



## At a glance

Key figures (IFRS)	01/04-30/09/2017	01/04-30/09/2016	Change in %
<b>Business development</b>			
in millions of €			
Group turnover	69.1	66.2	4.4%
EBITDA	5.9	4.1	43.9%
EBITDA margin	8.5%	6.2%	37.1%
Group result	-2.0	0.7	---
Key figures (IFRS)	30/09/2017	31/03/2017	Change in %
<b>Financial and assets position</b>			
in millions of €			
Balance sheet total	153.6	146.1	5.1%
Equity *	49.0	51.0	-3.9%
Equity ratio	31.9%	34.9%	-8.6%
Number of employees	581	595	-2.4%

\*incl. shares of non-controlling shareholders

# Consolidated interim management report of Bastei Lübbe AG for the first half of the 2017/2018 financial year as at 30 September 2017

## 1 General conditions

### Macroeconomic conditions

In the reporting period from April to September 2017, the global economy was able to gain momentum with the result that the International Monetary Fund (IMF) increased its original projection from April 2017 by 0.1 percentage points. In the current year, global growth is benefiting from favourable financial conditions and economic recovery in industrial nations. In the euro area as well as in the growth regions of the European Union, in Japan, in emerging Asian economies and in Russia, economic growth exceeded the projections. For this reason, the declining economic growth rates in the United States and in Britain could be overcompensated in the first half of 2017. The growth driver of the global gross domestic product was the continually increasing domestic consumption.<sup>1</sup> In the second quarter of 2017, the generally encouraging economic data in conjunction with decreasing political risks to the international stock markets ensured widespread increases in value. The German economy appeared to be on top form with the result that the corporate profits increased proportionately strongly. In the third quarter of 2017, prices even temporarily went into reverse due to the strong euro, but registered a new record high of over 13,000 points on the DAX after the end of the reporting period.<sup>2</sup> From October of this year, the IMF is anticipating a world-wide economic upswing of 3.6% overall in 2017 according to the World Economic Outlook.<sup>3</sup>

In the third quarter of 2017, according to the statistics authority, Eurostat, the economy in the euro area was largely able to maintain the dynamics of the previous quarter and registered an increase in the gross domestic product (GDP) of 0.6% compared to the previous quarter. In the second quarter of 2017, the GDP increased by 0.7%.<sup>4</sup> The IMF corrected its predictions for the euro area countries due to the strong economic development upwards exceeding expectations, and anticipates growth of 2.1% for 2017, previously 1.7% in the April outlook. Greater spending by private households, increasing investments by companies and the growing demand from abroad characterised the economic dynamics of the euro zone in the first half of 2017.<sup>5</sup>

Experts at the International Monetary Fund expect growth of 2.0% for Germany, almost on a level with the overall euro zone. This corresponds to an increase of 0.4 percentage points compared to the April prediction. The export nation of Germany benefits both from a growth in world trade and from the increase in domestic demand in an environment of decreasing political risks and favourable financial conditions.<sup>6</sup> As a result the German economy is continuing at full steam. In October 2017, the ifo business climate index reached a new all-time high with an increase from 115.3 to 116.7 points. The very positive assessment of the current business situation improved further and the companies are also looking at the coming months with decided optimism.<sup>7</sup>

<sup>1</sup> <http://www.imf.org/en/Publications/WEO/Issues/2017/09/19/world-economic-outlook-october-2017>

<sup>2</sup> <https://metzler-fund-xchange.com/metzlerfonds/servlet/linkableblob/startmetzler/46742/data/Kapitalmarktausblick+3.+Quartal+2017-data.pdf>

<sup>3</sup> <http://www.imf.org/en/Publications/WEO/Issues/2017/09/19/world-economic-outlook-october-2017>

<sup>4</sup> [https://www.destatis.de/Europa/DE/Service/Presse/Pressemitteilungen/WirtschaftFinanzen/20171031\\_V\\_BIP.html](https://www.destatis.de/Europa/DE/Service/Presse/Pressemitteilungen/WirtschaftFinanzen/20171031_V_BIP.html)

<sup>5</sup> <http://www.imf.org/en/Publications/WEO/Issues/2017/09/19/world-economic-outlook-october-2017>

<sup>6</sup> <http://www.imf.org/en/Publications/WEO/Issues/2017/09/19/world-economic-outlook-october-2017>

<sup>7</sup> <http://www.cesifo-group.de/de/ifoHome/facts/Survey-Results/Business-Climate/Geschaeftsklima-Archiv/2017/Geschaeftsklima-20171025.html>

## Industry environment in the segments of Bastei Lübbe's business activities

In the German **book trade**, the decline in sales of 3.3% in the first 10 months of 2017 could not be fully compensated by the sales prices which increased by 2.1%. As a result, the loss compared to the previous annual turnover increased to 1.3%. At the end of July, turnover in the book trade had been almost on a level with the previous year with a loss of 0.1%. The red signs continued accordingly in the product categories with the exception of fiction: With Dan Brown and Ken Follett (both with Bastei Lübbe) as well as Sebastian Fitzek, three prominent authors produced new blockbusters at the same time, which ensured an increase in turnover of 1.1% in October. According to the Börsenverein des Deutschen Buchhandels (German Publishers' and Booksellers' Association), the price development, which has been noticeable over the previous months, is particularly remarkable. With a retail price of €36.00, the Ken Follett bestseller published by Bastei Lübbe, "Das Fundament der Ewigkeit", helped to increase the average price for fiction titles to €12.83.<sup>8 9</sup>

Total **e-book** sales fell by 3.4% in the first half of 2017, according to the Börsenvereins des Deutschen Buchhandels. At the same time, e-book sales increased by 1.0% compared to the previous year. The reason for this was the lower sales price per e-book which decreased by 4.4% on average. While the number of buyers fell by 12.3%, existing e-book buyers again bought more titles in the first half of 2017 than in the same period of the previous year. The buying intensity on the public market therefore increased by 15.2% in comparison with the first half of 2016. The revenue share on the public market remained stable at 5.4%.<sup>10</sup>

The market for **computer and video games** relevant for Bastei Lübbe is booming in Germany according to BIU, the association for the German games industry: In the first half of 2017, turnover of games for PC, games consoles, handhelds, smartphones and tablets increased by 11% to about 1.08 billion euros. 47%, about half of the turnover, was achieved with the sale of digital games on data media or by download. The virtual goods and additional content as well as subscriptions for games and fees for online networks registered the strongest increase with 26% respectively.<sup>11</sup>

While the press market further regressed overall (sales 2017/1st half year compared to full year -8.9%, turnover euro sales price -5.3%), the losses in sales and revenue in the area of **novel booklets and puzzles** were comparatively less strongly marked (sales 2017/1st half year compared to full year -4.9%, turnover euro sales price -2.1%). Whilst this development in the overall press market involved a reduction in the number of sequels and titles (sequels -1.3%, titles -0.2%), competition in the novel booklets and puzzles segment increased further (sequels +1.5%, titles +5.5%).

Concerning the market for subscriptions and **streaming services for books**, so-called flat rate models, there was no current information at the time that this report was prepared. However, the fact that book streaming is a growth segment shows the continuing market entry of additional competitors.<sup>12</sup> The suppliers also check different fee, cooperation and bundling models in order to position themselves more competitively.<sup>13 14</sup>

<sup>8</sup> [https://www.boersenblatt.net/artikel-branchen-monitor\\_buch\\_august.1364105.html](https://www.boersenblatt.net/artikel-branchen-monitor_buch_august.1364105.html)

<sup>9</sup> [https://www.boersenblatt.net/artikel-branchen-monitor\\_buch\\_oktober.1398743.html](https://www.boersenblatt.net/artikel-branchen-monitor_buch_oktober.1398743.html)

<sup>10</sup> [http://www.boersenverein.de/de/portal/Presse/158382?presse\\_id=1357541](http://www.boersenverein.de/de/portal/Presse/158382?presse_id=1357541)

<sup>11</sup> <https://www.biu-online.de/blog/2017/08/16/umsatz-mit-computer-und-videospielen-waechst-im-ersten-halb-jahr-2017-um-11-prozent/>

<sup>12</sup> <https://www.lesen.net/ebook-news/kobo-startet-ebook-flatrate-kobo-plus-37619/>

<sup>13</sup> <https://www.lesen.net/ebook-news/ebook-flatrate-skoobe-verbessert-und-verteuert-basistarif-39127/>

<sup>14</sup> <https://www.lesen.net/artikel/prime-reading-letzte-chance-fuer-aktuelle-titel.127038/>

## 2. Business performance

### Earnings situation

Bastei Lübbe attained group revenue of 69.1 million euros in the first six months of the 2017/18 financial year compared to 66.2 million euros in the same period of the previous year. As a result, turnover exceeded that of the previous year by 4.4%. When adjusted for the discontinued non-book sales operations, turnover actually rose by 21.6%. The "book" and "digital" business segments managed to increase their turnover significantly. In the "retail" segment, however, turnover was lower than that of the previous year. The group's EBITDA increased to 5.9 million euros in the period under review, compared to 4.1 million euros in the previous year. Adjusted for the discontinued operations, EBITDA increased by 3.6 million euros. At the same time, the EBITDA margin increased from 6.1% (adjusted: 4.5%) in the previous year to 8.5% (adjusted: 8.9%) in the period under review.

Turnover in the "book" segment, which, starting with 1 April 2017, also includes sales of Bastei Lübbe AG digital e-book and audio products, increased by 14.0 million euros (+46.7%). This results particularly from the two blockbusters by Ken Follett and Dan Brown, which were published in September/ the beginning of October 2017. The EBITDA segment has more than doubled (+124.0%) from 2.5 million euros to 5.5 million euros as a result.

In the "retail" segment, turnover was 23.4% below the previous year and decreased from 19.2 million euros in the previous year to 14.7 million euros in the period under review. The decline in turnover resulted from an increased number of returns in the promotional business as well as lower turnovers in the bestseller and day-to-day business. As a result of the decline in sales, the EBITDA decreased from -0.4 million euros to -1.9 million euros.

With a sales increase of 107.1%, the "digital" segment had a very successful half year and increased turnover to 5.8 million euros. The main growth driver was the *Daedalic* subsidiary with the successful game "The Long Journey Home". The EBITDA achieved 1.5 million euros compared to -0.8 million euros in the previous year. Here, too, *Daedalic* made the largest contribution. As in the previous year, the subsidiary *oolipo* reported a slight loss.

Turnover in the "novel booklets and puzzle magazines" segment decreased slightly by 4.3% to 4.7 million euros. Accordingly the EBITDA also fell from 1.2 million euros in the previous year to 1.0 million euros in the current year.

The cost of materials netted against the change in inventories of finished products and works in progress in the Group increased by 3.0 million euros to 36.1 million euros, which corresponds to a rate of 52.2% (previous year: 50.1%). Personnel expenditure fell from 15.6 million euros in the previous year to 14.6 million euros. Other operating expenses decreased from 16.4 million euros in the previous year to 15.4 million euros. The decrease in both these items can essentially be attributed to the fact that the "non-book" business segment will be discontinued.

Earnings before interest and taxes in the Group (EBIT) in the first half of the 2017/2018 financial year amounted to 0.3 million euros (previous year: 1.9 million euros). The EBIT margin fell from 2.9% to -0.4%. The unscheduled depreciation in intangible assets of *oolipo* in the amount of 3.0 million euros is essentially responsible for this. This was to be carried out because the expected and necessary number of users has not even nearly been reached to date and no further financial resources will be invested to develop the platform.

The financial result amounted to -0.8 million euros (previous year: -1.5 million euros). The profit before tax amounted to -1.1 million euros (previous year: 0.4 million euros). Taking the income taxes into account, there was a net result for the period of -2.0 million euros (previous year 0.7 million euros), which is allotted to the shareholders of Bastei Lübbe AG with -0.8 million euros (previous year 1.1 million euros). Earnings per share amounted to -0.06 euros compared to 0.09 euros in the previous year. For this, a share quantity of 13,200,100 was taken as a basis in the period under review (unchanged from the previous year).

## Assets position

KEUR	30/09/2017	31/03/2017	Change
Non-current assets	91,441	89,511	1,930
Current assets	62,137	56,540	5,597
<b>Total assets</b>	<b>153,578</b>	<b>146,051</b>	<b>7,527</b>
Equity	48,988	50,994	-2,006
Non-current liabilities	38,447	40,713	-2,266
Current liabilities	66,143	54,344	11,799
<b>Total liabilities</b>	<b>153,578</b>	<b>146,051</b>	<b>7,527</b>

The balance sheet total increased overall by 7.5 million euros (5.2%) due to seasonal factors.

The increase in non-current assets of 1.9 million euros essentially relates to the inventory of prepaid royalties (+5.0 million euros), which was largely compensated by the decrease in intangible assets -3.5 million euros). The increase in current assets of 5.6 million euros essentially relates to financial assets (+6.9 million euros) as well as trade receivables (+5.1 million euros) whereas the inventories decreased by 5.2 million euros.

The non-current liabilities decreased by 2.3 million euros, particularly non-current financial liabilities (-1.8 million euros). The increase in current liabilities of 11.8 million euros essentially relates to current financial liabilities (+10.6 million euros) to finance the working capital as well as income tax liabilities (+1.4 million euros).

## Financial position

### Liquidity analysis

The cash flow from current business activity was calculated in the first half year for the Bastei Lübbe Group with -3.1 million euros compared to -2.0 million euros in the previous year. The cause of the negative cash flow is primarily the high funds commitment in the portfolio to prepaid royalties, inventories, trade receivables as well as the current financial assets.

The funds used for investment activity amounted to 2.7 million euros in the first six months of 2017/18 (same period in the previous year: 20.1 million euros). In the previous year financial resources were invested for the purchase of BuchPartner GmbH as well as the label LYX in the amount of about 15.6 million euros in total.

KEUR	01/04-30/09/2017	01/04-30/09/2016	Change
Cash flow from current business activities	-3,127	-1,985	-1,142
Cash flow from investment activities	-2,629	-19,937	17,308
Cash flow from financing activities	5,200	23,741	-18,541
Cash and cash equivalents at start of period	1,203	593	610
<b>Cash and cash equivalents at end of period</b>	<b>647</b>	<b>2,412</b>	<b>-1,765</b>

The free cash flow was at -5.8 million euros in the first half of 2017/18, compared to -22.1 million euros in the same period of the previous year. This is calculated from the cash flow from current business less resources used for investments.

### Investment analysis

The investments are assigned to those for intangible assets (2.2 million euros, previous year: 3.3 million euros, which relate essentially to internally generated intangible assets (games by Daedalic). Investments in tangible assets of 0.5 million euros (previous year: 0.5 million euros) primarily concerned operating and office equipment (shop shelves, etc. for BuchPartner).

### 3. Supplementary report

There were no events of particular importance for the assessment of the assets, financial and earnings position of the Bastei Lübbe AG Group after the close of the reporting period.

### 4. Opportunity and risk report

The risk situation of Bastei Lübbe AG and its opportunities have not changed significantly since the situation described in the 2016/2017 annual report. To pre-finance the Dan Brown and Ken Follett blockbusters in the autumn of 2017, a seasonal credit line of up to 10 million euros was agreed with the underwriting banks.

### 5. Forecast

The half-year results for 2017/2018 only correspond narrowly overall to the expectations of the Management Board of Bastei Lübbe AG. In addition, there is the extraordinary write-down for oolipo posted in the second quarter. This shows that the challenges which the company is facing in order to achieve its annual targets announced have increased. However, the decisive factor, as in every financial year, will be the third quarter with the extremely important Christmas sales. And this is where Bastei Lübbe AG with its latest blockbusters, notably Ken Follett's "Das Fundament der Ewigkeit" and Dan Brown's "Origin", is well placed.

Overall the Management Board is assuming a turnover in the region of about 160 million euros for the 2017/2018 financial year (previous year: 146.3 million euros). It should be noted that approximately 15 million euros turnover in the current financial year is no longer present compared to the previous year due to the discontinued "Räder" business segment. Also for EBITDA, it remains the stated goal to exceed the previous year's figure of 5.4 million euros clearly and to generate an EBITDA in the region of at least 14 million euros. In order to be able to meet this forecast, all segments of the Group must fulfil their planned objectives for the last two quarters of the financial year.

Cologne, 21 November 2017

Bastei Lübbe AG

Management Board



Ulrich Zimmermann  
Chief Financial Officer



Carel Halff  
Chairman



Klaus Kluge  
Board Programme,  
Sales and Marketing

## Consolidated profit and loss account and statement of net profit for Bastei Lübbe AG, Cologne, for the period from 1 April to 30 September 2017

1st half of the year	01/04-30/09/2017	01/04-30/09/2016
	KEUR	KEUR
<b>Sales revenue</b>	69,104	66,210
Change in inventories of finished goods and works in progress	-950	3,933
Other activated personal contributions	1,588	1,751
Other operating income	936	899
Cost of materials		
a) Expenditure on raw materials and supplies and on purchased goods	-8,651	-11,595
b) Expenses for purchased services	-12,975	-16,811
c) Expenses for fees and depreciation on royalties	-13,527	-8,677
	<b>-35,153</b>	<b>-37,083</b>
Personnel costs		
a) Wages and salaries	-12,369	-13,205
b) Social sec. contributions a. expenses for pensions and supp. schemes	-2,250	-2,418
	<b>-14,619</b>	<b>-15,623</b>
Other operating expenses	-15,388	-16,367
Earnings from investments	384	335
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>5,902</b>	<b>4,055</b>
Amortisation on intangible assets and property, plant and equipment	-6,168	-2,135
<b>Earnings before interest and taxes (EBIT)</b>	<b>-266</b>	<b>1,920</b>
Financial result	-799	-1,541
<b>Earnings before taxes (EBT)</b>	<b>-1,065</b>	<b>379</b>
Taxes on income and earnings	-941	365
<b>Net profit or loss for the period *</b>	<b>-2,006</b>	<b>744</b>
Other profit/loss	0	0
<b>Total earnings</b>	<b>-2,006</b>	<b>744</b>
of which attributable to:		
Shareholders of Bastei Lübbe AG	-778	1,134
Equity capital shares of non-controlling shareholders	-1,228	-390
	<b>-2,006</b>	<b>744</b>
Profit per share (undiluted = diluted) (with reference to the net period earnings attributable to shareholders of Bastei Lübbe AG)	-0.06	0.09

	01/07-30/09/2017	01/07-30/09/2016
2nd quarter	KEUR	KEUR
<b>Sales revenue</b>	41,610	38,428
Change in inventories of finished goods and works in progress	176	1,800
Other activated personal contributions	852	898
Other operating income	736	174
Cost of materials		
a) Expenditure on raw materials and supplies and on purchased goods	-6,461	-6,581
b) Expenses for purchased services	-7,829	-8,744
c) Expenses for fees and depreciation on royalties	-8,746	-4,754
	<b>-23,036</b>	<b>-20,079</b>
Personnel costs		
a) Wages and salaries	-6,164	-6,726
b) Social sec. contributions a. expenses for pensions and sup. schemes	-1,092	-1,183
	<b>-7,256</b>	<b>-7,909</b>
Other operating expenses	-8,231	-8,541
Earnings from investments	363	291
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>5,214</b>	<b>5,062</b>
Amortisation on intangible assets and property, plant and equipment	-4,642	-1,094
<b>Earnings before interest and taxes (EBIT)</b>	<b>572</b>	<b>3,968</b>
Financial result	-427	-1,054
<b>Earnings before taxes (EBT)</b>	<b>145</b>	<b>2,914</b>
Taxes on income and earnings	-1,099	-319
<b>Net profit or loss for the period *</b>	<b>-954</b>	<b>2,595</b>
Other profit/loss	0	0
<b>Total earnings</b>	<b>-954</b>	<b>2,595</b>
of which attributable to:		
Shareholders of Bastei Lübbe AG	-343	2,827
Equity capital shares of non-controlling shareholders	-611	-232
	<b>-954</b>	<b>2,595</b>
Profit per share (undiluted = diluted) (with reference to the net period earnings attributable to shareholders of Bastei Lübbe AG)	-0.03	0.21

\*includes income for the period from discontinued operations amounting to KEUR -3 (in the previous year: KEUR 809)

## Consolidated balance sheet of Bastei Lübbe AG, Cologne, as at 30 September 2017

	30/09/2017	31/03/2017
	KEUR	KEUR
<b>Non-current assets</b>		
Intangible assets	36,405	39,934
Inventory of pre-paid royalties	42,371	37,376
Tangible assets	3,579	3,547
Financial investments	4,338	4,380
Trade receivables	1,012	1,135
Deferred tax claims	3,736	3,139
	<b>91,441</b>	<b>89,511</b>
<b>Current assets</b>		
Inventories	25,004	30,178
Trade receivables	24,688	19,564
Financial assets	10,674	3,738
Income tax receivables	0	410
Other receivables and assets	1,093	977
Cash and cash equivalents	647	1,203
Assets from discontinued operations	31	470
	<b>62,137</b>	<b>56,540</b>
<b>Total assets</b>	<b>153,578</b>	<b>146,051</b>
<b>Equity</b>		
Share of equity attributable to the parent company's partners		
Subscribed capital	13,200	13,200
Capital reserves	26,804	26,804
Net profit	3,069	3,847
	<b>43,073</b>	<b>43,851</b>
Equity capital shares of non-controlling shareholders	5,915	7,143
	<b>48,988</b>	<b>50,994</b>
<b>Liabilities</b>		
Non-current liabilities		
Provisions	128	151
Deferred tax liabilities	4,325	4,271
Financial liabilities	32,638	34,437
Other liabilities	1,356	1,854
	<b>38,447</b>	<b>40,713</b>
Current liabilities		
Financial liabilities	27,443	16,867
Trade payables	27,496	28,370
Income tax liabilities	1,533	175
Provisions	7,516	7,005
Other liabilities	2,071	1,416
Debts from discontinued operations	84	511
	<b>66,143</b>	<b>54,344</b>
<b>Total debts</b>	<b>104,590</b>	<b>95,057</b>
<b>Total liabilities</b>	<b>153,578</b>	<b>146,051</b>

## Consolidated Cash Flow Statement of Bastei Lübbe AG, Cologne, for the period from 1 April to 30 September 2017

	01/07- 30/09/ 2017 KEUR	01/07- 30/09/ 2016 KEUR
Net profit or loss for the period	-2,006	744
+/- Depreciation/appreciation of intangible assets and property, plant and equipment	6,168	2,135
+/- Depreciation/appreciation on author royalties	9,898	5,025
+/- Other non-cash expenses/income	1	1,356
+/- Increase/decrease in provisions	488	-476
-/+ Increase/decrease in income tax receivables and liabilities, incl. deferred tax claims and liabilities	1,225	-1,314
-/+ Increase/decrease in inventories, trade receivables and other assets not associated with investment or financing activities	-21,772	-8,677
+/- Increase/decrease in trade liabilities and other liabilities not associated with investment or financing activities	2,871	-778
<b>Cash flow from current business activities</b>	<b>-3,127</b>	<b>-1,985</b>
+ Payments received from the disposal of intangible assets	0	3
- Outflow of funds for investments in intangible assets	-2,177	-3,318
+ Income from the disposal of fixed assets	1	97
- Outflow of funds for investments in fixed assets	-495	-512
+ Income from the disposal of financial assets	42	28
- Outflow of funds for investments in financial assets	0	-603
- Outflow of funds for the acquisition of consolidated companies less currency acquired in the context of acquisition	0	-10,195
- Payments for the acquisition of other business entities	0	-5,437
<b>Cash flow from investment activities</b>	<b>-2,629</b>	<b>-19,937</b>
+ Incoming payments from the sale of non-controlling shares	0	900
+ Proceeds from the issuance of bonds and obtaining (financial) credit	6,765	28,798
- Outflow of funds for the repayment of bonds and (financial) credit	-1,565	-5,957
<b>Cash flow from financing activities</b>	<b>5,200</b>	<b>-23,741</b>
Net change in cash and cash equivalents	-556	1,819
+ Cash and cash equivalents at start of period	1,203	593
<b>= Cash and cash equivalents at end of period</b>	<b>647</b>	<b>2,412</b>

## Consolidated statement of change in equity of Bastei Lübbe AG, Cologne, for the period from 1 April to 30 September 2017

(all sums in KEUR)	Parent company				Shares of non- controlling share- holders	Group equity
	Subscr. Capital	capital reserves	Net profit	Equity	Equity	Equity
As at 01/04/2016	13,200	26,082	7,276	46,558	3,122	49,680
Changes in the group of consolidated companies				0	5,075	5,075
Sale of non-controlling shares without change of control		416		416	483	899
Other changes			1	1		1
Net profit for the period = Net profit	---	---	1,134	1,134	-390	744
<b>As at 30/09/2016</b>	<b>13,200</b>	<b>26,498</b>	<b>8,411</b>	<b>48,109</b>	<b>8,290</b>	<b>56,399</b>
As at 01/04/2017	13,200	26,804	3,847	43,851	7,143	50,994
Net profit for the period = Net profit	---	---	-778	-778	-1,228	-2,006
<b>As at 30/09/2017</b>	<b>13,200</b>	<b>26,804</b>	<b>3,069</b>	<b>43,073</b>	<b>5,915</b>	<b>48,988</b>

## Segment reporting for Bastei Lübbe AG, Cologne, for the period from 1 April to 30 September 2017

(KEUR)	Book		Retail		Digital		Non-book		Novel booklets and puzzle magazines		Total	
	4-9/ 2017	4-9/ 2016	4-9/ 2017	4-9/ 2016	4-9/ 2017	4-9/ 2016	4-9/ 2017	4-9/ 2016	4-9/ 2017	4-9/ 2016	4-9/ 2017	4-9/ 2016
Segment sales revenue	45,265	31,371	14,694	19,177	5,792	2,938	-76	9,314	4,746	4,959	70,421	67,759
Internal sales	1,281	1,390	0	0	36	159	0	0	0	0	1,317	1,549
<b>External sales</b>	<b>43,984</b>	<b>29,981</b>	<b>14,694</b>	<b>19,177</b>	<b>5,756</b>	<b>2,779</b>	<b>-76</b>	<b>9,314</b>	<b>4,746</b>	<b>4,959</b>	<b>69,104</b>	<b>66,210</b>
<b>EBITDA *</b>	<b>5,500</b>	<b>2,455</b>	<b>-1,908</b>	<b>-389</b>	<b>1,501</b>	<b>-751</b>	<b>-225</b>	<b>1,513</b>	<b>1,034</b>	<b>1,227</b>	<b>5,902</b>	<b>4,055</b>
including:												
Earnings from investments	0	0	0	0	0	0	0	0	384	335	384	335
Depreciation/amortisation	559	543	626	196	4,899	1,069	0	233	84	94	6,168	2,135
<b>EBIT</b>	<b>4,941</b>	<b>1,912</b>	<b>-2,534</b>	<b>-585</b>	<b>-3,398</b>	<b>-1,820</b>	<b>-225</b>	<b>1,280</b>	<b>950</b>	<b>1,133</b>	<b>-266</b>	<b>1,920</b>
Financial result											-799	-1,541
<b>Earnings before taxes (EBT)</b>											<b>-1,065</b>	<b>379</b>
Taxes on income and earnings											941	365
<b>Net profit or loss for the period</b>											<b>-2,006</b>	<b>744</b>

In the 2017/2018 financial year, Bastei Lübbe changed the segment reporting. As of the beginning of the financial year, the revenue and results from Bastei Lübbe AG's digital e-book and audio products were integrated into the "book" segment. The areas previously listed separately in the company have been merged. The internal control and reporting structure was also adapted accordingly. The Daedalic, oolipo, BEAM shop and BookRix subsidiaries still belong to the "digital" segment. The previous year's figures were adjusted accordingly.

Until 31 December 2016, the "non-book" segment mainly comprised gift items sold under the Räder label. The Räder segment was sold on 1 January 2017 and subsequently classified as a discontinued operation.

# Abridged notes on the consolidated interim financial statements for Bastei Lübbe AG, Cologne of 30 September 2017

## 1. General information

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

Bastei Lübbe AG is a media company in the form of a publishing house. Within the scope of its business activities, Bastei Lübbe publishes books, audiobooks, e-books and other digital products in the genres of fiction and popular science as well as periodicals including novel booklets and puzzle magazines. Bastei Lübbe also deals in copyright licencing and the sale of books, audiobooks and computer games through the companies BuchPartner GmbH and Daedalic Entertainment GmbH.

The interim financial statements and the interim management report are not checked in accordance with Section 317 HGB (German Commercial Code) nor have they undergone an audit review by an auditor.

## 2. Accounting principles

The consolidated interim financial statements as at 30 September 2017 have been prepared according to IAS 34 - interim reporting, and cover the period from 1 April to 30 September 2017.

The applied accounting and valuation methods correspond in principle to those of the last consolidated financial statements at the end of the financial year. A detailed description of these methods is published in the 2016/17 annual report.

Regarding the content of new standards and interpretations as well as changes to existing standards, reference is made to the statements in the 2016/17 annual report. The application of the amended standards and interpretations has no significant influence on the assets, financial and earnings position or the cash flow of the Group. In the course of the year, cyclical situations, if essential, shall be defined on the basis of corporate planning.

## 3. Consolidation principles

All consolidation principles remain unchanged compared to the 2016/2017 financial year, and can be consulted in the notes to the consolidated financial statements as of 31 March 2017.

## 4. Shareholdings and consolidated companies

Shareholdings and consolidated companies remain unchanged compared to 31 March 2017.

## 5. Equity

At the Ordinary General Meeting on 22 November 2017, it shall be proposed to carry forward the net profit of €1,091,912.12 disclosed in the annual financial statements of Bastei Lübbe AG to a new account. At the date of preparation of this report, Bastei Lübbe AG holds 99,900 treasury shares. 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. Information on relationships with associated persons

As presented in the 2016/17 Group notes, legal transactions with associated persons shall be conducted within the meaning of IAS 24.5. Essential changes to the balance sheet date have not occurred. The members of the Supervisory Board do not have any shares or any voting rights assigned to them. The number of shares held by members of the Management Board or the voting rights assigned to them amounts to 37,003 units (=0.28%).

## 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 -284 (in the previous year: KEUR 948). Interest payments amount to KEUR 798 (in the previous year: KEUR 197).

## 8. Changes to the Management and Supervisory Boards

On 20 September 2017, the Chairman of the Board, Thomas Schierack, vacated his office with immediate effect and resigned from the Management Board.

The Supervisory Board appointed Mr Carel Halff as a member and Chairman of the Management Board with effect from 1 November 2017.

No personnel changes have taken place on the Supervisory Board.

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

There were no events of particular importance, as defined in IAS 10, for the assessment of the assets, financial and earnings position of Bastei Lübbe AG and of the Group after the close of the reporting period.

Cologne, 21 November 2017

Bastei Lübbe AG

Management Board



Ulrich Zimmermann  
Chief Financial Officer



Carel Halff  
Chairman



Klaus Kluge  
Board Programme,  
Sales and Marketing

# Responsibility statement

## **Management Board assurance pursuant to Section 37 para. 1 and 2 No. 3 WpHG (Securities Trading Act) in conjunction with Section 297 para. 2 sentence 4 and Section 315 para. 1 sentence 6 HGB**

We herewith make assurances to the best of our knowledge that, in line with the applicable accounting principles, the consolidated half-year financial statements of Bastei Lübbe AG, Cologne as at 30 September 2017 present a true and fair view of the Group's net assets, financial and earnings position and that the interim management report accurately reflects both the business result and the position of the Group, as well as the key opportunities and risks of the Group's expected future development.

Cologne, 21 November 2017

Bastei Lübbe AG

Management Board



Ulrich Zimmermann  
Chief Financial Officer



Carel Halff  
Chairman



Klaus Kluge  
Board Programme,  
Sales and Marketing

## **Legal information**

Publisher

Bastei Lübbe AG

Schanzenstrasse 6-20

51063 Cologne

Tel.: +49 (0)221 82 00 22 44

Fax: +49 (0)221 82 00 12 44

Email: [webmaster@luebbe.de](mailto:webmaster@luebbe.de)

[investorrelations@luebbe.de](mailto:investorrelations@luebbe.de)

## **Contact**

The consolidated half-year financial report of Bastei Lübbe AG

can be downloaded as a PDF file at

[www.luebbe.de](http://www.luebbe.de).

You can also find further corporate information

online at [www.luebbe.de](http://www.luebbe.de).

All book covers shown are from the Bastei Lübbe range.

**[www.luebbe.com](http://www.luebbe.com)**