



PRESS RELEASE

Privet Capital acquires leading cash processing solutions business from De La Rue *De La Rue to enter into a strategic partnership with CPS*

London, 23 May 2016: Privet Capital ("Privet"), the private equity investor focused on creating value through operational improvement, today announces its acquisition of Cash Processing Solutions Limited and its subsidiaries (together "CPS") from De La Rue Plc ("De La Rue").

CPS is today one of the market leaders providing world-class cash processing hardware, software and related services to central banks, commercial banks, state printworks and commercial cash processing companies. Its solutions play a critical role in managing cash throughout its lifecycle from manufacture through to issuance, circulation, processing and destruction. These complex sorting solutions process 125 billion banknotes per annum from operations in 106 countries, supported by a team of over 500 people.

Under the terms of the sale agreement, De La Rue will enter into a strategic partnership with CPS that will focus on product innovation and technology development, sales and marketing. The partnership will also see De La Rue support CPS in the sale of CPS equipment into central banks, as well as into the De La Rue Currency Printworks. CPS management will remain with the business, which will continue to trade under its current branding.

Commenting on the transaction, Steve Keating, Managing Partner of Privet Capital, commented: "We are extremely pleased to have acquired CPS and are excited about the potential that the business presents. We have the significant advantage of retaining both the existing CPS management team and the ongoing strategic support of De La Rue, in addition to the operational expertise and focus that Privet offers. I have no doubt that this combination will allow us to accelerate the growth of the business and enable CPS to continue, in the long term, to develop its strong product portfolio and further strengthen its excellent long-standing customer relationships."

Keith Eckford, Managing Director at CPS, added: "This is a very exciting development for CPS, our staff and our customers. The growing global market in cash processing means we can continue to invest in the development of our strong product range, our excellent people and our outstanding service. We have secured strong and stable financial support through Privet and a valuable strategic partnership with De La Rue. I believe this will allow our business to fulfil the significant potential that we have long believed it has."

Martin Sutherland, CEO of De La Rue, said: "Following a root and branch review, we have concluded that, whilst CPS has a good product profile and long-term customer relationships, we do not believe that this is a business which should form part of our portfolio. The sale will enable De La Rue to focus on its core business and future growth areas, as well as allow CPS to achieve its full potential under the new ownership."

"We have entered into a strategic partnership with CPS, which will ensure that both De La Rue's customers and CPS's customers continue to benefit from each company's expertise over the long term."

Ends

For more information, please contact:

Hawthorn Advisors

John Evans (john.evans@hawthornlondon.com / 0203 745 4960)

Zinka Bozovic (zinka.bozovic@hawthornlondon.com / 0203 745 4964)

Notes to Editors

About Privet Capital

Privet Capital is a London-based private equity investor focused on creating value through operational improvement. Its team of experienced professionals seeks to partner with management teams in established businesses with a strong underlying product/business offering but in need of a clearer strategic direction to achieve operational efficiency and maximise growth potential.

Privet seeks to invest between £1m and £10m into companies in a range of sectors with a turnover of £10m to £200m.

About CPS

Cash Processing Solutions business (“CPS”) provides cash processing hardware, software and associated services used in banknote processing to manage banknote production, cash in circulation, and the maintenance of banknote authenticity, condition and fitness.

CPS was founded in 1957 and has been a leading player in the cash processing market for close to 60 years. It is headquartered in the UK, with a global footprint of c.550 employees serving a worldwide customer base that spans 106 countries.

CPS serves central banks, state print works, commercial banks and cash management companies. Its solutions process 125 billion banknotes per annum.