RIB
running together

Interim Report

2013

January - March

Dear Shareholders,

During the first quarter of 2013, we increased our revenue significantly by 29.4%, or from € 10.9 million to € 14.1 million year-on-year. Revenue contributions from international markets in particular rose from € 1.5 million to € 6.2 million, which represents a contribution of 44%. This performance enabled us to further reduce our dependency on the domestic market and thus create a basis for the further international expansion of iTWO.

The growth in the new cloud business segment, where revenues rose sharply from € 0.9 million to € 2.5 million is particularly gratifying. Both the new iTWO cx collaboration software and our iTWO tx contract award platform played a major role in the increase. The contract award platform currently lists 70,000 craftsman's businesses as subcontractors to construction investors – and in Q2, this service will expand with the addition of construction industry clients. Although it represents a mere 4% of global construction volume, Germany alone currently has approx. 500,000 potential platform users comprising craftsmen and mid-sized construction companies working as subcontractors to the construction industry.

In order to generate further growth in the cloud business segment, we have now expanded our new iTWO cx collaboration platform to a 5D model server using our iTWO 5D technology as a basis. This will enable all project partners to use 5D models – fully integrated with our iTWO 5D Enterprise Solution – in the cloud for their model-based collaboration on projects. The main target groups for this solution are, first and foremost, the 1,000 largest investors and contractors in the EU, the 1,000 most important customers in the USA, and another 1,000 top customers in China, the Middle East, Southeast Asia and Australia.

We believe that by 2020, the market for cloud-based 5D technology and SaaS solutions will offer a volume equal to 1% of global construction volume. This represents potential revenue of approx. US$ 100 billion. Using iTWO as an integrated 5D end-to-end enterprise solution, we hope to create a new category of software that will revolutionize the construction industry, much in the same way as Walter Gropius and Mies van der Rohe did with their Bauhaus concept. Our aim is to unite our new solution – comprising web-based and model-based technology in conjunction with 5D content – with an end-to-end 5D enterprise solution in the cloud, in order to achieve global market leadership in cloud-based 5D technology and SaaS in the construction industry.

We would like to thank you, dear shareholders, for the confidence you have placed in us. We look forward to your continuing support as we blaze exciting new trails in our business.

Yours sincerely,

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

Interim Group Management Report

A. Report on the results of operations, financial position and net assets

Revenues up 29.4%

A significant increase in revenue of 29.4% to € 14.1 million (previous year: € 10.9 million) in the first three months of 2013 put EBITDA well above our expectations at € 4.4 million (previous year: € 4.7 million). At € 5.6 million, software licence revenue overall approached the level of the previous year (€ 5.7 million) despite a missing phase II deal. This total becomes even more impressive when one considers that the revenues of the same quarter the previous year included two phase II contracts totalling € 2.1 million.

Maintenance revenues increased 4.9% to € 4.3 million (previous year: € 4.1 million). Revenue from other services increased sharply from € 1.1 million to € 4.2 million.

R&D expenses in the reporting period rose by 27.3% to € 1.4 million (previous year: € 1.1 million). The R&D ratio before capitalisation, depreciation, amortisation and impairment amounts to 20.6%. Selling and distribution costs rose to € 3.2 million (previous year: € 2.2 million) as a result of further additions to the sales force. Administrative expenses stood at € 1.4 million (previous year: € 1.0 million).

Currency effects from exchange rate changes recognised in profit or loss amounted to € 0.6 million for the first three months of 2013 (previous year: € -0.2 million).

The integration of the new locations in the USA and Australia were primarily responsible for an increase in the average number of employees to 547 (previous year: 465).

Net cash flow from operating activities increases by 10.2%
Cash and cash equivalents remain just under € 100 million despite acquisitions

Net cash flow from operating activities has risen by 10.2% to € 11.9 million (previous year: € 10.8 million). The cash flow from investment activities for the reporting period amounts to € 7.6 million (previous year: € -28.8 million). This includes inflows from fixed-interest securities during the reporting period amounting to € 9.4 million, compared to outflows of the previous year in the amount of € 27.0 million. During the first three months, cash flow from financing activities came to € -1.4 million and includes mainly outflows for the acquisition of treasury shares. There were no significant financing activities in the same quarter of the previous year.

Cash and cash equivalents, including fixed-interest securities, rose by € 9.6 million within the first three months of the 2013 financial year from their level as at 31 December 2012 to reach € 98.7 million (31.12.2012: € 89.1 million). Trade receivables amounted to € 9.9 million (31.12.2012: € 9.4 million).

Equity rose slightly to € 150.8 million (31.12.2012: € 148.4 million) and more than 65% is covered by liquid funds. The equity ratio had attained 78.2% as of 31 March 2013. As at 31 March 2013, treasury shares had been acquired for € 1.5 million as part of the share repurchasing programme (31.12.2012: € 0.2 million). As of the reporting date of 31 March 2013, this is equal to 343,842 treasury shares. The programme closed on 15 April 2013 with 389,573 shares acquired, and resumed on 22 April 2013 for the period it takes to acquire 1.0 million shares, but will not extend beyond 30 November 2013.

Liabilities to third parties remain at € 0.9 million (31.12.2012: € 0.9 million). Receivables from third parties increased by € 0.5 million to € 9.9 million (31.12.2012: € 9.4 million).

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 as at 31 December 2012.

This year, we will focus on adding to our national and international base of reference clients who use iTWO as an end-to-end solution across the entire construction process chain. To this end, we will invest in appropriate development, sales and consulting capacities. We thus expect the RIB Group's revenue growth in 2013 to be 30% higher than in the previous year.

Consolidated interim financial statements

Consolidated income statement

For the period: 01.01.2013 to 31.03.2013

€ thousands unless otherwise indicated

	Note	3 months 2013	3 months 2012
Revenue	(4)	**14,108**	**10,895**
Cost of sales		-5,778	-2,845
Gross profit		**8,330**	**8,050**
Other operating income		941	434
Selling and distribution costs		-3,215	-2,173
Administrative expenses		-1,425	-1,018
Research and development expenses		-1,387	-1,058
Other operating expenses	(5)	-95	-455
Finance income		115	189
Finance costs		-101	0
Profit before tax		**3,163**	**3,969**
Income tax expense		-881	-1,244
Profit after tax		**2,282**	**2,725**
Earnings per share:			
Diluted and basic	(7)	0.06 €	0.07 €

Consolidated statement of comprehensive income

For the period: 01.01.2013 to 31.03.2013

€ thousands

	3 months 2013	3 months 2012
Profit after tax	**2,282**	**2,725**
Other comprehensive income:		
Exchange differences	1,501	-427
Changes in value of available-for-sale securities	-36	13
Revaluations	-31	0
Other comprehensive income for the period	**1,434**	**-414**
Total comprehensive income	**3,716**	**2,311**

Consolidated Statement of Financial Position as of 31.03.2013 and 31.12.2012

€ thousands

	Note	31.03.2013	31.12.2012
Goodwill	(8)	38,244	37,504
Other intangible assets		29,340	28,726
Property, plant and equipment		5,790	5,586
Investment property		5,047	4,834
Investments accounted for using the equity method		1,231	1,231
Prepaid land lease payments		958	964
Trade receivables		43	43
Other assets		86	86
Deferred tax assets		1,047	961
Total non-current assets		**81,786**	**79,935**
Trade receivables		9,892	9,401
Available-for-sale securities	(9)	30,653	39,816
Available-for-sale non-current assets	(10)	0	165
Other assets		2,640	2,966
Cash and cash equivalents		68,052	49,266
Total current assets		**111,237**	**101,614**
Total assets		**193,023**	**181,549**

€ thousands

	31.03.2013	31.12.2012
Issued capital	38,715	38,715
Treasury shares	-1,535	-202
Capital reserves	80,620	80,620
Legal reserves	47	47
Accumulated other comprehensive income	1,935	501
Retained earnings	30,969	28,687
Total equity	**150,751**	**148,368**
Pension provisions	3,335	3,292
Finance lease obligations, non-current portion	1	1
Other finance liabilities	11,074	10,994
Deferred tax liabilities	8,157	7,928
Total non-current liabilities	**22,567**	**22,215**
Trade payables	912	939
Provisions for income taxes	2,337	1,971
Other provisions	261	298
Accruals	2,099	2,519
Deferred revenue	12,085	3,258
Finance lease obligations, current portion	16	37
Other financial liabilities	17	18
Other liabilities	1,978	1,925
Total current liabilities	**19,705**	**10,966**
Total liabilities	**42,272**	**33,181**
Total equity and liabilities	**193,023**	**181,549**

Consolidated statement of changes in equity

For the period: 01.01.2013 to 31.03.2013

€ thousands

				Accumulated other comprehensive income					
	Issued capital	Capital reserves	Legal reserves	Changes in value of available-for-sale securities	Foreign currency translation reserve	Revaluations	Treasury shares	Retained earnings	Total equity according to consolidated statement of financial position
As of 1 January 2012	**38,715**	**80,620**	**47**	**14**	**1,792**	**116**	**0**	**22,956**	**144,260**
Profit after tax	-	-	-	-	-	-	-	2,725	2,725
Other comprehensive income	-	-	-	13	-427	-	-	-	-414
Total comprehensive income	**-**	**-**	**-**	**13**	**-427**	**-**	**0**	**2,725**	**2,311**
As of 31 March 2012	**38,715**	**80,620**	**47**	**27**	**1,365**	**116**	**0**	**25,681**	**146,571**
As of 1 January 2013	**38,715**	**80,620**	**47**	**91**	**543**	**-133**	**-202**	**28,687**	**148,368**
Profit after tax	-	-	-	-	-	-	-	2,282	2,282
Other comprehensive income	-	-	-	-36	1,501	-31	-	-	1,434
Total comprehensive income	**0**	**0**	**0**	**-36**	**1,501**	**-31**	**0**	**2,282**	**3,716**
Share buybacks	-	-	-	-	-	-	-1,333	-	-1,333
As of 31 March 2013	**38,715**	**80,620**	**47**	**55**	**2,044**	**-164**	**-1,535**	**30,969**	**150,751**

Consolidated statement of cash flows

For the period: 01.01.2013 to 31.03.2013

€ thousands

	3 months 2013	3 months 2012
Cash flows from operating activities:		
Profit before tax	**3,163**	**3,969**
Adjustments for:		
Depreciation and impairment of property, plant and equipment	104	45
Amortisation and impairment of intangible assets	1,130	900
Changes in allowance for impairment of trade receivables	-139	162
Other non-cash items	-732	359
Interest expense and other finance cost	101	0
Finance income	-115	-189
	3,512	**5,246**
Working capital adjustments:		
Increase/decrease(-) in provisions and accruals	-418	-137
Increase(-)/decrease in receivables and other assets	308	-1,947
Increase/decrease(-) in trade payables and other liabilities	8,932	8,027
Cash generated from operations	**12,334**	**11,189**
Interest paid	-8	0
Interest received	116	155
Income taxes paid	-515	-532
Net cash flows from operating activities	**11,927**	**10,812**
Purchase of property, plant and equipment	-233	-44
Purchase/production of intangible assets	-1,498	-1,722
Purchase(-)/sale of available-for-sale securities	9,358	-26,997
Net cash flows from investing activities	**7,627**	**-28,763**
Cash outflow for share buybacks	-1,333	0
Cash outflow for repayment of other financial liabilities	-1	0
Cash paid for finance leases	-21	-12
Net cash flows used in financing activities	**-1,355**	**-12**
Change in cash and cash equivalents impacting on cash flow	**18,199**	**-17,963**
Cash and cash equivalents at the beginning of the period	49,266	103,183
Currency-related change in cash and cash equivalents	587	-134
Cash and cash equivalents at the end of the period	**68,052**	**85,086**
Composition of cash and cash equivalents		
Cash and bank balances, unrestricted	60,851	84,401
Cash and bank balances, restricted	7,201	685
Total	**68,052**	**85,086**

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 2012.

Due to the representation of the numbers in € thousands, 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 2012.

3. Consolidated group

As of 31 March 2013, the consolidated group comprised the same entities compared to the consolidated financial statements as of 31 December 2012.

4. Revenue

Revenue breaks down as follows:

€ thousands

	3 months 2013	3 months 2012
Software licences	3,109	4,790
Software as a service / cloud	2,504	918
Total software licences and software as a service / cloud	**5,613**	**5,708**
Maintenance	4,271	4,075
Consulting	4,224	1,112
Total revenue	**14,108**	**10,895**

The total software licence revenue is subdivided as follows:

€ thousands

	3 months 2013	3 months 2012
iTWO Key Account	59	2,118
iTWO Mass Market	988	1,006
SaaS / Cloud	2,504	918
Legacy Products	2,062	1,666
Total software licences and software as a service / cloud	**5,613**	**5,708**

5. Other operating expenses

Other operating expenses include foreign exchange expenses arising from cash and cash equivalents and foreign currency differences due to intercompany consolidation.

6. Expenses for employee benefits and number of employees

Expenses for employee benefits

€ thousands

	3 months 2013	3 months 2012
Wages and salaries	6,767	4,153
Social security and pension costs	1,259	638
Total	**8,026**	**4,791**

Average number of employees

	3 months 2013	3 months 2012
General administration	66	46
Research and development	202	235
Sales and distribution	84	80
Support/Consulting	195	104
Total	**547**	**465**

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.
During the reporting period the weighted average of shares in circulation is 38,472,547. RIB Software AG has bought back during the period from 01.01.2013 to 31.03.2013 total 300,280 ordinary shares with a nominal value of € 1.00 per share and an average price of € 4.44.

€ thousands unless otherwise indicated

	3 months 2013	3 months 2012
Profit after tax	2,282	2,725
Weighted average of shares in circulation	38,472,547	38,715,420
Earnings per share (diluted and basic)	**0.06 €**	**0.07 €**

8. Goodwill

€ thousands

	31.03.2013	31.12.2012
License / Software Segment	24,999	24,607
SaaS / Cloud Segment	6,564	6,361
Professional Services Segment	3,676	3,625
GZ TWO development unit	3,005	2,911
Total	**38,244**	**37,504**

The full extent of changes in goodwill amounting to € 740 thousand are due to currency adjustments resulting from translation effects of goodwill maintained in the local currency and not recognised in profit or loss.

9. Available-for-sale securities

During the reporting period several fixed-rate securities held in the form of corporate bonds became due for repayment. Incoming payments from this amounted to € 9,436 thousand.

The Group acquired fixed-rate securities of € 78 thousand. The remaining change in the fair value is due to exchange and currency conversion.

10. Available-for-sale non-current assets

The co-ownership of an office building in Scottsdale / Arizona was sold during the reporting period.

Please compare the annual report as of 31.12.2012, note 24.

11. Segment information

Please refer to Section (9) of our consolidated financial statements for the 2012 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.

€ thousands

	3 months 2013			
	License / Software	**SaaS / Cloud**	**Prof. Services**	**Total**
Total revenue, external sales	**7,380**	**2,503**	**4,225**	**14,108**
Cost of sale	-1,872	-145	-3,761	-5,778
Research and development expenses	-704	-683	0	-1,387
Segment profit (EBIT)	4,804	1,675	464	6,943
Interest income and expense				14
Other unallocated income and expenses				-3,794
Profit before tax (EBT)				3,163
Income Tax Expense				-881
Profit after tax				**2,282**

€ thousands

	3 months 2012			
	License / Software	**SaaS / Cloud**	**Prof. Services**	**Total**
Total revenue, external sales	**8,865**	**918**	**1,112**	**10,895**
Cost of sale	-1,636	-41	-1,168	-2,845
Research and development expenses	-1,011	-47	0	-1,058
Segment profit (EBIT)	6,218	830	-56	6,992
Interest income and expense				189
Other unallocated income and expenses				-3,212
Profit before tax (EBT)				3,969
Income Tax Expense				-1,244
Profit after tax				**2,725**

The other non-allocated income and expenses include other operating income, general management expenses, sales and marketing costs and other operating expenses.

Geographic information

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

€ thousands

	3 months 2013	3 months 2012
EMEA (Germany, Europe, Middle East and Africa)	8,661	10,096
APAC (Asia Pacific)	1,028	739
North America	4,419	60
Total revenue	**14,108**	**10,895**

Stuttgart, 30 April 2013

RIB Software AG

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Imprint

Published by:

RIB Software AG

Vaihinger Straße 151

70567 Stuttgart

Responsible for content:

RIB Software AG, Stuttgart

Photos:

Title: Istockphoto

April 2013

Translation of the original German version:

“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.”