

Six Months 2008 Report

Key figures

Earnings Data		1-6/2007	1-6/2008	Change in %	Ultimo 2007
Revenues	EUR million	47.75	52.26	+9	98.33
EBITDA	EUR million	1.30	3.90	>100	0.35
EBIT	EUR million	-10.74	1.86	>100	-16.68
Profit before tax	EUR million	-10.95	1.44	>100	-17.91
Profit after tax	EUR million	-10.69	0.86	>100	-19.91
Earnings per share	EUR	-0.70	0.06	>100	-1.29
Capital expenditure	EUR million	1.73	1.26	-27	2.82
Acquisitions ¹⁾	EUR million	1.31	2.34	+79	10.05
Employees ²⁾	Number	1,152	1,110	-4	1,164

Balance Sheet Data		31.12.2007	30.06.2008	Change in %
Equity	EUR million	26.27	27.12	+3
Net debt	EUR million	6.53	9.62	+47
Capital employed	EUR million	32.62	36.56	+12
Working capital	EUR million	4.77	7.87	+65
Balance sheet total	EUR million	74.34	72.03	-3
Gearing	%	25	35	-

Stock Exchange Data ³⁾		1-12/2007	1-6/2008	Change in %
Highest share price	EUR	3.46	2.58	-25
Lowest share price	EUR	1.76	1.89	+7
Closing rate (ultimo)	EUR	1.92	2.43	+27
Weighted number of shares	1,000	15.387	15.387	0
Market capitalisation (ultimo)	EUR million	29.54	37.39	+27

Segments 1-6/2008	Germany		Central and Eastern Europe		South West Europe		North Europe		Holding and Other	
EUR million or change in %										
Revenues	24.08	(+5%)	7.73	(+27%)	14.60	(+3%)	5.86	(+26%)	0	-
EBITDA	1.89	(>100%)	0.46	(+84%)	1.11	(-31%)	0.84	(+45%)	-0.40	(+74%)
EBIT	1.08	(>100%)	-0.07	(-17%)	0.79	(+10%)	0.49	(>100%)	-0.43	(+73%)
Total investments	0.41	(-61%)	0.05	(>100%)	0.48	(+92%)	0.29	(-24%)	0.03	(+0%)
Employees ²⁾	424	(-8%)	174	(+9%)	409	(-6%)	93	(+9%)	10	(-17%)

1) Including payments with own shares (treasury stock) and earn-outs for past acquisitions

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

3) Vienna Stock Exchange

Chief Executive's Review

Dear Shareholders,

The second quarter of 2008 was characterised by a very positive earnings development of BRAIN FORCE HOLDING AG, and once again confirmed the success of our restructuring measures. Since we run this path, the company has continually improved profitability for the third successive quarter.

Revenues of the BRAIN FORCE Group totalled EUR 52.26 million in the first half of 2008, an increase of 9% year-on-year. SolveDirect, which was acquired in July 2007, contributed EUR 2.59 million to revenues, whereas organic growth was 4%. The higher revenues and above all, the focus on our profitable, promising business areas, laid the groundwork for a significant improvement in earnings. EBITDA amounted to EUR 3.90 million in the first six months, a 200% rise compared to the preceding year's level. EBIT reached EUR 1.86 million in the period under review, up from an operating loss of EUR 10.74 million in the first half of 2007, which was primarily the result of high extraordinary depreciation of EUR 9.29 million.

This pleasing development in the current financial year is chiefly related to the results achieved in Germany and North Europe, two regions which significantly increased EBITDA and EBIT. In Central and Eastern Europe, EBIT in the Austrian Professional and Payroll Services areas posted a considerable improvement, whereas the Service Management business of SolveDirect still failed to match the planned numbers. Even adjusted for extraordinary write-offs, the performance of South West Europe was below the previous year's results, which is due to the restructuring in the Technology and Infrastructure business area, as well as the initial invoicing of brand licensing costs from the holding company to the operational units. Intercompany charges and cost cutting resulted in a considerable improvement of earnings in the Holding and Other segment. In total the BRAIN FORCE Group generated a profit after interest and tax of EUR 0.86 million in the first half of 2008, following a loss of EUR -10.69 million in the comparable period of 2007.

The takeover bid of BF Informationstechnologie-Beteiligungsgesellschaft m.b.H. (BFIB) for shares of BRAIN FORCE HOLDING AG has come to a conclusion. Following the expiration of the deadline for the takeover bid on July 22, 2008, BFIB, a subsidiary of Cross Industries AG and Unternehmens Invest AG, currently holds a 47.46% stake in BRAIN FORCE. Including the voting rights attained through a separate agreement with BEKO Holding AG, BFIB now controls 53.14% of the voting rights in our company. Since the Annual General Meeting was held on May 28, 2008, the new ownership structure has also been reflected in the composition of our Supervisory Board. The shareholders elected four new members to the Supervisory Board, Stefan Pierer, Josef Blazicek, Michael Hofer and Friedrich Roithner. Wolfgang Hickel was re-elected, whereas Christian Schamburek and Christian Wolff both resigned from the Supervisory Board. The terms of office of Christoph Senft and Peter Kotauczek expire in 2010.



Günter Pridt,
Chief Executive Officer of
BRAIN FORCE HOLDING AG

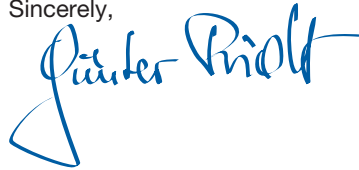
Good earnings development in
almost all business areas

New major shareholder and
changes in the Supervisory
Board

Confirmation of previous
guidance for 2008

I am optimistic concerning future prospects of our business operations. From today's point of view, I can confirm our previous guidance envisioning total revenues of at least EUR 100 million, an EBITDA of EUR 6 to 7 million and an EBIT of EUR 2 to 3 million. From an operational point of view, it is likely that we will even surpass these targets. However, we can not exclude the necessity of implementing further restructuring measures and write-offs as a means of dealing with past burdens. A corresponding decision will first be made after the end of the third quarter. We will announce preliminary results for the third quarter on November 12, 2008, and also provide a more specific outlook for the full year of 2008 as well as an initial earnings guidance for 2009.

Sincerely,

A handwritten signature in blue ink, reading "Günter Prioll". The signature is written in a cursive style with a large, stylized initial "G".

Financial Review

Half-year earnings

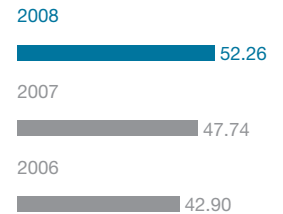
In the first six months of 2008, revenues of the BRAIN FORCE Group rose by 9% to EUR 52.26 million. The initial consolidation of SolveDirect.com Internet-Service GmbH, Austria, for the entire financial year contributed EUR 2.59 million to revenues, whereas organic growth was 4%. From a segment perspective, double-digit growth was generated by the Region Central and Eastern Europe, where revenues climbed 27% to EUR 7.73 million, due to the acquisition of SolveDirect, as well as in the Region North Europe, which expanded by 26% to EUR 5.86 million, based on the increasingly strong service business. Revenues in Germany were up 5% to EUR 24.08 million, and grew by 3% in the Region South West Europe to EUR 14.60 million.

Group EBITDA rose to EUR 3.90 million from the previous year's figure of EUR 1.30 million. The significant improvement in earnings is chiefly related to the performance of the German region, which achieved an EBITDA of EUR 1.89 million, up from the weak level of EUR 0.41 million in the first half of 2007. This development can be attributed to the successful implementation of restructuring measures and cost savings at our subsidiaries in Munich and Frankfurt. The 84% growth of EBITDA in Central and Eastern Europe to EUR 0.46 million was driven by the Payroll Services and Service Management business area (SolveDirect) in Austria and by our subsidiary in the Czech Republic. EBITDA in North Europe climbed 45% as a result of higher service revenues to EUR 0.84 million. In contrast, EBITDA in South West Europe declined to EUR 1.11 million, down from EUR 1.61 million in the comparable period of 2007, which is the consequence of restructuring measures carried out in the Technology & Infrastructure business area in Italy, as well as changes in intercompany charges.

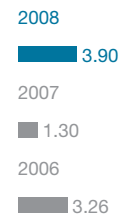
Group EBIT (operating result) also profited as a consequence of the above-mentioned developments rising to EUR 1.86 million, compared to the negative EBIT posted in the first half of 2007 at EUR -10.74 million. EBIT in the previous financial year included extraordinary depreciation of other intangible assets and goodwill amounting to EUR 9.29 million. All primary segments with the exception of Central and Eastern Europe generated a considerably improved operating result in comparison to the preceding year. The slight decrease in EBIT in Central and Eastern Europe is related to the depreciation of EUR 0.44 million arising from the purchase price allocation for SolveDirect.

The financial result declined in comparison to the previous year from EUR -0.18 to -0.43 million, which is primarily related to the higher level of net debt required to finance the acquisition of SolveDirect. Profit before tax amounted to EUR 1.44 million, following a loss of EUR -10.95 million in the first half of 2007. Accordingly, profit after tax in the first half of 2008 was EUR 0.86 million (previous year: EUR -10.69 million), which translates into earnings per share of EUR 0.06 (previous year: EUR -0.70). The high corporate tax rate of about 40% can be chiefly attributed to the Italian IRAP, which represents a tax on personnel expenses and thus puts personnel-intensive companies at a disadvantage.

1H revenues in EUR million



1H EBITDA in EUR million



Significant increase in operating earnings during the first six months of 2008

Positive net earnings after high loss in 2007

Pleasing revenue development confirms the success of implemented measures

Second-quarter earnings

In terms of earnings development the second quarter of 2008 ranks among the most profitable in the company's history and demonstrates the success of the systematic reorientation of business operations and cost cutting efforts. Revenues of the BRAIN FORCE Group climbed 11% in the second quarter to EUR 26.93 million, of which EUR 1.47 million was generated by SolveDirect. Double-digit growth was posted by Central and Eastern Europe with revenues up 31% to EUR 4.07 million, South West Europe which improved revenues by 10% to EUR 7.61 million, and North Europe with revenues climbing 24% to EUR 2.94 million. Revenues in Germany rose 5% to EUR 12.31 million. Revenue development was pleasing at SolveDirect, which attracted several new customers following a very disappointing first quarter 2008.

Very good earnings development in Q2

EBITDA of the BRAIN FORCE Group was EUR 2.28 million in the second quarter of 2008, which represents an improvement of more than 150% compared to the previous year's level of EUR 0.90 million. In Germany EBITDA rose to EUR 1.18 million up from EUR 0.43 million posted in 2007, shaped by the company's restructuring efforts. EBITDA in North Europe rose from EUR 0.20 to 0.42 million in the period under review, and in Central and Eastern Europe from EUR 0.16 to 0.33 million. In South West Europe EBITDA declined by 42% in the second quarter of 2008 to EUR 0.56 million, based on the above-mentioned restructuring and intercompany charges. The Group's EBIT also significantly increased in the second quarter to EUR 1.25 million, compared to EUR -10.05 million in 2007 (or EUR -0.76 million adjusted for extraordinary write-offs).

Positive cash flow from operating activities due to improved earnings

Cash flow

Gross cash flow considerably improved in the first six months of 2008, climbing from EUR 0.01 to 2.41 million, which is due to the positive earnings development in the BRAIN FORCE Group. The cash flow from operating activities reached a level of EUR 0.48 million compared to EUR -1.87 million in the first half of the preceding year. In addition to higher earnings, this positive development can be primarily attributed to increased prepayments received for future services, which is reported under "Changes in other current assets and liabilities". In contrast, new legal provisions for severance payments in Italy and the subsequent expenditures, as well as an increase in trade receivables in Germany and Italy in the current financial year had a negative effect on the cash flow.

Earn-out payments for past acquisitions of SolveDirect and BRAIN FORCE Netherlands

The cash flow from investing activities amounted to EUR -4.04 million in the first half of 2008, of which EUR -2.34 million relate to earn-out payments in respect to the past acquisitions of SolveDirect, Austria, and BRAIN FORCE B.V., Netherlands. A total of EUR 1.26 million was invested for proprietary developments and other investments. Financial liabilities declined by EUR 0.77 million in the second quarter due to intercompany dividend payments. At the end of the first half of 2008 cash and cash equivalents amounted to EUR 5.11 million, a decline of EUR 9.17 million compared to the end of the first half of 2007. The unusually high level of cash and cash equivalents in the previous year resulted from a bonded loan amounting to EUR 10 million, which was used in the third quarter of 2007 to pay the acquisition cost for SolveDirect.

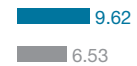
Assets and financial position

The balance sheet total of the BRAIN FORCE Group was EUR 72.03 million as at June 30, 2008, and equity amounted to EUR 27.12 million. Accordingly, the equity ratio equalled 38% from 35% at the end of the 2007 financial year. This improvement is partly related to the higher earnings and also to a reduction in the balance sheet total due to the use of cash for the repayment of financial liabilities. Net debt as at June 30, 2008 was EUR 9.62 million up from EUR 6.53 million as at December 31, 2007. This increase is related to the earn-out payments for the past acquisitions mentioned above. Gearing (proportion of net debt to equity) in the BRAIN FORCE Group amounted to 35% as at June 30, 2008.

Equity in EUR million



Net debt in EUR million



June 30, 2008
Dec. 31, 2007

Development of primary segments

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

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

Germany

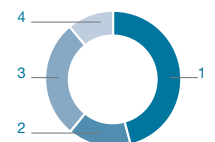
The Region Germany increased its revenues in the first half of 2008 by 5% to EUR 24.08 million, generating 46% of Group revenues. As a consequence of the successfully implemented restructuring measures EBITDA rose from EUR 0.41 to 1.89 million. The good business development is reflected even more in the region's EBIT, which improved to EUR 1.08 million in the first six months of 2008 compared to EUR -7.91 million in the comparable period of 2007, which was negatively impacted by EUR 6.71 million of extraordinary depreciation.

Long-term customer relationships and increased demand for our products and services were the primary reasons underlying the improved performance. In the Professional Services business area, we succeeded in further expanding the number of our IT consultants working on behalf of a large cell phone provider. As at June 30, 2008, our Munich-based subsidiary employed 119 IT consultants up from the figure of 106 productive employees at the beginning of 2008. In the second quarter BRAIN FORCE Frankfurt started the roll-out of hardware components for one of the world's largest airlines. The company will continue to be intensively involved in this project in the third quarter of the 2008 financial year.

The Business Solutions area posted a series of successes generating projects for both new and existing customers. We won two additional insurance companies as customers, which have confidence in the service expertise of BRAIN FORCE and our specialized know how in this sector. Moreover, a long-term customer in the banking sector extended its contract with BRAIN FORCE.

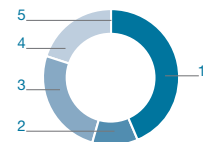
In order to exploit synergies, we decided to merge the two German subsidiaries in Munich and Frankfurt by the end of August 2008. This will enable a much closer cooperation and further optimise our cost structure in this country.

1H revenues by region



1 Germany 46%
2 Central and Eastern Europe 15%
3 South West Europe 28%
4 North Europe 11%

1H EBITDA by region



1 Germany 48%
2 Central and Eastern Europe 12%
3 South West Europe 28%
4 North Europe 22%
5 Holding and Other -10%

Increased demand for BRAIN FORCE products and services

Merger of German subsidiaries to exploit synergies

Significant EBITDA improvement in Austria and Czech Republic

Central and Eastern Europe

Revenues of the Region Central and Eastern Europe climbed by 27% in the first half of 2008 to EUR 7.73 million, of which SolveDirect accounted for EUR 2.59 million. EBITDA improved by 84% to EUR 0.46 million, whereas EBIT in the first half-year was slightly negative at EUR -0.07 million, virtually the same as in the previous year. This can be primarily attributed to the weak sales of SolveDirect in the first quarter of 2008, as well as the high level of depreciation of EUR 0.44 million arising from the purchase price allocation after the acquisition of the previous year. Moreover, extraordinary write-offs in this segment totalling EUR 0.13 million were carried out in the first half of 2007.

Upward trend for SolveDirect and Payroll Services

In the second quarter the Business Solutions area won a series of new customers for the products and solutions offered by SolveDirect (service management) and implemented contracts delayed from the first quarter. In addition, large-scale projects were carried out on behalf of several existing customers. Our Payroll Services also developed favourably in the first half of 2008. Massive cost savings were executed due to the losses posted in 2007, which made a positive contribution to earnings in this business area during the current year.

Significant improvement in the Professional Services business area in Q2

Since the beginning of the 2008 financial year there has also been an upturn in our Professional Services business area, which employed a total of 110 IT consultants at the end of June 2008 up from 104 productive employees on January 1, 2008. Furthermore, the cost reduction efforts had a positive effect, which in the light of virtually unchanged revenues resulted in a significant improvement in earnings during the second quarter of 2008.

EBIT in Italy slightly above previous year despite further restructuring

South West Europe

The Region South West Europe achieved revenues of EUR 14.60 million in the first six months of 2008, a rise of 3% from the previous year. EBITDA totalled EUR 1.11 million (previous year: EUR 1.61 million) and EBIT amounted to EUR 0.79 million (previous year: EUR 0.72 million). The decline in EBITDA is primarily related to the restructuring of the Technology & Infrastructure business area in Italy, as well as a higher level of intercompany charges. EBIT in the first half of 2008 was slightly above the comparable level of 2007, which included extraordinary depreciation of EUR 0.38 million.

Recognized know how from BRAIN FORCE Italy in Microsoft products

The Italian economy is showing clear-cut signs of an economic downturn. Despite this difficult business environment our Italian subsidiary developed well in the first half of 2008. In particular, the Business Solutions area registered significant growth for ERP solutions, above all on the basis of Microsoft Dynamics AX, for which BRAIN FORCE Italy has acquired recognized know how for the metal processing sector. We also believe the CPM/BI (Corporate Performance Management / Business Intelligence) business area demonstrates considerable growth potential. However, the limited availability of qualified human resources can interfere stronger growth as is the case with Microsoft Dynamics.

Far-reaching organizational changes were carried out in the Technology & Infrastructure business area and second-tier management was strengthened. Following a weak first quarter 2008 these measures began to take hold stabilizing business in the second quarter, for example by expanding customer relationships with large accounts. The project pipeline improved considerably, and the strengthened management team designed to optimise pre-sales and project processing will likely have a positive effect on future results.

Restructuring of Technology & Infrastructure begins to take hold

Our subsidiary in Italy is responsible for developing our business on the Swiss market in line with our competence centre strategy in the Business Solutions area (ERP solutions from Microsoft Dynamics), whereas BRAIN FORCE Netherlands handles the Technology & Infrastructure segment (Software Packaging und Distribution) in Switzerland.

Our subsidiaries in Italy and the Netherlands are responsible for the business in Switzerland

North Europe

Revenues of the Region North Europe climbed 26% in the first half-year 2008 to EUR 5.86 million, whereas EBITDA was up 45% to EUR 0.84 million. EBIT also improved considerably to EUR 0.49 million following EUR -1.90 million in the first half of 2007, which included extraordinary depreciation of EUR 2.07 million.

Significant growth in revenues and earnings in the Netherlands

Once again the subsidiary in the Netherlands demonstrated its outstanding market position in the public sector and won two municipalities and a college as customers. Moreover, important projects in the health care sector were implemented, all using *BRAIN FORCE Infrastructure Framework*. The significant expansion of revenues for our IT services in the Netherlands made a major contribution to earnings growth. This is a particularly pleasing development, as the licensing business has performed considerably below expectations due to the slow start of VISTA migration.

Expansion of service business compensates for weak licensing revenues

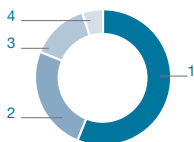
Holding and Other segment

In the Holding and Other segment EBITDA significantly improved from EUR -1.55 to -0.40 million during the period under review, as did EBIT from EUR -1.59 to -0.43 million, despite unplanned costs related to the takeover bid by BF Informationstechnologie-Beteiligungsgesellschaft m.b.H. This development is mainly due to the first-time invoicing of brand licensing costs from the holding company to the operating units, as well as a series of cost cutting measures.

Earnings improvement on the holding company level

Order intake by region

June 30, 2008



- 1 Germany 16.90 million
- 2 Central and Eastern Europe 7.48 million
- 3 South West Europe 4.15 million
- 4 North Europe 1.46 million

June 30, 2007



- 1 Germany 13.91 million
- 2 Central and Eastern Europe 6.29 million
- 3 South West Europe 3.33 million
- 4 North Europe 2.82 million

New software solution ensures optimal pension consulting

Expansion of Infrastructure Framework and preparatory work on new release

Order intake

As of June 30, 2008, the BRAIN FORCE Group had orders valued at EUR 29.99 million, a pleasing increase of 14% compared to the previous year's level of EUR 26.35 million.

The orders can be assigned to the following regions as follows:

- ▶ Germany accounts for EUR 16.90 million in orders (June 30, 2007: EUR 13.91 million)
- ▶ Central and Eastern Europe has orders on hand of EUR 7.48 million (June 30, 2007: EUR 6.29 million)
- ▶ South West Europe accounts for orders of EUR 4.15 million (June 30, 2007: EUR 3.33 million)
- ▶ North Europe has orders on hand of EUR 1.46 million (June 30, 2007: EUR 2.82 million)

The decline in orders in North Europe can be attributed to the fact that BRAIN FORCE Netherlands won a large public sector contract in the first half of 2007, which the company was aiming to extend in the first half of 2008, with the prospects of success considered to be good. BRAIN FORCE already provided services to this customer in July 2008, although the contract had not yet been officially signed.

Research and development

Within the context of the new "Eigenheimrentengesetz" in Germany (regulating property ownership as a means of private retirement provision) BRAIN FORCE launched a software solution for financial service companies, which considerably simplifies customer consulting on the issue of retirement benefits. *The BRAIN FORCE Wohnriester* solution enables financial consultants to show customers how they can use their Riester contracts (a state program promoting private pension provisions) for the purchase or construction of owner-occupied properties.

In addition, the Technology & Infrastructure business area has expanded *BRAIN FORCE Infrastructure Framework* by adding a management and security module and has also carried out preliminary product development work for Softgride Support relating to the release of *BRAIN FORCE Desktop Manager 2.2*. This allows companies to more effectively manage and monitor servers and PCs. Softgride Support facilitates the administration of configuration, applications and user profiles from a central server onto individual PCs, significantly reducing the time and expense connected to the internal administration of a company's IT infrastructure. The new release is scheduled for the fourth quarter of 2008.

SolveDirect has adapted the product *SD.cube ML* (ML stands for Multi-Level) to the new demands of the marketplace. *SD.cube ML* enables a standardised and automated service process among several users (service customers and service providers), creating a transparent service process. *SD.cockpit* constitutes an important component of *SD.cube ML*, providing for more efficient service management in a company. It provides an overview of the most important IT service management indicators, improving the quality of IT services and optimising decision-making processes by means of “real-time monitoring”.

Human resources

The total number of people working for the BRAIN FORCE Group as at June 30, 2008 amounted to 834 salaried employees, practically at the same level as in the previous year (837 people). In addition, BRAIN FORCE employed 280 people on a free-lance basis, 61 less than at the end of June 2007. Whereas the acquisition of SolveDirect increased staff count, the restructuring measures led to a reduction in the number of employees. In total the BRAIN FORCE Group employed 1,114 people, a drop of 5% year-on-year.

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

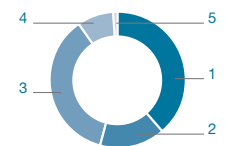
- ▶ Germany: 432 (previous year: 465 / change: -7%)
- ▶ Central and Eastern Europe: 173 (previous year: 161 / change: +7%)
- ▶ South West Europe: 402 (previous year: 442 / change: -9%)
- ▶ North Europe: 97 (previous year: 98 / change: -1%)
- ▶ Holding and Other: 10 (previous year: 12 / change: -17%)

On average, the staff of BRAIN FORCE was comprised of 840 salaried employees in the first half of 2008 (previous year: 831) and 270 people on a free-lance basis (previous year: 321). In total the average number of employees declined by 4% to 1,110.

Optimisation of service management processes through SolveDirect solutions

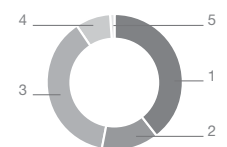
Employees by region

June 30, 2008



- 1 Germany 432
- 2 Central and Eastern Europe 173
- 3 South West Europe 402
- 4 North Europe 97
- 5 Holding and Other 10

June 30, 2007



- 1 Germany 465
- 2 Central and Eastern Europe 161
- 3 South West Europe 442
- 4 North Europe 98
- 5 Holding and Other 12

Quarterly report (IFRS) of the BRAIN FORCE Group

Consolidated income statement in EUR	4-6/2008	4-6/2007	1-6/2008	1-6/2007
Revenues	26,929,155	24,188,806	52,263,460	47,749,651
Cost of goods sold	-19,812,198	-21,064,107	-38,673,987	-39,496,900
Gross profit	7,116,957	3,124,699	13,589,473	8,252,751
Selling expenses	-3,128,806	-2,863,294	-5,950,012	-5,470,997
Administrative expenses	-2,812,120	-3,345,670	-5,657,615	-6,401,361
Other operating expenses	-77,450	-208,111	-364,385	-511,224
Other operating income	155,526	199,704	245,741	346,531
Amortisation	0	-6,959,810	0	-6,959,810
Operating result (EBIT)	1,254,107	-10,052,482	1,863,202	-10,744,110
Financial income	18,731	235,403	166,444	403,323
Financial expense	-274,019	-371,445	-593,495	-587,817
Financial result	-255,288	-136,042	-427,051	-184,494
Income from investments in associates	0	-19,939	0	-18,628
Profit before tax	998,819	-10,208,463	1,436,151	-10,947,232
Income taxes	-302,412	691,810	-580,615	255,635
Profit after tax	696,407	-9,516,653	855,536	-10,691,597
Earnings per share	0.05	-0.62	0.06	-0.70

Key figures by geographical segment 1-6/2008 in EUR	Germany	Central and Eastern Europe	South West Europe	North Europe	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	24,076,043	7,727,558	14,598,953	5,860,906	0	52,263,460
EBITDA	1,891,767	455,588	1,111,278	836,509	-397,848	3,897,294
Depreciation	-806,997	-525,171	-319,379	-346,648	-35,897	-2,034,092
EBIT	1,084,770	-69,583	791,899	489,861	-433,745	1,863,202
Total investments	411,314	50,163	483,859	292,910	25,099	1,263,345
Assets	20,099,411	18,581,451	20,506,177	9,249,725	3,593,351	72,030,115
Liabilities	7,965,176	4,251,551	14,534,248	1,872,977	16,290,906	44,914,858

Key figures by geographical segment 1-6/2007 in EUR	Germany	Central and Eastern Europe	South West Europe	North Europe	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	22,841,494	6,080,334	14,190,249	4,637,574	0	47,749,651
EBITDA	412,015	251,155	1,605,135	579,454	-1,551,729	1,296,030
Depreciation	-8,323,535	-314,196	-885,395	-2,481,033	-35,981	-12,040,140
EBIT	-7,911,520	-63,041	719,740	-1,901,579	-1,587,710	-10,744,110
Total investments	1,041,201	21,818	252,925	384,878	26,569	1,727,391
Assets	23,521,698	3,734,077	19,286,180	9,331,390	16,836,131	72,709,476
Liabilities	7,355,403	2,342,405	12,445,576	2,268,604	14,836,416	39,248,404

Consolidated balance sheet in EUR	30.6.2008	31.12.2007
ASSETS		
Property, plant and equipment	2,315,367	2,328,060
Goodwill	15,861,876	15,861,876
Other intangible assets	12,299,323	13,065,054
Investments in associates	11,466	11,466
Financial assets	179,089	179,781
Other receivables and assets	708,751	750,911
Deferred tax assets	2,480,566	2,628,433
Non-current assets	33,856,438	34,825,581
Inventories	372,720	268,534
Trade receivables	30,328,043	28,168,703
Other receivables and assets	1,898,364	1,638,649
Financial assets	467,427	0
Cash and cash equivalents	5,107,123	9,440,943
Current assets	38,173,677	39,516,829
Total assets	72,030,115	74,342,410
EQUITY AND LIABILITIES		
Share capital	15,386,742	15,386,742
Reserves	15,254,802	15,260,503
Retained earnings	-3,526,287	-4,381,823
Equity	27,115,257	26,265,422
Financial liabilities	11,150,306	11,308,022
Other liabilities	127,676	73,605
Provisions for post-employment benefits	2,466,785	2,559,369
Other provisions	45,231	1,603,503
Deferred tax liabilities	2,346,083	2,561,714
Non-current liabilities	16,136,081	18,106,213
Financial liabilities	4,047,668	4,664,467
Trade payables	9,095,322	9,780,848
Other liabilities	13,459,344	12,206,583
Tax provisions	431,443	762,239
Other provisions	1,745,000	2,556,638
Current liabilities	28,778,777	29,970,775
Total equity and liabilities	72,030,115	74,342,410

Consolidated Statement of Changes in Equity in EUR	Share capital	Capital reserves	Other provisions	Retained earnings	Total
Balance on 1.1.2008	15,386,742	15,536,020	-275,517	-4,381,823	26,265,422
Fair value adjustments of securities	0	0	-691		-691
Currency translation differences	0	0	-5,010		-5,010
Result for the period	0	0	0	855,536	855,536
Balance on 30.6.2008	15,386,742	15,536,020	-281,218	-3,526,287	27,115,257

Cash flow Statement in EUR	1-6/2008	1-6/2007
Profit before tax	1,436,151	-10,947,232
Depreciation	2,034,092	12,040,140
Financial result	427,051	184,494
Income from investments in associates	0	18,628
Gains/losses from the disposal of property, plant and equipment and intangible assets	3,023	-7,859
Changes in non-current provisions	-173,741	-615,861
Net interest payments	-348,072	24,844
Taxes on income paid	-968,727	-691,464
Gross cash flow	2,409,777	5,690
Changes in inventories	-104,186	-108,331
Changes in trade receivables	-2,159,340	-1,782,786
Changes in trade payables	-685,526	-17,764
Changes in other assets and liabilities	1,048,016	55,494
Currency translation differences	-29,473	-24,237
Cash flow from operating activities	479,268	-1,871,934
Acquisition of subsidiaries	-2,341,599	-1,309,956
Investments in property, plant and equipment and other intangible assets	-1,263,345	-1,727,391
Investments in financial assets	-446,795	-638,500
Proceeds from the disposal of property, plant and equipment and other intangible assets	13,166	41,424
Cash flow from investing activities	-4,038,573	-3,634,423
Increase in financial liabilities	1,005,356	10,544,371
Repayments of financial liabilities	-1,779,871	-509,332
Dividends paid	0	-1,505,546
Capital increase	0	0
Purchase of treasury stock	0	-1,950,324
Cash flow from financing activities	-774,515	6,579,169
Change in cash and cash equivalents	-4,333,820	1,072,812
Cash and cash equivalents at the beginning of the period	9,440,943	13,203,924
Change in cash and cash equivalents	-4,333,820	1,072,812
Cash and cash equivalents at the end of the period	5,107,123	14,276,736

Notes to the quarterly report

Accounting and measurement principles

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

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

Consolidation range

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

The consolidation range remains unchanged since the last balance sheet date on December 31, 2007.

In the comparable period January 1, 2007 to June 30, 2007 SolveDirect.com Internet-Service GmbH was not included in the consolidation range. The company was acquired with a contract date of July 6, 2007 and merged with BRAIN FORCE Software GmbH, Vienna, in the course of 2007. BRAIN FORCE Software Ltd., Cambridge, Great Britain, and BRAIN FORCE Inc., New York, USA were removed from the consolidation range as at December 31, 2007 and are no longer included in the consolidated financial statements.

The changes in the consolidation range increased revenues by TEUR 2.593 in the period January 1, 2008 to June 30, 2008 and EBITDA by TEUR 243.

Notes to the income statement

Group revenues rose 9% compared to the first half of 2007 to TEUR 52,263 of which TEUR 2.593 in revenues can be attributed to the acquisition of SolveDirect. EBITDA (operating result before depreciation) rose from TEUR 1,296 to TEUR 3,897. The operating result (EBIT) amounted to TEUR 1,863 in the first half of 2008. In the comparable period of the preceding year EBIT amounted to TEUR -10,744, which included extraordinary depreciation on goodwill and other intangible assets totalling TEUR 9,290. On an operational level without taking account of the extraordinary depreciation in 2007, EBIT improved by TEUR 3,317 year-on-year.

Secondary segment reporting

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

Key figures by business area 1-6/2008 in EUR	Professional Services	Business Solutions	Technology & Infrastructure	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	15,362,934	19,752,034	17,148,492	0	52,263,460
Assets	14,581,063	27,503,444	26,352,257	3,593,351	72,030,115
Total investments	67,395	579,342	591,509	25,099	1,263,345

Key figures by business area 1-6/2007 in EUR	Professional Services	Business Solutions	Technology & Infrastructure	Holding and Other	BRAIN FORCE Group
Revenues (consolidated)	15,165,565	16,689,071	15,895,015	0	47,749,651
Assets	16,185,445	19,965,687	19,722,213	16,836,131	72,709,476
Total investments	349,837	461,348	889,637	26,569	1,727,391

Notes to the cash flow statement

In the first half of 2008 gross cash flow amounted to TEUR 2,410, which represents an improvement of TEUR 2,404 compared to the first half-year 2007. The cash flow from operating activities increased from TEUR -1,872 to TEUR 479, which is primarily related to the significant increase in earnings as well as higher prepayments received for future services to be rendered (reported under "Changes in other current assets and liabilities"). The cash flow from investing activities totalled TEUR -4,039, of which TEUR -2,342 relate to earn-out payments from acquisitions made in previous financial years. The cash flow from investing activities also encompasses TEUR -1,263 in investments in property, plant and equipment and other intangible assets, and TEUR -447 for investments in available-for-sale securities.

Notes on the balance sheet

Non-current assets made up 47% of total assets amounting to TEUR 33,856 on the reporting date of June 30, 2008. Investments in property, plant and equipment and other intangible assets totalled TEUR 1,263 in the first half of 2008, of which TEUR 802 comprise product development costs.

Current assets comprised 53% of total assets on the reporting date of June 30, 2008. Trade receivables rose 8% compared to the balance sheet date on December 31, 2007 to TEUR 30,328. This increase is related to the higher share of receivables from ongoing projects during the year, which have not yet been invoiced. Working capital amounted to TEUR 7,868 as at June 30, 2008, a rise of TEUR 3,098 compared to the balance sheet date at December 31, 2007, which is primarily due to the higher level of receivables. Compared to the consolidated financial statements as at December 31, 2007, cash and cash equivalents and current financial liabilities are no longer included in the calculation of working capital in 2008.

On the reporting date of June 30, 2008 cash and cash equivalents totalled TEUR 5,107. Including financial assets current liquid assets at the end of the period under review were TEUR 5,575. Compared to the balance sheet date on December 31, 2007 net debt rose by TEUR 3,091 to TEUR 9,623. The increase in net debt is mainly related to earn-out payments for past acquisitions. IFRS-based equity in the BRAIN FORCE Group totalled TEUR 27,115 as at June 30, 2008, which represents an equity ratio of 38%.

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

Other information

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

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

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

Statement of the Managing Board pursuant to § 87 (1) Stock Exchange Act

The Management Board of BRAIN FORCE HOLDING AG confirms, to the best of its knowledge, that the consolidated interim financial statements as at June 30, 2008, which have not been audited or subject to an auditor's review, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and give a true and fair view of the asset, liabilities, financial position and profit or loss of the BRAIN FORCE Group. Furthermore, the Management Board confirms, to the best of its knowledge, that this interim financial statements presents important developments in the first six months of the 2008 financial year and its effects on the condensed consolidated financial statements and, from today's perspective, the main risks pertaining to the anticipated developments during the remaining six months of the financial year, thus giving a true and fair view of the asset, liabilities, financial position and profit or loss of the BRAIN FORCE Group.

Vienna, August 28, 2008

The Managing Board



Günter Pridt
Chief Executive Officer



Thomas Melzer
Chief Financial Officer

Financial Calendar

Date	Event
August 29, 2008	Six months 2008 report and press conference
November 12, 2008	Preliminary Q3 results for 2008 and guidance for the years 2008 and 2009; participation in the German Equity Forum in Frankfurt
November 28, 2008	Report on the first three quarters of 2008
February 10, 2009	2008 preliminary full year results
March 27, 2009	2008 annual results and press conference
May 12, 2009	Report on the first quarter of 2009
May 14, 2009	11th Annual General Meeting
May 18, 2009	Ex-dividend day 2008
May 19, 2009	1st dividend payment day for 2008
August 14, 2009	Six months 2009 report
November 10, 2009	Report on the first three quarters of 2009

Information on the company and the BRAIN FORCE share

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