

Talaris Topco Limited

Following the publication of our Annual Review for the financial year 2009/2010, we are pleased to provide an update on progress in the first half of the financial year 2010/2011.

25				
12	6 968	7 508	8 693	9 143
53	4 150	4 284	4 478	4 705
31	29	29	36	35
73	52	37	14	19
57	51 813	54 366	58 450	63 093

wherever
money
moves

MARKET AND ECONOMIC CLIMATE

There are signs that the global economy is starting to emerge from the exceptionally difficult economic period of the last two years. However the speed of recovery will vary greatly with Europe and the USA expected to return to trend slowly, whilst the rest of the world, especially the BRIC countries of Brazil, Russia, India and China, will continue to maintain strong growth.

The global footprint of Talaris enables us to benefit from these areas of strong growth as well as ensuring we are optimally positioned to maximise opportunities as they arise in recovering regions. Talaris has achieved significant business wins across the globe from customers in Latin America, Europe and Asia demonstrating that customer confidence in Talaris' solutions remains strong.

This year has also brought with it significant challenges in the shape of exceptional supply chain shortages. The situation has been well documented in the international press and affected a vast array of manufacturing companies, including Talaris. Customer service has been maintained throughout, albeit with additional supply chain costs incurred and this situation is now starting to ease. Talaris enters the second half year with an order backlog that is higher than at the same time last year.

PERFORMANCE

In the six months to 30 September 2010 the Group has achieved a modest year on year increase in revenue compared to the equivalent period last year at consistent rates of exchange. The main source of growth has been in emerging markets, whereas other regions such as North America and Europe have started to recover slowly from recession. Encouragingly the Group's product sales and our underlying service revenue have both increased.

Cash balances remain substantial, enabling the Group to continue to invest in the long term growth of the business. The Group has also maintained focus on its already successful programme of cost control initiatives.

The Group seeks to be as efficient as possible in its use of working capital and continues to benefit from its business model. Operating cash flow for the half year is in line with expectations. Additionally the Group has repaid a further £3.5m of debt in the period. The business continues to operate comfortably within the covenants on its loans.

Talaris MultiMech™ Multi denomination dispenser
launched to market September 2010



MAJOR DEVELOPMENTS

Talaris remains committed to strengthening and growing the business through expansion, both geographically and through product innovation, and the creation of strong partnerships with relevant industry specialists.

In the past 6 months the business has strengthened its footprint in Latin America with the opening of a direct office in Mexico as well as launching new products to market. The Group has built on its new range of software solutions launched last financial year with an advanced remote device management solution for improved performance and business intelligence. September saw the launch of an award winning, multi denomination dispenser for self service automation.

Talaris has an extensive roadmap in place for future product development and remains committed to investment in R&D. In addition, the company announced on 5th October 2010 that it would be relocating final assembly of products currently produced in Sweden to a new Talaris factory in the Far East. This facility combines module build with product configuration activities to help streamline the existing supply chain, reducing customer lead times.

SUMMARY

In October 2010 Talaris received recognition for its performance when, for the second year running, it was listed within the top 70 companies in the Sunday Times HSBC Top Track 250 league table. The Group was also a finalist for the Deloitte Dynamic Business of the Year Award highlighting the Group's commitment to innovation and its strong growth record. For the third year running the half year closed with Talaris achieving a double award win at CIFTEE, China's International Exhibition on Financial Banking Technology and Equipment in Beijing, picking up the Product Innovation Award for the new Talaris MultiMech as well as the Excellent Environmental Booth Award.



These awards and the Group's significant global business wins demonstrate continued industry and customer confidence in Talaris' solutions and expertise. These solutions directly help businesses optimise their performance and the Group has achieved growth in the first six months of the year despite many customers controlling their expenditure more tightly than historically.

Overall, Talaris has achieved a robust start to this financial year and enters the second half with strong order coverage across all its business units. The Group has an extensive business development roadmap in place to support future growth and is ideally positioned to continue to take advantage of the economic recovery and the increasing opportunities in emerging markets.



The Talaris Commitment

Talaris are World Experts in cash management. Across the globe 2,100 personnel, with over 130 business partners deliver technology and solutions that provide security, productivity and innovation to our customers.

The Company is committed to the highest ethical standards and compliance with legislation and to be a fair employer wherever we operate. As a responsible organisation we maintain a disciplined approach to our corporate governance and operate to the optimum professional standards in all aspects of our business.

Talaris will always seek to provide a safe and productive work environment where all employees can grow and be challenged. Wherever we operate our objective is to contribute actively to the community and the local environment. An intrinsic part of our business philosophy across our product and service offerings is to be consistently environmentally responsible and to continue to improve our performance across all environmental issues wherever possible.



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