



FOR IMMEDIATE RELEASE

Rand Worldwide Reports Third Quarter Fiscal Year 2014 Results

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20% Year over Year growth in EBITDA

FRAMINGHAM, MA – May 15, 2014 – Rand Worldwide, Inc. (OTCBB: RWWI), a global provider of technology solutions to organizations with engineering design and information technology requirements, announces its financial results for the three and nine months ended March 31, 2014.

For the three months ended March 31, 2014, Rand Worldwide, Inc. reported total revenues of \$25.3 million as compared with \$24.1 million in the same quarter for the prior fiscal year. The Company's overall gross margin percentage for the current quarter was 52.7%, down slightly from the 53.5% reported for the quarter ended March 31, 2013. Total selling, general and administrative expenses as a percentage of total revenues were 36% for the current quarter, down from 39% in the same quarter for the prior fiscal year. As a result, the Company reported net income of \$2,228,000, or \$0.04 per fully diluted share, compared to \$1,775,000, or \$0.03 per share, for the same period in the prior year. Adjusted EBITDA (as defined) was \$4,238,000 in the third quarter of fiscal 2014, a 20% increase from adjusted EBITDA of \$3,528,000 in the prior year period.

For the nine months ended March 31, 2014, total reported revenues were \$68.3 million as compared with \$63.6 million in the prior year, an increase of almost 8%. Year to date net income was \$3,140,000, or \$0.05 per fully diluted share, as compared with net income of \$2,847,000, or \$0.05 per share, reported for the same period in the prior year. Year-to-date Adjusted EBITDA (as defined) was \$7.5 million for the nine months ended March 31, 2014, as compared with Adjusted EBITDA of \$6.7 million in the same period in the prior fiscal year.

"These results were particularly satisfying since our total revenues and net income increased over those reported for the quarter ended December 31, 2013, a period where we realized the largest single sale in our history," said Lawrence Rychlak, president and chief financial officer at Rand Worldwide. "Aided by strong customer demand as a result of a price increase that was announced by Autodesk to be effective March 28, 2014, we realized a very good revenue mix and increases in our product sales and commission revenues which helped us close out a great quarter."

"In addition to the noteworthy performance of our IMAGINiT group, during the quarter we also drove strong results across each of our other business units including our Facilities Management, Rand 3D and Rand Secure Data groups," added Marc Dulude, chief executive officer at Rand Worldwide. "This strong sales performance has positioned all of Rand's divisions for continued year over year improvements in the coming periods."

Forward-looking Statement

This press release contains forward-looking statements about the expectations, beliefs, plans, intentions, and strategies of Rand Worldwide, Inc. There are a number of important factors that could cause actual results to differ materially from those anticipated by any forward-looking information. Statements that are not historical in nature, including those that include the words “goal,” “expect,” “anticipate,” “estimate,” “should,” “believe,” “intend,” and similar expressions, are based on current expectations, estimates and projections about, among other things, the industry and the markets in which Rand Worldwide operates, and they are not guarantees of future performance. Whether actual results will conform to expectations and predictions is subject to known and unknown risks and uncertainties, including risks and uncertainties discussed in this report; general economic, market, or business conditions; changes in interest rates, and demand for our products and services; changes in our competitive position or competitive actions by other companies; the ability to manage growth; changes in laws or regulations or policies of federal and state regulators and agencies; and other circumstances beyond our control. Consequently, all of the forward-looking statements made in this document are qualified by these cautionary statements, and there can be no assurance that the actual results anticipated will be realized, or, if substantially realized, will have the expected consequences on our business or operations.

(Tables Below)

Rand Worldwide, Inc. Summary Consolidated Financial Data

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2014	2013	2014	2013
Revenues-				
Product sales	\$12,622,000	\$12,042,000	\$35,585,000	\$31,661,000
Service revenue	5,754,000	5,967,000	16,509,000	16,118,000
Commission revenue	6,947,000	6,099,000	16,235,000	15,797,000
Total revenues	<u>25,323,000</u>	<u>24,108,000</u>	<u>68,329,000</u>	<u>63,576,000</u>
Cost of revenues-				
Cost of product sales	8,097,000	7,471,000	22,856,000	19,778,000
Cost of service revenue	3,871,000	3,731,000	11,522,000	10,689,000
Total cost of revenues	<u>11,968,000</u>	<u>11,202,000</u>	<u>34,378,000</u>	<u>30,467,000</u>
Gross margin	13,355,000	12,906,000	33,951,000	33,109,000
Operating income	3,676,000	2,988,000	5,824,000	5,098,000
Net income	2,228,000	1,775,000	3,140,000	2,847,000
Earnings per share:				
Basic	<u>\$ 0.04</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>
Diluted	<u>\$ 0.04</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.05</u>

Weighted average common shares outstanding:

Basic	<u>54,264,017</u>	<u>53,990,589</u>	<u>54,122,392</u>	<u>53,935,863</u>
Diluted	<u>57,237,327</u>	<u>56,489,059</u>	<u>56,934,949</u>	<u>56,349,932</u>

	<u>March 31,</u> <u>2014</u>	<u>June 30,</u> <u>2013</u>
Current assets	\$31,051,000	\$20,077,000
Long term assets	<u>26,619,000</u>	<u>28,089,000</u>
Total assets	<u>\$57,670,000</u>	<u>\$48,166,000</u>
Current liabilities	\$19,892,000	\$13,460,000
Long term liabilities	1,071,000	1,506,000
Total stockholders' equity	<u>36,707,000</u>	<u>33,200,000</u>
Total liabilities and stockholders' equity	<u>\$57,670,000</u>	<u>\$48,166,000</u>

Rand Worldwide, Inc.
Reconciliation of non-GAAP financial measure

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>3/31/2014</u>	<u>3/31/2013</u>	<u>3/31/2014</u>	<u>3/31/2013</u>
GAAP income from continuing operations	\$ 2,228,000	\$ 1,898,000	\$ 3,514,000	\$ 2,989,000
Provision for income taxes	<u>1,291,000</u>	<u>894,000</u>	<u>1,934,000</u>	<u>1,790,000</u>
Income from continuing operations before income taxes	3,519,000	2,792,000	5,448,000	4,779,000
Stock-based compensation	80,000	63,000	238,000	189,000
Net interest expense	157,000	196,000	376,000	319,000
Depreciation and amortization	<u>482,000</u>	<u>477,000</u>	<u>1,421,000</u>	<u>1,409,000</u>
Adjusted EBITDA	<u>\$ 4,238,000</u>	<u>\$ 3,528,000</u>	<u>\$ 7,483,000</u>	<u>\$ 6,696,000</u>

Note 1 - Management uses EBITDA, a non-GAAP measure, to evaluate the Company's operating performance and compare the Company's current results with those for prior periods, but cautions that they should not be considered as a substitute for disclosures made in accordance with GAAP

<u>Three months ended</u>	
<u>3/31/2014</u>	<u>3/31/2013</u>

AEC and Manufacturing Sales as a % of Total Sales:

AEC	49%	46%
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Manufacturing	31%	30%
Suites % of Product and Subscription Revenue	63%	55%
Top Autodesk products by % of product & subscription sales		
Building Design Suite	29%	22%
Product Design Suite	20%	21%
AutoCAD	14%	15%
Infrastructure Design Suite	10%	5%
Civil 3D	5%	8%

Note Regarding Use of Non-GAAP Financial Measure

This news release contains the non-GAAP measure Adjusted EBITDA. Adjusted EBITDA represents earnings from continuing operations before interest, income taxes, depreciation and amortization, and stock-based compensation expense.

Adjusted EBITDA is used by management, analysts, investors and other interested parties in evaluating our operating performance compared to that of other companies in our industry, as the calculation of EBITDA as adjusted eliminates the effect of financing, income taxes, stock-based compensation costs, the accounting effects of capital spending and certain other merger related expenses, which items may vary from different companies for reasons unrelated to overall operating performance.

The Company believes this non-GAAP measure provides useful information to both management and investors by excluding certain expenses that may not be indicative of its core operating results. These measures should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for, or superior to, GAAP results. The non-GAAP measure included in this press release has been reconciled to the GAAP results in the accompanying table.

About Rand Worldwide

Rand Worldwide is one of the world's leading professional services and technology companies for the engineering community, targeting organizations in the building, infrastructure, and manufacturing industries. The company advances the way organizations design, develop, and manage building, infrastructure, and manufacturing projects. *Fortune 500* and *Engineering News Record's* Top 100 companies work with Rand Worldwide to gain a competitive advantage through technology consulting, implementation, training, and support services. One of the world's largest integrators of Autodesk software, the company also provides data archiving based upon solutions from Autonomy, facilities management software from ARCHIBUS, CAD and PLM courseware through their ASCENT division and provides training and support solutions on Dassault Systèmes and PTC products. For more information, visit rand.com

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