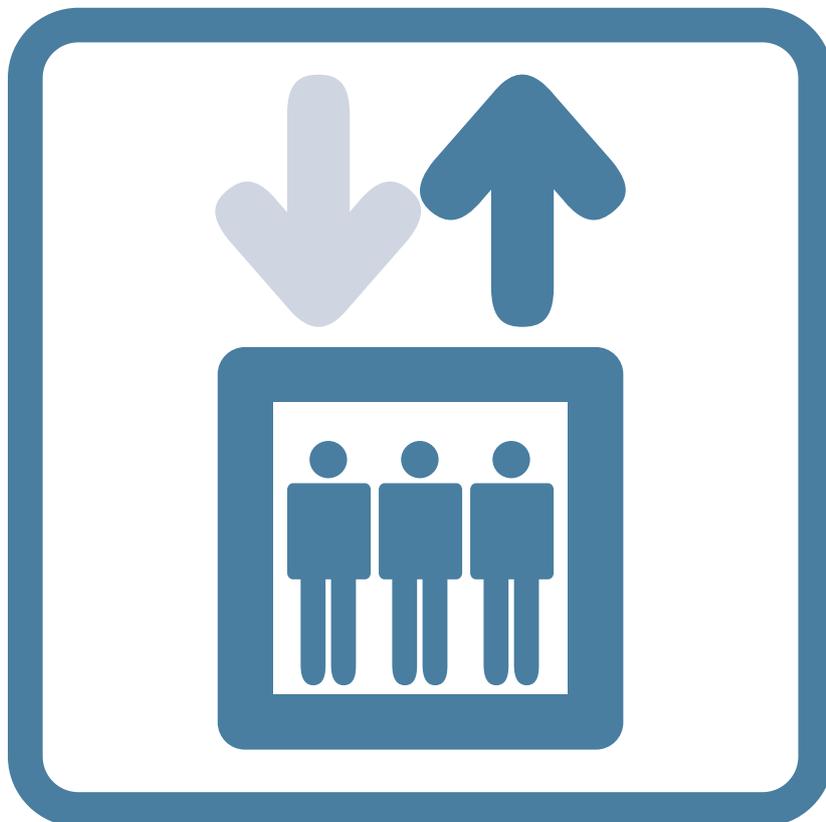


Annual Financial Report 2010/11



up

Annual Financial Report 2010/11 – Table of contents

Part 1: Annual Report of the Group

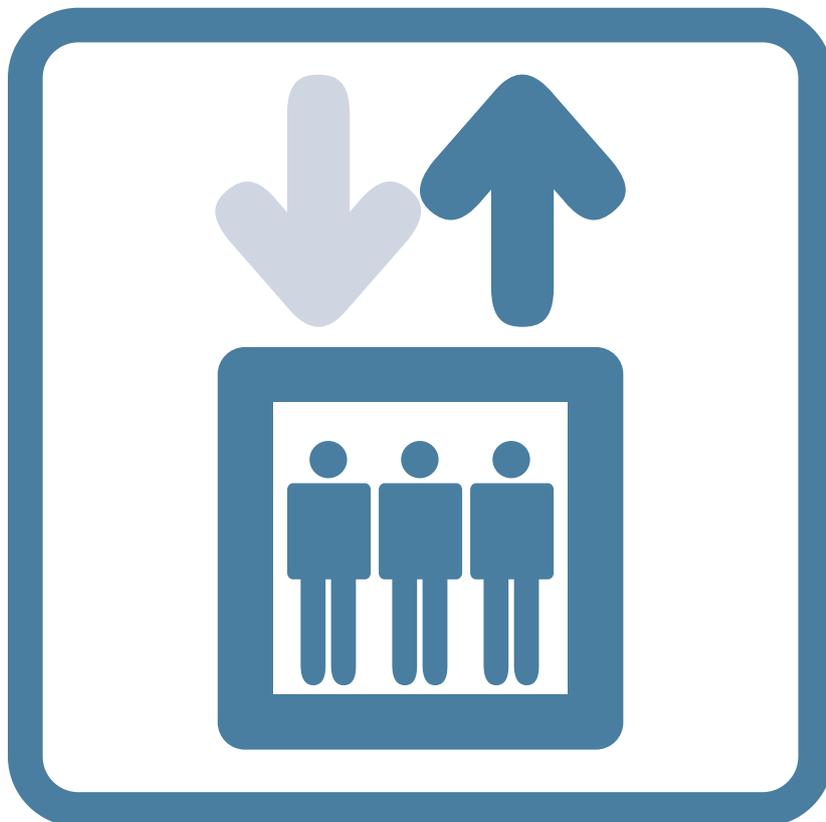
- 12 Chief Executive's Review
- 14 Report of the Supervisory Board
- 16 Corporate Governance Report
- 22 The Company
- 29 Management Report
- 45 Consolidated Financial Statements
- 46 Statement of comprehensive income
- 47 Cash Flow Statement
- 48 Balance Sheet
- 49 Notes to the consolidated financial statements for the
fiscal year from October 1, 2010 to September 30, 2011
- 80 Service

Part 2: Financial Statements according to Austrian Commercial Code – UGB

- Balance Sheet Annex 1
- Income Statement Annex 2
- Notes Annex 3
- Management Report Annex 4
- Auditor's Report

Part 3: Declaration of the Management according to § 82 (4) (3) BörseG

Annual Report 2010/11

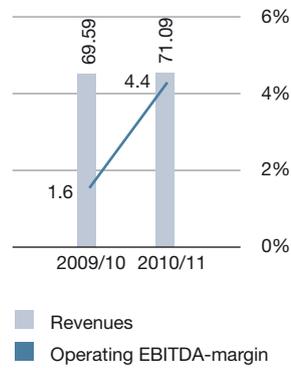


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BRAIN FORCE Key Data

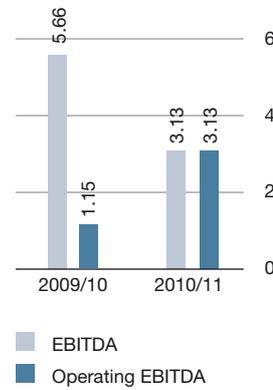
Revenues and EBITDA margin

in € million and %



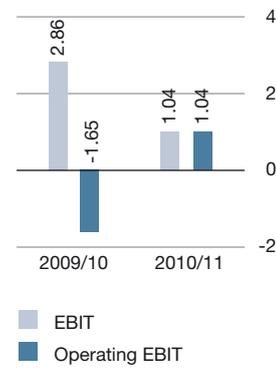
EBITDA

in € million



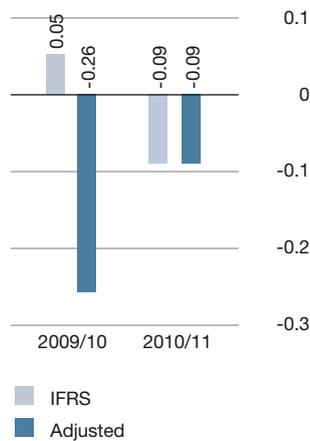
EBIT

in € million



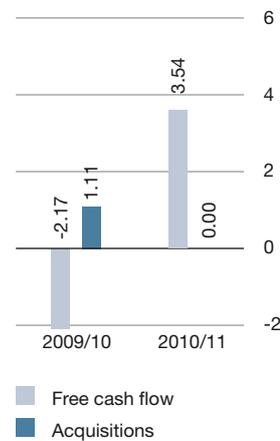
Earnings per share

in €



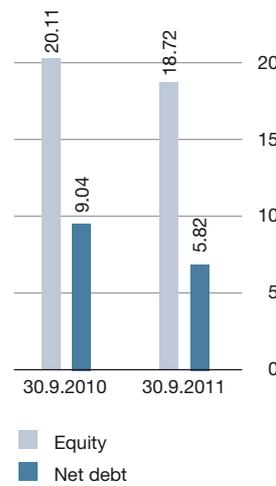
Free cash flow and acquisitions

in € million

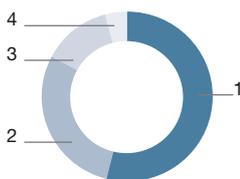


Equity and net debt

in € million

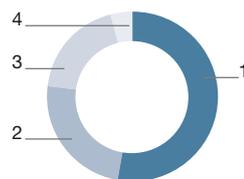


Revenues by regions



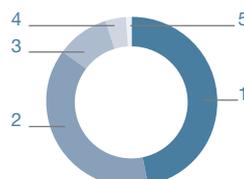
- 1 Germany 54%
- 2 Italy 29%
- 3 The Netherlands 13%
- 4 Central East Europe 4%

Operating EBITDA by regions



- 1 Germany 53%
- 2 Italy 24%
- 3 The Netherlands 19%
- 4 Central East Europe 4%

Employees by segments



- 1 Germany 47%
- 2 Italy 38%
- 3 The Netherlands 10%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

Earnings Data ¹⁾		2010/11	2009/10	Change in %
Revenues	<i>in € million</i>	71.09	69.59	+2
EBITDA	<i>in € million</i>	3.13	5.66	-45
Operating EBITDA ²⁾	<i>in € million</i>	3.13	1.15	>100
EBIT	<i>in € million</i>	1.04	2.86	-63
Operating EBIT ²⁾	<i>in € million</i>	1.04	-1.65	>100
Profit before tax	<i>in € million</i>	-1.38	0.33	>100
Profit after tax	<i>in € million</i>	-1.37	0.92	>100
Free cash flow ³⁾	<i>in € million</i>	3.54	-2.17	>100
Capital expenditure	<i>in € million</i>	1.51	1.53	-1
Acquisitions	<i>in € million</i>	0.00	1.11	-100
Employees ⁴⁾		733	779	-6

Balance Sheet Data		30.9.2011	30.9.2010	Change in %
Equity	<i>in € million</i>	18.72	20.11	-7
Net debt	<i>in € million</i>	5.82	9.04	-36
Capital employed	<i>in € million</i>	24.50	29.10	-16
Working capital	<i>in € million</i>	1.34	4.63	-71
Balance sheet total	<i>in € million</i>	49.43	51.05	-3
Equity ratio	<i>in %</i>	38	39	-
Gearing	<i>in %</i>	31	45	-
Employees ⁵⁾		786	713	+10

Stock Exchange Data		2010/11	2009/10	Change in %
Earnings per share	<i>in €</i>	-0.09	0.05	>100
Adjusted earnings per share ⁶⁾	<i>in €</i>	-0.09	-0.26	+65
Dividend per share	<i>in €</i>	0.00	0.00	-
Equity per share	<i>in €</i>	1.22	1.31	-7
Share price high	<i>in €</i>	1.10	1.40	-21
Share price low	<i>in €</i>	0.72	0.91	-21
Share price at year-end	<i>in €</i>	0.94	1.00	-6
Shares outstanding (weighted)	<i>in 1,000</i>	15,387	15,387	0
Market capitalization at year-end	<i>in € million</i>	14.46	15.39	-6

Segments 2010/11 <i>in € million</i>	Germany		Italy		The Netherlands		Central East Europe		Holding and Other	
Revenues	38.24	(+6%)	20.71	(-4%)	8.95	(+30%)	3.19	(-40%)	0.00	-
Operating EBITDA	2.54	(>100%)	1.15	(-14%)	0.92	(>100%)	0.21	(-66%)	-1.69	(+4%)
Operating EBIT	1.78	(>100%)	0.44	(-6%)	0.42	(>100%)	0.14	(-58%)	-1.74	(+4%)
Capital expenditure	0.46	(0%)	0.75	(+46%)	0.20	(-45%)	0.08	(-41%)	0.01	(-72%)
Employees ⁴⁾	346	(-5%)	279	(-3%)	73	(+9%)	28	(-47%)	7	(-21%)

- 1) From continuing operations
- 2) Adjusted for restructuring costs and non-recurring income
- 3) Cash flow from operating activities less cash flow from investing activities plus acquisitions
- 4) Average number of employees (salaried and free-lance) during the period
- 5) Number of employees at reporting date
- 6) Adjusted for non-recurring items and loss from discontinued operation

The turnaround has been achieved

Organic revenue growth of 6%

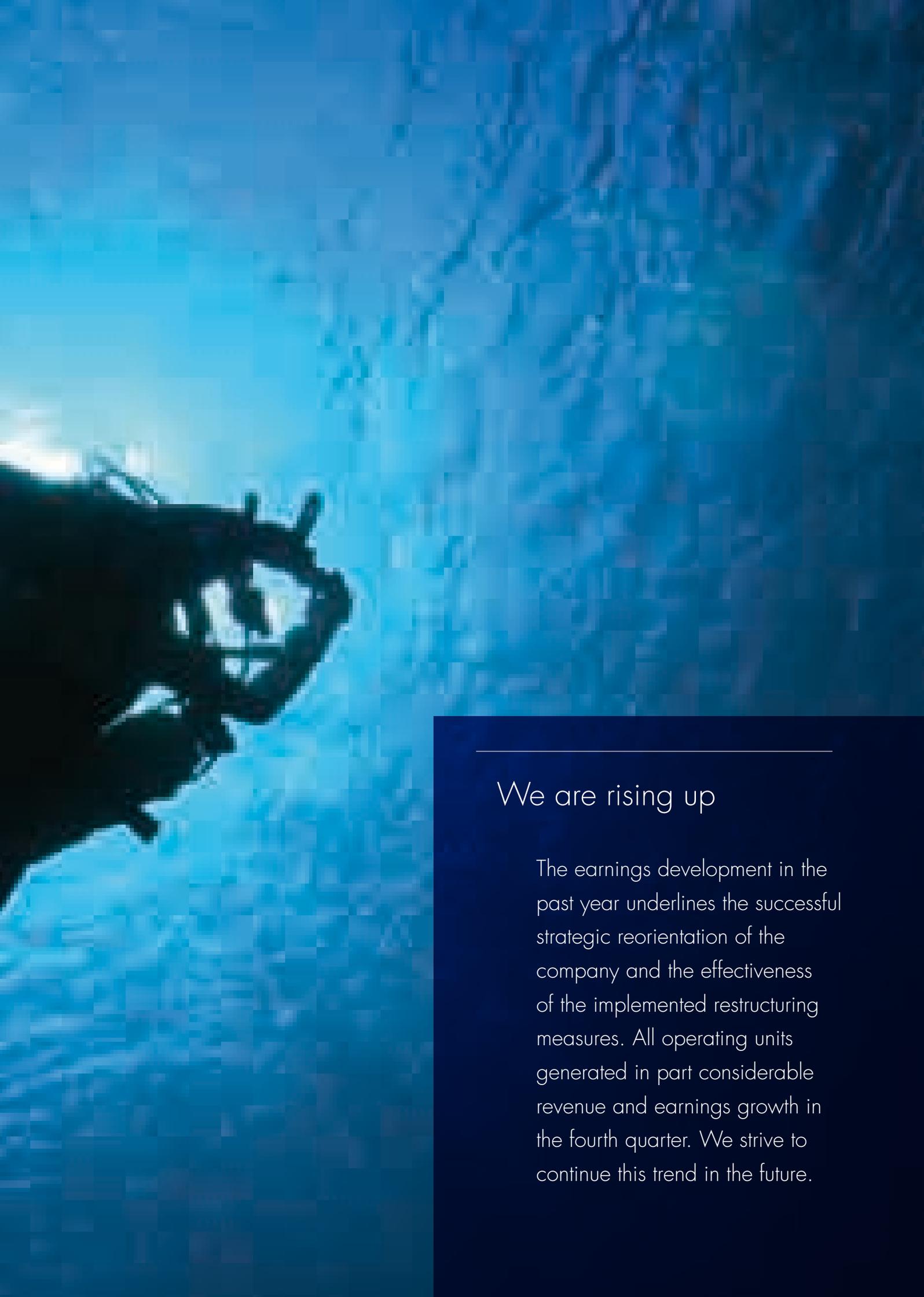
Operating EBIT improved from € -1.65 to +1.04 million

Free cash flow of € 3.54 million generated

Significant reduction of net debt







We are rising up

The earnings development in the past year underlines the successful strategic reorientation of the company and the effectiveness of the implemented restructuring measures. All operating units generated in part considerable revenue and earnings growth in the fourth quarter. We strive to continue this trend in the future.

An upward trend

The development of the total number of employees has been solid as well. The workforce expanded in comparison to the prior-year level for the first time since 2007, rising by 10% to 786 people. This is further proof that we are on the right path.





1915

SCALE

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On our way to the top

Since 2008 our long-term growth strategy has been focusing on the Process and Infrastructure Optimization areas. We are successfully marketing this portfolio in local markets and are enhancing recognition and awareness of the BRAIN FORCE brand on an international level. So that the positive trend continues.





Good prospects

Following the operating turnaround in the past year, we also aim to increase revenue and earnings in the 2011/12 fiscal year. We will do everything in our power to continually improve the operating performance as well as the service and product portfolio of the BRAIN FORCE Group in order to create sustainable value for our shareholders.



The Year 2010/11 at a Glance

In the past fiscal year, BRAIN FORCE HOLDING AG achieved a turnaround and generated clearly positive results, posting an operating EBITDA of € 3.13 million (prior year: € 1.15 million) and an operating EBIT of € 1.04 million (prior year: € -1.65 million). Moreover, BRAIN FORCE is back on a growth path with respect to revenues, which rose 2% to € 71.09 million. Adjusted for changes in the consolidation range, the organic revenue growth reached 6%.

The operating results of the 2010/11 fiscal year underline the successful strategic reorientation of the company and the effectiveness of the implemented restructuring measures. The revenue growth in the third and fourth quarters of 11% and 21% respectively show a clearly positive trend. The development of the total number of employees was solid as well. The number of salaried and free-lance employees rose by 10% from the prior-year level to 786 people, the first year-on-year increase since 2007.

Following the operating turnaround in 2010/11 and under the assumption of a positive economic development in our markets, the objective of the BRAIN FORCE Group in the 2011/12 fiscal year is to further increase revenue and earnings.

BRAIN FORCE at a Glance

BRAIN FORCE provides smart IT solutions on the basis of best practice procedures, effective services and leading products in the Process Optimization and Infrastructure Optimization areas. Professional Services complement the service offering based on the recruitment and supply of the right IT specialists at the right time. This enables our customers to reduce their costs, increase productivity and thus enhance their performance.

- ▶ BRAIN FORCE is a medium-sized IT company, founded in 1983
- ▶ with a current staff of 786 employees at 15 locations in seven European countries (GER, ITA, AUT, NED, CZE, SVK, SUI) as well as a subsidiary in California, USA
- ▶ registered office and Group headquarters in Vienna, Austria, publicly listed on the Vienna Stock Exchange

Content

12	Foreword
	12 Chief Executive's Review
	14 Report of the Supervisory Board
16	Corporate Governance Report
	16 Corporate Governance at BRAIN FORCE
	18 Management Board
	19 Members and Committees of the Supervisory Board
	20 Remuneration Report
22	The Company
	22 Company Profile
	23 Products and Services
	24 Corporate Strategy
	25 Corporate Structure
	26 Operational Management
	27 BRAIN FORCE Shares and Owners
29	Management Report *
	29 Economic Environment
	29 Financial Review
	34 Development of Segments
	36 Research and Development
	37 Human Resources
	37 Order Intake
	38 Outlook and Targets
	38 Risk Management
	42 Disclosure in accordance with Section 243a (1) UGB
45	Consolidated Financial Report *
	45 Content
	46 Consolidated Accounts
	49 Notes to the Consolidated Financial Statements
	76 Unqualified Auditor's Report
78	Service
	78 Locations
	79 Glossary
	80 Order Card
	80 Financial Calendar
	80 Imprint
	81 Key Data 2006 - 2010/11

* reviewed by the auditor

Foreword

Chief Executive's Review

Dear shareholders,

In the 2010/11 fiscal year BRAIN FORCE achieved the operating turnaround, posting organic revenue growth of 6% and a free cash flow of € 3.54 million. From my point of view, these facts underline the successful strategic reorientation of the company and the effectiveness of the restructuring measures implemented in recent years. In particular, the strong revenue and earnings growth in the third and fourth quarters give cause for further optimism, even if we will of course be forced to carry out additional measures, especially on the sales side of the business, in order to continually improve our profitability.

Economic conditions in the 2010/11 fiscal year were consistently favorable in the BRAIN FORCE markets of Germany, Austria, Czech Republic and the Netherlands until July, but difficult in Italy from the very beginning. Whereas many sectors showed a considerable increase in demand for IT services and software, margins remained under pressure, even in the positively developing markets. The intensification of the sovereign debt crisis in August did not have any direct impact on our business development, although the order situation slightly weakened as at the reporting date of September 30, 2011. The economy is expected to slow down in our most important markets in the upcoming quarters. However, most experts anticipate ongoing growth at a moderate pace.

At present, we are focusing our strategy implementation efforts on further harmonizing the company and its segments, create larger business units and shut down or dispose of business areas which do not offer long-term growth perspectives. In contrast, we will invest in sustainable growth areas such as the channel sales of network products. This is because we expect that increasing importance will be continually attached to data networks and the monitoring of these networks based on the trend towards cloud computing. Therefore we are hiring employees, training them and intensifying our market development efforts in Europe, the Middle East and India via an international reseller network. In Austria we expanded our Microsoft Dynamics activities by establishing a branch office in Upper Austria, and succeeded in attracting initial industrial customers in this region. Our subsidiary in the Netherlands was closely linked with BRAIN FORCE Software GmbH, Germany, both in organizational terms and under corporate law, in order to promote the exchange of know-how and jointly exploit existing resources.

Since the participation of the financial investor 3TS Cisco Growth Fund in our strategic investment Solvedirect Management GmbH, this company has been focusing on expanding its business in the USA. In recent years, Solvedirect has successfully positioned itself as a supplier of innovative cloud solutions for B2B integration and the provider of the world's largest IT service management platform

on a SaaS (Software as a Service) basis. In the past fiscal year its revenue climbed 23% to € 6.43 million. EBITDA was negative due to the expansion costs, but better than planned, as was the case in the previous year.

Following the successful restructuring of the Group, the Supervisory Board of BRAIN FORCE HOLDING AG resolved at its October 24, 2011 meeting to approve the mutual termination of the employment contract with Chief Financial Officer Thomas Melzer effective December 31, 2011. In the light of the expected completion of the streamlining process at the holding company by the end of 2011 in line with optimized Group structures, the existing Management Board contract with Mr. Melzer valid until September 30, 2012 can be terminated prematurely. I would like to personally thank Thomas Melzer for the constructive cooperation in recent years, and wish him all the best for the future.

Furthermore, I would like to inform you that the Annual General Meeting of BEKO HOLDING AG held on February 4, 2011 resolved to transfer 53.6% of the shares in BRAIN FORCE from BEKO HOLDING AG to CROSS Informatik GmbH within the context of a spin-off. This transaction does not have any direct consequences on our business operations. CROSS Industries AG remains our indirect majority owner and we will continue to resolutely move ahead with the implementation of our corporate strategy.

In the fiscal year from October 1, 2010 to September 30, 2011, total Group revenues of BRAIN FORCE HOLDING AG rose 2% to € 71.09 million. Adjusted for changes in the consolidation range in the prior year, solid organic growth of 6% was generated. This business expansion as well as the successful restructuring served as the basis for an improvement in operating EBITDA by 172% to € 3.13 million, whereas operating EBIT was up from € -1.65 to 1.04 million. In this regard, all operating units posted in part substantial revenue and earnings increases. In the 2010/11 fiscal year as a whole, only the operating performance of our subsidiary in Italy was slightly below the prior-year level. It is particularly important to me to emphasize the good performance of our newly established company Network Performance Channel GmbH as well as the very positive development of BRAIN FORCE Netherlands in 2010/11, which was forced to undergo painful cutbacks a year ago.

In spite of the good development of operating results, the profit before tax amounted to € -1.38 million, down from € 0.33 million in the prior year, which benefited from high non-recurring income from strategic transactions (book gain from the sale of the Professional Services business in Austria, realization of hidden reserves at Solvedirect). The net effect from these non-recurring items was € +4.51 million in 2009/10, thus leading to a total result for the period of € 0.79 million in the previous fiscal year. In contrast, the total result for the period in 2010/11 declined to € -1.39 million.



However, adjusted for the non-cash and consciously accepted losses arising from the expansion of SolveDirect (at equity result of € -1.63 million), the BRAIN FORCE Group would have posted a profit before tax of € 0.25 million and a total result for the period of € 0.26 million.

I am particularly pleased to see the solid development of our staff count. In recent years we had to carry out tough cost reduction measures which were painful for all those involved. However, as at the reporting date of September 30, 2011, we were able to report an increase in the total number of employees for the first time since 2007. The number of salaried and free-lance employees recently climbed 10% to 786 people, with the increase only taking place in our productive areas. This is further proof that we are on the right path.

Within the context of the operating turnaround, our cash flow also developed in a clearly positive manner. The cash flow from operating activities reached a very good level of € 5.04 million, and free cash flow improved from € -2.17 to 3.54 million. As a result, we succeeded in increasing cash and cash equivalents on the reporting date from € 4.12 to 5.81 million, and reducing net debt from € 9.04 to 5.82 million. A look at the balance sheet shows solid figures both for the equity ratio at 38% and gearing at 31%. We took advantage of the 2010/11 fiscal year to conclude factoring agreements in Germany, Italy and the Netherlands in order to be able to largely autonomously finance our operating subsidiaries and reduce our dependence on bank loans. This comprises an important measure in times characterized by limited funding.

In the past fiscal year we managed to surpass our initial target of achieving positive operating results. Until mid of the year 2011, economic forecasts anticipated strong growth in our core markets

for 2012. As a result, our operating subsidiaries prepared their budgets on the basis of positive expectations for the upcoming fiscal year in June. Therefore the objective of the BRAIN FORCE Group is to post a further increase in revenue and earnings in 2011/12. However, in its autumn forecasts, the European Commission revised its projections down considerably from the originally expected economic growth rate in the EU of 1.9% to only 0.6% in 2012. At the reporting date, our order intake was down 9% from the prior-year level. If the slowdown in economic growth seen since the summer months of 2011 intensifies as a result of the sovereign debt crisis and the related uncertainty of consumers and companies, BRAIN FORCE will also be forced to reconsider its business targets for the 2011/12 fiscal year.

At this point I would like to take the opportunity to sincerely thank our employees for their dedication and hard work over the past few years, which have posed a major challenge to all of us. Let me also express my thanks to our customers and business partners for their confidence in us. We are fully committed to surpass your expectations. Finally, I would like to ask you, esteemed shareholders, to continue placing your trust in us. We will do everything in our power to continually improve our operating performance, in order to lay the groundwork for a satisfactory share price and dividend development in the future.

Yours

Michael Hofer

Report of the Supervisory Board

The Supervisory Board and Management Board held a total of five meetings during the period under review, intensively discussing the overall economic situation and the future strategic development of the company, as well as significant events and investments. Within the context of its regular reporting and with a comprehensive report submitted for all meetings, the Management Board informed the Supervisory Board about the present state of the 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.

The committees dealt with individual specialized issues in detail and subsequently reported its findings to the Supervisory Board. The Presidium of the Supervisory Board was continually informed about the current business situation by the Management Board. The Audit Committee as well as the Remuneration and Nomination Committee each convened twice. The criteria of variable remuneration, the principles of retirement and termination benefits as well as the list of individual Management Board and Supervisory Board remunerations are presented in the Remuneration Report starting on page 20. No share option plan exists for executives of the Group. No member of the Supervisory Board was absent for more than half of the Supervisory Board meetings. All members were present at the sessions of the Audit Committee and the Remuneration and Nomination Committee.

Important focal points of the work done by the Supervisory Board in the past fiscal year were the plans of the Management Board for earnings improvement and the strategic reorientation of the BRAIN FORCE Group. In the 2010/11 fiscal year, the company generated a revenue increase of 2% to € 71.09 million and organic growth of 6%. Operating EBIT rose by € 2.69 to 1.04 million. Thus BRAIN FORCE achieved the operating turnaround. As a result of revenue growth, the number of staff also climbed from 713 to a total of 786 salaried and free-lance employees at the reporting date. On the basis of the consciously accepted negative earnings contribution of the associated company SolveDirect amounting to € -1.63 million, BRAIN FORCE HOLDING AG ended the 2010/11 fiscal year with a net loss of € -1.37 million. This negative earnings contribution can be attributed to the expansion of SolveDirect Service Management GmbH in den USA, which is being financed by our joint venture partner, the 3TS Cisco Growth Fund.

As at September 30, 2011, BRAIN FORCE had cash and cash equivalents of € 5.81 million at its disposal. As a consequence of the free cash flow totaling € 3.54 million, net debt could be significantly reduced from € 9.04 to 5.82 million. The equity ratio was a solid 38% at the balance sheet date.

At the Supervisory Board meeting held on October 19, 2010, the Management Board presented its report about the expecting earnings development in the 2009/10 fiscal year and the first quarter of 2010/11. In addition, the Management Board presented an update on the ongoing strategy implementation and the related measures.

The Audit Committee held a meeting on December 16, 2010 together with the auditors to discuss the annual financial statements for the 2009/10 fiscal year. The auditors also presented a management letter on the proper functioning of the risk management system, and discussed the most important conclusions with the members of the Audit Committee. 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 Corporate Governance 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 proposal was prepared with respect to the selection of the auditors and the agenda of the Annual General Meeting. The Supervisory Board meeting also focused on the status of the strategy implementation, current business development, the financing situation of the Group and the extension of the employment contracts of the Management Board members Michael Hofer and Thomas Melzer until September 30, 2012.

The Supervisory Board meeting on February 15, 2011 dealt with preparations for the 13th Annual General Meeting of BRAIN FORCE HOLDING AG, which took place on March 2, 2011 as planned. In addition, the Management Board reported to the Supervisory Board about the results of the first quarter, expectations for the second quarter, the financing situation and progress made on implementing the business strategy.

At the May 10, 2011 meeting of the Supervisory Board, the Management Board presented a detailed report on the status of the strategy implementation, the earnings development in the second quarter, the outlook for the third quarter and the entire fiscal year as well as an analysis of the cost structure of BRAIN FORCE Software GmbH, Germany.

The meeting of the Audit Committee held on August 24, 2011 together with the auditors dealt with the results of the preliminary audit of the annual financial statements as at September 30, 2011 as well as the procedures, schedule and priorities of the main audit. Furthermore, the Audit Committee resolved to propose to the Supervisory Board that PwC INTER-TREUHAND GmbH shall be con-



tracted to audit the annual financial statements, and to invite the company to submit a formal offer for carrying out the annual audit for the next fiscal year before the Supervisory Board convened once again. In the subsequent meeting, the Supervisory Board was provided with detailed information about the current state of business, third quarter results, the forecasted business results for the fiscal year from October 1, 2010 to September 30, 2011, the 2011/2012 budget and medium-term planning. The budget was approved by the Supervisory Board following an intensive discussion.

At its meeting on October 24, 2011, the Supervisory Board approved further cost savings at the Group holding company and the related amicable premature termination of the Management Board contract with Mr. Thomas Melzer as at December 31, 2011. Thomas Melzer has served as Chief Financial Officer and Deputy Chairman of the Management Board of BRAIN FORCE HOLDING AG since April 1, 2008, and played a major role in the successful restructuring and strategic reorientation of the BRAIN FORCE Group in recent years. The adjustment of the holding structure will be concluded by December 31, 2011, and thus the current Management Board contract with Mr. Melzer can be prematurely terminated. The Supervisory Board would like to express its thanks to Mr. Melzer for his valuable work over the last few years and wishes him all the best for the future.

The annual financial statements and Management Report of BRAIN FORCE HOLDING AG as well as the consolidated financial statements as at September 30, 2011 in accordance with IFRS were audited by PwC INTER-TREUHAND GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna and granted an unqua-

lified 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 at the Audit Committee meeting held on December 7, 2011 and presented to the Supervisory Board together with the Management Reports and the Corporate Governance Report at its subsequent meeting. We evaluated the documents pursuant to Section 96 Austrian Stock Corporation Act and agree with the results of the audit. Accordingly, the annual financial statements have been adopted by the Supervisory Board in accordance with Section 96 (4) of the Austrian Stock Corporation Act. Furthermore, the Supervisory Board also approves the proposal of the Management Board for the appropriation of the result. Furthermore, we resolved upon the Report of the Supervisory Board to the Annual General Meeting and prepared a proposal for the election of the auditors for the fiscal year 2011/12 and the agenda of the Annual General Meeting on March 1, 2012.

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

Vienna, December 7, 2011

Stefan Pierer
Chairman of the Supervisory Board

Corporate Governance Report

Corporate Governance at BRAIN FORCE

BRAIN FORCE pursues a strategy to ensure the sustainable enhancement of shareholder value. The goal of the Management and Supervisory Boards 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.

BRAIN FORCE is committed to complying with the Austrian Corporate Governance Code (ÖCGK), and has pledged to adhere to the guidelines contained in it. Accordingly, the company oriented its business operations in the 2010/11 fiscal year from October 1, 2010 to September 30, 2011 to the January 2010 version of the Austrian Corporate Governance Code. In addition to observing the obligatory "L-Rules" (Legal Requirements), the BRAIN FORCE Group abided by the currently valid Austrian Corporate Governance Code during the past fiscal year, bearing in mind the explanations provided below:

"C-Rule 18": No separate internal audit department has been set up in the light of the company's size. However, BRAIN FORCE has established an internal controlling and reporting system enabling the Management Board to identify risks and quickly implement an appropriate response. The Supervisory Board, particularly the Audit Committee, is regularly informed about the internal control mechanisms and risk management throughout the Group. The Management Letter prepared by the auditors were presented to the Chairman of the Supervisory Board and discussed in a Supervisory Board meeting. Further information on risk management can be found starting on pages 38 ff and 72 f.

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

"C-Rule 45": The Supervisory Board member Josef Blazicek also serves on the Supervisory Board of update software AG, which offers front office business solutions for similar branches as does BRAIN FORCE Software GmbH, Munich.

"C-Rule 83": The auditor of the consolidated financial statements also made an assessment of the effectiveness of the risk management system of the BRAIN FORCE Group within the context of the annual audit in 2009/10, and subsequently presented its findings to the Supervisory Board and Management Board. In the light of the company's size, this assessment was not carried out within the context of the annual audit for the 2010/11 fiscal year.

The updated version of the Austrian Corporate Governance Code and the Corporate Governance Report are available at www.brainforce.com under the heading "Investors". A compliance code implementing the provisions contained in the Issuer Com-

pliance Regulation of the Austrian Financial Market Authority was enacted in the company as a means of preventing insider trading. Adherence to the guidelines is continually monitored by a compliance officer.

BRAIN FORCE HOLDING AG is committed to the principle of transparency and the goal of providing a "true and fair view" for the benefit of all shareholders. All relevant information is published in our annual report, quarterly reports, on the corporate Website and within the context of our ongoing press relations work. Reports are prepared in accordance with the internationally recognized accounting principles contained in the International Financial Reporting Standards (IFRS). 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.

The company has issued a total of 15,386,742 ordinary, no-par value bearer shares. There are no preferential shares or restrictions on these no-par value bearer shares. Accordingly, the principle of "one share – one vote" fully applies. The Austrian Takeover Act ensures that every shareholder will receive the same price for BRAIN FORCE shares in the case of a takeover bid (public tender offer). The shareholder structure is depicted on page 28 of this annual report.

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

The Management Board provides information to the Supervisory Board within the framework of regular meetings (at least 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. Five meetings of the Supervisory Board were held in the fiscal year from October 1, 2010 to September 30, 2011. In line with the Austrian Corporate Governance Code, the Management Board and Supervisory Board maintain ongoing contact above and beyond the formal sessions to discuss the 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. The members and designated responsibilities of the Supervisory Board committees are presented on page 19. Every Supervisory Board member took part in more than half of the Supervisory Board meetings during the 2010/11 fiscal year.

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 member 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 of BRAIN FORCE HOLDING AG are to be considered as independent in line with the above-mentioned guidelines. Corresponding declarations were submitted by all Supervisory Board members. The main responsibility of the Supervisory Board is to supervise the work of the Management Board in accordance with Section 95 Austrian Stock Corporation

Act. This responsibility is being completely carried out by the currently appointed Supervisory Board. The company has a free float exceeding 20% and less than 50%. At least two members of the Supervisory Board (Christoph Senft and Wolfgang M. Hickel) are not owners of the company with a stake of more than 10%, nor do they 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.

BRAIN FORCE HOLDING AG has neither granted loans to Management or Supervisory Board members. Based on the approval granted by the Supervisory Board (with Josef Blazicek abstaining from voting), the company concluded a Letter of Engagement in August 2011 contracting Ocean Consulting GmbH, a company in which the Supervisory Board member Josef Blazicek is a partner, to provide M&A consulting services. The fees stipulated in the agreement corresponds to prevailing market rates. A transfer agreement with Hofer Management GmbH, a company in which the Chief Executive Officer Michael Hofer owns a 100% stake, was in effect until March 31, 2011, stipulating that Hofer Management would put one management board member at the disposal of BRAIN FORCE. Since April 1, 2011, a transfer agreement has been in effect between BRAIN FORCE HOLDING AG and CROSS Informatik GmbH, Wels, to put a management board member at the disposal of BRAIN FORCE. CROSS Informatik is the majority owner of BRAIN FORCE HOLDING AG. Service relationships exist with the associated company Solve-Direct Service Management GmbH, Vienna in some isolated cases, the scope of which does not have a material impact on the financial situation of the company.

All vacant job positions in the BRAIN FORCE Group are filled regardless of gender and in accordance with objective qualification criteria. In this company, a specific program to promote the career advancement of women has not been set up.

PwC Inter-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft was appointed by the 13th 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 fiscal year between October 1, 2010 and September 30, 2011. In addition to this work, PwC and partner offices around the world also sporadically perform tax and financial consulting services on behalf of the BRAIN FORCE Group. In the 2010/11 fiscal year between October 1, 2010 and September 30, 2011, total consulting fees invoiced by PwC to BRAIN FORCE HOLDING AG amounted to EUR 0.05 million. The fee charged for auditing the consolidated financial statements and carrying out audit-related services totaled EUR 0.12 million. At the present time no contractual agreements exist for PwC to provide project-related consulting services in the new fiscal year.

Management Board

In its meeting on October 24, 2011, the Supervisory Board resolved upon the premature termination of the Management Board contract with Thomas Melzer by mutual consent, effective December 31,

2011. Thomas Melzer served as Chief Financial Officer and Deputy Chairman of the Management Board of BRAIN FORCE HOLDING AG from April 1, 2008 to December 31, 2011.



Michael Hofer

Chief Executive Officer since October 19, 2009, appointed until September 30, 2012. Born 1960, married.

Michael Hofer, who has a doctorate in business administration, has served as Chief Executive Officer of BRAIN FORCE HOLDING AG since October 19, 2009. His professional career began in 1983, when he held a chair in the science of advertising and market research at the Vienna University of Economics and Business Administration until 1991. In that year, he was named product manager at Eternit-Werke

Ludwig Hatschek AG and also assumed the position of managing director of Trumag Trunkenbolz VertriebsgmbH. In 1996, he served as the executive officer of Welsermühl Holding AG. From 1997 to 2005, he worked in various positions for KTM Sportmotorcycle AG in the fields of organization, IT, accounting, human resources and sales logistics. He also served on the company's management board for two and a half years. Before being named the CEO of BRAIN FORCE, he was the sole managing director of Eternit-Werke Ludwig Hatschek AG for about four years in the period 2005 to 2009, and a member of the Supervisory Board of BRAIN FORCE HOLDING AG starting on May 28, 2008.

Areas of responsibility of Michael Hofer since October 19, 2009:

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



Thomas Melzer

Chief Financial Officer, appointed until December 31, 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 1, 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 communica-

tions. 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 Pipeline 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.) for seven years, 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 all members of the Management Board:

- ▶ Business Strategy
- ▶ Strategic Projects

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

Members and Committees of the Supervisory Board

In the 2010/11 fiscal year lasting from October 1, 2010 to September 30, 2011, the Supervisory Board of BRAIN FORCE HOLDING AG consisted of the following members elected by the Annual General Meeting:

Stefan Pierer, Chairman

Independent pursuant to Rule 53 Austrian Corporate Governance Code, term of office until the end of the annual general meeting resolving upon the 2010/11 fiscal year, first elected May 28, 2008, born 1956.

- ▶ Chief Executive Officer of KTM Power Sports AG
- ▶ Chief Executive Officer of CROSS Industries AG
- ▶ Management Board of Unternehmens Invest AG
- ▶ Chairman of the Supervisory Board of Pankl Racing Systems AG
- ▶ Supervisory Board of BEKO HOLDING AG (until March 11, 2011)

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 2010/11 fiscal year, first elected May 28, 2008, born 1963.

- ▶ Management Board of CROSS Industries AG
- ▶ Management Board of KTM Power Sports AG (as of January 1, 2011)
- ▶ Supervisory Board of BEKO HOLDING AG (until March 11, 2011)

Christoph Senft

Independent pursuant to Rule 53 Austrian Corporate Governance Code, term of office until the end of the annual general meeting resolving upon the 2013/14 fiscal year, first elected June 12, 2003, born 1961.

- ▶ Owner and Advisory Board of MWS Industrieholding GmbH

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 2010/11 fiscal year, first elected May 28, 2008, born 1964.

- ▶ Deputy Chairman of the Supervisory Board of CROSS Industries AG
- ▶ Chairman of the Supervisory Board of BEKO HOLDING AG
- ▶ Supervisory Board of update software AG
- ▶ Supervisory Board of Pankl Racing Systems AG
- ▶ Supervisory Board of All for One Midmarket AG
- ▶ Supervisory Board of Triplan AG (as of March 10, 2011)

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 2010/11 fiscal year, first elected June 14, 2000, born 1949.

- ▶ Principal of the Höhere Technische Bundeslehr- und Versuchsanstalt Spengergasse school in Vienna

Audit Committee

Members: Friedrich Roithner (Chairman), Christoph Senft (Deputy Chairman), Josef Blazicek

The duties of the Audit Committee include:

- ▶ Supervising (Group) accounting processes
- ▶ Overseeing the work of the auditors
- ▶ Audit and preparations for the approval of the annual financial statements, proposals for the distribution of the profits and the management report
- ▶ Audit of the consolidated financial statements
- ▶ Developing a proposal for the selection of the auditors
- ▶ Supervising the internal control and risk management system

Two meetings of the Audit Committee were held during the 2010/11 fiscal year lasting from October 1, 2010 to September 30, 2011, primarily focusing on the following issues:

- ▶ December 2010: Auditor's Report on the audit of the financial statements for the fiscal year ending September 30, 2010
- ▶ Report of the Management Board on the financing situation of the Group
- ▶ August 2011: Preliminary discussions in respect to the audit of the financial statements for the fiscal year ending September 30, 2011
- ▶ Report of the Management Board on the budget for the 2011/12 fiscal year

Remuneration and Nomination Committee

Members: Stefan Pierer (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

Two meetings of the Remuneration and Nomination Committee were held during the 2010/11 fiscal year lasting from October 1, 2010 to September 30, 2011, primarily focusing on the extension of the contracts with the management board members Michael Hofer and Thomas Melzer as well as the variable remuneration for the management board members.

Remuneration Report

Transparent presentation of remuneration paid to the Management and Supervisory Boards 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 objective of the remuneration system 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 (Michael Hofer and Thomas Melzer until September 30, 2012, premature termination of the Management Board contract with Thomas Melzer by mutual consent as at December 31, 2011). Contracts for the individual members of the BRAIN FORCE Management Board are concluded for the respective term of office or changed, defining the amount and structure of the remuneration. The aim of the remuneration scheme is to provide appropriate compensation for the Management Board members in accordance with the scope of their functions and areas of responsibility, taking account of national and international comparisons in the IT sector. An important aspect of the remuneration system is a variable salary component which incorporates the success of the company. For this reason, the total remuneration is based on fixed and performance-based components, in which case the performance-related component is calculated in accordance with the respective operating EBIT of the Group.

Annual bonus of the Management Board is oriented to the operating EBIT

The fixed remuneration is oriented to the areas of responsibility assumed by each Management Board member. The consequence is that each Management Board member has a different fixed remuneration depending on the range of his duties and functions, taking the strategic and operational responsibility into consideration. The annual bonus represents a variable cash remuneration, the amount of which directly depends on the operating EBIT (operating result before book gains) of the BRAIN FORCE Group. Due to the economic development in 2009, the Management Board members decided to waive part of their fixed basic salaries and make it dependent on achieving the budgeted targets. The variable salary components are not capped. The fixed remuneration and annual bonus are paid on a pro rata basis if the period of employment is for periods of less than one year.

19% of the remuneration are variable

The total remuneration paid to the members of the Management Board for the 2010/11 fiscal year amounted to 586,782 € (prior year: € 558,232), of which 81% comprises the fixed basic and 19% represented variable cash remuneration.

Management Board Remuneration in €	2010/11			2009/10		
	Fixed	Variable	Total	Fixed	Variable	Total
Michael Hofer	275,000	64,716	339,716	261,696	3,268	264,964
Thomas Melzer	200,000	47,066	247,066	200,000	18,268	218,268
Günter Pridt	0	0	0	60,000	15,000	75,000
Total	475,000	111,782	586,782	521,696	36,536	558,232

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

In the case of a termination of the employment relationship to a particular member of the Management Board, the respective member has a claim for severance payments pursuant to the legal regulations prevailing in Austria. In 2010/11, payments to "Mitarbeitervorsorgekassen" (statutory contributions to a fund for employee severance payments) totaled € 3,660 (prior year: € 5,364). As of 2010, 10% of the fixed salary of the Chief Financial Officer will be paid by the company on his behalf into a defined contribution pension scheme. No other pension fund agreements exist. No costs were incurred for commitments to former Management Board members (previous year: € 0).

Severance payments for Management Board members reflect legal regulations in Austria

The Annual General Meeting held on March 2, 2011 approved the following remuneration scheme for members of the Supervisory Board which is the same as in the previous year: in addition to reimbursement for expenses, the Supervisory Board members receive a fixed remuneration for their work on the Supervisory Board in the 2009/10 fiscal 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 € 6,000 p.a. In addition, the Chairman is granted an attendance fee of € 1,000 for each Supervisory Board meeting he attends, whereas the Deputy Chairman receives € 800, and the other members € 600 for attending. The chairman of a committee is given € 500, the deputy chairman € 400 and other members € 300 for each committee meeting they personally attend. If Supervisory Board members perform additional work on behalf of the company, they may be granted special remuneration by a resolution of the Annual General Meeting. For the 2010/11 fiscal year (payment in the 2011/12 fiscal year), the total remuneration to be paid to members of the Supervisory Board and already recognized as an expense in the income statement amounts to € 57,100. In the 2010/11 fiscal year, the total remuneration paid to members of the Supervisory Board for the 2009/10 fiscal year totaled € 58,100.

Annual General Meeting resolution on remuneration for the Supervisory Board

Remuneration for the Supervisory Board in €	2010/11	2009/10
Stefan Pierer, Chairman	16,000	11,600
Friedrich Roithner, Deputy Chairman	13,300	13,300
Josef Blazicek	9,600	8,700
Wolfgang Hickel	9,000	8,400
Peter Kotauczek	0	3,600
Christoph Senft	9,200	12,200
Michael Hofer	0	300
Total	57,100	58,100

Remuneration granted for services performed above and beyond the above-mentioned Supervisory Board duties, in particular for any consulting fees or commissions, is listed starting on page 16 f. 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

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

Company pays costs of D&O insurance

The Company

Company Profile

Leading IT services Group
with 786 employees in seven
European countries and the
USA

BRAIN FORCE was
established in 1983

BRAIN FORCE is a leading IT services group with 786 employees at 15 locations in seven European countries, as well as a subsidiary in California, USA. 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 54% of Group revenues, followed by Italy which contributes 29%, the Netherlands with 13% and Central East Europe (primarily Austria) with a 4% share of revenues.

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, current stock exchange listing in Vienna). The core business of the company currently rests upon two pillars:

Process Optimization

The Process Optimization area develops IT solutions to support business-critical processes in companies, enabling them to achieve competitive advantages and reduce their costs.

Infrastructure Optimization

The Infrastructure Optimization area offers IT solutions providing companies with a more manageable and efficient IT infrastructure, thus increasing the productivity of our customers and simultaneously reducing their costs.

This portfolio is complemented by **Professional Services** in Germany and the Netherlands, where BRAIN FORCE recruits and supplies IT specialists for customer requirements.

Accordingly, customers and partners profit from smart IT solutions based on a best practice approach, efficient services and innovative products. These solutions reduce the costs of our customers, increase their productivity and enhance their business success.

BRAIN FORCE is represented at the following locations:



Products and Services

BRAIN FORCE provides smart IT solutions on the basis of best practices, effective services and innovative products in the areas of Process Optimization and Infrastructure Optimization. Professional Services complement the BRAIN FORCE portfolio, offering the recruitment and provision of the right IT experts at the right time. Thus our customers can reduce their costs, enhance their productivity and the success of their business.

Process Optimization encompasses IT services and software solutions in the following fields:

- ▶ Enterprise Resource Planning (ERP): Improvement of the customer’s competitive position through the optimized coordination and integration of business processes based on comprehensive industry know-how.
- ▶ Customer Relationship Management (CRM): Increased sales success and customer satisfaction based on a solution which is optimally tailored to everyday business processes.
- ▶ Business Analytics: Corporate Performance Management (CPM) and 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.
- ▶ Software solutions for financial services providers: Business process optimization with the help of tailor-made software solutions for front and back office areas of insurance companies, banks and financial services providers in the DACH region (Germany, Austria, Switzerland) as well as in Central Eastern Europe.

Infrastructure Optimization encompasses IT solutions focusing on:

- ▶ IT Consulting: Consulting pertaining to the implementation of strategic goals such as cost and risk reduction or efficient IT operations, as well as the introduction of new technologies for modern workplace concepts.
- ▶ Server and Data Management: Buildup of a well-manageable, dynamic, secure and reliable server and data infrastructure.
- ▶ Desktop Management: Creation of a dynamic, user-focused infrastructure by means of the implementation of leading-edge technologies and taking advantage of best practices, as well as the achievement of cost savings based on automation and virtualization.
- ▶ Application Management: Best practices and intelligent tools designed to ensure the compatibility of applications and availability anytime and anywhere.
- ▶ Communication and Collaboration: 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 Performance: Innovative solutions enabling improved productivity, increased availability and the prevention of malfunctions or breakdowns in network applications.

Smart IT solutions from BRAIN FORCE contribute to cost reduction and the success of our customers

BRAIN FORCE supplies solutions to optimize business-critical processes

We provide customers with a well-manageable and efficient IT infrastructure

Core Business IT-Optimization Consulting Projects Staffing		Products and Distribution
Process Optimization	Infrastructure Optimization	SolveDirect (at equity) Service Management in Europe and USA
BF Austria ERP	BF Italy	FINAS Suite Front-Office-Solutions for financial services in GER and AUT
BF Italy ERP, CRM, BA	BF Germany	NPC Channel-Sales of network products in Europe, Middle East, Africa and India
BF CZE + SVK Mortgage and Asset Management	BF Netherlands	
Professional Services Recruiting and supply of IT specialists in GER and NED		

Strategic business segments, BF = BRAIN FORCE

Corporate Strategy

Promotion of the long-term growth drivers Process and Infrastructure Optimization

Following an extensive evaluation of the market environment in the countries served by BRAIN FORCE and on the basis of external analyses of the Gartner Group, the two business areas Process and Infrastructure Optimization were identified as promising and future-oriented fields of the IT sector featuring above-average growth potential. The product and service offering in these two growth fields is covered by local business units throughout the Group. This enables increased visibility and recognition of the BRAIN FORCE brand on an international level and serves as the basis for creating a homogeneous enterprise. At the same time, BRAIN FORCE is marketing its local product offering such as FINAS Suite (front and back office solutions for financial service providers) in the German speaking countries, Rebecca (software for mortgage administration) and Jupiter (asset management solution) particularly in Central East Europe and the cloud solutions of SolveDirect (service management and B2B integration) on a worldwide basis.

Reorganization and profit-oriented market development in Italy, regional expansion of activities in Austria

Process Optimization

In order to strengthen our position in the Process Optimization area, we acquired INISYS Software-Consulting Ges.m.b.H. at the beginning of the year 2009 and successfully integrated the company into the Group. Inisys is an established ERP specialist for Microsoft Dynamics solutions on the Austrian market. In Italy the organization was restructured and market development was put on a profit center-oriented basis. In Austria business operations are currently being expanded from the main location in Neulengbach in Lower Austria (East) in a westerly direction towards Upper Austria (industrial focus). Further competitive advantages arise as a result of the intensive cooperation between the subsidiaries in Italy and Austria with respect to the joint exploitation and marketing of add-ons developed in-house, as well as an intensive know-how exchange and joint purchasing and development policies.

In Slovakia and the Czech Republic we are pursuing the strategy of expanding our business in the core target groups of banking and insurance, for example with our Network Performance offering.

Future issues: desktop virtualization, cloud computing and network performance

Infrastructure Optimization / Professional Services

The Infrastructure Optimization and Professional Services areas largely focus on identical target groups and customers whose thematic focus is on infrastructure optimization, amongst other things with the future issues of desktop virtualization, cloud computing and network performance. The Professional Services business comprises one method of delivering services for our customers (i.e.: recruiting and supply of IT experts). The Professional Services business is currently being expanded at our locations in Frankfurt, Munich and Veenendaal (The Netherlands).

Increased sales pipeline, new large customer Continentale Versicherung

Products and Channel business

In addition to the core business areas offered in every country, BRAIN FORCE also markets its own software solutions and third-party products. FINAS Suite, a front-office solution for financial service providers (insurance companies, banks and brokers) developed by BRAIN FORCE is highly valued, especially by the insurance sector in Germany. We see growth potential for this product in more intensively developing the business on the Austrian and Swiss markets and in the banking sector. Following an investment backlog in the years 2009 and 2010, the sales pipeline recently increased, and a new strategic customer, Continentale Versicherung, was won in the second quarter of 2010/11.

Functional expansion of cloud solution, strong revenue growth since U.S. expansion

SolveDirect Service Management GmbH (67% stake, consolidated at equity) featuring its cloud solution for service integration and management, operates the world's largest service management platform on a SaaS basis. The solution was provided with functional enhancements, and is being applied in the meantime by more than 200 customers such as Cisco, IBM, Siemens, T-Systems, Lufthansa, etc. Since the launch of the company's expansion drive on the US market in 2010 with the support of the 3TS Cisco Growth Fund, revenues has grown significantly. In Europe acquisition efforts targeting large accounts are being intensified, especially in Germany and Switzerland. In the years to come we continue to expect further strong growth in this business area.

BRAIN FORCE Channel was spun-off at the beginning of 2011 in the company Network Performance Channel GmbH, and its activities as a wholesaler for Net Optics Taps (network products to measure the traffic on transmission lines) were significantly expanded in Europe, the Middle East, Africa and India. Following a very positive revenue and earnings development in the past few years, annual revenue almost doubled in the past fiscal year due to expanded sales efforts. Profitable revenue growth is also anticipated in the future. The organization as well as the reseller network is being extended in order to support the expansion drive. In upcoming years we expect sustained growth momentum to be provided by the trend towards cloud computing.

Annual revenue almost doubled within one year, further expansion and profitable growth

IT consulting

The financial and economic crisis fundamentally changed the attitude of companies to IT expenditures. Earlier, IT managers were able to take personal responsibility for investments made within the context of their own budgets. In the meantime, the decision-making competence is now more in the hands of top management. As a result, a new objective has been defined for IT departments. Up until now IT was performance-oriented, but in the future it will have to be cost-oriented.

Fundamental change in the attitude of firms to IT expenditures

In addition, cloud computing as well as the trend towards mobile work are transforming the IT landscape on a long-term basis. The diversity of the devices being used is increasing, server management is becoming more versatile and all applications are being centralized. The companies (customers) are thus increasingly outsourcing their IT tasks, due to the fact that they are no longer assured of the professional qualifications of their employees. The administration of the IT infrastructure will remain in the hands of the company, but the technology will be acquired on the outside.

Trends of cloud computing and mobile work are changing the IT landscape

In the future, BRAIN FORCE will thus concentrate on providing IT consulting. We want to be the partners of our customers in the fields of Process and Infrastructure Optimization with a clearly-defined focus on achieving cost savings on behalf of our customers.

Focus on smart IT consulting to achieve cost savings

Corporate Structure

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

BRAIN FORCE HOLDING AG (shares in %)



1) of which 99.5% is held by Brain Force Software s.r.o., Czech Republic and 0.5% by BRAIN FORCE Holding AG, Austria.

Operational Management

Germany	<p>Martin Friedrich, Spokesman of the Management Board, responsible for Professional Services, FINAS, internal IT, Marketing</p> <p>Winfried Hubrich, Member of the Management Board, responsible for Finance & Administration</p> <p>Michael Hofer, Member of the Management Board</p> <p>Sander Cornelissens, Member of the Management Board</p> <p>Michael Hofer, Managing Director, Network Performance Channel GmbH</p>
Italy	<p>Franco Righini, Spokesman of the Management Board, responsible for Infrastructure Optimization, Rome office and Human Resources</p> <p>Stefania Donnabella, Member of the Management Board, responsible for Process Optimization and Marketing</p> <p>Walter Campi, Member of the Management Board, responsible for Finance & Administration</p> <p>Michael Hofer, Member of the Management Board</p>
The Netherlands	<p>Sander Cornelissens, Member of the Management Board, responsible for Sales & Marketing, Product Development, Finance & Administration</p> <p>Henk van Wijnen, Member of the Management Board, responsible for Operations and Human Resources</p> <p>Michael Hofer, Member of the Management Board</p>
Austria	<p>Reinhold Brunner, Member of the Management Board, responsible for Operations and Sales</p> <p>Michael Hofer, Member of the Management Board, responsible for Marketing, Finance & Administration</p> <p>Martin Bittner, Spokesman of the Management Board of SolveDirect Service Management GmbH</p> <p>Marcus Oppitz, Member of the Management Board of SolveDirect Service Management GmbH</p>
Switzerland	<p>Peter Brogle, Member of Board of Directors</p>
Slovakia	<p>Ondrej Lipovsky, Managing Director</p>
Czech Republic	<p>Drahomír Hrubý, Managing Director</p>
USA	<p>Thomas Werner, Managing Director of SolveDirect Service Management Inc.</p>

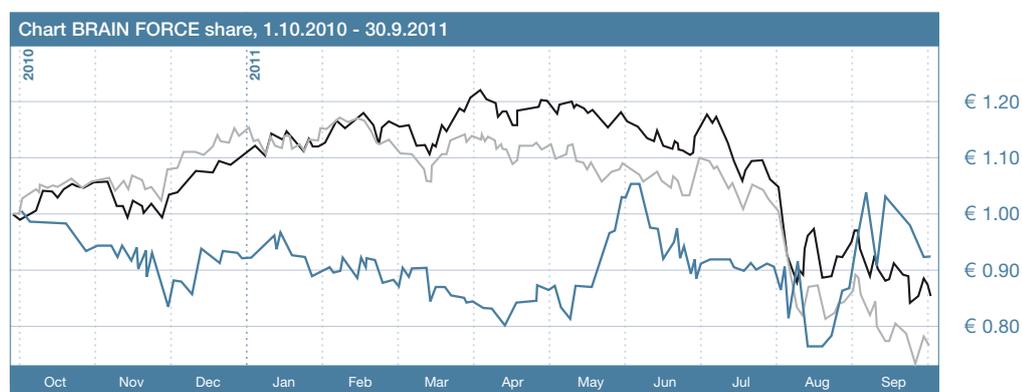
BRAIN FORCE Shares and Owners

Share price development

All relevant leading stock markets started the fiscal year under review by continuing the share price gains within the context of the recovery rally following the financial crisis of 2008/09. However, this upward trend came to an end in March 2011 as a consequence of the earthquake and subsequent environmental catastrophe in Japan, which in turn led to a massive decline in share prices. Extensive uncertainty on financial markets arose starting in May 2011 due to the further downgrading of the credit rating for Greece, the debt crisis of several other EU member states and the impending danger of the United States being unable to meet its financial obligations. The fourth quarter of the fiscal year from July to September 2011 was characterized by a further decline in share prices, with the downward trend intensifying especially in the month of August.

The Vienna benchmark index ATX started our 2010/11 fiscal year (October 1, 2010) at 2,542 points, temporarily reached the 3,000 point threshold before continually declining and closing at 1,948 points on September 30, 2011. Thus the ATX lost 23% in value in the period October 2010 to September 2011. In the same period, the DAX registered a 17% decrease, and TECDAX fell by 15%. In contrast, the Dow Jones Industrial rose by 1%, and the NASDAQ 100, of particular relevance to the IT sector, improved by 2%.

The BRAIN FORCE share, listed in the Standard Market Continuous segment of the Vienna Stock Exchange, began the 2010/11 fiscal year at a price of € 1.00, which was followed by a decline in value to € 0.80 until April 2011. Since BRAIN FORCE reported about the positive earnings development in the first half-year in May 2011, the share price has been moving upwards. After a short slump in August 2011 when the sovereign debt crisis intensified, the BRAIN FORCE share was listed at € 0.94 at the close of trading on September 30, 2011. Driven by the positive earnings development, the BRAIN FORCE share clearly outperformed the ATX index.



Dividend policy

The Management Board of BRAIN FORCE HOLDING AG will propose to the Annual General Meeting scheduled for March 1, 2012 that no dividend be distributed, in order to keep the liquidity inside the company.

Owners

Within the context of the spin-off of BEKO HOLDING AG, which was approved by the Annual General Meeting of BEKO on February 4, 2011, the controlling interest in BRAIN FORCE HOLDING AG was transferred to CROSS Informatik GmbH. By way of universal succession, CROSS Informatik GmbH gained ownership of about 8.24 million shares of BRAIN FORCE HOLDING AG (corresponding to about 53.6% of the share capital), amongst other assets. A total of 153,868 shares of BRAIN FORCE HOLDING AG (about 1% of the share capital) remained in the hands of BEKO HOLDING AG. Thus the spin-off does not change the indirect controlling interest of CROSS Industries AG in BRAIN FORCE HOLDING AG.

Considerable share price losses on leading stock exchanges starting March 2011 following a good start in the reporting year

ATX down 23% in the course of the year

The BRAIN FORCE share clearly outperformed the ATX

— BRAIN FORCE HOLDING AG
— TecDax (indexed)
— ATX – Austrian Traded Index (indexed)

Management Board proposes no dividend payout

CROSS Industries AG remains the indirect majority shareholder of BRAIN FORCE

Shareholder structure



- 1 CROSS Industries AG 53.6%
- 2 Erster Privater Investmentclub
Börsebius Zentral (GbR) 16.97%
- 3 BEKO HOLDING AG 1.0%
- 4 Free Float 27.75%

Furthermore, the company was informed that following the termination of the securities lending agreement and the transfer of the shares to 'Erster Privater Investmentclub Börsebius Zentral (GbR)', the 2,611,015 no-par value bearer shares in BRAIN FORCE HOLDING AG (corresponding to about 16.97% of the share capital and voting rights) are no longer assignable to ABAG Aktienmarkt Beteiligungs AG but directly to 'Erster Privater Investmentclub Börsebius Zentral (GbR)'. This investment club consists of about 1,000 private German shareholders. The remainder of the share capital totaling € 15,386,742 is in free float.

Key Data per Share		2010/11	2009/10	Change in %
Earnings	in €	-0.09	0.05	>100
Adjusted earnings ¹⁾	in €	-0.09	-0.26	>100
Dividend	in €	0.00	0.00	-
Free cash flow ²⁾	in €	0.23	-0.14	>100
Equity	in €	1.22	1.31	-7
Share price high	in €	1.10	1.40	-21
Share price low	in €	0.72	0.91	-27
Share price at year-end	in €	0.94	1.00	-6
P / E ratio high		n.a.	28.0	-
P / E ratio low		n.a.	18.2	-
P / E at year-end		n.a.	20.0	-
Share outstanding (weighted)	in 1,000	15,387	15,387	+0
Market capitalization at year-end	in € million	14.46	15.39	-6
Average turnover / day Vienna Stock Exchange	in 1,000 €	5.50	3.79	+45

- 1) Excluding restructuring costs and loss from discontinued operations and also other non-recurring income and expense
- 2) Cash flow from operating activities minus Cash flow from investing activities plus acquisitions

Investor relations aims at inspiring the confidence of all capital market participants

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. 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 valuation of the BRAIN FORCE share.

Active IR work based on one-on-one meetings and conferences

In the past fiscal year, the BRAIN FORCE management presented the company at one investor conference and several one-on-one meetings. The Chief Financial presented the current earnings development, strategy and long-term growth perspectives of the company to numerous domestic and foreign investors at the Small Cap Day of the Vienna Stock Exchange on June 16, 2011 and at the Small Cap Conference in Frankfurt held on August 31, 2011.

Analyses on the company are available on the Website

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

Information on the BRAIN FORCE share

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Reuters:	BFCG
Bloomberg:	BFC:AV
Datastream:	O:BFS
ISIN:	AT0000820659

Management Report

Economic Environment

After the slump in the global economy in 2009 and a strong recovery in 2010, the European Commission in its autumn forecast from November 2011 expects the global economy to grow by 3.7% this year. For the Eurozone, growth is expected to be a mere 1.5% in 2011. For both Germany, the most important market for BRAIN FORCE, and Austria, growth is expected to be around 2.9%, for Italy 0.5%, and for the Netherlands 1.8%. Whereas growth in the EU was still strong in the first quarter, the economy will stop growing by the year-end according to the latest assessment by the Commission. The aggravation of the sovereign debt crisis of some EU countries and the related disturbances in the financial markets are considered the main cause for the rapid economic downturn in 2011.

For 2012, the European Commission currently expects a moderate growth of 0.5% in the Eurozone, the same as in the Netherlands. In Germany and in Austria, growth is expected to be slightly above the European average. In Italy, growth is expected to be a mere 0.1%. The expectations for the European economic development 2012 deteriorated significantly recently. As a result of the slowdown in the global trade dynamic, impulses from foreign trade can no longer be expected. Due to the necessary budget consolidation, further austerity packages were adopted in several countries, which is why public consumption will not be a growth stimulator anymore. A major uncertainty factor in this context is the unknown outcome of the sovereign debt crisis and potential implications for the international banking sector.

According to an estimate by the market research company Gartner from November 2011, IT expenditure will decline by 1.4% in the EMEA region (Europe, Middle East, Africa) and increase again by 2.3% only in 2012. Global IT expenditure is expected to grow by 3.9% in 2012.

Whereas in Italy, according to a report by ASSINTEL (Associazione Nazionale Imprese ICT) from June 2011, a decline in IT expenditure of 1.3% is expected for 2011, BITKOM (Federal Association for Information Technology, Telecommunications and New Media), as published in March 2011, expects that the sales of the information and telecommunications technology will rise by 2.3% in Germany in 2011. Thus, the ITC industry will grow slightly slower than the overall economy. In the Software and IT Services segments, experts forecast growth rates of 4.5% (Software) and 3.5% (IT Services) for this year. For 2012, industry observers, based on the sales in Germany, expect the overall ITC industry to grow by 2.4%. The Software segment is assumed to grow by 4.9% and the IT Services segment by 3.8%.

The EU Commission expects an economic growth of 1.5% in the Eurozone for 2011

Only slightly positive GDP growth expected in the BRAIN FORCE markets for 2012

2011 decline in IT expenditure in EMEA and recovery of IT market only in 2012

Germany's ITC industry will grow less than the overall market in 2011

Financial Review

Earnings position

In the fiscal year 2010/11, BRAIN FORCE successfully achieved an operating turnaround. Instrumental for this were the strategic refocusing of the Group and the consistent restructuring measures implemented in the past years. In addition, the economic recovery also had a positive impact on the Company's business. Since the first quarter of the past fiscal year, the operating EBIT has been above the respective comparative value of the prior year. In the last quarter, the improvement was even more than € 1.2 million, in the full year € 2.7 million.

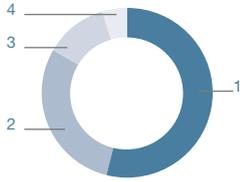
Significant improvement in results due to strategic reorientation and successful restructuring

In the fiscal year 2010/11, the Group's revenues increased 2% to € 71.09 million. Adjusted for the effects of changes in the consolidated range from the three strategic transactions of the prior year (sale of the Professional Services business in Austria, change in consolidation method for SolveDirect to equity consolidation, and the acquisition of Inisys), the organic plus was 6%. In all regions, except Italy, a growth in revenues could be achieved. The Germany region at € 38.24 million experienced a growth in revenues of 6%, which resulted from the significant business expansion of the subsidiary Network Performance Channel GmbH (NPC for short, channel sales of network products).

Organic revenue growth of 6%

Germany contributed 54% to Group revenues. In the Italy segment, due mainly to the difficult economic environment, revenues declined by 4% to € 20.71 million, which corresponds to a share in Group revenues of

Revenues by regions



- 1 Germany € 38.24 million
- 2 Italy € 20.70 million
- 3 The Netherlands € 8.59 million
- 4 Central East Europe € 3.19 million

29%. In the Netherlands region, revenues increased by a remarkable 30% to € 8.95 million as a result of the successful start of the Professional Services business. Thus, this segment contributed 13% to Group revenues. In Central East Europe, revenues fell by 40% to € 3.19 million, which corresponds to a share in Group revenues of 4%. The decline in this region results exclusively from changes in the consolidated range. On a comparable basis, the growth in revenues in this region amounted to 32% and resulted from the acquisition of several major new customers by our Austrian subsidiary (former Inisys), which is specialized in Microsoft Dynamics solutions.

Profitability ratios ¹⁾	2010/11	2009/10
	in %	in %
Gross profit to revenues	21.2	18.7
Selling expenses to revenues	9.2	10.6
Administrative costs to revenues	10.4	10.1
Operating EBITDA margin	4.4	1.6
Operating EBIT margin	1.5	-2.4

1) adjusted for restructuring costs and non-recurring income

Significant improvement in operating margins

As a result of the increase in product sales and the increased utilization of staff, gross profit to revenues rose from 18.7 to 21.2%. In a 12-month comparison, the Company managed to reduce selling expenses by around 12%. Administrative costs remained almost unchanged, after drastic steps relating to this item had been taken in the previous years. Overall, the BRAIN FORCE Group managed to improve the operating EBIT margin by almost four percentage points to 1.5%.

Operating turnaround achieved in fiscal year 2010/11

As a result of the growth in revenues and the optimized cost structure, operating EBITDA increased 173% to € 3.13 million (prior year: € 1.15 million), and operating EBIT from € -1.65 to +1.04 million. In the prior year, non-recurring items resulted in the amount of € +4.51 million, which is why BRAIN FORCE was able to generate an EBITDA of € 5.66 million and an EBIT of € 2.86 million

Operating EBIT ¹⁾ by segments	2010/11	2009/10	Change
	in € million	in € million	in %
Germany	1.78	0.11	>100
Italy	0.44	0.47	-6
The Netherlands	0.42	-0.74	>100
Central East Europe	0.14	0.32	-58
Holding and Other	-1.74	-1.81	+4
BRAIN FORCE Group	1.04	-1.65	>100

1) adjusted for restructuring costs and non-recurring income

High EBIT growth in Germany due to improvements in results in all business areas

In Germany, operating EBITDA rose by 177% to € 2.54 million and operating EBIT from € 0.11 to 1.78 million. The considerable earnings growth of NPC, the turnaround in the FINAS business, and income from receivables written off in prior years had significant positive effects. Expenses relating to staff reductions in the Infrastructure Optimization area, which was discontinued at the Munich location, diminished operating EBIT of the past fiscal year. In the prior year, restructuring costs in the amount of € 0.65 million were incurred, resulting in an EBITDA of € 0.27 million and an EBIT of € -0.53 million.

Stable EBIT despite revenue declines in Italy

In the Italy segment, operating EBITDA at € 1.15 million was 14% below the prior year level. Despite lower revenues, operating EBIT at € 0.44 million remained almost unchanged year-on-year. The decline in revenues and EBITDA resulted primarily from license sales of Microsoft Dynamics and Cognos solutions, which were below expectations, as well as the pressure on margins for Infrastructure Optimization services. In the prior year, restructuring costs of € 0.30 million were incurred in this region, EBITDA amounted to € 1.04 million and EBIT to € 0.17 million.

In the Netherlands, the significant increase in revenues and the related positive economies of scale resulted in a strong improvement in operating EBITDA from € 0.02 to 0.92 million. Operating EBIT turned from € -0.74 to +0.42 million, a clear indication for the effectiveness of the measures taken in the prior year. In the fiscal year 2009/10, restructuring costs of € 0.87 million were incurred in this region. In the comparative period, segment EBITDA amounted to € -0.85 million and EBIT to € -1.61 million

High increase in revenues and EBIT in the Netherlands after restructuring and refocusing

Central East Europe experienced a decline just in nominal terms in operating EBITDA by 66% to € 0.21 million and in operating EBIT by 58% to € 0.14 million. Adjusted for the effects from the abovementioned strategic transactions of the prior year, operating earnings more than doubled year-on-year. This positive development results from the acquisition of several major new customers, which led to the increase in the number of staff at the Austrian subsidiary and an increase in staff utilization. In the Czech Republic and Slovakia, a solid growth in revenues could be achieved and an above-average EBIT margin could be generated once again.

Positive development in Austria, the Czech Republic and Slovakia

Statement of comprehensive income (condensed)	2010/11	2009/10	Change
	in € million	in € million	in %
Revenues	71.09	69.59	+2
Cost of sales	-55.99	-56.58	+7
Gross profit	15.10	13.01	+16
Selling expenses	-6.51	-7.39	+12
Administrative expenses	-7.38	-7.03	-5
Other operating expenses	-0.79	-0.67	-19
Other operating income	0.63	0.43	+47
Operating EBIT	1.04	-1.65	>100
Restructuring costs	0	-1.82	+100
Non-recurring income	0	6.33	-100
Operating result after non-recurring items	1.04	2.86	-64
Financial result	-0.79	-0.72	-9
Result from associates	-1.63	-1.81	+10
Profit before tax	-1.38	0.33	>100
Income taxes	0.01	0.60	-98
Profit after tax	-1.37	0.92	>100

The financial result deteriorated slightly from € -0.72 to -0.79 million due to the increase in financing costs related to factoring, which was introduced in the past fiscal year in Germany, the Netherlands and Italy. Through factoring, the operating companies shall be able to finance themselves to a large extent in the future, and the dependence on bank financing shall be reduced. The interest cover (ratio of EBITDA to net interest) improved significantly to 4.0x in 2010/11 (prior year: 1.6x).

Slight increase in financing costs due to the introduction of factoring

Since the participation of the financial investor 3TS Cisco Growth Fund, the BRAIN FORCE subsidiary SolveDirect Service Management GmbH (67.39% share as at September 30, 2011) has been focusing on the expansion of its IT Service Management business in the USA. In the past fiscal year, revenues could be increased by 23% to € 6.43 million. Due to the expansion costs, EBITDA was negative, but, as in the prior year, better than expected. The result from associates (at equity result) results from the share in SolveDirect and improved from € -1.81 to -1.63 million. Of this amount, € -0.99 million was accounted for by the contribution to earnings of the fiscal year, and € -0.64 million by the dilution from capital increases by the investor in 2010/11 to finance the US expansion.

SolveDirect increased revenues by 23% to € 6.43 million

The profit before tax was € -1.38 million, after € +0.33 million in the comparative period of the prior year, in which high non-recurring income from strategic transactions had been generated. The net effect from non-recurring items amounted to € +4.51 million in 2009/10. The profit after tax from continuing operations amounted to € -1.37 million, as compared to € +0.92 million in the prior year. Comprehensive income turned from € +0.79 to -1.39 million. Adjusted for non-cash-effective and deliberately taken

Result before and after tax in the red only because of negative earnings from SolveDirect

losses from the SolveDirect expansion (at equity result of € -1.63 million), a profit before tax of € +0.25 million and profit after tax of € +0.26 million would have been generated in the past fiscal year. Earnings per share (EPS pursuant to IFRS) amounted to € -0.09, as compared to € +0.05 in the prior year, and completely related to the continuing operations. In the prior year, earnings per share adjusted for non-recurring items and earnings from discontinued operations amounted to € -0.26. In the past fiscal year, there were no non-recurring items.

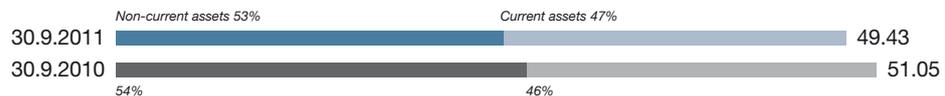
Financial position

Reduction of balance sheet total by 3%

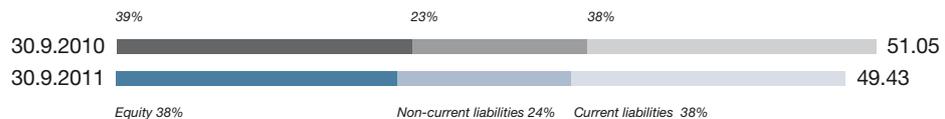
The balance sheet total declined 3% to € 49.43 million year-on-year. This reduction is due mainly to the decrease in shares from associates as well as the reduction in trade receivables and simultaneous increase in cash and cash equivalents. On the other hand, the equity reported in the balance sheet declined as a result of the negative comprehensive income.

Development of balance sheet structure in € million

Assets



Equity and liabilities



Share of non-current assets in balance sheet totals 53%

At the balance sheet date, the share of non-current assets in total assets amounts to € 26.07 million or 53% (prior year: 54%). Property, plant and equipment and other intangible assets declined by 12% to € 4.22 million. Capital expenditure on property, plant and equipment and other intangible assets amounted to € 1.51 million in the past fiscal year, € 0.96 million of which related to development costs. At the balance sheet date of September 30, 2011, recognized development costs totaled € 2.18 million (prior year: € 2.41 million) and thus accounted for 4% (prior year: 5%) of total assets.

Recognition of loss carry-forwards in the Netherlands

Goodwill remained unchanged at € 11.00 million. Shares in associates declined € 1.63 to 8.90 million due to loss allocations and reductions in shares due to dilution. € 8.89 million of that amount is attributable to the 67.39% share in SolveDirect Service Management GmbH, Vienna. As at September 30, 2011, deferred tax assets increased from € 1.35 to 1.81 million due, among others, to the recognition of loss carry-forwards in the Netherlands.

Balance sheet ratios		30.9.2011	30.9.2010
Equity	in € million	18.72	20.11
Equity ratio	in %	37.9	39.4
Net debt	in € million	5.82	9.04
Gearing	in %	31.1	44.9
Working capital	in € million	1.34	4.63
Working capital to revenues	in %	1.9	6.7
Net debt / operating EBITDA		1.9	7.9
Operating EBITDA / net interest		4.0	1.6
FFO / net debt ¹⁾	in %	51.3	n/a

1) FFO = Funds from Operations = Gross cash flow

At € 23.36 million, current assets remained at the prior year level and amount to 47% (prior year: 46%) of total assets. As at the balance sheet date, trade receivables declined by around 13% to € 15.36 million year-on-year (prior year: € 17.57 million) and account for 31% of total assets. In the fiscal year 2010/11, BRAIN FORCE Software GmbH, Germany, BRAIN FORCE B.V., The Netherlands, and BRAIN FORCE S.p.A., Italy, entered into factoring agreements with banks on the purchase of customer receivables defined in the contracts. At the balance sheet date of September 30, 2011, purchased customer receivables amounted to € 2.86 million, which resulted in the derecognition of trade receivables in the corresponding amount. At the same time, the blocked amounts (certain percentage of purchased receivables) stipulated in the contract increased the item other receivables and assets by € 0.49 million.

Reduction of trade receivables by 13% due to factoring

Cash and cash equivalents, including cash in hand and bank balances, increased by € 1.69 to 5.81 million. The increase mainly results from the clearly positive free cash flow of € 3.54 million and the simultaneous reduction in financial liabilities in the amount of € 1.52 million.

Increase in cash and cash equivalents to € 5.81 million

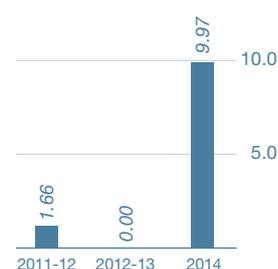
As at September 30, 2011, the Group's equity amounted to € 18.72 million, which corresponds to an equity ratio of 38% (prior year: 39%). The slight decline is due to the negative comprehensive income resulting from the earnings from associates.

Equity ratio of 38% at the balance sheet date

Interest-bearing liabilities (financial liabilities) declined by € 1.52 to 11.63 million. € 9.97 million (prior year: € 9.96 million) of the financial liabilities is related to a long-term bonded loan, 100% of which bears fixed interest. An analysis of the term structure shows that € 9.97 million of financial liabilities matures in 2014. The remaining € 1.66 million (current financial liabilities) relates to utilized bank overdraft facilities.

Term structure of financial liabilities

Calculation of net debt	30.9.2011	30.9.2010	Change
	in € million	in € million	in %
Non-current financial liabilities	9.97	9.96	0
Current financial liabilities	1.66	3.19	-48
- Cash and cash equivalents	-5.81	-4.12	+41
Net debt	5.82	9.04	-36



As at September 30, 2011, net debt amounted to € 5.82 million, which is 36% below the prior year's figure of € 9.04 million. This strong reduction is due to the improved profitability and the related increase in the funds from operations, as well as to cash inflows generated from factoring. The ratio of net debt to operating EBITDA amounted to a sound 1.9x, as compared to 7.9x in the year before. Gearing (equity to net debt) could also be improved considerably from 44.9 to 31.1%.

Maturity of financial liabilities



Trade payables increased by 14% to € 8.64 million (prior year: € 7.60 million) and amount to 17% of the balance sheet total. The increase results from the growth in revenues and the related additional services by subcontractors. Other current liabilities increased by 10% to € 7.57 million (prior year: € 6.88 million) and mainly include social security payables and tax liabilities, accruals for maintenance contracts and liabilities to employees.

Increase in trade payables due to higher revenues

Increase in operating cash flow by € 8,91 million due to earnings improvement and reduction in working capital

Positive free cash flow of € 3.54 million by € 5.71 million above the prior-year figure

Significant reduction in current financial liabilities due to positive cash flow

Cash Flow

In the past fiscal year, the funds from continuing operations amounted to € +2.99 million, which was € 4.18 million above the figure for the fiscal year 2009/10 of € -1.19 million. The cash flow from operating activities (operating cash flow) also turned from € -3.87 to +5.04 million and thus improved by a remarkable € 8.91 million. This strong increase in cash flow is mainly due to the growth in operating earnings and the continued improvement in working capital. A positive impact on the working capital resulted from factoring agreements entered into by subsidiaries. As a result of these contracts, trade receivables declined by € 2.86 million, with a simultaneous increase in other receivables by € 0.49 million (blocked accounts). Thus, the net effect of factoring on cash and cash equivalents was € +2.37 million.

The cash flow from investing activities shows a cash outflow of € 1.50 million (prior year: cash inflow of € 0.59 million). Capital expenditure on property, plant and equipment and intangible assets amounted to € 1.51 million, down slightly on the prior year figure of € 1.53 million. In the prior year, the cash flow from investing activities also included cash outflows for acquisitions of companies in the amount of € 1.11 million and cash inflows from the sale of BRAIN FORCE SOFTWARE GmbH, Vienna, in the amount of € 3.31 million. The free cash flow (cash inflow from operating activities less cash flow from investing activities plus payments for acquisitions of companies) turned from € -2.17 to +3.54 m, which was due in particular to the clearly positive operating cash flow.

The cash flow from financing activities of € -1.52 million was made up of € -1.36 million from the lower utilization of credit lines and of € -0.16 million from the scheduled repayment of a loan. Thus, the positive free cash flow was used mainly to reduce financial liabilities. As at September 30, 2011, the BRAIN FORCE Group has cash and cash equivalents of € 5.81 million (prior year: € 4.12 million).

Cash Flow Statement	2010/11	2009/10	Change
	in € million	in € million	in %
Cash flow from operating activities	5.04	-3.87	>100
Investments in property, plant and equipment and intangibles	-1.51	-1.53	+1
Cash outflows for acquisitions	0	-1.11	+100
Divestments and other	0.01	3.23	-100
Cash flow from investing activities	-1.50	0.59	>100
Acquisitions	0	+1.11	-100
Free cash flow	3.54	-2.17	>100

Development of Segments

In accordance with the requirements of IFRS 8 (management approach), BRAIN FORCE HOLDING AG reports by the following geographical segment or region, respectively:

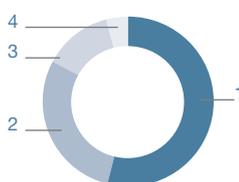
- ▶ Germany
- ▶ Italy
- ▶ The Netherlands
- ▶ Central East Europe with Austria, the Czech Republic and Slovakia

Germany

In Germany, revenues increased 6% to € 38.24 million in the fiscal year 2010/11, contributing 54% or the largest share of Group revenues. Operating EBITDA amounted to € 2.54 million and was 177% up on the prior year. Operating EBIT rose from € 0.11 to 1.78 million.

The **Professional Services** area in the Munich business unit was marked by the difficult situation on the labor market and in part subdued customer demand. The Professional Services area in Frankfurt, which primarily provides Infrastructure Optimization services, managed to significantly increase its business with a major customer from the aviation industry. Overall, the Professional Services area has been growing again since the third quarter, and a clear improvement in earnings could be achieved.

Revenues by regions



- 1 Germany 54%
- 2 Italy 29%
- 3 The Netherlands 13%
- 4 Central East Europe 4%

Following an investment backlog in the years 2009 and 2010, the demand for products and services in the **FINAS** area developed positively. The Company managed to enter into license contracts with various customers, and with Continentale insurance company a large strategic customer could be won in the second quarter of 2010/11.

The **Network Performance Channel** activities developed very successfully and saw a significant increase in revenues and earnings. In order to accelerate the development of this area, a separate company, Network Performance Channel GmbH (NPC), was established. It is planned to significantly expand NPC's business activities in the coming years in order to satisfy the rising demand for products to measure the flow rate of lines. NPC is the distributor, among others, of Net Optics Taps in Europe, the Middle East, Africa and India.

Italy

The Italy segment generated revenues of € 20.71 million in the fiscal year 2010/11, which corresponds to a decline of 4% on the prior year and 29% of Group revenues. Operating EBITDA at € 1.15 million is 14% down year-on-year. Operating EBIT declined 6% to € 0.44 million.

In Italy, the reluctance to invest continued also in the past fiscal year. The **Process Optimization** area generated the largest license revenues with the Microsoft Dynamics AX ERP solution. As one of the first Microsoft partners, BRAIN FORCE participated in the Private Beta Program for Dynamics AX 2012 and tested the latest version in the context of a customer migration project. Additional license and project contracts could be obtained with Microsoft Dynamics NAV, Microsoft Dynamics CRM and BRAIN FORCE Visual SPACE.

In the **Infrastructure Optimization** area, we performed various projects relating to server management, virtualization, service level management and the implementation of Microsoft technologies. Customers included, among others, companies from the financial services and telecommunications industry. The pressure on margins continued to increase in this area.

The Netherlands

In the fiscal year 2010/11, the Netherlands region generated revenues of € 8.95 million, up 30% on the prior year. The region contributed 13% to Group revenues. Operating EBITDA rose from € 0.02 to 0.92 million, operating EBIT amounted to € 0.42 million, as compared to € -0.74 million in the prior year.

After restructuring in the prior year, business in the Netherlands developed extremely well. In the **Infrastructure Optimization** area, numerous projects relating to the implementation of the latest client/server technologies, such as Windows 7, Office 2010, Exchange 2010, SCCM, Microsoft Server 2008 Hyper-V, XenDesktop, as well as relating to the virtualization and rationalization of applications were realized. Customers came primarily from the construction industry, the health system and the public sector. The expansion of activities to include **Professional Services** resulted in a significant revenue and earnings contribution already in the first year, and complements services by providing IT experts.

Central East Europe

In the period under review, the Central East Europe region generated revenues of € 3.19 million, which corresponds to a decline of 40% year-on-year and a share in Group revenues of 4%. Operating EBITDA amounted to € 0.21 million and was down 66% over the prior year. Adjusted for the effects from the three strategic transactions of the prior year, operating results more than doubled year-on-year.

Business operations in Austria (**Process Optimization** area) were marked by subdued demand, particularly with respect to the implementation of new software licenses. Yet we managed to win several strategic new clients for the implementation of Microsoft Dynamics NAV in the fiscal year, resulting in a solid growth in revenues.

Operating EBITDA by regions



- 1 Germany 53%
- 2 Italy 24%
- 3 The Netherlands 19%
- 4 Central East Europe 4%

Slight decline in revenues and earnings

Numerous projects based on Microsoft Dynamics AX and NAV

Implementation of new technologies for various customers

Significant increase in revenues and earnings

Implementation of innovative client/server technology and expansion of activities to include Professional Services in the Netherlands

Operating results more than doubled

Several new customers for Microsoft Dynamics NAV

Expansion of activities to include the sale of Net Optics products

In the Czech Republic, projects were realized for several customers from the financial services sector. The portfolio in Austria, the Czech Republic and Slovakia was expanded to include the sale of Net Optics products, and a significant further expansion is planned for the coming years.

Improvement in earnings due to consistent cost reductions

Holding and Other

In the Holding and Other segment, operating EBITDA improved from € -1.76 to -1.69 million, and operating EBIT from € -1.81 to -1.74 million. This improvement resulted from further cost reductions in the holding company.

Research and Development

Optimal combination of software and services for high customer value

The optimal combination of software and services for the benefit of our customers is key to the sustainable success of BRAIN FORCE. For that purpose, our focus is on adapting our services offered in the Process and Infrastructure Optimization areas to meet customers' needs. In the past fiscal year, € 0.96 million was invested in the development of proprietary software products.

Development Fördercenter completed, new tool bAV-Vorteilsrechner, launch of development work on smart FINAS

In **Germany**, the FINAS modules CRM, Risikoabsicherung (risk protection) and Vorsorgeoptimierung (pension benefits optimization) were expanded to more effectively support the sales processes of our customers. The development of Fördercenter (public subsidies overview) was successfully completed, and in addition to the existing solution in Swing an HTML version was developed. bAV-Vorteilsrechner (advantage calculator) expands our portfolio by a sales supporting tool that transparently presents the tax advantages of corporate pension schemes. With the project launch of smart FINAS, we started to adjust the user interface of the FINAS Suite for an even more intuitive handling. By doing so, we are responding to the trend towards software solutions with very simple usability and the more widespread use of smartphones and tablet PCs. The application framework for the FINAS product family was extended to optimize the development and reduce maintenance costs.

Infrastructure framework updated, Workspace Manager optimized for virtual desktop infrastructures

In the **Netherlands**, the Infrastructure framework got updates to key technologies, such as Windows Server 2008 R2, System Center Suite, Windows 7 and Citrix XenDesktop. The ID suite was updated during maintenance. The Packaging Robot software now supports the packaging in ThinApp-Format as well as the editing of App-V packages based on the integration of a tool developed by the firm GridMagic. Packaging Robot is now also available to run on 64-bit platforms. The product Workspace Manager was further optimized for use in virtual desktop infrastructures.

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

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

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

SolveDirect successfully concluded the project Collaborative Service Management, which was partially financed by the Austrian Research Promotion Agency FFG, by implementing the integration of the SD.Calendar, SD.Dialog and SD.Survey modules into the releases 5.0 and 5.6. The functional group SD.Calendar comprises an optimized calendar module for the planning of service assignments. SD.Dialog improves the communication of service processes by adding a chat and blog function as well as an interface to workflow and encyclopedia (Wiki) contents. SD.Survey supplies configurable survey functions enabling the development of end user profiles and an evaluation in accordance with various criteria. With the release 5.7, customers in the standard version received a password policy, advanced calendar functions and XML Web services, an accelerated setup of connections to BMC Remedy, and an enhanced overview

of the order history. Subsequently, the development of the IT Service Management solution Service Grid was launched, which anticipates service bottlenecks through predictive SLAs and further increases the integration of the partners involved in the value added chain.

Human Resources

Employees are the asset of BRAIN FORCE and key for its success. Based on their knowledge and commitment, the Company is able to grow and to achieve its goals.

In a year-on-year comparison, the Group's headcount increased for the first time since September 30, 2007. As at September 30, 2011, the headcount included 530 salaried employees. In addition, the Group employed 256 freelancers in various customer projects. In total, 786 persons worked for BRAIN FORCE as at the balance sheet date, a 10% increase over September 30, 2010.

In our largest market, Germany, employee capacity increased 9%, 4% thereof resulting from the end of short-time working. In the Italy region, the number of staff remained unchanged. The Netherlands saw a sharp increase of 71%, resulting from the successful establishment of the Professional Services business and an improved order situation in the Infrastructure Optimization area. The headcount in the Central East Europe region was 9% above the prior-year level. In the Holding and Other segment, staff was reduced by one person.

The breakdown of personnel (salaried and freelance) by region was as follows as at September 30, 2011:

- ▶ Germany: 369 (30.9.2010: 338 / change: +9%)
- ▶ Italy: 287 (30.9.2010: 285 / change: 0%)
- ▶ The Netherlands: 95 (30.9.2010: 55 / change: +71%)
- ▶ Central East Europe: 29 (30.9.2010: 27 / change: +9%)
- ▶ Holding and Other: 7 (30.9.2010: 8 / change: -13%)

In the fiscal year 2010/11, the BRAIN FORCE Group employed an average of 505 (2009/10: 553) salaried employees and 228 (2009/10: 226) freelancers. The total average number of employees amounted to 733, and thus was 6% down on the prior year. This decline results from the sale of the Professional Services business in Austria and the change in consolidation of SolveDirect to at equity.

Ongoing specialized training, further education and professional development of our employees is essential in order to effectively deal with the continuous changes and innovations in the fast-paced IT sector. This training starts with the IT consultants and is also provided to administrative and sales staff. Employees in the Netherlands take part in regular training programs focusing on the latest product developments of Microsoft, VMWare and Citrix. As a result, they boast a technological edge and are among the first people to be contacted, for example in launching new technologies in the field of desktop virtualization. Employees in Italy are trained and certified in the latest technologies developed by Microsoft Dynamics, Oracle, Symantec and Cisco. In Germany, employees take advantage of the opportunity to exchange ideas and expertise on an ongoing basis within the context of meetings and employee events.

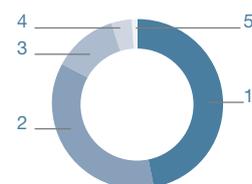
Order Intake

As at September 30, 2011, order intake amounted to € 15.90 million at the Group level, down 9% on the prior-year figure of € 17.43 million. This was due mainly to the lower values in Germany (-20%), where another € 1.5 million was completed as scheduled from the value of a 4-year contract. In Italy, orders on hand remained fairly stable (-4%). Both the Netherlands (+106%) and Central East Europe (+13%) saw a significant year-on-year increase in order intake.

Employees are the asset of BRAIN FORCE

786 persons working for BRAIN FORCE at the balance sheet date

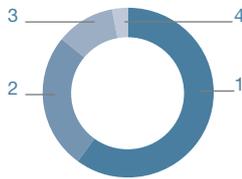
Employees by segments (at the reporting date)



- 1 Germany 47%
- 2 Italy 36%
- 3 The Netherlands 12%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

Continuous training and knowledge transfer in all countries

Order intake by regions



- 1 Germany 60%
- 2 Italy 26%
- 3 The Netherlands 11%
- 4 Central East Europe 3%

As at September 30, 2011, the breakdown of order intake by region was as follows:

- ▶ Germany has orders on hand worth € 9.51 million (30.9.2010: € 11.81 million)
- ▶ Italy has orders on hand worth € 4.20 million (30.9.2010: € 4.39 million)
- ▶ The Netherlands has orders on hand worth € 1.80 million (30.9.2010: € 0.88 million)
- ▶ Central East Europe has orders on hand worth € 0.39 million (30.9.2010: € 0.35 million)

Outlook and Targets

BRAIN FORCE HOLDING AG had set the target of achieving a positive operating result for the fiscal year 2010/11, and communicated this accordingly in the last annual report. This target was achieved with an operating EBIT of more than € 1 million. The development in revenues of +2% to over € 71 million was also satisfactory. On a comparable basis, i.e. after adjusting for changes in the consolidation range, a growth of 6% could be achieved.

In the last quarter, the operating business areas in part saw significant increases in revenues and earnings. Looking at the whole year, only the operating result of BRAIN FORCE Italy was slightly down on the prior year, due primarily to the difficult economic environment. Thus, the development in revenues of the past year bears evidence to the Company's successful refocusing and the effectiveness of the implemented restructuring measures. Therefore, the operating companies drew up their budgets in the summer months with positive expectations. Therefore, the BRAIN FORCE Group set the target of additional revenue growth and further improvement in operating earnings for the fiscal year 2011/12.

This target, however, is based on the assumption of a positive economic development in the BRAIN FORCE markets Germany, Italy, the Netherlands, Austria, the Czech Republic and Slovakia. In its autumn forecast, the European Commission significantly lowered its growth forecast in the Union for 2012 from 1.9% so far to just 0.6%. Should the decline in growth that has been observed since the summer months 2011 aggravate in the wake of the sovereign debt crisis and the related uncertainty among consumers and companies worsen, BRAIN FORCE will also have to reconsider its business targets for the fiscal year 2011/12.

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 in ensuring long-term corporate success and in creating 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. The implementation of this process was completed in 2009 with the launch of a group-wide risk management guideline. Since then, risks in the Group have been regularly and systematically identified in order to evaluate their probability of occurrence and potential damage, as well as to implement suitable countermeasures to manage risk. BRAIN FORCE focuses its efforts on the top 10 risks facing the Group. The annual risk assessment is updated within the context of the budgeting process.

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 at the level of the holding company, which also prepares a group-wide risk report. The relevant events are reported to the entire Management Board and subsequently to the Supervisory Board.

The planning and controlling processes, group-wide guidelines, ongoing reporting and the rolling forecasting constitute the key instruments of risk monitoring and control. Reporting plays a particularly important role in the monitoring and control of current business risks. In the course of the annual audit 2009/10, the auditor of the consolidated financial statements also evaluated the proper functioning of risk management processes in the Group and presented his conclusions to the Management and Supervisory Boards. After

Further revenue and earnings growth as target, assuming a positive economic development in our markets

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

Local responsibility but central risk management

Reporting is key to risk monitoring

the proper functioning of the risk management system in the Group had been confirmed and in view of the Company's size, the auditor of the consolidated financial statements did not make such an assessment in the context of the annual audit 2010/11.

In order to prevent and control risks, the local entities only take operational risks and always analyze them in relation to potential profits. In particular, it is prohibited 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.

Only operational risks are taken

From today's perspective, the Group does not face any individual risk with significant probability of occurrence threatening its going concern. The assessment of all top 10 risks together accounts for about 20% of total equity. The relevant risks and defined countermeasures are described below.

Currently no individual risks threatening the going concern identified

Financial risks

The primary financial risks are insufficient liquidity and financing. Ensuring sufficient liquidity is a top priority for BRAIN FORCE, as for every other company, especially in periods of tense financial markets. BRAIN FORCE counters this risk by maximizing the free cash flow on the basis of cost reductions, active working capital management and a minimization of investment expenditures. For that purpose, cost structures were adjusted in the previous years to reflect the decline in revenues, the "order to cash" and "purchase to pay" processes were optimized and the level of own work capitalized was reduced. In addition to these measures, BRAIN FORCE signed a credit insurance in 2009 for customers in Germany, Austria and the Netherlands in order to account for the default risk of receivables and to create a basis for factoring.

Maximization of free cash flow based on cost reductions, active working capital management and minimization of investments

Liquidity risk is monitored by ongoing financial planning at the level of local management, and also by the group holding company. The liquidity management of the large operating companies in Germany, Italy, the Netherlands and Austria is supported by group treasury.

Ongoing financial planning to monitor liquidity risk

The financing of the BRAIN FORCE Group is based on a solid balance sheet structure and an equity ratio of 38% as at September 30, 2011. Cash and cash equivalents increased mainly as a result of the positive free cash flow from € 4.1 to 5.8 million in the past fiscal year. The operating turnaround and the introduction of factoring in Germany, Italy and the Netherlands also had a positive effect.

Increase in cash and cash equivalents resulting from positive free cash flow

The refinancing options of BRAIN FORCE are impacted by numerous financial, economic and other influencing factors that are in part beyond the control of the Management Board of BRAIN FORCE HOLDING AG. Other influencing factors include credit conditions (covenants) in current and future credit agreements as well as certain credit ratings.

Credit agreements contain covenant and rating criteria

In 2007, BRAIN FORCE signed a long-term bullet loan amounting to € 10 million, maturing on March 20, 2014. To this end, the consolidated financial statements are measured annually in accordance with Moody's KMV RiskCalc. According to this system, a deterioration of the rating by more than three notches within one year entitles the creditor to terminate the agreement, provided this termination is appropriate in the light of overall economic conditions. Furthermore, a deterioration of the credit rating below Ba3 also entitles the creditor to terminate the agreement. The working capital line made available by Erste Bank provides for an equity ratio of over 30%. The stipulated covenants are being continually monitored by BRAIN FORCE and simulated on the basis of all strategic considerations. Non-compliance with covenants could lead to an increased interest expense due to higher risk premiums or the mandatory early repayment of outstanding loans.

Fulfillment of all covenant and rating criteria

A write-down of consolidated goodwill was not necessary in the fiscal year 2010/11.

Goodwill confirmed

BRAIN FORCE Group is only exposed to **foreign exchange risks** as part of its operating activities in the subsidiary Network Performance Channel GmbH (NPC), Germany, with regard to the development of the EUR/USD exchange rate. NPC purchases products in US dollars and resells them in Europe, the Middle East, North Africa and India. In the fiscal year 2010/11, the purchase volume amounted to 5.86 million US dollars. Part of the revenues are invoiced by NPC also in US dollars, the major portion of revenues, however,

Foreign exchange risk relevant only in subsidiary NPC

is generated in EUR. As at the balance sheet date, neither this nor any other foreign currency position was hedged using derivative financial instruments. Due to the increasing significance of the NPC business for the BRAIN FORCE Group, the EUR/USD currency risk was partially hedged at the beginning of the fiscal year 2011/12.

Interest rate risk managed by the treasury of the holding company

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. At the balance sheet date, financial liabilities of the BRAIN FORCE Group totaling € 11.6 million were comprised of 86% fixed-interest components and 14% at variable interest rates. Cash and cash equivalents are not invested, but held as bank balances in order to provide for sufficient liquidity.

Taking out credit insurance to reduce the default risk

The **credit risk** encompasses in particular default risk, i.e. the risk that a contracting party will not be able to fulfill its obligations and thus default on the payment of a trade receivable. Despite a broad customer base in the Group, the operating subsidiaries of the BRAIN FORCE Group in part display a significant level of dependence on large individual customers. The creditworthiness of customers is continually examined by the local entities within the framework of risk management activities. In order to be able to minimize the potential default on trade receivables, the BRAIN FORCE Group is working to further expand its customer base and thus reduce its dependency on any individual customers. In addition, a credit insurance was taken out as of September 1, 2009 for customers in Germany, Austria and the Netherlands, thus further reducing the default risk. Customers of the Italian subsidiary are not covered by the credit insurance. The losses and write-downs on trade receivables recognized in 2010/11 amounted to approximately 1% of total receivables as at September 30, 2011.

Equity ratio of 38% at the balance sheet date

The objectives of the Group with regard to **capital risk** management include securing the Company's ability to continue as a going concern in order to provide dividends to the shareholders and services to all other stakeholders to which they are entitled, as well as maintaining an optimal capital structure in terms of cost. BRAIN FORCE is not subject to any capital requirements in accordance with its articles of association. The equity ratio amounts to 38 % at the balance sheet date (prior year: 39%).

Focus on core competencies and profitable business areas

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. A surplus supply of IT consultants can lead to price pressure and uncovered costs. A decrease in market demand can lead to the under-utilization of IT specialists employed by the Group. In the case of a long-term economic downturn, the Group will have to take appropriate measures, such as short-time working and downsizing of its workforce. The termination of employment contracts is partially accompanied by high redundancy costs, and thus can affect the balance sheet or profitability of the Group.

Employee retention through trainings and performance-based remuneration

Highly qualified specialists and executives are an important success factor in the IT industry. Attractive, performance-based remuneration schemes and professional development programs and trainings are offered to attract and retain top-notch employees.

Comprehensive project controlling and insurance contracts concluded to minimize potential liability risks

Legal risks

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 amounts of the policies are constantly reviewed and based on the economic relation of the maximum possible risk and the insurance fees.

Decisions are made based on internal and external consultations

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.

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

The responsibility for the design and implementation of an accounting-based internal control and risk management system and for assuring compliance with legal requirements rests with the Management Board. The BRAIN FORCE Group's accounting department forms part of BRAIN FORCE HOLDING AG. The department is comprised of the organizational units Accountancy Countries & Group Consolidation, which is responsible for reporting to outside parties, and Financial Controlling, which handles reporting within the Group. Both units report directly to the Chief Financial Officer.

Responsibility for internal control and risk management system rests with the Management Board

The basis of the processes underlying group accounting and reporting procedures are laid down in the Accounting Manual published and updated on a regular basis by BRAIN FORCE HOLDING AG. The manual contains the IFRS-based accounting and reporting requirements as applied in the Group. These requirements especially apply to the accounting of and reporting on non-current assets, trade receivables, accruals and deferrals, financial instruments, provisions and the reconciliation of deferred tax assets and liabilities.

Accounting manual regulates main reporting requirements in accordance with IFRS

Due to the type of business conducted by the Group, the guidelines relating to revenue recognition and notes on project billings are of utmost importance. These processes are largely carried out automatically in all BRAIN FORCE companies. Regular impairment testing of goodwill and groups of assets that are attributable to individual business areas is performed at the Group level. Compliance with the relevant guidelines is assured through regular reviews carried out at management meetings and, whenever necessary, by directly involving the competent central unit.

Compliance with guidelines is monitored regularly

The entering, recording and accounting of all group transactions is handled by a variety of software solutions. In a number of countries, due to the size of the subsidiaries the accounting has been outsourced to local tax accountants. Companies submit reporting packages on a quarterly basis containing all accounting data pertaining to the income statement, balance sheet and cash flow statement. This data is then entered into the central consolidation system. In cases in which Group companies use the same system as their corporate parent, the transfer of data occurs automatically. Manual recording is required for subsidiaries using other systems. This financial information is verified on the group-wide basis by the competent Accountancy Countries & Group Consolidation unit. The information forms the basis of the reports pursuant to IFRS issued on a quarterly basis by the BRAIN FORCE Group.

Largely automated transfer of data for consolidation

No separate internal audit department has been set up in the light of the Company's size. However, the internal control and reporting system has been configured to enable the Management Board to swiftly identify and respond to risks.

No internal audit department

A standard planning and reporting system is used for the internal management reporting. Automatic interfaces have been created to transfer actual data from the primary system. A standardized process is employed to enter the figures for forecasts. Reports are structured according to region, to the particular subsidiary and to the Process Optimization, Infrastructure Optimization and Professional Services areas. In addition to reporting on the development of operating results for the preceding month, once a month a rolling forecast for the next three months was made in the fiscal year 2010/11. These reports feature summaries of the most important results as well as divergences from values contained in budgets, achieved in the same period in the prior year, and predicted in the preceding forecasts. Also included, if need be, are updated valuations of individual risks.

Fully developed reporting system featuring 3-month rolling forecasts

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

Securing of regular and comprehensive information provided to the Supervisory Board

Disclosure in accordance with Section 243a (1) UGB

1. The share capital amounts to €15,386,742. It is divided into 15,386,742 no par value bearer shares. The share capital was paid in full.
2. The Management Board is not aware of any restrictions in respect to voting rights or the transfer of shares.
3. As far as the Company is aware, the following had a direct or indirect stake of at least 10% in the share capital of BRAIN FORCE as at September 30, 2011:
CROSS Informatik GmbH: 53.58%
ABAG Aktienmarkt Beteiligungs AG: 16.97%
4. No shares with special control rights have been issued.
5. No employee participation scheme has been set up within the BRAIN FORCE Group.
6. Above and beyond legally binding requirements, there are no additional provisions valid within the BRAIN FORCE Group with respect to the members of the Management and Supervisory Boards.
7. Authorizations to issue or repurchase shares:
 - a) By resolution of the Annual General Meeting on March 2, 2011, the Management Board, pursuant to Section 65 (1) No. 4 and 8 AktG (Austrian Stock Corporation Act) was authorized to acquire treasury stock, with the percentage of shares to be acquired limited to 10% of share capital, the authorization valid for a period of 30 months as of the resolution date, and the consideration (acquisition price) of each no-par value share to be acquired not exceeding or falling short of the average price of the preceding five trading days by more than 20%. The authorization may be executed in full or in several partial amounts and pursuing one or several purposes by the Company, its group entities or by third parties on its account. The acquisition of treasury shares may be made over the stock exchange or outside of it. Furthermore, it was decided to authorize the Management Board for a period of five years as of the resolution date, subject to the approval of the Supervisory Board, to sell treasury stock in a way other than via the stock exchange or through a public offering, excluding the subscription rights of existing shareholders, and to determine the conditions of sale, whereby the subscription rights of existing shareholders can only be excluded if these shares are issued as consideration in the acquisition of companies, businesses, business units or shares in one or several companies in Austria or abroad or to service stock options granted to staff, executive employees and members of the Management Board. This authorization may be executed once or several times, in full or in parts, individually or jointly, and is valid for the maximum statutory period. In addition, the Management Board was authorized to call treasury stock without further approval from the General Meeting. The latest authorization granted to the Management Board to acquire treasury stock in accordance with Section 65 (1) No. 4 and 8 AktG by resolution of the General Meeting of May 14, 2009 on point 6 of the agenda was revoked.
 - b) By resolution of the Annual General Meeting of March 2, 2011, the Management Board, subject to the approval of the Supervisory Board, was authorized in accordance with Section 169 AktG to increase the share capital until March 1, 2016 by an additional € 7,693,371 through the issue of up to 7,693,371 new bearer or registered common shares (no-par value shares) for a cash or non-cash consideration, possibly in several tranches, and to determine the issue price, the terms of the issue and further details of the execution of the capital increase in consultation with the Supervisory Board (authorized capital 2011).

Furthermore, the Management Board, with the approval of the Supervisory Board, was authorized to exclude the shareholders' subscription rights if

- the capital increase is made for a non-cash consideration, i.e. if shares are issued to acquire companies, businesses, business units or shares in one or several companies in Austria or abroad, or
- the capital is increased to service stock options granted to staff, executive employees and members to the Management Board, or
- to exclude peak amounts from shareholders' subscription rights, or
- to service a greenshoe granted to the issuing banks.

In addition, it was decided to cancel the existing 2006 authorized capital and amend the Articles of Association accordingly.

- c) By resolution of the General Meeting of March 2, 2011, the Management Board, subject to the approval of the Supervisory Board, was authorized to within three years as of the date of this resolution issue financial instruments as defined in Section 174 AktG, in particular convertible bonds, participating bonds, participation rights with a total nominal value of up to € 15,000,000, which may also grant the subscription and/or conversion right to acquire up to a total of 7,693,371 shares of the Company and/or are such in nature that they can be recognized as equity, possibly in several tranches and in various combination, even indirectly by way of guarantee for the issue of financial instruments by an affiliated company of BRAIN FORCE with conversion rights to shares of the Company. To service these rights, the Management Board may use the conditional capital or treasury stock. Issue price and terms of issue, as well as any exclusion of shareholders' subscription rights to the issued financial instruments shall be determined by the Management Board with approval of the Supervisory Board.
- d) At the General Meeting on March 2, 2011, the following resolutions were passed: The conditional increase in the Company's share capital in accordance with Section 159 (2) No. 1 AktG by up to € 7,693,371 by issuing up to 7,693,371 new bearer shares without par value (no-par value shares) to be allocated to creditors of financial instruments as specified by the resolution of the General Meeting of March 2, 2011, if the creditors of financial instruments use their subscription and/or conversion right to acquire shares of the Company. The issue price and the conversion ratio shall be determined in accordance with accepted simplified actuarial methods and the price of the Company's shares in an accepted pricing procedure. The newly issued shares of the conditional capital increase carry the right to dividends equivalent to the shares traded on the stock exchange at the time of the issue. The Management Board, subject to the approval of the Supervisory Board, is authorized to determine the further details of the execution of the conditional capital increase.

In addition, the resolution was passed to amend the Articles of Association to include the new provision "Section 5a Conditional Capital".

8. With the exception of the information provided in the disclosures in point 9, any agreements on the part of the Company which would take effect, change or cease to apply in the case of a change in the controlling interest in the Company as a result of a public takeover offer will not be disclosed due to the fact that it would considerably harm the Company.
9. In the case of a hostile takeover of the Company in accordance with the Austrian Takeover Act, a contractual agreement has been concluded with the Management Board members Günter Pridt and Thomas Melzer that each of them has the right, within a period of two months after the takeover legally takes effect, to unilaterally and immediately resign his position in the Company and immediately terminate the management contract without the necessity of having to provide any advance notice. If the Management Board member exercises this right, the Company is required to pay only the fixed basic salary to which the Management Board member is entitled until the contractually stipulated end of his employment contract. In this case, a single lump sum would be paid as a severance payment within a period of four weeks after the resignation of the Management Board member. In the case of a "change of control", it was contractually agreed with the Management Board member Michael Hofer that CROSS Informatik GmbH has the right to unilaterally terminate the transfer agreement concluded with BRAIN FORCE HOLDING AG and joined by Mr. Michael Hofer, while respecting all entitlements. This privileged termination right must be exercised no later than the date the transaction is formally closed (and legally takes effect) with respect to the acquisition of a stake in the Company which was the underlying reason for the change of control. A change of control is considered to have taken place when CROSS Industries AG no longer has the majority of the voting rights in BRAIN FORCE HOLDING AG a) directly or b) indirectly via a subsidiary which has at least a 50% shareholding in BRAIN FORCE HOLDING AG.

Consolidated Financial Report

45	Consolidated Financial Report
46	Statement of Comprehensive Income
46	Segment Reporting
47	Cash Flow Statement
48	Balance Sheet
48	Changes in Equity
49	Notes to the Consolidated Financial Statements
49	The Company
49	Summary of significant accounting policies
55	Comments on the Statement of Comprehensive Income
56	Revenues (1)
56	Types of expenditure (2)
56	Other operating income (3)
57	Non-recurring items (4)
57	Cost of materials and purchased services (5)
57	Personnel expenses (6)
57	Financial result (7)
58	Income taxes (8)
58	Segment information (9)
59	Comments on the Cash Flow Statement
59	Cash flow from operating activities (10)
59	Cash flow from investing activities (11)
60	Cash flow from financing activities (12)
60	Cash and cash equivalents (13)
60	Comments on the Balance Sheet
60	Property, plant and equipment (14)
60	Goodwill (15)
62	Other intangible assets (16)
62	Investments in associates (17)
63	Financial Assets (18)
63	Deferred taxes (19)
64	Inventories (20)
64	Trade receivables (21)
65	Other receivables and assets (22)
65	Cash and cash equivalents (23)
65	Equity (24)
66	Provisions for post-employment benefits (25)
69	Financial liabilities (26)
69	Trade payables (27)
70	Other liabilities (28)
70	Contingent liabilities (29)
70	Tax provisions (30)
70	Other provisions (31)
70	Financial instruments (32)
71	Discontinued operation (33)
72	Financial risk management (34)
73	Costs for the auditor (35)
73	Earnings per share (36)
74	Related party transactions (37)
74	Share-based compensation (38)
74	Commitments from leasing transactions (39)
74	Employees (40)
74	Events after the balance sheet date (41)
75	Authorization for issue (42)
75	Members of the management board and supervisory board (43)
76	Unqualified Auditor's Report

Statement of Comprehensive Income in EUR	Note	1.10.2010 - 30.9.2011	1.10.2009 - 30.9.2010
Continuing operations			
Revenues	1	71,086,916	69,589,385
Cost of sales	2	-55,989,017	-56,584,695
Gross profit		15,097,899	13,004,690
Selling expenses	2	-6,514,172	-7,390,425
Administrative expenses	2	-7,381,622	-7,025,554
Other operating expenses	2	-790,771	-665,112
Other operating income	3	628,735	427,133
Operating profit / loss before non-recurring items (Operating EBIT)		1,040,069	-1,649,268
Restructuring costs	4	0	-1,815,519
Non-recurring income	4	0	6,325,381
Operating profit / loss after non-recurring items (EBIT)		1,040,069	2,860,594
Financial income	7	1,290	14,622
Financial expenses	7	-791,638	-736,659
Financial result	7	-790,348	-722,037
Result from associates	17	-1,631,858	-1,811,806
Profit / loss before tax		-1,382,137	326,751
Income taxes	8	13,515	597,408
Profit / loss after tax from continuing operations		-1,368,622	924,159
Profit / loss after tax from discontinued operation	33	0	-132,887
Profit / loss after tax		-1,368,622	791,272
Changes in fair values of available-for-sale financial assets	24	-3,940	-3,589
Currency translation differences	24	-19,498	7,028
Other result		-23,438	3,439
Comprehensive income / loss		-1,392,060	794,711
Earnings per share ¹⁾	36	-0.09	0.05
Earnings per share – adjusted ²⁾		-0.09	-0.26
Earnings per share from continuing operations		-0.09	0.06
Earnings per share from discontinued operation		0.00	-0.01

1) Results are attributable exclusively to the equity holders of the parent company

2) Adjusted for restructuring costs and non-recurring income and loss from discontinued operation

Key ratios by segment 2010/11 in EUR	Germany	Italy	The Netherlands	Central- East-Europe	Holding and Others	Group
Revenues (consolidated)	38,243,645	20,705,727	8,949,070	3,188,474	0	71,086,916
EBITDA	2,541,309	1,146,513	919,378	212,195	-1,686,337	3,133,058
Operating EBITDA ¹⁾	2,541,309	1,146,513	919,378	212,195	-1,686,337	3,133,058
Depreciation and amortization	-758,591	-704,875	-495,881	-75,179	-58,463	-2,092,989
Operating EBIT ¹⁾	1,782,718	441,638	423,497	137,016	-1,744,800	1,040,069
Non-recurring expenses / income	0	0	0	0	0	0
EBIT	1,782,718	441,638	423,497	137,016	-1,744,800	1,040,069

Key ratios by segment 2009/10 in EUR	Germany	Italy	The Netherlands	Central- East-Europe	Holding and Others	Group
Revenues (consolidated)	35,911,458	21,476,043	6,861,772	5,340,112	0	69,589,385
EBITDA	272,904	1,035,865	-852,087	632,431	4,567,406	5,656,519
Operating EBITDA ¹⁾	917,904	1,336,384	17,913	632,431	-1,757,975	1,146,657
Depreciation and amortization	-804,590	-864,864	-762,626	-309,940	-53,904	-2,795,924
Operating EBIT ¹⁾	113,314	471,520	-744,713	322,490	-1,811,878	-1,649,268
Non-recurring expenses / income	-645,000	-300,519	-870,000	0	6,325,381	4,509,862
EBIT	-531,686	171,001	-1,614,713	322,490	4,513,503	2,860,594

1) Adjusted for restructuring costs and non-recurring income and loss from discontinued operation

Cash Flow Statement in EUR	Note	1.10.2010 - 30.9.2011	1.10.2009 - 30.9.2010
Profit / loss before tax		-1,382,137	326,751
Depreciation and amortization		2,092,989	2,795,924
Financial result		790,348	722,037
Result from associates		1,631,858	1,811,806
Gains / losses from the disposal of property, plant and equipment and intangible assets		10,652	-4,473
Elimination of gains from the sale of subsidiaries and other non-cash income		0	-6,658,079
Changes in non-current provisions and liabilities		-156,236	-188,051
Gross cash flow of continuing operations		2,987,474	-1,194,085
Changes in inventories		-100,321	41,133
Changes in trade receivables		2,193,514	-1,146,693
Changes in trade payables		1,051,371	677,646
Changes in other current assets and liabilities		249,232	-1,183,901
Currency translation differences		-19,250	22,861
Net interest paid		-714,650	-594,215
Income taxes paid		-607,253	-495,677
Cash flow from operating activities of continuing operations	10	5,040,117	-3,872,931
Payments for acquisition of subsidiaries		0	-1,111,079
Net payments from the sale of subsidiaries		0	3,305,233
Decrease from deconsolidation of subsidiaries		0	-77,243
Investments in property, plant and equipment and other intangible assets		-1,512,285	-1,529,290
Sale of property, plant and equipment and other intangible assets		10,379	4,473
Cash inflow / Investments in financial assets		0	528
Cash flow from investing activities of continuing operations	11	-1,501,906	592,622
Increase in financial liabilities		10,716	3,096,406
Repayment of financial liabilities and bank overdrafts		-1,533,676	-156,519
Dividends paid		0	0
Capital increase		0	0
Purchase of treasury shares		0	0
Cash flow from financing activities of continuing operations	12	-1,522,960	2,939,887
Change in cash and cash equivalents from continuing operations		2,015,251	-340,422
Change in cash and cash equivalents from discontinued operation	33	-324,212	-1,087,508
Cash and cash equivalents at the beginning of the period		4,115,563	5,543,493
Change in cash and cash equivalents		1,691,039	-1,427,930
Cash and cash equivalents at the end of the period	13, 23	5,806,602	4,115,563

Balance Sheet in EUR	Note	30.9.2011	30.9.2010
ASSETS			
Property, plant and equipment	14	1,593,534	1,885,838
Goodwill	15	11,001,151	11,001,151
Other intangible assets	16	2,626,407	2,936,087
Investments in associates	17	8,896,890	10,528,748
Financial assets	18	45,351	49,291
Other receivables and assets	22	91,229	74,191
Deferred tax assets	19	1,813,823	1,345,698
Non-current assets		26,068,385	27,821,004
Inventories	20	304,529	204,208
Trade receivables	21	15,357,699	17,571,459
Other receivables and assets	22	1,892,131	1,339,590
Cash and cash equivalents	23	5,806,602	4,115,563
Current assets		23,360,961	23,230,820
Total assets		49,429,346	51,051,824
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital	24	15,386,742	15,386,742
Reserves	24	9,599,679	10,746,071
Retained earnings		-6,268,916	-6,023,248
Equity		18,717,505	20,109,565
Financial liabilities	26	9,973,541	9,962,825
Other liabilities	28	151,150	141,514
Provisions for post-employment benefits	25	1,440,583	1,530,710
Deferred tax liabilities	19	136,736	120,592
Non-current liabilities		11,702,010	11,755,641
Financial liabilities	26	1,657,000	3,190,676
Trade payables	27	8,643,602	7,602,483
Other liabilities	28	7,574,840	6,878,531
Income tax provisions	30	872,755	1,065,006
Other provisions	31	261,634	449,922
Current liabilities		19,009,831	19,186,618
Total equity and liabilities		49,429,346	51,051,824

Changes in equity in EUR	Note	Attributable to equity holders of the parent company				
		Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance 1.10.2009		15,386,742	12,376,066	-290,678	-8,157,276	19,314,854
Transfer of reserves		0	-1,342,756	0	1,342,756	0
Total result for the period		0	0	3,439	791,272	794,711
Balance 30.9.2010	24	15,386,742	11,033,310	-287,239	-6,023,248	20,109,565
Transfer of reserves		0	-1,122,954	0	1,122,954	0
Total result for the period		0	0	-23,438	-1,368,622	-1,392,060
Balance 30.9.2011	24	15,386,742	9,910,356	-310,677	-6,268,916	18,717,505

Notes to the Consolidated Financial Statements for the fiscal year from October 1, 2010 to September 30, 2011

The Company

BRAIN FORCE HOLDING AG, Vienna, is a leading IT company with subsidiaries in Austria, Germany, Switzerland, Italy, the Netherlands, the Czech Republic, Slovakia and the USA. BRAIN FORCE develops own software solutions and implements products of leading technology providers. The portfolio includes products and services in the areas of Process Optimization, Infrastructure Optimization and Professional Services. The parent company is headquartered in Karl-Farkas-Gasse 22, 1030 Vienna, Austria.

In the fiscal year 2010/11, a change in the majority shareholder of BRAIN FORCE HOLDING AG occurred. The previous majority shareholder, BEKO HOLDING AG, Nöhagen, Austria, in a spin-off transferred 53.58% of the shares in BRAIN FORCE HOLDING AG to CROSS Informatik GmbH, Wels, Austria. Thus, at the balance sheet date, CROSS Informatik GmbH, a major stake in which is held by CROSS Industries AG, Wels, Austria, holds the majority of the shares in BRAIN FORCE HOLDING AG.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the reporting periods presented.

Financial reporting principles

The consolidated financial statements at September 30, 2011 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.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

For clarity purposes, amounts are rounded and – unless otherwise stated – reported in euro thousand. However, the exact amounts are used for calculations, including the undisclosed digits, which is why computing differences may arise.

New and amended standards and interpretations that have been adopted by the EU and applied for the first time in the fiscal year

All new regulations (amendments to standards, new and amended interpretations) that were mandatory for the first time in the fiscal year had no or no material impact on the consolidated financial statements.

Standards, interpretations and amendments to published standards that have not yet been applied

A number of amendments to standards, new standards and interpretations have already been published, but have not yet been adopted by the European Union or are not yet mandatory. The impact of these regulations on the consolidated financial statements of the Company is not material or still being assessed, and therefore not presented in detail.

Principles of consolidation

The financial statements included in consolidation were all drawn up with the uniform consolidated balance sheet date September 30, 2011.

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 consolidated financial statements at September 30, 2011:

By notary deed of December 9, 2010, BRAIN FORCE HOLDING AG founded the company Network Performance Channel GmbH, Langen, Germany. The business purpose of the company includes the trade in and development of IT products, as well as the provision of IT-related services. The company was entered into the commercial register on January 7, 2011, and is included in the consolidated financial statements by way of full consolidation.

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 GmbH, Neulengbach, Austria	F	100
BRAIN FORCE Software GmbH, Munich, Germany	F	100
Network Performance Channel GmbH, Langen, Germany	F	100
BRAIN FORCE S.p.A., Milan, Italy	F	100
BRAIN FORCE Network Solutions B.V., Veenendaal, The Netherlands	F	100
BRAIN FORCE B.V., Veenendaal, The Netherlands ¹⁾	F	100
BFS Brain Force Software AG, Maur, Switzerland	F	100
BRAIN FORCE SOFTWARE s.r.o., Prague, Czech Republic	F	100
Brain Force Software s.r.o., Bratislava, Slovakia ²⁾	F	100
NSE Capital Venture GmbH, Munich, Germany ¹⁾	F	100
SolveDirect Service Management GmbH, Vienna ³⁾	E	67.39
CONSULTING CUBE s.r.l., Bologna, Italy ⁴⁾	E	25

F... Full consolidation

E... Equity method of consolidation

- 1) The share is held by BRAIN FORCE Software GmbH, Munich, Germany.
- 2) 0.5% of the share is held by BRAIN FORCE HOLDING AG, 99.5% by BRAIN FORCE SOFTWARE s.r.o., Prague, Czech Republic.
- 3) The company holds 100% of the shares in SolveDirect Service Management Inc., San Francisco, USA. The companies were included in the consolidated financial statements as subgroup using the equity method.
- 4) 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 intercompany 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 statement of comprehensive income.

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 30.9.2011	Rate at 30.9.2010
	1 EUR	1 EUR
Swiss franc (CHF)	1.2185	1.3445
Czech crowns (CZK)	24.6400	24.4000
US dollar (USD)	1.3520	1.3720

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:

	Useful life
Building investments in non-owned facilities	5 to 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 statement of comprehensive income 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 purchase price allocation are amortized on a straight-line basis as follows:

	Useful life
Product developments	3 years
Customer relations	7 years

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, which are as follows:

	Useful life
Software	3 to 5 years
Licenses and distribution rights	3 years
Registered trademarks	10 years

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 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.

After completion of the development project, capitalized development costs are recognised in the balance sheet as intangible assets and 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 statement of comprehensive income reflects the investor's share in the results of the associated company.

In the fiscal year 2009/10, through the conclusion of the investment contract with 3TS Cisco Growth Fund, the Group ceased to have the exclusive power to govern the financial and operating policies of SolveDirect Service Management GmbH, Vienna. Until December 31, 2009, SolveDirect Service Management GmbH, Vienna, was included in the consolidated financial statements by way of full consolidation. On January 1, 2010, the company was deconsolidated and the fair value of the shares was recognised for the first time as investments in associates. The share in SolveDirect Service Management GmbH, Vienna, which is accounted for using the equity method, amounts to 67.39% (prior year: 81.42%) at the balance sheet date.

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-sale 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 for 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 September 30, 2011.

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 statement of comprehensive income 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

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

As in the prior year, no borrowing costs were capitalized in the fiscal year 2010/11 because there was no need to.

Income taxes

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

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

Transfer prices

Intragroup service relations exist to a small extent between the segments. The services rendered are charged at arm's length according to the cost plus method.

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 result in an impairment of the recognised goodwill in the amount of EUR 45 or 307k (prior year: no 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 187k (prior year: EUR 179k).

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 statement of comprehensive income 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 73k (prior year: EUR 79k).

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 results of operations.

Comments on the Statement of Comprehensive Income

The activities of the operation discontinued at the Berlin location at the end of the short fiscal year 2009 were ceased completely in the first quarter of the fiscal year 2010/11. As a result of using the provision for the closure of the location, the discontinued operation no longer has an impact on the statement of comprehensive income. No earnings are expected from the Berlin location in the future, only cash outflows will be presented in the cash flow statement when the remaining provision will be used.

In the first quarter (October 1 to December 31, 2009) of the comparative period of the prior year, BRAIN FORCE SOFTWARE GmbH, Vienna, and SolveDirect Service Management GmbH, Vienna, were included in the consolidated group as fully consolidated entities. By purchase and transfer agreement dated December 16, 2009, BRAIN FORCE SOFTWARE GmbH, Vienna, was sold and deconsolidated as of December 31, 2009. Following the participation of a financial investor and the related loss of control over the company, SolveDirect Service Management GmbH, Vienna, was deconsolidated as of January 1, 2010 and recognised at equity as an associate. By purchase and transfer agreement dated February 25, 2010, INISYS Software-Consulting Ges.m.b.H., Neulengbach, was acquired. In the period from October 1, 2009 to February 28, 2010, the company was not included in the consolidated group. As of August 5, 2010, the company was renamed to BRAIN FORCE GmbH.

As compared to the prior-year statement of comprehensive income, these changes in the consolidated group reduced revenues by EUR 2.72 million, EBIDTA declined by EUR 0.47 million.

The following comments on the statement of comprehensive income relate to the continuing operations.

(1) Revenues

Revenues are broken down as follows:

in EUR	2010/11	2009/10
Current services	44,839,066	42,721,903
Construction service contracts	9,762,787	11,341,926
Products	16,485,063	15,525,556
Revenues	71,086,916	69,589,385

(2) Types of expenditure

The statement of comprehensive income was prepared using the function of expense method. The following presentation shows a breakdown by type of expenditure.

in EUR	2010/11	2009/10
Increase or decrease in services not yet invoiced	-54,053	-2,735
Cost of materials and purchased services (see Note 5)	28,846,094	26,839,268
Own work capitalized	-960,011	-970,869
Personnel expenses (see Note 6)	30,829,013	32,934,314
Depreciation and amortization	2,092,989	2,795,924
Rents and energy costs	2,686,098	2,488,125
Automobile expenses	2,106,174	2,190,334
Travel expenses	1,085,466	1,161,576
Advertising and marketing expenses	383,368	477,041
Legal, audit and consulting fees	1,363,256	1,397,411
Postage and communication charges	579,317	631,236
Bad debts and allowances for receivables	131,888	156,782
Company insurances	128,693	153,560
Other expenses	1,457,290	1,413,819
Manufacturing, selling and administrative costs and other operating expenses	70,675,582	71,665,786

Other operating expenses mainly comprise training costs, recruiting costs and costs for repairs and maintenance of in-house equipment.

(3) Other operating income

Other operating income includes:

in EUR	2010/11	2009/10
Income from the reversal of provisions	0	18,813
Compensation	0	90,000
Transfer Payroll Services unit	0	103,406
Income from the collection of receivables written-off	481,093	0
Other	147,642	214,914
Other operating income	628,735	427,133

(4) Non-recurring items

Expenses and income include the following:

in EUR	2010/11	2009/10
Restructuring costs	0	-1,815,519
Income from the deconsolidation of BRAIN FORCE SOFTWARE GmbH, Vienna	0	2,469,237
Income from the deconsolidation of SolveDirect Service Management GmbH, Vienna	0	3,856,144
Non-recurring items	0	4,509,862

The restructuring costs in the prior year include expenses in connection with the staff reduction measures carried out.

The income from the deconsolidation of BRAIN FORCE SOFTWARE GmbH, Vienna, corresponds to the book profit from the sale of the company less consideration paid.

The income from the deconsolidation of SolveDirect Service Management GmbH, Vienna, results from the change from full consolidation to the first-time recognition of the fair values as associate.

(5) Cost of materials and purchased services

These expenses are allocated to production costs and broken down as follows:

in EUR	2010/11	2009/10
Cost of goods sold	5,473,442	4,937,601
Maintenance	1,433,768	1,218,965
Licenses	1,530,834	1,367,537
Cost of materials	8,438,044	7,524,103
Subcontractors	20,408,050	19,315,165
Cost of materials and purchased services	28,846,094	26,839,268

(6) Personnel expenses

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

in EUR	2010/11	2009/10
Salaries	24,686,585	26,020,932
Expenses for severance payments	550,197	649,997
Expenses for pensions	21,432	38,012
Expenses for statutory social security, payroll-related taxes and mandatory contributions	5,570,799	6,225,373
Personnel expenses	30,829,013	32,934,314

Expenses for severance payments, in addition to statutory entitlements (see Note 25), also include contributions payable to the staff provision fund ("Mitarbeitervorsorgekasse") in the amount of EUR 21,256 (prior year: EUR 36,683).

(7) Financial result

The financial result is calculated as follows:

in EUR	2010/11	2009/10
Income from securities	1,290	7,854
Net loss/gain from foreign currency translation	-4,628	6,768
Interest and similar expenses	-787,010	-736,659
Financial result	-790,348	-722,037

(8) Income taxes

Income taxes of continuing operations are as follows:

in EUR	2010/11	2009/10
Current tax expense	438,466	444,793
Deferred tax income	-451,981	-1,042,201
Income taxes	-13,515	-597,408

The income tax expense for the year is EUR 332,019 higher (prior year: EUR 679,096 lower) than the calculated income tax expense of EUR -345,534 (prior year: EUR 81,688), 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	2010/11	2009/10
Result before income taxes	-1,382,137	326,751
thereof 25% = calculated income tax expense	-345,534	81,688
Effects of different tax rates in other countries	458,387	155,902
Tax-free income	-76,897	-988,028
Expenses not deductible for tax purposes	7,963	33,408
Other permanent differences	-2,762	-106,492
Tax losses for which no deferred tax assets have been recognised	709,541	608,669
Utilisation and subsequent capitalization of temporary differences and tax losses not recognised in the year in which they arose	-861,744	-398,685
Deferred tax assets from losses in or adjustments from discontinued operation (see Note 33)	0	-84,173
Income tax expense/income – current period	-111,046	-697,711
Non-periodic income tax expense/income	97,531	100,303
Recognised income tax expense/income	-13,515	-597,408

(9) Segment information

In accordance with the requirements of IFRS 8 (management approach), BRAIN FORCE HOLDING AG reports by geographical segments. Segment results (operating EBITDA and operating EBIT before restructuring costs and non-recurring items) are recognised, not taking into account the costs recharged for trademark license fees and intragroup services. Revenues, EBITDA and EBIT, as well as assets and liabilities are allocated according to the corporate domicile of the entities to the following regions:

- ▶ Germany
- ▶ Italy (formerly South West Europe with Italy and Switzerland)
- ▶ The Netherlands
- ▶ Central East Europe with Austria, the Czech Republic and Slovakia

The segment results are presented following the statement of comprehensive income. Austria accounts for EUR 1.79 million (prior year: EUR 4.82 million) of revenues for the fiscal year 2010/11, other countries for EUR 69.30 million (prior year: EUR 64.77 million).

Investments, assets and liabilities are broken down as follows by region:

Key ratios 2010/11 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Other	Group
Investments	464,787	752,394	202,968	79,094	13,042	1,512,285
Assets	14,794,318	12,943,821	8,169,643	2,467,979	11,053,585	49,429,346
Liabilities	6,894,545	7,481,972	2,361,392	870,845	13,103,087	30,711,841

In the Germany region, the 2010/11 key ratios include liabilities in the amount of EUR 106,670 that are attributable to the discontinued operation (see Note 33).

Key ratios 2009/10 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Other	Group
Investments	466,029	516,166	367,522	133,733	45,840	1,529,290
Assets	12,970,838	15,159,593	6,649,571	1,961,565	14,310,257	51,051,824
Liabilities	6,525,459	8,775,052	1,168,025	486,517	13,987,206	30,942,259

In the Germany region, the 2009/10 key ratios include assets in the amount of EUR 21,686 and liabilities in the amount of EUR 452,567 that are attributable to the discontinued operation (see Note 33).

The group entities operate in the individual regions in the areas Process Optimization, Infrastructure Optimization and Professional Services.

The Process Optimization area 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 IT Services.

The Infrastructure Optimization area 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, and IT Service Management Solutions. In addition, the Network Performance segment provides innovative solutions to enhance productivity, increase availability and prevent network application failures.

The Professional Services area 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 and maintenance.

Comments on the Cash Flow Statement

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

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

As compared to the financial statements as of September 30, 2010, the presentation was changed insofar that the balance of interest paid and received and the item income taxes paid were no longer recognised in funds from operations, but in the cash flow from operating activities. The income from the sale of companies of the preceding year, however, is eliminated in funds from operations. The prior-year classification was adjusted accordingly.

The change in cash and cash equivalents of the discontinued operation is stated as a separate item.

(10) Cash flow from operating activities

The cash flow from operating activities, based on the profit before tax, adjusted for non-cash expenses/income, after changes of funds 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.

(11) Cash flow from investing activities

This section shows all cash inflows and outflows relating to additions to and disposals of property, plant and equipment, intangible assets and financial investments, as well as financial assets.

In the prior year, the payments made for acquisitions of companies amounted to EUR 1,111,079 and related to the purchase price obligation in connection with the acquisition of all shares of INISYS Software-Consulting Ges.m.b.H., Neulengbach, Austria. Net payments of the fiscal year 2009/10 received in the amount of EUR 3,305,233 resulted from the sale of BRAIN FORCE SOFTWARE GmbH, Vienna, less consideration paid.

(12) Cash flow from financing activities

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

(13) Cash and cash equivalents

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

Comments on the Balance Sheet**(14) Property, plant and equipment**

Property, plant and equipment have changed as follows:

in EUR	Building invest- ments in non- owned facilities	Office machines, IT equipment, other office equipment	Total
Acquisition or production costs 1.10.2010	1,778,515	5,358,633	7,137,148
Currency translation differences	-17	-389	-406
Additions	47,899	386,312	434,211
Disposals	0	-936,513	-936,513
Acquisition or production costs 30.9.2011	1,826,397	4,808,043	6,634,440
Accumulated depreciation 1.10.2010	1,080,517	4,170,793	5,251,310
Currency translation differences	-1	-156	-157
Depreciation charge 2010/11	160,017	545,219	705,236
Disposals	0	-915,483	-915,483
Accumulated depreciation 30.9.2011	1,240,533	3,800,373	5,040,906
Carrying amounts 30.9.2011	585,864	1,007,670	1,593,534

in EUR	Building invest- ments in non- owned facilities	Office machines, IT equipment, other office equipment	Total
Acquisition or production costs 1.10.2009	1,848,432	5,606,600	7,455,032
Currency translation differences	57	805	862
Additions	51,196	417,554	468,750
Addition change in consolidated group	10,839	33,744	44,583
Disposals	0	-203,456	-203,456
Disposals change in consolidated group	-132,009	-496,614	-628,623
Acquisition or production costs 30.9.2010	1,778,515	5,358,633	7,137,148
Accumulated depreciation 1.10.2009	929,060	4,061,561	4,990,621
Currency translation differences	3	385	388
Depreciation charge 2009/10	177,856	578,396	756,252
Disposals	0	-179,439	-179,439
Disposals change in consolidated group	-26,402	-290,110	-316,512
Accumulated depreciation 30.9.2010	1,080,517	4,170,793	5,251,310
Carrying amounts 30.9.2010	697,998	1,187,840	1,885,838

(15) Goodwill

Goodwill changed as follows:

in EUR	2010/11	2009/10
Carrying amount – beginning of period	11,001,151	14,516,571
Addition	0	1,160,589
Disposal	0	-4,676,009
Carrying amount – end of period	11,001,151	11,001,151

The goodwill as of September 30 of the fiscal year results from past acquisitions of corresponding shares for BRAIN FORCE S.p.A., Milan, Italy (formerly TEMA Studio di Informatica S.p.A.), Brain Force Financial Solutions AG, Munich, Germany (formerly NSE Software AG, merged with BRAIN FORCE Software GmbH, Munich, Germany, in the fiscal year 2006), INDIS S.p.A., Milan, Italy (merged with BRAIN FORCE S.p.A., Milan, Italy, in the fiscal year 2006), BRAIN FORCE B.V., Veenendaal, The Netherlands (formerly VAI B.V.), BRAIN FORCE Frankfurt GmbH, Langen, Germany (formerly SYSTEAM Ingenieurbüro für Datenkommunikation und Informatik GmbH, merged with BRAIN FORCE Software GmbH, Munich, Germany, in the fiscal year 2008) and BRAIN FORCE GmbH, Neulengbach, Austria (formerly INISYS Software-Consulting Ges.m.b.H.).

The addition in the prior year resulted from the acquisition of INISYS Software-Consulting Ges.m.b.H., Neulengbach, Austria, which was renamed to BRAIN FORCE GmbH as of August 5, 2010.

The disposal in the prior year resulted from the deconsolidation of SolveDirect Service Management GmbH, Vienna, Austria.

In the fiscal year 2010/11, impairment tests were performed for the following cash generating units:

in EUR	Allocated goodwill
BRAIN FORCE S.p.A. – Segment Italy, Process Optimization area	1,783,670
BRAIN FORCE S.p.A. – Segment Italy, Infrastructure Optimization area	1,014,887
BRAIN FORCE Software GmbH – Segment Germany, Process Optimization area	1,172,812
BRAIN FORCE Software GmbH – Segment Germany, Infrastructure Optimization area	2,026,577
BRAIN FORCE B.V. – Segment The Netherlands, Infrastructure Optimization area	3,842,616
BRAIN FORCE GmbH – Segment Central East Europe, Process Optimization area	1,160,589
Carrying amount 30.9.2011	11,001,151

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 2011/12 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 area. 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 Italy, Process Optimization area	1.0	20.1	8.2
BRAIN FORCE S.p.A. – Segment Italy, Infrastructure Optimization area	1.0	21.1	8.2
BRAIN FORCE Software GmbH – Segment Germany, Process Optimization area	1.0	12.1	8.5
BRAIN FORCE Software GmbH – Segment Germany, Infrastructure Optimization area	1.0	10.9	7.8
BRAIN FORCE B.V. – Segment The Netherlands, Infrastructure Optimization area	1.0	11.1	8.7
BRAIN FORCE GmbH – Segment Central East Europe, Process Optimization area	1.0	11.1	8.7

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

With regard to the effects of changes in estimates, we refer to the comments on “accounting estimates and assumptions”.

(16) Other intangible assets

Other intangible assets changed as follows:

in EUR	Development costs	Other	Intangible assets
Acquisition or production costs 1.10.2010	12,230,190	6,013,366	18,243,556
Currency translation differences	-1,689	-208	-1,897
Additions	960,011	118,062	1,078,073
Disposals	-211,357	-190,680	-402,037
Acquisition or production costs 30.9.2011	12,977,155	5,940,540	18,917,695
Accumulated amortization 1.10.2010	9,823,358	5,484,111	15,307,469
Currency translation differences	-1,689	-208	-1,897
Amortization charge 2010/11	1,184,781	202,972	1,387,753
Disposals	-211,357	-190,680	-402,037
Accumulated amortization 30.9.2011	10,795,093	5,496,195	16,291,288
Carrying amounts 30.9.2011	2,182,062	444,345	2,626,407

in EUR	Development costs	Other	Intangible assets
Acquisition or production costs 1.10.2009	11,191,550	14,958,990	26,150,540
Currency translation differences	5,471	675	6,146
Additions	970,869	90,702	1,061,571
Addition change in consolidated group	62,300	0	62,300
Disposals	0	-65,964	-65,964
Disposal change in consolidated group	0	-8,971,037	-8,971,037
Acquisition or production costs 30.9.2010	12,230,190	6,013,366	18,243,556
Accumulated amortization 1.10.2009	8,354,796	7,582,174	15,936,970
Currency translation differences	5,470	675	6,145
Amortization charge 2009/10	1,463,092	577,611	2,040,703
Disposals	0	-65,964	-65,964
Disposal change in consolidated group	0	-2,610,385	-2,610,385
Accumulated amortization 30.9.2010	9,823,358	5,484,111	15,307,469
Carrying amounts 30.9.2010	2,406,832	529,255	2,936,087

Development costs include unfinished development work in the amount of EUR 431,304.

In addition to acquired software and rights, the item "other intangible assets" includes other intangible assets, such as development costs and customer relations, identified in the allocation of the purchase price in connection with acquisitions under IFRS 3 with a carrying amount of EUR 358,410 (prior year: EUR 408,596).

The significant decline in the prior fiscal year 2009/10 is due to the disposal of intangible assets in connection with the deconsolidation of SolveDirect Service Management GmbH, Vienna, in the amount of EUR 6,350,731 and to the amortization incurred.

(17) Investments in associates

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

in EUR	2010/11	2009/10
Carrying amount – beginning of period	10,528,748	9,809
Addition	0	12,330,745
Share in profit/loss after tax	-1,631,858	-1,811,806
Carrying amount – end of period	8,896,890	10,528,748

The addition in the prior year results from the first-time recognition of the shares in SolveDirect Service Management GmbH, Vienna, at fair value. The share in after-tax losses relates mainly to the shares in SolveDirect Service Management GmbH and includes the current assumption of losses and dilution effects from the capital increases carried out.

The carrying amount of investments in associates reported in these consolidated financial statements relates to the 67.39% share in Solve-Direct Service Management GmbH and 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	SolveDirect Service Management GmbH	Consulting Cube s.r.l.	30.9.2011	30.9.2010
Assets	16,075,176	243,811	16,318,987	16,523,337
Liabilities	2,890,097	199,456	3,089,553	5,964,766
Revenues	6,432,989	271,368	6,704,357	5,456,953
Profit/loss for the period	-1,595,416	4,721	-1,590,695	-659,891

(18) Financial assets

Financial assets changed as follows:

in EUR	Securities
Carrying amount 10/1/2010	49,291
Adjustment to fair value	-3,940
Carrying amount 30.9.2011	45,351

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).

(19) 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	1.10.2010	Change in consolidated group	Change in income statement	30.9.2011
Provisions for post-employment benefits	39,599	0	390	39,989
Tax loss carry-forwards	2,087,533	0	-215,281	1,872,252
Other	422,684	0	349,656	772,340
Deferred tax assets	2,549,816	0	134,765	2,684,581
Development costs and other intangible assets	561,055	0	-236,207	324,848
Other non-current assets	168,888	0	-91,355	77,533
Receivables	536,072	0	-69,124	466,948
Other	58,695	0	79,470	138,165
Deferred tax liabilities	1,324,710	0	-317,216	1,007,494

in EUR	1.10.2009	Change in consolidated group	Change in income statement	30.9.2010
Provisions for post-employment benefits	129,257	-71.417	-18.241	39.599
Tax loss carry-forwards	1.358.033	0	729.500	2.087.533
Other	224.079	0	198.605	422.684
Deferred tax assets	1.711.369	-71.417	909.864	2.549.816
Development costs and other intangible assets	652.914	15.575	-107.434	561.055
Other non-current assets	1.961.082	-1.601.348	-190.846	168.888
Receivables	343.502	-18.060	210.630	536.072
Other	103.382	0	-44.687	58.695
Deferred tax liabilities	3.060.880	-1.603.833	-132.337	1.324.710

As in the prior year, of the change in deferred taxes no deferred taxes are attributable to the discontinued operation.

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	30.9.2011	30.9.2010
Deferred tax assets	1,813,823	1,345,698
Deferred tax liabilities	-136,736	-120,592
Carrying amount	1,677,087	1,225,106

Within the next 12 months, a realisation of deferred tax assets is expected in the amount of EUR 476,451, and a settlement of deferred tax liabilities in the amount of EUR 97,391.

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.

No deferred tax assets have been recognised in the Group for the following unused tax losses and for deductible differences:

in EUR	Basis	Deferred tax claim
Tax losses that can be carried forward for an unlimited period of time	27,744,034	6,936,008
Tax losses that can be carried forward for a limited period of time	550,528	133,624
Deductible temporary differences	4,496,264	1,124,066
30.9.2011	32,790,826	8,193,698

in EUR	Basis	Deferred tax claim
Tax losses that can be carried forward for an unlimited period of time	24,325,476	6,081,369
Tax losses that can be carried forward for a limited period of time	2,917,972	727,422
Deductible temporary differences	7,439,677	1,439,277
30.9.2010	34,683,125	8,248,068

The amount of deductible differences relates to write-downs made, which have to be allocated for tax purposes on a systematic basis over 7 years.

(20) Inventories

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

Inventories comprise the following items:

in EUR	30.9.2011	30.9.2010
Work in progress	44,473	38,200
Goods for resale	260,056	166,008
Inventories	304,529	204,208

(21) Trade receivables

in EUR	30.9.2011	30.9.2010
Trade receivables already invoiced	14,759,278	16,844,622
Less allowance for doubtful accounts	-1,272,095	-1,149,925
Trade receivables not yet invoiced	551,316	616,769
Receivables from construction/service contracts	1,159,442	1,196,547
Trade receivables from affiliated companies	155,015	63,446
Trade receivables from associates	4,743	0
Trade receivables	15,357,699	17,571,459

In the prior year, EUR 20,246 of the trade receivables recognised was attributable to the discontinued operation.

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

in EUR	2010/11	2009/10
Allowance for doubtful accounts – beginning of period	1,149,925	1,007,975
Addition change in consolidated group	0	2,054
Utilisation	-4,151	-16,886
Allocation	126,321	156,782
Allowance for doubtful accounts – end of period	1,272,095	1,149,925

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

in EUR	30.9.2011	30.9.2010
Less than 30 days	1,019,132	980,864
More than 30 days	2,706,333	2,806,288
Overdue unimpaired receivables	3,725,465	3,787,152

For customers in Germany, Austria and the Netherlands, a credit insurance was concluded that significantly reduces the default risk of overdue receivables.

The total of costs incurred and revenues recognised for projects underway at the balance sheet date amounts to EUR 1,079,969 (prior year: EUR 1,196,547). Prepayments received amount to EUR 360,725 (prior year: EUR 61,851).

(22) Other receivables and assets

Other receivables and assets comprise the following items:

in EUR	30.9.2011	30.9.2010
Deposits	89,598	72,301
Other	1,631	1,890
Non-current other receivables and assets	91,229	74,191
Prepayments	178,366	116,351
Revenue authorities	123,146	151,655
Maintenance contracts and other prepaid expenses	768,158	854,180
Receivables from employees	81,512	82,537
Receivables factoring (blocked accounts)	490,093	0
Other	250,856	134,867
Current other receivables and assets	1,892,131	1,339,590

In the prior year, other receivables and assets included EUR 1,440 that was attributable to the discontinued operation.

(23) Cash and cash equivalents

Cash and cash equivalents comprise the following:

in EUR	30.9.2011	30.9.2010
Cash in hand	10,147	8,483
Cash at bank	5,796,455	4,107,080
Cash and cash equivalents	5,806,602	4,115,563

(24) 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 in the Standard Market Continuous segment of the Vienna Stock Exchange.

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

At the 13th Annual General Meeting on March 2, 2011, the authorization was granted to repurchase shares of up to 10% of the share capital. As yet, this authorization has not been used.

Furthermore, at the Annual General Meeting a conditional capital pursuant to Section 159 (2) No. 1 AktG in the amount of up to EUR 7,693,371 by issuing up to 7,693,371 new bearer shares with no par value (no-par value shares) was approved.

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

in EUR	Share capital	Reserves
Balance 1.10.2010	15,386,742	10,746,071
Used to cover losses	0	-1,122,954
Other changes	0	-23,438
Balance 30.9.2011	15,386,742	9,599,679

in EUR	Share capital	Reserves
Balance 1.10.2009	15,386,742	12,085,388
Used to cover losses	0	-1,342,756
Other changes	0	3,439
Balance 30.9.2010	15,386,742	10,746,071

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

in EUR	30.9.2011	30.9.2010
Fair value reserve for securities	-55	3,885
Reserve for currency translation differences	-310,622	-291,124
Other reserves	-310,677	-287,239

(25) Provisions for post-employment benefits

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

in EUR	30.9.2011	30.9.2010
Provisions for pensions	80,275	73,502
Provisions for severance payments	97,932	90,206
Provisions for severance payments (TFR)	1,262,376	1,367,002
Provisions for post-employment benefits	1,440,583	1,530,710

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. Two entitled persons left the Company early (prior to retirement), with the pro rata entitlement remaining against the Company.

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	30.9.2011	30.9.2010
Actuarial present value of defined benefit obligation	244,911	245,916
Fair value of plan assets	-164,420	-155,786
	80,491	90,130
Unrecognised actuarial gains/(losses)	-216	-16,628
Liability in the balance sheet	80,275	73,502

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	2010/11	2009/10
Balance – beginning of period	245,916	198,550
Current service cost	2,214	1,803
Interest expense	11,681	10,920
Actuarial (gains)/losses	-14,900	34,643
Balance – end of period	244,911	245,916

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

in EUR	2010/11	2009/10
Balance – beginning of period	155,786	147,610
Actuarial gains/(losses)	7,762	7,304
Paid contributions	872	872
Balance – end of period	164,420	155,786

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

in EUR	2010/11	2009/10
Current service cost	2,214	1,803
Interest expense	11,681	10,920
Effects of plan curtailments/settlements	-6,250	0
Expense/income for defined benefit obligations	7,645	12,723

The interest expense is recognised in the financial result. Thus, the expenses for defined benefit obligations recognised in personnel expenses amount to EUR -4,036 (prior year: EUR 1,803).

The basic actuarial assumptions are as follows:

	2010/11	2009/10
Interest rate	5.00%	4.75%
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	2010/11	2009/10
Pension costs – defined benefit plan	-4,036	1,803
Pension costs – defined contribution plan	25,468	36,209
Pension costs (excluding interest expense)	21,432	38,012

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	30.9.2011	30.9.2010
Actuarial present value of defined benefit obligation	67,393	64,965
Unrecognised actuarial gains/losses	30,539	25,241
Liability in the balance sheet	97,932	90,206

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

in EUR	2010/11	2009/10
Balance – beginning of period	90,206	408,171
Change in consolidated group	0	-337,292
Expenses for severance payments	8,885	19,327
Payment of severance payments	-1,159	0
Balance – end of period	97,932	90,206

The expense recognised in the statement of comprehensive income includes the following:

in EUR	2010/11	2009/10
Current service cost	7,019	13,947
Interest expense	3,082	6,852
Amortization of actuarial gains	-1,216	-1,472
Expenses for severance payments (Austria)	8,885	19,327

The interest expense is recognised in the financial result. Thus, the expenses for defined benefit obligations recognised in personnel expenses amount to EUR 5,803 (prior year: EUR 12,475).

The basic actuarial assumptions are as follows:

	2010/2011	2009/10
Interest rate	5.00%	4.75%
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 2008-P, employees	AVÖ 2008-P, employees

Provisions for severance payments (TFR – Italy)

In the fiscal year 2010/11, the values of provisions for severance payments (TFR – Italy) were computed in the same way as the provisions for pensions. The balance recognised at September 30, 2011 in the amount of EUR 1,262,376 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	2010/11	2009/10
Balance – beginning of period	1,367,002	1,494,317
Expenses for severance payments	61,707	154,034
Payment of severance payments	-166,333	-281,349
Balance – end of period	1,262,376	1,367,002

The expense recognised in the statement of comprehensive income includes the following:

in EUR	2010/11	2009/10
Interest expense	60,982	82,187
Recognition of actuarial gains/losses	725	71,847
Expenses for severance payments (Italy)	61,707	154,034

The interest expense is recognised in the financial result. Thus, the expenses for defined benefit obligations recognised in personnel expenses amount to EUR 725 (prior year: EUR 71,847).

The basic actuarial assumptions are as follows:

	2010/11	2009/10
Interest rate	5.00%	4.75%
Future salary increases	3%	3%
Inflation	2%	2%
Average labour turnover	10%	10%
Pensionable age	65 years	65 years
Mortality tables	RG48	RG48

(26) Financial liabilities

in EUR	30.9.2011	30.9.2010
Non-current loans	9,973,541	9,962,825
Current loans	0	156,516
Bank overdrafts	1,657,000	3,034,160
Current financial liabilities	1,657,000	3,190,676

Non-current financial liabilities include a bonded loan in the amount of EUR 10,000,000 taken out in the fiscal year 2007. The bullet loan carries an interest rate of 5.17 percent and matures in March 2014.

Interest on overdrafts is currently charged at 3.60 to 4.90% (prior year: 3.51 to 6.00%; other loans prior year: 4.85%).

At the balance sheet date, the Group had committed credit lines amounting to a total of EUR 5.80 million.

At the balance sheet date, the fair value of the loans amounts to EUR 8,843,138 (prior year: EUR 8,599,045).

(27) Trade payables

in EUR	30.9.2011	30.9.2010
Trade payables already invoiced	7,286,578	6,886,027
Advance payments from customers	360,725	61,851
Trade payables not yet invoiced	956,644	599,223
Trade payables to affiliated companies	39,655	54,860
Trade payables to associates	0	522
Trade payables	8,643,602	7,602,483

In the prior year, EUR 10,252 of the trade payables recognised was attributable to the discontinued operation.

(28) Other liabilities

Other liabilities include the following:

in EUR	30.9.2011	30.9.2010
Non-current other liabilities	151.150	141.514
Taxes	1,412,160	951,579
Social security payables	643,034	617,804
Holiday entitlements and overtime payables	1,146,281	1,121,548
Bonuses	654,309	406,926
Payroll accounting	1,291,993	1,302,897
Deferred income from maintenance contracts	1,845,010	1,961,210
Other	582,053	516,567
Current other liabilities	7,574,840	6,878,531

In the prior year, other liabilities included EUR 61,730 that was attributable to the discontinued operation.

(29) Contingent liabilities

The Company has no contingent liabilities to third parties.

(30) Tax provisions

Balance 1.10.2010	Utilisation	Allocation/Reversal	Balance 30.9.2011
EUR	EUR	EUR	EUR
1,065,006	-525,976	333,725	872,755

(31) Other provisions

in EUR	Balance 1.10.2010	Utilisation	Allocation/Reversal	Balance 30.9.2011	Stand 30.9.2011
Non-current	0	0	0	0	0
Restructuring and settlements	11,077	-11,077	0	118,800	118,800
Warranties	58,259	-25,871	0	3,776	36,164
Closure costs of discontinued operation (see Note 33)	380,586	-273,916	0	0	106,670
Current	449,922	-310,864	0	122,576	261,634

(32) 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	30.9.2011	30.9.2010
Financial assets available for sale	45,351	49,291
Trade receivables	15,202,684	17,508,013
Other receivables and assets	919,774	295,337
Cash and cash equivalents	5,806,602	4,115,563
Loans and receivables	21,929,060	21,918,913
Financial liabilities	11,630,541	13,153,501
Trade payables	8,243,222	7,485,771
Other liabilities	3,674,637	3,347,938
Liabilities recognised at (amortized) cost	23,548,400	23,987,210

The carrying amounts and cash flows of the financial liabilities with a remaining maturity of more than one year are as follows at the balance sheet date:

Carrying amounts in EUR	30.9.2011	30.9.2010
Non-current financial liabilities	9,973,541	9,962,825
Current portion	0	0
Financial liabilities due in >1 year	9,973,541	9,962,825

Cash flows in EUR:	30.9.2011		30.9.2010
2011/12 Redemption	0	2010/11 Redemption	0
2011/12 Interest	517,000	2010/11 Interest	517,000
2012/13 Redemption	0	2011/12 Redemption	0
2012/13 Interest	517,000	2011/12 Interest	517,000
2013/14 Redemption	9,973,541	2012/13 Redemption	0
2013/14 Interest	244,139	2012/13 Interest	517,000
2014/15 Redemption	0	2013/14 Redemption	9,962,825
2014/15 Interest	0	2013/14 Interest	244,139
2015/16 Redemption	0	2014/15 Redemption	0
2015/16 Interest	0	2014/15 Interest	0

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

in EUR	2010/11	2009/10
Write-offs of and allowances for trade receivables Operating result, net	131,888	156,782
Financial assets available for sale	1,290	7,854
Loans and receivables	51,410	48,005
Liabilities recognised at (amortized) cost	-767,303	-688,857
Financial result, net	-714,603	-632,998

(33) Discontinued operation

The result of the discontinued operation (Berlin location) is as follows:

in EUR	2010/11	2009/10
Revenues from discontinued operation	0	383,036
Cost of sales	0	-297,986
Distribution costs	0	-108,723
Administrative expenses	0	-81,066
Other operating expenses/income	0	-28,148
EBIT	0	-132,887
Taxes on income	0	0
Loss after tax from discontinued operation	0	-132,887

The loss carry-forwards attributable to the discontinued operation are transferred to continuing operations (see Note 8).

Assets and liabilities are as follows:

in EUR	30.9.2011	30.9.2010
Non-current assets	0	0
Current assets	0	21,686
Assets from discontinued operation	0	21,686
Non-current liabilities	0	0
Current liabilities	106,670	452,567
Liabilities from discontinued operation	106,670	452,567

Current liabilities at 30.9.2011 include a provision for closure costs in the amount of EUR 107k (prior year: EUR 381k).

Cash flow from discontinued operation:

in EUR	2010/11	2009/10
Cash flow from operating activities	-324,212	-1,086,477
Cash flow from investing activities	0	-1,031
Cash flow from discontinued operation	-324,212	-1,087,508

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

Liquidity risk

Liquidity risk refers to the risk that the Group may not be able to meet its financial obligations as they fall due. Due to the dynamic nature of the business environment in the IT industry, it is of utmost priority for BRAIN FORCE to maintain flexibility in funding by keeping sufficient liquidity and committed credit lines available. A liquidity planning on a monthly basis is carried out annually under the budget, in addition the operating entities prepare monthly financial plans, which are monitored and consolidated in the Holding. To optimize the liquidity situation, attention is paid to an active working capital management.

In the fiscal year 2007, BRAIN FORCE has taken out a long-term bullet loan in the amount of EUR 10 million, which matures on March 20, 2014. To this end, the consolidated financial statements are measured annually in accordance with Moody's KMV RiskCalc. The deterioration in the measurement according to this system by more than three notches within one year entitles each creditor to terminate the loan agreement, provided that the termination is appropriate considering all economic circumstances. Furthermore, the deterioration below Ba3 entitles each creditor to terminate the loan agreement. The working capital line of credit made available by Erste Bank provides for an equity ratio of more than 30%.

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. In addition, a credit insurance for customers in Germany, Austria and in the Netherlands was concluded as of September 1, 2009, and thus the default risk was further reduced. Customers of the Italian subsidiary are not covered by the credit insurance.

The write-offs of receivables and allowances for doubtful accounts recognised in the fiscal year 2010/11 amount to approx. 1.0% of total receivables as of September 30, 2011.

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 only exposed to significant foreign exchange risks as part of its operating activities in the subsidiary Network Performance Channel GmbH (NPC), Germany, with regard to the development of the EUR/USD exchange rate. Network Performance Channel GmbH purchases products in US dollars and resells them in Europe, the Middle East, North Africa and India. In the fiscal year 2010/11, the purchase volume amounted to 5.86 million US dollars. Part of the revenues are invoiced by NPC also in US dollars, the major portion of revenues, however, is generated in EUR. As at the balance sheet date, neither this nor any other foreign currency position was hedged using derivative financial instruments. Due to the increasing significance of the NPC business for the BRAIN FORCE Group, the EUR/USD currency risk was partially hedged at the beginning of the fiscal year 2011/12.

Approx. 95% of its group sales are generated in Euro, the rest in US dollar and Czech crowns. On the assets side, the foreign exchange exposure results from trade receivables not denominated in euro of approx. 5% and, on the liabilities side, from trade payables not denominated in euro of less than 10%.

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 fiscal year 2010/11, financial liabilities accounted for 24% of the balance sheet total. The major part of financial liabilities is accounted for by the long-term bullet loan in the amount of EUR 10,000,000 taken out 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 3% of the balance sheet total and carry 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 38% at the balance sheet date (prior year: 39%).

Derivative financial instruments

In the fiscal year 2010/11, the Group did not use any derivative financial instruments.

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.

(35) Costs for the auditor

The costs for the auditor include: audit of the consolidated financial statements EUR 29,000 (prior year: EUR 28,000), other audit services EUR 13,200 (prior year: EUR 9,000 and other services EUR 0 (prior year: EUR 10,975).

(36) 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	2010/11	2009/10
Profit/loss after tax attributable to the equity holders of the parent company	-1,368,622	791,272
Weighted average number of ordinary shares (basic and diluted)	15,386,742	15,386,742
Earnings per share (in EUR)	-0,09	0,05

The consolidated financial statements of the Company will be dealt with in the supervisory board meeting on December 7, 2011. 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.

(37) 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 fiscal year 2010/11 amounted to EUR 586,782, the variable portion of which was EUR 111,782 (prior year: EUR 558,232, variable portion of EUR 36,536). These remunerations include the entitlements of members of the Management Board earned in the fiscal year and taken through profit and loss.

In addition, expenses for severance payments (contributions to staff provision funds) and pensions for members of the Management Board in the amount of EUR 23,378 (prior year: EUR 22,867) were taken through profit and loss.

In the fiscal year 2010/11, remunerations paid to members of the Supervisory Board in the amount of EUR 59,500 (prior year: EUR 56,600) were expensed as incurred.

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

As of March 31, 2011, an agreement was in place between BRAIN FORCE HOLDING AG and HOFER Management GmbH, Vöcklabruck, a company in which the CEO Dr. Michael Hofer holds 100% of the shares, on the provision of a Management Board member.

Since April 1, 2011, an agreement has been in place between BRAIN FORCE HOLDING AG and CROSS Informatik GmbH, Wels, on the provision of a management board member. CROSS Informatik GmbH, Wels, is the majority shareholder of BRAIN FORCE HOLDING AG.

With the approval of the Supervisory Board (with Josef Blazicek abstaining from voting), the Company entered into a mandate agreement with OCEAN Consulting GmbH, Vienna, in August 2011 on the provision of M&A advisory services. The compensation is stipulated at arm's length. The supervisory board member Josef Blazicek is shareholder of OCEAN Consulting GmbH.

The Company has a service relationship with the associate SolveDirect Service Management GmbH, Vienna, the extent of which has only an insignificant impact on the financial position.

(38) 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 at the balance sheet date.

(39) Commitments from leasing transactions

Operating lease commitments or rents in EUR	30.9.2011	30.9.2010
Not later than one year	2,990,481	3,249,663
Later than 1 and not later than 5 years	7,533,426	9,309,876
Later than 5 years	2,121,332	2,167,491

(40) Employees

	Average		At the balance sheet date	
	2010/11	2009/10	30.9.2011	30.9.2010
Number of employees (salaried)	505	553	530	496

(41) Events after the balance sheet date

On October 5 und November 15, 2011, the general meetings of SolveDirect Service Management GmbH, Vienna, resolved upon additional capital increases. Upon the entry of the capital increases in the commercial register, the share in SolveDirect Service Management GmbH will be reduced from 67.39 to 57.75%.

On October 24, 2011, BRAIN FORCE HOLDING AG announced the consensual termination of the management board contract of Mag. Thomas Melzer as of December 31, 2011. Thus, the management board contract running until September 30, 2012 is terminated early.

(42) Authorization 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 these consolidated financial statements, will be submitted to the Supervisory Board for review and regarding the separate financial statements also for adoption on December 7, 2011. The Supervisory Board and, in case of submittal to the Annual General Meeting, the shareholders can change these separate financial statements in a way which might also affect the presentation of the consolidated financial statements.

(43) Members of the Management Board and Supervisory Board

In the fiscal year from October 1, 2010 to September 30, 2011, the following persons served on the **Management Board**:

- ▶ Michael Hofer, Voecklabruck, CEO
- ▶ Thomas Melzer, Vienna, CFO

In the fiscal year 2010/11, the following persons served on the **Supervisory Board**:

- ▶ Stefan Pierer, Wels, Chairman
- ▶ Friedrich Roithner, Linz, Deputy Chairman
- ▶ Christoph Senft, Angerberg
- ▶ Josef Blazicek, Perchtoldsdorf
- ▶ Wolfgang M. Hickel, Vienna

Vienna, November 22, 2011

The Management Board:



Michael Hofer



Thomas Melzer

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BRAIN FORCE HOLDING AG, Vienna, for the fiscal year from October 1, 2010 to September 30, 2011. These consolidated financial statements comprise the consolidated balance sheet as at September 30, 2011, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended September 30, 2011, and the notes.

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

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

Auditor's Responsibility and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of September 30, 2011 and of its financial performance and its cash flows for the fiscal year from October 1, 2010 to September 30, 2011 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the Management Report for the Group

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

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

Vienna, November 22, 2011

PwC INTER-TREUHAND GmbH,
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft



Jürgen Schauer
Austrian Certified Public Accountant

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

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Glossary

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

BRAIN FORCE CRM: CRM solution for financial service providers, focusing on the campaign management and sales information systems modules

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 Fördercenter: Software designed to calculate state incentives for pension plan products

BRAIN FORCE Infrastructure Framework: An accumulation of best practice approaches for optimally installing a basic infrastructure

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

BRAIN FORCE Workspace Manager: Solution to standardize working environments on PCs, notebooks and servers

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

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

CFROI: „Cash-flow Return on Investment“; ratio of operating EBITDA to average historical capital employed

Cloud Computing: Describes the approach to make available IT infrastructures dynamically adapted to actual requirements via a network

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

CRM: „Customer Relationship Management“; documentation and management of customer relations

DAX: „Deutscher Aktien Index“; the leading index of the German Stock Exchange

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

EBIT: „Earnings Before Interest and Tax“; operating profit

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

EBITDA-Margin: EBITDA in relation to revenues

EPS: „Earnings per share“; profit after tax divided by the weighted number of shares less treasury stock

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

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

ERP: „Enterprise Resource Planning“; application software for resource planning in companies

FFO: „Funds From Operations“; Gross cash flow

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

Gearing: Ratio of net debt to equity

Goodwill: Positive difference between the acquisition price and the net worth of an acquired company

Historical capital employed: Capital employed + accumulated depreciation and amortization

IFRS: International Financial Reporting Standards

Infrastructure Optimization: BRAIN FORCE business area with solutions, which enable companies to achieve a well-manageable and efficient IT infrastructure

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

ICT: Information and communication technology

Jupiter: BRAIN FORCE asset management solution for banks

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

Microsoft Dynamics: Business solutions developed by Microsoft (ERP and CRM)

Microsoft Dynamics AX: „Microsoft Dynamics Axapta“, ERP solutions for big enterprises

Microsoft Dynamics NAV: „Microsoft Dynamics Navision“, ERP solution for medium-sized businesses

Net debt: Financial liabilities - cash and cash equivalents

NOPAT: „Net Operating Profit After Tax“; EBIT after tax

Process Optimization: BRAIN FORCE business area encompassing solutions for business-critical processes

Professional Services: BRAIN FORCE business area for recruitment and supply of IT experts

Rebecca: BRAIN FORCE solution for credit processing (mortgage management)

Return on equity: Financial indicator for the ratio of profit after tax to average equity

ROCE: „Return on Capital Employed“; ratio of NOPAT to the average capital employed

SaaS: „Software as a Service“; a business model featuring a philosophy making software available as a service based on Internet technologies

SolveDirect: The strategic investment SolveDirect is the specialist for smart service integration and offers innovative service management solutions on a SaaS basis

Tap: „Test Access Port“; solution to analyze high speed networks

TECDAX: German share index for technology companies

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

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

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

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

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BRAIN FORCE and cannot find an
order card here:

Annual reports, quarterly reports and
the possibility to be included in the
distribution list can also be obtained
under:

T +43 (1) 263 09 09 0 or
investorrelations@brainforce.com

Financial Calendar

Date	Event
December 21, 2011	Annual Report 2010/11 and Annual Financial Report
February 16, 2012	Report on the first quarter of 2011/12
March 1, 2012	14th Annual General Meeting
March 5, 2012	Ex-dividend day 2011
March 7, 2012	1st dividend payment day for 2011/12
May 15, 2012	Six months report 2011/12
August 14, 2012	Report on the first three quarters of 2011/12
December 19, 2012	Annual Report 2011/12 and Annual Financial Report

Imprint

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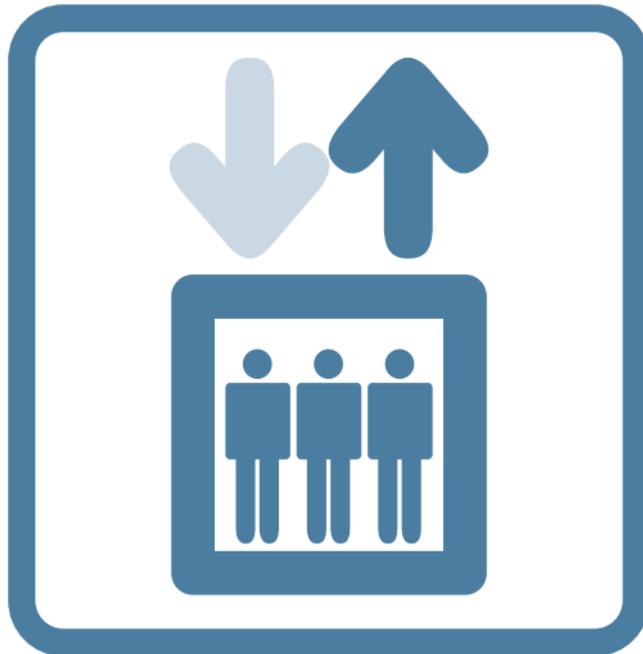
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BRAIN FORCE

BRAIN FORCE HOLDING AG
Investor Relations
Karl-Farkas-Gasse 22 / 4th floor
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Austria

Key Data 2006 – 2010/11

Earnings Data		2006	2007	2008 ¹⁾	Short fiscal year 1-9/2009	2009/10	2010/11
Revenues	in € 1,000	88,531	98,333	106,208	61,690	69,589	71,087
EBITDA	in € 1,000	6,514	346	7,793	-200	5,657	3,133
Operating EBITDA ²⁾	in € 1,000	7,463	2,457	7,793	1,183	1,147	3,133
Operating EBITDA margin	in %	8.4	2.5	7.3	1.9	1.6	4.4%
EBIT	in € 1,000	2,918	-16,683	3,832	-2,886	2,861	1,040
Operating EBIT ²⁾	in € 1,000	3,867	-2,526	3,832	-1,503	-1,649	1,040
Operating EBIT margin	in %	4.4	-2.6	3.6	-2.4	-2.4	1.5%
Profit before tax	in € 1,000	3,230	-17,910	2,384	-3,147	327	-1,382
Profit after tax ³⁾	in € 1,000	4,173	-19,915	-2,101⁴⁾	-2,407	924	-1,369
Free cash flow	in €1,000	4,517	-4,640	3,857	68	-2,169	3,538

Balance Sheet Data		2006	2007	2008 ¹⁾	Short fiscal year 1-9/2009	2009/10	2010/11
Equity	in € 1,000	48,093	26,265	24,149	19,315	20,110	18,718
Net debt	in € 1,000	-10,987	6,532	4,889	5,647	9,038	5,824
Total Investments	in € 1,000	13,973	9,750	4,668	2,125	2,640	1,512
Working Capital	in € 1,000	9,276	8,088	7,380	4,079	4,634	1,336
Capital employed	in € 1,000	36,922	32,617	28,855	24,769	29,098	24,496
Balance sheet total	in € 1,000	81,580	74,342	66,311	54,450	51,052	49,429
Gearing	in %	-22.8	24.9	20.2	29.2	44.9	31.1
Interest cover ⁵⁾		56.1	3.5	9.3	4.4	1.6	4.0
Net debt / Operating EBITDA ⁵⁾		-1.5	2.7	0.6	1.6	7.9	1.9
Employees (balance sheet date)		1,172	1,146	1,129	978	713	786

Performance Key Data		2006	2007	2008 ¹⁾	Short fiscal year 1-9/2009	2009/10	2010/11
Equity ratio	in %	10.4	-53.6	-8.3	n.a. ⁷⁾	4.7	-7.0
ROCE	in %	12.2	-54.3	6.1 ⁶⁾	n.a. ⁷⁾	12.2	3.2
CFROI	in %	16.2	0.7	13.3	n.a. ⁷⁾	10.0	5.6

Stock Exchange Data		2006	2007	2008 ¹⁾	Short fiscal year 1-9/2009	2009/10	2010/11
Earnings per share	in €	0.30	-1.29	-0.14	-0.31	0.05	-0.09
Adjusted earnings per share ⁸⁾	in €	0.34	-0.47	0.09	-0.11	-0.26	-0.09
Dividend per share	in €	0.10	0.00	0.00	0.00	0.00	0.00
Dividend	in € 1,000	1,506	0	0	0	0	0
Free Cash flow per share	in €	0.32	-0.30	0.25	0.00	-0.14	0.23
Equity per share	in €	3.13	1.71	1.57	1.26	1.31	1.22
Share price at year-end	in €	3.15	1.92	1.89	1.20	1.00	0.94
Shares outstanding (weighted)	in 1,000	14,025	15,387	15,387	15,387	15,387	15,387
Market capitalization at year-end	in 1,000	44,179	29,543	29,081	18,464	15,387	14,464

- 1) As reported in 2008, inclusive figures from discontinued operations in 2009
- 2) Adjusted for restructuring costs as well as other non-recurring income and expense
- 3) From continuing operations
- 4) Including a non-recurring tax effect of € -2.9 million
- 5) Calculated on the basis of operating EBITDA over the last 12 months
- 6) Adjusted for a non-recurring tax effect of € -2.9 million
- 7) Not appropriate due to short fiscal year
- 8) Adjusted for restructuring costs as well as other non-recurring income and expense and in 2009 also for the result of discontinued operation

Einzelabschluss zum 30. September 2011

BRAIN FORCE HOLDING AG, Wien

Einzelabschluss nach österreichischem UGB

Inhalte

Bilanz – Anlage 1

Gewinn- und Verlustrechnung – Anlage 2

Anhang – Anlage 3

Lagebericht – Anlage 4

Bestätigungsvermerk

Erklärung des Vorstands gemäß § 82 (4) BörseG

Bilanz zum 30. September 2011

Aktiva

Passiva

	30.9.2011	30.9.2010		30.9.2011	30.9.2010
	EUR	TEUR		EUR	TEUR
A. Anlagevermögen			A. Eigenkapital		
I. Immaterielle Vermögensgegenstände			I. Grundkapital	15.386.742,00	15.387
Software und Markenrechte	2.167,04	5	II. Kapitalrücklagen		
II. Sachanlagen			gebundene	13.942.646,54	15.065
1. Bauten auf fremdem Grund	40.196,03	58	Bilanzgewinn	0,00	0
2. andere Anlagen, Betriebs- und Geschäftsausstattung	41.865,62	67		29.329.388,54	30.452
	82.061,65	125	B. Rückstellungen		
III. Finanzanlagen			1. Rückstellungen für Abfertigungen	62.329,00	58
1. Anteile an verbundenen Unternehmen	21.518.183,83	26.610	2. sonstige Rückstellungen	198.321,66	184
2. Beteiligungen	11.185.507,81	11.185		260.650,66	242
3. Wertpapiere des Anlagevermögens	32.753,70	33	C. Verbindlichkeiten		
	32.736.445,34	37.828	1. Verbindlichkeiten gegenüber Kreditinstituten	11.599.901,50	12.365
	32.820.674,03	37.958	2. Verbindlichkeiten aus Lieferungen und Leistungen	163.519,37	175
B. Umlaufvermögen			3. Verbindlichkeiten gegenüber verbundenen Unternehmen	39.655,10	1.224
I. Forderungen und sonstige Vermögensgegenstände			4. sonstige Verbindlichkeiten,	57.581,54	61
1. Forderungen aus Lieferungen und Leistungen	24.209,77	26	davon aus Steuern EUR 18.379,77 (Vorjahr: TEUR 20),		
2. Forderungen gegenüber verbundenen Unternehmen	8.395.075,99	4.295	davon im Rahmen der sozialen Sicherheit EUR 9.391,85		
3. sonstige Forderungen und Vermögensgegenstände	87.011,67	98	(Vorjahr: TEUR 11)		
	8.506.297,43	4.419		11.860.657,51	13.825
II. Kassenbestand, Guthaben bei Kreditinstituten	94.710,68	2.088	D. Rechnungsabgrenzungsposten		
	8.601.008,11	6.507		20.174,81	20
C. Rechnungsabgrenzungsposten					
	49.189,38	74			
	41.470.871,52	44.539		41.470.871,52	44.539
			Eventualverbindlichkeiten	2.356.820,00	699

**Gewinn- und Verlustrechnung für das Geschäftsjahr
vom 1. Oktober 2010 bis 30. September 2011**

	1.10.2010 - 30.9.2011	1.10.2009 - 30.9.2010
	EUR	TEUR
1. Umsatzerlöse	1.273.914,36	1.941
2. sonstige betriebliche Erträge		
a) Erträge aus der Auflösung von Rückstellungen	2.300,00	53
b) übrige	492.853,17	638
	495.153,17	691
3. Aufwendungen für sonstige bezogene Leistungen	0,00	-80
4. Personalaufwand		
a) Gehälter	-620.125,65	-870
b) Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeiterversorgungskassen	-9.180,31	-14
c) Aufwendungen für Altersversorgung	-25.467,84	-24
d) Aufwendungen für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge	-118.774,33	-183
e) sonstige Sozialaufwendungen	-5.723,45	-8
	-779.271,58	-1.099
5. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-58.635,77	-64
6. sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Steuern vom Einkommen und vom Ertrag fallen	-1.711,07	-4
b) übrige	-1.573.542,26	-1.819
	-1.575.253,33	-1.823
7. Zwischensumme aus Z 1 bis 6 (Betriebsergebnis)	-644.093,15	-434
8. sonstige Zinsen und ähnliche Erträge, davon aus verbundenen Unternehmen EUR 141.131,83 (Vorjahr: TEUR 112)	142.232,34	113
9. Erträge aus dem Abgang von Finanzanlagen	0,20	1.565
10. Aufwendungen aus Finanzanlagen, davon	0,00	-1.963
a) Abschreibungen EUR 0,00 (Vorjahr: TEUR 1.963)		
b) Aufwendungen aus verbundenen Unternehmen EUR 0,00 (Vorjahr: TEUR 1.963)		
11. Zinsen und ähnliche Aufwendungen, davon aus verbundenen Unternehmen EUR 1.000,88 (Vorjahr: TEUR 5)	-621.093,58	-624
12. Zwischensumme aus Z 8 bis 11 (Finanzergebnis)	-478.861,04	-909
13. Ergebnis der gewöhnlichen Geschäftstätigkeit = Jahresfehlbetrag	-1.122.954,19	-1.343
14. Auflösung von Kapitalrücklagen	1.122.954,19	1.343
15. Bilanzgewinn	0,00	0

Anhang für das Geschäftsjahr vom 1. Oktober 2010 bis 30. September 2011

A. Bilanzierungs- und Bewertungsmethoden

Allgemeine Grundsätze

Auf den vorliegenden Jahresabschluss zum 30. September 2011 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 erfolgte auf Basis eines Rechnungszinssatzes von 5,00 % (Vorjahr: 4,75 %) und einer wie im Vorjahr 3%igen Gehaltssteigerung. Für die Berechnung der Rückstellungen wurden die Rechnungsgrundlagen AVÖ 2008-P Angestellte verwendet. Das Pensionseintrittsalter wurde bei den Rückstellungen für Abfertigungen gemäß Budgetbegleitgesetz 2003, Artikel 73 vom 20. August 2003 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 22.737 (Vorjahr: EUR 24.878).

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 1.10.2010	Zugänge	Abgänge	Stand 30.9.2011		Stand 30.9.2011	Stand 30.9.2010	
	EUR	EUR	EUR	EUR		EUR	EUR	
I. Immaterielle Vermögensgegenstände								
Software und Markenrechte	481.210,36	0,00	0,00	481.210,36	479.043,32	2.167,04	5.356,26	3.189,22
II. Sachanlagen								
1. Bauten auf fremdem Grund	90.177,59	0,00	0,00	90.177,59	49.981,56	40.196,03	58.231,55	18.035,52
2. andere Anlagen, Betriebs- und Geschäfts- ausstattung *)	351.172,48	13.041,07	1.193,64	363.019,91	321.154,29	41.865,62	66.369,58	37.411,03
	441.350,07	13.041,07	1.193,64	453.197,50	371.135,85	82.061,65	124.601,13	55.446,55
III. Finanzanlagen								
1. Anteile an verbundenen Unternehmen	51.290.526,94	25.000,00	10.080.754,80	41.234.772,14	19.716.588,31	21.518.183,83	26.610.038,63	0,00
2. Beteiligungen	11.185.507,81	0,00	0,00	11.185.507,81	0,00	11.185.507,81	11.185.507,81	0,00
3. Wertpapiere des Anlagevermögens	35.030,28	0,00	0,00	35.030,28	2.276,58	32.753,70	32.753,70	0,00
	62.511.065,03	25.000,00	10.080.754,80	52.455.310,23	19.718.864,89	32.736.445,34	37.828.300,14	0,00
	63.433.625,46	38.041,07	10.081.948,44	53.389.718,09	20.569.044,06	32.820.674,03	37.958.257,53	58.635,77

*) davon geringwertige Vermögensgegenstände
gemäß § 13 EStG

791,64 791,64

791,64

Immaterielle Vermögensgegenstände

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

Im Geschäftsjahr wurden keine immateriellen Vermögensgegenstände von verbundenen Unternehmen erworben (Vorjahr: TEUR 3).

Sachanlagen

Den linear vorgenommenen Abschreibungen liegen folgende Nutzungsdauern zugrunde:

	Jahre
Bauten auf fremdem Grund	5
Personenkraftwagen	2 - 4
EDV-Anlagen	2 - 5
sonstige Büroeinrichtung	5 - 10

Finanzanlagen

Der Zugang im Bereich der **Anteile an verbundenen Unternehmen** in Höhe von EUR 25.000 (Vorjahr: TEUR 2.532) betrifft das einbezahlte Stammkapital an der Network Performance Channel GmbH, Langen, Deutschland. Die Gesellschaft wurde mit Notariatsakt vom 9. Dezember 2010 gegründet. Gegenstand des Unternehmens ist der Handel und die Entwicklung von IT-Produkten sowie die Erbringung von Servicedienstleistungen im IT-Bereich. Die Gesellschaft wurde am 7. Jänner 2011 in das Handelsregister eingetragen.

Der Buchwertabgang im Bereich der **Anteile an verbundenen Unternehmen** in Höhe von EUR 5.116.855 betrifft den Verkauf der BRAIN FORCE B.V., Veenendaal, Niederlande, an die BRAIN FORCE Software GmbH, München, Deutschland. Mit Abtretungsvertrag vom 28. Juni 2011 wurden sämtliche Anteile an der BRAIN FORCE B.V., Veenendaal, Niederlande, verkauft.

Der Posten **Beteiligungen** setzt sich aus dem 67,39%-Anteil an der SolveDirect Service Management GmbH, Wien, zusammen. Im Geschäftsjahr 2009/10 wurde mit dem 3TS Cisco Growth Fund ein Beteiligungsvertrag geschlossen. Das Investment des auf Wachstumsunternehmen spezialisierten Fonds erfolgt durch mehrere Kapitalerhöhungen in der SolveDirect Service Management GmbH, Wien, bei denen die BRAIN FORCE HOLDING AG, Wien, nicht mitzieht. Aufgrund der im Beteiligungsvertrag festgelegten Aufsichts- und Kontrollbefugnisse erfolgt ab dem Geschäftsjahr 2009/10 der Ausweis der an der SolveDirect Service Management GmbH, Wien, gehaltenen Anteile als Beteiligung.

Umlaufvermögen

Forderungen und sonstige Vermögensgegenstände

In den Forderungen und sonstigen Vermögensgegenständen sind Forderungen in Höhe von EUR 4.150.000 (Vorjahr: TEUR 543) enthalten, die eine Restlaufzeit von mehr als einem Jahr aufweisen.

Die Forderungen gegenüber verbundenen Unternehmen bestehen in Höhe von EUR 3.155.692 (Vorjahr: TEUR 2.903) aus Darlehen. Die restlichen Forderungen gegenüber verbundenen Unternehmen betreffen Lieferungen und Leistungen in Höhe von EUR 5.239.384 (Vorjahr: TEUR 1.091), davon entfallen EUR 4.500.000 auf die offenen Kaufpreisforderungen aus dem Verkauf der BRAIN FORCE B.V., Veenendaal, Niederlande, an die BRAIN FORCE Software GmbH, München, Deutschland. Im Vorjahreswert war eine in Verbindung mit Cash-Pooling-Vereinbarungen stehende Forderung in Höhe von EUR 300.198 enthalten.

In den sonstigen Forderungen sind wie im Vorjahr keine Erträge 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.

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

Die 13. o. Hauptversammlung am 2. März 2011 hat ein Aktienrückkaufprogramm in Höhe von 10% des Grundkapitals genehmigt. Von dieser Genehmigung wurde bisher kein Gebrauch gemacht.

Weiters wurde in der Hauptversammlung ein bedingtes Kapital gemäß § 159 Abs. 2 Z 1 AktG in Höhe von bis zu EUR 7.693.371 durch Ausgabe von bis zu 7.693.371 Stück auf Inhaber lautende neue Aktien ohne Nennwert (Stückaktien) beschlossen.

Das Grundkapital und die Kapitalrücklagen haben sich wie folgt entwickelt:

	Grundkapital EUR	gebundene Kapital- rücklagen EUR
Stand 1.10.2010	15.386.742	15.065.601
Auflösung der gebundenen Kapitalrücklage zur Verlustabdeckung	0	-1.122.954

Stand 30.9.2011	<u>15.386.742</u>	<u>13.942.647</u>
Rückstellungen		

Die **sonstigen Rückstellungen** enthalten folgende Posten:

	30.9.2011 EUR	30.9.2010 TEUR
gesetzliche Sonderzahlungen	23.388	27
noch nicht konsumierte Urlaube	14.303	10
Prämien	69.787	53
Wirtschaftsprüfung und Beratung	32.700	38
übrige	58.144	56
	<u>198.322</u>	<u>184</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 gegenüber Dritten haben eine Restlaufzeit von weniger als einem Jahr.

Die Verbindlichkeiten gegenüber verbundenen Unternehmen resultieren aus Lieferungen und Leistungen in Höhe von EUR 39.655 (Vorjahr: TEUR 129), die wie im Vorjahr eine Restlaufzeit von unter einem Jahr ausweisen. Im Vorjahr entfielen EUR 1.094.442 auf Verbindlichkeiten in Verbindung mit Cash-Pooling-Vereinbarungen, deren Laufzeiten unter 12 Monaten lagen.

In den sonstigen Verbindlichkeiten sind Aufwendungen in Höhe von EUR 57.582 (Vorjahr: TEUR 61) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

C. Erläuterungen zu Posten der Gewinn- und Verlustrechnung

Umsatzerlöse

Im Geschäftsjahr 2010/11 wurden Umsatzerlöse aus Dienstleistungen und aus der Verrechnung von Markenlizenzentgelten an Beteiligungsunternehmen erzielt.

Von den Umsatzerlösen in Höhe von EUR 1.273.914 (Vorjahr: TEUR 1.941) wurden EUR 44.192 (Vorjahr: TEUR 202) im Inland und EUR 1.229.722 (Vorjahr: TEUR 1.738) in den übrigen Ländern der Europäischen Union erwirtschaftet. Im Vorjahr wurden TEUR 1 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 GmbH, Neulengbach, einen Steuerumlagevertrag abgeschlossen.

Der aufgrund der zeitlichen Differenzen gemäß § 198 Abs. 10 UGB aktivierbare Betrag beträgt ohne Berücksichtigung des steuerlich entstandenen Verlustes bzw. der voraussichtlichen Nutzbarkeit EUR 503.977 (Vorjahr: TEUR 918) und resultiert vorwiegend aus der unterschiedlichen Behandlung von außerplanmäßigen Abschreibungen auf Beteiligungen.

D. Sonstige Angaben

Beteiligungsverhältnisse

Name/Sitz	Anteil am Kapital	Eigenkapital zum 30.9.2011	Jahresergebnis
	%	EUR	EUR
BRAIN FORCE Software GmbH, München, Deutschland	100	1.956.131	1.048.899
Network Performance Channel GmbH, Langen, Deutschland	100	122.427	97.427
BRAIN FORCE S.p.A., Mailand, Italien	100	524.572	-450.557
BFS Brain Force Software AG, Maur, Schweiz	100	-329.384	-11.048
BRAIN FORCE Network Solutions B.V., Veenendaal, Niederlande	100	-203.783	-5.201
BRAIN FORCE SOFTWARE s.r.o., Prag, Tschechien	100	361.827	76.557
BRAIN FORCE GmbH, Neulengbach	100	52.820	1.051
SolveDirect Service Management GmbH, Wien	67,39	2.729.389	-884.224

Beziehungen zu verbundenen Unternehmen

Im Geschäftsjahr 2010/11 fand ein Wechsel des Mehrheitseigentümers der BRAIN FORCE HOLDING AG, Wien, statt. Der bisherige Hauptaktionär, die BEKO HOLDING AG, Nöhagen, Österreich, hat im Rahmen einer Spaltung 53,58% der Anteile an der BRAIN FORCE HOLDING AG auf die CROSS Informatik GmbH, Wels, Österreich übertragen. Zum Bilanzstichtag hält somit die CROSS Informatik GmbH, Wels, an der die CROSS Industries AG, Wels, Österreich, wesentlich beteiligt ist, die Mehrheit der Anteile an der BRAIN FORCE HOLDING AG, Wien. Geschäfte mit den verbundenen Unternehmen werden wie mit unabhängigen Dritten abgewickelt.

Aufwendungen für den Abschlussprüfer

Die Aufwendungen für den Abschlussprüfer setzen sich zusammen aus: Prüfung Jahresabschluss EUR 10.000 (Vorjahr: TEUR 9), sonstige Prüfungsleistungen (Konzern) EUR 32.200 (Vorjahr: TEUR 28) und sonstige Leistungen EUR 0 (Vorjahr: TEUR 11).

Konsolidierungskreis

Die BRAIN FORCE HOLDING AG, Wien, ist mehrheitlich im Besitz der CROSS Informatik GmbH, Wels. Mehrheitseigentümer der CROSS Informatik GmbH, Wels, ist die CROSS Industries AG, Wels, die die oberste Konzerngesellschaft darstellt.

Haftungsverhältnisse und Garantien

Die BRAIN FORCE HOLDING AG, Wien, hat gegenüber der Deutschen Factoring GmbH & Co., Bremen, Deutschland, eine gesamtschuldnerische Haftungserklärung abgegeben. Die Haftung besteht für alle Ansprüche der Deutschen Factoring GmbH & Co., Bremen, Deutschland, gegenüber der BRAIN FORCE Software GmbH, München, Deutschland, und der BRAIN FORCE B.V., Veenendaal, Niederlande, aus den im Geschäftsjahr 2010/11 abgeschlossenen Factoringvereinbarungen. Der maximale Finanzierungsrahmen beläuft sich auf EUR 5.000.000. Zum Stichtag 30. September 2011 betragen die von der Bank angekauften Kundenforderungen (abzüglich Sperrbeträge) EUR 1.956.820.

Mit der BFS Brain Force Software AG, Maur, Schweiz, wurde eine Rangrücktrittsvereinbarung basierend auf Forderungen der BRAIN FORCE HOLDING AG, Wien, abgeschlossen. Der Umfang des vom Rangrücktritt erfassten Betrages ist EUR 142.578 (Vorjahr: TEUR 143). Eine Begleichung der Forderung durch die BFS Brain Force Software AG, Maur, Schweiz, ist nach Schweizer Recht erst möglich, wenn keine Besorgnis der Überschuldung mehr vorliegt. Die Forderung gegenüber der BFS Brain Force Software AG, Maur, Schweiz, wurde im Geschäftsjahr 2010/11 wertberichtigt.

Die BRAIN FORCE HOLDING AG, Wien, hat der BRAIN FORCE B.V., Veendendaal, Niederlande, zur Finanzierung der Restrukturierungsmaßnahmen im Geschäftsjahr 2009/10 ein nachrangiges Darlehen in Höhe von EUR 400.000 gewährt.

Die selbstschuldnerische Bürgschaft gegenüber der Volksbank Dreieich eG, Langen, Deutschland, ist mit Tilgung der Forderungen der Bank gegenüber der BRAIN FORCE Software GmbH, München, Deutschland, aufgehoben (Vorjahr: TEUR 157).

Sonstige finanzielle Verpflichtungen

Finanzielle Verpflichtungen der Gesellschaft aus der Nutzung von in der Bilanz nicht ausgewiesenen Sachanlagen des folgenden Geschäftsjahres betragen EUR 133.475 (Vorjahr: TEUR 177) und der Gesamtbetrag der folgenden fünf Jahre beläuft sich auf insgesamt EUR 279.235 (Vorjahr: TEUR 1.156).

Geschäfte mit nahestehenden Unternehmen und Personen

Zwischen der BRAIN FORCE HOLDING AG, Wien, und der HOFER Management GmbH, Vöcklabruck, einer Gesellschaft, an der der Vorstandsvorsitzende Dr. Michael Hofer zu 100% beteiligt ist, bestand bis zum 31. März 2011 eine Überlassungsvereinbarung über die Bereitstellung eines Vorstandsmitgliedes.

Seit 1. April 2011 besteht zwischen der BRAIN FORCE HOLDING AG, Wien, und der CROSS Informatik GmbH, Wels, ein Überlassungsvertrag über die Bereitstellung eines

Vorstandsmitgliedes. Die CROSS Informatik GmbH, Wels, ist Mehrheitseigentümer der BRAIN FORCE HOLDING AG, Wien.

Mit Genehmigung des Aufsichtsrates (bei Stimmenthaltung von Josef Blazicek) hat die Gesellschaft im August 2011 mit der OCEAN Advisory GmbH, Wien, einen Mandatsvertrag zur Erbringung von M&A-Beratungsleistungen abgeschlossen. Das Entgelt entspricht branchenüblichen Standards. Das Aufsichtsratsmitglied Josef Blazicek ist Gesellschafter der OCEAN Advisory GmbH, Wien.

Pflichtangaben über Organe und Arbeitnehmer

Die durchschnittliche Zahl der Arbeitnehmer (= Angestellte) betrug im Geschäftsjahr 2010/11 sechs Personen (Vorjahr: 8).

Eingeräumte Aktienoptionen

Derzeit besteht kein Mitarbeiterbeteiligungsprogramm in der BRAIN FORCE HOLDING AG, Wien.

Aufwendungen für Abfertigungen und Pensionen

Die Aufwendungen für Abfertigungen und Pensionen für Vorstandsmitglieder und leitende Angestellte im Sinne des § 80 AktG betragen EUR 27.034 (Vorjahr: TEUR 28) und für andere Arbeitnehmer EUR 9.199 (Vorjahr: TEUR 11). Von den Gesamtaufwendungen sind EUR 1.585 (Vorjahr: TEUR 1) unter dem Posten „Zinsen und ähnliche Aufwendungen“ ausgewiesen.

Der Posten „Aufwendungen für Abfertigungen und Leistungen an betriebliche Mitarbeitervorsorgekassen“ enthält Aufwendungen für Abfertigungen in Höhe von EUR 2.434 (Vorjahr: TEUR 2).

Gesamtbezüge des Vorstandes und des Aufsichtsrates

Die Bezüge der Vorstandsmitglieder für das Geschäftsjahr 2010/11 betragen EUR 586.782 (Vorjahr: TEUR 558). Die angegebenen Bezüge beinhalten die erworbenen und im Aufwand erfassten Ansprüche der Vorstandsmitglieder. In den Bezügen sind variable Anteile in Höhe von EUR 111.782 (Vorjahr: TEUR 37) enthalten.

Im Geschäftsjahr 2010/11 wurden Vergütungen an Aufsichtsratsmitglieder in Höhe von EUR 59.500 (Vorjahr: TEUR 57) aufwandsmäßig erfasst.

Mitglieder des Vorstandes und des Aufsichtsrates

Im Geschäftsjahr vom 1. Oktober 2010 bis 30. September 2011 waren folgende Personen als **Vorstand** tätig:

Dr. Michael Hofer, Vöcklabruck, Vorsitzender
Mag. Thomas Melzer, Wien, Stellvertreter des Vorsitzenden

Im Geschäftsjahr 2010/11 waren folgende Personen als **Aufsichtsrat** tätig:

Dipl.-Ing. Stefan Pierer, Wels, Vorsitzender
Mag. Friedrich Roithner, Linz, Vorsitzender-Stellvertreter
Dr. Christoph Senft, Angerberg
Josef Blazicek, Perchtoldsdorf
Mag. Wolfgang M. Hickel, Wien

Wien, den 21. November 2011

Der Vorstand:

gez.:

Dr. Michael Hofer

gez.:

Mag. Thomas Melzer

BRAIN FORCE HOLDING AG, Wien
Lagebericht für das Geschäftsjahr
vom 1. Oktober 2010 bis 30. September 2011

Bericht über die wirtschaftliche Lage und den Geschäftsverlauf

Wirtschaftliche Lage

Nach dem starken Einbruch der Weltwirtschaft im Jahr 2009 und einer kräftigen Erholung in 2010 erwartet die Europäische Kommission in ihrer Herbstprognose vom November 2011 für dieses Jahr eine Steigerung der globalen Wirtschaftsleistung um 3,7%. Für den Euroraum wird in 2011 ein Wachstum von nur 1,5% prognostiziert. In Deutschland, dem für BRAIN FORCE wichtigsten Markt, und in Österreich soll das Plus bei jeweils 2,9% liegen, in Italien bei 0,5% und in den Niederlanden bei 1,8%. Während das Wachstum in der EU im ersten Quartal noch kräftig ausgefallen war, wird es nach der jüngsten Einschätzung der Europäischen Kommission bis zum Jahresende fast zum Erliegen kommen. Die Verschärfung der Staatsschuldenkrise einiger EU-Länder und die damit zusammenhängenden Turbulenzen an den Finanzmärkten gelten als Ursache für den rasanten Wachstumseinbruch im Laufe des Jahres 2011.

Für das Jahr 2012 erwartet die Europäische Kommission aktuell ein Wachstum von moderaten 0,5% im Euroraum, sowie in den Niederlanden. In Deutschland und in Österreich soll der Anstieg leicht über dem europäischen Durchschnitt liegen. In Italien wird nur mit einem Anstieg von 0,1% gerechnet. Die Aussichten für die europäische Konjunkturentwicklung 2012 haben sich zuletzt deutlich verschlechtert. Durch die Verlangsamung der globalen Handelsdynamik sind keine Wachstumsimpulse vom Außenhandel mehr zu erwarten. Infolge der notwendigen Budgetkonsolidierung wurden in mehreren Ländern weitere Sparpakete verabschiedet, wodurch der öffentliche Konsum als Wachstumsstimulator ausfällt. Ein starker Unsicherheitsfaktor ist dabei der fragliche Ausgang der Staatsschuldenkrise und mögliche Auswirkungen auf den internationalen Bankensektor.

Nach einer Einschätzung der Marktforschungsagentur Gartner vom November 2011 werden in der Region EMEA die IT-Ausgaben in 2011 um 1,4% sinken und erst 2012 wieder um 2,3% ansteigen. Die weltweiten IT-Ausgaben sollen 2012 um 3,9% wachsen.

Während in Italien in 2011 laut eines Berichtes von ASSINTEL (Associazione Nazionale Imprese ICT) vom Juni 2011 mit einem Rückgang der IT-Ausgaben von 1,3% gerechnet wird, erwartet BITKOM (Branchenverband Informationswirtschaft, Telekommunikation und neue Medien) wie im März 2011 veröffentlicht, dass die Umsätze der Branche Informations- und Telekommunikationstechnologie 2011 in Deutschland um 2,3% ansteigen. Damit fällt das Wachstum der ITK-Branche etwas geringer aus als der gesamtwirtschaftliche Trend. In den Bereichen Software und IT-Services sehen die Experten für dieses Jahr Wachstumsraten von 4,5% (Software) und 3,5% (IT-Services). 2012 gehen die Branchenbeobachter bei den Umsätzen in Deutschland von einem Zuwachs von 2,4% für die gesamte ITK-Branche aus. Für den Bereich Software wird ein Anstieg um 4,9% und für den Bereich IT-Services um 3,8% erwartet.

Der Geschäftsverlauf der BRAIN FORCE HOLDING AG, die als Mutterunternehmen verbundener Unternehmen vor allem in den Ländern Deutschland, Österreich, Italien und den Niederlanden agiert, wird von der tatsächlichen gesamtwirtschaftlichen Entwicklung maßgeblich beeinflusst werden.

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. Im Geschäftsjahr 2009/10 erzielte die BRAIN FORCE HOLDING AG darüber hinaus Umsatzerlöse im Geschäftsbereich Process Optimization.

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

	2010/11	2009/10
	TEUR	TEUR
Umsatzerlöse	1.274	1.941
Sonstige betriebliche Erträge	495	691
Aufwendungen für sonstige bezogene Leistungen	0	-80
Personalaufwand	-779	-1.099
Abschreibungen	-59	-64
Sonstige betriebliche Aufwendungen	-1.575	-1.823
Betriebsergebnis	-644	-434
Beteiligungsergebnis	0	-398
Sonstiges Finanzergebnis	-479	-510
Jahresfehlbetrag	-1.123	-1.343
Auflösung von Kapitalrücklagen	1.123	1.343

Von den ausgewiesenen Umsatzerlösen in Höhe von TEUR 1.274 (Vorjahr: TEUR 1.941) entfallen TEUR 1.213 (Vorjahr: TEUR 1.823) auf Konzerndienstleistungserträge und Markenlizenzentgelte, TEUR 61 betreffen die Weiterverrechnung von Beratungshonoraren.

Die sonstigen betrieblichen Erträge beinhalten im Wesentlichen weiterverrechnete Sachkosten an Konzerngesellschaften, Mieterträge sowie Erträge aus der Auflösung von Rückstellungen.

Der Personalaufwand des Geschäftsjahres 2010/11 reduzierte sich um 29% auf TEUR 779. Der Rückgang ist auf die Reduktion der durchschnittlichen Mitarbeiteranzahl von acht auf sechs Angestellte zurückzuführen.

Die sonstigen betrieblichen Aufwendungen reduzierten sich von TEUR 1.823 auf TEUR 1.575. Der Rückgang ist im Wesentlichen auf die im Vorjahr enthaltenen Abfindungskosten von TEUR 332 zurückzuführen.

Das Beteiligungsergebnis des Vorjahres setzte sich aus dem Ertrag aus dem Verkauf der BRAIN FORCE SOFTWARE GmbH, Wien, in Höhe von TEUR 1.565 sowie aus einer erforderlichen Abschreibung auf Anteile an verbundenen Unternehmen in Höhe von TEUR -1.963 zusammen.

Das sonstige Finanzergebnis in Höhe von TEUR -479 (Vorjahr: TEUR -510) beinhaltet den Saldo aus erhaltenen und bezahlten Zinsen.

Der Jahresfehlbetrag des Geschäftsjahres 2010/11 beläuft sich auf TEUR -1.123 (Vorjahr: TEUR -1.343). Nach Rücklagenbewegung schließt die BRAIN FORCE HOLDING AG das Geschäftsjahr 2010/11 mit einem Bilanzergebnis von TEUR 0 (Vorjahr: TEUR 0).

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.

	2010/11	2009/10	Änderung
	TEUR	TEUR	in %
Konzernumsatz	71.087	69.589	+2
Konzern-EBITDA operativ ¹⁾	3.133	1.147	>100
Konzern-EBIT operativ ¹⁾	1.040	-1.649	>100
Restrukturierungsaufwendungen	0	-1.816	-
Nicht-wiederkehrende Erträge	0	6.325	-
Konzern-EBITDA	3.133	5.656	-45
Konzern-EBIT	1.040	2.861	-63
Ergebnis aus assoziierten Unternehmen	-1.632	-1.812	+10
Konzernergebnis vor Steuern ²⁾	-1.382	327	>100
Konzernergebnis nach Steuern ²⁾	-1.369	924	>100

1) vor Restrukturierungsaufwendungen und nicht-wiederkehrenden Erträgen

2) bezogen auf fortgeführte Geschäftsbereiche

BRAIN FORCE hat im Geschäftsjahr 2010/11 den operativen Turnaround geschafft. Maßgeblich hierfür waren die strategische Neuausrichtung des Konzerns und die konsequent durchgeführten Restrukturierungsmaßnahmen. Andererseits wirkte sich auch die Konjunkturerholung positiv auf die Geschäftsentwicklung aus. Seit dem ersten Quartal des abgelaufenen Geschäftsjahres liegt das operative EBIT über dem jeweiligen Vergleichswert des Vorjahres. Im letzten Quartal betrug die Verbesserung sogar mehr als 1,2 Mio. €, im Gesamtjahr 2,7 Mio. €.

Der Konzernumsatz ist im Geschäftsjahr 2010/11 um 2% auf 71,09 Mio. € gestiegen. Bereinigt um die Effekte aus den drei strategischen Transaktionen des Vorjahres (Verkauf des Professional-Services-Geschäftes in Österreich, Änderung der Konsolidierungsmethode bei SolveDirect und der Akquisition von Inisys) betrug das organische Plus 6% und es konnten in sämtlichen Regionen bis auf Italien Umsatzsteigerungen erzielt werden.

Durch den Anstieg der Produktumsätze sowie die verbesserte Auslastung der Mitarbeiter erhöhte sich das Bruttoergebnis zu Umsatz von 18,7 auf 21,2%. Im 12-Monatsvergleich gelang es die Vertriebskosten um rund 12% senken. Die Verwaltungskosten blieben weitgehend unverändert. Insgesamt konnte sich dadurch die operative EBIT-Marge um fast vier Prozentpunkte auf 1,5% verbessern.

Durch das Umsatzwachstum und die optimierte Kostenstruktur konnte das operative EBITDA um 173% auf 3,13 Mio. € (Vorjahr: 1,15 Mio. €) und das operative EBIT auf +1,04 Mio. € (Vorjahr: -1,65 Mio. €) gesteigert werden. Im Vorjahr sind nicht-wiederkehrende Posten in Höhe von 4,51 Mio. € angefallen, wodurch BRAIN FORCE ein positives EBITDA von 5,66 Mio. € und ein EBIT von 2,86 Mio. € erzielen konnte.

Vermögens- und Finanzlage

Die Bilanzsumme zum 30.9.2011 der BRAIN FORCE HOLDING AG reduzierte sich im Vergleich zum 30.9.2010 um 6,9% auf TEUR 41.471 (Vorjahr: TEUR 44.539).

Die nachfolgende Aufstellung zeigt die wesentlichen Bilanzposten:

	30.9.2011 TEUR	30.9.2010 TEUR	Veränderung in %
AKTIVA			
Immaterielle Vermögensgegenstände und Sachanlagen	84	130	-34
Finanzanlagen	32.736	37.828	-13
Forderungen gegenüber verbundenen Unternehmen	8.395	4.295	+95
Kassenbestand, Guthaben bei Kredit- instituten	95	2.088	-95
PASSIVA			
Eigenkapital	29.329	30.452	-4
Rückstellungen	261	242	+8
Verbindlichkeiten gegenüber Kreditinstituten	11.600	12.365	-6
Verbindlichkeiten aus Lieferungen und Leistungen	164	175	-7
Verbindlichkeiten gegenüber verbundenen Unternehmen	40	1.224	-97

Der Rückgang der Finanzanlagen zeigt den Verkauf der Anteile an der BRAIN FORCE B.V., Veenendaal, Niederlande, an die BRAIN FORCE Software GmbH, München, Deutschland. Weiters wurde im Geschäftsjahr 2010/11 die Network Performance Channel GmbH, Langen, Deutschland, gegründet. Die BRAIN FORCE HOLDING AG hält 100% der Anteile an der Network Performance Channel GmbH.

Der Anstieg der Forderungen gegenüber verbundenen Unternehmen in Höhe von TEUR 4.100 resultiert im Wesentlichen aus der offenen Kaufpreisforderung gegenüber der BRAIN FORCE Software GmbH, Deutschland, aus dem Verkauf der BRAIN FORCE B.V., Niederlande.

Im Geschäftsjahr 2010/11 wurde die mit den wesentlichen Konzerngesellschaften geschlossene Cash-Pooling-Vereinbarung suspendiert. Dadurch erfolgt aktuell kein Pooling der Liquidität auf Ebene der Muttergesellschaft, was zu einer Reduktion der liquiden Mittel auf Holding-Ebene in Höhe von TEUR 2.088 auf TEUR 95 führte. Gleichzeitig reduzierten sich dadurch auch die Verbindlichkeiten gegenüber verbundenen Unternehmen auf TEUR 40 (Vorjahr: TEUR 1.224).

Ergebnisbedingt verringerte sich das Eigenkapital um 4% auf TEUR 29.329. Durch den Rückgang der Bilanzsumme weist die BRAIN FORCE HOLDING AG zum Bilanzstichtag 30. September 2011 eine Eigenkapitalquote von 71% (Vorjahr: 68%) aus.

Die Finanzlage ist durch folgende Netto-Geldflüsse gekennzeichnet:

	2010/11	2009/10
	TEUR	TEUR
Netto-Geldfluss aus laufender Geschäftstätigkeit	-563	-1.987
Netto-Geldfluss aus Investitionstätigkeit	579	2.465
Netto-Geldfluss aus Finanzierungstätigkeit	-2.009	700
Veränderung Kassenbestand und liquide Mittel	-1.993	1.178
Finanzmittelbestand zum Periodenende	95	2.088

Der Geldfluss aus laufender Geschäftstätigkeit hat sich gegenüber dem Vorjahr von TEUR -1.987 auf TEUR -563 verbessert. Dies ist insbesondere auf die im Geschäftsjahr 2010/11 erfolgte Reduzierung der Konzernforderungen zurückzuführen.

Der Geldfluss aus Investitionstätigkeit beträgt TEUR +579 (Vorjahr: TEUR +2.465). Darin enthalten ist der Zufluss aus der teilweisen Tilgung des Kaufpreises aus dem Verkauf der BRAIN FORCE B.V., Niederlande, an die BRAIN FORCE Software GmbH, Deutschland. Die Investitionen in Finanzanlagen betragen TEUR 25 und jene in immaterielle Vermögensgegenstände und Sachanlagen TEUR 13 (Vorjahr: TEUR 68).

Der Geldfluss aus Finanzierungstätigkeit zeigt die Tilgung von Finanzverbindlichkeiten in Höhe von TEUR 765 (Vorjahr: Aufnahme TEUR 2.365) sowie die Rückzahlung der Cash-Pooling-Guthaben an die Konzerngesellschaften in Höhe von TEUR 794. Zusätzlich resultiert ein Zahlungsmittelabgang von TEUR 450 aus der Veränderung der an Konzerngesellschaften gewährten Darlehen.

Als börsennotiertes Unternehmen werden im Folgenden relevante Börsenkennzahlen dargestellt:

		2010/11	2009/10
Höchstkurs	in €	1,10	1,40
Tiefstkurs	in €	0,72	0,91
Ultimokurs	in €	0,94	1,00
Gewichtete Aktienanzahl	in Tsd.	15.387	15.387
Ultimo Börsekapitalisierung	in Mio. €	14,46	15,39

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

In den Gesellschafterversammlungen der SolveDirect Service Management GmbH, Wien, am 5. Oktober bzw. 15. November 2011 wurden weitere Kapitalerhöhungen beschlossen. Nach Eintragung der Kapitalerhöhungen ins Firmenbuch reduziert sich der Anteil der

BRAIN FORCE HOLDING AG an der SolveDirect Service Management GmbH von 67,39 auf 57,57%.

Am 24. Oktober 2011 gab die BRAIN FORCE HOLDING AG die einvernehmliche Beendigung des Vorstandsvertrages von Herrn Mag. Thomas Melzer zum 31. Dezember 2011 bekannt. Der bis 30. September 2012 laufende Vorstandsvertrag wird somit vorzeitig beendet.

Voraussichtliche Entwicklung des Unternehmens

Die BRAIN FORCE HOLDING AG hatte sich aus Konzernsicht für das Geschäftsjahr 2010/11 ein positives operatives Ergebnis als Ziel gesetzt und dies im letzten Geschäftsbericht entsprechend kommuniziert. Dieses Ziel wurde erreicht. Es ist gelungen, ein operatives EBIT von über 1 Mio. € zu erwirtschaften. Auch die Umsatzentwicklung war mit +2% auf über 71 Mio. € ansprechend. Auf vergleichbarer Basis, also nach Bereinigung der Konsolidierungskreisänderungen des Vorjahres, konnte ein Wachstum von 6% erzielt werden.

Die operativen Bereiche verzeichneten im letzten Quartal zum Teil deutliche Umsatz- und Ergebnissteigerungen. Im Gesamtjahr lag nur BRAIN FORCE Italien operativ leicht unter dem Vorjahr, was vor allem auf das schwierige wirtschaftliche Umfeld zurückzuführen ist. Die Ergebnisentwicklung des letzten Jahres belegt somit die erfolgreiche strategische Neuausrichtung des Unternehmens und die Wirksamkeit der umgesetzten Restrukturierungsmaßnahmen. Mit entsprechend positiven Erwartungen haben daher die operativen Gesellschaften in den Sommermonaten ihre Budgets erstellt. Für den BRAIN FORCE Konzern ergibt sich daraus für das Geschäftsjahr 2011/12 die Zielsetzung eines weiteren Umsatzwachstums und einer neuerlichen Verbesserung der operativen Ergebnisse.

Diese Zielsetzung basiert jedoch auf der Annahme einer positiven Konjunktorentwicklung in den BRAIN FORCE-Märkten Deutschland, Italien, Niederlande, Österreich, Tschechien und Slowakei. Mit ihrer Herbstprognose hat die Europäische Kommission die Wachstumserwartungen in der Union für 2012 von bisher 1,9% auf nur noch 0,6% deutlich zurückgeschraubt. Sollte sich der seit den Sommermonaten 2011 gesehene Wachstumseinbruch im Zuge der Staatsschuldenkrise und die damit einhergehende Verunsicherung von Konsumenten und Unternehmen weiter verschärfen, muss auch BRAIN FORCE ihre Unternehmensziele für das Geschäftsjahr 2011/12 überdenken.

Angaben gemäß § 243a UGB

1. Das Grundkapital beträgt EUR 15.386.742. Es ist zerlegt in 15.386.742 Stück auf Inhaber lautende, nennbetragslose Stückaktien. Das Grundkapital wurde voll einbezahlt.
2. Dem Vorstand sind keine Beschränkungen bekannt, die Stimmrechte oder die Übertragung von Aktien betreffen.
3. Nach Kenntnis der Gesellschaft bestand per 30. September 2011 folgende direkte oder indirekte Beteiligung am Kapital der BRAIN FORCE HOLDING AG, die zumindest 10 von Hundert beträgt:
CROSS Informatik GmbH: 53,58%.
ABAG Aktienmarkt Beteiligungs AG: 16,97%
4. Es gibt keine Aktien mit besonderen Kontrollrechten.
5. Im BRAIN FORCE Konzern besteht kein Mitarbeiterbeteiligungsmodell.
6. Es bestehen keine über das Gesetz hinausgehenden Bestimmungen hinsichtlich der Mitglieder des Vorstandes und des Aufsichtsrates.

7. Möglichkeiten, Aktien auszugeben oder zurückzukaufen:

- a) Durch Beschluss der Hauptversammlung vom 2. März 2011 wurde der Vorstand gemäß § 65 Abs. 1 Z 4 und 8 AktG zum Erwerb eigener Aktien ermächtigt, wobei der Anteil der zu erwerbenden Aktien am Grundkapital mit 10% begrenzt ist, die Ermächtigung für einen Zeitraum von 30 Monaten ab Beschlussfassung gilt und der Gegenwert (Erwerbskurs) je zu erwerbender Stückaktie den Durchschnittskurs der jeweils letzten fünf Börsenstage nicht mehr als 20% über- oder unterschreiten darf. Die Ermächtigung kann ganz oder in mehreren Teilbeträgen und in Verfolgung eines oder mehrerer Zwecke durch die Gesellschaft, ihre Konzernunternehmen oder für deren Rechnung durch Dritte ausgeübt werden. Der Erwerb eigener Aktien kann über die Börse oder außerhalb davon erfolgen.

Weiters wurde beschlossen, die Ermächtigung des Vorstandes für die Dauer von fünf Jahren ab Beschlussfassung mit Zustimmung des Aufsichtsrates für die Veräußerung eigener Aktien eine andere Art der Veräußerung als über die Börse oder durch ein öffentliches Angebot unter Ausschluss des Bezugsrechtes der Aktionäre zu beschließen und die Veräußerungsbedingungen festzusetzen, wobei das Bezugsrecht der Aktionäre nur dann ausgeschlossen werden kann, wenn diese Aktien als Gegenleistung im Rahmen eines Erwerbes von Unternehmen, Betrieben, Teilbetrieben oder Anteilen an einer oder mehreren Gesellschaften im In- oder Ausland oder zur Bedienung von Aktienoptionen an Arbeitnehmer, leitende Angestellte und Mitglieder des Vorstandes ausgegeben werden. Diese Ermächtigung kann einmal oder mehrmals ganz oder in Teilen, einzeln oder gemeinsam ausgeübt werden und gilt für die höchste gesetzlich zulässige Dauer. Weiters wurde der Vorstand ermächtigt, die eigenen Aktien ohne weiteren Hauptversammlungsbeschluss einzuziehen. Die dem Vorstand zuletzt erteilte Ermächtigung zum Erwerb eigener Aktien gemäß § 65 Abs. 1 Z 4 und 8 AktG mit Hauptversammlungsbeschluss vom 14.05.2009 zum 6. Punkt der Tagesordnung wurde aufgehoben.

- b) Durch Beschluss der Hauptversammlung vom 2. März 2011 wurde der Vorstand gemäß § 169 AktG ermächtigt, das Grundkapital mit Zustimmung des Aufsichtsrates bis 01.03.2016 um bis zu weitere EUR 7.693.371,00 durch Ausgabe von bis zu 7.693.371 Stück neue, auf Inhaber oder Namen lautende Stammaktien (Stückaktien) gegen Bar- und/oder Sacheinlage – allenfalls in mehreren Tranchen – zu erhöhen und den Ausgabebetrag, die Ausgabebedingungen und die weiteren Einzelheiten der Durchführung der Kapitalerhöhung im Einvernehmen mit dem Aufsichtsrat festzusetzen [Genehmigtes Kapital 2011].

Weiters wurde der Vorstand mit Zustimmung des Aufsichtsrates ermächtigt, das Bezugsrecht der Aktionäre auszuschließen, wenn die Kapitalerhöhung gegen Sacheinlagen erfolgt, das heißt Aktien zum Zwecke des Erwerbs von Unternehmen, Betrieben, Teilbetrieben oder Anteilen an einer oder mehreren Gesellschaften im In- und Ausland ausgegeben werden oder die Kapitalerhöhung zur Bedienung von Aktienoptionen an Arbeitnehmer, leitende Angestellte und Mitglieder des Vorstandes erfolgt oder um Spitzenbeträge vom Bezugsrecht der Aktionäre anzunehmen oder um eine den Emissionsbanken eingeräumte Mehrzuteilungsoption zu bedienen.

Weiters wurde beschlossen, das bestehende genehmigte Kapital 2006 aufzuheben und die Satzung entsprechend anzupassen.

- c) Durch Beschluss der Hauptversammlung vom 2. März 2011 wurde der Vorstand ermächtigt, mit Zustimmung des Aufsichtsrates bis einschließlich fünf Jahre ab dem Tag dieser Beschlussfassung Finanzinstrumente im Sinne des § 174 AktG, insbesondere Wandelschuldverschreibungen, Gewinnschuldverschreibungen, Genussrechte mit einem Gesamtnennbetrag von bis zu EUR 15.000.000,00, die auch das Bezugs- und/oder das Umtauschrecht auf den Erwerb von insgesamt bis zu 7.693.371 Aktien der Gesellschaft einräumen können und/oder so ausgestaltet sind, dass ihr Ausweis als Eigenkapital erfolgen kann, auch in mehreren Tranchen und in unterschiedlicher Kombination, auszugeben, und zwar auch mittelbar im Wege der Garantie für die Emission von Finanzinstrumenten durch ein verbundenes Unternehmen der Gesellschaft mit Wandlungsrechten auf Aktien der Gesellschaft. Für die Bedienung kann der Vorstand das bedingte Kapital oder eigene Aktien verwenden. Ausgabebetrag und Ausgabebedingungen sowie der etwaige Ausschluss des Bezugsrechts der Aktionäre auf die emittierten Finanzinstrumente sind vom Vorstand mit Zustimmung des Aufsichtsrates festzulegen.
- d) In der Hauptversammlung vom 2. März 2011 wurde beschlossen: Die bedingte Erhöhung des Grundkapitals der Gesellschaft gemäß § 159 (2) Z 1 AktG um bis zu EUR 7.693.371,00 durch Ausgabe von bis zu 7.693.371 Stück auf Inhaber lautender neuer Aktien ohne Nennwert (Stückaktien) zur Ausgabe an Gläubiger von Finanzinstrumenten im Sinne des Hauptversammlungsbeschlusses vom 2. März 2011, soweit die Gläubiger von Finanzinstrumenten von ihrem Bezugs- und/oder Umtauschrecht auf Aktien der Gesellschaft Gebrauch machen. Der Ausgabebetrag und das Umtauschverhältnis sind nach Maßgabe anerkannter finanzmathematischer Methoden sowie des Kurses der Aktien der Gesellschaft in einem anerkannten Preisfindungsverfahren zu ermitteln. Die neu ausgegebenen Aktien der bedingten Kapitalerhöhung haben eine Dividendenberechtigung, die den zum Zeitpunkt der Ausgabe an der Börse gehandelten Aktien entspricht. Der Vorstand ist ermächtigt mit Zustimmung des Aufsichtsrates die weiteren Einzelheiten der Durchführung der bedingten Kapitalerhöhung festzusetzen. Weiters wurde die Änderung der Satzung durch Einfügung einer neuen Bestimmung „§ 5a Bedingtes Kapital“ beschlossen.
8. Vereinbarungen der Gesellschaft, die bei einem Kontrollwechsel infolge eines Übernahmeangebotes wirksam werden, sich ändern oder enden sowie deren Wirkungen werden seitens der Gesellschaft mit Ausnahme der Angaben in Punkt 9 nicht bekannt gegeben, da dies der Gesellschaft erheblich schaden würde.
9. Für den Fall einer „feindlichen“ Übernahme der Gesellschaft im Sinne des Übernahmegesetzes wurde mit dem Vorstandsmitglied Thomas Melzer vertraglich vereinbart, dass das Vorstandsmitglied das einseitige Recht hat, jederzeit innerhalb einer Frist von zwei 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. Für den Fall eines „Kontrollwechsels“ wurde mit dem Vorstandsmitglied Michael Hofer vertraglich vereinbart, dass die CROSS Informatik GmbH das Recht hat, den Überlassungsvertrag, den sie mit der BRAIN FORCE HOLDING AG unter Beitritt von Herrn Michael Hofer abgeschlossen hat, einseitig unter Wahrung aller Ansprüche aufzulösen. Dieses begünstigte Auflösungsrecht ist spätestens zum Zeitpunkt des Closings (Rechtswirksamkeit) betreffend des den Kontrollwechsel auslösenden Anteilserwerb wahrzunehmen. Ein Kontrollwechsel liegt vor, wenn die CROSS Industries AG nicht mehr a) direkt oder b) indirekt über eine Tochtergesellschaft, die zumindest zu 50% an der BRAIN FORCE HOLDING AG beteiligt ist, die Stimmenmehrheit an der BRAIN FORCE HOLDING AG hält.

Berichterstattung zum rechnungslegungsbezogenen internen Kontroll- und Risikomanagementsystem

Die Verantwortung für die Einrichtung und Ausgestaltung des rechnungslegungsbezogenen internen Kontroll- und Risikomanagementsystems und die Sicherstellung der Einhaltung aller rechtlichen Anforderungen liegt beim Vorstand. Die Rechnungslegung und Berichterstattung der BRAIN FORCE HOLDING AG wird in den beiden Organisationseinheiten „*Accountancy Countries & Group Consolidation*“, zuständig für das externe Berichtswesen, und „*Financial Controlling*“, zuständig für das konzerninterne Berichtswesen, wahrgenommen. Beide Bereiche unterstehen direkt dem Finanzvorstand.

Die Buchhaltung der Gesellschaft wird auf Basis unternehmensrechtlicher und sonstiger relevanter Vorschriften sowie unter Beachtung der für die wesentlichen Prozesse in der Konzernrechnungslegung und -berichterstattung vorgegebenen Regeln des BRAIN FORCE-Bilanzierungshandbuchs („*Accounting Manual*“) durchgeführt. Die Erfassung, Buchung und Bilanzierung aller Geschäftsfälle erfolgt mit der Anwendersoftware BMD. Die Einhaltung der entsprechenden Vorgaben wird regelmäßig in Management-Meetings sichergestellt. Die wirtschaftliche Tätigkeit der Gesellschaft beschränkt sich auf die Wahrnehmung von Holding-Aufgaben und die aktive Beratung und Steuerung der Beteiligungsgesellschaften. Managementdienstleistungen sowie Marken- und andere Lizenzgebühren werden auf Grund von in der Gesellschaft geführten Aufzeichnungen und entsprechenden Verträgen laufend an die Konzerngesellschaften weiterverrechnet. Die von den Mitarbeitern/-innen im Rechnungswesen geführten Aufzeichnungen und Verbuchungen werden dabei von dem Verantwortlichen der Organisationseinheit „*Accountancy Countries & Group Consolidation*“ regelmäßig überwacht und kontrolliert.

Für das interne Management-Reporting wird eine gängige Planungs- und Reportingsoftware verwendet. Für die Übernahme der Ist-Daten aus dem BMD gibt es eine automatisierte Schnittstelle. Die Eingabe der Werte für Vorscheurechnungen erfolgt in einem standardisierten Prozess. Die Berichterstattung auf Konzernebene ist dabei nach Regionen, pro Gesellschaft und auch nach den Bereichen *Process Optimization*, *Infrastructure Optimization* und *Professional Services* aufgebaut. Konzerninterne Verrechnungen und Transaktionen werden abgestimmt und eliminiert. Neben einer Berichterstattung über die operative Ergebnisentwicklung für den jeweils abgelaufenen Monat erfolgte einmal im Monat eine rollierende 3-Monats-Vorschau. Diese Berichte bieten auch eine Zusammenfassung der wichtigsten Ereignisse bzw. Abweichungen zu den Werten des Budgets, des Vorjahreszeitraumes sowie der jeweils vorangegangenen Vorscheurechnung und gegebenenfalls eine aktualisierte Bewertung einzelner Risiken.

Die beschriebenen Finanzinformationen sind in Zusammenhang mit den Quartalszahlen Basis der Berichterstattung des Vorstandes an den Aufsichtsrat. Der Aufsichtsrat wird in den regelmäßigen Sitzungen über die wirtschaftliche Entwicklung in Form von konsolidierten Darstellungen, bestehend aus Segmentberichterstattung, Ergebnisentwicklung mit Budget- und Vorjahresvergleich, Vorscheurechnungen, Konzernabschlüssen, Personal- und Auftragsentwicklung sowie ausgewählten Finanzkennzahlen, informiert.

Risikoberichterstattung

Als Muttergesellschaft von im In- und Ausland ansässigen und europaweit tätigen Unternehmen sieht sich die Unternehmensführung mit übergreifenden internationalen Risiken konfrontiert. BRAIN FORCE sieht in einem effektiven Risikomanagement einen wesentlichen Erfolgsfaktor für die nachhaltige Sicherung des Unternehmenserfolges und die Erreichung der Ziele zur Schaffung von Shareholder Value. Als Risiko wird daher nicht nur die Möglichkeit der negativen Abweichung von Unternehmenszielen verstanden, sondern auch die Nichtrealisierung von potenziellen Gewinnen. 2008 hat BRAIN FORCE das Risikomanagement verstärkt und einen zentral gesteuerten konzernweiten Prozess initiiert. Dieser Prozess wurde 2009 abgeschlossen. Seither werden die Risiken innerhalb der Gruppe regelmäßig und systematisch identifiziert, hinsichtlich ihrer Eintrittswahrscheinlichkeit und dem möglichen Schadensausmaß bewertet sowie geeignete Maßnahmen zur Risikosteuerung getroffen. Der Schwerpunkt wird dabei auf die Top-10-Risiken des Konzerns gelegt. Die jährliche Aktualisierung der Risikobewertung findet im Zuge des Budgetierungsprozesses statt.

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 Konzernvorstand und von diesem weiter an den Aufsichtsrat berichtet.

Die wichtigsten Instrumente zur Risikoüberwachung und -kontrolle sind der Planungs- und Controlling-Prozess, konzernweite Richtlinien sowie die laufende Berichterstattung und das monatlich rollierende 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. Insbesondere sind Spekulationen außerhalb der operativen Geschäftstätigkeit unzulässig. Risiken außerhalb der operativen Tätigkeit, wie finanzielle Risiken, werden zusätzlich von der Holding beobachtet und im notwendigen Maße abgesichert.

Das Liquiditätsrisiko wird durch laufende Finanzplanungen auf Ebene der lokalen Geschäftsführungen und zusätzlich von der Konzernholding überwacht. Das im Jahr 2009 in den drei größten operativen Gesellschaften in Deutschland, Italien und den Niederlanden geschaffene Cash-Pooling wurde im Geschäftsjahr 2010/11 suspendiert. Die Finanzierung des BRAIN FORCE Konzerns basiert auf einer soliden Bilanzstruktur mit einer Eigenkapitalquote von 38% zum 30. September 2011. Der Zahlungsmittelbestand der BRAIN FORCE HOLDING AG hat sich infolge der Suspendierung des Cash-Poolings reduziert. Auf Konzernebene konnte im Geschäftsjahr 2010/11 ein deutlich positiver Free Cash-flow von 3,54 Mio. € erwirtschaftet werden, wodurch die Zahlungsmittel im Konzern um 41% auf 5,81 Mio. € angestiegen sind. Die Refinanzierungsmöglichkeiten des Unternehmens sind durch zahlreiche finanzielle, gesamtwirtschaftliche und sonstige Einflussgrößen bestimmt, die sich dem Einfluss des Vorstandes der BRAIN FORCE HOLDING AG entziehen. Diese Einflussgrößen beinhalten Kreditbedingungen (Covenants) in den aktuellen und zukünftigen Kreditvereinbarungen sowie die Beachtung gewisser Ratings.

2007 hat BRAIN FORCE ein endfälliges Schuldscheindarlehen in Höhe von EUR 10 Mio. mit einer Laufzeit bis 20. März 2014 aufgenommen. Dafür wird jährlich eine Bewertung des Konzernabschlusses nach Moody's KMV RiskCalc vorgenommen. Eine Verschlechterung der Bewertung nach diesem System um mehr als drei Rasterstufen innerhalb eines Jahres berechtigt den Gläubiger zur Kündigung, wenn die Kündigung unter Berücksichtigung der wirtschaftlichen Verhältnisse insgesamt angemessen ist. Weiters berechtigt eine Verschlechterung unter Ba3 jeden Gläubiger zur Kündigung. Die von der Erste Bank zur Verfügung gestellte Betriebsmittellinie sieht eine Konzerneigenkapitalquote von über 30% vor. Die beschriebenen Covenants werden von BRAIN FORCE laufend beobachtet und bei allen wesentlichen geschäftspolitischen Überlegungen simuliert. Nicht eingehaltene Covenants können dazu führen, dass die zu zahlenden Zinsen durch höhere Risikozuschläge teurer oder Kredite fällig gestellt werden.

Im Rahmen der operativen Tätigkeit ist der BRAIN FORCE Konzern nur in der Tochtergesellschaft Network Performance Channel GmbH (NPC), Langen, Deutschland, Fremdwährungsrisiken im Hinblick auf die Entwicklung des EUR/USD Wechselkurses ausgesetzt. Die Network Performance Channel GmbH kauft dabei Produkte in US-Dollar und verkauft diese in Europa, den Mittleren Osten, Nordafrika und Indien weiter. Teilweise werden die Umsätze durch NPC auch in US-Dollar fakturiert, der Großteil des Umsatzes wird jedoch in EUR erwirtschaftet. Eine Absicherung dieser oder anderer Fremdwährungspositionen mittels derivativer Finanzinstrumente wurde zum Bilanzstichtag nicht eingegangen. Aufgrund der steigenden Bedeutung des NPC-Geschäftes für den BRAIN FORCE Konzern erfolgte zu Beginn des Geschäftsjahres 2011/12 eine teilweise Absicherung des EUR/USD-Wechselkursrisikos.

Das Zinsänderungsrisiko stellt das Risiko dar, dass sich infolge der Änderung von Wertschwankungen von Finanzinstrumenten eine Änderung der Marktzinssätze ergibt. Das Schuldscheindarlehen in Höhe von EUR 10 Mio. ist fix verzinst. Die Kontokorrentkreditvereinbarungen unterliegen einer variablen Verzinsung.

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 21. November 2011

Der Vorstand:

gez.:

Dr. Michael Hofer

gez.:

Mag. Thomas Melzer

Bestätigungsvermerk

Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der BRAIN FORCE HOLDING AG, Wien, für das Geschäftsjahr vom 1. Oktober 2010 bis 30. September 2011 unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 30. September 2011, die Gewinn- und Verlustrechnung für das am 30. September 2011 endende Geschäftsjahr sowie den Anhang.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und für die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung eines Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und

Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der Gesellschaft zum 30. September 2011 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Oktober 2010 bis zum 30. September 2011 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

Aussagen zum Lagebericht

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine falsche Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht und ob die Angaben nach § 243a UGB zutreffen.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss. Die Angaben gemäß § 243a UGB sind zutreffend.

Wien, den 21. November 2011

PwC INTER-TREUHAND GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

gez.:

Mag. Jürgen Schauer
Wirtschaftsprüfer

Eine von den gesetzlichen Vorschriften abweichende Offenlegung, Veröffentlichung und Vervielfältigung im Sinne des § 281 Abs. 2 UGB in einer von der bestätigten Fassung abweichenden Form unter Beifügung unseres Bestätigungsvermerks ist nicht zulässig. Im Fall des bloßen Hinweises auf unsere Prüfung bedarf dies unserer vorherigen schriftlichen Zustimmung.

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, November 22, 2011

The Management Board:



Michael Hofer
Chairman



Thomas Melzer
Deputy Chairman