

BRAIN FORCE HOLDING AG

Report on the 3rd quarter

2011/12



BRAIN FORCE Key Data

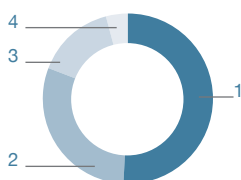
Earnings Data		10/2011-6/2012	10/2010-6/2011	Chg. in %	2010/11
Revenues	<i>in € million</i>	57.29	52.25	+10	71.09
EBITDA	<i>in € million</i>	1.03	1.95	-47	3.13
Operating EBITDA ¹⁾	<i>in € million</i>	1.71	1.95	-12	3.13
EBIT	<i>in € million</i>	-0.46	0.35	>100	1.04
Operating EBIT ¹⁾	<i>in € million</i>	0.21	0.35	-40	1.04
Profit before tax	<i>in € million</i>	-2.10	-1.54	-37	-1.38
Profit after tax	<i>in € million</i>	-2.45	-1.83	-34	-1.37
Earnings per share	<i>in €</i>	-0.16	-0.12	-33	-0.09
Adjusted earnings per share ¹⁾	<i>in €</i>	-0.13	-0.12	-8	-0.09
Capital expenditure	<i>in € million</i>	1.01	1.00	+1	1.51
Acquisitions	<i>in € million</i>	0.00	0.00	-	0.00
Employees ²⁾		754	723	+4	733

Balance Sheet Data		30.6.2012	30.9.2011	Chg. in %
Equity	<i>in € million</i>	16.29	18.72	-13
Net debt	<i>in € million</i>	7.35	5.82	+26
Capital employed	<i>in € million</i>	23.61	24.50	-4
Working capital ³⁾	<i>in € million</i>	1.99	1.34	+49
Balance sheet total	<i>in € million</i>	48.76	49.43	-1
Equity ratio	<i>in %</i>	33	38	-
Gearing	<i>in %</i>	45	31	-
Employees ⁴⁾		741	786	-6

Stock Exchange Data ⁵⁾		10/2011-6/2012	2010/11	Chg. in %
Share price high	<i>in €</i>	0.95	1.10	-14
Share price low	<i>in €</i>	0.55	0.72	-24
Share price at end of period	<i>in €</i>	0.70	0.94	-26
Shares outstanding (weighted)	1,000	15.387	15.387	0
Market capitalization (ultimo)	<i>in € million</i>	10.77	14.46	-26

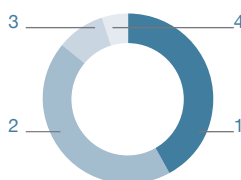
Segments 10/2011 - 6/2012 <i>in € million</i>	Germany		Italy		The Netherlands		Central East Europe		Holding and Other	
Revenues (consolidated)	28.97	(+3%)	17.33	(+9%)	8.41	(+43%)	2.58	(+5%)	0	-
Operating EBITDA ²⁾	1.25	(-6%)	1.31	(+22%)	0.27	(-57%)	0.15	(+1%)	-1.27	(-3%)
Operating EBIT ²⁾	0.75	(-1%)	0.80	(+48%)	-0.11	(>100%)	0.08	(+2%)	-1.31	(-2%)
Capital expenditure	0.34	(+8%)	0.28	(-45%)	0.30	(>100%)	0.04	(-22%)	0.05	(>100%)
Employees ²⁾	344	(+1%)	283	(+3%)	92	(+26%)	30	(+10%)	5	(-34%)

Revenues by Regions



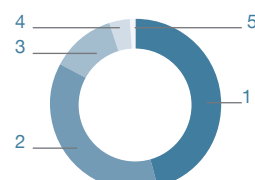
- 1 Germany 51%
- 2 Italy 30%
- 3 The Netherlands 15%
- 4 Central East Europe 4%

Operating EBITDA by Regions



- 1 Germany 42%
- 2 Italy 44%
- 3 The Netherlands 9%
- 4 Central East Europe 5%

Employees by Segments



- 1 Germany 46%
- 2 Italy 37%
- 3 The Netherlands 12%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

1) Adjusted for restructuring costs

2) Average number of employees (salaried and free-lance) during the period

3) Inventories + trade receivables + other current receivables - trade payables - other current liabilities

4) number of employees (salaried and free-lancer) as at reporting date

5) Vienna Stock Exchange

Chief Executive's Review



Michael Hofer, CEO of
BRAIN FORCE HOLDING AG

Dear shareholders, ladies and gentlemen,

In the first nine months of the 2011/12 business year, Group revenues increased by 10% compared to the previous year. Thus we succeeded in generating a revenue increase for the sixth consecutive quarterly period on the basis of the revenue growth of 6% achieved in the third quarter. We expect revenue to rise in 2011/12 as a whole thanks to the 7% year-on-year increase in the order volume during the first nine months of 2011/12 and the current sales pipeline. After reporting negative operating results in the first quarter of the current financial year, we managed a turnaround featuring operating results of € 0.14 million and € 0.30 million respectively in the second and third quarters. On balance, the operating EBIT in the first nine months amounted to € 0.21 million, compared to € 0.35 million in the previous year.

Group revenues up 10% from
the previous year

In the first three quarters of 2011/12, Group revenues climbed by € 5.04 million to € 57.29 million, with all regions generating revenue growth. Operating EBITDA amounted to € 1.71 million compared to the prior-year figure of € 1.95 million, and operating EBIT totaled € 0.21 million, down from € 0.35 in the previous year. In addition, first-quarter restructuring expenses in Germany of € 0.68 million have a negative impact on earnings. As a result, Group EBITDA was € 1.03 million and Group EBIT amounted to € -0.46 million.

Restructuring costs burden
Group earnings

Group revenues were up € 1.10 million in the third quarter to € 19.44 million, a rise of 6% from the prior-year period. Third-quarter operating EBITDA was close to the previous year's level, showing a slight decrease of only € 0.06 million to € 0.78 million, and operating EBIT totaled € 0.30 million compared to € 0.35 million in the previous year. Thus third-quarter earnings declined slightly year-on-year, but operating results in the third quarter of the current financial year nevertheless showed an improvement compared to the first and second quarters.

Q3 earnings improvement in
2011/12 compared to Q1 and
Q2

In Germany (51% of Group revenues), revenues were up 3% in the first three quarters of the 2011/12 business year to € 28.97 million. Whereas revenues of the Professional Services segment at the Munich and Cologne offices basically remained at the prior-year level, the Langen/Frankfurt office reported a 14% revenue increase. Revenue of the Network Performance Channel business also rose. Following the restructuring implemented in the first quarter of the current financial year, revenues of the FINAS business area climbed by 6%. Operating EBITDA in Germany amounted to € 1.25 million, a decline of 6% from the previous year, and operating EBIT at € 0.75 million was at the prior-year level. Third-quarter revenue growth was 6%, with operating EBITDA at € 0.38 million and operating EBIT at € 0.23 million. In the first quarter restructuring costs relating to the FINAS segment totaled € 0.68 million. As a consequence, EBITDA and EBIT in the first nine months of 2011/12 amounted to € 0.58 million and € 0.08 million respectively.

Third-quarter revenue increase
of 6% in Germany

Revenue growth and earnings improvement in Italy despite a difficult market environment

In Italy (30% of Group revenues), revenues rose by 9% to € 17.33 million in the first nine months. A significant earnings improvement was achieved in spite of the ongoing difficult market environment. Operating EBITDA in Italy was up 22% to € 1.31 million, and operating EBIT increased by 48% to € 0.80 million. In the third quarter, revenues were up 5%, operating EBITDA rose by € 0.09 million to € 0.48 million, and operating EBIT climbed by € 0.06 million to € 0.31 million. Market research companies expect the economic environment in Italy to remain difficult.

Further revenue growth in the Netherlands but reduction in employee capacity utilization

In the Netherlands (15% of Group revenues), revenues climbed 43% to € 8.41 million. However, operating EBITDA was down to € 0.27 million from the prior-year level of € 0.35 million, and operating EBIT in the first nine months of 2011/12 turned negative, declining to € -0.11 million from € 0.25 million in the prior-year period. After considerable revenue and earnings improvements in past quarters, a negative EBIT was reported in the second and third quarter of the current business year. This development can be attributed to the below-average employee capacity utilization rate for the work force which had been increased in the region. Positive earnings are expected in upcoming quarterly periods as a consequence of measures being implemented to improve capacity utilization.

Expansion of Network Performance Channel activities in the Central East Europe region

In Central East Europe (4% of Group revenues), revenues could be increased by 5% to € 2.58 million. Growth was particularly achieved in the Process Optimization segment in Austria. Operating EBITDA was up 1% to € 0.15 million and operating EBIT rose by 2% to € 0.08 million. The company Network Performance Channel GmbH was established in Austria during the current business year as a means of expanding activities in the Network Performance Channel segment. As a result we expect further growth and improved earnings in the Central East Europe region in the future. Third-quarter revenues amounted to € 0.92 million, down 6% from the prior-year quarter. Operating EBITDA in the third quarter increased by € 0.05 million year-on-year to € 0.14 million, and operating EBIT was also up by € 0.05 million to € 0.12 million.

28% reduction of holding costs in the third quarter

EBITDA of the Holding and Other segment totaled € -1.27 million in the first three quarters of 2011/12, reflecting higher expenditures of € 0.03 million compared to the previous year. Third-quarter EBIT improved from € -0.46 million to € -0.33 million.

We have defined our objectives for the 2011/12 financial year as increasing revenue from the prior-year level and achieving positive operating results. The 10% revenue increase clearly confirms that we are on the right track in boosting revenues. We also anticipate enhanced profitability in the future and thus an improvement in operating results thanks to the measures being implemented to strengthen sales and the related efforts to attract new customers as well as the expansion of our Network Performance Channel activities.

Yours



Michael Hofer

Management Report

Earnings position in the first nine months (October 2011 to June 2012)

In the first nine months of the 2011/12 business year, the BRAIN FORCE Group generated revenues of € 57.29 million, a rise of 10% from the prior-year period. All operating units succeeded in posting revenue growth. Significant growth rates were posted particularly in Italy, which faced a persistently difficult economic environment, as well as in the Netherlands.

As a consequence of the strengthening of sales activities, the related increase in sales expenses as well as lower license sales, operating EBITDA (before restructuring expenses) decreased by 12% to € 1.71 million (previous year: € 1.95 million) in spite of the positive revenue development. Operating EBIT declined from € 0.35 million to € 0.21 million.

Moreover, restructuring costs of € 0.68 million negatively impacted earnings in the current financial year. The restructuring relates to the FINAS business area (front office solutions for financial service providers) in Germany. This business area developed quite positively in the past financial year on the basis of several license sales and by taking advantage of short-time working. However, at the end of the first quarter the management decided to reduce the number of employees in order to enable a sustainable positive development. Taking account of the costs for restructuring the FINAS business area, Group EBITDA amounted to € 1.03 million and Group EBIT totaled € -0.46 million.

The financial result of € -0.55 million remained virtually unchanged from the comparable prior-year figure. The increased financing expenses connected to factoring were in contrast to foreign currency translation gains. Current financing costs primarily relate to a fixed-interest long-term bonded loan. The result from associates (SolveDirect Service Management GmbH) amounted to € -1.09 million compared to € -1.34 million in the previous year. This includes the share of earnings attributable to BRAIN FORCE of € -0.27 million (previous year: € -0.75 million) and € -0.82 million (previous year: € -0.59 million) to the dilutive effect of further capital increases on the part of the 3TS Cisco Growth Funds to finance the expansion.

On balance, the profit before tax of the BRAIN FORCE Group totaled € -2.10 million (previous year: € -1.54 million), whereas the profit after tax amounted to € -2.45 million (previous year: € -1.83 million). The decrease of € 0.62 million is mainly due to the restructuring costs.

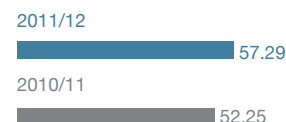
Earnings per share were € -0.16 (previous year: € -0.12). The earnings per share adjusted for restructuring costs was € -0.13.

Earnings position in the third quarter

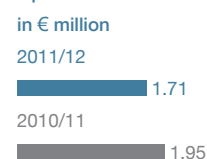
Group revenues in the third quarter of the 2011/12 business year were up by 6% to € 19.44 million. Thus the Group succeeded in posting a revenue increase for the sixth consecutive quarter, with Germany, Italy and the Netherlands all reporting third-quarter revenue growth. Revenues were up 6% in Germany to € 9.97 million, and rose by 5% in Italy to € 5.71 million and 13% in the Netherlands to € 2.83 million. In contrast, revenues of the Central East Europe region decreased by € 0.06 million to € 0.92 million.

EBITDA of the BRAIN FORCE Group amounted to € 0.78 million in the third quarter (previous year: € 0.84 million), and the Group's operating EBIT was € 0.30 million (previous year: € 0.35 million). Thus third-quarter earnings declined slightly year-on-year, but operating results in the third quarter of the current business year nevertheless showed a marked improvement compared to the first and second quarters. Operating EBITDA in Germany was down by € 0.10 million to € 0.38 million, whereas operating EBIT amounted to € 0.23 million, a decline of € 0.07 million from the prior-year period. Operating EBITDA in Italy rose by 21% to € 0.48 million and operating EBIT was up 25% to € 0.31 million. In the Netherlands the operating EBITDA amounted to € 0.10 million and operating EBIT was at € -0.03 million. Thus in part a considerable decline was reported compared to the previous year. However, third-quarter earnings improved again compared to the second quarter of the current financial year. The drop in earnings is due

Revenues 9M in € million



Operative EBITDA 9M



Improvement of at equity results in the light of further capital increases

Decline in net result for the period due to restructuring expenses

Sixth consecutive quarters of revenue growth

Positive operating results in the third quarter

to the below-average capacity utilization of the staff in the light of the previous increase in the number of employees. The Central East Europe region showed improved earnings compared to the prior-year quarter, with operating EBITDA at € 0.14 million and operating EBIT at € 0.12 million. EBIT of the Holding and Other segment totaled € -0.33 million, reflecting a decline in holding costs of € 0.13 million.

Cash Flow

Reduction of cash flow from operating activities due to increased working capital and restructuring expenditures

In the first nine months of 2011/12, the gross cash flow from continuing operations amounted to € 0.87 million, a decline of € 0.89 million from the prior-year level of € 1.76 million. This decrease is mainly attributable to the reduced earnings, particularly as a consequence of the restructuring expenses incurred in the first quarter. The third quarter of the current financial year developed much more positively, featuring a gross cash flow from continuing operations of € 0.72 million, down from € 0.78 million in the third quarter of the previous year. The cash flow from operating activities turned negative, amounting to € -0.46 million in the first nine months compared to € 3.29 million in the prior year. In addition to the € 0.65 million increase in working capital to € 1.99 million, the cash flow from operating activities was burdened by cash outflows for the implemented restructuring measures. The cash flow from operating activities improved considerably in the third quarter, similar to the development of the gross cash flow from continuing operations, and amounted to € 0.67 million.

Slight rise in investments due to growth in the Netherlands

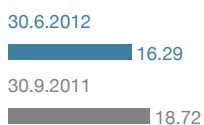
The cash flow from investing activities totaled € -0.99 million (previous year: € -0.99 million). Investments in property, plant and equipment and other intangible assets amounted to € 1.01 million, a slight rise of € 0.01 million from the previous year. Own work capitalized to the amount of € 0.68 million in the first nine months of 2011/12 was in contrast to scheduled depreciation of € 0.84 million.

Cash and cash equivalents of € 4.96 million at the reporting date

The cash flow from financing activities amounting to € 0.68 million (previous year: € -1.45 million) reflected the increase in current financial liabilities. Non-current financial liabilities totaling € 9.98 million are due for repayment in the year 2014. As of June 30, 2012, the BRAIN FORCE Group had cash and cash equivalents totaling € 4.96 million (September 30, 2011: € 5.81 million).

Financial Position

Equity in € million



The balance sheet total of the Group amounted to € 48.76 million as at June 30, 2012, whereas equity was € 16.29 million. The equity ratio declined from 38% on September 30, 2011 to 33% at the reporting date, which is a consequence of the negative net result for the period of € -2.45 million. The net result for the period includes the negative earnings contribution of € -1.09 million from SolveDirect Service Management GmbH, which is consolidated at equity, as well as € -0.68 million in expenses for restructuring measures.

Net debt in € million



Working capital (inventories plus trade receivables plus other current receivables less trade payables and other current liabilities) rose from € 1.34 million to € 1.99 million in the first three quarters, which is mainly related to the increase in trade receivables (up € 0.85 million) and as well as other receivables and liabilities (up € 0.67 million). Trade payables showed a decline of € 0.06 million in contrast to the € 1.11 million increase in other liabilities. Net debt amounted to € 7.35 million at the reporting date of June 30, 2012, a rise of € 0.32 million year-on-year and € 1.53 million higher than the comparable figure as at September 30, 2011. Gearing (the ratio of net debt to equity) of the BRAIN FORCE Group was 45% as at June 30, 2012 compared to 31% as at September 30, 2011.

Research and Development

In **Germany** the FINAS tool BU-Check was released. This tool analyses the precaution for disability and incapacity. It graphs with a small data entry work the actual supply situation of the customer and offers optimal tariffs for covering. This tool was developed as an app for smartphones and iPad, too. More apps are in the pipeline. The improvement of the usability and the look and feel of the BRAIN FORCE FINAS Suite are in full swing. The following applications have the new smart FINAS look, already: BRAIN FORCE Finanzanalyse Center, BRAIN FORCE bAV-Vorteilsrechner, and the new consulting tool BRAIN FORCE BU-Check. In the up coming weeks the consulting application for retirement, BRAIN FORCE Vorsorgeoptimierung, as well as the application for needs analysis in the insurance sector, BRAIN FORCE Risikoabsicherung, will follow.

In the **Netherlands** the infrastructure framework for Citrix XenApp are released. With these best practices BRAIN FORCE is able to deliver high quality projects with comprehensive documentation in shorter project duration at competing prices. Packaging Robot 3.2 is released. This release offers integration with BRAIN FORCE Process Manager for increased efficiency and enhanced automatic documentation features. Packaging Robot 3.2 also includes an updated version of the MSI Editor. Preparations for release of a service release in April 2012. This service release includes support for: 64-bits, Windows Libraries, improvements for VDI and a large number of smaller optimizations.

SolveDirect successfully concluded the project Collaborative Service Management, which was partially financed by the Austrian Research Promotion Agency FFG, by implementing the integration of the SD.Calendar, SD.Dialog and SD.Survey modules into the releases 5.0 and 5.6. With the release 5.7, customers in the standard version received a password policy, advanced calendar functions and XML Web services, an accelerated setup of connections to BMC Remedy, and an enhanced overview of the order history. Subsequently, the development of the IT Service Management solution Service Grid was launched, which anticipates service bottlenecks through predictive SLAs and further increases the integration of the partners involved in the value added chain.

Our subsidiary in **Italy** updated the add-ons for Microsoft Dynamics AX and NAV within the context of its maintenance activities, and expanded it to include further sector-specific functionalities for the steel industry. As one of the first Microsoft partners, BRAIN FORCE Italy participated in the Private Beta Program for Dynamics AX 2012 and tested the latest version in the context of a customer migration project. The conversion of our own ERP software Visual Space to a .Net technology was continued. The BRAIN FORCE solution NG4 for stock exchange trading was functionally enhanced in order to be able to independently market it in the future. The software arose from a customer project. It manages trading orders and transmits them via interfaces to post-trading and position-keeping systems.

Human Resources

The total number of employees of the BRAIN FORCE Group as at June 30, 2012 amounted to 515 salaried employees, which is an increase of 5% compared to June 30, 2011. In addition, 226 people employed on a freelance basis – a decrease of 5% – worked on various customer projects. In Germany and the Netherlands the number of employees (salaried and subcontractors) at balance sheet date – 333 respectively 86 employees – remained almost unchanged compared to prior year's level. The workforce in Italy expanded by 4% compared to the previous year. The number of employees in the Central East Europe region increased by 11% or 4 employees. The segment Holding and Other employed 4 people as at June 30, 2012 compared to 7 employees on June 30, 2011.

In total the BRAIN FORCE Group employed 741 people at the reporting date, which is an increase of 2% or 11 employees compared to June 30, 2011.

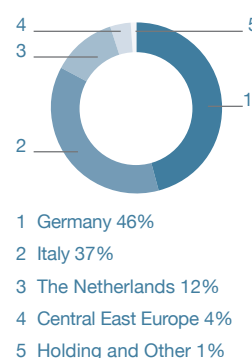
Development of the FINAS modules and smart FINAS

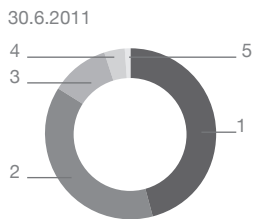
Infrastructure Framework updated, Workspace Manager for virtual desktop infrastructures optimized

Integration of SD.Calendar, SD.Dialog and SD.Survey modules, launch of development work for Service Grid solution

Add-ons for Microsoft Dynamics extended, participation in Beta Program for Dynamics AX 2012

Employees by Segments
30.6.2012





- 1 Germany 46%
- 2 Italy 38%
- 3 The Netherlands 11%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

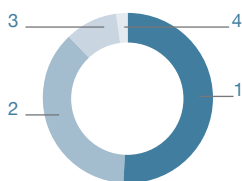
The breakdown of staff (salaried and subcontractors) by geographical segment as at June 30, 2012 is as follows:

- ▶ Germany: 333 (prior year: 334 / chg.: 0%)
- ▶ Italy: 286 (prior year: 276 / chg.: +4%)
- ▶ The Netherlands: 86 (prior year: 85 / chg.: 0%)
- ▶ Central East Europe: 32 (prior year: 28 / chg.: +15%)
- ▶ Holding and Other: 4 (prior year: 7 / chg.: -41%)

On average the staff of BRAIN FORCE in the period of October 2011 to June 2012 comprised 521 salaried employees (prior year: 499) and 233 people employed on a freelance basis (prior year: 224). The total average number of employees therefore amounted to 754, an increase of 4% compared to the prior-year period.

Order Intake

Order Intake by Regions
30.6.2012



- 1 Germany 51%
- 2 Italy 37%
- 3 The Netherlands 10%
- 4 Central East Europe 2%

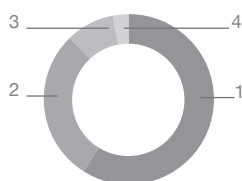
As at June 30, 2012 the order volume at group level amounted to € 20.11 million, which is an increase by 7% compared to June 30, 2011.

Compared to June 30, 2011 mainly Italy and the Netherlands achieved a considerable increase in their order volumes of 34% and 24% respectively. The order volume in Germany decreased by 7% compared to June 30, 2011, which is mainly due to the planned processing of a long-term customer contract. In the region Central Eastern Europe the order volume decreased by € 0.20 million to € 0.32 million compared to June 30, 2011.

On June 30, 2012 the order volumes attributable to the respective regions are as follows:

- ▶ Germany accounts for orders of € 10.35 million (June 30, 2011: € 11.14 million).
- ▶ Italy has an order intake of € 7.34 million (June 30, 2011: € 5.49 million).
- ▶ The Netherlands have orders of € 2,10 million on hand (June 30, 2011: € 1.69 million)
- ▶ Central East Europe accounts for orders of € 0.32 million (June 30, 2011: € 0.52 million).

30.6.2011



- 1 Germany 59%
- 2 Italy 29%
- 3 The Netherlands 9%
- 4 Central East Europe 3%

Outlook

The objective of generating revenue growth in the 2011/12 financial year was confirmed by the 10% revenue increase compared to the first nine months of the previous year. Revenue climbed 6% year-on-year in the third quarter. The company is optimistic about prospects for growth in the entire 2011/12 financial year on the basis of the higher order volume as well as the current sales pipeline. Following a positive operating EBIT in the second and third quarters, the earnings situation has stabilized. Thus a positive earnings contribution can also be expected in the fourth quarter. The price pressure prevailing on the market, which is related to cost reduction programs of important key accounts, mainly in the finance and telecommunications sectors as well as in the aviation industry, requires the continued implementation of measures to strengthen the Group's sales capacities. This is designed to increasingly attract new customers from economic sectors displaying growth potential. A further increase in earnings should be achieved in the future by the increase in license sales and the expansion of the Group's Network Performance Channel activities.

Due to the expected effects of strengthening sales operations and the further homogenization of the portfolio of the BRAIN FORCE Group, we expect positive operating results to be generated from today's perspective in the 2011/12 financial year as a whole.

Quarterly Report (IFRS) of the BRAIN FORCE Group

Group Income Statement in EUR	4-6/2012	4-6/2011	10/2011-6/2012	10/2010-6/2011
Revenues	19,437,513	18,344,576	57,288,601	52,248,160
Cost of sales	-15,362,993	-14,378,004	-45,334,568	-41,360,471
Gross profit	4,074,520	3,966,572	11,954,033	10,887,689
Selling expenses	-1,788,551	-1,571,584	-5,643,924	-4,768,911
Administrative expenses	-1,742,969	-1,929,813	-5,612,873	-5,409,076
Other operating expenses	-243,109	-120,803	-566,390	-397,323
Other operating income	4,756	2,867	82,312	40,370
Operating profit/loss before non-recurring items (Operating EBIT)	304,647	347,239	213,158	352,749
Restructuring costs	0	0	-677,207	0
Operating profit/loss after non-recurring items (EBIT)	304,647	347,239	-464,049	352,749
Financial income	0	21,349	3,021	27,888
Financial expenses	-138,955	-191,855	-548,919	-575,976
Financial result	-138,955	-170,506	-545,898	-548,088
Result from associates	-64,555	-218,803	-1,091,089	-1,341,536
Profit/loss before tax	101,137	-42,070	-2,101,036	-1,536,875
Income taxes	-281,614	-238,793	-347,293	-289,526
Profit/loss after tax	-180,477	-280,863	-2,448,329	-1,826,401
attributable to the equity holders of the parent	-192,943	-280,863	-2,443,078	-1,826,401
attributable to minor interests	12,466	0	-5,251	0
Earnings per share – undiluted and diluted	-0.01	-0.02	-0.16	-0.12
Earnings per share adjusted ¹⁾	-0.01	-0.02	-0.13	-0.12

Statement of Comprehensive Income in EUR	4-6/2012	4-6/2011	10/2011-6/2012	10/2010-6/2011
Profit/loss after tax	-180,477	-280,863	-2,448,329	-1,826,401
Changes in fair values of available-for-sale financial assets	45	284	4,211	-1,611
Currency translation differences	-4,268	-20,025	-7,229	-30,934
Other result	-4,223	-19,741	-3,018	-32,545
Comprehensive income/loss	-184,700	-300,604	-2,451,347	-1,858,946
attributable to the equity holders of the parent	-197,166	-300,604	-2,446,096	-1,858,946
attributable to minor interests	12,466	0	-5,251	0

Key ratios by segment 10/2011-6/2012 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Other	Group
Revenues (consolidated)	28,973,899	17,327,275	8,410,937	2,576,490	0	57,288,601
EBITDA	576,362	1,312,858	267,318	148,871	-1,272,503	1,032,906
Operating EBITDA ¹⁾	1,253,569	1,312,858	267,318	148,871	-1,272,503	1,710,113
Depreciation and amortization	-500,301	-511,097	-374,946	-70,024	-40,587	-1,496,955
Operating EBIT ¹⁾	753,268	801,761	-107,628	78,847	-1,313,090	213,158
Restructuring costs	-677,207	0	0	0	0	-677,207
EBIT	76,061	801,761	-107,628	78,847	-1,313,090	-464,049

Key ratios by segment 10/2010-6/2011 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Other	Group
Revenues (consolidated)	28,009,357	15,884,565	5,900,038	2,454,200	0	52,248,160
EBITDA	1,338,377	1,075,921	624,759	147,422	-1,240,473	1,946,006
Operating EBITDA ¹⁾	1,338,377	1,075,921	624,759	147,422	-1,240,473	1,946,006
Depreciation and amortization	-574,627	-534,124	-370,597	-70,103	-43,806	-1,593,257
Operating EBIT ¹⁾	763,750	541,797	254,162	77,319	-1,284,279	352,749
Restructuring costs	0	0	0	0	0	0
EBIT	763,750	541,797	254,162	77,319	-1,284,279	352,749

1) adjusted for restructuring costs

Cash Flow Statement in EUR	10/2011-6/2012	10/2010-6/2011
Profit / loss before tax	-2,101,036	-1,536,875
Depreciation and amortization	1,496,955	1,593,257
Financial result	545,898	548,088
Result from associates	1,091,089	1,341,536
Gains / losses from the disposal of property, plant and equipment and intangible assets	2,226	6,418
Changes in non-current provisions and liabilities	-166,759	-190,512
Gross cash flow of continuing operations	868,373	1,761,912
Changes in inventories	-164,340	-208,671
Changes in trade receivables	-857,287	1,236,898
Changes in trade payables	-62,484	838,864
Changes in other current assets and liabilities	384,990	469,790
Currency translation differences	21,033	-12,585
Net interest paid	-517,359	-505,696
Income taxes paid	-136,033	-292,248
Cash flow from operating activities of continuing operations	-463,107	3,288,264
Investments in property, plant and equipment and other intangible assets	-1,014,838	-996,137
Sale of property, plant and equipment and other intangible assets	9,187	10,379
Sale of financial assets	14,281	0
Cash flow from investing activities of continuing operations	-991,370	-985,758
Increase in financial liabilities	735,599	70,860
Repayment of financial liabilities and bank overdrafts	-57,099	-1,517,101
Dividends paid	0	0
Capital increase	0	0
Purchase of treasury shares	0	0
Cash flow from financing activities of continuing operations	678,500	-1,446,241
Change in cash and cash equivalents from continuing operations	-775,977	856,265
Change in cash and cash equivalents from discontinued operation	-69,254	-293,720
Cash and cash equivalents at the beginning of the period	5,806,602	4,115,563
Change in cash and cash equivalents	-845,231	562,545
Cash and cash equivalents at the end of the period	4,961,371	4,678,108

Balance Sheet in EUR	30.6.2012	30.9.2011
ASSETS		
Property, plant and equipment	1,360,515	1,593,534
Goodwill	11,001,151	11,001,151
Other intangible assets	2,365,609	2,626,407
Investments in associates	7,805,801	8,896,890
Financial assets	33,306	45,351
Other receivables and assets	84,282	91,229
Deferred tax assets	1,900,008	1,813,823
Non-current assets	24,550,672	26,068,385
Inventories	468,869	304,529
Trade receivables	16,214,986	15,357,699
Other receivables and assets	2,564,937	1,892,131
Cash and cash equivalents	4,961,371	5,806,602
Current assets	24,210,163	23,360,961
Total assets	48,760,835	49,429,346
EQUITY AND LIABILITIES		
Share capital	15,386,742	15,386,742
Reserves	9,596,661	9,599,679
Retained earnings	-8,711,994	-6,268,916
Equity attributable to equity holders of the parent company	16,271,409	18,717,505
Minor Interests	20,749	0
Equity	16,292,158	18,717,505
Financial liabilities	9,981,578	9,973,541
Other liabilities	182,754	151,150
Provisions for post-employment benefits	1,242,550	1,440,583
Deferred tax liabilities	126,924	136,736
Non-current liabilities	11,533,806	11,702,010
Financial liabilities	2,327,463	1,657,000
Trade payables	8,581,118	8,643,602
Other liabilities	8,682,438	7,574,840
Income tax provisions	1,129,734	872,755
Other provisions	214,118	261,634
Current liabilities	20,934,871	19,009,831
Total equity and liabilities	48,760,835	49,429,346

Changes in equity in EUR	Attributable to equity holders of the parent company				Minor interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings		
Balance 1.10.2010	15,386,742	11,033,310	-287,239	-6,023,248	0	20,109,565
Total result for the period 10/2010-6/2011	0	0	-32,545	-1,826,401	0	-1,858,946
Balance 30.6.2011	15,386,742	11,033,310	-319,784	-7,849,649	0	18,250,619
Transfer of reserves	0	-1,122,954	0	1,122,954	0	0
Total result for the period 7-9/2011	0	0	9,107	457,779	0	466,886
Balance 30.9.2011	15,386,742	9,910,356	-310,677	-6,268,916	0	18,717,505
Change in Minor interests	0	0	0	0	26,000	26,000
Total result for the period 10/2011-6/2012	0	0	-3,018	-2,443,078	-5,251	-2,451,347
Balance 30.6.2012	15,386,742	9,910,356	-313,695	-8,711,994	20,749	16,292,158

Notes to the Accounts for the First Three Quarters

Accounting and Measurement Principles

This interim report of BRAIN FORCE HOLDING AG as at June 30, 2012 has been prepared in accordance with the principles contained in the International Financial Reporting standards (IFRS), as stipulated in IAS 34, "Interim Financial Reporting". The accounting and measurement principles applied in preparing the consolidated financial statements presented in the annual report as at September 30, 2011 remain unchanged. The statement of comprehensive income was changed due to the minority interest included as of the second quarter 2011/12. As of now the group income statement is presented separately with a result-breakdown for shareholders of the parent company and minority shareholders, followed by the transition to the comprehensive income of the respective period. For more information on accounting and measurement principles, we refer to the annual report and the consolidated financial statements as at September 30, 2011, which serve as the basis for this interim report.

Consolidated Group

All subsidiaries, including those companies in which BRAIN FORCE HOLDING AG directly or indirectly holds more than half of the voting rights or over which BRAIN FORCE exerts a controlling influence are included in the consolidated financial statements.

The consolidated group changed as follows compared to the reporting date of September 30, 2011: Based on a notarial deed dated December 22, 2011, BRAIN FORCE HOLDING AG established the company Network Performance Channel GmbH based in Vöcklabruck, Austria in cooperation with Hofer Management GmbH. BRAIN FORCE HOLDING AG holds 74% of shares in Network Performance Channel GmbH. The object of the company is trading with and developing IT products as well as providing IT services. Network Performance Channel GmbH was entered into the commercial register on January 13, 2012.

BRAIN FORCE Network Solutions B.V., Veenendaal, Netherlands, in which BRAIN FORCE HOLDING AG holds 100% of shares, was deconsolidated in the second quarter of the current business year. As of the beginning of 2010 BRAIN FORCE Network Solutions B.V. has not been exercising any operative business activities and was deleted from the commercial register on January 31, 2012 after the completion of the liquidation procedure.

Comments on the Group Income Statement

Group revenues increased by 10% to € 57.29 million compared to previous year's period. The operative EBITDA (before restructuring expenses) amounted to € 1.71 million and thus decreased by € 0.24 million compared to the previous year. The operating result (EBIT) slumped from 0.35 to € 0.21 million. The group result was burdened with restructuring expenses in the amount of € 0.68 million, which arose in the first quarter in Germany. This resulted in a group EBITDA for the first nine months of € 1.03 million and a group EBIT of € -0.46 million.

With € -0.55 million the financial result remains almost unchanged compared to previous year. Increased financing costs were compensated with gains from currency conversion. The result from associated companies amounts to € -1.09 million and can be attributed to SolveDirect Service Management GmbH. Out of this amount € -0.27 million can be allotted to the result contribution of the current business year and € -0.82 million to the dilutive effect through further capital increases of 3TS Cisco Growth Funds for financing the expansion. The interest held in Solve-Direct Service Management GmbH was reduced from 67.39% as of September 30, 2011 to 57.57% as of June 30, 2012.

In the first nine months of the current business year the result after taxes (including minority interests) amounted to € -2.45 million compared to € -1.83 million in the previous year.

Segment Information

BRAIN FORCE HOLDING AG reports according to geographic segments in accordance with the management approach contained in the stipulations of IFRS 8. Segment earnings are reported before brand licensing costs and intercompany charges. Segment information is included in this interim report directly after the consolidated income statement.

Comments on the Cash Flow Statement

In the first nine months the gross cash flow from continuing operations reached € 0.87 million and was therefore € 0.89 million below previous year's level of € 1.76 million. The cash flow from operating activities turned in the first three quarters from € + 3.29 million to € -0.46 million. In this respect a decline in earnings as well as an increase of the working capital by € 0.65 million to € 1.99 million had a negative impact.

The cash flow from investing activities developed almost unchanged and amounted to € -0.99 million as in the previous year. The cash flow from financing activities amounted to € 0.68 million and shows an increase in financial liabilities, whereas financial liabilities in the previous year's period were reduced by € 1.45 million.

Comments on the Balance Sheet

At the reporting date the balance sheet total was € 48.76 million, which is a decrease by 1% compared to September 30, 2011. Non-current assets made up 50% of total assets and amounted to € 24.55 million on the reporting date compared to € 26.07 million on September 30, 2011. Tangible assets and other intangible assets decreased by € 0.49 million. Capital expenditures on property, plant and equipment and other intangible assets totaling € 1.01 million in the reporting period (of which € 0.68 million comprised product development costs) were in contrast to scheduled depreciation of € 1.50 million. The company's goodwill remains at the same level with € 11.00 million. Investments in associated companies declined by € 1.09 million to € 7.81 million. As at June 30, 2012 the investment in SolveDirect was 57.57% (September 30, 2011: 67.39%).

Current assets comprised 50% of total assets on the reporting date of June 30, 2012. Trade receivables increased by about 6% from the comparable figure on September 30, 2011 to € 16.21 million or 33% of total assets. Cash and cash equivalents decreased by 15% compared to the reporting date of September 30, 2011 and amounted to € 4.96 million.

IFRS-based equity as at June 30, 2012 was € 16.29 million, corresponding to an equity ratio of 33%. Non-current liabilities were reduced only slightly from € 11.70 million to € 11.53 million.

Current liabilities rose by 10% to € 20.93 million, which can be mainly attributed to an increase in current financial liabilities by € 0.67 million to € 2.33 million and an increase of other liabilities by € 1.11 million to € 8.68 million. At the same time trade payables decreased by € 0.06 million to € 8.58 million. The working capital at the reporting date was € 1.99 million, which is an increase by € 0.65 million compared to September 30, 2011. Net debt on the reporting date, June 30, 2012 was € 7.35 million, which equals an increase by € 1.53 million in comparison to September 30, 2011.

As at June 30, 2012 the number of outstanding shares was 15,386,742. Authorized capital amounted to € 7,693,371.

Audit Waiver for the Interim Report

This interim report as at June 30, 2012 was neither audited nor subject to an auditor's review.

Other Disclosures

On October 24, 2011 BRAIN FORCE HOLDING AG announced the mutually agreed termination of the management board contract of Mr. Thomas Melzer as of December 31, 2011. The original contract valid until September 30, 2012 was thus terminated prematurely. Furthermore, on December 23, 2011 the company announced that the supervisory board appointed Mr. Hannes Griesser the new CFO with effect from January 1, 2012.

At the 14th ordinary general meeting on March 1, 2012, amongst other things, BRAIN FORCE HOLDING AG held an election to the supervisory board. In this respect the terms of Mr. Stefan Pierer, Mr. Friedrich Roithner and Mr. Josef Blazicek – expiring at the end of the general meeting – were prolonged for five years. Mr. Wolfgang Hickel asked to be excluded from a reelection. This request was respected and concurrently it was resolved to reduce the number of supervisory board members from five to four.

On May 30, 2012 the general meeting of SolveDirect Service Management GmbH, Vienna decided on a capital increase, which is not yet registered. Upon entry of the capital increase in the commercial register the share of BRAIN FORCE HOLDING AG in SolveDirect Service Management GmbH will decrease from 57.57% to 53.16%.

Vienna, August 14, 2012

The Management Board



Michael Hofer



Hannes Griesser

Financial Calendar

Date Event	Event
August 14, 2012	Report on the first three quarters of 2011/12
December 19, 2012	Annual report 2011/12

Information on the Company and the BRAIN FORCE Share

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