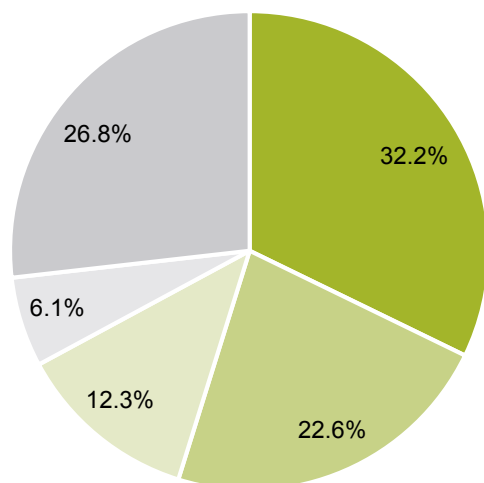




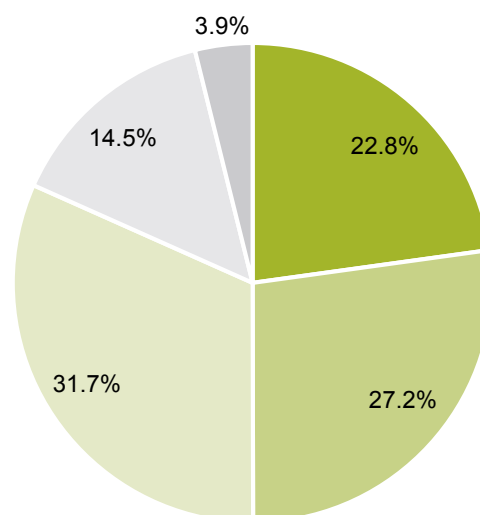
At a glance

Key figures (IFRS)	01.04.2016-31.12.2016	01.04.2015-31.12.2015	Change in %
Business development in €m			
Group turnover	118.4	81.5	45.3%
EBITDA	9.3	7.5	24.0%
EBITDA margin	7.9%	9.2%	
Group result	2.3	1.3	76.9%
Earnings per share in €	0.19	0.11	72.7%
Key figures (IFRS)	31.12.2016	31.03.2016	Change in %
Financial and assets position in €m			
Balance sheet total	161.0	111.8	44.0
Equity	54.4	49.7	9.5%
Equity ratio	33.8%	44.5%	

Turnover 01.04. - 31.12.2016 by segment



EBITDA 01.04. - 31.12.2016 by segment



■ Book ■ Digital ■ Non-book ■ Novel booklets and puzzle magazines ■ Retail

Group quarterly report for Bastei Lübbe AG for the first nine months of the 2016/2017 financial year, up to 31 December 2016

Key events in the period from 1 April 2016 to 31 December 2016

Bastei Lübbe attained a group revenue of 118.4 million euros in the first nine months of the 2016/2017 financial year compared to 81.5 million euros in the same period of the previous year.

The group's EBITDA increased to 9.3 million euros in the period under review, compared to 7.5 million euros in the same period the previous year.

In addition to the significant transactions already reported in the half-year financial statement, the following key events occurred during the reporting period:

Bastei Lübbe held its annual general meeting for the previous financial year (2015/2016) on 30 November 2016 in Cologne. The shareholders approved the recommendations of the management board listed on the agenda. The incumbent supervisory board resigned from office at the end of the general meeting. According to the entry in the agenda, Mr Robert Stein (CEO of Arcana Capital GmbH), Prof Dr Friedrich L. Ekey Attorney-at-Law (professor at the Rheinische Fachhochschule in Cologne), and Dr Mirko Alexander Casper (Managing Director Mister Spex) were elected to the supervisory board at the end of the general meeting, for the period up to the general meeting for the financial year ending on 31 March 2018. In the subsequent constituent meeting, Mr Robert Stein was elected Chairman of the supervisory board. In addition, the general assembly approved a dividend of 0.10 euros per share. The company paid a total of €1,320,010.00 to the shareholders as a dividend of the balance sheet profit of €2,510,695.77 reported in the annual financial statement. The remaining portion of the balance sheet profit, amounting to €1,190,685.77, was carried forward to new account.

By means of a purchase agreement dated 24 November 2016, Bastei Lübbe sold all brand rights, tangible assets and inventories of the Räder division to the newly founded räder GmbH, Bochum for 14.1 million euros, as part of an asset deal. As part of the establishment, Bastei Lübbe AG acquired 20% of the shares in räder GmbH. The remaining 80% of the shares are held by MBH Mamisch Beteiligungsholding GmbH, Grünwald.

Key events after the interim statement reporting date

With the effectiveness of the räder purchase agreement (1 January 2017), the "non-book" segment is no longer effective, as, since the at-equity sale of the shares in Präsentia Promotion International GmbH in September 2015, only the turnover and results of the Räder segment. had been reported. On the basis of current information, the balances of the book values of the outgoing assets (mainly intangible assets and inventories) and liabilities (deferred tax liabilities) amount to 12.7 million euros (final agreements with the acquirer, in particular concerning the inventories, are still pending). The anticipated book profit of 1.4 million euros will be recorded in the fourth quarter of the current financial year.

No other events which require disclosure here occurred after 31 December 2016.

Future quarterly reports (Q1/Q3)

In November 2015, the disclosure requirements for companies in the Prime Standard of the Frankfurt Stock Exchange were amended as part of the implementation of the transparency directive which was adopted at EU-level. In this context, facilities for capital market-oriented enterprises were approved in connection with the reports for Q1 and Q3. As part of future quarterly reports, Bastei Lübbe will continue to report over and above the minimum content required by the new stock exchange regulations. In addition to an overview of the assets and earnings situation, this also includes sales and earnings figures per segment.

Overview of the profit situation

1 General information

The increase in all income and expenses compared to the same period in the previous year is mainly due to the full consolidation of BuchPartner GmbH as of 1 April 2016. The income situation in the period under review is as follows:

KEUR	Q1 to Q3	Q1 to Q3	Change
	1.4.-31.12. 2016	1.4.-31.12. 2015	
Sales revenue	118,410	81,535	36,875
Change in inventories of finished goods and work in progress	2,867	373	2,494
Other operating income	1,805	582	1,223
Cost of materials	-62,566	-35,831	-26,735
Personnel costs	-23,648	-18,079	-5,569
Other operating expenses	-27,896	-21,455	-6,441
Earnings from investments	342	424	-82
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	9,314	7,549	1,765
Amortisations	-3,608	-2,712	-896
Earnings before interest and taxes (EBIT)	5,706	4,837	869
Financial result	-2,164	-1,711	-453
Earnings before taxes (EBT)	3,542	3,126	416
Taxes on income and earnings	-1,243	-1,786	543
Results for the period	2,299	1,340	959

2 Sales trend

In the period from 1 April to 31 December 2016, Bastei Lübbe achieved group revenue of 118.4 million euros (previous year: 81.5 million euros). In the period under review, the turnover was 36.9 million euros more than the turnover recorded in the same period the previous year. This is due to the consolidation of the majority stake in BuchPartner GmbH (turnover: 32.5 million euros) which was acquired with effect as of 1 April 2016, as well as increased turnover in just about every segment. The acquisition of the majority stake in BuchPartner GmbH led to the formation of a new “retail” segment.

The “book”, “digital”, “non-book”, “novel booklets and puzzle magazines”, and “retail” segments developed as follows:

	Book		Digital		Non-book		Novel booklets and puzzle magazines		Retail		Cross-segment consolidation		Total	
	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015
KEUR														
Segment sales revenue	39,057	39,665	27,607	22,290	14,934	12,723	7,368	7,159	32,500	---	0	---	121,466	81,837
Internal sales revenue	0	0	184	302	0	0	0	0	0	---	2,872	---	3,056	302
External sales revenue	39,057	39,665	27,423	21,988	14,934	12,723	7,368	7,159	32,500	---	-2,872	---	118,410	81,535

At 39.1 million euros, the turnover for the “book” segment is similar to that recorded for the same period the previous year (39.7 million euros). The turnover in the digital segment has increased remarkably, from 22.0 million euros to 27.4 million euros. A considerable increase can also be seen in the “non-book” segment (from 12.7 million euros to 14.9 million euros). For the first time, sales of the majority stake in BuchPartner GmbH in the new “retail” segment are reported at 32.5 million euros. Turnover in the “novel booklets and puzzle magazines” segment rose from 7.2 million euros to 7.4 million euros.

The fully consolidated investments contributed to group sales as follows:

KEUR	Q1 to Q3 1.4.-31.12.2016	Q1 to Q3 1.4.-31.12.2015
BuchPartner GmbH	32,500	---
Daedalic Entertainment GmbH	7,375	5,457
oolipo AG (formerly BEAM AG)	0	313
BEAM Shop GmbH	229	---
BookRix GmbH & Co. KG	1,568	1,728

3 Development of costs

The increase in all expenses compared to the same period in the previous year is mainly due to the full consolidation of BuchPartner GmbH. Material costs rose from 35.8 million euros in the previous year to 62.6 million euros. Personnel expenditure rose from 18.1 million euros in the previous year to 23.6 million euros. Other operating expenditure rose from 21.5 million euros in the previous year to 27.9 million euros.

4 Development of earnings

In the reporting period from 1 April 2016 to 31 September 2016, the group achieved earnings before interest, taxes, depreciation and amortisation (EBITDA) of 9.3 million euros. The profit for the previous year was 7.5 million euros.

The achieved earnings are influenced by several special charges amounting to around 2 million euros. These include:

- Advisory services relating to company acquisitions and sales
- Special costs of financing
- Special costs relating to the amendment of annual and consolidated financial statement annual reports, and the postponement of the annual general meeting

The results for the individual segments, compared to the same period in the previous year, are as follows:

	Book		Digital		Non-book		Novel booklets and puzzle magazines		Retail		Cross-segment consolidation		Total	
	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015	1.4. - 31.12. 2016	1.4. - 31.12. 2015
KEUR														
EBITDA	2,154	4,402	2,565	884	2,994	1,129	1,365	1,134	366	---	-130	---	9,314	7,549

The EBITDA in the “book” segment was 2.2 million euros in the reporting period, following 4.4 million euros in the previous year. The main reason for the decrease is the increased scheduled amortisation of royalties. The EBITDA in the “digital” segment was 2.6 million euros, following 0.9 million euros in the previous year. The increase in earnings is mainly due to a significant increase in sales and a corresponding increase in gross profit. The result of the “non-book” segment increased from 1.1 million euros in the previous year to 3.0 million euros. In this respect, it should be taken into account that the sale of the stake in Präsenta Promotion International GmbH in the previous year resulted in a deconsolidation loss of 1.4 million euros. The result of the “novel booklets and puzzle magazines” segment was 1.4 million euros, compared to 1.1 million euros in the previous year.

The fully consolidated investments contributed to group sales as follows (per EBITDA, according to the individual financial statements):

KEUR	Q1 to Q3	Q1 to Q3
	1.4.-31.12.2016	1.4.-31.12.2015
BuchPartner GmbH	1,010	---
Daedalic Entertainment GmbH	1,391	1,504
oolipo AG (formerly BEAM AG)	-689	-908
BEAM Shop GmbH	-205	---
BookRix GmbH & Co. KG	28	40

Overview of assets and financial position

1 Assets position

The increase in all balance sheet items compared to the 31 March 2016 is mainly due to the full consolidation of BuchPartner GmbH as of 1 April 2016. The group balance sheet total increased by 49.3 million euros, from 111.8 million euros to 161.0 million euros.

KEUR	31.12.2016	31.03.2016	Change
Long-term assets	88,379	66,671	21,708
Short-term assets	72,663	45,108	27,555
Total assets	161,042	111,779	49,263
Equity	54,381	49,680	4,701
Long-term liabilities	24,033	4,770	19,263
Short-term liabilities	82,628	57,329	25,299
Total liabilities	161,042	111,779	49,263

The increase of long-term assets amounting to 21.7 million euros primarily relates to intangible assets (+10.1 million euros), prepaid authors' royalties (+6.8 million euros) and financial investments (+3.0 million euros). The increase in short-term assets amounting to 27.6 million euros primarily relates to inventories (+18.2 million euros) as well as other receivables (+4.4 million euros).

The increase in long-term liabilities of 19.3 million euros primarily relates to long-term financial liabilities (+19.2 million euros). The increase in short-term liabilities of 25.3 million euros primarily relates to accounts payable trade (+16.5 million euros) as well as other liabilities (+14.5 million euros). The decline in short-term financial liabilities (-5.9 million euros) has a divergent effect.

2 Financial position

On 26 October 2016, Bastei Lübbe AG paid back loans issued to it in excess of 30 million euros plus interest. In order to ensure sufficient liquidity, the consortium loan of 53 million euros 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.

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. As a result of the purchase price payment for Räder at the end of December 2016 and regular repayments in the third quarter of the current financial year, liabilities from the bond and syndicated loans of Bastei Lübbe AG have decreased by 13.0 million euros as at 31 December 2016, from 49.2 million euros to 36.2 million euros.

Outlook

The Board of Directors gave a largely positive judgement on the prospects for the 2016/2017 financial year. In its forecast, the Board of Directors does not believe that there are any indications that a significant change will occur in terms of turnover and profits in the 2016/2017 financial year.

Cologne, 21 February 2017

Bastei Lübbe AG

The Executive Board



Thomas Schierack



Klaus Kluge

Legal information

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 group 9 month report for Bastei Lübbe AG

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