MAXIMISING SHAREHOLDER VALUE
Agreement to sell Cash Systems

Leo Quinn
Chief Executive

Teleconference
16 June 2008
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Agenda

- Key drivers for sale
- Agreement to sell Cash Systems for £360m
- Capital Return of £460m to shareholders
- Financial performance
- De La Rue plc going forward
- Q&As
Key Drivers for Sale

- Crystallises the value created in Cash Systems since 2004

- Focuses De La Rue on Governments, Central Banks & International Corporations, reducing exposure to retail/commercial banking sector

- Intention to build on its position as a world leading manufacturer and supplier of banknote printing and banknote paper, and of security features and authentication systems and products used in payment and identity transactions
Agreement to Sell Cash Systems for £360m

- Agreement to sell Cash Systems to The Carlyle Group
- Cash consideration of £360m, on cash and debt free basis
- Businesses sold: BTA, DTP & OEM (excluding CPS)
- Turnover £286.6m, EBIT £35.5m

Subject to conditions
- Shareholder approval – Class 1 Circular and EGM
- Regulatory approvals

Completion targeted before end of September 08

Crystallises value built since 2004
Capital Return of c.£460m to Shareholders

- Proposed return of c.£460m, equivalent to 305 pence per share

- Comprising:
  - Net disposal proceeds of c.£330m
  - After advanced pension contribution (£15m) and estimated restructuring costs (£10m)
  - Plus £160m special dividend announced at Prelims (which will be incorporated into a single capital return)

- By way of B share scheme and share consolidation
  (option to receive capital return as either income or capital)

- Details of capital return to be sent to shareholders after sale completion
Accelerating Shareholder Value

- Crystallises investment created in Cash Systems since 2004

- Enhances financial characteristics of De La Rue
  - improves Group margins with strong cash conversion
  - good visibility markets with long-term growth drivers
  - includes retained interest in Camelot, UK lottery operator

- Anticipated reduction in underlying cost structure of £17.8m by c.50% over 18 months
  - one off cost of £10m
  - simplified business structure
  - focused customer base

Strongly positioned to drive outstanding returns
Good market, strong competitive position, well positioned for the future, outstanding financial returns
## Segmental analysis – 2007/2008

### SECURITY PAPER AND PRINT DIVISION

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<thead>
<tr>
<th></th>
<th>EXISTING GROUP</th>
<th>RETAINED GROUP</th>
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<tbody>
<tr>
<td></td>
<td>Turnover £m</td>
<td>Operating Profit £m</td>
</tr>
<tr>
<td>Currency</td>
<td>316.7</td>
<td>79.5</td>
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<tr>
<td>Security Print</td>
<td>74.8</td>
<td>9.8</td>
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<td>Identity Systems</td>
<td>26.5</td>
<td>4.6</td>
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<tr>
<td>Eliminations</td>
<td>(9.4)</td>
<td>-</td>
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<td>Sub Total</td>
<td>408.6</td>
<td>93.9</td>
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<tr>
<td>Allocated Overhead</td>
<td>(14.3)</td>
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**TOTAL SECURITY PAPER AND PRINT DIVISION**

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<tr>
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<td>408.6</td>
<td>79.6</td>
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### CASH SYSTEMS DIVISION

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<th>EXISTING GROUP</th>
<th>RETAINED GROUP</th>
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<tr>
<td></td>
<td>Turnover £m</td>
<td>Operating Profit £m</td>
</tr>
<tr>
<td>Cash Systems</td>
<td>286.6</td>
<td>43.4</td>
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<tr>
<td>Cash Processing Solutions</td>
<td>58.4</td>
<td>1.0</td>
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<tr>
<td>Sub Total</td>
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<td>44.4</td>
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<tr>
<td>Allocated Overhead</td>
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<td>(9.3)</td>
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**TOTAL CASH SYSTEMS DIVISION**

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<td></td>
<td>345.0</td>
<td>35.1</td>
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**Total operating profit**

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<tr>
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<td>753.6</td>
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**Share of Associates (Camelot)**

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**£753.6m £121.8m £467.0m £78.4m**
Dividend policy and future capital returns

- As announced on May 22, the Board has agreed a new dividend policy of approximately 1.75 times, based on the underlying earnings for the year.
- The Board intends to maintain a progressive dividend policy and is prepared to consider different levels of dividend cover as a result of any short term fluctuations in earnings.
- The Board will monitor the shape of the balance sheet and, where appropriate, consider return of surplus cash to shareholders.
Outlook

“We enter 2008/09 with order books in both divisions at a four year high.

“In Currency, this is expected to result in the business continuing to operate throughout the current year at the high levels of capacity experienced in 2007/08.

“Thus, despite the more uncertain financial environment, we remain confident in the outlook for the year ahead.”

- Preliminary Results, 22 May 2008
Maximising Shareholder Value 2004-2008

2004 – 2008  c.£780m returns to Shareholders
De La Rue – Structure 2008

De La Rue plc

Security Paper and Print
- Currency
- Security Products
- Cash Processing Solutions (CPS)

Cash Systems
- Branch Teller Automation (BTA)
- DTP/OEM

...serving Central Banks, Governments and International Corporations

...serving retail / commercial banking sector

Future organisation aligned around customers