

21 September 2010

The Stanley Gibbons Group plc ('Stanley Gibbons' or the 'Company')

Acquisition of the trade and assets of Benham first day covers

Stanley Gibbons is pleased to announce that on Monday 20 September 2010 it acquired the trade and assets of the Benham first day cover and collectibles business from Flying Brands Limited.

Benham, which trades in Jersey and the UK, is the leading publisher of high quality first day covers. Its other activities include that of mail order collectibles retailer and distributor of new issue stamps.

The total consideration for the acquisition is £1.5m in cash of which half was paid on completion with the balance 12 months later. The consideration is financed by a bank loan and the Company's existing cash reserves.

Benham's full year contribution to the results of the Flying Brands Group in the period ended 1 January 2010 was revenue of £2.96m and a profit before tax of £0.41m.

Mike Hall, Chief Executive of Stanley Gibbons said:

'The Benham name is as synonymous with quality first day covers as the Stanley Gibbons name is with philately.

Benham is a low risk bolt-on acquisition providing a strong return on capital, high level of continuity revenue, good cash flows and diversification of revenue streams. It will provide opportunities for Stanley Gibbons to diversify into other collectibles markets and add specialist skills in volume mail order, collector club management and in-house design.

There are a number of synergies between the two databases of collectors and the products we sell, with the potential to develop the Benham website and cross-sell products online. There are considerable opportunities to expand the combined mail order activities of Stanley Gibbons and Benham from Jersey. Following our recent research into the Chinese collectibles market, we see substantial opportunities to promote and distribute specific China related Benham products there.

Commemorative collectible products linked to the London Olympics 2012 are expected to deliver some substantial one-off revenues to the business.'

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