



Interim Report

2012

January - June



LETTER TO THE SHAREHOLDERS

Dear Shareholders,

The first six months saw a significant increase in earnings before interest and taxes (EBIT) of 131% to EUR 6.7m year-on-year. The EBITDA margin also rose sharply and stood at 45.5% in the first six months. Software revenue from iTWO BIM 5D rose significantly by 88% to EUR 4.7 million. This means that we have achieved the best result so far in the company's history and are now well on the way towards achieving our strategic targets.

With three Phase II deals between January and June 2012 now successfully signed and sealed, we are resolutely pursuing our aim of increasing the number of Phase II contracts by 100% in comparison with last year. In Q2 we were able to gain MBN Bau AG, a project developer with international operations, for the step into phase II with iTWO BIM 5D. In the first quarter two internationally established groups, Heinrich Schmid (Germany) and Renaissance Construction (Turkey and Russia), successfully embarked on phase II with iTWO 5D. With many attractive offers in the pipeline we expect further Phase II contracts with key accounts to be concluded in the second half of the year.

In addition we are aiming for up to three acquisitions with an investment volume of between EUR 10 and 20 million in total. Negotiations are currently being conducted with renowned software companies in the EMEA, APAC and North America regions in connection with cloud, collaboration and content technology. Our aim is to significantly expand our international customer base.

In the first half of 2012, in addition to country-specific adjustments, we incorporated further international standard methods into our product to reinforce our market position. In order to further strengthen our unique position with iTWO BIM 5D both nationally and internationally, we have upgraded the model-based 5D processes for further construction processes. Special 5D processes for the Investors & Consultants segment are now also available in addition to established processes. With our xTWO cloud platform we are pursuing our strategy of providing a building register for providers of construction services. The platform gives clients and manufacturers of building materials direct access to our RIB award platform.

In order to enable you to participate in the success of our company's development, dear shareholders, we have paid a dividend of EUR 0.08 per share for the financial year 2011. We thank you for the confidence you have placed in us.

Kind regards,



Thomas Wolf



Michael Sauer



Dr. Hans-Peter Sanio

RIB ON THE CAPITAL MARKET

In the first half of 2012 the RIB share markedly outperformed its benchmark, the TecDAX index. After the share rose by 47% to EUR 5.60 at times (Xetra closing price on 10 May 2012), the closing price on 29 June 2012 was EUR 4.65. This means that the share price is up by 22% since the beginning of the year. The current price of our share is backed by cash at around EUR 3 per share. The current price is still below our expectations. The RIB share has currently been given a “buy” rating by three analysts (UBS, Equinet and Warburg).

RIB share price performance 1/1/2012 – 6/30/2012



Key Figures

	in million EUR	6/30/2012	6/30/2011	Change
Revenue		19.1	16.5	+15.8%
Software revenue		9.0	6.8	+32.4%
EBITDA¹		8.7	4.6	+89.1%
as % of revenue		45.5%	27.9%	
EBT¹		7.1	3.3	+115.2%
as % of revenue		37.2%	20.0%	
Profit after tax¹		4.9	1.8	+172.2%
Cash flow from operating activities²		12.7	10.6	+19.8%
Average number of employees		456	269	+69.5%
Net Cash³		109.4	102.7	+6.5%
Equity-Quote³		87.3%	88.4%	

¹ EBITDA, EBT and Profit after tax adjusted IPO costs

² adjusted IPO costs

³ Presentation of previous year as of December 31, 2011

INTERIM GROUP MANAGEMENT REPORT

A. REPORT ON THE RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

EBIT increases by 131% - record result in the first half of 2012

Due to the very successful sale of "iTWO BIM 5D" software in the first six months of 2012, earnings before interest and taxes (EBIT), adjusted for the costs of the IPO in 2011, showed a significant year-on-year rise of 131% to EUR 6.7m (first half of 2011: EUR 2.9m). The EBITDA margin also showed a robust increase, standing at 45.5% in the first six months. Earnings before taxes (EBT), adjusted for the costs of the IPO in 2011, rose by 115.2% to EUR 7.1m due to the steep increase in iTWO licence revenue. (prior year: EUR 3.3m). Between January and June 2012 RIB Software AG thus achieved the best result in the company's history so far.

The significant growth of software revenue generated by iTWO BIM 5D, increasing by 88% to EUR 4.7m (prior year: EUR 2.5m), meant that total sales revenue in the first six months of 2012 rose to EUR 19.1m (prior year: EUR 16.5m). All in all software revenue was up by 32.4% to EUR 9.0m (prior year: EUR 6.8m). International software revenue rose significantly by 233.3% to EUR 1.0m (prior year: EUR 0.3m). In Germany, the software revenue generated by iTWO BIM 5D was up by 68.2% to EUR 3.7m (prior year: EUR 2.2m). With key accounts we were able to increase software revenue from iTWO BIM 5D by 115.4% to EUR 2.8m in the first half of the year (prior year: EUR 1.3m) and by 125% to EUR 1.8m in the case of small and medium-sized companies (prior year: EUR 0.8m). Revenue from the provision of maintenance services rose by 8.1% to EUR 8.0m (prior year: EUR 7.4m). Revenue from consultancy and support services, at EUR 2.1m was slightly lower year-on-year (prior year: EUR 2.3m).

We were able to win Heinrich Schmid, one of the biggest and most successful companies in the construction and finishing sector, as a customer for iTWO in the first quarter. Furthermore, we were able to conclude a Phase II contract with the Turkish-Russian construction group Renaissance Construction, which counts among the Top 100 worldwide in the construction sector. In the second quarter we managed to gain MBN Bau AG from Lower Saxony, Germany, an international general contractor and property developer with international operations, for the step into phase II with iTWO BIM 5D. We are now a good deal closer to our goal of achieving a total of six Phase II contracts in 2012 after concluding these three contracts.

R&D expenses in the reporting period fell by 7.3% to EUR 5.1m (prior year EUR 5.5m). The **R&D ratio before capitalisation and amortisation amounts to 26.7%**. Sales and marketing expenses totalled EUR 4.2m (prior year: EUR 4.4m) and are therefore down by EUR 0.2m. Administrative expenses have risen by EUR 0.4m to EUR 1.8m (prior year: EUR 1.4m).

The financial result is stable at EUR 0.4m (prior year: EUR 0.4m) despite a continuing decline in the level of interest, as cash and cash equivalents increased once again during the reporting period. Currency effects affecting net income from exchange rate changes amounted to EUR 0.6m in the first half of 2012 (prior year: -EUR 0.7m).

The average number of **employees** has risen to **456** (prior year 269) due to the integration of GZ TWO IT and GZ TWO Consulting. 238 of these employees are engaged internationally and 218 work in Germany.

Net cash flow from operating activities increases by 19.8% - Cash and cash equivalents amount to EUR 109.4m

Net cash flow from operating activities, adjusted for the costs of the IPO in 2011, **has risen by 19.8% to EUR 12.7m** (prior year: EUR 10.6m). Due to the purchase of fixed-interest securities to the value of EUR 27.0m, cash flow from investing activities stood at EUR -30.4m in the reporting period (prior year: EUR 2.6m). In the first half-year, cash flow from financing activities amounted to EUR -7.3m. This is mainly made up of the dividend payment (EUR -3.1m) and the repayment of the purchase price liability to TWO Limited (EUR -4.1m) (prior year: EUR 89.1m).

Cash and cash equivalents, including fixed-interest securities, thus increased yet again. They had risen by 2.4% in the first six months of fiscal year 2012 since 31 December 2011 and now **stand at EUR 109.4m** (12/31/2011: EUR 106.8m).

Equity rose to EUR 146.5m (12/31/2011: EUR 144.3m) and almost 75% is covered by liquid funds. The equity ratio had attained 87.3% as of 30 June 2012.

Liabilities to third parties were reduced by more than 54% to EUR 0.5m (12/31/2011: EUR 1.1m). Receivables from third parties remained almost unchanged, showing a slight decline of EUR 0.1m to EUR 7.7m (12/31/2011: EUR 7.8m).

B. OPPORTUNITY AND RISK REPORT

The main opportunities and risks associated with the probable development of the RIB Group are outlined in the consolidated management report at 31 December 2011.

Due to the very successful first half-year, three of the six Phase II contracts planned for 2012 are already signed and sealed and we expect further Phase II contracts to be formed in the coming months as long as the general situation in the financial markets and the associated economic development of the markets does not continue to be negative.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period: 1/1/2012 to 6/30/2012

	Note	2nd quarter 2012 EUR k	2nd quarter 2011 EUR k	6 months 2012 EUR k	6 months 2011 EUR k
Revenue	(4)	8,159	7,002	19,054	16,454
Cost of sales		-1,876	-1,881	-3,909	-3,701
Gross profit		6,283	5,121	15,145	12,753
Other operating income		905	162	1,339	537
Selling and distribution costs		-1,990	-2,227	-4,163	-4,448
Administrative expenses		-804	-712	-1,822	-1,415
Research and development expenses		-1,648	-1,930	-3,518	-3,811
Other operating expenses	(5)	139	-509	-316	-4,469
Finance income		219	267	408	422
Finance costs		-3	-42	-3	-44
Profit/Loss before tax		3,101	130	7,070	-475
Income tax expense		-899	-452	-2,143	-300
Profit/Loss after tax		2,202	-322	4,927	-775
Earnings per share: Diluted and basic	(7)	0.06 €	- 0.01 €	0.13 €	- 0.02 €

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period: 1/1/2012 to 6/30/2012

	2nd quarter 2012 EUR k	2nd quarter 2011 EUR k	6 months 2012 EUR k	6 months 2011 EUR k
Profit/Loss after tax	2,202	-322	4,927	-775
Other comprehensive income				
Exchange differences	767	-75	340	-310
Changes in value of available-for-sale securities	11	177	24	41
Other comprehensive income for the period	778	102	364	-269
Total comprehensive income	2,980	-220	5,291	-1,044

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 6/30/2012 AND 12/31/2011

	Note	6/30/2012 EUR k	12/31/2011 EUR k
Non-current assets			
Goodwill	(8)	17,025	16,967
Other intangible assets		21,147	19,739
Property, plant and equipment		5,298	5,142
Investments accounted for using the equity method		1,257	1,257
Trade receivables		884	633
Other assets		86	86
Deferred tax assets		435	374
Total non-current assets		46,132	44,198
Current assets			
Trade receivables		6,793	7,127
Available-for-sale securities	(9)	31,117	3,664
Available-for-sale non-current assets	(10)	3,498	3,388
Other assets		2,034	1,617
Cash and cash equivalents		78,302	103,183
Total current assets		121,744	118,979
Total assets		167,876	163,177

	Note	6/30/2012 EUR k	12/31/2011 EUR k
Equity			
Issued capital		38,715	38,715
Capital reserves		80,620	80,620
Legal reserves		47	47
Accumulated other comprehensive income		2,170	1,806
Retained earnings		24,902	23,072
Total equity		146,454	144,260
Non-current liabilities			
Pension provisions		3,011	2,951
Finance lease obligations, non-current portion		0	11
Deferred tax liabilities		5,905	5,669
Total non-current liabilities		8,916	8,631
Current liabilities			
Trade payables		456	1,136
Provisions for income taxes		2,340	1,197
Other provisions		369	361
Accruals		1,579	1,802
Deferred revenue		6,870	1,037
Finance lease obligations, current portion		33	41
Other financial liabilities	(12)	0	4,142
Other liabilities		859	570
Total current liabilities		12,506	10,286
Total equity and liabilities		167,876	163,177

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 1/1/2012 to 6/30/2012

	Accumulated other comprehensive income						Total equity according to consolidated statement of financial position EUR k
	Issued capital	Capital reserves	Legal reserves	Changes in value of available-for-sale securities	Foreign currency translation reserve	Retained earnings	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	
As of 1 January 2011	28,917	813	47	-27	360	17,495	47,605
Net loss of the Group	-	-	-	-	-	-775	-775
Other comprehensive income	-	-	-	41	-310	-	-269
Total comprehensive income	0	0	0	41	-310	-775	-1,044
Capital increase	9,798	79,850	-	-	-	-	89,648
As of 30 June 2011	38,715	80,663	47	14	50	16,720	136,209
As of 1 January 2012	38,715	80,620	47	14	1,792	23,072	144,260
Net profit of the Group	-	-	-	-	-	4,927	4,927
Other comprehensive income	-	-	-	24	340	-	364
Total comprehensive income	0	0	0	24	340	4,927	5,291
Dividend payment	-	-	-	-	-	-3,097	-3,097
As of 30 June 2012	38,715	80,620	47	38	2,132	24,902	146,454

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 1/1/2012 to 6/30/2012

	Note	6 months 2012 EUR k	6 months 2011 EUR k
Cash flows from operating activities			
Profit/Loss before tax		7,070	-475
Adjustments for:			
Depreciation and impairment of property, plant and equipment		84	54
Amortisation and impairment of intangible assets		1,883	1,641
Changes in allowance for impairment of trade receivables		170	138
Other non-cash items		-196	609
Interest expense and other finance cost		3	44
Finance income		-407	-422
		8,607	1,589
Working capital adjustments:			
Increase/decrease(-) in provisions and accruals		-155	-790
Increase(-)/decrease in receivables and other assets		-461	1,249
Increase/decrease(-) in trade payables and other liabilities		5,442	5,050
Cash generated from operations		13,433	7,098
Interest paid		0	-4
Interest received		289	529
Income taxes paid		-999	-806
		12,723	6,817
Cash flow from investing activities			
Purchase of property, plant and equipment		-139	-534
Purchase of intangible assets		-3,273	-3,117
Purchase(-)/sale of available-for-sale securities		-26,997	6,206
		-30,409	2,555
Cash flows from financing activities			
Dividends paid		-3,097	0
Gross issue proceeds from IPO		0	90,638
Profit & loss neutral payments for IPO		0	-1,429
Cash outflow for repayment of other financial liabilities		-4,142	0
Cash paid for finance leases		-19	-86
		-7,258	89,123
Change in cash and cash equivalents impacting on cash flow			
Cash and cash equivalents at the beginning of the period		103,183	7,152
Currency-related change in cash and cash equivalents		63	-417
Cash and cash equivalents at the end of the period		78,302	105,230
Composition of cash and cash equivalents			
Cash and bank balances, unrestricted		78,302	105,230

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 2011.

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 2011.

3. CONSOLIDATED GROUP

As of 30 June 2012, the consolidated group comprised the following additional fully consolidated entities compared to the consolidated financial statements as of 31 December 2011, which RIB Software AG established as sole shareholder by way of cash subscriptions:

- TWO Hong Kong Limited, Hong Kong, People's Republic of China

4. REVENUE

Revenue breaks down as follows:

	6 months 2012 EUR k	6 months 2011 EUR k
Software	8,956	6,755
Maintenance services	8,047	7,371
Consultancy and support services	2,051	2,328
Total revenue	19,054	16,454

The software revenue is as follows:

	6 months 2012 EUR k	6 months 2011 EUR k
iTWO Key Account	2,839	1,328
iTWO Mass Market	1,796	815
iTWO SAP Channel	87	319
Legacy Products	4,234	4,293
Total software	8,956	6,755

5. OTHER OPERATING EXPENSES

Other operating expenses amounting to EUR 316k comprised currency losses from the valuation of time deposits and other financial liabilities, which were recognised through profit or loss and EUR 62k due to Intercompany consolidation.

IPO costs of EUR 3,742k were included under 'Other operating expenses' in the same period of the previous year.

6. EXPENSES FOR EMPLOYEE BENEFITS AND NUMBER OF EMPLOYEES

Expenses for employee benefits

	6 months 2012 EUR k	6 months 2011 EUR k
Wages and salaries	8,046	6,720
Social security and pension costs	1,336	1,121
Total	9,382	7,841

Average number of employees

	6 months 2012	6 months 2011
General administration	45	26
Research and development	237	93
Sales and distribution	73	74
Support/Consulting	101	76
Total	456	269

7. EARNINGS PER SHARE –DILUTED AND BASIC

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 in 2011, the number of shares increased from previously 28,916,670 to 38,715,420.

	6 months 2012 EUR k	6 months 2011 EUR k
Profit/Loss after tax	4,927	-775
Weighted average of shares in circulation	38,715,420	36,874,771
Earnings per share: Diluted and basic	0.13 €	- 0.02 €

8. GOODWILL

	6/30/2012 T€	12/31/2011 T€
I&C Segment	7,096	7,096
CS Segment	6,939	6,939
GZ TWO development unit	2,990	2,932
Total	17,025	16,967

The full extent of the currency adjustments of EUR 58k account for the goodwill of the GZ TWO development unit and result from the differences in the currency exchange rate in the reporting period.

9. AVAILABLE-FOR-SALE SECURITIES

The Group acquired further fixed-rate securities at a total acquisition cost of EUR 26,997k in the reporting period.

These consisted of corporate bonds in euros and US dollars with maturity dates of no later than November 2013 and annual nominal interest rates of between 0.875% and 5.125%.

10. AVAILABLE-FOR-SALE NON-CURRENT ASSETS

This item comprises the European Outsourcing Centre II, a site with buildings in the People's Republic of China, which has passed to the Group within the scope of the acquisition of GZ TWO; please compare the annual report as of 12/31/2011, note 22.

11. SEGMENT INFORMATION

Please refer to Section (8) of our consolidated financial statements for the 2011 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.

6 months 2012				
	I&C Segment EUR k	CS Segment EUR k	Other EUR k	Total EUR k
Total revenue, external sales	8,464	10,590	-	19,054
Segment profit	4,410	5,242	-2,986	6,666
Interest income and expense				404
Other unallocated income and expenses				0
Profit before tax				7,070
Income tax expense				-2,143
Profit after tax				4,927

6 months 2011				
	I&C Segment EUR k	CS Segment EUR k	Other EUR k	Total EUR k
Total revenue, external sales	8,439	8,015	-	16,454
Segment profit	4,461	2,942	-4,514	2,889
Interest income and expense				378
Other unallocated income and expenses				-3,742
Loss before tax				-475
Income tax expense				-300
Loss after tax				-775

Other unallocated expenses mainly include the IPO costs.

Geographic information

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

	6 months 2012 EUR k	6 months 2011 EUR k
EMEA (Germany, Europe, Middle East and Africa)	17,743	15,964
Asia Pacific	1,196	387
Other regions	115	103
Total revenue	19,054	16,454

12. RELATED PARTY TRANSACTION

RIB Software AG acquired a loan receivable from TWO Limited, due from the subsidiary GZ TWO, for a purchase price of EUR 4.142k through an agreement on 29 December 2011.

The transfer of the loan receivable was approved by the competent Chinese authority at the end of May 2012.

The purchase price liability was therefore paid to TWO Limited in June 2012.

There were otherwise no material transactions with related parties during the reporting period.

Further information regarding transactions with related parties can be found in our consolidated financial statements at 31 December 2011, Section 41.

DECLARATION OF THE LEGAL REPRESENTATIVES

We hereby confirm that to the best of our knowledge, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and the interim Group management report gives a true and fair view of the business performance, including the results of operations and the situation of the Group, and describes the main opportunities and risks and anticipated development of the Group in the remaining financial year, in accordance with the applicable framework for interim financial reporting.

Stuttgart, 30 July 2012

RIB Software AG

The Board of Directors



Thomas Wolf



Michael Sauer



Dr. Hans-Peter Sanio

FURTHER INFORMATION

CONTACT DETAILS

RIB Software AG

Vaihinger Straße 151
70567 Stuttgart
Germany

Investor Relations

Phone: +49 711 7873-191
Fax: +49 711 7873-311
e-mail: investor@rib-software.com
Internet: group.rib-software.com

IMPRINT

Published by:

RIB Software AG
Vaihinger Straße 151
70567 Stuttgart

Responsible for content:

RIB Software AG, Stuttgart

Photos:

Title: Istockphoto

July 2012

Trademarks:

RIB, RIB iTWO, ARRIBA, the RIB logo and the iTWO logo are registered Trademarks of RIB Software AG in Germany und optionally in other countries. All other trademarks and product names is property of the respective owners. After deadline changes may have occurred. RIB does not guarantee its accuracy.

“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.”