RIB
running together

Interim Report

January - June 2016

LETTER TO OUR SHAREHOLDERS

**Dear Shareholders,
Dear Friends of RIB Software AG,**

the strong company growth in the first quarter of 2016 continued into the second quarter. The profitable software licence revenue increased by 70% by the end of the first half of the year, and strengthened our course.

Our iTWO community and iTWO Brand has reached a high level in 2011-2015, and the outlook is positive in the new 2016-2020 5-year plan and beyond to 2025. Global governments, the IT industry and clients are discovering the benefit of integrating two worlds (the virtual into the physical), which we call iTWO Technology.

1. **We are on a strong path** to reach our 2020 – 2025 target of building up a community of 1,000 iTWO 5D technology partners and iTWO key account clients as the engine to transform the traditional building and infrastructure industry into one of the most advanced industries on the planet.

2. **We are on a strong path** to support with iTWO³ - New Thinking, New Working, New IT Technology - and the iTWO City Technology the development of the 21st Century City and Infrastructure development, called digital knowledge or smart city.

3. **We are on a strong path** to support with iTWO 4.0 the next generation of IT, which is also named IoT. With the new iTWO 4.0 2016 platform, the iTWO SP (smart production), and the xTWO platform, we have developed exactly the solutions for which the market is now asking.

The global building and construction process industry has reached now almost 9 trillion USD and will grow to 15 trillion by 2025. The IT spending can reach around 500 Billion USD (3.3%) from today estimated 90 Billion USD (1%). To become a leading supplier for this new 500 Billion USD pie, we need to work hard on our foundation and our organization.

RIB philosophy is to perform as a real IT business partner for our iTWO clients and enablers and not to perform only as a traditional software vendor. Therefore, we have developed world leading business processes and technical enterprise resources planning and execution experts. Our RIB top experts have deep practical knowledge in the macro and micro economic dynamics in the global made-to-order and process industry. Together with our clients, **we are determined** to halve their current and future risks and double their profits. **We are determined** to reduce up to 50% waste in different sectors and to reach overall 30% benefits for the whole iTWO community and finally a contribution to society. **We are determined** to support our industry by developing the next generation of talents together with the leading technology universities in the world, such as Georgia Institute of Technology in Atlanta, USA.

In 2016, we will have almost completed the R&D work on the iTWO 4.0 next generation platform which will be the main RIB technology in 2016 -2020. As such, we are starting now to shift from a more R&D driven organization into a stronger marketing driven organization. We are now able to offer standard IT solutions based on global "best practices", which include industry-specific content. In the meantime, we are seeking cooperation with leading real estate developers and building materials suppliers to develop the supply chain management

4.0 solution integrated with our e-commerce platform, which will open strong opportunities for RIB in the building materials sector.

The iTWO Technology development is done in close partnership and cooperation with our key iTWO Technology Partners from clients, enablers and universities side. Here we have formed **together with our investors the strongest team in the world.**

The world economy has slowed down in the last months and some sectors like Oil & Gas and regions like China are seeing a correction in the 12-month outlook. But, based on the 4.0 (IoT) and mass customization opportunity for the process and made-to-order industry and on the infrastructure needs of 4 Billion middle class consumers (today 2 Billion) in the next years, the fundamental data are extremely positive for strong iTWO business development in2016 -2025. RIB is also empowered by a strong financial base to win a significant stake of the expected 500 billion USD market opportunity in the future.

Thanks for your trust and support. Our share price has reached a new record high in 2015, and I can promise RIB team will not rest and work hard to reach the next record level and reach a real break-through for our technology, for our management and for our investors.

Kind regards

Thomas Wolf

RIB OVERVIEW

COMPANY PROFILE

RIB Software AG is an innovator in construction business. The company creates, develops, and offers iTWO³ – new thinking, new working method and new technology - for construction projects across various industries worldwide. iTWO today is the world's first Cloud / License based Big Data 5D BIM enterprise solution for construction companies, industrial companies, developers and investors.

Since its inception in 1961, RIB Software AG has been the pioneer in construction innovation, exploring and bringing in new thinking, new working method and new technology to enhance construction productivity, and transforming the construction industry into the most advanced and digitalized industry in the 21st century.

RIB is headquartered in Stuttgart, Germany, and listed in Prime Standard Frankfurt Stock Exchange since 2011. With about 700 talents located in over 30 offices worldwide, RIB is serving 100,000 clients including construction contractors, sub-contractors, developers, owners, investors and governments, in the field of building construction, infrastructure, EPC sector and more.

For more information visit **www.rib-software.com**

SHAREHOLDER STRUCTURE

As of 25 July 2016

Shareholder	Shares in %
Thomas Wolf & Family	18.65
Capital Group Companies, Inc.	7.90
Ameriprise Financial, Inc.	4.54
SAP AG	3.97
RIB Software AG (Treasury stock)	3.81
Lagoda Investment Management L.P.	3.19
Hans-Joachim Sander & Family	3.11
Credit Suisse Fund Management S.A.	3.03
Schroders Investment Management Ltd.	3.00
Henderson Global Investors Limited	2.97

Shares outstanding: 46,845,657

CONSOLIDATED FIGURES - OVERVIEW

€ million unless otherwise indicated	2nd quarter 2016	2nd quarter 2015	change	6 months 2016	6 months 2015	change
Revenue	24.5	19.2	27.6%	49.9	39.4	26.6%
Software licence	7.1	3.8	86.8%	14.8	8.7	70.1%
Software as a Service / Cloud	3.1	3.0	3.3%	6.9	6.7	3.0%
Maintenance	6.8	6.2	9.7%	13.5	11.9	13.4%
Consulting	5.8	4.6	26.1%	11.0	9.3	18.3%
e-Commerce	1.7	1.5	13.3%	3.7	2.6	42.3%
Operating EBITDA*	**6.5**	**5.0**	**30.0%**	**13.6**	**10.8**	**25.9 %**
as % of revenue	26.5%	26.0%		27.3%	27.4%	
Operating EBT*	**4.1**	**2.9**	**41.4%**	**9.0**	**6.8**	**32.4%**
as % of revenue	16.7%	15.1%		18.0%	17.3%	
Profit after taxes	3.4	2.0	70.0%	4.6	4.8	-4.2%
Write-downs from purchase price allocations (PPA amortisation)	1.0	0.7	42.9%	2.1	1.4	50.0%
Cash generated from operations				19.7	15.9	23.9%
Free Cash Flow				9.4	8.8	6.8%
Cash incl. available-for-sale securities**				169.0	177.0	-4.5%
Equity ratio**				85.9%	86.3%	
Average number of employees				759	651	16.6%

* EBITDA and EBT adjusted for currency effects (Q2 2016: +2.0; Q2 2015: 0.0) / (6M 2016: -0.9; 6M 2015: -0.1)
** Previous year as of 31 December 2015

MEMBERS OF THE EXECUTIVE BOARD

Thomas Wolf
CEO

Michael Sauer
CFO

Dr. Hans-Peter Sanio
COO

Helmut Schmid
CTO

INTERIM GROUP MANAGEMENT REPORT

REPORT ON EARNINGS, FINANCIAL POSITION AND NET WORTH

TOTAL REVENUE INCREASED BY 26.6% TO € 49.9 MILLION IN THE FIRST HALF OF THE YEAR SOFTWARE LICENCE REVENUE GROWS BY 70.1%

Due to a successful first half of the year, the Group's revenue increased by 26.6% to € 49.9 million (previous year: € 39.4 million). International revenue increased by 31.3% to € 25.6 million (previous year: € 19.5 million). Revenue in Germany grew by 22.7% to € 24.3 million (previous year: € 19.8 million). Adjusted for acquisitions, overall sales grew by 15.7% to € 45.6 million during the first six months (previous year: € 39.4 million).

Software licence revenue developed very positively and increased by 70.1% to € 14.8 million (previous year: € 8.7 million). iTWO 5D's key account software licence revenues increased significantly by 78.6% to € 5.0 million (previous year: € 2.8 million). The iTWO software revenues in the mass market grew by 35.6% to € 6.1 million (previous year: € 4.5 million). Accrued maintenance revenues increased by 13.4% from € 11.9 million to € 13.5 million. In total, recurring revenues (maintenance and SaaS) increased from € 18.6 million to € 20.4 million (+9.7%). Consulting revenues grew by 18.3% to € 11.0 million (previous year: € 9.3 million). In the xTWO (e-commerce) reporting segment, revenue increased by 42.3% to € 3.7 million (previous year: € 2.6 million) during the reporting period.

OPERATING EBITDA* INCREASED BY 25.9% TO € 13.6 MILLION / OPERATING EBITDA MARGIN OF 27.3% OPERATING PRE-TAX PROFIT* INCREASES BY 32.4% TO € 9.0 MILLION

With an increase of 25.9%, the operating profit before interest, tax and depreciation (operating EBITDA*) rose in the first half of the year to € 13.6 million (previous year: € 10.8 million). The pre-tax operating profit (operating EBT*) increased by 32.4% during the reporting period to € 9.0 million (previous year: € 6.8 million). Overall PPA amortisation rose from € 1.4 million in the previous year to € 2.1 million (+50.0%). Earnings before tax reached € 8.1 million in the first half of the year (previous year: € 6.7 million). Profit after tax was € 4.6 million, and thus slightly lower than the previous year's level (€ 4.8 million). The high theoretical tax rate is largely a result of start-up losses incurred by subsidiaries, such as xTWO GmbH, for which no deferred tax assets were recognised in the reporting period due to extremely conservative accounting policies. The adjusted tax rate, taking into account tax loss carryforwards, is around 29%.

EBITDA* MARGIN IN ITWO SEGMENT INCREASED TO 31.7%

Operating EBITDA* in the iTWO reporting segment increased by 30.4% to € 14.6 million (previous year: € 11.2 million). The operating EBITDA margin rose during the reporting period to 31.7% (previous year: 30.4%). With a growth in sales of 42.3%, the xTWO segment still realised start-up losses of -€ 1.0 million.

HIGH RISE OF R&D EXPENDITURE IN FIELD iTWO 4.0

In the reporting period, R&D expenses increased by 31.6% to € 5.0 million (previous year: € 3.8 million). The increase was primarily due to the strengthening of our iTWO 4.0 development team and the acquisitions of Soft SA and SAA. Administrative expenses rose, owing for the most part to acquisitions, from € 4.5 million in the previous year to €5.0 million (+11.1%). Marketing and distribution costs rose to € 8.9 million (previous year: € 7.2 million) due to acquisitions (+€ 0.5 million) and to staff increases and investments in the xTWO segment (+€ 0.4 million) and general cost increases (+€ 0.8 million).

The average number of employees rose to 759 (previous year: 651 employees). This rise in employee numbers

*) EBITDA and pre-tax profit adjusted for currency effects (2016: -€ 0.9 million; 2015: -€ 0.1 million)

is primarily due to the further increase in development capacities in the area of the web-based iTWO 4.0 platform, the increase in the number of employees in e-commerce and the integration of the companies acquired in the second half year 2015, Soft SA and SAA.

In the first half of the year, the RIB Group generated a cash inflow from operations before tax of € 19.7 million (previous year: € 15.9 million), corresponding to an increase of 23.9% against the previous year. Net cash flow from operating activities reached € 11.6 million (previous year: € 13.5 million). The net cash flow of -€ 2.2 million from investment activity was less than the same period in the previous year (-€ 4.7 million). This is primarily due to the sale of available-for-sale securities amounting to € 2.6 million. Net cash flow from financing activity of -€ 13.6 million (previous year: -€ 9.5 million) mostly includes dividend payments (-€ 7.3 million), payments made for the acquisition of treasury shares (-€ 3.5 million) and payments made for the redemption of other financial liabilities (-€ 2.6 million).

Free cash flow was 6.8% below the previous year's level, reaching € 9.4 million (previous year: € 8.8 million). As of the half-year closing date, the Group had liquid funds in the amount of € 169.0 million (31 December 2015: € 177.0 million). Shareholder's equity totalled € 279.2 million (31 December 2015: € 285.9 million). The equity ratio amounted to 85.9% (31 December 2015: 86.3%). Trade payables increased slightly to € 2.4 million (31 December 2015: € 2.2 million). Trade receivables increased to € 17.9 million (31 December 2015: € 16.2 million).

OPPORTUNITY AND RISK REPORT

With respect to the significant opportunities and risks posed by the expected development of the RIB Group, please refer to the opportunities and risks described in the Group Management Report of 31 December 2015.

FORECAST REPORT

Due to a strong performance in the first half of the year, a surge in demand for our iTWO 5D software solution and the market launch of our new web-based iTWO 4.0 platform, we anticipate continued positive growth opportunities for the RIB Group in 2016. In terms of consulting revenue, we expect sales development to be in line with the growth of software revenue. In terms of maintenance revenue, we expect the stable growth recorded in recent years to continue. In the second half of 2016 we will be launching iTWO 4.0, the world‘s first web-based end to end 5D platform for the industrial planning and guidance of major projects on a cost and time basis close to serial production. An important focus here is to optimise purchasing processes through the cross-project bundling of demands, which can then be procured online using our xTWO platform. We expect this to produce further growth in the e-commerce segment. On this basis and assuming otherwise stable market conditions, we confirm the planned revenue of between € 90 million and € 100 million for the RIB Group.

In the field of research and development, our main development efforts will continue to focus on iTWO 4.0 in the current 2016 financial year. We are continuing to plan new appointments here and in the consulting sector for 2016, which will increase the Group's development and consulting costs. In the xTWO sector, we anticipate a surge in revenue. Due to necessary investment in expanding this business sector, we nevertheless again expect a negative EBITDA of up to € 2 million for 2016. Taking the aforementioned premises into account, we confirm an expected EBITDA of between € 20 million and € 25 million for the RIB Group in 2016.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period: 01.01.2016 to 30.06.2016

figures in € thousand, unless otherwise indicated	Note	2nd quarter 2016	2nd quarter 2015	6 months 2016	6 months 2015
Revenue	(4)	**24,529**	**19,152**	**49,874**	**39,361**
Cost of sales		-11,054	-8,868	-22,283	-17,410
Gross profit		**13,475**	**10,284**	**27,591**	**21,951**
Other operating income	(5)	2,330	357	402	775
Marketing and distribution costs		-4,383	-3,553	-8,918	-7,236
General administrative expenses		-2,602	-2,233	-4,970	-4,508
Research and development expenses		-2,642	-1,866	-5,034	-3,772
Other operating expenses	(6)	-15	-28	-937	-484
Financial income		123	49	218	98
Finance costs		-261	-93	-330	-139
Share of profit and losses of associates		39	0	42	0
Profit before tax		**6,064**	**2,917**	**8,064**	**6,685**
Income taxes		-2,635	-942	-3,460	-1,926
Profit after tax		**3,429**	**1,975**	**4,604**	**4,759**
Loss attributable to non-controlling interests		-61	0	-110	0
Profit attributable to owners of the parent company		3,490	1,975	4,714	4,759
Result per share on the basis of the share earnings of the shareholders of RIB Software AG:					
basic and diluted	(8)	**0.07 €**	**0.04 €**	**0.10 €**	**0.11 €**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period: 01.01.2016 to 30.06.2016

Figures in € thousand	2nd quarter 2016	2nd quarter 2015	6 months 2016	6 months 2015
Profit after tax	**3,429**	**1,975**	**4,604**	**4,759**
Components reclassified with no effect on profit and loss:				
Revaluations	8	-76	16	-153
Other consolidated comprehensive income after taxes for components reclassified with no effect on profit and loss	**8**	**-76**	**16**	**-153**
Components reclassified in subsequent periods with an effect on profit and loss:				
Exchange differences	519	-2,497	-1,124	5,053
Changes in value of available-for-sale securities	0	0	0	-5
Other consolidated comprehensive income after taxes for components reclassified with an effect on profit and loss	**519**	**-2,497**	**-1,124**	**5,048**
Other consolidated comprehensive income after taxes	**527**	**-2,573**	**-1,108**	**4,895**
Total consolidated comprehensive income	**3,956**	**-598**	**3,496**	**9,654**
of which attributable to non-controlling interests	-61	0	-110	0
of which attributable to owners of the parent company	4,017	-598	3,606	9,654

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.06.2016 AND 31.12.2015

Figures in € thousand	Note	30 June 2016	31 December 2015
Goodwill	(9)	66,472	66,878
Other intangible assets		51,420	51,257
Property, plant and equipment		7,434	7,199
Investment properties		5,309	5,969
Investments accounted for using the equity method		98	88
Prepaid land use lease payments		988	1,063
Other assets		113	118
Deferred tax assets		701	495
Total non-current assets		**132,535**	**133,067**
Inventories		1,237	983
Trade receivables		17,877	16,203
Gross amounts due from customers for contract work		209	165
Available-for-sale securities		121	2,686
Other assets		4,286	3,880
Cash and cash equivalents		168,889	174,335
Total current assets		**192,619**	**198,252**
Total assets		**325,154**	**331,319**

Figures in € thousand	Note	30 June 2016	31 December 2015
Subscribed capital		46,846	46,846
Treasury shares		-8,294	-4,828
Capital reserves		181,920	181,396
Legal reserves		95	95
Accumulated other consolidated comprehensive income		6,835	7,943
Retained earnings		52,080	54,657
Equity attributable to owners of the parent company		**279,482**	**286,109**
Non-controlling interests	(10)	-277	-167
Total equity		**279,205**	**285,942**
Pension provisions		3,807	3,609
Finance lease obligations, non-current portion		248	238
Other finance liabilities		2,133	2,499
Deferred tax liabilities		12,957	13,024
Total non-current liabilities		**19,145**	**19,370**
Trade payables		2,374	2,206
Provisions for income taxes		1,406	4,297
Other provisions		783	929
Accruals		4,082	4,432
Deferred revenue		14,323	5,152
Other financial liabilities		341	2,579
Other liabilities		3,495	6,412
Total current liabilities		**26,804**	**26,007**
Total liabilities		**45,949**	**45,377**
Total equity and liabilities		**325,154**	**331,319**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 01.01.2016 to 30.06.2016

Figures in € thousand	Issued capital	Capital reserves	Legal reserves
As of 1 January 2015	**43,467**	**135,157**	**60**
Profit after tax	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	**0**	**0**	**0**
Disposal of treasury shares	-	-	-
Dividend payment	-	-	-
Capital increase	-	-	-
Other changes	-	0	-
Share-based remuneration	-	264	-
As of 30 June 2015	**43,467**	**135,421**	**60**
As of 1 January 2016	**46,846**	**181,396**	**95**
Profit after tax	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	**0**	**0**	**0**
Purchase of treasury shares	-	-	-
Dividend payment	-	-	-
Capital increase	-	-	-
Other changes	-	0	-
Share-based remuneration	-	524	-
As of 30 June 2016	**46,846**	**181,920**	**95**

Accumulated other comprehensive income							
Changes in value of available-for-sale securities	Foreign currency translation reserve	Revaluations	Treasury shares	Retained earnings	Equity attributable to owners of parent	Non-controlling interests	Total equity according to consolidated statement of financial position
5	**2,758**	**-421**	**-5,543**	**50,963**	**226,446**	**0**	**226,446**
-	-	-	-	4,759	4,759	-	4,759
-5	5,053	-153	-	-	4,895	-	4,895
-5	**5,053**	**-153**	**0**	**4,759**	**9,654**	**0**	**9,654**
-	-	-	-	-	-	-	-
-	-	-	-	-6,754	-6,754	-	-6,754
-	-	-	-	0	0	-	0
-	-	-	-	-	0	0	0
-	-	-	-	-	264	-	264
0	**7,811**	**-574**	**-5,543**	**48,968**	**229,610**	**0**	**229,610**
1	**8,332**	**-390**	**-4,828**	**54,657**	**286,109**	**-167**	**285,942**
-	-	-	-	4,714	4,714	-110	4,604
0	-1,124	16	-	-	-1,108	-	-1,108
0	**-1,124**	**16**	**0**	4,714	**3,606**	**-110**	**3,496**
-	-	-	-3.466	-	-3,466	-	-3,466
-	-	-	-	-7,291	-7,291	-	-7,291
-	-	-	-	-	0	-	0
-	-	-	-	-	0	0	0
-	-	-	-	-	524	-	524
1	**7,208**	**-374**	**-8,294**	**52,080**	**279,482**	**-277**	**279,205**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 01.01.2016 to 30.06.2016

Figures in € thousand	6 months 2016	6 months 2015
Cash flows from operating activities:		
Profit before tax	**8,064**	**6,685**
Adjustments for:		
Depreciation of property, plant and equipment	337	314
Amortisation of intangible assets	4,047	3,635
Depreciation of investment property	68	76
Changes in valuation allowances for trade receivables	114	78
Other non-cash items	997	226
Interest expense and other finance cost	330	139
Financial income	-218	-98
	13,739	**11,055**
Working capital adjustments:		
Increase/decrease(-) in provisions and deferred liabilities	-288	-362
Increase(-)/decrease in receivables and other assets	-2,436	-1,074
Increase/decrease(-) in liabilities from trade payables and other liabilities	8,688	6,305
Cash generated from operations	**19,703**	**15,924**
Interest paid	-19	0
Interest received	155	34
Income taxes paid	-8,252	-2,428
Net cash flows from operating activities	**11,587**	**13,530**
Purchase of property, plant and equipment	-472	-347
Purchase/production of intangible assets	-4,264	-4,579
Purchase(-)/sale of available-for-sale securities	2,566	242
Net cash flows from investing activities	**-2,170**	**-4,684**
Dividends paid	-7,291	-6,754
Payments to non-controlling interests	-200	-60
Payments made for redeeming other financial liabilities	-2,602	-2,696
Payments made for finance leases	-3,466	0
Net cash flows used in financing activities	**-13,559**	**-9,510**
Change in cash and cash equivalents impacting cash flow	**-4,142**	**-664**
Cash and cash equivalents at the beginning of the period	174,335	137,621
Currency-related change in cash and cash equivalents	-1,304	2,437
Cash and cash equivalents at the end of the period	**168,889**	**139,394**
Composition of cash and cash equivalents:		
Liquid funds, unrestricted	167,888	136,214
Liquid funds, restricted	1,001	3,180
Total	**168,889**	**139,394**

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 2015. 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 2015.

Until the 2014 financial year, we recognised expenses from the scheduled depreciation of technology purchased relating to company acquisitions in the consolidated income statement under "Marketing and distribution costs". We reclassified these expenses to production costs of services for revenue generation in the reporting period. Due to the functional connection of the purchased technology with the production of our products, we are of the view that this recognition provides a more correct view of the Group's results of operations. To ensure comparability, the prior-year amounts have been adjusted accordingly. To ensure comparability, we have adjusted the prior-year amounts accordingly and have reported the amount for write-downs on purchased technology of € 829 thousand under "Production costs".

3. CONSOLIDATED GROUP

Compared to the consolidated financial statements as of 31 December 2015, the scope of consolidation as of 30 June 2016 also includes RIB Software DMCC - Dubai, VAE. The company was newly established as of 01 January 2016 and is fully consolidated in the interim financial statements as of 31 March 2016 for the first time.

The name of RIB Research & Development AG, Stuttgart, was changed to RIB iTWOcity AG, Stuttgart.

The interest in xTWO GmbH, Hungen, was increased from 75% to 100% (see note 12).

The interest in RIB Cosinus GmbH, Freiburg, was increased from 80% to 100% (see note 12).

4. REVENUE

Revenue breaks down as follows:

Figures in € thousand	6 months 2016	6 months 2015
Software licences	14,769	8,748
Software as a service / cloud	6,896	6,733
Total software licences and software as a service / cloud	**21,665**	**15,481**
Maintenance	13,486	11,931
Consulting	10,981	9,339
e-Commmerce	3,742	2,610
Total revenue	**49,874**	**39,361**

The total software licence revenue is subdivided as follows:

Figures in € thousand	6 months 2016	6 months 2015
iTWO Key Account	5,029	2,769
iTWO Mass Market	6,051	4,503
SaaS / Cloud	6,896	6,733
Legacy Products	3,689	1,476
Total software licences and software as a service / cloud	**21,665**	**15,481**

5. OTHER OPERATING INCOME

Other operating income of € 402 thousand primarily include income from the release of provisions and liability accruals and income from purchase price liabilities adjustments. The reporting period for the second quarter 2016 include in particular foreign exchange income from cash and cash equivalents of € 1,951 thousand arising from the end-of-period valuation. Cumulatively for the first six months of 2016 this income has been netted against other operating expenses from foreign currency valuations.

6. OTHER OPERATING EXPENSES

Other operating expenses primarily include foreign exchange expenses arising from cash and cash equivalents amounting to around € 923 thousand.

7. EXPENSES FOR EMPLOYEE BENEFITS AND NUMBER OF EMPLOYEES

Expenses for employee benefits

Figures in € thousand	6 months 2016	6 months 2015
Wages and salaries	19,881	16,581
Social security and pension costs	3,436	2,651
Total	**23,317**	**19,232**

Average number of employees

	6 months 2016	6 months 2015
General administration	98	91
Research & development	298	261
Sales & marketing	133	120
Support & Consulting	230	179
Total	**759**	**651**

8. EARNINGS PER SHARE – BASIC AND DILUTED

Earnings per share are calculated on the basis of the profit share of the shareholders in RIB Software AG as shown in the following table:

figures in € thousand	6 months 2016	6 months 2015
Profit share of the shareholders of RIB Software AG – basic and diluted	4,714	4,759

figures in thousand shares	6 months 2016	6 months 2015
Weighted average of shares in circulation - basic	45,565	42,210
Dilution effect	335	241
Weighted average of shares in circulation - diluted	45,900	42,451

The average commercial value of the Company's shares used to calculate the dilution effect of existing share options is based on the quoted market prices for the period in which the options were in circulation.

9. GOODWILL

Figures in € thousand	30 June 2016	31 December 2015
Licence/software business segment	*43,126*	*43,307*
SaaS/Cloud business segment	*12,809*	*12,851*
Consulting business segment	*5,710*	*5,749*
iTWO reporting segment	61,645	61,907
xTWO reporting segment	689	689
GZ TWO development entity	3,243	3,388
Arriba Finance	894	894
Total	**66,471**	**66,878**

The change in carrying amounts by € 407 thousand was attributable to currency translation effects of goodwill held in local currency, which were recognised outside profit or loss.

10. NON-CONTROLLING INTERESTS

The non-controlling interest relates to 25% of the shares in xTWOmarket and to 26% of the shares in i-PBS GmbH.

11. SEGMENT INFORMATION

Please refer to section (9) of our consolidated financial statements for the 2015 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. The following information to the first half 2015 has been adjusted to the revised reporting structure.

	6 months 2016		
Figures in € thousand	iTWO	xTWO	Total
Revenue, external	**46,132**	**3,742**	**49,874**
Licence / software	28,255		28,255
SaaS / Cloud	6,896		6,896
Consulting	10,981		10,981
e-Commerce		3,742	3,742
Production costs	**-18,681**	**-3,602**	**-22,283**
Licence / software	-9,241		-9,241
SaaS / Cloud	-887		-887
Consulting	-8,553		-8,553
e-Commerce		-3,602	-3,602
Research and development expenses	**-5,005**	**-29**	**-5,034**
Licence / software	-3,713		-3,713
SaaS / Cloud	-1,292		-1,292
Consulting			0
e-Commerce		-29	-29
Distribution and marketing costs	**-8,169**	**-749**	**-8,918**
General administrative expenses	**-4,472**	**-498**	**-4,970**
Other operating income und expenses	**-604**	**69**	**-535**
Segment EBIT	**9,201**	**-1,067**	**8,134**
Financial result			-70
Income taxes			-3,460
Consolidated net profit			**4,604**
Segment EBITDA	**13,748**	**-1,017**	**12,731**
Currency effects	-885	-18	-903
Segment EBITDA adjusted for currency effects	**14,633**	**-999**	**13,634**
as % of revenue	31.7%	-26.7%	

	6 months 2015		
Figures in € thousand	iTWO	xTWO	Total
Revenue, external	**36,751**	**2,610**	**39,361**
Licence / software	20,679		20,679
SaaS / Cloud	6,733		6,733
Consulting	9,339		9,339
e-Commerce		2,610	2,610
Production costs	**-14,913**	**-2,497**	**-17,410**
Licence / software	-6,357		-6,357
SaaS / Cloud	-771		-771
Consulting	-7,785		-7,785
e-Commerce		-2,497	-2,497
Research and development expenses	**-3,772**	**0**	**-3,772**
Licence / software	-2,706		-2,706
SaaS / Cloud	-1,066		-1,066
Consulting			0
e-Commerce			0
Distribution and marketing costs	**-6,930**	**-306**	**-7,236**
General administrative expenses	**-4,294**	**-214**	**-4,508**
Other operating income und expenses	**272**	**19**	**291**
EBIT segment	**7,114**	**-388**	**6,726**
Financial result			-41
Income taxes			-1,926
Consolidated net profit			**4,759**
Segment EBITDA	**11,114**	**-361**	**10,753**
Currency effects	-69	0	-69
Segment EBITDA adjusted for currency effects	**11,183**	**-361**	**10,822**
as % of revenue	30.4%	-13.8%	

The Executive Board as the chief operating decision-maker does not request submission of any regular details of segment assets and segment liabilities, as this information is not considered relevant for management of the Group.

Geographic information

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

Figures in € thousand	6 months 2016	6 months 2015
Germany	24,264	19,836
International	25,610	19,525
Total revenue	**49,874**	**39,361**

12. DISCLOSURES ON ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON FIRST RECOGNITION

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1:
fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2:
fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3:
fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not observable, either directly or indirectly

Financial assets measured at fair value as of 30 June 2016:

Figures in € thousand	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets:				
Money market and investment fonds	86	-	-	**86**
Corporate bonds	35	-	-	**35**

Financial assets measured at fair value as of 31 December 2015:

Figures in € thousand	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets:				
Money market and investment fonds	2,651	-	-	**2,651**
Corporate bonds	35	-	-	**35**

Financial liabilities measured at fair value as of 30 June 2016:

Figures in € thousand	Level 1	Level 2	Level 3	**Total**
Financial liabilities:				
Derivatives	-	357	1,749	**2,106**

Financial liabilities measured at fair value as of 31 December 2015:

Figures in € thousand	Level 1	Level 2	Level 3	**Total**
Financial liabilities:				
Derivatives	-	552	3,849	**4,401**

The financial liabilities measured at fair value are derivative financial liabilities from company acquisitions.

The derivatives allocated to level two are liabilities whose amount in particular depends on the future price performance of RIB Software AG's share. The amount of € 357 thousand is attributable to liabilities from the acquisition of the subsidiary **RIB US Cost.** By means of the agreements dated 30 April 2014 and 08 October 2014, the Group acquired the remaining 38.325% of shares in RIB US Cost. The outstanding purchase price represents a contingent consideration, the amount of which will depend on the future price performance of RIB Software AG's share in particular. Furthermore, we expect that this condition will be met and have recognised the financial liability at the maximum amount, unchanged from the previous year. The accrued interest from the purchase price liability in the year under review results in an interest expense of € 3 thousand. An instalment of € 119 thousand of the total liability was repaid in the reporting period. The remaining € 357 thousand for the contingent consideration is scheduled to be due in 2017. A change of € 10 thousand is due to currency conversion differences.

The liability from the acquisition of the subsidiary **RIB Spain** on 03 July 2015, which was still reported as of 31 December 2015 and amounted to € 70 thousand, was de-recognised through profit or loss in the reporting period. The Group no longer assumes that the set minimum price for the RIB share will be achieved within one year of the acquisition date. The probability of occurrence as of the balance sheet date thus amounts to 0%. The subsequent valuation as of the balance sheet date resulted in earnings of € 70 thousand.

The derivatives allocated to level three are liabilities from option agreements related to the acquisition of RIB Cosinus (€ 0 thousand), xTWO (€ 0 thousand) and SAA (€ 1,749 thousand).

The financial liability from the acquisition of **RIB Cosinus** resulted from mutually agreed buy and sell options for the transfer of the outstanding stake of 20% to this company. The options can be exercised from 01 August 2016, in accordance with the contractual agreements. For further details, please see Section 40 of our consolidated financial statements as of 31 December 2015. In April 2016, an early exercise of the sell option was agreed. This has now taken place. The Group therefore paid a purchase price of € 1,900 thousand in May 2016 for the outstanding shares, thus acquiring 100% of the shares in RIB Cosinus.

The adjustment or compounding of the financial liability in the reporting period results in a finance cost of € 23 thousand.

The RIB Group acquired 75% of the shares in **xTWO** in the 2014 financial year. Alongside this, a put option agreement was concluded concerning the transfer of the remaining shares (25%), leading to recognition of a derivative financial liability. Insofar as the purchase option was exercised, the RIB Group was obliged to pay a fixed purchase price of € 500 thousand. However, part of this amount fell under a consideration arrangement classed as a separate transaction. Based on a fair value of the total option liability in the amount of € 474 thousand, an amount of € 158 thousand was allocated to the company acquisition and an amount of € 316 thousand to the separate transaction in the context of the initial measurement. A personnel expense of € 73 thousand results from the subsequent valuation in the reporting period. The financial liability was measured using an interest rate of 1.25%, which is appropriate for the respective period and risk. The compounding of the financial liability in the reporting period results in an interest expense of € 5 thousand.

An agreement was reached and notarially authenticated on 08 June 2016 for the early acquisition of the outstanding stake of 25%. The fixed purchase price is € 344 thousand, payable in three instalments. During the reporting period, € 144 thousand of the amount was repaid. The remaining amount of € 200 thousand is reported under “Current other financial liabilities”. The previously existing service agreement with the owners of the option was also terminated on 30 June 2016. Other operating expenses of € 67 thousand result from the subsequent valuation of the financial liability in the reporting period.

The Group acquired 75% of the shares in **SAA** during financial year 2015. Mutual buy and sell options for the transfer of the outstanding stake of 25% were concluded with the sellers at the same time. From the short position in the context of the put option agreement, a financial liability arises for the Group for which a fair value of € 2,632 thousand was calculated as of the purchase date. Of this, an amount of € 1,582 thousand was allocated to the company acquisition and an amount of € 1,050 thousand to a separate transaction in the form of a consideration agreement. The financial liability allocated to the company acquisition was recognised in full as part of the accounting for the company acquisition. The financial liability allocated to the separate transaction will be accumulated over a period of 66 months through profit or loss as a personnel expense and is included under financial liabilities at an amount of € 142 thousand as of the balance sheet date. The personnel expense for the reporting period arising therefrom amounts to € 95 thousand. The financial liability was measured by discounting this purchase price on the balance sheet date using a risk-compliant interest rate corresponding to the respective term of 1.25%. The compounding of the financial liability in the reporting period results in an interest expense of € 16 thousand.

In the reporting period, there were no transfers between levels one and two and no transfers into or out of level three.

The financial liabilities valued at fair value developed as follows in the reporting period:

Figures in € thousand	**2016**
As of 1 January	**4,401**
Changes without effect on profits	
Repayments	-2,163
Change arising from currency translation	-10
Reclassifications	-200
	-2,373

Changes with effect on profits	
Income from the subsequent valuation of purchase price liabilities (other operating income)	-70
Expenses from the subsequent valuation of purchase price liabilities (other operating expenses)	-67
Personnel expenses from the accumulation of purchase price liabilities (marketing and distribution costs)	73
Personnel expenses from the accumulation of purchase price liabilities (production costs)	95
Expenses from the interest accrued on purchase price liabilities (finance expenses)	47
	78
As of 30 June	**2,106**

Material valuation parameters were subjected to a sensitivity analysis for measuring the financial liabilities on level three. The calculations carried out for this purpose by the Group were undertaken separately for the measurement parameters classified as material. An increase or decrease in the material assumptions would have had the following effects on the carrying amounts of the financial liabilities on level three of € 1,749 thousand:

Figures in € thousand	**Sensitivity**	**Carrying amount**
Discounting interest rate used for the discounting period	+ 1 %-point	1,629
Discounting interest rate used for the discounting period	- 1 %-point	1,786
Growth rate in the budgeted revenues in the budget period	+ 10.0 %	1,943
Growth rate in the budgeted revenues in the budget period	- 10.0 %	1,405

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, 29 July 2016

RIB Software AG

The executive board

Thomas Wolf | Michael Sauer | Dr. Hans-Peter Sanio | Helmut Schmid

FURTHER INFORMATION

IMPRINT

Published by:
RIB Software AG
Vaihinger Straße 151
70567 Stuttgart

Responsible for content:
RIB Software AG, Stuttgart

Photos:
Page 4: Andreas Dalferth

Design and realisation:
RIB Software AG, Stuttgart.

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July 2016

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Translation of the original German version:
The English version of the Annual Report is a translation of the original German version; in the event of variances, the German version shall take precedence over the English translation.

FINANCIAL CALENDAR

31 October 2016

Publication Interim Report (January - September 2016)

Analyst Conference Call

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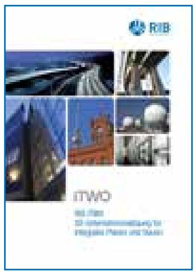
Product information and References



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