

Buy (old: Hold)

PT EUR 1.50 (old: 1.40)

Price EUR 1.18
 Bloomberg BFC AV
 Reuters BFCG
 Sector IT Services

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



Share data: 17.12.2009 / Closing price

Market cap: EUR 18.2 m
 Enterprise Value (EV): EUR 26.2 m
 Book value: EUR 27.1 m
 No. of shares: 15.4 m
 Trading volume Ø: EUR 0.0 m

Shareholders:

BEKO Holding AG 54.7 %
 Free Float 27.8 %
 Erster Priv. Inv. Club Köln 17.0 %
 Cross Industries 0.6 %

Calendar:

Figures 2009 12/22/2009
 Figures Q1 02/16/2010
 AGM 02/24/2010
 Figures Q2 05/12/2010

Analysis: SES Research
 Date of publication: 18.12.2009
 Analyst: Felix Ellmann
 +49 (0)40-309537-120
 ellmann@ses.de

Attractive transaction

On December 16, 2009, Brain Force Holding AG announced to have **sold its Austrian Professional Services activities** („body leasing“) to BEKO Holding. This merger enables BEKO to act considerably more efficiently in Austria and leads to an attractive purchase price. Thus, Brain Force will accrue EUR 3.8 m and the company will have a book profit of EUR 2.5 m for the fiscal year 2009/10 (as of September 30, 2010).

- From Brain Force's point of view **this transaction is attractive as sales of EUR 7.6 m and an EBIT of EUR 0.2 m were planned for the Austrian Professional Services activities**. The successful German Professional Services business, which is considerably above the critical mass (180 employees) compared to Austria, remains unaffected of this transaction.
- Additionally, it is important that the company will accrue funds which enable **strategic scope and a balance sheet stabilisation**.
- Brain Force will focus on IT service management solutions, the own application management solutions as well as the expansion of the Microsoft Dynamics business in Austria in future. Brain Force's **strategy focused on the business solutions and infrastructure optimisation segments** in 2008. Additionally, a business solution unit for Microsoft Dynamics (mainly NAV and AX) was established. The accrued funds will also be used for the targeted expansion.

The profit estimates are adjusted in terms of sales and earnings and now include the expected book profit. **This transaction also has a positive impact on the PT. The PT is increased from EUR 1.40 to EUR 1.50.**

On December 22, Brain Force will release the complete financial figures for the short financial year 2009 (as of September 30, 2009). It is also expected that the company will substantiate its strategy and the guidance for the upcoming years.

The new rating for the share is **BUY** again (old: Hold).

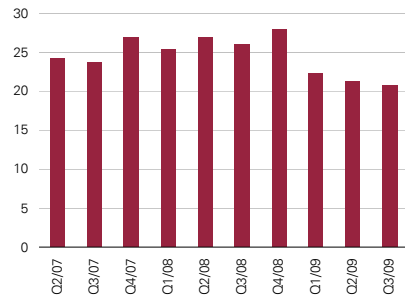
(In the table below, the fiscal years 2009/10 and 2010/2011 end on Sep. 30 respectively. The year 2008/09 is a short fiscal year (9-month) as of Sep. 30, 2009. The previous years are complete fiscal years as of Dec. 31 2005/2006/2007 and 2008)

Fiscal year ending: 30.9.	2004/05	2005/06	2006/07	2007/08	2008/09E	2009/10E	2010/11E
Sales	76.6	88.5	98.3	106	61.7	81.6	85.7
<i>Change Sales yoy</i>	18.9 %	15.5 %	11.1 %	8.0 %	-41.9 %	32.3 %	5.0 %
Gross balance	76.6	88.5	19.3	27.4	13.5	18.8	21.0
<i>Gross margin</i>	100.0 %	100.0 %	19.6 %	25.8 %	21.9 %	23.0 %	24.5 %
EBITDA	6.0	6.5	0.3	7.8	-0.2	6.4	6.3
<i>EBITDA-margin</i>	7.9 %	7.4 %	0.4 %	7.3 %	-0.3 %	7.8 %	7.3 %
EBIT	3.6	2.9	-16.7	3.8	-2.9	3.2	2.9
<i>EBIT-margin</i>	4.7 %	3.3 %	-17.0 %	3.6 %	-4.7 %	3.9 %	3.4 %
Net income	3.0	4.2	-19.9	-2.1	-4.8	2.5	1.4
EPS	0.30	0.10	-1.29	-0.14	-0.31	0.16	0.09
Free Cash Flow per share	0.55	0.31	-0.31	0.27	-0.07	0.24	0.15
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend Yield</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/Sales	0.3	0.3	0.3	0.2	0.4	0.3	0.2
EV/EBITDA	4.2	3.9	73.2	3.2	-128.6	3.3	3.0
EV/EBIT	7.1	8.7	-1.5	6.6	-9.0	6.6	6.5
PER	3.9	11.8	-0.9	-8.4	-3.8	7.4	13.1
ROCE	n.a.	4.8 %	-30.2 %	8.4 %	-7.2 %	7.8 %	6.7 %
Adj. Free Cash Flow Yield	23.5 %	16.9 %	-7.5 %	22.9 %	-19.7 %	22.6 %	24.2 %

Per Share figures in EUR, other figures in EUR m., price: EUR 1.18

Sales growth

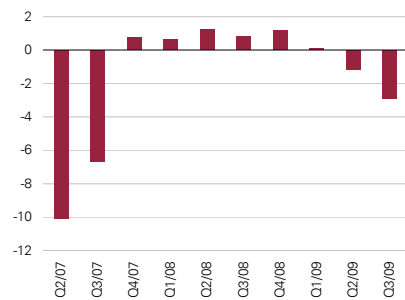
in EUR m



Source: Brain Force

EBIT growth

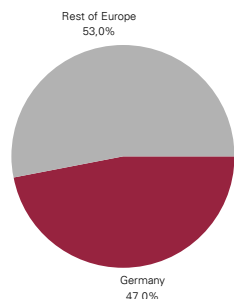
in EUR m



Source: Brain Force

Sales by regions

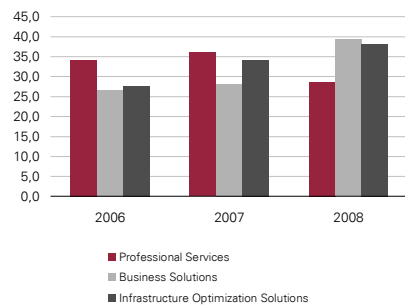
2008



Source: Brain Force

Sales Split according to segments

in EUR m



Source: Brain Force

Company background

Brain Force Holding is an Austrian software holding with different IT companies. Having grown through heterogeneous acquisitions, the company is focussed – after a restructuring in 2008 - on the following areas:

- Professional Services: IT services dealing with the implementation, development and maintenance of business software as well as body leasing of IT experts.
- Business Solutions: Mainly IT services and products in the area of application software (Microsoft Dynamics) and own solutions for financial service companies (FINAS Suite).
- Infrastructure Optimisation Solutions: Infrastructure solutions for the implementation, optimisation and smooth operation of IT networks as well as the world's largest SaaS IT service management platform.

Besides, the company divested unprofitable and unattractive business units and focused the remaining business units to the profitable sites.

Competitive quality

As a classical IT service company Brain Force is position in a highly competed market with a heterogeneous competitive structure. In competition Brain Force benefits from:

- its 25 years of experience,
- excellent references,
- a strong regional footprint
- appropriate local manning level (critical mass)
- and focused (high margin) own software products in the field of corporate software for financial service companies or products to optimise the infrastructure.

Furthermore, a high share of existing long-term contract customers is a sound basis for the business of Brain Force.

Consolidated Profit & Loss Brain Force Holding							
in EUR m							
	2004/05	2005/06	2006/07	2007/08	2008/09E	2009/10E	2010/11E
Sales	76.6	88.5	98.3	106	61.7	81.6	85.7
Cost of sales	0.0	0.0	79.1	78.8	48.2	62.8	64.7
Gross balance	76.6	88.5	19.3	27.4	13.5	18.8	21.0
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	0.0	0.0	11.9	11.5	7.4	9.1	9.5
General and administration	0.0	0.0	14.2	11.0	7.3	9.0	8.6
Other operating income/expenses	0.0	0.0	-1.2	-1.1	0.0	2.5	0.0
Unfrequent items	0.0	0.0	0.0	0.0	-1.7	0.0	0.0
EBITDA	6.0	6.5	0.3	7.8	-0.2	6.4	6.3
Depreciation of fixed assets	2.5	0.7	0.8	1.1	0.6	0.8	0.9
EBITA	3.6	5.8	-0.5	6.7	-0.8	5.6	5.4
Amortisation of intangible fixed assets	0.0	2.9	7.6	2.9	2.1	2.4	2.5
Impairment charges and amortisation of goodwill	0.0	0.0	8.6	0.0	0.0	0.0	0.0
EBIT	3.6	2.9	-16.7	3.8	-2.9	3.2	2.9
Interest income	0.1	0.1	0.1	0.0	0.4	0.0	0.0
Interest expenses	0.0	0.2	0.8	1.5	0.6	0.7	0.7
Financial result	0.1	0.3	-1.2	-1.4	-0.2	-0.7	-0.7
Recurring pretax income from cont. operations	3.7	3.2	-17.9	2.4	-3.1	2.5	2.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	3.7	3.2	-17.9	2.4	-3.1	2.5	2.2
Taxes total	0.5	-0.9	2.0	4.5	-0.7	0.0	0.8
Net income from continuing operations	3.1	4.2	-19.9	-2.1	-2.4	2.5	1.4
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	-2.4	0.0	0.0
Net income before minorities	3.1	4.2	-19.9	-2.1	-4.8	2.5	1.4
Minority interest	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Net income	3.0	4.2	-19.9	-2.1	-4.8	2.5	1.4

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

Consolidated Profit & Loss Brain Force Holding							
in % of Sales							
	2004/05	2005/06	2006/07	2007/08	2008/09E	2009/10E	2010/11E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	0.0 %	0.0 %	80.4 %	74.2 %	78.1 %	77.0 %	75.5 %
Gross balance	100.0 %	100.0 %	19.6 %	25.8 %	21.9 %	23.0 %	24.5 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales and marketing	0.0 %	0.0 %	12.1 %	10.9 %	12.0 %	11.2 %	11.1 %
General and administration	0.0 %	0.0 %	14.5 %	10.3 %	11.9 %	11.0 %	10.0 %
Other operating income/expenses	0.0 %	0.0 %	-1.2 %	-1.0 %	0.0 %	3.1 %	0.0 %
Unfrequent items	0.0 %	0.0 %	0.0 %	0.0 %	-2.7 %	0.0 %	0.0 %
EBITDA	7.9 %	7.4 %	0.4 %	7.4 %	-0.3 %	7.8 %	7.3 %
Depreciation of fixed assets	3.2 %	0.8 %	0.8 %	1.0 %	1.0 %	1.0 %	1.0 %
EBITA	4.7 %	6.5 %	-0.5 %	6.3 %	-1.3 %	6.8 %	6.3 %
Amortisation of intangible fixed assets	0.0 %	3.2 %	7.7 %	2.7 %	3.4 %	2.9 %	2.9 %
Impairment charges and amortisation of goodwill	0.0 %	0.0 %	8.8 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	4.7 %	3.3 %	-17.0 %	3.6 %	-4.7 %	3.9 %	3.4 %
Interest income	0.1 %	0.1 %	0.1 %	0.0 %	0.7 %	0.0 %	0.0 %
Interest expenses	0.0 %	0.3 %	0.8 %	1.4 %	1.0 %	0.9 %	0.8 %
Financial result	0.1 %	0.4 %	-1.3 %	-1.4 %	-0.3 %	-0.9 %	-0.8 %
Recurring pretax income from cont. operations	4.8 %	3.7 %	-18.2 %	2.3 %	-5.0 %	3.1 %	2.6 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	4.8 %	3.7 %	-18.2 %	2.3 %	-5.0 %	3.1 %	2.6 %
Taxes total	0.7 %	-1.1 %	2.0 %	4.2 %	-1.1 %	0.0 %	0.9 %
Net income from continuing operations	4.1 %	4.7 %	-20.3 %	-2.0 %	-3.9 %	3.1 %	1.7 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	-3.9 %	0.0 %	0.0 %
Net income before minorities	4.1 %	4.7 %	-20.3 %	-2.0 %	-7.8 %	3.1 %	1.7 %
Minority interest	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	4.0 %	4.7 %	-20.3 %	-2.0 %	-7.8 %	3.1 %	1.7 %

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

Balance sheet Brain Force Holding

in EUR m

	2004/05	2005/06	2006/07	2007/08	2008/09E	2009/10E	2010/11E
Assets							
Intangible assets	0.0	31.8	28.9	25.8	24.6	23.0	21.3
thereof other intangible assets	0.0	10.5	13.1	11.3	10.0	8.5	6.8
thereof Goodwill	0.0	21.3	15.9	14.5	14.5	14.5	14.5
Property, plant and equipment	0.0	1.6	2.3	2.5	3.8	3.9	4.0
Financial assets	0.0	0.7	0.2	0.2	0.2	0.2	0.2
Fixed assets	0.0	34.1	31.4	28.5	28.6	27.1	25.5
Inventories	0.0	0.3	0.3	0.2	0.2	0.2	0.2
Accounts receivable	0.0	25.9	28.2	26.9	19.7	21.4	22.4
Other Assets	0.0	7.7	5.0	1.9	1.9	1.9	1.9
Liquid assets	0.0	13.5	9.4	8.8	5.5	10.4	12.7
Current assets	0.0	47.5	42.9	37.8	27.3	33.9	37.2
Total assets	0.0	81.6	74.3	66.3	55.8	61.0	62.7
Liabilities and shareholders' equity							
Subscribed capital	0.0	15.4	15.4	15.4	15.4	15.4	15.4
Additional paid-in capital	0.0	24.8	15.5	15.2	15.2	15.2	15.2
Surplus capital	0.0	0.0	0.0	0.0	-4.8	-2.3	-0.9
Other equity components	0.0	8.0	-4.7	-6.5	-2.5	-1.2	-1.2
Book value	0.0	48.1	26.3	24.1	23.3	27.1	28.6
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	0.0	48.1	26.3	24.1	23.3	27.1	28.6
Provision for pensions and similar obligations	0.0	3.9	2.6	2.3	2.3	2.3	2.3
Provisions	0.0	10.0	7.5	4.3	4.3	4.3	4.3
Financial liabilities	0.0	2.5	16.0	13.7	11.2	11.2	11.2
Accounts payable	0.0	8.5	9.8	8.3	4.6	6.0	6.3
Other liabilities	0.0	12.4	14.8	15.9	12.4	12.4	12.4
Liabilities	0.0	33.5	48.1	42.2	32.5	33.9	34.2
Total liabilities and shareholders equity	0.0	81.6	74.3	66.3	55.8	61.0	62.7

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

Balance sheet Brain Force Holding

in % of Balance Sheet Total

	2004/05	2005/06	2006/07	2007/08	2008/09E	2009/10E	2010/11E
Assets							
Intangible assets	n.a.	39.0 %	38.9 %	39.0 %	44.0 %	37.7 %	34.0 %
thereof other intangible assets	n.a.	12.9 %	17.6 %	17.1 %	18.0 %	13.9 %	10.8 %
thereof Goodwill	n.a.	26.1 %	21.4 %	21.9 %	26.0 %	23.8 %	23.2 %
Property, plant and equipment	n.a.	2.0 %	3.1 %	3.8 %	6.8 %	6.4 %	6.4 %
Financial assets	n.a.	0.9 %	0.3 %	0.3 %	0.4 %	0.3 %	0.3 %
Fixed assets	n.a.	41.8 %	42.3 %	43.0 %	51.2 %	44.4 %	40.7 %
Inventories	n.a.	0.4 %	0.4 %	0.3 %	0.4 %	0.3 %	0.3 %
Accounts receivable	n.a.	31.7 %	37.9 %	40.6 %	35.3 %	35.1 %	35.7 %
Other Assets	n.a.	9.5 %	6.8 %	2.9 %	3.4 %	3.1 %	3.0 %
Liquid assets	n.a.	16.6 %	12.7 %	13.3 %	9.8 %	17.1 %	20.3 %
Current assets	n.a.	58.2 %	57.7 %	57.0 %	48.9 %	55.6 %	59.3 %
Total assets	n.a.	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Liabilities and shareholders' equity							
Subscribed capital	n.a.	18.9 %	20.7 %	23.2 %	27.6 %	25.2 %	24.5 %
Additional paid-in capital	n.a.	30.3 %	20.9 %	23.0 %	27.3 %	25.0 %	24.3 %
Surplus capital	n.a.	0.0 %	0.0 %	0.0 %	-8.6 %	-3.8 %	-1.4 %
Other equity components	n.a.	9.8 %	-6.3 %	-9.8 %	-4.5 %	-1.9 %	-1.9 %
Book value	n.a.	58.9 %	35.4 %	36.4 %	41.9 %	44.5 %	45.5 %
Minority Interest	n.a.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total equity	n.a.	58.9 %	35.4 %	36.4 %	41.9 %	44.5 %	45.5 %
Provision for pensions and similar obligations	n.a.	4.8 %	3.4 %	3.4 %	4.1 %	3.7 %	3.6 %
Provisions	n.a.	12.2 %	10.1 %	6.4 %	7.7 %	7.0 %	6.8 %
Financial liabilities	n.a.	3.1 %	21.5 %	20.7 %	20.1 %	18.4 %	17.9 %
Accounts payable	n.a.	10.4 %	13.2 %	12.6 %	8.2 %	9.8 %	10.1 %
Other liabilities	n.a.	15.3 %	20.0 %	23.9 %	22.3 %	20.4 %	19.8 %
Liabilities	n.a.	41.0 %	64.7 %	63.6 %	58.2 %	55.6 %	54.5 %
Total liabilities and shareholders equity	n.a.	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

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

Statement of Cash Flows Brain Force Holding

in EUR m

	2004/05	2005/06	2006/07	2007/08	2008/09E	2009/10E	2010/11E
Net income	3.1	4.2	-19.9	-2.1	-4.8	2.5	1.4
Depreciation of fixed assets	2.5	0.7	0.8	1.1	0.6	0.8	0.9
Amortisation of goodwill	0.0	0.0	8.6	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	2.9	7.6	2.9	2.1	2.4	2.5
Increase/decrease in long-term provisions	0.0	0.0	-1.2	-0.3	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	-3.7	-0.7	5.1	0.3	0.0	0.0
Cash Flow	5.6	4.1	-4.8	6.7	-1.8	5.7	4.8
Increase / decrease in inventory	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Increase / decrease in accounts receivable	0.0	3.6	0.5	1.0	7.2	-1.7	-1.0
Increase / decrease in accounts payable	0.0	-0.5	2.2	-1.4	-3.7	1.4	0.3
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital	0.0	3.1	2.8	-0.4	3.4	-0.3	-0.7
Cash flow from operating activities	5.6	7.2	-2.0	6.3	1.6	5.4	4.1
CAPEX	0.0	-2.8	-2.8	-2.1	-2.7	-1.7	-1.8
Payments for acquisitions	0.0	-11.2	-6.9	-2.3	-0.3	0.0	0.0
Financial investments	0.0	0.1	0.1	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.1	0.0	0.4	1.3	0.0
Cash flow from investing activities	0.0	-13.9	-9.6	-4.4	-2.5	-0.4	-1.8
Change in financial liabilities	0.0	-4.4	12.3	-2.3	-2.5	0.0	0.0
Dividends paid	0.0	-0.8	-1.5	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	-0.1	-3.0	0.0	0.0	0.0	0.0
Capital measures	0.0	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	0.0
Cash flow from financing activities	0.0	8.7	7.8	-2.3	-2.5	0.0	0.0
Change in liquid funds	5.6	2.1	-3.8	-0.4	-3.4	5.0	2.3
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets at end of period	5.6	13.2	9.4	9.1	5.5	10.4	12.7

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

Financial Ratios Brain Force Holding

	2004/05	2005/06	2006/07	2007/08	2008/09E	2009/10E	2010/11E
Operational Efficiency							
Total Operating Costs / Sales	93.9 %	94.8 %	27.8 %	22.2 %	23.9 %	19.1 %	21.1 %
Sales per Employee	n.a.	75,538	85,805	95,682	52,930	66,679	66,679
EBITDA per Employee	n.a.	5,559	302	7,032	-175	5,210	4,868
EBIT-margin	4.7 %	3.3 %	-17.0 %	3.6 %	-4.7 %	3.9 %	3.4 %
EBITDA / Operating Assets	n.a.	33.8 %	1.6 %	36.8 %	-1.1 %	32.7 %	30.8 %
ROA	n.a.	12.2 %	-63.3 %	-7.3 %	-16.8 %	9.2 %	5.5 %
Efficiency of Capital Employment							
Plant Turnover	n.a.	54.9	42.2	42.6	16.2	21.0	21.2
Operating Assets Turnover	n.a.	4.6	4.7	5.0	3.2	4.2	4.2
Capital Employed Turnover	n.a.	1.5	2.0	2.5	1.6	1.9	1.9
Return on Capital							
ROCE	n.a.	4.8 %	-30.2 %	8.4 %	-7.2 %	7.8 %	6.7 %
EBITDA / Avg. Capital Employed	n.a.	10.7 %	0.6 %	17.0 %	-0.5 %	15.7 %	14.4 %
ROE	n.a.	8.7 %	-75.8 %	-8.6 %	-20.6 %	9.2 %	4.9 %
Net Profit / Avg. Equity	n.a.	17.4 %	-53.6 %	-8.3 %	-20.2 %	9.9 %	5.1 %
Recurring Net Profit / Avg. Equity	n.a.	17.4 %	-53.6 %	-8.3 %	-10.1 %	9.9 %	5.1 %
ROIC	n.a.	6.7 %	-38.1 %	-4.7 %	-5.8 %	5.5 %	3.0 %
Solvency							
Net Debt	0.0	-11.0	6.5	4.9	5.8	0.8	-1.5
Net Gearing	n.a.	-22.8 %	24.9 %	20.2 %	24.6 %	2.8 %	-5.2 %
Book Value of Equity / Book Value of Debt	n.a.	1889.0 %	164.4 %	176.4 %	208.2 %	242.1 %	254.7 %
Current ratio	n.a.	2.1	1.5	1.4	1.4	1.6	1.7
Acid Test Ratio	n.a.	1.4	1.2	1.2	1.1	1.3	1.4
EBITDA / Interest Paid	274.9	29.5	0.4	5.3	0.0	9.1	8.9
Interest Cover	n.a.	30.7	n.a.	2.7	n.a.	4.6	4.2
Cash Flow							
Free Cash Flow	5.6	4.4	-4.8	4.2	-1.1	3.7	2.3
Free Cash Flow / Sales	7.3 %	5.0 %	-4.9 %	4.0 %	-1.8 %	4.5 %	2.6 %
Adj. Free Cash Flow	5.9	4.3	-1.9	5.8	-5.2	4.8	4.6
Adj. Free Cash Flow / Sales	3.9 %	2.2 %	-4.1 %	3.0 %	-4.3 %	5.0 %	3.6 %
Free Cash Flow / Net Profit	184.8 %	105.7 %	24.3 %	-201.5 %	22.7 %	147.4 %	159.6 %
Interest Received / Avg. Cash	n.a.	0.9 %	0.6 %	0.4 %	5.6 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	n.a.	8.7 %	8.5 %	10.0 %	4.8 %	6.2 %	6.2 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fund Management							
Investment ratio	0.0 %	3.1 %	2.7 %	2.0 %	4.4 %	2.1 %	2.1 %
Maint. Capex / Sales	3.2 %	2.5 %	2.3 %	1.9 %	4.2 %	1.9 %	2.0 %
Capex / Dep	0.0 %	76.3 %	15.7 %	53.0 %	101.3 %	53.4 %	53.9 %
Avg. Working Capital / Sales	0.0 %	20.0 %	18.5 %	17.6 %	27.6 %	18.9 %	18.6 %
Trade Creditors / Trade Debtors	n.a.	303.4 %	288.0 %	322.5 %	428.3 %	356.7 %	355.6 %
Inventory turnover (days)	n.a.	1.4	1.0	1.0	1.0	1.0	1.0
Receivables collection period (DSOs)	0.0	107	105	92.4	117	95.5	95.5
Payables collection period (days)	0.0	35.1	36.3	28.7	27.0	27.0	27.0
Cash conversion cycle (days)	n.a.	72.9	69.3	64.8	90.5	69.5	69.5
Valuation							
P/B	n.a.	0.4	0.7	0.8	0.8	0.7	0.6
EV/sales	0.3	0.3	0.3	0.2	0.4	0.3	0.2
EV/EBITDA	4.2	3.9	73.2	3.2	-128.6	3.3	3.0
EV/EBIT	7.1	8.7	-1.5	6.6	-9.0	6.6	6.5
EV/FCF	4.5	5.7	-5.2	6.0	-24.0	5.8	8.4
P/E	3.9	11.8	-0.9	-8.4	-3.8	7.4	13.1
P/CF	3.2	4.4	neg.	2.7	neg.	3.2	3.8

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	3.0	4.2	-19.9	-2.1	-4.8	2.5	1.4	
+ Depreciation + Amortisation	2.5	3.6	17.0	4.0	2.7	3.2	3.3	
- Net Interest Income	0.1	0.3	-1.2	-1.4	-0.2	-0.7	-0.7	
+ Taxes	0.5	-0.9	2.0	4.5	-0.7	0.0	0.8	
- Maintenance Capex	0.0	2.2	2.3	2.0	2.6	1.6	1.7	
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Adjusted Free Cash Flow	5.9	4.3	-1.9	5.8	-5.2	4.8	4.6	
Adjusted Free Cash Flow Yield	23.5%	16.9%	-7.5%	22.9%	-19.7%	22.6%	24.2%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
= Enterprise Value	25.3	25.3	25.3	25.3	26.2	21.2	18.9	
= Fair Enterprise Value	59.5	42.7	-	58.1	-	48.0	45.8	
- Net Debt (Cash)	4.9	4.9	4.9	4.9	5.7	0.8	-1.5	
- 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	52.3	35.5	-	50.9	-	44.9	45.0	
No. of shares (m)	15.4	15.4	15.4	15.4	15.4	15.4	15.4	
= Fair value per share (EUR)	3.40	2.31	-	3.31	-	2.92	2.93	
premium (-) / discount (+) in %	188.0%	95.7%	-	180.6%	-	147.3%	147.9%	
Sensitivity Fair value per Share (EUR)								
	13.0%	2.51	1.67	-	2.44	-	2.20	2.24
	12.0%	2.75	1.85	-	2.68	-	2.40	2.43
	11.0%	3.05	2.06	-	2.97	-	2.64	2.66
Hurdle rate	10.0%	3.40	2.31	-	3.31	-	2.92	2.93
	9.0%	3.83	2.62	-	3.73	-	3.26	3.26
	8.0%	4.37	3.00	-	4.25	-	3.70	3.67
	7.0%	5.06	3.50	-	4.93	-	4.25	4.20

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	61.7	81.6	85.7	90.0	94.5	99.2	104.1	109.4	112.1	114.9	117.8	120.7	123.7	126.8
Change	-41.9%	32.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
EBIT	-2.9	3.2	2.9	3.6	4.0	4.5	4.7	4.9	5.0	5.2	5.3	5.4	5.6	5.7
EBIT-Margin	-4.7%	3.9%	3.4%	4.0%	4.2%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Tax rate	22.6%	0.0%	36.1%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	33.0%	35.0%	38.0%	39.0%
NOPAT	-2.2	3.2	1.9	2.5	2.8	3.1	3.3	3.4	3.5	3.6	3.6	3.5	3.5	3.5
Depreciation	2.7	3.2	3.3	2.2	1.9	2.0	2.1	2.2	2.2	2.3	2.4	2.4	2.5	2.5
in % of Sales	4.4%	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	3.4	-0.3	-0.7	-0.3	-0.4	-0.4	-0.3	-0.3	0.1	0.1	0.1	0.2	0.2	-0.4
- Capex	-2.7	-1.7	-1.8	-1.8	-1.9	-2.0	-2.1	-2.2	-2.2	-2.3	-2.4	-2.4	-2.5	-2.5
Capex in % of Sales	4.4%	2.1%	2.1%	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	-0.4	-0.1
Free Cash Flow (WACC-Model)	1.2	4.4	2.7	2.6	2.4	2.8	2.9	3.1	3.7	3.8	3.7	3.7	3.2	3.0

Model parameter

Debt ratio	10.00%	Beta	1.50
Costs of Debt	5.0%	WACC	10.56%
Market return	9.00%		
Risk free rate	4.25%	Terminal Growth	2.50%

Valuation (mln)

Present values 2022e	21.0		
Terminal Value	9.0		
Liabilities	-16.0		
Liquidity	8.8	No. of shares (mln)	15.39
Equity Value	22.9	Value per share (EUR)	1.49

Sensitivity Value per Share (EUR)**Terminal Growth**

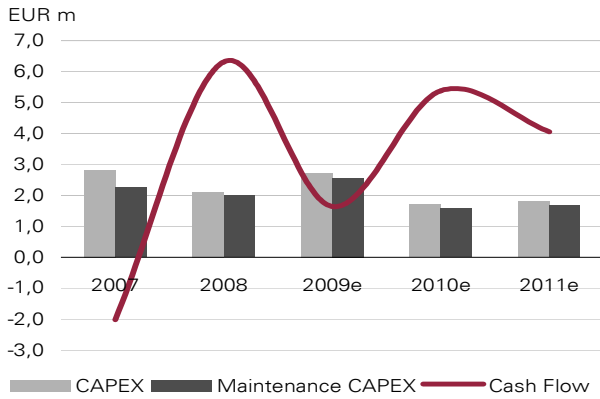
WACC	1.75%	2.00%	2.25%	2.50%	2.75%	3.00%	3.25%
11.56%	1.25	1.26	1.27	1.28	1.30	1.31	1.33
11.06%	1.34	1.35	1.36	1.38	1.39	1.41	1.43
10.81%	1.39	1.40	1.42	1.43	1.45	1.47	1.49
10.56%	1.44	1.45	1.47	1.49	1.50	1.52	1.55
10.31%	1.49	1.51	1.52	1.54	1.57	1.59	1.61
10.06%	1.55	1.56	1.58	1.61	1.63	1.65	1.68
9.56%	1.67	1.69	1.72	1.74	1.77	1.80	1.83

Delta EBIT-margin

WACC	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp	+1.0 pp	+1.5 pp
11.56%	0.65	0.86	1.07	1.28	1.49	1.71	1.92
11.06%	0.71	0.93	1.16	1.38	1.60	1.83	2.05
10.81%	0.74	0.97	1.20	1.43	1.66	1.89	2.12
10.56%	0.78	1.01	1.25	1.49	1.72	1.96	2.19
10.31%	0.81	1.06	1.30	1.54	1.79	2.03	2.27
10.06%	0.85	1.10	1.36	1.61	1.86	2.11	2.36
9.56%	0.94	1.21	1.47	1.74	2.01	2.28	2.55

Source: SES Research

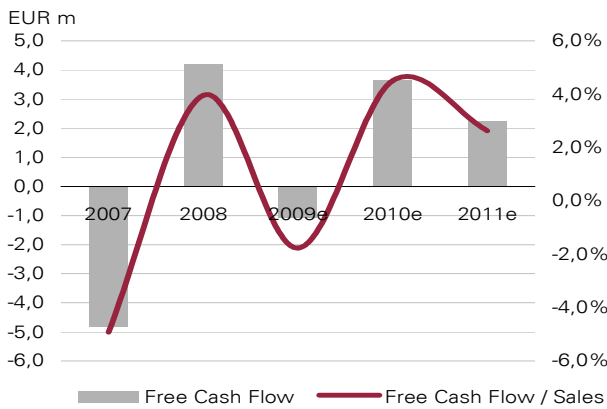
CAPEX and Cash Flow - Brain Force



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

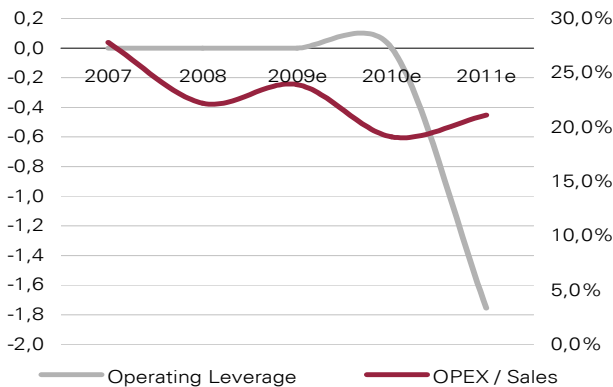
Free Cash Flow Generation - Brain Force



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

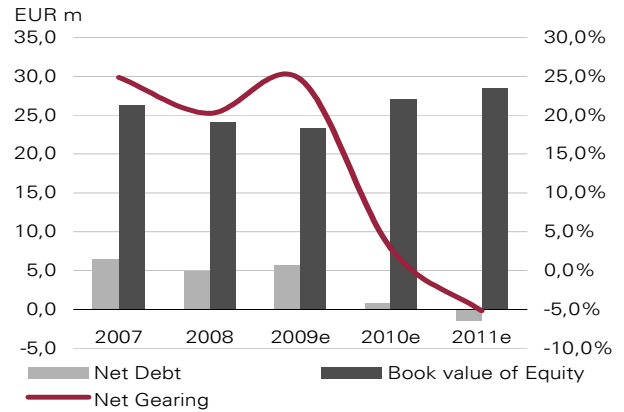
Operating Leverage - Brain Force



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

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

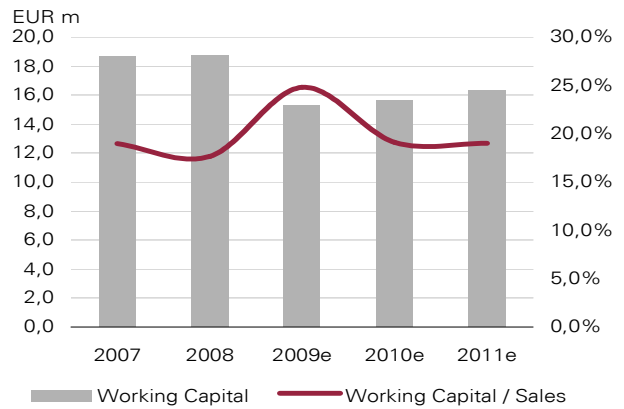
Balance Sheet Quality - Brain Force



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

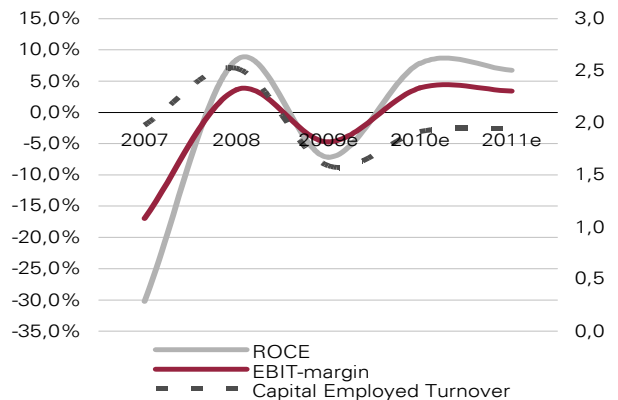
Working Capital - Brain Force



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

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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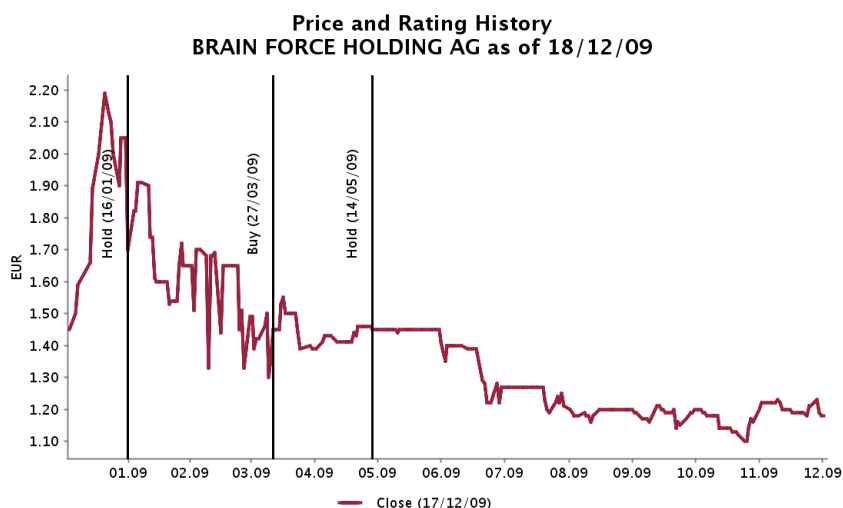
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Total	129	



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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 Rüschemier	+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		

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	Dirk Rosenfelder Head of Equity Sales	+49 (0)40-3282 - 2692 drosenfelder@mmwarburg.com
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Thekla Struve Sales Trading	+49 (0)40-3282 - 2668 tstruve@mmwarburg.com	Matthias Fritsch Equity Sales	+49 (0)40-3282 - 2696 mfritsch@mmwarburg.com
Gudrun Bolsen Sales Trading	+49 (0)40-3282 - 2679 gbolsen@mmwarburg.com	Benjamin Kassen Equity Sales	+49 (0)40-3282 - 2630 bkassen@mmwarburg.com
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Patrick Schepelmann Sales Trading	+49 (0)40-3282 - 2700 pschepelmann@mmwarburg.com	Felix Schulte Equity Sales	+49 (0)40-3282 - 2666 fschulte@mmwarburg.com
Jörg Treptow Sales Trading	+49 (0)40-3282 - 2658 jtreptow@mmwarburg.com	Marco Schumann Equity Sales	+49 (0)40-3282 - 2665 mschumann@mmwarburg.com
Andrea Carstensen Sales Assistance	+49 (0)40-3282 - 2632 acarstensen@mmwarburg.com	Philipp Stumpfegger Equity Sales	+49 (0)40-3282 - 2635 pstumpfegger@mmwarburg.com
Wiebke Möller Sales Assistance	+49 (0)40-3282 - 2703 wmoeller@mmwarburg.com	Andreas Wessel Equity Sales	+49 (0)40-3282 - 2663 awessel@mmwarburg.com
Katharina Bruns Roadshow / Marketing	+49 (0)40-3282 - 2694 kbruns@mmwarburg.com		