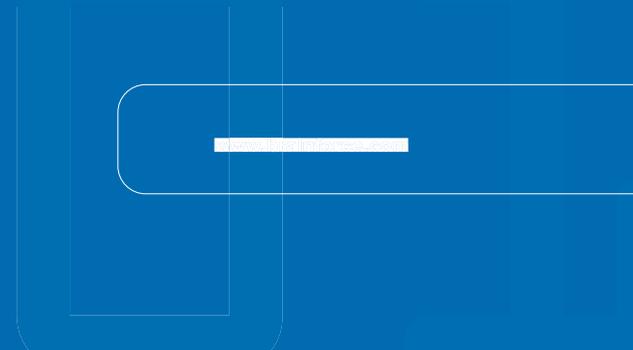




Quarterly Report Q1/2005

Group	Revenue	Profit	EBITDA
Group	1,120,000	120,000	150,000
Operating	1,120,000	120,000	150,000
Non-Operating	0	0	0
Financial	0	0	0
Other	0	0	0
Total	1,120,000	120,000	150,000

we make **it**



BRAIN FORCE - Group

► Key figures per segment at March 31, 2005

	Enterprise Services	Business Solutions	Technology and Infrastructure	unallocated	Total
	EUR	EUR	EUR	EUR	EUR
Segment net sales (consolidated)	7,617,550.52	4,876,021.96	3,945,432.98	0.00	16,439,005.46
Segment operating result	345,524.76	391,388.74	58,127.10	-383,584.27	411,456.33
Financial result					56,955.09
Share of profit of associates		11,578.68			11,578.68
Result before taxes					479,990.10
Income taxes					-280,191.19
Result for the period					199,798.91
Segment assets	7,646,125.85	14,321,191.93	10,831,986.62	16,455,952.48	49,255,256.88
Segment liabilities	5,881,434.84	6,594,840.07	5,497,324.62	1,215,943.12	19,189,542.65
Segment capital expenditure	29,461.52	227,219.77	157,176.99	61,841.61	475,699.89
Segment depreciation and amortisation	11,741.37	241,377.34	189,612.36	29,374.80	472,105.87

Earnings per share EUR 0,01

► Geographical Segments Q1/2005

	Segment net sales	Segment assets	Segment capital expenditure
	EUR	EUR	EUR
Austria	2,723,471.50	18,299,118.26	64,880.70
Germany	8,431,928.00	17,179,260.73	344,118.19
Italy	4,869,948.72	11,993,022.39	64,473.65
Other regions	413,657.24	1,783,855.50	2,227.35

Foreword by the Chief Executive Officer



This quarterly report is the first to be published under our new name of BRAIN FORCE HOLDING AG. The change of name came about as a result of the separation under company law of operational and holding tasks in Austria, a move which involved a reorganisation of the business areas. With immediate effect, we will be reporting on three business areas: Enterprise Services (ES), Technology and Infrastructure (TI) and Business Solutions (BS). We are now ideally placed to cope with the integration of forthcoming acquisitions.

Our results show that we remain on a path of expansion. Even during the traditionally sluggish first quarter, we succeeded in maintaining turnover at the level of the fourth - and strongest - quarter of last year. On this basis, we look forward to an outstanding result for the year as a whole.

A handwritten signature in blue ink that reads "Helmut Fleischmann". The signature is written in a cursive style.

Helmut Fleischmann
Chief Executive Officer



Working under a new
name: **BRAIN FORCE
HOLDING AG**

▶ **Economic climate**

The spring reports of leading economic research institutes have indicated that the expansion of the global economy has started to ease off, largely as a result of the steep rise in raw material prices. Moreover, the devaluation of the US dollar against the yen and the euro has hampered exports in Japan and the eurozone.

Economic activity in the eurozone, which has deteriorated perceptibly since summer 2004, will recover only gradually in the coming months. However, the second half of the year is expected to bring a clear upturn as the adverse impact of the oil price rise dissipates, thereby boosting private consumption in particular. As sales and revenue prospects brighten on the single market, companies will rapidly scale up their investment plans, especially with financing conditions remaining favourable. Gross domestic product in 2005 is expected to reach 1.4 percent in real terms.

EITO Institute market analysts are predicting that the European market for information technology and telecommunications is likely to expand by 4.1 percent during 2005, thereby outpacing the US market (3.9 percent) and the Japanese market (2.7 percent). According to the calculations of sector association BITKOM, all major market segments in Germany will expand in 2005 as companies replace old systems acquired prior to 2000. Software demand in particular is expected to grow by a healthy 5.5 percent to EUR 16.2 billion. IT service providers will benefit from the trend towards outsourcing. Turnover in the IT service sector will rise this year by 4.4 percent to EUR 27.9 billion.

▶ **Significant changes to the group**

The ordinary shareholders' meeting held on 14th April 2005 resolved to change the name of the company from BRAIN FORCE SOFTWARE AG to BRAIN FORCE HOLDING AG, and to incorporate operational business activity in Austria within Brain Force Datenverarbeitungs GmbH, which was founded at the end of last year. The change of name had already been entered in the company register at the time when this report was produced; therefore, it is officially BRAIN FORCE HOLDING AG that is now reporting on first quarter 2005.

The final step will be to change the name of Brain Force Datenverarbeitungs GmbH to BRAIN FORCE SOFTWARE GmbH so that operational business activity in Austria will continue to operate under familiar brand names. The legal structure of the group will then accord with the management structures in place since the start of the year.

As outlined in the annual report for 2004, the group's existing business areas were also realig-

New business areas:
Enterprise Services (ES),
Business Solutions (BS),
Technology and
Infrastructure (TI)



ned at the start of the fiscal year. We achieved this by reassigning the operational activities of the group according to "companies of origin" and grouping them by related subject areas. For example, the specialist areas of Banking Solutions, Business Process Outsourcing, ERP and CRM Systems were demerged from the former Professional Services business area and, along with the former Financial Solutions segment, now comprise the new business area Business Solutions (BS).

The Technology and Infrastructure (TI) business area comprises the former Communication Networks area together with the specialist fields of Application Hosting, Security Solutions, Infrastructure Management and Storage Solutions, which previously belonged to the Professional Services area.

The Enterprise Solutions (ES) business area continues to accommodate the group's purely service-based activities. It is made up of the specialist areas of Consulting, Programming, Integration, Migration, Rollout, Operation, Support and Maintenance.

In parallel with our realignment of business areas along content-based lines into the solution-oriented segments BS and TI and the ES segment, which is focused on individual services, sales and distribution has been structured on a cross-segment basis. This will provide greater interaction of both organic and acquisition-related activities within the group.

As a result of this reorganisation, the group is ideally prepared to take on the integration tasks in connection with forthcoming acquisitions.

► Sales and revenue situation

During the first three months of 2005, the BRAIN FORCE group recorded net sales of EUR 16.44 million, thereby exceeding the comparable previous year value of EUR 15.46 million by 6.4 percent. Even at the stage of the traditionally weak first quarter, turnover has therefore matched the level of the fourth (and strongest) quarter of 2004.

Compared to the same period last year, the EBITDA increased by TEUR 118 to TEUR 884, equivalent to a 15.4 percent improvement. The EBITDA margin thereby rose from 5.0 percent in Q1 2004 to 5.4 percent in Q1 2005.

In the first quarter of 2005, the group achieved an EBIT of TEUR 411 (previous year: TEUR 406). This increase of 1.4 percent led to a slight (0.1 percent) decline in the EBIT margin to 2.5 percent. The EBIT was adversely affected in the first quarter by the cost of scheduled depreciation, which increased by 31.1 percent compared to the previous year (Q1 2005: TEUR 472; Q1 2004:



Enterprise Services segment records net sales of EUR 7.62 million

Business Solutions segment achieves net sales of EUR 4.88 million



TEUR 360). Group-internal software products were the main factor behind the rise in the cost of depreciation and amortisation.

After the first three months, the result for the period stood at TEUR 200, 30.7 percent above the previous year's value of TEUR 153. The profit for the period after minorities amounted to TEUR 134 (previous year: TEUR 136). This resulted in an earnings per share of EUR 0.01. Since the weighted average number of shares in the previous year was 49.0 percent below the value for the current quarter, the earnings per share for first quarter 2004 was EUR 0.03.

► Development in primary segments

In the first quarter of 2005, the Enterprise Services (ES) segment recorded net sales of EUR 7.62 million and a segment EBIT of TEUR 346. With a share of 46.3 percent, this segment therefore has the strongest sales of any segment in the BRAIN FORCE group. The EBIT margin stood at 4.5 percent, in line with expectations for the year as a whole.

Our international subsidiaries in Germany contributed EUR 5.30 million to the net sales of the ES segment; the Austrian company achieved net sales amounting to EUR 2.32 million.

Business development in Germany during the first quarter exceeded expectations, with a number of new customers gained and business volume expanding with a key existing customer in the technology sector. In Austria, however, the seamless progression from one completed project to new orders did not take place as planned; major follow-up projects were not completed until March.

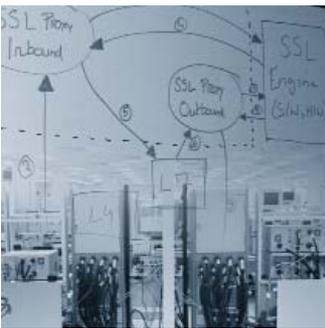
The Business Solutions (BS) segment recorded net sales of EUR 4.88 million and a segment EBIT of TEUR 391 in the first quarter of 2005. The EBIT margin stood at 8.0 percent. This segment therefore achieved the highest profit share of any segment and delivered a 29.7 percent contribution to group net sales.

The international subsidiaries in Germany contributed EUR 2.23 million to segment net sales. In this segment, Italy was the second-best performing country, with net sales of EUR 2.09 million. Austria accounted for net sales of TEUR 390 in the segment, with other countries totalling TEUR 157.

The first version of the FINAS Pension Optimiser was completed during quarter one; two customers have already made purchases. A basic version of the product, which takes account of new legal regulations on pension provision in Germany, was marketed for the first time in 2004.

In Austria, the foundations were laid for a major order in the specialist area of Business Process Outsourcing during the first quarter. The order has a total value of EUR 3.52 million and a validity period of five years.

Net sales of EUR 3.94 million for Technology and Infrastructure segment



Our Italian subsidiary acquired a 25 percent share in CONSULTING CUBE S.r.l. during the first three months. The company's management team has many years of experience in the consultancy sector and will strengthen our portfolio with high quality management consulting as well as the conception, project planning and implementation of innovative business solutions. This participation will be critical in helping us to maintain our high rates of growth in the specialist field of ERP and CRM systems in Italy.

In the first three months of the current year, the net sales share for the Technology and Infrastructure (TI) business area amounted to 24.0 percent of group net sales. The segment thereby achieved sales of EUR 3.94 million and a segment EBIT of TEUR 58. The EBIT margin was 1.5 percent.

In this segment, the Italian subsidiary recorded net sales of EUR 2.78 million. The international subsidiaries in Germany contributed TEUR 901 to the net sales for the segment, with Austria delivering TEUR 11 and other companies accounting for TEUR 257.

The result in Italy was adversely affected by advance outlay in respect of new subject fields, which for the first time were processed in connection with key account orders. Successful conclusion of these projects will lead to follow-up orders with much higher margins. A major project for the University of Udine was also realised in the specialist field of Infrastructure Management.

In Germany, Deutsche Steinkohle AG has upgraded beusenKNV to incorporate the Internet-capable module webKNV. A major German energy provider also placed an order linked to beusenKNV expansion. An important order to adapt and provide beusenKNV cable management software, which will be realised during fiscal year 2006, was concluded with a public sector customer. The order volume includes a high licensing proportion. Delivery of software licences, which will impact accordingly on net sales and the margin, is scheduled for the third quarter.

The follow-up order from IBM in Switzerland represented a continuation of the successful collaboration of the previous fiscal year.

On the basis of existing orders, fixed delivery dates for software licences and current sales forecasts, the Executive Board expects the EBIT margin for the year as a whole to reach the level of the margin for the Business Solutions segment.

Non-assignable group costs to 31st March 2005 amounted to TEUR 384.

Order balance rises to
EUR 16.40 million



► Orders

As of 31st March 2005, the order balance stood at EUR 16.40 million, a rise of 40.0 percent compared to the figure for 31st December 2004. The order balance was 10.5 percent higher (EUR 18.32 million) on 31st March 2004. However, the order balance for 31st March 2005 does not include the aforementioned large-scale order for the BS segment in Austria, as this had not been signed and concluded by the key date. The order balance therefore reflects the typical increase for the end of the first quarter, the regular result of several current maintenance and service contracts valid for one calendar year.

The Enterprise Services business area had an order balance of EUR 8.83 million.

As of the key date, the Business Solutions business area had orders on hand amounting to EUR 4.45 million.

The order balance for the Technology and Infrastructure business area stood at EUR 3.12 million.

In overall terms, the level of the order balance remained at around one quarter's turnover, the average value for the BRAIN FORCE group.

► Research and product development

The research and development activities of the BRAIN FORCE group are concentrated in the business areas BS (Business Solutions) and TI (Technology and Infrastructure).

During the first quarter, the development priorities of the BS business area were as follows:

- ▶ Customer-specific functional enhancements to the web CRM and web Construction Financing solutions prior to acceptance of the second stage of the BW Bank order during first quarter 2005
- ▶ Completion of the first version of the FINAS Pension Optimiser

During quarter one, the TI business area pushed ahead with development of the successor product to beusenKNV. The cable network management system will be upgraded to a technically state-of-the-art platform, thereby delivering the future-proof security and investment confidence that BRAIN FORCE group customers demand.

► Human resources

As of key date 31st March 2005, the staffing level stood at 637 salaried employees, 2.4 percent above the level for the end of 2004 (622 salaried employees) and 4.1 percent above that for 31st March 2004 (612 salaried employees). Since we are increasingly turning to larger subcontractor



Staffing levels slightly

companies with fluctuating project personnel deployments, we have not specified the level of external employees from fiscal year 2005 onwards.

Staffing levels by business area are as follows:

Enterprise Services:	218
Business Solutions:	215
Technology and Infrastructure:	195
Group functions:	9

During quarter one, the average staffing level stood at 635 salaried employees.

▶ Anticipated developments

The latest figures corroborate the budgeted figures for organic growth. Even during the first quarter, which is generally sluggish, net sales were maintained at the level of the previous year's strongest quarter (fourth quarter). Compared to the same period last year, net sales and the operating result (EBITDA) have increased significantly. Since the figures for the first quarter correspond to forecasts, the Executive Board has reaffirmed its published targets for 2005 (result per share of EUR 0.19 with net sales of EUR 70 million on the basis of organic earnings excluding special items).

Thanks to the aforementioned restructuring within the group - affecting everything from the composition of the management team and the realignment of business areas to the adaptation of the legal structures of the BRAIN FORCE group - we are ideally placed to integrate the corporate acquisitions scheduled for this year into the group (at least some of which are expected during the first half of the year).



▶ BRAIN FORCE-Group

Consolidated balance sheet at March 31, 2005

	31.03.05	31.12.04
Assets	EUR	EUR
Non-current assets		
Property, plant and equipment	939,732.69	969,684.00
Goodwill	4,706,826.78	4,706,826.78
Other intangible assets	4,183,315.70	4,160,161.38
Investments in associates	564,404.75	535,221.85
Other financial assets	188,703.68	187,180.22
Other receivables and other assets	163,349.73	169,396.72
Deferred tax assets	839,081.92	799,886.96
	11,585,415.25	11,528,357.91
Current assets		
Inventories	288,514.89	295,634.98
Trade receivables	17,778,363.27	17,458,047.06
Financial assets	3,964,524.72	3,941,418.00
Other receivables and other assets	1,024,272.22	699,313.18
Cash and cash equivalents	14,614,166.53	14,551,208.04
	37,669,841.63	36,945,621.26
	49,255,256.88	48,473,979.17

	31.03.05	31.12.04
Equity and liabilities	EUR	EUR
Equity		
Equity attributable to equity holders of the parent		
Share capital	10,257,828.00	10,257,828.00
Reserves	15,550,585.93	15,544,408.42
Retained earnings	3,640,527.46	3,506,217.91
Own shares	-410,267.40	-410,267.40
Minority interest	1,027,040.24	959,956.25
	30,065,714.23	29,858,143.18
Non-current liabilities		
Other liabilities	10,148.86	16,558.00
Provisions for post employment benefits	2,237,717.31	2,163,242.00
Deferred tax liabilities	490,782.65	456,355.69
	2,738,648.82	2,636,155.69
Current liabilities		
Financial liabilities	3,113,533.66	2,486,734.49
Trade payables	5,248,443.59	5,527,841.90
Other liabilities	7,376,537.10	7,452,360.60
Tax provisions	695,510.94	480,035.08
Other provisions	16,868.54	32,708.23
	16,450,893.83	15,979,680.30
	49,255,256.88	48,473,979.17

▶ BRAIN FORCE-Group Consolidated income statement 01.01.-31.03.2005	01.01.2005 - 31.03.2005	01.01.2004 - 31.03.2004
	EUR	EUR
1. Net sales	16,439,005.46	15,455,210.44
2. Changes in work in progress	-2,253.19	36,618.52
3. Other own work capitalised	315,579.00	390,702.00
4. Other operating income	292,339.88	286,105.72
5. Material and production costs	-12,012,550.97	-11,247,371.45
6. Employee benefits costs	-2,788,992.30	-2,691,172.17
7. Depreciation and amortisation expense	-472,105.87	-360,058.53
8. Other operating expenses	-1,359,565.68	-1,464,103.99
9. Operating result	411,456.33	405,930.54
10. Financial result	56,955.09	-34,592.23
11. Share of profit of associates	11,578.68	-13,323.26
12. Result before income taxes	479,990.10	358,015.05
13. Income taxes	-280,191.19	-205,111.10
14. Result for the period	199,798.91	152,903.95
Result for the period attributable to:		
Equity holders of the parent	134,309.55	135,821.01
Minority interest	65,489.36	17,082.94
	199,798.91	152,903.95

Earnings per share EUR 0,01

► BRAIN FORCE – Group

Consolidated cash flow statement 01.01.-31.03.2005

	01.01.2005 - 31.03.2005	01.01.2004 - 31.03.2004
	EUR	EUR
Cash flow from operating activities		
Result before taxes	479,990.10	358,015.05
Adjustments for		
+ Depreciation	472,105.87	360,058.53
+/- Financial result	-56,955.09	34,592.23
- Share of profit of associates	-11,578.68	13,323.26
+/- Gain/loss on disposal of property, plant and equipment and other intangible assets	1,706.17	-22,183.05
+/- Changes in provisions for post-employment benefits	58,635.62	-173,531.70
+/- Changes in inventories	7,120.09	-35,568.44
+/- Changes in receivables	-615,426.57	-801,495.98
+/- Changes in payables	-361,630.95	164,407.75
+/- Currency translation differences	3,387.82	-2,156.22
	-22,645.62	-104,538.57
- Interest paid	9,656.42	-31,434.14
- Taxes on income paid	-65,195.75	6,889.26
Net cash flow from operating activities	-78,184.95	-129,083.45
Cash flow from investing activities		
- Acquisition of subsidiaries	0.00	-31,964.50
+ Sale of share in subsidiaries	0.00	41,997.80
- Cash outflow for investments in property, plant and equipment and other intangible assets	-475,699.89	-483,318.62
- Cash outflow for investments in financial assets	-21,501.54	-3,900,766.61
+ Cash inflow from the disposal of property, plant and equipment and other intangible assets	11,545.70	2,683.79
Net cash flow from investing activities	-485,655.73	-4,371,368.14
Cash flow from financing activities		
+ Proceeds from issue of ordinary shares	0.00	7,093,724.40
+/- Cash inflow/outflow from financial liabilities	626,799.17	-532,691.99
Net cash flow from financing activities	626,799.17	6,561,032.41
Increase in cash and cash equivalents	62,958.49	2,060,580.82
Cash and cash equivalents at beginning of year	14,551,208.04	4,345,280.20
+ Increase / decrease	62,958.49	2,060,580.82
Cash and cash equivalents at end of period	14,614,166.53	6,405,861.02

► **Consolidated statement of changes in equity**

Balance January 1, 2004
Fair value adjustments of securities
Currency translation differences
Net income recognised directly in equity
Result for the period January 1 - March 31, 2004
Total result for the period
Issue of share capital in kind
Transaction costs related to issue of share capital
Other movements within minority interest
Balance March 31, 2004
Fair value adjustments of securities
Currency translation differences
Net income recognised directly in equity
Result for the period April 1 - December 31, 2004
Total result for the period
Issue of share capital in kind
Transaction costs related to issue of share capital
Purchase of own shares
Other movements within minority interest
Balance December 31, 2004
Fair value adjustments of securities
Currency translation differences
Net income recognised directly in equity
Result for the period
Total result for the period
Balance March 31, 2005

Attributable to equity holders of the parent						Minority Interest	Total Equity
Share capital	Share premium	Other reserves	Retained earnings	Own Shares	Total		Total
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
4,834,789.00	5,673,438.51	-226,452.87	1,731,178.51	0.00	12,012,953.15	687,292.30	12,700,245.45
0.00	0.00	4,226.18	0.00	0.00	4,226.18	0.00	4,226.18
0.00	0.00	-672.47	0.00	0.00	-672.47	-609.67	-1,282.14
0.00	0.00	3,553.71	0.00	0.00	3,553.71	-609.67	2,944.04
0.00	0.00	0.00	135,821.01	0.00	135,821.01	17,082.94	152,903.95
0.00	0.00	3,553.71	135,821.01	0.00	139,374.72	16,473.27	155,847.99
2,417,394.00	4,834,788.00	0.00	0.00	0.00	7,252,182.00	0.00	7,252,182.00
0.00	-164,457.60	0.00	0.00	0.00	-164,457.60	0.00	-164,457.60
0.00	0.00	0.00	0.00	0.00	0.00	6,439.82	6,439.82
7,252,183.00	10,343,768.91	-222,899.16	1,866,999.52	0.00	19,240,052.27	710,205.39	19,950,257.66
0.00	0.00	-1,224.19	0.00	0.00	-1,224.19	0.00	-1,224.19
0.00	0.00	29,557.07	0.00	0.00	29,557.07	-2,944.22	26,612.85
0.00	0.00	28,332.88	0.00	0.00	28,332.88	-2,944.22	25,388.66
0.00	0.00	0.00	1,639,218.39	0.00	1,639,218.39	234,033.84	1,873,252.23
0.00	0.00	28,332.88	1,639,218.39	0.00	1,667,551.27	231,089.62	1,898,640.89
3,005,645.00	6,011,290.00	0.00	0.00	0.00	9,016,935.00	0.00	9,016,935.00
0.00	-616,084.21	0.00	0.00	0.00	-616,084.21	0.00	-616,084.21
0.00	0.00	0.00	0.00	-410,267.40	-410,267.40	0.00	-410,267.40
0.00	0.00	0.00	0.00	0.00	0.00	18,661.24	18,661.24
10,257,828.00	15,738,974.70	-194,566.28	3,506,217.91	-410,267.40	28,898,186.93	959,956.25	29,858,143.18
0.00	0.00	1,523.46	0.00	0.00	1,523.46	0.00	1,523.46
0.00	0.00	4,654.05	0.00	0.00	4,654.05	1,594.63	6,248.68
0.00	0.00	6,177.51	0.00	0.00	6,177.51	1,594.63	7,772.14
0.00	0.00	0.00	134,309.55	0.00	134,309.55	65,489.36	199,798.91
0.00	0.00	6,177.51	134,309.55	0.00	140,487.06	67,083.99	207,571.05
10,257,828.00	15,738,974.70	-188,388.77	3,640,527.46	-410,267.40	29,038,673.99	1,027,040.24	30,065,714.23

Notes to the consolidated financial statements at March 31, 2005

▶ **The company**

BRAIN FORCE HOLDING AG, Vienna, is an international company involved in both non-sector-dependent services and solutions in the field of technical infrastructure as well as sector-specific solutions for financial services companies.

The main offices of the parent company are at Wagramer Strasse 17, 1220 Vienna, Austria.

▶ **General remarks on accounting standards**

These consolidated interim accounts of BRAIN FORCE HOLDING AG for March 31, 2005 were drawn up in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB).

All subsidiaries, i.e. those companies in which the group has a direct or indirect participation with over half the voting rights or is otherwise enabled to assume control of the operation, have been consolidated. The interim accounts as of March 31, 2005 incorporated in the consolidated accounts were drawn up in accordance with IFRS principles.

The classification of the consolidated balance sheet, group profit and loss statement and development of equity capital corresponded to that used in the annual accounts as of December 31, 2004.

We have deviated accordingly from the representation defined in the structured quarterly reporting (SQR) proposed by Deutsche Börse and from the provisions relating to minimum content in the balance sheet and profit and loss statement according to the prime market rules on the Vienna Stock Exchange. However, we have complied with the sub-classifications also required by these regulations.

▶ **Consolidation group**

The consolidated interim accounts dated March 31, 2005 incorporate BRAIN FORCE HOLDING AG, Vienna, and all subsidiaries and associated companies shown below:

Company	Share in %
Brain Force Datenverarbeitungs GmbH, Vienna	100
Brain Force Software GmbH, Unterschleissheim, Munich, Germany	100
Brain Force Datenverarbeitungs AG, Unterschleissheim, Munich, Germany	100
Brain Force Software S.p.A., Milan, Italy	100
Brain Force Software B.V., Amsterdam, Netherlands	100
BFS Brain Force Software AG, Zurich, Switzerland	100
Brain Force Financial Solutions AG, Munich, Germany	76.13
Brain Force Software Ltd., Cambridge, United Kingdom	100
Brain Force Software a.s., Prague, Czech Republic	85
SBT s.r.o., Bratislava, Slovakia ¹⁾	100
NSE Capital Venture GmbH, Munich, Germany ²⁾	100
SFP Software für FinanzPartner GmbH, Munich, Germany ²⁾	49
CONSULTING CUBE S.r.l. ³⁾	25

¹⁾ The investment is held by Brain Force Software a.s.

²⁾ The investment is held by Brain Force Financial Solutions AG

³⁾ The investment is held by Brain Force Software S.p.A.

A total of 12 companies (31.12.2004: 12) are fully consolidated and two associated company (31.12.2004: 1) at equity is incorporated in the consolidated interim accounts as of March 31, 2005.

► Consolidation methods

Capital consolidation was performed according to the provisions of IAS 22 (revised 1998) for acquisitions up to December 31, 2003. The acquisition costs of shares in the incorporated companies plus the costs directly assignable to the acquisition were offset against the respective proportionate net worth based on the current values of the acquired assets and liabilities of these companies at the time of the acquisition or transfer of power of control. The positive difference between the book value of the participations in the subsidiaries and the appropriate equity capital displayed is shown as goodwill. A negative difference is shown as negative goodwill and dealt with according to the provisions of IAS 22.

Group-internal receivables and payables, revenues, expenses and intercompany profit and loss are eliminated.

► **Assets and financial situation**

Compared to key date December 31, 2004, the balance sheet total increased by 1.6 percent to EUR 49.26 million (31.12.2004: EUR 48.47 million).

Non-current assets amounting to 23.5 percent of total assets increased only marginally from EUR 11.53 million on December 31, 2004 to EUR 11.59 million.

Goodwill remained unchanged from December 31, 2004 at EUR 4.71 million.

Other intangible assets include software, rights and development costs. Development costs accounted for 7.9 percent of total assets (31.12.2004: 8.0 percent).

Other non-current assets - financial assets, other receivables and deferred taxes - stood at EUR 1.76 million (31.12.2004: EUR 1.69 million).

As of the key date, current assets amounted to EUR 37.67 million (31.12.2004: EUR 36.94 million), equivalent to 76.5 percent of total assets.

Trade receivables displayed an increase to EUR 17.78 million (31.12.2004: EUR 17.46 million). This item contains trade receivables from affiliated companies of TEUR 115 (31.12.2004: TEUR 71).

Financial assets stood at EUR 3.96 million (31.12.2004: EUR 3.94 million). This item contains short-term assessments in securities held for trading purposes; any rate fluctuations are posted during the current period. Cash and cash equivalents amounted to EUR 14.61 million (31.12.2004: EUR 14.55 million) on the key date.

Group equity was up to EUR 30.07 million (31.12.2004: EUR 29.86 million). Compared to the previous key date, the number of own shares acquired through the share repurchase programme was unchanged at 152,645 with a value of TEUR 410. As of the key date, the equity ratio was 61 percent (31.12.2004: 61.6 percent).

As of key date March 31, 2005, authorised capital stood at EUR 5,128,914.00.

As of March 31, 2005, the proportion of equity due to minority shareholders stood at EUR 1.03 million (31.12.2004: TEUR 960).

Non-current liabilities increased by TEUR 100, from EUR 2.64 million on December 31, 2004 to EUR 2.74 million.

Current liabilities rose by TEUR 470, from EUR 15.98 million on December 31, 2004 to EUR 16.45 million on March 31, 2005. This item shows a TEUR 627 rise in short-term financial liabilities to EUR 3.11 million (31.12.2004: EUR 2.49 million).

Trade payables fell by TEUR 280 to EUR 5.25 million (31.12.2004: EUR 5.53 million). This item includes payments received of TEUR 331 (31.12.2004: TEUR 392).

Other current payables amounted to EUR 7.38 million (31.12.2004: EUR 7.45 million); this item contains deferred income of EUR 1.57 million (31.12.2004: EUR 1.17 million).

As of March 31, 2005, short-term tax provisions stood at TEUR 695 (31.12.2004: TEUR 480).

The working capital was EUR 21.22 million on key date March 31, 2005 (31.12.2004: EUR 20.97 million).

► **Remarks on the group profit and loss statement**

The group profit and loss statement was compiled in compliance with the type-of-expenditure format.

Net sales for the reporting period January 1 to March 31, 2005 was EUR 16.44 million (previous year: EUR 15.46 million). Other own work capitalised was TEUR 316 (previous year: TEUR 391) in the period under review.

The item material and production costs stood at EUR 12.01 million (previous year: EUR 11.25 million).

Employee benefits costs in the areas of administration and sales and distribution rose by 3.6 percent to EUR 2.79 million (previous year: EUR 2.69 million).

The cost of scheduled depreciation and amortisation was TEUR 472 (previous year: TEUR 360); no non-scheduled depreciation of goodwill was performed during the reporting period.

Financial result stood at TEUR 57 (previous year: TEUR -35); the share of profit of associates capitalised under the equity method amounted to TEUR 12 (previous year: TEUR -13).

Result before taxes during the reporting period totalled TEUR 480 (previous year: TEUR 358). Taxes on income amounted to TEUR 280 (previous year: TEUR 205).

▶ **Segment information**

Until recently, the company was comprised of the business areas Professional Services, Communication Networks and Financial Solutions. Following the programme of group restructuring, however, the BRAIN FORCE group is made up of the following business areas:

- ▶ Enterprise Services (ES)
- ▶ Business Solutions (BS)
- ▶ Technology and Infrastructure (TI)

The Enterprise Services area provides a wide range of services: Consulting, Programming, Integration, Migration, Rollout, Operation, Support and Maintenance.

The Business Solutions area consists of three competence centres: Outsourcing Solutions, Financial Solutions and Enterprise Solutions.

The Technology and Infrastructure area also comprises three competence centres: Network Solutions, Communication Solutions and Security Solutions.

Key figures by business area are as follows for the reporting period:

	Enterprise Services	Business Solutions	Technology and Infrastructure	Unallocated	Total
	EUR	EUR	EUR	EUR	EUR
Segment net sales (consolidated)	7,617,550.52	4,876,021.96	3,945,432.98	0.00	16,439,005.46
Segment operating result	345,524.76	391,388.74	58,127.10	-383,584.27	411,456.33
Financial result					56,955.09
Share of profit of associates		11,578.68			11,578.68
Result before taxes					479,990.10
Income taxes					-280,191.19
Result for the period					199,798.91
Segment assets	7,646,125.85	14,321,191.93	10,831,986.62	16,455,952.48	49,255,256.88
Segment liabilities	5,881,434.84	6,594,840.07	5,497,324.62	1,215,943.12	19,189,542.65
Segment capital expenditure	29,461.52	227,219.77	157,176.99	61,841.61	475,699.89
Segment depreciation and amortisation	11,741.37	241,377.34	189,612.36	29,374.80	472,105.87

The geographical segments are as follows:

	Segment net sales	Segment assets	Segment capital expenditure
Geographical segments 2005	EUR	EUR	EUR
Austria	2,723,471.50	18,299,118.26	64,880.70
Germany	8,431,928.00	17,179,260.73	344,118.19
Italy	4,869,948.72	11,993,022.39	64,473.65
Other regions	413,657.24	1,783,855.50	2,227.35

▶ **Remarks on the group flow of funds analysis**

In accordance with the regulations of IAS 7, the flow of funds analysis was compiled under the indirect method and is divided according to cash flow from operating activities, capital expenditure activity and financing activity. Liquid funds incorporating cash on hand and credit at financial institutions are specified as funds for payment means.

Taking result before taxes of TEUR 480 (previous year: TEUR 358), net cash flow from operating activities displayed an outflow of TEUR -78 (previous year: TEUR -129); this reflects a rise in receivables of TEUR 615 and a reduction in payables of TEUR 362. Taxes on income paid amounted to TEUR 65.

Cash flow from investing activities was TEUR -486 (previous year: EUR -4.37 million); the acquisition of tangible and other intangible assets accounted for TEUR 476 of this (previous year: TEUR 483). For the acquisition of financial assets, TEUR 22 (previous year: EUR 3.90 million) was allotted.

Cash flow from financing activities of TEUR 627 (previous year: EUR 6.56 million) shows the inclusion of financial liabilities. In the previous year, payment means totalling EUR 7.09 million were generated through the issue of shares.

As of key date March 31, 2005, cash and cash equivalents of EUR 14.61 million (31.12.2004: EUR 14.55 million) and short-term assessed financial assets of EUR 3.97 million (previous year: EUR 3.94 million) were available to the BRAIN FORCE group.

▶ **Other information**

There have been changes to the supervisory board. On February 18, 2005, the Executive Board of BRAIN FORCE HOLDING AG announced that the following persons would resign as members of the company's supervisory board: Dr. Hermann Wenusch (with immediate effect, for career reasons), Mr. Roman Gregorig (on May 31, 2005, due to overwork) and Mr. Josef Schmid (at the end of the ordinary shareholders' meeting held on June 10, 2005, for career and health reasons). At the extraordinary shareholders' meeting held on April 14, 2005, Mr. Günter Pridt of Vienna and Mr. Christian Wolff of Horn in Switzerland were unanimously elected as members of the company's supervisory board.

At the constituent supervisory board meeting, Dr. Christoph Senft was elected as the new supervi-

sory board chairman and Mr. Günter Pridt was elected as deputy chairman. As regards changes to the Executive Board, Mr. Gunter Reissmann resigned from the board with effect from March 8, 2005 with the approval of the supervisory board and the other Executive Board members. Gunter Reissmann will remain with the company as a member of the management board for Central Europe; as Managing Director of Brain Force Software GmbH, Germany, he is also responsible for the Technology and Infrastructure segment.

At the extraordinary shareholders' meeting held on April 14, 2005, a resolution was passed unanimously to change the name of BRAIN FORCE SOFTWARE AG to BRAIN FORCE HOLDING AG. The change of name was registered with the responsible court on April 29, 2005. At the same meeting, a further unanimous resolution was passed to incorporate operational business of BRAIN FORCE SOFTWARE AG, Vienna, into Brain Force Datenverarbeitungs GmbH, Vienna.

Brain Force Financial Solutions AG of Munich, Germany, in which BRAIN FORCE HOLDING AG has a shareholding of 76.13 percent, held an extraordinary shareholders' meeting on March 7, 2005. In accordance with the agenda, a resolution was passed to reduce the capital stock in simplified form by EURO 11,583,000.00 to EURO 117,000.00 under §§ 229 ff of the German Stock Corporation Act. An additional resolution was passed to raise the reduced capital stock of EURO 117,000.00 to EURO 1,617,000.00 against a cash contribution of EURO 1,500,000.00 generated through the issue of new shares.

On April 11, 2005, Brain Force Financial Solutions AG announced that a rescissory action had been raised against the shareholders' resolutions. For this reason, it will not be possible to reduce the capital stock and implement a capital increase as resolved before a decision is reached on the admissibility of the resolutions.

No options were held by the Executive Board and supervisory board of BRAIN FORCE HOLDING AG as of key date March 31, 2005.

The staffing level stood at 637 (31.03.2004: 612); the order balance totalled EUR 16.40 million (31.03.2004: EUR 18.32 million).

Information

► Financial timetable

Date	Event
30.05.05	Report on the first quarter
10.06.05	Ordinary shareholders' meeting
20.06.05	Ex-dividend day
23.06.05	Dividend payment day
29.08.05	Six-monthly report
28.11.05	Report on the third quarter

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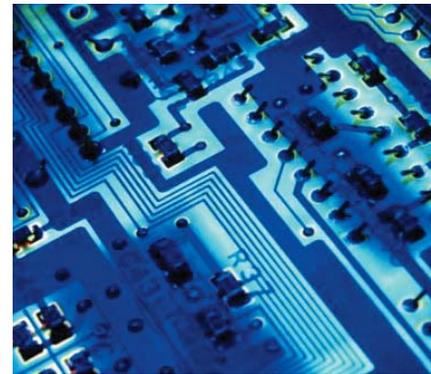
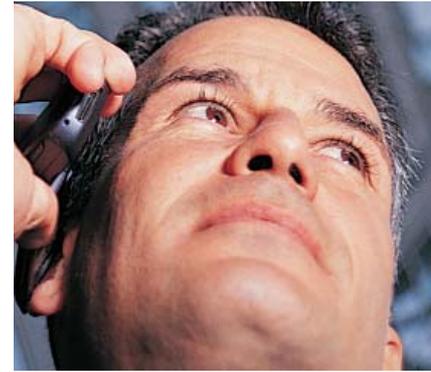
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