



**Annual Results Press Conference of  
BRAIN FORCE HOLDING AG**

December 21, 2010

Michael Hofer, CEO and Thomas Melzer, CFO

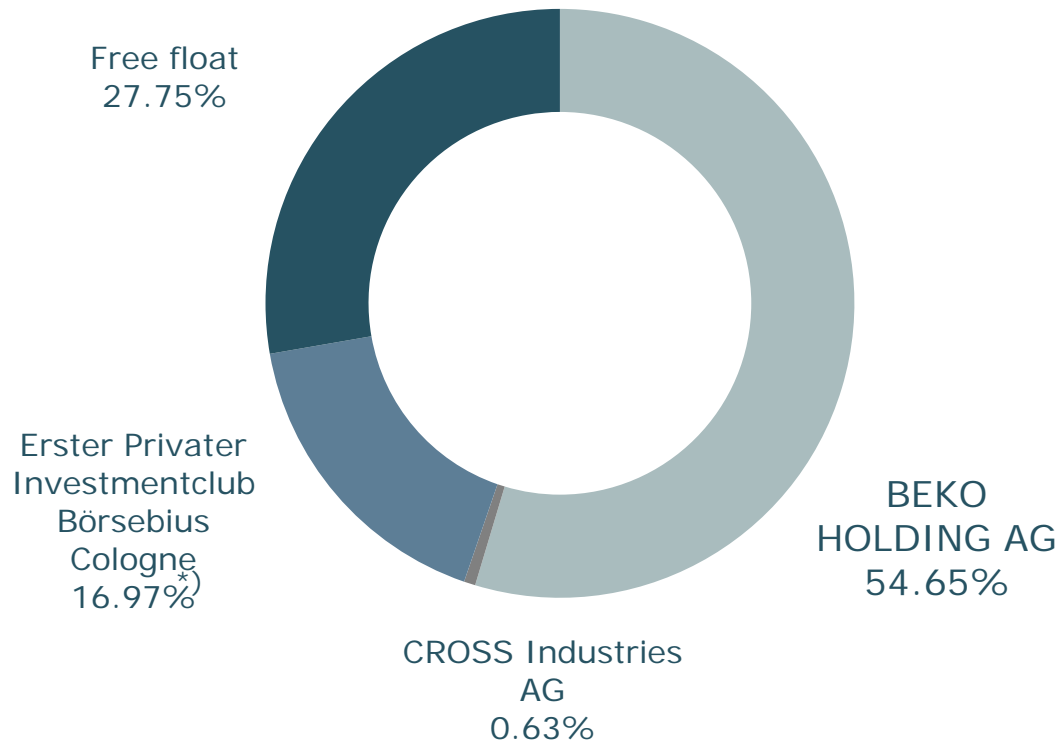
# What BRAIN FORCE stands for?

- ▶ A medium-sized IT services provider with current revenues of approx. € 70 million
- ▶ Approx. 700 employees at 12 locations in 7 European countries and one U.S. location
- ▶ Founded in 1983
- ▶ Registered seat and headquarters in Vienna
- ▶ Listed on the Vienna Stock Exchange (Ticker symbol: "BFC")



# Shareholder Structure

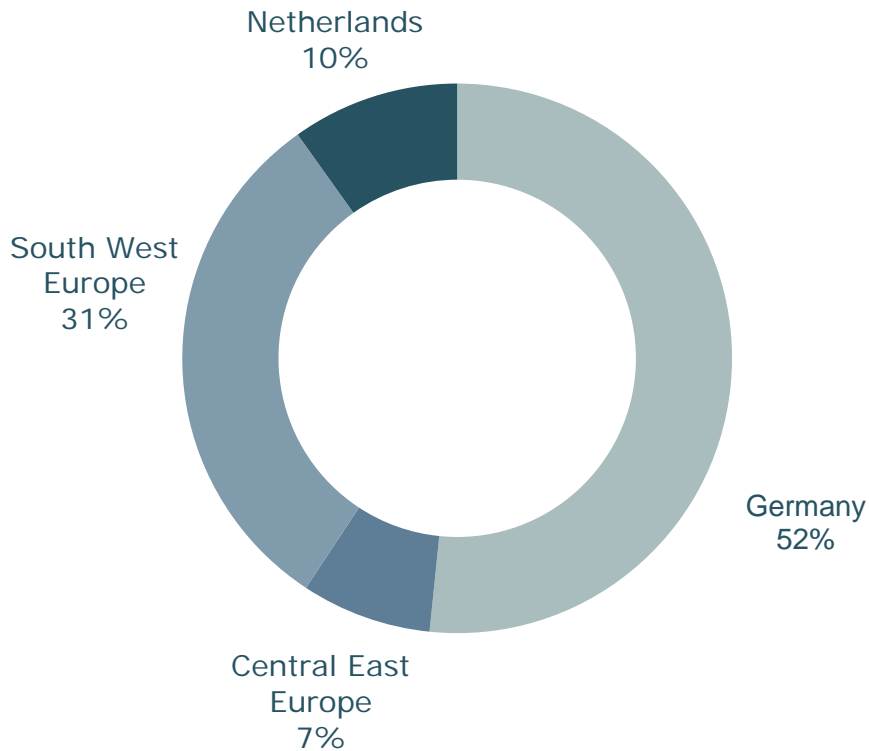
▶ Based on current reports



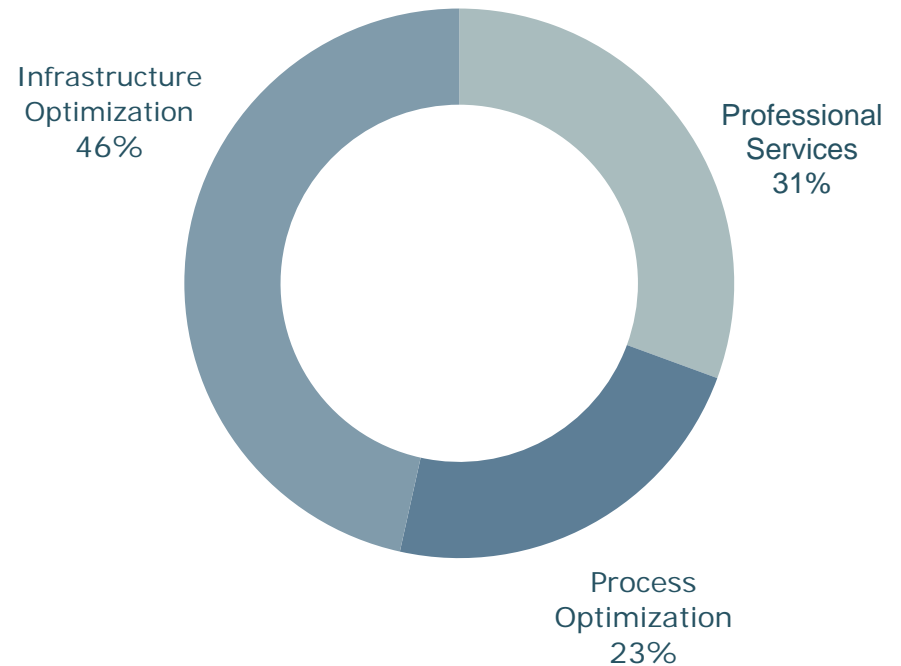
\*) Investment association with about 1,000 private German investors

# Business Segments 2009/10

## Revenues by regions



## Revenues by business areas



# The 2009/10 Fiscal Year at a Glance

- ▶ **Difficult business environment in the IT sector until the summer of 2010**
  - ▶ Weak license sales, postponement of orders and price pressure
  - ▶ Operating losses and persistent restructuring
- ▶ **Positive results in 2009/10 due to strategic transactions**
  - ▶ Sale of Professional Services in Austria to Beko for € 3.8 million
  - ▶ Participation of a financial investor to finance US expansion of SolveDirect
- ▶ **Further restructuring and focus on future business areas**
  - ▶ Restructuring of Infrastructure Optimization in the Netherlands and Frankfurt
  - ▶ Expansion of Process Optimization: Acquisition of a Microsoft Dynamics specialist
- ▶ **Significant increase in the sales pipeline since September**
  - ▶ Infrastructure Optimization: Netherlands and Frankfurt
  - ▶ Process Optimization: FINAS Suite (GER) and Microsoft Dynamics (AT)
  - ▶ Sale of network performance hardware in Europe and the Middle East

# Group Results 2009/10

- ▶ **Revenues: -22% (organic -15%, excl. strategic transactions)**
- ▶ **Operating EBITDA -67% to € +1.15 million, operating EBIT: € -1.65 million**
  - ▶ Positive operating EBITDA in all regions due to massive cost savings
  - ▶ Further cost reductions at the holding of € 0.44 million from the prior-year level
  - ▶ Additional restructuring costs of € 1.82 million
  - ▶ But also book gains of € 6.33 million from the transactions!
- ▶ **Group EBITDA of € 5.66 million (prior year: € 2.05 million) and EBIT of € 2.86 million (prior year: € -1.59 million)**
- ▶ **Positive result before and after tax (€ 0.33 and 0.92 million respectively)!**
- ▶ **Solid balance sheet with equity ratio of 39% (prior year: 35%)**

# Group Results 2009/10

In € million	2009/10 <sup>1)</sup>	2008/09 <sup>2)</sup>	Chg.%
Revenues	69.59	89.20	-22
EBITDA	5.66	2.05	>100
Operating EBITDA <sup>3)</sup>	1.15	3.44	-67
EBIT	2.86	-1.59	>100
Operating EBIT <sup>3)</sup>	-1.65	-0.21	>100
Profit before tax	0.33	-2.65	>100
Profit after tax	0.92	-5.46	>100
Employees <sup>4)</sup>	713	978	-27

1) results from continuing operations (excl. Berlin)

2) period October 1, 2008 to September 30, 2009 – unaudited; audited financial statements for 2009 for the short fiscal year of 9 months

3) adjusted for restructuring costs and non-recurring income

4) at the reporting date

# Results 2009/10

## by segment vs. prior year

	Germany			Central East Europe			South West Europe			Netherlands		
€ million	09/10	08/09 <sup>1)</sup>	Chg %	09/10	08/09 <sup>1)</sup>	Chg %	09/10	08/09 <sup>1)</sup>	Chg %	09/10	08/09 <sup>1)</sup>	Chg %
Revenues	35.91	42.30	-15	5.34	13.17	-59	21.48	24.66	-13	6.86	9.07	-24
Op. EBITDA <sup>2)</sup>	0.92	2.39	-62	0.63	1.18	-47	1.34	1.34	0	0.02	0.91	-98
Op. EBIT <sup>2)</sup>	0.11	1.43	-92	0.32	0.14	>100	0.47	0.55	-14	-0.74	0.13	>100
Employees <sup>3)</sup>	338	422	-20	27	144	-82	285	324	-12	55	78	-29

1) period October 1, 2008 to September 30, 2009 - unaudited

2) before restructuring costs and non-recurring income

3) at the reporting date

# Cash Flow 2009/10

€ million	2009/10	2008/09 <sup>1)</sup>
<b>Gross cash flow</b>	<b>0.52</b>	<b>0.14</b>
<b>Gross cash flow (adjusted) <sup>2)</sup></b>	<b>-2.95</b>	<b>0.14</b>
<b>Cash flow from operating activities</b>	<b>-3.87</b>	<b>6.08</b>
Cash flow from investing activities	0.59	-1.16
Cash flow from financing activities	2.94	-3.55
<b>Change in cash and cash equivalents from continuing operations</b>	<b>-0.34</b>	<b>1.37</b>
Change in cash and cash equivalents from discontinued operation	-1.09	-0.88
<b>Cash and cash equivalent at the reporting date</b>	<b>4.12</b>	<b>5.54</b>

1) period October 1, 2008 to September 30, 2009 - unaudited

2) adjusted for the net cash effect arising from the sale of the Professional Services business in Austria of € 3.47 million

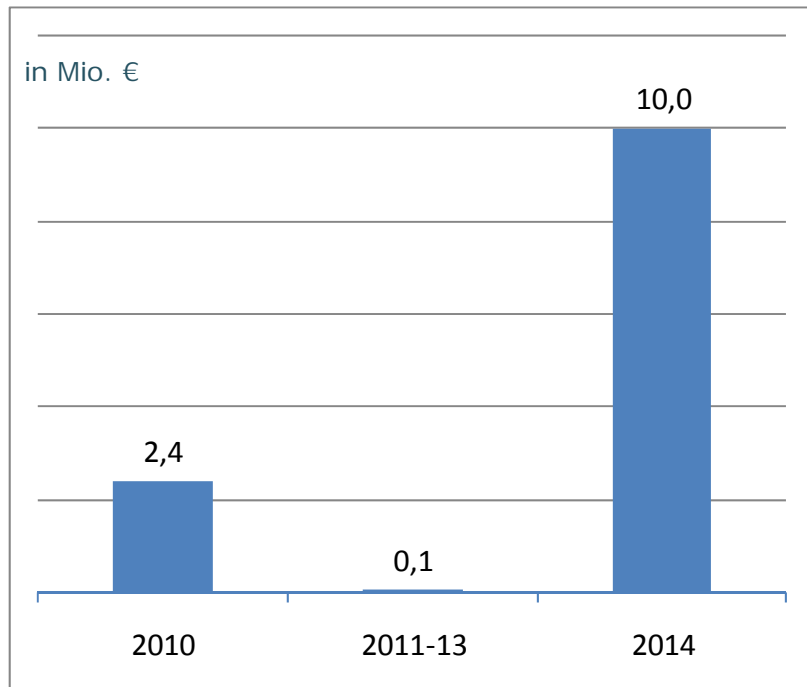
# Balance Sheet Data at September 30, 2010

Balance sheet data		30.09.10	30.09.09
Equity	€ million	20.11	19.31
Working capital <sup>1)</sup>	€ million	3.30	2.83
Net debt	€ million	9.04	5.65
Equity ratio	%	39	35
Gearing (net debt/equity)	%	45	29

1) Working capital = inventories + trade receivables – trade payables – other current liabilities

# Financing Status at November 30, 2010

## Terms to maturity of financial liabilities



## Overdraft facilities to finance working capital

- ▶ € 6.0 million available overdraft facilities in the Group
  - > Thereof € 2.5 million committed
  - > € 3.6 million unused overdraft facilities as at November 30, 2010
  - > Cash and deposits at bank: € 3 million



## Strategy

# Strategy During the Financial Crisis

- ▶ **Restructuring**
- ▶ **Safeguarding viability of the company**
- ▶ **Cash focus**
  - ▶ Optimization of working capital
- ▶ **2 strategic transactions**
  - ▶ Sale of Professional Services business in Austria generated high cash in and book gain
  - ▶ Participation of 3TS Cisco Growth Fund in SolveDirect to finance its US expansion (change of control according to IFRS, at equity consolidation)

# Restructuring 2009 and 2010

- ▶ **Persistent cost savings in all areas**
- ▶ **Closing of Berlin office as at September 30, 2009**
  - ▶ Long-term loss maker
- ▶ **Short-term working in Germany in all business areas**
- ▶ **Extensive staff cutbacks in the Group: more than 200 salaried employees (-30%)**
  - ▶ 30.9.2010 vs. 31.12.2008, adjusted for Professional Services Austria
  - ▶ Additional downward capacity adjustments with subcontractors
- ▶ **Restructuring costs of about € 5 million over the last 2 years**
- ▶ **Reduction in personnel expenses of approx. € 10 million p.a. due to restructuring**
  - ▶ Compared to the record year 2008, fully effective as of 2010/11

# Long-Term Growth Strategy

## Core business IT optimization | Service | Consulting

**Process  
Optimization**

**Infrastructure  
Optimization**

BF Austria  
ERP

BF Italy

BF Italy  
ERP, CRM, BI

BF Germany

BF Czech Rep., Slovakia  
Mortgage admin., asset mgmt.

BF Netherlands

**Professional Services**  
Recruiting and supply of IT specialists in GER and NL

## Products and Trading

SolveDirect  
Service management  
in Europe and USA

FINAS Suite  
Front office solutions for  
financial service providers in  
Germany, Austria

Network performance HW  
Sale of Netoptics products in  
Europe, Middle East

## ▶ Process Optimization

- ▶ BRAIN FORCE Italy
  - › Restructuring implemented, market served in a profit oriented manner
  - › Intensification of cooperation between Italy and Austria
- ▶ BRAIN FORCE Austria
  - › Expansion of activities from current location in Neulengbach, Lower Austria to Upper Austria
- ▶ BRAIN FORCE Czech Republic and Slovakia
  - › Small, profitable business unit aiming to expand business in its core target groups (banks, insurance companies)

## ▶ Infrastructure Optimization / Professional Services

- ▶ Identical target groups served by both business areas
- ▶ Expansion of Professional Services business in Frankfurt
- ▶ Build-up of a Professional Services unit in the Netherlands
- ▶ Focal points: desktop virtualization and cloud computing from the Frankfurt (GER) and Veenendaal (NL) offices

# Focal Points of the Strategy for “Products”

## ▶ **SolveDirect Service Management GmbH**

- ▶ SaaS solutions for service integration and management focusing on large companies (Cisco, T-Systems, Henkel, Siemens, Lufthansa, etc.)
- ▶ US expansion successfully launched with support of 3TS Cisco Growth Fund
  - › Subsidiary established in Sunnyvale, California
  - › Recruitment of employees initiated: 10 employees under Austrian leadership at present
- ▶ Intensified sales and marketing activities, particularly in Germany (target group: large accounts)
- ▶ 6% revenue growth in the 2009/10 fiscal year, strong further growth planned

## ▶ **FINAS Suite**

- ▶ Software solutions for field staff of regional insurance companies and banks, focus on Germany (and Austria)
- ▶ Recently strong increase in the sales pipeline following investment stagnation in 2009 and 2010
- ▶ Strategic partner search with the support of a M&A consultant

## ▶ Network Performance Channel GmbH

- ▶ Sale of network hardware components (primarily Net Optics) in Europe and the Middle East
  - › Sales excl. through reseller (Channel)
  - › Revenues of about € 3.5 million with 5 employees
- ▶ Very positive revenue and earnings development in recent years
- ▶ Spin-off to a separate company at the Frankfurt location
  - › as the basis for its further development
- ▶ Objective
  - › Expansion in existing and new markets via the international reseller network (Channel)
  - › Further profitable revenue and earnings growth



## Outlook

## ▶ **BRAIN FORCE has sustainably changed its corporate structures**

- ▶ Customer-oriented approach of the individual business areas
- ▶ Massive savings implemented in the operating companies and at the holding
  - › Particularly reductions in “overheads” while maintaining sales strength

## ▶ **Solid balance sheet structure as at September 30, 2010**

- ▶ Equity ratio: 39%, gearing: 45%
- ▶ No financing shortfall

## ▶ **Budget and targets in 2010/11**

- ▶ Revenue growth as driver of future development (because the cost level has been reduced to a minimum)
- ▶ Positive operating results in the new fiscal year

## ▶ **Long-term goal**

- ▶ Creation of homogeneous, profitable business units
- ▶ EBIT margin of 5%



Thank you for your interest!

# Financial Calendar

- ▶ **Dec. 21, 2010** Annual Results 2009/10
- ▶ **Feb. 16, 2011** Q1 Quarterly Report 2010/11
- ▶ **March 2, 2011** 13th Annual General Meeting in Vienna
- ▶ **May 12, 2011** Six Months Report 2010/11
- ▶ **Aug. 18, 2011** Q3 Quarterly Report 2010/11
- ▶ **Dec. 21, 2011** Annual Results 2010/11

# IR Information

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