



Nine Months Report 2015



Dear shareholders and business partners,

With the establishment of Grafenfels Manufaktur GmbH in June, the increase in the investment in sleepz GmbH to 60% in October and the acquisition of a 60% stake in the four companies of the Matratzen Union group in November, we have achieved the strategic goals that we set ourselves for the second half of 2015. The majority interest in the Matratzen Union group in particular represents a major step towards our goal of developing a leading e-commerce group in the Sleep segment. With a planned revenue volume of our subsidiaries of well above € 20 million in 2016, we are likely to become one of the major online traders in the German Sleep segment already.

However, there have been delays in some areas as compared to our internal planning. sleepz was supposed to open its own showroom earlier and we had intended to launch our own mattress brand Grafenfels in October already. And the target deadline for the acquisition of the majority interest in the Matratzen Union group and for its consolidation was also 1 October. Ultimately, all projects were delayed by two months. This is justifiable in view of the ambitious internal planning, but it will mean that the consolidated figures for the 2015 business year will not yet reflect what we have achieved with our work over the past months. However, this is expected to get easier from quarter to quarter.

The development of our sales efforts in relation

to the discontinued operation was unsatisfactory. In the third quarter we only sold our listed Polish investment K2 Internet S.A. and in the fourth quarter to date we have only sold parts of our investment in the listed company Heliocentris Energy Solutions AG. It is understandable that a portfolio of young and for the most part technology-focused companies is not selling easily, especially when the companies themselves still want to raise additional growth capital. We are still well on track here and have shown that we can recover our carrying amounts. However, it can be assumed that we will still have to deal with the reduction of the portfolio over the whole of next year.

In operating terms, the third quarter resulted in a net loss from ordinary business activities of € 0.7 million. The majority of the losses still come from the subsidiary sleepz, with smaller portions arising from holding company costs and from the operational development of the subsidiary Grafenfels. The result from ordinary business activities thus amounted to minus € 1.1 million for the first nine months of the year, of which minus € 0.7 million was attributable to the bmp shareholders. As a result of the positive earnings effect from the discontinued operation, the loss attributable to the bmp shareholders fell to € 0.2 million. Revenue amounted to € 2.4 million, of which € 1.4 million was attributable to the third quarter.

For the fourth quarter, we anticipate revenue of

approximately € 2.6 million that will be generated primarily by sleepz GmbH, as the Matratzen Union group will be included in consolidation only for the month of December and Grafenfels GmbH will not make any relevant contribution to revenue in 2015 since its planned product launch is not until mid-December. We anticipate a considerably lower loss from ordinary business activities in the fourth quarter as compared to the third quarter of 2015.

Shares

bmp shares started the year at a price of € 0.66 and closed the first nine months of 2015 at € 0.68, which represented a minimal increase of 3%. The highest price of € 0.89 was reached in June. The share reached a new low for the year of € 0.56 in early November 2015, but has since recovered again slightly to € 0.80 as at 26 November 2015.

Business development

In the first nine months of the 2015 business year, bmp Holding AG posted a net loss for the period of € 649 thousand (prior-year period: net profit of € 80 thousand). This result comprises income from the operating business and the result from the discontinued operation. Revenue amounted to € 2,385 thousand and is fully attributable to sleepz GmbH.

Operating business

The operating business essentially comprises the income and costs of the fully consolidated subsidiaries sleepz GmbH and Grafenfels Manufaktur GmbH and the income and costs of bmp Holding AG, except for those that are 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 € 1,105 thousand in the first nine months of the year. In this regard, it should be noted that sleepz GmbH has been fully consolidated in bmp Holding as of 1 May 2015. Full consolidation means that the balance sheet items as well as the expenses and income from the single-entity financial statements of the subsidiaries are included in full in the interim and annual financial statements of bmp Holding AG irrespective of bmp Holding AG's stake. As at 30 September 2015, bmp Holding's interest in sleepz GmbH came to 52.73%.

The business performance of sleepz GmbH was slightly lower than planned in terms of revenue and earnings. This was partly attributable to the two-month delay in opening the sleepz showroom in Berlin-Mitte and the focus on higher-margin products in sales. Following its opening in September, the showroom is already making a good contribution to revenue and is expected

to be able to support itself soon. The focus on stronger-margin products is also making an impact, as reflected in the higher gross profit margin in the fourth quarter. sleepz is therefore likely to significantly reduce its losses in the fourth quarter.

Since its establishment in June, the wholly owned subsidiary Grafenfels Manufaktur GmbH has been fully consolidated in the company. Its contribution to earnings is still negligible as at the reporting date, as it has not yet commenced business operations.

Grafenfels gained an experienced managing director in September in the form of Stefan Müller. Under his direction, product development for the mattress range was overhauled and optimised again. The market launch has consequently been postponed and is now expected to take place in mid-December 2015. However, we are confident that overhauling the mattresses has sustainably improved the products' market opportunities.

Discontinued operation

In the period from 1 January to 30 September 2015, the discontinued operation made a positive contribution of € 456 thousand to earnings.

After already having sold three investments – Freshmilk NetTV GmbH, Instream Media Sp. z o.o. and Vertical TechMedia GmbH – in the first half of the year, bmp sold all of its shares in the listed Polish company K2 Internet S.A. by way of block trades in the past quarter. The shareholding in Heliocentris Energy Solutions AG, another listed company, was also reduced further in the third quarter and thus fell to around 210,000 shares as at 30 September 2015.

The sale of the investment in E.T.H. AG in June 2015 could not be implemented because the buyer pulled out of the purchase agreement

after paying the first purchase price instalment. The sale does not have any significant impact on either the earnings or the liquidity of bmp Holding AG.

Taking into consideration that the investment in sleepz GmbH is no longer allocated to the discontinued operation, the number of venture capital investments came to 14 as at the reporting date. The planned continuous reduction of the venture capital portfolio is being continued.

A slight remeasurement gain of € 309 thousand was generated in the first nine months of 2015. However, the strong level of remeasurement gains from the first half of the year could not be maintained in the third quarter. The generally deteriorating stock market environment and the fact that the business figures fell short of expectations in some cases resulted in somewhat lower carrying amounts in some individual multiplier valuations (peer group comparison).

Events after the reporting date

In October, bmp Holding acquired another 7.35% of the shares in sleepz GmbH and thereby increased its interest in the company to 60.08%. As before, the goal is still to fully acquire sleepz GmbH in 2016, or in 2017 at the latest. This goal has also been agreed with the co-shareholders.

In November, a purchase agreement was signed for the acquisition of a majority interest in the "Matratzen Union" group, based in Volkmar-sen in Hesse. bmp took over 60% of the shares in each of the group's four companies. The remaining 40% of the shares are still held by the founder Martin Jungermann, who will also continue to manage the group's business. Markenschlaf GmbH and Matratzen Union GmbH operate the online shops www.markenschlaf.de, www.schlafnett.de, www.matratzenunion.de and www.schlafhandel.de in the

mattress product segment with excellent access to most well-known manufacturers. Ecom Union GmbH's product range focuses on bedroom furniture, which it sells via its online shop www.onletto.de. Denkvertrieb GmbH operates as the group's service company and provides the companies with support in the field of IT and online marketing.

The Matratzen Union group was the desired target for bmp Holding AG's first external acquisition. Firstly, we were familiar with the company as a direct competitor of sleepz GmbH, particularly in the mattress segment, and were thus able to satisfy ourselves of the professional work of Mr Jungermann and his team. Matratzen Union has a high level of expertise in the fields of manufacturer relationships, purchasing, warehousing and logistics in particular, which will directly benefit all of the companies in the holding company. With www.onletto.de, Ecom Union GmbH has already positioned itself as an online trader specialising in bedroom furniture – an area that we intend to develop at bmp Holding in the medium term. The group also has extensive know-how in the market segment of box-spring beds, which is currently developing very dynamically.

We are pleased to welcome Martin Jungermann to the bmp Group, a highly committed and expert entrepreneur who will make a significant contribution to the development of bmp Holding in the future. The Matratzen Union group is already operating profitably and will make a positive contribution to the bmp Group's earnings starting from its consolidation in December 2015.

As a result of the acquisition of this majority interest, the companies of the Group will be able to generate revenue of over € 20 million already in 2016 without any further acquisitions. This already makes us one of Germany's major online

traders in the Sleep segment and enables us to round out our product profile further.

Also in November, bmp Holding sold off all of its nearly 210,000 shares in Heliocentris Energy Solutions AG in an off-market transaction. A small portion has already been transferred, but the majority of the transaction is still subject to the suspensive condition of payment of the purchase price.

Portfolio Companies of Discontinued Operations as at 30.09.2015

	Name	Entry	Share %
1	betegy sp. z o.o. (prev. iteelabs sp. z o.o.)	06/2012	24.71
2	brand eins Medien AG	02/2011	35.36
3	castaclip GmbH	08/2012	23.91
4	dailyme TV GmbH	12/2007	45.03
5	department one GmbH	03/2013	45.00
6	E.T.H. AG	12/1998	2.12
7	ferret go GmbH	04/2013	24.82
8	Heliocentris Energy Solutions AG	12/1999	1.47
9	iversity GmbH	07/2011	25.25
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 30.09.2015

Assets	30.09.2015	31.12.2014
	€	T€
Long-term assets		
Intangible assets	2,518,482.58	7
Tangible assets	265,707.75	0
Equity investments	0.00	17,672
Loans	0.00	766
	2,784,190.33	
Current assets		
Inventories	646,742.03	0
Discontinued operation	19,090,361.10	0
Receivables and other assets	232,079.16	59
Trade accounts receivable	433,964.96	4
Financial instruments held for trading	0.00	2,538
Cash on banks and cash on hand	624,941.81	19
	21,028,089.06	
Total assets	23,812,279.39	21,065

Liabilities	30.09.2015	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	-3,027,516.69	-2,810
Minorities	-102,941.99	0
	19,535,683.64	
Non-current liabilities		
Provisions	0.00	837
Loans and silent partnerships	1,000,440.33	0
	1,000,440.33	
Current liabilities		
Trade accounts payable	1,050,786.60	36
Liabilities towards banks	83,739.85	199
Advance payments received	73,149.01	0
Other liabilities	1,316,989.94	136
Provisions	25,345.00	0
Discontinued Operation	726,145.02	0
	3,276,155.42	
Total Liabilities	23,812,279.39	21,065

Statement of Comprehensive Income

	1.1.-30.09. 2015	1.1.-30.09. 2014	1.7.-30.09. 2015	1.7.-30.09. 2014
	€	T€	T€	T€
Sales revenue				
Sales revenue	2,384,506.47	0	1,433	0
Other operating income				
Other operating income	172,579.07	17	13	0
Income from consulting and commissions	538,500.00	539	173	180
Cost of materials				
Cost of sales	-1,701,447.69	0	-1,051	0
Staff costs				
Wages and salaries	-373,632.74	-39	-219	-12
Social security contributions and costs for pensions and support	-74,802.04	-8	-46	-2
Depreciations				
Depreciation on tangible and intangible fixed assets	-36,958.90	-2	-23	-1
Other operating expenses				
Other operating expenses	-1,937,592.88	-878	-901	-296
Operating income	-1,028,848.71	-371	-620	-131
Income from investments	0.00	1	0	0
Interest and similiar income	1,830.79	4	1	1
Interest and similiar expenses	-77,994.64	-1	-54	0
Result from continued operations	-1,105,012.56	-367	-673	-130
Result from discontinued operation	455,689.56	448	-525	340
Net result	-649,323.00	80	-1,198	210
thereof result attributable to the shareholders of bmp Holding	-217,152.62	80	-923	210
thereof result attributable to minorities	-432,170.38	0	-276	0
Earnings per share of continued operations	-0.05	-0.02	-0.03	-0.01
Earnings per share of discontinued operation	0.02	0.02	-0.03	0.02

Cash-Flow Statement

	01.01.- 30.09.2015	01.01.- 30.09.2014
	T€	T€
Cash flow from operations		
Net result	-649	80
Revaluation of investments, securities and receivables	0	-1,000
Profit from disposal of holdings and securities	0	5
Depreciations on tangible and intangible fixed assets	37	2
	-612	-913
Decrease/(-) increase in assets and increase/(-) decrease in liabilities		
Receivables and other assets	-193	-155
Inventories	232	0
Liabilities	-131	-11
Provisions	-90	206
Total cash flow from operations	-794	-873
Cash flow from investments		
Additions to holdings, loans and securities	0	-1,915
Inflow from the disposal of holdings, securities and loans	0	279
Additions to tangible and intangible fixed assets	-191	0
Payment for acquisition	-30	0
Total acquired assets and liabilities	-847	0
Total cash flow from investments	-1,068	-1,636
Cash flow from financing		
Capital increase	0	1,816
Repayment of loans	-116	0
Borrowings	1,000	0
Total	884	1,816
Change in liquid funds in continued operations	-978	-693
Change in liquid funds in discontinued operation	1,584	0
Liquid funds at the beginning of the reporting period	19	819
Liquid funds at the end of the reporting period	625	126

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	-217	-432	-649
Minorities	0	0	0	0	329	329
Equity as at 30.09.2015	20,701	993	972	-3,027	-103	19,536
Equity as at 01.01.2014	18,819	1,059	972	-2,521	0	18,329
Result	0	0	0	80	0	80
Capital increase	1,882	-66	0	0	0	1,816
Equity as at 30.09.2014	20,701	993	972	-2,441	0	20,225

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 September 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.

Subsidiaries are being fully consolidated upon acquisition of control or foundation. 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, Ludwigsfelde. 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 was the first step in the implementation of the strategy to position itself as an operating holding company in the segment of sleep. 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 September 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 September 2015, € 1,533 thousand had been paid and € 625 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 € 726 thousand, other receivables amounting to € 79 thousand and tax receivables amounting to € 21 thousand were acquired. The fair value of the trade accounts receivable is € 558 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	TEUR
Intangible assets	216
Property, plant and equipment	98
Inventories	454
Trade accounts receivable	726
Tax receivables	21
Other assets	79
Bank balances	74
Loans and investments	1,030
Trade accounts payable	1,203
Tax liabilities	3
Other liabilities	280

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 € 1,503 thousand made by 30 September 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 € 200 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 September 2015, sleepz GmbH contributed revenue of € 2,385 thousand and a loss of € 914 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 € 4,686 thousand and its loss to € 239 thousand in consideration of the discontinued operations.

5. Notes on the discontinued operations

Earnings from the discontinued operation:

In T€	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014
Revenue	3,450	183
Expenses	3,303	716
Result from revaluation	309	981
Earnings before taxes	456	448
Earnings after taxes	456	448

Cash flow from the discontinued operation:

In T€	01.01.2015 - 30.09.2015	01.01.2014 - 30.09.2014
Cash flow from operations	-240	-
Cash flow from investments	1,824	-
Cash flow from financing	0	-

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

The assets of the discontinued operation break down as follows:

In T€	30.09.2015
Direct investments	16,712
Loans to investments	1,304
Marketable securities	1,026
Receivables from investments	48
Total	19,090

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 30.09.2015	Fair value as at 31.12.2014
Level I	0	860
Level II	2,714	10,902
Level III	13,998	5,910
Total equity investments	16,712	17,672

in T€	Fair value as at 30.09.2015	Fair value as at 31.12.2014
Level I	1,026	2,538
Total securities held for trading	1,026	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	70	888
Expenses on revaluation	-561	-895
Addition	1,908	0
Disposal	-2,049	0
Reclassifications to level III	8,720	2,110
Reclassifications from level III	0	-2,647
Fair value as at 30.06. (previous year 31.12.)	13,998	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. The reclassification from level 2 to level 3 contains four equity investments for which a timely transaction price was no longer available as a measurement method. There were still 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 30.09.2015 in T€	Valuation model/method	Unobservable parameters	Range (arithmetic mean)
3,756	Multiplier method	Earnings multiplier	12.47-16.31 (13.76)
		Revenue multiplier	0.75-2.69 (1.71)
		Discount for lack of marketability	25%-35% (30%)
10,092	Transaction price not timely	N/A	N/A
150	Discounted cash flow	WACC	12.35%-12.35% (12.35%)
		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 € 280 thousand higher. If the assumed enterprise values were 10% lower, earnings and equity would have been € 290 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 30.09.15
T€	Book value	Book value	
Current assets			
Trade accounts receivable		434	434
Receivables and other assets		232	232
Cash in hand and bank balances		625	625
Assets in discontinued operation	17,738	1,352	19,090
Total	17,738	2,643	20,381
Non-current liabilities			
Loans and silent partnerships		1,000	1,000
Current liabilities			
Trade accounts payable		1,051	1,051
Liabilities towards banks		84	84
Other liabilities		1,317	1,317
Advance payments received		73	73
Liabilities in discontinued operation		726	726
Total		4,251	4,251
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 675 thousand in the first nine 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 my 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 Nine Months of 2015

Business development

bmp Holding establishes its own subsidiaries and, as an operating holding company, acquires majority interests in companies with the aim of developing a leading e-commerce group in the Living & Sleep segment.

The equity investments that do not fit with this future direction are to be sold. These are grouped together under "discontinued operation."

Discontinued "venture capital direct investments" operation

As at 30 September 2015, the venture capital investment portfolio had an investment volume of € 16.6 million and consisted of 14 investment companies. 13 of these investment companies come from Germany and one comes from Poland.

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

Organisation and employees

The Executive Board member Jens Spyrka left the Executive Board at his own request on 7 September 2015 and bmp Holding AG has since been managed by Oliver Borrmann as the sole Executive Board member. Mr Borrmann receives no remuneration; he is compensated by bmp Beteiligungsmanagement AG, which performs services within the framework of an investment consulting agreement.

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 October 2015 to 31 March 2016; 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 indeed 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 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 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 balanced carrying amount of the discontinued operations. The book value of iversity GmbH, brand eins Medien AG and castaclip GmbH range between € 2.9 million and € 3.5 million.

Risks from foreign companies

bmp Holding' foreign investment is subject to the laws of the respective country. In addition, individual agreements are subject to the laws of the respective country. The company is thus exposed to the usual dangers and risks from a foreign legal system.

Liability associated with the disposal of investments

In terms of the disposal of investments, bmp Holding AG as the seller 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 me-

thods 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 September 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 Manufaktur 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 com-

munication 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 acquired subsidiaries are keeping their 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 entering 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, but is expected to occur.

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 December 2015. After the acquisition of the Matratzen Union Group in November, bmp anticipates no more acquisitions from the Sleep segment in 2015. Further exits from the discontinued operation by the end of the year are rather unlikely.

Forecast result of operations

bmp does not currently expect to close the 2015 business year with a profit. sleepz GmbH will contribute approximately € -0.9 million to € -1.1 million to earnings from ordinary business activities, and Grafenfels Manufaktur GmbH will also make a negative contribution to earnings of between € -0.2 million and € -0.3 million due to the establishment of the company.

The Matratzen Union group, which will be included in the figures for the first time in December, will be responsible for earnings of between € 0 million and € 0.1 million. In conjunction with the existing cost structures in the company, a net loss of approximately € 1.5 million is anticipated, which may then be impacted either positively or negatively by the result from the discontinued operation.

Significant events after the reporting period

In November 2015, bmp acquired a majority interest in the "Matratzen Union" group, based in Volkmarsen in Hesse, by taking over 60% of the shares in each of the group's four companies, three of which are online traders in the "Sleep" segment.

Markenschlaf GmbH and Matratzen Union GmbH operate the online shops www.markenschlaf.de, www.schlafnet.de, www.matratzenunion.de and www.schlafhandel.de in the mattress product

segment with excellent access to most well-known manufacturers. Ecom Union GmbH's product range focuses on bedroom furniture, which it sells via its online shop www.onletto.de. Denkvertrieb GmbH operates as the group's service company. The group, which is already operating profitably, will generate revenue of over € 6 million in 2015 and expects more than € 10 million in revenue in 2016.

Opportunity report

The Executive Board anticipates that the current business year will be used to establish the basis for growing profitably in operating terms as an e-commerce group over the next few years.

Berlin, November 2015

Oliver Borrmann