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**The Stanley Gibbons Group plc**  
**(“Stanley Gibbons” or the “Group”)**

**Trading Update**

Before entering its close period, the Board of Stanley Gibbons provides an update to the market on its estimated results for the preceding financial year ended 31 December 2011, and a trading outlook for the current year.

**2011 trading results**

The Board expects the Group’s financial performance for the year ended 31 December 2011 to be broadly in line with market expectations, showing growth in sales, profit and operating cash generation.

Operating cash generation for the year was particularly strong and, at the current date, the Group holds net cash balances of over £5 million. Cash balances, combined with the substantial stockholding of top quality rare collectibles, mean that the Group has substantial financial resources to fund future growth opportunities.

**Key performance highlights**

- Following the successful launch of our new website, *www.stanleygibbons.com*, at the end of May, internet sales for the second half of the year were up 67% year on year
- New office opened in Hong Kong at the end of September already contributing substantial new revenue stream and generated a profit in its first quarter of trading
- Move to larger corporate and investment sales office in Jersey, Channel Islands completed in August with the resultant increase in sales and client recruitment surpassing management expectations
- Successful diversification of our product offering to include rare coins, commemorative medals and military medals providing material growth opportunities going forward
- Continued development of trading relationships in the Far East providing sales channels into this lucrative market
- Persistent economic volatility, together with higher response rates from our promotional activities, have enabled us to continue to recruit new high net worth clients
- Strong full year trading performance from the Benham Group acquisition completed in September 2010

## **Change of status of director**

From 1 February 2012, John Byfield, who has been a non-executive director of the Group since April 2010, will become an executive director. His new role, as Corporate Development Director, will be to assist with the execution of the Group's acquisition strategy, looking specifically at businesses that add complementary brands or otherwise enhance the strategic objectives of the Group.

## **Current trading and outlook**

The current order pipeline is materially better than at the same time last year benefiting from our recent marketing activities together with the ongoing returns from the successful delivery of some of our strategic objectives in 2011.

Whilst benefiting from the success delivered by our own business development initiatives, we are witnessing an increasing international interest in the ownership of tangible assets, such as collectibles, as a means of storing and growing wealth.

We also expect to continue to grow revenues derived from our websites in 2012 through continued developments. We see the internet and electronic communications to clients as progressively becoming our primary sales channel over time and believe the reputation of our brand combined with our offering in this respect will deliver market dominance in the future.

As a result of the above, the Board is confident of a continued growth in sales and profits in 2012 and beyond.

Martin Bralsford, Non-Executive Chairman commented:

“The growth in sales for the financial year ended 31 December 2011 was exceptional and profit growth was strong, particularly in the light of expenditures incurred this year which will create future benefits.

More important, in the current economic climate, I am delighted with the strength of our underlying business model demonstrated by the strong generation of cash in the year. As a result, the Group enjoys financial security and substantial resources to finance future growth opportunities.

Management are to be congratulated on their success in delivering against the Board's strategic objectives and the progress made in meeting future growth objectives. The Group is in a strong position for the year ahead.”

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