



Half Year Report 2015



Jens Spyrka

Oliver Borrman

Dear Shareholder and Business Partners,

In the first half of the year we were able to complete the successful realignment of our company as an operating e-commerce holding company. In June, the Annual General Meeting of bmp resolved with broad approval to change the business purpose of the company and to rename it bmp Holding AG.

In May 2015, the first step on the road to becoming an e-commerce group was implemented with the acquisition of a majority interest in sleepz GmbH, an e-commerce company from the Sleep segment. bmp Holding AG will initially focus on the Sleep market segment. This includes products such as beds, mattresses, bedding, bedroom furniture and accessories. Our aim over the coming years is to assume a leading position in this market segment in Germany and, over the long term, throughout Europe, both through acquisitions and developing our own companies.

In addition to this investment, which has been fully consolidated since May 2015 and contributed revenue of approximately € 1 million to bmp Holding AG for the first time in the second quarter, at the end of June we founded our Grafenfels Manufaktur GmbH subsidiary. The aim of this company is to develop its own high-quality mattress range and to sell it under its own "Grafenfels" brand. Development has now been completed and the products will be launched in the fourth quarter of 2015, also making their first contribution to the revenue of

bmp Holding AG in the current business year.

We also expect to acquire the majority interest in a further e-commerce company from the Sleep segment in 2015.

In parallel with developing new business, we are working hard to reduce the venture capital portfolio, which has now been classified as a discontinued operation. In connection with this, we sold our entire investments in Instream Media, freshmilkNet.TV, Vertical TechMedia and European Telecommunication Holding E.T.H. in the first half of the year. At the same time, we have reduced our shareholding in listed company Heliocentris by around two-thirds since the start of the year; a full exit is planned for the third quarter.

In same quarter, we finally sold our listed Polish investment K2 Internet, which means there are still 13 venture capital investments within the discontinued operation. We are confident that we can reduce this portfolio further in the current year. This is also significant due to the fact that we intend to invest the liquidity gained in this way in developing new business.

In the second quarter, the income statement includes revenue from the fully consolidated majority holding in sleepz GmbH for the first time. The balance sheet structure has also changed on account of the consolidation. The balance sheet total has thus increased from € 21.1

million at the start of the year to € 24.6 million. Equity amounted to € 20.7 million, reducing the equity ratio to 84%. Based on its strong equity position, bmp Holding AG will take up additional outside capital to fund further expansion.

The first half of 2015 closed with a profit for bmp shareholders of € 0.7 million, which was attributable primarily to the positive contribution of € 0.9 million from the discontinued operation.

It is not yet possible to forecast earnings for the year as a whole as they will depend heavily on the earnings contributed by the discontinued operation. During their development and expansion phase in the second half of 2015, sleepz and Grafenfels are expected to incur combined losses of € 0.5-1 million. Depending on further acquisitions, revenue from new business could amount to € 6-8 million in 2015, of which € 5-7 million will relate to the second half of the year.

Shares

bmp shares started the year at a price of € 0.66 and closed the first half of 2015 at € 0.74, which represented a slight increase of 12%. The low price of € 0.65 was reached in January, with a high price of € 0.89 reached in June.

Business Development

The first half of 2015 revolved entirely around the realignment of bmp as an e-commerce group in the Sleep segment. In this connection, at the Annual General Meeting in June 2015 the realignment of bmp was subsequently also implemented from a legal perspective when the Annual General Meeting resolved on changing the company's name to bmp Holding AG (www.bmp-holding.de) as well as its new business purpose and the company's commercial register entry was amended accordingly.

With effect from 1 May 2015, bmp took over the majority interest in its e-commerce investment sleepz GmbH by way of a capital increase and a smaller share acquisition. As at 30 June 2015, bmp Holding AG held a 52.73% stake in the company, thus completing its first successful company acquisition in its new business area.

sleepz GmbH develops and realises holistic e-commerce concepts in the sleeping requirements trading segment. To this end it bundles innovative technologies and many years of e-commerce expertise, delivering diversity and quality in e-commerce through strong brands. Within a short time sleepz has already developed a strong market position for itself as an online trader in the German Sleep segment with online shops such as www.perfekt-schlafen.de and www.matratzendiscount.de. Revenue from sleepz GmbH has been included in the income statement of bmp Holding AG since May 2015. In the second quarter of 2015 it contributed revenue of € 0.95 million.

In addition, in June bmp Holding AG founded the wholly owned subsidiary Grafenfels Manufaktur GmbH. Grafenfels Manufaktur GmbH develops, produces and sells mattresses under its own "Grafenfels" brand. The products are due to be launched in the fourth quarter of 2015. The company plans to sell its mattresses directly via its own online shop as well as via conventio-

nal trading structures. Its aim is to develop one of the leading mattress brands in Germany and, over the long term, throughout Europe.

At the same time, in the second quarter the shares in Vertical TechMedia AG and European Telecommunication Holding E.T.H. AG were sold and the gradual sale of the existing venture capital investment portfolio, which has been classified as a "discontinued operation" since the first quarter, continued further.

In the first half of the 2015 business year bmp Holding AG's net income for the period amounted to € 549 thousand (prior-year period: net loss of € 130 thousand), whereof 706 T€ are attributable to the shareholders of bmp Holding and -156 to minorities. This result comprises income from the operating business and from the discontinued operation. Revenue amounted to € 951 thousand and is fully attributable to sleepz GmbH.

Operating business

The operating business essentially comprises the income and costs of the fully consolidated subsidiary sleepz GmbH as well as part of those relating to bmp Holding AG. However, it does not include costs and income directly associated with the discontinued operation, such as valuation income and expenses, fund management expenses for the remainder of the venture capital investment portfolio and interest income from investments of the discontinued operation.

The net loss from the operating business amounted to € 399 thousand in the reporting period. In this regard it should be noted that sleepz GmbH has been fully consolidated in bmp Holding as of 1 May 2015, i.e. as a subsidiary the balance sheet items as well as expenses and income from its single-entity financial statements are included in full in the interim and

annual financial statements of bmp Holding AG irrespective of bmp Holding AG's stake.

Discontinued operation

In the first six months of the 2015 business year, the discontinued operation made a positive contribution of € 948 thousand to earnings.

After already having sold two investments, Freshmilk NetTV GmbH and Instream Media Sp. z o.o., in the first quarter, in June 2015 bmp sold its investment in Vertical TechMedia AG to the new Neue Mediengesellschaft Ulm and its investment in European Telecommunication Holding E.T.H. AG to the management of the company. In addition, in the first half of 2015 it sold further shares in listed company Heliocentris Energy Solutions AG with the result that bmp Holding AG still held around 217,000 shares on the reporting date of 30 June 2015.

Taking into consideration that the investment in sleepz GmbH is no longer allocated to the discontinued operation, the number of venture capital investments declined from 19 at the start of the year to the current number of 14. This reflects the planned continuous reduction of the venture capital portfolio.

Net income from remeasurement was positive in the reporting period at € 1.0 million. There were slight price gains at the two listed holdings Heliocentris Energy Solutions AG and K2 Internet S.A. in the first half of the year. Furthermore, at one equity investment a financing measure was implemented at an enterprise value exceeding the carrying amount, leading to an increase in the unit value.

Events after the reporting date

In July/August, bmp Holding AG sold all of its shares in the listed Polish investment K2 Internet S.A. by way of block trades.

Portfolio Companies of Discontinued Operations as at 30.06.2015

	Name	Entry	Share %
1	brand eins Medien AG	02/2011	35.36
2	castaclip GmbH	08/2012	23.91
3	dailyme TV GmbH	12/2007	45.03
4	department one GmbH	03/2013	45.00
5	ferret go GmbH	04/2013	24.82
6	Heliocentris Energy Solutions AG	12/1999	1.52
7	iteelabs sp. z o.o.	06/2012	24.71
8	iversity GmbH	07/2011	25.25
9	K2 Internet S.A.	06/2012	14.78
10	komoot GmbH	10/2013	7.96
11	Motor Entertainment GmbH	01/2009	10.87
12	Retresco GmbH	04/2012	40.56
13	Ubertweek GmbH	11/2011	34.85
14	Xamine GmbH	04/2010	46.34

Balance Sheet as at 30.06.2015

Assets	30.06.2015	31.12.2014
	€	T€
Long-term assets		
Intangible assets	2,529,136.68	7
Tangible assets	158,488.18	0
Equity investments	0.00	17,672
Loans	0.00	766
	2,687,624.86	
Current assets		
Inventories	516,560.13	0
Discontinued operation	20,455,747.88	0
Trade accounts receivable	606,356.87	4
Receivables and other assets	219,182.13	59
Financial instruments held for trading	0.00	2,538
Cash on banks and cash on hand	113,719.63	19
	21,911,566.64	
Total assets	24,599,191.50	21,065

Liabilities	30.06.2015	31.12.2014
	€	T€
Shareholders' equity		
Subscribed capital	20,701,174.00	20,701
Capital reserves	992,711.66	993
Other revenue reserves	972,256.66	972
Accumulated net result	-2,104,882.61	-2,810
Minorities	172,709.37	0
	20,733,969.08	
Non-current liabilities		
Provisions	0.00	837
Loans and silent partnerships	1,002,170.11	0
	1,002,170.11	
Current liabilities		
Discontinued operation	804,087.41	0
Trade accounts payable	1,240,297.69	36
Liabilities towards banks	352,364.65	199
Advance payments received	3,343.09	0
Other liabilities	426,557.92	136
Provisions	36,401.55	0
	2,863,052.31	
Total liabilities	24,599,191.50	21,065

Statement of Comprehensive Income

	1.1.-30.06. 2015	1.1.-30.06. 2014	1.4.-30.06. 2015	1.4.-30.06. 2014
	€	T€	T€	T€
Sales revenue				
Sales revenue	951,211.12	0	951	0
Other operating income			0	
Other operating income	193,290.34	17	193	6
Income from consulting and commissions	366,000.00	359	187	179
Cost of materials			0	
Cost of sales	-650,838.37	0	-651	0
Staff costs			0	
Wages and salaries	-155,123.98	-27	-140	-13
Social security contributions and costs for pensions and support	-29,172.34	-6	-26	-3
Depreciations			0	
Depreciation on tangible and intangible fixed assets	-14,361.73	-1	-14	0
Other operating expenses			0	
Other operating expenses	-1,036,794.41	-582	-798	-296
Operating income	-375,789.37	-240	-298	-127
Income from investments	0.00	1	0	0
Interest and similiar income	666.86	45	1	44
Interest and similiar expenses	-24,113.95	-1	-23	-1
Result from continued operations	-399,236.46	-195	-320	-84
Result from discontinued operation	948,156.93	66	-185	790
Net result	548,920.47	-130	-505	704
thereof result attributable to the shareholders of bmp Holding	705,481.46	-130	-349	704
thereof result attributable to minorities	-156,560.99	0	-157	0
Earnings per share of continued operations (diluted and non-diluted)	-0.02	-0.01	-0.02	0.00
Earnings per share of discontinued operation (diluted and non-diluted)	0.05	0.00	-0.01	0.04

Cash-Flow Statement

	01.01.- 30.06.2015	01.01.- 30.06.2014
	T€	T€
Cash flow from operations		
Net result	-399	-130
Revaluation of investments, securities and receivables	0	-321
Profit from disposal of holdings and securities	0	-5
Depreciations	14	1
Other non-cash items	174	0
	-211	-455
Decrease/(-) increase in assets and increase/(-) decrease in liabilities		
Receivables and other assets	-86	-178
Inventories	-63	0
Liabilities	107	-26
Provisions	-79	-21
Total cash flow from operations	-332	-680
Cash flow from investments		
Additions to holdings, loans and securities	0	-915
Inflow from the disposal of holdings, securities and loans	0	182
Intangible assets	-370	0
Tangible fixed assets	-75	0
Total cash flow from investments	-445	-733
Cash flow from financing		
Capital increase	0	1,816
Repayment of loans	-27	0
Total	-27	1,816
Change in liquid funds in continued operations	-805	403
Change in liquid funds in discontinued operation	900	0
Liquid funds at the beginning of the reporting period	19	819
Liquid funds at the end of the reporting period	114	1,222

Statement of Changes in Equity

Figures in T€	Subscribed capital	Capital reserve	Other profit reserves	Accumulated net result	Share of Minorities	Total
Equity as at 01.01.2015	20,701	993	972	-2,810	0	19,856
Result	0	0	0	706	-157	549
Minorities	0	0	0	0	329	329
Equity as at 30.06.2015	20,701	993	972	-2,104	172	20,734
Equity as at 01.01.2014	18,819	1,059	972	-2,521	0	18,329
Result	0	0	0	-130	0	-130
Capital increase	1,882	-66	0	0	0	1,816
Equity as at 30.06.2014	20,701	993	972	-2,651	0	20,015

Notes

Accounting in accordance with International Financial Reporting Standards (IFRS)

In accordance with Regulation 1606/2002 of the European Parliament and of the Council, bmp Holding AG has prepared its annual financial statements for 2014 in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. Accordingly, these interim financial statements as at 30 June 2015 were also prepared in compliance with IAS 34 and contain condensed reporting compared to the annual financial statements. All amounts in themselves have been rounded in line with commercial practice; this can result in minor deviations in the addition of figures.

Accounting policies

bmp Holding AG has implemented all accounting standards endorsed by the EU and effective for financial periods from 1 January 2015.

The accounting standards applicable for the first time in the 2015 business year have no significant effect on the presentation of the net assets, financial position and results of operations. A detailed compilation of these accounting standards can be seen in the notes to the 2014 annual report.

Otherwise, the same accounting policies were applied in the preparation of the interim financial statements and the calculation of the comparative figures for the previous year as in the 2014 annual financial statements. A detailed description of these methods was also published in the notes to the annual financial statements for the 2014 annual report.

The sleepz GmbH subsidiary was fully consolidated upon acquisition of control on 1 May 2015. The annual financial statements are therefore consolidated financial statements while the annual financial statements for the period ended 31 December 2014 are single-entity financial statements.

NOTES ON THE INTERIM FINANCIAL STATEMENT

1. Business purpose

bmp Holding AG has changed its business purpose based on the resolution of the Annual General Meeting on 17 June 2015. The purpose of the company is to develop and produce economic assets and to trade such assets, particularly in the consumer goods sector, including via subsidiaries, associates and equity investments, as well as to perform consulting services for companies, particularly services in the area of management consulting, to the extent that such services do not require a legal permit.

2. Discontinued operation

In accordance with the resolution of the Executive Board and the Supervisory Board of 4 February 2015, the equity investments that do not fit with this future direction are to be sold. This discontinued operation is reported in the balance sheet and statement of comprehensive income in accordance with IFRS 5.

3. Information on subsidiaries

The consolidated financial statements include bmp Holding AG and the subsidiaries over which it exercises control. bmp Holding AG controls a company if it has power of disposal over that company. This means that bmp Holding AG has existing rights that grant it the present ability to control material activities. These are activities that materially influence the company's return. bmp Holding AG is also exposed to fluctuating returns from its involvement in the company or has entitlement to them and has the ability to influence such returns by means of its power of disposal over the company.

Full consolidation of subsidiaries begins at the point in time from which the possibility of control exists and ends when such possibility of control ceases to exist. Generally, consolidation of capital is accounted for using the acquisition method under IFRS 3. This generally requires the acquired assets and liabilities to be recognised at their fair values. If the difference between the acquisition costs and the proportionate share of the remeasured equity of the subsidiary is positive, it is reported as goodwill and is regularly tested for impairment. Any remaining negative difference is recognised in profit or loss in the income statement following a reassessment.

Expenses, income, receivables and liabilities between the fully consolidated companies as well as intergroup profits from supply and service relationships within the group are eliminated. Where applicable, deferred taxes are recognised for consolidation transactions included in the income statement.

4. Information on company acquisitions

With effect from 1 May 2015, bmp Holding AG took over the majority of the voting rights in sleepz GmbH, Berlin. The purpose of the company is to develop innovative software tools for e-commerce applications and to establish, operate and further develop online shops as well as multichannel sales, in particular of bedding and furniture of all kinds. As at 30 June 2015, bmp Holding AG held 52.73% of the voting rights and equity shares in sleepz GmbH.

The acquisition of the majority interest in sleepz GmbH is the first step in the implementation of the strategy to operate as an industrial holding company. bmp already held a 16.06% interest in sleepz at the start of 2015 and in the course of the transaction acquired 2.11% of the shares by way of a share purchase and further increased its shareholding to 52.73% as at 30 June 2015 by way of a capital increase.

On the acquisition date, bmp Holding already had a 16.06% stake in sleepz GmbH. The fair value of this shareholding amounted to € 943 thousand. The acquisition of a majority interest was achieved through the sale of shares and by way of a voting trust agreement with the former shareholders. The voting trust agreement was cancelled upon registration of the capital increase and associated acquisition of the majority of equity shares and voting rights. In total, in addition to the fair value of the existing shares amounting to € 943 thousand disclosed above, a consideration of € 2,158 thousand was paid in cash on the acquisition date. This cash component is to be paid partly in instalments and partly dependent upon the meeting of certain targets. As at 30 June 2015, € 733 thousand had been paid and € 1,425 thousand had yet to be paid, of which € 425 thousand

relates to the target-based consideration. At the time of the acquisition, this was recognised as € 0 thousand as it is unlikely that the targets will be met. The target-based consideration is to be paid if agreed revenue and income targets are met. The range is from nil to € 425 thousand.

Contractual trade accounts receivable amounting to € 729 thousand, other receivables amounting to € 136 thousand and tax receivables amounting to € 15 thousand were acquired. The fair value of the trade accounts receivable is € 560 thousand; none of the receivables are classified as irrecoverable.

The following amounts were recognised in the main groups of assets acquired and liabilities assumed on the acquisition date:

01.05.2015	T€
Intangible assets	216
Property, plant and equipment	98
Inventories	454
Trade accounts receivable	729
Tax receivables	15
Other assets	135
Bank balances	45
Loans and investments	1,030
Trade accounts payable	1,199
Tax liabilities	7
Other liabilities	300

The goodwill of the acquisition amounts to € 2,309 thousand and does not contain any deductible portions for tax purposes. Altogether, the measurement of € 943 thousand for the minority shareholding that existed on 30 April 2015, the capital contribution and additional payment to the capital reserve amounting to € 700 thousand made by 30 June 2015, a share acquisition from a co-shareholder amounting to € 30 thousand as well as a capital contribution and further additional payments to the capital reserve that have yet to be made amounting to € 1,003 thousand give a total of € 2,677 thousand. The proportionate value of the equity in sleepz GmbH as at 1 May 2015 amounting to € 367 thousand is deducted from this amount, resulting in goodwill of € 2,309 thousand.

The goodwill was paid on account of the expectation of future earnings power based on market position, growth dynamic and synergy effects within the Group.

In regards to sleepz GmbH, the non-controlling interest amounts to 47.27%, the value of the non-controlling interest amounts to EUR 1.4 million. The measurement basis for that amount is third party valuation related to the capital increase of 30 April 2015.

From 1 May to 30 June 2015, sleepz GmbH contributed revenue of € 951 thousand and a loss of € 331 thousand to the consolidated statement of comprehensive income. If bmp Holding had acquired sleepz GmbH on 1 January 2015, the revenue of the combined company would have amounted to € 3,252 thousand and its profit to € 182 thousand.

5. Notes on the discontinued operations

Earnings from the discontinued operation:

In T€	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014
Revenue	2,334	57
Expenses	-2,381	-312
Result from revaluation	995	321
Earnings before taxes	948	66
Earnings after taxes	948	66

Cash flow from the discontinued operation:

In T€	01.01.2015 - 30.06.2015
Cash flow from operations	-353
Cash flow from investments	1,100
Cash flow from financing	153

The discontinued operation comprises the investment business of bmp Holding AG.

The assets of the discontinued operation break down as follows:

	30.06.15
Direct investments	17,981
Loans to investments	1,108
Marketable securities	1,214
Receivables from investments	153
Total	20,456

6. Fair value disclosures

The principles and methods of fair value measurement are unchanged compared to the previous year despite the difference in reporting now. Information on the measurement principles and methods can be found in the 2014 annual report.

Assets measured at fair value through profit or loss comprise the investments in the capital of the portfolio companies. These are reported as a discontinued operation.

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.

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

The following tables show an overview of items measured at fair value:

in T€	Fair value as at 30.06.2015	Fair value as at 31.12.2014
Level I	990	860
Level II	11,205	10,902
Level III	5,786	5,910
Total equity investments	17,981	17,672

in T€	Fair value as at 30.06.2015	Fair value as at 31.12.2014
Level I	1,214	2,538
Total securities held for trading	1,214	2,538

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 of financial instruments for which a market price can be directly determined. These are exclusively marketable 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 price 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 balance sheet items measured at fair value based on level 3

	2015	2014
Fair value as at 01.01.	5,910	6,454
Income from revaluation	80	888
Expenses on revaluation	-89	-895
Addition	388	0
Disposal	-503	0
Reclassifications to level III	0	2,110
Reclassifications from level III	0	-2,647
Fair value as at 30.06. (previous year 31.12.)	5,786	5,910
Level III gains and losses in profit or loss		
Realised gains	0	0
Realised losses	0	0

The reclassifications between different levels of the fair value hierarchy are taken into account as at the end of the respective reporting periods. There were indications of a lower fair value, hence specific valuation allowances were recognised.

The following table shows the measurement methods and parameters used in level 3:

Fair value as at 30.06.2015 in T€	Valuation model/method	Unobservable parameters	Range (arithmetic mean)
1,894	Multiplier method	Earnings multiplier	11.98-15.86 (13.48)
		Revenue multiplier	0.71-1.24 (1.03)
		Discount for lack of marketability	30%-40% (35%)
3,727	Transaction price not timely	N/A	N/A
164	Discounted cash flow	WACC	11.365%-11.365% (11.365%)
		Long-term revenue growth rate	3.00%-3.00% (3.00%)
		Long-term EBITDA margin	20.00%-20.00% (20.00%)

Enterprise value is the key risk variable for the fair value of equity 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 € 141 thousand higher. If the assumed enterprise values were 10% lower, earnings and equity would have been € 145 thousand lower.

7. Reconciliation of balance sheet items to classes of financial instruments

The table below shows the reconciliation of financial instruments, broken down by carrying amount and fair value, to the balance sheet:

2015	At fair value	At amortised cost	Balance sheet item as at 30.06.15
T€	Book value	Book value	
Current assets			
Trade accounts receivable		606	606
Inventories		517	517
Receivables and other assets		219	219
Cash in hand and bank balances		114	114
Assets in discontinued operation	19,195	1,261	20,456
Total	19,195	2,717	21,912
Non-current liabilities			
Loans and silent partnerships		1,002	1,002
Current liabilities			
Trade accounts payable		1,240	1,240
Liabilities towards banks		352	352
Other liabilities		428	428
Advance payments received		3	3
Liabilities in discontinued operation		804	804
Total	0	3,829	3,829

2014	At fair value	At amortised cost	Balance sheet item as at 31.12.14
T€	Book value	Book value	
Non-current assets			
Equity investments	17,672		17,672
Loans		766	766
Current assets			
Trade accounts receivable		4	4
Receivables and other assets		59	59
Securities held for trading purposes	2,538		2,538
Cash in hand and bank balances		19	19
Total	20,210	848	21,058
Current liabilities			
Trade accounts payable		36	36
Liabilities towards banks		199	199
Other liabilities		136	136
Total	0	371	371

8. Expenses on the remeasurement of equity investments and securities

Remeasurement expenses amounted to 214 thousand in the first six months of the 2015 business year.

9. Unusual circumstances

There were no unusual circumstances affecting the company's assets, liabilities, equity, profit or loss for the period or cash flows in the period under review. For information on the change of business purpose see "1. Business purpose".

10. Estimates

There were no changes in estimated amounts in the period under review.

11. Changes in shares

In the reporting period there was no change with regard to shares outstanding.

12. Dividends

No dividends were paid in the period under review.

13. Segment information

bmp Holding AG generated its revenue primarily from the sale of products in the area of "sleeping" in Germany. The company's revenues and earnings were not broken down into segments.

14. Contingent liabilities and contingent assets

There were no changes in contingent liabilities or contingent assets in the period under review.

15. Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim 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 in the remainder of the business year.

The Executive Board

bmp Holding AG, Berlin

Management Report for the First Six Months of 2015

Business development

The Executive Board and the Supervisory Board proposed to the shareholders a change of business purpose at the Annual General Meeting on 17 June 2015, which was approved by a majority of 99.99%.

By now, the company operates as an industrial holding company that acquires and holds majority interests in companies and founds own subsidiaries. For the time being it will focus on the e-commerce Living & Sleep sector. The equity investments that do not fit with this future direction are to be sold.

Discontinued “venture capital direct investments” operation

From now on the venture capital investment portfolio will be classified as a discontinued operation. As at 30 June 2015, it had an investment volume of € 16.0 million and consisted of 14 investment companies. The investments are based primarily in Germany. As at 30 June 2015, bmp held two equity investments in Poland.

Since June 2014, no new investments have been undertaken; only smaller follow-up investments to protect assets in existing holdings have been made or existing payment obligations met.

Organisation and employees

The members of the Executive Board of the company receive no remuneration. The members of the executive boards are compensated by bmp Beteiligungsmanagement AG, which performs services within the framework of an investment consulting agreement. 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 Holding AG in addition to the Executive Board.

Opportunities and risks for the period from 1 July 2015 to 30 December 2015; risk management

Risks in the “Sleep” business area

Market

The online market in the Sleep segment is undergoing change. Many furniture companies and larger stationary traders are discovering the new market and greater competition is to be expected. At the same time, the market is exhibiting a strong growth dynamic.

Competition

The German market has a larger player in Schlafwelt.de (Otto group), but no competitor exercises significant control over the market. Given the fact the market is not controlled by a single competitor or a small number of competitors, a very large number of companies are attempting to tap this market. Several new online companies require a higher level of service than is standard and are creating greater competition with regard to price. This could pose the risk of a decline in margins.

Technology

E-commerce is becoming ever more complex and increasingly technical. In order to keep up, it is important always to use the latest technologies, such as mobile shopping, for example. The mobile internet and other technical advances require good external service providers or a strong in-house technical department. Dependency on external service providers poses a not insignificant risk. At the same time, developers are currently in strong demand, which makes recruiting staff for the in-house technical department increasingly difficult and leads to a high risk of losing good employees.

Staff

Particularly at the Berlin location, recruiting good employees in all areas is proving difficult due to the high number of e-commerce companies. Companies have to offer more in order to be attractive, especially at management level. This higher demand may potentially lead to an increase in staff costs.

Legal risks

Cease-and-desist letters and court cases have been inherent in online trading for many years. Counteracting this requires higher legal expenses with regard to prevention. This applies to all processes and areas on the domains. Costs for legal advice and provisions for legal disputes are rising.

Supplier risk

Despite the large opportunity brought about by many suppliers discovering trading on the internet and online traders therefore being offered ever more products, many manufacturers also protect themselves against misuse and strategic changes contractually. It is always possible for business relationships to end abruptly. This can change the product range and revenue can shift or in the worst case even fail to materialise.

Warranties/product liability

The issue of warranties hardly poses problems as the risk is primarily borne by the manufacturer. However, the importer bears the product liability risk for imported products. As a result, very high quality standards must be set for product testing. In spite of such quality standards, supplying imported products can bring with it the risk of product liability and the resulting costs.

Image

The internet is becoming ever more transparent and the opinions of consumers, associations and opinion leaders (e.g. Stiftung Warentest,

the German consumer testing foundation) are becoming increasingly important. This represents a great opportunity to stand out from the competition, but also the major risk of rapidly suffering damage to one's reputation.

Products

In the Sleep segment, mattresses, sprung bed slats and beds have a very long life, which means the product range can be well coordinated for many years. This is not the case in the fashionable segment, as with bedding, for example. In this area it is important to sell quickly as value adjustments must otherwise be made for slow sellers.

Credit risk

There is a very low credit risk when selling directly to consumers due to the payment terms. There is a risk associated with selling via platforms that simultaneously perform a collection function. This risk is continuously monitored by the company's management.

Risks of discontinued direct investments operations**Risks of the business model**

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

Time of disposal and attainable disposal proceeds

bmp Holding AG generates income primarily from the sale of investments to an institutional or industrial investor (trade sale), the sale to the management or by means of flotation (IPO). The change of business purpose and associated sale of minority interests causes earnings potential to be limited as it is no longer possible to target

the optimum time of sale.

Uncertainty of the economic development of individual companies in the portfolio

Write-offs of investments or even the total loss 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 Holding AG counteracts the financial impact of a drop in the value of investments with early support and countermeasures, the continuous improvement of the investment controlling as well as appropriate provisions for risk (recognising valuation allowances) in accounting measurement.

Cluster risks

The three largest holdings together represent around 49% of the carrying amount of equity investments and securities.

Risks from foreign companies

bmp Holding' foreign investments are subject to the laws of each respective country. In addition, individual agreements are subject to the laws of each respective country. The company is thus exposed to the usual dangers and risks from 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 two foreign investments in Poland.

Liability associated with the disposal of investments

In terms of the disposal of investments, bmp Holding 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 Holding 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 Holding AG cannot rule out the possibility that such liabilities will occur in some individual cases.

Inter-divisional risks

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. Following disposal of the investment 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. On the supply side the risk exists that the goods purchased will become more expensive.

Company dependence on economic cycles and financial markets

The economic success of bmp Holding AG is heavily dependent on the general economic development, the development of the industries in which bmp Holding AG has invested and the development of the financial markets.

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.

Overall evaluation and risk management

bmp Holding AG has recognised extensive provisions for all discernible individual risks in the interim financial statements as of 30 June 2015.

At the holding level, the Executive Board personally monitors and supports the development of the subsidiary. It maintains close contact with the senior management of sleepz GmbH and Grafenfels GmbH and is involved in decision-

making relating to transactions outside of day-to-day business.

The Executive Board has transferred the management of the venture capital investments to 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 Venture Capital holdings of the discontinued operations are monitored by bmp Beteiligungsmanagement AG. 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.

bmp Holding' current liquidity is adequate for its existing business and will enable it to meet all its obligations. 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 Holding AG as a going concern. In the view of the Executive Board, bmp Holding AG has a lasting capability to remain in existence over the long term.

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 Holding 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 Holding 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 of the subsidiaries and the shareholdings are performed at the company's headquarters by bmp Beteiligungsmanagement AG. The subsidiary is keeping its accounts according to HGB autonomously, the inclusion of the numbers into the consolidated accounting system are carried out at bmp Holding AG according to IFRS regulations.

Corporate governance declaration

The corporate governance declaration has been published on our homepage www.bmp-holding.de under "Investor Relations/Corporate Governance/Corporate Governance Declaration".

Forecast report

Market environment

bmp Holding AG is currently focusing on the "Sleep" market segment and mainly on online trading (e-commerce) within this area. The Sleep segment ranges from beds, mattresses, bedding and bedroom furniture to accessories, among other things. Online trading is developing positively in this segment and continues to gain market share. Due to its positive development, an increasing number of competitors are ente-

ring the market. This is not problematic at this time, however, due to the size of the market. No consolidation trend has been identified as yet.

Investment activity

At the end of June 2015, bmp Holding AG founded Grafenfels Manufaktur GmbH, a wholly owned subsidiary, which will introduce a product line in the mattress segment to the market under the "Grafenfels" brand. The market launch is scheduled for the fourth quarter of 2015. Furthermore, bmp anticipates the acquisition of a further online trader from the Sleep segment in 2015. bmp is also confident of being able to implement further exits from the discontinued operation by the end of the year.

Forecast result of operations

From the current perspective bmp does not expect to close the 2015 business year with a profit. Depending on the level of the stake over time, the first majority holding, sleepz GmbH, will contribute a net loss of approximately € 0.3 to € 0.5 million. Due to the expansion of Grafenfels Manufaktur GmbH, this company may also have a negative impact of € 0.2 to € 0.4 million on earnings. In conjunction with the existing cost structures in the company, a net loss of approximately € 1.5 million is to be

expected, which could still be positively or negatively influenced by the earnings of the discontinued operation and further acquisitions.

Significant events after the reporting period

The company has sold the entire K2 Internet SA stake during the third quarter.

Opportunity report

In the current business year the Executive Board intends to create the basis for profitable growth as an operating holding company in the coming years.

Berlin, August 2015

Oliver Borrmann

Jens Spyrka