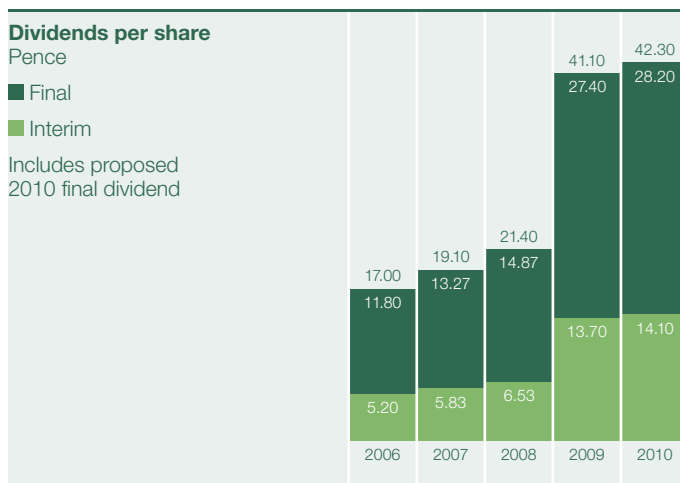


# CHAIRMAN'S STATEMENT



**Nicholas Brookes**  
Non-executive Chairman

These results demonstrate De La Rue's resilience in the uncertain economic environment. We will continue to focus on our core strengths whilst driving long term growth, profitability and cash generation.



## Headlines

- Group operating profit margin\* remains strong at 19.5 per cent, underpinned by productivity, mix and foreign exchange benefits
- Strong operating cash flow of £116m
- Final dividend increase to 28.2p, making a total of 42.3p for the year, an increase of 3 per cent
- Secured £400m UK passport contract for delivery over 10 years
- Sale of Camelot investment, subject to National Lottery Commission approval
- Share buy back announced

\*Operating profit is reported for continuing operations and before exceptional items of £7.5m in 2009/2010

## Group results

The Group had an excellent year, with Currency delivering an outstanding performance due to strong demand and a high quality mix of work. These results underline the Board's rationale for creating a more focused Group and demonstrate De La Rue's resilience in the uncertain economic environment. We will continue to focus on our core strengths whilst driving long term growth, profitability and cash generation.

## Dividend

### Final dividend

The Board is recommending a final dividend of 28.2p per share (2008/2009: 27.4p per share), subject to shareholders' approval. This will be paid on 5 August 2010 to shareholders on the register on 9 July 2010. Together with the interim dividend paid in January 2010, this will give a total dividend for the year of 42.3p (2008/2009: 41.1p per share).

Overall, this equates to an uplift of 3 per cent in the level of ordinary dividend and reflects the previously announced policy.

## Changes to the Board

As previously announced, the year has seen a number of changes to the Board.

Simon Webb will step down from the Board as Group Finance Director on 31 May 2010. Philip Nolan and Keith Hodgkinson stepped down as non-executive Directors in July 2009 and December 2009 respectively. The Board wishes to thank all three Directors for their contribution to De La Rue.

The Board is pleased to welcome three new Directors. Colin Child will join the Board on 1 June 2010 as Group Finance Director, bringing a wealth of financial and management experience with large international companies.

Sir Julian Horn-Smith joined as non-executive Director on 1 September 2009 with an impressive track record at senior level in major global companies including Vodafone. Victoria Jarman joined as non-executive Director on 22 April 2010. She has worked closely with the boards of major FTSE companies and businesses advising them on a variety of strategic options.

## Outlook

As indicated in March, the Board believes that 2010/2011 banknote volumes should remain at similar levels to 2009/2010 but with a greater than normal weighting towards the second half. Pension charges will be £3m higher than the prior year.

The strong margin mix in Currency will not be repeated in the current financial year. It is expected that this will be offset by productivity gains, by cost reduction, especially in Cash Processing Solutions, and by improved trading in other parts of the business.

