

SHAREHOLDERS AND SHARE CAPITAL

As at 27 March 2010 the Company's authorised share capital was £66m comprising 111,673,300 deferred shares of 1p each and 144,641,840 ordinary shares of 44¹⁵²/₁₇₅p each. On 27 March 2010 there were 98,882,856 ordinary shares and 111,673,300 deferred shares in issue.

Details of shares issued during the year are provided in note 21a to the Financial Statements on page 82.

Results and Dividends

Profit before taxation and exceptionals was £104.1m (2008/2009: £105.0m for continuing businesses). The profit attributable to shareholders for the year was £69.9m (2008/2009: £363.0m). The Directors are recommending a final ordinary dividend for the year of 28.2p per share. Subject to the approval of shareholders at the Annual General Meeting (AGM), the final dividend will be paid on 5 August 2010 to ordinary shareholders on the register on 9 July 2010. An interim dividend of 14.1p per ordinary share was paid on 13 January 2010 making a total for the year of 42.3p per share (2008/2009: 41.1p per share).

Pre-emption 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 2009. Authorities to renew for one year the power of Directors to allot shares pursuant to Section 551 of the Companies Act 2006 will be sought from the shareholders at the AGM. The Company was granted authority by its shareholders at the 2009 AGM to purchase a maximum of 9.99 per cent of its own ordinary shares either for cancellation or to be held in treasury (or a combination of both). 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 including:

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 of Association (the 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 he is not entitled to receive them from the Company. The Board can decide that only people who are entered on the register 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 liquidation 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 an extraordinary resolution of the Company the liquidator may divide amongst members the whole or any part of the assets of the Company and may, for such purpose, set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out.

Transfers of shares

The Company's existing Articles place no restrictions on the transfer of ordinary shares or on the exercise of voting rights attached to them, except: (i) 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 (ii) 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.

The 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

The Trustee of the De La Rue Employee Share Ownership Trust does not seek to exercise voting rights on shares held in the employee trust. No shares are currently held in trust.

Substantial shareholdings

As at 24 May 2010 the following companies had notified an interest in the issued ordinary share capital of the Company in accordance with the Financial Services Authority's Disclosure and Transparency Rules.

Persons Notifying	Total Number of Shares	Total Number of Voting Rights	Percentage of Voting Rights
Capital Research and Management Company	17,383,233	17,383,233	18.04%
Ruane, Cunniff & Goldfarb Inc	6,430,399	6,430,399	6.50%
Massachusetts Mutual Life Insurance Company	6,023,496	6,023,496	6.09%
BlackRock Investment Management (UK) Limited	4,638,337	4,638,337	4.69%
Legal & General Group Plc	3,404,426	3,404,426	3.44%

Relationship with shareholders

The Company places a high priority 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. The interim statement is also posted on the Group's website as are presentations to institutional investors. Announcements are also regularly made by the Company through a Regulatory Information Service to the London Stock Exchange. The Chairman and the senior independent non-executive Director are available to meet key shareholders to discuss strategy, governance and other matters.

All shareholders are entitled to attend the AGM and receive a Notice of Meeting which is posted at least 20 working days before the AGM. Shareholders can also 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 also provides 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 events. 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 broker.

Annual General Meeting

The AGM will be held at 10.30 a.m. on Thursday 22 July 2010 at De La Rue House, Jays Close, Viables, Basingstoke, RG22 4BS. The Notice of Annual General Meeting, including a letter from the Chairman, accompanies this Annual Report. In addition to resolutions already described are proposals to establish new performance share plans for senior executives and to adopt new Articles that fully comply with the provisions of the Companies Act 2006.