

AVARAE GLOBAL COINS PLC

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2013

London (AIM: AVR): 17 December 2013 – 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 2013.

Highlights for the period include:

- Sales for the six month period of £518,000 (2012: £440,000);
- Loss on ordinary activities for the period of £142,000 (2012: loss £149,000);
- Additions to the portfolio of £327,000 in the period (2012: £713,000), including very high quality and rare examples of English, Indian, Roman and Anglo-Gallic coins;
- Carrying value of coin inventory of £10,785,000 at the period end (2012: £10,443,000); and
- Net assets as at 30 September 2013 of £11,347,000 (2012: £11,131,000);

Commenting, Diane Clarke, Director of Avarae, said:

“We have been pleased with trading in the first half, being as it was marginally up on that recorded in 2012. We 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. As we appear to be emerging from the difficult economic times of the last 5 years we believe that investments in rare coins can continue to outperform more traditional investments over a sustained period, as has been proven by Avarae.”

For further information on Avarae Global Coins plc, please contact:

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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 2013. During the period under review the Company made significant investments in, and some selective divestments from, its

portfolio of rare and high quality coins. In line with the Company's stated strategy, no revaluation of the coin portfolio 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 hold predominantly 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, although as mentioned in our full year results released in July, one needs to possess the necessary expertise in identifying which sectors are most appropriate for investment. English, Roman and Indian coins continue to show robust healthy growth, whereas the Chinese sector remains broadly flat. The numismatic industry continues to witness 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.

Avarae's investments

In the six month period to 30 September 2013, the Company acquired approximately £327,000 worth of coins (H1 2012: £713,000) and sold coins for approximately £518,000 (H1 2012: £440,000). Seeking out and acquiring the very highest quality English, Indian, Roman and Anglo-Gallic coins dominated activities during the period. Examples of rare coins acquired during the period include:

- Edward The Black Prince, Hardi d'Or; La Rochelle Mint, half-length figure of Prince standing facing, sword in his right hand, left hand pointing, fillet of roses in hair. We believe to be a very high quality and rare piece;
- A very rare Edward III, Guyennois d'Or, La Rochelle; third type, King walking right under portico, two lions below, Mint letter R on top of right column; and
- Edward VII (1901-10), Satin Finish Proof Sovereign, 1908 C, Ottawa, Canada Mint, engraved by George William De Saulles, bare head facing right. Extremely rare with an estimated mintage of only 636 pieces.

Financial Results

Sales of £518,000 with gross profit of £50,000 in the period reflected a marginally higher level of auction consignments than in the first half of 2012. 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. The almost 10% gross margin achieved over and above the March 2013 revaluation demonstrates, the directors believe, the continued conservative carrying value of our coins.

Administrative expenses, which are always tightly controlled, were lower during the period at £193,000 than in the same period in 2012 (H1 2012: £207,000). The resulting net loss for the period was £142,000 (H1 2012: loss of £148,000), equating to a loss per share in line with last year of 0.18 pence (H1 2012: loss per share of 0.18 pence).

Avarae declared a final dividend in July 2013 of 0.18p per share (2012: 0.185p per share), resulting in a payment to shareholders in September 2013 of approximately £145,000. The dividend policy adopted by the Board is intended to be progressive and is expected to be declared on an annual basis. As with last year, no dividend has been declared in respect of the interim period. The level of the dividend will reflect the Company's reported profits over a three year period, thereby smoothing out any years of one-off profits (or losses). The policy will be to pay out approximately 1/3 of the average net profits reported over the most recent three year period.

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 £327,000 of coins acquired in the period under review, together with the £1.2 million of coins acquired during the year ended 31 March 2013, remain valued at cost. The total value of the coin portfolio at the period end was £10.8 million (31 March 2013: £10.9 million).

The Company ended the period under review with net cash of £114,000 (31 March 2013: £368,000) and no borrowings (31 March 2013: £nil).

August and September 2013 were active trading months for us where we made sales of almost £0.5 million and purchases of almost £0.2 million. This is reflected in trade and other receivables at the period end being significantly higher at £942,000 (31 March 2013: £398,000), and similarly trade creditors and accruals being pushed higher to £494,000 as at 30 September 2013 (31 March 2013: £58,000). All balances have been settled post period end.

At the period end, the Company had net assets of £11.35 million (31 March 2013: £11.63 million), resulting in a net asset value per Ordinary Share of 14.0 pence (31 March 2013: 14.4 pence).

Outlook

We've been pleased with trading in the first half, being as it was marginally up on that recorded in 2012. We 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. As we appear to be emerging from the difficult economic times of the last 5 years we believe that investments in rare coins can continue to outperform more traditional investments over a sustained period, as has been proven by Avarae.

17 December 2013
Directors
Avarae Global Coins plc

Unaudited Income Statement

from 1 April 2013 to 30 September 2013

		1 April 13 to 30 Sept 13	1 April 12 to 30 Sept 12	1 April 12 to 31 Mar 13
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>Note</i>	£'000	£'000	£'000
Revenue				
Sales		518	440	1,102
Cost of Sales		(468)	(382)	(995)
Coin revaluation		-	-	605
		<hr/>	<hr/>	<hr/>
Gross profit		50	58	712
Administrative expenses		(193)	(207)	(359)
		<hr/>	<hr/>	<hr/>
(Loss)/Profit on ordinary activities before:		(143)	(149)	353
Finance income		1	1	2
		<hr/>	<hr/>	<hr/>
(Loss)/Profit on ordinary activities before tax		(142)	(148)	355
Tax on (loss)/profit on ordinary activities		-	-	-
		<hr/>	<hr/>	<hr/>
(Loss)/Profit on ordinary activities after taxation		(142)	(148)	355
Dividends		(145)	(149)	(149)
		<hr/>	<hr/>	<hr/>
Retained (loss)/profit for the period		(287)	(297)	205
		<hr/>	<hr/>	<hr/>
(Loss)/Earnings per share	2	(0.18)p	(0.18)p	0.44p

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

Unaudited Balance Sheet

as at 30 September 2013

		As at 30 Sept 13	As at 30 Sept 12	As at 31 Mar 13
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>Note</i>	£'000	£'000	£'000
Assets				
Current Assets				
Coin inventory	3	10,785	10,443	10,926
Trade and other receivables	4	942	441	398

Cash at bank		114	444	368
Total Assets		11,841	11,328	11,692
Liabilities and Equity				
Creditors: amounts falling due within one year	5	494	197	58
Total Liabilities		494	197	58
Equity				
Called up equity share capital	6	808	808	808
Share premium		8,880	8,880	8,880
Profit and loss account		1,659	1,443	1,946
Total Equity Shareholders' Funds		11,347	11,131	11,634
Total Liabilities and Equity		11,841	11,328	11,692

Diane Clarke

Matt Wood

Unaudited Cash Flow Statement

as at 30 September 2013

	1 April 13 to 30 Sept 13	1 April 12 to 30 Sept 12	1 April 12 to 31 Mar 13
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	£'000	£'000	£' 000
Cash flows from operating activities:			
(Loss)/Profit for the period	(143)	(149)	353
Adjustments for:			
Increase/(decrease) in payables	436	(33)	(172)

(Increase)/decrease in receivables	(544)	(194)	(151)
Decrease/(increase) in inventory	141	(331)	(814)
Net cash flow from operations	(110)	(707)	(784)
Interest received	1	1	2
Net cash received from investing activities	1	1	2
Dividends paid	(145)	(149)	(149)
Net cash from financing activities	(145)	(149)	(149)
Net (decrease) in cash and cash equivalents	(254)	(855)	(931)
Opening cash position	368	1,299	1,299
Closing cash and cash equivalents	114	444	368

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 for the year ended 31 March 2013.

(2) Earnings per share

The loss per share for the period was 0.18p (H1 2012: loss of 0.18p). The calculation of (loss)/earnings per share is based on the loss on ordinary activities after taxation of £142,000 for the period (H1 2012: loss of £148,000) and the weighted average number of shares in issue during the period under review remained unchanged at 80,783,334 (2012: 80,783,334).

(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 2012 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 2013 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 13	As at 30 Sept 12	As at 31 Mar 13
<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
£'000	£'000	£'000

Trade debtors	926	429	368
Prepayments and other debtors	16	12	30
	<hr/>	<hr/>	<hr/>
Total	942	441	398
	<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 13 <i>Unaudited</i> £'000	As at 30 Sept 12 <i>Unaudited</i> £'000	As at 31 Mar 13 <i>Audited</i> £'000
Trade creditors	327	121	-
Accrued expenses	140	66	58
Other creditors	27	10	-
	<hr/>	<hr/>	<hr/>
	494	197	58
	<hr/>	<hr/>	<hr/>

All creditors are due within one year.

(6) Share capital

	As at 30 Sept 13 <i>Unaudited</i> £'000	As at 30 Sept 12 <i>Unaudited</i> £'000	As at 31 Mar 13 <i>Audited</i> £'000
Authorised			
Ordinary shares of £0.01 each	2,000	2,000	2,000
	<hr/>	<hr/>	<hr/>
Allotted, called up and fully paid			
Ordinary shares of £0.01 each	808	808	808
	<hr/>	<hr/>	<hr/>

(7) Preparation of the Interim Report

This report was approved by the Directors on 17 December 2013.

The results for the period ended 30 September 2013 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.