

24 May 2016

Annual Meeting Current Trading Statement

The following statement will be read out at The Quarto Group's Annual Meeting, starting at 11am today.

Trading update

Revenue for the quarter to 31 March 2016 was \$33.3m (quarter to 31 March 2015: \$28.4m). Historically, Q1 is the Company's quietest trading quarter but there has been good momentum from Q4 2015 into this period. As outlined in the Final Results in March, revenue will continue to be more H2 weighted than prior years in 2016.

Financial position

The Group's net debt on 31 March 2016 was \$67.6m (31 March 2015: \$77.6m).

Outlook

On the basis of current levels of trading, the Group is on track to meet management expectations for the year end and deliver both debt reduction and organic growth.

VAT on adult colouring books

The Group notes recent press coverage on the VAT status of adult colouring books. Quarto has not been contacted by HMRC on this matter. The Group sought guidance from HMRC in 2015 on the treatment of adult colouring books for VAT and has been charging the standard 20% VAT rate across all adult colouring books in the UK since then.

For further information please contact:

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About The Quarto Group

The Quarto Group (LSE: QRT) is the leading global illustrated non-fiction book publisher and distribution group and is listed on the London Stock Exchange.

Quarto has about 400 talented people in five distinct but complementary businesses - Quarto International Co-editions Group; Quarto Publishing Group USA; Quarto Publishing Group UK; Books & Gifts Direct, Australia & NZ and Quarto 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.