



# Interim Results September 2007

# Highlights

- *Group turnover up by 13%*
- *Turnover up across all market sectors*
- *Third consecutive year of record results in Europe*
- *25% increase in American turnover offset by investment in marketing and R & D*
- *Anticipated reduction in contribution from 3dcd*
- *Corporate overheads impacted by cost of aborted acquisitions*
- *1.6 million shares purchased by Employee Benefit Trust*
- *Recognition of deferred tax asset of £3.3 million*

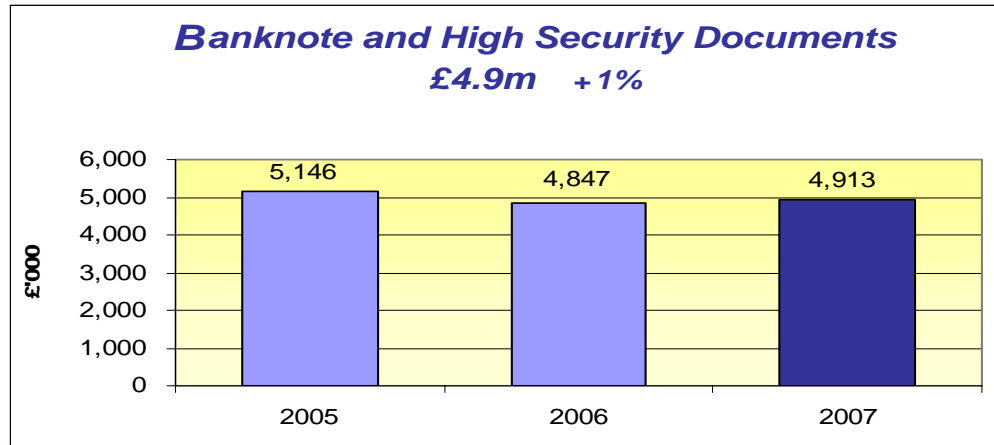


# Group Turnover

	<b>2007</b>	<b>2006</b>	<b>Increase</b>
	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Banknote and High Security Documents	4,913	4,847	1%
Brand Protection	7,153	6,092	17%
ID Technologies	3,859	3,302	17%
Sundry	394	201	96%
	<b>16,319</b>	<b>14,442</b>	<b>13%</b>



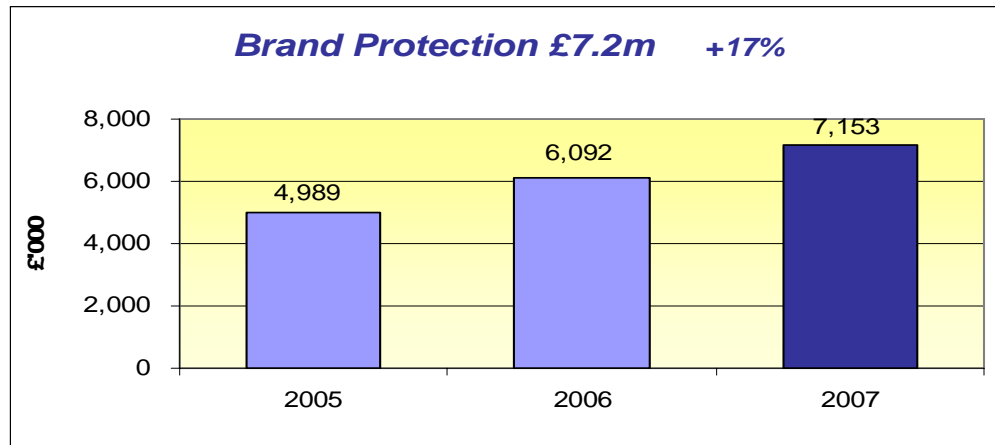
# Bank Note & High Security Documents



- Turnover up by 1%
- Slow ordering in the first half expected to recover in second half



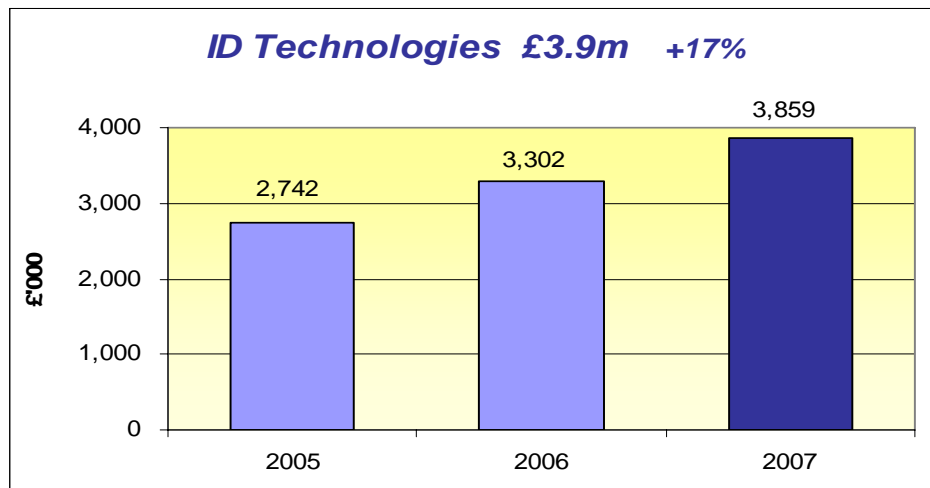
# Brand Protection



- Turnover up by 17%
- Strong performance by the American Sports Leagues and Studios
- New contract with CLPA



# ID Technologies

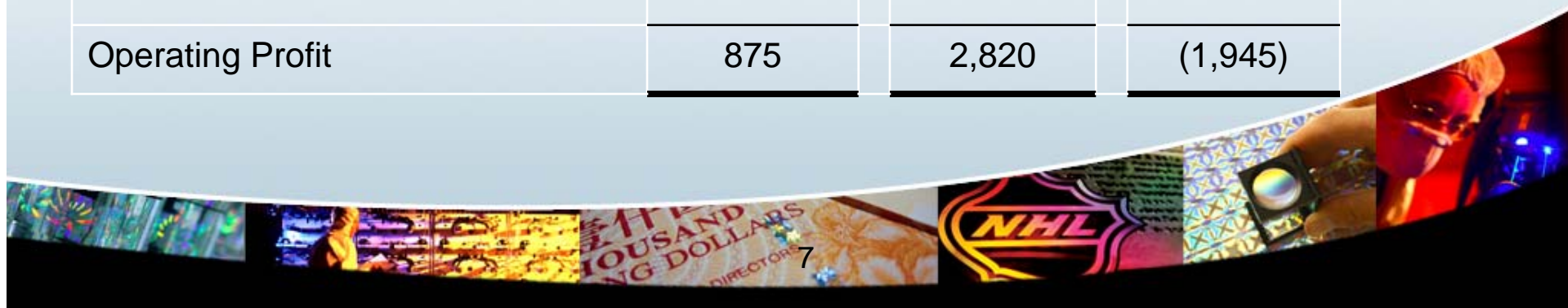


- Sales increased by 17%
- Strong sales of British Passport laminate
- Impact of new contracts secured in second half of prior year

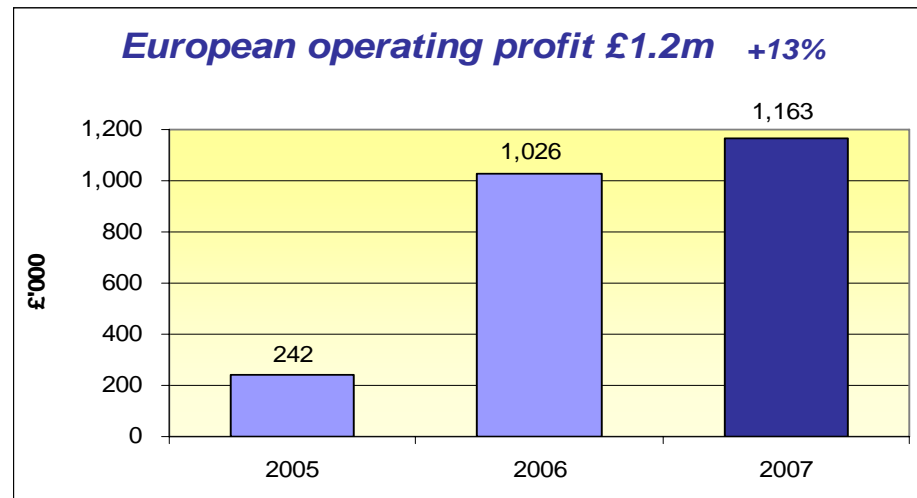


# Group Operating Profit

	<b>2007</b>	<b>2006</b>	<b>Movement</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
American Operations	733	793	(60)
European Operations	1,163	1,026	137
3dcd	576	2,230	(1,654)
Corporate costs	<u>(1,140)</u>	<u>(929)</u>	<u>(211)</u>
Adjusted Operating Profit	1,332	3,120	(1,788)
Goodwill/share based payments	(457)	(300)	(157)
<b>Operating Profit</b>	<b>875</b>	<b>2,820</b>	<b>(1,945)</b>



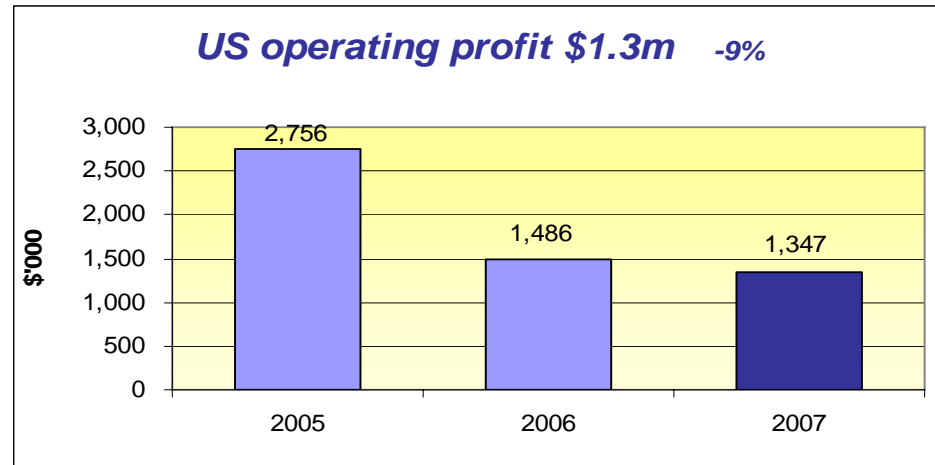
# European Operations



- Turnover growth of 10%
- Operating profit up by 13%
- Third consecutive year of record results



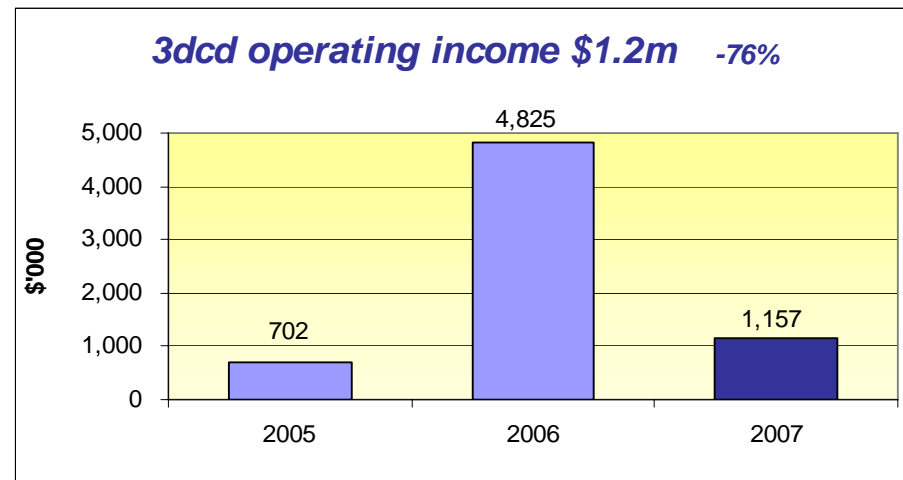
# American Operations



- Turnover growth of 25%
- Start up costs on major new Brand Protection customer
- Operating profit down by 9%
- Significant investment in Marketing and Research & Development
- Impact of exchange rate



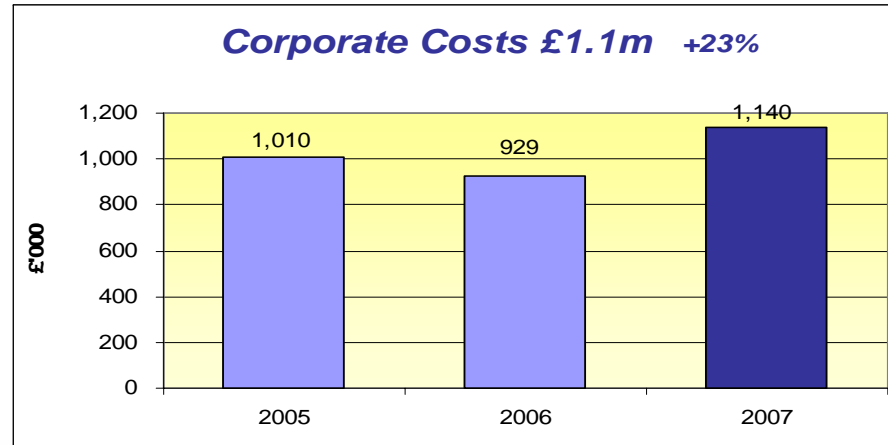
# 3dcd



- Decrease in contribution as anticipated
- Results ahead of expectation



# Corporate Costs



- Covers all centrally controlled costs including; legal, intellectual property, public company costs and management incentive schemes
- One off cost of aborted acquisitions (£235,000)



# Cash Flow Statement

- Net cash outflow from operating activities of £0.5 million (2006: inflow of £0.8 million)
- Net debt at end of period of £0.9 million (2005: £0.1 million)
- Capital expenditure of £0.9 million (2006: £1.5 million)
- Purchase of own shares of £1.3 million (2006: £0.2 million)

# Outlook

- Banknote and High Security Documents
- Brand Protection
- ID Technologies
- 3dcd
- Acquisitions

