



News Release

23 November 2006

AVARAE GLOBAL COINS PLC

UNAUDITED INTERIM RESULTS FOR THE PERIOD FROM
6 FEBRUARY 2006 TO 30 SEPTEMBER 2006

Avarae Global Coins plc ("Avarae" or the "Company"), the UK's only publicly traded specialist investment company dedicated to investing in rare and high quality coins, is pleased to announce its maiden unaudited interim results for the period ended 30 September 2006.

Highlights for the period include:

- Successful admission to trading on AIM on 24 May 2006, raising £5.0 million.
- Secondary placing of new Avarae Shares in June 2006 to a major institutional investor, raising a further £1.1 million of new funds for investment.
- First significant investment in rare quality coins made on 2 June 2006, including the 1933 Pattern Penny, thought to be one of only four in the world.
- Avarae is now more than 40 per cent. invested and its portfolio now boasts some of the world's most important coins and coin collections, including:
 - the 1344 Edward III Gold Double Florin or "Double Leopard", one of only three known specimens and the only one in private hands; and
 - a complete collection of 236 German gold, silver and bronze coins minted over a period of some 2,000 years.
- First coin sale made, generating 15 per cent. return on investment before costs.
- Net loss for the period of £0.024 million.
- Net assets as at 30 September 2006 of £5.94 million.

Commenting, Brian Hatton, Executive Director of Avarae, said:

We are delighted with the start that Avarae has made to life as a public company and in particular, we are extremely pleased to have built up such a high quality

portfolio of coins at such an early stage. Furthermore, we are encouraged with the positive impact that we feel that Avarae has made, not only in the numismatic world, but also in the field of alternative investments, where we believe that there is increasing interest from institutional investors and private clients alike in the returns that can be made from assets such as rare coins.

Although it is still early in the investment cycle of the Company regarding any significant realisations from the resale of coins, we are optimistic that, as the rare coin market continues to grow, Avarae is well placed to make some significant gains over the course of the next few years.

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AVARAE GLOBAL COINS PLC

Directors' Review

Introduction

We are delighted to present our first interim report to shareholders and provide an update to the market following our half-year trading update released on 4 October 2006. The following pages show the financial position of the Company for the period from its incorporation on 6 February 2006 to 30 September 2006. During this time, the Company floated on the AIM market of the London Stock Exchange and simultaneously raised its first material funds for investment purposes.

Avarae is the UK's only publicly traded specialist Investment Company dedicated to investing in rare and high quality coins. It provides access for institutions and individuals wanting to diversify their investment portfolios away from the traditional asset classes such as equities, property, bonds etc without the need to be an expert in the coin collecting sector. Its strategy is to invest actively in the coin collecting sector in various countries across the world. It is currently building up an impressive portfolio of coins which it intends to hold both for the long term (i.e. more than one year), in order to achieve long term capital growth for its shareholders, and also the short term, in order to take advantage of short term trading opportunities, as the market for rare coins continues to grow.

Financing

Avarae is registered and incorporated in the Isle of Man. Since its incorporation it has raised more than £6.5 million in a number of financing rounds, including raising

£5.0 million (before expenses), in conjunction with its admission to trading on AIM on 24 May 2006, and raising a further £1.1 million (before expenses) through a placing with a single major London institution in June 2006.

For a publicly traded company, Avarae maintains a very low operational cost base of less than £0.3 million per annum on an ongoing basis, which includes the costs associated with all of the Company's numismatic advisers.

The coin dealing sector

The market for trading coins is international in nature and significant in size. Over the last few months, there has been an increasing interest in the coin sector and its prominence as an alternative investment class is illustrated by recent increases in activity across the world, where record prices have been paid for certain rare pieces, especially in the UK and in the US. The UK market is still trading below the levels of the US market, but the gap is narrowing and the US market does provide an insight into the significant sums being paid for individual coins. For example, in the US a 1933 double eagle coin sold for over \$7.6 million, whereas the most expensive individual British coin was sold earlier this year for £0.4 million.

The number of interested parties in coins and coin collections appears to be continuing to grow rapidly, with auction houses, particularly in the UK, in some cases witnessing increases of more than 50 per cent. in the numbers of interested bidders compared to the corresponding auctions the previous year.

Historically, if purchased correctly, investments in coins can not only reduce the risk of overall investment portfolios, but can also produce significantly better returns than investments in equities, bonds or property. Individual coins and coin collections have historically produced annual compound returns in excess of 10 per cent.

Avarae's Investments

Avarae floated on 24 May 2006 and made its first purchase of rare coins the week following, on 2 June 2006. Since it floated, the Company has made a total of five purchases of coins or coin collections, investing more than £2.5 million in aggregate. This equates to approximately 40 per cent. of the current funds that the Company has for investment purposes. Coins or collections of note purchased include:

- An important collection of English hammered and milled gold and silver and bronze including 17 English gold five guinea pieces struck during the reigns of Charles II, James II, William & Mary, William III, Anne, George I, II and III;
- A 1933 English Pattern Penny, thought to be one of only four in the world;
- A 1344 Edward III Gold Double Florin (or "Double Leopard"), one of only three in the world and the only one in private hands;
- A complete collection of 236 German gold, silver and bronze coins, minted under German rulers over a period of 2,000 years;
- A collection of excessively rare multiple Talers issued in Transylvania, Switzerland, Netherlands, Italy, France, Germany and The Holy Roman Empire between the 16th and 18th century;

- A collection of rare Islamic and Indian gold and silver coins covering approximately 500 years;
- A collection of high quality Chinese gold and silver coinage from 19th and 20th century; and
- A collection of South American gold and silver coinage from the 18th to 20th century.

Avarae's current intention is to hold the vast majority of its current portfolio for the foreseeable future and only make disposals of coins or collections when it and its Advisory Panel believe it to be in the best interest of the Company and its shareholders.

Financial Results

The financial review relates principally to the four month period from the date that the Company was admitted to trading on AIM (24 May 2006) to 30 September 2006. This is because prior to 24 May 2006, the Company did not have any significant funds for investment purposes.

During this period, the Company made one disposal, selling a single coin for £23,000 and achieving a gross profit margin of 15 per cent., having previously purchased the coin earlier in the same month.

Administrative costs during the period of £98,000 include some one-off costs relating to the Company's admission to AIM and also include approximately £12,000 of costs relating to the period from the Company's incorporation to 31 March 2006. Ongoing half-yearly administrative expenses are anticipated to be of the order of not more £150,000.

Interest receivable of £71,000 during the period is expected to reduce on a pro-rata basis over time as more of the IPO proceeds are invested in coins.

Net loss for the period was £24,000, resulting in a loss per share of approximately 0.07 pence.

At the period end, the Company had net assets of £5.94 million, of which approximately £3.5 million was in cash or short term deposits. The Company had no borrowing during the period.

Appointment of Director

The Directors are pleased to today announce the appointment of Matthew Graham Wood as a Non-executive Director of the Company with immediate effect.

Matt, 33, is currently a director of Combined Management Services Limited, a company providing consultancy services to a number of AIM companies, including Avarae, and is also a non-executive director of Eskimo Group ehf., an Icelandic based branding business. After graduating with a first class honours degree in Economics, Matt qualified as a chartered accountant in 1999 and then spent the next six years as a corporate financier with Evolution Securities, previously with Beeson Gregory.

Matt's experience of small cap public companies, together with his extensive knowledge of current corporate governance will prove invaluable to the Company as it continues to build its profile amongst the investment community, particularly in London. There is no further information required to be disclosed under Schedule 2, Para (g) of the AIM Rules, pursuant to Matt's appointment.

Outlook

The Directors believe that Avarae has made excellent progress in its first few months as a public company and so far has executed each element of its strategy and business plan in line with our expectations. We are delighted with the contributions that both Noble Investments, as our numismatic advisor, and Sir John Wheeler and David Pinckney, as our Advisory Panel members, have made to the Company and we very much hope that their contributions will continue over the coming months and years. It is their combined efforts and introductions that have enabled the Company to build up such an impressive portfolio of coins and coin collections so early in its evolution. To that end, the Directors are delighted to announce that one of the Company's key "flagship" coins, the "Leopard" is now safely installed, on loan by Avarae, at the Fitzwilliam Museum in Cambridge. This only goes to reinforce our view that the coin is of great historical importance being the only one known to exist outside the British Museum.

We are also pleased to have increased the size of the investment fund through a secondary placing so soon after floating and with such a notable financial institution, and we must look to maintain this momentum of widening the Company's shareholder base during the second half of the current financial year.

We believe that the coin and coin collecting market is showing considerable growth at present and that there is room for significant further growth and therefore, we remain optimistic for the future.

Brian Hatton, Executive Director,
23 November 2006

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Unaudited interim profit and loss account

	Note	6 Feb. 2006 – 30 Sept. 2006 £'000
Turnover	1	23
Cost of Sales		(20)
Gross profit		3
Administrative expenses		(98)
Loss on ordinary activities before interest		(95)
Interest received		71
Interest paid		0
Loss on ordinary activities before tax		(24)
Tax on profit/(loss) on ordinary activities		0
Loss on ordinary activities after taxation		(24)
Loss per share	2	(.07p)

There were no recognised gains or losses other than the loss for the period.

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Unaudited interim balance sheet

	Note	As at 30 Sept 2006 £'000
Current Assets		
Coin inventory	3	2,576
Debtors		130
Cash at bank		3,526
		6,232
Creditors: amounts falling due within one year	4	(295)
Net current assets		5,937
Net Assets		5'937
Capital and Reserves		
Called up equity share capital	5	621
Share premium	6	5,340
Profit and loss account		(24)
Total Equity Shareholders' Funds		5,937

AVARAE GLOBAL COINS PLC

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FROM 6 FEBRUARY 2006 TO 30 SEPTEMBER 2006

Cash flow statement

	Note	6 Feb. 2006 – 30 Sept. 2006 (£'000)
Net cash outflow from operating activities	7	(2,506)
Returns on investment and servicing of finance		
Interest received		71
Interest paid		0
		(2,435)
Taxation		0
Net cash outflow before financing		(2,435)
Financing		
Issue of equity shares		5,961
Increase in cash in the period		3,526

Reconciliation of net cash to movement in net funds

	6 Feb. 2006 – 30 Sept. 2006 £'000
Increase in cash in the period	3,526
Movement in net funds in period	3,526
Net funds at start of period	0
Net funds at end of period	3,526

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UNAUDITED INTERIM RESULTS FOR THE PERIOD FROM 6 FEBRUARY 2006 TO 30 SEPTEMBER 2006

Notes to the interim results

1) Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Financial Reporting Standards.

Turnover

Turnover represents the sale of coins exclusive of VAT

2) Earnings per Share

The loss per share for the period was 0.07p. The calculation of earnings per share is based on the loss of £24,290 for the period and the weighted average number of shares in issue (35,737,700).

3) Coin Inventory

Coin inventory represents the original value of coins purchased, less the cost of those sold. It is intended to revalue the coin inventory at the end of each financial year.

4) Creditors

	As at 30 Sept. 06 £'000
Trade creditors	274
Accruals	21
	295

All creditors are due within one year.

5) Share Capital

	As at 30 Sept. 06 £'000
Authorised	
100,000,000 ordinary shares of £0.01 each	1,000
Allotted, called up and fully paid	
62,133,334 ordinary shares of £0.01 each	621

Notes to the interim results (continued)

6) Share Premium Account

	As at 30 Sept. 06 £'000
Total funds raised	6,500
Less expenses	(539)
Less nominal capital	(621)
Share premium	5,340

7) Reconciliation of operating loss to net cash outflow from operating activities

	6 Feb. 2006 – 30 Sept. 2006 £'000
Operating loss	(95)
(Increase) in debtors	(130)
(Decrease) in creditors	295
(Increase) in inventory	(2,576)
	(2,506)

8) Preparation of the Interim Report

This report was approved by the Directors on 22 November 2006.

- 9) The results for the period ended 30 September 2006 are unaudited and do not constitute statutory accounts as defined in The Companies Acts.
- 10) The financial results included in this report are from the date of the Company's inception, 6 February 2006, through to 30 September 2006. Included in the results is a retained loss of £12,000 relating to the period before 1 April 2006, which comprised nil turnover and administrative costs of £12,000. These figures were included in accountants' report on the Company for the period from its inception to 31 March 2006 which are included in the Company's AIM admission document dated 19 May 2006.
- 11) The interim report is being sent to shareholders as soon practicably possible. In addition copies are available from the Company's registered office, Hillberry Trust Company Limited, Exchange House, 54-58 Athol Street, Douglas, Isle of Man, IM1 1JD