



**BRAIN FORCE**

**BRAIN FORCE HOLDING AG**

Report on the 3rd quarter

**2012/13**

# BRAIN FORCE Key Data

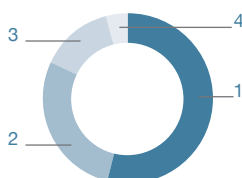
Earnings Data		10/2012-06/2013	10/2011-06/2012	Change in %	2011/12
Revenues	<i>in € million</i>	65.52	57.29	+14	76.01
EBITDA	<i>in € million</i>	3.36	1.03	>100	2.06
Operating EBITDA <sup>1)</sup>	<i>in € million</i>	3.36	1.71	+97	2.74
EBIT	<i>in € million</i>	1.97	-0.46	>100	0.11
Operating EBIT <sup>1)</sup>	<i>in € million</i>	1.97	0.21	>100	0.79
Profit before tax	<i>in € million</i>	3.39	-2.10	>100	-2.21
Profit after tax	<i>in € million</i>	2.18	-2.45	>100	-2.13
Earnings per share	<i>in €</i>	0.14	-0.16	>100	-0.14
Adjusted earnings per share <sup>1)</sup>	<i>in €</i>	0.14	-0.13	>100	-0.11
Investments	<i>in € million</i>	0.99	1.01	-3	1.63
Employees <sup>2)</sup>		777	754	+3	752

Balance Sheet Data		30.06.2013	30.09.2012	Change in %
Equity	<i>in € million</i>	18.74	16.61	+13
Net liquid funds (+) / Net debt (-)	<i>in € million</i>	1.86	-5.98	>100
Capital employed	<i>in € million</i>	16.89	22.56	-25
Working capital <sup>3)</sup>	<i>in € million</i>	2.30	0.41	>100
Balance sheet total	<i>in € million</i>	51.72	46.42	+11
Equity ratio	<i>in %</i>	36	36	-
Employees <sup>4)</sup>		801	756	+6

Stock Exchange Data <sup>5)</sup>		10/2012-06/2013	2011/12	Change in %
Share price high	<i>in €</i>	0.88	0.95	-7
Share price low	<i>in €</i>	0.58	0.55	+5
Share price at year-end	<i>in €</i>	0.80	0.65	+23
Shares outstanding (weighted)	<i>in 1,000</i>	15.387	15.387	0
Market capitalization at year-end	<i>in € million</i>	12.31	9.99	+23

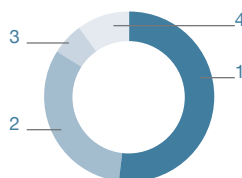
Segments 10/2012-6/2013 <i>in € million</i>	Germany		Italy		The Netherlands		Central East Europe		Holding and Other	
Revenues (consolidated)	35.26	+22%	18.41	+6%	9.35	+11%	2.50	-3%	0	-
Operating EBITDA <sup>1)</sup>	2.27	+81%	1.41	+7%	0.26	-2%	0.41	>100%	-0.99	+22%
Operating EBIT <sup>1)</sup>	1.84	>100%	0.91	+14%	-0.12	-9%	0.35	>100%	-1.02	+23%
Investments	0.31	-11%	0.36	+28%	0.27	-9%	0.05	+22%	0.00	-98%
Employees <sup>2)</sup>	364	+6%	296	+5%	84	-9%	29	-5%	4	-23%

Revenues by regions



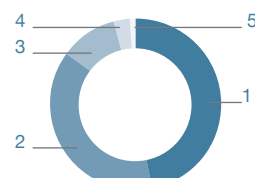
- 1 Germany 54%
- 2 Italy 28%
- 3 The Netherlands 14%
- 4 Central East Europe 4%

Operating EBITDA by regions



- 1 Germany 52%
- 2 Italy 32%
- 3 The Netherlands 6%
- 4 Central East Europe 10%

Employees by segments



- 1 Germany 47%
- 2 Italy 38%
- 3 The Netherlands 11%
- 4 Central East Europe 3%
- 5 Holding and Other 1%

1) Adjusted for restructuring costs  
 2) Average number of employees (salaried and free-lance) during the period  
 3) Inventories + trade receivables + current other receivables - trade payables - current other payables  
 4) Number of employees at reporting date  
 5) Vienna Stock Exchange

# Chief Executive's Review



Michael Hofer, CEO of  
BRAIN FORCE HOLDING AG

Dear Shareholders, Ladies and Gentlemen,

In the first nine months of fiscal year 2012/13 BRAIN FORCE generated an increase in group revenues by 14% compared to the previous year. With this development and a revenue increase of 7% in fiscal year 2011/12, the Group was able to generate a two-digit growth in revenues in the first three quarters of the current fiscal year.

Group results 14% above  
previous year's level

The development of the financial performance was satisfactory as well. The Group EBITDA increased by € 2.33 m to € 3.36 m, the Group EBIT turned positive in comparison to the previous year and rose by € 2.43 m to € 1.97 m. Adjusted for restructuring costs of € 0.68 m recorded in the previous year, the operating EBITDA increased by € 1.65 m or 97%; the operative EBIT showed an increase of € 1.76 m.

Increase of the Group EBITDA  
and Group EBIT by € 2.33 m  
and € 2.43 m

Apart from the increase in operating results, a significant improvement of the overall result was achieved by the sale of shares in SolveDirect Service Management GmbH. The gain from the sale of the shareholding amounts to € 2.56 m, resulting in a result before taxes of € 3.39 m in the first three quarters.

Sale of the SolveDirect  
increases overall result

Group revenues increased by € 8.23 m to € 65.52 m in the first three quarters, whereby especially the regions Germany, Italy and the Netherlands recorded a significant revenue plus. In the third quarter Group revenues rose by 24% from € 19.44 m to € 24.04 m. In the third quarter the EBITDA amounted to € 1.52 m, which is an increase of € 0.74 m or 95% compared to the previous year. The EBIT increased by 0.76 m to € 1.07 m in the third quarter of the current fiscal year.

Increase in revenues of 24%  
and significant improvement of  
the results in the third quarter

In Germany (54% of Group revenues) revenues increased by 22% to € 35.26 m in the first three quarters. In our largest market the professional services segment at the locations in Munich and Cologne as well as Neu-Isenburg (formerly Langen)/Frankfurt improved the results significantly, just like in the previous quarters. The Network Performance Channel activities showed an increase as well, whereas revenues in the FINAS segment decreased by 5% compared to the previous year. The EBITDA in Germany rose by € 1.69 m to € 2.27 m in the first nine months, the EBIT improved from € 0.08 m to € 1.84 m. In the previous year restructuring expenses in the amount of € 0.68 m were incurred in the FINAS segment. Adjusted for restructuring costs, the results show an improvement of the operating EBITDA by € 1.02 m or 81%, the operating EBIT increased by € 1.09 m and was thus more than doubled. All divisions of the German Group companies record positive operating results, with particular emphasis on the increase in results in the professional services segment at the location in Neu-Isenburg (formerly Langen)/Frankfurt and FINAS, which was successfully restructured in the previous year.

Germany: Revenue increase  
of 22% and improved financial  
performance

**Italy: Revenue increase by 6% and improvement of financial performance**

In Italy (28% of Group revenues) revenues increased by 6% to € 18.41 m in the first three quarters. After our Italian Group company achieved a revenue growth of 9% in the first nine months of the previous year, it still holds its ground in a difficult market environment. With an EBITDA of € 1.41 m (previous year: € 1.31 m) and an EBIT of € 0.91 m (previous year: € 0.80 m) the financial performance was improved as well. According to assessments by market research agencies, the economic situation in Italy will remain difficult.

**Netherlands: Revenue increase of 11%, but slight decrease in results**

The Netherlands (14% of Group revenues) recorded a revenue plus of 11% to € 9.35 m in the first nine months. After the revenue increase by 43% in the first three quarters of the previous year and by 18% in the full year 2011/12, our Dutch subsidiary generated double-digit growth rates in the current fiscal year as well. In comparison to the previous fiscal year, revenues increased in particular in the third quarter. However, due to the very volatile utilization of employees, the financial performance has slightly decreased. The EBTIDA decreased by 2% to € 0.26 m, the EBIT fell by 9% to € -0.12 m. Apart from further implementation of austerity measures, the focus for the following quarters will be on generating a quantifiable number of orders with the existing pipeline.

**Central East Europe records increase in EBITDA and EBIT**

In Central East Europe (4% of Group revenues) revenues decreased by € 0.08 m or 3% to € 2.50 m in the first three quarters. With a slight decrease in revenues the EBITDA rose from € 0.15 m to € 0.41 m, the EBIT increased from € 0.08 m to € 0.35 m. The increase in revenues is due to Network Performance Channel-activities and the cost reductions in the ERP business.

**Reduction of holding costs by € 0.25 m in the first nine months**

With an EBIT of € -1.02 m the Holding and Other segment reported a decrease in expenses of about € 0.25 m or 23% compared to the previous year in the first nine months. In the previous year expenses of € 0.22 m in connection with the premature termination of a management board agreement were included in this segment.

For fiscal year 2012/13 the BRAIN FORCE Group aims at achieving operational growth with regard to revenues and operating results. The figures presented for the first three quarters confirm the expectations with an increase in revenues of 14% and an increase of the Group EBIT by € 2.43 m to € 1.97 m. We will do everything in our power to pursue this positive development also in the upcoming quarters with ongoing intensive market cultivation. Moreover, the sale of shares in SolveDirect had a significantly positive effect on the balance structure. Cash and cash equivalents in the amount of € 11.87 m enabled the premature repayment of the bonded loan of € 10 m. The repayment was carried out on 5 July 2013 and led to a further increase of the Group's equity ratio.

Yours



Michael Hofer

# Management Report

## Financial performance in the first nine months (October 2012 to June 2013)

In the first nine months of fiscal year 2012/2013 the BRAIN FORCE Group generated revenues in the amount of € 65.52 m, which is an increase of 14% compared to the same period of the previous year. Due to this development and after a revenue increase of 7% in fiscal year 2011/12, the Group was able to record a double-digit growth rate in the first three quarters of the current fiscal year. In particular the operative divisions in Germany (+22%) and the Netherlands (+11%) recorded a significant revenue growth during this period. In Italy revenues increased by 6%, whereas Central East Europe recorded a decrease of 3%.

In the reporting period the operating EBITDA rose from € 1.71 m to € 3.36 m; the operating result (EBIT) improved from € 0.21 m to € 1.97 m. The improvement of the operating results is attributable, on the one hand, to the increase in revenues and, on the other hand, to a reduction of costs with regard to sales and administration by 5% and 7%.

In addition, restructuring costs of € 0.68 m were incurred in the first quarter of the previous year, which results in a Group-EBITDA of € 1.03 m and a Group-EBIT of € -0.46 m in the first nine months of the past fiscal year. The development of the first three quarters of the current fiscal year shows an improvement of the Group-EBITDA by € 2.33 m to € 3.36 m; the Group-EBIT increased by € 2.43 m to € 1.97 m.

At € -0.58 m the financial result remains almost on previous year's level. The vast majority of current financing costs relates to the fixed-interest loan. The result from associates amounted to € -0.55 m compared to € -1.09 m in the previous year, out of which € -0.54 m (previous year: € -0.27 m) are related to the transfer of profit and loss from SolveDirect Service Management GmbH and € -0.01 m to the disposal of the 25% participation in Consulting Cube s.r.l., Italy. The prior year figure comprised € -0.82 m as a result of the diluting effect due to capital increases. The sale of shares in SolveDirect was carried out in the current fiscal year. The closing of the transaction took place in the third quarter, resulting in the deconsolidation of SolveDirect as of 29.04.2013. The capital gain amounts to € 2.56 m.

In total, the Group generated a profit before taxes of € +3.39 m compared to € -2.10 m in the previous year. The profit after taxes amounted to € +2.18 m compared to € -2.45 m in the same period of the previous year.

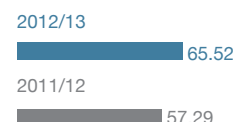
Earnings per share amounted to € 0.14 (previous year: € -0.16). Adjusted for restructuring costs, earnings per share amounted to € -0.13 in the past year.

## Financial performance in the third quarter (April to June 2013)

In the third quarter of fiscal year 2012/13 Group revenues increased by 24% to € 24.04 m compared to the previous year. In Germany revenues increased by 28% to € 12.77 m; Italy recorded a plus of 9% to € 6.20 m. The Netherlands managed to significantly increase revenues in the third quarter by € 1.35 m to € 4.18 m, whereas Central East Europe shows a decline by € 0.04 m to € 0.88 m.

The EBITDA of the BRAIN FORCE Group significantly improved in the third quarter by 95% or € 0.74 m to € 1.52 m. The EBIT amounted to € 1.07 m and increased more than threefold compared to previous year's figure of € 0.30 m. This growth can be mainly attributed to the improvement of the results in all operating regions.

### Revenues 9M in € million



### Operative EBITDA 9M

in € million



### Operative EBIT 9M

in € million



### Net profit increase of € 4.63 m

### Increase in revenues of 28% in core region Germany

### Increase of the EBITDA by 95% in the third quarter

## Cash flow

Increase of the operating cash flow by € 0.88 m in the first three quarters

In the first nine months the cash flow from continuing operations improved by € 2.46 m compared to the same period of the previous year (€ +0.87 m) to € +3.33 m, which is primarily attributable to the improvement of the results. The cash flow from operating activities (operating cash flow) turned in the three quarters from € -0.46 m to € +0.42 m and thus increased by € 0.88 m. In this respect improved earnings had a positive effect on the cash flow, whereas the increase of the working capital as of the reference date affected the development of cash and cash equivalents negatively.

Cash inflow of € 8.32 m through the sale of SolveDirect shares

The cash flow from investing activities amounted to € +7.42 m (previous year: € -0.99 m). Capital expenditures on property, plant and equipment and other intangible assets amounted to € 0.99 m and decreased by 3% compared to the previous year. Own work capitalized in the first nine months in the amount of € 0.69 m is offset against scheduled amortization in the amount of € 0.83 m. Investments are offset against payments received from the disposal of assets in the amount of € 0.07 m (previous year: € 0.01 m) as well as payments received from the disposal of financial assets. The balance of the purchase price payment from the sale of SolveDirect Service Management GmbH and the payments made so far for costs in connection with the sale amount to € 8.32 m.

Cash of € 11.87 m held as of the balance sheet date enables premature repayment of the bonded loan

The cash flow from financing activities amounted to € -1.59 m (previous year: € +0.68 m) and reflects the reduction of bank overdrafts. As of 30.06.2013 the BRAIN FORCE Group held cash and cash equivalents in the amount of € 11.87 m (30.09.2012: € 5.65 m). Due to the positive cash flow development, in particular through the payments received from the sale of SolveDirect, a premature repayment of the outstanding € 10 m was concluded after consolidation with the creditors of the subscribed bonded loan. The repayment was carried out on 05.07.2013.

## Financial position and financial performance

Equity in € million  
30.06.2013 18.74  
30.09.2012 16.61

As at 30.06.2013 the Group's balance sheet total amounted to € 51.72 m; the Group's equity totaled € 18.74 m. Despite the increase of the equity capital by € 2.13 m, the equity ratio remained unchanged with 36%, which can be attributed to the increase of the balance sheet total by 11%. The reduction of long-term debts can be attributed to the change of maturity of the bonded loan in the amount of € 10.00 m.

Complete repayment of net debts as of 30.06.2013

The working capital (inventories plus trade receivables plus other current receivables less trade payables and other current liabilities) increased in the first nine months from € 0.41 m to € 2.30 m, which can be mainly attributed to the increase in trade receivables (€ +6.32 m) as well as the increase of trade liabilities (€ +3.60 m) as well as other liabilities (€ +0.98 m). As of the reporting date on 30.06.2013 the cash and cash equivalent less financial liabilities (net payments) amounted to € +1.86 m compared to 30.09.2012 with € -5.98 m.

## Research and Development

Expansion of service portfolio through new tools and online applications

Several fiscal tools were released in **Germany** for the financial sector. The tool "Pflege-Check" enables the consultation of customers for private long-term care. If desired, the analysing section of the tool can be integrated into the own website as an additional counselling component. The "Riester-Förderrechner" analyses and calculates the funding of voluntary private pensions. Moreover, as of February the online consultation applications "Finanzanalyse Center", "Vorsorgeoptimierung", "Gesundheitsversorgung" and "Risikoabsicherung" are available using the new smart FINAS operating concept.

**The Netherlands:** The “Infrastructure Framework” now supports the latest versions of Citrix XenApp, Microsoft System Center Configuration Manager 2012 and Microsoft Remote Desktop. The “Packaging Robot” now supports the packaging of App-V packages. Therefore the tool is perfectly suited for Application Lifecycle Projects for customers, who use both the latest technologies for application virtualization as well as traditional MSI packaging. The product “Workspace Manager” was further optimized for the use in virtual desktop infrastructures.

Our subsidiary in **Italy** has updated the add-ons for Microsoft Dynamics AX and NAV in the course of maintenance and extended its industry-specific functionalities for the steel industry. Furthermore, BRAIN FORCE Italy took part in the Private Beta Program for Dynamics AX 2012 and tested the latest version in the course of a customer migration project. The BRAIN FORCE solution “NG4” for stock trading was functionally expanded in order to improve independent marketing in the future.

Actualization of the infrastructure framework, workspace manager for virtual desktop infrastructures optimized

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

## Human Resources

As of 30.06.2013 the BRAIN FORCE Group employed 509 salaried employees, which is approximately 1% below the level of 30.06.2012. In addition 292 people were employed on a freelance basis for various customer projects, which is an increase of about 29% compared to the previous year. In our largest markets Germany and Italy the number of employees as of 30.06.2013 increased by 17% and 5%. In the Netherlands the number of employees decreased by about 3% and in Central East Europe by 20%. In the segment Holding and Others 3 people were employed as of the reporting date 30.06.2013 compared to 4 employees in the previous year.

In total 801 employees worked at BRAIN FORCE as of the reporting date. This equals an increase of about 8% or 60 employees compared to 30.06.2012.

The breakdown of staff (salaried and subcontractors) by segments as of 30.06.2013 is as follows:

- ▶ Germany: 388 (previous year: 333 / chg.: 17%)
- ▶ Italy: 302 (previous year: 286 / chg.: 5%)
- ▶ Netherlands: 83 (previous year: 86 / chg.: - 3%)
- ▶ Central East Europe: 25 (previous year: 32 / chg.: -20%)
- ▶ Holding and Others: 3 (previous year: 4 / chg.: -25%)

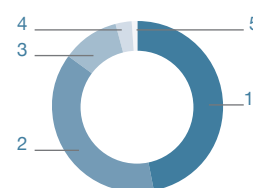
On average the staff of BRAIN FORCE in the period from October 2012 to June 2013 comprised 513 salaried employees (previous year: 521) and 264 people, which were employed on a freelance basis (previous year: 233). The total average number of employees therefore amounted to 777, which is 3% above previous year's level.

## Order Intake

As of 30.06.2013 the order volume at Group level reached € 27.78 m and increased by satisfactory 38% compared to 30.06.2012.

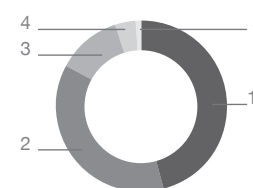
Compared to 30.06.2012 a considerable increase of 66% and 39% was achieved in Germany and the Netherlands. In Italy the order intake increased by about 1%; Central East Europe recorded a decrease in order intakes by € 0.08 m compared to the previous year.

Employees by Segments  
30.06.2013



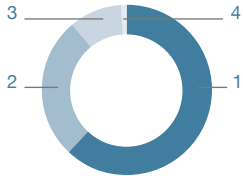
- 1 Germany 47%
- 2 Italy 38%
- 3 The Netherlands 11%
- 4 Central East Europe 3%
- 5 Holding and Other 1%

30.06.2012



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

Order Intake by Regions  
30.06.2013



- 1 Germany 62%
- 2 Italy 27%
- 3 The Netherlands 10%
- 4 Central East Europe 1%

As of 30.06.2013 the order volume attributable to the regions is as follows:

- ▶ Germany accounts for orders in the amount of € 17.20 m € (30.06.2012: € 10.35 m).
- ▶ Italy has an order intake of € 7.43 m € (30.06.2012: € 7.34 m).
- ▶ The Netherlands have orders on hand of € 2.91 m (30.06.2012: € 2.10 m).
- ▶ Central East Europe accounts for orders in the amount of € 0.24 m (30.06.2012: € 0.32 m).

## Outlook

According to forecasts of the European Commission, a noticeable recovery of economic performance cannot be expected for 2013. Despite these prognoses, BRAIN FORCE is targeting an increase in revenues and the operating result in fiscal year 2012/13. With a revenue growth of 14% and an increase of the Group EBITDA and Group EBIT by € 2.33 m and € 2.43 m the goal was achieved in the first nine months. A current assessment of the expected development of the 4th quarter of the current fiscal year confirms the goals that were set for the full fiscal year.

In addition to the improvement of the operating result, the sale of shares in SolveDirect Service Management GmbH also had a positive effect on the balance sheet structure. Due to the premature repayment of the bonded loan in the amount of € 10 m in July 2013 the equity ratio will increase to over 40%.



# Quarterly Report (IFRS) of the BRAIN FORCE Group

Group Income Statement in EUR	04-06/2013	04-06/2012	10/2012-06/2013	10/2011-06/2012
Revenues	24,038,796	19,437,513	65,518,489	57,288,601
Cost of sales	-19,154,138	-15,362,993	-52,577,590	-45,334,568
<b>Gross profit</b>	<b>4,884,658</b>	<b>4,074,520</b>	<b>12,940,899</b>	<b>11,954,033</b>
Selling expenses	-1,806,360	-1,788,551	-5,380,299	-5,643,924
Administrative expenses	-1,793,748	-1,742,969	-5,208,670	-5,612,873
Other operating expenses	-215,801	-243,109	-386,406	-566,390
Other operating income	0	4,756	0	82,312
<b>Operating profit/loss before non-recurring items (Operating EBIT)</b>	<b>1,068,749</b>	<b>304,647</b>	<b>1,965,524</b>	<b>213,158</b>
Restructuring costs	0	0	0	-677,207
<b>Operating profit/loss after non-recurring items (EBIT)</b>	<b>1,068,749</b>	<b>304,647</b>	<b>1,965,524</b>	<b>-464,049</b>
Financial income	3,890	0	5,298	3,021
Financial expenses	-196,659	-138,955	-585,916	-548,919
<b>Financial result</b>	<b>-192,769</b>	<b>-138,955</b>	<b>-580,618</b>	<b>-545,898</b>
Result from associates	-192,632	-64,555	-549,030	-1,091,089
Result from divestment of associates	2,557,304	0	2,557,304	0
<b>Profit/loss before tax</b>	<b>3,240,652</b>	<b>101,137</b>	<b>3,393,180</b>	<b>-2,101,036</b>
Income taxes	-1,061,782	-281,614	-1,209,160	-347,293
<b>Profit/loss after tax</b>	<b>2,178,870</b>	<b>-180,477</b>	<b>2,184,020</b>	<b>-2,448,329</b>
thereof owners of the parent	2,178,870	-192,943	2,184,020	-2,443,078
thereof non-controlling interests	0	12,466	0	-5,251
<b>Earnings per share – undiluted and diluted</b>	<b>0.14</b>	<b>-0.01</b>	<b>0.14</b>	<b>-0.16</b>
Earnings per share adjusted <sup>1)</sup>	0.14	-0.01	0.14	-0.13

Statement of Comprehensive Income in EUR	04-06/2013	04-06/2012	10/2012-06/2013	10/2011-06/2012
<b>Profit/loss after tax</b>	<b>2,178,870</b>	<b>-180,477</b>	<b>2,184,020</b>	<b>-2,448,329</b>
Changes in fair values of available-for-sale financial assets	0	45	-906	4,211
Currency translation differences	-50,432	-4,268	-46,041	-7,229
Other result	-50,432	-4,223	-46,947	-3,018
<b>Comprehensive income/loss</b>	<b>2,128,438</b>	<b>-184,700</b>	<b>2,137,073</b>	<b>-2,451,347</b>
thereof owners of the parent	2,128,438	-197,166	2,137,073	-2,446,096
thereof non-controlling interests	0	12,466	0	-5,251

Key ratios by segment 10/2012-06/2013 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Others	Group
Revenues (consolidated)	35,262,493	18,408,632	9,346,093	2,501,271	0	<b>65,518,489</b>
EBITDA	2,269,293	1,406,806	262,797	413,345	-989,718	<b>3,362,523</b>
Operating EBITDA <sup>1)</sup>	2,269,293	1,406,806	262,797	413,345	-989,718	<b>3,362,523</b>
Depreciation and amortization	-428,490	-496,653	-380,161	-63,849	-27,846	<b>-1,396,999</b>
Operating EBIT <sup>1)</sup>	1,840,803	910,153	-117,364	349,496	-1,017,564	<b>1,965,524</b>
Restructuring costs	0	0	0	0	0	<b>0</b>
EBIT	1,840,803	910,153	-117,364	349,496	-1,017,564	<b>1,965,524</b>

Key ratios by segment 10/2011-06/2012 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Others	Group
Revenues (consolidated)	28,973,899	17,327,275	8,410,937	2,576,490	0	<b>57,288,601</b>
EBITDA	576,362	1,312,858	267,318	148,871	-1,272,503	<b>1,032,906</b>
Operating EBITDA <sup>1)</sup>	1,253,569	1,312,858	267,318	148,871	-1,272,503	<b>1,710,113</b>
Depreciation and amortization	-500,301	-511,097	-374,946	-70,024	-40,587	<b>-1,496,955</b>
Operating EBIT <sup>1)</sup>	753,268	801,761	-107,628	78,847	-1,313,090	<b>213,158</b>
Restructuring costs	-677,207	0	0	0	0	<b>-677,207</b>
EBIT	76,061	801,761	-107,628	78,847	-1,313,090	<b>-464,049</b>

1) Adjusted for restructuring costs

Cash-flow Statement in EUR	10/2012-06/2013	10/2011-06/2012
Profit / loss before tax	3,393,180	-2,101,036
Depreciation and amortization	1,396,999	1,496,955
Financial result	580,618	545,898
Result from associates	-2,008,274	1,091,089
Gains / losses from the disposal of property, plant and equipment and intangible assets	-3,644	2,226
Changes in non-current provisions and liabilities	-25,587	-166,759
<b>Gross cash flow of continuing operations</b>	<b>3,333,292</b>	<b>868,373</b>
Changes in inventories	-151,040	-164,340
Changes in trade receivables	-6,318,137	-857,287
Changes in trade payables	3,605,706	-62,484
Changes in other current assets and liabilities	743,965	384,990
Currency translation differences	1,075	21,033
Net interest paid	-550,618	-517,359
Income taxes paid	-239,780	-136,033
<b>Cash flow from operating activities of continuing operations</b>	<b>424,463</b>	<b>-463,107</b>
Decrease from deconsolidation of subsidiaries	-17,778	0
Investments in property, plant and equipment and other intangible assets	-988,414	-1,014,838
Sale of property, plant and equipment and other intangible assets	65,248	9,187
Sale of shares of associates	8,323,304	0
Payments from the sale of financial assets	33,834	14,281
<b>Cash flow from investing activities of continuing operations</b>	<b>7,416,194</b>	<b>-991,370</b>
Increase in financial liabilities	15,743	735,599
Repayment of financial liabilities and bank overdrafts	-1,607,299	-57,099
Dividends paid	0	0
Capital increase	0	0
Purchase of treasury shares	0	0
<b>Cash flow from financing activities of continuing operations</b>	<b>-1,591,556</b>	<b>678,500</b>
<b>Change in cash and cash equivalents from continuing operations</b>	<b>6,249,101</b>	<b>-775,977</b>
<b>Change in cash and cash equivalents from discontinued operation</b>	<b>0</b>	<b>-69,254</b>
Cash and cash equivalents at the beginning of the period	5,617,472	5,806,602
Change in cash and cash equivalents	6,249,101	-845,231
<b>Cash and cash equivalents at the end of the period</b>	<b>11,866,573</b>	<b>4,961,371</b>

Balance Sheet in EUR	30.06.2013	30.09.2012
<b>ASSETS</b>		
Property, plant and equipment	1,070,788	1,266,011
Goodwill	11,001,151	11,001,151
Other intangible assets	2,334,077	2,608,991
Investments in associates	0	7,403,002
Financial assets	0	34,129
Other receivables and assets	1,614,980	87,223
Deferred tax assets	682,494	1,721,279
<b>Non-current assets</b>	<b>16,703,490</b>	<b>24,121,786</b>
Inventories	525,761	374,721
Trade receivables	20,241,366	13,923,229
Other receivables and assets	2,384,553	2,385,615
Cash and cash equivalents	11,866,573	5,617,472
<b>Current assets</b>	<b>35,018,253</b>	<b>22,301,037</b>
<b>Total assets</b>	<b>51,721,743</b>	<b>46,422,823</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	15,386,742	15,386,742
Reserves	7,334,538	7,355,483
Retained earnings	-3,977,370	-6,150,772
<b>Owners of the parent</b>	<b>18,743,910</b>	<b>16,591,453</b>
Non-controlling interests	0	15,384
<b>Equity</b>	<b>18,743,910</b>	<b>16,606,837</b>
Financial liabilities	0	9,984,257
Other liabilities	511,535	238,289
Provisions for post-employment benefits	1,296,836	1,317,577
Deferred tax liabilities	11,600	64,918
<b>Non-current liabilities</b>	<b>1,819,971</b>	<b>11,605,041</b>
Financial liabilities	10,009,680	1,616,979
Trade payables	11,844,414	8,238,708
Other liabilities	9,008,778	8,031,011
Income tax provisions	251,386	280,643
Other provisions	43,604	43,604
<b>Current liabilities</b>	<b>31,157,862</b>	<b>18,210,945</b>
<b>Total equity and liabilities</b>	<b>51,721,743</b>	<b>46,422,823</b>

Changes in equity in EUR	Owners of the parent				Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings		
<b>Balance 1.10.2011</b>	<b>15,386,742</b>	<b>9,910,356</b>	<b>-310,677</b>	<b>-6,268,916</b>	<b>0</b>	<b>18,717,505</b>
Change in non-controlling interests	0	0	0	0	26,000	26,000
Comprehensive income 10/2011-06/2012	0	0	-3,018	-2,443,078	-5,251	-2,451,347
<b>Balance 30.06.2012</b>	<b>15,386,742</b>	<b>9,910,356</b>	<b>-313,695</b>	<b>-8,711,994</b>	<b>20,749</b>	<b>16,292,158</b>
Transfer of reserves	0	-2,240,068	0	2,240,068	0	0
Comprehensive income 07-09/2012	0	0	-1,110	321,154	-5,365	314,679
<b>Balance 30.09.2012</b>	<b>15,386,742</b>	<b>7,670,288</b>	<b>-314,805</b>	<b>-6,150,772</b>	<b>15,384</b>	<b>16,606,837</b>
Change in non-controlling interests	0	26,000	0	-10,616	-15,384	0
Comprehensive income 10/2012-06/2013	0	0	-46,945	2,184,018	0	2,137,073
<b>Balance 30.06.2013</b>	<b>15,386,742</b>	<b>7,696,288</b>	<b>-361,750</b>	<b>-3,977,370</b>	<b>0</b>	<b>18,743,910</b>

# Notes to the Accounts for the First Three Quarters

## Accounting and Measurement Principles

This interim report of BRAIN FORCE HOLDING AG as at 30.06.2013 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, which were applied in the annual report as at 30.09.2012, remain unchanged. For more information on accounting and measurement principles, please refer to the consolidated financial statements as at 30.09.2012, which serve as the basis for this interim report.

## Consolidated Group

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

The consolidated Group changed as follows compared to the reporting date of 30.09.2012: BRAIN FORCE S.p.A, Milano, Italy sold its 25% share in CONSULTING CUBE s.r.l., Bologna, Italy, in the first quarter of fiscal year 2012/13. On 25.03.2013 BRAIN FORCE HOLDING AG announced the conclusion of an agreement on the sale of shares in SolveDirect Service Management GmbH, Vienna. The sale took place subject to compliance with respective provisions stated in the purchase agreement. The deconsolidation of SolveDirect took place on the day of the closing on 29.04.2013. Both CONSULTING CUBE s.r.l. and SolveDirect Service Management GmbH were integrated in the consolidated financial statements at-equity until the day of deconsolidation.

As of May 2010 BFS Brain Force Software AG, Maur, Switzerland no longer pursues any business activity. Since it is not planned to resume operational activities, BRAIN FORCE HOLDING AG has agreed upon the liquidation of the Swiss subsidiary and carried out the deconsolidation on 01.04.2013.

In accordance with the contract of assignment of 15.04.2013 BRAIN FORCE HOLDING AG purchased the 26% share in Network Performance Channel GmbH, Vöcklabruck, from HOFER Management GmbH, Vöcklabruck. By doing so, BRAIN FORCE HOLDING AG currently holds 100% of shares in Network Performance Channel GmbH.

Consequently, the consolidated financial statements as of 30.06.2013 include BRAIN FORCE HOLDING AG and 9 companies (30.09.2012: 10), thereof 7 foreign (30.09.2012: 8) and 2 Austrian companies (30.09.2012: 2), which are fully consolidated. As of 30.06.2013 no company (30.09.2012: 2) is included at-equity in the consolidated financial statements.

## Comments on the Group Income Statement

In the first nine months of fiscal year 2012/13 Group revenues increased by 14% to € 65.52 m compared to the previous year. The operative EBITDA rose from € 1.71 m to € 3.36 m. The operating result (EBIT) improved from € 0.21 m to € 1.97 m. In addition, the first quarter of the previous year was burdened with restructuring costs in the amount of € 0.68 m, which is a significant improvement of Group results. This result shows an increase of the Group EBITDA from € 1.03 m to € 3.36 m as well as an increase of the Group EBIT from € -0.46 m to € +1.97 m.

In the first three quarters of 2012/13 the financial result amounted to € -0.58 m compared to € -0.55 m in the previous year. The result from associated companies improved from € -1.09 m to € -0.55 m and can be mainly attributed to the profit share of the current fiscal year in SolveDirect Service Management GmbH until the date of deconsolidation with effect of 29.04.2013. The capital gain from the disposal of SolveDirect shares (30.09.2012: 53.16%) amounts to € +2.56 m. The Group result before taxes turned positive, improving from € -2.10 m to € +3.39 m. In the first nine months the result after taxes reached € +2.18 m compared to € -2.45 m in the previous year. Due to the purchase of the 26%-share in Network Performance Channel GmbH, Vöcklabruck the overall result can be attributed to the shareholders of the parent company.

## Segment Information

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

## Comments on the Cash Flow Statement

In the first nine months the cash flow from continuing operations reached € +3.33 m and was therefore € 2.46 m above previous year's level of € +0.87 m. The cash flow from operating activities turned in the first three quarters from € -0.46 m to € +0.42 m, improving by € 0.88 m. The increase in results compared to the previous year had a positive effect in this respect, whereas the increase of the working capital affected the cash flow negatively.

The cash flow from investing activities amounted to € +7.42 m compared to € -0.99 m in the previous year. Investments in property, plant and equipment and other intangible assets decreased from € 1.01 m to € 0.99 m. Payments received from the disposal of non-current assets and the disposal of financial assets had a positive effect in this respect. Payments received from the disposal of shares in associated companies amount to € 8.32 m. This item includes the balance from the purchase price payment from the sale of SolveDirect Service Management GmbH as well as the payments in connection with costs of the sale that have been made so far.

The cash flow from financing activities amounted to € -1.59 m and shows a decline of financial liabilities, whereas an increase in financial liabilities by € 0.68 m was recorded in the same period of the previous year.

## Comments on the Group Balance Sheet

As of the reporting date the balance sheet total was € 51.72 m, which is an increase of 11% compared to 30.09.2012. Non-current assets made up 32% of total assets and amounted to € 16.70 m compared to € 24.12 m as of 30.09.2012. Property, plant and equipment and other intangible assets decreased by € 0.47 m. Investments in property, plant and equipment and other intangible assets in the amount of € 0.99 m (out of which € 0.69 m are product development costs) are offset against scheduled depreciation in the amount of € 1.40 m. The company's goodwill remains unchanged with € 11.00 m. Through the sale of shares in SolveDirect Service Management GmbH and CONSULTING CUBE s.r.l. shares in associated companies fell to € 0.00 m (30.09.2012: € 7.40 m)

Current assets comprised 68% of total assets as of 30.06.2013. As of the reporting date trade receivables and services increased by € 6.32 m to € 20.24 m or 39% of total assets compared to 30.09.2012. Cash and cash equivalents more than doubled compared to the balance sheet date 30.09.2012 and amounted to € 11.87 m (30.09.2012: € 5.62 m). Net liquid funds (cash and cash equivalents less financial liabilities) as of 30.06.2013 amounted to € 1.86 m compared to net debts of € 5.98 m as of 30.09.2012.

As of 30.06.2013 the Group equity according to IFRS amounted to € 18.74 m, which equals an equity ratio of 36%. Non-current liabilities decreased from € 11.61 m to € 1.82 m. The decline can be attributed to the reclassification of the bonded loan, which, until now, was shown in the non-current financial liabilities. The bonded loan in the amount of € 10 m, which was taken out in 2007 has a maturity until March 2014 and will be therefore shown in the current financial liabilities.

Current liabilities rose by € 12.95 m to € 31.16 m. The increase can be mainly attributed to the fact that the bonded loan is now shown in the current financial liabilities. Moreover, trade liabilities and services increased by € 3.61 m to € 11.84 m and other liabilities rose by € 0.98 m to € 9.01 m.

As of 30.06.2013 the number of outstanding shares was 15,386,742; the authorized capital amounted to € 7,693,371.

## Audit Waiver for the Interim Report

This interim report as at 30.06.2013 was neither audited nor subject to an auditor's review.

## Other Disclosures

At the 15th ordinary general meeting of BRAIN FORCE HOLDING AG on 28.02.2013, among other things, a resolution, which authorizes the CEO to purchase own shares, was passed. This right has not been exerted yet.

On 14.05.2013 the Management Board of BRAIN FORCE HOLDING AG announced that Pierer Industrie AG will make a voluntary takeover bid to acquire a controlling interest according to Article 25a of the Austrian Takeover Act (§ 25a ÜbG) to all shareholders of BRAIN FORCE HOLDING AG. The acceptance period started on 07.06.2013 and ended on 21.06.2013. The result was announced on 25.06.2013. In total 3,404,214 shares were submitted, which equals an interest in the share capital of BRAIN FORCE HOLDING AG of about 22.12%. The interest of the tenderer in the share capital of BRAIN FORCE HOLDING AG therefore increased to about 79.51%. In accordance with Article 19 Section 3 of the Austrian Takeover Act (§ 19 Abs 3 ÜbG) the acceptance period for all shareholders that have not accepted the offer until now will be prolonged by three months, starting with the announcing of the result. The period of grace thus ends on 25.09.2013 so that the takeover bid can be accepted until and including 25.09.2013.

An extraordinary general meeting of BRAIN FORCE HOLDING AG took place on 18.07.2013. At the shareholder meeting it was resolved to withdraw shares of BRAIN FORCE HOLDING AG from the official trading segment at the Vienna Stock Exchange and integrate them into the unregulated third market (MTF) of the Vienna Stock Exchange (Mid Market / continuous trading with Market Maker). Moreover, resolutions regarding the elections to the Supervisory Board were passed. It was resolved to increase the number of Supervisory Board members from four to five members. Ms. Michaela Friepess was newly appointed to the Supervisory Board. On 05.07.2013 BRAIN FORCE HOLDING AG prematurely repaid the bonded loan, which was subscribed by Deutsche Bank AG with the final maturity on 20.03.2014 in the amount of € 10 m.

Vienna, August 14, 2013

The Management Board



Michael Hofer



Hannes Griesser

# Financial Calendar

Date	Event
August 14, 2013	Report on the first three quarters of 2012/13
December 19, 2013	Annual Report 2012/13 and Annual Financial Report
February 14, 2014	Report on the first quarter of 2013/14
March 5, 2014	General Meeting
March 10, 2014	Ex-dividend day
March 12, 2014	Dividend payment day
May 14, 2014	Six months report 2012/13
August 14, 2014	Report on the first three quarters of 2013/14
December 19, 2014	Annual Report 2013/14 and Annual Financial Report

## Information on the Company and the BRAIN FORCE Share

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