



Collectors Universe Reports Results for First Quarter Ended September 30, 2009

Continuing Operations EPS of \$0.22 for the quarter

NEWPORT BEACH, Calif., Nov. 9 /PRNewswire-FirstCall/ -- Collectors Universe, Inc. (Nasdaq: CLCT), a leading provider of value-added authentication and grading services to dealers and collectors of high-value collectibles, today announced financial results for its first fiscal quarter ended September 30, 2009.

Overview

Continuing Operations First Quarter Fiscal 2010

For the first fiscal quarter of 2010, the Company reported net service revenues of \$9.3 million, operating income of \$1.8 million and income from continuing operations of \$1.7 million, or \$0.22 per diluted share. This compares to net service revenues of \$9.0 million, operating income of \$333,000 and income from continuing operations of \$469,000, or \$0.05 per diluted share for the first quarter of fiscal 2009.

Discontinued Operations First Quarter Fiscal 2010

For the three months ended September 30, 2009, losses from discontinued operations were \$53,000 compared to losses from discontinued operations of \$1.8 million or \$0.19 per diluted share for the corresponding periods of fiscal 2009, reflecting the previously reported closure of our former jewelry businesses.

Net Income First Quarter Fiscal 2010

The resulting net income for the current first quarter was \$1.7 million or \$0.22 per diluted share compared to a net loss of \$1.3 million, or \$0.14 per diluted share for the first quarter of fiscal 2009.

Operational and Financial Highlights:

- Total service revenues increased by 3% in the current first quarter compared to the same quarter of last year due to an 11% increase in total coin service revenues.
- The Company's operating income for the current first quarter of \$1.8 million was 19% of revenues compared with \$333,000 or 4% of revenues in the first quarter of last year.
- On July 10, 2009 the Company completed a modified Dutch Auction Tender Offer and accepted for purchase 1.75 million shares at \$5 per share at a cost (including expenses) of \$8.9 million in cash.
- The Company's cash position at September 30, 2009 was \$16.4 million. Subsequent to September 30, 2009, the Company collected a customer note receivable for \$2.3 million, related to the CFC financing business.
- On October 26, 2009, the Company announced the resumption of its quarterly cash dividend to \$0.25 per share per quarter payable on November 24, 2009 to stockholders of record on November 10, 2009.

Michael McConnell, Chief Executive Officer, stated, "We're encouraged by the first quarter financial results. Despite a difficult economic climate, our Company has worked diligently to improve operating margins by focusing on both productivity and efficiency initiatives. Further, the completion of the Dutch Tender and resumption of the quarterly dividend represent important actions taken to address our capital structure."

Results of Operations of our Continuing Businesses

The increase of \$0.3 million or 3% in net service revenues in the current first quarter compared to the same quarter of the prior year was comprised of a 2% increase in grading and authentication fees and an 8% increase in related services. The 2% increase in grading and authentication fees was comprised of an increase of \$0.4 million or 9% in coin fees and declines of \$0.2 million or 8% in card and autograph fees and \$0.1 million or 41% in stamp fees.

The improved gross profit margin to 60% compared with 54% for the first quarter of last year, reflects a higher proportion of coin revenues in the current year's first quarter as well as operational efficiencies achieved. In addition, there was no stock based compensation costs recognized in the cost of revenues in this year's first quarter.

The 18% reduction in operating expenses to \$3.8 million in the current first quarter reflects lower G&A expenses for personnel, outside professional services and stock based compensation costs as compared to the same period of last year.

The resulting operating income of \$1.8 million in the current first quarter at 19% of revenues was consistent with the operating income of 19% before non-cash impairment charges generated in the fourth quarter of fiscal 2009.

The income from continuing operations of \$1.7 million or \$0.22 per diluted share in the current first quarter compared with \$0.5 million or \$0.05 per diluted share for the first quarter of fiscal 2009 reflects the improved operating results and for the per share amounts, the reduction in the number of shares outstanding as a result of the Dutch Auction Tender Offer discussed above.

Financial Condition

At September 30, 2009, cash and cash equivalents totaled \$16.4 million compared with \$23.9 million at June 30, 2009. Net cash used in the current first quarter of \$7.5 million was comprised of cash generated from continuing operations of \$1.9 million offset by cash used of \$8.9 million to repurchase shares in the Dutch Auction Tender Offer, \$0.1 million used for capital expenditures and \$0.4 million used in discontinued operations.

Outlook

McConnell continued, "Our strategy for the current fiscal year is to manage our core coin and trading cards businesses well - a simple "back-to-basic" mandate. Additionally, we are exploring ways to build upon the Company's leading market positions and solid business reputation, leverage our valuable proprietary content and extract incremental value from e-commerce transactions. Coin Facts, launched this summer, represents an excellent example of a growth initiative we will consider going forward."

Extension of Mr. McConnell's Employment as CEO through June 30, 2011

The Company also announced that Michael McConnell had agreed to extend his role as Chief Executive Officer of the Company through June 2011, pursuant to an employment contract entered into by Mr. McConnell and the Company.

Chairman of the Board A. Clinton Allen stated, "We are delighted that Mike McConnell will remain as our CEO through June of 2011. He has done a first class job guiding the Company through some difficult organizational changes. Further, his leadership and experience was particularly appreciated as we navigated through the worst recession since the 1930's. I and the board were very pleased when he agreed to the extension of his employment as CEO of the Company."

Conference Call and Webcast

Collectors Universe will host a conference call to discuss results on Monday, November 9, 2009 at 4:30 p.m. Eastern Time/1:30 p.m. Pacific Time. Interested parties may participate in the conference call by dialing 888-549-7880 or 480-629-9867, five to ten minutes prior to the initiation of the call. A replay of the conference call will be available through November 24, 2009, by dialing 800-406-7325 or 303-590-3030 and entering access code 4181696#. A live webcast of the conference call will also be available on the Collectors Universe website, www.collectors.com, under Investor Relations: Earnings Conference Calls. The webcast will be archived for 12 months.

About Collectors Universe

Collectors Universe, Inc. is a leading provider of value added services to the high-value collectibles markets. The Company authenticates and grades collectible coins, sports cards, autographs and stamps. The Company also compiles and publishes authoritative information about United States and world coins, collectible trading cards and sports memorabilia and collectible stamps and operates its CCE dealer-to-dealer Internet bid-ask market for certified coins and its Expos trade show and conventions business. This information is accessible to collectors and dealers at the Company's web site, <http://www.collectors.com>, and is also published in print.

Cautionary Statements Regarding Forward Looking Information

This news release contains statements regarding our expectations, beliefs or views about our future financial performance, which constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward-

looking statements can be identified by the use of words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "project," or future or conditional verbs such as "will," "would," "should," "could," or "may."

Due to a number of risks and uncertainties to which our business is subject, our future financial performance may differ, possibly significantly, from our expected financial performance as set forth in the forward looking statements contained in this news release. Information regarding those risks and uncertainties, and their possible impact on our future financial performance, include, but are not limited to, the risk that economic conditions in the United States will not improve for some time and may even deteriorate further, which could result in reductions in the demand for our collectible grading services and, consequently, in our revenues; the risk that the current economic recession and credit crisis will lead to longer term changes in the spending habits of consumers and in the availability and use of credit by smaller businesses, such as collectibles dealers, to fund purchases of collectibles, which could lead to longer term declines in collectibles commerce and, therefore, in the demand for our services; the risk that our strategy to offer new services in our continuing collectibles markets will not be successful in enabling us to improve our profitability or may even cause us to incur significant losses; and the risk that the commercial real estate market in New York City will deteriorate further, in which case we may not be able to sublease the offices and laboratory facilities in New York City formerly occupied by our jewelry businesses within the time periods and for the rents currently expected, which would cause our net rental payment obligations to be significantly higher than currently expected leading to reductions in cash flows and additional losses from discontinued operations in future periods.

Additional information regarding these risks and information regarding other risks and uncertainties to which our business is subject is contained in our Annual Report on Form 10-K for our fiscal year ended June 30, 2009 and our Quarterly Report on Form 10-Q for the first quarter ended September 30, 2009 filed with the Securities and Exchange Commission today. Due to these risks and uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements contained in this news release or in our Annual or Quarterly Reports, which speak only as of their respective dates. We also disclaim any obligation to update or revise any of the forward-looking statements as a result of new information, future events or otherwise, except as may be required by law or NASDAQ rules.

- tables to follow -

COLLECTORS UNIVERSE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended	
	September 30,	
	2009	2008
Net revenues	\$9,298	\$9,043
Cost of revenues	3,739	4,126
Gross profit	5,559	4,917
Selling and marketing expenses	1,195	1,248
General and administrative expenses	2,568	3,336
Total operating expenses	3,763	4,584
Operating income	1,796	333
Interest income, net	14	126
Other income	26	10
Income before provision for income taxes	1,836	469
Provision for income taxes	127	-
Income from continuing operations	1,709	469
Loss from discontinued operations	(53)	(1,766)
Net loss	\$1,656	\$(1,297)

Net income (loss) per basic share:		
Income from continuing operations	\$0.23	\$0.05
Loss from discontinued operations	(0.01)	(0.19)
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Net income (loss)	\$0.22	\$(0.14)
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Net income (loss) per diluted share:		
Income from continuing operations	\$0.22	\$0.05
Loss from discontinued operations	-	(0.19)
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Net income (loss)	\$0.22	\$(0.14)
	=====	=====
Weighted average shares outstanding:		
Basic	7,551	9,146
Diluted	7,629	9,186
Dividends declared per common share	\$-	\$0.23

COLLECTORS UNIVERSE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(unaudited)

	September 30,	June 30,
	2009	2009
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ASSETS		
Current assets:		
Cash and cash equivalents	\$16,372	\$23,870
Accounts receivable, net of allowance of \$76 at September 30 and \$63 at June 30, 2009	1,379	1,252
Inventories, net	564	497
Prepaid expenses and other current assets	699	868
Customer notes receivable, net	2,321	2,340
Notes receivable from sale of net assets of discontinued operations	212	212
Current assets from discontinued operations	79	102
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Total current assets	21,626	29,141
Property and equipment, net	1,235	1,174
Goodwill	2,826	2,626
Intangible assets, net	2,594	2,776
Note receivable from sale of net assets of discontinued operations	230	300
Other assets	125	74
Non-current assets of discontinued operations	182	182
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	\$28,818	\$36,273
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$1,152	\$1,051
Accrued liabilities	1,672	1,344
Accrued compensation and benefits	1,110	1,341
Income taxes payable	324	252
Deferred income tax liability	71	60
Deferred revenue	1,588	1,883
Current liabilities of discontinued operations	1,632	1,827
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Total current liabilities	7,549	7,758

Deferred rent	248	220
Net deferred income tax liability	197	208
Long-term liabilities of discontinued operations	3,135	3,308
Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, \$.001 par value; 3,000 shares authorized at September 30, 2009 and; June 30, 2009; no shares issued or outstanding	-	-
Common stock, \$.001 par value; 20,000 shares authorized at September 30, 2009 and June 30, 2009; outstanding 7,661 at September 30, 2009 and 9,158 at June 30, 2009	8	9
Additional paid-in capital	67,212	75,957
Accumulated deficit	(49,531)	(51,187)
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Total stockholders' equity	17,689	24,779
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	\$28,818	\$36,273
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SOURCE Collectors Universe, Inc.