



3 – MONTH REPORT 2013

USU Software AG

3 - MONTH REPORT 2013	2013	2012
<i>in Thsd. EUR, except the earnings per share and number of employees</i>	01.01.-31.03.2013	01.01.-31.03.2012
REVENUES	12,343	12,582
ADJUSTED EBIT	22	1,675
ADJUSTED NET RESULT	-71	1,001
ADJUSTED EARNINGS PER SHARE (EUR)	-0.01	0.10
EBITDA	2	-119
EBIT	-348	-567
NET RESULT	-434	-1,264
EARNINGS PER SHARE (EUR)	-0.04	-0.12
CASH-FLOW FROM ORDINARY OPERATIONS	7,315	2,469
NUMBER OF EMPLOYEES AT THE END OF THE PERIOD	412	322
	31.03.2013	31.12.2012
CASH AND CASH EQUIVALENTS	17,065	11,408
SHAREHOLDERS EQUITY	51,849	52,295
BALANCE SHEET	82,900	66,721
EQUITY RATIO	62.5%	78.4%

USU Software AG
Spitalhof
D-71696 Möglingen
Tel. +49.7141.4867-0
Fax +49.7141.4867-200
www.usu-software.de

Investor Relations
Falk Sorge
Tel. +49.7141.4867-351
Fax +49.7141.4867-108
investor@usu-software.de

Dear shareholders,
dear readers,

In the IT industry, the first two quarters of a fiscal year tend to be weaker than the second half of the year. This effect was much less pronounced at the USU Group in the previous year. In particular, the conclusion of major international projects in Q1 2012 by the subsidiary Aspera led to significant positive impacts in the same period of the previous year compared with the multiyear average. The current reporting quarter is now reverting to the typical seasonal sales distribution for the industry. In addition, the expiry of major projects has not yet been fully compensated for in the service business. Accordingly and as anticipated, the USU Group had a modest start to the new fiscal year in Q1 2013, which at the same time was dominated by the majority acquisition of the social media specialist BIG Social Media GmbH ("BIG") and the final lead investments in the promising partnership with the US software group CA Technologies as well as the announced product innovations.

Overall, the sales and earnings performance of USU Software AG in the first quarter of 2013 was in line with planning and offers a stable foundation for the strong business anticipated at the end of the year. With its new subsidiary BIG, the income from the partnership with CA from the second quarter of 2013 onwards, the successful expansion of the Group's headcount and the newly developed product innovations that will be revealed to attendees from among the USU Group's global network of customers, interested parties and partners at the USU World conference in the middle of June, USU has laid the foundation for achieving its advised sales increase to at least EUR 58 million and an improvement in adjusted EBIT to more than EUR 8 million in line with planning.

Details of the current business performance of USU Software AG and the Group as a whole, further prospects and planning for the future will be presented at this year's Annual General Meeting of the company on June 6, 2013 at Forum am Schlosspark, Stuttgarter Strasse 33, Ludwigsburg, to which I cordially invite all shareholders of USU Software AG.

Yours,
Bernhard Oberschmidt,
Chairman of the Management Board of USU Software AG

Economic development

The German economy has made a slow start to 2013. According to an initial report from the German Federal Statistical Office (Destatis), gross domestic product (GDP) in Germany rose by 0.1% (Q1 2012: 0.6%) in the first three months of 2013 as against the previous quarter, adjusted for inflation, seasonal and calendar effects. In relation to the previous quarter, positive impetus came almost entirely from domestic consumer spending, while investment continued to decline. Compared with the same quarter of the previous year, GDP in Germany actually declined in the reporting quarter, falling by 1.4% (Q1 2012: +1.2%).

Sector performance

According to research by BITKOM (Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.), the business climate in the German high-tech sector improved significantly at the start of 2013. 75% of IT, telecommunications and entertainment technology (ICT) providers indicated that they are projecting a rising year-on-year sales performance in the first half of the year, according to BITKOM. IT companies were highly optimistic here. 87% of software providers and 82% of IT service providers are forecasting sales growth, according to the BITKOM survey. ICT companies are also feeling positive for 2013 as a whole. According to BITKOM information, 78% of high-tech companies are anticipating rising sales, while IT service and software companies are even more confident at 88% and 86% respectively.

Development of sales and costs

Group sales

In the first quarter of 2013, USU Software AG generated Group-wide sales of EUR 12,343 thousand in accordance with IFRS (Q1 2012: EUR 12,582 thousand). While USU achieved a significant sales increase in the same quarter of the previous year, mainly as a result of dynamic service business and the strong performance of the Group's subsidiary Aspera, consolidated sales were 1.9% lower year-on-year in the reporting quarter. At EUR 7,295 thousand, consulting sales were down 6.9% on the previous year (Q1 2012: EUR 7,836 thousand), while license business declined by 4.7% to EUR 1,641 thousand (Q1 2012: EUR 1,722 thousand). By contrast, maintenance business improved significantly by 8.9% to EUR 2,995 thousand (Q1 2012: EUR 2,751 thousand) as a result of the numerous software license deals in the previous year. Other income amounted to EUR 412 thousand in the first three months of the current fiscal year (Q1 2012: EUR 273 thousand) and essentially related to merchandise sales of third-party hardware and software.

Sales by segment

The product range in the Product Business segment – to which BIG Social Media GmbH, a majority in which was acquired in January 2013, has been assigned – covers all activities relating to the USU product range in the markets for knowledge-based service management solutions and the knowledge management market. The Service Business segment comprises consulting services for IT projects and individual application development.

In the Product Business segment, the USU Group generated sales growth of 8.6% to EUR 8,879 thousand (Q1 2012: EUR 8,174 thousand) in the first quarter of 2013, mainly as a result of the consolidation of the new subsidiary BIG. By contrast, the consulting sales of the Service Business segment declined by 21.6% to EUR 3,448 thousand (Q1 2012: EUR 4,398 thousand) after the expiry of several major orders at the end of 2012, for which new business has not yet been fully generated. The sales not assigned to the segments amounted to EUR 16 thousand in the first three months of the current fiscal year of 2013 (Q1 2012: EUR 10 thousand).

In the reporting quarter, the USU Group's international business was down almost a quarter on the previous year at EUR 1,738 thousand (Q1 2012: EUR 2,256 thousand). Accordingly, the share of consolidated sales accounted for by international sales fell from 17.9% in the same quarter of the previous year to currently 14.1%. The Management Board is also anticipating a significant improvement in this area in the subsequent quarters, not least as a result of the partnership with CA Technologies.

Operating costs

The operating cost base rose by 12.9% year-on-year in the first quarter of 2013 to EUR 12,536 thousand (Q1 2012: EUR 11,109 thousand). This increase resulted from both the acquisition of BIG and the targeted headcount expansion for the implementation of the advised business growth in subsequent quarters.

Irrespective of the significant increase in the consultant team employed by 30.1% to 190 employees (Q1 2012: 146), which is due solely to hiring in the Product Business segment, the costs of sales remained at the previous year's level of EUR 6,445 thousand (Q1 2012: EUR 6,468 thousand). This was partly as a result of the reduced use of third-party consultant resources in Service Business customer projects. As a percentage of consolidated sales, the cost of sales was 52.2% in the reporting period (Q1 2012: 51.5%). Gross income totaled EUR 5,898 thousand (Q1 2012: EUR 6,114 thousand), corresponding to a gross margin of 47.8% (Q1 2012: 48.5%).

The USU Group's sales and marketing expenses climbed to EUR 2,201 thousand (Q1 2012: EUR 1,769 thousand) as a result of the BIG acquisition and the targeted expansion of the Group-wide sales team. Accordingly, the cost rate as a percentage of sales for sales and marketing in the Group as a whole rose from 14.1% in the previous year to currently 17.8%.

In conjunction with the majority acquisition of BIG, general and administrative expenses rose strongly by 53.4% as against the previous year to EUR 1,597 thousand (Q1 2012: EUR 1,042 thousand). As a result of the additional administrative expenses due to the acquisition, administrative costs as a percentage of consolidated sales increased to 12.9% (Q1 2012: 8.3%).

In the first three months of 2012, research and development expenses were up by 25.4% as against the previous year at EUR 2,293 thousand (Q1 2012: EUR 1,829 thousand) due to the Group's additional development activities in connection with acquisitions and innovations. As a result, the ratio of research and development expenses to consolidated sales was lifted to 18.6% (Q1 2012: 14.5%). USU is constantly investing in the development of its product portfolio and always working on innovative, market-driven software solutions. For further information, please see the separate *Research and development* report in this Group management report.

Net other operating income and expenses totaled EUR 32 thousand in the first quarter of 2013 (Q1 2012: EUR -1,756 thousand). In particular, the figure for the previous year reflects the purchase price adjustment for the full acquisition of Aspera GmbH.

Earnings situation

Despite the selective investments in new product innovations, the partnership with CA Technologies and the increase in staff, the USU Group generated slightly positive EBITDA in Q1 2013 of EUR 2 thousand (Q1 2012: EUR -119 thousand), whereby the figure for the previous year was largely influenced by the extraordinary effect of the final acquisition of Aspera. Taking into account depreciation and amortization of EUR 350 thousand (2012: EUR 448 thousand), EBIT amounted to EUR -348 thousand (Q1 2012: EUR -567 thousand). Including the cumulative net finance costs of EUR -50 thousand (Q1 2012: EUR -121 thousand), EBT totaled EUR -398 thousand (Q1 2012: EUR -688 thousand).

Taking into account taxes on income of EUR -36 (Q1 2012: EUR -576 thousand), the USU Group's net profit for the first quarter of 2013 was EUR -434 thousand (Q1 2012: EUR -1,264 thousand) or EUR -0.04 per share (Q1 2012: EUR -0.12).

Adjusted consolidated earnings

As the consolidated earnings of the USU Group under IFRS have been and continue to be influenced by various extraordinary items which make it difficult to compare USU's earnings power from year to year, the company has calculated its *adjusted consolidated earnings* for information purposes. This shows consolidated earnings adjusted for the amortization of intangible assets capitalized as a result of business combinations, the results of the capitalization of tax loss carryforwards and the associated goodwill impairment, additional extraordinary items due to acquisitions and the corresponding tax effects.

Furthermore, on the basis of these *adjusted consolidated earnings*, USU Software AG reports *consolidated earnings per share* using the average number of shares outstanding. It also calculates its *adjusted EBIT*. *Adjusted consolidated earnings*, *adjusted EBIT* and *adjusted earnings per share* are not key indicators under IFRS.

Adjusted consolidated earnings	01.01.2013 - 31.03.2013	01.01.2012 - 31.03.2012
<i>in EUR thousand</i>		
Result of ordinary operations (EBIT)	-348	-567
Amortization of intangible assets recognized in the course of company acquisitions	187	285
Amortization of goodwill	0	0
Nonrecurring effects relating to acquisitions	183	1,957
- stay bonus Aspera / USU Consulting / BIG	116	92
- purchase price adjustments	0	1,865
- incidental acquisition costs	67	92
Adjusted EBIT	22	1,675
Financial income (as per consolidated income statement)	11	42
Financial costs (as per consolidated income statement)	-61	-163
Income taxes (as per consolidated income statement)	-36	-576
Tax effects relating to adjustments	0	38
- amortization	0	38
- deferred taxation from tax loss carryforwards	0	0
Minority interests (as per consolidated income statement)	-7	-15
Adjusted consolidated earnings	-71	1,001
Adjusted earnings per share (in EUR):	-0.01	0.10
Weighted average number of outstanding shares:		
Basic and diluted	10,523,770	10,523,770

In the first quarter of 2013, the USU Group generated slightly positive *adjusted EBIT* of EUR 22 thousand (Q1 2012: EUR 1,675 thousand). The reported decline as against the Q1 2012 reflects the major project deals concluded by the USU Group in the same quarter of the previous year, which are not anticipated until the second half of the year in 2013.

In addition to generating sales from license, maintenance and consulting proceeds from the CA partnership, new product innovations – which caused corresponding development expenses in the period under review and are expected to be launched as of the end of the second quarter of 2013 – should also contribute towards this. *Adjusted consolidated earnings* therefore amounted to EUR -71 thousand (Q1 2012: EUR 1,001 thousand) in the period under review. This corresponds to *adjusted earnings per share* of EUR -0.01 (Q1 2012: EUR 0.10).

Balance sheet structure

The structure of the statement of financial position as of March 31, 2013 was largely influenced by the majority acquisition of BIG and the CA partnership.

On the assets side of the statement of financial position, non-current assets amounted to EUR 52,222 thousand as of the end of the first quarter of 2013 (December 31, 2012: EUR 43,236 thousand), primarily due to the increase in goodwill to EUR 41,452 (December 31, 2012: EUR 32,395 thousand). As the purchase price allocation of BIG has not yet been finalized, all differences between the carrying amount and fair value as of the acquisition date and assets yet to be identified in final purchase price allocation have been fully allocated to goodwill. Current assets climbed to EUR 30,678 thousand as of the end of the reporting quarter (December 31, 2012: EUR 23,485 thousand). This resulted primarily from the rise in Group liquidity in the form of cash-in-hand and bank balances to a total of EUR 17,065 thousand (December 31, 2012: EUR 11,408 thousand). While the payment of the first purchase price installment for the BIG acquisition of EUR 1,760 thousand reduced cash and cash equivalents, payments from maintenance agreements and the first partial payment by CA Technologies in line with the conditions of the partnership agreement led to a rise in this item.

On the equity and liabilities side, current and non-current liabilities amounted to EUR 31,051 thousand as of March 31, 2013 (December 31, 2012: EUR 14,426 thousand). The increase essentially resulted from purchase price liabilities of EUR 8,166 thousand (December 31, 2012: EUR 0 thousand) for the full acquisition of BIG. At the same time, liabilities from payments received for the first payment by CA Technologies to USU increased to EUR 6,318 thousand (December 31, 2012: EUR 2,481 thousand). Furthermore, deferred income rose to EUR 7,958 thousand as of the end of the reporting period (December 31, 2012: EUR 2,393 thousand), which includes the maintenance agreements invoiced at the start of the year for which performance will be rendered and sales recognized later in the year. Equity amounted to EUR 51,849 thousand (December 31, 2012: EUR 52,295 thousand) as of the end of the reporting period. With total assets of EUR 82,900 thousand (December 31, 2012: EUR 66,721), the equity ratio was 62.5% as of March 31, 2013 (December 31, 2012: 78.4%).

Cash-Flow and investments

As of March 31, 2013, the USU Group had cash and cash equivalents of EUR 17,065 thousand (Q1 2012: EUR 19,380 thousand). The drop as against the same quarter of the previous year was due mainly to the payment of the remaining purchase price for the full acquisition of Aspera in the second quarter of 2012.

The USU Group's cash flow from operating activities improved from EUR 2,469 thousand in the first quarter of 2012 to EUR 7,315 thousand in the first three months of the current fiscal year. In addition to a slight earnings improvement in accordance with IFRS, this increase was mainly due to changes in working capital as a result of increased income from maintenance agreements and income from a payment received under the partnership agreement with CA Technologies.

The net cash flow used in investing activities of EUR 1,651 thousand (Q1 2012: EUR 214 thousand) essentially included the first purchase price payment for the BIG acquisition in the amount of EUR 1,539 thousand (Q1 2012: EUR 0 thousand) and investments in property, plant and equipment and intangible assets totaling EUR 123 thousand (Q1 2012: EUR 267 thousand).

As in the previous year, there were no changes in cash flow from financing activities in the first quarter of 2013.

Orders on hand

Orders on hand in the USU Group climbed by 4.7% as against the previous year to EUR 23,543 thousand as of March 31, 2013 (March 31, 2012: EUR 22,482 thousand). This does not yet include the partnership agreement with CA Technologies, which will contribute additional orders on hand of around half a million euro from the second quarter of this year. Orders on hand as of the end of the quarter show the USU Group's fixed future sales based on binding contracts. These primarily consist of project-related orders and maintenance agreements.

Research and development

In the first three months of fiscal 2013, in order to offer its customers state-of-the-art, practical products and solutions, the USU Group invested a total of EUR 2,293 thousand (Q1 2012: EUR 1,829 thousand) or 18.6% (Q1 2012: 14.5%) of consolidated sales in research and development.

With 132 employees working in research and development throughout the Group as of March 31, 2013 (Q1 2012: 108), the USU Group systematically researches the use of new technologies, implements the latest customer-related developments and designs its own innovations in its ongoing drive to improve and expand the Group-wide product portfolio.

In the first quarter of 2013, the subsidiary USU AG continued the development of Valuemation 4.4, which is expected to be released as of the end of the current fiscal year. The new features include improvements to the user interface, software ergonomics and additional SaaS ranges. Alongside this, development has continued on the product innovation USU Service Intelligence, a software tool for intelligent IT management. Within USU AG's USU KnowledgeCenter product suite, development work in the reporting quarter focused on finishing the first release of USU KnowledgeCenter 6. In addition to a modern look, the new version also offers a number of new functionalities, allowing even better integration of a company's knowledge into the respective customer's processes. The innovation project USU Lifebelt, which enables a company's employees to help themselves when IT problems arise, underwent the same targeted development in Q1 2013 as USU KnowledgeScout. This new USU solution supports technical customer service employees with an interactive advice system for efficient error diagnosis. Expert knowledge can be easily entered, prepared and provided throughout the company so that all service employees can access it, regardless of where, at what time or in which language they require context-based information. At the subsidiary Aspera GmbH, work in the first quarter of 2013 focused on linking the license management software SmartTrack with the software from the partner CA Technologies, which was finalized in the second quarter. In this context, new language versions were also implemented, so that SmartTrack is also available in French, Spanish and Italian in addition to German and English. The new features and key development areas for the ZIS system from the subsidiary LeuTek GmbH included the finalization of version 5.6, which is scheduled to roll out this summer. The new version of ZIS has a number of new features and design improvements. Customer-based function extensions were also added to the SME product suite myCMDB from USU's Omega Software GmbH subsidiary in the reporting quarter. The recently acquired subsidiary BIG Social Media GmbH worked on new versions of BIG SCREEN 2.1 and BIG CONNECT 1.5, which were published in the subsequent quarter. New workflow models and collaboration tools were implemented in BIG CONNECT, while several reporting structures were redesigned in BIG SCREEN and supplemented with further information.

Employees

With a Group headcount of 412 (Q1 2012: 322) employees as of March 31, 2013, USU has selectively increased its staff numbers by 28.0% as against the previous year, as a result of both successfully recruiting new employees and the BIG acquisition. The latter employed a total of 34 people as of the end of the first quarter of 2013. Broken down by functional unit, 190 (Q1 2012: 146) people were employed in consulting and services as of the end of the reporting period, 132 (Q1 2012: 108) in research and development, 46 (Q1 2012: 33) in sales and marketing and 44 (Q1 2012: 35) in administration. Broken down by segment, the USU Group employed 305 (Q1 2012: 223) people in the Product Business division, 68 (Q1 2012: 68) in the Service Business division and 39 (Q1 2012: 31) in central administration.

USU shares (ISIN DE000A0BVU28).

The shares of USU Software AG are listed in the Prime Standard of the Frankfurt stock exchange under the German Securities Code (WKN) A0BVU2 and International Securities Identification Number (ISIN) DE000A0BVU28, and are admitted to trading on the regulated market of this stock exchange.

The positive trend of previous quarters on the German stock market continued in Q1 2013 with further increases in share prices. While the DAX climbed by 2.4% to 7,795.31 points (December 31, 2012: 7,612.39 points), the Technology All Share experienced strong growth of 12.9% to 1,139.99 points (December 31, 2012: 1,010.12 points). Following the publication of the figures for 2012 and the associated positive public reporting, USU's shares also rose significantly by 12.8% as against the end of the previous reporting period, December 31, 2012, and closed at exactly EUR 8.00 on the electronic exchange XETRA (December 31, 2012: EUR 7.09).

Supplementary report

There were no transactions of particular significance after March 31, 2013 that had a material effect on the development of business in the USU Group. In this respect, there were no major changes to the net assets, financial position or results of operations of the Group.

Opportunity and risk report

There were no changes to the opportunities and risks of USU Software AG or of the Group as a whole as against December 31, 2012. For more information, please see the risk report in the 2012 annual report.

Forecast report

General economic

According to its 2012/13 economic forecast, published in mid-December 2012 (“ifo Konjunkturprognose 2012/13”), the ifo institute expects Germany to begin experiencing an economic upturn again in the course of 2013. According to the ifo forecast, GDP in Germany is set to rise by a total of 0.7% in 2013, following an increase in economic output of 0.9% in 2012, according to Destatis. Even global GDP is expected to increase again, primarily due to monetary and fiscal stimulus action taken by countries such as China, India and Russia and emerging countries in Southeast Asia and Latin America. Experts at ifo therefore assume that global production will rise by 3.3% in 2013, following a forecast increase in GDP of 3.0% in 2012.

Sector

According to current information from BITKOM, the IT sector will act as a stabilizing factor for the German economy in the current fiscal year of 2013 as well, with a 2.2% increase in market volumes (2012: 2.7%). As a crossover technology, IT is of enormous importance to the competitive capability of almost all other sectors. Innovative solutions in the fields of big data and social media are reported to be at the top of the agenda, along with topics such as cloud computing and mobile applications. According to surveys by BITKOM, the development of German software providers and IT service companies is expected to be correspondingly positive. BITKOM is therefore forecasting growth of 4.6% on the German software market in 2013 (2012: 5.1%), while the IT services market is expected to grow by 2.5% (2012: 2.1%). The worldwide software and IT service segments are also expected to achieve strong growth rates of 6.4% (2012: 3.5%) and 4.5% (2012: 1.5%) respectively, according to the most recent forecasts by market research company Gartner, which has forecast growth of 4.1% (2012: 2.1%) for the global IT market as a whole.

Outlook

After a modest start to fiscal 2013, the Management Board is forecasting a significant improvement in business performance in the subsequent quarters for USU Software AG and its subsidiaries, leading to strong sales earnings growth in the second half of 2013 in particular. This is based on three main growth drivers: *innovation*, *internationalization* and *acquisitions*.

In recent quarters, the USU Group has initiated a number of new product developments that will form the basis for future organic expansion in high-margin, rapid growing *Product Business* alongside the existing software portfolio. USU generates license and maintenance income in this area in addition to product-related consulting income. In the Service Business segment, in which USU generates consulting sales from individual projects that are not dependent on specific products, several major projects expired at the end of 2012. As a result, business in this segment will not increase until later in the course of 2013 as follow-up orders are obtained gradually. The Management Board is also anticipating growth for the year as a whole from the advancing internationalism of the USU Group. This will result in part from the partnership with CA Technologies, from which USU will generate sales from the second quarter of 2013 onwards. In addition to organic growth, another key element of the company's strategy is the expansion of Group activities through the acquisition of companies and interests in companies. In line with this, the company implemented the majority acquisition in title of BIG Social Media GmbH, an international provider of SaaS solutions in the field of social media management in the reporting quarter. The Management Board of USU Software AG plans to acquire further equity investments in sustainably profitable growth companies moving forward.

Overall, the Management Board is reiterating its goal of increasing sales in 2013 as a whole to at least EUR 58 million (2012: EUR 51.2 million). Adjusted EBIT is expected to rise to over EUR 8 million (2012: EUR 7.1 million) in the same period. In turn, the shareholders of USU Software AG will participate largely in the company's success in the form of a dividend. Thanks to the above growth drivers, the Management Board expects sales growth to remain above that of the market as a whole and the earnings margin to increase further in subsequent years as well. The Management Board's medium-term planning is projecting growth to over EUR 100 million by the year 2017.

Möglingen, May 16, 2013

USU Software AG

The Management Board

ASSETS (Thsd. EUR)	3-month report 31.03.2013	Annual report 31.12.2012
Non current assets		
Intangible assets	5,429	5,626
Goodwill	41,452	32,395
Property, plant and equipment	1,332	1,194
Other financial assets	22	33
Deferred tax assets	3,194	3,194
Other assets	793	794
Total non current assets	52,222	43,236
Current assets		
Inventories	799	693
Work in process	2,447	2,448
Trade receivables	8,766	7,353
Income tax receivables	302	585
Other financial assets	178	282
Other assets	222	97
Prepaid expenses	899	619
Securities	0	0
Cash on hand and bank balances	17,065	11,408
Total non current assets	30,678	23,485
Total assets	82,900	66,721

LIABILITIES AND SHAREHOLDERS' EQUITY (Thsd. EUR)	3-month report 31.03.2013	Annual Report 31.12.2012
Shareholders' equity		
Subscribed capital	10,524	10,524
Capital reserve	52,792	52,792
Legal reserve	470	470
Other comprehensive income	-13	0
Accumulated losses	-11,907	-11,480
Shareholders' equity not including minority interests	51,866	52,306
Minority interests	-17	-11
Total shareholders' equity	51,849	52,295
Non-current liabilities		
Deferred tax liabilities	0	0
Pension provisions	1,016	993
Total non-current liabilities	1,016	993
Current liabilities		
Provisions for income taxes	890	433
Purchase price liabilities	8,166	0
Personnel-related provisions and liabilities	3,545	4,494
Other provisions and liabilities	1,358	1,942
Liabilities from received payments	6,318	2,481
Trade payables	1,800	1,690
Deferred income	7,958	2,393
Total current liabilities	30,035	13,433
Total liabilities and shareholders' equity	82,900	66,721

CONSOLIDATED INCOME STATEMENT (Thsd. EUR)	Quarterly report I / 2013	Quarterly report I / 2012
	01.01.2013 - 31.03.2013	01.01.2012 - 31.03.2012
Sales revenue	12,343	12,582
Cost of sales	-6,445	-6,468
Gross profit	5,898	6,114
Sales and marketing expenses	-2,201	-1,769
General administrative expenses	-1,597	-1,042
Research and development expenses	-2,293	-1,829
Other operating income	141	148
Other operating expenses	-109	-1,904
Amortization of intangible assets recognized in the course of company acquisitions	-187	-285
Result of ordinary operations (EBIT)	-348	-567
Interest income	11	42
Interest expenses	-61	-163
Result before taxes (EBT)	-398	-688
Income taxes	-36	-576
Group result	-434	-1,264
of which:		
- shareholders of USU Software AG	-427	-1,249
- minority interests	-7	-15
Earnings per share (EUR) on the basis of the share of earnings of shareholders of USU Software AG (basic and diluted)	-0.04	-0.12
Weighted average shares (basic and diluted)	10,523,770	10,523,770

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Thsd. EUR)	Quarterly report I / 2013	Quarterly report I / 2012
	01.01.2013 - 31.03.2013	01.01.2012 - 31.03.2012
Group result	-434	-1,264
Available-for-sale financial instruments (securities)		
Fair value changes taken directly to equity	0	5
Recognized to profit or loss	0	0
Deferred taxes from available-for-sale financial instruments (securities)	0	0
Currency translation difference	-13	17
Other comprehensive income	-13	22
Overall result	-447	-1,242
of which:		
- shareholders of USU Software AG	-440	-1,227
- minority interests	-7	-15

CONSOLIDATED STATEMENT OF CASH FLOW <i>(Thsd. EUR)</i>	3-month report 01.01.2013 - 31.03.2013	3-month report 01.01.2012 - 31.03.2012
CASH FLOW FROM ORDINARY ACTIVITIES:		
Result bevor taxes (EBT)	-398	-688
Adjustments for:		
Financial income / financial expenditure	50	121
Depreciation and amortization	350	448
Income taxes paid	-36	-209
Income taxes refunded	0	14
Interest paid	-3	-140
Interest received	4	41
Other non-cash income and expenses	20	-21
Change in working capital:		
Inventories	-106	-87
Work in process	1	-519
Trade receivables	63	-186,000
Prepaid expenses and other assets	43	-555
Trade payables	-219	313
Personnel-related provisions and liabilities and pension provisions	-1,067	-955
Other provisions and liabilities	8,613	4,892
Net cash flow form ordinary activities	7,315	2,469
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of subsidiaries less cash and cash equivalents acquired	1,539	0
Capital expenditure in property, plant and equipment	-105	-245
Capital expenditure in other intangible assets	-18	-22
Repayment of short-term loans	11	52
Sales of non-current assets	0	1
Net cash flow from investing activities	-1,651	-214
CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash flow from financing activities	0	0
Net effect of currency translation in cash and cash equivalents	-7	-20
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS	5,657	2,235
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11,408	17,145
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17,065	19,380

**CONSOLIDATED STATEMENT OF
SHAREHOLDERS EQUITY (unaudited)**



CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY	Subscribed capital		Capital reserve	Legal reserve	Accumu- lated losses	Other comprehensive income		Share- holder's equity not including minority interests	Minority interest	Total
	Shares	Thsd. EUR				Currency Trans- lation	Securities measured at fair value			
		Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR
Consolidated equity as of January 1, 2012	10,523,770	10,524	52,792	386	-13,773	-16	-7	49,906	2	49,908
Group result	0	0	0	0	-1,249	0	0	-1,249	-15	-1,264
Other comprehensive income	0	0	0	0	0	17	5	22	0	22
Overall result	0	0	0	0	-1,249	17	5	-1,227	-15	-1,242
Consolidated equity as of March 31, 2012	10,523,770	10,524	52,792	386	-15,022	1	-2	48,679	-13	48,666
Consolidated equity as of January 1, 2013	10,523,770	10,524	52,792	470	-11,480	0	0	52,306	-11	52,295
Group result	0	0	0	0	-427	0	0	-427	-7	-434
Other comprehensive income	0	0	0	0	0	17	-13	-13	0	-13
Overall result	0	0	0	0	-427	17	-13	-440	-7	-447
Consolidated equity as of March 31, 2013	10,523,770	10,524	52,792	470	-11,907	-13	0	51,866	-18	51,848

Principles of Accounting

USU Software AG is a stock corporation under the law of the Federal Republic of Germany. The company is domiciled at Spitalhof, 71696 Möglingen, Germany and is entered in the commercial register of the Stuttgart Local Court, Dept. B., under no. 206442.

This three-month report for 2013 on USU Software AG was prepared in line with IAS 34. The same accounting policies were used as in the preparation of the consolidated financial statements for the preceding fiscal year ended December 31, 2012. This unaudited three-month report for 2013 should therefore be read in conjunction with the audited consolidated financial statements for 2012. The provisions of section 37x (3) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) were complied with. Furthermore, the company used the German Accounting Standard 16 (Interim Financial Reporting) as a guideline in preparing this report.

This interim report contains all the necessary deferrals and, in the opinion of the management, provides a true and fair view of assets, liabilities, financial position, and profit or loss. All deferrals performed are in line with the customary accruals concept.

In preparing interim financial statements in line with IFRS, estimates and opinions relating to the assets and liabilities recognized at the reporting date and the income and expenses for the reporting period are required to a certain extent. Actual results may differ from those estimates.

Income taxes are recognized in the interim period based on the best estimate of the weighted average annual income tax rate expected for the year as a whole. This tax rate is applied to the pre-tax profit of the consolidated companies.

It is not necessarily possible to conclude the annual net profit from the profit of the interim periods.

Consolidated group

On December 20, 2012, USU Software AG acquired 51% of shares in BIG Social Media GmbH, Berlin (“BIG”) in an agreement subject to a condition precedent. The shares were transferred in title on January 15, 2013 when the first installment of the purchase price was paid. BIG has been included in consolidation in this report for Q1 2013.

Final purchase price allocation will be carried out in fiscal 2013. Hence, all differences between carrying amounts and fair values as of the acquisition date and all intangible assets yet to be identified in purchase price allocation have therefore been assigned in full to goodwill. Please also see the disclosures in the notes to the audited 2012 consolidated financial statements under 8.3: Acquisition of BIG Social Media GmbH, Berlin.

Accounting provisions adopted for the first time

In October 2010, the International Accounting Standards Board (IASB) published the amendment to IFRS 7: Financial Instruments: Disclosures. The amendments were endorsed by the EU in November 2011. The purpose of the extended disclosure requirements is to enable readers of accounts to understand the relationships between transferred financial assets and the corresponding financial liabilities. In addition, readers should be able to assess the nature and, in particular, the risks of continuing involvement in derecognized financial assets. The amendments also require additional disclosures if a disproportionately large number of transfers occur towards the end of a reporting period. The amendments to IFRS 7 were adopted for the first time in the consolidated interim financial statements.

Sales revenues

Revenues from the sales of goods and services break down as follows:

	1.1.-31.3.2013 Thsd. EUR	1.1.-31.3.2012 Thsd. EUR
Consulting	7,295	7,836
Licences / products	1,641	1,722
Service and maintenance	2,995	2,751
Other	412	273
	12,343	12,582

Segment reporting

For the purpose of segment reporting in accordance with IFRS 8, USU is active in “Product Business” and “Service Business”, both of which have a major influence on the risks and equity return. The breakdown of various key ratios by segment in line with IFRS 8 is represented in the following overview:

	Product Business		Service Business		Total Segments		Unallocated		Group	
	1.1.-31.3.2013 Thsd. EUR	1.1.-31.3.2012 Thsd. EUR								
Revenues	8,879	8,174	3,448	4,398	12,327	12,572	16	10	12,343	12,582
EBITDA	675	1,716	269	642	944	2,358	-942	-2,477	2	-119
EBIT	567	1,312	238	613	805	1,925	-1,153	-2,492	-348	567
Net financial income	-	-	-	-	-	-	-50	-121	-50	-121
Taxes	-	-	-	-	-	-	-36	-576	-36	-576
Net profit / loss	567	1,312	238	613	805	1,925	-1,239	-3,189	-434	-1,264
Employees (as of March 31, 2013/12)	305	223	68	68	373	291	39	31	412	322

The USU Software Group generated a total of 14.1% (Q1 2012: 17.9%) or EUR 1,738 thousand (Q1 2012: EUR 2,256 thousand) of its consolidated sales outside Germany in the first three months of the 2013 financial year. In contrast, less than 10% of the consolidated assets held are outside Germany. At the same time, the investments made outside Germany came to less than 10% of the consolidated total investments. Further details of the geographical data have thus not been provided.

Financial instruments

The following table shows the carrying amounts and fair values of the financial instruments of the entire Group:

in Thsd. EUR	31.03.2013		31.12.2012	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Non-current financial instruments				
Loans to members of the Management Board	22	22	33	33
Work in progress	2,447	2,447	2,448	2,448
Trade receivables	8,766	8,766	7,353	7,353
Other current financial assets	178	178	282	282
Current financial instruments	0	0	0	0
Cash on hand and bank balances	17,065	17,065	11,408	11,408
	28,478	28,478	21,524	21,524

in Thsd. EUR	31.03.2013		31.12.2012	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial liabilities				
Trade payables	1.800	1.800	1.690	1.690
Liabilities from advance payments	6.318	6.318	2.481	2.481
Purchase price obligation for BIG	8.166	8.166	0	0
	16.284	16.284	4.171	4.171

In accordance with IFRS 13, fair value is defined as the price a market participant would receive when selling an asset or would pay to transfer a liability in an orderly transaction on the measurement date. There is a fair value hierarchy with three measurement levels depending on whether the fair value of financial instruments was determined on the basis of published market prices (level 1), on the basis of data derived from published market prices (level 2) or using non-observable parameters (level 3). USU Software AG currently has no such financial instruments.

Shares held by members of corporate bodies at USU Software AG

The following shares in USU Software AG were held by members of corporate bodies of the company as at March 31, 2013:

Holdings of members of corporate bodies	shares 31.03.2013	shares 31.03.2012
Management Board		
Bernhard Oberschmidt	18,696	18,696
Supervisory Board		
Udo Strehl*	1,989,319	1,989,319
Erwin Staudt	100,000	100,000
Günter Daiss	85,500	85,500
<p><i>* An additional 3,487,868 (2012: 3,487,868) shares of USU Software AG can be allocated to Udo Strehl via AUSUM GmbH as the majority shareholder of the company pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG. A further 32,000 (2012: 32,000) shares in USU Software AG are allocated to Udo Strehl through the "Knowledge is the future" foundation of which he is the Managing director pursuant to Sec. 22 (1) Sentence 1 No. 1 WpHG.</i></p>		

Related party disclosures

In accordance with IAS 24, all related parties are persons or companies with the ability to control the Group or exercise significant influence over it, or on whom/which the Group can exert significant influence, including the management and the Supervisory Board. Companies that are already included as part of full consolidation in the interim consolidated financial statements are not considered related parties.

There were no significant changes to business relations between USU Software AG and the Supervisory Board Chairman and majority shareholder Udo Strehl and his wife compared with the information in the notes to the consolidated financial statements of fiscal 2012. For more information, please refer to the details in the consolidated financial statements of USU Software AG for the fiscal year ending December 31, 2012.

Möglingen, May 16, 2013

Chairman of the Management Board of USU Software AG

JUNE 6, 2013**ANNUAL GENERAL MEETING 2013**

at “Buergersaal” of
Forum am Schlosspark,
Stuttgarter Straße 33,
D-71638 Ludwigsburg (Germany)
Start: 10.30 a.m.
Entrance: 9.30 a.m.

AUGUST 22, 2013**6-MONTH REPORT 2013****SEPTEMBER 5, 2013**

ANALYST CONFERENCE OF USU SOFTWARE AG
- 3. ZKK – Zurich Capital market Conference -
Zurich, Switzerland

NOVEMBER 11, 2013**9-MONTH REPORT 2013****NOVEMBER 11 - 13, 2013**

ANALYST CONFERENCE OF USU SOFTWARE AG
- GERMAN EQUITY FORUM -
Frankfurt am Main, Germany