



Report on the 3rd Quarter of 2008

Key figures

Earnings Data		1-9/2007	1-9/2008	Change in %	Ultimo 2007
Revenues	EUR million	71.44	78.32	+10	98.33
EBITDA	EUR million	-1.56	5.66	>100	0.35
EBIT	EUR million	-17.42	2.68	>100	-16.68
Profit before tax	EUR million	-18.27	2.03	>100	-17.91
Profit after tax	EUR million	-20.27	1.09	>100	-19.91
Earnings per share	EUR	-1.32	0.07	>100	-1.29
Capital expenditure	EUR million	2.38	1.66	-30	2.82
Acquisitions ¹⁾	EUR million	9.98	2.34	-77	10.05
Employees ²⁾	Number	1.164	1.112	-4	1.164

Balance Sheet Data		31.12.2007	30.09.2008	Change in %
Equity	EUR million	26.27	27.36	+4
Net debt	EUR million	6.53	8.81	+35
Capital employed	EUR million	32.62	35.99	+10
Working capital	EUR million	4.77	7.65	+60
Balance sheet total	EUR million	74.34	70.56	-5
Gearing	%	25	32	-

Stock Exchange Data ³⁾		1-12/2007	1-9/2008	Change in %
Highest share price	EUR	3.46	2.58	-25
Lowest share price	EUR	1.76	1.89	+7
Closing rate (ultimo)	EUR	1.92	2.20	+15
Weighted number of shares	1,000	15.387	15.387	0
Market capitalisation (ultimo)	EUR million	29.54	33.85	+15

Segments 1-9/2008	Germany		Central and Eastern Europe		South West Europe		North Europe		Holding and Other	
EUR million or change in %										
Revenues	37.47	(+9%)	11.39	(+14%)	20.99	(+2%)	8.47	(+29%)	0	-
EBITDA	3.12	(>100%)	0.79	(>100%)	1.35	(-11%)	0.96	(>100%)	-0.56	(+83%)
EBIT	1.99	(>100%)	0.01	(>100%)	0.85	(>100%)	0.43	(>100%)	-0.60	(+82%)
Total investments ⁴⁾	0.55	(-57%)	0.06	(-100%)	0.61	(+26%)	0.40	(-24%)	0.04	(-18%)
Employees ²⁾	437	(-5%)	171	(+2%)	401	(-6%)	93	(+3%)	10	(-23%)

1) Cash-out for acquisitions in the respective year including payments with own shares (treasury stock) and earn-outs for past acquisitions

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

3) Vienna Stock Exchange

4) Additions to property, plant and equipment and intangible assets

Chief Executive's Review

Dear shareholders,

BRAIN FORCE HOLDING AG once again continued its successful growth path in the third quarter of 2008, focusing on its goal of increasing profitability. As a result, the company has significantly improved earnings for the fourth successive quarter.

Third quarter revenues of the BRAIN FORCE Group totalled EUR 26.06 million, an increase of 10% year-on-year. EBITDA rose from EUR -2.86 to +1.76 million and EBIT climbed from EUR -6.68 to +0.82 million. In the first nine months of 2008, Group revenues were up 10% to EUR 78.32 million and EBITDA reached EUR +5.66 million from EUR -1.56 million in the preceding year. EBIT rose to EUR +2.68 million compared to an operating loss of EUR -17.42 million in the first three quarters of 2007, which included extraordinary depreciation of EUR 11.74 million and restructuring costs of EUR 2.41 million. A comparison on a purely operational level shows a significant EBIT rise from EUR -3.27 to +2.68 million.

All Group subsidiaries including the Holding company contributed to this solid development which is primarily related to cost savings and the optimization of the service portfolio in Germany. Following the expiration of the managed services contract with the Thalax Group, we sold our Hamburg-based subsidiary effective September 30, 2008 and generated an additional book gain of EUR 0.25 million. In Central and Eastern Europe, EBIT in the Austrian Professional und Payroll Services areas posted a considerable improvement, whereas the Service Management business of SolveDirect not completely achieved the planned performance. South West Europe generated a significantly higher operating result despite the restructuring efforts in the Technology & Infrastructure business area in Italy, and North Europe improved considerably thanks to increased service revenues in the Netherlands. The Holding and Other segment also made an important contribution to the EBIT increase by achieving cost savings of about EUR 0.45 million in a year-on-year comparison.

Due to the very positive development of business operations, the BRAIN FORCE Managing Board has revised its previous guidance upwards in respect to the operating results for the full year of 2008. An EBITDA of at least EUR 7.0 million is expected compared to the earlier forecast of EUR 6 to 7 million, and an EBIT of over EUR 3.0 million from the previous guidance of EUR 2 to 3 million. Total 2008 revenues are expected to surpass EUR 100 million.

As announced in the half year report, the balance sheet has been reviewed to determine any further risks from past burdens. From today's point of view it is not necessary to write-off the goodwill connected to the acquisition of SolveDirect. However, in the 2009 financial year it will be essential for this subsidiary to generate further earnings growth to justify this decision. The 30% equity stake in Kemp Technologies Inc., New York was completely written off in 2007. The previous managing board also subscribed for a convertible bond of this company on September 30, 2005 to the amount of USD 900,000 (due June 30, 2009), of which the recoverability will be evaluated by the end of this year. In the case of a negative assessment in respect to the recoverability of this amount,



Günter Pridt,
Chief Executive Officer of
BRAIN FORCE Holding AG

Good earnings development
in all business areas

Upward revision of previous
EBIT guidance for 2008

Financing secured due to
strong cash flow, cash and
lines of credit

BRAIN FORCE would be required to report a loss of EUR 0.63 million in its financial result for the fourth quarter of 2008. However, the financing of the BRAIN FORCE Group remains secure due to the very positive development of its operating cash flow, a solid cash position and sufficient lines of credit made available by banks. For this reason the financing ability of BRAIN FORCE is independent of the repayment of this convertible bond.

Potential revaluation of
tax loss carry-forwards in
Germany

Despite the good operating performance in the current financial year, it is possible that BRAIN FORCE will have to report a negative profit after tax. This risk can be exclusively attributed to an amendment to Germany's Corporate Tax Law, which envisions the complete elimination of tax loss carry-forwards for all German companies or subsidiaries in which an equity stake exceeding 50% has been acquired after January 1, 2008. The consolidated balance sheet of the BRAIN FORCE Group includes deferred tax assets amounting to EUR 2.9 million from losses carried forward in Germany. Following the takeover offer of BF-Informationstechnologie-Beteiligungsgesellschaft m.b.H. (BFIB) for BRAIN FORCE shares and the contribution in kind of this company in Beko Holding AG effective at the end of September 2008, the current legal stipulations could lead to the elimination of these losses carried forward. In turn, this would result in an increase in deferred tax expenses of EUR 2.9 million in the fourth quarter of 2008, without being immediately cash-effective. In the following years this could also lead to higher tax payments in Germany. However, experts doubt the constitutionality of this new law. Accordingly, the Managing Board cannot finally decide about this balance sheet item at present, and will thus have to make a decision at the end of the year when preparing the consolidated financial statements of the BRAIN FORCE Group.

Beko is the new majority
shareholder of BRAIN FORCE

The takeover bid of BFIB for shares of BRAIN FORCE HOLDING AG came to a conclusion on July 22, 2008. At this point of time, BFIB held a 47.46% stake in BRAIN FORCE. As of September 30, 2008, the owners of BFIB, Cross Industries AG and Unternehmens Invest AG, announced the contribution of BFIB in Beko Holding AG, which subsequently has a 53.85% stake in BRAIN FORCE. Moreover, we were informed that Cross Industries AG has acquired a controlling stake in Beko Holding AG.

BRAIN FORCE well prepared
for the difficult market
environment in 2009

BRAIN FORCE is well prepared to meet the challenges posed by the 2009 financial year on the basis of the consistent optimization of our business activities over the past 14 months. Through the development of a new, promising growth strategy, the groundwork has been laid for the future. The focus of our new strategy is on investments in ERP, CRM and CPM/BI as well as on solutions for infrastructure optimization, as described on page 8. However, due to the global financial crisis and the uncertain market environment, a precise earnings guidance is currently impossible for the upcoming year. The management of the BRAIN FORCE Group will continue to carefully monitor costs and investments, and react quickly and determinedly to any potential deterioration of its earnings situation. As a consequence, we anticipate a clearly positive operating result in 2009 as well.

Sincerely,



Financial Review

Three quarter earnings

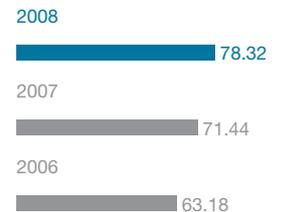
In the first three quarters of 2008, revenues of the BRAIN FORCE Group rose by 10% to EUR 78.32 million. From a segment perspective, the Region North Europe expanded by 29% to EUR 8.47 million due to the increasingly strong service business. The Region Central and Eastern Europe also posted double digit growth with revenues climbing 14% to EUR 11.39 million including EUR 3.91 million from the first-time full-year consolidation of SolveDirect. The Region Germany expanded by 9% to EUR 37.47 million, contributing to the good top-line growths of the BRAIN FORCE Group. Despite a difficult business environment in Italy, the Region South West Europe increased revenues by 2% to EUR 20.99 million.

Group EBITDA increased considerably during the period under review from EUR -1.56 to +5.66 million. This improvement is chiefly related to the performance of the German region, which achieved an EBIT of EUR +3.12 million compared to the previous year's level of EUR -0.37 million. This development can be attributed to the optimization of the service portfolio, the successful restructuring of the business units and cost savings at the subsidiaries in Munich and Frankfurt. In addition, following expiration of the contract as at September 30, 2008, the subsidiary BRAIN FORCE Hamburg GmbH was sold to the Thalinx Group resulting in a book gain of EUR 0.25 million. The Regions Central and Eastern Europe and North Europe both showed a definite upward trend. EBITDA in Central and Eastern Europe rose from EUR 0.27 to 0.79 million, and EBITDA in North Europe improved from EUR 0.32 to 0.96 million. In contrast, EBITDA in South West Europe declined to EUR 1.35 million, down from the EUR 1.51 million in the preceding year, which is the consequence of restructuring measures in the Technology & Infrastructure business area in Italy as well as higher intercompany charges during 2008.

Group EBIT (operating result) also developed very favourably, rising from EUR -17.42 to +2.68 million in the first three quarters of 2008. EBIT in the previous financial year included extraordinary depreciation of goodwill and other intangible assets amounting to EUR 11.74 million and restructuring costs of EUR 2.41 million. A comparison on a purely operational level shows a significant EBIT rise from EUR -3.27 to +2.68 million, with all operating companies making a positive contribution to the earnings improvement. The Holding company also made a major contribution on the basis of cost savings totalling EUR 0.45 million.

The financial result declined in the first nine months to EUR -0.65 million compared to the preceding year's figure of EUR -0.33 million, which is primarily related to the financing costs of the acquisition of SolveDirect in July 2007. Profit before tax amounted to EUR 2.03 million in the first three quarters of 2008, up from last year's loss of EUR 18.27 million. This corresponds to a profit after tax of EUR 1.09 million (previous year: EUR -20.27 million) and earnings per share of EUR 0.07 (previous year: EUR -1.32). The high corporate tax rate of about 46% can be chiefly attributed to the Italian IRAP, which imposes a tax on personnel expenses and thus puts personnel-intensive companies at a disadvantage.

Revenues 1-9 in € million



EBITDA 1-9 in € million



Significantly higher EBIT following high losses in 2007

Considerably improved and positive earnings after tax

Good revenue development of previous quarters continues

Third quarter earnings

In the third quarter of 2008, BRAIN FORCE raised revenues by 10% to EUR 26.06 million and thus continued the good revenue development of previous quarterly periods. The Region North Europe was particularly strong, raising revenues by 35% to EUR 2.61 million on the basis of high capacity utilization related to a large public sector contract in the Netherlands. Germany also generated double digit revenue growth, climbing 17% to EUR 13.39 million. South West Europe generated revenues of EUR 6.39 million which is the same level as last year, whereas revenues in Central and Eastern Europe declined by 7% to EUR 3.66 million due to lower third quarter demand in the Professional Services business area in Austria.

Considerable third quarter earnings improvement

EBITDA of the BRAIN FORCE Group rose from EUR -2.86 to +1.77 million in the period July to September 2008. In Germany the negative EBIT of EUR -0.78 million in 2007 improved significantly to EUR +1.23 million in the third quarter of 2008. This year's results include a book gain of EUR 0.25 million arising from the sale of BRAIN FORCE Hamburg GmbH. EBITDA in Central and Eastern Europe rose from EUR 0.02 to 0.33 million, in South West Europe from EUR -0.10 to +0.24 million and in North Europe from EUR -0.26 to +0.12 million during the period under review. Group EBIT climbed from EUR -6.68 to +0.82 million in the third quarter, demonstrating the sustainable earnings improvement achieved by the BRAIN FORCE Group. EBIT in the third quarter of the previous year included extraordinary depreciation of EUR 2.45 million and restructuring costs of EUR 2.41 million.

Strong cash flow from operating activities due to improved Q3 earnings

Gross cash flow was clearly positive in the period under review, increasing from EUR -3.66 to +3.72 million. The cash flow from operating activities also rose considerably year-on-year, rising from EUR -3.24 to +2.06 million, reaching a level of EUR 1.58 million in the third quarter of 2008 alone. The improved cash flow is chiefly related to higher Group earnings.

Repayment of financial liabilities based on inter-company dividends

The cash flow from investing activities amounted to EUR -5.21 million in the first nine months of 2008 compared to EUR -10.17 million in the preceding year, of which EUR -2.34 million relate to earn-out payments in respect to the past acquisitions of SolveDirect, Austria and BRAIN FORCE B.V., Netherlands. Moreover, a total of EUR 1.66 million was invested for proprietary developments and other investments. EUR 1.23 million of financial liabilities were repayed due to intercompany dividends. At the end of the third quarter of 2008 cash and cash equivalents amounted to EUR 5.05 million, a decline of EUR 1.65 million compared to the level as at September 30, 2007.

Equity in € million



Assets and financial position

The balance sheet total of the BRAIN FORCE Group was EUR 70.56 million as at September 30, 2008, and equity amounted to EUR 27.36 million. Accordingly, the equity ratio equalled 39% after 35% at the end of the 2007 financial year. This improvement can be partly attributed to higher earnings and also to a reduction in the balance sheet total related to the use of cash for the repay-

ment of financial liabilities. Net debt as at September 30, 2008 was EUR 8.81 million up from EUR 6.53 million as at December 31, 2007. This increase is related to the earn-out payments from past acquisitions. Net debt could be reduced by EUR 0.81 million in the third quarter of 2008. Gearing (net debt to equity) in the BRAIN FORCE Group amounted to 32% as at September 30, 2008.

Development of primary segments

BRAIN FORCE has assigned its business activities to the following primary segments or regions:

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

Germany

The Region Germany increased its revenues in the first three quarters of 2008 by 9% to EUR 37.47 million, continuing to generate the largest share of Group revenues at 48%. EBITDA rose from EUR -0.37 million in the previous year to EUR +3.12 million. This can be partly attributed to the sale of BRAIN FORCE Hamburg GmbH to the Thalinx Group following expiration of the managed services contract. Following a weak performance last year, EBIT significantly improved from EUR -11.69 to +1.99 million in the first nine months of the current financial year. The previous year's earnings were negatively impacted by EUR 9.16 million for extraordinary depreciation and EUR 0.93 million in restructuring costs.

In the Professional Services business area, BRAIN FORCE was able to win back a former large technology customer, and sell the company's know how in the field of Java development. In contrast, BRAIN FORCE Germany had to reduce the number of consultants working for a semiconductor company due to a cost savings drive carried out by the customer. The Technology & Infrastructure business area implemented a further migration of BRAIN FORCE Net Organizer in the public sector. The company located in Frankfurt am Main which was merged with BRAIN FORCE Software GmbH Munich at the end of August successfully continued its roll out project for a large airline. Furthermore, several solutions based on TAP technology were sold to a telecommunications provider and to an aircraft manufacturer on behalf of our partner Net Optics.

The Business Solutions area won a large contract for the customer and campaign management solution BRAIN FORCE CRM. Similarly, an existing customer decided in favour of the consulting software BRAIN FORCE Vorsorgeoptimierung (a provision optimizing tool), which was granted certification by the renowned testing and inspection organization TÜV Süd in the third quarter of 2008.

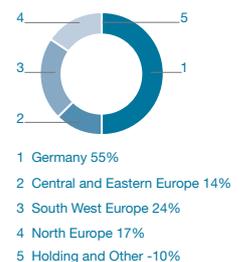
Net debt in € million



Revenues 1-9 by region



EBITDA 1-9 by region



Large contract for BRAIN FORCE CRM solution

Slightly positive EBIT in 2008 compared to last year's operating loss

Central and Eastern Europe

Revenues of the Region Central and Eastern Europe rose by 14% in the first three quarters of 2008 to EUR 11.39 million. EBITDA improved considerably during the period under review, climbing 194% to EUR 0.79 million. Despite the high level of depreciation arising from the purchase price allocation after the acquisition of SolveDirect, EBIT once again was slightly positive at EUR +0.01 million compared to EUR -0.37 million in 2007. Earnings in the previous year included extraordinary write-offs totaling EUR 0.13 million and restructuring costs amounting to EUR 0.20 million.

SolveDirect confirms growth trend following weak first quarter results

A number of follow up contracts with existing customers were won by the Business Solutions area (SolveDirect service management and integration solutions). For example, the premium product SD.cube was launched on behalf of an IT infrastructure services provider. Moreover, the solution was adapted and extended to meet the requirements of a traffic telematics systems provider. The SolveDirect division continued its upward trend and made a positive contribution to earnings of this segment. Despite a slight decline in the number of employed IT consultants, EBIT of the Professional Services area developed favourably following the implementation of cost savings. Several small Java projects were carried out in addition to a large contract for a major cell phone provider.

In the Czech Republic, the first BRAIN FORCE NetOrganizer license was sold to a large financial institution and implemented. A financial services company in Slovakia selected the asset management solution Jupiter Pro.

Slight rise in revenues and significant EBIT improvement in Italy

South West Europe

The Region South West Europe achieved revenues of EUR 20.99 million in the first nine months of 2008, a slight improvement of 2% from the previous year. EBITDA in the first three quarters was EUR 1.35 million compared to EUR 1.51 million in 2007. The decline in EBITDA is primarily related to the restructuring of the Technology & Infrastructure business area in Italy, as well as a higher level of intercompany charges. EBIT in the first three quarters amounted to EUR 0.85 million, significantly higher than the comparable level of EUR 0.30 million in the previous year, which included extraordinary depreciation of EUR 0.38 million and restructuring costs totalling EUR 0.55 million.

Good demand for Microsoft Dynamics NAV

BRAIN FORCE Italy once again demonstrated its know how in the metals processing industry, winning another contract to implement Microsoft Dynamics NAV. Moreover, the solution was also applied to a customer in the hotel business. Organizational changes in the Technology & Infrastructure have achieved further success. For example, software virtualization projects were launched on behalf of two financial companies.

Revenue growth of 29% and a more pronounced earnings improvement

North Europe

Revenues of the Region North Europe climbed 29% in the first three quarters of 2008 to EUR 8.47 million. In the same period, EBITDA was up 195% to EUR 0.96 million, and EBIT improved to EUR +0.43 million following EUR -2.32 million in the previous year, which included extraordinary depreciation of EUR 2.07 million.

Once again the subsidiary in the Netherlands demonstrated its outstanding market position in the public sector, and won a total of four new customers. In this regard, the packaging software BRAIN FORCE Packaging Robot was implemented for three municipalities. A large public authority migrated to the Microsoft operating system Vista and relied again on the know-how and solutions provided by BRAIN FORCE Netherlands. The close partnership with ATOS Origin continues to proceed successfully, and the packaging experts of BRAIN FORCE were called upon once more within the context of an outsourcing project.

Holding and Other segment

In the Holding and Other segment EBITDA significantly improved from EUR -3.29 to -0.55 million during the period under review as did EBIT from EUR -3.34 to -0.61 million. Despite unplanned costs related to the takeover bid by BF Informationstechnologie-Beteiligungsgesellschaft m.b.H., cost savings of EUR 0.45 million in the Holding company during the first nine months as well as the invoicing of brand licensing costs of the holding to the operating units had a considerably positive effect on earnings development in this segment. The previous year's EBIT showed restructuring costs of EUR 0.74 million.

Order intake

As of September 30, 2008, the BRAIN FORCE Group had orders valued at EUR 28.96 million, an increase of 4% compared to the previous year's level of EUR 27.97 million.

The orders can be assigned to the following regions:

- ▶ Germany accounts for EUR 16.61 million in orders (September 30, 2007: EUR 14.62 million)
- ▶ Central and Eastern Europe has orders on hand of EUR 6.94 million (September 30, 2007: EUR 6.66 million)
- ▶ South West Europe accounts for orders of EUR 4.10 million (September 30, 2007: EUR 3.85 million)
- ▶ North Europe has orders on hand of EUR 1.31 million (September 30, 2007: EUR 2.84 million)

The decline in the level of orders in North Europe can be attributed to the fact that BRAIN FORCE Netherlands won a large public sector contract in the first half of 2007, which was partially extended after the end of the third quarter of 2008. Considering the economic slowdown in Europe, the order intake of the BRAIN FORCE Group can be considered as being very gratifying, even if some contracts were already postponed in the third and fourth quarter of 2008.

Research and development

BRAIN FORCE had its software tool BRAIN FORCE Vorsorgeoptimierung certified by the testing and inspection organization TÜV Süd, which confirmed its legal reliability and efficiency as a consulting solution. As a result, insurance advisors have a liability-assured instrument for their customer services. In this context, key computation modules such as the BRAIN FORCE

Outstanding BRAIN FORCE market position in the public sector in the Netherlands

Significant reduction of holding costs during the year

Order intake by region

30.9.2008



- 1 Germany 57%
- 2 Central and Eastern Europe 24%
- 3 South West Europe 14%
- 4 North Europe 5%

30.9.2007



- 1 Germany 52%
- 2 Central and Eastern Europe 24%
- 3 South West Europe 14%
- 4 North Europe 10%

BRAIN FORCE Vorsorgeoptimierung certified by TÜV

New product versions released at the Netherlands' marketplace

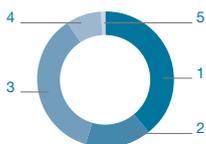
calculation tool for taxes and social insurance were evaluated and also certified by TÜV. They are integrated into several software modules of BRAIN FORCE FINAS Suite, thus providing a considerable competitive advantage in the marketing of the comprehensive solution.

BRAIN FORCE Basisrente direkt was launched as an additional consulting solution to calculate pensions provisions, offering an efficient tool to compare old and new tax laws in Germany.

The beta version of BRAIN FORCE Packaging Robot 2.2 was developed in the Netherlands, with market for the new product planned for the fourth quarter. Moreover, BRAIN FORCE Desktop Manager 2.2 was released, allowing companies to more effectively manage and monitor corporate servers.

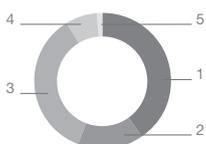
Employees by region

30.9.2008



- 1 Germany 39%
- 2 Central and Eastern Europe 16%
- 3 South West Europe 36%
- 4 North Europe 8%
- 5 Holding and Other 1%

30.9.2007



- 1 Germany 40%
- 2 Central and Eastern Europe 16%
- 3 South West Europe 35%
- 4 North Europe 8%
- 5 Holding and Other 1%

Growth strategy to focus on two pillars

Development of growth areas in all core markets and competence centre for existing operations

Human Resources

The total number of people working for the BRAIN FORCE Group as at September 30, 2008 amounted to 802 salaried employees, a decline of 10% compared to the previous year. In addition, BRAIN FORCE employed 287 people on a free-lance basis, 6% less than in 2007. The underlying reason for the decrease in staff count was the restructuring measures last year and the sale of the company BRAIN FORCE Hamburg. In total the BRAIN FORCE Group employed 1,089 people, a drop of 9% year-on-year.

The breakdown of staff (salaried and free-lance) by region is as follows:

▶ Germany:	428	(previous year: 481 / change: -11%)
▶ Central and Eastern Europe:	169	(previous year: 188 / change: -10%)
▶ South West Europe:	392	(previous year: 418 / change: -6%)
▶ North Europe:	90	(previous year: 91 / change: -1%)
▶ Holding and Other:	10	(previous year: 15 / change: -33%)

On average, the staff of BRAIN FORCE was comprised of 835 salaried employees in the first three quarters of 2008 (previous year: 848), and 277 people on a free-lance basis (previous year: 316). In total the total average number of employees declined by 4% to 1,112.

Strategy 2009+

After the successful consolidation of the company, the management is now laying the groundwork for the future strategy of the company. Based on the existing product and service portfolio, the management will focus the business operations of the BRAIN FORCE Group on areas with high growth potential. In the future, the two main pillars will be in the Business Solutions and Infrastructure Optimization business area.

Our future product and service offering in these two growth areas will not only be covered by local business units in the individual markets, but also throughout the Group, serving as the basis for increased international awareness and recognition of the BRAIN FORCE brand name. Moreover, we intend to market the existing portfolio (financial services provider, service management, ICD Suite) on the basis of a competence centre structure according to the "do once principle", in order to bundle know how and save costs.

Infrastructure Optimization

The Infrastructure Optimization business area offers solutions enabling companies to have a better manageable and more efficient IT infrastructure and thus increase the productivity of the customer. This area encompasses solutions in the fields of workspace & server management, application provisioning & control, IT service management, collaboration & communication as well as network management & billing.

Infrastructure Optimization ensures higher productivity for customers

The Infrastructure Optimization business area is designed to focus on services and software products with growth potential, which are already being successfully marketed in individual countries and can also be offered on other global markets. This includes workspace & server management solutions for user-oriented, dynamic workplaces and product offerings in the field of application provisioning & control for highly available and compatible applications. Organic growth should be generated by the local business units which are currently being established in the individual countries.

Expansion of existing growth potential

The portfolio is to be complemented by solutions in the fields of IT service management (SolveDirect Solutions), network management & billing (ICT Suite) and communication and collaboration, which will be marketed from a central location.

Business Solutions

The Business Solutions area offers solutions to support business processes in companies which help them achieve competitive advantages. This encompasses software solutions for enterprise resource planning (ERP), customer relationship management (CRM), customer performance management (CPM) and business intelligence (BI).

Business Solutions supports the business processes of our customers

In order to strengthen our position in the Business Solutions segment, we are evaluating potential acquisition targets i.e. established providers in the fields of ERP, CRM and CPM/BI. We are also promoting the marketing of our own software solutions such as FINAS Suite (sales and consulting solutions for financial services providers), Rebecca (mortgage management) and Jupiter (asset management) in accordance with their respective market potential.

Growth in Business Solutions through acquisitions

Customer-oriented solutions

The BRAIN FORCE solutions focus on efficient consulting services in respect to the selection, implementation and maintenance of suitable products. These products are partly being developed in-house and partly purchased from business partners. Independent of its software products, BRAIN FORCE makes qualified experts available for customer projects. Accordingly, BRAIN FORCE has set up a separate strategic competence center in Austria and Germany for the Professional Services area.

Professional Services are managed by competence centers

The new strategic orientation is designed to create a more recognisable core competency to create a higher level of awareness of the BRAIN FORCE Group on the market, open new revenue streams and achieve an improved cost structure based on exploiting synergies. Following numerous acquisitions and the integration of the new companies, Strategy 2009+ will further strengthen the current business and create new trend-setting business areas.

Building up a core competency as the basis for brand recognition of BRAIN FORCE on the market

Quarterly report (IFRS) of the BRAIN FORCE Group

Consolidated income statement in EUR	7-9/2008	7-9/2007	1-9/2008	1-9/2007
Revenues	26,059,209	23,694,552	78,322,669	71,444,203
Cost of goods sold	-19,602,770	-20,788,800	-58,276,757	-60,285,700
Gross profit	6,456,439	2,905,752	20,045,912	11,158,503
Selling expenses	-2,628,538	-2,980,366	-8,578,550	-8,451,363
Administrative expenses	-2,855,284	-4,491,755	-8,512,899	-10,893,116
Other operating expenses	-516,982	-482,654	-881,367	-993,878
Other operating income	358,386	54,558	604,127	401,089
Amortisation	0	-1,686,000	0	-8,645,810
Operating result (EBIT)	814,020	-6,680,465	2,677,222	-17,424,575
Financial income	27,856	-17,926	194,300	385,397
Financial expense	-251,962	-127,655	-845,457	-715,472
Financial result	-224,106	-145,582	-651,157	-330,076
Income from investments in associates	0	-500,283	0	-518,911
Profit before tax	589,913	-7,326,330	2,026,064	-18,273,562
Income taxes	-351,445	-2,249,048	-932,060	-1,993,413
Profit after tax	238,468	-9,575,377	1,094,004	-20,266,974
Earnings per share	0.01	-0.62	0.07	-1.32

Key figures by geographical segment 1-9/2008 in EUR	Germany	Central and Eastern Europe	South West Europe	North Europe	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	37,466,768	11,392,804	20,993,141	8,469,956	0	78,322,669
EBITDA	3,118,987	794,931	1,346,472	957,123	-553,933	5,663,580
Depreciation	1,126,295	781,110	500,690	525,219	53,044	2,986,358
EBIT	1,992,692	13,821	845,782	431,904	-606,977	2,677,222
Total investments	549,420	64,157	614,834	403,685	28,134	1,660,230
Assets	21,262,348	18,110,364	19,007,354	8,734,209	3,450,107	70,564,382
Liabilities	8,852,482	4,133,103	10,978,461	1,407,775	17,832,163	43,203,984

Key figures by geographical segment 1-9/2007 in EUR	Germany	Central and Eastern Europe	South West Europe	North Europe	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	34,302,657	10,013,743	20,562,404	6,565,399	0	71,444,203
EBITDA	-370,917	270,805	1,505,675	323,945	-3,290,175	-1,560,667
Depreciation	11,324,019	637,926	1,209,562	2,639,843	52,558	15,863,908
EBIT	-11,694,936	-367,121	296,113	-2,315,898	-3,342,733	-17,424,575
Total investments	1,271,164	14,515,252	488,071	532,872	34,452	16,841,811
Assets	19,558,617	19,297,662	18,731,269	8,915,022	5,361,176	71,863,746
Liabilities	7,244,092	4,111,179	12,876,809	2,319,429	19,399,052	45,950,561

Consolidated balance sheet in EUR	30.09.2008	31.12.2007
ASSETS		
Property, plant and equipment	2,199,401	2,328,060
Goodwill	15,861,876	15,861,876
Other intangible assets	11,839,019	13,065,054
Investments in associates	11,466	11,466
Financial assets	185,245	179,781
Other receivables and assets	767,655	750,911
Deferred tax assets	2,416,507	2,628,433
Non-current assets	33,281,170	34,825,581
Inventories	241,383	268,534
Trade receivables	28,474,369	28,168,703
Other receivables and assets	2,639,463	1,638,649
Financial assets	877,895	0
Cash and cash equivalents	5,050,101	9,440,943
Current assets	37,283,212	39,516,829
Total assets	70,564,382	74,342,410
EQUITY AND LIABILITIES		
Share capital	15,386,742	15,386,742
Reserves	15,261,475	15,260,503
Retained earnings	-3,287,819	-4,381,823
Equity	27,360,398	26,265,422
Financial liabilities	11,176,984	11,308,022
Other liabilities	142,068	73,605
Provisions for post-employment benefits	2,419,389	2,559,369
Other provisions	0	1,603,503
Deferred tax liabilities	2,193,513	2,561,714
Non-current liabilities	15,931,954	18,106,213
Financial liabilities	3,563,592	4,664,467
Trade payables	8,648,518	9,780,848
Other liabilities	12,387,019	12,206,583
Tax provisions	760,191	762,239
Other provisions	1,912,710	2,556,638
Current liabilities	27,272,030	29,970,775
Total equity and liabilities	70,564,382	74,342,410

Consolidated Statement of Changes in Equity in EUR	Share capital	Capital reserves	Other provisions	Retained earnings	Total
Balance on 1.1.2008	15,386,742	15,536,020	-275,517	-4,381,823	26,265,422
Fair value adjustments of securities	0	0	5,466		5,466
Currency translation differences	0	0	-4,494		-4,494
Result for the period	0	0	0	1,094,004	1,094,004
Balance on 30.9.2008	15,386,742	15,536,020	-274,545	-3,287,165	27,360,398

Cash flow Statement in EUR	1-9/2008	1-9/2007
Profit before tax	2,026,064	-18,273,562
Depreciation	2,986,358	15,863,908
Financial result	651,157	330,075
Income from investments in associates	0	518,911
Gains/losses from the disposal of property, plant and equipment and intangible assets	20,235	-8,551
Changes in non-current provisions	-274,444	-619,108
Net interest payments	-625,205	-100,018
Taxes on income paid	-1,063,100	-1,372,511
Gross cash flow	3,721,065	-3,660,856
Changes in inventories	27,152	228,022
Changes in trade receivables	-591,878	-12,310
Changes in trade payables	-1,145,948	-288,428
Changes in other assets and liabilities	11,257	483,758
Currency translation differences	34,219	14,659
Cash flow from operating activities	2,055,867	-3,235,155
Acquisition of subsidiaries	-2,341,599	-6,860,134
Net payments for the sale of companies	-387,116	0
Investments in property, plant and equipment and other intangible assets	-1,660,230	-2,377,902
Investments in financial assets	-843,657	-978,484
Proceeds from the disposal of property, plant and equipment and other intangible assets	17,806	44,978
Cash flow from investing activities	-5,214,796	-10,171,542
Increase in financial liabilities	2,379,974	11,743,120
Repayments of financial liabilities	-3,611,887	-302,841
Dividends paid	0	-1,505,546
Capital increase	0	0
Purchase of treasury stock	0	-3,032,962
Cash flow from financing activities	-1,231,913	6,901,771
Change in cash and cash equivalents	-4,390,842	-6,504,926
Cash and cash equivalents at the beginning of the period	9,440,943	13,203,924
Change in cash and cash equivalents	-4,390,842	-6,504,926
Cash and cash equivalents at the end of the period	5,050,101	6,698,998

Notes to the quarterly report

Accounting and measurement principles

This interim report of BRAIN FORCE HOLDING AG as at September 30, 2008 was prepared in accordance with the principles contained in the International Financial Reporting Standards (IFRS), as stipulated in IAS 34, "Interim Financial Reporting".

The accounting and measurement principles applied in preparing the consolidated financial statements as at December 31, 2007 remain unchanged. The structuring of the consolidated balance sheet and consolidated income statement correspond to that in the consolidated financial statements for the 2007 financial year, as presented in the annual report. The consolidated statement of changes in equity in the period January 1, 2008 to September 30, 2008 corresponds to the structure of the consolidated financial statements for the 2007 financial year. The presentation of the cash flow statement was changed as of the 2008 financial year. Compared to previous periods, there is a bridge between the gross cash flow and the cash flow from operating activities. Furthermore, the changes in trade receivables and trade payables are reported separately. Changes in other receivables, other liabilities and other short-term provisions are included in the item "Changes in other assets and liabilities". The previous year's values have been correspondingly adapted. For more information on accounting and measurement principles, we refer to the annual report and the consolidated financial statements as at December 31, 2007.

Consolidation range

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

The consolidation range has changed since the last balance sheet date on December 31, 2007 as follows: BRAIN FORCE Frankfurt GmbH (previously SYSTEM Ingenieurbüro für Datenkommunikation und Informatik GmbH), Langen, Germany, was merged with BRAIN FORCE Software GmbH, Munich, Germany, as the absorbing company, in accordance with the merger agreement concluded on August 21, 2008. The merger was entered into the commercial register on September 29, 2008. Furthermore, all shares held in BRAIN FORCE Hamburg GmbH, Munich, Germany, were sold in accordance with the purchase and transfer of assets agreement dated August 14, 2008 with a book gain of EUR 0.25 million. The closing date for transferring the assets of BRAIN FORCE Hamburg GmbH was September 30, 2008. BRAIN FORCE Hamburg GmbH was removed from the consolidation range effective September 30, 2008.

In the 2007 financial year, SolveDirect.com Internet-Service GmbH, Vienna, was acquired in accordance with the sale and purchase agreement dated July 6, 2007. The initial consolidation of the company was carried out as of July 1, 2007. In a year-on-year comparison, SolveDirect was thus only consolidated for the period July to September 2007. BRAIN FORCE Software Ltd., Cambridge, Great Britain, and BRAIN FORCE Inc., New York, USA, removed from consolidation as at December 31, 2007, and are no longer included in the consolidated financial statements.

The changes in the consolidation range increased revenues by EUR 2.59 million in the period January 1, 2008 to September 30, 2008, and EBITDA by EUR 0.59 million.

Notes to the income statement

Group revenues rose 10% compared to the first three quarters of 2007 to EUR 78.32 million. EBITDA (operating result before depreciation) climbed from EUR -1.56 to +5.66 million. EBIT (operating result) amounted to EUR 2.68 million in the first nine months of 2008. In the comparable period of the preceding year EBIT totalled EUR -17.42 million, which

included extraordinary depreciation on goodwill and other intangible assets of EUR 11.74 million. In addition, restructuring measures were initiated in the third quarter of 2007, which had a negative effect on earnings of EUR 2.41 million. On an operational level without taking account of the extraordinary depreciation and the restructuring costs, EBIT improved by EUR 5.95 million year-on-year.

Secondary segment reporting

Due to the reorganisation of sales and the product portfolio, changes have been made as of the 2008 financial year in the different business areas to which the individual customer groups and related services are assigned. The previous year's figures in the reporting by business areas have been changed correspondingly.

Key figures by business area 1-9/2008 in EUR	Professional Services	Business Solutions	Technology & Infrastructure	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	20,975,688	28,786,823	28,560,158	0	78,322,669
Assets	11,413,155	25,570,479	30,130,641	3,450,107	70,564,382
Total investments	85,872	800,396	745,829	28,134	1,660,231

Key figures by business area 1-9/2007 in EUR	Professional Services	Business Solutions	Technology & Infrastructure	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	22,274,961	25,976,321	23,192,921	0	71,444,203
Assets	11,844,790	33,540,045	21,117,734	5,361,177	71,863,746
Total investments	478,038	15,203,650	1,125,671	34,452	16,841,811

Notes to the cash flow statement

In the first three quarters of 2008 gross cash flow amounted to EUR 3.72 million, which represents an improvement of EUR 7.38 million compared to the period January to September 2007. The cash flow from operating activities increased from EUR -3.24 to +2.06 million, which is primarily related to the significant increase in earnings. The cash flow from investing activities totalled EUR 5.21 million, of which EUR 2.34 million relate to variable purchase price payments (earn-out payments) in respect to acquisitions made in previous financial years. The cash flow arising from the deconsolidation of BRAIN FORCE Hamburg GmbH was EUR -0.39 million, in which case it must be noted that the acquisition price of EUR 0.30 million for the divestment of the company's stake will be reported in the consolidated financial statements for the fourth quarter of 2008. The cash flow from investing activities encompasses EUR -1.66 million in investments in property, plant and equipment and other intangible assets, and EUR -0.94 million for investments in available-for-sale securities.

Notes on the balance sheet

Non-current assets made up 47% of total assets amounting to EUR 33.28 million on the reporting date of September 30, 2008. Investments in property, plant and equipment and other intangible assets totalled EUR 1.66 million in the third quarter of 2008, of which EUR 1.06 million comprise product development costs. The item "Other receivables and assets" included as non-current assets also encompasses a convertible bond issued by KEMP Technologies Inc., New York, USA, to the amount of USD 900,000. As at September 30, 2008, the convertible bond due June 30, 2009 is reported at the acquisition cost and valued at the current exchange rate. The carrying amount is EUR 0.63 million on the balance sheet date. The recoverability of the convertible bond will be evaluated in the fourth quarter of 2008, particularly taking into consideration the expected development of the US market.

The deferred tax assets of EUR 2.42 million reported in the interim financial statements primarily result from a partial capitalization of tax loss carry-forwards of BRAIN FORCE Software GmbH, Munich, Germany. A change in Germany's Corporate Tax Law envisions a limitation of tax loss carry-forwards as of January 1, 2008 for companies in which an equity stake exceeding 25% or 50% in a particular company is directly or indirectly transferred to new ownership. In the case of the transfer of more than 25% and up to 50% of the shares, the result is a proportional reduction of deductible tax loss carry-forwards. In the case of the transfer of more than 50% of the shares or voting rights, the entire tax loss carry-forwards are eliminated. An intensive evaluation is being carried out to clarify the issue as to whether the takeover offer made by BF-Informationstechnologie-Beteiligungsgesellschaft m.b.H. in the current financial year and the contribution in kind of this company in Beko Holding AG will lead to a reduction or complete elimination of the tax loss carry-forwards on the basis of these new tax regulations in Germany. However, a conclusive evaluation about this balance sheet item is not possible at this time, not least because of the repeated doubts expressed about the constitutionality of this new law. The risk is a potential increase in deferred tax expenses of EUR 2.9 million. Subsequently, the current tax expense would also rise.

Current assets comprised 53% of total assets on the reporting date of September 30, 2008. Trade receivables amounted to EUR 28.47 million and comprised about 40% of total assets. Working capital was EUR 7.65 million on the reporting date, an increase of EUR 2.88 million in comparison to the figure on the balance sheet date of December 31, 2007 as a result of a significant expansion of the company's business activities. The increase in the item "Other receivables and assets" of EUR 0.95 million can be attributed to receivables relating to the sale of BRAIN FORCE Hamburg GmbH. In contrast to the consolidated financial statements as at December 31, 2007, working capital in 2008 no longer encompasses cash and cash equivalents and current financial liabilities.

On the reporting date of September 30, 2008, cash and cash equivalents totalled EUR 5.05 million. Taking account of financial assets, current liquid assets at the end of the period under review were EUR 5.93 million. Net debt rose by EUR 2.28 million to EUR 8.81 million compared to the balance sheet date on December 31, 2007. The increase in net debt is mainly related to purchase price payments (earn-out payments) to cover the costs of past acquisitions. IFRS-based equity in the BRAIN FORCE Group totalled EUR 27.36 million as at September 30, 2008, which represents an equity ratio of 39%.

On September 30, 2008, the number of outstanding shares was 15,386,742. Authorised capital amounted to EUR 7,693,371.

Other information

Thomas Melzer has served as Chief Financial Officer of BRAIN FORCE HOLDING AG since April 1, 2008.

The Annual General Meeting of the shareholders of BRAIN FORCE HOLDING AG was held on May 28, 2008. One of the items on the agenda related to changes in the composition of the Supervisory Board. The following people were elected as new members of the Supervisory Board: Stefan Pierer, Josef Blazicek, Michael Hofer and Friedrich Roithner. The mandate of Wolfgang Hickel was extended. Effective May 27, 2008, Christian Schamburek and Christian Wolff resigned their positions as members of the Supervisory Board.

In the first three quarters of 2008, no significant business transactions were concluded with related companies or individuals.

Statement of the Managing Board

The Managing Board of BRAIN FORCE HOLDING AG certifies, to the best of its knowledge, that the unaudited consolidated interim financial statements as at September 30, 2008, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and give a true and fair view of the assets, liabilities, financial position and profit or loss of the BRAIN FORCE Group as at September 30, 2008.

Vienna, November 27, 2008

The Managing Board


Günter Pridt
Chief Executive Officer


Thomas Melzer
Chief Financial Officer

Financial Calendar

Date	Event
November 28, 2008	Report on the first three quarters of 2008
February 10, 2009	2008 preliminary full year results
March 27, 2009	2008 annual results and press conference
May 12, 2009	Report on the first quarter of 2009
May 14, 2009	11th Annual General Meeting
May 18, 2009	Ex-dividend day 2008
May 19, 2009	1st dividend payment day for 2008
August 14, 2009	Six months 2009 report
November 10, 2009	Report on the first three quarters of 2009

Information on the company and the BRAIN FORCE share

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

BRAIN FORCE HOLDING AG
IZD Tower
Wagramer Strasse 19
1220 Vienna
Austria

Phone: +43 1 263 09 09 0
Fax: +43 1 263 09 09 40

info@brainforce.com
www.brainforce.com