



3 – MONTH REPORT 2015

USU Software AG

3 - MONTH REPORT 2015	2015	2014
<i>in Thsd. EUR, except the earnings per share and number of employees</i>	01.01.-31.03.2015	01.01.-31.03.2014
REVENUES	14,069	13,314
ADJUSTED EBIT	1,077	473
ADJUSTED NET RESULT	1,225	311
ADJUSTED EARNINGS PER SHARE (EUR)	0.12	0.03
EBITDA	1,288	642
EBIT	743	97
NET RESULT	929	-82
EARNINGS PER SHARE (EUR)	0.09	-0.01
CASH-FLOW FROM ORDINARY OPERATIONS	6,388	3,895
NUMBER OF EMPLOYEES AT THE END OF THE PERIOD	449	454
	31.03.2015	31.12.2014
CASH AND CASH EQUIVALENTS	25,421	18,920
SHAREHOLDERS EQUITY	56,466	55,608
BALANCE SHEET	89,604	85,174
EQUITY RATIO	63.0%	65.3%

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Dear shareholders,
dear readers,

With a 6% increase in sales and a doubling of adjusted EBIT, USU Software AG began fiscal 2015 in line with planning. This growth was again driven by strong international business, above all in the United States. In the opening quarter of 2015 USU generated almost 30% of its consolidated sales outside Germany. And the second quarter got off to a very promising start as well. USU is increasingly benefiting here from software-as-a-service business and the many product innovations of the previous year. The latest new developments will be presented to international customers, partners and the interested public at this year's conference of the USU Group, USU World, on June 11/12, 2015 in Darmstadt. With more than 400 participants expected, USU World 2015 is Europe's biggest software conference for knowledge-based service management. This once again shows the increasingly successful internationalization of the USU Group.

After the positive start to the year, the Management Board of USU Software AG is reiterating its guidance for the Group for 2015 as a whole, with an increase in sales to between EUR 64 and EUR 68 million, and a rise in adjusted EBIT to between EUR 8 and EUR 9.5 million. More detailed planning is expected from the Management Board with the publication of the half-year figures in August of this year on the basis of the qualified forecast for the tendentially very strong year-end business. Further information on the recent business performance of USU Software AG and the Group as a whole, in addition to their future prospects, will also be presented at this year's Annual General Meeting of the company on June 18, 2015 at Forum am Schlosspark, Stuttgarter Strasse 33, Ludwigsburg, to which all shareholders of USU Software AG are cordially invited. The items on the agenda for this Annual General Meeting include formal approval of the actions of the Management Board and the Supervisory Board, the renewal of the authorization to buy back shares, the approval of the company's profit transfer agreement with the newest USU subsidiary B.I.G. Social Media GmbH and the election of the auditor for fiscal 2015. In addition, the Management Board and the Supervisory Board will be proposing to distribute a profit of EUR 0.30 per share to shareholders, meaning a year-on-year increase in the dividend of 20%. Thus, the shareholders of USU Software AG will participate significantly in the company's success in line with its dividend strategy.

Yours,
Bernhard Oberschmidt,
CEO of USU Software AG

BASIC INFORMATION ON USU SOFTWARE AG AND THE GROUP

Business model, objectives, strategies and controlling system

USU Software AG and its subsidiaries (hereinafter also referred to as “the USU Group or “USU”) develop and market end-to-end software solutions for knowledge-based service management. The range in the product segment includes solutions in the “Business Service Management” segment for efficient and cost-effective application of the IT infrastructure within companies and in the “Knowledge Solutions” segment for the optimization of knowledge-intensive business processes. The Group also provides consulting services for IT projects and individual application development in its service segment.

In addition to a marked improvement in service, USU customers also gain significant potential for savings, meaning that investments in the USU Group’s software solutions pay off in a very short space of time and therefore result in a win-win situation for both USU and its customers. Accordingly, the USU Group’s customer base now comprises more than 700 companies from all sectors of the economy, especially from IT-intensive sectors such as insurance and banking, including Allianz, BASF, BOSCH, BMW, DEVK, EDEKA, Generali, Hannover Rück, HDI Gerling, Jacobs Engineering, LVM, Texas Instruments, VW, W&W and ZDF.

USU Software AG has set itself the goal of achieving above-average growth in its consolidated sales in comparison to the IT market as a whole in the coming years while also further increasing profitability. The focus here will be on organic growth through innovations and by expanding the Group’s international market presence, although inorganic growth in the form of acquisitions and equity investments also forms part of the corporate strategy. The medium-term plan forecasts sales growth to over EUR 100 million and a further increase in the operating earnings margin on the basis of adjusted earnings before interest and taxes (adjusted EBIT) by 2017.

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 and additional non-recurring effects due to acquisitions plus 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. Adjusted EBIT is also reported and serves as an important planning and control parameter. Adjusted consolidated earnings, adjusted EBIT and adjusted earnings per share are not key indicators under IFRS.

Research and development

In the first three months of 2015, in order to offer its customers state-of-the-art, practical products and solutions, the USU Group invested a total of EUR 2,376 thousand (Q1 2014: EUR 2,484 thousand) or 16.9% (Q1 2014: 18.7%) of consolidated sales in research and development. With 129 employees working in research and development throughout the Group as of March 31, 2015 (Q1 2014: 148), 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.

The Business Service Management segment completed version 4.5 of the end-to-end IT management product suite Valuation. Among other things, this features a state-of-the-art user interface, improved search functions, a new, attractive service shop for users so that they can individually select and apply for IT services and additional specialist modules to support supplier management and efficient resource planning. This version also integrates USU Service Intelligence for comprehensive reporting and dashboards. Furthermore, the development team began the preparations for the new release of Valuation 4.6 and for design work on Valuation 5, which is scheduled for the end of 2016. Moreover, version 2.0 of the Valuation Mobile Manager was finalized, which offers a redesigned graphical interface, improved configuration options and a number of function extensions. A further focus was the development of release 3.0 of the self-service solution USU SmartLink, which now also boasts functions such as chat and push notification. In the Business Service Monitoring and Alarm Management sub-segment the USU Group development team continued work on version 5.8 of the monitoring software ZIS, including extensions for the mobile service dashboard. In addition, a prototype of a new module for capacity monitoring and reporting was produced that is expected to be revealed at USU World 2015 in the middle of June this year. The License Management segment continued the targeted development of current version 3.6 of the USU software SmartTrack and the license management extension modules. Another key area was the preparations for the development of the new SmartTrack 4.0. This intends far-reaching improvements to the user interface and operating concept.

The Knowledge Management and Social Media segment continued the development of release 6.4 of the knowledge management Software USU KnowledgeCenter. Among other things, this version has a new correspondence management component that was unveiled for the first time at Call Center World 2015. At the same time, far-reaching preparations were made for an extensive front-end update within the social media application BIG CONNECT in the reporting quarter. The focus here will be on usability, performance and user experience. Development also continued on the social CRM solution, which is now being successfully used in the first customer projects.

In addition to this development work, USU is also pursuing selective research to move forward, develop and ultimately successfully launch future product innovations. In the industrial big data research area the platform developed by USU has reached a level for productive use. This essentially concerns the real-time analysis and processing of industrial mass data, in order to be able to search them for complex error patterns, for example. In the reporting quarter, in addition to performance optimization and detailed improvements to the management interface, the simple activation of additional computer nodes to expand capacity as needed at the touch of a button was also implemented. A printing press manufacturer is launching a field test with around 300 of its customers' printing presses. In smart data USU continued the SAKE (Semantic Analysis of Complex Events) research program funded by the German Federal Ministry for Economic Affairs and Energy (BMWi). Among other things, this is about detecting patterns in log data from the field of mechanical and plant engineering to identify even unknown error patterns and thereby avoid the high costs as a result of an unnecessary production shutdown and service costs due to false alarms. Thanks to intelligent data analysis of unique quality, USU is creating the requirements for the successful automation of service processes in cost-intensive industries. In the first quarter of 2015 there were already several syndicate meetings involving the BMWi. In addition, USU had a crucial role at the BMWi's international Smart Data Congress in Berlin.

ECONOMIC REPORT

Overall Economic Development

According to information from the German Federal Office of Statistics¹, Destatis, the German economy continued its growth in the first quarter of 2015 at a slightly slower rate compared to the previous quarter. As per an initial report from Destatis, gross domestic product (GDP) in Germany was 0.3% higher than in the fourth quarter of 2014 after adjustment for inflation, seasonal and calendar effects, after posting growth of 0.7% in the final quarter of 2014. According to Destatis, positive impetus mainly came from within Germany in the previous quarter. Private households and the public sector therefore increased their consumer spending and there was a strong rise in investments. By contrast, exports curbed economic growth. Adjusted for inflation, GDP rose by 1.1% year-on-year in the first quarter of 2015 (Q1 2014: 2.6%).

¹ Press release 173/15 of the German Federal Office of Statistics dated May 13, 2015, published at www.destatis.de

Sector Development

According to the latest economic survey², “46th Industry Barometer (H1 2015)” by BITKOM (Bundesverband Informationswirtschaft, Telekommunikation und neue Medien), sentiment among German companies in the high-tech sector is still highly positive at the start of 2015. According to BITKOM information, 79% (Q1 2014: 78%) of IT, telecommunications and entertainment technology (ICT) companies surveyed are forecasting rising sales in the first and second quarters of 2015. Software and IT service companies were particularly optimistic again at the start of 2015, with 84% (Q1 2014: 87%) and 86% (Q1 2014: 85%) respectively expecting sales to improve in the first half of 2015.

Development of Sales and Costs

Consolidated Sales

In the first quarter of 2015 USU Software AG increased its Group-wide sales by 5.7% year-on-year to EUR 14,069 thousand (Q1 2014: EUR 13,314 thousand). The reported rise in sales results from consistently expansive international business, which grew by 51.8% as against the previous year in the reporting quarter to EUR 4,196 thousand (Q1 2014: EUR 2,764 thousand). Accordingly, the share of consolidated sales accounted for by international sales at USU climbed from 20.8% in the first quarter of 2014 to currently 29.8%. Maintenance business grew strongly in the first quarter of 2015 by 11.8% to EUR 3,466 thousand (Q1 2014: EUR 3,099 thousand). USU mainly benefited here from the increase in income from software maintenance agreements and new software-as-a-service (SaaS) projects. Software license business from on-premises projects was up slightly by 1.2% at EUR 1,915 thousand (Q1 2014: EUR 1,892 thousand). USU also expanded its consulting business to EUR 8,492 thousand (Q1 2014: EUR 8,143 thousand), an increase of 4.3% as against the previous year.

Sales by Segment

The product range of the Product Business segment includes all activities relating to USU's product portfolio in the market for knowledge-based service management solutions and the social media and knowledge management market. The Service Business segment comprises consulting services for IT projects and individual application development.

² BITKOM press release dated January 28, 2015, published at www.bitkom.org

In the first three months of fiscal 2015 the USU Group's Product Business segment generated total sales of EUR 10,666 thousand (Q1 2014: EUR 9,766 thousand), an increase of 9.2% as against the previous year. By contrast, consulting sales in the Service Business segment were down 4.2% year-on-year at EUR 3,349 thousand (Q1 2014: EUR 3,496 thousand) owing to reduced business with freelancers. Accordingly, USU increased the share of its consolidated sales attributable to the product segment to 75.8% (Q1 2014: 73.4%). Sales not assigned to the segments amounted to EUR 54 thousand in total in the months January to March 2015 (Q1 2014: EUR 52 thousand).

Operating Costs

The operating cost base of the USU Group amounted to EUR 13,320 thousand in the first quarter of 2015 (Q1 2014: EUR 12,979 thousand), a year-on-year increase of 2.6%.

The cost of sales was up by 7.0% as against the previous year at EUR 7,286 thousand in the period under review (Q1 2014: EUR 6,811 thousand). Among other things, the rise was due to the larger consultant team employed in the product segment, which was partly as a result of the deliberate transfer of development employees to consulting. In line with this, the ratio of cost of sales to consolidated sales rose slightly year-on-year in the first quarter of 2015 to 51.8% (Q1 2014: 51.2%). Gross income totaled EUR 6,783 thousand (Q1 2014: EUR 6,503 thousand), corresponding to a gross margin of 48.2% (Q1 2014: 48.8%).

The USU Group reduced its marketing and sales expenses by 4.4% as against the previous year to EUR 1,938 thousand in the period under review (Q1 2014: EUR 2,028 thousand), which was due to lower non-staff operating costs. This was offset by the slight rise in staff costs as a result of the growth in the sales team. The cost ratio as a percentage of costs for marketing and sales was 13.8% in total for the Group as a whole (Q1 2014: 15.2%).

As a result of the higher staff costs, general and administrative expenses increased by 3.9% in the first three months of 2015 to EUR 1,720 thousand (Q1 2014: EUR 1,656 thousand). In addition to the higher headcount in administration, this also reflects the larger Management Board as at the end of the previous year. Relative to consolidated sales, the administrative cost ratio was slightly lower than in the previous year at 12.2% (Q1 2014: 12.4%).

After the high investments of the previous year, research and development expenses decreased again slightly. As a result of the partial shift in resources from development to consulting and the associated reduction in the development team, USU reduced its research and development expenses by 4.3% as against the previous year to EUR 2,376 thousand (Q1 2014: EUR 2,484 thousand) in the first three months of 2015.

The ratio of research and development expenses to consolidated sales declined accordingly from 18.7% in the first quarter of 2014 to currently 16.9%. USU is constantly investing in the development of its product portfolio and always working on innovative, market-driven software solutions. For further information, please refer to the separate research and development report in this Group management report.

Net other operating income and expenses totaled EUR 303 thousand from January to March 2015 (Q1 2014: EUR 76 thousand).

Earnings situation

As a result of the substantial expansion in international business and the associated sales growth, combined with an only minor increase in costs, the USU Group's profitability improved significantly in the opening quarter of 2015. USU's EBITDA thus doubled as against the previous year to EUR 1,288 thousand (Q1 2014: EUR 642 thousand). Including depreciation and amortization of EUR 545 thousand (Q1 2014: EUR 545 thousand), USU generated an increase in EBIT of 674% to EUR 743 thousand (Q1 2014: EUR 97 thousand).

Financial income increased from EUR 5 thousand in the first quarter of 2014 to EUR 310 thousand in the reporting quarter as a result of positive exchange rate effects. At the same time, financing expenses declined from EUR 102 thousand in the previous year to EUR 18 thousand in Q1 2015. Including the cumulative net finance result of EUR 292 thousand (Q1 2014: EUR -97 thousand), USU generated EBT of EUR 1,035 thousand after break-even EBT in the same quarter of the previous year.

Consolidated earnings (IFRS) including tax expenses of EUR 106 thousand (Q1 2014: EUR 82 thousand) amounted to EUR 929 thousand in the first quarter of 2015 after a loss of EUR 82 thousand in the same period of the previous year. USU's earnings per share improved from EUR -0.01 in the previous year to EUR 0.09 in the first quarter of 2015.

Adjusted Earnings

Based on EBIT, the table below shows the reconciliation to the non-IFRS key earnings figures of adjusted EBIT, adjusted consolidated earnings and adjusted earnings per share. These are provided for information purposes and represent the USU Group's key figures adjusted for extraordinary effects relating to acquisitions. Adjusted EBIT is also the central key earnings figure for the USU Group.

Adjusted consolidated earnings <i>in EUR thousand</i>	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014
Result of ordinary operations (EBIT)	743	97
Amortization of intangible assets recognized in the course of company acquisitions	309	314
Amortization of goodwill	0	0
Nonrecurring effects relating to acquisitions	25	62
- stay bonus	25	62
- purchase price adjustments	0	0
- incidental acquisition costs	0	0
Adjusted EBIT	1,077	473
Financial income (as per consolidated income statement)	310	5
Financial costs (as per consolidated income statement)	-18	-102
Income taxes (as per consolidated income statement)	-106	-82
Tax effects relating to adjustments	-38	36
- amortization	-38	36
- deferred taxation from tax loss carryforwards	0	0
Minority interests (as per consolidated income statement)	0	-19
Adjusted consolidated earnings	1,225	311
Adjusted earnings per share (in EUR):	0.12	0.03
Weighted average number of outstanding shares:		
Basic and diluted	10,523,770	10,523,770

USU's adjusted EBIT climbed by 127.7% year-on-year in the first quarter of 2015 to EUR 1,077 thousand (Q1 2014: EUR 473 thousand). At the same time, USU quadrupled its adjusted consolidated earnings compared to Q1 2014 to almost EUR 1,225 thousand (Q1 2014: EUR 311 thousand). Adjusted earnings per share therefore increased from EUR 0.03 in the previous year to EUR 0.12 in the reporting period.

Net Assets and Financial Position

On the assets side of the statement of financial position, the USU Group's non-current assets amounted to EUR 47,959 thousand as of March 31, 2015 (December 31, 2014: EUR 48,298 thousand). The reported decline in this item is essentially due to the amortization of intangible assets. By contrast, current assets climbed to EUR 41,645 thousand (December 31, 2014: EUR 36,876 thousand) as of the end of the reporting period, which was primarily due to the rise in Group liquidity. USU therefore increased its cash and cash equivalents significantly as of March 31, 2015 to a total of EUR 25,421 thousand (December 31, 2014: EUR 18,920 thousand).

On the equity and liabilities side, the consolidated earnings generated in the first quarter of 2015 led to a rise in equity as of the end of the period under review to EUR 56,466 thousand (December 31, 2014: EUR 55,608 thousand). At the same time, current and non-current liabilities increased to EUR 33,138 thousand as of March 31, 2015 (December 31, 2014: EUR 29,566 thousand), mainly as a result of higher deferred income for maintenance agreements invoiced at the start of the year for which the service will be rendered and the sales recognized later in the year. With total assets of EUR 89,604 thousand (December 31, 2014: EUR 85,174 thousand), the equity ratio was 63.0% as of March 31, 2015 (December 31, 2014: 65.3%).

Cash Flow and Capital Expenditure

The USU Group had cash and cash equivalents as of March 31, 2015 of EUR 25,421 thousand (Q1 2014: EUR 18,920 thousand). This represents a year-on-year increase in Group liquidity of EUR 6,501 thousand or 34.4%.

The cash flow from the operating activities of the USU Group was clearly positive in the first three months of 2015 at EUR 6,388 thousand, which was due to the positive development in the earnings of the USU Group and changes in working capital.

The cash flow from investing activities of EUR -217 thousand (Q1 2014: EUR -300 thousand) included investments in property, plant and equipment and intangible assets totaling EUR -227 thousand (Q1 2014: EUR -311 thousand), offset by income from the disposal of non-current assets of EUR 10 thousand (Q1 2014: EUR 11 thousand).

As in the previous year, there were no changes in cash flow from financing activities in the first quarter of 2015.

Orders on Hand

As of March 31, 2015 the USU Group's orders on hand increased by 32.0% as against the previous year to EUR 33,049 thousand (March 31, 2014: EUR 25,029 thousand). As against the end of the previous year (December 31, 2014: EUR 28,127 thousand), USU achieved an increase of 17.3% in orders on hand.

Orders on hand as of the end of the quarter show the USU Group's fixed future sales based on binding contracts for the next 12 months. These primarily consist of project-related orders and maintenance and SaaS agreements.

Employees

At 449 as of March 31, 2015 (March 31, 2014: 454), the headcount of the USU Group was 1.1% lower year-on-year as of the end of the reporting quarter. After the significant workforce expansion in the opening quarter of the previous year, the USU Group is first focusing on efficiency and increasing employee capacity utilization, and has only continued hiring in selected regions, particularly in the United States. At the same time, development resources were scaled back again after the previous year's product campaign.

Broken down by functional unit, a total of 207 (Q1 2014: 200) people were employed in consulting and services as of the end of the first quarter of 2015, 129 (Q1 2014: 148) in research and development, 62 (Q1 2014: 58) in sales and marketing and 51 (Q1 2014: 48) in administration. Broken down by segment, the USU Group employed 339 (Q1 2014: 340) people in the Product Business division, 63 (Q1 2014: 71) in the Service Business division and 47 (Q1 2014: 43) in central administration.

A gradual expansion of the Group's workforce is intended as the current fiscal year progresses.

Supplementary Report

On May 5, 2015 USU Software AG paid the purchase price for the remaining 49% of shares in B.I.G. Social Media GmbH. The company therefore now wholly owns BIG. Immediately after paying the outstanding purchase price, USU Software AG concluded a profit transfer agreement with BIG. This is to be submitted to the Annual General Meeting of USU Software AG and the Shareholders' Meeting of BIG for their approval. There were no other transactions of particular significance after March 31, 2015 that had a material effect on the development of business in the USU Group. Thus, there were no major changes to the net assets, financial position or results of operations of the Group.

FORECAST, OPPORTUNITY AND RISK REPORT

Forecast Report

General Economy

According to the latest Joint Economic Forecast for spring 2015³, the leading German economic research institutes are forecasting strong expansion in the German economy in 2015. Above all, the massive decline in the price of oil and the further easing of monetary conditions are expected to have a stimulative effect. Among other factors, the latter has also contributed to a depreciation of the euro.

³ Joint Economic Forecast Spring 2015 of the Joint Economic Forecast Project Group, dated April 16, 2015

At the same time, interest rates will be stuck at a low level, helping consistently good financing conditions for companies, private households and the public sector. Research institutes are therefore anticipating growth in consumer and investment spending, which in 2015 will lead to a rise in GDP of 2.1% (2014: 1.6%) as against the previous year. Institutes are also projecting a further recovery for the world economy, mainly stemming from the significant drop in the price of crude oil. For 2015 they are therefore forecasting world GDP growth of 2.9% (2014: 2.6%).

Sector

According to the latest BITKOM forecast⁴, information technology will continue to be the central growth pillar of the ICT market in 2015. BITKOM projects that the IT market volume will increase by 3.2% in 2015 (2014: 4.2%). As in previous years, the software segment will see the biggest growth with an anticipated increase of 5.7% (2014: 5.4%) as against 2014. The central growth drivers in 2015, according to BITKOM information⁵, will be big data and cloud computing in particular. The IT services market segment is also expected to perform very well with sales growth of 3.0% (2014: 2.3%). By contrast, BITKOM expects the IT hardware segment to see only slight growth of 1.3% after a rise of 6.3% in 2014. The market research company Gartner⁶ is forecasting declining sales for the global IT market, due solely to the enormous strength of the US dollar relative to other currencies. Gartner therefore expects to see a decline in the IT market volume, measured in US dollars, of 1.3% as against the previous year after growth of 0.9% in 2014. Adjusted for this exchange rate effect, the global IT market would grow by 3.1% in 2015.

Outlook

The Management Board expects the USU Group's growth trend of the previous years to continue successfully in 2015. International business particularly is set to increase significantly. This will be aided by the ongoing penetration of the US market and the expansion of activities in Central Europe. At the same time, business in Germany should grow again as well. Particularly in the big data areas of license, IT and knowledge management and social business, the Management Board anticipates a significant increase in high-margin product business, from which the USU Group generates license, maintenance and product-related consulting income. However, consulting-intensive service business, in which USU generates consulting sales from individual projects that are not dependent on specific products, will also grow slightly over the year according to current planning.

⁴ BITKOM press release dated March 15, 2015, published at www.bitkom.org

⁵ BITKOM press release dated December 10, 2014, published at www.bitkom.org

⁶ Gartner press release dated April 2, 2015, published at www.gartner.com

Based on the above assumptions, the Management Board anticipates an increase in consolidated sales to between EUR 64 and EUR 68 million in fiscal 2015, together with a strong rise in adjusted EBIT to between EUR 8 and EUR 9.5 million. On the basis of this forecast, the Management Board plans to allow the shareholders of USU Software AG to participate in the company's operating success again in 2015, as in the previous years, and thus to continue the shareholder-friendly dividend policy in the interests of sustainable continuity.

With international business flourishing, potential on the core German market remaining high and the growth-oriented acquisition policy of the USU Group, the Management Board is also still assuming the successful implementation of its medium-term planning of sales of more than EUR 100 million with an adjusted EBIT margin in excess of 15% by 2017.

Opportunity and Risk Report

There have been no changes in the risks and opportunities affecting USU Software AG or the Group as a whole since December 31, 2014. For more information please see the report on risks and opportunities in the 2014 annual report.

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 stock markets enjoyed a positive performance with high price gains at the start of 2015. As of March 31, 2015, the Technology All Share climbed by 17.5% as against the end of the previous quarter to 1,910.88 points (December 31, 2014: 1,626.79 points), while the DAX rose by 22.0% to 11,966.17 points (December 31, 2014: 9,805.55 points). The shares of USU Software AG again outperformed their benchmark index with a rise of 22.7% to EUR 16.72 (December 31, 2014: EUR 13.63) on the electronic trading platform XETRA. At the same time, USU's shares were therefore just shy of the new ten-year high achieved in the reporting quarter of EUR 16.74. The stock markets lost some of their gains again as the year progressed, which included a slight decline in USU's shares. At the time of the Q1 2015 report going to print, however, USU's shares were still above the EUR 16-line.

Möglingen, May 21, 2015

USU Software AG

Bernhard Oberschmidt
Chairman of the Management Board

Bernhard Böhler
Management Board

Dr. Benjamin Strehl
Management Board

ASSETS (Thsd. EUR)	3-month report 31.03.2015	Annual report 31.12.2014
Non current assets		
Intangible assets	6,569	6,885
Goodwill	34,559	34,559
Property, plant and equipment	2,078	2,075
Other financial assets	0	0
Deferred tax assets	4,096	4,122
Other assets	657	657
Total non current assets	47,959	48,298
Current assets		
Inventories	711	643
Work in process	2,314	4,158
Trade receivables	10,053	10,641
Income tax receivables	549	654
Other financial assets	287	233
Other assets	278	249
Prepaid expenses	2,032	1,378
Cash on hand and bank balances	25,421	18,920
Total non current assets	41,645	36,876
Total assets	89,604	85,174

LIABILITIES AND SHAREHOLDERS' EQUITY (Thsd. EUR)	3-month report 31.03.2015	Annual Report 31.12.2014
Shareholders' equity		
Subscribed capital	10,524	10,524
Capital reserve	52,792	52,792
Legal reserve	502	502
Other comprehensive income	-90	-19
Accumulated losses	-7,262	-8,191
Shareholders' equity not including minority interests	56,466	55,608
Minority interests	0	0
Total shareholders' equity	56,466	55,608
Non-current liabilities		
Deferred tax liabilities	728	766
Pension provisions	1,889	1,865
Total non-current liabilities	2,617	2,631
Current liabilities		
Provisions for income taxes	719	941
Purchase price liabilities	2,539	2,514
Personnel-related provisions and liabilities	3,265	4,580
Other provisions and liabilities	1,882	2,117
Liabilities from received payments	8,702	10,999
Trade payables	2,134	1,392
Deferred income	11,280	4,392
Total current liabilities	30,521	26,935
Total liabilities and shareholders' equity	89,604	85,174

CONSOLIDATED INCOME STATEMENT (Thsd. EUR)	Quarterly report I / 2015	Quarterly report I / 2014
	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014
Sales revenue	14,069	13,314
Cost of sales	-7,286	-6,811
Gross profit	6,783	6,503
Sales and marketing expenses	-1,938	-2,028
General administrative expenses	-1,720	-1,656
Research and development expenses	-2,376	-2,484
Other operating income	374	121
Other operating expenses	-71	-45
Amortization of intangible assets recognized in the course of company acquisitions	-309	-314
Result of ordinary operations (EBIT)	743	97
Interest income	310	5
Interest expenses	-18	-102
Result before taxes (EBT)	1,035	0
Income taxes	-106	-82
Group result	929	-82
of which:		
- shareholders of USU Software AG	929	-64
- minority interests	0	-18
Earnings per share (EUR) on the basis of the share of earnings of shareholders of USU Software AG (basic and diluted)	0.09	-0.01
Weighted average shares (basic and diluted)	10,523,770	10,523,770

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Thsd. EUR)	Quarterly report I / 2015	Quarterly report I / 2014
	01.01.2015 - 31.03.2015	01.01.2014 - 31.03.2014
Group result	929	-82
Items never to be reclassified to profit or loss		
Actuarial gains/losses from pension provisions	0	0
Deferred taxes from actuarial gains/losses	0	0
Items that have been or can be reclassified to profit or loss		
Available-for-sale financial instruments (securities)	0	0
Currency translation difference	-71	45
Other comprehensive income	-71	45
Overall result	858	-37
of which:		
- shareholders of USU Software AG	858	-19
- minority interests	0	-18

CONSOLIDATED STATEMENT OF CASH FLOW (Thsd. EUR)	3-month report 01.01.2015 - 31.03.2015	3-month report 01.01.2014 - 31.03.2014
CASH FLOW FROM ORDINARY ACTIVITIES:		
Result bevor taxes (EBT)	1,035	0
Adjustments for:		
Financial income / financial expenditure	-292	97
Depreciation and amortization	545	545
Income taxes paid	-122	-120
Income taxes refunded	4	0
Interest paid	-2	-2
Interest received	3	2
Other non-cash income and expenses	-217	36
Change in working capital:		
Inventories	-68	-63
Work in process	1,844	345
Trade receivables	588	1,213
Prepaid expenses and other assets	-737	-389
Trade payables	742	-281
Personnel-related provisions and liabilities and pension provisions	-1,291	-484
Other provisions and liabilities	4,356	2,996
Net cash flow form ordinary activities	6,388	3,895
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of subsidiaries less cash and cash equivalents acquired	0	0
Capital expenditure in property, plant and equipment	-188	-277
Capital expenditure in other intangible assets	-39	-34
Sales of non-current assets	10	11
Net cash flow from investing activities	-217	-300
CASH FLOW FROM FINANCING ACTIVITIES:		
Net cash flow from financing activities	0	0
Net effect of currency translation in cash and cash equivalents	330	3
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS	6,501	3,598
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	18,920	14,231
CASH AND CASH EQUIVALENTS AT END OF PERIOD	25,421	17,829

**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, 2014	10,523,770	10,524	52,792	470	-10,467	-44	0	53,275	-43	53,232
Group result	0	0	0	0	-63	0	0	-63	-19	-82
Other comprehensive income	0	0	0	0	0	45	0	45	0	45
Overall result	0	0	0	0	-63	45	0	-18	-19	-37
Consolidated equity as of March 31, 2014	10,523,770	10,524	52,792	470	-10,530	1	0	53,257	-62	53,195
Consolidated equity as of January 1, 2015	10,523,770	10,524	52,792	502	-8,191	-19	0	55,608	0	55,608
Group result	0	0	0	0	929	0	0	929	0	929
Other comprehensive income	0	0	0	0	0	-71	0	-71	0	-71
Overall result	0	0	0	0	929	-71	0	858	0	858
Consolidated equity as of March 31, 2015	10,523,770	10,524	52,792	502	-7,262	-90	0	56,466	0	56,466

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.

These interim financial statements of USU Software AG are consistent with the International Financial Reporting Standards (IFRS) as applicable in the European Union. The interim financial statements were prepared in accordance with IAS 34 (Interim Financial Reporting). The same accounting policies were applied as in the preparation of the consolidated financial statements for the fiscal year ended December 31, 2014. This unaudited three-month report for 2015 should therefore be read in conjunction with the audited consolidated financial statements for 2014.

This consolidated 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 standard accrual 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.

Accounting Standards Applied for the First Time and Recently Announced Accounting Standards

The accounting standards to be applied for the first time in the first three months of fiscal 2015 had no material effects on the consolidated financial statements.

For more detailed information on new standards that have not yet come into force, please refer to the details in the consolidated financial statements of USU Software AG for the fiscal year ending December 31, 2014.

Financial instruments

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

in Thsd. EUR	31.03.2015		31.12.2014	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Work in progress	2,314	2,314	4,158	4,158
Trade receivables	10,053	10,053	10,641	10,641
Other current financial assets	287	287	233	233
Cash on hand and bank balances	25,421	25,421	18,920	18,920
	38,075	38,075	33,952	33,952

in Thsd. EUR	31.03.2015		31.12.2014	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial liabilities				
Trade payables	2,134	2,134	1,392	1,392
Liabilities from advance payments	8,702	8,702	10,999	10,999
Purchase price obligation for BIG	2,539	2,539	2,514	2,514
	13,375	13,375	14,905	14,905

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 apart from the purchase price obligation for B.I.G. Social Media GmbH, which is allocated to level 3.

Sales revenues

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

	1.1.-31.3.2015 Thsd. EUR	1.1.-31.3.2014 Thsd. EUR
Consulting	8,492	8,143
Licences / products	1,915	1,892
Maintenance / SaaS	3,466	3,099
Other	196	180
	14,069	13,314

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.-31.3.2015	1.1.-31.3.2014	1.1.-31.3.2015	1.1.-31.3.2014	1.1.-31.3.2015	1.1.-31.3.2014	1.1.-31.3.2015	1.1.-31.3.2014	1.1.-31.3.2015	1.1.-31.3.2014
	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR	Thsd. EUR
Revenues	10,666	9,766	3,349	3,496	14,015	13,262	54	52	14,069	13,314
EBITDA	1,613	899	697	562	2,310	1,461	-1,022	-819	1,288	642
EBIT	1,144	431	663	530	1,807	961	-1,064	-864	743	97
Net financial income	-	-	-	-	-	-	292	-97	292	-97
Taxes	-	-	-	-	-	-	-106	-82	-106	-82
Net profit / loss	1,144	431	663	530	1,807	961	-878	-1,043	929	-82
Employees (as of March 31, 2015/14)	339	340	63	71	402	411	47	43	449	454

The USU Software Group generated a total of 29.8% (Q1 2014: 20.8%) or EUR 4,196 thousand (Q1 2014: EUR 2,764 thousand) of its consolidated sales outside Germany in the first three months of fiscal 2015. These data are based on customers' registered offices. In contrast, less than 10% of consolidated assets were held outside Germany. At the same time, investments outside Germany amounted to less than 10% of the consolidated total investments. Further details of the geographical data have thus not been provided for reasons of materiality.

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, 2015:

Holdings of members of corporate bodies	shares 31.03.2015	shares 31.03.2014
Management Board		
Bernhard Oberschmidt	181,518	18,696
Bernhard Böhler	167,572	-
Dr. Benjamin Strehl	0	-
Supervisory Board		
Udo Strehl*	1,989,319	1,989,319
Erwin Staudt	100,000	100,000
Günter Daiss	85,500	85,500

* An additional 3,337,868 (2014: 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 (2014: 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.

No stock options or convertible bonds issued by USU Software AG are held by any members of its executive bodies.

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 2013. For more information, please refer to the details in the consolidated financial statements of USU Software AG for the fiscal year ending December 31, 2014.

Möglingen, May 21, 2015

USU Software AG

Bernhard Oberschmidt
Chairman of the Management Board

Bernhard Böhler
Management Board

Dr. Benjamin Strehl
Management Board

JUNE 18, 2015**ANNUAL GENERAL MEETING 2015**

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

AUGUST 20, 2015**6-MONTH REPORT 2015****SEPTEMBER 18 - 20, 2015**

ANALYST CONFERENCE OF USU SOFTWARE AG
- IR-Event 2015 (Rüttner Research) -
Bregenz, Austria

NOVEMBER 19, 2015**9-MONTH REPORT 2015****NOVEMBER 23 - 25, 2015**

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