

19 November 2015

AVARAE GLOBAL COINS PLC

**UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER
2015**

London (AIM: AVR):– 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 2015.

Highlights for the period include:

- Net asset value per share of 14.5p at period end (30 September 2014: 14.3p);
- Additions to the portfolio of £514,000 in the period (H1 2014: £276,000), including a small number of very high quality rarities.
- Carrying value of coin inventory of £10,956,000 at the period end (H1 2014: £10,808,000);
- Net cash balance of £850,000 at period end (H1 2014: £779,000);
- Sales for the six month period of £723,000 (H1 2014: £81,000); and
- Loss on ordinary activities for the period of £180,000 (H1 2014: loss £207,000).

Commenting, Diane Clarke, Director of Avarae, said:

“The first half of the current financial year has been a particularly active one for Avarae, with a significant rebalancing and concentration of the portfolio towards higher value coins resulting in a reduction in the number of coins held by almost one fifth. This, together with a strong balance sheet and an anticipated reduction of administrative costs going forward, means that the directors remain positive about the Company’s future prospects both for the current year and longer term.”

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

Diane Clarke/Matt Wood Avarae Global Coins plc	+44 (0)16 2461 5614
Paul Shackleton/Nick Prowting WH Ireland Ltd	+44 (0)20 7220 1666
Toby Hall gth Media Relations Financial PR	+44 (0)7713 341072

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 2015. During the period under review, the Company continued to manage its portfolio of rare and high quality coins, disposing of a significant number of lower value coins and replacing them with a small number of higher quality rarities. 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). The aim is to achieve capital growth for our shareholders, while also taking advantage of short-term trading opportunities, as the market for rare coins continues to grow. We also intend, where possible, to provide income to our Shareholders through the regular payment of dividends. Since listing in 2006, the Company has returned more than £0.5 million in dividends.

The coin-dealing sector

Activity in the rare coin market remained positive in the period to 30 September 2015, although as noted in our full year results released earlier in the year, in-depth knowledge of the market remains the key to success given the changing dynamics of the market. 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 often fail to deliver robust financial gains and continue to exhibit high volatility. The majority of the funds coming into the numismatic market continue to target the higher value coin rarities, which adds considerable pressure on availability. While this trend is good for existing holders of high quality coins, it can be challenging to obtain new pieces to add to the portfolio.

Avarae’s investments

In the six month period to 30 September 2015, the Company was particularly active, acquiring approximately £514,000 worth of coins (H1 2014: £276,000) and disposing of coins for approximately £723,000 (H1 2014: £81,000). The Company disposed of a significant number of lower value coins (approximately 150 coins) replacing them with a small number of very high quality rarities.

Examples of coins acquired during the year include:

- A mint state US Continental Dollar dated 1776 struck in pewter;
- An extremely rare Edward IV, Gold Ryal struck at the Norwich mint;
- One of the finest known Charles II, Five Guinea pieces; and
- A mint state James I, gold Spur Ryal.

Financial Results

Sales were significantly higher at £723,000 compared to the same period last year (H1 2014: £81,000), generating a gross profit of £24,000 (H1 2014: £9,000 loss) at the half year.

The Directors are pleased with the activity in the period. Historically, the Company's second half of its financial year has always been its stronger half in terms of both sales value and the level of gross profit generated. The usual higher sales value in the second half of the year is primarily due to there being a higher number of coin auctions in the second half of the year, whereas the usual higher gross profits generated in H2 is due entirely to the Company's policy of recording the value of coins sold between 1 April and the date of signing the audited accounts for that financial year ("pre-audit sign off sales") at their actual sales price at the year-end (31 March). As a result, all pre-audit sign off sales are recorded in the subsequent interim results with zero gross profit, because profit on those sales has been reflected in the previous year end revaluation. Nevertheless, all coins sold in the interim period to 30 September 2015 were sold at prices higher than their cost price with sales of the English hammered gold coins returning compound annual returns in excess of 10%.

Administrative expenses, which are always tightly controlled, were comparable to the same period last year, at £204,000 (H1 2014: £198,000). The resulting net loss after tax (before dividends of £121,000) for the period was £180,000 (H1 2014: loss of £207,000), equating to a loss per share of 0.22 pence (H1 2014: loss per share of 0.26 pence).

Importantly, on 17 November 2015, at the Directors' discretion, the Company terminated its management services agreement ("MSA") with Noble Investments (UK) Plc ("Noble") which it had entered into at the time of the Company's admission to trading on AIM in May 2006 and under which the Company paid a quarterly retainer fee to Noble. The Directors may continue to utilise the services of Noble and its subsidiaries in the future but this will be on a case by case basis with fees to be agreed at the time. Accordingly, the Directors anticipate that, through terminating the MSA, the Company should be able to reduce its annual administration costs considerably for the benefit of all shareholders.

Avarae proposed a final dividend on 24 August 2015 of 0.15p per share (2014: 0.15p per share), which, following approval by the Company's shareholders at the AGM held on 23 September 2015, resulted in a payment to shareholders in September 2015 of £121,175 (October 2014: £121,175). As with the last interim period, no dividend has been declared in respect of the interim 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 £514,000 of coins acquired in the period under review, together with the £320,000 of coins acquired during the year ended 31 March 2015, remain valued at cost. The total value of the coin portfolio at the period end was £10.96 million (30 Sept 2014: £10.8 million), spread across more than 800 coins.

The Company ended the period under review with net cash of £850,000 (30 September 2014: £779,000) and no borrowings. The higher cash balance is primarily as a result positive movements in working capital in the period. Trade and other receivables were £0.05 million at the period end (H1 2014: £1.2 million) and payables at £0.15 million (H1 2014: £1.3 million).

At the period end, the Company had net assets of £11.7 million (30 September 2014: £11.5 million), resulting in a net asset value per Ordinary Share of 14.5p (30 September 2014: 14.3p).

Director changes

On 23 September 2015, Mr Guus Berting, a non-executive director of the Company, stepped down from the board after 7 years' service. The board would like to express its thanks to Mr Berting for his services to the Company during this period.

Outlook

The first half of the current financial year has been a particularly active one for Avarae, with a significant rebalancing and concentration of the portfolio towards higher value coins resulting in a reduction in the number of coins held by almost one fifth. This, together with a strong balance sheet and an anticipated reduction of administrative costs going forward, means the directors remain positive about the Company's future prospects both for the current year and longer term.

18 November 2015

Directors

Avarae Global Coins plc

Unaudited Income Statement

from 1 April 2015 to 30 September 2015

	1 April 15 to 30 Sept 15	1 April 14 to 30 Sept 14	1 April 14 to 31 Mar 15
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
<i>Note</i>	£'000	£'000	£'000
Revenue			
Sales	723	81	626
Cost of Sales	(699)	(90)	(425)
Coin revaluation	-	-	618
	<hr/>	<hr/>	<hr/>
Gross profit/(loss)	24	(9)	819
Administrative expenses	(204)	(198)	(440)
	<hr/>	<hr/>	<hr/>
(Loss)/Profit on ordinary activities before:	(180)	(207)	379
Finance income	-	-	1
	<hr/>	<hr/>	<hr/>
(Loss)/Profit on ordinary activities before tax	(180)	(207)	380
Tax on (loss)/profit on ordinary activities	-	-	-
	<hr/>	<hr/>	<hr/>
(Loss)/Profit on ordinary activities after taxation	(180)	(207)	380

Dividends		(121)	-	(121)
		<hr/>	<hr/>	<hr/>
Retained (loss)/profit for the period		(301)	(207)	259
		<hr/>	<hr/>	<hr/>
(Loss)/Earnings per share	2	(0.22)p	(0.26)p	0.47p

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

Unaudited Balance Sheet

as at 30 September 2015

	<i>Note</i>	As at 30 Sept 15 <i>Unaudited</i> £'000	As at 30 Sept 14 <i>Unaudited</i> £'000	As at 31 Mar 15 <i>Audited</i> £'000
Assets				
Current Assets				
Coin inventory	3	10,956	10,808	11,141
Trade and other receivables	4	45	1,203	105
Cash at bank		850	779	882
		<hr/>	<hr/>	<hr/>
Total Assets		11,851	12,790	12,128
		<hr/>	<hr/>	<hr/>
Liabilities and Equity				
Creditors: amounts falling due within one year	5	151	1,255	127
		<hr/>	<hr/>	<hr/>
Total Liabilities		151	1,255	127
		<hr/>	<hr/>	<hr/>
Equity				
Called up equity share capital	6	808	808	808
Share premium		8,880	8,880	8,880
Profit and loss account		2,012	1,847	2,313
		<hr/>	<hr/>	<hr/>
Total Equity Shareholders' Funds		11,700	11,535	12,001
		<hr/>	<hr/>	<hr/>
Total Liabilities and Equity		11,851	12,790	12,128
		<hr/>	<hr/>	<hr/>

Diane Clarke

Matt Wood

Unaudited Cash Flow Statement

From 1 April 2015 to 30 September 2015

	1 April 15 to 30 Sept 15	1 April 14 to 30 Sept 14	1 April 14 to 31 Mar 15
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	£'000	£'000	£' 000
Cash flows from operating activities:			
(Loss)/Profit for the period	(180)	(207)	380
Adjustments for:			
Increase/(Decrease) in payables	24	395	(733)
Decrease/(increase) in receivables	60	607	1,705
Decrease/(increase) in inventory	185	(187)	(521)
Net cash flow from operations	89	608	831
Interest received	-	-	1
Net cash received from investing activities	-	-	1
Dividends paid	(121)	-	(121)
Net cash from financing activities	(121)	-	(121)
Net (decrease) / increase in cash and cash equivalents	(32)	608	711
Opening cash position	882	171	171
Closing cash and cash equivalents	850	779	882

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 2015.

(2) Earnings per share

The loss per share for the period was 0.22p (H1 2014: loss of 0.26p). The calculation of loss per share is based on the loss on ordinary activities after taxation of £180,000 for the period (H1 2014: loss of £207,000) and the weighted average number of shares in issue during the period under review remained unchanged at 80,783,334 (2014: 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 2015 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 2015 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 15 <i>Unaudited</i> £'000	As at 30 Sept 14 <i>Unaudited</i> £'000	As at 31 Mar 15 <i>Audited</i> £'000
Trade debtors	-	1,129	83
Prepayments and other debtors	45	74	22
	<hr/>	<hr/>	<hr/>
Total	45	1,203	105
	<hr/>	<hr/>	<hr/>

There are no trade debtors due at 30 September 2015.

(5) Payables

	As at 30 Sept 15 <i>Unaudited</i> £'000	As at 30 Sept 14 <i>Unaudited</i> £'000	As at 31 Mar 15 <i>Audited</i> £'000
Trade creditors	143	1,243	23
Accrued expenses	8	12	57
Other Creditors	-	-	47
	<hr/>	<hr/>	<hr/>
	151	1,255	127
	<hr/>	<hr/>	<hr/>

All creditors are due within one year.

(6) Share capital

	As at	As at	As at
	30 Sept 15	30 Sept 14	31 Mar 15
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	£'000	£'000	£'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	808	808
	_____	_____	_____

(7) Preparation of the Interim Report

This report was approved by the Directors on 18 November 2015.

The results for the period ended 30 September 2015 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.