

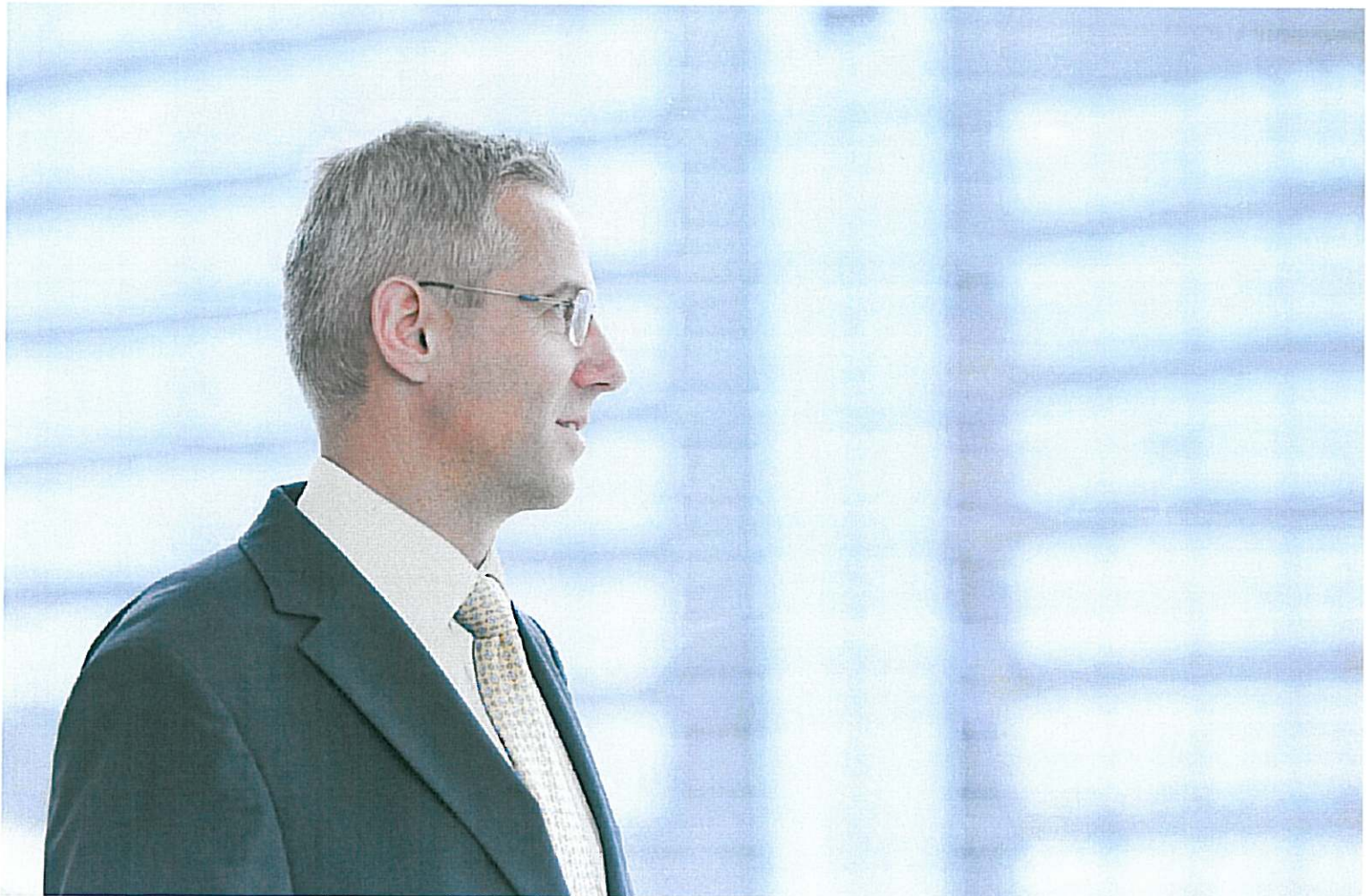
## Report of the Supervisory Board

The Supervisory Board and Management Board held a total of four meetings during the period under review, intensively discussing the overall business environment and the future strategic development of the company, as well as significant events and investments. Within the context of its regular reporting and a comprehensive report submitted for all meetings, the Management Board informed the Supervisory Board about the present state of business and the financial position of the Group and its strategic investments, as well as the personnel situation. Additional information was supplied about extraordinary developments.

The committees dealt with individual specialized issues in detail and subsequently reported its findings to the entire Supervisory Board. The Presidium of the Supervisory Board was continually informed about the current business situation by the Management Board. The Audit Committee convened three times, whereas the Remuneration and Nomination Committee met once. The criteria of variable remuneration, the principles of retirement benefits and termination benefits as well as the list of individual Management Board and Supervisory Board salaries are presented in the Remuneration Report found on page 26. No member of the Supervisory Board was absent for more than half of the Supervisory Board

meetings. Except for two meetings, all members were present at the sessions of the Audit Committee and the Remuneration and Nomination Committee.

An important focal point of the work done by the Supervisory Board in the past fiscal year was the restructuring plans developed by the Management Board. Cost reduction and restructuring measures were initiated immediately after it already became evident that a considerable revenue decline already for January was looming on the horizon as a consequence of the difficult business environment. This was designed to guide the company relatively unscathed through the economic crisis. The measures primarily involved a downsizing of the organization and staff in Italy, the closing of the Berlin branch office, short-time working in Germany and a cutback in administrative and marketing expenditures. On a Group-wide basis, 151 people (salaried employees and subcontractors) or about 13% of the total staff were dismissed, thus reducing the cost basis for the new fiscal year beginning October 2009 by about € 20 million. These measures were essential in the light of a 20% drop in revenue in the short fiscal year 2009, to € 61.69 million. The cost savings succeeded in significantly cushioning the impact of the revenue decline on earnings. Operating EBIT excluding non-recurring restructuring costs fell from € 3.00 to -1.50 million. The total net result including discontinued operations amounted to € -4.83 million.



The project to optimize working capital, which was launched in January 2009, fortunately helped the company to generate a clearly positive cash flow from operating activities of € 1.55 million despite the negative earnings. Although equity fell from € 24.15 to 19.31 million, the company has a solid balance sheet structure and there is no cause for concern in respect to financing perspectives. This is demonstrated by the relevant balance sheet indicators and the term structure of the company's financial liabilities, which are presented on page 41 of the annual report.

The Audit Committee held a meeting on March 26, 2009 together with the auditors to discuss the annual financial statements for the 2008 fiscal year. In the subsequent meeting, the Supervisory Board dealt with and formally approved the annual financial statements of BRAIN FORCE HOLDING AG, and also resolved upon the consolidated financial statements, the Management Report, the proposal for the distribution of the dividend submitted by the Management Board and the Report of the Supervisory Board to the Annual General Meeting. Furthermore, a declaration by the Chairman of the Supervisory Board was prepared in respect to the proposed auditors for the 2009 fiscal year, their legal relations to the BRAIN FORCE Group and the members of its corporate bodies were evaluated and the fees for the audit were negotiated. During the same meeting, the Supervisory Board also prepared the resolution for the election of the auditors by the Annual General Meeting.

The Supervisory Board meeting of May 7, 2009 dealt with preparations for the 11th Annual General Meeting of BRAIN FORCE HOLDING AG, which took place on May 14, 2009.

The Audit Committee convened on June 30, 2009 to deal with the issue of risk management in the company, which did not give rise to any objections. A further item on the agenda was the discussion and definition of the procedure, schedule and audit of the annual financial statements as at September 30, 2009.

In its meeting of August 24, 2009, the Management Board informed the Supervisory Board about the planned further strategic development of SolveDirect, a division of BRAIN FORCE SOFTWARE GmbH Austria. It presented a business plan to illustrate the potential opportunities relating to an expansion of the business to the USA. The possibilities to finance this important step towards growth were intensively discussed, and the Management Board was authorized to take all the necessary steps to accomplish this.

The meeting of the Audit Committee held on September 24, 2009 together with the auditors deal with the results of the preliminary audit of the annual financial statements as at September 30, 2009. In the subsequent meeting, the Supervisory Board was provided with detailed information about the current state of business, the

forecasted business results in the short fiscal year from January 1 to September 30, 2009, the 2009/2010 budget and medium-term planning. The budget was approved by the Supervisory Board following an intensive discussion.

The annual financial statements and Management Report of BRAIN FORCE HOLDING AG as well as the consolidated financial statements as at September 30, 2009 in accordance with IFRS were audited by PwC INTER-TREUHAND GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna and granted an unqualified auditor's opinion. All documentation related to the annual financial statements, the proposal for the distribution of the profit and the Independent Auditor's Report were discussed in detail with the auditors and presented to the Supervisory Board. We evaluated the documents pursuant to Section 96 Austrian Stock Corporation Act and agree with the results of the audit. Accordingly, the annual financial statements have been adopted by the Supervisory Board in accordance with Section 125 (2) of the Austrian Stock Corporation Act. Furthermore, the Supervisory Board also approves the proposal of the Management Board for the appropriation of the result.

In the middle of October 2009, Günter Pridt surprisingly requested that the Supervisory Board terminate his current employment contract for health reasons, effective at the end of 2009. Subsequently, the Supervisory Board selected someone from its own ranks, namely Michael Hofer, to serve as the new Chief Executive Officer of BRAIN FORCE HOLDING AG. Michael Hofer served in various management positions in the Cross Group since 1991, most recently as the sole managing director of Eternit-Werke Ludwig Hatschek AG, as the IT manager for the Cross Group and since May 2008 as a member of the Supervisory Board of BRAIN FORCE HOLDING AG. The Supervisory Board would like to thank Günter Pridt for his valuable dedication over the last two years. At the same time, we would like to wish the new CEO Michael Hofer and his colleague, CFO Thomas Melzer, much success in further carrying out the growth strategy.

The Supervisory Board would like to thank the management as well as all employees for their dedication and hard work during a very difficult year in respect to the overall economic environment, and believes BRAIN FORCE is well positioned to emerge strengthened from the crisis.

Vienna, December 16, 2009



Christoph Sentf  
Chairman of the Supervisory Board