



Report on the 1<sup>st</sup> Quarter of 2009

# BRAIN FORCE Key Data

Earnings Data		1-3/2009	1-3/2008	Chg. in %	Ultimo 2008
Revenues	<i>in € million</i>	22.29	25.33	-12	106.21
EBITDA	<i>in € million</i>	1.05	1.62	-35	7.79
EBIT	<i>in € million</i>	0.11	0.61	-82	3.83
Profit before tax	<i>in € million</i>	-0.04	0.44	>100	2.38
Profit after tax	<i>in € million</i>	-0.33	0.16	>100	-2.10
Earnings per share	<i>in €</i>	-0.02	0.01	>100	-0.14
Adjusted earnings per share <sup>1)</sup>	<i>in €</i>	-0.01	0.01	>100	0.09
Capital expenditure	<i>in € million</i>	0.62	0.66	-7	2.45
Acquisitions	<i>in € million</i>	0	0	-	2.22
Employees <sup>2)</sup>		1,074	1,107	-3	1,153

Balance Sheet Data		31.3.2009	31.12.2008	Chg. in %
Equity	<i>in € million</i>	23.79	24.15	-1
Net debt	<i>in € million</i>	6.45	4.89	+32
Capital employed	<i>in € million</i>	30.06	28.86	+4
Working capital <sup>3)</sup>	<i>in € million</i>	7.17	5.62	+28
Balance sheet total	<i>in € million</i>	61.22	66.31	-8
Equity ratio	%	39	36	-
Gearing	%	27	20	-

Stock Exchange Data <sup>4)</sup>		1-3/2009	1-12/2008	Chg. in %
Share price high	<i>in €</i>	2.19	2.58	-15
Share price low	<i>in €</i>	1.02	1.01	+1
Closing rate (ultimo)	<i>in €</i>	1.53	1.89	-19
Shares outstanding (weighted)		1,000	15,387	0
Market capitalization (ultimo)	<i>in € million</i>	23.54	29.08	-19

Segments <sup>5)</sup> 1-3/2009 in € million	Germany		Central East Europe		South West Europe		North Europe		Holding and Other	
Revenues	10.55	(-10%)	3.02	(-17%)	6.49	(-7%)	2.23	(-24%)	0	-
EBITDA	0.79	(-22%)	-0.13	(>100)	0.66	(-8%)	0.22	(-55%)	-0.48	(+43%)
EBIT	0.52	(-14%)	-0.40	(>100)	0.46	(-17%)	0.02	(-93%)	-0.50	(+42%)
Capital expenditure	0.24	(+25%)	0.05	(+23%)	0.17	(-37%)	0.13	(-3%)	0.02	(-8%)
Employees <sup>2)</sup>	452	(+8%)	158	(-12%)	370	(-9%)	84	(-9%)	10	(0%)

1) Adjusted for non-recurring income and expense

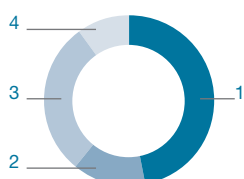
2) Average number of employees during the period

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

4) Vienna Stock Exchange

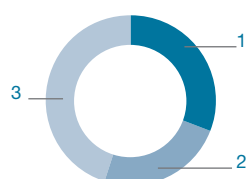
5) Due to the first-time availment of IFRS 8 the reporting of segment earnings (EBITDA and EBIT) is carried out without taking into account the settlement costs for brand licensing costs and intercompany charges; the 2008 figures were correspondingly adjusted

Revenues by Segments



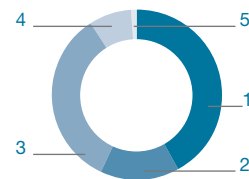
- 1 Germany 47%
- 2 Central East Europe 14%
- 3 South West Europe 29%
- 4 North Europe 10%

Revenues by Business Areas



- 1 Professional Services 31%
- 2 Business Solutions 24%
- 3 Infrastructure Optimization 45%

Employees by Segments



- 1 Germany 42%
- 2 Central East Europe 15%
- 3 South West Europe 34%
- 4 North Europe 8%
- 5 Holding and Other 1%

# Chief Executive's Review



Günter Pridt, CEO of  
BRAIN FORCE HOLDING AG

Dear shareholders,

Following the record results achieved in 2008, BRAIN FORCE was well prepared when it entered the 2009 financial year, which, as expected, has been difficult. But we are also not immune to the negative effects of the global financial and economic crisis. Accordingly, we posted a decline in revenues and earnings in the first three months of 2009. Nevertheless, we began to take measures to counteract the significantly deteriorating market environment at an early stage, based on the optimization of our cost structure and the consistent exploitation of cost savings potentials.

Consistent use of cost savings  
potentials

Group revenues were down 12% in the first quarter to € 22.29 million. EBITDA amounted to € 1.05 million, a decline of 35% from the previous year, and EBIT fell from € 0.61 to 0.11 million. The operating result of the first three months includes restructuring costs of € 0.15 million. All subsidiaries were subject to the revenue and earnings decrease, which can be attributed to the reluctance on the part of our customers to initiate new IT investments at the current time.

Positive EBIT despite of  
restructuring costs

The Professional Services area weakened slightly in Germany, featuring a negative development in demand for IT experts following a good performance in 2008. In addition, Professional Services and the Business Solutions area, intensively involved in further developing FINAS Suite, were faced with a considerable downward pressure on margins. In the Infrastructure Optimization area, the Berlin branch once again posted a negative operating result. In addition, it is important to note the lack of a revenue and earnings contribution from BRAIN FORCE Hamburg GmbH, which was sold to the Talanx Group as of September 30, 2008 following expiration of the Managed Services contract. In contrast, our subsidiary in Frankfurt developed very positively, operating at full capacity and once again achieving a significant growth in revenues and EBIT due to the roll-out project for a globally operating airline. In the light of the particularly difficult economic situation in Germany, the 14% EBIT decline in Germany to € 0.52 million stayed in a reasonable range.

Moderate decline of EBIT in  
Germany

In South West Europe, BRAIN FORCE Italy was confronted with a perceptible decline in demand for ERP and CRM licenses as well as lower IT infrastructure investments. Within this context, the operating result was still relatively good, decreasing by 17% to € 0.46 million. However, we had to report a significant drop in revenue and earnings in the Central East Europe and North Europe regions. In the Central East Europe

Noticeable downturn in the first  
quarter

segment, the BRAIN FORCE subsidiary in the Czech Republic and the Professional Services business in Austria developed satisfactorily, whereas the Infrastructure Optimization (SolveDirect) area faced a significant slump in license sales, thus posting a negative operating result. Accordingly, EBIT in Central East Europe was down from € -0.02 to -0.40 million. Following very good results generated in 2008, North Europe was also subject to a significant weakening of demand. Nevertheless, despite a 24% drop in revenues, our subsidiary in the Netherlands still managed to generate a slightly positive EBIT of € 0.02 million, down from an EBIT of € 0.32 million in the first quarter of the preceding year.

**Restructuring measures depend  
on further revenue development**

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 current operating costs, as well as the transfer of the corporate headquarters in Austria to a much cheaper location. Beside that we are able to partially compensate for revenue declines by means of ongoing capacity adjustments with subcontractors. In addition, we created a group-wide cash pooling system for purposes of internal liquidity balancing, and also launched a project designed to optimize working capital within the BRAIN FORCE group. Together with our local managing directors, we developed scenarios featuring short-time work and potentially a downsizing of staff, depending on the further development of revenues in the course of 2009. From today's perspective, total restructuring costs ranging between € 0.7 and 2.5 million will be required in the second and third quarters of the 2009 financial year.

**Focus on improving cost  
structure and optimizing  
cash flow in 2009**

I confidently look ahead to the future thanks to the restructuring and optimization of the group already implemented in 2007 and 2008, even if we will have to continue adjusting to a difficult market environment in the next quarters. BRAIN FORCE boasts a solid balance sheet structure and has no foreseeable financing shortfalls at the present time. For this reason, our target continues to be the achievement of a positive operating result in 2009 (excluding restructuring costs), and to position the Group to generate long-term growth after the end of the economic crisis. In the current year, we will sustainably improve the cost structure of the BRAIN FORCE Group, and focus on optimizing the cash flow from operating activities. Based on the development of tailor made solutions, we will assist our customers to optimally take advantage of their IT resources.

Yours



# Financial Review

## First Quarter Earnings

In the first three months of the financial year 2009, the BRAIN FORCE Group generated revenues of € 22.29 million, down 12% from the previous year. All operating companies posted a decline in revenues, which is related to the restraint shown by companies in respect to new IT investments, a development which has been evident since the beginning of 2009.

In Germany, customer demand for IT experts weakened in comparison to the good situation in the prior year. Moreover, Professional Services and the Business Solutions area, which was intensively involved in further developing FINAS Suite, were impacted by a significant downward pressure on margins. The Berlin branch of the Infrastructure Optimization area once again posted a negative operating result. In addition, there was no contribution from BRAIN FORCE Hamburg GmbH, which was sold to the Talanx Group effective September 30, 2008, following expiration of the Managed Services contract. In contrast, business at the Frankfurt office developed very positively, operating at full capacity and generating a considerable improvement in revenues and EBIT again. On balance, revenues in Germany fell by 10% to € 10.55 million, whereas EBIT was down 14% to € 0.52 million.

In the South West Europe region, revenues declined by 7% to € 6.49 million, and EBIT decreased 17% to € 0.46 million. BRAIN FORCE Italy was confronted with a perceptible downturn in demand for ERP and CRM licenses as well as lower IT infrastructure investments. Revenues and earnings fell even more drastically in the North Europe and Central East Europe regions. In the Central East Europe segment, the BRAIN FORCE subsidiary in the Czech Republic performed well and the Professional Services area in Austria developed satisfactorily. However, the Infrastructure Optimization area (SolveDirect) faced a significant decrease in revenues due to missing license sales, generating a clearly negative operating result. Accordingly, EBIT in Central East Europe declined from € -0.02 to -0.40 million. Following a very good year 2008, North Europe was also subject to a significant weakening of demand. Nevertheless, despite a 24% drop in revenues, the BRAIN FORCE subsidiary in the Netherlands still managed to generate a slightly positive EBIT of € 0.02 million in the first quarter of 2009 (previous year: € 0.32 million).

Group EBITDA fell by 35% during the period under review to € 1.05 million, whereas total Group EBIT was down from € 0.61 to 0.11 million in the first three months of 2009. The primary reason for this development was the lower proceeds from license sales, which usually make an important contribution to earnings. The first quarter operating result also includes restructuring costs of € 0.15 million. Due to the optimization of internal financing processes, the financial result improved slightly from € -0.17 to -0.15 million. As a result, profit before tax in the first quarter of the financial year 2009 amounted to € -0.04 million, down from € +0.44 million. Profit after tax totaled € -0.33 million, down from € +0.16 million in the previous year. This corresponds to earnings per share of € -0.02 (previous year: € +0.01). Earnings per share adjusted for restructuring costs amounted to € -0.01 per share, compared to € +0.01 per share in the previous year.

### Q1 revenues in € million

2009

22.29

2008

25.33

2007

23.56

### Q1 EBITDA in € million

2009

1.05

2008

1.62

2007

0.40

### Decline of profit after tax in Q1 from € +0.16 to -0.33 million

## Cash Flow

Despite the revenue decline and the negative profit after tax, the gross cash flow in the first quarter of 2009 remained clearly positive, at € 0.97 million (previous year: € 1.53 million). The cash flow from operating activities fell from € -0.16 to -0.98 million. On the one hand, the cash outflow relating to trade payables was largely compensated by the cash inflow from 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 resulting 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 of the revenue decline as well as bonus payments for the record operating result achieved in 2008.

### Gross cash flow clearly positive

#### Reduction of current financial liabilities

The cash flow from investing activities amounted to € -1.77 million (previous year: € -1.52 million), of which € -0.62 million relate to capital expenditure and € -1.18 million for investments in available-for-sale securities. The cash flow from financing activities totaled € -2.21 million (previous year: € -0.13 million), reflecting the successful reduction of current financial liabilities through means of cash pooling. Scheduled repayment of financial liabilities was not planned in the first quarter of 2009. Of the non-current financial liabilities amounting to € 10.98 million, a total of € 1.0 million is due for payment between 2010 and 2012, with € 9.9 million first maturing in the year 2014. At the end of the first quarter 2009, cash and cash equivalents were € 3.84 million. Including the current available-for-sale securities, BRAIN FORCE has a total of € 5.03 million in liquid assets at its disposal.

### Assets and Financial Position

#### Equity in € million



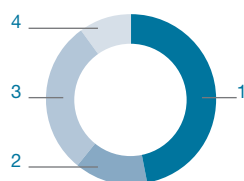
The balance sheet total of the BRAIN FORCE Group was € 61.22 million as at March 31, 2009, and equity amounted to € 23.79 million. Accordingly, the equity ratio improved to 39% after 36% at the end of 2008, which can be attributed to the further reduction of the balance sheet total. Net debt as at March 31, 2009 was € 6.45 million, up from € 4.89 million as at December 31, 2008. This increase is related to capital expenditures in property, plant and equipment and intangible assets as well as the reduction in other current liabilities, which correspondingly led to a decrease in the cash flow from operating activities. Gearing (net debt to equity) in the BRAIN FORCE Group amounted to a solid 27% as at March 31, 2009, and the ratio of net debt to EBITDA was 0.9x calculated over the last 12 months.

### Development of Segments

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

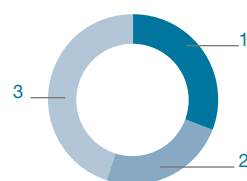
- ▶ Germany
- ▶ Central East Europe with Austria, the Czech Republic and Slovakia
- ▶ South West Europe with Italy and Switzerland
- ▶ North Europe with the Netherlands

Revenues by Segments



- 1 Germany 47%
- 2 Central East Europe 14%
- 3 South West Europe 29%
- 4 North Europe 10%

Revenues by Business Areas



- 1 Professional Services 31%
- 2 Business Solutions 24%
- 3 Infrastructure Optimization 45%

## Germany

In the first quarter of 2009, sales in Germany declined 10% to € 10.55 million, representing 47% of total Group revenues. EBITDA fell by 22% to € 0.79 million, whereas EBIT declined by 14% to € 0.52 million.

The generation of new business in the Professional Services area was significantly hampered by the decision on the part of customers to postpone their IT investments and reduce outsourcing to external service providers. Moreover, downward pressure on margins has increased. BRAIN FORCE deployed additional IT consultants to a large existing customer in the cell phone industry, and won new service contracts on behalf of a long-term customer in the banking sector. The Infrastructure Optimization area obtained a larger contract from the public sector for the network solution Net Organizer, and also sold upgrade versions of BRAIN FORCE ICT Suite to several customers. However, on balance this business area posted a negative operating result.

Difficult business for new customers, but existing customers are loyal

The marketing of Packaging Robot developed by our Dutch subsidiary proceeded positively in Germany. Initial customer projects were successively launched, which are designed to lead to follow-up contracts. Thanks to the economic stability in the insurance sector, the Business Solutions area did relatively well under the circumstances. A long-term existing customer placed several new orders. Moreover, the new marketing approach for calculation kernel aroused considerable interest, leading several customers to order licenses designed to manage their consultant applications. However, the further development of FINAS Suite in the first quarter resulted in higher development expenses and pressure on margins.

Marketing of Packaging Robot in Germany had a promising start

## Central East Europe

In the Central East Europe region, revenues amounted to € 3.02 million in the first quarter of 2009, a decline of 17% from the previous year, and equaling a share of 14% of Group revenues. EBITDA totaled € -0.13 million during the period under review, down from € +0.25 million in the preceding year, whereas EBIT worsened from € -0.02 to -0.40 million.

The Professional Services area in Austria performed quite well. In addition to numerous existing customers, BRAIN FORCE experts worked for a technology company for the first time, implementing an IT infrastructure project. In addition, two new public sector customers decided to reply on BRAIN FORCE's expertise. In contrast, the difficult business environment took its toll on SolveDirect. Numerous customers delayed planned license purchases, thus leading to a considerable decline in revenues. However, the subsidiary in the Czech Republic managed to win several new customers, and meet the budgeted earnings targets.

Earnings decline in Central East Europe based on downturn of SolveDirect license sales

## South West Europe

Revenues achieved by the Region South West Europe fell by 7% to € 6.49 million in the first three months of 2009, accounting for 29% of total Group revenues. Within the same period, EBITDA was down 8% to € 0.66 million, and EBIT decreased 17% to € 0.46 million.

In such a tense economic environment prevailing in Italy, sales of ERP and CRM licenses have become more difficult, and customers are displaying greater reluctance to initiate new IT infrastructure investments. Nevertheless, BRAIN FORCE Italy managed to expand its good position in the financial services sector. An important bank will rely on ERP solutions provided by BRAIN FORCE in the future. In the Infrastructure Optimization area, BRAIN FORCE attracted a Milan-based transport company as a new customer, and also won a new contract from the Italian branch office of a large Swiss bank.

Large Italian bank to rely on ERP solutions supplied by BRAIN FORCE in the future

## North Europe

The North Europe region generated revenues of € 2.23 million in the reporting period, down 24% from the previous year, and accounts for 10% of Group revenues. Within the same period, EBITDA amounted to € 0.22 million (previous year: € 0.48 million), and EBIT was at € 0.2 million (previous year: € 0.32 million).

The business model of BRAIN FORCE Netherlands strongly focuses on attracting new customers, who are very restrained in respect to investments at the current time. Nevertheless, several new customers could be acquired, who will make use of the Packaging Robot, Workspace Manager and ID-Suite solutions in the

Expansion of market position in the public sector



future. Our subsidiary in the Netherlands once again demonstrated its strong position in the public sector, adding four new companies to its customer base. Software licenses were sold, amongst others, to an international manufacturer of baby carriages as well as an IT services provider.

Cost optimization leads to earnings improvement

**Holding and Other**

The EBITDA relating to the Holding and Other segment improved significantly, rising from € -0.83 to -0.48 million, and the EBIT from € -0.85 to -0.50 million. This positive development is based on strict cost savings 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**

Expected decline of order intake

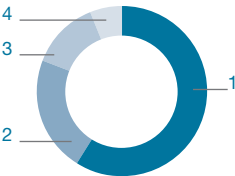
As of March 31, 2009, the order volume at the Group level amounted to € 30.05 million, up 3% over the prior year's level of € 29.10 million. However, in comparison to the situation at December 31, 2008, the order volume fell by 8%, as expected.

As of March 31, 2009, the order volumes are attributable to the segments as follows:

- ▶ Germany region accounts for € 17.71 million (March 31, 2008: € 15.18 million) of order volumes
- ▶ Central East Europe accounts for orders of € 6.68 million (March 31, 2008: € 9.21 million)
- ▶ South West Europe accounts for € 3.99 million (March 31, 2008: € 3.36 million) of order volumes
- ▶ North Europe has orders on hand totaling € 1.67 million (March 31, 2008: € 1.35 million)

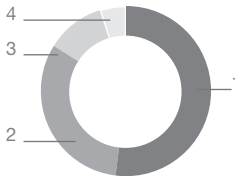
Order Intake by Segments

31.3.2009



- 1 Germany 59%
- 2 Central East Europe 22%
- 3 South West Europe 13%
- 4 North Europe 6%

31.3.2008



- 1 Germany 52%
- 2 Central East Europe 32%
- 3 South West Europe 11%
- 4 North Europe 5%



## Research and Development

In the first quarter of 2009, BRAIN FORCE Germany further developed the modules Finanzanalyse Center (Financial Analysis Center), Risikoabsicherung (Risk Management) and Gesundheitsvorsorge (Health Care) for an HTML link, thus establishing the basis for the online capability of the system. Accordingly, financial service consultants now have the opportunity to access all relevant customer data online and on location, which in turn improves the quality of consultations and increases customer satisfaction.

[Online link of BRAIN FORCE Financial Analysis Center](#)

In the Netherlands, our subsidiary continued the ongoing further development of Packaging Robot, Workspace Manager, Infrastructure Framework and BRAIN FORCE ID-Suite. Moreover, the expanded demands on MSI packet assembling were put into practice, leading to a corresponding tailoring of the application interfaces to the new conditions. In Austria, SolveDirect started with the development of SD Release 2.5 in the first quarter, which is scheduled to be marketed in May.

[Ongoing adjustments of our solutions to market requirements](#)

## Human Resources

The total number of people working for the BRAIN FORCE Group as at March 31, 2009 amounted to 798 salaried employees, a decline of about 5% compared to the previous year. In addition, BRAIN FORCE employed 271 people on a freelance basis for various customer projects, a figure which is 3% lower than in 2008. Initial personnel adjustments had to be implemented due to the economic crisis and the accompanying drop in revenues, in particular in the South West Europe and North Europe regions. In Germany, the contracts with several free lance employees were not extended. All in all, the BRAIN FORCE Group employed 1,069 people as of March 31, 2009, a drop of 4%, or 46 people, from the comparable level of 2008.

[Restructuring measures of personnel resources](#)

The breakdown of staff (salaried and free-lance) by region as at March 31, 2009 is as follows:

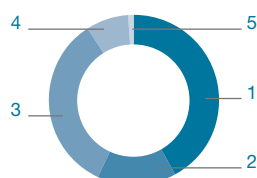
- ▶ Germany: 448 (previous year: 421 / Change: +6%)
- ▶ Central East Europe: 157 (previous year: 176 / Change: -11%)
- ▶ South West Europe: 373 (previous year: 413 / Change: -10%)
- ▶ North Europe: 81 (previous year: 96 / Change: -16%)
- ▶ Holding and Other: 10 (previous year: 9 / Change: +11%)

On average, the staff of BRAIN FORCE was comprised of 806 salaried employees in the first quarter of 2009 (previous year: 835) and 268 people on a free lance basis (previous year: 272). On balance, the average number of employees in the BRAIN FORCE Group declined by 3% to 1,074 people in the first three months of 2009. This compares to the total headcount of 1,107 people in the preceding year.

[Average number of employees is 1,074 people](#)

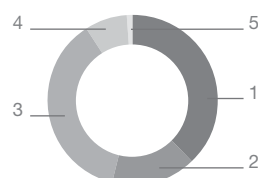
### Employees by Segments

31.3.2009



- 1 Germany 42%
- 2 Central East Europe 15%
- 3 South West Europe 34%
- 4 North Europe 8%
- 5 Holding and Other 1%

31.3.2008



- 1 Germany 38%
- 2 Central East Europe 16%
- 3 South West Europe 37%
- 4 North Europe 8%
- 5 Holding and Other 1%

## Quarterly report (IFRS) of the BRAIN FORCE Group

Income Statement in EUR	1-3/2009	1-3/2008
Revenues	22,289,705	25,334,305
Cost of sales	-17,427,924	-18,861,789
<b>Gross profit</b>	<b>4,861,781</b>	<b>6,472,516</b>
Selling expenses	-2,513,562	-2,821,206
Administrative expenses	-2,415,177	-2,845,495
Other operating expenses	-159,155	-286,935
Other operating income	334,399	90,215
<b>Operating profit (EBIT)</b>	<b>108,286</b>	<b>609,095</b>
Financial income	57,365	147,713
Financial costs	-206,322	-319,476
<b>Financial result</b>	<b>-148,957</b>	<b>-171,763</b>
<b>Profit before tax</b>	<b>-40,671</b>	<b>437,332</b>
Income taxes	-287,964	-278,203
<b>Profit after tax</b>	<b>-328,635</b>	<b>159,129</b>
Result for the period attributable to Equity holders of the parent company	-328,635	159,129
Earnings per share	-0.02	0.01

Segment Reporting 1-3/2009 in EUR	Germany	Central East Europe	South West Europe	North Europe	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	10,547,263	3,022,106	6,494,943	2,225,393	0	<b>22,289,705</b>
EBITDA	790,181	-134,637	655,236	215,321	-477,562	<b>1,048,539</b>
Depreciation and amortization	-270,618	-261,255	-194,227	-194,308	-19,845	<b>-940,253</b>
EBIT	519,563	-395,891	461,009	21,013	-497,408	<b>108,286</b>
Capital expenditure	242,320	49,365	171,223	134,941	17,704	<b>615,553</b>
Segment assets	17,980,863	16,299,625	18,113,727	8,449,847	380,886	<b>61,224,948</b>
Segment liabilities	6,944,874	3,687,647	10,109,298	1,559,566	15,134,165	<b>37,435,550</b>

Segment Reporting 1-3/2008 in EUR	Germany	Central East Europe	South West Europe	North Europe	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	11,765,258	3,662,875	6,990,313	2,915,859	0	<b>25,334,305</b>
EBITDA	1,010,456	249,952	713,256	483,015	-832,124	<b>1,624,555</b>
Depreciation and amortization	-407,361	-268,175	-154,653	-165,234	-20,037	<b>-1,015,460</b>
EBIT	603,095	-18,223	558,603	317,781	-852,161	<b>609,095</b>
Capital expenditure	193,644	40,097	272,446	139,537	19,198	<b>664,922</b>
Segment assets	21,143,699	18,845,381	19,043,731	9,099,596	6,083,807	<b>74,216,214</b>
Segment liabilities	7,836,810	4,123,746	13,510,880	1,782,268	20,529,876	<b>47,783,580</b>

Balance Sheet in EUR	31.3.2009	31.12.2008
<b>ASSETS</b>		
Property, plant and equipment	2,420,290	2,493,383
Goodwill	14,516,571	14,516,571
Other intangible assets	11,053,525	11,328,281
Investments in associates	11,466	11,466
Financial assets	184,619	183,128
Other receivables and assets	107,499	101,712
Deferred tax assets	12,179	50,723
<b>Non-current assets</b>	<b>28,306,149</b>	<b>28,685,264</b>
Inventories	259,802	185,787
Trade receivables	25,662,128	26,898,432
Other receivables and assets	1,966,704	1,741,880
Financial assets	1,192,573	0
Cash and cash equivalents	3,837,592	8,799,244
<b>Current assets</b>	<b>32,918,799</b>	<b>37,625,343</b>
<b>Total assets</b>	<b>61,224,948</b>	<b>66,310,607</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to Equity holders of the parent company		
Share capital	15,386,742	15,386,742
Reserves	15,214,013	15,245,099
Retained earnings	-6,811,358	-6,482,723
<b>Equity</b>	<b>23,789,397</b>	<b>24,149,118</b>
Financial liabilities	10,978,227	10,975,548
Other liabilities	141,374	144,891
Provisions for post-employment benefits	2,211,927	2,271,221
Deferred tax liabilities	2,645,038	2,613,772
<b>Non-current liabilities</b>	<b>15,976,566</b>	<b>16,005,432</b>
Financial liabilities	498,659	2,713,156
Trade payables	6,943,829	8,340,473
Other liabilities	12,208,649	13,105,463
Income tax provisions	1,078,512	824,561
Other provisions	729,336	1,172,404
<b>Current liabilities</b>	<b>21,458,985</b>	<b>26,156,057</b>
<b>Total equity and liabilities</b>	<b>61,224,948</b>	<b>66,310,607</b>

Changes in Equity in EUR	Share capital	Share premium	Other reserves	Retained earnings	Total equity
<b>Balance on 1.1.2009</b>	<b>15,386,742</b>	<b>15,536,020</b>	<b>-290,921</b>	<b>-6,482,723</b>	<b>24,149,118</b>
Fair value adjustments of securities	0	0	1,491	0	1,491
Currency translation differences	0	0	-32,577	0	-32,577
Profit after tax	0	0	0	-328,635	-328,635
<b>Balance on 31.3.2009</b>	<b>15,386,742</b>	<b>15,536,020</b>	<b>-322,007</b>	<b>-6,811,358</b>	<b>23,789,397</b>

Cash Flow Statement in EUR	1-3/2009	1-3/2008
Profit before tax	-40,671	437,332
Depreciation / amortization	940,253	1,015,461
Financial result	148,957	171,763
Gains/losses from the disposal of property, plant and equipment and intangible assets	-633	4,799
Changes in non-current provisions and liabilities	-62,811	54,307
Net interest paid	-52,188	-131,409
Income taxes paid	34,485	-19,153
<b>Gross cash flow</b>	<b>967,392</b>	<b>1,533,100</b>
Changes in inventories	-74,015	107,332
Changes in trade receivables	1,236,304	-1,118,685
Changes in trade payables	-1,396,644	-565,441
Changes in other current assets and liabilities	-1,665,950	-112,303
Currency translation differences	-42,684	-4,518
<b>Cash flow from operating activities</b>	<b>-975,597</b>	<b>-160,515</b>
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment and other intangible assets	-615,553	-664,922
Investments in financial assets	-1,182,459	-862,556
Sale of property, plant and equipment and other intangible assets	23,775	9,698
<b>Cash flow from investing activities</b>	<b>-1,774,237</b>	<b>-1,517,780</b>
Increase in financial liabilities	169,168	2,103,339
Repayment of financial liabilities	-2,380,986	-2,230,833
Dividends paid	0	0
Capital increase	0	0
Purchase of treasury stock	0	0
<b>Cash flow from financing activities</b>	<b>-2,211,818</b>	<b>-127,494</b>
<b>Change in cash and cash equivalents</b>	<b>-4,961,652</b>	<b>-1,805,789</b>
Cash and cash equivalents at the beginning of the period	8,799,244	9,440,943
Change in cash and cash equivalents	-4,961,652	-1,805,789
<b>Cash and cash equivalents at the end of the period</b>	<b>3,837,592</b>	<b>7,635,154</b>

# Notes to the Quarterly Report

## Accounting and Measurement Principles

This interim report of BRAIN FORCE HOLDING AG as at March 31, 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 March 31, 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 consolidated group 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 March 31, 2008. The contribution of BRAIN FORCE Hamburg to Group revenues amounted to € 0.76 million, generating an EBITDA of € 0.25 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 to € 22.29 million, a decline of 12% from the comparable period of the previous year. EBITDA (operating result before depreciation) in the first quarter of 2009 was down from € 1.62 to 1.05 million, whereas EBIT (operating result) totaled € 0.11 million (previous year: € 0.61 million). First quarter earnings were burdened by restructuring costs of € 0.15 million.

## Segment Information

In accordance with the management approach contained in the stipulations of IFRS 8, "Operating Segments", BRAIN FORCE HOLDING AG reports according to geographic segments. The reporting of segment earnings (EBITDA and EBIT) is carried out for the first time without taking into account the settlement costs for brand licensing costs and intercompany charges. These costs were still included in the previous year's segment reporting. The 2008 figures were correspondingly adjusted in the current reporting. Segment reporting can be found on page 4.

## Comments on the Cash Flow Statement

In the first quarter of 2009, gross cash flow amounted to € 0.97 million, which represents a decrease of € 0.56 in a year-on-year comparison. The cash flow from operating activities was down from € -0.16 to -0.98 million, which is primarily related to the reduction of other liabilities. The cash flow from investing activities totaled € -1.77 million, of which € -0.62 million was related to capital expenditure for property, plant and equipment and other intangible assets, and € -1.18 million for investments in available-for-sale securities. The cash flow from financing activities totaled € -2.21 million (previous year: € -0.13 million), reflecting the reduction of current financial liabilities.

## Comments on the Balance Sheet

Non-current assets made up 46% of total assets, amounting to € 28.31 million as of March 31, 2009. Investments in property, plant and equipment and other intangible assets totaled € 0.62 million in the reporting period, of which € 0.43 million comprised product development costs.

Current assets comprised 54% of total assets on the reporting date of March 31, 2009. Trade receivables amounted to € 25.66 million and comprised 42% of total assets. Working capital was € 7.17 million on the reporting date, a rise of € 1.55 million compared to the last balance sheet date of December 31, 2008. 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.

On the reporting date of March 31, 2009, cash and cash equivalents totaled € 3.84 million. Including financial assets, the currently available liquid assets reached a level of € 5.03 million. Net debt increased by € 1.56 million from December 31, 2008 to € 6.45 million. IFRS-based equity in the BRAIN FORCE Group was € 23.79 million, corresponding to an equity ratio of 39%.

As of March 31, 2009, the number of outstanding shares was 15,386,742. Authorized capital amounted to € 7,693,371.

## Other Information

No significant business transactions were concluded with related companies or individuals during the period under review.

## Statement of the Management Board

The Management Board of BRAIN FORCE HOLDING AG certifies, to the best of its knowledge, that the unaudited consolidated interim financial statements as at March 31, 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 March 31, 2009.

Vienna, May 12, 2009

The Management Board



Günter Pridt



Thomas Melzer

# Financial Calender

Date	Event
May 12, 2009	Report on the first quarter of 2009
May 14, 2009	11th Annual General Meeting
May 18, 2009	Ex-dividend day 2008
May 19, 2009	1st dividend payment day for 2008
August 21, 2009	Six months 2009 report
November 10, 2009	Report on the first three quarters of 2009

## Information on the Company and the BRAIN FORCE Share

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