# First Quarterly Report 2007

bmp

Ralph Günther

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## Dear shareholders and business partners,

The first quarter of 2007 has gone well for bmp. Profits of €0.5 million were achieved on a turnover of €5.8 million. Thanks to a series of investment sales, turnover rose by over 340% in comparison to the first quarter of 2006. Company profits improved by €950,000, going from losses of €457,000 in the first quarter of 2006 to a profit of €494,000. This is particularly pleasing as the profits resulting from some of the investment sales in the first quarter of 2007 had already been included in the 2006 company results.

Liabilities, especially those related to project refinancing through KfW, were able to be reduced again slightly from those as of 31.12.2006 to €8.3 million. Equity rose from €22.0 million to €22.5 million.

Marketable securities and cash equivalents on 31.03.2007 amounted to €12.5 million; as of 31.12.2006, this figure was €13.4 million. Cash and credit balances held with banks rose by €5.8 million at 31.12.2006 to €8.1 million on 31.03.2007.

The subscription of additional private equity target funds to the König & Cie. fund of funds allowed the assets under management (AUM) in the field of private equity advisory to be increased and to exceed a level of €50 million for the first time. We have also made considerable progress towards our goal of reducing the investment portfolio of bmp AG. This will allow us to devote adequate energy to the successful establishment and expansion of bmp Media Investors.

All in all, we are very pleased with the company's development over the first quarter, which provides a sound basis for the remainder of the year's developments.

The Management Board

# Business Development

The first quarter of 2007 for bmp AG saw marked success in terms of investment sales, which gave rise to a significant increase in turnover in comparison with the same period in the previous year. Activity was focussed on the preparation and implementation of the new investment in Brand New World GmbH, which was made through bmp Media Investors AG & Co. KGaA. In the field of fund management, the Hamburg-based investment company König & Cie and bmp worked together, following on from the successful placement of their first fund of funds, to develop the new König & Cie. II International Private Equity fund. Five target funds are already included.
As of 31.03.2007, company turnover was €5,778,000, a 344% increase in comparison with that as of 31.03.2006 (€1,301,000). Company profits were, at €494,000, considerably better than in the previous year (–€457,000), despite the fact that many of the proceeds from investment sales have already been accounted for in the 31.12.2006 results for the purposes of "fair value" accounting.

Personnel costs for the first three months of the year were, at €489,000, some 89% higher than in the previous year's period. This sum includes performance-related payments for sales achieved as well as provisions for emoluments for board members. Other operating expenses amounted to €363,000, slightly above those for the previous year's period (€270,000). This increase is due in particular to costs related to exchange rate fluctuations and costs for other accounting periods.

The financial result for the first three months of the year was –€41,000. The improvement in comparison to this period in the previous year (–€140,000) is due mainly to the reduction in long-term refinancing liabilities to KfW and the associated interest payments, as well as the considerably higher interest received from fixed term deposits.

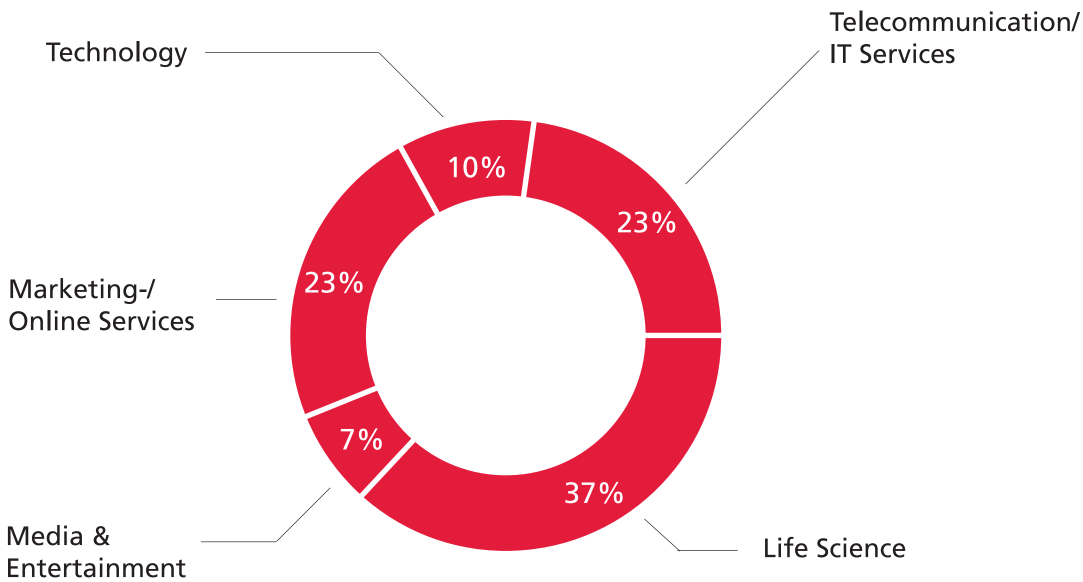
As of 31.03.2007, cash and cash equivalents amounted to €8.1 million (previous year: €3.4 million), plus listed securities of €4.4 million (previous year: €4.4 million).

### Direct investments

As of 31.03.2007, bmp had investments in 16 companies – 15 of which were within the active portfolio – with a total investment volume of €20.9 million at acquisition cost. In the first quarter of 2007, the portfolio was reduced by seven investments. The remaining shares in the two listed companies Bankier.pl S.A. and Jerini AG were disposed of in full. In addition, the investments in the Polish companies Internet Service S.A. and ACR S.A. were sold by means of trade sales. The investment in workXL AG was sold to the company's management. Tom's Guides Publishing was removed from the portfolio on 31.03.2007; this will therefore first impact upon revenue in the accounts for the second quarter of 2007, as the sale contract came into effect only with the payment of 85% of the purchase price at the start of April. The investment in the listed company TFG Capital AG was reduced by about half in the reporting period is no longer being operated as an active portfolio investment, as the investment no longer fits with bmp AG's investment focus and will be sold in the medium term.
In the first quarter, the existing investments saw two major share reorganisations. The stake in Gamigo AG was increased from 32.18% to 45.40% in the course of a capital increase. The stake in the Polish company K2 Internet S.A. was also increased by purchasing of all shares held by the Central & Eastern Europe GmbH fund from 26.24% to 46.75% (fully diluted: 42.63%). After the end of the reporting period, the shares in the listed investment YOC AG

were all sold by means of a non-stock market bulk sale.
The portfolio is well diversified and the largest investment sector, as a percentage of IFRS value, represented is life sciences, at 37%. As of 31.03.2007, around 84% of the value of the portfolio is invested in Germany. Measured in accordance with IFRS "fair value", the five largest investments in the portfolio accounted for 72% of the portfolio's value on the valuation date.

Industry Share of IFRS Bookvalue as of 31.03.2007



### Private Equity Advisory and Fund of Funds Management

bmp's second business area continued to see dynamic expansion in the first quarter of 2007. The first private equity fund of funds organised with König & Cie. (INPEQ I) saw its two, for the time being, final investments made; the portfolio now includes 11 private equity funds with a volume of around €33 million. The fund is thus for now fully invested and it is anticipated that it will remain closed in the second quarter of 2007. The investment performance achieved to date is highly pleasing – on the valuation date of 31.03.2007, three full exists by means of trade sales and two IPO´s had been achieved. These successes have given rise to significant returns for INPEQ from the target funds.

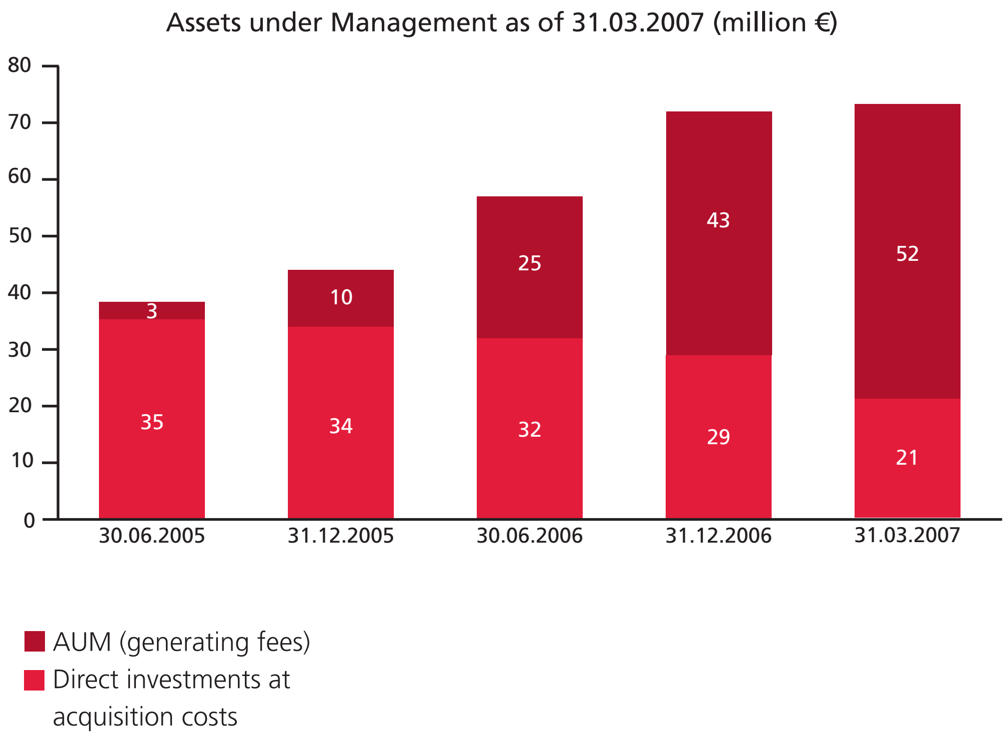
At the same time, during the first quarter of 2007 the successor product INPEQ II was developed, which received approval from the German Federal Financial Supervisory Authority in the second quarter. The fund has already begun to operate.
At the end of the first quarter, the INPEQ II portfolio included five investments, with a volume somewhat over €17 million. The target allocation is based on that of the previous fund, with some changes to adapt to current market conditions. In addition, the conditions have been improved strongly to the benefit of the investor in comparison with the previous fund. For the first time an over-commitment strategy was included in the prospectus. This should serve to maximise the investment returns.

We are particularly proud of the fact that we have for the first time been able to add one of the stars of American venture capital, Draper Fisher Jurvetson IX, to our fund of funds.

By the end of the first quarter, we had invested around €50 million for our clients in various target funds. We expect that we will be able to extend our partnership with König & Cie beyond Inpeq II into the future.

## Development of the Assets under Management (million €)

| | 1. HY '05 | 2. HY '05 | 1. HY '06 | 2. HY '06 | 31.03.07 |
|---|---|---|---|---|---|
| Assets under management total | 37.9 | 44.2 | 56.9 | 72.0 | 73.2 |
| Direct investments at acquisition costs | 34.8 | 34.0 | 32.1 | 29.5 | 20.9 |
| New direct investments | 1 | 1 | 1 | 2 | 0 |
| Disinvestments | 2 | 1 | 0 | 3 | 7 |
| Number of direct investments | 23 | 23 | 24 | 23 | 16 |
| Private equity advisory and fund of funds management | 3.0 | 10.3 | 24.8 | 42.5 | 52.3 |




### Staff developments

bmp AG employed at the end of the quarter 15 staff members. In addition to the Board, 12 permanent staff are now employed, three of whom work part-time.

# Outlook

With the sale of the remaining stake of 1.73% in the listed company YOC AG we will be able to achieve a successful exit as early as the 2nd quarter. Two further sales of investments are being prepared and should be completed over the course of the second quarter.

We are, together with KfW, preparing for the premature winding up of the "bmp Venture Tech GmbH" co-investment fund, which currently includes six investments. As the fund is based purely on credit financing and is consolidated within bmp, winding up would considerably reduce the company's liabilities and could have a positive impact on profits.

bmp Media Investors AG & Co. KGaA was able to make its first direct investment in April. We expect that the coming months will see an acceleration in investment activity. We have meanwhile increased the company's capital to €3 million and intend, with the approval of bmp shareholders, to transfer four bmp investments to bmp Media Investors.

The field of Fund of Funds Management / Private Equity Advisory is also showing pleasing development. A further private equity fund of funds has been set up with König & Cie (König & Cie. II. International Private Equity GmbH & Co. KG) and has begun operations. This field too should thus show dynamic growth in terms of assets under management.

Overall, we are very optimistic about the 2007 financial year and continue to expect to exceed our previous year's results.

Berlin, May 2007

# Group Balance Sheet as at 31.03.2007

| Assets | 31.03.2007 | 31.12.2006 |
|---|---|---|
| | € | €'000 |
| **Long-term assets** | | |
| Intangible assets | 493.12 | 1 |
| Tangible assets | 62,028.91 | 63 |
| Equity investments | 12,237,494.61 | 14,985 |
| Silent partnerships and loans | 2,669,068.17 | 2,703 |
| Affiliated companies and Joint Ventures | 714,562.20 | 334 |
| | **15,683,647.01** | |
| **Current assets** | | |
| Trade accounts receivable | 1,261,119.83 | 890 |
| Receivables and other assets | 6,714,203.72 | 6,707 |
| Cash on banks and cash on hand | 8,069,087.59 | 5,757 |
| Prepaid expenses | 22,438.38 | 23 |
| | **16,066,849.52** | |
| **Total assets** | **31,750,496.53** | **31,462** |

| Liabilities | 31.03.2007 | 31.12.2006 |
|---|---|---|
| | € | €'000 |
| **Shareholders´ equity** | | |
| Subscibed capital | 17,500,000.00 | 17,500 |
| Capital reserves | 530,600.78 | 531 |
| Revaluation surplus | 972,256.66 | 972 |
| Accumulated net profit | 3,492,572.97 | 2,999 |
| | **22,495,430.41** | |
| **Long-term liabilities** | | |
| Liabilities from refinancing activities | 8,298,765.99 | 8,577 |
| Provisions | 83,000.00 | 83 |
| | **8,381,765.99** | |
| **Current libailities** | | |
| Trade accounts payable | 65,855.34 | 96 |
| Liablilities to banks | 36,564.89 | 0 |
| Other liabilities | 631,379.90 | 516 |
| Provisions | 139,500.00 | 189 |
| | **873,300.13** | |
| **Total liabilities** | **31,750,496.53** | **31,462** |

# Group Profit and Loss Statement

| | 01.01.-<br>31.03.2007 | 01.01.-<br>31.03.2006 |
|---|---|---|
| **Sales revenue** | **€** | **€'000** |
| Income from disposal of investments and securities | 5,777,695.29 | 1,301 |
| **Other operating income** | | |
| Income from revaluation of investments | 566,945.09 | 71 |
| Other operating income | 66,739.26 | 156 |
| Income from consulting and commissions | 51,853.17 | 35 |
| **Reduction in book value of investments and securities** | | |
| Reduction in book value of investments and securities | -5,014,392.54 | -1,309 |
| **Staff costs** | | |
| Wages and salaries | -454,412.93 | -225 |
| Social security contributions and costs for pensions and support | -34,537.95 | -34 |
| **Depreciations** | | |
| Depreciation on intangible and tangible fixed assets | -6,768.97 | -13 |
| Depreciation on financial assets and securities | -54,986.44 | -29 |
| **Other operating expenses** | | |
| Other operating expenses | -363,033.21 | -270 |
| **Operating income/ loss** | **535,100.77** | **-317** |
| Income from investments | 13,779.28 | 35 |
| Interest and similiar income | 105,454.64 | 67 |
| Interest and similiar expenses | -160,212.91 | -242 |
| **Profit/loss on ordinary activities** | **494,121.78** | **-457** |
| Other taxes | -580.00 | 0 |
| **Consolidated net profit/loss** | **493,541.78** | **-457** |
| Profit/Deficit carried forward from previous year | 2,999,031.19 | -5,148 |
| Withdrawal from the capital reserve | 0.00 | 0 |
| Accumulated profits/deficit | 3,492,572.97 | -5,604 |
| | | |
| **Profit/loss per share €** | **0.03** | **-0.03** |
| **Diluted profit/loss per share €** | **0.03** | **-0.03** |

# Group Cash-Flow Statement for the period from 1 January 2007 to 31 March 2007

| In €'000 | 01.01.-31.03.2007 | 01.01.-31.03.2006 |
|---|---|---|
| **Business activities** | | |
| Consolidated net profit/loss | 494 | -457 |
| Depreciation on investments and securities | 55 | 29 |
| Depreciation on tangible assets | 7 | 13 |
| Other expenses/ income with no effect on liquidity | -2 | 0 |
| Revaluation of holdings and securities | -567 | -205 |
| | **-13** | **-620** |
| **Decrease/(-) increase in assets and Increase/(-) decrease in liabilities** | | |
| Receivables and other assets | -379 | 905 |
| Other liabilities | 85 | -17 |
| Prepaid expenses/income | 0 | 0 |
| Provisions | -49 | 0 |
| **Net income/expenses for business activities** | **-356** | **268** |
| **Holdings and affiliated companies** | | |
| Additions to holdings, silent partnerships and loans | -1,737 | -1,130 |
| Change in affiliated companies and Joint Ventures | -380 | 50 |
| Disposals of holdings, silent partnerships and loans at net book value | 5,031 | 512 |
| | **2,914** | **-568** |
| **Tangible fixed assets** | | |
| Additions | -5 | -11 |
| Disposals at net book value | 0 | 0 |
| **Cash-Flow from investments** | **2,909** | **-579** |
| **Financing activities** | | |
| Decrease in liabilities to banks | -241 | 110 |
| **Cash Flow from financing activities** | **-241** | **110** |
| **Change in cash and cash equivalents** | **2,312** | **-201** |
| **Cash and cash equivalents at the beginning of the reporting period** | **5,757** | **3,656** |
| **Cash and cash equivalents at the end of the reporting period** | **8,069** | **3,455** |

# Breakdown of Group Assets

| Figures in € | Subscribed capital | Capital reserve | Accumulated net profits | Other profit reserves | Total |
|---|---|---|---|---|---|
| Equity as at 31.12.2006 | 17,500,000.00 | 530,600.78 | 2,999,031.19 | 972,256.66 | 22,001,888.63 |
| Net profit for the period | - | - | 493,541.78 | - | 493,541.78 |
| Equity as at 31.03.2007 | 17,500,000.00 | 530,600.78 | 3,492,572.97 | 972,256.66 | 22,495,430.41 |

# Notes

## 1. General

These quarterly results have been produced to meet the requirements of the International Financial Reporting Standards (IFRS) and in particular in accordance with IAS 34.

## 2. Generally Accepted Accounting Principles

The Generally Accepted Accounting Principles described in last published company results of 31.12.2006 remain in force.

## 3. Business cycle and season factors

The venture capital business is not subject to seasonal variations; it is not directly linked to the economic situation of a particular market but is dependent to a small extent on the general economic climate. A positive correlation may be seen between the market values of innovative, growing companies on the stock markets and the prices to be achieved by non-stock market sales of stakes in such companies.

## 4. Extraordinary circumstances

In the period to which these results relate there were no extraordinary circumstances which impacted upon valuations, debt, equity, profits or cash flow.

## 5. Estimations

In the period to which the results relate, no changes were made to estimated values.

## 6. Changes to shares

No changes were made to the issued shares.

## 7. Dividends

No dividends were paid in the period to which the results relate.

## 8. Information by segment

bmp AG achieves its turnover almost exclusively by means of the sale of investments. The overwhelming majority of these investments are held in Germany and Poland. As a result of this structure, turnover and results are not classified by segment.

## 9. Results after 31st March 2007

Please see the outlook on page 7.

## 10. Consolidation

Within the reporting period no changes were made to the companies included within the consolidated financial statement in comparison with 31.12.2006. In contrast to the comparable period of the previous year, bmp Media Investors & Co. KGaA and bmp Beteiligungsmanagement AG were fully consolidated and the previous year's values were adapted accordingly. As the effect on the profit/loss account would be only €1,000, no adjustment was made to this.

## 11. Contingent liabilities and commitments

There were no changes to contingent liabilities and commitments in the reporting period.

## 12. Depreciations on financial assets

In the first quarter of the 2007 financial year, depreciations on financial assets totalling €55,000 were made.

## 13. Reclassifications

The investment in the TFG Capital AG Unternehmensbeteiligungsgesellschaft was reclassified as "securities held for trading purposes" because of the intention to sell.

# bmp AG, Berlin Group Management Report, First Quarter 2007

The majority of existing investments have developed positively over the first quarter of 2007. The investment portfolio as of 31.03.2007 amounted to €20.9 million at acquisition cost and included 16 investment companies. The majority of the investments were in Germany; bmp also has foreign investments in Poland, Switzerland and the USA.

In January, a contract was agreed with Best of Media S.A., Paris regarding the sale of the stake held in Tom's Guides Publishing AG; the deal was completed at the beginning of April. January also saw the sale of the stake in workXL AG to one of its founders as part of a management buy-out. The investment in the Polish Bankier.pl S.A. was also sold in January to institutional investors.

In February, the Polish investment in Internet Services S.A. was sold to Bankier.pl S.A.

In March, the remaining shares in Jerini AG were sold on the stock market. bmp also sold almost half of its stake in TFG Capital AG, both on the stock market and by means of a non-stock market bulk sale. In addition, the stake in the Polish firm ACR S.A. was sold to K2 Internet S.A. Finally, bmp took on additional shares in Gamigo AG in the course of a recapitalisation and now holds 45.4% of the company.

March also saw bmp, together with DEG Deutsche Investitions- und Entwicklungsgesellschaft mbH, wind up the co-investment fund Central & Eastern Europe Venture GmbH (CEEV) and acquire all shares held by CEEV. All CEEV's remaining shares in K2 Internet S.A. were transferred to bmp AG, giving the latter an increased stake of 46.75%.

The revenue from the sale of investments has largely been already included in the company results of 31.12.2006, in keeping with "fair value" accounting practice.

### Private Equity Advisory

In the first quarter of 2007, the second private equity fund of funds, "König & Cie. II. International Private Equity GmbH & Co. KG" (INPEQ II), was, in cooperation with the Hamburg-based investment firm König & Cie, developed and submitted to the German Federal Financial Supervisory Authority for approval. This will allow the success of bmp's partnership with König & Cie in the first fund of funds, König & Cie. International Private Equity GmbH & Co. KG" (INPEQ I), to be continued and built upon.

In the first quarter of 2007, INPEQ I and INPEQ II were able to make new commitments totalling almost €10 million.

## Important events occurring after the reporting period:

### Direct investments

At the start of April, bmp Media Investors AG & Co. KGaA took a 10.23% stake in the Munich interactive mobile gaming company Brand New World GmbH. bmp AG participated in a recapitalisation of Heliocentris Fuel Cells AG and now holds almost 31% of the company. The remaining shares in YOC AG were sold at the start of May in a non-stock market bulk sale.

In order to strengthen its equity base and liquidity, bmp AG has increased the equity of bmp Media Investors AG & Co. KGaA by €1.0 million to €3.0 million.

### Private Equity Advisory

At the end of April, the private equity fund of funds "König & Cie. II. International Private Equity GmbH & Co. KG", which has a volume of around €35 million, began operations with an initial portfolio of five investments with a volume of around €17 million.

## Risks and opportunities, 01.04 – 30.09.2007

### Overall risk assessment and risk management

bmp made careful provision in the quarterly results of 31.03.2007 for all identifiable individual risks. bmp has developed an integrated investment controlling system which allows the risks associated with our investment business to be both quantified and qualified. As well as comparing target and actual values for both investments and the company as a whole, the system allows complete reporting and also serves as a management information system.

The operational development of investments is monitored by means of intensive contact with those involved. The company's valuations and their development are checked quarterly by appropriate financial modelling and any adjustments required are made. Such continuous monitoring of investments allows problems to be dealt with appropriately.

bmp's liquidity is currently good and is allowing a targeted expansion of both business areas. At present neither individual nor cumulative risks pose any threat to the continuation of the bmp business. The Board consider that bmp will continue to be a viable company for the long term.

### Individual and accumulated risk

Revotar AG is, with an IFRS balance sheet valuation of over €5 million, the largest investment. This biotech firm requires further injections of liquidity.  For this reason, an external financing round is currently in progress. Should this fail to raise sufficient capital, the ongoing existence of the company is under threat, should existing shareholders not contribute sufficient additional funds. Alternatively, a successful outcome of the financing round could lead to a major increase in the IFRS balance sheet valuation, although the accumulated risk would also thereby rise, especially as the total investments will fall as a result of the structural changes whereby parts of the portfolio are transferred to bmp Media Investors & Co. KGaA and the old portfolio is sold off.

### Opportunities

The Board foresees further investment disposals for the period up to 30.09.2007 which promise to make a positive contribution to profits. Preparations are continuing for the IPO of K2 Internet S.A. and if successful should prove highly profitable.
In the field of Private Equity Advisory, there are good opportunities to increase the assets under management and thus fee income by means of acquisition of additional clients.

In addition, the Board is in negotiations regarding the premature winding up of the "bmp Venture Tech GmbH" co-investment fund with KfW. Such a winding up could significantly reduce the amount of refinancing credit in the group accounts and also give rise to additional profits.