



**BRAIN FORCE HOLDING AG**

First Half-Year Report

**2012/13**

# BRAIN FORCE Key Data

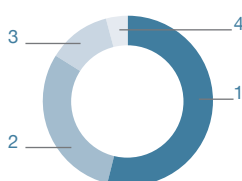
Earnings Data		10/2012-3/2013	10/2011-3/2012	Chg. in %	2011/12
Revenues	<i>in € million</i>	41.48	37.85	+10	76.01
EBITDA	<i>in € million</i>	1.84	0.25	>100	2.06
Operating EBITDA <sup>1)</sup>	<i>in € million</i>	1.84	0.93	+98	2.74
EBIT	<i>in € million</i>	0.90	-0.77	>100	0.11
Operating EBIT <sup>1)</sup>	<i>in € million</i>	0.90	-0.09	>100	0.79
Profit before tax	<i>in € million</i>	0.15	-2.20	>100	-2.21
Profit after tax	<i>in € million</i>	0.01	-2.27	100	-2.13
Earnings per share	<i>in €</i>	0.00	-0.15	100	-0.14
Adjusted earnings per share <sup>1)</sup>	<i>in €</i>	0.00	-0.12	100	-0.11
Capital expenditure	<i>in € million</i>	0.66	0.72	-8	1.63
Employees <sup>2)</sup>		767	760	+1	752

Balance Sheet Data		31.03.2013	30.09.2012	Chg. in %
Equity	<i>in € million</i>	16.62	16.61	0
Net debt	<i>in € million</i>	4.63	5.98	-23
Capital employed	<i>in € million</i>	21.24	22.56	-6
Working capital <sup>3)</sup>	<i>in € million</i>	-0.14	0.41	>100
Balance sheet total	<i>in € million</i>	49.21	46.42	+6
Equity ratio	<i>in %</i>	34	36	-
Gearing	<i>in %</i>	28	36	-
Employees <sup>4)</sup>		776	756	+3

Stock Exchange Data <sup>5)</sup>		10/2012-3/2013	2011/12	Chg. in %
Share price high	<i>in €</i>	0.80	0.95	-16
Share price low	<i>in €</i>	0.58	0.55	+5
Share price at end of period	<i>in €</i>	0.75	0.65	+16
Shares outstanding (weighted)	1,000	15.387	15.387	0
Market capitalization (ultimo)	<i>in € million</i>	11.54	9.99	+16

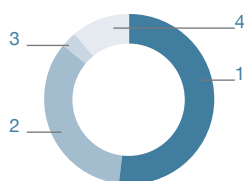
Segments First Half-Year 2012/13 <i>in € million</i>	Germany		Italy		The Netherlands		Central East Europe		Holding and Other	
Revenues (consolidated)	22.50	(+18%)	12.21	(+5%)	5.16	(-7%)	1.62	(-2%)	0	-
Operating EBITDA <sup>2)</sup>	1.25	(+43%)	0.81	(-3%)	0.06	(-63%)	0.27	(>100%)	-0.55	(+42%)
Operating EBIT <sup>2)</sup>	0.96	(+85%)	0.47	(-4%)	-0.19	(>100%)	0.22	(>100%)	-0.58	(+42%)
Capital expenditure	0.19	(-19%)	0.25	(+40%)	0.18	(-26%)	0.05	(>100%)	0.00	(-98%)
Employees <sup>2)</sup>	353	(+2%)	295	(+5%)	85	(-11%)	30	(+2%)	4	(-25%)

Revenues by Regions



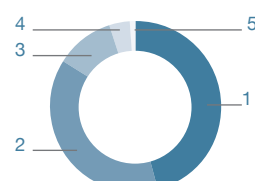
- 1 Germany 54%
- 2 Italy 30%
- 3 The Netherlands 12%
- 4 Central East Europe 4%

Operating EBITDA by Regions



- 1 Germany 52%
- 2 Italy 34%
- 3 The Netherlands 3%
- 4 Central East Europe 11%

Employees by Segments



- 1 Germany 46%
- 2 Italy 38%
- 3 The Netherlands 11%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

1) Adjusted for restructuring costs  
 2) Average number of employees (salaried and free-lance) during the period  
 3) Inventories + trade receivables + other current receivables - trade payables - other current liabilities  
 4) number of employees (salaried and free-lancer) as at reporting date  
 5) Vienna Stock Exchange

## Chief Executive's Review



Dr. Michael Hofer  
Vorstandsvorsitzender der  
BRAIN FORCE HOLDING AG

Dear Shareholders, Ladies and Gentlemen,

In the first six months of fiscal year 2012/13 Group revenues of BRAIN FORCE rose by 10%. With this development and a revenue increase of 7% in fiscal year 2011/12, the Group was able to generate a two-digit growth in revenues in the first six months of the current fiscal year.

Group revenues 10% above  
previous year's level

The development of the financial performance was satisfactory as well. The Group EBITDA increased by € 1.59 m to € 1.84 m, the Group EBIT turned positive in comparison to the previous year and rose by € 1.67 m to € 0.90 m. Adjusted for restructuring costs of € 0.68 m recorded in the previous year, the operating EBITDA increased by € 0.91 m and the operating EBIT rose by € 0.99 m.

Increase of the Group's EBITDA  
and EBIT by € 1.59 m and  
€ 1.67 m

Group revenues increased in the first half of the year by € 3.63 m to € 41.48 m, whereas especially Germany and Italy recorded a significant revenue increase. In the second quarter the Group revenue rose by 10% from € 18.04 m to € 19.92 m. The EBITDA amounted to € 0.89 m in the second quarter, which is an increase of 40% compared to the previous year. The EBIT increased by € 0.28 m to € 0.42 m in the second quarter of the current fiscal year.

Significant increase in  
revenues and results in the  
second quarter

In Germany (54% of Group revenues) revenues increased by 18% to € 22.50 m in the second quarter. In our largest market the professional services segment at the locations in Munich and Cologne as well as Langen/Frankfurt improved their revenues significantly. The network performance channel activities showed an increase as well, whereas revenues in the FINAS segment fell by 6% compared to the previous year. The EBITDA in Germany rose by € 1.06 m to € 1.25 m in the first six months, the EBIT turned from € -0.16 m to € +0.96 m. In the previous year restructuring expenses in the amount of € 0.68 m were incurred in the FINAS segment. Adjusted for restructuring costs the results show an improvement of the operating EBITDA by € 0.38 m or 43%, the operating EBIT rose by € 0.44 m or 85%. All divisions of the German Group companies record positive operating results, with particular emphasis on the increased results of the professional services business at the Langen/Frankfurt office and the FINAS segment, which was successfully restructured in the previous year.

Germany: Revenue increase  
of 18% and improved financial  
performance

In Italy (30% of Group revenues) revenues increased by 5% in the first half of the year to € 12.21 m. After our Italian Group company achieved a revenue growth of 11% in the first six months of the previous year, it still holds its ground in a difficult market environment. With an EBITDA of € 0.81 m (previous year: € 0.84 m) and an EBIT of € 0.47 m (previous year: € 0.49 m) the financial performance was maintained on a stable level. According to assessments by market research agencies the economic situation in Italy will remain difficult.

Italy: Revenue increase by  
5% and stable financial  
performance

**Netherlands: Decline in revenues of 7%**

The Netherlands (12% of Group revenues) recorded a 7% decline in revenues to € 5.16 m. After the revenue increase by 65% in the first six months of the previous year and by 18% in the full year 2011/12, the company recorded a decrease of € 0.42 m in the current fiscal year. The EBITDA decreased as well from € 0.17 m to € 0.06 m and the EBIT from € -0.08 m to € -0.19 m. This development results from a utilization of staff below average as well as a decline in license sales. In addition to further savings to be realized, the focus in the following quarters will be on generating a quantifiable number of orders with the existing pipeline.

**Central East Europe records increase in EBITDA and EBIT**

In Central East Europe (4% of Group revenues) revenues decreased by € 0.04 m or 2% to € 1.62 m. With revenues nearly unchanged, the EBITDA increased from € 0.01 m to € 0.27 m and the EBIT augmented from € -0.04 m to € +0.22 m. The increase in revenues is due to network performance channel activities and the cost reductions in the ERP business.

**Reduction of holding costs by € 0.41 m in the first half year**

With an EBIT of € -0.58 m, the Holding and Other segment reported a decrease in expenses of about € 0.41 m or 42% compared to the previous year. In the previous year, expenses of € 0.22 m from the premature termination of a management board agreement were included in this segment. Adjusted for these non-recurrent costs, the Holding and Other segment still reports a decrease in expenses of 25% compared to the previous year.

For fiscal year 2012/13 the BRAIN FORCE Group aims at achieving operational growth with regard to revenues and operating results. The figures presented for the first six months confirm the expectations with an increase in revenues of 10% and an increase of the BRAIN FORCE Group's EBIT by € 1.67 m to € 0.90 m. We will do everything in our power to pursue this positive development also in the upcoming quarters with ongoing intensive market cultivation. Moreover the sale of the investment in SolveDirect Service Management GmbH, which was concluded at the end of April 2013 will positively affect the future Group result as well as the liquidity of BRAIN FORCE.

Yours



Michael Hofer

# Management Report

## Earnings position in the first six months (October 2012 to March 2013)

In the first six months of fiscal year 2012/13, the BRAIN FORCE Group generated revenues in the amount of € 41.48 m, which means an increase by 10% compared to the same period of the previous year. Due to this development and after a revenue increase of 7% in fiscal year 2011/12, the Group was able to record a double-digit growth rate in the first half of the current fiscal year. In particular, the operative divisions in Germany and Italy managed to record significant revenue growth during this period.



In the reporting period the operating EBITDA rose from € +0.93 m to € +1.84 m; the operating result (EBIT) improved from € -0.09 m to € +0.90 m. The improvement of the operating results is attributable, on the one hand, to the increase in revenues and, on the other hand, to a reduction of costs with regard to sales and administration by 7% and 12%.



In addition, restructuring costs of € 0.68 m were incurred in the first quarter of the past fiscal year, which resulted in an EBITDA of the Group of € 0.25 m and a Group EBIT of € -0.77 m in the first six months of the past fiscal year. The development of the first two quarters of the current fiscal year shows an improvement of the Group EBITDA by € 1.59 m to € 1.84 m, the Group EBIT increased by € 1.67 m to € 0.90 m.

Improvement of the at-equity result from € -1.03 m to € -0.36 m

At € -0.39 m, the financial results show a slight improvement compared to the previous year's results. The vast majority of current financing costs relate to the fixed-interest loan. The result from associates amounted to € -0.36 m compared to € -1.03 m in the previous year, of which € -0.35 m (prior year: € -0.21 m) are related to the transfer of profit and loss from SolveDirect Service Management GmbH and € -0.01 m to the disposal of the 25% participation in CONSULTING CUBE s.r.l., Italy. The prior year figure comprised € -0.82 m as a result of the diluting effect due to capital increases with regard to the 3TS Cisco Growth Funds in order to finance SolveDirect's expansion.

Net profit increase by € 2.27 m

In total, the Group generated a profit before tax of € +0.15 m compared to € -2.20 m in the previous year. The profit after tax (including non-controlling interests) amounted to € +0.01 m compared to € -2.27 m in the previous year.

Earnings per share amounted to € 0.00 (prior year: € -0.15). Adjusted for the restructuring costs incurred in the first quarter of the past fiscal year, earnings per share amounted to € -0.12.

## Earnings position in the second quarter (January to March 2013)

In the second quarter of fiscal year 2012/13 the Group revenue increased by 10% compared to the previous year to € 19.92 m. In Germany revenues increased by 21% to € 10.89 m, Italy recorded an increase by € 0.07 m to € 5.84 m. After a decrease in the first quarter, the Netherlands managed to keep revenues on previous year's level with € 2.39 m, whereas Central East Europe recorded a decrease in revenues from € 0.04 m to € 0.81 m.

Increase in revenues by 21% in Germany

The EBITDA of the BRAIN FORCE Group significantly improved in the second quarter by 40% or € 0.25 m to € 0.89 m. The EBIT amounted to € 0.42 m and increased more than threefold compared to the previous year's figure of € 0.14 m. This growth can be mainly attributed to the improvement of the operating results in Germany and Central East Europe as well as cost reductions in respect to the holding.

Increase of the EBITDA by 40% in the second quarter

## Cash flow

### Increase of the operating cash flow to € +1.93 m

In the first six months, the cash flow from continuing operations improved by € 1.70 m and, at € +1.85 m, was above the previous year's level of €+0.15 m, which is primarily attributable to the improvement of results. The cash flow from operating activities (operating cash flow) turned from € -1.13 m to € +1.93 m in the first six months and therefore increased by € 3.06 m. In addition to improved earnings, a development particularly due to the absence of the restructuring costs in contrast to the previous year, another reduction of the working capital affected the cash flow positively.

### Reduction of investment payments by 8%

The cash flow from investing activities amounted to € -0.57 m (prior year: € -0.70 m). Capital expenditures on property, plant and equipment and other intangible assets amounted to € 0.66 m and, compared to the previous year, decreased by € 0.06 m. Own work capitalized in the first six months in the amount of € 0.46 m is offset against scheduled amortization/depreciation amounting to € 0.56 m. Investments are offset against payments received for the disposal of non-current assets in the amount of € 0.06 m (prior year: € 0.01 m) as well as payments from the disposal of financial assets.

### Cash and cash equivalents of € 6.78 m as of the balance sheet date

The cash flow from financing activities amounted to € -0.20 m (prior year: € +0.92 m) and reflects the reduction of bank overdrafts. The bonded loan in the amount of € 10.00 m, which was shown in the non-current financial liabilities, was reclassified to the current financial liabilities due to the maturity in March 2014. As at March 31, 2013, the BRAIN FORCE Group held cash and cash equivalents in the amount of € 6.78 m (September 30, 2012: € 5.62 m).

## Financial position and financial performance

### Equity in € million

31.03.2013	16.62
30.09.2012	16.61

As at March 31, 2013, the Group's balance sheet total amounted to € 49.21 m, the Group's equity totalled € 16.62 m. In comparison to the figures as at September 30, 2012, the equity ratio fell from 36% to 34%, which is solely attributable to the increase of the balance sheet total by 6%. The reduction of long-term debts can be attributed to the change of maturity of the bonded loan in the amount of € 10.00 m. The bonded loan is due in March 2014 and will therefore be shown in the current financial liabilities as of the half-year report as of March 31, 2013.

### Net debt in € million

31.03.2013	4.63
30.09.2012	5.98

The working capital (inventories plus trade receivables plus other current receivables less trade payables and other current liabilities) decreased in the first six months from € 0.41 m to € -0.14 m, which mainly results from increased trade payables (€ +1.84 m) and other liabilities (€ +1.21 m) as well as trade receivables (€ +2.61 m). In comparison to the previous year's level as at March 31 (€ 7.72 m), the net debt as at March 31, 2013 in the amount of € 4.63 m fell by € 3.09 m and was € 1.35 m lower than the net debt as at September 30, 2012 (€ 5.98 m). The Group's gearing (equity to net debt) as at March 31, 2013, amounted to 28% compared to 36% as at September 30, 2012.

## Research and Development

### Expansion of service portfolio through new tools and online applications

Several business tools were released in **Germany** for the financial sector. The tool "Pflege-Check" enables the consultation of customers for private long-term care. If desired, the analysing section of the tool can be integrated into the own website as an additional counselling component. The "Riester-Förderrechner" analyses and calculates the funding of voluntary private pensions. Moreover, as of February the online consultation applications "Finanzanalyse Center", "Vorsorgeoptimierung", "Gesundheitsversorgung" and "Risikoabsicherung" are available using the new smart FINAS operating concept.

**The Netherlands:** The “Infrastructure Framework” now supports the latest versions of Citrix XenApp, Microsoft System Center Configuration Manager 2012 and Microsoft Remote Desktop. The “Packaging Robot” now supports the packaging of App-V packages. Therefore the tool is perfectly suited for Application Lifecycle Projects for customers, who use both the latest technologies for application virtualization as well as traditional MSI packaging. The product “Workspace Manager” was further optimized for the use in virtual desktop infrastructures.

Our subsidiary in Italy has updated the add-ons for Microsoft Dynamics AX and NAV in the course of maintenance and extended its industry-specific functionalities for the steel industry. Furthermore, BRAIN FORCE Italy took part in the Private Beta Program for Dynamics AX 2012 and tested the latest version in the course of a customer migration project. The switch of our own ERP software “Visual Space”, based to .Net-Technology, was continued. The BRAIN FORCE solution “NG4” for stock trading was functionally expanded in order to improve independent marketing in the future.

## Human Resources

As at March 31, 2013 the BRAIN FORCE Group employed 510 salaried employees, which is approximately 2% below the figure as of March 31, 2012. In addition 266 people were employed on a freelance basis for various customer projects, which is an increase of about 14% compared to the previous year. In our biggest markets Germany and Italy the number of employees as of March 31, 2013 increased by 7% and 4%. In the Netherlands the number of employees declined by about 9%, in Central East Europe by 5%. In the segment Holding and Others 3 people were employed as of the reporting date on March 31, 2013 compared to 4 employees as of March 31, 2012.

In total 776 employees worked at BRAIN FORCE as of the reporting date. This equals an increase of approximately 3% or 25 employees compared to March 31, 2012.

The breakdown of staff (salaried and subcontractors) by segments as at March 31, 2013 is as follows:

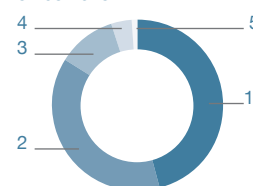
- ▶ Germany: 368 (previous year: 343 / chg.: 7%)
- ▶ Italy: 292 (previous year: 280 / chg.: 4%)
- ▶ Netherlands: 83 (previous year: 92 / chg.: -9%)
- ▶ Central East Europe: 30 (previous year: 32 / chg.: -5%)
- ▶ Holding and Others: 3 (previous year: 4 / chg.: -25%)

On average the staff of BRAIN FORCE in the period of October 2012 to March 2013 comprised 518 salaried employees (prior year: 522) and 249 people employed on a freelance basis (prior year: 238). The total average number of employees therefore amounted to 767, a decrease of 1% compared to the previous year's period.

Actualization of the infrastructure framework, workspace manager for virtual desktop infrastructures optimized

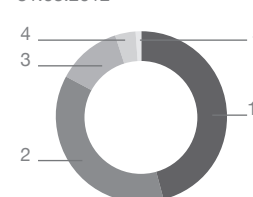
Add-ons for Microsoft Dynamics expanded, participation in Beta Program for Dynamics AX 2012

Employees by Segments  
31.03.2013



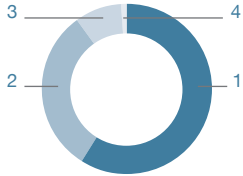
- 1 Germany 46%
- 2 Italy 38%
- 3 The Netherlands 11%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

31.03.2012



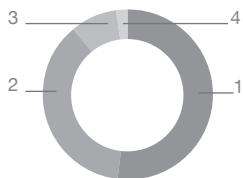
- 1 Germany 46%
- 2 Italy 37%
- 3 The Netherlands 12%
- 4 Central East Europe 4%
- 5 Holding and Other 1%

Order Intake by Regions  
31.03.2013



- 1 Germany 59%
- 2 Italy 31%
- 3 The Netherlands 9%
- 4 Central East Europe 1%

31.03.2012



- 1 Germany 52%
- 2 Italy 37%
- 3 The Netherlands 9%
- 4 Central East Europe 2%

## Order Intake

As at March 31, 2013 the order volume at Group level reached € 24.38 m, which equals a satisfactory increase of 14% compared to March 31, 2012.

A considerable increase in the order intake of 29% and 15 % was also achieved in Germany and the Netherlands. In Italy the order intake decreased by 5%, Central East Europe recorded a decreased order intake by € 0.21 m compared to March 31, 2012.

As of March 31, 2013 the order volume attributable to the regions is as follows:

- ▶ Germany accounts for orders in the amount of € 14.33 m € (31.03.2012: € 11.08 m).
- ▶ Italy has an order intake of € 7.53 m. (31.03.2012: € 7.90 m).
- ▶ The Netherlands have orders on hand of € 2.28 m. (31.03.2012: € 1.99 m).
- ▶ Central East Europe accounts for orders of € 0.24 m (31.03.2012: € 0.45 m).

Regarding disclosures about related party transactions, reference is made to the notes to the consolidated financial statements contained in this first half-year report 2012/13.

## Outlook

According to forecasts of the European Commission, a noticeable recovery of economic performance cannot be expected for 2013. Despite these prognoses, BRAIN FORCE is targeting an increase in revenues and the operating result in fiscal year 2012/13. With a revenue growth of 10% and an increase of the Group EBITDA and Group EBIT by € 1.59 m and € 1.67 m the goal was achieved in the first six months.

A current assessment of the expected development in the remaining six months of the current fiscal year confirms the goals that were set for the full fiscal year. In addition to the anticipated improvement of the operating result, the sale of shares in SolveDirect Service Management GmbH, which was completed on April 29, 2013 will have a positive effect on the overall result as well as the balance sheet structure.



# First Half-Year Accounts (IFRS) of the BRAIN FORCE Group

Group Income Statement in EUR	01-03/2013	01-03/2012	10/2012-03/2013	10/2011-03/2012
Revenues	19,923,551	18,041,768	41,479,693	37,851,088
Cost of sales	-16,116,751	-14,276,828	-33,423,452	-29,971,575
<b>Gross profit</b>	<b>3,806,800</b>	<b>3,764,940</b>	<b>8,056,241</b>	<b>7,879,513</b>
Selling expenses	-1,796,630	-1,821,319	-3,573,939	-3,855,373
Administrative expenses	-1,513,150	-1,643,673	-3,414,922	-3,869,904
Other operating expenses	-76,066	-170,467	-170,605	-323,281
Other operating income	0	8,341	0	77,556
<b>Operating profit/loss before non-recurring items (Operating EBIT)</b>	<b>420,954</b>	<b>137,822</b>	<b>896,775</b>	<b>-91,489</b>
Restructuring costs	0	0	0	-677,207
<b>Operating profit/loss after non-recurring items (EBIT)</b>	<b>420,954</b>	<b>137,822</b>	<b>896,775</b>	<b>-768,696</b>
Financial income	611	2,098	1,408	3,021
Financial expenses	-185,371	-197,439	-389,257	-409,964
<b>Financial result</b>	<b>-184,760</b>	<b>-195,341</b>	<b>-387,849</b>	<b>-406,943</b>
Result from associates	-181,741	-413,971	-356,398	-1,026,534
<b>Profit/loss before tax</b>	<b>54,453</b>	<b>-471,490</b>	<b>152,528</b>	<b>-2,202,173</b>
Income taxes	-117,227	-237,845	-147,378	-65,679
<b>Profit/loss after tax</b>	<b>-62,774</b>	<b>-709,335</b>	<b>5,150</b>	<b>-2,267,852</b>
attributable to the equity holders of the parent	-78,104	-691,618	-28,976	-2,250,135
attributable to minor interests	15,330	-17,717	34,126	-17,717
<b>Earnings per share – undiluted and diluted</b>	<b>0.00</b>	<b>-0.04</b>	<b>0.00</b>	<b>-0.15</b>
Earnings per share adjusted <sup>1)</sup>	0.00	-0.04	0.00	-0.12

Statement of Comprehensive Income in EUR	01-03/2013	01-03/2012	10/2012-03/2013	10/2011-03/2012
<b>Profit/loss after tax</b>	<b>-62,774</b>	<b>-709,335</b>	<b>5,150</b>	<b>-2,267,852</b>
Changes in fair values of available-for-sale financial assets	-559	4,668	-906	4,166
Currency translation differences	4,933	-661	4,391	-2,961
Other result	4,374	4,007	3,485	1,205
<b>Comprehensive income/loss</b>	<b>-58,400</b>	<b>-705,328</b>	<b>8,635</b>	<b>-2,266,647</b>
attributable to the equity holders of the parent	-73,730	-687,611	-25,491	-2,248,930
attributable to minor interests	15,330	-17,717	34,126	-17,717

Key ratios by segment 10/2012-3/2013 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Other	Group
Revenues (consolidated)	22,495,365	12,205,977	5,161,433	1,616,918	0	<b>41,479,693</b>
EBITDA	1,247,763	811,548	63,749	272,999	-553,816	<b>1,842,243</b>
Operating EBITDA <sup>1)</sup>	1,247,763	811,548	63,749	272,999	-553,816	<b>1,842,243</b>
Depreciation and amortization	-284,837	-337,407	-253,050	-48,908	-21,266	<b>-945,468</b>
Operating EBIT <sup>1)</sup>	962,926	474,141	-189,301	224,091	-575,082	<b>896,775</b>
Non-recurring expenses	0	0	0	0	0	<b>0</b>
EBIT	962,926	474,141	-189,301	224,091	-575,082	<b>896,775</b>

Key ratios by segment 10/2011-3/2012 in EUR	Germany	Italy	The Netherlands	Central East Europe	Holding and Other	Group
Revenues (consolidated)	19,003,975	11,614,869	5,577,165	1,655,079	0	<b>37,851,088</b>
EBITDA	194,044	837,415	170,053	9,284	-958,933	<b>251,863</b>
Operating EBITDA <sup>1)</sup>	871,251	837,415	170,053	9,284	-958,933	<b>929,070</b>
Depreciation and amortization	-351,281	-343,038	-250,335	-47,293	-28,612	<b>-1,020,559</b>
Operating EBIT <sup>1)</sup>	519,970	494,377	-80,282	-38,009	-987,545	<b>-91,489</b>
Non-recurring expenses	-677,207	0	0	0	0	<b>-677,207</b>
EBIT	-157,237	494,377	-80,282	-38,009	-987,545	<b>-768,696</b>

1) adjusted for restructuring costs

Cash Flow Statement in EUR	10/2012-03/2013	10/2011-03/2012
Profit / loss before tax	152,528	-2,202,173
Depreciation and amortization	945,468	1,020,559
Financial result	387,705	406,943
Result from associates	356,398	1,026,534
Gains / losses from the disposal of property, plant and equipment and intangible assets	-1,763	3,145
Changes in non-current provisions and liabilities	10,263	-107,514
<b>Gross cash flow of continuing operations</b>	<b>1,850,599</b>	<b>147,494</b>
Changes in inventories	-17,713	-166,294
Changes in trade receivables	-2,609,356	-657,749
Changes in trade payables	1,843,802	-688,415
Changes in other current assets and liabilities	1,335,665	770,258
Currency translation differences	4,082	-20,191
Net interest paid	-387,705	-406,613
Income taxes paid	-92,634	-111,770
<b>Cash flow from operating activities of continuing operations</b>	<b>1,926,740</b>	<b>-1,133,280</b>
Investments in property, plant and equipment and other intangible assets	-663,422	-724,171
Sale of property, plant and equipment and other intangible assets	60,198	9,187
Sale of shares of associates	1,000	0
Payments from the sale of financial assets	33,834	14,281
<b>Cash flow from investing activities of continuing operations</b>	<b>-568,390</b>	<b>-700,703</b>
Increase in financial liabilities	120,751	923,076
Repayment of financial liabilities and bank overdrafts	-316,277	0
Dividends paid	0	0
Capital increase	0	0
Purchase of treasury shares	0	0
<b>Cash flow from financing activities of continuing operations</b>	<b>-195,526</b>	<b>923,076</b>
<b>Change in cash and cash equivalents from continuing operations</b>	<b>1,162,824</b>	<b>-910,907</b>
<b>Change in cash and cash equivalents from discontinued operation</b>	<b>0</b>	<b>-60,984</b>
Cash and cash equivalents at the beginning of the period	5,617,472	5,806,602
Change in cash and cash equivalents	1,162,824	-971,891
<b>Cash and cash equivalents at the end of the period</b>	<b>6,780,296</b>	<b>4,834,711</b>

Balance Sheet in EUR	31.03.2013	30.09.2012
<b>ASSETS</b>		
Property, plant and equipment	1,112,564	1,266,011
Goodwill	11,001,151	11,001,151
Other intangible assets	2,421,959	2,608,991
Investments in associates	7,045,300	7,403,002
Financial assets	0	34,129
Other receivables and assets	83,552	87,223
Deferred tax assets	1,583,180	1,721,279
<b>Non-current assets</b>	<b>23,247,706</b>	<b>24,121,786</b>
Inventories	392,434	374,721
Trade receivables	16,532,585	13,923,229
Other receivables and assets	2,260,866	2,385,615
Cash and cash equivalents	6,780,296	5,617,472
<b>Current assets</b>	<b>25,966,181</b>	<b>22,301,037</b>
<b>Total assets</b>	<b>49,213,887</b>	<b>46,422,823</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	15,386,742	15,386,742
Reserves	7,358,968	7,355,483
Retained earnings	-6,179,748	-6,150,772
<b>Owners of the parent</b>	<b>16,565,962</b>	<b>16,591,453</b>
Non-controlling interests	49,510	15,384
<b>Equity</b>	<b>16,615,472</b>	<b>16,606,837</b>
Financial liabilities	0	9,984,257
Other liabilities	248,739	238,289
Provisions for post-employment benefits	1,317,390	1,317,577
Deferred tax liabilities	47,245	64,918
<b>Non-current liabilities</b>	<b>1,613,374</b>	<b>11,605,041</b>
Financial liabilities	11,405,710	1,616,979
Trade payables	10,082,510	8,238,708
Other liabilities	9,240,390	8,031,011
Income tax provisions	212,827	280,643
Other provisions	43,604	43,604
<b>Current liabilities</b>	<b>30,985,041</b>	<b>18,210,945</b>
<b>Total equity and liabilities</b>	<b>49,213,887</b>	<b>46,422,823</b>

Changes in equity in EUR	Owners of the parent				Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves	Retained earnings		
<b>Balance 1.10.2011</b>	<b>15,386,742</b>	<b>9,910,356</b>	<b>-310,677</b>	<b>-6,268,916</b>	<b>0</b>	<b>18,717,505</b>
Change in non-controlling interests	0	0	0	0	26,000	26,000
Comprehensive income 10/2011-03/2012	0	0	1,205	-2,250,135	-17,717	-2,266,647
<b>Balance 31.03.2012</b>	<b>15,386,742</b>	<b>9,910,356</b>	<b>-309,472</b>	<b>-8,519,051</b>	<b>8,283</b>	<b>16,476,858</b>
Transfer of reserves	0	-2,240,068	0	2,240,068	0	0
Comprehensive income 04-09/2012	0	0	-5,333	128,211	7,101	129,979
<b>Balance 30.09.2012</b>	<b>15,386,742</b>	<b>7,670,288</b>	<b>-314,805</b>	<b>-6,150,772</b>	<b>15,384</b>	<b>16,606,837</b>
Comprehensive income 10/2012-03/2013	0	0	3,485	-28,976	34,126	8,635
<b>Balance 31.03.2013</b>	<b>15,386,742</b>	<b>7,670,288</b>	<b>-311,320</b>	<b>-6,179,748</b>	<b>49,510</b>	<b>16,615,472</b>

# Notes to the First Half-Year Accounts

## Accounting and Measurement Principles

This half-year report of BRAIN FORCE HOLDING AG as at March 31, 2013 has been 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, which were applied in the annual report as at September 30, 2012, remain unchanged. For more information on accounting and measurement principles, we refer to the consolidated financial statements as at September 30, 2012, which serve as the basis for this interim report.

## Consolidated Group

All subsidiaries, including those companies in which BRAIN FORCE HOLDING AG 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 consolidated Group changed as follows compared to the reporting date of September 30, 2012: BRAIN FORCE S.p.A, Milano, Italy sold its 25% share in CONSULTING CUBE s.r.l., Bologna, Italy. CONSULTING CUBE s.r.l. was included at-equity in the consolidated financial statements in business year 2011/12. Consequently the consolidated financial statements as of March 31, 2013 include BRAIN FORCE HOLDING AG and 10 companies, thereof 8 foreign and 2 Austrian companies, which are fully consolidated. Additionally one company is included at-equity in the consolidated financial statements.

## Comments on the Group Income Statement and Statement of Comprehensive Income

In the first six months of fiscal year 2012/13 Group revenues increased by 10% to € 41.48 m compared to previous year's reference period. The operative EBITDA increased from € 0.93 m to € 1.84 m. The operating result (EBIT) improved from € -0.09 m to € +0.90 m. In addition the first quarter of the previous year was burdened with restructuring costs in the amount of € 0.68 m. This results in an even more significant improvement of the Group result. The result shows that the Group EBITDA rose from € 0.25 m to € 1.84 m and the Group EBIT increased from € -0.77 m to € +0.90 million.

In the first two quarters of 2012/13 the financial result amounts to € -0.39 million and has improved slightly compared to the previous year. The result from associated companies improved from € -1.03 m to € -0.36 m and can be mainly attributed to SolveDirect Service Management GmbH. The interest held in SolveDirect Service Management GmbH as of the reference date, March 31, 2013 remained unchanged with 53.16%.

The Group result before taxes turned positive and improved from € -2.20 m to € +0.15 m. The result after taxes (including non-controlling interests) reached € +0.01 m in the first six months of the current fiscal year, compared to € -2.27 m in the previous year.

## Segment Information

BRAIN FORCE HOLDING AG reports according to geographic segments in accordance with the management approach contained in the stipulations of IFRS 8. Segment earnings are reported before brand licensing costs and intercompany charges. Segment information is included in this report directly after the statement of comprehensive income.

## Comments on the Cash Flow Statement

In the first six months the cash flow from continuing operations reached € +1.85 m and was therefore € 1.70 m above previous year's level of € +0.15 m. The cash flow from operating activities turned in the first six months from € -1.13 m to € +1.93 m and thus increased by € 3.06 m. The increase in results compared to the previous year and a further improvement of the working capital had a significantly positive effect in this respect.

The cash flow from investing activities amounted to € -0.57 m compared to € -0.70 m in the previous year. Investments in property, plant and equipment and other intangible assets decreased by € 0.06 m to € 0.66 m. Payments received for the disposal of non-current assets and from the disposal of financial assets had a positive effect in this respect.

The cash flow from financing activities amounted to € -0.20 m and shows a decrease of financial liabilities, whereas financial liabilities increased by € 0.92 m in previous year's reference period.

## Comments on the Group Balance Sheet

At the reporting date the balance sheet total was € 49.21 m, which is an increase by 6% compared to September 30, 2012. Non-current assets made up 47% of total assets and amounted to € 23.25 m on the reporting date compared to € 24.12 m as of September 30, 2012. Property, plant and equipment and other intangible assets decreased by € 0.34 m. Investments in property, plant and equipment and other intangible assets in the amount of € 0.66 m (out of which € 0.56 m are product development costs) are offset against scheduled depreciation of € 0.95 m. The company's goodwill remains unchanged with € 11.00 m. Investments in associated companies declined by € 0.35 m to € 7.05 m. As at March 31, 2013 the investment in SolveDirect was 56.13% (September 30, 2012: 56.13%).

Current assets comprised 53% of total assets as of March 31, 2013. Trade receivables and services increased by about 19% from the comparable figure on September 30, 2012 to € 16.53 m or 33% of total assets. Cash and cash equivalents increased by 21% compared to the reporting date of September 30, 2012 and amounted to € 6.78 m.

IFRS-based equity as at March 31, 2013 was € 16.62 m, corresponding to an equity ratio of 34%. Non-current liabilities were reduced from € 11.61 m to € 1.61 m. The decline can be attributed to the reclassification of the bonded loan, which, until now, was shown in the non-current financial liabilities. The bonded loan in the amount of € 10 m, which was taken out in 2007 has a maturity until March 2014 and will be shown in the current financial liabilities as of March 31, 2013.

Current liabilities rose by € 12.77 m to € 30.99 m. The increase can be mainly attributed to the fact that the bonded loan is now shown in the current financial liabilities. Moreover, trade liabilities and services increased by € 1.84 m to € 10.08 m and other liabilities by € 1.21 m to € 9.24 m. The net debt as of the reporting date on March 31, 2013 amounted to € 4.63 m, which is a decrease by € 1.35 m compared to September 30, 2012.

As of March 31, 2013 the number of outstanding shares was 15,386,742; authorized capital amounted to € 7,693,371.

## Related Party Transactions

The major shareholders along with the management and supervisory board members of BRAIN FORCE HOLDING AG and those of associated companies are considered to be related parties.

A transfer agreement on the provision of a management board member exists with HOFER Management GmbH, Vöcklabruck, a company in which the management board member Dr. Michael Hofer is the 100% shareholder.

Infrequent service relations exist between BRAIN FORCE HOLDING AG and CROSS Industries AG, Wels, which holds 50% in CROSS Informatik GmbH, Wels as well as with the associated company SolveDirect Service Management GmbH, Vienna.

However, the scope of these relationships does not have a material impact on the financial situation of the BRAIN FORCE Group. On the basis of the mandate agreement concluded in August 2011 for the provision of M&A consulting services, OCEAN Advisory GmbH invoiced consultancy services. The fees correspond to prevailing market rates. The supervisory board member Josef Blazicek is shareholder of OCEAN Advisory GmbH.

## Audit Waiver for the Interim Report

This half-year report as at March 31, 2013 was neither audited nor subject to an auditor's review.

## Other Disclosures

At the 15th ordinary general meeting of BRAIN FORCE HOLDING AG on February 28, 2013, among other things, a resolution, which authorizes the CEO to purchase own shares, was passed.

On March 25, 2013 BRAIN FORCE HOLDING AG announced the conclusion of an agreement regarding the sale of their shares in SolveDirect Service Management GmbH, Vienna. The sale took place subject to compliance with the conditions stipulated in the purchase agreement. The closing took place on April 29, 2013 and will have a positive effect on the Group result as well as liquid assets in the third quarter of the current fiscal year.

In accordance with the transfer agreement of April 15, 2013, BRAIN FORCE HOLDING AG acquired the 26% share in Network Performance Channel GmbH, Vöcklabruck from HOFER Management GmbH, Vöcklabruck. Consequently BRAIN FORCE HOLDING GmbH holds 100% of shares in Network Performance Channel GmbH.

On May 14, 2013, the Management Board of the company was informed by Pierer Industrie AG, that Pierer Industrie AG will make a voluntary takeover bid to acquire the controlling interest to all shareholders of BRAIN FORCE HOLDING AG. The Management Board of BRAIN FORCE HOLDING AG was furthermore informed that Pierer Industrie AG and CROSS Informatik GmbH signed a share purchase and sale agreement for 8,829,777 shares of BRAIN FORCE HOLDING AG. The fulfillment of the share purchase agreement is subject to cartel authorities' approval in Austria and Germany.

On May 14, 2013, BRAIN FORCE HOLDING AG has announced the extension of the Management Board Contract with the CEO Michael Hofer until December 31, 2014.

## Statement of all Legal Representatives

We confirm to the best of our knowledge that the condensed interim 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 (IFRS), and that the Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, and of the principal risks and uncertainties for the remaining six months of the financial year, and of the major related party transactions to be disclosed.

Vienna, May 15, 2013

The Management Board



Michael Hofer



Hannes Griesser

# Financial Calendar

Date	Event
May 15, 2013	Six months report 2012/13
August 14, 2013	Report on the first three quarters of 2012/13
December 19, 2013	Annual report 2012/13

## Information on the Company and the BRAIN FORCE Share

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