



**3U HOLDING AG**  
**Quarterly Report 3/2009**

# Summary of Group results

3U Group (IFRS)		9-month comparison 1 January-30 September	
		2009	2008
Sales	(in EUR million)	70.77	80.59*
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	10.71	8.48*
EBIT (earnings before interest and taxes)	(in EUR million)	3.93	-1.34*
EBT (earnings before tax)	(in EUR million)	3.03	-2.10*
Net income/loss for the period	(in EUR million)	1.09	-3.01*
Total earnings per share (undiluted)	(in EUR)	0.02	-0.06
Total earnings per share (diluted)	(in EUR)	0.02	-0.06
Equity ratio	(in %)	49.31	43.71

3U Group (IFRS)		Quarterly comparison 1 July-30 September	
		2009	2008
Sales	(in EUR million)	22.41	27.67*
EBITDA (earnings before interest, taxes and amortisation)	(in EUR million)	4.15	2.96*
EBIT (earnings before interest and taxes)	(in EUR million)	1.93	-2.20*
EBT (earnings before tax)	(in EUR million)	1.65	-2.45*
Net income/loss for the period	(in EUR million)	0.82	-2.84*
Total earnings per share (undiluted)	(in EUR)	0.02	-0.06
Total earnings per share (diluted)	(in EUR)	0.02	-0.06
Equity ratio	(in %)	49.31	43.71

\*Results of the 2008 disposed company 3U TELECOM INC., USA are not included anymore.

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# Letter to our Shareholders

**Dear Shareholders,**

winds of change seem to be blowing over the German economy in the third quarter 2009. According to the Federal Ministry of Economics and Technology, the total economic performance has increased again in the third quarter 2009. Nonetheless, the economic climate remains difficult and also has an impact on the development of the affiliates.

Not only since the outbreak of the global financial crisis and the related recession, is our strategy geared towards strengthening profits and financial power. We have consistently adhered to our priority objective to increase the operative result and hence the enterprise value. Our efforts have lead to a positive development for us in the current business year. In addition, key performance indicators reached record levels.

Whether listed companies keep to their prognosis also heavily influences the development of financial markets. After nine months of the current business year we are very optimistic to fulfil our repeatedly raised earnings prognosis with an EBITDA target of between 12 and 14 million Euros.

Despite the overall positive development of the Group, we continue to see a diverging trend in our two core segments. The fixed-line telephony segment performed well in the first nine months of 2009 and realised an EBITDA of TEUR 7,145 and a surplus of TEUR 5,115. We have continuously searched for attractive market niches in the past and now profit from the successful positioning in those niches.

The broadband/IP segment generated an EBITDA of TEUR 3,565 and reported a deficit for the nine months of TEUR 4,027 above all because of the continuing high write-downs. Due to this ongoing unsatisfying results and in keeping the difficult market conditions in this segment in mind, LambdaNet's management has planned far-reaching measures which also includes staff downsizing. These should secure that the services successfully offered in the market can continue to be offered on a high level and for attractive prices. In order to focus more strongly on clients' needs and the related processes, the existing resources are newly arranged and bundled together with other corporations of the Group. The objective of this restructuring and of the efficient employment of our resources is to increase all synergy potentials across the Group and to steer LambdaNet to the point of profitability within short time.

Outside of the two key segments, no significant revenues have been generated so far. For the Group as a whole, therefore, there was an EBITDA of TEUR 10,711 and a surplus for the nine months of TEUR 1,089 on revenues of TEUR 70,765.

The 3U HOLDING AG is continuously expanding its activities in the Renewable Energies sector. In addition to the advancements regarding the building of the new Company headquarters equipped with progressive technologies, in which the concept "solar heating power plant" ("Solarheizkraftwerk, SHKW") is implemented for the first time, a further business venture, the 3U SOLAR Systemhandel, was entered into in the current fourth quarter 2009. This company will be operating as of the first quarter 2010 at the latest. The organic growth in this area will be supported by further company start-ups in the coming quarters.

In the persistent economic crisis we have approached with the necessary care and scepticism to the submitted business plans. Numerous competitors have failed in the past quarters with the attempt to advance in new business segments and have lost value as a result. Within the scope of our continuous assessment of participation inquiries, an opportunity resulted to acquire a minority stake in an attractive business venture that was opportunistically entered into in the current fourth quarter. This stake, which is in the lower 6-digit area, is an online platform, which starts operations soon. While the focus of our investment strategy is still geared towards investments in the lower to middle 7-digit area, we will make use of attractive investment opportunities outside of this focus.

We were undoubtedly confronted by big challenges in the business year 2009. In the light of the biggest economic crisis of our country we are very satisfied with our overall business development. With a very solid equity ratio of 49.3 % and liquid assets to the value of TEUR 31,128 we are able to grab opportunities at any time and to therefore pave the way for future profitable growth of our Company. Hence we are confident that the positive trend of earnings increases will continue in the future.

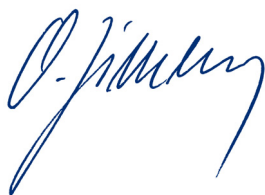
We wish you a successful end of the year and would be delighted should you continue to accompany us as our shareholders in the coming year.

Marburg, November 2009

The Management Board

A blue ink signature, likely of Michael Schmidt, consisting of a stylized 'M' and 'S'.

Michael Schmidt

A blue ink signature, likely of Oliver Zimmermann, written in a cursive style.

Oliver Zimmermann

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## 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	F.I.B. Frankfurter Investmentbank AG
Initial listing	26 November 1999
Authorised capital in EUR	EUR 51,402,240.00
Authorised capital in shares	51,402,240
Registered share capital in EUR	EUR 46,842,240.00
Registered share capital in shares	46,842,240
Share price at 30 September 2009*	EUR 0.65
Share price high in period from 1 January to 30 September 2009*	EUR 0.76 (26 August 2009)
Share price low in period from 1 January to 30 September 2009*	EUR 0.35 (9 March 2009)
Market capitalisation at 30 September 2009	EUR 30,447,456.00
Earnings per share (undiluted) at 30 September 2009	EUR 0.02

The stock markets were able to continue on their road to recovery in the third quarter 2009. The various monetary and fiscal policy measures taken to stabilise the global financial system and the economy bore fruit. In the third quarter 2009, a multitude of economic indicators hinted towards an early end to the global recession. Supported by the positive economic news and company reports, a majority of the international stock indices were able to reach new annual highs in September 2009.

The increasing confidence that the economic downturn is coming to an end and the belief that this is followed by a slow recovery resulted in the Prime All Share Index increasing by about 40 % in the second and third quarter 2009. Since the start of the year the Index therefore stands at an increase of about 16 %.

The share of the 3U HOLDING AG developed even more profitably during the same period. The stock price of the 3U HOLDING AG was able to increase significantly after reaching a low at the end of the first quarter and was listed about 55 % higher than at the start of the year at EUR 0.65 on 30 September 2009. The 3U share therefore developed much more positively than most other German stocks during this time period.

\*Xetra

That trend is also persisting during the fourth quarter, as the 3U share is outperforming the benchmark index. In the current quarter until 20 November 2009 the 3U share has added an additional 3 %, whilst the Prime All Share Index rose 1 % in the same period.

## Share price

Share price performance of 3U shares\* vs. Prime All Share Index between 1 January - 20 November 2009



\*Daily closing price Xetra

## Shareholders

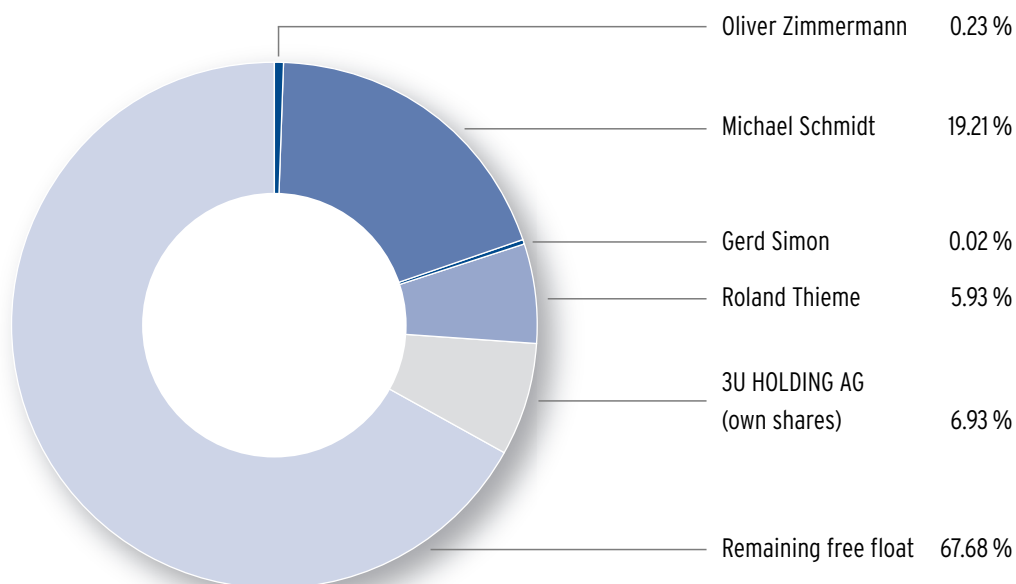
As of 30 September 2009, members of the governing bodies held the following shares with full voting and dividend rights:

Members of the Management Board		
Michael Schmidt		8,999,995 shares
Oliver Zimmermann		105,584 shares
<b>Total Management Board</b>		<b>9,105,579 shares</b>

Members of the Supervisory Board		
Ralf Thoenes	(Chairman)	0 shares
Gerd Simon	(Vice Chairman)	10,000 shares
Peter Coch		0 shares
<b>Total Supervisory Board</b>		<b>10,000 shares</b>

Associated persons		
Roland Thieme	(Director of the investments in the fixed-line telephony segment)	2,778,330 shares
<b>Total associated persons</b>		<b>2,778,330 shares</b>

Own shares of 3U HOLDING AG	
<b>Number of own shares</b>	<b>3,244,714 shares</b>



# Corporate Governance

In the Declaration of Conformity released on 27 August 2009 pursuant to § 161 of the German Stock Corporation Act, the Supervisory Board and Board of Management of 3U HOLDING AG declared that, in the period since submission of the previous declaration of conformity, 3U HOLDING AG had largely complied with the recommendations of the Government Commission for the German Corporate Governance Code published on 6 June 2008 and will largely comply with the recommendations published on 18 June 2009.

The full text of the Declaration of Conformity, as well as all previous declarations, can be found on the 3U HOLDING AG website ([www.3u.net](http://www.3u.net)) under Investor Relations in the Corporate Governance section.

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# Course of business

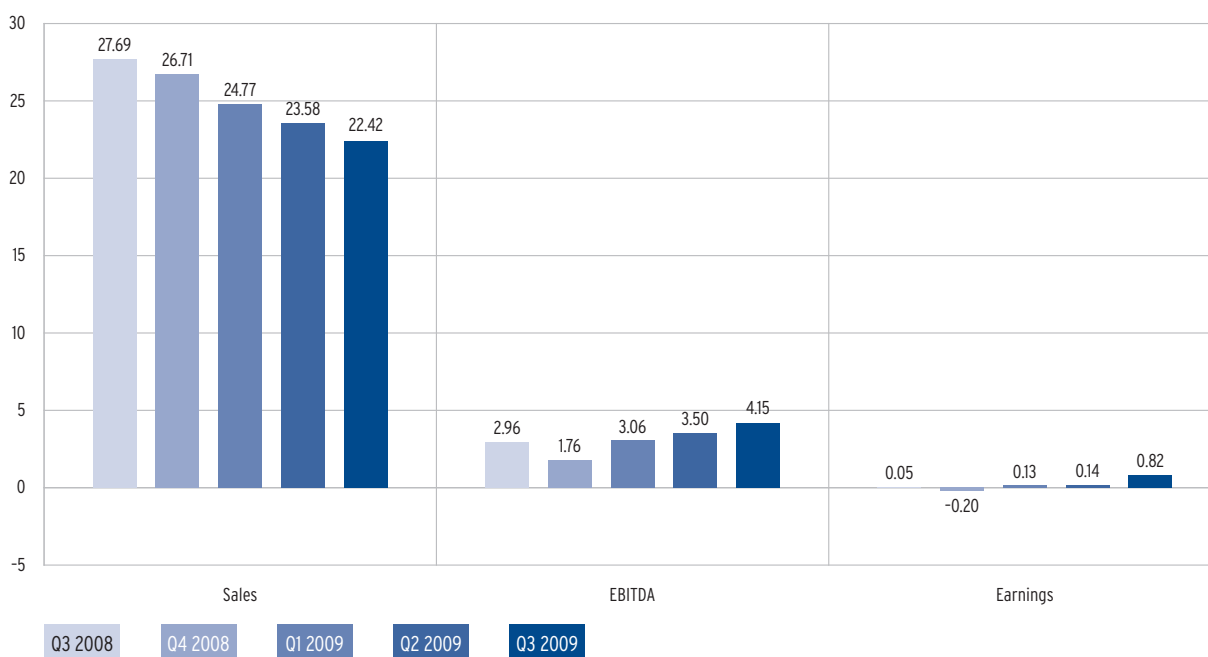
## Earnings

### Group

As expected, Group revenues declined over the first six months of the current fiscal year versus last year (TEUR 80,593) at TEUR 70,765. The fixed-line telephony segment wasn't able to elude the influence of the shrinking market niche call-by-call. The segment broadband/IP on the other hand reported a moderate revenue increase.

Both, EBITDA and net income improved sharply. At TEUR 10,711 EBITDA in the first nine of 2009 was some 26.3 % higher than the EBITDA of the same period last year (TEUR 8,480). In the first nine months, net income which was reported at minus TEUR 110 in the comparable period, improved versus the same period last year by TEUR 1,198 to TEUR 1,089.

### Development (sales, EBITDA, earnings) – 3U Group in EUR millions\*



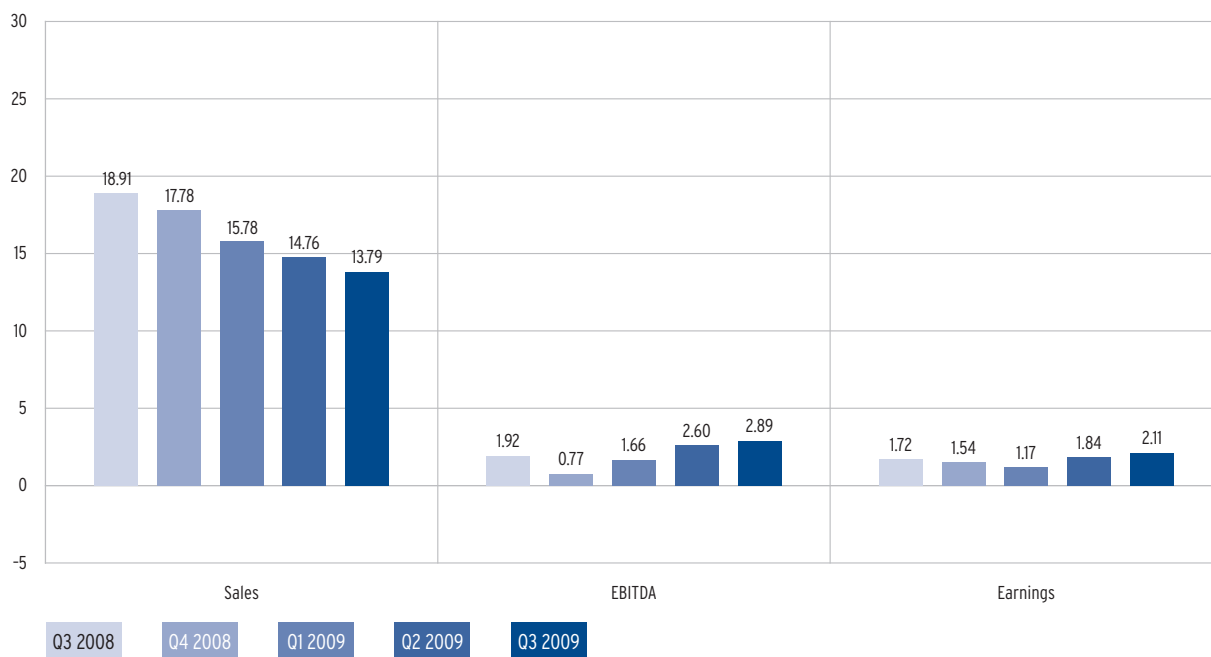
\*Previous year's figures were adjusted due to the reclassification of the companies (3U TELECOM GmbH, Austria and LambdaNet Communications Deutschland AG) which were held for sale in the previous year. Results of the 2008 disposed company 3U TELECOM INC., USA are not included anymore.

### Fixed-line telephony segment

Our portfolio companies in the fixed-line telephony segment are continuing to develop very successfully.

In the shrinking market niche revenues in the first nine months of 2009 dropped versus the same period last year from TEUR 55,100 to TEUR 44,325 as expected. EBITDA rose during the same period, however, by 33.1% from TEUR 5,370 to TEUR 7,145. Due to higher taxes earning didn't increase in the same measure, but increased nevertheless by TEUR 155 from TEUR 4,960 to TEUR 5,115 in the reporting period.

#### Development (sales, EBITDA, earnings) – fixed-line telephony segment in EUR millions\*



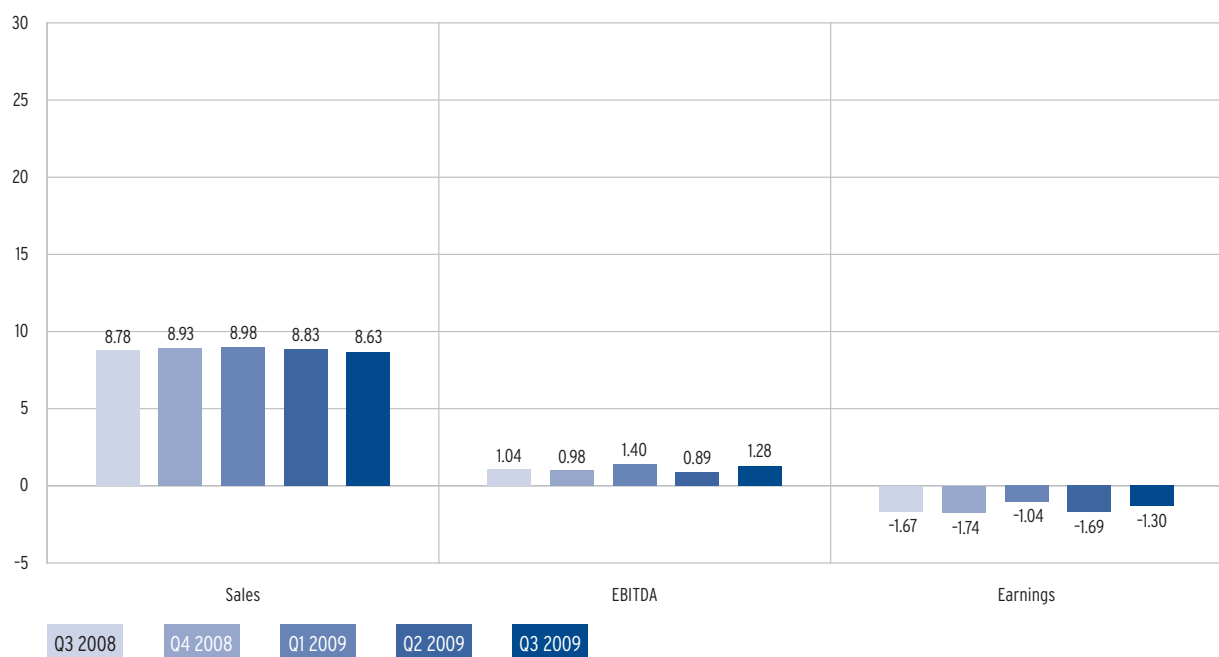
\*Previous year's figures were adjusted due to the reclassification of the company 3U TELECOM GmbH, Austria which was held for sale in the previous year. Results of the 2008 disposed company 3U TELECOM INC., USA are not included anymore.

### Broadband/IP segment

LambdaNet Communications Deutschland AG operates in the broadband/IP segment. An increase in revenues and EBITDA in the first nine months of 2009 compared to the first nine months of 2008 was contrasted by negative net income, due to the still high depreciations.

Revenues were increased compared to the reference period in 2008 by 3.7 % from TEUR 25,489 to TEUR 26,439. EBITDA rose in the first nine months of 2009 versus 2008 by 14.3 % from TEUR 3,120 to TEUR 3,565. The net income could also be improved by TEUR 1,043, respective 20.6 %, but remained significantly in the negative zone with a deficit of TEUR 4,027.

#### Development (sales, EBITDA, earnings) – broadband/IP segment in EUR millions\*

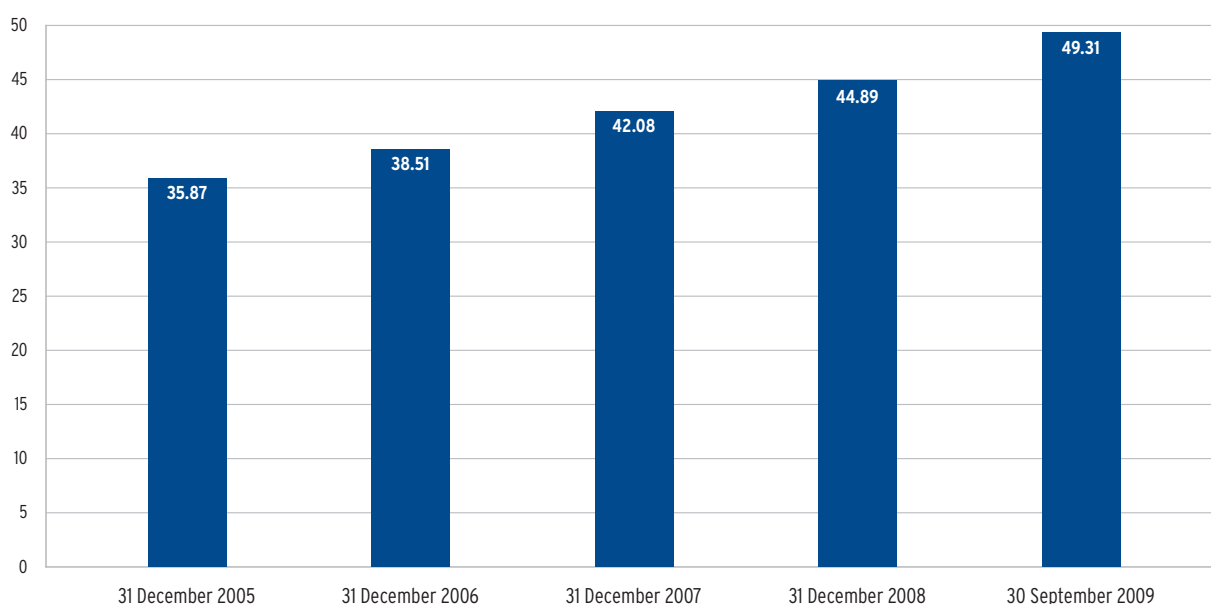


\*Previous year's figures were adjusted due to the reclassification LambdaNet Communications Deutschland AG which was held for sale in the previous year.

## Assets and financial position

The stability of 3U HOLDING AG is demonstrated by the evolving very solid equity ratio. This has improved continuously since 2005 and approaches the 50 % mark. As of 30 September 2009, the equity ratio was 49.3 % after 44.9 % as of 31 December 2008.

### Development in the equity ratio (in %)



In the first nine months of 2009, repayments were effected on loan and leasing liabilities of LambdaNet in an amount of TEUR 6,896. Whilst repayment of the leasing liabilities at LambdaNet in the first nine months of 2009 amounted to TEUR 1,553, some TEUR 5,343 stems from the reduction in loan liabilities at LambdaNet. LambdaNet's bank liabilities have thus been repaid.

Within the context of the share buyback program, an amount of TEUR 1,230 was spent during the current business year.

The 3U Group's cash and cash equivalents dropped accordingly from TEUR 35,474 at year-end 2008 to TEUR 31,128 as of 30 September 2009. Compared to TEUR 32,201 as of 30 June 2009 this represents a decrease by TEUR 1,073.

The liquidity is currently invested in overnight money and short-term time deposits at Baden-Württembergische Bank, Commerzbank AG and Bayerische Hypo- und Vereinsbank AG.

The balance sheet total as of 30 September 2009 ran to TEUR 78,009 (31 December 2008: TEUR 85,957).

Non-current assets as of 30 September 2009 amounted to TEUR 30,323 (31 December 2008: TEUR 34,301). There were significant changes in tangible fixed assets, which declined from TEUR 29,015 as of 31 December 2008 to TEUR 25,463 because of the depreciations applied. The share of non-current assets in the balance sheet total as of the end of September 2009 thus runs to 38.9 % (31 December 2008: 39.9 %). Current assets were at TEUR 47,686 as at 30 September 2009 (31 December 2008: TEUR 51,656). This is mainly due to the reduction in liquid funds, which decreased from TEUR 35,474 as at 31 December 2008 to TEUR 31,128. The share of current assets in the balance sheet total as of 30 September 2009 was 61.1 % (31 December 2008: 60.1 %).

Equity decreased in spite of positive earnings since the beginning of the year. After TEUR 38,590 (31 December 2008) there are TEUR 38,466 reported as at 30 September 2009. This is mainly attributable to the change in the item "Own shares" in the amount of TEUR 1,231. In accordance with IFRS, own shares, bought in the scope of the share buyback programme, are to be subtracted from equity.

Long-term provisions and liabilities decreased versus 31 December 2008 by TEUR 2,305 to TEUR 13,099 as at 30 September 2009. The largest contribution to this reduction comes from the decline of the long-term leasing obligations by TEUR 1,709 to TEUR 11,472.

The current provisions and liabilities dropped versus 31 December 2008 from TEUR 31,963 to TEUR 26,444. Responsible here is above all the full repayment of current liabilities to banks in an amount of TEUR 5,343.

The operating cash flow for the first three quarters boosted by 88.3 % and was reported at TEUR 6,578, an increase by TEUR 3,493 compared to the same period in 2008.

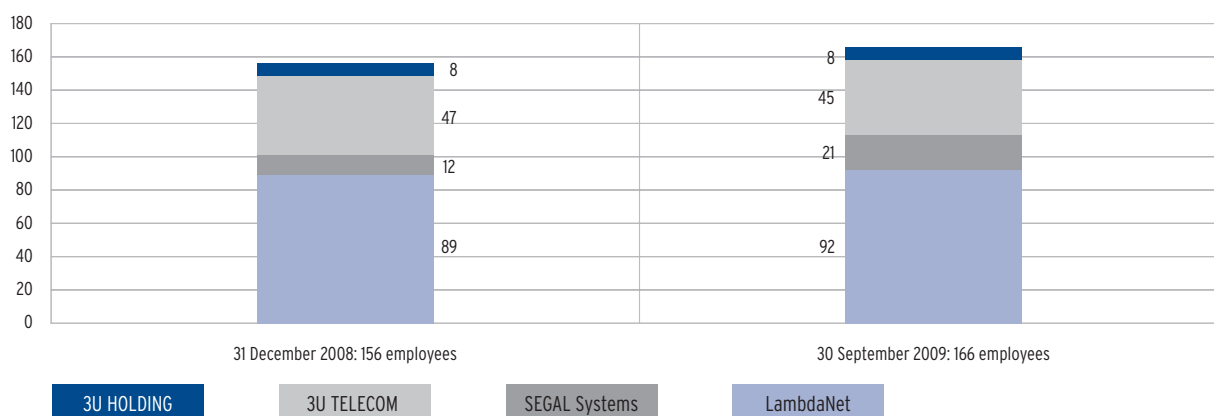
## Investments

Investments of TEUR 2,486 (previous year: TEUR 2,332) were made in the Group in the first nine months of 2009, of which TEUR 1,525 (previous year: TEUR 1,965) were invested in the segment broadband/IP and TEUR 961 (previous year: TEUR 367) in the fixed-line telephony segment. The large increase in the segment fixed-line telephony is due mainly to the investment of TEUR 533 in connection with the new Group's headquarter.

At LambdaNet investments were focused on the expansion of the IP net, the enlargement of data centre area as well as in new installations to connect customers.

## Staff\*

As of 30 September 2009, the 3U Group employed 166 people (156 as of 31 December 2008). The numbers of employees in the different areas break down as follows:



## Related parties report

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

## Report on risks and opportunities

As of 30 September 2009, there were no material changes in risks and their assessment as reported in detail in the 2008 annual financial report.

## Significant events since the end of the interim reporting period

There were no significant events since the end of the interim reporting period.

\*Full-time equivalents at the reporting date

## Outlook

### Economic outlook

Due to the stabilisation of the financial and capital markets, the global economic recession may have overcome its low by the end of the third quarter 2009. Leading economic researchers are expecting the global economy to enter into a slow recovery period. A multitude of economic indicators suggest this: Thus incoming orders, industrial production and global trade are on the incline again, even if on differing country-specific levels. In some industrialised countries, GDP had increased again due to a stabilising effect of private consumption by the second quarter 2009, or the weakening of GDP at least decreased significantly. In Germany, the economy has stabilised on a reduced level of production. Particularly in Asia – besides Japan – overall economic production is on the incline again since the beginning of the second half-year 2009.

Leading economic research institutions are expecting the global pace of growth to be rather weak in the year to come even though the global economy has received an extra boost through economic policy initiatives and the recovery of global trade in the third quarter 2009. Absent new economic programmes, an increasing energy price development being indicated, high risk premiums, possible further write-offs to the financial institute's loan portfolios and a further decrease in employment due to significantly reduced production may lead to a strong rise not being expected in the coming year, particularly in industrialised countries, after the sharp drop in production in the current year.

The telecommunications market looks more promising. In the third quarter 2009, the BITKOM Sector Index for the IT and telecommunications sector has for the first time recorded a growth since the beginning of the financial and economic crisis. The BITKOM Sector Index rose by 18 points in the third quarter 2009 and currently lies slightly above the level of the IFO Index for the economy as a whole at minus 7 points. This is the strongest incline of the past five years.

### Outlook for 3U Group

The 3U Group has in the past successfully introduced processes for cost reductions and efficiency increases.

In a highly competitive market the fixed-line telephony segment primarily has positioned itself successfully with new products and an optimised rate management in its market niche. The flexible Company structure surely also adds to this since it makes it possible to seize opportunities quickly. Not only the Spider Telecom GmbH but also the recently founded 3U Mobile GmbH show how quickly attractive gaps in the market can be filled.

At LambdaNet, multiplicities of measures to increase revenues and decrease costs continue to be implemented. This optimisation process is being continued with high priority, while taking into account that the market environment of LambdaNet – due to the current difficult economic conditions – is challenging. On the one hand the number of participants in the German broadband market have further slowed down in the third quarter 2009. On the other hand market participants are particularly influenced by the upcoming market consolidation. After the first step of the consolidation was introduced through United Internet AG's taking over of Freenet AG's DSL business in the second quarter 2009, the long-awaited next step followed in the fourth quarter 2009 with the sale of the Telecom Italia daughter company Hansenet to the Telefonica daughter company O<sub>2</sub>.

SEGAL Systems has already realised first external revenues. Mainly the expansion of the areas IT consulting as well as web services are promising and are therefore pushed.

In the area of renewable energies we are in line with the development of our new offices including a solar heating plant as our first project and reference. Potential customers are following the development closely and it becomes apparent that with the realisation of our reference project we will have taken the most important hurdle in the acquisition process of new customer projects.

Over recent quarters we have used the time to continue expanding our network in the industry. We are known as a potential investor not only amongst bankruptcy administrators and M&A boutiques and beyond. Our reluctant attitude towards new participations has turned out right, because almost every investment would have lost value in the current market environment. As soon as valuations of capital-searching enterprises come back to attractive levels, we will use our substantial liquid funds to snap a favourable opportunity when it presents itself. For that purpose we continue emphatically to search for lucrative deals.

We have also invested in our organic growth. In the current fourth quarter, we have thus fuelled the development of new business ventures (also in the Renewable Energy sector) with our liquid assets, given the founding of the 3U Mobile GmbH and the 3U SOLAR Systemhandel AG.

Within the context of the 6 months' report 2009, revenues of EUR 60 million and an EBITDA of EUR 7-9 million were forecast for the portfolio companies of the 3U Group comprised in the fixed-line telephony segment. For the Group as a whole revenues of around EUR 96 million and an EBITDA of EUR 12-14 million were forecasted. From today's point of view we expect EBITDA to lie at the upper end of expectations.

# 16 Consolidated balance sheet as of 30 September 2009 (IFRS)

Assets 3U Group (in TEUR)	30 Sep 2009	31 Dec 2008
<b>Long-term assets</b>	<b>30,323</b>	<b>34,301</b>
Intangible assets	2,940	3,735
Property, plant and equipment	25,463	29,015
Financial assets	4	0
Deferred tax assets	12	66
Other non-current assets	512	247
Prepaid network rentals – long-term	1,392	1,238
<b>Current assets</b>	<b>47,686</b>	<b>51,656</b>
Inventories	83	102
Trade receivables	11,794	12,952
Other current assets	2,239	1,444
Cash and cash equivalents	31,128	35,474
Prepaid network rentals – current	2,400	1,641
Assets in liquidation*	42	43
<b>Total assets</b>	<b>78,009</b>	<b>85,957</b>

\*These include CityDial GmbH (associated company in liquidation) with TEUR 42 (previous year: TEUR 43)

<b>Shareholders' equity and liabilities 3U Group (in TEUR)</b>	<b>30 Sep 2009</b>	<b>31 Dec 2008</b>
<b>Shareholders' equity</b>	<b>38,466</b>	<b>38,590</b>
Issued capital (conditional capital TEUR 4,560; previous year: TEUR 4,560)	46,842	46,842
Capital reserve	21,499	21,499
Own shares	-1,434	-203
Retained earnings	-29,519	-26,331
Net income/loss	1,089	-3,205
Adjustment item for currency difference	-12	-12
<b>Total shareholders' equity attributable to the shareholders of 3U HOLDING AG</b>	<b>38,466</b>	<b>38,590</b>
<b>Long-term provisions and liabilities</b>	<b>13,099</b>	<b>15,404</b>
Long-term provisions	103	103
Long-term lease liabilities	11,472	13,181
Network rentals received – long-term	1,524	2,120
<b>Current provisions and liabilities</b>	<b>26,444</b>	<b>31,963</b>
Current provisions	1,638	1,999
Current tax provisions relating to income tax	3,112	1,329
Current liabilities due to banks	0	5,343
Trade payables	12,449	15,219
Current lease liabilities	2,335	2,179
Other current liabilities	6,411	5,679
Network rentals received – current	499	215
<b>Total shareholders' equity and liabilities</b>	<b>78,009</b>	<b>85,957</b>

## Consolidated income statement (IFRS)

3U Group (in TEUR)	Quarterly report		9-month report	
	1 July-30 September 2009	2008*	1 January-30 September 2009	2008*
Sales	22,414	27,665	70,765	80,593
Cost of sales	-17,508	-23,706	-56,801	-68,765
<b>Gross profit</b>	<b>4,906</b>	<b>3,959</b>	<b>13,964</b>	<b>11,828</b>
Selling expenses	-1,428	-1,776	-4,241	-4,291
General and administrative expenses	-1,933	-2,606	-6,412	-7,563
Other operating income	445	276	1,354	1,542
Other operating expenses	143	-1,361	-76	-1,701
Depreciation and amortisation on customer portfolios/goodwill	-207	-696	-662	-1,156
<b>Earnings before interest and taxes</b>	<b>1,926</b>	<b>-2,204</b>	<b>3,927</b>	<b>-1,341</b>
Interest income	87	367	257	1,039
Interest expenses	-366	-612	-1,157	-1,798
Income from investments (equity method)	-1	2	-1	-2
<b>Earnings before income tax</b>	<b>1,646</b>	<b>-2,447</b>	<b>3,026</b>	<b>-2,102</b>
Income tax expense	-832	-396	-1,937	-908
<b>Net income/loss for the period</b>	<b>814</b>	<b>-2,843</b>	<b>1,089</b>	<b>-3,010</b>
Share of net income/loss for the period attributable to minority interests	0	0	0	0
Share of net income/loss for the period attributable to 3U HOLDING AG shareholders	814	-2,843	1,089	-3,010

\*Results of the 2008 disposed company 3U TELECOM INC., USA are not included anymore – please refer to “Bridging to the income statement 2008” in the notes to the consolidated financial statements.

3U Group	Quarterly report		9-month report	
	1 July-30 September 2009	2008*	1 January-30 September 2009	2008*
<b>Number of shares</b>	<b>46,842,240</b>	<b>46,842,240</b>	<b>46,842,240</b>	<b>46,842,240</b>
Buyback of own shares in November 2008	-208,872	0	-208,872	0
Buyback of own shares in December 2008	-271,379	0	-271,379	0
Buyback of own shares in January 2009	-327,813	0	-327,813	0
Buyback of own shares in February 2009	-38,077	0	-38,077	0
Buyback via public buyback offer	-2,398,573	0	-2,398,573	0
Weighted average number of ordinary shares for basic earnings per share	43,597,526	46,842,240	44,175,427	46,842,240
Effect of dilutive potential of ordinary shares: options**	1,732,500	1,732,500	1,732,500	1,732,500
Weighted average number of ordinary shares for diluted earnings	45,331,230	46,842,240	44,175,427	46,842,240
<b>Earnings per share total (in EUR)</b>				
Earnings per share, undiluted (in EUR)	0.02	-0.06	0.02	-0.06
Earnings per share, diluted (in EUR)	0.02	-0.06	0.02	-0.06

\*Results of the 2008 disposed company 3U TELECOM INC., USA are not included anymore – please refer to “Bridging to the income statement 2008” in the notes to the consolidated financial statements.

\*\*In 2008 as well as in 2009 (until 30 September 2009) the strike price of the options lies well above the stock price and therefore the options have no diluting effect in 2008 as well as in 2009 (until 30 September 2009).

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## Cash flow statement (IFRS)

3U Group (in TEUR)	1 January-30 September 2009	2008*
<b>Net income/loss for the period</b>	<b>1,089</b>	<b>-3,010</b>
+/- Depreciation/write-ups of fixed assets	6,785	9,913
+/- Increase/decrease of provisions	1,421	-642
-/+ Profit/loss on disposal of long-term assets	-1	-214
-/+ Increase/decrease in inventories and trade receivables	1,178	-2,771
+/- Increase/decrease in trade payables	-2,770	-278
+ Changes to other receivables	-1,061	-102
- Changes to other payables	732	211
+ Change in network rentals prepaid and received	-601	82
+ Other non-cash changes	-195	-104
<b>Cash flows from operating activities</b>	<b>6,577</b>	<b>3,085</b>
+ Inflows from disposals of property, plant and equipment	0	1,131
- Outflows for investments in property, plant and equipment	-2,406	-2,148
+ Inflows from disposals of intangible assets	0	30
- Outflows for investments in intangible assets	-79	-180
<b>Cash flows from investing activities</b>	<b>-2,485</b>	<b>-1,167</b>
<b>Sum carried forward</b>	<b>4,092</b>	<b>1,918</b>

\*Results of the 2008 disposed company 3U TELECOM INC., USA are not included anymore.

3U Group (in TEUR)	1 January - 30 September 2009	September 2008*
<b>Sum carried forward</b>	<b>4,092</b>	<b>1,918</b>
- Cash outflow to companies' owner and minority partners (dividends, purchase of own shares, equity capital payback, other disbursements)	-1,531	0
- Outflows from the repayment of bonds and (finance) loans	-5,343	-3,553
- Repayment of lease liabilities	-1,553	-2,301
<b>Cash flows from financing activities</b>	<b>-8,427</b>	<b>-5,854</b>
<b>Increase/reduction in cash and cash equivalents</b>	<b>-4,335</b>	<b>-3,936</b>
+/- Changes in cash and cash equivalents due to exchange rates, scope of consolidation and valuation	-11	0
<b>Cash and cash equivalents at beginning of period</b>	<b>35,474</b>	<b>38,197</b>
<b>Cash and cash equivalents at end of period</b>	<b>31,128</b>	<b>34,261</b>

\*Results of the 2008 disposed company 3U TELECOM INC., USA are not included anymore.

## Statement of changes in equity (IFRS)

3U Group (in TEUR)	Issued capital	Capital reserve	Reserve for currency differences	Revaluation reserve
<b>As of 1 Jan 2008</b>	<b>46,842</b>	<b>21,499</b>	<b>-9</b>	<b>0</b>
Consolidated profit*	0	0	0	0
Adjustment previous years	0	0	0	0
Reserves for own shares	0	-203	0	0
Changes taken directly to equity	0	0	-3	0
Alteration basis of consolidation	0	0	0	0
<b>As of 31 Dec 2008</b>	<b>46,842</b>	<b>21,296</b>	<b>-12</b>	<b>0</b>

3U Group (in TEUR)	Issued capital	Capital reserve	Reserve for currency differences	Revaluation reserve
<b>As of 1 Jan 2009</b>	<b>46,842</b>	<b>21,296</b>	<b>-12</b>	<b>0</b>
Consolidated profit	0	0	0	0
Adjustment previous years	0	0	0	0
Reserves for own shares	0	-1,231	0	0
Changes taken directly to equity	0	0	0	0
Alteration basis of consolidation	0	0	0	0
<b>As of 30 Sep 2009</b>	<b>46,842</b>	<b>20,065</b>	<b>-12</b>	<b>0</b>

\*Thereof TEUR 776 from discontinued operations

	Retained earnings	Net income/loss attributable to 3U HOLDING AG shareholders	Shareholders' equity attributable to 3U HOLDING AG shareholders	Minority interests	Total shareholders' equity
	<b>-26,348</b>	<b>0</b>	<b>41,984</b>	<b>59</b>	<b>42,043</b>
	0	-3,205	-3,205	0	-3,205
	17	0	17	0	17
	0	0	-203	0	-203
	0	0	-3	0	-3
	0	0	0	-59	-59
	<b>-26,331</b>	<b>-3,205</b>	<b>38,590</b>	<b>0</b>	<b>38,590</b>

	Retained earnings	Net income/loss attributable to 3U HOLDING AG shareholders	Shareholders' equity attributable to 3U HOLDING AG shareholders	Minority interests	Total shareholders' equity
	<b>-29,536</b>	<b>0</b>	<b>38,590</b>	<b>0</b>	<b>38,590</b>
	0	1,089	1,089	0	1,089
	0	0	0	0	0
	0	0	-1,231	0	-1,231
	0	0	0	0	0
	17	0	17	0	17
	<b>-29,519</b>	<b>1,089</b>	<b>38,466</b>	<b>0</b>	<b>38,466</b>

# Notes to the consolidated financial statements as of 30 September 2009

## General information about the Group

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

On 31 October 2007, the name of the Company was changed from 3U TELECOM AG to 3U HOLDING AG on the basis of a resolution by the Annual General Meeting on 28 August 2007. In accordance with the resolution by the extraordinary General Meeting on 15 January 2007, the object of the Company was changed to the management of its own assets, the acquisition, management and sale of investments in German and foreign companies as well as the supply of management and advisory services and other services for Subsidiaries and associated companies and third parties.

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

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

## Accounting principles

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

The present interim report has not been reviewed by auditors.

## Supplementary disclosures in accordance with IAS 34

The accounting policies and methods of calculation used in the consolidated financial statements as of 31 December 2008 were applied unchanged for the interim statements as of 30 September 2009.

For details of the order situation and the development of costs and prices please refer to the section “Course of Business” in the interim Group management report.

Compared with 31 December 2008 there have been no alterations to the employee share plans.

For details to the number of employees please refer to the section “Employees” in the interim Group management report.

For details to significant events since the end of the interim reporting period please refer to the section “Significant events since the end of the interim reporting period” in the interim Group management report.

There were no extraordinary developments in business with related parties and the Company in the first nine months of 2009 as against the previous year. For information about individual business relations, please refer to our Annual Report of 31 December 2008, Section 8.3.

## Scope of consolidation

The scope of consolidation has been changed compared to 31 December 2008:

With effect from 19 May 2009, 50 % of the equity of 0160060 Telecom GmbH was sold to an external partner. The company's name was changed to Spider Telecom GmbH and is being accounted for in the consolidated financial statements as an at-equity-holding.

CityDial GmbH is in liquidation.

## Segment reporting

In its interim consolidated financial statements as of 30 September 2009, 3U recognizes the segment of fixed-line telephony. This comprises the Call-by-Call, Preselection, value-added and scheduling services in the wholesale area.

In addition, 3U also operates the segment of Broadband/IP, legally combined under LambdaNet.

SEGAL Systems GmbH, which operates in the area of IT services, and 3U Solarkraft Friedrichstraße GmbH, which operates in the field of renewable energies, are not subject to segment reporting per IFRS 8.13 and are reported in the segment fixed-line telephony for the time being.

Segment reporting 2009 (in TEUR)	Fixed-line telephony	Broadband/IP	Group
Total sales	57,740	27,129	
Intercompany sales (inter-segment sales)	-13,415	-689	
External sales	44,325	26,440	
Cost of sales	-32,799	-24,002	
Gross margin	11,526	2,438	
Selling expenses	-1,591	-2,650	
General and administrative costs	-4,359	-2,053	
Other operating income	848	506	
Other operating expense	-134	58	
Write-down, LambdaNet customer base	0	-662	
<b>Segment earnings</b>	<b>6,290</b>	<b>-2,363</b>	<b>3,927</b>
Profit/loss of companies included at equity			-1
<b>Consolidated profit/loss before financial result and taxes on income</b>			<b>3,926</b>
Financial result			-900
Taxes on income			-1,937
<b>Consolidated profit/loss</b>			<b>1,089</b>

Segment reporting 2008* (in TEUR)	Fixed-line telephony	Broadband/IP	Group
Total sales	76,147	26,291	
Intercompany sales (inter-segment sales)	-21,044	-801	
External sales	55,103	25,490	
Cost of sales	-44,681	-24,084	
Gross margin	10,422	1,406	
Selling expenses	-1,233	-3,058	
General and administrative costs	-5,367	-2,196	
Other operating income	1,412	130	
Other operating expense	-407	-1,294	
Write-down, LambdaNet customer base	0	-1,156	
<b>Segment earnings</b>	<b>4,827</b>	<b>-6,168</b>	<b>-1,341</b>
Profit/loss of companies included at equity			-2
<b>Consolidated profit/loss before financial result and taxes on income</b>			<b>-1,343</b>
Financial result			-759
Taxes on income			-908
<b>Consolidated profit/loss</b>			<b>-3,010</b>

The Management Board of 3U stipulates the consolidated segment result before financial result and income taxes as major performance indicator for a segment's business success, since it considers it crucial to a sector's success.

The intercompany sales represent the sales between the segments. These are eliminated. All other business transactions between the segments were already eliminated within the items concerned and only the consolidated values are thus presented there.

In the column Group, the 3U Group recognizes items that by definition are not elements of the segment result. The net interest income is made up of interest income and interest expense. The interest income is the result of investments of liquidity that are not allocated to the segments. The interest expense is largely based upon financing in the Broadband/IP segment. The taxes on income are also not included in the segment result, as the tax expense may only be allocated to legal entities.

\*Results of the 2008 disposed company 3U TELECOM INC., USA are not included anymore.

For the purposes of monitoring earnings power and allocating resources between the segments, the Management Board scrutinises the material, intangible and financial assets allocated to the individual segment. Goodwill was allocated to the segments subject to reporting requirements.

(In TEUR)	30 Sep 2009	31 Dec 2008
<b>Assets</b>		
Fixed-line telephony segment	14,756	14,539
Broadband/IP segment	32,068	35,901
<b>Total segment assets</b>	<b>46,824</b>	<b>50,440</b>
Assets not allocated	31,185	35,517
<b>Total consolidated assets</b>	<b>78,009</b>	<b>85,957</b>
<b>Liabilities</b>		
Fixed-line telephony segment	12,456	14,542
Broadband/IP segment	27,087	32,825
<b>Total segment liabilities</b>	<b>39,543</b>	<b>47,367</b>
Reconciliation (shareholder's equity)	38,466	38,590
<b>Total consolidated liabilities/shareholder's equity</b>	<b>78,009</b>	<b>85,957</b>

The investment in City Dial GmbH valued at equity and the liquid funds are not allocated to any segment.

The uniform Group accounting policies and methods of calculation were applied in the segment reporting. Telecom 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. Administrative services are calculated as cost allocations.

(In TEUR)	Depreciation and amortisation		Investments	
	1 Jan - 30 Sep		1 Jan - 30 Sep	
	2009	2008	2009	2008
Segment Festnetztelefonie	392	455	961	367
Segment Breitband/IP	6,393	9,368	1,525	1,965

## Bridging to the income statement 2008

(In TEUR)	3U Group income statement as of 30 Sep 2008 – as reported in 2008	Adjustment due to the sale of the subsidiary in the USA	3U Group income statement as of 30 Sep 2008 – as reported in 2009
Sales	80,593	0	80,593
Cost of sales	-68,765	0	-68,765
<b>Gross profit</b>	<b>11,828</b>	<b>0</b>	<b>11,828</b>
Selling expenses	-4,291	0	-4,291
General and administrative expenses	-7,563	0	-7,563
Other operating income	1,542	0	1,542
Other operating expenses	-1,701	0	-1,701
Depreciation and amortisation on customer portfolios/goodwill	-1,156	0	-1,156
<b>Earnings from continued operations before interest and taxes</b>	<b>-1,341</b>	<b>0</b>	<b>-1,341</b>
Interest income	1,039	0	1,039
Interest expenses	-1,798	0	-1,798
Income from investments (equity method)	-2	0	-2
<b>Earnings from continued operations before income tax</b>	<b>-2,102</b>	<b>0</b>	<b>-2,102</b>
Income tax expense	-908	0	-908
<b>Earnings from continued operations before minority interests</b>	<b>-3,010</b>	<b>0</b>	<b>-3,010</b>
Earnings from discontinued operations	533	-533	0
<b>Net income/loss for the period</b>	<b>-2,477</b>	<b>-533</b>	<b>-3,010</b>
Share of net income/loss for the period attributable to minority interests	160	-160	0
Share of net income/loss for the period attributable to 3U HOLDING AG shareholders	-2,637	-373	-3,010

# 30 Responsibility statement

## Responsibility statement according to § 37y WpHG i. V. m. § 37w Abs. 2 Nr. 3 WpHG

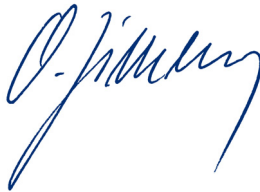
To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management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

Marburg, 24 November 2009

The Management Board



Michael Schmidt



Oliver Zimmermann

## Financial calendar

- **Analysts' conference**  
17. December 2009
- **Publication of the 2009 Annual Report**  
31 March 2010
- **Publication of report on Q1 2010**  
14 May 2010
- **Publication of report on Q2 2010**  
13 August 2010
- **Annual General Meeting**  
19 August 2010
- **Publication of report on Q3 2010**  
12 November 2010
- **Analysts' conference**  
December 2010

## Contact

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# 32 Imprint

## Published by

3U HOLDING AG  
Neue Kasseler Straße 62F  
35039 Marburg

## Photographs

Publitek, Inc. dba Fotosearch (title)

## Font

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

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Printed in Germany

# Disclaimer

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

The following are – by no means exhaustive – examples of factors that may trigger or affect a deviation: the development of demand for our services, competitive factors – including price pressure –, technological changes, regulatory measures, risks in the integration of newly acquired companies. If any of these or other risks and uncertain factors occur, or if the assumptions on which the statements are based prove to be incorrect, the actual results of 3U HOLDING 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 quarterly report contains a range of figures which are not part of commercial regulations and the International Financial Reporting Standards (IFRS), such as EBT, EBIT, EBITDA and EBITDA adjusted for special influences, adjusted EBITDA margin, investments (capex). These figures are not intended to substitute the information for 3U HOLDING AG in accordance with the German Commercial Code (HGB) or IFRS. It should be noted that the figures for 3U HOLDING AG which are not part of commercial regulations and the IFRS, can only be compared to the corresponding figures of other companies to a certain extent.

# 3U Group

## 3U HOLDING AG

### Fixed-line telephony

**010017 Telecom GmbH**  
Marburg, Germany

**3U Mobile GmbH\***  
Marburg, Germany

**3U TELECOM GmbH**  
Marburg, Germany

**Discount Telecom  
S&V GmbH**  
Marburg, Germany

**fon4U Telecom GmbH**  
Marburg, Germany

**LineCall Telecom GmbH**  
Marburg, Germany

**OneTel  
Telecommunication GmbH**  
Marburg, Germany

**Spider Telecom GmbH**  
Marburg, Germany

**3U TELECOM GmbH**  
Vienna, Austria

### Broadband/IP

**LambdaNet  
Communications  
Deutschland AG**  
Hannover, Germany

**LambdaNet  
Communications  
Austria GmbH**  
Vienna, Austria

**LambdaNet  
Communications s. r. o.**  
Městec Králové,  
Czech Republic

### IT

**SEGAL Systems GmbH**  
Marburg, Germany

### Renewable energies

**3U SOLAR  
Systemhandel AG\***  
Marburg, Germany

**3U Solarkraft  
Friedrichstraße GmbH**  
Marburg, Germany

\*Companies founded after 30 September 2009



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