

# Shareholders and Share Capital

As at 28 March 2009 the Company's authorised share capital was £66m comprising 111,673,300 Deferred Shares of 1 penny each and 144,641,840 Ordinary Shares of 44<sup>152</sup>/<sub>175</sub>p each. On 28 March 2009 there were 97,786,854 Ordinary Shares and 111,673,300 Deferred Shares in issue. The process whereby the Company's share capital changed during 2008/2009 is described below.

Details of shares issued during the year are provided in note 21a to the financial statements on page 99.

## Return of Cash to Shareholders

On 16 June 2008 the Board announced its intention, conditional on completion of the disposal of the Cash Systems business, to return approximately £460m to shareholders, representing 305 pence per existing Ordinary Share. The disposal completed on 1 September 2008. The return of cash was structured: (i) to give shareholders (other than certain excluded shareholders) a choice between receiving the cash in the form of income or capital and (ii) to reduce the number of existing Ordinary Shares in issue so that, subject to normal market movements, the share price of one new Ordinary Share immediately after Admission to the Official List was approximately equal to the share price of one existing Ordinary Share immediately prior to the cessation of dealings in existing Ordinary Shares. Shareholders approved the Return of Cash and the related reorganisation of the Company's share capital into B Shares and new Ordinary Shares at the Extraordinary General Meeting of the Company on 14 November 2008. On 28 November 2008 shareholders received 305 pence per B Share under the terms of the Return of Cash documentation. JPMorgan Cazenove Limited acting as principal purchased 39,101,452 B Shares for 305 pence each which were subsequently acquired by De La Rue plc for an aggregate consideration of approximately £119.3m. These B Shares were cancelled on 28 November 2008. Each B Share in respect of which a dividend of 305 pence per share was declared on 25 November 2008 was converted into a Deferred Share of 1 penny nominal value. As a consequence of the Return of Cash and share reorganisation the Company's authorised share capital was reduced to £66m representing 111,673,300 Deferred Shares of 1 penny each and 144,641,840 Ordinary Shares of 44<sup>152</sup>/<sub>175</sub>p each. The issued share capital was reduced to 96,650,482 from 150,774,752 Ordinary Shares.

## Results and Dividends

Profit before taxation and exceptionals was £105.0m (2007/2008: £88.6m for continuing businesses). The profit attributable to shareholders for the year was £363.0m (2007/2008: £88.1m). The Directors are recommending a final ordinary dividend for the year of 27.4p per share. Subject to the approval of shareholders at the Annual General Meeting, the final dividend will be paid on 31 July 2009 to ordinary shareholders on the register on 10 July 2009. An interim dividend of 13.7p per Ordinary Share was paid on 14 January 2009 making a total for the year of 41.1p per share (2008: 21.4p per share).

## Pre-emption Rights and Authority to Allot

The Companies Act 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 2008. Authorities to renew for one year the power of Directors to allot shares pursuant to Sections 89 and 95 of the Companies Act 1985 will be sought from the shareholders at the Annual General Meeting. The Company was granted authority by its shareholders at the 2008 Annual General Meeting 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) and such authority was reduced at the Extraordinary General Meeting on 14 November 2008 to apply to the number of shares in issue following the share consolidation described above. 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.

The Company was also granted authority at the Extraordinary General Meeting for the market purchase by the Company of the B Shares at a maximum price of 305 pence each. As described above the Company acquired 39,101,452 B Shares for an aggregate consideration of approximately £119.3m and these B Shares were cancelled on 28 November 2008.

## 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 of 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

There are 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 FSA'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 of Association of the Company. The holders of Deferred Shares are not entitled to receive notices of general meetings of the Company or to attend, speak and vote at any such meeting. Further, the holders of Deferred Shares have no right to participate in the profit of the Company or in the assets of the Company, save for the limited rights on winding-up of the Company, in accordance with the Articles of Association of the Company.

### Dealings subject to the Model Code of the Listing Rules

Dealings in the Company's Ordinary Shares by its Directors, persons discharging managerial responsibilities, certain employees of the Company and, in each case, their connected persons, are subject to the Company's Share Dealing Code which adopts the Model Code of the Listing Rules published by the Financial Services Authority ('FSA').

### 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 voting rights are exercised in relation to shares unallocated to potential individual beneficiaries. No shares are currently held in trust.

### Substantial Shareholdings

As at 19 May 2009 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	14,298,233	14,298,233	14.58
Ameriprise Financial Inc	4,959,541	4,959,541	5.05
Legal & General Group Plc	3,746,922	3,746,922	3.82
Baring Asset Management Limited	3,488,035	3,488,035	3.56

### Relationship with Shareholders

The Company places a high priority on communications with and accountability to shareholders. A fully audited Annual Report and Accounts is sent to shareholders and it and the interim statement are posted on the Company's website as are presentations to institutional investors. Announcements are also regularly made by 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 Annual General Meeting and receive a Notice of Meeting which is posted at least 20 working days before the Annual General Meeting. Shareholders can also vote and appoint proxies electronically. At this year's Annual General Meeting voting on resolutions will be conducted on a poll. Results of the poll will be made available to shareholders on the Company'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. Directors also have an opportunity to meet shareholders 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 an external consultant.