



BRAIN FORCE Key Data

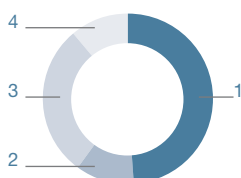
Earnings Data ¹⁾		10/09-03/10	10/08-03/09	Chg. in %	2008/09 ²⁾
Revenues	<i>in € million</i>	37.40	49.46	-24	89.20
EBITDA	<i>in € million</i>	5.25	3.41	+54	2.05
Operating EBITDA ³⁾	<i>in € million</i>	0.89	3.56	-75	3.44
EBIT	<i>in € million</i>	3.68	1.53	>100	-1.59
Operating EBIT ³⁾	<i>in € million</i>	-0.68	1.68	>100	-0.21
Profit before tax	<i>in € million</i>	2.49	0.58	>100	-2.65
Profit after tax	<i>in € million</i>	2.24	-3.26	>100	-5.46
Earnings per share	<i>in €</i>	0.15	-0.21	>100	-0.35
Adjusted earnings per share ³⁾	<i>in €</i>	-0.14	0.03	>100	-0.08
Capital expenditure	<i>in € million</i>	0.84	1.38	-39	2.64
Acquisitions	<i>in € million</i>	1.11	-0.13	>100	0.14
Employees ⁴⁾		845	1,099	-23	1,049

Balance Sheet Data		31.3.2010	30.9.2009	Chg. in %
Equity	<i>in € million</i>	21.45	19.31	11
Net debt	<i>in € million</i>	5.49	5.65	-3
Capital employed	<i>in € million</i>	26.89	24.77	+9
Working capital ⁵⁾	<i>in € million</i>	2.78	2.83	-2
Balance sheet total	<i>in € million</i>	54.22	54.45	0
Equity ratio	<i>in %</i>	40	35	-
Gearing	<i>in %</i>	26	29	-

Stock Exchange Data ⁶⁾		10/09-03/10	1-9/2009	Chg. in %
Share price high	<i>in €</i>	1.25	2.19	-43
Share price low	<i>in €</i>	1.04	1.02	+2
Share price at end of period	<i>in €</i>	1.17	1.20	-3
Shares outstanding (weighted)	1,000	15,387	15,387	0
Market capitalization (ultimo)	<i>in € million</i>	18.00	18.46	-2

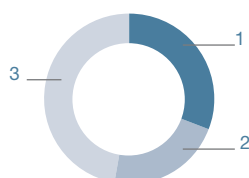
Segments First Half-Year 2009/10 <i>in Mio. €</i>	Germany		Central East Europe		South West Europe		The Netherlands		Holding and Other	
Revenues (consolidated)	18.32	(-22%)	4.13	(-42%)	11.01	(-21%)	3.95	(-18%)	0	-
Operating EBITDA ³⁾	0.43	(-81%)	0.64	(-18%)	0.85	(-34%)	0.06	(-87%)	-1.09	(+11%)
Operating EBIT ³⁾	0.03	(-98%)	0.36	(+39%)	0.41	(-56%)	-0.35	(>100%)	-1.12	(+11%)
Capital expenditure	0.18	(-45%)	0.09	(-62%)	0.27	(-29%)	0.27	(-29%)	0.04	(-50%)
Employees ⁴⁾	381	(-18%)	79	(-51%)	298	(-22%)	77	(-9%)	10	(-1%)

Revenues by Regions



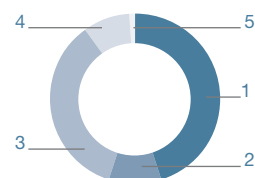
- 1 Germany 49%
- 2 Central East Europe 11%
- 3 South West Europe 29%
- 4 The Netherlands 11%

Revenues by Business Areas



- 1 Professional Services 31%
- 2 Business Solutions 22%
- 3 Infrastructure Optimization 47%

Employees by Segments



- 1 Germany 45%
- 2 Central East Europe 10%
- 3 South West Europe 35%
- 4 The Netherlands 9%
- 5 Holding and Other 1%

1) from continuing operations
 2) unaudited results for the period October 1, 2008 to September 30, 2009
 3) adjusted for non-recurring expenses and income
 4) average number of employees during the period
 5) Inventories + trade receivables - trade payables - other current liabilities
 6) Vienna Stock Exchange

Chief Executive's Review



Michael Hofer, CEO of
BRAIN FORCE HOLDING AG

Dear Shareholders, Ladies and Gentlemen,

the first half of the 2009/10 fiscal year and in particular the second quarter (January to March 2010) were negatively impacted by the ongoing difficult economic environment. In our development this was reflected, above all, by significantly lower proceeds from license sales and price pressure in the service business. From an operational perspective, we had to deal with a further revenue decline during the reporting period, which led to the implementation of the planned restructuring measures already announced in the last quarterly report. From a strategic point of view, the first half-year was shaped by three important transactions: first, the sale of our Professional Services business in Austria, second, the participation of an investor in SolveDirect to finance its expansion in the USA, and third, the acquisition of Inisys, an ERP specialist for Microsoft Dynamics solutions in Austria. Due to the book gain from the first two transactions, we are able to report clearly positive earnings in the first half of the 2009/10 financial year, despite high restructuring costs.

Implementation of three strategically important transactions and positive results in the first half-year

Group revenues in the second quarter were down 25% to € 16.38 million. Operating EBIT (before non-recurring expenses and income) fell from € 0.38 to -0.87 million. Accordingly, total Group revenues in the first half-year declined by 24% to € 37.40 million. Adjusted for the above-mentioned transactions, the organic revenue drop in the first six months of the current financial year amounted to 20%. Due to weak license sales, ongoing price pressure and the partial under-utilization of salaried IT consultants, particularly in Germany and the Netherlands, operating EBITDA of the BRAIN FORCE Group decreased from € 3.56 to 0.89 million, and operating EBIT from € 1.68 to -0.68 million. It is important to note that BRAIN FORCE had not yet been impacted by the economic crisis in the comparable prior-year period October to December 2008, and succeeded in generating record earnings at that time.

Weak license sales, price pressure and under-utilization led to decline in operating results

Restructuring costs of € 1.97 million were incurred in the second quarter of the 2009/10 financial year, which were significantly overcompensated by the book gain of € 2.47 million derived from the sale of the Professional Services business in Austria and the realization of hidden reserves of € 3.86 million within the context of the initial at equity consolidation of SolveDirect. On balance, the BRAIN FORCE Group generated an EBITDA of € 5.25 million in the first half-year, an EBIT of € 3.68 million and a total net profit for the period of € 2.13 million.

Clearly positive earnings in the first half-year based on non-recurring income despite further restructuring measures

In Germany, revenue was down 22% in the period October 2009 to March 2010, and operating EBIT was only slightly positive. A large project expired at the Frankfurt office which could not be compensated by other incoming orders. The company responded to the resulting under-utilization of staff by dismissing 27 employees, and allocating provisions of € 0.80 million for redundancy payments. Moreover, we expanded short-time working of employees at the Munich office, in order to further reduce ongoing operating costs.

Further cost savings in Germany by employee cutbacks and short-time working

In the Central East Europe region, revenues fell by 42%, which is primarily related to the sale of the Professional Services business and the consolidation change of SolveDirect in Austria. Operating EBIT improved by 39% to € 0.36 million, as a consequence of the first positive earnings contribution from Inisys and good results posted by the Czech subsidiary. Following the acquisition of a stake by a financial investor,

SolveDirect fully focused on US expansion after stake acquired by a financial investor

SolveDirect is fully focusing on expanding its business in the USA. At present the American company is being established and a series of employees are being hired to fuel the expansion. Due to Cisco, the new large customer, SolveDirect is benefitting from a continuous pipeline of project orders in the USA. In turn, this should also positively affect the business in Europe. Hidden reserves amounting to € 3.86 million were realized within the context of the consolidation change based on the higher long-term revenue and earnings expectations related to operations on the U.S. market. However, we anticipate medium-term negative earnings contributions from the at equity consolidation of this subsidiary as a consequence of the sharp increase in the number of employees and expansion costs.

Positive operating results in Italy following the successful restructuring in the previous year

In the first half of the 2009/10 financial year, revenues generated by the South West Europe region (Italy and Switzerland) fell by 21% from the prior year, and operating EBIT was down 56%. The restructuring measures carried out in the last year, in particular capacity adjustments in Italy, have succeeded. As a result, a clearly positive operating EBIT of € 0.41 million could be generated despite a further revenue decline. Nevertheless, low proceeds from license sales burden earnings. For this reason, additional employees were dismissed in the second quarter, leading to non-recurring expenses of € 0.30 million in this segment, which will subsequently have a positive impact on earnings.

Sharp employee cutbacks in the Netherlands as the basis for lower costs

The development in the Netherlands was not gratifying. A large public sector customer significantly reduced project orders, and the expected licenses sales could not be generated. This resulted in a revenue drop of 18%, and a negative operating EBIT of € -0.35 million. A total of 22 employees had to be dismissed in order to return the subsidiary to a sustainably profitable cost basis, resulting in restructuring costs of € 0.87 million. At present, the project pipeline is expanding, and we anticipate an improved earnings development in the second half of the 2009/10 financial year.

Financing of Inisys acquisition and restructuring costs from own funds

In order to effectively deal with the significant revenue decrease, we have reduced the number of salaried employees working for the BRAIN FORCE Group by 153 people since year-end 2008, correspondingly reducing expenses by € 9.44 million annually. Additional savings have been realized by cutting back on the number of free-lance employees and all other cost items. These were painful measures, which were absolutely necessary in order to put the company on a sound long-term footing with respect to costs. The sale of the Professional Services business in Austria enables us to finance the acquisition of Inisys in February and the restructuring costs from our own funds. The equity ratio of the BRAIN FORCE Group was a solid 40% as at March 31, 2010, and gearing was 26%.

Clearly positive earnings despite revenue decline

For the 2009/10 financial year, we expect revenues of about € 70 million and a clearly positive EBIT, including non-recurring restructuring costs of € 1.97 million and book gains of € 6.33 million.

Positioning of BRAIN FORCE as the pre-eminent solutions provider for process and infrastructure optimization

From now on, we are refocusing our efforts to generate growth. The first step in the right direction was taken with the acquisition of Inisys. Our goal is to facilitate an intensive know-how transfer between our subsidiaries in Austria and Italy, exploit cross-selling potential and cost synergies and further expand our partnership with Microsoft. The cooperation is proceeding well, and the project pipeline in Austria is promising. We will position BRAIN FORCE as the pre-eminent solutions provider in all our markets for process and infrastructure optimization, and place particular emphasis on smart consulting to reduce the IT and organizational costs of our customers. We expect this positioning to result in strong recognition of the BRAIN FORCE brand in the future as well as above-average revenue and earnings growth.

Yours



Michael Hofer

Financial Review

Half-Year Earnings (October 2009 to March 2010)

In the first six months of the 2009/10 financial year, the BRAIN FORCE Group generated revenues of € 37.40 million, down 24% from the prior year's level. Adjusted to take account of the three strategic transactions in Austria (sale of the Professional Services business at the end of December 2009, the change in the consolidation method for SolveDirect to inclusion at equity as of the beginning of January 2010 and the full consolidation of INISYS Software-Consulting GmbH, effective at the beginning of March 2010, the organic revenue decline was 20%.

The revenue decrease of € 12.06 million in absolute terms (organic revenue drop of € 8.90 million) could be significantly cushioned by consistent cost management and the restructuring measures implemented in the previous year. Nevertheless, due to the lower proceeds from license sales, the partial under-utilization of IT consultants and price pressure, operating EBITDA (before non-recurring expenses and income) was down 75% or € 2.67 to 0.89 million. Operating EBIT declined from € +1.68 to -0.68 million.

Non-recurring restructuring costs of € 1.97 million in the first six months of the 2009/10 financial year mainly related to the necessary dismissal of employees in the FINAS/Munich, Aviation/Frankfurt and Infrastructure Optimization/Netherlands business units. The expected additional cost savings arising from these measures comprise an important contribution enabling these business units and the entire Group to quickly return to a positive operating EBIT.

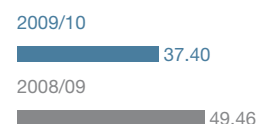
Furthermore, the BRAIN FORCE Group generated non-recurring income of € 6.33 million in the first six months of the 2009/10 financial year. A book gain of € 2.47 million arose from the sale of BRAIN FORCE SOFTWARE GmbH in Austria in December 2009. Hidden reserves of € 3.86 million were realized within the context of the change in the consolidation method of SolveDirect following the stake acquired by a financial investor. After deducting restructuring costs, total non-recurring effects amounted to € 4.36 million, which are not included in the above-mentioned operating results. Taking account of these effects, EBITDA was € 5.25 million in the first six months (prior year: € 3.41 million), and EBIT totaled € 3.68 million (prior year: € 1.53 million).

The financial result significantly improved from € -0.95 to -0.31 million. The financial result in the first half of the prior year was negatively affected by the write-off of the KEMP convertible bond totaling € -0.63 million. The vast majority of financing costs related to the long-term fixed-interest loan. SolveDirect Service Management GmbH has been consolidated at equity since January 2010. As a result of the capital increases of the investor in SolveDirect, there is a negative dilution effect on the result from associates in addition to our share (89.9% as at March 31, 2010) in the profit after tax of SolveDirect. Accordingly, the result from associates was € -0.88 million in the first half-year (prior year: 0). On balance, the profit before tax of the BRAIN FORCE Group amounted to € 2.49 million (prior year: € 0.58 million). The profit after tax from continuing operations was € 2.24 million, up from € -3.26 million in the first six months of the previous financial year. The total result for the period (after tax, including discontinued operations) was € 2.13 million, compared to the prior-year figure of € -3.57 million. Earnings per share from continuing operations amounted to € 0.15 (prior-year: € -0.21). Earnings per share from continuing operations adjusted for non-recurring income was € -0.14, down from € 0.03 in the prior year.

Second-Quarter Earnings (January to March 2010)

In the second quarter of the 2009/10 financial year, Group revenues decreased by 25% to € 16.38 million and organically by 15%. Germany and Netherlands performed slightly better than the average, with revenues down 14%. South West Europe (above all Italy) reported a revenue downturn of 18%, the highest in the Group, although this region was least affected by the overall drop in revenues one year earlier. Revenues in Central East Europe fell by 86% as a result of the strategic transactions. Revenues decreased from € 10.21 to 8.75 million in Germany, from € 2.23 to 1.90 million in the Netherlands, and from € 6.49 to 5.30 million in South West Europe, whereas revenues dropped from € 3.02 to 0.42 million in the Central East Europe region.

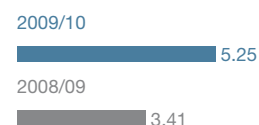
Revenues 1H in € million



Revenue decline significantly cushioned in operating results by consistent cost management

Further restructuring is a crucial measure enabling company to improve operating earnings

EBITDA 1H in € million



Clearly positive net earnings in the first half-year

Consolidation effects, weak demand and price pressure result in second quarter revenue decline

Clearly positive second quarter EBIT of € 1.08 million due to non-recurring effects

The operating EBIT of the BRAIN FORCE Group deteriorated from € +0.38 to -0.87 million in the second quarter. Group EBIT rose from € 0.23 to 1.08 million, which included non-recurring income of € 1.95 million (prior year: € -0.15 million). The South West Europe region generated an operating EBIT of € 0.18 million (prior year: € 0.49 million), whereas the Central East Europe region posted a positive operating EBIT of € +0.11 million, compared to the prior-year figure of € -0.32 million. Operating EBIT fell from € +0.02 to -0.24 million in the Netherlands and from € 0.69 to -0.34 million in Germany. Additional employees were dismissed in the second quarter in Germany (at the Frankfurt office) and in the Netherlands to help generate a sustainable earnings improvement.

Cash Flow

The gross cash flow from continuing operations was € 1.98 million in the first half of the 2009/10 financial year, slightly below the previous year's level of € 2.29 million. Adjusted for the effect from the sale of BRAIN FORCE SOFTWARE GmbH, Vienna, the gross cash flow amounted to € -1.49 million. The positive effect arising from an increase of provisions amounting to € 1.31 million (primarily related to restructuring measures resolved upon in the second quarter) was not fully offset by a negative effect from the increase in working capital, adjusted for the changes in the consolidation range. Accordingly, the cash flow from operating activities of continuing operations (operating cash flow) totaled € -1.27 million (prior year: € 3.70 million).

Positive cash flow from investing activities due to sale of the Professional Services business in Austria

The cash flow from investing activities amounted to € +1.28 million (prior year: € -1.17 million), including capital expenditures on property, plant and equipment and other intangible assets of € -0.84 million. The purchase price for the sale of BRAIN FORCE SOFTWARE GmbH less the proportionate share of costs arising from staff cutbacks resulted in a cash-in of € 3.47 million. All in all, the total cash outflow taking account of the deconsolidation of BRAIN FORCE SOFTWARE GmbH and SolveDirect Service Management GmbH as well as the initial consolidation of INISYS Software-Consulting GmbH was € -1.35 million.

High level of cash of about € 5 million at the reporting date

The cash flow from financing activities at € 0.20 showed an increase of current financial liabilities of € 0.28 million and € -0.08 million related to the scheduled payment of a non-current loan. Of the non-current financial liabilities amounting to € 10.04 million, a total of € 0.08 million is due for payment in 2011 and € 9.96 million in 2014. On balance, the change in cash from continuing operations of € 0.21 million was slightly positive. The cash flow from the discontinued operations in Berlin totaled € -0.83 million. As at March 31, 2010, the BRAIN FORCE Group had a high level of cash and cash equivalents of € 4.92 million (March 31, 2009: € 3.84 million).

Financial Position

Equity in € million

31.3.2010	21.45
30.9.2009	19.31

Net debt in € million

31.3.2010	5.49
30.9.2009	5.65

The balance sheet total of the BRAIN FORCE Group was € 54.22 million as at March 31, 2010, and equity amounted to € 21.45 million. Accordingly, the equity ratio improved to 40% after 35% as at September 30, 2009, which is primarily related to the positive total result for the period in the amount of € 2.13 million. Working capital (inventories plus trade receivables less trade payables and other current liabilities) declined further from € 2.83 to 2.78 million, which is the result of the deconsolidation of BRAIN FORCE SOFTWARE GmbH, Austria. Net debt as at March 31, 2010 was € 5.49 million, compared to € 5.65 million as at September 30, 2009. The reduction of net debt is due to different and partially opposing reasons. The cash inflow from the sale of BRAIN FORCE SOFTWARE GmbH, Austria and the decrease in financial liabilities related to the deconsolidation of SolveDirect Service Management GmbH contributed to lowering net debt, whereas the negative cash flow from operating activities at the acquisition of Inisys tended to raise it. Gearing (ratio of net debt to equity) of the BRAIN FORCE Group was at a solid level of 26% as at March 31, 2010, and could be further reduced from the comparable figure of 29% as at September 30, 2009.

Development of Segments

BRAIN FORCE HOLDING AG reports according to geographic segments in accordance with the management approach stipulated in IFRS 8, "Operating Segments".

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

Germany

In the first half of the 2009/10 financial year, revenues in Germany declined by 22% to € 18.32 million, equating 49% of Group revenues. Operating EBITDA was down 81% to € 0.43 million and operating EBIT fell 98% to € 0.03 million. In addition, restructuring costs of € 0.80 million in the first six months must be taken into account in this segment.

It remained difficult for the Professional Services area to acquire new customers. Nevertheless, BRAIN FORCE won a long-term contract from a government statistical office, underlining its project management competence. Development in the Business Solutions area during the second quarter was below expectations, and no major license sales could be generated. In particular, customer restraint in placing new orders had a negative effect on the segment's performance, but the order intake is expected to improve again in the second half of the 2010 calendar year.

In the Infrastructure Optimization area, the cooperation with a leading global hardware and service provider continued. However, new customer acquisition remained quite difficult. The Channel activities also increased considerably in the second quarter, but could not compensate for the decline in other business areas. A roll-out project implemented by the Frankfurt office in the aviation sector expired, which resulted in the under-utilization of our IT consultants. As a consequence of the revenue decline, the company had to lay-off staff, which should improve earnings again in future reporting periods.

Central East Europe

During the period under review, revenues in the Central East Europe region amounted to € 4.13 million, a drop of 42% from the prior year and equating a share of 11% of Group revenues. The revenue decrease is primarily attributable to the sale of the Professional Services business and the consolidation change relating to SolveDirect. Operating EBITDA totaled € 0.64 million, down 18% from the prior year, whereas operating EBIT increased 39% to € 0.36 million.

A 100% stake in INISYS Software-Consulting GmbH was acquired in the second quarter. This enables BRAIN FORCE to strengthen its Business Solutions activities, and position itself in Austria as the specialist for the ERP software solutions Microsoft Dynamics NAV and AX as well as Microsoft CRM. In the past quarter, Inisys won a contract from a plant engineering and construction company to install Microsoft Dynamics AX. Furthermore, an accounting system was developed for a financial institution, and the project pipeline is developing in a promising way.

Various adjustments were made to our Jupiter asset management system for an insurance company in the Czech Republic, and the core banking module Rebecca was expanded to a Microsoft database platform on behalf of a Czech bank.

South West Europe

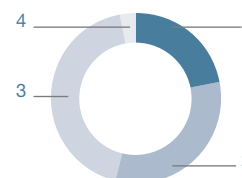
In the first half of the 2009/10 financial year, revenues generated by the South West Europe region fell by 21% from the prior year to € 11.01 million, accounting for 29% of total Group revenues. Operating EBITDA was down 34% to € 0.85 million, and operating EBIT totaled € 0.41 million, a drop of 56% from the preceding year. Non-recurring costs of € 0.30 million were incurred for further restructuring measures in the first half-year.

Revenues by Regions



- 1 Germany 49%
- 2 Central East Europe 11%
- 3 South West Europe 29%
- 4 The Netherlands 11%

Operating EBITDA by Regions



- 1 Germany 22%
- 2 Central East Europe 32%
- 3 South West Europe 43%
- 4 The Netherlands 3%

Build-up of Business Solutions area in Austria based on purchase of Inisys

Further strengthening of the good position in the Italian banking sector

In Italy, a large contract was won to install an Altiris platform on behalf of a leading global cable manufacturer. A project to optimize the back-up infrastructure was jointly implemented with BRAIN FORCE's partner Symantec for a glass producer. BRAIN FORCE Italy further strengthened its good position in the banking sector, introducing a new service desk for the Italian subsidiary of a large Swiss bank, and implementing an algorithmic trading platform for a leading Italian financial institution.

The Netherlands

In the first six months of the 2009/10 financial year, the Netherlands segment generated revenues of € 3.95 million, down 18% from the prior year and accounting for 11% of Group revenues. Operating EBITDA amounted to € 0.06 million (prior year: € 0.45 million), and operating EBIT was € -0.35 million (prior year: € 0.07 million). Moreover, non-recurring restructuring costs of € 0.87 million were incurred in the first half-year to adjust the number of employees to the lower level of revenues, and optimize the cost structure for future reporting periods.

Improved earnings development expected in the second half of 2009/10 based on new contract orders

The company once again generated larger public sector contracts. For example, a museum administration placed an order for a migration project encompassing the installation of the latest Microsoft technology. An application management project was successfully concluded for an educational institution, and the new Microsoft operating system Windows 7 was installed on behalf of a municipality. A service contract was also won by BRAIN FORCE Netherlands in the health care sector, involving the migration of current Microsoft software with the help of Packaging Robot.

Holding and Other

Operating EBITDA of the Holding and Other segment improved from € -1.23 to -1.09 million, and operating EBIT from € -1.26 to -1.12 million. This improvement was chiefly the result of the required setting aside in the first quarter of the previous financial year of a provision for rental and maintenance costs related to vacant offices formerly used by BRAIN FORCE in Vienna. Including the book gain derived from the sale of BRAIN FORCE SOFTWARE GmbH, Austria and the realization of hidden reserves at SolveDirect, the EBIT generated by the segment was € 5.21 million.

Positive EBIT due to sale of BRAIN FORCE SOFTWARE GmbH, Austria and realization of hidden reserves at SolveDirect

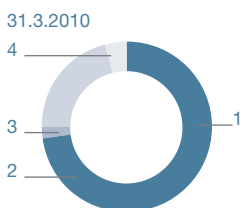
Order Intake

As of March 31, 2010, the order volume at the Group level amounted to € 17.94 million, an increase of 9% from the comparable figure as per December 31, 2009. Adjusted for the loss of contracts attributable to the divested companies BRAIN FORCE SOFTWARE GmbH, Austria and SolveDirect Service Management GmbH and the shutdown of the Berlin office, the order intake for the second quarter of the 2009/10 financial year actually rose by 38%. Adjusted for the deconsolidated companies, the order volume of the BRAIN FORCE Group was down by 23% from the prior-year level, which is related to the ongoing difficult economic situation.

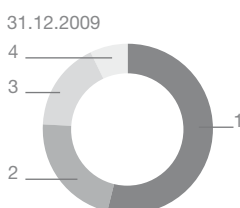
On March 31, 2010, the order volumes are attributable to the regions as follows:

- ▶ Germany accounts for orders of € 13.17 million (December 31, 2009: € 8.89 million).
- ▶ Central East Europe has orders on hand of € 0.34 million (December 31, 2009: € 3.61 million).
The significant decline in the order volume is due to the divested and spin-off business units in Austria.
- ▶ South West Europe accounts for orders of € 3.67 million (December 31, 2009: € 2.78 million).
- ▶ The Netherlands have an order intake of € 0.76 million (December 31, 2009: € 1.22 million).

Order Intake by Regions



- 1 Germany 73%
- 2 Central East Europe 2%
- 3 South West Europe 21%
- 4 The Netherlands 4%



- 1 Germany 54%
- 2 Central East Europe 22%
- 3 South West Europe 17%
- 4 The Netherlands 7%

Research and Development

BRAIN FORCE has adapted the level of its research and development activities to the difficult market conditions and reduced revenues. In Germany, initial development work was carried out on the new FINAS module BRAIN FORCE Fördercenter (public subsidies overview), which is designed to clearly present all state incentives on one display mask. Accordingly, financial consultants will be able to offer their customers tax-optimized pension plans, improving the quality of consulting and thus increasing sales prospects. In addition, FINAS Suite is being continually adjusted to reflect current legal regulations.

In the Netherlands, BRAIN FORCE is one of only 200 worldwide members of the Microsoft Services Ready Program. As a result, our BRAIN FORCE consultants will have access to applications, templates, guidelines and best practices which have already been successfully used in customer projects. Accordingly, BRAIN FORCE is expanding its service portfolio, and can generate higher-value project business from customers.

In Austria, the BRAIN FORCE division SolveDirect launched its Spring Release. The module SD.dialog was expanded to include an encyclopedia, i.e. so-called "wikis", to serve as the basis for more effective knowledge management. This will enable service employees to quickly and directly make their specialized expertise available and thus accelerate service processes.

Human Resources

The total number of people working for the BRAIN FORCE Group as at March 31, 2010 amounted to 544 salaried employees, a decline of approximately 32% compared to March 31, 2009. In addition, the company employed 219 people on a freelance basis for various customer projects, a figure which is 19% lower than in 2009. Thus the BRAIN FORCE Group made downward adjustments to its total number of staff as a response to the economic crisis and the resulting revenue decrease. The most extensive personnel cutbacks took place in the Central East Europe region, where the number of employees was down 83% year-on-year. However, this is exclusively due to the sale of BRAIN FORCE SOFTWARE GmbH, Austria. In Germany, the total number of staff at the Frankfurt office was considerably trimmed in the second quarter of the 2009/10 financial year, after a large customer in the aviation sector reduced its order volume. Furthermore, short-term working in Germany was extended even more. The work force in the South West Europe region was also noticeably downsized by 22% from the previous year. In the Netherlands the total number of staff was down 13% year-on-year. On balance, the BRAIN FORCE Group employed 763 people on the balance sheet date, a drop of 29% or 306 employees from the comparable figure at March 31, 2009.

The breakdown of staff (salaried and subcontractors) by region as at March 31, 2010 is as follows:

- ▶ Germany: 365 (previous year: 448 / Change: -19%)
- ▶ Central East Europe: 27 (previous year: 157 / Change: -83%)
- ▶ South West Europe: 292 (previous year: 373 / Change: -22%)
- ▶ The Netherlands: 70 (previous year: 81 / Change: -13%)
- ▶ Holding and Other: 9 (previous year: 10 / Change: -10%)

On average, the staff of BRAIN FORCE was comprised of 621 salaried employees in the months October 2009 to March 2010 (previous year: 807) and 224 people on a freelance basis (previous year: 292). The total average number of employees in the BRAIN FORCE Group amounted to 845, a decline of 23% from the previous year.

Concerning the major related party transactions we refer to the Notes of the Quarterly Report.

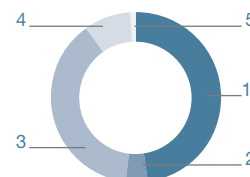
Development of a new solution for tax-optimized pension benefits

BRAIN FORCE is a member of the Microsoft Services Ready Program

Web 2.0 application expands the SolveDirect offering

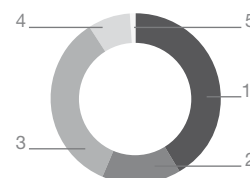
Employees by Segments

31.3.2010



- 1 Germany 48%
- 2 Central East Europe 4%
- 3 South West Europe 38%
- 4 The Netherlands 9%
- 5 Holding and Other 1%

31.3.2009



- 1 Germany 42%
- 2 Central East Europe 15%
- 3 South West Europe 34%
- 4 The Netherlands 8%
- 5 Holding and Other 1%

Quarterly Report (IFRS) of the BRAIN FORCE Group

Income Statement in EUR	1-3/2010	1-3/2009	10/2009-3/2010	10/2008-3/2009
Continuing operations				
Revenues	16.375.626	21.952.844	37.401.772	49.460.335
Cost of sales	-13.655.845	-17.109.586	-30.016.509	-37.278.692
Gross profit	2.719.781	4.843.258	7.385.263	12.181.643
Selling expenses	-1.763.900	-2.313.230	-4.065.082	-5.151.449
Administrative expenses	-1.796.293	-2.323.662	-3.918.287	-4.717.089
Other operating expenses	-103.769	-155.805	-283.456	-1.016.860
Other operating income	71.628	334.399	204.728	383.216
Operating profit / loss before non-recurring items (Operating EBIT)	-872.553	384.960	-676.834	1.679.461
Non-recurring income	3.913.445	0	6.325.381	0
Non-recurring expenses	-1.965.519	-150.966	-1.965.519	-150.966
Operating profit / loss after non-recurring items (EBIT)	1.075.373	233.994	3.683.028	1.528.495
Financial income	31.767	45.543	39.093	48.797
Financial expenses	-169.058	-194.500	-351.640	-994.851
Financial result	-137.291	-148.957	-312.547	-946.054
Result from associates	-881.206	0	-881.206	0
Profit / loss before tax	56.876	85.037	2.489.275	582.441
Income taxes	-187.595	-287.181	-248.726	-3.840.124
Profit / loss after tax from continuing operations	-130.719	-202.144	2.240.549	-3.257.683
Loss after tax from discontinued operations	-20.856	-126.491	-97.951	-265.856
Profit / loss after tax	-151.575	-328.635	2.142.598	-3.523.539
Changes in fair values of available-for-sale financial assets	-1.052	1.491	-7.708	-241
Currency translation differences	-1.242	-32.577	-3.187	-47.221
Other result	-2.294	-31.086	-10.895	-47.462
Total profit / loss	-153.869	-359.721	2.131.703	-3.571.001
Earnings per share ¹⁾	-0.01	-0.02	0.14	-0.23
Earnings per share – adjusted ²⁾	-0.14	0.00	-0.14	0.03
Earnings per share from continued operations	-0.01	-0.01	0.15	-0.21
Earnings per share from discontinued operations	0.00	-0.01	-0.01	-0.02

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

2) Adjusted for non-recurring expenses and income and the loss from discontinued operations

Segment Reporting 10/2009 - 03/2010 in EUR	Germany	Central East Europe	South West Europe	The Netherlands	Holding and Other	Konzern
Revenues (consolidated)	18,317,386	4,127,914	11,011,416	3,945,056	0	37,401,772
Operating EBITDA ¹⁾	433,528	639,493	852,784	57,026	-1,093,478	889,353
EBITDA	-361,472	639,493	552,265	-812,974	5,231,902	5,249,214
Depreciation and amortization	-407,794	-274,591	-446,795	-411,445	-25,561	-1,566,187
Operating EBIT ¹⁾	25,734	364,902	405,988	-354,419	-1,119,040	-676,834
Non-recurring expenses and income	-795,000	0	-300,519	-870,000	6,325,381	4,359,861
EBIT	-769,266	364,902	105,470	-1,224,419	5,206,341	3,683,028
Capital expenditure	177,692	85,630	265,282	267,285	42,370	838,259

Segment Reporting 10/2008 -03/2009 in EUR	Germany	Central East Europe	South West Europe	The Netherlands	Holding and Other	Konzern
Revenues (consolidated)	23,615,064	7,112,044	13,922,209	4,811,019	0	49,460,336
Operating EBITDA ¹⁾	2,257,924	783,292	1,297,599	453,154	-1,227,728	3,564,241
EBITDA	2,210,118	705,132	1,272,599	453,154	-1,227,728	3,413,275
Depreciation and amortization	-562,008	-520,259	-381,969	-384,194	-36,350	-1,884,780
Operating EBIT ¹⁾	1,695,916	263,033	915,630	68,960	-1,264,078	1,679,461
Non-recurring expenses and income	-47,806	-78,160	-25,000	0	0	-150,966
EBIT	1,648,110	184,873	890,630	68,960	-1,264,078	1,528,495
Capital expenditure	320,500	227,796	372,822	377,931	84,556	1,383,605

1) adjusted for non-recurring expenses and income and the loss from discontinued operations

Cash Flow Statement in EUR	10/2009-3/2010	10/2008-3/2009
Profit/loss before tax	2,489,275	582,441
Depreciation and amortization	1,566,187	1,884,780
Financial result	312,547	946,054
Result from associates	881,206	0
Gains / losses from the disposal of property, plant and equipment and intangible assets	-507	14,446
Other non-cash expenses / income	-2,858,079	-250,000
Changes in non-current provisions and liabilities	-161,296	-137,188
Net interest paid	-291,198	-196,487
Income taxes received / paid	42,206	-557,711
Gross cash flow of continuing operations	1,980,341	2,286,335
Changes in inventories	-132,712	-31,590
Changes in trade receivables	-2,349,270	2,942,218
Changes in trade payables	1,272,457	-1,694,017
Changes in other current assets and liabilities	-2,054,624	265,478
Currency translation differences	13,763	-63,562
Cash flow from operating activities of continuing operations	-1,270,045	3,704,862
Acquisition of subsidiaries	-1,111,079	126,379
Net payments for the sale of subsidiaries	3,305,233	300,000
Net payments from deconsolidation of subsidiaries	-77,243	0
Investments in property, plant and equipment and other intangible assets	-838,259	-1,383,605
Sale of property, plant and equipment and other intangible assets	507	84,943
Investments in financial assets	0	-301,311
Cash flow from investing activities	1,279,159	-1,173,594
Increase in financial liabilities	275,618	171,846
Repayments of financial liabilities and bank overdrafts	-78,260	-3,435,535
Dividends paid	0	0
Capital increase	0	0
Purchase of treasury shares	0	0
Cash flow from financing activities of continuing operations	197,358	-3,263,689
Change in cash and cash equivalents from continuing operations	206,472	-732,421
Change in cash and cash equivalents from discontinued operation	-831,815	-480,088
Cash and cash equivalents at the beginning of the period	5,543,493	5,050,101
Change in cash and cash equivalents	-625,343	-1,212,509
Cash and cash equivalents at the end of the period	4,918,150	3,837,592

Balance Sheet in EUR	31.3.2010	30.9.2009
ASSETS		
Property, plant and equipment	2,044,113	2,464,411
Goodwill	11,001,151	14,516,571
Other intangible assets	3,316,416	10,213,570
Investments in associates	11,459,348	9,809
Financial assets	45,172	193,376
Other receivables and assets	106,666	100,252
Deferred tax assets	493,627	433,899
Non-current assets	28,466,493	27,931,888
Inventories	378,053	267,256
Trade receivables	18,799,728	19,457,294
Other receivables and assets	1,653,352	1,249,600
Cash and cash equivalents	4,918,150	5,543,493
Current assets	25,749,283	26,517,643
Total assets	54,215,776	54,449,531
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent company		
Share capital	15,386,742	15,386,742
Reserves	12,074,493	12,085,388
Retained earnings	-6,014,678	-8,157,276
Equity	21,446,557	19,314,854
Financial liabilities	10,035,723	10,877,500
Other liabilities	131,821	138,273
Provisions for post-employment benefits	1,462,580	1,964,139
Deferred tax liabilities	285,345	1,783,410
Non-current liabilities	11,915,469	14,763,322
Financial liabilities	375,249	313,349
Trade payables	8,174,183	7,526,871
Other liabilities	8,221,786	9,368,320
Income tax provisions	1,421,758	1,113,692
Other provisions	2,660,774	2,049,123
Current liabilities	20,853,750	20,371,355
Total equity and liabilities	54,215,776	54,449,531

Changes in equity in EUR	Attributable to equity holders of the parent company				
	Share capital	Share premium	Other reserves	Retained earnings	Total Equity
Balance 1.10.2008	15,386,742	15,536,020	-274,545	-3,287,819	27,360,398
Total result for the period 10/2008 - 3/2009	0	0	-47,462	-3,523,539	-3,571,001
Balance 31.3.2009	15,386,742	15,536,020	-322,007	-6,811,358	23,789,397
Transfer of reserves	0	-3,159,954	0	3,159,954	0
Profit / loss after tax	0	0	0	-4,505,872	-4,505,872
Total result for the period 4-9/2009	0	-3,159,954	31,329	-1,345,918	-4,474,543
Balance 30.9.2009	15,386,742	12,376,066	-290,678	-8,157,276	19,314,854
Total result for the period 10/2009 - 3/2010	0	0	-10,895	2,142,598	2,131,703
Balance 31.3.2010	15,386,742	12,376,066	-301,573	-6,014,678	21,446,557

Notes to the Quarterly Report

Accounting and Measurement Principles

The First Half-Year Report 2009/10 of BRAIN FORCE HOLDING AG as at March 31, 2010 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 applied in preparing the consolidated financial statements presented in the annual report as at September 30, 2009 remain unchanged. For more information on accounting and measurement principles, we refer to the annual report and the consolidated financial statements as at September 30, 2009, which serve as the basis for this interim report.

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.

Within the context of an extraordinary general meeting held on November 25, 2009, BRAIN FORCE HOLDING AG in its capacity as the sole shareholder of BRAIN FORCE SOFTWARE GmbH, Vienna, approved the spin-off of an operating unit of SolveDirect into a newly-created limited liability company. The new entity, SolveDirect Service Management GmbH, Vienna, was entered into the commercial registry on December 3, 2009. Subsequently, based on a sale and purchase agreement dated December 16, 2009, all shares in BRAIN FORCE SOFTWARE GmbH, Vienna were sold to BEKO Engineering & Informatik AG, Nöhagen. BRAIN FORCE SOFTWARE GmbH, Vienna, was deconsolidated as at December 31, 2009.

Following the spin-off of the operating unit of SolveDirect, BRAIN FORCE HOLDING AG announced the conclusion of an investment agreement with the 3TS Cisco Growth Fund in respect to its subsidiary SolveDirect Service Management GmbH, Vienna. The fund, specializing in growth companies in the Central and Eastern European IT sector, will invest up to € 6 million in SolveDirect over the next years. Depending on the capital requirements needed to finance the expansion of SolveDirect on the U.S. market, the investment is to be carried out via several capital increases of SolveDirect Service Management GmbH, in which BRAIN FORCE HOLDING will not participate. Due to the controlling rights defined in the investment agreement, SolveDirect Service Management GmbH was deconsolidated at the time of the formal closing of the investment agreement, and recognized as an associated company at equity. The relevant date for the deconsolidation and recognition at equity was January 1, 2010.

Based on a sale and purchase agreement dated February 25, 2010, BRAIN FORCE HOLDING AG acquired a 100% stake in INISYS Software-Consulting GmbH, Neulengbach. The company specializes in the sale and implementation of the ERP software solutions Microsoft Dynamics NAV and AX as well as Microsoft CRM, and boasts its own sector-independent cost accounting module. INISYS Software-Consulting GmbH was included in the consolidated financial statements of BRAIN FORCE HOLDING AG as at March 1, 2010.

Comments on the Income Statement

Group revenues fell by 24% from the comparable period of the previous year to € 37.40 million. Operating EBITDA (before non-recurring items) of continuing operations declined by 75% from € 3.56 to 0.89 million. The operating result (EBIT) amounted to € -0.68 million, down from € 1.68 million in the prior year. Group EBITDA rose 54% to € 5.25 million, which includes the book gain derived from the sale of BRAIN FORCE SOFTWARE GmbH, Vienna (€ 2.47 million), the net result of the deconsolidation and recognition at equity of SolveDirect Service Management GmbH at its fair value (€ 3.86 million) as well as non-recurring restructuring costs (€ -1.97 million). Group EBIT more than doubled, from € 2.16 to 3.68 million.

The financial result improved by € 0.64 million, from € -0.95 to -0.31 million. The financial result in the first half of the prior year was negatively affected by the write-off of the KEMP convertible bond totaling € -0.63 million. The result from associates amounted to € -0.88 million, which is related to SolveDirect Service Management GmbH. This includes the negative earnings contribution of € -0.19 million in the past quarter and the dilutive effect of € -0.69 million from the first capital increase contributed by the investor.

The profit after tax from continuing operations in the first half of the 2009/10 financial year amounted to € 2.24 million, following a loss after tax of € -3.26 million generated in the first six months of the prior year, which was primarily due to the write-offs of the KEMP convertible bond and capitalized tax loss carry-forwards in Germany due to the take-over of BRAIN FORCE HOLDING AG by a subsidiary of Cross Industries AG.

Segment Information

BRAIN FORCE HOLDING AG reports according to geographic segments in accordance with the management approach contained in the stipulations of IFRS 8, "Operating Segments". Segment earnings (operating EBITDA and operating EBIT) are reported before brand licensing costs and intercompany charges. Segment information is included in this interim report directly after the consolidated income statement.

Comments on the Cash Flow Statement

The gross cash flow from continuing operations was € 1.98 million, or approximately 13% below the previous year's level of € 2.29 million. Adjusted for the effect from the sale of BRAIN FORCE SOFTWARE GmbH, Vienna, the gross cash flow amounted to € -1.49 million, which almost corresponds to the cash flow from operating activities of continuing operations of € -1.27 million. This shows that the change in working capital and other changes, in particular the change in other current provisions, had a slightly positive effect on cash flow. However, the cash flow from operating activities was impacted by the negative business development and thus considerably below the prior-year level.

The cash flow from investing activities amounted to € 1.28 million, up from € -1.17 million in the prior year. The positive cash flow from investing activities includes a net cash inflow of € 3.31 million from the sale of BRAIN FORCE SOFTWARE GmbH, Vienna. A total of € 1.11 million was used for the acquisition of subsidiaries. The cash outflow arising from the deconsolidation of SolveDirect amounted to € -0.08 million. Capital expenditures on property, plant and equipment and other intangible assets totaled € -0.84 million. The cash flow from financing activities was € 0.20 million, showing a slight increase in financial liabilities and overdrafts.

Comments on the Balance Sheet

Total assets amounted to € 54.22 million on the reporting date of March 31, 2010, virtually unchanged compared to the comparable level at September 30, 2009. Major changes took place in several balance sheet items due to change in the consolidation range, encompassing the deconsolidation of BRAIN FORCE SOFTWARE GmbH, Vienna and SolveDirect Service Management GmbH, Vienna, the recognition of the stake in the associated company SolveDirect at fair value and the initial consolidation of INISYS Software-Consulting GmbH.

Non-current assets made up 53% of total assets, amounting to € 28.47 million on the reporting date. Property, plant and equipment and other intangible assets were reduced by € 6.57 million due to the change in the consolidation range. Capital expenditures on property, plant and equipment and other intangible assets totaling € 0.84 million in the reporting period (of which € 0.53 million comprised product development costs) was in contrast to scheduled depreciation of € 1.57 million. The reduction in goodwill by € 3.52 million can be attributed to the deconsolidation of goodwill for SolveDirect of € 4.68 million and the addition of goodwill amounting to € 1.16 million, which is related to the acquisition of Inisys. Investments in associates rose to € 11.46 million, of which SolveDirect accounts for € 11.45 million.

Current assets comprised 47% of total assets on the reporting date of March 31, 2010. Trade receivables fell by about 3% from the comparable figure at September 20, 2009 to € 18.80 million or 35% of total assets. On the reporting date of March 31, 2010, cash and cash equivalents amounted to € 4.92 million.

IFRS-based equity in the BRAIN FORCE Group at March 31, 2009 was € 21.45 million, corresponding to an equity ratio of 40%. The positive total net result of € 2.13 million for the reporting period enabled the company to significantly improve its equity ratio. Non-current liabilities amounted to € 11.92 million, a drop of € 2.85 million. This is primarily attributable to the deconsolidation of SolveDirect Service Management GmbH, in which case non-current financial liabilities declined by € 0.82 million and deferred tax liabilities by € 1.62 million.

Current liabilities rose on-balance by € 0.48 to 20.85 million. This rise is related to the increase of trade payables (€ 0.65 million) as well as other provisions for restructuring (€ 0.61 million). Other liabilities decreased by € 1.15 to 8.22 million, which is mainly the result of deconsolidations. Working capital at the reporting date was € 2.78 million, nearly unchanged compared to the level of € 2.83 million at September 30, 2009. Net debt could be reduced by € 0.15 to 5.49 million from the balance sheet date of September 30, 2009.

As at March 31, 2010, the number of outstanding shares was 15,386,742. Authorized capital amounted to € 7,693,371.

Acquisition

Based on the acquisition agreement dated February 25, 2010, BRAIN FORCE HOLDING AG assumed control of a 100% stake in INISYS Software-Consulting GmbH, Neulengbach (Austria). The initial consolidation date of March 1, 2010 was chosen. Within the context of the initial consolidation, BRAIN FORCE made use of the valid stipulations contained in IFRS 3 relating to provisionally determining initial accounting. Accordingly, the initial recognition of the business combination was only carried out on a provisional basis at the end of the reporting period in which the business combination took place because the fair values of the identifiable assets, liabilities or contingent liabilities could only be determined provisionally.

The purchase price including ancillary acquisition costs amounted to € 1.27 million. Assets with a fair value of € 0.51 million were acquired, including non-current assets of € 0.12 million. Cash and cash equivalents of € 0.16 million were also taken over. The financial liabilities assumed by BRAIN FORCE total € 0.40 million, of which € 0.04 million are non-current liabilities, whereas goodwill amounts to € 1.16 million.

The acquired company generated revenues of € 0.23 million in the reporting period, and a total result for the period of € 0.05 million. Total assets amounted to € 0.61 million as at March 31, 2010, and borrowed capital totaled € 0.46 million.

Related Party Transactions

The major shareholders along with the management and supervisory board members of BRAIN FORCE HOLDING AG, as well as associates are considered related parties.

On December 16, 2010 BRAIN FORCE HOLDING AG concluded a sale and purchase agreement with BEKO Engineering & Informatik AG, Nöhagen, in which BEKO acquired all shares of BRAIN FORCE SOFTWARE GmbH, Vienna, at a gross purchase price of € 3.80 million. BEKO Engineering & Informatik AG is a subsidiary of BEKO HOLDING AG, the majority shareholder of BRAIN FORCE HOLDING AG.

In addition to a contract regulating the provision of services, a transfer agreement with Hofer Management GmbH, Vöcklabruck, was concluded in October 2009 to put a management board member at the disposal of BRAIN FORCE. Michael Hofer is the managing director and partner of Hofer Management GmbH.

As of January 1, 2010, SolveDirect Service Management GmbH, Vienna is recognized as an associated company of BRAIN FORCE HOLDING AG. Service relationships exist with SolveDirect in some isolated cases, the scope of which does not have a material impact on the financial situation of the company.

Audit Waiver for the Interim Report

The consolidated interim financial statements for the First Half-Year Report 2009/10 as at March 31, 2010 were neither audited nor subject to an auditor's review.

Statement of the Management Board

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, 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 12, 2010
The Management Board



Dr. Michael Hofer



Mag. Thomas Melzer

Financial Calendar

Date	Event
May 12, 2010	First Half-Year Report 2009/10
August 12, 2010	Report on the first three quarters of 2009/10
December 21, 2010	Annual Report 2009/10 and press conference

Information on the Company and the BRAIN FORCE Share

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