BF HOLDING AG

Annual Report
Short fiscal year
2014

BF HOLDING AG

(formerly BRAIN FORCE HOLDING AG)

Content

* *reviewed by the auditor*

Earnings Data		2013/14	2014 (10/01-12/31/2014)	Change in %
Revenues	*in € million*	5.52	1.46	*-74*
EBITDA	*in € million*	-1.80	-0.58	*68*
EBIT	*in € million*	-1.86	-0.61	*67*
Earnings from continuing operations	*in € million*	-1.69	-0.20	*88*
Earnings from discontinued operations	*in € million*	7.30	0.00	*-100*
Result of the period	*in € million*	5.61	-0.20	*>100*

Balance Sheet Data and emplyees		9/30/2014	12/31/2014	Change in %
Balance sheet total	*in € million*	28.11	28.23	*0*
Equity	*in € million*	24.91	24.78	*-1*
Equity ratio	*in %*	89	88	*-1*
Net liquid funds (+) / Net debt (-)	*in € million*	19.23	-1.27	>100
Employees at reporting date		14	11	*-21*
Employees on average		532	11	*-98*

Cash Flow		2013/14	2014 (10/01-12/31/2014)	Change in %
Cash Flow from operating activities	*in € million*	2.91	0.60	*-79*
Free Cash Flow [1]	*in € million*	12.36	-20.48	*>100*

Stock Exchange Data [2]		2013/14	2014 (10/01-12/31/2014)	Change in %
Earnings per share	*in €*	0.36	-0.01	*>100*
Dividend per share	*in €*	0.00	0.00	*0*
Equity per share	*in €*	1.62	1.61	*-1*
Share price high (Intraday)	*in €*	2.00	1.85	*-8*
Share price low (Intraday)	*in €*	0.84	1.55	*85*
Share price at year-end	*in €*	1.59	1.84	*16*
Shares outstanding (weighted)	*in 1,000*	15,387	15,387	*0*
Market capitalization	*in € million*	24.47	28.30	*16*

„Segments 2014 (10/1-12/31/2014) in € million“	Germany		Austria (operating)		Austria (Holding)		Consolidation		Group		Discontinued Operations	
Revenues	1.46	*(-73%)*	0.00	*(-100%)*	0.04	*(-78%)*	-0.04	*(+66%)*	1.46	*(-74%)*	0.00	*(-100%)*
EBITDA	-0.22	*(-9%)*	-0.02	*(<100%)*	-0.35	*(+79%)*	0.00	-	-0.58	*(+68%)*	0.00	*(-100%)*
EBIT	-0.22	*(+5%)*	-0.02	*(<100%)*	-0.37	*(+78%)*	0.00	-	-0.61	*(+67%)*	0.00	*(-100%)*
Investments	0.00	*(-95%)*	0.00	*(-95%)*	0.00	*(-100%)*	0.00	-	0.00	*(-99%)*	0.00	*(-100%)*

[1] Cash flow from operating activities less cash flow from investing activities plus acquisitions
[2] Vienna Stock Exchange

Foreword

Chief Executive's Review

Dear shareholders,

the fiscal year 2013/14 which ended September 30, 2014 was characterized by the disposal of substantial holdings and the disposed subsidiaries were deconsolidated as of September 30, 2014. BRAIN FORCE HOLDING AG (now: BF HOLDING AG) as well as Network Performance Channel Group remained continuing operations. The balance sheet date has been changed from September 30 to December 31 and therefore a short fiscal year, lasting from October 1 to December 31, 2014, has been formed.

In the 17th general meeting of BRAIN FORCE HOLDING AG (now: BF HOLDING AG) on December 17, 2014 it was decided that the company's name will be changed from BRAIN FORCE HOLDING AG into BF HOLDING AG and to transfer the company's headquarter from Vöcklabruck to Wels. The corresponding amendments of the Articles of Incorporation had been registered in the Commercial Register on January 27, 2015. The company now reads as BF HOLDING AG and the headquarter is now based in Wels. In this annual report BF HOLDING AG refers to the former BRAIN FORCE HOLDING AG.

In October 2014 it was published that it is intended to merge CROSS Industries AG into BF HOLDING AG (formerly BRAIN FORCE HOLDING AG). Since then the required preparatory work, assessments and corporate actions has been compiled. The realization of the transaction is expected in the first half of 2015.

CROSS Industries AG is majority shareholder of KTM AG with the brands KTM and Husqvarna, Pankl Racing Systems AG and WP AG. The CROSS-group hires more than 4,000 employees and expects a Group revenue of about 1.1 billion euros at the end of the fiscal year 2014.

At the beginning of November 2014 the Management Board of BF HOLDING AG was informed that Pierer Industrie AG, majority shareholder of BF HOLDING AG, submitted a voluntary takeover offer to the shareholders of the company with regard to the intended stock exchange listing of CROSS Industries AG by means of a merger with BF HOLDING AG. The offer price of the tender offer is € 1.80 per share. The offer document has been published on December 22, 2014 and was subject to an acceptance period of six weeks (December 22, 2014 until February 2, 2015). Until the end of the General Acceptance Period on February 2, 2015 altogether 1,871,727 shares of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) has been tendered for sale. The takeover offer has been extended until May 5, 2015 for those shareholders that have not accepted the offer within the General Acceptance Period until Februrary 2, 2015. The announced voluntary public offer is an accompanying measure to the planned merger and provides the possibility to the shareholders of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) which in the course of the reorientation of the company as an automotive group intend to exit the company for an appropriate price.

In the short fiscal year 2014 BF HOLDING Group (formerly BRAIN FORCE Group) generated a result of the period of € -0.20 m after € 5.61 m in the previous year. As a result the earnings per share are € -0.01 compared to € 0.36 per share in the previous year.

The equity decreased slightly from € 24.91 m to € 24.78 m, which corresponds to an equity ratio of about 88%. The net debts (liquid funds less financial liabilities) amounted to € -1.27 m as of December 31, 2014. In the previous year the company held net liquid funds in the amount of € 19.23 m. Those liquid funds had been invested in bonds of CROSS Industries AG as well as in shares during the short fiscal year under review.

The development of the share price was positive and showed an increase by 16% to € 1.84 (Vienna Stock Exchange) at balance sheet date December 31, 2014 compared to the share price of September 30, 2014.

The company started a share buy-back program in March 2014. This buy-back program affects no par value shares of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG), of which a maximum of 10% of the share capital can be bought back. The purchase price of the shares will be the average rate of the last five stock exchange days with a margin of +/- 20%. According to the announcement of November 18, 2014 no further shares have been purchased by the company due to the voluntary takeover offer of the majority shareholder Pierer Industrie AG. However, the share buy-back program has not been terminated.

At this point I would like to take the opportunity to sincerely thank our employees for their dedication and hard work in the short fiscal year 2014. Let me also express my thanks to our customers, business partners and shareholders for their confidence in us. We are fully committed to surpass your expectations.

Wels, in March 2015

Michael Hofer
CEO

Report of the Supervisory Board

The Supervisory Board of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) held a total of two meetings in short fiscal year 2014 (October 1 until December 31, 2014) intensively discussing the overall economic situation and the future strategic development of the company and its group companies as well as significant events. Within the context of its regular reporting and with comprehensive reports submitted in all meetings, the Management Board informed the Supervisory Board about the present state of the business and the financial position of the group as well as the personnel situation. Additional information was supplied about extraordinary developments.

In November 2014 the supervisory board members Stefan Pierer (chairman of the Supervisory Board), Friedrich Roithner and Christoph Senft have announced their resignation from their position as a member of the Supervisory Board with effect as of the end of the ordinary shareholders meeting on December 17, 2014. The resignation of the supervisory board members is related to the intended merger of CROSS Industries AG with BF HOLDING AG (formerly BRAIN FORCE HOLDING AG).

In the ordinary shareholders meeting on December 17, 2014 Ernst Chalupsky and Gerald Kiska were elected to the Supervisory Board.

On December 17, 2014 the Supervisory Board has been newly constituted itself and now consists of Ernst Chalupsky, Chairman of the Supervisory Board, Josef Blazicek, Deputy Chairman, and Gerald Kiska, member of the Supervisory Board.

The Audit Committee dealt in detail with individual specialized issues and subsequently reported their findings to the Supervisory Board. The Presidium of the Supervisory Board was regularly informed about the current business situation by the Management Board. The Audit Committee convened once. The tasks of the Remuneration and the Nomination Committee have been carried out by the whole Supervisory Board since December 17, 2014.

The annual financial statements and the Management Report of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) as well as the consolidated financial statements as at December 31, 2014 in accordance with IFRS were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, and granted an unqualified auditor's opinion. All documentation related to the annual financial statements and the Independent Auditor's Report were discussed in detail with the auditor at the Audit Committee meeting held on March 12, 2015 and presented to the Supervisory Board together with the Management Reports and the Corporate Governance Report at its subsequent meeting.

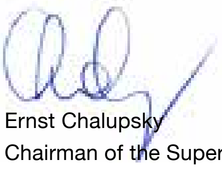
The Audit Committee reported to the Supervisory Board that it agreed with the result of the audit and reached the conclusion, that the review of the financial statements and management as well as the consolidated financial statements, the group management report and the Corporate Governance Report for short fiscal year 2014 and the documents submitted for auditing are correct and in compliance with the law. The Management Board's decision regarding accounting policy is economic and practical and there is no reason for any objections.

The Supervisory Board agrees with the report of the Audit Committee and thereby with the result of the audit. In the Supervisory Board's final conclusion of the financial statements and the management report as well as the consolidated financial statements, the Group Management report and the Corporate Governance Report for short fiscal year 2014, gives no reason for any objections.

Accordingly, the annual financial statements were adopted by the Supervisory Board in accordance with Art. 96 (4) of the Austrian Stock Corporation Act. and the Supervisory Board approves the consolidated financial statements and the management report for short fiscal year 2014. Moreover, due to recommendation of the Audit Committee a proposal for the election of the auditors for the fiscal year 2015 (January 1, 2015 until December 31, 2015) was prepared for the 18th Annual General Meeting on April 22, 2015.

The Supervisory Board would like to thank the management as well as all employees for their dedication and hard work in the past short fiscal year 2014.

Wels, in March 2015



Ernst Chalupsky
Chairman of the Supervisory Board

Corporate Governance Report

Adherence to the Austrian Code of Corporate Governance (ÖCGK)

The Company is committed to complying with the Austrian Corporate Governance Code (ÖCGK), and has pledged to adhere to the guidelines contained in it. Accordingly, the company oriented its business operations in the short fiscal year from October 1, 2014 to December 31, 2014 by the July 2012 version of the Austrian Corporate Governance Code.

The updated version of the Austrian Corporate Governance Code and the Corporate Governance Report are available at www.brainforce.co.at under the heading "Investors". A compliance code implementing the provisions contained in the Issuer Compliance Regulation of the Austrian Financial Market Authority was enacted in the company as a means of preventing insider trading. Adherence to the guidelines is continually monitored by a compliance officer.

In addition to observing the obligatory "L-Rules" (Legal Requirements), the Group abided by the currently valid Austrian Corporate Governance Code during the past fiscal year, bearing in mind the explanations provided below:

"C-Rule 18": No separate internal audit department has been set up in the light of the company's size. However, the company has established an internal controlling and reporting system enabling the Management Board to identify risks and quickly implement an appropriate response. The Supervisory Board, particularly the Audit Committee, is regularly informed about the internal control mechanisms and risk management throughout the group. Further information on risk management can be found in the consolidated financial statements per December 31, 2014.

"C-Rule 36": The Supervisory Board strives to continually improve its organization, work procedures and efficiency. An explicit self-evaluation did not take place in the fiscal year under review.

"C-Rule 83": The auditor of the consolidated financial statements also made an assessment of the effectiveness of the risk management system of the Group within the context of the annual audit in 2009/10, and subsequently presented its findings to the Supervisory Board and Management Board. In the light of the company's size, this assessment was not carried out since then.

The company is committed to the principle of transparency and the goal of providing a "true and fair view" for the benefit of all shareholders. All relevant information is published in our annual report, quarterly reports, on the corporate website and within the context of our ongoing press relations work. Reports are prepared in accordance with the internationally recognized accounting principles contained in the International Financial Reporting Standards (IFRS). BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) also informs its shareholders about all issues and developments of relevance to the company by means of ad-hoc announcements and corporate news. The financial calendar points out important dates. Comprehensive information is published in the "Investors" section of the website, and is thus available to all shareholders at the same time.

The company has issued a total of 15,386,742 ordinary, no-par value bearer shares. There are no preferential shares or restrictions on these no-par value bearer shares. Accordingly, the principle of "one share – one vote" fully applies. The Austrian Takeover Act ensures that every shareholder will receive the same price for the shares in the case of a takeover bid (public tender offer). The shareholder structure is depicted in the chapter "Share and Ownership" of the annual report.

Disclosures on work procedures of the Management Board and the Supervisory Board

The Management Board manages the business of the company under its own responsibility in compliance with valid legal regulations, the Articles of Association of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) and the internal rules of procedure. The internal rules of procedure primarily stipulate the assignment of responsibilities as well as a list of measures requiring the approval of the Supervisory Board.

The Supervisory Board conducts its business in accordance with valid legal regulations, the Articles of Association and its internal rules of procedure.

The Management Board provides information to the Supervisory Board within the framework of regular meetings (at least once in each quarterly period). Additional meetings are held when necessary, for example to prepare an Annual General Meeting, to consult on the budget or discuss current strategic decisions. As a result, the Supervisory Board has access to all the relevant information required enabling it to perform its consulting and supervisory duties. Two meetings of the Supervisory Board were held in the short fiscal year from October 1, 2014 to December 31, 2014. In line with the Austrian Corporate Governance Code, the Management Board and Supervisory Board maintain ongoing contact above and beyond the formal sessions to discuss the orientation of the company. Depending on the significance and type of duty to be fulfilled, the Supervisory Board has also established committees to carry out specific functions. The members and designated responsibilities of the Supervisory Board committees are presented in the chapter "Members and Committees of the Supervisory Board" in the annual report. Every Supervisory Board member took part in more than half of the Supervisory Board meetings.

The Supervisory Board has enacted guidelines to determine the independence of Supervisory Board members in accordance with Rule 53 of the Austrian Corporate Governance Code:

- **Criterion 1:** The Supervisory Board member was not a member of the Management Board or a top executive of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) or a subsidiary of the company in the previous five-year period.
- **Criterion 2:** The Supervisory Board member did not maintain any business ties with the company in the previous five-year period which may be considered significant in scope for a Supervisory Board member. This also applies to related party transactions with companies in which the Supervisory Board member has a considerable economic interest. Approval of individual transactions by the Supervisory Board pursuant to C-Rule 48 of the Austrian Corporate Governance Code does not automatically disqualify the Supervisory Board member as being independent.
- **Criterion 3:** The Supervisory Board member was not an auditor of the company, a shareholder or employee of the auditing company over the previous three years.
- **Criterion 4:** The Supervisory Board member is not a member of the Management Board of another company, in which a member of the Management Board of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) serves on its Supervisory Board.
- **Criterion 5:** The Supervisory Board member has not been on the Supervisory Board of for more than 15 years. This does not apply to Supervisory Board members, who own more than a 10% stake in the company or who represent the interests of such a shareholder.
- **Criterion 6:** The Supervisory Board member is not a close family member (direct descendant, spouse, common law spouse, parent, uncle, aunt, sibling, niece and nephew) of a member of the Management Board or of people, who fulfill one of the other five criteria.

All Supervisory Board members of the company are to be considered as independent in line with the above mentioned guidelines. Corresponding declarations were submitted by all Supervisory Board members. The main responsibility of the Supervisory Board is to supervise the work of the Management Board in accordance with Art. 95 Austrian Stock Corporation Act. This responsibility is being completely carried out by the currently appointed Supervisory Board. The company has a free float of no more than 20%. The Supervisory Board members Christoph Senft, Ernst Chalupsky and Gerald Kiska were neither owner of the company with a stake of more than 10%, nor did they represent the interests of a major shareholder in short fiscal year 2014. Employees of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) have not elected a works council. For this reason, no employee representative is a member of the Supervisory Board.

The company has neither granted loans to Management nor Supervisory Board members. Service relationships exist between BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) and Pierer Konzerngesellschaft mbH, Wels, HOFER Management GmbH, Vöcklabruck as well as CROSS Industries AG, Wels, which have an impact on the financial position.

Measures promoting women

All vacant job positions in the Group are filled regardless of gender and in accordance with objective qualification criteria. The Management Board consists of two persons: Michael Hofer and Michaela Friepess. The proportion of women in the Management Board comprises thereby 50%. No women were elected into the Supervisory Board. In this company, a specific program to promote the career advancement of women has not been set up.

Audit and external evaluation

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz was appointed by the 17th Annual General Meeting to serve as the auditors of the consolidated annual financial statements and annual financial statements of the company for the short fiscal year between October 1, 2014 and December 31, 2014. In addition to this work, KPMG and partner offices around the world also sporadically perform tax and financial consulting services on behalf of the Group. Expenditures for the auditor consisted of: audit of the consolidated statements € 18,000 (previous year: € 29,315), other auditing services € 9,000 (previous year: € 9,500) and other services € 0 (previous year: € 17,412).

Composition of the Corporate Body and the Board remuneration:

Management Board

Michael Hofer (born 9/18/1960)
Chief Executive Officer
Initially appointed: 10/19/2009
End of current term: 12/31/2016

Michael Hofer, who has a doctorate in business administration, has served as Chief Executive Officer of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) since October 19, 2009. His professional career began in 1983, when he held a chair in the science of advertising and market research at the University of Vienna. In 1991 he became product manager at Eternit-Werke Ludwig Hatschek AG and in 1994 assumed the position of managing director of Trumag Trunkenpolz VertriebsgmbH. As of 1996 Michael Hofer served as the executive officer of Welsermühl Holding AG. From 1997 to 2005 he worked in various positions for KTM Sportmotorcycle AG in the fields of organization, IT, accounting, human resources and sales logistics. He also served on the company's management board for two and a half years. Before being appointed CEO of BRAIN FORCE HOLDING AG, he was the sole managing director of Eternit-Werke Ludwig Hatschek AG for about four years in the period from 2005 to 2009, and a member of the Supervisory Board of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) as of May 28, 2008.

Areas of responsibility of Michael Hofer:
- Operations
- Marketing
- Legal Management
- Public Relations

Michaela Friepess (born 3/15/1972)
Chief Financial Officer
Initially appointed: 12/12/2013
End of current term: 12/31/2016

Michaela Friepess holds a master's degree in business administration and was appointed CFO of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) in December 2013. She started her professional career as financial analyst and in the department of business development at GE Capital Bank in Vienna and Paris. She held this position from 1998 until 2003. In September 2003 she started her occupation at the CROSS Industries Group, where she still works in the management of shareholdings and as a compliance officer. Michaela Friepess is also authorized representative of Pierer Konzerngesellschaft mbH, Pierer Industrie AG and CROSS Industries AG. Furthermore she is managing director of Network Performance Channel GmbH, Austria and Germany as well as member of the Supervisory Board of Wirtschaftspark Wels Errichtungs- und Betriebs-Aktiengesellschaft.

Areas of responsibility of Michaela Friepess:
- Finance & Administration
- Investor Relations
- Human Resources
- Internal Communications

Areas of responsibility shared by all members of the Management Board:
- Business Strategy
- Strategic Projects

The members of the Management Board do not serve on other management or supervisory boards of other domestic or foreign companies which are not part of the Group.

Members and Committees of the Supervisory Board

In the short fiscal year 2014 lasting from October 1, 2014 to December 31, 2014, the Supervisory Board of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) consisted of the following members elected by the Annual General Meeting:

Ernst Chalupsky (born 05/05/1954)
- Chairman of the Supervisory Board
- Independent pursuant to Rule 53 Austrian Corporate Governance Code (ÖCGK)
- First elected: December 17, 2014
- Term of office until the end of the annual general meeting resolving upon the fiscal year 2015

Other major functions:
- Chairman of the Supervisory Board of Pierer Industrie AG
- Deputy chairman of the Supervisory Board of CROSS Industries AG
- Supervisory Board member of KTM AG
- Supervisory Board member of Wirtschaftspark Wels Errichtungs- und Betriebs-Aktiengesellschaft

Josef Blazicek (born 2/15/1964)
- Deputy Chairman of the Supervisory Board
- Change of function from deputy chairman to chairman of the Supervisory Board on December 17, 2014
- Independent pursuant to Rule 53 Austrian Corporate Governance Code (ÖCGK)
- First elected: May 28, 2008
- Term of office until the end of the annual general meeting resolving upon the 2015 fiscal year

Other major functions:
- Chairman of the Supervisory Board of CROSS Industries AG
- Chairman of the Supervisory Board of BEKO HOLDING AG
- Chairman of the Supervisory Board of KTM AG
- Deputy Chairman of the Supervisory Board of Pankl Racing Systems AG

Gerald Kiska (born 02/20/1959)
- Supervisory Board member
- Independent pursuant to Rule 53 Austrian Corporate Governance Code (ÖCGK)
- First elected: December 17, 2014
- Term of office until the end of the annual general meeting resolving upon the fiscal year 2015

Other major functions:
- Supervisory Board member of Pierer Industrie AG
- Supervisory Board member of CROSS Industries AG
- Supervisory Board member of WP AG
- Director of KISKA GmbH

Stefan Pierer (born 11/25/1956)
- Chairman of the Supervisory Board
- Independent pursuant to Rule 53 Austrian Corporate Governance Code (ÖCGK)
- First elected: May 28, 2008
- Term of office ended: December 17, 2014

Other major functions:
- Chief Executive Officer of KTM AG
- Chief Executive Officer of CROSS Industries AG
- Chairman of the Supervisory Board of Pankl Racing Systems AG
- Chairman of the Supervisory Board of WP AG

Friedrich Roithner (born 3/10/1963)
- Deputy Chairman of the Supervisory Board
- Independent pursuant to Rule 53 Austrian Corporate Governance Code (ÖCGK)
- First elected: May 28, 2008
- Term of office ended: December 17, 2014

Other major functions:
- Management Board member of KTM AG
- Management Board member of CROSS Industries AG
- Supervisory Board member of Pankl Racing Systems AG
- Supervisory Board member of WP AG

Christoph Senft (born 3/7/1961)
- Supervisory Board member
- Independent pursuant to Rule 53 Austrian Corporate Governance Code (ÖCGK)
- First elected June 12, 2003
- Term of office ended: December 17, 2014

Other functions:
- Managing Director and shareholder of MWS Industrieholding GmbH

Audit Committee

Members since December 17, 2014: Josef Blazicek (Chairman), Ernst Chalupsky (Member)
Members until December 17, 2014: Friedrich Roithner (Chairman), Christoph Senft (Deputy Chairman), Josef Blazicek
The duties of the Audit Committee include:
- Supervising (Group) accounting processes
- Overseeing the work of the auditors
- Audit and preparations for the approval of the annual financial statements, proposals for the distribution of the profits and the management report
- Audit of the consolidated financial statements
- Developing a proposal for the selection of the auditors
- Supervising the internal control and risk management system

One meeting of the Audit Committee was held during the short fiscal year 2014 lasting from October 1, 2014 to December 31, 2014, primarily focusing on the following issues:
- November 2014: Auditor’s Report on the audit of the financial statements for the fiscal year ending September 30, 2014, Preparation of a recommendation to the Supervisory Board for the election of an auditor for the fiscal year 2014

Remuneration and Nomination Committee

Members until December 17, 2014: Stefan Pierer (Chairman), Friedrich Roithner (Deputy Chairman)
Since the Supervisory Board consists of no more than six members, the tasks of the Remuneration and Nomination Committee are fulfilled by the entire Supervisory Board.
In the short fiscal year lasting from October 1, 2014 to December 31, 2014 no meeting of the Remuneration and Nomination Committee was held.

Remuneration Report

The Remuneration Report summarizes the principles applied in determining the remuneration paid to the Management Board of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG), and explains the amount and structure of the income received by the members of the Management Board. In addition, the report also presents the principles and amount of remuneration paid to the members of the Supervisory Board. The Supervisory Board delegated responsibility for determining the remuneration for the Management Board to the Remuneration and Nomination Committee. The tasks of the Remuneration and Nomination Committee are fulfilled by the entire Supervisory Board since December 17, 2014.

Pursuant to the stipulations contained in the Austrian Stock Corporation Act, the Management Board is appointed for a specified period of time (Michael Hofer and Michaela Friepess until December 31, 2016). Contracts for the individual members of the Management Board are concluded for the respective term of office or changed, defining the amount and structure of the remuneration. The aim of the remuneration scheme is to provide appropriate compensation for the Management Board members in accordance with the scope of their functions and areas of responsibility, taking account of national and international comparisons in the IT sector. An important aspect of the remuneration system is a variable salary component which incorporates the success of the company. For this reason, the total remuneration is based on fixed and performance-based components, in which case the performance-related component is calculated in accordance with the respective operating EBIT of the Group. In addition, economical strategic achievements may be remunerated separately.

The fixed remuneration is oriented to the areas of responsibility assumed by each Management Board member. The consequence is that each Management Board member has a different fixed remuneration depending on the range of his duties and functions, taking the strategic and operational responsibility into consideration. The annual bonus represents a variable cash remuneration, the amount of which directly depends on the operating EBIT (operating result before book gains) of the Group. The variable salary components are capped. The fixed remuneration and annual bonus are paid on a pro rata basis if the period of employment is for periods of less than one year.

The total remuneration paid to the members of the Management Board for the short fiscal year 2014 amounted to € 113,748.04 (prior year: € 605,057.39). The variable remuneration for the short fiscal year 2014 amounts to € 11,475.00.

Management Remuneration in €	2014 (10/01-12/31/2014)			2013/14		
	Fix	Variable	Total	Fix	Variable	Total
Michael Hofer	68,239.86	9,066.67	77,306.53	275,000.00	144,000.00	417,469.83
Michaela Friepess	34,033.18	2,408.33	36,441.51	0.00	38,250.00	139,016.16
Hannes Griesser [1)]	0.00	0.00	0.00	170,000.00	0.00	48,571.40
Total	**102,273.04**	**11,475.00**	**113,748.04**	**445,000.00**	**182,250.00**	**605,057.39**

1) without remuneration for the early termination of the management contract in the amount of € 230,817.00 for fiscal year 2013/14

Supervisory Board approval is required for a Management Board member to do additional work. This ensures that the time involved or the remuneration received does not lead to a conflict of interest with the individual's responsibilities on behalf of the company. In the past short fiscal year, the Management Board members did not perform any other jobs in the form of Supervisory Board or Management Board mandates with other domestic or foreign companies outside of the Group. No remuneration is paid for positions assumed in subsidiaries of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG).

The Annual General Meeting held on December 17, 2014 approved the following remuneration scheme for members of the Supervisory Board which is the same as in the previous year: in addition to reimbursement for expenses, the Supervisory Board members receive a fixed remuneration for their work on the Supervisory Board in the short fiscal year 2014, depending on the functions they perform. Accordingly, the Chairman of the Supervisory Board receives € 10,000 p.a., the Deputy Chairman € 7,500 p.a. and every other Supervisory Board member € 6,000 p.a. In addition, the Chairman is granted an attendance fee of € 1,000 for each Supervisory Board meeting he attends, whereas the Deputy Chairman receives € 800 and the other members € 600 for attending. The chairman of a committee is given € 500, the deputy chairman € 400 and other members € 300 for each committee meeting they personally attend. If Supervisory Board members perform additional work on behalf of the company, they may be granted special remuneration by a resolution of the Annual General Meeting. For the short fiscal year 2014 (payment in the fiscal year 2015), the total remuneration to be paid to members of the Supervisory Board and already recognized as an expense in the income statement amounts to € 13,075. In the short fiscal year 2014, the total remuneration paid to members of the Supervisory Board for the 2013/14 fiscal year totaled € 48,100.

Remuneration for the Supervisory Board in €	2014 (10/01-12/31/2014)	2013/14
Stefan Pierer, Chairman until 12/17/2014	3,500	16,000
Friedrich Roithner, Deputy Chairman until 12/17/2014	3,175	13,300
Christoph Senft, Member until 12/17/2014	2,500	9,200
Josef Blazicek, Member until 12/17/2014, Deputy Chairman since 12/17/2014	2,300	9,600
Ernst Chalupsky, Chairman since 12/17/2014	1,000	0
Gerald Kiska, Member since 12/17/2014	600	0
Total	**13,075**	**48,100**

Remuneration granted for services performed above and beyond the above-mentioned Supervisory Board duties, in particular for any consulting fees or commissions, is listed in the Corporate Governance Report. No pension obligations exist for members of the Supervisory Board. A member of the Management Board is entitled to a compensation after termination of the contractual relationship according to BMSVG (Corporate Employee and Self-Employed Pension Act). The members of the Management Board fulfill their performances due to income tax regulated contracts. An agreement is in place with Pierer Konzerngesellschaft mbH, Wels, on the provision of the management board member Michaela Friepess.

Sales and acquisitions by members of the Management Board and Supervisory Board are reported to the Financial Market Authority in accordance with Art. 48 Austrian Stock Exchange Act, and published on the company's website under "Investors/Corporate Governance/ Directors' Dealings".

The group has signed a "Directors and Officers" (D&O) insurance policy on behalf of its managing directors, Management Board and Supervisory Board members, and bears the costs.

The Company

Company Profile

BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) is a holding company. After the disposal of the substantial holdings in BRAIN FORCE Software GmbH (Germany) and BRAIN FORCE S.p.A. (Italy) including its subsidiaries by the end of fiscal year 2013/14 remain BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) including its subsidiaries Network Performance Channel GmbH (Austria) and Network Performance Channel GmbH (Germany). The Network Performance Channel GmbH is a leading global value added distributor specialized in networking solutions.

The business is focused on supplying monitoring access, 24/7 network analyzing and monitoring, load balancing, performance measuring and network optimization solutions from world-leading network manufacturer's Interface Masters, INVEA-TECH, Ixia, Net Optics and WildPackets. Through valuable international channel partners, including VARs, OEMs, vendors, system integrators and ISPs easy-to-use turnkey solutions to Europe, Middle East and parts of Asia are offered.

The philosophy of Network Performance Channel Group is also to provide a first-class full-service package of multilingual customer, pre-sales, marketing, training and technical support in conjunction with professional import/export and logistics services.

Products and Services

The Network Performance Channel Group supplies hardware-based infrastructure solutions from partners such as Interface Masters, INVEA-TECH, Ixia, Net Optics and WildPackets.

The Share

In short fiscal year 2014 the share of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) showed a positive development closing at € 1.84 on the last trading day (31.12.2014). Compared to fiscal year 2013/14 the share price increased from € 1.59 (closing price on 30.09.2014) by approximately 16%. Over the short fiscal year the highest closing price was € 1.84, the lowest was € 1.55. As of December 31, 2014 the market capitalization for 15,386,742 shares admitted for trading amounted to € 28.30 m.

The company started a share buy-back program in March 2014. The buy- back program affects no par value shares of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG), of which a maximum of 10% of the share capital can be bought back. The share's purchase price will be the average rate of the last five stock exchange days with a margin of +/- 20%. Due to the voluntary takeover offer of Pierer Industrie AG no further shares have been purchased according to the announcement of November 18, 2014. The share buy-back program has not been terminated.

The shares of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) remain listed on the Regulated Market segment of the Vienna Stock Exchange. The withdrawal of the shares from the Regulated Market and the subsequently planned inclusion of the shares in the Third Market of the Vienna Stock Exchange have not been permitted by the Austrian Administrative Court.

Dividend policy

The Management Board will propose to the Annual General Meeting on April 22, 2015 that no dividend shall be distributed and that the results shall be carried forward.

Ownership

Majority shareholder of the company is Pierer Industrie AG, Wels, with a share of about 63.82% as of December 31, 2014. The CEO Michael Hofer holds a share of about 17.50% of the company. On December 22, 2014 Michael Hofer has delivered 1,240,000 BF HOLDING AG-shares into the takeover offer of Pierer Industrie AG. After the termination of the offer acceptance period on February 2, 2015 and the transfer of the delivered shares to Pierer Industrie AG, the shareholding of Dr. Michael Hofer has been reduced to 9.44%. The remaining shares are in free float. At balance sheet date December 31, 2014 the company held 71,038 of its own shares which correspond to about 0.46% of the share capital.

Investor Relations

The Management Board follows a transparent communication policy in its Investor Relations activities. We are putting considerable effort into inspiring confidence in the company among all target groups of relevance to the capital market. Investor relations are coordinated by the CFO but closely involve the CEO. The declared goal of our IR work is to convey an accurate picture of the company in order to allow a correct valuation of the companys share. The share (15,386,742 no par value shares) is currently covered by Warburg Research (Germany). All analyst reports on the company can be found on the company's website in the Investor Relations section.

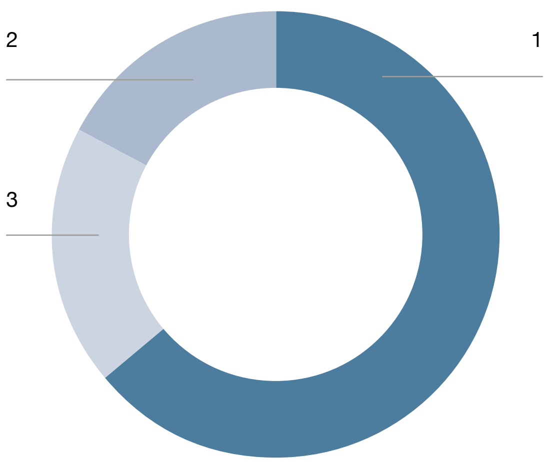
Information on the share:

Investor Relations:	Michaela Friepess
Telephone:	+43 7242 69 402
E-Mail:	investorrelations@brainforce.co.at
Internet:	www.brainforce.co.at
Vienna Stock Exchange:	BFC
Reuters:	BFCG
Bloomberg:	BFC:AV
Datastream:	O:BFS
ISIN:	AT0000820659

Shareholder structure as of Dec. 31, 2014

1	Pierer Industrie AG	63.8%
2	Dr. Michael Hofer	17.5% *)
3	Free Float	18.7%

*) On December 22, 2014 Michael Hofer has delivered 1,240,000 BF HOLDING AG-shares into the takeover offer of Pierer Industrie AG. After the termination of the offer acceptance period on February 2, 2015 and the transfer of the delivered shares to Pierer Industrie AG, the shareholding of Dr. Michael Hofer has been reduced to 9.44%.



Management Report

Economic climate

The global economy was able to recover moderatly in the second half of 2014. In the USA increased growth was expected, in Asia the growth trend is a little dampened but intact. The Euro zone left the recession behind and is now on its way to grow. The continuing high unemployment rate, the high private debt and the restrictive lending practices still slow down the economic growth in the Euro zone. The growth of all Austrian export markets will accelerate in the forecast period but in all likelihood can not reach the growth rates of the time before the crisis. The price competitiveness and the market share of the Austrian exporters abroad will remain nearly the same over the forecast period.

Business performance

BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) is a holding company. After the disposal of the substantial holdings in BRAIN FORCE Software GmbH (Germany) and BRAIN FORCE S.p.A. (Italy) by the end of fiscal year 2013/14 Network Performance Channel GmbH (Austria) and Network Performance Channel GmbH (Germany) are the only remaining subsidiaries.

The Network Performance Channel Group exclusively represented the company Net Optics Inc., USA, in many countries of the EMEA economic area (Europe, Middle East and Africa). The take over of Net Optics Inc. by IXIA TECHNOLOGIES INTERNATIONAL LIMITED, USA, by the end of 2013 changed the business environment fundamentally. Because of this situation and less extant projects in the Middle East and in India the revenues decreased in the year 2014.

In October 2014 it was published that it is intended to merge CROSS Industries AG into BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG). Since then the required preparatory work, assessments and corporate actions have been compiled.

At the beginning of November 2014 the Management Board of the company was informed that Pierer Industrie AG, majority shareholder of BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG), submitted a voluntary takeover offer to the shareholders of the company with regard to the intended stock exchange listing of CROSS Industries AG by means of a merger with BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG). The offer price of the tender offer is € 1.80 per share. The offer document has been published on December 22, 2014 and was subject to an acceptance period of six weeks (December 22, 2014 until February 2, 2015). Until the end of the general acceptance period on February 2, 2015 altogether 1,871,727 shares of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) have been tendered for sale. The takeover offer has been extended until May 5, 2015 for those shareholders that have not accepted the offer within the general acceptance period.

In the 17th general meeting of BRAIN FORCE HOLDING AG on December 17, 2014 it was decided that the company's name will be changed from BRAIN FORCE HOLDING AG into BF HOLDING AG and to transfer the company's headquarter from Vöcklabruck to Wels. The corresponding amendments of the Articles of Incorporation had been registered in the Commercial Register on January 27, 2015.
The company now reads as BF HOLDING AG and the headquarter is now based in Wels.

Against the approval of the Extraordinary General Meeting of July 25, 2014 regarding the conclusion of a share purchase agreement on the disposal of substantial shareholdings of BRIAN FORCE Software GmbH (Germany) and BRAN FORCE S.p.A (Italy) a minority shareholder who holds 100 shares filed a protest to the notarial protocol against the resolutions of the Extraordinary General Meeting and rescission has been raised against the company. With the rescission the nullity of the resolution of the Extraordinary General Meeting regarding the conclusion of the Share Purchase Agreement is sought. This action for rescission is pending at the Provincial Court of Wels with 2 Cg 132/14 k.

Performance Analysis and Balance Sheet

Financial performance

In the short fiscal year 2014 the Group generated revenues in the amount of € 1.46 m (previous year: € 5.52 m). Because of the short fiscal year and due to the lower group revenues the manufacturing costs also decreased by € 2.57 m.

The operating result amounted to € -0.61 m. In the previous year the operating result amounted to € -1.86 m and was strained by non-recurring cost resulting from an early termination of a management contract as well as consulting costs.

Statement of comprehensive income (condensed)	2014 (10/1-12/31/2014)	2013/14	Change
	in € million	in € million	in %
Revenue	1.46	5.52	-74
Cost of sales	-1.34	-3.92	+66
Gross profit	**0.11**	**1.61**	**-93**
Selling expenses	-0.30	-1.32	+77
Administrative expenses	-0.44	-1.94	+77
Other operating expenses	-0.02	-0.24	+92
Other operating income	0.04	0.04	0
Operating EBIT	**-0.61**	**-1.86**	**+67**
Financial income	1.26	0.20	>100
Financial expenses	-0.87	-0.03	>100
Profit/Loss before Tax	**-0.22**	**-1.69**	**+87**
Income taxes	0.02	-0.01	>100
Result from discontinued operations	0.00	7.30	-100
Profit/Loss after Tax	**-0.20**	**5.61**	**>100**

In the short fiscal year 2014 the financial result increased from € 0.17 m to € 0.39 m which can be attributed to interest income from bonds of CROSS Industries AG.

The result before tax amounted to € -0.22 m in the short fiscal year 2014 after € -1.69 m in the fiscal year 2013/14. The result from discontinued operations amounted to € 7.30 m in the last fiscal year. In the short fiscal year 2014 no discontinued operations are involved. In the previous year the disposal of the shareholdings in BRAIN FORCE Software GmbH, Germany, and BRAIN FORCE S.p.A., Italy, to CEGEKA GROEP NV, Belgium, was presented in the discontinued operations. The result after tax totaled € -0.20 m after € 5.61 m in the previous year.

The earnings per share amounted to € -0.01 (previous year: € 0.36).

Assets and financial position

The balance sheet total as of December 31, 2014 in the amount of € 28.23 m remained almost unchanged compared to September 30, 2014 (previous year: € 28.11 m).

The non-current assets represent 1% of the group's assets on the balance sheet date (previous year: 12%). The decline was mainly due to the reclassification of bonds of CROSS Industries AG from non-current financial assets into "securities available for sale".

On balance sheet date the current assets reached 99% (previous year: 88%) of the Group's assets and mainly included bonds of CROSS Industries AG in the amount of € 22.65 as well as shares of Pankl Racing Systems AG in the amount of € 1.77. At balance sheet date December 31, 2014 cash and cash equivalents amounted to 2% of the assets. Pierer Industrie AG agreed with BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) to acquire the bonds of CROSS Industries AG (ISIN: AT0000500913) purchased by BF HOLDING AG without any exchange rate losses (purchase price guarantee in form of a put-option) in the short term.

Balance sheet ratios		12/31/2014	9/30/2014
Equity	in € m	24.78	24.91
Equity ratio	in %	88	89
Net funds (+) / Net debt (-)	in € m	-1.27	19.23

As at December 31, 2014, the Group's equity amounted to € 24.87 m, which corresponds to an equity ratio of 88% (prior year: 89%).

Liabilities amounted to 12% (previous year: 11%) at balance sheet date. The financial liabilities increased by € 0.79 m to € 1.73 m and relate to current liabilities, which include utilized bank overdraft facilities.

Cash flow

In the short fiscal year 2014 the cash flow from earnings reached € -0.52 m and was with € 4.32 m below the level of fiscal year 2013/14. The cash flow from operating activities (operating cash flow) amounted to € 0.60 m compared to € 2.91 m fiscal year 2013/14.

The cash flow from investing activies shows a cash outflow in the amount of € -21.08 m (previous year: € 9.45 m) and was due to payments for the purchase of "securities held for sale".

The cash flow from financing activities amounted to € 0.77 m (previous year: € 1.84 m) and is influenced by utilized bank overdraft facilities and the purchase of own shares.

Cash flow statement	2014 (10/1-12/31/2014)	2013/14
	in € million	in € million
Cash-flow from operating activities	**0.60**	**2.91**
Capital expenditure on property, plant and equipment and intangible assets	0.00	-1.04
Disposal of holdings	0.00	12.50
Acquisition "Securities held for sale"	-21.08	-3.22
Divestments and other	0.00	1.21
Cash flow from investing activities	**-21.08**	**9.45**
Free cash flow	**20.48**	**12.36**

Research and development

The optimal combination of software and services for the benefit of our customers is the key to the sustainable success of the company. For that purpose, the company's focus is on meeting our customers' needs.

Human Resources

In short fiscal year 2014 on average 11 employees were employed (previous year: 532). As at balance sheet date December 31, 2014 also 11 employees were employed (previous year: 14).

Significant events after balance sheet date

No significant events after balance sheet date took place.

Financial risks and risk management

Concerning the risk report, please refer to the notes to the Consolidated Financial Statements.

Reporting on the accounting-based and internal control and risk management system

The responsibility for the design and implementation of an accounting-based internal control and risk management system and for assuring compliance with legal requirements rests with the Management Board. The Group's accounting and reporting is effected in the organization units "Accouting", for external reporting and "Controlling", for internal reporting. Both units report directly to the Chief Financial Officer.

The company's accounting is based on corporate and other relevant instructions as well as under consideration of the predefined rules of the Pierer Group's Accounting Manual concerning material processes in Group Accounting and Reporting. The reporting, booking and accounting of all business transactions is conducted with the application software BMD and Navision. The adherence to the respective requirements is assured through Management meetings. The economic activity of the company is limited to tasks as a holding company and the active consulting and controlling of the shareholdings. Management services are charged by the parent company due to company records and corresponding contracts. The records and bookings made by the employees in Accounting are monitored and controlled regularly by the person responsible for "Accounting".

A standard planning and reporting system (Lucanet) is used for internal management reporting. The Group's financial reporting is based on regions and companies and is made on a monthly basis. Any adaptions to the annual forecasts take place after the previous quarter. These reports feature summaries of the most important results as well as divergences from values contained in budgets, the period of the previous year and if necessary an updated evaluation of the individual risks.

The financial information described above and the quarterly performance figures form the basis for the Management Board's reporting to the Supervisory Board. In regular meetings, the Supervisory Board is informed about the business development using consolidated presentations, consisting of earnings development with comparisons of current figures with figures of the budget and the previous period as well as forecasts, consolidated financial statements, developments in respect to the number of employees and order intake, as well as selected financial indicators.

Disclosures in accordance with Section 243a (1) UGB

1. The share capital amounts to € 15,386,742. It is divided into 15,386,742 no-par value bearer shares. The share capital was paid in full.
2. The Management Board is not aware of any restrictions in respect to voting rights or the transfer of shares.
3. As far as the Company is aware, the following had a direct or indirect stake of at least 10% in the share capital of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) as at December 31, 2014:
   Pierer Industrie AG: 63.82%
   Dr. Michael Hofer: 17.50%
   On December 22, 2014 Michael Hofer has delivered 1,240,000 BF HOLDING AG-shares into the takeover offer of Pierer Industrie AG. After the end of the offer acceptance period on February 2, 2015 and the transfer of the delivered shares to Pierer Industrie AG, the shareholding of Michael Hofer has been reduced to 9.44%.
4. No shares with special control rights have been issued.
5. No employee participation scheme has been set up within the Group.
6. Above and beyond legally binding requirements, there are no additional provisions valid within the Group with respect to members of the Management and Supervisory Boards.
7. Authorizations to issue or repurchase shares:
   a) On March 7, 2014 the Management Board of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) decided to make use of the authorisation granted by the ordinary general shareholders' meeting dated 28.02.2013. The company started the share buy-back program in March 2014. The buy back program affects no par value shares of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG), of which a maximum of 10% of the share capital can be bought back. The share's purchase price will be the average rate of the last five stock exchange days with a margin of +/- 20%. According to the announcement of November 18, 2014 no shares have been purchased anymore by the company due to the voluntary takeover offer of the majority shareholder Pierer Industrie AG. However, the share buy-back program has not been terminated.
   b) By resolution of the Annual General Meeting on February 28, 2013, the Management Board pursuant to Section 65 (1) No. 4 and 8 AktG (Austrian Stock Corporation Act) was authorized to acquire treasury stock, with the percentage of shares to be acquired limited to 10% of the share capital, the authorization valid for the period of 30 months as of the resolution date, and the consideration (acquisition price) of each no-par value to be acquired not exceeding or falling short of the average price of the preceding five trading days by more than 20%. The authorization may be executed in full or in several partial amounts and pursuing one or several purposes by the Company, its group entities or by third parties on its account. The acquisition of treasury stock may be made over the stock exchange or outside of it.
      Furthermore, it was decided to authorize the Management Board for a period of five years as of the resolution date, subject to the approval of the Supervisory Board, to sell treasury stock in a way other than via the stock exchange or through a public offering, excluding the subscription rights of existing shareholders, and to determine the conditions of sale, whereby the subscription rights of existing shareholders can only be excluded if these shares are issued as consideration in the acquisition of companies, businesses, business units or shares in one or several companies in Austria or abroad or to service stock options granted to staff, executive employees and members of the Management Board. This authorization may be executed once or several times, in full or in parts, individually or jointly, and is valid for the maximum statutory period. In addition, the Management Board was authorized to cancel treasury stock without further approval from the Annual General Meeting.
   c) By resolution of the Annual General Meeting of March 2, 2011, the Management Board, subject to the approval of the Supervisory Board, was authorized in accordance with Section 169 AktG to increase the share capital until March 1, 2016 by an additional € 7,693,371 through the issue of up to 7,693,371 new bearer or registered common shares (no-par value shares) for a cash or non-cash consideration, possibly in several tranches, and to determine the issue price, the terms of the issue and further details of the execution of the capital increase in consultation with the Supervisory Board. Furthermore, the Management Board, with the approval of the Supervisory Board, was authorized to exclude the shareholders' subscription rights if – the capital increase is made for a non-cash consideration, i.e. if shares are issued to acquire companies, businesses, business units or shares in one or several companies in Austria or abroad, or – the capital is increased to service stock options granted to staff, executive employees and members to the Management Board, or – to exclude peak amounts from shareholders‘ subscription rights, or – to service a greenshoe granted to the issuing banks.
   d) By resolution of the Annual General Meeting of March 2, 2011, the Management Board, subject to the approval of the Supervisory Board, was authorized to issue within three years as of the date of this resolution financial instruments as defined in Section 174 AktG, in particular convertible bonds, participating bonds, participation rights with a total nominal value of up to €15,000,000, which may also grant the subscription and/or conversion right to acquire up to a total of 7,693,371 shares of the Company and/or are such in nature that they can be recognized as equity, possibly in several tranches and in various combinations, even indirectly by way of guarantee for the issue of financial instruments by an affiliated company with conversion rights to shares of the

Company. To service these rights, the Management Board may use the conditional capital or treasury stock. Issue price and terms of issue, as well as any exclusion of shareholders' subscription rights to the issued financial instruments shall be determined by the Management Board with approval of the Supervisory Board.

e) At the Annual General Meeting on March 2, 2011, the following resolutions were passed: The conditional increase in the Company's share capital in accordance with Section 159 (2) No. 1 AktG by up to €7,693,371 by issuing up to 7,693,371 new bearer shares without par value (no-par value shares) to be allocated to creditors of financial instruments as specified by the resolution of the Annual General Meeting of March 2, 2011, if the creditors of financial instruments use their subscription and/or conversion right to acquire shares of the Company. The issue price and the conversion ratio shall be determined in accordance with accepted simplified actuarial methods and the price of the Company's shares in an accepted pricing procedure. The newly issued shares of the conditional capital increase carry the right to dividends equivalent to the shares traded on the stock exchange at the time of the issue. The Management Board, subject to the approval of the Supervisory Board, is authorized to determine the further details of the execution of the conditional capital increase. In addition, the resolution was passed to amend the Articles of Association to include the new provision "Section 5a Conditional Capital".

8. With the exception of the information provided in the disclosures in item 9, any agreements on the part of the Company which would take effect, change or cease to apply in the case of a change in the controlling interest in the Company as a result of a public takeover offer will not be disclosed due to the fact that it would considerably harm the Company.
9. In the case of a "change of control", it was contractually agreed with the Management Board member Michael Hofer that he has the right to unilaterally terminate the transfer agreement concluded with the company while respecting all entitlements. This privileged termination right must be exercised no later than the date the transaction is formally closed (and legally takes effect) with respect to the acquisition of a stake in the Company which was the underlying reason for the change of control. A change of control is considered to have taken place when Pierer Industrie AG no longer has the majority of the voting rights in BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) a) directly or b) indirectly via a subsidiary which has at least a 50% shareholding in the company. At the Supervisory Board meeting on December 12, 2013 it was consensually agreed on the early termination of the management board contract with Hannes Griesser with effect as of December 31, 2013. Michaela Friepess was appointed as CFO with effect from December 12, 2013 with a term to December 31, 2016 by way of a resolution by the Supervisory Board. In addition the management board contract with Michael Hofer was also extented until December 31, 2016.

Outlook and Targets

BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) is, due to the disposal of the substantial holdings, interested in the acquisition of a new investment portfolio. The Management Board of BF HOLDING AG assessed that an investment of the proceeds from the disposal of the substantial holdings into companies of the IT industry will not be taken into account because of the low earnings potential of the present scale. However the appreciation potential of the CROSS Group is considered to be high and therefore the take over of the holding companies of CROSS by means of the merger is considered to be in the business interest of BF HOLDING AG.

As already reported, Pierer Industrie AG intends a merger of CROSS Industries AG into BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG). The necessary preparatory work, reviews and corporate actions are being examined. The realization of the transaction is expected in the first half of 2015.

Wels, March 12, 2015

The Management Board:

Dr. Michael Hofer

Michaela Friepess

Consolidated Financial Report

Group Income Statement in EUR	Note	10-12/2014	2013/14
Revenues	1	1,455,810	5,524,756
Cost of Sales	2	-1,343,399	-3,918,192
Gross profit		**112,412**	**1,606,564**
Selling expenses	2	-299,869	-1,321,603
Administrative expenses	2	-438,035	-1,938,918
Other operating expenses	2	-23,183	-243,135
Other operating income	3	42,880	40,999
Operating profit		**-605,795**	**-1,856,093**
Financial income	6	393,492	204,531
Financial expenses	6	-5,747	-34,552
Profit/loss before tax		**-218,049**	**-1,686,114**
Income taxes	7	16,567	-8,336
Profit/loss after tax from continuing operations		**-201,483**	**-1,694,450**
Profit/loss from discontinued operations	**8**	**0**	**7,303,368**
Result of the period		**-201,483**	**5,608,918**
thereof owners of the parent		-201,483	5,608,918
thereof non-controlling interests		0	0
Earnings per share - undiluted and diluted	**30**	**-0.01**	**0.36**

Statement of Comprehensive Income in EUR	10-12/2014	2013/14
Profit/loss after tax	**-201,483**	**5,608,918**
Currency translation differences	0	339,394
Changes in the fair value of available-for-sale financial instruments	115,761	0
Deferred taxes	-28,940	0
Income and Expenses reposted in the Income Statement	86,821	339,394
Actuarial losses (after tax)	0	-152,908
Income and Expenses not reposted in the Income Statement	0	-152,908
Other result	**86,821**	**186,486**
Comprehensive Income	**-114,662**	**5,795,404**
thereof owners of the parent	-114,662	5,795,404
thereof non-controlling interests	0	0
Comprehensive Income	**-114,662**	**5,795,404**
thereof discontinued operations	0	7,489,854
thereof continuing operations	-114,662	-1,694,450

The following notes to the consolidated financial statements are an integral part of this statement of Comprehensive Income.

Group Cash flow Statement in EUR	Note	10-12/2014	10/2013-09/2014
Result of the period		-201,483	5,608,918
Depreciation and amortization		21,821	1,500,826
Financial result		-387,745	201,749
Income tax		-16,567	1,228,945
Gains/losses from the disposal of property, plant and equipment and intangible assets		-312	-84,039
Elimination of gains from the sale of subsidiaries and and other non-cash income		33,076	-4,630,743
Changes in non-current provisions and liabilities		26,718	-34,326
Operating Cash-flow		**-524,491**	**3,791,330**
Changes in inventories		48,453	-105,823
Changes in trade receivables		301,575	544,093
Changes in trade payables		148,880	-2,355,404
Changes in other current assets and liabilities		624,616	1,776,935
Currency translation differences		0	25,267
Balance of interest paid and received		3,851	-226,523
Income taxes paid		0	-536,349
Cash-flow from operating activities	**10**	**602,883**	**2,913,526**
Payments for investments in property, plant and equipments and other intangible assets		-346	-1,039,447
Payments for the acquisition of "available-for-sale" securities		-21,083,439	-3,220,000
Proceeds from the disposal of property, plant and equipment and intangible assets		1,459	1,208,493
Proceeds from the disposal of affiliated companies, less cash transferred		0	12,498,998
Cash-flow from investing activities	**11**	**-21,082,326**	**9,448,044**
Increase in financial liabilities		790,473	1,943,067
Purchase of treasury shares		-16,101	-101,880
Cash-flow from financing activities	**12**	**774,372**	**1,841,187**
Change in cash and cash equivalents		**-19,705,071**	**14,202,757**
Cash and cash equivalents at the beginning of the period		20,167,687	5,964,930
Change in cash and cash equivalents		-19,705,071	14,202,757
Cash and cash equivalents at the end of the period	**13, 21**	**462,616**	**20,167,687**

The following notes to the consolidated financial statements are an integral part of this Group Cash flow statement.

Group Balance sheet in EUR	Note	12/31/2014	9/30/2014
ASSETS			
Property, plant and equipment	14	88,027	108,533
Other intangible assets	15	22,642	24,759
Financial assets	16	0	3,220,000
Deferred tax assets	17	50,000	4,811
Non-current assets		**160,669**	**3,358,103**
Inventories	18	190,024	313,553
Trade receivables	19	968,246	1,227,821
Other receivables and assets	20	26,451,506	3,044,310
Cash and cash equivalents	21	462,616	20,167,687
Current assets		**28,072,393**	**24,753,371**
Total assets		**28,233,062**	**28,111,474**
EQUITY AND LIABILITIES			
Share capital	22	15,386,742	15,386,742
Reserves	22	5,397,885	5,327,165
Retained earnings		3,998,131	4,199,614
Equity attributable to equity holders of the parent company		24,782,759	24,913,521
Equity		**24,782,759**	**24,913,521**
Financial liabilities	23	0	495,450
Other liabilities	25	35,551	37,773
Deferred tax liabilities	17	29,064	124
Non-current liabilities		**64,616**	**533,347**
Financial liabilities	23	1,728,022	442,099
Trade payables	24	815,221	666,341
Other liabilities	25	820,250	1,552,666
Income tax provisions		11,190	0
Other provisions		11,005	3,500
Current liabilities		**3,385,688**	**2,664,606**
Total equity and liabilities		**28,233,062**	**28,111,474**

The following notes to the consolidated financial statements are an integral part of this Group balance sheet.

Changes in equity in EUR	Note	Equity attributable to equity holders of the parent company					Non-controlling interests	Total equity
		Share capital	Capital reserve	Other reserve	IAS 19 Reserve	Retained earnings		
Status as of 10/1/2013		**15,386,742**	**6,854,042**	**-339,394**	**-183,691**	**-2,497,702**	**0**	**19,219,997**
Result for the period 2013/14		0	0	339,394	-152,908	5,608,918	0	5,795,404
Changes in scope of consolidation		0	0	-336,599	336,599	0	0	0
Purchase of Treasury shares		0	0	-101,880	0	0	0	-101,880
Transfer of reserves		0	-1,088,398	0	0	1,088,398	0	0
Status as of 9/30/2014	**22**	**15,386,742**	**5,765,644**	**-438,479**	**0**	**4,199,614**	**0**	**24,913,521**
Result for the period 10-12/2014		0	0	86,821	0	-201,483	0	-114,662
Purchase of Treasury shares		0	0	-16,101	0	0	0	-16,101
Status as of 12/31/2014	**22**	**15,386,742**	**5,765,644**	**-367,759**	**0**	**3,998,131**	**0**	**24,782,759**

The following notes to the consolidated financial statements are an integral part of this Changes in equity.

Notes to the consolidated financial statements for the short fiscal year from October 1, 2014 to December 31, 2014

1. The Company

BF HOLDING AG, Wels (formerly: BRAIN FORCE HOLDING AG, Vöcklabruck), is a holding company with subsidiaries in Austria and Germany. The company's head office is situated in Edisonstraße 1, 4600 Wels (formerly: Wartenburger Straße 1b, 4840 Vöcklabruck), Austria.

At the balance sheet date Pierer Industrie AG, Wels, Austria, holds the majority of the shares in BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG).

BF HOLDING AG, Wels (formerly: BRAIN FORCE HOLDING AG, Vöcklabruck) is included into the consolidated financial statements of Pierer Konzerngesellschaft mbH, Wels, which is the ultimate parent company. These consolidated financial statements are filed at the Regional Court Wels as Commercial Court under FN 134766 k and represent the Group annual financial statements for the largest scope of consolidation.

As of December 31, 2014 the company holds 100% of the shares of Network Performance Channel GmbH, Austria as well as Network Performance Channel GmbH, Germany.

The Network Performance Channel Group exclusively represented the Company Net Optics Inc., USA, in many countries of the EMEA economic area (Europe, Middle East and Africa). Due to the takeover of Net Optics Inc. by IXIA TECHNOLOGIES INTERNATIONAL LIMITED, USA, by the end of 2013, the business environment has changed fundamentally. As a result and because of fewer projects in the Middle East and India the turnover decreased in 2014.

Pierer Industrie AG plans a merger of CROSS Industries AG into BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG). The required preparatory work, assessments and corporate actions have been compiled. The realization of the transaction is expected in the first half of 2015.

2. Accounting principles

The consolidated financial statements as at September 30, 2014 and December 31, 2014 have been prepared in accordance with the principles contained in the International Financial Reporting Standards (IFRS) as well as the interpretations of the International Reporting Interpretations Committee (IFRIC) published by the International Accounting Standards Board (IASB), as applied in the European Union. Accordingly the additional requirements of paragraph 245a Section 1 of the Austrian Corporate Code are fulfilled.

2.1 Changes to the accounting standards

The IASB issued the following amendments to existing IFRSs as well as new IFRSs and IFRICs, which were adopted by the European Commission and are to be applied from October 1, 2014:

- IAS 27 Separate Financial Statements
- IAS 28 (amended 2011) Investments in Associates and Joint Ventures
- IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidation
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- Investment companies (Amendment to IFRS 10, IFRS 12 and IAS 27)
- Transitory guidelines (Amendment to IRFS 10, IFRS 11, IFRS 12)
- Novation of Derivatives and Continuation of Hedge Accounting (Amendment to IAS 39)
- Information about the Recoverable Amount Disclosures for Non-Financial Assets (Amendment to IAS 36)
- IFRIC 21 Levies

Future Changes in Accounting Rules

The IASB and the IFRIC published additional standards and interpretations which are not mandatory in the short fiscal year 2014 and were not yet endorsed by the EU commission. The standards and interpretations are as follows:

Standard/Amendment	Date of application IASB	Endorsed by the EU?	Date of application EU
IAS 19 Defined Benefit Plans: Employee Contributions	7/1/2014	Yes	2/1/2015
Annual Improvements to IFRS 2010-2012	7/1/2014	Yes	2/1/2015
Annual Improvements to IFRS 2011-2013	7/1/2014	Yes	1/1/2015
IFRS 10, IFRS 12 und IAS 28: Investment Entities: Applying the Consolidation Exception	1/1/2016	No	
IAS 1: Disclosure Initiative	1/1/2016	No	
IFRS 10 und IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1/1/2016	No	
IAS 27: Equity Method in Separate Financial Statements	1/1/2016	No	
IAS 16 und IAS 41: Bearer Plants	1/1/2016	No	
Annual Improvements to IFRS 2012 – 2014	1/1/2016	No	
IFRS 14 Regulatory Deferral Accounts (1/30/2014)	1/1/2016	No	
IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1/1/2016	No	
IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1/1/2016	No	
IFRS 15 Revenue from Contracts with Customers	1/1/2017	No	
IFRS 9 Financial Instruments	1/1/2018	No	

IFRS 14 permits an entity which is a first-time adopter of IFRS to continue to account for ‚regulatory deferral account balances‘ in accordance with its previous accounting principles for the financial statements.

IFRS 15 specifies how and when an IFRS reporter will recognize revenue and replaces IAS 11 and IAS 18.

IFRS 9 Financial Instruments include Amendments to classification and valuation of financial instruments, impairment of financial assets as well as requirements to hedge accounting.

No significant effects on the consolidated financial statements of BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) are expected from the new and amended standards.

Preparation of the financial statements

The principal accounting and valuation polices used to draw up these consolidated financial statements are presented in the following. The described methods were applied consistently for the given reporting periods.

The consolidated financial statements have been prepared under the principle of historical cost, with the exception of available for sale financial assets with changes in fair value being recorded directly.

The preparation of consolidated financial statements in conformity with IFRS as adopted by the European Union, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed under "accounting estimates and assumptions".

The uniform accounting policies are consistently used throughout the companies included in the consolidated financial statements. These policies have been consistently applied to all the reporting periods presented. The companies included have prepared their financial statements as of balance sheet date December 31.

The short fiscal year of BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) runs from October 1, 2014 until December 31, 2014.

The consolidated financial statements are drawn up in Euro, which is the functional currency of the holding company and which is the reporting currency of the Group.

2.2 The scope of consolidation

Besides the BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) domestic and foreign subsidiaries are included in the consolidated financial statements of which the Group holds control over financial and business policy, regularly accompanied by a voting interest of more than 50%.

Subsidiaries are consolidated from the day the group assumes control of the company and ends on the day control ceases.

The scope of consolidation has not changed in the short fiscal year 2014 compared to the consolidated financial statements as of 9/30/2014.

Thus, the consolidated financial statements include in the continuing operations BF HOLDING AG, Wels (formerly: BRAIN FORCE HOLDING AG, Vöcklabruck), and the listed subsidiaries:

Company	Method of consolidation	Share in %
Network Performance Channel GmbH, Neu-Isenburg, Germany [1)]	F	100
Network Performance Channel GmbH, Vöcklabruck, Austria	F	100
BFS Brain Force Software AG, Maur, Switzerland (in Liquidation)	A	100

F... Full consolidation
A... Acquisition costs
1) The share is held by Network Performance Channel GmbH, Vöcklabruck, Austria.

2.3 Methods of consolidation

The **first time consolidation** is performed with **capital consolidation** as of October 1, 2009 according to IFRS 3 (2008) using the Acquisition Method. At the time of acquisition, which is the date where the possibility of the control is obtained, the new revaluated, identified assets and liabilities of the acquired business are offset against the amount of the non-controlling interests and the fair value of the shares already held at acquisition date. A remaining positive value will be activated as goodwill; a remaining negative value will be recognized as a “gain on a bargain purchase” in the income statement after re-verification. The acquisition related additional costs are recognized as expenses.
The amount for the non-controlling interests – unless otherwise indicated – is recorded with the pro rata net assets of the purchased companies without component of goodwill.

Transactions with non-controlling shareholders, which will not give rise to any significant loss, are directly and solely recognized in equity, without making adjustments on assets and liabilities of the company or on the goodwill.

Mergers before October 1, 2009 are continued according to transitional regulations.

When the group **ceases to have control of a subsidiary**, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting of the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in the item “other comprehensive income” in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This means that amounts previously recognized in the other comprehensive income are reclassified to profit or loss.

During the course of the **consolidation of income and expenditure** inter-company revenues and other income were accounted with material and other operating expenses. Therfore only external revenues are reported in the group income statement.

During the course of **debt consolidation** all liabilities, receivables and loans included in the consolidated financial statements were consolidated.

Intermediate results from intragroup sales of inventories and assets are eliminated.

Deferred taxes from consolidation are taken into account and are recognized during consolidation procedures.

The **shares of non-controlling shareholders** of the equity capital are reported seperatly as part of equity. Minority interests will be classified in liabilities when preemption rights exist.

Currency translation: The items included in the financial statements of any Group company are measured in the currency of the primary economic environment in which the company operates (functional currency). The local currency represents the functional currency for all these companies.

The differences resulting from the translation of financial statements of consolidated entities are recognized in other income in the statement of comprehensive income.

In the individual financial statements of group companies foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Gains and losses which result from fulfillment of such transactions as well as valuation of receivables and loans in foreign currency on balance sheet date are recognized in the income statement.

The financial statements of foreign subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency at the respective year-end exchange rates.

The euro exchange rates for the major currencies are presented in the following table:

Currency	Rate at 12/31/2014	Rate at 9/30/2014
	1 EUR	1 EUR
Czech crowns (CZK)	27.7350	27.5000
US dollar (USD)	1.2141	1.2583

2.4 Accounting and measurement principles

The accounting policies are consistently used throughout the companies included in the consolidated financial statements. These are identical with those of fiscal year 2013/14 with the exception of the newly applicable standards.

For better clarity, individual items are summarized in the income statement and in the balance sheet. These items are shown and explained separately in the notes. All of the current assets and liabilities are principally realized and fulfilled within a period of 12 months after balance sheet date or business cycle. All the other assets and liabilities are principally realized or fulfilled outside this period.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less systematic depreciation. PP&E is depreciated on a straight-line basis over the expected useful lives of the assets. The assets are depreciated on a pro rata temporis basis from the month in which the asset is available for use.

Systematic depreciation is based on the following useful lives, which are uniform within the Group and are regularly monitored and adjusted if necessary:

	Useful life
Building investments in non-owned facilities	5 years
IT equipment	2 to 5 years
Office equipment	5 to 10 years

If an asset is impaired, the carrying amount is reduced to its recoverable amount.

The useful lives of which depreciation is based on are regularly monitored and adapted when necessary.

Maintenance expenses
Maintenance expenses are recognized in the income statement in the period in which they are incurred.

Leases
Leases retaining a significant portion of the risks and rewards of ownership by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Intangible assets
Other purchased intangible assets are recognized at cost less amortization calculated according to the straight-line method and based on the estimated useful lives of the assets, which are as follows:

	Useful life
Software	3 to 5 years

The useful lives underlying amortization are monitored on a regular basis and adjusted if necessary.

If an asset is impaired, the carrying amount is reduced to its recoverable amount.

Financial assets
Financial assets include securities held for an indefinite period that may be sold for liquidity requirements or due to changes in interest rates. They are classified as “available-for-sale”.

Available-for-sale securities are subsequently measured at fair value (based on stock prices), with unrealized changes in value being recognized in the other comprehensive income in the statement of comprehensive income under other provisions.

If there are indications of impairment, assets will be tested for impairment. If assets are impaired, the corresponding impairment loss is recognized in profit or loss. Reversals of impairment losses for debt instruments are reported in the income statement.

All purchases and sales are recognized at the date of settlement; acquisition costs include transaction costs.

Interest income from available for sale securities are recognized as “financial income” in the income statement.

Impairment of certain non-current assets
Property, plant and equipment and other intangible assets are examined to assess whether changed circumstances or events indicate that the carrying amount is no longer recoverable. If an asset is impaired, the carrying amount is reduced to its recoverable amount. The recoverable amount is the higher of an asset’s net selling price and its value in use. In order to assess impairment, assets are grouped into cash-generating units, i.e. the smallest identifiable group of assets that generates separate cash inflows. If the reason for the impairment no longer exists, a corresponding write-up is made, except for goodwill.

Inventories
Inventories are recognized at the lower of cost or net realizable value in accordance with IAS 2. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Receivables and other assets
Receivables and other assets are recognized at cost less any necessary provision for impairment. Receivables in foreign currencies are measured at the exchange rate prevailing at the balance sheet date and are recognized in the income statement.

Non-interest bearing non-current receivables are recognized at their present value based on an adequate market interest rate.

Non-current receivables falling due within twelve months after the balance sheet date are recognized under current assets.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and bank deposits. Deposits held in foreign currencies are measured at the exchange rate prevailing at the balance sheet date.

Liabilities
Liabilities are recognized at cost or at the amount repayable, if different. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings, using the effective interest method.

Liabilities in foreign currencies are measured at the exchange rate prevailing at the balance sheet date recognized in the income statement.

Provisions
Provisions are recognized, if the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle this obligation, and that the amount can be estimated reliably.

Long-term provisions are recognized at the amount repayable, discounted to the balance sheet date, if the interest effect resulting from discounting is material.

Provisions for post-employment benefits
Due to the disposal of substantial holdings in fiscal year 2013/14, no post-employment benefits exist in the short fiscal year 2014, as already on balance sheet date September 30, 2014.

Defined contribution plans have been applicable to employees joining an Austrian company after 2002. Starting from the second month of the employment relationship, the employer pays a regular contribution of 1.53% of monthly remuneration and any additional payments to a Mitarbeitervorsorgekasse or MVK (statutory scheme for severance payments). No additional obligation exists on the part of the company. The employees' entitlements exist vis-à-vis the respective MVK, and the current contributions paid by the company are recognized under personnel expenses.

Revenue
Revenue is recognized upon delivery or transfer of risk to the customer, rebates and other discounts are deducted. In the event of multi-component transactions, revenues are recognized based on relative market prices upon fulfillment of the respective conditions.

Borrowing costs
As in the fiscal year 2013/14, no borrowing costs were capitalized in the short fiscal year 2014 as the criteria for defining qualifying assets were not met.

Income taxes
Income taxes are recognized according to the source of tax and are based on the corresponding profit of the fiscal year.

Deferred taxes are determined on the basis of all temporary differences arising from tax values and IFRS values of all assets and liabilities using the liability method and the relevant national tax rates prevailing on the balance sheet date or which have been substantially enacted and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax liabilities are recognized under non-current liabilities, deferred tax assets under non-current assets.

The most important temporary differences result from the depreciation of property, plant and equipment, receivables as well as provisions for tax purposes. Deferred taxes relating to tax loss carry-forwards and deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Fair values
Due to their short-term nature, trade receivables, other receivables and payables and cash and cash equivalents recognized in the balance sheet basically correspond to their fair values. The fair values stated for financial liabilities are determined as the present value of discounted future cash flows using the market interest rates applicable for financial debt of corresponding maturity and risk structure.

Accounting estimates and assumptions

To a certain degree, the consolidated financial statements are based on estimates and assumptions affecting the balance sheet assets and liabilities, the disclosure of contingent liabilities at the balance sheet date and the expenses and income reported during the fiscal year. Empirical values considered appropriate by the Management are used. The actual amounts may differ from the estimates if expected parameters do not develop as expected. If new facts become known, they will be recognized and previous assumptions will be adapted accordingly. Assumptions regarding adjustments of receivables and inventories are made. Additionally uncertainties exist concerning the evaluation of the realization of deferred tax assets.

Impairment of goodwill

Due to the disposal of the substantial holdings in fiscal year 2013/14 goodwill is nonexistent as of balance sheet date December 31, 2014

Deferred taxes

The balancing and valuation is mainly based on the expected future taxable profits within a defined planned period. In the short fiscal year 2014 active deferred taxes resulting from tax loss carryforwards were recognized. It is pointed out to the explanations of (17) deferred taxes.

Other balance sheet items

With regard to the other balance sheet items, changes in estimates and assumptions do not result in significant effects on the financial position and financial performance.

Comments on the consolidated income statement

The consolidated income statement is prepared using the function of expense method.

In the following the income statement of the continuing operations will be explained. In the short fiscal year 2014 no discontinued operations exist. The explanations of the discontinued operations of fiscal year 2013/14 can be found under point 8.

(1) Revenues
The Group revenues mainly represent revenues from trade and amount to EUR 1,455,810 in the short fiscal year 2014 (previous year: EUR 5,524,756).

(2) Types of expenditures
The following presentation shows a breakdown by type of expenditure.

in EUR	10-12/2014	2013/14
Cost of materials and purchased services (see note 4)	1,344,715	3,930,450
Personnel expenses (see Note 5)	325,473	1,851,824
Depreciation and amortization	21,821	57,353
Rents and energy costs	40,568	208,901
Automobile expenses	22,880	77,522
Travel expenses	32,177	197,590
Advertising and marketing expenses	6,533	115,722
Legal, audit and consulting fees	194,053	354,972
Postage and communication charges	6,861	23,172
Bad debts and allowances for receivables	0	60,424
Company insurances	5,926	71,431
Other expenses	103,476	472,487
Manufacturing, selling and administrative costs and other operating expenses	**2,104,485**	**7,421,848**

Other operating expenses mainly comprise costs concerning Investor Relations, remuneration for the Supervisory Board, bank charges, training costs and costs for repairs and maintenance of in-house equipment.

(3) Other operating income
Other operating income includes:

in EUR	10-12/2014	2013/14
Reversal of valuation allowances	42,000	0
Other	880	40,999
Other operating income	**42,880**	**40,999**

In the short fiscal year 2014 the other operating income includes the reversals of the bad debt allowance in the amount of EUR 42,000. The previous year's figure mainly includes the deferral of expired rental income.

(4) Cost of materials and purchased services
These expenses are allocated to production costs and broken down as follows:

in EUR	10-12/2014	2013/14
Cost of goods sold	1,323,608	3,923,106
Cost of materials	**1,323,608**	**3,923,106**
Subcontractors	21,107	7,344
Cost of materials and purchased services	**1,344,715**	**3,930,450**

(5) Personnel expenses

Manufacturing, selling and administrative expenses include the following personnel expenses:

in EUR	10-12/2014	2013/14
Salaries	249,835	1,529,549
Expenses for severance payments	7,427	87,829
Expenses for pensions	0	4,250
Expenses for statutory social security, payroll-related taxes and mandatory contributions	68,211	230,196
Personnel expenses	**325,473**	**1,851,824**

Expenses for severance payments, in addition to statutory entitlements, also include contributions payable to the staff provision fund ("Mitarbeitervorsorgekasse") in the amount of EUR 7,427 (prior year: EUR 10,428).

(6) Financial result

The financial result is calculated as follows:

in EUR	10-12/2014	2013/14
Income from securities (net)	383,894	91,810
Net loss/gain from foreign currency translation	9,598	24,774
Interest result	-5,747	53,395
Financial result	**387,745**	**169,979**

(7) Income taxes

Income taxes of continuing operations are as follows:

in EUR	10-12/2014	2013/14
Current tax expense/income	-28,622	-8,211
Deferred tax expense/income	45,189	-124
Income taxes	**16,567**	**-8,336**

The reconciliation of calculated and recognized income tax expenses are as follows:

in EUR	10-12/2014	2013/14
Result before income taxes	**-218,049**	**-1,686,114**
thereof 25% = calculated income tax expense/income	54,512	421,529
Effects of different tax rates in other countries	8,892	12,758
Tax expense out of period	-30,208	0
Expenses not deductible for tax purposes	-2,751	9,468
Other permanent differences	0	-2,118
Tax losses for which no deferred tax assets have been recognized	-17,785	-449,973
Utilisation and subsequent capitalization of temporary differences and losses	3,907	0
Income tax expense – current period	**16,567**	**-8,336**

(8) Result from discontinued operations

In the short fiscal year 2014 no discontinued operations were included. In the previous year the disposal of the shareholdings in BRAIN FORCE Software GmbH, Germany and BRAIN FORCE S.p.A., Italy, to CEGEKA Groep, Belgium, was presented here. Together with the shareholdings also their subsidiaries BRAIN FORCE B.V., Netherlands, BRAIN FORCE GmbH, Austria, BRAIN FORCE Software s.r.o., Czech Republic, and BRAIN FORCE Software s.r.o., Slovak Republic, had been sold.

(9) Segment information

The Management Board of BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) reports by geographical segments. Due to the disposal of the substantial holdings in fiscal year 2013/14 no offsetting against the use of the trademark took place in the short fiscal year 2014. The previous year's figures of the segment results (EBIT and EBITDA) are recognized, not taking into account the costs recharged for trademark license fees. Revenues, EBITDA and EBIT, as well as assets and liabilities are allocated according to the corporate domicile of the entities to the following regions:

- Germany
- Austria

The discontinued operations in the fiscal year 2013/14 include the geographical segments Germany, Italy, the Netherlands and Central and Eastern Europe with Austria, the Czech Republic and Slovakia.

The consolidated revenues of fiscal year 2014 in the amount of EUR 1.46 m can be attributed to Germany (previous year: EUR 5.45 m, approximately 99% of the Group revenue). With three clients revenues in the amount of EUR 0.9 were generated. The consolidated revenues of the discontinued operations amounted to EUR 0 m in the short fiscal year (previous year: EUR 86.56 m).

Revenues, operating results, depreciation, investments, assets and liabilities are broken down as follows by region:

Key figures by segments 10-12/2014 in EUR	Germany	Austria	Holding	Consolidation	Group	Discontinued Operations
Total revenues	1,455,810	0	40,168	-40,168	1,455,810	0
External revenues	1,455,810	0	0	0	1,455,810	0
EBITDA	-215,900	-18,470	-350,732	1,128	-583,973	0
EBIT	-222,287	-19,289	-365,347	1,128	-605,795	0
Depreciation and amortization	-6,387	-819	-14,615	0	-21,821	0
Investments	238	108	0	0	346	0
Assets	2,184,724	1,094,478	26,789,272	-1,835,413	28,233,062	0
Liabilities	2,397,353	546,683	1,629,424	-1,123,157	3,450,303	0

Key figures by segments 2013/2014 in EUR	Germany	Austria (Operating)	Austria (Holding)	Consolidation	Group	Discontinued Operations
Total revenues	5,448,541	12,598	182,453	-118,836	5,524,756	86,559,445
External revenues	5,448,541	3,269	72,945	0	5,524,756	86,559,445
EBITDA [1]	-198,777	51,918	-1,649,350	-2,531	-1,798,740	5,707,530
EBIT [1]	-233,625	44,651	-1,664,588	-2,531	-1,856,093	4,264,058
Depreciation and amortization	-34,848	-7,267	-15,238	0	-57,353	-1,443,472
Investments	5,175	2,052	20,247	0	27,474	1,011,973
Assets	2,453,845	1,144,664	26,573,556	-2,060,591	28,111,474	37,821,712
Liabilities	2,480,915	589,318	1,474,926	-1,347,206	3,197,953	24,185,938

[1] Without settlement costs for brand licensing and inter-company services

Comments on the cash flow statement

The cash flow statement of the Group was prepared using the indirect method.

It illustrates the change in cash and cash equivalents in the Group resulting from cash inflows and outflows during the reporting period, divided into cash flow from operating, investing and financing activities.

(10) Cash flow from operating activities
The cash flow from operating activities, based on the profit before tax, adjusted for non-cash expenses/income, after changes of funds committed to working capital and after deduction of paid interest (balanced against interest earned) and income taxes paid, illustrates the inflow/outflow of cash and cash equivalents from operating activities.

(11) Cash flow from investing activities
This section shows all cash inflows and outflows relating to additions to and disposals of property, plant and equipment, intangible assets and financial investments, as well as financial assets.

(12) Cash flow from financing activities
This section shows all cash inflows and outflows relating to equity and debt financing.

(13) Cash and cash equivalents
Cash and cash equivalents include cash in hand and bank balances, as long as they are available at short notice and unrestricted.

Comments on the consolidated balance sheet

(14) Property, plant and equipment
Property, plant and equipment have changed as follows:

in EUR	Building investments in non-owned facilities	Office machines, IT equipment, other office equipment	Total
Acquisition or production costs 10/1/2014	105,770	464,079	569,849
Additions	0	346	346
Disposals	0	-27,118	-27,118
Acquisition or production costs 12/31/2014	**105,770**	**437,307**	**543,077**
Accumulated depreciation 10/1/2014	82,628	378,687	461,315
Depreciation charge 10-12/2014	9,110	11,191	20,301
Disposals	0	-26,567	-26,567
Accumulated depreciation 12/31/2014	91,738	363,311	455,049
Carrying amounts 12/31/2014	**14,032**	**73,995**	**88,027**

in EUR	Building investments in non-owned facilities	Office machines, IT equipment, other office equipment	Total
Acquisition or production costs 10/1/2013	1,869,821	4,126,378	5,996,199
Currency translation differences	-98	-1,391	-1,489
Additions	94,293	317,443	411,736
Disposals	0	-185,081	-185,081
Disposals due to the change in the scope of consolidation	-1,858,246	-3,793,271	-5,651,517
Acquisition or production costs 9/30/2014	**105,770**	**464,079**	**569,849**
Accumulated depreciation 10/1/2013	1,549,295	3,236,677	4,785,972
Currency translation differences	-18	-1,263	-1,281
Depreciation charge 2013/14	150,286	341,654	491,940
Disposals	0	-182,899	-182,899
Disposals due to the change in the scope of consolidation	-1,616,935	-3,015,482	-4,632,417
Accumulated depreciation 09/30/2014	82,628	378,687	461,315
Carrying amounts 9/30/2014	**23,142**	**85,391**	**108,533**

(15) Other intangible assets

Other intangible assets changed as follows:

in EUR	Development costs	Other	Intangible assets
Acquisition or production costs 10/1/2014	0	264,267	264,267
Disposals	0	-730	-730
Acquisition or production costs 12/31/2014	**0**	**263,537**	**263,537**
Accumulated amortization 10/1/2014	0	239,509	239,509
Amortization charge 10-12/14	0	1,520	1,520
Disposals	0	-133	-133
Accumulated amortization 12/31/2014	0	240,895	240,895
Carrying amounts 12/31/2014	**0**	**22,642**	**22,642**

in EUR	Development costs	Other	Intangible assets
Acquisition or production costs 10/1/2013	15,010,207	5,544,524	20,554,731
Currency translation differences	-9,449	-1,165	-10,614
Additions	588,747	38,964	627,711
Disposals	-146,200		-146,200
Disposals due to the change in the scope of consolidation	-15,443,305	-5,318,055	-20,761,360
Acquisition or production costs 9/30/2014	**0**	**264,267**	**264,267**
Accumulated amortization 10/1/2013	12,773,652	5,334,292	18,107,944
Currency translation differences	-9,449	-1,165	-10,614
Amortization charge 2013/14	922,521	86,365	1,008,886
Disposals	-124,928		-124,928
Disposals due to the change in the scope of consolidation	-13,561,796	-5,179,983	-18,741,779
Accumulated amortization 9/9/2014	0	239,509	239,509
Carrying amounts 9/30/2014	**0**	**24,759**	**24,759**

(16) Financial assets

Die Finanzanlagen bestehen aus Wertpapieren und entwickelten sich wie folgt:

in EUR	10-12/2014	2013/14
Carrying amount – beginning of period	3,220,000	0
Purchase/Sale of financial assets	0	3,220,000
Reclassification into current assets	-3,220,000	0
Carrying amount – end of period	**0**	**3,220,000**

In the short fiscal year 2014 BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) has reclassified 322 bonds of CROSS Industries AG, 6.875%, (Perpetual bond) in the amount of EUR 3.22 m into current accounts.

(17) Deferred taxes

Deferred tax assets are recognized in other non-current assets, deferred tax liabilities are included in non-current liabilities.

Deferred taxes are calculated as follows:

in EUR	12/31/2014	9/30/2014
Tax loss carry-forwards	50,000	0
Other	0	4,811
	50,000	4,811
Balancing	0	0
Deferred tax assets	**50,000**	**4,811**
Securities	28,940	0
Other	124	124
	29,064	124
Balancing	0	0
Deferred tax liabilities	**29,064**	**124**

in EUR	10-12/2014	2013/14
Deferred taxes (net) as of October 1	4,687	648,525
Change in scope of consolidation	0	-694,684
Deferred taxes affecting net income	45,189	-124
Deferred taxes recorded in other comprehensive income	-28,940	50,970
Deferred taxes (net) as of 12/31 or 9/30	**20,936**	**4,687**

Deductible temporary differences and the unused tax losses (including open partial depreciation) for which deferred taxes were not capitalized amounted to EUR 60,630,731 (previous year: EUR 65,666,283). The value adjustment for loss carry-forwards and temporary differences was applied in the amount of which a medium-term realization of the deferred taxes from present point of view was not sufficiency certain.

The amount of deductible differences relates to an executed unscheduled depreciation that needs to be allocated during a period of seven years for tax purposes.

(18) Inventories

Inventories are measured at acquisition or production cost. A write-down to the net realizable value was necessary in the amount of EUR 75,076 in the short fiscal year 2014 (previous year: EUR 4,480).

On balance sheet date the value of the inventory amounted to EUR 190,024 (September 30, 2014: EUR 313,553) and essentially consists of trade goods.

(19) Trade receivables

in EUR	12/31/2014	9/30/2014
Trade receivables already invoiced	993,131	1,294,706
Less allowance for doubtful accounts	-24,885	-66,885
Trade receivables	**968,246**	**1,227,821**

Adequate allowances were made to account for the estimated risk of default on receivables, which developed as follows:

in EUR	10-12/2014	2013/14
Allowance for doubtful accounts (beginning of period)	66,885	1,240,913
Utilization	0	-140,531
Reversal	-42,000	-48,709
Addition	0	328,010
Disposal from changes in the scope of consoldation	0	-1,312,798
Allowance for doubtful accounts – end of period	**24,885**	**66,885**

The following unimpaired trade receivables are overdue at the balance sheet date:

in EUR	12/31/2014	9/30/2014
Less than 30 days	183,911	70,567
More than 30 days	328,656	242,585
Overdue unimpaired receivables	**512,567**	**313,152**

(20) Other receivables and assets
Other receivables and assets comprise the following items:

in EUR	12/31/2014	9/30/2014
Tax authorities	222,421	209,576
Maintenance contracts and other prepaid expenses	405,791	416,251
Receivables from employees	104	90
Securities	24,419,200	0
Bond yields	1,399,336	143,136
Other	4,655	2,275,257
Current other receivables and assets	**26,451,506**	**3,044,310**

The securities include 65,236 shares of Pankl Racing Systems AG in the amount of EUR 1,769,200 (price on 12/31/2014: EUR 27.12) and 2,265 bonds of CROSS Industries AG 6.875% (Perpetual bond) in the amount of EUR 22,650,000.

The other receivables of the previous year mainly relate to the retention money from the sale of the share in SolveDirect Service Management GmbH, Vienna as well as outstanding receivables from the disposal of BRIAN FORCE Software GmbH, Germany, and BRAIN FORCE S.p.A., Italy, to CEGEKA GROEP NV, Belgium.

(21) Cash and cash equivalents
Cash and cash equivalents comprise cash in banks and amounted to EUR 462,616 on balance sheet date 12/31/2014 (previous year: EUR 20,167,687). The decrease can be attributed mainly to the purchase of securities.

(22) Equity

The share capital amounts to EUR 15,386,742 (prior year: EUR 15,386,742) and is divided into 15,386,742 individual no-par value bearer shares.

The shares of BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) remain listed in the Regulated Market segment of the Vienna Stock Exchange. The withdrawal of the shares from the Regulated Market and the subsequently planned inclusion of the shares in the Third Market of the Vienna Stock Exchange have not been permitted by the Austrian Administrative Court.

At the balance sheet date, the authorized capital amounts to EUR 7,693,371 (prior year: EUR 7,693,371).

On March 7, 2014 the Management Board of BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) decided to make use of the authorization granted by the ordinary general shareholders' meeting dated 28.02.2013. The company started a share buy-back program in March 2014. The buy-back program affects no par value shares of BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG), whereby a maximum of 10% of the share capital can be bought back. The share's purchase price will be the average rate of the last five stock exchange days with a margin of +/- 20%. Due to the voluntary takeover offer of Pierer Industrie AG no further shares have been purchased according to the announcement of November 18, 2014. The share buy-back program has not been terminated.

The development of the share capital and reserves is shown in the table below:

in EUR	Share capital	Reserves	IAS 19
Balance 10/1/2014	15,386,742	5,327,165	0
Acquisition of own shares	0	-16,101	0
Reserve from the fair valuation of securities	0	86,821	0
Balance 12/31/2014	**15,386,742**	**5,397,885**	**0**

in EUR	Share capital	Reserves	IAS 19
Balance 10/1/2013	15,386,742	6,514,648	-183,691
Actuarial losses	0	0	-152,908
Reclassification of actuarial effects duet to the change of the scope of consolidation	0	-336,599	336,599
Currency translation differences (Reclassification)	0	339,394	0
Acquisition of own shares	0	-101,880	0
Used to cover losses (Reversal of capital reserve individual financial statement)	0	-1,088,398	0
Balance 9/30/2014	**15,386,742**	**5,327,165**	**0**

Other reserves comprise the following items at the respective balance sheet date:

in EUR	12/31/2014	9/30/2014
Other reserves due to change of scope o consolidation	-336,599	-336,599
Reserve from the fair valuation of securities	86,821	0
Acquisition of own shares	-117,981	-101,880
Other Reserves	**-367,759**	**-438,479**

(23) Financial liabilities

The financial liabilities include variable interest overdrafts. The short-term overdrafts are due in the amount of EUR 1,728,022 (previous year: EUR 442,099) and the long-term in the amount of EUR 0 (previous year: 495,450).

(24) Trade payables

in EUR	12/31/2014	9/30/2014
Trade payables already invoiced	780,230	666,341
Trade payables not yet invoiced	34,991	0
Trade payables	**815,221**	**666,341**

(25) Other liabilities

Other liabilities include the following:

in EUR	12/31/2014	9/30/2014
Non-current other liabilities	**35,551**	**37,773**
Taxes	110,932	26,358
Social security payables	17,084	10,507
Vacation entitlements and overtime payables	3,627	19,408
Bonuses	0	248,092
Payroll accounting	745	11,799
Deferred income from maintenance contracts	500,779	529,050
Other	187,083	707,452
Current other liabilities	**820,250**	**1,552,666**

(26) Guarantees and other commitments

In the short fiscal year 2014 BF HOLDING AG, Wels (formerly: BRAIN FORCE HOLDING AG, Vöcklabruck), provided a guarantee for Network Performance Channel GmbH, Austria, towards IXIA TECHNOLOGIES LIMITED, Ireland, in the amount of EUR 1 m, thereof EUR 672,410.77 were unsettled on balance sheet date December 31, 2014 (USD 816,373.92 exchange rate on balance sheet date December 31, 2014).

(27) Financial instruments

The financial instruments listed in the balance sheet are securities, liquid funds and cash in bank, receivables and supplier credits, as well as financial liabilities. The accounting principles described for each balance sheet item are applicable to original financial instruments.

Information on financial instruments by category:

in EUR	12/31/2014	9/30/2014
Financial assets available for sale	**24,419,200**	**3,220,000**
Trade receivables	968,246	1,227,821
Other receivables and assets	1,404,095	2,418,483
Cash and cash equivalents	462,616	20,167,687
Loans and receivables	**2,834,957**	**23,813,991**
Financial liabilities	1,728,022	937,549
Trade payables	815,221	666,341
Other liabilities	191,454	986,750
Liabilities recognized at (amortized) cost	**2,734,697**	**2,590,640**

The financial assets on the one hand include bonds in the amount of EUR 22,650,000 (previous year: EUR 3,220,000), on the other hand shares in the amount of EUR 1,769,200 (previous year: EUR 0). The shares are listed at the Vienna Stock Exchange and recognized at fair value, the bonds are accounted with a rate of 100. Pierer Industrie AG agreed with BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) to acquire the bonds of CROSS Industries AG (ISIN: AT0000500913) purchased by BF HOLDING AG without any exchange rate losses (purchase price guarantee in form of a put-option) in the short term.

The financial instruments have been recognized in the income statement with the following net results:

in EUR	10-12/2014	2013/14
Write-offs of and allowances for trade receivables, Operating result, net	**0**	**65,008**
Financial assets available for sale	383,894	117,810
Loans and receivables	12,433	86,169
Liabilities recognized at (amortized) cost	-7,894	-31,002
Financial result, net	**388,433**	**172,977**

(28) Financial risk management

The principles of risk management of the Group are determined by the Management Board and monitored by the Supervisory Board. The risk strategy is implemented locally in the respective entities and is coordinated centrally. Necessary safeguards, such as e.g. insurances, are negotiated and concluded centrally for the Group, wherever possible. The liquidity, foreign exchange and interest rate risk are controlled centrally under policies set by the Management Board and are designed to minimize the potential negative effects on the financial position of the Group.

Liquidity risk

Liquidity risk refers to the risk that the Group may not be able to meet its financial obligations as they fall due. Due to the dynamic nature of the business environment in the IT industry, it is of utmost priority for the Group to maintain flexibility in funding by keeping sufficient liquidity and committed credit lines available. A liquidity forecast on a monthly basis is prepared annually in the context of the annual budget process. To optimize the liquidity situation, attention is paid to an active working capital management.

Maturity analysis of financial liabilities

in EUR	12/31/2014	Remaining term < 1 year		Remaining term 1-5 years	
		Interest	Repayment	Interest	Repayment
Financial liabilities	1,728,022	34,560	1,728,022	0	0
Trade payables	815,221	0	815,221	0	0
Other liabilities	191,454	0	191,454	0	0
Balanced liabilities at amortized cost	**2,734,697**	**34,560**	**2,734,697**	**0**	**0**

in EUR	9/30/2014	Remaining term < 1 year		Remaining term 1-5 years	
		Interest	Repayment	Interest	Repayment
Financial liabilities	937,549	23,439	442,099	921	495,450
Trade payables	666,341	0	666,341	0	0
Other liabilities	986,750	0	986,750	0	0
Balanced liabilities at amortized cost	**2,590,640**	**23,439**	**2,095,190**	**921**	**495,450**

Credit risk

It covers the risk of default in particular, hence the risk that one party fails to meet its obligations and that a default occurs. Despite a widely dispersed customer base in the Group, the operating companies of some countries of the Group depend heavily on individual major customers. In order to be able to minimize the adverse effect on the result in case of defaults by customers, the focus is on expanding the customer base further to reduce these dependencies.

Foreign exchange risk

The risk resulting from fluctuations in fair values of financial instruments or other balance sheet items and/or cash flows due to foreign currency fluctuations is referred to as currency risk. In particular, the risk occurs where business transactions in currencies other than the local currency of the Group exist or can arise in the course of regular business operations.

The Group is mainly exposed to foreign exchange risks as part of its operating activities in the subsidiary Network Performance Channel GmbH, Germany with regard to the development of the EUR/USD exchange rate. This is due to the fact that the company mainly purchases products in US dollars and resells them in Europe, the Middle East, North Africa and India. The purchase volume was USD 1.4 million in the short fiscal year 2014 (prior year: USD 4.3 million). Part of the revenue of the companies is invoiced also in US dollars. In the short fiscal year 2014 the EUR/USD exchange rate risk was not hedged. Due to the increase in revenue invoiced in USD it is to be assumed that the foreign exchange risks with regard to the development of the EUR/USD exchange rate will be of major significance to the Group in the future. An increase or decrease of the exchange rate by 10% would have an impact on the result of Group of TEUR 5.

Interest rate risk

The interest rate risk refers to the risk resulting from the change of fluctuations in fair values of financial instruments, other balance sheet items and/or interest-related cash flows due to fluctuations of market interest rates. The interest rate risk comprises the fair value risk for balance sheet items bearing fixed interest rates and the cash flow risk for balance sheet items bearing variable interest rates.

For financial instruments carrying fixed interest rates, a market interest rate is stipulated for the entire period. The risk exists that the market value (present value of future payments, i.e. interest and repayable amount, discounted at the market interest rate for the remaining term prevailing at the balance sheet date) of the financial instrument changes when the interest rate changes. The price risk caused by changes in interest rate results in a loss or gain, if the fixed-interest bearing financial instrument is sold before maturity. The interest rate for variable interest bearing financial instruments is adjusted immediately and normally follows the respective market interest rate. The risk involved here is that the market interest rate fluctuates and, as a result, changed interest payments will fall due.

At the end of the short fiscal year 2014, financial liabilities accounted for approx. 6% (prior year: 3%) of the balance sheet total and are within 12 months due and with variable interest rate.

The securities of the current assets involve 2,265 bonds of CROSS Industries AG in the amount of EUR 22,650,000. The annual interest rate is 6.875%.

Capital risk management

The Group's objectives regarding the capital risk management include securing its going concern to continue to provide the shareholders with income and the other stakeholders with adequate services, as well as maintaining an optimal capital structure in order to reduce capital costs. The Group is not subject to statutory capital requirements. The equity ratio amounts to 88% at the balance sheet date (prior year: 89%).

Fair values

The carrying amounts of the trade receivables and other receivables and liabilities as well as cash and cash equivalents, which are recognized in the balance sheet, mainly correspond to the fair value.

(29) Costs for the auditor

The costs for the auditor include: audit of the consolidated financial statements EUR 18,000 (prior year: EUR 29,315), other audit services EUR 9,000 (prior year: EUR 9,500) and other services EUR 0 (prior year: EUR 17,412).

(30) Earnings per share

Earnings per share are computed by dividing profit after tax by the weighted average number of ordinary shares, adjusted for treasury stock.

in EUR	10-12/2014	2013/14
Profit/loss after tax attributable to the equity holders of the parent company	-201,483	5,608,918
Weighted average number of ordinary shares (basic and diluted)	15,318,231	15,372,149
Earnings per share (in EUR)	**-0.01**	**0.36**

Earnings per share from continuing operations are as following:

in EUR	10-12/2014	2013/14
Profit/loss after tax attributable to the equity holders of the parent company from continuing operations	-201,483	-1,694,450
Weighted average number of ordinary shares (basic and diluted)	15,318,231	15,372,149
Earnings per share from continuing operations(in EUR)	**-0.01**	**-0.11**

Earnings per share from discontinued operations are as following:

in EUR	10-12/2014	2013/14
Profit/loss after tax attributable to the equity holders of the parent company from discontinued operations	0	7,303,368
Weighted average number of ordinary shares (basic and diluted)	15,318,231	15,372,149
Earnings per share from discontinued operations(in EUR)	**0.00**	**0.48**

The consolidated financial statements of the Company will be discussed in the Supervisory Board meeting on March 12, 2015. The proposal on profit distribution, which has to be submitted together with the report of the Supervisory Board, is subject to approval by the Annual General Meeting.

(31) Related parties

The major shareholders and the Management and Supervisory Board members of BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG), as well as associates are considered related parties.

Remunerations paid to members of the Management Board for the short fiscal year 2014 amounted to EUR 113,748 (prior year: EUR 605,057). These remunerations include variable portions in the amount of EUR 11,475 (prior year: EUR 182,250). In addition, a settlement in the amount of EUR 0 (previous year: EUR 230,817) was granted for the early termination of a management board contract in the prior year.

Furthermore, expenses for severance payments (contributions to staff provision funds) and pensions for members of the Management Board in the amount of EUR 6,113 (prior year: EUR 10,363) were recognized in profit and loss.

In the short fiscal year 2014, remunerations paid to members of the Supervisory Board in the amount of EUR 13,075 (prior year: EUR 48,100) were recognized as expense.

Neither were any loans granted to nor guarantees given for the benefit of members of the Management Board and Supervisory Board.

An agreement is in place with Pierer Konzerngesellschaft mbH, Wels, on the provision of the management board member Michaela Friepess. With HOFER Management GmbH, Vöcklabruck, a company in which the Management Board member Michael Hofer is the 100% shareholder, a transfer contract existed until December 31, 2013. In January 2014 BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) concluded a management contract with Michael Hofer.

After the purchase of 322 bonds of CROSS Industries AG with an interest rate of 6.875% (Perpetual Bond) in the fiscal year 2013/14, BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) has purchased further 1,943 bonds of CROSS Industries AG with an interest rate of 6.875% (Perpetual Bond) in the short fiscal year 2014. Due to the bond, interest income was generated in the amount of TEUR 384 in the short fiscal year 2014 (previous year: TEUR 118). Furthermore in the short fiscal year 2014 BF HOLDING AG (formerly BRAIN FORCE HOLDING AG) has purchased 65,236 shares of Pankl Racing Systems AG in the amount of EUR 1,769,200 (rate on balance sheet date 12/31/2014: EUR 27.12).

Service relationships to associated and related companies are presented as follows:

Group 12/31/2014 [in TEUR]	Receivables	Payables	Income	Expenses
Associated companies	1,399	-4	1,256	-987
Other related companies	0	-2	9	-53
Discontinued operations	0	0	0	0
Total	**1,399**	**-6**	**1,266**	**-1,039**

Group 9/30/2014 [in TEUR]	Receivables	Payables	Income	Expenses
Associated companies	143	-96	118	-288
Other related companies	0	-56	65	-320
Discontinued operations	50	-12	1,886	-104
Total	**193**	**-163**	**2,069**	**-712**

(32) Share-based compensation

Currently, a share-based compensation plan for employees of BF HOLDING AG (formerly: BRAIN FORCE HOLDING AG) is not in place. Consequently, neither the members of the Management Board nor of the Supervisory Board hold any option rights at the balance sheet date.

(33) Commitments from leasing transactions

Operating lease commitments or rents in EUR	12/31/2014	9/30/2014
Not later than one year	210,239	208,265
Later than 1 and not later than 5 years	402,249	451,732
Later than 5 years	0	0

(34) Employees

	Average		At the balance sheet date	
	10-12/2014	2013/14	12/31/2014	9/30/2014
Number of employees (salaried)	**11**	**532**	**11**	**14**

In the short fiscal year 2014 11 people (previous year: 532) were employed on average. The decline is a result of the disposal of the substantial shareholdings in fiscal year 2013/14. As of balance sheet date 11 people were employed (previous year: 14).

(35) Events after the balance sheet date

No material events have occurred after the balance sheet date.

(36) Authorization for issue

These consolidated financial statements were prepared, signed and authorized for issue by the Management Board at the date indicated below. The separate financial statements of the parent company, which after the adoption of the applicable accounting standards were also included in the consolidated financial statements, together with these consolidated financial statements, will be submitted to the Supervisory Board for review and regarding the separate financial statements also for adoption on March 12, 2015. The Supervisory Board and, in case of submittal to the Annual General Meeting, the shareholders can change the separate financial statement in a way which might also affect the presentation of the consolidated financial statements.

(37) Members of the Management Board and Supervisory Board

In the short fiscal year from October 1, 2014 to December 31, 2015, the following persons served on the **Management Board**:

- Michael Hofer, Vöcklabruck, CEO
- Michaela Friepess, Neumarkt im Hausruckkreis, CFO

In the short fiscal year 2014, the following persons served on the **Supervisory Board**:

- Ernst Chalupsky, Wels, Chairman, since 12/17/2014
- Josef Blazicek, Perchtoldsdorf, Deputy Chairman, since 12/17/2014
- Gerald Kiska, Anif, since 12/17/2014
- Stefan Pierer, Wels, Chairman, until 12/17/2014
- Friedrich Roithner, Linz, Deputy Chairman, until 12/17/2014
- Christoph Senft, Angerberg, until 12/17/2014

Wels, March 12, 2015

The Management Board:

Michael Hofer

Michaela Friepess

Auditor's Report

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of
BF HOLDING AG, Wels (formerly: BRAIN FORCE Holding AG, Vöcklabruck),
for the **short financial year from 1 October 2014 to 31 December 2014**. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2014, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the short financial year 2014 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to § 245a UGB (Austrian Commercial Code). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2014 and of its financial performance and its cash flows for the short financial year from 1 October to 31 December 2014 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Linz, 12 March 2015

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Ernst Pichler
Wirtschaftsprüfer

ppa Mag. Michael Mayer-Schütz
Wirtschaftsprüfer

(Austrian Chartered Accountants)

This report is a translation of the original report in German, which is solely valid. The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Service

Locations

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Glossar

ATX: "Austrian Traded Price Index"; benchmark index of the Vienna Stock Exchange

Capital Employed: Equity + interest-bearing debt - liquid funds and financial assets; the entire interest-bearing capital applied in the company

Cash flow: Indicator for corporate analyses; describes the increase in cash and cash equivalents in an accounting period

Corporate Governance: Behavioral rules underlying responsible management and control of companies, laid out in the Austrian Corporate Governance Code, which is comprised of voluntary guidelines

Deferred taxes: Temporary differences in the accounting values in IFRS and tax balance sheets of individual companies and consolidation processes lead to deferred taxes

EBIT: "Earnings Before Interest and Tax"; operating profit

EBITDA: "Earnings Before Interest, Tax, Depreciation and Amortization"; operating profit before depreciation/amortization = gross cash flow

EBITDA-Marge: EBITDA in relation to revenues

EPS: "Earnings Per Share", profit after tax divided by the weighted number of shares less treasury stock

Equity method: Method of reporting shares held in companies, in which the shareholder exerts a significant influence. The stakes in these strategic investments usually range between 20% and 50%

Equity ratio: An indicator measuring the ratio of equity to total assets

Free Cash-flow: Cash flow from operating activities - cash flow from investing activities + acquisitions; indicates the liquid funds generated in a given fiscal year available for dividends, loan repayments or share buybacks

IFRS: International Financial Reporting Standards

Net debt: Financial liabilities - cash and cash equivalents

WACC: "Weight Average Cost of Capital"; average costs of capital which a company must pay to finance its external borrowing and equity on financial markets

Working Capital: Inventories + trade receivables + current other liabilities – trade payables – non-current other liabilities

Xetra: "Exchange Electronic Trading"; electronic trading system of the German Deutsche Börse AG which is also used by the Vienna Stock Exchange

Financial Calendar Fiscal Year 2015

Datum	Event
March 20, 2015	Results short fiscal year October 1 until December 31, 2014
April 22, 2015	18th General Meeting
May 2015	Ex-dividend day
May 2015	Dividend payment day
May 29, 2015	Report on the first quarter of 2015
August 28, 2015	Report on the first six months of 2015
November 27, 2015	Report on the first three quarters of 2015

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