

**THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION BY ANY MEANS OR MEDIA, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, CANADA, AUSTRALIA OR JAPAN**

The Stanley Gibbons Group plc

("Stanley Gibbons" or the "Company")

**Proposed Acquisition of the Assets of Stampwants.com, Inc. and Placing of 3,076,923 new Ordinary Shares at 195 pence per Ordinary Share**

The Stanley Gibbons Group plc is pleased to announce that today it has conditionally agreed to acquire the assets of Stampwants.com Inc, trading as bidStart ("bidStart"), a US-based collectibles business, for a total consideration of USD 1.0 million (the "Acquisition").

In order to finance the cash portion of the Acquisition and to meet the significant working capital requirements to develop its online collectibles trading platform, Peel Hunt LLP ("Peel Hunt") has conditionally placed 3,076,923 new ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") with new and existing shareholders at a price of 195 pence per new Ordinary Share (the "Placing").

**Information on and benefits of the Acquisition**

bidStart is a US-based online collectibles trading platform with particular focus on the stamp and postcard markets. The business operates a customised search engine specifically built for the trading of collectibles, providing a fully transparent marketplace for buyers and sellers.

Since inception, bidStart has sold over 3.5 million items, with over 70 per cent. of sellers providing recurring revenues to bidStart through store subscription services. There are currently over 6.4 million lots available for sale on bidStart, 3 million of which are stamp lots. For the year ended 31 December 2011, total revenues of USD 0.3 million was generated. Commission fees are the main source of revenue for bidStart and revenues are also generated from subscription fees, upgrade fees, public/live auctions, and advertising.

In the last few years Stanley Gibbons has made a significant investment in its own website and back office systems in order to drive online opportunities, with a strategy of becoming more of a service provider than a traditional dealer. The new Stanley Gibbons website was launched in May 2011 and since then, the Company has reported significant increases in revenue from this channel. The next phase of the Company's internet strategy is the launch of a trading platform to access the low value/high volume end of the philatelic market and the Acquisition provides Stanley Gibbons with the opportunity to leverage its brand in this market globally.

The objective for Stanley Gibbons post the Acquisition is to utilise its brand, network, industry expertise and financial strength to rapidly grow the bidStart platform and to build on bidStart's technology to create a substantial collectibles trading platform.

**Details of the Acquisition**

Under the terms of the Acquisition, Stanley Gibbons will pay USD 0.6 million in cash and issue 20,035 new Ordinary Shares (the "Minority Shareholder Consideration Shares") to the minority shareholders of Stampwants.com, Inc. upon closing (with such issuances being made either directly

to such minority shareholders, or to Stampwants.com, Inc. for the benefit of such minority shareholders).

In addition, deferred consideration of 91,588 new Ordinary Shares (the "Deferred Consideration Shares") shall be issued to the majority shareholder, Mark Rosenberg, eighteen months after the date of closing (the "Deferred Consideration Date"). The Deferred Consideration Shares shall be subject to a deduction in an amount necessary to satisfy any indemnification claims made by Stanley Gibbons under the Asset Purchase Agreement prior to the Deferred Consideration Date.

The closing of the Acquisition remains subject to completion of the Placing and is expected to take place on or about 2 November 2012.

The President and majority shareholder of Stampwants.com, Inc. Mark Rosenberg (age 29) will sit on the board of Stanley Gibbons E-Commerce Limited, the Company's newly formed Jersey subsidiary. In addition, he has contracted to remain with the bidStart business as the President and Chief Executive Officer of Stanley Gibbons (US), Inc., the Company's newly formed US subsidiary (which has been incorporated for the purposes of the Acquisition). As the CEO and an employee of Stanley Gibbons (US), Inc., Mr. Rosenberg will assist with the development and management of Stanley Gibbons' global e-commerce operations pursuant to a services agreement between the two companies. Further, Mr. Rosenberg has undertaken with the Company not to dispose of any Deferred Consideration Shares for a minimum of thirty-six months following closing of the Acquisition (i.e., eighteen additional months after the expected issuance of such shares to Mr. Rosenberg on the Deferred Consideration Date).

### **Details of the Placing**

Peel Hunt is acting as Nominated Adviser, broker and placing agent to the Company.

Within the terms of the placing agreement entered into today between Peel Hunt and the Company (the "Placing Agreement"), Peel Hunt has conditionally raised GBP 6 million (before expenses) by the issue of 3,076,923 new Ordinary Shares (the "Placing Shares") with existing and new institutional investors at a placing price of 195 pence per Ordinary Share, representing a discount of 11.6 per cent. to the closing price of 220.5 pence per Ordinary Share on 30 October 2012.

The following Directors will be participating in the Placing and subscribing for the following number of Placing Shares:

Name	Role	No. of Placing Shares	Holding post Placing
Martin Bralsford	Chairman	52,500	102,500
John Byfield	Corporate Development Director	17,948	27,948
Sir Michael Wilkes	Non-executive Director	3,589	9,289
Martin Magee	Non-executive Director	1,750	2,676

The Placing proceeds will be used to finance the cash portion of the Acquisition consideration and to accelerate and enhance the bidStart trading platform. The objective is to make significant additional investment in the working capital of bidStart in terms of personnel, technology and marketing over the three years following the Acquisition. The Placing will also provide the Company with funds to pursue other growth opportunities in its core businesses.

The Placing Shares and the Minority Shareholder Consideration Shares when issued will represent, in aggregate, approximately 10.9 per cent. of the total issued share capital in the Company. The number of Ordinary Shares in issue following the issue of the Placing Shares and the Minority Shareholder Consideration Shares will be 28,411,227.

Application has been made to the London Stock Exchange for the Placing Shares and the Minority Shareholder Consideration Shares to be admitted to trading on AIM. It is anticipated that dealings in the Placing Shares and the Minority Shareholder Consideration Shares will commence at 8:00 a.m. on 2 November 2012 (“Admission”).

The Placing is conditional, inter alia, upon Admission becoming effective and the Placing Agreement becoming unconditional in all respects by no later than 8:00 a.m. on 2 November 2012 or such later date (being not later than 8:00 a.m. on 15 November 2012) as the Company and Peel Hunt may agree.

The Placing Shares are not being offered to shareholders of the Company on a pre-emptive basis because the Board has concluded, having taken appropriate advice, that it is not in the best interests of the Company to make such a pre-emptive offer due to the time and cost involved and the necessity to complete the Acquisition successfully and in a timely manner.

The Placing Shares and the Minority Shareholder Consideration Shares, once issued, will be credited as fully paid and will rank *pari passu* in all respects with the Company's existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

### **Current trading**

The group is trading materially in line with market expectations, although year end results remain dependent on the key trading period that is the final quarter of the financial year.

Michael Hall, Chief Executive of The Stanley Gibbons Group plc, said:

“Following the sizeable investment in our databases and website in recent years, the acquisition of bidStart and associated fundraising is expected to enable the acceleration of the delivery of the key aspect of our online strategy and consequent shareholder returns. I believe the bidStart technology is the best in the collectibles market. I am also confident that the founder and majority shareholder, Mark Rosenberg, will prove a key asset to the group in developing the opportunities associated with taking the Stanley Gibbons brand online globally.”

### **For further information please 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

## **IMPORTANT INFORMATION**

This announcement has been issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Peel Hunt LLP or by any of their respective affiliates or agents as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefore is expressly disclaimed.

Peel Hunt LLP, which is authorised and regulated in the United Kingdom by the UK Financial Services Authority ('FSA'), is acting as nominated adviser and broker to the Company and for no-one else in connection with the Placing, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice to any other person in relation to the Placing or any other matter referred to herein.

The distribution of this announcement and the offering of the Placing Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or its advisers that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company and its advisers to inform themselves about, and to observe such restrictions.

The information in this announcement shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities referred to herein in any jurisdiction in which such offer, solicitation or sale would require preparation of a prospectus or other offer documentation, or be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction.

No public offer of securities of the Company is being made in Australia, the United Kingdom, the United States or elsewhere. The information in this announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933 as amended ('the Securities Act') and the securities may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

The information in this announcement may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution, reproduction, or disclosure of this information in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "objective", "anticipates", "believes", "plans", "expects", "intends", "may", or "will" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this announcement and include, but are not limited to, statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the group's financial position, prospects, growth, strategies and expectations.