

Six Months 2009 Report

BRAIN FORCE Key Data

Earnings Data			1-6/2009	1-6/2008	Chg. in %	Ultimo 2008
Revenues	in € million	43.56	52.26	-17	106.21	
EBITDA	in € million	0.78	3.90	-80	7.79	
Operating EBITDA ¹⁾	in € million	1.85	3.90	-52	7.79	
EBIT	in € million	-1.06	1.86	>100	3.83	
Operating EBIT ¹⁾	in € million	0.02	1.86	-99	3.83	
Profit before tax	in € million	-1.38	1.44	>100	2.38	
Profit after tax	in € million	-1.60	0.86	>100	-2.10	
Earnings per share	in €	-0.10	0.06	>100	-0.14	
Adjusted earnings per share ¹⁾	in €	-0.05	0.06	>100	0.09	
Capital expenditure	in € million	1.11	1.26	-12	2.45	
Acquisitions	in € million	0	2.34	-100	2.22	
Employees ²⁾		1,051	1,131	-7	1,153	

Balance Sheet Data			30.6.2009	31.12.2008	Chg. in %
Equity	in € million	22.54	24.15	-7	
Net debt	in € million	5.50	4.89	+12	
Capital employed	in € million	27.84	28.86	-4	
Working capital ³⁾	in € million	5.26	5.62	-6	
Balance sheet total	in € million	59.53	66.31	-10	
Equity ratio	in %	38	36	-	
Gearing	in %	24	20	-	

Stock Exchange Data ⁴⁾			1-6/2009	1-12/2008	Chg. in %
Share price high	in €	2.19	2.58	-15	
Share price low	in €	1.02	1.01	+1	
Share price at end of period	in €	1.39	1.89	-26	
Shares outstanding (weighted)	1,000	15,387	15,387	0	
Market capitalization (ultimo)	in € million	21.39	29.08	-26	

Segments ⁵⁾ 1-6/2009 in € million	Germany		Central East Europe		South West Europe		North Europe		Holding and Other	
Revenues	20.27	(-16%)	6.22	(-19%)	12.47	(-15%)	4.60	(-22%)	0	-
Operating EBITDA ¹⁾	1.26	(-50%)	0.23	(-67%)	0.88	(-40%)	0.58	(-40%)	-1.11	(+37%)
Operating EBIT ¹⁾	0.78	(-54%)	-0.29	(>100)	0.49	(-58%)	0.19	(-70%)	-1.14	(+36%)
Capital expenditure	0.47	(+15%)	0.07	(+47%)	0.30	(-37%)	0.23	(-20%)	0.03	(+5%)
Employees ²⁾	444	(0%)	153	(-12%)	362	(-11%)	82	(-12%)	10	(0%)

Revenues by Segments



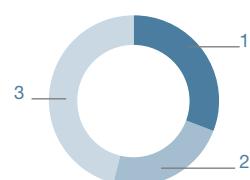
1 Germany 46%

2 Central East Europe 14%

3 South West Europe 29%

4 North Europe 11%

Revenues by Business Areas

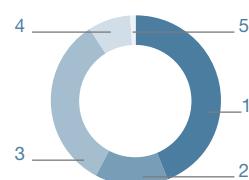


1 Professional Services 31%

2 Business Solutions 23%

3 Infrastructure Optimization 46%

Employees by Segments



1 Germany 44%

2 Central East Europe 14%

3 South West Europe 33%

4 North Europe 8%

5 Holding and Other 1%

1) Adjusted for non-recurring restructuring costs

2) Average number of employees during the period

3) Current assets excl. cash minus current liabilities excl. financial liabilities and minus current provisions for earn-out payments

4) Vienna Stock Exchange

5) Due to the first-time adoption of IFRS 8 the segment earnings (EBITDA and EBIT) are reported before brand licensing costs and intercompany charges; the 2008 figures were adjusted correspondingly

Chief Executive's Review



Günter Pridt, CEO of
BRAIN FORCE HOLDING AG

Dear shareholders,

As expected, the difficult business environment negatively impacted the earnings situation of BRAIN FORCE in the second quarter of 2009. In the first quarter of the year, we were able to rely upon a high order intake placed as at December 31, 2008. In the meantime, our customers have become more reluctant to initiate new IT investments in the current year, or have postponed contracts which were already concluded. Although we carried out measures at an early stage to optimize the Group's cost structure, second-quarter earnings and thus those for the first half of 2009 declined significantly. In particular, weaker license sales and increasing price pressure have taken their toll on our earnings situation.

Difficult economic environment
negatively affects earnings

In the second quarter of 2009, Group revenues were down 21% to € 21.27 million. Operating EBITDA fell by 71% to € 0.65 million in the period April to June 2009, whereas operating EBIT deteriorated to € -0.24 million, compared to € +1.25 million in the previous year. Accordingly, total revenues contracted by 17% to € 43.56 million during the first six months of the year. Adjusted for BRAIN FORCE Hamburg GmbH, sold in September 2008, the organic decline was 14%. The demand-related revenue decline of € 8.71 million could be partially compensated by tough cost savings and restructuring measures. Operating EBITDA was down 52% or € 2.04 to 1.85 million, and operating EBIT fell from € 1.86 to 0.02 million. A total of € 1.08 million in non-recurring restructuring costs which are not included in the above-mentioned earnings figures arose in the first six months of 2009 for the dismissal of employees. After restructuring, Group EBITDA amounted to € 0.78 million in the first half of 2009, whereas EBIT totaled € -1.06 million.

Consistent implementation of
cost reduction and restructuring
measures

In Germany, the Professional Services area was characterized by price pressure and a lower number of IT specialists deployed on customer projects, but still managed fairly well. In the Business Solutions area, our team took advantage of weaker demand to further develop FINAS Suite, which together with the decline in licensing proceeds led to a lower margin. The office in Berlin once again posted a negative operating result. In addition, business operations in Germany no longer benefited from the revenue and earnings contribution of BRAIN FORCE Hamburg GmbH, which was sold effective September 30, 2008, generating an EBIT of € 0.46 million in the first half of the previous year. In contrast, our office in Frankfurt developed positively, operating at full capacity and succeeding once again to increase its operating result within the context of a roll-out project for a globally operating airline. All in all, operating EBIT in Germany was down 54% (-38% excluding BRAIN FORCE Hamburg) in the first six months of the year, to € 0.78 million, which I primarily attribute to the extraordinarily difficult economic situation and the resulting price pressure in the service business.

Declining demand and price
pressure in Germany

In the period January to June 2009, the South West Europe region was faced with a considerable drop in demand for ERP and CRM licenses as well as lower IT infrastructure investments. In addition, our service business suffered and thus the operating EBIT of this segment fell by 58% from the previous year to € 0.49 million. As a consequence, a tough restructuring program was carried out leading to the dismissal of 48 employees, or 16% of the staff in Italy. Approximately 75% of the Group's restructuring costs are accrued for this and reported in the second quarter.

Tough restructuring program and
job cuts in Italy

Improved second quarter license sales by SolveDirect

In the Central East Europe segment, the BRAIN FORCE subsidiary in the Czech Republic posted a positive operating result. In contrast, the company's operations in Austria reported a revenue-related drop in earnings and a negative EBIT. This development can be primarily attributed to lower license sales in the Infrastructure Optimization area (SolveDirect), although the situation improved somewhat in the second quarter. In the light of declining earnings, BRAIN FORCE Austria also determinedly pursued its cost optimization efforts. Nevertheless, operating EBIT in Central East Europe was down to € -0.29 million during the period under review, from € +0.17 million in the previous year.

Potential success based on Windows 7 roll-out in North Europe

In the North Europe region, our subsidiary in the Netherlands generated a positive operating EBIT of € 0.19 million despite a 22% revenue decline. As a consequence of the business contraction, the company stopped deploying most of its free-lance employees and intensified its cooperation with Microsoft within the context of the Windows 7 roll-out, which I hope will achieve initial successes in the fourth quarter of the 2009 calendar year.

First positive effects from projects to optimize working capital and interest expenses

In expectation of a difficult market environment, we initiated measures at an early stage to guide the company relatively unscathed through the recessionary year 2009. This includes a series of consistently implemented measures to cut operating costs, the transfer of the corporate headquarters in Austria to a much more favorably priced location, tough restructuring measures in Italy and short-time working in Germany. On a Group-wide basis, we had to dismiss 109 employees, or about 10% of the total staff during the first six months. The Management Board of the BRAIN FORCE Group and the managing directors of the national subsidiaries have voluntarily accepted an approximately 10 to 15% cut in their fixed remuneration in order to send a clear signal in respect to the necessity of reducing the cost basis. We also succeeded in reducing costs in the holding company by € 0.65 million during the period under review. At the same time, we created a Group-wide cash pooling system for purposes of internal liquidity equalization to significantly reduce interest expenses, and also implemented a project designed to optimize working capital within the BRAIN FORCE Group. The positive impact of these measures is reflected in the cash flow from operating activities, which amounted to € 1.42 million in the second quarter and € 0.45 million for the first half of 2009 as a whole despite the negative earnings.

Negative operating EBIT in the short financial year

Nevertheless, we have not been able to fully compensate for the revenue decline on the basis of the measures taken. Accordingly, BRAIN FORCE will report a negative operating EBIT in the short financial year ending September 30, 2009. In addition to the restructuring costs of € 1.08 million to date, an additional € 1.40 million may be required in the third quarter, corresponding to the total potential restructuring costs mentioned in the report on the first quarter. Depending on upcoming decisions, the financial statements for the BRAIN FORCE Group as at September 30, 2009 will report an EBIT including restructuring costs of approximately € -4.0 million. It is important to note that the missing fourth quarter usually makes a significant earnings contribution for the entire year. One positive development is an unexpected cash inflow in July amounting to about € 0.36 million (USD 0.50 million) from the sale of our shareholding in KEMP in the USA and the cancellation of the convertible bond. This will result in a book gain to the same amount, which will be included in the financial result for the third quarter.

BRAIN FORCE has a solid balance sheet structure and secure financing

I confidently look ahead to the future thanks to the measures which have been initiated and implemented, due to the fact that the management and employees of the BRAIN FORCE Group are working together and efficiently to pursue our business strategy. Nevertheless, we will have to continue adjusting to a difficult price level, even if demand does improve slightly in the months ahead. Nevertheless, BRAIN FORCE has a solid balance sheet structure and no foreseeable financing shortfalls at the present time. We will continue to pull out all the stops to optimally deploy the IT resources of our customers based on our tailor-made solutions, and thus position the Group to generate growth again after the end of the economic crisis.

Yours,



Financial Review

First Six Months Earnings

In the first six months of the financial year 2009, the BRAIN FORCE Group generated revenues of € 43.56 million, down 17% from the previous year. Adjusted for BRAIN FORCE Hamburg GmbH, sold as at September 30, 2008, the organic revenue decline was 14%. All segments posted a drop in revenues, which can be attributed to the difficult business environment. Revenues in Germany fell 16% to € 20.27 million, whereas revenues in the South West Europe region decreased by 15% to € 12.47 million. The weakening of customer demand had a more drastic impact on the Central East Europe region, where revenues contracted by 19% to € 6.22 million, and the North Europe region, down 22% to € 4.60 million.

The demand-related revenue decline of € 8.71 million could be partially cushioned by tough cost savings and restructuring measures. Operating EBITDA was down 52% or € 2.04 to 1.85 million, and operating EBIT fell from € 1.86 to 0.02 million. A total of € 1.08 million in non-recurring restructuring costs which are not included in the above-mentioned earnings figures arose in the first six months of 2009 for the dismissal of employees. After restructuring, Group EBITDA amounted to € 0.78 million in the first half of 2009 (previous year: € 3.90 million including the € 0.48 million earnings contribution of the subsidiary in Hamburg), whereas EBIT totaled € -1.06 million (previous year: € +1.86 million).

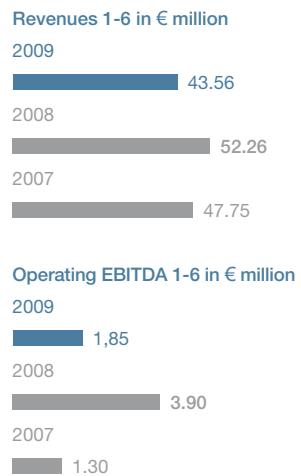
In Germany, BRAIN FORCE generated an operating EBITDA of € 1.26 million in the first half of 2009, down 50% in a year-on-year comparison, and an operating EBIT of € 0.78 million. In the South West Europe segment, operating EBITDA was € 0.88 million and operating EBIT € 0.49 million. The Central East Europe segment achieved an operating EBITDA of € 0.23 million, a decline of 67% from the previous year, and a negative operating EBIT of € -0.29 million, which is related to the high PPA amortization at SolveDirect. The North Europe segment generated an operating EBITDA of € 0.58 million (-40%), and an operating EBIT of € 0.19 million. As a consequence of intensive cost cuts, the EBIT of the Holding and Other segment improved from € -1.79 to -1.14 million.

The financial result of the BRAIN FORCE Group improved by 23% during the period under review to € -0.33 million (previous year: € -0.43 million), due to the optimization of inter-company financing, the reduction of working capital and the related decrease in net debt. Accordingly, the profit after tax in the first half of 2009 amounted to € -1.60 million, compared to € +0.86 million in the first six months of 2008. This corresponds to earnings per share of € -0.10 (previous year: € +0.06). Earnings per share adjusted for restructuring costs amounted to € -0.05 per share, down from € +0.06 in the previous year.

Second-Quarter Earnings

Group revenues fell 21% to € 21.27 million in the second quarter of the financial year 2009. All regions posted a similar revenue decrease of about 21%. Revenues in Germany were down from € 12.31 to 9.73 million, and the South West Europe segment achieved revenues of € 5.98 million compared to € 7.61 million in the previous year. The Central East Europe and North Europe regions generated revenues of € 3.20 million (previous year: € 4.06 million) and € 2.36 million (previous year: € 2.95 million) respectively, lower than in the second quarter of 2008.

The operating EBITDA of the BRAIN FORCE Group fell from € 2.28 to 0.65 million in the second quarter of 2009. Non-recurring restructuring charges of € 0.93 million are not included in this figure. Group EBITDA including restructuring fell from € 2.28 million in the previous year to € -0.27 million during the period under review. The operating EBITDA was € 0.43 million in Germany (previous year: € 1.51 million) and € 0.20 million in the South West Europe region (previous year: € 0.75 million). Second-quarter operating EBITDA in the Central East Europe region totaled € 0.29 million (previous year: € 0.45 million) and amounted to € 0.36 million in North Europe (previous year: € 0.49 million).



Economic crisis leads to lower operating result in all segments

Negative profit after tax in the first half-year due to revenue decline and restructuring

Weaker demand and price pressure resulted in a second-quarter revenue decline

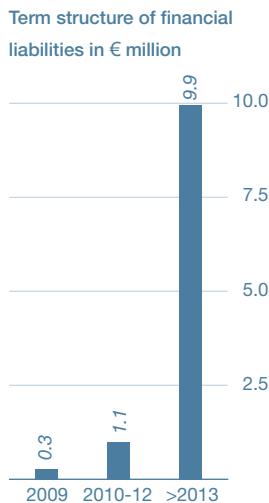
All national subsidiaries generated a positive operating EBITDA in the second quarter

Cash Flow

Positive cash flow from operating activities in the first half-year based on the optimization of working capital

Despite the revenue decrease and the negative profit after tax, the gross cash flow in the first half of 2009 remained positive, at € 0.41 million (previous year: € 2.41 million). The cash flow from operating activities fell slightly from € 0.48 to 0.45 million. Thus a considerably positive effect could be achieved in the current financial year from the reduction of working capital, whereas working capital rose by about € 1.9 million in the first half of 2008. On the one hand, the cash outflow relating to the reduction of trade payables was significantly overcompensated by the cash inflow resulting from the decline in trade receivables. The lower level of trade payables was the consequence of a reduction in the number of subcontractors and the overall decline in trade receivables resulted from lower revenues and efforts made to optimize working capital. On the other hand, other current liabilities decreased significantly, which can be attributed to the lower sales tax payable arising as a result from the revenue decline, as well as bonus payments for the record operating result achieved in 2008.

Equity in € million
30.6.2009 22.54
31.12.2008 24.15
Net debt in € million
30.6.2009 5.50
31.12.2008 4.89



The cash flow from investing activities amounted to € -2.08 million in the period under review (previous year: € -4.04 million), of which € -1.11 million relate to capital expenditure and € -1.02 million for investments in available-for-sale securities. The cash flow from financing activities totaled € -2.37 million (previous year: € -0.77 million), reflecting the successful reduction of current financial liabilities by means of cash pooling. Of the non-current financial liabilities amounting to € 11.03 million, a total of € 1.08 million is due for payment between 2010 and 2012, with € 9.95 million first maturing in the year 2014. Cash and cash equivalents were € 4.80 million as at June 30, 2009. BRAIN FORCE has a total of € 5.83 million in liquid assets at its disposal, including the current available-for-sale securities.

Financial Position

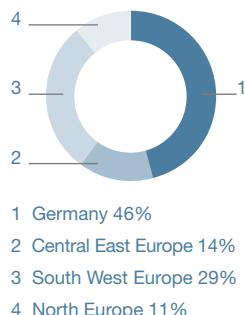
The balance sheet total of the BRAIN FORCE Group was € 59.35 million as at June 30, 2009, and equity amounted to € 22.54 million. Accordingly, the equity ratio improved to 38% compared to 36% at the end of 2008, which can be attributed to the further reduction of the balance sheet total. Net debt as at June 30, 2009 was € 5.50 million, up from € 4.89 million as at December 31, 2008. This increase is related to capital expenditures of € 1.11 million in property, plant and equipment and intangible assets in the light of a positive cash flow from operating activities of € 0.45 million. In the second quarter of 2009, net debt could be reduced by € 0.95 million, primarily due to the optimization of working capital. Gearing (net debt to equity) in the BRAIN FORCE Group amounted to a solid 24% as at June 30, 2009, and the ratio of net debt to operating EBITDA was 1.0x as calculated over the last 12 months.

Development of Segments

The business activities of BRAIN FORCE are subdivided into the following segments:

- ▶ Germany
- ▶ Central East Europe with Austria, the Czech Republic and Slovakia
- ▶ South West Europe with Italy and Switzerland
- ▶ North Europe with the Netherlands

Revenues by Segments



Revenues by Business Areas



BRAIN FORCE HOLDING AG reports according to geographic segments in accordance with the management approach stipulated in IFRS 8, "Operating Segments". The segment earnings (EBITDA and EBIT) have been reported before brand licensing costs and intercompany charges since 2009. These costs were still included in the previous year's segment reporting. The 2008 figures were adjusted correspondingly in the current reporting.

Germany

In the first half of 2009, revenues in Germany declined by 16% to € 20.27 million, representing 46% of Group revenues. Operating EBITDA before intercompany charges was down 50% to € 1.26 million, and the operating EBIT fell by 54% to € 0.78 million. One-off restructuring costs of € 0.16 million for termination benefits paid to dismissed employees are not included in the operating results.

The Professional Service area continues to suffer from the difficulties in generating new business and an increased margin pressure on the part of customers. Nevertheless, additional IT consultants were placed with a customer in the cellphone industry, and two larger contracts were won to serve a telematics providers. In the Business Solutions area, new orders were placed by a customer in the insurance sector to adjust and upgrade the implemented pension benefit solution Vorsorgeoptimierung (optimization of pension planning). Furthermore, an extensive contract was signed with a large Austrian bank for the servicing and maintenance of the consultant software FINAS Suite.

Difficult acquisition of new business but loyal existing customers in Germany

The marketing launch of the Infrastructure Optimization segment and in particular the packaging software Packaging Robot has proceeded promisingly up until now. Following small consulting projects in the first quarter, two companies decided in the second quarter to purchase licenses and maintenance support services as a means of automatically bundling their software applications. The business unit BRAIN FORCE Channel, specializing in marketing hardware produced by various technology providers, sold numerous products manufactured by its partner NetOptics in the second quarter of 2009.

Successful launch of the Infrastructure Optimization area

Central East Europe

The Central East Europe segment achieved revenues of € 6.22 million during the period under review, a decline of 19% from the previous year, and equaling a 14% share of Group revenues. Operating EBITDA amounted to € 0.23 million, down 67% from 2008, whereas operating EBIT deteriorated to € -0.29 million, compared to € +0.17 million in the first half of the preceding year. Restructuring costs of € 0.09 million were recognized in Austria in the first half-year of 2009.

New contracts and license sales by SolveDirect in the second quarter and win of a major customer in the US

In the Professional Services area, several BRAIN FORCE employees were once again deployed to carry out an IT infrastructure project for a technology company. The team is responsible for infrastructure maintenance, management of small servers and further support services for the company's operating system, networks and applications. Following a weak first quarter, the SolveDirect division succeeded in generating new orders and license sales. Accordingly, the service management software SD.cube was installed on behalf of an international IT company. Several SD.bridges were implemented for a leading multinational producer of network structures in the USA, and related services were sold. Moreover, a large media group selected the service management solution Service Desk SD². A large order was placed by a financial service provider in the Czech Republic to migrate the latest version of the Microsoft SQL data base.

South West Europe

In the period January to June 2009, revenues in the South West Europe region fell by 15% from the previous year to € 12.47 million, accounting for 29% of Group revenues. Operating EBITDA was down 40% to € 0.88 million, and the operating EBIT totaled € 0.49 million, a drop of 58% from the first half of 2008. Results in the region were additionally negatively affected by restructuring costs of € 0.83 million for severance payments to employees in Italy.

Customer restraint in IT investments, particularly in Italy

Additional Microsoft Dynamics AX licenses could be sold in Italy during the first half of 2009. For example, an industrial company, a consulting firm and a prominent financial service provider all decided to rely on the professional competence of BRAIN FORCE and comprehensive service support. However, the marketing of CRM and ERP licenses remains difficult due to the ongoing extreme reluctance on the part of customers to initiate new IT investments. Orders were placed by two companies in the health care sector and two banking customers in the Infrastructure Optimization area for services ranging from optimizing the applied hardware and software to the virtualization of the entire infrastructure architecture at the firms.

Installation of Windows 7 for an international customer in the Netherlands

Strict cost reduction measures lead to considerable earnings improvement at the holding

Order intake reflects the prevailing business environment

North Europe

The North Europe region generated revenues of € 4.59 million in the first two quarters of 2009, down 22% from the previous year, and accounts for 11% of Group revenues. EBITDA amounted to € 0.58 million (previous year: € 0.97 million), and EBIT was € 0.19 million (previous year: € 0.62 million).

The business model of BRAIN FORCE Netherlands strongly focuses on attracting new customers, who are very restrained in respect to IT investments at the present time. Nevertheless, Bugaboo contracted an important migration project and the installation of the new Microsoft operating system Windows 7. In this manner, BRAIN FORCE Netherlands is able to demonstrate its competence as a major Microsoft partner, also making its comprehensive know-how available in Germany, Italy and Austria in cooperation with the local companies. Furthermore, larger orders were placed by an energy company as well as a company in the health care sector to virtualize the entire server and software landscape.

Holding and Other

In the first half of 2009, the Holding and Other segment significantly improved its EBITDA from € -1.76 to -1.11 million, and its EBIT from € -1.79 to -1.14 million. This positive development is based on strict cost reduction measures carried out in the holding company, and the relocation of corporate headquarters to a new office building with considerably lower rental costs.

Order Intake

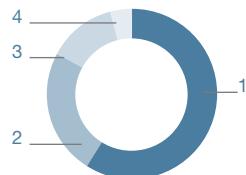
As at June 30, 2009, the order volume at the Group amounted to € 26.00 million, down 13% from the previous year's level of € 29.99 million. In comparison to the situation at December 31, 2008, the order volume fell by 20% as expected, reflecting the difficult business environment.

As at June 30, 2009, the order volumes are attributable to the segments as follows:

- ▶ Germany accounts for orders of € 15.27 million (June 30, 2008: € 16.90 million)
- ▶ Central East Europe accounts for an order volume of € 6.29 million (June 30, 2008: € 7.48 million)
- ▶ South West Europe has orders on hand totaling € 3.33 million (June 30, 2008: € 4.15 million)
- ▶ North Europe has an order intake of € 1.11 million (June 30, 2008: € 1.46 million)

Order Intake by Segments

30.6.2009



1 Germany 59%

2 Central East Europe 24%

3 South West Europe 13%

4 North Europe 4%

30.6.2008



1 Germany 56%

2 Central East Europe 25%

3 South West Europe 14%

4 North Europe 5%

Research and Development

Online capability established for BRAIN FORCE Financial Analysis Center

BRAIN FORCE has tailored its research and development activities to current market conditions. In Germany, the company continued the upgrading of the modules Finanzanalyse Center (Financial Analysis Center), Risikoabsicherung (Risk Management) and Gesundheitsvorsorge (Health Care) on an HTML basis which was initiated in the first quarter, and completed the process in the course of the second quarter. In addition, a solution focusing on pension benefits for civil service employees was developed and implemented for a customer in the insurance sector.

In the Netherlands, BRAIN FORCE created new release standards for the Process Manager and the product System Setup. They ensure improved performance as well as an optimized interface design. In the second quarter of 2009, the SolveDirect division launched an updated version of SD Release 5.1 in Austria. In addition to providing a clearer presentation of service costs and working hours, the upgraded version boasts a more effective processing of inbound messages via SD.bridge as well as speedier and more efficient processes based on improved user navigation.

New SolveDirect release launched on the market

Human Resources

The total number of people working for the BRAIN FORCE Group as at June 20, 2009 amounted to 750 salaried employees, a decline of 10% compared to the previous year. In addition, BRAIN FORCE employed 270 people on a freelance basis for various customer projects, a figure which is 15% lower than in 2008. On balance, the BRAIN FORCE Group employed 1,020 people as at June 30, 2009, a drop of 11% from the comparable level of 2008.

Revenue decline leads to 11% cut in staff

The decisive reason for the reduction in the number of employees is the ongoing economic crisis and the accompanying drop in revenue. Accordingly, due to the unfavorable economic situation, the BRAIN FORCE staff in Italy was cut by 16% compared to staff numbers as at June 30, 2008, following intensive negotiations with the local trade union. The number of employees also had to be trimmed by 16% in Austria, where the SolveDirect division and the Professional Services area were confronted with difficult market conditions. In the Netherlands, the decrease in staff as at the balance sheet date was primarily the result of contracts which were not extended with free-lance employees. In Germany, the number of employees decreased by comparative slight 4%. Nevertheless, the difficult market environment also took its toll in this region, forcing BRAIN FORCE to put employees in some individual business units on short-time working towards the middle of the year.

BRAIN FORCE Italy had to reduce staff by 16%

The breakdown of staff (salaried and free-lance) by region as at June 30, 2009 is as follows:

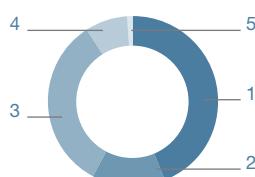
- ▶ Germany: 448 (previous year: 469 / Change: -4%)
- ▶ Central East Europe: 146 (previous year: 173 / Change: -16%)
- ▶ South West Europe: 336 (previous year: 402 / Change: -16%)
- ▶ North Europe: 80 (previous year: 97 / Change: -18%)
- ▶ Holding and Other: 10 (previous year: 10 / Change: +0%)

On average, the staff of BRAIN FORCE was comprised of 779 salaried employees in the first half of 2009 (previous year: 840) and 272 people on a free-lance basis (previous year: 291). On balance, the average number of employees in the BRAIN FORCE Group declined by 7% to 1,051 people in the first six months of 2009 (previous year: 1,131).

Average of 1,051 people in the Group in the first half-year

Employees by segments

30.6.2009



1 Germany 44%

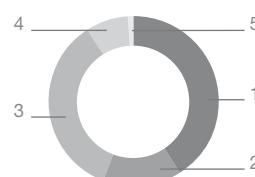
2 Central East Europe 14%

3 South West Europe 33%

4 North Europe 8%

5 Holding and Other 1%

30.6.2008



1 Germany 41%

2 Central East Europe 15%

3 South West Europe 35%

4 North Europe 8%

5 Holding and Other 1%

Quarterly report (IFRS) of the BRAIN FORCE Group

Income Statement in EUR	4-6/2009	4-6/2008	1-6/2009	1-6/2008
Revenues	21,268,200	26,929,155	43,557,905	52,263,460
Cost of sales	-16,540,936	-19,812,198	-33,936,752	-38,673,987
Gross profit	4,727,264	7,116,957	9,621,153	13,589,473
Selling expenses	-2,561,498	-3,128,806	-4,987,202	-5,950,012
Administrative expenses	-2,240,924	-2,812,120	-4,625,101	-5,657,615
Other operating expenses	-222,806	-77,450	-381,961	-364,385
Other operating income	59,405	155,526	393,804	245,741
Operating profit before restructuring costs (Operating EBIT)	-238,559	1,254,107	20,693	1,863,202
Restructuring costs	-925,656	0	-1,076,622	0
Operating profit after restructuring costs (EBIT)	-1,164,215	1,254,107	-1,055,929	1,863,202
Financial income	10,826	18,731	68,191	166,444
Financial expenses	-189,406	-274,019	-395,728	-593,495
Financial result	-178,580	-255,288	-327,537	-427,051
Profit before tax	-1,342,795	998,819	-1,383,466	1,436,151
Income taxes	74,747	-302,412	-213,217	-580,615
Profit after tax	-1,268,048	696,407	-1,596,683	855,536
Result for the period attributable to equity holders of the parent company	-1,268,048	696,407	-1,596,683	855,536
Earnings per share	-0.08	0.05	-0.10	0.06
Adjusted earnings per share	-0.04	0.05	-0.05	0.06

Statement of Comprehensive Income in EUR	4-6/2009	4-6/2008	1-6/2009	1-6/2008
Profit after tax	-1,268,048	696,407	-1,596,683	855,536
Fair value adjustments of securities	1,300	-2,752	2,791	-691
Currency translation differences	18,944	-11,032	-13,633	-5,010
Total comprehensive income	-1,247,804	682,623	-1,607,525	849,835

Segment Reporting 1-6/2009 in EUR	Germany	Central East Europe	South West Europe	North Europe	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	20,274,537	6,223,935	12,470,286	4,589,147	0	43,557,905
Operating EBITDA ¹⁾	1,263,753	232,860	884,292	578,031	-1,106,432	1,852,504
Depreciation and amortization	-482,682	-523,588	-397,896	-390,290	-37,355	-1,831,811
Operating EBIT ¹⁾	781,071	-290,728	486,396	187,741	-1,143,787	20,693
Restructuring costs	-160,057	-86,571	-829,994	0	0	-1,076,622
Capital expenditure	471,904	73,846	304,613	232,884	26,264	1,109,511
Segment assets	16,819,813	15,989,256	17,846,069	8,342,955	353,779	59,351,872
Segment liabilities	6,229,120	3,782,236	10,583,854	1,473,594	14,741,475	36,810,279

Segment Reporting 1-6/2008 in EUR	Germany	Central East Europe	South West Europe	North Europe	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	24,076,043	7,727,558	14,598,953	5,860,906	0	52,263,460
Operating EBITDA ¹⁾	2,519,116	699,915	1,464,185	969,982	-1,755,904	3,897,294
Depreciation and amortization	-806,997	-525,171	-319,379	-346,648	-35,897	-2,034,092
Operating EBIT ¹⁾	1,712,119	174,744	1,144,806	623,334	-1,791,801	1,863,202
Restructuring costs	0	0	0	0	0	0
Capital expenditure	411,314	50,163	483,859	292,910	25,099	1,263,345
Segment assets	20,099,411	18,581,451	20,506,177	9,249,725	3,593,351	72,030,115
Segment liabilities	7,965,176	4,251,551	14,534,248	1,872,977	16,290,906	44,914,858

1) before restructuring costs

Balance Sheet in EUR		30.6.2009	31.12.2008
ASSETS			
Property, plant and equipment		2,281,014	2,493,383
Goodwill		14,516,571	14,516,571
Other intangible assets		10,784,562	11,328,281
Investments in associates		11,466	11,466
Financial assets		185,919	183,128
Other receivables and assets		102,338	101,712
Deferred tax assets		12,554	50,723
Non-current assets		27,894,424	28,685,264
Inventories		304,722	185,787
Trade receivables		23,631,918	26,898,432
Other receivables and assets		1,696,656	1,741,880
Financial assets		1,030,191	0
Cash and cash equivalents		4,795,282	8,799,244
Current assets		31,458,769	37,625,343
Total assets		59,353,193	66,310,607
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital		15,386,742	15,386,742
Reserves		15,234,257	15,245,099
Retained earnings		-8,079,406	-6,482,723
Equity		22,541,593	24,149,118
Financial liabilities		11,031,521	10,975,548
Other liabilities		138,925	144,891
Provisions for post-employment benefits		2,119,276	2,271,221
Deferred tax liabilities		2,606,363	2,613,772
Non-current liabilities		15,896,085	16,005,432
Financial liabilities		289,000	2,713,156
Trade payables		7,595,856	8,340,473
Other liabilities		11,042,557	13,105,463
Income tax provisions		1,013,095	824,561
Other provisions		975,007	1,172,404
Current liabilities		20,915,515	26,156,057
Total equity and liabilities		59,353,193	66,310,607

Changes in Equity Statement in EUR	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance on 1.1.2009	15,386,742	15,536,020	-290,921	-6,482,723	24,149,118
Fair value adjustments of securities	0	0	2,791	0	2,791
Currency translation differences	0	0	-13,633	0	-13,633
Profit after tax	0	0	0	-1,596,683	-1,596,683
Balance on 30.6.2009	15,386,742	15,536,020	-301,763	-8,079,406	22,541,593

Cash Flow Statement in EUR	1-6/2009	1-6/2008
Profit before tax	-1,383,466	1,436,151
Depreciation and amortization	1,831,811	2,034,092
Financial result	327,537	427,051
Gains/losses from the disposal of property, plant and equipment and intangible assets	-12,680	3,023
Changes in non-current provisions and liabilities	-157,911	-173,741
Net interest paid	-201,951	-348,072
Income taxes paid	4,034	-968,727
Gross cash flow	407,374	2,409,777
Changes in inventories	-118,935	-104,186
Changes in trade receivables	3,266,514	-2,159,340
Changes in trade payables	-744,617	-685,526
Changes in other current assets and liabilities	-2,342,809	1,048,016
Currency translation differences	-18,460	-29,473
Cash flow from operating activities	449,067	479,268
Acquisition of subsidiaries	0	-2,341,599
Investments in property, plant and equipment and other intangible assets	-1,109,511	-1,263,345
Sale of property, plant and equipment and other intangible assets	42,579	13,166
Investments in financial assets (securities)	-1,017,914	-446,795
Cash flow from investing activities	-2,084,846	-4,038,573
Increase in financial liabilities	161,616	1,005,356
Repayment of financial liabilities	-2,529,799	-1,779,871
Dividends paid	0	0
Capital increase	0	0
Purchase of treasury stock	0	0
Cash flow from financing activities	-2,368,183	-774,515
Change in cash and cash equivalents	-4,003,962	-4,333,820
Cash and cash equivalents at the beginning of the period	8,799,244	9,440,943
Change in cash and cash equivalents	-4,003,962	-4,333,820
Cash and cash equivalents at the end of the period	4,795,282	5,107,123

Notes to the Quarterly Report

Accounting and Measurement Principles

The Six Months 2009 Report as at June 30, 2009 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 as at December 31, 2008 remain unchanged. The structuring of the balance sheet, income statement and cash flow statement correspond to that in the consolidated financial statements for the 2008 financial year. The presentation of the statement of changes in equity applies to the period January 1, 2009 to June 30, 2009. IFRS 8 "Operating Segments" was applied for the first time as of the beginning of the 2009 financial year.

For more information on accounting and measurement principles, we refer to the annual report and the consolidated financial statements as at December 31, 2008.

Consolidation Range

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 consolidation range remains unchanged since the balance sheet date as at December 31, 2008. BRAIN FORCE Hamburg GmbH, Munich, Germany was still included in consolidation in the comparable period of January 1, 2008 to June 30, 2008. The contribution of BRAIN FORCE Hamburg to Group revenues amounted to € 1.56 million, generating an EBITDA of € 0.48 million. The shares in BRAIN FORCE Hamburg GmbH were sold at the closing date of the transaction effective September 30, 2008.

Comments on the Income Statement

Group revenues fell by 17% from the comparable period of the previous year to € 43.56 million. Adjusted for BRAIN FORCE Hamburg GmbH, the organic revenue decline was 14%. Earnings figures for the period under review are impacted by restructuring costs of € 1.08 million. The operating result (without non-recurring restructuring costs) before depreciation (EBITDA) for the first half of 2009 was down 52%, from € 3.90 to 1.85 million. The operating result (EBIT) for the first six months totaled € 0.02 million (previous year: € 1.86 million). EBITDA including restructuring costs was € 0.78 million (previous year: € 3.90 million), and EBIT amounted to € -1.06 million (previous year: € 1.86 million).

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 (EBITDA and EBIT) are reported before brand licensing costs and intercompany charges. These costs were still included in the previous year's segment reporting. The 2008 figures were adjusted correspondingly in the current reporting. Segment information is included in this interim report directly after the consolidated income statement.

Comments on the Cash Flow Statement

Gross cash flow reflected the overall business development of the BRAIN FORCE Group. At € 0.41 million, it was significantly below the previous year's level of € 2.41 million. In contrast, the cash flow from operating activities was only down by 6%, and totaled € 0.45 million in the period under review. The positive cash flow from operating activities is primarily related to the reduction of trade receivables. The cash flow from investing activities amounted to € -2.08 million, of which € -1.11 million involved capital expenditure for property, plant and equipment and other intangible assets, and € -1.02 million for investments in available-for-sale securities. The cash flow from financing activities totaled € -2.37 million, mainly reflecting the reduction of current liabilities.

Comments on the Balance Sheet

Non-current assets made up 47% of total assets, amounting to € 27.89 million as of June 30, 2009. Capital expenditure in property, plant and equipment and other intangible assets totaled € 1.11 million in the reporting period, of which € 0.84 million comprised product development costs (own work capitalized).

Current assets comprised 53% of total assets on the reporting date of June 30, 2009. Compared to the last balance sheet date of December 31, 2008, trade receivables were down 12% to € 23.63 million and comprised 40% of total assets. Working capital was € 5.26 million on the reporting date, a decrease of € 0.36 million. In contrast to the reporting for the consolidated financial statements as of December 31, 2008, working capital as of 2009 does not include current provisions for earn-out payments. The previous year's figure has been adapted correspondingly.

On the reporting date of June 30, 2009, cash and cash equivalents totaled € 4.80 million. Including financial assets, the available liquid funds reached a level of € 5.83 million. Net debt increased by € 0.61 million from December 31, 2008 to € 5.50 million. IFRS-based equity in the BRAIN FORCE Group was € 22.54 million, corresponding to an equity ratio of 38%.

As of June 30, 2009, the number of outstanding shares was 15,386,742. Authorized capital amounted to € 7,693,371.

Other Information

The 11th Annual General Meeting of the shareholders of BRAIN FORCE HOLDING AG took place on May 14, 2009. Among the items on the agenda were the authorization granted to the Management Board to acquire treasury stock, and the change of the financial year, which in the future will begin on October 1st and end on the following September 30th. The current financial year began on January 1, 2009 and will thus end on September 30, 2009.

On July 3, 2009, BRAIN FORCE HOLDING AG announced that it had sold back its 30% stake in KEMP Technologies Inc., USA, to the company for USD 500,000. At the same time, the convertible bond issued by KEMP to which BRAIN FORCE subscribed has been cancelled. Accordingly, BRAIN FORCE will realize a book gain of about € 0.36 million in the third quarter of 2009 from the disposal of its stake in KEMP. No significant business transactions were concluded with related companies or individuals during the period under review.

Statement of the Management Board pursuant to § 87 (1) Stock Exchange Act

The Management Board of BRAIN FORCE HOLDING AG certifies, to the best of its knowledge, that the unaudited and not reviewed consolidated interim financial statements as at June 30, 2009, have been prepared in accordance with the International Financial Reporting Standards (IFRS), and give a true and fair view of the assets, liabilities, financial position and profit or loss of the BRAIN FORCE Group as at June 30, 2009. Furthermore, the Management Board of BRAIN FORCE HOLDING AG certifies, to the best of its knowledge, that the six months report presents the important events taking place in the first six months of the financial year and its effects on the condensed consolidated financial statements, together with a description of the principal risks and uncertainties to which BRAIN FORCE is exposed from today's point of view for the remaining months of the financial year, in such a manner that it gives a true and fair view of the assets, liabilities, financial position and profit or loss of the BRAIN FORCE Group.

Vienna, August 21, 2009

The Management Board


G黷ter Pridt


Thomas Melzer

Financial Calendar

Date	Event
August 21, 2009	Six months 2009 report
December 22, 2009	2009 results (short financial year ending September 30, 2009)
February 16, 2010	Report on the first quarter 2009/2010
February 24, 2010	12th Annual General Meeting
February 25, 2010	Ex-dividend day 2009
March 1, 2010	1st dividend payment day for 2009
May 12, 2010	Six months 2009/2010 report
August 12, 2010	Report on the first three quarters of 2009/2010
December 21, 2010	2009/10 results

Information on the Company and the BRAIN FORCE Share

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