



August 28, 2013

Collectors Universe Reports Record Fourth Quarter and Fiscal 2013 Revenues and Operating Income

Service Revenues Up 18% and Operating Income Up 78% for the Quarter

NEWPORT BEACH, Calif., Aug. 28, 2013 (GLOBE NEWSWIRE) -- 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 fourth quarter and year ended June 30, 2013.

Fourth Quarter and Annual Operational and Financial Highlights:

- Service revenues increased 18% to a fourth quarter record of \$13.7 million, compared to \$11.6 million in the fourth quarter of fiscal 2012. The increase was driven by a 25% increase in coin services revenues and a 10% increase in cards and autographs services revenues. Consistent with the third quarter, the improved coin revenues reflect a mix of increased show grading activity, new services revenues and pricing changes implemented January 1, 2013. Service revenues increased by 1% to an annual record of \$48.5 million for fiscal 2013 from \$47.9 million in fiscal 2012 and included a 10% increase in cards and autographs revenues. Coin services revenues were down 1% for the year due to the previously reported slower first half of the year for coins.
- The services gross profit margin was 63% in this year's fourth quarter and 62% for fiscal 2013, compared to 59% and 61% for the fourth quarter and fiscal 2012, respectively. The improved gross profit margin in this year's fourth quarter reflects the higher proportion and mix of coin revenues in the quarter.
- Operating income increased by 78% to a fourth quarter record of \$3.3 million from \$1.9 million in last year's fourth quarter. Operating margins increased to 24% of revenues in this year's fourth quarter, compared to 16% in last year's fourth quarter. For fiscal 2013, operating income increased 4% to a record \$9.5 million from \$9.2 million in fiscal 2012, with operating margins at a consistent 19% of revenues for both fiscal years 2013 and 2012.
- Income from continuing operations was \$2.0 million, or \$0.25 per diluted share, for this year's fourth quarter and \$5.8 million, or \$0.71 per diluted share, for fiscal 2013, compared to \$2.5 million, or \$0.31 per diluted share, for last year's fourth quarter and \$6.8 million, or \$0.85 per diluted share, for fiscal 2012. The fiscal 2012 periods reflect an income tax benefit of \$1.3 million related to the Company's investment in a subsidiary, which increased fully diluted earnings per share by \$0.16 in both the fourth quarter and fiscal 2012.
- The Company's cash position at June 30, 2013 was \$18.7 million, compared with \$21.2 million at June 30, 2012. Net cash used of \$2.5 million for the year was comprised of cash generated from continuing operations of \$9.6 million, offset by net cash dividends of \$10.7 million paid to stockholders, \$1.0 million for capital expenditures and \$0.4 million used in our discontinued operations. Income tax payments were \$2.4 million in fiscal 2013, compared to \$0.4 million in fiscal 2012, as we no longer have net operating losses available to offset federal taxable income.
- On July 31, 2013, we announced our quarterly cash dividend of \$0.325 per share, to be paid on August 30, 2013 to stockholders of record on August 16, 2013.

Commentary and Outlook

Robert Deuster, Chief Executive Officer, stated, "We are very pleased with the performance of the company during our last quarter and second half of fiscal year 2013. The strength of the coin and card market coupled with the array of new services we have introduced to collectors in 2013 contributed strongly to our record service revenue results. As we look forward into fiscal 2014, we will continue our programs to expand our online data and grading services for all of our customers and to an expanded international presence, especially in Asia."

Conference Call and Webcast

Collectors Universe will host a conference call to discuss results on Wednesday, August 28, 2013 at 4:30 p.m. Eastern Time/1:30 p.m. Pacific Time. Interested parties may participate in the conference call by dialing (877) 941-9205 or (480) 629-9771, five to ten minutes prior to the initiation of the call. A replay of the conference call will be available through September 11, 2013, by dialing (800) 406-7325 or (303) 590-3030 and entering access code 4637413. 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, trading cards, event tickets, autographs and memorabilia ("collectibles"). The Company also compiles and publishes authoritative information about United States and world coins, collectible trading cards and sports memorabilia, collectibles, and operates its CCE dealer-to-dealer Internet bid-ask market for certified coins, its Coinflation.com website and its Expos trade show and conventions business. This information is accessible to collectors and dealers at the Company's website, <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 and trends in our business and in our markets, which constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Forward looking statements can often 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 and our markets are 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 following: our continued dependence on our coin business which generated more than 60% of our consolidated revenues and a substantial portion of our operating income in the year ended June 30, 2013, making our operating results more vulnerable to conditions that could adversely affect or cause stagnation in the prices of precious metals and collectible coins, the risks that the economic recovery may remain weak or stall, that economic conditions may deteriorate as a result of events outside of our control, including the European sovereign debt crisis, concerns regarding the United States deficit or international tensions that could cause volatility in the price of gold and silver, any of which could result in reductions in the demand for our collectibles authentication and grading services and, consequently, in our revenues and operating results; the risk that the economic recession from 2008 to 2010 and the weakness of the economic recovery in the United States 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 risks that claims under our coin and trading card authentication and grading warranties will increase substantially and that the warranty reserves we maintain for such claims, will, as a result prove to be inadequate, which could cause our gross margin and operating results to decline or cause us to incur operating losses, the risk that our strategies of offering new services and expanding our collectibles authentication and grading business into new geographic areas, such as Europe and Asia will not be successful in enabling us to improve our profitability or may even cause us to incur significant losses; the risks and added complexity of conducting business overseas, the risk that it may become necessary for us to reduce the amount of, or suspend or discontinue the payment of cash dividends in the future, due to conditions or circumstances outside of our control, such as adverse economic or market conditions, as well as our future financial performance and the cash needs of our business in the future; and the risk that our continuing financial obligations with respect to two facilities in New York City, which we had leased for our subsequently discontinued jewelry businesses, will lead 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, 2013 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.

COLLECTORS UNIVERSE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(unaudited)

	Three Months Ended June 30,		Year Ended June 30,	
	2013	2012	2013	2012
Net revenues:				
Grading, authentication and related services	\$ 13,744	\$ 11,649	\$ 48,507	\$ 47,859
Product sales	33	84	583	500
	<u>13,777</u>	<u>11,733</u>	<u>49,090</u>	<u>48,359</u>
Cost of revenues:				
Grading, authentication and related services	5,017	4,742	18,496	18,762
Product sales	17	154	572	640
	<u>5,034</u>	<u>4,896</u>	<u>19,068</u>	<u>19,402</u>
Gross profit	8,743	6,837	30,022	28,957
Selling and marketing expenses	1,866	1,757	7,407	6,844
General and administrative expenses	3,565	3,224	13,121	12,956
Operating income	3,312	1,856	9,494	9,157
Interest and other income, net	18	24	97	88
Income before provision (benefit) for income taxes	3,330	1,880	9,591	9,245
Provision (benefit) for income taxes	1,328	(598)	3,803	2,425
Income from continuing operations	2,002	2,478	5,788	6,820
Loss from discontinued operations, net of income taxes	(19)	(28)	(58)	(71)
Net income	<u>\$ 1,983</u>	<u>\$ 2,450</u>	<u>\$ 5,730</u>	<u>\$ 6,749</u>
Net income per basic share:				
Income from continuing operations	\$ 0.25	\$ 0.31	\$ 0.72	\$ 0.86
Loss from discontinued operations	--	--	(0.01)	(0.01)
Net income per basic shares	<u>\$ 0.25</u>	<u>\$ 0.31</u>	<u>\$ 0.71</u>	<u>\$ 0.85</u>
Net income per diluted share:				
Income from continuing operations	\$ 0.25	\$ 0.31	\$ 0.71	\$ 0.85
Loss from discontinued operations	(0.01)	--	--	(0.01)
Net income per diluted shares	<u>\$ 0.24</u>	<u>\$ 0.31</u>	<u>\$ 0.71</u>	<u>\$ 0.84</u>
Weighted average shares outstanding:				
Basic	8,075	7,933	8,052	7,905
Diluted	8,105	7,972	8,101	7,987
Dividends declared per common share	\$ 0.325	\$ 0.325	\$ 1.30	\$ 1.30

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

ASSETS	June 30,	
	2013	2012
Current assets:		
Cash and cash equivalents	\$ 18,711	\$ 21,214
Accounts receivable, net of allowance of \$27 in 2013 and \$70 in 2012	2,067	1,794
Inventories, net	1,656	2,273

Prepaid expenses and other current assets	964	813
Deferred income tax assets	1,328	1,177
Notes receivable from sale of net assets of discontinued operations	--	148
Current assets of discontinued operations	<u>--</u>	<u>27</u>
Total current assets	24,726	27,446
Property and equipment, net	2,153	1,795
Goodwill	2,083	2,083
Intangible assets, net	1,477	1,788
Deferred income tax assets	2,003	2,982
Other assets	394	169
Non-current assets of discontinued operations	<u>182</u>	<u>182</u>
	<u>\$ 33,018</u>	<u>\$ 36,445</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,608	\$ 1,625
Accrued liabilities	2,121	1,917
Accrued compensation and benefits	2,680	2,463
Income taxes payable	760	191
Deferred revenue	2,345	2,322
Current liabilities of discontinued operations	<u>802</u>	<u>804</u>
Total current liabilities	10,316	9,322
Deferred rent	474	447
Non-current liabilities of discontinued operations	1,666	2,145
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.001 par value; 3,000 shares authorized; no shares issued or Outstanding	--	--
Common stock, \$.001 par value; 20,000 shares authorized; shares outstanding: 8,509 in 2013 and 8,107 in 2012	9	8
Additional paid-in capital	74,578	73,683
Accumulated deficit	<u>(54,025)</u>	<u>(49,160)</u>
Total stockholders' equity	<u>20,562</u>	<u>24,531</u>
	<u>\$ 33,018</u>	<u>\$ 36,445</u>

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Source: Collectors Universe, Inc.

