RIB
running together

Interim Report
January - March 2016

LETTER TO OUR SHAREHOLDERS

Dear Shareholders,
Dear Friends of RIB Software AG,

the result of the first quarter has exceeded our expectations and the highly profitable software licence revenue growth of more than 50 % confirms 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**

CONSOLIDATED FIGURES - OVERVIEW

€ million unless otherwise indicated	**1st quarter 2016**	**1st quarter 2015**	**Change**
Revenue	25.3	20.2	25.2%
Software licence and SaaS / cloud	11.4	8.6	32.6%
Maintenance	6.6	5.7	15.8%
Consulting	5.2	4.7	10.6%
e-commerce	2.1	1.1	90.9%
Operating EBITDA*	**7.1**	**5.8**	**22.4%**
as % of revenue	28.1%	28.7%	
Operating EBT*	**4.9**	**3.9**	**25.6%**
as % of revenue	19.4%	19.3%	
Write-downs from purchase price allocations (PPA amortisation)	1.0	0.7	42.9%
Cash flow from operating activities	11.2	13.7	-18.2%
Free cash flow	11.4	11.6	-1.7%
Cash incl. available-for-sale securities**	182.4	177.0	3.1%
Equity ratio**	84.7%	86.3%	
Average number of employees	741	632	17.2%

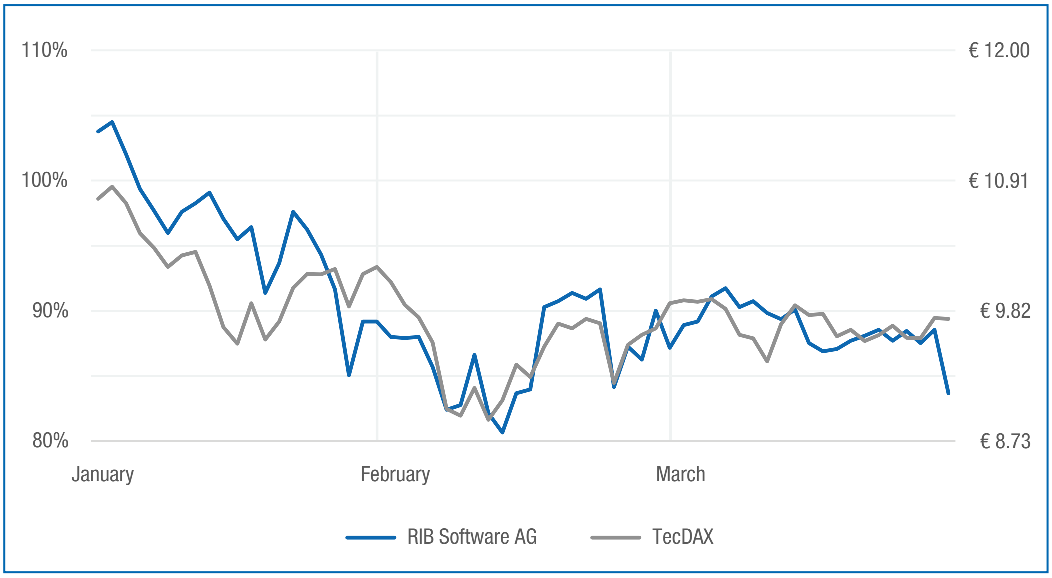
* EBITDA and EBT adjusted for currency effects (Q1 2016: -2.9; Q1 2015: -0.1)
** Previous year as of 31 December 2015

RIB ON THE CAPITAL MARKET

RIB SHARE PRICE PERFORMANCE JANUARY - MARCH 2016

The RIB Software AG share primarily performed in line with the TecDAX in the first three months of financial year 2016. The quarter ended with a price of € 9.13 (XETRA closing price on 31 March 2016).

Experts and analysts from Equinet, Berenberg and Kepler Cheuvreux have given a buy recommendation for the RIB share with a target price of between € 12.00 and € 14.00. Analysts from Warburg Research and UBS have set the target price to € 9.70 with a "hold" / "neutral" classification.



DIVIDEND PAYMENT

We strive to achieve the objective of a result-oriented and continual dividend policy. At the Annual General Meeting to be held this year on 31 May 2016, the Executive Board will suggest that in the financial year of 2016, the shareholders are paid a dividend of € 0.16 per share for the previous financial year. This would correspond to a payout sum of €7.3 million. A dividend of € 0.16 (2013: € 0.06) was paid per share for the financial year 2014.

INTERIM GROUP MANAGEMENT REPORT

REPORT ON EARNINGS, FINANCIAL POSITION AND NET WORTH

TOTAL REVENUE INCREASES BY 25.2% TO € 25.3 MILLION IN THE FIRST QUARTER SOFTWARE LICENCE REVENUE GROWS BY 54.0% E-COMMERCE REVENUES UP 90.9%

Due to a successful first quarter, total revenue of the RIB Group increased by 25.2% to € 25.3 million (previous year: € 20.2 million). In Germany revenue increased by 15.4% to € 12.0 million (previous year: € 10.4 million). Especially international revenue developed positively and increased by 36.7% to € 13.4 million (previous year: € 9.8 million). Software licence revenue increased by 54.0% to € 7.7 million (previous year € 5.0 million). This includes iTWO revenue of € 5.7 million (previous year: € 4.1 million). iTWO 5D's key account software revenues also developed positively and increased by 70.6% to € 2.9 million (previous year: € 1.7 million). iTWO's software revenue in the mass market increased to € 2.8 million (+16.7%).

Accrued maintenance revenues increased by 15.8% from € 5.7 million to € 6.6 million and continued to form a large percentage of the recurring revenues. In total, recurring revenues increased from € 9.4 million to € 10.4 million (+10.6%). Consulting revenues grew by 10.6% to € 5.2 million (previous year: € 4.7 million).

In the xTWO (e-commerce) reporting segment, revenue increased by 90.9% to € 2.1 million (previous year: € 1.1 million) in the reporting period.

OPERATING EBITDA* INCREASED BY 22.4% TO € 7.1 MILLION, WITH AN OPERATING EBITDA MARGIN OF 28.1%

The operating profit before interest, tax, depreciation and amortisation on tangible and intangible assets (operating EBITDA*) increased by 22.4% to € 7.1 million (previous year: € 5.8 million) year-over-year. Despite the significant increase in the write-downs from the purchase price allocation (PPA) to a value of € 1.0 million (previous year: € 0.7 million) and start-up losses in the xTWO segment of € -0.5 million, operating profit before tax (operating EBT*) went up 25.6% to € 4.9 million (previous year: € 3.9 million) in the first quarter. Due to balance sheet foreign currency expenses from cash and cash equivalents of € 2.9 million, earnings before taxes decreased from € 3.8 million to € 2.0 million. Earnings after taxes therefore reached € 1.2 million below that of the previous year in the first three months (previous year: € 2.8 million). The high theoretical tax rate of 40.0% (previous year: 26.3%) is a result of losses incurred by subsidiaries for the reporting period for which no deferred tax assets were recognised due to extremely conservative accounting policies. The actual tax rate of around 26.0% is at the level of the previous year.

EBITDA MARGIN* IN iTWO SEGMENT INCREASES TO 32.6%

Operating EBITDA* in the iTWO reporting segment improved by 26.7% to € 7.6 million (previous year: € 6.0 million) with an operating EBITDA margin of 32.6% (previous year: 31.4%). The xTWO segment realised growth in sales of 90.9% with start-up losses of € -0.5 million due to high personnel expenses in the area of content creation.

In the reporting period, R&D expenses increased by 26.3% to € 2.4 million (previous year: € 1.9 million) due to the strengthening of our iTWO 4.0 development team and the acquisitions of Soft SA and SAA.

Distribution and marketing costs increased to € 4.5 million (previous year: € 3.7 million). The increase is primarily due to the acquisitions. Administrative expenses amounted to € 2.4 million (previous year: € 2.3 million), remaining largely at the previous year's level.

*) EBITDA and EBT adjusted for currency effects (Q1 2016: € -2.9 million; Q1 2015: € -0.1 million)

The average number of employees rose to 741 (previous year: 632 employees). This rise is primarily due to the increase in development capacities in the area of iTWO 4.0, the increase in the number of employees in e-commerce and the integration of the companies acquired in the second half of the previous year, Soft SA and SAA.

In the first quarter, the RIB Group generated net cash flow from operating activities of € 11.2 million (previous year: € 13.7 million). In the reporting period, net cash flow from investing activities decreased by € 2.3 million to € 0.2million (previous year: € -2.1 million). This is primarily due to the sale of available-for-sale securities.

Free cash flow amounted to € 11.4 million, thus slightly below that of the previous year (previous year: € 11.6 million).

As of the quarterly closing date, the Group had liquid funds in the amount of € 182.4 million (31 December 2015: € 177.0 million). Shareholder's equity totalled € 285.8 million (31 December 2015: € 285.9 million). The equity ratio amounted to 84.7% (31 December 2015: 86.3%).

Trade payables decreased to € 1.8 million (31 December 2015: € 2.2 million). Trade receivables increased to € 17.0 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 the surge in demand for our iTWO 5D software solution over the first quarter 2016 and the market launch of our new web-based iTWO 4.0, we anticipate continuing 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 e-commerce segment, we expect to generate further growth with xTWO due to the industrialisation of the supply chain management of our customers, in particular, also due to the market launch of iTWO 4.0, our new web-based SCM solution.

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, we plan to continue to focus our main development efforts on iTWO 4.0 in the current financial year 2016. We are still planning new appointments here and in the consulting sector for 2016, which will increase the Group's development and consulting costs. We anticipate a surge in revenue in the xTWO sector, however, 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 plan an EBITDA of between € 20 and € 25 million for the RIB Group in 2016.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the period: 01.01.2016 to 31.03.2016

figures in € thousand, unless otherwise indicated	Note	3 months 2016	3 months 2015
Revenue	**(4)**	**25,345**	**20,209**
Cost of sales		-11,229	-8,541
Gross profit		**14,116**	**11,668**
Other operating income		116	418
Marketing and distribution costs		-4,535	-3,684
General administrative expenses		-2,368	-2,275
Research and development expenses		-2,392	-1,906
Other operating expenses	(5)	-2,966	-456
Financial income		95	49
Finance costs		-69	-46
Share of profit and losses of associates		3	0
Profit before tax		**2,000**	**3,768**
Income taxes		-825	-984
Profit after tax		**1,175**	**2,784**
Loss attributable to non-controlling interests		-49	0
Profit attributable to owners of the parent company		1,224	2,784
Result per share on the basis of the share earnings of the shareholders of RIB Software AG:			
basic and diluted	**(7)**	**0.03 €**	**0.07 €**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period: 01.01.2016 to 31.03.2016

Figures in € thousand	3 months 2016	3 months 2015
Profit after tax	**1,175**	**2,784**
Components reclassified with no effect on profit and loss:		
Revaluations	8	-77
Other consolidated comprehensive income after taxes for components reclassified with no effect on profit and loss	**8**	**-77**
Components reclassified in subsequent periods with an effect on profit and loss:		
Exchange differences	-1,643	7,550
Changes in value of available-for-sale securities	0	-5
Other consolidated comprehensive income after taxes for components reclassified with an effect on profit and loss	**-1,643**	**7,545**
Other consolidated comprehensive income after taxes	**-1,635**	**7,468**
Total consolidated comprehensive income	**-460**	**10,252**
of which attributable to non-controlling interests	-49	0
of which attributable to owners of the parent company	-411	10,252

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31.03.2016 AND 31.12.2015

Figures in € thousand	Note	**31 March 2016**	31 December 2015
Goodwill	(8)	66,174	66,878
Other intangible assets		51,302	51,257
Property, plant and equipment		6,932	7,199
Investment properties		5,708	5,969
Investments accounted for using the equity method		91	88
Prepaid land use lease payments		996	1,063
Other assets		114	118
Deferred tax assets		770	495
Total non-current assets		**132,087**	**133,067**
Inventories		1,098	983
Trade receivables		16,992	16,203
Gross amounts due from customers for contract work		361	165
Available-for-sale securities		125	2,686
Other assets		4,396	3,880
Cash and cash equivalents		182,310	174,335
Total current assets		**205,282**	**198,252**
Total assets		**337,369**	**331,319**

Figures in € thousand	Note	31 March 2016	31 December 2015
Subscribed capital		46,846	46,846
Treasury shares		-4,828	-4,828
Capital reserves		181,664	181,396
Legal reserves		95	95
Accumulated other consolidated comprehensive income		6,308	7,943
Retained earnings		55,881	54,657
Equity attributable to owners of the parent company		**285,966**	**286,109**
Non-controlling interests	(9)	-216	-167
Total equity		**285,750**	**285,942**
Pension provisions		3,646	3,609
Finance lease obligations, non-current portion		246	238
Other finance liabilities		2,551	2,499
Deferred tax liabilities		13,004	13,024
Total non-current liabilities		**19,447**	**19,370**
Trade payables		1,774	2,206
Provisions for income taxes		2,712	4,297
Other provisions		909	929
Accruals		4,008	4,432
Deferred revenue		17,522	5,152
Other financial liabilities		2,600	2,579
Other liabilities		2,647	6,412
Total current liabilities		**32,172**	**26,007**
Total liabilities		**51,619**	**45,377**
Total equity and liabilities		**337,369**	**331,319**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period: 01.01.2016 to 31.03.2016

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	-	-	-
Share-based remuneration	-	136	-
As of 31 March 2015	**43,467**	**135,293**	**60**
As of 1 January 2016	**46,846**	**181,396**	**95**
Profit after tax	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	**0**	**0**	**0**
Disposal of treasury shares	-	-	-
Dividend payment	-	-	-
Capital increase	-	-	-
Other changes	-	-	-
Share-based remuneration	-	268	-
As of 31 March 2016	**46,846**	**181,664**	**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**
-	-	-	-	2,784	2,784	-	2,784
-5	7,550	-77	-	-	7,468	-	7,468
-5	**7,550**	**-77**	**0**	**2,784**	**10,252**	**0**	**10,252**
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	136	-	136
0	**10,308**	**-498**	**-5,543**	**53,747**	**236,834**	**0**	**236,834**
1	**8,332**	**-390**	**-4,828**	**54,657**	**286,109**	**-167**	**285,942**
-	-	-	-	1,224	1,224	-49	1,175
-	-1,643	8	-	-	-1,635	-	-1,635
0	**-1,643**	**8**	**0**	**1,224**	**-411**	**-49**	**-460**
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	268	-	268
1	**6,689**	**-382**	**-4,828**	**55,881**	**285,966**	**-216**	**285,750**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period: 01.01.2016 to 31.03.2016

Figures in € thousand	3 months 2016	3 months 2015
Cash flows from operating activities:		
Profit before tax	**2,000**	**3,768**
Adjustments for:		
Depreciation of property, plant and equipment	176	135
Amortisation of intangible assets	2,025	1,817
Depreciation of investment property	38	38
Changes in valuation allowances for trade receivables	84	105
Other non-cash items	3,154	115
Interest expense and other finance cost	69	46
Financial income	-95	-49
	7,451	**5,975**
Working capital adjustments:		
Increase/decrease(-) in provisions and deferred liabilities	-399	-4
Increase(-)/decrease in receivables and other assets	-1,618	-1,511
Increase/decrease(-) in liabilities from trade payables and other liabilities	10,514	10,022
Cash generated from operations	**15,948**	**14,482**
Interest paid	-17	0
Interest received	64	16
Income taxes paid	-4,819	-846
Net cash flows from operating activities	**11,176**	**13,652**
Purchase of property, plant and equipment	-132	-169
Purchase/production of intangible assets	-2,190	-2,134
Purchase(-)/sale of available-for-sale securities	2,561	242
Net cash flows from investing activities	**239**	**-2,061**
Payments made for redeeming other financial liabilities	0	-2,637
Net cash flows used in financing activities	**0**	**-2,637**
Change in cash and cash equivalents impacting cash flow	**11,415**	**8,954**
Cash and cash equivalents at the beginning of the period	174,335	137,621
Currency-related change in cash and cash equivalents	-3,440	3,597
Cash and cash equivalents at the end of the period	**182,310**	**150,172**
Composition of cash and cash equivalents:		
Liquid funds, unrestricted	180,905	147,970
Liquid funds, restricted	1,405	2,202
Total	**182,310**	**150,172**

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.

3. CONSOLIDATED GROUP

Compared to the consolidated financial statements as of 31 December 2015, the scope of consolidation as of 31 March 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.

4. REVENUE

Revenue breaks down as follows:

Figures in € thousand	3 months 2016	3 months 2015
Software licences	7,690	4,950
Software as a service / cloud	3,757	3,685
Total software licences and software as a service / cloud	**11,447**	**8,635**
Maintenance	6,643	5,716
Consulting	5,190	4,749
e-Commmerce	2,065	1,109
Total revenue	**25,345**	**20,209**

The total software licence revenue is subdivided as follows:

Figures in € thousand	3 months 2016	3 months 2015
iTWO Key Account	2,931	1,653
iTWO Mass Market	2,774	2,427
SaaS / Cloud	3,757	3,685
Legacy Products	1,985	870
Total software licences and software as a service / cloud	**11,447**	**8,635**

5. OTHER OPERATING EXPENSES

Other operating expenses primarily include foreign exchange expenses arising from cash and cash equivalents amounting to around € 2,873 thousand.

6. EXPENSES FOR EMPLOYEE BENEFITS AND NUMBER OF EMPLOYEES

Expenses for employee benefits

Figures in € thousand	3 months 2016	3 months 2015
Wages and salaries	9,688	8,196
Social security and pension costs	1,683	1,313
Total	**11,371**	**9,509**

Average number of employees

	3 months 2016	3 months 2015
General administration	96	94
Research & development	290	253
Sales & marketing	123	113
Support & Consulting	232	172
Total	**741**	**632**

7. 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	3 months 2016	3 months 2015
Profit share of the shareholders of RIB Software AG – basic and diluted	1,224	2,784

figures in thousand shares	3 months 2016	3 months 2015
Weighted average of shares in circulation - basic	45,645	42,210
Dilution effect	331	240
Weighted average of shares in circulation - diluted	45,976	42,450

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.

8. GOODWILL

Figures in € thousand	31 March 2016	31 December 2015
Licence/software business segment	*42,909*	*43,307*
SaaS/Cloud business segment	*12,768*	*12,851*
Consulting business segment	*5,660*	*5,749*
iTWO reporting segment	61,337	61,907
xTWO reporting segment	689	689
GZ TWO development entity	3,254	3,388
Arriba Finance	894	894
Total	**66,174**	**66,878**

The change in carrying amounts by € 704 thousand was attributable to currency translation effects of goodwill held in local currency, which were recognised outside profit or loss.

9. 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.

10. 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 quarter 2015 has been adjusted to the revised reporting structure.

	3 months 2016		
Figures in € thousand	iTWO	xTWO	Total
Revenue, external	**23,280**	**2,065**	**25,345**
Licence / software	14,333		14,333
SaaS / Cloud	3,757		3,757
Consulting	5,190		5,190
e-Commerce		2,065	2,065
Production costs	**-9,206**	**-2,023**	**-11,229**
Licence / software	-4,592		-4,592
SaaS / Cloud	-444		-444
Consulting	-4,170		-4,170
e-Commerce		-2,023	-2,023
Research and development expenses	**-2,378**	**-14**	**-2,392**
Licence / software	-1,855		-1,855
SaaS / Cloud	-523		-523
Consulting			0
e-Commerce		-14	-14
Distribution and marketing costs	**-4,148**	**-387**	**-4,535**
General administrative expenses	**-2,150**	**-218**	**-2,368**
Other operating income und expenses	**-2,885**	**35**	**-2,850**
EBIT segment	**2,513**	**-542**	**1,971**
Financial result			29
Income taxes			-825
Consolidated net profit			**1,175**
Segment EBITDA	**4,760**	**-520**	**4,240**
Currency effects	-2,852	-10	-2,862
Segment EBITDA adjusted for currency effects	**7,612**	**-510**	**7,102**
as % of revenue	32.7%	-24.7%	

	3 months 2015		
Figures in € thousand	iTWO	xTWO	Total
Revenue, external	**19,100**	**1,109**	**20,209**
Licence / software	10,666		10,666
SaaS / Cloud	3,685		3,685
Consulting	4,749		4,749
e-Commerce		1,109	1,109
Production costs	**-7,489**	**-1,052**	**-8,541**
Licence / software	-3,286		-3,286
SaaS / Cloud	-388		-388
Consulting	-3,815		-3,815
e-Commerce		-1,052	-1,052
Research and development expenses	**-1,906**	**0**	**-1,906**
Licence / software	-1,362		-1,362
SaaS / Cloud	-544		-544
Consulting			0
e-Commerce			0
Distribution and marketing costs	**-3,559**	**-125**	**-3,684**
General administrative expenses	**-2,170**	**-105**	**-2,275**
Other operating income und expenses	**-47**	**9**	**-38**
EBIT segment	**3,929**	**-164**	**3,765**
Financial result			3
Income taxes			-984
Consolidated net profit			**2,784**
Segment EBITDA	**5,907**	**-152**	**5,755**
Currency effects	-91	0	-91
Segment EBITDA adjusted for currency effects	**5,998**	**-152**	**5,846**
as % of revenue	31.4%	-13.7%	

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	3 months 2016	3 months 2015
Germany	11,967	10,367
International	13,378	9,842
Total revenue	**25,345**	**20,209**

11. 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 31 March 2016:

Figures in € thousand	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets:				
Money market and investment fonds	91	-	-	**91**
Corporate bonds	34	-	-	**34**

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 31 March 2016:

Figures in € thousand	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Derivatives	-	511	3,966	**4,477**

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. An amount of € 462 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. An amount of € 361 thousand of 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 € 2 thousand. Of the total amount of the liability, € 58 thousand are due in financial year 2016 and a partial amount of € 58 thousand in the 2017 financial year. An amount of € 346 thousand for the contingent consideration is scheduled to be due in 2017. A change of € 23 thousand is due to currency conversion differences.

A further amount of € 49 thousand is attributable to liabilities from the acquisition of the subsidiary, **RIB Spain**, on 03 July 2015. After two years and two weeks of closing, a conditional payment (earn-out payment) in the amount of a maximum of € 1,000 thousand is due that is payable on condition that certain employment relationships are continued for a period of 24 months after the acquisition date as well as reaching a set minimum price for the RIB share within one year of the acquisition date. This conditional purchase price liability was recognised on 31 December 2015 at the attributable fair value of € 70 thousand. The subsequent measurement of the contingent purchase price liability was calculated using a Monte Carlo simulation. The probability of occurrence as of the balance sheet date thus amounts to 5% (rounded off). The subsequent valuation as of the balance sheet date resulted in earnings of € 21 thousand.

The derivatives allocated to level 3 are liabilities from option agreements related to the acquisition of RIB Cosinus (€ 1,900 thousand), xTWO (€ 372 thousand) and SAA (€ 1,694 thousand).

The financial liability from the acquisition of **RIB Cosinus** results 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 detail, please see Section 40 of our consolidated financial statements as of 31 December 2015.

In April 2016, early exercise of the sell option was agreed. This has now been exercised. The Group thus has to pay € 1,900 thousand. The financial liability was therefore recognised at this attributable fair value.

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. If the purchase option is exercised, the RIB Group is obligated to pay a fixed purchase price of € 500 thousand. However, part of this amount will fall 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 € 37 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 € 2 thousand.

The Group acquired 75% of the shares in **SAA** during financial year 2014. 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 € 95 thousand as of the balance sheet date. The personnel expense for the reporting period arising therefrom amounts to € 48 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 € 8 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	
Acquisition of company shares	0
Repayments	0
Change arising from currency translation	-23
Other disposals	0
	-23
Changes with effect on profits	
Income from the subsequent valuation of purchase price liabilities (other operating income)	-21
Expenses from the subsequent valuation of purchase price liabilities (other operating expenses)	0
Personnel expenses from the accumulation of purchase price liabilities (marketing and distribution costs)	37
Personnel expenses from the accumulation of purchase price liabilities (production costs)	48
Expenses from the interest accrued on purchase price liabilities (finance expenses)	35
	99
As of 31 March	**4,477**

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 € 3,966 thousand:

Figures in € thousand	**Sensitivity**	**Carrying amount**
Discounting interest rate used for the discounting period	+ 1 %-point	3,845
Discounting interest rate used for the discounting period	- 1 %-point	4,002
Growth rate in the budgeted revenues in the budget period	+ 10,0 %	4,159
Growth rate in the budgeted revenues in the budget period	- 10,0 %	3,616

Stuttgart, 29 April 2016

RIB Software AG

The executive board

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

FURTHER INFORMATION

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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 May 2016
Ordinary Annual General Meeting

29 July 2016
Publication Interim Report (January - June 2016)
Analyst Conference Call

31 October 2016
Publication Interim Report (January - September 2016)
Analyst Conference Call

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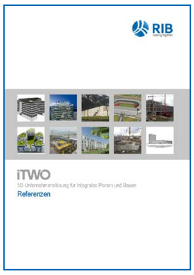
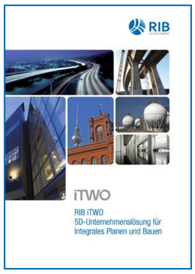
Product information and References





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