THE STANLEY GIBBONS GROUP PLC

FOR IMMEDIATE RELEASE **14 November 2014**

THE STANLEY GIBBONS GROUP PLC ("the Company" or "the Group")

Interim Results for the six months ended 30 September 2014

The Stanley Gibbons Group plc today announces its interim results for the six months ended 30 September 2014.

Key Financial Highlights

- Sales up 58% to £27.1m (2013: £17.2m)
- Like-for-like sales, excluding acquisitions, were £17.2m, in line with the prior period
- Trading profits* up 217% to £6.1m (2013: £1.9m)
- Like-for-like trading profits, excluding acquisitions, were £3.7m, up 93%
- Net investment in online developments expensed in the period of £0.8m (2013: £0.6m)
- Adjusted profit before tax** up 307% to £5.3m (2013: £1.3m)
- Adjusted earnings per share up 162% to 10.02p (2013: 3.82p)
- Interim dividend declared of 3.25p per share (2013: 3.00p), up 8% (payable on 12 January 2015 to all holders on the Register at the close of business on 28 November 2014)
- Net debt of £3.3m at 30 September 2014 (30 September 2013: cash balances of £4.2m)
- Stock at 30 September 2014 stated at historic cost of £50.7m (30 September 2013: £22.2m)

*****Excludes investment on internet development, amortisation of Noble intangibles, exceptional operating charges, share option charges & IAS 19 pension costs
******Excludes amortisation of Noble intangibles, exceptional operating charges, share option charges & IAS 19 pension costs

Key Operational Highlights

- Important milestone in the delivery of online strategy with the "soft launch" in November 2014 of the online collectibles marketplace, which can be viewed at marketplace.stanleygibbons.com, with the "hard launch" release scheduled for Q1, 2015
- The integration of Baldwin's with their move to our retail flagship premises at 399 Strand, London was completed to plan and opened for trading on Monday 27 October
- Sale of Baldwin's freehold property at 11 Adelphi Terrace, London for a consideration of £4.5m, with completion scheduled on 17 November 2014
- Acquisition of Mallett plc ("Mallett") on 20 October 2014 for a total cash consideration of £8.8m, excluding deal costs, together with net debt in the Mallett business of £1.4m. This represents a 22% discount compared to the £11.3m carrying book cost of Mallett inventories

- Advantage taken of a number of exceptional opportunities to purchase high value quality collections providing benefit from sales to high net worth clients during the period
- Noble and Murray Payne acquisitions contributed £2.4m to trading profits in the period with integration benefits and cross selling opportunities being delivered in line with plan

Outlook

- Focus on further development of online collectibles marketplace working with key sellers and buyers over the coming months in enacting further enhancements to the site whilst the development team work on further added-value features in preparation for the “hard launch” release scheduled for Q1, 2015
- The quality of our stockholding at this time provides the backbone to delivering short term growth
- It is expected that the cross selling benefits of being able to provide a first class service in a wider range of collectibles to our combined client base will progressively deliver increased sales opportunities in the second half
- Implementation of immediate integration cost savings following the acquisition of Mallett and initiation of cross selling opportunities

Martin Bralsford, Chairman, commented:

"The enlarged Group delivered a strong trading performance in the six months ended 30 September 2014, which included trading profits of £2.4m contributed from the acquisition of Noble and Murray Payne in November last year. The growth in like-for-like profits of 93% in the period was primarily the result of the initial crystallisation of returns from some recent exceptional purchases of major high quality collections.

The recent acquisition of Mallett on 20 October 2014 significantly enhances the Group’s authority in fine antiques and decorating arts, consolidating its influence across the broad market for collectibles. In particular, the acquisition provides a stronger online auction platform to enhance our stated strategy to become a leading online collectibles marketplace and global auction house for fine and decorative arts, collectibles and other valuables.

As a result of the strength of the Group’s combined expertise, international reach and loyal client base, your Board believes there are substantial opportunities to increase market share and to consolidate the market further, particularly from the commercialisation of our recently launched online marketplace."

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Chairman's Statement

Introduction

This report relates to the interim unaudited results for the six month period ended 30 September 2014. As a result of the change in the Company's financial period end from 31 December to 31 March, the prior period comparative figures presented are derived from the Groups' unaudited management accounts for the six months ended 30 September 2013.

On 22 November 2013 and 31 January 2014, the Group acquired Noble Investments (UK) plc ("Noble") and Murray Payne Limited ("Murray Payne") respectively. Consequently, the prior period does not include any contribution from those acquisitions and a like-for-like comparison of performance, where appropriate, is also provided within this report.

Financials

Turnover for the six months ended 30 September 2014 was £27.1m, up 58% on the prior period. Like-for-like turnover, excluding acquisitions, was £17.2m and in line with the prior period.

Trading profits, before internet development costs, amortisation of Noble intangibles, share option charges, IAS 19 pension costs and exceptional costs, were £6.1m for the six months ended 30 September 2014 (2013: £1.9m). The net investment in our online development project expensed to the statement of comprehensive income in the six months ended 30 September 2014 was £0.8m (2013: £0.6m).

Profit before tax for the six months ended 30 September 2014, after charging internet development costs, but before amortisation of Noble intangibles, share option charges, IAS 19 pension costs and exceptional costs, was £5.3m (2013: £1.3m), up 307%. Like-for-like profit before tax, excluding acquisitions, was £2.9m, up 123%.

Adjusted earnings per share, excluding amortisation of Noble intangibles, share option charges, IAS 19 pension costs and exceptional costs, for the six months ended 30 September 2014 were 10.02p (2013: 3.82p), up 162%.

Net debt at 30 September 2014 was £3.3m (30 September 2013: Net cash £4.2m). The cash position has reduced primarily due to the Group's investment in a number of exceptional opportunities to acquire high value collections during the period, resulting in an increased level of inventories at 30 September 2014.

Dividend

Your Board is pleased to approve an increase in the interim dividend of 8% to 3.25p (2013: 3.00p) per share. The interim dividend is payable on 12 January 2015 to holders of Ordinary Shares on the Register at the close of business on the record date of 28 November 2014 with the shares marked ex-dividend on 26 November 2014.

Outlook

We have reached an important milestone in the delivery of our online strategy with the "soft launch" delivered this month of our online collectibles marketplace, which can be viewed at marketplace.stanleygibbons.com. We will be working with key sellers and buyers over the coming months in enacting further enhancements to the site whilst our development team continue to work on further added-value features in preparation for the "hard launch" release scheduled for Q1, 2015.

The integration of Baldwin's with their move to our retail flagship premises at 399 Strand, London was completed to plan and opened for trading on Monday 27 October. This included the rebranding of the exterior and interior of our retail premises to incorporate Baldwin's activities. All of our specialist collectibles trading and auctions have now been integrated in the same location further enhancing cross-selling opportunities.

Contracts were exchanged on 4 August 2014 for the sale of Baldwin's freehold property at 11 Adelphi Terrace, London for a consideration of £4.5m, with completion scheduled on 17 November 2014. The sale illustrates one of the anticipated benefits of the acquisition of Noble with the ability to rationalise the property portfolio of the combined businesses, improving operating efficiencies across the enlarged Group.

On 20 October 2014 the Group acquired Mallett PLC ("Mallett") for a total cash consideration of £8.8m, excluding deal costs, together with net debt in the Mallett business of £1.4m. This represents a 22% discount compared to the £11.3m carrying book cost of Mallett inventories.

Mallett is one of the oldest established antique dealers in the world, specialising in the finest pieces of furniture and works of art, including pictures, clocks and other high quality objects d'art trading from prestigious premises on London's Dover Street and New York's Madison Avenue. The acquisition significantly enhances the Group's authority in fine antiques and decorative arts, consolidating its influence across the broad market for collectibles.

This influence is further complemented by Mallett's holdings in Masterpiece Fairs, which operates the annual Masterpiece art, antiques, design and jewellery fair in London each year and HJ Hatfield & Sons, the restoration and conservation studio. The acquisition of Mallett is in line with our strategy of creating an online platform with the most comprehensive range of collectibles, fine and decorative arts and other valuables at all price points together with substantially enhancing the range of services we can offer vendors of valuable estates and major collections.

Mallett's London, New York and Hong Kong operations will be fully integrated and developed under Dreweatts & Bloomsbury Auctions existing management, led by divisional CEO Stephan Ludwig with the support of recently appointed divisional Chairman, George Bailey.

The quality of our stockholding at this time provides the backbone to delivering short term growth and the Board look forward to the second half of the financial year with confidence.

Martin Bralsford
Chairman
14 November 2014

Operating Review

	6 months to 30 Sept 2014 Sales	**6 months to 30 Sept 2014 Profit**	6 months to 30 Sept 2013 Sales	6 months to 30 Sept 2013 Profit	15 months to 31 March 2014 Sales	15 months to 31 March 2014 Profit
	£000	**£000**	£000	£000	£000	£000
Philatelic trading and retail operations	**15,138**	**4,932**	13,407	2,857	33,413	7,628
Publishing and philatelic accessories	**1,301**	**250**	1,325	252	3,617	764
Coins and medals	**4,941**	**1,843**	692	95	6,981	1,225
Dealing in other collectibles	**5,660**	**707**	1,682	240	7,480	982
Corporate overheads	**-**	**(1,593)**	-	(1,518)	-	(3,780)
Net finance (charges)/income	**-**	**(16)**	-	5	-	33
Trading sales and profits	**27,040**	**6,123**	17,106	1,931	51,491	6,852
Internet development	**79**	**(830)**	111	(632)	281	(1,822)
Adjusted sales and profit before tax	**27,119**	**5,293**	17,217	1,299	51,772	5,030
Pension service and share option charges	**-**	**(225)**	-	(205)	-	(563)
Amortisation of Noble intangibles	**-**	**(180)**	-	-	-	-
Finance charges related to pensions	**-**	**(69)**	-	(27)	-	(173)
Exceptional operating costs	**-**	**(1,083)**	-	(513)	-	(2,081)
Group total sales and profit before tax	**27,119**	**3,736**	17,217	554	51,772	2,213

Overview

Group turnover for the six months ended 30 September 2014 was £27.1m (2013: £17.2m), up 58%. Like-for-like turnover, excluding acquisitions, was £17.2m and in line with the prior period.

The gross margin percentage for the six months ended 30 September 2014 was 60.4% (2013: 40.8%). The substantial improvement in gross margin percentage reflects the fact that a large proportion of turnover from acquisitions relates to auction commissions with no cost of sales attached. Like-for-like gross margin, excluding acquisitions, was 52.4%. The underlying gross margin benefited substantially from high margin sales of material sold from recent purchases of major collections.

Underlying trading profits, before internet development costs, were £6.1m for the six months ended 30 September 2014 (2013: £1.9m). Acquisitions contributed trading profits of £2.4m in the six months ended 30 September 2014. The increase in like-for-like trading profits of £1.8m (93%) is the result of the substantial improvement in the gross margin percentage compared to the prior period.

Overheads, excluding exceptional charges, were £5.3m (93%) higher than the prior period, including overheads of £5m in respect of acquisitions. Like-for-like overheads were £0.3m (6%) higher relating mainly to increased investment in online and IT systems development.

Profit before tax for the six months ended 30 September 2014 was £3.7m (2013: £0.6m). Like-for-like profit before tax for the six months ended 30 September 2014 was £1.3m, up 143%, despite higher exceptional charges of £1.1m (2013: £0.5m) incurred in the period.

Philatelic Trading and Retail Operations

Philatelic trading and retail sales were £1.7m (13%) higher than the same period last year with profit contribution up by £2.1m (73%). Acquisitions contributed £0.1m to profits from philatelic trading and retail operations in the period.

Philatelic trading showed a strong performance in the six months ended 30 September 2014 benefiting from sales made to high net worth clients from our recent purchases of major collections, with profit contribution benefiting from the higher gross margin on such sales. Trading performance in philatelic dealing is largely influenced by high value sales made to key high net worth clients. The largest client in the six months ended 30 September 2014 accounted for sales of £3.0m (2013: £2.7m).

Auction commissions for the six months ended 30 September 2014 were up 44% with an increase in profit contribution from our philatelic auction activities, excluding acquisitions, of 59%. Auctions, however, remain a relatively modest element of philatelic trading accounting for 12% of revenues generated in the period.

Our offices in Asia (Hong Kong and Singapore) contributed sales in the period of £1.5m (2013: £1.1m) and profits of £0.6m (2013: £0.1m). Whilst this represents a positive performance against the prior period, we believe there are substantial opportunities to grow our business activities in Asia further based on continuing to build important client relationships resulting in recognition over time for the quality of the services in the collectibles market we can provide.

Publishing and Philatelic Accessories

Publishing and philatelic accessory sales for the six months ended 30 September 2014 remained consistent at £1.3m with a profit contribution in line with the prior period of £0.3m.

Sales of our printed publishing titles and associated advertising revenues remain consistent with tight control over gross margins and overheads whilst seeking to reduce inventory levels ensuring a focus on improving return on capital in traditional publishing activities.

One of the potential benefits of the launch of our online marketplace will be the introduction of new online subscription services to access our valuable philatelic information and up to date market prices.

Coins and military medals

Sales of coins and military medals for the six months ended 30 September 2014 were £4.9m (2013: £0.7m) with profit contribution of £1.8m (2013: £0.1m). The increase in sales and profits from coins and military medals relates to the contribution from Baldwin's in the period, following the acquisition of Noble in November 2013.

Baldwin's auction revenues in the period benefited from the rescheduling of the auction calendar with an additional sale scheduled for October taking place in September.

Retail sales from Baldwin's were disappointing in the first half of the year, partly affected by the disruptions from the move of operations into 399 Strand, which were completed in October. The shortfall against management expectations has since been broadly recovered following stronger retail sales in October.

Dealing in Other Collectibles

Dealing in other collectibles can be further analysed as follows:

	6 months to 30 Sept 2014 Sales	**6 months to 30 Sept 2014 Profit**	6 months to 30 Sept 2013 Sales	6 months to 30 Sept 2013 Profit	15 months to 31 March 2014 Sales	15 months to 31 March 2014 Profit
	£000	**£000**	£000	£000	£000	£000
Dealing in autographs, historical documents, memorabilia, rare books & records	**2,499**	**131**	586	33	3,135	154
Dealing in antiques, watches, fine wine, jewellery and other collectibles	**2,398**	**550**	-	-	1,535	255
Benham first day covers	**763**	**26**	1,096	207	2,810	573
Trading sales and profit contribution	**5,660**	**707**	1,682	240	7,480	982

Sales of other collectibles for the six months ended 30 September 2014 were £5.7m (2013: £1.7m) with profit contribution of £0.7m (2013: £0.2m). Other collectibles included sales in the period of £3.9m and a profit contribution of £0.6m in respect of Dreweatts & Bloomsbury auctions.

Autographs, historical documents, memorabilia, rare books and record sales for the six months ended 30 September 2014 were £2.5m (2013: £0.6m) with profit contribution of £0.1m. Fraser's autographs has been fully integrated into Bloomsbury Auctions with significant cross selling benefits being experienced resulting in Fraser's autographs sales showing an increase of 87% compared to the same period last year. Stock levels are being actively reduced as we move more towards providing a professional auction service in this area of the business with particular emphasis in developing online auction revenues, which management believe has significant future potential.

Sales of antiques, watches, fine wine, jewellery and other collectibles relate entirely to auctions commissions from Dreweatts. Auction commissions at Dreweatts in the six months ended 30 September 2014 were £2.4m with a profit contribution of £0.6m. Profit contribution in the period from Dreweatts & Bloomsbury Auctions was broadly in line with management expectations.

Benham first day covers sales for the six months ended 30 September 2014 were £0.8m (2013: £1.1m) with negligible profit contribution compared to £0.2m in the prior period. Performance suffered in the period from an absence of any lucrative commemorative events together with a lack of success in overseas business development opportunities, mainly in China. The recent news of the second "Royal Baby" provides the potential for new commemorative products next year.

Internet Development

Sales reported within this division relate solely to commissions generated from third party sales through our online marketplace, www.bidstart.com and online subscription revenues. Online e-commerce retail and auction revenues through our trading websites, www.stanleygibbons.com, www.frasersautographs.com, www.baldwin.co.uk, www.bloomsburyauctions.com and www.dreweatts.com are reported within the respective trading departments.

Gross Merchandise Value ("GMV") through our US online marketplace, Bidstart, was $1.04m in the six months ended 30 September 2014 (2013: $1.26m), down 17% with commissions generated of £0.08m (2013: £0.11m). The reduction in GMV and commissions are due to the absence of any development work or sales promotional activity in the period as focus was directed towards the delivery of the new Stanley Gibbons branded online marketplace.

Overheads expensed in the six months ended 30 September 2014 were £0.9m (2013: £0.7m) relating mainly to salary costs of software engineers making up our internet development team in Raleigh, US.

Online retail sales of our own products were £0.5m in the six months ended 30 September 2014, up 4% on the same period last year. Furthermore, sales of £1.3m were completed in the period to high net worth investment clients sourced from the investment section of our website.

The acquisition of Noble has resulted in a material increase of online auction revenues, contributing GMV of £7.8m in the six months ended 30 September 2014. This represents an important element of our strategy, which we intend to develop further in line with the auction industry trend of an increasing amount of bidding taking place online.

Corporate Overheads

Corporate overheads for the six months ended 30 September 2014 were £1.6m (2013: £1.5m). The increased corporate overheads from acquisitions and necessary support functions to manage the enlarged Group including IT, Finance and HR were broadly balanced by other corporate overhead savings made in the period.

Pension service & share option charges, amortisation of Noble intangibles & finance charges related to pensions

Pension service & share option charges, amortisation of Noble intangibles & finance charges related to pensions for the six months ended 30 September 2014 were £0.5m (2013: £0.2m). In the opinion of the Directors, such accounting charges do not form part of the operating performance of the Group.

Exceptional Operating Costs

Exceptional operating costs can be further analysed as follows:

	6 months to 30 Sept 2014 £000	6 months to 30 Sept 2013 £000	15 months to 31 March 2014 £000
Acquisition costs	**550**	-	503
Legal costs in respect of defined benefit pension scheme	**440**	398	820
Aborted IT system development costs	**-**	-	139
Aborted overseas offices opening costs	**-**	-	121
Reorganisation & restructuring costs	**5**	115	290
Stock rationalisation	**-**	-	208
Other	**88**	-	-
	1,083	513	2,081

Acquisition costs of £0.6m relate to legal and professional fees in respect of the acquisition of Mallett PLC that were irrevocably committed at the balance sheet date. Legal costs in respect of the defined benefit pension scheme incurred of £0.4m relate to legal action for recovery against the professional advisers in respect of the Company's defined benefit pension scheme. Other exceptional operating costs of £0.1m relate to one-off restructuring costs incurred in the period.

Cashflow

Cash used in operations in the six months ended 30 September 2014 of £8.2m (2013: £0.2m) is after an increase in the investment in our inventories of rare collectibles of £8.5m (2013: reduction of £1.5m). The material increase in the level of inventories held at the end of the half year relates to recent exceptional purchases of high value quality collections, which will support anticipated demand and sales in the future together with providing significant protection to gross margin percentage over the next few years.

Net debt at 30 September 2014 was £3.3m (30 September 2013: Net cash £4.2m) and is after investments in fixed assets of £1.8m (2013: £0.7m) and the payment of dividends of £1.9m (2013: £1.9m).

Michael Hall
Chief Executive
14 November 2014

Condensed statement of comprehensive income

	Notes	6 months to 30 September 2014 (unaudited) £'000	6 months to 30 September 2013 (unaudited) £'000	15 months to 31 March 2014 (audited) £'000
Revenue	*3*	**27,119**	17,217	51,772
Cost of sales		**(10,736)**	(10,186)	(28,937)
Gross Profit		**16,383**	7,031	22,835
Administrative expenses before defined benefit pension service costs and exceptional operating costs		**(6,795)**	(1,592)	(7,404)
Defined benefit pension service cost		**(150)**	(130)	(375)
Exceptional operating costs		**(1,083)**	(513)	(2,081)
Total administrative expenses		**(8,028)**	(2,235)	(9,860)
Selling and distribution expenses		**(4,534)**	(4,220)	(10,621)
Operating Profit		**3,821**	576	2,354
Finance income		**4**	7	32
Finance costs		**(89)**	(29)	(173)
Profit before tax		**3,736**	554	2,213
Taxation	*4*	**(466)**	(48)	(78)
Profit for the period		**3,270**	506	2,135
Other comprehensive (cost)/income:				
Actuarial gains recognised in the pension scheme		**-**	-	247
Tax on actuarial gains recognised in the pension scheme		**-**	-	(98)
Revaluation of financial assets for sale		**(49)**	-	99
Other comprehensive (cost)/income for the period, net of tax		**(49)**	-	248
Total comprehensive income for the period		**3,221**	506	2,383
Basic earnings per Ordinary Share	*5*	**7.02p**	1.76p	6.32p
Diluted earnings per Ordinary Share	*5*	**6.69p**	1.72p	6.25p

All profit and total comprehensive income is attributable to the owners of the parent; there are no non-controlling interests.

Condensed statement of financial position

	30 September 2014 (unaudited) £'000	30 September 2013 (unaudited) £'000	31 March 2014 (audited) £'000
Non-current assets			
Intangible assets	**33,126**	1,958	32,571
Property, plant and equipment	**6,800**	2,243	6,294
Deferred tax asset	**900**	735	1,016
Available for sale financial assets	**1,424**	-	1,473
Trade and other receivables	**-**	262	-
	42,250	5,198	41,354
Current assets			
Inventories	**50,657**	22,158	42,118
Trade and other receivables	**15,086**	6,033	14,144
Tax receivable	**-**	-	135
Cash and cash equivalents	**-**	4,208	9,499
	65,743	32,399	65,896
Total assets	**107,993**	37,597	107,250
Current liabilities			
Trade and other payables	**10,480**	3,063	15,928
Deferred consideration	**2,153**	-	2,153
Bank overdraft	**2,712**	-	-
Borrowings	**276**	-	276
Current tax payable	**96**	48	-
	15,717	3,111	18,357
Non-current liabilities			
Trade and other payables	**1,800**	-	-
Retirement benefit obligations	**3,504**	3,321	3,285
Borrowings	**361**	-	528
Deferred tax liabilities	**750**	225	760
Provisions	**484**	608	375
	6,899	4,154	4,948
Total liabilities	**22,616**	7,265	23,305
Net assets	**85,377**	30,332	83,945
Equity			
Called up share capital	**466**	301	466
Share premium account	**62,565**	11,527	62,565
Shares to be issued	**209**	209	209
Share compensation reserve	**723**	572	648
Capital redemption reserve	**38**	38	38
Revaluation reserve	**304**	254	353
Retained earnings	**21,072**	17,431	19,666
Equity shareholders' funds	**85,377**	30,332	83,945

Condensed statement of changes in equity

	Called up share capital £'000	Share premium account £'000	Shares to be issued £'000	Share compensation reserve £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2014	466	62,565	209	648	353	38	19,666	83,945
Profit for the period	-	-	-	-	-	-	3,270	3,270
Revaluation of financial asset	-	-	-	-	(49)	-	-	(49)
Total comprehensive income	-	-	-	-	(49)	-	3,270	3,221
Dividends	-	-	-	-	-	-	(1,864)	(1,864)
Cost of share options	-	-	-	75	-	-	-	75
At 30 September 2014	**466**	**62,565**	**209**	**723**	**304**	**38**	**21,072**	**85,377**
At 1 April 2013	301	11,527	209	497	254	38	18,865	31,691
Profit and total comprehensive income for the period	-	-	-	-	-	-	506	506
Dividends	-	-	-	-	-	-	(1,940)	(1,940)
Cost of share options	-	-	-	75	-	-	-	75
At 30 September 2013	**301**	**11,527**	**209**	**572**	**254**	**38**	**17,431**	**30,332**
At 1 January 2013	284	11,137	209	460	254	38	19,322	31,704
Profit for the financial period	-	-	-	-	-	-	2,135	2,135
Amounts which may be subsequently reclassified to profit & loss								
Revaluation of financial asset	-	-	-	-	99	-	-	99
Amounts which will not be subsequently reclassified to profit & loss								
Remeasurement of pensions scheme net of deferred tax	-	-	-	-	-	-	149	149
Total comprehensive income	-	-	-	-	99	-	2,284	2,383
Dividends	-	-	-	-	-	-	(1,940)	(1,940)
Cost of share options	-	-	-	188	-	-	-	188
Share options exercised	8	937	-	-	-	-	-	945
Issue of ordinary share capital for acquisition	38	12,082	-	-	-	-	-	12,120
Gross proceeds from issue of ordinary share capital	136	39,864	-	-	-	-	-	40,000
Placement costs	-	(1,455)	-	-	-	-	-	(1,455)
At 31 March 2014	**466**	**62,565**	**209**	**648**	**353**	**38**	**19,666**	**83,945**

Condensed statement of cash flows

	Notes	**6 months to 30 September 2014 (unaudited) £'000**	6 months to 30 September 2013 (unaudited) £'000	15 months to 31 March 2014 (audited) £'000
Cash used in operations	*6*	**(8,273)**	(182)	(3,904)
Interest paid		**(89)**	(29)	(4)
Taxes paid		**(67)**	(70)	(433)
Net cash used in operating activities		**(8,429)**	(281)	(4,341)
Investing activities				
Purchase of property, plant and equipment		**(817)**	(265)	(536)
Purchase of intangible assets		**(938)**	(418)	(1,528)
Acquisition of business assets		**-**	-	(29,036)
Interest received		**4**	7	36
Net cash used in investing activities		**(1,751)**	(676)	(31,064)
Financing activities				
Dividends paid to company shareholders	*7*	**(1,864)**	(1,940)	(1,940)
Net borrowings		**(167)**	(125)	588
Net proceeds from issue of ordinary share capital		**-**	-	39,490
Net cash (used in)/generated from financing activities		**(2,031)**	(2,065)	38,138
Net (decrease)/increase in cash and cash equivalents		**(12,211)**	(3,022)	2,733
Cash and cash equivalents at start of period		**9,499**	7,230	6,766
Cash and cash equivalents at end of period		**(2,712)**	4,208	9,499

Notes to the condensed financial statements

1 Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 March 2015.

2 Significant accounting policies

The accounting policies applied by the Group in this interim report are the same as those applied by the Group in the consolidated financial statements for the year ended 31 March 2014.

Income tax

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

3 Segmental analysis

As outlined in the Operating Review the company has five main business segments, operations being split between Philatelic trading, Publishing and philatelic accessories, Coins and medals, Other collectibles and Internet development. This is based upon the Group's internal organisation and management structure and is the primary way in which the Board of Directors is provided with financial information.

Segmental income statement	Philatelic trading& retail operations £'000	Publishing and philatelic accessories £'000	Coins & medals £'000	Other collectibles £'000	Internet development £'000	Unallocated £'000	Group £'000
6 months to 30 September 2014							
Revenue	15,138	1,301	4,941	5,660	79	-	27,119
Operating costs	(10,206)	(1,051)	(3,098)	(4,953)	(909)	(1,998)	(22,215)
Exceptional costs	-	-	-	-	-	(1,083)	(1,083)
Net finance costs	-	-	-	-	-	(85)	(85)
Profit/(loss) before tax	4,932	250	1,843	707	(830)	(3,166)	3,736
Tax	-	-	-	-	-	(466)	(466)
Profit/(loss) for the period	**4,932**	**250**	**1,843**	**707**	**(830)**	**(3,632)**	**3,270**
6 months to 30 September 2013							
Revenue	13,407	1,325	692	1,682	111	-	17,217
Operating costs	(10,550)	(1,073)	(597)	(1,442)	(743)	(1,723)	(16,128)
Exceptional costs	-	-	-	-	-	(513)	(513)
Net finance costs	-	-	-	-	-	(22)	(22)
Profit/(loss) before tax	2,857	252	95	240	(632)	(2,258)	554
Tax	-	-	-	-	-	(48)	(48)
Profit/(loss) for the period	**2,857**	**252**	**95**	**240**	**(632)**	**(2,306)**	**506**
15 months to 31 March 2014							
Revenue	33,413	3,617	6,981	7,480	281	-	51,772
Operating costs	(25,785)	(2,853)	(5,756)	(6,498)	(2,103)	(4,342)	(47,337)
Exceptional costs	(18)	(150)	-	(40)	-	(1,873)	(2,081)
Net finance costs	-	-	-	-	-	(141)	(141)
Profit/(loss) before tax	7,610	614	1,225	942	(1,822)	(6,356)	2,213
Tax	-	-	-	-	-	(78)	(78)
Profit/(loss) for the period	**7,610**	**614**	**1,225**	**942**	**(1,822)**	**(6,434)**	**2,135**

3 Segmental analysis (continued)

Geographical information

Analysis of revenue by origin and destination

	6 months to 30 Sept 2014 Sales by destination £'000	**6 months to 30 Sept 2014 Sales by origin £'000**	6 months to 30 Sept 2013 Sales by destination £'000	6 months to 30 Sept 2013 Sales by origin £'000	15 months to 31 March 2014 Sales by destination £'000	15 months to 31 March 2014 Sales by origin £'000
Channel Islands	**771**	**9,333**	3,684	10,707	8,281	27,142
United Kingdom	**17,861**	**16,313**	6,972	5,549	25,921	21,644
Hong Kong	**958**	**1,473**	861	961	2,466	2,986
Europe	**536**	**-**	874	-	2,905	-
North America	**2,057**	**-**	820	-	3,036	-
Singapore	**3,057**	**-**	2,667	-	5,844	-
Asia	**841**	**-**	180	-	807	-
Rest of the World	**1,038**	**-**	1,159	-	2,512	-
	27,119	**27,119**	17,217	17,217	51,772	51,772

Destination is defined as the location of the customer. Origin is defined as the country of domicile of the Group company making the sale. All of the sales relate to external customers.

Singapore sales in the period ended 30 September 2014 include £3,000,700 to one individual customer (2013: £2,547,000). Channel Islands sales in the period ended 30 September 2013 include £2,721,000 to one individual customer.

4 Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised on a full provision basis in respect of all temporary differences which have originated, but not reversed at the balance sheet date.

5 Earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the weighted average number of shares in issue during the period. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has only one category of dilutive ordinary shares: those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period.

	6 months to 30 September 2014 (unaudited)	6 months to 30 September 2013 (unaudited)	15 months to 31 March 2014 (audited)
Weighted average number of ordinary shares in issue (No.)	**46,597,859**	28,742,267	33,769,106
Dilutive potential ordinary shares: Employee share options (No.)	**2,266,549**	647,162	398,334
Profit after tax (£)	**3,270,000**	505,965	2,134,700
Pension service costs (net of tax)	**173,010**	121,044	420,864
Cost of share options (net of tax)	**75,000**	75,000	188,000
Amortisation of Noble intangibles	**180,000**	-	-
Exceptional operating costs (net of tax)	**971,115**	394,903	1,746,668
Adjusted profit after tax (£)	**4,669,125**	1,096,912	4,490,232
Basic earnings per share - pence per share (p)	**7.02p**	1.76p	6.32p
Diluted earnings per share – pence per share (p)	**6.69p**	1.72p	6.25p
Adjusted earnings per share - pence per share (p)	**10.02p**	3.82p	13.30p
Adjusted diluted earnings per share - pence per share (p)	**9.56p**	3.73p	13.14p

6 Cash used from operations

	6 months to 30 Sept 2014 (unaudited) £'000	6 months to 30 Sept 2013 (unaudited) £'000	15 months to 31 March 2014 (audited) £'000
Operating profit	**3,821**	576	2,354
Depreciation	**310**	153	475
Amortisation	**384**	149	507
Write-off of intangibles	**-**	-	139
Increase in provisions	**329**	108	139
Cost of share options	**75**	75	188
(Increase)/decrease in inventories	**(8,539)**	1,462	(10,280)
(Increase)/decrease in trade and other receivables	**(2,594)**	2,094	5,774
Decrease in trade and other payables	**(2,059)**	(4,799)	(3,200)
Cash used from operations	**(8,273)**	(182)	(3,904)

7 Dividends

	6 months to 30 Sept 2014 (unaudited) £'000	6 months to 30 Sept 2013 (unaudited) £'000	15 months to 31 March 2014 (audited) £'000 *Note 1*
Amounts recognised as distribution to equity holders in period:			
Dividend paid	**1,864**	1,940	1,940
Dividend paid per share	**4.00p**	6.75p	6.75p
Dividend proposed but not paid	**1,517**	-	1,864
Dividend proposed per share	**3.25p**	-	4.00p

Note 1: The Company declared a second interim dividend in respect of the six month period to 31 December 2013 of 4.00p and this was paid in May 2014.

8 Acquisition of Mallett PLC

On 29 September 2014 the Company announced that it had reached agreement on the terms of a recommended cash offer for the entire issued and to be issued share capital of Mallett PLC.

On 20 October 2014 the Company announced that the acceptance condition to the Offer had been satisfied and the Offer thereby became unconditional as to acceptances.

The assets and liabilities of Mallett PLC are not reflected in these financial statements. However, the costs of the transaction to the extent that they have been irrevocably committed at the balance sheet date have been accrued and expensed and reported within exceptional items.

9 Further copies of this statement

Copies of this statement are being sent to shareholders and can be viewed on the Company's website at www.stanleygibbons.com. Further copies are available on request from: The Company Secretary, The Stanley Gibbons Group plc, 2nd Floor, Minden House, Minden Place, Jersey JE2 4WQ.