



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

TRADING UPDATE

Connect Group PLC, a leading specialist distributor operating in four divisions; News & Media, Parcel Freight, Education & Care and Books, is today issuing its Trading Update covering the 20 week period to 21 January 2017.

Total Group revenues increased 0.2% compared to the same period last year, whilst total Group like for like revenues increased 0.6%.

The performance of each division was as follows:

- **Connect News & Media:** News total revenues decreased by 2.6%, and like for like revenues decreased by 2.3%. Newspaper and magazine revenues were both in line with our medium term expectations. Our ongoing cost efficiency programme facilitates continued investment in Pass My Parcel. Media total revenues increased by 8.7% while like for like revenues increased by 6.0%.
- **Connect Parcel Freight:** total and like for like revenues both increased by 5.2% in the period. The Group continues to make a sizeable investment in the Parcel Freight division, to establish a platform for growth through sales leadership, customer service and operational excellence. We anticipate a greater percentage of Tuffnells' full year profit to be generated in the second half than was the case last year.
- **Connect Education & Care:** total and like for like revenues both decreased by 4.6%. Core revenues decreased by 4.4% with increased revenues in Early Years being offset by difficult trading conditions in our other markets.
- **Connect Books:** total revenues increased by 14.3%, while like for like revenues increased by 15.1%. Strong growth in Wholesale and Wordery was offset by continued difficult trading conditions in our higher margin library markets.

The Group will announce its interim results for the six months ending 28 February 2017 on 25 April 2017.

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:

Connect Group PLC
Mark Cashmore, Group Chief Executive

Tel: 01793 563641

David Bauernfeind, Chief Financial Officer

Buchanan
Sophie McNulty
Richard Oldworth

Tel: 020 7466 5000

About Connect Group

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, Dawson Media Direct and Pass My Parcel. 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 on a daily basis, 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. Pass My Parcel, a wholly-owned 'click and collect' delivery service, operated by the Smiths News business, has a network of over 3,000 parcel shops and clients which include Amazon and ASOS.
- **Connect Parcel Freight** - Tuffnells is a leading provider of next-day B2B delivery of mixed parcel freight 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 37 depots and operates a largely depot-to-depot operational model, delivering over 13 million consignments per annum, through a wide range of services to over 4,500 customers focusing on SMEs.
- **Connect Education & Care** - A leading independent supplier of consumable products to the Education and Care markets through The Consortium and West Mercia Supplies. The division currently holds an approximate 5 per cent. market share of the estimated addressable market, 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 Books** - Combining a number of recognised brands in print and digital bookselling, including Bertrams, Dawson Books, Houtschild, Erasmus and Wordery. A leading distributor of printed and digital books, the division supplies a mix of traditional and online booksellers, academic and public libraries and direct to consumer through Wordery.