bmp media investors

Half Year Report 2012

Jens Spyrka Oliver Borrmann

Dear shareholders and business partners,

In the second quarter of 2012, we made four new investments in our target segment media and marketing services, with the Berlin-based companies Retresco and MBR as well as the Polish companies iteelabs and K2 Internet (the investment in MBR did not come into effect until July 2012). While iteelabs and MBR are still very young companies, K2 Internet, Poland's leading online agency with approximately 300 employees, is a mid-sized growth company and Retresco is already a well established speciality supplier that is widely known in the industry. Common to all projects is their high degree of innovation and the associated growth potential.

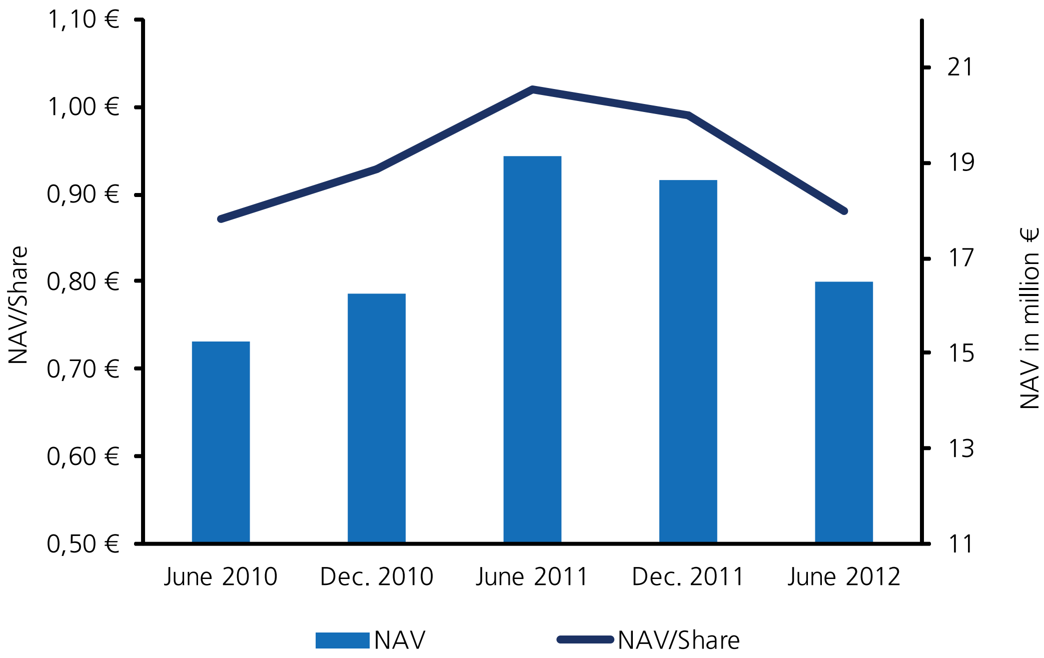
After we had sold our remaining shares in K2 Internet S.A. with great success overall in spring 2011, we have now resolved to take an interest again in the company co-founded by us in 2000. The main reasons for this decision were a price collapse – in our view not justified - of more than 50% since our exit and the opportunity to participate in a large capital increase in July 2012. We now once again have a 10.4% share in K2 Internet S.A.

With our flexibility in structuring investments and the ability to react quickly to special situations, we can diversify our portfolio more easily across various development phases. Thus, in the medium term, we are likely to achieve higher exit continuity. There was strong variation in how we took up the above-listed investments, from co-founding to conventional rights issues, the combination of buy out and capital increase as well as the acquisition of shares of a listed company through the market and participation in a rights issue.

In the first half of 2012, bmp media investors did not dispose of any companies. Thus, revenue for the first half of the year was only € 0.4 million.

Due to the full impairment taken on the net risk of the Revotar investment, the mid-year performance was negatively impacted on a one-time basis by € 2.3 million. Thus a result of € -2.2 million; € -12 cents/share was generated. This was due to accounting policy, according to which no investment of ours may default whose net risk exceeds € 1 in the accounts. Precisely such a situation now exists at Revotar. Even though we are confident that the partners will carry out the second tranche of the financing round in September and bring our pharmaceuticals negotiations to a successful conclusion. However, it cannot be ruled out that this will not be the case. For this reason, we have provisions. However, these do not change our fundamentally positive valuation of Revotar itself.
As at 30 June 2012, the net asset value, which corresponds to IFRS equity, declined to € 16.5 million (previous year € 19.2 million) or € 0.88/share (previous year € 1.02/share).
Thanks to the already described dynamic

Development of the Net Asset Value (NAV)*



*Since 2012 NAV according to IFRS annual accounts of bmp media investors AG, before that consolidated NAV of the group.

investment activity in the first half of 2012, liquid funds declined to € 4.0 million (previous year € 5.8 million). In comparison to the previous year, listed securities increased from € 2.9 million to € 3.2 million.

Review

Due to the reorganisation of bmp media investors AG into a pure investment company for companies in the media and marketing services segment, the company is no longer a group. Thus, the figures are now shown in the form of separate financial statements.

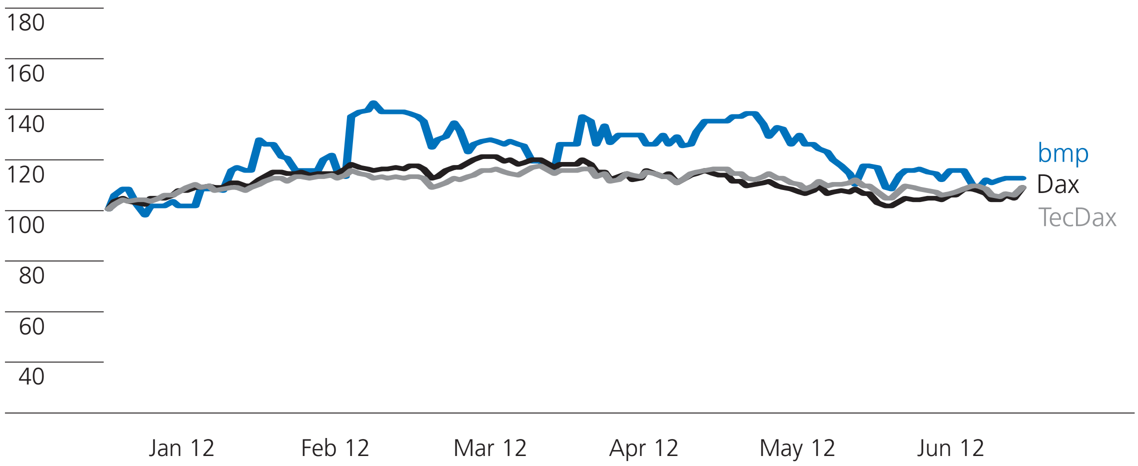
In the first half of the year, the development of the investment portfolio was largely positive. Adjusted for the impairment on Revotar AG, the value of the portfolio increased slightly. From a current perspective, most of the investments are financed. Thus, the future need for supplementary financing in the existing portfolio is likely to remain manageable.

Shares

In the first half of 2012, the bmp media investors AG share experienced a slightly positive development. After a closing price of € 0.55/share as at 31 December 2011, it rose to a peak of € 0.79/share, before ending the first half of the year with a share price of € 0.625 and a performance of approximately 14%.

To improve the liquidity of the share on a sustainable basis, as of August a further designated sponsor was mandated to manage the share in Germany. This measure has since made an impact, and liquidity has improved. The share price also since consolidated at above 70 cents.

Performance of the bmp media investors AG share during the first six months of 2012 compared with Dax and TecDax (Index 30.12.2011 = 100)



Outlook

For the third quarter, we anticipate it is likely there will be two new investments. In terms of exits, we expect no activity in the third quarter either, but anticipate an increase only in the fourth quarter.

We know that it will not be easy to conclude the year as a whole with a profit despite the loss in the first half of 2012. However, due to the quality of our investment portfolio, we are confident that we have sufficient potential to achieve this objective.

Investment Portfolio

In the second quarter of 2012, the investment portfolio of bmp media investors AG increased by three to 17 investments. Here, the investment entered into in MBR in June was not counted, as the registration did not take place until July.

The overall positive development of our portfolio did not compensate for the negative impact of the impairment taken on the total portfolio value of the Revotar AG investment.

In the second quarter of the current business year, there were three new investments and no disposals. In the reporting period, the investment volume in investments amounted to € 0.8 million.

In April 2012, bmp media investors acquired a 25.05% share in the Berlin-based Retresco GmbH. As a specialist in semantic search, information extraction and real-time content aggregation, the company, founded in 2008, is an innovative idea generator and implementer of complex projects in knowledge management.

In June 2012, bmp media investors AG took on a 30% share in iteelabs Sp. z o.o. in the course of the company's establishment. Under the brand "BETEGY", the Warsaw-based company offers online-based predictions on the outcome of football matches, especially for those interested in sports betting. In the third quarter, a range of services will be established for the five most important European leagues.

Also in June, a first holding was acquired in the Polish listed company K2 Internet. bmp already had a successful investment in K2 Internet between 2000 and 2011. In the third quarter, this interest was expanded to 10.4% through participation in a capital increase.

Investment Portfolio Medien & Marketing Services as at 30.06.2012

	Name	Entry	Share %	Phase	Volume € million
1	brand eins Medien AG	02/2011	35.36	Expansion	3 - 5
2	Freshmilk NetTV GmbH	10/2011	16.50	Start-Up	< 0.5
3	GreenHanger GmbH	10/2007	56.19*	Start-Up	0.5 - 1.5
4	Instream Media sp. z o.o.	09/2011	25.37	Start-Up	< 0.5
5	iteelabs sp. z o.o.	06/2012	30.00	Seed	< 0.5
6	iversity GmbH	07/2011	12.49	Seed	< 0.5
7	MBR Targeting GmbH**	06/2012	6.00	Start-Up	< 0.5
8	Motor Entertainment GmbH	01/2009	10.87	Expansion	< 0.5
9	Retresco GmbH	04/2012	25.05	Start-Up	< 0.5
10	Self Loading Content GmbH	12/2007	43.91	Expansion	1.5 - 3
11	Ubertweek GmbH	11/2011	20.02	Seed	< 0.5
12	vertical techmedia AG	04/2010	22.50	Expansion	< 0.5
13	Xamine GmbH	04/2010	49.42	Expansion	0.5 - 1.5

*Voting rights < 50%

**Capital increase registered in 07/2012

Investment Portfolio other Technology as at 30.06.2012

	Name	Entry	Share %	Phase	Volume € million
1	European Telecommunication Holding AG	12/1998	2.12	Expansion	0.5 - 1.5
2	Heliocentris Energy Solutions AG	05/2006	8.18	Expansion	1.5 - 3
3	Newtron AG	08/1999	34.40	Expansion	1.5 - 3
4	Revotar Biopharmaceuticals AG	07/2000	37.94	Start-Up	> 5

The registration of the rights issue, whereby a 6% share in Berlin-based MBR Targeting GmbH was acquired, only became effective in July 2012. MBR analyses and structures big data without a priori assumptions or categories and thus increases the user-centred profitability of effective advertisement through mapping actual interests.

The result from the revaluation of the investments was € -2.0 million. The impairment taken on Revotar amounted to € 2.3 million, meaning that without this effect net income from revaluation would have been slightly positive.

As at 30 June 2012, the average stake in each holding of the overall portfolio was around 25%. Average capital invested in each holding was approximately € 1.3 million. Measured at fair value in accordance with IFRS, on the balance sheet date 77.8% of the portfolio value related to the five largest holdings.

Portfolio highlights in the second quarter of 2012

» Freshmilk took first place in the category "Corporate Web TV" at the Deutscher Preis für Onlinekommunikation (German Online Communication Award). The web TV pioneer was awarded by the Association of Publicists for the creation and implementation of the education project 'Schaffen was bleibt' on behalf of the Hauptverband der deutschen Bauindustrie (Federation of the German Construction Industry). With the branded entertainment concept, Freshmilk proves that successful web TV concepts can be designed and realised with moderate funds.

» Since the second quarter of 2012, vertical techmedia AG, the marketer of the leading online media network in the field of IT and consumer electronics, has integrated video advertising solutions into its varied advertising services. Through the partnership with the Hamburg-based start-up Digital-Natives GmbH ("Hardwareclips" project), the two companies have established the first vertical video network for IT, consumer electronics and gaming content in the German-speaking area. In the Internet Facts 12-04, for the first time eight editorial services in the marketing of vertical techmedia AG are displayed by the Working Group for Online Media Research (AGOF). With 5.34 million unique users, vertical techmedia became the No. 1 independent vertical tech network for the first time. According to IVW, vertical techmedia is ranked 23 among the marketing communities, with 14.6 million visits.

» Self Loading Content GmbH: Since the second quarter of 2012, with diverse programme content from the sports channel

SPORT1, the free TV app dailyme has offered its users mobile sports TV at the highest level – without the need for an internet connection. In total, seven new channels with more than 300 videos per month are available to sport enthusiasts for users of the app. Highlights for all football fans include the programmes "Doppelpass" and "Bundesliga Aktuell". However, fans of motorsport, basketball and tennis also get their full money's worth and receive the latest sports results automatically and directly to their smartphone or tablet. In addition, much video content is exclusively provided and provides information about background, thus creating a unique TV experience for when one is out and about.

» Also since the second quarter of 2012, Tweek has been a partner of Zattoo. Tweek is thus the first TV guide app that allows its users to consume the discovered TV content directly in Zattoo's iPad application.

» Xamine GmbH: With the expansion of data collection to a total of 25 search engines, Xamine covers the increased need for international and regional brand monitoring in search engine advertising. Now, customers in Europe and Asia can also monitor their brands and their SEM measures around the clock in Yandex and Baidu. As an expert in data analysis in paid search, Xamine offers advertisers, agencies and business consultancies the opportunity to track their brands and those of their customers as well as their use in search engines.

Balance Sheet as at 30.06.2012

Assets	30.06.2012	31.12.2011
	€	T€
Long-term assets		
Intangible assets	9,776.39	11
Equity investments	8,689,104.76	10,298
Loans	100,691.00	101
Affiliated companies and Joint Ventures	688,084.48	685
Long-term receivables	56,080.00	56
	9,543,736.63	
Current assets		
Trade accounts receivable	570.63	6
Receivables and other assets	4,304,209.35	3,875
Cash on banks and cash on hand	4,033,089.96	5,506
	8,337,869.94	
Total Assets	**17,881,606.57**	**20,539**

Liabilities	30.06.2012	31.12.2011
	€	T€
Shareholders´ equity		
Subscribed capital	18,819,250.00	18,819
Capital reserves	1,503,875.04	1,504
Other revenue reserve	972,256.66	972
Accumulated net result	-4,808,904.42	-2,589
	16,486,477.28	
Long-term liabilities		
Liabilities from refinancing activities	973,498.30	973
	973,498.30	
Current liabilities		
Trade accounts payable	19,534.92	122
Liabilities from refinancing activities	243,375.00	243
Other liabilities	158,721.07	494
	421,630.99	
Total liabilities	**17,881,606.57**	**20,539**

Statement of Comprehensive Income

	1.1.-30.06. 2012	1.1.-30.06. 2011	1.4.-30.06. 2012	1.4.-30.06. 2011
	€	T€	T€	T€
Sales revenue				
Income from disposal of investments and securities	5,000.00	4,603	5	4,603
Other operating income				
Income from revaluation of investments	328,245.93	1,795	165	855
Other operating income	154,641.76	342	-25	248
Income from consulting and commissions	356,000.00	375	178	191
Reduction in book value of investments and securities				
Reduction in book value of investments and securities	0.00	-4,249	0	-4,247
Staff costs				
Wages and salaries	-28,215.32	-643	-14	-416
Social security contributions and costs for pensions and support	-5,761.94	-65	-3	-32
Depreciations				
Depreciation on intangible and tangible fixed assets	-1,209.37	-5	-1	-3
Other operating expenses				
Expenses from revaluation	-2,329,549.66	-665	-2,144	-523
Other operating expenses	-856,961.69	-894	-460	-606
Operating income	**-2,377,810.29**	**595**	**-2,300**	**70**
Income from investments	54,194.99	0	54	0
Interest and similiar income	140,149.65	156	62	78
Interest and similiar expenses	-36,141.14	-37	-18	-18
Result from ordinary activities	**-2,219,606.79**	**713**	**-2,202**	**129**
Comprehensive income	**-2,219,606.79**	**713**	**-2,202**	**129**
Diluted and non-diluted earnings per share €	**-0.12**	**0.04**	**-0.12**	**0.01**

Cash-Flow Statement for the Period from 01.01.2012 to 30.06.2012

	01.01.-30.06.2012	01.01.-30.06.2011
	T€	T€
Cash Flow from Operations		
Net result	-2,220	713
Revaluation of investments, securities and receivables	2,001	-1,130
Profit from disposal of holdings and securities	-5	-354
Depreciation of tangible assets	1	5
	-222	**-765**
Decrease/(-) increase in assets and Increase/(-) decrease in liabilities		
Receivables and other assets including securities	-103	1,676
Other liabilities	-438	-108
Provisions	0	51
Total	**-763**	**854**
Cash-Flow from Investments		
Holdings and affiliated companies		
Additions to holdings, loans and fixed-asset securities	-742	-4,326
Addition from merger	0	-1,090
Change in affiliated companies and joint ventures	-3	7,106
Cash-in from the disposal of holdings, securities and loans	34	371
	-711	**2,060**
Tangible fixed assets		
Additions	0	-6
Total	**-711**	**2,055**
Cash Flow from Financing		
Capital increase	0	1,847
Total	**0**	**1,847**
Change in liquid funds	-1,474	4,756
Liquid funds at the beginning of the reporting period	5,506	1,018
Liquid funds at the end of the reporting period	4,033	5,775

Statement of Changes in Equity

Figures in T€	Subscribed capital	Capital reserve	Other profit reserves	Accumulated net results	Total
Equity as at 01.01.2012	18,819	1,504	972	-2,589	18,706
Net result	0	0	0	-2,220	-2,220
Equity as at 30.06.2012	18,819	1,504	972	-4,809	16,486
Equity as at 01.01.2011	17,500	976	972	-2,815	16,633
Net result	0	0	0	713	713
Capital increase	1,319	528	0	0	1,847
Equity as at 30.06.2011	18,819	1,504	972	-2,102	19,193

Notes

1. General information
This quarterly report was prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) and IAS 34 in particular.

2. Accounting policies
The accounting policies described in the last published consolidated financial statements for the year ended 31 December 2011 still apply, even though the Company is preparing separate financial statements in accordance with IFRS in 2012. In business year 2012, bmp media investors AG holds a share of less than 50% in bmp Beteiligungsmanagement AG, included in the consolidated financial statements for the year ended 31 December 2011 as discontinued operations. Thus, the shares are reported in the balance sheet as at fair value through profit or loss.

3. Economic and seasonal influences
The venture capital business is not subject to any seasonal influences and is not directly linked to economic developments on any specific market, though it is dependent to a slight extent on the general economic situation. A positive correlation may arise between the market price development of innovative, high-growth companies on the stock markets and the prices that can be generated from OTC share disposals.

4. Unusual circumstances
In the period under review, there were no unusual circumstances affecting the company's assets, liabilities, equity, profit or loss for the period or cash flows.

5. Estimates
There were no changes in estimated amounts in the period under review.

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

7. Dividends
No dividends were paid in the period under review.

8. Segment information
bmp media investors AG generates its revenue primarily from the disposal of investments. All investments are held in Germany and in Poland. Given this structure, the company's revenue and earnings are not broken down into segments.

9. Significant events after 30 June 2012
There were no significant events to report after the end of the half-year.

10. Companies included in consolidation
The subsidiary bmp Beteiligungsmanagement AG, which was fully consolidated in the last business year and recognised as discontinued operations in accordance with IFRS 5 in 2011, will be recog-

nised as at fair value through profit or loss in 2012. Due to the discontinuation of the last fully consolidated company, bmp media investors AG publishes separate financial statements.

11. Contingent liabilities and contingent assets

There were no changes in contingent liabilities or contingent assets in the period under review.

12. Expenses from the revaluation of equity investments and securities

Revaluation expenses amounted to € 2,330 thousand in the first six months of the 2012 business year.

13. Declaration of legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the consolidated interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the business year.

The Executive Board

bmp media investors AG, Berlin
Management Report for the First Six Months 2012

As at 30 June 2012, the investment portfolio consisted of 17 companies with a total investment volume at a cost of € 21.8 million. The investments are primarily based in Germany. As at 30 June 2012, bmp held three foreign equity investments in Poland.

During the period under review, bmp sold no holdings and made three new investments with Restresco GmbH, iteelabs Sp. z o.o. and K2 Internet S.A.

Key to the result for the first half of the year was the revaluation of our only remaining biotech investment Revotar Biopharmaceuticals AG. Although with the conclusion of a financing round in spring 2012 the financial basis was laid to form a pharmaceuticals partnership, the promising discussions with various partners have not yet been brought to a conclusion. Should all discussions fail - some of which are at a very advanced stage - a default of the investment would not be ruled out. For this reason, we resolved to make a provision for the full amount of balance sheet risk.

Significant events after the end of the reporting period

There were no significant events after 30 June 2012.

Risks and opportunities for the period from 1 July 2012 to 31 December 2012:

Opportunity report

On the basis of the focused orientation on the investment area of media and marketing services, we expect a higher profile in the segment going forward and thus an improved quality of deal flow in interesting investment opportunities. By positioning ourselves as a pure investment company, we also anticipate an increase in investment opportunities against the issue shares in bmp media investors AG. Both factors should lead to a larger portfolio volume and an improved profit situation for the Company in the long term.

Overall risk assessment and risk management

bmp has taken extensive precautions for all discernible specific risks in the half-yearly financial statements as at 30 June 2012. bmp has developed an integrated system of investment controlling which makes it possible to assess the quantity and quality of risks arising in its investment business. In addition to comparing target and actual data at the investment level and the Group level, the system enables seamless reporting while fulfilling the purpose of a management information system.
Economic developments in our holdings are monitored via intensive contact with the companies. The carrying amounts and value development of the equity investments are reviewed on a quarterly basis using appropriate financial models and adjusted as necessary. The ongoing controlling of its investments allows the company to implement suitable measures in response to adverse developments.

Expected profit situation

As the venture capital business is de facto a project business, and company disposals cannot be precisely planned, we are unable to give a concrete forecast for the future profit situation. However, we are seeking to work profitably in 2012 as well, even though the current negative valuation trend at our investment Revotar Biopharmaceuticals makes achieving this objective difficult. A precondition for profitability is on the one hand a stable market environment and on the other positive valuation events in our investment portfolio via follow-up financing, stock market valuations or exits.

Liquidity

bmp's current liquidity position is good. At this time, the individual or cumulative occurrence of potential risks poses no danger to the continued existence of the bmp Group as a going concern. In the opinion of the Executive Board, bmp's continued existence is secure on a sustainable and long-term basis.

Investment activity

In 2011, we significantly increased our investment activity with five new investments in companies from the media and marketing services area. We expect further new investments for 2012. We therefore intend to expand our investment activity, although this is primarily dependent on our available liquid funds. After three successful exits in 2011, we are confident that we will implement exits in 2012 as well.

The Executive Board is aiming to close the current business year at a profit again.

Berlin, August 2012

The Executive Board