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BRAIN FORCE HOLDING AG

2010/11

Report on the 3rd quarter

BRAIN FORCE Key Data

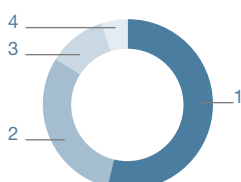
Earnings Data ¹⁾		10/2010-6/2011	10/2009-6/2010	Chg. in %	2009/10
Revenues	<i>in € million</i>	52.25	53.97	-3	69.59
EBITDA	<i>in € million</i>	1.95	5.65	-66	5.66
Operating EBITDA ²⁾	<i>in € million</i>	1.95	1.14	+70	1.15
EBIT	<i>in € million</i>	0.35	3.42	-90	2.86
Operating EBIT ²⁾	<i>in € million</i>	0.35	-1.09	>100	-1.65
Profit before tax	<i>in € million</i>	-1.54	1.76	>100	0.33
Profit after tax	<i>in € million</i>	-1.83	1.89	>100	0.92
Earnings per share	<i>in €</i>	-0.12	0.11	>100	0.06
Adjusted earnings per share ²⁾	<i>in €</i>	-0.12	-0.17	+29	-0.26
Capital expenditure	<i>in € million</i>	1.00	1.20	-17	1.53
Acquisitions	<i>in € million</i>	0.00	1.11	-	1.11
Employees ³⁾		723	800	-10	779

Balance Sheet Data		30.6.2011	30.9.2010	Chg. in %
Equity	<i>in € million</i>	18.25	20.11	-9
Net debt	<i>in € million</i>	7.03	9.04	-22
Capital employed	<i>in € million</i>	25.23	29.10	-13
Working capital ⁴⁾	<i>in € million</i>	0.09	3.30	-97
Balance sheet total	<i>in € million</i>	49.49	51.05	-3
Equity ratio	<i>in %</i>	37	39	-
Gearing	<i>in %</i>	39	45	-
Employees ⁵⁾		730	731	0

Stock Exchange Data ⁶⁾		10/2010-6/2011	2009/10	Chg. in %
Share price high	<i>in €</i>	1.10	1.40	-21
Share price low	<i>in €</i>	0.80	0.91	-12
Share price at end of period	<i>in €</i>	0.93	1.00	-7
Shares outstanding (weighted)	<i>1,000</i>	15,387	15,387	0
Market capitalization (ultimo)	<i>in € million</i>	14.31	15.39	-7

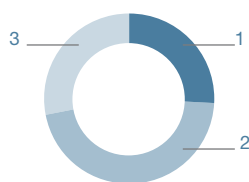
Segments 10/2010 - 6/2011 <i>in € million</i>	Germany		Italy		The Netherlands		Central East Europe		Holding and Other	
Revenues	28.01	(+4%)	15.88	(-5%)	5.90	(+8%)	2.45	(-50%)	0	-
Operating EBITDA ²⁾	1.34	(>100%)	1.08	(-16%)	0.62	(>100%)	0.15	(-79%)	-1.24	(+10%)
Operating EBIT ²⁾	0.76	(>100%)	0.54	(-8%)	0.25	(>100%)	0.08	(-81%)	-1.28	(+10%)
Capital expenditure	0.32	(+4%)	0.51	(+28%)	0.12	(-65%)	0.05	(-59%)	0.00	(-98%)
Employees ³⁾	340	(-8%)	275	(-6%)	73	(+11%)	28	(-55%)	7	(-23%)

Revenues by Regions



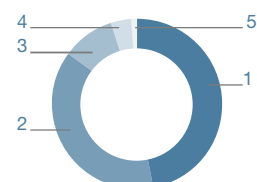
- 1 Germany 54%
- 2 Italy 30%
- 3 The Netherlands 11%
- 4 Central East Europe 5%

Revenues by Business Areas



- 1 Process Optimization 26%
- 2 Infrastructure Optimization 46%
- 3 Professional Services 28%

Employees by Segments



- 1 Germany 47%
- 2 Italy 38%
- 3 The Netherlands 10%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

1) from continuing operations
 2) adjusted for non-recurring expenses and income of € 4.51 million for the group in 2009/10
 3) average number of employees (salaried and free-lancer) during the period
 4) Inventories + trade receivables - trade payables - other current liabilities
 5) number of employees (salaried and free-lancer) as at June 30, 2011
 6) 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 2010/11 fiscal year, we generated a positive EBIT both on a Group level and in all regions. With respect to revenue, we have returned to a growth path since the second quarter (+ 3%). In the third quarter (April to June 2011), we even achieved an 11% revenue increase. Furthermore, the restructuring carried out in the previous year formed a solid basis for the reported earnings improvements. The good economic situation in our largest market of Germany supported our efforts, whereas the economy in Italy remained weak. Under these circumstances, the BRAIN FORCE Group was able to generate a very solid free cash flow of € 2.30 million in the first nine months. Our order intake has also further improved, amounting to € 18.84 million at the reporting date of June 30, 2011, a rise of 7% from the prior-year level. All in all, this shows a clearly positive picture of the development of our company.

Due to changes in the consolidation range, total Group revenue in the period October 2010 to June 2011 fell by 3% to € 52.25 million. On an organic or like-for-like basis, revenue actually rose by 2% or € 1.00 million. Revenue in the third quarter even increased by 11% to € 18.35 million. In the first three quarters we improved our operating EBITDA by 70% to € 1.95 million, and achieved a turnaround in the operating EBIT, from € -1.09 to +0.35 million. From April to June 2011 the operating EBITDA climbed from € 0.26 to 0.84 million, and operating EBIT from € -0.41 to +0.35 million.

In Germany (54% of Group revenues), revenue in the first nine months was up 4% to € 28.01 million. In this regard, I would like to particularly point out the strong development of the Network Performance Channel business and higher FINAS licensing sales. These business areas also generated above-average margins, so that we were able to more than double the operating EBITDA in Germany from € 0.49 to 1.34 million. The operating EBIT also showed a considerable rise from € -0.11 to +0.76 million. Revenue even climbed by 10% in the third quarter to € 9.43 million, and EBIT turned around from € -0.14 to +0.30 million. I expect this positive earnings development to continue in the fourth quarter as well.

In Italy (formerly South West Europe, 30% of Group revenues), the restructuring measures carried out in 2009 have had a positive impact. Despite the ongoing weakness of the economy and a revenue decline of 5% to € 15.88 million, BRAIN FORCE posted clearly positive results in Italy in the first nine months, featuring an EBITDA of € 1.08 million and an EBIT of € 0.54 million. Third-quarter revenue amounted to € 5.42 million, a drop of 4% from the previous year, whereas EBIT climbed 36% to € 0.25 million. In the upcoming quarters I expect further potential for improvement related to the upturn in licensing sales in the Microsoft Dynamics environment.

Positive operating result on a Group level and all regions as well as high free cash flow

Significant revenue and earnings increases in the third quarter confirm the positive trend

Germany generates third-quarter revenue growth, especially in areas featuring above-average profitability

Positive results in Italy on the basis of restructuring and cost savings

Netherlands on a clear growth and earnings path

Our subsidiary in the Netherlands (11% of Group revenues) has shown a very solid development to date in this fiscal year. Revenue could be increased by 8% in the first nine months to € 5.90 million, which is mainly related to the successful market entry in the Professional Services business. Operating EBITDA improved considerably from € 0.06 to 0.62 million, and operating EBIT achieved a turnaround from € -0.55 to +0.25 million. Growth in the third quarter was even more pronounced. From April to June revenue in the Netherlands rose by 64% to € 2.52 million, and the operating EBIT was up from € -0.20 to +0.20 million. I also anticipate revenue growth and positive earnings in the final quarter of the fiscal year.

Positive development in Central East Europe expected due to the acquisition of several new customers

In the Central East Europe region (5% of Group revenues), revenue fell by 50% in the first nine months due to the changes in the consolidation range in Austria. From an organic standpoint, the region was able to significantly increase revenue in Austria, Czech Republic and Slovakia by 21% to € 2.45 million. EBITDA totaled € 0.15 million and EBIT € 0.08 million. Third-quarter revenue growth amounted to 28%, rising to € 0.98 million, with EBIT up by 76% to € 0.07 million. Earnings in Austria should further improve over the next months following the acquisition of several new customers. SolveDirect is progressing in line with our expectations, and will significantly increase its revenue by expanding its international business, especially in the USA.

Earnings improvement and further working capital optimization lead to strong free cash flow

Our cash flow has considerably improved thanks to the increased earnings and the ongoing optimization of working capital. In the first nine months the free cash flow totaled € 2.30 million, which enabled us to reduce net debt to € 7.03 million and increase cash and cash equivalents to € 4.68 million. Profit after tax was € -1.83 million. This includes the consciously accepted negative earnings contribution of SolveDirect from the pro-rate share of start-up costs related to the expansion drive as well as the dilutive effects of the capital increase by the investor.

Positive developments in the first nine months confirm our target

As a result of the good developments in the first nine months, I am optimistic that we will also succeed in achieving our objective of a positive operating result in the current fiscal year, which ends on September 30, 2011. We recently achieved a reversal of the trend and returned to a growth path. If the economic situation in our markets does not drastically deteriorate, we should be in a position to generate sustainably positive operating results in the future as well.

Yours



Michael Hofer

Management Report

Earnings in the first nine months (October 2010 to June 2011)

In the first nine months of the 2010/11 fiscal year, the BRAIN FORCE Group generated revenues of € 52.25 million, a decline of 3% from the prior year's level. However, adjusted for the three strategic transactions in Austria (sale of the Professional Services business at the end of December 2009, change in the consolidation method for SolveDirect to inclusion at equity at the beginning of 2010 as well as the acquisition and full consolidation of INISYS Software-Consulting Ges.m.b.H. at the beginning of March 2010), revenue actually rose organically by 2%. The ongoing difficult economic environment in Italy is in contrast to the positive developments in all other regions.

Positive revenue development in the Group and all regions with the exception of Italy

Due to the persistent cost management efforts and the implementation of restructuring measures, operating EBITDA (before non-recurring expenses and income) could be increased by 70% or 0.80 to 1.95 million, in spite of the revenue decline of € 1.72 million in absolute terms. On an organic basis, revenue was up by € 1.00 million and the operating EBITDA improved by € 1.32 million, thus more than doubling. Operating EBIT improved by € 1.44 to 0.35 million, and was positive in all regions, as it was in the two previous quarterly periods. From an organic perspective, i.e. adjusted for changes in the consolidation range, the operating EBIT of the BRAIN FORCE Group even improved by € 1.71 million in the first nine months of the 2010/11 fiscal year, from € -1.33 to + 0.38 million.

Significant earnings improvement based on persistent cost management

No non-recurring expenses arose in the first nine months, whereas restructuring costs in the comparable period of the prior year totaled € 1.82 million. The cost savings derived from these measures have proven to be a major contribution to the company's quick return to a positive operating EBIT at all subsidiaries as well as in the entire Group.

Restructuring implemented in 2010 a key contribution in the company's return to profitability

Furthermore, no non-recurring income was generated in the first three quarters of the current fiscal year, compared to € 6.33 million in the previous year. The non-recurring expenses and income are not included in the above-mentioned operating results. The one-off effects reported in the prior-year period accounted for the decline in EBITDA in the first nine months from € 5.65 to 1.95 million, and the EBIT decrease from € 3.42 to 0.35 million.

Revenues 9M in € million

Year	Revenues (€ million)
2010/11	52.25
2009/10	53.97

The financial result declined slightly by € 0.08 to -0.55 million, which is related to higher financing costs. The majority of current financing costs relate to a long-term fixed interest loan. Since January 2010 SolveDirect Service Management GmbH has been consolidated at equity. Thus the result from associates reflect the negative dilution effects from capital increases and the negative earnings contribution of our pro-rata share (June 30, 2011: 69%) of SolveDirect's profit after tax. The result from associates amounted to € -1.34 million in the first nine months of 2010/11 (prior-year: € -1.20 million), of which € -0.75 million relates to the negative earnings contribution and € -0.59 million to the dilution effects of three capital increases to finance the company's expansion in the USA.

Operating EBITDA 9M in € million

Year	Operating EBITDA (€ million)
2010/11	1.95
2009/10	1.14

On balance, the result for the period before tax of the BRAIN FORCE Group was € -1.54 million (prior year: € 1.76 million). The total result after tax was € -1.83 million, down from € 1.69 million in the previous year. Excluding the non-recurring effects from the prior year, the result before tax actually improved by € 1.22 million. Earnings per share from continuing operations were € -0.12 (prior year: € 0.11). Earnings per share from continuing operations adjusted for non-recurring effects totaled € -0.12, compared to € -0.17 in the prior year.

Improvement in the adjusted earnings per share

Earnings in the third quarter (April to June 2011)

In the third quarter of the 2010/11 fiscal year, Group revenues rose by 11% to € 18.34 million, the second straight quarterly period above the comparable prior-year figures. The most impressive revenue growth was generated in the Netherlands (+64%). In Germany (revenues up 10%), the Network Performance Channel (NPC) business developed disproportionately well. In the Central East Europe region (revenues up 28%), the contract orders of two new large customers acquired in Austria at the beginning of the year led to higher revenues. Revenues also increased in the Czech Republic, where the BRAIN FORCE subsidiary realized initial sales in the NPC segment. Only in Italy did revenues actually decline (- 4%) due to the ongoing difficult eco-

Return to growth path also confirmed in this quarter

Significant improvement in operating results compared to the prior year

nomnic environment. In Germany revenue rose from € 8.61 to 9.43 million, in Central East Europe from € 0.76 to 0.98 million, whereas revenues amounted to € 5.42 million (prior year: € 5.66 million) in Italy and increased from € 1.53 to 2.52 million in the Netherlands.

The operating EBIT of the BRAIN FORCE Group in the third quarter showed a significant improvement by € -0.76 up to +0.35 million, which is a clear indication of the effectiveness of the consistently implemented cost saving measures over the last two years. Operating EBIT was positive in all regions for the third straight quarter. The biggest improvements were achieved in Germany and the Netherlands. The two other regions, Italy and Central East Europe, also contributed to the earnings improvement.

No non-recurring expenses or income arose in the third quarter of the current fiscal year, whereas non-recurring effects totaled € +0.15 million in the period April to June 2010. Including the non-recurring effects of the previous year, Group EBIT could be increased by € 0.61 to 0.35 million in the third quarter of the 2010/11 fiscal year.

Cash Flow

Increase in the operating cash flow by € 7.16 million due to earnings improvement and reduction of working capital

The gross cash flow from continuing operations in the first three quarters of 2010/11 was € 1.76 million, a considerable increase from the prior-year level of € -1.21 million. This was primarily due to the improved operating results, a development also reflected in the cash flow from operating activities (operating cash flow), which improved by a substantial € 7.16 to 3.29 million compared to € -3.87 million in the prior year. In addition to the earnings improvement, this is mainly due to the ongoing optimization of working capital. The factoring agreement concluded by the German subsidiary also had a positive effect. The net effect of the factoring agreement on cash and cash equivalents amounted to € +2.06 million.

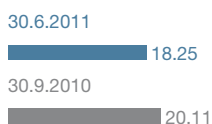
Positive free cash flow of € 2.30 million, an increase of € 4.15 million from the prior-year level

The cash flow from investing activities amounted to € -0.99 million (prior year: € 0.91 million). Investments in property, plant and equipment and other intangible assets fell by € 0.21 million from the previous year, of which € 0.19 million was related to lower investments in product development. Own work capitalized amounting to € 0.59 million was in contrast to scheduled depreciation of € 0.90 million. The positive cash flow from investing activities in the prior-year period resulted from the sale of BRAIN FORCE SOFTWARE GmbH, Austria, which led to a cash inflow of € 3.31 million. In the previous year a total of € 1.11 million was invested in acquisitions. A positive free cash flow of € 2.30 million was generated in the first nine months of the current 2010/11 fiscal year, a rise of € 4.15 million from the prior-year level.

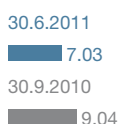
Solid level of cash and cash equivalents totaling € 4.68 million on the reporting date

The cash flow from financing activities at € -1.45 million resulted from € -1.29 million relating to the reduced use of overdraft facilities and € -0.16 million from the scheduled repayment of a non-current loan. Thus the positive free cash flow was largely used to reduce the company's financial liabilities. Non-current financial liabilities totaling € 9.97 million are due in 2014. On balance, the BRAIN FORCE Group had cash and cash equivalents totaling € 4.68 million on June 30, 2011 (September 30, 2010: € 4.12 million).

Equity in € million



Net debt in € million



Financial Position

The balance sheet total of the BRAIN FORCE Group was € 49.49 million as at June 30, 2011, whereas equity amounted to € 18.25 million. Accordingly, the equity ratio decreased to 37% compared to 39% as at September 30, 2010, which is related to the negative total result for the period in the amount of € -1.84 million. Of the total result for the period, a negative earnings contribution of € -1.34 million was generated by SolveDirect Service Management GmbH, which is consolidated at equity. This earnings contribution is within the budgeted amount, and results from the increased costs of expansion on the US market and the dilutive effect of three capital increases.

Working capital (inventories plus trade receivables less trade payables and other current liabilities) fell from € 3.30 to 0.09 million in the first three quarters, which is primarily attributable to the 7% decline in trade receivables to € 16.37 million. In contrast, other receivables rose by € 0.83 to 2.17 million and

other current liabilities by € 1.43 to 8.31 million. The changes of the receivables mainly resulted from the factoring agreement concluded by BRAIN FORCE Software GmbH, Germany. On balance, net debt as at June 30, 2011 amounted to € 7.03 million, down from € 9.04 million as at September 30, 2010. The 22% reduction in net debt is due to the positive free cash flow. Gearing (ratio of net debt to equity) of the BRAIN FORCE Group also correspondingly improved and was at 39% as at June 30, 2011, compared to the figure of 45% which still prevailed as at September 30, 2010.

Research and Development

In **Germany** product development work was launched on the bAV-Vorteilsrechner, a new FINAS tool for sales promotion purposes which transparently presents the tax advantages of company pension schemes. In addition, we commenced work on the smart FINAS project to simplify the user interface as well as the development of a HTML version of the BRAIN FORCE Fördercenter (public subsidies overview).

Our subsidiary in **Italy** became one of the very first Microsoft partners to take part in a private beta program for Microsoft Dynamics AX 2012, and is testing the new version within the context of a customer migration project.

In the **Netherlands**, Workspace Manager was optimized for use in virtual desktop infrastructures, whereas the development of Packaging Robot for 64 bit platforms and support for the App-V format were continued. Infrastructure Framework was provided with updates for key issues such as Windows Server 2008 R2, System Center Suite, Windows 7 and Citrix XenDesktop.

SolveDirect began with the development of the IT Service Management solution Service Grid, designed to prevent service bottlenecks and further expand the value chain of involved partners on the basis of predictive service level agreements (SLAs).

Human Resources

The total number of people working for the BRAIN FORCE Group as at June 30, 2011 amounted to 493 salaried employees, a decline of 1% from the comparable figure as at June 30, 2010. In addition, the company employed 237 people on a freelance basis for various customer projects, which corresponds to the prior-year level. In our largest market of Germany, the total number of staff was down 6% from the prior year due to short-term working. In Italy the number of employees fell 5% below the previous year's figure. In contrast, the work force in the Netherlands expanded strongly by 52%, which is related to the successful building of a Professional Services business and the improved order situation in the Infrastructure Optimization business area. The total number of staff in the Central East Europe region matched the prior-year level. The Holding and Other segment reduced its staff by one employee, in order to further reduce costs.

On balance, the BRAIN FORCE Group employed 730 people at the reporting date, a slight decline of 1% or 8 employees from the comparable figure at June 30, 2010.

The breakdown of staff (salaried and subcontractors) by geographical segment as at June 30, 2011 is as follows:

- ▶ Germany: 334 (prior year: 355 / chg.: -6%)
- ▶ Italy: 276 (prior year: 291 / chg.: -5%)
- ▶ Netherlands: 85 (prior year: 56 / chg.: +52%)
- ▶ Central East Europe: 28 (prior year: 28 / chg.: -1%)
- ▶ Holding and Other: 7 (prior year: 8 / chg.: -13%)

On average, the staff of the BRAIN FORCE Group in the period October 2010 to June 2011 was comprised of 499 salaried employees (prior year: 567) and 224 people on a freelance basis (prior year: 233). The total average number of employees amounted to 723, a decline of 10% from the prior-year period. Adjusted

Development start for bAV-Vorteilsrechner, smart FINAS and HTML version of the Fördercenter

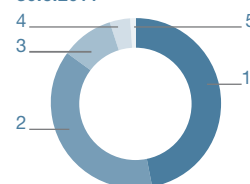
Participation in the Microsoft private Beta partner program for AX 2012

Optimization of Workspace Manager, Packaging Robot and Infrastructure Framework

Developmental start of the Service Grid solution

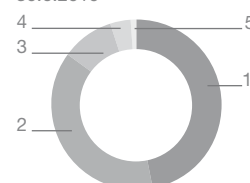
Employees by Segments

30.6.2011



- 1 Germany 47%
- 2 Italy 38%
- 3 The Netherlands 10%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

30.6.2010



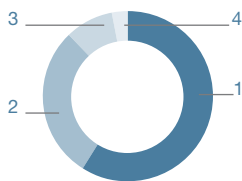
- 1 Germany 47%
- 2 Italy 38%
- 3 The Netherlands 10%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

to take account of the changes in the consolidation range (sale of the Professional Services business in Austria, change in the reporting of SolveDirect to at equity consolidation and the acquisition of Inisys), the decrease in the total work force was only 6%,

Order Intake

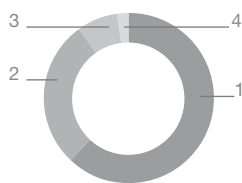
Order Intake by Regions

30.6.2011



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

30.6.2010



- 1 Germany 62%
- 2 Italy 28%
- 3 The Netherlands 8%
- 4 Central East Europe 2%

As at June 30, 2011, the order volume at the Group level amounted to € 18.84 million, a solid increase of 7% from the comparable figure on June 30, 2010. Thus the economic upturn has now also had a significantly positive effect on the order situation of the BRAIN FORCE Group.

The order intake in the Central East Europe region grew substantially, rising by 76%, which can be attributed to two new large customers in Austria. A considerable increase in the order volume was also achieved in Italy (+ 40%) and the Netherlands (+ 71%), which saw a continuation of the positive development of the sales pipeline related to the company's market entry into the Professional Services business. The level of incoming orders only fell in Germany, down 11% from the prior-year reporting date of June 30, 2010. This is primarily related to fulfilling a large, long-term order at the Frankfurt office.

On June 30, 2011, the order volumes attributable to the regions are as follows:

- ▶ Germany accounts for orders of € 11.14 million (June 30, 2010: € 12.45 million).
- ▶ Italy has an order intake of € 5.49 million (June 30, 2010: € 3.93 million).
- ▶ The Netherlands have orders on hand of € 1.69 million (June 30, 2010: € 0.99 million).
- ▶ Central East Europe accounts for orders of € 0.52 million (June 30, 2010: € 0.30 million).

Outlook

The cost savings and restructuring measures implemented in the past few years as well as the economic upswing had a positive impact on the business development of the BRAIN FORCE Group in the first three quarters of 2010/11. Thus all operating segments succeeded in achieving a positive operating result in the period October 2010 to June 2011. Moreover, forecasts published by several market research institutes point to a sustained economic recovery in the upcoming years. This has been demonstrated recently by the significant rise in the order intake volume of the BRAIN FORCE Group. A positive business development for the 2010/11 fiscal year as a whole can be expected based on the current sales pipeline. Under these circumstances and from today's perspective, we anticipate the achievement of our targets and thus a positive operating result for the entire fiscal year.

Quarterly Report (IFRS) of the BRAIN FORCE Group

Statement of Comprehensive Income in EUR	4-6/2011	4-6/2010	10/2010-6/2011	10/2009-6/2010
Continuing operations				
Revenues	18,344,576	16,567,876	52,248,160	53,969,648
Cost of sales	-14,378,004	-13,669,106	-41,360,471	-43,685,615
Gross profit	3,966,572	2,898,770	10,887,689	10,284,033
Selling expenses	-1,571,584	-1,795,985	-4,768,911	-5,861,067
Administrative expenses	-1,929,813	-1,578,653	-5,409,076	-5,496,940
Other operating expenses	-120,803	-58,233	-397,323	-341,689
Other operating income	2,867	121,689	40,370	326,417
Operating profit/loss before non-recurring items (Operating EBIT)	347,239	-412,412	352,749	-1,089,246
Restructuring costs	0	150,000	0	-1,815,519
Non-recurring income	0	0	0	6,325,381
Operating profit/loss after non-recurring items (EBIT)	347,239	-262,412	352,749	3,420,616
Financial income	21,349	1,381	27,888	40,474
Financial expenses	-191,855	-153,721	-575,976	-505,361
Financial result	-170,506	-152,340	-548,088	-464,887
Result from associates	-218,803	-317,276	-1,341,536	-1,198,482
Profit/loss before tax	-42,070	-732,028	-1,536,875	1,757,247
Income taxes	-238,793	377,294	-289,526	128,568
Profit/loss after tax from continuing operations	-280,863	-354,734	-1,826,401	1,885,815
Loss after tax from discontinued operation	0	-100,366	0	-198,317
Profit/loss after tax	-280,863	-455,100	-1,826,401	1,687,498
Changes in fair values of available-for-sale financial assets	284	430	-1,611	-7,278
Currency translation differences	-20,025	29,226	-30,934	26,039
Other result	-19,741	29,656	-32,545	18,761
Comprehensive income/loss	-300,604	-425,444	-1,858,946	1,706,259
Earnings per share ¹⁾	-0.02	-0.03	-0.12	0.11
Earnings per share - adjusted ²⁾	-0.02	-0.03	-0.12	-0.17
Earnings per share from continued operations	-0.02	-0.02	-0.12	0.12
Earnings per share from discontinued operation	0.00	-0.01	0.00	-0.01

1) Results are attributable exclusively to the equity holders of the parent company

2) Adjusted for restructuring costs and non-recurring income and loss from discontinued operation

Key ratios by segment 10/2010 - 6/2011 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Others	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
Non-recurring expenses / income	0	0	0	0	0	0
EBIT	763,750	541,797	254,162	77,319	-1,284,279	352,749

Key ratios by segment 10/2009 - 6/2010 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Others	Group
Revenues (consolidated)	26,925,256	16,676,061	5,478,367	4,889,964	0	53,969,648
EBITDA	-151,732	972,825	-808,872	694,748	4,947,062	5,654,031
Operating EBITDA ¹⁾	493,268	1,273,345	61,128	694,748	-1,378,319	1,144,170
Depreciation and amortization	-602,412	-686,354	-612,109	-290,784	-41,757	-2,233,416
Operating EBIT ¹⁾	-109,144	586,991	-550,981	403,964	-1,420,076	-1,089,246
Non-recurring expenses / income	-645,000	-300,520	-870,000	0	6,325,381	4,509,861
EBIT	-754,144	286,471	-1,420,981	403,964	4,905,305	3,420,616

1) Adjusted for non-recurring expenses / income

Cash Flow Statement in EUR	10/2010-6/2011	10/2009-6/2010
Profit/loss before tax	-1,536,875	1,757,247
Depreciation and amortization	1,593,257	2,233,416
Financial result	548,088	464,887
Result from associates	1,341,536	1,198,482
Gains / losses from the disposal of property, plant and equipment and intangible assets	6,418	-693
Elimination of gains from the sale of subsidiaries and other non-cash income	0	-6,658,079
Changes in non-current provisions and liabilities	-190,512	-208,781
Gross Cash flow of continuing operations	1,761,912	-1,213,521
Changes in inventories	-208,671	-23,238
Changes in trade receivables	1,236,898	-3,363,963
Changes in trade payables	838,864	1,140,197
Changes in other current assets and liabilities	469,790	259,953
Currency translation differences	-12,585	26,783
Net interest paid	-505,696	-431,046
Income taxes received / paid	-292,248	-269,353
Cash flow from operating activities of continuing operations	3,288,264	-3,874,188
Payments for acquisition of subsidiaries	0	-1,111,079
Net payments from the sale of subsidiaries	0	3,305,233
Decrease from deconsolidation of subsidiaries	0	-77,243
Investments in property, plant and equipment and other intangible assets	-996,137	-1,203,168
Sale of property, plant and equipment and other intangible assets	10,379	693
Cash flow from investing activities of continuing operations	-985,758	914,436
Increase in financial liabilities	70,860	2,032,064
Repayments of financial liabilities and bank overdrafts	-1,517,101	-156,519
Dividends paid	0	0
Capital increase	0	0
Purchase of treasury shares	0	0
Cash flow from financing activities of continuing operations	-1,446,241	1,875,545
Change in cash and cash equivalents from continuing operations	856,265	-1,084,207
Change in cash and cash equivalents from discontinued operation	-293,720	-1,039,014
Cash and cash equivalents at the beginning of the period	4,115,563	5,543,493
Change in cash and cash equivalents	562,545	-2,123,221
Cash and cash equivalents at the end of the period	4,678,108	3,420,272

Balance Sheet in EUR	30.6.2011	30.9.2010
ASSETS		
Property, plant and equipment	1,629,817	1,885,838
Goodwill	11,001,151	11,001,151
Other intangible assets	2,578,270	2,936,087
Investments in associates	9,187,212	10,528,748
Financial assets	47,680	49,291
Other receivables and assets	93,483	74,191
Deferred tax assets	1,320,817	1,345,698
Non-current assets	25,858,430	27,821,004
Inventories	412,879	204,208
Trade receivables	16,366,746	17,571,459
Other receivables and assets	2,171,614	1,339,590
Cash and cash equivalents	4,678,108	4,115,563
Current assets	23,629,347	23,230,820
Total assets	49,487,777	51,051,824
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent company		
Share capital	15,386,742	15,386,742
Reserves	10,713,526	10,746,071
Retained earnings	-7,849,649	-6,023,248
Equity	18,250,619	20,109,565
Financial liabilities	9,970,862	9,962,825
Other liabilities	143,937	141,514
Provisions for post-employment benefits	1,391,464	1,530,710
Deferred tax liabilities	116,199	120,592
Non-current liabilities	11,622,462	11,755,641
Financial liabilities	1,736,398	3,190,676
Trade payables	8,385,306	7,602,483
Other liabilities	8,306,396	6,878,531
Income tax provisions	1,017,046	1,065,006
Other provisions	169,550	449,922
Current liabilities	19,614,696	19,186,618
Total equity and liabilities	49,487,777	51,051,824

Changes in equity in EUR	Attributable to equity holders of the parent company				
	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance 1.10.2009	15,386,742	12,376,066	-290,678	-8,157,276	19,314,854
Total result for the period 10/2009-6/2010	0	0	18,761	1,687,498	1,706,259
Balance 30.6.2010	15,386,742	12,376,066	-271,917	-6,469,778	21,021,113
Transfer of reserves	0	-1,342,756	0	1,342,756	0
Result after tax	0	0	-15,322	-896,226	-911,548
Total result for the period 7-9/2010	0	-1,342,756	-15,322	446,530	-911,548
Balance 30.9.2010	15,386,742	11,033,310	-287,239	-6,023,248	20,109,565
Total result for the period 10/2010-6/2011	0	0	-32,545	-1,826,401	-1,858,946
Balance 30.6.2011	15,386,742	11,033,310	-319,784	-7,849,649	18,250,619

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, 2011 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, 2010 remain unchanged. For more information on accounting and measurement principles, we refer to the annual report and the consolidated financial statements as at September 30, 2010, which serve as the basis for this interim report.

Consolidation Range

All subsidiaries, including those companies in which BRAIN FORCE HOLDING 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 consolidation range changed as follows compared to the reporting date of September 30, 2010: Based on a notarial deed dated December 9, 2010, BRAIN FORCE HOLDING AG established the company Network Performance Channel GmbH based in Langen, Germany. The object of the company is trading with and developing IT products and providing IT services. Network Performance Channel GmbH was entered into the commercial register on January 7, 2011 and will be included in the consolidation range as a fully consolidated company.

BRAIN FORCE SOFTWARE GmbH, Vienna, and SolveDirect Service Management GmbH, Vienna, were included in the consolidation range as fully consolidated companies in the comparable prior-year period (October 1 to December 31, 2009). BRAIN FORCE SOFTWARE GmbH, Vienna, was sold based on a purchase and sale agreement dated December 16, 2009, and deconsolidated as at December 31, 2009. SolveDirect Service Management GmbH, Vienna, was deconsolidated as at January 1, 2010 following the participation of a financial investor and the resulting loss of control over the company, and is included in the consolidation range as an associated company reported at equity.

INISYS Software-Consulting Ges.m.b.H., Neulengbach, was acquired based on a purchase and transfer agreement dated February 25, 2010. The company was not included in the consolidation range during the period October 1, 2009 to February 28, 2010. The company was re-named BRAIN FORCE GmbH effective August 5, 2010.

In comparison to the first three quarters of the previous fiscal year, changes in the consolidation range reduced revenues by € 2.72 million, whereas EBITDA correspondingly declined by € 0.47 million.

Comments on the Statement of Comprehensive Income

The discontinued business operation of the Berlin office as at the end of the short fiscal year 2009 were completely terminated in the first quarter of the 2010/11 fiscal year. Due to the use of the provisions allocated for the shutdown of this site, the discontinued operation in Berlin no longer has an effect on earnings in the statement of comprehensive income. No earnings contributions of the Berlin office are expected in the future. However, the cash outflows relating to the use of the remaining provisions will be presented in the cash flow statement.

Group revenues fell by 3% from the prior-year period to € 52.25 million. Operating EBITDA (before non-recurring items) increased by 70% from the previous year, from € 1.14 to 1.95 million. The operating result (EBIT) rose from € -1.09 to +0.35 million. In the previous year, the company generated non-recurring income totaling € 6.33 million, which is related to a book gain of € 2.47 million from the sale of BRAIN FORCE SOFTWARE GmbH, Vienna and the realization of hidden reserves of € 3.86 million within the context of the initial at equity consolidation of SolveDirect Service Management GmbH, Vienna. In addition, restructuring costs of € 1.82 million arose in the prior year, which resulted in an EBITDA of € 5.65 million and an EBIT of € 3.42 million in the first nine months.

The financial result of € -0.55 million shows higher expenses by € -0.08 million compared to the prior-year level resulting from the increased financing costs. The result from associates amounted to € -1.34 million, which is related to SolveDirect Service Management GmbH. This includes the negative earnings contribution of € -0.75 million in the current fiscal year and the dilutive effect of € -0.59 million based on three further capital increases of the 3TS Cisco Growth Fund to finance the company's expansion.

The loss after tax amounted to € 1.83 million in the first nine months of the current fiscal year, following a profit after tax from continuing operations of € 1.69 million generated in the prior year due to the high non-recurring income.

Segment Information

BRAIN FORCE HOLDING AG reports according to geographic segments in accordance with the management approach contained in the stipulations of IFRS 8, "Operating Segments". Segment earnings (operating EBITDA and operating EBIT) are reported before brand licensing costs and intercompany charges. Segment information is included in this interim report directly after the consolidated income statement. The operating segment South West Europe has been renamed as Italy.

Comments on the Cash Flow Statement

Compared to the consolidated financial statements as at September 30, 2010, the reporting of cash flow was changed. Accordingly, the balance of net interest paid and net interest received as well as the item income taxes paid is no longer reported in the gross cash flow, but in the cash flow from operating activities. In contrast, the elimination of gains resulting from divestments in the past fiscal year is reported in the gross cash flow. Adjustments were correspondingly made to the prior-year presentation of the cash flow statement.

The gross cash flow from continuing operations was € 1.76 million in the first nine months of the current fiscal year, and was thus considerably higher than the prior-year level of € -1.21 million. There was a turnaround in the cash flow from operating activities in the first three quarters of 2010/11, which rose from € -3.87 to +3.29 million, corresponding to an improvement of € 7.16 million. This increase is primarily the consequence of the consistent optimization of working capital as well as the earnings improvement. A positive effect was also achieved above all due to the factoring agreement concluded by the German subsidiary. On the basis of this contract trade receivables declined by € 2.58 million at the reporting date of June 30, 2011, whereas other receivables rose by € 0.52 million. The net effect of the factoring agreement on cash and cash equivalents thus amounted to € +2.06 million.

The cash flow from investing activities amounted to € -0.99 million, compared to € +0.91 million in the prior year. Investments in property, plant and equipment and other intangible assets fell by 17% to € 1.00 million. The positive cash flow from investing activities in the prior-year period resulted from the sale of BRAIN FORCE SOFTWARE GmbH, Austria, which led to a cash inflow of € 3.31 million. In the previous year a total of € 1.11 million was invested in acquisitions. The cash flow from financing activities at € -1.45 million shows a reduction in financial liabilities, whereas financial liabilities increased by € 1.88 million in the prior year.

Comments on the Balance Sheet

The balance sheet total was € 49.49 million at the reporting date, a decline of 3% from September 30, 2010. Non-current assets made up 52% of total assets, amounting to € 25.86 million on the reporting date, down from € 27.82 million as at September 30, 2010. Property, plant and equipment and other intangible assets were reduced by € 0.61 million. Capital expenditures on property, plant and equipment and other intangible assets totaling € 0.99 million in the reporting period (of which € 0.59 million comprised product development costs) were in contrast to scheduled depreciation of € 1.59 million. The goodwill amounted unchanged to € 11.00 million. Investments in associates declined by € 1.34 to € 9.19 million. BRAIN FORCE HOLDING AG held a 68.67% shareholding in SolveDirect as at June 30, 2011 (September 30, 2010: 81.42%).

Current assets comprised 48% of total assets on the reporting date of June 30, 2011. Trade receivables decreased by about 7% from the comparable figure at September 30, 2010 to € 16.37 million or 33% of total assets. In the second quarter BRAIN FORCE Software GmbH, Munich, Germany signed a factoring agreement with a banking institution relating to the sale of trade receivables defined in the contract. At the reporting date the sold trade receivables totaled € 2.58 million, which led to a decline in receivables to the same amount. At the same time, the blocked amount (specified percentage of the sold receivables) specified in the agreement increased the item other receivables and assets by € 0.52 million. Cash and cash equivalents of the BRAIN FORCE Group rose by 14% and amounted to € 4.68 million at the reporting date.

IFRS-based equity in the BRAIN FORCE Group at June 30, 2011 was € 18.25 million, corresponding to an equity ratio of 37%. Non-current liabilities marginally fell from € 11.76 to 11.62 million.

Current liabilities rose by 2% to € 19.61 million, which is primarily related to the increase in trade payables by € 0.79 to 8.39 million as well as the rise in other liabilities by € 1.43 to 8.31 million. Financial liabilities were reduced by € 1.45 to 1.74 million. Income tax provisions were down by € 0.05 to 1.02 million, whereas other provisions for restructuring were reduced by € 0.28 to € 0.17 million. Working capital at the

reporting date was € 0.09 million, down by € 3.21 million compared to the level at September 30, 2010. Net debt on the reporting date of June 30, 2011 fell by € 2.01 to € 7.03 million compared to the level at September 30, 2010, which can be attributed to the positive free cash flow.

At the reporting date of June 30, 2011, the number of outstanding shares totaled 15,386,742, and the authorized capital amounted to € 7,693,371.

Audit Waiver for the Interim Report

This interim report as at June 30, 2011 was neither audited nor subject to an auditor's review.

Other Disclosures

In its meeting held on December 16, 2010, the Supervisory Board of BRAIN FORCE HOLDING AG resolved to extend the contracts of the Management Board members Michael Hofer and Thomas Melzer until the end of the 2011/12 fiscal year, thus until September 30, 2012. At the 13th Annual General Meeting of BRAIN FORCE HOLDING AG on March 2, 2011, it was resolved, amongst other things, to authorize the Management Board to acquire its own stock (treasury shares), to create new authorized capital and the conditional increase of share capital pursuant to § 159 (2) Stock Corporation Act and to issue financial instruments to creditors. The resolutions relating to increasing new authorized capital and the conditional increase of share capital were entered into the company register on April 21, 2011.

On June 24, 2011, the General Meeting of Shareholders of SolveDirect Service Management GmbH, Vienna, resolved to carry out a capital increase, which was entered into the commercial register on July 27, 2011. As a result, the shareholding held by BRAIN FORCE HOLDING AG was reduced from 68.67 to 67.38%.

Vienna, August 18, 2011

The Management Board



Michael Hofer



Thomas Melzer

Financial Calendar

Date	Event
August 18, 2011	Report on the first three quarters of 2010/11
December 21, 2011	Annual report 2010/11 and press conference
February 16, 2012	Report on the first quarter of 2011/12
March 1, 2012	14th Annual General Meeting
March 5, 2012	Ex-dividend day 2011/12
March 7, 2012	1st dividend payment day for 2011/12
May 15, 2012	Six months report 2011/12
August 14, 2012	Report on the first three quarters of 2011/12
December 19, 2012	Annual report 2011/12 and press conference

Information on the Company and the BRAIN FORCE Share

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