

09 August 2016

Half-Year Results for the Six Months Ended 30 June 2016

The Quarto Group, Inc. (LSE: QRT), the leading global illustrated book publisher and distribution group announces its unaudited half year results for the six months ended 30 June 2016.

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The full results are available to
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Financial Highlights

- Revenue of \$73.3m up 8% in the period (H1 2015: \$67.7m¹)
- Publishing revenue of \$57.8m up 16% (H1 2015: \$49.9m)
- Adjusted² group operating profit of \$0.4m (H1 2015: \$0.7m¹)
- Core publishing adjusted operating profit up by \$1.2m
- Adjusted loss before tax of \$1.1m (H1 2015: \$0.8m¹)
- Loss before tax of \$1.4m (H1 2015: \$1.6m¹)
- Continued focus on reducing net debt: \$8.5m reduction to \$72.5m (H1 2015: \$81.0m)
- Interim dividend maintained at 5.13c/3.93p³ (H1 2015: 5.13c/3.35p)³

Operational Highlights

- Continued strength in the US market with revenue up by 17% and adjusted operating profit up by 39%. Harvard Common Press, acquired in February, has been successfully integrated.
- Acquisition of becker&mayer, announced on 8 August 2016, adds another creative hub in the US with a sizeable children's publishing element to it.
- Disappointing result from Books & Gifts Direct, with adjusted operating profit down \$1.1m but with recovery expected in the second half, based on order book visibility.
- Children's and foreign rights revenues also growing, with Children's revenues up 36%.

1 Restated as set out in Note 1.

2 Throughout this document, adjusted measures are stated before amortisation of acquired intangible assets and exceptional items.

- 3 Dividend per share is declared in cents per share and paid in sterling translated at the spot rate at the time of payment. For the purpose of illustration above, we have used the closing spot rate on Friday 5 August of \$1 : £1.306.

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

"It has been another six months of progress for the Group. Importantly, the acquisition of becker&mayer adds another creative hub in the US and continues to build long-term shareholder value.

As we have highlighted before, we are increasingly second-half weighted. Trading remains on track, with healthy order book visibility, and we remain confident of both reducing debt and delivering growth for a fourth successive year."

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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, whose mission is to make and sell great books that entertain, educate and enrich the lives of adults and children around the world.

Quarto creates and owns proprietary content, publishing books from a diverse portfolio of imprints that are creatively independent and expert in developing long-lasting content across specific niches of interest.

Quarto sells books across 45 countries and in 35 languages through a variety of traditional and non-traditional channels, while constantly looking for new ways to create and deliver content that people need.

Quarto employs over 400 talented people in the US, UK, Hong Kong, Australia and New Zealand. The group was founded in London in 1976. It is domiciled in the US and listed on the London Stock Exchange.

For more information, visit [quartoknows.com](https://www.quartoknows.com) or follow us on Twitter at [@TheQuartoGroup](https://twitter.com/TheQuartoGroup).

