

03 November 2016

## Q3 Interim Management Statement

The Quarto Group, Inc. ("Quarto" or "the Group"), the world's leading illustrated book publisher and distribution group, today issues its Q3 Interim Management Statement for the three months ended 30 September 2016.

### Trading update

Group revenue for the 9 months ended 30 September 2016 of \$130.4m was up 5.9% (2015: \$123.1m\*). Underlying revenue\*\* for the 9 months ended 30 September 2016 was up 1.2%.

Revenue for the Group's core publishing businesses for the 9 months ended 30 September 2016 of \$105.3m was up on the prior year by 11.1% (2015: \$94.8m). Underlying core publishing revenue\*\* was up by 4.9%. Both Harvard Common Press and becker&mayer, acquired in February and August respectively, are integrating well into the publishing portfolio.

Revenue for the quarter ended 30 September 2016 of \$57.0m was up 3.0% (Q3 2015: \$55.4m\*). Underlying revenue\*\* for the quarter was down 6.9%.

Revenue for the quarter for the Group's core publishing businesses was up on the prior year by 4.6% at \$46.9m (Q3 2015: \$44.9m). Underlying core publishing revenue\*\* was down by 7.6%, reflecting the surge in sales of adult colouring books last year.

### Financial position

The Group's net debt on 30 September 2016 was \$75.0m, down 6.7% over the year (30 September 2015: \$80.0m).

### Outlook

On the basis of current levels of trading and order book visibility, the Group remains confident that it will meet management expectations for the full year and deliver both debt reduction and earnings growth.

Marcus E. Leaver, Chief Executive of The Quarto Group, commented:

"We have entered the last quarter confident that we will meet management expectations for the full year, reducing debt and delivering growth for a fourth successive year. We are pleased with the integration of Harvard Common Press and becker&mayer into our publishing portfolio, both of which are performing to expectations and complement the organic growth we are seeing in the core business. We have a solid model in place: the right people, high-quality and long-lasting product, efficient processes, a balanced portfolio of imprints and a scalable platform."

\* Restated as set out in Note 1 of the 2015 Annual Report

\*\* Underlying revenue and underlying core publishing revenue exclude businesses acquired in the 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. Its 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](http://quartoknows.com) or follow us on Twitter at [@TheQuartoGroup](https://twitter.com/TheQuartoGroup).