



3 – MONTH REPORT 2008

USU Software AG

3 - MONTH REPORT 2008	2008	2007
<i>in Thsd. EUR, except the earnings per share and number of employees</i>	01.01.-31.03.2008	01.01.-31.03.2007
REVENUES	7,349	7,576
EBITDA	280	613
EBIT	-14	320
NET RESULT	44	436
EARNINGS PER SHARE (EUR)	0.00	0.04
CASH-FLOW FROM ORDINARY OPERATIONS	1,053	1,164
NUMBER OF EMPLOYEES AT THE END OF THE PERIOD	246	235
	31.03.2008	31.12.2007
CASH AND CASH EQUIVALENTS	10,985	9,921
SHAREHOLDERS EQUITY	46,545	46,479
BALANCE SHEET	54,925	53,269
EQUITY RATIO	84.7%	87.3%

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Dear shareholders,
dear readers,

The start to the first quarter of 2008 for the USU Group was still muted overall. However, a large number of positive relationships with existing and new potential customers confirms the strategic focus on the Business Service Management and Knowledge Management units in the Product Business division. This segment tends to be more volatile than the Service business. Due to the positive feedback of existing customers and interested parties as well as the current contract trend, we are optimistic that we will achieve the objectives announced of sales growth above the market average and an above-average rise in EBITDA for the year as a whole. In addition to business within Germany, the international partner business – which was recently expanded by the partnership with Analyst House on the Saudi Arabian market – is also set to make an increased contribution to this growth again.

We will present you with further information on the most recent business developments of USU Software AG as well as its strategy and planning at the Company's Annual General Meeting this year on June 19, 2008 in the Louis-Bührer room of Kreissparkasse Ludwigsburg at Uhlandstrasse 10, in Ludwigsburg (Germany). Following the payment of a dividend in fiscal year 2006 for the first time, our shareholders will benefit from the positive business performance of USU Software AG and its Group subsidiaries again this year in the form of a dividend, which will be 50% higher than in the previous year and is set to amount to EUR 0.15 for each share carrying dividend rights. The final decision for this will be taken by our shareholders at the Company's Annual General Meeting this year, to which I would like to cordially invite you.

Yours,
Bernhard Oberschmidt
Chairman of the Management Board of USU Software AG

Economic development

The German economy remained on its growth course in the first quarter of 2008 but was unable to generate the high growth rate enjoyed in the same quarter of the previous year. According to preliminary information from Destatis (German Federal Statistical Office), the rise in real GDP in Germany was 1.8%, down from 3.4% in the previous year. According to a quick estimate by Eurostat (Statistical Office of the European Communities), economic growth in the entire euro zone also remained lower year-on-year at 2.2% (Q1 2007: 3.2%).

Sector performance

The *Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.* (BITKOM – German Association for Information Technology, Telecommunications and New Media) predicts that the solid growth of the IT market will continue. According to the results of the most recent BITKOM industry barometer for Q1 2008, 73% of the businesses in the IT and telecommunications industry questioned expect their sales to rise against the previous year. 79% of the IT services and software providers were optimistic that they would generate sales growth in 2008 as a whole.

Sales and cost development

Group sales

In the first quarter of 2008, USU Software AG and its subsidiaries (hereinafter referred to as the “USU Group” or “USU”) generated Group sales of EUR 7,349 thousand (Q1 2007: EUR 7,576 thousand). The decrease in Group-wide sales of 3.0% recorded in comparison with the same quarter of the previous year was primarily the result of the weak start seen by the licenses business to the beginning of 2008. Licenses sales in the period under review thus totaled EUR 548 thousand, down from EUR 824 thousand in the first quarter of the previous year. In pace with the investment delays in existing and new customer business, consultancy sales also remained down 2.5% year-on-year (Q1 2007: EUR 5,057 thousand) at EUR 4,933 thousand. This was offset by a 2.5% increase year-on-year (Q1 2007: EUR 1,547 thousand) in income from the maintenance business to EUR 1,586 thousand due to the positive performance of the software licensing business in 2007. In the year under review, other income totaled EUR 282 thousand (Q1 2007: EUR 148 thousand) and primarily included merchandise.

Revenues by segment

As a result of delays in individual projects, the Product Business recorded a 12.8% decrease in sales year-on-year to EUR 4,556 thousand (Q1 2007: EUR 5,226 thousand). In contrast, sales in the Service Business climbed 18.6% to EUR 2,780 thousand (Q1 2007: EUR 2,345 thousand). The sales not allocated to the segments amounted to EUR 12 thousand (Q1 2007: EUR 5 thousand) in the first three months of fiscal year 2008. The consolidated sales of the USU Group generated outside of Germany totaled EUR 699 thousand (Q1 2007: EUR 643 thousand) in the period under review, which corresponds to a 9.5% share of Group sales (Q1 2007: 8.5%).

Operating costs

The cost of sales rose in the first quarter of 2008 to EUR 3,936 thousand (Q1 2007: EUR 3,661 thousand), which was primarily due to the additional use of freelance employees in the Service Business segment. USU's cost of sales ratio in relation to Group sales fell in the period under review to 53.6% (Q1 2007: 48.3%). Gross income totaled EUR 3,413 thousand (Q1 2007: EUR 3,915 thousand), which corresponds to a gross margin of 46.4% (Q1 2007: 51.7%).

Marketing and selling expenses were reduced in the period under review to EUR 1,230 thousand (Q1 2007: EUR 1,363 thousand) which is mainly due to the lower cost of materials. The ratio of marketing and selling expenses to sales dropped accordingly from 18.0% in the first quarter of 2007 to 16.7% in the first three months of fiscal year 2008. At EUR 742 thousand (Q1 2007: EUR 743 thousand), administrative expenses remained stable at the previous year's level. The ratio of administrative expenses amounted to 10.1% (Q1 2007: 9.8%) of Group sales. At EUR 1,233 thousand (Q1 2007: EUR 1,266 thousand), research and development expenses in the year under review also remained stable at the previous year's level. This results in a ratio of research and development expenses to Group sales in the first quarter of 2008 of 16.8% (Q1 2007: 16.7%).

Net other operating income and expenses totaled EUR -16 thousand in the period January to March 2008 (Q1 2007: EUR -19 thousand).

Earnings situation

As a result of the muted licenses business, the USU Group's earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 280 thousand in the first quarter of 2008 (Q1 2007: EUR 613 thousand) and was thus lower year-on-year. After taking into account the depreciation and amortization required for operational reasons of EUR 88 thousand (Q1 2007: EUR 89 thousand) and the amortization of intangible assets recognized in the course of company acquisitions of EUR 206 thousand (Q1 2007: EUR 204 thousand), USU generated earnings before interest and taxes (EBIT) of EUR -14 thousand (Q1 2007: EUR 320 thousand). Net interest income in the year under review amounted to EUR 78 thousand (Q1 2007: EUR 58 thousand) while income taxes totaled EUR -20 thousand (Q1 2007: EUR 58 thousand). In the first three months of fiscal year 2008, the USU Group generated net profit for the quarter after taxes of EUR 44 thousand (Q1 2007: EUR 436 thousand). With an average of 10,281,054 shares (Q1 2007: 10,281,054), earnings per share amounted to EUR 0.00 (Q1 2007: EUR 0.04).

Balance sheet structure

On the assets side of the balance sheet, current assets increased year-on-year as of March 31, 2008 to EUR 20,179 thousand (December 31, 2007: EUR 18,241 thousand). In addition to the rise in work in progress as of the reporting date to EUR 1,979 thousand (December 31, 2007: EUR 588 thousand), the increase in cash and cash equivalents from EUR 9,921 thousand as of December 31, 2007 to EUR 10,985 thousand as of March 31, 2008 led to this higher figure. Noncurrent assets amounted to EUR 34,746 thousand at the end of Q1 2008 (December 31, 2007: EUR 35,028 thousand) and thus remained unchanged against the end of 2007.

On the equity and liabilities side of the balance sheet, current and noncurrent liabilities as of March 31, 2008 totaled EUR 8,380 thousand (December 31, 2007: EUR 6,790 thousand). This increase is due to deferred income of EUR 3,720 thousand (December 31, 2007: EUR 785 thousand) for maintenance agreements already invoiced at the beginning of the year, for which the related services and sales will be rendered and generated respectively during the rest of the year. In contrast, other provisions and liabilities fell at the end of Q1 2008 to EUR 4,660 thousand (December 31, 2007: EUR 6,005 thousand). Equity saw a slight increase to EUR 46,545 thousand (December 31, 2007: EUR 46,479 thousand) compared with the reporting date December 31, 2007 which was mainly due to the generated net profit for the quarter. With total assets of EUR 54,925 thousand (December 31, 2007: EUR 53,269 thousand), the equity ratio totaled 84.7% on March 31, 2008 (December 31, 2007: 87.3%).

Cash-Flow and investments

The USU Group saw its cash and cash equivalents excluding securities climb EUR 954 thousand as of March 31, 2008 (Q1 2007: EUR -660 thousand) to EUR 6,018 thousand (Q1 2007: EUR 4,906 thousand). Net cash from ordinary activities amounted to EUR 1,053 thousand as of March 31, 2008 (Q1 2007: EUR 1,164 thousand), which was primarily attributable to the change in working capital. Net cash used in investing activities totaling EUR -86 thousand (Q1 2007: EUR -1,830 thousand) is primarily due to the reinvestment of cash and cash equivalents in securities with a short term. This item also contains investments in property, plant and equipment and intangible assets totaling EUR -73 thousand (Q1 2007: EUR -45 thousand) for hardware and software. As in the previous year, there were no changes to net cash from financing activities in the first quarter of 2008.

Orders on hand

Orders on hand throughout the USU Group totaled EUR 13,394 thousand as of March 31, 2008 (Q1 2007: EUR 10,093 thousand) and were thus up EUR 3,301 thousand (32.7%) year-on-year. The orders on hand on the reporting date as at the end of the quarter show the USU Group's fixed future sales based on binding contracts that are already in place. They primarily comprise project-related orders as well as maintenance agreements.

Research and development

In the first quarter of 2008, Valuation, KnowledgeCenter, ZIS-System/ZISGUI/ZISSLM and INSEL – the Group's own products – were further developed as planned on the basis of a defined roadmap. Among other things, activities focused on developing Valuation 3.5, which is a new release with various functions expanded, as well as relaunching the module for license management to optimize administration of the existing licenses that a company holds, effectively recognizing whether there are too many or too few licenses and cutting software license costs in connection with this along with creating sufficient legal security through precise software licensing. Furthermore, a large number of graphic revisions were made for the KnowledgeCenter product suite, which significantly improve its appearance and user friendliness. Numerous awards from renowned international analysts such as Forrester or ECP prove the high diversity and depth of functionality as well as the simple implementation of USU products.

In the period under review, USU began to develop two new versions of the Group's Valuation and KnowledgeCenter software products specially designed for SMEs. *Valuation Express* and *KnowledgeCenter Express* will enable SMEs within and outside Germany in particular to quickly and cost-effectively introduce an ITIL-compliant business service management solution for centrally presenting, administering and managing a company's entire IT pool or a modular-based software suite for intelligently providing the employees of a company or Group with information.

In the first quarter of 2008, total research and development expenses amounted to EUR 1,233 thousand (Q1 2007: EUR 1,266 thousand).

Employees

The USU Group had a total of 246 employees as of March 31, 2008 (Q1 2007: 235). This represents a 4.7% increase on the previous year's figure.

Subdivided into their functions, 96 (Q1 2007: 92) people were employed in consultancy and services, 90 (Q1 2007: 86) in research and development, 34 (Q1 2007: 32) in sales and marketing and 26 (Q1 2007: 25) in administration and finance.

Subdivided into segments, the USU Group had 181 employees (Q1 2007: 168) in the Product Business, 47 (Q1 2007: 50) in the Service Business and 18 (Q1 2007: 17) in Central Administration.

USU shares (ISIN DE000A0BVU28).

The shares of USU Software AG are listed in the Prime Standard of the Frankfurt Stock Exchange under securities identification number (WKN) A0BVU2 and international securities identification number (ISIN) DE000A0BVU28 and are authorized for trading on the regulated market of this stock exchange.

In the course of the real estate crisis in the USA and the substantial price losses that it has brought on international stock markets, USU's share price also fell in the first quarter of 2008. While the closing price of USU's shares at the end of fiscal year 2007 was EUR 4.20, the shares ended March 31, 2008 at EUR 3.64 which is equivalent to a price loss of 13.3%. In the same period, the Technology All Share fell by 22.1% while the *Deutsche Aktienindex* (DAX – German Stock Index) decreased by 19.0%.

Supplementary report

There were no transactions of key importance after balance sheet date of March 31, 2008 that had a significant effect on the development of business of the USU Group. In this respect, there were no major changes to the asset, financial and earnings situation of the Group.

Opportunity and risk report

There were no changes to the opportunities and risks of USU Software AG or of the entire Group compared with the reporting date of December 31, 2007. For more information, please refer to the risk report contained in the 2007 Annual Report.

Forecast report

General economic

In their most recently published joint diagnosis in spring 2008, the leading German economic research institutes forecast a further slowdown of the global economic expansion which will be caused by the crisis on the US financial markets and the global financial market turbulence as well as the significant price increase, among other factors. For the euro zone, the economic research institutes expect the economy to slowdown moderately in the current year and economic growth to fall to 1.7% as a result (2007: 2.6%). Negative external influences will increasingly make themselves felt in Germany too and lead to growth in real GDP decreasing to 1.8% (2007: 2.5%). The institutes expect the economy in the euro zone, particularly in Germany, to pick up again in 2009.

Sector

For the European core market of the USU Group, the European Information Technology Observatory (EITO) forecasts that the market volume during the current year for the software and IT services market segments will rise to EUR 218.7 billion (2007: EUR 207.2 billion, which corresponds to a growth rate of 5.6%). The European market for software and IT- Services is set to grow 5.7% to EUR 231.2 billion in 2009. According to BITKOM forecasts, the software and IT services market segments in Germany are also set to grow significantly more than the entire economy, with growth rates of between 5.0% and 6.6%.

Outlook

Following the muted start to fiscal year 2008, the USU Group expects licenses revenues to rise in the second quarter of 2008 based on the positive feedback from a large number of potential customers. In the course of expanding the licenses business, the consultancy business is also set to generate higher growth again from the third quarter of 2008. In the historically stronger second half of the year, the international partner business is expected to contribute to expansion of the Product Business division – chiefly in high-margin licensing and maintenance income – in addition to the domestic business. Through global ITIL certification of the USU product line Valuemation and its recent top global rankings by market research companies Forrester and ECP as well as partnership with the IT system integrator Analyst House, which is based in Saudi Arabia and will market USU's Valuemation and KnowledgeCenter product lines throughout the whole of the Middle East, USU has laid the foundation for future expansion of domestic, as well as international, business. In the Service Business division, the additional expansion of the consultancy team is due to contribute towards the sales increase announced. The Management Board expects the high utilization levels for the employed consultants to continue, as well as a slight increase in consultancy fees.

Overall, the Management Board of USU Software AG confirms its target of above-average sales growth for the relevant market segments for the year as a whole and 2009, as well as an above-average rise in EBITDA.

USU Software AG

The Management Board

ASSETS (Thsd. EUR)	3-month report 31.03.2008	Annual report 31.12.2007
Non current assets		
Intangible assets	5,872	6,083
Goodwill	26,355	26,355
Property, plant and equipment	566	576
Deferred tax assets	1,035	1,041
Other non-current assets	918	973
Total non current assets	34,746	35,028
Current assets		
Inventories	535	574
Work in process	1,979	588
Receivables and other assets		
Trade receivables	4,648	5,204
Income tax receivables	1,219	1,234
Other current assets	484	487
Prepaid expenses	329	233
Securities	4,968	4,857
Cash on hand and bank balances	6,017	5,064
Total non current assets	20,179	18,241
Total assets	54,925	53,269

LIABILITIES AND SHAREHOLDERS' EQUITY (Thsd. EUR)	3-month report 31.03.2008	Annual Report 31.12.2007
Shareholders' equity		
Subscribed capital	10,335	10,335
Capital reserve	52,320	52,320
Legal reserve	154	154
Treasury shares	-714	-714
Other comprehensive income	30	7
Accumulated losses	-15,580	-15,623
Total shareholders' equity	46,545	46,479
Non-current liabilities		
Deferred tax liabilities	0	0
Pension provisions	313	298
Total non-current liabilities	313	298
Current liabilities		
Provisions for income taxes	354	354
Personnel-related provisions and liabilities	2,154	2,697
Other provisions and liabilities	832	1,362
Liabilities from received payments	127	247
Trade payables	880	1,047
Deferred income	3,720	785
Total current liabilities	8,067	6,492
Total liabilities and shareholders' equity	54,925	53,269

CONSOLIDATED INCOME STATEMENT (Thsd. EUR)	Quarterly report I / 2008	Quarterly report I / 2007
	01.01.2008 - 31.03.2008	01.01.2007 - 31.03.2007
Sales revenue	7,349	7,576
Cost of sales	-3,936	-3,661
Gross profit	3,413	3,915
Sales and marketing expenses	-1,230	-1,363
General administrative expenses	-742	-743
Research and development expenses	-1,233	-1,266
Other operating income	17	15
Other operating expenses	-33	-34
Amortization of intangible assets recognized in the course of company acquisitions	-206	-204
Result of ordinary operations (EBIT)	-14	320
Goodwill amortization	0	0
Interest income	101	78
Interest expenses	-23	-20
Result before taxes (EBT)	64	378
Income taxes	-20	58
Net profit / loss	44	436
Earnings per share (in EUR) (basic and diluted)	0.00	0.04
Weighted average shares (basic and diluted)	10,281,054	10,281,054

BREAKDOWN OF REVENUES AND EXPENSES REPORTED (Thsd. EUR)	Quarterly report I / 2008	Quarterly report I / 2007
	01.01.2008 - 31.03.2008	01.01.2007 - 31.03.2007
Currency translation difference	-9	-14
Available-for-sale financial instruments (securities)		
Fair value changes taken directly to equity	42	7
Transferred to profit or loss	9	0
Deferred taxes on value changes directly recognized in equity	-19	0
Equity change not impacting income	23	-7
Net profit for the period	44	436
Overall result	67	429

CONSOLIDATED STATEMENT OF CASH FLOW <i>(Thsd. EUR)</i>	3-month report 01.01.2008 - 31.03.2008	3-month report 01.01.2007 - 31.03.2007
CASH FLOW FROM ORDINARY ACTIVITIES:		
Result bevor taxes	64	378
Adjustments for:		
Financial income / financial expenditure	-78	-58
Depreciation and amortization	88	89
Amortization of intangible assets recognized in the course of company acquisitions	206	204
Goodwill amortization	0	0
Income taxes paid/refunded	-33	0
Interest received	139	107
Other non-cash income and expenses	-49	-127
Change in working capital:		
Inventories	38	-14
Work in process	-1,391	-1,605
Trade receivables	557	639
Prepaid expenses and other assets	-77	132
Trade payables	-167	-284
Personnel-related provisions and liabilities and pension provisions	-529	-258
Other provisions and liabilities	2,285	1,961
Net cash flow form ordinary activities	1,053	1,164
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure in property, plant and equipment	-55	-39
Capital expenditure in other intangible assets	-18	-6
Repayment of short-term loans	53	105
Sales of non-current assets	4	130
Sale of available-for-sale securities	610	10
Investments in available-for-sale securities	-680	-2,030
Net cash flow from investing activities	-86	-1,830
CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash flow from financing activities	0	0
Net effect of currency translation in cash and cash equivalents	-13	6
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS	954	-660
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	5,064	5,566
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,018	4,906

**CONSOLIDATED STATEMENT OF
SHAREHOLDERS EQUITY (unaudited)**

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY	Subscribed capital		Capital reserve	Legal reserve	Treasury shares	Accumu- lated losses	Other comprehensive income		Total Thsd. EUR
	Shares	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Currency Trans- lation	Securities measured at fair value	
							Thsd. EUR	Thsd. EUR	
Consolidated equity as of December 31, 2006	10,335,004	10,335	52,320	81	-714	-19,396 *)	60	-51	42,635 *)
Net income for the period	0	0	0	0	0	4,536	0	0	4,536
Gains / losses on marketable securities	0	0	0	0	0	0	0	3	3
Actuarial gains taken to equity	0	0	0	0	0	347	0	0	347
Currency translation differences	0	0	0	0	0	0	2	0	2
Deferred taxes	0	0	0	0	0	-129	0	-7	-136
Total income for the period	0	0	0	0	0	4,754	2	-4	4,752
Transfer to legal reserve	0	0	0	73	0	-73	0	0	0
Dividend payment	0	0	0	0	0	-908	0	0	-908
Consolidated equity as of December 31, 2007	10,335,004	10,335	52,320	154	-714	-15,623	62	-55	46,479
Net income for the period	0	0	0	0	0	44	0	0	44
Gains / losses on marketable securities	0	0	0	0	0	0	0	51	51
Currency translation differences	0	0	0	0	0	0	-9	0	-9
Deferred taxes	0	0	0	0	0	0	0	-19	-19
Total income for the period	0	0	0	0	0	44	-9	32	67
Consolidated equity as of March 31, 2008	10,335,004	10,335	52,320	154	-714	-15,579	53	-23	46,546

*) Changed due to the now final completion of the purchase price allocation of LeuTek GmbH

Principles of Accounting

This three-month report for 2008 was prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, as they are to be applied within the European Union. The same accounting and valuation principles were used as for the preparation of the consolidated financial statements for the preceding financial year ending December 31, 2007. This unaudited three-month report for 2008 should therefore be read in connection with the audited financial statements for 2007. It complies with the regulations IAS 34 for interim reporting. It complies with the regulations of IAS 34 for interim reporting. Furthermore, the Company used the draft of the German Accounting Standard 16 (Interim Financial Reporting) as a guideline when preparing this report.

This interim report contains all the necessary deferrals and, in the opinion of the management, provides a true and fair view of assets, liabilities, financial position, and profit or loss. All deferrals performed are in line with the customary accruals concept.

Income taxes are recorded in the interim period based on the best estimate of the weighted average annual income tax rate expected for the year as a whole. This tax rate is applied to the pre-tax profit of the consolidated companies.

It is not necessarily possible to conclude the net profit from the profit of the interim periods.

Sales revenues

Revenues from the sales of goods and services break down as follows:

	1.1.-31.3.2008 Thsd. EUR	1.1.-31.3.2007 Thsd. EUR
Consulting	4,933	5,057
Licences / products	548	824
Service and maintenance	1,586	1,547
Other	282	148
	7,349	7,576

Segment reporting

For the purpose of segment reporting in accordance with IAS 14, USU is active in “Product Business“ and “Service Business“, both of which have a major influence on the risks and equity return. These two segments have different areas of activity; the breakdown of these activities is based on internal reporting (management approach). The purpose of segmentation into “Product Business“ and “Service Business“ is to make the earning capacity and prospects of success as well as the opportunities and risks facing the two segments in the Group transparent.

The product portfolio of the “Product Business“ segment includes all those activities centered around the USU product range in the market for Business Service Management. This includes the products and services for Infrastructure Management (efficient administration of IT assets, contracts and software licenses), Service/Change Management (compliance with, and formalization of the IT service processes including procurement, support and maintenance), Finance Management (transparency, planning and budgeting as well as charging of IT costs and services to the person(s) who incurred them), Process Management (monitoring, visualization and controlling of all systems and processes required for IT operation) as well as the Knowledge Center for optimization of knowledge-intensive business processes.

KnowledgeCenter suite, a modular, web-based product line, supports customers in structuring topics and unifying their information access. This software suite consists of three main modules: KnowledgeMiner (self-learning search and research system), KnowledgeBase (knowledge database that enables process-oriented management and provision of solution documents), and KnowledgeGuide (System that supports diagnosis and decision-making with the assistance of dynamic decision trees).

The “Service Business“ division contains consulting services for the purpose of IT projects as well as individual application development. The portfolio addresses a wide range of technical topics which are implemented by means of dedicated methods and tested process models. These include selected special divisions, the carrying out of IT projects on one’s own responsibility or providing project support with qualified IT staff.

The breakdown of various key ratios by segment in line with IAS 14 is represented in the following overview:

	Product Business		Service Business		Not allocated		Group	
	1.1.-31.3.2008	1.1.-31.3.2007	1.1.-31.3.2008	1.1.-31.3.2007	1.1.-31.3.2008	1.1.-31.3.2007	1.1.-31.3.2008	1.1.-31.3.2007
	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR
Revenues	4,556	5,226	2,780	2,345	12	5	7,349	7,576
EBITDA	370	1,027	461	190	-551	-604	280	613
EBIT	107	800	436	184	-558	-664	-14	320
Net financial income	-	-	-	-	78	58	78	58
Taxes	-	-	-	-	-20	58	-20	58
Net profit / loss	107	800	436	184	-499	-548	44	436
Employees (as of March 31, 2008/2007)	181	168	47	50	18	17	246	235

The USU Software Group generated a total of 9.5% or EUR 699 thousand of its consolidated sales outside Germany in the first three months of the 2008 financial year. In addition, less than 10% of the consolidated assets held are outside Germany. At the same time, the investments made outside Germany came to less than 10% of the consolidated total investments. Further details of the geographical data in line with IAS 14 (secondary information) have thus not been provided.

Related party disclosures

In accordance with IAS 24, all related parties are persons or companies with the ability to control the Group or exercise significant influence over it, or on whom/which the Group can exert significant influence, including the management and the Supervisory Board. Companies that are already included as part of full consolidation in the interim consolidated financial statements are not considered related parties.

There were no significant changes to business relations between USU Software AG and the Supervisory Board Chairman and majority shareholder Udo Strehl and his wife compared with the information in the notes to the consolidated financial statements of fiscal 2007. For more information, please refer to the details in the consolidated financial statements of USU Software AG for the fiscal year ending December 31, 2007.

Own shares

As of March 31, 2008, the Company still holds 53,950 own shares with a notional share of the share capital of EUR 53,950.00 which corresponds to 0.5% of the share capital as of March 31, 2008.

Shares and stock options held by members of corporate bodies at USU Software AG

The following shares and options in USU Software AG were held by members of corporate bodies of the company as at March 31, 2008:

Holdings of members of corporate bodies	shares 2008	stock options 2007
Management Board		
Bernhard Oberschmidt	18,696	18,696
Supervisory Board		
Udo Strehl*	1,989,319	1,989,319
Erwin Staudt	50,000	17,100
Günter Daiss	35,500	5,500

* An additional 3,689,848 (2007: 4,172,348) shares of USU Software AG can be allocated to Udo Strehl via Udo Strehl Private Equity as the majority shareholder of the company pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG.
A further 32,000 (2007: 32,000) shares in USU Software AG are allocated to Udo Strehl through the "Knowledge is the future" foundation of which he is the Managing director pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG.

JUNE 19, 2008**ANNUAL GENERAL MEETING 2008**

at "Louis-Bührer-Saal" of

Kreissparkasse Ludwigsburg

Uhlandstr. 10, D – 71638 Ludwigsburg (Germany)

Start: 10.30 a.m.

Entrance: 9.30 a.m.

AUGUST 28, 2008**6-MONTH REPORT 2008****NOVEMBER 10, 2008****9-MONTH REPORT 2008****NOVEMBER 10-12, 2008****ANALYST CONFERENCE OF USU SOFTWARE AG****- GERMAN EQUITY FORUM -**

Frankfurt am Main, Germany