

**Connect Group press release** 08 July 2014

# Interim Management Statement

Connect Group PLC ('Connect Group' or "the Group")

Connect Group PLC ("the Group") a leading specialist distributor operating in three divisions; News & Media, Books and Education & Care, is today issuing its Interim Management Statement covering the 44 week period to 5 July 2014.

Total Group revenues increased 0.2% year on year and performance for the Group remains broadly in line with current market expectations for the full year.

The performance of each division is as follows;

- **Connect News & Media;** News revenues increased by 0.1% driven by strong World Cup sticker sales. Like for like revenues decreased by 2.1% with both newspaper and magazine performance continuing at recent robust run rates. Consequently, full year performance will be above previous expectations. Media revenues decreased by 3.2% and on a like for like basis by 2.8%.
- **Connect Books;** revenues increased by 2.6% due to recent acquisitions and by the continued strong performance of Wordery. Like for like revenues decreased by 3.2% reflecting increased pressure across other channels. Recent recovery actions expected to reduce costs and increase margins are being delivered, although as a result of continued sales pressure particularly in Library services and Academic markets we expect full year performance will be below previous expectations.
- **Connect Education & Care;** revenues increased by 2.2% and on a like for like basis by 2.2%. Core revenues were up 4.4% on a like for like basis with the Education and Early Years channels performing more strongly than the smaller Care channel. Momentum is building for the key peak trading period which has started as planned and full year performance remains in line with previous expectations.

There has been no change in the underlying financial condition of the Group since the half year ended 28 February 2014 and the Group continues to operate well within its bank facilities.

The Group will announce its preliminary results for the twelve months ending 31 August 2014 on 15 October 2014.

*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.*

## Enquiries:

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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 three separate divisions, connecting suppliers to customers in an efficient, knowledgeable and service oriented way:

**Connect News & Media** – encompassing: Smiths News, the UK's largest news wholesaling business with an approximate 55% market share, distributing newspapers and magazines on behalf of all the major national publishers as well as a large number of regional publishers. Smiths News serves approximately 30,000 customers across England and Wales, supplying large general retailers as well as smaller independent newsagents; and Dawson Media Direct, an international media direct business supplying newspapers, magazines and inflight entertainment technology and content to over 80 airlines in 50 Countries.

**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 200,000 in stock titles and access to over a further 7 million consumer and 20 million academic titles.

**Connect Education & Care** - a leading independent supplier of consumables through The Consortium and West Mercia Supplies with an approximate 5% market share. The division 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.

For more information, visit: [www.connectgroupplc.com](http://www.connectgroupplc.com)

Download our fact sheets at: [www.connectgroupplc.com/press-centre/fact-sheets](http://www.connectgroupplc.com/press-centre/fact-sheets)