

24 March 2017

## Sale of the Group's 75% stake in Hong Kong based Regent Publishing Services Ltd.

LONDON, 24 March 2017 - The Quarto Group Inc. (LSE: QRT), the leading global illustrated book publisher, today announces that it has agreed Heads of Terms to dispose of its 75% interest in Regent Publishing Services Ltd, its Hong Kong based publishing services business.

The consideration for the disposal is \$7.0m which includes a payment of \$2.5m (HK\$19.5m) for the Group's share of the excess cash in the business, payable in cash on completion, which is expected to take place on 31 March 2017. The business is being sold to 1010 Printing Group Ltd, a Hong Kong based printing business listed on the Hong Kong Stock Exchange. The consideration will be used to reduce the Group's net debt.

For the 12 months ended 31 December 2016, the unaudited financial statements of Regent Publishing Services Ltd showed a Profit Before Tax of \$1.6m. It had gross assets of \$23.7m and net assets of \$6.6m at 31 December 2016. Quarto's 75% share of the net assets amounted to \$5.0m. The disposal is likely to result in an exceptional profit of \$3.3m.

Regent Publishing Services Ltd business was started by The Quarto Group in 1985 with 25% shareholder George Tai.

**Marcus Leaver, Chief Executive of The Quarto Group, commented:**

"We believe Quarto has a unique opportunity in our fragmented industry to become the dominant publisher of illustrated books globally. The sale of Regent will allow Quarto to focus fully on what it does best - to make and sell books. Regent has performed well since it was founded and George Tai has been a loyal partner to the Group for over 30 years. 1010 Printing Group Ltd., one of Quarto's long-term and most valued printing suppliers, will be a good home for Regent and all of its people."

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## About The Quarto Group

The Quarto Group (LSE: QRT) is the leading global illustrated book publisher. Our 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 50 countries and in 39 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).