

Balance Sheet of Bastei Lübbe GmbH & Co. KG, Cologne

at March 31, 2013

Assets

	Balance at March 31, 2013 EUR	Balance at March 31, 2012 EUR
A. Fixed assets		
I. Intangible fixed assets		
1. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	7.891.728,84	678.628,00
2. Goodwill	1.784.471,16	552.782,00
3. Prepayments	<u>13.645,00</u>	<u>40.427,57</u>
	<u>9.689.845,00</u>	<u>1.271.837,57</u>
II. Tangible fixed assets		
1. Land, land rights and buildings including buildings on third party land	450.850,00	229.384,00
2. Technical equipment and machinery	32.374,00	23.386,00
3. Other equipment, operating and office equipment	<u>1.766.723,51</u>	<u>859.159,32</u>
	<u>2.249.947,51</u>	<u>1.111.929,32</u>
III. Long-term financial assets		
1. Shares in affiliated companies	542.284,25	13.605.078,15
2. Participations	2.469.194,92	207.832,47
3. Other loans	<u>800.000,00</u>	<u>0,00</u>
	<u>3.811.479,17</u>	<u>13.812.910,62</u>
	<u>15.751.271,68</u>	<u>16.196.677,51</u>
B. Current assets		
I. Inventories		
1. Manuscripts	20.513.967,06	16.020.228,81
2. Prepayments on manuscripts	3.996.058,87	4.015.231,39
3. Raw materials, consumables and supplies	353.408,67	428.523,05
4. Work in progress	437.629,65	222.730,00
5. Finished goods	16.896.853,90	15.233.089,00
6. Other prepayments	<u>112.946,48</u>	<u>0,00</u>
	<u>42.310.864,63</u>	<u>35.919.802,25</u>
II. Receivables and other assets		
1. Trade receivables	4.713.138,60	2.574.565,37
2. Receivables from affiliated enterprises	180.000,00	0,00
3. Accounts due from companies in which investments are held	44.127,70	0,00
4. Receivables from related parties	3.469,99	3.508,12
5. Other assets	<u>14.996.446,33</u>	<u>13.982.230,13</u>
	<u>19.937.182,62</u>	<u>16.560.303,62</u>
III. Cash-in-hand, central bank balances, bank balances and checks	78.553,78	2.735.186,25
	<u>62.326.601,03</u>	<u>55.215.292,12</u>
C. Prepaid expenses	<u>313.471,92</u>	<u>336.340,26</u>
	<u>78.391.344,63</u>	<u>71.748.309,89</u>

Equity and Liabilities

	Balance at March 31, 2013 EUR	Balance at March 31, 2012 EUR
A. Equity		
I. Share capital of the limited partners	1.533.875,65	1.533.875,65
II. Reserves	14.319.875,06	14.345.875,06
III. Net retained profits	<u>0,00</u>	<u>0,00</u>
	<u>15.853.750,71</u>	<u>15.879.750,71</u>
B. Adjustment item for capitalized treasury shares	<u>81.000,00</u>	<u>55.000,00</u>
C. Provisions		
1. Provisions for taxes	362.053,03	2.163.710,00
2. Other provisions	<u>9.204.943,85</u>	<u>8.335.504,93</u>
	<u>9.566.996,88</u>	<u>10.499.214,93</u>
D. Liabilities		
1. Bonds	30.000.000,00	30.000.000,00
2. Liabilities to banks	6.164.285,31	25.693,94
3. Trade payables	11.225.875,05	12.020.752,91
4. Liabilities to limited partners	3.964.286,79	1.894.452,99
5. Other liabilities	1.535.149,89	1.373.444,41
- thereof taxes: EUR 270,910.56 (prev. yr. EUR 230,425.01)		
- thereof relating to social security and similar obligations: EUR 447.52 (prev. yr. EUR 1,717.75)		
	<u>52.889.597,04</u>	<u>45.314.344,25</u>
	<u>78.391.344,63</u>	<u>71.748.309,89</u>

Income Statement
of Bastei Lübbe GmbH & Co. KG, Cologne
for the period April 1, 2012 to March 31, 2013

	<u>April 1, 2012 to March 31, 2013</u>	<u>April 1, 2011 to March 31, 2012</u>
	<u>EUR</u>	<u>EUR</u>
1. Revenue	98.329.887,16	82.887.033,17
2. Decrease (prev. yr. increase) in finished goods and work in progress	-1.339.025,35	2.581.535,00
3. Other operating income	627.988,32	1.900.554,56
4. Cost of materials		
a) Cost of raw materials, consumables and supplies and of purchased merchandise	996.386,74	542.247,20
b) Cost of purchased services	<u>45.599.271,25</u>	<u>44.439.449,04</u>
	<u>46.595.657,99</u>	<u>44.981.696,24</u>
5. Staff costs		
a) wages and salaries	13.067.487,52	10.388.364,37
b) social security and other pension costs	2.235.715,05	1.695.118,21
- thereof in respect of old-age pensions: EUR 0.00 (prev. yr. EUR 0.00)		
	<u>15.303.202,57</u>	<u>12.083.482,58</u>
6. Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible assets	2.247.412,25	805.022,38
- thereof extraordinary depreciation: EUR 518,560.00 (prev. yr. EUR 0.00)		
7. Other operating expenses	23.619.125,31	20.550.539,18
8. Income from long-term equity investments	1.076.395,51	104.304,94
- thereof from affiliated companies: EUR 1,029,720.12 (prev. yr. EUR 73,690.10)		
9. Other interest and similar income	37.743,83	56.094,76
- thereof from affiliated companies: EUR 0.00 (prev. yr. EUR 0.00)		
10. Amortization of financial assets and marketable securities	100.000,00	0,00
11. Interest and similar expenses	2.145.787,71	1.348.613,99
- thereof to affiliated companies EUR 0.00 (prev. yr. EUR 0.00)		
12. Results from ordinary activities	<u>8.721.803,64</u>	<u>7.760.168,06</u>
13. Income taxes	1.419.920,55	1.204.167,00
14. Other taxes	<u>18.832,19</u>	<u>36.213,29</u>
15. Net income	7.283.050,90	6.519.787,77
16. Allocations to reserves	0,00	-1.783.694,33
17. Credit to personal accounts of the limited partners	<u>-7.283.050,90</u>	<u>-4.736.093,44</u>
18. Net retained profits	<u>0,00</u>	<u>0,00</u>

Notes to the Financial Statements of Bastei Lübbe GmbH & Co. KG, Cologne
for Fiscal Year 2012/13

I. Accounting policies

The provisions of the German Commercial Code (HGB) for limited partnerships (*Kommanditgesellschaften*) within the meaning of sect. 264a thereof were applied in respect of the accounting and valuation.

The statement of profit and loss has been drawn up according to the cost of production convention.

The classification was maintained unchanged from the previous year with the exception that the previous year's figures for the trade payables and the other liabilities were adjusted according to the changes in disclosures of the financial year.

The applied accounting, valuation and depreciation methods take account of all identifiable risks and are presented in detail in the explanatory notes to the balance sheet items.

II. Balance sheet disclosures

Fixed assets

The development of the acquisition or production costs and the value adjustments of all fixed asset items in the financial year 2012/13 are shown in the fixed assets schedule.

Intangible and tangible fixed assets

The intangible assets acquired for a consideration have been measured at acquisition cost less ordinary accumulated depreciation. The items are amortized using the straight-line method over the usual operational life of three to fifteen years. The goodwill results essentially from the accrual of shares in Hartmut Räder Wohnzubehör GmbH & Co. KG (in brief: Räder KG) and PMV Partner Medien Verlagsgesellschaft mbH (in brief: PMV GmbH) to Bastei Lübbe GmbH & Co. KG and the respective merger therewith and, because of the stability and sustainability of the business models of Räder KG and PMV GmbH, is being written down over a period of 15 years. The tangible assets are valued at acquisition or production costs after deduction of ordinary depreciation through wear and tear. Extraordinary depreciation is accounted for to the extent that it is necessary to state a lower value.

Technical equipment and machines are written down over a maximum period of ten years while other equipment, factory and office equipment is written down predominantly within five years using the straight-line method. The depreciation is deducted *pro rata temporis* in the year of acquisition.

From 1.1.2008 to 31.12.2009 additions of low-value economic assets with an acquisition cost of over EUR 150.00 and up to EUR 1,000.00 are recorded as a collective item which is written down in each financial year at one-fifth of its acquisition cost. From 1.1.2010 the low-value economic assets (up to EUR 410.00) are again fully written off at year-end. Low-value economic assets up to EUR 60.00 are recorded directly as costs.

Long-term financial assets

As at 31.3.2013 the company's shareholdings are as follows:

	Subscribed capital of the investee TEUR	Percentage ownership TEUR %	Equity	Carrying amount EUR	Net income 2012/13
Shares in affiliated companies					
MoBa GmbH, Brno/ Czech Republic ¹⁾	15	14 89.7	TCZK 26.707	161,954.75	TCZK 7,472
Bastei Lübbe Verwaltungs GmbH, Cologne	55	55 100	TEUR 379	81,000.00	TEUR 33
Bastei Media GmbH, Erfurt (formerly: Family Entertainment.tv Film- und Fernsehproduktion GmbH)	25	25 100	²⁾	299,329.50	²⁾
Participations					
PRÄSENTA PROMOTION INTERNATIONAL GmbH, Solingen ³⁾	105	52.5 50.0	TEUR 2.765	2,361,362.45	TEUR 24

¹⁾ Figures as per annual financial statements for the period ended 31.12.2012

²⁾ Information is not yet available for the financial year 2012.

³⁾ Figures as per annual financial statements for the period ended 31.12.2012

Other loans

The other loans are stated in the balance sheet at par and relate to a long-term loan.

Current assets

Inventories

Purchased manuscripts are measured at acquisition costs. Appropriate deductions are made based on the expectations of realization. The advance payments made thereon are valued at their nominal amount. Value deductions are also made on the advance payments.

The raw materials, consumables and supplies are valued at acquisition cost less discounts taken up. Adjustments for inventory risks arising from length of storage period or reduced usability have been made on an appropriate and adequate scale.

The stock of work in process and finished goods within the "Book" segment has been valued at production costs. These contain the direct costs for material and printing costs and expenditure for royalties. The overhead costs (e.g. editorial costs) are recorded by adding corresponding supplementary charges to the printing costs. Adequate deductions have been made for the stocks of returned publications which are included in the finished goods to allow for their reduced marketability.

The stock of work in process and finished goods within the "Non-Book" segment has been valued at acquisition or production costs. Surplus stocks have been identified with the aid of an inventory range analysis and corresponding deductions have been made thereon. The procedure for the inventory range analysis was applied in conformity with the findings of the external tax audit.

The other advance payments are valued at their nominal amount.

Receivables and other assets

Receivables and other assets are generally recorded at their nominal values, whereby in addition to necessary provisions for losses on individual accounts, an overall adjustment was made in respect of trade debtors. The percentages of the overall adjustment are 5 % for receivables from advertising which relate to the domestic territory and 3 % for all other domestic and foreign receivables respectively. Foreign currency receivables are valued at the acquisition exchange rate or the more unfavourable exchange rate at the balance sheet date.

The entire receivables from the Book segment have been sold to Vereinigte Verlagsauslieferung arvato media GmbH (VVA), Gütersloh in the context of a factoring agreement. The factoring is performed under the open procedure. The risk of default in respect of the receivables remains with Bastei Lübbe GmbH & Co. KG. The receivables from this agreement vis-à-vis VVA are stated under other assets.

Receivables with a residual term of over one year are included in the trade receivables in the amount of EUR 1,358,701.28.

Other provisions

The other provisions substantially contain provisions for returns (TEUR 3,389) for delivered goods expected to be returned. The company issues credit notes to customers for the full invoice amount. The provision for returns as on 31.3.2013 concerns credit notes for goods supplied and invoiced in the 2012/13 financial year which are returned by the customers in the subsequent financial year.

In the case of pulp novels, which are sold under an incorporeal return procedure, the goods are not actually returned. Only the corresponding credit note is issued.

The calculation of the provision for the returns is based on the return ratio of the previous financial year, taking account of the actual returns at the beginning of the subsequent year. As a result of the right of return, the customers can declare a set-off with the publisher's trade receivables at any time. At 31.3.2013 the pulp novels booked in the period from 1.4. to 30.4.2013 and the book returns booked in the period from 1.4. to 15.5.2013 were therefore balanced with trade receivables (fictional booklet segment) and other assets (book segment).

The balance sheet item "other provisions" otherwise contains outstanding contributions to employees' industrial compensation society, outstanding authors' royalties, costs for year-end accounting, other amounts for personnel (severance payments, statutory sick pay, outstanding vacation, supplementary remuneration, management bonuses and early retirement obligations), still unsettled customer bonuses and contributions to advertising costs, future archiving costs, guarantee obligations, outstanding suppliers' invoices and costs for court action. These provisions cover all doubtful debts, losses and risks which were known at the time that the balance sheet was drawn up, as far as they relate to the financial year ended.

Assets which have been protected from seizure by all other creditors, are unencumbered and secure from insolvency and exclusively serve the purpose of fulfilling liabilities from early retirement obligations (asset value of the cover for recorded hours worked as cover fund) were directly offset with the corresponding liabilities pursuant to sect. 246 (2) 2nd sentence of the Commercial Code.

Details of set-off with cover fund pursuant to sect. 246 (2) 2nd sentence of the Commercial Code:

	March 31, 2013 EUR
Early retirement obligations	698.204,57
Cover fund (fair value)	<u>519.372,04</u>
Provision for early retirement	<u>178.832,53</u>
Cover fund (acquisition costs)	<u><u>519.372,04</u></u>
Interest expense from early retirement obligation	10.492,30
Revenue from cover fund	<u>12.859,62</u>
Interest income	<u><u>-2.367,32</u></u>

Liabilities

The liabilities have been capitalized at their respective repayable amounts.

Foreign currency liabilities are valued at the exchange rate upon acquisition or more unfavourable exchange rate at the balance sheet date.

The residual terms of the liabilities and the put up collateral are shown in the statement of liabilities.

Deferred taxes

Deferred taxes are computed in particular for temporary differences between the commercial-law and tax valuation bases of goodwill, tangible assets (tenant's fixtures and fittings) and other provisions (early retirement obligations). There are no tax losses carried forward. The tax rate on which the valuation is generally based is 16.63%. In exercising the option pursuant to sect. 274 (1) 2nd sentence of the Commercial Code, the total surplus of deferred tax assets resulting after the set-off of deferred tax liabilities with deferred tax assets was not capitalized.

III. Income statement disclosures

Revenue

The revenue is divided between the lines of business Books, Non-Books and Pulp novels/Puzzle booklets as follows:

	Books TEUR	Non-Books TEUR	Pulp novels/Puzzle booklets TEUR	Total TEUR
Net revenue	82,241	10,878	8,656	101,775
Revenue reductions	-3,109	-336		-3,445
	79,132	10,542	8,656	98,330

Other operating income

These include:

- Sales to personnel (TEUR 30)
- Income from currency gains (TEUR 50)
- Income from payments in kind (TEUR 232)
- Income from rentals (TEUR 35)
- Income from compensation payments (TEUR 100)
- Reimbursement of court costs from fiscal court (TEUR 27)
- Income from the release of provisions (TEUR 39)
- Income from the write-back of valuation adjustments (TEUR 71)
- Other (TEUR 44)

Cost of materials

In addition to the expenditure for raw materials, consumables and supplies and purchased merchandise, the cost of materials also contains expenditure for purchased services in the form of royalty expenditure and expenditure for printing services.

Cost of purchased services

The guaranteed royalties are divided into hard cover (HC) and paperback (PB) (in general 50:50) and, upon publication of the HC title or the TB title, reported as expenditure in relation to their share in the guaranteed royalty. The proportional guaranteed royalty for HC also includes royalty elements for publications in the form of audio books and e-books.

Staff cost

The expenditure for wages and salaries relates to wages and salaries, superannuation benefits and payments in kind as well as severance payments for former employees.

The social security charges contain the employer contributions to social insurance and employees' industrial compensation society contributions.

Amortization and write-downs of intangible fixed assets and write-downs of tangible assets

The depreciation amounts accounted for on the individual items of the intangible fixed assets and the tangible assets can be referred to in the fixed assets schedule.

Other operating expenses

The other operating expenses include expenditure for administration, marketing and distribution, advertising, maintenance and rents, and neutral areas.

Income from long-term equity investments

The income relates to distributions from investees received during the fiscal year.

Exchange gains and losses

The other operating income includes currency exchange gains from currency conversion in the amount of TEUR 50 (prev. yr. TEUR 19). The other operating expenses include currency exchange losses from currency conversion in the amount of TEUR 32 (prev. yr. TEUR 25).

IV. Disclosures of contingent liabilities and other financial obligations

Contingent liabilities

Liabilities due to warranty agreements

In connection with a factoring contract, Bastei Lübbe GmbH & Co. KG has made an undertaking to VVA Vereinigte Verlagsauslieferung arvato media GmbH, Gütersloh to accept liability for losses on receivables from customers vis-à-vis VVA.

Liabilities from guarantees and from suretyships

Liabilities exist from an absolute guarantee and a suretyship in favour of an associate company vis-à-vis two credit institutions in the amount of EUR 1,500,000.00. The risk of take-up from the guarantees is estimated as low, since there is no reason at the present time for presuming that the associate company cannot fulfil its obligations towards the credit institutions.

Other financial obligations

The other financial obligations as at 31.3.2013 are made up as follows:

	<u>TEUR</u>
miscellaneous rental contracts (up to 31.12.2021)	11,814
miscellaneous leasing contracts (2013 to 2015)	1,196

V. Other disclosures

Disclosure pursuant to sect. 285 No. 15 of the Commercial Code

The personally liable partner is Bastei Lübbecke Verwaltungs GmbH, Cologne. Its subscribed capital as on 31.3.2013 is EUR 55,000.00 (prev. yr. EUR 55,000.00).

Employees

The average number of employees was:

	<u>2012/13</u>	<u>2011/12</u>
Employees	242	184
	<u>242</u>	<u>184</u>

Executive bodies

Management

Bastei Lübbe Verwaltungs GmbH, represented by its directors:

Stefan Lübbe, publisher (chairman of the management)
Thomas Schierack, attorney-at-law
Klaus Kluge, publishing manager
Hartmut Räder, businessman (from 1.7.2012)
Bodo Horn-Rumold, publishing manager (until 30.11.2012)
Felix Rudloff, publishing manager (from 1.10.2012)

The overall remuneration of the members of management for the financial year 2012/13 amounted to EUR 1,223,872.62.

The director of DENUS GmbH is Mr Stefan Lübbe.

Fees for auditor's services

The expenditure for fees to our auditors amounted to a total sum of TEUR 95 in the financial year 2012/13. It is subdivided as follows:

	2012/13 TEUR	2011/12 TEUR
audit of the financial statements	56	68
other verification work	39	29
tax advice services	-	-
other services	-	14
	<u>95</u>	<u>111</u>

Cologne, 26 July 2013

DENUS Einhundertundneunundsechzig Unternehmensverwaltungs GmbH
Management

Stefan Lübbe

Statement of Changes in Fixed Assets of Bastei Lübbe GmbH & Co. KG, Cologne

**in the
Fiscal Year 2012/13**

Cost

	Balance at April 1, 2012 EUR	Merger / accrual EUR	Additions EUR	Disposals EUR	Entry transfers EUR	Balance at March 31, 2013 EUR
I. Intangible fixed assets						
1. Purchased concessions, industrial and similar rights and assets and licences in such rights and assets	3.245.998,68	7.569.786,71	544.176,65	0,00	109.907,57	11.469.869,61
2. Goodwill	622.050,00	1.832.962,56	0,00	0,00	0,00	2.455.012,56
3. Prepayments	40.427,57	69.480,00	13.645,00	0,00	-109.907,57	13.645,00
	<u>3.908.476,25</u>	<u>9.472.229,27</u>	<u>557.821,65</u>	<u>0,00</u>	<u>0,00</u>	<u>13.938.527,17</u>
II. Tangible fixed assets						
1. Land, land rights and buildings including buildings on third party land	266.896,58	224.714,77	120.149,58	0,00	0,00	611.760,93
2. Technical equipment and machinery	30.581,02	20.223,43	3.485,42	0,00	0,00	54.289,87
3. Other equipment, operating and office equipment	1.921.324,16	2.375.943,06	897.755,66	-281.460,22	0,00	4.913.562,66
	<u>2.218.801,76</u>	<u>2.620.881,26</u>	<u>1.021.390,66</u>	<u>-281.460,22</u>	<u>0,00</u>	<u>5.579.613,46</u>
III. Long-term financial investments						
1. Shares in affiliated companies	13.605.078,15	-13.662.123,40	599.329,50	0,00	0,00	542.284,25
2. Participations	207.832,47	0,00	2.361.362,45	0,00	0,00	2.569.194,92
3. Other loans	0,00	0,00	800.000,00	0,00	0,00	800.000,00
	<u>13.812.910,62</u>	<u>-13.662.123,40</u>	<u>3.760.691,95</u>	<u>0,00</u>	<u>0,00</u>	<u>3.911.479,17</u>
	<u>19.940.188,63</u>	<u>-1.569.012,87</u>	<u>5.339.904,26</u>	<u>-281.460,22</u>	<u>0,00</u>	<u>23.429.619,80</u>

Cumulative depreciation, amortization and write-downs**Carrying amounts**

Balance at April 1, 2012 EUR	Merger / accrual EUR	Additions EUR	Disposals EUR	Balance at March 31, 2013 EUR	Balance at March 31, 2013 EUR	Balance at March 31, 2012 EUR
2.567.370,68	190.805,71	819.964,38	0,00	3.578.140,77	7.891.728,84	678.628,00
69.268,00	0,00	601.273,40	0,00	670.541,40	1.784.471,16	552.782,00
0,00	0,00	0,00	0,00	0,00	13.645,00	40.427,57
<u>2.636.638,68</u>	<u>190.805,71</u>	<u>1.421.237,78</u>	<u>0,00</u>	<u>4.248.682,17</u>	<u>9.689.845,00</u>	<u>1.271.837,57</u>
37.512,58	70.390,77	53.007,58	0,00	160.910,93	450.850,00	229.384,00
7.195,02	9.057,43	5.663,42	0,00	21.915,87	32.374,00	23.386,00
<u>1.062.164,84</u>	<u>1.594.720,06</u>	<u>767.503,47</u>	<u>-277.549,22</u>	<u>3.146.839,15</u>	<u>1.766.723,51</u>	<u>859.159,32</u>
<u>1.106.872,44</u>	<u>1.674.168,26</u>	<u>826.174,47</u>	<u>-277.549,22</u>	<u>3.329.665,95</u>	<u>2.249.947,51</u>	<u>1.111.929,32</u>
0,00	0,00	0,00	0,00	0,00	542.284,25	13.605.078,15
0,00	0,00	100.000,00	0,00	100.000,00	2.469.194,92	207.832,47
0,00	0,00	0,00	0,00	0,00	800.000,00	0,00
<u>0,00</u>	<u>0,00</u>	<u>100.000,00</u>	<u>0,00</u>	<u>100.000,00</u>	<u>3.811.479,17</u>	<u>13.812.910,62</u>
<u>3.743.511,12</u>	<u>1.864.973,97</u>	<u>2.347.412,25</u>	<u>-277.549,22</u>	<u>7.678.348,12</u>	<u>15.751.271,68</u>	<u>16.196.677,51</u>

Statement of Liabilities of Bastei Lübbe GmbH & Co. KG, Cologne

at March 31, 2013

	Total amount EUR	Remaining time to maturity		
		up to 1 year EUR	1-5 years EUR	more than 5 years EUR
Bonds <i>(previous year)</i>	30.000.000,00 <i>(30.000.000,00)</i>	0,00 <i>(0,00)</i>	30.000.000,00 <i>(30.000.000,00)</i>	0,00 <i>(0,00)</i>
Liabilities to banks*	6.164.285,31 <i>(25.693,94)</i>	6.164.285,31 <i>(25.693,94)</i>	0,00 <i>(0,00)</i>	0,00 <i>(0,00)</i>
Trade payables <i>(previous year)</i>	11.225.875,05 <i>(12.020.752,91)</i>	11.225.875,05 <i>(12.020.752,91)</i>		
Liabilities to limited partners <i>(previous year)</i>	3.964.286,79 <i>(1.894.452,99)</i>	3.964.286,79 <i>(1.894.452,99)</i>		
Other liabilities <i>(previous year)</i>	1.535.149,89 <i>(1.373.444,41)</i>	1.535.149,89 <i>(1.373.444,41)</i>		
	<u>52.889.597,04</u> <u><i>(45.314.344,25)</i></u>	<u>22.889.597,04</u> <u><i>(15.314.344,25)</i></u>	<u>30.000.000,00</u> <u><i>(30.000.000,00)</i></u>	<u>0,00</u> <u><i>(0,00)</i></u>

*of which secured by the assignment of claims, pledging assets as collateral, negative pledge of authors' rights, creation of liens: EUR 6,164,251.86
(prev. yr. EUR 25,693.94)

Auditor's Opinion

We have audited the annual financial statements - consisting of balance sheet, income statement and notes - with reference to the accounting, and the management report of **Bastei Lübbe GmbH & Co. KG, Cologne** for the financial year from 1 April 2012 to 31 March 2013. The accounting and drawing up the annual financial statements and the management report in accordance with the provisions of German commercial law is the responsibility of the company's legal representatives. Our task is to issue an opinion on the annual financial statements with reference to the accounting, and on the management report based on the audit which we have conducted.

We have conducted our audit of the annual financial statements in accordance with sect. 317 of the Commercial Code with due regard to the German auditing standards determined by the Institute of Public Auditors in Germany (IDW). In accordance therewith, the audit is to be planned and conducted so that inaccuracies and breaches which have a significant effect on the presentation of the financial, liquidity and earnings positions conveyed by the annual financial statements with due regard to generally accepted accounting provisions and by the management report are recognised with sufficient certainty. In determining the audit procedures, knowledge of the business activity and the company's economic and legal environment as well as the expectations regarding potential errors have been taken into consideration. In the context of the audit the effectiveness of the internal control system in relation to the financial reporting and the documentation of the information contained in the accounting, the annual financial statements and management report are assessed largely on the basis of spot checks. The audit includes the assessment of the applied accounting principles and the material assessments of the legal representatives as well as the appraisal of the overall presentation of the annual financial statements and the management report. We are of the opinion that our audit forms a sufficiently secure basis for our assessment.

Our audit did not give rise to any objections.

In our judgement, based on the knowledge we gained in the course of the audit, the annual financial statements comply with the statutory provisions and provide a true and fair view of the company's financial, liquidity and earnings positions with due regard to generally accepted accounting principles. The management report is consistent with the annual financial statements, provides an accurate picture of the company's position overall and accurately describes the risks and opportunities associated with future development.

Cologne, 26 July 2013

Ebner Stolz Mönning Bachem GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft

Dr. Christian Janßen
Public Auditor

Peter Halbe
Public Auditor