bmp media investors

Nine Months Report 2012

Jens Spyrka Oliver Borrmann

Dear shareholders and business partners,

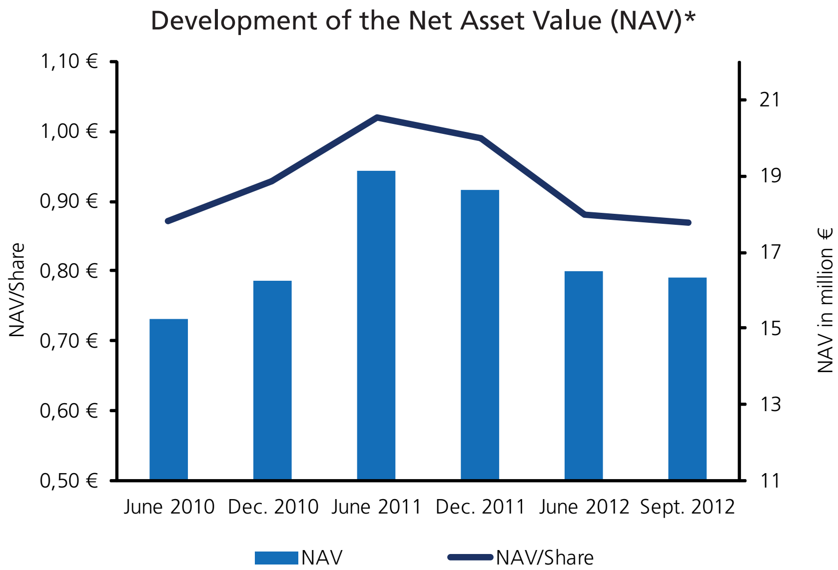
The first nine months brought both positive and negative developments in the bmp media investors AG portfolio. On the one hand, we expanded our core media and marketing services portfolio by five investments. The most recent addition in late August was castaclip GmbH, a video content exchange marketplace based in Potsdam. castaclip brings together rights holders, website operators and marketing networks to generate and monetise online video reach. The company, in which bmp has a 16.5% share, will grow by over 300% in 2012 to generate seven-figure revenue. The rest of the media and marketing services portfolio also developed positively overall.

However, this very positive development was overshadowed by the Revotar investment, which forms part of the remaining portfolio. Although discussions reached a very advanced stage at times, it has not yet been possible to obtain and contractually commit a suitable pharmaceuticals partner for Revotar. Existing liquidity will suffice only until the beginning of January 2013, meaning that a default of the investment in the next two months is highly probable. bmp has taken precautions for this and written down the investment to a net risk of € 1. This had a total negative impact of € 2.5 million on the earnings of bmp media investors AG in the first nine months.

As there have been no significant disposals of holdings in the year to date, revenue amounted to € 11 thousand as at 30 September 2012. Primarily due to the impairment of Revotar, the result for the first nine months was € -2.4 million. The net asset value (NAV), i.e. the company's equity in accordance with IFRS, also declined accordingly to € 16.3 million or € 0.87/share.

As the investment portfolio is displaying strong growth overall and no major defaults can be discerned, we anticipate increases in value in the portfolio in the coming quarters. We thus expect to make a profit in the fourth quarter of 2012 already, thereby also reducing the losses incurred in the year to date.

With liquid funds including marketable securities of € 8 million as at 30 September 2012, the liquidity situation is good. Liabilities to banks have now decreased to under € 1 million.



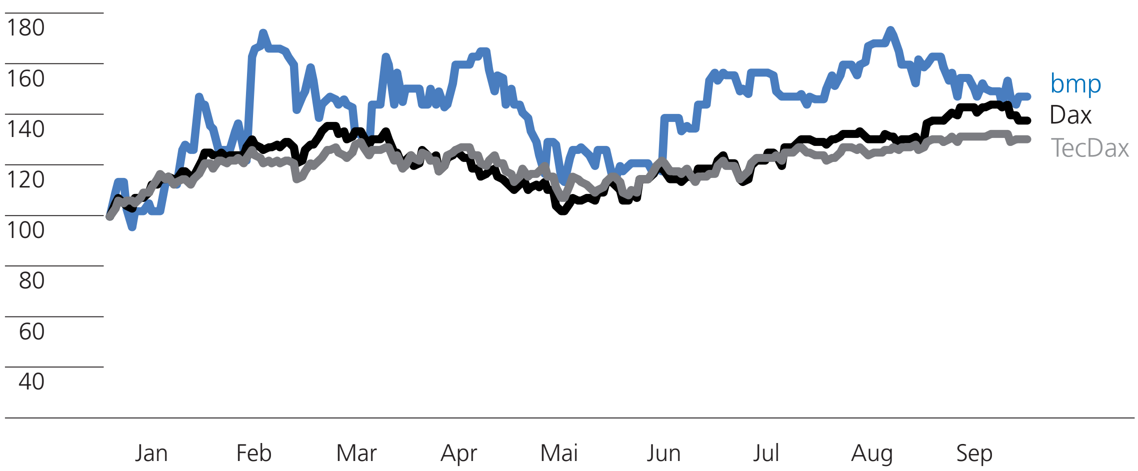
*Since 2012 NAV according to IFRS annual accounts of bmp media investors AG, before that consolidated NAV of the group.

Shares

In the first nine months 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 € 0.82/share in August, before ending the third quarter with a share price of € 0.71/share and a share price performance of 29%.

However, the share price is still around 20% lower than the net asset value or carrying amount of bmp media investors AG. To reduce this significant valuation discount, we will step up our capital market communication over the coming quarters.

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



Outlook

In the fourth quarter, we anticipate probably one more new investment to further expand our media and marketing services portfolio. We are currently continuing to work on the disposal of an investment, which may be implemented in the fourth quarter already. Depending on the overall performance of the investment portfolio, it will become apparent to what extent the loss from the first nine months of the business year can be compensated.

Investment Portfolio

In the third quarter of 2012, bmp media investors AG expanded its investment portfolio with two further new investments to a total of 19 companies. After the contract for the investment in MBR Targeting GmbH was signed in June, the capital increase was registered in the third quarter.

A 16.49% share in castaclip GmbH was acquired in September 2012 as part of a round of financing. The Potsdam-based video content network castaclip operates a marketplace for „short-form" online video content (VCeX) where markets, rights holders and website operators can distribute and market premium videos. The company has developed its own platform that allows market participants to play, market and bill for video content automatically across thousands of websites based on its "contextual relevance".

The share in the Polish company K2 Internet SA was increased to 11.27% in the third quarter of 2012, partly as a result of participating in a capital increase at the company. bmp media investors AG also participated in a round of financing for iversity GmbH and increased its share slightly from 12.5% to 14.6%. There were no significant changes in the shares in the other investments in the past quarter.

In the reporting period, the investment volume in investments amounted to € 2.1 million. There were no disposals of investments in the first nine months of the 2012 business year.

As at 30 September 2012, the result from the revaluation of the investments was € -2.0 million. The overall positive development of our portfolio did not compensate for the negative impact of the impairment of the Revotar AG investment on the total portfolio value.

Investment Portfolio Medien & Marketing Services as at 30.09.2012

	Name	Entry	Share %	Phase	Volume € million
1	brand eins Medien AG	02/2011	35.36	Expansion	3 - 5
2	castaclip GmbH	09/2012	16.49	Start-Up	< 0.5
3	Freshmilk NetTV GmbH	10/2011	16.50	Start-Up	< 0.5
4	GreenHanger GmbH	10/2007	49.97	Start-Up	0.5 - 1.5
5	Instream Media sp. z o.o.	09/2011	25.37	Start-Up	< 0.5
6	iteelabs sp. z o.o.	06/2012	30.00	Seed	< 0.5
7	iversity GmbH	07/2011	14.62	Seed	< 0.5
8	K2 Internet S.A.	06/2012	11.27	Expansion	0.5 - 1.5
9	MBR Targeting GmbH	06/2012	6.00	Start-Up	< 0.5
10	Motor Entertainment GmbH	01/2009	10.87	Expansion	< 0.5
11	Retresco GmbH	04/2012	25.05	Start-Up	< 0.5
12	Self Loading Content GmbH	12/2007	43.91	Expansion	1.5 - 3
13	Ubertweek GmbH	11/2011	20.02	Seed	< 0.5
14	vertical techmedia AG	04/2010	22.50	Expansion	< 0.5
15	Xamine GmbH	04/2010	49.42	Expansion	0.5 - 1.5

Investment Portfolio other Technology as at 30.09.2012

	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	8.51	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

As at 30 September 2012, the average stake in each holding of the overall portfolio was approximately 24%; average capital invested in each holding was just over € 1.2 million. Measured at fair value in accordance with IFRS, on the balance sheet date 72.8% of the portfolio value related to the five largest holdings. Three of the companies are domiciled in Poland, while the other 16 investments are based in Germany.

Balance Sheet as at 30.09.2012

Assets	30.09.2012	31.12.2011
	€	T€
Long-term assets		
Intangible assets	9,171.71	11
Equity investments	9,806,130.39	10,298
Loans	100,691.00	101
Affiliated companies	686,801.00	685
Long-term receivables	56,080.00	56
	10,658,874.10	
Current assets		
Trade accounts receivable	1,370.78	6
Receivables and other assets	3,953,170.09	3,875
Cash on banks and cash on hand	3,040,050.59	5,506
	6,994,591.46	
Total Assets	**17,653,465.56**	**20,539**

Liabilities	30.09.2012	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	-4,963,786.59	-2,589
	16,331,595.11	
Long-term liabilities		
Liabilities from refinancing activities	973,498.30	973
	973,498.30	
Current liabilities		
Liabilities against affiliated companies	138,833.34	0
Trade accounts payable	78,148.79	122
Liabilities from refinancing activities	0.00	243
Other liabilities	131,390.02	494
	348,372.15	
Total liabilities	**17,653,465.56**	**20,539**

Statement of Comprehensive Income

	1.1.-30.09. 2012	1.1.-30.09. 2011	1.7.-30.09. 2012	1.7.-30.09. 2011
	€	T€	T€	T€
Sales revenue				
Income from disposal of investments and securities	11,451.12	5,117	6	514
Other operating income				
Income from revaluation of investments	567,113.19	1,399	239	-396
Other operating income	229,007.71	537	74	195
Income from consulting and commissions	534,000.00	553	178	178
Reduction in book value of investments and securities				
Reduction in book value of investments and securities	-5,646.80	-4,437	-6	-188
Staff costs				
Wages and salaries	-39,606.85	-591	-11	52
Social security contributions and costs for pensions and support	-8,138.15	-63	-2	2
Depreciations				
Depreciation on intangible and tangible fixed assets	-1,814.05	-6	-1	-1
Other operating expenses				
Expenses from revaluation	-2,543,002.89	-792	-213	-127
Other operating expenses	-1,284,032.41	-1,746	-427	-852
Operating income	**-2,540,669.13**	**-29**	**-163**	**-624**
Income from investments	54,194.99	0	0	0
Interest and similiar income	166,215.62	256	26	100
Interest and similiar expenses	-54,230.44	-56	-18	-19
Result from ordinary activities	**-2,374,488.96**	**171**	**-155**	**-542**
Comprehensive income	**-2,374,488.96**	**171**	**-155**	**-542**
Diluted and non-diluted earnings per share €	**-0.13**	**0.01**	**-0.01**	**-0.03**

Cash-Flow Statement for the Period from 01.01.2012 to 30.09.2012

	01.01.-30.09.2012	01.01.-30.09.2011
	T€	T€
Cash Flow from Operations		
Net result	-2,374	171
Revaluation of investments, securities and receivables	1,976	-624
Profit from disposal of holdings and securities	-6	-681
Depreciation of tangible assets	2	6
	-403	**-1,128**
Decrease/(-) increase in assets and Increase/(-) decrease in liabilities		
Receivables and other assets including securities	338	1,635
Other liabilities	-268	72
Provisions	0	35
Total	**-333**	**614**
Cash-Flow from Investments		
Holdings and affiliated companies		
Additions to holdings, loans and fixed-asset securities	-1,923	-4,917
Addition from merger	0	-1,090
Change in affiliated companies and joint ventures	-2	7,268
Cash-in from the disposal of holdings, securities and loans	35	887
	-1,890	**2,148**
Tangible fixed assets		
Additions	0	-17
Disposals at book value	0	35
Total	**-1,890**	**2,166**
Cash Flow from Financing		
Change in liabilities towards banks	-243	0
Capital increase	0	1,847
Total	**-243**	**1,847**
Change in liquid funds	**-2,466**	**4,627**
Liquid funds at the beginning of the reporting period	**5,506**	**1,018**
Liquid funds at the end of the reporting period	**3,040**	**5,646**

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	-2,374	-2,374
Equity as at 30.09.2012	18,819	1,504	972	-4,963	16,332
Equity as at 01.01.2011	17,500	976	972	-2,815	16,633
Net result	0	0	0	171	171
Capital increase	1,319	528	0	0	1,847
Equity as at 30.09.2011	18,819	1,504	972	-2,644	18,651

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 September 2012
There were no significant events to report after 30 September 2012.

10. Companies included in the 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 € 2,543 thousand in the first nine 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 Nine Months of 2012

As at 30 September 2012, the investment portfolio consisted of 19 companies with a total investment volume at a cost of € 23.2 million. The investments are primarily based in Germany. As at 30 September 2012, bmp held three foreign equity investments in Poland.

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

A key factor for the result in the first nine months was the revaluation of our only remaining biotech investment Revotar Biopharmaceuticals AG. Although Revotar received additional financing from a third party in the third quarter, a pharmaceuticals partner has not yet been found to assume financing of further clinical development. 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 September 12.

Risks and opportunities for the period from 1 October 2012 to 31 March 2013:

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 of 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. However, a share price of over € 1 is a prerequisite for this.

Overall risk assessment and risk management

bmp has taken extensive precautions for all discernible specific risks in the financial statements as at 30 September 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. 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 bmp media investors AG 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

We intend to expand our investment activity, although this is primarily dependent on our available liquid funds. We are confident that we will be able to contractually agree another company disposal in 2012.

The Executive Board aims to reduce the loss from the first nine months by the end of the year.

Berlin, November 2012

The Executive Board