

For release at 7am on Friday 11 January 2013

## **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 2012, and a trading outlook for the current year.

#### **2012 trading results**

The Board anticipates the Group’s level of profitability for the year ended 31 December 2012 to be in line with market expectations. This includes a strong balance sheet position as at 31 December 2012, including net cash balances of approximately £7 million and a substantial stockholding of top quality rare collectibles.

#### **Key performance highlights**

- Acquisition of bidStart, a US-based online collectibles trading platform, for a total consideration of \$1 million, providing a base from which to leverage the Stanley Gibbons brand in the low value/high volume end of the online global collectibles market
- Successful placing and fundraising of £6 million to finance the cash portion of the consideration to acquire bidStart and to provide the finance to accelerate and enhance the development of the global online collectibles trading platform
- Internet sales from core website, *www.stanleygibbons.com*, were up 55% in the year (2011: up 67%) benefiting from the significant investment to date in improving online offering
- New office in Hong Kong, opened in September 2011, assisted in generating substantial new business in the Far East leading to plans to open further overseas offices in 2013
- A number of top quality prestigious collections purchased during the year, at substantial discounts to market value, provided higher gross margins on subsequent sales compared to the prior year
- Continued growth in sales of rare stamps from China benefiting from the ability to source suitable material through office in Hong Kong and prevailing strong demand for this lucrative area of the philatelic market

- Success in building recognition of the quality of auction division illustrated by the sale of the prestigious “Arnhold Collection” achieving a total realisation of £1.6 million. Furthermore, the SG general auction in December 2012 was the strongest in over a decade.
- Benefit of sales of commemorative collectibles during year related to the Queen’s Diamond Jubilee and the London 2012 Olympics, including new demand for such products generated from Chinese market
- Launch of the GB250 Stamp Price Index providing a definitive measure of the performance of the GB rare stamp market, which showed growth of 11% in the year despite the weak economic conditions in our home market, thus illustrating the diversification benefits of an investment in rare stamps

### **Current trading and outlook**

The acquisition of bidStart and associated fundraising enables the acceleration of the delivery of the key aspect of the Group’s online strategy and consequent shareholder returns. The objective is to utilise the strength of the Stanley Gibbons brand, network, industry expertise and financial strength aiming to rapidly grow the bidStart platform and to build on bidStart’s technology to create a substantial global online collectibles trading platform.

We expect the current heightened interest in collectibles as an alternative asset class to increase further in 2013, evidenced by the size of our current order book, as the economic climate results in a desire for investors to allocate more capital into tangible assets. We expect this higher demand to underpin the prices of top quality rare collectibles whilst providing investors with attractive returns and a hedge against inflation.

The Board starts the current year in a strong financial position, in a resilient market with substantial opportunities, through the implementation of our strategy, to deliver substantial increases in shareholder returns in the future.

Martin Bralsford, Chairman commented:

“The financial year just passed represented yet another success delivering growth in profitability in line with market forecast. This was achieved despite the costly work undertaken in the year developing our wider strategy. Most important, the acquisition of bidStart and associated fundraising represents a key milestone towards achieving our core objective in the development of the global online collectibles trading community.

The strength of our Balance Sheet at this time is key, with substantial cash reserves together with the quality of our current stockholding of rare collectibles. As a result, the Group and its stakeholders enjoy the financial security and funding required to support the development of future growth opportunities.

I congratulate the management team on their success in creating the platform for future growth in the past year, which puts the Group in a strong position for the year ahead.”

For further information, contact:

The Stanley Gibbons Group plc

Michael Hall, Chief Executive

+44 (0) 1534 766711

Donal Duff, Chief Operating Officer and Finance Director

Peel Hunt LLP, NOMAD/Broker

Dan Webster/Matthew Armit/Richard Brown

+44 (0) 20 7418 8900