



The Stanley Gibbons Group plc

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## **FOR IMMEDIATE RELEASE**

23 February 2016

### **THE STANLEY GIBBONS GROUP PLC (the "Group")**

#### **Funding and Trading Update**

On 13 January 2016, the Group announced that it was considering a number of fundraising alternatives to reinforce the Group's working capital position prior to 31 March 2016. At that time the Board believed that an equity raise might be comparatively unattractive as the Group's market capitalisation was less than its Net Asset Value. However, having considered the various alternatives, the Board is now confident that an equity raise is the most expedient and efficient method by which to raise the capital necessary. Accordingly, the Group is in the process of raising approximately £10.0 million of new equity (the "Fundraising"). The Board intends that the Fundraising will be executed in a manner that recognises the pre-emption rights of existing shareholders insofar as is possible and will make a further announcement regarding the Fundraising next week.

It is intended that the proceeds of the Fundraising will be used to support a rationalisation exercise, to complete the integration of previous acquisitions and to provide the additional working capital necessary to allow the Group the financial flexibility to trade efficiently during this period. The Board has already initiated a review of the business, particularly its cost base and effective utilisation of properties and other resources. The Board has identified and begun to implement cost savings which will amount to at least £5.0 million on an annualised basis and has appointed Evolution Securities China Limited ("Evolution") to assist with this review. Clive Whiley, Managing Director of Evolution, has extensive experience of restructurings and post-acquisition integration and it is intended that following the completion of the Fundraising he will be appointed as a Director of the Group.

In addition, the proceeds of the Fundraising will be used to repay approximately £6.0 million that has been made available to the Group by way of an additional overdraft facility repayable by 31 March 2016 and which is expected to be substantially drawn before completion of the Fundraising. The Group's total gross indebtedness at 31 January 2016 was £22.6 million and it is expected that following completion of the Fundraising, the total bank facilities available to the Group will amount to £19.5 million. These facilities will not be due for review until 31 May 2017.

The Group has continued to experience lower revenues throughout the business, with sales of rare collectibles to high net worth clients being at a lower level than expected and trading being particularly difficult in the interiors division. Additionally, the integration of recent acquisitions has still not achieved the level of cost savings that is required and there has been continued investment in the online platform. As a result of these factors, the Board now believes that for the year to 31

March 2016 the Group will report an adjusted loss before tax of between £1.0 million and £2.0 million.

The Board believes that with the benefit of additional capital, the actions referred to above and a renewed focus on the core business, the Group will be able to deliver an improved and more sustainable performance in the future.

The Group is also announcing today the appointment of BDO Limited as auditors following the resignation of the current auditors because they consider the risks and uncertainties associated with the audit to exceed the level that they are willing to accept.

The Group has today appointed finnCap Ltd as its Financial Adviser, Nominated Adviser and Broker with immediate effect.

For further information, contact:

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The following information regarding the appointment of Clive Peter Whiley, aged 55, is disclosed under Schedule 2(g) of the AIM Rules for Companies:

Current directorships and/or partnerships:  
Camper & Nicholsons Marina Investments Limited  
China Venture Capital Management Limited  
Evolution Securities China Limited  
First China Venture Capital Limited  
Grand Harbour Marina plc  
Y-LEE Limited

Former directorships and/or partnerships (within the last five years):  
Darwin Strategic Limited  
Christows Limited  
W Deb MVL PLC  
Williams de Broe Limited

Details of voluntary liquidations:

On 30 October 2000, the directors of XLIV Limited (formerly Brimley & Co., a company of which Clive Whiley had been a non-executive director in 1999) voluntarily appointed a liquidator. No costs or dividends were expected to be borne or accrue to the parent company, Hemscott.net (formerly named Bridgend Group PLC), a company of which Clive Whiley had been an executive director in 1999.

At the date of this announcement, Mr Whiley does not own any ordinary shares in the Group.

There are no further disclosures required under Schedule 2(g) of the AIM Rules for Companies.