

JEAN-MICHEL PAYET



NÄCHSTER HALT:  
ZUKUNFT

**Consolidated half-year report  
for the period  
1 April-30 September 2015  
Bastei Lübbe AG  
Cologne**

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BASTEI  
LÜBBE

## Contents

<b>Consolidated interim management report</b> .....	<b>3</b>
<b>Consolidated interim financial statements</b> .....	<b>15</b>
Consolidated profit and loss account.....	15
Consolidated statement of income .....	16
Consolidated balance sheet.....	17
Consolidated statement of change in equity .....	18
Consolidated cash flow statement .....	19
Abridged Notes to the consolidated interim financial statements.....	20
<b>Responsibility statement</b> .....	<b>26</b>
<b>Imprint and contact details</b> .....	<b>26</b>

# Consolidated interim management report of Bastei Lübbe AG for the first half of the 2015/2016 financial year as at 30 September 2015

## I. The Company and its operations

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, e-books, 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 also include the licensing of rights and the development, production and sale of gifts, decorative items and merchandise.

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. The 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 has owned its own eBook Shop “beam-ebooks.de” since September 2014, through which both Bastei Lübbe content and also titles from other publishers are offered. The international launch of the streaming portal “oolipo”, developed by Bastei Lübbe, is planned for 2016. Oolipo, a platform for digital series content, is a streaming portal which offers attractive multimedia audio and text content to a worldwide audience with the highest demands in the form of a flat-rate model. This platform will offer a new way to read, and will appeal in particular to the millennials target group (20-35 years of age).

Bastei Lübbe’s core market is the “DACH” area, i.e. Germany, Austria and Switzerland. Bastei Lübbe has also been developing 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 and other languages such as Mandarin. 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 and Bochum.

Bastei Lübbe broke down its business activities into three segments up until the end of the completed 2014/2015 financial year. These were: **“Books”, “Novel booklets and puzzle magazines”,** and **“Non-book”**. There will be a fourth segment, **“Digital”**, from the 2015/2016 financial year onward.

The turnover and costs generated from digital content are therefore shown in a separate segment for the first time, under “Digital”. This includes the digital eBook and audio creations of Bastei Lübbe AG, the subsidiary company BookRix GmbH & Co. KG (self-publishing platform, and the investments in Daedalic Entertainment GmbH (game developer and publisher) and oolipo AG (formerly BEAM AG, streaming platform) accounted at equity on the interim financial statement deadline day. Daedalic Entertainment GmbH was still fully consolidated until control was lost in September 2015 as a result of a partial sale of shares. The reason for this reorganisation of turnover and costs is that digital content is playing an increasingly greater role in Bastei Lübbe’s business model.

The **“Books”** segment contains all print results from books. The products are distributed under various labels, including hardbacks, paperbacks and pocket books.

The **“novel booklets and puzzle magazines”** segment includes printed novel booklets and puzzle magazines.

As one of the largest and most important players in the novel booklet sector, the publishing house has established a total of 33 series on the market. The puzzle magazines are published under the “PMV” label. PMV publishes 31 puzzle magazines within Bastei Lübbe AG. In particular, the non-book segment comprises gift items sold under the Räder label, as well as merchandise and similar products.

### **Subsidiaries consolidated “at equity”**

Bastei Lübbe AG sold 3 per cent of its shares in Daedalic Entertainment GmbH (Daedalic) to a UK investor with a purchase contract of 17 September 2015. This caused the participation of Bastei Lübbe AG in Daedalic to fall to its current level of 48 per cent. Due to the loss of control, the participation in Daedalic, which was fully consolidated up to this point, will be valued as at the interim financial statement deadline day according to the “equity method” (“at equity”) described in IAS 28. The effects of the transitional consolidation on the consolidated interim financial statement are described in the abbreviated Notes (Section 4).

Bastei Lübbe AG has a 45% share in oolipo AG (previously BEAM AG). This participation in oolipo AG will also be valued “at equity”.

With the purchase contract of 7 September 2015, Bastei Lübbe AG sold its 50 per cent participation in Präsentia Promotion International GmbH to co-partner Thomas Herriger in the course of the increasing focus on digital content. The effects of the deconsolidation on the consolidated interim financial statement are also described in the abbreviated Notes (Section 4).

### **Subsidiaries not consolidated**

Bastei Lübbe also has shareholdings in the following companies that are not consolidated in the reporting period: Moravská Bastei MOBA, s.r.o., Brünn (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.

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

## **II. General conditions**

### **Macroeconomic conditions**

The development of global economic activity during the reporting period, which ran from April to September 2015, appeared divided.

According to data from the Chinese government, GDP in the PRC grew in the second quarter by a further 7 per cent. This is in fact the value targeted by the Government for the entire year of 2015 - the lowest figure for some 25 years. However, experts, such as economists at the IMF, doubt whether the PRC will achieve this target. The IMF is predicting a growth rate of just 6.8 per cent for this year and 6.3 per cent for the following year for the world's second largest economy.

This climate is a double-edged sword for the German economy. On the one hand, demand for German products in China is decreasing as the Chinese view these products as increasingly expensive. On the other hand, Germany has few natural resources and so, as an importer of energy, benefits from the low oil price, which in turn promotes private internal consumption, in principle. The buyer confidence index for Germany, issued by GfK (the German Company for Consumer Research), fell in September by 0.2 points to 9.9 points compared to the previous month. For the month of October, the consumer research company is estimating a fall to 9.6 points. Indeed, the consumer mood in Germany is becoming overcast, argue researchers, though the value remains at a relatively high, stable level. On the basis of positive feedback from retailers, experts are assuming that consumption will continue to remain an important pillar of German overall economic activity.

However, in October the Federal Government lowered the economic forecast for 2015. Instead of the growth in GDP of 1.8 per cent expected in spring, the German Federal Ministry of Finance now expects growth for the entire year to remain at around 1.7 per cent. In the coming year, however, this should remain at an increase of 1.8 per cent. The Ministry confirmed that the growth is primarily the result of the continued positive consumer mood and good conditions on the job market.

The Ifo business climate index for Germany's industrial economy rose in September to 108.5 points from 108.4 in the previous month (examined adjusted for season). Despite the decrease in economic activity in emerging markets such as China and Russia, which are at the same time important trade partners for Germany, the German economy is still set to grow. This is also down to the recovery trends in the Eurozone.

## Industry environment

The book market also remained challenging in the months April to September 2015. With the exception of June, which exhibited an increase in turnover of 3.2 per cent compared to the previous year, the industry struggled for the entire period with a declining trend in turnover compared to the same month in the previous year. However, this decline levelled out over time. Whilst the decrease in turnover in April in the distribution channels of retail selling, train station book trade, department stores and e-commerce remained at 11.3 per cent compared to the same month the previous year, the decrease in September was 2.7 per cent.<sup>1</sup> The decrease in September was more significant in the retail book selling segment. This fell short of the value for the same month of the previous year by 5.0 per cent (cash sales). The accumulated net result is now -4.2 per cent. Invoice-based business generated a minus of 4.2 per cent in September.

In terms of type of book, we see an almost uniform picture. In the months January to September 2015, turnover from hardcover books fell by 2.4 per cent compared to the previous year, whilst paperbacks fell by 2.6 per cent, and audiobooks declined by 2.9 per cent.

From a topic perspective, travel (-1.1 per cent) and self-help literature (-5.3 per cent) showed the greatest losses in sales for the period stated. The cause for this was, amongst others, the long-lasting industrial dispute between Deutsche Bahn and the 'Gewerkschaft Deutscher Lokführer' (Trade Union of German Locomotive Drivers), which reached its peak in particular in the spring and summer months, putting a strain on turnover in the train station bookselling segment. Non-fiction books were able to avoid this negative trend with a growth rate of 0.6 per cent.

With regard to reference sources, books in Germany are primarily purchased in the retail segment. This distribution channel makes up around half (49.2 per cent) of the total market. Following this is direct marketing via publishers with around a fifth

<sup>1</sup>Source: <http://www.boersenverein.de/1034031/>



(20.4 per cent), and internet/e-commerce with 16.2 per cent. Sales via the train station segment make up 0.7 per cent (data as per 2014).

According to an industry study by consultation company Pricewaterhouse Coopers (PwC, as per October 2014), the German book market should achieve a total turnover of €9.85 billion in 2018. In 2014, turnover was €9.32 billion. According to PwC, this development is carried along by the categories of fiction, as well as reference and non-fiction books.

The development of the puzzles segment (first half of 2015 compared to first half of 2014) at Presse Data Warehouse<sup>2</sup> for the entire puzzles segment exhibited a decrease of 2.9 per cent, with a turnover development of -2.3 per cent. The number of titles (-0.9 per cent), as well as the number of editions (-1.0 per cent), fell slightly.

The sub-group "Puzzles, general large format", operated within Bastei Lübbe AG primarily by PMV, increased slightly (+1.2 per cent), with turnover remaining unchanged compared to the comparative quarter. The number of titles published and the number of editions fell slightly here.

The novels segment developed positively in the comparative period (first half of 2015 compared to first half of 2014), with a turnover increase of 1.8 per cent, though this can predominantly be ascribed to the flood of new titles initiated by Kelter. The number of titles in the novels sub-group therefore increased in total by 23.3%.

The non-book segment comprises gift items sold under the Räder label, as well as merchandise and similar products. The gift market is cyclical, and traditionally reaches its peak during the Christmas season. The market developed stably in the first half of 2015/2016. As one of the few providers in the segment of high-quality home and desktop accessories, Räder was able to carry forward its anti-cyclically positive turnover increase with a year-on-year increase of just over 28% per cent in 2014/2015. The Räder subsidiary can thank export activities for part of its growth. The company was also able to gain both a distributor in Japan and a sales agency for the United Kingdom during the reporting period. Further trends regarding the ongoing 2015/2016 financial year were not as yet apparent at the time of reporting.

Bastei Lübbe AG has been allocating the areas of eBooks, audio and gaming to the new "Digital" segment since the financial year 2015/2016.

The development towards this "digital book format", the so-called eBook, slowed during the reporting period. Experts had predicted that the eBook would overtake the printed book in the USA in 2015. Currently, turnover from eBooks in the USA has levelled out at around 20 per cent, however. In Germany, the turnover share of digital books is currently around 5 per cent. The printed book is clearly experiencing a comeback amongst readers. In Germany, the stationary book trade has developed better than online business.

However, eBooks and self-publishing platforms are still increasingly drawing the attention of readers. Bastei Lübbe, with its streaming portal "oolipo", which is focused on attractive multimedia reading content, as well as its eBook shop "beam-ebooks.de", is on the right course to be able to participate in this market growth in future.

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<sup>2</sup>Only Presse Grosso domestically

### III. Bastei Lübbe on the capital market

#### The price development of Bastei Lübbe's shares

The preceding half year of the financial year 2015/2016 was characterised on the stock markets by increased uncertainty and - as a result - by higher volatility. At the beginning of the year, the stock market entered its seventh bull-market year, though towards the end of the reporting period a greater correction was made to the global stock exchange centres.

This resulted in the DAX (German Stock Index) losing 19.5 per cent in value in the period from April to September, being listed at 9,660.4 points at the end of September. The Euro-Stoxx-50 suffered losses in the same period of 16.5 per cent, falling to 3,100.7 points. Strains came, amongst others, from concerns regarding global economic activity, fear of a significant setback in growth in China, the uncertainty around the time of the first interest rate hike in the USA, as well as the VW emissions scandal.

The Bastei Lübbe stock was not able to entirely avoid the general stock market context. In the period April to September 2015, shares lost 9.7 per cent of their market value. Share certificates opened at a trading price of €7.85 on 1 April 2015, and closed at €7.09 on 30 September 2015. The share reached a six-month high on 13 April 2015 at €8.63, directly after revealing that Allianz had purchased a 9.77 per cent holding in Bastei Lübbe AG. The Bastei Lübbe shares hit their lowest point in the first half of the 2015/2016 financial year on 24 August 2015, at €6.21. The average daily trade volume of Bastei Lübbe shares (Xetra) in the period 1 April to 30 September 2015 ran to 21,256 shares (first half of 2014/2015: 27,465 shares). Based on 13,300,000 shares and a closing price of €7.09, Bastei Lübbe AG's market capitalisation stood at approx. €94.3 million as per 30 September 2015 (balance sheet date 31 March 2015: €105.1 million at a closing price of €7.90).

#### Shareholding structure

The current shareholding structure as at 30 September 2015 is as follows: The largest shareholder in Bastei Lübbe AG is Birgit Lübbe with a share of 33.09 per cent. Allianz has held 9.77 per cent of the shares since 8 April 2015. 9.02 per cent of shares in Bastei Lübbe AG are held by the Roggen family. 3.01 per cent in Bastei Lübbe AG are held by Ms Larissa Juliana Zang. The Executive Board and the Supervisory Board have a 2.48% stake in the share capital of Bastei Lübbe AG. The remaining 42.63 percent are in free float. Lübbe Beteiligungs-GmbH has not held any shares in Bastei Lübbe AG since 16 April 2015.

#### Annual General Meeting and Dividends

On 16 September 2015, the Management Board informed shareholders at the ordinary Annual General Meeting of the events of the financial year 2014/2015 and answered their questions. The shareholders in Bastei Lübbe AG formally approved the actions of the Management Board and Supervisory Board, and approved the suggestions of the management in all points of the agenda with a large majority. The results of voting at the ordinary Annual General Meeting can be viewed at <https://www.luebbe.com> in the section Investor Relations/Annual General Meeting.

The company paid out a total of €3,960,030.00 to shareholders as dividends from the balance sheet profit of €10,779,894.73 as documented in the annual financial statement. The dividend per share totalled €0.30, thereby rising by 2 cents per share compared to the previous year's value. The remaining partial amount of the balance sheet profit, totalling €6,819,864.73, was brought forward to the next accounting period. The dividends of €0.30 per share corresponded to an attractive dividend yield of 4 per cent in relation to a share price of €7.50.

## Investor Relations

In the first half of the year 2015/2016, the Bastei Lübbe Management Board held presentations at various roadshows in the European financial centres of Frankfurt, Paris, and London, as well as at the Munich Capital Market Conference in May, and the Prior Capital Market Conference in Frankfurt/Egelsbach in September. In addition, the Executive Board actively sought a debate with editorial teams in the financial and business media. In the reporting period, several management interviews regarding current business developments were published in stock market media. On 1 July 2015, the Executive Board presented business developments for the 2014/2015 reporting year at the second press conference on financial statements as well as the outlook for the implementation of Bastei Lübbe AG's digital strategy of transforming itself from a classic publishing company into an international media company.

Bastei Lübbe AG satisfies all important publicity and transparency standards as a company in the strictly-regulated Prime Standard of the Frankfurt Stock Exchange. Oddo Seydler Bank AG acts as designated sponsor. Potential investors can obtain further information from the Investor Relations section of the homepage at <http://www.luebbe.de/investor-relations/startseite-investor-relations>.

## Analyst Research

The research companies Oddo Seydler Bank AG, DZ Bank AG, Warburg Research, and Solventis Wertpapierhandelsbank accompanied Bastei Lübbe AG through the reporting period with their coverage. The studies suggest purchasing Bastei Lübbe shares at a target share price of up to €11.50. The full research studies are available for download on Bastei Lübbe AG's homepage at <http://www.luebbe.de/investor-relations/die-aktie/research>.

## Share Information

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
Market segment:	Regulated market (Prime Standard)
Designated sponsor:	Oddo Seydler Bank AG

## IV. Business and financial performance

### 1. Overall appraisal of the reporting period

Bastei Lübbe attained group revenue of €47.4 million in the first six months of the 2015/2016 financial year compared to €49.2 million in the same period of the previous year. Daedalic Entertainment GmbH contributed €3.3 million to group turnover, whilst BookRix GmbH & Co. KG contributed €1.2 million. Group turnover was therefore short of group turnover for the same period of the previous year by 3.6 per cent.

The group EBITDA increased during the first six months of the financial year 2015/2016 to €7.9 million, following €3.0 million in the same period of the previous year, whilst group EBIT rose to €6.1 million following €1.6 million in the same period for the previous year, and the period profit rose to €5.0 million following €0.2 million in the comparison period.

Bastei Lübbe had 334 employees at group level as at 30 September 2015.



On 17 August 2015, Jörg Plathner stood down as Manager of the digital sector. His sector was taken over by Chairman Thomas Schierack, who was already responsible for the digital sector up to September 2014.

Consolidated profit and loss account 1 April to 30 September 2015

(KEUR)	1 April-30 September	1 April-30 September	Change
	2015	2014	
<b>Sales revenue</b>	<b>47,443</b>	<b>49,198</b>	<b>-1,755</b>
Changes in inventory	582	2,595	-2,013
Other operating income	6,760	589	6,171
Cost of materials	-21,966	-27,447	5,481
Personnel costs	-11,923	-10,343	-1,580
Other operating expenses	-13,236	-11,801	-1,435
Result from at-equity-accounted investments	-96	-101	5
Other earnings from investments	301	274	27
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>7,865</b>	<b>2,964</b>	<b>4,901</b>
Depreciation/amortisation	-1,767	-1,370	-397
<b>Earnings before interest and taxes (EBIT)</b>	<b>6,098</b>	<b>1,594</b>	<b>4,504</b>
Financial result	-1,124	-1,084	-40
<b>Earnings before taxes (EBT)</b>	<b>4,974</b>	<b>510</b>	<b>4,464</b>
Taxes on income and earnings	43	-317	360
<b>Earnings in the period</b>	<b>5,017</b>	<b>193</b>	<b>4,824</b>
Of which attributable to:			
shareholders of Bastei Lübbe AG	5,007	443	4,564
Equity shares held by external shareholders	10	-250	260
	<b>5,017</b>	<b>193</b>	<b>4,824</b>

## 2. Sales trend

In the period from 1 April 2015 to 30 September 2015, Bastei Lübbe achieved group revenue of €47.4 million (previous year: €49.2 million). €49.2 million of turnover comes from Bastei Lübbe AG, €3.3 million from Daedalic Entertainment GmbH, and €1.2 million from BookRix GmbH & Co. KG. Sales revenue was therefore short of the figure for the same period of the previous year by €1.7 million.

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

Sales in the books sector amounted to €20.8m, compared to €24.9m in the same period in the previous year. The decrease is due, amongst other things, to the fact that leading titles were dispatched as early as September in the previous year, whilst they were not delivered until October of the current year. Sales revenue in the digital segment amounted to €13.5 million following €13.0 million in the previous year, €8.3 million in the non-book segment following €6.1 million in the previous year, and €4.8 million in the novel booklet and puzzle magazine segment following €5.2 million in the previous year.

Segment sales 1 April to 30 September 2015

	1 April-30 September 2015		1 April-30 September 2014		Change
	in €k	in %	in €k	in %	in €k
<b>Books</b>	<b>20,818</b>	<b>44%</b>	<b>24,929</b>	<b>51%</b>	<b>-4,111</b>
- of which hardback	4,793	10%	6,527	13%	-1,734
- of which paperback	11,482	24 %	13,816	28%	-2,334
- of which children's and young adults' books	4,543	10%	4,567	9%	-24
- of which miscellaneous	0	0%	19	0%	-19
<b>Digital</b>	<b>13,488</b>	<b>28%</b>	<b>13,004</b>	<b>26%</b>	<b>484</b>
- of which entertainment (digital media)	5,022	11%	5,824	12%	-802
- of which audio	3,962	8%	4,587	9%	-625
- of which Daedalic	3,335	7%	2,132	4%	1,203
- of which BookRix	1,169	2%	461	1%	708
<b>Non-books</b>	<b>8,324</b>	<b>18%</b>	<b>6,087</b>	<b>12%</b>	<b>2,237</b>
- of which Räder	8,324	18%	5,983	12%	2,341
- of which miscellaneous	0	0%	104	0%	-104
<b>Novel booklets and puzzle magazines</b>	<b>4,813</b>	<b>10%</b>	<b>5,178</b>	<b>11%</b>	<b>-365</b>
- of which novel booklets	3,590	8%	3,858	8%	-268
- of which puzzle magazines	1,223	3%	1,320	3%	-97
<b>Total</b>	<b>47,443</b>	<b>100%</b>	<b>49,198</b>	<b>100%</b>	<b>-1,755</b>

## 3. Developments in costs

Material expenditure fell from €27.4 million in the previous year to €22.0 million. This is related in particular to expenditure for services used, which decreased from €15.8 million in the previous year to €13.1 million. Accordingly, the positive change in stock compared to the previous year is significantly lower as at the cut-off date. Expenditure on royalties and amortisations on author royalties decreased from €11.6 million to €8.7 million. The reason for the lower royalty costs is the lower turnover and significantly lower special depreciations on author royalties in this financial year.

Personnel expenditure rose from €10.3 million in the previous year to €11.9 million. This increase was in particular the result of new positions created in the digital sector.

Other operating expenditure rose from €11.8 million in the previous year to €13.2 million. This increase in other operating expenditure was a result in particular of the deconsolidation loss ensuing from the sale of shares in Präsenta Promotion International GmbH.

#### 4. Developments in earnings

In the reporting period from 1 April to 30 September 2015, earnings before interest, taxes, depreciation and amortisation (EBITDA) of €7.9 million were achieved. In the previous year, this figure was €3.0 million. The EBIT totalled €6.1 million, following €1.6 million in the previous year, and the period profit was €5.0 million following €0.2 million in the previous year.

The deconsolidation of Daedalic Entertainment GmbH accompanying the loss of control, and the subsequent re-evaluation of the remaining participation, henceforth to be valued "at equity", at fair value led to a surplus of €6.4 million, which has significantly influenced the profit. This is countered by the deconsolidation loss from Präsenta Promotion International GmbH, and reserves for compensation, etc., of Jörg Plathner, who withdrew as a member of the Management Board. The two come to nearly €2.0 million, so that the profit would have been higher than that of the previous year without these special influences.

The EBITDA in the "Book" segment was €0.5 million, following -€0.8 million in the previous year. The EBITDA in the "Digital" segment totalled €6.1 million, following €2.8 million in the previous year; that of the "Non-book" segment was €0.4 million, following €0.0 in the previous year, and in the "Novel booklets and puzzle magazines" segment it was €0.9 million, following €1.0 million in the previous year.

The financial result, which in essence resulted from interest expenditure from borrowing, was at the same level as in the previous year, at -€1.1 million.

The result for the period was €5.0 million, following €0.2 million in the previous year.

## V. Description of assets and financial position

### 1. Overall appraisal of the reporting period

The balance sheet total fell in the reporting period from €124.3 million as at 31 March 2015 to €117.0 million as at 30 September 2015. Cash flow from on-going business activities for the reporting period was -€6.5 million, following -€4.1 million in the first half of the financial year 2014/2015. Negative cash flow was predominantly due to the large amount of funds tied up in the stock of pre-paid author royalties, inventories and trade receivables.

## 2. Assets position

Balance sheet as at 30 September 2015

(KEUR)	30 September 2015	31 March 2015	Change
Non-current assets	62,382	63,810	-1,428
Current assets	54,584	60,533	-5,949
<b>Total assets</b>	<b>116,966</b>	<b>124,343</b>	<b>-7,377</b>
Equity	59,025	60,679	-1,654
Non-current liabilities	29,892	35,048	-5,156
Current liabilities	28,049	28,616	-567
<b>Total liabilities</b>	<b>116,966</b>	<b>124,343</b>	<b>-7,377</b>

The balance sheet total of Bastei Lübbe AG fell compared to 31 March 2015 by €7.3 million from €124.3 million to €117.0 million.

**Non-current assets** amount to €62.4 million as at the cut-off date of 30 September 2015, following €63.8 million as at 31 March 2015. This decrease was in essence the result of the deconsolidation of Daedalic Entertainment GmbH. This caused a decrease of €14.5 million in immaterial asset values. The decrease was largely compensated for by the first-time balancing of Daedalic Entertainment GmbH as participation valued at equity. This - set off against the deficit of Präsenta Promotion International GmbH - resulted in an inflow of €11.5 million.

**Current assets** amounted to €54.6 million as at the cut-off date of 30 September 2015, following €60.5 million as at 31 March 2015. Inventories rose by €0.9 million to €20.6 million, following €19.7 million, with trade receivables in fact rising by €4.2 million to €21.0 million (following €16.8 million as at 31 March 2015), and even financial assets were €2.1 million higher than they were as at 31 March 2015 (€9.4 million) at €11.5 million as at 30 September 2015. Conversely, instruments of payment sank by €13.0 million from €13.6 million as at 31 March 2015, to €0.6 million.

**Equity** without own capital contributions of external shareholders totalled €59.1 million, following €58.0 million as at 31 March 2015. Here, dividend payouts totalling approx. €4 million were overcompensated by the period result of approx. €5 million.

At €58.0 million as at 30 September 2015, **debts** were significantly lower than they were as at 31 March 2015 (€63.7 million). This decrease is essentially due to the deconsolidation of Daedalic Entertainment GmbH, and in particular to the associated outflow of latent tax liabilities and other non-current liabilities such that the non-current debts, at €29.9 million as at 30 September 2015, were €5.2 million lower than they were as at 31 March 2015 (€35.1 million). Current debts, at €28.0 million as at 30 September 2015, were also lower than they were as at 31 March 2015 (€28.6 million), albeit only slightly.

## 3. Financial position

Affected by a high level of funds tied up in working capital, continued high investments, in particular in intangible assets and dividend payouts to shareholders, financial resources decreased significantly during the first half of the financial year 2015/2016.

The liquidity of the Group is ensured for the next few years in particular by the syndicated loan agreement that was concluded in October 2015. In addition, financial resources will increase again significantly up until the end of the current financial year due to the strong upcoming year-end business.

## VI. 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 2014/2015.

## VII. Significant events after the end of the interim reporting period

Bastei Lübbe concluded a syndicated loan agreement with a renowned banking syndicate on 5 October 2015 with a total value of €33.0 million, and at the same time ensured itself an option of a further €10.0 million for possible company acquisitions and other strategic investments. The syndicated loan has a maturity of six years. The Company will use the loan, amongst other things, for repaying company loans that are due in October 2016, valued at €30.0 million.

## Outlook

Seasonal business, which is significant for Bastei Lübbe, has started well. In the "Books" segment, Bastei Lübbe is represented by numerous bestsellers in the Christmas programme this year. Titles to be mentioned in particular here include "Das Joshua-Profil" by Sebastian Fitzek, "Der Palast der Meere" by Rebecca Gablé, and the tenth volume of "Gregs Tagebuch - So ein Mist!" by Jeff Kinney. The pending orders and previous sales of these titles have been pleasing. The "Non-book" segment also appears to be developing well looking ahead to the seasonal business. In any case, orders at Räder are more than promising. In the "Novel booklets and puzzle magazines" segment, progress is within the boundaries of planning and expectations. The "Digital" segment is also developing overall as planned. However, it must be taken into consideration here that the turnover targeted in future for Daedalic Entertainment GmbH can no longer be allocated to this segment due to its deconsolidation in September 2015.

The Management Board, however, still views the prospects of success for the financial year 2015/2016 as positive. Due to the deconsolidation of Daedalic Entertainment GmbH, however, overall turnover may however be slightly below the previous year's figures. For EBITDA, too, the Management Board is assuming that the EBITDA will be slightly below its value in the previous year.

The streaming platform oolipo AG (formerly BEAM AG) is developing well. Here, it can be assumed that the first contracts with other publishers regarding the supply of oolipo with titles will be concluded in the next few weeks. In addition, the technology is being constantly updated. There is considerable interest in cooperation with oolipo, in particular coming from foreign publishers.

Cologne, 10 November 2015

Bastei Lübbe AG

Executive Board

Thomas Schierack

Klaus Kluge

Felix Rudloff

# LENINS KÜSSE

ROMAN

YAN LIANKE



**Consolidated interim financial statement-**



## Consolidated interim financial statements

### Consolidated Profit and Loss Statement of Bastei Lübbe AG, Cologne, for the period from 1 April to 30 September 2015

	2nd quarter 1 Jul-30 Sep 2015 KEUR	2nd quarter 1 Jul-30 Sep 2014 KEUR	Change KEUR	1st half of the year 1 Apr-30 Sep 2015 KEUR	1st half of the year 1 Apr-30 Sep 2014 KEUR	Change KEUR
<b>Sales revenue</b>	<b>26,706</b>	<b>28,619</b>	<b>-1,913</b>	<b>47,443</b>	<b>49,198</b>	<b>-1,755</b>
Change in inventories of finished goods and work in progress	1,570	2,134	-564	582	2,595	-2,013
Other operating income	6,587	155	6,432	6,760	589	6,171
Cost of materials						
a) Expenses for raw materials, supplies and operating materials and purchased goods	-54	-34	-20	-114	-84	-30
b) Expenses for purchased services	-7,602	-9,848	2,246	-13,117	-15,772	2,655
c) Expenses for royalties and depreciation on authors' licences	-5,004	-7,780	2,776	-8,735	-11,591	2,856
	-12,660	-17,662	5,002	-21,966	-27,447	5,481
Personnel costs						
a) Wages and salaries	-5,283	-4,574	-709	-10,238	-8,815	-1,423
b) Social security contributions and expenses for pensions and benefits	-802	-848	46	-1,685	-1,528	-157
	-6,085	-5,422	-663	-11,923	-10,343	-1,580
Other operating expenses	-7,963	-6,210	-1,753	-13,236	-11,801	-1,435
Result from at-equity-accounted investments	-91	-11	-80	-96	-101	5
Other earnings from investments	283	260	23	301	274	27
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>8,347</b>	<b>1,863</b>	<b>6,484</b>	<b>7,865</b>	<b>2,964</b>	<b>4,901</b>
Amortisations	-896	-807	-89	-1,767	-1,370	-397
<b>Earnings before interest and taxes (EBIT)</b>	<b>7,451</b>	<b>1,056</b>	<b>6,395</b>	<b>6,098</b>	<b>1,594</b>	<b>4,504</b>
Financial result	-565	-612	-86	-1,124	-1,084	-86
<b>Earnings before taxes (EBT)</b>	<b>6,886</b>	<b>444</b>	<b>6,442</b>	<b>4,974</b>	<b>510</b>	<b>4,464</b>
Taxes on income and earnings	-198	-171	-27	43	-317	360
<b>Net profit or loss for the period</b>	<b>6,688</b>	<b>273</b>	<b>6,415</b>	<b>5,017</b>	<b>193</b>	<b>4,824</b>
Of which attributable to:						
shareholders of Bastei Lübbe AG	6,763	523	6,240	5,007	443	4,564
Equity shares held by external shareholders	-75	-250	175	10	-250	260
	<b>6,688</b>	<b>273</b>	<b>6,415</b>	<b>5,017</b>	<b>193</b>	<b>4,824</b>
<b>Earnings per share (basic = diluted) (with reference to the net period earnings attributable to shareholders of Bastei Lübbe AG)</b>	<b>0.51</b>	<b>0.04</b>		<b>0.38</b>	<b>0.03</b>	

## Consolidated statement of income of Bastei Lübbe AG, Cologne, for the period from 1 April to 30 September 2015

	2nd quarter 1 Jul-30 Sep 2015 KEUR	2nd quarter 1 Jul-30 Sep 2014 KEUR	Change KEUR	1st half of the year 1 Apr-30 Sep 2015 KEUR	1st half of the year 1 Apr-30 Sep 2014 KEUR	Change KEUR
<b>Net profit or loss for the period</b>	<b>6,688</b>	<b>273</b>	<b>6,415</b>	<b>5,017</b>	<b>193</b>	<b>4,824</b>
Other profit/loss						
Do not re-post to the Profit and Loss Statement Actuarial losses	0	0	0	0	0	0
- of which attributable to external shareholders	0	0	0	0	0	0
<b>Total earnings</b>	<b>6,688</b>	<b>273</b>	<b>6,415</b>	<b>5,017</b>	<b>193</b>	<b>4,824</b>
Of which attributable to:						
shareholders of Bastei Lübbe AG	6,763	523	6,240	5,007	443	4,564
Equity shares held by external shareholders	-75	-250	175	10	-250	260
	<b>6,688</b>	<b>273</b>	<b>6,415</b>	<b>5,017</b>	<b>193</b>	<b>4,824</b>

## Consolidated balance sheet of Bastei Lübbe AG, Cologne, as at 30 September 2015

	30 Sep 2015 KEUR	31 Mar 2015 KEUR	Change KEUR
<b>Non-current assets</b>			
Intangible assets	11,594	26,055	-14,461
Inventory of pre-paid royalties	26,368	24,165	2,203
Tangible assets	3,200	3,423	-223
At-equity-accounted investments	17,091	5,669	11,422
Financial investments	1,412	1,850	-438
Trade receivables	1,101	1,219	-118
Deferred tax claims	1,616	1,429	187
	<b>62,382</b>	<b>63,810</b>	<b>-1,428</b>
<b>Current assets</b>			
Inventories	20,590	19,674	916
Trade receivables	21,020	16,841	4,179
Financial assets	11,519	9,411	2,108
Income tax receivables	31	32	-1
Other receivables and assets	854	951	-97
cash equivalents	570	13,624	-13,054
	<b>54,584</b>	<b>60,533</b>	<b>-5,949</b>
<b>Total assets</b>	<b>116,966</b>	<b>124,343</b>	<b>-7,377</b>
<b>Equity</b>			
Share of equity attributable to shareholders of the parent company			
Subscribed capital	13,200	13,200	0
Capital reserves	25,872	25,871	1
Net profit	20,051	19,004	1,047
Accumulated other income	-37	-37	0
	59,086	58,038	1,048
Equity shares held by external shareholders	-61	2,641	-2,702
<b>Total equity</b>	<b>59,025</b>	<b>60,679</b>	<b>-1,654</b>
<b>Non-current debts</b>			
Provisions	178	218	-40
Deferred tax liabilities	0	2,523	-2,523
Financial liabilities	29,714	29,687	27
Other liabilities	0	2,620	-2,620
	29,892	35,048	-5,156
<b>Current debts</b>			
Financial liabilities	5,158	4,185	973
Trade liabilities	12,647	12,240	407
Income tax liabilities	3,759	4,219	-460
Provisions	5,671	6,071	-400
Other liabilities	814	1,901	-1,087
	28,049	28,616	-567
<b>Total debts</b>	<b>57,941</b>	<b>63,664</b>	<b>-5,723</b>
<b>Total liabilities</b>	<b>116,966</b>	<b>124,343</b>	<b>-7,377</b>

## Consolidated statement of change in equity of Bastei Lübbe AG, Cologne, for the interim financial statement as at 30 September 2015

	Parent company			Accumulated other income	Shares held by other shareholders		Group equity
	Subscribed Capital	Share capital reserves	Net profit		Equity	Equity	
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
<b>As at 1 April 2014</b>	<b>13,250</b>	<b>26,170</b>	<b>12,105</b>	<b>-48</b>	<b>51,477</b>	<b>0</b>	<b>51,477</b>
<b>Dividends paid</b>			<b>-3,710</b>		<b>-3,710</b>	<b>0</b>	<b>-3,710</b>
<b>Changes in the group of consolidated companies</b>					<b>0</b>	<b>3,003</b>	<b>3,003</b>
<b>Transfer of shares held</b>	<b>0</b>	<b>2</b>			<b>2</b>	<b>0</b>	<b>2</b>
<b>Other changes</b>			<b>-1</b>		<b>-1</b>		<b>-1</b>
Net profit or loss for the period			443		443	-250	193
Amounts recognised directly in equity					0	0	0
<b>Total earnings</b>			<b>443</b>	<b>0</b>	<b>443</b>	<b>-250</b>	<b>193</b>
<b>As at 30 September 2014</b>	<b>13,250</b>	<b>26,172</b>	<b>8,837</b>	<b>-48</b>	<b>48,211</b>	<b>2,753</b>	<b>50,964</b>
<b>As at 1 April 2015</b>	<b>13,200</b>	<b>25,871</b>	<b>19,004</b>	<b>-37</b>	<b>58,038</b>	<b>2,641</b>	<b>60,679</b>
<b>Dividends paid</b>			<b>-3,960</b>		<b>-3,960</b>	<b>0</b>	<b>-3,960</b>
<b>Changes in the group of consolidated companies</b>					<b>0</b>	<b>-2,711</b>	<b>-2,711</b>
<b>Transfer of shares held</b>				<b>1</b>	<b>1</b>		<b>1</b>
<b>Other changes</b>					<b>0</b>	<b>-1</b>	<b>-1</b>
Net profit or loss for the period			5,007		5,007	10	5,017
Amounts recognised directly in equity					0	0	0
<b>Total earnings</b>			<b>5,007</b>	<b>0</b>	<b>5,007</b>	<b>10</b>	<b>5,017</b>
<b>As at 30 September 2015</b>	<b>13,200</b>	<b>25,872</b>	<b>20,051</b>	<b>-37</b>	<b>59,086</b>	<b>-61</b>	<b>59,025</b>

## Consolidated cash flow statement of Bastei Lübbe AG, Cologne, for the interim financial statements as at 30 September 2015

September	1 April-30 September	1 April-30
	2015 KEUR	2014 KEUR
Net profit or loss for the period	5,017	193
+/- Depreciation/appreciation of intangible assets and property, plant and equipment	1,767	1,370
+/- Other non-cash expenses/income	1,243	1,248
+/- Increase/decrease in provisions	-440	488
-/+ Profit/loss from the disposal of intangible assets and property, plant and equipment	-3	5
- Profit from the disposal/transition of consolidated companies.	-6,418	0
+ Loss from disposal of at-equity accounted investments	1,375	0
-/+ Increase/decrease in income tax receivables and liabilities, incl. deferred tax claims and liabilities	-518	350
-/+ Increase/decrease in inventories, trade receivables and other assets that cannot be allocated to investment or financing activities	-9,023	-12,231
+/- Increase/decrease in trade liabilities and other liabilities that cannot be allocated to investment or financing activities	527	4,508
<b>Cash flow from current business</b>	<b>-6,473</b>	<b>-4,069</b>
- Outflow of funds for investments in intangible assets	-2,612	-1,718
+ Income from the disposal of property, plant and equipment	5	12
- Outflow of funds for investments in property, plant and equipment	-255	-480
+ Income from the disposal of financial investments	400	0
- Outflow of funds for investments in financial assets	0	-63
- Outflow of funds for the acquisition of fully-consolidated companies, less currency acquired in the context of acquisition	0	-4,016
<b>Cash flow from investment activities</b>	<b>-2,462</b>	<b>-6,265</b>
- Disbursements to shareholders (dividends)	-3,960	-3,710
+ Receipts from the issue of bonds and from obtaining (financial) credit	0	355
- Outflow of funds for the repayment of bonds and (financial) loans	-159	-149
<b>Cash flow from financing activities</b>	<b>-4,119</b>	<b>-3,504</b>
Changes in cash and cash equivalents with effect on payments	-13,054	-13,838
+ Cash and cash equivalents at start of period	13,624	18,163
<b>= Cash and cash equivalents at end of period</b>	<b>570</b>	<b>4,325</b>

## **Bastei Lübbe AG, Cologne**

### **Abridged notes on consolidated interim financial statements as at 30 September 2015**

#### **1. General information**

Bastei Lübbe AG (hereinafter also "Parent company") has its registered offices at Schanzenstraße 6-20, 51063 Köln, 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 No 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. An IFRS annual financial statement was already prepared for the financial year 2012/2013 within the framework of listing on the stock exchange. 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).

Since 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 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 2015 has been prepared according to IAS 34 - interim reporting, and covers the period from 1 April to 30 September 2015.

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 2014/2015 financial year. The same applies to the principles and methods of the assumptions and estimates required in the context of interim consolidated financial statements. Reference is made to the assumption and estimates under Point 4 which were used for the initial acquisition of shares in the henceforth associated company Daedalic Entertainment GmbH.

All IFRS standards which first became applicable in the financial year 2015/2016 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 2014/2015.



### 3. Consolidation principles

All consolidation principles remain unchanged compared to the 2014/2015 financial year, and can be consulted in the Notes to the consolidated financial statements as of 31 March 2015.

### 4. Shareholdings and consolidated companies

Bastei Lübbe AG sold 3 per cent of its shares in Daedalic Entertainment GmbH (“Daedalic”) to a UK investor with a purchase contract of 17 September 2015. This caused the participation of Bastei Lübbe AG in Daedalic to fall to its current level of 48 per cent. The background to this is that Daedalic is planning a significant expansion of its business in the next few years into the area of development and marketing of Adventure Games. The financing of this ambitious growth programme is intended to be realised both with the support of the investor, who has also acquired a further option of acquiring an additional 5 per cent participation in Daedalic next year, and via self-financing on the part of Daedalic. This should keep the risks low for all concerned.

The loss of control in Daedalic meant that its assets and liabilities were deconsolidated, and the remaining shares in the now associated company have been added at their fair value. This has entailed the removal of the following assets and liabilities from the consolidated balance sheet of Bastei Lübbe AG:

	KEUR
Goodwill	4,903
Other intangible assets	10,817
Other non-current assets	100
Current assets	2,717
Non-current debts	6,065
Current debts	2,036

The initial acquisition of shares in the now associated company was performed on the basis of assumption and estimates. A market-based approach, along with the market multiples process was chosen as the evaluation method. Accordingly, market-related multiples from publicly available databases were derived from a peer group of comparable, listed games software companies for a period of three years and correlated with the planned output estimates of Daedalic. The deduction of the (expected) debts gave the equity values for the years in question, which were consolidated at the fair value as an arithmetic mean. The actual values which will occur in the following years may differ from the assumptions and estimates made, above all if the framework conditions develop contrary to expectations.

The evaluation resulting in a market value for the participation in Daedalic remaining for Bastei Lübbe of €13,392,000, which (in the “Digital” segment) has led to a profit from the transitional consolidation of a total of €6,418,000 which is documented under other operating income.

With the purchase contract of 7 September 2015, Bastei Lübbe AG sold its 50 per cent participation in Präsenta Promotion International GmbH to co-partner Mr Thomas Herriger in the course of the increasing focus on digital content. Within the context of this transaction, an agreement was concluded between the parties according to which Präsenta will continue to market Bastei Lübbe AG products via the available network. The sale of shares in the current business year resulted in a loss of €1,375,000 for the Group in the “Non-book” segment which is documented under other operational expenditure.

Hence, as well as the parent company, only the participation in BookRix GmbH & Co. KG, Munich, will also be consolidated from 30 September 2015. Daedalic (see above) and the 45 per cent participation in BEAM AG, Cologne, are included in the consolidated financial statement of Bastei Lübbe AG as at-equity accounted investments as at the interim financial statement cut-off date .

## 5. Equity

Since being introduced for listing on the stock market in October 2013, the share capital of the parent company has consisted of 13,300,000 individual share certificates with an arithmetical share in the share capital of €1.00 each, i.e. a total of €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 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.

## 6. Earnings per share

In calculating earnings per share (€0.38/share, previous year: €0.03/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.

## 7. 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 475 ( previous year: reimbursements KEUR 33). Interest payments amount to KEUR 20 ( previous year: KEUR 42).

## 8. Segment reporting

Segment reporting comprises disclosures under IAS 34.16A (g). Segmentation is in line with the Group's internal controlling and reporting. Due to the increasing importance of the Digital business segment in the 2015/2016 financial year, and particularly due to the acquisitions carried out during the previous financial year (Daedalic Entertainment GmbH, BookRix GmbH & Co. KG and BEAM AG), it was necessary to create a fourth, independent segment known as "Digital" within group reporting and to subsequently record it within segment reports in line with IAS 34.

The audio and e-book sub-groups, as well as the subsidiaries BookRix GmbH & Co. KG and BEAM AG, were taken from the Book segment and assigned to the new Digital segment; this also applies to the subsidiary Daedalic Entertainment GmbH, which was previously in the non-book segment. Compared to 31 March 2015, the segment structure remained unchanged in other respects.

The previous year's figures for comparison were adjusted accordingly.

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

(KEUR)	Books		Digital		Non-book		Novel booklets and Puzzle magazines		Total	
	Jul-Sep 2015	Jul-Sep 2014	Jul-Sep 2015	Jul-Sep 2014	Jul-Sep 2015	Jul-Sep 2014	Jul-Sep 2015	Jul-Sep 2014	Jul-Sep 2015	Jul-Sep 2014
	Segment									
sales revenue	11,860	14,805	6,779	7,036	5,509	4,073	2,558	2,710	26,706	28,624
Internal sales	0	0	0	5	0	0	0	0	0	5
<b>External sales</b>	<b>11,860</b>	<b>14,805</b>	<b>6,779</b>	<b>7,031</b>	<b>5,509</b>	<b>4,073</b>	<b>2,558</b>	<b>2,710</b>	<b>26,706</b>	<b>28,619</b>
<b>EBITDA</b>	<b>1,300</b>	<b>-455</b>	<b>5,801</b>	<b>1,570</b>	<b>605</b>	<b>171</b>	<b>641</b>	<b>577</b>	<b>8,347</b>	<b>1,863</b>
Included										
earnings from investments	0	0	-80	0	-11	-11	283	260	192	249
Amortisations	141	99	581	515	134	152	40	41	896	807
<b>EBIT</b>	<b>1,159</b>	<b>-554</b>	<b>5,220</b>	<b>1,055</b>	<b>471</b>	<b>19</b>	<b>601</b>	<b>536</b>	<b>7,451</b>	<b>1,056</b>
Financial result									-565	-612
<b>Earnings before taxes (EBT)</b>									<b>6,886</b>	<b>444</b>
Taxes on income and earnings									198	171
<b>Net profit or loss for the period</b>									<b>6,688</b>	<b>273</b>

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

(KEUR)	Books		Digital		Non-book		Novel booklets and Puzzle magazines		Total	
	Apr-Sep 2015	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2014	Apr-Sep 2015	Apr-Sep 2014
	Segment									
sales revenue	20,818	24,929	13,488	13,009	8,324	6,087	4,813	5,178	47,443	49,203
Internal sales	0	0	0	5	0	0	0	0	0	5
<b>External sales</b>	<b>20,818</b>	<b>24,929</b>	<b>13,488</b>	<b>13,004</b>	<b>8,324</b>	<b>6,087</b>	<b>4,813</b>	<b>5,178</b>	<b>47,443</b>	<b>49,198</b>
<b>EBITDA</b>	<b>488</b>	<b>-811</b>	<b>6,092</b>	<b>2,811</b>	<b>411</b>	<b>-9</b>	<b>874</b>	<b>973</b>	<b>7,865</b>	<b>2,964</b>
Included										
earnings from investments	0	0	-127	0	31	-101	301	274	205	173
Amortisations	276	185	1,147	801	265	304	79	80	1,767	1,370
<b>EBIT</b>	<b>212</b>	<b>-996</b>	<b>4,945</b>	<b>2,010</b>	<b>146</b>	<b>-313</b>	<b>795</b>	<b>893</b>	<b>6,098</b>	<b>1,594</b>
Financial result									-1,124	-1,084
<b>Earnings before taxes (EBT)</b>									<b>4,974</b>	<b>510</b>
Taxes on income and earnings									-43	317
<b>Net profit or loss for the period</b>									<b>5,017</b>	<b>193</b>

## 9. Financial instruments

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

(KEUR)	Book value		Fair value	
	30 Sep 2015	31 Mar 2015	30 Sep 2015	31 Mar 2015
<b>Assets</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents	570	13,624	570	13,624
Trade receivables	22,121	18,060	22,121	18,060
Other non-derivative financial assets	11,919	10,211	11,919	10,211
<b>Available for sale</b>				
Investments	1,012	1,050	1,012	1,050
	<b>35,622</b>	<b>42,945</b>	<b>35,622</b>	<b>42,945</b>
<b>Liabilities</b>				
<b>Liabilities</b>				
... from trade accounts	12,647	12,240	12,647	12,240
... from bonds issued	31,600	30,453	32,749	32,703
... to banks	0	1	0	1
... from finance leases	262	421	260	420
Other non-derivative liabilities	3,010	2,997	3,010	2,997
	<b>47,519</b>	<b>46,112</b>	<b>48,666</b>	<b>48,361</b>

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

- cash and cash equivalents, trade receivables, other short-term assets, trade liabilities, short-term liabilities to banks and other short-term liabilities come very close to their carrying values, largely as a result of the short terms of these instruments.
- Long-term assets and receivables from bearer bonds 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 for borrowings currently comparable in condition, default risks and residual terms.
- The fair value of other available-for-sale assets is not calculated, as no listed market prices exist on an active market and the fair value cannot be reliably determined. These available-for-sale financial assets are strategic participations in press distributorships. Due to missing market transactions and a lack of knowledge regarding the parameters which exert a major influence on the fair value of the assets, this was not calculated. The Company currently has no intention to sell the assets.

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 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.

## 10. Changes to the Executive Board

Mr Jörg Plathner, Stuttgart, withdrew from the Executive Board with effect from 19 August 2015. His duties, in particular responsibility for the area of Digital Media, have since then been taken over by Management Board member Mr Thomas Schierack. There are currently no plans to expand the Executive Board again to four members. There were no other changes with regard to the members of the Executive Board and Supervisory Board.

## 11. Events after the reporting date for the interim financial statements

Bastei Lübbe AG concluded a syndicated loan agreement with a renowned banking syndicate on 5 October 2015 with a total value of €33 million, and at the same time ensured itself an option of a further €10 million for possible company acquisitions and other strategic investments. The syndicated loan has a maturity of six years. The Company will use the loan, amongst other things, for paying back the company loans due in October 2016, valued at €30 million. Thanks to the re-negotiated financing solution, the financial year 2016/2017 will see an expected decrease in interest expenditure by approx. €0.75 million and, from the financial year 2017/2018, a likely decrease by approx. €1.5 million per year.

No other events occurred after 30 September 2015 that need to be disclosed here.

Cologne, 10 November 2015

Bastei Lübbe AG

The Executive Board



Thomas Schierack

Klaus Kluge

Felix Rudloff

## Assurance by the legal representatives – statement of responsibility

We herewith assure to the best of our knowledge that in accordance with the applicable accounting principles for interim reporting, the half-year financial statements of Bastei Lübbe AG, Cologne, as at 30 September 2015, represent a true image of the Group's assets, financial position and earnings, and that in the consolidated interim status report, the course of business, including the financial result and the status of the Group, is represented such that it gives an accurate depiction of the circumstances, and that the significant opportunities and risks for the foreseeable development of the Group are described.

Cologne, 10 November 2015

Bastei Lübbe AG

Executive Board



Thomas Schierack

Klaus Kluge

Felix Rudloff

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

### Contact

The consolidated half-year report of  
Bastei Lübbe AG  
can be downloaded as a PDF file at  
[www.luebbe.de](http://www.luebbe.de).  
You can also find further corporate information  
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\* TOM ANGLEBERGER \*

# STAR WARS WOOKIEE

ZWISCHEN HIMMEL UND HÖLLE

