

**Noble Investments (UK) PLC (“Noble”, the “Company” or the “Group”)  
Preliminary results for the year ending 31 August 2009**

**Noble Investments (UK) PLC, the AIM listed coin and stamp dealer, is pleased to announce its preliminary results for the year ended 31 August 2009.**

**Financial highlights:**

- Operating profit of £1,952,000 up 16% (2008 £1,684,000);
- EBITDA up 19% to £2,081,000 (2008: £1,745,000);
- Total dividend recommended of 3.0p up 20% (2008: 2.5p);
- Basic earnings per share of 9.59p up 11% (2008 8.65p);
- Diluted earnings per share of 9.45p up 14% (2008 8.32p);
- Strong ungeared balance sheet with Net Asset value of £13.8m (£13.7m); and
- Cash balance of £2.7m after expenditure on buyback and cancellation of 10% of equity.

	Year ended 31 August 2009	Year ended 31 August 2008
	<u>£'000</u>	<u>£'000</u>
Revenue	12,097	10,141
Operating profit	1,952	1,684
Profit before tax	2,006	1,918
Cash	2,732	3,871
Collectibles inventory	8,608	8,189
	 Pence	 Pence
Basic earnings per share	9.59	8.65
Diluted earnings per share	9.45	8.32

**Operational highlights:**

- Strong retail sales led by demand for high quality rarities;
- Numismatic auction department revenue steady with auctions conducted in London, Hong Kong and New York during the period under review;
- Apex Philatelics Ltd (“Apex”) revenues and profits strong with 4 postal and 3 public auctions during the period; and
- Significant growth in website traffic over the period. The combined three websites of Noble, A H Baldwin and Apex attracted over 11 million hits during the year and an average of over 11,000 visits per month.

Ian Goldbart, Managing Director of Noble commented: “I am delighted to report that Noble has continued to make significant progress over the last 12 months. Collectibles trading continued to be resilient throughout the year in very difficult economic conditions. The demand for high quality and rare items was especially robust throughout the year”.

**Enquiries:**

Ian Goldbart  
Noble Investments (UK) PLC  
+44 (0)7785 114 987

Adrian Hadden/ Stewart Wallace  
Collins Stewart Europe Limited  
+44(0)20 7523 8350

David Haggie/Henrietta Breakwell  
Haggie Financial  
+44(0)20 7417 8989

For further information: [www.nobleinvestmentsplc.com](http://www.nobleinvestmentsplc.com) [www.baldwin.co.uk](http://www.baldwin.co.uk) [www.apexstamps.com](http://www.apexstamps.com)

## **Chairman's Statement**

I am delighted to be making my first Chairman's statement since stepping up from Deputy Chairman last year.

### **Financial overview**

The financial results for the year to 31 August 2009 show an increase over the equivalent period last year of approximately 19% in revenue. Operating profit increased by 16% and profit before tax by 5%, which reflects a considerable reduction in interest income on our cash balances during the year. Underlying these results is robust improvement in trading of rare coins along with satisfactory results from the auction division and a maiden full year contribution from Apex Philatelics Limited ("Apex") which was acquired at the very end of last year. We are very pleased with the performance of Apex and the business and individuals have integrated well with the team at AH Baldwin & Sons Limited ("A H Baldwin").

We believe that the business has been managed on a conservative and prudent basis on behalf of the shareholders during the period, particularly in view of the prevailing economic conditions.

### **Economic conditions**

Towards the start of the year, financial markets were in freefall, reeling from the collapse of Lehman Brothers and the considerable and essential infusion of liquidity into the banking system by governments worldwide. Throughout this turmoil the businesses of A H Baldwin and Apex continued trading very satisfactorily.

The trading businesses of Noble were well positioned in the event being debt free and with very comfortable cash reserves and comprehensive inventories. It is our enviable stock of numismatic, philatelic and other collectibles which differentiates us from many of our peers both in the United Kingdom and overseas as it constantly attracts collectors to our London premises and to our stands at international coin fairs.

### **Dividend**

We intend to recommend a final dividend of 2.00p, making a total of 3.00p for the year (2008: 2.50p). This represents a 20% increase on last year's total dividend. The full year dividend is more than three times covered by earnings per share.

The final dividend will be paid, subject to shareholders approval, on 8 January 2010 to shareholders on the register on 11 December 2009.

We intend to maintain a progressive dividend policy as conditions permit.

### **Prospects**

Looking to the future we hope for continuing organic growth of the existing businesses both at home and internationally. We are very much attuned to the prospect of making further acquisitions of businesses which are in areas that complement our existing strengths and bring additional specialists with them. We remain as a business, extremely well capitalised with a very strong balance sheet and we are determined to increase shareholder returns through prudent expansion.

I am sure that shareholders will wish to join with me in commending Ian and his team in their efforts on the Group's behalf during such a difficult economic climate.

### **Jasper Allen**

Non-Executive Chairman  
5 November 2009

## **Managing Director's Review**

I am pleased to be able to report that further progress has been made since the Group's interim results.

### **Financial results**

Revenue up 19% to £12,097,000 (2008: £10,141,000);  
Operating profit up 16% to £1,952,000 (2008: £1,684,000);  
EBITDA up 19% to £2,081,000 (2008: £1,745,000);  
Basic earnings per share up 11% to 9.59p (2008: 8.65p);  
Diluted earnings per share of 9.45p up 14% (2008 8.32p);  
Total dividend up 20% to 3p (2008: 2.5p); and  
Strong ungeared balance sheet of £13.8m (2008: £13.7m) despite £1.8m expenditure on buyback and cancellation of 10% of equity, dividends and Apex deferred consideration.

### **Financial overview**

The results for the year showed an increase in revenue of 19% to £12,097,000 (2008: £10,141,000). This was mainly due to the acquisition of Apex at the very end of the last financial year. Operating profit was up 16% to £1,952,000 (2008: £1,684,000). It is

pleasing, especially in this time of global instability and turmoil to be able to report that EBITDA rose 19% to £2,081,000 (2008: £1,745,000) during the period.

Profit before tax rose slightly to £2,006,000 from £1,918,000 in 2008. This was a creditable performance especially when factoring in the substantial drop in bank interest income to £54,000 from £234,000 in 2008. The reduction was mainly due to the significant fall in deposit rates but also due to a reduced cash balance reduced following the buy back of £1.1m of Noble shares, the payment of dividends and the first payment of deferred consideration for Apex. The cash balance was still a very healthy £2,732,000 as at year end. It is therefore pleasing to show that the income derived from the acquisition of Apex more than offset the drop in bank interest.

Basic earnings per share were up 11% to 9.59p (2008: 8.65p). The increased earnings allow us to continue to raise the dividend, as mentioned at the time of the interim report. To this end, we propose a 20% increase for the year to 3p (2008: 2.5p). As the dividend is more than three times covered, we feel comfortable with this increase.

## **Operational overview**

### **Retail:**

The numismatic retail division had its best year ever primarily driven by demand for top quality rarities. A H Baldwin holds one of the most diversified and largest stock of coins in the world and we are constantly acquiring additional varieties. Coin fairs attended during the year included those in London, York, Harrogate, New York, Hong Kong, Paris, Munich, Berlin, Los Angeles and Tokyo. The retail division also produced Winter 2008 and Summer 2009 fixed price lists. Both were well received by our regular customers and we aim to continue producing two lists each year.

### **Auction:**

The A H Baldwin auction department again had a very busy year although it produced slightly lower revenues from the previous record year. During this period, the department produced 17 catalogues for auctions held in London, New York and Hong Kong.

### **Apex:**

Apex has just completed its first full year under the Noble umbrella. During the year under review, revenues reached a record level in their 15 year history, up 15% on the previous year. Consignments for the next six months are already in place. We hope to see the benefits of the Apex part of the Group continue in the future and for the brand to continue to grow. To this end, we are actively pursuing additional philatelic specialists to expand this area. Our combined databases of over 10,000 clients should give us potential for offering new products in the future.

### **Website:**

We are in the current process of totally renovating and upgrading our website and standardising brands across the group. We continue to see more traffic through the websites and believe that additional funds directed at this medium will bear fruit in the long term. During the period, the Noble, A H Baldwin and Apex websites attracted over 11 million hits and averaged over 11,000 visits per month. We are hoping that the website will incorporate noticeable changes and advanced capabilities during the current financial year.

### **Overheads:**

We continue to keep a close control on overheads whilst attempting to reward our employees for their continued hard work and dedication. Overheads for the year grew 44% however this was primarily due to the acquisition of Apex Philatelic. With that acquisition and a number of additions at A H Baldwin, average employee numbers grew from 14 to 21 during the year. We intend to continue to monitor overheads closely.

### **Employee Benefit Trust**

On 29 September 2009 the Noble Investments (UK) PLC Employee Benefit Trust was approved and adopted. The Trust will be used to enable the incentivisation and reward of directors and employees through the issue of share options over the Company's shares held by the Trust.

### **Strategy**

The business has, over the last six years since admission to AIM, grown steadily in revenues, profits, dividends and asset value. It has been suggested that we have been too cautious over the years, however we do not see it that way. Whilst we are a small company in stock market terms, we believe there are many opportunities available in the field of collectibles for a well capitalised ungeared company such as Noble. We consider many opportunities in the course of any given year and there have been several during the period under review.

We continue to source specialists to join our team and to look for suitable acquisitions in order to expand the products offered to our client base.

### **Employees**

Once again, it is appropriate to thank the enlarged team from A H Baldwin and Apex for their tireless efforts over the past year. With so many auctions and fairs being held abroad or over weekends, it takes a strong commitment and dedication to keep the business running smoothly and maintain high standards.

### **Prospects**

At the interim stage, I mentioned the economic uncertainty and our conservative approach. I believe this approach has benefitted the Group. However, we now feel that we are seeing opportunities to expand and we are actively seeking this expansion both organically and through exploring acquisitions. We are only two months in to the current year but have already completed two London auctions in September that included coins, banknotes, military decorations and commemorative medals, an Apex philatelic postal auction and in

October an Islamic coin auction, also held in London. We are now preparing for our January 2010 New York auction and a February 2010 Hong Kong auction.

We continue to be very mindful that there is a great deal of uncertainty in the world at present and this is likely to continue in to 2010 and probably beyond. We do, however, believe our strong ungeared balance sheet gives us the necessary firepower to grow by selective acquisition.

**Ian Goldbart**

*Managing Director*

5 November 2009

## Consolidated Income Statement

For the year ended 31 August 2009

	Note	2009 £000	2008 £000
<b>Revenue</b>		<b>12,097</b>	10,141
Cost of sales		<u>(7,862)</u>	<u>(6,873)</u>
<b>Gross Profit</b>		<b>4,235</b>	3,268
Administrative expenses		<u>(2,283)</u>	<u>(1,584)</u>
<b>Operating profit</b>		<b>1,952</b>	1,684
Investment income		<b>54</b>	234
<b>Profit before taxation</b>		<b>2,006</b>	1,918
Taxation		<u>(473)</u>	<u>(427)</u>
<b>Profit for the financial year</b>		<b>1,533</b>	1,491
Earnings per share – basic	2	<b>9.59p</b>	8.65p
Earnings per share – diluted	2	<b>9.45p</b>	8.32p

All the Group's revenue and operating profit in the year relate to continuing operations.

## Consolidated Balance Sheet

as at 31 August 2009

Note	2009 £'000	2008 £'000
------	---------------	---------------

<b>Non-current assets</b>		
Goodwill	590	590
Other intangible assets	400	445
Property, plant and equipment	1,991	1,988
Available for sale financial assets	440	265
Deferred taxation	181	155
	<u>3,602</u>	<u>3,443</u>
<b>Current assets</b>		
Inventories	8,608	8,189
Trade and other receivables	1,718	2,173
Cash and cash equivalents	2,732	3,871
	<u>13,058</u>	<u>14,233</u>
<b>Current liabilities</b>		
Trade and other payables	(1,505)	(2,188)
Deferred consideration	(50)	(217)
Current taxation	(314)	(383)
	<u>(1,869)</u>	<u>(2,788)</u>
<b>Net current assets</b>	<u>11,189</u>	<u>11,445</u>
<b>Non-current liabilities</b>		
Deferred consideration	(225)	(275)
Deferred taxation	(761)	(894)
	<u>(986)</u>	<u>(1,169)</u>
<b>Net assets</b>	<u>13,805</u>	<u>13,719</u>
<b>Equity</b>		
Called up equity share capital	4	158
Share premium account		6,907
Capital redemption reserve		50
Retained earnings		6,690
<b>Shareholders' equity</b>		<u>13,805</u>
		<u>13,719</u>

#### Consolidated Statement of Changes in Shareholders' Equity

for the year ended 31 August 2009

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 September 2007</b>	171	7,848	50	4,339	12,408
Net profit for the period attributable to equity shareholders and total recognised income and expenses for the period	-	-	-	1,491	1,491
	<u>171</u>	<u>7,848</u>	<u>50</u>	<u>5,830</u>	<u>13,899</u>
Dividends paid	-	-	-	(362)	(362)
Issue of ordinary shares	2	174	-	-	176
Ordinary shares cancelled	-	(21)	-	-	(21)
Recognition of share based payment expense	-	-	-	27	27

<b>Balance at 31 August 2008</b>	<b>173</b>	<b>8,001</b>	<b>50</b>	<b>5,495</b>	<b>13,719</b>
Net profit for the period attributable to equity shareholders	-	-	-	1,533	1,533
-available-for-sale assets revaluation	-	-	-	7	7
Total recognised income and expense	-	-	-	1,540	1,540
	<b>173</b>	<b>8,001</b>	<b>50</b>	<b>7,035</b>	<b>15,259</b>
Dividends paid	-	-	-	(417)	(417)
Issue of ordinary shares	1	31	-	-	32
Ordinary shares cancelled	(16)	(1,125)	-	-	(1,141)
Tax on items taken directly to equity	-	-	-	50	50
Recognition of share based payment expense	-	-	-	22	22
<b>Balance at 31 August 2009</b>	<b>158</b>	<b>6,907</b>	<b>50</b>	<b>6,690</b>	<b>13,805</b>

## Consolidated Cash Flow Statement

for the year ended 31 August 2009

		2009 £'000	2008 £'000
	<b>Note</b>		
<b>Operating activities</b>			
Cash generated by operations	5	1,456	224
Income taxes paid		(651)	(419)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>805</b>	<b>(195)</b>
<b>Investing activities</b>			
Interest received		54	234
Purchases of property, plant and equipment		(87)	(277)
Purchase of available for sale financial assets		(168)	(66)
Acquisition of subsidiary undertaking (net of cash acquired)		(217)	(798)
<b>Net cash used in investing activities</b>		<b>(418)</b>	<b>(907)</b>
<b>Financing activities</b>			
Dividends paid	3	(417)	(362)
Repayment of bank loans		-	(25)
Proceeds from issue of shares		32	101
Share buy back		(1,141)	(21)
<b>Net cash used in financing activities</b>		<b>(1,526)</b>	<b>(307)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,139)</b>	<b>(1,409)</b>
Cash and cash equivalents at start of period		3,871	5,280
<b>Cash and cash equivalents at end of period</b>		<b>2,732</b>	<b>3,871</b>

## Notes

### 1. Results

The financial information set out in these preliminary results does not constitute the company's statutory accounts for the years ended 31 August 2009 or 31 August 2008.

Statutory accounts for the year ended 31 August 2008 have been filed with the Registrar of Companies and those for the year ended 31 August 2009 will be delivered to the Registrar in due course; both have been reported on by the Independent Auditors. The independent auditors' report on the Annual Report and accounts for the year ended 31 August 2008 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 237(2) or 237(3) of the Companies Act 1985. The independent auditors' report on the Annual Report and accounts for the year ended 31 August 2009 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The financial information in these preliminary results has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively Adopted IFRSs). The principal accounting policies have been consistently applied to all the years presented and are consistent with the policies used in the preparation of the statutory accounts for the years ended 31 August 2009.

## 2. Earnings per share

The calculation of basic earnings per share for the year ended 31 August 2009 is based on the profit attributable to ordinary shareholders of £1,533,000 (2008: £1,491,000) divided by the weighted average number of shares in issue as detailed in the table below:

	Year ended 31 August 2009		Year ended 31 August 2008	
	Number of shares	Weighted average	Number of shares	Weighted average
Basic – shares in issue	15,765,894	15,979,740	17,324,293	17,230,404
Share options	977,202	241,635	1,119,817	689,780
<b>Diluted number of shares</b>	<b>16,221,375</b>		<b>17,920,184</b>	

## 3. Dividends

Amounts recognised as distributions to equity shareholders in the year:

	2009 £000	2008 £000
Final dividend paid in respect of the year ended 31 August 2008 of 1.65p per share (2007: 1.25p)	260	215
Interim dividend paid in respect of the year ended 31 August 2009 of 1.00p per share (2008: 0.85p)	157	147
	<b>417</b>	<b>362</b>

A final dividend of 2.00p per share (2008: 1.65p per share) amounting to £315,000 (2008: £260,000) in respect of the year ended 31 August 2009 is proposed. If approved at the AGM, it will be paid on 8 January 2010 to those shareholders on the register at 11 December 2009.

## 4. Share capital

### Allotted, called up and fully paid

	2009		2008	
	Number	£000	Number	£000
Ordinary shares of 1p each	15,765,894	158	17,324,293	173

### Allotted, called up and fully paid

	2009 £000	2008 £000
	At 1 September	173
Share option exercises	1	2
Shares cancelled	(16)	-
<b>At 31 August</b>	<b>158</b>	<b>173</b>

Details of the allotted called up and fully paid share capital at 5 November 2009 were  
**Allotted, called up and fully paid**

	<b>Number</b>	<b>£000</b>
Ordinary shares of 1p each	<b>15,765,894</b>	<b>158</b>

**5. Reconciliation of profit before taxation to net cash inflow from operating activities**

	<b>2009</b>	2008
	<b>£000</b>	£000
Profit before taxation	<b>2,006</b>	1,918
Depreciation	<b>84</b>	60
Amortisation	<b>45</b>	1
Share option charge	<b>22</b>	27
Investment income	<b>(54)</b>	(234)
Change in the market value of available for sale financial assets	<b>-</b>	51
Increase in inventories	<b>(419)</b>	(1,618)
Decrease/(increase) in receivables	<b>455</b>	(574)
(Decrease)/increase in payables	<b>(683)</b>	593
<b>Net cash inflow from operating activities</b>	<b>1,456</b>	224

**6. Report and Accounts**

The Report and Accounts of the Group for the year ended 31 August 2009 will be sent to shareholders and will be available from the Company Secretary at the registered office; 11 Adelphi Terrace , London WC2N 6BJ.