Agenda

Overview
Martin Sutherland

Financial Performance
Helen Willis

Strategic Update
Martin Sutherland

Operational Review
Martin Sutherland

Q&A
Performance highlights

• Another year of **good strategic progress**

• Completed sale of the paper business and secured paper supply with a ten year agreement

• Strengthened balance sheet through the proceeds of the paper transaction, better working capital management and the pension deficit reduction

• Invest & Build product lines show good forward momentum
  o Polymer volumes more than doubled
  o International ID & PAT order intake up 100%
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## Income statement

<table>
<thead>
<tr>
<th></th>
<th>2017/18* £m</th>
<th>2016/17* £m</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>493.9</td>
<td>461.7</td>
<td>+7%</td>
</tr>
<tr>
<td>Adjusted operating profit**</td>
<td>62.8</td>
<td>70.7</td>
<td>-11%</td>
</tr>
<tr>
<td>Adjusted operating margin**</td>
<td>12.7%</td>
<td>15.3%</td>
<td>-260bpts</td>
</tr>
<tr>
<td>Reported operating profit</td>
<td>123.0</td>
<td>70.2</td>
<td>+75%</td>
</tr>
<tr>
<td>Adjusted profit before tax</td>
<td>53.4</td>
<td>58.7</td>
<td>-9%</td>
</tr>
<tr>
<td>Reported profit before tax</td>
<td>113.6</td>
<td>58.2</td>
<td>+95%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>15.5%</td>
<td>15.8%</td>
<td>-30bpts</td>
</tr>
<tr>
<td>Adjusted basic earnings per share</td>
<td>42.9p</td>
<td>47.1p</td>
<td>-9%</td>
</tr>
<tr>
<td>Reported earnings per share</td>
<td>93.7p</td>
<td>47.2p</td>
<td>+99%</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>25.0p</td>
<td>25.0p</td>
<td>0%</td>
</tr>
</tbody>
</table>

* Continuing operations only, excluding Cash Processing Solutions sold in May 2016
**Before exceptional items and amortisation of acquired intangible assets

- Adjusted operating profit down 11% on last year, up 7% on an excluding Paper pro forma basis
- Net exceptional gain of £60.9m related predominantly to pension deficit reduction offset by impairment on sale of paper business
### Pro forma segmental revenue and adjusted operating profit*

<table>
<thead>
<tr>
<th></th>
<th>2017/18 £m</th>
<th>2016/17 £m</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Currency</td>
<td>IDS</td>
<td>PA&amp;T</td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported</td>
<td>371.8</td>
<td>82.0</td>
<td>40.1</td>
</tr>
<tr>
<td>Paper</td>
<td>(59.8)</td>
<td>(5.6)</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Pro forma</td>
<td>312.0</td>
<td>76.4</td>
<td>38.0</td>
</tr>
<tr>
<td>Adjusted operating profit*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported</td>
<td>45.1</td>
<td>8.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Paper</td>
<td>(4.6)</td>
<td>(1.2)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Pro forma</td>
<td>40.5</td>
<td>7.1</td>
<td>9.3</td>
</tr>
</tbody>
</table>

* *Before exceptional items and amortisation of acquired intangible assets*

Including £3.7m write off of the UK Passport bid costs

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Revenue bridge

<table>
<thead>
<tr>
<th></th>
<th>FY16/17 revenue</th>
<th>FY16/17 paper</th>
<th>Currency</th>
<th>IDS</th>
<th>PA&amp;T</th>
<th>FY17/18 paper</th>
<th>FY17/18 revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>461.7</td>
<td>53.5</td>
<td>408.2</td>
<td>6.1</td>
<td>8.9</td>
<td>67.5</td>
<td>493.9</td>
</tr>
</tbody>
</table>

Excluding paper revenue:
- Currency: +2%
- IDS: +4%
- PA&T: +31%
Adjusted operating profit* bridge

* Before exceptional items and amortisation of acquired intangible assets
### Exceptional items

<table>
<thead>
<tr>
<th>Description</th>
<th>2017/18 £m</th>
<th>2016/17 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension scheme (net of costs)</td>
<td>79.5</td>
<td>-</td>
</tr>
<tr>
<td>Sale of paper business</td>
<td>(14.4)</td>
<td>-</td>
</tr>
<tr>
<td>Finance transformation programme</td>
<td>(2.2)</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Footprint restructuring</td>
<td>(1.8)</td>
<td>1.5</td>
</tr>
<tr>
<td>DAS acquisition</td>
<td>(0.2)</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Warranty provisions</td>
<td>-</td>
<td>0.5</td>
</tr>
<tr>
<td>Sale of land</td>
<td>-</td>
<td>0.2</td>
</tr>
<tr>
<td>Exceptional items in operating profit</td>
<td>60.9</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Total tax (charge)/credit on exceptional items</td>
<td>(9.7)</td>
<td>0.6</td>
</tr>
</tbody>
</table>
Balance sheet strength – working capital movement

<table>
<thead>
<tr>
<th></th>
<th>2017/18 £m</th>
<th>2016/17 £m</th>
<th>Paper business £m</th>
<th>Group excluding paper £m</th>
<th>Total Group £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net trade receivables</td>
<td>63.3</td>
<td>89.5</td>
<td>2.3</td>
<td>23.9</td>
<td>26.2</td>
</tr>
<tr>
<td>Inventories</td>
<td>37.0</td>
<td>67.8</td>
<td>16.1</td>
<td>14.7</td>
<td>30.8</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(59.6)</td>
<td>(46.5)</td>
<td>8.4</td>
<td>4.7</td>
<td>13.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40.7</strong></td>
<td><strong>110.8</strong></td>
<td><strong>26.8</strong></td>
<td><strong>43.3</strong></td>
<td><strong>70.1</strong></td>
</tr>
</tbody>
</table>

- Trade receivables decreased following focus on AR and strong cash collections
- Inventories were lower due to structural changes and a focus on inventory management at sites
- Higher trade creditors resulting from proactive vendor management
Balance sheet strength – pension and net debt

Pension

- FY17/18 cash contribution was £13.5m
- Pre tax UK pension deficit decreased by £149.4m to £87.6m (FY 2016/17: £237.0m), reflecting:
  - £80.5m gain on revaluation of measurement (RPI to CPI)
  - Re-measurement on pension obligations
  - £18.4m return on scheme assets netted against interest and charges of £7.9m
- Funding plan agreed in June 2016 will remain in place until the conclusion of the new triennial valuation commenced in April 2018
- FY18/19 cash contribution is expected to be £20.5m

Net debt

<table>
<thead>
<tr>
<th></th>
<th>2017/18</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross debt</td>
<td>(65.4)</td>
<td>(132.1)</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>15.5</td>
<td>11.2</td>
</tr>
<tr>
<td>Net debt</td>
<td>(49.9)</td>
<td>(120.9)</td>
</tr>
</tbody>
</table>

Net debt/EBITDA ratio*

- 2016/17: 1.25x
- Covenant: ≤3.0x

EBIT/Net interest ratio*

- 2016/17: 16.1x
- Covenant: ≥4.0x

*All numbers stated include discontinued operations
**Adjusted net debt/EBITDA ratio as per covenant definition
## Cash flow

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>87.3</td>
</tr>
<tr>
<td>WC cashflow movement</td>
<td>(25.4)</td>
</tr>
<tr>
<td>Dividend</td>
<td>(15.5)</td>
</tr>
<tr>
<td>Tax and interest</td>
<td>(24.7)</td>
</tr>
<tr>
<td>Capex</td>
<td>(13.5)</td>
</tr>
<tr>
<td>Pension contribution</td>
<td>55.8</td>
</tr>
<tr>
<td>Cash proceeds from disposal of paper business</td>
<td>(10.8)</td>
</tr>
<tr>
<td>Other</td>
<td>71.0</td>
</tr>
<tr>
<td>Change in net debt</td>
<td></td>
</tr>
</tbody>
</table>
Financial summary

- Solid performance excluding paper:
  - Revenues were up
  - Adjusted operating profit was up
  - Operating margin % stable
  - Order book is up 6% for the current year

- Net debt has reduced by over a half

- Pension deficit has reduced significantly
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Q&A
Delivering on our strategy

De La Rue in 2015

We had

- Excellent brand
- Loyal customer base
- Scale
- Skilled workforce

...But

- Lagged behind in R&D, marketing, and sales capabilities
- Weak balance sheet – £111m net debt (profit good but cash poor)
- Large pension deficit
- Complacent culture

Strategic priorities

Optimise & Flex

- Divest non core business
- Limit exposure to paper market volatility
- Improve predictability and competitiveness in banknote print

Invest & Build

- Grow Group revenue by mid-single digit CAGR 2015-20
- Diversify revenue stream by growing IDS and PA&T

Strengthen balance sheet

- Improve cash flow
- Reduce pension deficit

Drive culture change

- Dynamic, high performing culture
- Diverse and skilled workforce with high ethical standards

2020 goals

A less capital intensive, more technology led product and service provider with

- Better business mix
- Better quality of earnings
- Better return on capital
- High performing culture
Delivering on our strategy

**Strategic priorities**

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**Invest & Build**
- Grow Group revenue by mid-single digit CAGR 2015-20
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**Strengthen balance sheet**
- Improve cash flow
- Reduce pension deficit

**Drive culture change**
- Dynamic, high performing culture
- Diverse and skilled workforce with high ethical standards

**Progress**

**Optimise & Flex**
- Sold Cash Processing Solutions
- Sold Paper – reduced exposure to volatility to the paper market
- Reduced capacity in print and increased flexibility

**Invest & Build**
- Group revenue +5% CAGR FY15-FY18
- Established good position in polymer market
- Acquired DuPont Authentication

**Strengthen balance sheet**
- Reduced net debt to £49.9m and improved working capital
- Reduce pension deficit to £87.6m

**Drive culture change**
- Restructured and streamlined the business
- Changed incentive plan and introduced performance management
Update on strategic progress

Invest & Build

Optimise & Flex
Update on strategic progress

Invest & Build

Optimise & Flex
Update on strategic progress
Strong sales performance reflected in consistent growth in revenue and order book

Stable mid single digit revenue growth since FY15

Group revenue* (£m)

Order book has never been stronger

Group 12 month order book (£m)

*Historic numbers have been adjusted for CPS sold in May 2016

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Update on strategic progress

Good growth in operating profit offset by investment programme

FY15-FY18 adjusted operating profit* (£m)

FY15 underlying: 51.1
Currency: 10.9
IDS: 6.0
PAT: 5.3
Product management and R&D: 6.0
Sales and marketing: 6.7
UKP bid costs: 3.7
FY18 underlying: 56.9

FY15-18 CAGR 4%

* Excluding CPS sold in May 2016 and Portals De La Rue sold in March 2018
Invest for long term growth

Three areas of focus

Product management and R&D

Sales and Marketing

Capability and Efficiency
Invest for long term growth
Investing in product management and R&D for sustainable growth

- Established Product Management function
- R&D focusing on two areas:
  - Centralised material science development
  - Software/solution development
- Accelerate technology development through partnerships and acquisitions

* FY14/15 and FY15/16 numbers have been adjusted to exclude CPS sold in May 2016

107
Patents filed in the last 3 years

94
Patents granted in the last 3 years
Invest for long term growth
Investing in product management and R&D for sustainable growth

- Leveraging cross technology platform creates longer term value & higher security products
- Differentiated service offerings that build customer relationships

Examples of product adoption by number of issuing authorities

11 new product and service launches in the last 3 years vs. historic average 1-2 a year

- StarChrome® launched
- Safeguard® launched
- Kinetic StarChrome® launched
Invest for long term growth
Strengthening sales team and marketing

Established Marketing function
• Refreshed brand proposition
• Increased market outreach

Professionalised and upskilled sales team
• Added resources focusing on solution sales skills
• TPP transition

Improved commercial management
• New CRM system
• Redefined value proposition and improved bid processes

+39% Number of bids in FY17/18
71% Win rate up from 66% in FY16/17

Total Sales & Marketing cost

<table>
<thead>
<tr>
<th></th>
<th>FY15/16</th>
<th>FY16/17</th>
<th>FY17/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20.4</td>
<td>$25.2</td>
<td>$28.0</td>
<td></td>
</tr>
</tbody>
</table>

Order intake growth FY17/18

<table>
<thead>
<tr>
<th>Category</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group (ex. Paper)</td>
<td>15%</td>
</tr>
<tr>
<td>Security features</td>
<td>60%</td>
</tr>
<tr>
<td>Polymer</td>
<td>23%</td>
</tr>
<tr>
<td>International ID</td>
<td>117%</td>
</tr>
<tr>
<td>PAT</td>
<td>97%</td>
</tr>
</tbody>
</table>
Invest for long term growth
Enhancing manufacturing capability and efficiency

Polycarbonate line in Malta
- Filled the gap in our end to end passport solutions
- Layered security increases value add
- Essential component for ID card – strengthening our ability for ID market

New security print line in Malta
- Increases capability for a fast growing PA&T market
- +3bn secure label capacity from Q2 FY19
- More efficient production – 5x faster, 3x wider

New banknote varnishing line in Kenya
- Upgrade capability to match the UK sites – wider range of jobs
- Expect 30% increase in productivity
Update on strategic progress

Invest & Build

Optimise & Flex
Update on strategic progress – reducing volatility

Paper transaction reduced the Group’s exposure to the volatility of paper market

Reduce exposure to the volatility of the commercial paper market which has long term oversupply issues

10 year supply contract with fixed volume and price mechanism eliminates price volatility

Banknote Paper revenue and operating profit margin*

* Adjusted for quality of earnings

Price per tonne varies significantly, no historic trend
Update on strategic progress – reducing volatility
Two causes of volatility in Banknote Print

Little correlation between note issuance and note production. Irregular demand patterns create difficulties in forecasting and planning.

Global banknote print market (171bn notes)

- 87% SPWs
- 11% Commercial print market
- 1-4% Overspill from SPWs

Banknote print market overspill (bn notes)

+2% CAGR

Difference in production volume year on year could be 3 times

*Source: Bank of England

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Have we addressed the volatility in the business?

Optimising internal capacity and increasing flexibility

Match core capacity with long term market demand, reducing fixed costs for unutilised capacity

- Decommissioned 2 lines in Malta
- Upgrade remaining 5 lines in Gateshead, Kenya, Sri Lanka

More flexibility to deal with demand surge – work with third party partners where possible

Standardised footprint with upgraded capability and common practice – fewer but more efficient production lines
Update on progress – improving predictability
A long journey to a more predictable business model

- **DLR Analytics™**
  - Cloud-based software
  - Consultancy services

- **Benefits to De La Rue**
  - Unique customer proposition
  - More predictable buying behaviour
  - Building stronger relationships and opening up new opportunities

- **Direct approach** – localising sales and account management to be closer to our customers, providing imminent support and market intelligence

- **Central banks signed up**
  - 70
  - 1/3 of which are new to De La Rue
More diversified revenue streams

- Invest & Build product lines +8% CAGR* FY15 – FY18
- 1/3 of Group revenue and 50% of Group adjusted operating profit

*Excluding the material security features contract ended in December 2015

More balanced customer base

- Growing number of customers
- Growing revenue per customers
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New note issuance continues to grow
De La Rue is growing ahead of the market
Banknote Print

- Demand remains strong – higher volumes and average price
- Good progress in building long term customer relationships
  - Renewed two LTAs with extended terms
  - Added one more
- Improvement programme continues to deliver standardised footprint and improve efficiency
  - Print line upgrades in Kenya and Sri Lanka ongoing
  - Added a new banknote varnishing line in Kenya
  - Plan for rolling out monitoring and note inspection system in place
- Establishing stronger relationships with manufacturing partners – successfully outsourced printing of 113m notes
Polymer

- Momentum has gathered pace
  - Doubled volumes to 810 tonnes – 11% market share
  - Added 11 customers and 22 denominations, including BoE, Botswana, and a West African country state print work
  - Qualification process with Canada, Australia and New Zealand ongoing

- Development of differentiating new features is progressing
Security Features

- Good uptake of premium feature KineticStarChrome™ launched in 2014

- Newly launched features saw traction
  - Kinetic StarChrome Portrait™ secured 1st order
  - Enhanced Gemini™ in 1st banknote design

- R&D focus continued to deliver good results
  - Launched two new premium features – Ignite™ and PureImage™
  - New feature for passport – Cooper™
  - Lippmann hologram new form factor for brand protection - Blulock™

- Revenue & operating margin trends*

* Excluding the material security features contract ended in Dec 2015
Identity Solutions

- Malta Centre of Excellence opened – polycarbonate line in operation with Kenya new ePassport
- Good progress on increasing software/services revenue
- Strong momentum in international ID sales through leveraging existing relationships – order intake +117%
  - Bangladesh 5m passport top up
  - Malta eID solution
  - ePassport solution for an East African nation
  - Design and development contract for Australia next generation passport due to be issued in 2020
  - Design contract for Dominican Republic
- Accelerate product development through Opalux partnership
  - Joint development on personaliseable feature for identity products
  - Exclusive sales agreement
- UK Passport impact

+28%
Software/service revenue yoy increase

30%
Software/service as % ID excl. UKP in FY17/18 (FY16/17: 25%)

Revenue & operating margin trends

FY15 FY16 FY17 FY18
Revenue
Operating margin ex UKP bid cost
Operating margin

75.9 76.5 80.6 82.0
15% 11% 14% 15%
10%
Product Authentication & Traceability

- Good momentum in Government Revenue Services (GRS)
  - Secured a five year tax stamp solution contract with Federal Tax Authority in the UAE – good reference in the region
  - Increasing demand in EU market driven by EU TPD (Tobacco Products Directive)
- Brand protection progressing well
  - De La Rue Authentication Solutions exceeded plan – extending to Industrials market with a pilot programme with Cummins
  - Strategic partnership with Optel – further enhanced our track and trace product offering

+10% Revenue growth CAGR FY15 - FY18

+8% Operating profit growth CAGR FY15 - FY18

Revenue & operating margin trends

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Operating margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>29.8</td>
<td>25%</td>
</tr>
<tr>
<td>FY16</td>
<td>25.5</td>
<td>27%</td>
</tr>
<tr>
<td>FY17</td>
<td>31.6</td>
<td>28%</td>
</tr>
<tr>
<td>FY18</td>
<td></td>
<td>40.1</td>
</tr>
</tbody>
</table>

25% 27% 28% 23%
Summary

1. Underlying performance remains solid, although FY17/18 results mixed

2. Good progress against our strategic goal to become a less capital intensive, more technology led business

3. Balance sheet significantly strengthened, providing with greater flexibility in capital allocation to invest for future growth

4. Outlook: Strong order book gives good revenue coverage for the year ahead. FY18/19 profit expected to be in line with last year as we will continue to invest in R&D and sales to drive long term sustainable growth
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Strategic milestones

- **2014/15**
  - Announced five year strategic plan

- **2015/16**
  - Completed reorganisation
  - Launched software product DLR Identify and DLR Certify
  - Secured 1st volume customer for Polymer
  - Complete manufacturing footprint review

- **2016/17**
  - Launched cash cycle management software DLR Analytics
  - Completed sale of Cash Processing Solutions
  - Agreed new pension funding plan
  - Acquired brand protection firm DuPont Authentication

- **May 2017**
  - Secured 1st volume customer for Polymer

- **Oct 2017**
  - Won 10 year contract to supply polymer substrate for Bank of England’s new £20
  - Agreed pension indexation change, reducing pension liabilities by £70m

- **Nov 2017**
  - Agreed sale of 90% stake in polymer business to Epiris and guaranteed paper supply with a 10 year contract

- **Feb 2018**
  - Agreed pension indexation change, reducing pension liabilities by £70m

- **Mar 2018**
  - Completed the paper transaction, reducing net debt to £50m
  - Entered partnership with Canadian technology firm Optel, strengthening DLR’s track & trace solutions

- **Apr 2018**
  - Entered partnership with Canadian technology firm Optel, strengthening DLR’s track & trace solutions
## Consolidated income statement – continuing operations

<table>
<thead>
<tr>
<th></th>
<th>2017/18</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
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<td>62.8</td>
<td>70.7</td>
</tr>
<tr>
<td>Exceptional items</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td>60.9</td>
<td>(0.4)</td>
</tr>
<tr>
<td></td>
<td>(0.7)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Reported operating profit</td>
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<td>113.6</td>
<td>58.2</td>
</tr>
<tr>
<td>Taxation</td>
<td>(16.8)</td>
<td>(8.7)</td>
</tr>
<tr>
<td>Adjusted profit after tax**</td>
<td>45.1</td>
<td>49.4</td>
</tr>
<tr>
<td>Reported profit after tax</td>
<td>96.8</td>
<td>49.5</td>
</tr>
<tr>
<td>Adjusted basic EPS*</td>
<td>42.9p</td>
<td>47.1p</td>
</tr>
<tr>
<td>Adjusted diluted EPS*</td>
<td>42.5p</td>
<td>46.5p</td>
</tr>
<tr>
<td>Reported basic EPS</td>
<td>93.7p</td>
<td>47.2p</td>
</tr>
<tr>
<td>Reported diluted EPS</td>
<td>92.8p</td>
<td>46.6p</td>
</tr>
</tbody>
</table>

* Excludes exceptional net gains of £60.9m (2016/17: net charges of £0.4m) and amortisation of acquired intangible assets of £0.7m (2016/17: £0.1m).

** Excludes exceptional net gains of £60.9m (2016/17: net charges of £0.4m), amortisation of acquired intangible assets of £0.7m (2016/17: £0.1m) and related tax charge of £9.7m (2016/17: credit of £0.6m).

“Adjusted” measures are not on an IFRS basis. For further explanations and reconciliations to equivalent IFRS measures see appendix slides. “Reported” measures are on an IFRS basis.
## Cash flow

<table>
<thead>
<tr>
<th></th>
<th>2017/18 £m</th>
<th>2016/17 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>110.6</td>
<td>51.8</td>
</tr>
<tr>
<td>Finance income and expense</td>
<td>9.4</td>
<td>12.0</td>
</tr>
<tr>
<td>Deprecation and amortisation</td>
<td>25.2</td>
<td>26.8</td>
</tr>
<tr>
<td>Loss on disposal / asset impairment</td>
<td>-</td>
<td>5.5</td>
</tr>
<tr>
<td>Loss on sale of business</td>
<td>9.3</td>
<td></td>
</tr>
<tr>
<td>Working capital movement</td>
<td>17.8</td>
<td>(17.2)</td>
</tr>
<tr>
<td>Non cash gain on re-measurement of defined benefit pension liability</td>
<td>(80.5)</td>
<td></td>
</tr>
<tr>
<td>Pension fund contributions</td>
<td>(13.5)</td>
<td>(14.6)</td>
</tr>
<tr>
<td>Other</td>
<td>(4.8)</td>
<td></td>
</tr>
<tr>
<td><strong>Cash generated from operating activities</strong></td>
<td>73.5</td>
<td>64.3</td>
</tr>
<tr>
<td>Tax and interest paid</td>
<td>(15.5)</td>
<td>(9.9)</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(24.7)</td>
<td>(26.1)</td>
</tr>
<tr>
<td>Proceeds from sale of business (net of cash disposed)</td>
<td>55.8</td>
<td></td>
</tr>
<tr>
<td>Acquisition of subsidiary (net of cash acquired)</td>
<td>(1.1)</td>
<td>(17.9)</td>
</tr>
<tr>
<td>Advanced payment – non trading</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td>(25.4)</td>
<td>(25.4)</td>
</tr>
<tr>
<td>Net repayment of borrowings</td>
<td>(67.0)</td>
<td>(12.4)</td>
</tr>
<tr>
<td>Proceeds from sale of CPS</td>
<td>3.0</td>
<td>2.1</td>
</tr>
<tr>
<td>Other</td>
<td>0.6</td>
<td>(1.4)</td>
</tr>
<tr>
<td><strong>Net cash (outflow)/inflow</strong></td>
<td><strong>4.2</strong></td>
<td><strong>(26.7)</strong></td>
</tr>
</tbody>
</table>
Non-IFRS measures

De La Rue publishes certain additional information in a non-statutory format in order to provide readers with an increased insight into the underlying performance of the business. The measures the Group uses along with appropriate reconciliations where applicable are shown below.

Adjusted operating profit

Adjusted operating profit represents earnings from continuing operations adjusted to exclude exceptional items and amortisation of acquired intangible assets.

<table>
<thead>
<tr>
<th></th>
<th>2017/18 £m</th>
<th>2016/17 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit from continuing operations on an IFRS basis</td>
<td>123.0</td>
<td>70.2</td>
</tr>
<tr>
<td>- Amortisation of acquired intangible assets</td>
<td>0.7</td>
<td>0.1</td>
</tr>
<tr>
<td>- Exceptional items – operating</td>
<td>(60.9)</td>
<td>0.4</td>
</tr>
<tr>
<td>Adjusted operating profit from continuing operations</td>
<td>62.8</td>
<td>70.7</td>
</tr>
</tbody>
</table>
Non-IFRS measures

Adjusted earnings per share are the earnings attributable to equity shareholders, excluding exceptional items and amortisation of acquired intangible assets and discontinued operations divided by the weighted average number of ordinary shares dual share in issue. It has been calculated by dividing the adjusted operating profit from continuing operations for the period by the weighted average number of ordinary shares in issue.

<table>
<thead>
<tr>
<th></th>
<th>2017/18 £m</th>
<th>2016/17 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit attributable to equity shareholders of the Company from continuing operations on an IFRS basis</td>
<td>95.4</td>
<td>47.9</td>
</tr>
<tr>
<td>- Amortisation of acquired intangible assets</td>
<td>0.7</td>
<td>0.1</td>
</tr>
<tr>
<td>- Exceptional items</td>
<td>(60.9)</td>
<td>0.4</td>
</tr>
<tr>
<td>- Tax on exceptional items</td>
<td>8.5</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Adjusted profit attributable to equity shareholders of the Company from continuing operations</td>
<td>43.7</td>
<td>47.8</td>
</tr>
<tr>
<td>Weighted average number of ordinary shares for basic earnings</td>
<td>101.9</td>
<td>101.6</td>
</tr>
<tr>
<td>Basic earnings per ordinary share for continuing operations on an IFRS basis</td>
<td>93.7p</td>
<td>47.2p</td>
</tr>
<tr>
<td>Adjusted basic earnings per ordinary share for continuing operations</td>
<td>42.9p</td>
<td>47.1p</td>
</tr>
</tbody>
</table>
Thank you