

BRAIN FORCE HOLDING AG

First Half-Year Report

2011/12



BRAIN FORCE Key Data

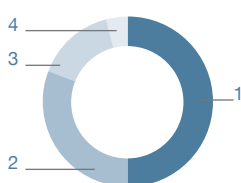
Earnings Data		10/2011-3/2012	10/2010-3/2011	Chg. in %	2010/11
Revenues	<i>in € million</i>	37.85	33.90	+12	71.09
EBITDA	<i>in € million</i>	0.25	1.10	-77	3.13
Operating EBITDA ¹⁾	<i>in € million</i>	0.93	1.10	-16	3.13
EBIT	<i>in € million</i>	-0.77	0.01	>100	1.04
Operating EBIT ¹⁾	<i>in € million</i>	-0.09	0.01	>100	1.04
Profit before tax	<i>in € million</i>	-2.20	-1.49	-47	-1.38
Profit after tax	<i>in € million</i>	-2.27	-1.55	-46	-1.37
Earnings per share	<i>in €</i>	-0.15	-0.10	-50	-0.09
Adjusted earnings per share ¹⁾	<i>in €</i>	-0.12	-0.10	-20	-0.09
Capital expenditure	<i>in € million</i>	0.72	0.64	+13	1.51
Acquisitions	<i>in € million</i>	0,00	0,00	-	0,00
Employees ²⁾		760	712	+7	733

Balance Sheet Data		31.3.2012	30.9.2011	Chg. in %
Equity	<i>in € million</i>	16.48	18.72	-12
Net debt	<i>in € million</i>	7.72	5.82	+33
Capital employed	<i>in € million</i>	24.16	24.50	-1
Working capital ³⁾	<i>in € million</i>	2.45	1.34	+83
Balance sheet total	<i>in € million</i>	48.77	49.43	-1
Equity ratio	<i>in %</i>	34	38	-
Gearing	<i>in %</i>	47	31	-
Employees ⁴⁾		751	786	-4

Stock Exchange Data ⁵⁾		10/2011-3/2012	2010/11	Chg. in %
Share price high	<i>in €</i>	0.95	1.10	-14
Share price low	<i>in €</i>	0.55	0.72	-24
Share price at end of period	<i>in €</i>	0.76	0.94	-19
Shares outstanding (weighted)	1,000	15,387	15,387	0
Market capitalization (ultimo)	<i>in € million</i>	11.69	14.46	-19

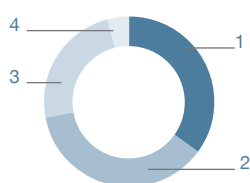
Segments First Half-Year 2011/12 <i>in € million</i>	Germany		Italy		The Netherlands		Central East Europe		Holding and Other	
Revenues (consolidated)	19.00	(+2%)	11.61	(+11%)	5.58	(+65%)	1.66	(+12%)	0	-
Operating EBITDA ²⁾	0.87	(+2%)	0.84	(+23%)	0.17	(-44%)	0.01	(-82%)	-0.96	(-21%)
Operating EBIT ²⁾	0.52	(+11%)	0.49	(+67%)	-0.08	(>100%)	-0.04	(>100%)	-0.99	(-20%)
Capital expenditure	0.23	(+28%)	0.18	(-51%)	0.25	(>100%)	0.02	(-38%)	0.05	(>100%)
Employees ²⁾	348	(+3%)	282	(+3%)	96	(+51%)	29	(+7%)	5	(-30%)

Revenues by Regions



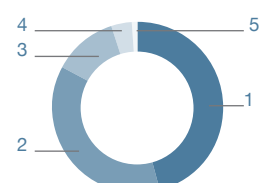
- 1 Germany 50%
- 2 Italy 31%
- 3 The Netherlands 15%
- 4 Central East Europe 4%

Operating EBITDA by Regions



- 1 Germany 46%
- 2 Italy 44%
- 3 The Netherlands 9%
- 4 Central East Europe 1%

Employees by Segments



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

1) Adjusted for restructuring costs

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

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

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

5) Vienna Stock Exchange

Chief Executive's Review



Michael Hofer, CEO of
BRAIN FORCE HOLDING AG

Dear shareholders, ladies and gentlemen,

In the first six months of business year 2011/12 the group revenues increased by 12% compared to the previous year. Thus we were able to generate an increase in revenues for the fifth quarter in a row with a growth rate of 7% in the past second quarter. Through an increase of the order income by 10% compared to the previous year and through the current sales pipeline a further revenue growth can be anticipated. After we had to present a negative operative result in the first quarter of the current business year, the result in the second quarter improved to € 0.14 million und was thus above the result of the same quarter of the past year. In total the operative result in the first six months was € -0.09 million compared to € 0.01 million in the previous year. In addition the result of the current business year was burdened by restructuring expenses from the first quarter.

Group revenues 12% above
previous year's level

In the first half of 2011/12 the group revenues increased by € 3.95 million to € 37.85 million and growth was recorded in all regions. The operative EBITDA reached € 0.93 million compared to € 1.10 million; the operative EBIT fell from € 0.01 million to € -0.09 million compared to the previous year. Taking into account the restructuring expenses of € 0.68 million in Germany, the group EBITDA was € 0.25 million and the group EBIT € -0.77 million.

Restructuring expenses burden
group result

In the second quarter the group revenues grew by € 1.18 million to € 18.04 million, which is an increase of 7% compared to the same quarter of the previous year. The operative EBITDA increased by 86% to € 0.63 million, the operative EBIT reached € 0.14 million after € -0.21 million in the previous year. Thus the operative result was improved compared to both the first quarter of the current business year as well as compared to the previous year's level.

Result improvement in the
second quarter compared to the
previous year

In Germany (50% of group revenue) revenues increased by 2% to € 19.00 million in the first half of the year. Whereas the area Professional Services at the location in Munich and Cologne remained at previous year's level, the site in Langen/Frankfurt recorded an increase. Network Performance Channel GmbH did not manage to reach previous year's high revenue level, the area FINAS however was able to generate an increase in revenues after successful restructuring in the past quarter. The operative EBITDA in Germany increased as well by 2% to € 0.87 million, the operative EBIT was 11% above previous year's level with € 0.52 million. In the second quarter the revenues growth amounted to 1%, the operative EBITDA improved by € 0.36 million to € 0.55 million, the operative EBIT by € 0.38 million to € 0.39 million. In addition the company had restructuring expenses in the amount of € 0.68 million in the area FINAS in the first quarter, which resulted in an EBITDA of € 0.19 million and an EBIT of € -0.16 million for the first six months.

Significant result improvement
in the second quarter in
Germany

Revenue growth and improve of results in Italy despite difficult market environment

In Italy (31% of group revenue) the revenues in the first half of the year increased by 11% to € 11.61 million. Significant improvements of the result were achieved despite the still difficult market environment. The operative EBITDA increased by 23% to € 0.84 million, the operative EBIT increased by 67% to € 0.49 million. In the second quarter the revenue growth amounted to 10%, the operative EBITDA grew by € 0.15 million to € 0.49 million, the operative EBIT by € 0.18 million to € 0.32 million. According to assessments of market research agencies the economic environment in Italy will remain difficult.

Further revenue growth in the Netherlands – however reduction of capacity utilization in the second quarter

The region Netherlands (15% of group revenue) recorded revenue growth of 65% to € 5.58 million in the first half of the year. The operative EBITDA decreased however by € 0.14 million to € 0.17 million, the operative EBIT turned from € 0.06 million to € -0.08 million. After a significant increase in revenue and results in the past four quarters a negative result was recorded for the past quarter, which is due to the below-average capacity utilization of the increased number of employees. Thus a revenue improvement of 30% was achieved in the second quarter, the average number of employees however increased by 51% compared to the previous year.

Expansion of Network Performance Channel activities in Central East Europe

In Central East Europe (4% of group revenue) revenues in the first half of the year was improved by 12% to € 1.66 million. The growth was in particular generated in the area Process Optimization in Austria. The operative EBITDA decreases by € 0.04 million to € 0.01 million, the operative EBIT decreased from € 0.39 million to € -0.38 million. The decline in results is exclusively due to the newly established Network Performance Channel GmbH in Austria and expenses in connection with the establishment of channel activities. In the future we expect further growth and a result improvement through expansion of Network Performance activities in Central East Europe. In the second quarter the revenue growth amounted to 6%, the operative EBITDA was € -0.03 million, which is € 0.06 million below previous year's level. The operative EBIT declined to € -0.59 million. In the second quarter the negative operative result can be also attributed to the establishment of the new business area.

Termination of management board agreement burdens half-year result

With an EBIT of € -0.99 million in the first half of the year the segments Holding and Others showed higher expenses of € 0.16 million compared to the previous year. These expenses can be mainly related to the premature termination of the management board agreement of Mr. Thomas Melzer as well as to increased consulting services. In the second quarter the EBIT improved from € -0.41 million to € -0.33 million.

Our goal for business year 2011/12 is further revenue growth and an improvement of operative results. With an increase of 12% our goal of revenue growth was confirmed. Through a strengthening of distribution with the aim of new customer acquisition as well as the expansion of Network Performance Channel activities we expect an increase in profitability and thus an improvement of operative results in the future.

Yours



Michael Hofer

Management Report

Earnings position in the first six months (October 2011 to March 2012)

In the first six months of the business year the BRAIN FORCE Group generated revenues of € 37.85 million, which is 12% above previous year's level. All operative units were able to record a revenue growth in this period of time. Significant growth was recorded in particular in Italy – despite of a persistently difficult economic environment – as well as in the Netherlands.



Due to the strengthening of distribution and the thus resulting increased distribution expenses as well as due to lower license sales, the group recorded a decline of the operative EBITDA (before restructuring expenses) by 16% to € 0.93 million (previous year €1.10 million) despite the positive revenue development. The operative EBIT decreased from € 0.01 million to € -0.09 million. Apart from the increase of distribution expenses the operative result is also burdened by expenses in connection with the premature termination of the management board agreement of Mr. Thomas Melzer. The agreement, which was originally valid until September 30, 2012 was dissolved by mutual agreement on December 31, 2011, which resulted in additional costs of € 0.15 million at the end of the second quarter compared to the previous year.



In addition, the result of the current business year is burdened by restructuring expenses in the amount of € 0.68 million, which occurred in the first quarter. The restructuring relates to the area FINAS (front office solutions for financial service providers) in the region Germany. After this business area proved successful in the past business year due to several license sales and the utilization of short-time work, the management had to reduce the number of employees at the end of the first quarter in order to ensure a sustainable positive development. Under consideration of costs for restructuring of the area FINAS the group EBITDA amounted to € 0.25 million and the group EBIT to € -0.77 million.

Negative impact on earnings due to restructuring expenses in the area FINAS

The financial result slightly deteriorated from € 0.03 million to € -0.41 million, which can be attributed to the increased financing expenses in connection to factoring. From the current financing the major part can be attributed to the long-term bonded loan with a fixed interest rate. The result from associated companies (SolveDirect Service Management GmbH) amounted to € -1.03 million compared to € -1.22 million in the previous year. Out of this amount € -0.21 million (previous year: € -0.54 million) can be allotted to the result transfer and € -0.82 million (previous year: € -0.59 million) to the dilutive effect through further capital increases of 3TS Cisco Growth Fund for financing of the expansion.

Slight increase of financing expenses due to launch of factoring

Therefore the calculated total result for the group before taxes is € -2.20 million (previous year: € -1.49 million). The result after taxes amounted to € -2.27 compared to € -1.55 million in the previous year. The decline in the amount of € 0.72 million can be mainly attributed to restructuring costs.

Decrease of the net result through restructuring expenses

The result per share amounted to € -0.15 (previous year: € -0.10). The adjusted result per shares considering restructuring expenses was € -0.12.

Earnings position in the second quarter (January to March 2012)

In the second quarter of the business year 2011/12 the group revenues increased by 7% compared to the previous year to € 18.04 million. Thus the group was able to generate a revenue growth for the fifth quarter in a row and growth in this quarter was recorded in all regions. In Germany revenues increased by € 0.06 million to € 9.02 million; in Italy by 10% to € 5.78 million. The Netherlands recorded a revenue increase of 30% to € 2.39 million, the region Central Eastern Europe was able to increase revenues by 6% to € 0.85 million.

Revenue growth for the fifth quarter in a row

The operative EBITDA of the BRAIN FORCE Group has significantly improved in the second quarter by € 0.29 million to € 0.63 million. The operative EBIT turned from € -0.21 million in the same quarter of the previous year to € 0.14 million. Thus a significant improvement of operative results was achieved compared to both the first quarter of the current business year as well as compared to the previous year's level. The development in Germany with an increase of the EBITDA by € 0.36 million to € 0.55 million was

particularly satisfactory. Italy was able to improve the operative EBITDA in the second quarter by 43% to € 0.49 million; however the Netherlands (€ -0.05 million) and the region of Central Eastern Europe (€ -0.03 million) had to record a decline of the operative EBITDA. The decline in the Netherlands is a result of a below-average capacity utilization of the increased number of employees. In the Central Eastern Europe region the drop in results can be exclusively attributed to the newly established Network Performance Channel GmbH in Austria and the costs in connection with the establishment of channel activities. The segments Holding and Others contributed lower costs (by € 0.07 million) to the result improvement in the second quarter.

Cash Flow

Reduction of the cash flow from operating activities by increase of working capital and expenses for restructuring

In the first half of the year the gross cash flow of continuing operations was € 0.15 million, which is € 0.83 million below prior year's level of € 0.98 million. This result is primarily due to a drop in earnings and in particular to restructuring expenses in the first quarter. The second quarter of 2011/12 was clearly more positive with a gross cash flow of continuing operations amounting to € 0.60 million compared to € 0.31 million in the previous year. The cash flow from operating activities turned in the first six months from € 2.25 million to € -1.13 million. Besides an increase of the working capital by € 1.11 million to € 2.45 million, expenses for restructuring measures burdened the cash flow from operating activities. In the second quarter the cash flow from operating activities, in consistence with the gross cash flow of continuing operations considerably improved compared to the first three months.

Increase of investments due to growth in the Netherlands

The cash flow from investing activities amounted to € -0.70 million (previous year: € -0.63 million). Investments in property, plant and equipment and other intangible assets amounted to € 0.72 million and increased by € 0.08 million compared to the previous year, which is mainly due to the increased amount of employees in the Netherlands. Own work capitalized in the first six months of the business year in the amount of € 0.44 million is offset by scheduled depreciation in the amount of € 0.58 million.

Cash and cash equivalents of € 4.83 million at the reporting date

The cash flow from financing activities in the amount of € 0.92 million (previous year: € -1.00 million) results from the increase of current financial liabilities. The non-current financial liabilities in the amount of € 9.98 million are due in 2014. As of March 31, 2012 the BRAIN FORCE Group had cash and cash equivalents totaling € 4.83 million (September 30, 2011: € 5.81 million).

Financial Position

Equity in € million

31.3.2012	16.48
30.9.2011	18.72

The balance sheet total of the group was € 48.77 million as at March 31, 2012, whereas equity amounted to € 16.48 million. The equity ratio decreased to 34% from 38% as at September 30, 2011, which is related to the negative total result for the period in the amount of € 2.27 million. Out of the total result for the reporting period, a negative earnings contribution of € -1.03 million was generated by SolveDirect Service Management GmbH, which is consolidated at-equity; € -0.68 million were used for restructuring measures.

Net debt in € million

31.3.2012	7.72
30.9.2011	5.82

The working capital (inventories plus trade receivables, plus other current receivables less trade payables and other current liabilities) increased from € 1.34 million to € 2.45 million in the first half of 2011/12, which is primarily attributable to the increase in trade receivables (€ 0.66 million) and other receivables and assets (€ 0.63 million). Trade payables decreased by € 0.69 million, at the same time other liabilities increased by € 1.02 million. The net debt of € 7.72 million as of March 31, 2012 is € 0.09 million above the level of previous year (€ 7.63 million) and € 1.90 million above the level of September 30, 2011 of € 5.82 million. The gearing (ratio of net debt to equity) of the BRAIN FORCE Group was 47% as at March 31, 2012, compared to 31% as at September 30, 2011.

Research and Development

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

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

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

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

Human Resources

The total number of employees of the BRAIN FORCE Group as at March 31, 2012 amounted to 518 salaried employees, which is an increase of 3% compared to March 31, 2011. In addition, 233 people employed on a freelance basis – an increase of 3% - worked on various customer projects. In our largest markets – Germany and Italy the number of employees remained at prior year's level. The workforce in the Netherlands further strongly expanded by 33% compared to the previous year. The number of employees in the Central East Europe region increased by 12%. The segment Holding and Other employed 4 people as at March 31, 2012 compared to 7 employees on March 31, 2011.

In total the BRAIN FORCE Group employed 751 people at the reporting date, which is an increase of 3% or 20 employees compared to March 31, 2011.

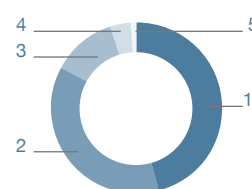
Development of the FINAS modules and smart FINAS

Infrastructure Framework updated, Workspace Manager for virtual desktop infrastructures optimized

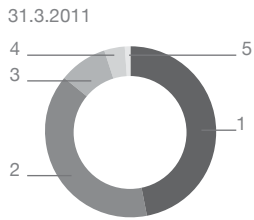
Integration of SD.Calendar, SD.Dialog and SD.Survey modules, launch of development work for Service Grid solution

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

Employees by Segments
31.3.2012



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



- 1 Germany 47%
- 2 Italy 39%
- 3 The Netherlands 9%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

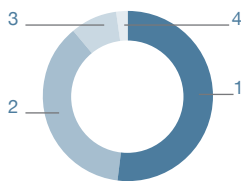
The breakdown of staff (salaried and subcontractors) by geographical segment as at March 31, 2012 is as follows:

- ▶ Germany: 343 (prior year: 342 / chg.: 0%)
- ▶ Italy: 280 (prior year: 284 / chg.: -1%)
- ▶ Netherlands: 92 (prior year: 69 / chg.: +33%)
- ▶ Central East Europe: 32 (prior year: 29 / chg.: +12%)
- ▶ Holding and Other: 4 (prior year: 7 / chg.: -41%)

On average the staff of BRAIN FORCE in the period of October 2011 to March 2012 comprised 522 salaried employees (prior year: 502) and 238 people employed on a freelance basis (prior year: 210). The total average number of employees therefore amounted to 760, an increase of 7% compared to the prior-year period.

Order Intake

Order Intake by Regions
31.3.2012



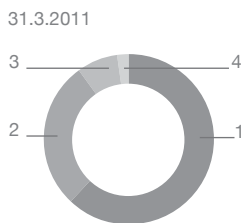
- 1 Germany 52%
- 2 Italy 37%
- 3 The Netherlands 9%
- 4 Central East Europe 2%

As at March 31, 2012 the order volume at group level amounted to € 21.42 million, which is an increase by 10% compared to March 31, 2011. Thus, the order intake also reflects the expected sales growth for the upcoming quarters.

Compared to March 31, 2011 Italy and the Netherlands achieved a considerable increase in their order volumes of 44% and 34% respectively. The order volume in Germany decreased by 7%, which is mainly due to the planned processing of a long-term customer contract. In the region Central Eastern Europe the order volume decreased by 5%.

On March 31, 2012 the order volumes attributable to the respective regions are as follows:

- ▶ Germany accounts for orders of € 11.08 million (March 31, 2011: € 11.95 million).
- ▶ Italy has an order intake of € 7.90 million (March 31, 2011: € 5.50 million).
- ▶ The Netherlands have orders of € 1.99 million on hand (March 31, 2011: € 1.49 million)
- ▶ Central East Europe accounts for orders of € 0.45 million (March 31, 2011: € 0.48 million).



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

Regarding disclosures about related party transactions, reference is made to the notes to the consolidated financial statements contained in this first half-year report 2011/12

Outlook

The objective to achieve a sales growth in the business year 2011/12 was confirmed by the increase of 12% compared to the first six months of the previous year. Revenues increased by 7% in the second quarter of 2011/12 compared to the second quarter of 2010/11. The increased order intake and the current sales pipeline indicate further growth. Earnings in the second quarter of 2011/12 improved compared to the previous year as well as compared to the first quarter of 2011/12. Due to the existing price pressure, resulting from cost saving programs of important key accounts, mainly in the area of finance-, telecommunication- and the aviation industry ask for further measures to strengthen the distribution capacity. This shall attract new customers from economic segments with growth potential. A further increase in earnings shall be achieved by higher license revenues and an increase of the network performance channel activities.

Due to the expected results from the strengthening of the distribution and further homogenization of the portfolio of the BRAIN FORCE Group, the operative result in 2011/12 is expected to be positive from today's point of view.

First Half-Year Accounts (IFRS) of the BRAIN FORCE Group

Group Income Statement in EUR	1-3/2012	1-3/2011	10/2011-3/2012	10/2010-3/2011
Revenues	18,041,768	16,856,888	37,851,088	33,903,584
Cost of sales	-14,276,828	-13,639,837	-29,971,575	-26,982,467
Gross profit	3,764,940	3,217,051	7,879,513	6,921,117
Selling expenses	-1,821,319	-1,563,204	-3,855,373	-3,197,327
Administrative expenses	-1,643,673	-1,727,839	-3,869,904	-3,479,263
Other operating expenses	-170,467	-146,503	-323,281	-276,520
Other operating income	8,341	13,625	77,556	37,503
Operating profit/loss before non-recurring items (Operating EBIT)	137,822	-206,870	-91,489	5,510
Restructuring costs	0	0	-677,207	0
Operating profit/loss after non-recurring items (EBIT)	137,822	-206,870	-768,696	5,510
Financial income	2,098	5,534	3,021	6,539
Financial expenses	-197,439	-235,516	-409,964	-384,121
Financial result	-195,341	-229,982	-406,943	-377,582
Result from associates	-413,971	-481,737	-1,026,534	-1,122,733
Profit/loss before tax	-471,490	-918,589	-2,202,173	-1,494,805
Income taxes	-237,845	21,652	-65,679	-50,733
Profit/loss after tax	-709,335	-896,937	-2,267,852	-1,545,538
attributable to the equity holders of the parent	-691,618	-896,937	-2,250,135	-1,545,538
attributable to minor interests	-17,717	0	-17,717	0
Earnings per share – undiluted and diluted	-0.04	-0.06	-0.15	-0.10
Earnings per share adjusted ¹⁾	-0.04	-0.06	-0.12	-0.10

Statement of Comprehensive Income in EUR	1-3/2012	1-3/2011	10/2011-3/2012	10/2010-3/2011
Profit/loss after tax	-709,335	-896,937	-2,267,852	-1,545,538
Changes in fair values of available-for-sale financial assets	4,668	-508	4,166	-1,895
Currency translation differences	-661	20,144	-2,961	-10,909
Other result	4,007	19,636	1,205	-12,804
Comprehensive income/loss	-705,328	-877,301	-2,266,647	-1,558,342
attributable to the equity holders of the parent	-687,611	-896,937	-2,248,930	-1,558,342
attributable to minor interests	-17,717	0	-17,717	0

Key ratios by segment 10/2011-3/2012 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Other	Group
Revenues (consolidated)	19,003,975	11,614,869	5,577,165	1,655,079	0	37,851,088
EBITDA	194,044	837,415	170,053	9,284	-958,933	251,863
Operating EBITDA ¹⁾	871,251	837,415	170,053	9,284	-958,933	929,070
Depreciation and amortization	-351,281	-343,038	-250,335	-47,293	-28,612	-1,020,559
Operating EBIT ¹⁾	519,970	494,377	-80,282	-38,009	-987,545	-91,489
Non-recurring expenses / income	-677,207	0	0	0	0	-677,207
EBIT	-157,237	494,377	-80,282	-38,009	-987,545	-768,696

Key ratios by segment 10/2010-3/2011 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Other	Group
Revenues (consolidated)	18,578,561	10,465,250	3,384,278	1,475,495	0	33,903,584
EBITDA	855,775	683,543	305,435	52,770	-794,164	1,103,359
Operating EBITDA ¹⁾	855,775	683,543	305,435	52,770	-794,164	1,103,359
Depreciation and amortization	-388,775	-387,378	-247,227	-44,172	-30,297	-1,097,849
Operating EBIT ¹⁾	466,999	296,165	58,208	8,598	-824,460	5,510
Non-recurring expenses / income	0	0	0	0	0	0
EBIT	466,999	296,165	58,208	8,598	-824,460	5,510

1) adjusted for restructuring costs

Cash Flow Statement in EUR	10/2011-3/2012	10/2010-3/2011
Profit / loss before tax	-2,202,173	-1,494,805
Depreciation and amortization	1,020,559	1,097,848
Financial result	406,943	377,582
Result from associates	1,026,534	1,122,733
Gains / losses from the disposal of property, plant and equipment and intangible assets	3,145	179
Changes in non-current provisions and liabilities	-107,514	-120,129
Gross cash flow of continuing operations	147,494	983,408
Changes in inventories	-166,294	-42,302
Changes in trade receivables	-657,749	1,304,082
Changes in trade payables	-688,415	97,336
Changes in other current assets and liabilities	770,258	185,548
Currency translation differences	-20,191	-1,432
Net interest paid	-406,613	-334,995
Income taxes paid	-111,770	61,489
Cash flow from operating activities of continuing operations	-1,133,280	2,253,134
Investments in property, plant and equipment and other intangible assets	-724,171	-639,168
Sale of property, plant and equipment and other intangible assets	9,187	10,270
Sale of financial assets	14,281	0
Cash flow from investing activities of continuing operations	-700,703	-628,898
Increase in financial liabilities	923,076	276,441
Repayment of financial liabilities and bank overdrafts	0	-1,277,525
Dividends paid	0	0
Capital increase	0	0
Purchase of treasury shares	0	0
Cash flow from financing activities of continuing operations	923,076	-1,001,084
Change in cash and cash equivalents from continuing operations	-910,907	623,152
Change in cash and cash equivalents from discontinued operation	-60,984	-212,169
Cash and cash equivalents at the beginning of the period	5,806,602	4,115,563
Change in cash and cash equivalents	-971,891	410,983
Cash and cash equivalents at the end of the period	4,834,711	4,526,546

Balance Sheet in EUR	31.03.2012	30.9.2011
ASSETS		
Property, plant and equipment	1,496,460	1,593,534
Goodwill	11,001,151	11,001,151
Other intangible assets	2,414,672	2,626,407
Investments in associates	7,870,356	8,896,890
Financial assets	33,261	45,351
Other receivables and assets	86,698	91,229
Deferred tax assets	2,022,832	1,813,823
Non-current assets	24,925,430	26,068,385
Inventories	470,823	304,529
Trade receivables	16,015,448	15,357,699
Other receivables and assets	2,518,624	1,892,131
Cash and cash equivalents	4,834,711	5,806,602
Current assets	23,839,606	23,360,961
Total assets	48,765,036	49,429,346
EQUITY AND LIABILITIES		
Share capital	15,386,742	15,386,742
Reserves	9,600,884	9,599,679
Retained earnings	-8,519,051	-6,268,916
Equity attributable to equity holders of the parent company	16,468,575	18,717,505
Minor interests	8,283	0
Equity	16,476,858	18,717,505
Financial liabilities	9,977,113	9,973,541
Other liabilities	169,870	151,150
Provisions for post-employment benefits	1,314,679	1,440,583
Deferred tax liabilities	126,924	136,736
Non-current liabilities	11,588,586	11,702,010
Financial liabilities	2,576,504	1,657,000
Trade payables	7,955,187	8,643,602
Other liabilities	8,598,813	7,574,840
Income tax provisions	1,047,032	872,755
Other provisions	522,056	261,634
Current liabilities	20,699,592	19,009,831
Total equity and liabilities	48,765,036	49,429,346

Changes in equity in EUR	Attributable to equity holders of the parent company				Minor interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings		
Balance 1.10.2010	15,386,742	11,033,310	-287,239	-6,023,248	0	20,109,565
Total result for the period 10/2010-3/2011	0	0	-12,804	-1,545,538	0	-1,558,342
Balance 31.03.2011	15,386,742	11,033,310	-300,043	-7,568,786	0	18,551,223
Transfer of reserves	0	-1,122,954	0	1,122,954	0	0
Total result for the period 4-9/2011	0	0	-10,634	176,916	0	166,282
Balance 30.9.2011	15,386,742	9,910,356	-310,677	-6,268,916	0	18,717,505
Change in Minor interests	0	0	0	0	26,000	26,000
Total result for the period 10/2011-3/2012	0	0	1,205	-2,250,135	-17,717	-2,266,647
Balance 31.03.2012	15,386,742	9,910,356	-309,472	-8,519,051	8,283	16,476,858

Notes to the First Half-Year Accounts

Accounting and Measurement Principles

This interim report of BRAIN FORCE HOLDING AG as at March 31, 2012 has been prepared in accordance with the principles contained in the International Financial Reporting Standards (IFRS), as stipulated in IAS 34, "Interim Financial Reporting". The accounting and measurement principles applied in preparing the consolidated financial statements presented in the annual report as at September 30, 2011 remain unchanged. The statement of comprehensive income was changed due to the minority interest included as of the second quarter 2011/12. As of now the group income statement is presented separately with a result-breakdown for shareholders of the parent company and minority shareholders, followed by the transition to the comprehensive income of the respective period. For more information on accounting and measurement principles, we refer to the annual report and the consolidated financial statements as at September 30, 2011, which serve as the basis for this interim report.

Consolidated Group

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

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

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

Comments on the Group Income Statement

Group revenues increased by 12% to € 37.85 million compared to previous year's period. The operative EBITDA (before restructuring expenses) amounted to € 0.93 million and thus decreased by € 0.17 million compared to the previous year. The operating result (EBIT) slumped from +0.01 to € -0.09 million. The group result was burdened with restructuring expenses in the amount of € 0.68 million, which arose in the first quarter in Germany. This resulted in a group EBITDA for the first six months of € 0.25 million and a group EBIT of € -0.77 million.

With € -0.41 million the financial result showed an increase in expenses by € 0.03 million compared to previous year's period, which resulted from increased financing costs for factoring implemented in the second quarter of last year in Germany and in the fourth quarter in the Netherlands and Italy. The result from associated companies amounts to € -1.03 million and can be attributed to SolveDirect Service Management GmbH. Out of this amount € -0.21 million can be allotted to the result contribution of the current business year and € -0.82 million to the dilutive effect through further capital increases of 3TS Cisco Growth Funds for financing and expansion. The interest held in SolveDirect Service Management GmbH was reduced from 67.39% as of September 30, 2011 to 57.57% as of March 31, 2012.

In the first six months of the current business year the result after taxes reached € -2.27 million compared to € -1.55 million in the previous year.

Segment Information

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

Comments on the Cash Flow Statement

In the first six months the gross cash flow from continuing operations reached € 0.15 million and was therefore € 0.83 million below previous year's level of € 0.98 million. The cash flow from operating activities turned in the first half-year from € 2.25 million to € -1.13 million. In this respect the decline in earnings as well as an increase of the working capital by € 1.11 million to € 2.45 million had a negative impact.

The cash flow from investing activities amounted to € -0.70 million compared to € -0.63 million in the previous year. Investments in tangible assets and other intangible assets increased by € 0.09 million, which can be mainly attributed to the increase in turnover as well as in the number of employees in the Netherlands. The cash flow from financing activities amounted to € 0.92 million and shows an increase in financial liabilities, whereas financial liabilities in the previous year's period were reduced by € 1.00 million.

Comments on the Balance Sheet

At the reporting date the balance sheet total was € 48.77 million, which is a decrease by 1% compared to September 30, 2011. Non-current assets made up 51% of total assets and amounted to € 24.93 million on the reporting date compared to € 26.07 million on September 30, 2011. Tangible assets and other intangible assets decreased by € 0.31 million. Capital expenditures on property, plant and equipment and other intangible assets totaling € 0.72 million in the reporting period (of which € 0.44 million comprised product development costs) were in contrast to scheduled depreciation of € 1.02 million. The company's goodwill remains at the same level with € 11.00 million. Investments in associated companies declined by € 1.03 million to € 7.87 million. As at March 31, 2012 the investment in SolveDirect was 57.57% (September 30, 2011: 67.39%).

Current assets comprised 49% of total assets on the reporting date of March 31, 2012. Trade receivables increased by about 4% from the comparable figure on September 30, 2011 to € 16.02 million or 33% of total assets. Cash and cash equivalents decreased by 17% compared to the reporting date of September 30, 2011 and amounted to € 4.83 million.

IFRS-based equity as at March 31, 2012 was € 16.48 million, corresponding to an equity ratio of 34%. Non-current liabilities were reduced only slightly from € 11.70 million to € 11.59 million.

Current liabilities rose by 9% to € 20.70 million, which can be mainly attributed to an increase in current financial liabilities by € 0.92 million to € 2.58 million and an increase of other liabilities by € 1.02 million to € 8.60 million. At the same time trade payables decreased by € 0.68 million to € 7.96 million. The working capital at the reporting date was € 2.45 million, which is an increase by € 1.11 million compared to September 30, 2011. Net debt on the reporting date, March 31, 2012 was € 7.72 million, which equals an increase by € 1.90 million in comparison to September 30, 2011.

As at March 31, 2012 the number of outstanding shares was 15,386,742. Authorized capital amounted to € 7,693,371.

Related Party Transactions

The major shareholders along with the management and supervisory board members of BRAIN FORCE HOLDING AG and those of associated companies are considered to be related parties. A transfer agreement on the provision of a management board member was concluded between BRAIN FORCE HOLDING AG and CROSS Informatik GmbH, Wels. CROSS Informatik GmbH, Wels, in which CROSS Industries AG, Wels, holds 50% of shares, is the majority owner of BRAIN FORCE HOLDING AG. Service relationships exist with CROSS Industries AG as well as with the associated company SolveDirect Service Management GmbH, Vienna; however, the scope of these relationships does not have a material impact on the financial situation of the BRAIN FORCE Group. Together with HOFER Management GmbH, Vöcklabruck BRAIN FORCE HOLDING AG established the company Network Performance Channel GmbH, Vöcklabruck. BRAIN FORCE HOLDING AG's interest in Network Performance Channel GmbH amounts to 74%, whereas HOFER Management GmbH holds 26% of shares. The management board member Michael Hofer is the 100% shareholder of HOFER Management GmbH.

Based on the approval granted by the supervisory board (with Josef Blazicek abstaining from voting), the company concluded a mandate agreement contracting Ocean Advisory GmbH to provide M&A consulting services. The fees stipulated in the agreement correspond to prevailing market rates. The supervisory board member Josef Blazicek is shareholder of OCEAN Advisory GmbH.

Audit Waiver for the Interim Report

This interim report as at March 31, 2012 was neither audited nor subject to an auditor's review.

Other Disclosures

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

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

Statement of all Legal Representatives

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards (IFRS), and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, and of the principal risks and uncertainties for the remaining six months of the financial year, and of the major related party transactions to be disclosed.

Vienna, May 15, 2012

The Management Board



Michael Hofer



Hannes Griesser

Financial Calendar

Date Event	Event
May 15, 2012	Six months report 2011/12
August 14, 2012	Report on the first three quarters of 2011/12
December 19, 2012	Annual report 2011/12

Information on the Company and the BRAIN FORCE Share

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