

**BRAIN FORCE**



## German Equity Forum

Günter Pridt (CEO) and Thomas Melzer (CFO)

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

# BRAIN FORCE Group – company profile



- ▶ mid-sized IT company with total revenues of approx. 100 mill. EUR
- ▶ approx. 1,100 employees in 12 locations in 7 European countries
- ▶ founded 1983
- ▶ headquartered in Vienna
- ▶ listed in the Prime Market of the Vienna Stock Exchange



▶ Strategic Business Areas and Competence Centers:

## Business Solutions

Business Process Solutions

Competence Center  
**Financial Services Solutions**  
(FINAS Suite)

Competence Center  
**Service Management**  
(SolveDirect)

Competence Center  
**Microsoft Dynamics**  
(ERP, CRM, CPM/BI)

## Technology & Infrastructure

Infrastructure Solutions

Competence Center  
**Server & Workstation Mgmt**  
(Rollout ↔ User Help Desk)

Competence Center  
**ICT Suite**  
(Network Docu ↔ ICT Billing)

Competence Center  
**Desktop Application Mgmt**  
(Software Packaging & Distribution)

## Professional Services

Recruitment of IT experts

**IT-Consulting**  
**Development**  
**Application Testing**  
**Integration**  
**Rollout**  
**Maintenance**  
**Support**  
**Operation**



## Recent Developments

## Development 1–9/2008

- ▶ Successful business consolidation / stabilization
- ▶ BRAIN FORCE Group results indicate a positive development
  - ▶ continuous profitability improvement beginning with Q4/2007
- ▶ Revenues increased by +10 % to 78.32 mill. €
- ▶ EBITDA changed from -1.56 to +5.66 mill. €
- ▶ EBIT turnaround from -17.42 to +2.68 mill. €
- ▶ Employees with significant motivation increase
- ▶ Solid order situation by the end of September 2008

# Group results 1–9/2008

	1-9/2008	1-9/2007	change	ultimo 07
	in mill. EUR	in mill. EUR	in %	in mill. EUR
Revenues	78.32	71.44	+10	98.33
EBITDA	5.66	-1.56	>100	0.35
<b>EBIT</b>	<b>2.68</b>	<b>-17.42</b>	<b>&gt;100</b>	<b>-16.68</b>
<b>EBIT operating <sup>1)</sup></b>	<b>2.68</b>	<b>-3.26</b>	<b>&gt;100</b>	<b>-2.53</b>
Employees <sup>2)</sup>	1112	1164	-4	1164

1) w/o impairments + restructuring costs

2) average no. of employees and freelancers during the period

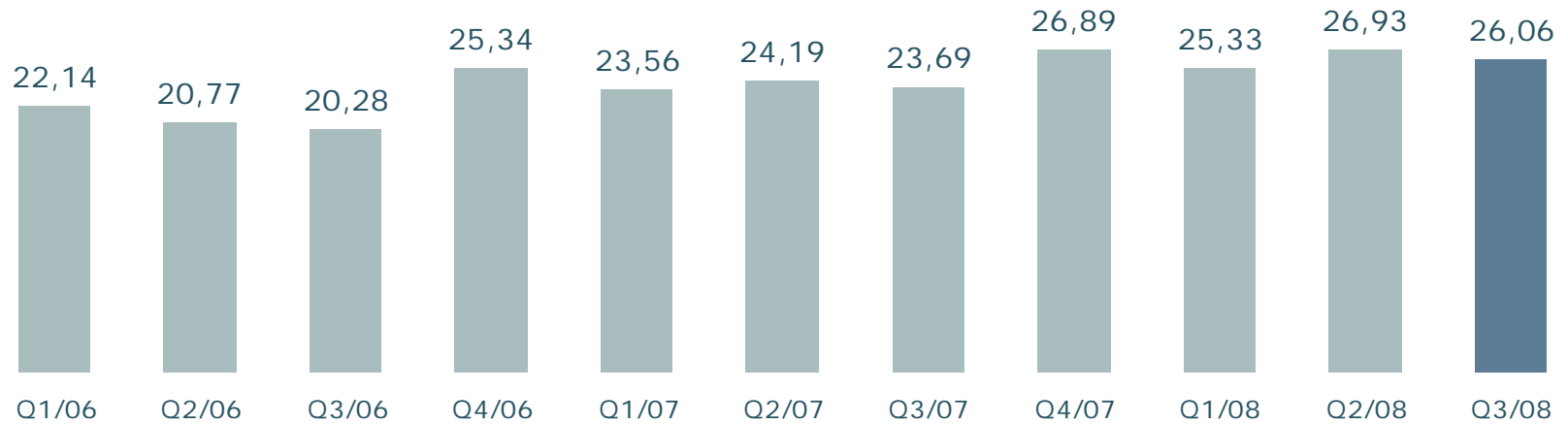
## Group results 7–9/2008

	7-9/2008	7-9/2007	change
	in mill. EUR	in mill. EUR	in %
Revenues	26.06	23.69	+10
EBITDA	1.76	-2.86	>100
<b>EBIT</b>	<b>0.81</b>	<b>-6.68</b>	<b>&gt;100</b>
<b>EBIT operating <sup>1)</sup></b>	<b>0.81</b>	<b>-1.81</b>	<b>&gt;100</b>

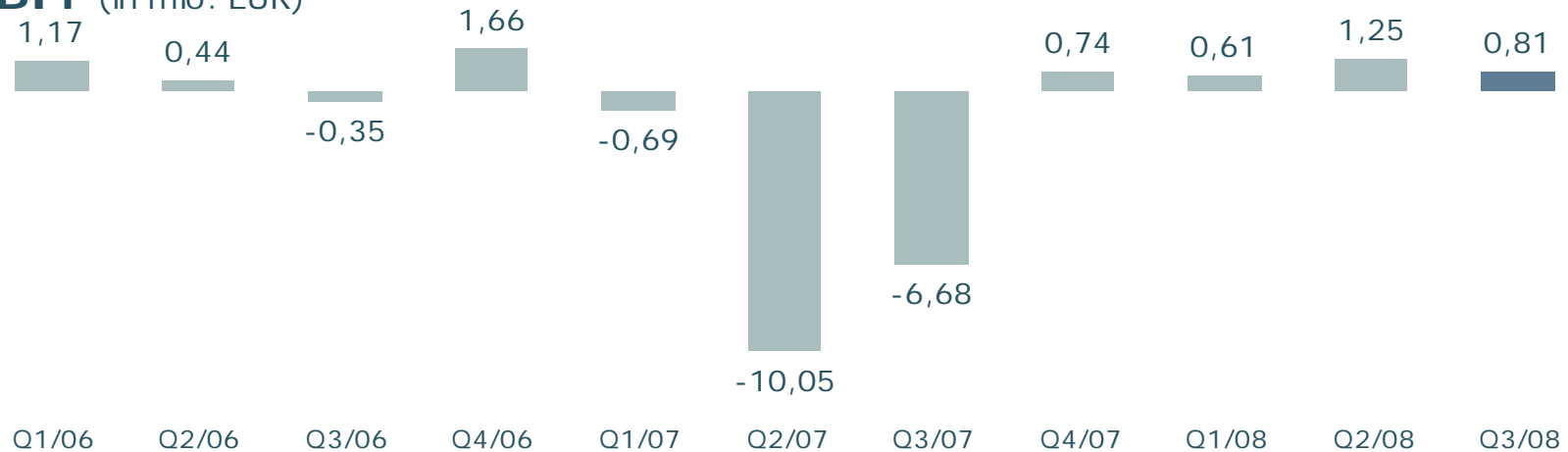
1) w/o impairments + restructuring costs

# Development per quarter

## Net sales (in mio. EUR)

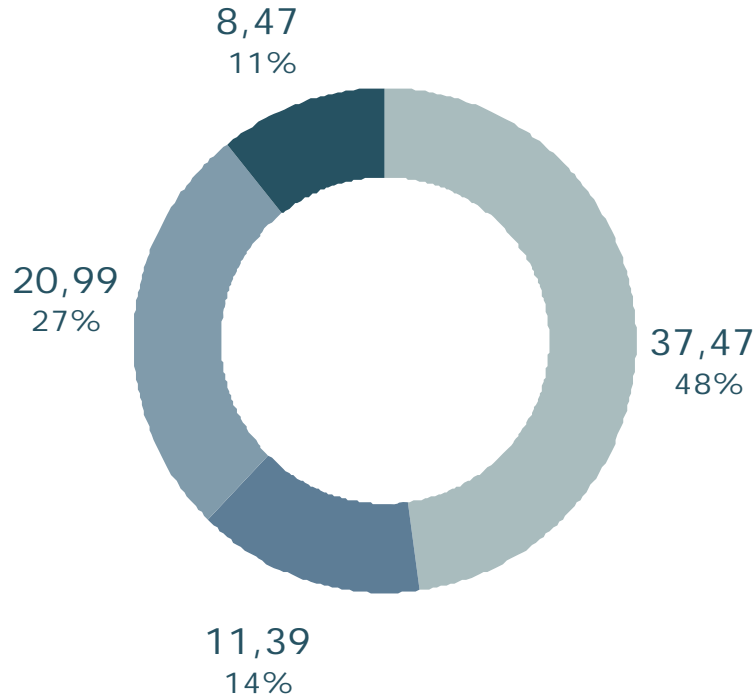


## EBIT (in mio. EUR)



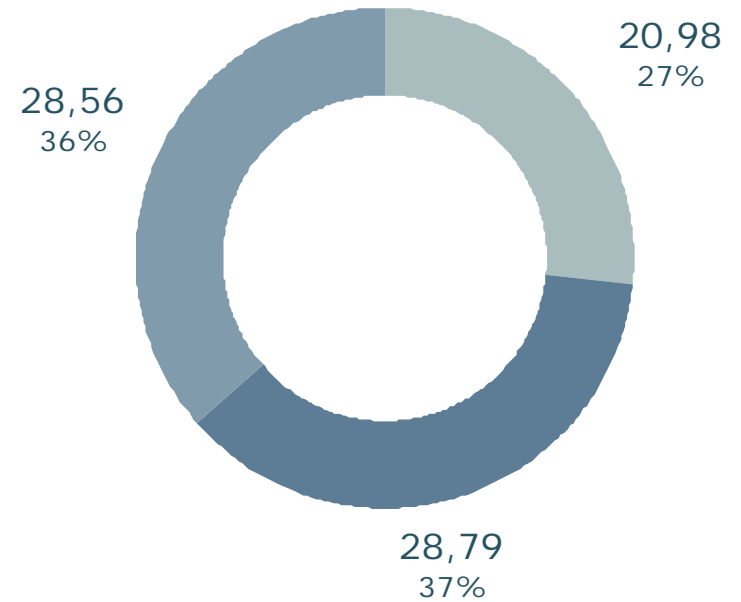
# Business Segments 1-9/2008

### Revenues per region (in mill. EUR)



- Germany
- Central & Eastern Europe
- South West Europe
- North Europe

### Revenues per segment (in mill. EUR)



- Professional Services
- Business Solutions
- Technology and Infrastructure

## Cash flow H1-2008

	H1-2008	H1-2007	chg. %
	in mill. EUR	in mill. EUR	
<b>Gross cash flow</b>	<b>2.41</b>	<b>0.01</b>	<b>&gt; 100</b>
<b>Operating cash flow</b>	<b>0.48</b>	<b>-1.87</b>	<b>&gt; 100</b>
<b>Cash flow from investing activities</b>	<b>-4.04</b>	<b>-3.63</b>	<b>-11</b>
<b>Cash flow from financing activities</b>	<b>-0.77</b>	<b>6.58</b>	<b>&gt; 100</b>
Treasury stock	0.00	-1.95	-100
Repayment of/increase in financial liabilities	-0.77	10.04	> 100
Dividends paid	0.00	-1.51	-100
<b>Change in cash and cash equivalents</b>	<b>-4.33</b>	<b>1.08</b>	<b>&gt; 100</b>
<b>Cash and cash equivalents at end of period</b>	<b>5.11</b>	<b>14.28</b>	<b>-64</b>

- ▶ further significant improvement of operating cash flow in Q3 (publication on November 28 2008)

## Balance sheet figures H1-2008

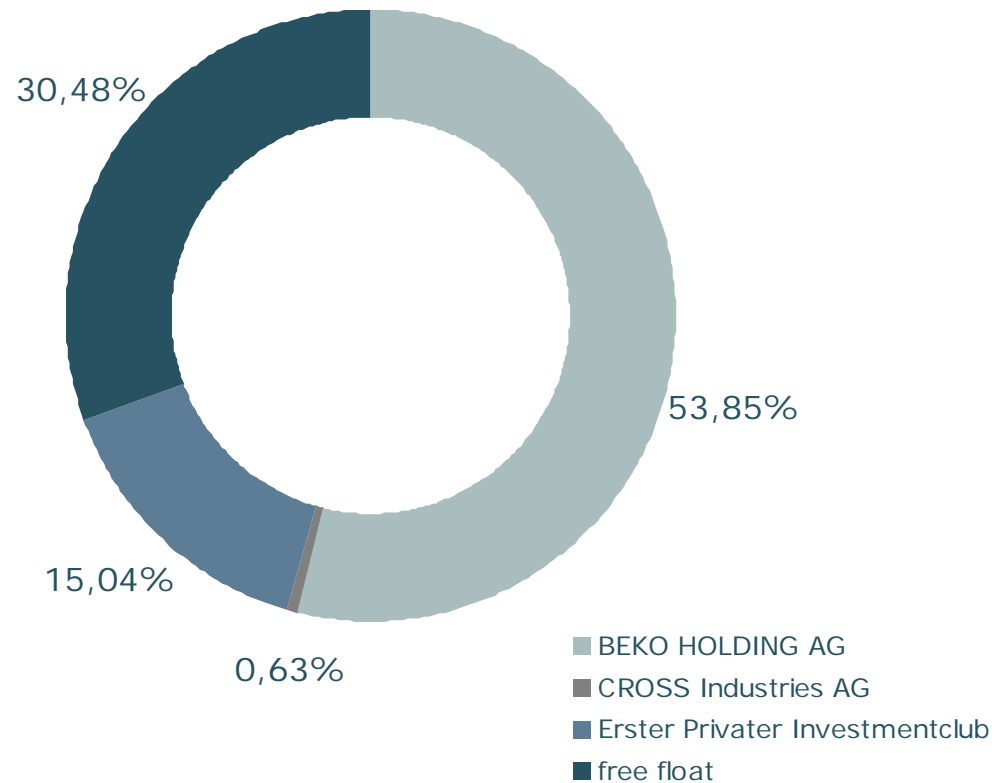
		30.6.2008	31.12.2007	chg. %
Equity	in mill. EUR	27.12	26.27	+ 3
Net Debt	in mill. EUR	9.62	6.53	+47
Working Capital	in mill. EUR	7.87	4.77	+65
Gearing (Net Debt / Equity)	in %	35	25	-
Equity ratio	in %	38	35	-

- ▶ reduction of net debts in Q3 vs. Q2 and until YE
- ▶ further equity ratio increase until YE

- ▶ Public tender offer (binding offer) of BF Informationstechnologie-Beteiligungsgesellschaft m.b.H. (BFIB) based on 2.40 € per share expired on July 22, 2008
  - ▶ offer was accepted by a total of 18.34 % during the extension period
- ▶ BFIB (subsidiary of Cross Industries AG and UIAG) was fully integrated in BEKO Holding AG through contribution in kind by September 30, 2008
- ▶ BEKO HOLDING AG currently holds 53.85 % of BRAIN FORCE shares
  - ▶ additionally Cross Industries AG (a parent company of BEKO) holds 0.63 %
- ▶ Helmut Fleischmann Privatstiftung (private foundation) reduced share to less than 5 %

# Shareholder structure

▶ based on current notifications





## Strategy and Outlook

- ▶ **Consistent restructuring improves profitability**
  - ▶ stronger focus on sustainable profitability vs. top-line growth (as priority)
  - ▶ optimization of product and service portfolio (ongoing)
  - ▶ closing of unprofitable locations in USA, UK, ESP (done)
  - ▶ stop of motorsports sponsoring (done)
  - ▶ development stop for unprofitable products (done)
- ▶ **Buy-and-Build-strategy interrupted**
  - ▶ first: efficient integration of existing acquisitions (done)
- ▶ **Focus on core competencies and core markets**
  - ▶ setup Competence Center structure for strategic business areas (done)
- ▶ **Stabilization of organisation and motivation of employees**
- ▶ **If necessary – further elimination of past burdens**

- ▶ company currently stable and healthy
- ▶ however clear future strategy necessary

**BRAIN FORCE future  
in 5 – 10 years?**

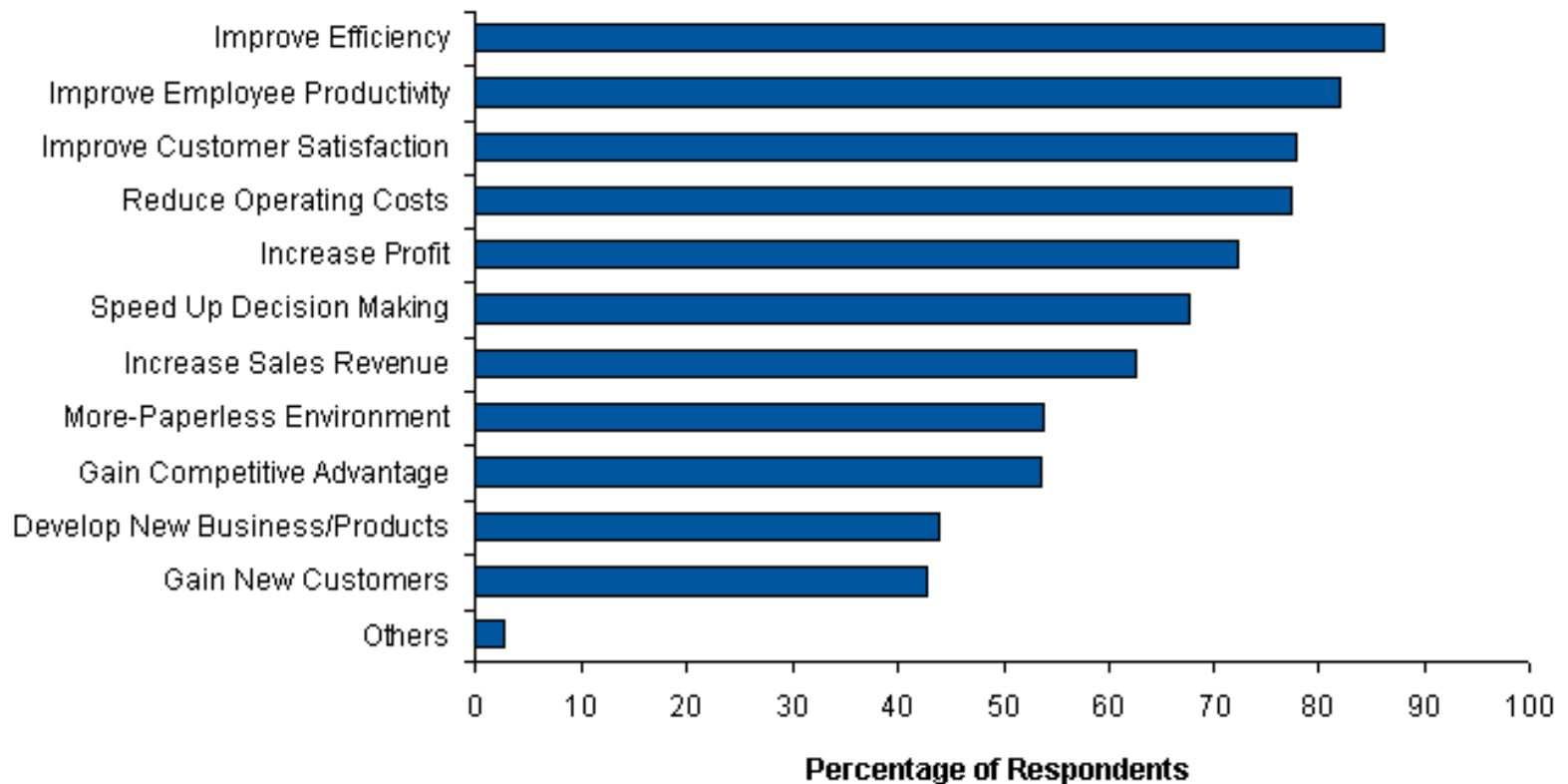
A flowchart diagram with a central box at the top containing the text "BRAIN FORCE future in 5 – 10 years?". Two arrows point downwards from this box to two separate boxes below. The left box contains the text "Where does the market go to?" and the right box contains the text "What does BRAIN FORCE stand for?".

**Where does  
the market go to?**

**What does BRAIN FORCE  
stand for?**

# Where does the market go to?

▶ main drivers for IT investments \*)



\*) source: Gartner Group

# Where does the market go to?

## ▶ Business focus

- ▶ higher sales effectiveness
- ▶ increased customer satisfaction
- ▶ quicker decision making
- ▶ improved competitiveness


⇒ **to drive revenue & profit growth**

## ▶ Operational focus


- ▶ higher cost effectiveness
- ▶ improved operational control
- ▶ increased margins

⇒ **for better integration among business functions**

## Our answer:

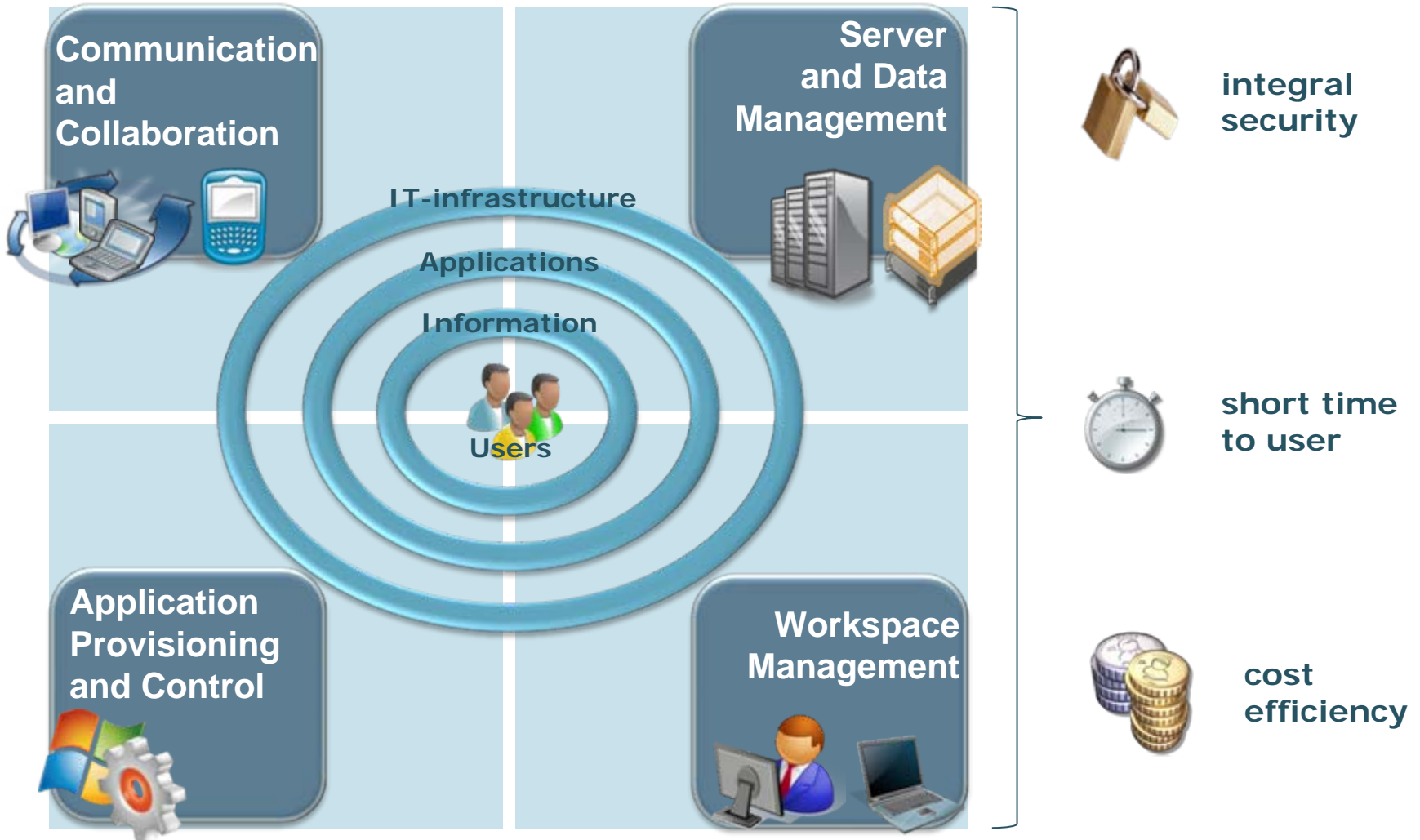


**ERP, CRM,  
CPM/BI and  
sales support**

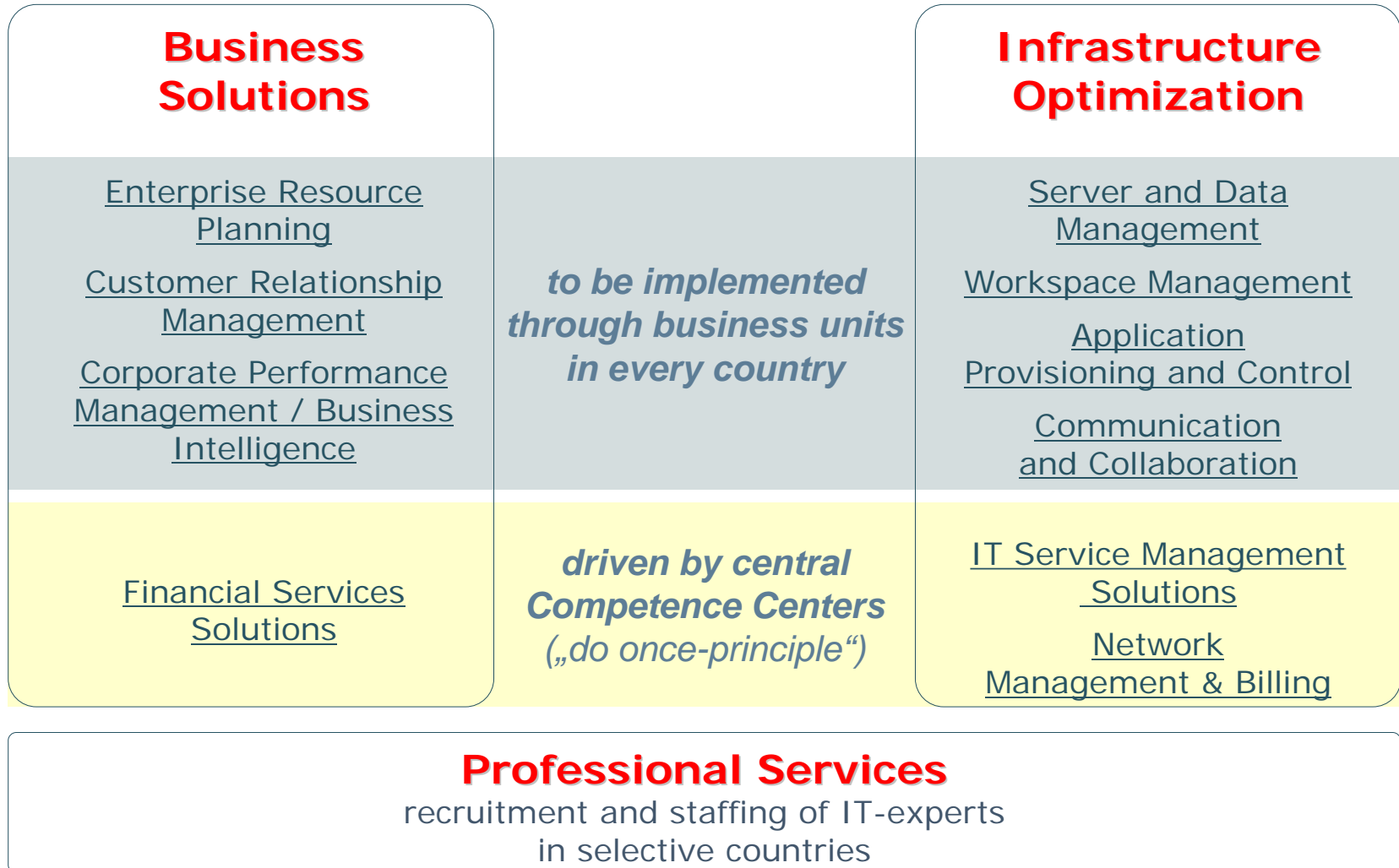


**all from above  
plus  
Infrastructure  
Optimization**

# Infrastructure Optimization – Scope

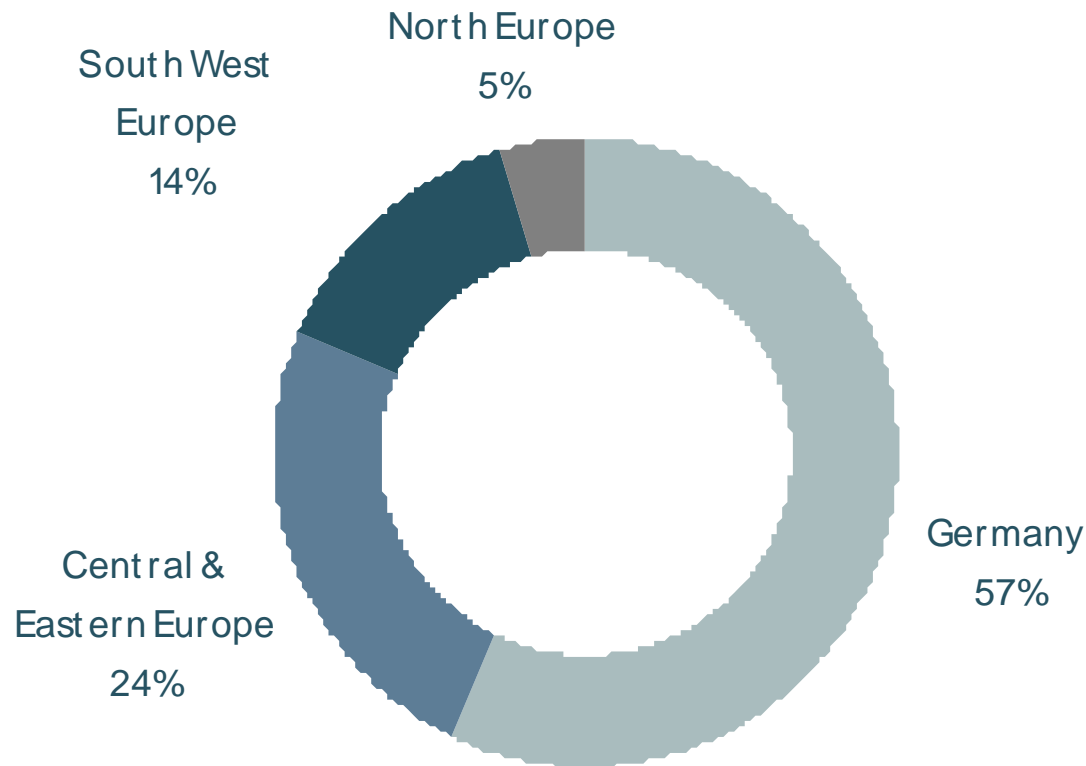


# Overall strategic portfolio and focus on growth areas



# Order situation by September 30 2008

- ▶ Group: 28.96 mill. € | +4 % compared to September 30, 2007



- ▶ Increase of operating guidance for FY 2008
  - ▶ Revenues > 100 mill. EUR (unchanged)
  - ▶ EBITDA > 7 mill. EUR (prev.: 6 to 7 mill. EUR)
  - ▶ EBIT > 3 mill. EUR (prev.: 2 to 3 mill. EUR)
  
- ▶ Check recoverability of KEMP convertible bond in Q4
  - ▶ risk of 0.63 mill. EUR in financial result (non-cash)
  - ▶ **no impact on Group financing!**
    - ⇒ strong cash position and cash flow, sufficient bank lines
  
- ▶ New German law on tax loss carry-forwards entails risk for net earnings
  - ▶ deferred tax assets of 2.9 mill. EUR in Germany
  - ▶ after takeover by BFIB and contribution in BEKO cancellation possible
  - ▶ experts doubt constitutionality of this new law in Germany
  - ▶ currently no final judgement possible

- ▶ Operating activities of BRAIN FORCE are well prepared
  - ▶ results and cash flow develop in a very positive way
  - ▶ financing secured
- ▶ Precise guidance for 2009 impossible due to financial crisis and uncertain market development
- ▶ Costs and investments are strictly monitored to enable immediate reaction in case of profitability decline
- ▶ Target for 2009: clearly positive operating result



## Additional Information

## Enterprise Resource Planning (ERP)

With our knowledge of your industry business we improve your competitive positioning with a better integration among business functions.

*Microsoft Dynamics Ax – ERP Solution for large companies*

*Microsoft Dynamics Nav – ERP Solution for mid-sized companies*

*BRAIN FORCE Visual Space – ERP Solution for small companies*



# Customer Relationship Management (CRM)

We help you to increase sales effectiveness and customer satisfaction with a solution that is well integrated in your daily operations.

*Microsoft Dynamics CRM*

*BRAIN FORCE FINAS CRM*



# Corporate Performance Management / Business Intelligence (CPM/BI)

We provide processes, methodologies and metrics to balance priorities from operations and strategies, distributing an effective suite of reports with the right information for the right users.

*IBM Cognos*

*Microsoft Performance Point Server & BI*



# Financial Services Solutions

We provide tailor-made solutions to optimize business processes. High quality services and solutions for the front-office and back-office area accelerate the business of our customers in the financial industry.

***BRAIN FORCE FINAS Suite** – sales support system for financial industry*

***BRAIN FORCE Rebecca** – mortgages evidence and administration solution*

***BRAIN FORCE Jupiter** – asset management information system*



## Server and Data Management

We create a dynamic, secure and reliable server and data infrastructure that is well manageable.

*Data & Systems Availability Solutions*

*Integrated Virtualization*

*Server Management and Monitoring*

*Cloud Computing*

## ***Data & Systems Availability Solutions***

*Design, implementation and management of a highly available datacenter.*

## ***Integrated Virtualization***

*Design, implementation and management of virtualization solutions through the whole IT-stack. Virtualization is a means to deliver and manage IT-resources.*

## ***Server Management and Monitoring***

*Design, implementation and management of servers and the monitoring of their performance.*

## ***Cloud Computing***

*Design, integration and management of online services and applications*



## Workspace Management

To create dynamic and user-centric infrastructures we implement leading technologies using best practices and cut costs by automating manual tasks.

*Client Management Solutions*

*End User Environment*

*Virtual Desktop Infrastructure*

## *Client Management Solutions*

*A well-managed and transparent workspace – anywhere, anytime. Design, implementation and maintenance of the clients used by users to access their workspace. Clients can be desktops, servers, laptops, notebooks, PDA's, thin clients.*

## *End-user Environment*

*Deliver a user-friendly custom workspace with all applications and settings in a well-managed IT-infrastructure – anywhere, anytime.*

## *Virtual Desktop Infrastructures*

*Design, implementation and maintenance of virtual desktops*



## Application Provisioning & Control

Using best practices, application management processes and smart tools we provide solutions to deliver the right application functionality to the right user at the right time.

*License Compliancy*

*Application Rationalization*

*Application Compatibility*

*Application Packaging & Virtualization*

*Application Deployment*

## ***License Compliancy***

*The license management can be straightened out once and for all and an up-to-date insight into the compliancy status will be gained.*

## ***Application Rationalization***

*Customers are faced with a proliferation of applications, which costs a lot and is a bottleneck for flexibility and responsiveness to change. Applications are aligned with the business need.*

## ***Application Compatibility***

*Customers are offered the insight applications will work on a specific platform and the remediation to make sure applications is deliverable.*

## ***Application Packaging and Virtualization***

*Customers are offered solutions to make their applications ready for automatic software distribution and virtualization.*

## ***Application Deployment***

*Solutions to deliver applications just-in-time to users and manage the full application life cycle.*



## Communication & Collaboration

We integrate cutting edge technologies for unified communication and collaboration within your existing ICT-infrastructure to improve users' productivity.

*Collaboration*

*Enterprise Search*

*Unified Communications*

*Mail & Messaging Solutions*

## ***Collaboration***

*Solutions to integrate software into the existing IT-infrastructure with which employees are able to edit, store, share and present information.*

## ***Enterprise Search***

*Solutions to find the right information easily.*

## ***Unified Communications***

*Solutions with which customers are able to consolidate communication media on all devices.*

## ***Mail & Messaging Solutions***

*Design, implementation and maintenance of integrated solutions for email and instant presence information.*



## IT Service Management Solutions

We integrate, manage and control all service processes, systems and partners on a single platform.

*SolveDirect Solutions*

## *BRAIN FORCE SolveDirect Solutions*



- ▶ Integrate all systems
  - ▶ B2B system connection of ERP and supply chain solutions and integration of all internal and external partners on one single platform
- ▶ Manage all services
  - ▶ Central application for all internal and external IT service procedures transparent in one platform
- ▶ Control all processes
  - ▶ Easy monitoring of the service supply chain with real-time KPIs



## Network Management & Billing

We document and manage complex communication and network infrastructures with integrated billing processes.

*BRAIN FORCE ICT-Suite*

## *BRAIN FORCE ICT Suite*



- ▶ Network Infrastructure Management
  - ▶ **BRAIN FORCE Net Organizer** documents and manages complex infrastructures to ensure high availability through fast recovery and effective change management.
- ▶ Communication Infrastructure Management
  - ▶ **BRAIN FORCE Com Organizer** facilitates the central management and administration of heterogeneous telephone systems.
- ▶ Billing Processes
  - ▶ **BRAIN FORCE ICT Bill** allows transparent planning, management and billing of ICT infrastructures and ICT services.



## Financial calendar



November 12, 2008	Preliminary Q3 results for 2008 and guidance for the years 2008 and 2009 German Equity Forum in Frankfurt
November 28, 2008	Report on the first three quarters of 2008
February 10, 2009	2008 preliminary full year results
March 27, 2009	2008 annual results and press conference
May 12, 2009	Report on the first quarter of 2009
May 14, 2009	11 <sup>th</sup> Annual General Meeting
August 21, 2009	Six months 2009 report
November 10, 2009	Report on the first three quarters of 2009

- ▶ Thomas Melzer  
Chief Financial Officer
  - ▶ Tel: +43 1 263 09 09 12  
[investorrelations@brainforce.com](mailto:investorrelations@brainforce.com)  
[www.brainforce.com](http://www.brainforce.com)
  - ▶ BRAIN FORCE HOLDING AG  
IZD Tower / 34<sup>th</sup> floor  
Wagramer Straße 19  
1220 Wien
  - ▶ Vienna Stock Exchange: BFC  
Reuters: BFC.VI  
Bloomberg: BFC AV  
Datastream: O:BFS  
ISIN: AT0000820659