

16 August 2017

Termination of Discussions with Potential Bidder

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

On 8 August 2017, the Board of The Quarto Group, Inc. (the "Board") announced that it had received an approach from an unnamed bidder to acquire the entire issued and to be issued share capital of the Company at a price which it considered attractive and reflective of the inherent value of the business as a global publishing platform - and hence worthy of due consideration.

Since the initial approach, about five weeks ago, the Company has been engaged in discussions with the potential acquirer in an effort to deliver a formal offer on the terms indicated to the Board. Unfortunately, these discussions were not progressing to the satisfaction of the Board. It became clear that the regulatory approvals required by the bidder to complete the proposed acquisition were increasingly less likely to be granted on the timeline first indicated. Recognising the importance of delivering a strong finish to the year and after carefully considering the interests of all shareholders, the Board was not prepared to prolong discussions further to avoid distraction to management at such a critical time of year for the business.

Therefore, by mutual agreement, the Board can confirm that it has terminated discussions with the potential acquirer.

The Board remains confident of the Company's prospects as an independent company and reconfirms the outlook statement provided in its half year results statement on 8 August 2017.

Commenting on the decision by the Board, Chief Executive, Marcus Leaver said:

"This was an unsolicited offer and while it was pitched at an attractive premium, the Board considers it imperative that the Company remains focused on delivering a strong finish to the year. I welcome the clarity which this decision brings. As I said at the time of the interim results, we have an excellent publishing programme for the Autumn and the Holiday period - one of our strongest in the last few years - and everyone at Quarto is fully focused on executing our plans and maximising the opportunities in the second half of the year."

The person responsible for making this announcement is Anne Crompton, Company Secretary.

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