



Annual Report 2010

bmp

OVERVIEW

	2010	2009	2008	2007	2006
Turnover T€	7,093	1,501	4,037	11,112	10,891
Net surplus/loss for the year T€	2,246	-10,101	230	3,626	3,173
EBIT T€	1,573	-10,523	-315	2,925	3,546
Results/Share €	0.13	-0.58	0.01	0.21	0.18
Balance sheet total T€	18,032	16,890	27,816	29,476	31,462
Equity capital T€	16,253	14,007	24,108	25,628	22,002
Portfolio volume (IFRS-book value)* T€	10,633	12,778	20,867	18,630	20,702
Number of direct investments	13	13	17	17	23
Employees at the end of the year (FTE)	12	12	13	12	13
Number of outstanding shares in million	17.50	17.50	17.50	17.50	17.50

* equity investments only

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bmp History

June 1997

Founding of bmp Aktiengesellschaft.

September 1998

Founding of bmp Venture Tech GmbH in Berlin; 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 1 January 2005.

February 2005

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

December 2006

Founding of bmp Media Investors AG & Co. KGaA (venture capital direct investments in the areas of media, entertainment and marketing services). (Merger with bmp AG decided as of 1 January 2011.)

December 2007

Founding of bmp Eco Investors GmbH & Co. KGaA, (venture capital direct investments in the areas of renewable energy and clean technology. (Merger with bmp AG in Autumn 2010.)

March 2010

bmp wins fund-management mandate for a € 20 million venture capital early stage fund in Brandenburg.

March 2011

Focus on and sustainable expansion of the venture capital core business in the area of media and marketing services. Further simplification of the Group structure.

Mission Statement

bmp is an international financial investor. We invest our own assets as well as our clients' funds in the private equity investment category, primarily in the area of venture capital, thus in the investment of innovative growth companies.

Our goal is the building up, the development and the sale of promising companies as well as the achievement of a disproportionately high return for our clients and shareholders.



Andreas van Bon

Oliver Borrmann

Dear shareholders Dear friends and business partners,

In the main, 2010 was a successful year for bmp AG. Particularly noteworthy are the disposals of the investments in Nokaut and nugg.ad, which resulted in considerable sales and earnings increases. The company's successful bid in the invitation to tender for the management mandate of the € 20 million venture capital fund "BFB Frühphasenfonds Brandenburg" was also very gratifying.

The Fund Investments area was not further expanded. Following the departure of Executive Board member Ralph Günther on 31 January 2011, who was responsible for this area, we will in future concentrate on managing our existing customers rather than actively looking for new customers.

In 2010, the bmp Group again generated clearly positive earnings (€ 2.2 million) following heavy losses in 2009. This corresponds to earnings of € 0.13 per share. There was also a sharp increase in turnover from € 1.5 million to € 7.1 million, due primarily to the sale of the two investments nugg.ad and Nokaut.

In addition to these positive results, we also reduced our liabilities from € 2.9 million to

€ 1.8 million, thus increasing the Group's equity ratio to 90%. Of the liabilities, € 1.3 million concern a project-related KfW refinancing loan with a term to September 2012.

Despite reducing liabilities, the Group's liquidity also improved on a sustainable basis. Cash in hand amounted to € 5.7 million at the end of the year following € 3.2 million at the end of 2009. Short-term marketable securities increased to € 4.3 million, so that at the end of the year the Group held € 10.0 million in marketable securities and cash equivalents.

On the whole, our core business of venture capital investments in young, innovative companies developed well. Although bmp itself made only two new investments, it activated six new investments on behalf of BFB Frühphasenfonds Brandenburg in the second six months of 2010 alone. We expect a further increase in 2011 for both bmp AG and BFB Frühphasenfonds.

Revotar Biopharmaceuticals AG, which was responsible for the most of our losses in 2009, obtained additional financing in 2010, which was guaranteed by the performance of a major clinical phase IIa study in the area of COPD.

The study was completed exactly according to schedule in mid-December and positive top-line results were presented at the end of February 2011. On the basis of this data, we assume that a scenario can be created in 2011 which will allow the company to conduct a follow-up study.

We expect 2011 to provide a good climate for the venture capital market. We therefore expect to make considerably more new investments in 2011 and to see development of the exit situation continue positively. All of this suggests that 2011 can be a successful year for bmp.

We have set ourselves ambitious targets for 2011. However, we particularly want to simplify the structure of bmp AG, to make the company more transparent in order to increase its shareholder value on a continuous basis. A key aspect in this respect is to focus on our most successful and extensive field of investment, the area of media and marketing services.

We would like to thank you for the trust you have placed in us and look forward to experiencing with you a very exciting and successful business year 2011.



Oliver Borrmann



Andreas van Bon

bmp AG: A Financial Investor for High-Growth Companies

bmp invests its own assets as well as its clients' funds in the private equity investment category. We currently operate in two business areas with the key focus on the first.

(1) In the area of Direct Investments, bmp invests primarily in innovative growth companies in Germany and Poland.

(2) In the area of Private Equity Advisory, bmp advises third parties with respect to their investments in private equity (direct investments or funds) and is responsible for their subsequent management.

The business model of bmp is based chiefly on capital gains from the disposal of investments from its own portfolio. Management fees from the Private Equity Advisory area also make a smaller contribution.

The most important value driver for bmp continues to be its own investments in the bmp AG portfolio which are held and developed over years to be sold again, if possible at a profit.

Direct Investments

At present, bmp invests venture capital (risk capital) mainly in young, innovative capital growth companies.

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 investment in an 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

For our own portfolio, we concentrate on the media and marketing services industries. In regional terms, bmp focuses 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.

Investment Strategy

The investment strategy for the bmp AG portfolio can be summarised as follows:

- » Geography: Germany and Poland
- » Company phase: seed, start-up, expansion
- » Industry focus: media and marketing services
- » Style: predominantly open minority investments

If future, we also intend to invest in more mature companies within the target industry as well as in existing shares. This may take place by means of capital increases or the acquisition of existing shareholder stakes in such companies in return for cash or bmp AG shares.

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

Private equity is understood to be an advisory undertaking for mainly institutional investors with respect to their investments in private equity. Hereby, the task may encompass the examination, selection and supervision of possible investments; in addition fund products are structured and managed for customers. Investments are understood to be direct investments (e.g. for BFB Frühphasenfonds Brandenburg GmbH) or fund investments (e.g. for König & Cie. Private Equity Products). The investment strategy is based on customer specifications.

The revenue model in this area generally contains an ongoing management fee and a performance-related profit share.

After almost 15 years of business activity in the Private Equity industry, bmp has acquired a profound knowledge of the markets and the most important market participants. Based upon our own experience as a venture capital investor and fund manager, we have the necessary expertise to advise customers competently.

The Investment Portfolio

On 31 December 2010, the Group's investment portfolio contained 13 investment holdings, three fewer than on balance sheet date 2009.

Investments in holdings made in 2010 amounted to € 2.0 million and were thus slightly higher than in the same period of the previous year (€ 1.5 million). These investments concentrated on the acquisition of two new holdings as well as additional financing for existing holdings.

Overall, we made five exits in 2010. In terms of sales revenue, the sales of shares in nugg.ad AG and Nokaut Sp. z o.o. were the most significant.

The new investments related to a share in Xamine GmbH, a provider of business intelligence solutions for online marketing. A share of 30% was posted for the first time here with a capital increase in April 2010. Further funds were invested here during the business year so that at the end of the year the share had increased to 49.42%. An investment was also made in vertical techmedia AG in April 2010. vertical techmedia markets advertising inventory of selected online brands in the areas of IT and consumer electronics. On 31 December 2010, the share in this company was 22.5%.

With respect to additional funding, particular attention should be drawn to the investments in Revotar Biopharmaceuticals AG and Self Loading Content GmbH holdings. In the case of Revotar AG, bmp AG did not participate fully in a capital increase in June 2010. However, through the acquisition of another shareholder's shares, the total holding remained approximately the same (38.97% compared with 39.43% on 31 December 2009). In the case of Self Loading Content GmbH, several loan tranches were paid out in 2010.

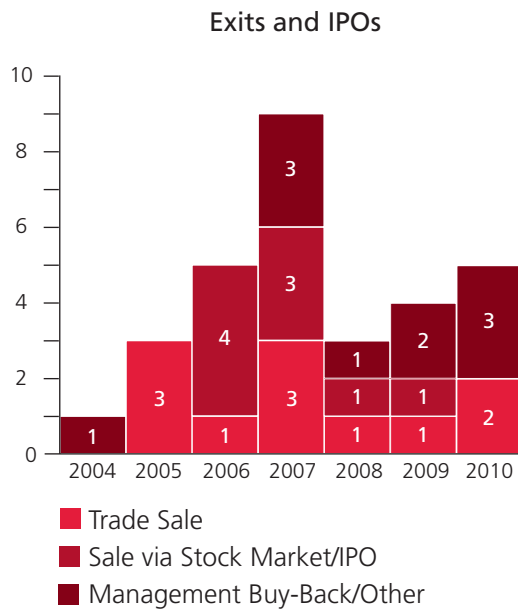
In February 2010, we reported the first exit of the business year. The sale of the 34.26% hol-

ding in the Polish Nokaut Sp. z o.o. to an LBO fund managed by TFI Investors generated sales revenue of approximately € 1.35 million. This is four times the capital investment in the company since 2006.

In August 2010, we sold the 22.89% holding in Berlin-based nugg.ad AG as part of a 100% takeover by Deutsche Post Beteiligungen Holding GmbH, a 100% subsidiary of Deutsche Post AG. This transaction generated an IRR of almost 50%. A small proportion of the purchase price will remain on an escrow account until 2012, the purpose of which is to hedge guarantees. It will subsequently affect liquidity.

In addition, three holdings were sold by way of management buybacks. One of these was the sale of the investment in Tembit Software GmbH to the management. This involved the disposal of the bmp Group's last silent partnership. We also sold the shares in Shotgun Pictures GmbH and Brand New World GmbH to the respective company management.

For the two listed holdings, Heliocentris Energy Solutions AG and K2 Internet S.A., there were only slight changes to the number of shares held.



The portfolio volume at acquisition cost of the entire investment portfolio decreased within the year from € 22.1 million to € 19.0 million.

As at 31 December 2010, the cumulative portfolio value for the investment portfolio, at € 10.6 million, was down on the figure for the last balance sheet date (€ 12.4 million). The valuation result for business year 2010 from the entire portfolio was € 0.5 million, significantly better than in the previous year (€ -8.2 million). However, the previous year was characterised by a high specific impairment on the investment in Revotar AG.

Rising stock market prices led to a slight increase in valuation multiples derived from the stock exchange in 2010 (applied to the calculation of carrying amounts for four of the investment holdings in accordance with the multiplier method). Moreover, the values of our two listed holdings performed positively on the whole. While the share price of K2 Internet rose by more than 150% in 2010, the holding value of Heliocentris shares remained at the previous year's level.

The average stake in each holding of the overall portfolio on 31 December 2010 was around 31% per company; average capital invested in each holding was approximately € 1.4 million. On the balance sheet date, 78.2% (previous year: 80.7%) of the portfolio value related to holdings in Germany. Measured at fair value in accordance with IFRS, on the balance sheet date 87.1% of the portfolio value (previous year: 72.4%) related to the five main portfolio holdings.

Events following the report date:

In mid-March 2011, we reported the disposal of another holding. The 49.99% holding in ergoTrade AG was sold as part of a 100% takeover by Sims Group German Holdings GmbH, a subsidiary of Sims Metal Management Ltd. The agreed suspensive conditions have now been applied and the closing took place at the beginning of April this year. The contribution to earnings from this transaction was already made on 31 December 2010 by way of a relevant attribution in the Group financial statements. However, most of the liquidity flow will not become effective until the second quarter of 2011; one part will also remain here in an escrow account until 2012.

At the end of February 2011, Revotar Biopharmaceuticals AG concluded a major clinical phase IIa study for COPD (Chronic Obstructive Pulmonary Disease) with positive top-line results. On the basis of these promising results, bmp and other shareholders have implemented a capital increase in order to secure the financing for 2011. Management and shareholders are now aiming to sell the company, or achieve an IPO or licence deal with a pharmaceuticals company by the end of 2011. bmp is increasing its share in Revotar through this round of financing to slightly above 40%.

The investment in Republika Kobiet Sp. z o.o., Poland, was sold to the management in February 2011.

Portfolio Companies as at 31.12.2010

	Name	Entry	Share %	Phase	Volume Mio. €
1	ergoTrade AG*	10/2000	49.99	Expansion	1-2.5
2	European Telecommunication Holding AG	12/1998	2.12	Expansion	1-2.5
3	GreenHanger GmbH	10/2007	49.97	Start-Up	<1
4	Heliocentris Energy Solutions AG	05/2006	12.35	Expansion	1-2.5
5	K2 Internet S.A.	06/2000	18.07	Expansion	<1
6	Motor Entertainment GmbH	01/2009	11.09	Expansion	<1
7	Newtron AG	08/1999	32.25	Expansion	1-2.5
8	Pomocni Sp. z o.o.	07/2009	17.24	Start-Up	<1
9	Republika Kobiet Sp. z o.o.*	11/2007	74.97	Seed	<1
10	Revotar Biopharmaceuticals AG	07/2000	38.97	Start-Up	>2.5
11	Self Loading Content GmbH	12/2007	29.68	Start-Up	<1
12	vertical techmedia AG	04/2010	22.50	Start-Up	<1
13	Xamine GmbH	04/2010	49.42	Start-Up	<1

*Shares sold in the first quarter of 2011.

Overview of holdings in alphabetical order Active portfolio as at 31 March 2011

Shareholdings may differ between 31 December 2010 and 31 March 2011)

ergoTrade AG *

Lohstrasse 26
85445 Schwaig/Oberding
www.ergotrade.info, www.xsellent.de

ergoTrade was founded in 2000 as a trading company and has become a pioneer in the IT asset recovery and remarketing sector. By developing its business model on an ongoing basis, ergoTrade became one of the leading European companies for IT lifecycle services.

- » Co-venturing partner: Venture Catalyst GmbH
- » bmp's stake: 49.99%
- » In the bmp portfolio since: October 2000

* Sold in Q1/2011 to Sims Group German Holdings GmbH

European Telecommunication Holding E.T.H. AG

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

E.T.H. AG is the market leader in the German/ethnic telecommunications market and a leading alternative telecommunications provider in Turkey. ETH provides telecommunications products and services by way of its three subsidiaries Millenicom GmbH, Alovatan GmbH and Millenicom A.S.

- » Co-venturing partners: Çukurova Investments N.V., Arche Finanz GmbH
- » bmp's stake: 2.12%
- » In the bmp portfolio since: December 1998

GreenHanger GmbH

Josetti Höfe 513 / PF 173
Rungestraße 22-24
10179 Berlin
www.greenhanger.de

GreenHanger GmbH has developed and successfully established the business concept of advertising-financed clothes hangers in the German market. GreenHanger owns the rights to various ambient media products and, in conjunction with a distribution partner, has set up its own range of services covering more than 50% of the German textile cleaning market. GreenHanger has exclusively licensed its products out for the Brazilian and German markets.

- » Co-venturing partners: b-to-v Private Equity S.C.S., SICAR
- » bmp's stake: 49.97%
- » In the bmp portfolio since: October 2007

Heliocentris Energy Solutions AG

Rudower Chaussee 29
12489 Berlin
www.heliocentris.com

Heliocentris Fuel Cells AG is a specialist in clean energy storage solutions based on a smart combination of batteries, fuel cells and energy management. These are used in both mobile and stationary applications. Examples include electric vehicles, onboard and emergency power supplies as well as electricity supply for off-grid applications such as monitoring stations and energy self-sufficient houses. Heliocentris is also a world-leading fuel cell provider for the education market (schools, universities, research institutes).

- » bmp's stake: 12.35%
- » In the bmp portfolio since: May 2006

K2 Internet S.A.

al. Solidarności 74A
00-145 Warsaw
Poland
www.k2.pl

K2 Internet S.A. is one of the leading Polish independent providers of specialised services in the application of modern media and technology to strengthen the customer USP in the field of marketing, sales and CRM.

- » bmp's stake: 18.07%
- » In the bmp portfolio since: June 2000

Motor Entertainment GmbH

Brunnenstr. 24
10119 Berlin
www.motor.de

Motor Entertainment specialises in comprehensive artist development in the alternative music field, acquiring music rights and supporting artists in exploiting such rights. With the 360 degree approach, artists are offered all relevant marketing channels either that Motor provides as a company division or by way of a participation or cooperation.

- » bmp's stake: 11.09%
- » In the bmp portfolio since: January 2009

Newtron AG

Budapester Str. 3-5
01069 Dresden
www.newtron.net

Newtron AG develops and markets solutions for integrated procurement procedures for companies. Newtron offers direct access to a mature and intuitive ASP solution. Its offering includes needs assessment, supplier search and qualification, enquiries, tenders and auction, supplier management, catalogue and procurement tools,

VMI and VMO, immediate speed analysis and assessment as well as WebEDI and integration solutions for ERP & PDM systems. Value added is optimised over the entire sourcing and procurement process.

- » Co-venturing partner: Holtzbrinck Ventures GmbH
- » bmp's stake: 32.25%
- » In the bmp portfolio since: August 1999

Pomocni Sp. z o.o.

ul. Tagore 3/37
02-647 Warsaw
Poland
www.pomocni.pl

Pomocni is a marketplace for domestic services focused on child care (nannies). Pomocni has also launched other services in the areas of cleaning personnel, senior citizen care and support as well as handicraft.

- » Co-venturing partner: Team Europe Ventures
- » bmp's stake: 17.24%
- » In the bmp portfolio since: July 2008

Revotar Biopharmaceuticals AG

Neuendorfstr. 24a
16761 Hennigsdorf
www.revotar.de

Revotar develops innovative medications for treating inflammatory conditions such as psoriasis, chronic-obstructive pulmonary disease (COPD) and acute lung injury (ALI). The most advanced candidate drug, Bimosiamose, has been tested on over 200 volunteers and patients for asthma, COPD and psoriasis in several Phase I and Phase IIa studies and been found to be safe and effective.

- » Co-venturing partners: IBG Risikokapitalfonds, MVC Unternehmensbeteiligungsges. mbH, BFB Beteiligungsfonds Brandenburg

- » bmp's stake: 38.97%
- » In the bmp portfolio since: July 2000

Self Loading Content GmbH, Berlin

Gubener Straße 47
10243 Berlin
www.dailyme.tv

By means of the innovative slc platform, Self Loading Content GmbH operates the dailyme.tv service, amongst others, which provides videos to smart phones. For this purpose, the user initially compiles a personal video program after which the videos are automatically updated via push download. As a result, the video program on the smart phone is always up-to-date. dailyme.tv refinances itself by way of advertising income in which the content owners participate. White-label integration is offered to selected partners. In addition to video, the slc-Plattform can also distribute all other forms of rich media (audio, images, text, e.g. in the form of digital magazines) on a mobile basis.

- » Co-venturing partners: IBB Beteiligungsgesellschaft mbH (VC Fonds Berlin, VC Fonds Technologie Berlin), KfW, YOC AG
- » bmp's stake: 49.99%
- » In the bmp portfolio since: December 2007

vertical techmedia AG

Destouchesstraße 68
80796 Munich
www.verticaltechmedia.de

vertical techmedia AG (VTM) markets advertising inventory of high-quality, selected online brands in the areas of IT and consumer electronics. As a vertical network, VTM gives advertisers access to decision-makers, consumers and disseminators interested in these topic areas. Advertisers can quickly and effectively reach these target groups via VTM with customised

offers for individual sites or by booking specific channels via various sites.

- » Co-venturing partner: Software & Support Verlag
- » bmp's stake: 22.50%
- » In the bmp portfolio since: April 2010

Xamine GmbH

Theresienstraße 31
D-80333 Munich
www.xamine.com

Xamine enables companies to increase the efficiency of their strategy development and to make significant cost savings in online marketing on the basis of highly qualified data and analyses. Xamine business intelligence solutions can be procured for a monthly fee which depends on the scope required. Customers can use these solutions comfortably using their own internet browser (SaaS). The Primary Assessment and Investigate Assessment packages are available for complex problems. Both are easily scalable yet individual advisory services. However, conventional consulting and agency work are not included in the offer.

- » bmp's stake: 49.42%
- » In the bmp portfolio since: April 2010

The bmp Share

The bmp share moved largely sideways again in business year 2010. After starting the year at € 0.76 per share on Xetra, it hit its low point of € 0.68 per share at the end of May. By the beginning of December, it had initially risen to € 1.00 and ended at a price of € 0.90 per share.

The share's sideways movement initially continued during the first two months of 2011. However, since the beginning of March the bmp share price rose considerably accompanied by significant higher trading volume in Germany and Poland, reaching its highest level of € 1.19 since early 2008 on 4 March. Since then, the share has stabilised above € 1.00 with continuing positive trading volume.

bmp did not have any research studies prepared in 2010 and participated in only one analyst conference in Germany. In 2011, Investor Relations work will be enormously expanded, partly to increase the liquidity in the share on a sustainable basis and partly to provide clearer information on bmp AG's re-alignment.

Shareholder structure

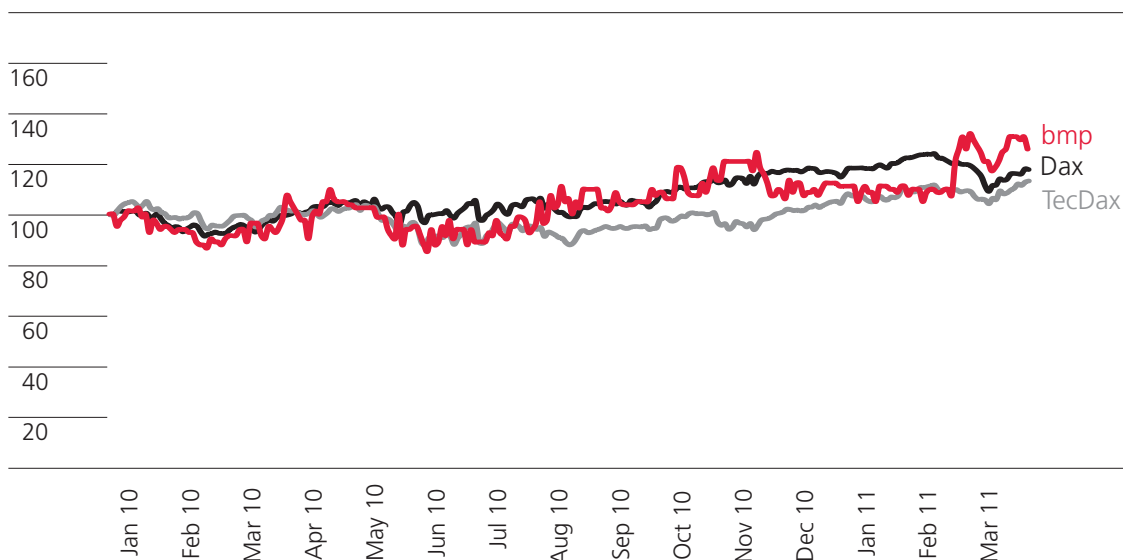
As of 31 December 2010, Oliver Borrmann held 16.79% of a total of 17,500,000 shares, the

Roland Berger Group 8.83%, and the Walther Group 7.53%. 66.85% of the shares were in free float.

Members of the Executive Board held 16.95% of the shares on the balance sheet date.

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

bmp share price performance compared with Dax and TecDax (29.12.2009 - 31.03.2011)
(Index 100 = price as at 29.12.2009)



GROUP MANAGEMENT REPORT FOR BUSINESS YEAR 2010

On the whole, business year 2010 was a good one for the bmp AG Group. The Venture Capital business performed successfully. Two new investments were made via bmp Media Investors (Xamine GmbH and vertical techmedia AG). The interests in nugg.ad AG and Nokaut Sp. z o.o. were sold very successfully in the context of trade sales. The investments in Tembit GmbH, Brand New World GmbH and Shotgun Pictures GmbH were sold in the context of management buybacks.

At € 7.1 million, sales revenue was considerably higher than in the previous year (€ 1.5 million). bmp AG also obtained an assignment to manage a € 20 million early-stage fund in Brandenburg following a Europe-wide invitation to tender.

The Private Equity Advisory business provided support only for existing customers.

Due to these factors, the bmp Group recorded a profit under IFRSs of T€ 2,246 in business year 2010. Equity increased to € 16.3 million or from 87% to 83% to 90% of the balance sheet total.

Cash on hand and bank balances increased from € 3.2 million as of 31 December 2009 to € 5.7 million as of 31 December 2010. Current marketable securities increased from € 0.4 million on 31 December 2009 to € 4.3 million on 31 December 2010.

In addition to the considerable improvement in earnings performance, bmp also considerably increased liquidity from original business operations while reducing the debt to KfW by € 1.3 million in business year 2010.

1. Market developments and market position

The regional investments in the area of direct in-

vestments for bmp are concentrated on the two markets of Germany and Poland, with a large majority of the investments in Germany.

According to data (Annual Report 2010) from the German Private Equity and Venture Capital Association (BVK Bundesverband Deutscher Kapitalbeteiligungsgesellschaften e.V.), the German private equity industry recovered considerably following heavy losses due to the financial and economic crisis of 2010.

The investment level increased considerably and sustainably over 2009. Private equity investments in Germany amounted to € 4.44 billion, an increase of 59% compared with the previous year. Approximately 15% of this related to venture capital investments, i.e. a slightly lower percentage than in 2009 (23.2 %). The volume calculated in euro stagnated at the previous year's level of approximately € 650 million. As in previous years, the majority of investments concerned buy-out transactions (57%).

The environment for the sale of investments eased again in 2010, even though the effects of the financial and economic crisis was still felt. The volume of investment sales reached € 2.75 billion, which represents an increase of 31% compared with the previous year's value of € 2.1 billion. The rise is due to an increase in exits via the stock exchange and sales to other investment companies. Trade sales achieved a share of 14%. Their volume fell by approximately 40% to € 382 million.

The Executive Board of bmp AG expects the improved market environment for the venture capital industry to continue for the rest of 2011. bmp AG will hold its market position as a financier of innovative growth companies by means of targeted investment activities and remains cautious but confident regarding the external overall conditions for venture capital in

Germany and Poland in 2011.

In the area of fund investments, our partner König & Cie expects to see a recovery of demand for private equity retail products so that we forecast a slight increase in the limited partner's interest for the König & Cie. International Private Equity II GmbH & Co. KG fund.

2. Business development

Venture capital direct investments

The number of holdings in the bmp Group has decreased from 16 to 13 investments.

All of the investments come from the two markets which are relevant for bmp, namely Poland and Germany. Two new investments in Xamine GmbH and vertical techmedia AG were made by bmp Media Investors. At the same time, there were five disposals from the portfolio: The Nokaut Sp. z o.o. investment in Poland was sold to a financial investor while the German nugg.ad AG was sold to the Deutsche Post Group. The Tembit GmbH, Brand New World GmbH and Shotgun Pictures GmbH investments were sold to management. In addition to the purchase price already received, debtor warrants were also agreed in some cases.

bmp AG 's portfolio now has five companies which do not belong to the media and marketing services area and which are to be sold in the near future: Newtron AG, ergoTrade AG, Heliocentris Energy Solutions AG, European Telecommunication Holding AG and Revotar Biopharmaceuticals AG. A purchase agreement has already been concluded for the ergoTrade AG shares, which is still subject to approval by the cartel authorities. In the case of Revotar AG, we expect positive value development after good top line results of a COPD study were announced at the end of February 2011.

At the end of the year, bmp Media Investors AG & Co. KGaA held eight investments, of which two companies are expected to be sold in 2011.

Overall investments in the area of direct venture capital investments via all bmp companies in business year 2010 amounted to a total of € 2.0 million. Most of this (€ 1.4 million) related to investments by bmp Media Investors. It made follow-up investments in some existing investments and added the two new investments mentioned above. bmp AG invested € 0.6 million in the existing investments.

Private Equity Advisory

bmp Private Equity structures and carries out programmes in the business area of fund-of-funds for institutional and private investors.

Investments in funds are not made for the balance sheet of and on account of bmp. It is active in this business as an advisor only. Accordingly, the business model here for bmp is not to achieve sales profits but rather to realise profits, management fees and consultancy fees. The remuneration for management services in this case may depend on performance, as in the case of the partnership with König & Cie.

The most important partner in this area of business remains the Hamburg issuing house König & Cie. Since the year 2005, König & Cie. has expanded its range of products to include the asset class private equity. bmp collaborates with this fund initiator during the course of such activities and has become a consultant up to now for two private equity funds-of-funds which were launched by König & Cie. The first is König & Cie. International Private Equity GmbH & Co. KG (INPEQ I), which was launched in 2005 and closed in 2007 with a volume of about € 37.5 million.

The second fund INPEQ II has been in the place-

ment process since. bmp acts as a consultant to both funds in the selection and evaluation of target funds. The management fees and performance bonuses are collected by König & Cie. Private Equity GmbH, in which bmp AG has a 50% interest.

Target funds in which bmp has made commitments on behalf of its clients include a portfolio of different fund managers, including highly reputed managers from Europe, North America and Asia. The strategies of the individual target funds range from large buyout through growth capital to venture capital.

3. Organisation and employees

The bmp core team has worked together for over ten years. This has created a strong basis for the Company's further development. All important functions are occupied by highly qualified persons. The duties and responsibilities of the Executive Board are divided as follows: Chairman Oliver Borrmann is in charge of the areas Overall Strategy, Direct Investments, and Public and Investor Relations. Before retiring on 31 January 2011, Ralph Günther was responsible for Private Equity Advisory. Andreas van Bon has now assumed responsibility for this area. Andreas van Bon is in charge of Finances, Controlling, Personnel, Legal Matters, and IT. In business year 2009, bmp AG had an average of 11 salaried employees and one trainee. On the balance sheet date, 11 permanent employees and one trainee were working for bmp AG, two of them on a part-time basis.

4. Financial situation

Profit situation

The bmp Group showed net income of the year in 2010 of T€ 2,246 according to IFRS. Earnings thus rose significantly compared with the previous year, in which there was a loss T€ -10,101

according to IFRS. Income from the sale of investments and securities amounted to T€ 7,093. In the previous year, income from the sale of investments and securities was T€ 1,501. Other operating income increased from T€ 425 to T€ 1,032, due mainly to the release granted by the KfW banking group on the refinancing loans.

At T€ 1,283, personnel costs were up 7% over 2009 due to performance-related remuneration. Other operating expenses fell from T€ 1,400 to T€ 1,649.

Depreciation on financial assets and securities fell significantly from T€ 9,775 to T€ 2,232.

The return on equity, measured by net income for the business year and in relation to average shareholders' equity, was 15%.

Assets and capital structure

The non-current assets of the Group include shares in investment companies and loans given to these companies. They comprise about 80% of the non-current assets at T€ 4,286, while the rest is primarily attributable to affiliated companies and joint ventures. Current assets increased by 140% from T€ 5,271 to T€ 12,659. Cash on hand and bank balances were T€ 5,713 at the end of business year 2010 following T€ 3,171 in 2009. The balance sheet total rose from € 16.9 million to € 18.0 million.

Equity rose 16% from € 14.0 million to € 16.3 million. Liabilities declined from T€ 2,883 to T€ 1,779. Of this amount, T€ 1,217 is attributable to the refinancing loans from KfW.

Liquidity

Current marketable securities and cash equivalents were € 10.0 million to the end of the reporting period.

5. Opportunities and risks of future developments, risk management

Private Equity Advisory/fund management

The area of Private Equity Advisory remains dependent on a single client, König & Cie. in Hamburg. We are not expecting the business area to expand beyond this client relationship. In the area of fund management, there is a mandate with BFB Frühphasenfonds Brandenburg GmbH.

Direct investments

Venture capital is speculative or risk capital, granted with the aim of achieving high returns. Compared to other forms of financing, venture capital clearly has a higher risk potential and requires a high degree of support. 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 disposal proceeds

In the area of direct investments, the bmp Group primarily profits from the sale of investments to an institutional or industrial investor (trade sale) or by floatation (IPO). Furthermore, some investments are sold to the founders or co-shareholders as a management buy back. These sales methods are also called exit channels. The Company cannot guarantee that an investment can be sold at a profit or sold at all. The sale of investments becomes particularly difficult in weak capital markets and this can therefore lead to negative results for the bmp Group.

Uncertainty of the economic development of individual companies in the portfolio

Write-offs of investments or even the total loss

of investments due to insolvency cannot be avoided despite many years of business experience and intensive investment controlling, nor are they unusual especially with early stage financing. bmp AG counteracts the financial effects of a drop in value of investments through early support and counter-measures, through the continuous improvement of due diligence and investment controlling, as well as appropriate provisions for risk (recognising valuation allowances) in its balance sheet measurement.

Financing risks

In the past, the bmp Group 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 € 1.2 million had a fixed term, which is generally ten years. The last remaining refinancing loan has a term to 30 September 2012.

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 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. At the current time, bmp's only foreign investments are in Poland.

Liability associated with the disposal of investments

In terms of the disposal of investments, the 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 regard to tax liabilities

in favour of the purchaser or the purchasers. In addition, the bmp Group may also be compelled to grant exemption from certain company-specific risks. The bmp Group strives to limit the liability arising from such guarantees and exemptions to a certain percentage of the purchase price, insofar as guarantees are accepted at all. The bmp Group cannot rule out that in some individual cases such liabilities will occur.

Risks of changes in interest rates

The bmp Group arranges fixed interest rates on all credits, loans and callable bonds for their entire terms. Consequently there are no associated risks with changes in interest rates. However, variable interest rates are assessed on all current money investments.

Currency risks

In the past, the bmp Group has 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 its disposal, there may also be a capital gain or loss due to currency fluctuation in addition to the gain or loss from the disposal.

Company dependence on key personnel

A wide area of expertise as well as a highly developed network of personal connections and important contacts are key to the successful 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 dependent 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 disposal proceeds generated. A negative commercial development for all, several or individual companies in the portfolio can be caused by various external or internal factors that the Company or the bmp Group may not be able to influence. The economic success of the bmp Group is to a considerable degree dependant on the general economic development, the development of the industries in which the companies of the bmp Group have invested, and the overall development of the financial markets. This also applies to fund management and investment.

Overall evaluation and risk management

bmp has taken extensive precautions for all recognisable individual risks in the Annual Financial Report for 2010. Activities in the area of risk management were further expanded in 2010. A quality handbook has been created. bmp has developed an integrated system of investment controlling which makes it possible to assess the quantity and quality of risks arising in its investment business. In addition to comparing target and actual data at the investment level and the Group level, the system enables seamless reporting while fulfilling the purpose of a management information system.

Economic developments in our holdings are monitored via intensive contact with the companies. The carrying amounts and the value development of investment companies are reviewed quarterly with suitable financial mathematical models. Depending on the type and degree of development of the investment companies, various valuation models are used to check whether or not the fair value lies above amortised cost. The continuous recording of fair values and investment controlling makes it possible to take appropriate measures to counter undesired

developments of the investment interests.

bmp's current liquidity is adequate for its existing business and will enable business to be expanded. From the present point of view, should the risks already described occur individually or together they would still not pose a danger to the continued existence of the bmp Group. In the view of the Executive Board, the bmp Group has lasting capability to remain in existence over the long term.

Remuneration system

As at 31 December 2010, total remuneration of the Executive Board largely consisted of fixed salaries and a variable salary component. The fixed salaries include a basic remuneration, which is paid as a fixed monetary remuneration for the year as a whole in twelve monthly instalments, as well as payments for insurance policies and benefits-in-kind in the form of company vehicles which can also be used for private purposes. The variable salary component includes a claim to a profit-sharing bonus which falls due upon completion of the year-end financial statements. The bonus amount depends on the earnings before tax at bmp AG in accordance with the HGB and is staggered as follows:

If earnings before tax at bmp AG amount to at least € 0.5 million in accordance with HGB, the entire Executive Board receives 10% of the earnings before tax at bmp AG according to HGB. If earnings before tax at bmp AG exceed € 2.5 million according to HGB, the Executive Board receives 8.5%. If earnings before tax at bmp AG exceed € 3.5 million according to HGB, the Executive Board receives 6%. There is also a bonus agreement for Ralph Günther that compensates him for his acquisition performance in the area of fund investments.

In line with our Articles of Association, the members of our Supervisory Board have a claim

to reimbursement of their expenses and to remuneration.

Specifically, the fixed remuneration of the Supervisory Board contains an annual fixed remuneration and remuneration per meeting day.

Our Supervisory Board has the right to a performance-related bonus if the annual financial statements show a net balance sheet profit according to HGB minus at least 4% of the capital contributions on the lowest issue amount for shares, starting at € 0.20 cent per share outstanding.

Finally, the Company has taken out a D&O insurance for the members of the Executive Board and Supervisory Board.

Appointing and dismissing members of the Executive Board, amendments to the Articles of Association

The appointment and the dismissal of members of the Executive Board of bmp Aktiengesellschaft are covered in § 84 and § 85 AktG in conjunction with § 7 of the Articles of Association.

In accordance with § 84 AktG, the Executive Board is appointed by the Company's Supervisory Board for a period of up to five years. A member of the Executive Board may also be appointed by the court in exceptional cases only in accordance with § 85 AktG.

The Executive Board of bmp Aktiengesellschaft shall consist of one or more members. Of the current three members on the Executive Board, the Supervisory Board of bmp Aktiengesellschaft appointed one as Chairman of the Executive Board in accordance with the law and the Articles of Association. The Supervisor Board may revoke the appointment to the chairmanship as well as the general appointment to the

Executive Board with due cause.

In line with § 179 Paragraph 1 AktG, all changes to the Articles of Association require a resolution from the General Stockholders' Meeting. The General Stockholders' Meeting may transfer its authority to amend the Articles of Association to the Supervisory Board only in cases where changes affect the wording only. There is a general authorisation in Article 17 of the Articles of Association.

In accordance with § 179 Paragraph 2 AktG, a resolution to change the Articles of Association requires at least a three-quarters majority of the capital represented at the adoption of the resolution. Otherwise, resolutions by the General Stockholders' Meeting in accordance with § 133 AktG are adopted by a simple majority of submitted votes in accordance with Article 22 of the Articles of Association of bmp AG, if a larger majority is not required under mandatory legal requirements.

Shares and capital

The fully paid in capital amounted to € 17,500,000.00 as at the balance sheet date. It is divided into 17,500,000 non par value bearer shares. All shares are vested with same rights.

Until 27 June 2011, the Executive Board has the power, with the approval of the Supervisory Board, to increase the capital stock of the Company one time or several times by 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 Executive Board is also authorised to buy back shares up to 10% of the share capital of 17.5 million with the approval of the Supervisory Board.

No further disclosures are required under § 315 Paragraph 4 HGB.

Integrated internal control and risk management system for the accounting process

The accounting-related control and risk management system that is crucial to the financial statements of bmp AG includes measures that are intended to provide comprehensive, correct and up-to-date communication of information that is required to prepare the financial statements and the management report of bmp AG. These measures are intended to minimise the risk of serious false statements in bookkeeping as well as in external reporting.

Accounting is centrally organised. All services pertaining to accounting and controlling are performed at the Company's headquarters.

Uniform accounting based on the regulations applicable to the parent company is provided by central processing and central accounting guidelines. Using the central accounting guideline, the proper measurement of investments is ensured by observing the dual control principle.

Events after the balance sheet date and forecast report

In the first quarter of 2011, the investment in ergoTrade AG was sold to the SIMS Group. The sale is currently still under suspensive conditions subject to the approval of the responsible cartel authority. Ralph Günther left the Company's Executive Board at his own request on 31 January 2011 in order to devote himself to new professional challenges. All of his duties and responsibilities have been assumed by the other members of the Executive Board. The Executive Board regards the 2011 market environment positively. We expect investment activity to improve and that exits and/or valuation-relevant financial measures will enable us implement our

investments. We plan to concentrate our own investment activities on the area of media and marketing services and to streamline the organisation. In the context of these measures, we sold bmp Polska Sp. z o.o. and ECO Investors Germany GmbH in the first quarter of 2011 and have decided to merge bmp Media Investors AG & Co. KGaA with bmp AG.

Due to the positive start to business year 2011, the Executive Board is confident of generating a good return on equity again in the ongoing business year.

Berlin, 14 April 2011

Oliver Borrmann
Executive Board

Andreas van Bon
Executive Board

bmp AG Supervisory Board's Report

Ladies and gentlemen

The main duty of the Supervisory Board is to continually advise and monitor the Executive Board of the Company. In the 2010 business year, the Supervisory Board extensively and regularly fulfilled this task, taking into account the requirements laid down by law and in the Articles of Association. The following is a report about the specific activities of the Supervisory Board.

The Supervisory Board meetings are the most important forum for exchange among the members of the Supervisory Board themselves as well as for exchange between the Supervisory Board and the Executive Board. Their purpose is to provide information and to provide the opportunity for discussing key topics. Accordingly, all members of the Executive Board regularly attend Supervisory Board meetings. Nevertheless, the Supervisory Board reserves the right to convene meetings at any time without the members of the Executive Board should it appear necessary.

To help the Supervisory Board prepare for its meetings, the Executive Board provides the Supervisory Board with documentation and information with adequate time in advance which form the basis for discussing key topics and making decisions. This allows the Supervisory Board to look into the legality, proper order, expediency and economic efficiency of all planned and performed measures, at the level of bmp AG and at corporate level.

Taking into account § 110 (3) sentence of the German Stock Corporation Act (AktG), the Supervisory Board of bmp AG met a total of five times during the 2010 business year. During these meetings, the Supervisory Board was, and is, regularly kept informed of the situation of the company and the Group, the current

business situation including the financial status, the status of the portfolio companies and the subsidiaries as well as strategic considerations. As the Supervisory Board has not formed any committees, it is also the task of the entire Supervisory Board to deal regularly with questions concerning the rendering of accounts, risk management and personnel issues affecting the Executive Board.

During its meetings in the 2010 business year, the Supervisory Board particularly discussed the following topics in addition to the regularly recurring topics mentioned above:

Meeting of 11 March 2010

In the meeting of 11 March 2010, the Supervisory Board discussed the topics of risk management in detail and obtained information from the Executive Board about the development of documentation investment controlling.

The Supervisory Board also discussed the extension of the appointments of Mr Günther and Mr van Bon to the Executive Board and dealt in detail with the appropriateness of the current Executive Board remuneration as well as the system of remuneration. In conjunction with the Executive Board, the Supervisory Board provides a report on this issue in the remuneration report which is published as part of the Corporate Governance report in the Annual Report (page 35 et seq.).

Finally, in the March meeting the Supervisory Board renewed the annual Declaration of Compliance which was adopted in December 2009 pursuant to § 161 AktG for the 2009 business year. The reason for the renewed adoption was the implementation of the German Accounting Law Modernisation Act according to which the Declaration of Conformity is now to form part of the Corporate Governance Statement pursuant to § 161 AktG. For this reason, it makes sense not to renew the Declaration of Compliance until after the end of the business year unless an update is required during the year. Due

to the renewed adoption of the 2009 Declaration in the spring of 2010, the Supervisory Board has now created a cycle which should allow the Declaration of Compliance to be renewed during the first meeting of each business year.

Meeting of 20 April 2010

During the annual Balance Sheet meeting of the Supervisory Board, which was held in April, the auditor for the 2009 business year reported on the results of his audit and the Supervisory Board approved the 2009 annual financial statements and the Group financial statements.

The Supervisory Board also approved the draft agenda submitted by the Executive Board of bmp Aktiengesellschaft for convening the 2010 General Stockholders' Meeting. The Supervisory Board agreed with the resolutions proposed by the Executive Board.

Finally, the Supervisory Board dealt in particularly great detail with the situation of the Revotar investment and made a decision in this context about bmp AG's involvement in another round of financing for the investment.

Meeting of 7 July 2010

In addition to regularly recurring topics, in its July meeting the Supervisory Board dealt with issues related to possible structural simplifications within the bmp Group and associated cost savings. In this connection, decisions were taken relating to the sale of bmp Polska Sp. z o.o. and the merger of bmp Eco Investors GmbH & Co. KGaA and bmp Treuhand- & Verwaltungs GmbH with bmp Aktiengesellschaft.

Meeting of 22 September 2010

The meeting in September was devoted to a greater extent than usual to information on the portfolio performance. Here again, the Supervisory Board focussed in particular on the Revotar investment which, as the largest individual investment, continues to demand attention, and obtained extensive information on the matter.

The Chairman of the Supervisory Board also reported that the Supervisory Board had meanwhile agreed to extend the appointment of Mr Günther and Mr van Bon to the Executive Board. This was finalised again in the form of a resolution.

Meeting of 13 December 2010

During its final meeting in the 2010 business year, the Supervisory Board focussed in particular on the 2011 business year which was about to begin. The main topic was a further simplification of the Group structure, clear divisions between portfolio and management, as well as the discussion of a merger between bmp Media Investors AG & Co. KGaA and bmp AG, as was implemented in the case of bmp Eco Investors GmbH & Co. KGaA.

The Supervisory Board also dealt intensively with the annual business plan for 2011 as presented by the Executive Board, including liquidity and investment planning, which was also discussed with respect to the further development of bmp Aktiengesellschaft and the Group. The Supervisory Board approved the annual business plan for 2011.

The Supervisory Board also maintained regular contact and exchange with the Executive Board even outside Supervisory Board meetings.

In accordance with the recommendation of the German Corporate Governance Code, the Supervisory Board discusses the quarterly and half-yearly reports with the Executive Board. In months in which no Supervisory Board meeting is held, the Executive Board also keeps the Supervisory Board informed by way of a written report on the status of direct investments, consultancy assignments, strategic projects and the financial status.

Finally, the members of the Supervisory Board and, in particular, the Chairman of the Supervisory Board maintain close contact, e.g. by e-mail, telephone, or in person.

Overall, the cooperation between the Supervisory Board and the Executive Board of bmp Aktiengesellschaft can be described not only as regular but also as intensive and open. It is characterised by mutual trust and respect which allows quick decisions to be made on particularly urgent cases, as does the size of the two bodies. The Supervisory Board took advantage of this possibility once in the 2010 business year.

Also with respect to the good cooperation with the Executive Board, the Supervisory Board regards its activities to be efficient. The Supervisory Board also subjects its activities to critical scrutiny at all times within the Supervisory Board meetings. The size of the Supervisory Board in particular makes it possible to eliminate deficits at any time and without delay. For this reason, too, the Supervisory Board does not consider it necessary to obtain the services of an external consultant at the present time. Nor, for reasons of costs, does the Supervisory Board consider it appropriate.

Personnel

Shortly before Christmas 2010, member of the Executive Board, Mr Günther, asked the Supervisory Board for personal reasons to release him early from his Executive Board agreement which had a term of 31 December 2011. At the time, the Supervisory Board initially discussed this by telephone and assured Mr Günther that the Supervisory Board would examine the matter in a positive light taking into account the interests of Mr Günther's and the company, including the future structure of the bmp Group. The actual decision on early termination of the agreement to 31 January 2011 was made following intensive discussions with the entire Executive Board and in the Supervisory Board on 18 January 2011.

Corporate Governance

In the 2010 business year, the Supervisory Board

dealt continuously with the innovations in the area of Corporate Governance.

It is the Supervisory Board's goal to comply in as many points as possible with the recommendations of the German Corporate Governance Code (referred to below as Code) and its Polish equivalent, Code of Best Practice for Companies Listed on the Warsaw Stock Exchange/Dobre Praktyki Spółek Notowanych na GPW – referred to below as DPS). However, it is not possible to comply with every recommendation.

Pursuant to German law, the Supervisory Board provides information on the status of Corporate Governance in conjunction with the Executive Board in a report printed on pages xx et seq. of the Annual Report.

In its meeting of 11 February 2011, together with the Executive Board, the Supervisory Board also submitted the Declaration of Compliance with the recommendations of the German Corporate Governance Code during the 2010 business year in accordance with § 161 AktG. This declaration is printed as part of the Corporate Governance report in the Annual Report and is also permanently available on the Company's website.

The Executive Board monitors and compiles a report on compliance with DPS regulations. This report is also permanently available on the Company's website.

Year-end Financial Statements and Group Financial Statements

The auditor for the 2010 business year is Verhülndonk & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, as selected on 7 July 2010 by the General Stockholders' Meeting of bmp Aktiengesellschaft.

The auditor audited the year-end financial statements and the management report prepared

by the Executive Board in line with the rules of the German Commercial Code (HGB), as well as the Group financial statement and Group management report prepared on the basis of the International Financial Reporting Standards. The following topics were key focuses of this year's audit:

- » value to be applied for investment shareholdings,
- » change to the investment portfolio,
- » review of revenue realisation.

In accordance with §317 (4) of the German Commercial Code (HGB), the audit also covered the system for the early detection of risks set up in accordance with § 91 (2) AktG.

The auditor gave an unqualified certification to the individual year-end financial statements of bmp AG and the Group financial statements.

The 2010 financial statements were discussed in detail at the Balance Sheet meeting of the Supervisory Board on 14 April 2011. The Executive Board provided the necessary documentation in sufficient time ahead of the meeting. The Supervisory Board was thus able to study the documents in detail and obtain an independent picture.

The auditor also attended the Balance Sheet meeting of the Supervisory Board and reported on the main results of his audit. He was also available for questions and to provide additional information.

Following its own review, the Supervisory Board had no objections to the financial statements. The Supervisory Board accepted the result of the audit and approved the year-end financial statements of bmp Aktiengesellschaft as at 31 December prepared by the Executive Board as well as the Group financial statements also prepared as at 31 December 2010. The year-end financial statements of a bmp Aktiengesellschaft

are therefore accepted.

The Supervisory Board thanks the Executive Board and the employees for their high level of commitment and their work in the 2010 business year.

Berlin, 14 April 2011

Gerd Schmitz-Morkramer
Chairman of the Supervisory Board

Corporate Governance at bmp

(Also Report Pursuant to 3.10. German Corporate Governance Code)

At bmp AG, corporate governance signifies responsible direction and control of the company with value added in mind. Its basic principles are: efficient, trust-based cooperation between the Executive Board and the Supervisory Board, consideration of shareholder interests and open and transparent communication. National and international standards as well as statutory regulations serve as a framework in which publicly traded companies can direct and monitor their businesses.

The following report on corporate governance at bmp AG from the Executive Board and Supervisory Board was prepared in accordance with Section 289a of the German Commercial Code (HGB) as well as Section 3.10 of the German Corporate Governance Code ("Code").

A Corporate governance statement

German law requires that stock corporations – and therefore bmp AG – maintain a dual system of management consisting of an Executive Board as the managing body and a Supervisory Board as the monitoring body.

The goal of both bodies is to ensure the continued existence and ongoing development of the company. Both entities therefore work closely together for the good of the company, even though their missions are clearly different from one another.

Processes of the Executive Board

The Executive Board of bmp AG is responsible for directing the company. Executive Board members thus decide on management-related issues, determine the goals and strategies of the company and the group and ensure their implementation. Statutory requirements, the Articles of Association and Rules of Procedure adopted by the Supervisory Board form the framework for the common actions of the Executive Board.

The Rules of Procedure also lists the aspects of the business for which each member of the Executive Board is independently responsible. The interests of each area of the company are always secondary to those of the company as a whole. The Executive Board makes joint decisions in accordance with the Rules of Procedure regarding actions and transactions of special concern and importance not already governed by applicable laws.

Joint decisions are typically made during Executive Board meetings, which take place at irregular intervals as needed. Resolutions are adopted by simple majority, provided that unanimity is not legally required. Resolutions regarding transactions of fundamental importance are also subject to approval by the Supervisory Board. These include, for example, general changes in group organisation or investments or new financial obligations exceeding a certain volume.

Executive Board meetings also serve as a forum in which Executive Board members can exchange information. Due to the size of the company and the Executive Board, information is also regularly exchanged at informal get-togethers or in separate meetings outside of formal Executive Board meetings, such as during strategic decision-making processes.

During the reporting period, our Executive Board consisted of three members; one member departed with effect from 31 January 2011. One member was named Chairman of the Executive Board.

Processes of the Supervisory Board

As per Section 10 (1) of our Articles of Association, the Supervisory Board consists of three members. The last Supervisory Board election was held at the General Stockholders' Meeting of 9 July 2008. The term of each Supervisory

Board member will end upon completion of the General Stockholders' Meeting in which the actions of Board members in business year 2012 are formally approved.

As per Section 11 of our Articles of Association, the Supervisory Board appoints one member from its ranks to serve as Chairman and another as Deputy Chairman. However, in deviation from Section 5.4.3 of the Code, bmp AG makes no announcements in advance to its shareholders regarding candidate recommendations for the position of Chairman of the Supervisory Board.

Candidate recommendation announcements require that the candidate first be elected as a member of the Supervisory Board; however, this decision lies solely with the General Stockholders' Meeting. The Chairman of the Supervisory Board is then elected solely by the Supervisory Board in its first meeting after its members are elected as per Section 11 (1) of the Articles of Association. At bmp, this meeting typically takes place directly following the General Stockholders' Meeting.

In light of this, we feel that the recommendation of the Code is not implementable or practical, as it presupposes the decisions of the General Stockholders' Meeting and Supervisory Board.

The Supervisory Board monitors and advises the Executive Board in directing the company. It approves annual budgets, the year-end financial statements of bmp AG and of the Group and orders the audit of the financial statements by the auditor selected by the General Stockholders' Meeting. In addition, in accordance with the law, it appoints the members of the Executive Board and represents the company before the Executive Board.

Our Supervisory Board has adopted rules of procedure that govern the scope of cooperation

between its members. These rules call for the Chairman of the Supervisory Board to convene and direct Board meetings.

In these meetings, the Supervisory Board normally deals with all issues concerning the individual company or Group, including those to be delegated to committees under Section 5.3 of the Code. Due to its size, our Supervisory Board does not form such committees.

Meetings are also typically the venue in which the Supervisory Board adopts resolutions. In exceptional cases only and where the urgency of a matter requires it, decisions may be made by circular resolution or in a telephone conference. In the latter case, the Chairman of the Supervisory Board records a transcript of the resolution. However, regardless of the method employed, all resolutions must still be adopted by simple majority, provided that unanimity is not required by law.

The Chairman of the Supervisory Board maintains regular contact with the members of the Executive Board, especially its Chairman, and is in continuous communication with the other members of the Supervisory Board. In addition, the Supervisory Board receives a monthly report from the Executive Board on the state of the company. Any time the Executive Board holds a meeting or adopts a circular resolution, the corresponding documentation is provided to the Supervisory Board. This ensures that the entire Supervisory Board stays abreast of all of the relevant affairs of the company at all times.

For details regarding the activities of the Supervisory Board in business year 2010, see pages 24ff of the year-end report.

Declaration of Compliance in accordance with Section 161 of the AktG

The Executive Board and Supervisory Board of a publicly traded company are required under Section 161 of the German Stock Corporation Act

(AktG) to issue an annual declaration regarding the company's compliance with the recommendations of the Code, including an explanation of any deviations therefrom.

In this regard, on 10 February 2011 the Executive Board and Supervisory Board of bmp AG issued the following declaration:

Declaration of Compliance by the Executive Board and the Supervisory Board of bmp Aktiengesellschaft regarding the recommendations of the "Federal Commission for the German Corporate Governance Code" in accordance with Section 161 of the AktG

Since the last Declaration of Compliance issued on 11 March 2010, bmp Aktiengesellschaft has complied with the recommendations of the Federal Commission for the German Corporate Governance Code ("Code") in the version dated 18 June 2009 published by the Federal Ministry of Justice in the electronic Federal Gazette with the exceptions mentioned in the Declaration. Deviations from individual recommendations were presented and explained. The Declaration is permanently available for download on the company website, www.bmp.com, in the Investor Relations section.

bmp Aktiengesellschaft has also complied or will comply with the recommendations of the Code in the version dated 26 May 2010 with the following exceptions:

- » **Electronic delivery of documentation announcing the convening of the General Stockholders' Meeting (Section 2.3.2)**
The Code recommends that the company notify all domestic and international financial services providers, shareholders and shareholders' associations of the convening of the

General Stockholders' Meeting by electronic means, including all related documentation, provided that approval requirements are met.

This requires knowledge of the e-mail addresses of all of our shareholders. It also requires sufficiently secure identification of shareholders and their addresses.

In our view, at this time neither of these requirements can be met to the required extent. In view of this, bmp does not and will not follow this recommendation.

Nevertheless, bmp will send the documents to all shareholders who wish to receive them for information purposes, including by electronic means, independently of notification as per Section 125 of the AktG.

- » **D&O insurance deductibles (Section 3.8)**
For D&O insurance obtained by the company on behalf of Supervisory Board members, the Code recommends a deductible equal to the legally prescribed deductible for members of the Executive Board after the end of the transition period on 1 July 2010.

In light of factors such as the fixed remuneration amount for Supervisory Board members, bmp does not view this measure as a suitable means of increasing incentives for Supervisory Board members, ensuring their continued motivation and fostering a sense of responsibility in the performance of their duties.

Therefore, the recommendation was not and will not be followed.

- » **Diversity in the filling of leadership positions (Section 4.1.5) and in the composition of the Executive Board (Section 5.1.2) and Supervisory Board (Section 5.4.1)**

The Code recommends that diversity be

ensured in the filling of leadership positions in the company and the Executive Board, particularly with regard to adequate female representation. In addition, the Supervisory Board shall establish specific targets with regard to its composition, taking into account the international activities of the company, potential conflicts of interest, an age limit for Supervisory Board members (to be defined) and diversity in light of the company's specific situation. These targets should also be taken into consideration by the Supervisory Board when making candidate recommendations to its selection committees; the targets and the status of their implementation are to be published in the Corporate Governance Report.

In filling leadership or Executive Board positions, the Executive Board and Supervisory Board base their decisions solely on expertise and competence. Other characteristics such as gender, nationality or religious affiliation have had and will continue to have no bearing on the decision, particularly given the size of the company and of the Executive Board and Supervisory Board. The same applies to recommendations to the selection committees regarding Supervisory Board candidates. In addition, the Supervisory Board has not and will not set any specific targets; Supervisory Board targets and the status of their implementation will therefore not be published in the Corporate Governance Report.

» **Formation of committees (Sections 4.2.2, 5.2, 5.3.1, 5.3.2, 5.3.3)**

The Code recommends that the Supervisory Board, depending on the specific situation of the company and the number of Supervisory Board members, form expert committees including an audit committee, a nomination committee, a committee for handling Execu-

tive Board agreements and a committee for planning Supervisory Board meetings. The latter should be headed by the Chairman of the Supervisory Board.

Due to the size of the company, the Supervisory Board of bmp Aktiengesellschaft consists of only three individuals. Committees are therefore not formed, i.e. the company cannot follow the above recommendations.

» **Recommendation of candidates for Chairman of the Supervisory Board during Supervisory Board elections (Section 5.4.3).**

Proposed candidates for Chairman of the Supervisory Board shall be announced to the shareholders.

Such candidates must have been previously elected as members of the Supervisory Board by the General Stockholders' Meeting. In addition, as per Section 11 (1) of the Articles of Association in conjunction with Section 107 (1) of the AktG, the Supervisory Board must elect a Chairman and a Vice-Chairman from among its own members in its first meeting following the election. This meeting typically takes place immediately following the General Stockholders' Meeting of bmp Aktiengesellschaft in which the members of the Supervisory Board are elected to their posts by the General Stockholders' Meeting. Therefore, the disclosure of recommended candidates for Chairman of the Supervisory Board is not possible.

» **Publication of financial reports (Section 7.1.2)**

The Code recommends making the year-end consolidated financial statements publicly available within 90 days of the end of the business year and interim reports within 45 days of the end of the reporting period.

The consolidated financial statements of bmp Aktiengesellschaft are published within 4 months of the end of the business year, quarterly reports within 2 months of the end of the applicable reporting period. The costs of faster preparation and publication are disproportionate to the level of information gained by the shareholders.

Berlin, 10 February 2011

For the Supervisory Board:	For the Executive Board:
Gerd Schmitz-Morkramer	Oliver Borrmann

Relevant information regarding corporate governance practices

Alongside statutory requirements, the provisions of the Articles of Association and the recommendations of the Code, bmp AG is subject to additional requirements as a result of our parallel listing on the Warsaw Stock Exchange. In particular, Polish capital market laws require more extensive disclosure of voting rights and directors’ dealings. Accordingly, individuals who hold managerial positions at bmp AG but who are not members of the Executive Board must report all trading in bmp shares to the company, which must then publicly disclose this information.

We are also bound by the corporate governance principles of Section 29 (5) of the Regulations of the Warsaw Stock Exchange. In observance of these principles, each year we are required to publish a separate report in both Polish and English (as is the case with the above-mentioned mandatory reporting under Polish capital market law) in the Investor Relations section of our website at www.bmp.com.

One of the basic requirements for the success of bmp AG is that all of our employees behave in accordance with the law at all times. Each and every employee must therefore have extensive knowledge of the statutory requirements and regulations relevant to his or her task area or area of responsibility. Thanks to the size of our company, we are able to quickly identify any training needs.

The confidential handling of insider information and the topic of insider trading are also important to us, and all of our staff are trained in this regard. An internal policy generally allows our employees to trade shares of bmp or of companies in which we hold (potential) ownership interests, but only with the prior approval of our Compliance Manager.

B Additional information regarding corporate governance

Implementation of the German Corporate Governance Code (“Code”)

Corporate governance is an important topic for the Executive Board and Supervisory Board of bmp AG.

We use the recommendations of the Code and the standards set by Polish capital market laws as a guide in determining our actions.

During the past business year, we took another close look at the Code, particularly the changes introduced on 26 May 2010. On the one hand, it is our goal to comply with as many of the Code’s recommendations as possible. On the other hand, we must consider the size of our company in determining to what extent we can realistically implement these recommendations, including taking into account the cost of implementation. Based on these considerations, on 10 February 2011 we issued our most recent Declaration of Compliance in accordance with Section 161 of the AktG.

Diversity in the filling of leadership positions and in the composition of the Executive Board and Supervisory Board

As a result of the latest changes introduced in May 2010, the Code now deals extensively with the topic of diversity in leadership positions and the composition of the Executive and Supervisory Boards. The members of the Federal Commission for the German Corporate Governance Code have thus decided to address this issue of increasing socio-political importance.

The Code now requires the Supervisory Board to cite specific goals for ensuring diversity in the Supervisory Board and to report on their achievement in the Corporate Governance Report (Section 5.4.1).

With regard to the filling of leadership positions and Executive Board posts, the Code simply expects companies to “strive for” diversity, particularly with regard to female representation. Nevertheless, we assume that companies which declare compliance with the recommendations are expected to take specific actions to ensure diversity and to report on these actions, at least in the Corporate Governance Report.

The Executive Board and Supervisory Board of bmp AG hold the view that the recommendations do not adequately take into consideration the differences between publicly traded companies in terms of company size and remuneration structure. For companies of our size today, recruiting qualified staff is already quite difficult. The same applies to Executive and Supervisory Board appointments.

Therefore, in filling leadership or Executive Board positions, the Executive Board and Supervisory Board base their decisions solely on expertise and competence. Additional characteristics such as national or religious affiliation have been and will continue to be of no importance in these decisions. The same applies to recom-

mendations made to the selection committees regarding Supervisory Board candidates. In addition, the Supervisory Board has not and will not set any specific goals in this regard; Supervisory Board goals and the status of their implementation will therefore not be published in the Corporate Governance Report.

D&O insurance for the Executive Board and Supervisory Board

For D&O insurance obtained by the company on behalf of Supervisory Board members, Section 3.8 of the Code recommends a deductible equal to the legally prescribed deductible for Executive Board members after the end of the transition period on 1 July 2010.

In light of factors such as the fixed remuneration amount for Supervisory Board members, bmp does not view such a deductible as a suitable means of increasing incentives for Supervisory Board members, ensuring their continued motivation and fostering a sense of responsibility in the performance of their duties. Therefore, the recommendation was not and will not be followed.

Relationships to shareholders

Our shareholders are owners of shares of our company. They exercise their rights at the annual General Stockholders' Meeting convened by the Executive Board within the statutory period. At the time the meeting is convened, the documentation required by law is made available on our website at www.bmp.com. However, we do not follow the recommendation in item 2.3.2 of the Code, which calls for documentation announcing the convening of the General Stockholders' Meeting to be electronically delivered to all shareholders, financial services providers and shareholder associations. As per Section 30b (3)(1)(c) of the German Securities Trading Act (WpHG), electronic delivery of documentation announcing the convening of the meeting

is permitted only if the secure identification of shareholders and their addresses is guaranteed. This is not entirely possible in our assessment. We do, however, deliver the documentation electronically to individual shareholders, financial services providers and shareholder associations upon request.

The General Stockholders' Meeting makes decisions as prescribed by law or the Articles of Association. These typically include appropriation of earnings, formal approval of the actions of Executive Board and Supervisory Board members, selection of the auditor and – normally every five years – election of the Supervisory Board. The General Stockholders' Meeting is also responsible for decisions regarding changes to the Articles of Association as well as capital measures.

To assist our shareholders in exercising their voting rights, we appoint proxies to whom shareholders may delegate voting rights in accordance with specific instructions. In addition, we provide power of attorney forms for our shareholders on our website. However, absentee voting or online participation in the General Stockholders' Meeting is not currently provided for by our Articles of Association.

The Supervisory Board reports to the General Stockholders' Meeting regarding its activities in the past business year, while the Executive Board discusses business performance. We also provide mid-year reports to our shareholders in a variety of forms. Our financial reports contain important information regarding our performance, financial position, cash flows and results of operations. The year-end financial statements of bmp AG as per the HGB and the consolidated financial statements of the bmp Group as per IFRS are prepared and published within four months of the end of the business year. The semi-annual report and Q1 and Q3 reports are released within two months of the

end of the corresponding reporting period. This is in deviation from the recommendation in Section 7.1.2 of the Code, which calls for the consolidated financial statements to be made public within 90 days of the end of the financial year and interim reports with 45 days of the end of the reporting period. For bmp AG, preparing financial reports more quickly would result in higher costs. For this reason and with the interests of our shareholders in mind, we have decided not to follow the recommendation.

If publicly unknown circumstances affecting share prices arise, these are reported in ad-hoc press releases in accordance with legal requirements and in observance of fair disclosure. The above also applies to press releases from the bmp Group and to the information communicated by us during our annual analyst event. Shareholders and other interested parties who wish to register for electronic delivery of this information may do so on our website at www.bmp.com. Important dates from our financial calendar (such as the dates of the General Stockholders' Meeting) are also available on our website.

With few exceptions, all information is provided in German, English and Polish.

Adequate control and risk management

Our shareholders care not only about transparent management but also about the responsible handling of company risks. On the one hand, they expect us to take optimal advantage of the opportunities that arise as part of our business activities. However, they also expect us to handle any risks in a responsible and forward-looking manner.

The Executive Board and Supervisory Board remain aware of this expectation, and the associated responsibility, at all times.

We regularly identify and assess any risks. At the same time, we analyse the flow of our business

processes and establish appropriate control mechanisms. One of our most important control mechanisms involves comprehensive investment control, custom-tailored to our needs.

All of our risks, processes and control mechanisms are documented in our internal risk management manual.

For details regarding the opportunities and risks of our business as well as our risk management practices, see Section 5 of our management report ("Opportunities and Risks of Future Developments, Risk Management") on page 19 of our year-end report.

Reportable securities transactions and stock

Date of transaction	Reporting party	Position/status	Type and location of the transaction	Financial instrument/ISIN	No, of Shares	Price	Total volume
28.12.2009	Oliver Alexander Borrmann	Chairman of the Executive Board	Buy/ XETRA	bmp share DE0003304200/ 330420	5,156	€ 0.71	€ 3,660.76
29.12.2009	Oliver Alexander Borrmann	Chairman of the Executive Board	Buy/ XETRA, Frankfurt	bmp share DE0003304200/ 330420	12,267	€ 0.74	€ 9,077.58

We received no further reports as per Section 15a of the WpHG for business year 2010.

Reports received under Polish capital market law from persons holding managerial positions at bmp AG were also published immediately upon receipt on our website at www.bmp.com.

A total of 2,966,264 shares of bmp AG were held by members of our Executive Board as of 31 December 2010. This corresponds to 16.95% of all company shares in circulation. The members of our Supervisory Board held no shares as of the reporting date.

holdings of the Executive Board and Supervisory Board

Members of the Executive Board and Supervisory Board and persons close to them are obligated under Section 15a of the WpHG to disclose the acquisition or sale of bmp AG shares or related financial instruments, provided that the value of such transactions in the calendar year equals €5,000 or more.

In business year 2010, as per Section 15a of the WpHG we reported the following transactions completed in business year 2009:

These reports were published on our website at www.bmp.com.

C Remuneration report

The clear and comprehensible disclosure of Executive Board and Supervisory Board remuneration is an important part of good corporate governance.

In accordance with Sections 4.2.5 and 5.4.6 of the Code, the Executive Board and Supervisory Board must disclose all remuneration paid to each member of both bodies in observance of certain criteria. In compliance with this recommendation, the Executive Board and Supervisory Board issue the following report, which is also included in our Corporate Governance Report.

The law on appropriate remuneration for Executive Board members (VorstAG), which took

effect in Germany in August 2009, sets obligatory standards for establishing a remuneration system for Executive Board members. In accordance with this law, the total remuneration package for an Executive Board member must be commensurate with his or her duties and performance as well as the state of the company. At the same time, the remuneration package may not exceed customary remuneration, except in extraordinary cases. "Customary remuneration" refers to common practice based on the industry, the size of the company and the country in which it is located (horizontal comparison). However, the company's own wage and salary structure is to be used as a benchmark as well (vertical comparison).

A new requirement since the VorstAG is that the remuneration structure of publicly traded stock corporations be based on the long-term performance of the company. In particular, this means that variable components of the remuneration package must be calculated on a multi-year basis.

At bmp AG, the entire Supervisory Board is concerned with the issue of remuneration. Throughout the past several years, remuneration has been a topic of discussion at Supervisory Board meetings, including the new requirements of the VorstAG.

However, because the contracts of Executive Board members Günther and van Bon expired at the end of business year 2010, the Supervisory Board initially decided to forgo adjusting existing Executive Board contracts.

This was also in compliance with the rules of VorstAG, under which the changes introduced apply only to newly signed contracts or contract extensions.

The Supervisory Board took the opportunity upon the renegotiation of Executive Board contracts in business year 2010 to once again

review the existing remuneration structure as well as the appropriateness of previous Executive Board remuneration. In the spring of 2010, the Supervisory Board met with an independent remuneration expert to discuss general remuneration-related issues as well as the structure in place at the time of the meeting and the amount of the existing Executive Board remuneration package. The overall result was that the remuneration package in place at the time of the meeting was deemed to be within an acceptable range. This assessment was supported by an internally conducted remuneration comparison of other publicly traded private equity firms.

Remuneration package for members of the Executive Board in business year 2010

The remuneration package for all members of the Executive Board in business year 2010 included:

- » a base remuneration amount
- » insurance contributions
- » benefits in kind
- » a variable remuneration component in the form of a profit-sharing bonus (not calculated on a multi-year basis)

Base remuneration consisted of a cash amount based on the entire year divided into twelve monthly instalments and paid out after tax withholding.

Insurance contributions paid to Executive Board members equalled the amount that would have been paid by bmp AG as an employer under mandatory government or private insurance schemes (retirement and health insurance). bmp AG also obtained endowment life insurance and accident insurance coverage on behalf of the Executive Board at its own expense. The goal was to ensure adequate retirement and social security for the members of the Executive Board.

Taxes applicable to insurance premiums classified as non-cash benefits were borne by each individual Executive Board member.

The same applied to company vehicles provided to Executive Board members for both business and personal use as part of their benefits in kind.

The variable salary component, which, as mentioned above, was not calculated on a multi-year basis in business year 2010, included a profit-sharing bonus, due upon completion of the year-end financial statements, dependent upon the pre-tax earnings of bmp AG in accordance with the HGB and staggered as follows:

1. For pre-tax earnings by bmp AG in accordance with the HGB of €0.5 million or higher, the Board Chairman receives 4% of the pre-tax earnings of bmp AG in accordance with the HGB, with the other members of the Executive Board each receiving 3%.

2. For pre-tax earnings by bmp AG in accordance with the HGB above €2.5 million, the Board Chairman receives 3.4% of the pre-tax earnings of bmp AG in accordance with the HGB, with the other members of the Executive Board each receiving 2.55%.

3. For pre-tax earnings by bmp AG in accordance with the HGB above €3.5 million, the Board Chairman receives 2.4% of the pre-tax earnings of bmp AG in accordance with the HGB, with the other members of the Executive Board each receiving 1.8%.

The different treatment given the Chairman of the Executive Board as part of the profit-sharing policy, as well as his higher base remuneration amount, was based on the Chairman's more extensive duties given his role and the fact that he performed these duties successfully.

In order to take the duties and performance of each individual Executive Board member into account in determining the remuneration package, an additional bonus agreement was established. The only bonus agreement in place during business year 2010 was that of Mr Günther. Said agreement called for a bonus in the amount of 3.5% of the present value of future cash flows from any new "Assets under Management" acquired by Mr Günther during the business year in the Fund Investments division. However, the bonus agreement was to take effect only if the pre-tax earnings of bmp AG as per the HGB totalled at least €0.5 million. 50% of the bonus is applied to the profit-sharing entitlement.

The goal of the bonus agreement was to reward acquisitions in the Fund Investments division based on performance.

In addition, Mr van Bon received employer benefits in business year 2010 as per Section 3 (33) of the Income Tax Act (EStG).

The company also obtained a D&O policy for the members of its Executive Board with a deductible as of 1 July 2010 as prescribed by law.

The Executive Board is also entitled to remuneration for expenses incurred during activities involving travel in the form of subsidies for food and lodging in accordance with Section 3 (16) in connection with Section 4 (5) (5) of the EStG.

No severance pay upon departure from the Board position was prescribed. However, Executive Board members were subject to a 24-month restraint on competitive activities. During this time, a compensatory payment in the amount of 50% of the fixed base salary plus employer contributions to government pension and/or government or private health insurance schemes plus any employer benefits as per Section 3 (33) of the EStG was prescribed. Executive Board

members were also entitled to remuneration for loss of profit-sharing bonuses in the amount of the average profit-sharing bonus during the last three years.

Executive Board members were otherwise not entitled to any other remuneration, including for appointments to Group company boards, as these appointments are generally not remunerated.

Any remuneration from companies in which we hold an ownership interest is to be transferred to the company, as is any income from other side activities (exception: remuneration for university lecturing activities).

Remuneration of members of the Executive Board in business year 2010

In business year 2010, the Executive Board received the following remuneration and expense reimbursements:

In T€		Base remuneration	Insurance contributions	Benefits in kind	Employer benefits as per Sect. 3 (33) of the EStG	Expense reimbursements	Profit-sharing bonus
Oliver Borrmann	2010	165	14	6	0	0	29
	2009	158	14	6	0	1	0
Ralph Günther	2010	150	15	7	0	1	21
	2009	150	14	8	0	2	0
Andreas van Bon	2010	143	14	7	7	0	21
	2009	142	14	9	8	0	0

The Executive Board received no further remuneration. No loans to members of the Executive Board were outstanding as of 31 December 2010.

Remuneration structure for Executive Board members as of business year 2011

The remuneration system in place as of 1 January 2011 for the members of the Executive Board has the same general structure as the 2010 remuneration system.

The basic remuneration amount remained unchanged and equals €165 thousand for the Chairman of the Executive Board and €150 thousand for each of the other members, payable in twelve monthly instalments after tax withholding. Only in the case of Mr van Bon was the base remuneration increased by the amount due to him as part of employer benefits under Section 3 (33) of the EStG, which he no

longer receives as of 1 January 2011.

As in the past, the members of the Executive Board continue to receive retirement plan and social security contributions in the amount that would be payable by bmp AG as an employer under mandatory government or private insurance schemes (retirement and health insurance). The endowment life insurance and accident insurance policies obtained by bmp AG at its expense remain in place.

The members of the Executive Board are also provided with a company vehicle for both business and personal use as part of their benefits in kind.

Taxes applicable to both insurance premiums and the company vehicle as non-cash benefits are borne by the respective Executive Board member.

The policies regarding D&O insurance, expense reimbursements for activities involving travel and post-contractual restraints on competition described above remain in place. In addition, Executive Board members continue to be forbidden to personally accept remuneration for Supervisory Board appointments or other side activities (exception: remuneration for university lecturing activities) and must transfer all such remuneration to the company.

The profit-sharing policy for Executive Board members was adjusted. Changes included the introduction of a staggered profit-sharing scheme to meet the requirement of calculating bonuses based on performance over multiple years. The profit-sharing policy calls for the following:

1. No profit-sharing bonus shall be paid to members of the Executive Board if the EBT of bmp AG as per the HGB is less than €0.5 million.
2. For EBT of bmp AG as per the HGB before provisions for profit-sharing bonuses for all Executive Board members of up to €2.5 million, the Chairman of the Executive Board shall receive a profit-sharing bonus of 4%; the other members of the Executive Board shall each receive 3% of the EBT of bmp AG.
3. For EBT of bmp AG as per the HGB before provisions for profit-sharing bonuses for all Executive Board members between €2.5 million and €3.5 million, the Chairman of the Executive Board shall receive a profit-sharing bonus of 3.4%; the remaining members of the Executive Board shall each receive 2.55% of EBT.
4. For EBT of bmp AG as per the HGB before provisions for profit-sharing bonuses for all Executive Board members exceeding €3.5 million, the Chairman of the Executive Board

shall receive a profit-sharing bonus of 2.4%; the remaining members of the Executive Board shall each receive 1.8% of EBT.

50% of the profit-sharing bonus for each year will be paid upon completion of the year-end financial statements. Another 30% will be paid out in full, in part, or not at all depending on net income in the following year. The same applies to the remaining 20% based on net income in the year after the following year.

If net income in the following year is equal to or greater than zero (results ≥ 0), the 30% from the previous year will be paid out in full.

If net income in the following year is negative, the 30% entitlement from the previous year will be reduced. The reduction is calculated on the same percentage basis as the profit-sharing bonus, (e.g.: €100 loss, 4% profit-sharing bonus \Rightarrow €4 reduction). The reduction may not exceed the amount remaining from the previous year. Profit-sharing bonuses received based on the previous year are not repayable.

The same procedure applies to the year after the following year.

The previous bonus policy applicable to Mr Günther expired on 1 January 2011.

In April 2011, the Executive Board and Supervisory Board decided to submit the new remuneration system in place as of 1 January 2011 to a vote by the 2011 General Stockholders' Meeting.

Remuneration structure for members of the Supervisory Board

A remuneration policy for members of the Supervisory Board was adopted by the 2008 General Stockholders' Meeting. The policy calls for:

- » an annual base remuneration amount
- » a daily meeting attendance fee
- » performance-related remuneration

The annual base remuneration for the Chairman of the Supervisory Board is €10 thousand and €5 thousand each for the other members of the Supervisory Board.

The meeting attendance fee is €2.5 thousand for the Chairman of the Supervisory Board, €1.5 thousand for the Deputy Chairman and €1 thousand each for the other members of the Supervisory Board.

The Supervisory Board met a total of five times in business year 2010.

The Supervisory Board is entitled to a performance-related bonus if the annual financial statements show earnings per share outstanding as per the HGB, minus at least four percent of the lowest issue price paid for capital contributions, of 20 cents or higher. In this case, the Chairman of the Supervisory Board shall receive €2 thousand and all other members of the Supervisory Board €1 thousand each for each cent above 20 cents in earnings per dividend-entitled share.

By resolution of the 2008 General Stockholders' Meeting, for any capital increases in the form of cash or non-cash contributions, the 20-cents-per-share amount is replaced by an amount equal to the ratio of the number of days remain-

ing in the business year on the day the final contribution to the capital increase is received to the total number of days in the business year (for example: final capital contribution received on 20 October 2009, corresponding to a ratio of 73/365 days, i.e., 1/5, equals 4 cents instead of 20 cents).

If the capital increase is financed with company funds or if a capital reduction takes place, the 20 cent amount is adjusted proportionately.

In addition to remuneration, the Supervisory Board is also entitled to reimbursement of its expenses. By resolution of the General Stockholders' Meeting, the company also approved a new D&O insurance policy for the members of its Supervisory Board, the costs for which will be borne by the company. A deductible for the members of the Supervisory Board is not prescribed (see the Declaration of Compliance in accordance with Section 161 of the AktG under A).

Remuneration of members of the Supervisory Board in business year 2010

The Supervisory Board received the following remuneration and expense reimbursements in business year 2010:

In € thousand		Annual base remuneration	Meeting attendance fees	Performance- related remuneration	Expense reimburse- ments
Gerd Schmitz-Morkramer*	2010	12	15	0	3
(Chairman of the Supervisory Board)	2009	11	13	0	3
Bernd Brunke	2010	5	8	0	0
(Deputy Chairman)	2009	5	7	0	0
Ulrich Ankele	2010	5	5	0	2
	2009	5	4	0	2

* including mandatory VAT

No advances on future remuneration or loans were extended to the members of the Supervisory Board in the business year 2010.

Management Board's Additional Statement

The following statement from the bmp AG Board of Directors is issued according to the requirements of § 92 Section 1 no. 5 and 6 of the regulations of the council of ministers of finance for the Polish Republic dated 19th February 2009 „concerning the current and periodical information which are to be provided by the share issuing companies as well as the conditions necessary for recognition of the equivalence of informations required according to the law of a non-member state.“

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 2010 at the bmp AG annual general meeting on 07.07.2010 according to the requirements of legal specifications and commissioned by the Supervisory Board of bmp AG with the audit. Verhülsdonk & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft declared the Supervisory Board of bmp AG the independence of the auditing company and tax accountancy.

Group Financial Statement as at December 31 2010 for the Financial Year 2010

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Group Balance Sheet as at 31 December 2010

Assets	Notes	2010	2009
		€	T€
Long-term assets			
Intangible assets	12,20	562.58	2
Tangible assets	12,20	35,548.88	29
Equity investments	9,21	4,271,132.45	11,083
Silent partnerships and loans	11,21	15,002.00	127
Affiliated companies and Joint Ventures	22	316,797.72	379
Loans to Joint Ventures		30,532.50	0
Long-term receivables	23	703,772.97	0
		5,373,349.10	
Current assets			
Trade accounts receivable	24	246,648.68	21
Receivables and other assets	24,25	6,698,826.71	2,078
Cash on banks and cash on hand	26	5,713,373.15	3,171
		12,658,848.54	
Total assets		18,032,197.64	16,890

Liabilities	Notes	2010	2009
		€	T€
Shareholders' equity			
Subscribed capital	27	17,500,000.00	17,500
Capital reserves	29	530,600.78	531
Other revenue reserve	30	972,256.66	972
Accumulated net result	30	-2,749,778.12	-4,996
		16,253,079.32	
Long-term liabilities			
Liabilities from refinancing activities	32	1,216,873.30	0
Long-term provisions	35	6,000.00	85
		1,222,873.30	
Current liabilities			
Trade accounts payable		122,151.66	47
Liabilities from refinancing activities	33	0.00	2,483
Other liabilities	34	330,093.36	192
Provisions	35	104,000.00	77
		556,245.02	
Total liabilities		18,032,197.64	16,890

Statement of Comprehensive Income for the Period from 1 January 2010 to 31 December 2010

	Notes	2010 €	2009 T€
Sales revenue			
Income from disposal of investments and securities	36	7,093,137.24	1,501
Other operating income			
Income from revaluation of investments		2,685,270.85	1,467
Other operating income	37	1,031,620.16	425
Income from consulting and commissions		792,603.47	26
Reduction in book value of investments and securities	38	-4,853,978.69	-1,553
Staff costs			
Wages and salaries	39	-1,138,841.81	-1,054
Social security contributions and costs for pensions and support	39	-144,594.55	-142
Depreciations			
Depreciation on intangible and tangible fixed assets	20	-11,225.30	-17
Other operating expenses			
Expenses from revaluation	43	-2,231,975.96	-9,775
Other operating expenses	40	-1,649,317.85	-1,400
Operating income		1,572,697.56	-10,522
Income from investments	41	417,699.68	212
Interest and similiar income	42	352,698.15	380
Interest and similiar expenses	44	-97,096.86	-171
Result from ordinary activities		2,245,998.53	-10,101
Consolidated net result		2,245,998.53	-10,101
Other comprehensive income		0.00	0
Consolidated comprehensive Income		2,245,998.53	-10,101
Earnings per share €	48	0.13	-0.58
Diluted earnings per share €	48	0.13	-0.58

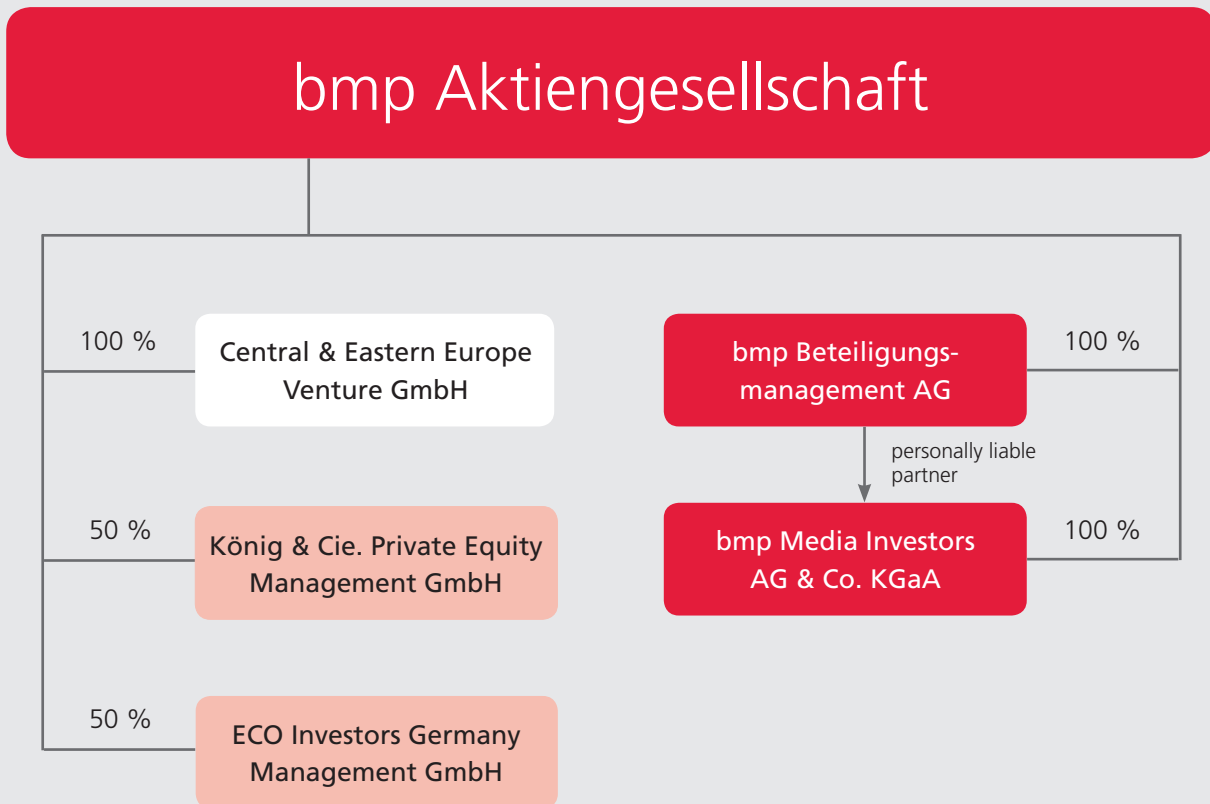
Group Cash-Flow Statement for the Period from 1 January 2010 to 31 December 2010

	Notes	2010 T€	2009 T€
Cash Flow from Operations			
Consolidated net result		2,246	-10,101
Revaluation of investments, securities and receivables	37, 43	-453	8,309
Profit from disposal of holdings and securities		-2,239	52
Depreciation of tangible assets	20	11	17
Other non-cash items		-835	-16
		-1,270	-1,739
Decrease/(-) increase in assets and Increase/(-) decrease in liabilities			
Receivables and other assets including securities		431	3,148
Other liabilities	34	213	-158
Provisions	35	-52	-21
Total		-678	1,230
Cash-Flow from Investments			
Holdings and affiliated companies			
Additions to holdings, silent partnerships, loans and fixed-asset securities	21	-2,066	-1,456
Change in affiliated companies and joint ventures	22	25	-13
Cash-in from the disposal of holdings, securities, silent partnerships and loans	21	5,702	608
		3,661	-861
Tangible fixed assets			
Additions	20	-17	-2
Disposals		0	1
Total		3,644	-862
Cash Flow from Financing			
Decrease in liabilities to banks	32, 33	-424	-645
Total		-424	-645
Change in liquid funds		2,542	-277
Liquid funds at the beginning of the reporting period		3,171	3,448
Liquid funds at the end of the reporting period		5,713	3,171

Statement of Changes in Equity

Figures in T€	Notes	Subscribed capital	Capital reserve	Other profit reserves	Accumulated net results	Total
Equity as at 01.01.2010	27,29	17,500	531	972	-4,996	14,007
Consolidated net result		0	0	0	2,246	2,246
Equity as at 31.12.2010	27,29	17,500	531	972	-2,750	16,253
Equity as at 01.01.2009	27,29	17,500	531	972	5,105	24,108
Consolidated net result		0	0	0	-10,101	-10,101
Equity as at 31.12.2009	27,29	17,500	531	972	-4,996	14,007

Structure of bmp under company law as at 31 December 2010*



- 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 2010 did not form part of the audit of the annual accounts.

Notes to the Group Financial Statement as at 31 December 2010

I. GENERAL INFORMATION

1. Business activities of the group

bmp Aktiengesellschaft (hereinafter also "bmp AG" or the "Company") is a private equity company which makes early-stage and expansion financing available to innovative growth companies, primarily through its subsidiary company bmp Media Investors AG & Co. KGaA. In doing so, bmp AG concentrates its attention primarily on investments in Germany and Poland. bmp AG uses its own funds for this and also manages funds for institutional investors. Recognised earnings are achieved for the most part by increasing the value of the holdings acquired by bmp AG and collecting fund management fees. The consolidated subsidiary companies are either active in the same business area or provide supportive functions.

The bmp Group has its headquarters at Schlüterstrasse 38, D-10629 Berlin, Germany.

bmp Aktiengesellschaft is the ultimate parent company in the bmp Group and is entered in the Commercial Register of the District Court of Berlin-Charlottenburg, Federal Republic of Germany, under the number HR-B 64 077.

2. General information

The Group financial statements show the assets and financial earnings situation, along with capital flows in accordance with actual conditions.

The Group statement of comprehensive income is structured according to total cost accounting. The Group financial statements are shown in euro. Unless otherwise noted, all amounts are rounded off according to normal business procedures in thousands of euro (T€ or TEUR). With the exception of certain financial instruments which are recognised at fair value, the information in the Group financial statements is given based on amortised cost.

The Group financial statements were prepared by the Company and sent to the Supervisory Board on 7 April 2011. Post-balance sheet effects are taken into account up to that date. After the auditor's presentation of the audit results at the Supervisory Board meeting on 14 April 2011, the Supervisory Board will approve the Group financial statements and issue its Supervisory Board report. The Group financial statements will be released for publication upon their approval by the Supervisory Board.

3. Basis of the Group financial statements

In line with § 290 ff HGB (Handelsgesetzbuch – German Commercial Code) in conjunction with Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards in their currently valid version, bmp AG is required to apply the international standards adopted by Articles 2, 3 and 6 of the above-mentioned regulation.

The Group financial statements of bmp AG were prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and

their interpretations as applied in the European Union, and also in accordance with the additional requirements of § 315a (1) of the HGB. bmp AG took complied with all mandatory standards and interpretations applicable as at 31 December 2010.

Where relevant, bmp AG has applied the following rules in rendering accounts for 2010 for the first time:

- » The first "Annual Improvements Project included publication on 16 April 2010 of "Improvements to IFRSs", which made changes to a number of standards. The "Improvements to IFRSs" standard contains a total of 15 small changes to ten existing standards and two interpretations. Unless otherwise stated in the relevant standard, it is mandatory to apply the changes for business years which begin on or after 1 January 2010. Use for earlier periods is always permitted. The EU endorsed the changes on 23 March 2010. The changes have no significant effects on the Group financial statements of bmp AG.
- » A revised version of IFRS 1, "First-time Adoption", was issued on 27 November 2008. The published changes affect mainly the formal structure of IFRS 1; that is, the content of the standard remains the same. The EU endorsed the changes on 25 November 2009. According to the relevant EU Regulation, it is mandatory to apply the revised specifications for business years which begin on or after 31 December 2009. The changes are relevant only to those adopting IFRS for the first time, and therefore have no effect on the Group financial statements of bmp AG.
- » The IASB published changes to IFRS 1 "First-time Adoption" on 23 July 2009. According to the changes to IFRS 1, companies operating in the fields of crude oil and gas which convert to IFRS are entitled to apply the carrying amounts determined in accordance with their previous accounting principles for crude oil and gas deposits. Companies which decide to make use of this exception are required to assess decommissioning, restoration and similar liabilities in connection with crude oil and gas deposits in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and to post the liability to retained earnings. The changes to IFRS 1 also affect the re-assessment of determination of a leasing relationship. It is mandatory to apply the revised IFRS 2 for business years which begin on or after 1 January 2010. The EU endorsed the changes on 23 March 2010. The changes are relevant only to those adopting IFRS for the first time, and therefore have no effect on the Group financial statements of bmp AG.
- » The IASB issued changes to IFRS 2 "Group Cash-settled Share-based Payment Transactions" on 18 June 2009. The changes clarify the accounting of group cash-settled share-based payment transactions in the separate financial statements. The changes to IFRS 2 also incorporate resolutions under IFRIC 8 and IFRIC 11. It is mandatory to apply the revised IFRS 2 for business years which begin on or after 1 January 2010. The EU endorsed the changes on 23 March 2010. The changes do not affect bmp AG in 2010.
- » Revised versions of IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements" were issued in January 2008. The changes affect numerous aspects in the preparation of balance sheets for corporate mergers and the consolidation of subsidiary companies, particularly the valuation of minority shares, the initial consolidation of step acquisitions, the balance sheet treatment of changes in ownership interests both with and without loss of control, the treatment of acquisition-related costs, possible adjustments in the original cost due to contingent considerations, and effects ensuing from the processing of existing business relationships. Use of the revised IFRS 3 (2008) is mandatory for corporate mergers whose acquisition

takes place in business years which begin on or after 1 July 2009. It is mandatory to apply the revised IAS 27 (2008) for business years which begin on or after 1 July 2009. The EU endorsed the changes to IFRS 3 and IAS 27 (2008) on 3 June 2009. The changes did not affect bmp AG in 2010.

- » The changes to IFRS made in the context of the "Improvements of IFRS" published in May 2008 are to be applied for business years which begin on or after 1 July 2009. The changes did not affect bmp AG in 2010.
- » Additions to IAS 39 "Financial Instruments: Recognition and Measurement" were issued in July 2008. The additions clarify the application of the basic principles of hedge accounting in two special situations: the designation of inflation risks as hedged item and the designation of a unilateral risk in an underlying transaction. Use of the changes is mandatory for business years which begin on or after 1 July 2009. The EU endorsed the changes on 15 September 2009. The changes do not affect bmp AG in 2010.
- » IFRIC 12 "Service Concession Agreements", issued in November 2005, deals with issues related to financial reporting of agreements via which a government or other public institution places orders with private operators in order to provide public services. IFRIC 12 applies to business years which begin on or after 29 March 2009. The EU endorsed IFRIC 12 on 25 March 2009. The first-time application of IFRIC does not affect the Group financial statements of bmp AG.
- » IFRIC 15 "Agreements for the Construction of Real Estate", issued in June 2008, defines the criteria to be observed in recording business transactions involving real estate development projects. The EU endorsed IFRIC 15 on 22 July 2009. According to the relevant EU Regulation, IFRIC 15 first becomes mandatory for business years which begin on or after 1 January 2010. The changes do not affect bmp AG in 2010.
- » The IASB published IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" on 3 July 2008. IFRIC 16 clarifies how the requirements of IAS 21 and IAS 39 are to be met in cases in which a company hedges a foreign currency risk resulting from a net investment in a foreign operation. It is mandatory to apply IFRS 16 for the first time for business years which begin on or after 1 July 2009. Voluntary use for earlier periods is always permitted. The EU endorsed the changes on 4 June 2009. The changes do not affect bmp AG in 2010.
- » IFRIC 17 "Distribution of Non-cash Assets to Owners", issued on 27 November 2008, regulates how the balance sheet is to include dividend payment obligations which are based on a point of time after which the dividend payment is no longer a matter of the Company's discretion. It is mandatory to apply IFRS 17 for the first time for business years which begin on or after 1 November 2009. Voluntary use for earlier periods is always permitted. The EU endorsed the changes on 26 November 2009. The changes do not affect bmp AG due to the lack of relevant transactions.
- » On 29 January 2009, the IASB issued IFRIC 18 "Transfer of Assets from Customers". IFRIC 18 establishes and clarifies how the transfer of property, plant and equipment or cash for the construction or acquisition of property, plant and equipment is to be reported. It is mandatory to apply IFRS 18 for the first time for business years which begin on or after 1 November 2009. The EU endorsed the changes on 27 November 2009. IFRIC 18 does not affect bmp AG due to the lack of relevant transactions.

4. Not applied or changed IFRS

bmp AG has not voluntarily prospectively applied the following standards and/or interpretations which were reissued or revised by the IASB but whose application was not yet mandatory on the balance sheet date; in some cases their adoption by the EU is still pending:

- » The third "Annual Improvements Project" included publication on 6 May 2010 of "Improvements to IFRSs", which made changes to a number of standards. The "Improvements to IFRSs" standard contains a total of 11 changes to six standards and one interpretation. The changes are to be applied at various points of time, but no earlier than for business years which begin on or after 1 July 2010. Use for earlier periods is always permitted. The changes have still to be endorsed by the EU. bmp AG is currently studying the possible future impact on the Group financial statements.
- » On 23 July 2009 and 21 December 2010, the IASB issued changes to IFRS 1. It is mandatory to apply the revised IFRS 1 for business years which begin on or after 1 July 2010 or 1 July 2011. Voluntary use for earlier periods is always permitted. The first change in July 2009 was endorsed by the EU on 30 June 2010; the December 2010 changes are still to be endorsed. The changes are relevant only to those adopting IFRS for the first time, and therefore have no effect on the Group financial statements of bmp AG.
- » On 7 October 2010, the IASB issued changes to IFRS 7 as part of the "Derecognition" project. The changes give users of financial reports a better insight into transactions for the purpose of transferring assets (e.g. securitisations). Use of the changes is mandatory for business years which begin on or after 1 July 2011. The changes have still to be endorsed by the EU. bmp AG is currently studying the possible future impact on the Group financial statements.
- » The IASB reissued IFRS 9 "Financial Instruments" on 12 November 2009. The promulgation of IFRS 9 marks the first of three phases of the IASB project to rework the accounting of financial instruments and therefore replace IAS 39. The main components of IFRS 9 are new, less complex regulations to classify and measure financial assets. On 28 October 2010, IFRS 9 was extended to include regulations on reporting liabilities. It will be mandatory to apply IFRS 9 for the first time for business years which begin on or after 1 January 2013. Voluntary use for earlier periods is always permitted. The changes have still to be endorsed by the EU. bmp AG is currently studying the possible future impact on the Group financial statements.
- » On 21 December 2010, the IASB issued changes to IAS 12. It is mandatory to apply the revised IFRS 12 for business years which begin on or after 1 July 2011. Voluntary use for earlier periods is always permitted. The changes have still to be endorsed by the EU. bmp AG is currently studying the possible future impact on the Group financial statements.
- » The IASB issued a revised version of IAS 24 "Related Party Disclosures" on 4 November 2009. The amendment simplifies the reporting obligations for companies in which the state has a participation. In addition, the definition of a related company or a related person has been thoroughly revised. It is mandatory to apply the revised IFRS 24 for business years which begin on or after 1 January 2011. Voluntary use for earlier periods is always permitted. The changes were endorsed by the EU on 19 July 2010. bmp AG is currently studying the possible future impact on the Group financial statements.
- » The IASB issued changes to IAS 32 "Classification of Rights Issues" on 8 October 2009. It is mandatory to apply the revised IFRS 32 for business years which begin on or after 1 February 2010. Voluntary use for earlier periods is always permitted. The changes were endorsed by

the EU on 23 December 2009. bmp AG is currently studying the possible future impact on the Group financial statements.

- » On 26 November 2009, the IASB issued changes to IFRIC 14 "Prepayments of a Minimum Funding Requirement". It is mandatory to apply the revised IFRIC 14 for business years which begin on or after 1 January 2011. Voluntary use for earlier periods is always permitted. The changes were endorsed by the EU on 19 July 2010. bmp AG is currently studying the possible future impact on the Group financial statements.
- » On 26 November 2009, the IASB issued IFRIC 19 "Repayment of Financial Liabilities with Equity Instruments". The purpose of IFRIC 19 is to provide guidelines for the reporting of equity instruments issued by a debtor following renegotiation of the terms of a financial liability in order to repay it in full or in part. It is mandatory to apply IFRIC 19 for the first time for business years which begin on or after 1 July 2010. Voluntary use for earlier periods is always permitted. The changes were endorsed by the EU on 23 July 2010. bmp AG is currently studying the possible future impact on the Group financial statements.

5. Companies included in the consolidation

5.1. Full consolidation

In addition to bmp AG, Berlin, as parent company, the Group financial statements include the financial statements of

- » bmp Beteiligungsmanagement AG, Berlin
- » bmp Media Investors AG & Co. KGaA, Berlin

These companies are included in accordance with IAS 27 in the sense of full consolidation, since in each case bmp AG exercises a controlling influence. Governance as defined by IAS 27 is present whenever it is possible to determine the financial and business policies of a company. This does not apply to the venture capital holdings. As parent company, bmp AG holds 100% of the shares of the consolidated companies.

The following subsidiaries, which were still consolidated in 2009,

- » bmp Eco Investors GmbH & Co. KGaA, Berlin
- » bmp Treuhand- und Verwaltungs GmbH, Berlin

were merged with bmp AG during business year 2010.

5.2. Joint ventures

The equity method was used in accordance with IAS 31.38 – Interests in joint ventures – to account for interests in joint ventures. There were two joint ventures as at 31 December 2010: König & Cie. Private Equity Management GmbH and ECO Investors Germany Management GmbH. bmp AG holds 50% of the shares and voting rights in both joint ventures. The proportions of the assets, liabilities, income and expenses of the joint ventures that are attributable to the Group are as follows:

in T€	2010	2009
Current assets	505	1,181
Non-current assets	8	19
Current liabilities	329	555
Non-current liabilities	0	0
Income	280	717
Expenses	120	500
Result	161	217

5.3. Other subsidiaries

Central & Eastern Europe Venture GmbH and bmp Polska Sp. z o.o., were not fully consolidated as these wholly owned subsidiaries do not have any operations and their influence on the assets, liabilities, financial position and profit or loss of the bmp Group is of subordinate importance. bmp Polska Sp. z o.o. was sold during the business year in question.

6. Principles of consolidation

The Group financial statements are based on the separate financial statements of bmp AG and the fully consolidated subsidiaries which are drawn up according to uniform accounting policies. The separate financial statements of the consolidated Group entities are always prepared as at 31 December.

Expenses and income as well as receivables and payables or liabilities between the fully consolidated companies, as well as intragroup profits from internal Group transactions, are eliminated.

7. Recognition of income

Income from disposal of investments and securities is recorded at the time of ownership transfer to the purchaser provided that a price has been agreed on or can be determined and its payment is to be probable.

Income from services is recorded after the services have been performed and a price has been agreed on or is determinable and its payment is probable.

Dividend income from investments is recorded at the time the legal claim to payment arises.

8. Related parties

bmp AG is the parent company and thus at the same time the ultimate controlling party in the bmp Group.

Transactions between bmp AG and subsidiaries, i.e. related companies, were eliminated during the course of consolidation and will therefore not be discussed here. Details of transactions between the Group and other related companies and persons will be presented openly in the following.

The bmp Group sold services to Central & Eastern Europe Venture GmbH. No business relationships

existed with joint ventures. The business volume, along with receivables and/or liabilities on the balance sheet date, is given in the following from the viewpoint of the Group:

In T€	Non fully consolidated subsidiaries	
	2010	2009
Invoiced interest	163	160
Payment for services	0	92
Receivables	0	23
Liabilities	0	0
Adjustment in the specific provision for receivables	186	128
Depreciation on investment	0	45
Appreciations to investment	0	0

For information concerning related persons, please see the information on the executive bodies of the Company in Note 54.

9. Equity investments

Equity investments in portfolio companies are assigned to the measurement category of "Financial assets at fair value through profit and loss". In accordance with the provisions of IAS 39, the initial and subsequent measurement of financial instruments of this category is carried out at fair value. Changes in value between the initial and subsequent measurement and between the times thereafter are listed separately under income from remeasurement or under expenditure from remeasurement.

An accounting guideline was drawn up for implementation of the fair value accounting of investment interests. Accordingly, shares in listed companies for which an active market exists are measured at their stock market price in each case at the stock exchange with greatest liquidity at measurement date. If the shares are subject to a lock-up restriction, in accordance with the recommendations of the EVCA reductions of up to 20% of the price on that day are applied for reporting date depending on the time period of the trade restriction. For all other shares in non-listed companies and for which there is no active market, the fair value is determined by means of generally recognised valuation methods, provided that the fluctuation range of results returned by different methods for the same investment lie within reasonable limits. The valuation method includes, where possible, using recent arm's length transactions between knowledgeable, willing parties. These so-called third-party transactions must meet the criteria of certain internal guidelines of the bmp Group which are oriented primarily to the volume and the chronological moment of the respective transaction.

Other valuation methods include, in particular, peer group comparison and the discounted cash flow method. In peer group comparison, company values are calculated on the basis of multiples of a group of comparable companies. The major condition for application of this method is the identification of at least three comparable companies. If this is not possible, suitable industry multiples can be used provided that reliable data are available for this and the respective industry classification is for the most part certain. When comparing the valuation of an unlisted firm with a

group of comparable listed firms, value reductions due to a lack of marketability are to be applied to the values determined. In addition, company-specific factors can either reduce or increase this reduction. The overall reduction (DLOM – Discounts For Lack Of Marketability) usually amounts to between 30% and 40%.

The discounted cash flow method means that future cash flows are discounted, and that the present value of a perpetual annuity is calculated for the period thereafter.

The valuation methods correspond to the recommendations of the EVCA (European Private Equity and Venture Capital Association) and the NACVA (National Association of Certified Valuation Analysts).

10. Financial instruments

A financial instrument is an agreement which results in a financial asset in one company while at the same time resulting in a financial liability or an equity instrument in another company. This always requires originated financial instruments on the one hand and derivative financial instruments on the other. The bmp Group held no derivative financial instruments – neither with nor without a balance sheet hedging relationship – in 2010 and 2009.

11. Silent partnerships and loans

The item “Silent Partnerships and Loans” covers non-current loans of a fixed term, which are reported in the balance sheet at amortised cost. As at 31 December 2010, there were no longer any silent partnerships. Discernable risks are taken into account through appropriate provisions.

12. Property, plant and equipment and intangible assets

We have reported property, plant and equipment and intangible assets on the balance sheet at cost less accumulated depreciation and amortisation. The depreciations are carried out as planned using the straight-line method.

13. Other financial obligations

bmp AG has entered into car leasing agreements. In accordance with IAS 17 these are to be classified as operating leases since basically all risks and rewards of ownership are retained by the lessor. Lease payments for such operating leases are recorded in the Group statement of comprehensive income for the lease term as other operating expenses. The agreements have two to three-year terms. As part of the leasing agreements, payments of T€ 38 (previous year: T€ 34) were expensed under other operating expenses. The nominal total of the future minimum leasing payments from non-cancellable operating leases is broken down by maturity as follows:

in T€	2010	2009
Payable within one year	19	14
Payable within one and five years	15	12
Payable in more than five years	0	0
Total	34	26

Rent obligations for rent payments for business premises are broken down by maturity as follows:

in T€	2010	2009
Payable within one year	88	76
Payable within one and five years	381	19
Payable in more than five years	0	0
Total	469	95

14. Provisions

Provisions may only be entered on the liabilities side if an obligation exists and utilisation is probable. Non-current provisions are discounted where the effect of the time value of money is material.

15. Liabilities

Liabilities are reported as current, if the debt is payable within 12 months of the balance sheet date. Therefore, the balance sheet makes a distinction between current and non-current liabilities.

16. Deferred taxes

Deferred taxes are reported as temporary differences between the tax base and the IFRS balance sheet value of an asset or liability. There is a recognition requirement if recognition criteria exist for deferred tax assets liabilities.

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 unused tax-related losses carried forward.

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

17. Deferred income and expenses

Prepaid expenses includes payments made before the reporting date that represent expenses for a particular time after this date. Deferred income takes place for deposits before the reporting date that represent the income for a particular time after this date.

18. Estimates

Preparing the Group financial statements requires that assumptions be made and estimates be used which affect the level and disclosure of assets and liabilities reported on the balance sheet, as well as on income and expenditure and contingent liabilities. The estimates are based on experience and other assumptions which can be regarded under the given circumstances as accurate. The actual values may deviate from the estimates. The estimates and assumptions are continuously subjected to review and corrected as needed.

The following list of significant estimates and related assumptions, along with the uncertainties that go hand in hand with the accounting policy selected are of decisive importance for an understand-

ding of the basic risks inherent in a financial report and the impact which these estimates, assumptions and uncertainties could have on the Group financial statements:

Useful lives of property, plant and equipment and other intangible assets

At the end of each business year, the Group reviews the estimated useful lives of property, plant and equipment and other intangible assets. Changes in the estimates were not required in 2010 or 2009.

Equity interests

The item "Equity interests" includes shares in venture capital holdings. The carrying value of these equity interests is very largely dependent on estimates in a large number of different areas. As a whole, the whole area of measurement is based on assumptions and estimates which extend over the range of forecasts of general economic data, developments of markets and market segments, economic forecasts based on investment interest as such as well as capitalisation interest, inflation rates and exchange rates which have an impact on the value of the item "Equity interests". The carrying amount used for assets whose value is affected by estimates is T€ 1,681.

Recoverability of property, plant and equipment and other intangible assets

On each balance sheet date the Group is required to estimate whether there is any reason that the carrying amount of an item in property, plant and equipment or other intangible assets could be impaired.

Legal risks

As at 31 December 2010, the companies of the bmp Group are not involved in any litigation. As a result, no provisions were expensed in connection with litigation (previous year: T€ 0).

19. Calculation methods

Both shareholdings and securities are measured by way of the average method. In the case of partial sales, they are pro rated according to the decrease in the carrying amount of the shareholdings and securities.

II. NOTES ON THE BALANCE SHEET

20. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets relate exclusively to acquired rights of use and to goods. Property, plant and equipment and intangible assets are depreciated over their useful lives on a straight-line basis, while the carrying amount is a result of cost less accumulated depreciation and amortisation. Durations of useful life range from three to 20 years.

In T€	Acquisition costs			31.12.2010
	01.01.2010	Disposal	Addition	
Intangible assets	129	0	0	129
Tangible assets	270	0	17	287
Total	399	0	17	416

In T€	Depreciation			31.12.2010
	01.01.2010	Disposal	Addition	
Intangible assets	127	0	1	128
Tangible assets	241	0	10	251
Total	368	0	11	379

In T€	Book Value	
	01.01.2010	31.12.2010
Intangible assets	2	1
Tangible assets	29	36
Total	31	37

In T€	Acquisition costs			31.12.2009
	01.01.2009	Disposal	Addition	
Intangible assets	129	0	0	129
Tangible assets	270	2	2	270
Total	399	2	2	399

In T€	Depreciation			31.12.2009
	01.01.2009	Disposal	Addition	
Intangible assets	126	0	1	127
Tangible assets	226	1	16	241
Total	352	1	17	368

In T€	Book Value	
	01.01.2009	31.12.2009
Intangible assets	3	2
Tangible assets	44	29
Total	47	31

21. Equity investments as well as silent partnerships and loans

The item "Equity investments" covers equity investments in the capital of portfolio companies at fair value. Silent partnerships and loans are, as a rule, granted only to companies in which there is also an equity investment.

In T€	Equity investments		Silent partnerships and loans	
	2010	2009	2010	2009
1.1.	11.083	19.074	126	894
Addition	1,234	936	832	520
Disposal	-3,401	-141	-61	-519
Transfer	-4,157	-1,116	-204	-200
Valuation	-487	-7,670	-678	-569
31.12.	4,272	11,083	15	126

The equity investments listed under "Additions" were classified 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 remeasurement of the investment.

The valuation of equity investments is described under "9. Equity investments". The holdings were measured according to the following valuation methods.

In T€	Book value			Book value		
	Number	Valuation	Number	Valuation	Number	Valuation
Valuation method	2010			2009		
Listed (Level I)	0	0	0	2,885	2	-624
Third-party transaction (Level II)	1,457	1	-36	2,463	1	0
Peer group comparison (Level II)	1,681	4	53	3,665	4	690
Fair value corresponds to acquisition cost* (Level II)	947	3	0	442	4	2
Fair value corresponds to acquisition cost minus discount (Level III)	187	4	-504	1,628	7	-8,513
Total	4,272	12	-487	11,083	18	-8,445

The fair values of other non-current financial assets and financial liabilities were categorised according to the following hierarchy:

- » Level I: Listed market prices for identical assets or liabilities on active markets
- » Level II: Other information than listed market prices is observable either directly (i.e. prices) or indirectly (e.g. derived from prices).
- » Level III: Information for assets and liabilities that is not based on observable market data.

22. Affiliated companies and joint ventures

Affiliated companies are reported at amortised cost, while joint ventures are reported at the appropriate equity.

In T€	Acquisition costs			31.12.2010
	01.01.2010	Disposal	Addition	
Affiliated companies	3,958	249	0	3,709
Joint Ventures	54	0	0	54
Total	4,012	249	0	3,763

In T€	Valuation			31.12.2010
	01.01.2010	Disposal of valuation	Valuation	
Affiliated companies	-3,902	193	0	-3,709
Joint Ventures	270	0	-7	263
Total	-3,632	193	-7	-3,446

In T€	Book Value	
	01.01.2010	31.12.2010
Affiliated companies	56	0
Joint Ventures	324	317
Total	380	317

In T€	Acquisition costs			31.12.2009
	01.01.2009	Disposal	Addition	
Affiliated companies	3,958	0	0	3,958
Joint Ventures	41	0	13	54
Total	3,999	0	13	4,012

In T€	Valuation			31.12.2009
	01.01.2009	Disposal of valuation	Valuation	
Affiliated companies	-3,857	0	-45	-3,902
Joint Ventures	254	0	16	270
Total	-3,603	0	-29	-3,632

In T€	Book Value	
	01.01.2009	31.12.2009
Affiliated companies	101	56
Joint Ventures	295	324
Total	396	380

23. Non-current receivables

In T€	01.01.2010	Disposal	Addition	31.12.2010
Non-current receivables	0	0	704	704

Non-current receivables are purchase price receivables held on trust accounts, payment of which depends on the non-occurrence of certain events.

24. Receivables and other assets

24.1. Trade accounts receivable

Receivables are measured individually at amortised cost taking into account the probability of payment.

24.2. Receivables and other assets

Receivables and other assets are recorded at amortised cost.

In T€	2010	2009
Receivables from affiliated companies	0	23
Receivables from holdings	0	22
Receivables from the tax authorities	268	290
Loans to third parties	10	13
Other receivables	21	21
Total receivables	299	369
Other assets	37	13

25. Financial instruments

Financial instruments are assigned to the measurement category "Financial assets at fair value through profit and loss".

In T€	Book value	Number	Valuation	Book value	Number	Valuation
Valuation method	2010			2009		
Listed	4,277	2	1,252	380	1	-25
Third-party transaction	2,085	1	367	1,316	1	774
Listed price minus discount	0	0	0	0	0	0
Total	6,362	3	1,619	1,696	2	749

26. Bank balances, cash in hand

in T€	2010	2009
Balances held with banks, cash in hand	5,713	3,171

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

27. Equity and shares

All bmp shares are non-par-value shares with a notional value of € 1.00. Each share has one vote. All shares are fully paid in. The total share volume remained at 17.5 million in 2009 and 2010.

28. Admission to the exchange

The shares are traded in Germany on 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 OTC market of the stock exchanges of Berlin, Dusseldorf, Hamburg, Munich and Stuttgart. The shares are also traded on the Warsaw Stock Exchange.

29. Capital reserves

The capital reserves contain amounts generated above the par value when issuing shares. It was constant in 2009 and 2010 at T€ 531.

30. Change in equity

Please refer to the statement of changes in equity for information on changes in equity.

31. Authorised capital

As in the year before, authorised capital on 31 December was € 8,750,000. The duration of the authorised capital ends on 27 June 2011.

32. Refinancing liabilities (non-current)

The current refinancing liabilities to the KfW banking group were reclassified into non-current refinancing liabilities as the loans were extended.

In T€	2010	2009
As at 01.01.	0	1,521
Reclassification	1,217	-1,521
Disbursements/increases	0	0
Repayments/releases from liability/waivers	0	0
As at 31.12.	1,217	0

33. Refinancing liabilities (current)

In T€	2010	2009
As at 01.01.	2,483	1,607
Reclassification	-1,217	1,521
Repayments/releases from liability/waivers	-1,266	-645
Disbursements/increases	0	0
As at 31.12. total	0	2,483

These loans are secured by an assignment of all claims from the refinanced investment interests to KfW. The carrying amount of the securities is T€ 0 (previous year: T€ 913). The liabilities are recorded at amortised cost.

34. Other liabilities

In T€	2010	2009
Liabilities to the tax authorities	131	22
Employees' claims to paid leave	32	36
Outstanding invoices	13	11
Liabilities – accounts and audit	80	88
Liabilities – wages and social security contributions	2	2
Executive Board bonuses	71	26
Rent	1	7
Total	330	192

35. Provisions

Provisions were established for voluntary bonus payments to employees for successful investment sales.

35.1. Current provisions

In T€	01.01.2010	Addition	Utilisati- on	Release	Transfer	31.12.2010
Provisions for personnel	77	34	105	19	117	104

In T€	01.01.2009	Addition	Utilisati- on	Release	Transfer	31.12.2009
Provisions for personnel	0	64	0	0	13	77

35.2. Non-current provisions

In T€	01.01.2010	Addition	Utilisati- on	Release	Transfer	31.12.2010
Provisions for personnel	85	38	0	0	-117	6

In T€	01.01.2009	Addition	Utilisati- on	Release	Transfer	31.12.2009
Provisions for personnel	183	47	0	132	-13	85

III. NOTES ON THE GROUP STATEMENT OF COMPREHENSIVE INCOME

36. Sales revenue

In T€	2010	2009
Revenue from the sale of investments	5,385	159
Revenue from the sale of marketable securities	1,709	1,343
Total	7,094	1,502

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

37. Other operating income

37.1. Other operating income

In T€	2010	2009
Other operating income	169	115
Income from the reversal of provisions	21	144
Reimbursement of expenses to Vestcorp	0	150
Income from appreciation of joint ventures	0	16
Income from discontinuation of KfW loan	842	0
Total other operating income	1,032	425

37.2. Income from revaluation

In T€	2010	2009
Income from revaluation of financial assets	1,033	692
- thereof of equity investments	1,033	692
- thereof of silent partnerships and loans	0	0
Appreciation of other securities	1,652	774
Appreciation of affiliates	0	0
Total income from revaluation	2,685	1,466

38. Reduction in carrying amounts of investments and securities

In T€	2010	2009
Reduction in book value of investments	3,433	129
Reduction in book value of securities	1,421	1,424
Total	4,854	1,553

This position shows the reduction in the book value of the holdings and securities held as current assets from the disposal of holdings and securities held as current assets, where sales of shares acquired as monetary investments are recognised net under other operating income or other operating expenses.

39. Personnel costs

In T€	2010	2009
Wages	1,139	1,054
Social security contributions and pension costs	145	142
Total	1,284	1,196

The number of employees at the end of the year:

	2010	2009
Number of individuals	11	13
Full-time equivalents	10.5	12
Apprentices	1	1

An average of 11 employees (previous year: 13) and one trainee (previous year: 1) were employed during 2010.

40. Other operating expenses

In T€	2010	2009
Losses on receivables and additions to individual value corrections on receivables	378	404
External work	233	173
Costs of General Stockholders' Meeting	49	67
Office space costs	101	101
Insurance, contributions and charges	79	86
Advertising, travel and stock exchange costs	135	121
Fund management expenses	318	87
Various operating costs	356	361
Summe	1,649	1,400

41. Income from investments

In T€	2010	2009
Interest income from silent partnerships	0	52
Dividends from joint ventures	411	156
Income from investments	7	4
Total	418	212

42. Interest and similar income

In T€	2010	2009
Interest income from deposits at banks	43	29
Interest income from the granting of loans	290	345
Interest income from tax credit	20	6
Total	353	380

43. Expenses from revaluation of financial assets and securities

In T€	2010	2009
Expenses from revaluation of investments	2,198	9,706
- thereof of equity investments	1,520	9,137
- thereof of silent partnerships and loans	678	569
Affiliated companies	0	45
Securities held for trading purposes	33	25
Total	2,231	9,776

This position contains measurement expenditure on equity investments and silent partnerships, as well as loans that no longer justify their valuation at carrying amount, as well as of securities held

as current assets, including listed shares in which the value or stock market price was below the carrying amount at the end of the year.

44. Interest and similar expenses

In T€	2010	2009
Interest paid for KfW loans	95	170
Other interest and similar expenses	2	1
Total	97	171

IV. NOTES ON THE CASH FLOW STATEMENT

45. 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, investing and financing activities. The indirect method of presentation is applied.

45.1. Cash and cash equivalents

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

45.2. Cash flow from interest

The following interest was either received or paid:

In T€	2010	2009
Interest paid	122	145
Interest received from investments	11	90
Interest received from banks and other institutions	43	29

V. OTHER INFORMATION

46. Risks and risk management

Private equity advisory/fund management

In the Private Equity Advisory area, bmp today is dependent largely on a single client, König & Cie. No new business in the Private Equity Advisory area is currently planned. In the area of fund management, bmp manages BFB Frühphasenfonds Brandenburg GmbH with a fund volume of € 20 million.

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 disposal proceeds

The bmp Group today generates income primarily from the sale of investments to an institutional or industrial investor (trade sale) or by means of floatation (IPO). Furthermore, some investments are sold to the founders or co-shareholders as a management buy back. These sales methods are also called exit channels. The Company cannot guarantee that an investment can be sold at a profit or sold at all. The sale of investments becomes particularly difficult in weak capital markets and this can therefore lead to negative results for the bmp Group.

Uncertainty of the economic development of individual companies in the portfolio

Write-offs of investments or even the total loss of investments due to insolvency cannot be avoided despite many years of business experience and intensive investment controlling, nor are they unusual especially with early stage financing. bmp AG counteracts the financial effects of a drop in value of investments through early support and counter-measures, through the continuous improvement of due diligence and investment controlling, as well as appropriate provisions for risk (recognising valuation allowances) in its balance sheet measurement.

Financing risks

In the past, bmp AG endeavoured to obtain funds for co-financing and re-financing of investments form public loan programmes in order to reduce the risk of defaults from investments in individual companies in the portfolio, especially with companies in the early stages of development. The re-financing loans with a remaining volume of T€ 1,217 (previous year: T€ 2,483) usually have a fixed term of ten years. These loans are due for repayment on 30 September 2012.

Liquidity risk

The Group manages liquidity risks by creating appropriate reserves, monitoring and adhering to the loan covenants as well as planning and coordinating cash inflows and outflows.

The following table shows the contractual maturity of the financial liabilities and assets as well as the weighted average effective interest rate:

2010 T€	Interest rate in %	Maturity			Total
		Up to 1 year	1 to 5 years	More than 5 years	
Liabilities to banks	6.81%	0	1,217	0	1,217
Trade accounts payable	No interest	122	0	0	122
Other liabilities	No interest	434	6	0	440
Total		556	1,223	0	1,779

The Group can also use its open borrowing facilities. As at the balance sheet date, the total amount that was not yet drawn down was T€ 1,000 (previous year: T€ 1,000). The Management expects that the Group will be able to fulfil its other financial liabilities from operating cash flows and from cash inflow from the financial assets falling due.

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 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 terms of the disposal of investments, the 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 regard to tax liabilities in favour of the purchaser or purchasers. In addition, the bmp Group may also be compelled to grant exemption from certain company-specific risks. The bmp Group strives to limit the liability arising from such guarantees and exemptions to a certain percentage of the purchase price. The bmp Group cannot rule out that in some individual cases such liabilities will occur.

Risks of changes in interest rates

The bmp Group arranges fixed interest rates on all credits, silent partnerships, loans and callable bonds for their entire terms. Consequently, there are no associated risks with changes in interest rates. However, variable interest rates are assessed on all current money investments.

Currency risks

In the past, the bmp Group has 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 its disposal, there may also be a capital gain or loss due to currency fluctuation in addition to the gain or loss from the disposal.

Company dependence on key personnel

A wide area of expertise as well as a highly developed network of personal connections and important contacts are key to the successful management of a private equity firm. The core members of bmp have worked together many years and possess the relevant knowledge and a network of personal connections and important contacts to companies and individuals who are relevant to the business activity of the Company. The success of the Company is thus primarily dependent 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 dependent on the price at which it can acquire its investments, the positive development of the portfolio companies and the disposal proceeds. A negative commercial development for all, several or individual companies in the portfolio can be caused by various external or internal factors that the Company or the bmp

Group may not be able to influence. The economic success of the bmp Group is highly dependent on the general economic development, the development of the industries in which the companies in the bmp Group have invested, and the overall development of the financial markets. This also applies to fund management and investment.

Overall evaluation and risk management

bmp has taken extensive precautions for all recognisable individual risks in the Annual Financial Report for 2010. Activities in the area of risk management were further expanded in 2010. A quality handbook has been created. bmp has developed an integrated system of investment controlling which makes it possible to assess the quantity and quality of risks arising in its investment business. In addition to comparing target and actual data at investment and Group level, the system enables seamless reporting while fulfilling the purpose of a management information system

Economic developments in our holdings are monitored via intensive contact with the companies. The carrying amounts and the value development of investment companies are reviewed quarterly with suitable financial mathematical models. Depending on the type and degree of development of the investment companies, various valuation models are used to check whether or not the fair value lies above amortised cost. The continuous recording of fair values and investment controlling makes it possible to take appropriate measures to counter undesired developments of the investment interests

46.1. Information on financial instruments

Additional information is required according to IFRS 7 in order to ensure a clear presentation of the importance of financial instruments for the financial situation and the earnings strength of the bmp Group and the nature and extent of risks arising from financial instruments to which the bmp Group is exposed during the reporting period and at the time of presentation of the report and which arise from financial instruments. bmp is exposed to the various risks mentioned as part of its general business activities. It is the Company's policy to measure these risks by selecting suitable means, to monitor them and, if necessary, to limit their effect. bmp has developed and integrated system of investment controlling which makes it possible to assess the quantity and quality of risks arising from its investment business. In addition to comparing target and actual data at the investment level and the Group level, the system enables seamless reporting. Changes in the carrying value of the investments in portfolio companies are given due consideration via the evaluation of performance.

Sensitivity analyses were used to determine and show risks arising from financial instruments in accordance with IFRS 7. One part of this analysis was to determine the effect on equity and earnings via variations in risk variables contained within the respective market price risks. All effects on the Group statement of comprehensive income described in the following have equal impact on equity, since the financial instruments were valued either at fair value through profit and loss or at amortised cost.

Financial instruments in the bmp Group are divided into the following classes:

- » Financial instruments at fair value
- » Financial instruments at amortised cost
- » Financial instruments to which IFRS 7 does not apply

The financial instruments to which IFRS 7 does not apply include joint ventures measured according to the equity method.

The net losses or gains on the financial instruments are reported in the Group statement of comprehensive income and presented in the following table according to the measurement categories of IAS 39

In T€	2010	2009
Financial instruments at fair value through profit and loss	3,272	-7,689
Loans and receivables	-928	-859
Financial liabilities at amortised cost	-97	-171

Net earnings from financial instruments consist of interest, the measurement result, valuation allowances and disposal gains.

46.2. Foreign exchange risk

Currency risks result essentially from equity investments and securities held in the zloty currency area. No currency hedging activities were carried out. Had the zloty been 10% higher against the euro at the balance sheet date, the equity and the profit for the year would have risen by T€ 263 (previous year: T€ 287). Had the zloty been 10% lower against the euro, the equity and profit for the year would have been T€ 217 (previous year: T€ 235) lower.

46.3. Interest rate risk

Interest risks result from changes in market interest rates on the part of assets with variable interest and due to changes in risk-free interest rate in the capitalisation interest rate of discounted cash flow calculations. Interest rate hedging activities were not carried out. Had the market interest rate been 100 basis points higher, the equity and profit for the year would have been T€ 65 (previous year: T€ 13) higher. Had the market interest rate been 100 basis points lower, the equity and profit for the year would have been T€ 63 (previous year: T€ 12) lower.

46.4. Price risk

Price risks result from changes in the stock index price; this has a direct influence on the valuation of listed investments and an indirect influence on the valuation of a peer group of listed companies which are valued using the multiplier method. Hedges to secure the price level were not carried out.

Sensitivity analysis was carried out on the basis of the volatility of investment interests and/or a listed peer group in relation to the relevant index.

Had the relevant stock index been 10% higher, the equity and profit for the year would have been

T€ 2,035 (previous year: T€ 1,486) higher. Had the relevant stock index been 10% lower, the equity and profit for the year would have been T€ 2,030 (previous year: T€ 1,486) lower.

46.5. Reconciliation of balance sheet items to the classes of the financial instruments

The carrying amount of the financial instruments according to the measurement categories of IAS 39 is as follows:

T€	31.12.2010	31.12.2009
Equity investments and securities at fair value	4,302	11,083
Silent partnerships, loans and receivables at amortised cost	7,015	3,757
Securities held for trading	6,362	1,696
Financial liabilities at amortised cost	1,669	2,721

The reconciliation of the financial instruments, divided in carrying amounts and fair values, is shown in the following table:

2010	At fair value	At amortised cost	Not covered by IFRS 7	Balance sheet item as at 31.12.10
T€	Book Value	Book Value	Book Value	
Non-current assets				
Equity investments	4,271			4,271
Silent Partnerships and loans		15		15
Affiliated companies and joint ventures		0	317	317
Loans	31			31
Non-current receivables		704		704
Current assets				
Trade accounts receivable		247		247
Receivables and other assets	6,362	336		6,698
Cash at banks and cash on hand		5,713		5,713
Total	10,664	7,015	317	17,996
Non-current liabilities				
Liabilities from refinancing activities		1,217		1,217
Current liabilities				
Trade accounts payable		122		122
Liabilities from refinancing activities		0		0
Liabilities to banks		0		0
Other liabilities		330		330
Total	0	1,669	0	1,669

2009	At fair value	At amortised cost	Not covered by IFRS 7	Balance sheet item as at 31.12.09
T€	Book Value	Book Value	Book Value	
Non-current assets				
Equity investments	11,083			11,083
Silent Partnerships and loans		127		127
Affiliated companies and joint ventures		56	324	380
Securities	0			0
Current assets				
Trade accounts receivable		21		21
Receivables and other assets	1,696	382		2,078
Cash at banks and cash on hand		3,171		3,171
Total	12,779	3,757	324	16,860
Non-current liabilities				
Liabilities from refinancing activities		0		0
Current liabilities				
Trade accounts payable		47		47
Liabilities from refinancing activities		2,483		2,483
Other liabilities		192		192
Total	0	2,721	0	2,721

For trade accounts receivable, other current assets and cash, the short durations mean that the carrying amount corresponds to the fair value.

47. Contingencies

It is also customary that financial investors, when selling shares in holding companies, extend guarantees and warranties to the purchasers. As is normal in the industry, bmp AG and its subsidiary companies have assumed extensive guarantees and warranties during the sale of shares. Presently, no claims from guarantees are known.

48. Earnings per share

Basic earnings per share are calculated by dividing the annual net profit by the weighted average number of shares outstanding during the business year.

	2010	2009
Annual results in T€	2,246	-10,101
Average number of shares	17,500,000	17,500,000
Earnings per share in €	0.13	-0.58

49. Capital management

The Group manages its capital with the aim of using financial flexibility to achieve growth while also optimising financing costs. This overall strategy has not changed since the previous year. The management examines the capital structure at least every six months. In the process, it reviews the capital costs, existing collateral and open and potential borrowing facilities. The Group aims to achieve gearing of 10% to 20%. It expects to achieve this as in previous years.

The capital structure changed as follows in 2008 and 2009:

	31.12.2010	31.12.2009	Change in %
Equity in T€	16,253	14,007	16%
as % of total capital	90.1%	82.9%	9%
Liabilities in T€	1,779	2,883	-38%
as % of total assets	9.9%	17.1%	-42%
Current liabilities in T€	556	2,798	-80%
as % of total assets	3.1%	16.6%	-81%
Non-current liabilities in T€	1,223	85	1,339%
as % of total assets	6.8%	0.5%	1,248%
Gearing	10.9%	20.6%	-47%

The goal in the management of the equity on the balance sheet of € 16.3 million (previous year: € 14.0 million) is to ensure that the bmp Group can achieve its targets and strategies in the interest of the shareholders, its employees and its other stakeholders. The Executive Board focuses primarily on the achievement of an appropriate return on capital employed.

In the system of objectives for financing, the 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 enterprise value. In order to measure the success of the individual investments, we have used industry standard measuring procedures and indices for years.

50. Payment obligations and rights of third parties

50.1. Payment obligations

Payment obligations of T€ 653 (previous year: T€ 859) exist for investment holdings.

51. Segment reporting

At the current time, the business activities of bmp AG are unsuitable for presentation as segments, both in terms of the size of the business segments and their geographic orientation.

52. Declaration of conformity pursuant to § 161 German Stock Corporation Act (AktG)

The Executive Board and the Supervisory Board of bmp AG have issued the declaration mandated by § 161 AktG and have made this permanently available to shareholders on the web pages of bmp AG.

53. Auditors' fees

The following auditors' fees were recorded as expenses in business year 2010:

In T€	2010	2009
Fee for accounts and audit	49	56
Tax consultancy fee	11	14
Other fees	1	0
Total	61	70

54. Information on the Company's executive bodies**54.1. Executive Board**

The following were members of the Executive Board of bmp AG in business year 2010:

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

54.2. Remuneration of the Executive Board

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

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

If the earnings before tax amounts to at least € 0.5 million, the percentage of earnings share for each member of the Executive Board according to HGB (German Commercial Code) amounts to 3% of the earnings before tax of bmp AG, and 4% for the Chairman of the Executive Board. When earnings before tax at bmp AG exceed € 2.5 million, each Board member receives 2.55% of the pre-tax result in accordance with the HGB, and 3.4% for the Chairman. When earnings before tax at bmp AG exceed € 3.5 million, each Board member receives 1.8% of the pre-tax result in accordance with the HGB, and 2.4% for the Chairman.

In addition, there is a bonus agreement with Mr. Günther for 3.5% of the present value of future cash flows generated by the newly acquired "assets under management" in the Private Equity Advisory area. 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.

Individually, the following persons received:

In T€	Fixed remuneration	Contributions to insurance	Company car	Variable remuneration	Compensation for expenses	Total 2010	Total 2009
Oliver Borrmann	165	14	6	29	0	214	179
Ralph Günther	150	15	7	21	1	194	174
Andreas van Bon	150	14	7	21	0	192	173
Summe	465	43	20	71	1	600	526

54.3. Other offices held by Executive Board members

Mr. Borrmann is on the Supervisory Board of the following companies:

ergoTrade AG	year-round
Newtron AG	year-round
brand eins Medien AG (Chairman)	year-round
Revotar Biopharmaceuticals AG (Chairman)	year-round
Heliocentris Energy Solutions AG (Chairman)	year-round
bmp Media Investors AG & Co. KGaA (Chairman)	year-round

Mr. Borrmann is also Managing Director of Central & Eastern Europe Venture GmbH and ECO Investors Germany Management GmbH.

Mr. Günther is Managing Director of Central & Eastern Europe Venture GmbH, König & Cie. Private Equity Management GmbH and König & Cie. II. Private Equity Beteiligungs- und Treuhand GmbH.

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

bmp Beteiligungsmanagement AG (Chairman)	year-round
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Mr. van Bon is also Managing Director of König & Cie. Private Equity Management GmbH and König & Cie. II. Private Equity Beteiligungs- und Treuhand GmbH.

54.4. Supervisory Board

The Supervisory Board of bmp AG in the business year consisted of:

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 Member of the Supervisory Board	Director of KfW (retired)

In total, payments to each Supervisory Board member of bmp AG in business year 2010 amounted to T€ 50 (previous year: T€ 44).

Individual members of the Supervisory Board were entitled to the following compensation:

In T€	2010	2009
Gerd Schmitz-Morkramer	27	24
Bernd Brunke	13	11
Ulrich Ankele	10	9

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

YOC AG (Chairman)	year-round
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Mr. Brunke and Mr. Ankele have no further assignments on supervisory boards or other controlling bodies.

54.5. Shareholdings of the Executive Board and the Supervisory Board as of 31 December 2010

Members of the Executive Board held 2,966,264 shares, members of the Supervisory Board held none.

55. Risk management and events subsequent to the balance sheet date

For information on risk management targets and methods and on events subsequent to the balance sheet date, please see the information in the management report.

56. 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.

57. Share property

Shareholdings of the bmp Group as at 31 December 2010

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

Company	Share in %	Equity 31.12.2010 in T€	Annual Result 2010 in T€
Subsidiaries:			
bmp Media Investors AG & Co. KGaA, Berlin	100.00%	6,851	2,768
bmp Beteiligungsmanagement AG, Berlin	100.00%	39	0
Central & Eastern Europe Venture GmbH, Berlin	100.00%	-20,681	-169
Joint Ventures			
König & Cie. Private Equity Management GmbH, Hamburg	50.00%	638 (1)	235 (1)
ECO Investors Germany Management GmbH, Berlin	50.00%	-49	-72
ECO Investors Germany Founders GmbH & Co. KG	50.00%	4	0
ECO Investors Germany I GmbH & Co. KG	50.00%	1	0
Investments:			
Republika Kobiet Sp. z o.o., Warsaw/Poland	74.97% (2)	TPLN -68 (1)	TPLN -64 (1)
ergoTrade AG, Oberding	49.99%	1,500 (1)	385 (1)
GreenHanger GmbH, Berlin	49.97%	-750 (1)	-456 (1)
Xamine GmbH, Munich	49.42%	-68 (1)	-8 (1)
Revotar Biopharmaceuticals AG, Hennigsdorf	38.97%	3,805 (1)	-2,811 (1)
Newtron AG, Dresden	32.25%	-1,148 (1)	92 (1)
Self Loading Content GmbH, Berlin	29.68%	50 (1)	-993 (1)
vertical techmedia AG, Munich	22.50%	n.a.	n.a.

(1) Balance sheet data as of 31 December 2009

(2) Proportion of voting rights is less than 50%

n.a.= not available

Berlin, 14 April 2011

Oliver Borrmann
Executive BoardAndreas van Bon
Executive Board

The consolidated accounts of bmp AG drawn up in the German language were audited by the auditing firm Verhülsdonk & Partner GmbH and endorsed with an unqualified audit certificate on April 2010.

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 2011

31 May 2011	Publication of Quarterly Results
22 June 2011	Shareholders' Meeting 2011
31 August 2011	Publication of Half Year Results
30 November 2011	Publication of Nine Months Results

Directions

How to Find Us:

bmp Aktiengesellschaft
Schlüterstraße 38
10629 Berlin
Germany

Fon: +49 (30) 20 30 5-0
Fax: +49 (30) 20 30 5-555
bmp@bmp.com
www.bmp.com

bmp's Berlin office is located in Schlüterstrasse 38 between the Kurfürstendamm and Mommsenstrasse in the district of Charlottenburg.

You can reach us via public transport:

- » From Tegel Airport: Bus 109 (going to Zoologischer Garten)
- » From Hauptbahnhof: S-Bahn S5, S75, S9, S7 until Savignyplatz
- » And also with the following buses: M19, M29, 101, 110, X10

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