



3 – MONTH REPORT 2002

USU-Openshop AG

3-MONTH REPORT 2002			
<i>in Thsd. EUR, except the number of employees</i>	01.01.-31.03.2002	01.01.-31.03.2002	01.01.-31.03.2001
		<i>pro forma</i>	
REVENUES	1,903	6,341	1,589
EBIT	-3,233	-6,278	-4,717
EBITDA	-2,912	-4,697	-4,374
NET LOSS	-2,501	-7,832	-3,843
INVESTMENTS	40,269	-----	160
RESEARCH AND DEVELOPMENT	1,930	2,656	1,685
NUMBER OF EMPLOYEES AT THE END OF FIRST QUARTER	385	-----	169

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Dear shareholders,

Dear readers,

On February 8, 2002, the Extraordinary General Meeting of USU-Openshop AG (formerly: Openshop Holding AG) approved the planned merger with USU AG. The company shareholders also authorised the capital increase necessary for the merger with a majority of 99.7%. The registration of this capital increase took place with effect of March 11, 2002. The acquisition of 95.99% of USU AG stock was thus officially completed. A further resolution concerned the change of the company name from Openshop Holding AG to USU-Openshop AG.

Furthermore, it was resolved to relocate company headquarters to Möglingen near Ludwigsburg. This resolution took effect with the registration on May 23, 2002. All further items on the agenda, such as the new composition of the Management Board and the Supervisory Board were also implemented.

After USU AG was part of the USU-Openshop Group, the consolidation of the operative units of the whole Group came to the forefront. Extensive integration and restructuring measures were planned and implemented and first saving potential was utilised.

With the inclusion of USU AG in the scope of consolidation as of March 11, 2002, the USU-Openshop Group achieved sales throughout the group of EUR 1.9 million in the first quarter of 2002 (PY: EUR 1.6 million). For better comparability of future Group key ratios, USU-Openshop provides additional pro forma key ratios that represent a pro forma consolidation of USU AG as at January 1, 2002. Taking the entire quarterly sales of USU AG into consideration, USU-Openshop would have achieved pro forma sales of EUR 6.3 million in the first three months of the 2002 financial year.

The net loss for the first three months was EUR -2.5 million (PY: EUR -3,8 million) or EUR -0.22 per share (PY: EUR -0.40 per share). The pro forma net loss was EUR -7.8 million.

In the course of restructuring in the current second quarter of 2002, individual branches were amalgamated or closed down. There was a concentration on core areas and resultant personnel adjustments were undertaken. Thus the essential measures were implemented in order to provide a healthy basis from which to strongly pursue market consolidation. The implemented cost reductions, especially those resulting from the bundling of activities and exploitation of synergy effects, will have a positive influence on results in the future. In the medium-term, taking into account the analyses of leading industry analysts who forecast a recovery in the second half of 2002, we therefore expect a steady improvement of the sales and profit situation as well as the achievement of our envisaged goals.

Yours

Bruno Rücker

Chairman of the Management Board of USU-Openshop AG

The reporting period covers the first quarter of 2002, comprising the three months from January 1, 2002, to March 31, 2002. During this period the consolidation of USU AG took place on March 11, 2002.

In order to secure the comparability of the data for the first quarter of 2002 with that of the following periods, additional pro forma data on the statement of earnings will be provided which represent a pro forma consolidation of USU AG as at January 1, 2002.

Business development. In the first quarter of 2002, in a continued difficult economic environment, USU-Openshop achieved sales of EUR 1.9 million (PY: EUR 1.6 million) for the whole Group. This includes the consolidated sales of USU AG as of March 11, 2002. Taking the sales of USU AG from January 1, 2002, into account, USU-Openshop would have achieved pro forma sales to the value of EUR 6.3 million in the first quarter of 2002.

Due to the negative economic conditions and accompanying reductions or postponements of IT budgets, USU-Openshop was impacted by significant investment restraint on the part of USU-Openshop customers, especially in the high-margin license business. Consultancy and other services such as maintenance partially compensated for this decline in sales. However, the shift of sales from licenses to the consultancy business had a direct result on income. Despite this sales-related negative impact on the Group result, USU-Openshop was able to improve the earnings from ordinary operations due to implemented restructuring and economy measures. In the reporting period it improved to EUR -3.3 million from EUR -4.8 million in the previous year. While marketing and distribution together with administration costs were substantially reduced to EUR 1.6 million, (PY: EUR 2.9 million), and EUR 0.3 million (PY: EUR 0.8 million), respectively, research and development costs showed a slight increase from EUR 1.7 million in the previous year's quarter to EUR 1.9 million in the first quarter of 2002. Here, account should be taken of the simultaneous expansion of research and development activities in the divisions Knowledge Management and IT Controlling due to the integration of USU AG into USU-Openshop AG.

Earnings before interest, taxes, depreciation and amortization (EBITDA) accordingly totalled EUR -2.9 million (PY: EUR -4.4 million, pro forma: EUR -4.7 million). With the inclusion of depreciation and amortization of goodwill, earnings before interest and taxes (EBIT) amounted to EUR -3.2 million (PY: EUR -4.7 million, pro forma EUR -6.3 million). Including interest income and expenditure, earnings before taxes (EBT) were EUR -2.5 million (PY: EUR -3.8 million, pro forma: EUR -5.5 million). Taking account of taxes on income and minorities, the net loss was EUR -2.5 million (PY: EUR -3.8 million) or EUR -0.22 per share (PY: EUR -0.40 per share). Pro forma, there would have been a net loss of EUR -7.8 million.

Due to the merger with USU AG the balance sheet total on March 31, 2002, increased against that of December 31, 2001, from EUR 69.7 million to EUR 125.3 million. On the assets side, goodwill to the value of EUR 34.7 million resulted from the consolidation of USU AG. Moreover, trade receivables rose from EUR 1.7 million to EUR 7.8 million.

On the liabilities side, the merger with USU and the capital increase in this context were reflected in the increase of shareholders' equity from EUR 60.8 million on December 31, 2001, to EUR 109.0 million on March 31, 2002. At the same time the equity ratio at 87.0% remained virtually constant in comparison with 87.2% at the end of the financial year.

On March 31, 2002, total liquid funds and capital investments amounted to EUR 68.3 million (December 31, 2001: EUR 60.9 million).

Investments. In the first quarter of 2002 investments by USU-Openshop AG were marked by the formal acquisition of USU AG, which required an investment of EUR 40.3 million. As part of restructuring, USU-Openshop scaled down other investments in tangible and intangible assets to TEUR 18 in the first quarter of 2002.

Research and development. The research and development activities in the eBusiness division of the USU-Openshop Group are mainly focused on the logistics control station, which is being developed in co-operation with SKYVA, on the process platform Openshop Business Enterprise Edition (Business EE) and on individual portal solutions.

In the logistics division, attention has been directed mainly to the development of individual branch concepts.

The Business EE, whose core development is now complete, will be deployed in future projects as a solution component.

Work has begun in the portal division on concept development for individual portal solutions such as the CFO Portal for transparent processing of financial and economic data required by companies.

In the course of the merger with USU AG, research and development activities for the divisions Knowledge Management (USU KnowledgeMiner, e-Consultant) and IT-Controlling (Valuation) were also taken over and integrated into the Group.

Within the division Knowledge Management, the USU KnowledgeMiner, which is secured by international patents, enables retrieval and speedy utilisation of relevant documents, data and information from heterogeneous information stores in Groups and major corporations.

The e-Consultant combines the visual and increasingly interactive elements of the internet with the advisory functionality of call centres. Clients and advisors see the same web site at the same time and can process forms together and exchange files or graphics. Besides supporting Knowledge Management solutions, the software is also eminently suitable for the distribution of consultation-intensive products over the internet.

Central to the IT-Controlling division is the development of Valuemation, a modern platform as the basic architecture for all central IT-Controlling applications. The primary goal is to create a comprehensive management instrument for the entire IT infrastructure management of the business and for the transparent presentation of IT costs and IT services.

Altogether, consolidated expenditure for research and development increased to EUR 1.9 million (PY: EUR 1.7 million). Pro forma, research and development expenditure amounted to EUR 2.7 million.

Order situation. Following the last quarter of the 2001 financial year, which ended with a downturn in sales and a decline in incoming orders, a slight recovery in order development was determined in the first quarter of 2002. With the inclusion of the USU order book, the order book for the whole USU-Openshop Group stood at EUR 8.4 million (PY: EUR 1.1 million) on March 31, 2002.

Employees. On the reporting date of March 31, 2002, USU-Openshop AG had a total of 385 employees (PY: 169 employees). The absolute increase of personnel is primarily the result of the merger with USU AG.

Subdivided into areas, 124 staff were employed in Consultation and Services, 125 in Research and Development, 71 in Sales and Marketing and 65 in Administration and Finances.

In the course of restructuring, closure and amalgamation of branches, and the focus on core areas, there was a further staff reduction of approximately 20% to the end of May 2002. In terms of numbers and costs this will impact the second and third quarters. Following these measures the newly formed company is well positioned and in a situation where it can achieve its envisaged goals.

USU-Openshop share. USU-Openshop shares dropped slightly during the first quarter of 2002. While the share price closed at EUR 6.60 on January 2, 2002, the USU-Openshop share price reached a new low of EUR 5.30 at the end of the quarter on March 28, 2002, as the NEMAX-All-Share-Index continued to decline. Thereafter USU-Openshop shares underwent a slight downward trend, but stabilised at the end of May 2002 at around EUR 5.45.

With effect of March 11, 2002, with the registration of the capital increase required for the formal acquisition of USU AG in the register of companies, the merger with USU AG was officially completed. The new USU-Openshop shares, which resulted from the capital increase were used to service the submitted USU shares and have been listed since the end of March 2002 under the separate securities number 780471 on the Frankfurt Neuer Markt. After the new USU-Openshop shares were first listed at EUR 5.65, they fell to EUR 4.30 to the end-of-quarter. At the beginning of April, the new USU-Openshop shares reached a low of EUR 3.80, but moved up to EUR 4.90 by the end of May.

The planned conversion of the new USU-Openshop shares to securities number 780470 will take place 6 months after start of trading on the Neuer Markt, at the latest.

Extraordinary General Meeting on February 8, 2002 - Changes to the Management Board and the Supervisory Board. The Extraordinary General Meeting of USU-Openshop AG (formerly: Openshop Holding AG) on February 8, 2002, approved the planned merger with USU AG. The shareholders authorised the capital increase necessary for the merger with a majority of 99.7%. With the registration of this resolution on March 11, 2002, USU-Openshop AG completed the acquisition of 95.99% of USU AG.

A further resolution concerned the change of the company name to USU-Openshop AG. Furthermore, it was resolved to relocate company headquarters to Möglingen near Ludwigsburg. All further points on the agenda were also approved. Beside the Chairman of the Management Board of USU-Openshop AG, Mr Bruno Rücker, the Chairman of the Management Board of USU AG, Udo Strehl was appointed Deputy CEO to advance the integration of the two companies. Also on the new Management Board are the previous Chairmen of USU AG, Harald Weimer who will be in charge of operative business and Bernhard Oberschmidt who will be in charge of finance.

In the framework of the new composition of the Boards, the previous members of the Management Board, Timo Weithöner and Uwe Hagenmeier resigned their posts. They are now actively promoting the USU-Openshop business in leading positions. As a result of the merger of Openshop and USU, by-elections for the USU-Openshop AG Supervisory Board were held during the Extraordinary General Meeting. Since the positions on the Supervisory Board were to be filled in line with the principle of parity, the former members of the Openshop Supervisory Board, Dr Roland Mecklinger, Dr Klaus Neugebauer and Klaus C. Ploenzke resigned their posts at the close of the General Meeting. The following were elected as new members of the Supervisory Board: Dr Frank-Oliver Lehrmann (Executive Director of the Banque AIG, London) and Karlheinz Achinger (Management Consultant, Starnberg), both of whom were already active in the USU Supervisory Board, as well as Werner Preuschhof (Managing Director of Preuschhof Consulting GmbH, Hamburg).

Important events after March 31, 2002. On May 21, 2002, Dr Frank-Oliver Lehrmann informed the company that he will relinquish his Supervisory Board mandates at USU-Openshop AG and USU AG with effect of July 4, 2002, and will retire from the Supervisory Board.

Once the integration of USU AG into USU-Openshop AG has been successfully advanced, Mr Udo Strehl will stand for election to the Supervisory Board of USU-Openshop AG at the USU-Openshop AG Annual General Meeting on July 4, 2002. He will step down from his Management Board posts with USU-Openshop AG and USU AG as was already announced in November 2001. At the same time it is planned that Udo Strehl will take over the vacant Supervisory Board mandate with USU AG.

Outlook and forecast report. USU-Openshop AG will continue to be influenced by the overall difficult economic situation in the second quarter of 2002. In the short term, the Management Board therefore anticipates a modest development of sales and earnings. The license business, in particular, will strongly impact the earnings development in the following quarters. This experienced a sharp downturn due to general economic developments, with the consequent reduction and postponement of orders. Here, with an economic upswing the Management Board expects a clear improvement in the order situation. On the other hand, positive impulses are already coming from the Consulting division.

The necessary personnel and portfolio adjustments and the amalgamation and closure of branches will result in additional restructuring expenditure of approximately EUR 3 million in the second quarter of 2002. Beside the closure of the Hanover branch and a site in Munich, it was necessary to release approximately 50 employees in connection with the concentration on core company competences. Thus the essential measures were implemented for providing a healthy basis to pursue market consolidation.

In the medium term, the leading economic researchers predict significant improvement of the economic situation. The Federal Association for Information, Telecommunications and New Media (BITKOM) anticipates growth in the information technology sector of 2.7% in 2002 and 6.9% in 2003 after stagnation in 2001. For the software segment the forecast is for strong growth of 5.9% in 2002 and 11.2% in 2003. The IT Services segment should also record substantial growth of 5.5% in 2002 and 8.7% in 2003. Under this premise, the Management Board of USU-Openshop AG expects a significant improvement in business development from the fourth quarter of 2002.

Moreover, with a secured liquidity base of over EUR 68 million, USU-Openshop has clear growth potential for acquisitions, which should be targeted with great precision.

USU-Openshop AG

The Management Board

ASSETS <i>(Thsd. EUR)</i>	3-month report	Annual Report
	31.03.2002	31.12.2001
Current assets		
Cash and cash equivalents	16,431	11,465
Short-term investments / Marketable securities	2,448	0
Trade accounts receivable less allowance for doubtful accounts	7,833	1,745
Accounts receivable due from related parties	62	0
Work in process	585	191
Inventories	1,896	907
Prepayments	0	26
Prepaid expenses and other current assets	6,511	3,647
Total current assets	35,766	17,981
Non current assets		
Property, plant and equipment, net	1,846	1,218
Intangible assets, net	2,537	1,072
Investments / Associated companies	569	0
Goodwill, net	34,722	0
Deferred taxes	411	0
Certificate of deposit	10,226	10,226
Debt securities held to maturity	39,207	39,245
Total non current assets	89,518	51,761
Total assets	125,284	69,742

Liabilities and shareholders' equity (Thsd. EUR)	3-month report 31.03.2002	Annual Report 31.12.2001
Current liabilities		
Short-term debt and current portion of long-term debt	581	579
Trade accounts payable	2,685	1,637
Payroll-related accruals and liabilities	3,286	2,300
Tax-related accruals and liabilities	401	609
Deferred revenues	1,658	1,110
Deferred Taxes	284	0
Accounts payable due to related parties	230	0
Other current liabilities	5,455	2,703
Total current liabilities	14,580	8,938
Non-current liabilities		
Deferred Taxes	111	0
Pension accrual	670	0
Convertible debt	112	0
Total non-current liabilities	893	0
Minority interest	824	0
Shareholders' equity		
Share capital	17,211	9,500
Additional paid-in capital	138,001	94,942
Treasury stock	-1,376	-1,240
Accumulated deficit	-44,356	-41,855
Accumulated other comprehensive income / loss	-493	-543
Total shareholders' equity	108,987	60,804
Total liabilities and shareholders' equity	125,284	69,742

Consolidated income statement <i>(Thsd. EUR)</i>	Quarterly Report I / 2002 01.01.2002 - 31.03.2002	Quarterly Report I / 2001 01.01.2001 - 31.03.2001
Revenues	1,903	1,589
Cost of revenues	-1,015	-587
Gross profit	888	1,002
Selling and Marketing expenses	-1,600	-2,947
General and administrative expenses	-320	-826
Research and development expenses	-1,930	-1,685
Amortization of goodwill	-4	-59
Depreciation	-316	-284
Operating loss	-3,282	-4,799
Interest income and expenses	720	985
Income/expense from investments accounted for by the equity method	0	-111
Foreign currency exchange gains / losses	0	0
Other income / expense	50	82
Result before income tax (and minority interest)	-2,512	-3,843
Income tax	0	0
Extraordinary income / expenses	0	0
Result before minority interest	-2,512	-3,843
Minority interest	11	0
Net income / loss	-2,501	-3,843
Net income per share (basic)	-0,22	-0,40
Net income per share (diluted)	-0,22	-0,40
Weighted average shares outstanding (basic)	11,299,277	9,500,000
Weighted average shares outstanding (diluted)	11,299,277	9,500,000

Consolidated statement of Cash Flow <i>(Thsd. EUR)</i>	3-month report 01.01.2002 - 31.03.2002	3-month report 01.01.2001 - 31.03.2001
CASH FLOW AUS DER GEWÖHNLICHEN GESCHÄFTSTÄTIGKEIT:		
Net income / loss	-2,501	-3,843
Change in minority interest	-8	0
Depreciation and amortization	316	284
Loss from the deposal of investments	0	111
Amortized interest of marketable securities and treasury stocks, net	281	47
Changes in Working Capital:		
Accounts receivable	-671	979
Work in process	1,085	363
Inventories	-387	-112
Prepayments	0	-28
Prepaid expenses and other current assets	-1,220	-446
Trade payables	-373	-675
Payroll-related accruals and liabilities	-1,602	431
Tax-related accruals and liabilities	-598	-5
Other accruals and liabilities	1,521	364
Deferred revenues	-470	-617
Net cash used in operating activities	-4,627	-3,147
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash acquired	-40,251	0
Purchase of property and equipment	-18	-334
Purchase of intangible assets	0	-54
Sale of marketable securities	0	25,537
Purchase of marketable securities	0	-25,309
Net cash used in investing activities	-40,269	-160
CASH FLOW FROM FINANCING ACTIVITIES		
Net change in short-term debt to banks	-579	-26
Cash received from shareholders	50,770	0
Purchase of treasury stock	-379	0
Net cash used in financing activities	-49,812	-26
Effect of exchange rate on cash and cash equivalents	50	-170
NET DECREASE IN CASH AND CASH EQUIVALENTS	4,966	-3,503
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11,465	32,453
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,431	28,950

**CONSOLIDATED STATEMENT OF
SHAREHOLDERS' EQUITY**

Consolidated statement of shareholders' equity	Common stock		Addition- al paid in capital	Treasury stock	Accumul. Deficit	Accumul. other compreh. Loss	Total	Compre- hensive Loss
	in shares	Thsd. EUR						
Balance at December 31, 2001	9,500,000	9,500	94,942	-1,240	-41,855	-543	60,804	
Issuance of shares March 11, 2002	7,711,186	7,711	43,059	0	0	0	50,770	0
Purchase of treasury stock	0	0	0	-136	0	0	-136	0
Net loss	0	0	0	0	-2,501	0	-2,501	-2,501
Foreign currency translation adjustment	0	0	0	0	0	50	50	50
Comprehensive loss								-2,451
Balance at March 31, 2002	17,211,186	17,211	138,001	-1,376	-44,356	-493	108,987	

Principles of accounting

This 3-month report was drawn up in accordance with US Generally Accepted Accounting Principles (“US-GAAP”). The same accounting and valuation principles that were used in the consolidated financial statements for the fiscal year ending on December 31, 2001 were applied. This 3-month report should therefore be read in connection with the audited consolidated financial statements.

Changes in the Consolidated Group

There was a change to the consolidated financial statements of December 31, 2001. With effect of March 31, 2002, the 95.99% purchase of USU AG, Möglingen, was fully consolidated together with its subsidiaries.

The difference between the paid purchase price for USU AG and shareholders' equity at USU has been recorded as goodwill in this quarterly report. In the future, there will be detailed presentation and valuation of the acquired intangible assets of USU AG as required by US-GAAP. The resultant depreciation will be appropriately reported in the respective reporting period.

Segment Reporting

SFAS No. 131 “Disclosures about segments of an enterprise and related information” requires the reporting of specific information concerning the operating segments of the company, the geographic distribution of the sales revenues and of the assets and concerning the most important customers.

There was no significant segmentation in the first quarter of 2002 for the USU-Openshop Group. Re-organisation of the compulsory reporting segments will take place from the second quarter of 2002 in the context of the merger with USU AG.

In the first three months of the 2002 financial year the USU-Openshop Group achieved less than 10% of consolidated sales outside Germany. In the same time period, 18% of Group sales came from one customer.

Shares and stock options held by members of USU-Openshop AG corporate management bodies

The following table shows the opening, actual and closing number of notifiable shares and stock options of USU-Openshop AG held by members of company management bodies as at March 31, 2002:

	shares	stock options
Management board		
Bruno Rücker	0	80,000
Udo Strehl	4,038,638	0
Harald Weimer	0	0
Bernhard Oberschmidt	37,393	0
Supervisory board		
Markus Kress	283,772	0
Dr. Thomas Gutschlag	14,124	0
Dr. Frank-Oliver Lehmann	0	0
Klaus Langer	0	0
Karl-Heinz Achinger	0	0
Werner Preuschhof	0	0

Closing number of shares and stock options of USU-Openshop, held by members of Management and Supervisory Board*	shares	stock options
Management board		
Uwe Hagenmeier	68,338	8,878
Timo Weithöner	160,698	10,194
Supervisory board		
Dr. Roland Mecklinger	142	0
Klaus C. Plönzke	9,250	0
Dr. Klaus Neugebauer	0	0

* February 8, 2002

On March 31, 2002, the company held a treasury stock of 259,701 shares. Compared to the treasury stock of 200,000 shares as at December 31, 2002, this means that a total of 59,701 company shares were bought back in the first quarter of 2002.