

SHAREHOLDERS AND SHARE CAPITAL

Issued Share Capital

As at 31 March 2012, there were 99,498,423 ordinary shares and 111,673,300 deferred shares in issue. The ordinary shares are listed on the London Stock Exchange.

Details of shares issued during the year are provided in note 18 to the Financial Statements on page 81.

Preemption rights and authority to allot

The Companies Act 2006 requires that any shares issued wholly for cash must be offered to existing shareholders in proportion to their existing holdings unless authorised to the contrary by a resolution of the shareholders. Resolutions giving such authority were passed in 2011. Authorities to renew for one year the power of Directors to allot shares pursuant to sections 570 and 573 of the Companies Act 2006 will be sought from shareholders at the Annual General Meeting (AGM). The Company was granted authority by its shareholders at the 2011 AGM to purchase a maximum of 10 per cent of its own ordinary shares either for cancellation or to be held in treasury (or a combination of these). No purchases have been made pursuant to this authority and a resolution will be put to shareholders to renew the authority for a further period of one year.

Takeover directive

Pursuant to section 992 of the Companies Act 2006, which implements the EU Takeovers Directive, the Company is required to disclose additional information as set out below.

Rights and restrictions on shares and transfers of shares

Certain restrictions, which are customary for a listed company, apply to the rights and transfers of shares in the Company. The rights and obligations attaching to the Company's ordinary and deferred shares, in addition to those conferred on their holders by law, are set out in the Company's Articles, copies of which can be obtained from Companies House in the UK or by writing to the Company Secretary. The key points are summarised below.

Ordinary shares

Notices of meetings must be given to every shareholder and to any person entitled to a share unless the Articles or the rights of the shares say they are not entitled to receive them from the Company. The Board can decide that only people who are entered on the register of members at the close of business on a particular day are entitled to receive the notice. On a show of hands, each holder of shares present in person and entitled to vote has one vote and, upon a poll, each such holder who is present in person or by proxy and entitled to vote has one vote for every share held.

Dividends and distributions on winding up to shareholders

Holders of ordinary shares may receive interim dividends approved by Directors and dividends declared in general meetings. On a liquidation and subject to a special resolution of the Company the liquidator may divide among members in specie the whole or any part of the assets of the Company and may, for such purpose, value any assets and may determine how such division shall be carried out.

Transfers of shares

The Company's Articles place no restrictions on the transfer of ordinary shares or on the exercise of voting rights attached to them except: (i) in very limited circumstances (such as a transfer to more than four persons), (ii) where the Company has exercised its rights to suspend their voting rights or to prohibit their transfer following the omission by their holder or any person interested in them to provide the Company with information requested by it in accordance with Part 22 of the Companies Act 2006, or (iii) where their holder is precluded from exercising rights by the Financial Services Authority's Listing Rules, the City Code on Takeovers and Mergers or any other regulations.

Deferred shares

Deferred shares carry limited economic rights and no voting rights. They are not transferable except in accordance with the Articles.

Dealings subject to the Model Code of the Listing Rules

Pursuant to the Listing Rules of the Financial Services Authority, Directors and other Persons Discharging Managerial Responsibilities and certain employees require the approval of the Company to deal in the ordinary shares of the Company.

Exercise of rights of shares in employee share schemes

Awards held by relevant participants under the Company's various share plans carry no voting rights until the shares are issued. The Trustee of the De La Rue Employee Share Ownership Trust does not seek to exercise voting rights on existing shares held in the employee trust. No shares are currently held in trust.

Substantial shareholdings

As at 31 March 2012, the Company had received formal notification of the following holdings of voting rights in its shares under the Financial Services Authority's Disclosure and Transparency Rules:

Persons notifying	Nature of Interest	% of issued ordinary share capital held
Prudential plc group of companies	Direct	12.89
Mondrian Investment Partners Limited	Indirect	5.80
Franklin Templeton Institutional LLC	Indirect	5.08
Ameriprise Financial, Inc	Direct	0.053
	Indirect	5.007
	Total	5.060
BlackRock Inc	Indirect	3.79
	Contracts for Difference	1.14
	Total	4.93
Kames Capital	Direct	2.90
	Indirect	1.06
	Contracts for Difference	0.05
	Total	4.01
Legal & General Group Plc*	Direct	3.86
Massachusetts Mutual Life Insurance Company	Indirect	3.03
Norges Bank	Direct	3.01

*On 11 May 2012 Legal & General Group Plc notified the Company that their holding had fallen below 3 per cent.

Relationship with shareholders

The Company places great importance on communications with and accountability to shareholders. A fully audited Annual Report and Accounts is made available to shareholders either in hard copy by post or via the Group's website and the Interim Statement is posted on the Group's website. Announcements are also regularly made by the Company through a Regulatory Information Service to the London Stock Exchange. The Chairman and the Senior Independent Director are available to meet key shareholders to discuss strategy, governance and other matters. All holders of ordinary shares are entitled to attend the AGM and receive a Notice of Meeting which is posted at least 20 working days before the AGM. They are also entitled to speak at general meetings of the Company, to appoint one or more proxies or corporate representatives, and to exercise voting rights. Shareholders may vote and appoint proxies electronically. At this year's AGM, voting on resolutions will be conducted on a poll. Results of the poll will be made available to shareholders on the Group's website. The Chairman will provide a trading update. The Chairmen of the Board Committees are also present. Shareholders may question the Board on these and other matters relating to the Group's business. Shareholders also have an opportunity to meet Directors informally after the meeting.

The share register is actively monitored. During the year meetings take place with individual institutional shareholders and analysts, and presentations are made at the time of major announcements. Additionally, the Chairman, Senior Independent Director, Executive Directors and some Non-executive Directors together with members of the Executive Committee met with major shareholders and analysts in July 2011. In February 2012, the Group hosted a sell-side analyst and investor presentation at its Gateshead facility, which included a tour of the site, to provide institutional investors and analysts with an overview of the business. The views of shareholders and analysts' and brokers' reports are reported to the Board and from time to time a survey of institutional shareholders' views is carried out by the Company's brokers.

Additional information to shareholders

Processes for the appointment and replacement of Directors are governed by the Company's Articles of Association, The UK Corporate Governance Code, the Companies Act 2006 and related legislation. The Articles of Association may be amended by special resolution of shareholders. The powers of the Board are described in the Corporate governance statement on pages 40 to 44.

Annual General Meeting

The AGM will be held at 10:30 on Thursday 26 July 2012 at De La Rue House, Jays Close, Viables, Basingstoke, Hampshire, RG22 4BS.