

BrainNet Supply Management Group AG publishes results for the 2008 financial year

BrainNet Again Enjoys Growth in Excess of 20 Percent

Bonn, October 12, 2009 – BrainNet Supply Management Group AG has published its results for the 2008/09 financial year which ended on June 30, 2009 and during which consolidated sales by the BrainNet group exceeded €30 million. This means that BrainNet has grown by more than 20 percent, as it did in the two previous years, despite the difficult market environment. The number of staff employed around the world has also increased in line with sales.

BrainNet has managed to continue its steady growth in the 2008/09 financial year. This growth was driven by a good order book in Germany and positive developments in the UK and Scandinavia, where BrainNet opened its own offices this year. Company sales in the US, eastern Europe, China and India were also on target.

Rapid payback of project costs helps drive growth

BrainNet is benefiting from the increasing demand all over the world for projects in procurement and logistics. Most of the projects undertaken in this year of economic crisis focused on helping companies achieve fast and sustainable costs reductions and lower capital commitment. The key factor for their success is the fact that the projects pay for themselves in 3-6 months through the savings made, which guarantees ROI. The number of orders from the private equity sector has grown in particular. Over the last 12 months, BrainNet has successfully led more than 20 projects for PE portfolio companies.

Shortage of high-potential staff

In response to this dynamic situation, BrainNet will be adding between 15 and 25 new members to its consultancy team in Germany alone. “The skill level of staff in procurement will continue to be of strategic significance for businesses over the next few years, but the availability of high-potential staff will remain a limiting factor – both for our customers and ourselves,” said Christian A. Rast, CEO of BrainNet. “We set the bar for our own staff development very high and try to attract the most talented and creative people to BrainNet. It’s very helpful that our experience and leading position on the market for procurement consultancy is now widely recognized. Findings from research conducted by WGMB, which rated BrainNet as the number one for procurement consultancy in their ‘Hidden Champions study,’ confirm this and underline our outstanding specialist expertise. This explains why more people from leading strategy advisors and competitors are applying to work with us.”

Future markets in Asia and South America

BrainNet believes that the most important Asian markets (China and India) will play an even more significant role in the future, though primarily as growth markets, rather than procurement markets. This will shift the focus of strategic projects from “local for global” to “local for local” and signals that opening up markets for the long term is becoming increasingly important. Procurement organizations within companies will therefore have to expand their presence and supply chains in these areas.

“We recognized this trend at an early stage and have aligned our Asian branches accordingly,” says Rast. “By maintaining strong local teams and working closely with scientific institutes on the ground, we have been helping our customers in these areas to further develop their sourcing strategies for the last 14 years. The work in our Shanghai and Mumbai offices is also increasingly concerned with implementing local procurement projects for local clients.”

BrainNet expects to see similar trends in South America, where the company is currently establishing a presence in Brazil. In total, a third of BrainNet’s sales are made abroad and these sales are growing at a disproportionately high rate.

Positive outlook

In the coming year BrainNet expects the positive trend to continue and is again looking for growth of around 20 percent. Its strong global presence, solid technical expertise and extensive portfolio, covering all areas of supply chain management, should guarantee sustainable growth. By working closely with the Supply Chain Management Institute (SMI) at the European Business School (ebs), we have long been rubbing shoulders with those involved in the best research, training, consultancy and qualification in the SCM environment anywhere in the world. “We are getting very positive feedback from our customers and partners, which paints a very rosy picture for the future,” explains Rast.

About the BrainNet Supply Management Group AG

BrainNet is one of the leading international brands for supply chain management consultancy. Employing 220 members of staff, BrainNet turns over €30 million globally. BrainNet develops and realizes tailored solutions for more than 80 of the companies listed in the Global Fortune-500 and around 240 fast growing SMEs. For years, BrainNet has had offices in Bonn, Boston, Budapest, Chicago, London, Mumbai, Munich, Shanghai, St. Gallen, Stockholm, Tampa and Wroclaw.

The current study, “Hidden Champions of the Consulting Market” by the Scientific Society for Management and Consulting (WGMB) puts BrainNet as the number 1 purchasing consultant in Germany. The company is – together with Roland Berger – also the only consultancy to be listed in the Hidden Champion top 5 ranking in all the supply chain management disciplines (purchasing, internal supply chain & processes and distribution logistics).

Through its close collaboration with the Supply Chain Management Institute (SMI) at the European Business School (EBS), BrainNet offers a totally unique value-creation chain ranging from research and training young talent at leading business schools to implementing consultancy projects and strategic qualification of top managers and supply chain managers.

For more information about BrainNet, please go to www.brainnet.com

BrainNet – people creating connected solutions

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