068), there is a restriction on the disposal of a total of TEUR 3,232 (previous year: TEUR 2,332). These are deducted from cash, so that the cash funds are reduced accordingly.

In fiscal year 2015, interest income received in the amount of TEUR 45 (previous year: TEUR 29) is offset by interest payments in the amount of TEUR 950 (previous year: TEUR 569).

No dividends (previous year: no dividends) were paid in fiscal 2015 to shareholders.

For the disinvestment/investment of shares in Subsidiaries liquid assets of TEUR 3 (previous year: TEUR 0) were accrued by the Group and TEUR 13,746 (previous year: TEUR 1,782) 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)	2015			2014		
	Inflow	Outflow	Net	Inflow	Outflow	Net
Acquisition	0	13,713	-13,713	0	1,743	-1,743
Disposition	3	33	-30	0	39	-39
Total	3	13,746	-13,743	0	1,782	-1,782

Deconsolidation of subsidiaries resulted in a change in cash and cash equivalents amounting to TEUR -226 (previous year: EUR 0).

In the scope of the deconsolidation of subsidiaries assets in the amount of TEUR 67 (thereof current TEUR 67; long term TEUR 0) and liabilities of TEUR 34 (of which current TEUR 34; long term: TEUR 0) were disposed from the Group.

Income taxes of TEUR 287 have been received (previous year: reimbursement of TEUR 117) in 2015.

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, 2015 and December 31, 2014, reported equity and total assets amounted to:

	Dec 31, 2015	Dec 31, 2014	Change
Equity in TEUR	38,569	41,653	
Equity in % of total capital	50.21 %	48.60 %	+1.61 percentage points
Borrowed capital in TEUR	38,247	44,059	
Borrowed capital in % of total capital	49.79 %	51.40 %	-1.61 percentage points
Total capital (equity plus borrowed capital) in TEUR	76,816	85,712	

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 EUR or USD. Trade payables in foreign currency are still losing importance for the Group, so principally there is only a small 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, 2015 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, 2015 is attributable to the activities of the segment Telephony and is as follows:

Assets:	TEUR 26
Liabilities:	TEUR 0

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 counterparties 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 595 (previous year: TEUR 585) were utilised as part of bank guarantees at the date of the statement of financial position. In connection with the construction of the wind farm Lüdersdorf a credit agreement on the financing of EUR 8.9 million was completed in fiscal year 2015.

In addition, a performance bond for the equipment manufacturer in the amount of TEUR 7,561 was issued by the financing bank.

3U expects that it will be able to fulfill 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 5.48 million (previous year: EUR 5.78 million) at the date of the statement of financial position. The fair value of the interest rate swap amounted to TEUR -101 (previous year: 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 joint ventures who are considered related parties of the Group. These are Spider Telecom GmbH and in the previous year also 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, 2015 amounted to TEUR 38 (previous year: TEUR 7) and current liabilities in the amount of TEUR 84 (previous year: TEUR 85). At 3U HOLDING AG there were current demands on these companies amounting to TEUR 0 (previous year: TEUR 0) and current liabilities of TEUR 0 (previous year: TEUR 0).

Income of TEUR 483 (previous year: TEUR 480) and expenses in the amount of TEUR 0 (previous year: TEUR 982) result from these transactions at subsidiaries of 3U HOLDING AG in fiscal year 2015. This income amounted to TEUR 12 (previous year: TEUR 15) 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 2015 there was income of TEUR 16 (previous year: TEUR 8) and expenses of TEUR 14 (previous year: TEUR 45). As at December 31, 2015 there were current loans amounting to TEUR 0 (previous year: TEUR 0) and current debt of TEUR 0 (previous year: TEUR 0).

As part of the increased stake in Selfio GmbH a purchase price has been paid to the co-owners and former directors in the amount of EUR 2.0 million. The purchase price is covered by the opinion of an independent expert.

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 2015 amounted to TEUR 826 (previous year: TEUR 843).

In the variable remuneration of 2015 50 % of the maximum possible variable remuneration in 2015 of TEUR 150 (Michael Schmidt), TEUR 18 (Andreas Odenbreit) resp. TEUR 18 (Christoph Hellrung) is included.

Name	Fixed remuneration in TEUR		Variable remuneration in TEUR		Total remuneration in TEUR	
	2015	2014	2015	2014	2015	2014
Michael Schmidt (Speaker of the Management Board)	317	334	150	150	467	484
Andreas Odenbreit	159	159	18	18	177	177
Christoph Hellrung	164	164	18	18	182	182
Sum	640	657	186*	186**	826	843

*In an amount of TEUR 75 already paid in 2015, the balance of TEUR 111 is due short term.

**The amount of TEUR 75 was paid in 2014 and TEUR 111 was paid in 2015.

In the fiscal year 2011 the following stock options were issued to Members of the Board. In fiscal year 2015, 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, 2015 and was prolonged until December 31, 2016.

Shares held by the Management Board and the Supervisory Board as of December 31, 2015:

Name	Function	Number of shares	Stock options 2015	
			Number	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
Stefan Thies	Supervisory Board	12,000	0	0
Jürgen Beck-Bazlen	Supervisory Board	1,120,000	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 2015, TEUR 9 (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 and Management Consultant Deputy Chairman of the Supervisory Board of 3U HOLDING AG (until May 21, 2015) Other Supervisory Board or Advisory Board mandates: Member of the Supervisory Board of Elabs AG, Frankfurt am Main, and since May 11, 2015 member of the Supervisory Board of 3U ENERGY AG, Marburg
Stefan Thies	Heinsberg Degree in business and tax consulting Member of the Supervisory Board of 3U HOLDING AG, and since May 21, 2015 Deputy Chairman of the Supervisory Board
Jürgen Beck-Bazlen	Ostfildern Construction physicist Member of the Supervisory Board of 3U HOLDING AG (since May 21, 2015) Other Supervisory Board or Advisory Board mandates: Member of the Supervisory Board of Sanierungs- und Entwicklungsgesellschaft Ostfildern mbH, Ostfildern

The remuneration for 2015 amounted to TEUR 167 (previous year: TEUR 68). For 2015 a performance fee of TEUR 92 (previous year: TEUR 0) was accrued.

Name	Fixed remuneration in TEUR		Attendance-fee in TEUR		Performance related remuneration in TEUR		Total remuneration in TEUR	
	2015	2014	2015	2014	2015	2014	2015	2014
Ralf Thoenes (Chairman)	10	10	18	15	40	0	68	25
Gerd Simon (until 5/21/2015)	3	8	5	15	13	0	21	23
Stefan Thies	6	5	18	15	26	0	50	20
Jürgen Beck-Bazlen (since 5/21/2015)	3	–	13	–	13	–	29	–
Sum*	23*	23	53*	45	92	0	167*	68

*Due to rounding differences in the totals line

In addition, the Supervisory Board receives a reimbursement of their travel costs and other expenses. Mr Thoenes received TEUR 1.8 (previous year: TEUR 0.5), Mr Simon TEUR 0.4 (previous year: TEUR 1.7), Mr Thies TEUR 0.8 (prior year: TEUR 0.8) and Mr Beck-Bazlen TEUR 1.3 (previous year: none) as reimbursements for expenses in fiscal year 2015. Mr Thoenes also received attendance fees and reimbursement of expenses for his supervisory activities at 3U ENERGY AG amounting to TEUR 9 (previous year: TEUR 6) for fiscal year 2015.

Mr Simon received for the first time meeting fees and reimbursement in the amount of TEUR 9 of expenses for his supervisory activities at 3U ENERGY AG in the fiscal year 2015.

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 40 (previous year TEUR 8) plus VAT for its consultancy services and reimbursements for expenses for the 3U Group. These were provided to 3U HOLDING AG in the amount of TEUR 28 and to 3U ENERGY AG in the amount of TEUR 12 (previous year: TEUR 4 to 3U ENERGY AG and TEUR 4 for RISIMA Consulting GmbH).

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 2015 are:

Annual audit services	TEUR 230	(previous year: TEUR 268)
Other assurance services	TEUR 0	(previous year: TEUR 0)
Tax consulting services	TEUR 0	(previous year: TEUR 10)
Other services	TEUR 4	(previous year: TEUR 38)
Total	TEUR 234	(previous year: TEUR 316)

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, Section 1 of the WpHG (German Securities Trading Act), by way of a letter dated November 28, 2012, Michael Schmidt, 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, Section 2, Sentence 1 of the WpHG, by way of a letter dated April 4, 2002, Roland Thieme, 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.

On February 4, 2015, Mr Jürgen Beck-Bazlen, Ostfildern, has informed us according to Article 21, Section 1 of the WpHG that via shares his Voting Rights on 3U HOLDING AG, Marburg, Germany, have exceeded the 3 % threshold of the Voting Rights on February 2, 2015 and on that day amounted to 3.028 % (this corresponds to 1,069,418 Voting Rights).

Pursuant to Article 26, Section 1, Sentence 2 of the WpHG, 3U HOLDING AG announced on April 29, 2015 that its share in own shares has exceeded the threshold of 5 % of the Voting Rights and on that day amounted to 5.0088 % (this corresponds to 1,768,793 Voting Rights).

On May 7, 2015, Mr Matthias Zettler, Memmingen, has informed us according to Article 21, Section 1 of the WpHG (German Securities Trading Act) that via shares his Voting Rights on 3U HOLDING AG, Marburg, Germany, have exceeded the 3 % threshold of the Voting Rights on May 6, 2015 and on that day amounted to 3.53 % (this corresponds to 1,247,076 Voting Rights). 3.16 % of Voting Rights (this corresponds to 1,115,076 Voting Rights) are attributed to Mr Zettler in accordance with Article 22, Section 1, Sentence 1, No. 6 of the WpHG.

On May 21, 2015, Mr Matthias Zettler, Memmingen, has informed us according to Article 21, Section 1 of the WpHG (German Securities Trading Act) that via shares his Voting Rights on 3U HOLDING AG, Marburg, Germany, have exceeded the 5 % threshold of the Voting Rights on May 13, 2015 and on that day amounted to 7.47 % (this corresponds to 2,638,913 Voting Rights). 7.10 % of Voting Rights (this corresponds to 2,506,802 Voting Rights) are attributed to Mr Zettler in accordance with Article 22, Section 1, Sentence 1, No. 6 of the WpHG.

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
- 3U TELECOM GmbH, Marburg
- Discount Telecom S&V GmbH, Marburg
- fon4U Telecom GmbH, Marburg
- LineCall Telecom 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 4, 2016. 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 4, 2016

The Management Board

Michael Schmidt

Christoph Hellrung

Andreas Odenbreit

Appendix to the Notes:

Development of fixed assets 2015

3U Group (in TEUR)	Historical acquisition and production cost					As of Dec 31, 2015
	As of Jan 1, 2015	Additions	Reclassi- fications	Disposals	Changes in the basis of consolidation	
I. Intangible assets						
1. Purchased concessions, industrial property rights and similar rights and assets and licences to such rights and assets	4,978	78	0	0	-4	5,052
2. Customer base	334	0	0	0	-3	331
3. Goodwill	616	0	0	0	0	616
Total intangible assets	5,928	78	0	0	-7	5,999
II. Property, plant and equipment						
1. Land and buildings including buildings on third party land	17,310	79	0	13	0	17,376
2. Technical equipment and machines	35,729	226	0	108	0	35,847
3. Other equipment, plant and office equipment	2,456	455	0	38	-18	2,855
4. Constructions in progress	282	0	0	33	-17	232
Total property, plant and equipment	55,777	760	0	192	-35	56,310
III. Investment properties						
Held as investment properties	8,414	84	0	0	0	8,498
Total investment properties	8,414	84	0	0	0	8,498
Total fixed assets	70,119	922	0	192	-42	70,807

Numbers are rounded. Rounding differences may arise in the summation.

As of Jan 1, 2015	Additions	Accumulated depreciation			As of Dec 31, 2015	Carrying amounts	
		Reclassi- fications	Disposals	Changes in the basis of consolidation		As of Dec 31, 2015	As of Dec 31, 2014
3,913	216	0	0	-4	4,125	927	1,065
334	0	0	0	-3	331	0	0
13	0	0	0	0	13	603	603
4,260	216	0	0	-7	4,469	1,530	1,668
1,461	462	0	5	0	1,918	15,458	15,849
8,023	2,251	0	0	0	10,275	25,572	27,706
1,786	199	0	17	-7	1,961	894	670
17	0	0	0	-17	0	232	265
11,287	2,912	0	22	-24	14,154	42,156	44,490
339	258	0	0	0	597	7,901	8,075
339	258	0	0	0	597	7,901	8,075
15,886	3,386	0	22	-31	19,220	51,587	54,233

Appendix to the Notes:

Development of fixed assets 2014

3U Group (in TEUR)	Historical acquisition and production cost					As of Dec 31, 2014
	As of Jan 1, 2014	Additions	Reclassi- fications	Disposals	Changes in the basis of consolidation	
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

Numbers are rounded. Rounding differences may arise in the summation.

As of Jan 1, 2014	Additions	Accumulated depreciation			As of Dec 31, 2014	Carrying amounts	
		Reclassi- fications	Disposals	Changes in the basis of consolidation		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



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 2015 to 31. December 2015. 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 4, 2016

BDO AG
Wirtschaftsprüfungsgesellschaft

Fritz
Wirtschaftsprüfer

Barhold
Wirtschaftsprüfer

*Free translation



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Financial calendar

- **Publication of report on Q1 2016**
May 13, 2016
- **Annual General Meeting**
May 25, 2016
- **Publication of report on Q2 2016**
August 12, 2016
- **Publication of report on Q3 2016**
November 15, 2016

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Glossary

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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 manage-

ment 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

168 Imprint

Published by

3U HOLDING AG
Frauenbergstraße 31-33
35039 Marburg
Germany

Photographs

grossimov – Fotolia (title)
J. Laackman, PSL-Studios-Marburg (page 3)
Shutterstock Images LLC (page 18)
Publitek, Inc. dba Fotosearch (page 82, 162, 164)

Font

Interstate by Tobias Frere-Jones
(manufacturer: The Font Bureau)

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Printed in Germany

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	Services	Renewable Energies
010017 Telecom GmbH Marburg, Germany	RISIMA Consulting GmbH Marburg, Germany	3U ENERGY AG Marburg, Germany
3U TELECOM GmbH Marburg, Germany	weclapp GmbH Marburg, Germany	3U ENERGY PE GmbH Kloster Lehnin, Germany
3U TELECOM GmbH Vienna, Austria		3U Euro Energy Systems GmbH Marburg, Germany
Discount Telecom S&V GmbH Marburg, Germany		ClimaLevel Energiesysteme GmbH Cologne, Germany
Exacor GmbH Marburg, Germany		Immowerker GmbH Marburg, Germany
fon4U Telecom GmbH Marburg, Germany		Märkische Windkraft 110 GmbH & Co. KG Berlin, Germany
LineCall Telecom GmbH Marburg, Germany		PELIA Gebäudesysteme GmbH Montabaur, Germany
OneTel Telecommunication GmbH Marburg, Germany		Repowering Sachsen-Anhalt GmbH Marburg, Germany
		Selfio GmbH Linz am Rhein, Germany
		Solarpark Adelebsen GmbH Adelebsen, Germany
		Windpark Langendorf GmbH & Co. KG Elsteraue, Germany
		Windpark Langendorf Verwaltungsgesellschaft mbH Elsteraue, Germany

*Consolidated Subsidiaries



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