



Annual Report 2013

OVERVIEW*

	2013	2012	2011	2010	2009
Turnover T€	1.034	1.252	5.269	7.093	1.501
Net surplus/loss for the year T€	1.321	-1.702	369	2.246	-10.101
EBIT T€	1.139	-1.883	-74	1.573	-10.523
Results/Share €	0,07	-0,09	0,02	0,13	-0,58
Balance sheet total T€	19.077	18.302	20.768	18.032	16.890
Equity capital T€	18.329	17.007	19.103	16.253	14.007
Portfolio volume (IFRS-book value)** T€	17.040	13.210	13.004	10.633	12.778
Number of direct investments	21	19	15	13	13
Employees at the end of the year (FTE)	1	1	1	12	12
Number of outstanding shares in million	18,82	18,82	18,82	17,50	17,50

*until 2011 consolidated figures

** direct investments only

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bmp History

1997: Founding of bmp Aktiengesellschaft in Berlin.

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

2004: bmp is the 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 the venture capital 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 is a venture capital company focussing on the field of media and marketing services. We invest in fast-growing companies in Germany and Poland that offer great potential for value growth over an investment period of 3-7 years.

Based on stringent investment selection, professional contract management and reporting, intensive monitoring of the companies and expert exit management, we aim for above-average returns from our portfolio.



Jens Stryk

Oliver Borrmann

Dear shareholders, friends and business partners

Business year 2013 was closed successfully. It is the first business year in which with Heliocentris Energy Solutions AG only one company outside the media and marketing services investment area remained in the portfolio. The investment in this listed company was reduced slightly over the course of 2013 thanks to a block trade and we anticipate that we will be able to reduce the commitment further in the foreseeable future.

Hence, in 2013 bmp media investors AG successfully completed its focus on venture capital investments in the area of media and marketing services. With three new investments (department one, ferret go and komoot) and one investment sale (MBR Targeting), the core portfolio was expanded from 16 to 18 companies.

The media and marketing services portfolio experienced pleasing development overall in business year 2013. The two companies castaclip and iversity in particular, which attracted new shareholders as part of rounds of financing at significantly increased enterprise values, consequently made an important contribution to the portfolio's positive value development.

The sale of the investment in MBR Targeting, for

which bmp achieved an excellent IRR (internal rate of return) of 268% p.a. due to the short holding period, was particularly successful. On account of this exit and the positive overall portfolio development, we achieved an IRR of 35% in the core portfolio in 2013. This figure is significantly higher than our average for the past eight years of 22%, which is already among the top companies in Europe.

Business year 2013 in accordance with IFRS ended with slightly reduced revenue of € 1.03 million (previous year: € 1.25 million) and net profit for the year of € 1.32 million (previous year: € -1.70 million), which equates to earnings per share of 7 cents. This revenue comes from the sale of the investment in MBR Targeting GmbH and a partial exit from the investment in Heliocentris.

Cash and cash equivalents (cash in hand, bank balances and marketable securities) declined over the business year from € 8.3 million to € 4.8 million. At the same time, the remaining refinancing loans were paid in full so that bmp media investors AG reported an equity ratio of 96% at the end of the year.

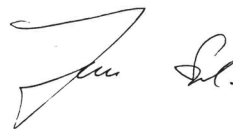
So as to enter into new investments in 2014 as well and expand the commitment in the existing investment portfolio, in February 2014 bmp successfully completed a small capital increase "up to 10%" of just under € 1.9 million. If the company's current positive development should continue, there may be the possibility of bmp implementing another capital measure in the autumn of 2014.

For 2014, we are planning three to five new investments and at least two exits from the existing portfolio. Given the robust development of the investments, we anticipate a positive result for the year for business year 2014 and are confident that we can surpass the result from 2013.

We would like to thank you for the trust you have placed in us and look forward to enjoying a successful business year 2014 together.



Oliver Borrman



Jens Spyrka

Business Model

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

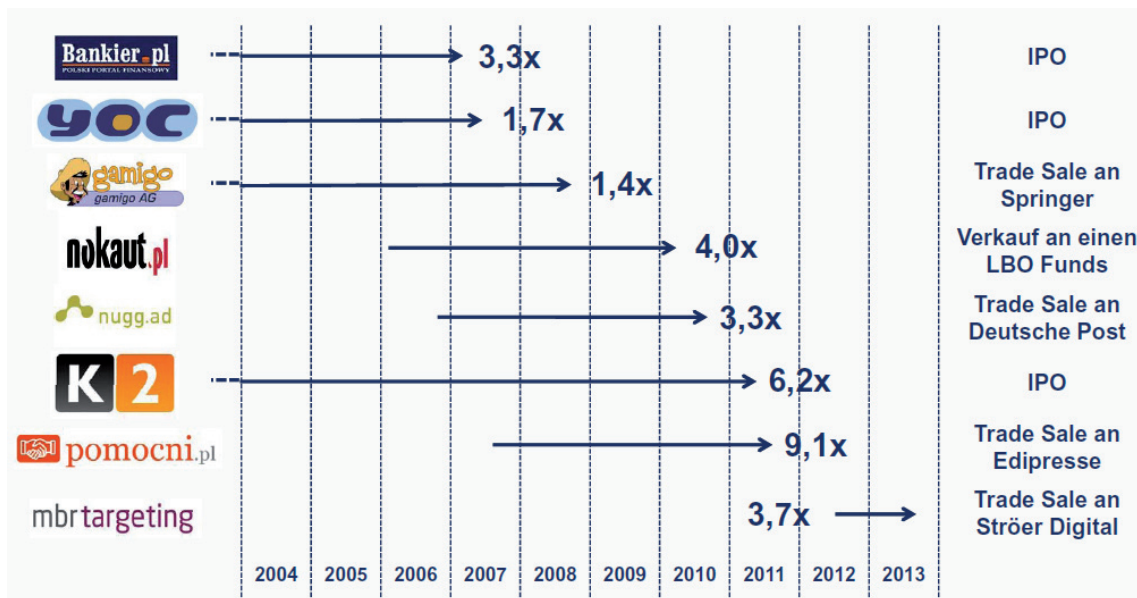
The focus on the field of digital media and marketing services was chosen very deliberately, as bmp is able to draw on a wealth of experience in this area thanks to around 50 investments

over the past 17 years and has excellent networks in the markets. We have also achieved pleasing overall returns on the capital we have invested in this field. In the last eight years, the average gross IRR (internal rate of return) for all investments in the area of media & marketing services amounted to 22% p.a. This performance makes bmp media investors AG one of Europe's most successful venture capital providers.

Media & Marketing Services	2006	2007	2008	2009	2010	2011	2012	2013	2006-2013
Gross IRR	29%	25%	21%	-21%	64%	37%	6%	35%	22%

bmp usually invests in companies in the form of a minority equity investment. Due to the higher risk profile, these investments must offer potential value growth of 5-10x in the early stages

and 2-5x in later phases. The holding period is usually between three and seven years.



bmp invests venture capital (risk capital) in the seed, start-up and expansion phases. By accepting risks, venture capital seeks 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 grow the capital invested several times over if the company develops successfully.

Revenue and income are primarily generated from the disposal of investments as well as, to a lesser extent, from interest on loans and dividend payments.

Since July 2011, investment management has been carried out by bmp Beteiligungsmanagement AG under the scope of an investment consultancy agreement. The core competences of investment management lie in the stringent selection of investments, professional contract management and reporting, intensive monitoring and expert exit management. Most of the team at bmp Beteiligungsmanagement AG have been working together in venture capital for the past 17 years and have realised more than 120 investments in innovative growth companies.

Over the last few years, bmp has made a name for itself in digital media & marketing services and is a valued partner for companies seeking capital, co-investors and potential investment purchasers alike. This means that bmp enjoys an extremely good deal flow – the basis for successful investments. We expect to be able to further expand upon bmp media investors AG's good position in this segment in the coming years.

The Investment Portfolio

In business year 2013, bmp media investors AG entered into three new investments and sold one investment. This increased the number of investments in the Media & Marketing Services Portfolio from 16 to 18. The investment volume in investments, including existing investments, amounted to € 3.6 million in business year 2013.

New investments

In March, bmp media investors made its first investment of business year 2013 by acquiring a 45% stake in Berlin-based department one GmbH. The company, founded in 2006, is a marketing services provider focusing on customer activation and long-term customer retention. The company offers a full service from conception to execution in areas such as POS-based premium programmes, innovative social media contests, games, and POS and product activations as well as complete retention and loyalty programs.

In April 2013, the company also acquired a 9.76% stake in ferret go GmbH, Bernau. ferret go GmbH operates a scalable SaaS solution for conducting content analysis in the web. This provides customers with accurate information on what is being reported concerning their company, their brands, individual products or, in general, on certain topics in various media environments.

The third investment of the year was entered into in October when bmp acquired 5.34% of the shares in komoot GmbH as part of a capital increase. komoot GmbH, based in Potsdam, offers an app of the same name for outdoor activities that allows users to plan and adapt bike rides and hiking expeditions. This is done simply and at high quality.

Follow-up financing

Follow-up financing in the existing portfolio totalled € 2.6 million. Particularly worthy of note are the capital increases at iversity GmbH and castaclip GmbH, carried out as part of rounds of financing at significantly increased enterprise values.

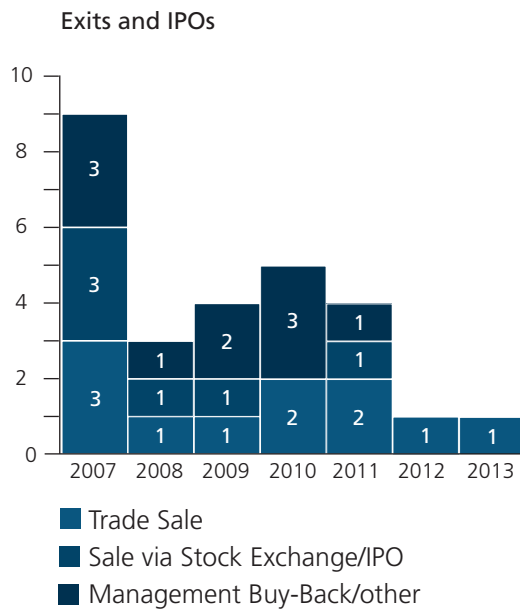
At iversity GmbH, bmp increased its stake in the company to 25.02% at 31 December 2013 by purchasing shares from another shareholder and as a result of a 14.62% capital increase at the beginning of 2013.

castaclip GmbH successfully completed two rounds of financing in 2013; bmp media investors participated in both measures increasing its stake from 21.36% to 28.46% during the year.

There were other smaller follow-up financing measures in the other investments, resulting in a significant change in the holding only in the case of one investment (Retresco GmbH). Here bmp took a strong participation in the capital increase (40.56% share compared with 25.05% at 31 December 2012)

Exits

One exit was realised in the past business year. Thus bmp media investors AG sold its investment in MBR Targeting GmbH to Ströer Digital Group GmbH and thus reporting its second successful exit from the targeting segment, after the acquisition of Nugg.ad by Deutsche Post three years ago. bmp had first taken a stake in MBR in June 2012 and achieved an IRR of 268%. The disposal took effect from the beginning of October 2013.



At € 18.1 million, the cumulative IFRS book value of all investments at 31 December 2013 was up significantly on the figure at the previous balance sheet date (€ 13.2 million). Revaluation gains for business year 2013 amounted to € 1.8 million, a significant improvement as against the previous year (€ -1.5 million).

The portfolio's positive value development in the business year, in particular in the second half of the year, was attributable primarily to third-party transactions, in which capital measures involving external investors resulted in higher valuations.

However, the value development of the listed Polish investment K2 Internet S.A. was unsatisfactory. The stock exchange price declined by some 30% compared with the previous year. At the measurement date, there was no change worth mentioning in the stock exchange price of Heliocentris Energy Solutions AG compared with the end of the previous year. This holding is no longer part of the Media investment portfolio.

In contrast, changes on the capital market in the

form of a general rise in stock market prices had a positive impact. In 2013, this led overall to a slight increase in the carrying amounts of the investments in the holdings that are measured in accordance with the multiplier method on the basis of comparable listed companies.

As at 31 December 2013, the average stake in each holding was around 27%, while the average capital invested in each holding was approximately € 0.8 million.

On the balance sheet date, 90.0% of the IFRS portfolio carrying amount related to holdings in Germany (previous year: 89.7%). Measured at fair value in accordance with IFRS, 69.7% of the portfolio value related to the five largest holdings as of the reporting date (previous year: 74.0%).

Portfolio Companies as at 31.12.2013

	Name	Entry	Share %	Phase	Investment € million
1	brand eins Medien AG	02/2011	35.36	Expansion	3 - 5
2	castaclip GmbH	08/2012	28.46	Expansion	0.5 - 1.5
3	dailyme TV GmbH	12/2007	43.91	Expansion	1.5 - 3
4	department one GmbH	03/2013	45.00	Expansion	< 0.5
5	European Telecommunication Holding E.T.H. AG	12/1998	2.12	Expansion	0.5 - 1.5
6	ferret go GmbH	04/2013	9.76	Start-Up	< 0.5
7	Freshmilk NetTV GmbH	10/2011	16.50	Start-Up	< 0.5
8	GreenHanger GmbH	10/2007	49.97	Start-Up	0.5 - 1.5
9	Instream Media sp. z o.o.	09/2011	25.93	Start-Up	< 0.5
10	iteelabs sp. z o.o.	06/2012	24.71	Start-Up	< 0.5
11	iversity GmbH	07/2011	25.02	Start-Up	0.5 - 1.5
12	K2 Internet S.A.	06/2012	14.58	Expansion	0.5 - 1.5
13	komoot GmbH	10/2013	5.34	Expansion	< 0.5
14	Motor Entertainment GmbH	01/2009	10.87	Expansion	< 0.5
15	Retresco GmbH	04/2012	40.56	Expansion	0.5 - 1.5
16	Ubertweek GmbH	11/2011	27.06	Start-Up	0.5 - 1.5
17	vertical techmedia AG	04/2010	22.50	Expansion	< 0.5
18	Xamine GmbH	04/2010	49.42	Expansion	0.5 - 1.5

Overview of holdings in alphabetical order

Portfolio as at 31 March 2014

(excluding Heliocentris Energy Solutions AG - shareholdings may differ between 31 December 2013 and 31 March 2014)

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").

- » bmp's stake: 35.36%
- » In the bmp portfolio since: February 2011

castaclip GmbH

Rudolf-Breitscheid-Str. 185
14482 Potsdam
www.ilovevideo.tv

castaclip currently operates the Video Discovery service, „ilovevideo.tv“, in 15 countries and 4 languages. The company from Potsdam has offices in London, Bangkok and Miami and is aiming to establish the most popular Video Discovery service in the world for all digital end devices. ilovevideo.tv licences Kurzform Video Clips from professional Video/TV producers

and curates personalised viewing experiences for users using its proprietary recommendation algorithms. The company is one of the world's fastest-growing online video companies and is financed solely by advertising.

- » Co-venturing partner: BFB Frühphasenfonds GmbH, C.R.A.L.S Venture
- » bmp's stake: 26.89%
- » In the bmp portfolio since: August 2012

dailyme TV GmbH (formerly, Self Loading Content GmbH)

Skalitzer Str. 68
10997 Berlin
www.dailyme.de

dailyme brings mobile TV to your smartphone and tablet. This free app allows users to compile a personal, cross-channel TV programme, which is then updated automatically via download. dailyme funds itself through advertising income in which the numerous content partners participate.

- » Co-venturing partner: Software & Support Media, Media Ventures, VC Fonds Technologie Berlin, F-Consult GmbH, Dirk Freytag, KfW
- » bmp's stake: 43.91%
- » In the bmp portfolio since: December 2007

department one GmbH

Mommsenstraße 11
10629 Berlin
www.departmentone.com

department one is a marketing services provider focusing on customer activation and sustainable customer retention. department one offers a full service from conception to execution in areas such as POS-based premium programmes, innovative social media contests, games, and POS and product activations as well as complete

retention and loyalty programs.

- » Co-venturing partner: Halbleiter UG, Ulrich Pietsch
- » bmp's stake: 45.00%
- » In the bmp portfolio since: 2013

European Telecommunication Holding E.T.H. AG

Lyoner Str. 14
60528 Frankfurt am Main
www.eth-ag.com

Through its subsidiary Millenicom, E.T.H. is an established landline provider and broadband provider in Turkey. In addition to the ADSL business, the media segment (IPTV business) is being expanded to include new products and services. Under the "Doping TV" brand, hundreds of films, documentaries and TV series can be downloaded on demand via video with smooth streaming technology through its own networks in cooperation with FilmClub.

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

ferret go GmbH

Berliner Straße 33
16321 Bernau bei Berlin
www.ferret-go.com

ferret go GmbH operates a scalable SaaS solution for conducting content analysis. This is used as an evaluation tool for social or news media and provides summary insights or detailed pieces of information from heterogeneous sources: from user comments on rating platforms, via e-mails from CRM and customer-management systems to readers' opinions on large media websites – with the aid of computational-linguistics processes, the ferret content

analytics platform provides insights into the various subject areas of end users, sentiment on the web or forms part of business intelligence layers in information gathering.

- » Co-venturing partner: Retresco GmbH, BFB Frühphasenfonds GmbH
 - » bmp's stake: 30.98%
 - » In the bmp portfolio since: April 2013
-

Freshmilk NetTV GmbH

Stralauer Allee 2a
10245 Berlin
www.freshmilk.tv

Freshmilk NetTV is an advertising-financed, web-based TV network with its own broadcasting brands Freshmilk.TV and FashionDaily.TV. Content is distributed on a cross-media basis via its own broadcasting brands as well as its own syndication network of 50 publisher and online partners.

- » 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 in the German market. Sales for the German market are handled by a marketing partner.

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

Instream Media Sp. z o.o.

ul. Wozna 9C/2
61-777 Poznan
Poland
www.bidlab.pl

Instream Media has transferred its operations to Bidlab Sp.z o.o. Bidlab develops an agency trading desk for real-time bidding (RTB) and provides agencies with an integrated dashboard as SaaS solution.

- » bmp's stake: 25.93% (stake in Instream Sp. z o.o which has a 69% holding in Bidlab Sp. z o. o. operations)
 - » In the bmp portfolio since: September 2011
-

iteelabs Sp. z o.o.

ul. Żurawia 26 lok. 10
00-515 Warsaw
Poland
www.betegy.com

BETEGY offers online-based predictions for the outcome of football matches. It analyses statistical data and the latest news in order to calculate the best odds for its users when they bet on results of football matches. BETEGY uses its unique, self-learning algorithm for this.

- » Co-venturing partner: Stefan Bielau, other private investors
- » bmp's stake: 24.71%
- » In the bmp portfolio since: June 2012

iversity GmbH

Breitscheidstraße 51
16321 Bernau bei Berlin
www.iversity.org

iversity develops a platform for MOOCs (Massive Open Online Courses) for online learning. Instructors can teach students from all over the world in open learning courses. The core product is a SaaS solution for conducting online courses.

- » Co-venturing partner: BFB Frühphasenfonds GmbH, Masoud Kamali, T-Venture, B45, West Tech, C.R.A.L.S, pz
- » bmp's stake: 22.81%
- » In the bmp portfolio since: July 2011

K2 Internet S.A.

Ul. Domaniewska 44a
02-672 Warszawa
Poland
www.k2.pl

K2 Internet S.A. is a leading Polish online agency and specialised service provider of applications for modern media and technologies used to strengthen customer USPs in the areas of marketing, sales and CRM.

- » bmp's stake: 14.78%
- » In the bmp portfolio since: June 2012

komoot GmbH

Friedrich-Wilhelm-Boelcke-Straße 2
14473 Potsdam
www.komoot.de

komoot provides an integrated guide with ideas and information on possible outdoor destinations and recreational activities, a genuine individual route planner plus visual and linguistic navigation and the possibility to share with friends – both as a mobile app and online. The number of apps downloaded and

paying users is growing strongly and consistently. The solution's automated data generation and refining ensures that global roll out will be relatively easy. komoot is already available across the whole of Europe. It is currently monetised through fee-based regional packages.

- » Co-venturing partner: KRW Schindler, MBG, BFB Frühphasenfonds GmbH
- » bmp's stake: 5.34%
- » In the bmp portfolio since: October 2013

Motor Entertainment GmbH

Leipziger Str. 61a
10117 Berlin
www.komoot.de

Motor Entertainment specialises in comprehensive artist development in the alternative music field, acquiring music rights and supporting artists in exploiting these.

- » bmp's stake: 10.87%
- » In the bmp portfolio since: January 2009
- » Co-venturing partner: Edel AG, Andrea Dibelius, Thorsten Rehling

Retresco GmbH

Heinrich-Roller Str. 16 B
10405 Berlin
www.retresco.de

Retresco automates content-driven business models. Using automatic aggregation, semantic analysis and distribution of content of all types, Retresco optimises efficiency of production processes, service orientation and direct generation of sales for its customers. The portfolio ranges from semantic processing of content, big data search solutions, through personalisation of content to totally automated output of digital offers.

- » bmp's stake: 40.56%
- » In the bmp portfolio since: April 2012

Ubertweek GmbH

Schönhauser Allee 149
10435 Berlin
www.tweek.tv

Tweek links the interest and user data available on social networks with entertainment content metadata to produce personalised recommendations surpassing computer-intensive recommendation algorithms. Tweek offers its own end user product for iOS devices on the German market. Tweek offers a corresponding personalisation feature as a server-side interface in the business-customer sector for integration into the products of video on demand portals, cable-network operators and streaming services.

- » Co-venturing partner: Euroserve Media GmbH, Catagonia Capital GmbH, Richmond & Barnes GmbH
 - » bmp's stake: 27.06%
 - » In the bmp portfolio since: November 2011
-

vertical techmedia AG

Destouchesstraße 68
80796 Munich
www.verticaltechmedia.de

vertical techmedia AG markets the leading vertical online media network for high-tech, consumer electronics, IT and gaming in German-speaking countries.

- » 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 uses its own infrastructure at more than 564 sites to perform round-the-clock analyses in 56 countries of more than 250 million advertisements and 9 billion search results from the internet's biggest search engines. The company's core competency lies in boosting budget efficiency in search engine advertising. With its proprietary browser-based online analysis system, Xamine supplies detailed information about the market and competition in search engines.

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

The bmp Share

In business year 2013, bmp media investors AG shares experienced a positive development overall. The share began the year at € 0.628 and closed at the end 2013 up 27.4%, at € 0.80. It peaked at € 0.83 in March, while its low was € 0.58 in early January.

The stock market turnover in Germany at € 6.8 million in 2013 was slightly higher than the previous year (€ 5.1 million).

Increasingly intensified investor relations activities since the start of 2014 helped boost stock market turnover and slightly improve share performance in the first months of the current year. This led to the share reaching its high for the year so far at € 1.03 on 16 January 2014. It currently stands at € 0.90, 12.5% above the closing price for 2013.

In February 2014, we used the opportunity of the improved price situation to carry out a capital increase of up to 10% at an issue price of € 1.00 per share to a volume of € 1.88 million. Shareholder subscription rights were disapplied. In an entirely private placement which took place at a price slightly above the actual stock market price at the time of the measure, bmp media investors AG attracted several well-

known institutional investors. Following the capital increase, the share capital went up from € 18.8 million to € 20.7 million.

Goals for 2014 include a further increase in share liquidity, more intensive communication and strengthened investor relations activities. These measures should also further improve price development in the medium term.

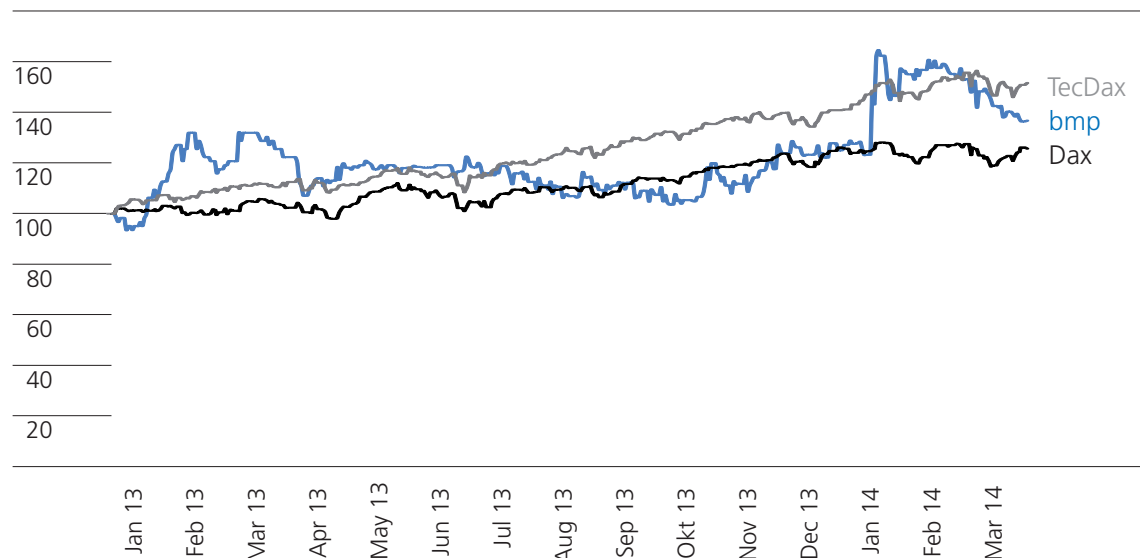
Shareholder structure

As of 31 December 2013, Oliver Borrmann held 17.56% of a total of 18,819,250 shares, Roland Berger Strategy Consultants GmbH 8.21%, and Carin Pepper 6.98%. 67.25% of the shares were in free float.

Members of the Executive Board held 17.95% of the shares at the balance sheet date.

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

bmp share performance 30.12.2012 to 31.03.2014 compared with DAX and TecDax
(Index 100 = Prices as at 30.12.2012)



Management Report of bmp media investors AG for the Business Year 2013

Business year 2013 progressed well for bmp media investors AG.

In 2013, three new investments were made, including department one GmbH, ferret go GmbH and komoot GmbH. The investment in MBR Targeting GmbH was sold to Ströer Digital Group GmbH in October 2013.

The costs reported in the income statement cannot be entirely used to assess the cost situation as some items in transit and costs not relevant to operations are reported under "Other operating expenses". For example, "Consulting and commission income" includes € 700 thousand in income from fund management services for BFB Frühphasenfonds Brandenburg GmbH, which are also reported in the same amount under expenses. Similarly, there are allocations to specific valuation allowances on interest receivables that were posted in income in this or prior periods. Adjusted for these items, the cost structure is as follows:

In T€	2013
External work	25
Costs of General Stockholders' Meeting	44
Insurance, contributions and charges	49
Advertising, travel and stock exchange costs	188
Supervisory Board costs	50
Fund management expenses	1,110
Costs for financial statements and auditing	67
Legal fees and consultancy costs	11
Various operating costs	55
Total	1,599

The increase is attributable to increased expenditure in the area of fund management and investor relations. Fund management expenses

rose due to the pleasing value development of the investments. This is because gains in value are associated with a claim to profit sharing.

Balance sheet structure

The assets side of the balance sheet predominantly consists of shares in investments and the cash required for further investments.

A material change in this structure is not anticipated; cash and cash equivalents will rise as a result of disposals of investments and fall as a result of new investments.

Investments and loans (incl. listed securities)	94.97%
Bank balances	4.29%
Other	0.74%
Total	100.00%

By contrast, the equity and liabilities side predominantly consists of equity.

Shareholders' equity	96.08%
Liabilities	3.92%
Total	100.00%

In terms of revenue, the income statement is determined by revenue from sales of investments and the associated reduction in carrying amount.

In addition to personnel expenses for currently one employee, costs are incurred for investment consulting of 2.5% p.a. plus VAT on the average equity of bmp media investors AG in accordance with IFRS and a possible 15% profit share. Other operating expenses primarily reflect the costs of stock market listing, IR and PR costs and costs for the financial statements and audits. Other expenses are usually offset by income in the same amount, e.g. as for the expenses from fund management fees for BFB Frühphasenfonds Brandenburg GmbH.

Revenue from the sale of equity investments and securities held as current assets amounted to € 1,034 thousand in 2013 (previous year: € 1,252 thousand), with net income from revaluation totalling € 1,819 thousand (previous year: € -1,519 thousand). bmp media investors AG generated revenue according to IFRS of € 1,321 thousand in business year 2013 (previous year: € -1,701 thousand). Equity increased from € 17.0 million to € 18.3 million and from 92.9% to 95.9% of the total assets.

As at 31 December 2013, cash in hand and bank balances were down around € 3.2 million on the previous year's level at € 0.8 million. Short-term, marketable securities decreased slightly to € 2.9 million as at 31 December 2013 (previous year: € 3.3 million).

Market development and market position:

The regional investment focus for direct investments is Germany and Poland, with an overwhelming number of investments in Germany.

According to data (2013 annual report) from the German Private Equity and Venture Capital Association (BVK Bundesverband Deutscher Kapitalbeteiligungsgesellschaften e.V.), with its positive development in 2013 the venture capital segment stood out from the overall weaker investment market. This meant that the venture capital financing transactions, which were already strong in the first half of 2013, continued to be successful.

At € 0.67 billion, the venture capital investments exceeded the previous year's result (€ 0.57 billion) by 19%, with almost all sub-areas (seed, start-up and later stage investments) posting gains on 2012. However, at 723 the number of companies funded was not quite reached (780). Overall, the number of companies funded with venture capital accounted for 56% of all companies funded in 2013. By contrast, the

total investment volume in the area of private equity decreased in 2013, after three successive years of increased investments since 2010 (down 29% on 2012 to € 4.68 billion).

Nevertheless, these figures clearly show the central role played by investment capital in this country in the financing of what are mainly small and medium-sized enterprises. Only 8% of the companies funded over the course of the year had more than 200 employees and only 9% generated revenue of over € 50 million, according to the BVK.

While 2012 was relatively restrained with regard to exit activities, investment sales picked up considerably in 2013, according to data from the BVK. The volume of investment sales reached € 5.73 billion, which represents an increase of almost 50% on the previous year (€ 3.88 billion). The increase was primarily due to a significant rise in trade sales and sales to other investment companies. While trade sales made up a volume of € 861 million in 2012, they accounted for € 1.35 billion in 2013.

With divestments up 20% on 2012, the sub-area of venture capital did not quite match the strong upturn in the overall market. Trade sales were the most prevalent exit route here too, accounting for 39% of the total volume. It is positive to note that the volume of total losses in the venture capital segment declined further in 2013 as well (from € 183 million in 2012 to € 134 million in 2013).

The BVK believes that the hopeful economic outlook for 2014 should give the investment market in Germany some momentum. The optimism in the industry is underscored by both the results of the latest Private Equity Barometer, the sentiment indicator for the investment market jointly developed by the BVK and KfW, and the "Private Equity Forecast 2014", a survey of BVK

members on their projections for fundraising, investments and investment sales this year.

The Executive Board of bmp media investors AG anticipates a good market environment for the venture capital industry for the course of 2014. 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 well positioned with its focus here and should profit from its defined profile in 2014.

Business performance:

Venture capital direct investments

The number of equity investments in the portfolio increased from 16 to 18.

All of the investments come from the two markets that are relevant to bmp, namely Germany and Poland. Three new investments were entered into via bmp media investors AG, namely department one GmbH, ferret go GmbH and komoot GmbH. At the same time, there was one disposal from the portfolio: MBR Targeting GmbH was sold in full via a trade sale.

Total investments in the area of venture capital direct investments amounted to € 3.6 million in business year 2013. Follow-up investments were made in some existing investments in addition to the three new investments mentioned above.

Organisation and employees

Since the separation of the fund manager (bmp Beteiligungsmanagement AG) from the portfolio (bmp media investors AG) in 2011, responsibilities for departments have not been assigned and a chairman/CEO has not been appointed.

As at the reporting date, one permanent employee worked at bmp media investors AG in addition to the Executive Board. One person was employed on average throughout the year.

Financial situation:

Profit situation

The company reported an annual profit of € 1,321 thousand in business year 2013. Earnings thus improved compared with the previous year, in which there was still a net loss of € -1,701 thousand. Revenue from the sale of equity investments and securities amounted to € 1,034 thousand (previous year: € 1,252 thousand). As in the previous year, consulting and commission income came to € 712 thousand.

Other operating income increased from € 477 thousand to € 606 thousand, primarily resulting from € 584 thousand (previous year: € 0 thousand) from a release from liabilities granted by KfW-Bankgruppe.

At € 64 thousand, personnel expenses were at the same level as the previous year (€ 64 thousand). Other operating expenses went up from € 1,787 thousand to € 2,506 thousand due to a transfer to provisions for the profit share. Write-downs on financial assets and securities declined from € 2,621 thousand to € 1,718 thousand.

The return on equity, measured by net income for the business year and in relation to average shareholders' equity, was 7.5%.

Assets and capital structure

Fixed assets includes shares in investment companies and loans given to these companies. At € 15,179 thousand, they comprise 99.9% of fixed assets. Working capital dropped 51.9% from € 8,093 thousand to € 3,892 thousand. Cash in hand and bank balances were € 819 thousand at the end of 2013 following € 3,969 thousand in 2012. The balance sheet total increased from

€ 18.3 million to € 19.1 million.

Equity rose 7.6% from € 17.0 million to € 18.3 million. Liabilities fell from € 1,294 thousand to € 179 thousand. By contrast, the equity ratio moved up from 92.9% to 95.9%.

Liquidity

Marketable securities and cash equivalents were € 4.8 million at the end of the year (previous year: € 7.2 million).

Opportunities and risks of future development, risk management:

Direct investments

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

Time of disposal and attainable disposal proceeds

In the area of direct investments, bmp media investors AG primarily profits from the sale of investments to an institutional or industrial investor (trade sale) or by 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 bmp media investors AG.

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 impact of a drop in the value of investments with early support and countermeasures, the continuous improvement of due diligence and investment controlling as well as appropriate provisions for risk (recognising valuation allowances) in accounting measurement.

Cluster risks

The three biggest holdings together represent around 47% of the carrying amount of equity investments and securities. The carrying amounts of brand eins Medien AG, Heliocentris Fuel Cells AG and castaclip GmbH range between € 1.9 million and € 3.1 million.

Risks from foreign companies

bmp media investors' foreign investments are subject to the laws of each respective country. In addition, individual agreements are also subject to the laws of each respective country. 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 present, bmp holds three foreign investments in Poland.

Liability associated with the disposal of investments

In terms of the disposal of investments, bmp investors AG 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 the purchasers. bmp media investors AG strives to limit the liability arising from such guarantees and indemnities to a

certain percentage of the purchase price, insofar as guarantees are accepted at all. bmp media investors AG cannot rule out the possibility that such liabilities will occur in some individual cases.

Risks of changes in interest rates

The liabilities do not present any risks of changes in interest rates. 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. Another risk is that the company must accept exchange losses from foreign currency balances if no hedging transactions exist.

Risks resulting from changes to legal conditions

With the introduction of the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB), the private equity industry is now also subject to extensive regulations. There is the risk that new obligations in relation to the acquisition and possession of investments may increase the costs associated with the transfer of shares and the costs of managing the company.

Company dependence on economic cycles and financial markets

The economic success of bmp media investors AG is primarily dependent on the price at which bmp media investors AG 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 indi-

vidual 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 bmp media investors AG is heavily 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.

Overall evaluation and risk management bmp media investors AG has recognised extensive provisions for all discernible individual risks in the annual financial statements for 2013. Activities in the area of risk management were further expanded in 2013.

In 2011, the Executive Board hived off its investment management to what was then the subsidiary bmp Beteiligungsmanagement AG. At regular intervals it checks the work of this service provider by way of spot checks at the level of both the equity investments and the company. A quality handbook has been created.

The service provider in the investment consulting agreement, bmp Beteiligungsmanagement AG, has developed an integrated system of investment controlling that allows it to assess the quantity and quality of risks arising in its investment business. In addition to comparing forecast and actual data at both an investment level and company level, the system enables full reporting while satisfying the purpose of a management information system.

Economic developments in our holdings are monitored by bmp Beteiligungsmanagement AG through 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 measurement models are used to check whether their fair value exceeds amortised cost.

The continuous recording of fair values and investment controlling makes it possible to take appropriate measures to counteract undesired developments of the investment interests.

bmp media investors' current liquidity is adequate for its existing business and will enable it to meet all its obligations. The implementation of capital measures is required to expand the business. From a current standpoint, if the risks described were to occur individually or together they would still not pose a danger to the continuation of bmp media investors AG as a going concern. In the view of the Executive Board, bmp media investors AG has a lasting capability to remain in existence over the long term.

Remuneration system

Since 1 July 2011, no remuneration has been paid to the Executive Board by the company.

In accordance with our Articles of Association, the members of the Supervisory Board have a claim to reimbursement of their expenses and to remuneration.

The fixed remuneration consists of an annual basic salary and remuneration per meeting day.

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

Appointment and dismissal of 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 sections 84 and 85 of the Stock Corporation Act (AktG) in conjunction with Article 7 of the Articles of Association. In accordance with section 84 AktG, the Executive Board is appointed by the Supervisory Board of the company for a term of up to five years. In exceptional cases only, a member of the

Executive Board can also be court appointed in accordance with section 85 AktG.

The Executive Board of bmp media investors AG consists of one or more members. The Supervisory Board can revoke this appointment and the general appointment to the Executive Board with due cause.

In accordance with section 179 (1) AktG, all amendments to the Articles of Association require a resolution by the Annual General Meeting. The Annual General Meeting can 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 section 179 (2) AktG, a resolution to amend the Articles of Association requires a minimum three-quarters majority of the capital represented at the adoption of the resolution. Otherwise, resolutions by the Annual General Meeting in accordance with section 133 AktG are adopted by a simple majority of votes cast in accordance with Article 22 of the Articles of Association of bmp media investors AG, unless a larger majority is required by mandatory legal provisions.

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 no-par value bearer shares. All shares are vested with the same rights.

The Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or several occasions up to a total of € 9,409,625 by issuing new bearer shares against cash or non-cash contributions until 12 June 2018, and in doing so stipulate the terms for issuing shares.

The Executive Board is also authorised, with the approval of the Supervisory Board, to buy back up to 1.75 million shares.

No further disclosures are required under section 289 (4) of the German Commercial Code (HGB).

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 annual financial statements and the management report of bmp media investors AG. These measures are intended to minimise the risk of material misstatements in accounting and external reporting.

Accounting is organised centrally. 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 guaranteed by central processing and central accounting policies. Using the central accounting guideline, the proper measurement of investments is ensured by consistently observing the dual control principle.

Corporate governance declaration

The corporate governance declaration has been published on our homepage www.mediainvestors.com under "Investor Relations/Corporate Governance/Corporate Governance Declaration".

Events after the balance sheet date

In February 2014, the company resolved to complete a cash capital increase by 1,881,924 shares at € 1 per share. The capital increase was

entered in the Commercial Register on 3 March 2014.

The number of shares outstanding increased accordingly to 20,701,174. Earnings per share would have been € 0.06 as at 31 December 2013 on the basis of the new total number of shares.

Forecast report

Market environment

The German venture capital market remains poorly developed by international standards. It can therefore be assumed that the demand for venture capital will continue to outstrip the supply of venture capital in the coming years. New providers are constantly entering the market, but at the same time market participants are constantly 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 area of media and marketing services. 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 2013, we confirmed our solid investment activity from the previous year with three new investments in media and marketing services companies. We expect at least three new investments for 2014 as well. We also intend to further expand our investment activity, although this is primarily dependent on our available funds. We are confident that we can successfully implement exits in 2014 as well.

Forecast result of operations

As the venture capital business is de facto a project business, and company disposals cannot be precisely planned, we are unable to give a specific forecast for the future profit situation. However, given our streamlined cost structure and a series of promising investments, we expect to continue to work profitably in 2014. A precondition for this is a stable market environment on the one hand and positive valuation events in our investment portfolio as a result of follow-up financing, stock market valuations or exits on the other.

Opportunity report

Given the focus of investment activities on 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 close the current business year with a profit.

Berlin, 28 March 2014

Oliver Borrmann

Jens Spyrka

Report of the Supervisory Board of bmp media investors AG

Dear shareholders,

It is the duty of the Supervisory Board to advise the bmp media investors AG Executive Board and to monitor its actions. We represent the company to the Executive Board and appoint its members.

We are also subject to a duty to review in particular the annual financial statements, the proposal for appropriation of the net retained profits and the Management Report. Moreover, we have a duty to report to the Annual General Meeting.

In the past business year 2013, we once again fulfilled our duties responsibly, carefully and in full. Please find our report below:

Advising the Executive Board and monitoring corporate governance

Our monitoring function is defined in Section 111 (1) of the Stock Corporation Act. It states further in Section 90 (1) of the Stock Corporation Act, that the Executive Board is required to report regularly to the Supervisory Board on the planned business policy, other fundamental questions relating to corporate planning including financial, investment and human resources planning as well as in regard to the company's profitability. This applies in particular to transactions or events likely to have a material impact on the company. In this context, the Supervisory Board is also entitled to define those transactions that require its approval prior to implementation.

We exercised this right in that we have issued a set of rules of procedure for the Executive Board. In accordance with these rules of procedure, transactions which, on account of their financial substance, have an impact extending beyond the company's usual operations or which are of particular significance to the company, its corporate policy or the organisation of company management in some other way, shall

require the Supervisory Board's prior approval. Certain clearly defined transactions and measures relating to the company's investment business also require our approval. Such transactions include (follow-up) investment in holdings in which the equity risk reaches or exceeds € 3 million or the disposal of investments below their carrying amount.

It is paramount that we are updated regularly and in full by the members of the Executive Board to ensure that we are in a position to fulfil our monitoring task. The meetings of the Supervisory Board constitute the primary means for this, where, in addition to the submission of the reports from the Executive Board, important topics are introduced for joint debate.

We also discuss the interim financial reports at meetings of the Supervisory Board when the meeting dates coincide with publication. If this is not the case, a conference call is held to discuss the financial reports prior to publication. For those months in which there is neither a meeting of the Supervisory Board nor a conference call for discussion of a financial report, the Executive Board rules of procedure provide for communication of a written status report. The Executive Board informs us in detail of current developments in the portfolio, new investments, IR and PR measures and the liquidity status. This report may be supplemented by information on other topics such as the status of strategic projects or HR matters.

In addition to the above, the size of both the Executive Board and Supervisory Board means that a brief exchange by telephone or by email is always possible where some unforeseeable event requires.

Overall, we are convinced that we are always fully and regularly informed by the Executive Board and – in particular with respect to the preparation for our meetings – sufficiently well

in advance. This means at all times we are able to examine the actions of the Executive Board as well as all planned and implemented measures with regard to their legality, proper order, expediency and economic efficiency. We are always able to fulfil our duties efficiently and in full.

Supervisory Board discussions and resolutions

Pursuant to Section 10 (1) of our Articles of Association, the Supervisory Board of bmp media investors AG consists of three members. In view of the number of members, we have refrained from forming committees.

We have set down the framework for our collaboration in a set of rules of procedure.

Our discussions and resolutions are generally carried out at meetings of the Supervisory Board. The Executive Board usually attends these meetings. As mentioned above, we also discuss the interim financial reports in conference calls. For reasons of expediency, our rules of procedure also permit us to pass resolutions outside meetings provided the Chairman of the Supervisory Board directs the same and no member of the Supervisory Board raises objection to this procedure.

However, it is essential that the Executive Board supplies us with comprehensive information in advance. This is the only way to ensure that we are able to examine a management measure and discuss it in detail, either with the presence of the Executive Board or without, before giving our approval (or refusal).

In line with Section 110 (1) of the Stock Corporation Act, in business year 2013, we held four meetings in person in which resolutions were passed (see below for details). We passed one resolution by e-mail – relating to the statement pursuant to Section 161 of the Stock Corporation Act and the Corporate Governance Report for business year 2012.

Focus of the discussions

At the meetings of the Supervisory Board, we were regularly updated by the Executive Board with regard to the current situation of the company, the status of the portfolio companies as well as about strategic considerations. We also discussed matters relating to the risk situation and risk management, compliance and accounting at the meetings as well as HR matters concerning the Executive Board. Other topics discussed at the individual meetings in business year 2013 were as follows:

Meeting held on 22 April 2013

This meeting focused on the reports and discussion of the annual financial statements 2012. The auditor was present for this agenda item. The CFO of bmp Beteiligungsmanagement AG was also present for this item. bmp Beteiligungsmanagement AG assisted the bmp media investors AG Executive Board with the preparation of the annual financial statements under the terms of an investment consultancy agreement. Matters relating to risk management and control were also discussed. In addition, we dealt with the agenda for the Annual General Meeting 2013, including the resolutions proposed by the management.

Meeting held on 13 June 2013

The meeting was held immediately after the 2013 Annual General Meeting. The scheduled election of the members of the Supervisory Board was held at the Annual General Meeting. All members were reappointed. At the Supervisory Board meeting, we then elected the Chairman of the Supervisory Board and his deputy. The Executive Board then presented a brief summary of the status of the investments.

Meeting held on 11 September 2013

At our third Supervisory Board meeting of the 2013 business year, in addition to the status reports, our discussions focused on the prospects

of further development of certain individual investments. This included a summary of the financing rounds planned for the remainder of the business year. Reports on planned new investments were also presented. In this context, we also discussed the company's future liquidity requirements. Moreover, the Executive Board reported to us on the renewal of more intensive investor and press meetings and possible approaches for an equity increase.

Meeting held on 2 December 2013

In December, we met for the fourth time in the business year. At this meeting, we approved the planning for business year 2014. The CFO of bmp Beteiligungsmanagement AG was also present for this agenda item. We benefited from his presence to gain a detailed report on any impact the new Capital Investment Code (KAGB) that came into effect in July 2013, may have on bmp media investors AG. There was no urgent need for action in business year 2013 since the KAGB provides for a period of transition to July 2014. However, together with the Executive Board, we shall follow matters attentively and hold discussions on this matter as well as initiating any necessary action. Finally, at this meeting, we dealt thoroughly with matters of Corporate Governance and approved the 2013 Statement of Compliance pursuant to Section 161 of the Stock Corporation Act.

Corporate governance

In Spring 2010, the bmp media investors AG (formerly: bmp Aktiengesellschaft) Executive Board and Supervisory Board had decided, in view of the coming into effect of the Accounting Modernisation Act (BilMoG) in May 2009, to change the cycle for making the annual Statement of Compliance pursuant to Section 161 of the Stock Corporation Act and to make this declaration at the first meeting of the Supervisory Board of the business year. The underlying reasons for this were that the Statement of

Compliance, being a component of the statement on Corporate Governance, must always relate to the entire business year just ended. We have since come to hold the view that this is not essential.

We have since established that during the first meeting of the Supervisory Board in a business year which is also the meeting to approve the annual financial statements, there is frequently only limited time available for discussion of Corporate Governance. For these reasons, we decided to return to the old system and to submit the Statement of Compliance at the last meeting of the business year. Thus, in the business year just ended, we submitted two declarations, one in a resolution passed by email on 4 April 2013 with respect to business year 2012 and one at the meeting held on 2 December 2013 with respect to business year 2013. Both declarations were immediately made available to the public on the bmp media investors website. In the statement on Corporate Governance pursuant to Section 289a of the German Commercial Code, also the Corporate Governance Report in accordance with Section 3.10 of the Corporate Governance Code, the Executive Board reports in detail on Corporate Governance at bmp media investors AG – also on behalf of the Supervisory Board. This report is also available on the bmp media investors AG website.

Due to our parallel listing on the regulated market of the Warsaw Stock Exchange, we are also required to observe the principles of good corporate governance, as set out in the "Code of Best Practice for Companies Listed on the Warsaw Stock Exchange" (Dobre Praktyki Spółek Notowanych na GPW). The Executive Board submits a statement in respect of these at least once yearly in a comprehensive report which is published online at the same time as the publication of the annual financial state-

ments on the bmp media investors AG website.

We regularly review the efficiency of our work. In view of the size of the Supervisory Board, we are confident that we can quickly identify and remedy any weaknesses. After considering the costs and any benefits, we have deliberately chosen not to mandate an external consultant to evaluate the efficiency of our activities.

We are not aware of any conflicts of interest concerning members of the Executive Board or Supervisory Board that require notification to the Annual General Meeting.

Audit of the annual financial statements 2013

bmp media investors AG prepares its separate financial statements in accordance with national financial reporting standards (HGB, German Commercial Code) as well as in accordance with the principles of the International Financial Reporting Standards, the application of which is mandatory in the EU. The Executive Board is responsible for the preparation of the financial statements.

The annual financial statements according to HGB and the Management Report as at 31 December 2013 were properly audited by Verhülsdonk & Partner GmbH, Berlin. The auditor focused particularly on the carrying value of the equity interests, changes in the investment portfolio and the review of revenue realisation. The auditor gave the annual financial statements 2013 an unqualified audit certificate.

At our Supervisory Board meeting on 10 April 2014, we dealt in detail with the annual financial statements, the Management Report and the auditor's audit report. To enable us to obtain an independent picture, the Executive Board had delivered to us the necessary docu-

ments in due time in advance of the meeting. The meeting was also attended by the representatives of the auditor, Verhülsdonk & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Berlin, who reported to us comprehensively about the focus, the progress and result of the audit. Jointly with the Executive Board and the auditor, we discussed the financial statements extensively. Our own review of the financial statements did not give rise to any objections. Thus, we agreed with the findings of the auditor and approved the financial statements prepared as at 31 December 2013. The annual financial statements were therefore approved.

Personnel matters of the Supervisory Board

At the close of the Annual General Meeting held on 3 June 2013, the term of office of the Supervisory Board came to an end. The Annual General Meeting re-elected Mr Bernd Brunke, Mr Michael Stammeler and Mr Gerd Schmitz-Morkramer as members. The new term of office shall end at the close of the Annual General Meeting that decides on formal approval of the Board members actions for the fourth business year following the commencement of the term of office, namely the Annual General Meeting 2018.

Berlin, 10 April 2014

Gerd Schmitz-Morkramer
Chairman of the Supervisory Board

Corporate governance statement in accordance with Section 289a of the HGB

(also Corporate Governance Report in accordance with Section 3.10 of the German Corporate Governance Code in the version dated 13 May 2013)

The Executive Board and the Supervisory Board of bmp media investors AG understand Corporate Governance to mean the terms of reference for managing and monitoring the company.

The Corporate Governance practices specific to the company are derived both from international and national rules and standards and also from the company's internal policies, intentions and customs. Consequently, they constitute a comprehensive system applicable to the company and determine how it is to be managed and monitored. The ultimate objective of the system is to create efficient general conditions that result in a sustainably productive and fair distribution of value while taking into account the interests of all stakeholders.

Corporate Governance principles

The principles underlying the actions of the Executive Board and the Supervisory Board of bmp media investors AG are based on German law, in particular on stock corporation and capital market legislation, and on the company's Articles of Association. Due to our parallel listing on the regulated market of the Warsaw Stock Exchange, the executive bodies are also required to observe the regulations of the Polish capital markets legislation.

The "German Corporate Governance Code (Code)" and the "Principles of Good Corporate Governance", as the Warsaw Stock Exchange sets down for issuers, provide the executive bodies with guidelines for developing good corporate governance.

The company is not legally obligated to comply with either standard.

In accordance with Section 161 of the Stock Corporation Act, the Executive Board and the Supervisory Board are however required to disclose and to explain any deviations from the individual recommendations in the Code for Good Corporate Governance once each year under

the "comply or explain" principle (Statement of Compliance). The executive bodies of bmp media investors AG last fulfilled this obligation on 2 December 2013.

The company is also required to make a declaration once each year in accordance with a "comply or explain" principle according to the Corporate Governance guiding principles of the Warsaw Stock Exchange. Only the Executive Board need make this declaration and it is made in the form of a report published once a year at the same time as the Annual Report.

bmp media investors AG largely complies with both sets of regulations. Deviations occur with respect to certain rules which are either impossible for a company of the size and structure of bmp media investors AG to implement or could only be implemented with an unreasonably high outlay or which – in the case of the "Principles of Good Governance" in accordance with the regulations of the Warsaw Stock Exchange - contradict German law.

Details on compliance with the recommendations of the Code are set down in the Statement of Compliance which is reproduced below and in the Annual Report. It can be accessed on the company's website. The Statements of Compliance from the last five years, although no longer current, and the company's report on compliance with the "Principles of Good Corporate Governance" in accordance with the regulations of the Warsaw Stock Exchange can also be accessed on the company's website.

The majority of our publications are available in German, English and Polish. We only deviate from this rule in a few cases, for example, in the case of notifications in accordance with Polish capital markets legislation which, in some cases, we publish only in English and Polish.

As the company is purely an investment company, it employs only one person. The company is

managed by bmp Beteiligungsmanagement AG under the terms of an investment consultancy agreement.

For this reason, bmp media investors AG has developed a risk management system that determines both process flows and defines control mechanisms. This risk management system ensures that bmp Beteiligungsmanagement AG also complies with the standards of good corporate governance.

Executive Board and Supervisory Board

In accordance with the dual management principle inherent in the German Stock Corporation Act, the Executive Board manages the company while the Supervisory Board monitors and reviews the Executive Board's management of transactions.

Composition/"Diversity"

The Executive Board comprises two members who have decision-making power in all matters of corporate governance and strategic alignment. They are appointed by the Supervisory Board and are jointly accountable for the management of the enterprise. The Supervisory Board has deliberately refrained from assigning the portfolios that the members of the Executive Board manage individually in accordance with the guidelines – there is also no chairman of the Executive Board at bmp media investors.

In accordance with the statutory minimum requirements, the Supervisory Board of bmp media investors AG consists of three members. The Board submits proposals for the election of Supervisory Board members to the Annual General Meeting and is elected by the Annual General Meeting.

At bmp media investors AG, no selection criteria are applied with respect to the election of

candidates to fill Executive Board and Supervisory Board mandates above and beyond those relating to expertise and competence.

Accordingly and with respect to its election proposals to the Annual General Meeting, the Supervisory Board has not set itself any concrete objectives within the meaning of Sections 5.4.1 and 5.4.2 of the Code above and beyond the statutory regulations in accordance with Section 100 of the Stock Corporation Act and which would in this respect require to be published. This conscious decision is made on the grounds of the size of the company.

The work of the Executive Board and the Supervisory Board

The Executive Board manages bmp media investors AG and its strategic alignment. It prepares the financial reports and ensures compliance with all statutory and official regulations. For transactions requiring the Supervisory Board approval, the Board obtains this approval in good time. Such transactions – and the collaboration of the members of the Executive Board – are defined in rules of procedure set down by the Supervisory Board. The rules of procedure also define the Executive Board's duty to supply information to the Supervisory Board. In this context, the rules of procedure provide for a status report to be sent to the Supervisory Board in those months in which it is not holding a meeting and in which there are no discussions of financial reports. This report should provide information on the current situation of the investments, on the financial status and on IR and PR measures and other significant events. The Executive Board rules of procedure therefore also prescribe the framework for cooperation between the Executive Board and the Supervisory Board.

The rules of procedure for the Supervisory Board, on the other hand, govern the collaboration between the members of the Supervisory

Board. They also define the tasks of the Chairman of the Supervisory Board which are primarily of an organisational and formal nature. The Supervisory Board fulfils its reviewing role primarily at its meetings which are held at least four times a year as prescribed by law in accordance with Section 110 of the Stock Corporation Act. The Supervisory Board holds additional meetings when the demands of the company so require. Moreover, the members remain in regular contact with one another outside meetings and in close contact with the management.

The Supervisory Board can form committees to deal with certain topics. However, the bmp media investors AG Supervisory Board does not exercise this right as committees on a Supervisory Board comprising three members would not improve efficiency.

The Supervisory Board consistently reviews its efficiency although it has refrained from mandating an external consultant to date.

Further details on the activity of the Supervisory Board in business year 2013 and on its collaboration with the Executive Board can be found in the report of the Supervisory Board published with the Annual Report.

Conflicts of Interest

The Executive Board and the Supervisory Board are obligated to serve the interests of the company - they must not let their decisions be influenced by personal interests. The members of both boards are therefore obliged to disclose any conflicts of interest to the Supervisory Board, which, in turn, reports the same to the Annual General Meeting.

No conflicts of interest were disclosed in business year 2013.

Members of the Executive Board shall take on sideline activities, especially Supervisory Board mandates outside the enterprise, only with the

approval of the Supervisory Board. An overview of the mandates held by members of the Executive Board in business year 2013 is published in the notes to our annual financial statements.

Remuneration

The members of the bmp media investors AG Executive Board receive no remuneration for their activities. However, Executive Board members are entitled to reimbursement of expenses incurred in connection with performing their mandates.

The remuneration of the Supervisory Board is set by the Annual General Meeting and was most recently adjusted in the 2013 Annual General Meeting of 13 June 2013.

The company maintains pecuniary damage liability insurance (D&O insurance) for the members of the Executive Board and Supervisory Board. In accordance with Section 3.8 of the Code, this insurance is also to include a deductible for members of the Supervisory Board, equal to the legally prescribed deductible for members of the Executive Board. In view of the low level of Supervisory Board remuneration, bmp media investors AG does not follow this recommendation.

At bmp media investors AG, there are no share option schemes or similarly securities-based incentive schemes.

Further information on the remuneration system at bmp media investors AG and the amount of the respective remuneration in business year 2013 can be found in the Remuneration Report, which is part of the Management Report.

Shareholders and the Annual General Meeting

An important executive body in a stock corpo-

ration, in addition to the executive Board and the Supervisory Board, is the Annual General Meeting. The shareholders exercise their right of co-determination and rights of control at this meeting. Only shareholders decide on the appropriation of net income, the composition of the Supervisory Board, the discharge of the acts of the Executive Board and the Supervisory Board, the election of the auditor and changes to the Articles of Association. In this context, each share carries one vote.

As a rule, the Annual General Meeting is held once a year. The right of attendance is determined by law and by the company's Articles of Association. After the publication of the notice of invitation - which also contains the agenda and the required reports - bmp media investors AG shareholders have until a specific date to register to participate.

If shareholders are prevented from attending personally, they are entitled to authorise another shareholder to exercise their voting right. The company also supports shareholders in exercising their voting rights by appointing proxies to exercise voting rights in accordance with specific instructions. However, the possibility of a postal vote or online participation is not provided for by the bmp media investors AG Articles of Association.

At the Annual General Meeting, the shareholders also have the opportunity to ask relevant questions concerning items of the agenda. In this way, they have the opportunity to obtain information on the situation of the company and a broader picture of the company's position than that provided in the annual financial statements to assist with their voting decisions.

The notice of invitation, the agenda and the reports and the resolutions proposed by management as well as the required reports are available for shareholders on the website of

bmp media investors AG in German and Polish from the day on which the meeting is convened. The same applies for the proxy forms and for information on shareholder rights.

Shareholdings and directors' dealings

Shareholdings of the Executive Board and the Supervisory Board

As at 31 December 2013, 3,377,956 shares of bmp media investors AG were held directly or indirectly by members of our Executive Board. This corresponds to 17.95% of all outstanding company shares.

The members of our Supervisory Board held 500,000 shares as of the reporting date. This corresponds to 2.66% of all outstanding company shares.

Reportable securities trading activities (directors' dealings)

In accordance with Section 15 of the German Securities Trading Act (WphG), the members of the Executive Board and the Supervisory Board and the persons related to them respectively are obliged to notify the company and the Federal Financial Supervisory Authority of their own transactions in shares of bmp media investors AG. The latter is required to publish immediately the transactions notified to it.

The following transactions were notified to bmp media investors AG in business year 2013:

Date	Name	Function	Location and type of transaction	Shares	Price per Share	Total volume
17.04.2013	Michael Stammeler	Executive or Supervisory Board	Purchase of shares, OTC	40,071	€ 0.704	€ 28,209.98
24.10.2013	Oliver Alexander Borrmann	Executive Board	Sale of shares, XETRA	6,000	€ 0.722	€ 4,332.00
25.10.2013	Oliver Alexander Borrmann	Executive Board	Sale of shares, Stuttgart	4,000	€ 0.74	€ 2,960.00
29.10.2013	Oliver Alexander Borrmann	Executive Board	Sale of shares, OTC	62,530	€ 0.71	€ 44,396.30

Risk management and accounting

Risk management and risk controlling

bmp media investors AG has put in place a risk management system tailored to the business activities, size and structure of the company. An essential component is a comprehensive system of investment controlling enabling an insight into the economic situation of all investments that is always up-to-date. There is a risk management manual documenting potential risks, processes and control mechanisms.

The Executive Board reports regularly on both the economic situation and development in our holdings and on existing and/or new risks in our holdings in order to ensure that the Supervisory Board is able to review the effectiveness of the internal control and risk management system.

For further information on risk management and controlling, refer to the Management Report and the Notes to the Financial Statements.

Accounting and auditing

bmp media investors AG prepares its separate financial statements in accordance with national financial reporting standards (HGB, German Commercial Code); the financial statements are audited by an independent accountancy firm elected by the Annual General Meeting as auditor. Additionally, bmp media investors AG

prepares financial statements in accordance with the principles of the International Financial Reporting Standards, the application of which is mandatory in the EU as a voluntary information medium.

Interim reports are prepared pursuant to IFRS and discussed by the Executive Board and Supervisory Board prior to publication.

In consideration of costs and benefits, the separate 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.

Annual Declaration of Compliance in accordance with Section 161 of the AktG

The Executive Board and the Supervisory Board of bmp media investors AG are obligated to submit an annual declaration regarding the extent to which the Company followed the recommendations of the current version of the German Corporate Governance Code (the "Code") in the reporting period and will follow them in future (declaration of compliance).

With reference to their declaration last submitted on 23 April 2013 as well as to previous declarations, the Executive Board and the Supervisory Board of bmp media investors AG declare, in accordance with Section 161 AktG, that the

recommendations of the Government Commission of the German Corporate Governance Code (version dated 13 May 2013; published by the Federal Ministry of Justice in the official section of the Federal Gazette [Bundesanzeiger] on 10 June 2013) have been and will be complied with, with the following restrictions:

» **D&O insurance deductibles
(Section 3.8)**

The Code recommends, with regard to D&O insurance for Supervisory Board members, a deductible equal to the legally prescribed deductible for members of the Executive Board in accordance with Section 93 (2), sentence 3 AktG. bmp media investors AG considers the measure neither suitable for increasing the motivation and sense of responsibility of the members of the Supervisory Board nor appropriate in view of the level of Supervisory Board remuneration.

» **Diversity in filling managerial positions
(Section 4.1.5)**

The Code recommends that diversity be ensured when filling managerial positions in the company, particularly with regard to appropriate consideration of women. bmp media investors AG employs only one person. The recommendation was not and will not be followed.

» **Composition of the Executive Board
(Section 4.2.1)/Diversity in the filling of
Executive Board positions (Section 5.1.2)**

The Code recommends that the Executive Board be composed of several persons and have a Chairman or Spokesman. In addition, rules of procedure are to govern the allocation of duties. Furthermore, the Supervisory Board will ensure diversity in the composition of the Executive Board and, in doing so, strive for appropriate consideration of women in particular.

The Executive Board of bmp media investors AG is composed of only two members, who have the same areas of responsibility. Therefore, the

Supervisory Board deems the nomination of one of the Executive Board members as Chairman, as well as the formulation of an allocation of duties, to be impractical. This also applies to the use of characteristics in the search for suitable Executive Board candidates that go beyond the criteria of expertise and competence.

» **Composition of the Supervisory Board
(Section 5.4.1 - 5.4.2)**

The Code recommends that the Supervisory Board establish specific targets with regard to its composition, taking into account the international activities of the company, potential conflicts of interest, the number of independent Supervisory Board members as per Section 5.4.2, an age limit for Supervisory Board members (to be defined), and diversity, particularly with regard to the appropriate consideration of women, in light of the company's specific situation. These targets should also be taken into consideration by the Supervisory Board when making candidate recommendations to its selection committees; together with the Executive Board, the Supervisory Board is to publish information on target implementation status as part of the Corporate Governance Report. Furthermore, when making recommendations at the General Stockholders' Meeting, the Supervisory Board is to disclose each candidate's personal and professional relations to the company, to bodies of the company, and to any major stockholder. Due to the size of the company, the Supervisory Board of bmp media investors AG consists of only three members. Given these circumstances, the Supervisory Board considers the use of criteria for the selection of Supervisory Board candidates beyond expertise and competence to be unsuitable. Accordingly, it has not set itself any targets in this regard. This also applies to the number of independent Supervisory Board members as per Section 5.4.2 of the Code. Therefore, there is no corresponding consideration for recommendations to the selection commit-

tees and no reporting on the matter. Furthermore, in bmp media investors AG's view, the Code's wording regarding personal relationships of the Supervisory Board to be disclosed is vague and its delimitation unclear. In the interest of the legal certainty of future Supervisory Board elections, the Executive Board and the Supervisory Board of bmp media investors AG have decided to declare an exception to this recommendation.

» **Proposed candidates for the Supervisory Board chair during Supervisory Board elections (Section. 5.4.3)**

The Code recommends that Chairman of the Supervisory Board candidates be announced to stockholders during Supervisory Board elections. However, such an announcement requires that the proposed candidate previously be elected as a member of the Supervisory Board by the General Stockholders' Meeting. Only afterwards shall a decision be made on the election of the Chairman of the Supervisory Board. This is to take place in accordance with Section 11 (1) of the Articles of Association of bmp media investors AG in connection with Section 107 (1) AktG in the first meeting of the Supervisory Board after its election and in the form that the then new Supervisory Board elects the Chairman and the Vice-Chairman from among its own members. This predefinition of proposed candidates for the position of Chairman of the Supervisory Board constitutes a restriction of the right of the Supervisory Board to decide freely on the matter. Therefore, the recommendation was not and will not be followed.

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

Contrary to the recommendation of the Code, the annual financial statements are made publicly available within four months after the end of the business year and the interim reports within two months after the end of the respec-

tive reporting period, since the costs of faster preparation and publication are disproportionate to the level of information gained by the shareholders.

The Executive Board of bmp media investors AG does not receive remuneration. In addition, due to its size, the Supervisory Board of bmp media investors AG foregoes the formation of committees. The recommendations under Section 4.2.2 – 4.2.5 (Executive Board remuneration) or under Section 5.2. (2) , Section 5.3. (Formation of committees) of the Code therefore do not apply.

Berlin, 2 December 2013

For the Supervisory Board: Executive Board

Gerd Schmitz-Morkramer
Vorsitzender

Oliver Borrmann
Jens Spyrka

Annual Financial Statement as per 31 December 2013 for the Business Year 2013

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Balance Sheet as at 31 December 2013

Assets	Notes	2013	2012
		€	T€
Long-term assets			
Intangible assets	10,18	6,148.30	9
Equity investments	7,19,21	14,100,570.37	9,877
Loans	9,19	1,078,281.15	323
		15,184,999.82	
Current assets			
Trade accounts receivable		399.00	193
Receivables and other assets	20	133,069.79	598
Financial instruments held for trading	21,22	2,939,340.00	3,333
Cash on banks and cash on hand	23	819,254.03	3,969
		3,892,062.82	
Total assets		19,077,062.64	18,302

Liabilities	Notes	2013	2012
		€	T€
Shareholders' equity			
Subscribed capital	24	18,819,250.00	18,819
Capital reserves	26	1,058,300.78	1,059
Other revenue reserves		972,256.66	972
Accumulated net loss		-2,520,780.73	-3,842
		18,329,026.71	
Non-current liabilities			
Provisions	29	569,228.85	0
		569,228.85	
Current liabilities			
Trade accounts payable		27,794.64	39
Liabilities from refinancing activities	31	0.00	973
Other liabilities	32	116,012.44	282
Provisions		35,000.00	0
		178,807.08	
Total liabilities		19,077,062.64	18,302

Statement of Comprehensive Income for the Period from 1 January to 31 December 2013

	Notes	2013 €	2012 T€
Sales revenue			
Income from disposal of investments and securities	5,33	1,033,889.86	1,252
Other operating income			
Income from revaluation of investments	34	3,536,972.22	1,102
Other operating income	34	605,574.70	477
Income from consulting and commissions		712,000.00	712
Reduction in book value of investments and securities	35	-458,885.47	-951
Staff costs			
Wages and salaries	36	-52,617.53	-53
Social security contributions and costs for pensions and support		-10,987.99	-11
Depreciations			
Depreciation on intangible fixed assets	18	-2,418.73	-3
Other operating expenses			
Expenses from revaluation	40	-1,717,947.76	-2,621
Other operating expenses	37	-2,506,149.67	-1,787
Operating income		1,139,429.63	-1,883
Income from investments	38	9,949.94	54
Interest and similiar income	39	186,375.95	195
Interest and similiar expenses	41	-14,580.41	-68
Net result		1,321,175.11	-1,702
Other comprehensive income		0.00	0
Comprehensive income		1,321,175.11	-1,702
Earnings per share (diluted and non-diluted)	45	0.07	-0.09

Cash-Flow Statement 1 January to 31 December 2013

	Notes	2013 T€	2012 T€
Cash flow from operations			
Net result		1,321	-1,702
Revaluation of investments, securities and receivables	34,4	-1,819	1,519
Profit from disposal of holdings, securities and affiliated companies		-437	-301
Depreciation of intangible assets	18	2	2
Other non-cash items		-584	-393
		-1,517	-875
Decrease/(-) increase in assets and increase/(-) decrease in liabilities			
Receivables and other assets		658	1,023
Other liabilities	32	-177	-128
Provisions		604	0
Total cash flow from operations		-432	20
Cash flow from investments			
Additions to holdings, loans and securities	19	-3,865	-2,596
Cash-in from the disposal of holdings, securities, affiliated companies and loans		1,536	1,282
Total		-2,329	-1,314
Cash flow from financing			
Repayment of liabilities to banks	31	-389	-243
Total		-389	-243
Change in liquid funds		-3,150	-1,537
Liquid funds at the beginning of the business year		3,969	5,506
Liquid funds at the end of the reporting period		819	3,969

Statement of Changes in Equity

Figures in T€	Notes	Subscribed capital	Capital reserve	Other profit reserves	Accumulated net result	Minority interests	Total
Equity as at 01.01.2013	24,26	18,819	1,059	972	-3,842	0	17,008
Result		0	0	0	1,321	0	1,321
Equity as at 31.12..2013	24,26	18,819	1,059	972	-2,521	0	18,329
Equity as at 01.01.2012	24,26	18,819	1,059	972	-2,428	681	19,103
Result		0	0	0	-1,702	0	-1,702
Minorities		0	0	0	288	-681	-393
Equity as at 31.12.2012	24,26	18,819	1,059	972	-3,842	0	17,008

Notes to the annual financial statements of bmp media investors AG for business year 2013

I. GENERAL INFORMATION

1. Business activities of the company

bmp media investors AG (hereinafter also the "company" or "bmp") is an investment company focusing on media and marketing services. 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.

bmp media investors AG has its headquarters at Schlüterstrasse 38, D-10629 Berlin, Germany. bmp media investors AG 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 annual financial statements show the assets and financial earnings situation, along with capital flows in accordance with actual conditions. The statement of comprehensive income is structured according to total cost accounting. The annual financial statements are shown in euro. Unless otherwise noted, all amounts are rounded off according to normal business procedures in thousands of euro (€ thousand or EUR thousand). With the exception of certain financial instruments which are recognised at fair value, the information in the annual financial statements is given based on amortised cost.

The annual financial statements were prepared by the company on 28 March 2014. Post-balance sheet effects are taken into account up to that date.

3. Basis of the annual financial statements

bmp media investors AG has prepared these annual financial statements according to IFRS on a voluntary basis, since their preparation is not mandatory under national law. The Executive Board considers the annual financial statements, together with the financial statements required in accordance with national law, to improve the acquisition of information on the part of the shareholders.

The annual 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 section 315a of the HGB. bmp media investors AG complied with all mandatory standards and interpretations applicable as at 31 December 2013.

Where relevant, bmp has applied the following accounting standards for the first time in preparing its accounts for 2013:

- » In 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 is realised through use 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 IAS 12 for the first time for business years beginning on or after 1 January 2012; use for earlier periods is permitted. The EU endorsed the changes in December 2012. Under the EU endorsement, mandatory application was postponed to business years beginning on or after 1 January 2013. The application of the changes to IAS 12 has no significant impact on the consolidated financial statements because the company does not hold any real estate as a financial investment.

- » In December 2010, the IASB issued changes to IFRS 1 (Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters). It is mandatory to apply the revised IFRS 1 for business years beginning on or after 1 July 2011. The EU endorsed the changes in December 2012. Under the EU endorsement, mandatory application was postponed to business years beginning on or after 1 January 2013. The changes are relevant only to those adopting IFRS for the first time, and therefore have no effect on the company's annual 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 extends reporting obligations in particular with regard to non-financial assets. It is mandatory to apply the new standard prospectively for business years beginning on or after 1 January 2013; use for earlier periods is permitted. No comparable disclosures are required in the first year of application. The EU endorsed the changes in December 2012. Application of IFRS 13 leads to an adjustment of the notes on the fair value for various financial and non-financial items.
- » 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 beginning on or after 1 July 2012; use for earlier periods is permitted. The EU endorsed the changes in June 2012. Application of the change primarily led to a restructuring of the components of profit and loss in other comprehensive income (OCI) in the statement of comprehensive income.
- » 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 beginning on or after 1 January 2013; use for earlier periods is permitted. The EU endorsed the changes in June 2012. The changes have no impact on the company's annual financial statements. The other changes to IAS 19 also do not have any significant impact on the company's annual 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 beginning on or after 1 January 2013; use for earlier periods is permitted. The EU endorsed the changes in December 2012. IFRIC 20 is not relevant to the annual financial statements of bmp media investors AG.

- » In December 2011, the IASB issued changes to IAS 32 and IFRS 7. These changes clarify the conditions for offsetting financial assets with financial liabilities on the balance sheet and require further additional disclosures with respect to offsetting financial assets with financial liabilities. In December 2011, the IASB issued changes to IAS 32 and IFRS 7. It is mandatory to apply these changes and additions for interim periods and business years from 1 January 2013 (additional disclosures); use for earlier periods is permitted. The EU endorsed the changes in December 2012. Given that bmp has not concluded any netting agreements, the application of these changes has no impact on the annual financial statements.
- » The IASB issued changes to IFRS 1 in March 2012 (Government Loans). It is mandatory to apply the revised IFRS 1 for business years beginning on or after 1 January 2013. The EU endorsed these changes in March 2013. The changes are relevant only to those adopting IFRS for the first time, and therefore have no effect on the annual financial statements.
- » The "Annual Improvements Project 2009-2011" saw the publication in May 2012 of "Improvements to IFRSs", which made changes to a number of standards. The "Improvements to IFRSs" standard primarily contains changes to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. The changes are to be applied at various points of time, at the latest for business years beginning on or after 1 January 2013; application in earlier periods is generally permitted. The EU endorsed the changes in March 2013. The changes have no significant impact on the annual financial statements of bmp media investors AG.

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 revised an initial version of IFRS 9 "Financial Instruments" in November 2009. The promulgation of IFRS 9 marks the first phase of the IASB project to rework the accounting of financial instruments and therefore replaces IAS 39. IFRS 9 amends the recognition and measurement requirements for financial assets, including various hybrid contracts. It applies a consistent approach to establish whether a financial asset is recognised at amortised cost or at fair value. The definition is determined by the way in which a company manages its financial instruments (its business model) and by the features of the contractually-agreed cash flows of the financial asset. In October 2010, the requirements of IAS 39 with respect to financial liabilities remain largely unchanged in IFRS 9. In December 2011, IFRS 9 was supplemented such that no adjustment of previous financial statements is required when it is first applied, there are additional reporting obligations and the date at which application becomes mandatory was postponed to business years beginning on or after 1 January 2015. The IASB issued a new version of IFRS 9 "Financial Instruments" in November 2013. This now contains the new hedge accounting rules

added as chapter 6 to IFRS 9. This replaces the corresponding hedge accounting rules in IAS 39. However, companies do have the option to continue to use the existing accounting rules in IAS 39. When applying the new hedge accounting rules in IFRS 9, there is also the option to apply the special rules in IAS 39 relating to portfolio fair value hedges for interest risks. Furthermore, this IFRS 9 version allows the disclosure with no effect on the income statement of changes in fair value related to credit-rating for liabilities that are recognised at fair value, to be implemented early without applying the other IFRS 9 rules. IFRS 9 no longer contains a mandatory date for first application. The date for mandatory first application of IFRS 9 formerly contained therein is hereby repealed with effect from 1 January 2015. The changes have still to be endorsed by the EU and this shall only occur once IFRS 9 has been completed. bmp media investors AG is currently examining the possible future effects on the annual 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. The new and amended standards are required to be applied for the first time for business years beginning 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 EU endorsed the changes in December 2012. Under the EU endorsement, mandatory application was postponed to business years beginning on or after 1 January 2014. These changes have no impact for the company on the annual financial statements.
- » In June 2012, transitional provisions for IFRS 10, 11 and 12 were issued by the IASB. It is mandatory to apply these for business years beginning on or after 1 January 2013. The EU endorsed

the changes in April 2013. Under the EU endorsement, mandatory application was postponed to business years beginning on or after 1 January 2014.

- » In October 2012, changes were issued to IFRS 10, IFRS 12 and IAS 27 relating to investment companies that, as parent companies, are no longer to consolidate their equity interests. It is mandatory to apply the amended standards for business years beginning on or after 1 January 2014. The EU endorsed the changes in November 2013. The changes are not relevant to the company.
- » IFRIC 21 was revised in May 2013. The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. It is mandatory to apply the interpretation for business years beginning on or after 1 January 2014. The changes still have to be endorsed by the EU. The company does not anticipate that this interpretation will be relevant to its annual financial statements.
- » In May 2013, the IASB issued changes to IAS 36. The changes concern disclosures for the determination of the recoverable amount of impaired assets that are based on fair value less costs of disposal. It is mandatory to apply these for business years beginning on or after 1 January 2014. Use for earlier periods is permitted. The EU endorsed the changes in December 2013. The company is currently examining the possible future effects on the annual financial statements.
- » The IASB issued changes to IAS 39 in June 2013. Despite a novation, these changes mean that, under certain conditions, derivatives continue to be designated as hedging instruments in existing hedging relationships. It is mandatory to apply these changes to business years beginning on or after 1 January 2014. Use for earlier periods is permitted. The EU endorsed the changes in December 2013. bmp is currently examining the possible future effects on the annual financial statements.
- » The IASB issued changes to IAS 19 in November 2013. With this change, the IASB simplifies corporate recognition of employee or third-party contributions to a pension plan. It is mandatory to apply these changes for business years beginning on or after 30 June 2014. Use for earlier periods is permitted. The changes have still to be endorsed by the EU. bmp media investors AG is currently examining the possible future effects on the consolidated financial statements.
- » The IASB approved two cycles of the Annual Improvements Projects (2010-2012 and 2011-2013). The first of the two amended omnibus standards concerns the following standards: IFRS 2 – Definition of 'vesting condition'; IFRS 3 – Accounting for contingent consideration in a business combination; IFRS 8 – Aggregation of operating segments; IFRS 8 – Reconciliation of the total of the reportable segments' assets to the entity's assets; IFRS 13 – Short-term receivables and payables; IAS 16/IAS 38 – Revaluation method—proportionate restatement of accumulated depreciation und IAS 24 – Key management personnel. The second of the two amended omnibus standards concerns the following standards: IFRS 1 – Meaning of effective IFRSs; IFRS 3 – Scope exceptions for joint ventures; IFRS 13 – Scope of paragraph 52—portfolio exception; IAS 40 – Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. All changes are mandatory with effect from 1 July 2014 and are only to be applied prospectively. Use for earlier periods is permitted. The changes have still to be endorsed by the EU. bmp media investors AG is currently examining the possible future effects on the consolidated financial statements.

5. Recognition of income

Income from the 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.

6. Related parties

The company maintained service relationships with the Executive Board and the Supervisory Board. The remuneration of the Executive Board and Supervisory Board is set down in note 51. There was no other exchange of consideration over and above this.

The members of the Executive Board are minority shareholders in bmp Beteiligungsmanagement AG with whom an investment consultancy agreement is in place. The terms of this investment consultancy agreement provide for remuneration of 2.5% p.a. plus VAT on the average equity of bmp media investors AG in accordance with IFRS and, if applicable, a 15% profit share.

7. 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, 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 company 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 a 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 illiquidity are to be applied to the values determined. In addition, company-specific factors can either reduce or increase this reduction. The overall reduction usually amounts to between 30% and 50%.

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 IPEV (International Private Equity and Venture Capital Valuation Guidelines) and the NACVA (National Association of Certified Valuation Analysts).

8. 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 company held no derivative financial instruments - either with or without a balance sheet hedging relationship - in 2013 and 2012.

9. Loans

The item "Loans" covers non-current loans of a fixed term, which are reported in the balance sheet at amortised cost. Discernible risks are taken into account through appropriate provisions.

10. 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.

11. Other financial obligations

There were no financial obligations from rental, leasing or other agreements,

12. 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.

13. 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.

14. 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.

15. 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.

16. Estimates

Preparing the annual 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 annual financial statements:

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

At the end of each business year, the company reviews the estimated useful lives of property, plant and equipment and other intangible assets. Changes in the estimates were not required in 2013 or 2012.

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 of assets whose value is affected by estimates is € 2.940 million.

Recoverability of property, plant and equipment and other intangible assets

On each balance sheet date the company is required to estimate whether there is any evidence 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 2013, bmp media investors AG is not involved in any litigation. As a result, no

provisions or liabilities were expensed in connection with litigation (previous year: € 0 thousand).

17. 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

18. 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 3 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.

Acquisition costs in T€	01.01.2013	Disposal	Addition	31.12.2013
Intangible assets	16	0	0	16

Depreciations in T€	01.01.2013	Disposal	Addition	31.12.2013
Intangible assets	7	0	3	10

Book value in T€	01.01.2013	31.12.2013
Intangible assets	9	6

Acquisition costs in T€	01.01.2012	Disposal	Addition	31.12.2012
Intangible assets	16	0	0	16

Depreciations in T€	01.01.2012	Disposal	Addition	31.12.2012
Intangible assets	5	0	2	7

Book value in T€	01.01.2012	31.12.2012
Intangible assets	11	9

19. 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	
	2013	2012	2013	2012
1.1.	9,878	10,298	323	101
Addition	1,754	2,317	1,824	280
Disposal	-150	-974	-292	-7
Reclassification	765	0	-765	0
Valutaion	1,854	-1,763	-12	-51
31.12.	14,101	9,878	1,078	323

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 "7. Equity investments".

20. Receivables and other assets

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

In T€	2013	2012
Other receivables and assets	1	205
Receivables from portfolio companies	32	20
Receivables from the tax authorities	36	258
Loans to third parties	0	10
Purchase price receivables (escrow)	64	105
Total receivables	133	598

21. Financial instruments

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

Assets measured at fair value through profit or loss comprise the investments in the capital of the portfolio companies. These are reported either as "Equity investments" under non-current assets or as "financial instruments held for trading" under current assets.

To the extent that there is no active market for these equity investments, their fair value is calculated using financial models. If the fair values of the individual equity investments cannot be reliably determined at reasonable expense, they are recognised at their respective cost. Lower fair values are used if indicated.

Valuation is carried out using uniform methods and parameters. Fair value valuation of financial instruments, particularly at level 2 and 3, is performed based on bmp's internal "best practices of valuation" in controlling.

The following tables show an overview of items of the statement of financial position measured at fair value:

in T€	Fair value as at 31.12.2013
Level I	1,036
Level II	6,611
Level III	6,453
Total equity investments	14,100

in T€	Fair value as at 31.12.2013
Level I	2,939
Total securities held for trading	2,939

The allocation of fair values to the three levels of the fair value hierarchy is based on the availability of observable market prices on an active market. Level 1 shows the fair values von financial instruments for which a market price can be directly determined. These are exclusively negotiable securities.

Level 2 fair values are calculated on the basis of market data such as prices for identical assets on a non-active market. This usually refers to a transaction prices in an equity instrument around the same time. Level 3 fair values are calculated using methods that use factors that cannot be directly observed on an active market.

Development of items of the balance sheet items measured at fair value based on level 3.

	T€
Fair value as at 1 January 2013	6,276
Income from revaluation	567
Expenses on revaluation	-988
Addition	15
Disposal	0
Reclassifications to level III	584
Fair value as at 31 December 2013	6,454
Level III gains and losses in profit or loss	
Realised gains	0
Realised losses	0

The reclassifications between different levels of the fair value hierarchy are taken into account as at

the end of the respective reporting periods. The reclassification from level 2 to level 3 contains one equity investment for which a timely transaction price was no longer available as a measurement method. There were still indications of a lower fair value, hence a specific valuation allowance was recognised.

Fair value as at 31 December 2013 in T€	Valuation model/method	Unobservable parameters	Range (arithmetic mean)
2,940	Multiplier method	Earnings multiplier*	10.70-11.97 (11.29)
		EBITDA multiplier*	3.91-3.91 (3.91)
		Revenue multiplier*	0.68-2.29 (1.31)
		Discount for lack of marketability	30%-55% (41%)
3,513	Transaction price not timely	N/A	N/A
0	Discounted cash flow	WACC	13.90%-15.00% (14.45%)
		Long-term revenue growth rate	2.00%-3.00% (2.50%)
		Long-term EBITDA margin	5.00%-15.00% (10.00%)

* after discount for lack of marketability

Enterprise value is the key risk variable for the fair value of investments. At level 3, the effect of changes in unobservable enterprise value measurement parameters on earnings and equity is shown by way of sensitivity analysis. If the assumed enterprise values were 10% higher, earnings and equity would have been € 319 thousand higher. If the assumed enterprise values were 10% lower, earnings and equity would have been € 322 thousand lower.

22. Financial instruments held for trading

This balance sheet item contains stock market listed shareholdings as at 31 December 2013, which are expected to be sold in 2014.

23. Balances held with banks, cash in hand

In T€	2013	2012
Balances held with banks, cash in hand	819	3,969

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

24. 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 number of shares amounted to 18.8 million in 2012 and 18.8 million in 2013.

25. 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.

26. Capital reserve

The capital reserve contains amounts generated above the par value when issuing shares. In 2013, it amounted to € 1.058 million (previous year € 1.058 million).

27. Change in equity

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

28. Authorised capital

Authorised capital amounted to € 9,409,625 as at 31 December 2013. The term of the authorised capital ends on 12 June 2018.

29. Provisions (non-current)

The provisions exist for a claim of the fund manager for a 15% carried interest of the increase in value of the investments.

30. Refinancing liabilities (non-current)

The refinancing liabilities of previous year were due to the KfW banking group.

In T€	2013	2012
As at 01.01.	0	974
Reclassification	0	-974
Disbursements	0	0
Repayments	0	0
As at 31.12. total	0	0

Due to Revotar AG filing for insolvency, the loans were reclassified as repayable at short notice in the previous year. 40% of the loans were to be repaid when insolvency proceedings are opened; the residual amount was exempted from liability and thus from repayment.

31. Refinancing liabilities (current)

The refinancing liabilities were due to the KfW banking group.

In T€	2013	2012
As at 01.01.	974	243
Reclassification	0	974
Repayments, releases from liabilities, waivers	-974	-243
Disbursements	0	0
As at 31.12. total	0	974

32. Other liabilities

In T€	2013	2012
Liabilities to the tax authorities	5	1
Employees' claims to paid leave	3	3
Outstanding invoices	29	29
Liabilities – accounts and audit	76	105
Liabilities – wages and social security contributions	0	5
Executive Board bonuses	0	0
Liabilities from purchase prices received	0	125
Other liabilities	3	14
Total	116	282

III. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**33. Revenue**

In T€	2013	2012
Revenue from the sale of investments	676	1,246
Revenue from the sale of marketable securities	358	6
Total	1,034	1,252

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

34. Other operating income**34.1. Income from revaluation**

In T€	2013	2012
Income from revaluation of financial assets	3,537	807
- thereof of equity investments	3,537	807
- thereof of loans	0	0
Appreciation of other securities	0	295
Total income from revaluation	3,537	1,102

34.2. Other operating income

In T€	2013	2012
Other operating income	18	36
Income from the write-down of specific provisions and written-down receivables	3	239
Income from waivers of KfW refinancing loans	584	0
Income from foreign exchange rates	1	195
Income from the sale of affiliated companies	0	7
Total Other operating income	606	477

35. Reduction in carrying amount of investments and securities

In T€	2013	2012
Reduction in book value of investments	150	945
Reduction in book value of securities	309	6
Total	459	951

This position shows the reduction in the carrying amount 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.

36. Staff costs

In T€	2013	2012
Wages	53	53
Social security contributions and pension costs	11	11
Total	64	64

The number of employees at the end of the year:

	2013	2012
Number of individuals	1	1
Full-time equivalents	1	1
Apprentices	0	0

An average of one employee (previous year: one) was employed during 2013.

37. Other operating expenses

In T€	2013	2012
Losses on receivables and additions to individual value corrections on receivables	51	81
External work	25	60
Costs of General Stockholders' Meeting	44	41
Insurance, contributions and charges	49	44
Advertising, travel and stock exchange costs	174	146
Fund management expenses	1,241	1,231
Expenses from carried interest	569	0
Expenses due to foreign currency exchange losses	16	3
Losses on stock trading	137	0
Year-end closing and audit costs	67	67
Supervisory Board costs	49	50
Transaction costs	4	35
Legal costs and fees and commissions paid to consultants	11	10
Various operating costs	69	19
Total	2,506	1,787

38. Income from investments

In T€	2013	2012
Income from investments	10	54

39. Interest and similar income

In T€	2013	2012
Interest income from deposits at banks	23	85
Interest income from the granting of loans	161	110
Interest income from tax credit	2	0
Total	186	195

40. Expenses from the remeasurement of financial assets and securities

In T€	2013	2012
Expenses from revaluation of investments	1,695	2,621
- thereof of equity investments	1,683	2,570
- thereof of loans	12	51
Securities held for trading purposes	23	0
Total	1,718	2,621

This position contains remeasurement expenses for equity investments as well as loans that no longer justify their 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.

41. Interest and similar expenses

In T€	2013	2012
Interest paid for KfW loans	15	68

IV. NOTES ON THE CASH FLOW STATEMENT

42. 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.

42.1. 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.

42.2. Cash flow from interest

The following interest was either received or paid:

In T€	2013	2012
Interest paid	15	54
Interest received from investments	47	6
Interest received from banks and other institutions	19	85

V. OTHER INFORMATION

43. 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. As, in some cases, the companies do not generate profits or the success of their business model cannot be taken for granted at the time the investment is made, this presents a high risk for the company. In principle, this risk increases significantly with greater proximity to the founding of the company.

Time of disposal and attainable disposal proceeds

Today, bmp media investors generates income primarily from the sale of investments to an institu-

tional 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 lead to negative results for the company.

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 company 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.

Liquidity risk

The company 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:

2013	Interest rate		Maturity			Total
	in %	Up to 1 year	1 to 5 years	More than 5 years		
T€						
Trade accounts payable	No interest	28	0	0	28	
Other liabilities & provisions	No interest	151	569	0	720	
Total		179	569	0	748	

2012	Interest rate		Maturity			Total
	in %	Up to 1 year	1 to 5 years	More than 5 years		
T€						
Liabilities to banks	5.64%	973	0	0	973	
Trade accounts payable	No interest	39	0	0	39	
Other liabilities	No interest	282	0	0	282	
Total		1,294	0	0	1,294	

The Management expects that the company 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 bmp 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, bmp media investors AG 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, bmp may also be compelled to grant exemption from certain company-specific risks. The company strives to limit the liability arising from such guarantees and exemptions to a certain percentage of the purchase price. bmp media investors AG cannot rule out the possibility that such liabilities will occur in some individual cases.

Risks of changes in interest rates

bmp arranges fixed interest rates on all credits and loans and 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. Another risk is that the company must accept exchange losses from foreign currency balances if no hedging transactions exist.

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 may not be able to influence. The economic success of bmp media investors 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.

Overall evaluation and risk management

bmp has taken extensive precautions for all recognisable individual risks in the Annual Financial Report for 2013. Activities in the area of risk management were further expanded in 2013. 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 corporate 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. Various valuation models are used depending on the type and degree of development of the investment companies. The continuous recording of fair values and investment controlling makes it possible to take appropriate measures to counteract undesired developments of the investment interests.

43.1. Information on financial instruments

In accordance with IFRS 7, additional information is required in order to ensure a clear presentation of the importance of financial instruments for the financial situation and the earnings strength of bmp media investors AG and the nature and extent of risks arising from financial instruments to which the company 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 above in the course 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 corporate 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 statement of comprehensive income described in the following section have an equal impact on equity, since the financial instruments were valued either at fair value through profit and loss or at amortised cost.

Financial instruments are broken down into the following classes:

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

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

In T€	2013	2012
Result from financial instruments at fair value through profit and loss	2,263	-1,184
Result from loans and receivables	124	139
Result from financial liabilities at amortised cost	-15	-68

Net gains/losses from financial instruments consist of interest, the remeasurement gains/losses, valuation allowances and gains on disposal.

43.2. 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, equity and net profit for the year would have been € 208 thousand higher (previous year: € 210 thousand). Had the zloty been 10% lower against the euro, equity and net profit for the year would have been € 174 thousand lower (previous year: € 177 thousand).

43.3. Interest rate risk

Interest risks result from changes in market interest rates of variable-interest assets and changes in the risk-free interest rate applied as the capitalisation interest rate in discounted cash flow calculations. Interest rate hedging activities were not carried out. Had the market interest rate been 100 basis points higher, equity and net profit for the year would have been € 10 thousand (previous year: € 60 thousand) higher. Had the market interest rate been 100 basis points lower, equity and net profit for the year would have been € 10 thousand (previous year: € 60 thousand) lower.

43.4. 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, equity and net profit for the year would have been € 1.255 million (previous year: € 1.123 million) higher. Had the relevant stock index been 10% lower, the equity and profit for the year would have been € 1.259 million (previous year: € 1.123 million) lower.

43.5. 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€	31.12.2013	31.12.2012
Equity investments, loans and securities at fair value	14,101	9,877
Loans and receivables at amortised cost	2,030	5,082
Securities held for trading	2,939	3,333
Financial liabilities at amortised cost	144	1,294

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

2013	At fair value	At amortised cost	Balance sheet item as at 31.12.13
T€	Book value	Book value	
Non-current assets			
Equity investments	14,101		14,101
Loans		1,078	1,078
Current assets			
Trade accounts receivable		0	0
Receivables and other assets		133	133
Securities held for trading purposes	2,939		2,939
Cash in hand and bank balances		819	819
Total	17,040	2,030	19,070
Current liabilities			
Trade accounts payable		28	28
Other liabilities		116	116
Total	0	144	144
<hr/>			
2012	At fair value	At amortised cost	Balance sheet item as at 31.12.12
T€	Book value	Book value	
Non-current assets			
Equity investments	9,877		9,877
Loans		323	323
Current assets			
Trade accounts receivable		193	193
Receivables and other assets	3,333	597	3,930
Cash in hand and bank balances		3,969	3,969
Total	13,210	5,082	18,292
Current liabilities			
Trade accounts payable		39	39
Liabilities from refinancing activities		973	973
Other liabilities		282	282
Total	0	1,294	1,294

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

44. Contingencies

It is customary that, when selling shares in holding companies, financial investors 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. No claims from guarantees are known at present.

45. 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.

	2013	2012
Annual result in T€	1,321	-1,701
Average number of shares	18,819,250	18,819,250
Earnings per share in €	0.07	-0.09

46. Capital management

bmp media investors AG 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 targeted gearing is 3% to 5%.

The capital structure changed as follows in 2013 and 2012:

	31.12.2013	31.12.2012	Change in %
Equity in T€	18,329	17,008	8%
as % of total capital	96.1%	92.9%	3%
Liabilities in T€	748	1,294	-42%
as % of total capital	3.9%	7.1%	-45%
Current liabilities in T€	179	1,294	-86%
as % of total capital	0.9%	7.1%	-87%
Non-current liabilities in T€	569	0	N/A
as % of total capital	3.0%	0.0%	N/A
Gearing	4.1%	7.6%	-46%

The goal in the management of the equity on the balance sheet of € 18.3 million (previous year: € 17.0 million) is to ensure that the company can achieve its targets and strategies in the interest of the shareholders 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, bmp 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 many years.

47. Payment obligations and rights of third parties

Payment obligations of € 65 thousand (previous year: € 224 thousand) exist with respect to investment holdings

48. 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.

49. Declaration of conformity pursuant to section 161 German Stock Corporation Act (AktG)

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

50. Auditors' fees

The following auditors' fees were recorded as expenses in business year 2013:

In T€	2013	2012
Fee for accounts and audit	52	65
Tax consultancy fee	12	31
Other fees	3	3
Total	67	99

51. Information on the company's executive bodies

51.1. Executive Board

The following were members of the Executive Board of bmp media investors AG in business year 2013:

- » Oliver Borrmann, businessman
- » Jens Spyrka, businessman

51.2. Remuneration of the Executive Board

The members of the Executive Board of bmp media investors AG received no remuneration in the business year under review. However, D&O insurance was taken out.

51.3. Other offices held by Executive Board members

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

brand eins Medien AG (Chairman)	year-round
Revotar Biopharmaceuticals AG (Chairman)	year-round
Heliocentris Energy Solutions AG (Chairman)	year-round
YOC AG	until 06 June 2013

As at 31 December 2013, Mr. Borrmann is also the Managing Director of König & Cie. Private Equity Management GmbH, König & Cie. II. Private Equity Beteiligungs- und Treuhand GmbH and Cavy Capital GmbH, and a member of the Executive Board 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
bidlab Sp.z o.o.	since 27 December 2013
iteelabs Sp.z o.o.	year-round

As at 31 December 2013, Mr. Spyrka is also an Executive Board member of bmp Beteiligungsmanagement AG.

51.4. 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	Partner of Roland Berger Strategy Consultants
Michael Stammler, Lutzenberg (CH) Member of the Supervisory Board	Businessman

In total, payments to each member of the Supervisory Board of bmp media investors AG in business year 2013 amounted to € 46 thousand (previous year: € 45 thousand).

The individual members of the Supervisory Board were entitled to the following compensation:

In T€	2013	2012
Gerd Schmitz-Morkramer	24	24
Bernd Brunke	11	11
Ulrich Ankele	0	3
Michael Stammler	11	7
Summe	46	45

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

YOC AG (Chairman)	until 06 June 2013
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Mr. Stammler is a member of the Supervisory Board of the following companies:

eCAPITAL entrepreneurial Partners AG, Münster	Member of the Supervisory Board (Vice Chairman)	year-round
WM Treuhand und Steuerberatungsgesellschaft AG, Limburg	Member of the Supervisory Board	year-round
Heliocentris Energy Solutions AG, Berlin	Member of the Supervisory Board	year-round
Aquisuisse AG, Frankfurt am Main	Member of the Supervisory Board	since 04.2013
Tanus Trust Group AG, Wolfhalden, Switzerland	Chairman of the Board of Adminis- trators	since 05.2013

Mr. Brunke has no further memberships of supervisory boards or other controlling bodies.

51.5. Shareholdings of the Executive Board and the Supervisory Board as at 31 December 2013

Members of the Executive Board held 3,377,956 shares. Members of the Supervisory Board held 500,000 shares.

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

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

53. Disclosures in accordance with section 26 (1) of the German Securities Trading Act (WpHG)

In business year 2013, there were no disclosures in accordance with section 26 (1) WpHG:

54. Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the annual financial statements give a true and fair value of the assets, liabilities, financial position and profit or loss of the company, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

55. List of shareholdings

Shareholdings of bmp media investors AG as at 31 December 2013

Entities in which the company has either direct or indirect shareholdings within the meaning of section 285 no. 11 HGB:

Company	Share	Equity as at	Result 2012
	in %	31.12.2012 in T€	in T€
GreenHanger GmbH, Berlin	49.97%	-1,075	-83
Xamine GmbH, Munich	49.42%	-109	-132
department one GmbH, Berlin	45.00%	452	36
Self Loading Content GmbH, Berlin	43.91%	151	-591
Retresco GmbH, Berlin	40.56%	26	-442
brand eins Medien AG, Hamburg	35.36%	729	-265
castaclip GmbH, Potsdam	28.46%	-590	-540
Ubertweek GmbH	27.06%	54	-434
Instream Media Sp. z o.o., Poznan/Poland	25.93%	179 TPLN	-120 TPLN
iversity GmbH, Bernau	25.02%	-711 ⁽¹⁾	-1,398 ⁽¹⁾
iteelabs Sp. z o.o., Warsaw/Poland	24.71%	227 TPLN	-411 TPLN
vertical techmedia AG, Munich	22.50%	137	-3

(1) Balance sheet data as at 31.12.2013

Berlin, 28. March 2014

Oliver Borrmann Jens Spyrka
Executive Board Executive Board

The accounts of bmp media investors 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 2014.

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 2014

05-07 May 2014	5. SCF Small Cap Forum / Spring Conference, Frankfurt
30 May 2014	Publication of Quarterly Results
27 June 2014	Shareholders' Meeting 2014, Berlin
29 August 2014	Publication of Half Year Results
28 November 2014	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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