

Philip Rogerson
Chairman



Group results

As previously announced the Group's results have been impacted by the difficult market environment in Currency, Identity Systems and Security Products, with revenues falling to £472.1m (2013/14: £513.3m) and underlying operating profit (before exceptional items) down at £69.5m (2013/14: £89.3m). Underlying profit before tax was £57.7m (2013/14: £77.3m) and consequently, underlying earnings per share decreased to 45.3p (2013/14: 60.7p). Net exceptional charges, before tax, in the period totalled £18.8m (2013/14: £17.5m) predominantly relating to the invocation of guarantees along with further costs in respect of site relocation, restructuring and asset impairments (more fully described in note 3). As a result profit before tax was £38.9m (2013/14: £59.8m).

Underlying operating cash flow, comprising underlying operating profit adjusted for depreciation and the movement in working capital, was £85.6m (2013/14: £99.1m). This represents a cash conversion ratio of 123 per cent (2013/14: 111 per cent). Net debt at 28 March 2015 was however, up £21.1m at £111.0m (2013/14: £89.9m).

Dividend

In light of the difficult trading environment, and consistent with the reduction in the 2014/15 interim dividend, the Board is recommending a final dividend of 16.7p per share (2013/14: 28.2p per share). Together with the interim dividend paid in January 2015, this will give a total dividend for the year of 25.0p per share (2013/14: 42.3p per share). Subject to approval by shareholders, the final dividend will be paid on 3 August 2015 to shareholders on the register on 3 July 2015.

The Board is mindful of the importance of dividends to shareholders and will seek to maintain dividends at the 2014/15 level.

People

De La Rue benefits enormously from its experienced and loyal employees and the Board would like to thank everyone involved in the business for their contribution and hard work.

Board changes

On 13 October 2014 Martin Sutherland joined the Company as Chief Executive and I returned to my Non-executive role and Colin Child reverted to Chief Financial Officer.

Two of our Non-executive Directors, Warren East, who has served for over eight years, and Gill Rider, who has served for nine years, have informed the Board of their intention to stand down after the Company's AGM on 23 July 2015. The Board would like to thank each of them for their significant and valuable contribution to the business, and to wish them well for the future.

Two new Non-executive Directors, Sabri Challah and Maria da Cunha will join the Board after the AGM on 23 July 2015, and we are delighted to welcome them.

Rupert Middleton, Chief Operating Officer, will also join the Board as an Executive Director after the AGM, and we are looking forward to benefiting from his great experience.

As previously announced, Colin Child, Chief Financial Officer, has informed the Board of his intention to step down from the Board after the AGM on 23 July 2015. Colin joined the Company as Chief Financial Officer in June 2010, and in the five years he has served in that role has also acted as Chief Operating Officer for two separate periods of six months. He will leave with the thanks of the Board, and the acknowledgement of his willingness to take on extra responsibilities in times of need.

Outlook

As anticipated in September 2014, the difficult market conditions have continued into the new financial year. More recently however, the weakness of the euro against sterling has given the euro zone suppliers a commercial advantage putting some further pressure on the Group's profitability.

With the completion of the recent strategic review, the Group has a clear plan to deliver growth and improved profitability in the long term. The Board is confident that the Strategic Plan can be delivered and yield benefits for shareholders, employees and customers.

Innovate. Deliver. Grow.
Investing for growth



Since the launch of Safeguard® in 2013 De La Rue has developed more than 45 polymer banknote designs, built up a wealth of knowledge and understanding of polymer design and print processes and developed polymer feature patents. Safeguard notes have been issued in seven countries already – Fiji, Mauritius, Lebanon, Cape Verde, Trinidad and Tobago, The Gambia, and most recently Scotland for Clydesdale Bank (pictured above).