

28 January 2016

Trading Update

The Quarto Group, Inc. ("Quarto" or "the Group"), the leading global illustrated book publisher and distribution group, is pleased to provide the following trading update for the year ended 31 December 2015.

A strong performance in the core publishing businesses sees Quarto well placed to exceed management expectations for the year. Our recently established global sales and marketing structure has worked effectively to attain a market-leading presence in the adult colouring book category, particularly in North America. Further, the Ivy Press acquisition has been successfully integrated into our business and has surpassed expectations in its first year.

This strong trading will enable Quarto to report earnings growth and debt reduction for the third year running. Net debt on 31 December 2015 was \$59.7m (31 December 2014: \$66.0m) and we continue to maintain our focus on managing our working capital. The reduction of the company's debt (over 25% since 2012) and further increase in earnings will allow progression in the company's Final Dividend, to be announced on 17 March 2016.

Marcus Leaver, CEO, commented:

"I am pleased to report that the Group made encouraging progress in 2015 capitalising on our strengths, expanding our reach, and taking advantage of opportunities while continuing to reduce debt. We continue to demonstrate the breadth of ways illustrated print books hold appeal and we celebrate our 40th Anniversary in excellent health with a portfolio of creative businesses underpinned by a scalable platform for organic and acquisitive growth."

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About The Quarto Group

The Quarto Group, Inc. (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 in 1976.