

# Annual Report 2005

**bmp**

## OVERVIEW

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	2005	2004	2003*	2002*	2001*
Turnover € ,000	2,121	401	440	7,891	6,445
Net surplus/loss for the year € ,000	2,186	88	2,151	-11,767	-62,852
EBITDA € ,000	4,452	2,350	7,154	-3,879	-10,372
EBIT € ,000	2,541	738	3,742	-10,840	-61,063
Results/Share €	0,12	0,01	0,18	-0,22	-1,16
Balance sheet total € ,000	33,259	32,944	25,358	35,161	59,945
Equity capital € ,000	18,829	16,938	6,018	2,084	13,650
Investment volume € ,000	33,970	34,895	41,200	50,813	67,344
Number of investments	23	24	27	31	40
Employees at the end of the year (FTE)	12	12	16	15	35
Number of outstanding shares in million	17.50	17.50	11.93	54.25	54.25

\*according to HGB

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## CONTENTS

Foreword	4
Business Model	6
Investment Portfolio	10
Portfolio 2005	14
bmp History	20
The bmp Share	21
Group Management Report	22
Report by the Supervisory Board	29
Declaration of Conformity with the Corporate Governance Code	31
Corporate Governance Report	33
Additional Statement by the Management Board	36
Group Financial Statement	37
Financial Calendar / Directions / Imprint	62

## Mission Statement

bmp is an international private equity company. In doing so, we concentrate our activities on two business segments.

- (1) As a venture capital investor we specialise in early stage and expansion financing of innovative growth companies, primarily in Germany and Poland.

We support our holdings in the area of business development, financing rounds and all strategic decisions.

- (2) As a fund manager we structure and realise private equity programmes for private and institutional investors. At the same time, we accompany our customers in the field of investment selection, provide access to outstanding funds of the different private equity segments and take on controlling and reporting functions according to international standards.

Ralph Günther

Oliver Borrmann

Andreas van Bon



## Dear shareholders, friends and business partners,

The year 2005 can be regarded as a turning point in the development of the private equity market in Europe. After stabilising at a low level in 2004, the market showed distinct trends of revival in 2005. The stock markets have recovered further and a large number of IPO's of small companies in Germany were recorded. Many private equity funds were successful in raising capital; and, globally, the highest volume of fundraising since the year 2000 was achieved. Among the beneficiaries were an increasing number of venture capital funds, which leads to the assumption that the financing volume of innovative growth companies will increase significantly over the next few years.

These positive framework conditions have led a slight rise in valuations of innovative growth companies and, at the same time, an increase in demand for such companies. This has made it easier once again to sell good investments at fair valuations. And this is likely to lead to improved sales revenue and income at bmp too.

For bmp, the financial year 2005 was mainly a positive year. The financial year was characterised by the following major events:

» In February 2005, bmp acquired a stake

of around 12.5% in the listed TFG Capital AG. The aim of this investment was to test close co-operation between the two companies for the benefit of all shareholders. Unfortunately, it was not possible to successfully implement this close co-operation.

- » In March 2005, bmp, together with König & Cie., the Hamburg-based issuing house for closed-end funds, founded the joint venture "König & Cie. Private Equity AG", of which bmp has a 50% share. Together, a private equity fund of funds for private investors, "König & Cie. International Private Equity GmbH & Co. KG", was designed, with bmp acting as fund manager and assisting König & Cie. in assessing and selecting target funds as well as in controlling and reporting.
- » In the financial year 2005, bmp sold three shareholdings: Mediport Venture Fonds and Hirek Kft. in the first quarter, and Röntec AG in the fourth quarter. At the same time, bmp acquired two new shareholdings: ACR S.A. and Nokaut Sp z o.o. bmp's investment in Nokaut has only become effective this year.
- » The investment portfolio continued to develop very dynamically. We are now preparing a number of investments that are currently in the expansion phase for a

trade sale or IPO flotation over the next two years.

- » At 20.4 %, the share price performance was positive for the third year in succession.
- » The Group financial statements were prepared for the first time in accordance with IFRS. The financial year 2005 closed with turnover of around € 2.1 million and consolidated profits of € 2.2 million.

We are satisfied with the results of the financial year 2005, even though our aim of a close partnership with TFG Capital AG could not be achieved. This year, we will examine carefully how to proceed further with this holding.

Our partnership with König & Cie. in the area of closed-end private equity funds of funds for private investors deserves special mention. Here we have been able to successfully implement our targets in the financial year just ended. The fund of funds, which has a target volume of € 30-50 million, went on sale in October 2005 and, to date, it has issued fund commitments to a volume of around € 16.3 million in six international private equity funds. The plan is to design more private equity products in conjunction with König & Cie. This area of business generates regular income for bmp, which can make a significant contribution to results in the medium term.

At present, our investment portfolio comprises 23 companies. The majority of our holdings are developing very promisingly. Against this backdrop, we assume that we will be able to implement stock market flotations and trade sales from our portfolio in the current financial year. We were able to realise two partial sales of our holdings Revotar and Bankier as early as the first quarter of 2006. As a result, we expect to see a considerable increase in sales revenue and income within the Group for 2006.

We would like to thank you for your loyalty, and with you, we look forward to a dynamic and successful financial year 2006.

The Management Board



Oliver Borrmann



Andreas van Bon



Ralph Günther

## bmp AG: an international private equity company

Up until the beginning of 2005, bmp AG concentrated on Venture Capital, its original area of business, and, in addition to direct investments in innovative growth companies, it managed two venture capital funds for Kreditanstalt für Wiederaufbau (KfW) and Deutsche Investitions- und Entwicklungsgesellschaft (DEG).

On the basis of extensive experience in the international private equity sector, many co-financings with renowned private equity companies, and a network that has been built up over the last ten years, bmp decided in 2005 to significantly expand the business area of Private Equity Fund Management and Private Equity Advisory.

In 2005, this business area was expanded organically on the basis of existing internal resources. As part of this expansion, bmp won its first important mandate for the Hamburg-based issuing house König & Cie. bmp, together with König & Cie., designed the private equity fund of funds "König & Cie. International Private Equity GmbH & Co. KG" and assumed important functions in fund management.

The two business areas Venture Capital Direct Investments and Private Equity Fund Management and Private Equity Advisory are presented separately below. The two business areas have strong synergy effects as, on the one hand, they are based on existing expertise and infrastructure and, on the other hand, they further strengthen the network with private equity houses, banks and advisers, which is very important in the private equity industry.

### Venture Capital Direct Investments

Venture Capital (risk capital) is a subsection of the asset class Private Equity. Venture Capital is distinguished by the fact that it is mainly invested in early company stages (Seed, Start-

Up, Expansion) of innovative growth companies. Venture Capital is geared towards taking high risks in order to achieve a higher return than the average return in the capital market. Through the early company stage, a venture capital company bears the relatively high risk of the possible failure and loss of an investment. In the case of successful corporate development, it has the opportunity to greatly increase its capital employed.

bmp attempts to achieve this aim by

- » identifying companies in fast-growing technology and service sectors,
- » investing in these companies at attractive conditions and
- » assisting and supporting the companies as a shareholder and co-director so that they can build up and expand their business and, in the medium term, achieve an attractive company value through an exit.

bmp acquires the holdings directly and for its own account. On average, the holdings are held for three to five years. First and foremost, bmp generates income by selling the companies via trade sales or via the capital market. The income is mainly reinvested into the existing portfolio or new investments.

### Investment strategy

The investment strategy is divided into four dimensions: geography, company stage, sector and style. bmp applies the following allocation policy:

- » Geography: Germany, Poland, and, in exceptional cases, Switzerland.
- » Company stage: seed, start-up and expansion.
- » Sector: innovative growth sectors in general
- » Style: minority equity investments, if required, silent partnership + loan

bmp opted for this investment strategy for the

following reasons:

- » In the case of holdings in the early company stage, geographical proximity to the company is essential. bmp is represented through its own offices in Germany and Poland and maintains close business contacts in Switzerland. In all three countries, bmp can produce a strong dealflow of new projects, is familiar with legal framework conditions and has the relevant networks at its disposal.
- » bmp's strength lies in the active business development of its holdings. This is mainly necessary, and also possible, in the early company stage, as the venture capital investor often has a very large share of the holding.
- » Venture capital investments are per se subject to a very high level of risk. Diversification over various sectors is a means of spreading this risk and reducing dependencies on one sector.
- » Income from a venture capital investment is, as a rule, generated by selling the investment at a higher company value. For this to be possible, it is necessary to hold an equity investment in the company.

### Investment management

Investment management is the process that utilises the most resources. Once the investment is made, bmp co-operates actively on the development of the company. In doing so, bmp is always working in the long term towards realising an exit in the form of a profitable sale of the investment.

The main focuses of investment management are:

- » Acting as a sparring partner for the Management in the area of strategy
- » Active co-operation in financing rounds and capital measures
- » Investment controlling through standardised

processes and instruments

- » Enlargement/Reshuffling of the Management
- » Active co-operation in company sales and transactions
- » Provision of qualified network contacts, mainly in sales and in respect of strategic partnerships.

In the area of investment controlling, bmp has developed very efficient and competitive procedures and processes. These were displayed in an integrated IT system (Lotus Notes applications and SAP R/3).

### Exit strategy

Exit means the sale or relinquishment of shares in a holding. This can take place via a trade sale, management buyback, sale via the stock market, or insolvency.

The trade sale is traditionally the most important way of selling an investment. Historically, the majority of all venture capital investments worldwide were disposed of through trade sales. In contrast to an IPO, the trade sale often has the disadvantage of offering a lower valuation. This disadvantage can be partially compensated for, however, by selling the shares immediately and not becoming subject to possible lock-up agreements.

An exit via the stock market by way of an IPO or listing usually takes place gradually. Rarely can a venture capital company place all its shares during the IPO. The advantage of the stock market flotation is, on the one hand, often the value of the company and, on the other hand, the opportunity to issue the shares in stages according to market conditions and therefore generate regular income.

Investments are also sometimes sold to the Management by way of a management buyback. This is usually the case if the company is

not developing particularly positively and the venture capital company and the holding wish to go their separate ways.

A very common exit in the area of early stage financing is insolvency. As a rule, the investor loses the investment. Insolvency is a calculated risk of every venture capital investor.

### **Fund Management and Private Equity Advisory**

A Private Equity Advisor mainly advises institutional investors on asset allocation in the asset class Private Equity. His activities can include examining, selecting and managing possible investments, as well as designing and managing fund products for clients.

Today, German institutional investors allocate only a very small proportion of their managed assets to the asset class Private Equity. It can be assumed that investments in this asset class will increase significantly over the next few years. This will also significantly boost demand for Private Equity Advisory.

bmp has been active as a fund manager since 1998. Currently, bmp manages two Single Investor funds, each of which is financed by a single investor: bmp Venture Tech GmbH since 1998 and Central & Eastern Europe Venture GmbH (CEEV) since the year 2000. The investors in these funds are Kreditanstalt für Wiederaufbau and DEG Deutsche Investitions- und Entwicklungsgesellschaft. These are closed-end funds with a fixed term. Both funds are designed as parallel funds for the direct investments of bmp AG, i.e. their portfolio strategy is in line with investments made by bmp AG. bmp is paid a regular management fee for its activities as fund manager.

In addition, bmp, together with König & Cie.,

the Hamburg-based issuing house for closed-end funds, designed, marketed and launched a private equity fund of funds for private investors in 2005. The König & Cie. International Private Equity GmbH & Co. KG" fund of funds has a target volume of € 30-50 million and invests in the areas of Buy-Out, Venture Capital and Mezzanine. Following the complete placement of this fund, bmp plans to launch another private equity product. Here, bmp acts as fund manager, assesses and selects target funds, which are then decided upon by an investment committee. In addition, bmp is responsible for reporting on and controlling the target funds.





## Investment Portfolio

As at 31 December 2005, the bmp Group held shares in 23 companies with an investment volume at acquisition cost of € 34.0 million. In the financial year 2005, total investments in portfolio companies amounted to € 6.3 million.

The new investments were an investment made in TFG Capital AG in the first quarter of 2005 and an investment made in ACR S.A., Poland, in the fourth quarter of 2005. The 33.3 % stake in Nokaut Sp. z o.o. became effective after 31 December 2005, as the company was formally founded after this date.

The follow-up investments were, in addition to investments in Revotar Biopharmaceuticals AG (approx. € 900,000) and Newtron AG (approx. € 400,000), mainly small capital rounds which have not significantly changed our stakes in the companies.

Disposals (exits) from the investment portfolio consisted of the sale of Mediport Venture Fonds and Hirek Kft. in the first quarter of 2005 and Röntec AG in the fourth quarter of 2005. All three investments were sold completely within the framework of trade sales.

### New investments in 2005:

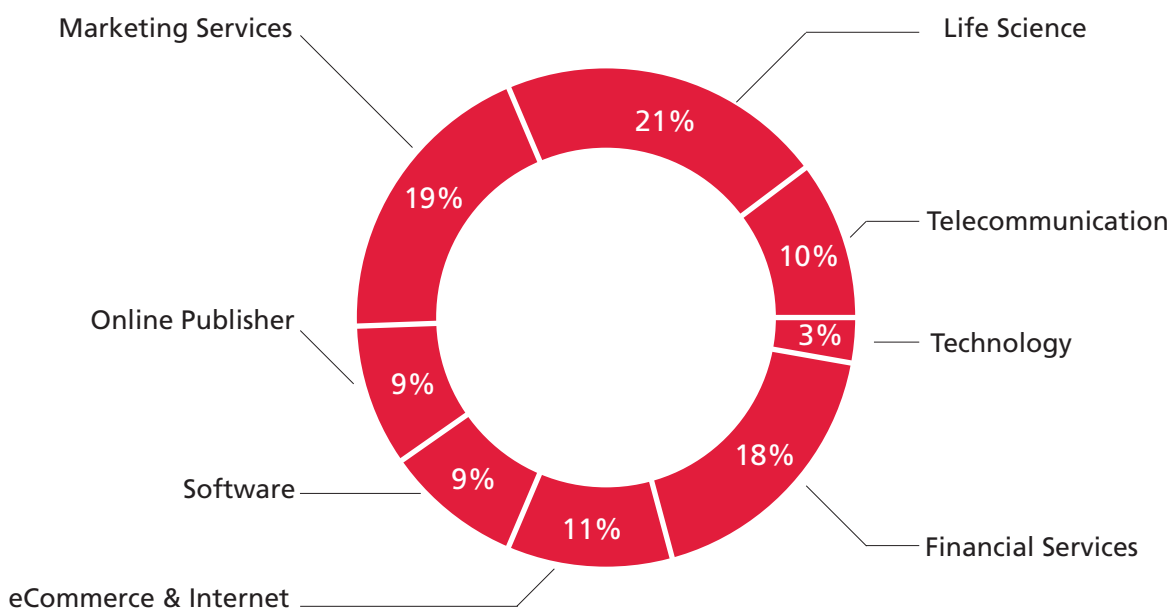
- » TFG Capital AG Unternehmensbeteiligungsgesellschaft, Marl
- » ACR S.A., Warschau, Polen

### Investments following the reporting date:

- » Nokaut Sp. z o.o., Gdynia, Polen

In addition, we made follow-up investments in existing shareholdings. These concerned the following:

Investment Volume at Acquisition Cost as at 31. December 2005: 34,0 Mio. €



- » ErgoTrade AG
- » heliocentris Energiesysteme GmbH
- » Revotar Biopharmaceuticals AG
- » Salt of Life International AG
- » Tembit Software GmbH
- » Newtron AG
- » Jerini AG

**Disposals (exits) from the portfolio:**

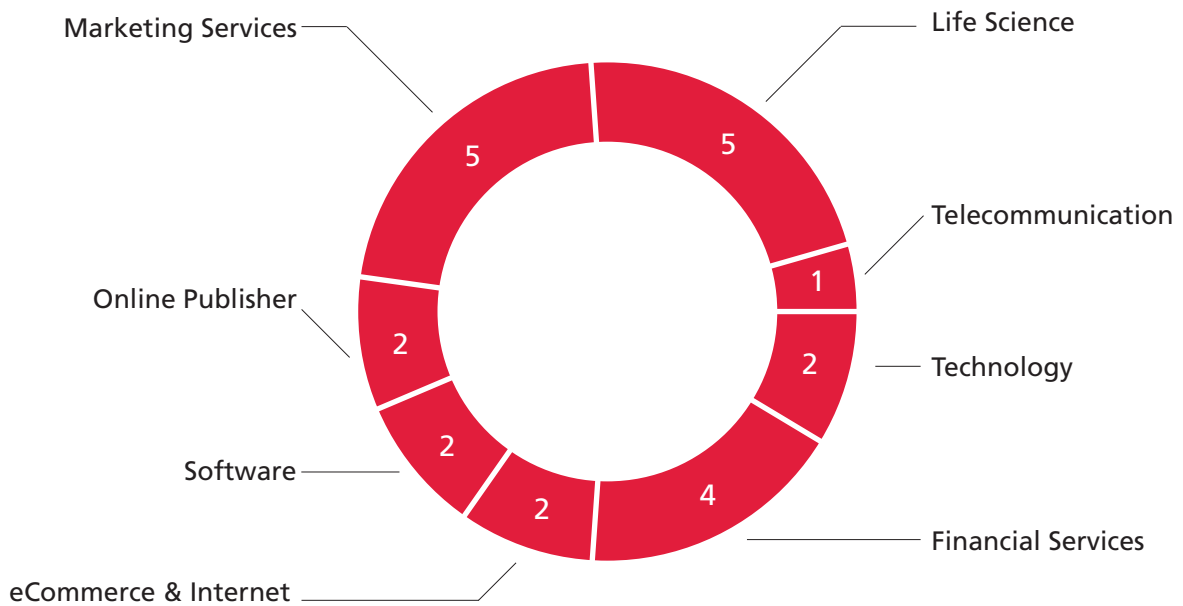
- » Mediport Venture Fonds GmbH
- » Hirek Media Kft.
- » Röntec AG

After the reporting date, bmp sold a 5% stake in Revotar Biopharmaceuticals AG, so bmp's stake is now 54.96 %. In addition, bmp participated in a capital increase at Revotar Biopharmaceuticals AG with a sum of around € 630,000 in March 2006. Following the capital increase, the bmp Group now holds a 49.99 % stake in the

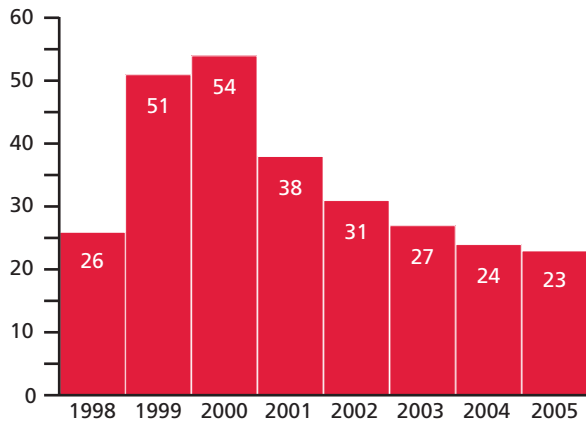
company.

In March 2006, bmp AG sold a 5 % stake in Bankier.pl S.A., one of three Polish holdings included in the investment portfolio. As a result, bmp AG's stake in the company was reduced to 25.55 %, taking into account an option exercise.

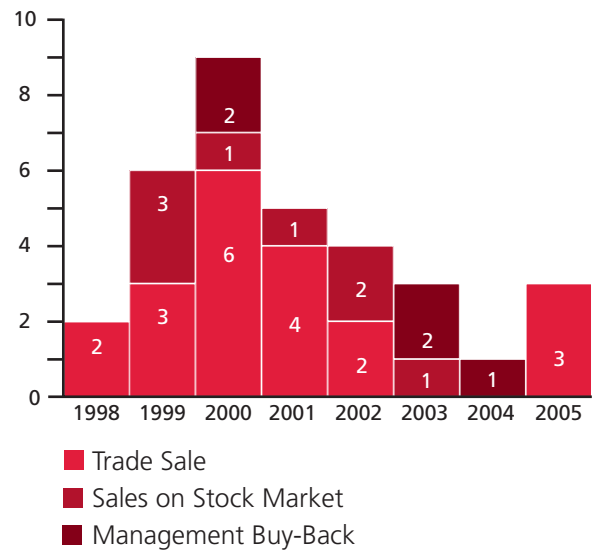
**Number of Investments as at 31. December 2005: 23 Investments**



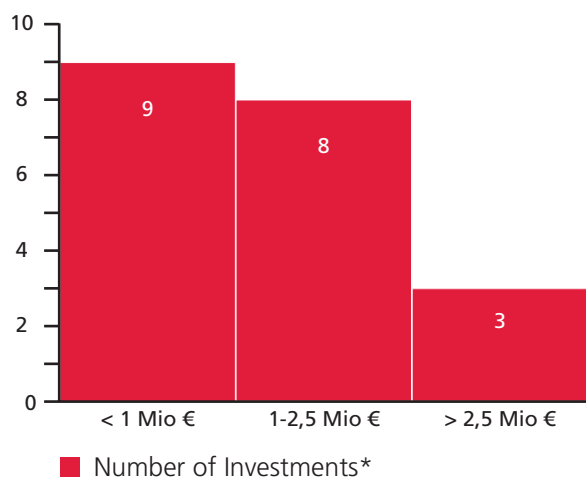
NUMBER OF INVESTMENTS



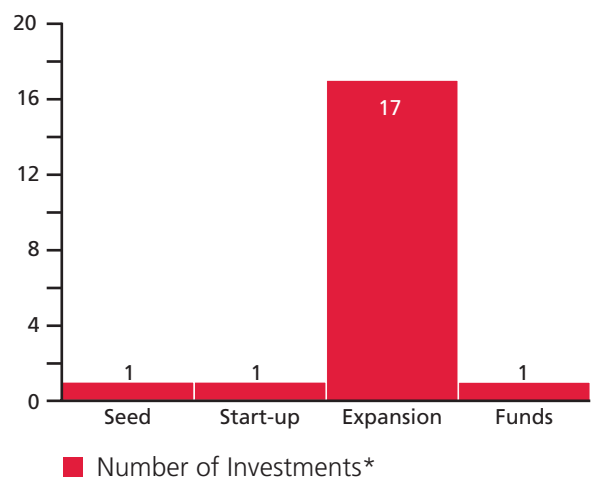
EXITS



CAPITAL SHARES



PORTFOLIO STAGES



\* aktive Investments only

### Performance of the investment portfolio (net asset value)

In order to make the performance of the investment portfolio transparent and comparable, we use the valuation rules of the European Venture Capital Association (EVCA).

Based on these criteria, we calculated the net asset value (NAV) of bmp AG at € 35,507,000 (€ 31,865,000 as at 31 December 2004), which is equivalent to NAV per share of € 2.03.

Of the 23 shareholdings included in this calculation four were valued by third party valuation, six with a comparable, one at stock market price, three at acquisition cost, five at acquisition cost less discount and three at "zero".

At around 35 %, the largest share of NAV of the whole portfolio is attributable to the Life Science sector. Compared to the previous year, NAV increased by 11.5 %, or € 0.21 per share. This development reflects the satisfactory development of our holdings.

### Net Asset Value of bmp AG as at 31. December 2005

	€,000
Value of investments portfolio eCommerce & Internet	2,534
Value of investments portfolio Online Publisher	3,543
Value of investments portfolio Software	309
Value of investments portfolio Telekommunikation	815
Value of investments portfolio Life Science	12,229
Value of investments portfolio Marketing Services	8,509
Value of investments portfolio Technologie	431
Value of investments portfolio Financial Services	6,431
<b>Value of investments portfolio Gesamt</b>	<b>34,801</b>
+ Silent Partnerships	750
+ Other Assets	5,287
- Liabilities	-5,241
- Provisions	-90
<b>NAV AG Total</b>	<b>35,507</b>
<b>NAV per share in €</b>	<b>2.03</b>

## Portfolio 2005

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	Company Name	Branch	Date of Entry	Share %	Phase	Volume Mio. €
1	Revotar Biopharmaceuticals AG	Life Science	21.07.2000	59.96	Start-Up	> 2.5
2	ErgoTrade AG	eCommerce & Internet	01.10.2000	49.99	Expansion	1-2.5
3	WorkXL AG	eCommerce & Internet	09.06.2000	49.02	Expansion	1-2.5
4	heliocentris Energiesysteme GmbH	Technologie	07.12.1999	37.29	Expansion	< 1
5	Newtron AG	Software	06.08.1999	35.61	Expansion	1-2.5
6	Bankier.pl S.A.	Financial Services	08.02.2001	30.82	Expansion	<1
7	eprofessional GmbH	Marketing Services	23.06.2000	25.48	Expansion	1-2.5
8	eHedge AG	Financial Services	08.09.2000	25.40	Expansion	<1
9	K2 Internet S.A.	Marketing Services	08.06.2000	24.72	Expansion	<1
10	Tom's Guides Publishing AG	Online Publisher	15.11.1999	20.00	Expansion	1-2.5
11	YOC! AG	Marketing Services	18.12.2000	20.00	Expansion	1-2.5
12	Shotgun Pictures GmbH	Financial Services	24.09.2004	20.00	Seed	< 1
13	Tembit Software GmbH	Software	10.06.1999	16.36	Expansion	< 1
14	Gamigo AG	Online Publisher	29.11.2000	13.09	Expansion	1-2.5
15	ACR S.A.	Marketing Services	20.12.2005	12.60	Expansion	< 1
16	TFG Capital AG	Financial Services	10.02.2005	12.35	Fonds	> 2.5
17	Socratic Technologies, Inc.	Marketing Services	31.01.2003	6.00	Expansion	> 2.5
18	European Telecommunication Holding E.T.H. AG	Telekommunikation	01.12.1998	2.29	Expansion	1-2.5
19	Salt of Life International AG	Life Science	17.05.2004	1.00	Expansion	< 1
20	Jerini AG	Life Science	27.01.2000	0.31	Expansion	< 1

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## Overview of holdings in alphabetical order (active portfolio as at 31 December 2005)

(The number in parentheses after the company name is from the overview on page 14)

### **ACR S.A. (15)**

ul. Pilicka 8/1A  
00-629 Warschau  
Poland  
www.acr.pl

ACR S.A. is an independent media house specialized in interactive media. The company optimally takes advantage on every capabilities of exhibitions of marks. Beyond optimal planning and media buying the company also suggests effective solutions in areas of Affiliate Marketing, Search Engine Marketing and E-mail Marketing.

- » Co-Investor: K2 Internet S.A., Central & Eastern Europe Venture GmbH
- » bmp's stake: 12,6 %
- » in the bmp portfolio since: 10/2005

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### **Bankier.pl S.A. (6)**

ul Swidnicka 13  
50-066 Wroclaw  
Poland  
www.bankier.pl

Within the framework of its portal services, Bankier delivers a broad spectrum of well structured financial information, as well as useful calculators and tools for private and corporate customers, and in this way it is able to draw together a large user group. Bankier offers financial institutions a medium to reach their target group. Bankier has developed a wide range of services to assist banks with establishing contact with customers and to provide direct sales support. These include, among other things, e-marketing services, supply of up-to-date content and the agency of financial products. Co-Venturing Partner: MCI Management S.A., Central & Eastern Europe Venture GmbH

- » bmp's stake: 30,82 %
- » in the bmp portfolio since: 02/2001

### **eHedge AG (8)**

Mainzer Landstr. 23 a  
60329 Frankfurt  
www.ehedge.de

eHedge AG provides institutional investors with an independent and impartial online marketplace for hedge fund products and services. Depending on the type of transaction, eHedge generates one-time or regular revenue from this. In addition, eHedge designs and structures tailor-made hedge fund products for institutional customers.

- » bmp's stake: 25,40 %
- » in the bmp portfolio since: 09/2000

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### **eprofessional GmbH (7)**

Sommerhuder Str. 12  
22769 Hamburg  
www.eprofessional.de

eprofessional GmbH is one of the leading suppliers of search engine marketing services in Europe. Search engine marketing relates to the targeted and long-term placement of products and services in the results pages of search engines. In addition to the search results, this encompasses all forms of search term-based online advertising (sponsored links, keyword banners, etc.). eprofessional also produces analyses of the effectiveness of online marketing activities.

- » bmp's stake: 25,48 %
- » in the bmp portfolio since: 06/2000

**ErgoTrade AG (2)**

Lilienthalstr. 8/A  
85399 Hallbergmoos  
www.ergotrade.info, www.pc-discount.info

ErgoTrade AG offers its customers a unique range of services from IT refurbishment and IT remarketing via the purchase and sale of residual stock or inventories through to the roll out of new IT products. The company also operates an online b2b marketplace for IT manufacturers and dealers at www.xsellent.de and is one of the market leaders in this sector.

- » Co-Venturing Partner: Venture Catalyst GmbH
- » bmp's stake: 49,99 %
- » in the bmp portfolio since: 09/2000

**European Telecommunication Holding E.T.H. AG (18)**

Berner Straße 119  
60437 Frankfurt  
www.eth-ag.com

European Telecommunication Holding E.T.H. AG is active in the telecommunications market via two wholly owned subsidiaries: Alovatan Telefondienste GmbH offers pre-selection fixed network telephone and value added services to private and corporate customers of Turkish origin; as a carrier, Millenicom GmbH specialises in marketing telephone lines in Turkey. ETH is one of Germany's biggest providers in this sector.

- » bmp's stake: 2,29 %
- » in the bmp portfolio since: 12/1998

**gamigo AG (14)**

Butterstraße 13  
48431 Rheine  
www.gamigo.de

gamigo AG operates an online games portal at www.gamigo.de. Both dyed-in-the wool and occasional games players receive regular information about and navigation in the world of games. gamigo has two different sources of revenue: online advertising and operating Massively Multiplayer Online Games (MMOG).

- » Co-Venturing Partner: T-Online Venture Fund, Axel Springer Venture
- » bmp's stake: 13,09 %
- » in the bmp portfolio since: 11/2000

**heliocentris Energiesysteme GmbH (4)**

Rudower Chaussee 5  
12489 Berlin  
www.heliocentris.com

heliocentris, with offices in Berlin-Adlershof, Germany and Vancouver, Canada produces educational equipment and training material focused on fuel cell technology. The products are sold throughout Europe, The Americas and Asia. With more than 25,000 fuel cell products sold to date, heliocentris is one of the few companies worldwide with experience in mass distribution of fuel cells. In the field of fuel cell education, heliocentris is a world leader and offers the largest range of products.

- » Co-Venturing Partner: IBB Beteiligungsgesellschaft mbH
- » bmp's stake: 37,29 %
- » in the bmp portfolio since: 12/1999



**Jerini AG (20)**

Invalidenstraße 130  
10115 Berlin  
www.jerini.de

Jerini is a pharmaceutical company based in Berlin, Germany, focusing on the discovery and development of novel peptide-based drugs. The company selectively pursues disease indications for which patients have limited or no treatment options. These indications can be addressed effectively using Jerini's proprietary technology platform, Peptides-to-Drugs (P2D). As a result, the company has established a drug pipeline composed of its own programs and others in collaboration with partners. Jerini's commercialization strategy is to market new drugs in niche indications independently and larger indications with partners.

- » bmp's stake: 0,31 %
- » in the bmp portfolio since: 01/2000

**K2 Internet S.A. (9)**

ul. Balanowa 12  
02-635 Warschau  
Poland  
www.k2.pl

K2 Internet S.A is one of Poland's leading online agencies. Its activities focus on providing strategic solutions in the area of emarketing and ecommerce.

- » Co-Venturing Partner: Central & Eastern Europe Venture GmbH
- » bmp's stake: 24,72 %
- » in the bmp portfolio since: 06/2000

**Newtron AG (5)**

Freiberger Straße 39  
01067 Dresden  
www.newtron.net

Newtron offers comprehensive Supplier Relationship Management (SRM) solutions covering the entire procurement process. Newtron supports its customers in strategic procurement by means of consulting services and the provision of electronic procurement systems. More than 120 procuring companies and 10 industrial partners already use the solutions offered in ASP mode in which more than 34,000 suppliers are already classified with a nomenclature of over 55,000 product groups.

- » Co-Venturing Partner: holtzbrinck networkS AG, Commerzbank AG
- » bmp's stake: 35,61 %
- » in the bmp portfolio since: 08/1999

**Revotar Biopharmaceuticals AG (1)**

Neuendorfstr. 24a  
16761 Hennigsdorf  
www.revotar.de

Revotar Biopharmaceuticals AG develops and sells new innovative drugs for the treatment of chronic inflammatory illnesses like asthma, chronic bronchitis, atopic dermatitis, psoriasis, rheumatoid arthritis, and Crohn's disease, among others. Based on an innovative triad comprising a pharmaceuticals/ biotechnology business model, platform technology and an innovative product, Revotar has built up a product pipeline of potential anti-inflammatory medicines at various stages of development.

- » Co-Venturing Partner: Deutsche Life Science GmbH, DKB Finance GmbH, ANZ MPET No. 1 & No.2
- » bmp's stake: 59,96 %
- » in the bmp portfolio since: 07/2000

**Salt of Life International AG (19)**

Haselstraße 1  
 CH-5401 Baden  
 Schwitterland  
 www.mavena.ch

The company specialises in the development and marketing of salt-based skincare products, the majority of which are sold under the international brand Mavena, and heavy salt-based bathing technologies. The floating equipment „Freelaxx“ (www.freelaxx.com), developed for and sold to hotels, spas and fitness clubs, is another product line of Salt of Life.

- » bmp's stake: 1,00 %
- » in the bmp portfolio since: 05/2004

**Shotgun Pictures GmbH (12)**

Friedrichstraße 23 a  
 70174 Stuttgart

Shotgun Pictures GmbH has developed an innovative financing strategy for low-budget film productions. The company is aiming to select and produce 10 feature films with top partners and then sell them off at a profit over the next four years. Shotgun will retain the exploitation rights to the films so that investors can achieve the best possible return.

- » Co-Venturing Partner: BANIF, Orange Pictures, mbg Baden-Württemberg
- » bmp's stake: 20,00 %
- » in the bmp portfolio since: 09/2004

**Socratic Technologies Inc. (17)**

3850 25 th Street  
 San Francisco, CA 94114  
 USA  
 www.sotech.com

Socratic Technologies Inc. performs global network-based market studies, installs and operates market research panels and investigates the user-friendliness of online services for US Americans and major international companies. The core products are Product Marketing Research, Usability Research, Panel Development and Qualitative Services.

- » Co-Venturing Partner: Capital Research Group
- » bmp's stake: 6,00 %
- » in the bmp portfolio since: 03/2003

**Tembit Software GmbH (13)**

Am Borsigturm 42  
 13507 Berlin  
 www.tembit.com

Tembit Software GmbH offers innovative standard software as well as IT consulting for the financial services and health care sector. A particular focus of the company is on internet/intranet applications which enable very fast, user-friendly and low maintenance applications to be developed on schedule and within budget.

- » Co-Venturing Partner: IBB Beteiligungsgesellschaft mbH
- » bmp's stake: 16,36 %
- » in the bmp portfolio since: 06/1999

**TFG Capital AG Unternehmensbeteiligungs-  
gesellschaft (16)**

Ophoffstr. 22  
45768 Marl  
www.tfg.de

TFG Capital has been active on the German market for investment capital for many years. Having started as an early-stage investor, the Company grew to become an important venture capital provider in Germany. TFG concentrates on investments in small and medium-sized companies in expansion stages. In addition to investments in listed companies, TFG selectively focuses on investments in expansion candidates.

- » bmp's stake: 12,35 %
- » in the bmp portfolio since: 02/2005

**Tom's Guides Publishing AG (10)**

FeringasträÙe 4  
85774 Unterföhring  
www.tomshardware.com,  
www.tomshardware.de

With Tom's Hardware Guide, Tom's Guides Publishing AG operates one of the world's leading online magazines in the hardware sector. Since its launch in 1996, the medium has developed into one of the most visited online magazines in the hardware sector, with more than 80 million hits and 5 million readers worldwide. The online service is published in eight languages: English, German, French, Italian, Polish, Hungarian, Russian and Chinese. Since November 2005 Tom's Guides Publishing AG has broadened its editorial range in consumer-oriented topics like gaming under new, own media brands (e.g. Denguru and Twitchguru).

- » bmp's stake: 20,00 %
- » in the bmp portfolio since: 11/1999

**WorkXL AG (3)**

Waldemarstraße 33  
10999 Berlin  
www.workxl.de

As an information and technology services provider, WorkXL AG specialises in invitations for and awarding of public-sector, commercial and private orders or tenders. Since 2000, in addition to its own platform DTAD.de – which stands for Deutscher Auftragsdienst (German order service) – WorkXL has developed and operated various regional and sector-specific portals through which orders from the public sector, companies or individuals are placed within the framework of DTAD.

- » bmp's stake: 49,02 %
- » in the bmp portfolio since: 06/2000

**YOC! AG (11)**

Dircksenstrasse 47  
10178 Berlin  
www.yoc.de, www.yoc-ag.de

With its interactive mobile marketing, YOC! AG has positioned itself as an interface between the consumer goods industry, service providers and trading companies on the one hand, and young, lifestyle-oriented consumers on the other hand. The brand name "yoc – your opinion counts" forms a medium for a young target group that is open to the market. Registered members are mobilised to take part in various campaigns and to make decisions about them simply, quickly and comfortably by mobile phone. At the same time, promotions are carried out for brand name products.

- » Co-Venturing Partner: DIH GmbH, IMH GmbH
- » bmp's stake: 20,00 %
- » in the bmp portfolio since: 12/2000

## **bmp History**

### **July 1992**

Oliver Borrmann founded bmp MANAGEMENT CONSULTANTS GmbH in Berlin.

### **March 1995**

First investment within the framework of "Consulting for Equity" and launch of the venture capital business.

### **June 1997**

Founding of bmp AKTIENGESELLSCHAFT as a venture capital company.

### **September 1998**

Founding of bmp VENTURE TECH GmbH in Berlin as a parallel fund of KfW – Kreditanstalt für Wiederaufbau.

### **July 1999**

Stock market listing of bmp AG, Amtlicher Handel (official trading), Frankfurt am Main.

### **February 2000**

Founding of CENTRAL & EASTERN EUROPE VENTURE GmbH, a parallel fund of DEG (Deutsche Investitions – und Entwicklungsgesellschaft mbH) to finance small and medium sized enterprises in Central and Eastern Europe.

### **June 2000**

Roland Berger Strategy Consultants invests in bmp through a 10% capital increase. Dr. h.c. Roland Berger subsequently becomes Chairman of the Supervisory Board of bmp AG.

### **December 2004**

Capital increase by 5 million individual share certificates to 17.5 million shares, first German company to have parallel listing on the Warsaw Stock Exchange. Listed on Prime Standard since 2005, conversion to IFRS accounting standards.

### **February 2005**

Announcement of a partnership to design and manage private equity funds for private investors with Hamburg-based König & Cie. GmbH & Co. KG, founding of Joint Venture König & Cie. Private Equity AG.

### **October 2005**

The private equity fund of funds „König & Cie. International Private Equity GmbH & Co. KG“ goes on sale and distribution after authorisation of the BaFin.

## The bmp Share

The bmp share started the financial year 2005 at a price of € 1.81/share. After reaching a low of € 1.68/share at the end of January 2005, the share recovered well, but then suffered at the beginning of May 2005 as a result of news concerning the investment in TFG, dropping to a level of € 1.71/share. Then, however, a strong upward trend set in and at the end of September the share reached its highest level for 2005, € 2.87. As at 30 December 2005 the share was listed at € 2.18 and thus achieved a positive share price performance of 20.4%.

Within the framework of its conversion to IFRS and its dual listing on the Warsaw Stock Exchange, bmp AG moved across to the Prime Standard index of the Frankfurt Stock Exchange as at 1 January 2005. This step certainly contributed to the rise in the liquidity of our share from a trading volume on the German stock markets of around € 29 million in 2004 to more than € 48 million in 2005. In 2005, shares of a total volume of PLN 27.5 million were traded on the Warsaw Stock Exchange (on average, 6,535

shares each day), so this step has also paid off in respect of the further development of the bmp share.

### Shareholder structure

As at 31 December 2005, 68.79% of bmp's 17.5 million shares were in free float. Oliver Borrmann held 15.15 %, the Roland Berger Group 8.53 % and the Walther Group 7.53 %. Further shareholdings of at least 5 % were not reported to us.

Altogether, members of the Management Board held 15.27 % of the shares and members of the Supervisory Board held 2.03 % of the shares as at the reporting date.

### Authorised capital

As at 31 December 2005, authorised capital remained unchanged at € 20,475 million.

bmp share price performance compared with Dax and TecDax ( 01.01.2005 - 31.12.2005)



## Group Management Report for the Financial Year 2005

The financial year 2005 was a positive year for the bmp Group. Consolidated profits of € 2.2 million were generated. Long-term liabilities, mainly arising from project refinancing loans from KfW, were reduced by € 1.7 million to € 13.6 million. The equity ratio rose from 51.4% to 56.6%, after being as low as 5.9% in 2002. Thus, today, bmp has a solid consolidated balance sheet, which is likely to improve further in 2006, as bmp expects to achieve a considerable reduction in liabilities. The annual financial statements for 2005 were prepared for the first time in accordance with IFRS.

The net asset value (NAV) of bmp AG increased over the course of the financial year from € 1.82 to € 2.03/share. As the majority of bmp's holdings are developing positively, the Management Board sees further potential for a rise in NAV in 2006. The Management Board is confident that it can produce a positive consolidated result again in the current financial year.

The aims for the financial year 2005 set out under Outlook in the Management Report for the financial year 2004 have been achieved.

### 1. Market development and market position:

According to the BVK (Bundesverband Deutscher Kapitalbeteiligungsgesellschaften – German Private Equity and Venture Capital Association e.V.), the German private equity sector developed positively in the financial year 2005. Overall, € 3 billion was invested in 983 companies, of which € 1.9 billion was invested in the fourth quarter of 2005. Venture capital investments relevant to bmp increased over the course of the year from € 1.1 billion to € 1.3 billion, focussing mainly on later stage (expansion) investments. As, in parallel, there was greater dynamism in fundraising, it can be assumed that the investment volume will increase further in 2006.

The exit market continued to normalise. Overall, exits with a total volume of € 1.9 billion were achieved, representing a 26% rise. At the same time, total losses fell sharply from 27% to just 10% of the exit volume. The revival of the capital markets for IPO's had a positive effect here, with 17% of the exit volume in 2005 attributable to sales of shares via the stock market.

In the first three months of 2006, we think the positive market trend has improved further. In the case of sales, company valuations in the area of venture capital are once again rising slightly. In addition, the stock market as an exit channel is currently very receptive. bmp expects positive market conditions to persist for the venture capital sector for the rest of 2006.

With a current portfolio of 23 holdings and an investment volume of around € 34 million, bmp is one of Germany and Poland's leading financiers of innovative growth companies. We expect to maintain our market position in 2006 too.

bmp operates from Berlin and Warsaw and is an active member of all associations relevant to the private equity business, such as BVK (Bundesverband Deutscher Kapitalbeteiligungsgesellschaften – German Private Equity and Venture Capital Association e.V.), EVCA (European Venture Capital Association) and PPEA (Polish Private Equity Association).

### 2. Business development:

bmp does not prepare any divisional reporting, as the majority of its business activities currently still fall within the area of Venture Capital Direct Investments.

#### Venture Capital Direct Investments

In the main, the existing investment portfolio has developed positively in the financial year 2005. The investment portfolio amounted to an

investment volume at acquisition cost of € 34.0 million and included 23 holdings. The investments mainly originate from Germany. bmp has active foreign investments in Poland, Switzerland and the USA.

In the existing portfolio, bmp has participated in two major financing rounds at Revotar Biopharmaceuticals AG and Newtron AG and has made small investments in its holdings K2 Internet S.A., heliocentris GmbH und ErgoTrade AG, among others.

Over the course of the year, three holdings were sold, Mediport Venture Fonds GmbH and Hírek Media and Internet Technologies Kft. in the first quarter as well as Röntec AG in the fourth quarter. At the same time, bmp acquired two new holdings, TFG Capital AG and ACR S.A. in Poland. Total investments in the area of Venture Capital amounted to € 6.3 million in 2005, including the investment in TFG Capital AG.

For 2006, bmp plans to make new investments and, at the same time, sell existing investments. Overall, we expect the dynamic development of our holdings to continue.

### Fund Management

In addition to the Single Investor funds bmp Venture Tech GmbH (KfW) and Central & Eastern Europe Venture GmbH (DEG), which are managed by bmp and have existed since 1998 and the year 2000 respectively, bmp won a fund management mandate for Hamburg-based issuing house König & Cie. in 2005. bmp was selected as its exclusive partner to design and manage private equity fund of fund products together with König & Cie. For this purpose, at the beginning of 2005, the joint venture König & Cie. Private Equity AG was founded, of which bmp has a 50% share. In addition, the first joint private equity fund of funds for private investors, König & Cie. International Private Equity

GmbH & CO. KG was launched and put on sale. Here, bmp is responsible for selecting and assessing investments in international private equity funds. By the end of March 2006, six fund investments with a total volume of € 16.3 million had been subscribed to.

For the medium term, bmp is planning to significantly expand the business areas of Fund Management Private Equity Advisory, which are still small in terms of the company's economic performance. In contrast to the Venture Capital Direct Investment business, this business will be remunerated first and foremost by way of a management fee calculated on the basis of the managed funds (assets under management).

### 3. Organisation and employees:

The fact that bmp's core team has worked together for a good eight years now forms an excellent basis for the further development of the company. All important positions for the venture capital and fund management business are occupied by highly qualified staff.

The tasks of the Management Board are allocated as follows:

Chairman of the Management Board Oliver Borrmann is responsible for the areas of Overall Strategy, Investment Acquisition, Investment Management, Fund Management as well as Public and Investor Relations. Ralph Günther is responsible for Portfolio Strategy, the business area Fund Management and Private Equity Advisory as well as strategic partnerships. Andreas van Bon is responsible for Finance, Controlling, Personnel, Legal and IT. All three are directly responsible for the holdings of the bmp Group.

bmp AG employed on average 19 employees in 2005, including two employees on parental leave. As at the reporting date, 17 permanent employees worked at bmp AG, of which five

were part-time employees.

#### 4. Financial situation:

##### Earnings situation

In the financial year 2005, the bmp Group reported annual net profits of € 2.2 million in accordance with IFRS. Compared to the previous year, with annual net profits of € 0.1 million in accordance with IFRS, this was a significant improvement.

Sales revenue from the sales of investments and marketable securities totalled € 2.1 million, the majority of which was attributable to the sale of the holding Röntec AG. In the previous year, this revenue amounted to € 0.4 million. Revenue from consultancy and commission fell from € 0.3 million to € 0.2 million.

As a result of the positive development of the investment portfolio as a whole, income from revaluations rose to € 5.7 million. The majority of this was attributable to value adjustments to the holdings Revotar Biopharmaceuticals AG, eprofessional GmbH and YOC! AG.

Income from investments and other interest and similar income totalled € 0.7 million in 2005 and were thus slightly higher than their 2004 level of € 0.6 million.

At € 1.2 million, personnel expenses were a little higher than in 2004. The increase was due to the setting up of provisions of € 0.2 million for future bonus payments for employees. Other operating expenses rose from € 1.2 million to € 2.0 million. This is due to a rise in outside services within the framework of fund restructuring, an increase in transfers to provisions for receivables, and third-party profit shares within the framework of the attribution of holdings. Depreciation on financial assets and on marketable securities increased slightly from € 1.5

million to € 1.8 million. Interest and similar expenses were reduced slightly from € 1.2 million to € 1.1 million through the reduction in liabilities.

The return on equity, measured on the basis of annual net profit and in relation to average equity, is 12.2%.

##### Net asset value (NAV)

As a result of the positive development of the investment portfolio as a whole, net asset value (NAV) rose slightly over the course of the year by 11.5% from € 1.82/share to € 2.03/share.

##### Asset and capital structure

The Group's long-term assets almost exclusively comprise its holdings and loans extended to these companies or silent partnerships. At € 26.6 million, they make up 97.8% of the long-term assets, while the rest is mainly attributable to associated companies and joint ventures. Compared to 2004, long-term assets have increased by 28% from € 21.2 million to € 27.2 million, primarily due to new investments and the change in revaluation.

By contrast, short-term assets dropped significantly by 49% from € 11.8 million to € 6.0 million. The main reason for this was investments in TFG Capital AG, Revotar AG as well as Newtron AG. Cash on hand and balances with banks totalled € 2.7 million at the end of the year 2005. Marketable securities and equivalent means of payment amounted to € 7.4 million (after € 10.1 million as at 31 December 2004).

The bmp Group's balance sheet total increased slightly from € 32.9 million to € 33.3 million in accordance with IFRS. On the liabilities side, equity rose by 11.2% from € 16.9 million to € 18.8 million. Long-term liabilities fell by 10.5% from € 15.2 million to € 13.6 million. € 13.0 million was attributable to refinancing loans



from KfW for investments. The majority of these loans are furnished with a release from liability. Short-term liabilities remained unchanged compared to the previous year at € 0.8 million.

#### Liquidity development

Marketable securities and equivalent means of payment amounted to € 7.4 million as at the end of the year after € 10.1 million as at 31 December 2004. The majority of the liquidity generated from the sale of the investment in Röntec AG was used to repay refinancing loans from KfW. Likewise, the partial repayment of a silent partnership in eprofessional GmbH contributed to a reduction in liabilities to KfW. Some of the liquidity was used for bmp's operating activities, the majority for investments in holdings.

#### 5. Prospects and risks to future development, risk management:

##### Venture capital investments

Venture capital is risk capital granted with the aim of achieving higher returns than other forms of financing. It involves a considerably higher risk potential. As the companies neither generate profits, nor can the success of their business idea be taken for granted at the time the investment is made, this presents high risks for the company and the bmp Group. In principle, this risk increases significantly with greater proximity to the founding of the company.

##### Time of sale and achievable sales revenue

The company generates its earnings primarily through the sale of investments to institutional or industrial investors (trade sale) or within the framework of a stock market flotation. In addition, some investments are sold by way of a management buyback to the founders or fellow shareholders. These sales opportunities are also described as exit channels. The company cannot guarantee that the sale of an investment can be realised at all or at a certain return. Sales of

investments are more difficult in weak capital markets and can therefore lead to negative results for the bmp Group.

##### Uncertainty of the economic development of individual portfolio companies

Despite many years of business experience and intensive investment controlling, we cannot rule out depreciation on investments or even the total loss of investments through insolvency, and this is not unusual, especially in the case of early stage financing. The Company tries to counter the financial effects of a drop in the value of investments through early support and countermeasures and through the continuous improvement of due diligence and investment controlling as well as appropriate risk provisioning (setting up provisions) in its financial statements.

##### Refinancing risks

In the past, bmp AG and its parallel fund bmp Venture Tech GmbH have endeavoured to secure co- and refinancing of investments from public-sector development programmes, especially in order to reduce default risks arising from investments in portfolio companies in early company stages. The advantage of these financing instruments over other forms of financing is that, depending on the development programme, release from liability is sometimes provided for in the event of the loss (insolvency) of an investment.

The refinancing loans that the Company or bmp Venture Tech GmbH has already received from KfW in the past, or may receive from KfW in the future, have a fixed term of 10 years, as a rule. The release from liability expires at the end of the term. This may result in future risks for bmp. Risk from international business operations The investments which the Company has abroad are subject to the law of the country in question. In addition, individual contracts

entered into by the bmp Group are subject to the law of the country in question. The Company is therefore exposed to the standard risks of a foreign legal system. Therefore, the application of foreign law as well as country-specific conditions can lead to unforeseen risks. Liability in the event of the sale of investments

Within the framework of the sale of investments – but possibly also in the case of investments by further investors – the bmp Group as the vendor or as the shareholder may have to issue far-reaching guarantees, especially with regard to tax liabilities in favour of the buyer. In addition, the bmp Group may also be forced to grant releases from certain company-specific risks. The bmp Group endeavours to limit liability arising from such guarantees and releases to a certain percentage of the purchase price. However, time- or amount-based limitation of the liability of the bmp Group for tax liabilities of the portfolio companies is often non-negotiable. The bmp Group cannot rule out that such liability is realised in individual cases.

#### **Interest rate risks**

Fixed-interest rates were agreed for all the bmp Group's credit, silent partnerships, loans and bonds with warrants for their whole term, and therefore there is no interest rate risk. By contrast, all short-term financial investments carry variable interest rates.

#### **Currency risks**

In the past, the Company has on various occasions paid the purchase price for the acquisition and/or sale of a holding in foreign currency. Depending on the time of the investment and the sale of the same investment, the Company can also realise an exchange profit or loss on a capital profit or loss.

#### **Dependency of the Company on key individuals**

The successful management of an investment company requires extensive expertise as well as a well structured network of personal relationships and important contacts. The Company's core team, which has worked together for many years now, has the relevant expertise and a network of personal relationships and important contacts with companies and individuals relevant to the business activity of the Company. The success of the Company essentially depends on these individuals.

#### **Dependency of the Company on economic influences and financial markets**

First and foremost, the economic success of bmp AG depends on the price at which it can acquire shareholdings, the positive development of the portfolio companies and the sales revenue generated through the sale of investments. Negative economic development of all, several or individual portfolio companies can be caused by various external or internal factors over which the Company or the bmp Group may have no influence.

Therefore, the economic success of the bmp Group is largely dependent on the development of the economy as a whole, the development of sectors in which bmp Group companies have invested, and the development of the financial markets. This applies to all three levels of its business activities: the acquisition of shareholdings in portfolio companies, the development of portfolio companies, and the sale of portfolio companies.

#### **Overall assessment and risk management**

bmp made comprehensive provisions for all discernable individual risks in the annual financial statements 2005. Activities in the area of risk management were further expanded in 2005. A quality manual has been produced.

bmp has developed an integrated control system which makes it possible to quantify and qualify risks arising from the investment business. As well as balancing target and performance data, both at holding level and at Group level, the system provides for comprehensive reporting and at the same time it performs the function of a management information system. The economic development of the holdings is monitored through intensive contact with the holdings. The valuations and value development of the holdings are checked on a quarterly basis with the aid of suitable financial models. Depending on the type and development of the holding, various valuation models are used for its valuation in order to check whether the market value to be attached to the holding is greater than the updated acquisition cost.

Through continuous recording of market value to be attached to the holding and investment controlling it is possible to counter adverse developments in the holdings with suitable measures.

bmp's current liquidity is good and facilitates a targeted expansion of the investment portfolio. From today's perspective, the individual or accumulated occurrence of the risks described above present no threat to the continued existence of the bmp Group. The Management Board regards the continued existence of bmp as secure for the long term.

### Prospects

The Management Board sees opportunities to strengthen its own revenue by enlarging the portfolio as well as achieve long-term profitability through the combination of revenue from fund management mandates and revenue from company sales.

### 6. Events after the reporting date and forecast report:

Following the end of the financial year 2005, the following important business transactions were made in the first quarter of 2006:

- » In January 2006, bmp sold a 5% stake in the holding Revotar Biopharmaceuticals AG to a financial investor. In addition, in February 2006, bmp participated disproportionately in a capital increase at Revotar with € 1.45 million and, as a result, its stake was diluted slightly to 49.99%.
- » In January 2006, bmp acquired a 33.3% in the Polish Internet company Nokaut Sp. z o.o.
- » In March 2006, bmp sold a 9.99% stake jointly with Central & Eastern Europe Venture GmbH in Poland's leading financial portal Bankier.pl S.A. and therefore the joint stake was reduced to 51.12% (bmp AG: 25.55%).
- » König & Cie. International Private Equity GmbH & Co. KG has subscribed to two more funds with a volume of € 5.5 million, Gilde Buy-Out Fund III C.V. and New Tech Venture Capital II S.C.A., so the fund of funds now has investments totalling around € 16.3 million.

The Management Board's assessment of market conditions for 2006 is positive. We expect a continued revival in the venture capital market in terms of investments as well as sales of investments. Likewise, we expect increased investments by private and institutional investors in the asset class Private Equity, with positive framework conditions for the business area Fund Management and Private Equity Advisory too.

We will continue to concentrate our work on both areas of business, Venture Capital Direct Investments and Fund Management/Private

Equity Advisory. With regard to Venture Capital, we will continue to focus on the two target markets Germany and Poland in the future too. In the area of Fund Management/Private Equity Advisory, we will try to win new mandates and therefore enlarge the volume of assets managed by us. We expect this to boost bmp's management fee over the next few years. The expansion of this business area does not require extensive investments, but it may lead to bmp

preparing divisional reporting in the future.

For the current financial year, bmp expects to acquire new holdings and expand the business area of Fund Management. As a result of the favourable market conditions and the degree of maturity of the bmp portfolio, the Management expects to realise further sales of investments in 2006. It also expects positive Group financial statements again this year.

Berlin, 13 April 2006

Oliver Borrmann

Ralph Günther

Andreas van Bon

## Bmp AG Supervisory Board's report

Dear Ladies and Gentlemen,

during the last financial year the bmp AG Supervisory Board has, according to company law and articles of incorporation, administered to incumbent duties and responsibilities and has dealt intensely with the current situation and development of the company. During this time the Supervisory Board has, with the help of the board of directors, regularly monitored the management and given advice.

The Supervisory Board held four meetings in 2005 in accordance with § 10, Clause 3. stock corporation law. The Supervisory Board also made use of the possibility of meetings without the presence of members of the management. Every member of the Supervisory Board is also informed in a written monthly report of the current state and has, furthermore, regular close contact (written and oral) for the exchange of ideas with the management and especially with the chairman of the board.

During the Supervisory Board's meeting the current business development, the current portfolio, buying and selling of investments and also the strategy of bmp AG were discussed in detail between the Supervisory Board and the Management Board.

Due to the size of bmp AG's Supervisory Board, no committees are formed and therefore regularly reoccurring topics within Supervisory Board meetings are principally discussed as are questions relating to accounting and reporting, risk management and also personnel matters relating to the Management Board. Furthermore, the Supervisory Board of bmp AG has looked into corporate governance practice and in cooperation with the Management Board has formulated a compliance policy and has also compiled a corporate governance report. The requirements of the code, to analyze the efficiency of our own activities, are regularly

accommodated.

In the business year 2005 the Supervisory Board paid special attention to the investment held in TFG Capital AG and also the acquisition of the majority share of Revotar AG. The Supervisory Board received extensive information in advance for both transactions from the Management Board and, prior to closure hereof, consulted extensively with the Management Board. The Supervisory Board gave its approval for both transactions.

bmp's accounting was again audited in the reporting year by Verhülsdonk & Partner GmbH, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, who were elected as auditor during the annual general meeting. The auditor declared their independency towards the Supervisory Board. Verhülsdonk & Partner GmbH audited bmp AG's annual accounts and the consolidated accounts as per 31st December 2005 and also the combined management report of bmp AG and bmp companies and awarded an unqualified audit certificate. The said documents, which, after completion, were distributed to all members of the Supervisory Board, had been reviewed by said board.

In the course of the Supervisory Board meeting, held on 25th April 2006, the auditors reported the results of their general audit and also the main focal points during this audit. Especially the risk management and controlling system of the Supervisory Board were found to be suitable for the early recognition of developments which could prove to be dangerous for the continuity of the company.

Our own examination of the consolidated and annual accounts of bmp AG and the combined management report gave no reason for objection. In our meeting on 25th April 2006, the results of the auditor's examination were accepted and the Management Board's annual and con-

solidated accounts were approved; the annual accounts have herewith been established. The Management Board's proposals concerning the use of profit received our consent.

The supervisory board thanks the board of directors and all employees for their commitment and effort during the past year.

Berlin, 25th April 2006

Prof. Roland Berger  
Chairman of the Supervisory Board

## 2005 Declaration of Conformity with the Corporate Governance Code

The Management Board and the Supervisory Board of bmp AG declare, according to §161 of the stock corporation law:

bmp AG has, since its last compliance policy dated 14th December 2004, fulfilled the recommendations of the ruling commission of the German Corporate Governance Code, version dated 21st May 2003 with the following exceptions:

3.8. The company has taken out a D&O-Insurance for its Management Board and Supervisory Board, in which no deductibles have been included.

4.2.2. Due to the size of the company, it is sensible for the Supervisory Board to only consist of three members. As long as this is the case, no committees or panels will be formed. Based on this background no panel is existent, which deals explicitly with contracts for the Management Board and should provide suggestions concerning this matter to the Supervisory Board. Nevertheless, the Supervisory Board will give great attention to the structure of the compensation for the Management Board and regularly review said structure.

5.3. Due to the size of the company, it is sensible for the Supervisory Board to only consist of three members. As long as this is the case, no committees will be formed. Based on this background, rulings become obsolete concerning the distribution of tasks to single members of the Supervisory Board in conjunction herewith.

7.1.1. bmp AG compiled annual accounts and quarterly reports up to and including business year 2004 according to national rules and regulations (HGB), which are also the basis for taxation. Since business year 2005 the annual accounts and quarterly reports of bmp AG are

still compiled according to HGB.

Since business year 2005 the consolidated accounts and the company's quarterly reports are compiled according to international rules and regulations (IFRS).

7.1.2. The consolidated accounts are published within four months after the end of the fiscal year and the quarterly reports within two months after the end of the relevant quarter. bmp AG will, in the future, comply to the recommendations of the ruling commission of the stock German Corporate Governance Code, version dated 2nd June 2005 with the following exceptions:

3.8. The company has taken out a D&O-Insurance for its Management Board and Supervisory Board, in which no deductibles have been included.

4.2. Due to the size of the company, it is sensible for the Supervisory Board to only consist of three members. As long as this is the case, no committees or panels will be formed. Based on this background no panel is existent, which deals explicitly with contracts for the Management Board and should provide suggestions concerning this matter to the Supervisory Board. Nevertheless, the Supervisory Board will give great attention to the structure of the compensation for the Management Board and regularly review said structure.

5.3. Due to the size of the company, it is sensible for the Supervisory Board to only consist of three members. As long as this is the case, no committees will be formed. Based on this background, rulings become obsolete concerning the distribution of tasks to single members of the Supervisory Board in conjunction herewith.

5.4.3. The announcement of candidate proposals for the chairman of the Supervisory Board requires that a possible candidate has to have been elected a member of the Supervisory Board at the annual general meeting. Furthermore, based on §11, Clause 1 of our Articles of Association, the Supervisory Board shall, in its first meeting, vote a chairman and deputy chairman from the existing members of the Supervisory Board. This meeting normally takes place directly after the annual general meeting of bmp AG, in which the Supervisory Board members have been elected for.

7.1.2. The consolidated accounts are published within four months after the end of the fiscal year and the quarterly reports within two months after the end of the relevant quarter.



## Corporate Governance Report

Corporate Governance is the responsible business management based on binding principles. As the Management Board and Supervisory Board of bmp AG we are committed to the principles of the German Corporate Governance Code and by keeping to this code want to justify the trust of our shareholders, business partners and employees.

We report yearly on the Corporate Governance within our company. In our compliance policy dated 23rd November 2005 we also announced that we are applying nearly all rulings recommended or initiated by the governing commission "Deutscher Corporate Governance Kodex" (German Corporate Governance Code). Furthermore we provide an annual declaration to which extent we are able to fulfil the guidelines of the Polish capital market laws.

We inform our shareholders comprehensively and promptly.

We report regularly, more than the legal requirements according to information and disclosure laws, on the development of our company and publish – according to the principle of equal treatment of all shareholders (Fair Disclosure) – all important reports, announcements and presentations on the internet parallel with the relevant event in German, English and Polish.

The German stock corporation law foresees a two-stage system of company leadership and controlling, these being company leadership through the Management Board and the business controlling through the Supervisory Board.

The bmp AG Management Board consists currently of three members – responsible for the management of bmp AG and the company. The board's sole interest and aim is the sustainable increase of the company value and also the welfare of shareholders, business partners and employees. Furthermore the board is responsible for the compliance of legal requirements and

adequate risk management and risk controlling within the company.

For our shareholders and the remaining public we provide a detailed insight into our compensation structures. The remuneration of the Management Board is based on the achievement and company success and consists of a fixed and a variable element. Detailed information concerning the compensation structure is shown on page 57 of this annual report.

The Management Board and the employees of bmp AG are generally allowed to hold shares in bmp AG and also shares of companies in which bmp AG is involved or in companies where a possible investment is being analysed. To avoid a possible conflict of interests we have developed an extensive internal compliance system, according to which the dealing of such shares is only allowed after approval through our compliance officer. This ruling also applies to members of the Management Board. Concerning bmp AG shares held by the Management Board, refer to page 59 of this annual report. The Management Board is in close contact with the Supervisory Board and informs them regularly and comprehensively. Certain decisions made by the Management Board have to be approved by the Supervisory Board.

The bmp AG Supervisory Board consists of three members who are normally elected for separately at the annual general meeting. The proposal to vote for the members of the Supervisory Board on different dates and for varying terms of office, will not be followed by bmp AG. Based on past experience it is more advantageous to vote all members of the Supervisory Board on one date, as this serves the continuity of work of the members of the Supervisory Board. Furthermore, bmp AG will not follow the recommendation of the commission to announce candidate proposals for the position of chairman of the Supervisory Board to the shareholders. The announcement of candidate

proposals for the chairman of the Supervisory Board requires that a possible candidate has to have been elected a member of the Supervisory Board at the annual general meeting. Furthermore, based on § 11, Clause 1 of our Articles, the Supervisory Board shall, in its first meeting, vote a chairman and deputy chairman from the existing members of the Supervisory Board. This meeting normally takes place directly after the annual general meeting of bmp AG, in which the Supervisory Board members have been elected for.

The Supervisory Board monitors and advises the Management Board in the running of the company. Significant decisions made by the Management Board, for example large acquisitions and corporate action, require the Supervisory Board's consent. Furthermore the Supervisory Board adopts or approves the annual and consolidated accounts of bmp AG and is responsible for the appointment of members of the Management Board including the determination of the compensation of the Management Board. The Supervisory Board defines standing orders ruling its tasks and functions. Due to the size of the company, it is sensible for the Supervisory Board to only consist of three members. As long as this is the case, no committees will be formed.

The compensation of the Supervisory Board, which was determined during the annual general meeting of 4th July 2001, consists of a base compensation, a compensation for each day meetings are held and a performance related payment. The positions of chairman and deputy on the Supervisory Board are taken into consideration. Detailed information concerning the compensation structure can be found on page 58 of this annual report.

bmp AG has taken out, for the members of the Management Board and the Supervisory Board, D&O-insurance, which did not and does not foresee a deductible in the policy. In the light

of the same responsibilities the same deductible cannot be considered appropriate due to varying private income and financial circumstances.

During the annual general meeting the shareholders exercise their rights in matters concerning the company. bmp wishes to support the shareholders in exercising their rights to the fullest possible extent and supports and allows the instruction-bound exercising of the right to vote through representatives. After considering the interests of the shareholders we have however, due to cost reasons, decided not to allow participation of the annual general meeting and voting via the internet at this moment in time.

Aside of the annual general meeting we inform our shareholders on four set dates during the financial year of business developments and also of the financial situation and results of operations. The consolidated accounts however are published within four months after the end of the fiscal year and the quarterly reports within two months after the end of the relevant quarter.

The Management Board and the Supervisory Board are responsible for Corporate Governance playing an active role within bmp AG and that it is regularly checked and becomes further developed.

### Statement according to Fig. 6.6 of the German Corporate Governance Code

In the expired business year the following transaction has been reported:

Details to the person subject to the disclosure requirement

Surname	Borrmann
Forename	Oliver
Function	Chairman of the Management Board
at	Emitter

Details of the transaction

Registered under	§ 15a WpHG
Financial instrument	Aktie bmp AG
ISIN/WKN	DE0003304200
Type of business	Sell
Date	16.09.2005
Rate/Price	2.38
Currency	EUR
No. of shares	20,000
Total amount	EUR 47,628.59
Place	Deutsche Börse/XETRA
Comments to be published	-

## Management Board's additional statement

The following statement from the bmp AG Management Board is submitted according to the requirements of § 95.1 of the regulations of the council of ministers for the Polish Republic dated 19th November 2005 concerning the current and periodical information which are to be provided by the share issuing company.

The company's annual statement of accounts is compiled by the Management Board in accordance with the current IFRS-accounting principles in the EU and to the best of our knowledge. The statement conveys a true picture of the current assets, financial and profit status. The company's annual report is consistent with the consolidated accounts and overall conveys an appropriate picture of the company's position and portrays the chances and risks of future development.

Verhülsdonk & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft was elected as auditor for the financial year 2005 at the bmp AG annual general meeting on 30.06.2005 according to the requirements of legal specifications and commissioned by the Supervisory Board of bmp AG with the audit. Verhülsdonk & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft declared the Supervisory Board of bmp AG the independence of the auditing company and tax accountancy.

## Group Financial Statement as at December 31 2005 for the Financial Year 2005

Group Balance Sheet	38
Group Profit and Loss Statement	40
Group Cash-Flow Statement	41
Breakdown of Group Assets	42
Company Structure	43
Notes	44
I. General information	44
II. Separate notes on the conversion of accounting to IFRS	47
III. Notes on the balance sheet	48
IV. Notes on the profit and loss statement	54
V. Notes on the cash flow statement	55
VI. Other information	56

## Group Balance Sheet as at 31 December 2005

Assets	Notes	2005	2004
		€	€,000
<b>Long-term assets</b>			
Intangible assets	19	24,491.55	57
Tangible assets	9	58,424.27	78
Equity investments	7, 20	23,391,108.93	13,605
Silent partnerships and loans	8, 20	3,217,630.41	6,902
Affiliated companies and Joint Ventures	21	310,675.41	148
Long-term receivables	22	209,184.13	400
		<b>27,211,514.70</b>	
<b>Current assets</b>			
Trade accounts receivable		118,686.14	20
Receivables and other assets	23	3,229,174.91	1,564
Cash on banks and cash on hand	24	2,656,113.76	10,137
Prepaid expenses	13, 25	43,160.92	33
		<b>6,047,135.73</b>	
<b>Total assets</b>		<b>33,258,650.43</b>	<b>32,944</b>

<b>Liabilities</b>	Notes	2005	2004
		€	€,000
<b>Shareholders' equity</b>			
Subscribed capital	26, 29	17,500,000.00	17,500
Capital reserves	27, 29	5,504,536.44	5,505
Revaluation surplus	28, 29	972,256.66	1,267
Accumulated net loss		-5,147,944.49	-7,334
		<b>18,828,848.61</b>	
<b>Long-term liabilities</b>			
Liabilities from refinancing activities	31	12,980,224.12	14,502
Liabilities to banks	11, 32	528,867.52	740
Long-term provisions	10, 34	82,000.00	0
		<b>13,591,091.64</b>	
<b>Current liabilities</b>			
Trade accounts payable	11	35,740.88	364
Liabilities to banks	11, 32	211,547.02	212
Other liabilities	11, 33	484,047.58	170
Provisions	10, 34	105,800.00	15
Prepaid income	13, 25	1,574.70	3
		<b>838,710.18</b>	
<b>Total liabilities</b>		<b>33,258,650.43</b>	<b>32,944</b>

## Group Profit and Loss Statement for the period from 1 January 2005 to 31 December 2005

	Notes	2005 €	2004 € ,000
<b>Sales revenue</b>			
Income from disposal of investments and securities	35	2,120,745.00	401
<b>Other operating income</b>			
Income from consulting and commissions	36	157,136.13	303
Other operating income	36	1,365,373.52	3,832
Income from revaluation of investments	36	5,743,806.11	53
<b>Reduction in book value of investments and securities</b>			
Reduction in book value of investments and securities	37	-1,776,357.46	-4
<b>Staff costs</b>			
Wages and salaries	38	-1,050,273.78	-895
Social security contributions and costs for pensions and support	38	-127,734.88	-132
<b>Depreciations</b>			
Depreciation on intangible and tangible fixed assets	19	-62,135.86	-80
Depreciation on financial assets and securities	20, 21, 42	-1,849,133.20	-1,531
<b>Other operating expenses</b>			
Other operating expenses	39	-1,981,126.81	-1,208
<b>Operating income/ loss</b>		<b>2,540,298.77</b>	<b>739</b>
<b>Other interest and similiar income/expenses</b>			
Income from investments	40	370,191.22	367
Interest and similiar income	41	340,039.49	224
Interest and similiar expenses	43	-1,064,496.13	-1,241
<b>Profit/loss on ordinary activities</b>		<b>2,186,033.35</b>	<b>89</b>
Other taxes		-380.00	-1
<b>Consolidated net profit/loss</b>		<b>2,185,653.35</b>	<b>88</b>
<b>Profit/loss per share €</b>	48	<b>0.12</b>	<b>0.01</b>
<b>Diluted profit/loss per share €</b>	48	<b>0.12</b>	<b>0.01</b>



## Group Cash-Flow Statement for the period from 1 January 2005 to 31 December 2005

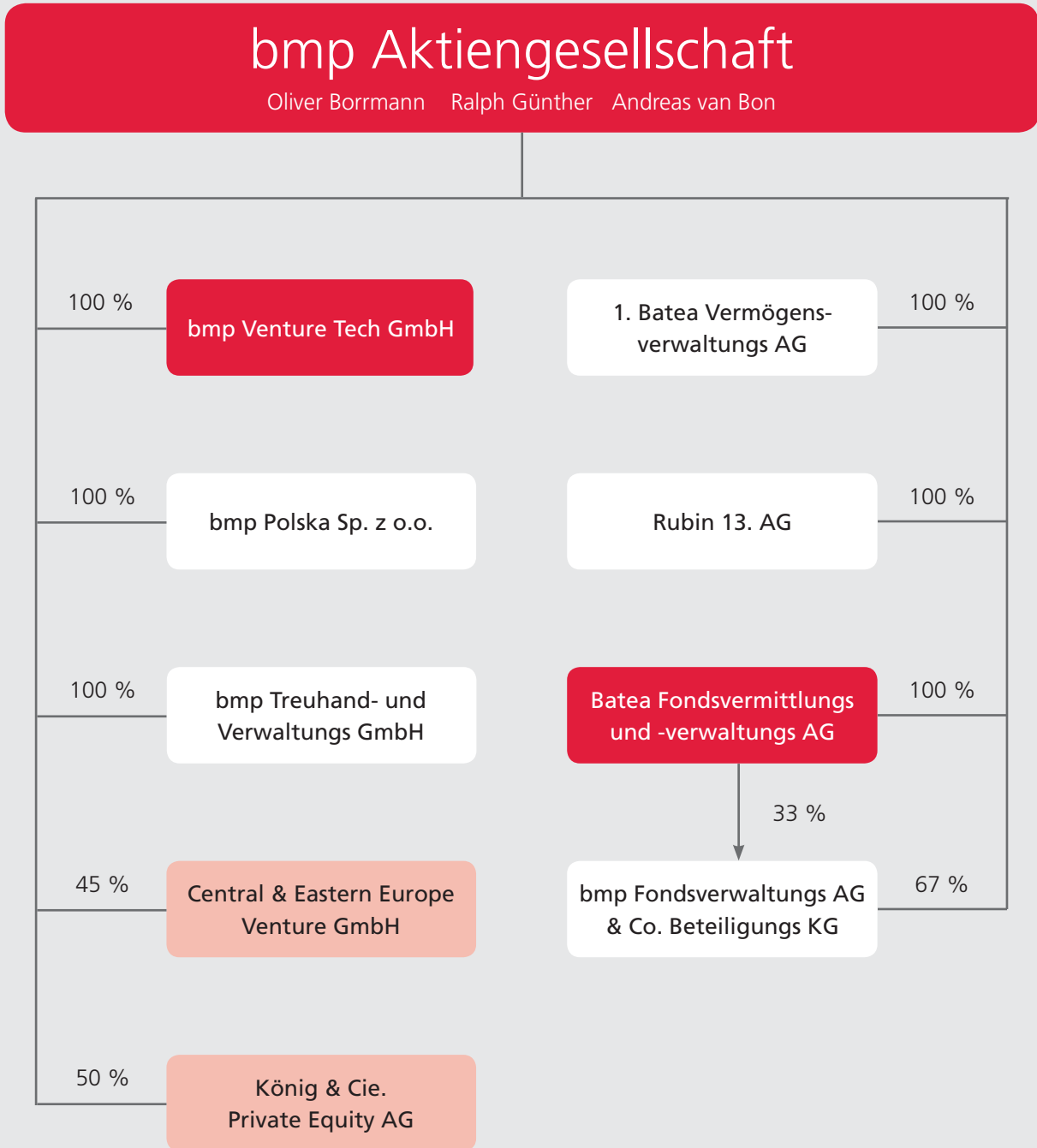
	Notes	2005 €	2004 € ,000
<b>Business activities</b>			
Consolidated net profit/loss		2,186	88
Depreciation on investments and securities	42	1,849	1,531
Depreciation on tangible assets	19	62	81
Appreciation on investments and securities	36	-857	-834
Other expenses/ income with no effect on liquidity		-24	-3,539
Revaluation of holdings and securities	36	-5,744	-53
		<b>-2,528</b>	<b>-2,726</b>
<b>Decrease/(-) increase in assets and Increase/(-) decrease in liabilities</b>			
Receivables and other assets	23	206	-771
Other liabilities	33	-14	285
Prepaid expenses/income	25	-12	-20
Provisions	34	173	-305
<b>Net income/expenses for business activities</b>		<b>-2,175</b>	<b>-3,537</b>
<b>Holdings and affiliated companies</b>			
Additions to holdings, silent partnerships and loans	20	-6,861	-1,016
Change in affiliated companies and Joint Ventures	21	-163	-56
Disposals of holdings, silent partnerships and loans at net book value	20	4,461	1,250
		<b>-2,563</b>	<b>178</b>
<b>Tangible fixed assets</b>			
Additions	19	-10	-10
Disposals at net book value		0	22
<b>Cash-Flow from investments</b>		<b>-2,573</b>	<b>190</b>
<b>Financing activities</b>			
Capital increase		0	10,535
Decrease in liabilities to banks	31,32	-1,733	230
<b>Cash Flow from financing activities</b>		<b>-1,733</b>	<b>10,765</b>
<b>Change in cash and cash equivalents</b>		<b>-6,481</b>	<b>7,418</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	44	<b>10,137</b>	<b>2,719</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	44	<b>3,656</b>	<b>10,137</b>

## Breakdown of Group Assets

Figures in €,000

	Notes	Subscribed capital	Capital reserve	Accumulated net loss	Minority interests	Other profit reserves	First adoption of IFRS	Total
<b>Equity as at 31 December 2003 (HGB)</b>		<b>11,930</b>	<b>1,790</b>	<b>-8,672</b>	<b>970</b>	<b>0</b>	<b>0</b>	<b>6,018</b>
Deconsolidation CEEV		0	-1,250	1,250	-970	0	0	-970
Additions to revaluation surplus		0	0	0	0	0	1,267	1,267
<b>Equity as at 1 January 2004 (IFRS)</b>		<b>11,930</b>	<b>540</b>	<b>-7,422</b>	<b>0</b>	<b>0</b>	<b>1,267</b>	<b>6,315</b>
Capital increase	26	5,570	6,120	0	0	0	0	11,690
Cost of capital increase	17	0	-1,155	0	0	0	0	-1,155
Net profit for the year	17	0	0	88	0	0	0	88
<b>Equity as at 31 December 2004 (IFRS)</b>	<b>26</b>	<b>17,500</b>	<b>5,505</b>	<b>-7,334</b>	<b>0</b>	<b>0</b>	<b>1,267</b>	<b>16,938</b>
<b>Equity as at 31 December 2004 (HGB)</b>	<b>26</b>	<b>17,500</b>	<b>6,660</b>	<b>-8,542</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,618</b>
Revaluation surplus	28	0	0	0	0	1,267	0	1,267
Net loss for the year (HGB)		0	0	1,120	0	0	0	1,120
Cost of capital increase	17	0	-1,155	0	0	0	0	-1,155
Net profit for the year (IFRS)	17	0	0	88	0	0	0	88
<b>Equity as at 31 December 2004 (IFRS)</b>	<b>26</b>	<b>17,500</b>	<b>5,505</b>	<b>-7,334</b>	<b>0</b>	<b>1,267</b>	<b>0</b>	<b>16,938</b>
<b>Equity as at 01 January 2005 (IFRS)</b>	<b>26</b>	<b>17,500</b>	<b>5,505</b>	<b>-7,334</b>	<b>0</b>	<b>1,267</b>	<b>0</b>	<b>16,938</b>
Change in revaluation surplus	28	0	0	0	0	-295	0	-295
Net profit for the year		0	0	2,186	0	0	0	2,186
<b>Equity as at 31 December 2005 (IFRS)</b>	<b>26</b>	<b>17,500</b>	<b>5,505</b>	<b>-5,148</b>	<b>0</b>	<b>972</b>	<b>0</b>	<b>18,829</b>

Structure\*) of bmp under Company Law as at 31 December 2005



- Fully consolidated companies
- Shares in joint ventures consolidated using the equity-method
- Companies not included in the consolidation due to their secondary importance

\* the break-down of the structure of bmp AG under Company Law as at 31 December 2005 did not form part of the audit of the annual accounts.

## Notes to the Group financial statements for the financial year 2005

### I. GENERAL INFORMATION

#### 1. Business activities of the Group

As one of Germany's leading venture capital companies, bmp Aktiengesellschaft (hereafter also referred to as "bmp AG" or "Company") provides innovative growth companies with early stage and expansion financing. bmp AG concentrates primarily on investments in Germany, Poland and Switzerland. bmp AG invests its own funds and manages funds for private or institutional investors. It generates income mainly through increasing the value of the holdings it acquires. The consolidated subsidiaries are also active in the same business or exercise supporting roles.

The registered office of bmp Aktiengesellschaft is located at Alt-Moabit 59-61, D-10555 Berlin, Germany, and from 1 May 2006, it will be located at Schlüterstrasse 38, D-10629 Berlin, Germany.

bmp Aktiengesellschaft is registered in the Commercial Register of the District Court of Berlin-Charlottenburg, Federal Republic of Germany, under the number HR-B 64 077.

#### 2. Basis of the Group financial statements

At the start of the financial year 2005, bmp AG converted its accounting to International Financial Reporting Standards (IFRS). It publishes its Group financial statements as at 31 December 2005 in accordance with the International Financial Reporting Standards and Interpretations of the International Accounting Standards Board (IASB), to be applied bindingly as at 31 December 2005.

The Group financial statements present an authentic picture of the assets, financial situation and earnings as well as the cash flows.

The transition from the German Commercial Code (HGB) to IFRS is presented in separate transitional accounts for equity and the profit

and loss statement. The profit and loss statement was structured according to the cost of production method. The Group financial statements are reported in euros. Unless otherwise stated, all amounts are rounded up or down to the nearest thousand euros (€0,000).

The Group financial statements were prepared by the Company and submitted to the Supervisory Board on 13 April 2006. Events after the reporting date are taken into account up to this date. After presentation of the audit results by the auditor at the Supervisory Board meeting on 25 April 2006, the Supervisory Board approved the Group financial statements and issued the Report by the Supervisory Board. With the approval of the Supervisory Board, the Group financial statements were released for publication.

#### 3. Voluntarily applied IFRS provisions

In the Group financial statements as at 31 December 2005 no standards of the latest version were applied early on a voluntary basis, as the new versions are not relevant to the bmp Group, with the exception of IFRS 7. IFRS 7 will affect information and the presentation of financial instruments from the financial year 2007 onwards.

#### 4. Companies included in the consolidation

##### 4.1 Full consolidation

Included in the Group financial statements are bmp AG, Berlin, as the parent company, and the accounts of bmp Venture Tech GmbH, Berlin, and Batea Fondsvermittlungs und -verwaltungs AG, Berlin.

These companies are included by way of full consolidation in accordance with IAS 27, as bmp AG exercises control over them.

Control within the meaning of IAS 27 is present if there is the opportunity to determine the financial and business policy of a company.

This does not apply to the venture capital holdings, including Revotar Biopharmaceuticals AG, of which bmp AG temporarily held a majority share of 59.96%. As parent company, bmp AG holds 100% of shares in the fully consolidated companies. Unlike in the interim reports, shares in subsidiaries of secondary importance are not included within the framework of full consolidation.

#### 4.2 Joint ventures

Shares in joint ventures were reported in accordance with IAS 31.38 – Shares in Joint Ventures – using the equity method. As at 31 December 2005 there were two joint ventures, König & Cie. Private Equity AG and Central- & Eastern Europe Venture GmbH. bmp AG has a 50% stake in König & Cie. Private Equity AG and holds 45% of shares and voting rights in Central- & Eastern Europe Venture GmbH.

As at the date of preparing the Group financial statements, the final annual financial statements of König & Cie. Private Equity AG were not yet available. Therefore, the values were carefully estimated on the basis of available information. In relation to the 50% stake in König & Cie. Private Equity AG, short-term assets totalled € 178,000 and long-term assets amounted to € 5,000 as at 31 December 2005. Income up to 31 December 2005 was € 158,000, expenses totalled € 2,000. The book value of the joint venture was € 186,000.

In relation to the 45% stake in Central- & Eastern Europe Venture GmbH, short-term assets totalled € 195,000 and long-term assets amounted to € 439,000 as at 31 December 2005. Income for the period from 1 January 2005 to 31 December 2005 was € 360,000, expenses totalled € 125,000. The book value of the joint venture was € 1.00.

#### 4.3 Other subsidiaries

In the past, bmp AG had refrained from including bmp Polska Sp. z o.o., Warsaw, bmp Fondsverwaltungs AG & Co. Beteiligungs KG, Berlin, and bmp Treuhand- und Verwaltungs GmbH, Berlin, in the Group financial statements in accordance with Section 296 Subsection 2 German Commercial Code (HGB), as these companies were of secondary importance for conveying an authentic picture of the assets, financial situation and earnings of the Group. bmp AG also refrained from valuing these companies “at equity” for reasons of materiality. Within the framework of IFRS, the following companies were not included in the consolidation due to their secondary importance:

- » 1. Batea Vermögensverwaltungs AG, Berlin
- » Rubin 13. AG, Berlin
- » bmp Fondsverwaltungs AG & Co. Beteiligungs KG, Berlin
- » bmp Treuhand- und Verwaltungs GmbH, Berlin
- » bmp Polska Sp. z o.o.

1. Batea Vermögensverwaltungs AG and Rubin 13. AG are shelf companies that were acquired or founded in 2005 for use at a later date.

bmp Fondsverwaltungs AG & Co. Beteiligungs KG and bmp Treuhand- und Verwaltungs GmbH currently perform no operating business. Both companies are inactive.

bmp International Business Operations GmbH was merged with bmp AG in the first half year of 2005, so now bmp AG holds 100% of shares in bmp Polska Sp. z o.o., Warsaw, directly. Its business operations are of secondary importance.

#### 5. Principles of consolidation

The annual financial statements of subsidiaries included in the Group financial statements

are reported according to uniform methods of accounting and valuation. Capital consolidation is performed in accordance with the regulations of IAS 27.

#### **6. General methods of accounting and valuation**

The last published Group financial statements as at 31 December 2004 were prepared on the basis of the German Commercial Code. In this respect, the methods of accounting and valuation differ from those applied in these financial statements. The effects of the changes are documented in the transitional accounts. The IFRS opening balance sheet was prepared in accordance with provisions applicable as at 1 January 2004. Compared with the methods of accounting and valuation applied in the HGB Group financial statements as at 31 December 2004, the application of IFRS produces differences in the reporting and valuation of the items listed below.

#### **7. Equity investments**

Equity investments in portfolio companies are assigned to the valuation category "Financial Assets at Fair Value through Profit and Loss". In principle, the initial and follow-up valuation of financial instruments of this category is performed at fair value in accordance with the provisions of IAS 39. Value changes between the initial and follow-up valuation as well as between subsequent points in time are reported separately under other operating income or depreciation on financial investments.

For the purpose of implementing fair value reporting of investments, valuation guidelines were drawn up based on the calculated net asset value (NAV). According to these, shares in listed companies for which there is an active and liquid market are valued at their stock market price as at the date of valuation, if necessary, less a discount. For all other shares in non-

listed companies for which there is no active and liquid market, the fair value is calculated on the basis of generally recognised valuation procedures. This includes, in particular, the Peer Group Comparison as well as the Discounted Cash Flow Method. In the Peer Group Comparison, the company value is calculated on the basis of multipliers of a group of comparable companies. Additional discounts, mainly due to the lack of marketability, are included in the calculation. In the Discounted Cash Flow Method, future cash flows are discounted; the cash value of perpetuity is calculated for the subsequent period. The valuation methods are in line with the recommendations of EVCA (European Private Equity and Venture Capital Association) and NACVA (National Association of Certified Valuation Analysts).

In contrast to this, in the past, investments were reported in the balance sheet as financial investments in fixed assets at lower of cost and market principle in accordance with German Commercial Code (HGB). Increases in value could only be realised through the sale of the investments.

#### **8. Silent partnerships and loans**

The item "Silent partnerships and loans" covers long-term loans of a fixed term that are reported in the balance sheet at amortised costs. Discernable risks are taken into account through appropriate provisions.

In accordance with German Commercial Code (HGB) this item is valued at nominal value. Likewise, discernable risks are taken into account through appropriate provisions.

#### **9. Tangible assets**

Tangible fixed assets and intangible assets are reported in the balance sheet at acquisition cost less accumulated depreciation. Depreciation takes place on a straight-line basis as scheduled.

The balance sheet item does not differ from German Commercial Code (HGB).

#### 10. Provisions

Provisions may only be entered on the liabilities side if an obligation exists and utilisation is likely. Long-term provisions are discounted, if through discounting the resulting rate of interest effect is significant.

In accordance with German Commercial Code (HGB), provisions are reported at the amount deemed necessary by reasonable commercial assessment to cover discernable risks and uncertain obligations.

#### 11. Liabilities

Liabilities are reported as short-term, among other things, if the debt is payable within 12 months of the balance sheet date. Therefore, the balance sheet makes a distinction between short-term and long-term liabilities.

The balance sheet item differs from German Commercial Code (HGB) in the reporting of maturities but not amounts.

#### 12. Deferred taxes

Deferred taxes are reported at temporary differences between the tax accounts value and the IFRS balance sheet value of an asset or debt. A duty to report exists if reporting criteria exist for deferred taxes on the assets side and on the liabilities side.

In addition, expected tax reductions resulting from losses carried forward are to be capitalised if sufficient taxable income is likely to be generated in the foreseeable future to offset unutilised tax-related losses carried forward.

On the basis of framework tax conditions currently applicable in Germany, revenue from sales of investments is generally tax-exempt. Therefore, bmp AG refrained from capitalising

deferred taxes.

#### 13. Accrued income and expenses

Accrued income includes payments made before the reporting date that represent expenses for a certain time after this date. Accrued expenses are reported for deposits made before the reporting date that represent income for a certain time after this date.

The valuation does not differ from German Commercial Code (HGB).

#### 14. Estimates

The item "equity investments" under long-term assets, reported at a book value of € 23,391,000, includes shares in venture capital holdings. The valuation of these holdings depends to a very large extent on estimates in many and diverse areas. From forecasts on economic framework data, on developments of markets and market segments, economic forecasts on the basis of the holdings themselves, through to capitalisation interest rates, inflation rates and exchange rates, the whole valuation process is subject to assumptions and estimates that influence the value of the item "equity investments".

#### 15. Method of historical recording

Both shareholdings and securities are valued by way of the average cost method and, in the case of partial sales, taken into account under material costs.

## II. SEPARATE NOTES ON THE CONVERSION OF ACCOUNTING TO IFRS

#### 16. Basic information

With the adoption of Regulation (EC) No. 1606/2002 of the European Parliament and the European Council of 19 July 2002 on the application of international accounting standards, the Group financial statements of companies

whose shares are traded in a regulated market of a Member State of the European Union must be prepared in accordance with the provisions of International Financial Reporting Standards (IFRS) for financial years commencing after 1 January 2005.

Therefore, bmp AG converted its Group accounting to IFRS with an opening balance as at 1 January 2004. Balancing items resulting on this reporting date were transferred to equity without affecting profits.

All assets and debts were reported in the balance sheet in accordance with IFRS regulations to be applied bindingly as at 31 December 2005.

In principle, the first-time adoption of IFRS is performed retrospectively. Adjustments are to be made as though bmp AG had always prepared its accounts in accordance with IFRS.

**17. Transitional accounts – profit and loss statement and equity**

IFRS 1 provides for transitional accounts that explain the major effects of conversion from German Commercial Code (HGB) to IFRS.

In € ,000	31.12.2004
<b>Consolidated net loss HGB</b>	<b>-1,120</b>
Income from the valuation at market value	53
Costs of the capital increase	1,155
<b>Consolidated net profit IFRS</b>	<b>88</b>

Income from the valuation at market value are additions above acquisition cost, which are not possible under HGB and therefore do not form part of the profit and loss statement in accordance with HGB. The costs of the capital increase are accrued within the framework of the capital increase alongside with the listing on the Warsaw Stock Exchange in the financial year 2004. These costs form part of the profit and loss statement under HGB; in accordance with IFRS, they are entered directly under equity.

Please refer to the breakdown of Group assets for information on changes in equity

**18. Transitional accounts – cash flow statement**

Cash flows in the bmp Group are the same under German Commercial Code (HGB) and IFRS. The change in liquid assets is identical according to both accounting standards. In the cash flow statement in accordance with HGB as at 31 December 2003, Central & Eastern Europe Venture GmbH (CEEV) forms part of Group accounting, so the opening balance is to be transitioned as at 1 January 2004.

In € ,000	31.12.2004
<b>Cash and cash equivalents as at 31.12.2003 HGB</b>	<b>2,848</b>
Deconsolidation CEEV 2003 HGB	-129
<b>Cash and cash equivalents as at 01.01.2004 IFRS</b>	<b>2,719</b>

**III. NOTES ON THE BALANCE SHEET**

**19. Intangible assets and tangible assets**

Intangible assets and tangible assets relate exclusively to acquired rights of use and goods. Intangible assets and tangible assets are depreciated on a straight-line basis over their useful life in accordance with tax law provisions. The book value is calculated from the acquisition or production cost less accumulated depreciation. Durations of useful life range from between 3 and 20 years.



## Acquisition costs

In €,000	01.01.2005	Disposal	Addition	31.12.2005
Intangible assets	189	0	1	190
Tangible assets	452	0	9	461
<b>Total</b>	<b>641</b>	<b>0</b>	<b>10</b>	<b>651</b>

## Depreciation

In €,000	01.01.2005	Disposal	Addition	31.12.2005
Intangible assets	132	0	34	166
Tangible assets	374	0	29	403
<b>Total</b>	<b>506</b>	<b>0</b>	<b>63</b>	<b>569</b>

## Book Value

In €,000	01.01.2005	31.12.2005
Intangible assets	57	24
Tangible assets	78	58
<b>Total</b>	<b>135</b>	<b>82</b>

**20. Equity investments as well as silent partnerships and loans**

The item equity investments covers equity investments in portfolio companies at the market value to be attached to the investment. Silent partnerships and loans are, as a rule, only granted to companies in which bmp AG also has an equity investment.

This item is generally subject to a default risk, as the economic development of young companies is associated with a large number of risks that may lead to insolvency. The risk factors are

monitored and assessed continuously by way of a comprehensive controlling and risk management system. If necessary, risk development is taken into account in the revaluation of the investment.

In addition, in the past, bmp AG utilised releases from liability provided by Kreditanstalt für Wiederaufbau (KfW). When calculating depreciation on equity investments and silent partnerships, it was accounted for that relevant agreements were in place.

In €,000	Equity investments		Silent partnerships and loans	
	2005	2004	2005	2004
<b>1.1.</b>	<b>13,605</b>	<b>13,702</b>	<b>6,902</b>	<b>7,692</b>
Addition	5,982	816	880	187
Disposal	-2,122	-562	-2,339	-688
Transfer	1,640	0	-1,640	0
Valuation	4,286	-351	-585	-289
<b>31.12.</b>	<b>23,391</b>	<b>13,605</b>	<b>3,218</b>	<b>6,902</b>

In €,000	01.01.2005	31.12.2005
Equity investments	23,391	13,605
Silent partnerships and loans	3,218	6,902
<b>Total</b>	<b>26,609</b>	<b>20,507</b>
Releases from liability	6,919	8,906
<b>Remaining net risk</b>	<b>19,690</b>	<b>11,601</b>

Holdings of € 26,609,000 at book value include holdings of € 2,944,000, which the Management has fully depreciated to the book value not released from liability. These asset items are set against refinancing loans released from liability of the same amount on the liabilities side, which will be discharged in the case of loss (generally insolvency). In the case of loss,

both the book value of the holding and the refinancing loan of the same amount shall be written off. In the case of a sale below book value, release from liability can only be exercised with the consent of KfW and its countersureties. In the case of an active investment company whose company value is permanently below the book value of the holding, 100% depreciation on the book value of the holding that has not been released from liability would not suffice.

At present, the Management does not consider this to be the case in the investment portfolio.

The valuation of equity investments is described under "Equity investments". The holdings were managed in the following valuation categories:

Valuation method	Book Value	Number	Book Value	Number
	€,000		€,000	
	2005		2004	
Stock market price	4,194	2	-	0
Third-party transaction	6,548	3	601	1
Multiplier procedure	8,695	6	6,007	7
Fair value corresponds with historical costs	18	2	3,281	5
Fair value corresponds with historical costs less discount	3,936	10	3,716	11
<b>Total</b>	<b>23,391</b>	<b>23</b>	<b>13,605</b>	<b>24</b>

## 21. Affiliated companies and joint ventures

Acquisition costs in €000	01.01.2005	Disposal	Addition	Appreciation	31.12.2005
Affiliated companies	146	0	201	0	347
Joint Ventures	4	0	28	158	190
<b>Total</b>	<b>150</b>	<b>0</b>	<b>229</b>	<b>158</b>	<b>537</b>

Depreciation in €000	01.01.2005	Disposal	Addition	31.12.2005
Affiliated companies	2	0	220	222
Joint Ventures	0	0	4	4
<b>Total</b>	<b>2</b>	<b>0</b>	<b>224</b>	<b>226</b>

Book value in €000	01.01.2005	31.12.2005
Affiliated companies	144	125
Joint Ventures	4	186
<b>Total</b>	<b>148</b>	<b>311</b>

## 22. Long-term receivables

Acquisition costs in €000	01.01.2005	Disposal	Addition	31.12.2005
Long-term receivables	400	0	18	418

Depreciation in €000	01.01.2005	Disposal	Addition	31.12.2005
Long-term receivables	0	0	209	209

Book value in €000	01.01.2005	31.12.2005
Long-term receivables	400	209

### 23. Receivables and other assets

In €,000	2005	2004
Receivables from affiliated companies	4	11
Receivables from holdings	134	297
Receivables from the tax authorities	549	422
Other receivables	34	832
<b>Total receivables</b>	<b>721</b>	<b>1,562</b>

#### Securities

cash equivalent securities held for trading purposes	1,000	0
	1,508	2
<b>Total securities</b>	<b>2,508</b>	<b>2</b>
<b>Total</b>	<b>3,229</b>	<b>1,564</b>

### 24. Balances with banks, cash on hand

In €,000	2005	2004
Balances with banks, cash on hand	2,656	10,137

Please refer to the cash flow statement for information on the use of liquid assets.

### 25. Accrued income and expenses

In €,000	2005	2004
Accrued income	43	33
Accrued expenses	2	3

### 26. Equity and shares

All bmp shares are non-par-value bearer shares with an accounting par value of € 1.00. One vote is granted with each ordinary share.

The shares are traded in the official market of the Frankfurt Stock Exchange and, at the same time, in the Prime Standard index of the official market of the Frankfurt Stock Exchange. In addition, the shares are traded in the unof-

ficial market of the stock exchanges of Berlin-Bremen, Düsseldorf, Hamburg, Munich and Stuttgart.

The number of shares has changed as follows:

In shares	2005	2004
Position as at 01.01.	17,500,000	11,930,000
Capital increase	0	5,570,000
<b>Position as at 31.12.</b>	<b>17,500,000</b>	<b>17,500,000</b>

### 27. Capital reserve

The capital reserve contains amounts generated over and above the par value through the issuing of shares.

In €,000	2005	2004
Position as at 01.01.	5,505	540
Capital increase	0	6,120
Costs of the capital increase	0	-1,155
<b>Position as at 31.12.</b>	<b>5,505</b>	<b>5,505</b>

### 28. Revaluation surplus

Valuation differences arose as a result of the conversion of accounting to IFRS. These valuation differences of € 1,267,000 were recorded under equity as the "revaluation surplus".

In €,000	2005	2004
Position as at 01.01.	1,267	1,267
Release affecting profits	-295	0
<b>Position as at 31.12.</b>	<b>972</b>	<b>1,267</b>

### 29. Change in equity

Please refer to the breakdown of Group assets for information on changes in equity.

### 30. Authorised capital

Authorised capital totalled € 20,475,000.00 as at 31 December 2005 (previous year € 20,475,000). The term of the authorised capital ends on 4 July 2006.

**31. Refinancing liabilities**

The bmp Group has refinancing liabilities to the Kreditanstalt für Wiederaufbau (KfW). These liabilities are secured through the assignment of all claims from the holdings to KfW.

In €,000	2005	2004
<b>Position as at 01.01.</b>	<b>14,502</b>	<b>17,595</b>
Disbursements / Increases	602	778
Repayments / Releases from liability	-2,124	-3,871
<b>Position as at 31.12.</b>	<b>12,980</b>	<b>14,502</b>

The residual term of these redemption-free loans is more than five years for € 440,000 and one to five years for € 12,540,000.

**32. Liabilities to banks**

The bmp Group has liabilities to Commerzbank AG. These are repaid on a regular basis; the annual repayment totals € 212,000. The loans are secured through the secondary pledging of a shareholding up to sum of the loan. The repayment due for the current year was reported in the balance sheet under "short-term liabilities to banks".

In €,000	2005	2004
<b>Position as at 01.01.</b>	<b>952</b>	<b>1,164</b>
Repayments	212	212
<b>Position as at 31.12.</b>	<b>740</b>	<b>952</b>
of which long-term liabilities	528	740
of which short-term liabilities	212	212

**33. Other liabilities**

In €,000	2005	2004
Liabilities to the tax authorities	31	41
Employees' claims to paid leave	23	26
Outstanding invoices	10	25
Profit sharing – KfW	333	0
Liabilities – accounts and audit	75	68
Liabilities – wages and social security contributions	12	10
<b>Total</b>	<b>484</b>	<b>170</b>

KfW has a contractual claim to profit sharing in the case of a few holdings. As the market value to be attached to a few of the holdings affected by the profit sharing is greater than the original acquisition cost, the likely resulting profit sharing was taken into account as a liability.

**34. Provisions**

**34.1. Short-term provisions**

In €,000	01.01.2005	Addition	Utilisation	Release	31.12.2005
Provisions for personnel	0	94	0	0	94
Other provisions	15	12	10	5	12
<b>Total</b>	<b>15</b>	<b>106</b>	<b>10</b>	<b>5</b>	<b>106</b>

**34.2. Long-term provisions**

In €,000	01.01.2005	Addition	Utilisation	Release	31.12.2005
Provisions for personnel	0	82	0	0	82

**IV. NOTES ON THE PROFIT AND LOSS STATEMENT**

**35. Sales revenue**

In €,000	2005	2004
Revenue from the sale of investments	1,969	401
Revenue from the sale of marketable securities	152	0
<b>Total</b>	<b>2,121</b>	<b>401</b>

**36. Other operating income**

In €,000	2005	2004
Revenue from consultancy and commission	157	303
Other operating income	350	2,998
Income from Joint Ventures	158	0
Additions to financial assets	857	834
Income from revaluation	5,744	53
<b>Total</b>	<b>7,266</b>	<b>4,188</b>

**37. Reduction in book value of investments and securities**

In €,000	2005	2004
Reduction in book value of investments	1,624	4
Reduction in book value of securities	152	0
<b>Total</b>	<b>1,776</b>	<b>4</b>

This Position shows the reduction in book value of investments and marketable securities corresponding with revenue from investments and marketable securities, with sales of shares acquired for financial investment purposes being reported at net value under other operating income or other operating expenses.

**38. Personnel expenses**

In €,000	2005	2004
Wages	1,050	895
Social security contributions and pension costs	128	132
<b>Total</b>	<b>1,178</b>	<b>1,027</b>

The number of employees was:

	2005	2004
Average number of individuals	19	22
Full-time-equivalent	12	12
Trainees	1	1

**39. Other operating expenses**

In €,000	2005	2004
Losses on receivables and & transfers to provisions for losses on receivables	513	281
Outside services	290	169
Office space costs	94	94
Insurance, contributions and charges	70	48
Advertising, travel and stock exchange costs	270	193
Profit shares – third parties from additions to market value	333	0
Various operating costs	411	423
<b>Total</b>	<b>1,981</b>	<b>1,208</b>

**40. Income from investments**

In €,000	2005	2004
Interest income from silent partnerships	370	367

**41. Interest and similar income**

in €,000	2005	2004
Interest income from deposits at banks	182	68
Interest income from the granting of loans	158	156
<b>Total</b>	<b>340</b>	<b>224</b>

**42. Depreciation on financial assets and marketable securities**

In €,000	2005	2004
Depreciation on financial assets	1,848	1,525
Depreciation on marketable securities	1	6
<b>Total</b>	<b>1,849</b>	<b>1,531</b>

Depreciation on financial assets and marketable

securities took place in the period under review. This item includes unscheduled depreciation on holdings and affiliated companies that no longer justify their valuation at book value as a result of their economic development, and on listed shares whose stock market price was lower than the book value at the end of the year.

**43. Interest and similar expenses**

In €,000	2005	2004
Interest paid for KfW loans	1,020	1,138
Interest paid for other long-term liabilities	39	49
Other interest and similar expenses	5	54
<b>Total</b>	<b>1,064</b>	<b>1,241</b>

**V. NOTES ON THE CASH FLOW STATEMENT****44. Notes on the cash flow statement**

In accordance with IAS 7, payment flows are reported in the cash flow statement in order to provide information on the Company's cash and cash equivalents. The payment flows are differentiated on the basis of operating activity as well as investment or financing activity. The indirect form of presentation is applied.

Means of payment at the beginning and end of the period exist in the form of cash at banks and shares in money market funds.

In €,000	2005	2004
Cash on hand	1	1
Cash at banks	2,655	10,136
Money market funds	1,000	0
<b>Total</b>	<b>3,656</b>	<b>10,137</b>

In addition, the following interest was received/paid:

In € ,000	2005	2004
Interest paid	1,064	1,241
Interest received	703	280

## VI. OTHER INFORMATION

### 45. Risk management

Please refer to the Management Report for information on risk management, and especially on financial risk management.

### 46. Releases from liability

Within the framework of the refinancing of holdings, Kreditanstalt für Wiederaufbau (KfW) has regularly granted releases from liability to investors. Within the framework of a loss – as a rule, the insolvency of the investee company – the investor is released from the obligation to repay the refinancing it has utilised.

KfW was compensated for these releases from liability, on the one hand, through an increased rate of interest, and on the other hand, through profit sharing in realised income and returns.

### 47. Contingencies

bmp AG, together with other existing shareholders, has assumed guarantees to the sum of € 15.9 million in respect of an investment by a financial investor in ETH European Telecommunications Holding AG.

Within the framework of the sale of shares in DeWind AG, bmp AG and the other sellers have offered the buyer a comprehensive guarantee for payment of taxes for prior years, among other things. The Management Board assumes that this guarantee will not be utilised.

### 48. Profits per share

Undiluted profits per share are calculated by dividing the annual net profit by the weighted average number of shares outstanding during

the financial year.

	2005	2004
Consolidated net profit in € ,000	2,186	88
Average number of shares	17,500,000	17,500,000
<b>Profits per share in €</b>	<b>0.12</b>	<b>0.01</b>

Despite the capital increase in 2004, the average number of shares is calculated at 17.5 million in 2004, as the new shares were ranking for dividend as from 1 January 2004.

### 49. Permanent debt obligations

As at the reporting date, bmp AG has obligations arising from rental and lease agreements of:

Year	€ ,000
2006	103
2007-2010	405
<b>Total</b>	<b>508</b>

### 50. Divisional reporting

At present, divisional reporting is not suitable for the business operations of bmp AG in respect of its business segments as well as geographic orientation.

### 51. Declaration of Conformity pursuant to Section 161 German Stock Corporation Law (AktG)

The Management Board and Supervisory Board of bmp AG have issued the declaration stipulated in accordance with Section 161 German Stock Corporation Law (AktG) and made it available to shareholders on a permanent basis on the bmp AG website.

### 52. The auditor's fees

The following auditor's fees were recorded as expenses in the financial year 2005:



€ ,000	2005
Fee for accounts and audit	43
Tax consultancy fees	20
Other fees	1
<b>Total</b>	<b>64</b>

### 53. Information on the Company's executive bodies

#### 53.1 Management Board

Members of the Management Board of bmp AG in the financial year 2005 were:

- » Oliver Borrmann, Businessman, Chairman
- » Ralph Günther, Businessman
- » Andreas van Bon, Businessman

#### 53.2 Remuneration of the Management Board

Members of the Management Board of bmp AG each receive fixed remuneration, remuneration in kind and variable salary components arranged on an annual basis.

The fixed remuneration comprises a basic salary, a management bonus paid in advance and contributions to life insurance policies. The remuneration in kind comprises company cars that may also be used for private purposes. The variable salary components consist of a management bonus. The management bonus for each member of the Management Board is 3% of the pre-tax profit of bmp AG, or 4% for the Chairman of the Management Board. The bonus is capped at € 75,000, or € 100,000 for the Chairman of the Management Board. The management bonus is paid out after the management bonus paid in advance as part of fixed remuneration has been earned.

In the financial year 2005, € 369,000 in fixed remuneration and € 42,000 in remuneration in kind were paid to the members of the Management Board of bmp AG. There was no management bonus claim.

Remuneration was allocated as follows:

In € ,000	Fixed remuneration	Contributions to insurance policies	Company car	Total 2005	Total 2004
Oliver Borrmann	129	6	7	142	149
Ralph Günther	116	6	7	129	136
Andreas van Bon	124	7	9	140	141
<b>Total</b>	<b>369</b>	<b>19</b>	<b>23</b>	<b>411</b>	<b>426</b>

**53.3. Other offices held by the members of the Management Board**

Mr Borrmann was/is a member of the Supervisory Board of the following companies:

YOC! AG	01.01. - 31.12.05
ErgoTrade AG	01.01. - 31.12.05
Newtron AG	01.01. - 31.12.05
eHedge AG (Vorsitz)	01.01. - 13.11.05
brand eins Medien AG (Vorsitz)	01.01. - 31.12.05
Revotar Biopharmaceuticals AG (stellv. Vorsitz)	26.09. - 31.12.05
König & Cie. Private Equity AG (stellv. Vorsitz)	09.05. - 31.12.05

Mr Borrmann is also a member of the Management Board of Batea Fondsvermittlungs und -verwaltungs AG and Managing Director of bmp Venture Tech GmbH and Central & Eastern Europe Venture GmbH.

Mr Günther was a member of the Supervisory Board of the following company:

WorkXL AG	01.01. – 22.05.05
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Mr Günther is also Managing Director of bmp Venture Tech GmbH.

Mr van Bon is also a member of the Management Board of Batea Fondsvermittlungs und -verwaltungs AG.

**53.4. Supervisory Board**

Members of the Supervisory Board of bmp AG in the financial year 2005 were:

- » Prof. Roland Berger, Munich  
Chairman of Roland Berger Strategy Consultants, Chairman of the Supervisory Board
- » Gerd Schmitz-Morkramer, Munich  
Solicitor, Vice Chairman of the Supervisory Board
- » Uwe Ahrens, Berlin  
Managing Director of aap Ahrens, Ahrens und Partner GmbH

Remuneration paid to members of the Supervisory Board of bmp AG totalled € 45,000 in the financial year 2005.

This was allocated as follows:

In €000	2005	2004
Prof. Roland Berger	23	23
Gerd Schmitz-Morkramer	13	13
Uwe Ahrens	9	9

Mr Berger was/is a member of the Supervisory Board of the following companies:

Roland Berger Strategy Consultants GmbH, Vorsitz	01.01. - 31.12.05
Humaine Gesellschaft für Klinikmanagement mbH, Vorsitz	01.01. - 31.12.05
Loyalty Partners GmbH	01.01. - 28.09.05
Schuler AG	01.01. - 13.11.05
WMP EUROCOM AG , Vorsitz	01.01. - 31.12.05
EM.TV AG, stellv. Vorsitz	01.01. - 05.07.05
Alcan Inc.	01.01. - 31.12.05
Wilhelm von Finck AG	28.02. - 31.12.05
Klinikum rechts der Isar der Technischen Universität München	01.03. - 31.12.05

Mr Schmitz-Morkramer was/is a member of the Supervisory Board of the following companies:

YOC! AG, Vorsitz	01.01. - 31.12.05
Merck Finck Treuhand AG, Vorsitz	01.01. - 31.12.05
MLP AG, stellv. Vorsitz	01.01. - 28.09.05
Merck Finck Vermögensbetreuungs AG	01.01. - 13.11.05
Rubin 13. AG	29.09. - 31.12.05

Mr Ahrens held no office within the meaning of Section 125 Subsection 1 Set 3 German Stock Corporation Law (AktG).

Shareholdings of the Management Board and Supervisory Board as at 31 December 2005:

Members of the Management	2,672,887 Shares
Members of the Supervisory Board	354,450 Shares

#### 54. Information on relations with affiliated companies and individuals

In the financial year 2005, no transactions were made with other individuals in key positions or close relations of individuals in key positions.

#### 55. Risk management and events after the reporting date

Please refer to notes in the Management Report for methods and objectives of risk management as well as for events after the reporting date.

#### 56. Investment pursuant to Section 21 Subsection 1 or Subsection 1a Securities Trading Law (WpHG)

Oliver Borrmann, Berlin	15.15 %
Walther-Gruppe, Paderborn	7.53 %
Roland Berger-Gruppe, München	8.83 %

## 57. Share Property

Figures in €,000	Share	Subscribed Capital	Equity 31.12.2005	Annual Re- sults 2005
<b>Subsidiaries:</b>				
bmp Polska Sp.z o.o., Warsaw/Poland	100.00%	TPLN 250	TPLN 269	TPLN -93
Batea Fondsvermittlungs und -verwaltungs AG, Berlin	100.00%	100	11	13
bmp Venture Tech GmbH, Berlin	100.00%	102	-20,964	-1,202
bmp Treuhand- und Verwaltungs GmbH, Berlin	100.00%	25	23	0
Rubin 13. AG, Berlin	100.00%	50	50	0
1. Batea Vermögensverwaltung AG, Berlin	100.00%	50	49	-1
bmp Fondsverwaltungs AG & Co. Beteiligungs KG	100.00%	3	-1	-1
<b>Joint Ventures</b>				
Central & Eastern Europe Venture GmbH, Berlin	45.00%	100	1,327	522
König & Cie. Private Equity AG	50.00%	50	360 (4)	316 (4)
<b>Investments:</b>				
Revotar Biopharmaceuticals AG, Henningsdorf	59.96%	1,852	827 (1)	-1,724 (1)
ErgoTrade AG, Hallbergmoos	49.99%	178	556 (1)	128 (1)
WorkXL AG, Berlin	49.02%	69	40 (1)	-124 (1)
Mobile Datenkommunikationslösungs AG, München	40.80%	90	-562 (2)	-7 (2)
heliocentris Energiesysteme GmbH	37.29%	204	-161 (1)	-191 (1)
Newtron AG, Dresden	35.61%	1,610	-1,195 (1)	-560 (1)
Bankier.pl S.A., Wroclaw/Poland	30.82%	TPLN 5,673	TPLN 590 (1)	TPLN 205 (1)
eprofessional GmbH, Hamburg	25.48%	44	-30 (1)	-188 (1)
eHedge AG, Frankfurt/ Main	25.40%	75	58 (1)	54 (1)
K2 Internet S.A., Warsaw/Poland	24.72%	TPLN 1,457	TPLN 1,491 (1)	TPLN 414 (1)
Tom's Guides Publishing AG, Unterföhring	20.00%	50	-583 (1)	-101 (1)
YOC! AG, Berlin	20.00%	50	-2,057 (1)	32 (1)
Shotgun Pictures GmbH, Stuttgart	20.00%	50	-- (3)	-29 (1)

(1) Balance sheet data as at 31.12.2004

(2) Balance sheet data as at 31.12.2003

(3) No data available

(4) preliminary

13 April 2006

Oliver Borrmann  
Member of the  
Management Board

Ralph Günther  
Member of the  
Management Board

Andreas van Bon  
Member of the  
Management Board

The consolidated accounts of bmp AG drawn up in the German language were audited by the auditing firm Verhülsdonk & Partner GmbH and endorsed with an unqualified audit certificate on April 2006.

This English translation of our Annual Report was prepared to the best of our knowledge and belief, but it has not been certified. The German version of the Annual Report is the authoritative version.

The Management Board

## Financial Calendar 2006

31 May 2006	Results 1 st Quarter 2006
27 June 2006	Shareholders' Meeting 2006
31 August 2006	Results 2 nd Quarter 2006
30 November 2006	Results 3 rd Quarter 2006

## Directions

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You can reach us via public transport:

- » From Tegel Airport: Bus 109 (going to Zoolo-  
gischer Garten)
- » From the train station Zoologischer Garten:  
Bus 109 (going to Tegel airport)
- » And also with the following buses: M19,  
M29, 101, 110

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