



Collectors Universe Reports Results for First Quarter Ended September 30, 2011

NEWPORT BEACH, Calif., Nov. 7, 2011 /PRNewswire/ -- 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 quarter of fiscal 2012.

Operational and Financial Highlights:

- Service revenues of \$11.9 million and operating income of \$2.5 million for this year's first quarter compared favorably with the expected revenues of \$11.6 million and operating income of \$2.35 million, announced on September 15, 2011.
- Service revenues increased 23% in this year's first quarter, compared to the same quarter of the prior year, driven primarily by a 32% increase in coin service revenues. Notably, the average service fee earned, per coin, increased by 24% to \$14.89, and coin units increased by 7%, compared to last year's first quarter.
- The service gross profit margin for this year's first quarter was 62% of revenues consistent with the 62% earned in the first quarter of the prior year.
- Operating income at \$2.5 million for this year's first quarter was up 36%, compared to the first quarter of fiscal 2011. Operating income increased to 21% of revenues in the quarter, compared to 19% of revenues in the first quarter of the prior year.
- Income from continuing operations was \$1.5 million, or \$0.19 per diluted share, for this year's first quarter, compared to \$1.1 million, or \$0.14 per diluted share, for last year's first quarter.
- The Company's cash position at September 30, 2011 was \$20.6 million, compared with \$21.9 million at June 30, 2011. Net cash used of \$1.3 million for the quarter was comprised of cash generated from continuing operations of \$1.9 million (which included payments of annual incentive compensation of \$0.9 million) and proceeds received from the exercise of stock options of \$0.4 million, offset by cash payments of \$2.6 million of dividends to stockholders, \$0.5 million for the purchase of Coinflation.com, \$0.4 million for capital expenditures and \$0.1 million used in our discontinued operations.
- On October 24, 2011, we announced our quarterly cash dividend of \$0.325 per share, which will be paid on November 25, 2011 to stockholders of record on November 11, 2011.

Commentary and Outlook

Michael McConnell, Chief Executive Officer, stated, "We are encouraged by the 10th consecutive year-over-year quarterly increase in revenue and operating income (before a non-cash impairment charge in the fourth quarter of fiscal 2011). Our strategic focus on international markets, technologies to enhance the customer value proposition and digital offerings that deliver additional revenue streams are working. Specifically, the Paris operation, PCGS Secure Plus and web-site advertising and subscription fees continue to augment our core business of grading and authentication. Looking forward, this year's second quarter has started strongly and backlog remains significantly above the prior year. Additionally, the integration of Coinflation has gone well, and the acquisition is meeting our financial expectations."

Conference Call and Webcast

Collectors Universe will host a conference call to discuss results on Monday, November 7, 2011 at 4:30 p.m. Eastern Time/1:30 p.m. Pacific Time. Interested parties may participate in the conference call by dialing 877-941-1466 or 480-629-9821, five to ten minutes prior to the initiation of the call. A replay of the conference call will be available through November 21, 2011, by dialing 800-406-7325 or 303-590-3030 and entering access code 4486388#. A live webcast of the conference call will also be available on the Collectors Universe website, www.collectors.com under Investor Relations: Events and Presentations. 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, memorabilia and stamps ("collectibles"). The Company also compiles and publishes authoritative information about United States and world coins, collectible trading cards and sports memorabilia, 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 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 both the year ended June 30, 2011 and the first quarter of fiscal 2012, making our operating results more vulnerable to conditions that could adversely affect the precious metals and coin markets; the risk that the hoped for improvement in economic conditions in the United States may not materialize or increases in the prices of gold and silver, may slow or even decline, either of which could result in reductions in the demand for our collectibles authentication or grading services and, consequently, in our revenues; the risk that the economic downturn from 2008 to 2010 and the anemic economic recovery 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 strategies of offering new services and expanding our collectibles authentication and grading business into new geographic areas, such as Europe will not be successful in enabling us to improve our profitability or may even cause us to incur significant losses; 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, 2011 filed with the Securities and Exchange Commission on August 26, 2011. 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.

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- 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,	
	2011	2010
Net revenue:		
Grading, authentication and related services	11,901	9,688
Product sales	171	67
	<u>12,072</u>	<u>9,755</u>
Cost of revenues:		
Grading, authentication and related services	4,539	3,707

Product sales	186	67
	<u>4,725</u>	<u>3,774</u>
Gross profit	7,347	5,981
Operating Expenses:		
Selling and marketing expenses	1,650	1,524
General and administrative expenses	<u>3,204</u>	<u>2,618</u>
Total operating expenses	<u>4,854</u>	<u>4,142</u>
Operating income	2,493	1,839
Interest and other income, net	<u>20</u>	<u>24</u>
Income before provision for income taxes	2,513	1,863
Provision for income taxes	<u>1,019</u>	<u>745</u>
Income from continuing operations	1,494	1,118
Loss from discontinued operations, net of loss on sales of discontinued businesses, net of income taxes	<u>(18)</u>	<u>(13)</u>
Net income	<u>\$ 1,476</u>	<u>\$ 1,105</u>
Net income per basic share:		
Income from continuing operations	\$ 0.19	\$ 0.15
Loss from discontinued operations	-	-
Net income	<u>\$ 0.19</u>	<u>\$ 0.15</u>
Net income per diluted share:		
Income from continuing operations	\$ 0.19	\$ 0.14
Loss from discontinued operations	-	-
Net income	<u>\$ 0.19</u>	<u>\$ 0.14</u>
Weighted average shares outstanding:		
Basic	7,854	7,502
Diluted	7,965	7,725
Dividends declared per common share	\$ 0.325	\$ 0.30

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

ASSETS	September 30, 2011	June 30, 2011
Current assets:		
Cash and cash equivalents	\$ 20,647	\$ 21,926
Accounts receivable, net of allowance of \$62 at September 30, 2011 and \$66 at June 30, 2011	1,675	1,534
Refundable income taxes	60	60
Inventories, net	2,271	1,442
Prepaid expenses and other current assets	983	959
Deferred income tax asset	762	1,769
Notes receivable from sale of net assets of discontinued operations	50	50
Current assets of discontinued operations	<u>27</u>	<u>27</u>
Total current assets	26,475	27,767
Property and equipment, net	1,487	1,301
Goodwill	2,083	2,083
Intangible assets, net	1,878	1,145
Deferred income tax asset	2,956	2,956
Notes receivable from sale of net assets of discontinued operations, less current portion	138	135
Other assets, including coin inventory of \$750 at June 30, 2011	192	942
Non-current assets of discontinued operations	<u>182</u>	<u>182</u>
	<u>\$ 35,391</u>	<u>\$ 36,511</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,317	\$ 1,390
Accrued liabilities	1,522	1,415
Accrued compensation and benefits	1,511	2,383
Income taxes payable	125	125

Deferred revenue	2,426	2,417
Current liabilities of discontinued operations	747	743
Total current liabilities	<u>7,648</u>	<u>8,473</u>
Deferred rent	415	396
Non-current liabilities of discontinued operations	2,473	2,572
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 8,086 and 7,943 issued and outstanding at September 30, 2011 and June 30, 2011, respectively	8	8
Additional paid-in capital	71,282	70,402
Accumulated deficit	(46,435)	(45,340)
Total stockholders' equity	<u>24,855</u>	<u>25,070</u>
	<u>\$ 35,391</u>	<u>\$ 36,511</u>

SOURCE Collectors Universe, Inc.

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