



November 8, 2012

Collectors Universe Reports Results for First Quarter Ended September 30, 2012

NEWPORT BEACH, Calif., Nov. 8, 2012 (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 first quarter of fiscal 2013.

Operational and Financial Highlights:

- Service revenues of \$10.7 million and operating income of \$1.3 million for this year's first quarter were consistent with the preliminary revenues of \$10.7 million and operating income of \$1.2 million, announced on October 5, 2012.
- Service revenues were down 10% to \$10.7 million in this year's first quarter, compared to \$11.9 million in the same quarter of the prior year. The decline was driven by a \$1.5 million, or a 19% decrease in coin service revenues, partially offset by increases of \$0.3 million, primarily in cards and autographs service revenues.
- The services gross profit margin for this year's first quarter was down \$1.0 million to 59% of service revenues, compared with the 62% in the first quarter of the prior year and primarily reflects the decline in revenues in the quarter.
- Operating income at \$1.3 million for this year's first quarter decreased by \$1.2 million from \$2.5 million in last year's first quarter. Operating expenses in this year's first quarter included \$0.3 million incurred for our Hong Kong activities and \$0.2 million in CEO transition costs. Those cost increases were partially offset by lower costs incurred on incentive programs, due to the lower revenues and operating income in the quarter.
- Income from continuing operations was \$0.8 million, or \$0.10 per diluted share, for this year's first quarter, compared to \$1.5 million, or \$0.19 per diluted share, for last year's first quarter.
- The Company's cash position at September 30, 2012 was \$19.6 million, compared with \$21.2 million at June 30, 2012. Net cash used of \$1.6 million in the quarter was comprised of cash generated from continuing operations of \$1.6 million, offset by cash payments of \$2.9 million of dividends to stockholders, \$0.2 million for capital expenditures and \$0.1 million used in our discontinued operations.
- On October 31, 2012, we announced our quarterly cash dividend of \$0.325 per share, which will be paid on November 30, 2012 to stockholders of record on November 16, 2012.

Commentary and Outlook

Robert Deuster, Chief Executive Officer, stated, "Our first quarter results indicate a continuing softer demand for grading of coins and, as such, the results for our coin division are down year over year. This is primarily due to gold prices and lower dealer and consumer demand. Show grading continues to be robust. While we do expect market variability, we have responded to this by adjusting our cost structure, reducing expenses by \$1.1 million annually, until coin market conditions improve.

The results from our sports card, autograph and online businesses continue to improve year over year and partially offset the softening in our coin business.

While we are currently in our seasonally slowest quarter of the year, overall, we remain optimistic about our collectibles business prospects worldwide and continue to invest in and enhance our company's capabilities in the US, Europe and Asia."

Conference Call and Webcast

Collectors Universe will host a conference call to discuss results on Thursday, November 8, 2012 at 4:30 p.m. Eastern Time/1:30 p.m. Pacific Time. Interested parties may participate in the conference call by dialing 877-941-8610 or 480-629-9820, five to ten minutes prior to the initiation of the call. A replay of the conference call will be available through November 22, 2012 by dialing 800-406-7325 or 303-590-3030 and entering access code 4181738#. 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 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 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.

The Collectors Universe, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=11345>

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, 2012, 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 sluggish 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 a slowing in the growth or even a decline in gold and silver prices, 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 anemic 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 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 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, 2012 filed with the Securities and Exchange Commission on August 30, 2012. 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

September 30,

2012 2011

Net revenues

Grading, authentication and related services	\$10,680	\$11,901
Product sales	<u>550</u>	<u>171</u>
	11,230	12,072
Operating Expenses:		
Grading, authentication and related services	4,340	4,539
Product sales	<u>550</u>	<u>186</u>
	4,890	4,725
Gross profit	6,340	7,347
Operating Expenses:		
Selling and marketing expenses	1,815	1,650
General and administrative expenses	<u>3,234</u>	<u>3,204</u>
Total operating expenses	5,049	4,854
Operating income	1,291	2,493
Interest and other income, net	<u>62</u>	<u>20</u>
Income before provision for income taxes	1,353	2,513
Provision for income taxes	<u>535</u>	<u>1,019</u>
Income from continuing operations	818	1,494
Loss from discontinued operations, net of income taxes	<u>(12)</u>	<u>(18)</u>
Net income	<u>\$806</u>	<u>\$1,476</u>
Net income per basic share:		
Income from continuing operations	\$0.10	\$0.19
Loss from discontinued operations	<u>--</u>	<u>--</u>
Net income	<u>\$0.10</u>	<u>\$0.19</u>
Net income per diluted share:		
Income from continuing operations	\$0.10	\$0.19
Loss from discontinued operations	<u>--</u>	<u>--</u>
Net income	<u>\$0.10</u>	<u>\$0.19</u>
Weighted average shares outstanding:		
Basic	8,029	7,854
Diluted	8,085	7,965
Dividends declared per common share	\$0.325	\$0.325

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

	September	June
	30,	30,
	2012	2012
ASSETS		
Current assets:		

Cash and cash equivalents	\$ 19,555	\$ 21,214
Accounts receivable, net of allowance of \$37 at September 30, 2012 and \$70 at June 30, 2012	1,774	1,794
Inventories, net	1,858	2,273
Prepaid expenses and other current assets	818	813
Deferred income tax assets	1,146	1,177
Notes receivable from sale of net assets of discontinued operations	150	148
Current assets of discontinued operations	<u>27</u>	<u>27</u>
Total current assets	25,328	27,446
Property and equipment, net	1,818	1,795
Goodwill	2,083	2,083
Intangible assets, net	1,767	1,788
Deferred income tax assets	2,982	2,982
Other assets	218	169
Non-current assets of discontinued operations	<u>182</u>	<u>182</u>
	<u>\$ 34,378</u>	<u>\$ 36,445</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,552	\$ 1,625
Accrued liabilities	2,087	1,917
Accrued compensation and benefits	1,520	2,463
Income taxes payable	635	191
Deferred revenue	2,477	2,322
Current liabilities of discontinued operations	<u>784</u>	<u>804</u>
Total current liabilities	9,055	9,322
Deferred rent	455	447
Non-current liabilities of discontinued operations	2,031	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; 8,111 and 8,107 issued and outstanding at September 30, 2012 and June 30, 2012, respectively	8	8
Additional paid-in capital	73,847	73,683
Accumulated deficit	<u>(51,018)</u>	<u>(49,160)</u>
Total stockholders' equity	<u>22,837</u>	<u>24,531</u>
	<u>\$ 34,378</u>	<u>\$ 36,445</u>

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