Nine Months Report 2008

bmp

Oliver Borrmann Andreas van Bon Ralph Günther

Dear shareholders and business partners,

The third quarter of 2008 was a good one for the bmp Group in its Direct Investment business. We sold Gamigo AG to AS Venture GmbH, achieving good profits from this. This transaction is the first exit from the bmp Media Investors portfolio. bmp Media Investors now has a portfolio of ten investments after having made three new investments in the third quarter.

The listed investments had a negative impact on earnings of just under € 0.8 million so that despite the positive effect deriving from the Gamigo disposal we recorded a slight loss of € 0.14 million in the third quarter compared to the semi-annual figures. The crisis on the international financial markets also had a distinctly restrictive effect on the exit dynamics; it is currently very difficult to make trade sales and impossible to implement IPOs.

This led to Group turnover of € 3.7 million in the first nine months of the year, representing a decline of 58% compared to the previous year's turnover of € 8.8 million. In view of the high cost discipline and the good development of our investment portfolio on the whole, we were nevertheless able to generate consolidated profit of € 2.1 million. However, this was 48% below the profit recorded for the previous year (€ 4.1 million). The earnings per share are € 0.12.

The segment of Private Equity Advisory continues to suffer from the financial market crisis and a recovery is not currently in site so that the assets under management are increasing only moderately at the current time.

As of 30.09.2008 the marketable securities and cash or cash equivalents amounted to € 10.3 million compared to € 12.6 million on 30.09.2007. For the first time in July 2008 we paid out a dividend of € 0.10 per share.

In view of the economic framework conditions we continue to expect difficult times ahead of us but our strong equity base and the generally healthy structure of our investment portfolio put us in a good position to face these challenges.

Berlin, in November 2008

The Executive Board

Business Development

bmp AG recorded a satisfactory business development despite the turbulence on the financial markets and the emerging recession. Nevertheless, the exit channels continue to be blocked. This is also reflected in the distinctly lower turnover compared to the period for the previous year. It is all the more pleasing therefore that we were able to sell the investment in Gamigo AG in the third quarter, thereby making a good contribution to results. Despite the negative development of our listed shares and current operating costs, it was possible to more or less maintain the result recorded in the last six months. The contributory factors here, in addition to the Gamigo sale, were slight increases in value of the non-listed investments which developed positively in the main.

During the third quarter three new investment commitments were entered into for bmp Media Investors and there was one complete disposal from this portfolio. We also supported and completed two large capital measures for two of the portfolio companies at the start of the third quarter.

In the first nine months of the 2008 financial year bmp AG recorded consolidated turnover of € 3.7 million. The comparable previous year's value was € 8.8 million although there was extremely high exit activity in the first half 2007. At € 2.1 million the net result is around 50% below the result of the first nine months of the previous year which once again was positively influenced by special effects due to the winding-up of the parallel fund bmp Venture Tech GmbH. Earnings per share amounted to € 0.12 compared to € 0.24 in the previous year.

At € 1.1 million, revenue from revaluation was below the previous year's figure (€ 1.7 million). The growth in value of the investment in K2 Internet as well as an investment from the portfolio of bmp Media Investors were primarily responsible for the revenue. At € 833,000, the expenses from revaluation were halved compared to the figure of € 1,687,000 for the comparable period of the previous year. Value adjustments to the listed investment TFG Capital AG and the decline in valuation multipliers from comparable companies were responsible among others for this expense item.

Compared to the previous year, personnel expenditure reduced by a good 17% from € 1,174,000 to € 970,000. High additions to provisions for performance-related pay were taken into consideration in the previous year's figure. At € 804,000, other operating expenses were just under 15% lower than in the comparable period of the previous year (€ 943,000).

The financial result for the first nine months of the financial year was € 162,000. Due to the decline in refinancing liabilities towards KfW and the associated interest payments, the bmp Group has since achieved a sustainable positive financial result. The worsening of the financial result compared to the comparable period for the previous year (€ 348,000) primarily results from a dividend collected from a subsidiary in 2007.

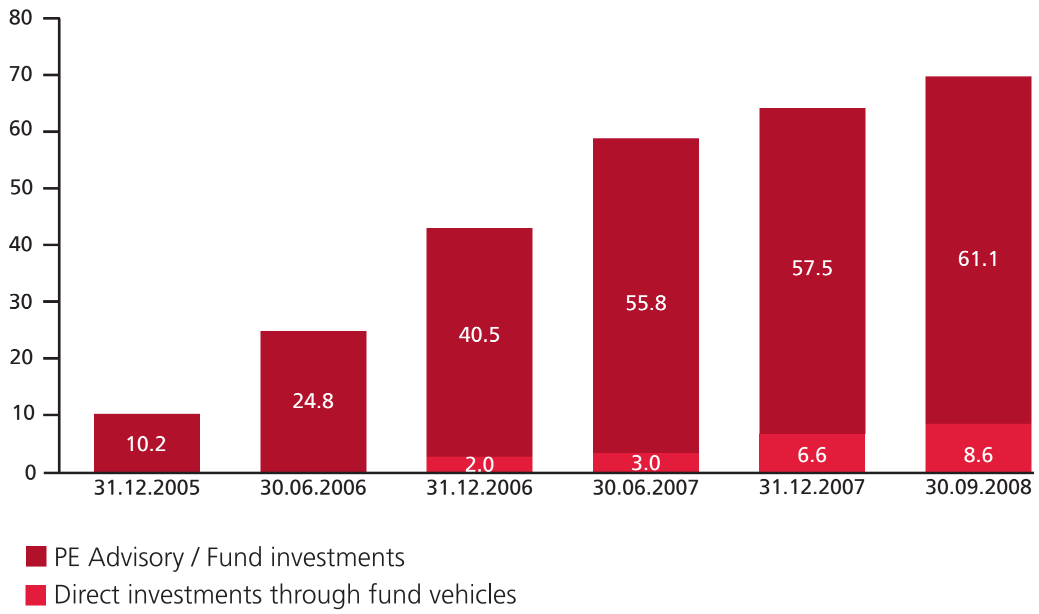
As of 30.09.2008, cash and cash equivalents amounted to € 4.2 million (previous year € 8.5 million) plus marketable securities of € 6.1 million (previous year € 4.1 million).

Equity as of 30.09.2008 amounted to € 26.0 million, corresponding to equity per share of 1.49 € (as of 30.09.2007: € 26.1 million and 1.49 € respectively).
At the end of the quarter bmp AG employed 14 employees. In addition to the Executive Board, eleven permanently salaried employees, three of which part time currently work for the company.

Development of the Fee Generating Assets under Management (million €)

	31.12.05	30.06.06	31.12.06	30.06.07	31.12.07	30.09.08
Assets under Management total	10.2	24.8	42.5	58.8	64.1	69.7
- PE Advisory / Fund investments	10.2	24.8	40.5	55.8	57.5	61.1
- bmp Media Investors / bmp Eco Investors	0	0	2.0	3.0	6.6	8.6

Assets under Management as at 30.09.2008 in Mio. €



bmp AG direct investments

Revotar Biopharmaceuticals AG completed a further financing round in the third quarter. Since August 2007 the company has therefore attracted more than € 8 million in capital. As a result of this capital measure, the bmp share rose to 34.86% as of 30.09.2008 and to 39.43% following the key reporting date. Exit channels will continue to be sounded out for the majority of investments from the bmp AG portfolio. However, there should be no hurried activities in view of the fact that the financial crisis has also left its mark on achievable valuations. Neither new investments were made nor exits conducted at bmp AG in the third quarter of the year.

As of 30.09.2008 bmp AG had invested in nine companies with an overall investment volume at acquisition cost of € 14.9 million. However, the investment in Heliocentris Fuel Cells AG is only presented in bmp Eco Investors because the portfolio of bmp AG has been reduced to a lower number of shares and is up for sale. The listed investments in TFG Capital AG and Salt of Life International AG will no longer be presented separately in the bmp AG portfolio. We are looking for a future sale of these two investments.

	Name	Industry	Initial Investment	Stake %	Stage	Volume million €
1	ergoTrade AG	IT-Remarketing/Refurbishment	10/2000	49.99	Expansion	1-2.5
2	Revotar Biopharmaceuticals AG	Drug Development	07/2000	34.86	Start-Up	> 2.5
3	Newtron AG	Enterprise software	08/1999	31.79	Expansion	1-2.5
4	K2 Internet S.A.	Online Agency	06/2000	23.12	Expansion	< 1
5	Tembit Software GmbH	Software solution for financial services and the healthcare business segment	06/1999	16.36	Expansion	< 1
6	European Telecommunication Holding E.T.H. AG	Telecommunication	12/1998	2.30	Expansion	1-2.5

bmp Media Investors AG & Co. KGaA direct investments

Three seed investments were conducted in the portfolio of bmp Media Investors in the third quarter of 2008 which are geared to the area of media & marketing services. These investments are the Düsseldorf company Microshooting GmbH in which bmp holds a 35% stake. Microshooting is developing an order procurement platform within the "imaging industry". The platform is aimed at both advertising agencies and directly at enterprises requiring constantly growing quantities of professional photographic material for advertising, product design, corporate presentation and websites.

In addition, bmp Media Investors participate in SklepyFirmowe.pl Sp. z o.o. in Gdynia (Poland) in which a stake of 59.46% is held (voting right share: 32.84%). The company provides other enterprises and private individuals with an easy-to-use, highly functional E-shop infrastructure with a high degree of customisation and links to a variety of additional marketing services.

An investment was also made to obtain a 8.61% stake in Pomocni Sp. z o.o. based in Warsaw. Pomocni deals in providing the Internet-based mediation of domestic services.

bmp Media Investors was able to report the first exit from its investment portfolio in the third quarter of the year. It successfully sold its 47.37% stake in the Hamburg-based Gamigo AG to the co-shareholder AS Venture GmbH, a 100% subsidiary of Axel Springer AG. bmp and AS Venture participated in Gamigo in 2000 and continuously and equally extended the participation stakes. In the context of earlier capital measures, bmp granted AS Venture a takeover option of which AS Venture has now made use.

The entire portfolio of bmp Media Investors continues to exhibit dynamic growth and has shown itself to be robust against changes in the overall economic environment. As of 30.09.2008, it consisted of 10 corporate investments which represented two investments more than at the end of the second quarter. The overall investment volume at acquisition cost was € 5.3 million. The average investment ratio was 27% and the average investment amount a good € 500,000.

	Name	Industry	Initial Investment	Stake %	Stage	Volume million €
1	SklepyFirmowe.pl Sp. z o.o.	white-label eShop provider	07/2008	59.46	Start-Up	< 1
2	Republika Kobiet Sp. z o.o.	Internet portal for women	11/2007	38.51	Seed	< 1
3	Microshooting GmbH	Order procurement platform for images/photographs	07/2008	35.00	Seed	< 1
4	Nokaut Sp. z o.o.	Prize Comparison	12/2005	31.64	Expansion	< 1
5	dailyme.tv / mando.TV GmbH	Mobile TV	12/2007	23.98	Start-Up	< 1
6	GreenHanger GmbH	Ambient Media	10/2007	22.03	Start-Up	< 1
7	Shotgun Pictures GmbH	Financing film production, exploitation of rights	09/2004	20.00	Expansion	< 1
8	nugg.ad AG	Predictive Behavioral Targeting	11/2006	18.88	Start-Up	1-2.5
9	Brand New World GmbH	Audience Relationship Management (TV)	04/2007	10.23	Expansion	1-2.5
10	Pomocni Sp. z o.o.	Internet platform for the provision of domestic services to customers	07/2008	8.61	Seed	< 1

Direct Investments of bmp Eco Investors GmbH & Co. KGaA

bmp Eco Investors currently has one investment, the listed Heliocentris Fuel Cells AG. There were no changes here in the third quarter.

	Name	Industry	Initial Investment	Stake %	Stage	Volume million €
1	Heliocentris Fuel Cells AG	Fuel cells	12/2007	15.00	Expansion	1-2.5

Private Equity Advisory and fund of funds management

The development of the Private Equity Advisory business field continues to be advanced.

As a result of the turbulence on the global credit markets and the troubled economic forecast for virtually all economic areas throughout the world, we had to accept a deceleration in the speed of growth. This development in particular had an impact on the placement speed at König & Cie.

Our most important ratio, the assets under management (AUM), was increased in this area to € 61.1 million (previous year: € 56.3 million). This corresponds to an increase of 9% within the last 12 months.

The most important partner still continues to be the Hamburg-based issue company König & Cie. Two funds have been issued within the framework of this partnership, namely the INPEQ I fund, which was closed in summer 2007 with a volume of € 37.5 million, and the INPEQ II fund which is currently in the placement phase.

In view of the developments on the international financial markets, it was not possible to continue the series of successful exits in the second six months in the INPEQ I fund. We assume that exits will first be made to any mentionable extent again once the bear market has been overcome.

Outlook

The prices of our listed investments continued to decline in October. The markets continue to be tense and nervous so that we are also not expecting any sort of sustained recovery up to the end of the year. We also assume that it will be impossible to make any disposals of investments from our portfolio in the fourth quarter.

In view of the market circumstances, our focal attention is currently placed on developing our existing investment portfolio. The majority of companies are well on schedule and are feeling the impact of a weakening economy to a limited extent only. We are concentrating on iron cost discipline to increase the financing range of those companies that are still not operating profitably.

At the same time, we are examining favourable opportunities of increasing the shares held in our investments. We have already been able to implement this objective in the fourth quarter with respect to Revotar, Brand New World, Pomocni and Republika Kobiet. We intend to adopt a cautious approach to new investments where we expect a maximum of two new projects by the end of the year.

We are expecting continued caution in developments with respect to the business segment of Private Equity Advisory and view any real recovery to be probable only in 12-24 months.

We anticipate a negative consolidated result for the fourth quarter under consideration of the current capital market situation and the absence of exits from our portfolio. All in all, however, we expect to achieve a positive close to the 2008 financial year.

Berlin, in November 2008

Group Balance Sheet as at 30.09.2008

Assets	30.09.2008	31.12.2007
	€	€'000
Long-term assets		
Intangible assets	2,672.44	3
Tangible assets	45,374.05	69
Equity investments	19,253,319.50	16,387
Silent partnerships and loans	726,482.44	657
Affiliated companies and Joint Ventures	591,219.58	571
	20,619,068.01	
Current assets		
Trade accounts receivable	403,000.00	498
Receivables and other assets	4,320,693.12	3,641
Cash on banks and cash on hand	4,160,008.13	7,650
	8,883,701.25	
Total assets	**29,502,769.26**	**29,476**

Liabilities	30.09.2008	31.12.2007
	€	€'000
Shareholders´ equity		
Subscibed capital	17,500,000.00	17,500
Capital reserves	530,600.78	531
Other revenue reserve	972,256.66	972
Accumulated net profit	7,024,916.80	6,625
	26,027,774.24	
Long-term liabilities		
Liabilities from refinancing activities	3,127,952.42	3,147
Long-term provisions	162,000.00	83
	3,289,952.42	
Current liabilities		
Trade accounts payable	25,594.03	68
Liablilities to banks	0.00	1
Other liabilities	159,448.57	430
Short-term provisions	0.00	119
	185,042.60	
Total liabilities	**29,502,769.26**	**29,476**

Group Profit and Loss Statement

	1.1.-30.9. 2008	1.1.-30.9. 2007	1.7.-30.9. 2008	1.7.-30.9. 2007
	€	€'000	€'000	€'000
Sales revenue				
Income from disposal of investments and securities	3,733,087.10	8,791	1,798	213
Other operating income				
Income from revaluation of investments	1,112,853.39	1,651	-1,518	913
Other operating income	974,157.80	4,878	755	156
Income from consulting and commissions	84,627.50	188	0	53
Reduction in book value of investments and securities				
Reduction in book value of investments and securities	-1,288,165.12	-7,887	-404	-173
Staff costs				
Wages and salaries	-860,433.90	-1,072	-232	-212
Social security contributions and costs for pensions and support	-109,828.80	-102	-36	-34
Depreciations				
Depreciation on intangible and tangible fixed assets	-20,085.14	-22	-6	-8
Expenses from revaluation	-833,376.55	-1,687	-360	-627
Other operating expenses				
Other operating expenses	-804,491.92	-943	-206	-166
Operating income	**1,988,344.36**	**3,795**	**-211**	**115**
Income from investments	38,523.37	293	13	90
Interest and similiar income	280,372.25	348	109	139
Interest and similiar expenses	-156,964.93	-293	-51	-60
Profit on ordinary activities	**2,150,275.05**	**4,143**	**-139**	**284**
Other Taxes	-721.33	-1	-1	0
Consolidated net profit	**2,149,553.72**	**4,142**	**-139**	**284**
Earnings per share €	**0.12**	**0.24**	**-0.01**	**0.02**
Diluted earnings per share €	**0.12**	**0.24**	**-0.01**	**0.02**

Group Cash-Flow Statement for the Period from 1 January 2008 to 30 September 2008

In €'000	01.01.-30.09.2008	01.01.-30.09.2007
Cash Flow from Operations		
Consolidated net profit	2,150	4,142
Depreciation on tangible assets	20	22
Revaluation of investments, securities and receivables	-687	36
Other non-cash items	-390	-4,236
	1,092	**-36**
Decrease/(-) increase in assets and Increase/(-) decrease in liabilities		
Receivables and other assets	-724	1,876
Other liabilities	-313	-177
Provisions	-40	1
Total	**15**	**1,664**
Cash-Flow from Investments		
Holdings and affiliated companies		
Additions to holdings, silent partnerships and loans	-3,007	-4,139
Change in affiliated companies and Joint Ventures	75	-181
Disposals of holdings, silent partnerships and loans at net book value	1,193	6,687
	-1,739	**2,367**
Tangible fixed assets		
Additions	-16	-38
Disposals at net book value	20	0
Total	**-1,735**	**2,329**
Cash Flow from Financing		
Decrease in liabilities to banks	-20	-1,230
Dividend	-1,750	0
Total	**-1,770**	**-1,230**
Change in liquid funds	**-3,490**	**2,763**
Liquid funds at the beginning of the reporting period	**7,650**	**5,757**
Liquid funds at the end of the reporting period	**4,160**	**8,520**

Statement of Changes in Equity

Figures in €'000	Subscribed capital	Capital reserve	Other profit reserves	Accumulated net profit	Total
			Revaluation surplus		
Equity as at 01.01.2008	**17,500**	**531**	**972**	**6,625**	**25,628**
Net profit for the period	0	0	0	2,150	2,150
Dividend	0	0	0	-1,750	-1,750
Equity as at 30.09.2008	**17,500**	**531**	**972**	**7,025**	**26,028**
Equity as at 01.01.2007	**17,500**	**531**	**972**	**2,999**	**22,002**
Net profit for the period	0	0	0	4,142	4,142
Equity as at 30.09.2007	**17,500**	**531**	**972**	**7,141**	**26,144**

Notes

1. General remarks
This quarterly report has been prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS), in particular in compliance with IAS 34.

2. Accounting principles
The accounting principles described in the last published consolidated annual financial statements as of 31 December 2007 continue to apply.

3. Economic and seasonal influences
The venture capital business is not subject to any seasonal influences and is not directly linked with any economic development in a specific market but is dependent on the general economic situation. A positive correlation may arise between the market price development of innovative, high-growth companies on the securities markets and the prices that may be generated from off-the-market share disposals.

4. Unusual circumstances
During the period under review there were no unusual circumstances that influenced the assets, liabilities, equity, profit or loss for the period or cash flows.

5. Estimates
No changes were made to the estimated amounts during the period under review.

6. Changes in shares
There were no changes in outstanding shares.

7. Dividends
During the period under review a dividend of € 1,750,000.00 or 0.10 €/share was paid for the 2007 financial year.

8. Segment information
bmp AG achieves its turnover almost exclusively through the disposal of investments. The great majority of the investments are held in Germany and in Poland. In view of this structure, the turnover and results achieved are not subdivided into segments.

9. Material events after 30 September 2008
We refer to the presentations in the Outlook on page 8.

10. Group of consolidated companies
There were no changes to the group of consolidated companies during the period under review compared to the situation existing on 31.12.2007.

11. Contingent liabilities and contingent claims
There were no changes to contingent liabilities and contingent claims during the period under review.

12. Expenses from the valuation of financial assets at fair value
Expenses of € 833,000 arose from the valuation of financial assets at fair value in the first nine months of the 2008 financial year.

13. Correction with respect to the 2008 semi-annual report
The semi-annual report failed to show the correction arising in the current year 2008 with respect to the addition of € 1,066,000 to the shares sold as part of the partial disposal of shares in K2 Internet S.A. This correction was made in the 3rd quarter.
This correction produced the following changes. In the consolidated income statement, the "income from revaluation" amounts to € 2,630,559.00 instead of € 3,696,346.75.
The "retirement of investments and securities at carrying amount" was corrected by the same amount so that this item amounts to €

883,586.90 instead of € 1,949,374.65. There were no effects on the surplus for the period and the consolidated balance sheet.
The following changes arise in the consolidated cash flow statement: "revaluation of financial assets, securities and claims": € -2,157,000 instead of € -3,223,000; subtotal € 146,000 instead of € -920,000; total "cash flow from operating activities": € -833,000 instead of € -1,899,000. "Retirement of investments, dormant investments and loans at net carrying amounts": € 889,000 instead of 1,954; subtotal € -721,000 instead of € 345,000; total "cash flow from investment sector": € -716,000 instead of € 350,000. There were no effects on the item "change in cash and cash equivalents".

14. Insurance for the statutory representatives

We warrant to the best of our knowledge that in accordance with the accounting principles to be applied to interim reporting, the abbreviated consolidated interim financial statements provide a true and correct picture of the net worth, financial and profit situation of the Group and that the course of business including the operating results and the situation of the Group have been presented in the consolidated interim management report such as to provide a true and correct picture of actual circumstances and describe the material opportunities and risks of the expected development of the Group in the remaining financial year.

bmp Aktiengesellschaft, Berlin, Consolidated Management Report for the first nine months of 2008

The existing investments developed positively for the most part in the first nine months of 2008; no write offs were recorded. As of 30.09.2008, the investment portfolio amounted to an investment volume at acquisition cost of € 19.4 million with a total of 17 investments, six of which were attributable to the residual portfolio of bmp AG, ten investments to bmp Media Investors and one investment to bmp Eco Investors. The investments originate primarily from Germany. bmp holds foreign investments in Poland. The investments of bmp AG in the listed companies TFG Capital AG, Salt of Life International AG and Heliocentris Fuel Cells AG are no longer attributed to the investment portfolio.

In February bmp disposed of the last US investment in the market research company Socratic, Inc. in San Francisco as part of a management Buy-Back. This disposal did not lead to any material turnover. In April bmp took the K2 Internet S.A. investment to the Warsaw stock market and disposed of a good third of the shares as part of the initial public offering. This transaction led to a turnover of just under € 1.9 million, making a good contribution to results.

At the end of June the bmp investment Revotar Biopharmaceuticals AG completed a financing round of just under € 4 million in which bmp did not participate. A further financing round of € 1.4 million was conducted in August in which bmp participated with € 0.6 million. bmp also assumed shares in Revotar from a co-shareholder, thereby increasing its investment stake to a current 39.43%.

The stake held by bmp Media Investors in Gamigo AG was sold to the co-shareholder Axel Springer (AS Venture) in August. This transaction led to a turnover of € 1.7 million and good profits. In the third quarter of the year bmp Media Investors also participated in three new projects, two of which in Poland.

Private Equity Advisory

The placement of the second König & Cie. Private Equity funds of funds INPEQ II is progressing more slowly than expected due to the discord on the international capital markets. This has caused bmp's assets under management to grow only very moderately in this area. In view of the good performance, INPEQ 1 was able to distribute 5% to investors once again in September 2008.

Important events after the period under review:

Direct Investments

bmp has further extended its stakes in the Revotar, Brand New World, Republika Kobiet and Pomocni investments.

Opportunities and risks for the period 01.10.2008-31.03.2009:

Overall risk assessment and risk management

The capital markets continue to be very unstable. The international financial crisis has not yet been weathered and the effects on the real economy can no longer be avoided. The only question remaining is that of the duration and severity of the recession in the industrial countries. Further weak stock exchanges may have a negative impact on the values of the listed investments. In addition, it is possible to sell investments in phases of recession to only a limited extent.

bmp made extensive provision for all recognisable individual risks at the close of quarter as of 30.09.2008. bmp has developed an integrated investment controlling system that facilitates the quantification and qualification of the risks from investment business. In addition to a comparison of target and actual data, both at an investment and at a Group level, the system permits seamless reporting whilst at the same time satisfying the purpose of a management information system.

The financial development of the investments is monitored by intensive contact to them. The values and value developments of the companies in which investments have been made are examined and any adjustsments made on a quarterly basis using suitable models of financial mathematics. Continuous investment controlling provides the possibility to counter any in-correct developments in the investments with suitable measures.

bmp's currently liquidity is good and permits a selected extension of business. From today's point of view, the individual or cumulative occurrence of possible risks pre-sents no danger to the continued existence of the bmp Group. In the opinion of the Executive Board, the existence of bmp is guaranteed on a sustainable and long term basis.

Individual and cumulative risk

With over € 6 million on the IFRS balance sheet, Revotar AG is the largest asset item of all investments. As a result of the financing rounds completed at the end of June and at the end of August for over € 5.3 million, the funding of the company is secured up to mid 2010. At the same time new investors have been attracted who are quite willing and in a position to further extend their financial commitment. As a result of this financial round, the risk of loss has therefore been distinctly reduced.

Opportunities

For the period up to 31.03.2009 the Executive Board anticipates one to two further investment disposals and also one to two new investment commitments.

In the business segment of Private Equity Advisory good opportunities continue to exist to increase the assets under management and therefore the fees and charges collected through the acquisition of additional customers.

Berlin, 28 November 2008

Oliver Borrmann   Andreas van Bon   Ralph Günther