

RNS Number : 7792Z

De La Rue PLC

24 July 2008

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2008Â AGM Chairman's Statement and Interim Management StatementÂ

24Â July 2008

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At De La Rue plc's Annual General Meeting (AGM) being held today, the Chairman, Nicholas Brookes, will make the following statement, which comprises the Group's Interim Management Statement,Â forÂ the periodÂ sinceÂ 1 April 2008, as required by the UK Listing Authority's Disclosure and Transparency Rules:Â

Trading

"TradingÂ during theÂ periodÂ has been in line with our expectations,Â particularlyÂ reflecting aÂ continued strong level of banknote demand.Â We expect this to result inÂ year on year volume and revenue growth, partially offset by less favourable mix and lower overspill volumes.Â The other Security Products businesses have also traded in line with expectations.

"InÂ theÂ Cash SystemsÂ businessesÂ which we have agreed to sell,Â trading in the first quarter of the financial year hasÂ been strong, despite theÂ uncertaintiesÂ in the retail and commercial banking sector.Â In the CPS business,Â investment has been increased in R&D and marketing to support the launch of keyÂ newÂ products and expansion into new territories.

Balance Sheet

"The Group's balance sheet remains strong with net cash at the end of the first quarter ofÂ Â£100.5m.Â As announcedÂ inÂ theÂ Group'sÂ Preliminary Results, new credit facilitiesÂ of Â£175mÂ have beenÂ put in place,Â includingÂ a term loan for Â£50m.Â Â TheseÂ are expected to be drawn downÂ by Â£100mÂ asÂ part of theÂ proposed return of cash to shareholders following completion of theÂ disposalÂ ofÂ the Cash Systems Division, excluding CPS.

UpdateÂ on the disposal of Cash Systems

"TheÂ sale ofÂ Cash Systems, excluding CPS,Â to TheÂ CarlyleÂ GroupÂ is conditional upon approval by De La Rue's shareholders, which was obtained at anÂ EGM on Monday, July 14, 2008, and on various regulatory approvals being obtained.Â

"Following completion of the disposal, shareholdersÂ will receive as soon as practicable,Â aÂ CircularÂ outlining theÂ process and timing of theÂ proposed return of capital.

Outlook

"The order booksÂ inÂ both divisions remain at a four year high.Â In Currency, we expect this to result in the business continuing to operate at high levels of capacity throughout the remainder of the year.Â The Board remains confident in theÂ tradingÂ outlook for theÂ currentÂ year."

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24 July 2008

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Notes to Editors

- 1 De La Rue is the world's largest commercial security printer and papermaker, involved in the production of over 150 national currencies and a wide range of security documents such as passports, authentication labels and fiscal stamps. The Company is also pioneering new technologies worldwide in government identity solutions for national identification, drivers licence and passport issuing schemes. Employing over 6,000 people across 31 countries, it is also a leading provider of cash handling equipment and software solutions to banks and retailers worldwide, helping them to reduce the cost of handling cash.

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