



**Annual Report 2004**

▶ **Net sales: + 7,2%**

▶ **EBIT: + >100%**

▶ **EPS: + >100%**

**it+**



**Key Figures**

# BRAIN FORCE SOFTWARE AG – at a glance

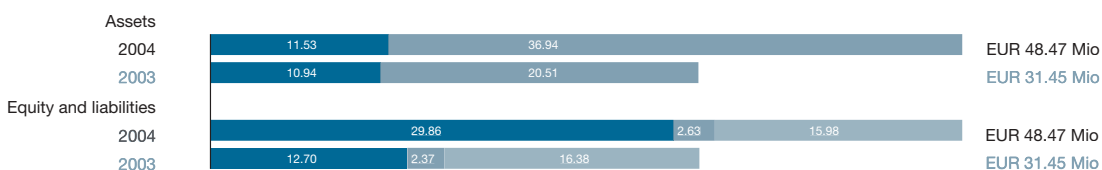
## Key figures for the BRAIN FORCE SOFTWARE Group according to IFRS

		2004	2003	Change in %
<b>Balance sheet figures</b>				
Balance sheet total	in EUR million	48.47	31.45	54.1
Non-current assets	in EUR million	11.53	10.94	5.4
Current assets	in EUR million	36.94	20.51	80.1
Equity <sup>1)</sup>	in EUR million	29.86	12.70	> 100.0
Non-current liabilities	in EUR million	2.63	2.37	11.0
Current liabilities	in EUR million	15.98	16.38	-2.4
Equity ratio	in %	61.6%	40.4%	-
Working capital	in EUR million	20.96	4.13	> 100.0
<b>Earnings</b>				
Net sales	in EUR million	64.42	60.10	7.2
EBITDA	in EUR million	4.13	3.01	37.5
EBIT	in EUR million	2.39	0.18	> 100.0
Profit before taxes	in EUR million	3.36	0.43	> 100.0
Profit for the period	in EUR million	2.03	-1.95	> 100.0
Earnings per share <sup>2)</sup>	in EUR	0.21	-0.52	> 100.0
EBITDA margin	in %	6.4%	5.0%	-
EBIT margin	in %	3.7%	0.3%	-
Return on sales	in %	5.2%	0.7%	-
Return on equity	in %	15.8%	3.6%	-

<sup>1)</sup> Equity including minority interest

<sup>2)</sup> Not including shares held in treasury

### ► Comparison of capital structure



#### Caption

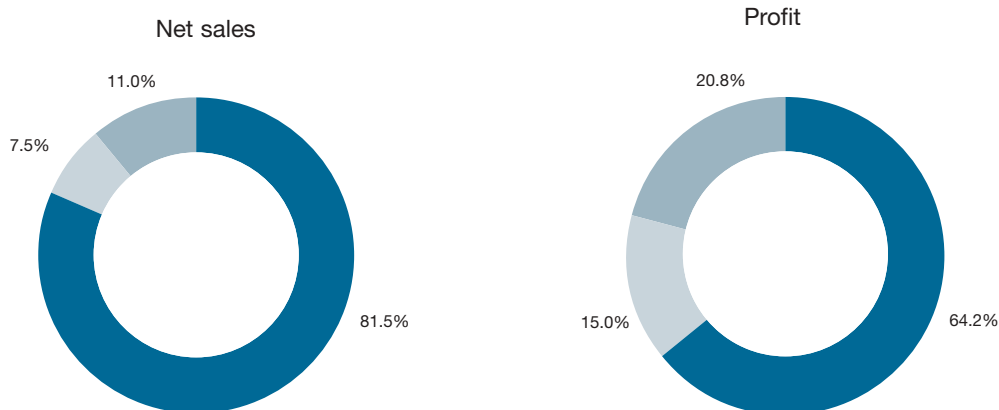
<span style="color: #0056b3;">■</span> Assets	<span style="color: #0056b3;">■</span> Equity and liabilities
<span style="color: #0056b3;">■</span> non-current assets	<span style="color: #0056b3;">■</span> equity and minority interest
<span style="color: #808080;">■</span> current assets	<span style="color: #808080;">■</span> non-current liabilities
	<span style="color: #808080;">■</span> current liabilities

## Ratios by segment 2004

	Professional Services	Communication Networks	Financial Solutions	Unallocated	Total
	EUR	EUR	EUR	EUR	EUR
Segment net sales (consolidated)	52,532,522.11	4,808,826.27	7,079,580.75	0.00	<b>64,420,929.13</b>
Segment operating result	2,471,405.25	576,729.90	803,039.35	-1,460,898.02	<b>2,390,276.48</b>
Financial result					<b>570,242.69</b>
Share of profit of associates			400,416.66		<b>400,416.66</b>
Result before taxes					<b>3,360,935.83</b>
Income taxes					<b>-1,334,779.65</b>
Result for the period					<b>2,026,156.18</b>
Segment assets	20,308,263.20	4,928,151.80	7,327,863.17	15,909,701.00	<b>48,473,979.17</b>
Segment liabilities	14,723,373.70	783,242.58	2,292,199.37	817,020.34	<b>18,615,835.99</b>
Segment capital expenditure	444,857.81	518,403.18	1,214,670.30	0.00	<b>2,177,931.29</b>
Segment depreciation and amortisation	508,554.77	551,275.96	683,198.59	0.00	<b>1,743,029.32</b>

Geographical segments	Segment net sales		Segment assets		Segment capital expenditure	
	2004 TEUR	2003 TEUR	2004 TEUR	2003 TEUR	2004 TEUR	2003 TEUR
Austria	12,058	12,152	17,907	4,132	64	136
Germany	33,544	31,090	16,474	14,721	1,751	4,688
Italy	16,809	15,518	12,265	11,464	242	248
Other regions	2,010	1,339	1,828	1,133	121	127
	<b>64,421</b>	<b>60,099</b>	<b>48,474</b>	<b>31,450</b>	<b>2,178</b>	<b>5,199</b>

### ► Breakdown by segment



PS Professional Services  
 FS Financial Solutions  
 CN Communication Networks

## Consolidated Financial Statements

### ▶ Consolidated balance sheet as at December 31, 2004

Assets	Notes	31.12.2004	31.12.2003
		EUR	EUR
<b>Non-current assets</b>			
Property, plant and equipment	3, 22	969,684.00	1,204,751.33
Goodwill	5, 23	4,706,826.78	4,721,141.78
Other intangible assets	5, 6, 24	4,160,161.38	3,507,564.64
Investments in associates	7, 25	535,221.85	510,154.30
Other financial assets	7, 26	187,180.22	184,178.23
Other receivables and other assets	11, 31	169,396.72	125,786.95
Deferred tax assets	20, 27	799,886.96	683,271.20
		<b>11,528,357.91</b>	<b>10,936,848.43</b>
<b>Current assets</b>			
Inventories	9, 28	295,634.98	147,735.22
Trade receivables	10, 11, 29	17,458,047.06	14,777,505.53
financial assets	12, 30	3,941,418.00	0.00
Other receivables and other assets	11, 31	699,313.18	1,242,882.19
Cash and cash equivalents	13, 32	14,551,208.04	4,345,280.20
		<b>36,945,621.26</b>	<b>20,513,403.14</b>
		<b>48,473,979.17</b>	<b>31,450,251.57</b>

Equity and liabilities	Notes	31.12.2004	31.12.2003
		EUR	EUR
<b>Equity</b>			
Equity attributable to equity holders of the parent			
Share capital	33	10,257,828.00	4,834,789.00
Reserves	33	15,544,408.42	5,446,985.64
Retained earnings		3,506,217.91	1,731,178.51
Own shares		-410,267.40	0.00
Minority interest		959,956.25	687,292.30
		<b>29,858,143.18</b>	<b>12,700,245.45</b>
<b>Non-current liabilities</b>			
Financial liabilities	14, 35	0.00	41,926.14
Other liabilities	14, 37	16,558.00	40,786.71
Provisions for post-employment benefits	16, 34	2,163,242.00	1,892,606.84
Deferred tax liabilities	20, 27	456,355.69	332,246.34
Other provisions	15, 39	0.00	62,600.00
		<b>2,636,155.69</b>	<b>2,370,166.03</b>
<b>Current liabilities</b>			
Financial liabilities	14, 35	2,486,734.49	2,900,150.19
Trade payables	14, 36	5,527,841.90	5,297,856.63
Other liabilities	14, 37	7,452,360.60	7,631,273.87
Tax provisions	20, 38	480,035.08	3,311.36
Other provisions	15, 39	32,708.23	547,248.04
		<b>15,979,680.30</b>	<b>16,379,840.09</b>
		<b>48,473,979.17</b>	<b>31,450,251.57</b>

## ▶ Consolidated income statement for the operating year ended 2004

	Notes	2004 EUR	2003 EUR
1. Net sales	17, 40, 52	64,420,929.13	60,099,106.10
2. Changes in work in progress		123,242.76	-189,950.83
3. Other own work capitalized		1,664,900.06	1,055,943.75
4. Other operating income	41	1,109,964.05	825,612.95
5. Material and production costs	18, 42	-46,203,842.12	-42,036,033.21
6. Employee benefits costs	43	-10,804,091.79	-10,918,489.04
7. Depreciation and amortisation expense	44	-1,743,029.32	-2,824,229.32
8. Other operating expenses	45	-6,177,796.29	-5,830,119.41
<b>9. Operating result</b>		<b>2,390,276.48</b>	<b>181,840.99</b>
10. Financial result	46	570,242.69	-157,132.02
11. Share of profit of associates		400,416.66	402,016.44
<b>12. Result before income taxes</b>	25	<b>3,360,935.83</b>	<b>426,725.41</b>
13. Income taxes		-1,334,779.65	-2,378,726.55
<b>14. Result for the period</b>	20, 47	<b>2,026,156.18</b>	-1,952,001.14
Result for the period attributable to:			
Equity holders of the parent		1,775,039.40	-2,087,241.02
Minority interest		251,116.78	135,239.88
		<b>2,026,156.18</b>	<b>-1,952,001.14</b>
Earnings per share	53	0.21	-0.52

► Consolidated cash flow statement for the operating year ended 2004

	Notes	2004 EUR	2003 EUR
<b>Cash flow from operating activities</b>	48		
Result before taxes		3,360,935.83	426,725.41
Adjustments for:			
+ Depreciation		1,743,029.32	2,824,229.32
+/- Financial result		-570,242.69	157,132.02
- Share of profit of associates		-400,416.66	-402,316.44
- Gain on disposal of property, plant and equipment and other intangible assets		-95,644.68	-897.39
+/- Changes in provisions for post-employment benefits		-306,504.65	111,108.40
+/- Changes in inventories		-232,711.20	177,662.74
+/- Changes in receivables		-2,234,134.33	1,832,633.43
+/- Changes in payables		126,807.79	-2,281,206.56
+/- Currency translation differences		9,468.80	23,485.67
		<b>1,400,587.53</b>	<b>2,868,556.60</b>
- Interests paid		-93,939.41	-157,132.02
+ Dividends received		243,273.54	0.00
- Taxes on income paid		-621,337.57	-648,078.85
<b>Net cash flow from operating activities</b>		<b>928,584.09</b>	<b>2,063,345.73</b>
<b>Cash flow from investing activities</b>	49		
+/-Acquisition of subsidiaries		-99,964.50	609,794.62
- Cash outflow for investments in property, plant and equipment and other intangible assets		-2,095,472.99	-1,369,660.50
- Cash outflow for investments in other financial assets		-7,051,993.06	-6.30
+ Cash inflow from the disposal of shares in group companies		141,543.31	0.00
+ Cash inflow from the disposal of property, plant and equipment and other intangible assets		3,760,265.04	21,860.04
<b>Net cash flow from investing activities</b>		<b>-5,345,622.20</b>	<b>-738,012.14</b>
<b>Cash flow from financing activities</b>	50		
+ Proceeds from issue of ordinary shares		15,488,575.19	992,547.27
- Purchase of own shares		-410,267.40	0.00
- Repayments of financial liabilities		-455,341.84	-513,372.41
<b>Net cash flow from financing activities</b>		<b>14,622,965.95</b>	<b>479,174.86</b>
<b>Increase / decrease in cash and cash equivalents</b>	51	<b>10,205,927.84</b>	<b>1,804,508.45</b>
Cash and cash equivalents at beginning of year		4,345,280.20	2,540,771.75
+/-Increase / decrease		10,205,927.84	1,804,508.45
Cash and cash equivalents at end of year		<b>14,551,208.04</b>	<b>4,345,280.20</b>

## ▶ Consolidated statement of changes in equity

	Notes
Balance January 1, 2003	
Fair value adjustments of securities	
Currency translation differences	
Revaluation of assets	
Net income recognised directly in equity	
Result for the period	
Total result for the period	
Issue of share capital in kind	
Transaction costs related to issue of share capital	
Transfer to cover losses	
Initial consolidation of subsidiaries	
Balance December 31, 2003	33
Balance December 31, 2004	
Fair value adjustments of securities	
Currency translation differences	
Net income recognised directly in equity	
Result for the period	
Total result for the period	
Issue of share capital in kind	
Transaction costs related to issue of share capital	
Purchase of own shares	
Other movements within minority interest	
Balance December 31, 2004	33

	Attributable to equity holders of the parent						Minority Interest	Total Equity	
	Share capital	Share premium	Other reserves	Retained earnings	Own Shares	Total			Total
	EUR	EUR	EUR	EUR	EUR	EUR			EUR
	3,785,143.00	4,696,973.57	-288,330.90	2,854,265.06	0.00	11,048,050.73	0.00	11,048,050.73	
	0.00	0.00	269.44	0.00	0.00	269.44	0.00	269.44	
	0.00	0.00	-48,653.41	0.00	0.00	-48,653.41	0.00	-48,653.41	
	0.00	0.00	110,262.00	0.00	0.00	110,262.00	0.00	110,262.00	
	0.00	0.00	61,878.03	0.00	0.00	61,878.03	0.00	61,878.03	
	0.00	0.00	0.00	-2,087,241.02	0.00	-2,087,241.02	135,239.88	-1,952,001.14	
	0.00	0.00	61,878.03	-2,087,241.02	0.00	-2,025,362.99	135,239.88	-1,890,123.11	
	1,049,646.00	2,060,095.14	0.00	0.00	0.00	3,109,741.14	0.00	3,109,741.14	
	0.00	-119,475.73	0.00	0.00	0.00	-119,475.73	0.00	-119,475.73	
	0.00	-964,154.47	0.00	964,154.47	0.00	0.00	0.00	0.00	
	0.00	0.00	0.00	0.00	0.00	0.00	552,052.42	552,052.42	
	4,834,789.00	5,673,438.51	-226,452.87	1,731,178.51	0.00	12,012,953.15	687,292.30	12,700,245.45	
	0.00	0.00	3,001.99	0.00	0.00	3,001.99	0.00	3,001.99	
	0.00	0.00	28,884.60	0.00	0.00	28,884.60	-3,553.89	25,330.71	
	0.00	0.00	31,886.59	0.00	0.00	31,886.59	-3,553.89	28,332.70	
	0.00	0.00	0.00	1,775,039.40	0.00	1,775,039.40	251,116.78	2,026,156.18	
	0.00	0.00	31,886.59	1,775,039.40	0.00	1,806,925.99	247,562.89	2,054,488.88	
	5,423,039.00	10,846,078.00	0.00	0.00	0.00	16,269,117.00	0.00	16,269,117.00	
	0.00	-780,541.81	0.00	0.00	0.00	-780,541.81	0.00	-780,541.81	
	0.00	0.00	0.00	0.00	-410,267.40	-410,267.40	0.00	-410,267.40	
	0.00	0.00	0.00	0.00	0.00	0.00	25,101.06	25,101.06	
	<b>10,257,828.00</b>	<b>15,738,974.70</b>	<b>-194,566.28</b>	<b>3,506,217.91</b>	<b>-410,267.40</b>	<b>28,898,186.93</b>	<b>959,956.25</b>	<b>29,858,143.18</b>	

BRAIN FORCE SOFTWARE AG  
IZD Tower  
Wagramer Strasse 17  
1220 Vienna  
Austria

Tel.: +43 1 5 99 51 0  
Fax: +43 1 5 99 51 13  
[info@brainforce.co.at](mailto:info@brainforce.co.at)

[www.brainforce.com](http://www.brainforce.com)