bmp media investors

Annual Report 2011

	2011	2010	2009	2008	2007
Turnover T€	5,269	7,093	1,501	4,037	11,112
Net surplus/loss for the year T€	369	2,246	-10,101	230	3,626
EBIT T€	-74	1,573	-10,523	-315	2,925
Results/Share €	0.02	0.13	-0.58	0.01	0.21
Balance sheet total T€	20,768	18,032	16,890	27,816	29,476
Equity capital T€	19,103	16,253	14,007	24,108	25,628
Portfolio volume (IFRS-book value)* T€	13,004	10,633	12,778	20,867	18,630
Number of direct investments	15	13	13	17	17
Employees at the end of the year (FTE)	1	12	12	13	12
Number of outstanding shares in million	18.82	17.50	17.50	17.50	17.50

* equity investments only

Contents

bmp History

1997: Founding of bmp Aktiengesellschaft as a venture capital company in Berlin.

1998: Founding of bmp Venture Tech GmbH, a parallel fund of KfW (terminated in 2007).

1999: Stock market listing of bmp AG, Amtlicher Handel (official trading), Frankfurt am Main.

2000: Founding of Central & Eastern Europe Venture GmbH (CEEV), a parallel fund of DEG (terminated in 2007).

2004: First German company to have parallel listing on the Warsaw Stock Exchange.

2005: Partnership with König & Cie. in the area of private equity funds of funds.

2010: bmp is awarded fund management mandate for BFB Frühphasenfonds Brandenburg.

2011: Focus on direct investment business in the field of media and marketing services in Germany and Poland; company renamed bmp media investors AG.

2011: Spin-off of investment management/fund management to bmp Beteiligungsmanagement AG.

Mission Statement

bmp media investors AG is an investment company focussing on the field of media and marketing services. We invest in fast-growing companies in Germany and Poland and have actively accompanied a large number of success stories here.

Our goal is to build up, develop and successfully sell innovative companies and to achieve an above-average return for our shareholders.

Jens Spyrka Oliver Borrmann

Dear shareholders,
Dear friends and business partners,

The key economic data for business year 2011 are quickly described: with revenues of € 5.3 million, we generated consolidated net profit of € 0.4 million. Consolidated equity grew from € 16.3 million to € 19.1 million, corresponding to an equity ratio of 92% as at the end of the year. With cash on hand and bank balances totalling € 5.5 million and listed securities of € 2.7 million, the liquidity position is good.

Because the environment on the capital markets which is particularly important to us was anything but positive in the second half of 2011, we were not able to achieve our internal target of matching the strong results from business year 2010. We hope to succeed in this in the current year.

Today, bmp presents itself to you with a new structure and a new layout. We fundamentally restructured, streamlined and focussed bmp in business year 2011. The reason for this restructuring was the recognition that as a relatively small investment company with a portfolio distributed across several different sectors and at the same time as a management company for both venture capital funds and private equity funds of funds, we did not have a clear profile and above all did not have a business model allowing for significant development in the long term. Particularly in the interests of shareholder value, a stringent realignment of the profile was therefore necessary and was also logical in view of our track record.

Allow us to present briefly what we implemented in 2011 and how we have equipped ourselves for the future:

» For 15 years now, bmp has been investing in innovative growth companies. We have gained experience from over 100 investments, several IPOs and trade sales, establishing a very good track record particularly in recent years. We have therefore decided to focus solely on direct investment business again in the future.
» Looking in detail at bmp's investment history, it can be seen that our greatest experience, our densest network and our best track record are in the area of media and marketing services. At the same time, the majority of our current portfolio consists of investments from this field. We have therefore made the decision to focus entirely on the investment area of media and marketing services in future.

- » The combination of portfolio management (investments) and fund management for our own portfolio and for third parties has been unsatisfactory for years and also is not in line with the industry standard. Furthermore, for years the costs for bmp have been too high. We have therefore decided to transfer fund management to the subsidiary bmp Beteiligungsmanagement AG, which we will sell by the end of 2012. This will also lead to a more transparent cost structure.
- » To take account of these three key measures in the company name, too, we renamed bmp AG as bmp media investors AG: we invest in companies from the field of media and marketing services!

We expect to achieve a great deal through these measures. Firstly, our cost structure will move closer to the industry standard. An investment consultancy agreement has been concluded with bmp Beteiligungsmanagement AG that stipulates standard market base remuneration of 2.5% on the basis of IFRS equity. The costs of our stock market listing are still too high in comparison to our equity, but we intend to improve this enormously over the course of the coming years by means of positive earnings, acquiring investments in exchange for issuing shares, or capital increases for cash.

Secondly, the name bmp media investors shows a clear commitment to our investment focus on media and marketing services. We expect this to lead to an improved perception on the market and an even better deal flow of interesting investment opportunities.

And last but not least, we are convinced that the lean structure, the clear commitment to growth and the focus on an extremely exciting and dynamic market segment will benefit the bmp media investors AG share in the medium term. There is unquestionably still a great deal of work to do here, but we are confident that we have set out on the right path.
After entering into five new media and marketing services investments already in 2011, we anticipate at least another five new investments in 2012. With regard to earnings, we intend to achieve a significant improvement as against 2011.

We would like to thank you for the trust you have placed in us and look forward to experiencing with you a successful business year 2012.

Oliver Borrmann

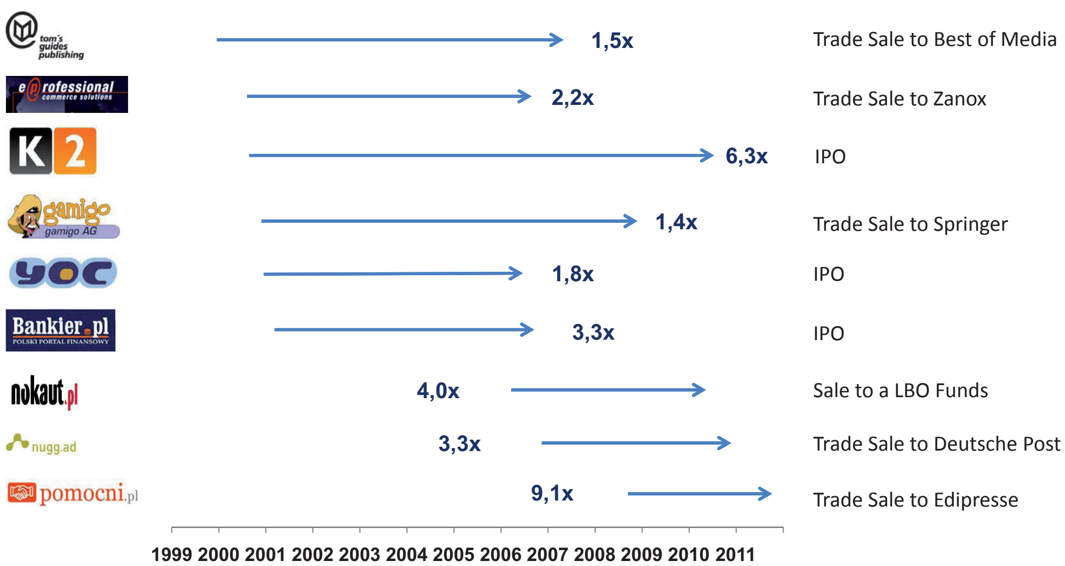
Jens Spyrka

bmp media investors AG: the equity partner for growth companies

bmp media investors AG is an investment company focussing on the dynamically growing business areas of media and marketing services. We invest in promising companies from the early stage through to expansion. Our core regions are Germany and Poland.

The focus on the field of media and marketing services was chosen very deliberately, as here bmp can draw on a wealth of experience from more than 40 investments over the past 15 years and has excellent networks in the markets.

As an equity investor, bmp usually invests in the target companies in the form of a minority equity investment.
It generates its revenue and earnings almost exclusively from the disposal of the investments it holds. The following diagram demonstrates impressively that investments in innovative growth companies in the field of media and marketing services can generate good returns.



Business model

bmp invests venture capital (risk capital) in the seed, start-up und expansion stages. By accepting high risks, venture capital aims to achieve higher yields than the average return on the capital market. Investing in companies at an early stage of their development means that venture capital investors bear a comparatively high default risk. On the other hand, there is the opportunity to multiply the capital invested if the company develops successfully.

In general, the investments are held for a period of three to seven years. Profits are primarily generated through the sale of the companies, which can take place as a trade sale or through the capital markets. Defaults by investments are just as much a part of our business as excellent exits.

Since July 2011, investment management has been carried out by bmp Beteiligungsmanagement AG under the scope of an investment consultancy agreement. Employees and partners of bmp Beteiligungsmanagement AG have more than 15 years of experience in venture capital business and have implemented over 100 investments in innovative growth companies.

The Investment Portfolio

In business year 2011, bmp media investors AG sold four investments while also entering into five new investments. The total number of portfolio companies thus rose from 13 to 14.

New investments

Investments in holdings made in 2011 amounted to € 5.6 million in total and were thus considerably higher than in the same period of the previous year (€ 2.0 million).

A large potion of this related to the investment in brand eins Medien AG, Hamburg.
Within the first four months of the business year, bmp had initially obtained a 6.53% interest in the company by acquiring shares from existing shareholders. In May bmp then acquired additional brand eins shares from existing shareholders in a cash-share deal (mixture of purchase in cash and exchange for newly issued bmp shares) and thereby increased its holding in the company to a total of 35.23%. As a result of the transaction, bmp's share capital also increased from 17.50 million shares to approximately 18.82 million.

brand eins Medien AG was founded in 1999 as a business publisher and is already established in the market with "brand eins", by far the highest-selling German business magazine in retail. Corporate publishing and special publications such as "Neuland brand eins" or "Die Welt in Zahlen", which are developed by the subsidiary brand eins Wissen GmbH, round off the profile. Further products are to be established in connection with the "brand eins" brand in the medium term.

In August, bmp – together with Frühphasenfonds Brandenburg – invested in iversity GmbH in the context of a first round of financing (bmp share 10.10%).
The company, based in Neuenhagen near Berlin, develops a portal for lecturers, students and academics for collaboration between different universities. The core product is a SaaS (software as a service) solution that – in contrast to other software package solutions already available on the market – offers free-of-charge access, fast setup without long familiarisation, and all core functions in one place. iversity is thus the "enabler" for modern forms of learning and opens up the academic world internationally.

In September bmp entered into its third investment of the year, in the Polish video marketer Instream Media Sp. z o.o., by acquiring 25.37% of the company's shares in a capital increase. Instream Media handles video advertising and display campaigns using cutting edge ad server and analysis technologies. Its range already covers leading international and national publishers with an attractive target group. Instream Media is aiming for a market position as a focussed and highly innovative video marketer.

In addition, in the fourth quarter bmp subscribed to a 16.50% share in Freshmilk NetTV GmbH in the context of a capital increase. The broadcasting brands Freshmilk.TV and fashion-Daily.TV produced by the Berlin-based company have already established themselves, the former as innovative, urban and authentic web TV and the latter as one of the most renowned and extensive online special interest offers for fashion and design from throughout Europe.
In specialist circles, video advertising is expected to continue to achieve very high growth rates with smart TV also becoming increasingly interesting for advertisers. Freshmilk therefore has excellent opportunities to benefit from this development.

The fifth investment in 2011 was a 20.03% holding in Ubertweek GmbH, Berlin. With its iPad app "Tweek", available for the German and UK markets, the company offers the first social TV guide in Europe. After a simple sign-up via Face-

book, "Tweek" converts the user's social graphs into a personalised TV guide. The user can not only discover live TV, films and web originals, but also tag them, recommend them to friends and access suitable sources directly.
The company aims to achieve European market leadership in the area of social TV guides in the medium term.

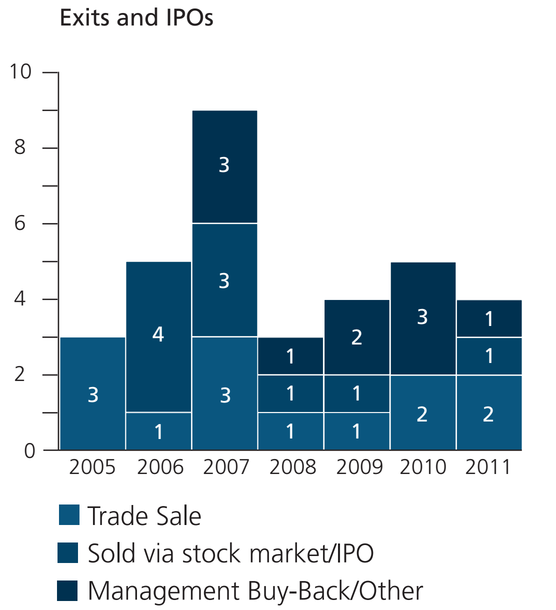
Follow-up financing

Follow-up financing in the existing portfolio amounted to € 1.7 million in total. Particular attention should be drawn to the investments in the Revotar Biopharmaceuticals AG and Self Loading Content GmbH holdings.
In early 2011, Revotar AG had concluded a major clinical phase IIa study for COPD (chronic obstructive pulmonary disease, also known as chronic bronchitis or smoker's cough, among other names) with positive results. On the basis of these promising results, bmp and other shareholders implemented a capital increase in order to secure additional financing for Revotar. After participating in this capital measure at a lower than proportional rate, bmp's holding decreased slightly from 38.97% to 38.76%.
At Self Loading Content GmbH, whose product "dailyme" brings mobile television to smartphones, bmp participated in two capital increases in 2011, increasing its share from 29.68% to 43.91%.
Lower-volume follow-up financing was also provided at Newtron AG and Xamine GmbH.

Exits

After the investment in Republika Kobiet Sp. z o.o. was sold at a symbolic price in the first quarter of 2011, bmp reported its first noteworthy exit of the business year in April 2011: the sale of the 49.99% holding in ergoTrade AG as part of a 100% takeover by Sims Group German Holdings GmbH. bmp had co-founded ergoTrade in October 2000 as the lead investor and developed the company into one of the leading IT remarketing and life cycle management service providers in Germany and Hungary.
Also in April 2011, bmp sold its holding in K2 Internet S.A., which is listed in the main segment of the Warsaw Stock Exchange, to a number of well-known Polish financial investors. bmp had held an investment in the company as the lead investor since its foundation in mid 2000 and actively accompanied and supported its successful development. After an initial major placement as part of the IPO in the spring of 2008, the full exit now took place. Overall, bmp generated an IRR of approximately 35% from the transaction and 6.5 times its initial investment. This makes the transaction one of bmp's most successful exits.

Another successful exit from a Polish portfolio company was completed in July 2011 with the sale of the investment in Pomocni Sp. z o.o., Warsaw. bmp had held an investment in Pomocni since its foundation in 2008 and actively accompanied the company's successful development. bmp generated an above-average IRR of approximately 134% from the transaction and nine times its initial investment.



The portfolio volume at acquisition cost increased from € 19.0 million to € 21.4 million during 2011.

As at 31 December 2011, the cumulative portfolio value of all investments, at € 13.1 million, was up on the figure for the last balance sheet date (€ 10.6 million). The valuation result from the entire portfolio for business year 2011 was € 1.2 million, significantly better than in the previous year (€ 0.5 million).

A general slight decrease in stock market prices led to somewhat lower valuation multiples derived from the stock exchange in 2011, which were used as the basis for valuation in accordance with the multiplier method for four investments.

As at 31 December 2011, the average stake in each holding of the overall portfolio was around 26%; average capital invested in each holding was approximately € 1.5 million.

On the balance sheet date, 99.6% of the portfolio value related to holdings in Germany (previous year: 78.2%).
Measured at fair value in accordance with IFRS, on the balance sheet date 84.2% of the portfolio value related to the five largest holdings (previous year: 87.1%).

Events following the report date:
In February 2012, Revotar Biopharmaceuticals AG successfully concluded a round of financing depending on milestones. In addition to bmp and other existing shareholders, three new investors also participated in this financing. Following the conclusion of the financing round, bmp now holds 37.94% of the company.

The seven-figure capital injection provides Revotar with financing for business year 2012. The 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 2012.

Portfolio Companies as at 31 December 2011

	Name	Entry	Share %	Phase	Volume € Mln
1	brand eins Medien AG	02/2011	35.23	Expansion	3-5
2	European Telecommunication Holding AG	12/1998	2.12	Expansion	0.5-1.5
3	Freshmilk NetTV GmbH	10/2011	16.50	Start-Up	<0.5
4	GreenHanger GmbH	10/2007	49.97	Start-Up	0.5-1.5
5	Heliocentris Energy Solutions AG	05/2006	10.22	Expansion	1.5-3
6	Instream Media Sp. z o.o.	09/2011	25.37	Start-Up	<0.5
7	iversity GmbH	07/2011	10.10	Seed	<0.5
8	Motor Entertainment GmbH	01/2009	11.10	Expansion	<0.5
9	Newtron AG	08/1999	34.40	Expansion	1.5-3
10	Revotar Biopharmaceuticals AG	07/2000	38.76	Start-Up	>5
11	Self Loading Content GmbH	12/2007	43.91	Start-Up	1.5-3
12	Ubertweek GmbH	11/2011	20.03	Seed	<0.5
13	vertical techmedia AG	04/2010	22.50	Expansion	<0.5
14	Xamine GmbH	04/2010	49.42	Expansion	0.5-1.5

Overview of holdings in alphabetical order Portfolio as at 31 March 2012

(Shareholdings may differ between 31 December 2011 and 31 March 2012)

brand eins Medien AG
Speersort 1
20095 Hamburg
www.brandeins.de

brand eins Medien AG is a business publisher that creates and issues the business magazine brand eins and also, via the subsidiary brand eins Wissen, corporate publishing and special publications (e.g. “Neuland brand eins”, “Die Welt in Zahlen”).

» bmp’s stake: 35.23%
» In the bmp portfolio since: February 2011

European Telecommunication Holding E.T.H. AG
Lyoner Str. 14
60528 Frankfurt am Main
www.eth-ag.com

E.T.H. AG is a leading international provider offering products and services for the telecommunications market. Its telecommunications products and services (call-by-call, preselection, mobile virtual network operator, calling cards, call shops, carrier business) are offered via the subsidiaries Millenicom GmbH, Alovatan GmbH and Millenicom A.Ş. In Turkey, Millenicom A.Ş. has positioned itself as a leading local landline provider and broadband operator.

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

Freshmilk NetTV GmbH
Stralauer Allee 2a
10245 Berlin
www.freshmilk.de

Freshmilk NetTV is an advertising-financed, web-based TV producer network with its own broadcasting brands Freshmilk.TV and Fashion-Daily.TV. As a result of having full ownership of the rights, producer broadcasters enjoy complete freedom to arrange advertising content individually for the customers and thus have potential for full value added.

» Co-venturing partner: VC Fonds Kreativwirtschaft Berlin GmbH (IBB)
» bmp's stake: 16.50%
» In the bmp portfolio since: October 2011

GreenHanger GmbH
Katharinenstraße 18
14169 Berlin
www.greenhanger.de

GreenHanger GmbH has developed and successfully established the business concept of advertising-financed clothes hangers as a highly efficient direct marketing tool in the German market. The advertising-financed clothes hangers and samples of high-quality products are delivered to the cooperating dry-cleaner's free of charge. GreenHanger has since licensed out sales regionally to marketing partners exclusively 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 is a specialist in autonomous energy supply and energy efficiency solutions. The company, founded in 1995 in Berlin, develops and operates systems and turnkey solutions for customers from industry and science. It has three business areas: Energy Efficiency, Clean Energy and Didactic. The "Energy Efficiency" area specialises in energy efficiency, monitoring and management solutions for autonomous energy supply. The "Clean Energy" area focuses on "zero-emissions solutions" for autonomous energy supply, including electricity supply for off-grid applications such as monitoring stations, telecommunications equipment and energy self-sufficient houses. The "Didactic" area offers a wide range of educational and research systems for regenerative energy technologies.

» bmp's stake: 10.22%
» In the bmp portfolio since: May 2006

Instream Media Sp. z o.o.
ul. Woźna 9C/2
61-777 Poznań, Polen
www.instream.pl

Instream is a video marketer for a range consisting of top international publishers and leading local publishers. On the international pages, Instream addresses traffic originating from Poland. Instream participates in the campaign budget through fixed and variable fees and has involved all relevant cooperation partners required for the campaign's success.

» bmp's stake: 25.37%
» In the bmp portfolio since: September 2011

Iversity GmbH
Dahlwitzer Str. 78
15366 Neuenhagen bei Berlin
www.iversity.org

iversity develops and operates a collaboration network for the academic field. The core product is a SaaS (software as a service) solution for professors, lecturers, academic employees and students that allows materials to be managed and courses, research projects and conferences organised in a simple way. Based on this value added, revenues are to be generated from sales commissions for readers and books, commissions for job advertisements and adaptation services.

» Co-venturing partner: BFB Frühphasenfonds Brandenburg GmbH
» bmp's stake: 12.49%
» In the bmp portfolio since: August 2011

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 these. With the 360 degree approach, artists are offered all relevant marketing channels that exist as a company division, a participation or through cooperations at Motor.

» bmp's stake: 11.10%
» In the bmp portfolio since: January 2009

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

Newtron AG develops software solutions for end-to-end procurement processes. Newtron offers direct access to a mature and intuitive SaaS solution. Its offering includes needs assessment, supplier search and qualification, enquiries, tenders and auction, supplier management, catalogue and procurement tools, VMI and VMO, immediate spend 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: 34.40%
» In the bmp portfolio since: August 1999

Revotar Biopharmaceuticals AG
Neuendorfstr. 24a
16761 Hennigsdorf
www.revotar.de

Revotar develops innovative medications for treating inflammatory conditions such as 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. The last clinical Phase IIa study in COPD in particular led to very positive results.

» Co-venturing partners: IBG Risikokapitalfonds, MVC Unternehmensbeteiligungsges. mbH, BFB Beteiligungsfonds Brandenburg
» bmp's stake: 37.94%
» In the bmp portfolio since: July 2000

Self Loading Content GmbH
Skalitzer Str. 68
10997 Berlin
www.dailyme.de

dailyme brings mobile television to smartphones and tablets. With the free app from the Apple Store or the Android Market, the user can compile a personal video program that is then updated automatically via push download. dailyme funds itself with advertising income in which the content owners participate.

» Co-venturing partners: IBB Beteiligungsgesellschaft mbH (VC Fonds Berlin, VC Fonds Technologie Berlin), KfW, YOC AG, Software & Support Media, Media Ventures
» bmp's stake: 43.91%
» In the bmp portfolio since: December 2007

Ubertweek GmbH
Schönhauser Allee 149
10435 Berlin
www.tweek.tv

Tweek converts information about the user's interests that is available on social networks into a personalised TV guide and helps users to gain an overview and recommendations in the increasingly overwhelming range of digital video content on offer.

» Co-venturing partners: Euroserve Media GmbH, Catagonia Capital GmbH
» bmp's stake: 20.03%
» In the bmp portfolio since: November 2011

vertical techmedia AG
Destouchesstraße 68
80796 Munich
www.verticaltechmedia.de

vertical techmedia AG (VTM) markets advertising inventory of selected online publishers in the areas of IT, high-tech 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 Media GmbH
» bmp's stake: 22.50%
» In the bmp portfolio since: April 2010

Xamine GmbH
Holzstraße 28
80469 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, particularly for the SEA area. 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 service portfolio covers self-service solutions for trademark protection, market observation and competition analysis.

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

The bmp Share

The bmp media investors AG share had a very variable but overall unsatisfactory year on the stock market in 2011. It started the year at a price of € 0.90 and then reached its high for the year of € 1.67 on Xetra on 26 May 2011 thanks to the positive capital market environment and good corporate news. However, as a result of the weak capital markets, the value of the share then fell considerably over the remainder of the year, hitting a low of € 0.51 on 13 December 2011. It was not able to recover significantly from this level by the end of the year and posted a closing price of € 0.55.

In 2012 the share stabilised slightly and varied between € 0.54 and € 0.79. The closing price as at 5 April 2012 was € 0.74.

In contrast to the share price performance, however, the liquidity of the share developed very positively in 2011. Following stock market turnover of only € 1.1 million in Germany in 2010, it increased more than tenfold to € 11.4 million in 2011, partly due to the significant increase in investor relations activities. This led to more publications and articles on bmp media investors AG, as well as the first research report on the company for a long time in November 2011. The company aims to expand its investor relations work further in 2012.
In June 2011, for the first time in its history bmp media investors AG implemented an investment in a company – brand eins Medien AG – not only in return for cash but also for issuing bmp media investors AG shares. As a result of this transaction, which was executed at an issue price of € 1.40 per bmp share, the share capital of bmp media investors AG increased from 17.5 million to 18.82 million shares.

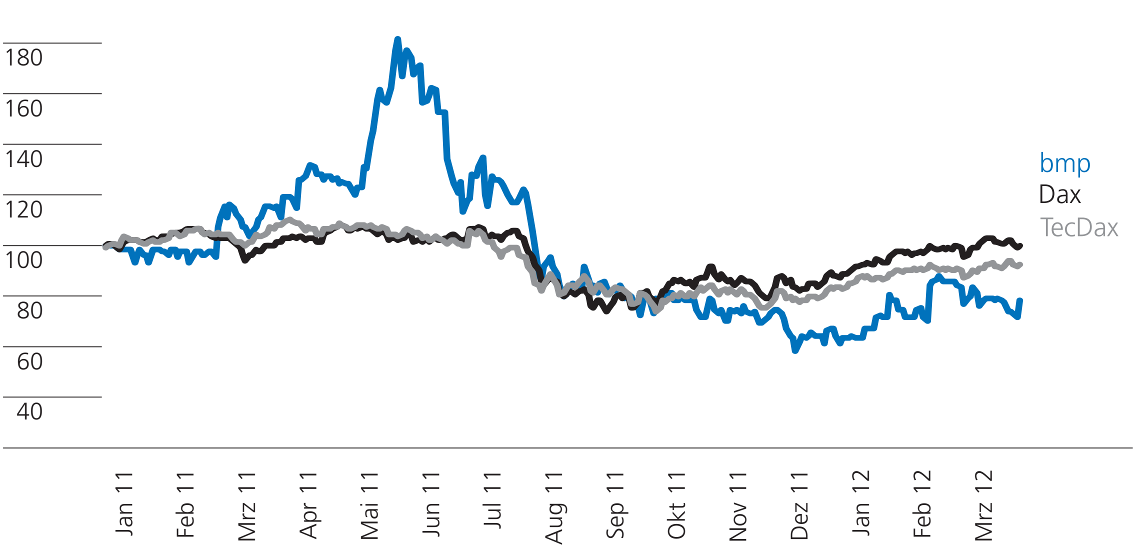
Shareholder structure

As of 31 December 2011, Oliver Borrmann held 17.94% of a total of 18,819,250 shares, the Roland Berger Group 8,21%, and Carin Pepper 6,98%. 66,87% of the shares were in free float.

Members of the Executive Board held 18.63% of the shares on the balance sheet date.

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

bmp share performance 30.12.2010 to 31.03.2012 compared with DAX and TecDax
(Index 100 = values as at 30.12.2010)



Group Management Report for the Business Year 2011

On the whole, business year 2011 was a satisfactory one for the bmp media investors AG Group. The Venture Capital business performed well. Five new investments were made via bmp media investors (brand eins Medien AG, Freshmilk NetTV GmbH, Instream Media Sp. z o.o., iversity GmbH, Ubertweek GmbH). The interests in ergoTrade AG, Pomocni Sp. z. o.o. and K2 Internet S.A. were sold with good to very good success. In addition, the investments in Republika Kobiet Sp. z o.o. and Asia Alternatives Capital Partners II were sold in the context of portfolio alignment.

By decision of the General Shareholders' Meeting the name of bmp Aktiengesellschaft was changed into bmp media investors AG. In the course of that change of name the management was transferred into the subsidiary bmp Beteiligungsmanagement AG so that beginning with July 1st 2011 bmp media investors AG was established as a pure investment company. Furthermore, with the separation under company law between fund and fund manager, an important step was taken towards streamlining the cost structure and increasing transparency. As part of this structural measure, the subsidiary bmp Beteiligungsmanagement AG was listed on the open market of the Frankfurt Stock Exchange to enable investment by interested shareholders. The Executive Board of bmp media investors AG resolved in summer to sell in full the shares in bmp Beteiligungsmanagement AG within one year, which meant that this operation was classified as "discontinued operations" in line with IFRS 5. As at 31 December 2011, the holding amounted to 49.6% (previous year: 100%). With effect from 1 July 2011, all significant contracts of bmp media investors AG were transferred to bmp Beteiligungsmanagement AG, as well as all significant assets apart from the investments and cash at banks. The employees with one exception were also transferred, and the Executive Board of bmp media investors AG will not receive any further remuneration. bmp media investors AG thus presents itself today purely as an investment company.

Essentially, the future balance sheet structure consists on the asset side of the venture capital holdings and bank balances, and on the equity and liabilities side of equity and a refinancing loan. The income statement will be determined on the revenue side from revenue from the sale of investments and the associated reduction in book value.

In addition to personnel costs for the single remaining employee, costs will be incurred for investment consultancy of 2.5% p.a. plus VAT on the average equity of bmp media investors AG in line with IFRS as well as a possible 15% profit share. Other operating expenses will primarily include costs from the stock market listing in addition to IR and PR costs and costs for accounts and auditing. As a rule, other expenses stand in opposition to income in the same amount, for example in the case of expenses from fund management fees for BFB Frühphasenfonds Brandenburg GmbH.

Revenue from the sale of investments amounted to € 5.3 million in 2011 (previous year: € 7.1 million), while net income from revaluation was € 1.2 million (previous year: € 0.5 million).

The bmp media investors Group generated profit according to IFRS of T€ 369 in business year 2011 (previous year: T€ 2,246). Equity increased from € 16.3 million to € 19.1 million or from 90% to 92% of the balance sheet total.

Cash in hand and bank balances, at € 5.5 million, remained at the level of the previous year as at 31 December 2011. Current marketable securities declined to € 2.7 million as at 31 December 2011 (previous year: € 4.3 million), mainly due to the sale of shares in K2 Internet S.A..

1. Market developments and market position

The regional investments in the area of direct investments for bmp media investors are concentrated on the two markets of Germany and Poland, with a large majority of the investments in Germany.

According to data (Annual Report 2011) from the German Private Equity and Venture Capital Association (BVK Bundesverband Deutscher Kapitalbeteiligungsgesellschaften e.V.), the German private equity industry stabilised further in the past business year, following heavy losses due to the financial and economic crisis in 2009 and a recovery in 2010, and was able to achieve growth in most sectors.

The investment level again increased considerably and sustainably as against 2010. Private equity investments in Germany in 2011 amounted to € 5.92 billion, an increase of 22% compared with the previous year. Of this, € 3.82 billion was invested in investment companies headquartered in Germany. The venture capital area, however, was not able to profit to the same extent as the buyout area, for example.

Approximately 12% of the total investment volume related to venture capital investments, i.e. a slightly lower percentage than in 2010 (15%). The volume in euro was also slightly lower (€ 0.69 billion as against € 0.72 billion in 2010).

The environment for exits proved positive in the past year. The volume of investment sales reached € 4.13 billion, which represents an increase of 28% compared with the previous year's value of € 3.22 billion. The increase is primarily due to a significant rise in trade sales. In contrast, all other exit routes (e.g. sale via the stock exchange, sales to other investment companies) achieved only slight gains or stagnated. Trade sales generated a share of 42%, while the share in the previous year amounted to only 22%.

The Executive Board of bmp media investors AG expects the stable market environment for the venture capital industry to continue for the rest of 2012. Positive market development is also expected for the target markets of media and marketing services, as many new business concepts are currently under development and companies are forming that are seeking equity financing for their growth. bmp media investors is excellently positioned here with its focusing and should profit from its clearer profile in 2012.

2. Business development

Venture capital direct investments

The number of holdings in the bmp media investors Group has increased from 13 to 14 investments.

All of the investments come from the two markets which are relevant for bmp, namely Germany and Poland. Five new investments were made via bmp media investors AG with brand eins Medien AG, instream Media Sp. z o.o., iversity GmbH, Freshmilk NetTV GmbH and Ubertweek GmbH. At the same time, there were four disposals from the portfolio: The three investments Pomocni Sp. z o.o., ergoTrade AG and Republika Kobiet Sp. z o.o. were sold in full via trade sales, while the interest in K2 Internet S.A. following the IPO in 2008 was placed in full with a financial investor.

Overall investments in the area of venture capital direct investments in business year 2011 amounted to a total of € 5.6 million. Most of this (€ 3.9 million) related to investments in new holdings. Follow-up investments were made in some existing investments in addition to the five new investments mentioned above.

3. Organisation and employees

The separation of fund manager (bmp Beteiligungsmanagement AG) from portfolio (bmp media investors AG) meant that there were some fundamental changes in the Company's Executive Board in 2011. The Executive Board's areas of responsibility were divided among the initial three and later two members as follows: Oliver Borrmann was 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 then assumed responsibility for this area. Mr. van Bon was also in charge of Finances, Controlling, Personnel, Legal Matters, and IT.

As part of the restructuring of the Company at mid-year, Andreas van Bon resigned from the Executive Board of bmp media investors AG as at 30 June 2011. Jens Spyrka was newly appointed to the Executive Board with effect from 1 July 2011 and Oliver Borrmann's Executive Board appointment was extended. The allocation of duties and the nomination of a Spokesman or Chairman have been waived since 1 July 2011.

The majority of employees were transferred as planned as at 1 July 2011 from bmp media investors AG to bmp Beteiligungsmanagement AG. In business year 2011, bmp media investors AG had an average of six salaried employees and one trainee. As at the reporting date, one permanent employee worked at bmp media investors AG in addition to the Executive Board.

4. Financial situation

Profit situation

The bmp Group showed net income for the year in 2011 of T€ 369 according to IFRS. Earnings thus declined compared with the previous year, in which there was a profit of T€ 2,246 according to IFRS. Income from the sale of investments and securities amounted to T€ 5,269. In the previous year, income from the sale of investments and securities was T€ 7,093. Other operating income dropped sharply from T€ 1,376 to T€ 80, due among other things to derecognition in the previous year of the KfW loan of T€ 842.

Personnel costs, at T€ 625, were down 51% on 2010, mainly due to the separation carried out under company law between fund and fund manager. Other operating expenses rose from T€ 1,869 to T€ 2,110. This was due on the one hand to the management of BFB Frühphasenfonds Brandenburg GmbH, which required contracting an external service provider and bmp Beteiligungsmanagement AG (discontinued operations), and on the other to the conclusion of an investment consultancy agreement with bmp Beteiligungsmanagement AG. Both items totalled T€ 726. An additional factor was the unfavourable performance of the Polish zloty; unrealised exchange losses on the zloty portfolio amounted to T€ 329 (previous year: T€ 9).

Depreciation on financial assets and securities fell significantly from T€ 2,232 to T€ 652.

The return on equity, measured by net income for the business year and in relation to average shareholders' equity, was 2 %.

Assets and capital structure

The non-current assets of the Group include shares in investment companies and loans given to these companies. At T€ 10,399, they comprise around 99% of non-current assets. Current assets decreased by 19% from T€ 12,659 to T€ 10,302. Cash in hand and bank balances were T€ 5,506 at the end of business year 2011 following T€ 5,713 in 2010. The balance sheet total rose from € 18.0 million to € 20.8 million.

Equity rose 17.2% from € 16.3 million to € 19.1 million. Subscribed capital was increased by € 1.32 million in return for stock (contribution of shares of brand eins Medien AG). By this transaction € 0.53 million were added to the capital reserve. Liabilities declined from T€ 1,779 to T€ 1,665. Of this amount, T€ 1,217 is attributable to a refinancing loan from KfW for an investment.

Liquidity

Current marketable securities and cash equivalents were € 8.2 million as at the end of the reporting period.

5. Opportunities and risks of future developments, risk management

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 media investors 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 media investors Group today generates income primarily from the sale of investments to an institutional or industrial investor (trade sale) or by means of floatation (IPO). 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 media investors 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 media investors AG counteracts the financial effects of a drop in value of investments through early support and countermeasures, 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.

Cluster risks

The three biggest holdings together represent around 67% of the carrying amount of equity investments and securities. The carrying amounts of brand eins Medien AG, Heliocentris Energy Solutions AG and Revotar Biopharmaceuticals AG range between € 2.7 million and € 3.1 million.

Financing risks

bmp media investors utilised another refinancing loan for an investment amounting to € 1.2 million. This refinancing loan will be partially repaid as at 30 September 2012 and has a remaining term until 30 September 2014.

Risks from foreign companies

bmp media investor’s foreign investments are subject to the laws of each respective country.

Furthermore, certain contracts 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 investment is in Poland.

Liability associated with the disposal of investments

In terms of the disposal of investments, the bmp media investors Group as the seller or – under some circumstances – as a partner with the participation of other investors may have to grant guarantees particularly in regard to tax liabilities in favour of the purchaser or purchasers. The bmp media investors 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 media investors Group cannot rule out that in some individual cases such liabilities will occur.

Risks of changes in interest rates

The bmp media investors 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 Company 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. An additional risk is that the Company must accept exchange losses from foreign currency balances where no hedging transactions exist.

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 venture capital company. The primary core members of bmp Beteiligungsmanagement possess the relevant knowledge and a network of personal connections to companies and individuals which are relevant to the business activity of the Company.

Company dependence on economic cycles and financial markets

The economic success of the bmp media investors Group in the area of direct investment is primarily dependant on the price at which bmp media investors 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 may not be able to influence. The economic success of the bmp media investors Group is highly dependent on the general economic development, the development of the industries in which bmp media investors has invested, and the development of the financial markets. This also applies to fund management and investment.

Overall evaluation and risk management

bmp media investors has taken extensive precautions for all recognisable individual risks in the Annual Financial Report for 2011. Activities in the area of risk management were further expanded in 2011. A quality handbook has been created. bmp media investors 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 media investors' 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 bmp media investors AG. In the opinion of the Executive Board, bmp media investors' continued existence is secure on a sustainable and long-term basis.

I. Remuneration system

As at 30 June 2011, 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 media investors AG in accordance with HGB and is staggered as follows:

If earnings before tax at bmp media investors AG amount to at least € 0.5 million in accordance with HGB, the entire Executive Board receives 7% of the earnings before tax at bmp media investors AG according to HGB. If earnings before tax at bmp media investors AG exceed € 2.5 million according to HGB, the Executive Board receives 5.95%. If earnings before tax at bmp media investors AG exceed € 3.5 million according to HGB, the Executive Board receives 4.2%.

Since 1 July 2011, no further remuneration has been paid to the Executive Board. Mr. Spyrka alone has a continuing claim from his position prior to joining the Executive Board to a 5% profit share from an existing escrow claim from a previously sold investment.

In line with our Articles of Association, the members of the 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.

II. 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 media investors AG are covered in § 84 and § 85 AktG in conjunction with Article 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 media investors AG shall consist of one or more members. The Supervisory 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 (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 (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 media investors AG, if a larger majority is not required under mandatory legal requirements.

Shares and capital

The fully paid-in capital amounted to € 18,819,250.00 as at the balance sheet date. It is divided into 18,819,250 non-par value bearer shares. All shares are vested with same rights.

Until 21 June 2016, the Executive Board has the power, with the approval of the Supervisory Board, to increase the capital stock of the Company once 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, and in doing so to establish the terms for issuing shares. The Executive Board is also authorised to buy back shares up to 1.75 million with the approval of the Supervisory Board.

No further disclosures are required under § 315 (4) HGB.

III. Integrated internal control and risk management system for the accounting process

The accounting-related internal control and risk management system that is crucial to the financial statements of bmp media investors 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 media investors 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 by bmp Beteiligungsmanagement AG.

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.

Corporate Governance Statement

The Corporate Governance Statement is available on our website at www.mediainvestors.com under "Investor Relations/Corporate Governance".

Events after the balance sheet date

There were no events to be reported.

Forecast

Realignment

By way of resolution of the General Stockholders' Meeting, bmp Aktiengesellschaft was changed to bmp media investors AG in mid-2011. As part of this change of name, the management was hived off to the subsidiary bmp Beteiligungsmanagement AG, so that bmp media investors AG has been positioned purely as an investment company from 1 July 2011. This step significantly streamlined the cost structure of bmp media investors AG. In addition to the costs of the stock market listing, the chief costs are due to an investment consultancy agreement with bmp Beteiligungsmanagement, which will be assessed on the basis of IFRS equity as at the year-end. Going forward, costs will thus be more closely aligned with the economic performance of bmp media investors, and the adequacy of the Company's liquidity will increase considerably in line with this.

At the same time, it was agreed to focus investment activities on innovative growth companies in the area of media and marketing services in Germany and Poland. bmp media investors AG is thereby positioning itself in a dynamic growth market within the venture capital area. In the medium term, we anticipate a sharper profile from this clear positioning and thus an improved competitive position in the venture capital market. The focus of our investment activity already lay in this segment in the past, and we were able to generate above-average positive results with the holdings from the media and marketing services area. We expect that focusing on these segments will further increase our future earnings strength.

Market environment

The German venture capital market remains poorly developed in an international comparison. It can therefore be assumed that the demand for venture capital in the coming years will continue to be higher than the supply of venture capital. New providers are continuously entering the market, but at the same time market participants are continuously leaving the market. Hence we do not anticipate an increase in competition, especially not in the area of early stage financing, which is particularly high-risk.

The number of relevant investment inquiries should increase further in the coming years due to the clear positioning in the media and marketing services area. bmp already has a good reputation and is well known in this segment, and this will be built on in future years. We therefore anticipate that we will continue to receive sufficient interesting investment opportunities in the future.

Investment activity

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

Expected profit situation

As the venture capital business is de facto a project business, and company disposals cannot be precisely planned, we are unable to give a concrete forecast for the future profit situation. However, on the basis of our streamlined cost structure and a series of promising investments, we expect to continue to work profitably in 2012. A precondition for this is on the one hand a stable market environment, and on the other positive valuation events in our investment portfolio via follow-up financing, stock market valuations or exits.

Opportunity report

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

The Executive Board is confident that it will again close the current business year at a profit.

Berlin, 7 April 2012

Oliver Borrmann	Jens Spyrka
Executive Board	Executive Board

bmp media investors AG Supervisory Board's Report

Ladies and Gentlemen,

At bmp media investors AG, the past business year was dominated by the restructuring measures completed in the summer. However, this was not the only topic that we as the company's Supervisory Board dealt with. Rather, throughout the year under review we regularly and comprehensively fulfilled the duties incumbent upon us in accordance with the law, the Articles of Association and the rules of procedure, and advised and monitored the Executive Board in managing the company. We report on this in detail below.

Advising and monitoring the management

Advising and monitoring the management in an efficient and effective way is founded on trust-based cooperation between the Executive Board and the Supervisory Board and on a regular exchange of information.

Once a month, the Executive Board provides the members of the Supervisory Board with a written report informing them about the status of direct investments, the development of strategic projects and the financial status. The Chairman of the Supervisory Board in particular is also in regular close and direct contact with the Executive Board. However, the most important forum for our work is the Supervisory Board meetings. These provide the opportunity both for information about the company's situation and also for discussion of key topics, either with or without the members of the Executive Board, all of whom usually attend our meetings.

Owing to the size of the Supervisory Board, which consists of three members, we have not formed committees. Both at the level of bmp media investors AG and at Group level, we therefore examine all planned and implemented measures – including with regard to their legality, proper order, expediency and economic efficiency in all cases – within the Supervisory Board as a whole. The Executive Board provides us with the necessary documents for performing our duties in good time before the Supervisory Board meetings. This ensures that we can fulfil our duties in full at all times.

Taking into account Section 110 (3) sentence 1 of the German Stock Corporation Act (AktG), we met a total of five times during the 2011 business year. There was also a personal exchange of information on the restructuring, in which all members of the Supervisory Board and the Executive Board participated. Prior to their publication, we discussed the quarterly and half-year reports with the Executive Board in telephone conferences, the results of which are recorded in written form. Finally, three resolutions were adopted by telephone in telephone conferences; these were also set down in writing. In justified cases, it is also possible for us to adopt resolutions outside the meetings in a written procedure – we used this option 12 times during the past business year.
All of the members of the Supervisory Board attended all meetings and telephone conferences.

Focus of the discussions

At the Supervisory Board meetings, the Executive Board generally informs us 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, and strategic considerations. Our meetings also regularly deal with issues relating to accounting, risk management and personnel matters concerning the Executive Board, since the Supervisory Board has not formed any committees due to our size.

We also review the efficiency of our activities in and outside the meetings on a continuous basis. However, since as a three-person Supervisory Board we can also ensure a rapid exchange of information and our work is also characterised by open, constructive processes, we have so far chosen not to bring in external consultants to evaluate the efficiency of our activities.

In addition to the above-mentioned topics, our meeting on 10 February 2011 focused in particular on the situation at Revotar Biopharmaceuticals AG, where another round of financing was due. We also dealt intensively with various possibilities for restructuring bmp Aktiengesellschaft (now: bmp media investors AG). In addition, we discussed in detail the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 26 May 2010 and approved the annual declaration of compliance in accordance with Section 161 AktG for business year 2010. As a result of Ralph Günther having left the Executive Board of the company in the meantime, we also drew up a new allocation of duties plan at this meeting in which the areas for which Ralph Günther was previously responsible were allocated to the other two members of the Executive Board.

Our annual balance sheet meeting of the Supervisory Board was held on 14 April 2011. One focus of this meeting was therefore the presentation of the annual and consolidated financial statements of bmp Aktiengesellschaft (now: bmp media investors AG) and the auditor's report on the findings of its audit. We had already reported on this in detail in the Supervisory Board report dated 14 April 2011, which had also been published in the 2010 Annual Report. The Corporate Governance Report to be prepared jointly by the Executive Board and the Supervisory Board and the agenda for the General Stockholders' Meeting of the company on 22 June 2011 including the resolutions proposed by the management were also approved at this meeting. Another focus was the company's restructuring plans and an initial legal opinion dealing with the possibilities for outsourcing investment management to bmp Beteiligungsmanagement AG that had since been obtained from the Executive Board as a basis for further discussion. The Executive Board also informed us of its basic considerations regarding a possible cash/share deal to acquire shares in brand eins Medien AG. In this context, Oliver Borrmann notified us that at that time he held an 8% interest in the company and was also the chairman of its supervisory board. Also in light of this, we asked the Executive Board to obtain a legal opinion on this matter as a basis for making a decision. We were subsequently informed by the mandated law firm about the results of the two legal reviews at a separate meeting on 6 May 2011 that was not classified as a Supervisory Board meeting.

The meeting on 22 Jun 2011 was held immediately after the 2011 General Stockholders' Meeting. As the outsourcing of investment management to bmp Beteiligungsmanagement AG had since been resolved by the Executive Board and the Supervisory Board by way of a circular resolution on 10 May 2011, this meeting focused on personnel matters concerning the Executive Board. At this meeting, Andreas van Bon resigned his mandate as of the end of 30 June 2011 – the Supervisory Board accepted his resignation and also authorised the Chairman of the Executive Board to conclude termination agreements for the existing employment contracts with both Andreas van Bon and Oliver Borrmann, since from 1 July 2011 the latter was no longer to receive any Executive Board remuneration from bmp media investors AG. As we do not have a Personnel Committee, the draft agreements had been sent to all members of the Supervisory Board in advance of the meeting. At the same time, Jens Spyrka was appointed to the company's Executive Board from 1 July 2011 for a period of three years, i.e. until the end of 30 June 2014. In addition, the appointment of Oliver Borrmann to the company's Executive

Board, ending at the end of 31 December 2011, was also extended until the end of 30 June 2014. We granted both men our permission in accordance with Section 88 (1) sentence 2 AktG also to be/become members of the Executive Board of bmp Beteiligungsmanagement AG. Finally, we established that from 1 July 2011 the company would no longer have an Executive Board Chairman. This constitutes a deviation from the recommendations of the Government Commission on the German Corporate Governance Code, for which reason we adopted a declaration during the year in accordance with Section 161 AktG at a later stage of the meeting. We also discussed new rules of procedure for the Executive Board adapted to the company's new structures and adopted these. We also took this as an opportunity to check that our own rules of procedure were up-to-date and to resolve them jointly after modification.

At the meeting on 22 September 2011, the Executive Board reported to us on the successful completion of the restructuring and the development of the first half of 2011. In an outlook for the second half of the year, we paid particular attention to the portfolio companies that no longer form part of the current investment focus.

Finally, our meeting on 7 December 2011 focused on the annual business plan for 2012, which we approved unanimously. We also dealt particularly intensively with Revotar Biopharmaceuticals AG again, since at this time further financing depending on milestones was already in the offing at the company; this financing was implemented in February 2012. In addition, we made further adjustments to the rules of procedure for the Executive Board.

Corporate governance at bmp media investors AG

In accordance with Section 3.10 of the Corporate Governance Code, the Executive Board reports on the implementation of corporate governance at bmp media investors AG in a separate report – at the same time also for the Supervisory Board. This report is published in a separate section of the annual report.
On 13 February 2012, the Executive Board and Supervisory Board issued their annual declaration of compliance in accordance with Section 161 AktG. This is published in the annual report – also in the "Corporate Governance" section – and is also permanently available in the Investor Relations section of our company website, www.mediainvestors.com.

The parallel listing of bmp media investors AG on the regulated market of the Warsaw Stock Exchange means that we are also required to comply with the "Code of Best Practice for Companies Listed on the Warsaw Stock Exchange" (Dobre Praktyki Spółek Notowanych na GPW – referred to hereafter as DPS). The Executive Board ensures the most comprehensive possible compliance with the regulations of the DPS and reports on this on an annual basis. This report is also permanently available on the company's website.

There were no indications of conflicts of interest of Supervisory Board members requiring immediate disclosure to the Supervisory Board and notification to the General Stockholders' Meeting.

As mentioned above, Oliver Borrmann had notified us at the Supervisory Board meeting on 14 April 2011 that at this time he held roughly 8% of the shares in brand eins Medien AG while at the same time acting as chairman of the company's supervisory board. Because shares held by Oliver Borrmann in brand eins

Medien AG were also to be acquired by bmp Aktiengesellschaft (now: bmp media investors AG), power of representation was transferred from the Executive Board of bmp Aktiengesellschaft (now: bmp media investors AG) to the company's Supervisory Board. This also meant that the Supervisory Board of bmp Aktiengesellschaft (now: bmp media investors AG) now had to assume business responsibility for the decision and examine whether acquiring shares in brand eins Medien AG was expedient from a business perspective and whether the consideration was appropriate. We therefore firstly had to examine the intrinsic value of the brand eins Medien AG shares and secondly also check that the shares of bmp Aktiengesellschaft (now: bmp media investors AG) were not issued below value.

We examined all aspects thoroughly and completely on the basis of extensive information, including in particular on brand eins Medien AG. We approved implementation of the cash/share deal on 16 May 2011 by way of a circular resolution.

Audit of the annual and consolidated financial statements

In line with the resolution of the General Stockholders' Meeting on 22 June 2011, Verhülsdonk & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, was commissioned with auditing the financial statements for business year 2011. The subject of the audit was the annual financial statements and management report prepared by the Executive Board in accordance with the regulations of the German Commercial Code (HGB) and the consolidated financial statements and Group management report, which were prepared by the Executive Board as well but on the basis of the International Financial Reporting Standards (IFRS) as applicable in the EU. The key focuses of the audit for both the separate and the consolidated financial statements were the carrying value of the equity interests, changes in the investment portfolio and the review of revenue realisation. In auditing the separate financial statements, the auditor focussed in particular on the merger of bmp media investors AG & Co. KGaA with bmp Aktiengesellschaft (now: bmp media investors AG) and, in auditing the consolidated financial statements, on the outsourcing of investment management to bmp Beteiligungsmanagement AG, Berlin.
The auditor gave an unqualified certification to the separate financial statements of bmp media investors AG and the consolidated financial statements.

The Executive Board provided us with the financial statements and the auditor's reports in sufficient time ahead of the balance sheet meeting of the Supervisory Board on 18 April 2012. We were thus able to study the documents in detail and obtain an independent picture. We discussed the financial statements extensively at the balance sheet meeting of the Supervisory Board, in which the auditor also participated to report to us on the key findings of its audit.
Our own review of the financial statements did not give rise to any objections, meaning that we agreed with the findings of the auditor and approved the annual financial statements of bmp media investors AG prepared by the Executive Board as 31 December 2011 as well as the consolidated financial statements, which were also prepared as at 31 December 2011. The annual financial statements of bmp media investors AG are therefore approved.

Changes in the Supervisory Board and the Executive Board

There were no changes in the composition of the Supervisory Board in business year 2011. Ralph Günther resigned his mandate as member of the Executive Board as of 31 January 2011 – we accepted his resignation by way of a written resolution on 18 January 2011.

As described above, the restructuring measures in business year 2011 led to further changes in the Executive Board. Andreas van Bon resigned his mandate as member of the Executive Board as of the end of 30 June 2011 at the Supervisory Board meeting on 22 June 2011 with the approval of the Supervisory Board. At the same time, Jens Spyrka was appointed to the company's Executive Board with effect from 1 July 2011 until the end of 30 June 2014 and Oliver Borrmann's appointment was extended until the end of 30 June 2014.

We would like to thank the members of the Executive Board – including those who left in 2011 – and the employees for their good work together and their commitment on behalf of the company.

Berlin, 18 April 2012

Gerd Schmitz-Morkramer
Chairman of the Supervisory Board

Corporate Governance at bmp media investors AG

(also Corporate Governance Report in accordance with Section 3.10 of the German Corporate Governance Code)

We understand corporate governance as the legal and factual framework for responsible and transparent management and control of bmp media investors AG.

It aims to create efficient conditions for establishing sustainably productive value added and a fair distribution of value, taking appropriate account of the interests of all stakeholders.

Corporate governance at bmp media investors AG thus relates to all divisions of the company and determines the way we conduct business.

Implementation of corporate governance at bmp media investors AG

The management and supervisory boards of listed companies must report on the company's corporate governance once a year as part of the annual report and, in accordance with Section 161 of the German Stock Corporation Act (AktG), must issue an annual declaration on the extent to which their company complies with the recommendations of the Government Commission on the German Corporate Governance Code (Code) as published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette.

Corporate governance is therefore a topic that both executive bodies must deal with on a regular basis. Dealing extensively with this topic is based not only on the above-mentioned Code; rather, the framework for good corporate governance is determined by a wide range of regulations from the German legal system, particularly from stock corporation and capital market law, and from the company's Articles of Association. Due to the parallel listing of bmp media investors shares on the Warsaw Stock Exchange, our company must also comply with regulations under Polish law.

As the Executive Board and Supervisory Board of bmp media investors AG, we address the issue of corporate governance at our company on a regular basis. We aim not only to satisfy the requirements for our corporate governance arising from the law and the Articles of Association, but also to comply with the recommendations of the German Corporate Governance Code as comprehensively as possible. However, this is impeded by the special features of bmp media investors – particularly owing to the size of our company – which either do not allows us to follow all recommendations of the Code, such as the recommendation to form supervisory board committees, or cannot realistically be implemented at bmp media investors from a cost-benefit perspective. The latter applies, for instance, to the recommendation formulated in the Code with regard to deadlines for publishing financial reports.

In our joint annual declaration dated 10 February 2011, the Executive Board and Supervisory Board of bmp media investors (at this date still "bmp Aktiengesellschaft") described the extent to which we complied with the recommendations of the Code in the versions dated 18 June 2009 and 26 May 2010 during business year 2010 and intend to comply with them in business year 2011.

On 22 June 2011, the Supervisory Board resolved not to appoint a chairman or spokesman of the Executive Board or to stipulate an allocation of duties as of 1 July 2011. This decision was due to the restructuring measures within the bmp Group, as a result of which our Executive Board still consists of two persons but they now have largely identical areas of responsibility. As this constitutes a deviation from the recommendation in Section 4.2.1. of the Code in the version dated 26 May 2010, the Executive Board and Supervisory Board issued a declaration during the year on 22 June 2011 regarding compliance with the Code recommendations.

Both declarations have been made permanently available to the shareholders on the company website, www.mediainvestors.com, in the Investor Relations section.

Control and management structure

Executive bodies

» **General Stockholders' Meeting**
At the General Stockholders' Meeting, our shareholders exercise their rights and make decisions on the topics defined by law and the Articles of Association. Each share confers one vote; there are no shares with multiple, preferential or maximum voting rights.

Our shareholders regularly decide on the appropriation of earnings, formal approval of the actions of the Executive Board and Supervisory Board, and election of the Supervisory Board and the auditor. If the Articles of Association are amended or key business measures are implemented, this also comes under the decision-making authority of the General Stockholders' Meeting.

In addition, our shareholders are entitled to speak on items of the agenda and to ask relevant questions and requests at the General Stockholders' Meeting. However, the chairman of the meeting – who at bmp media investors is generally the same person as the Chairman of the Supervisory Board in accordance with Section 21 (1) of our Articles of Association – must ensure that the General Stockholders' Meeting is completed rapidly.

Our General Stockholders' Meeting is held once a year. It is convened in accordance with the legal conditions, in particular specifying the agenda. In addition, all shareholders are notified of the convening of the General Stockholders' Meeting. In this regard, Section 2.3.2 of the Code stipulates that they must be notified of the convening by electronic means, together with the related documentation, provided the approval requirements are met. We have not followed this recommendation in the past and will not do so in the future either. This is due to the requirements stipulated in Section 30 b (3) No. 1. c) of the German Securities Trading Act (WpHG) for transferring information by means of telecommunications, under which issuers of admitted shares may use this means of communication, but only if "… precautions have been taken for the secure identification of shareholders, or those who are authorised to exercise voting rights or issue instructions for exercising them, and of their addresses …". In our opinion, this requirement cannot be ensured in the case of companies that have issued bearer shares.

The convening including the agenda, and the reports and documentation required by law for the General Stockholders' Meeting including the annual report, are published and easily accessible on our website www.mediainvestors.com in the Investors Relations section from the day the meeting is convened.

We support our shareholders in exercising their voting rights by appointing a company representative to exercise voting rights in accordance with specific instructions. This ensures that shareholders who are unable to attend the General Stockholders' Meeting in person can also exercise their voting rights.

» **Executive Board**
In line with the dual management system under the German Stock Corporation Act,

the Executive Board is the governing body of the company. It has sole authority to decide on management issues and develop the company's strategic orientation. It is also responsible for compliance with all legal provisions and the company's internal policies and for ensuring adequate risk management and control.

As at 1 January 2011, our Executive Board consisted of three members.

On 18 January 2011, Ralph Günther, up till then responsible for the Private Equity Advisory area in line with the plan for the allocation of duties, asked the Supervisory Board to allow him to step down from the Executive Board as at 31 January 2011 for personal reasons. The Supervisory Board agreed to this request on the same day. From this date on, Günther's duties were assumed by the Executive Board members Oliver Borrmann and Andreas van Bon.

Further changes in our Executive Board came about in the context of the restructuring measures in summer 2011, which resulted in the spin-off of fund and investment management to bmp Beteiligungsmanagement AG, at that time a wholly owned subsidiary of bmp media investors. Andreas van Bon left the company's Executive Board as at 30 June 2011 as planned. As at 1 July 2011, Jens Spyrka was appointed to the Executive Board to mange the company together with Executive Board member Oliver Borrmann.

The two members of the Executive Board have largely identical areas of responsibility. A framework for their work together is provided in the form of rules of procedure issued by the Supervisory Board. These also govern the relationship between the Executive Board and the Supervisory Board.

» Supervisory Board

The Supervisory Board is the monitoring body of the company. It advises and monitors the Executive Board in managing the company and must be involved in decisions of fundamental importance to the company. Under the legal regulations and the provisions of the Code, it is also responsible for appointing and dismissing members of the Executive Board.

Our Supervisory Board consists of three members who are generally elected by the General Stockholders' Meeting. The election is usually held for the period up to the end of the General Stockholders' Meeting that decides on formal approval of the Board members' actions for the fourth business year after the beginning of their term in office. In the event that a member must be elected to replace a member leaving the Supervisory Board, Section 10 (4) of our Articles of Association stipulates that the new member's term of office shall last only for the remaining term of the member leaving the Supervisory Board.

In accordance with Section 11 (1) of our Articles of Association in conjunction with Section 107 (1) AktG, our Supervisory Board elects a Chairman and a Deputy Chairman at its first meeting following the election. In this regard, Section 5.4.3. of the Code specifies that during Supervisory Board elections the shareholders are to be notified of the proposed candidates for Chairman of the Supervisory Board. We do not follow this recommendation. Naming proposed candidates for Chairman of the Supervisory Board means already assuming when the meeting is convened that these candidates will subsequently actually be elected by the General Stockholders' Meeting as members of the Supervisory Board. However, in our opinion this must remain open so as not to restrict the freedom of decision of the General Stockholders' Meeting. Moreover, we consider that a notification of this kind would also restrict the freedom of decision of the Supervisory Board in an unacceptable way.

The Chairman of the Supervisory Board coordinates the work of the Supervisory Board, chairs its meetings and attends to the affairs of the Board externally. This is also done on the basis of the rules of procedure that the Supervisory Board has set itself as guidelines.

On account of its size, our Supervisory Board does not form the committees specified in Sections 4.2.2., 5.2., 5.3.1., 5.3.2. and 5.3.3.

The composition of the Supervisory Board did not change at all in business year 2011.

Cooperation between the Executive Board and the Supervisory Board

Although the dual management system under German stock corporation law stipulates a clear division between company management and monitoring, close trust-based cooperation between the two bodies is nonetheless necessary and useful.

A variety of guidelines define the framework for cooperation at bmp media investors AG. In the rules of procedure for the Executive Board, for example, the Supervisory Board has specified which transactions of fundamental importance require the approval of the Supervisory Board before implementation. In addition to the transactions already legally prescribed as subject to Supervisory Board approval – such as lending to Executive Board members pursuant to Section 89 AktG – these also include large acquisitions, divestments and financial measures, as well as major structural changes.

To enable it to comprehensively fulfil its monitoring function at all times, the Supervisory Board has also stipulated in the rules of procedure for the Executive Board that the Executive Board must report to it at least once per quarter on the current status of business development. It has also reserved the right to obtain explanations on the relevant quarterly figures and additional documents or information from the Executive Board at all times.

In the months in which no Supervisory Board meetings are held, the Executive Board also informs the Supervisory Board of the company's status in a written report. In addition, the two bodies maintain regular telephone and written communication.

The Supervisory Board meetings are usually held with all Executive Board members in attendance as well as an assistant to take the minutes of the meeting. The necessary confidentiality is ensured.

All in all, cooperation between the Executive Board and the Supervisory Board of bmp media investors is characterised by open, trust-based interaction.

Conflicts of interest of the Executive Board and the Supervisory Board

The members of the Executive Board and the Supervisory Board are obligated to act in the company's interests. They must not led their decisions be influenced by personal interests. In particular, any transactions between the company and members of the Executive Board or Supervisory Board therefore require approval by the Supervisory Board. Furthermore, any conflicts of interest must be disclosed to the Supervisory Board, which must then report them to the General Stockholders' Meeting.

In business year 2011, there were no indications of conflicts of interest of Supervisory Board members requiring immediate disclosure to the Supervisory Board.

In connection with the share/cash deal executed in June 2011 to acquire shares in brand eins Medien AG, Oliver Borrmann had already notified the Supervisory Board at its meeting on 14 April 2011 that he held 8% of the shares in brand eins Medien AG while at the same time acting as chairman of the company's Supervisory Board. As the share/cash deal also specified that bmp media investors AG would acquire shares in brand eins Medien AG that were held by Oliver Borrmann, power of representation was transferred from the Executive Board to the Supervisory Board of the company. The Supervisory Board thus also assumed business responsibility for the decision to implement the share/cash deal. Our Supervisory Board provides detailed information on this in its report in accordance with Section 171 (2) AktG, which is published in the Annual Report. Executive Board members may take on secondary employment, particularly Supervisory Board mandates at other companies, only with the approval of the Supervisory Board. Our Executive Board members exercise various Supervisory Board mandates, primarily in our holdings. Each of these mandates was approved by our Supervisory Board before being accepted. The individual mandates are listed in the notes to our annual financial statements.

Remuneration of the Executive Board and the Supervisory Board

The Executive Board and the Supervisory Board must be remunerated appropriately for their activities. The full Supervisory Board must determine the total remuneration of the individual Executive Board members and resolve and regularly review the remuneration system for the Executive Board. The remuneration of the Supervisory Board is either set out in the company's Articles of Association or approved by the General Stockholders' Meeting.

Further information on the remuneration system at bmp media investors AG and the amount of the respective remuneration of the Executive Board and the Supervisory Board in business year 2011 can be found in the Remuneration Report.

D&O insurance

For D&O insurance obtained by the company also on behalf of Supervisory Board members, Section 3.8. of the Code recommends a deductible equal to the legally prescribed deductible for members of the Executive Board in accordance with Section 93 (2) sentence 3 AktG.

In light of factors such as the fixed remuneration amount for Supervisory Board members, we do 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.

Diversity

For a number of years, the Executive Board and the Supervisory Board have been required under the provisions of the Code to aim to ensure diversity in filling managerial positions (Section 4.1.5.) and Executive Board positions (Section 5.1.2.), particularly with regard to adequate female representation. A similar requirement applies to the Supervisory Board (Section 5.4.1.), which must state specific targets for how – taking into account the company-specific situation – it intends to increase diversity, particularly in terms of adequate female representation.

Today, bmp media investors AG is a traditional investment company administered by a fund manager and with only three Supervisory Board members, two Executive Board members and

one employee.
In light of these general conditions, the Executive Board and the Supervisory Board do not consider it appropriate to place a focus on diversity when filling positions. Rather, filling the positions with qualified persons seems most important to us. 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 gender, nationality or religious affiliation have been and will continue to be of no importance in these decisions. The same applies to recommendations to the selection committees regarding Supervisory Board candidates. Consequently, the Supervisory Board also has not and will not set any specific targets in this regard.

Risk management and risk controlling

Good corporate governance involves not only taking advantage of potential opportunities, but also in particular dealing responsibly with any risks. This requires risks to be identified at an early stage and control mechanisms to be established that handle the risks in an appropriate way.

We identify and assess on a regular basis any risks that could result from our business activities and have installed an extensive control system. One key component of this system is investment control that is custom-tailored to our needs.

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

We comment on opportunities and risks of future development and on risk management in the management report in our annual financial statements.

Transparency

As part of our Investor Relations activities, we report all relevant information equally immediately to the shareholders and shareholder associations, financial analysts and media, and the interested public.
We communicate via the specified publication channels and publish all information in the Investor Relations section of our website www.mediainvestors.com, generally in German, English and Polish. Only in the case of publications that we issue in accordance with Polish capital market law due to our parallel listing on the Warsaw Stock Exchange, do we publish only in English and Polish in exceptional cases.

Shareholdings of the Executive Board and the Supervisory Board

As at 31 December 2011, 3.506.486 shares of bmp media investors AG were held directly or indirectly by members of our Executive Board. This corresponds to 18,63 % of all company shares in circulation.
The members of our Supervisory Board held no shares as of the reporting date.

Directors’ dealings in business year 2011

The following transactions by members of the management in accordance with Section 15a WpHG took place in business year 2011:

Date	Name	Position	Type/location of the transaction	Price	No. of units	Total volume
25.05.2011	Oliver Borrmann	Chairman of the Executive Board	Subscription of shares	1.40 €	398,500	557,900.00 €
	Information requiring publication Subscription of shares took place in the context of a capital increase from authorised capital in exchange for non-cash contributions, whereby Oliver Borrmann contributed 79,900 shares in brand eins Medien AG for which he received 5 bmp AG shares plus a cash component for each share contributed.					
28.06.2011	Oliver Borrmann	Chairman of the Executive Board	Purchase Xetra/ Frankfurt	1.02 €	38,052	38,732.00 €
08.12.2011	Cavy Capital GmbH	Closely related legal person (Oliver Borrmann)	Purchase Frankfurt	0.58 €	50,000	28,904.00 €
13.12.2011	Cavy Capital GmbH	Closely related legal person (Oliver Borrmann)	Purchase Xetra	0.55 €	15,000	8,240.57 €
02.09.2011	Jens Spyrka	Executive Board member	Purchase Xetra	0.84 €	7,500	6,292.50 €
05.09.2011	Jens Spyrka	Executive Board member	Purchase Xetra	0.79 €	7,500	5,955.00 €
15.09.2011	Jens Spyrka	Executive Board member	Purchase Frankfurt	0.72 €	5,000	3,600.00 €
09.12.2011	Jens Spyrka	Executive Board member	Purchase Frankfurt	0.57 €	7,500	4,275.00 €
20.12.2011	Jens Spyrka	Executive Board member	Purchase Xetra	0.54 €	320	172.80 €
30.12.2011	Jens Spyrka	Executive Board member	Purchase Frankfurt	0.55 €	8,180	4,499.00 €

After receiving the notifications, we immediately published the transactions and posted them in the Investor Relations section of our website www.mediainvestors.com.

Notifications received under Polish capital market law from persons holding managerial positions at bmp (media investors) AG were also published immediately upon receipt in the Investor Relations section of our website www.mediainvestors.com.

Accounting and auditing

We inform our shareholders and third parties about the economic situation of our company four times a year as part of our financial reporting. The consolidated financial statements and the half-year and quarterly reports are prepared by the Executive Board in accordance with the International Financial Reporting Standards (IFRS). The Executive Board is also responsible for the legally prescribed separate financial statements in accordance with the provisions of the German Commercial Code (HGB), which are decisive for the resolution on the appropriation of earnings.

The consolidated and separate financial statements as at 31 December 2011 are audited by VERHÜLSDONK & Partner GmbH, Berlin, who also report to the Supervisory Board on the findings of the audit. The half-year and financial reports are discussed by the Supervisory Board and the Executive Board before publication.

Contrary to the recommendation in Section 7.1.2 of the Code, we publish our consolidated financial statements within 4 months of the end of the business year and interim reports within 2 months of the end of the applicable reporting period. Here, we weighed up the cost-benefit effects for our shareholders and came to the conclusion that the level of information gained from faster preparation and publication is not proportionate to the resulting costs.

Corporate governance statement in accordance with Section 289 of the HGB

Declaration of Compliance in accordance with Section 161 of the AktG

In accordance with Section 161 of the German Stock Corporation Act (AktG), the Executive Board and the Supervisory Board of bmp media investors AG hereby declare that, other than the exceptions listed in the last annual declaration of compliance dated 10 February 2010 and the declaration published during the year on 22 June 2011, the recommendations of the Government Commission of the German Corporate Governance Code (the "Code") as published by the Federal Minister of Justice in the official section of the electronic Federal Gazette (Bundesanzeiger) in the version dated 26 May 2010 were complied with in the 2011 business year and up until the submission of this declaration and will continue to be complied with in future 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, providing that the 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, neither of these requirements can be met to the required extent at this time. 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 in accordance with Section 125 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 in accordance with Section 93 (2) sentence 3 AktG.

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 managerial 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 recommenda-

tions to its selection committees; the targets and the status of their implementation are to be published in the Corporate Governance Report.

In filling managerial 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.

» **Composition of the Executive Board (Section 4.2.1.)**
The Code recommends that the Executive Board be composed of several persons and have a Chairman or Spokesman, and that by-laws should govern the work of the Executive Board, in particular the allocation of duties among individual Executive Board members, matters reserved for the Executive Board as a whole, and the required majority for Executive Board resolutions.

As our Executive Board consists of only two persons with largely identical areas of responsibility, we have not nominated a Chairman or Spokesman or prescribed the allocation of duties among the individual Executive Board members.

» **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 Executive 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, our Supervisory Board consists of only three persons. 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 been elected as members of the Supervisory Board by the General Stockholders' Meeting. In accordance with Section 11 (1) of the Articles of Association in conjunction with Section 107 (1) AktG, the Supervisory Board must also elect a Chairman and a Vice-Chairman from among its own members at its first meeting following the election. This meeting typically takes place immediately following the General Stockholders' Meeting of bmp media investors AG at 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.

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

Berlin, 13 February 2012

The Supervisory Board
The Executive Board

Relevant information regarding corporate governance practices

Due to our parallel listing on the Warsaw Stock Exchange, we are also obliged – in addition to the legal requirements under German law – to comply with certain measures arising from Polish capital market law and from the regulations of the Warsaw Stock Exchange. These include notification and disclosure obligations both for transactions with the bmp share that are entered into by persons in management positions, and also for reaching, falling below or exceeding voting rights thresholds. Additional disclosure obligations may also arise in connection with certain corporate measures, such as the admission of new shares to trading on a stock exchange.
We are also committed to the principles of good corporate governance in Poland and issue an annual declaration of compliance with the relevant regulations.

All information that we communicate on the basis of our listing on the Warsaw Stock Exchange in Poland is published in the Investor Relations section of our website.

The legal conditions for issuers in Poland can be found on the website of the Polish financial supervisory authority, www.knf.gov.pl.
The regulations on corporate governance in Poland can be found on the website of the Warsaw Stock Exchange via the following link: www.corp-gov.gpw.pl.

Processes of the Executive Board and the Supervisory Board

The duties and processes of the Executive Board and the Supervisory Board are described in the Corporate Governance Report under the heading "Management and control structure" and are also published in the Investor Relations section of our website under the same heading.

The Executive Board and the Supervisory Board of our company do not form committees.

Remuneration Report

Remuneration of the Executive Board

The remuneration system for the members of the Executive Board of bmp media investors AG was last reviewed by the Supervisory Board of bmp (media investors) AG in autumn 2010 and adjusted with effect from 1 January 2011. This was due to the expiry of the previous Executive Board contracts as at 31 December 2010 and the need for new requirements arising from the German Act on Appropriate Management Board Remuneration (VorstAG) to be implemented in the renegotiation.

At this time, the Executive Board and the Supervisory Board had initially also planned to present the remuneration system effective since 1 January 2011 to the 2011 General Stockholders' Meeting for approval. However, at the time the General Stockholders' Meeting was convened it had already been decided that bmp Aktiengesellschaft – then also with the new company name bmp media investors AG – was to become purely an investment company administered by a management company as at 1 July 2011. From 1 July 2011, the members of the Executive Board of bmp media investors AG were no longer to receive Executive Board remuneration.

In this context, the management then decided not to submit a resolution proposal for the approval of the Executive Board remuneration system by the 2011 General Stockholders' Meeting.

In detail, the remuneration system for the Executive Board for the period from 1 January 2011 to 30 June 2011 was as follows:

a) Base remuneration

The members of the Executive Board received base remuneration for the year as a whole that was to be paid out on a monthly basis less taxes. The greater amount of work performed by the Chairman of the Executive Board was taken into account in that he was granted higher fixed remuneration than his colleagues on the Executive Board.

Specifically, the individual members of the Executive Board received base remuneration in the following amounts from 1 January 2011 to 30 June 2011:

In T€		Base remuneration p.a.	Pro rata base remuneration
Ralph Günther	01.01.-31.01.2011	150	12.5
	2010	150	
Oliver Borrmann	01.01.-30.06.2011	165	82.5
(Chairman of the executive board)	2010	165	
Andreas van Bon	01.01.-30.06.2011	150	75
	2010*	150	

* including employer benefits as per Section 3 (33) EStG in the amount of € 7 thousand.

b) Insurance contributions

For social security and retirement benefits for the Executive Board members, the company had taken out life insurance and accident insurance at its own expense. The Executive Board members were also entitled to reimbursement of contributions by the company as would have to be paid by the employer in the case of mandatory government or private retirement and health insurance.

Specifically, insurance contributions in the following amounts were reimbursed to the members of the Executive Board from 1 January 2011 to 30 June 2011:

In T€		Insurance contributions
Ralph Günther	01.01.-31.01.2011	1
	2010	15
Oliver Borrmann	01.01.-30.06.2011	8
(Chairman of the executive board)	2010	14
Andreas van Bon	01.01.-30.06.2011	9
	2010	14

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

c) Benefits in kind
As benefits in kind, the members of the Executive Board were provided with a company vehicle for both business and personal use. The taxes on the resulting benefit were borne by the respective Executive Board members.

The specific amounts of benefits in kind were as follows:

In T€		Benefits in kind
Ralph Günther	01.01.-31.01.2011	0
	2010	7
Oliver Borrmann	01.01.-30.06.2011	4
(Chairman of the executive board)	2010	6
Andreas van Bon	01.01.-30.06.2011	4
	2010	7

d) Profit-sharing bonus
The remuneration system for the members of the Executive Board stipulated a profit-sharing policy that took account of the requirement of calculating bonuses based on performance over multiple years with staggered payment.
Specifically, the profit-sharing policy stipulated that:

» no profit-sharing bonus shall be paid to members of the Executive Board if the EBT of bmp (media investors) AG as per the HGB is less than € 0.5 million.

» for EBT of bmp (media investors) 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% and the other members of the Executive Board shall each receive a profit-sharing bonus of 3% of the EBT of bmp (media investors) AG.

» for EBT of bmp (media investors) 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% and the other members of the Executive Board shall each receive a profit-sharing bonus of 2.55% of the EBT of bmp (media investors) AG.

» for EBT of bmp (media investors) AG as per the HGB before provisions for profit-sharing bonuses for all Executive Board members of over € 3.5 million, the Chairman of the Executive Board shall receive a profit-sharing bonus of 2.4% and the other members of the Executive Board shall each receive a profit-sharing bonus of 1.8% of the EBT of bmp (media investors) AG.

50% of the profit-sharing bonus for each year was to be paid upon adoption of the annual financial statements.
Another 30% was then to be paid out in full provided net income in the following year amounts to at least zero (net income >= 0). However, if net income in the following year was negative, the 30% entitlement from the previous year was to be reduced. This reduction was to be calculated at the same

percentage rate as the profit-sharing bonus but was to amount to no more than the sum that remained to be paid out from the previous year. This ruled out repayment of bonuses already received.
Another 20% was then to be paid out in the year after the following year on the same basis.

On leaving the company as at 31 January 2011, Ralph Günther waived his pro rata profit-sharing entitlement from business year 2011.

However, for Andreas van Bon and Oliver Borrmann there was a need for regulation as at 30 June 2011 on rescission of their employment contracts with regard to dealing with the pro rata profit-sharing bonus payment for business year 2011. The following regulation was agreed between the Supervisory Board and the Executive Board members in this regard:

To compensate for the pro rata profit-sharing bonuses for 2011 to which the Executive Board members are entitled under their last employment contract with the company for the period up to the date of termination, the company shall pay each member a one-off payment equivalent to 85% of half (in line with their time in office in 2011) of the profit-sharing bonus calculated according to the regulations described above. There is no further entitlement to profit-sharing bonuses.

For the period from 1 January 2011 to 30 June 2011, the specific amounts of the profit-sharing entitlement were as follows:

In T€		Profit-sharing bonus
Oliver Borrmann (Chairman of the executive board)	01.01.-30.06.2011	34
	2010	29
Andreas van Bon	01.01.-30.06.2011	26
	2010	21

e) Further disclosures on Executive Board remuneration

On 10 May 2011, the Supervisory Board resolved to grant Oliver Borrmann and Andreas van Bon one-off bonuses of € 26 thousand and € 19 thousand respectively for special services in relation to the disposal of the investments in ergoTrade AG and K2 Internet S.A.

No severance payments were made or had been contractually agreed as a result of Ralph Günther and Andreas van Bon leaving the company or due to the rescission of the employment contract with Oliver Borrmann.

The company had taken out D&O insurance for the members of the Executive Board including the deductible prescribed by law since 1 July 2010.

The Executive Board was also entitled to reimbursement of expenses in the form of subsidies for food and lodging in accordance with Section 2 (16) in connection with Section 4 (5) (5) of the EStG.

Other than this, the Executive Board had no further entitlement to remuneration, in particular not from assuming mandates at Group companies.

Any remuneration from mandates at holdings was to be transferred to the company – this also applied to any remuneration from other secondary employment, unless this related to university lecturing activities.

The Executive Board did not receive any further remuneration besides that specified above in points a) to e) in the period from 1 January 2011 to 30 June 2011.

Since 1 July 2011, the members of our Executive Board do not have any entitlement to remuneration – they perform their services for the company without payment.

However, the Executive Board members are entitled to reimbursement of expenses for travel that they undertake to carry out financing, media relations and investor relations activities – for example at analyst conferences – in the form of subsidies for food and lodging in accordance with Section 2 (16) in connection with Section 4 (5) (5) of the EStG.

The company also continued to take out D&O insurance for the members of the Executive Board including the deductible prescribed by law since 1 July 2010.

No loans to members of the Executive Board were outstanding as of 31 December 2011.

Supervisory Board remuneration

The remuneration of our Supervisory Board members was last resolved at the 2008 General Stockholders' Meeting. It consists of three individual components and stipulates that any VAT owed is to be reimbursed in the statutory amount in addition to this.

a) Annual base remuneration

The annual base remuneration amounts to €10,000 for the Chairman of the Supervisory Board and €5,000 for all other members of the Supervisory Board. Therefore, the following amounts were attributable to the individual members of the Supervisory Board for business year 2011:

In T€		Annual base remuneration
Gerd Schmitz-Morkramer*	2011	12
	2010	12
Bernd Brunke	2011	5
	2010	5
Ulrich Ankele	2011	5
	2010	5

* including mandatory VAT

b) Meeting attendance fees

The Supervisory Board receives meeting attendance fees in an amount that takes into account the additional workload, particularly for the Chairman of the Supervisory Board. The meeting attendance fee is €2.5 thousand per meeting for the Chairman of the Supervisory Board, €1.5 thousand per meeting for the Deputy Chairman and €1 thousand per meeting for each other member of the Supervisory Board.

In total, the Supervisory Board received the following meeting attendance fees in business year 2011:

In T€		Meeting attendance fees
Gerd Schmitz-Morkramer*	2011	14
	2010	15
Bernd Brunke	2011	8
	2010	8
Ulrich Ankele	2011	5
	2010	5

* including mandatory VAT

c) Performance-related remuneration

The Supervisory Board has a right to performance-related remuneration 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 – of at least 20 cents per share outstanding. 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.

For new shares resulting from any capital increases in exchange for cash or non-cash contributions, the amount of 20 cents per share is replaced by an amount equal to the ratio of the number of days remaining 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 2012, 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.

The Supervisory Board did not receive any performance-related remuneration for business year 2011.

e) Further disclosures on Supervisory Board remuneration

The company has taken out D&O insurance for the members of the Supervisory Board that does not prescribe a deductible.

In addition, the Supervisory Board is entitled to reimbursement of expenses incurred in connection with performing its mandate.

The Supervisory Board did not receive any further remuneration besides that described above during business year 2011. No loans to members of the Supervisory Board were outstanding as of 31 December 2011.

Management Board´s Additional Statement

The following statement from the bmp AG Board of Directors is issued according to the requirements of § 92, 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 2011 at the bmp AG annual general meeting on 22.06.2011 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 2011 for the Financial Year 2011

Group Balance Sheet as at 31 December 2011

Assets	Notes	2011	2010
		€	T€
Long-term assets			
Intangible assets	12,20	10,985.76	1
Tangible assets	12,20	0.00	35
Equity investments	9,21	10,298,368.36	4,271
Loans	21	100,691.00	15
Affiliated companies and Joint Ventures	22	1.00	317
Loans to Joint Ventures		0.00	31
Long-term receivables	23	56,080.00	704
		10,466,126.12	
Current assets			
Discontinued operations	5,35	916,487.16	0
Trade accounts receivable	24	6,440.75	246
Receivables and other assets	24,25	3,873,093.60	6,699
Cash on banks and cash on hand	26	5,506,171.68	5,713
		10,302,193.19	
Total Assets		**20,768,319.31**	**18,032**

Liabilities	Notes	2011	2010
		€	T€
Shareholders´ equity			
Subscribed capital	27	18,819,250.00	17,500
Capital reserves	29,30	1,058,300.78	531
Other revenue reserve		972,256.66	972
Accumulated net result		-2,426,781.84	-2,750
Minority interests		680,556.30	0
		19,103,581.90	
Long-term liabilities			
Liabilities from refinancing activities	32	973,498.30	1,217
Long-term provisions	34	0.00	6
		973,498.30	
Current liabilities			
Liabilities of discontinued operations	5,35	113,890.91	0
Trade accounts payable		121,507.36	122
Liabilities from refinancing activities		243,375.00	0
Other liabilities	33	212,465.84	330
Provisions	34	0.00	104
		691,239.11	
Total liabilities		**20,768,319.31**	**18,032**

Statement of Comprehensive Income for the Period from 1 January 2011 to 31 December 2011

	Notes	2011 €	2010 T€
Sales revenue			
Income from disposal of investments and securities	36	5,269,278.78	7,093
Other operating income			
Income from revaluation of investments	37	1,839,967.56	2,685
Other operating income	37	80,026.54	1,376
Income from consulting and commissions		731,198.89	687
Reduction in book value of investments and securities			
Reduction in book value of investments and securities	38	-4,600,465.17	-4,854
Staff costs			
Wages and salaries	39	-562,401.10	-1,139
Social security contributions and costs for pensions and support	39	-62,977.15	-145
Depreciations			
Depreciation on intangible and tangible fixed assets	20	-6,331.66	-11
Other operating expenses			
Expenses from revaluation	43	-652,275.45	-2,232
Other operating expenses	40	-2,110,115.78	-1,869
Operating income		**-74,094.54**	**1,591**
Income from investments	41	0.00	418
Interest and similiar income	42	344,041.25	353
Interest and similiar expenses	44	-74,690.79	-97
Result from continued operations		**195,255.92**	**2,265**
Result from discontinued operations	45	**173,956.55**	**-20**
Consolidated comprehensive Income		**369,212.47**	**2,245**
thereof minority interests		46,755.35	0
Diluted and undiluted earnings per share €	49	**0.02**	**0.13**
Earnings per share from continued operations €	49	**0.01**	**0.00**
Earnings per share from discontinued operations €		**0.01**	**0.13**

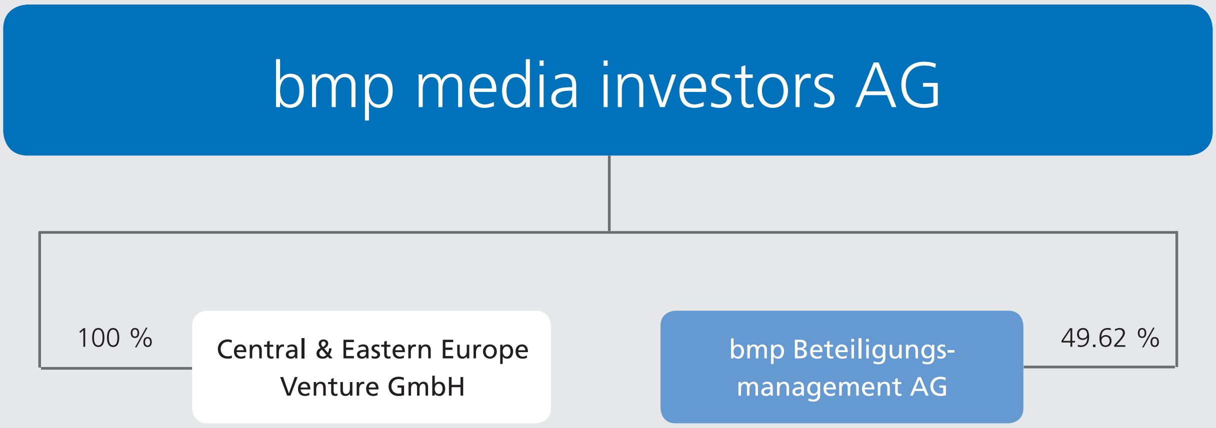
Group Cash-Flow Statement for the Period from 1 January 2011 to 31 December 2011

	Notes	2011 T€	2010 T€
Cash Flow from Operations			
Consolidated net result		369	2,246
Revaluation of investments, securities and receivables	36,42	-946	-453
Profit from disposal of holdings and securities		-740	-2,239
Depreciation of tangible assets	20	6	11
Other non-cash items		317	-835
		-994	**-1,270**
Decrease/(-) increase in assets and Increase/(-) decrease in liabilities			
Receivables and other assets including securities		3,482	431
Other liabilities	33	-4	213
Provisions	34	-110	-52
Total		**2,374**	**-678**
Cash-Flow from Investments			
Holdings and affiliated companies			
Additions to holdings, silent partnerships, loans and fixed-asset securities	21	-3,718	-2,066
Change in affiliated companies and joint ventures	22	31	25
Cash-in from the disposal of holdings, securities, silent partnerships and loans	21	1,772	5,702
		-1,915	**3,661**
Tangible fixed assets			
Additions	20	-12	-17
Disposals	20	30	0
Total		**-1,897**	**3,644**
Cash Flow from Financing			
Decrease in liabilities to banks	32,33	0	-424
Total		**0**	**-424**
Change in liquid funds		**477**	**2,542**
Liquid funds at the beginning of the reporting period		5,713	3,171
Liquid funds at the end of the reporting period		6,190	5,713
Liquid funds of discontinued operations		-684	0
Balance sheet disclosure		**5,506**	**5,713**

Statement of Changes in Equity

Figures in T€	Notes	Subscribed capital	Capital reserve	Other profit reserves	Accumu-lated net results	Minority interests	Total
Equity as at 01.01.2011	27,29	**17,500**	**531**	**972**	**-2,750**	**0**	**16,253**
Consulidated net result		0	0	0	322	47	369
Capital increase	30	1,319	528	0	0	0	1,847
Minorities		0	0	0	0	634	634
Equity as at 31.12.2011	27,29	**18,819**	**1,059**	**972**	**-2,428**	**681**	**19,103**
Equity as at 01.01.2010	27,29	**17,500**	**531**	**972**	**-4,996**	**0**	**14,007**
Consulidated net result		0	0	0	2,246	0	2,246
Equity as at 31.12.2010	27,29	**17,500**	**531**	**972**	**-2,750**	**0**	**16,253**

bmp media investors AG company legal structure as at 31 December 2011



- discontinued operation according to IFRS 5
- Company not included in the consolidation due to their secondary importance

Notes to the Group Financial Statement as at 31 December 2011

I. General information

1. Business activities of the Group

bmp media investors AG (hereinafter also the "Company" or „bmp") is an investment company focusing on media and marketing services. In doing so, bmp media investors AG concentrates its attention primarily on investments in Germany and Poland. Recognised earnings are achieved by increasing the value of the holdings acquired by the Company. The subsidiary bmp Beteiligungsmanagement AG, which is classified as discontinued operations, offers fund management services in the area of private equity.

bmp media investors AG has its headquarters at Schlüterstrasse 38, D-10629 Berlin, Germany. bmp media investors AG is the ultimate parent company of 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 2012. 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 18 April 2012, 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 media investors AG is required to apply the international standards adopted by Articles 2, 3 and 6 of the abovementioned regulation.

The Group financial statements of bmp media investors 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 media investors AG complied with all mandatory standards and interpretations applicable as at 31 December 2011.

Where relevant, the Company has applied the following rules in rendering accounts for 2011 for the first time:

» The IASB issued changes to IAS 32 "Classification of Rights Issues" on 8 October 2009.The changes regulate the balance sheet treatment of subscription rights, options and warrants in the case of issuers which are denominated in a currency other than the functional currency of the issuer. It is mandatory to apply the revised IFRS 32 for business years that begin on or after 1 February 2010. The EU endorsed the changes on 23 December 2009. The revised version had no effects on the Group financial statements of the Company.
» 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 that begin on or after 1 January 2011. Voluntary use for earlier periods is always permitted. The EU endorsed the changes on 19 July 2010. The Company took the revised reporting obligation into account in 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 that begin on or after 1 July 2010. The EU endorsed the changes on 23 July 2010. The initial application of the interpretation had no effects on the Group financial statements of the Company.
» 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 that begin on or after 1 January 2011. The EU endorsed the changes on 19 July 2010. The amendment of the interpretation had no effects on the Group financial statements of the Company.
» The IASB issued changes to IFRS 1 in January 2010. It is mandatory to apply the revised IFRS 1 for business years that begin on or after 1 July 2010. The EU endorsed the changes on 30 June 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 the Company.
» 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 includes changes to IFRS 7 and IAS 1, among other things. The changes are to be applied at various points of time, at the latest for business years that begin on or after 1 January 2011; use for earlier periods is always permitted. The EU endorsed the changes on 18 February 2011. The Company took the revised reporting obligation into account in the Group financial statements; there were no other material effects on the Group financial statements.

4. Not applied or changed IFRS

The Company 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 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 core components of IFRS 9 are new, less complex provisions for the classification and measurement of financial assets. On 28 October 2010, IFRS 9 was extended to include regulations on reporting liabilities. On 19 December 2011, the IASB approved a postponement of the date of initial application of IFRS 9. Accordingly, it is mandatory to apply IFRS 9 for the first time for business years that begin on or after 1 January 2015; use for earlier periods is permitted. The changes have still to be endorsed by the EU. The Company is currently examining the possible future effects on the Group financial statements.

» 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). It is mandatory to apply the changes for business years that begin on or after 1 July 2011; use for earlier periods is permitted. The EU endorsed the changes on 22 November 2011. The Company is currently examining the possible future effects on the Group financial statements.

» On 21 December 2010, the IASB issued changes to IAS 12. According to IAS 12, the measurement of deferred taxes depends on whether the carrying amount of an asset will be realised through utilisation or disposal. This assessment is often difficult, in particular if the asset is measured according to the fair value model of IAS 40 for real estate held as financial investments. The change therefore allows for realisation through disposal to be assumed in the case of real estate held as financial investments measured at fair value. It is mandatory to apply the revised IFRS 12 for the first time for business years that begin on or after 1 July 2011; use for earlier periods is permitted. The changes still have to be endorsed by the EU. The Company is currently examining the possible future effects on the Group financial statements.

» In May 2011, the IASB published three new standards for accounting for business combinations: IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities". At the same time, amended versions of the existing standards were issued with IAS 27 "Separate Financial Statements" (2011) and IAS 28 "Investments in Associates and Joint Ventures" (2011). IFRS 10 establishes a uniform definition for the concept of control for all companies and thereby creates a uniform basis for determining the existence of a parent-subsidiary relationship and the associated inclusion in the consolidation. The standard contains extensive application guidelines for determining a controlling relationship. The new standard fully replaces SIC-12 "Consolidation – Special Purpose Entities" and partially replaces IAS 27 "Consolidated and Separate Financial Statements". IFRS 11 regulates the reporting of situations in which a company has joint control via a joint venture or a joint operation. The new standard replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". IFRS 12 combines in one standard all disclosures in the notes that a company with shares or a commitment in other companies must observe; this includes shares in subsidiaries, shares in associates, shares in joint arrangements and shares in structured companies. The new standard replaces the previous provisions for the disclosures in the notes in IAS 27 "Consolidated and Separate Financial Statements", IAS 28 "Investments in Associates", IAS 31 "Interests in Joint Ventures" and SIC-12 "Consolidation – Special Purpose Entities". The amended IAS 27 now only contains regulations on the accounting and disclosures in the notes of subsidiaries, joint ventures and associates relevant for single-entity financial statements prepared in accordance with IFRS. The amended IAS 28 regulates the accounting for shares in associates and the requirements for the application of the equity method in the balance sheet treatment of shares in associates and joint ventures. It is mandatory to apply the new and the amended standards for business years that begin on or after 1 January 2013. Use in earlier periods is permitted, but IFRS 10, IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011) must all be applied earlier together with the disclosures of the application in earlier periods. An exception from the obligation for joint earlier application exists for IFRS 12, whose reporting obligations may be met in full or in part in earlier periods. The changes still have to be endorsed by the EU. The Company is currently examining the possible future effects on the Group financial statements.

» In May 2011, the IASB published the new standard IFRS 13 "Fair Value Measurement". IFRS 13 contains a definition of fair value and regulations on how to calculate this, if other IFRS provisions allow for measurement at fair value as a measure of value; the standard itself does not specify in which cases the fair value is to be used. With the exception of the standards explicitly excluded in IFRS 13, IFRS 13 defines uniform disclosures in the notes for all assets and liabilities measured at fair value, and for all assets and liabilities which require disclosure of fair value in the notes; this expands reporting obligations in particular with regard to non-financial assets. It is mandatory to apply the new standard prospectively for business years that begin on or after 1 January 2013; use for earlier periods is permitted. No comparable disclosures are required in the first year of application. The changes still have to be endorsed by the EU. The Company is currently examining the possible future effects on the Group financial statements.
» In June 2011, the IASB issued changes to IAS 1 "Presentation of Financial Statements" under the title "Presentation of Items of Other Comprehensive Income". The changes require a division of the items presented in other comprehensive income (OCI) into items that are reclassified in the income statement at a later date (recycling) and items for which this is not the case. It is mandatory to apply the revised IAS 1 for business years that begin on or after 1 July 2012; use for earlier periods is permitted. The changes still have to be endorsed by the EU. The Company is currently examining the possible future effects on the Group financial statements.
» In June 2011, the IASB issued changes to IAS 19 "Employee Benefits". The changes mainly concern the removal of the deferred recognition of actuarial gains and losses (corridor method) in favour of immediate recognition in other comprehensive income within equity, the presentation of changes in net liabilities / assets from defined benefit pension plans, and the recognition of net interest expense or income from the net liabilities / net assets of a pension plan. Moreover, additional disclosures in the notes are required on the characteristics of the pension plans and the associated risks for the company. It is mandatory to apply the revised IAS 19 for business years that begin on or after 1 January 2013; use for earlier periods is permitted. The changes still have to be endorsed by the EU. The Company is currently examining the possible future effects on the Group financial statements.
» In October 2011, the IASB published IFRIC Interpretation 20 "Stripping Costs in the Production Phase of a Surface Mine". The Interpretation regulates the reporting of stripping costs in the production phase of a surface mine. The Interpretation clarifies under which conditions an asset should be recognised for corresponding stripping measures and how the initial and subsequent measurement of the asset should be performed. It is mandatory to apply the Interpretation for business years that begin on or after 1 January 2013; use for earlier periods is permitted. The changes still have to be endorsed by the EU. The Company is currently examining the possible future effects on the Group financial statements.

» In December 2011, the IASB issued changes to IAS 32 and IFRS 7. In doing so, the IASB clarifies a number of details relating to the offsetting of financial assets with financial liabilities and requires further additional disclosures in this regard. It is mandatory to apply these additions retroactively for interim periods and business years from 1 January 2013 (additional disclosures) and 2014 (clarifications); use for earlier periods is permitted. The changes still have to be endorsed by the EU. The Company is currently examining the possible future effects on the Group financial statements.

5. Companies included in the consolidation

5.1 Full consolidation
In addition to bmp media investors AG, Berlin, as parent company, the Group financial statements include the financial statements of bmp Beteiligungsmanagement AG, Berlin. This company was included until 27 December 2011 in accordance with IAS 27 in the sense of full consolidation, since bmp media investors AG exercises a controlling influence. The holding in bmp Beteiligungsmanagement AG was relinquished by way of resolution by the Executive Board, while at the same time the holding was recognised as discontinued operations in accordance with IFRS 5.

The subsidiary bmp Media Investors GmbH & Co. KGaA, Berlin, which was still consolidated in the previous year, was merged with bmp media investors AG in business year 2011.

5.2 Joint ventures
There was one joint venture as at 31 December 2010: König & Cie. Private Equity Management GmbH. This joint venture was brought in to bmp Beteiligungsmanagement AG in the context of the restructuring and is therefore part of discontinued operations.

5.3 Other subsidiaries
Central & Eastern Europe Venture GmbH was not fully consolidated as this wholly owned subsidiary does not have any operations and its influence on the assets, liabilities, financial position and profit or loss of the bmp Group is of subordinate importance.

6. Principles of consolidation
The Group financial statements are based on the separate financial statements 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, to the extent permitted by the IFRS 5 disclosure and valuation provisions.

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 media investors AG is the parent company and thus at the same time the ultimate controlling party in the bmp Group. Details of transactions between the Group and other related companies and persons will be presented openly in the following.

The bmp Group maintained service relationships with Central & Eastern Europe Venture GmbH and with the discontinued operations. 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€	2011	2010
Invoiced interest	166	163
Adjustment in the specific provision for receivables	166	186
Revenue of the Group with discontinued operations	0	300
Revenue of discontinued operations with the Group	452	344
Liabilities to discontinued operations	285	12
Receivables from discontinued operations	2	0

In addition, bmp media investors AG acquired shares in brand eins Medien AG from Mr. Oliver Borrmann in business year 2011. The purchase price of brand eins Medien AG shares was T€ 797.

In the context of sales via the stock market, the Executive Board members acquired shares in bmp Beteiligungsmanagement AG. 80,500 shares were attributable to Mr. Borrmann and related companies and persons, and 7,750 shares to Mr. Spyrka and related companies and persons. Valued at the price as at the year-end, the current value of these transactions amounted to T€ 318 or T€ 31.

For information concerning related persons, please see the information on the executive bodies of the Company in Note 55.

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 the 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 2011 and 2010.

11. Silent partnerships and loans

The item "Loans" covers non-current loans of a fixed term, which are reported in the balance sheet at amortised cost. 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 media investors AG entered into car leasing agreements as a lessee. 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 had two to three-year terms. As part of the leasing agreements, payments of T€ 17 (previous year: T€ 38) were expensed under other operating expenses. The agreements were assumed by discontinued operations as at 1 July 2011.

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.

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 understanding 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 2011 or 2010.

Equity investments

The item "Equity investments" includes shares in venture capital holdings. The carrying value of these equity investments 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 investments". The carrying amount used for assets whose value is affected by estimates is T€ 1,356.

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 2011, 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 5 years. The disposal of property, plant and equipment and intangible assets is due to the transfer to discontinued operations, which is recognised in a separate balance sheet item.

In T€	Acquisition costs 01.01.2011	Disposal	Addition	31.12.2011
Intangible assets	129	125	12	16
Tangible assets	287	287	0	0
Total	**416**	**412**	**12**	**16**

In T€	Depreciations 01.01.2011	Disposal	Addition	31.12.2011
Intangible assets	128	124	1	5
Tangible assets	251	255	4	0
Total	**379**	**379**	**5**	**5**

In T€	Book value 01.01.2011	31.12.2011
Intangible assets	1	11
Tangible assets	36	0
Total	**37**	**11**

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

In T€	Depreciations 01.01.2010	Disposal	Addition	31.12.2010
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**

21. Equity investments and loans

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

In T€	Equity investments		Loans	
	2011	2010	2011	2010
1.1.	**4,272**	**11,083**	**15**	**126**
Addition	5,514	1,234	50	832
Disposal	-366	-3,401	-32	-61
Transfer	0	-4,157	0	-204
Valuation	878	-487	68	-678
31.12.	**10,298**	**4,272**	**101**	**15**

The equity investments listed under “Additions” were classified as “Financial assets at fair value through profit and loss”.
For equity investments and 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 “0. Equity investments”. The holdings were measured according to the following valuation methods.

In T€ Valuation method	Book value 2011	Number	Valuation	Book value 2010	Number	Valuation
Listed (Level I)	0	0	0	0	0	0
Third-party transaction (Level II)	4,070	2	1,158	1,457	1	-36
Peer group comparison (Level II)	1,356	4	-317	1,681	4	53
Fair value corresponds to acquisition cost (Level II)	4,610	6	-3	947	3	0
Fair value corresponds to acquisition cost minus discount (Level III)	226	2	39	187	4	-504
Total	**10,262**	**14**	**877**	**4,272**	**12**	**-487**

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. The disposal of T€ 40 of the joint venture is due to the transfer of König & Cie. Private Equity Management GmbH to discontinued operations, which is recognised in a separate balance sheet item. The same applies for the disposal of valuation of T€ 263.

In T€	Acquisition costs 01.01.2011	Disposal	Addition	31.12.2011
Affiliated companies	3,709	0	0	3,709
Joint ventures	53	53	0	0
Total	**3,762**	**53**	**0**	**3,709**

In T€	Valuation 01.01.2011	Disposal of valuation	Valuation	31.12.2011
Affiliated companies	-3,709	0	0	-3,709
Joint ventures	263	-263	0	0
Total	**-3,446**	**-263**	**0**	**-3,709**

In T€	Book value 01.01.2011	31.12.2011
Affiliated companies	0	0
Joint ventures	316	0
Total	**316**	**0**

In T€	Acquisition costs 01.01.2010	Disposal	Addition	31.12.2010
Affiliated companies	3,958	249	0	3,709
Joint ventures	53	0	0	53
Total	**4,011**	**249**	**0**	**3,762**

In T€	Valuation 01.01.2010	Disposal of valuation	Valuation	31.12.2010
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	323	316
Total	**379**	**316**

23. Long-term receivables

In T€	01.01.2011	Disposal	Addition	Transfer	31.12.2011
Long-term receivables	704	0	0	-648	56

Non-current receivables are purchase price receivables held on trust accounts, payment of which depends on the non-occurrence of certain events. A part of the previous year's receivable is due in 2012 and was therefore transferred to current receivables.

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€	2011	2010
Other receivables	24	0
Receivables from the tax authorities	238	268
Loans to third parties	10	10
Purchase price receivables (escrow)	860	21
Total receivables	**1,132**	**299**
Other assets	0	37

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		**2011**			**2010**	
Listed	2,741	1	242	4,277	2	1252
Third-party transaction	0	0	0	2,085	1	367
Listed price minus discount	0	0	0	0	0	0
Total	**2,741**	**1**	**242**	**6,362**	**3**	**1,619**

26. Bank balances, cash in hand

In T€	2011	2010
Balances held with banks, cash in hand	5,506	5,713

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

27. Equity and shares

All bmp shares are no-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 amounted to 17.5 million in 2010 and 18.8 million in 2011. The new 1,319,250 share were subscribed out of the authorized capital.

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 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. Due to a capital increase by contribution in kind it increased by T€ 527 to T€ 1,058 in 2011 (previous year: T€ 531).

30. Change in equity

A capital increase by contribution in kind (contribution of shares of brand eins Medien AG) out of authorised capital was implemented in the year under review. The share capital was increased by T€ 1,319 with a simultaneous additional payment into capital reserves of T€ 528. Please refer to the statement of changes in equity for information on further changes in equity.

31. Authorised capital

Authorised capital as at 31 December 2011 was €8,750,000.00. The duration of the authorised capital ends on 21 June 2016.

32. Refinancing liabilities (non-current)

The refinancing liabilities are due to the KfW banking group.

In T€	2011	2010
As at 01.01.	**1,217**	**0**
Reclassification	-243	1,217
Disbursements/increases	0	0
Repayments/releases from liability/waivers	0	0
As at 31.12.	**974**	**1,217**

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€ 0). The liabilities are recorded at amortised cost.

33. Other liabilities

In T€	2011	2010
Liabilities to the tax authorities	1	131
Employees' claims to paid leave	3	32
Outstanding invoices	19	13
Liabilities – accounts and audit	73	80
Liabilities – wages and social security contributions	35	2
Executive Board bonuses	60	71
Other liabilities	22	1
Total	213	330

34. Provisions

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

34.1 Current provisions

In T€	01.01.2011	Addition	Utilisation	Release	Transfer	31.12.2011
Provisions for personnel	104	35	100	10	29	0

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

34.2 Non-current provisions

In T€	01.01.2011	Addition	Utilisation	Release	Transfer	31.12.2011
Provisions for personnel	6	0	0	0	-6	0

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

35. Discontinued operations

The main groups of discontinued operations are as follows:

Intangible assets	€ 56,467.61
Tangible assets	€ 42,025.92
Equity investments and joint ventures	€ 50,152.73
Receivables	€ 84,140.42
Bank balances and cash in hand	€ 683,700.48
Total assets	**€ 916,487.16**
Trade accounts payable	€ 63,399.37
Other liabilities	€ 50,491.54
Total liabilities	**€ 113,890.91**

III. Notes on the Group statement of comprehensive income

36. Sales revenue

In T€	2011	2010
Revenue from the sale of investments	2,780	5,385
Revenue from the sale of marketable securities	2,489	1,709
Total	**5,269**	**7,094**

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€	2011	2010
Other operating income	21	126
Income from the reversal of provisions	10	21
Income from the write-down of specific provisions and written-down receivables	49	43
Income from services to discontinued operations	0	344
Income from discontinuation of KfW loan	0	842
Total other operating income	**80**	**1,376**

37.2 Income from revaluation of investments

In T€	2011	2010
Income from revaluation of financial assets	1,598	1,033
- thereof of equity investments	1,530	1,033
- thereof of loans	68	0
Appreciation of other securities	242	1,652
Appreciation of affiliates	0	0
Total income from revaluation	**1,840**	**2,685**

38. Reduction in book value of investments and securities

In T€	2011	2010
Reduction in book value of investments	2,450	3,433
Reduction in book value of securities	2,150	1,421
Total	**4,600**	**4,854**

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. Staff costs

In T€	2011	2010
Wages	562	1.139
Social security contributions and pension costs	63	145
Total	**625**	**1,284**

The number of employees at the end of the year:

	2011	2010
Number of individuals	1	11
Full-time equivalents	1	10.5
Apprentices	0	1

An average of 6 employees (previous year: 11) and one trainee (previous year: 1) were employed during 2011.

40. Other operating expenses

In T€	2011	2010
Losses on receivables and additions to individual value corrections on receivables	241	378
External work	160	233
Costs of General Stockholders' Meeting	40	49
Office space costs	52	101
Insurance, contributions and charges	69	79
Advertising, travel and stock exchange costs	179	135
Fund management expenses	726	318
Expenses due to foreign currency exchange losses	329	9
Various operating costs	314	567
Total	**2,110**	**1,869**

41. Income from investments

Dividends from joint ventures	0	411
Income from investments	0	7
Total	**0**	**418**

42. Interest and similar income

In T€	2011	2010
Interest income from deposits at banks	85	43
Interest income from the granting of loans	254	290
Interest income from tax credit	5	20
Total	**344**	**353**

43. Expenses from revaluation of financial assets and securities

In T€	2011	2010
Expenses from revaluation of investments	652	2,198
- thereof of equity investments	652	1,520
- thereof of loans	0	678
Securities held for trading purposes	0	33
Total	**652**	**2,231**

This position contains measurement expenditure on equity investments 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€	2011	2010
Interest paid for KfW loans	72	95
Other interest and similar expenses	3	2
Total	**75**	**97**

45. Results of discontinued operations

in €	2011	2010
Income	1,432,847.11	405,689.65
Expenses	-1,258,890.56	-425,519.48
Earnings before taxes	173,956.55	-19,829.83
Taxes	0.00	0.00
thereof of net income from revaluation	56,467.61	0.00
thereof of net income from sales	70,904.49	0.00

The majority of the results of discontinued operations is due to the measurement at fair value and the realised sales of shares.

IV. Notes on the cash flow statement

46. 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.

46.1. 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.

46.2. Cash flow from interest

The following interest was either received or paid:

In T€	2011	2010
Interest paid	75	122
Interest received from investments	13	11
Interest received from banks and other institutions	85	85

46.3. Cash flow of discontinued operations

In T€	2011	2010
Cash flow from operating activities	-378	176
Cash flow from investing activities	-18	0
Cash Flow from Financing	900	0
Change in liquid funds	504	176
Cash and cash equivalents at beginning of period	180	4
Cash and cash equivalents at end of period	684	180

The cash flow from Financing of T€ 900 is due to a capital increase implemented by bmp media investors AG.

V. Other information

47. Risks and risk management

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. The Group 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 media investors 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 refinancing loans with a remaining volume of T€ 1,217 (previous year: T€ 1,217) usually have a fixed term of ten years. The last installment of these loans is due for repayment on 30 September 2014.

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:

2011 T€	Interest rate in %	Maturity Up to 1 year	1 to 5 years	More than 5 years	Total
Liabilities to banks	6.81%	243	973	0	1,216
Trade accounts payable	No interest	122	0	0	122
Liabilities of discontinued operations	No interest	114	0	0	114
Other liabilities	No interest	212	0	0	212
Total		**691**	**973**	**0**	**1,664**

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, 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. Another risk is that the Company must accept exchange losses from foreign currency balances if no hedging transactions exist.

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.
As part of the restructuring of the bmp Group, all employees apart from one were transferred to bmp Beteiligungsmanagement AG, which is administered as discontinued operations.

Company dependence on economic cycles and financial markets

The economic success of bmp media investors 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 bmp media investors has invested, and the 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 2011. Activities in the area of risk management were further expanded in 2011. 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.

47.1. 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 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. 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€	2011	2010
Financial instruments at fair value through profit and loss	1,783	3,272
Loans and receivables	5	-928
Financial liabilities at amortised cost	-75	-97

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

47.2. Foreign exchange risk

Currency risks result essentially from equity investments, securities and foreign currency balances 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€ 284 (previous year: T€ 263). Had the zloty been 10% lower against the euro, the equity and profit for the year would have been T€ 258 (previous year: T€ 217) lower.

47.3. 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€ 65) higher. Had the market interest rate been 100 basis points lower, the equity and profit for the year would have been T€ 66 (previous year: T€ 63) lower.

47.4. 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€ 684 (previous year: T€ 2,035) higher. Had the relevant stock index been 10% lower, the equity and profit for the year would have been T€ 673 (previous year: T€ 2,030) lower.

47.5. 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€	31.12.2011	31.12.2010
Equity investments and securities at fair value	10,263	4,302
Loans and receivables at amortised cost	6,801	7,015
Securities held for trading	2,741	6,362
Financial liabilities at amortised cost	1,550	1,669

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

2011	At fair value	At amortised cost	Not covered by IFRS 7	Balance sheet item as at 31.12.11
T€	Book value	Book value	Book value	
Non-current assets				
Equity investments	10,263			10,263
Silent partnerships and loans		101		101
Affiliated companies and joint ventures		0	0	0
Loans	0			0
Non-current receivables		56		56
Current assets				
Trade accounts receivable		6		6
Receivables and other assets	2,741	1,132		3,873
Cash in hand and bank balances		5,506		5,506
Total	**13,004**	**6,801**	**0**	**19,805**
Long-term liabilities				
Liabilities from refinancing activities		973		973
Current liabilities				
Trade accounts payable		122		122
Liabilities from refinancing activities		243		243
Liabilities to banks		0		0
Other liabilities		212		212
Total	**0**	**1,550**	**0**	**1,550**

2010 T€	At fair value Book value	At amortised cost Book value	Not covered by IFRS 7 Book value	Balance sheet item as at 31.12.10
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 in hand and bank balances		5,713		5,713
Total	**10,664**	**7,015**	**317**	**17,996**
Long-term 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**

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

48. 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 media investors AG has assumed extensive guarantees and warranties during the sale of shares. Presently, no claims from guarantees are known.

49. 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.

	2011	2010
Annual results in T€	369	2,246
Average number of shares	18,226,491	17,500,000
Earnings per share in €	0.02	0.13

50. 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 adjusted its targeted gearing in 2011 to a corridor of 9% to 10%.

The capital structure changed as follows in 2011 and 2010:

	31.12.2011	31.12.2010	Change in %
Equity in T€	19,104	16,253	18%
as % of total capital	92.0%	90.1%	2%
Liabilities in T€	1,664	1,779	-6%
as % of total capital	8.0%	9.9%	-19%
Current liabilities in T€	691	556	24%
as % of total capital	3.3%	3.1%	8%
Non-current liabilities in T€	973	1,223	-20%
as % of total capital	4.7%	6.8%	-31%
Gearing	8.7%	10.9%	-20%

The goal in the management of the equity on the balance sheet of € 19.1 million (previous year: € 16.3 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 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.

51. Payment obligations and rights of third parties

Payment obligations of T€ 158 (previous year: T€ 653) exist for investment holdings.

52. Segment reporting

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

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

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

54. Auditors' fees

The following auditors' fees were recorded as expenses in business year 2011:

In T€	2011	2010
Fee for accounts and audit	44	49
Tax consultancy fee	12	11
Other fees	13	1
Total	69	61

55. Information on the Company's executive bodies

55.1. Executive Board

The following were members of the Executive Board of bmp media investors AG in business year 2011:

» Oliver Borrmann, businessman
» Ralph Günther, businessman, until 31 January 2011
» Andreas van Bon, businessman, until 30 June 2011
» Jens Spyrka, businessman, from 1 July 2011

55.2. Remuneration of the Executive Board

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

The fixed remuneration consisted 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 consisted 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 media investors AG, and 4% for the Chairman of the Executive Board. When earnings before tax at bmp media investors 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 media investors 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 former Private Equity Advisory area. The bonus entitlement was only effective in the case of primary profit share, and 50% of this bonus was offset against the primary bonus. As part of the restructuring, the members of the Executive Board were only remunerated until 30 June 2011, and the bonus entitlement was reduced on a pro rata temporis basis. In return for the discontinuation of the long-term remuneration component, Mr. van Bon and Mr. Borrmann waived 15% of the bonus entitlement.

The individual members of the Executive Board were remunerated as follows:

In T€	Base remuneration	Contributions to insurance	Company car	Variable remuneration	Total 2011	Total 2010
Oliver Borrmann	83	8	4	60	155	214
Jens Spyrka	0	0	0	0	0	0
Ralph Günther	12	1	0	0	13	194
Andreas van Bon	73	9	4	45	131	192
Total	**168**	**18**	**8**	**105**	**299**	**600**

55.3. Other offices held by Executive Board members

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

ergoTrade AG	Up to 12 April 2011
Newtron AG (Chairman)	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)	Up to 11 May 2011
YOC AG	From 6 September 2011

As at 31 December 2011, Mr. Borrmann is also Managing Director of König & Cie. Private Equity Management GmbH, König & Cie. II. Private Equity Beteiligungs- und Treuhand GmbH, Cavy Capital GmbH, and Executive Board member of bmp Beteiligungsmanagement AG.

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

K2 Internet S.A.	year-round
vertical techmedia AG (Chairman)	year-round

As at 31 December 2011, Mr. Spyrka is also an Executive Board member of bmp Beteiligungsmanagement AG.

55.4. Supervisory Board

The Supervisory Board of bmp media investors 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	Manager 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 media investors AG in business year 2011 amounted to T€ 49 (previous year: T€ 50).

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

	2011	2010
Gerd Schmitz-Morkramer	26	27
Bernd Brunke	13	13
Ulrich Ankele	10	10

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

YOC AG (Chairman)	year-round

Mr. Brunke and Mr. Ankele have no further assignments on supervisory boards or other controlling bodies.

55.5. Shareholdings of the Executive Board and the Supervisory Board as at 31 December 2011

Members of the Executive Board held 3,506,486 shares, directly or indirectly. Members of the Supervisory Board held none.

56. 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.

57. Disclosures in accordance with § 26 (1) WpHG (Wertpapierhandelsgesetz – German Securities Trading Act)

In business year 2011, there were the following disclosures in accordance with § 26 (1) WpHG:

"17 June 2011 Publication in accordance with § 26 (1) WpHG
In accordance with § 21 (1) WpHG, Ms. Carin Pepper, Germany, informed us on 17 June 2011 that her share of voting rights in bmp AG, Berlin, Germany exceeded the threshold of 3% and 5% of the voting rights on 14 June 2011 and amounted to 6.98% (corresponding to 1313861 voting rights) on this date."

"18 May 2011 Publication in accordance with § 26 (1) WpHG
In accordance with § 21 (1) WpHG, Seven Stars GmbH, Bad Driburg, Germany informed us on 17 May 2011 that its share of voting rights in bmp AG, Berlin, Germany fell short of the threshold of 3% of the voting rights on 17 May 2011 and amounted to 2.64% (corresponding to 461833 voting rights) on this date."

"18 May 2011 Publication in accordance with § 26 (1) WpHG
In accordance with § 21 (1) WpHG, Mr. Volker Walther, Germany informed us on 17 May 2011 that his share of voting rights in bmp AG, Berlin, Germany fell short of the threshold of 3% of the voting rights on 17 May 2011 and amounted to 2.64% (corresponding to 461883 voting rights) on this date". 2.64% of the voting rights (corresponding to 461883 voting rights) are attributable to Mr. Walther in accordance with § 22 (1) sentence 1 no. 1 WpHG."

"12 April 2011 Publication in accordance with § 26 (1) WpHG
In accordance with § 21 (1) WpHG, Mr. Volker Walther, Germany informed us on 11 April 2011 that his share of voting rights in bmp AG, Berlin, Germany fell short of the threshold of 5% of the voting rights on 11 April 2011 and amounted to 4.13% (corresponding to 723528 voting rights) on this date". 4.13% of the voting rights (corresponding to 723528 voting rights) are assigned to Mr. Walther from Seven Stars GmbH in accordance with § 22 (1) sentence 1 no. 1 WpHG."

"12 April 2011 Publication in accordance with § 26 (1) WpHG
In accordance with § 21 (1) WpHG, Seven Stars GmbH, Bad Driburg, Germany informed us on 11 April 2011 that its share of voting rights in bmp AG, Berlin, Germany fell short of the threshold of 5% of the voting rights on 11 April 2011 and amounted to 4.13% (corresponding to 723528 voting rights) on this date."

58. 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.

59. Share property

Shareholdings of the bmp Group as at 31 December 2011

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

Company	Share in %	Equity 31.12.2011 in T€		Annual result 2011 in T€	
Subsidiaries:					
bmp Beteiligungsmanagement AG, Berlin	49.56%	1,266		14	
Central & Eastern Europe Venture GmbH, Berlin	100.00%	-20,851		-170	
Joint Ventures					
König & Cie. Private Equity Management GmbH, Hamburg	50.00%	418	(1)	393	(1)

Company	Share in %	Equity in T€		Annual result in T€	
Investments:					
GreenHanger GmbH, Berlin	49.97%	-951	(1)	-201	(1)
Xamine GmbH, Munich	49.42%	216	(1)	-511	(1)
Self Loading Content GmbH, Berlin	43.91%	-1,059	(1)	-1,109	(1)
Revotar Biopharmaceuticals AG, Henningsdorf	38.76%	2,093	(1)	-3,763	(1)
brand eins Medien AG, Hamburg	35.23%	785	(1)	6	(1)
Newtron AG, Dresden	34.40%	-1,464	(1)	-316	(1)
Instream Media Sp. z o.o., Posen/Poland	25.37%	n.a.		n.a.	
vertical techmedia AG, Munich	22.50%	101	(1)	-6	(1)
Ubertweek GmbH, Berlin	20.03%	n.a.		n.a.	

(1) Balance sheet data as at 31 December 2010
n.a.= not available

Berlin, 7 April 2012

Oliver Borrmann
Executive Board

Jens Spyrka
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 in April 2012.

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 2012

31 May 2012	Publication of Quarterly Results
13 June 2012	Shareholders' Meeting 2012
31 August 2012	Publication of Half Year Results
30 November 2012	Publication of Nine Months Results

Directions

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You can reach us via public transport:
» 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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