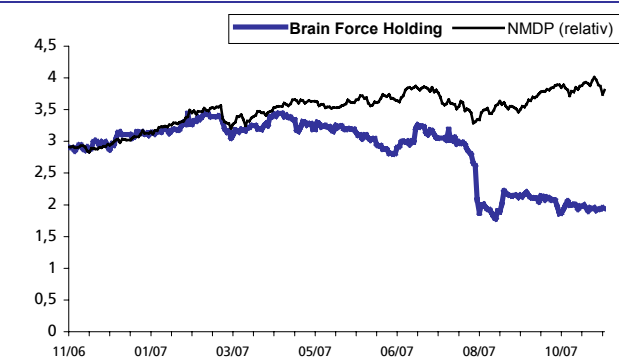


Hold Risk: Price target: **n.a.** **Harsh landing**
(old: Hold) high

Bloomberg: BFC GY Price: EUR 1.94
Reuters: BFCG.DE Tech-AS: 1.190,86
ISIN: AT0000820659
Internet: www.Brainforce.com
Segment: Prime Standard
Sector: IT-Dienstleister



Share data: Bloomberg 14.11.2007 / Closing price

High / Low 52 W: EUR 3.48 / EUR 1.73
Market cap.: EUR 29.85 m.
No. of shares (fully diluted): 15.39 m.

Aktionäre: Free Float 79.32%
H. Fleischmann Privatstiftung 15.67%
BEKO Holding AG 5.01%

Calendar: Figures Q3/07 26.11.2007

Analysis: SES Research

Date of publication: 15.11.2007
Felix Ellmann (Analyst) +49-(0)40 309537-12

Institutional Client Contact: M.M.Warburg & CO

Barbara C. Effler (Head of Equities) +49-(0)40 3282-2636
Institutional Equity Sales
Christian Alisch +49-(0)40 3282-2667
Thomas Dinges +49-(0)40 3282-2635
Matthias Fritsch +49-(0)40 3282-2696
Dr. James F. Jackson +49-(0)40 3282-2664
Oliver Jürgens +49-(0)40 3282-2666
Benjamin Kassen +49-(0)40 3282-2630
Marina Konzog +49-(0)40 3282-2669
Linn Lenné +49-(0)40 3282-2695
Dirk Rosenfelder +49-(0)40 3282-2692
Marco Schumann +49-(0)40 3282-2665
Andreas Wessel +49-(0)40 3282-2663
Sales Trading
Oliver Merckel +49-(0)40 3282-2634
Thekla Struve +49-(0)40 3282-2668
Gudrun Bolsen +49-(0)40 3282-2679
Nils Carstens +49-(0)40 3282-2701
Jörg Treptow +49-(0)40 3282-2658
Patrick Schepelmann +49-(0)40 3282-2700
Sales Assistance
Wiebke Möller +49-(0)40 3282-2703
Kerstin Muthig +49-(0)40 3282-2632

On November 9, 2007, the Brain Force AG announced business figures for Q3 2007. The figures express the company's fundamental restructuring. As already announced on October 2, 2007 (see News-Flash) drastic new valuations as well as operating changes were expected. Already on September 6, 2007 Brain Force had announced a change of management.

The reason for the restructuring were false estimations with respect to the sales potentials of diverse products and services. The acquisition policy of the last years made a fundamental new orientation necessary. Correspondingly, the main adjustments were made in the following segments:

- Strict concentration on the profitable segments of the company (restructuring). This includes the closing of all unprofitable - and for the company growth- not relevant locations. As a consequence those locations in the USA, Great Britain and in Spain will be closed whose sales contribution were so far marginal.
- Stop of development for projects with too little profit potential.
- Reorganisation of sale
- New valuation of acquired company segments (impairment)
- New valuation of capitalised services within projects and product developments

The necessary adjustments were made completely in Q3.

In the first nine months, sales came in at EUR 71.4 m and earnings (EBIT after restructuring and impairment) at EUR – 17.4 m. Against the background of the announced drastic restructuring these figures were no surprise. Now, the outlook for 2007 is EUR 98 m (sales) and EUR –16.8 m (EBIT). This is little less than the previously announced EBIT of EUR –14 m. However, a considerable part thereof, has no effect on cash flows, as it is results from impairments.

Currently, the company's net debt is EUR 7 m. In the long-term (2013) the company is financed with debt (volume: EUR 10 m). Against the background of an expected positive Q4 we thus do not expect a cash problem.

In Q4 EBIT should be slightly positive with EUR 0.6 m. For 2008 the company expects an increase in sales of 5-10%. The EBIT should be EUR 2-3 m.

The complete report will be presented on November 26, 2007. We will publish new estimates in this connection. The HOLD rating is reiterated.



Disclaimer: The legal disclaimer as well as updated disclosures according to Section 34b of the German Securities Trading Act and German FinAnV on the security/securities analysed in this report can be found on internet pages at: <http://www.mmwarburg.com/disclaimer/disclaimer.htm> The disclaimer and disclosures provided are considered a part of this report and should be taken into account when making investment decisions based on this report.

Copyright: This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.