



Annual Report 2007

bmp

OVERVIEW

	2007	2006	2005	2004	2003*
Turnover € ,000	11,112	10,891	2,121	401	440
Net surplus/loss for the year € ,000	3,626	3,173	2,186	88	2,151
EBIT € ,000	2,925	3,546	2,541	738	3,742
Results/Share €	0.21	0.18	0.12	0.01	0.18
Balance sheet total € ,000	29,476	31,462	33,259	32,944	25,358
Equity capital € ,000	25,628	22,002	18,829	16,938	6,018
Portfolio volume (IFRS-book value)** € ,000	18,630	20,702	23,391	13,605	12,285
Number of direct investments	17	23	23	24	27
Assets under management	78,426	72,240	45,826	34,895	41,200
Employees at the end of the year (FTE)	12	13	12	12	16
Number of outstanding shares in million	17.50	17.50	17.50	17.50	11.93

* according to HGB

** equity investments only

CONTENTS

bmp History	3
Foreword	5
Business Model	7
Investment Portfolio	11
Portfolio	14
bmp Share	19
Group Management Report	20
Report by the Supervisory Board	30
Corporate Governance Report	33
Declaration of Conformity with the Corporate Governance Code	38
Management Board's additional statement	40
Compensation Report	41
Group Financial Statement	45
Financial Calendar, Directions, Imprint	80

bmp History

June 1997

Founding of bmp Aktiengesellschaft.

September 1998

Founding of bmp Venture Tech GmbH in Berlin as a parallel fund of KfW (terminated in 2007).

July 1999

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

February 2000

Founding of Central & Eastern Europe Venture GmbH (CEEV), a parallel fund of DEG – Deutsche Investitions -und Entwicklungsgesellschaft mbH (terminated in 2007)

June 2000

Roland Berger Strategy Consultants invests in bmp through a 10% capital increase.

December 2004

First German company to have parallel listing on the Warsaw Stock Exchange. Listed on Prime Standard since January 1, 2005.

February 2005

Partnership with the issuance house König & Cie. in the area of Private Equity fund of funds for private investors.

July 2006

Establishment of bmp AG as a Private Equity Asset Manager in the two business areas venture capital direct investments (Germany/Poland) and Private Equity fund investments (global).

December 2006

Founding of bmp Media Investors AG & Co. KGaA, which invests in venture capital direct investments in the areas of media, entertainment and marketing services.

December 2007

Founding of bmp Eco Investors GmbH & Co. KGaA, which invests in venture capital direct investments in the areas of renewable energy and clean technology.

Mission Statement

bmp is an international Asset Manager in the Private Equity sector. We invest our own assets as well as our clients' funds in the Private Equity investment category. These investments are made either directly in companies or indirectly in funds of the entire Private Equity investment spectrum.

Our goal is the continuous expansion of the assets under management and the achievement of a higher than average return for our institutional as well as our private clients and thus for our shareholders as well.



Oliver Borrmann



Andreas van Bon



Ralph Günther

Dear shareholders, friends and business partners,

We look back on 2007 as a successful business year, in which we were able to post record result for the bmp Group. We utilised the favourable capital market conditions in the first half of 2007 and disposed of several investments in our portfolio. Thus, we managed to achieve not only an exit record in the ten year history of bmp, but we also managed to come close to our strategic goal of focussing our direct investment activities fully and completely on the industries of Media, Entertainment & Marketing Services as well as Renewable Energy & Clean Technology in Germany and Poland.

At the same time, we managed to close two parallel funds with KfW (bmp Venture Tech GmbH) and DEG (Central & Eastern Europe Venture GmbH) ahead of time, and thus we further simplified the structure of bmp Group.

With the approval of last year's General Meeting, we have transferred four investments of bmp AG to our 100% solely owned subsidiary bmp Media Investors AG & Co. KGaA, which had been set up at the end of 2006. With the founding of bmp Eco Investors GmbH & Co. KGaA in the second part of 2007, we have completed the structuring of bmp Group as

planned for the moment. We have reduced the number of venture capital investments directly held by bmp AG from 23 as of the 31.12.2006 to 8 as of the 31.12.2007. This process will be continued and most probably will be completed in 2008/2009.

In the area of Private Equity Advisory the first private equity fund of funds launched together with König & Cie. was successfully closed, the second fund was already marketed in the first half of 2007. In addition to König & Cie., we managed to obtain a second customer for our Private Equity Advisory Services in 2007.

Whilst the considerable exit and restructuring activities took centre stage in the first half of 2007, it was necessary to extend the portfolio volume of bmp Media Investors to at least 8 to 10 companies for the initial public offering, which we are striving to achieve for 2008, in the second half of the year. Thus we were able to record, after only one new investment in the first half of the year, three new investments for bmp Media Investors in the second half of the year. Furthermore, with regards to the investment in nugg.ad AG, we managed to carry out a second round of financing at a significant

higher level than that which had initially been achieved at the point of entry in 2006. Also at the end of 2007, bmp Eco Investor entered into its first investment shortly after its formation.

We managed to increase the assets under management in the area of Private Equity Advisory from €42.5 million at the end of 2006 to €57.5 million in 2007. This rise was lower than our initial aims and below expectations. On one hand, this was due to the fall of the US-Dollar in comparison to the Euro which had negative effect, as more than 50% of the volume has been invested in US-Dollar Funds. On the other hand, the investment speed of the second König & Cie. fund of funds temporarily slowed down in the second half of 2007, particularly overshadowed by the sub-prime crisis.

However, in 2007 we have exceeded the targets set for the exiting of our investments. Thus, bmp AG managed to sell all of its stock exchange listed holdings in Jerini AG, YOC AG and Bankier.pl S.A. We significantly reduced the stakes held by bmp AG in the stock exchange listed companies Heliocentris Fuel Cells AG and TFG Capital AG. Finally, we achieved high profits in the trade sale of our holdings in Tom's Guides Publishing AG and lower profits in the five other exits.

For the business year 2007, annual turnover was slightly up in 2007 at €11.1 million com-

pared to €10.9 million in 2006 and we were able to achieve a net profit of €3.6 million, which corresponds to a 14% increase compared to the previous year.

We expect the volatile capital market conditions to continue in 2008. We count on several lucrative exits on the basis of some very mature direct investments in particular within the portfolio of bmp AG for 2008. At the same time we strive to add an additional five to eight new undertakings, in order to expand the portfolios of bmp Media Investors and bmp Eco Investors.

After ending the year 2007 with record earnings for the bmp Group and being confident, to achieve a significant, positive consolidated result again in 2008, we would like our shareholders to directly participate in our success. Therefore, we shall propose to the General Meeting the payment of a dividend amounting to €0.10 per share for the business year 2007.

We thank you for putting your trust in us, and with you we are looking forward to a thrilling and successful business year 2008.



Oliver Borrermann



Andreas van Bon



Ralph Günther

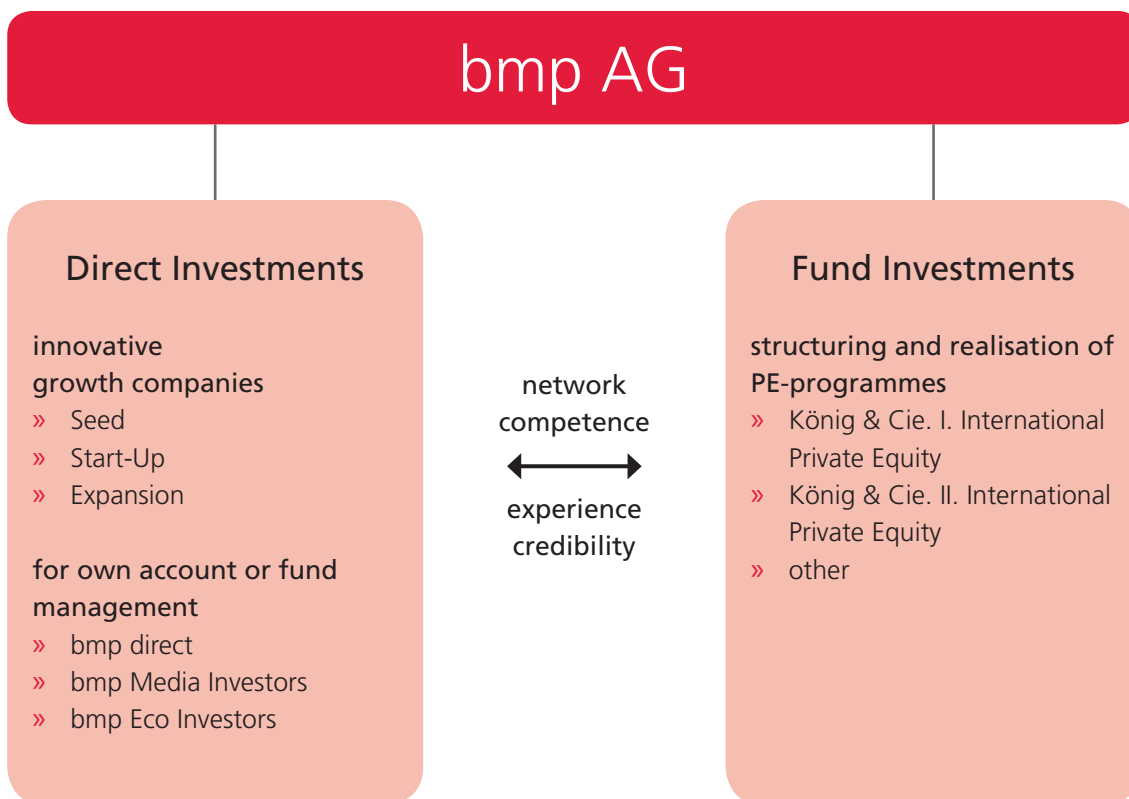
bmp AG: An internationally operating company in the private equity industry

bmp is a private equity asset manager, active in two business areas:

growth industries located mainly in Germany and Poland.

1. In the area of Direct Investments, bmp offers advice to third parties and to its own investment vehicles for the investment in innovative capital

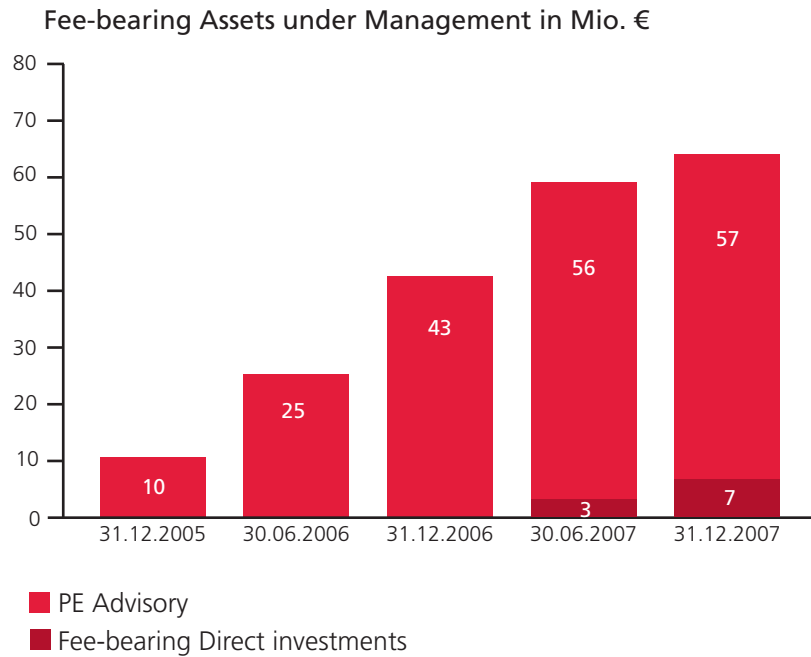
2. In the area of Fund Investment, bmp offers advice to third parties for the investment in worldwide Private Equity Funds.



The revenue model of bmp is based on capital gains from the disposal of investments from their own portfolio, as well as on management fees and on profit share.

The most important value driver for bmp is the Assets under Management (AUM), which in general generate revenue through management fees and profit share. Hereby, the future cash flow can be clearly calculated, future profits can be anticipated and appraised. The following

diagram shows the complete development of Assets under Management of bmp AG, which generate the management fees; the direct investments in the remaining portfolio of bmp AG (at the end of 2007 approximately €14.5 million) have not been taken into account here. It is intended to successively decrease it in the course of the next two years



Both business segments Direct Investments and Funds Investment possess strong synergetic effects, as on one hand they rely on the existing expertise and infrastructure, and on the other hand, they further intensify the network to other private equity institutions, banks and advisors, which is so important for the Private Equity Industry. For the first time in 2007, we managed to win a venture capital fund from the area Funds Investment as a co-venture partner for a direct investment in bmp Media Investors. This form of cooperation is most likely to intensify in the coming years.

Direct Investments

At present, bmp invests venture capital (risk capital) mainly in young, innovative capital growth companies. These investments are made mainly through the two affiliated companies, bmp Media Investors and bmp Eco Investors, which are both currently 100% owned by bmp AG.

Venture Capital is a part of the area of the

assets class of Private Equity. By accepting high risks, Venture Capital aims to achieve high yields, which is greater than the average return on investments. Due to the early stage of the company, a venture capital investor carries a proportionally higher risk of the investment failing and hence losing the investment. On the other hand, there is the opportunity to multiply the capital invested, if the company develops successfully.

bmp strives to achieve this aim by

- » identifying fast growing companies in promising technology and service industries,
- » investing in these companies under favourable conditions,
- » supporting the companies in developing and expanding their respective business activities and targeting an attractive company valuation and exit in the medium term.

bmp concentrates hereby on the industries of Media, Entertainment & Marketing Services, as

well as Renewable Energy & Clean Technology. bmp focuses regionally on Germany and Poland.

In general, the investments are held for a period of three to seven years. Profits are primarily generated through the sale of the company, which can take place as a trade sale or through the capital markets. If bmp keeps the investment on its own account and risk, bmp is then entitled to the profits. If the investments are held within the fund management, bmp generates earnings through the charging of a management fee and a potential profit share.

Investment Strategy

The investment strategy is divided into the four areas of geography, company phase, industry and style. bmp applies the following allocation policy:

- » Geography: Germany and Poland
- » Company phase: seed, start-up, expansion
- » Industry focus: Media, Entertainment, Marketing Services, Renewable Energy, Clean Technology
- » Style: predominantly open minority investments, if necessary in combination with silent partnership or loan

bmp has decided to adopt this investment strategy for the following reasons:

- » If the investment is made during the early company phase, a close proximity is very necessary. bmp possesses teams of experts in Germany and Poland. bmp can produce high volume of deals in new projects in both countries, it is familiar with the legal requirements and possesses the relevant networks.
- » bmp's strength lies in the active business development of the investments. This is particularly necessary and also possible in the early stage, as the venture capital investor often possess a fairly high stake in the company. However, control over the company is not exercised.

- » In order to avoid the risk of investing in only one type of industry, it is advisable to mix different industries. However, there should be a focus on certain industries, in order to allow synergies to develop between the individual investments.

- » The proceeds of a venture capital investment are generally achieved by selling the investment at a higher company valuation.

Investment Management

Investment Management is the process that binds most of the resources. From the moment of investment, bmp takes an active part in the development of the company. The major focuses of Investment Management are

- » Sparring partner for the management in the area of strategy,
- » Active involvement in financing rounds and financial measures as well as other M&A activities of the companies,
- » Investment control through standardised procedures and tools,
- » Setting up of Corporate Governance,
- » Supplementing and changing of the management,
- » Active involvement in the company disposal and IPO,
- » Provision of qualified network contacts.

Private Equity Advisory and Fund of Funds Management

Private Equity is understood to be an advisory undertaking for mainly institutional investors, who are advised on their asset allocation in the assets class of Private Equity. Hereby, the task may encompass the examination, selection and supervision of possible investments; in addition fund products are structured and managed.

In contrast to the business of Direct Investment, the Fund Investment business is global (focus is in USA, Europe and Asia) and it encompasses all investment types of the Private Equity area

(Venture Capital, Buy-out, Mezzanine Capital, Distressed Equity etc.).

At present, German institutional investors allocate only a small proportion of their managed assets into the asset class Private Equity. It has to be assumed, that the investment into this asset class will significantly increase in the following years. Thus, the demand for Private Equity Advisory will significantly increase as well.

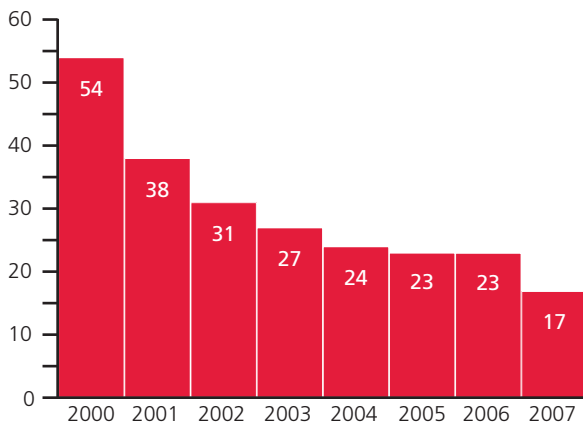
The revenue model generally contains a one-time structuring fee, a standing management fee and a profit-related element.

After ten years of business activity in the Private Equity industry, bmp has acquired a profound knowledge of the international Private Equity markets and the most important participants in this market. Based upon its own experience as a Venture Capital Investor and Fund Manager, bmp possesses the necessary expertise to comprehensively advise customers on their investment decisions in the asset class of International Private Equity.

The Investment Portfolio

As of 31 December 2007, bmp Group had a stake in 17 companies (previous year: 23). The investments made in the holding companies amounted to approximately €6.5 million in 2007.

Number of Investments



In the first quarter of 2007, bmp AG completely took over and terminated the parallel fund Central and Eastern Europe Venture GmbH (CEEV), before the expiration of its ten-year term. The fund had been set up in 2000 and had been managed by bmp. The remaining investment of CEEV in K2 Internet S.A. was sold to bmp AG in March 2007.

In June 2007, bmp AG and KfW Bankengruppe signed contracts for the termination of the parallel fund bmp Venture Tech GmbH, which had been founded in 1998. Within the framework of these contracts bmp AG took over the remaining portfolio of bmp Venture Tech GmbH, as well as the company's predominant part of debts owed to KfW. The portfolio contained investments in the companies Revotar AG, Newtron AG, Tembit GmbH, European Telecommunications Holding E.T.H. AG and Noxxon Pharma AG.

After bmp's decision in 2006 to make future investments through management fee genera-

ting subsidiaries, bmp Media Investors AG & Co. KGaA began as the first of these companies its operative activities in 2007. bmp Media Investors is an investment company, which is managed by bmp and which exclusively specialises in investments in the industries of Media, Entertainment and Marketing Services in Germany and Poland.

In June 2007, bmp AG transferred its investments in gamigo AG, Shotgun Pictures GmbH, nugg.ad AG and Nokaut Sp.z o.o. to bmp Media Investors. In addition, this fund invested €2.4 million in four new holdings and one existing holding in 2007, therefore increasing its total number of holdings to eight as of 31.12.2007. The new investments were made in the Munich based company Brand New World GmbH, GreenHanger GmbH and Mando.TV GmbH, which are both located in Berlin, as well as the Polish company Republika Kobiet Sp.z o.o.

bmp Eco Investors GmbH & Co. KGaA, which had been founded at the end of 2007 and which is a 100% subsidiary of bmp AG, entered into its first investment by purchasing shares in Heliocentris within the framework of a capital increase of the company to the amount of just under €2 million, and hence has a stake of 15% in the company. In future this company is to invest in young capital growth companies from the industry of Renewable Energy and Clean Technology. The company is presently financed and managed by bmp.

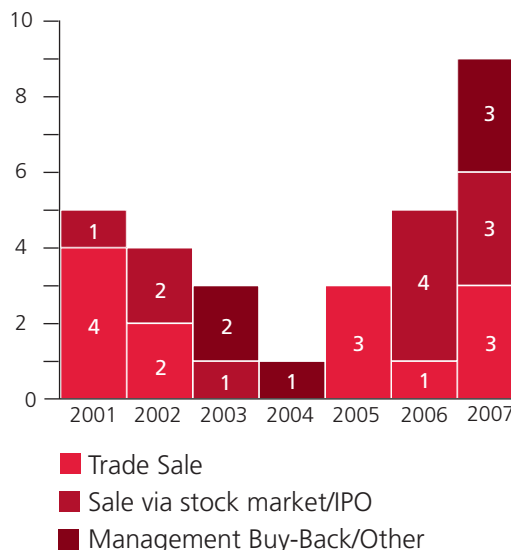
The follow-up investments are primarily made up by participation in capital increases of the companies gamigo AG through bmp AG and of nugg.ad AG through bmp Media Investors, as well as by the purchasing of shares in Heliocentris Fuel Cells AG through Eco Investors. Furthermore, a loan was extended to Revotar AG within the framework of a financing round.

In comparison to the 31.12.2006, the interest held in several investments changed. The interest held in Revotar AG decreased, due to a dilution within the framework of a financial measure, from 49.99% to 44.10% as of 31.12.2007. The interest held across the Group in Heliocentris Fuel Cells AG dropped to 18.03%. Of this, 3.03% is held by bmp AG, which sold 400,000 shares by repositioning in 2007. The interest held in K2 Internet S.A. increased from 26.24% to 42.62% due to the acquisition of shares held by CEEV. bmp increased the interest held in gamigo AG to 46.68% (previous year: 32.18%) by means of capital increase.

The volume of the portfolio at acquisition cost of the remaining direct investments of bmp AG was halved within one year from €29.5 million to €14.5 million, which is reflected in the consistent reduction of the old portfolio of bmp AG from 23 to 8 investments.

In 2007, bmp Group recorded the most buoyant activity in the disposal of investments in its entire history. The greatest part of the investment disposals was recorded in the first half of the financial year 2007. The remaining investments in the listed holdings Jerini AG, Bankier.pl S.A. and YOC AG were sold through the stock exchange. Also the investments in the two Polish companies ACR S.A. and Internet Service S.A., as well as in Tom's Guides Publishing AG were sold through trade sales in the first half of the year. The complete investment disposal in work XL AG, eHedge AG, as well as in Noxxon Pharma AG took place through management buy-backs or through sale back to the company, respectively. All together 80% of the Group's turnover were allocated to the disposal of investment held in Tom's Guides Publishing AG and Bankier S.A., as well as to the sale of a part of the investment held in TFG Capital AG and Heliocentris Fuel Cells AG.

Exits and IPOs



New Investments in 2007:

- » Brand New World GmbH
- » GreenHanger GmbH
- » Republika Kobiet Sp. z o.o.
- » mando.TV GmbH

Follow Up Investments in 2007:

- » gamigo AG
- » nugg.ad AG
- » Heliocentris Fuel Cells AG
- » K2 Internet S.A.
- » Revotar Biopharmaceuticals AG

Portfolio Disposals in 2007:

- » Bankier S.A.
- » Internet Service S.A.
- » WorkXL AG
- » Tom's Guides Publishing AG
- » Jerini AG
- » NOXXON Pharma AG
- » ACR S.A.
- » YOC AG
- » eHedge AG
- » Heliocentris Fuel Cells AG (part disposal)
- » TFG Capital AG (part disposal, TFG is not listed anymore in the active portfolio)

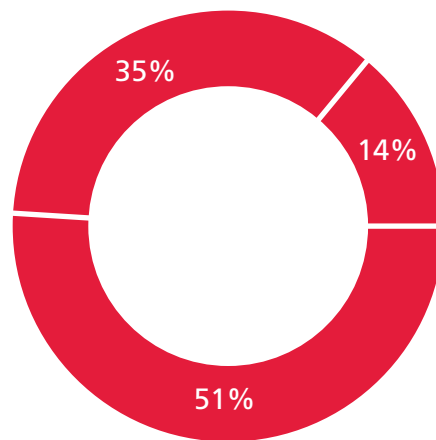
As of 31.12.2007, the average stake of holding was just under 25% and the average of invested capital per investment amounted to approximately €1.2 million. 84.4% of the portfolio value was allocated to investments in Germany as of the balance sheet date. Valued at Fair Value in accordance with IFRS, 74.4% of the portfolio value on the balance sheet date was allocated to the five largest investments in the portfolio (previous year: 63.4%)

Sale of Portfolio Investments after the Reporting Date:

After the reporting date, bmp AG sold its investment in Socratic Technologies, Inc., San Francisco, to the management. The sale of the last US-investment did not generate a noteworthy turnover at bmp.

Proportion of IFRS book value as of 31.12.2007 according to portfolios

bmp Media Investors



bmp Eco Investors

bmp AG

Active Portfolio as at 31 December 2007

Name	Portfolio	Date of Entry	Share %	Stage	Volume million €
1 ErgoTrade AG	bmp AG	20.09.2000	49.99	Expansion	1-2.5
2 gamigo AG	bmp Media Investors	29.11.2000	46.68	Expansion	1-2.5
3 Revotar Biopharmaceuticals AG	bmp AG	21.07.2000	44.10	Start-Up	>2.5
4 K2 Internet S.A.	bmp AG	08.06.2000	42.62	Expansion	<1
5 Newtron AG	bmp AG	06.08.1999	35.61	Expansion	1-2.5
6 Nokaut Sp. z o.o.	bmp Media Investors	11.01.2006	31.65	Expansion	<1
7 mando.TV GmbH	bmp Media Investors	06.12.2007	23.98	Start-Up	<1
8 Shotgun Pictures GmbH	bmp Media Investors	24.09.2004	20.00	Expansion	<1
9 nugg.ad AG	bmp Media Investors	27.11.2006	18.05	Start-Up	<1
10 Republika Kobiet Sp. z o.o.	bmp Media Investors	08.11.2007	17.53	Seed	<1
11 Tembit Software GmbH	bmp AG	10.06.1999	16.36	Expansion	<1
12 GreenHanger GmbH	bmp Media Investors	31.10.2007	15.20	Seed	<1
13 Heliocentris Fuel Cells AG	bmp Eco Investors	19.12.2007	15.00	Listed	1-2.5
14 Brand New World GmbH	bmp Media Investors	11.04.2007	10.23	Expansion	1-2.5
15 Socratic Technologies, Inc.	bmp AG	31.01.2003	6.00	Expansion	>2.5
16 European Telecomm. Holding E.T.H. AG	bmp AG	01.12.1998	2.30	Expansion	1-2.5
17 Salt of Life International AG	bmp AG	17.05.2004	0.93	Listed	<1

Overview of holdings in alphabetical order (active portfolio as at 31 March 2008)

(The number in parentheses after the company name is from the overview on page 14
Possible differences in stake between 31 December 2007 and 31 March 2008)

Brand New World GmbH (14)

Landwehrstr. 60-62
80336 München
www.brandnewworld.de

Brand New World is the leading supplier in the sector of audience relationship management. The company develops, markets, and operates innovative mobile applications for the area of TV interactive offerings. The company therewith deepens the value creation of classical TV formats. The applications are marketed under their own B2C brands as well as through partners like mobile telecom operators, content aggregators and TV broadcasters.

- » Co-Venturing Partner: KfW, Creathor Venture
- » bmp's stake: 10,23 %
- » in the bmp portfolio since: 04/2007

European Telecommunication Holding

E.T.H. AG (16)
Berner Straße 119
60437 Frankfurt
www.eth-ag.com

European Telecommunication Holding E.T.H. AG operates in the telecommunications market through two 100% subsidiaries: Alo Vatan Telefondienste GmbH offers pre-selection fixed network telephone services to private and corporate customers of Turkish origin; as a carrier, Millenicom GmbH particularly markets telephone circuits to Turkey. In this field, E.T.H ranks among the largest providers in Germany.

- » Co-Venturing Partner: Çukurova Investments N.V., Arché Finanz GmbH
- » bmp's stake: 2,30 %
- » in the bmp portfolio since: 12/1998

ErgoTrade AG (1)

Lilienthalstr. 8/A
85399 Hallbergmoos
www.ergotrade.info, www.xsellent.de

ErgoTrade AG offers its customers a unique range of services from IT refurbishment and IT remarketing, via buying and selling of residual items and/or stock on hand, through to rolling out new IT goods. The company, which also operates a b2b online market place for IT manufacturers and dealers at www.xsellent.de, is thus a leading supplier in this sector.

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

gamigo AG (2)

Landersumer Weg 40
48431 Rheine
www.gamigo.de

Gamigo AG is publisher and operator of so-called Massively Multi-player Online Games. Revenues are being generated from user subscriptions and the sale of virtual objects offered within the framework of the games. Furthermore gamigo offers the opportunity to take out advertisement within the games and the offered websites. Gamigo does not develop the games by itself, but by licensing. Most of the games come from Korea, but also from the USA, South America and Europe.

- » Co-Venturing Partner: Axel Springer Venture GmbH
- » bmp's stake: 46,68 %
- » in the bmp portfolio since: 11/2000

GreenHanger GmbH (12)

Friedrichstraße 58
10117 Berlin
www.greenhanger.de

The Berlin based GreenHanger GmbH is the inventor, supplier and marketer of the same named, fully ecological clothes hanger made of corrugated cardboard carton worldwide. As an innovative and highly efficient direct advertisement medium (ambient media) the company markets to national and international advertisers via distribution partners in the segment of cleaners and laundries.

- » Co-Venturing Partner: b-to-v Private Equity S.C.S., SICAR
- » bmp's stake: 15,20 %
- » in the bmp portfolio since: 10/2007

Heliocentris Fuel Cells AG (13)

Rudower Chaussee 29
12489 Berlin
www.heliocentris.com

Heliocentris, as a leading pioneer in the fuel cell industry, possesses many years of expertise in the continuous manufacturing and production of fuel cell products and has positioned itself as a system integrator. Apart from the company's office in Berlin, Heliocentris also has a subsidiary in Vancouver, Canada, and has a presence in the North American market.

- » bmp's stake: 15,00 %
- » in the bmp portfolio since: 12/2007

K2 Internet S.A. (4)

al. Solidarności 74A
00-145 Warschau
Polen
www.k2.pl

K2 Internet S.A. is one of Poland's leading

media agencies. K2 develops marketing and media strategies for well-known international companies by using modern media applications and technologies.

- » bmp's stake: 42,62 %
- » in the bmp portfolio since: 06/2000

mando.TV GmbH (7)

Gubener Straße 47
10243 Berlin
www.dailyme.tv

mando.TV GmbH with its innovative service dailyme.tv offers the extremely comfortable possibility to assemble up-to-date TV and internet video content geared to one's personal taste. Without the necessity of a continuous access to a network the user can consume the individualized programme using a common multimedia cell phone. The service will refinance itself via advertising revenues and premium service fees. The content owners will participate in these revenues.

- » Co-Venturing Partner: VC Fonds Berlin GmbH
- » bmp's stake: 23,98 %
- » in the bmp portfolio since: 12/2007

Newtron AG (5)

Freiberger Straße 39
01067 Dresden
www.newtron.net

Newtron AG as a European market leader, conceptualises, develops and implements solutions for integrated procurement procedures. Due to the development of networks, customers are able to access more than 40,000 listed suppliers from 31 product areas, each with varying numbers of suppliers. Customers are given the opportunity to map internal product group classification of suppliers or, alternatively, may use

Newtron Nomenclatures with more than 55,000 product groups. The transaction volume amounted to just under €10 billion in 2007.

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

Nokaut Sp. z o.o. (6)

ul. Władysława IV 43
81-395 Gdynia
Polen
www.nokaut.pl

Nokaut.pl operates a high-functionality price comparison service, offering its users fast and comfortable product search and price comparison facilities covering online shops both in Poland and abroad, facilitating easier decision making for consumers.

Independent opinions concerning the trackable products and shops round off the hard facts. For the cooperating shops the platform offers an effective and flexible tool for product presentation.

- » Co-Venturing Partner: LM Inwestycje Sp. z o.o.
- » bmp's stake: 31,65 %
- » in the bmp portfolio since: 01/2006

nugg.ad AG (9)

Rotherstraße 16
10245 Berlin
www.nugg.ad

The nugg.ad AG operates a service providing personalised delivery of advertising. nugg.ad analyses user data and combines this with the results of user surveys by means of special algorithms. This allows each user to be sent advertising tailored to meet their interests, regardless of their current location. The results of this

targeting are proven reductions in wastage for the advertisers, agents and marketers, as well as progressively more relevant and thus more accepted advertising for consumers. nugg.ad works exclusively with models and pseudonyms and records no personal data, so that users' need for privacy and data protections are always fully met.

- » Co-Venturing Partner: IBB VC Fonds, Media Ventures GmbH
- » bmp's stake: 18,05 %
- » in the bmp portfolio since: 11/2006

Republika Kobiet Sp. z o.o. (10)

ul. Kruczkowskiego 6A
00-412 Warschau
Polen
www.republikakobiet.pl

Soon Republika Kobiet.pl, an internet portal for women which thanks to making use of the advantages that internet has over the traditional media, shall be launched being an interactive and community-building equivalent to polish women magazines.

- » Co-Venturing Partner: Mangrove II Investment S.a.r.l.
- » bmp's stake: 17,53 %
- » in the bmp portfolio since: 11/2007

Revotar Biopharmaceuticals AG (3)

Neuendorfstr. 24a
16761 Hennigsdorf
www.revotar.de

Revotar Biopharmaceuticals AG develops and commercializes new, innovative drugs for the therapy of chronic inflammatory diseases such as asthma, chronic obstructive pulmonary disease, psoriasis or acute lung injury. Based on an innovative approach consisting of a pharmaceutical/ biotechnological business model,

a platform technology as well as an innovative product, Revotar has developed a product pipeline of potential anti-inflammatory drugs which are in various stages of development and already has a cooperation with a well-known US pharmaceutical company.

- » Co-Venturing Partner: Deutsche Life Science GmbH, MVC Unternehmensbeteiligungsgesellschaft mbH, ANZ MPET No. 1 & No.2
- » bmp's stake: 44,10 %
- » in the bmp portfolio since: 07/2000

Salt of Life International AG (17)

Haselstrasse 1
CH-5401 Baden
Schweiz
www.salt-of-life.com

The company specialises in the development and marketing of skin care products based on salt, which have all been internationally approved as medicinal products. They are mainly sold by the name of "Mavena®" to patients with chronic skin problems at pharmacies and drug-stores through the company's own distribution network companies, which are based in Europe and America.

- » bmp's stake: 0,93 %
- » in the bmp portfolio since: 05/2004

Shotgun Pictures GmbH (8)

Friedrichstraße 23 a
70174 Stuttgart

Shotgun Pictures GmbH has developed an innovative financing strategy for low-budget film productions. Throughout four years, the company aims to select films, produce them with top partners and then sell them at a profit. Shotgun will retain exploitation rights so that investors can achieve best possible returns.

- » Co-Venturing Partner: BANIF, Orange Pic-

tures, mbg Baden-Württemberg

- » bmp's stake: 20,00 %
- » in the bmp portfolio since: 09/2004

Tembit Software GmbH (11)

Am Borsigturm 42
13507 Berlin
www.tembit.com

Tembit Software GmbH provides software solutions as well as IT consulting for the sectors of financial services and healthcare. The company particularly focuses on Internet and Intranet applications with which the company is able to develop user friendly and low-maintenance solutions in a timely and economical way.

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

The bmp Share

As of 31.12.2006, the share price of bmp was €2.42. The share development was initially very positive and reached a annual high at the beginning of July 2007 of €3.51. However, the bmp share could not counter the stock market's overall negative tendencies, particularly in the area of financial stocks, and hit a low for the year in November 2007 at €2.15. At €2.34, the bmp stock recovered slightly towards the end of the year, but the overall performance for the year of 2007 remained negative with the share loosing 3.3% in value.

The downward trend accelerated considerably at the beginning of 2008, with the bmp share ending the first quarter of 2008 at a price of €1.54, and hence showed a negative performance of 34.2% in comparison with the year-end price in 2007.

In 2007, a total volume of €24.2 million worth of bmp stock were traded on the German stock exchanges (2006: €27.8 million). The total volume of stock traded on the Warsaw Stock Exchange in 2007 increased massively to €51.8 million (2006: €16.6 million), which was more than double the volume traded on the German markets.

Shareholder Structure

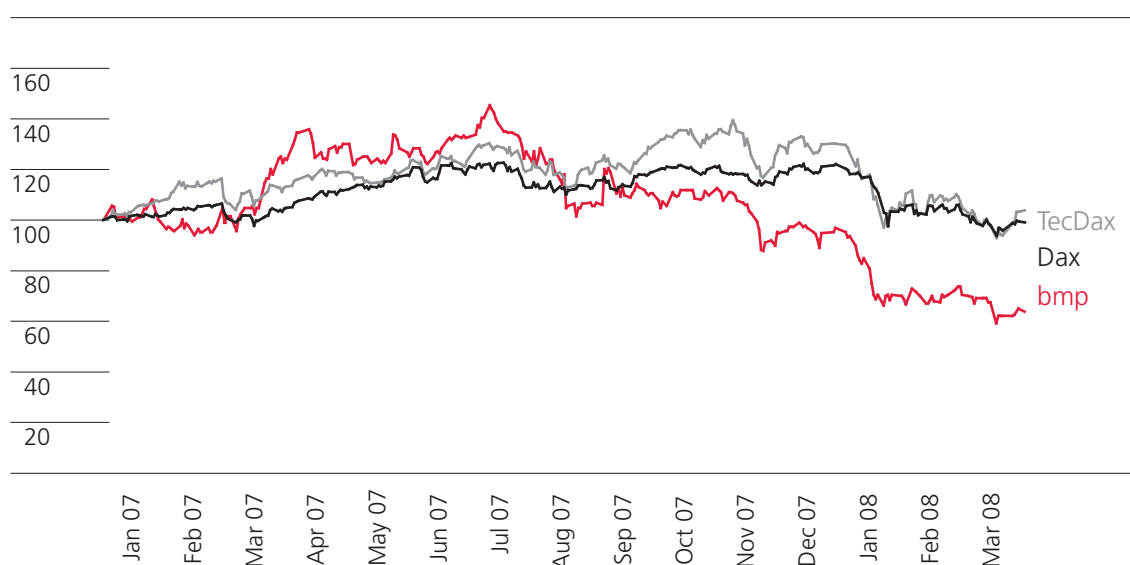
As of 31 December 2007, 69.65% of the total volume of 17,500,000 shares were in free float. Oliver Borrmann held 13.99%, the Roland Berger Group 8.83% and 7.53% were held by the Walther Group.

Furthermore, the ING Towarzystwo Funduszy Inwestycyjnych S.A., ING, a subsidiary of Investment Management (Polska) S.A., reported in the course of the financial year 2007, that they had overstepped the threshold of 10% of voting shares with two of their managed funds and that their equity holding amounted to 10.05%.

Altogether, members of the Management Board held a total of 14.13% of the shares at the reporting date.

ISIN	DE0003304200
WKN	330420
Bloomberg	BTBA
Reuters	BTBGk.DE
Market Segment	Prime Standard

bmp share price performance compared with Dax and TecDax (31.12.2006 - 31.03.2008)
(Index 100 = price as at 29.12.2006)



bmp Aktiengesellschaft, Berlin, Group Management Report and Management Report of bmp Aktiengesellschaft for the Financial Year 2007

The financial year 2007 has been an all together positive year for the bmp AG Group as well as for the company bmp AG, although a distinctive cooling in the private equity markets was observed in the second half of 2007. bmp was able to reach strategic targets. One of the priorities had been the termination of the two parallel funds bmp Venture Tech GmbH and CEEV Central & Eastern Europe Venture GmbH, which had already been implemented in the first half of 2007. Furthermore, the portfolio of direct shareholdings of bmp AG was significantly reduced in the course of the year, we also rapidly succeeded to set up bmp Media Investors AG & Co. KGaA.

In accordance with IFRS, we achieved a consolidated profit of €3.6 million. The liabilities owed to KfW, due mainly to project refinancing, have been more than halved by €5.4 million to €3.1 million. The capital ratio was improved from 70% to 87%. Hence bmp can present healthy consolidated accounts.

In the financial year 2007 the liquidity situation of the Group developed positively. The cash balance and cash equivalents held with financial institutions increased from €5.8 million as of 31.12.2006 to €7.7 million as of 31.12.2007. However, stock market listed securities decreased from €7.6 million as of 31.12.2007 to €2.2 million as of 31.12.2007, although it is to be taken into account, that bmp Eco Investors GmbH & Co. KGaA owns marketable securities of just under €2 million, which are held as long-term assets.

In accordance with HGB (German Commercial Code), bmp Aktiengesellschaft realised a profit of €2.3 million (previous year €3.7 million). The current equity capital amount to €21.9 million (previous year: €19.6 million), which corresponds with an equity ratio of 86% (previous year: 84%). The cash balance and cash equivalents held with financial institutions amounts to €6.4

million (previous year: €3.3 million).

We achieved an increase in the Assets under Management in the financial year 2007 from €72.2 million to €78.4 million, a 9% increase. The managed funds in the Direct Investments area of bmp AG were considerably reduced, as we pursued the goal of completely liquidating the remaining portfolio in the following years. At the same time the Assets under Management continued to increase within the Private Equity Advisory segment, and also at our subsidiaries bmp Media Investors and bmp Eco Investors. We are also counting on a similar growth for the current financial year.

We were predominantly successful in accomplishing all of our anticipated objectives for the financial year 2007, as set out in the forecast of our annual report for the financial year 2006. However, we refrained from listing bmp Media Investors at the End of 2007/beginning of 2008 due to the situation in the capital market. In fact, we decided to develop the portfolio of the company from our own resources.

We are confident that we will achieve a positive consolidated result again in the current financial year 2008 despite the challenging situation in the capital markets.

1. Market Development and Market Position

The investment focus in the Direct Investments area for bmp is on the two markets of Germany and Poland, in which Germany is the more important market. According to data (Annual Report 2007) from German Private Equity and Venture Capital Association (BVK Bundesverband Deutscher Kapitalbeteiligungsgesellschaften e.V.), the German private equity industry continued to show positive development trends in the financial year 2007. In total €4.1 billion were invested in 1,078 companies, which corresponds to a rise of approximately 14% compared to

2006. The venture capital investments in the division of Direct Investment relevant for bmp decreased from €1.04 billion to €0.84 billion in the course of the year. At the same time, the area Seed and Start-up financing, relevant for bmp, rose significantly from €264 million to €349 million, the number of financed companies rose from 337 to 467.

The picture is the same for the Polish market. Here we count on a similar stimulation of the investment activity, currently the Warsaw Stock Exchange is still characterised as a buoyant exit channel.

Also the German exit market continues to be healthy. All together the total exits amount to a value of €2.2 billion, which represents an absolute record for Germany.

The Board of Directors expects for the year 2008 all in all a steady to slightly positive market outlook for the venture capital industry, whereas no significant growth can be expected for the market relevant for bmp. An exact prognosis of the future market tendencies is not possible due to the overall uncertainty of the financial market conditions. bmp AG was able to develop their market position as one of the leading German and Polish financiers of innovative growth enterprises in 2007 by several disinvestments and new investments and looks cautiously but confidently at the external general conditions for venture capital in Germany and Poland in 2008.

The worldwide private equity market is relevant for bmp's division of Private Equity Advisory. As in the process of fund raising, an important part of bmp's work in this area concentrates on selection, evaluation and subscription of Private Equity Funds, the market development up to the middle of 2007 was very positive for us. On the one hand, worldwide fundraising volume of Pri-

vate Equity Funds was increased to over US\$500 billion and, according to data from Private Equity Intelligence, amounted to US\$518 billion.

On the other hand, there was a significant drop from the middle of 2007: Due to the uncertainty surrounding the sub-prime crisis, which extended to a worldwide credit crisis, which meant that predominant large buy-out transactions could virtually not be refinanced. Intended buy-outs had to be terminated due to the significant reduction in credit leverage. This will lead to a reduced investment activity in the buy-out sector for the foreseeable future.

2. Business Development

No divisional reporting has been prepared for the financial year 2007, as the major part of turnover activity and cost fell within the area of Venture Capital Direct Investments.

Venture Capital Direct Investments

The financial year 2007 has seen a predominantly positive development of the existing investments. At the end of the year the investment portfolio amounted to an investment volume at acquisition cost of €20.1 million and included 17 holdings. The investments primarily originate from Germany. bmp has active foreign investments in Poland, Switzerland and the USA.

As of the 31.12.2006, bmp AG had held interests in 23 companies, the number of direct holdings of bmp AG were reduced to eight companies by the 31.12.2007. The remaining investments in the listed companies TFG Capital AG and Heliocentris Fuel Cells AG is held under the position of marketable securities and is no longer separately represented. A further eight holdings were allotted to bmp Media Investors AG & Co. KGaA, a 100% solely owned subsidiary of bmp, and of those four companies

originated from the portfolio of bmp AG (Gamigo AG, Shotgun Pictures GmbH, Nokaut Sp.z o.o., nugg.ad AG). These holdings had been transferred to Media Investors AG & Co. KGaA following approval of the statutory general meeting of bmp AG. One holding (Heliocentris Fuel Cells AG) is allocated to bmp Eco Investors GmbH & Co. KGaA, a 100% solely owned subsidiary of bmp.

Within the existing portfolio bmp participated in financing rounds with Revotar Biopharmaceuticals AG, Heliocentris Fuel Cells AG, Gamigo AG and nugg.ad AG. Additionally, four new holdings had been purchased via bmp Media Investors, Brand New World GmbH, GreenHanger GmbH, Republika Kobiet S.A. as well as mando. TV GmbH. bmp Eco Investors GmbH & Co. KGaA acquired a stake of 15% in Heliocentris Fuel Cells AG. The total capital investment of all bmp companies in the area of Venture Capital Direct Investment totalled €6.5 million in 2007.

The shares held in our portfolio of the listed companies Jerini AG, YOC AG and Bankier.pl S.A. were sold in the course of the year. Likewise the investments in the listed companies TFG Capital AG and Heliocentris Fuel Cells AG were reduced over the course of the year. Furthermore, bmp sold all its investments in the companies Tom's Guides Publishing AG, Internet Services S.A., ACR S.A., eHedge AG, workXL AG and NOXXON Pharma AG. Hence, by utilising the positive market conditions in the middle of 2007 bmp achieved the strongest exit activity of its entire company history.

For 2008, bmp plans to make new investments through bmp Media Investors and bmp Eco Investors and at the same time sell existing investments particularly from the portfolio of bmp AG. Overall we expect the dynamic development to continue. In the medium term we plan to list bmp Media Investors AG & Co. KGaA on

the stock exchange depending on development in the financial markets.

The Single Investor Fund Central & Eastern Europe Venture GmbH (CEEV) was prematurely terminated in March 2007, as only two investments were remaining in the fund's portfolio. The Single Investor Fund bmp Venture Tech GmbH could likewise be prematurely terminated in the first half year of 2007. This transaction had a clearly positive result for bmp, but also resulted in a moderate decrease in liquidity of under €1 million. It contributed considerably to a strong reduction of the refinancing liabilities of the company.

A long-term aim of bmp AG over the course of the next two to three years is that it do not have any own direct investments on its books, but only participate indirectly through subsidiaries like bmp Media Investors or bmp Eco Investors in the direct investments, and hence act purely as a Private Equity Asset Manager. By reducing the number of direct investments of bmp AG from 23 to 8 within one year, we have already achieved the majority of these aims in 2007.

Private Equity Advisory

In the business divisions of Fund Management and Private Equity Advisory bmp structures and puts into practice private equity programmes for institutional and private investors. In contrast to the business division of Direct Investments no direct investments are made into companies. Instead, institutional or private investors' money will be invested in international private equity funds. bmp acts hereby as an advisor of its clients.

In the context of these activities bmp co-operates with König & Cie., a Hamburg issuing house, and so far advises two private equity fund of funds, which were initiated by König & Cie. The first of these two funds – König &

Cie. International Private Equity GmbH & Co. KG (INPEQ I) -, launched in 2005 and in 2007 it was closed at a volume of approximately € 37.5 million. The second fund – INPEQ II – has been in the process of being placed since 2007. bmp advises the fund of funds on the selection and evaluation of the target funds in both cases. The management fees charged by König & Cie. Private Equity GmbH are shared on a 50% basis by bmp AG.

Furthermore, bmp is co-operating in a similar manner with another institutional client.

By the end of March 2008, approximately € 70 million could be invested in 20 different target funds managed by 15 different fund managers due to collaboration of bmp.

3. Organisation and Employees

For well over ten years the core team of bmp have worked together, thus forming an excellent basis for the further development of the company. All important positions for the Venture Capital and Fund Management departments are undertaken by highly qualified staff. The tasks of the Board of Directors are allocated as follows: The Chairman of the Board of Directors, Oliver Borrmann, is responsible for the areas of Overall Strategy, Venture Capital as well as Public and Investor Relations. Ralph Günther is responsible for the business areas Fund Management and Private Equity Advisory as well as Strategic Partnerships. Andreas van Bon is responsible for Finances, Controlling, Personnel as well as Legal and IT. bmp AG employed on average 15 employees in 2007 including one trainee. As at the reporting date 14 permanent employees and one trainee worked at bmp AG, three were part-time personnel.

4. Financial Situation

Profit Situation

In the financial year 2007, the bmp Group reported annual net profits of €3.6 million in accordance with IFRS. In comparison to the annual net profits of the previous year of €3.2 million in accordance with IFRS, this was therefore approximately a 14% increase in annual profits. The sales revenue from the sale of investments and marketable securities totalled €11.1 million, the majority of which was attributed to the sale of the investment in Tom's Guides Publishing AG, TFG Capital AG, Heliocentris Fuel Cells AG as well as Bankier.pl S.A. The previous year's turnover amounted to €10.9 million. The revenue from consultancy and commission rose by approximately 10% to €0.3 million. The overall positive development of the investment portfolios lead to income from revaluations of €2.0 million, which however was significantly lower than the previous year's income of €3.6 million. The termination of the parallel fund bmp Venture Tech GmbH had a major effect of €4.2 million, as within the framework of the transaction KfW assigned its residual receivables to bmp AG.

The personnel expenditure amounted to €1.5 million, a 4% increase on 2006. The other operational expenditures were significantly reduced from €2 to €1.3 million. Depreciation on financial assets and marketable securities increased clearly from €1.2 to €3.0 million, and related to the depreciation or dilution of the investments ETH, Gamigo, Newtron, Tembit, Socratic, Shotgun, Noxxon, TFG and Revotar.

Interest and similar expenses were further reduced from €0.8 to €0.3 million due to the reduction in liabilities. The return on equity, measured on annual net profit and in relation to average equity, amounted to approximately 15%.

Asset and Capital Structure

The Groups long-term assets almost exclusively comprise its holdings and loans extended to those companies or silent partnerships. At €17.0 million, they make up approximately 96% of the long-term assets, the rest is mainly attributed to affiliated companies and joint ventures. Overall the long-term assets remained at the same level. Short-term assets were reduced by 12% from €13.4 to €11.8 million, mainly due to the reduction of stock market listed securities. Cash in hand and balances with credit institutions at the end of 2007 amounted to €7.7 million compared to €5.8 million in 2006. bmp Group's balance sheet reduced slightly from €31.5 to €29.5 million.

On the liability side, equity rose further by 16% from €22 to €25.6 million. Long-term liabilities fell significantly by 62.7% from €8.7 to €3.2 million. Hereby €3.1 million was attributed to refinancing loans from KfW for investments. The short-term liabilities were slightly reduced from €0.8 to €0.6 million.

Liquidity Development

At the end of the year, the stock market listed securities and cash equivalent means of payment amounted to €9.9 million compared to €13.4 million as of 31.12.2006. The liquidity reflux was mainly used for investments and operational activities.

5. Opportunities and Risks for Future Developments, Risk Management

Private Equity Advisory/Fund Management

In the area of Private Equity Advisory bmp today relies predominantly on one client, König & Cie. In order to reduce this risk, bmp works to attain further customers for the Private Equity Advisory division. A second client was won in the financial year 2007.

Direct Investments

Venture Capital is speculative or risk capital, granted with the aim of achieving high returns. Compared to other forms of financing, it clearly has a higher risk potential. Since the companies neither generate profits, nor can the success of their business model be taken for granted at the time the investment is made, this presents a high risk for the company and the bmp Group. In principle this risk increases significantly with greater proximity to the founding of the company.

Time of Disposal and Attainable Sales Revenues

The bmp AG primarily profits from the sale of investments to an institutional or industrial investor (trade sale) or by flotation (IPO). Furthermore, some investments are sold back as management buy back to the founders or co-shareholders. These sales methods are also called exit channels. The company cannot warranty, that an investment can be sold profitably or can be realised at all. The sale of investments become especially difficult in weak capital markets and this can therefore lead to negative results for bmp group.

Uncertainty of the economic development of individual companies in the portfolio

Write-offs of investments, even up to the total loss of the initial investment due to insolvency cannot be avoided despite many years of business experience and intensive investment control, nor are they unusual especially with financings in the initial stages of company development. bmp AG counteracts the financial effects of a drop in value of investments through early support and counter control measures, through the continuous improvement of due diligence, as well as appropriate provisions for risk (allowance for loss on investments) in their balance sheet valuation.

Financing Risks

In the past bmp AG endeavoured to obtain funds for co-financing and re-financing of investments from public loan programmes in order to reduce the risk of defaults from investments in individual companies in the portfolio especially with companies in the initial stages of development. The refinancing loans with a remaining volume of €3.1 million have a fixed term, which is generally 10 years.

The loans are due for repayment in 2009 and 2010, if the term is not extended.

Risks from Foreign Companies

bmp's foreign investments are subject to the laws of each respective country. Furthermore, certain contracts concluded by the bmp group are also subject to country specific laws. The company is thus exposed to the usual dangers and risks of a foreign legal system. The application of foreign law as well as country specific conditions can thus lead to unexpected risks.

Liability associated with the disposal of investments

In relationship to the disposal of investments, bmp group as the seller or -under some circumstances - as a partner with the participation of other investors may have to grant extensive guarantees particularly in relationship to tax liabilities in favour of the purchaser or the purchasers. In addition, bmp group may also be compelled to grant exemption from certain company specific risks. bmp Group strive to limit the liability arising from such guarantees and exemptions to a certain percentage of the purchase price. bmp Group cannot exclude that in some individual cases such liabilities will occur.

Risks of Changes in Interest Rates

bmp group arranges fixed interest rates on all credits, silent partnerships, loans and callable bonds. Consequently there are no associated risks with changes in interest rates. However,

variable interest rates are assessed on all short-term monetary investments.

Currency Risks

In the past, bmp Group have used various methods to pay in foreign currency for the acquisition of an investment or to receive payment for the disposal of an investment. Depending on the time of the initial investment and the disposal of the said, there may additionally be – on top of the profit or loss incurred in the disposal of the investment - a capital gain or loss due to currency fluctuation.

Company Dependence on Key Personnel

A wide area of expertise as well as a highly developed network of personal connections and contacts is key to the success for management of a private equity firm. The primary core members of bmp possess the relevant knowledge and a network of personal connections to companies and individuals, which are relevant to the business activity of the company. The success of the company is thus primarily dependant on these persons.

Company Dependence on Economic Cycles and Financial Markets

The economic success of bmp AG in the area of Venture Capital is primarily dependant on the price at which it can acquire its investments or holdings, the positive development of the companies in the investment portfolios and the sale profit achieved in a disposal. A negative commercial development for all, several or individual companies in the portfolio can be caused by various external or internal factors, which the company or bmp Group have no control over. The economic success of bmp Group is to a considerable degree dependant on the general economic development, the development of the industries, in which the companies of bmp Group have invested, and the overall development of the financial markets. This is

also directly applicable to Fund Management and Investment.

Single and Cluster Risks

Concerning shareholdings, Revotar AG constitutes the largest asset position with more than €5 million IFRS value. The Biotech company is reliant on further financings. Therefore currently a financing round is being carried out, negotiations about the term sheet are in final stage. In case the financing round fails, the continuity of the company will be endangered, unless the existing shareholders refrain from further financings. Contrariwise the IFRS value could increase noticeably after a successful closing of the financing round, but therefore increasing the cluster risk even further, because of a decreasing basic unit due to sales from the old portfolio.

Valuation and Risk Management

bmp made extensive provisions for all isolated discernable risks in its 2007 Annual Financial Report. Activities in the area of Risk Management were further expanded in 2007. There is a quality handbook. bmp has developed an integrated investment control, which makes it possible to quantify and qualify the risks associated with the investment business. Along with balancing target and actual values, on both the investment level as well as the Group level, the system enables a meticulous reporting and simultaneously fulfils the purpose of a management information system.

The commercial development of investments is monitored via intensive communication with the holding or investment. The valuation rate and growth of the investment companies are reviewed quarterly using appropriate mathematical financial models. Depending on the nature and level of development of the investment companies various valuation models are employed for the evaluation, in order to ascertain whether or not the current value to be added lies above

the extrapolated acquisition cost. The possibility of counteracting undesirable developments in the investments with appropriate measures is achieved through the continuous acquisition of the current values to be and through investment controlling.

The current liquidity of bmp is good and this permits a purposeful development of both divisions. From a current standpoint the isolated or cumulative incidents of risks described pose no danger to the survival of bmp group. From the viewpoint of the Board of Directors, the ability of bmp to survive is both sustainable and long term.

Opportunities

The Board of Directors sees opportunities to increase earnings by increasing the volume of Assets under Management in the area of Direct Investments and Private Equity Advisory and by doing so achieve long term profitability.

6. Adjusted Mandatory Information

Remuneration of the Board of Directors

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

The fixed remuneration consists of a basic salary and contributions to life insurance policies, the remuneration in kind consists of company vehicles, which may also be used for private purposes and benefits as outlined in section § 3 subsection 33 EStG (Income Tax Act). The variable component consists of a percentage share of profits and, if applicable, a bonus.

If the pre-tax profit amounts to at least €0.5 million, the percentage of profit share for each member of the Board of Directors according to HGB (German Commercial Code) amounts to 3% of the pre-tax profit of bmp AG, and 4% for the Chairman of the Board of Directors. The

percentage of profit share for each Board member on pre-tax profits of bmp AG of over €2.5 million according to HGB amounts to 2.55%, and 3.4% for the Chairman of the Board of Directors. The percentage of profit share for each Board member on pre-tax profits of bmp AG of over €3.5 million according to HGB amounts to 1.8%, and 2.4% for the Chairman of the Board of Directors.

In addition to this, a separate bonus agreement has been made with Mr. Günther. According to this agreement, Mr. Günther will receive 3.5% of the cash value of future cash flows from "Assets under Management", which have been newly acquired in the area of Private Equity Advisory. The bonus entitlement is only effective in the case of primary profit share, and 50% of this bonus will be offset against the primary bonus.

Further Mandatory Information

Parent companies claiming an organised market in the sense of section § 2 subsection 7 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz) on the basis of the preferred shares, which they issue, shall also list the following mandatory information:

Statement according to section § 289 subsection 4 point 1 or section § 315 subsection 4 point 1 HGB, respectively, with regard to section § 171 subsection 2 AktG (Acquired Capital)

On 31 December 2007 bmp AG had subscribed stock to the amount of €17.5 million. It is divided into 17,000,000 individual shares. bmp Aktiengesellschaft always issues a consolidated financial statement in accordance with sections §§ 290, 291 HGB on 31 December, which is submitted to and published on the electronic Federal Gazette (Elektronischer Bundesanzeiger).

Statement according to section § 289 subsection 4 point 2 or section § 315 subsection 4 point 2 HGB, respectively, with regard to section § 171 subsection 2 AktG (Restrictions affecting the right to vote or the transfer of shares)

Each share carries a singular right to vote. There are no restrictions affecting the rights to vote or the transfer of rights to vote. The Board of Directors of bmp AG is not aware of any restrictions resulting from agreements between shareholders.

Statement according to section § 289 subsection 4 point 3 or section § 315 subsection 4 point 3 HGB, respectively, with regard to section § 171 subsection 2 AktG (Direct or indirect shareholdings in capital that exceed 10% of the rights to vote)

On 31 December 2007, Oliver Borrmann held 13.99% of subscribed capital of bmp AG. This corresponds to a total of 2,448,700 shares and a corresponding number of rights to vote. ING Towarzystwo Funduszy Inwestycyjnych S.A. informed us, that it held 10.05% of rights to vote on 13.08. 2007. The company was not informed of other direct or indirect capital holdings exceeding 10% of the rights to vote.

Statement according to section § 289 subsection 4 point 4 or section § 315 subsection 4 point 4 HGB, respectively, with regard to section § 171 subsection 2 AktG (Privileged shares)

There are no shares with privileges at bmp AG.

Statement according to section § 289 subsection 4 point 5 or section § 315 subsection 4 point 5 HGB, respectively, with regard to section § 171 subsection 2 AktG (Control of voting rights in employee holdings)

There are no employee holdings in which the control rights of the employees are not directly exercised at bmp AG.

Statement according to section § 289 subsection 4 point 6 or section § 315 subsection 4 point 6 HGB, respectively, with regard to section § 171 subsection 2 AktG (Regulations and stipulations of the Articles of Association on the nomination of the Board of Directors and on changes to the Articles of Association)

The appointment and the dismissal of members of the Board of Directors are covered in sections § 84 and § 85 AktG. In accordance therewith, the Supervisory Board appoints the members of the Board of Directors to a maximum term of five years. A reappointment or term extension, in each case for a maximum of five years, is allowed. As an addendum, the Articles of Association of bmp AG specify in regulation 7 that the Board of Directors shall consist of one or several members. It is the responsibility of the Supervisory Board to appoint and discharge the members of the Board of Directors and also determines their number. The Supervisory Board can nominate the Chairman as well as the Deputy Chairman for the Board of Directors. Amendments to the Articles of Association are always decided upon by a majority vote according to law. Furthermore, regulation 17 of the Articles of Association of bmp states, that the Supervisory Board is authorised to enact changes to the Articles of Association that only affect the wording.

Statement according to section § 289 subsection 4 point 7 or section § 315 subsection 4 point 7 HGB, respectively, with regard to section § 171 subsection 2 AktG (Powers of the Board of Directors with regards to the possibility of issuing or buying back stock)

Until 27 June 2011, the Board of Directors has the power, with the approval of the Supervisory Board, to increase the capital stock of the company one time or several times up to a total of €8,750,000 by issuing new individual

shares registered in the name of the bearer in exchange for cash deposits or contributions in kind (authorised capital 2006/I), and in doing so to establish the terms for issuing shares. The buying right of shareholders may be barred:

- a) for the acquisition of companies, company divisions or of holdings in companies in exchange for the granting of company shares,
- b) for the issuing of shares to strategic partners,
- c) if a recapitalisation in exchange for cash contributions does not exceed 10% of the capital stock of the company and the issue price of the shares does not fall substantially below the market price,
- d) for balancing odd lot amounts.

As of 31.12.2007, there was an authorisation for acquiring own shares, however it was not utilised. There was no provisory asset.

Statement according to section § 289 subsection 4 point 8 or section § 315 subsection 4 point 8 HGB, respectively, with regard to section § 171 subsection 2 AktG (Essential directives on the condition of a change of control due to a take-over bid)

As of 31.12.2007, there were no such directives.

Statement according to section § 289 subsection 4 point 9 or section § 315 subsection 4 point 9 HGB, respectively, with regard to section § 171 subsection 2 AktG (Agreements on compensation in the event of a take-over bid)

As of 31.12.2007, there were no such agreements.

7. Events after the Balance Sheet Date and the Prognosis Report

After the end of the 2007 business year, the following major business transactions were made

in the first quarter of 2008: There were no major business transactions in the first quarter of 2008.

The Board of Directors expects the market environment for 2008 to remain flat. According to the US-figures for the first quarter of 2008, fundraising for funds, which are LBO-bias has dropped by 22%. However, funds that were less affected by the credit crisis increased significantly, thus collecting a total of US\$58.5 billion compared to US\$44.3 billion in the same quarter of last year. Also in Europe fundraising volume increased from US\$14 billion to US\$17.3 billion in the first quarter.

On the investment side in the sector of Direct Investment the Board of Directors expects the dealflow to continue to proceed very well. Equity financing in 2008 will gain importance, at the same time it is to be expected that the entry levels in the Venture Capital sector will decrease. This will have a positive effect for new investments. However, the Board of Directors expects the exit markets to be negative. There is only a limited possibility of IPO flotation at present; also trade sales might decrease in respect to

2007. Due to the overall pleasing development of the bmp investments, the Board of Directors are confident that they will be able to realise investment sales in 2008.

A goal for 2008 is to reduce the direct investments of bmp AG further and in parallel to this to make new investments into innovative growth enterprises through the two subsidiaries bmp Media Investors and bmp Eco Investors. Market conditions permitting, the goal of the Board of Directors is to acquire external capital for bmp Media Investors in 2008.

Within the sector of Fund Management/Private Equity Advisory, the Board of Directors strive to acquire new mandates and to expand the volume of investments under management. Thus in the coming years we expect an increase in management fees received by bmp.

The Board of Directors expects another positive end of year result for the group.

Berlin, 16 April 2008

Oliver Borrmann

Ralph Günther

Andreas van Bon

bmp AG Supervisory Board's Report

Dear Shareholder,

In the financial year 2007 the Supervisory Board addressed in five separate meetings – with consideration to section § 110 subsection 3 AktG – the economic, operational and strategic status and development of bmp AG and its business areas as well as the development of the group level. On the agenda to be discussed and to be decided upon were numerous topics as well as issues, which required approval.

The formation of committees, which prepare the individual thematic constellations specifically prior to each meeting of the Supervisory Board, was dispensed with due to the size of the Supervisory Board. In reference to the above the Supervisory Board constantly questions the efficiency of its own work. External auditors were not involved.

Cooperation between Supervisory Board and the Board of Directors

In their meetings the Supervisory Board and the Board of Directors of bmp AG discussed in detail the status of the company, the current business trend as well as the current portfolio, the undertaken acquisitions and divestitures of shareholdings, the development in the private equity advisory business as well as strategy. Additionally recurring topics included questions concerning accounting, risk management as well as personnel matters within the Board of Directors.

In the discussions the Supervisory Board always questioned the justifiability, the appropriateness as well as economic efficiency of each individual measure, both on company level as well as on a group level.

Hereby, the Supervisory Board utilised the options available pursuant to the stock corporation law (Aktienrecht). In accordance with section § 111 subsection 4 AktG the Supervisory Board

therefore stipulated business transactions that are subject to approval in the form of rules of procedure for the Board of Directors. Furthermore, the Supervisory Board reserves the right to confer about certain thematic constellations in absence of the Board of Directors, if this seems appropriate.

All in all the Supervisory Board thoroughly attends to its duty to supervise the Board of Directors – also in respect of the management of the group.

The Board of Directors provided the Supervisory Board with all the necessary information in the meetings. This enabled the Supervisory Board to discuss as well as evaluate all pending topics and to reach an appropriate decision in the case of issues subject to approval. This also applied to those issues subject to approval, for which the Supervisory Board reached resolutions by notational voting using written circulations outside of meetings.

The Board of Directors regularly informed the Supervisory Board with a monthly report about issues relating to the status of direct investments, advisory mandates concerning fund investments, strategic projects and the financial status of the group. Furthermore, outside of meetings the Supervisory Board was fully informed of any specific business transaction conducted. The Board of Directors was at the disposal of the Supervisory Board to answer possible queries at any time on an individual basis as well.

Key Issues of the Supervisory Board in 2007

The Supervisory Board thoroughly addressed the further positioning of bmp AG as a private equity manager throughout the financial year 2007. In this context the Supervisory Board dealt in particular with

- » the further development of the subsidiary bmp Media Investors AG & Co. KGaA,

- » the transfer of holdings of the portfolio of bmp AG to bmp Media Investors AG & Co. KGaA, for which more importantly the management had also obtained approval in the general meeting held on 19.06.2007,
- » the foundation of bmp Eco Investors GmbH & Co. KGaA,
- » the acquisition of shares of Central & Eastern Europe Venture GmbH from DEG Deutsche Investitions- und Entwicklungsgesellschaft mbH,
- » the acquisition of remaining portfolios of bmp Venture Tech GmbH from KfW Bankengruppe in conjunction with the acquisition of the predominant part of the debts owed to KfW by the company,
- » the company's most substantial undertaking, Revotar Biopharmaceuticals AG.

Attention was hereby given to any effects the above matters might have on a group specific level.

Additionally, the Board of Directors and Supervisory Board discussed in detail fund participation of bmp AG in the following b-to-v Private Equity S.C.S., SICAR, Luxembourg, as well as in the Corporate Finance Partner CFP & Founders Investments GmbH & CO. KGaA, Frankfurt, with aim of increasing deal flows in the area of direct investment.

The Supervisory Board requested regular reports from the Board of Directors on the status of all direct investments of bmp AG and bmp Media Investors. The Supervisory Board gave special attention to the investment in Revotar Biopharmaceuticals AG, as this investment represents the greatest asset with a balance sheet value of more than €5 million.

Corporate Governance

Also in 2007 corporate governance was an important issue for the Supervisory Board of bmp

AG, its further development was thoroughly discussed in the board meetings.

The Compliance Statement according to resection §161 AktG relating to the German Corporate Governance Code as amended on 14 June 2007 was adopted in the course of the meeting in December. The company follows the recommendations of the Code in relation to all relevant issues – the digressions are mainly due to the size of the company. The Compliance Statement as well as the Corporate Governance Report and the Remuneration Report have been printed in the Business Report on pages 33 to 44. Additionally, the company publishes all documentation on the website under www.bmp.com, where the non-current Compliance Statements of the last five year are to be found.

Due to the parallel listing of bmp AG on the Warsaw Stock Exchange, bmp AG is obliged to comply also with the Polish corporate governance regulations. The Supervisory Board of bmp AG has also studied those in depth in the past financial year 2007. Board of Directors and Supervisory Board hereby attached importance to complying with those as well – provided that these were compatible with German law in particular cases.

Personnel

In the past financial year the Supervisory Board extended the appointments of Messrs. Ralph Günther and Andreas van Bon as well as their management contracts, which each initially expired on 31 December 2007, to the 31 December 2010. In relation to this, the Supervisory Board also gave attention to the remuneration of these gentlemen. Details on the remuneration structure can be found on pages 41ff of the Business Report.

Annual Accounts 2007

The Annual Accounts 2007 of bmp AG, the Consolidated Accounts 2007 in accordance with IFRS, as well as the summarised Management Report of the company and the group have been examined by Verhülsdonk & Partner GmbH, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, and were given an unqualified certification.

The Supervisory Board had been provided with the annual accounting documents and the Board of Directors' proposal on the allocation of the unappropriated profits – as well as the auditors' reports – before the meeting held on 25 April 2008, and examined them thoroughly. In the board meeting the auditor informed the Supervisory Board about the results of the audit, as well as the focal points of the audit. The issues highlighted were the valuation of the shareholdings of bmp AG as well as of its subsidiaries and the consolidation and deconsolidation of subsidiaries.

The Supervisory Board agreed with the auditors' conclusions, approved the annual accounts as well as the consolidated accounts and raised no objections, thereby concluding the annual accounts.

Taking into consideration the liquidity plan as well as the financial plan of the company, the Supervisory Board agreed to the Board of Directors' proposal on the allocation of the unappropriated profits.

The Supervisory Board thanks the Board of Directors and all the staff for their dedication and their performance in the past financial year.

Berlin, 25 April 2008

Gerd Schmitz-Morkramer
Chairman of the Supervisory Board

Corporate Governance Report

Responsible corporate governance is of utmost significance for bmp AG. It is not governed by a uniform international set of rules, but it is based upon a country specific understanding of responsible corporate governance – except for a few rules, which are internationally recognised.

For bmp AG as a German corporation, the framework of corporate governance is predominantly defined by the German laws pertaining to shares and capital markets and by the Articles of Association. Since the commencing of the German Corporate Governance Code (Code) in 2002, additional standards have been implemented in Germany, which the management of a company listed on the stock exchange is evaluated by. Also in the reporting year 2007 the Board of Directors and the Supervisory Board of bmp AG have addressed the issue of compliance with the requirements of the Code and in particular with the new regulations, implemented by the reform of the Code of 14 June 2007, and devised the declaration to be executed according to section § 161 AktG.

Furthermore, we adhere also to the laws pertaining to capital markets and admission regulations in Poland, as the shares of bmp AG are also listed on the Warsaw Stock Exchange. An additional declaration was made in 2007 about the compliance to the Polish “Best Practices”.

Shareholders and Annual General Meeting

Our shareholders exercise their rights and share voting rights at the Annual General Meeting. Each share grants one vote. Golden shares or preferred shares were not issued by bmp AG. The Annual General Meeting decides specifically about matters detailed by law and outlined in the Articles of Association, in particular those mentioned in section § 119 AktG. These topics are generally relating to the distribution of the declared profits, the discharge of members of the Board of Directors and Supervisory Board,

as well as the appointment of an auditor and the Supervisory Board. Furthermore, the Annual General Meeting particularly concerns itself with issues relating to changes in the Articles of Association, as well as measures concerning capital and the approval of certain corporation contracts.

However, matters regarding the management of bmp are only incumbent on the Annual General Meeting, if requested by the Board of Directors.

The Board of Directors convenes the Annual General Meeting at least once a year during the first eight months of each financial year, in accordance with statutory regulations. All reports and documents required by law for the Annual General Meeting, such as the annual report, are simultaneously made available for our shareholders on our website. Furthermore, we support our shareholders in exercising their share voting rights personally by ensuring the appointment of proxies, who exercise the shareholders' rights according to their directives.

However, we do not adhere to section 2.3.2 of the Code, which states that the company is to inform all national and international financial service providers, shareholders and shareholders' organisations about the convening of the Annual Meeting, and to provide the relevant documentation to our shareholders by electronic mail provided that the requirements for consent have been met.

Although according to regulation 23 of the Articles of Association of bmp AG, the company is authorised to transfer information by electronic mail to its shareholders, provided that the current legal requirements have been met. However, section § 30b subsection 3 point 1c WpHG stipulates that precautions for the safety of the shareholders' identification and addressing are taken. In our view, at this point in time this cannot be sufficiently ensured. However, bmp supplies the documentation for information purposes

by electronic mail to those shareholders, who have explicitly requested the documentation to be sent by electronic mail, irrespective of the notification according to section § 125 AktG.

Management and Supervisory Tasks

The German stock corporation law stipulates a bicameral management structure, which is mandatory for bmp AG and is characterised by the division of the Board of Directors and the Supervisory Board personnel.

Board of Directors

The Board of Directors is solely responsible for managing bmp AG and the group. It determines – in consultation with the Supervisory Board – the strategic direction of the company and the implementation of it. Furthermore, the scope of duties of the Board of Directors includes the preparation of the annual, interim and the consolidated financial statements as well as implementing and monitoring of risk management. It is also responsible for compliance with legal requirements as well as internal corporation principles and the compliance of the business entities. The Board of Directors must always act and decide in the interest of the corporation and strives to increase the corporation's value in the long term for the interest of shareholders, business partners and employees.

The Board of Directors of bmp AG is composed of three members, one of whom will have been appointed as Chairman by the Supervisory Board.

Byelaws enacted by the Supervisory Board govern the allocation of duties, the co-operation within the Board of Directors, as well as the duty to provide information to the Supervisory Board. Furthermore, the byelaws define the major transactions that require the approval of the Supervisory Board.

The members of the Board of Directors are

adequately remunerated for their service, the amount of which is determined by the Supervisory Board, based upon performance and corporate profits. It is made up of fixed and variable components. Further details about the remuneration structure can be found on page 41 of this report.

Supervisory Board

It is the responsibility of the Supervisory Board to advise and oversee that the Board of Directors exercise their duties in the management of the corporation. Its constant and close communication with the Board of Directors greatly exceeds the guidelines given by the Supervisory Board's byelaws for the Board of Directors. This ensures a constant and comprehensive update on current business development, corporate planning and strategy.

It is the further responsibility of the Supervisory Board to appoint the members of the Board of Directors and determine the remuneration paid to them. Moreover, it has to approve the annual planning as well as check and approve the annual financial statements of bmp AG and the group, taking the auditor's reports into account. The report of the Supervisory Board (please see also page 30 of the business report) gives detailed information about its duties.

According to regulation 10 paragraph 1 of the Articles of Association the Supervisory Board is composed of three members, which have each been elected in the Annual General Meeting of bmp AG. Regulation 10 paragraph 1 of the Articles of Association stipulate, that if one member of the Supervisory Board resigns during his term of office, the new board member to be elected shall hold the office for the remaining term of the resigned board member. If a new board member has been appointed by a court, we shall follow the recommendation of the Code to have this member acknowledged in the next Annual General Meeting.

According to regulation 11 paragraph 1 of our Articles of Association the Supervisory Board elects one of their members to be Chairman and one to be Deputy Chairman in the first session after its initial election. This initially requires the appointment of a possible candidate during the Annual General Meeting.

As a rule at bmp, the election of the Supervisory Board in the Annual General Meeting and the constituent meeting take place consecutively on the same day. The announcement of the candidate proposed for the office of Chairman of the Supervisory Board, according to the recommendation of section 5.4.3 of the Code, is in our view not feasible under these constraints; therefore bmp does not follow this directive.

The Chairman of the Supervisory Board coordinates the duties of the Supervisory Board, presides over its meetings and outwardly represents the Supervisory Board.

The Supervisory Board has stipulated set of procedure byelaws, which regulate their duties, responsibilities and operating processes.

The German Corporate Governance Code recommends in several places the formation of qualified commissions, particularly the formation of a personnel commission, a control commission and a nomination commission, although the specific characteristics of the corporation and the number of board members have to be taken into consideration.

The formation of commissions is in principle also possible by virtue of section 15 of the Articles of Association. However, the Supervisory Board, which as already mentioned consists of only three members, chooses not to set up such commissions at present. Consequently, bmp cannot follow the directive in section 5.2 subsection 2 of the Code, which states that the Chairman of the Supervisory Board is at the same time also to preside over the Commis-

ions dealing with the management contracts and preparing the meetings of the Supervisory Board.

For their responsibilities the members of the Supervisory Board are adequately remunerated. This consists of a basic sum, remuneration for each session, as well as performance related bonus. The positions of chairman and deputy chairman of the Supervisory Board are taken into consideration herein. Further details about the remuneration of the Supervisory Board, as stipulated by the General Meeting of 4 July 2004, can be found on page ?? of this report.

Directors & Officers Insurance

bmp AG has taken out a Directors & Officers (D&O) insurance for the members of the Board of Directors and Supervisory Board.

Section 3.8 of the Code recommends the stipulation of an adequate deduction when taking out such insurance.

Each individual member of the Board of Directors is subject to the same responsibilities as concerns the diligent management of the corporation; the same applies for the members of the Supervisory Board. However, the private earnings and financial circumstances of each individual member of the Board of Directors and Supervisory Board differ. Therefore, we do not consider the stipulation of the same deductible as adequate and incidentally not relevant either. Thus bmp does not follow this directive at present or in the future.

Transparency

bmp discloses insider information regarding the company immediately in accordance with legal requirements. Upon information that someone has reached, exceeded or gone below 3, 5, 10, 15, 20, 25, 30, 50 or 75% of the voting rights of bmp AG by means of acquisition, liquidation or other means, we publish this informati-

on immediately and in compliance with legal requirements. In both cases we adhere to the principle of treating all our shareholders equally (Fair Disclosure).

Furthermore, we publish the dates of major recurring publications (e.g. business report, interim report), dates of the Annual General Meeting as well as the analyst conferences, in a timely manner. Additionally, we provide further information in the form of press releases and presentations, which exceeds the legal requirement for providing information and public disclosure.

All information published by bmp is available on our homepage www.bmp.com under "Investor Relations" in German, English and Polish languages. If certain information is published abroad due to country specific capital market laws, we generally provide this information immediately on a national basis in at least the original language and English.

The same applies for information received by the company concerning voting rights, which are received in English.

A list of all major information published by bmp in the financial year 2007 can also be found on our homepage under "Investor Relations".

Financial Accounting and Annual Auditing

The consolidated financial statement, half year statement and quarterly reports comprise the major information that we provide shareholders and third parties with. These statements are drawn up in accordance with IFRS. In addition, the Supervisory Board and the Auditor verify the consolidated financial statement.

We publish our reports on our homepage after previously announcing the publishing date and location according to legal requirements. Notwithstanding section 7.1.2 of the Code, we publish our consolidated financial statement

within four months of the financial year's end and the interim reports within two months of the end of the respective reporting periods.

Regulations of Compliance

It is particularly important for responsible business management as well as for matters of transparency to ensure the confidential handling of insider information and prevent possible insider dealing. In view of this bmp has developed regulations of compliance, which give precise guidelines for the handling of insider information for all our staff. Furthermore, the employees that could encounter insider information are recorded on our insider database and receive training in this matter. Our compliance agents are also available for our staff at any time to answer questions on the correct handling of possible insider information.

As a matter of principle our staff, as well as the Board of Directors are permitted to trade bmp shares as well as shares of the companies that bmp is holding stock of or is considering investing in.

However, our regulations of compliance stipulate that such share trading is only permitted subject to prior approval by our compliance agents in order to prevent a conflict of interest. This also applies for the members of the Board of Directors.

We address the matter of compliance regularly and thoroughly and examine our regulations for potential improvements.

Shareholding of the Board of Directors and Supervisory Board

According to section § 15a Security Trades Act (Wertpapierhandelsgesetz) members of the Supervisory Board and the Board of Directors as well as persons close to them are obliged to disclose the acquisition as well as the disposal of bmp AG shares, if the value of the transactions

reaches or surpasses EUR 5,000 in a calendar year. bmp publishes such information immediately after it has been made known to the company according to legal requirement.

In the financial year 2007 bmp AG was notified of the following security transactions:

Date of Transaction	Name	Function/Status	Type of Transaction/place	Financial instrument/ISIN	No. of Shares	Rate/Price	Total Amount
22.01.2007	Oliver Alexander Borrmann	Chairman of the Management Board	sell/XETRA	bmp-Share DE0003304200	20,000	€ 2.61	€ 52,200.00
03.07.2007	Oliver Alexander Borrmann	Chairman of the Management Board	sell/over the counter	bmp-Share DE0003304200	110,000	€ 3.20	€ 352,000.00
14.11.2007	Oliver Alexander Borrmann	Chairman of the Management Board	sell/XETRA	bmp-Share DE0003304200	3,000	€ 2.60	€ 7,800.00
19.11.2007	Oliver Alexander Borrmann	Chairman of the Management Board	sell/over the counter	bmp-Share DE0003304200	10,000	€ 2.60	€ 26,000.00

All transactions have been published on our business homepage www.bmp.com under Investor Relations/Corporate Governance.

published by our company are available on our website www.bmp.com under Investor Relations/Corporate Governance.

On 31 December 2007 the members of the Board of Directors held 2,472,030 company shares in total, the members of the Supervisory Board held none.

The Board of Directors and the Supervisory Board ensure the compliance with Corporate Governance regulations of bmp AG and ensure that it is regularly examined and improved. Both boards have decided upon issuing the following statement according to section § 161 AktG:

Corporate Governance Guidelines

Our Articles of Association as well as the annual document according to section § 10 WpPG, the notifications according to section § 15a WpHG, information relating to the remuneration of the Board of Directors and all compliance statements according to section § 161 AktG

2007 Declaration of Compliance with the Corporate Governance Code

In accordance to section § 161 AktG, the Board of Directors and the Supervisory Board of a public limited company listed on the stock exchange must annually declare the compliance with the recommendations of the Governmental Commission German Corporate Governance Code (Regierungskommission Deutscher Corporate Governance Code) published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger) as well as those directives that have not been implemented or will not be applied.

The Board of Directors as well as the Supervisory Board of bmp AG feel committed to comply with the regulations of the German Corporate Governance Code and therefore declare according to section § 161 AktG the following:

1. Since the last Declaration of Compliance of 01.12.2006, bmp AG has complied with the recommendations contained in the "Governmental Commission German Corporate Governance Code" [Regierungskommission Deutscher Corporate Governance Code] as amended on 12 June 2006, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger) with the exceptions outlined in the Declaration of Compliance.

This Declaration of Compliance is made permanently available to the shareholders on our website www.bmp.com.

2. bmp AG shall comply with the recommendations of the "Governmental Commission German Corporate Governance Code" (Regierungskommission Deutscher Corporate Governance Code) as amended on 14 June 2007, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger) with the following exceptions:

- » The company will not follow the recommendation to inform all national and internatio-

nal financial service providers, shareholders and shareholders' organisations by electronic mail about the convening of the general meetings including the sending of the relevant documentation as far as the requirements for consent have been met (section 2.3.2), as the shareholders' safe identification and addressing cannot be ensured sufficiently at present. However, the company will supply the documents by electronic mail to those shareholders for information purposes who have requested from bmp, that these documents be sent to them by electronic mail, irrespective of the notification according to regulation 125 AktG.

- » The D & O insurance for the members of the Board of Directors and Supervisory Board does not include a deductible (section 3.8).
- » As long as the Supervisory Board is made up of three members (section 5.3.1), as is appropriate for a company of this size, no committees or panels will be set up.

In view of the aforesaid, therefore no panel exists that explicitly deals with the contracts for the Board of Directors and submits proposals in this connection to the plenary meeting of the Supervisory Board. However, the Supervisory Board thoroughly discusses the structure of the remuneration system for the Board of Directors and regularly examines it (section 4.2.2).

Nor does an Audit Committee exist - the members of the Supervisory Board deal jointly with the relevant issues (section 5.3.2).

bmp AG does not have a nomination committee either (section 5.3.3).

Finally, the company cannot follow the recommendation in section 5.2 subsection 2, according to which the chairman of the Supervisory Board is at the same time chairman

of the committees, which deal with the contracts of the Board of Directors and prepare the meetings of the Supervisory Board.

- » We do not follow the recommendation to announce nominations of candidates for the position of the chairman of the Supervisory Board to our shareholders (section 5.4.3). The announcement of nominations of candidates for the position of chairman of the Supervisory Board implies, that the General Meeting had elected a possible candidate onto the Supervisory Board. In addition, according to regulation 11 paragraph 2 of the company's Articles of Association, it is a matter for the Supervisory Board to elect one of their members to be chairman and one to be deputy chairman in the first session following their election. This meeting generally takes place following the general meeting of bmp AG, in which the members of the Supervisory Board have been elected accordingly. The announcement of the nominated candidate for the position of chairman of the Supervisory Board cannot be realised before afore mentioned have been concluded.

- » The consolidated financial statement is published within four months of the financial year's end and the quarterly reports within two months of the end of the respective reporting periods.

Management Board's Additional Statement

The following statement from the bmp AG Board of Directors is submitted according to the requirements of § 96 clause 1, no. 5 and 6 of the regulations of the council of ministers for the Polish Republic dated 19th October 2005 concerning the current and periodical information which are to be provided by the share issuing company.

The company's consolidated annual financial statement and previous year data were compiled by the Board of Directors 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 Group Management 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 2007 at the bmp AG annual general meeting on 19.06.2007 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.

Remuneration Report

The remuneration report summarises the principles, which have been applied for the determination of the remuneration of the Board of Directors of bmp AG. In this context, the structure as well as the remuneration amount of the Board of Directors will be explained. Furthermore, the report provides an overview of the principles and the remuneration amounts the members of the Supervisory Board receive. The Remuneration Report is part of the Corporate Governance Report.

Remuneration of the Board of Directors

Responsibility

According to section § 111 AktG (Stock Corporation Law), the Supervisory Board represents the company to the Board of Directors. Thus the Supervisory Board is also responsible for determining the structure of the remuneration system of the Board of Directors of bmp AG. Regulation 15 of the Articles of Association permits the Supervisory Board, within statutory provisions, to form commissions from its members and transfer tasks and authorisations to them. Also, the Corporate Governance Code suggests transferring the handling of the contracts and remuneration of the Board of Directors to a personnel commission. Due to its size however, the Supervisory Board choose not to form any commissions.

Objectives

The objective of the remuneration system for the Board of Directors of bmp AG is to compensate the members of the Board of Directors adequately in relation to the size of bmp AG, its economic and financial situation, the competition, as well as the economic conditions. Also, reference is made not only to the performance of the Board of Directors as a whole but also in relationship to the individual performance of each board member. The differences in the remuneration amount for each member of the Board of Directors will result from the activities

of the chairman of the Board of Directors on the one hand, and on the other hand from acquisition performance in the area of Private Equity Advisory.

The Supervisory Board regularly review the suitability of the remuneration of the Board of Directors.

Remuneration Structure

The remuneration of the Board of Directors consists of a fixed income in the form of a fixed basic salary, insurance contributions, payments in kind, and fringe benefits according to section § 3 subsection 33 EStG (Income Tax Law) as well as variable salary components, such as share in profits and, if applicable, a bonus payment.

1. Fixed Income

The fixed basic salary will be paid in twelve monthly intervals. A distinction will be made in the amount of the basic salary awarded to the chairman of the Board of Directors, due to the additional duties and responsibilities above the other board members.

The insurance contributions function primarily as a retirement provision and as a social security contribution for the Board of Directors. In this context, bmp will contribute an amount, which would have to be paid in the case of a legal statutory obligation to insure.

Furthermore, the company will contribute to a legal or private health insurance with the statutory employer's contribution. In addition, cash-value life insurances have been initiated for the benefit of the members of the Board of Directors funded by bmp AG.

Additionally, the company has taken out for the duration of each respective employment contract accident insurances for the members of the Board of Directors covering also personal risks. The respective members of the Board of Directors or their heirs will benefit from any claims from this insurance policy.

Payment in kind includes company vehicles granted to members of the Board of Directors, which may also be used for private purposes. The taxation of additional non-cash benefits as well as the taxes due for insurance premiums will be due from the respective members of the Board of Directors.

2. Variable Salary Components

The Board of Directors are entitled to a profit share, the amount of which will depend on the pre-tax profits on one hand and the individual responsibilities of the members of the Board of Directors on the other.

- » If the pre-tax profit amounts to at least €0.5 million, the percentage of profit share for the Chairman of the Board of Directors according to HGB (German Commercial Code] amounts to 4% of the pre-tax profit of bmp AG, and 3% for each member of the Board of Directors
- » For pre-tax profits above €2.5 million, the percentage of profit share for the Chairman of the Board of Directors according to HGB (German Commercial Code] amounts to 3.4% of the pre-tax profit of bmp AG, and 2.55% for each member of the Board of Directors
- » For pre-tax profits above €3.5 million, the percentage of profit share for the Chair-

man of the Board of Directors according to HGB (German Commercial Code] amounts to 2.4% of the pre-tax profit of bmp AG, and 1.8% for each member of the Board of Directors

The profit share will become due with the approval of the annual financial statement by the Supervisory Board. If the employment contract expires before the end of the business year, the profit share will decrease pro-rata accordingly. If a member of the Board of Directors is given notice for an important reason, the profit share will lapse for the year in which the notice is given.

In addition to this, a bonus agreement has been arranged with Mr. Günther. According to this agreement, Mr. Günther will receive 3.5 % of the cash value of the future cash flows from „Assets under Management“, which have been newly acquired in the area of Private Equity Advisory. The bonus entitlement is only effective in the case of a primary profit share and 50 % of this bonus will be offset against the primary bonus.

In detail, in the year 2007 the Board of Directors received the following remunerations:

In €'000	Fixed remuneration	Contributions to insurance	Company car	Variable Payment	Allowance	Total 2007	Total 2006
Oliver Borrmann	150	13	6	103	1	273	242
Ralph Günther	140	14	8	114	3	279	205
Andreas van Bon	140	14	9	77	0	240	205
Total	430	41	23	294	4	792	652

Commitments at the End of Employment

A redundancy payment to a member of the Board of Directors in the case of a termination of the employment contract or a premature resignation from the Board of Directors is not provided for.

For the members of the Board of Directors there is a post-contractual exclusion clause, which lasts for the duration of 24 months, for which the respective member of the Board of Directors will receive a compensation amounting to 50% of their basic salary, the insurance contributions,

payments in kind and benefits according section § 3 subsection 33 EStG, as well as the variable remuneration components. Hereby the compensation will be calculated on the basis of the average of the last three years of the variable remuneration components.

Secondary Employment of the Members of the Board of Directors

The Board of Directors are responsible for rendering their full efforts to the service of the company. The members of the Board of Directors may accept remunerated or gratuitous secondary employment only after receiving written consent from the Supervisory Board. This also applies to board of directors-related and business management activities, mandates in supervisory boards, advisory boards, or similar bodies, as well as to honorary offices in the commercial sector.

Accepting employment as a lecturer in a public or private educational institution constitutes the sole exception.

Income from secondary employment must be forwarded to bmp AG, unless it results from activities as a lecturer.

Additional Information on the Board of Directors
In November 2007, the Board of Directors received an advance payment based on the pre-tax profits for the results of the business year of 2007 amounting to €40,000 for the chairman and €30,000 for each other members of the Board of Directors, respectively.

Loans to any members of the Board of Directors have not been granted by bmp AG.

The members of the bodies of bmp AG as well as bodies of affiliated companies are exempted by bmp AG or by the affiliated companies, respectively, from third party claims within a legally permissible framework. To this end, the company took out a Directors & Officers (D&O)

insurance policy (also see p. 35 of the Annual Report).

Remuneration of the Supervisory Board

Responsibility

According to regulation 16 of the Articles of Association, the Supervisory Board of bmp AG is entitled to a remuneration, which will be determined by the General Meeting.

Remuneration Structure

According to the decision of the General Meeting of 4 July 2001, the Supervisory Board will receive a basic yearly salary, an attendance fee for each meeting day as well as a capped performance-based pay. The remuneration schedule takes the chairman and the deputy chairman of the Supervisory Board into account. In the event that there is a change of chairmen during a business year or the takeover or the loss of the appointment as member of the Supervisory Board, the basic pay and the performance-based pay shall be pro-rated. The capping of performance-based pay applies conjointly to the member of the Supervisory Board or chairman and his successor in office.

1. Annual Basic Salary

The annual basic salary will be €10,000 for the chairman of the Supervisory Board and €5,000 for the other members.

2. Attendance Fees

Each meeting day, the chairman of the Supervisory Board will be paid an attendance fee amounting to €2,500 and the deputy chairman will receive €1,500. All other members of the Supervisory Board will receive €1,000 each per meeting day.

3. Performance-based Pay

The Supervisory Board is entitled to performance-based remuneration, which is payable, if a net profit according to HGB (German

Commercial Code) – reduced by an amount of at least 4% of the capital contributions of the shares on the least issue amount – greater than 10 cents per share is earned according to the annual financial statement declared by bmp AG.

The performance-based pay is scaled as follows:

a) With a profit between 10 and 20 cents per share, for every whole cent exceeding a 10 cent earning per share:

- » €1,000 per cent for the chairman of the Supervisory Board,
- » €500 per cent for each other member of the Supervisory Board.

b) With a profit greater than 20 cents per share, for every whole cent exceeding a 20 cent earning per share:

- » €2,000 per cent for the chairman of the Supervisory Board,
- » €1,000 per cent for the other members of the Supervisory Board.

Wherein the performance-based pay is capped at €50,000.00 for the chairman of the Supervisory Board, €25,000.00 for each remaining member of the Supervisory Board.

In the event of a recapitalisation in exchange for cash or in return for stock, instead of the amount of 10 cents or 20 cents per share, a value based on the ratio of the time elapsed from the day on which the contribution to be made to the recapitalisation was completed until the end of the business year to the overall length of the business year shall be allocated to the new shares.

In the event of a recapitalisation from the company's own resources or a capital reduction, respectively, the values of 10 cent or 20 cents shall be adjusted proportionately.

Due to the 5:1 ratio decrease of the subscribed capital in 2003, the result to be attained

- in the case of point a) lies between €0,50 and €1,00,
- in the case of b) at greater than €1,00.

The profit-based pay for the Supervisory Board will become due after the annual balance sheet statement.

In addition to the remuneration, in the event of any value added tax owed, this shall always be paid in the mandatory amount, as specified in regulation 16 of the Articles of Association or in the resolution of the General Meeting of bmp AG of 4 July 2001, respectively.

Additionally, the members of the Supervisory Board - also according to regulation 16 of the Articles of Association of bmp AG, may claim reimbursement of their expenses.

Additional Information on the Supervisory Board
In the business year of 2007, bmp AG did not grant members of the Supervisory Board any advances on future remunerations or loans – nor did the company enter into any contingencies for the benefit of these persons.

As already mentioned, the members of the bodies of bmp AG as well as bodies of affiliated companies are exempted by bmp AG or by the affiliated companies, respectively, from third party claims within a legally permissible framework. To this end and with the approval of the bmp AG General Meeting of 4 July 2001, the company took out a D&O insurance policy (also see p. 35 of the Annual Report).

In detail, the Supervisory Board received the following remuneration in the year 2007:

In €'000	2007
Gerd Schmitz-Morkramer	27
Bernd Brunke	13
Ulrich Ankele	10

Group Financial Statement as at December 31 2007 for the Financial Year 2007

Group Balance Sheet	46
Group Profit and Loss Statement	48
Group Cash-Flow Statement	49
Breakdown of Group Assets	50
Company Structure	51
Notes	52
I. General information	52
II. Notes on the balance sheet	57
III. Notes on the profit and loss statement	64
IV. Notes on the cash flow statement	66
V. Other information	67

Group Balance Sheet as at 31 December 2007

Assets	Notes	2007	2006
		€	€'000
Long-term assets			
Intangible assets	9,17	2,716.48	1
Tangible assets	9,17	69,195.53	63
Equity investments	7,18	16,386,554.92	14,985
Silent partnerships and loans	8,18	657,089.32	2,703
Affiliated companies and Joint Ventures	19	571,219.58	334
		17,686,775.83	
Current assets			
Trade accounts receivable		498,036.44	890
Receivables and other assets	20,21	3,640,990.21	6,729
Cash on banks and cash on hand	22	7,650,226.23	5,757
		11,789,252.88	
Total assets		29,476,028.71	31,462

Liabilities	Anhang	2007	2006
		€	€'000
Shareholders' equity			
Subscribed capital	24	17,500,000.00	17,500
Capital reserves	25	530,600.78	531
Other revenue reserve	26	972,256.66	972
Accumulated net profit	26	6,625,363.08	2,999
		25,628,220.52	
Long-term liabilities			
Liabilities from refinancing activities	28	3,146,949.70	8,577
Long-term provisions	31	83,000.00	83
		3,229,949.70	
Current liabilities			
Trade accounts payable		68,021.34	95
Liabilities to banks	29	606.61	0
Other liabilities	30	430,230.54	516
Provisions	31	119,000.00	189
		617,858.49	
Total liabilities		29,476,028.71	31,462

Group Profit and Loss Statement for the Period from 1 January 2007 to 31 December 2007

	Notes	2007 €	2006 €'000
Sales revenue			
Income from disposal of investments and securities	32	11,111,820.28	10,891
Other operating income			
Income from revaluation of investments	33	2,030,052.44	3,627
Other operating income	33	4,891,227.98	426
Income from consulting and commissions		264,802.43	240
Reduction in book value of investments and securities	34	-9,516,278.51	-6,949
Staff costs			
Wages and salaries	35	-1,349,356.21	-1,282
Social security contributions and costs for pensions and support	35	-141,358.14	-144
Depreciations			
Depreciation on intangible and tangible fixed assets	17	-31,959.01	-50
Other operating expenses			
Expenses from revaluation	18,19,39	-3,022,902.16	-1,177
Other operating expenses	36	-1,310,934.30	-2,036
Operating income		2,925,114.80	3,546
Income from investments	37	559,722.94	94
Interest and similiar income	38	485,917.82	377
Interest and similiar expenses	40	-344,423.67	-844
Profit on ordinary activities		3,626,331.89	3,173
Consolidated net profit		3,626,331.89	3,173
Results carried forward from previous year		2,999,031.19	-5,148
Withdrawal from the capital reserve		0.00	4,974
Accumulated profits		6,625,363.08	2,999
Profit per share €	44	0.21	0.18
Diluted profit per share €	44	0.21	0.18

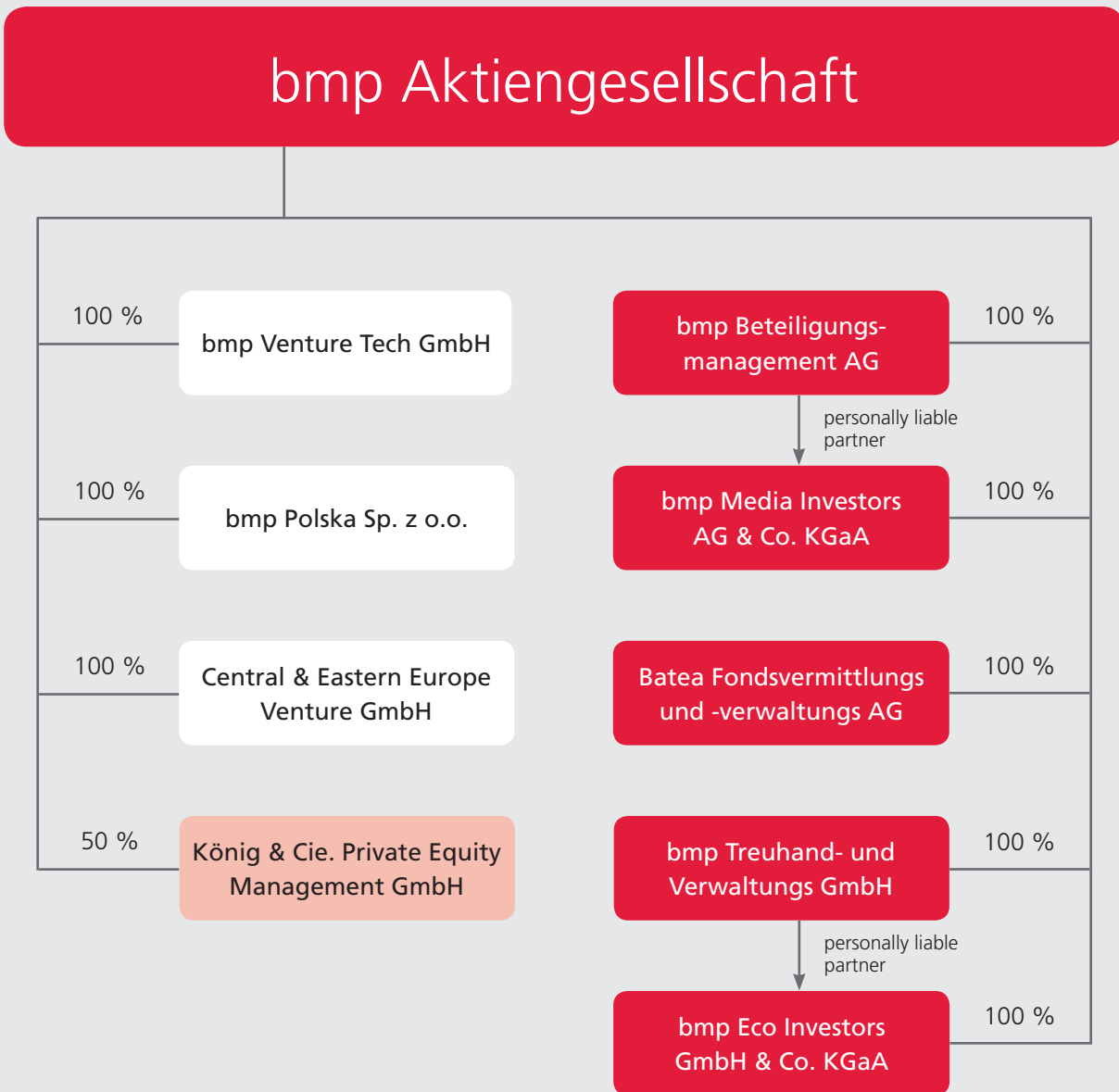
Group Cash-Flow Statement for the Period from 1 January 2007 to 31 December 2007

	Notes	2007 €'000	2006 €'000
Cash Flow from Operations			
Consolidated net profit		3,626	3,173
Revaluation of investments, securities and receivables	33,39	641	-2,370
Depreciation on tangible assets	17	32	50
Set-off difference bmp Venture Tech GmbH	41	-4,201	0
		98	853
Decrease/(-) increase in assets and Increase/(-) decrease in liabilities			
Receivables and other assets	20,21	5,846	-111
Other liabilities	30	-114	92
Provisions	31	-70	84
Total		5,760	918
Cash-Flow from Investments			
Holdings and affiliated companies			
Additions to holdings, silent partnerships and loans	18	-6,941	-3,499
Change in affiliated companies and Joint Ventures	19	-237	67
Disposals of holdings, silent partnerships and loans at net book value	18	4,579	8,238
		-2,599	4,806
Tangible fixed assets			
Additions	17	-40	-31
Disposals at net book value		0	1
Total		-2,639	4,776
Cash Flow from Financing			
Decrease in liabilities to banks	28,41	-1,228	-3,593
Total		-1,228	-3,593
Change in liquid funds			
Liquid funds at the beginning of the reporting period	41	5,757	3,656
Liquid funds at the end of the reporting period	41	7,650	5,757

Breakdown of Group Assets

Figures in €'000	Notes	Subscribed capital	Capital reserve	Accumulated net results	Other profit reserves Revaluation surplus	Total
Equity as at 01.01.2007	26	17,500	531	2,999	972	22,002
Net profit for the year		0	0	3,626	0	3,626
Equity as at 31.12.2007	26	17,500	531	6,625	972	25,628
Equity as at 01.01.2006	26	17,500	5,505	-5,148	972	18,829
Withdrawal from the capital reserve	25	0	-4,974	4,974	0	0
Net profit for the year		0	0	3,173	0	3,173
Equity as at 31.12.2006	26	17,500	531	2,999	972	22,002

Structure of bmp under Company Law as at 31 December 2007*



- 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 2007 did not form part of the audit of the annual accounts.

Notes to the Group Financial Statements for the Financial Year 2007

I. GENERAL INFORMATION

1. Business Activities of the Group

As a Private Equity Investment company, bmp Aktiengesellschaft (hereafter also referred to as "bmp AG" or "the Company") provides innovative growth companies with early stage and expansion financing primarily through its subsidiaries bmp Media Investors AG & Co. KGaA and bmp Eco Investors GmbH & Co. KGaA. bmp AG concentrates primarily on investments in Germany and Poland. bmp invests its own funds and manages funds for institutional investors. It generates income mainly through increasing the value of the investments it acquires. In addition, bmp AG is currently developing its Private Equity Advisory business area. The consolidated subsidiaries are also active in the same business or exercise supporting roles.

The headquarters of bmp Aktiengesellschaft is 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 number HR-B 64 077.

2. General Data

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

The Profit and Loss Statement was structured according to total cost accounting.

The Group Financial Statements are reported in Euros. Unless otherwise stated, all amounts are rounded up or down to the nearest thousand Euro.

The Group Financial Statements were prepared by the Company and submitted to the Supervisory Board on the 15 April 2008. Events after the reporting date are taken into account up to this date. After presentation of the audited results by the auditor at the Supervisory Board Meeting on the 25 April 2008, the Supervisory Board approved the Group Financial Statements and issued the Report of the Supervisory Board. With the approval of the Supervisory Board the Group Financial Statements were released for publication.

3. Basis of the Group Financial Statements

The current Group Financial Statements of bmp AG (hereafter also referred to as "bmp AG" or "the Company"), have been set up in accordance with the International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB) and their interpretation by the International Financial Reporting Interpretations Committee (IFRIC), as applicable in the European Union. Hereby, all International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as well as the Standing Interpretations Committee (SIC), which were in effect for the relevant period have been observed.

bmp AG used IFRS 7 and the changes of IAS1 associated with it for the first time in the financial year 2007. From IFRS 7 extended reporting obligations of financial net assets and debts of the Group arise. The newly applicable regulations have no influence on the classification or evaluation of the financial instruments.

Furthermore, in the current financial year the following, obligatory interpretations had to be considered:

- » IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- » IFRIC 8 Scope of IFRS 2
- » IFRIC 9 Reassessment of Embedded Derivatives
- » IFRIC Interim Financial Reporting and Impairment

The first application of the interpretations had no or no substantial effects on the representation of the Group Financial Statements.

4. New or Changed, Not Applied IFRS

bmp AG did not apply the following standards, which were not obligatory in the financial year, in the Group Financial Statements 2007

Standard/Interpretation	Implementation obligation	Adoption by EU as at 31.12.2007	Expected impact
IFRS 8	01.01.2009	yes	Reporting operating segments
IAS 1	01.01.2009	no	Reorganisation of components of financial statements
IAS 23	01.01.2009	no	Increase of balance sheet valuation of qualified assets
IFRIC 11	01.03.2007	yes	none
IFRIC 12	01.01.2008	no	none
IFRIC 13	01.07.2008	no	none
IFRIC 14	01.01.2008	no	none substantially

5. Companies Included in the Consolidation

5.1 Full Consolidation

Included in the Group Financial Statements are bmp AG, Berlin, as the parent company, and the accounts of

- » Batea Fondservmittlungs und –verwaltungs AG, Berlin
- » bmp Media Investors AG & Co. KGaA, Berlin,
- » bmp Beteiligungsmanagement AG, Berlin
- » bmp Eco Investors GmbH & Co. KGaA, Berlin
- » bmp Treuhand- und Verwaltungs GmbH, Berlin

bmp Eco Investors GmbH & Co. KGaA, founded on 06.12.2007, was fully consolidated, with bmp Treuhand- und Verwaltungs GmbH as personally liable partner.

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. As a parent company, bmp AG holds 100% of the shares in the fully consolidated companies.

5.2 Joint Ventures

Shares in joint ventures were reported in accordance with IAS 31.38 – shares in joint ventures – using the equity method. As of the 31 December 2007 there was one joint venture, König & Cie. Private Equity Management GmbH. bmp AG has a 50% stake in König & Cie. Private Equity Management GmbH and 50% of the voting rights. Based on the 50% shareholding in König & Cie. Private Equity Management GmbH short-term assets amount to €545,000 as of 31.12.2007. The short-term liabilities amount to €273,000 as of 31.12.2007. The income up to the 31.12.2007 amounted to €421,000, the expenses €10,000. The book value of the joint ventures amounts to €349,000.

The joint venture König & Cie. Private Equity AG, which still existed in the last year, was affiliated with König & Cie. Private Equity Management GmbH in the financial year.

All stakes held in Central & Eastern Europe Venture GmbH were taken on by the co-shareholders, hence it no longer represented a joint venture. All major assets were taken over by bmp AG.

5.3 Other Subsidiaries

Within the framework of IFRS the following companies were not included in the consolidation due to their secondary importance:

- » Central & Eastern Europe Venture GmbH, Berlin
- » bmp Venture Tech GmbH, Berlin
- » bmp Polska Sp. z o.o., Warsaw

It was refrained from valuing these companies “at equity” for reasons of materiality.

Central & Eastern Europe Venture GmbH and bmp Venture Tech GmbH currently perform no operating business; both companies are inactive. bmp Venture Tech GmbH was removed from the consolidated group as of the 06.12.2007.

The investment in bmp Fondsverwaltungs AG & Co. Beteiligungs KG, which existed in the last year, ended and the company was liquidated.

bmp Treuhand- und Verwaltungs GmbH, which had not been included in 2006, was fully consolidated as of the 06.12.2007 by assuming full liability of bmp Eco Investors GmbH & Co KGaA on this date.

6. 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.

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 in 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 income from re-valuation or under expenditure from re-valuation.

For the purpose of implementing fair value reporting of investments, a valuation guideline was drawn up. According to this guideline, shares in listed companies for which there is an active market are valued at their stock market prices as of the date of valuation. For all other shares in non-listed companies for which there is no active market, the fair value is calculated on the basis of generally recognised valuation procedures, wherein the degree of fluctuation based on the results of different methods for the same holding must reside within a justifiable range. These valuation methods include, 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).

8. Silent Partnerships and Loans

The item "Silent Partnerships and Loans" covers long-term loans of a fixed term, which are reported in the balance sheet at amortised cost. Discernable risks are taken into account through appropriate provisions.

9. Tangible Assets and Intangible 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.

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.

11. Liabilities

Liabilities are reported as short-term, inter alia, 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.

12. Deferred Taxes

Deferred taxes are reported as 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 not-utilised 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. Accrual of expenses takes place for deposits before the reporting date that represent the income for a definite period after this date.

14. Estimates

The item "Equity Investments" under long-term assets 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". The book valuation of these assets, which is influenced by estimates, amounts to €5,505,000.

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.

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 on 1 January 2005.

Therefore, bmp AG converted its Group accounting to IFRS with an opening balance as of 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 of 31 December 2007.

II. NOTES ON THE BALANCE SHEET**17. Intangible Assets and Tangible Assets**

Intangible assets and tangible assets relate exclusively to acquired rights of use and to 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	01.01.2007	Disposal	Addition	31.12.2007
Intangible assets	128	0	2	130
Tangible assets	258	0	38	296
Total	386	0	40	426

Depreciation in €,000	01.01.2007	Disposal	Addition	31.12.2007
Intangible assets	127	0	1	128
Tangible assets	195	0	31	226
Total	322	0	32	354

Book Value in €,000	01.01.2007	31.12.2007
Intangible assets	1	2
Tangible assets	63	70
Total	64	72

Acquisition costs in €,000	01.01.2006	Disposal	Addition	31.12.2006
Intangible assets	190	62	0	128
Tangible assets	461	234	31	258
Total	651	296	31	386

Depreciation in €,000	01.01.2006	Disposal	Addition	31.12.2006
Intangible assets	166	63	24	127
Tangible assets	403	234	26	195
Total	569	297	50	322

Book Value in €,000	01.01.2006	31.12.2006
Intangible assets		1
Tangible assets		63
Total		64

18. Equity Investment 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 has an equity investment.

Finanzanlagen

In T€	Equity investments		Silent partnerships and loans	
	2007	2006	2007	2006
1.1.	14,985	23,391	2,703	3,218
Addition	6,569	3,206	372	243
Disposal	-3,220	-13,793	-1,358	-1,077
Transfer	-2,182	50	0	0
Valuation	235	2,131	-1,060	319
31.12.	16,387	14,985	657	2,703

The equity investments listed under "addition" were classed as "Financial Assets at Fair Value through Profit and Loss".

For equity investments and silent partnerships as well as loans, there is generally a default risk, as there are numerous risks linked to the economic development of young companies that can lead to the insolvency of the company. 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.

The valuation of equity investments is described under "7. Equity Investments". The holdings were valued according to following valuation methods:

In €000	Book value	Number	Appreciation	Book value	Number	Appreciation
Valuation method	2007			2006		
Stock market price	1,958	1	0	3,806	1	5
Third-party transaction	7,131	5	833	5,975	2	0
Peer Group comparison	5,207	4	1,030	1,781	2	550
Fair value corresponds with acquisition costs	1,997	6	0	637	4	0
Fair value calculated using DCF method	95	2	0	2,786	6	10
Total	16,388	18	1,863	14,985	15	565

The discounting rates of the DCF procedure were within the range of 10.15% to 13.35% (previous year 8.23% to 12.25%).

19. Affiliated Companies and Joint Ventures

Affiliated companies are entered in the balance sheet as apportioned amortised cost; joint ventures are entered with the attributed equity capital.

Acquisition costs in €000	01.01.2007	Disposal	Addition	Appreciation	31.12.2007
Affiliated companies	267	37	205	0	435
Joint Ventures	343	54	0	60	349
Total	610	91	205	60	784

Depreciation in €000	01.01.2007	Disposal	Addition	31.12.2007
Affiliated companies	222	9	0	213
Joint Ventures	54	54	0	0
Total	276	63	0	213

Book Value in €000	01.01.2007	31.12.2007
Affiliated companies	45	222
Joint Ventures	289	349
Total	334	571

Acquisition costs in €000	01.01.2006	Disposal	Addition	Appreciation	31.12.2006
Affiliated companies	347	100	20	0	267
Joint Ventures	239	0	13	91	343
Total	586	100	33	91	610

Depreciation in €,000	01.01.2006	Disposal	Addition	31.12.2006
Affiliated companies	222	0	0	222
Joint Ventures	54	0	0	54
Total	276	0	0	276

Book Value in €,000	01.01.2006	31.12.2006
Affiliated companies	125	45
Joint Ventures	185	289
Total	310	334

20. Receivables and Other Assets

20.1 Trade accounts receivable

Of the trade accounts receivable €105,000 are disputed; €350,000 have been outstanding for a period of one year, but have been secured upon by shares in Revotar AG. Generally receivables are separately valued according to the probability of their settlement.

20.2 Receivables and Other Assets

Receivables and other assets are attributed to apportioned amortised cost.
Forderungen

In €,000	2007	2006
Receivables from affiliated companies	39	4
Receivables from holdings	30	61
Receivables from the tax authorities	562	495
Loans to third parties	692	202
Other receivables	21	27
Total receivables	1,344	789
Other assets	53	23

The receivables from other third parties have been secured up to €642,000 with fund of fund investments in international private equity funds.

21. Securities held for Trading Purposes

The securities held for trading purposes have been attributed to the category "Financial Assets at Fair Value through Profit and Loss".

In €,000	Book value	Number	Appreciation	Book value	Number	Appreciation
Valuation method			2007			2006
Stock market price	2,243	2	114	3,806	4	2,052
Third-party transaction	0	0	0	1,912	4	691
Fair value corresponds with acquisition costs	0	0	0	200	1	0
Stock market price minus discount	0	1	0	0	0	0
Total	2,243	3	114	5,918	9	2,743

22. Balances held with Banks, Cash in Hand

In €,000	2007	2006
Balances with banks, cash on hand	7,650	5,757

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

23. Accrued Income and Expenses

The accrued income and expenses shown in the previous year have been reallocated to "Other Assets".

24. 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. All shares are fully paid.

The shares are traded in the Regulated Market of the Frankfurt Stock Exchange and, at the same time, in the Prime Standard Index. In addition, the shares are traded in the unofficial market of the stock exchanges of Berlin-Bremen, Düsseldorf, Hamburg, Munich and Stuttgart. The shares are also traded on the Warsaw Stock Exchange.

The total share volume remained at 17.5 million in 2006 and 2007.

The company management will propose to the annual general meeting to distribute a dividend of 0.10€/ share and to carry forward the remaining accumulated profits for new account.

25. Capital Reserve

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

In €,000	2007	2006
Position as at 01.01.	531	5,505
Withdrawal from the capital reserves	0	4,974
Position as at 31.12.	531	531

26. Change in Equity

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

27. Authorised Capital

Authorised capital was unchanged as of the 31 December 2007 and totalled €8,750,000. The term of the authorised capital ends on the 27 June 2011.

28. Refinancing Liabilities

The bmp Group has refinancing liabilities to the Kreditanstalt für Wiederaufbau (KfW).

In €,000	2007	2006
Position as at 01.01.	8,577	12,980
Disbursements / Increases	0	507
Repayments / Releases from liability/ Renunciations	-5,430	-4,910
Position as at 31.12.	3,147	8,577

The residual term of these redemption-free loans is between one to three years, they are collateralised through the relinquishments of all claims from the refinanced holdings in the KfW. The book value of the relinquished securities amounts to €2,696,000 (previous year: €4,301,000). The liabilities are attributed to apportioned amortised cost.

29. Liabilities to Banks

In €,000	2007	2006
Position as at 01.01.	0	740
Repayments	0	740
Disbursements	1	0
Position as at 31.12.	1	0
- thereof long term liabilities	0	0
- thereof short term liabilities	1	0

30. Other Liabilities

In €,000	2007	2006
Liabilities to the tax authorities	73	39
Employees' claims to paid leave	41	19
Outstanding invoices	10	9
Profit sharing – KfW	0	101
Liabilities – accounts and audit	87	87
Liabilities – wages and social security contributions	3	3
Board of Directors management bonuses	193	164
Rent	18	30
Commissions	0	26
Share purchase price	0	38
Total	425	516

31. Provisions

31.1 Short-term Provisions

In €,000	01.01.2007	Addition	Utilisation	Release	31.12.2007
Provisions for personnel	180	101	102	60	119
Other provisions	9	0	9	0	0
Total	189	101	111	60	119

In €,000	01.01.2006	Addition	Utilisation	Release	31.12.2006
Provisions for personnel	94	183	-91	-6	180
Other provisions	12	9	-12	0	9
Total	106	192	-103	-6	189

31.2 Long-term Provisions

In €,000	01.01.2007	Addition	Utilisation	Release	31.12.2007
Provisions for personnel	83	0	0	0	83

In €,000	01.01.2006	Addition	Utilisation	Release	31.12.2006
Provisions for personnel	82	1	0	0	83

III. NOTES ON THE PROFIT AND LOSS STATEMENT

32. Sales Revenue

In €,000	2007	2006
Revenue from the sale of investments	3,858	8,341
Revenue from the sale of marketable securities	7,254	2,550
Total	11,112	10,891

The revenue from the sale of investments is realised, once the economic ownership has been transferred to the purchaser. The revenue from the sale of marketable securities is realised on the date of settlement.

33. Other Operating Income

33.1 Other Operating Income

In €,000	2007	2006
Other operating income	630	334
Income from appreciation Joint Ventures	60	91
Income from set-off difference bmp Venture Tech GmbH	4,201	0
Total Other operating income	4,891	425

33.2 Income from Revaluation

In €,000	2007	2006
Income from revaluation of equity investments	1,977	3,308
Other income from revaluation of investments	54	319
Total income from revaluation of investments	2,031	3,627

34. Reduction in Book Value of Investments and Securities

In €,000	2007	2006
Reduction in book value of investments	3,078	4,911
Reduction in book value of securities	6,438	2,038
Total	9,516	6,949

This position shows the reduction in book value of the holdings and securities corresponding to the revenues from the sale of holdings and marketable securities, in which sales of shares that were acquired from the viewpoints of monetary investments are listed at net purchase price under other operating income or other operating expenses.

35. Personnel Expenses

In €,000	2007	2006
Wages	1,350	1,282
Social security contributions and pension costs	141	144
Total	1,491	1,426

The number of employees at the end of the year:

	2007	2006
Number of individuals	14	14
Full-Time-Equivalent	12	13
Trainees	1	0

bmp AG employed on average 14 employees in 2007 (previous year: 15) plus one trainee.

36. Other Operating Expenses

In €,000	2007	2006
Losses on receivables and & transfers to provisions for losses on receivables	172	395
External work	286	574
Office space costs	94	107
Insurance, contributions and charges	105	90
Advertising, travel and stock exchange costs	209	233
Profit shares – third parties from additions to market value	0	23
Various operating costs	444	614
Total	1,310	2,036

37. Income from Investments

In €,000	2007	2006
Interest income from silent partnerships	60	94
Dividends from Joint Ventures	325	0
Dividends from Affiliates	175	0
Total	560	94

38. Interest and Similar Income

In €,000	2007	2006
Interest income from deposits at banks	314	194
Interest income from the granting of loans	172	183
Total	486	377

39. Revaluation of Financial Assets and Marketable Securities

In €,000	2007	2006
Expenses from revaluation of investments	2,688	1,160
- thereof on equity investments	1,628	1,160
- thereof on silent partnerships and loans	1,060	0
Securities held for trading	335	17
Total	3,023	1,177

This position contains expenditure on the valuation of equity investments and silent partnerships, as well as loans that no longer justify their valuation at book value, as well as of marketable securities, including listed shares in which the value or stock market price was below the book value at the end of the year.

40. Interest and Similar Expenses

In €,000	2007	2006
Interest paid for KfW loans	344	815
Interest paid for other long term liabilities	0	22
Other interest and similar expenses	0	7
Total	344	844

IV. NOTES ON THE CASH FLOW STATEMENT**41. 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.

41.1 Cash and Cash Equivalents

The cash and cash equivalents at the beginning and at the end of the periods existed in the form of cash at bank.

41.2 Set-off Adjustment

The termination of the parallel fund bmp Venture Tech GmbH led to a non liquidity-related reduction of the refinancing liabilities for the reporting period. Therefore, the decrease in liabilities to banks was reduced by a non liquidity-related component in the amount of €4,201,000, as KfW relinquished its residual claim to bmp AG.

41.3 Regroupings

In the financial year 2007, investments over €2,182,000 were regrouped in "securities for trading purposes" on account of short-term relinquishment plans. This non-liquidity-related grouping was duly taken into account in the capital flow calculation.

41.4 Cash Flow from Interest

The following interest was received or paid:

In €,000	2007	2006
Interest paid	296	353
Interest received from holdings	60	151
Interest received from banks and other institutions	295	190

V. OTHER INFORMATION

42. Risks and Risk Management

Private Equity Advisory/Fund Management

In the area of Private Equity Advisory bmp today relies predominantly on one client, König & Cie. In order to reduce this risk, bmp strives to attain further customers for the Private Equity Advisory division. A second client was won in the financial year 2007.

Direct Investments

Venture Capital is venture or risk capital, granted with the aim of achieving high returns. Compared to other forms of financing, it clearly has a higher risk potential. Since the companies neither generate profits, nor can the success of their business model be taken for granted at the time the investment is made, this presents a high risk for the company and the bmp Group. In principle this risk increases significantly with greater proximity to the founding of the company.

Time of Disposal and Attainable Sales Revenues

The bmp AG primarily profits from the sale of investments to an institutional or industrial investor (trade sale) or by flotation (IPO). Furthermore, some investments are sold back as management buy back to the founders or co-shareholders. These sales methods are also called exit channels. The company cannot warranty, that the sale of an investment can be sold profitably or can be realised at all. The sale of investments

become especially difficult in weak capital markets and this can therefore lead to negative results for bmp group.

Uncertainty of the economic development of individual companies in the portfolio

Write-offs of investments, even up to the total loss of the initial investment due to insolvency cannot be avoided despite many years of business experience and intensive investment control, nor are they unusual especially with financings in the initial stages of company development. The subsidiaries counteract the financial effects of a drop in value of investments through early support and counter control measures, through the continuous improvement of due diligence, as well as appropriate provisions for risk (allowance for loss on investments) in their balance sheet valuation.

Financing Risks

In the past bmp AG endeavoured to obtain funds for co-financing and re-financing of investments from public loan programmes in order to reduce the risk of defaults from investments in individual companies in the portfolio especially with companies in the initial stages of development. The refinancing loans with a remaining volume of €3.1 million have a fixed term, which is generally 10 years.

The loans are due for repayment in 2009 and 2010, if the term is not extended.

Risks from Foreign Companies

bmp's foreign investments are subject to the laws of each respective country. Furthermore, certain contracts concluded by the bmp group are also subject to country specific laws. The company is thus exposed to the usual dangers and risks of a foreign legal system. The application of foreign law as well as country specific conditions can thus lead to unexpected risks.

Liability associated with the disposal of investments

In relationship to the disposal of investments, bmp group as the seller or -under some circumstances - as a partner with the participation of other investors may have to grant extensive guarantees particularly in relationship to tax liabilities in favour of the purchaser or the purchasers. In addition, bmp group may also be compelled to grant exemption from certain company specific risks. bmp Group strive to limit the liability arising from such guarantees and exemptions to a certain percentage of the purchase price. bmp Group cannot exclude that in some individual cases such liabilities will occur.

Risks of Changes in Interest Rates

bmp group arranges fixed interest rates on all credits, silent partnerships, loans and callable bonds. Consequently there are no associated risks with changes in interest rates. However, variable interest rates are assessed on all short-term monetary investments.

Currency Risks

In the past, bmp Group have used various methods to pay in foreign currency for the acquisition of an investment or to receive payment for the disposal of an investment. Depending on the time of the initial investment and the disposal of the said, there may additionally be – on top of the profit or loss incurred in the disposal of the investment - a capital gain or loss due to currency fluctuation.

Company Dependence on Key Personnel

A wide area of expertise as well as a highly developed network of personal connections and contacts is key to the success for management of a private equity firm. The primary core members of bmp possess the relevant knowledge and a network of personal connections to companies and individuals, which are relevant to the business activity of the company. The success of the company is thus primarily dependant on these persons.

Company Dependence on Economic Cycles and Financial Markets

The economic success of bmp AG in the area of Venture Capital is primarily dependant on the price at which it can acquire its investments or holdings, the positive development of the companies in the investment portfolios and the sale profit achieved in a disposal. A negative commercial development for all, several or individual companies in the portfolio can be caused by various external or internal factors, which the company or bmp Group have no control over. The economic success of bmp Group is to a considerable degree dependant on the general economic development, the development of the industries, in which the companies of bmp Group have invested, and the overall development of the financial markets. This is also directly applicable to Fund Management and Investment.

Valuation and Risk Management

bmp made extensive provisions for all isolated discernable risks in its 2007 Annual Financial Report. Activities in the area of Risk Management were further expanded in 2007. There is a "quality" handbook. bmp has developed an integrated investment control, which makes it possible to quantify and qualify the risks associated with the investment business. Along with balancing target and actual values, on both the investment level as well as the Group level, the system enables a meticulous reporting and simultaneously fulfils the purpose of a management information system.

The commercial development of investments is monitored via intensive communication with the holding or investment. The valuation rate and growth of the investment companies are reviewed quarterly using appropriate mathematical financial models. Depending on the nature and level of development of the investment companies various valuation models are employed for the evaluation, in order to ascertain whether or not the current value to be added lies above the extrapolated acquisition cost. The possibility of counteracting undesirable developments in the investments with appropriate measures is achieved through the continuous acquisition of the current values to

be and through investment controlling.

42.1 Information relating to Financial Instruments

According to IFRS 7 supplementary data must be disclosed, in order to show the meaning of financial instruments for the financial situation and the profit potential of bmp Group and the type and extent of risks, which result from the financial instruments, which the bmp Group is exposed to during the reporting period and at the reporting date.

In the context of its general business activity bmp are exposed to various risks as described above. It is managerial policy to measure these risks through various procedures and to control and limit them as necessary.

For the determination and representation from financial instruments after IFRS 7 sensitivity analysis was carried out. Within the context of the analysis the effect of each respective market price risk on equity capital and its result was evaluated by varying the risk variables. All effects on the balance sheet, represented in the following, impacted on the equity capital in the same way, since the financial instruments were valued either at Fair Value through profit and loss or with apportioned amortised cost.

In the bmp Group financial instruments are divided into the following classes:

- » Financial Instruments valued at Fair Value
- » Financial Instruments valued at apportioned amortised cost
- » Financial Instruments not applicable according to IFRS 7

The financial instruments not applicable to the application of IFRS 7 include joint ventures, which are evaluated according to the equity method.

Net Results from Financial Instruments according to evaluation categories of IAS 39:

In € ,000	2007	2006
Financial instruments at fair value through profit and loss	1,831	6,073
Loans and receivables	-686	395
Financial liabilities at amortised cost	-344	-844

The net results from financial instruments are made up of interest, the evaluation result and profits due to disposal.

42.2 Foreign Exchange Risk

The foreign exchange risk results essentially from open investments and securities, which are held in the Polish zloty. Currency hedging was not initiated. If the zloty had appreciated by 10% in comparison to the euro, the equity capital and the annual profits would have increased by €291,000 (previous year €362,000). If the zloty had depreciated by 10% in comparison to the euro, the equity capital and the annual profits would have decreased by €238,000 (previous year €296,000).

42.3 Interest Rate Risk

The interest risk results from the changes of the market rate of interest on the one hand, and from changes of the riskless interest in the capitalisation interest rate of the discounted cash flow computation on the other hand. Interest rate hedging was not initiated. If the interest yield curve had been higher by 100 basis points, the equity capital and the annual profits would have increased by €128,000 (previous year: €57,000). If the interest yield curve had been lower by 100 basis points, the equity capital and the annual profits would have decreased by €123,000 (previous year: €57,000).

42.4 Price Risk

The price risk results from the change of the share price indices, which on the one hand has a direct influence on the evaluation of the listed investments, and an indirect influence on the evaluation of listed comparison group on the other hand, which were evaluated by multiplier procedures.

Exchange hedging was not initiated.

The analysis of sensitivity was accomplished on the basis of the volatility of the investments or the listed comparison group, respectively, compared to the respective index in each case. If the relevant share index had been 10% higher, the equity capital and the annual profits would have increased by €1,954,000 (previous year €3,233,000). If the relative share index had been 10% lower, the equity capital and the annual profits would have decreased by €1,887,000 (previous year: €3,263,000).

42.5 Transition of the Balance Sheet Items to the Classes of the Financial Instruments

The book value of the financial instruments according to the evaluation categories of IAS 39 is represented as follows:

In €,000	31.12.2007	31.12.2006
Equity investments at fair value	16,387	14,985
Silent partnerships, loans and receivables at amortised cost	10,371	10,184
Securities held for trading	2,244	5,918
Financial liabilities at amortised cost	3,641	9,189

The transition of the financial instruments, divided in book values and Fair Values, is shown in the following table:

2006	At Fair Value	At Amortised Cost	Not Covered by IFRS 7	Balance Sheet Item as at 31.12.06
In € ,000	Book Value	Book Value	Book Value	
Long-term assets				
Equity investments	14,985			14,985
Silent partnerships and loans		2,703		2,703
Affiliated companies and Joint Ventures		45	289	334
Current assets				
Trade accounts receivable		890		890
Receivables and other assets	5,918	789		6,707
Cash on banks and cash on hand		5,757		5,757
Long-term liabilities				
Liabilities from refinancing activities		8,577		8,577
Current liabilities				
Trade accounts payable		96		96
Liabilities to banks		0		0
Other liabilities		516		516
2007				
	At Fair Value	At Amortised Cost	Not Covered by IFRS 7	Balance Sheet Item as at 31.12.07
In € ,000	Book Value	Book Value	Book Value	
Long-term assets				
Equity investments	16,387			16,387
Silent partnerships and loans		657		657
Affiliated companies and Joint Ventures		222	349	571
Current assets				
Trade accounts receivable		498		498
Receivables and other assets	2,244	1,344		3,588
Cash on banks and cash on hand		7,650		7,650
Long-term liabilities				
Liabilities from refinancing activities		3,147		3,147
Current liabilities				
Trade accounts payable		68		68
Liabilities to banks		1		1
Other liabilities		425		425

43. Contingencies

Within the framework of the sale of shares in holding companies, it is standard for finance investors to have to give guarantees and warranties to the purchasers. bmp AG and its subsidiaries have assumed comprehensive guarantees and warranties, as customary within the respective trades, in sales of shares. There is presently one case, in which the purchaser claims US-\$49,000, the Management deems this claim as unjustified.

44. 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.

	2007	2006
Consolidated net profit in €,000	3,626	3,173
Average number of shares	17,500,000	17,500,000
Profits per share in €	0.21	0.18

45. Capital Management

The goal in the management of the equity capital on the balance sheet of €25.6 million (previous year: €22 million) is to make sure, that the bmp Group can achieve its targets and strategies in the interest of the shareholders, its employees and its remaining stakeholders. The Board of Directors focuses primarily on the achievement of an appropriate return on invested capital.

The financial target system of bmp Group is directed towards the continuous and lasting increase in value of the investments, the increase of fees from Assets under Management and the company value. In order to measure the success of the individual investments, we have used industry standard measuring procedures and indices for years.

46. Disbursement Obligations

There exist disbursement obligations to holdings and from loan agreements to the value of €1,939,000.

47. Permanent Debt Obligations

The obligations in 2008 from rental and leasing contracts total €104,000 (previous year: €92,000).

48. Divisional Reporting

At present, divisional reporting is not considered appropriate for the business operations of bmp AG with respect to its business segments or for its geographic orientation.

49. Declaration of Conformity pursuant to Section § 161 German Stock Corporation Law (AktG)

The Board of Directors and the 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 website of bmp AG.

50. The Auditors' Fees

The following auditors' fees were recorded as expenses in the financial year 2007:

In € ,000	2007	2006
Fee for accounts and audit	56	42
Tax consultancy fee	17	4
Other fees	3	1
Total	76	47

51. Information on the Company's Executive Bodies

51.1 Board of Directors

Members of the Board of Directors of bmp AG in the financial year 2007 were:

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

51.2 Remuneration of the Board of Directors

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

The fixed remuneration consists of a basic salary and contributions to insurance policies, the remuneration in kind consists of company vehicles, which may also be used for private purposes and benefits as outlined in section § 3 subsection 33 EStG (Income Tax Act). The variable component consists of a percentage share of profits and, if applicable, a bonus.

If the pre-tax profit amounts to at least €0.5 million, the percentage of profit share for each member of the Board of Directors according to HGB (German Commercial Code) amounts to 3% of the pre-tax profit of bmp AG, and 4% for the Chairman of the Board of Directors. The percentage of profit share for each Board member on pre-tax profits of bmp AG of over €2.5 million according to HGB amounts to 2.55%, and 3.4% for the Chairman of the Board of Directors. The percentage of profit share for each Board member on pre-tax profits of bmp AG of over €3.5 million according to HGB amounts to 1.8%, and 2.4% for the Chairman of the Board of Directors.

In addition to this, a separate bonus agreement has been made with Mr. Günther, according to which Mr. Günther will receive 3.5% of the cash value of future cash flows from "Assets under Management", which have been newly acquired in the area of

Private Equity Advisory. The bonus entitlement is only effective in the case of primary profit share, and 50% of this bonus will be offset against the primary bonus.

This was allocated as follows:

In €'000	Fixed remuneration	Contributions to insurance	Company car	Variable Payment	Allowance	Total 2007	Total 2006
Oliver Borrmann	150	13	6	103	1	273	242
Ralph Günther	140	14	8	114	3	279	205
Andreas van Bon	140	14	9	77	0	240	205
Total	430	41	23	294	4	792	652

51.3 Other Offices held by the Members of the Board of Directors

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

YOC AG	01.01. – 30.05.07
ErgoTrade AG	year-round
Newtron AG	year-round
brand eins Medien AG (Vorsitz)	year-round
Revotar Biopharmaceuticals AG (stell. Vorsitz)	year-round
König & Cie. Private Equity AG (stell. Vorsitz)	01.01. – 19.07.07
Heliocentris Fuel Cells AG (Vorsitz)	year-round
bmp Media Investors AG & Co. KGaA	01.08. – 31.12.07

Mr. Borrmann is also a member of the Board of Directors of Batea Fondsvermittlung und –verwaltungs AG, as well as Managing Director of bmp Venture Tech GmbH and of bmp Treuhand- und Verwaltungs GmbH.

Mr. Günther is Managing Director of bmp Venture Tech GmbH, König & Cie. Private Equity Management GmbH, as well as of König & Cie. II Private Equity Beteiligungs- und Treuhand GmbH.

Mr. van Bon is a member of the Supervisory Board of the following companies:

Gamigo AG	year-round
bmp Beteiligungsmanagement AG	01.08.07 – 31.12.07

Mr. van Bon is also a member of the Board of Directors of Batea Fondsvermittlung und –verwaltungs AG and Managing Director of König & Cie. Private Equity Management GmbH, as well as of König & Cie. II Private Equity Beteiligungs- und Treuhand GmbH.

51.4 Advance Payments

In October 2007, the members of the Board of Directors received an advance payment on royalties for the business year of 2007 amounting to €100,000. Of this amount the chairman received €40,000 and the other members of the Board received €30,000 each.

51.5 Supervisory Board

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

Gerd Schmitz-Morkramer, Munich, Chairman of the Supervisory Board	Lawyer
Bernd Brunke, Berlin, Vice Chairman of the Supervisory Board	Partner of Roland Berger Strategy Consultants
Ulrich Ankele, Oberursel Member of the Supervisory Board	Former Director of KfW

Overall remuneration of the Supervisory Board of bmp AG in the 2007 financial year totalled €50,000 (previous year: €49,000).

In detail, the members of the Supervisory Board were entitled to the following remunerations:

In €'000	2007	2006
Gerd Schmitz-Morkramer	27	21
Bernd Brunke	13	7
Ulrich Ankele	10	6
Resigned members	0	15

Mr. Schmitz-Morkramer is member of the Supervisory Board of the following companies:

YOC AG (Chairman)	year-round
Merck Finck Treuhand AG (Chairman)	year-round
MLP AG (Vice Chairman)	year-round
Merck Finck Vermögensbetreuungs AG	year-round

Mr. Brunke and Mr. Ankele hold no other memberships on supervisory boards or other supervisory bodies.

51.6 Shareholdings of the Board of Directors and the Supervisory Board as of 31 December 2007

Members of the Board of Directors held 2,472,030 shares, the members of the Supervisory Board held no shares.

52. Information on Relations with Affiliated Companies and Individuals

In the 2007 financial year, no transactions were made with other individuals in key positions or close relations of individuals in key positions.

53. 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.

54. Shareholdings pursuant to Section § 21 Subsection 1 or Subsection 1a Securities Trading Law (WpHG)

Oliver Borrmann, Berlin	13,99%
ING Towarzystwo Funduszy Inwestycyjnych S.A	10,05%
Walther-Gruppe, Paderborn	7,53%
Roland Berger-Gruppe, München	8,83%

55. Declaration of Legal Representatives

To the best of our knowledge we declare, that in accordance with the accounting principles in the reporting of the Consolidated Financial Statements, an accurate representation of the financial and profit situation of the Group, as well as of the business situation, the business result and the circumstances of the Group, was presented in the Annual Report in such a way, that the actual circumstances and the essential opportunities and risks of the prospective development of the Company are described.

56. Share Property

Enterprises, in which the Company has either indirect or direct holdings according to Section § 313 Subsection 2 point 4 HGB:

Company	Share %	Shareholders	
		Equity 31.12.2007	Annual results 2007
Subsidiaries:			
bmp Polska Sp.z o.o., Warsaw/Poland	100.00	TPLN 248	TPLN -20
Batea Fondsvermittlungs und -verwaltungs AG, Berlin	100.00	90	40
Central & Eastern Europe Venture GmbH, Berlin	100.00	106	1,247
bmp Media Investors AG & Co. KGaA, Berlin	100.00	3,977	-562
bmp Eco Investors GmbH & Co. KGaA, Berlin	100.00	2,094	-6
bmp Beteiligungsmanagement AG, Berlin	100.00	39	-7
bmp Venture Tech GmbH, Berlin	100.00	-20,380	71
bmp Treuhand- und Verwaltungs GmbH, Berlin	100.00	21	-2
Joint Ventures:			
König & Cie. Private Equity Management GmbH, Hamburg	50.00	575	496
Investments:			
ErgoTrade AG, Hallbergmoos	49.99	970 (1)	110 (1)
gamigo AG, Rheine	46.68	11 (1)	-144 (1)
Revotar Biopharmaceuticals AG, Henningsdorf	44.10	1,117	-2,654
Newtron AG, Dresden	35.61	-1,302 (1)	93 (1)
Nokaut Sp. z o.o., Gdynia/Poland	31.65	TPLN 169 (1)	TPLN -460 (1)
K2 Internet S.A., Warsaw/Poland	42.62	TPLN 3,455 (1)	TPLN 1,095 (1)
mando.TV GmbH, Berlin	23.98	470	-68
Shotgun Pictures GmbH, Stuttgart	20.00	-544 (1)	-423 (1)
TFG Capital AG Unternehmensbeteiligungsgesellschaft	6.47	29,130 (1)	2,052 (1)

(1) Balance sheet data as of 31.12.2006

16. April 2008

Oliver Borrmann
Board of Directors

Ralph Günther
Board of Directors

Andreas van Bon
Board of Directors

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 2008.

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

The Management Board

Financial Calendar 2008

30 May 2008	Publication of Quarterly Results
09 July 2008	Shareholders' Meeting 2007
29 August 2008	Publication of Half Year Results
28 November 2008	Publication of Nine Months Results
November 2008	Analyst Conference in the course of German Equity Forum 2008
November 2008	Analyst Conference in Warsaw

Directions

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- » From Tegel Airport: Bus 109 (going to Zoologischer Garten)
- » From Hauptbahnhof: S-Bahn S5, S75, S9 until Savignyplatz
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