

02 February 2015

Trading Update

The Quarto Group, Inc. ("Quarto" or "the Group"), the world's leading global illustrated book publisher and distribution group, is pleased to provide the following trading update for the year ended 31 December 2014.

Continuation of the positive trading performance reported in November sees Quarto well placed to meet expectations for the year and report both debt reduction and organic growth.

These results come after a year of continued efforts to create a stronger, more coherent Quarto. In February Quarto's publishing divisions were re-branded with new names and a new visual identity, which better represents how the divisions work together, while in Australia and New Zealand, Books & Gifts Direct was created by the consolidation of Lifetime Distributors and Premier Books. The turnaround in this business continues.

Management also focused on developing the business to take advantage of its strengths and opportunities, including by the launch of a comprehensive gift and stationery programme; by greater emphasis on children's books, going from five dedicated children's imprints to eight; and by deals designed to boost Quarto's existing global reach, including a JV in Brazil and the recent establishment, post period end, of a new print buying office in Hong Kong.

Management's focus on debt reduction continued through the year with the previously reported sale of a property in Switzerland for \$1.8m. Net debt on 31 December 2014 was \$66.0m, (31 December 2013: \$71.0m).

Progress was also made in developing the Board, with the addition of Jess Burley in May and of Christopher Mills in October.

Marcus Leaver, CEO, commented:

"I am pleased to report that the business made steady progress in 2014 despite a tough first half to the year. The determination of our people to produce the highest quality publishing has helped ensure that Quarto has built upon its strong position as the leading global illustrated publisher. I look forward to the business developing further in 2015, capitalising on our strengths, expanding our reach, and taking advantage of opportunities while continuing to bring down debt."

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About The Quarto Group, Inc.

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 about 400 talented and creative people in four distinct but complementary businesses - Quarto International Co-Editions Group; Quarto Publishing Group USA; Quarto Publishing Group UK and Books & Gifts Direct, Australia & New Zealand.

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 1976.