

# Talaris Topco Limited

Following the publication of our Annual Review for the financial year 2008/2009, we are pleased to provide an update on progress in the first half of the financial year 2009/2010.

12	6 968	7 508	8 693	9 147
53	4 150	4 284	4 478	4 705
31	29	29	36	35
73	52	37	14	19
57	51 813	54 366	59 450	63 093

wherever  
**wherever  
money  
moves**  
money  
moves

## MARKET AND ECONOMIC CLIMATE

The economic climate has continued to provide challenges over the first half of the year, with continued restrictions on financial institutions' capital expenditure. However, over recent weeks there have been some signs of economic improvement with The Economist recently reporting a forecast increase in GDP for 2010 across our main markets of +2.5% in the USA and +1.2% in Europe.

These positive indicators are supported by a number of customers renewing their focus on purchasing decisions. Talaris has achieved significant business wins across the globe from customers in South America, Turkey, UK, Middle East, Australia and North

America demonstrating that our solutions directly help businesses optimise their performance. Customer confidence in our products and solutions in this difficult period remains strong, thereby enabling Talaris to maintain our market leading positions.

	Gross domestic product	
	2009*	2010*
United States	-2.6	+2.5
Euro area	-3.9	+1.2

\*The Economist poll or Economist Intelligence Unit estimate/forecast  
Source: The Economist Newspaper Limited, October 3rd 2009

## PERFORMANCE

Despite the economic climate the Group has improved financial performance for the first six months on sales revenues in line with the equivalent period last year. The enhanced profitability has been made possible by a coordinated programme of cost control initiatives involving improvements to the procurement process, re-engineering products and organisational restructuring including back office consolidation. Focus will be maintained on the cost management programme throughout the second half year.

Cash generation has been excellent. The Group seeks to be as efficient as possible in its use of working capital and has maintained firm control of inventory and receivables. Talaris repaid £10m of debt whilst still improving its cash position from the

year end. The business continues to operate comfortably within the covenants on its loans and has qualified for a reduced interest rate on its debt by achieving certain performance targets.

Talaris Ntegra™ Multi-Currency Desktop Banknote Counter/Sorter  
launched to market September 2009



## MAJOR DEVELOPMENTS

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Talaris remains committed to investment in innovation and the first half of the financial year saw significant new developments throughout the Group. A number of new products were launched successfully and new technology was integrated into our suite of coin and note counting products. We have also invested significantly in currency detection and algorithm resources to ensure faster product rollout into new territories. We have an extensive roadmap in place including further product developments as well as a new range of software solutions which will be available in the marketplace in December 2009.

Focus has been maintained on growth through expansion into new and emerging markets. Our footprint in South America is growing with further significant business won.

China remains an important market for Talaris, particularly our worldwide OEM business, and we are strengthening our commitment in this region through the opening of an office in Shenzhen.

## CONCLUSION

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The strong financial performance of our first year of trading was recognised in October 2009 with Talaris achieving 64th position in the Sunday Times HSBC Top Track 250 league table. As a Group we have continued to build on this with a healthy result in the first six months in a tough trading environment.



The significant business wins around the globe demonstrate our customers continued confidence in our products and have ensured we have a healthy production pipeline as we enter the second half of the financial year. As a result of these business wins, we are confident in the outlook for the next six months despite continued economic uncertainty.

Our internal projects are on track to help reduce cost and we have an extensive business development roadmap in place to help underpin future growth. Overall, we have a strong business which is well placed to take advantage of an economic recovery as it occurs.





## 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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