

01 October 2012

Quarto Announces Details of Special Meeting and Recommends that Shareholders Reject the Proposed Resolutions

As announced on 01 October 2012, the Board of Quarto has received a request from two shareholders (holding in aggregate 19.2% of the common shares of the Company) to convene a Special Meeting of shareholders on (i) the removal as a Director of Quarto of Laurence Orbach (co-founder, Chairman, Chief Executive Officer and largest individual shareholder of the Company) and (ii) the election as a Director of Quarto of Tim Chadwick (the "Proposed Resolutions").

Following this request, the Board of Quarto only recently received the information it requested of Mr Chadwick. The Nominations Committee of Quarto, chaired by Quarto's Senior Independent Director, Mr Peter Waine (founder of Hanson Green, one of the UK's leading non-executive search firms), subsequently met with Mr Chadwick.

Harwood Capital LLP manages the shares behind the Proposed Resolutions and the attempt to elect Mr Chadwick to the Board of Quarto. The shares are owned by Oryx International Growth Fund Limited and the Wellcome Trust. Mr Christopher Mills, the principal of Harwood Capital LLP, previously launched a tender offer for Quarto in 2003, offering an unattractive premium in a move that was decisively rejected by the great majority of shareholders; the tender offer was subsequently withdrawn. Since then, in meetings over the years with several executives and directors of Quarto, Mr Mills has repeated his criticisms of Mr Orbach's stewardship of the Company, and has expressed his preference for appointing a nominee of his own to run the Company.

The Board of Quarto, all of whose members are elected annually, takes full account of the complementary skills and contributions of all its executive and non-executive members and represents the Company's shareholders' interests as a whole. The Board of Quarto notes that, during a radical period of adjustment in the book publishing industry, the Company has managed to build a successful and growing business, and the Board of Quarto remains focused on optimising consistent long-term financial returns. Laurence Orbach's contribution to this record is widely recognized within the industry and by Quarto's shareholders as a whole. His candid analyses of the business, communicated in regular letters to shareholders, are appreciated by most shareholders for their balanced assessment, stressing both the Company's successes and disappointments.

Quarto's Board has put in place a clear, well thought-out and well-received succession plan, under which, and following upon the approval of amendments to update the company's by-laws at the next Annual Meeting (to, inter alia, separate

the roles of Chairman and Chief Executive Officer), Marcus Leaver, Quarto's Chief Operating Officer and a Director, will assume the position of Chief Executive Officer.

The Nominations Committee does not believe that Mr Chadwick's past track record and achievements in the publishing industry in the UK which, according to publicly available information, were largely unsuccessful, would add anything to the good governance and running of the Company during this key succession phase, and that he would be a very poor substitute for the guiding hand of Mr Orbach. Furthermore, the Board of Quarto believes the opportunistic engagement of Harwood Capital LLP and Mr Chadwick at such a critical time in the Company's development can only be de-stabilising and against the interests of the Company and its shareholders as a whole. The Board of Quarto will not allow itself to represent the interests of a minority faction, nor should it allow any form of control by stealth.

The Board of Quarto therefore unanimously recommends that shareholders vote AGAINST the Proposed Resolutions and intends to do so in respect of the shares of the Company they have an interest in (representing 15.2% of the Company's share capital capable of voting at the Special Meeting).

Under the assumption that the Proposed Resolutions are not withdrawn beforehand, which would curtail any further unnecessary expenditure and distraction, the Board of Quarto intends to hold the Special Meeting on 7th November 2012 at 2pm at The Old Brewery, 6 Blundell Street, London N7 9BH.

For further information please contact:

The Quarto Group Inc 020 7700 9004

Marcus Leaver, COO Mick Mousley, CFO

Canaccord Genuity Limited 020 7523 8359

Bruce Garrow

Buchanan 020 7466 5000

Mark Edwards, Louise Hadcock

About Quarto:

Quarto is one of the largest international co-edition book publishers with two principal strands of activity: its Publishing segment publishes books, under imprints owned by the Group; and its Co-Edition Publishing segment creates

books that are licensed to third party publishers for publication under their own imprints in many languages around the world.