



Contents

3	Consolidated interim management report
19	Consolidated interim financial statements
20	Consolidated statement of income
21	Consolidated balance sheet
22	Consolidated statement of change in equity
23	Consolidated cash flow statement
24	Abbreviated Annex to the Consolidated half-year report
36	Responsibility statement
37	Imprint and contact details

Consolidated interim management report of Bastei Lübbe AG for the first half of the 2016/2017 financial year as at 30 September 2016

The Company and its business activities

Bastei Lübbe is a media company in the form of a trade book publisher. Within the scope of its business activities, Bastei Lübbe publishes books, audio books, eBooks, games and other digital products in the genres of fiction and popular science, as well as periodicals including novel booklets and puzzle magazines. The business activities of Bastei Lübbe furthermore include the licensing of rights and the development, production and sale of gifts and decorations, the operation of digital platforms, and the sale of books, audiobooks, etc. through the company BuchPartner GmbH, primarily in grocery retail.

Unlike a traditional publishing house, Bastei Lübbe represents the entire value chain. This means that content and rights are not just bought, but are developed in-house in cooperation with several authors. One advantage is that Bastei Lübbe owns all language and territorial rights to the content. On the sales side, Bastei Lübbe works with trade partners and various platforms, just like all other traditional publishing houses. Rights not commercialised by ourselves are sold abroad, for example through licence sales. In addition, Bastei Lübbe intends to sell content via its own platform and acquire a majority participation in BuchPartner GmbH.

Bastei Lübbe's core market is Germany, Austria and Switzerland. The company has been expanding its international business activities over the last few years. These means that not only German titles are developed and sold, but also titles in English. Depending on the legal situation, the titles are then distributed in German-speaking countries and worldwide.

Bastei Lübbe's main locations are Cologne, Munich, Hamburg Bochum and Darmstadt.

Bastei Lübbe breaks down its business activities into

five segments: **"books"**, **"novel booklets and puzzle magazines"**, **"digital"**, **"non-book"** and **"retail"**.

The **"books"** segment includes all printed products of Bastei Lübbe AG which are marketed under various labels, including as hardbacks, paperbacks and pocket books.

In the current financial year, the thriller "Die Stille vor dem Tod" by Cody Mcfadyen is worthy of particular mention in the hardcover segment – the committed fan community has had to wait five years for this book. In the pocket book segment, we were able to further expand our market share compared to the competition thanks to our own bestsellers, above all Petra Hülsmann's third novel "Glück ist, wenn man trotzdem liebt", which spent several weeks at the top of the bestseller lists.

The investment in BookRix GmbH & Co. KG has developed very satisfactorily. In 2017, the promising self-publishing author Poppy J. Anderson made the "jump" into the paperback segment.

BookRix is a leading digital distributor of self-publishing titles in Germany, with around 12,000 eBooks on sale, and furthermore operates the largest independent online platform for self-publishing on the German-language Internet. The Company sells eBooks by its authors in a network of more than 60 shops. The advantage for the author is that he/she has to work with just one central partner for sales and billing. One particular strength of BookRix is its sales-promotional marketing activities that are specially tailored towards eBooks and self-publishing.

The **"novel booklets and puzzle magazines"** segment includes printed novel booklets and puzzle magazines.

The company's 60-year tradition in the novel booklets segment also continued its success in the first six months of the financial year 2016/2017. Our product range has

now been expanded once more to include a total of 37 series with regular instalments.

The comprehensive range of various series such as "Der Bergdoktor", "Doktor Stefan Frank", "Hedwig Courths-Mahler", "Jerry Cotton", "Geisterjäger John Sinclair" and the westerns of star author G.F. Unger, with a yearly circulation in the millions, was continuously expanded and added to with new series as well as a spread of special editions. It is precisely the use of special editions that offers opportunities to reach out to new groups of readers and to generate turnover in a relatively clearly structured market in the long term.

The first six months of the financial year 2016/2017 were also characterised by relatively steady sales and a targeted widening of the range of products on offer with new series, leading to a slight increase in turnover on a market generally considered to be well-established. This successful strategy is indicative of the future direction, and will be continued with a new range of novel booklet series in the financial year 2016/2017.

The puzzle magazines are published under the "PMV" label. PMV in the Bastei Lübbe AG published 33 puzzle magazines with a total of 105 issues (+14.1 per cent compared to previous year) in the first six months of the financial year 2016/2017. The sales and distribution of these puzzle magazines were conducted through the national Grosso and station bookshops, in German-speaking foreign markets as well as seasonally in the European holiday destination areas.

The content of the puzzle magazines is being continuously optimised and adapted to the current market situation. At the beginning of the 2015/2016 fiscal year, covers were extensively redesigned across the entire portfolio. The quantity and quality of the portfolio and the editions sold have continuously secured PMV its place in the top five entertainment puzzle magazine publishers in the German-speaking area.

In the financial year 2016/2017, a comprehensive and long-term licence agreement was secured with Heinrich Bauer Verlag KG with the aim of securing and expanding this market position. This particularly includes the use of

successful brands from the "women" and "programme" segments for puzzle magazines. Until now two puzzle magazines were launched as publications by PMV with "new post puzzles" and "TV listening and watching puzzles". More titles are already in the works.

Some of the most successful magazines are "Kreuzwort Nr. 1", "Kreuzwort Krone", "Mein großer Rätselspaß", "100 Rätsel" and "Kreuzwort Riesen".

Furthermore, the collaboration with the puzzle maker and sudoku expert Stefan Heine that was started in the 2014/2015 fiscal year would be intensified and the portfolio of small sudoku books would be scrupulously expanded.

Just as before, again and again across the entire RCR segment new market participants are forcing their way onto the magazine shelves which are already overfull, so that the turnover is split across a continuously increasing number of titles.

The "**non-book**" segment comprises gift items and decorations sold under the Räder label.

Räder has been one of the few vendors in the high-quality home and dining accessories sector to demonstrate an anti-cyclical, positive performance in the past financial year. Significant success factors include both the realigned and more female-focused spring and autumn collections, as well as the establishment of national and increasingly international sales channels. In the export segment, Räder was able to increase its turnover in the first six months of the financial year. This means that today, Räder has parts of its collection available at Harrods, Printemps, John Lewis or Loft. Turnover with the three large book retail companies (Thalia, Mayersche, Hugendubel) is also starting to show positive growth once more after a period of decline in turnover.

The "**digital**" section includes the digital turnover of Bastei Lübbe AG (eBooks and audio) as well as that of the fully-consolidated companies Daedalic Entertainment GmbH, oolipo AG, BookRix GmbH & Co. KG and BEAM Shop GmbH. Bastei Lübbe has invested in the digital market at an early stage. This applies not just to eBooks, but also to the field of audio. Ultimately, we acquired a majority participation in Daedalic Entertainment GmbH and in

BookRix GmbH & Co. KG in the financial year 2014/2015. Daedalic Entertainment GmbH, with offices in Hamburg and Dusseldorf, is considered to be one of the best game developers and publishers in Europe for narrative adventure games and is in the top 3 in the industry's global market. Daedalic Entertainment GmbH develops and markets high-quality cross-platform computer and video games for the adventure genre worldwide. The focus is thus on producing outstanding entertainment software with a strong narrative character. The company employs around 100 members of staff and, through the Daedalic Writer's Room, has at its disposal a team of writers that is unique in the global games industry. In recent years, Daedalic Entertainment GmbH has won the German Developer Prize (Deutscher Entwicklerpreis) – including "Studio of the Year" – a total of 21 times, and has been awarded the German Computer Game Prize six times. Daedalic Entertainment GmbH develops products such as games which are based on bestsellers from Bastei Lübbe. A prominent example is the recreation of Ken Follett's "Die Säulen der Erde" as a computer game. In addition, some games which are written by their own authors are being independently developed.

oolipo AG is currently being expanded into a worldwide platform for streaming digital series content for readers and listeners. In August 2016, we launched the beta version in the Apple App Store.

Die BookRix GmbH & Co. KG has made very satisfactory commercial developments. Turnover has almost doubled. In addition BookRix GmbH & Co. KG has generated annual net profits. It is also satisfying that Poppy Anderson, a very successful digital self-publisher, has also signed a contract for physical books with the publishing house.

BEAM Shop GmbH is an online shop for eBooks with content by Bastei Lübbe and other publishers and 100% subsidiaries of Bastei Lübbe AG. The online business of BEAM AG (now oolipo AG) has been completely transferred to BEAM Shop GmbH. A complete relaunch and an increase in popular, German mainstream content are planned for the end of 2016. Direct access to market data from across the publishing industry is also promising alongside attractive

target group-oriented subscription models with prominent positioning and promotion opportunities.

In the "retail" segment, the 51 per cent participation in BuchPartner GmbH in Darmstadt will be consolidated. BuchPartner GmbH is Germany's leading wholesaler for the supply of books to grocery retail companies, in particular. BuchPartner's customer base includes almost all the major grocery retail groups. BuchPartner currently supplies around 4,000 individual shops with HC, pocket books, audio, etc. According to almost all publishing experts in the physical segment, the specialist retailer segment is set to grow in the coming years because customers are increasingly purchasing books in grocery retail shops. Within the framework of the participation of Bastei Lübbe AG, BuchPartner is planning not only to increase its customer base, but also to offer other products to existing customers with the help of the extensive, and in particular digital, product portfolio of Bastei Lübbe AG.

Subsidiaries not consolidated

Bastei Lübbe also has shareholdings in the following companies not consolidated in the reporting period: Moravská Bastei MOBA, s.r.o., Brno (Czech Republic) (90% shareholding), Bastei Media GmbH, Erfurt (100% shareholding), as well as a 100% shareholding in Bastei International Limited in Hong Kong, a 25% shareholding in HPR Bild & Ton GmbH, Cologne, a 100% shareholding in Siebter Himmel Bastei Lübbe GmbH (a bookshop in Cologne), a 100% shareholding by BookRix GmbH & Co. KG in BookRix Verwaltungs GmbH, Munich, the *Komplementärin* [general partner] in BookRix GmbH & Co. KG, as well as a 75% shareholding in Daedalic Entertainment Studio West GmbH through Daedalic Entertainment GmbH, and a 50% shareholding in Bastei LLC, Santa Monica, California, USA, entered in the register of the competent court in Delaware. These companies are important neither individually nor together for the net assets, financial position and results of operations of Bastei Lübbe.

Bastei Lübbe AG also has smaller shareholdings in various book and press distribution companies; however, these are all less than 5% each.

General conditions

Macroeconomic conditions

In the reporting period from April to September 2016, overall global economic activity developed slower than originally expected. The cause of this was, amongst others, the weaker economic performance of the USA in the first half of 2016 and the Brexit vote.¹

The People's Republic of China also had an effect on global growth. According to figures published by the National Office for Statistics (NBS), GDP in China grew by 6.7 per cent in the second and third quarters of 2016 compared to the same periods the previous year.² In its Five-Year Plan from 2016 to 2020, the Communist government is aiming for annual growth of more than 6.5 per cent. This is the lowest target value for more than three decades.³ The government of the People's Republic of China is estimating growth of 6.5 to 7.0 per cent for 2016.⁴ The International Monetary Fund (IMF) is predicting a growth rate for China of 6.6 per cent in the coming year, at the lower end of the target range set by the Chinese government. Experts at the IMF are predicting a further decline in growth to 6.2 per cent for 2016. These weaker growth prospects, which are the result of the current re-alignment of the Chinese economy, moving away from a dependency on industry, exports and investments towards consumership and services, are leading to a long-term decline in foreign trade, which can also be observed

in lower import quotas.⁵

Despite positive exchange rates as a result of a weaker Euro, this could have an effect on opportunities for German exports. In fact, on the one hand, only a moderate growth in exports of goods and services in the amount of 2.3 per cent for the coming year and 2.1 per cent for 2017 is expected. On the other hand, Germany may benefit from lower prices on raw materials which support private consumerism as a growth driver for German economic activity.⁶

The mood of consumers in Germany worsened slightly overall in September 2016, clearly in expectation of a slower growing Germany economy in the coming months. The overall indicator of consumer climate by the Gesellschaft für Konsumforschung (GfK; Association for Consumer Research) is predicting 10.0 points for October, following 10.2 in September. Expectations regarding economic activity and income as well as the propensity to buy overall recorded a decline here, even though the expectations regarding income and the propensity to buy were able to maintain their high level. Expectations regarding economic activity are still above the long-term average despite the third period of decline in a row. The cause for the declining values in expectations of economic activity are, according to estimates of GfK researchers, the general uncertainty of consumers after Great Brit-

¹ International Monetary Fund (2016). World Economic Outlook: Subdued Demand: Symptoms and Remedies, S. xv, Washington, October.

² http://www.stats.gov.cn/english/PressRelease/201610/t20161019_1411211.html

³ http://english.gov.cn/news/top_news/2016/03/05/content_281475301641300.htm

⁴ http://english.gov.cn/news/top_news/2016/03/05/content_281475301862832.htm

⁵ International Monetary Fund (2016). World Economic Outlook: Subdued Demand: Symptoms and Remedies, S. 16 f., Washington, October.

⁶ <http://www.bmwi.de/DE/Presse/pressemitteilungen,did=785008.html>

ain's decision to leave the European Union, as well as the recognised threat of terror attacks in Germany. However, the consumer climate is stable and on a good level. GfK confirmed predictions for 2016, according to which a real increase in private consumer expenditure of 2.0 per cent was considered achievable.⁷

The German government, however, changed their expectations of the development of economic activity in their autumn statement compared to the spring statement. In 2016, financial performance should be slightly higher, with a slightly less pronounced increase in the coming year. An increase in GDP of 1.8 per cent, not 1.7 per cent as previously thought, is now expected for the coming year. For 2017, growth is expected to be only 1.4 per cent, not 1.5 per cent as originally expected.^{8,9} The German government established solid growth in a tough international financial market. Expenditure on combating the refugee crisis as well as low raw material prices and exchange rates also contributed accordingly to this relatively strong growth. The job market in Germany continued to develop positively, without being affected by the weak international financial market. As a result, consumers in Germany participated in the financial development with increasing employment and wages and stable prices.¹⁰

The positive trend of the Germany economy was also evident in the ifo business climate index with a renewed increase from 109.5 points in September to 110.5 in October. Compared to the estimations of consumers, businessmen were more satisfied with the current financial situation and have a positive outlook for the coming months of the current financial year. According to experts of the ifo Institute, this upward trend in Germany is picking up speed.¹¹

Industry environment

The Börsenverein des Deutschen Buchhandels [Exchange Association of the German Book Trade] has still not published any data on the monthly development of the book market due to contract negotiations between market research and book trade companies – stationary **book trade**, railway station book trade, e-commerce and shopping centres. The market research company Media Control has similarly not published any information beyond those figures reported in the financial report 2015/2016 of Bastei Lübbe regarding book market development in the first half of 2016.^{12,13}

The fact that the Frankfurt Book Fair 2016 registered an increase of 1.3 per cent in specialist visitors was evidence that the book industry can look forward to a positive overall year for 2016. The Frankfurt Book Fair is the world's most important trade platform for intellectual property. The new record for negotiations of rights held during the course of the book fair was evidence of the important role intellectual property and rights play for the global media industry. For example, around 700 literary agents from 300 agencies held discussions and negotiations of rights at 460 tables, each lasting just half an hour, with some 50 per cent of literary agents coming from the English-speaking world and 15 per cent from Germany.¹⁴

According to the consulting firm PricewaterhouseCoopers (PwC), the book market in Germany is exhibiting robust development when compared to the global market. The increase in turnover from eBooks will compensate for the foreseeably downward trend on print markets across all segments to a great extent. Nevertheless, the German book market is expected to decline from 9.19 billion euros in 2016 to a total turnover of 8.71 billion euros by 2020.¹⁵

⁷ <http://www.gfk.com/de/insights/press-release/konsumklima-brexite-und-terrorgefahr-druecken-auf-die-stimmung/>

⁸ <http://www.bmwi.de/DE/Themen/Wirtschaft/Konjunktur-und-Statistiken/projektionen,did=385026.html>

⁹ <http://www.bmwi.de/DE/Themen/Wirtschaft/Konjunktur-und-Statistiken/Projektionen/archiv,did=785044.html>

¹⁰ <http://www.bmwi.de/DE/Presse/pressemitteilungen,did=785008.html>

¹¹ <http://www.cesifo-group.de/de/ifoHome/facts/Survey-Results/Business-Climate/Geschaeftsklima-Archiv/2016/Geschaeftsklima-20161025.html>

¹² <http://www.boersenverein.de/1090567/>

¹³ <http://www.media-control.de/media-control-buchverkauf-im-1.-halbjahr-2016-bleibt-stabil.html?page=2>

¹⁴ <http://buchmesse.de/fbmsite/de/fbm/presse/pressemitteilungen/03129/>

¹⁵ <https://outlook.pwc.de/outlooks/2016-2020/buchmarkt/>

Development on the book market is increasingly characterised by the advance in digitalisation. Accordingly, Bastei Lübbe AG has been allocating the areas of eBooks, audio and gaming to the new “digital” segment since the financial year 2015/2016.

According to the Börsenverein des Deutschen Buchhandels, sales of **eBooks** (excluding schoolbooks and textbooks) increased by 2.7 per cent in the first six months of 2016 compared to the same period the previous year. This shows that eBooks are continuing to establish themselves. At the same time, the average retail price fell and turnover decreased, despite higher sales figures, by 1.4 per cent in the first half of the year; this is primarily down to the rapidly increasing number of extremely good value self-publishing offers. Nevertheless, the number of eBook buyers remained constant compared to the same period the previous year: from January to June 2016, a total of 2.9 million customers purchased as least one eBook. Repeat purchasers of eBooks bought on average 4.9 eBooks from the public segment. This is an increase of 2.5 per cent per user compared to the first half of 2015.¹⁶

The continuing trend of digitalisation in the media industry also has effects on the turnover volumes and revenue structures of Bastei Lübbe. Therefore, Bastei Lübbe is continuously expanding its digital segment with the self-publishing platform BookRix or the beta version of the innovative streaming portal “oolipo”.

The games industry, which is also relevant for Bastei Lübbe, has further increased in significance during the first half of 2016. The market for computer and video games as a whole increased by 10 per cent from 884 million euros in the first six months of 2015 to 971 million euros. According to the Bundesverband Interaktive Unterhaltungssoftware (BIU; Federal Association of Interactive Entertainment Software), the market for computer and video games

developed outstandingly well and left all other culture and media markets in Germany behind it with its dynamism. Turnover from subscriptions in the computer and games segment also increased disproportionately by 26 per cent. Whilst turnover from subscriptions totalled 65 million euros in the first half of 2015, this figure increased to 82 million euros in the first half of 2016 alone. Turnover from virtual goods and additional content also grew particularly strongly once more, from 264 million euros to 317 million euros, an increase of 20 per cent.¹⁷

Computer and video games played an important role at the Frankfurt Book Fair. Therefore, the “A Book is a Film is a Game” event aimed to promote a greater dialogue beyond the boundaries of individual media. Similarly to the previous year, computer and video games also received applause at the 2016 Frankfurt Book Fair. “Die Säulen der Erde” is to be put on the market in 2017 as the first official game to be based on a novel by British global bestseller Ken Follett. It is being developed by Daedalic Entertainment, an investment of Bastei Lübbe AG. The dialogue between the book and games segments at both gamescom and the Frankfurt Book Fair is an annual event.¹⁸

According to the Branchenverband der Digital Wirtschaft in Deutschland bitkom [Industry Association of the Digital Economy in Germany], around 24 per cent of readers in Germany use digital books. The number of eBook readers as a percentage of the overall population has therefore remained more or less constant compared to both previous years, despite innovative usage models and an increased availability of mobile reading devices. The streaming of books, however, is increasing in significance. Around 13 per cent of eBook readers use streaming services.¹⁹ Due to the more limited price benefits of eBooks compared to printed books, because of the price fixing of books compared to other countries, there is still more

¹⁶ http://www.boersenverein.de/de/portal/Presse/158382?presse_id=1231235

¹⁷ <https://www.biu-online.de/2016/09/08/deutscher-markt-fuer-computer-und-videospiele-waechst-im-ersten-halb-jahr-um-10-prozent/>

¹⁸ <https://www.biu-online.de/2016/10/18/frankfurter-buchmesse-games-und-buchbranche-im-dialog/>

¹⁹ <https://www.bitkom.org/Presse/Presseinformation/Nutzung-von-E-Books-bleibt-stabil.html>

potential for growth in the area of streaming services.²⁰ Add to this the fact that eBooks are disadvantaged by tax. For example, VAT for eBooks is 19 per cent, whilst for printed books it is the much lower rate of 7 per cent. This also opens up potential for streaming. eBook readers are the preferred reading device, with a share of 46 per cent. Nevertheless, 41 per cent of readers are already reading eBooks on their smartphones, and 24 per cent on their tablets. According to bitkom, the market for eBooks needs new impetus from publishing houses in order to break down the obstacles to use. The experts at bitkom see the future in user-friendly, interactive applications such as oolipo from Bastei Lübbe with functions which a reader device cannot offer. Publishers who are in the position to structure content and prepare this for target groups will, according to bitkom, have an invaluable advantage.²² Although a subsidisation of devices with content is already taking place in the eBook reader segment, more stable payment flows can be counted on with long-term contracts such as mobile phone contracts and eBook streaming services. Therefore, streaming services offer mobile phone providers an additional offer for customers in terms of subsidising mobile telephones, and offer additional sources of revenue to streaming services.²²

On the **“novel booklets and puzzles”** market, the trend was overall stable, compared to the decreasing turnover figures for general interest magazines at -0.1 per cent.²³ The reason for this is the increase in titles by 2.7 per cent as well as an increase in expenditure of 4.9 per cent. This growth in turnover of 3.3 per cent resulted from an increase in copy prices in the novel booklets segment in particular. Turnover from puzzles fell by -1.4 per cent across the segment compared to the same period in 2015. With various titles in the category “Puzzles with general parent object”, Bastei Lübbe was able to benefit from the

highest targeted growth (15 per cent) in the novel booklets and puzzles segment.²⁴ Turnover from press is decreasing less quickly than in the past, even if no change in this trend is foreseeable. The persistent expansion offensive of the publishing houses is therefore recording successes which counteract the media revolution.²⁵

The gifts and home accessories which are distributed under the “Räder” label are listed in the **“non-book** segment. The trend in turnover is affected by the seasons, and records peak values in the spring, with Easter business, and in winter with Christmas business. For example, the market for gift items tended to exhibit a declining trend in the first half of 2016/2017 according to general industry opinion (reliable, representative turnover figures are not gathered from anywhere other than the book market); in particular the international trade fairs in Frankfurt, but also regional sales fairs, have had to deal with a decrease in specialist visitor numbers. Räder, on the other hand, was able to record pleasingly positive developments against the tide; this was the result on the one hand of the collections, and on the other of strengthened marketing activities abroad and at home. For example, turnover from trade fairs rose by 16 per cent in total despite a decrease in visitor numbers. The half-year turnover of Räder increased from 7.3 million euros to 8.16 million euros (increase of 12 per cent). The export share made up 10.6 per cent, an increase of 47 per cent compared to the previous year. The highest increase in turnover was achieved in France and Great Britain. It was very pleasing that we were able to gain a sales representative in Sweden, which will lead to further growth in turnover in 2017.

The greatest increase in turnover was achieved in the gifts and home accessories segments, although book trade also recorded positive results.

²⁰ <http://boerse.ard.de/anlagestrategie/branchen/das-buch-ist-noch-nicht-tot100-print.html>

²¹ <https://www.bitkom.org/Presse/Presseinformation/Nutzung-von-E-Books-bleibt-stabil.html>

²² <http://www.lesen.net/ebook-news/mit-1-euro-lesegeraet-neue-ebook-flatrate-von-legimi-30195/>

²³ http://www.presse-report.de/_rubric/detail.php?rubric=News&nr=18187

²⁴ Pressegrasso DataWarehouse

²⁵ http://www.presse-report.de/mod_search/index.php?action=search&rubric=&q=thermomix

Bastei Lübbe on the capital market

The price development of Bastei Lübbe's shares

In the first half of the financial year 2016/2017, the European stock markets were still largely recording negative results. Developing countries, on the other hand, recorded a positive development from April to September 2016. Nevertheless, the so-called short legs of political exchanges displayed themselves during the reporting period. The stock markets dealt with the decision of the British public to leave the European Union quickly and shook off the resulting uncertainties.

The German leading index DAX accordingly recorded an increase of 6.9 per cent to 10,551.0 points as at 30 September 2016 during the period from April to September 2016. The Euro Stoxx 50 increased in the same period by 0.6 per cent to 3,002.24 points. The price losses incurred at the start of the year due to poor financial data and persistently low raw material prices thus continued into February. After the Brexit referendum however, the German shares index DAX was able to compensate for a large portion of losses over the summer months.

The shares of Bastei Lübbe were not able to mirror this trend on the share markets and lost 23.6 per cent market value in the period from April to September. The traditionally weak first quarter in the book industry, as well as the countless press reports associated with the change to the group of consolidated companies, had a negative effect on the market trend. On 1 April 2016, the share certificates were opened with a trading price of 7.43 euros and closed on 30 September 2016 with a trading price of 5.68 euros. The shares marked their 6-month high of 7.97 euros on 1 June 2016, whilst their low-point in the first half of 2016/2017 came on 21 September 2016 at 5.17 euros. In the reporting period from 1 April to 30 September 2016, the average daily volume in the Xetra segment and in Frankfurt with shares of Bastei Lübbe AG totalled 17,305 shares, following 24,606 shares in the same period of the previous year. Based on 13,300,000 shares and a closing price of 5.68 euros, Bastei Lübbe

AG's market capitalisation as at 30 September 2016 stood at 75.5 million euros. On the balance sheet cut-off date on 31 March 2016, market capitalisation of 97.2 million euros were posted with the same number of outstanding shares and a closing price of 7.31 euros (all figures based on Xetra prices). As a designated sponsor, Oddo Seydler Bank AG is continuing to provide binding ask and bid prices for trade on Xetra and is supporting the corresponding fungibility of the shares by means of a narrow price margin and appropriate liquidity.

Shareholding structure

The shareholder structure changed in the reporting period from April to September and is now as follows: The largest shareholder in Bastei Lübbe AG is still Birgit Lübbe with a voting rights share of 33.09 per cent. Allianz SE holds 9.77 per cent of shares in the company. 9.02 per cent of voting rights are allocated to the Roggen family, and 3.01 per cent to Larissa Juliana Zang. Lazard Freres Gestion S.A.S. holds 3.07 per cent of shares. On 8 September 2016, one of the world's largest asset management firms, the French Natixis Asset Management, declared its acquisition of 3.04 per cent of shares in Bastei Lübbe AG. The Executive Board and the Supervisory Board have a 2.51% stake in the share capital. 36.49% of shares are in free float.

Annual General Meeting and Dividends

On 30 November 2016, the Management Board informed shareholders at the ordinary Annual General Meeting of the events of the financial year 2015/2016 and answered their questions. Due to the change in the consolidated annual financial statements, the ordinary Annual General Meeting cannot be held as planned on 15 September 2016. For this reason, the Board of Directors will cancel the Annual General Meeting convened for 15 September 2016 and will convene a new Annual General Meeting for 30 November 2016 in accordance with statutory formalities and time limits. More information on the Annual

General Meeting can be downloaded from the homepage of Bastei Lübbe AG at <https://www.luebbe.com> under Investor Relations / Annual General Meeting.

Bastei Lübbe AG is still pursuing the aim of a dividend policy aimed at continuity in order that the shareholders can benefit from the success of the company with an appropriate share in the annual distributable surplus. Compatibility with the long-term and sustainable development of business is a necessary pre-requisite for the paying out of dividends in this case.

A temporary reduction in dividends will take into account the strategic claim of a value-oriented company that shareholders can continuously and appropriately participate in the success of the company. At the same time, we will not lose sight of the aim of achieving the financial targets of Bastei Lübbe AG by making promising investments in future-proof developments.

The Executive Board and the Supervisory Board will therefore propose at the Annual General Meeting on 30 November 2016 that a dividend of 0.10 euros per share be paid out. Taking the company's own shares that are not entitled to dividend payments into account, this represents a payout of 1.32 million euros. The Bastei Lübbe AG 2015/2016 annual financial statements under commercial law, on which the resolution on the dividends to be paid out is to be based, show a net profit of 2.51 million euros. The remaining amount of 1.19 million euros will be carried forward to the next accounting period.

Investor relations

In the first half of 2016/2017, the Executive Board of Bastei Lübbe AG made presentations at various road-shows and in discussions with editorial staff from financial and economic media outlets. Management interviews on current company developments explained the situation during the reporting period to the public from the perspective of Bastei Lübbe AG.

Bastei Lübbe AG shares are listed in the strictly-regulated Prime Standard of the Frankfurt Stock Exchange and satisfy all important publicity and transparency standards. In the current financial year, too, Bastei Lübbe will continue its targeted communication and open dialogue with participants on the capital market in order to provide comprehensive and timely information on important developments at the company. Potential investors can obtain further information from the Investor Relations section of the homepage at <http://www.luebbe.com/investor-relations/startseite-investor-relations>.

Analyst research

The shares of Bastei Lübbe AG are continuously analysed and evaluated by renowned banking institutes and researchers specialized in the German stock market such as Oddo Seydler Bank AG and Warburg Research. In their current study on the development of the course of business and perspectives of Bastei Lübbe AG, the analysts confirmed their recommendations to purchase Bastei Lübbe shares and updated their stock price target to 10.40 euros. This corresponds to a stock potential of up to 83 per cent (closing price as at 30 September 2016: 5.68 euros). The full research studies are available for download on Bastei Lübbe AG's homepage at <http://www.luebbe.de/investor-relations/die-aktie/research>.

Total number of shares:	13,300,000 (no-par-value shares)
Amount of share capital:	€13,300,000.00
ISIN:	DE000A1X3YY0
WKN:	A1X 3YY
Abbreviation:	BST
Stock exchange:	Frankfurt Stock Exchange
Market segment:	Regulated market (Prime Standard)
Designated sponsor	Oddo Seydler Bank AG

Business and financial performance

1. Overall appraisal of the reporting period

Bastei Lübbe attained group revenue of 68.0 million euros in the first six months of the 2016/2017 financial year compared to 47.5 million euros in the same period of the previous year. In terms of group revenue, Bastei Lübbe AG accounts for 45.6 million euros (42.9 million euros in the previous year), BuchPartner GmbH for 19.2 million euros (not consolidated in previous year), Daedalic Entertainment GmbH for 3.4 million euros (3.3 million euros in the previous year), oolipo AG for 0 million euros (0.2 million euros in the previous year), BookRix GmbH & Co, KG for 1.1 million euros (1.2 million euros in the previous year) and BEAM Shop GmbH for 0.2 million euros (0 euros in previous year, only founded in September 2015). Turnover revenue in the amount of 1.5 million euros (previous year 0.2 million euros) was to be consolidated between the group companies. Consolidated turnover was about 43 per cent greater than in the same period the previous year, which is essentially the result of the consolidation of BuchPartner GmbH. The Executive Board of Bastei Lübbe AG resolved on 23 August 2016 to amend the consolidated annual financial statement published on 29 June 2016 for the financial year 2015/2016. This step became necessary due to the re-evaluation of the relationship with British investor Blue Sky Tech Ventures Limited, London (hereinafter: "Blue Sky"). Therefore, the previous year's figures also had to be adjusted in the present consolidat-

ed interim financial statement as at 30 September 2016.

The changes to the consolidated balance sheet as at 30 September 2015 are essentially based on assets and liabilities of oolipo AG and Daedalic Entertainment GmbH, both of which are now fully consolidated. Moreover, the net profit was essentially reduced to account for revenue from the at-equity sale and transitional consolidation of oolipo AG as at 31 March 2015 (profit carried forward) and Daedalic Entertainment GmbH as at 17 September 2015 (period profit). The changes to the consolidated balance sheet, the consolidated statement of income and accumulated earn, consolidated equity change statement, and consolidated cash flow statement as at 30 September 2015 or for the period from 1 April to 30 September 2015 are explained in detail under Point 4 of the "Abbreviated Annex".

The consolidated EBITDA improved in the first six months of the financial year 2016/2017 from 1.2 million euros in the same period the previous year to 4.1 million euros, whilst consolidated EBIT increased from -0.6 million euros to 1.9 million euros and period profit from -1.7 million euros to 0.7 million euros compared to the same period the previous year in each case. The figures from the same period the previous year are those figures amended for the aforementioned reasons.

As at 30 September 2016, Bastei Lübbe had 635 employees in the group (previous year: 421 employees).

Consolidated profit and loss account, 1 April to 30 September 2016

(KEUR)	1 April-30 September 2016	1 April-30 September 2015	Change
Sales revenue	67,961	47,463	20,498
Changes in inventory	3,933	582	3,351
Other operating income	899	343	556
Cost of materials	-37,083	-22,081	-15,002
Personnel costs	-15,623	-12,095	-3,528
Other operating expenses	-16,367	-13,338	-3,029
Result from at-equity accounted investments	0	31	-31
Other earnings from investments	335	301	34
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	4,055	1,206	2,849
Amortisations	-2,135	-1,813	-322
Earnings before interest and taxes (EBIT)	1,920	-607	2,527
Financial result	-1,541	-1,124	-417
Earnings before taxes (EBT)	379	-1,731	2,110
Taxes on income and earnings	365	48	317
Net profit or loss for the period	744	-1,683	2,427
Of which attributable to:			
Shareholders of Bastei Lübbe AG	1,134	-1,693	2,827
Equity capital shares of non-controlling shareholders	-390	10	-400
	744	-1,683	2,427

2. Sales trend

In the period from 1 April 2016 to 30 September 2016, Bastei Lübbe achieved group revenue of 68.0 million euros (previous year: 47.5 million euros). 45.6 million euros in turnover came from Bastei Lübbe AG, 19.2 million euros from BuchPartner GmbH, 3.4 million euros from Daedalic Entertainment GmbH, 1.1 million euros from BookRix GmbH & Co. KG, 0 euros from oolipo AG and 0.2 million euros from BEAM Shop GmbH. Turnover revenue in the amount of 1.5 million euros was to be consolidated between the group companies. Turnover was therefore 20.5 million (or 43 per cent) higher than in the same period the previous year, which was the result on the one hand of slightly higher turnover overall, but predominantly of the consolidation of BuchPartner GmbH.

The segments (books, digital, non-books, novel booklets and puzzle magazines, and retail) developed as follows:

Turnover in the book segment remained unchanged at 20.8 million euros following 20.8 million euros in the same period the previous year. Turnover in the digital segment rose to 15.1 million euros, following 13.5 million euros the previous year, turnover in the non-book segment increased to 9.3 million euros, following 8.3 million euros the previous year, turnover in the novel booklets and puzzle magazines segment rose to 5.0 million euros, following 4.8 million euros the previous year, and turnover in the retail segment rose to 19.2 million euros (not yet consolidated in previous year). 1.4 million euros in turnover was to be consolidated independently of segments with BuchPartner GmbH (retail segment) which was not yet consolidated in the previous year. Turnover in the book segment has remained constant whilst it has risen in all other segments. This is overall a pleasing trend.

Segment sales 1 April to 30 September 2016

	01/04/2016 - 30/09/2016		1 April-30 September 2015		Change in €k
	in €k	in %	in €k	in %	
Books	20,803	31%	20,818	44%	-15
- of which hardback	5,183	8%	4,793	7%	390
- of which paperback	11,894	18%	11,482	17 per cent	412
- of which children's and young adults' books	3,726	5 per cent	4,543	7%	-817
Digital	15,098	22%	13,508	28%	1,590
- of which entertainment (digital media)	6,608	10%	5,022	7%	1,586
- of which audio	3,859	6%	3,962	6%	-103
- of which Daedalic	3,402	5 per cent	3,335	5 per cent	67
- of which BookRix	1,069	2%	1,169	2%	-100
- of which Beam Shop	160	0%	20	0%	140
Non-books	9,314	14%	8,324	18%	990
- of which Räder	9,314	14%	8,324	12%	990
Novel booklets and puzzle magazines	4,959	7%	4,813	10%	146
- of which novel booklets	3,549	5 per cent	3,590	5 per cent	-41
- of which puzzle magazines	1,410	2%	1,223	2%	187
Retail	19,177	28%	0	0%	19,177
- of which BuchPartner	19,177	28%	0	0%	19,177
Consolidated turnover across segments	-1,390	-2%	0	0%	-1,390
Total	67,961	100%	47,463	100%	20,498

3. Development of costs

Material costs rose from 22.1 million euros in the previous year to 37.1 million euros in the reporting period. This increase can be traced back in particular to the material costs of the "retail" segment (BuchPartner GmbH) and is the result in particular of the increase in "costs for raw materials, consumables and supplies, and for purchased merchandise" from 0.1 million as at 30 September 2015 to 11.6 million euros as at 30 September 2016.

Personnel expenditure rose from €12.1 million in the previous year to €15.6 million. Other operating expenditure rose from €13.3 million in the previous year to €16.4 million. The increase in both of these cost positions also resulted overwhelmingly from the consolidation of BuchPartner GmbH.

4. Development of earnings

In the reporting period from 1 April 2016 to 30 September 2016, the Bastei Lübbe Group achieved earnings before interest, taxes, depreciation and amortisation (EBITDA) of 4.1 million euros. Profit in the previous year was 1.2 million euros. The EBIT in the reporting period was 1.9 million euros, following -0.6 million euros in the previous year, whilst the profit for the period was 0.7 million euros following -1.7 million euros the previous year.

The individual segments contributed to profit as follows:

The EBITDA in the "book" segment was 1.5 million euros in the reporting period, following 0.5 million euros in the previous year. The EBITDA in the "digital" segment was 0.7 million euros, following -0.6 million euros in the

previous year. The EBITDA of the “non-book” segment was 1.5 million euros in the reporting period, following 0.4 million euros the previous year, that of the “novel booklets and puzzle magazines” 1.0 million euros, following 0.9 million euros the previous year, and that of the “retail segment” -0.4 million euros (segment did not exist in previous year). The negative EBITDA of the “retail” segment is the result of the partial use of inventories evaluated within the framework of purchase price allocation, amongst others.

The negative financial result, that is effectively the result of interest expenditure on loans, was slightly higher than in the same period the previous year at -1.5 million euros (previous year: -1.1 million euros). This was the result of higher interest expenditure related to the financing of the acquisition of the majority participation in BuchPartner GmbH and the acquisition of the label “LYX”.

The profit for the period was 0.7 million euros, following -1.7 million euros in the previous year.

Assets and financial position

1. Overall appraisal of the reporting period

The balance sheet total rose during the reporting period, in particular as a result of the acquisition of BuchPartner GmbH, from 111.8 million euros as at 31 March 2016 to 159.5 million euros as at 30 September 2016. Cash flow

from operating activities was -2.0 million euros in the reporting period, compared to -3.4 million euros in the same period the previous year. The negative cash flow is still predominantly the result of the high commitment of funds in the inventory of pre-paid royalties and inventory stocks.

2. Assets position

Balance sheet as at 30 September 2016

(KEUR)	30 September 2016	31 March 2016	Change
Long-term assets	86,229	66,671	19,558
Current assets	73,255	45,108	28,147
Total assets	159,484	111,779	47,705
Equity	54,597	49,680	4,917
Non-current liabilities	21,823	4,770	17,053
Current liabilities	83,064	57,329	25,735
Total liabilities	159,484	111,779	47,705

The balance sheet total of Bastei Lübbe AG rose by 47.7 million euros compared to the total as at 31 March 2016. This increase was the result in particular of the first-time consolidation of BuchPartner GmbH.

The **long-term assets** increased from 66.7 million euros to 86.2 million euros. This is the result not just of the receipts from BuchPartner GmbH but also in particular of

an increase in the inventory of pre-paid author royalties. Intangible assets totalled 41.1 million euros as at the cut-off date, following 32.0 million euros as at 31 March 2016. This increase is essentially based on the goodwill achieved from the acquisition of BuchPartner GmbH as well as investments in computer games developed by Daedalic Entertainment GmbH. The inventory of pre-paid

royalties increased from 26.9 million euros to 34.7 million euros. This increase is essentially the result of the purchase of blockbuster titles for the next financial year.

The **short-term assets** also rose significantly from 45.1 million euros as at 31 March 2016 to 73.3 million euros at 30 September 2016. The inventory stock rose from 20.3 million euros to 39.7 million euros, and trade receivables rose from 18.3 million euros as at 31 March 2016 to 27.3 million euros as at 30 September 2016. These changes are also largely the result of the initial consolidation of BuchPartner GmbH.

The **equity** without non-controlling shareholders increased from 46.6 million euros as at 31 March 2016 to 48.1 million euros as at 30 September 2016.

The **debts** rose from 62.1 million euros as at 31 March 2016 to 104.9 million euros as at 30 September 2016. The **long-term debts** increased from 4.8 million euros as at 31 March 2016 to 21.8 million euros as at 30 September 2016, whilst **short-term debts** rose from 57.3 million euros to 83.1 million euros. The increase in long-term debts is the result of the long-term portion of those loans which Bastei Lübbe AG has taken out above all for the purposes of acquiring BuchPartner GmbH and the LYX label. The increase in short-term debts is the result, on the one hand, of the consolidation of BuchPartner GmbH, and on the other of the short-term portion of the recapitalisation of Bastei

Lübbe AG, in particular that associated with the aforementioned acquisitions of BuchPartner GmbH and LYX.

The short-term financial liabilities totalled 50.9 million euros as at 30 September 2016, following 34.8 million euros as at 31 March 2016. This increase is based, on the one hand, on the initial consolidation of BuchPartner GmbH, but also on further financing operations concerning Daedalic Entertainment GmbH and Bastei Lübbe AG (see above). Trade liabilities increased from 12.0 million euros as at 31 March 2016 to 21.1 million euros, which was also a result in particular of the initial consolidation of BuchPartner GmbH.

3. Financial position

Financial resources developed positively compared to the previous period, totalling 2.4 million euros, after 0.6 million euros as at 31 March 2016. More information can be found in the consolidated cash flow statement.

The liquidity of the group is assured for the coming years thanks to the conclusion of the syndicated loan agreement with the firm's banks. In relation to the change to the balance sheet as at 31 March 2016, the syndicated loan agreement was once again explicitly confirmed by the financing banks. Given the positive Christmas period that is expected, financial resources will continue to grow until the end of the current financial year.

Opportunity and risk report

The opportunities and risks of Bastei Lübbe AG's business are continuously assessed, and are presented in detail in the Management Report of Bastei Lübbe AG for the financial year 2015/2016.

Significant events after the end of the intermediate reporting period

Bastei Lübbe AG had to pay back loans issued to it in excess of 30 million euros plus interest on 26 October 2016. In order to ensure sufficient liquidity, the consortium loan in excess of 53.0 million euros total already mentioned has been concluded. Triggered by the subsequent amendment to the consolidated annual financial statement, the consortium banks were entitled to terminate the consortium credit agreement extraordinarily. With their written communication of 14 October 2016, the banks declared their intent to forego the exercising of this right.

Universal Investment GmbH, Frankfurt am Main, Germany informed us on 15 November 2016 in accordance with Section 21(1) of the Securities Trading Act (WpHG) that its share in the voting rights of Bastei Lübbe AG, Cologne, Germany, had exceeded the threshold of 3 percent of the voting shares on 9 November 2016 and amounted to 3.04 percent on this date (corresponding to 403,884 voting shares).

By way of a purchase agreement of 24/11/2016, Bastei Lübbe AG has sold the non-book segment, i.e. in concrete terms the Räder brand, the inventory stocks, etc., to Räder GmbH. The entire separable part of business operations under Räder (gift item manufacturer) was sold. The purchase price of the asset deal is 14.1 million euros. Bastei Lübbe AG is involved in the acquiring company, Räder GmbH, with a 20 per cent share of the total of 2 million euros in share capital. All employees allocated to the Räder business segment have been transitioned to Käufer GmbH. The cut-off date for the purchase agreement and the transition is 01/01/2017. Receivables and liabilities up until 01/01/2017 shall remain with Bastei Lübbe AG, after which time they shall be borne by Räder GmbH. Other costs shall be demarcated as at 31/12/2016. The profit expected according to IFRS is approximately 2.5 million euros. However, this depends on the development of the stock-in-trade as at 31/12/2016. The agreement is currently subject to two suspensive conditions.

No other events which require disclosure here occurred after 30 September 2016.

Outlook

Seasonal business, which is significant for Bastei Lübbe, has started well. Bastei Lübbe AG is well represented in the fiction segment this year with the new novel by Cody McFadyen "Die Stille vor dem Tod". The debut novel of Charlotte Lucas "Dein perfektes Jahr" is also developing positively. Finally, in the last few days, the 11th instalment of "Gregs Tagebuch – Alles Käse" by Jeff Kinney has been released. The "non-book" segment, i.e. Räder, is also developing very pleasingly and is significantly exceeding expectations.

Cologne, 21 November 2016

Bastei Lübbe AG

Executive Board



Thomas Schierack



Klaus Kluge

A blue-tinted photograph of a wire mesh basket floating in water. The basket is positioned in the upper center of the frame. The water surface is covered with numerous concentric ripples of varying sizes, suggesting a recent rain shower. The lighting is soft, creating a calm and somewhat somber atmosphere. The background is dark, making the blue tones of the water and the metallic sheen of the basket stand out.

Consolidated interim financial statements

Consolidated statement of income of Bastei Lübbe AG, Cologne, for the period from 1 April to 30 September 2016

(KEUR)	1 half of the year 1 April-30 September 2016	1 half of the year 1 April-30 September 2015	Change	2. quarter 1 July-30 September 2016	2. quarter 1 July-30 September 2015	Change
Sales revenue	67,961	47,463	20,498	39,326	26,701	12,625
Change in inventories of finished goods and work in progress	3,933	582	3,351	1,800	1,570	230
Other operating income	899	343	556	174	169	5
Cost of materials						
a) Cost of raw materials and supplies and goods purchased for resale	-11,595	-114	-11,481	-6,581	-54	-6,527
b) Expenses for purchased services	-16,811	-13,117	-3,694	-8,744	-7,602	-1,142
c) Expenses for fees and depreciation to authoring licences	-8,677	-8,850	173	-4,754	-5,057	303
	-37,083	-22,081	-15,002	-20,079	-12,713	-7,366
Personnel costs						
a) Wages and salaries	-13,205	-10,383	-2,822	-6,726	-5,363	-1,363
b) Social security contributions and expenses for pensions and benefits	-2,418	-1,712	-706	-1,183	-817	-366
	-15,623	-12,095	-3,528	-7,909	-6,180	-1,729
Other operating expenses	-16,367	-13,338	-3,029	-8,541	-8,027	-514
Result from at-equity accounted investments	0	31	-31	0	-11	11
Other earnings from investments	335	301	34	291	283	8
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	4,055	1,206	2,849	5,062	1,792	3,270
Amortisations	-2,135	-1,813	-322	-1,094	-938	-156
Earnings before interest and taxes (EBIT)	1,920	-607	2,527	3,968	854	3,114
Financial result	-1,541	-1,124	-86	-1,054	-565	-86
Earnings before taxes (EBT)	379	-1,731	2,110	2,914	289	2,625
Taxes on income and earnings	365	48	317	-319	-193	-126
Net profit or loss for the period	744	-1,683	2,427	2,595	96	2,499
Other profit/loss	0	0	0	0	0	0
Total earnings	744	-1,683	2,427	2,595	96	2,499
Of which attributable to:						
Shareholders of Bastei Lübbe AG	1,134	-1,693	2,827	2,827	171	2,656
Equity capital shares of non-controlling shareholders	-390	10	-400	-232	-75	-157
	744	-1,683	2,427	2,595	96	2,499
Profit per share (undiluted = diluted) (with reference to the net period earnings attributable to shareholders of Bastei Lübbe AG)	0.09	-0.13		0.21	0.01	

Consolidated Balance Sheet of Bastei Lübbe AG, Cologne, as at 30 September 2016

(KEUR)	30 September 2016	31 March 2016	Change
Long-term assets			
Intangible assets	41,126	32,035	9,091
Inventory of pre-paid royalties	34,707	26,904	7,803
Tangible assets	4,163	3,207	956
Financial investments	2,030	1,454	576
Trade receivables	1,277	1,069	208
Deferred tax claims	2,926	2,002	924
	86,229	66,671	19,558
Current assets			
Inventories	39,740	20,341	19,399
Trade receivables	27,254	18,269	8,985
Financial assets	1,647	4,575	-2,928
Income tax receivables	260	0	260
Other receivables and assets	1,942	1,330	612
Cash and cash equivalents	2,412	593	1,819
	73,255	45,108	28,147
Total assets	159,484	111,779	47,705
Equity			
Share of equity attributable to parent company shareholders:			
Subscribed capital	13,200	13,200	0
Capital reserves	26,498	26,082	416
Net profit	8,411	7,276	1,135
	48,109	46,558	1,551
Equity capital shares of non-controlling shareholders	6,488	3,122	3,366
Total equity	54,597	49,680	4,917
Long-term liabilities			
Provisions	114	131	-17
Deferred tax liabilities	2,755	2,286	469
Financial liabilities	16,787	0	16,787
Other liabilities	2,167	2,353	-186
	21,823	4,770	17,053
Current liabilities			
Financial liabilities	50,863	34,755	16,108
Trade payables	21,140	11,968	9,172
Income tax liabilities	2,670	2,513	157
Provisions	6,173	6,628	-455
Other liabilities	2,218	1,465	753
	83,064	57,329	25,735
Total debts	104,887	62,099	42,788
Total liabilities	159,484	111,779	47,705

Consolidated statement of change in equity of Bastei Lübbe AG, Cologne, for the interim financial statements as at 30 September 2016

	Parent company				Shares of non-controlling shareholders	
	Subscribed share capital KEUR	Capital reserves KEUR	Net profit KEUR	accumulated Other profit/loss KEUR	Equity KEUR	Equity KEUR
As of 1 April 2015	13,200	25,871	11,746	-37	50,780	2,641
Dividends paid			-3,960		-3,960	0
Transfer of shares held	0	1			1	0
Other changes			1		1	-1
Net profit or loss for the period			-1,693		-1,693	10
Amounts recognised directly in equity					0	0
Total earnings			-1,693	0	-1,693	10
As at 30 September 2015	13,200	25,872	6,094	-37	45,129	2,650
As at 1 April 2016	13,200	26,082	7,276	0	46,558	3,122
Changes in the group of consolidated companies					0	3,273
Sale of non-controlling shares without change of control		416			416	483
Other changes			1		1	0
Net profit or loss for the period			1,134		1,134	-390
Amounts recognised directly in equity					0	0
Total earnings			1,134	0	1,134	-390
As at 30 September 2016	13,200	26,498	8,411	0	48,109	6,488

Consolidated cash flow statement of Bastei Lübbe AG, Cologne, for the interim annual financial statement as at 30 September 2016

	1 April - 30 September 2016 KEUR	1 April - 30 September 2015 KEUR
Net profit or loss for the period	744	-1,683
+/- Depreciation/appreciation of intangible assets and fixed assets	2,135	1,813
+/- Other non-cash expenses/income	1,356	1,116
+/- Increase/decrease in provisions	-476	-440
-/+ Profit/loss from the disposal of intangible assets and fixed assets	0	-3
+ Loss from disposal of at-equity accounted investments	0	1,375
-/+ Increase/decrease in income tax receivables and liabilities incl. deferred assets and liabilities	tax -1,314	-522
-/+ Increase/decrease in stocks, trade receivables and with investment or financing activities	other assets not associated -3,652	-6,624
+/- Increase/decrease in trade liabilities and other liabilities or financing activities	not allocated to investment -778	1,611
Cash flow from current business activities	-1,985	-3,357
+ Payments received from divestiture of intangible assets	3	0
- Outflow of funds for investments in intangible assets	-3,318	-4,079
+ Income from the disposal of fixed assets	97	4
- Outflow of funds for investments in fixed assets	-512	-264
+ Income from the disposal of financial assets	28	400
- Outflow of funds for investments in financial assets	-603	0
- Outflow of funds for the acquisition of consolidated companies, less equivalents acquired in the course of the acquisition	cash or cash -10,195	0
- Payments for the acquisition of other business entities	-5,437	0
Cash flow from investment activities	-19,937	-3,939
+ Incoming payments from the sale of non-controlling shares	900	0
- Disbursements to shareholders (dividends)	0	-3,960
+ Proceeds from the issuance of bonds and obtaining (financial) credit	28,798	0
- Outflow of funds for the repayment of bonds and (financial) credit	-5,957	-159
Cash flow from financing activities	23,741	-4,119
Net change in cash and cash equivalents	1,819	-11,415
+ Cash and cash equivalents at start of period	593	13,657
= Cash and cash equivalents at end of period	2,412	2,242

Additional entries:

income tax payments: KEUR 948 (P.Y: KEUR 475)

Interest payments: KEUR 197 (P.Y: KEUR 20)

Bastei Lübbe AG, Cologne

Abbreviated Annex for Consolidated interim financial statements as at 30 September 2016

1 General information

Bastei Lübbe AG (hereinafter also "Parent company") has its registered offices at Schanzenstrasse 6-20, 51063 Cologne, Germany.

Bastei Lübbe AG is a media company in the form of a publishing house. Within the scope of its business activities, Bastei Lübbe publishes books, audio books, eBooks and other digital products in the genres of fiction and popular science, as well as periodicals including novel booklets and puzzle magazines. The business activities of Bastei Lübbe also include the licensing of rights and the development, production and sale of gifts, decorative items, merchandise as well as computer games.

As a listed public limited company, and in accordance with Article 4 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ EC L 243 p. 1), Bastei Lübbe is required to prepare a consolidated financial statement in accordance with the International Financial Reporting Standards (IFRS) recognised by the European Union (EU). IFRS financial statements were

prepared for the financial year from 2012/2013 in connection with the initial public offering. In order to be able to determine IFRS-based comparable figures for previous years for the statement of income, the IFRS opening consolidated balance sheet was prepared to 1 April 2011 (time of changeover to IFRS according to IFRS 1, initial adoption of International Financial Reporting Standards).

After acquiring majority shareholdings in two companies at the beginning of the 2014/2015 financial year, the Company is obliged to prepare consolidated financial statements in line with IFRS, and therefore also to prepare corresponding quarterly reporting. The above-mentioned IFRS transition date (1 April 2011) also applies to the IFRS-compliant consolidated financial statements and quarterly reporting.

The Executive Board of Bastei Lübbe AG resolved, at its meeting of 23 August 2016, to amend the consolidated annual financial statement published on 29 June 2016 for the financial year 2015/2016. This step became necessary due to the re-evaluation of the relationship with British investor Blue Sky Tech Ventures Ltd., London (hereinafter

also "Blue Sky"). Accordingly, the previous years figures were also amended in the present consolidated interim financial statement as at 30 September 2016.

The resulting changes to the consolidated balance sheet, profit and loss account, change in equity statement, and cash flow statement for the financial years as at 30 September 2015, for the period from 1 April to 30 September 2015, are presented in detail under Note 4.

The present consolidated interim financial statement is not being audited, nor is there any review according to section 37w subsection (5) of the German Securities Trading Act (*WpHG*).

2. Accounting principles

The consolidated interim financial statement as at 30 September 2016 has been prepared according to IAS 34 - interim reporting, and covers the period from 1 April to 30 September 2016.

There were no changes in accounting and valuation policies during preparation of the consolidated interim financial statement compared to the IFRS-based consolidated financial statement for the 2015/2016 financial year. The same applies to the principles and methods of

the assumptions and estimates required in the context of interim consolidated financial statements.

All IFRS standards which first became applicable in the financial year 2016/2017 have been fully implemented, but had no significant impact on the interim financial statement.

A detailed description of these standards, as well as of the accounting and valuation methods, can be found in the Notes for the financial year 2015/2016.

3. Consolidation principles

All consolidation principles remain unchanged compared to the 2015/2016 financial year, and can be consulted in the Notes to the consolidated financial statements as of 31 March 2016.

4. Amendments to the previous year's figures

For reasons described in detail in the Annex to the consolidated annual financial statement as at 31 March 2016 (Note 4), the previous year's figures were amended for this consolidated annual financial statement as at 30 September 2015, or for the period from 1 April to 30 September 2015.

The tables below summarise the effects of this.

a) Amendment to consolidated balance sheet and profit and loss account as at 30 September 2015

	30 September 2015 as reported	Adjustments pursuant to IAS 8	30 September 2015 adapted
Long-term assets			
Intangible assets	11,594	17,743	29,337
Inventory of pre-paid royalties	26,368	0	26,368
Tangible assets	3,200	74	3,274
At-equity accounted investments	17,091	-17,091	0
Financial investments	1,412	38	1,450
Trade receivables	1,101	0	1,101
Deferred tax claims	1,616	62	1,678
	62,382	826	63,208
Current assets			
Inventories	20,590	33	20,623
Trade receivables	21,020	842	21,862
Financial assets	11,519	-7,173	4,346
Income tax receivables	31	0	31
Other receivables and assets	854	204	1,058
Cash and cash equivalents	570	1,672	2,242
	54,584	-4,422	50,162
Total assets	116,966	-3,596	113,370
Equity			
Share of equity attributable to shareholders of the parent company			
Subscribed capital	13,200	0	13,200
Capital reserves	25,872	0	25,872
Net profit	20,051	-13,957	6,094
Accumulated other income	-37	0	-37
	59,086	-13,957	45,129
Equity capital shares of non-controlling shareholders	-61	2,711	2,650
Total equity	59,025	-11,246	47,779
Long-term liabilities			
Provisions	178	0	178
Deferred tax liabilities	0	2,652	2,652
Financial liabilities	29,714	-1	29,713
Other liabilities	0	2,614	2,614
	29,892	5,265	35,157
Current liabilities			
Financial liabilities	5,158	36	5,194
Trade payables	12,647	1,528	14,175
Income tax liabilities	3,759	9	3,768
Provisions	5,671	0	5,671
Other liabilities	814	812	1,626
	28,049	2,385	30,434
Total debts	57,941	7,650	65,591
Total liabilities	116,966	-3,596	113,370

In the second quarter of the consolidated financial year 2015/2016, the revenue from the sale of shares in Daedalic and from the transitional consolidation under the at-equity method was corrected at the end of the reporting period. The other amendments to the consolidated profit and loss account as at 30 September 2015 are essentially the result of the revenues and expenditure of oolipo AG henceforth contained herein.

(KEUR)	1 half of the year 01/04- 30/09/15 as reported	Adjust- ments pursuant to IAS 8	1 half of the year 01/04- 30/09/15 adapted	2. quarter 01/07- 30/09/15 as reported	Adjust- ments pursuant to IAS 8	2. quarter 01/07- 30/09/15 adapted
Sales revenue	47,443	20	47,463	26,706	-5	26,701
Change in inventories of finished goods and work in progress	582	0	582	1,570	0	1,570
Other operating income	6,760	-6,417	343	6,587	-6,418	169
Cost of materials	-21,966	-115	-22,081	-12,660	-53	-12,713
Personnel costs	-11,923	-172	-12,095	-6,085	-95	-6,180
Other operating expenses	-13,236	-102	-13,338	-7,963	-64	-8,027
Result from at-equity accounted investments	-96	127	31	-91	80	-11
Other earnings from investments	301	0	301	283	0	283
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	7,865	-6,659	1,206	8,347	-6,555	1,792
Amortisations	-1,767	-46	-1,813	-896	-42	-938
Earnings before interest and taxes (EBIT)	6,098	-6,705	-607	7,451	-6,597	854
Financial result	-1,124	0	-1,124	-565	0	-565
Earnings before taxes (EBT)	4,974	-6,705	-1,731	6,886	-6,597	289
Taxes on income and earnings	43	5	48	-198	5	-193
Net profit or loss for the period	5,017	-6,700	-1,683	6,688	-6,592	96
Of which attributable to:						
shareholders of Bastei Lübbe AG	5,007	-6,700	-1,693	6,763	-6,592	171
Equity capital shares of non-controlling shareholders	10	0	10	-75	0	-75
Earnings per share (EUR)	0.38	-0.51	-0.13	0.51	-0.50	0.01

The amendments to the consolidated balance sheet as at 30 September 2015 are essentially based on assets and liabilities of oolipo AG and Daedalic, both of which are now fully consolidated. Moreover, the net profit was essentially reduced to account for revenue from the sale and transitional consolidation of oolipo AG as at 31 March 2015 (profit carried forward) and Daedalic GmbH as at 17 September 2015 (period profit) using the at-equity method.

b) Amendment to consolidated cash flow statement as at 30 September 2015

KEUR	1 April - 30 September 2015 as reported	Adjustments pursuant to IAS 8	1 April - 30 September 2015 adapted
Net profit or loss for the period	5,017	-6,700	-1,683
+/- Depreciation/appreciation of intangible assets and fixed assets	1,767	46	1,813
+/- Other non-cash expenses/income	1,243	-127	1,116
+/- Increase/decrease in provisions	-440	0	-440
-/+ Profit/loss from the disposal of intangible assets and fixed assets	-3	0	-3
- Profit from the disposal/transition of consolidated companies	-6,418	6,418	0
+ Loss from disposal of at-equity-accounted investments	1,375	0	1,375
-/+ Increase/decrease in income tax receivables and liabilities incl. deferred tax assets and liabilities	-518	-4	-522
-/+ Increase/decrease in stocks, trade receivables and not associated with investment or financing activities			
		other assets	
	-9,023	2,399	-6,624
+/- Increase/decrease in trade liabilities and other liabilities not associated with investment or financing activities	527	1,084	1,611
Cash flow from current business activities	-6,473	3,116	-3,357
- Outflow of funds for investments in intangible assets	-2,612	-1,467	-4,079
+ Income from the disposal of property, plant and equipment	5	-1	4
- Outflow of funds for investments in property, plant and equipment	-255	-9	-264
+ Income from the disposal of financial investments	400	0	400
Cash flow from investment activities	-2,462	-1,477	-3,939
- Disbursements to shareholders (dividends)	-3,960	0	-3,960
- Outflow of funds for the repayment of bonds and (financial) loans	-159	0	-159
Cash flow from financing activities	-4,119	0	-4,119
Net change in cash and cash equivalents	-13,054	1,639	-11,415
+ Cash and cash equivalents at start of period	13,624	33	13,657
= Cash and cash equivalents at end of period	570	1,672	2,242

The adjustments are essentially the result of the elimination of revenues from the sale of shares and transitional consolidation of Daedalic Entertainment GmbH as at 30 September 2015 as well as from the full consolidation of oolipo AG in the entire reporting period of the consolidated financial year 2015/2016.

c) Amendment to consolidated statement of change in equity as at 30 September 2015

(KEUR)	Parent company				Equity	Shares of non-controlling shareholders	Group equity
	Subscribed Capital	Capital reserves	Net profit	Cumulated other Income		Equity	
As at 30/09/2015 as previously reported	13,200	25,872	20,051	-37	59,086	-61	59,025
<i>Adjustments pursuant to IAS 8 from 2014/2015:</i>							
Adjustment to net profit for the period			-7,258	0	-7,258	0	-7,258
<i>01/04 to 30/09/2015:</i>							
No change to group of consolidated companies				0	0	2,711	2,711
Adjustment to net profit for the period			-6,700	0	-6,700	0	-6,700
Other adjustments			1		1		1
As at 30/09/2015 pursuant to adjusted consolidated annual financial statement	13,200	25,872	6,094	-37	45,129	2,650	47,779

5. Shareholdings and consolidated companies

By way of a notarised purchase contract dated 21 March 2016, Bastei Lübbe AG acquired a 51 per cent participation in BuchPartner GmbH ("BuchPartner"), with its headquarters in Darmstadt. As a result, the latter must be incorporated as a fully consolidated company in the consolidated financial statements with effect from the 2016/2017 financial year. This will be done in the newly created "Retail" segment. The purchase contract became effective on 11 April 2016. The sellers were the former partners, who remain shareholders with a combined 49% stake in the company. The majority stake in BuchPartner GmbH is based on the concept of sustainable and significant improvement in the competitive position in the field of distribution. BuchPartner is the market leader in the food

retail industry and currently serves around 4,000 markets and supplies over 2,500 customers in the field of action. BuchPartner's circle of customers include almost all of the top trade groups, including the Edeka group (Edeka and Marktkauf), the REWE group (REWE and Penny), Kaufland, Familia, HIT, Saturn, Media Markt, Metro and Real. The specialised markets are without doubt a big area for growth for the sector, in which Bastei Lübbe will participate in future thanks to the involvement with BuchPartner.

The purchase price was KEUR 10,200. Other acquisition-related costs incurred to date were recognised in profit and loss. According to purchase price allocation (PPA) only carried out on a provisional basis so far, the fair values and liabilities of BuchPartner GmbH as of the date of acquisition are calculated as follows:

(KEUR)	Carrying amounts upon acquisition	Adjustment as per PPA	Fair values
Intangible assets and property, plant and equipment	1,159		1,159
Inventories	11,418	2,684	14,102
Trade receivables	11,147		11,147
Cash and cash equivalents	5		5
Other assets	372		372
Deferred tax liabilities	0	-824	-824
Trade liabilities	-8,533		-8,533
Other current liabilities	-10,749		-10,749
Net assets	4,819	1,860	6,679
minority stockholder shares included therein (49%)			3,273
acquired interests included therein (51%)			3,406
Acquisition costs			10,200
goodwill (in accordance with provisional PPA)			6,794

The factors that resulted in the accounting of the indicated goodwill in the retail segment are listed in the first paragraph of this section.

BuchPartner GmbH has contributed to group turnover in the current financial year with KEUR 19,177 and to group profit with KEUR -495 (each with regards to 100 per cent of shares). The results of the PPA are already accounted for in the present consolidated interim financial statement, however changes may still occur in the process of finalising the PPA.

The purchase price shall be financed via principal banks who have granted the syndicated loan totaling EUR 33 million. On 15 April 2016, an amendment agreement regarding the syndicated loan agreement was concluded for this purpose which includes an increase in the existing volume of EUR 10 million to EUR 43 million.

On 1 June, Bastei Lübbe AG also acquired the fiction label LYX from the publisher EGMONT Publishing International as part of an asset deal. Bastei Lübbe has added another successful brand to its offering in the form of

the specialist for romantic entertainment. LYX is one of the absolute top imprints on the German book market in this sector. By investing in BuchPartner, Bastei Lübbe will also be involved in the classic book business once again. Together with LYX, Bastei Lübbe has acquired an additional fiction label from the same seller in the form of INK and, in doing so, will take over the editing of both labels. Bastei Lübbe is planning to incorporate all books by LYX and INK into its publishing programme and to continue the successful collaboration with all authors and licensors.

The total purchase price provisionally totals KEUR 5,437, but is also dependent on the inventory of pre-paid royalties which still needs to be finally determined as part of the preparation of the balance sheet as of 31 May 2016. Other acquisition-related costs incurred to date were recognised in profit and loss.

Given that the assets acquired as part of the asset deal have not yet been definitively agreed between the contracting parties (liabilities were not acquired), no definitive purchase price allocation can be performed yet.

A qualitative and quantitative overview of the acquired assets and their fair values can, however, be found in the following table, in which the assets accounted for as of 30 April 2016 (i.e. one month prior to the actual acquisition) are illustrated:

(KEUR)	Fair values as at 30 April 2016
Intangible assets (brand)	500
Inventory of pre-paid royalties	1,780
Inventories	3,157
Net assets	5,437
Acquisition costs	5,437
Provisional difference	0

LYX contributed to group turnover in the current financial year with KEUR 2,406. In terms of segment profit accounting for Bastei Lübbe AG, LYX exhibits EBIT of KEUR 1,749. Interest and income taxes are not allocated to individual segments as part of these calculations, such that no contribution to consolidated period result can be stated for LYX. The results of the preliminary PPA are accounted for in the present consolidated interim financial statement, however changes may still occur in the process of finalising the PPA.

This purchase price is also financed via the principal banks. In its letter dated 30 May 2016, the banking syndicate approved the scheduled acquisition of the label and provided an additional loan of € 6 million available for this purpose.

In July 2016, 5 per cent of shares in oolipo AG were

sold on to external third parties by Blue Sky (for a sales price of KEUR 900). Since the shares held by Blue Sky are still assigned to Bastei Lübbe, the Group's participation in oolipo currently totals 92.224 per cent.

6. Equity

Since the initial public offering in October 2013, the parent company's share capital has consisted of 13,300,000 no-par value shares with a calculated proportion of the share capital of EUR 1.00 each, thus totalling EUR 13,300,000.00.

Following the stock market flotation, the parent company purchased its own shares in October 2014 via the authorisation granted by the annual general meeting as of 10 September 2013. After 100 of the previously held 100,000 own stocks were ultimately transferred free of charge to an author in July 2015, in order to strengthen the ties between this author and Bastei Lübbe, the number of own shares amounts to 99,900 as at the balance sheet cut-off date. The acquired shares can be used for all legally-permissible purposes. Hence 13,200,100 issued and fully paid, no-par-value shares in Bastei Lübbe AG were in circulation at the balance sheet date.

In the course of the partial sale of oolipo – without amendment to its status as a fully-consolidated company – the sale of affected shares shall be presented as a simple equity transaction pursuant to IFRS 10. In doing so, the difference between the proportionate equity and the consideration received shall be offset against consolidated reserves due to the shareholders of the parent company. Only the capital reserves in the consolidated annual

financial statement of Bastei Lübbe AG are available for this purpose. The development of the capital reserve, incl. the offsetting of the difference stated, can be derived from the consolidated change in equity statement.

7. Earnings per share

In calculating earnings per share (EUR 0.09/share, P Y: EUR 0.13/share), the number of shares in circulation was recognised as a weighted average while offsetting the treasury shares held by the Company.

Dilutive effects did not apply in either the reporting year or in the previous year.

8. Notes on the cash flow statement

The total amount (balance) of income tax payments made in the first half of the financial year is KEUR 948 (P Y:

reimbursements KEUR 475). Interest payments amount to KEUR 197 (P Y: KEUR 20).

9. Segment reporting

Segment reporting comprises disclosures under IAS 34.16A (g). Segmentation is in line with the Group's internal controlling and reporting. With the acquisition of the majority participation in BuchPartner GmbH at the start of the financial year, a further independent "retail" segment was added to the group's internal reporting system and thus also to the segment reporting pursuant to IAS 34, to which only BuchPartner GmbH is allocated. Compared to 31 March 2016, the segment structure remained unchanged in other respects.

The segments are broken down for the previous quarter as follows:

(KEUR)	Books		Retail		Digital		Non-book		Novel booklets and puzzle magazines		Cross-segment consolidations		Total	
	July-Sep- tember 2016	July-Sep- tember 2015	July-Sep- tember 2016	July-Sep- tember 2015	July-Sep- tember 2016	July-Sep- tember 2015	July-Sep- tember 2016	July-Sep- tember 2015	July-Sep- tember 2016	July-Sep- tember 2015	July-Sep- tember 2016	July-Sep- tember 2015	July-Sep- tember 2016	July-Sep- tember 2015
	Segment sales revenue	12,069	11,860	10,980	---	8,309	6,874	6,080	5,509	2,571	2,558	0	---	40,009
Internal sales	0	0	0	---	59	100	0	0	0	0	624	---	683	100
External sales	12,069	11,860	10,980	---	8,250	6,774	6,080	5,509	2,571	2,558	-624	---	39,326	26,701
EBITDA	1,999	1,299	247	---	656	-753	1,539	605	641	641	-20	---	5,062	1,792
Income from investments included therein	0	0	0	---	0	0	0	-11	291	283	0	---	291	272
Amortisations	149	141	100	---	678	623	119	134	48	40	0	---	1,094	938
EBIT	1,850	1,158	147	---	-22	-1,376	1,420	471	593	601	-20	---	3,968	854
Financial result													-1,054	-565
Earnings before taxes (EBT)													2,914	289
Taxes on income and earnings													319	193
Net profit or loss for the period													2,595	96

The cumulative half-year figures for the segments are as follows:

(KEUR)	Books		Retail		Digital		Non-book		Novel booklets and puzzle magazines		Cross-segment consolidations		Total	
	April-Sep- tember 2016	April-Sep- tember 2015	April-Sep- tember 2016	April-Sep- tember 2015	April-Sep- tember 2016	April-Sep- tember 2015	April-Sep- tember 2016	April-Sep- tember 2015	April-Sep- tember 2016	April-Sep- tember 2015	April-Sep- tember 2016	April-Sep- tember 2015	April-Sep- tember 2016	April-Sep- tember 2015
	Segment sales revenue	20,803	20,818	19,177	---	15,257	13,716	9,314	8,324	4,959	4,813	---	---	69,510
Internal sales	0	0	0	---	159	208	0	0	0	0	1,390	---	1,549	208
External sales	20,803	20,818	19,177	---	15,098	13,508	9,314	8,324	4,959	4,813	-1,390	---	67,961	47,463
EBITDA	1,486	488	-389	---	657	-567	1,534	411	983	874	-216	---	4,055	1,206
Income from investments included therein	0	0	0	---	0	0	0	31	335	301	0	---	335	332
Amortisations	276	276	196	---	1,336	1,193	233	265	94	79	0	---	2,135	1,813
EBIT	1,210	212	-585	---	-679	-1,760	1,301	146	889	795	-216	---	1,920	-607
Financial result													-1,541	-1,124
Earnings before taxes (EBT)													379	-1,731
Taxes on income and earnings													-365	-48
Net profit or loss for the period													744	-1,683

10. Financial instruments

The following financial instruments are reflected in the interim financial statements, broken down into categories as stipulated in IAS 39:

(KEUR)	Book value		Fair value	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
Assets				
Loans and receivables				
Cash and cash equivalents	2,412	593	2,412	593
Trade receivables	28,531	19,338	28,531	19,338
Other non-derivative financial assets	1,999	4,955	1,999	4,955
Available for sale				
Investments	1,678	1,075	1,678	1,075
	34,620	25,961	34,620	25,961
Liabilities				
Liabilities, measured at amortised cost				
... from trade accounts	21,140	11,968	21,140	11,968
... from bonds issued	31,868	30,721	31,568	31,324
... to banks	29,024	1,553	29,024	1,553
... from finance leases	0	107	0	107
Other non-derivative liabilities	6,571	2,374	6,571	2,374
Held for trading				
Derivatives without hedge relationship balanced	187	0	187	0
	88,790	46,723	88,490	47,326

The methods and assumptions used to determine the fair values are as follows:

- Cash, trade receivables, other current assets, trade liabilities, current liabilities to banks and other current liabilities come very close to their carrying values, largely as a result of the short terms of these instruments.
- Non-current assets and receivables from debentures not traded on an active market are valued by the Company based on parameters such as interest rate and creditworthiness. The carrying values of these receivables do not differ from their fair values at the balance sheet dates.
- The fair value of publicly-listed bonds is based on price quotations at the reporting dates.
- The fair value of obligations from finance leases is estimated by discounting future cash flows whilst applying interest rates currently available for borrowings on comparable terms, default risks and residual terms.
- The fair value of other available-for-sale holdings is not calculated as no quoted market prices exist on an active market and the fair value cannot be reliably determined. These available-for-sale financial assets is a strategic participation in press distribution companies. Due to the lack of market transactions and

knowledge as to the parameters that exert a significant influence on the fair value of assets, the latter was not determined. The Company currently has no intention to sell the assets.

- The fair value of the derivative stated to be settled (interest swap which was concluded for the purposes of hedging the variable interest payments from a partial amount of the syndicated loan in the amount of KEUR 10,000) is based on calculations of the bank managing the syndicate, in which a market-based approach is applied. The amendments to the fair value are recorded with effect on net income.

Bastei Lübbe uses the following hierarchy to determine and show fair values:

- Level 1: prices quoted (remaining unchanged) on active markets for assets or liabilities of the same kind
- Level 2: Input factors - except prices pursuant to Level 1 - that can be directly or indirectly observed for the asset or liability, and
- Level 3: factors not based on observable market data for the valuation of the asset or the liability.

The calculation of the fair value of all financial instruments recognised in the balance sheet and in these Notes is either based on listed Level 1 prices (excluding the issued bond) or on the information and input factors referred to under Level 2. The use of observable market parameters prevents the evaluation from deviating from general market assumptions. There are no Level 3 financial instruments of the fair-value hierarchy.

11. Changes to the Supervisory Board

On 26 July 2016, Supervisory Board Member Prof. Dr Gordian Hasselblatt declared his intention to step down from the Supervisory Board at the conclusion of the General Meeting on 15 September 2016. With their declaration of 29 July 2016, Supervisory Board Chairman, Dr Friedrich Wehrle, and Supervisory Board Deputy Chairman, Prof. Dr Michael Nelles, declared their intention to step down from the Supervisory Board at the conclusion of the orderly General Meeting on 15 September 2016. Due to the postponement of the General Meeting from 15 September 2016 to 30 November 2016, withdrawal of all of these members shall now occur with effect from the conclusion of the General Meeting on 30 November 2016.

At the suggestion of the Supervisory Board, the positions vacated on the Supervisory Board as a result of these withdrawals are to be taken up by Mr Robert Stein, Prof. Dr Friedrich L. Ekey and Dr Mirko Alexander Caspar.

No personnel changes have taken place on the Executive Board.

12. Events after the reporting date for the interim financial statements

On 26 October 2016, Bastei Lübbe AG paid back company loans issued to it in October 2011 with a total nominal amount of 30 million euros plus interest due in the amount of 2,025 million euros as planned.

In order to ensure sufficient liquidity, for this payment amongst other matters, the syndicated loan in excess of 53 million euros total already mentioned has been concluded. Triggered by the subsequent amendment to the consolidated annual financial statement for the financial year 2015/2016, the consortium banks were entitled to terminate the consortium credit agreement extraordinarily. With their written communication of 14 October 2016, the

banks declared their intent to forego the exercising of this right. In this regard, the financial figures to be achieved in future were adapted to meet current requirements.

No other events which require disclosure here occurred after 30 September 2016.

Cologne, 21 November 2016

Bastei Lübbe AG

Executive Board



Thomas Schierack

Klaus Kluge

Assurance by the legal representatives – statement of responsibility

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements of Bastei Lübbe AG, Cologne, as at 30 September 2016 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. Furthermore, the interim management report includes a fair review of the development and performance of the business and the position of the Group such that a fair and accurate picture is given, and significant opportunities and risks of the foreseeable development of the Group are described.

Cologne, 21 November 2016

Bastei Lübbe AG

Executive Board



Thomas Schierack

Klaus Kluge

Imprint

Published by
Bastei Lübbe AG
Schanzenstrasse 6-20
51063 Cologne, Germany
Tel.: +49 (0)221 82 00 22 44
Fax: +49 (0)221 82 00 12 44
E-mail: webmaster@luebbe.de
investorrelations@luebbe.de

Contact

The consolidated half-year financial report of Bastei Lübbe AG
can be downloaded as a PDF file at
www.luebbe.de.

You can also find further corporate information
online at www.luebbe.de.

www.luebbe.com

