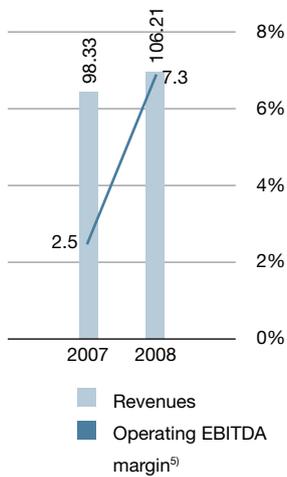




# BRAIN FORCE Key Data

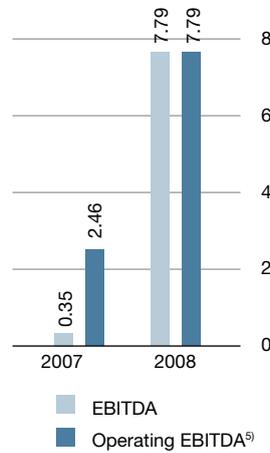
## Revenues and EBITDA margin

in € million and %



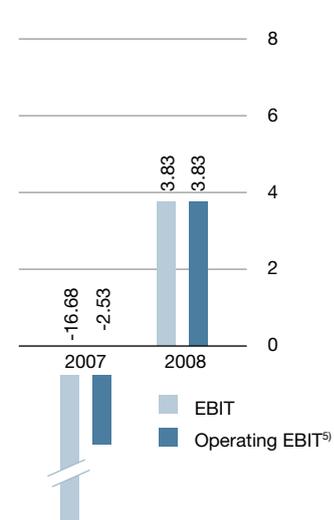
## EBITDA

in € million



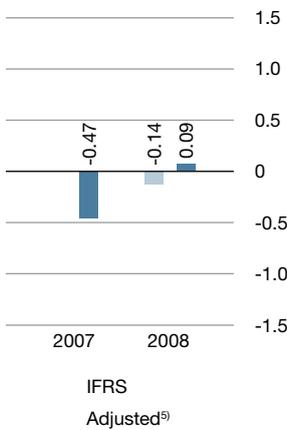
## EBIT

in € million



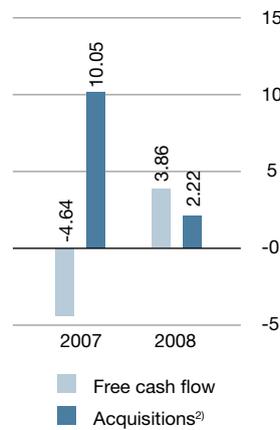
## Earnings per share

in €



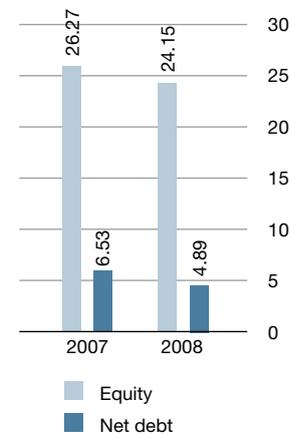
## Free cash flow and Acquisitions

in € million



## Equity and Net debt

in € million



## Revenues by region



- 1 Germany 48%
- 2 Central East Europe 15%
- 3 South West Europe 27%
- 4 North Europe 10%

## EBITDA by region



- 1 Germany 50%
- 2 Central East Europe 20%
- 3 South West Europe 23%
- 4 North Europe 14%
- 5 Holding and Other -7%

## Revenues by segment



- 1 Professional Services 25%
- 2 Business Solutions 36%
- 3 Technology & Infrastructure 39%

Earnings Data		2008	2007	Chg. in %
Revenues	<i>in € million</i>	106.21	98.33	+8
EBITDA	<i>in € million</i>	7.79	0.35	>100
EBIT	<i>in € million</i>	3.83	-16.68	>100
Profit before tax	<i>in € million</i>	2.38	-17.91	>100
Profit after tax	<i>in € million</i>	-2.10	-19.91	+89
Free cash flow <sup>1)</sup>	<i>in € million</i>	3.86	-4.64	>100
Capital expenditure	<i>in € million</i>	2.45	2.82	-13
Acquisitions <sup>2)</sup>	<i>in € million</i>	2.22	10.05	-78
Employees <sup>3)</sup>		1,153	1,164	-1

Balance Sheet Data		2008	2007	Chg. in %
Equity	<i>in € million</i>	24.15	26.27	-8
Net debt	<i>in € million</i>	4.89	6.53	-25
Capital employed	<i>in € million</i>	28.86	32.62	-12
Working capital	<i>in € million</i>	5.38	4.77	+13
Balance sheet total	<i>in € million</i>	66.31	74.34	-11
Gearing	<i>in %</i>	20	25	-

Stock Exchange Data <sup>4)</sup>		2008	2007	Chg. in %
Earnings per share	<i>in €</i>	-0.14	-1.29	+89
Adjusted earnings per share <sup>5)</sup>	<i>in €</i>	0.09	-0.47	>100
Dividend per share	<i>in €</i>	0.00	0.00	-
Share price high	<i>in €</i>	2.58	3.46	-25
Share price low	<i>in €</i>	1.01	1.76	-43
Share price at year-end	<i>in €</i>	1.89	1.92	-2
Shares outstanding (weighted)	<i>in 1,000</i>	15,387	15,387	0
Market capitalization at year-end	<i>in € million</i>	29.08	29.54	-2

Geographical Segments 2008 <i>in € million</i>	Germany		Central East Europe		South West Europe		North Europe		Holding and Other	
Revenues	51.25	(+10%)	15.48	(+5%)	28.42	(+4%)	11.06	(+17%)	0	-
EBITDA	3.92	(>100%)	1.54	(+69%)	1.76	(-19%)	1.11	(+6%)	-0.53	(+87%)
EBIT	2.47	(>100%)	0.50	(>100%)	1.07	(+24%)	0.40	(>100%)	-0.60	(+85%)
Capital expenditure	0.65	(-54%)	0.24	(-98%)	0.82	(+35%)	0.65	(-5%)	0.09	(>100%)
Employees <sup>3)</sup>	492	(+5%)	166	(-5%)	393	(-6%)	92	(+2%)	10	(-23%)

1) Cash flow from operating activities minus cash flow from investing activities plus acquisitions

2) Including payments with own shares

3) Average number of employees during the period

4) Vienna Stock Exchange

5) Adjusted for non-recurring income and expense, see explanations on page 44 and 45

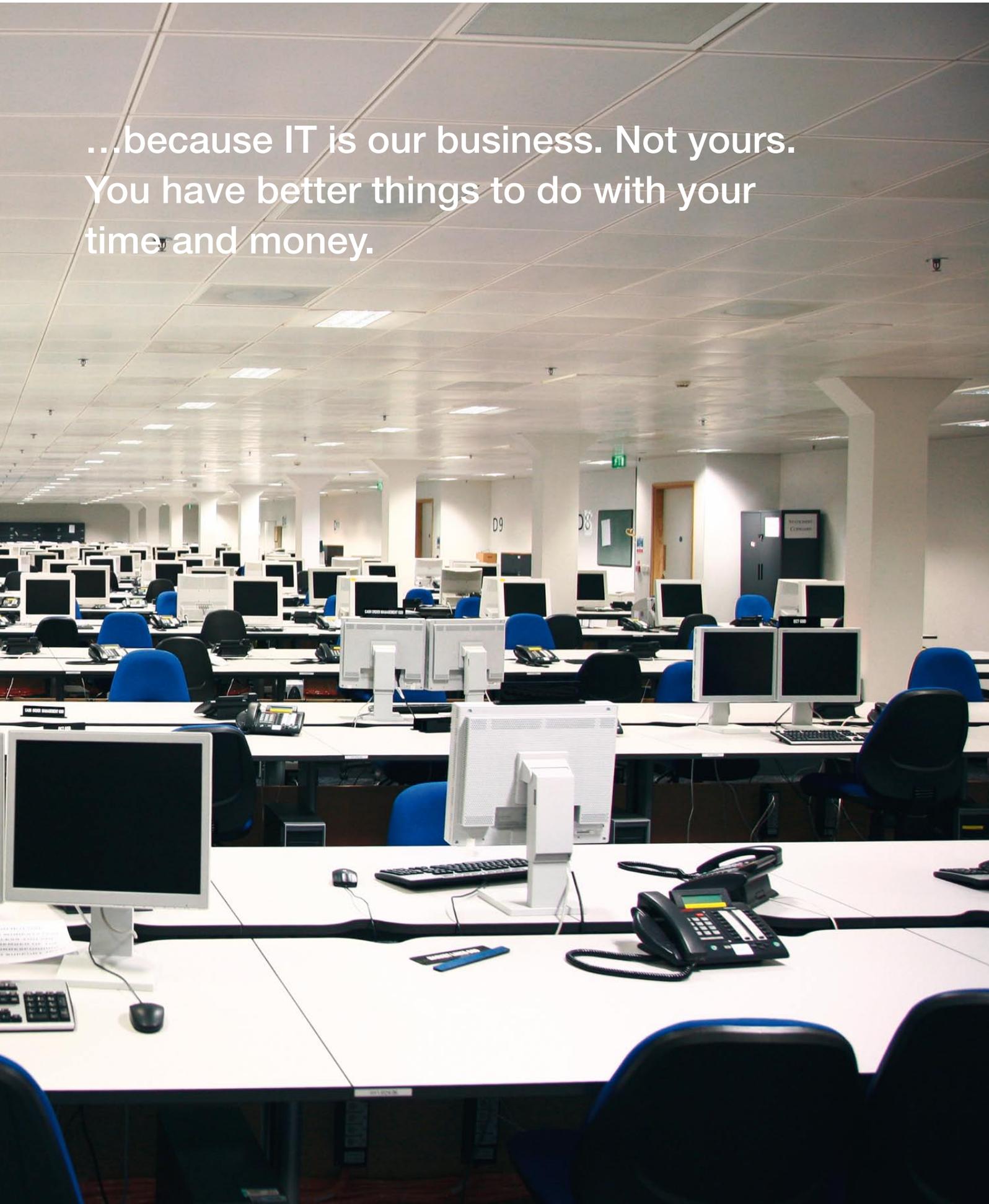
## BRAIN FORCE Group

**As a leading IT company we provide software and services. The company is specialised in integrating business solutions and optimizing ICT infrastructures:**

- Business Solutions: BRAIN FORCE provides solutions to manage and develop your business in order to gain a competitive advantage.
- Infrastructure Optimization: BRAIN FORCE provides a well-manageable and efficient ICT-infrastructure to improve the user and business productivity.
- Professional Services: BRAIN FORCE offers first class consulting, managed services and experts for all areas. Customers benefit from our years of experience from numerous projects. For every IT project the company provides experts with the deepest knowledge and the longest experience.



...because IT is our business. Not yours.  
You have better things to do with your  
time and money.



## Customer: Gothaer Insurance Group

- Germany
- Insurance
- 5,610 employees
- Gross contributions of € 3.95 billion

### We

provided a perfectly coordinated front-end solution for Gothaer's conceptual consulting with the:

- Application of BRAIN FORCE Vorsorgeoptimierung for personal retirement benefits
- Quick updating of legal requirements and the integration of new tariffs and products
- Legal and liability security based on TÜV-certified software
- Smooth and quick integration in Gothaer's conceptual consulting activities

### For the customer

this means indispensable support within the framework of comprehensive, holistic customer care based on:

- Increased customer consulting quality
- Development of permanent, professional and partner-like service on behalf of insurance customers
- Inclusion of all current regulatory stipulations such as the EU intermediary directive and the German pension law
- Exploitation of extensive cross-selling potential

*Project start: 2004*



Comprehensive advice that does not sweep anything under the table.



**Customer: Amphia Hospital**

- Netherlands
- Healthcare
- 5000 Employees and Volunteers, 250 Medical Specialists
- Budget: € 281 million per year

**We**

have implemented Microsoft Office Communication Server 2007 for the hospital and its branches:

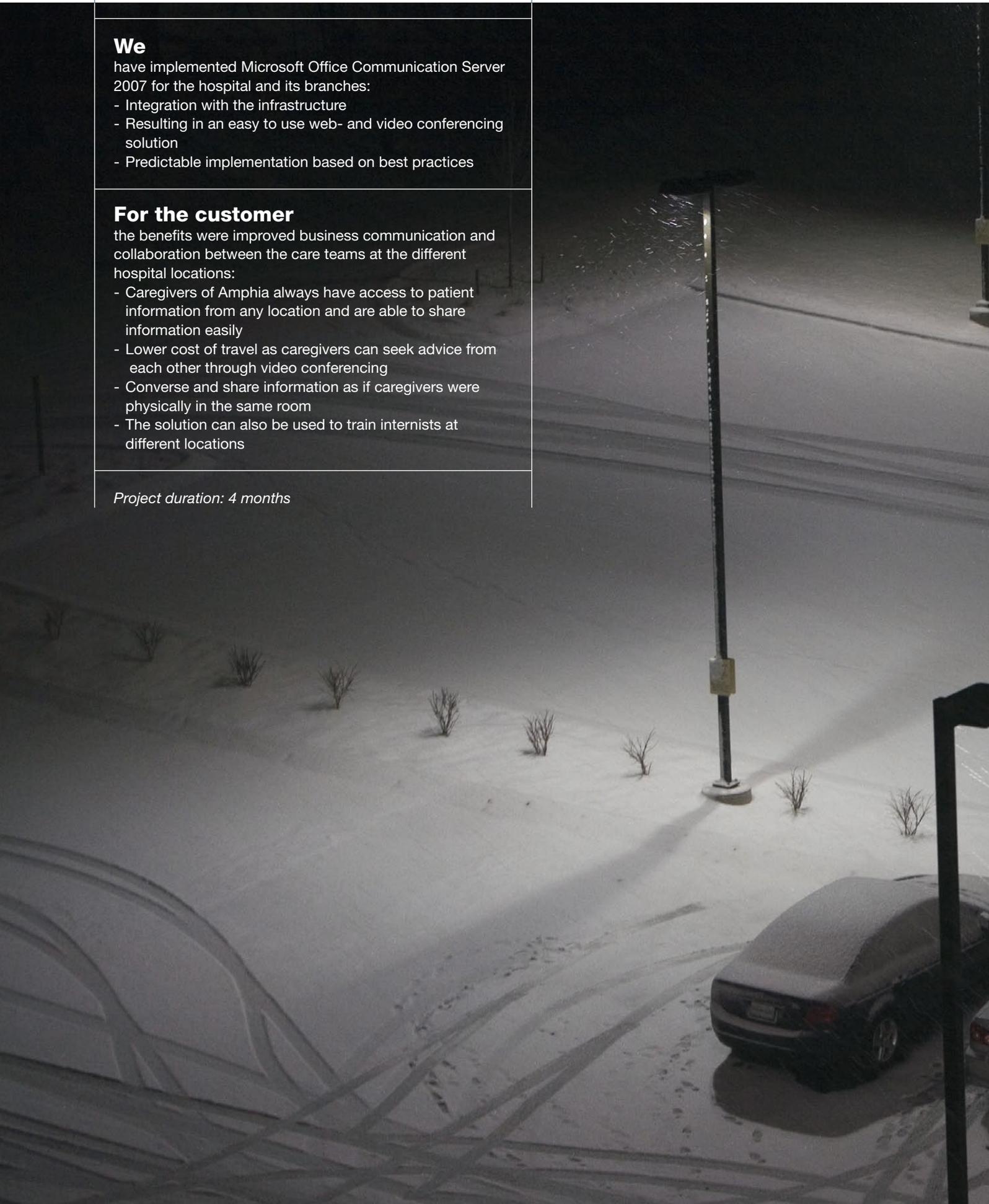
- Integration with the infrastructure
- Resulting in an easy to use web- and video conferencing solution
- Predictable implementation based on best practices

**For the customer**

the benefits were improved business communication and collaboration between the care teams at the different hospital locations:

- Caregivers of Amphia always have access to patient information from any location and are able to share information easily
- Lower cost of travel as caregivers can seek advice from each other through video conferencing
- Converse and share information as if caregivers were physically in the same room
- The solution can also be used to train internists at different locations

*Project duration: 4 months*





**Ideal weather for a video conference.  
Save yourself the car ride.**

#### **Customer: UniCredit Group**

- Germany
- Financial institutions
- 170.000 employees
- Assets of € 1.02 trillion

#### **We**

are offering IT experts with adequate qualifications just in time:

- Specialized consulting and conception as well as implementation in the fields of financial engineering, risk and asset management
- Product responsibility for the front office system Sophis Risque
- High level of customer-orientation based on quick response, flexibility and quality

#### **For the customer**

we are a reliable, competent business partner with long-standing experience:

- High availability of the IT infrastructure for successful business operations
- Flexible support times ensure optimized use of resources and reduce pressure on internal employees
- On-site support means short distances and quick solutions
- Best possible service quality for a high level of customer satisfaction

*Project start: 2002*

**Here the money grows. With careful maintenance and support for the risk management software.**



## Customer: PepsiCo Italy

- Italy
- Food and Beverage
- 300 Employees (185.000 worldwide)
- Revenues € 170 million (39 billion of \$ worldwide)

## We

implemented an individually tailored Corporate Performance Management solution on basis of Cognos for:

- Operative definition of budget and rolling forecast
- Optimized closing processes for the profit and loss account on product level
- Cause of changes analysis
- Operational Sales forecast and official reporting

## For the customer

this means a central, integrated business database and faster planning processes:

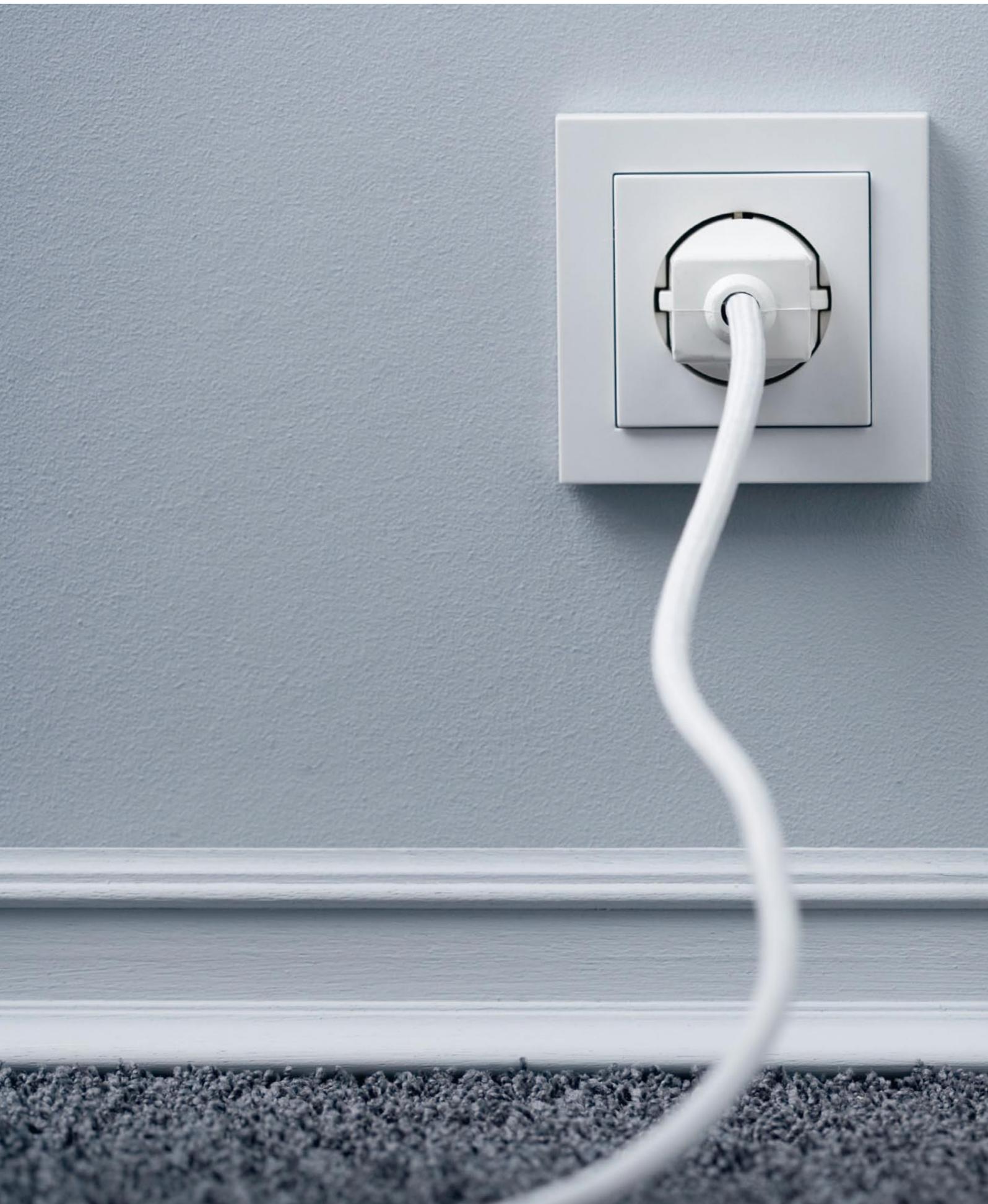
- Budget definition times are 50% shorter, even having more information to deal with
- The sales and the financial department manage the planning process completely in a decentralized manner
- All Users profit from homogeneous and highly available data
- The sales unit maintains the responsibility and the control over its data benefiting from the univocal data

*Project start: 2007*



A photograph of a dark, empty refrigerator. The interior is mostly black, with some faint outlines of shelves and drawers. The lighting is dim, creating a somber and empty atmosphere. The text is overlaid in the bottom left corner in a white, sans-serif font.

Refrigerator empty?  
Don't blame sales planning.



#### Customer: IBM Austria

- Austria
- Information technology
- About 390,000 employees worldwide
- Represented in 170 countries

#### We

make employees available who have been providing competent services in different areas for years:

- Infrastructure maintenance
- Small server support
- Support services (operating systems, networks and applications)
- Customer service

#### For the customer

benefits include higher level of flexibility and increased competence as well as improved planning ability and functioning of ongoing IT operations with:

- Support to ensure smooth project implementation
- Flexible response to changes in project requirements
- All-around service: BRAIN FORCE assumes administrative responsibility
- Flexible interaction of projects

*Project start: 2004*

Electricity is needed.  
We provide the rest.

**Keep control. The toll system controls the traffic. We control the toll system.**



### Customer: Kapsch TrafficCom

- Austria
- Traffic and telecommunications
- 850 employees
- Revenues € 185.7 million

### We

supply SD.cube, a company-wide integration platform for IT service management:

- Integration of all participants in the service process including mapping and control of service levels
- 360° management of the entire service supply chain with real time KPIs (key performance indicators)
- Efficient monitoring and controlling enabling the ongoing improvement of IT services

### For the customer

the solution enables central and quick access to information derived from various systems for Group-wide management of service processes:

- Automation and acceleration of project processes to ensure the smooth functioning of toll verification, facilitating the work of employees
- Comprehensive evaluation for more transparency in complex processes
- A central tool for different countries which creates synergies for standardized service processes

*Project start: 2006*







## The Year 2008 at a Glance

BRAIN FORCE can look back at one of the most successful years in its corporate history. The Group significantly improved its operational performance indicators and balance sheet in 2008. Revenues rose 8%, to € 106.21 million, the EBITDA climbed from € 0.35 to 7.79 million, and EBIT increased from € -16.68 to +3.83 million. Due to a strong cash flow from operating activities, gearing declined from 25 to 20%, and the ratio of net debt to EBITDA was a solid 0.6x at the balance sheet date.

Despite the good operational performance, we had to report a negative profit after tax for the 2008 financial year of € -2.10 million, which can be attributed to two non-recurring effects: the write-off of the convertible bond in KEMP Technologies Inc. (New York) which the previous Management Board subscribed to (€ - 0.63 million), and the legally stipulated elimination of German tax loss carry-forwards (€ - 2.90 million) following the takeover by the CROSS/BEKO Group. However, both measures are not cash-effective, and thus are relatively easy to cope with.

The economic crisis will also not leave BRAIN FORCE untouched. Nevertheless, we look ahead to the future with confidence. In 2008, we developed a new corporate strategy focusing on the Business Solutions and Infrastructure Optimization areas, and immediately began with its implementation. Our aim is to achieve positive operating results again in 2009, and position the Group to generate sustainable growth after the crisis has ended. In the current financial year we will primarily focus on optimizing the cash flow from operating activities.

## BRAIN FORCE at a Glance

BRAIN FORCE provides intelligent IT solutions in the fields of Business Solutions (solutions for crucial business processes) and Infrastructure Optimization (solutions enabling our customers to set up a more manageable and efficient IT infrastructure). Professional Services (body leasing) complements our service offering, in which BRAIN FORCE recruits and supplies the right IT experts at the right time. Accordingly, our customers profit from tailor-made services, flexible solutions and products.

- ▶ BRAIN FORCE is a medium-sized IT company, founded in 1983
- ▶ 1,153 employees at 12 locations in seven European countries (DE, IT, AT, NL, CZ, SK, CH)
- ▶ Registered office and Group headquarters in Vienna, Austria; publicly listed on the Vienna Stock Exchange

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# CEO Letter and Interview

## Chief Executive's Review

Dear shareholders,

BRAIN FORCE HOLDING AG can look back at one of the most successful years in its corporate history. In 2008, the Group achieved a significant improvement in all operational performance indicators and in its balance sheet structure, and once again generated profits following the losses posted in 2007. The restructuring drive initiated in the third quarter of 2007 was a major success in 2008, so that we actually surpassed our original guidance for the financial year. The only downside was the elimination of our German tax loss carry-forwards, which had a negative impact on our earnings after tax. The cash flow from operating activities developed extremely positive, which enabled us to considerably improve our balance sheet and boast a high level of cash and cash equivalents.

For a good part of 2008, the business environment in our markets was satisfactory, although we were not spared the initial effects of the economic crisis in the second half of the year. In particular, demand in the IT branch weakened on the Italian market towards the end of the financial year. In contrast, the German, Austrian and Dutch markets continued to perform well until the end of 2008, but demand also weakened compared to the beginning of the year.

Against the backdrop of this business environment, the restructuring and consolidation efforts already launched in 2007 proved to be effective. The following measures were responsible for the good operating results of the BRAIN FORCE Group in 2008: for one thing, we stopped to the buy and build strategy, and focus on integrating the companies acquired in the past. At the same time, the existing product and service portfolio was optimized, and BRAIN FORCE concentrated on profitable business areas and implementing cost reductions in all countries. As a result, all the companies which posted losses in 2007 primarily as a result of depreciation on goodwill and restructuring costs of € 14.15 million, once again generated profits in 2008.

In Germany, the largest market for BRAIN FORCE, we increased revenues by 10% to € 51.25 million, and generated an EBIT of € +2.47 million, following an EBIT of € -11.51 million in the previous year. Revenues in the Region Central East Europe were up 5% to € 15.48 million, featuring a positive EBIT of € 0.50 million, compared to an EBIT of € -0.18 million in 2007. The Region North Europe substantially improved its performance, boosting revenues to € 11.06 million, a growth of 17%. Similarly, EBIT rose from € -1.74 to +0.40 million. The Region South West Europe succeeded in raising revenues by 4% to € 28.42 million, with EBIT climbing from € 0.86 million in 2007 to € 1.07 million in 2008.

Total Group revenues were up 8% to € 106.21 million, surpassing the € 100 million threshold for the first time. EBITDA amounted to € 7.79 million, compared to € 0.35 million in the previous year, and EBIT improved to € +3.83 million, following a loss of € -16.68 million in the restructuring year 2007. Accordingly, we outper-



formed our own guidance forecasting an EBIT of € 2 to 3 million, and achieved the highest operating results in the 25 year history of BRAIN FORCE. I would like to particularly emphasize the improvement in our cash flow from operating activities, which rebounded from € -2.02 million in 2007 to € +6.28 million in the past financial year, which enabled us to reduce net debt from € 6.53 million to € 4.89 million despite investments of € 4.64 million. At the balance sheet date, cash and cash equivalents totaled € 8.80 million, and gearing (ratio of net debt to equity) was reduced from 25 to 20%. All in all, the balance sheet structure of the BRAIN FORCE Group developed very favorably and is now sound.

Despite the good operational performance, we had to report negative earnings after tax for the 2008 financial year of € -2.10 million, which can be attributed to two non-recurring effects. For one thing, to be on the safe side of things, we completely wrote off the convertible bond in KEMP Technologies Inc. (New York) which the previous Management Board subscribed to, burdening the financial result to the amount of € 0.63 million. Our own financing ability has been secured and is completely independent of the repayment of this convertible bond. In addition, following an amendment to Germany's Corporate Tax Law, the tax loss carry-forwards for our German subsidiary were eliminated after the takeover of BRAIN FORCE by BF Informations-technologie-Beteiligungsgesellschaft m.b.H. (BFIB), thus requiring us to increase deferred tax expenses by € 2.90 million. Both steps are not cash-effective, and thus can easily be borne by the BRAIN FORCE

BRAIN FORCE can look back at one of the most successful years in its corporate history.

*Günter Pridt, Chief Executive Officer*

Group. The Management Board will propose to the Annual General Meeting on May 14, 2009 that no dividend be distributed for the 2008 financial year, in order to ensure that sufficient liquidity is available to implement the Group's business strategy.

In March 2008, BFIB, a subsidiary of CROSS Industries AG and Unternehmens Invest AG, made a takeover offer of € 2.40 per share to the shareholders of BRAIN FORCE HOLDING AG. After expiration of the takeover bid on July 22, 2008, BFIB held 46.82 % of the BRAIN FORCE shares. BFIB was then integrated into BEKO HOLDING AG by its owners effective in September 2008. Today BRAIN FORCE is part of the BEKO Group, which according to current reports holds a 53.85% stake in BRAIN FORCE. In addition, CROSS Industries AG (the parent company of BEKO HOLDING AG) owns 0.63% of BRAIN FORCE shares. The new shareholder structure provides the Group with a stable ownership structure. A settlement was reached at the end of November in regards to the legal conflict with former BRAIN FORCE Chief Executive Officer Helmut Fleischmann.

Despite the economic crisis, BRAIN FORCE considers itself to be well positioned and looks ahead to the future with confidence. On the basis of the existing portfolio, we developed a new corporate strategy and immediately began its implementation. Our future strategy will focus on Business Solutions and Infrastructure Optimization, two business areas with disproportionately high growth potential according to Gartner Group. In the field of Infrastructure Optimiza-

tion, we offer our customers solutions enabling them to create a more manageable and efficient IT infrastructure and thus increase their productivity. The Business Solutions area develops solutions to support the business processes of our customers enabling them to gain competitive advantages. This service offering is complemented by Professional Services ("body leasing") in Germany and Austria, where BRAIN FORCE recruits and makes IT specialists available for customer projects. The new strategic orientation is designed to create a stronger awareness of the BRAIN FORCE Group on the marketplace on the basis of a clearly recognizable core competence, lay the groundwork for greater revenue potential and achieving an improved cost structure. Following numerous acquisitions carried out in the past, the current focus is on the efficient integration of the new companies and the exploitation of synergies. This approach will further strengthen the successful business operations of the BRAIN FORCE Group and provide the basis for the penetration or expansion of new trend-setting business areas.

In spite of the economic downturn, BRAIN FORCE had orders valued at € 32.64 million as of December 31, 2008, the highest order intake I have ever seen at the company. The prevailing level of uncertainty in respect to future developments is clearly obvious, and we will be confronted with difficult economic times. The current forecasts made by economic experts still seem to be overly optimistic to us, and we are preparing for a decline in revenues on the basis of consistent cost optimization. In my view, it is not possible at the present time to issue a realistic or reliable guidance in respect to the development of revenues and operating results in the 2009 financial year. However, the company is well positioned and has sufficient liquidity at its disposal. Our target is to achieve a positive operating result once again in 2009 and optimally position the Group to generate long-term growth. In 2009 we will primarily concentrate on optimizing the cash flow from operating activities.

I would like to take this opportunity to thank our customers and business partners for their good cooperation and the confidence they have placed in us. I would also like to sincerely extend my thanks to our employees for their hard work and dedication as well as the good business results in the past financial year, and to the Supervisory Board for the efficient way in which it dealt with the strategic issues of the company. Esteemed shareholders, I ask you to objectively evaluate our operational performance. At a time marked by a historic downward trend on stock markets everywhere, do not only judge us on the basis of our share price!

Yours



Günter Pridt

## Interview with the Management Board

The 2008 financial year for BRAIN FORCE featured restructuring and consolidation. What conclusions have you come to?

Quick and persistent restructuring were the basis for a successful 2008

Günter Pridt: When I assumed the position of Chief Executive Officer in September 2007, I immediately realized that BRAIN FORCE was essentially a well positioned company which was temporarily having a rough time. As a longstanding member of the Supervisory Board, I was intimately familiar with the company's strengths and weaknesses. We had to quickly make some far-reaching decisions and implement them right away, including a complete stop to all acquisitions, integration of acquired companies, optimization of the product portfolio focusing on profitable business areas, the shutdown of unprofitable subsidiaries, comprehensive cost reductions and last but not least, stabilizing the organization and promoting the motivational level of our employees. Looking back at this time, I can confidently say that these measures worked, and that the business developed very successfully in 2008. All business areas improved considerably compared to the restructuring year 2007.

And the good development was reflected in the operating results?

Record results, revenues above € 100 million

Günter Pridt: On an operational level, the performance of the BRAIN FORCE Group in 2008 was nothing short of fantastic. All subsidiaries made a positive contribution to the business results. We achieved the highest revenues in the company's history, at € 106.21 million, an increase of 8% compared to 2007. EBITDA amounted to a record € 7.79 million, which was significantly higher than the previous year's figure of € 0.35 million. The EBIT of € 3.83 million not only outperformed the original guidance by far, but is also unprecedented for BRAIN FORCE.

Nevertheless, the bottom line is the company still posted a loss. How could this happen?

Net loss related to elimination of German tax loss carry-forwards and write-off of convertible bond

Thomas Melzer: On the basis of the takeover offer for BRAIN FORCE, which ultimately led to the majority shareholding on the part of BEKO, we are subject to an amendment to Germany's Corporate Tax Law, which completely eliminates tax loss carry-forwards for our German subsidiary. We had to cautiously recognize this item with the approval of the auditors. This meant that the deferred tax expenses turned our good profit before tax into a loss. Nevertheless, I have to point out that this represents a non-cash accounting charge, and thus the impact on our consolidated balance sheet is manageable and we can easily cope with it. In addition, the possibility does exist to reactivate these tax loss carry-forwards on a medium-term basis, due to the fact that tax experts in Germany doubt the constitutionality of this new law. In order to fully deal with another burden from the past, we wrote off a convertible bond issued by KEMP Technologies Inc. (New York) which the previous Management Board subscribed to, and recognized this as a loss of € 0.63 million in the financial result. This was also a cautious measure in accounting terms, and it represents a non-cash item. Our own financing is secure and fully independent of this convertible bond.

All in all, the balance sheet structure of BRAIN FORCE HOLDING AG is quite good. What were your top priorities in 2008, and what plans do you have for 2009?

Sound BRAIN FORCE balance sheet and significant improvement of operating cash flow

Thomas Melzer: The BRAIN FORCE balance sheet is sound, as demonstrated by all the indicators included in the balance sheet analysis starting on page 46. Our solid balance sheet structure is primarily related to the considerable improvement in the cash flow from operating activities, from € -2.02 million in 2007 to € +6.28 million in 2008, allowing us to reduce net debt to under € 5 million. Accordingly, all the relevant balance sheet indicators showed a major improvement. In addition to our strong cash flow, we also secured sufficient lines of credit from banks to finance working capital. I do not foresee any short-term or medium-term refinancing requirements. It was also important for me to optimize our investor relations work and the related costs. With regards to the 2009 financial year, we created the basis for Group-wide cash pooling, and strengthened our risk management system. In the light of the current economic crisis, we want to realize improvements in working capital in 2009, and implement further cost reduction measures.

A new Group business strategy was introduced in November 2008. What will be the focus of your work in the future?

Strategic orientation of business operations to growth drivers: Business Solutions and Infrastructure Optimization

Günter Pridt: We laid the groundwork for our future growth in 2008, using the existing portfolio to focus on areas with high growth potential. Business Solutions and Infrastructure Optimization will comprise the two cornerstones of our business in the future. The product and service offering in these two growth areas will not only be covered in individual countries in the future, but by local business units throughout the Group, enabling increased visibility and recognition of the BRAIN FORCE brand on an international level. Further-



*Günter Pridt, CEO*



*Thomas Melzer, CFO*

more, BRAIN FORCE is marketing its existing portfolio (financial service solutions, IT Service Management, ICT Suite) from a central location on the basis of a competence center structure in accordance with the “do once approach”, in order to bundle know-how and reduce costs. BRAIN FORCE also provides suitable experts for customer projects. These specialists are being made available to clients in Austria and Germany by a separate strategic competence center for Professional Services (“body leasing”).

*How do you expect the Group to grow in the future, and where is the biggest growth potential?*

*Günter Pridt:* In the future, BRAIN FORCE will grow both organically and by acquisitions. On an organizational level, we will expand the Infrastructure Optimization area. Inorganic growth will be achieved through targeted acquisitions of companies specializing in the field of Business Solutions, particularly Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Corporate Performance Management and Business Intelligence (CPM/BI).

The business strategy foresees organic growth and acquisitions

*How did you start 2009 and what expectations do you have for the year as a whole?*

*Thomas Melzer:* At the end of 2008, our orders on hand amounted to € 32.64 million, a 24% improvement from the previous year. However, the prevailing level of uncertainty in respect to future developments is clearly obvious from today’s point of view, the forecasts made by economic experts as outlined in this annual report in the section on the overall business environment now even seem to be overly optimistic, and we are preparing for a potential decline in revenues at all subsidiaries by means of further restructuring measures and a determined effort to optimize costs. At the present time, we do not believe it is possible to issue a reliable guidance in respect to the development of revenues and operating results in the 2009 financial year. However, the company is well positioned and has secured financing. Our declared objective is to achieve positive operating results in 2009 and optimally position the Group to generate long-term growth. In the current financial year, we will primarily focus on optimizing the cash flow from operating activities.

2009 target: positive operating result

*BEKO HOLDING AG has been the new majority shareholder of BRAIN FORCE since September 2008. How is the cooperation between the two companies proceeding?*

*Günter Pridt:* The cooperation with BEKO in Austria is proceeding well. At the turn of the year, our holding and the Austrian operating company moved into the same office building as BEKO in order to save costs and take advantage of close proximity and short distances to facilitate communications with the majority shareholder. BRAIN FORCE is now part of a larger IT Group, and we are now jointly exploring ways to exploit synergies and potential to create as much value as possible on behalf of all shareholders.

Cooperation within BEKO Group is proceeding well

# Corporate Governance

## Management Board

### Günter Pridt

Chief Executive Officer, appointed until December 2009. Born 1951, married

Günter Pridt joined IBM in 1973. After holding various consulting positions related to key accounts and management positions in distribution and marketing, he assumed overall responsibility for the services segment of IBM Austria, Central Europe and Russia. In this function, he also served on the Management Board. From November 1997 to October 2000, he served as general manager and sole managing director of IBM Austria. In 2001, he joined the Management Board of BRAIN FORCE SOFTWARE AG, where he was in charge of the operating business as COO until 2004, particularly promoting the development of the services business. He subsequently served on the Supervisory Board of the company. Since September 2007, Günter Pridt has been Chief Executive Officer of BRAIN FORCE HOLDING AG.

#### Areas of responsibility of Günter Pridt:

- ▶ Operations
- ▶ Marketing
- ▶ Legal Management
- ▶ Public Relations



### Thomas Melzer

Chief Financial Officer, appointed in April 2008 to serve until March 2011. Born 1970, married

Thomas Melzer, who holds a master's degree in business administration, has served as Chief Financial Officer of BRAIN FORCE HOLDING AG since April 2008. He previously worked in various positions for Wienerberger AG, the world's largest brick manufacturer: from 1997 to 1999 in controlling and Group accounting, and starting in the year 2000 as director of investor relations and corporate communications. From 2001 to 2008, Thomas Melzer was also a member of the Management Committee of Wienerberger AG, and served on the Supervisory Board of the Pipelife Group from June 2007 to February 2008. In addition, Thomas Melzer was a member of the Management Board of Cercle Investor Relations Austria (C.I.R.A.), serving as its chairman from October 2004 to September 2007.

#### Areas of responsibility of Thomas Melzer:

- ▶ Finance & Administration
- ▶ Investor Relations
- ▶ Human Resources
- ▶ Internal Communications



Areas of responsibility shared by both members of the Management Board:

- ▶ Business Strategy
- ▶ Strategic Projects

Neither Günter Pridt nor Thomas Melzer serves on the management or supervisory boards of other domestic or foreign companies.

## Operational Management

The following list contains the names of the top executives of the most important national subsidiaries of the BRAIN FORCE Group, along with their areas of responsibility.

**Martin Friedrich, Germany**, Spokesman of the Management Board, responsible for

- ▶ Professional Services
- ▶ Technology & Infrastructure (Projects Munich)
- ▶ Finance & Administration
- ▶ New strategy in the field of Infrastructure Optimization

**Karl Haas, Germany**, Member of the Management Board, responsible for

- ▶ Business Solutions
- ▶ Technology & Infrastructure (excl. projects in Munich and Infrastructure Optimization)
- ▶ Internal IT

**Günter Pridt, Germany**, Member of the Management Board

**Franco Righini, Italy**, Spokesman of the Management Board, responsible for

- ▶ Technology & Infrastructure
- ▶ Rome office
- ▶ Human Resources

**Stefania Donnabella, Italy**, Member of the Management Board, responsible for

- ▶ Business Solutions
- ▶ Marketing

**Walter Campi, Italy**, Member of the Management Board, responsible for

- ▶ Finance & Administration

**Jean Renes, Netherlands**, Spokesman of the Management Board, responsible for

- ▶ Operations
- ▶ Sales
- ▶ Finance & Administration
- ▶ Human Resources

**Wilko Visser, Netherlands**, Member of the Management Board, (up to March 2, 2009), responsible for

- ▶ Marketing
- ▶ Partner Management

**Günter Pridt and Karl Haas, Netherlands**, Members of the Management Board

**Bojan Damjanovic, Austria**, Spokesman of the Management Board, responsible for

- ▶ Professional Services
- ▶ Business Solutions
- ▶ Administration

**Martin Bittner, Austria**, Member of the Management Board, in segment Technology & Infrastructure (SolveDirect) responsible for

- ▶ Sales
- ▶ Contract Management
- ▶ Organisation & Structure
- ▶ Budget

**Marcus Oppitz, Austria**, Member of the Management Board, in segment Technology & Infrastructure (SolveDirect) responsible for

- ▶ Operations
- ▶ Project Planning and Development
- ▶ Technology, Product Development
- ▶ Support
- ▶ Human Resources

**Hannes Griesser, Austria**, Member of the Management Board, responsible for

- ▶ Finance

**Drahomír Hrubý, Czech Republic / Slovakia**, Sole Managing Director

**Karl Haas, Switzerland**, Sole Managing Director

## Report of the Supervisory Board

The Supervisory Board and the Management Board held a total of seven meetings in the 2008 financial year, intensively discussing the overall business environment and the future strategic development of the company, as well as significant events and investments. Within the context of its regular reporting and a comprehensive report submitted for all meetings, the Management Board informed the Supervisory Board about the present state of business and the financial position of the Group and its strategic investments, as well as the personnel situation. Additional information was supplied about extraordinary developments.

An important focal point of the work done by the Supervisory Board is the earnings situation of the BRAIN FORCE Group. The determined restructuring implemented in the last one and a half years achieved considerable success in 2008. The BRAIN FORCE Group posted the best operational performance since it was founded in the year 1983, generating revenues of € 106.21 million (+8%), an EBITDA of € 7.79 million (2007: € 0.35 million) and EBIT of € 3.83 million (2007: negative EBIT of € -16.68 million). Despite the good operating result, the company had to report negative earnings after tax of € 2.10 million due to the write-off of a convertible bond subscribed by the previous Management Board, and a high deferred tax expense related to the elimination of tax loss carry-forwards in the German subsidiary following acquisition of a majority shareholding by the CROSS/BEKO Group. However, these non-recurring effects did not have any direct impact on the cash flow, which parallel to the operating result also developed very favorably during the year under review. The balance sheet structure of the company is sound, and there is no concern in respect to the financing situation.

In its meetings held on February 15, 2008 and March 26, 2008, the Supervisory Board intensively discussed the takeover offer submitted by BF Informationstechnologie-Beteiligungsgesellschaft m.b.H. (BFIB), in which Unternehmens Invest AG and CROSS Industries AG have a majority stake. The Supervisory Board and the Management Board issued a joint declaration on this mandatory public tender offer on April 2, 2008 and published the takeover offer on its corporate Website ([www.brainforce.com](http://www.brainforce.com)). Following expiration of the acceptance period for the offer on July 22, 2008, the bidder held 46.82% of the shares in BRAIN FORCE. In September 2008, BFIB was integrated by its owners in BEKO HOLDING AG, which now owns a 53.85% of the shares and voting rights in the company. Moreover, it was announced that CROSS Industries AG had acquired a controlling interest in BEKO HOLDING AG. More information on the current shareholder structure of BRAIN FORCE can be found on page 42 of this annual report.

The Supervisory Board meeting held on March 26, 2008 dealt with the resolution proposed by a key shareholder (Helmut Fleischmann Privatstiftung) to convene an extraordinary general meeting focusing on two agenda items "Proposal to carry out a special audit" and "Changes in the Supervisory Board" (dismissal and re-election). The Supervisory Board resolved to add these two items to the agenda of the Annual General Meeting on May 28, 2008. Furthermore, the

Supervisory Board was continually informed about the status of the court proceedings between BRAIN FORCE HOLDING AG and the previous CEO Helmut Fleischmann. In November 2008, the Management Board ended the lawsuit by concluding an out of court settlement with the approval of the Supervisory Board.

The committees dealt with individual specialized issues in detail and subsequently reporting its findings to the entire Supervisory Board. The Audit Committee convened three times, whereas the Remuneration and Nomination Committee met once. In addition, the Presidium of the Supervisory Board was continually informed about the current business situation by the Management Board. The Remuneration and Nomination Committee evaluated the performance-based salary component of the Management Board members. The criteria of variable remuneration, the principles of retirement benefits and termination benefits as well as the list of individual Management Board salaries are presented in the Remuneration Report found on page 28. No member of the Supervisory Board was absent for more than half of the Supervisory Board meetings. Except for one meeting all members were present at all the meetings of the Audit Committee and the Remuneration and Nomination Committee.

The Audit Committee held a meeting on March 26, 2008 together with the auditors to discuss the annual financial statements for the 2007 financial year. In the subsequent meeting, the Supervisory Board dealt with and formally approved the annual financial statements of BRAIN FORCE HOLDING AG, and also resolved upon the consolidated financial statements, the Management Report, the proposal for the distribution of the dividend submitted by the Management Board and the Report of the Supervisory Board to the Annual General Meeting. Furthermore, a declaration by the Chairman of the Supervisory Board was prepared in respect to the proposed auditors for the 2008 financial year, their legal relations to the BRAIN FORCE Group and the members of its corporate bodies were evaluated and the fees for the audit were negotiated. The meeting on May 20, 2008 prepared the resolution for the election of the auditors by the Annual General Meeting. The Audit Committee convened on September 18, 2008 to deal with the issue of risk management in the company, which did not give rise to any objections. A further item on the agenda was the discussion and definition of the procedure, schedule and audit of the annual financial statements for 2008, and the specific additional responsibilities of the Audit Committee in the light of the upcoming changes in legal regulations.

In a written notification dated May 27, 2008, the Supervisory Board members Christian Wolff and Christian Schamburek announced their resignations from the Supervisory Board effective the date on which new Supervisory Board members were elected within the framework of the 10th Annual General Meeting. At the Annual General Meeting of May 28, 2008, Wolfgang Hickel was re-elected, whereas Josef Blazicek, Michael Hofer, Stefan Pierer and Friedrich Roithner were elected to the Supervisory Board of BRAIN FORCE HOLDING AG for the first time for a term of office lasting until the 14th Annual General Meeting. In the constituent meeting of the new Supervisory Board,

## The balance sheet structure of the company is sound.



*Christoph Senft, Chairman of the Supervisory Board*

Christoph Senft was confirmed as Chairman of the Supervisory Board and Friedrich Roithner was elected to the position of Deputy Chairman. Due to the fact that the composition of the Supervisory Board had significantly changed on the basis of the new elections and was expanded to consist of seven members, the Audit Committee was newly constituted in June 2008 with three members (Friedrich Roithner as Chairman, Christoph Senft as Deputy Chairman and Josef Blazicek), and a combined Remuneration and Nomination Committee was established with Christoph Senft as the Chairman and Friedrich Roithner as Deputy Chairman.

In its meeting of August 28, 2008, the Supervisory Board discussed the new Strategy 2009+ developed by the management and authorized the Management Board to implement the business strategy. Strategy 2009+ is presented in this annual report on page 36. Moreover, this session of the Supervisory Board also defined the independence criteria for Supervisory Board members pursuant to C-Rule 53 of the Austrian Corporate Governance Code, and the individual members of the Supervisory Board submitted their independence declarations based on these criteria. The independence criteria can be viewed on the corporate Website of the company as well on page 30. The duties and responsibilities of the Supervisory Board committees are contained on page 27, whereas a list of the Supervisory Board members and their functions and the committee members can be found on the following pages. A further item on the agenda at the Supervisory Board of August 28, 2008 was the sale of BRAIN FORCE Hamburg GmbH, a subsidiary of BRAIN FORCE Software GmbH, Munich. The proposal submitted by the Management Board to sell this company was approved.

The Supervisory Board meeting held on November 27, 2008 dealt with the current business development of the company, an overview of the annual results for 2008 and the 2009 budget as well as medium-term business planning. The Management Board pointed

to the increasingly difficult business environment and presented a detailed cost savings plan for the 2009 financial year. The budget was approved by the Supervisory Board.

The annual financial statements and Management Report of BRAIN FORCE HOLDING AG as well as the consolidated financial statements for 2008 in accordance with IFRS were audited by PwC INTER-TREUHAND GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna and granted an unqualified auditor's opinion. All documentation related to the annual financial statements, the proposal for the distribution of the profit and the Independent Auditor's Report were discussed in detail with the auditors and presented to the Supervisory Board. The Supervisory Board evaluated the documents pursuant to Section 96 Austrian Stock Corporation Act and agrees with the results of the audit. Accordingly, the annual financial statements have been adopted by the Supervisory Board in accordance with Section 125 (2) of the Austrian Stock Corporation Act. Furthermore, the Supervisory Board also approves the proposal of the Management Board for the appropriation of the result.

The Supervisory Board would like to thank the management as well as all employees for their dedication and hard work, and the good operating result achieved in the past financial year.

Vienna, March 26, 2009

Christoph Senft, Chairman of the Supervisory Board

## Members of the Supervisory Board

A resolution passed at the Annual General Meeting held on May 28, 2008 expanded the Supervisory Board to seven members.

### Christoph Senft, Chairman

- ▶ Independent pursuant to Rule 53 Austrian Corporate Governance Code, term of office until the end of the annual general meeting resolving upon the 2009 financial year, first elected June 12, 2003, born 1961
- ▶ Managing Director of MWS Industrieholding GmbH
- ▶ Managing Director of MWS Aluguss GmbH

### Friedrich Roithner, Deputy Chairman

- ▶ Independent pursuant to Rule 53 Austrian Corporate Governance Code, term of office until the end of the annual general meeting resolving upon the 2011 financial year, first elected May 28, 2008, born in 1963
- ▶ Management Board of Unternehmens Invest AG

### Josef Blazicek

- ▶ Independent pursuant to Rule 53 Austrian Corporate Governance Code, term of office until the end of the annual general meeting resolving upon the 2011 financial year, first elected May 28, 2008, born in 1964
- ▶ Chairman of the Supervisory Board of CROSS Industries AG
- ▶ Supervisory Board of Unternehmens Invest AG
- ▶ Supervisory Board of Update Software AG
- ▶ Supervisory Board of Pankl Racing Systems AG
- ▶ Supervisory Board of BEKO HOLDING AG

### Wolfgang M. Hickel

- ▶ Independent pursuant to Rule 53 Austrian Corporate Governance Code, term of office until the end of the annual general meeting resolving upon the 2011 financial year, first elected June 14, 2000, born in 1949
- ▶ Principal of the Höhere Technische Bundeslehr- und Versuchsanstalt Spengergasse school in Vienna

### Michael Hofer

- ▶ Independent pursuant to Rule 53 Austrian Corporate Governance Code, term of office until the end of the annual general meeting resolving upon the 2011 financial year, first elected May 28, 2008, born in 1960
- ▶ Sole Managing Director of Eternit-Werke Ludwig Hatschek AG

### Peter Kotauczek

- ▶ Independent pursuant to Rule 53 Austrian Corporate Governance Code, term of office until the end of the annual general meeting resolving upon the 2009 financial year, first elected December 22, 2006, born in 1939
- ▶ Chief Executive Officer of BEKO HOLDING AG
- ▶ Supervisory Board of TeleTrader Software AG

### Stefan Pierer

- ▶ Independent pursuant to Rule 53 Austrian Corporate Governance Code, term of office until the end of the annual general meeting resolving upon the 2011 financial year, first elected May 28, 2008, born in 1956
- ▶ Chief Executive Officer of KTM Power Sports AG
- ▶ Management Board of CROSS Industries AG
- ▶ Chairman of the Supervisory Board of Eternit-Werke Ludwig Hatschek AG
- ▶ Chairman of the Supervisory Board of Pankl Racing Systems AG
- ▶ Deputy Chairman of the Supervisory Board of Unternehmens Invest AG
- ▶ Supervisory Board of Austria Email Aktiengesellschaft
- ▶ Supervisory Board of BEKO HOLDING AG

Christian Wolff, born 1972, and Christian Schamburek, born 1961, resigned their positions on the Supervisory Board of BRAIN FORCE effective May 28, 2008.

## Supervisory Board Committees

### Audit Committee

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 internal control and risk management systems

Three meetings of the Audit Committee were held in the 2008 financial year, focusing on the following issues:

- ▶ March 2008: Auditor's Report on the audit of the financial statements for the 2007 financial year, preliminary discussions on the Annual General Meeting
- ▶ September 2008: Preliminary discussions in respect to the audit of the financial statements for the 2008 financial year
- ▶ November 2008: Report on the 3rd quarter 2008, budget for 2009

A resolution passed by the Supervisory Board led to the setting up of a joint Remuneration and Nomination Committee.

### Remuneration and Nomination Committee

Christoph Senft (Chairman), Friedrich Roithner (Deputy Chairman)

The duties of the Remuneration and Nomination Committee include:

- ▶ Developing proposals to fill positions on the Management Board and Supervisory Board
- ▶ Remuneration of members of the Management Board
- ▶ Employment contracts with members of the Management Board

One meeting of the Remuneration and Nomination Committee was held in the 2008 financial year, focusing on remuneration of the Management Board.

## Remuneration Report

Transparent presentation of remuneration paid to the Management and Supervisory Board in the Remuneration Report

The Remuneration Report summarizes the principles applied in determining the remuneration paid to the Management Board of 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 BRAIN FORCE Management Board to the Remuneration and Nomination Committee.

The aim of the remuneration scheme is to ensure an adequate and performance-based compensation

Pursuant to the stipulations contained in the Austrian Stock Corporation Act, the Management Board is appointed for a specified period of time (Günter Pridt until December 31, 2009, Thomas Melzer until March 31, 2011). Employment contracts for the individual members of the BRAIN FORCE Management Board are concluded for the respective term of office, 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 gross salary is based on fixed and performance-based salary components, in which case the performance-related component is calculated in accordance with the respective Group profit before tax.

Annual bonus of Management Board oriented to profit before tax (PBT), and is limited to 100% of annual fixed salary

The fixed basic salary is oriented to the areas of responsibility assumed by each Management Board member, and is paid in fourteen monthly installments at the end of the respective month, as is customary in Austria. The consequence is that each Management Board member has a different fixed salary 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 profit before tax (PBT) of the BRAIN FORCE Group. The performance-based salary component may not surpass the limit of 100% of the total annual fixed salary. The fixed salary and annual bonus are paid on a pro rata basis if the period of employment is for periods of less than one year.

25% of total gross salary is variable

The total gross cash salaries paid to the members of the Management Board for the 2008 financial year amounted to € 592,692 (2007: € 632,851), of which 75% is comprised of the fixed basic salary and 25% of the variable salary component which is paid in 2009.

Cash salaries of Mgmt. Board in €	2008			2007		
	Fixed	Variable	Total	Fixed	Variable	Total
Günter Pridt	280,000	92,967	372,967	91,041	0	91,041
Thomas Melzer	165,000	54,725	219,725	0	0	0
Helmut Fleischmann	0	0	0	254,335	0	254,335
Wolfgang Lippert	0	0	0	287,475	0	287,475
<b>Total</b>	<b>445,000</b>	<b>147,692</b>	<b>592,692</b>	<b>632,851</b>	<b>0</b>	<b>632,851</b>

Management Board members do not serve on other boards

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 at BRAIN FORCE. In 2008, the Management Board members of BRAIN FORCE did not perform any other jobs in the form of Supervisory or Management Board mandates with other domestic or foreign companies outside of the BRAIN FORCE Group. No remuneration is paid for positions assumed in BRAIN FORCE subsidiaries.

Severance payments for Management Board members reflect legal regulations in Austria

In the case of a termination of the employment relationship to a particular member of the Management Board, this individual is entitled to severance pay pursuant to the legal regulations prevailing in Austria. In 2008, payments to "Mitarbeitervorsorgekassen" (statutory contributions to a fund for employee severance payments) totaled € 6,758 (2007: € 1,121). A defined contribution pension scheme exists for the Chief Financial Officer which will first be borne by the company in the 2009 financial year. Pension expenses in 2008 for previous Management Board members amounted to € 76.664 (2007: € 0).

The Annual General Meeting of May 28, 2008 approved the following remuneration scheme for members of the Supervisory Board: in addition to reimbursement for expenses, the Supervisory Board members receive a fixed remuneration for their work on the Supervisory Board in the 2008 financial year, depending on the functions they perform. Accordingly, the Chairman of the Supervisory Board receives € 10,000 p.a., the Deputy Chairman € 8,000 p.a. and every other Supervisory Board member is paid € 6,000 annually. In addition, the Chairman is granted an attendance fee of € 1,000 for each Supervisory Board meeting he attends, whereas the Deputy Chairman is paid € 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. The total remuneration for members of the Supervisory Board recognized for the 2008 financial year (paid in 2009) amounted to € 70,067, whereas the comparable figure for the 2007 financial year (paid in 2008) was € 66,600.

[Annual General Meeting resolution on remuneration for the Supervisory Board](#)

No remuneration was granted for services performed above and beyond the above-mentioned Supervisory Board duties, in particular for any consulting fees or commissions. No pension obligations exist for members of the Supervisory Board of BRAIN FORCE HOLDING AG.

[No pension obligations for the Supervisory Board](#)

Sales and acquisitions of BRAIN FORCE shares by members of the Management Board and Supervisory Board are reported to the Financial Market Authority in accordance with Section 48 Austrian Stock Exchange Act, and is published on the BRAIN FORCE Website under "Investors/Corporate Governance/Directors' Dealings".

[Disclosure of transactions in own shares on the Website](#)

## Corporate Governance Report

BRAIN FORCE pursues a strategy to ensure the sustainable enhancement of shareholder value. The goal of the new Management Board and Supervisory Board is to implement a strict policy focusing on good corporate governance and transparency, and the ongoing further development of an efficient system of corporate control. This approach is designed to create confidence in the company and establish the basis for long-term value creation.

[Implementation of a strict policy focusing on good corporate governance and transparency](#)

A compliance code has been enacted in the company to prevent insider trading, implementing the stipulations of the Compliance Decree for Issuers promulgated by the Austrian Financial Market Authority. Adherence to these provisions is continually monitored by the compliance officer.

[Guidelines enacted to prevent insider trading](#)

BRAIN FORCE is committed to complying with the Austrian Corporate Governance Code (ÖCGK), and has pledged to adhere to the guidelines contained in it. In 2008, the company already oriented its business operations to the newly revised version of the Austrian Corporate Governance Code, although these stipulations first apply for financial years beginning after December 31, 2008. In addition to observing the obligatory "L-Rules" (Legal Requirements), the BRAIN FORCE Group also abided by the "C-Rules" (Comply or Explain) of the revised code in the 2008 financial year, bearing in mind explanations provided below. The current updated version of the Austrian Corporate Governance Code and the Corporate Governance Report are available online at [www.brainforce.com](http://www.brainforce.com) under "Investors".

[Commitment to Austrian Corporate Governance Code](#)

On the basis of the large number of BRAIN FORCE HOLDING AG shareholders, the company is committed to the principle of transparency and the goal of providing a "true and fair view" to all owners. 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 recognized accounting principles contained in the International Financial Reporting Standards (IFRS). 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 already points out important dates in a timely manner. Comprehensive information is published in the "Investors" section of the BRAIN FORCE Website, and is thus available to all shareholders at the same time.

[Commitment to transparency and a "true and fair view"](#)

Protection of private shareholders through a provision in the Articles of Association

The company has issued a total of 15,386,742 ordinary, no-par value bearer shares. There are no preferential shares. We are committed to observing the principle of “one share – one vote”. The provision contained in Section 13 (2) of our Articles of Association, which states that “a shareholder directly or indirectly holding more than 70% of the company’s shares is entitled only to vote this percentage of shares” is designed to protect the interests of private shareholders. The shareholder structure is depicted on page 42 of this annual report.

Ongoing and intensive coordination between the Management and Supervisory Boards

The Management Board provides information to the Supervisory Board within the framework of regular meetings (at least one 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. In line with the Austrian Corporate Governance Code, the Management and Supervisory Board maintain ongoing contact above and beyond the formal sessions to discuss the development and strategic 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.

Independence criteria for the Supervisory Board pursuant to Austrian Corporate Governance Code

The Supervisory Board has enacted guidelines to determine the independence of Supervisory Board members of BRAIN FORCE HOLDING AG in accordance with C-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 BRAIN FORCE HOLDING AG or a subsidiary of BRAIN FORCE HOLDING AG in the previous five-year period.
- ▶ Criterion 2: The Supervisory Board did not maintain any business ties with BRAIN FORCE HOLDING AG 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 BRAIN FORCE HOLDING AG, 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 BRAIN FORCE HOLDING AG serves on its Supervisory Board.
- ▶ Criterion 5: The Supervisory Board member has not been on the Supervisory Board of BRAIN FORCE HOLDING AG 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, parents, uncles, aunts, siblings, nieces and nephews) of a member of the Management Board of BRAIN FORCE HOLDING AG or of people who do not fulfill one of the other five criteria.

All Supervisory Board members are independent pursuant to the Austrian Corporate Governance Code

All Supervisory Board members of BRAIN FORCE HOLDING AG are to be considered as independent in line with the above-mentioned guidelines. The main responsibility of the Supervisory Board is to supervise the work of the Management Board in accordance with Section 95 Austrian Stock Corporation Act. These responsibilities are being completely carried out by the currently appointed Supervisory Board. The company has a free float exceeding 20% and less than 50%. Two members of the Supervisory Board are not owners of the company with a stake of more than 10%, or represent the interests of a large shareholder. Employees of BRAIN FORCE HOLDING AG have not elected a works council. For this reason, no employee representative is a member of the Supervisory Board.

Report on related party transactions in the Notes

BRAIN FORCE HOLDING AG has neither granted loans to Management or Supervisory Board members, nor has it concluded contractual agreements with these individuals. Related party transactions are detailed in the Notes to the consolidated financial statements on page 82. The composition and mode of operation of the Management Board as well as the Supervisory Board and its committees are detailed in the Corporate Governance section of this annual report.

PwC Inter-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was appointed by the 10th Annual General Meeting to serve as the auditors of the consolidated annual financial statements and annual financial statements of BRAIN FORCE HOLDING AG for the 2008 financial year. In addition to this work, PwC and partner offices around the world also sporadically perform tax and consulting services on behalf of the BRAIN FORCE Group. In 2008, total consulting fees invoiced by PwC to BRAIN FORCE HOLDING AG amounted to € 0.12 million. The fee charged for auditing the consolidated financial statements and carrying out audit-related services totaled € 0.18 million. Contractual agreements have been concluded with the holding company for project-related consulting services in 2008 to optimize working capital in the Group.

Disclosure of auditor's fees

No separate "internal audit" department has been set up in the light of the company's size. However, an internal controlling and reporting system has been established enabling the Management Board to identify risks and quickly implement an appropriate response. The Supervisory Board, in particular the Audit Committee, is regularly informed about the internal control mechanisms and risk management of the Group. Further information on risk management can be found on this page below as well as in the Notes to the consolidated financial statements on page 79.

Risk management and internal control system but no "internal audit" department

## Disclosure in accordance with Section 243a UGB

Information on disclosures required by Section 243a Austrian Commercial Code can be found in the following sections of the annual report: "On the composition of BRAIN FORCE capital", "Types of shares", "Limitations and Rights", "Authorization to the members of the Management Board to issue and buy back shares" on page 29 as well as in the Notes to the consolidated financial statements on page 73, in point 18, "Direct or indirect stakes in the equity capital of BRAIN FORCE" in the BRAIN FORCE Share and Owners section on page 42. The BRAIN FORCE Group has neither set up an employee participation scheme nor a stock option program. "Change of control" clauses are contained in the Management Board employment contracts and in the bonded loan of Deutsche Bank (refer to the Notes on page 79). The principles of the company's remuneration policy along with a list of the individual remuneration paid to members of the Management Board are contained in the Remuneration Report on page 28. The sale and purchase of shares in the company by members of the corporate bodies of BRAIN FORCE are continually being disclosed on the Website at [www.brainforce.com](http://www.brainforce.com) in the section "Investors/Corporate Governance/Directors' Dealings".

## Risk Management

The BRAIN FORCE Group is subject to various risks within the context of its international business operations. For the BRAIN FORCE Group, an effective risk management represents a crucial factor for the sustainable preservation of corporate success and the achievement of the business targets designed to create and enhance shareholder value. Accordingly, risk is not only the negative deviation from corporate goals, but also the failure to realize potential profits. BRAIN FORCE strengthened its risk management in 2008 and initiated a centrally managed Group-wide risk management system to take account of the growing size of the company (surpassing € 100 million in revenue for the first time), and the changed business environment. The aim is to regularly and systematically identify risks within the Group, in order to evaluate them in respect to their probability of occurrence and potential damage and to implement suitable countermeasures to manage risk. BRAIN FORCE will focus its efforts on the top 10 corporate risks.

Initiation of a Group-wide risk management process focusing on the top 10 risks

In line with the decentralized structure of the BRAIN FORCE Group, the local business units are responsible for managing operational risks. However, the level of compliance with risk management processes is monitored on the level of the holding company, which also prepares a Group-wide risk report. The relevant events are discussed by the entire Management Board and reported to the Supervisory Board.

Local responsibility but centralized risk management

Reporting is an important instrument in monitoring risk

The planning and controlling processes, Group-wide guidelines, ongoing reporting and the 14 day rolling forecasting comprise the most important instruments of risk monitoring and control. Reporting plays a major role in the monitoring and control of current business risks. Each year, the auditors of the consolidated financial statements also evaluate in the course of the annual audit the proper functioning of risk management processes in the Group and present their conclusions to the Management Board and Supervisory Board.

Only operational risks are taken

As a contribution to optimal risk prevention and management, the local business units only intentionally take operational risks where necessary, and always in relation to the potential profits. In particular, it is absolutely forbidden to engage in any speculative activities above and beyond the scope of normal business operations. Risks that go beyond the scope of everyday business, such as financial risks, are also monitored by the holding company, and hedged if necessary.

No existence-threatening risks have been identified

From today's perspective, the Group has not identified a single existence-threatening risk with any appreciable probability of occurrence. The biggest individual risk in terms of total value represents less than 10% of Group EBITDA 2008. The assessment of all top 10 risks accounts for approx. 15% of total equity. The relevant risks and the pre-defined countermeasures are described below.

#### Financial risk management

Creation of a Group-wide cash pool to ensure optimized Group financing at a low cost

**Liquidity risk** is monitored by ongoing financial planning on the level of the local business units, and also by the Group holding company. In 2008, the basis was established for a cash pool encompassing the most important subsidiaries in Austria, Germany, Italy and the Netherlands. The cash pooling was launched at the beginning of 2009, and enables the holding company to put together an up-to-date settlement of accounts, secure better terms and conditions in investing surplus funds and optimize the Group's financing requirement on the basis of the internal equalization of liquidity and low financing costs.

Financing of the BRAIN FORCE Group has been secured

The previous Management Board subscribed for a convertible bond of KEMP Technologies Inc., New York, on September 30, 2005 to the amount of USD 900,000 (due June 30, 2009), which was completely written off in the 2008 financial statements to be on the safe side. However, due to the very positive development in the operating cash flow, a high level of cash and cash equivalents and sufficient lines of credit made available by banks, the financing ability of the BRAIN FORCE Group is independent of the repayment of this convertible bond.

Goodwill of SolveDirect confirmed

It was not necessary to carry out an amortization of the goodwill of SolveDirect (Status on December 31, 2008: € 4.68 million) in the 2008 financial year. However, an improvement in the earnings of this subsidiary must be achieved in 2009 to justify the high acquisition price negotiated by the previous Management Board.

Currency risk plays a minor role but is being monitored

Because of the fact that the BRAIN FORCE Group operates almost exclusively in the Euro area, **currency risk** can hardly be considered a problem at the current time. However, within the framework of the planned expansion of business ties to customers in the USA, the holding company will closely monitor the exchange rate risk and take appropriate hedging measures if required.

Interest rate risk managed by corporate treasury

The **interest rate risk** is the risk related to changes in the value of financial instruments as a consequence of a change in the market interest rates. The interest-bearing financial liabilities of the BRAIN FORCE Group are comprised of 82% fixed-interest and 18% variable-interest components. The investments of liquid funds is carried out within the framework of a cash pool and managed by corporate treasury. A more detailed description of the financing situation is contained in the notes to the consolidated financial statements on page 77.

### Market and competitive risk

The BRAIN FORCE Group operates in a highly competitive environment. In addition, software and IT services are subject to cyclical fluctuations. These factors are taken into consideration by focusing on the Group's core competencies and profitable business areas, and by the targeted development of new technologies and penetration of new markets within the framework of the "Strategy 2009+" (see page 36). A surplus of IT consultants can potentially lead to price pressure and uncovered costs. In order to act flexibly and minimize the impact on our profitability, 46% of the employees in our Professional Services segment work for BRAIN FORCE on a free-lance basis.

Focus on core competencies and profitable business areas is designed to minimize risks related to future earnings

The BRAIN FORCE Group offers a diverse range of products which are subject to ongoing and rapid technological change and customer demands which are continually changing in ever-shorter cycles. The company's efforts to permanently further develop products and tailor them to market requirements are designed to counteract this risk. Moreover, the growth of the BRAIN FORCE Group is dependent on factors such as the exploitation of customer potential and its success in new markets. The ongoing monitoring and analysis of the markets by local managing directors, who without exception boast long-standing experience in the IT sector, enables the company to minimize the risk of deviating from these crucial factors in achieving goals. In addition, studies prepared by renowned market research institutes are analyzed to evaluate future trends and make sound decisions pertaining to the strategic orientation of the Group.

The product portfolio is oriented to customer requirements and expected trends and is being continually adapted

Despite a broad-based customer basis, the business in the operational subsidiaries of the BRAIN FORCE Group displays a significant level of dependence on individual, large-sized customers. However, this risk is considerably limited by the fact that the five largest customers only account for about 30% of total Group revenues. As a means of minimizing the impact on earnings resulting from a potential loss of customers, the company is continuously striving to expand its customer base and thus reduce its dependence on any individual customers. In addition, the company will attach particular importance 2009 to closely monitor receivables default risk, and has initiated a project to optimize working capital.

Top 5 customers account for 30% of Group revenues

Highly qualified specialists and executives are an important success factors in our branch. We offer attractive, performance-based remuneration schemes and professional development programs and trainings to hire and retain top notch employees.

Employee retention promoted by trainings and performance-based remuneration

### Legal risks

The BRAIN FORCE Group works together with its customers in developing and integrating individualized software solutions, or sells standard software solutions which have usually been developed or improved by the company. In order to identify potential product liability claims at an early stage which arise from program errors or avoid such legal disputes altogether, the development as well as the implementation of the respective product is carried out in a quality controlled manner on the basis of pre-defined processes. When the product is deemed to be market ready, a customer acceptance test occurs which either confirms the proper functioning of the software or identifies deficiencies in the program which must be corrected. Problems arising from program errors are resolved within the context of the warranty period. Ongoing project controlling aims at minimizing potential liability risks from project work. Depending on the size and risk potential of the project, a risk and change management system is installed to support project execution. A legal review of all important contracts is mandatory. Insurance policies have been concluded to protect against specific liability risks and damage claims. The policy size is being continually assessed and oriented to the economic relation of the maximum possible risk and the insurance fees.

Insurance policies concluded to protect against specific contract liabilities arising

The decision-making process of the BRAIN FORCE management is based on internal and external consultations designed to effectively manage and counteract risks relating to the diverse range of tax and legal regulations. The consistent compliance with rules and the evaluation of how employees deal with risks are among the fundamental responsibilities of all managers in the company.

Decisions made on the basis of internal and external consultations

There is no further risk involved in connection with the dismissal of the former CEO Helmut Fleischmann in September 2007, and the lawsuits filed at court by both parties, due to the fact that an out of court settlement was reached in November 2008.

Out of court settlement with the former CEO

# The Company

## Company profile

Leading IT services Group  
with 1,153 employees in seven  
European countries

BRAIN FORCE is a leading IT services group with approximately 1,153 employees at 12 locations in seven European countries. The corporate headquarters of BRAIN FORCE, a publicly listed company on the Vienna Stock Exchange, are located in Vienna, Austria. Germany is the largest single market, generating 48% of total revenues, followed by South West Europe (particularly Italy) which contributes 27%, Central East Europe (led by Austria) with a 15% share of revenues, and North Europe (Netherlands) which accounts for 10% of revenues.

BRAIN FORCE was  
established in 1983

Founded in 1983, BRAIN FORCE has considerably expanded its portfolio of products and services since the Initial Public Offering in the year 1999 (Neuer Markt segment in Frankfurt). The core business of the company rests upon two pillars.

### Business Solutions

- ▶ The Business Solutions area develops solutions to support business processes in companies, enabling them to achieve competitive advantages.

### Infrastructure Optimization (Segment Technology & Infrastructure)

- ▶ The Infrastructure Optimization area offers solutions providing companies with a more manageable and efficient IT infrastructure and thus increasing the productivity of BRAIN FORCE customers.

This portfolio is complemented by Professional Services ("body leasing") in Germany and Austria, where BRAIN FORCE recruits and supplies IT specialists for customer requirements.

BRAIN FORCE is represented at the following locations:



## Products and Services

BRAIN FORCE offers intelligent IT solutions on the basis of best practices, effective services and innovative products in the fields of Business Solutions and Infrastructure Optimization. Professional Services complement the BRAIN FORCE portfolio, offering the recruitment and provision of the right IT experts at the right time. Customers profit from a tailor-made service offering, flexible solutions and products. Professional IT processes reduce costs and contribute to the business success of customers.

Intelligent IT solutions contribute to the business success of customers

**Business Solutions** encompass solutions in the following areas:

- ▶ Enterprise Resource Planning (ERP): Improvement of the customer’s competitive position through the optimized coordination and integration of business processes based on comprehensive branch know-how
- ▶ Customer Relationship Management (CRM): Increased sales success and customer satisfaction based on a solution which is optimally tailored to everyday business processes
- ▶ Corporate Performance Management (CPM) / Business Intelligence (BI): Processes, methods and KPI (Key Performance Indicator) systems for the orientation of operational and strategic priorities and the preparation of target group specific reports
- ▶ Solutions for financial services providers: Business process optimization with the help of tailor-made solutions. High quality services and solutions for front and back office areas promote the business of customers in the financial industry

BRAIN FORCE supplies optimized solutions for business-critical processes

**Infrastructure Optimization** bundles solutions focusing on:

- ▶ Server and Data Management: Buildup of a highly manageable, dynamic, secure and reliable server and data infrastructure
- ▶ Workspace Management: Creation of a dynamic, user-focused ICT infrastructure by means of the implementation of leading-edge technologies and taking advantage of best practices and the achievement of cost savings based on the automation of manual tasks
- ▶ Application Provisioning & Control: Best practices, application management processes and intelligent tools designed to provide users in every situation with the right functions at the right time
- ▶ Collaboration & Communication: Increased user productivity by integrating state-of-the-art technologies in the field of collaboration and communication into the existing infrastructure
- ▶ IT Service Management Solutions: Integration, administration and management of all service processes, systems and partners on a single platform
- ▶ Network Management & Billing: Documentation and administration of complex communications and network infrastructures with integrated invoicing processes

We provide customers with a more manageable and efficient ICT infrastructure

<b>Business Solutions</b>		<b>Infrastructure Optimization</b>
Enterprise Resource Planning Customer Relationship Management Corporate Performance Management/ Business Intelligence	to be implemented through Business Units in every country	Server and Data Management Workspace Management Application Provisioning and Control Communication and Collaboration
Financial Services Solutions	driven by central Competence Centers („do once approach“)	IT Service Management Solutions Network Management & Billing
<b>Professional Services</b> Recruitment and staffing of IT experts in selective countries		

## Corporate Structure

Merger of the German subsidiaries to exploit synergies and ensure closer cooperation

In August of the 2008 financial year, the German company BRAIN FORCE SOFTWARE GmbH merged with BRAIN FORCE Frankfurt GmbH, in order to further intensify the cooperation of both firms and optimize the cost structure. Moreover, BRAIN FORCE Hamburg GmbH, a 100% subsidiary of BRAIN FORCE in Germany, was sold to the Thalinx Group, and an ongoing, extensive collaboration agreement on a project basis was concluded with this customer.

The following chart shows the existing Group structure on the balance sheet date:

### BRAIN FORCE HOLDING AG (shares in %)



\*) of which 85% is held by BRAIN FORCE Software s.r.o., Czech Republic, and 15% by BRAIN FORCE GmbH, Austria

## Corporate Strategy

Focus on solutions with high growth potential

Following the successful consolidation of the company, the management has set the course for the future, with BRAIN FORCE focusing on solutions with high growth potential based on the existing product and service offering. The Business Solutions and Infrastructure Optimization areas will comprise the two pillars of the company in the future.

Creation of a clearly-defined core competence and increase brand recognition

The product and service offering in these two growth areas will not only be covered in individual countries in the future, but by local business units throughout the Group, enabling increased visibility and recognition of the BRAIN FORCE brand on an international level. Furthermore, BRAIN FORCE is marketing its existing portfolio (financial services solutions, IT Service Management, ICT Suite) from a central location on the basis of a competence center structure in accordance with the "do once approach", in order to bundle know-how and reduce costs.

### Business Solutions

Expanded market position for Business Solutions through acquisitions

In order to strengthen the position of the BRAIN FORCE Group in the Business Solutions area, the potential acquisition of established providers in the fields of ERP, CRM and CPM/BI is being evaluated. At the same time, the company is promoting the marketing of its own software solutions such as FINAS Suite (sales and consulting solutions for financial service providers), Rebecca (mortgage administration) and Jupiter (asset management) in accordance with the respective market potential.

### Infrastructure Optimization

Organic expansion of Infrastructure Optimization solutions in all BRAIN FORCE markets

The Infrastructure Optimization area attaches particular importance to expanding its offering of services and software products with growth potential to other markets. The focus is on those services and products which are already being successfully marketed by the Group in individual countries and which are suitable for application on an international basis, in particular Workspace & Server Management for dynamic, user-oriented workplaces, along with Application Provisioning & Control for highly available and compatible applications. The company aims to organically extend or further expand this business area to all existing local markets.

The Infrastructure Optimization portfolio is complemented by solutions focusing on issues such as IT Service Management (SolveDirect Solutions developed in Vienna, Austria), Network Management & Billing (ICT Suite from Berlin, Germany) and Communication & Collaboration (from Veenendaal, Netherlands), which will be marketed in each case from a central location.

Centralized marketing of existing solutions

The solutions offered by BRAIN FORCE focus on offering efficient consulting in respect to the selection, implementation and maintenance of suitable products. These products are partly developed by BRAIN FORCE itself, and partly from business partners. Irrespective of the particular software products, BRAIN FORCE also provides suitable experts for customer projects. These specialists are made available in Austria and Germany by a separate Professional Services competence center ("body leasing").

Professional Services complement the core business areas in Germany and Austria

The new strategic orientation is designed to create a stronger awareness of the BRAIN FORCE Group on the marketplace on the basis of a clearly recognizable core competence, lay the groundwork for greater revenue potential and an improved cost structure. Following numerous acquisitions carried out in the past, the current focus is on the efficient integration of the new companies and the exploitation of synergies. This approach will further strengthen the successful business operations of the BRAIN FORCE Group and provide the basis for the penetration or expansion of new trend-setting business areas.

Creation of revenue potential and an improved cost structure

## Research and Development

The decisive factor underlying the success of BRAIN FORCE is the ability to offer the optimal combination of software and services for the benefit of our customers. For this reason, it is absolutely essential to continually improve our portfolio of products and services. Research and development carried out at the BRAIN FORCE Group focus on the Business Solutions and Infrastructure Optimization areas. In the 2008 financial year, BRAIN FORCE invested a total of about € 1.30 million in developing its own software products.

Research and development in the fields of Business Solutions and Infrastructure Optimization

New software solutions in a FINAS environment were developed by our German subsidiary in the past financial year, and tailored to the market conditions prevailing in the banking and insurance sectors. The BRAIN FORCE Abgeltungsteuer Plus (tax optimized investment) solution was launched, enabling investment consultants to optimize the portfolio of private customers in the light of revisions to German tax regulations. The solution BRAIN FORCE Wohnriester (building financing with government aid) significantly simplifies personal consultations on the issue of retirement benefits in Germany. An additional consultant solution was developed for BRAIN FORCE Basisrente direkt (tax optimized pension planning) to calculate pension provisions and thus efficiently compare the old and new tax laws in Germany. Furthermore, the software BRAIN FORCE Vorsorgeoptimierung (optimization of pension planning) was certified by the testing and inspection organization TÜV Süd, which confirmed its legal compliance and efficiency as a consulting solution.

Extended consulting solution FINAS, TÜV Süd certifies BRAIN FORCE Vorsorgeoptimierung

In Italy, our subsidiary rolled out a new version for MS Dynamics NAV, a significant extension of capabilities in comparison to the standard version, encompassing functionalities such as bank information management, cost center reclassification and periodic invoicing. The sales start of the new software was timed to enable our customers to fulfill the new requirements contained in Italian financial laws in a timely manner. In the fourth quarter, BRAIN FORCE Italy presented Version 8.8 of its own ERP development Visual Space, adapting the user interface to have the same look and feel as MS Outlook while simultaneously incorporating other functional and technical extensions of the interface. In addition, competencies in the field of supply chain management were newly established and the product offering in the field of ERP add-ons was expanded on the basis of the acquisition of MyPlan and the recruitment of a small team of professionals.

New ERP updates, development of a supply chain management competence in Italy

**BRAIN FORCE Packaging Robot 2.1 enables the quicker and more cost-effective roll out of new systems**

A new version of BRAIN FORCE Desktop Manager was rolled out in the Technology & Infrastructure area in the Netherlands. This allows companies to more effectively manage and monitor servers and PCs. Softgrid Support was also extended to facilitate the administration of the configuration, applications and user profiles from a central server onto individual PCs, thus significantly reducing the time and expense connected to the internal administration of a company's ICT infrastructure. The marketing of Packaging Robot 2.1 was launched in the fourth quarter of 2008. Companies aiming to implement the virtualization of their software applications now have the opportunity to generate VMware ThinApp packages. Existing formats can be virtualized, enabling the quicker and more cost-effective roll out of new software solutions and systems in corporate networks.

**New SolveDirect solutions improve IT service quality**

The BRAIN FORCE Division SolveDirect in Austria adapted the product SD.cube ML (ML stands for Multi Level) to the new demands of the marketplace. SD.cube ML enables a standardized and automated service process among several participants (service customer and service provider), creating a transparent service process. SD.cockpit constitutes an important component of SD.cube ML, providing for more efficient service management in a company. It provides an overview of the most important IT service management indicators, improving the quality of IT services and optimizing decision-making processes by means of "real-time monitoring". At the end of 2008, SolveDirect launched its Winter Release 5.0, an IT service management platform which offers simplifications for quicker and more efficient work, as well as three special functions for service customers and service providers: SD.calendar to optimize technology management at a help desk, SD.survey to measure IT service quality, and SD.cockpit to coordinate the entire service supply chain with all integrated service partners.

## Human Resources

**Employees are the human capital of BRAIN FORCE**

Employees are the human capital of BRAIN FORCE. Their know-how and commitment are responsible for the success of the company. Our employees have enabled BRAIN FORCE to achieve a very good operating result in 2008, and thus once again transform it into a successful growth-oriented company. The ongoing, specialized training, further education and professional development of our employees is essential in order to effectively deal with the continuing changes and innovations in the fast-moving IT sector. This training starts with the IT consultants out working for customers, but is also provided to administrative and sales staff.

**Trainings and knowledge transfer ensure employee satisfaction**

Regular training programs on the basis of Microsoft, VMware and Citrix, such as that carried out in the Netherlands, ensure a high level of customer acceptance and at the same time promote an above-average employee satisfaction, as demonstrated in a company survey. Our Italian employees have to be continually trained and certified in the latest technologies developed by Microsoft Dynamics, Oracle, Symantec and Cisco as a basis for enabling greater market penetration. Considerable importance is also attached to knowledge transfer within the BRAIN FORCE Group. The BRAIN FORCE Academy in Austria provides a platform for the specialized transfer of know-how between the Professional Services area and SolveDirect. The operational dashboard meeting held once a month on Fridays presents and discusses important projects. In Germany, round table talks coordinated by top management take place to promote the exchange of ideas and expertise among employees and the different business areas.

An integral aspect of the new corporate strategy is promoting the intensive interaction of employees in each business area but also on an international basis. The newly developed approach plans to offer the BRAIN FORCE product and service portfolio in the Business Solutions and Infrastructure Optimization areas internationally and to market it on the basis of a unified approach. Moreover, the existing portfolio in financial services solutions, service management and ICT Suite will be offered from a central location on the basis of a competence center structure in accordance with the “do once approach”, in order to bundle know-how and reduce costs. Both marketing approaches require close cooperation of our employees beyond the respective national borders in which they live and work.

The total number of employees working for the BRAIN FORCE Group as at December 31, 2008 amounted to 816 salaried employees, which represents a decline of 5% in the consolidation year 2008. In addition, BRAIN FORCE employed 313 people on a free-lance basis for numerous customer projects, a figure which is 11% higher than in the previous year. In total, the BRAIN FORCE Group employed 1,129 people at the balance sheet date of December 31, 2008, a slight drop of 1% from the comparable level of 2007.

The breakdown of staff (salaried and free-lance) by region as at December 31, 2008 is as follows:

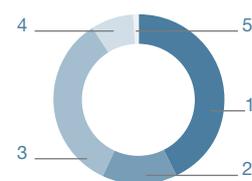
- ▶ Germany: 481 (previous year: 459) / change: +5%
- ▶ Central East Europe: 163 (previous year: 187) / change: -13%
- ▶ South West Europe: 387 (previous year: 391) / change: -1%
- ▶ North Europe: 88 (previous year: 95) / change: -7%
- ▶ Holding and Other: 10 (previous year: 14) / change: -29%

On average, the staff of BRAIN FORCE was comprised of 846 salaried employees in the 2008 financial year (previous year: 854) and 307 people on a free lance basis (previous year: 310). All in all, the total average number of employees declined by 1%, same as the change in total headcount at the balance sheet date, to 1,153 people.

Intensive cross-border interaction among employees as an integral component of the corporate strategy

Slight decline in total staff in the consolidation year 2008

Employees by region



- 1 Germany: 43%
- 2 Central East Europe: 14%
- 3 South West Europe: 34%
- 4 North Europe: 8%
- 5 Holding and Other: 1%

# The Year 2008 and Outlook

## Business Environment

**BRAIN FORCE doubts the current economic forecasts and is preparing for a difficult business environment**

The European Commission expects a significant economic downturn in 2009 as a consequence of the economic and financial crisis. The gross domestic product (GDP) in the European Union is expected to decline by 1.8% in the current year, a development which will also be reflected in the most important markets of the BRAIN FORCE Group. Accordingly, forecasts call for negative GDP growth of 1.2% in Austria, 2.3% in Germany and 2.0% in both Italy and the Netherlands. The European Commission also anticipates a slight recovery at the end of the year, already leading to a slight GDP growth of 0.5% in 2010. Measures designed to stabilize financial markets, the easing of monetary policies and the numerous economic stimulus packages should boost economic prospects in the European Union and serve as the basis for a gradual recovery in the second half of the year. The management of the BRAIN FORCE Group does not share this optimistic assessment, and is thus preparing for a period of very weak economic development up until the year 2010.

**Europe's IT sector also expected to grow in 2009**

Information technology is expected to remain the growth driver in the EU, further expanding in the current financial year despite the weakening of the global economy. According to forecasts issued by the international market research institute EITO, revenues derived from the sale of computers, software and IT services in Western Europe will increase by 2% in 2009 to about € 315 billion. The institute considers information technology to be strategically crucial to companies during an economic crisis, because it enables the firms to operate even more efficiently and profitably. For this reason, providers of software and IT services should expect 2009 revenues in Western Europe to rise 3.2% to € 228 billion, according to EITO.

**Economic forecasts for Germany are being continually revised downwards**

In Germany, the high-tech association BITKOM revised its revenue forecasts for 2009 downwards. Following the expected 1.2% growth in the German market for information technology, telecommunications and digital consumer electronic in 2008, the latest predictions call for total revenues of € 144.6 billion in 2009, at approximately the same level as the previous year. However, the BITCOM forecast calls for a 1.5% growth in the information technology sector in 2009 to € 67 billion. This growth in the IT business will be driven by providers of software and IT services, which are expected to expand their German revenues by 3.1% to € 48.5 billion in 2009.

**Experts expect a decline in Italy's IT market but growth in Austria and the Netherlands**

In Italy, an overall decline in IT revenues is expected in the current year, whereas software providers are expected to match their 2008 performance. Market analysts foresee 4.2% growth on the Austrian market, whereas overall expansion of 1.1% is forecasted in the IT sector in the Netherlands, though the software segment should grow by 5.0% and IT services by 4.0%.

**BRAIN FORCE anticipates recovery in IT expenditures in 2010 at the earliest**

The BRAIN FORCE management considers the forecasts of IT experts in Germany, Italy, Austria and the Netherlands to be overly optimistic, and expects a slight decrease in IT expenditures in these markets for 2009. BRAIN FORCE anticipates an upturn in IT expenditures in the course of 2010 at the earliest. Up until this time, customer investments will tend to focus on solutions designed to optimize their IT infrastructure, precisely the types of services BRAIN FORCE offers in all its markets.

## BRAIN FORCE Shares and Owners

### Share price development

The year 2008 was shaped by the global financial crisis and massive losses on all relevant benchmark indices. In the first half of the year, stock markets still generally managed to hold their ground despite the massive increase in raw material prices. In contrast, the effects of the subprime mortgage crisis in the U.S. real estate market led to considerable turbulence on capital markets during the second half of 2008. The related collapse of several financial institutions and investment houses such as Lehman Brothers resulted in the collapse in share prices spanning almost all branches starting in September. The Vienna benchmark index ATX registered a 62% decline in value, reaching its high for the year of 4,549 points at the very beginning of 2008 and closing at 1,751 points on December 31, 2008. The German DAX index was not spared a similar fate, losing 39% in value between the highest level for the year of 7,949 points reached in January 2008 and the 4,810 points at the close of trading on December 31, 2008. However, the poor performance of all important indices was not related to the problems of numerous financial institutions, but also the expected recession in 2009 arising in connection with the credit crunch. Accordingly, the Dow Jones Industrial Index fell by 33% in 2008, and the NASDAQ-100 and TECDAX benchmark indices of particular relevance to the IT sector declined by 41% and 48% respectively in 2008.

The development of the BRAIN FORCE share in the first few months of 2008 was strongly impacted by the takeover offer of BF Informationstechnologie-Beteiligungsgesellschaft mbH (BFIB). In contrast, the delisting of the share in Germany as of May 13, 2008 and the trading focus on the Vienna Stock Exchange did not have any perceptible effects on the share price. The BRAIN FORCE share commenced trading on the Vienna Stock Exchange in 2008 at a share price of € 1.92 per share, and rose considerably in value as a result of the takeover offer, first to € 2.30 at the end of January and later to € 2.40 in the middle of February. At the beginning of April, the share traded at its yearly high of € 2.58. Up until October, the value of the BRAIN FORCE share remained fairly constant without major fluctuations, and was traded at approximately the share price contained in the takeover offer which expired in July. Despite the outstanding business results of the company which were already foreseeable in the meantime, the intensification of the financial crisis in October led to massive share price losses. Accordingly, the BRAIN FORCE share traded at its lowest point of € 1.01 at the end of November. The share price recovered significantly in December, and the stock closed the year 2008 at € 1.89, corresponding to a market capitalization of about € 29 million.

The volume of BRAIN FORCE shares traded on the Vienna Stock Exchange declined by 70% compared to the previous year, to € 3.53 million, corresponding to an average daily turnover of 8,166 shares (counted once). This development is primarily related to the takeover offer submitted by a subsidiary of Cross Industries AG and the lower number of shares in free float resulting from this. However, over-the-counter trading volume in the BRAIN FORCE share on Vienna's capital market reached a respectable level of € 12.7 million in 2008, more than three times the turnover in the preceding year (2007: € 4.0 million). Accordingly, 78% of total trading in BRAIN FORCE shares in the course of 2008 took place within the context of off-market trading. Total 2008 turnover (Vienna Stock Exchange and OTC) even rose by 1% compared to the previous year.

The global financial crisis leads to heavy losses on all relevant benchmark indices

Development of the BRAIN FORCE share in 2008 strongly affected by the takeover offer

Significant decline in stock exchange volume due to takeover offer, strong rise in OTC trading



Key Data per Share		2008	2007	Chg. in %
Earnings	in €	-0.14	-1.29	+89
Adjusted earnings <sup>1)</sup>	in €	0.09	-0.47	>100
Dividend	in €	0.00	0.00	-
Free cash flow <sup>2)</sup>	in €	0.25	-0.30	>100
Equity	in €	1.57	1.71	-8
Share price high	in €	2.58	3.46	-25
Share price low	in €	1.01	1.76	-43
Share price at year-end	in €	1.89	1.92	-2
P/E ratio high <sup>3)</sup>		27.8	-7.4	-
P/E ratio low <sup>3)</sup>		10.9	-3.8	-
P/E ratio at year-end <sup>3)</sup>		20.3	-4.1	-
Share outstanding (weighted)	in 1,000	15,387	15,387	0
Market capitalization at year-end	in € mill.	29.08	29.54	-2
Average stock exchange turnover/day	in € 1,000	36.67	98.05	-63

1) Excluding non-recurring income and expense; see also explanation on page 44 and 45

2) Cash flow from operating activities minus cash flow from investing activities plus acquisitions

3) Based on adjusted earnings per share

#### Dividend policy

The Management Board will propose to the Annual General Meeting scheduled for May 14, 2009 that no dividend be distributed for the 2008 financial year, in order to build up a sufficient level of cash and financing reserves as the basis for implementing the company's growth strategy.

#### Ownership / Takeover offer

On March 20, 2008, BF Informationstechnologie-Beteiligungsgesellschaft m.b.H. (BFIB), a subsidiary of Unternehmens Invest AG and CROSS Industries AG, submitted a mandatory takeover offer to BRAIN FORCE shareholders amounting to € 2.40 per share to acquire all the shares in BRAIN FORCE HOLDING AG. Following expiration of the takeover offer on July 22, 2008, BFIB held a 46.82 % stake in the share capital of the company. Together with a voting rights agreement concluded with BEKO HOLDING AG, BFIB exercised control over 53.14% of the voting rights. As of the end of July, Helmut Fleischmann Privatstiftung reduced its shareholding in BRAIN FORCE to below 5%.

In September 2008, 100% of BFIB was integrated into BEKO HOLDING AG, which currently holds a 53.85% stake in BRAIN FORCE HOLDING AG. CROSS Industries AG, the parent company of BEKO, owns a further 0.63% shareholding in our company. Furthermore, we were informed that the investors association Erster Privater Investmentclub Börsebius Zentral (GbR), Cologne, Germany, controls 11.40% of the voting rights in BRAIN FORCE HOLDING AG as of January 21, 2009. This investment club consists of about 1,000 private German shareholders. Moreover, the share capital totaling € 15,386,742 and no-par value shares are in free float.

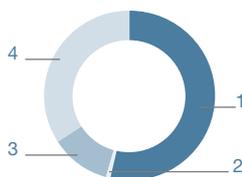
#### Investor Relations

The Management Board of BRAIN FORCE HOLDING AG pursues a transparent and professional communications 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, and continually striving to renew this confidence. Investor relations are coordinated by the Chief Financial Officer but closely involve the Chief Executive Officer as well. The declared goal of our IR work is to convey an accurate picture of the company as a means of enabling a correspondingly accurate assessment of the BRAIN FORCE share.

In the 2008 financial year, the BRAIN FORCE management presented the company at two investor conferences and several one-on-one meetings. The German Equity Forum held in Frankfurt on November 12, 2008 served as an important event to present the very good third quarter business results of the company to investors and analysts, announce a more optimistic outlook for the year 2008 as a whole and introduce the new

Management Board proposes to pay no dividend for 2008

#### Shareholder Structure



- 1 BEKO HOLDING AG 53.85%
- 2 CROSS Industries AG 0.63%
- 3 Erster Privater Investmentclub Börsebius Zentral (GbR) 11.40%
- 4 Free Float 34.12%

Investor relations designed to inspire the confidence of all capital market participants

The relaunch of the Website and IR area makes all relevant information available for download

corporate strategy. Moreover, the investor relations area was also redesigned within the context of the Website relaunch. This provides the basis for offering an easily navigable and understandable platform containing all relevant information to all those who are interested in the company and the BRAIN FORCE share.

The Management Board of BRAIN FORCE HOLDING AG was informed by the Vienna Stock Exchange on March 3, 2009 that the shares in the company would be removed its listing on the Prime Market segment effective March 23, 2009. The Vienna Stock Exchange justified its decision exclusively on the grounds that BRAIN FORCE no longer fulfilled the criterion of a minimum market capitalization in free float. As of March 23, 2009, the ordinary shares of BRAIN FORCE HOLDING AG will be listed in the Standard Market Continuous of the Vienna Stock Exchange. Our shareholders can rely on the fact that BRAIN FORCE will continue to meet the strict corporate governance and transparency standards of the Prime Market despite the changeover to another market segment.

The BRAIN FORCE share (15,386,742 outstanding no par value bearer shares) is currently being covered by SES Research (Hamburg, Germany). All analyses of the company carried out since the year 2005 are available for download in the investor relations area of our Website.

[BRAIN FORCE is listed on the Standard Market Continuous as of March 23, 2009](#)

[Analyses on the company are available on the Website](#)

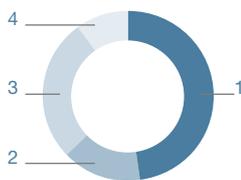
#### **Share Information**

Investor Relations:	Thomas Melzer
Phone:	+43 1 263 09 09 12
E-Mail:	investorrelations@brainforce.com
Internet:	www.brainforce.com
Vienna stock exchange:	BFC
Reuters:	BFC.VI
Bloomberg:	BFC AV
Datastream:	O:BFS
ISIN:	AT0000820659

## Financial Review

Excellent development of operations in 2008

Revenues by region



- 1 Germany € 51.25 million
- 2 Central East Europe € 15.48 million
- 3 South West Europe € 28.42 million
- 4 North Europe € 11.06 million

### Earnings position

From an operating perspective, the financial year 2008 turned out to be very positive. This was due to the consistently and swiftly implemented restructuring measures of the past one and a half years as well as to shifting the focus on profitable business segments.

Group revenues rose 8% over the prior year to € 106.21 million, with all regions being able to generate sales increases. Adjusted for SolveDirect.com Internet-Service GmbH, Vienna, which was acquired in July 2007, and BRAIN FORCE Hamburg GmbH, which was deconsolidated as of September 30, 2008, the organic growth amounted to 6%. Despite the sale of BRAIN FORCE Hamburg GmbH the Germany region increased revenues by 10% to € 51.25 million and accounted for 48% of group revenues. In Central East Europe revenues rose 5% to € 15.48 million and the segment generated 15% of total revenues. The South West Europe region recorded a rise of 4% to € 28.42 million, which equals a share of 27% in group revenues. The North Europe region recorded a double-digit increase of 17% to € 11.06 million, accounting for 10% of total revenues. A stronger demand for IT services and products and good general economic conditions had a positive effect on the business success of the BRAIN FORCE Group despite a streamlining of the product and service portfolio.

Profitability ratios	2008	2007
	in %	in %
Gross profit to revenues	25.8	19.6
Selling expenses to revenues	10.9	12.1
Administrative costs to revenues	10.3	14.5
Operating EBITDA margin <sup>1)</sup>	7.3	2.5
Operating EBIT margin <sup>1)</sup>	3.6	-2.6

1) Adjusted for non-recurring income and expense

Group EBITDA up from € 0.35 to 7.79 million

The reporting year 2008 was very positive also in terms of results. The Group's EBITDA rose from € 0.35 to 7.79 million and EBIT (operating result) from € -16.68 to +3.83 million. The prior year EBIT included impairment of goodwill and other intangible assets in the amount of € 11.74 million as well as restructuring cost of € 2.41 million. From a purely operating perspective, the result increased significantly by € 6.36 million, to which all operating companies contributed. The Group's holding company also contributed significantly to this result by cost savings in the amount of € 0.73 million.

EBIT by region	2008	2007	Change
	in € million	in € million	in %
Germany	2.47	-11.51	>100
Central East Europe	0.50	-0.18	>100
South West Europe	1.07	0.86	+24
North Europe	0.40	-1.74	>100
Holding and Other	-0.60	-4.12	+85
<b>BRAIN FORCE Group</b>	<b>3.83</b>	<b>-16.68</b>	<b>&gt;100</b>

Significant increase in earnings in Germany

The Germany region increased EBIT following the prior year, which was marked by impairment and restructuring, from € -11.51 to +2.47 million. The prior year figure included impairment of € 9.16 million and restructuring costs in the amount of € 0.93 million. Thus, the comparison of operating results shows an increase of € 3.89 million.

Positive EBIT in Central East Europe

EBIT in Central East Europe rose from € -0.18 to +0.50 million. The prior year figure included impairment of € 0.13 million and restructuring costs of € 0.20 million. Compared to the prior year, the operating EBIT was up +233%.

In South West Europe EBIT reached € 1.07 million, whereas in 2007 the operating result at € 0.86 million was significantly lower due to impairment (€ 0.38 million) and restructuring costs (€ 0.55 million).

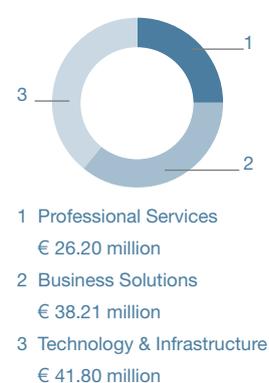
Slight improvement in South West Europe

In 2008 the North Europe region was able to raise EBIT from € -1.74 to +0.40 million. The prior year was negatively affected by impairment charges of € 2.07 million. No restructuring costs were incurred in North Europe.

EBIT turnaround in North Europe

In 2008, the Professional Services segment accounted for € 26.20 million (prior year: € 26.15 million) or 25% of group revenues, the Business Solutions segment generated € 38.21 million (prior year: € 38.16 million) or 36% and the Technology & Infrastructure segment € 41.80 million (prior year: € 34.02 million) or 39%. Compared to the prior year, revenues in the segments Professional Services and Business Solutions remained almost unchanged, whereas the Technology & Infrastructure segment grew significantly. The described development mainly results from two-digit sales increases of BRAIN FORCE B.V., Netherlands, and of the Frankfurt branch of BRAIN FORCE SOFTWARE GmbH, Germany.

Revenues by segment



Income statement	2008	2007	Change
	in € million	in € million	in %
Revenues	106.21	98.33	+8
Cost of sales	-78.79	-79.06	-0
<b>Gross profit</b>	<b>27.41</b>	<b>19.28</b>	<b>+42</b>
Selling expenses	-11.53	-11.90	-3
Administrative expenses	-10.98	-14.24	-23
Other operating expenses	-1.75	-1.71	+13
Other operating income	0.69	0.53	+71
Impairment of goodwill	0	-8.65	-100
<b>Operating result (EBIT)</b>	<b>3.83</b>	<b>-16.68</b>	<b>&gt;100</b>
Financial result	-1.45	-0.71	>100
Result from associates	0	-0.51	-100
<b>Profit before tax</b>	<b>2.38</b>	<b>-17.91</b>	<b>&gt;100</b>
Income taxes	-4.48	-2.00	>100
<b>Profit after tax</b>	<b>-2.10</b>	<b>-19.91</b>	<b>+89</b>

The financial result deteriorated from € -0.71 to -1.45 million. The write-off of the KEMP convertible bond accounts for € 0.63 million of the decline in the amount of € 0.73 million and higher interest expenses for financing the variable portions of the purchase price (earn-out) from prior periods account for the rest. The interest cover (ratio of EBITDA to net interest) was 9x in 2008.

Interest cover of 9x in 2008

The profit before tax reached € +2.38 million, compared to € -17.91 million in the prior year. The earnings after tax rose from € -19.91 to -2.10 million. Although the result could be improved significantly year-on-year, due to a change in German tax law capitalized loss carry-forwards in the amount of € 2.90 million had to be written off, which resulted in negative earnings after tax.

Negative earnings after tax due to change in law and takeover

Earnings per share (EPS pursuant to IFRS) improved from € -1.29 to -0.14. After adjustment for non-recurring expenses incurred in 2008 for the write-off of the KEMP convertible bond and the German loss carry-forwards, an adjusted EPS of € +0.09 results, which is contrasted with the 2007 EPS of € -0.47 that had been adjusted for restructuring costs and charges.

Adjusted EPS improved from € -0.47 to +0.09

### Financial position

#### Balance sheet total down 11%

The balance sheet total declined by 11% year-on-year to € 66.31 million. This is due primarily to an improvement in the working capital, to lower provisions for purchase price payments and the related reduction of goodwill, as well as the derecognition of loss carry-forwards in Germany.

#### Own work capitalized accounts for 4% of total assets

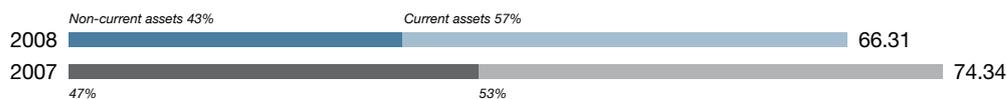
The portion of non-current assets to total assets declined to 43% (prior year: 47%). In the past financial year capital expenditure on property, plant and equipment and other intangible assets amounted to € 2.45 million, € 1.30 million of which was accounted for by development costs. At the balance sheet date December 31, 2008 the development costs reported in the balance sheet totaled € 2.92 million (prior year: € 3.31 million) and thus accounted for 4% (prior year: 4%) of total assets.

#### Reduction of goodwill not affecting net income

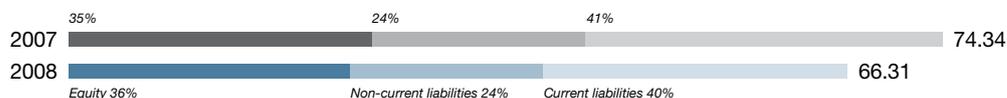
Goodwill declined by € 1.35 million, due primarily to the adjustment of the variable purchase price obligations (earn-out payments) that did not affect income. The acquisition of BRAIN FORCE B.V., Netherlands (formerly VAI B.V.) accounts for € 0.32 million thereof, the acquisition of SolveDirect.com Internet-Service GmbH for € 0.90 million.

### Development of balance sheet structure in € million

#### Assets



#### Equity and liabilities



#### Write-off of KEMP convertible bond

Within non-current assets, other receivables and assets declined by € 0.65 million. The decline is due to the write-off of the convertible bond of KEMP Technologies Inc., USA, in the amount of USD 900,000. As a result of the economic development of this company and the difficult general conditions in the USA the repayment by KEMP Technologies Inc., USA, at the maturity date June 30, 2009 is considered uncertain and a conversion into shares seems unattractive.

#### Derecognition of German loss carry-forwards became necessary following a change in the law and takeover

As of December 31, 2008, deferred tax assets amount to € 0.05 million, which is € 2.58 million lower than the prior year figure. This decline and the resulting increased income tax expense are due to the write-off of capitalized tax carry-forwards in the amount of € 2.90 million at BRAIN FORCE Software GmbH, Munich. Despite the good earnings trend the write-off of the tax loss carry-forwards had to be made as a result of an amendment to the German Corporate Income Tax Act. By the Unternehmensteuerreformgesetz (Corporate Tax Reform Act) 2008 the restrictions on loss deductibility were significantly tightened. As of the financial year 2008, the regulation provides for restrictions on loss deductibility in case of indirect or direct transfers of shares or voting rights. By the takeover bid of BF Informationstechnologie-Beteiligungsgesellschaft m.b.H., Wels (BFIB) and the subsequent transfer of this company into BEKO HOLDING AG, the majority of the shares in BRAIN FORCE HOLDING AG were taken over in 2008. Thus, the loss carry-forwards had to be derecognised pursuant to IFRS. However, the constitutionality of this loss carry-forward regulation is disputed by legal experts, which could result in an amendment and, subsequently, in a rerecognition of tax loss carry-forwards. Until a decision is rendered by the Supreme Court, BRAIN FORCE will challenge the tax assessments by German fiscal authorities.

Balance sheet ratios		2008	2007
Equity	in € million	24.15	26.27
Equity ratio	in %	36.4	35.3
Net debt	in € million	4.89	6.53
Gearing	in %	20.2	24.9
Working capital	in € million	5.38	4.77
Working capital to revenue	in %	5.1	4.9
Net debt / EBITDA		0.6	18.7
EBITDA / net interest		9.3	0.5
EBIT / net interest		4.6	n.a.
FFO <sup>1)</sup> / net debt	in %	98.2	n.a.

1) FFO = Funds from Operations = Gross cash flow

Current assets declined by € 1.89 million to € 37.63 million and amount to 57% (prior year: 53%) of total assets. The decline in absolute terms is mainly due to the decrease in trade receivables. Despite the sales increase of 8% receivables could be reduced by 5% through efficient management. The days of sales outstanding (DSO) declined from 84 to 80 days by year-end. This high number is due to the general Italian payment terms.

Cash and cash equivalents, including cash in hand and bank balances, declined by 7% to € 8.80 million. By the significant rise in the operating cash flow cash and cash equivalents could be maintained almost at the prior year level despite investments of € 4.64 million and decrease of financial liabilities of € 2.28 million.

As of December 31, 2008 the Group's equity amounts to € 24.15 million and is 8% lower than the prior year figure. Despite the very good earnings trend in the financial year 2008, equity declined due exclusively to one-off effects (write-off of KEMP bond € 0.63 million, write-off of deferred taxes Germany € 2.90 million). As a result of the decline in the balance sheet total, the equity ratio increased from 35 to 36%.

The interest bearing liabilities (financial liabilities) fell by € 2.28 million to € 13.69 million, € 10.98 million (prior year: € 11.31 million) of which relating to non-current financial liabilities. 82% of financial liabilities carry fixed interest rates, and the rest variable interest rates. An analysis of the term structure shows that € 9.94 million of financial liabilities mature in 2014. € 1.03 million is due between 2010 and 2012. € 0.26 million of the remaining € 2.71 million (current financial liabilities) relates to loans with agreed repayment schedule, € 2.45 million relates to used bank credit lines.

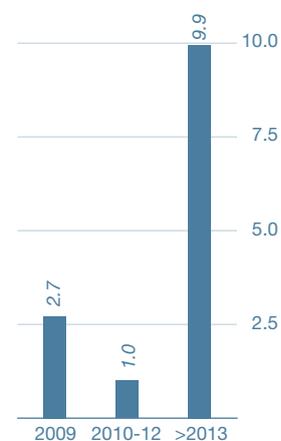
Calculation of net debt	2008	2007	Change
	in € million	in € million	in %
Non-current financial liabilities	10.98	11.31	-3
Current financial liabilities	2.71	4.66	-42
- Cash and cash equivalents	-8.80	-9.44	-7
<b>Net debt</b>	<b>4.89</b>	<b>6.53</b>	<b>-25</b>

As of December 31, 2008, net debt amounted to € 4.89 million, which is 25% down from the prior year figure of € 6.53 million. Net debt declined as a result of the increased operating cash flow. The ratio of net debt to EBITDA was 0.6x, as compared to 18.7x in the prior year.

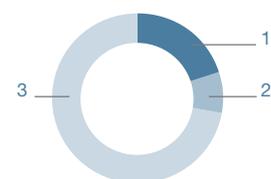
At the balance sheet date, other provisions amount to € 1.17 million, as compared to € 4.16 million in the prior year. € 2.34 million of this decline results from variable purchase price payments (earn-out payments) for companies acquired in prior years (SolveDirect and BRAIN FORCE Netherlands). Furthermore, the adjustments for expected purchase price payments resulted in a reduction of € 1.22 million that did not affect income. A total of € 0.90 million was allocated to warranty and other provisions. All other provisions are current (prior year: € 2.56 million).

#### Reduction of DSO from 84 to 80 days

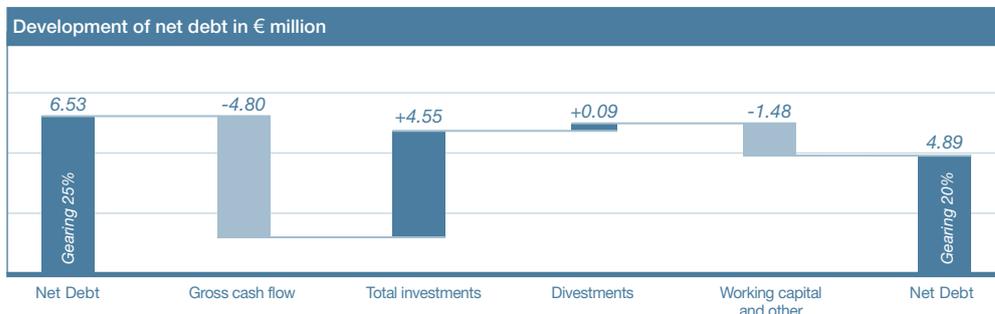
#### Term structure of financial liabilities in € million



#### Maturity of financial liabilities



- 1 < 1 year 20%
- 2 1-5 years 7%
- 3 > 5 years 73%



Significant increase in the operating cash flow

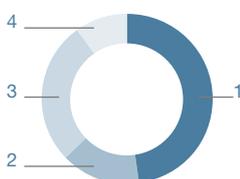
**Cash flow**

Due to the significant improvement of the operating result the gross cash flow could be increased to € 4.80 million (prior year: € -3.96 million). Taking into account the cash inflow from the reduction of the working capital, a cash flow from operating activities of € 6.28 million (prior year: € -2.02 million) was generated. The cash flow from investing activities amounted to € -4.64 million (prior year: € -9.55 million). The free cash flow (cash inflow from the operating cash flow minus the cash flow from investing activities plus payments for acquisitions of companies) amounted to € 3.86 million (prior year: € -4.64 million). A cash outflow of € 0.09 million results from the sale of BRAIN FORCE Hamburg GmbH, Germany. The cash flow from financing activities shows a balance of increase and repayments of financial liabilities in the amount of € -2.28 million.

Cash flow statement	2008	2007	Change
	in € million	in € million	in %
<b>Cash flow from operating activities</b>	<b>6.28</b>	<b>-2.02</b>	<b>&gt;100</b>
Investments in property, plant and equipment and other intangible assets	-2.45	-2.82	+13
Acquisition of subsidiaries	-2.22	-6.93	+68
Divestments and others	0.03	0.20	-85
<b>Cash flow from investing activities</b>	<b>-4.64</b>	<b>-9.55</b>	<b>+51</b>
Acquisition of subsidiaries	+2.22	+6.93	-68
<b>Free cash flow</b>	<b>+3.86</b>	<b>-4.64</b>	<b>&gt;100</b>

**Development of Segments**

Revenues by region



- 1 Germany 48%
- 2 Central East Europe 15%
- 3 South West Europe 27%
- 4 North Europe 10%

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

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

**Germany**

In the financial year 2008 Germany raised sales 10% to € 51.25 million and at 48% has the largest share in Group revenues. EBITDA rose to € 3.92 million, compared to € 0.26 million in the restructuring year 2007. After € -11.51 million in the prior year, EBIT was again clearly positive at € +2.47 million. The 2007 result had been adversely affected by impairment and restructuring costs in the amount of € 10.09 million.

In the Professional Services segment the order volume from existing customers could be increased, which had a positive effect on the utilization of employed and freelance project staff. We raised the number of IT consultants with one company in the cell phone industry significantly and won two major customers in the technology sector. At the same time, the order volume from one longstanding customer in the semiconductor industry declined, who had to launch a strict cost cutting program due to the economic crisis. The financial year was marked by a fiercely contested human capital market, which saw a considerable excess of customer demand for IT experts over available consultants.

The Infrastructure Optimization segment managed not only to intensify the longstanding rollout project with an internationally operating airline, but also to agree on the future cooperation for the long term. Furthermore, BRAIN FORCE consolidated its strong position with the public sector and won numerous new customers for the network documentation solution Net Organizer, as well as implemented the first version of the BRAIN FORCE ICT Bill at utility group.

The Business Solutions segment was able to generate additional business with existing customers on the one hand and several new customers on the other hand. A Hamburg insurance group, for instance, opted for the entire BRAIN FORCE Financial Analysis Center in addition to the BRAIN FORCE Customer Relationship Management System. Moreover, new tools such as BRAIN FORCE Abgeltungssteuer Plus (tax optimized investment), BRAIN FORCE Wohnriester (building financing with government aid) and BRAIN FORCE Basisrente direkt (tax optimized pension planning) were sold successfully. In addition, the renowned certification company TÜV Süd examined and certified the BRAIN FORCE Vorsorgeoptimierung solution, which enhances the future marketing potential considerably.

At mid-year the two German companies in Munich and Frankfurt were merged to achieve an even closer cooperation and to further optimize the cost structure. Upon expiration of the Managed Service contract with the Thalinx Group, we sold BRAIN FORCE Hamburg GmbH to this customer at a small book gain.

#### Central East Europe

In the Central East Europe region revenues rose 5% to € 15.48 million, which equaled a share of approx. 15% in Group revenues. EBITDA increased 69% to € 1.54 million. Despite higher amortization due to the purchase price allocation relating to the acquisition of SolveDirect, EBIT was positive at € +0.50 million (prior year: € -0.18 million).

In the Business Solutions segment (service management and integration solutions of SolveDirect) several follow-up orders could be won from existing customers. For instance, at one IT infrastructure service provider the premium product SD.cube was implemented and the solution adjusted to the needs of a provider of traffic telematics systems. After a slightly sluggish business development in the first half of 2008 the segment could increase significantly and positively contribute to the Group result.

After losses incurred in the prior year, the Payroll Services segment (RZ Lohn) reported positive earnings again and contributed to the result through cost savings. Despite a slightly declining number of IT consultants employed after the cost saving measures had been implemented, the Professional Services segment also showed a very solid EBIT development. In addition to a major contract of a large cell phone company in Austria several smaller projects were realized in the Java environment.

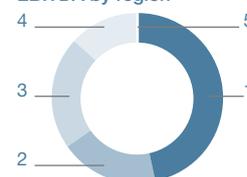
In the Czech Republic the first BRAIN FORCE Net Organizer license was sold to a large bank. In Slovakia one financial service provider and one insurance company opted for the asset management solution Jupiter Pro.

#### South West Europe

The South West Europe region generated revenues of € 28.42 million, a slight plus of 4% over the prior year. The share of this segment in Group revenues amounted to approx. 27%. EBITDA reached € 1.76 million, compared to € 2.17 million in the prior year. This was due to restructuring measures in the Infrastructure Optimization segment in Italy and higher intercompany charges. EBIT amounted to € 1.07 million, whereas in the prior year it was still lower at € +0.86 million due to impairment and restructuring costs.

In Italy several customers could be won in the healthcare sector, with solutions being applied from the Infrastructure Optimization segment (based on VMWare) and from the Business Solutions segment (based on Microsoft CRM). Moreover, BRAIN FORCE Italy was able to underscore its competence in the metal processing industry and to win additional customers for the Microsoft Dynamics AX solution.

EBITDA by region



- 1 Germany 50%
- 2 Central East Europe 20%
- 3 South West Europe 23%
- 4 North Europe 14%
- 5 Holding and Other -7%

#### Merger of the companies in Munich and Frankfurt

Slight revenue increase in Central East Europe and positive EBIT

SolveDirect up considerably in the second half-year

Cost savings result in positive earnings in the Payroll Services segment

Sales successes also in the Czech Republic and Slovakia

EBITDA down due to restructuring and higher intercompany charges

Competence in metal processing industry enhanced

Restructuring in Infrastructure Optimization results in improved project pipeline

The Infrastructure Optimization segment underwent a fundamental structural change at the beginning of 2008. Already in the second quarter promising new contracts could be won in the large customer segment (large accounts) so that the project pipeline improved significantly. The expanded management team for optimized pre-sales and project execution showed first successes in the further course of the year.

Improved EBITDA and EBIT

#### North Europe

The North Europe region raised revenues in the reporting period by 17% to € 11.06 million and accounts for approx. 10% of group revenues. Within the same period, EBITDA rose by 6% to € 1.11 million and EBIT from € -1.74 to +0.40 million.

Position in the public sector expanded further; leading position in healthcare sector

The Dutch company further expanded its position in the public sector and won numerous customer projects. This way the BRAIN FORCE Packaging Robot solutions came to be applied at municipalities and also at a local utility company. Furthermore, BRAIN FORCE Netherlands was able to demonstrate its leading position in the healthcare sector. The largest Dutch hospital group relies on the competence of BRAIN FORCE for the packaging of software and systems. Moreover, the close cooperation with the IT service provider Atos Origin was expanded further and together several packaging and migration projects could be concluded.

Massive cost savings and intercompany charges improve the result of the holding

#### Holding and Other

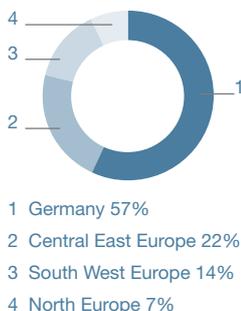
The EBITDA relating to the Holding and Other segment improved significantly from € -4.05 to -0.53 million and the EBIT from € -4.12 to -0.60 million. Cost savings of € 0.73 million in the holding company had a significant impact on the development of the result in this segment, although extraordinary expenses were incurred in connection with the takeover offer. In addition, the charging of trademark licensing fees to operating entities contributed to this strong improvement in the result of this segment. In order to further optimize the costs of the holdings company in 2009, at the turn of the year the corporate headquarters, including the Austrian operating company, was relocated to a new office building, thus significantly reducing rental costs.

## Order Intake

Significant increase in orders at year-end

As of December 31, 2008 the order volume at the Group level amounted to € 32.64 million, up 24% over the prior year level of € 26.32 million, which was mainly due to a large project order in Germany. South West Europe also saw a rise in order volumes. By contrast, Central East Europe as well as North Europe experienced slight declines.

Order intake by region



At the balance sheet date, the order volumes are attributable to the segments as follows:

- ▶ Germany region accounts for € 18.70 million (12/31/2007: € 12.00 million) of order volumes
- ▶ Central East Europe accounts for € 7.12 million (12/31/2007: € 8.43 million) of order volumes
- ▶ South West Europe accounts for € 4.57 million (12/31/2007: € 3.19 million) of order volumes
- ▶ North Europe region accounts for € 2.25 million (12/31/2007: € 2.70 million) of order volumes.

The significant rise in order volumes in Germany results from another major contract from a globally operating airline for our Frankfurt branch, which has specialized in Managed Services. As of December 31, 2008 the order volume at the Group level has to be considered very positive despite the difficult economic situation in Europe, although some shifts in incoming orders have already occurred in the third and fourth quarter.

## Outlook and Targets

BRAIN FORCE had set as guidance for the financial year 2008 revenues of at least € 100 million, an EBITDA of € 6 to 7 million and an EBIT of € 2 to 3 million. We were not only able to meet these targets, but also to exceed them, generating revenues of € 106.21 million, an EBITDA of € 7.79 million and an EBIT of € 3.83 million.

Guidance for 2008  
significantly exceeded

It has to be noted that the guidance for 2008 was issued on the basis of a stable economic forecast in November 2007 and that the business development of BRAIN FORCE had hardly been affected by the financial and economic crisis in 2008. This changed in the first quarter 2009. The general uncertainty about the further economic development in the coming quarters is obvious. The forecasts made by experts in the chapter Business Environment on page 40 seem to paint a too positive picture from today's perspective. Based on this assessment, BRAIN FORCE prepares for declines in revenues of all subsidiaries through additional restructuring measures and will consistently optimize costs.

BRAIN FORCE prepares for  
very difficult environment  
through further restructuring

At present, we consider a reliable earnings guidance impossible. However, the Company is well positioned and financed. The cash flow developed very positively in the past year, which resulted in solid balance sheet ratios as of December 31, 2008:

BRAIN FORCE is well  
positioned, a reliable earnings  
guidance currently impossible

- ▶ Gearing: 20%
- ▶ Equity ratio: 36%
- ▶ Net debt / EBITDA: 0.6x
- ▶ FFO<sup>1)</sup> / net debt: 98%

1) FFO = Funds from Operations = Gross cash flow

The clear focus of the BRAIN FORCE management for 2009 is "Optimization of the operating cash flow". To that end, we have launched a working capital project, which will be implemented until summer. Our target in 2009 is to generate a positive operating result and to prepare the Group for growth in the long term.

Focus for 2009: Optimization  
of the cash flow from  
operating activities

# Consolidated Financial Statements

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Income Statement in EUR	Note	2008	2007
Revenues	1	106,207,702	98,333,257
Cost of sales	2	-78,793,977	-79,056,321
<b>Gross profit</b>		<b>27,413,725</b>	<b>19,276,936</b>
Selling expenses	2	-11,533,529	-11,898,283
Administrative expenses	2	-10,981,742	-14,241,460
Other operating expenses	2	-1,754,501	-1,705,580
Other operating income	3	687,944	531,134
Impairment of goodwill		0	-8,645,810
<b>Operating profit (EBIT)</b>		<b>3,831,897</b>	<b>-16,683,063</b>
Financial income	6	37,491	71,924
Financial costs	6	-1,485,745	-785,330
<b>Financial result</b>	<b>6</b>	<b>-1,448,254</b>	<b>-713,406</b>
Result from associates		0	-513,346
<b>Profit before tax</b>		<b>2,383,643</b>	<b>-17,909,815</b>
Income taxes	7	-4,484,543	-2,004,895
<b>Profit after tax</b>		<b>-2,100,900</b>	<b>-19,914,710</b>
Result for the period attributable to Equity holders of the parent company		-2,100,900	-19,914,710
Earnings per share	30	-0.14	-1.29

Segment Reporting 2008 in EUR	Germany	Central East Europe	South West Europe	North Europe	Holding and Other	Group
Revenues (consolidated)	51,248,971	15,482,742	28,420,407	11,055,582	0	106,207,702
Result before segment depreciation and amortization (EBITDA)	3,922,116	1,536,174	1,756,380	1,113,219	-534,597	7,793,292
Depreciation and amortization	-1,448,196	-1,040,115	-688,432	-715,105	-69,548	-3,961,396
Operating profit (EBIT)	2,473,920	496,059	1,067,948	398,114	-604,144	3,831,897
Financial result						-1,448,254
Share in profit of associates						0,00
Profit before tax						2,383,643
Income taxes						-4,484,543
Profit after tax						-2,100,900
Segment assets	20,963,975	17,356,800	18,865,834	8,571,605	552,393	66,310,607
Segment liabilities	9,326,613	4,017,122	11,306,432	1,721,014	15,790,308	42,161,489
Capital expenditure	651,988	242,588	816,432	646,675	94,987	2,452,670

Segment Reporting 2007 in EUR	Germany	Central East Europe	South West Europe	North Europe	Holding and Other	Group
Revenues (consolidated)	46,778,152	14,780,004	27,332,922	9,442,179	0	98,333,257
Result before segment depreciation and amortization (EBITDA)	263,591	911,078	2,172,683	1,052,643	-4,053,966	346,029
Depreciation and amortization	-11,771,782	-1,089,880	-1,308,219	-2,789,683	-69,528	-17,029,092
Operating profit (EBIT)	-11,508,191	-178,802	864,464	-1,737,040	-4,123,494	-16,683,063
Financial result						-713,406
Share in profit of associates					-513,346	-513,346
Profit before tax						-17,909,815
Income taxes						-2,004,895
Profit after tax						-19,914,710
Segment assets	20,859,777	19,494,599	19,278,768	9,346,013	5,363,253	74,342,410
Segment liabilities	8,258,702	4,892,526	14,099,246	2,270,253	18,556,261	48,076,988
Capital expenditure	1,432,162	14,543,936	602,778	678,594	43,062	17,300,532

Balance Sheet in EUR	Note	31.12.2008	31.12.2007
<b>ASSETS</b>			
Property, plant and equipment	8	2,493,383	2,328,060
Goodwill	9	14,516,571	15,861,876
Other intangible assets	10	11,328,281	13,065,053
Investments in associates	11	11,466	11,466
Financial assets	12	183,128	179,781
Other receivables and assets	16	101,712	750,912
Deferred tax assets	13	50,723	2,628,433
<b>Non-current assets</b>		<b>28,685,264</b>	<b>34,825,581</b>
Inventories	14	185,787	268,534
Trade receivables	15	26,898,432	28,168,703
Other receivables and assets	16	1,741,880	1,638,649
Cash and cash equivalents	17	8,799,244	9,440,943
<b>Current assets</b>		<b>37,625,343</b>	<b>39,516,829</b>
<b>Total assets</b>		<b>66,310,607</b>	<b>74,342,410</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to equity holders of the parent company			
Share capital	18	15,386,742	15,386,742
Reserves	18	15,245,099	15,260,503
Retained earnings		-6,482,723	-4,381,823
<b>Equity</b>		<b>24,149,118</b>	<b>26,265,422</b>
Financial liabilities	20	10,975,548	11,308,022
Other liabilities	22	144,891	73,605
Provisions for post-employment benefits	19	2,271,221	2,559,369
Other provisions	24	0	1,603,503
Deferred tax liabilities	13	2,613,772	2,561,714
<b>Non-current liabilities</b>		<b>16,005,432</b>	<b>18,106,213</b>
Financial liabilities	20	2,713,156	4,664,467
Trade payables	21	8,340,473	9,780,848
Other liabilities	22	13,105,463	12,206,583
Income tax provisions	23	824,561	762,239
Other provisions	24	1,172,404	2,556,638
<b>Current liabilities</b>		<b>26,156,057</b>	<b>29,970,775</b>
<b>Total equity and liabilities</b>		<b>66,310,607</b>	<b>74,342,410</b>

Changes in equity in EUR	Note	Attributable to equity holders of the parent company					Total equity
		Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	
<b>Balance 1.1.2007</b>		<b>15,386,742</b>	<b>24,750,604</b>	<b>-275,134</b>	<b>8,365,027</b>	<b>-134,737</b>	<b>48,092,502</b>
Fair value adjustments of securities		0	0	-4,506	0	0	-4,506
Currency translation differences		0	0	4,123	0	0	4,123
Transfer of reserves		0	-9,162,973	0	9,162,973	0	0
Net income/loss recognised directly in equity		0	-9,162,973	-383	9,162,973	0	-383
Profit after tax		0	0	0	-19,914,710	0	-19,914,710
Total result for the period		0	-9,162,973	-383	-10,751,737	0	-19,915,093
Dividends paid		0	0	0	-1,505,546	0	-1,505,546
Change in treasury shares		0	-51,611	0	0	134,737	83,126
Other changes in minority interests		0	0	0	-489,567	0	-489,567
<b>Balance 31.12.2007</b>	18	<b>15,386,742</b>	<b>15,536,020</b>	<b>-275,517</b>	<b>-4,381,823</b>	<b>0</b>	<b>26,265,422</b>
Fair value adjustments of securities		0	0	3,734	0	0	3,734
Currency translation differences		0	0	-19,138	0	0	-19,138
Net income/loss recognised directly in equity		0	0	-15,404	0	0	-15,404
Profit after tax		0	0	0	-2,100,900	0	-2,100,900
Total result for the period		0	0	-15,404	-2,100,900	0	-2,116,304
<b>Balance 31.12.2008</b>	18	<b>15,386,742</b>	<b>15,536,020</b>	<b>-290,921</b>	<b>-6,482,723</b>	<b>0</b>	<b>24,149,118</b>

Cash Flow Statement in EUR	Note	2008	2007
Profit before tax		2,383,643	-17,909,815
Depreciation/amortization		3,961,396	17,029,092
Financial result		1,448,254	713,406
Income from investments in associates		0	513,346
Gains/losses from the disposal of property, plant and equipment and intangible assets		35,314	1,714
Other non-cash income		-250,000	0
Changes in non-current provisions and liabilities		-351,326	-1,364,416
Net interest paid		-769,504	-543,072
Income taxes paid		-1,655,296	-2,404,279
<b>Gross cash flow</b>	25	<b>4,802,481</b>	<b>-3,964,024</b>
Changes in inventories		82,747	74,679
Changes in trade receivables		984,059	1,633,660
Changes in trade payables		-1,453,993	1,218,229
Changes in other current assets and liabilities		1,851,991	-973,059
Currency translation differences		13,341	-6,684
<b>Cash flow from operating activities</b>	25	<b>6,280,626</b>	<b>-2,017,199</b>
Acquisition of subsidiaries		-2,215,220	-6,929,734
Net payments for the sale of subsidiaries		-87,116	0
Investments in property, plant and equipment and other intangible assets		-2,452,670	-2,820,623
Investments in financial assets		37,491	143,848
Sale of property, plant and equipment and other intangible assets		78,974	53,765
<b>Cash flow from investing activities</b>	26	<b>-4,638,541</b>	<b>-9,552,744</b>
Increase in financial liabilities		884,769	12,577,314
Repayment of financial liabilities		-3,168,553	-231,845
Dividends paid		0	-1,505,546
Capital increase		0	0
Purchase of treasury shares		0	-3,032,962
<b>Cash flow from financing activities</b>	27	<b>-2,283,784</b>	<b>7,806,961</b>
<b>Change in cash and cash equivalents</b>	28	<b>-641,699</b>	<b>-3,762,982</b>
Cash and cash equivalents at the beginning of the year		9,440,943	13,203,925
Change in cash and cash equivalents		-641,699	-3,762,982
<b>Cash and cash equivalents at the end of the year</b>	28	<b>8,799,244</b>	<b>9,440,943</b>

# Notes to the Financial Statements 2008

## The Company

Within the past few years BRAIN FORCE HOLDING AG, Vienna, as medium-sized IT company transformed itself from a pure project service provider to an IT solutions provider. The BRAIN FORCE Group offers its products and services on the relevant markets through individual subsidiaries, mainly in the sectors insurance and financial services, telecommunications and industry. The Company's head office is located in Karl-Farkas-Gasse 22, 1030 Vienna, Austria.

BEKO HOLDING AG, Nöhagen is the majority shareholder of BRAIN FORCE HOLDING AG. The parent company in the group is CROSS Industries AG based in Wels.

## Accounting and measurement principles

### Financial reporting principles

The consolidated financial statements at December 31, 2008 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the applicable Austrian regulations pursuant to Section 245a UGB. Presentation currency is the Euro.

The measurement principles applied in the preparation of the consolidated financial statements are based on historical acquisition or production cost, with the exception of derivative financial instruments and available-for-sale securities, which are measured at fair value at the balance sheet date.

The preparation of the consolidated financial statements in accordance with generally accepted accounting and measurement principles pursuant to IFRS as adopted by the EU requires the use of estimates and assumptions which influence the amount and presentation of assets and liabilities in the balance sheet, disclosed contingent assets and liabilities at the balance sheet date, and income and expenses recorded during the reporting period. Although these estimates are made by the management board to the best of their knowledge and are based on current transactions, actual values may eventually differ from these estimates.

### First-time adoption of new financial reporting standards

The following standards and interpretations are effective as of 2008:

- ▶ IAS 39 (Amendment) "Financial instruments: Recognition and measurement" and IFRS 7 (Amendment) Financial instruments: Disclosures – Reclassification of financial assets (effective from July 1, 2008). The application of this standard is not expected to have an impact on the consolidated financial statements of the Company.
- ▶ IFRIC 11 "IFRS 2 - Group and treasury share transactions", was adopted by the European Union in June 2007 and is mandatory for accounting periods beginning on or after March 1, 2007. IFRIC 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have an impact on the consolidated financial statements of the Company.

The IASB or IFRIC adopted further standards and amendments to standards and interpretations which had been adopted by the EU by the time these consolidated financial statements were prepared and published in the official journal. These standards and interpretations are not yet mandatory in the financial year 2008 and have not been adopted early by BRAIN FORCE. The impact of these provisions is immaterial and in part cannot yet be estimated reliably.

### Principles of consolidation

The financial statements included in consolidation were all drawn up with a uniform consolidated balance sheet date at December 31, 2008.

In addition to BRAIN FORCE HOLDING AG, domestic and foreign subsidiaries are included in the consolidated financial statements over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

### Consolidated group

The consolidated group changed as follows, compared to the financial statements at December 31, 2007: In accordance with the merger agreement dated August 21, 2008 BRAIN FORCE Frankfurt GmbH, Langen, Germany, as transferring company was merged with BRAIN FORCE Software GmbH, Munich, Germany. Furthermore, by purchase and transfer agreement dated August 14, 2008 all shares in BRAIN FORCE Hamburg GmbH, Munich, Germany, were sold. September 30, 2008 was set as the date for the transfer of the shares. BRAIN FORCE Hamburg was deconsolidated as of September 30, 2008.

Thus, the consolidated financial statements include BRAIN FORCE HOLDING AG, Vienna, and the listed subsidiaries and associates:

Company	Method of consolidation	Share in %
BRAIN FORCE SOFTWARE GmbH, Vienna	V	100
BRAIN FORCE Software GmbH, Munich, Germany	V	100
BRAIN FORCE S.p.A., Milan, Italy	V	100
BRAIN FORCE Network Solutions B.V., Veenendaal, Netherlands	V	100
BRAIN FORCE B.V., Veenendaal, Netherlands	V	100
BFS Brain Force Software AG, Kloten, Switzerland	V	100
BRAIN FORCE SOFTWARE s.r.o., Prague, Czech Republic	V	100
Brain Force Software s.r.o., Bratislava, Slovakia <sup>1)</sup>	V	100
NSE Capital Venture GmbH, Munich, Germany <sup>2)</sup>	V	100
CONSULTING CUBE s.r.l., Bologna, Italy <sup>3)</sup>	E	25
KEMP Technologies Inc., New York, USA	E	30

V... Full consolidation

E... Equity method of consolidation

1) 85% of the share is held by BRAIN FORCE SOFTWARE s.r.o., Prague, Czech Republic, 15% by BRAIN FORCE SOFTWARE GmbH, Vienna.

2) The share is held by BRAIN FORCE Software GmbH, Munich, Germany.

3) The share is held by BRAIN FORCE S.p.A., Milan, Italy.

### Methods of consolidation

Consolidation is carried out in accordance with the regulations of IFRS 3. All business combinations are accounted for using the purchase method. The acquisition costs of the shares in the subsidiaries included in consolidation plus costs directly attributable to the acquisition are offset against the proportionate net assets based on the fair values of the assets and liabilities assumed at the time of acquisition or transfer of control.

Identifiable intangible assets are recognised separately and amortized systematically. The remaining goodwill is allocated to the cash-generating unit(s) and is tested for impairment at least annually at this level.

If the fair value of the net assets of the subsidiary acquired exceeds the cost of acquisition, the assets acquired and liabilities and contingent liabilities assumed as well as acquisition costs have to be remeasured and any remaining excess has to be recognised directly in the income statement.

Intragroup receivables and liabilities, income, expenses and any interim results are eliminated.

### Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). All financial statements are presented in the respective local currencies.

The consolidated financial statements are presented in euro, which is the functional currency of the parent company and the presentation currency of the Group.

The differences resulting from the translation of financial statements of consolidated entities are recognised in equity, not affecting net 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. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The financial statements of foreign subsidiaries that have a functional currency different from the presentation currency of the Group 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 the balance sheet date 2008	Rate at the balance sheet date 2007
	1 EUR	1 EUR
CHF Swiss Franc	1.4955	1.6560
GBP British Pound	0.9745	0.7355
CZK Czech Crowns	26.600	26.600
SKK Slovak Crowns	30.126	33.620
USD US Dollar	1.4160	1.4725

### Property, plant and equipment

Property, plant and equipment is 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:

Property, plant and equipment	Useful life
Building investments in non-owned facilities	10 years
IT equipment	3 to 5 years
Office machines	4 to 5 years
Office equipment	5 to 10 years

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

### Maintenance expenses

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

### Leases

Leases in which a significant portion of the risks and rewards of ownership are retained 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

In accordance with IFRS 3, goodwill arising from a business combination shall not be amortized systematically.

Assets accounted for in connection with the allocation of the purchase price are amortized as follows:

- ▶ Trademarks on a straight-line basis over 10 years
- ▶ Product developments on a straight-line basis over 5 years
- ▶ Customer relations on a straight-line basis over 5 to 7 years
- ▶ Orders on hand over the corresponding time required for their processing

Other purchased intangible assets are recognised at cost less amortization calculated according to the straight-line method and based on the estimated useful lives of the assets. As a rule, estimated useful lives of assets are between 3 and 5 years for software, 3 years for licenses and distribution rights, and 10 years for registered trademarks.

If an asset is impaired, the carrying amount is reduced to its recoverable amount. In addition, goodwill shall be tested annually for impairment.

#### **Research and development**

Expenditure on research is recognised as an expense. Development costs, both for bought-in goods and services and also for internal development costs arising from development projects, if they meet the required criteria, are recognised as assets arising from development (other intangible assets) in accordance with IAS 38 to the extent that such expenditure is expected to generate future economic benefits. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalized development costs are amortized on a straight-line basis over the expected useful life of the respective product, currently 3 to 5 years.

#### **Associates**

Investments in associates, i.e. companies in which the Group, directly or indirectly, holds more than 20% of the voting rights or in another way can exercise a significant influence on the operating policies of the associated company, are accounted for using the equity method. Under this method, investments are initially recorded at cost and subsequently adjusted according to the investor's share in the net assets of the associated company. The income statement reflects the investor's share in the results of the associated company.

#### **Financial assets**

In addition to investments, 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-sales securities are subsequently measured at fair value (based on stock prices), with unrealised changes in value being recognised in equity under other reserves.

Investments are also classified as available-for-sale financial assets, they are, however, normally measured at cost, as an active market value does not exist for these companies and the respective fair values cannot be determined reliably at reasonable expense. If there are any indications to a lower fair value, this value will be recognised.

If any indications exist, assets will be tested for impairment. If assets are impaired, the corresponding impairment loss is recognised in profit or loss.

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

#### **Impairment of certain non-current assets**

Property, plant and equipment, goodwill 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 recognised at the lower of cost or net realisable value in accordance with IAS 2. The net realisable 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.

#### **Construction contracts**

The profit from a construction contract is recognised as soon as it can be estimated reliably. The Group uses the percentage-of-completion method to determine the appropriate amount in a period. The stage of completion is shown as the number of hours worked up to the balance sheet date in proportion to all the hours allocated to the project. Losses are recognised at the earliest possible date. Advance payments received are deducted from the receivables from construction contracts. Any negative balance for a construction contract resulting from this will be recognised as a liability from construction contracts.

**Receivables and other assets**

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

Non-current receivables falling due within twelve months after the balance sheet date are recognised 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 December 31, 2008.

**Liabilities**

Liabilities are recognised at cost or at the amount repayable, if different. Borrowings are recognised 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 recognised 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.

**Provisions**

Provisions are recognised, 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 recognised at the amount repayable, discounted to the balance sheet date, if the interest effect resulting from discounting is material.

**Provisions for post-employment benefits**

Provisions for post-employment benefits include long-term obligations for pensions and termination benefits (severance payments) calculated in accordance with actuarial methods pursuant to IAS 19. The present value of the defined benefit obligation = DBO is calculated on the basis of the length of service, the expected development of salary and (in the case of pensions) the pension adjustment. The obligation resulting according to the projected unit credit method is reduced for pensions payable by a multi-employer pension fund by the plan assets of the fund. To the extent that the plan assets do not cover the obligation, the net obligation is recognised as a liability under provisions for pensions.

The expense for the period to be recognised includes service cost, interest cost, and expense or income from the amortization of past service costs and actuarial gains and losses. The calculation of the obligations is based on actuarial assumptions, particularly with regard to the interest rate applicable for discounting, the rate of increase for salaries and pensions, the pensionable age and probabilities concerning labour turnover and the probability of occurrence. The calculation is based on local biometrical data.

The interest rate applied in calculating the present value of defined benefit obligations is based on the average market yield on corporate bonds with the same term to maturity.

Estimated future salary increases are derived from the average salary development of the past years, which is considered realistic for the future.

The deductions for labour turnover and for the probability of occurrence are based on figures for comparable prior periods.

The pensionable age used in the calculation of post-employment benefit obligations is derived from the actual commitments made; severance payments are calculated on the basis of estimated pensionable age.

Actuarial gains and losses are not taken into account unless they exceed the higher of 10% of total obligations or any plan assets (corridor). The amount exceeding the corridor will be taken through profit or loss over the average remaining service period of the active staff and recognised in the balance sheet.

Severance payments relate to obligations under Austrian or Italian law.

Severance payments under Austrian labour law are one-off employee benefits, which have to be paid on an enterprise's decision to terminate an employee's employment and when the employee goes into regular retirement. Their amount is based on the years of service and the amount of remuneration.

Years of service	3	5	10	15	20	25
No. of months remuneration	2	3	4	6	9	12

Since the beginning of 2003, defined contribution plans have been applicable to employees joining an Austrian company. 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 recognised under personnel expenses.

Severance payments under Italian law (TFR) are one-off employee benefits which have to be paid as soon as an employee leaves an enterprise. The amount of the compensation is based on the number of monthly salaries (indexed), whereby a monthly salary (annual salary divided by 13.5) is earned per service year. The employee can receive an advance of up to 70% of the entitlement under certain conditions, e.g. to purchase a home or medical care. As of the financial year 2007, the amounts earned have to be paid to the statutory social security or a provision fund designated by the employee.

### Revenues

Revenue is recognised upon delivery or transfer of risk to the customer, rebates and other discounts are deducted. Sales relating to the rendering of services in accordance with IAS 18 are measured using the percentage-of-completion method.

### Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

### Income taxes

Income taxes are recognised according to the source of tax and are based on the corresponding profit of the financial 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 realised or the deferred income tax liability is settled. Deferred tax liabilities are recognised under non-current liabilities, deferred tax assets under non-current assets.

The most important temporary differences result from the capitalization of development costs and other assets and liabilities identifiable in the allocation of the purchase price under IFRS 3, the depreciation of property, plant and equipment, receivables, provisions for tax purposes, construction contracts and the provisions for post-employment benefit obligations. Deferred taxes relating to tax loss carry-forwards and deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised.

### Fair values

Due to their short-term nature, trade receivables, other receivables and payables and cash and cash equivalents recognised 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

In applying the accounting and measurement principles BRAIN FORCE Group to a certain extent made assumptions about future developments and used estimates with regard to non-current assets, allowances for receivables, provisions and deferred taxes. Actual values may eventually differ from these assumptions and estimates.

**Impairment of goodwill**

The effects of adverse changes of estimates made in the annual impairment test of the interest rate by plus 10% or of the cash flow by minus 10% would not result in an impairment of the recognised goodwill.

**Deferred taxes**

If future taxable income within the plan period defined for the recognition and measurement of deferred taxes fell 10% short of the value assumed at the balance sheet date, the recognised net position of deferred tax assets would probably have to be reduced by EUR 32k (prior year: EUR 347k).

**Provisions for post-employment benefits**

In the BRAIN FORCE Group actuarial gains and losses relating to pensions and severance payments under Austrian law are recognised in the income statement over the average remaining service period considering the corridor rule, in case of severance payments under Italian law immediately at the full amount.

The present value of the obligation depends on a number of factors which are based on actuarial assumptions. The assumptions used in calculating the expenses include the estimated increase in salaries and the interest rate. Any change in these assumptions has effects on the present value of the obligation and on actuarial gains and losses not yet recognised. Applying the corridor method, the amount of actuarial gains and losses outside the corridor has to be allocated in profit or loss over the average remaining service period of the beneficiary. Estimated future salary increases are derived from the average salary development of the past years, which is considered realistic for the future.

The Group calculates the relevant interest rate at the end of each year. This is the interest rate which is used in the calculation of the present value of expected future cash outflows for the payment of the obligation. The calculation of the interest rate is based on the interest rate for corporate bonds of the highest credit standing denominated in the currency in which the services are paid and whose maturities equal those of the pension and severance payment obligations. Further material assumptions are in part based on market conditions.

If the assumptions were based on a discount rate which fell 10 percent short of the estimates made by management, the present value of the obligation for pensions and severance payments would have to be raised by EUR 105k (prior year: EUR 105k).

**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 assets and liabilities, the financial position and result of operations for the following financial year.

## Comments on the Income Statement

### (1) Revenues

Revenues are broken down into the following items:

in EUR	2008	2007
Current services	69,326,440	70,940,432
Construction/service contracts	15,408,860	8,392,666
Products	21,472,402	19,000,159
<b>Revenues</b>	<b>106,207,702</b>	<b>98,333,257</b>

### (2) Types of expenses

For the financial year 2007 the income statement was prepared using the function of expense method. The following presentation shows a breakdown by type of expenses.

in EUR	2008	2007
Increase or decrease in services not yet invoiced	97,768	91,645
Cost of materials and purchased services	35,053,565	33,222,591
Own work capitalized	-1,299,486	-1,317,257
Personnel expenses	49,415,490	49,944,772
Depreciation and amortization	3,961,396	8,383,282
Impairment of goodwill	0	8,645,810
Rents and energy costs	3,725,579	3,446,687
Car expenses	2,514,640	2,612,995
Travel expenses	2,158,630	1,780,047
Advertising and marketing expenses	856,364	1,502,489
Legal, audit and consulting fees	2,092,084	2,839,396
Postage and communication charges	671,930	720,313
Bad debts and allowances for receivables	357,803	531,153
Other expenses	3,457,986	3,143,531
<b>Cost of sales, selling and administrative expenses and other costs</b>	<b>103,063,749</b>	<b>115,547,454</b>

Prior-year depreciation and amortization in the amount of EUR 8,383,282 includes EUR 3,091,475 of impairment.

### (3) Other operating income

Other operating income includes:

in EUR	2008	2007
Cancellation fees and compensations	100,000	0
Income from the deconsolidation of BRAIN FORCE Hamburg GmbH	250,000	0
Other	337,944	531,134
<b>Other operating income</b>	<b>687,944</b>	<b>531,134</b>

**(4) Cost of materials and purchased services**

These expenses are allocated to cost of sales and broken down as follows:

in EUR	2008	2007
Cost of goods sold	4,143,337	4,511,116
Maintenance	889,010	750,630
Licenses	2,320,175	1,796,063
<b>Cost of materials</b>	<b>7,352,522</b>	<b>7,057,809</b>
Subcontractors	27,701,043	26,164,782
<b>Cost of materials and purchased services</b>	<b>35,053,565</b>	<b>33,222,591</b>

**(5) Personnel expenses**

Cost of sales, selling and administrative expenses include the following personnel expenses:

in EUR	2008	2007
Salaries	39,937,239	40,623,175
Expenses for severance payments	715,713	387,585
Expenses for pensions	52,211	36,337
Expenses for statutory social security, payroll- related taxes and mandatory contributions	8,710,327	8,897,675
<b>Personnel expenses</b>	<b>49,415,490</b>	<b>49,944,772</b>

Expenses for severance payments in addition to statutory entitlements (see Note 19) also include contributions payable to the staff provision fund ("Mitarbeitervorsorgekasse") in the amount of EUR 80,558 (prior year: EUR 62,690).

**(6) Financial result**

The financial result is calculated as follows:

in EUR	2008	2007
Income from the disposal of securities	37,491	71,924
Interest and similar expenses	-843,871	-705,044
Write-off of convertible bond	-626,741	0
Net losses from foreign currency translation	-15,133	-80,286
<b>Financial result</b>	<b>-1,448,254</b>	<b>-713,406</b>

**(7) Income taxes**

in EUR	2008	2007
Current tax expense	1,794,119	1,351,005
Deferred tax expense	2,690,424	653,890
<b>Income taxes</b>	<b>4,484,543</b>	<b>2,004,895</b>

The income tax expense for the year is EUR 3,888,632 higher (prior year: EUR 6,482,349 lower) than the calculated income tax expense of EUR 595,911 (prior year: EUR -4,477,454), which would result from applying a tax rate of 25% (prior year: 25%) on the profit before tax, with the tax rate equalling the income tax rate applicable to the parent company. The reasons for the difference between calculated and recognised income tax expenses are as follows:

in EUR	2008	2007
<b>Profit before tax</b>	<b>2,383,643</b>	<b>-17,909,815</b>
thereof 25% = calculated income tax expense	595,911	-4,477,454
Effects of different tax rates in other countries	778,763	273,112
Effects of changes in tax rates	0	794,179
Income not subject to tax	-1,838	-341,813
Expenses not deductible for tax purposes	29,444	804,968
Other permanent differences	-108,609	-2,607
Write-off of deferred tax assets	3,070,729	1,663,914
Utilisation and subsequent capitalization of temporary differences and tax losses not recognised in the year in which they arose	-306,641	-217,065
Tax losses for which no deferred tax assets have been recognised	437,441	3,175,207
<b>Income tax expense – current period</b>	<b>4,555,862</b>	<b>1,672,441</b>
Non-periodic income tax expense/income	-71,319	332,454
<b>Recognised income tax expense/income</b>	<b>4,484,543</b>	<b>2,004,895</b>

## Comments on the Balance Sheet

### (8) 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 1.1.2008	1,380,124	5,089,037	6,469,161
Currency translation differences	0	235	235
Additions	273,183	824,102	1,097,285
Change in consolidated group	-9,634	-189,450	-199,084
Disposals	-10,829	-295,658	-306,487
<b>Acquisition or production costs 31.12.2008</b>	<b>1,632,844</b>	<b>5,428,266</b>	<b>7,061,110</b>
Accumulated depreciation 1.1.2008	688,722	3,452,379	4,141,101
Currency translation differences	0	174	174
Depreciation charge 2008	161,742	710,866	872,608
Change in consolidated group	-3,635	-182,618	-186,253
Disposals	-837	-259,066	-259,903
Accumulated depreciation 31.12.2008	845,992	3,721,735	4,567,727
<b>Carrying amounts 31.12.2008</b>	<b>786,852</b>	<b>1,706,531</b>	<b>2,493,383</b>

in EUR	Building investments in non-owned facilities	Office machines, IT equipment, other office equipment	Total
Acquisition or production costs 1.1.2007	877,568	4,486,243	5,363,811
Currency translation differences	386	366	752
Additions	505,912	825,273	1,331,185
Change in consolidated group	8,323	247,741	256,064
Disposals	-12,065	-470,586	-482,651
<b>Acquisition or production costs 31.12.2007</b>	<b>1,380,124</b>	<b>5,089,037</b>	<b>6,469,161</b>
Accumulated depreciation 1.1.2007	558,969	3,190,774	3,749,743
Currency translation differences	77	348	425
Depreciation charge 2007	132,468	689,072	821,540
Disposals	-2,792	-427,815	-430,607
Accumulated depreciation 31.12.2007	688,722	3,452,379	4,141,101
<b>Carrying amounts 31.12.2007</b>	<b>691,402</b>	<b>1,636,658</b>	<b>2,328,060</b>

**(9) Goodwill**

Goodwill changed as follows:

in EUR	2008	2007
<b>Carrying amount 1.1.</b>	<b>15,861,876</b>	<b>21,304,952</b>
Addition	0	5,576,569
Disposal due to purchase price adjustment	-1,345,305	-2,373,835
Impairment charge	0	-8,645,810
<b>Carrying amount 31.12.</b>	<b>14,516,571</b>	<b>15,861,876</b>

The goodwill at January 1 of the financial year results from past acquisitions of corresponding shares for BRAIN FORCE S.p.A., Milan, Italy (formerly TEMA Studio di Informatica S.p.A.), beusen Solutions GmbH, Berlin, Germany (meanwhile merged with BRAIN FORCE Software GmbH, Munich, Germany), Brain Force Financial Solutions AG, Munich, Germany (formerly NSE Software AG, merged with BRAIN FORCE Software GmbH, Munich, Germany, in the financial year 2006), INDIS S.p.A., Milan, Italy (merged with BRAIN FORCE S.p.A., Milan, Italy, in the financial year 2006), BRAIN FORCE B.V., Veenendaal, Netherlands (formerly VAI B.V.) and BRAIN FORCE Frankfurt GmbH, Langen, Germany (formerly: SYSTEAM Ingenieurbüro für Datenkommunikation und Informatik GmbH, merged with BRAIN FORCE Software GmbH, Munich, Germany, in the financial year).

The addition of the prior year results from the acquisition of SolveDirect.com Internet-Service GmbH, which was merged with BRAIN FORCE SOFTWARE GmbH, Vienna, in the prior year.

The disposal mainly results from the adjustment of the obligation to pay a variable purchase price component regarding BRAIN FORCE B.V. and SolveDirect.com Internet-Service GmbH due to the failure to achieve certain objectives and changes in estimates, respectively.

In the financial year 2008 the impairment tests were performed for the following cash generating units:

in EUR	Allocated goodwill
BRAIN FORCE S.p.A. – Segment SWE, BS division	1,783,670
BRAIN FORCE S.p.A. – Segment SWE, TI division	1,014,887
BRAIN FORCE Software GmbH – Segment DE, BS, Financial Solutions division	1,172,812
BRAIN FORCE B.V. – Segment NE	3,842,616
BRAIN FORCE SOFTWARE GmbH (SolveDirect.com Internet Services GmbH – Segment CEE, TI division)	4,676,009
BRAIN FORCE Frankfurt GmbH (formerly SYSTEAM) – Segment DE, TI-Aviation division	2,026,577
<b>Carrying amount 31.12.2008</b>	<b>14,516,571</b>

The recoverable amount of the cash-generating units was determined based on value-in-use calculations. These value-in-use calculations are based on cash flow projections derived from the 2009 financial budget approved by management and the resulting medium-term planning for the subsequent three years. The material assumptions of the management in the calculation of values in use are the estimated revenues, EBIT margins and discount rates. The calculation was based on an adequate EBIT margin on the basis of the segment performance by region.

Cash flows beyond this four-year period are extrapolated using the estimated growth rates stated below, which do not exceed the long-term average growth rate for the respective business segments. The calculations did not result in a need for impairment.

Key assumptions used to calculate the values in use:

in %	Growth rate	Discount rate before tax	Discount rate after tax
BRAIN FORCE S.p.A. – Segment SWE, BS division	0.0	29.2	10.5
BRAIN FORCE S.p.A. – Segment SWE, TI division	0.0	34.4	10.5
BRAIN FORCE Software GmbH – Segment DE, BS, Financial Solutions division	0.0	12.8	11.5
BRAIN FORCE SOFTWARE GmbH (SolveDirect.com Internet Services GmbH – Segment CEE, TI division)	1.0	13.6	11.1
BRAIN FORCE B.V. – Segment NE	0.0	13.0	10.3
BRAIN FORCE Frankfurt GmbH (formerly SYSTEAM) – Segment DE, TI-Aviation division	0.0	17.0	11.5

The respective discount rates before tax were determined iteratively on the basis of cash flows before taxes, using the value in use. The value in use is calculated by applying discount rates after taxes to cash flows after taxes. The discount rates account for the realisable tax loss carry-forwards. The deviations from the discount rates after taxes are due to the effective tax burden of the respective unit.

The discount rate used was derived from the weighted average cost of capital (WACC), computed according to the capital asset pricing model (CAPM), reflecting the financial structure and market risks associated with the business segments.

#### (10) Other intangible assets

Other intangible assets changed as follows:

in EUR	Development costs	Other	Intangible assets
Acquisition or production costs 1.1.2008	11,561,027	14,937,488	26,498,515
Currency translation differences	0	0	0
Additions	1,299,486	55,899	1,355,385
Change in consolidated group	0	-83,286	-83,286
Disposals	0	0	0
<b>Acquisition or production costs 31.12.2008</b>	<b>12,860,513</b>	<b>14,910,101</b>	<b>27,770,614</b>
Accumulated amortization 1.1.2008	8,250,384	5,183,078	13,433,462
Currency translation differences	0	0	0
Amortization charge 2008	1,690,428	1,398,360	3,088,788
Impairment charge	0	0	0
Disposals	0	-79,917	-79,917
Accumulated amortization 31.12.2008	9,940,812	6,501,521	16,442,333
<b>Carrying amounts 31.12.2008</b>	<b>2,919,701</b>	<b>8,408,580</b>	<b>11,328,281</b>

in EUR	Development costs	Other	Intangible assets
Acquisition or production costs 1.1.2007	10,851,712	6,113,251	16,964,963
Currency translation differences	5,095	4,781	9,876
Additions	1,317,257	172,181	1,489,438
Change in consolidated group	0	8,647,275	8,647,275
Disposals	-613,037	0	-613,037
<b>Acquisition or production costs 31.12.2007</b>	<b>11,561,027</b>	<b>14,937,488</b>	<b>26,498,515</b>
Accumulated amortization 1.1.2007	4,450,785	2,026,802	6,477,587
Currency translation differences	2,498	4,666	7,164
Amortization charge 2007	2,555,132	1,915,135	4,470,267
Impairment charge	1,855,000	1,236,475	3,091,475
Disposals	-613,031	0	-613,031
Accumulated amortization 31.12.2007	8,250,384	5,183,078	13,433,462
<b>Carrying amounts 31.12.2007</b>	<b>3,310,643</b>	<b>9,754,410</b>	<b>13,065,053</b>

In addition to acquired software and rights, the item "other intangible assets" includes other intangible assets, such as trademark rights, distribution rights, orders on hand and customer relations, identified in the allocation of the purchase price in connection with acquisitions under IFRS 3 with a carrying amount of EUR 8,107,573 (prior year: EUR 9,479,884).

### (11) Investments in associates

The investments in associates, which are recognised according to the equity method changed as follows:

in EUR	2008	2007
Carrying amount 1.1.	11,466	536,857
Additions by acquisition	0	0
Dividend payout	0	0
Profit share after taxes	0	-13,063
Elimination of intragroup transactions	0	-12,045
Impairment charge	0	-500,283
Disposals	0	0
<b>Carrying amount 31.12.</b>	<b>11,466</b>	<b>11,466</b>

Based on the available information and assessment of the future development, a need for impairment was established and recognised in the result in the financial year 2007 regarding the share in KEMP Technologies Inc., USA. Thus, the carrying amount of the share in KEMP is EUR 0. The carrying amount of investments in associates reported in these consolidated financial statements relates exclusively to the 25% share in CONSULTING CUBE s.r.l., Italy.

The financial data of the company reported as associate at the balance sheet date are as follows:

in EUR	31.12.2008
Assets	203,704
Liabilities	157,839
Revenues	407,308
Result for the period	12,359

### (12) Financial assets

Financial assets changed as follows:

in EUR	Securities
Carrying amount 1.1.2008	179,781
Disposal	-387
Adjustment to fair value	3,734
<b>Carrying amount 31.12.2008</b>	<b>183,128</b>

The securities are shares in investment funds, which are classified as available for sale and carried at fair value (stock market price at the balance sheet date).

**(13) Deferred taxes**

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

Deferred taxes are calculated as follows:

in EUR	Jan. 1, 2008	Currency translation	Addition due to acquisition	Change in income statement	Dec. 31, 2008
Provisions for post-employment benefits	134,646	0	0	-5,062	129,584
Tax loss carry-forwards	3,471,310	0	0	-3,148,834	322,476
Other	260,966	0	0	22,347	283,313
<b>Deferred tax assets</b>	<b>3,866,922</b>	<b>0</b>	<b>0</b>	<b>-3,131,549</b>	<b>735,373</b>
Development costs and other intangible assets	773,495	0	0	-112,254	661,241
Other non-current assets	2,594,858	6	0	-370,405	2,224,459
Receivables	332,124	0	0	-34,536	297,588
Other	99,726	0	0	15,408	115,134
<b>Deferred tax liabilities</b>	<b>3,800,203</b>	<b>6</b>	<b>0</b>	<b>-501,787</b>	<b>3,298,422</b>

in EUR	Jan. 1, 2007	Currency translation	Addition due to acquisition	Change in income statement	Dec. 31, 2007
Provisions for post-employment benefits	150,786	0	0	-16,139	134,647
Tax loss carry-forwards	5,974,564	-2,374	0	-2,500,880	3,471,310
Other	377,364	0	0	-116,399	260,965
<b>Deferred tax assets</b>	<b>6,502,714</b>	<b>-2,374</b>	<b>0</b>	<b>-2,633,418</b>	<b>3,866,922</b>
Development costs and other intangible assets	2,021,734	0	0	-1,248,238	773,496
Other non-current assets	1,397,709	0	2,157,999	-960,850	2,594,858
Receivables	147,886	0	0	184,238	332,124
Other	54,404	0	0	45,321	99,725
<b>Deferred tax liabilities</b>	<b>3,621,733</b>	<b>0</b>	<b>2,157,999</b>	<b>-1,979,529</b>	<b>3,800,203</b>

Deferred tax assets and deferred tax liabilities are netted and shown in the balance sheet as assets or liabilities provided that the company has an enforceable right to offset actual tax refund claims against actual tax liabilities and that the deferred tax assets and tax liabilities relate to income taxes levied by the same tax authority.

The following amounts were shown in the consolidated balance sheet after netting:

in EUR	2008	2007
Deferred tax assets	50,723	2,628,433
Deferred tax liabilities	-2,613,772	-2,561,714
<b>Carrying amount 31.12.</b>	<b>-2,563,049</b>	<b>66,719</b>

Within the next 12 months a realisation of deferred tax assets is expected in the amount of EUR 198,026 and a settlement of deferred tax liabilities in the amount of EUR 627,433.

Deferred tax assets are recognised for loss carry-forwards to the extent that it is probable that future taxable profit will be available against which they can be utilised. In assessing the probability, estimates are based on the available budgeted figures.

In the financial year 2008 deferred tax assets on loss carry-forwards in the amount of EUR 2,903,834 were written off. The write-off was required due to an amendment of the German Corporate Income Tax Act (Körperschaftsteuergesetz). By the Unternehmensteuerreformgesetz (Corporate Tax Reform Act) 2008 the restrictions on loss deductibility were significantly tightened in Germany. As of the financial year 2008, the regulation provides for restrictions on loss deductibility in case of indirect or direct transfers of shares or voting rights. By the takeover bid of BF Informationstechnologie-Beteiligungsgesellschaft m.b.H., Wels (BFIB) and the subsequent transfer of this company into BEKO HOLDING AG, Nöhagen, the majority of the shares in BRAIN FORCE HOLDING AG were taken over in 2008.

Thus, no deferred tax assets have been recognised in the Group for the following unused tax losses and for deductible differences, respectively:

in EUR	Basis	Deferred tax claim
Tax losses that can be carried forward for an unlimited period of time	28,525,938	7,131,485
Tax losses that can be carried forward for a limited period of time	1,444,218	357,188
Deductible temporary differences	5,013,860	1,253,465
<b>Dec. 31.12.2008</b>	<b>34,984,016</b>	<b>8,742,138</b>

in EUR	Basis	Deferred tax claim
Tax losses that can be carried forward for an unlimited period of time	76,063,992	22,641,840
Deductible temporary differences	5,938,020	1,484,505
<b>Dec. 31.12.2007</b>	<b>82,002,012</b>	<b>24,126,345</b>

The significant decline in loss carry-forwards not recognised is due to the change in the German law, according to which the loss carry-forwards are forfeited in full, if more than 50% of the shares or voting rights are transferred. The amount of deductible differences mainly relates to write-off made in previous years, which have to be allocated for tax purposes on a systematic basis over 7 years.

#### (14) Inventories

Inventories are measured at acquisition or production cost. A write-off to the net realisable value was not necessary in the financial years.

Inventories comprise the following items:

in EUR	Dec. 31, 2008	Dec. 31, 2007
Work in progress	14,443	12,743
Goods for resale	171,344	255,791
<b>Inventories</b>	<b>185,787</b>	<b>268,534</b>

#### (15) Trade receivables

in EUR	Dec. 31, 2008	Dec. 31, 2007
Trade receivables already invoiced	27,344,522	27,184,992
Less allowance for doubtful accounts	-2,386,002	-2,217,338
Trade receivables not yet invoiced	626,362	2,673,303
Receivables from construction/service contracts	1,313,550	527,746
<b>Trade receivables</b>	<b>26,898,432</b>	<b>28,168,703</b>

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

in EUR	Dec. 31, 2008	Dec. 31, 2007
Allowance for doubtful accounts 1.1.	2,217,338	1,843,405
Addition due to acquisition	0	7,230
Utilisation	0	-29,570
Reversal	-244,344	-56,946
Allocation	413,008	453,219
<b>Allowance for doubtful accounts 31.12.</b>	<b>2,386,002</b>	<b>2,217,338</b>

The following trade receivables that were not written off are overdue at the balance sheet date:

in EUR	Dec. 31, 2008	Dec. 31, 2007
Less than 30 days	4,252,389	3,838,657
More than 30 days	3,703,125	3,183,479
<b>Overdue receivables not written off</b>	<b>7,955,514</b>	<b>7,022,136</b>

The total of costs incurred and revenues recognised for projects underway at the balance sheet date amounts to EUR 1,679,386 (prior year: EUR 1,287,455). Prepayments received amount to EUR 587,105 (prior year: EUR 62,336).

#### (16) Other receivables and assets

Other receivables and assets comprise the following items:

in EUR	Dec. 31, 2008	Dec. 31, 2007
Deposits	87,750	84,742
Convertible bond	0	611,208
Other	13,962	54,962
<b>Non-current other receivables and assets</b>	<b>101,712</b>	<b>750,912</b>
Prepayments	51,531	51,057
Revenue authorities	187,209	266,650
Maintenance contracts and other prepaid expenses	910,441	892,354
Other	592,699	428,588
<b>Current other receivables and assets</b>	<b>1,741,880</b>	<b>1,638,649</b>

Simultaneously with the conclusion of the purchase agreement on the acquisition of shares in KEMP Technologies Inc, New York, USA, a convertible bond issued by KEMP in 2005 in the amount of USD 900,000 was underwritten. The bond matures on June 30, 2009 and carries an interest rate of 12%. Due to the economic development of KEMP Technologies Inc., New York, USA, the convertible bond was fully written off.

#### (17) Cash and cash equivalents

Cash and cash equivalents comprise the following:

in EUR	Dec. 31, 2008	Dec. 31, 2007
Cash in hand	10,244	12,991
Cash at bank	8,789,000	9,427,952
<b>Cash and cash equivalents</b>	<b>8,799,244</b>	<b>9,440,943</b>

#### (18) 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 the Company are listed on the Vienna Stock Exchange, after the Company had filed an application for the delisting of the shares of BRAIN FORCE HOLDING AG on the Regulated Market at the Frankfurt Stock Exchange on January 29, 2008, which became effective by resolution after May 13, 2008.

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

The authorisation granted at the annual general meeting on May 9, 2007 for the repurchase of treasury stock ended on November 9, 2008.

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

in EUR	Share capital	Reserves
Balance 1.1.2008	15,386,742	15,260,503
Other changes	0	-15,404
<b>Balance 31.12.2008</b>	<b>15,386,742</b>	<b>15,245,099</b>

in EUR	Share capital	Reserves
Balance 1.1.2007	15,386,742	24,475,470
Used to cover losses	0	-9,162,973
Other changes	0	-51,994
<b>Balance 31.12.2007</b>	<b>15,386,742</b>	<b>15,260,503</b>

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

in EUR	Dec. 31, 2008	Dec. 31, 2007
Fair value reserve for securities	-2,774	-6,508
Reserve for currency translation differences	-288,147	-269,009
<b>Other reserves</b>	<b>-290,921</b>	<b>-275,517</b>

#### (19) Provisions for post-employment benefits

Provisions for post-employment benefits are broken down as follows:

in EUR	Dec. 31, 2008	Dec. 31, 2007
Provisions for pensions	60,806	77,590
Provisions for severance payments	405,815	383,780
Provisions for severance payments (TFR)	1,804,600	2,097,999
<b>Provisions for post-employment benefits</b>	<b>2,271,221</b>	<b>2,559,369</b>

#### Provisions for pensions

Due to individual arrangements, three employees of BRAIN FORCE Software GmbH, Munich, Germany, were promised an additional pension after their retirement. The amount of this pension basically depends on the defined benefit plan.

The amounts recognised for provisions for pensions at the balance sheet dates are computed by actuaries based on the projected unit credit method and are broken down as follows:

in EUR	Dec. 31, 2008	Dec. 31, 2007
Actuarial present value of defined benefit obligation	170,845	199,245
Fair value of plan assets	-164,008	-137,786
	6,837	61,459
Unrecognised actuarial gains/losses	53,969	16,131
<b>Liability in the balance sheet</b>	<b>60,806</b>	<b>77,590</b>

The plan assets pursuant to IAS 19 consist of the insurance cover for the pension commitments pledged in favour of employees. No expected incomes from the plan assets are shown.

The development of the actuarial **present value of the defined benefit obligations** is as follows:

in EUR	2008	2007
Balance 1.1.	199,245	479,615
Current service cost	9,531	14,967
Interest expense	7,057	15,886
Actuarial (gains)/losses	-31,865	-36,030
Plan curtailments/settlements	-13,123	-275,193
<b>Balance 31.12.</b>	<b>170,845</b>	<b>199,245</b>

The development of the **fair value of plan assets** is as follows:

in EUR	2008	2007
Balance 1.1.	137,786	294,969
Actuarial gains/(losses)	6,976	-1,361
Effects of plan curtailments/settlements	0	-214,605
Paid contributions	19,246	58,783
<b>Balance 31.12.</b>	<b>164,008</b>	<b>137,786</b>

The expense/income recognised in the income statement concerning defined benefit obligations comprises the following:

in EUR	2008	2007
Current service cost	9,531	14,967
Interest expense	7,057	15,886
Amortization of actuarial gains	-14,126	0
Effects of plan curtailments/settlements	0	-43,307
<b>Expense/income for defined benefit obligations</b>	<b>2,462</b>	<b>-12,454</b>

The interest expense is recognised in the financial result. Thus the expenses for defined benefit obligations recognised in personnel expenses amount to EUR -4,595 (prior year: EUR -28k).

The basic actuarial assumptions are as follows:

	2008	2007
Interest rate	6%	5.25%
Future salary increases	3%	3%
Future pension increases	2%	2%
Pensionable age	60, 62 years	60, 62 years
Mortality tables – Germany	Heubeck 2005	Heubeck 2005

In addition to defined benefit obligations, fixed contributions are paid to a pension fund for some employees in Austria due to pension commitments; the payments made by the Company are recognised in accordance with IAS 19 as contributions to defined contribution plans.

Pension costs (excluding interest expense) recognised in personnel expenses are broken down as follows:

in EUR	2008	2007
Pension costs – defined benefit plan	-4,595	-28,340
Pension costs – defined contribution plan	56,807	64,677
<b>Pension costs (excluding interest expense)</b>	<b>52,212</b>	<b>36,337</b>

### Provisions for severance payments (Austria)

The amounts of the provisions for severance payments were computed in the same way as the provisions for pensions:

in EUR	Dec. 31, 2008	Dec. 31, 2007
Actuarial present value of defined benefit obligation	315,257	308,750
Unrecognised actuarial gains/losses	90,558	75,030
<b>Liability in the balance sheet</b>	<b>405,815</b>	<b>383,780</b>

The development of the provision recognised in the balance sheet is as follows:

in EUR	2008	2007
Balance 1.1.	383,780	410,030
Change in consolidated group	0	69,274
Expenses for severance payments	46,440	75,460
Payments of severance payments	-24,405	-170,984
<b>Balance 31.12.</b>	<b>405,815</b>	<b>383,780</b>

The expense recognised in the income statement includes the following:

in EUR	2008	2007
Current service cost	33,028	51,769
Interest expense	16,138	21,787
Amortization of actuarial losses	-2,726	1,904
<b>Expenses for severance payments (Austria)</b>	<b>46,440</b>	<b>75,460</b>

The interest expense is recognised in the financial result. Thus the expenses for defined benefit obligations recognised in personnel expenses amount to EUR 30,302 (prior year: EUR 54k).

The basic actuarial assumptions are as follows:

	2008	2007
Interest rate	6%	5.25%
Future salary increases	3%	3%
Average labour turnover	Age-related	Age-related
Pensionable age	According to pension reform 2004	According to pension reform 2004
Mortality tables	AVÖ 1999-P, employees	AVÖ 1999-P, employees

### Provisions for severance payments (TFR – Italy)

In the financial year 2008 the values of provisions for severance payments (TFR - Italy) were computed in the same way as the provisions for pensions. The balance recognised at December 31, 2008 amounting to EUR 1,804,600 corresponds to the actuarial net present value of the obligation for severance payments (defined benefit obligation).

The development of the provision recognised in the balance sheet is as follows:

in EUR	2008	2007
Balance 1.1.	2,097,999	3,322,670
Expenses for severance payments	24,793	-211,957
Payments of severance payments	-318,192	-1,012,714
<b>Balance 31.12.</b>	<b>1,804,600</b>	<b>2,097,999</b>

The expense recognised in the income statement includes the following:

in EUR	2008	2007
Current service cost	0	18,892
Interest expense	104,821	115,932
Income due to plan change	0	-319,707
Recognition of actuarial gains/losses	-80,028	-27,074
<b>Expenses for severance payments (Italy)</b>	<b>24,793</b>	<b>-211,957</b>

The interest expense is recognised in the financial result. Thus, the expenses for defined benefit obligations recognised in personnel expenses amount to EUR 80,028 (prior year: EUR 8,182.08).

The basic actuarial assumptions are as follows:

	2008	2007
Interest rate	6%	5%
Future salary increases	3%	3%
Inflation	2%	2%
Labour turnover	12.5%	12.5%
Pensionable age	65 years	65 years
Mortality tables	ISTAT 2002	ISTAT 2002

## (20) Financial liabilities

in EUR	Dec. 31, 2008	Dec. 31, 2007
<b>Non-current loans</b>	<b>10,975,548</b>	<b>11,308,022</b>
Current loans	263,520	425,500
Bank overdrafts	2,449,636	4,238,967
<b>Current financial liabilities</b>	<b>2,713,156</b>	<b>4,664,467</b>

Non-current financial liabilities include a bonded loan in the amount of EUR 10 million taken out in the financial year 2007. The bullet loan carries an interest rate of 5.17 percent and matures in March 2014.

Interest on other loans is currently charged at 2 to 5.5% and on overdrafts at 4.75 to 8.875% (2007: 5 to 9.5%).

At the balance sheet date, the Group had committed credit lines amounting to a total of EUR 7.0 million.

The fair value of the loans amounts to EUR 11,336,025 at the balance sheet date (prior year: EUR 11,505,166).

## (21) Trade payables

in EUR	Dec. 31, 2008	Dec. 31, 2007
Trade payables already invoiced	6,706,827	6,412,185
Advance payments from customers	74,014	1,391,133
Trade payables not yet invoiced	1,559,632	1,977,530
<b>Trade payables</b>	<b>8,340,473</b>	<b>9,780,848</b>

**(22) Other liabilities**

Other liabilities include the following:

in EUR	Dec. 31, 2008	Dec. 31, 2007
<b>Non-current other liabilities</b>	<b>144,891</b>	<b>73,605</b>
Taxes	2,752,879	2,859,286
Social security payables	1,274,461	1,451,812
Holiday entitlements and overtime payables	1,833,806	1,763,086
Bonuses	1,553,230	933,445
Payroll-accounting	1,327,755	2,021,472
Deferred income from maintenance contracts	2,915,005	2,082,443
Other	1,448,327	1,095,039
<b>Current other liabilities</b>	<b>13,105,463</b>	<b>12,206,583</b>

**(23) Income tax provisions**

Balance Jan. 1, 2008	Utilisation	Allocation/Reversal	Balance Dec. 31, 2008	Balance Dec. 31, 2008
EUR	EUR	EUR	EUR	EUR
762,239	-852,051	0	914,373	824,561

**(24) Other provisions**

in EUR	Balance Jan. 1, 2008	Utilisation	Reclassification	Reversal	Allocation	Delivery	Balance Dec. 31, 2008
Outstanding purchase price obligations from the acquisition of shares	1,469,039	0	-1,469,039	0	0	0	0
Contingent losses	74,854	0	-74,854	0	0	0	0
Other	59,610	-59,610	0	0	0	0	0
<b>Non-current</b>	<b>1,603,503</b>	<b>-59,610</b>	<b>-1,543,893</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Outstanding purchase price obligations from the acquisition of shares	2,334,287	-2,345,671	1,469,039	-1,218,926	0	0	238,729
Rework	0	0	0	0	0	668,675	668,675
Contingent losses	135,351	0	74,854	-175,205	0	0	35,000
Other	87,000	0	0	-87,000	0	230,000	230,000
<b>Current</b>	<b>2,556,638</b>	<b>-2,345,671</b>	<b>1,543,893</b>	<b>-1,481,131</b>	<b>0</b>	<b>898,675</b>	<b>1,172,404</b>

The outstanding purchase price obligations from the acquisition of shares at January 1, 2008 relate to BRAIN FORCE B.V., Veenendaal, Netherlands, and SolveDirect.com Internet-Service GmbH, Vienna, EUR 2,345,671 of which was used and EUR 1,218,926 was reversed against goodwill due to a change in planning assumptions and a failure to achieve certain objectives (earn-out obligations). The residual amount relates solely to BRAIN FORCE B.V., Veenendaal, Netherlands.

## Comments on the Cash Flow Statement

The cash flow statement was prepared using the indirect method.

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

**(25) Cash flow from operating activities**

The cash flow from operating activities, based on the result before taxes adjusted for non-cash expenses/income, after changes of funds tied up in working capital and after deduction of paid interest (netted against interest earned), dividends received and income taxes, illustrates the inflow/outflow of cash and cash equivalents from operating activities.

**(26) 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.

The payments made for acquisitions of companies in 2008 are broken down as follows:

in EUR	2008
Settlement variable purchase price obligation for the acquisition of SolveDirect.com Internet-Service GmbH, Vienna	2,016,600
Settlement variable purchase price obligation BRAIN FORCE B.V. (formerly VAI B.V.), Veenendaal, Netherlands	325,599
Subsequent adjustment of purchase price SYSTEAM	-126,979
<b>Payments made for acquisitions</b>	<b>2,215,220</b>

**(27) Cash flow from financing activities**

This section shows all cash inflows and outflows relating to equity and debt financing.

**(28) Cash and cash equivalents**

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

## Financial Risk Management

The BRAIN FORCE Group is exposed to a variety of financial risks (liquidity risk, credit risk, foreign exchange risk, interest rate risk). The principles of risk management of the BRAIN FORCE Group are determined by the management board and monitored by the supervisory board. The risk strategy is implemented decentrally 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 is controlled centrally under policies set by the management board and is designed to minimize the potential negative effects on the financial position of the Group.

**Liquidity risk**

Liquidity risk refers to the risk that an entity will not have sufficient funds available at any given time to meet its obligations on time. Financial planning is monitored constantly at management level. In addition, detailed analyses and projections are prepared on a quarterly basis. Due to the dynamic nature of the IT industry, the Group aims to maintain flexibility in funding by keeping sufficient credit lines available.

In the financial year 2007 BRAIN FORCE has taken a long-term bonded loan in the amount of EUR 10 million, which matures in 2014 and carries a fixed interest rate of 5.17% per annum. On the part of the financing bank, a measurement was made using an international measurement system at the time the loan was granted, based on the 2005 consolidated financial statements. The measurement is renewed annually. In case the measurement deteriorates more than three notches within one year or falls below a determined notch, the creditors are entitled to terminate the loan agreement. This, however, may only be done on the condition that the termination on the whole is appropriate considering the economic circumstances.

**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 BRAIN FORCE Group depend heavily on individual major customers. In order to be able to minimise 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. The write-offs of receivables and allowances for doubtful accounts recognised in 2008 amount to approx. 1.5% of total receivables.

**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 BRAIN FORCE Group is not exposed to significant foreign exchange risks as part of its operating activities. 99% of its revenues are generated within the Euro zone, the rest in Switzerland, the Czech Republic and Slovakia. On the assets side, the foreign exchange exposure results from trade receivables not denominated in euro of 1% and, on the liabilities side, from trade payables not denominated in euro of less than 1%.

These and other foreign currency positions are not hedged by derivative financial instruments, because the risk was considered insignificant at the balance sheet date. Thus, any further sensitivity analysis is considered unnecessary.

#### **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 financial year 2008 financial liabilities accounted for 21% of the balance sheet total. The major part of financial liabilities is accounted for by the long-term bonded loan in the amount of EUR 10 million taken in 2007, which basically carries a fixed interest rate that can only be adjusted in case of a significant change in the credit standing (see liquidity risk). Short-term financial liabilities accounted for 4% of the balance sheet total and mostly carried variable interest rates.

The income and operating cash flows of the BRAIN FORCE Group are largely affected by changes in market interest rates. Cash and cash equivalents are invested on a short-term basis and only into asset-backed instruments of business partners with excellent credit standing.

#### **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, and maintaining an optimal capital structure, in order to reduce capital costs. BRAIN FORCE is not subject to statutory capital requirements. The equity ratio amounts to 36% at the balance sheet date (prior year: 35%).

#### **Derivative financial instruments**

In the financial year 2008 the Group did not use any derivative financial instruments.

Embedded derivative financial instruments exist, if the economic characteristics and risks of the derivative are not closely related to those of the underlying transaction, a derivative financial instrument concluded on the same terms had to be recognised separately and the hybrid financial instrument is not measured at fair value through profit or loss.

The present case of an embedded derivative financial instrument with the BRAIN FORCE Group is a call option for BRAIN FORCE which is related to the KEMP convertible bond. The underlying transaction is an original financial instrument which is available for sale, however, as it is not listed on the stock exchange and as an active market does not exist, it is measured at amortized cost. If they can be determined reliably, derivative financial instruments are segregated from the respective underlying transaction, measured separately at fair values and recognised in profit or loss.

#### **Fair values**

Due to their short-term nature, trade receivables, other receivables and payables and cash and cash equivalents recognised 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.

## Other Disclosures

### (29) Segment information

At BRAIN FORCE the business segments of primary segment reporting are structured by region. Revenues, EBITDA and EBIT as well as of assets and liabilities are allocated according to the corporate domicile of the entities to the following regions:

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

The following business segments are defined for the secondary reporting:

- ▶ Professional Services
- ▶ Business Solutions
- ▶ Technology & Infrastructure

The Professional Services segment offers the experience and know-how of its IT and telecommunications specialists in the form of temporary consulting and service assignments. Such assignments cover all project phases from planning over realisation, test and integration to the actual operation. The scope of the services offered includes: consulting, programming, infrastructure, integration, migration, rollout, operation, support und maintenance.

The Business Solutions segment provides optimized solutions for critical business processes in the following areas: Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Corporate Performance Management/Business Intelligence (CPM/BI) and Financial Services Solutions.

The Technology & Infrastructure segment (also referred to as Infrastructure Optimization) provides solutions for better manageable and more efficient IT infrastructure in the following areas: Server and Data Management, Workspace Management, Application Provisioning and Control, Communication and Collaboration as well as IT Service Management and Network Management & Billing.

### Primary segments (geographical segments)

The ratios for the financial year 2008 and the prior year are presented following the income statement.

### Secondary segments (business segments)

Business Segment Reporting 2008 in EUR	Professional Services	Business Solutions	Technology & Infrastructure	Holding and Other	Group
Revenues (consolidated)	26,197,510	38,213,841	41,796,351	0	106,207,702
Assets	6,227,688	24,334,438	30,541,093	5,207,388	66,310,607
Capital expenditure	185,413	990,187	1,182,083	94,987	2,452,670

Business Segment Reporting 2007 in EUR	Professional Services	Business Solutions	Technology & Infrastructure	Holding and Other	Group
Revenues (consolidated)	26,152,450	38,162,068	34,018,739	0,00	98,333,257
Assets	13,536,814	17,258,681	38,183,663	5,363,252	74,342,410
Capital expenditure	348,939	1,008,525	15,900,007	43,061	17,300,532

### (30) Earnings per share

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

in EUR	2008	2007
Profit after tax attributable to the equity holders of the parent company	-2,100,900	-19,914,710
Weighted average number of ordinary shares (basic and diluted)	15,386,742	15,386,742
<b>Earnings per share (in EUR)</b>	<b>-0.14</b>	<b>-1.29</b>

The consolidated financial statements of the Company will be dealt with in the supervisory board meeting on March 26, 2009. 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 party transactions**

The major shareholders and the management and supervisory board members of BRAIN FORCE HOLDING AG as well as associates are considered related parties.

Remunerations paid to members of the management board for the financial year 2008 amounted to EUR 592,692, the variable portion of which was EUR 147,692 (prior year: EUR 632,851, variable portion of which EUR 0). These remunerations include the entitlements of members of the management board earned in 2008 and recognised in the income statement. In the 2007 consolidated financial statements the remunerations paid out in the respective year were reported. The prior year figure was adjusted accordingly.

In addition, expenses for severance payments (contributions to staff provision funds) and pensions for members of the management board in the amount of EUR 6,758 (prior year: EUR -443) were expensed as incurred.

In the financial year 2008 remunerations paid to members of the supervisory board amounting to EUR 70,067 (prior year: EUR 66,600) were recognised in the income statement.

Neither were any loans granted to nor guarantees given for the benefit of members of the management and supervisory board.

By purchase and transfer agreement dated July 6, 2007 BRAIN FORCE HOLDING AG took over all shares in SolveDirect.com Internet-Service GmbH, Vienna. The purchase price was partly paid in BRAIN FORCE shares, which pursuant to the purchase and transfer agreement are subject to a gradual lockup.

In a supplemental agreement dated July 6, 2007, concluded between the sellers and BRAIN FORCE HOLDING AG, BRAIN FORCE HOLDING AG – provided that certain conditions are met – agrees to the transfer of the shares subject to the lockup to march.sixteen Finance Services LLP, London, Great Britain (M16).

In a separate agreement between the sellers and M16 the sellers undertake to assign 7.5% of the purchase price that the sellers receive from BRAIN FORCE HOLDING AG for the transfer of the shares in SolveDirect.com Internet-Service GmbH to M16, abandoning existing framework agreements. The 7.5% bonus arrangement is paid by the sellers to M16 provided that the purchase price is paid by BRAIN FORCE HOLDING AG to the existing shareholders, thus split into a fixed purchase price, earn-out 2007 and earn-out 2008. In the financial year 2008 the earn-out 2007, based on the 2007 EBITDA pursuant to UGB (Austrian Commercial Code), of SolveDirect.com Internet-Service GmbH was paid out. Since the SolveDirect segment did not achieve the objectives defined in the purchase agreement for the financial year 2008, no earn-out 2008 will be payable.

The former supervisory board member Christian Wolff is shareholder and general manager of M16.

In the financial year 2005 BRAIN FORCE HOLDING AG subscribed a convertible bond issued by the associate KEMP Technologies Inc., New York, USA, in the amount of USD 900,000. This convertible bond carries an interest rate of 12%. The financial result earned in the financial year 2007 before elimination of intragroup transactions is EUR 76,271 (USD 108,000) (prior year: EUR 73,345 (USD 108,000)).

### **(32) Share-based compensation**

Currently, a share-based compensation plan for employees of 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.

**(33) Financial instruments**

The financial instruments listed in the balance sheet are securities, investments, cash and cash equivalents including bank accounts, 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	2008	2007
<b>Financial assets available for sale</b>	<b>183,128</b>	<b>179,781</b>
Trade receivables	26,898,432	28,168,703
Other receivables and assets	754,996	1,193,316
Cash and cash equivalents	8,799,244	9,440,943
<b>Loans and receivables</b>	<b>36,452,672</b>	<b>38,802,962</b>
Financial liabilities	13,688,704	15,972,489
Trade payables	8,266,459	8,389,559
Other liabilities	6,163,118	5,886,647
<b>Liabilities recognised at (amortized) cost</b>	<b>28,118,281</b>	<b>30,248,694</b>

The carrying amounts and cash flows of the financial liabilities with a remaining maturity of more than one year are as follows.

Carrying amounts in EUR	2008	2007
Non-current financial liabilities	10,975,548	11,308,022
Current portion	263,520	425,500
<b>Financial liabilities due in &gt;1 year</b>	<b>11,239,068</b>	<b>11,733,522</b>

Cash flows in EUR	2008		2007
2009 Redemption	263,520	2008 Redemption	425,500
2009 Interest	566,957	2008 Interest	596,116
2010 Redemption	256,520	2009 Redemption	439,562
2010 Interest	552,106	2009 Interest	572,774
2011 Redemption	409,956	2010 Redemption	482,383
2011 Interest	531,785	2010 Interest	548,053
2012 Redemption	365,000	2011 Redemption	452,716
2012 Interest	520,438	2011 Interest	525,820
2013 Redemption	0	2012 Redemption	0
2013 Interest	517,000	2012 Interest	517,000
after 2013 Redemption	9,944,073	after 2012 Redemption	9,933,361
after 2013 Interest	114,889	after 2012 Interest	631,889

Financial instruments were recognised in the income statement with the following net results:

in EUR	2008	2007
<b>Write-offs of and allowances for trade receivables Operating result, net</b>	<b>357,803</b>	<b>531,153</b>
Financial assets available for sale	45,060	72,994
Loans and receivables	-343,529	233,758
Liabilities recognised at (amortized) cost	-1,021,769	-1,020,158
<b>Financial result, net</b>	<b>-1,320,238</b>	<b>-713,406</b>

**(34) Commitments from leasing transactions**

Operating lease commitments or rents in EUR	2008	2007
Not later than one year	3,809,032	3,678,766
Later than 1 and not later than 5 years	10,427,760	8,163,414
Later than 5 years	3,529,113	4,790,428

**(35) Employees**

	Average		At Dec. 31	
	2008	2007	2008	2007
Number of employees (salaried)	846	854	816	863

**(36) Events after the balance sheet date**

On March 3, 2009 the management board of BRAIN FORCE HOLDING AG was informed by the Vienna Stock Exchange that the shares of the Company would be removed from the Prime Market Segment of the Vienna Stock Exchange as of March 23, 2009. The Vienna Stock Exchange justified its decision exclusively on the grounds that BRAIN FORCE does not fulfill the criterion of minimum free float market capitalization. As of March 23, 2009 the ordinary shares of BRAIN FORCE HOLDING AG will be traded in the Standard Market Continuous of the Vienna Stock Exchange.

**(37) Authorisation for issue**

These consolidated financial statements were prepared, signed and authorised 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 the consolidated financial statements, will be submitted to the supervisory board for review and regarding the separate financial statements also for adoption on March 26, 2009. The supervisory board and, in case of submittal to the general meeting, the shareholders can change these separate financial statements in a way which might also affect the presentation of the consolidated financial statements.

**(38) Members of the management board and supervisory board**

The following persons served on the management board in the financial year 2008:

- ▶ Günter Pridt, Vienna, Chairman; individual power of representation
- ▶ Thomas Melzer, individual power of representation since April 1, 2008

The following persons served on the supervisory board in the financial year 2008:

- ▶ Dr. Christoph Senft, Angerberg, Chairman
- ▶ Friedrich Roithner, Linz (since May 28, 2008), Deputy Chairman
- ▶ Josef Blazicek, Perchtoldsdorf (since May 28, 2008)
- ▶ Wolfgang M. Hickel, Vienna
- ▶ Dr. Michael Hofer, Vöcklabruck (since May 28, 2008)
- ▶ Peter Kotauczek, Breitenbrunn am Neusiedler See
- ▶ Stefan Pierer, Wels (since May 28, 2008)
  
- ▶ Christian Schamburek, Brunn am Gebirge (until May 27, 2008)
- ▶ Christian Wolff, Switzerland (until May 27, 2008)

Vienna, March 11, 2009

The Management Board:

  
Günter Pridt

  
Thomas Melzer

The auditor's report below also contains a statement on the group management report, the individual parts of which are presented in the annual report in various sections. The sections concerned of the annual report are marked with an \*. The auditor's report below relates to the consolidated financial statements and all parts of the group management report as a whole.

## Auditor's Report (Report of the independent auditor)

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BRAIN FORCE HOLDING AG, Vienna, for the financial year from January 1 to December 31, 2008. These consolidated financial statements comprise the consolidated balance sheet as at December 31, 2008, the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the year ended December 31, 2008, and a summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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

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 in accordance with International Standards on Auditing (ISA), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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. Based on the results of our audit in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as of December 31, 2008 and of its financial performance and its cash flows for the financial year from January 1 to December 31, 2008 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

**Report on the Group Management Report**

Laws and regulations applicable in Austria require us to perform audit procedures whether the group management report is consistent with the consolidated financial statements and whether the other disclosures made in the group management report do not give rise to misconception of the position of the group.

In our opinion, the group management report is consistent with the consolidated financial statements.

Vienna, March 11, 2009

PwC INTER-TREUHAND GmbH  
Wirtschaftsprüfungs- und  
Steuerberatungsgesellschaft

signed:



Mag. Dr. Aslan Milla  
Wirtschaftsprüfer

# Service

## Locations

### Germany

BRAIN FORCE Software GmbH  
 Wilhelm-Wagenfeld-Strasse 30  
 80807 Munich  
 Phone: +49 89 74 833 0  
 Fax: +49 89 74 833 920  
 kontakt@brainforce.com  
 http://www.brainforce.de

BRAIN FORCE Software GmbH  
 Ohmstrasse 12  
 63225 Langen bei Frankfurt  
 Phone: +49 6103 906 767  
 Fax: +49 6103 906 789  
 kontakt@brainforce.com  
 http://www.brainforce.de

BRAIN FORCE Software GmbH  
 Im Mediapark 4d  
 50670 Cologne  
 Phone: +49 221 160 20 0  
 Fax: +49 221 160 20 13  
 kontakt@brainforce.com  
 http://www.brainforce.de

BRAIN FORCE Software GmbH  
 Landsberger Allee 117a  
 10407 Berlin  
 Phone: +49 30 54 99 32 0  
 Fax: +49 30 54 99 32 921  
 kontakt@brainforce.com  
 http://www.brainforce.de

### Italy

BRAIN FORCE S.p.A.  
 Via Alessandro Volta, 16  
 20093 Milan – Cologno Monzese  
 Phone: +39 02 231 621  
 Fax: +39 02 273 009 01  
 info@brainforce.it  
 http://www.brainforce.it

BRAIN FORCE S.p.A.  
 Via Francesco Gentile, 135  
 00173 Rome  
 Phone: +39 0672 910 119  
 Fax: +39 0672 159 74  
 info@brainforce.it  
 http://www.brainforce.it

BRAIN FORCE S.p.A.  
 Via Ticino, 26  
 35030 Padua – Sarmeola di Rubano  
 Phone: +39 049 897 680 0  
 Fax: +39 049 897 538 4  
 info@brainforce.it  
 http://www.brainforce.it

### Netherlands

BRAIN FORCE B.V.  
 Kantorenpark de Vendel  
 Vendelier 69  
 3905 PD Veenendaal  
 Phone: +31 318 560 360  
 Fax: +31 318 560 370  
 info@brainforce.nl  
 http://www.brainforce.nl

### Austria

BRAIN FORCE HOLDING AG  
 Karl-Farkas-Gasse 22 / 4. OG  
 1030 Vienna  
 Phone: +43 1 263 09 09 0  
 Fax: +43 1 263 09 09 40  
 info@brainforce.com  
 http://www.brainforce.com

BRAIN FORCE SOFTWARE GmbH  
 Karl-Farkas-Gasse 22 / 2. OG  
 1030 Vienna  
 Phone: +43 1 5 99 51 0  
 Fax: +43 1 5 99 51 13  
 info@brainforce.com  
 http://www.brainforce.at

### Switzerland

BFS BRAIN FORCE SOFTWARE AG  
 Balsberg  
 8058 Zurich  
 Phone: +41 43 813 3310  
 Fax: +41 43 813 3312  
 info-ch@brainforce.com  
 http://www.brainforce.ch

### Czech Republic

BRAIN FORCE SOFTWARE s.r.o.  
 Malá Štěpánská 1929  
 120 00 Prague 2  
 Phone: + 420 296 331 111  
 Fax: + 420 296 331 112  
 info@brainforce.cz  
 http://www.brainforce.cz

### Slovakia

BRAIN FORCE SOFTWARE s.r.o.  
 Chorvatska 1  
 811 00 Bratislava 1  
 Phone: +420 224 817 424 - 6  
 Fax: +420 224 817 427  
 info@brainforce.cz  
 http://www.brainforce.cz

# Glossary

**Acquisitions:** Expenditures involved in purchasing a company or equity stake

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

**Body leasing:** Recruitment and provisioning of IT experts

**BRAIN FORCE Abgeltungssteuer Plus:** Consulting solution to optimize pension benefits in accordance with the German tax reform law

**BRAIN FORCE Basisrente direkt:** Consulting solution to calculate pension benefits

**BRAIN FORCE Desktop Manager:** Solution for the fully automated administration of configurations, applications and user profiles

**BRAIN FORCE Finanzanalyse Center:** Integrated analysis solution enabling financial consulting of private and corporate customers

**BRAIN FORCE FINAS Suite:** Front office solutions for financial service providers

**BRAIN FORCE ICT Suite:** Comprehensive solution for the documentation and organization of ICT networks

**BRAIN FORCE Net Organizer:** Documentation and organization of ICT infrastructure

**BRAIN FORCE Packaging Robot:** Solution from best practice methodologies and software tools for automated software packaging

**BRAIN FORCE Vorsorgeoptimierung:** Consulting solution to determine gaps in pension benefits

**BRAIN FORCE Wohnriester:** Consulting solution to make use of public subsidies

**Business solutions:** Application solutions and services to support business processes

**Capital employed:** Equity and interest-bearing debt (incl. Group balances) less liquid funds and financial assets = the entire interest-bearing capital applied in the company

**Capital expenditure:** Additions to property, plant and equipment and intangible assets

**Cash flow:** Earnings 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.

**DAX:** "Deutscher Aktien Index", the benchmark index of the German Stock Exchange

**Deferred taxes:** Temporary differences between the tax bases and the IFRS balance sheet lead to deferred taxes

**Depreciation and amortization:** Value which must be generated annually to have sufficient funds at the end of the useful life of assets to finance replacement investments

**Do once approach:** Area-wide sales organization with centralized product development

**DSO:** "Days Sales Outstanding"

**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 margin:** EBITDA in relation to revenues

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

**EPS:** Earnings per share = Profit after tax divided by the weighted number of shares less treasury stock

**Equity method:** Valuation method in Group accounting for equity stakes of between 20% and 50%

**FFO:** "Funds from operations" = Gross cash flow

**Free cash flow:** Cash flow from operating activities less cash flow from investing activities plus acquisitions; indicating the liquid funds generated in a given financial year which are available for dividends, expansion projects, loan repayments or share buybacks

**Gearing:** Ratio of net debt to equity

**Goodwill:** Positive difference between the acquisition price and the net worth of a company

**IFRS:** International Financial Reporting Standards

**Infrastructure Optimization:** Solutions enabling companies to achieve a more manageable and efficient IT infrastructure

**Interest cover:** Ratio of EBITDA to the net interest result, showing how often the operating result of a company can pay for the interest expense

**ICT:** Information and communication technology

**Jupiter:** Asset management solution for banks

**Managed Services:** Adoption of IT processes by customers

**Microsoft Dynamics:** Business solutions developed by Microsoft especially for medium-sized companies

**Net debt:** Balance of financial liabilities less cash and cash equivalents

**OTC:** Over-the-counter trading among financial market participants outside of the organized market

**Payroll Services:** Adoption of personnel and salary administration services

**P/E ratio:** price-earnings ratio, the yardstick underlying the valuation of a share on the capital market

**Professional Services:** Services from the fields of Business Solutions and Infrastructure Solutions complemented by IT recruiting

**Rebecca:** Solution for credit processing

**SD.cube ML:** Central application for all internal and external IT service processes

**TECDAX:** German share index for technology companies

**Treasury:** Corporate function designed to secure financing, manage financial risk and the cash management of the Group

**Visual Space:** Software for the resource planning of small and medium-sized enterprises

**VMware ThinApp:** Software for the virtualization of application programs

**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:** Current assets excl. cash - current liabilities excl. financial liabilities

# Statement of all Legal Representatives according Article 82 (4) Austrian Stock Exchange Act

The members of the Management Board confirm to best of their knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards. The group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

The members of the Management Board confirm to the best of their knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, March 11, 2009

The Management Board:

  
Günter Pridt  
Chairman

  
Thomas Melzer  
Deputy Chairman

# Jahresabschluss

zum 31. Dezember 2008 nach UGB  
der BRAIN FORCE HOLDING AG, Wien

## Inhalte

- 1 Bilanz
- 2 Gewinn- und Verlustrechnung
- 3 Anhang
- 4 Lagebericht
- 5 Bestätigungsvermerk

## Bilanz zum 31. Dezember 2008

## Aktiva

## Passiva

	31.12.2008	31.12.2007		31.12.2008	31.12.2007
	EUR	TEUR		EUR	TEUR
<b>A. Anlagevermögen</b>			<b>A. Eigenkapital</b>		
I. Immaterielle Vermögensgegenstände			I. Grundkapital	15.386.742,00	15.387
Software und Markenrechte	62.693,18	153	II. Kapitalrücklagen		
II. Sachanlagen			gebundene	19.568.310,46	19.568
1. Bauten auf fremdem Grund	58.343,40	3	III. Bilanzgewinn, davon Gewinnvortrag EUR 0	530.420,87	0
2. andere Anlagen, Betriebs- und Geschäftsausstattung	64.374,86	95	(Vorjahr: TEUR 2.188)		
	122.718,26	98		35.485.473,33	34.955
III. Finanzanlagen			<b>B. Rückstellungen</b>		
1. Anteile an verbundenen Unternehmen	43.394.538,74	44.740	1. Rückstellungen für Abfertigungen	49.232,00	48
2. Beteiligungen	0,00	0	2. sonstige Rückstellungen	904.091,78	4.380
3. Ausleihungen an Unternehmen, mit denen ein				953.323,78	4.428
Beteiligungsverhältnis besteht	0,00	609	<b>C. Verbindlichkeiten</b>		
4. Wertpapiere des Anlagevermögens	32.748,00	33	1. Verbindlichkeiten gegenüber Kreditinstituten	11.058.848,95	10.511
	43.427.286,74	45.382	2. Verbindlichkeiten aus Lieferungen und Leistungen	238.210,21	112
	43.612.698,18	45.633	3. Verbindlichkeiten gegenüber verbundenen Unternehmen	656.838,71	469
<b>B. Umlaufvermögen</b>			4. sonstige Verbindlichkeiten,	470.234,10	282
I. Forderungen und sonstige Vermögensgegenstände			davon aus Steuern EUR 35.526,72 (Vorjahr: TEUR 50),		
1. Forderungen gegenüber verbundenen Unternehmen	4.852.888,61	3.100	davon im Rahmen der sozialen Sicherheit EUR 13.615,69		
2. sonstige Forderungen und Vermögensgegenstände	242.462,49	150	(Vorjahr: TEUR 17)		
	5.095.351,10	3.250		12.424.131,97	11.374
II. Kassenbestand, Guthaben bei Kreditinstituten	58.045,29	1.734			
	5.153.396,39	4.984			
<b>C. Rechnungsabgrenzungsposten</b>	96.834,51	140			
	48.862.929,08	50.757		48.862.929,08	50.757
			<b>Eventualverbindlichkeiten</b>	1.225.145,24	1.409

## Gewinn- und Verlustrechnung für das Geschäftsjahr 2008

	2008	2007
	EUR	TEUR
1. Umsatzerlöse	3.172.663,22	921
2. sonstige betriebliche Erträge		
a) Erträge aus der Auflösung von Rückstellungen	0,00	80
b) übrige	515.282,87	365
	515.282,87	445
3. Personalaufwand		
a) Gehälter	-1.224.273,91	-1.273
b) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen	-13.325,78	-28
c) Aufwendungen für Altersversorgung	-4.834,66	-5
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-170.386,82	-233
e) sonstige Sozialaufwendungen	-1.104,48	1
	-1.413.925,65	-1.538
4. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-130.598,85	-132
5. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Z 13 fallen	-13.872,37	-32
b) übrige	-2.782.997,22	-3.850
	-2.796.869,59	-3.882
<b>6. Zwischensumme aus Z 1 bis 5 (Betriebsergebnis)</b>	-653.448,00	-4.186
7. Erträge aus Beteiligungen an verbundenen Unternehmen	2.000.000,00	0
8. sonstige Zinsen und ähnliche Erträge, davon aus verbundenen Unternehmen EUR 112.460,85 (Vorjahr: TEUR 136)	251.031,02	368
9. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens, davon	-609.380,70	-6.959
a) Abschreibungen EUR 609.120 (Vorjahr: TEUR 6.892)		
b) Aufwendungen aus verbundenen Unternehmen EUR 0 (Vorjahr TEUR 6.251)		
10. Zinsen und ähnliche Aufwendungen	-627.287,19	-601
<b>11. Zwischensumme aus Z 7 bis 10 (Finanzergebnis)</b>	1.014.363,13	-7.192
<b>12. Ergebnis der gewöhnlichen Geschäftstätigkeit</b>	360.915,13	-11.378
13. Steuern vom Einkommen und vom Ertrag, davon Steuerumlage an Gruppenmitglied EUR 169.505,74 (Vorjahr: TEUR 108)	169.505,74	-108
<b>14. Jahresüberschuss/-fehlbetrag</b>	530.420,87	-11.486
15. Auflösung von Kapitalrücklagen	0,00	9.163
16. Auflösung von Gewinnrücklagen	0,00	135
<b>17. Jahresgewinn/-verlust</b>	530.420,87	-2.188
18. Gewinnvortrag aus dem Vorjahr	0,00	2.188
<b>19. Bilanzgewinn</b>	530.420,87	0

## **Anhang für das Geschäftsjahr 2008**

### **A. Bilanzierungs- und Bewertungsmethoden**

#### **Allgemeine Grundsätze**

Auf den vorliegenden Jahresabschluss zum 31. Dezember 2008 wurden die Rechnungslegungsbestimmungen des Unternehmensgesetzbuches in der geltenden Fassung angewandt.

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und Bilanzierung sowie unter Beachtung der Generalnorm, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln, aufgestellt.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei der Bewertung der einzelnen Vermögensgegenstände und Schulden wurde der Grundsatz der Einzelbewertung beachtet und eine Fortführung des Unternehmens unterstellt.

Dem Vorsichtsprinzip wurde dadurch Rechnung getragen, dass nur die am Abschlussstichtag verwirklichten Gewinne ausgewiesen werden. Alle erkennbaren Risiken und drohenden Verluste wurden berücksichtigt.

Die Gewinn- und Verlustrechnung wird nach dem Gesamtkostenverfahren erstellt.

#### **Anlagevermögen**

Die Bewertung der ausschließlich entgeltlich erworbenen **immateriellen Vermögensgegenstände** erfolgt zu Anschaffungskosten, vermindert um die der voraussichtlichen wirtschaftlichen Nutzungsdauer entsprechenden planmäßigen Abschreibungen. Die planmäßigen Abschreibungen werden linear vorgenommen.

Die **Sachanlagen** werden zu Anschaffungs- oder Herstellungskosten, vermindert um die planmäßigen Abschreibungen bewertet. Die planmäßigen Abschreibungen werden entsprechend der voraussichtlichen Nutzungsdauer linear vorgenommen.

Für Zugänge während der ersten Hälfte des Geschäftsjahres wird die volle Jahresabschreibung, für Zugänge während der zweiten Hälfte des Geschäftsjahres die halbe Jahresabschreibung verrechnet.

**Geringwertige Vermögensgegenstände** des Anlagevermögens mit Einzelanschaffungswerten von bis zu EUR 400 werden im Zugangsjahr voll abgeschrieben und im Anlagenspiegel als Zugang und Abgang dargestellt.

Die **Finanzanlagen** sind mit den Anschaffungskosten bzw. bei wesentlicher Wertminderung mit den niedrigeren Börsenkursen bzw. dem niedrigeren beizulegenden Wert zum Bilanzstichtag bewertet.

## Umlaufvermögen

Die **Forderungen und sonstigen Vermögensgegenstände** sind zum Nennwert bewertet, soweit nicht im Fall erkennbarer Risiken erforderliche Einzelwertberichtigungen vorgenommen werden und der niedrigere beizulegende Wert angesetzt wird.

Forderungen in Fremdwährung werden mit dem Entstehungskurs oder mit dem für die Bilanzierung niedrigeren Stichtagskurs bewertet.

**Kassenbestand und Guthaben bei Kreditinstituten** werden zum Nennwert bewertet. Auf Fremdwährung lautende Guthaben bei Kreditinstituten werden mit dem Entstehungskurs oder dem niedrigeren Kurs zum Bilanzstichtag bilanziert.

## Rückstellungen

Die Rückstellungen werden unter Bedachtnahme auf den Grundsatz der unternehmerischen Vorsicht in Höhe des voraussichtlichen Anfalls gebildet.

Die Bilanzierung der **Rückstellungen für Abfertigungen** nach versicherungsmathematischen Grundsätzen erfolgt gemäß den Richtlinien der „International Financial Reporting Standards“ (IFRS) nach der sogenannten „Methode der laufenden Einmalprämien“ nach IAS 19.

Die Berechnung erfolgt auf Basis eines Rechnungszinssatzes von 6% (Vorjahr: 5,25%) und einer wie im Vorjahr 3%-igen Gehaltssteigerung. Für die Berechnung der Rückstellungen wurden die Rechnungsgrundlagen AVÖ 2008-P verwendet. Das Pensionseintrittsalter wurde bei den Rückstellungen für Abfertigungen gemäß Pensionsreform 2004 angesetzt. Die Annahmen für die Fluktuation erfolgten auf Basis von Erfahrungswerten.

Auf Basis der getroffenen versicherungsmathematischen Annahmen wurde der Barwert der leistungsorientierten zukünftigen Verpflichtungen errechnet. Im Rahmen der Bewertung und Erfassung der Rückstellung sieht IAS 19 vor, dass im Rahmen der Bewertung aufgetretene versicherungsmathematische Gewinne oder Verluste nicht berücksichtigt werden müssen, soweit der Gesamtbetrag der versicherungsmathematischen Gewinne oder Verluste 10% (= Korridor) des Barwertes der Verpflichtung nicht übersteigt. Übersteigt der Betrag der nicht angesetzten versicherungsmathematischen Gewinne oder Verluste den Korridor, so ist der übersteigende Betrag erfolgswirksam verteilt über die Restdienstzeit der aktiven Dienstnehmer zu buchen.

Die Anwendung der Korridormethode gemäß IAS 19 führte bei den Rückstellungen für Abfertigungen zu im Bilanzansatz nicht berücksichtigten versicherungsmathematischen Gewinnen in Höhe von EUR 32.459 (Vorjahr: EUR 33.124).

## Verbindlichkeiten

Die Bewertung der **Verbindlichkeiten** erfolgte mit dem Rückzahlungsbetrag unter Bedachtnahme auf den Grundsatz der Vorsicht.

Fremdwährungsverbindlichkeiten wurden mit dem Entstehungskurs oder mit dem höheren Kurs zum Bilanzstichtag angesetzt.

**B. Erläuterungen zu Posten der Bilanz****A k t i v a****Anlagevermögen**

Entwicklung des Anlagevermögens:

	Anschaffungs-/Herstellungskosten				kumulierte Abschrei- bungen	Restbuchwerte		Abschreibungen des laufenden Geschäftsjahres
	Stand 1.1.2008	Zugänge	Abgänge	Stand 31.12.2008		Stand 31.12.2008	Stand 31.12.2007	
	EUR	EUR	EUR	EUR		EUR	EUR	
<b>I. Immaterielle Vermögensgegenstände</b>								
Software und Markenrechte	471.490,63	4.020,00	0,00	475.510,63	412.817,45	62.693,18	152.890,97	94.217,79
<b>II. Sachanlagen</b>								
1. Bauten auf fremdem Grund	2.920,00	66.252,72	10.829,32	58.343,40	0,00	58.343,40	2.774,00	1.082,93
2. andere Anlagen, Betriebs- und Geschäftsausstattung *)	332.922,79	24.714,00	66.654,33	290.982,46	226.607,60	64.374,86	95.389,68	35.298,13
	335.842,79	90.966,72	77.483,65	349.325,86	226.607,60	122.718,26	98.163,68	36.381,06
<b>III. Finanzanlagen</b>								
1. Anteile an verbundenen Unternehmen	63.524.748,07	0,00	1.345.304,94	62.179.443,13	18.784.904,39	43.394.538,74	44.739.843,68	0,00
2. Beteiligungen	583.278,65	0,00	0,00	583.278,65	583.278,65	0,00	0,00	0,00
3. Ausleihungen an Unternehmen, mit denen ein Beteiligungsverhältnis besteht	751.590,00	0,00	0,00	751.590,00	751.590,00	0,00	609.120,00	609.120,00
4. Wertpapiere des Anlagevermögens	35.405,28	0,00	380,70	35.024,58	2.276,58	32.748,00	33.128,70	0,00
	64.895.022,00	0,00	1.345.685,64	63.549.336,36	20.122.049,62	43.427.286,74	45.382.092,38	609.120,00
	65.702.355,42	94.986,72	1.423.169,29	64.374.172,85	20.761.474,67	43.612.698,18	45.633.147,03	739.718,85

\*) davon geringwertige Vermögensgegenstände  
gemäß § 13 EStG

6.587,90      6.587,90

6.587,90

### Immaterielle Vermögensgegenstände

Bei den immateriellen Vermögensgegenständen werden als Nutzungsdauern im Falle von Markenrechten 10 Jahre bzw. bei Software 4 - 5 Jahre angenommen.

Im Geschäftsjahr wurden keine immateriellen Vermögensgegenstände von verbundenen Unternehmen erworben (Vorjahr: keine).

### Sachanlagen

Den linear vorgenommenen Abschreibungen liegen folgende Nutzungsdauern zugrunde:

	Jahre
EDV-Anlagen	3 - 5
Büromaschinen	4 - 5
sonstige Büroeinrichtung	4 - 10

### Finanzanlagen

Im Bereich der **Anteile an verbundenen Unternehmen** setzen sich die Abgänge in Höhe von EUR 1.345.304,94 (Vorjahr: TEUR 2.389) wie folgt zusammen:

	31.12.2008 EUR
Anpassung der Anschaffungskosten der BRAIN FORCE B.V. (vormals VAI B.V.) Veenendaal, Niederlande	318.366,00
Anpassung der Anschaffungskosten der SolveDirect.com Internet-Service GmbH, Wien (im Geschäftsjahr 2007 verschmolzen mit der BRAIN FORCE SOFTWARE GmbH, Wien)	900.560,00
Anpassung der Anschaffungskosten der BRAIN FORCE Frankfurt GmbH (vormals SYSTEAM Ingenieurbüro für Datenkommunikation und Informatik GmbH) (im Geschäftsjahr 2008 verschmolzen mit der BRAIN FORCE Software GmbH, München, Deutschland)	126.378,94
	<u>1.345.304,94</u>

Die Anpassungen der Anschaffungskosten der BRAIN FORCE B.V. und der SolveDirect.com Internet-Service GmbH erfolgten aufgrund nicht erreichter Ziele bzw. geänderter Einschätzungen und der damit zusammenhängenden Reduktion der variablen Kaufpreisverpflichtungen. Die Anpassung der BRAIN FORCE Frankfurt GmbH resultiert aus einer Haftungsinanspruchnahme der Alteigentümer und der darauf folgenden anteiligen Rückzahlung.

Im Geschäftsjahr 2007 wurde im Posten **Beteiligungen** der 30%-Anteil an der KEMP Technologies Inc., New York, USA, aufgrund einer eingetretenen Wertminderung vollständig abgeschrieben.

Die **Ausleihungen** beinhalten die im Geschäftsjahr 2005 von der KEMP Technologies Inc. ausgegebene Wandelanleihe in Höhe von USD 900.000. Die Anleihe hat eine Laufzeit bis 30. Juni 2009 und ist mit 12 % verzinst. Aufgrund der wirtschaftlichen Entwicklung und der schwierigen Rahmenbedingungen in den USA wird die Rückzahlung durch die KEMP Technologies Inc. am 30. Juni 2009 als unsicher betrachtet und zu 100 % abgeschrieben.

## **Umlaufvermögen**

### **Forderungen und sonstige Vermögensgegenstände**

In den Forderungen und sonstigen Vermögensgegenständen sind Forderungen in Höhe von EUR 815.074,63 (Vorjahr: TEUR 1.142) enthalten, die eine Restlaufzeit von mehr als einem Jahr aufweisen.

Die Forderungen gegenüber verbundenen Unternehmen bestehen in Höhe von EUR 2.379.908,45 (Vorjahr: TEUR 362) aus Darlehen sowie aus einer Forderung in Höhe von EUR 900.000 (Vorjahr: TEUR 1.642) aus unbaren Entnahmen im Rahmen eines Umgründungsvorganges. Die restlichen Forderungen betreffen Lieferungen und Leistungen in Höhe von EUR 1.497.813,98 (Vorjahr: TEUR 1.096) sowie eine Forderung aus Steuerumlage in Höhe von EUR 75.166,18 (Vorjahr: TEUR 0).

In den sonstigen Forderungen sind Erträge in Höhe von EUR 175.151,04 (Vorjahr: TEUR 73) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

## **P a s s i v a**

### **Eigenkapital**

#### **Grundkapital**

Das Grundkapital beträgt zum Bilanzstichtag EUR 15.386.742 und ist in 15.386.742 nennwertlose Stückaktien, welche auf Inhaber lauten, aufgeteilt.

Die Aktien der Gesellschaft notieren an der Wiener Börse.

Die Gesellschaft hat am 29. Jänner 2008 einen Antrag auf Widerruf der Zulassung der Aktien der BRAIN FORCE HOLDING AG zum regulierten Markt an der Frankfurter Wertpapierbörse gestellt, welcher aufgrund eines Beschlusses mit Ablauf des 13. Mai 2008 wirksam wurde.

Das genehmigte Kapital beträgt zum Bilanzstichtag EUR 7.693.371 (Vorjahr: TEUR 7.693).

Das Grundkapital und die Kapitalrücklagen sind gegenüber dem Vorjahr unverändert.

Die in der ordentlichen Hauptversammlung vom 9. Mai 2007 erteilte Genehmigung zum Rückkauf von eigenen Aktien endete am 9. November 2008.

### Rückstellungen

Die **sonstigen Rückstellungen** enthalten folgende Posten:

	31.12.2008 EUR	31.12.2007 TEUR
nicht konsumierte Urlaube	23.813,42	22
Prämien	193.825,00	14
Wirtschaftsprüfung und Beratung	109.275,00	337
offene Kaufpreisverpflichtungen aus Anteilerwerb	238.729,00	3.803
übrige	<u>338.449,36</u>	<u>204</u>
	<u>904.091,78</u>	<u>4.380</u>

### Verbindlichkeiten

Am 6. März 2007 wurde ein endfälliges Darlehen über EUR 10 Mio. aufgenommen, welches am 20. März 2014 zurückzuführen ist.

Die restlichen Verbindlichkeiten haben eine Restlaufzeit von weniger als einem Jahr.

Die Verbindlichkeiten gegenüber verbundenen Unternehmen resultieren aus Lieferungen und Leistungen in Höhe von EUR 656.838,71 (Vorjahr: TEUR 469, davon TEUR 94 aus Steuerumlage).

In den sonstigen Verbindlichkeiten sind Aufwendungen in Höhe von EUR 470.234,10 (Vorjahr: TEUR 282) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

## C. Erläuterungen zu Posten der Gewinn- und Verlustrechnung

### Umsatzerlöse

Im Geschäftsjahr 2008 wurden Umsatzerlöse aus Dienstleistungen und aus der Verrechnung von Markenlizenzentgelten an Beteiligungsunternehmen erzielt.

Von den Umsatzerlösen in Höhe von EUR 3.172.663,22 (Vorjahr: TEUR 921) wurden EUR 458.089,86 (Vorjahr: TEUR 124) im Inland erwirtschaftet. Weitere EUR 2.705.498,85 (Vorjahr: TEUR 793) wurden in übrigen Ländern der Europäischen Union bzw. EUR 9.074,51 (Vorjahr: TEUR 4) in Nicht-EU-Ländern erzielt.

## Steuern vom Einkommen und vom Ertrag

Die Gesellschaft ist Gruppenträger einer Unternehmensgruppe nach § 9 KStG und hat mit dem Gruppenmitglied, der BRAIN FORCE SOFTWARE GmbH, Wien, einen Steuerumlagevertrag geschlossen. Die auf Basis der Belastungsmethode ermittelte Steuerumlage für das Geschäftsjahr 2008 sieht eine Belastung an das Gruppenmitglied in Höhe von EUR 169.505,74 (Vorjahr: Erstattung von TEUR 108) vor.

Der in der steuerlichen Gruppe aufgrund der zeitlichen Differenzen gemäß § 198 Abs. 10 UGB aktivierbare Betrag beträgt ohne Berücksichtigung des steuerlich entstandenen Verlustes bzw. der voraussichtlichen Nutzbarkeit EUR 1.312.405 (Vorjahr: TEUR 1.584) und resultiert vorwiegend aus der unterschiedlichen Behandlung von außerplanmäßigen Abschreibungen auf Beteiligungen.

## D. Sonstige Angaben

### Beteiligungsverhältnisse

Name/Sitz	Anteil am Kapital	Eigenkapital zum 31.12.2008	Jahresergebnis
	%	EUR	EUR
BRAIN FORCE SOFTWARE GmbH, Wien	100	2.805.180	419.446
BRAIN FORCE Software GmbH, München, Deutschland <sup>1)</sup>	100	5.680.312	2.046.587
BRAIN FORCE S.p.A., Mailand, Italien	100	1.785.428	164.233
BFS Brain Force Software AG, Kloten, Schweiz <sup>2)</sup>	100	-1.803	69.879
BRAIN FORCE B.V. (vormals VAI B.V.), Veenendaal, Niederlande	100	2.178.570	269.655
BRAIN FORCE Network Solutions B.V., Veenendaal, Niederlande	100	-255.493	1.190
BRAIN FORCE SOFTWARE s.r.o., Prag, Tschechien <sup>2)</sup>	100	200.930	62.454
KEMP Technologies Inc., New York, USA <sup>3)</sup>	30	32.763	-81.385

<sup>1)</sup> inkl. der im Geschäftsjahr 2008 verschmolzenen BRAIN FORCE Frankfurt GmbH (vormals SYSTEAM Ingenieurbüro für Datenkommunikation und Informatik GmbH), Langen, Deutschland

<sup>2)</sup> Dabei handelt es sich um vorläufige Zahlen zum Jahresabschluss 2008.

<sup>3)</sup> Dabei handelt es sich um Zahlen zum 31. Dezember 2007.

### Beziehungen zu verbundenen Unternehmen

Verbundene Unternehmen im Sinne des § 228 Abs. 3 UGB sind alle Unternehmen, die zum Konzern der CROSS Industries AG, Wels, gehören. Geschäfte mit diesen Gesellschaften werden wie mit unabhängigen Dritten abgewickelt.

### **Konsolidierungskreis**

Die BRAIN FORCE HOLDING AG, Wien, ist mehrheitlich im Besitz der BEKO HOLDING AG, Nöhagen. Die oberste Konzerngesellschaft ist die CROSS Industries AG mit Sitz in Wels.

### **Haftungsverhältnisse**

Mit der BFS Brain Force Software AG, Kloten, Schweiz, wurde eine Rangrücktrittsvereinbarung basierend auf Forderungen der BRAIN FORCE HOLDING AG abgeschlossen. Der Umfang des vom Rangrücktritt erfassten Betrages ist EUR 83.849,99. Eine Begleichung der Forderung durch die BFS Brain Force Software AG, Kloten, Schweiz, ist nach Schweizer Recht erst möglich, wenn keine Besorgnis der Überschuldung mehr vorliegt.

Weiters hat die BRAIN FORCE HOLDING AG gegenüber der Deutsche Bank AG, München, Deutschland, eine unwiderrufliche und unbedingte Zahlungsgarantie für eine Finanzierungsverbindlichkeit der BRAIN FORCE Software GmbH, München, Deutschland, in Höhe von EUR 750.000 übernommen.

Gegenüber der Volksbank Dreieich eG hat die BRAIN FORCE HOLDING AG eine selbstschuldnerische Bürgschaft zur Sicherung der bestehenden Forderungen der Bank gegenüber der BRAIN FORCE Software GmbH, München, Deutschland, übernommen. Zum 31. Dezember 2008 beträgt die Forderung der Volksbank Dreieich eG EUR 391.295,25 (Vorjahr: TEUR 548).

### **Sonstige finanzielle Verpflichtungen**

Finanzielle Verpflichtungen der Gesellschaft aus der Nutzung von in der Bilanz nicht ausgewiesenen Sachanlagen des folgenden Geschäftsjahres betragen EUR 443.633,06 (Vorjahr: TEUR 495) und der Gesamtbetrag der folgenden fünf Jahre beläuft sich auf insgesamt EUR 2.057.450,44 (Vorjahr: TEUR 2.365).

### **Pflichtangaben über Organe und Arbeitnehmer**

Die durchschnittliche Zahl der Arbeitnehmer (= Angestellte) betrug im Geschäftsjahr 2008 9 Personen (Vorjahr: 11).

### **Eingeräumte Aktienoptionen**

Derzeit besteht kein Mitarbeiterbeteiligungsprogramm in der BRAIN FORCE HOLDING AG.

### **Aufwendungen für Abfertigungen und Pensionen**

Die Aufwendungen für Abfertigungen und Pensionen für Vorstandsmitglieder und leitende Angestellte im Sinne des § 80 AktG betragen EUR 9.755 (Vorjahr: TEUR 0) und für andere Arbeitnehmer EUR 8.405 (Vorjahr: TEUR 47). Von den Gesamtaufwendungen sind EUR 783 (Vorjahr: TEUR 14) unter dem Posten „Zinsen und ähnliche Aufwendungen“ ausgewiesen.

Der Posten „Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiter-vorsorgekassen“ enthält Aufwendungen für Abfertigungen in Höhe von EUR 385 (Vorjahr: TEUR 17).

### **Gesamtbezüge des Vorstandes und des Aufsichtsrates**

Die Bezüge der Vorstandsmitglieder für das Geschäftsjahr 2008 betragen EUR 592.692 (Vorjahr: TEUR 633, davon TEUR 44 von verbundenen Unternehmen). Die angegebenen Bezüge beinhalten die im Jahr 2008 erworbenen und im Aufwand erfassten Ansprüche der Vorstandsmitglieder. Im Jahresabschluss 2007 wurden die im jeweiligen Jahr ausbezahlten Bezüge berichtet. Der Vorjahreswert wurde entsprechend angepasst.

In den Bezügen sind variable Anteile in Höhe von EUR 147.692 (Vorjahr: TEUR 0) enthalten.

Im Geschäftsjahr 2008 wurden Vergütungen an Aufsichtsratsmitglieder in Höhe von EUR 70.067 (Vorjahr: TEUR 67) aufwandsmäßig erfasst.

### **Mitglieder des Vorstandes und des Aufsichtsrates**

Im Geschäftsjahr 2008 waren folgende Personen als **Vorstand** tätig:

Günter Pridt, Wien, Vorsitzender, vertritt selbständig  
Mag. Thomas Melzer, vertritt seit 1. April 2008 selbständig

Im Geschäftsjahr 2008 waren folgende Personen als **Aufsichtsrat** tätig:

Dr. Christoph Senft, Angerberg, Vorsitzender  
Mag. Friedrich Roithner, Linz (seit 28. Mai 2008), Vorsitzender-Stellvertreter  
Josef Blazicek, Perchtoldsdorf (seit 28. Mai 2008)  
Mag. Wolfgang M. Hickel, Wien  
Dr. Michael Hofer, Vöcklabruck (seit 28. Mai 2008)  
Prof. Ing. Peter Kotauczek, Breitenbrunn am Neusiedler See  
Dipl. Ing. Stefan Pierer, Wels (seit 28. Mai 2008)

Mag. Christian Schamburek, Brunn am Gebirge (bis 27. Mai 2008)  
Christian Wolff, Schweiz (bis 27. Mai 2008)

Wien, den 11. März 2009

Der Vorstand:

gez.:

Günter Pridt

gez.:

Thomas Melzer

## **BRAIN FORCE HOLDING AG, Wien**

### **Lagebericht 2008**

#### **Bericht über die wirtschaftliche Lage und den Geschäftsverlauf**

##### **Wirtschaftliche Lage**

Die wirtschaftlichen Rahmenbedingungen 2008 waren in den Märkten, in denen BRAIN FORCE tätig ist, weitgehend zufriedenstellend. Erste Anzeichen der Wirtschaftskrise waren in der zweiten Jahreshälfte zu spüren.

Die Europäische Kommission rechnet aufgrund der Wirtschafts- und Finanzkrise für 2009 mit einer deutlichen Konjunkturabschwächung. Das Wachstum des Bruttoinlandsproduktes (BIP) in der Europäischen Union soll im laufenden Jahr um 1,8% zurückgehen – eine Entwicklung die sich auch in den wichtigsten BRAIN FORCE Landesgesellschaften widerspiegeln wird. So wird aktuell mit einem Rückgang des BIP in Österreich um 1,2%, in Deutschland um 2,3% sowie in Italien und den Niederlanden um jeweils 2% gerechnet. Noch erwartet die Kommission europaweit eine leichte Erholung gegen Jahresende, so dass 2010 bereits wieder ein Anstieg von 0,5% im BIP vorhergesagt ist. Die Maßnahmen zur Stabilisierung der Finanzmärkte, die Lockerung der Geldpolitik und die zahlreichen Konjunkturprogramme sollen dafür sorgen, die wirtschaftliche Situation in der Europäischen Union zu unterstützen und die schrittweise Erholung in der zweiten Jahreshälfte einzuläuten – eine Einschätzung, die das BRAIN FORCE Management nicht teilt und sich daher auf eine bis ins Jahr 2010 sehr schwache Konjunktorentwicklung einstellt.

In Deutschland musste der Hightech-Verband BITKOM seine Umsatzerwartungen für 2009 nach unten korrigieren. Nach einem erwarteten Anstieg von 1,2% in 2008 wird der Markt für Informationstechnik, Telekommunikation und digitale Unerhaltungselektronik nach den jüngsten Einschätzungen im laufenden Jahr mit einem Volumen von 144,6 Mrd. € auf Vorjahresniveau bleiben. Im Bereich der Informationstechnik sieht die BITKOM-Prognose für 2009 jedoch einen Zuwachs von 1,5% auf 67 Mrd. € vor. Getragen wird das Wachstum im IT-Sektor von den Anbietern von Software und IT-Services, denen im Jahr 2009 ein Zuwachs um 3,1% auf 48,5 Mrd. € zugetraut wird.

In Italien rechnet die IT-Branche für 2009 mit einem Umsatzrückgang. Besser sieht es jedoch im Software-Umfeld aus, wo das Niveau des Vorjahres gehalten werden soll. In Österreich wird gemäß Marktanalysten ein Wachstum von 4,2% erwartet, in den Niederlanden eines von 1,1%, wobei im Bereich Software sogar mit einem Plus von 5% und im Bereich Services mit einem Zuwachs von 4% gerechnet wird.

Vor diesem Hintergrund ist der Geschäftsverlauf der BRAIN FORCE HOLDING AG zu sehen, die als Mutterunternehmen zahlreicher verbundener Unternehmen im Euroraum agiert. Diese Einschätzungen von Experten für die IT-Branche in den Ländern Deutschland, Österreich, Italien und den Niederlanden sind nach Ansicht des BRAIN FORCE Managements zu optimistisch und wir gehen aktuell in allen unseren Märkten von leichten Rückgängen der IT-Ausgaben in 2009 aus. Frühestens im Laufe des Jahres 2010 erwartet BRAIN FORCE wieder ein Anziehen der Umsätze im IT-Umfeld, bis dahin werden sich die Investitionen der Kunden auf Lösungen zur Optimierung ihrer IT-Infrastruktur fokussieren – Services, die BRAIN FORCE in allen Ländern anbietet.

## Geschäftsverlauf

### Ertragslage

Unternehmensgegenstand der BRAIN FORCE HOLDING AG ist unter anderem der Erwerb, das Halten, die Verwaltung und die Verwertung von Beteiligungen, die geschäftsführende Verwaltung dieser Unternehmen und die Erbringung von entgeltlichen Dienstleistungen sowie die Verwaltung und Verwertung von Patenten, Lizenzen und Urheberrechten. Die entgeltlich erbrachten Dienstleistungen gegenüber den Beteiligungsunternehmen und die ab dem Geschäftsjahr 2008 verrechneten Markenlizenzentgelte werden in den Umsatzerlösen ausgewiesen.

Die nachfolgende Aufstellung zeigt die Aufgliederung der wesentlichen Posten der Gewinn- und Verlustrechnung:

	2008	2007
	TEUR	TEUR
Umsatzerlöse	3.173	921
Sonstige betriebliche Erträge	515	445
Personalaufwand	-1.414	-1.538
Sonstige betriebliche Aufwendungen	-2.797	-3.882
Beteiligungsergebnis	2.000	-6.819
Sonstiges Finanzergebnis	-985	-373
Auflösung von Kapitalrücklagen	0	9.163

Die Umsatzerlöse beinhalten Dienstleistungserträge und Markenlizenzentgelte gegenüber Beteiligungsunternehmen. Der Anstieg gegenüber dem Vorjahr resultiert aus den ab 2008 verrechneten Markenlizenzentgelten.

Die sonstigen betrieblichen Erträge beinhalten im Wesentlichen die Weiterverrechnung von Sachkosten an Konzerngesellschaften.

Der Personalaufwand des Geschäftsjahres 2008 reduzierte sich um 8% auf TEUR 1.414, was auf die Reduktion der durchschnittlichen Mitarbeiteranzahl von 11 auf 9 zurückzuführen ist.

Die sonstigen betrieblichen Aufwendungen verringerten sich um TEUR 1.085 auf TEUR 2.797. Dabei reduzierten sich insbesondere die Werbeaufwendungen durch das Einstellen der Sponsoringaktivitäten. Zusätzlich reduzierten sich im Wesentlichen die Reisekosten, die Kosten für Personalsuche sowie die Rechts- und Beratungskosten. Einen Anstieg zeigen die Mietaufwendungen.

Das Beteiligungsergebnis des Geschäftsjahres 2008 beinhaltet eine Gewinnausschüttung der BRAIN FORCE Software GmbH, Deutschland.

Das sonstige Finanzergebnis beinhaltet den Zinsensaldo in Höhe von TEUR -376 (Vorjahr: TEUR -233) sowie die Abschreibung der Wandelanleihe der KEMP Technologies Inc. (US\$ 900.000). Das Finanzergebnis der BRAIN FORCE HOLDING AG beträgt TEUR +1.015 (Vorjahr: TEUR -7.192).

Im Geschäftsjahr 2008 konnte ein Jahresüberschuss in Höhe von TEUR 531 (Vorjahr: Jahresfehlbetrag TEUR -11.486) erwirtschaftet werden.

Durch die Anzahl der im In- und Ausland gehaltenen Beteiligungen stellt die Einbeziehung der wirtschaftlichen Lage dieser Unternehmen einen wesentlichen Leistungsindikator der BRAIN FORCE HOLDING AG dar. Nachfolgende Aufstellung zeigt aussagekräftige Kennzahlen auf Ebene der Muttergesellschaft:

	2008	2007	Änderung
	TEUR	TEUR	in %
Konzernumsatz	106.208	98.333	+8
Konzern-EBITDA	7.793	346	>100
Konzern-EBIT	3.832	-16.683	>100
Konzernergebnis vor Steuern	2.384	-17.910	>100
Konzernergebnis nach Steuern	-2.101	-19.915	+89

Der Konzern konnte im Jahr 2008 die operativen Kennzahlen und die Bilanzstruktur deutlich verbessern. Zusätzlich konnte ein sehr starker operativer Cash-flow erwirtschaftet werden, wodurch die Nettoverschuldung um 25% von 6,53 Mio. € auf 4,89 Mio. € reduziert werden konnte.

Trotz der guten operativen Performance aller Konzerngesellschaften musste in 2008 ein negatives Nettoergebnis von -2,10 Mio. € ausgewiesen werden. Dies ist auf zwei nicht wiederkehrende Effekte zurückzuführen: die Abschreibung (-0,61 Mio. €) der vom früheren Vorstand gezeichneten Wandelanleihe, ausgegeben von der KEMP Technologies Inc., New York, USA, und die Abschreibung von latenten Steueransprüchen (-2,90 Mio. €) durch eine Änderung des deutschen Körperschaftsteuerrechts.

### **Vermögens- und Finanzlage, Kapitalstruktur**

Die Bilanzsumme der BRAIN FORCE HOLDING AG reduzierte sich im Vorjahresvergleich um 4% auf TEUR 48.863 (Vorjahr: TEUR 50.757).

Die nachfolgende Aufstellung zeigt die wesentlichen Bilanzposten:

	31.12.2008	31.12.2007	Veränderung
	TEUR	TEUR	in %
<b>AKTIVA</b>			
Immaterielle Vermögensgegenstände und Sachanlagen	186	251	-26
Finanzanlagen	43.427	45.382	-4
Forderungen gegenüber verbundenen Unternehmen	4.853	3.100	+57
Kassenbestand, Guthaben bei Kreditinstituten	58	1.734	-97
<b>PASSIVA</b>			
Eigenkapital	35.486	34.955	+2
Rückstellungen	953	4.428	-78
Verbindlichkeiten gegenüber Kreditinstituten	11.059	10.511	+5
Verbindlichkeiten aus Lieferungen und Leistungen	238	112	>100
Verbindlichkeiten gegenüber verbundenen Unternehmen	657	469	+40

Der Rückgang der Finanzanlagen um TEUR 1.955 resultiert überwiegend aus der erfolgsneutralen Anpassung der Anschaffungskosten der Beteiligungen an der BRAIN FORCE B.V., Niederlande, und an der SolveDirect.com Internet-Service GmbH (im Geschäftsjahr 2007 verschmolzen mit der BRAIN FORCE SOFTWARE GmbH, Wien). Die Anpassungen wurden aufgrund geänderter Verpflichtungen zur Leistung der variablen Kaufpreisanteile vorgenommen. Zusätzlich reduzierten sich die Finanzanlagen durch die Abschreibung der Wandelanleihe der KEMP Technologies Inc.

Die Forderungen gegenüber verbundenen Unternehmen erhöhten sich vorrangig durch konzerninterne Finanzierungsaktivitäten.

Der Rückgang der liquiden Mittel zeigt die Verwendung für den konzerninternen Liquiditätsausgleich.

Das Eigenkapital erhöhte sich um 2% auf TEUR 35.486, was einer Eigenkapitalquote von 73% (Vorjahr: 69%) entspricht.

Die Rückstellungen reduzierten sich um TEUR 3.475 auf TEUR 953. Im Wesentlichen ist der Rückgang auf die Bezahlung von Kaufpreisverpflichtungen aus Anteilserwerben in Höhe von TEUR 2.342 zurückzuführen. Aufgrund der Anpassungen der erwarteten Kaufpreisverpflichtungen erfolgten ergebnisneutrale Auflösungen in Höhe von TEUR 1.219.

Die Finanzlage ist durch folgende Netto-Geldflüsse gekennzeichnet:

	2008	2007
	TEUR	TEUR
Netto-Geldfluss aus laufender Geschäftstätigkeit	1.322	30
Netto-Geldfluss aus Investitionstätigkeit	-3.546	-9.754
Netto-Geldfluss aus Finanzierungstätigkeit	548	8.682
Veränderung Kassenbestand und liquide Mittel	-1.676	-1.042
Finanzmittelbestand zum 31.12.	58	1.734

Vorrangig durch die Verrechnung der Markenlizenzentgelte verbesserte sich das Jahresergebnis und damit verbunden der Zufluss aus laufender Geschäftstätigkeit.

Von wesentlicher Relevanz ist der Geldfluss aus Investitionstätigkeit. Dieser zeigt im Geschäftsjahr 2008 Auszahlungen für Finanzanlagen und sonstige Finanzinvestitionen in Höhe von TEUR 4.255 (Vorjahr: TEUR 10.711). Demgegenüber stehen Einzahlungen aus Finanzanlagenabgang und sonstigen Finanzinvestitionen in Höhe von TEUR 804 (Vorjahr: TEUR 999). Die Investitionen für immaterielle Vermögensgegenstände und Sachanlagen betragen TEUR 95 (Vorjahr: TEUR 42).

Der Geldfluss aus Finanzierungstätigkeit zeigt die Erhöhung der Finanzverbindlichkeiten um TEUR 548 (Vorjahr: TEUR 8.682).

Als kapitalmarktorientiertes Unternehmen werden in weiterer Folge relevante Börsenkennzahlen dargestellt:

		2008	2007
Höchstkurs	in €	2,58	3,46
Tiefstkurs	in €	1,01	1,76
Ultimokurs	in €	1,89	1,92
Ultimo Börsenkapitalisierung	in Mio. €	29,08	29,54
Durchschnittlicher Börseumsatz/Tag	in Tsd. €	36,67	98,05

Wertpapierkennnummer (ISIN): AT0000820659

Börsenkürzel: BFC

### **Forschung und Entwicklung**

Die BRAIN FORCE HOLDING AG hat im abgelaufenen Geschäftsjahr keine Forschung und Entwicklung getätigt.

### **Zweigniederlassungen**

Die Gesellschaft verfügt über keine Zweigniederlassungen.

### **Ereignisse von besonderer Bedeutung nach dem Bilanzstichtag**

Der Vorstand der BRAIN FORCE HOLDING AG wurde am 3. März 2009 von der Wiener Börse AG informiert, dass die Aktien des Unternehmens per 23. März 2009 aus dem Prime Market Segment der Wiener Börse ausscheiden. Die Wiener Börse begründete diese Entscheidung ausschließlich damit, dass BRAIN FORCE das Kriterium der Mindestkapitalisierung des Streubesitzes nicht mehr erfüllt. Ab 23. März 2009 werden die Stammaktien der BRAIN FORCE HOLDING AG daher im Standard Market Continuous der Wiener Börse gehandelt.

### **Voraussichtliche Entwicklung des Unternehmens**

Nach dem überaus erfolgreichen Geschäftsjahr 2008 stellt sich BRAIN FORCE in 2009 auf ein wirtschaftlich schwieriges Marktumfeld ein. Trotz laufender Senkung der von Experten getroffenen Einschätzungen scheinen diese aus heutiger Sicht ein zu positives Bild zu zeichnen. BRAIN FORCE bereitet sich daher durch weitere Restrukturierungsmaßnahmen auf Umsatzrückgänge in allen Landesgesellschaften vor und wird konsequent die Kosten optimieren.

Eine seriöse Aussage zu Umsatz- und Ergebnisentwicklung halten wir aktuell für unmöglich. Das Unternehmen ist jedoch gut aufgestellt und hat derzeit keinen Finanzierungsengpass. Der klare Fokus des BRAIN FORCE Managements für 2009 lautet „Optimierung des operativen Cash-flows“. Erklärtes Ziel ist es, auch 2009 ein positives operatives Ergebnis zu erzielen und das Unternehmen langfristig auf Wachstum auszurichten.

### **Angaben gemäß § 243a UGB**

1. Das Grundkapital setzt sich aus 15.386.742 nennwertlosen Stückaktien, welche auf Inhaber lauten, zusammen. Das Grundkapital wurde voll einbezahlt.
2. § 13 Abs. 2 der Satzung der BRAIN FORCE HOLDING AG enthält folgende Regelung: „Hält ein Aktionär mittelbar oder unmittelbar mehr als 70% der gesamten Aktien, so wird der diesen Prozentsatz übersteigende Anteil bei der Ermittlung der Stimmrechte nicht berücksichtigt.“
3. Nach Kenntnis der Gesellschaft bestand per 31. Dezember 2008 folgende direkte oder indirekte Beteiligung am Kapital, die zumindest 10 von Hundert beträgt:  
BEKO HOLDING AG: 53,85%  
Erster Privater Investmentclub Börsebius Zentral (GbR): 11,40%
4. Es gibt keine Aktien mit besonderen Kontrollrechten.
5. Im BRAIN FORCE Konzern gibt es keine Mitarbeiterbeteiligungsmodelle.
6. Es bestehen keine über das Gesetz hinausgehenden Bestimmungen hinsichtlich der Mitglieder des Vorstandes und des Aufsichtsrates.

7. Möglichkeiten, Aktien auszugeben oder zurückzukaufen:
  - a) Genehmigtes Kapital: Gemäß Beschluss der Hauptversammlung vom 11. Mai 2006 wurde der Vorstand ermächtigt, innerhalb von fünf Jahren nach Eintragung der entsprechenden Satzungsänderung im Firmenbuch das Grundkapital in einer oder mehreren Tranchen um bis zu weitere EUR 7.693.371 durch Ausgabe von bis zu 7.693.371 Stück neuer, auf Inhaber lautender Stammaktien (Stückaktien) gegen Bar- und/oder Sacheinlagen, und zwar jeweils mit oder ohne Ausschluss des Bezugsrechtes der Aktionäre im Fall von Bar- und/oder Sacheinlagen und/oder der Ausgabe von Aktien an Dienstnehmer der Gesellschaft und mit ihr verbundener Unternehmen, zu erhöhen und den Ausgabebetrag sowie die Ausgabebedingungen im Einvernehmen mit dem Aufsichtsrat festzusetzen. Darüber hinaus ist der Aufsichtsrat ermächtigt, Änderungen der Satzung, die sich durch die Ausgabe von Aktien aus dem genehmigten Kapital ergeben, zu beschließen.
  - b) Erwerb eigener Aktien: Derzeit besteht keine Genehmigung zum Rückkauf eigener Aktien.
8. Vereinbarungen der Gesellschaft, die bei einem Kontrollwechsel infolge eines Übernahmeangebotes wirksam werden, sind in den Vorstandsverträgen und im Schuldscheindarlehen der Deutschen Bank enthalten.
9. Für den Fall einer „feindlichen“ Übernahme der Gesellschaft im Sinne des Übernahmegesetzes wurde mit jedem Vorstandsmitglied vertraglich vereinbart, dass das Vorstandsmitglied das einseitige Recht hat, jederzeit innerhalb einer Frist von zwei (2) Monaten ab dem Zeitpunkt der rechtskräftigen Übernahme der Gesellschaft per sofort und ohne weitere Frist seinen Vorstandsvertrag mit der Gesellschaft aufzulösen und sein Amt sofort niederzulegen. Die Gesellschaft hat sich verpflichtet, wenn das Vorstandsmitglied dieses vorstehende Recht ausübt, dem Vorstandsmitglied ausschließlich seine fixe Vergütung, die ihm bis zum Ende seiner Tätigkeit bei voller vereinbarter Laufzeit seines Vorstandsvertrages zustünde, in Form einer Einmalzahlung als Abfertigungszahlung innerhalb von vier Wochen ab seinem Austrittsdatum anzuweisen.

### **Risikoberichterstattung**

Als Muttergesellschaft von im In- und Ausland ansässigen und europaweit tätigen Unternehmen sieht sich die Unternehmensführung mit übergreifenden internationalen Risiken im Zusammenhang mit Finanzierung und Wertentwicklung des Konzerns, einheitlicher Markenführung und Produktentwicklung konfrontiert. Um der gewachsenen Konzerngröße und dem geänderten wirtschaftlichen Umfeld Rechnung zu tragen, hat BRAIN FORCE im Jahr 2008 das Risikomanagement verstärkt und einen zentral gesteuerten konzernweiten Prozess initiiert. Ziel ist es, die Risiken regelmäßig und systematisch zu identifizieren, hinsichtlich ihrer Eintrittswahrscheinlichkeit und dem möglichen Schadensausmaß zu bewerten sowie geeignete Maßnahmen zur Risikosteuerung zu treffen.

Gemäß der dezentralen Struktur liegt die Verantwortung für das Management der operativen Risiken bei den jeweils zuständigen lokalen Geschäftsleitern. Auf Ebene der BRAIN FORCE HOLDING AG wird die Einhaltung der Prozesse überwacht und ein gruppenweiter Risikobericht erstellt. Die Ergebnisse werden an den Gesamtvorstand und von diesem weiter an den Aufsichtsrat berichtet.

Die wichtigsten Instrumente zur Risikoüberwachung und -kontrolle sind der Planungs- und Controllingprozess, konzernweite Richtlinien sowie die laufende Berichterstattung und das 14-tägig rolierende Forecasting.

Zur Risikovermeidung und -bewältigung werden in den lokalen Gesellschaften Risiken bewusst nur im operativen Geschäft eingegangen und dabei immer im Verhältnis zum möglichen Gewinn analysiert.

Das Liquiditätsrisiko wird durch laufende Finanzplanungen auf Ebene der lokalen Geschäftsführungen und zusätzlich von der Konzernholding überwacht. In 2008 wurden die Voraussetzungen für einen Cash Pool geschaffen, in den die wichtigsten Gesellschaften einbezogen werden sollen. Die Finanzierung der BRAIN FORCE Gruppe ist aufgrund der sehr positiven Entwicklung des operativen Cash-flows und ausreichender Banklinien gesichert.

Das Währungsrisiko spielt eine untergeordnete Rolle. Das Zinsänderungsrisiko stellt das Risiko dar, das sich aus der Änderung von Wertschwankungen von Finanzinstrumenten infolge einer Änderung der Marktzinssätze ergibt. Das Schuldscheindarlehen in Höhe von 10 Mio. € ist fix verzinst.

Im Zusammenhang mit der im September 2007 erfolgten Abberufung des ehemaligen Vorstandsvorsitzenden, Helmut Fleischmann, und den beiderseits bei Gericht eingereichten Klagen besteht kein Risiko mehr, da im November 2008 ein außergerichtlicher Vergleich geschlossen wurde.

### **Umwelt- und Arbeitnehmerbelange**

Aufgrund der Geschäftstätigkeit der BRAIN FORCE HOLDING AG spielen Umweltbelange eine untergeordnete Rolle.

Für die strategische Absicherung und Entwicklung des wirtschaftlichen Erfolges zeichnet maßgeblich der derzeitige Vorstand der BRAIN FORCE HOLDING AG verantwortlich. Eine entscheidende Rolle in der Geschäftstätigkeit nehmen auch einzelne Mitarbeiter in Schlüsselpositionen ein. Daher ist es ein erklärtes Ziel, dieses Humankapital zu halten und zu motivieren.

Wien, am 11. März 2009

Der Vorstand:

gez.:

Günter Pridt

gez.:

Thomas Melzer

## **Bestätigungsvermerk**

Wir haben den Jahresabschluss der BRAIN FORCE HOLDING AG, Wien, für das Geschäftsjahr vom 1. Jänner bis 31. Dezember 2008 unter Einbeziehung der Buchführung geprüft. Die Buchführung, die Aufstellung und der Inhalt dieses Jahresabschlusses sowie des Lageberichtes in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften liegen in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung und einer Aussage, ob der Lagebericht in Einklang mit dem Jahresabschluss steht.

Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, die Prüfung so zu planen und durchzuführen, dass ein hinreichend sicheres Urteil darüber abgegeben werden kann, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist, und eine Aussage getroffen werden kann, ob der Lagebericht mit dem Jahresabschluss in Einklang steht. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld des Unternehmens sowie die Erwartungen über mögliche Fehler berücksichtigt. Im Rahmen der Prüfung werden die Nachweise für Beträge und sonstige Angaben in der Buchführung und im Jahresabschluss überwiegend auf Basis von Stichproben beurteilt. Die Prüfung umfasst ferner die Beurteilung der angewandten Rechnungslegungsgrundsätze und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Unsere Prüfung hat zu keinen Einwendungen geführt. Gemäß den bei der Prüfung gewonnenen Erkenntnissen entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage des Unternehmens zum 31. Dezember 2008 sowie der Ertragslage des Unternehmens für das Geschäftsjahr vom 1. Jänner bis 31. Dezember 2008 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung. Der Lagebericht steht in Einklang mit dem Jahresabschluss.

Wien, den 11. März 2009

PwC INTER-TREUHAND GmbH  
Wirtschaftsprüfungs- und  
Steuerberatungsgesellschaft

gez.:

Mag. Dr. Aslan Milla  
Wirtschaftsprüfer