RIB
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INTERIM REPORT
JANUARY – MARCH 2011

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INTERIM MANAGEMENT REPORT

RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

RIB remains on course for growth – rise in service and consulting

The RIB Group's growth continued in the first quarter of 2011. Total revenues in the reporting period 1/1 to 3/31/2011 advanced by 4.4 % to EUR 9.5m (prior year: EUR 9.1m). Improvements in service and consulting revenue were primarily responsible for this increase. The service sector achieved EUR 3.9m (prior year: EUR 3.6m) and grew by 9.0 %. Consulting revenue was up by 9.6 % to EUR 1.3m (prior year: EUR 1.2m). Despite the extremely strong 2010 Q1, software revenue reached the prior year's level of EUR 4.3m. In the field of software sales, the RIB Group saw a leap of 178.6 % among mass market customers (2011: EUR 0.4m, prior year: EUR 0.1m) and chalked up its first successes in the joint sale of software solutions with SAP AG (EUR 0.3m). Another promising feature was that this involved the first joint customers in the mechanical engineering sector, a growth market both in Germany as well as in China. In the key account customer sector, the iTWO major order secured in the prior year, which constituted 64.3 % of the entire iTWO software revenues in Q1 2010, could not be fully compensated. Revenue amounted to EUR 0.9m (prior year: EUR 1.4m). Software revenues in the other RIB Group product lines remained almost unchanged at EUR 2.7m (prior year: EUR 2.8m) and thus exceeded expectations.

Considerable revenue boost outside Germany

While revenue with national customers in the reporting period remained at the level of the prior year at EUR 8.4m, in the international sphere the RIB Group achieved a pronounced boost in revenues of 71.5 % and turned over EUR 1.1m (prior year: EUR 0.6m). The customer segment Investors & Consultants was especially strong in Q1, which with EUR 4.6m (prior year: EUR 3.8m) made up 49.0 % of total revenue (prior year: 42.2 %). In view of a very strong first quarter in 2010, the Contractors' segment could not quite match its success in the 2010 financial year with revenues of EUR 4.8m (prior year: EUR 5.2m, -7.9 %). The gross margin remained steady due to the increased revenues at 80.7 %.

The sales and marketing expenses grew by 5.4 % to EUR 2.2m in Q1 2011 (prior year: EUR 2.1m). In terms of administrative expenses, the RIB Group experienced an increase of 26.7 % to EUR 0.7m (prior year: EUR 0.5m), attributable to the continuous expansion and development of the administration and sales departments in our international branches. Compared to the prior year, R&D expenditure once again increased (2011: EUR 1.9m, prior year: EUR 1.6m, +14.4 %). Without taking capitalization and amortization into account for internally generated software, the RIB Group reinvested 28.8 % of revenue in R&D (R&D ratio) in order to promote the further development of the iTWO Business Suite and other planned solutions, like the construction cloud. The IPO expenses involved non-recurrent special expenses related to the Prime Standard listing on the Frankfurt Stock Exchange in February 2011 amounting to EUR 3.7m.

Adjusted EBT slightly above prior year level

The EBT (earnings before taxes), adjusted for the costs of the IPO and expense from exchange rate changes in fixed-rate securities, rose by 3 % to EUR 3.4m (prior year: EUR 3.3m). Compared to the prior year, the adjusted EBT margin fell slightly from 36.0 % to 35.5 %.

Liquid funds at EUR 110m

The net cash flows from operating activities, adjusted for the costs of the IPO (EUR 3.7m), rose by 21.4 % to EUR 9.6m.

The cash flow from investing activities amounted to EUR -2.1m in Q1 2011 (prior year: EUR -0.9m), attributable to investments in intangible assets and property, plant and equipment.

The net cash flow from financing activities rose as a result of the gross proceeds from the IPO of EUR 90.6m to EUR 89.1m.

Cash and cash equivalents saw a considerable increase. On 31 March 2011, the free liquidity amounted to EUR 110.0m, including fixed-rate securities (prior year: EUR 17.3m).

Equity ratio at 87.7 %

As a result of the successful IPO of RIB Software AG on 8 February 2011, the equity of the RIB Group rose from EUR 47.6 m (2010) to EUR 136.4m. The equity ratio is now 87.7 % (prior year: 77.9 %).

With free liquidity of EUR 110.0m and positive business development in the first quarter of 2011, the economic position of the company can be regarded as very positive.

Opportunity and risk report

With regard to the major opportunities and risks of the probable development of the RIB Group, we refer to the opportunities and risks described in the Group Management Report for the year 2010. No significant changes have occurred in the meantime.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FROM 1/1/2011 TO 3/31/2011

	Note	2011 EUR k	2010 EUR k
Revenue	**(5)**	**9,451**	**9,050**
Cost of sales		-1,820	-1,751
Gross profit		**7,631**	**7,299**
Other operating income		375	177
Selling and distribution costs		-2,221	-2,108
Administrative expenses		-703	-555
Research and development expenses		-1,882	-1,645
Other operating expenses	(6)	-216	0
Operating income		**2,984**	**3,168**
IPO expenses	(4)	-3,742	0
Finance income		155	90
Finance costs		-2	-3
Share of profit and losses of associate		0	0
Loss/Profit before tax		**-605**	**3,255**
Income tax expense		152	-947
Loss/Profit after tax		**-453**	**2,308**
Earnings per share: basic and diluted	(8)	€ -0.01	€ 0.08

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM 1/1/2011 TO 3/31/2011

	2011 EUR k	2010 EUR k
Loss/Profit after tax	**-453**	**2,308**
Other comprehensive income		
Exchange differences	-235	-24
Changes in value of available-for-sale securities	-153	0
	-388	**-24**
Comprehensive income	**-841**	**2,284**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 3/31/2011

	3/31/2011 EUR k	12/31/2010 EUR k
Non-current assets		
Goodwill	14,035	14,035
Other intangible assets	16,761	16,037
Property, plant and equipment	4,116	3,631
Investments accounted for using the equity method	1,199	1,199
Prepaid land lease payment	500	500
Trade receivables	1,519	1,466
Other assets	85	91
Deferred tax assets	156	146
Total non-current assets	**38,371**	**37,105**
Current assets		
Trade receivables	5,667	5,440
Available-for-sale securities	9,868	10,191
Other assets	1,519	1,202
Cash and cash equivalents	100,146	7,152
Total current assets	**117,200**	**23,985**
Total assets	**155,571**	**61,090**

	Note	3/31/2011 EUR k	12/31/2010 EUR k
Equity			
Issued capital	(9)	38,715	28,917
Capital reserves	(9)	80,663	813
Legal reserves		47	47
Accumulated other comprehensives income		-56	333
Retained earnings		17,043	17,495
Total equity		**136,412**	**47,605**
Non-current liabilities			
Pension provisions		3,068	2,994
Finance lease obligations, non-current portion		44	55
Deferred tax liabilities		3,992	4,844
Total non-current liabilities		**7,104**	**7,893**
Current liabilities			
Trade payables		392	526
Provisions for income taxes		480	274
Other provisions		466	508
Accruals		1,575	2,503
Deferred revenue		8,321	799
Finance lease obligations, current portion		77	109
Other liabilities		744	873
Total current liabilities		**12,055**	**5,592**
Total equity and liabilities		**155,571**	**61,090**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 1/1/2011 TO 3/31/2011

				Other Components of Equity			
	Issued capital (Note 9)	**Capital reserves (Note 9)**	**Legal reserves**	**Changes in value of available-for-sale securities**	**Foreign currency translation reserve**	**Retained earnings**	**Total equity according to consolidated statement of financial position**
	EUR k	**EUR k**	**EUR k**	**EUR k**	**EUR k**	**EUR k**	**EUR k**
As of 1 January 2010	**5,783**	**21,297**	**0**	**15**	**293**	**15,297**	**42,685**
Net profit of the Group						2,308	2,308
Other comprehensive income	–	–	–	–	-24	–	-24
Total comprehensive income	**0**	**0**	**0**	**0**	**-24**	**2,308**	**2,284**
As of 31 March 2010	**5,783**	**21,297**	**0**	**15**	**269**	**17,605**	**44,969**
As of 1 January 2011	**28,917**	**813**	**47**	**-27**	**360**	**17,495**	**47,605**
Net loss of the Group						-453	-453
Other comprehensive income	–	–	–	-153	-235	–	-388
Total comprehensive income	**0**	**0**	**0**	**-153**	**-235**	**-453**	**-841**
Capital increase (Note 9)	9,798	79,850	–	–	–	–	89,648
As of 31 March 2011	**38,715**	**80,663**	**47**	**-180**	**125**	**17,042**	**136,412**

CONSOLIDATED STATEMENT OF CASH FLOWS FROM 1/1/2011 TO 3/31/2011

	2011 EUR k	2010 EUR k
Cash flows from operating activities		
Loss/Profit before tax	-605	3,255
Adjustments for:		
Depreciation and impairment of property, plant and equipment	28	32
Amortisation and impairment of intangible assets	816	588
Changes in allowance for impairment of trade receivables	160	85
Other non-cash items	323	-5
Interest expense and other finance cost	2	3
Finance income	-155	-90
	569	**3,868**
Working capital adjustments:		
Increase/decrease(-) in provisions and accruals	-895	-659
Increase(-)/decrease in receivables and other assets	-628	-1,909
Increase/decrease(-) in trade payables and other liabilities	7,259	6,989
Cash generated from operations	6,305	8,289
Interest paid	-2	-3
Interest received	21	1
Income taxes paid	-443	-359
Net cash flows from operating activities	**5,881**	**7,928**
Cash flow from investing activities		
Purchase of property, plant and equipment	-513	-20
Purchase of intangible assets	-1,540	-883
Net cash flows used in investing activities	**-2,053**	**-903**
Cash flows from financing activities		
Gross issue proceeds from IPO	90,638	0
Profit & loss neutral payments for IPO	-1,429	0
Cash paid for finance leases	-43	-42
Net cash flows used in financing activities	**89,166**	**-42**
Increase/decrease(-) in cash and cash equivalents	92,994	6,983
Cash and cash equivalents at the beginning of the period	7,152	3,673
Cash and cash equivalents at the end of the period	**100,146**	**10,656**
Composition of cash and cash equivalents		
Cash and bank balances, unrestricted	100,146	10,656

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

This condensed consolidated interim financial statement of RIB Software AG (the “Company”) and its subsidiaries (collectively the “Group”) was drawn up according to the regulations of the International Financial Reporting Standards (IFRS). It complies in particular with the IAS 34 regulations “Interim reporting”.

The condensed consolidated interim financial statement has not been subjected to auditing inspection or a general audit.

Our business activity is in some respects subject to seasonal fluctuations. In the past the revenue in the fourth quarter tended to be higher than in the individual preceding quarters. The interim results can therefore only be regarded as an indicator for the results of the entire financial year.

This condensed and unaudited consolidated interim financial statement should be read with the audited IFRS consolidated financial statements of RIB Software AG as of 31 December 2010.

Due to the representation of the numbers in EUR k, rounding differences may arise in individual items.

2. ACCOUNTING POLICIES

In drawing up the consolidated interim financial report the same accounting policies and calculation methods were used as in the consolidated financial statements as of 31 December 2010.

3. CONSOLIDATED GROUP

On 31 March 2011, the consolidated group comprised in addition the following fully consolidated entities compared to the consolidated financial statement as of 31 December 2010:

- RIB iTWO Pty. Limited, Sydney, Australia
- RIB iTWO Software Private Limited, Mumbai, India
- RIB FZ LLC, Fujairah, UAE
- Guangzhou RIB Software Company Limited, Guangzhou, People’s Republic of China

The companies listed were set up by RIB Software AG as sole shareholder by way of formation by founders’ cash subscriptions.

4. EXTRAORDINARY EVENTS IN THE REPORTING PERIOD

RIB Software AG successfully carried out an IPO on the regulated market of the Frankfurt Stock Exchange (Prime Standard) in February 2011. The gross issuing proceeds for the issue of 9,798,950 new shares from a capital increase amounted to approximately 90.6 million euros. As a result, RIB Software AG has over 100 million euros cash and cash equivalents after deduction of the expenses associated with this transaction. The performance of the reporting period was debited by transaction costs affecting net income reported in the consolidated financial statement in the amount of 3.7 million euros.

5. REVENUE

Revenue breaks down as follows:

	Q1 2011 EUR k	Q1 2010 EUR k
Software	4,261	4,294
Maintenance services	3,850	3,533
Consultancy and support services	1,340	1,223
Total revenue	**9,451**	**9,050**

The software revenue is as follows:

	Q1 2011 EUR k	Q1 2010 EUR k
iTWO Key Account	860	1,384
iTWO Mass Market	351	126
iTWO SAP Channel	304	0
Legacy Products	2,746	2,784
Total software	**4,261**	**4,294**

6. OTHER OPERATING EXPENSES

The other operating expenses with EUR 216 k were incurred effecting the current result in currency losses reported in the consolidated financial statement from the valuation of fixed interest securities.

7. EXPENSES FOR EMPLOYEE BENEFITS AND NUMBER OF EMPLOYEES

Expenses for employee benefits

	Q1 2011 EUR k	Q1 2010 EUR k
Wages and salaries	3,145	2,844
Social security and pension costs	557	575
Total	**3,702**	**3,419**

Average number of employees

	Q1 2011	Q1 2010
General administration	25	20
Research and development	83	83
Sales and distribution	73	66
Support/Consulting	76	68
Total	**257**	**237**

8. EARNINGS PER SHARE – BASIC AND DILUTED

Basic earnings per share are determined by dividing the net income for the period allocable to the shareholders by the weighted number of bearer shares outstanding during the period. As a result of the capital increase, the number of shares increased from previously 28,916,670 to 38,715,420. The weighted average of shares in circulation in the reporting period amounted to 35,013,670.

	Q1 2011 EUR k	Q1 2010 EUR k
Loss/Profit after tax	-453	2,308
Weighted average of bearer shares in circulation	35,013,670	28,916,670
Earnings per share: basic and diluted	**€ -0.01€**	**€ 0.08**

9. EQUITY

Issued capital

By resolution of the annual general meeting of 11 May 2010, the Board of Directors of RIB Software AG is authorised, with the approval of the Supervisory Board, to increase the capital stock of the Company once or in several instalments by a total amount of up to EUR 14,458k up until 10 August 2011 by issuing new par-value registered shares in return for contributions in cash or in kind, and to determine a commencement date for profit participation that deviates from the law, in accordance with Art. 7 of the Articles of Incorporation and bylaws. The new shares must be offered to the shareholders for subscription. However, the Board of Directors is authorised, with the approval of the Supervisory Board, to preclude the shareholders' subscription rights.

Based on the above authorisation, the Board of Directors of the Company decided on 23 January 2011 and on 3 February 2011 with the approval of the Supervisory Board of the same date respectively to increase the capital stock of the Company from EUR 28,917k by EUR 9,799k to EUR 38,715k by the issue of 9,798,950 new registered shares with a nominal value of EUR 1.00 per share and a right to participate in profits from 1 January 2010 in return for contributions in cash.

The new shares were subscribed by the syndicated banks on 3 February 2011 and placed on the Frankfurt Stock Exchange in the course of the subsequent IPO. The capital increase was entered in the Commercial Register on 4 February 2011.

Capital reserves

The capital reserves developed in the reporting period as follows:

	EUR k
As of 31 December 2010	813
Appropriation of premium from capital increase	80,840
Transaction costs	-990
As of 31 March 2011	**80,663**

The transaction costs of the capital increase of EUR 1,429k were recognised after deduction of the associated tax advantages of EUR 439k as deduction from the capital reserves.

10. SEGMENT INFORMATION

Please refer to Section (4) of our consolidated financial statements for the 2010 financial year for information on the basis of our segment reporting and notes on the segments.

The tables below show the segment revenue, segment results and reconciliations with the revenue shown in the consolidated income statement and comprehensive income.

				Q1 2011
	I&C Segment EUR k	**CS Segment EUR k**	**Other EUR k**	**Total EUR k**
Total revenue, external sales	**4,631**	**4,820**	**–**	**9,451**
Segment profit	2,329	3,836	-3,181	2,984
Interest income and expense				153
Other unallocated income and expenses				**-3,742**
Profit before tax				-605
Income tax expense				**152**
Loss after tax				**-453**

Other unallocated income and expenses mainly include the IPO costs.

				Q1 2010
	I&C Segment EUR k	CS Segment EUR k	Other EUR k	Total EUR k
Total revenue, external sales	**3,818**	**5,232**	**–**	**9,050**
Segment profit	1,872	3,316	-2,020	3,168
Interest income and expense				87
Other unallocated income and expenses				**–**
Profit before tax				3,255
Income tax expense				**-947**
Profit after tax				**2,308**

Geographic information

Revenue by geographic area (based on the location of customers) breaks down as follows:

	Q1 2011 EUR k	Q1 2010 EUR k
Germany	8,400	8,437
EMEA (Europa, Middle East and Africa)	788	547
Asia Pacific	262	–
Other regions	1	66
Total revenue	**9,451**	**9,050**

11. TRANSACTIONS WITH RELATED PARTIES

On 8 December 2010 RIB Software AG and TWO Limited concluded an outsourcing agreement on the basis of which TWO Limited would render outsourcing services in the form of the provision of completely equipped offices, the transfer of personnel and performing development work for the Company. The outsourcing fee for the first quarter of 2011 was EUR 1,000k.

During the reporting period no other transactions with related parties occurred with a material effect on operations, the financial position and net assets of the Group.

Please refer to Section (35) in our 2010 consolidated financial statements for more information on transactions with related parties.

Stuttgart, May 2011

RIB Software AG

The Board of Directors

Thomas Wolf **Michael Sauer** **Dr. Hans-Peter Sanio**

FUTHER INFORMATION

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“The English version of the Interim Report is a translation of the original German version; in the event of variances, the German version shall take precedence over the English translation.”

May 2011