



**Connect Group PLC**  
(‘Connect Group’ or “the Group”)

**TRADING UPDATE**

Connect Group PLC, a leading specialist distributor operating in four divisions; News & Media, Books, Education & Care and Parcel Freight, is today issuing its Trading Update covering the 19 week period to 10 January 2015.

Total Group revenues decreased 1.5% year on year, with overall performance broadly in line with management expectations.

The performance of each division was as follows;

- **Connect News & Media;** News revenues decreased by 1.8% and like for like revenues decreased by 2.8% with both newspaper and magazine performance continuing in line with recent run rates. Pass my Parcel was launched as planned and continues to be rolled out to new stores. Media revenues increased through new contract wins by 5.2% with like for like revenues up by 0.4%.
- **Connect Books;** revenues decreased by 1.2% through increased focus on more profitable contracts as part of the recovery plan. Like for like revenues increased by 1.8% due to the continued strong performance of Wordery partly offset by the ongoing market pressures in the UK and internationally. Recent recovery actions continue to reduce costs and increase margins.
- **Connect Education & Care;** revenues decreased by 2.0% and like for like revenues decreased by 1.2%. Core revenues were up by only 0.6% as a result of a strong early peak trading period in the prior year. Education and Early Years channels continue to outperform the smaller Care channel and non-core revenues were down broadly in line with recent run rates.
- **Connect Parcel Freight;** on 19 December 2014, the Group completed the acquisition of Tuffnells Parcels Express, establishing the Parcel Freight division. The division has made a positive start with encouraging trading over the festive period and performance to date is in line with management expectations.

There has been no change in the underlying financial condition of the Group since 12 November 2014 following the publication of the Prospectus in relation to the acquisition of Tuffnells.

The Group will announce its interim results for the six months ending 28 February 2015 on 22 April 2015.

*Note: The following definitions apply consistently throughout Connect Group PLC results  
(1) Like for like revenues exclude the impact of gains and losses, including contracts, new business and acquisitions reported in the current or prior year total sales.*

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### **About Connect Group PLC:**

Connect Group PLC is a leading specialist distributor operating in large and diverse markets. The Group has four separate divisions, connecting suppliers to customers in an efficient, knowledgeable and service oriented way:

**Connect News & Media** – Encompassing: Smiths News and Dawson Media Direct. Smiths News is the UK's largest newspaper and magazine wholesaling business with an approximate 55 per cent. market share. It distributes newspapers and magazines on behalf of the majority of the major national publishers as well as a large number of regional publishers serving approximately 30,000 customers across England and Wales, including large general retailers as well as smaller independent newsagents with approximately 40 million newspapers supplied weekly; Dawson Media Direct is an international media direct business supplying newspapers, magazines and inflight entertainment technology and content to over 80 airlines in 50 countries. In October 2014, the Connect Group announced the launch of Pass My Parcel, a new wholly-owned 'click and collect' delivery service to be operated by the News Business with Amazon as its first client. The Directors consider it to be an important organic opportunity with significant potential.

**Connect Books** - Combining a number of recognised brands in print and digital bookselling, including Bertrams, Dawson Books and Wordery. A leading distributor of physical and digital books, the division serves over 8,200 customers in approximately

100 countries, with over 156,000 in stock titles and access to over a further seven million consumer and twenty million academic titles.

**Connect Education & Care** - A leading independent supplier of consumable products through The Consortium and West Mercia Supplies. The division currently holds an approximate 5 per cent. market share of the estimated addressable market, comprising the consumables element of education spend and serves over 30,000 customers with an extensive range of over 40,000 products across a branded, own-brand and value range, including stationery, arts and craft and cleaning.

**Connect Parcel Freight** - Tuffnells is a leading provider of next-day B2B delivery of mixed freight/parcel consignments, specialising in items of irregular dimension and weight ("IDW"), examples of which include bulky furnishings, building materials and automotive parts. Tuffnells offers distribution coverage throughout the UK through a network of 34 depots and operates a largely depot-to-depot operational model, providing over 10 million deliveries per annum, through a wide range of services to over 4,200 customers focusing on SMEs.