

AVARAE GLOBAL COINS PLC

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2011

London (AIM: AVR): 8 December 2011 – Avarae Global Coins plc (“Avarae” or the “Company”), the UK’s only publicly traded specialist company dedicated to investing in rare and high quality coins, is pleased to announce its unaudited interim results for the six months to 30 September 2011.

Highlights for the period include:

- 70% uplift in sales for the six month period to £1,580,000 (2010: £923,000);
- Profit for the period of £503,000 (2010: loss £136,500), an increase of more than 10% on the whole of last year;
- Profit per share of 0.62 pence (2010: loss 0.16 pence);
- Additions totalling £230,000 made in the period, including English, Islamic and Roman coins;
- Coin inventory valued at approximately £9,413,000 at the period end;
- Net assets as at 30 September 2011 of £11,426,000 (31 March 2011: £10,923,000); and
- Net asset value per share as at 30 September 2011 of 14.1 pence (31 March 2011: 13.6 pence), an increase of 48% since 31 March 2007.

Commenting, Matt Wood, Director of Avarae, said:

“As previously announced, trading in the first half was strong following an impressive return from the Hong Kong auction in August. Activity in the rare coin market has remained positive, as the numismatic industry has seen an influx of new buyers in these challenging economic times. Avarae remains well positioned as an alternative asset play as the market for the highest quality rare coins should continue to attract good demand and steady price growth. Continued strong competition for the very best pieces, such as those owned by Avarae, should position the Company well in the coming year.”

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Directors' Report

Introduction

We are pleased to present the unaudited interim results of Avarae Global Coins plc ("Avarae" or the "Company") for the six months ended 30 September 2011. During the period under review the Company made further investments in, and some significant divestments from, its portfolio of rare and high quality coins. The value of the Company's coin portfolio was £9.41 million at the period end. In line with the Company's stated strategy, no revaluation has been undertaken for the Company's interim results.

Avarae provides access for institutions and individuals wanting to diversify their investment portfolios away from the traditional asset classes such as equities, property or bonds without the need to be an expert in the coin-collecting sector. The Board's strategy is to invest actively in the rarest and highest quality segment of the coin-collecting sector in various countries around the world. We have built up and are continually adding to an impressive portfolio of extremely high quality, rare coins which we intend to predominantly hold for the long-term (i.e. 3 to 5 years), with the aim of achieving long-term capital growth for our shareholders, while also taking advantage of short-term trading opportunities, as the market for rare coins continues to grow.

The coin-dealing sector

Activity in the rare coin market has remained positive over the period. The numismatic industry has seen an influx of new buyers looking for tangible assets and fresh areas to place their money as traditional asset classes fail to deliver robust financial gains and exhibit high volatility. The majority of the funds coming into the numismatic market are targeting the higher quality coin rarities and this is adding considerable pressure on availability. A number of important coins and coin collections have come up for sale worldwide with auction houses continuing to achieve record prices, particularly for the highest quality rare pieces.

Historically, if purchased correctly, investments in rare and high quality coins can reduce the risk of overall investment portfolios and produce strong returns over a prolonged period. Coins and coin collections of the highest quality can produce annual compound returns of around 10% over the medium to long term. Since 31 March 2007, the end of Avarae's first financial reporting period, its net asset value per ordinary share has increased by approximately 48%.

Avarae's investments

In the period to September 2011, the Company acquired approximately £230,000 worth of coins (H1 2010: £320,000) and sold coins for approximately £1.58 million (H1 2010: 923,000). Purchases of high quality English, Islamic, Scottish and Roman coins during the period were again prevalent. Examples of rare coins acquired during the period include:

- A beautifully struck and rare Anglo Gallic gold Leopard from Edward III (1327-77);
- An excessively rare Ilkhanid, Uljaytu, gold Multiple Dinar Medallion struck in Madinat al Salam around AD 1310; and
- A superb gold Aureus of the Roman Emperor Geta (AD 209-12) struck in Rome with Roman Emperor Caracalla on the reverse.

Financial Results

During the six month period, the Company generated sales from the portfolio, totalling £1.58 million, an increase of more than 70 per cent. on the same period the previous year (H1 2010: £923,000). Gross profits of £695,000 were achieved in the period (H1 2010: £58,000) which was extremely pleasing and reflects the strong showing of the Company's consignment in the Hong Kong auction held in August. Traditionally, the Company's second half of its financial year has historically been its stronger half, partly as a result of more coin auctions taking place in that period and also due to higher margins being achieved over and above the prior year's revaluation. However, whilst the directors retain confidence in the Company's performance over the second half the current financial year, it remains to be seen if it can match the excellent performance achieved in the first half.

Administrative expenses during the period of £193,000 were marginally down on the same period in 2010 (H1 2010: £198,000), reflecting the Directors' continued efforts to keep a tight control on costs. Interest receivable during the period was minimal reflecting the lower average cash balances and low interest rates prevailing during the period.

The result of the strong sales and tight control of costs was that profit for the period was significantly higher than the previous year at £503,000 (H1 2010: loss £136,000), resulting in a profit per share of 0.62 pence (H1 2010: loss per share of 0.16 pence).

In line with our stated strategy, the Company only undertakes its portfolio revaluation exercise at the end of each financial year (31 March), rather than mid-year and, only then, revaluing coins that have been held by the Company for more than 12 months. Accordingly, the £230,000 of coins acquired in the period under review, together with the £1.1 million of coins acquired during the year ended 31 March 2011, remain valued at cost. The total value of the coin portfolio at the period end was £9.41 million (31 March 2011: £10.07 million), reflecting the high level of realisations achieved in the period, specifically Hong Kong.

The Company ended the period with £608,000 of net cash (31 March 2011: £435,000) and no borrowings (2010: £nil).

Trade and other receivables at the period end totalled £1.51 million (31 March 2011: £461,000), made up almost entirely from the proceeds of the Hong Kong auction in late August. Trade creditors and accruals were £109,000 at 30 September 2011 (31 March 2011: £40,000).

Unlike previous periods, the Company did not purchase any of its own ordinary shares of 1 pence each ("Ordinary Shares") for cancellation. However, the Directors remain of the view that it is in the best interests of all shareholders for the Company, under certain circumstances and provided it has sufficient cash resources, to acquire its own shares for cancellation in the event that the purchase price per Ordinary Share is materially below the Company's own net asset value per Ordinary Share ("NAV"). At the period end, the Company had net assets of £11.43 million (31 March 2011: £10.92 million), resulting in a NAV of 14.1 pence (31 March 2011: 13.6 pence).

No dividend has been declared in respect of the interim period.

Outlook

Trading in the first half was strong following an impressive return from the Hong Kong auction in August. The Directors believe that Avarae remains well positioned as an alternative asset play as the market for the highest quality rare coins should continue to attract good demand and steady, predictable price growth. In these times of volatile equity markets, low interest rates and high inflation, investments in rare coins can often outperform more traditional investments over a sustained period, as proven by Avarae's ability to achieve a compound annual increase in its net asset value over the last four and half years of approximately 9.5%.

Continued strong competition for the very best pieces, such as those owned by Avarae, should position the Company well in the coming year.

7 December 2011

Directors

Avarae Global Coins plc

Unaudited Income Statement
from 1 April 2011 to 30 September 2011

		1 April 11 to 30 Sept 11	1 April 10 to 30 Sept 10	1 April 10 to 31 Mar 11
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>Note</i>	£'000	£'000	£'000
Revenue				
Sales		1,580	923	2,188
Cost of Sales		(885)	(865)	(2,037)
Coin revaluation		-	-	664
		<hr/>	<hr/>	<hr/>
Gross profit		695	58	815
Administrative expenses		(193)	(198)	(369)
		<hr/>	<hr/>	<hr/>
Profit/(Loss) on ordinary activities before:		502	(140)	446
Finance income		1	4	4
		<hr/>	<hr/>	<hr/>
Profit/(Loss) on ordinary activities before tax		503	(136)	450
Tax on profit/(loss) on ordinary activities		-	-	-
		<hr/>	<hr/>	<hr/>
Profit/(Loss) on ordinary activities after taxation		503	(136)	450
		<hr/>	<hr/>	<hr/>
Earnings/(Loss) per share	2	0.62p	(0.16p)	0.52p

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

Unaudited Balance Sheet
as at 30 September 2011

		As at 30 Sept 11 <i>Unaudited</i>	As at 30 Sept 10 <i>Unaudited</i>	As at 31 Mar 11 <i>Audited</i>
	<i>Note</i>	£'000	£'000	£'000
Assets				
Current Assets				
Coin inventory	3	9,413	9,795	10,067
Trade and other receivables	4	1,514	516	461
Cash at bank		608	968	435
		<hr/>	<hr/>	<hr/>
Total Assets		11,535	11,279	10,963
		<hr/>	<hr/>	<hr/>
Liabilities and Equity				
Creditors: amounts falling due within one year	5	109	415	40
		<hr/>	<hr/>	<hr/>
Total Liabilities		109	415	40
		<hr/>	<hr/>	<hr/>
Equity				
Called up equity share capital	6	808	868	808
Share premium		8,880	9,347	8,880
Profit and loss account		1,738	649	1,235
		<hr/>	<hr/>	<hr/>
Total Equity Shareholders' Funds		11,426	10,864	10,923
		<hr/>	<hr/>	<hr/>
Total Liabilities and Equity		11,535	11,279	10,963
		<hr/>	<hr/>	<hr/>

Diane Clarke

Matt Wood

Unaudited Cash Flow Statement

as at 30 September 2011

	1 April 11 to 30 Sept 11	1 April 10 to 30 Sept 10	1 April 10 to 31 Mar 11
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	£'000	£'000	£' 000
Cash flows from operating activities:			
Profit for the period	502	(140)	446
Adjustments for:			
Increase/(decrease) in payables	69	337	(39)
(Increase)/decrease in receivables	(1,053)	(496)	(440)
Decrease in inventory	654	545	273
Net cash flow from operations	172	246	240
Interest received	1	4	4
Net cash received from investing activities	1	4	4
Purchase of own shares for cancellation	-	(104)	(631)
Net cash from financing activities	-	(104)	(631)
Net increase in cash and cash equivalents	173	146	(387)
Opening cash position	435	822	822
Closing cash and cash equivalents	608	968	435

Notes to the Unaudited Interim Financial Statements:

(1) Accounting policies

Basis of accounting

The unaudited interim financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards. The accounting policies and methods of computation in the unaudited interim financial statements are the same as those of the audited financial statements 31 March 2011.

(2) Earnings per share

The profit per share for the period was 0.62p (H1 2010: loss of 0.16p). The calculation of earnings per share is based on the profit of £503,000 for the period (H1 2010: loss of £136,000) and the weighted average number of shares in issue of 80,783,334 (87,963,279).

(3) Coin inventory

At the end of each financial year, the coin inventory is re-valued to market value less the VAT payable on sale. Inventory purchased since 31 March 2010 is included at its original cost price and under the current valuation policy has not been the subject of any revaluations. The valuation of the portfolio held as at 31 March 2011 was carried out by industry experts and only those coins held by the Company for at least 12 months were the subject of a revaluation exercise. This is considered by the Directors to give a fair value for the inventory. The Directors anticipate undertaking a further revaluation exercise for the coming financial year end.

(4) Trade and other receivables

	As at 30 Sept 11 <i>Unaudited</i> £'000	As at 30 Sept 10 <i>Unaudited</i> £'000	As at 31 Mar 11 <i>Audited</i> £'000
Trade debtors	1,501	473	439
Prepaid expenses	13	43	22
	<hr/>	<hr/>	<hr/>
Total	1,514	516	461
	<hr/>	<hr/>	<hr/>

Trade receivables do not carry any interest and are stated at their nominal value as recorded by appropriate allowances for estimated irrecoverable amounts.

(5) Payables

	As at 30 Sept 11 <i>Unaudited</i> £'000	As at 30 Sept 10 <i>Unaudited</i> £'000	As at 31 Mar 11 <i>Audited</i> £'000
Trade creditors	-	321	-
Accrued expenses	99	94	36
Other creditors	10	-	4
	<hr/>	<hr/>	<hr/>
	109	415	40
	<hr/>	<hr/>	<hr/>

All creditors are due within one year.

(6) Share capital

	As at 30 Sept 11 <i>Unaudited</i> £'000	As at 30 Sept 10 <i>Unaudited</i> £'000	As at 31 Mar 11 <i>Audited</i> £'000
Authorised			
Ordinary shares of £0.01 each	2,000	2,000	2,000
	_____	_____	_____
Allotted, called up and fully paid			
ordinary shares of £0.01 each	808	868	808
	_____	_____	_____

(7) Preparation of the Interim Report

This report was approved by the Directors on 7 December 2011.

The results for the period ended 30 September 2011 are unaudited and do not constitute statutory accounts as defined in The Companies Act.

Additional copies of this report are available from the Company's registered office, Ground Floor, West Suite, Exchange House, 54-58 Athol Street, Douglas, Isle of Man, IM1 1JD or via the Company's website www.avarae.com