

12 August 2014

## Half year results for the six months ended 30 June 2014

The Quarto Group, Inc. (LSE: QRT), the world's leading global illustrated book publisher and distribution group announces its half-year results for the six months ended 30 June 2014.

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The full results are available to  
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The results presentation is available to  
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### Financial Highlights

- Revenue of \$65.6m (H1 2013 \$72.2m); continuing operations down 3%
- Underlying <sup>1</sup> Profit before Taxation of \$0.7m (H1 2013 \$1.7m)
- Underlying <sup>1</sup> diluted Earnings per Share of 2.0 cents (H1 2013 5.6 cents)
- Net debt reduced to \$81.5m (H1 2013 \$83.3m); down \$7.0m on a constant currency basis including proceeds of the sale of a Swiss property for \$1.9m
- Interim dividend maintained at 3.35p (H1 2013 3.35p)

### Operational Highlights

- Continuing revenue in the core publishing businesses down 1% as a result of US wholesaler HDA ceasing operations, backlist destocking and weak uptake of new titles by major book retailers
- Better prospects for the publishing businesses in the second half based on order book visibility, strong foreign sales and flow through of 2013 investment in product development
- Turnaround of ANZ display marketing business continues, with greater visibility of improvement in Australia than New Zealand
- Board further strengthened by the addition of Jess Burley in May

<sup>1</sup>Underlying is before amortization of acquired intangibles, gain on sale of property and exceptional items.

Commenting on the results, Chief Executive Officer, Marcus Leaver, said:

*"Despite a tough first half we expect the new product and the marketing & sales initiatives that we invested, in 2013, to deliver a strong second half in our*

*publishing businesses. There are positive signs of the turnaround we targeted in the Books & Gifts Direct business in Australia and New Zealand. The Group should deliver earnings growth in 2014 as expected."*

Chairman, Tim Chadwick, added:

*"We are making steady progress and our people have shown resolve in what has been a challenging year to date. Despite adverse exchange rates, we have paid down debt and will continue to do so. We have a settled Board and have established the requisite Audit, Remuneration and Nomination Committees. We are maintaining the interim dividend and will continue our focus on earnings growth and continuing to pay down debt."*

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#### About The Quarto Group

The Quarto Group (LSE: QRT) is the leading global illustrated book publisher and distribution group and is listed on the London Stock Exchange. Quarto employs over 400 talented and creative people in five distinct but complementary businesses - Quarto International Co-Editions Group; Quarto Publishing Group USA; Quarto Publishing Group UK; Books & Gifts Direct, Australia & New Zealand and Regent Publishing Services, Hong Kong.

The Group is well positioned in resilient segments of book publishing with rich reserves of Intellectual Property. Quarto is uniquely positioned for growth as the industry adapts to new means of marketing, sales and routes to market. The Group's headquarters are in London where the Company was founded in 1976.