Brain Force Holding

Hold	(old: Buy)
PT EUR 1.60	(old: 1.70)

Price	EUR 1.46
Bloomberg	BFC AV
Reuters	BFCG
Sector	IT Services

IT services holding, active throughout Europe with an own product portfolio

Share data: 13.05.2009 / Closing price

Market cap:	EUR 22.5 m
Enterprise Value (EV):	EUR 29.4 m
Book value:	EUR 24.4 m
No. of shares:	15.4 m

Shareholders:

BEKO Holding AG	54.7 %
Free Float	33.3 %
Erster Priv. Inv. Club Köln	11.4 %
Cross Industries	0.6 %

Calendar:

Figures Q2	08/21/2009
Figures Q3	11/10/2009

Change	2009E		2010E		2011E	
	old	Δ	old	Δ	old	Δ
Sales	95.6	-3.2	98.5	-3.3	105	-3.5
EBIT	1.3	-2.3	4.4	-0.1	4.7	-0.2
EPS	-0.06	-0.12	0.14	0.02	0.16	0.01

Analysis: SES Research
Date of publication: 14.05.2009
Analyst:
Felix Ellmann +49 (0)40-309537-120
ellmann@ses.de

Q1 in line - restructuring is a burden

On May 12, 2009, Brain Force Holding released the figures for Q1 09. Accordingly, the company succeeded in generating a positive operating result in the quarter under review in spite of the poor economic environment. The company had initiated the optimisation of the cost structure and the use of saving potentials at an early stage to counteract the economic situation. Despite the fact that sales were down by approx. 12% or EUR 3 m, EBIT dropped by only EUR 0.5 m, thus remaining slightly positive.

Brain Force - Q1 2009

Figures in EUR m	Q1/09	Q1/09e	Q1/08	yoy
Sales	22.3	22.5	25.3	-12.0%
EBITDA	1.0	0.9	1.6	-35.6%
margin	*4.7%*	*4.2%*	*6.4%*	
EBIT	0.1	0.0	0.6	-82.1%
margin	*0.5%*	*0.0%*	*2.4%*	
EPS in EUR	-0.02	-0.03	0.01	-

Sources: Brain Force (historical data), SES Research (estimates)

All in all, Brain Force's business has stabilised on a lower level as evidenced by the stable order situation (EUR 30 m). Although the company has to face longer investment cycles and a wait-and-see attitude of the customers in nearly all markets for economic reasons, the order situation appears to stabilise now. Orders from existing customers are the stabilising factor here. Orders from new customers and license revenues, however, are difficult to generate at present.

Yet, the company will likely spend between EUR 0.7 and EUR 2.5 m in Q2 and Q3 for further restructuring measures. The present earnings estimate (SES) is therefore slightly revised upwards again. The aim is to generate positive operating earnings before restructuring expenses.

The short-term newsflow is expected to be driven by the expenses for the restructuring in Q2 and Q3. In 2010, however, the company looks set to return to significant profitability.

The PT is slightly reduced to EUR 1.60. The new rating is Hold.

Fiscal year ending: 31.12.	2006	2007	2008	2009E	2010E	2011E
Sales	88.5	98.3	106	92.4	95.2	102
Change Sales yoy	n.a.	11.1 %	8.0 %	-13.0 %	3.0 %	7.0 %
Gross balance	24.6	19.3	27.4	21.3	23.8	25.5
Gross margin	*27.8 %*	*19.6 %*	*25.8 %*	*23.0 %*	*25.0 %*	*25.0 %*
EBITDA	6.5	0.3	7.8	2.8	8.0	8.6
EBITDA-margin	7.4 %	0.4 %	7.3 %	3.0 %	8.4 %	8.4 %
EBIT	2.9	-16.7	3.8	-0.9	4.3	4.6
EBIT-margin	3.3 %	-17.0 %	3.6 %	-1.0 %	4.5 %	4.5 %
Net income	4.2	-19.9	-2.1	-2.7	2.5	2.7
EPS	0.10	-1.29	-0.14	-0.18	0.16	0.17
Free Cash Flow per share	0.31	-0.31	0.27	0.04	0.21	0.19
Dividend	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*	*n.a.*
EV/Sales	0.3	0.3	0.3	0.3	0.3	0.2
EV/EBITDA	4.5	85.6	3.8	10.6	3.3	2.7
EV/EBIT	10.2	-1.8	7.7	-31.9	6.1	5.1
PER	14.6	-1.1	-10.4	-8.1	9.1	8.6
ROCE	4.8 %	-30.2 %	8.4 %	-2.2 %	10.0 %	10.1 %
Adj. Free Cash Flow Yield	14.4 %	-6.4 %	19.6 %	0.7 %	21.6 %	26.7 %

Per Share figures in EUR, other figures in EUR m., price: EUR 1.46

Consolidated Profit & Loss Brain Force Holding

in EUR m	2006	2007	2008	2009E	2010E	2011E
Sales	**88.5**	**98.3**	**106**	**92.4**	**95.2**	**102**
Cost of sales	63.9	79.1	78.8	71.1	71.4	76.4
Gross balance	**24.6**	**19.3**	**27.4**	**21.3**	**23.8**	**25.5**
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	9.3	11.9	11.5	11.1	10.5	11.2
General and administration	12.2	14.2	11.0	11.1	9.0	9.7
Other operating income/expenses	-0.2	-1.2	-1.1	0.0	0.0	0.0
EBITDA	**6.5**	**0.3**	**7.8**	**2.8**	**8.0**	**8.6**
Depreciation of fixed assets	0.7	0.8	1.1	0.9	1.0	1.0
EBITA	**5.8**	**-0.5**	**6.7**	**1.8**	**7.0**	**7.5**
Amortisation of intangible fixed assets	2.9	7.6	2.9	2.8	2.8	3.0
Impairment charges and amortisation of goodwill	0.0	8.6	0.0	0.0	0.0	0.0
EBIT	**2.9**	**-16.7**	**3.8**	**-0.9**	**4.3**	**4.6**
Interest income	0.1	0.1	0.0	0.0	0.0	0.0
Interest expenses	0.2	0.8	1.5	0.8	0.7	0.7
Financial result	0.3	-1.2	-1.4	-0.8	-0.7	-0.7
Recurring pretax income from cont. operations	**3.2**	**-17.9**	**2.4**	**-1.7**	**3.6**	**3.9**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**3.2**	**-17.9**	**2.4**	**-1.7**	**3.6**	**3.9**
Taxes total	-0.9	2.0	4.5	1.0	1.1	1.2
Net income from continuing operations	**4.2**	**-19.9**	**-2.1**	**-2.7**	**2.5**	**2.7**
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	**4.2**	**-19.9**	**-2.1**	**-2.7**	**2.5**	**2.7**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**4.2**	**-19.9**	**-2.1**	**-2.7**	**2.5**	**2.7**

Sources: Brain Force Holding (historical data), SES Research (forecasts)

Consolidated Profit & Loss Brain Force Holding

in % of Sales	2006	2007	2008	2009E	2010E	2011E
Sales	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Cost of sales	72.2 %	80.4 %	74.2 %	77.0 %	75.0 %	75.0 %
Gross balance	**27.8 %**	**19.6 %**	**25.8 %**	**23.0 %**	**25.0 %**	**25.0 %**
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales and marketing	10.5 %	12.1 %	10.9 %	12.0 %	11.0 %	11.0 %
General and administration	13.8 %	14.5 %	10.3 %	12.0 %	9.5 %	9.5 %
Other operating income/expenses	-0.2 %	-1.2 %	-1.0 %	0.0 %	0.0 %	0.0 %
EBITDA	**7.4 %**	**0.4 %**	**7.4 %**	**3.0 %**	**8.4 %**	**8.4 %**
Depreciation of fixed assets	0.8 %	0.8 %	1.0 %	1.0 %	1.0 %	1.0 %
EBITA	**6.5 %**	**-0.5 %**	**6.3 %**	**2.0 %**	**7.4 %**	**7.4 %**
Amortisation of intangible fixed assets	3.2 %	7.7 %	2.7 %	3.0 %	2.9 %	2.9 %
Impairment charges and amortisation of goodwill	0.0 %	8.8 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	**3.3 %**	**-17.0 %**	**3.6 %**	**-1.0 %**	**4.5 %**	**4.5 %**
Interest income	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.3 %	0.8 %	1.4 %	0.9 %	0.7 %	0.7 %
Financial result	0.4 %	-1.3 %	-1.4 %	-0.9 %	-0.7 %	-0.7 %
Recurring pretax income from cont. operations	**3.7 %**	**-18.2 %**	**2.3 %**	**-1.9 %**	**3.8 %**	**3.8 %**
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	**3.7 %**	**-18.2 %**	**2.3 %**	**-1.9 %**	**3.8 %**	**3.8 %**
Taxes total	-1.1 %	2.0 %	4.2 %	1.1 %	1.2 %	1.2 %
Net income from continuing operations	**4.7 %**	**-20.3 %**	**-2.0 %**	**-3.0 %**	**2.6 %**	**2.6 %**
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income before minorities	**4.7 %**	**-20.3 %**	**-2.0 %**	**-3.0 %**	**2.6 %**	**2.6 %**
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	**4.7 %**	**-20.3 %**	**-2.0 %**	**-3.0 %**	**2.6 %**	**2.6 %**

Sources: Brain Force Holding (historical data), SES Research (forecasts)

Balance sheet Brain Force Holding

in EUR m	2006	2007	2008	2009E	2010E	2011E
Assets						
Intangible assets	31.8	28.9	25.8	23.9	21.9	19.8
thereof other intangible assets	10.5	13.1	11.3	9.4	7.4	5.2
thereof Goodwill	21.3	15.9	14.5	14.5	14.5	14.5
Property, plant and equipment	1.6	2.3	2.5	3.5	4.2	4.9
Financial assets	0.7	0.2	0.2	0.2	0.2	0.2
Fixed assets	**34.1**	**31.4**	**28.5**	**27.6**	**26.4**	**24.9**
Inventories	0.3	0.3	0.2	0.3	0.3	0.3
Accounts receivable	25.9	28.2	26.9	23.3	24.0	25.7
Other Assets	7.7	5.0	1.9	1.9	1.9	1.9
Liquid assets	13.5	9.4	8.8	8.5	11.2	14.2
Current assets	**47.5**	**42.9**	**37.8**	**34.0**	**37.4**	**42.1**
Total assets	**81.6**	**74.3**	**66.3**	**61.6**	**63.8**	**66.9**
Liabilities and shareholders' equity						
Subscribed capital	15.4	15.4	15.4	15.4	15.4	15.4
Additional paid-in capital	24.8	15.5	15.2	15.2	15.2	15.2
Surplus capital	0.0	0.0	0.0	-2.7	-0.2	2.4
Other equity components	8.0	-4.7	-6.5	-3.5	-3.6	-3.5
Book value	48.1	26.3	24.1	24.4	26.8	29.6
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	**48.1**	**26.3**	**24.1**	**24.4**	**26.8**	**29.6**
Provision for pensions and similar obligations	3.9	2.6	2.3	2.3	2.3	2.3
Provisions	10.0	7.5	4.3	4.3	4.3	4.3
Financial liabilities	2.5	16.0	13.7	13.2	12.7	12.7
Accounts payable	8.5	9.8	8.3	7.3	7.5	8.0
Other liabilities	12.4	14.8	15.9	12.4	12.4	12.4
Liabilities	**33.5**	**48.1**	**42.2**	**37.2**	**36.9**	**37.4**
Total liabilities and shareholders equity	**81.6**	**74.3**	**66.3**	**61.6**	**63.7**	**67.0**

Sources: Brain Force Holding (historical data), SES Research (forecasts)

Balance sheet Brain Force Holding

in % of Balance Sheet Total	2006	2007	2008	2009E	2010E	2011E
Assets						
Intangible assets	39.0 %	38.9 %	39.0 %	38.8 %	34.3 %	29.5 %
thereof other intangible assets	12.9 %	17.6 %	17.1 %	15.2 %	11.6 %	7.8 %
thereof Goodwill	26.1 %	21.4 %	21.9 %	23.6 %	22.8 %	21.7 %
Property, plant and equipment	2.0 %	3.1 %	3.8 %	5.7 %	6.7 %	7.4 %
Financial assets	0.9 %	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %
Fixed assets	**41.8 %**	**42.3 %**	**43.0 %**	**44.8 %**	**41.3 %**	**37.2 %**
Inventories	0.4 %	0.4 %	0.3 %	0.5 %	0.5 %	0.5 %
Accounts receivable	31.7 %	37.9 %	40.6 %	37.8 %	37.6 %	38.4 %
Other Assets	9.5 %	6.8 %	2.9 %	3.1 %	3.0 %	2.8 %
Liquid assets	16.6 %	12.7 %	13.3 %	13.8 %	17.6 %	21.2 %
Current assets	**58.2 %**	**57.7 %**	**57.0 %**	**55.2 %**	**58.6 %**	**62.9 %**
Total assets	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Liabilities and shareholders' equity						
Subscribed capital	18.9 %	20.7 %	23.2 %	25.0 %	24.1 %	23.0 %
Additional paid-in capital	30.3 %	20.9 %	23.0 %	24.8 %	23.9 %	22.8 %
Surplus capital	0.0 %	0.0 %	0.0 %	-4.4 %	-0.4 %	3.7 %
Other equity components	9.8 %	-6.3 %	-9.8 %	-5.7 %	-5.6 %	-5.2 %
Book value	58.9 %	35.4 %	36.4 %	39.7 %	42.0 %	44.2 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total equity	**58.9 %**	**35.4 %**	**36.4 %**	**39.7 %**	**42.0 %**	**44.2 %**
Provision for pensions and similar obligations	4.8 %	3.4 %	3.4 %	3.7 %	3.6 %	3.4 %
Provisions	12.2 %	10.1 %	6.4 %	6.9 %	6.7 %	6.4 %
Financial liabilities	3.1 %	21.5 %	20.7 %	21.5 %	19.9 %	19.0 %
Accounts payable	10.4 %	13.2 %	12.6 %	11.9 %	11.8 %	12.0 %
Other liabilities	15.3 %	20.0 %	23.9 %	20.2 %	19.5 %	18.6 %
Liabilities	**41.0 %**	**64.7 %**	**63.6 %**	**60.4 %**	**57.8 %**	**55.9 %**
Total liabilities and shareholders equity	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**99.8 %**	**100.2 %**

Sources: Brain Force Holding (historical data), SES Research (forecasts)

Statement of Cash Flows Brain Force Holding

in EUR m	2006	2007	2008	2009E	2010E	2011E
Net income	4.2	-19.9	-2.1	-2.7	2.5	2.7
Depreciation of fixed assets	0.7	0.8	1.1	0.9	1.0	1.0
Amortisation of goodwill	0.0	8.6	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.9	7.6	2.9	2.8	2.8	3.0
Increase/decrease in long-term provisions	0.0	-1.2	-0.3	0.0	0.0	0.0
Other costs affecting income / expenses	-3.7	-0.7	5.1	0.0	0.0	0.0
Cash Flow	**4.1**	**-4.8**	**6.7**	**1.0**	**6.2**	**6.7**
Increase / decrease in inventory	0.0	0.1	0.1	-0.1	0.0	0.0
Increase / decrease in accounts receivable	3.6	0.5	1.0	3.6	-0.7	-1.7
Increase / decrease in accounts payable	-0.5	2.2	-1.4	-1.0	0.2	0.5
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital	3.1	2.8	-0.4	2.4	-0.5	-1.2
Cash flow from operating activities	**7.2**	**-2.0**	**6.3**	**3.4**	**5.7**	**5.5**
CAPEX	-2.8	-2.8	-2.1	-2.7	-2.5	-2.5
Payments for acquisitions	-11.2	-6.9	-2.3	-0.5	0.0	0.0
Financial investments	0.1	0.1	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.1	0.0	0.0	0.0	0.0
Cash flow from investing activities	**-13.9**	**-9.6**	**-4.4**	**-3.2**	**-2.5**	**-2.5**
Change in financial liabilities	-4.4	12.3	-2.3	-0.5	-0.5	0.0
Dividends paid	-0.8	-1.5	0.0	0.0	0.0	0.0
Purchase of own shares	-0.1	-3.0	0.0	0.0	0.0	0.0
Capital measures	14.1	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	**8.7**	**7.8**	**-2.3**	**-0.5**	**-0.5**	**0.0**
Change in liquid funds	2.1	-3.8	-0.4	-0.3	2.7	3.0
Effects of exchange rate changes on cash	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Liquid assets at end of period	**13.2**	**9.4**	**9.1**	**8.5**	**11.2**	**14.2**

Sources: Brain Force Holding (historical data), SES Research (forecasts)

Financial Ratios Brain Force Holding

	2006	2007	2008	2009E	2010E	2011E
Operational Efficiency						
Total Operating Costs / Sales	24.5 %	27.8 %	22.2 %	24.0 %	20.5 %	20.5 %
Sales per Employee	75,538	85,805	95,682	79,279	77,769	79,251
EBITDA per Employee	5,557	302	7,032	2,378	6,533	6,657
EBIT-margin	3.3 %	-17.0 %	3.6 %	-1.0 %	4.5 %	4.5 %
EBITDA / Operating Assets	33.8 %	1.6 %	36.8 %	14.0 %	38.0 %	37.3 %
ROA	12.2 %	-63.3 %	-7.3 %	-9.9 %	9.4 %	10.8 %
Efficiency of Capital Employment						
Plant Turnover	54.9	42.2	42.6	26.4	22.4	20.7
Operating Assets Turnover	4.6	4.7	5.0	4.7	4.5	4.4
Capital Employed Turnover	1.5	2.0	2.5	2.2	2.2	2.2
Return on Capital						
ROCE	4.8 %	-30.2 %	8.4 %	-2.2 %	10.0 %	10.1 %
EBITDA / Avg. Capital Employed	10.7 %	0.6 %	17.0 %	6.6 %	18.7 %	18.9 %
ROE	8.7 %	-75.8 %	-8.6 %	-11.2 %	9.3 %	9.1 %
Net Profit / Avg. Equity	17.4 %	-53.6 %	-8.3 %	-11.2 %	9.7 %	9.5 %
Recurring Net Profit / Avg. Equity	17.4 %	-53.6 %	-8.3 %	-11.2 %	9.7 %	9.5 %
ROIC	6.7 %	-38.1 %	-4.7 %	-6.1 %	5.4 %	5.5 %
Solvency						
Net Debt	-11.0	6.5	4.9	4.7	1.5	-1.4
Net Gearing	-22.8 %	24.9 %	20.2 %	19.3 %	5.6 %	-4.9 %
Book Value of Equity / Book Value of Debt	1889.0 %	164.4 %	176.4 %	184.9 %	210.9 %	232.8 %
Current ratio	2.1	1.5	1.4	1.5	1.7	1.8
Acid Test Ratio	1.4	1.2	1.2	1.3	1.4	1.5
EBITDA / Interest Paid	29.5	0.4	5.3	3.5	11.4	12.2
Interest Cover	30.7	n.a.	2.7	n.a.	6.1	6.5
Cash Flow						
Free Cash Flow	4.4	-4.8	4.2	0.7	3.2	3.0
Free Cash Flow / Sales	5.0 %	-4.9 %	4.0 %	0.7 %	3.4 %	2.9 %
Adj. Free Cash Flow	4.3	-1.9	5.8	0.2	5.7	6.2
Adj. Free Cash Flow / Sales	2.2 %	-4.1 %	3.0 %	-1.7 %	4.1 %	4.3 %
Free Cash Flow / Net Profit	105.7 %	24.3 %	-201.5 %	-25.2 %	128.7 %	110.1 %
Interest Received / Avg. Cash	0.9 %	0.6 %	0.4 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	8.7 %	8.5 %	10.0 %	5.9 %	5.4 %	5.5 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fund Management						
Investment ratio	3.1 %	2.7 %	2.0 %	3.0 %	2.6 %	2.5 %
Maint. Capex / Sales	2.5 %	2.3 %	1.9 %	2.8 %	2.4 %	2.3 %
Capex / Dep	76.3 %	15.7 %	53.0 %	73.9 %	67.4 %	62.9 %
Avg. Working Capital / Sales	20.0 %	18.5 %	17.6 %	19.0 %	17.4 %	17.1 %
Trade Creditors / Trade Debtors	303.4 %	288.0 %	322.5 %	319.2 %	320.0 %	321.3 %
Inventory turnover (days)	1.4	1.0	1.0	1.0	1.0	1.0
Receivables collection period (DSOs)	107	105	92.4	92.0	92.0	92.0
Payables collection period (days)	35.1	36.3	28.7	28.7	28.7	28.7
Cash conversion cycle (days)	72.9	69.3	64.8	64.3	64.3	64.3
Valuation						
P/B	0.5	0.9	0.9	0.9	0.8	0.8
EV/sales	0.3	0.3	0.3	0.3	0.3	0.2
EV/EBITDA	4.5	85.6	3.8	10.6	3.3	2.7
EV/EBIT	10.2	-1.8	7.7	-31.9	6.1	5.1
EV/FCF	6.7	-6.1	7.0	42.9	8.2	7.9
P/E	14.6	-1.1	-10.4	-8.1	9.1	8.6
P/CF	5.4	neg,	3.4	23.1	3.6	3.4

Sources: Brain Force Holding (historical data), SES Research (forecasts)

Free Cash Flow Yield - Brain Force								
Figures in EUR m		**2005**	**2006**	**2007**	**2008**	**2009e**	**2010e**	**2011e**
Net Income		0.0	4.2	-19.9	-2.1	-2.7	2.5	2.7
+ Depreciation + Amortisation		0.0	3.6	17.0	4.0	3.7	3.7	4.0
- Net Interest Income		0.0	0.3	-1.2	-1.4	-0.8	-0.7	-0.7
+ Taxes		0.0	-0.9	2.0	4.5	1.0	1.1	1.2
- Maintenance Capex		0.0	2.2	2.3	2.0	2.6	2.3	2.3
+ Others		0.0	0.0	0.0	0.0	0.0	0.0	0.0
= Adjusted Free Cash Flow		**0.0**	**4.3**	**-1.9**	**5.8**	**0.2**	**5.7**	**6.2**
Adjusted Free Cash Flow Yield		0.0%	14.5%	-6.5%	19.7%	0.7%	21.7%	26.9%
Hurdle rate		10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
= Enterprise Value		**29.5**	**29.5**	**29.5**	**29.5**	**29.3**	**26.1**	**23.1**
= Fair Enterprise Value		**-**	**42.7**	**-**	**58.1**	**2.1**	**56.7**	**62.3**
- Net Debt (Cash)		4.9	4.9	4.9	4.9	4.7	1.5	-1.4
- Pension Liabilities		2.3	2.3	2.3	2.3	2.3	2.3	2.3
- Others		0.0	0.0	0.0	0.0	0.0	0.0	0.0
= Fair Market Capitalisation		**-**	**35.5**	**-**	**50.9**	**-**	**52.9**	**61.5**
No. of shares (m)		15.4	15.4	15.4	15.4	15.4	15.4	15.4
= Fair value per share (EUR)		**-**	**2.31**	**-**	**3.31**	**-**	**3.44**	**3.99**
premium (-) / discount (+) in %		-	59.1%	-	128.3%	-	137.2%	175.5%
Sensitivity Fair value per Share (EUR)								
	13.0%	-	1.67	-	2.44	-	2.59	3.06
	12.0%	-	1.85	-	2.68	-	2.82	3.32
	11.0%	-	2.06	-	2.97	-	3.10	3.63
Hurdle rate	**10.0%**	**-**	**2.31**	**-**	**3.31**	**-**	**3.44**	**3.99**
	9.0%	-	2.62	-	3.73	-	3.85	4.44
	8.0%	-	3.00	-	4.25	-	4.36	5.01
	7.0%	-	3.50	-	4.93	-	5.02	5.73

Sources: Brain Force (historical data), SES Research (estimates)

DCF Model - Brain Force

Figures in EUR m	2009e	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e
Sales	92.4	95.2	101.8	106.9	112.3	117.9	123.8	130.0	133.2	136.5	140.0	143.5	147.0	150.7
Change	*-13.0%*	*3.0%*	*7.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*5.0%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*
EBIT	-0.9	4.3	4.6	4.8	5.1	5.3	5.6	5.8	6.0	6.1	6.3	6.5	6.6	6.8
EBIT-Margin	*-1.0%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*	*4.5%*
Tax rate	*-58.0%*	*30.7%*	*30.9%*	*39.0%*	*39.0%*	*39.0%*	*39.0%*	*39.0%*	*39.0%*	*39.0%*	*39.0%*	*39.0%*	*39.0%*	*39.0%*
NOPAT	-1.5	3.0	3.2	2.9	3.1	3.2	3.4	3.6	3.7	3.7	3.8	3.9	4.0	4.1
Depreciation	3.7	3.7	4.0	2.6	2.2	2.4	2.5	2.6	2.7	2.7	2.8	2.9	2.9	3.0
in % of Sales	*4.0%*	*3.9%*	*3.9%*	*2.4%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Change in Liquidity from														
- Working Capital	2.4	-0.5	-1.2	0.0	0.0	0.0	-0.8	-0.8	-0.5	-0.5	-0.5	-0.5	-0.5	-0.6
- Capex	-2.7	-2.5	-2.5	-2.1	-2.2	-2.4	-2.5	-2.6	-2.7	-2.7	-2.8	-2.9	-2.9	-3.0
Capex in % of Sales	*3.0%*	*2.6%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Free Cash Flow (WACC-Model)	2.0	3.7	3.4	3.4	3.1	3.3	2.6	2.7	3.2	3.3	3.3	3.4	3.5	3.4

Model parameter

Debt ratio	10.00%	Beta	1.50
Costs of Debt	7.0%	WACC	10.69%
Market return	9.00%		
Risk free rate	4.25%	Terminal Growth	2.50%

Valuation (mln)

Present values 2022e	22.4	Special items	0.9
Terminal Value	10.3		
Liabilities	-16.0		
Liquidity	8.8	No. of shares (mln)	15.39
Equity Value	**24.7**	**Value per share (EUR)**	**1.60**

Sensitivity Value per Share (EUR)

Terminal Growth

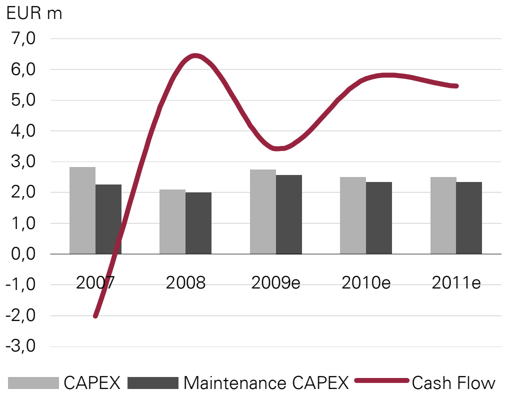
WACC	1.75%	2.00%	2.25%	**2.50%**	2.75%	3.00%	3.25%
11.69%	1.34	1.36	1.37	1.38	1.40	1.41	1.43
11.19%	1.44	1.45	1.47	1.49	1.50	1.52	1.54
10.94%	1.49	1.51	1.52	1.54	1.56	1.58	1.60
10.69%	1.55	1.56	1.58	**1.60**	1.62	1.65	1.67
10.44%	1.60	1.62	1.64	1.66	1.69	1.71	1.74
10.19%	1.66	1.69	1.71	1.73	1.76	1.78	1.81
9.69%	1.80	1.82	1.85	1.88	1.91	1.94	1.98

Delta EBIT-margin

WACC	-1.5 pp	-1.0 pp	-0.5 pp	**0.0**	+0.5 pp	+1.0 pp	+1.5 pp
11.69%	0.61	0.87	1.13	1.38	1.64	1.90	2.16
11.19%	0.67	0.94	1.22	1.49	1.76	2.03	2.30
10.94%	0.71	0.99	1.26	1.54	1.82	2.10	2.38
10.69%	0.74	1.03	1.32	**1.60**	1.89	2.18	2.46
10.44%	0.78	1.08	1.37	1.66	1.96	2.25	2.55
10.19%	0.82	1.12	1.43	1.73	2.04	2.34	2.64
9.69%	0.91	1.23	1.56	1.88	2.20	2.52	2.85

Source: SES Research

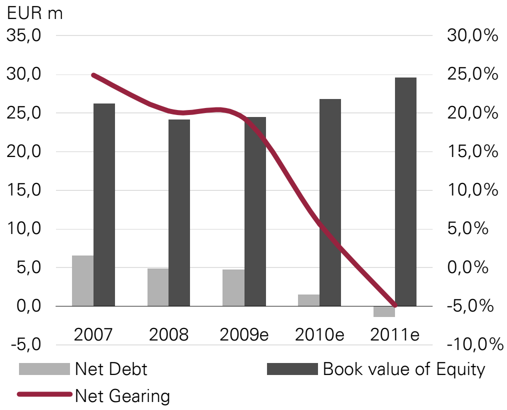
CAPEX and Cash Flow - Brain Force



Sources: Brain Force (historical data), SES Research (forecasts)

- Capex and maintenance capex are relatively stable
- Restructuring year 2007 with negative cash flow
- Cash Flow will be sustainably positive in 2009

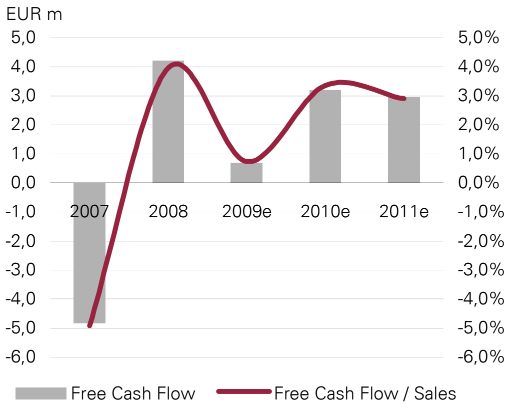
Balance Sheet Quality - Brain Force



Sources: Brain Force (historical data), SES Research (forecasts)

- Strong rise of net debt in 2007
- Write-downs reduced equity
- Net gearing drops to adequate level in 2010

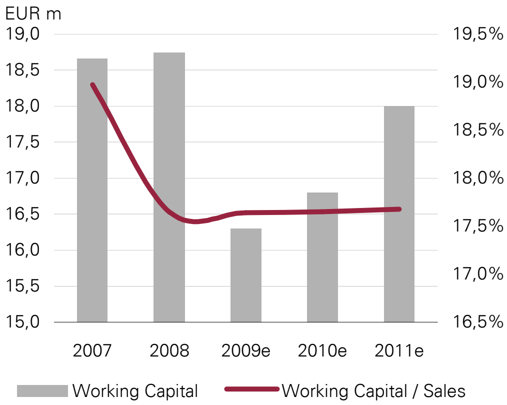
Free Cash Flow Generation - Brain Force



Sources: Brain Force (historical data), SES Research (forecasts)

- FCF clearly negative in restructuring year 2007
- Turnaround in 2008
- Typical positive CF generation from 2009 on

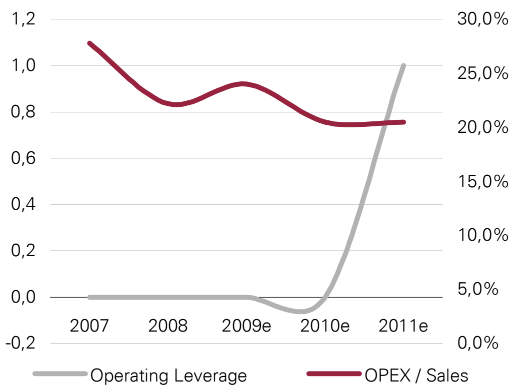
Working Capital - Brain Force



Sources: Brain Force (historical data), SES Research (forecasts)

- Working Capital grows moderately
- But ratio could be reduced
- Level is typical of the sector in comparison to sales

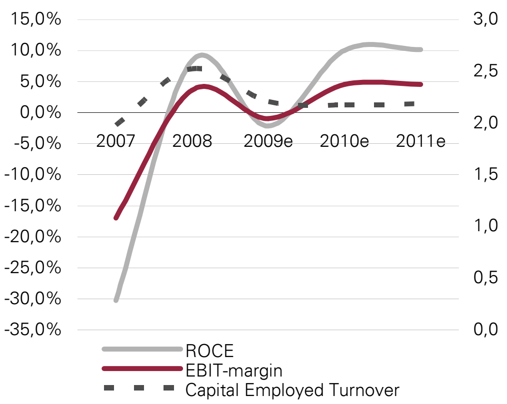
Operating Leverage - Brain Force



Sources: Brain Force (historical data), SES Research (forecasts)

- Operating Leverage not significant
- Volatile earnings were the reason...
- ...while contributions were low recently

ROCE Development - Brain Force



Sources: Brain Force (historical data), SES Research (forecasts)

- EBIT will turn positive again in 2008
- Stable margin level of 5% should be reached
- ROCE is analogous to it

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Total	**206**	

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Buy	79	59%
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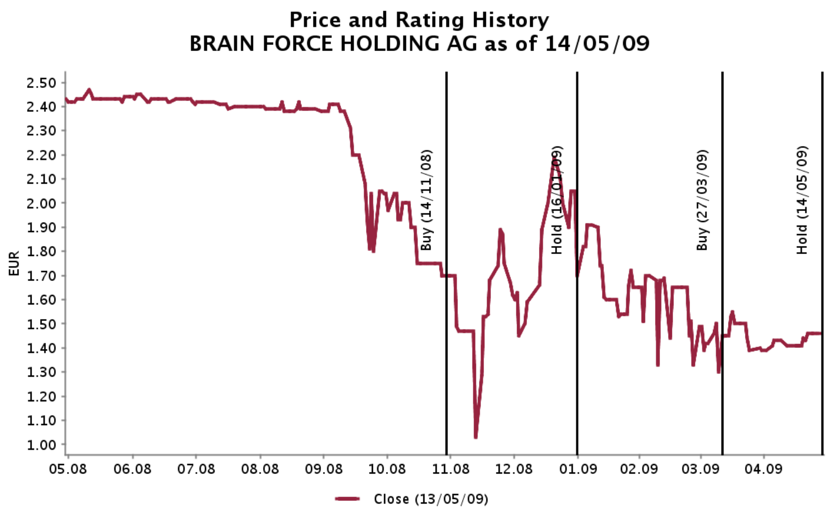
Sell	10	7%
Rating suspended	5	4%
Total	**134**	



The charts have markings if SES Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

SES Research GmbH

SES Research GmbH | Hermannstraße 9 | 20095 Hamburg

Phone: +49 40 309537 - 0 | Fax: +49 40 309537 - 110 | info@ses.de | www.ses.de

SES RESEARCH
A Member of the Warburg Group

Analyse

Felix Ellmann	+49 (0)40-309537 - 120 ellmann@ses.de	**Tim Kruse**	+49 (0)40-309537 – 180 kruse@ses.de
Henner Rüschmeier	+49 (0)40-309537 - 270 rueschmeier@ses.de	**Frank Laser**	+49 (0)40-309537 – 235 laser@ses.de
Robert Suckel	+49 (0)40-309537 - 190 suckel@ses.de	**Jochen Reichert**	+49 (0)40-309537 – 130 reichert@ses.de
Dr. Karsten von Blumenthal	+49 (0)40-309537 - 150 blumenthal@ses.de	**Malte Schaumann**	+49 (0)40-309537 – 170 schaumann@ses.de
Björn Blunck	+49 (0)40-309537 – 160 blunck@ses.de	**Franziska Schmidt-Petersen**	+49 (0)40-309537 – 100 schmidt-petersen@ses.de
Daniel Bonn	+49 (0)40-309537 – 250 bonn@ses.de	**Claudia Vedder**	+49 (0)40-309537 – 105 vedder@ses.de
Annika Boysen	+49 (0)40-309537 – 220 boysen@ses.de	**Katrin Wauker**	+49 (0)40-309537 – 200 wauker@ses.de
Finn Henning Breiter	+49 (0)40-309537 – 230 breiter@ses.de	**Andreas Wolf**	+49 (0)40-309537 – 140 wolf@ses.de
Torsten Klingner	+49 (0)40-309537 – 260 klingner@ses.de	**Tim Oliver Wunderlich**	+49 (0)40-309537 – 185 wunderlich@ses.de

M.M. Warburg & CO KGaA

M.M.Warburg & CO KGaA | Ferdinandstraße 75 | 20095 Hamburg

Phone: +49 40 3282 - 0 | Fax: +49 40 3618 - 1000 | info@mmwarburg.com | www.mmwarburg.com

M. M. WARBURG & CO
1798

Institutional Sales

Barbara C. Effler Head of Equities	+49 (0)40-3282 - 2686 beffler@mmwarburg.com	**Oliver Merckel** Head of Sales Trading	+49 (0)40-3282 - 2634 omerckel@mmwarburg.com
Dirk Rosenfelder Head of Equity Sales	+49 (0)40-3282 - 2692 drosenfelder@mmwarburg.com	**Thekla Struve** Sales Trading	+49 (0)40-3282 - 2668 tstruve @mmwarburg.com
Christian Alisch Equity Sales	+49 (0)40-3282 – 2667 calisch@mmwarburg.com	**Gudrun Bolsen** Sales Trading	+49 (0)40-3282 - 2679 gbolsen@mmwarburg.com
Matthias Fritsch Equity Sales	+49 (0)40-3282 – 2696 mfritsch@mmwarburg.com	**Bastian Quast** Sales Trading	+49 (0)40-3282 - 2701 bquast@mmwarburg.com
Dr. James F. Jackson Equity Sales	49 (0)40-3282 – 2664 jjackson@mmwarburg.com	**Patrick Schepelmann** Sales Trading	+49 (0)40-3282 - 2700 pschepelmann@mmwarburg.com
Wolf-Oliver Jürgens Equity Sales	+49 (0)40-3282 - 2666 wjuergens@mmwarburg.com	**Jörg Treptow** Sales Trading	+49 (0)40-3282 - 2658 jtreptow@mmwarburg.com
Benjamin Kassen Equity Sales	+49 (0)40-3282 - 2630 bkassen@mmwarburg.com	**Andrea Carstensen** Sales Assistance	+49 (0)40-3282 - 2632 acarstensen@mmwarburg.com
Michael Kriszun Equity Sales	+49 (0)40-3282 - 2695 mkriszun@mmwarburg.com	**Wiebke Möller** Sales Assistance	+49 (0)40-3282 - 2703 wmoeller@mmwarburg.com
Denis Moreau Equity Sales	+49 (0)40-3282 – 2669 dmoreau@mmwarburg.com	**Katharina Bruns** Roadshow / Marketing	+49 (0)40-3282 - 2694 kbruns@mmwarburg.com
Marco Schumann Equity Sales	+49 (0)40-3282 - 2665 mschumann@mmwarburg.com		
Andreas Wessel Equity Sales	+49 (0)40-3282 - 2663 awessel@mmwarburg.com		