

**BASTEI LÜBBE AG  
CONSOLIDATED HALF-  
YEARLY FINANCIAL  
REPORT  
1st APR. - 30th SEP.  
2018**

## At a glance

	01/04/2018- 30/09/2018	01/04/2017- 30/09/2017	Change in %
<b>Financial ratios (IFRS) in million Euro</b>			
Group turnover	46.5	69.1	-32.7 %
Group turnover (continuing operations)	46.5	54.5	-14.5 %
EBIT	-0.0	-0.3	—
EBIT (continuing operations)	-0.0	2.5	—
Consolidated result	-0.7	-2.0	65.0 %
	<b>01/07/2018- 30/09/2018</b>	<b>01/07/2017- 30/09/2017</b>	
Group turnover	25.7	41.6	-38.2 %
Group turnover (continuing operations)	25.7	31.4 %	-18.2 %
EBIT	1.2	0.6	100.0 %
EBIT (continuing operations)	1.2	1.4	-14.3 %
Consolidated result	0.5	-1.0	—
	<b>30/09/2018</b>	<b>31/03/2018</b>	
Balance sheet total	102.7	101.5	1.2 %
Shareholders' equity*	31.6	32.3	-2.2 %
Equity ratio in %	30.8 %	31.9 %	-1.1 Pp

\* Incl. equity capital shares of non-controlling shareholders

# Consolidated interim management report

## 1. General conditions

The experts from the Institute for World Economy in Kiel (IfW) expect an increase of 1.9 % and 2.0 % in Germany's GDP for the current year 2018 and the coming year 2019 respectively. This corresponds to a slight downwards revision of forecasts by 0.1 percentage points and 0.3 percentage points respectively. As can be seen in the IfW-economic forecast, the economic researchers are assuming that the final phase of the five-year-long German federal economic upswing is beginning. The already high capacity utilisation and what would seem to be increasingly fewer possibilities for companies to be able to increase their production beyond the current level in this context indicate a late phase of the upswing. As the IfW experts report, the economic growth will continue, however. This growth can be seen in the consumer-related sectors in Germany in addition to export business. The IfW assumes that exports in the current year may increase again unless protectionist tendencies slow down the global economy once more.<sup>1</sup>

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

According to industry monitors, revenue in the German **book trade** across all distribution channels is 1.0 % lower than the previous year's level in the period from January to August. The absolute retail book market, i.e. not including the e-commerce sales channel or "school and learning", indicated a minus of 1.3 % for the same period. With regard to the product groups, only books for children and young adults, publications concerning social science, law and economics and non-fiction books indicated positive developments. The above-average hot summer in particular led to a sharp decline in sales for the month of July by 4.1 % across all distribution channels compared to the same month in previous year.<sup>2,3</sup> According to a survey by the market research institute Nordlight Research, it appears that approximately one fifth of German citizens, about 19 %, wish to spend more money on printed books in the future. Although 10 % of those interviewed also wish to pay less for printed products, the net difference is still 9 %, which is the highest figure in the survey for the "Trend monitor Germany".<sup>4</sup>

According to the Börsenverein des Deutschen Buchhandels, sales of **eBooks** totalled 100.6 million Euros in the first half of 2018, thus surpassing the 100-million-euro mark for the first time. At the same time, eBook sales increased by 11.3 % as compared to the previous-year period. The number of buyers (up 6.1 % to 2.6 million customers) and sales (up 16.4 % to 16.7 million eBooks) increased with an overall drop in the average price. The purchasing intensity also increased by 9.7 %, meaning that buyers purchased an average of 6.2 eBooks.<sup>5</sup>

The market for **computer and video games** relevant for Bastei Lübbe is also booming in Germany according to BIU, the association for the German games industry. In the first half of 2018, sales of games for PC, games consoles, handhelds, smartphones and tablets increased by 17 % to approximately 1.52 billion Euros. Growth drivers for this dynamic development were virtual goods and additional content as well as fees for online services. However, revenue from the traditional sales of Gaming-Software decreased by 12 %. The booming E-sports industry, subscription services and Cloud-Gaming had growth-inducing impact.<sup>6</sup>

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<sup>1</sup> <https://www.ifw-kiel.de/de/publikationen/medieninformationen/2018/ifw-konjunkturprognose-endphase-des-aufschwungs-zeichnet-sich-ab/> (PDF S. 1 f.).

<sup>2</sup> [https://www.boersenblatt.net/artikel-branchen-monitor\\_buch.1514562.html](https://www.boersenblatt.net/artikel-branchen-monitor_buch.1514562.html)

<sup>3</sup> [https://www.boersenblatt.net/artikel-branchen-monitor\\_buch.1501502.html](https://www.boersenblatt.net/artikel-branchen-monitor_buch.1501502.html)

<sup>4</sup> [https://www.boersenblatt.net/artikel-studie\\_trendmonitor\\_deutschland\\_.1527727.html](https://www.boersenblatt.net/artikel-studie_trendmonitor_deutschland_.1527727.html)

<sup>5</sup> [https://www.boersenblatt.net/artikel-e-book-markt\\_im\\_ersten\\_halbjahr.1506291.html](https://www.boersenblatt.net/artikel-e-book-markt_im_ersten_halbjahr.1506291.html)

<sup>6</sup> <https://www.game.de/blog/2018/08/15/deutscher-games-markt-waechst-im-ersten-halbjahr-um-17-prozent/>

## 2. Business performance

### Earnings situation

Bastei Lübbe generated consolidated sales amounting to 46.5 million Euros in the period from April to September of the financial year 2018/2019 compared to 69.1 million Euros in the same period of the previous year. Turnover was thus approximately 33 % lower than the previous year. Adjusted for the discontinued "Retail" business unit (BuchPartner), turnover decreased by approximately 15 % as a result of the typical business and programme-related fluctuations in the "Book" (incl. E-Books) and "Digital" (Games) segments. A balanced consolidated EBIT was achieved in the reporting period after a negative EBIT of 0.3 million Euros was generated in the previous year. Adjusted for the discontinued business unit, EBIT conversely decreased by 2.5 million Euros. In addition to the as-expected decline in revenue, one-off expenditure from the current efficiency programme (approx. 1.2 million Euros), costs for the adjustment of the investment portfolio (about 0.2 million Euros) and a 4 percentage point higher expense ratio for royalties have had negative impact on the EBIT in the reporting period. In the latter, the more conservative depreciation system compared to the previous year demonstrates its intended effect on prepaid royalties.

Revenue in the "Book" (incl. E-Books) segment dropped by 16.9 % from 44.0 million Euros to 36.6 million Euros, hence corresponding approximately to the expected course of the reporting period. The main cause is the programme-based high comparison basis. The label LYX with the successful author Mona Kasten was able to almost double the revenue in the first half of the year, thereby largely compensating for temporary weaknesses in other programme areas. The segment EBIT decreased from 4.9 million Euros in the previous year to a balanced EBIT in the current financial year. The main reasons for this are the expected decline in revenue, the higher expense ratio for royalties and the one-off expenses resulting from the ongoing efficiency programme.

Revenue in the "Digital" (Games) segment dropped by 15.8 % as compared to the previous year and amounted to 4.8 million Euros in the reporting quarter. The EBIT increased by 2.7 million Euros to -0.7 million Euros due to lower depreciation and amortisation. Unscheduled depreciation and amortisation of intangible assets in the storytelling platform "oolipo" had led to the high EBIT loss in the previous year.

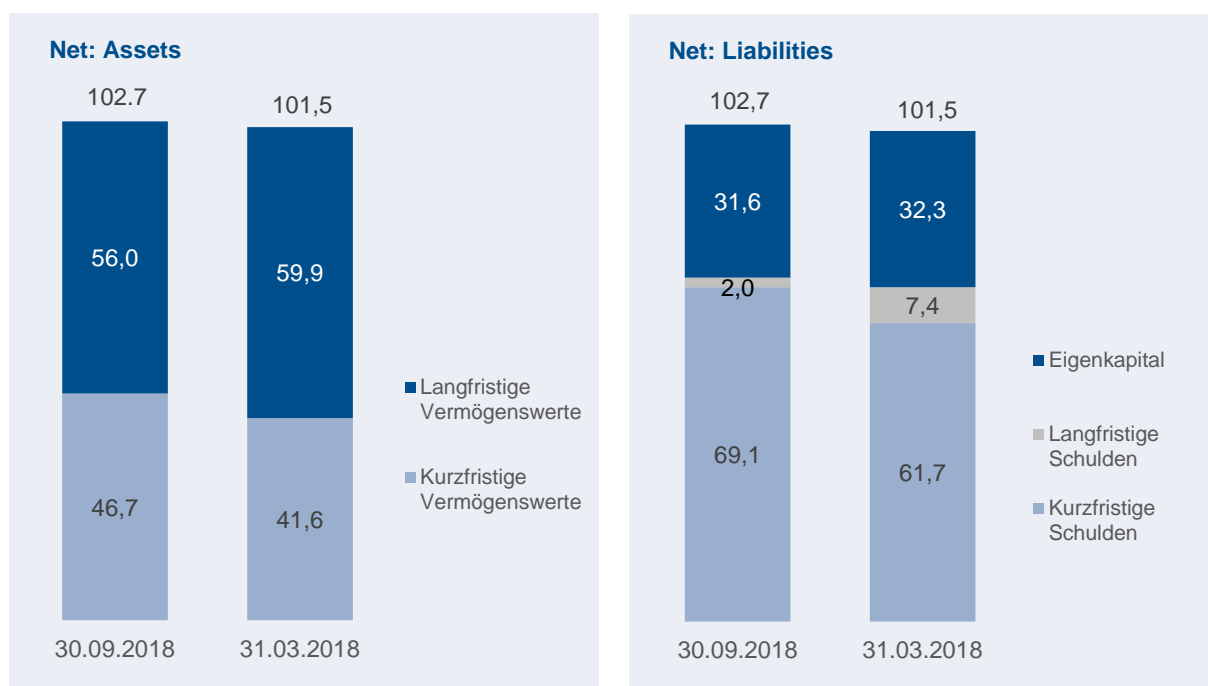
Turnover in the "novels and puzzle magazines" segment increased by 0.3 million Euros to 5.1 million Euros. EBIT decreased slightly from 1.0 million Euros in the previous year to 0.7 million Euros in the current financial year.

The cost of materials netted against the change in stocks of finished products and work in process in the group decreased compared to the previous year by 11.8 million Euros to 24.3 million Euros, corresponding to a cost of materials ratio of 52.2 % (previous year: 52.2 %). Adjusted for the discontinued business unit, the material usage ratio in the previous year was 47.4 %. The increase in the cost of materials ratio for the current financial year on a comparable basis mainly results from the above-mentioned more conservative depreciation policy for prepaid royalties. Personnel expenditure fell from 14.6 million Euros in the previous year to 10.7 million Euros. Adjusted for the discontinued business units, personnel expenditure increased by 0.3 million Euros as a result of non-recurring charges arising from the efficiency programme. Miscellaneous operating expenses fell from 15.4 million Euros to 10.8 million Euros and 1.2 million Euros in continuing operations, respectively.

The financial result amounted to -0.5 million Euros (previous year: -0.8 million Euros). Earnings before income tax (EBT) amounted to -0.5 million Euros (previous year: -1.1 million Euros). The consolidated profit for the period attributable to the shareholders of Bastei Lübbe AG amounted to -0.9 million Euros (previous year: -0.8 million Euros). Earnings per share amounted to -0.07 Euros compared to -0.06 Euros in the previous year. An average number of 13,200,100 shares in circulation (unchanged from the previous year) were taken as a basis during the reporting period.

## Assets position

As of the balance sheet date, the financial situation changed only insignificantly compared to the last consolidated financial statement date.



The consolidated balance sheet total increased by 1.2 million Euros, from 101.5 million Euros to 102.7 million Euros.

The reduction of non-current assets amounting to 3.9 million Euros mainly relates to the substantial reduction in the stock of prepaid royalties (-2.3 million Euros). The current assets increased by 5.1 million Euros. The main reason for the increase is the typically seasonal increase of receivables from supplies and services as of the balance sheet date.

Equity fell by 1.2 million Euros as a result of earnings. The decline in long-term liabilities amounting to 5.4 million Euros results from a reclassification in current financial liabilities. In addition to this effect, short-term liabilities, in particular financial liabilities, typically increase seasonally as do short-term assets.

## Liquidity analysis and investments

The cash flow from the current operating activities increased group-wide from -3.1 million Euros in the previous year to 2.3 million Euros for the year under review. In particular, the significantly decreased financial commitment in the stock of prepaid royalties as well as overall short-term assets had a positive impact here.

The cash flow from investment activity altered in the year under review as compared to the previous year value from (-3.1 million Euros) to -1.4 million Euros. Investments in intangible assets amounting to 1.5 million Euros, as in the previous year (2.2 million Euros), are particularly related to the development of games at Daedalic Entertainment GmbH. The Bastei Lübbe Group received cash (minus liquidated assets) amounting to 0.1 million Euros from the sale of shares.

The cash flow from financing activity mainly resulted in an outflow of funds amounting to 1.0 million Euros in the year under review (in previous year: cash inflow of 5.2 million Euros). Here, payments for the redemption of (financial-) loans exceeded the amount from the intake.

### 3. Supplementary report

The comprehensive programme launched in January 2018 for sustainable efficiency improvement of the core business is in progress according to plan. The process to sell the shares in the fully consolidated subsidiaries oolipo AG, BookRix GmbH & Co. KG and BEAM Shop GmbH is almost completed. On 30 October 2018, an agreement was signed for the sale of the assets of oolipo AG, which is still subject to the condition precedent of approval by the annual general meeting of oolipo AG. The annual general meeting necessary for this will take place on 10 December 2018. The M&A process launched in August for clarification of strategic options for Daedalic Entertainment GmbH is running according to plan.

In correspondence of 18 July 2018, the creditors had approved of an extension of the syndicated loan agreement until 31 March 2020. A corresponding loan agreement with updated contractual regulations was signed on 17 October 2018.

There were no further events of particular importance for the assessment of the assets, financial and earnings position of the Bastei Lübbe AG Group after 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 2017/2018 annual report.

### 5. Forecast

As compared with the presentation in the 2017/2018 annual report, the forecast of the management board for the 2018/2019 financial year has not changed. The economic as well as the financial conditions in Germany continue to be evaluated as good.

In the current financial year 2018/2019, group turnover is expected to amount to approximately 95 million Euros (Previous year: 140 million Euros). It should be noted that in comparison to the previous year, around 35 million Euros is lacking in the 2018/2019 financial year due to the sale of BuchPartner GmbH.

Despite the expenses for the efficiency programme amounting to 2 million Euros as well as for the adjustment of the investment portfolio amounting to around 0.5 million Euros, a positive operating result (EBIT) is again expected in the current financial year.

The earnings for the first half of the year were at the lower end of the internal range of expectations. The management board expects the EBIT to reach at least the lower end of the forecast range of 0.5 million to 2 million Euros for 2018/2019 as a whole. This assumes business develops according to plan in the second half of the year and in particular over the Christmas period.

The financial planning of the Bastei Lübbe Group continues to assume that the net debt as of 31 March 2019 should be at the level of the previous year (30.1 million Euros).

## Consolidated income statement and the total earnings statement of Bastei Lübbe AG, Cologne for the period from 1 April to 30 September 2018

	01/04- 30/09/2018 KEUR	01/04- 30/09/2017 KEUR
Sales revenue	46,498	69,104
Change in inventories of finished goods and works in progress	-1,670	-950
Other activated personal contributions	1,274	1,588
Other operating income	287	936
Cost of materials		
a) Cost of raw materials, consumables, and supplies, and of purchased merchandise	-303	-8,651
b) Expenses for purchased services	-9,439	-12,975
c) Expenses for fees and depreciation of royalties	-12,869	-13,527
	<b>-22,611</b>	<b>-35,153</b>
Personnel costs		
a) Wages and salaries	-9,308	-12,369
b) Social security contributions and pension costs	-1,397	-2,250
	<b>-10,705</b>	<b>-14,619</b>
Other operating expenses	-10,795	-15,388
Earnings from investments	350	384
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>2,628</b>	<b>5,902</b>
Amortisation on intangible assets and property, plant and equipment	-2,667	-6,168
<b>Earnings before interest and taxes (EBIT)</b>	<b>-39</b>	<b>-266</b>
Financial result	-495	-799
<b>Earnings before taxes (EBT)</b>	<b>-534</b>	<b>-1,065</b>
Taxes on income and earnings	-191	-941
<b>Results for the period</b>	<b>-725</b>	<b>-2,006</b>
Other profit/loss	-	-
<b>Total earnings</b>	<b>-725</b>	<b>-2,006</b>
of which attributable to:		
Shareholders of Bastei Lübbe AG	-893	-778
Equity capital shares of non-controlling shareholders	168	-1,228
Profit per share (undiluted = diluted) (with reference to the net period earnings attributable to shareholders of Bastei Lübbe AG)	-0.07	-0.06

## Consolidated income statement and consolidated statement of total earnings of Bastei Lübbe AG, Cologne for the period from 1 July to 30 September 2018

	01/07- 30/09/2018 KEUR	01/07- 30/09/2017 KEUR
Sales revenue	25,709	41,610
Change in inventories of finished goods and works in progress	-718	176
Other activated personal contributions	621	852
Other operating income	141	736
Cost of materials		
a) Cost of raw materials, consumables, and supplies, and of purchased merchandise	-185	-6,461
b) Expenses for purchased services	-5,202	-7,829
c) Expenses for fees and depreciation of royalties	-7,176	-8,746
	<b>-12,563</b>	<b>-23,036</b>
Personnel costs		
a) Wages and salaries	-4,028	-6,164
b) Social security contributions and pension costs	-648	-1,092
	<b>-4,676</b>	<b>-7,256</b>
Other operating expenses	-5,530	-8,231
Earnings from investments	21	363
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>3,005</b>	<b>5,214</b>
Amortisation on intangible assets and property, plant and equipment	-1,811	-4,642
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,194</b>	<b>572</b>
Financial result	-263	-427
<b>Earnings before taxes (EBT)</b>	<b>931</b>	<b>145</b>
Taxes on income and earnings	-431	-1,099
<b>Results for the period</b>	<b>500</b>	<b>-954</b>
Other profit/loss	-	-
<b>Total earnings</b>	<b>500</b>	<b>-954</b>
of which attributable to:		
Shareholders of Bastei Lübbe AG	338	-343
Equity capital shares of non-controlling shareholders	162	-611
Profit per share (undiluted = diluted) (with reference to the net period earnings attributable to shareholders of Bastei Lübbe AG)	0.03	-0.03



## Consolidated balance sheet of Bastei Lübbe AG, Cologne, as at 30 September 2018

	30/09/2018 KEUR	31/03/2018 KEUR
<b>Non-current assets</b>		
Intangible assets	20,254	21,170
Inventory of pre-paid royalties	25,452	27,770
Tangible assets	1,769	1,956
Financial investments	3,488	3,580
Trade receivables	782	898
Deferred tax claims	4,266	4,536
	<b>56,011</b>	<b>59,910</b>
<b>Short-term assets</b>		
Inventories	17,005	18,478
Trade receivables	22,376	18,841
Financial assets	3,802	1,472
Income tax receivables	278	896
Other receivables and assets	2,416	974
Cash and cash equivalents	798	907
Assets from discontinued operations	–	7
	<b>46,675</b>	<b>41,575</b>
<b>Total assets</b>	<b>102,686</b>	<b>101,485</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
Accumulated profit/loss	-9,756	-8,863
	<b>30,248</b>	<b>31,141</b>
Equity capital shares of non-controlling shareholders	1,332	1,202
<b>Total equity</b>	<b>31,580</b>	<b>32,343</b>
<b>Non-current liabilities</b>		
Provisions	84	84
Deferred tax liabilities	1,182	1,175
Financial liabilities	0	5,114
Other liabilities	780	1,030
	<b>2,046</b>	<b>7,403</b>
<b>Current liabilities</b>		
Financial liabilities	42,685	33,069
Trade payables	15,257	19,310
Income tax liabilities	4	6
Provisions	9,152	7,235
Other liabilities	1,962	2,044
Debts from discontinued operations	–	75
	<b>69,060</b>	<b>61,739</b>
<b>Total debts</b>	<b>71,106</b>	<b>69,142</b>
<b>Total liabilities</b>	<b>102,686</b>	<b>101,485</b>

## Consolidated cash flow statement for the period from 1 April to 30 September 2018

	2018/2019 KEUR	2017/2018 KEUR
Results for the period	-725	-2,006
+/- Depreciation/appreciation of intangible assets and property, plant and equipment	2,667	6,168
+/- Depreciation/appreciation on author royalties	6,345	9,898
+/- Other non-cash expenses/income	-45	1
+/- Increase/decrease in provisions	1,917	488
-/+ Profit/loss from the disposal of intangible assets and fixed assets	1	0
-/+ Profit/loss on the sale of discontinued operations, after taxes	4	0
-/+ Increase/decrease in income tax receivables and liabilities incl. deferred tax claims and liabilities	893	1,225
-/+ Increase/decrease in stocks, trade receivables and other assets which are not to be allocated to the investment or financing activities	-10,382	-21,772
+/- Increase/decrease in trade liabilities and other liabilities which are not to be allocated to the investment or financing activities	1,593	2,871
<b>Cash flow from current business activities</b>	<b>2,268</b>	<b>-3,127</b>
- Outflow of funds for investments in intangible assets	-1,530	-2,177
+ Income from the disposal of fixed assets	1	1
- Outflow of funds for investments in fixed assets	-62	-495
+ Income from the disposal of financial assets	42	42
+ Payments for the acquisition of other business entities	131	-
<b>Cash flow from investment activities</b>	<b>-1,418</b>	<b>-2,629</b>
+ Proceeds from the issuance of bonds and obtaining (Financial) loans	2,809	6,765
- Outflow of funds for the repayment of bonds and (financial) loans	-3,768	-1,565
<b>Cash flow from financing activities</b>	<b>-959</b>	<b>5,200</b>
Net change in cash and cash equivalents	109	-556
+ Cash and cash equivalents at start of period	907	1,203
<b>= Cash and cash equivalents at end of period</b>	<b>798</b>	<b>647</b>

## Consolidated statement of change in equity for the period from 1 April to 30 September 2018

(all amounts in KEUR)	Parent company				Shares of non- control- ling share- holders	Group Capital
	Subscri- bed Capital	Capital reserves	Net profit	Equity capital	Equity capital	Equity capital
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>
As at 01/04/2018	13,200	26,804	-8,863	31,141	1,202	32,343
Changes in the group of consolidated	–	–	–	–	-38	-38
Net profit for the period = Net profit	–	–	-893	-893	168	-725
<b>As at 30/09/2018</b>	<b>13,200</b>	<b>26,804</b>	<b>-9,756</b>	<b>30,248</b>	<b>1,332</b>	<b>31,580</b>

## Segment reporting of Bastei Lübbe AG, Cologne for the period from 1 April to 30 September 2018

(KEUR)	Book (incl. E-Books)		Retail (discontinued)		Digital (Games)		Non-Book (discontinued)		Novel booklets and puzzle magazine		Total	
	04-09/ 2018	04-09/ 2017	04-09/ 2018	04-09/ 2017	04-09/ 2018	04-09/ 2017	04-09/ 2018	04-09/ 2017	04-09/ 2018	04-09/ 2017	04-09/ 2018	04-09/ 2017
Segment sales revenue	36,569	45,265	—	14,694	4,871	5,792	—	-76	5,085	4,746	46,525	70,421
Internal sales	1	1,281	—	0	26	36	—	0	0	0	27	1,317
External sales	36,568	43,984	—	14,694	4,845	5,756	—	-76	5,085	4,746	46,498	69,104
EBITDA	385	5,500	—	-1,908	1,459	1,501	—	-225	784	1,034	2,628	5,902
Depreciation/amortisation	482	559	—	626	2,119	4,899	—	0	66	84	2,667	6,198
EBIT	-97	4,941	—	-2,534	-660	-3,398	—	-225	718	950	-39	-266
Financial result											-495	-799
Earnings before income taxes											-534	-1,065
Taxes on income and earnings											-191	-941
Results for the period											-725	-2,006

## Segment reporting of Bastei Lübbe AG, Cologne for the period from 1 April to 30 September 2018

(KEUR)	Book (incl. E-Books)		Retail (discontinued)		Digital (Games)		Non-Book (discontinued)		Novel booklets and puzzle magazine		Total	
	07-09/ 2018	07-09/ 2017	07-09/ 2018	07-09/ 2017	07-09/ 2018	07-09/ 2017	07-09/ 2018	07-09/ 2017	07-09/ 2018	07-09/ 2017	07-09/ 2018	07-09/ 2017
Segment sales revenue	20,943	27,290	—	10,224	2,231	2,967	—	0	2,543	2,275	25,717	42,756
Internal sales	0	1,128	—	0	8	18	—	0	0	0	8	1,146
External sales	20,943	26,162	—	10,224	2,223	2,949	—	0	2,543	2,275	25,709	41,610
EBITDA	1,883	4,282	—	-383	782	749	—	-96	340	662	3,005	5,214
Depreciation/amortisation	232	285	—	318	1,536	3,997	—	0	43	42	1,811	4,642
EBIT	1,651	3,997	—	-701	-754	-3,248	—	-96	297	620	1,194	572
Financial result											-263	-427
Earnings before income taxes											931	145
Taxes on income and earnings											-431	-1,099
Results for the period											500	-954

# Abridged notes on the consolidated interim financial statements for Bastei Lübbe AG, Cologne as at 30 September 2018

## 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 German book publishing company based in Cologne, which specializes in the publication of books, audiobooks and eBooks with fiction and popular science content as well as periodicals appearing in the form of novel booklet and puzzle magazines. Bastei Lübbe also deals in copyright licencing and the sale of computer games through the company 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 2018 have been prepared according to IAS 34 - interim reporting, and cover the period from 1 April to 30 September 2018.

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 2017/18 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 2017/18 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 2017/2018 financial year and can be consulted in the notes to the consolidated financial statements as of 31 March 2018.

## 4. Shareholdings and consolidated companies

Daedalic Entertainment Bavaria GmbH, Munich, a newly established 100% subsidiary of Daedalic Entertainment GmbH, Hamburg, is included in the consolidated financial statement as fully consolidated subsidiary as of 1 April 2018.

With economic effect as of 31 August 2018, Bastei Lübbe AG sold its fully consolidated 100 % stake in BEAM Shop GmbH as well as its fully consolidated stake of 54.04 % in BookRix GmbH & Co.KG.

## 5. Equity

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 2017/18 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 -702 (in previous year: KEUR -284). Interest payments amount to KEUR 541 (in previous year: KEUR 798).

## 8. Changes to the Management and Supervisory Boards

There were no changes in the composition of the Management Board and the Supervisory Board.

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

In correspondence of 18 July 2018, the creditors had approved of an extension of the syndicated loan agreement until 31 March 2020. A corresponding loan agreement with updated contractual regulations was signed on 17 October 2018.

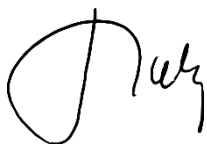
There were no events of particular importance, as defined in IAS 10, for the assessment of the assets, financial and earnings position of Bastei Lübbe AG and of the Group after the close of the reporting period.

## Assurance by the board of directors

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements of Bastei Lübbe AG, Cologne, as at 30 September 2018 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. Furthermore, the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Cologne, 15 November 2018

Bastei Lübbe AG  
Management Board



Carel Halff  
Chairman



Ulrich Zimmermann  
Chief Financial Officer



Klaus Kluge  
Programme Director,  
Sales and Marketing

## **Legal information**

Publisher

Bastei Lübbe AG

Schanzenstrasse 6-20

51063 Cologne

Tel.: +49 (0)221 82 00 28 50

Fax: +49 (0)221 82 00 18 50

Email: [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.

