Interim Report

2012

January - March

LETTER TO SHAREHOLDERS

Dear Shareholders,

We look back on a very successful first quarter in 2012 with significant rates of growth for our BIM ERP product iTWO. This has enabled us to increase our software revenue by around 107%.

We continue to rigorously pursue our strategic objective of positioning iTWO BIM ERP as a leading software product in the market for integrated 5D technologies.

We have further reinforced our market position by significantly enhancing the core features of iTWO BIM ERP. By the end of 2011, we had completed the iTWO 2012 edition, thus enabling 5D models to be used for work in the infrastructure sector. Moreover, we added a relational database and integrated business intelligence function to the iTWO 2012 edition in the Enterprise version, offering various new options including innovative interactive controlling approaches. One such option available for the first time is model-based performance analysis and billing, which we designed in partnership with our key iTWO customers in line with practical requirements.

Our new xTWO cloud platform is due to go online in June for selected customers. The cloud will provide a "building register" for suppliers of building services such as workshops, medium-sized construction companies and building material traders. This register will be accessible online from iTWO. In addition, as a meta-platform, xTWO offers access to customers' existing RIB contract award platforms. Users will be alerted to current calls for tenders via an "activity stream".

These new innovations have enabled us to further enhance RIB's unique global positioning as the leading technology supplier for the construction industry.

We will continue to work successfully towards our goal of becoming the global market leader in integrated BIM technology and now have 465 highly qualified employees, 219 of whom work in Germany and 246 of whom are employed in the rest of the world.

In order to make sure that you as shareholders have a share in the success of our business development, we are planning to pay out a dividend of EUR 0.08 per share for the 2011 fiscal year.

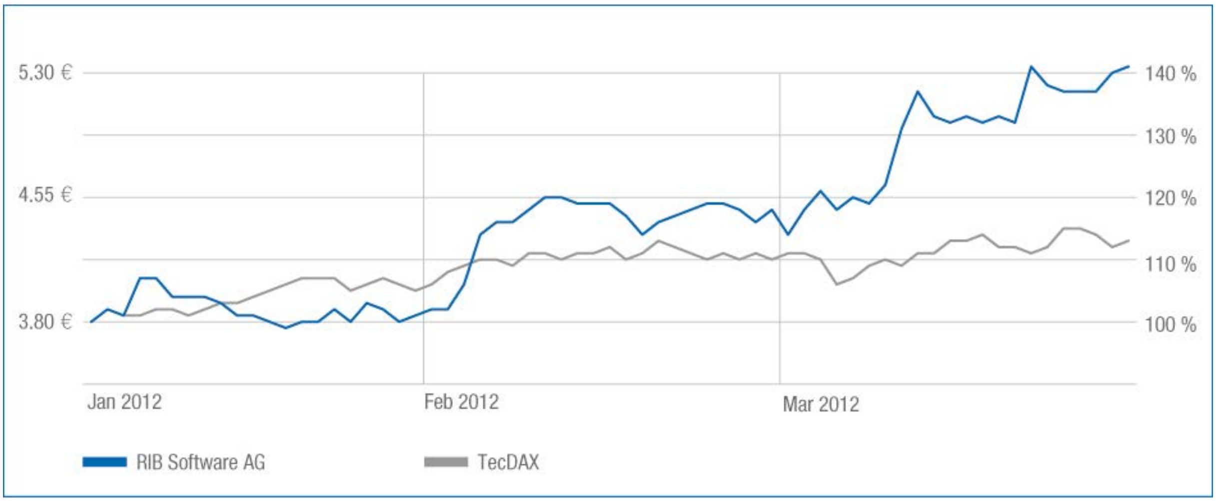
Kind regards,

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

RIB ON THE CAPITAL MARKET

RIB shares have performed outstandingly well this quarter, gaining over 40%, even if that still leaves the share price significantly below our expectations. The current listed price of our share (EUR 5.30 as at 3 May 2012) is backed by cash at around EUR 3 per share. Presently, RIB shares are classified as “Buy” by 3 analysts (UBS, Equinet and Warburg).

RIB share price performance 1/1/2012 – 3/31/2012



Key Figures

in million EUR	3/31/2012	3/31/2011	Change
Revenue	**10.9**	**9.5**	**+14.7%**
Software revenue	**5.7**	**4.3**	**+32.6%**
EBITDA[1] as % of revenue	**5.0** 45.9%	**4.0** 44.1%	**+25.0%**
EBT[1] as % of revenue	**4.2** 38.5%	**3.4** 35.8%	**+23.5%**
Profit after tax[1]	**2.9**	**2.3**	**+26.1%**
Cash flow from operating activities[2]	**10.8**	**9.6**	**+12.5%**
Average number of employees	**465**	**257**	**+80.9%**
Net Cash[3]	**111.4**	**102.7**	**+8.5%**
Equity-Quote[3]	**84.3%**	**88.4%**	

[1] EBITDA, EBT and Profit after tax adjusted IPO costs and FX effects

[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

Successful quarterly results thanks to two Phase II orders

In the first quarter of 2012, RIB Software AG managed to finalise a national Phase II order with Heinrich Schmid, one of the biggest and most successful companies in the construction and development industry. On an international level, it also succeeded in signing a Phase II contract with the Turkish-Russian construction group Renaissance Construction, one of the top 100 companies in the construction sector worldwide.

This confirms our strategy and demonstrates the enormous potential for growth in the marketing of iTWO as the world's first integrated BIM IPD technology. We estimate that there are more than 10,000 potential Phase II and Phase III customers around the world.

Total revenues for the first three months of 2012 rose to EUR 10.9 million (Q1 2011: EUR 9.5 million). High-margin software revenues increased 32.6% to EUR 5.7 million (Q1 2011: EUR 4.3 million). In particular, we saw a significant rise of **106.7%** in **software revenues from iTWO BIM ERP** to EUR 3.1 million (Q1 2011: EUR 1.5 million). International software revenues increased 600% to EUR 0.7 million (Q1 2011: EUR 0.1 million). We also managed to increase software revenues from iTWO BIM ERP by 71.4% to EUR 2.4 million (Q1 2011: EUR 1.4 million) in Germany. In the first quarter, iTWO licence revenues from large customers in the key account segment improved 133.3% to EUR 2.1 million (Q1 2011: EUR 0.9 million). iTWO licence revenues from SMEs in Germany climbed 150% to EUR 1.0 million (Q1 2011: EUR 0.4 million). Maintenance revenues were up 5.1% to EUR 4.1 million (Q1 2011: EUR 3.9 million). Service revenues were slightly below the previous year's level at EUR 1.1 million (Q1 2011: EUR 1.3 million).

Earnings before tax (EBT), adjusted for the costs of the IPO in 2011 and currency effects, **increased 23.5%** to EUR 4.2 million (Q1 2011: EUR 3.4 million) due to the surge in iTWO licence revenues.

In order to push ahead with the successful localisation of iTWO BIM ERP, we are continuing to focus increasingly on the consistent further development of our digital planning and construction products. Thus our R&D expenses before capitalisation, depreciation and amortisation in the reporting period rose by 3.7% to EUR 2.8 million (Q1 2011: EUR 2.7 million). Our **R&D ratio before capitalisation, depreciation and amortisation was 25.2%**. As in the same period of the previous year, selling and distribution costs amounted to EUR 2.2 million. Administrative expenses were up EUR 0.3 million to EUR 1.0 million (Q1 2011: EUR 0.7 million).

The integration of GZ TWO IT and GZ TWO Consulting took the average number of employees up to **465** (Q1 2011: 257 employees), of whom 246 were employed internationally and 219 in Germany.

Cash and cash equivalents rose to EUR 115.6 million

Net cash flow from operating activities, adjusted for the costs of the IPO in 2011, **rose by 12.5% to EUR 10.8 million** (Q1 2011: EUR 9.6 million). Due to the purchase of fixed-rate securities worth EUR 27.0 million, the cash flow from investing activities stood at EUR -28.8 million (Q1 2011: EUR -2.1 million) in the reporting period. There were no significant financing activities in the first quarter (Q1 2011: EUR 89.1 million).

Cash and cash equivalents, including fixed-rate securities, once again rose significantly as a result. The first three months of the 2012 fiscal year saw an increase in cash and cash equivalents of 5.1% as compared with the year ending on 31 December 2011, **bringing them to a total of EUR 115.6 million** (12/31/2011: EUR 110.0 million).

We managed to increase equity to EUR 146.8 million (12/31/2011: EUR 144.3 million), with 79% held in cash.

Liabilities to third parties were reduced by over 36% to EUR 0.7 million (12/31/2011: EUR 1.1 million). Due to the positive order situation, receivables from third parties were up EUR 1.2 million to EUR 9.0 million (12/31/2011: EUR 7.8 million).

B. OPPORTUNITY AND RISK REPORT

For information on significant opportunities and risks involved in the likely development of the RIB Group, please refer to the opportunities and risks described in the Group Management Report for the period ending 31 December 2011.

The very successful first quarter allowed us to conclude two of the six Phase II contracts planned for 2012 and we are expecting further Phase II deals to be clinched in the coming months, provided the general situation in the financial markets and the related economic development on the markets does not deteriorate any further.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period: 1/1/2012 to 3/31/2012

	Note	3 months 2012 EUR k	3 months 2011 EUR k
Revenue	(4)	**10,895**	**9,451**
Cost of sales		-2,033	-1,820
Gross profit		**8,862**	**7,631**
Other operating income		434	375
Selling and distribution costs		-2,173	-2,221
Administrative expenses		-1,018	-703
Research and development expenses		-1,870	-1,882
Other operating expenses	(5)	-455	-3,958
Finance income		189	155
Finance costs		0	-2
Profit/Loss before tax		**3,969**	**-605**
Income tax expense		-1,244	152
Profit/Loss after tax		**2,725**	**-453**
Earnings per share: Diluted and basic	(7)	0.07 €	- 0.01 €

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period: 1/1/2012 to 3/31/2012

	3 months 2012 EUR k	3 months 2011 EUR k
Profit/Loss after tax	2,725	-453
Other comprehensive income		
Exchange differences	-427	-235
Changes in value of available-for-sale securities	13	-153
Other comprehensive income for the period	**-414**	**-388**
Total comprehensive income	**2,311**	**-841**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 3/31/2012 AND 12/31/2011

	Note	3/31/2012 EUR k	12/31/2011 EUR k
Non-current assets			
Goodwill	(8)	16,880	16,967
Other intangible assets		20,535	19,739
Property, plant and equipment		4,992	5,142
Investments accounted for using the equity method		1,257	1,257
Trade receivables		1,623	633
Other assets		86	86
Deferred tax assets		317	374
Total non-current assets		**45,690**	**44,198**
Current assets			
Trade receivables		7,412	7,127
Available-for-sale securities	(9)	30,461	3,664
Available-for-sale non-current assets	(10)	3,287	3,388
Other assets		2,079	1,617
Cash and cash equivalents		85,086	103,183
Total current assets		**128,325**	**118,979**
Total assets		**174,015**	**163,177**

	Note	3/31/2012 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		1,392	1,806
Retained earnings		25,797	23,072
Total equity		**146,571**	**144,260**
Non-current liabilities			
Pension provisions		2,981	2,951
Finance lease obligations, non-current portion		3	11
Deferred tax liabilities		5,607	5,669
Total non-current liabilities		**8,591**	**8,631**
Current liabilities			
Trade payables		673	1,136
Provisions for income taxes		1,908	1,197
Other provisions		345	361
Accruals		1,651	1,802
Deferred revenue		9,490	1,037
Finance lease obligations, current portion		37	41
Other financial liabilities	(12)	4,142	4,142
Other liabilities		607	570
Total current liabilities		**18,853**	**10,286**
Total equity and liabilities		**174,015**	**163,177**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 1/1/2012 to 3/31/2012

				Accumulated other comprehensive income			
	Issued capital	Capital reserves	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 2011	**28,917**	**813**	**47**	**-27**	**360**	**17,495**	**47,605**
Net loss of the Group	0	0	-	-	-	-453	- 453
Other comprehensive income						0	-388
Total comprehensive income	**-**	**-**	**-**	**-153**	**-235**	**-453**	**-841**
Capital increase	9,798	79,850	-	0	0	0	89,648
As of 31 March 2011	**38,715**	**80,663**	**47**	**-180**	**125**	**17,042**	**136,412**
As of 1 January 2012	**38,715**	**80,620**	**47**	**14**	**1,792**	**23,072**	**144,260**
Net profit of the Group						2,725	2,725
Other comprehensive income	-	-	-	13	-427	-	-414
Total comprehensive income	**0**	**0**	**0**	**13**	**-427**	**2,725**	**2,311**
As of 31 March 2012	**38,715**	**80,620**	**47**	**27**	**1,365**	**25,797**	**146,571**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 1/1/2012 to 3/31/2012

	Note	3 months 2012 EUR k	3 months 2011 EUR k
Cash flows from operating activities			
Profit/Loss before tax		3,969	-605
Adjustments for:			
Depreciation and impairment of property, plant and equipment		45	28
Amortisation and impairment of intangible assets		900	816
Changes in allowance for impairment of trade receivables		162	160
Other non-cash items		359	323
Interest expense and other finance cost		0	2
Finance income		-189	-155
		5,246	**569**
Working capital adjustments			
Increase/decrease(-) in provisions and accruals		-137	-895
Increase(-)/decrease in receivables and other assets		-1,947	-628
Increase/decrease(-) in trade payables and other liabilities		8,027	7,259
Cash generated from operations		11,189	6,305
Interest paid		0	-2
Interest received		155	21
Income taxes paid		-532	-443
Net cash flows from operating activities		**10,812**	**5,881**
Cash flow from investing activities			
Purchase of property, plant and equipment		-44	-513
Purchase of intangible assets		-1,722	-1,540
Purchase(-)/sale of available-for-sale securities		-26,997	0
Net cash flows from investing activities		**-28,763**	**-2,053**
Cash flows from financing activities			
Gross issue proceeds from IPO		0	90,638
Profit & loss neutral payments for IPO		0	-1,429
Cash paid for finance leases		-12	-43
Net cash flows from financing activities		**-12**	**89,166**
Change in cash and cash equivalents impacting on cash flow		**-17,963**	**92,994**
Cash and cash equivalents at the beginning of the period		103,183	7,152
Currency-related change in cash and cash equivalents		-134	0
Cash and cash equivalents at the end of the period		**85,086**	**100,146**
Composition of cash and cash equivalents			
Cash and bank balances, unrestricted		85,086	100,146

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 fiscal 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 31 March 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:

	3 months 2012 EUR k	3 months 2011 EUR k
Software	5,708	4,261
Maintenance services	4,075	3,850
Consultancy and support services	1,112	1,340
Total revenue	**10,895**	**9,451**

The software revenue is as follows:

	3 months 2012 EUR k	3 months 2011 EUR k
iTWO Key Account	2,118	860
iTWO Mass Market	1,006	351
iTWO SAP Channel	0	304
Legacy Products	2,584	2,746
Total software	**5,708**	**4,261**

5. OTHER OPERATING EXPENSES

Other operating expenses amounting to EUR 455k comprised currency losses from the valuation of fixed interest securities, time deposits and other financial liabilities, which were recognised through profit or loss and EUR 64k 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

	3 months 2012 EUR k	3 months 2011 EUR k
Wages and salaries	4,153	3,145
Social security and pension costs	638	557
Total	**4,791**	**3,702**

Average number of employees

	3 months 2012	3 months 2011
General administration	46	25
Research and development	235	83
Sales and distribution	80	73
Support/Consulting	104	76
Total	**465**	**257**

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

	3 months 2012 EUR k	3 months 2011 EUR k
Profit/Loss after tax	2,725	-453
Weighted average of shares in circulation	38,715,420	35,013,670
Earnings per share: basic and diluted	**0.07 €**	**- 0.01 €**

8. GOODWILL

	03/31/2012 T€	12/31/2011 T€
I&C Segment	7,096	7,096
CS Segment	6,939	6,939
GZ TWO development unit	2,845	2,932
Total	**16,880**	**16,967**

The full extent of the currency adjustments of EUR 87k 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 fiscal 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.

				3 months 2012
	I&C Segment EUR k	CS Segment EUR k	Other EUR k	Total EUR k
Total revenue, external sales	**4,619**	**6,276**	**0**	**10,895**
Segment profit	2,399	3,696	-2,315	3,780
Interest income and expense				189
Other unallocated income and expenses				0
Profit before tax				3,969
Income tax expense				-1,244
Profit after tax				**2,725**

				3 months 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
Loss before tax				-605
Income tax expense				152
Loss after tax				**-453**

Other unallocated expenses mainly include the IPO costs.

Geographic information

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

	3 months 2012 EUR k	3 months 2011 EUR k
EMEA (Germany, Europe, Middle East and Africa)	10,096	9,188
Asia Pacific	739	262
Other regions	60	1
Total revenue	**10,895**	**9,451**

12. RELATED PARTY TRANSACTION

Under an agreement dated 29 December 2011, RIB Software AG acquired a loan receivable from TWO Limited against its subsidiary GZ TWO at a purchase price of EUR 4,142k.

Transfer of the loan receivable requires approval by the relevant Chinese authority.

Under the agreement dated 29 December 2011, TWO Limited is obliged to take back the loan receivable if approval is not given within 90 days.

After it became apparent that approval would not be given within this time limit, the contracting parties agreed on 26 March 2012 to extend the deadline to 30 June 2012.

The purchase price liability amounting to EUR 4,142k is therefore still reported under "Other financial liabilities".

There were no other significant related party transactions during the reporting period.

You will find further information on related party transactions in our consolidated financial statements for the period ending 31 December 2011, Section 41.

Stuttgart, May 2012

RIB Software AG

The Board of Directors

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

FURTHER INFORMATION

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