DOMINO
Printing Sciences plc

ANNUAL REPORT AND ACCOUNTS 2014

DOMINO PRINTING SCIENCES PLC

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HIGHLIGHTS

Domino is one of the world's largest manufacturers of coding and marking and digital printing solutions and is publicly traded on the London Stock Exchange. Our products are used for date coding, product marking, serialisation and printing onto products you use in your everyday life. Our customers are some of the most recognisable brands in healthcare, food, beverage and commercial printing.

2014 HIGHLIGHTS

- Sales up by 9 per cent in local currency
- Robust aftermarket business
- New products driving growth
- Underlying profit of £57.6 million up by 9 per cent
- Profit before taxation of £56.5 million
- Strong operating cash flows
- Increase in dividend

FINANCIAL HIGHLIGHTS

SALES

£350.2m ^4%

2014	350.2m
2013	335.7m
2012	312.1m

UNDERLYING PRE-TAX PROFIT

£57.6m ^9%

2014	57.6m
2013	53.0m
2012	53.7m

UNDERLYING EARNINGS PER SHARE

40.01p ^13%

2014	40.01p
2013	35.30p
2012	36.02p

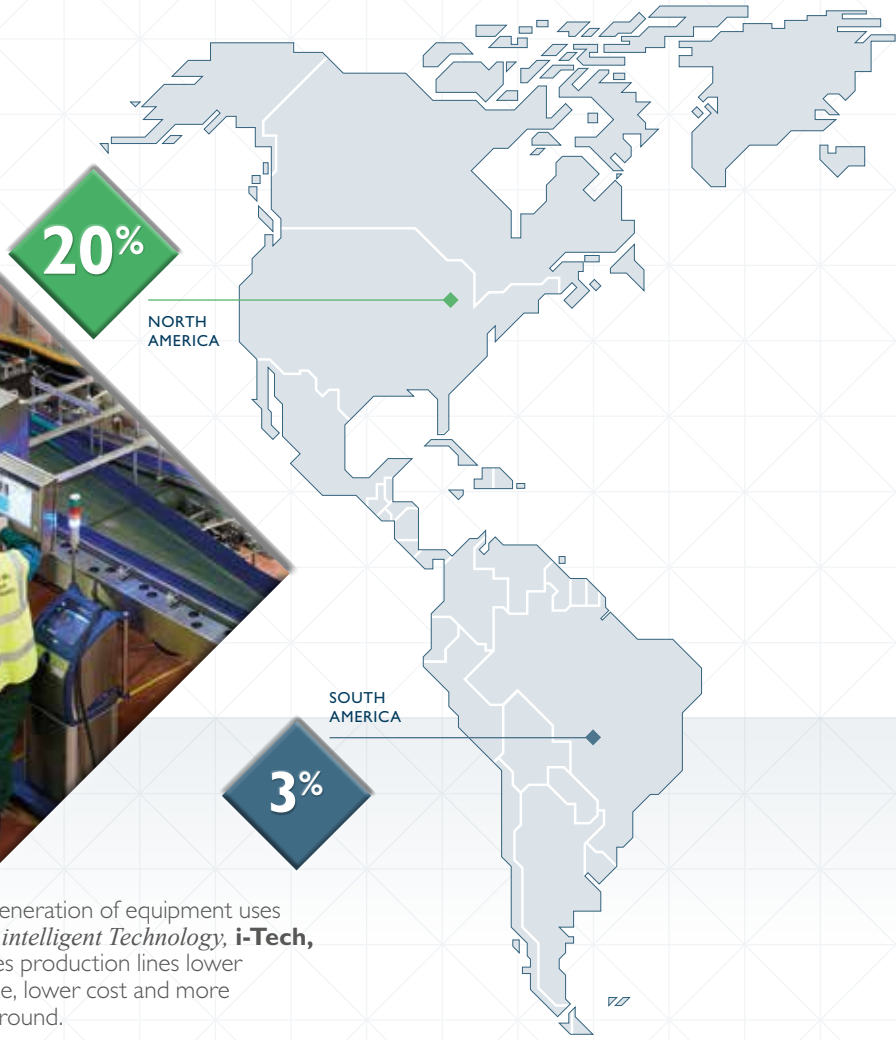
DIVIDEND PER SHARE

22.74p ^5%

2014	22.74p
2013	21.66p
2012	20.63p

OUR BUSINESS AT A GLANCE

The Group operates in global markets, providing manufacturers and printers with the ability to code, mark or print data, information or graphical images on to their products or packaging at high speed, typically in line in the manufacturing or printing process.



WHAT WE DO
Our complete solutions approach is based upon expert applications knowledge and, where required, innovative coding automation software for effective manufacturing line integration.

Demand for our products and services is created through legislation and mandate, typically meeting the need to inform consumers, and through providing manufacturers and printers with an economic means of decorating, identifying, tracing, protecting or authenticating their products for commercial or regulatory purposes.

PRODUCTS AND CUSTOMERS
Our products are designed to support our 'make to order' manufacturing strategy. Typical lead times for the equipment we sell are less than four weeks. Fluids and other consumables are often supplied to customers next day.

Our next generation of equipment uses our unique *intelligent Technology,* **i-Tech,** which makes production lines lower maintenance, lower cost and more efficient all round.

We support a global customer base through an extensive sales channel network comprised of directly held sales subsidiaries and third party distributors. Every sales channel is trained and equipped to provide professional sales advice, installation, service and support.

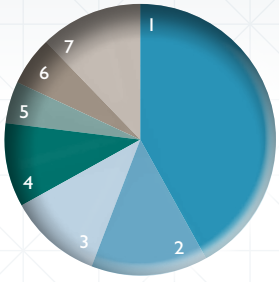
MARKETS
In 2014, our revenue split by location of customers was 23 per cent in the Americas, 43 per cent in Europe and 34 per cent in Asia/Rest of World. We have an installed base well in excess of 200,000 printers operating worldwide.

Typical customers are manufacturers, including multinational, regional and national companies, spread across a wide range of market sectors. We also supply printers of labels, mail and other web based materials to meet their short run and variable printing needs.

Food, beverage, pharmaceutical and commercial printing are the largest sectors; combined they represent approximately 66 per cent of total sales. Our breadth of industry coverage and lack of reliance on any one or small group of customers provides protection against sector specific market risk.

GLOBAL PRESENCE, REGIONAL SALES BY LOCATION OF CUSTOMER

SECTOR COVERAGE



In depth sector expertise and market based solutions enable us to differentiate and rapidly respond to the diverse needs of our chosen markets. Our breadth of industry coverage reduces our risk or dependency on individual sectors.

1	2	3	4	5	6	7
Food & Beverages	Pharmaceutical & Healthcare	Printing	Industrial	Electronic Components	Construction & Chemicals	Others
42%	14%	11%	10%	5%	6%	12%

CHAIRMAN'S STATEMENT

FURTHER PROGRESS AND AN INCREASE IN DIVIDENDS

The Group has made good progress in growing sales, profits and cash during the year while continuing to develop new products and investing in further expanding our digital printing business.

Our business in Europe reported double-digit sales growth in local terms, benefiting from more buoyant markets in the early part of the year. We also reported good growth in the Americas and Asia. Market conditions have been changeable and we have seen a more cautious attitude among customers in many markets over the second half of our year.

We are pleased with the success of our latest **i-Tech** product range, which provides customers with class-leading performance, while our research and development teams are busy working on further product innovations. The aftermarket business continues to grow in line with our expectations.

Our latest full-colour digital label press has been well received by customers and we are seeing increasing adoption of digital printing technology among label converters. Activity levels among our sales teams, and the increase in sales of N-Series digital label presses this year, give us confidence in the potential for continued growth.

Over the last year, we have committed capital to a number of expansion projects. We commissioned our new factory in India, purchased land and started ground-work on a new factory in the UK, which will primarily serve the European and American markets, and approved the building of a new factory in China to meet our expansion plans in Asia. We have provided new and expanded demonstration and laboratory facilities for our digital printing business.

Good progress has been made against our sustainability agenda and we were pleased that our determination to reduce our environmental impact was recognised with a fourth consecutive rating improvement from the Carbon Disclosure Project. We also remain a member of the FTSE4Good index.

Earlier in the year, Philip Ruffles, who was a non-executive Director, and Garry Havens, an executive Director, both stepped down from the Board. I thank them for their contribution to the Group over many years. In November, we announced the appointment of two new Board members, Sucheta Govil and Rachel Hurst. Sucheta joins us as a non-executive Director and has a background of senior roles in marketing and significant experience in Asia. Rachel is the executive Director responsible for Group operations, including manufacturing, product marketing and engineering.

The Group's global workforce is more than 2,300 strong. I would like to thank them, our distribution partners, and our suppliers for their contribution to our continuing success.

Our balance sheet remains robust and our cash generation increased our year-end net cash position to £40.1 million. The Board is proposing a final dividend of 14.76 pence, making a total of 22.74 pence for the year as a whole, an increase of 5 per cent.

The Group has had a good year and delivered results in line with our expectations. We continue to invest in research and development and in growing the capability and capacity of our digital printing business. However, we remain cautious about 2015. As announced in our Interim Statement, the investments we are making, coupled with uncertain market conditions, mean we expect results in 2015 to be at a broadly similar level to this year.

Our strong product range and our investments in developing our capabilities mean we remain optimistic about the Group's longer-term prospects.

Peter Byrom
Chairman
15 December 2014

£40.1m

Year-end net cash position

14.76p

Final dividend

CHIEF EXECUTIVE OFFICER'S OVERVIEW

CAPITALISING ON NEW OPPORTUNITIES

In 2014, we balanced progress in sales performance with investments to sustain longer-term growth, while delivering profit improvement.

We increased underlying pre-tax profit (see note 3) by 9 per cent and at the same time continued to invest in core business capacity and in enhancing and growing our digital printing business.

Market conditions varied as the year developed but they generally improved in most regions of the world, compared with the last two years. The year started well, with a wave of confidence in Europe as economic growth rates improved and the Eurozone crisis ended. Uncertainty about the Chinese economy receded and prospects for the broader Asian and North American markets were positive.

Against that backdrop, our order intake in the early months of the year was good, continuing the momentum from the final quarter of 2013. We saw growing customer confidence, culminating in a number of large project opportunities and successes for our sales teams. We reported sales growth at constant currency of 11 per cent in our interim results, with our strongest performance being in Europe.

However, as we entered our second half year, economic news was less positive in both Europe and parts of Asia. The deteriorating political situation in the Middle East and the tensions in Ukraine also affected customer confidence. Summer in the northern hemisphere once again proved a strong period for aftermarket sales but the return of general uncertainty slowed the intake of orders for new equipment. Sales growth in the second half year was 7 per cent, before the impact of exchange rate movements.

Our core coding and marking business had a good year, with a number of large project wins for new equipment, successes in our key focus sectors of food, beverage, pharmaceutical and tobacco, and another year of strong aftermarket sales. I have been pleased with the performance of our European businesses, where revenue growth is well ahead of recent years, and with the USA and Canada, where we have maintained prior-year progress. In Asia, all subsidiaries delivered strong growth, although weakness in the Chinese economy in the second half of the year held back sales. In our interim results, we reported increased price pressures in China and other developing markets, and the potential for further deterioration in margins if prices continued to fall. However, pricing was relatively stable during the second half year.

Aftermarket revenues remain the largest proportion of Group sales and during 2014 we had a special focus on improving aftermarket retention rates, across all products and businesses. Our 'win-back' programme was successful, improving an already impressive retention rate and increasing sales as a result.

We made good progress in the digital printing business, where we have focused on growing sales of full-colour digital ink jet printing presses into the label sector. There are clear drivers for transitioning to digital printing technology in this sector and while the rate of change is difficult to predict, the opportunity is attracting attention from both customers and competitors. We recognised revenue on 19 N-Series digital presses in the year and received orders or commitments for a number more that we will realise during 2015.

Full-colour printing is a new venture for the Group and while the applications and customer groups are adjacent to those for coding and marking, we have faced a considerable learning curve as we establish capability and capacity in the very demanding field of colour management. We are progressing well in that regard and in particular with the print quality and performance of our products, which is a testament to the hard work of many of our people as we develop our knowledge and skills. Feedback from customers has been very positive, confirming the economic gains and ultimate benefits to brand owners of using digital ink jet in their label printing business. The installed base of digital presses is growing and as our customers bring them up to full utilisation, we expect to see substantial growth in the fluids business.

We had a successful year of new product introductions in 2014. Early in the year, we launched enhancements to our continuous ink jet, laser and thermal ink jet printer ranges, both in hardware and fluids. We complemented this with a portfolio of product launches in the spring, to coincide with the important InterPack exhibition in Dusseldorf, Germany. Finally, in September we launched the N610i seven-colour digital label press at LabelExpo in Chicago, and were pleased to make immediate sales at the show.

We have continued to invest in production capacity and opened our new factory in India this year. Further investment is planned, with work on a new factory in China commencing during 2015. We are taking preliminary steps towards constructing a new factory and warehouse facility in the UK, on a site we have acquired next to our Group headquarters. We also made progress towards our goal of business excellence, making organisational changes to sharpen our focus on key process simplification and further improve customer service.

There have been a number of changes in the management team around the Group in 2014. We filled the role of General Manager in three of our largest businesses, China, India and the USA, through internal promotions. We also added a considerable number of people to our digital printing organisation, with many coming from the industry, helping to rapidly advance our skills and knowledge. At the end of the year, we were pleased to announce the promotion of Rachel Hurst, our Group Operations Director, to the Domino Printing Sciences plc Board. Rachel will now take full operational responsibility for our manufacturing, engineering, product management and marketing functions, and will lead the next stages of our business excellence programme.

There is no shortage of opportunity for our business to grow. The overall sales performance this year, in both the core business and new digital press products, gives me confidence in our ability to deliver medium-term sales increases at or above global GDP growth. As we look forward to 2015 and beyond, it is clear the digital printing business has great potential but requires significant investment. While I expect to see sales progression in 2015, progress in profit will be held back as we plan to invest further in research and development and in the broader sales and support organisation, helping to fuel future growth.

Nigel Bond
Chief Executive Officer
15 December 2014

YEAR IN REVIEW

Q1
Very strong equipment sales in Europe as customer confidence increased

Q2
Successful interpack exhibition where we launched our latest i-Tech products, the A520i continuous ink jet printer and the V230i thermal transfer overprinter

Q3
Launch of our 7 colour N610i digital label press at Label Expo in Chicago

Q4
Capex investment in new capacity with the opening of the India factory, breaking ground for the new building in Bar Hill and plans for a new factory in China

MARKET CONTEXT

MAXIMISING OPPORTUNITIES THROUGH MARKET CHANGE

Key stakeholders are demanding more sophisticated coding solutions, capable of providing value beyond traditional product codes and legally driven mandates for 'sell by' and 'best before' dates.

DRIVERS

THE INCREASING DEMAND FROM STAKEHOLDERS IN OUR INDUSTRY:

GOVERNMENTS AND BRAND OWNERS
driving traceability and protecting products and brands from counterfeiting and product diversion.

BRAND OWNERS
using packaging to differentiate their products, including exploiting the promotional potential of coding and printing.

MANUFACTURERS
maximising productivity from existing production equipment.

RETAILERS
accelerating innovation of shelf-ready packaging and efficient automated warehousing and supply chains.

CONSUMERS
demanding more choice and more information printed on products.

PHARMACEUTICAL PRODUCTION LINES

80%

Emerging global legislation for increased product traceability will require upgrades to >80% of pharmaceutical production lines

Source: Domino research

BOTTLED WATER

40%

The global market for bottled water is set to increase by >40% in the next five years

Source: Canadean

ASIA POPULATION

60%

Asia population is 60% of world: 30% growth over the last 20 years.

Source: CIA World Factbook, US Census Bureau

MARKET TRENDS

Our global reach and focus on innovation position us to fully exploit key trends in our markets. These include:

TRENDS	DOMINO RESPONSE
GLOBALISATION	• Deployment of common products worldwide • Capability to provide manufacturing connectivity for our customers' plants
EMERGING MARKET GROWTH	• Direct representation and distribution network which has enabled rapid penetration and growth

CHANGING MARKET NEEDS	• Full technology portfolio, offering:
	  • Simplicity in use
	  • Flexibility to print new code formats
	  • Compatibility with diverse packaging types

IMPROVED PRODUCTIVITY & PERFORMANCE	• Proprietary **i-Tech** 'service free' technology solutions, producing higher quality coding, capable of:
	  • Reducing total cost
	  • Maximising production uptime
	  • Simplifying manufacturing operations

INCREASED PRODUCT TRACEABILITY	• Collaboration with brand owners and relevant legislative bodies to develop coding systems for serialised and other security based solutions

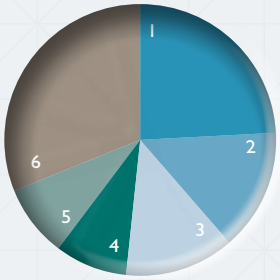
SUSTAINABILITY	• Improved business sustainability performance through:
	  • Green teams, community interaction
	  • Careful supply chain management

THE RISE OF DIGITAL PRINTING	• Range of digital printing systems using the very latest ink jet printing technology for both monochrome as well as full-colour digital label printing • After a successful first year in 2013, we have continued to grow in line with our plans through 2014

14.6%

Food and drink is the second largest expenditure category for European consumers

EXPENDITURE CATEGORIES



- 1: Housing, water and energy 24.2%
- 2: Food & drink products 14.6%
- 3: Transport 13%
- 4: Recreation and culture 8.7%
- 5: Restaurants and hotels 8.5%
- 6: Others 31%

Source: FoodDrinkEurope trends 2013–2014

^44%

The global pharmaceutical market is set to increase by 44% by 2020, with 60% coming from growth regions

Source: PWC report "From Vision to Decision 2020"

^240%

Digital printing

The market for digital label presses using ink jet technology is projected to increase by 240% by 2019.

Source: Domino Printing Research

EU1169/2011

on the provision of food information to consumers came into force in 2014. Increasingly stringent food labelling legislation is driving requirements for on-pack coding and marking

OUR STRATEGY

ACHIEVING LEADERSHIP IN OUR CHOSEN MARKETS

OUR MISSION

1st choice of

... for our leading technology & service
... for our inspiring culture
... for our performance & consistency

OUR AIM

Our aim is to achieve leadership in our chosen markets delivering exceptional value to our customers and superior returns to our shareholders.

In our experience, customers place highest value on the productivity, reliability and convenience of their coding and printing operations. Our response is to focus on product leadership through innovation and service excellence through development of effective teams. Shareholder returns are characterised by growth in profitability, cash generation and return on capital employed.

OUR OBJECTIVES

Grow the installed base through new equipment sales and maximise value of aftermarket sales	**Customer First**	• Market orientation for specific solutions • Customer segmentation • Build long-term customer relationships
Grow through investment in new products, services and capacity	**Product Portfolio**	• Defining the product portfolio strategy • Common platform approach • Corporate aftermarket focus
Deliver superior returns through sustained growth	**Business Excellence and Sustainability**	• Leverage best-in-class processes • Standardising and simplifying • Driving efficiency and eliminating waste
Attract, train and retain the best people	**Culture, People & Values**	• Corporate alignment and focus • Team work and empowerment • Recognition of performance
Grow through acquiring technology and skills which enhance our solutions	**Strategic Investment**	• Identifying key market trends • Targeted investment • Effective implementation

OUR STRATEGIES

"Our strategy is articulated through our essential corporate guide, 'The Domino Effect', which encapsulates our long-term aspirations and objectives, as well as our fundamental values and culture."

Nigel Bond
Chief Executive Officer

STRATEGIC PRIORITIES

CUSTOMER FIRST

WESTERN REGION – USA

In recognition of emerging anti-counterfeiting legislation in the North American pharmaceutical industry, we have significantly invested in our Life Sciences sector programme, as a key part of our global commitment to the industry.

Government mandated initiatives in North America, such as DQSA and UDI, address counterfeiting of pharmaceuticals and medical devices. This means it is important to be able to print compliant serialised codes on products and packaging. As a consequence, we have introduced our Life Sciences sector programme in North America, incorporating:

- Comprehensive market insight, to enable a clear sector-driven strategy
- Effective organisational infrastructure
- Best-in-class product and customer service solutions.

STRATEGIC PRIORITIES

CUSTOMER FIRST

EASTERN REGION – INDIA

India remains a strong market for Domino. This year we have again enjoyed double-digit growth, ahead of GDP, supported by a strengthened market orientation across all our operations in the region.

Critical to our success in 2014 has been developing an organisation-wide focus on increasing value to our customers, as a means of creating competitive advantage.

Key deliverables this year have included:

- Improving overall response times for our customers, by restructuring the Indian team and improving alignment with Domino's global operations
- Improving customer intimacy and efficiency, from simplifying business processes and automation
- Reducing time to market, by localising manufacturing for key coding and marking technologies, including thermal ink jet printing.

STRATEGIC PRIORITIES

PRODUCT PORTFOLIO

Agility and innovation are increasingly critical to successful product development. This is particularly true for Domino's marking materials, where we have been formulating ink solutions that improve our customers' efficiency while reducing waste.

In 2014, we developed a number of key ink technology platforms using advanced materials, enabling us to respond more rapidly to changing market requirements while delivering high performance. This has resulted in several successful product introductions, offering improved overall equipment effectiveness (OEE) through wider manufacturing process tolerances. These have included:

- New pigmented ink products for the industrial coding market
- Higher performing inks for the flexible packaging sector in Asia.

Equally, our target for best-in-class environmental performance from our products has delivered leadership in materials selection and use for coding applications. We have achieved this through a combination of programmes, including:

- Growing our innovation ecosystem, inside and outside our business
- Driving cutting-edge collaborations with academia
- Working with the Royal Society of Chemistry to deliver professional Chartered Chemist training.

Our platform approach to technology development, combined with environmental sustainability, has delivered commercial results this year and underpins our longer-term innovation strategy.

STRATEGIC PRIORITIES

BUSINESS EXCELLENCE AND SUSTAINABILITY

Domino has a long tradition of driving excellence across its operational sites. This year, we have started the process of delivering best-in-class practices across our global network.

In 2014, we devoted significant time to mapping our customers' journey with Domino. The first initiatives, which aim to redesign our processes to deliver an outstanding customer experience, have already started to produce real benefits.

Our first milestone project in this programme improved the speed and accuracy of quotes generated by our field sales team in Europe and the USA. By developing and implementing a cloud-based quotation tool, we have been able to:

- Reduce the time to quote from hours to just a few minutes
- Free up significant capacity within our sales team
- Deliver more accurate and informative quotes.

In addition, we have continued our focus on sustainability, by driving efficiency, eliminating waste and improving financial returns through careful resource management.

Having established some early success with our programme, we expect to build momentum in our drive for more efficient business processes. During 2015, we will increase our focus on customer experience management, process automation and network integration.

STRATEGIC PRIORITIES

CULTURE, PEOPLE & VALUES

This year, we strengthened our shared focus by updating and further embedding our corporate guide, The Domino Effect, across our organisation.

The principles of The Domino Effect have been a major factor in developing our Group into a FTSE 250 company, while retaining the special culture of a much smaller, more intimate business. We have kept the programme's fundamental elements but sought to more clearly articulate our objectives and the means by which we will achieve them, in part to recognise our increasingly global footprint.

We have done this throughout the year with activities across the global business, designed to engage with all levels of the organisation. This involved:

- Communication workshops and multimedia support tools, to communicate, engage and retain the key messages
- Putting empowerment and continuous learning at the centre of the programme for our employees, reinforced with strong leadership and clear management.

This has energised and aligned our efforts across our international operations, to focus on the factors essential to our success.

STRATEGIC PRIORITIES

STRATEGIC INVESTMENT

Domino continues to invest in initiatives where our expertise in industrial and packaging markets, combined with our development capability, allow us to take leadership positions. In digital printing, we are addressing the need for faster and shorter run production of high-resolution print in mono and colour applications.

In 2014, we continued to develop our leading digital ink jet label press, the N610i. Central to this was the introduction of our seven-colour capability, adding orange and violet to the existing CMYK and white inks we launched at LabelExpo 2013. These new inks increase the range of colours available to label convertors and end users, offering the inherent benefits of digital ink jet to a wider range of customers.

During the year, the N610i has continued to prove its performance and value to customers, as shown by:

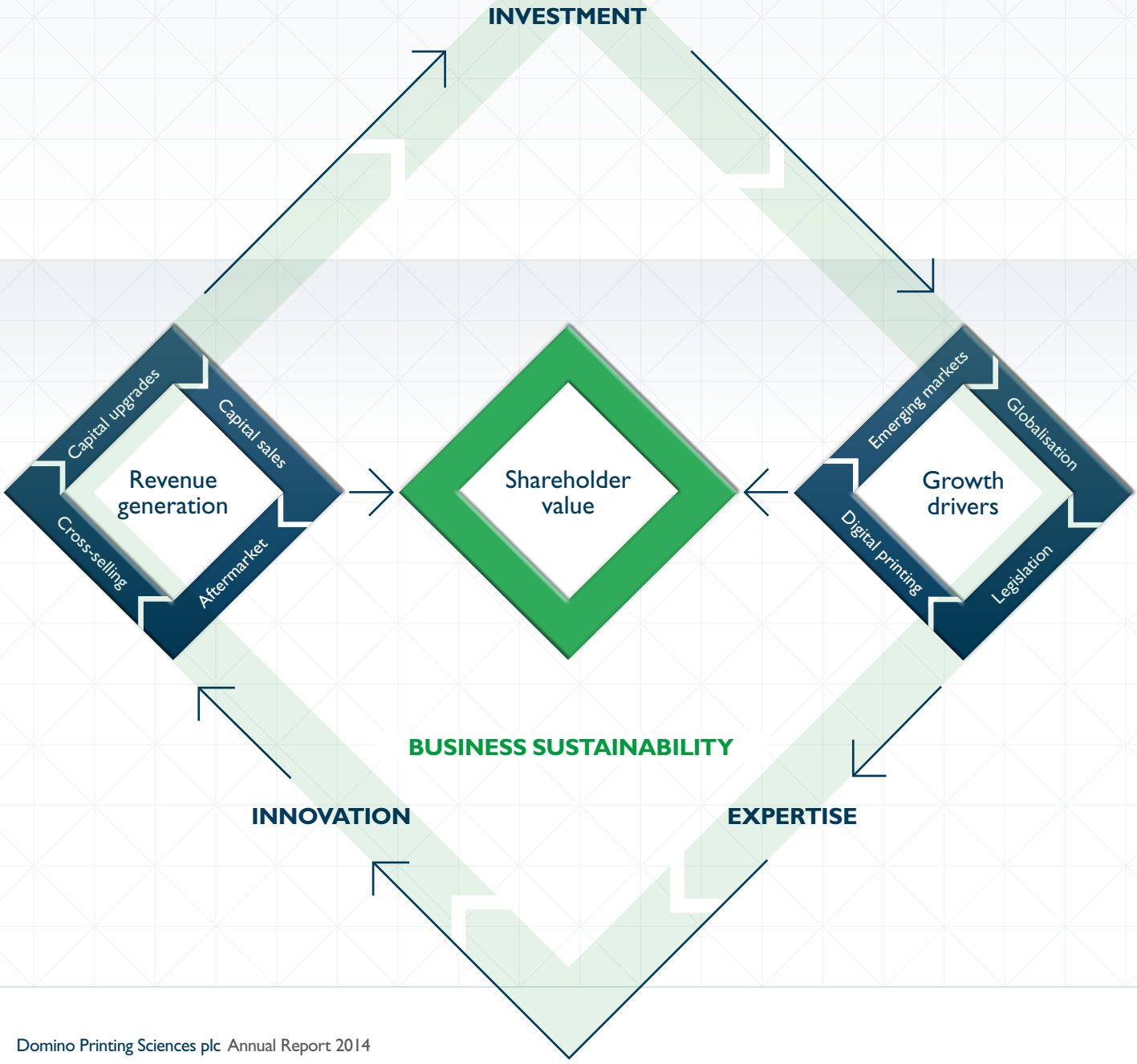
- Repeat sales to a number of major European label convertors
- Growth in our North American business, including a number of important US-based label convertors.

Outside colour, our range of mono products, including the K600i, has continued to be the choice of many customers requiring high-speed, variable data over-printing in mailing, addressing, security and transactional applications.

BUSINESS MODEL

The fundamentals of our business model are based on forging long-term relationships with customers, building an installed base of printers and providing consumables, spare parts and aftermarket services through the full lifecycle of their use. Our success is significantly influenced by our ability to provide solutions that optimise the total cost of ownership to our customers.

Once the product is installed, our ongoing aftermarket commitment provides a continuing revenue stream as we help our customers maintain optimum production efficiency through the life of the product to replacement. We are then well placed to support customers who invest in latest technology, often improving their production efficiency. This total lifetime commitment ensures long-term customer relationships are equally beneficial to our customers and the Group's profitability.



OPERATIONAL REVIEW

DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

The Group operates its business worldwide. Our primary segmentation is by geography, in three principal regions – Europe, Americas, and Asia/Rest of world.

We have a number of subsidiaries, with some undertaking product development and manufacturing, and others that are purely sales and service channels. In addition, a network of distributors represents us across approximately 140 countries. Our distributors typically have the same operational characteristics as our wholly owned sales subsidiaries and many of them are entirely focused on the Group's business in their designated geographic markets.

Alongside the 'Domino' brand, which generates approximately 90 per cent of Group sales, we operate a number of specialist businesses selling under their own brands in particular market segments.

Our core business is in coding and marking. We develop, manufacture and sell equipment, consumables and services to manufacturers who need to code, mark or print variable data on to their products or packaging. We are also developing a new business area in digital printing. In our case, digital printing involves using ink jet printing technology to print labels in their entirety or to overprint additional information where fast changeover times or some variability in image is required. The end users of digitally printed output are typically the same brand owners and manufacturers that are the Group's coding and marking customers.

The digital printing business is still a small percentage of Group turnover and is included as part of the total business within our primary geographic segmentation.

EUROPE

In Europe, the Group operates direct sales businesses in the UK, France, Germany, Benelux, Spain and Portugal, and makes some direct sales in Switzerland and Sweden. Distributors cover other territories.

Will Edwards
European Sales Director

HIGHLIGHTS

EUROPE

- Strong revenue growth in many markets, assisted by a return of confidence in the early part of the year
- Increased sales of digital label presses, including repeat business with existing customers.

OUR KEY GOALS IN EUROPE FOR 2015 INCLUDE:

- Growth in new equipment sales
- Full adoption of the Group's latest **i-Tech** product range
- Increased penetration of the label printing market with the high-speed N610i seven-colour ink jet digital press.

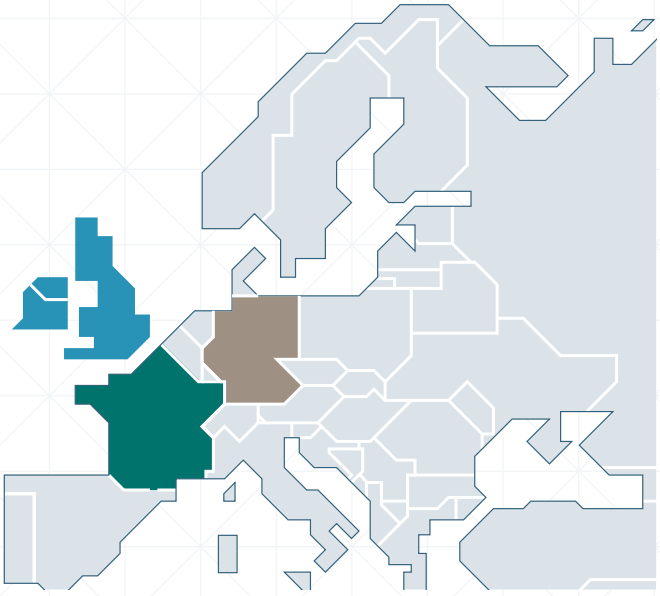
Western Europe is a more mature market for coding and marking with a large installed base of equipment, whereas many Eastern European economies continue to invest in new production capacity.

Market conditions in many parts of Europe improved in the early part of 2014 compared with the previous year. Increased confidence among some customers meant we secured a number of larger orders during the first half of our financial year. This position changed in the second half year, as political tensions re-emerged and economic news was less positive. Continuing low economic growth in many markets, including Germany, appears to have reduced confidence again and growth prospects in Europe for 2015 are uncertain.

Legislation and industry mandates remain key drivers of our customers' investments. We enjoyed success in the European food and beverage sectors in 2014 as customers increasingly adopted product traceability solutions, and in the tobacco sector where product authentication is a key requirement. The latest legislation in the pharmaceutical sector, the Falsified Medicines Directive, requires unique identification codes to be added to each packet of drugs sold in Europe. This is attracting significant attention from manufacturers, who are required to comply fully by 2018. To date, we have completed a small number of installations meeting these needs and expect demand to increase from 2016.

"Europe is an important market for our digital printing business and we made good progress during the year".

Will Edwards
Regional Director, Europe



Europe is an important market for our digital printing business and we made good progress during the year, with both monochrome and full-colour web-based printing solutions. We established a new demonstration and laboratory facility at our headquarters near Cambridge in the UK, and expanded our manufacturing operations in Switzerland.

Thirteen full-colour digital label presses were sold in Europe during the year, to a mix of new and existing customers. There are clear signs that label printers and brand owners are seeing the benefit of digital label printing and we remain well placed to grow our business as adoption of digital printing technology increases.

In line with our overall goals, our targets for Europe are to grow equipment sales volumes year on year and to increase our aftermarket revenues, as the installed base of equipment expands. We expect to see higher growth rates in Southern and Eastern Europe.

In 2014, total sales revenue from customers located in Europe, when translated into sterling at average exchange rates, increased by 9 per cent compared with 2013. Revenue growth in local currency was 12 per cent, with equipment revenues growing by 19 per cent and aftermarket revenues increasing by 6 per cent. Sales to customers located in Southern and Eastern Europe represented approximately 28 per cent of the total and grew by 11 per cent in local terms during the year.

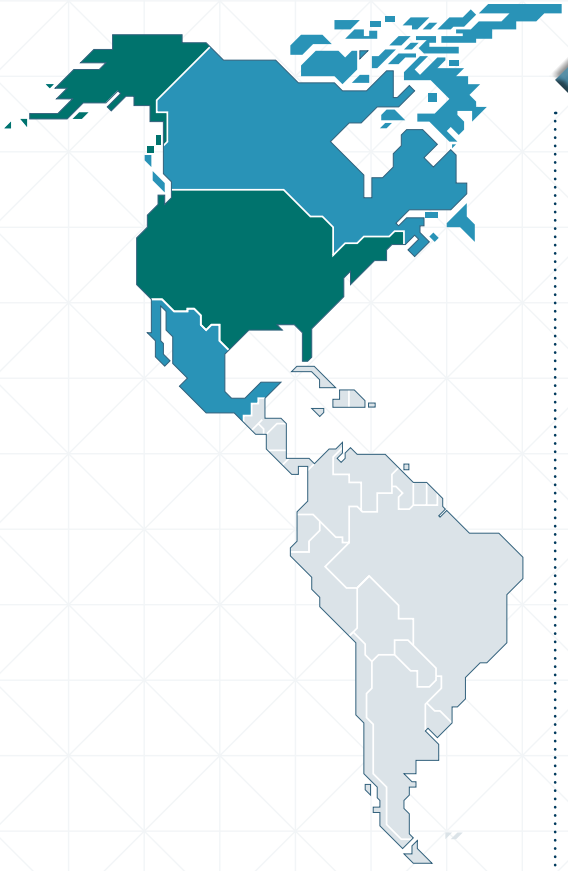
Sales revenue by location of customer:

£m[1]	**2014**	2013	Growth
UK	**24.5**	22.0	11%
France	**22.9**	20.9	9%
Germany	**32.9**	30.3	8%
Rest of Europe	**69.8**	64.5	8%
Total	**150.0**	137.6	9%

1 Including the impact of exchange rate movements on translation of results.

We share profit between our manufacturing and sales businesses in line with normal arm's-length rules. This means that regions such as Europe, where we undertake a significant proportion of our manufacturing, enjoy higher profit margins as a result of including the profits they make on inter-company sales to other regions. In 2014, the total segment result from subsidiary companies located in Europe was £59.6 million, an increase of 6 per cent on prior year (before exceptional items). This reflected strong volume growth coupled with robust pricing and a favourable sales mix.

AMERICAS



Frank Eickenberg
President, Domino North America

The Group has sales subsidiaries in Canada, the USA and Mexico, and sells through an extensive distribution network throughout Central and South America.

The North American market is highly developed and contains many of the largest multinational manufacturing companies in the sectors we serve. Market drivers include legislation and industry mandates. In particular, adoption of the Food Safety Modernisation Act in the USA in 2011 has increased demand for product traceability and authentication systems.

Market conditions in North America were stable during 2014, while Central and South American markets remained difficult. Some of these markets recorded growth but some countries continue to be plagued by political, economic or fiscal issues.

Our strategy in North America during 2014 was to focus on larger opportunities in the food, beverage and pharmaceutical sectors and to invest to increase our digital printing capability. We were pleased to win large orders for our core ink jet and laser products with a number of major brand manufacturers. Our digital label press business has started to gain traction, with a further six full-colour presses sold in the US during the year.

We have built a strong team to support our digital printing business in North America and we are investing to expand the digital printing demonstration and customer training areas at our US headquarters near Chicago.

As a part of simplifying our North American operations, we successfully integrated our Canadian and US businesses during 2014. We have retained field sales and service teams in Canada and a small office in Montreal, while combining the marketing, sales support and other back office functions into our US operations, improving efficiency and giving customers more comprehensive support.

Revenue in North America grew by 5 per cent in local terms but decreased by 2 per cent when reported in sterling. Equipment revenue growth was 1 per cent and aftermarket revenues were 5 per cent higher, both in local terms.

Our strategy in Central and South America is to focus on supporting and developing our distributor network, enabling sales to larger multinational accounts where global relationships are important. We do not compete for the very low price business that is prevalent in some countries.

In sterling terms, our 2014 sales in Central and South America were £9.7 million, 11 per cent below 2013. The decline in local currency was 7 per cent. Revenues declined significantly in some countries, such as Venezuela, where the political and fiscal position has made international trade very difficult. Revenues in Brazil, the largest market in South America, were similar to the prior year and remain depressed when compared with earlier years.

Sales revenue by location of customer:

£m[1]	2014	2013	Growth
USA	**53.7**	53.9	0%
Rest of North America	**17.1**	18.2	-6%
Central & South America	**9.7**	11.0	-11%
Total	**80.5**	83.1	-3%

1 Including the impact of exchange rate movements on translation of results.

Profitability in our American businesses is below the rest of the Group, which primarily reflects its smaller manufacturing footprint compared with Europe and Asia. The segment result from subsidiaries located in the Americas was £4.8 million, an increase of 6 per cent compared to the prior year.

HIGHLIGHTS

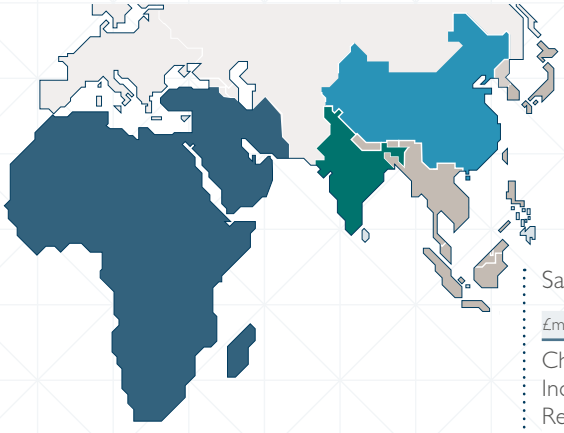
AMERICAS

- Good growth in core sectors
- Investment in capacity and skills in the digital printing business, to support further growth
- Difficult market conditions in South America.

OUR GOALS FOR 2015 INCLUDE:

- Full adoption of the **i-Tech** product range
- Development of the multinational account business and opportunity in the USA
- Acceleration in sales of the N610i seven-colour digital label press in North America.

ASIA/REST OF THE WORLD



The Group owns direct sales and service businesses in China, India, South Korea and the United Arab Emirates, and supports an extensive distributor network across Asia, the Middle East and Africa, from offices in Singapore and Dubai.

Demand for our products and services continues to grow across the region, as manufacturers invest to meet the requirements of a rapidly increasing consumer population. Legislation and industry mandates are broadly in line with Western equivalents and customer investment is often in new capacity as opposed to the replacement business typically seen in developed markets.

Despite underlying growth drivers, market conditions during 2014 were mixed, with stronger demand for our products in the early part of the year being tempered as the year progressed, as customers responded to warnings of slower GDP growth.

Against this backdrop, our business in India grew strongly with 2014 revenue growth of 17 per cent in local currency and 4 per cent when translated into sterling at average exchange rates. Total revenues by customer located in the Middle East, Africa and Asia grew by 4 per cent in sterling and by 9 per cent in local terms. China remains our largest market by volume for equipment sales.

Sales revenue by location of customer:

£m[1]	**2014**	2013	Growth
China	**42.2**	41.9	1%
India	**19.3**	18.5	4%
Rest of Asia	**32.8**	31.1	5%
Middle East/Africa	**25.3**	23.4	8%
Total	**119.6**	115.0	4%

1 Including the impact of exchange rate movements on translation of results.

Average selling prices of equipment in China were affected during the first half of the year, as we responded to aggressive pricing from competitors, in particular through our local dealer network. Average prices stabilised at this lower level in the second half year.

Retained customers are those who continue to buy consumables, spares and services from us after the original equipment sale. Customer retention rates are lower in Asia than elsewhere in the world and one of our priorities is to win back customers and increase our aftermarket sales. Retention rates were stable in 2014 compared to 2013.

Our strategy in Asia is to continue to expand our market coverage and further develop capabilities in our sales channels. This is underpinned by our direct operations in China, India and South Korea, where we maintain market-leading positions. Our extensive network of distributors provides access to many of the world's fastest growing markets.

We have manufacturing operations near New Delhi in India, which serves the local market. In Shanghai, China, we manufacture and supply printers and consumables for both the local market and the broader Asian region.

During 2014, we opened a new factory in India to house printer and fluids production. This significantly increases our capacity and will meet predicted demand in India for the next phase of our growth in that market. Our expansion in the Chinese and broader Asian markets means we will also need to increase production capacity in China. During 2015, we plan to build a new factory in the Shanghai area for both printer and fluids production.

Xiang Min
Managing Director, Domino China

Profits in our subsidiaries located in the Middle East/Asia fell to £11.1 million (2013: £13.5 million) during 2014, reflecting the adverse impact of exchange rate movements on translation of profits and the decline in equipment selling prices, offset by volume gains and cost efficiencies.

HIGHLIGHTS

ASIA/REST OF THE WORLD

- Strong growth in India and continued good growth in the rest of Asia
- Strong volume growth in the Chinese market, with revenue growth impacted to some extent by competitive pricing pressures
- Opening a new factory in India and approving plans to commence construction of a new factory in China.

OUR GOALS FOR 2015 INCLUDE:

- Growth in printer volumes while sustaining gross margins
- Improvement in installed base retention rates and enhanced aftermarket revenues
- Development of digital print opportunities
- Increase in sales channel capacity.

OPERATIONAL PERFORMANCE

Our Group manufacturing strategy can be summarised as 'make to order, ship direct to customer'.

This enables us to offer customers short lead times and to meet their specific requirements, despite supplying many product variants.

Our process starts with product design, developing product platforms that use common parts and are easy to assemble. We need an engaged supply chain, with supplier partners undertaking a high degree of product integration. Our Group sourcing function therefore works closely with a relatively small but experienced supply base, to ensure high-quality, flexible and timely supply, alongside constant cost reduction. Our factories fulfil orders and ship to customers.

The Group has manufacturing operations in Europe, America and Asia/ROW. The principal sites are in:

- Cambridge, UK, which is the main manufacturing hub for ink jet products;
- Liverpool, UK, and Gurnee, USA, which are our two main fluids manufacturing operations; and
- New Delhi, India, and Shanghai, China.

We manufacture laser products in Hamburg, Germany, print and apply label machines in Malmo, Sweden, continuous ink jet printers in Texas, USA, and in Gottmadingen, Germany, fume extractors in Rotherham, UK, and digital label presses in Egliswil, Switzerland.

All our main production locations are accredited to the ISO9001 quality standard and the ISO14001 environmental standard. We maintain high standards of health and safety and our goal is for our entire network to achieve accreditation to the ISO18001 occupational health and safety standard. Our Liverpool and Gurnee plants already hold that standard and we were pleased to gain accreditation at our Cambridge site during 2014.

In addition to plans for a new factory in China, the Group has planning permission for an extensive development and expansion at its headquarters in Cambridge. Initial ground work has started but we have not yet decided the timing of the full build.

During 2014, our priorities included:

- Completing the new factory in India
- Expanding our digital label press manufacturing capacity and capability in Switzerland to meet expected demand for the next phase of growth
- Introducing a number of new hardware and fluids products
- Rolling out a number of business process excellence initiatives across the Group network.

Risk management and disaster recovery planning in the supply chain is a priority for us and we regularly stress test our procedures. During the year, we suffered flash flooding at our main UK production site. Our disaster recovery process functioned well, with only two days' production time lost and negligible disruption to our customers. The cost of recovery was not material to Group profits.

Our goals for 2015 include:

- Implementing standard processes and common IT systems across the network to improve efficiency and reduce costs
- Investing in new production capacity in China and the UK.

RESEARCH AND DEVELOPMENT

Each year, the Group invests approximately 5 per cent of its revenues in research and development. One of our key priorities is to maintain a strong and innovative product range, which we build on through regular updates and improvements, as well as new products. In addition to our printers, we develop new fluids that perform better for end users, responding to their changing needs and developments in packaging materials.

Our product creation process includes formal gates at each stage, from innovation through to commercialisation. This process improves predictability and reduces time to market.

We introduced a number of new printer and fluids products during the year, including variants of our continuous ink jet and thermal transfer printer ranges. In digital printing, we formally launched the seven-colour N610i digital label press. We introduced enhanced performance inks for our continuous ink jet and thermal ink jet products, extending the range of materials we can code on to. We also developed and launched our first water-based ink, for the K-Series monochrome digital press.

Priorities for 2015 include:

- Further investment in developing our coding and marking products, using common platform architecture
- Developing enhanced performance fluids products
- Working with partners to deploy next-generation print-head technology for digital press products.

THE EMERGENCE OF DIGITAL PRINTING

Digital printing is an area of opportunity for us as manufacturers respond to the changing demands of consumers and society in general. Short print runs and the ability to personalise products and add variable data are helping brand owners to increase consumer choice while reducing production costs, environmental impacts and waste.

This demand closely aligns with Domino's core expertise in coding, marking and printing variable data at high speed on or near line, as an integral part of our customers' production processes.

In addition to monochrome overprinting, which is our core business, our customers are now deploying full-colour ink jet printing in a range of packaging, industrial and related areas. As the packaging and printing sectors are our biggest source of revenue, this is where we are focusing our development of digital printing.

Our K-Series monochrome presses are used to both overprint variable data onto pre-printed stock and for mailings, business forms and other printed matter. The N-Series full-colour press is focused on label printing. This typically involves printing high-quality images onto a variety of materials, which are then converted into labels and applied to packages during the production process. This application is adjacent to our core business but has the potential to overlap, by merging the printing of fixed and variable data directly onto labels or even packaging itself.

Historically, package and label printing is an off-line activity, often done by converters who supply the brand owners. However, brand owners are increasingly interested in having their own digital printing capability. Over time, we expect to see some adopt this capability.

We introduced the N-Series digital press product in 2013 and recognised nine printers in revenue in that year. We were pleased to record 19 units in revenue in 2014, with a further eight where we had started installation at year end or had customer commitments to install and recognise revenue during 2015.

We have continued to invest in our digital printing skills and capabilities, both in our sales channels and in our product development, support and marketing areas. We manage the digital print business as an integral part of the Group, but with a dedicated team responsible for its strategy and direction.

PEOPLE

The Group employs more than 2,300 people worldwide. We seek to provide a safe and engaging environment for them, in which they can fully develop, achieve their potential and share in our success.

Our aim is to attract, develop, motivate and retain high-calibre people who contribute to the business. We do this by providing a competitive package of monetary and non-monetary rewards and benefits, which promotes team working across functions and geographies.

We conduct employee engagement and management effectiveness surveys across the Group to find out how we are doing and how we can improve our staff's working experience. In 2014, we responded to feedback by revising and reinvigorating The Domino Effect, a statement of our values, strategies and goals that cements the link between the individual's role and our Group-level strategies and objectives. Recent feedback indicates that this has heightened our people's sense of purpose.

'Performance plus' is our web-based training system, which staff use to learn new skills and confirm their knowledge and understanding of compulsory subjects, such as health, safety and business ethics. In many of our operations, we support apprenticeship schemes and enable young people to gain experience in a wide variety of functions.

The working environment is important to the welfare of all our staff. During 2014, we invested further in our UK headquarters, improving laboratory and office space for our research and development teams and enhancing the environment, for example through energy efficient 'daylight' lighting. We maintained our good safety record during the year and continue to closely monitor accidents and near misses.

We are committed to equality and diversity in our workforce and to providing equal opportunity for all. Across the Group, we employ people with a wide mix of ethnic and cultural backgrounds and we maintain a good balance between genders.

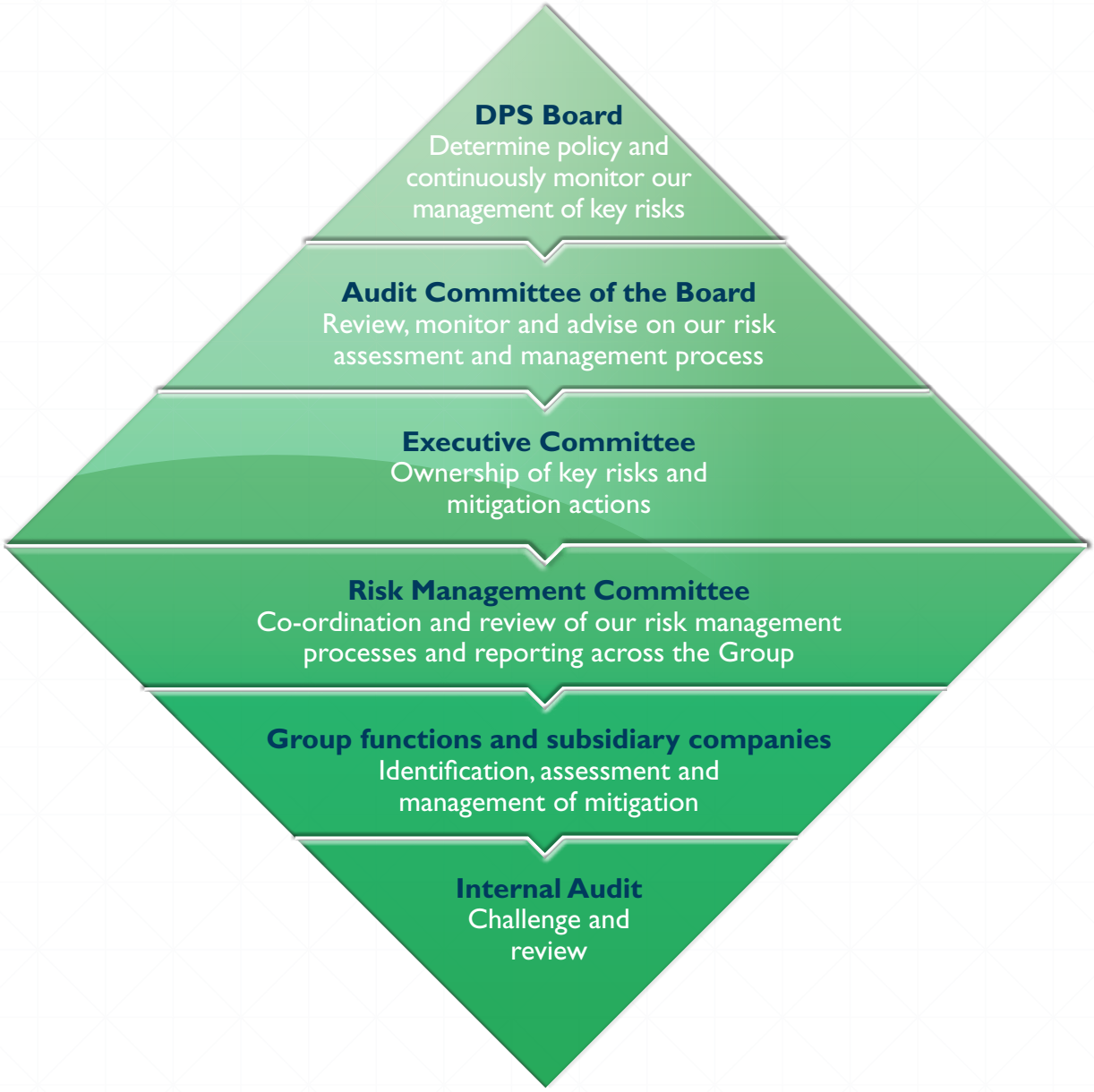
Our gender mix is summarised below:

	Number of women	Number of men
Board[1]	2	6
Senior management[2]	2	6
Management	53	285
Rest of workforce	429	1,562
Total	**486**	**1,859**

1 Includes Rachel Hurst and Sucheta Govil who were appointed to the Board on 25 November 2014.
2 The Senior management category comprises all members of the executive management committee, other than executive Directors who are included within the Board category.

IDENTIFYING AND EVALUATING RISKS

The Group has an established process for identifying, evaluating and managing significant risks. The structure and process is summarised below:



We identify risks and mitigating actions within our subsidiary companies and Group functions, and capture significant risks in the Group risk register. We define significant risks with reference to their potential impact on the Group and the likelihood they will occur. Members of the executive team take personal responsibility for monitoring these risks and our mitigation actions.

Our Risk Management Committee (RMC) is chaired by the Chief Financial Officer. It receives reports and presentations on risk status and considers changes in the business that may give rise to new risks. The RMC reports on risk status to the Audit Committee and provides an annual report to the full Board.

The principal risks associated with the execution of our strategy are summarised below:

Strategies		Risk	Impact	Likelihood	Risk Status
Customer First	1	Competitor actions leading to loss of customers or reduced profits	High	Possible	No change
Product Portfolio Maintaining product leadership	2	Damage to reputation and loss of customers through product failure	High	Remote	No change
	3	Material delays in, or failure of, new product development	High	Remote	No change
Business Excellence and Sustainability	4	Competitors introduce disruptive technology	High	Remote	No change
	5	Supply chain failure or material impact from natural disaster	Medium	Possible	No change
Strategic Investment	6	New regulatory controls on use of materials	Medium	Remote	No change
	7	Failure to develop digital printing markets	Medium	Possible	No change
Culture, people & values Business sustainability	8	Changes in macro economic conditions	High	Likely	No change

PRINCIPAL RISKS AND UNCERTAINTIES

Risk	Impact	Mitigation
1 The Group competes against established global, regional or local businesses and independent suppliers of aftermarket products and services. The principal risks of competition are reduced equipment prices and loss of profitable aftermarket business to low-cost providers.	• Inability to sustain price leadership • Loss of customer relationships and repeat business • Reduced sales, profits and cash flow.	• We design our innovation and product development programmes to deliver market-leading products and services, which can command a premium price • Aftermarket retention is a key objective for us and we closely monitor customer buying patterns, for any changes in behaviour • We operate 'win back' programmes for lost customers, reinforcing the value of our complete service package • We develop our printers and fluids to work optimally together. Our product range offers very broad capabilities, to meet most customer needs.
2 Customers use our products in high throughput and often time-critical applications, which mean that reliability and production uptime are paramount for them. Any product failure can cause disruption to our customers, which in severe cases may result in lost production or spoilage.	• Lost customers • Damage to our brand • Additional cost and lost profit.	• We measure the quality and performance of all designs, during our product creation process • Post installation, we measure and monitor our products' performance and have mechanisms to deal swiftly with any issues that customers experience • We have customer and technical support teams worldwide, with highly trained and well equipped technicians to help customers resolve problems.
3 Maintaining product leadership requires significant ongoing investment in research and development. Developing new products involves risks, including failure to reach production, not achieving product performance requirements or the market being smaller than we expected.	• Failure to achieve a return on investment • Loss of market share • Reduced sales, profits and cash flow.	• The Group has a well-established and proven product creation process, with rigorous stage-gate reviews and approvals. This involves detailed review of product specifications, business plans, risk assessments, systems design, development and pre-launch validation. We co-ordinate product launches and closely monitor the early-life technical and commercial performance of all new products.
4 The technology used in coding, marking and variable printing has developed gradually over many years but there remains a threat that new, disruptive technology could be developed, where ownership rights prevent us accessing that technology.	• Loss of leadership and innovator status • Loss of market share • Reduced sales, profit and cash flow.	• We have a small team dedicated to identifying market and technology developments • Our strategy combines internal investment and partnering with key technology providers, to expand our access to innovative technology. We also partner with academia, sponsoring research into new technology areas.

Risk	Impact	Mitigation
5 As far as possible, the Group operates a dual-sourcing policy for critical components. In some cases, technological advances or supply capabilities mean we must rely on a single source. A number of Group suppliers are in Asia, resulting in lengthy supply chains and exposing us to potential disruption through supplier failure or transportation difficulties. Natural disasters could affect our ability to operate for an extended period.	• Increased costs • Longer lead times, resulting in lost sales • Reduced profits and cash flow.	• Where alternative sources are not available or not approved, we hold buffer stocks to maintain supply through periods of reduced availability • We have business continuity and disaster recovery plans in all our manufacturing operations. These were tested and proven during 2014, when our main factory in Cambridge, UK, was flooded following exceptional weather. Our recovery process meant there was no material impact on customers • The Group also has business interruption insurance.
6 Certain chemicals we use in our fluids products expose us to the often unique regulatory and legislative requirements of the many countries in which we sell. Chemicals that could come into contact with packaging are controlled and there are regular updates and exclusions from approved lists. While we can typically overcome these at a cost, by reformulating the product, in the worst case it could lead to product withdrawal, affecting supply to our customers.	• Disruption to supply and customer dissatisfaction • Additional costs • Reduced sales, profits and cash flow.	• Our regulatory affairs team monitors legislation and regulatory matters affecting the business and in particular the use of chemicals, including labelling and safety information requirements. We maintain a policy of strict compliance with mandated and best-practice use of chemicals • A number of our management and staff take part in industry and advisory bodies, giving us an overview of developments in this area.
7 The Group continues to invest in its digital printing business. This is a new market, which is developing as technology becomes capable of high-speed, high-quality, short-run printing. We expect the market to grow strongly over the next five years but those projections could overstate the opportunity in the short, medium or longer term. There is also a risk that we cannot capitalise on that market growth.	• Failure to achieve a return on investment • Reduced prospects for sales and profit growth.	• We have invested considerable amounts in our digital printing business, to add skills, competencies, resources and the capacity for growth • We carefully monitor market trends and customer behaviour, and have set milestone sales targets to validate adoption rates • We continue to work with partners, to ensure we have access to the latest technology. Our association with industry bodies ensures we have the widest possible view of market developments.
8 The Group sells in developed and developing economies worldwide, and is subject to changes in their economic or political situations. Typically, there are one or more countries in which local conditions make trading or payments more difficult. In isolation, these are manageable and are unlikely to be material to Group results. However, international sanctions or regional policies could affect our ability to sell our products.	• Lost sales • Bad debts • Additional costs to overcome trade barriers.	• We maintain close contact with our sales businesses and distributors, so we can anticipate issues with importing goods or fiscal controls • Our regulatory teams are able to respond quickly to changing compliance needs • Where available, we maintain high-level insurance on distributor debt, in case of material default.

KEY PERFORMANCE INDICATORS

MEASURING OUR PERFORMANCE

The Board uses five key financial indicators and two non-financial indicators to monitor our progress with implementing our strategy.

Key financial indicators:

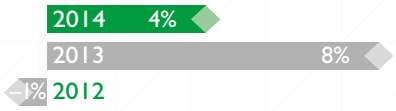
- Sales growth
- Gross margin rate
- Underlying operating return on sales
- Cash conversion (operating cash flow as a percentage of operating profit)
- Return on capital employed.

Non-financial indicators:

- Health and safety of staff (accident rates)
- Environmental impact (carbon emissions).

SALES GROWTH

^4%



GROSS MARGIN

^48.1%

UNDERLYING OPERATING RETURNS ON SALES

^16.3%

SALES GROWTH

Sales growth is a function of new equipment installations plus recurring revenues from consumables, spares and services. New equipment installations include replacement and new manufacturing capacity. New equipment volumes vary to some extent year to year, based on customer investment cycles and the general economic outlook. Recurring aftermarket revenues are typically stable and increase each year as the installed base of equipment grows.

Our goal is continuous growth in sales confirming the effectiveness of our product strategy and the development of our channels to market.

In 2014, sales increased by 4 per cent on the prior year. New equipment revenues increased by 6 per cent, and aftermarket revenues by 3 per cent.

GROSS MARGIN RATE

Gross margin rate is gross profit before exceptional costs as a percentage of total sales. The Group operates in global markets, making sales in local currencies and sourcing components and sub-assemblies in three continents. Gross margin rate is influenced by selling prices, input costs, absorption of overheads, sales mix and movements in exchange rates.

Our goal is to maintain a gross margin rate at or around 50 per cent through appropriate pricing, cost and business efficiency.

Reported gross margin was 48.1 per cent in 2014, in line with 2013. The benefit of favourable movements in exchange rates was offset by sales mix and adverse pricing effects, primarily in developing markets in the first half year.

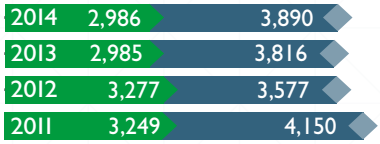
UNDERLYING OPERATING RETURN ON SALES

Underlying operating return on sales (operating returns) is operating profit before amortisation of acquired intangible assets, adjustments to contingent consideration and exceptional costs, as a percentage of sales. The long-term trend in operating returns is an indicator of our business efficiency, the effectiveness of our resource allocation and our direction. The business has high operational leverage and we aim to use that leverage to deliver strong profit growth from incremental sales growth.

Our goal is to increase operating returns in the medium term, with an aspirational target of 20 per cent.

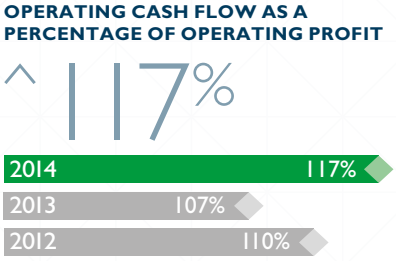
Underlying operating returns in 2014 were 16.3 per cent (2013: 15.7 per cent).

GREENHOUSE GAS EMISSIONS AT BASELINE SITES
TONNES OF CO_2 EQUIVALENT

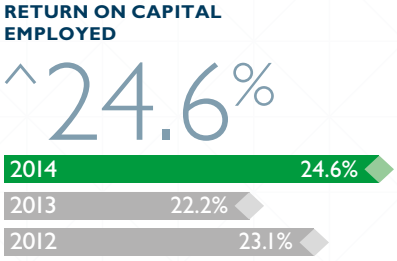


- Scope 1 is the direct emissions from fuel consumption and industrial processes. This takes the form of gas for heating, diesel and petrol used in vehicles and diesel for electricity generators.
- Scope 2 is the indirect emissions from the generation of purchased electricity.

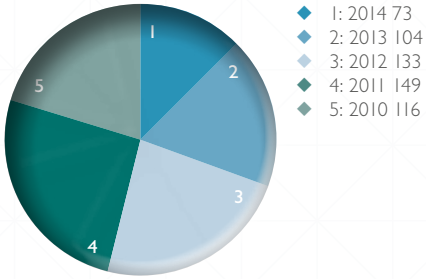
OPERATING CASH FLOW AS A PERCENTAGE OF OPERATING PROFIT



RETURN ON CAPITAL EMPLOYED



GROUP ACCIDENTS



CASH CONVERSION

Operating cash flow is net cash inflow from operating activities before exceptional items and taxation. This is measured as a percentage of operating profit before exceptional items. The Group has a track record of strong cash flow and we carefully monitor the rate at which we convert operating profit into cash. The key determinant of operating cash flow is working capital use, specifically inventory and receivables.

Our target is to achieve a minimum of 100 per cent conversion of operating profit into cash each year.

In 2014, operating cash flow was 117 per cent of operating profit. There were no exceptional items.

RETURN ON CAPITAL EMPLOYED

Return on capital employed is operating profit before exceptional items, as a percentage of total assets less current liabilities before contingent consideration on acquisitions. Contingent consideration depends on future performance. Our measure of capital use in the business focuses on the operating return generated from the total assets and current liabilities deployed. Cash and short-term debt or overdrafts are included in assets.

Our target is a return on capital employed in excess of 20 per cent per annum.

In 2014, return on capital employed was 24.6 per cent.

CARBON EMISSIONS

Baseline sites included all main factory operations and associated offices in Cambridge, UK, head office and manufacturing site; Liverpool, UK, fluids plant; Shanghai, China, manufacturing and sales office site; and Gurnee, USA, fluids plant. Recognising that as the Group expands we will potentially use more energy, we aim to deliver energy efficiency gains, to reduce our total carbon impact as measured by the volume of carbon dioxide emitted per square metre of space.

In 2014, our total emissions were 10,462 tonnes of CO_2 equivalent (2013: 10,437 tonnes) from a total of 67,307 square metres (2013: 63,659 square metres). This represents 0.155 tonnes of CO_2 equivalent per square metre, compared with 0.164 tonnes in 2013.

ACCIDENT RATES

The Group reports all accidents and incidents resulting in an injury, however minor. Our target is a continuous reduction in the number of accidents, through safe working practices and education.

The fluctuation year-on-year is relatively low. In 2014 the number of accidents resulting in injury decreased, continuing the trend of recent years.

FINANCIAL REVIEW

STRENGTHENING OUR FINANCIAL POSITION

TRADING RESULTS

£m	2014	2013	Growth	2014 at 2013 rates	Growth
Equipment	**152.0**	143.2	6%	158.1	10%
Aftermarket	**198.2**	192.5	3%	206.3	7%
Total	**350.2**	335.7	4%	364.4	9%

Sales in 2014 were £350.2 million, reflecting year-on-year growth of 4 per cent. Acquisitions had no impact but exchange rate movements reduced reported results and had a substantial effect on sales growth, which was 9 per cent at constant exchange rates.

Equipment revenue represented 43 per cent of Group sales and grew by 10 per cent in local terms. We recognised 19 N-Series digital label presses in revenue during the year, compared with nine in 2013. These machines command a considerably higher price than the coding and marking product range, and contributed £7 million to revenues compared with £3 million in 2013. This accounted for one fifth of the total 10 per cent growth in equipment sales.

Consumable revenues, including fluids, increased by 7 per cent on prior year in local terms. Spares and service revenues also grew by 7 per cent.

The gross margin rate was 48.1 per cent, in line with 2013. The sales mix, coupled with reduced margins on equipment sales, in particular in developing markets in the first half year, reduced the gross margin rate by nearly 1 percentage point. This was offset by the benefit to gross margin rate from the different impacts on revenue and cost of sales from movements in foreign exchange.

Selling and distribution costs and administrative expenses were £93.2 million, an increase of 4 per cent on the prior year (before exceptional costs). We have increased our investment in sales and support resources in the digital printing business and have seen a general increase in payroll costs, as a result of bonuses earned in the year.

Investment in research and development was £18.2 million (2013: £19.5 million; before exceptional costs). This reduction reflects timing differences in project spend which we expect to reverse during 2015.

Operating profit before exceptional costs, reassessment of contingent consideration and the amortisation of acquired intangible assets was £57.0 million, up 8 per cent (2013: £52.7 million).

OTHER NON-TRADING ITEMS

Provision for contingent consideration associated with acquisitions made in prior years has been reduced by £2.1 million. Provisions are based on our latest view of the likely outcome, taking into account the specific terms of earn-out arrangements. Amortisation of acquired intangible assets was £3.1 million (2013: £3.3 million).

INTEREST AND FINANCING COSTS

The Group remained in a net cash position throughout the year and managed its cash resources through a combination of interest bearing deposits and short-term debt facilities. Investment income was £1.2 million (2013: £1.1 million) and interest costs were £0.7 million (2013: £0.8 million).

PROFIT BEFORE TAX

The Group reports both statutory and underlying measures of performance (see note 3). Profit before tax was £56.5 million (2013: £17.7 million). Underlying profit before tax increased by 9 per cent to £57.6 million (2013: £53.0 million). Underlying profit before tax is stated before exceptional items, amortisation of acquired intangible assets, adjustments to provisions for contingent consideration arising on acquisitions and non-cash interest charges derived from the accounting for discounted contingent consideration arising on acquisitions.

TAXATION

The tax charge of £11.9 million reflects a one-off benefit of £1.4 million from the movement in deferred tax, as a result of changes to the withholding tax rate on dividends paid from the Group's Chinese subsidiaries. The underlying effective tax rate, excluding this and other prior year adjustments, was 25.1 per cent (2013: 25.7 per cent). The Group benefited from reductions in the UK corporation tax rate during the year.

EARNINGS PER SHARE

Basic earnings per share were 39.79 pence (2013: 5.22 pence). Underlying earnings per share were 40.01 pence (2013: 35.30 pence). Fully diluted earnings per share were 39.46 pence (2013: 5.18 pence), on a weighted average number of shares in issue of 113,065,499.

DIVIDENDS

The Board is recommending a final dividend of 14.76 pence which when added to the interim dividend of 7.98 pence gives a total dividend for the year of 22.74 pence per share. The dividend is covered 1.8 times by underlying earnings per share. The value of dividends paid during the year represented 47 per cent of net cash inflow from operating activities (2013: 55 per cent).

CASH

Net cash inflow from operating activities before taxation was £65.8 million (2013: £54.9 million). The net favourable working capital movement, after the impact of exchange rates, was £0.7 million. Inventories increased in line with production volumes. Trade debtors, excluding the impact of exchange rate movements, increased in line with sales. These movements were more than offset by the increase in creditors, which included the impact of accrued bonus payments.

We invested £12.5 million (2013: £9.1 million) in fixed assets in the year, including £2.3 million to buy land in preparation for building additional factory space in Cambridge, UK. The Group balance sheet reflects an investment in printers that are subject to lease arrangements with customers. These are treated as fixed assets and amortised over their useful lives. Additions of £2.1 million of these assets were made during the year, increasing our gross investment to £10 million. The net book value at 31 October 2014 was £4.6 million, an increase of £1.3 million in the year.

STATUTORY MEASURES

	2014	2013	2012	2011	2010
Sales £m	**350.2**	335.7	312.1	314.1	300.0
Profit before tax £m	**56.5**	17.7	53.9	57.4	52.1
Earnings £m	**44.6**	5.8	40.7	40.8	37.2
Shares in issue (average '000)	**112,367**	111,839	111,207	110,756	109,835
Shares in issue (year-end '000)	**112,551**	112,196	111,431	111,054	110,281
Basic earnings per share (p)	**39.79**	5.22	36.90	37.20	34.25
Dividends paid per share (p)	**22.04**	20.99	19.41	16.72	13.93
Net assets per share (p)	**188.6**	176.8	190.7	174.0	155.1

UNDERLYING MEASURES

	2014	2013	2012	2011	2010
EBITA £m	**57.0**	52.7	53.5	59.4	54.5
Return on sales %	**16.3**	15.7	17.2	18.9	18.2
Investment in R&D £m	**18.2**	19.5	16.7	15.3	15.6
Profit before tax £m	**57.6**	53.0	53.7	59.5	54.7
Basic earnings per share (p)	**40.01**	35.30	36.02	38.66	36.05
Net cash inflow from operating activities before tax £m	**65.8**	54.9	56.4	51.1	59.7

Other cash outflows included contingent consideration on acquisitions made in prior years (£0.7 million), tax (£13.4 million) and the purchase of shares for the UK based share incentive plan (£0.1 million). We repaid short-term bank loans of £33.3 million in the year.

Gross cash at the year end was £40.5 million. Net cash, after taking into account a small loan on property in South Korea, was £40.1 million.

NET ASSETS

Net assets at the year end totalled £212.2 million (2013: £198.4 million).

TREASURY

The Group is exposed to interest rate movements and to changes in the value of sterling relative to a number of foreign currencies. Our policy is to manage these exposures in a way that provides certainty on a transaction basis in the short term, while guarding against any speculation. We place surplus cash on short-term deposit with approved banks, with limits on the amount of exposure to any individual bank. Bank debt is primarily short term, with drawdown renewed as required. This has proven to be cost effective and has enabled us to take advantage of higher deposit rates in some jurisdictions.

The Group has a £50 million revolving credit facility with the Royal Bank of Scotland, which is committed until 30 November 2016. This is adequate to meet our expected working capital requirements.

We make sales and receive income in a range of currencies. We manage transactional exposure where possible by using simple forward contracts, which means selling or buying currency based on our expected net cash inflows or outflows on a rolling three or 12-month basis. Our main exposures are to the US dollar and the euro, both of which we sell forward, aiming to cover 90 per cent of our exposure over a rolling 12-month period. During the year, the Chinese government continued to support the internationalisation of the renminbi (Chinese Yuan). We have started using renminbi contracts on a rolling three-month basis and expect to extend this towards a full 12 months, as we gain experience in that market. Other material exposures include the Indian rupee. We currently have no plans to take a forward position in this currency.

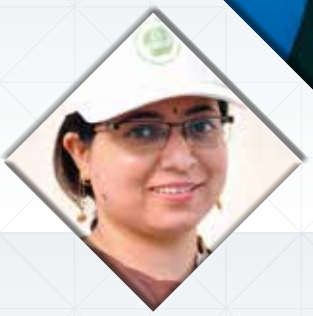
Forward contracts maturing during the year reduced net sterling receipts by £0.3 million, when compared with the prevailing rate in the prior year. Contracts in place covering expected cash flows in 2015 will realise net losses of £1.1 million, when compared with 2014 rates.

We do not hedge translation effects on reported profits in the income statement. In 2014, the impact of exchange rate movements on translation of overseas profits and short-term balances held by Group subsidiaries in non-functional currencies reduced reported profits by £0.2 million. Similarly, we do not hedge Group investments denominated in foreign currencies in the balance sheet. In 2014, this resulted in a decrease in reserves of £8.3 million.

CORPORATE RESPONSIBILITY

DELIVERING ON OUR RESPONSIBILITIES

As a global manufacturing business, we have an impact on society and the environment. By taking responsibility to make this impact as positive as possible, we reduce our business risk and create long-term value for our key stakeholders, including shareholders, customers, suppliers, staff and our local communities. To achieve this, we strive for the highest standards of business practice. This means supporting, developing and rewarding our employees; minimising our environmental impact; and engaging with the communities in which we operate.



VALUES

How we behave is just as important as what we do. Our core values are the essence of our identity and drive us to be our best in every decision and business relationship. Our achievements in 2014 reflect these values.

	IN 2014 WE DID		IN 2015 WE WILL
Clarity and focus	Launch a new Domino Code for suppliers, to ensure the sustainability of our supply chain.	✔	Renew and reinvigorate our Group wide suite of safety, health and environment policies.
Commitment	Achieve OHSAS 18001 certification at our newly expanded Cambridge, UK, manufacturing site.	✔	Conduct externally verified energy audits of our three largest manufacturing sites worldwide.
Energy and urgency	Reduce our CO_2 footprint per square metre of facilities space by 3 per cent.	✔	Design our new infrastructure investments for energy efficiency.
Listening and honesty	Refresh training for all staff on anti-bribery legislation and the Group's ethics policy.	✔	Provide more opportunities for our customers to share their views with us through an increased range of feedback options at different points in the customer journey.
Team work	Establish an apprentice scheme at our main manufacturing site.	✔	Engage all Group businesses with local educational initiatives and children's charities.
Attitude	Build on our support for educational initiatives by helping young people develop business skills, with the support of our expert staff.	✔	Act as business ambassadors for the world-renowned Addenbrooke's teaching hospital in Cambridge, to encourage more businesses to fundraise.

We have identified the following corporate responsibility issues as having the greatest potential impact on our business and our key stakeholders.

AT OUR SITES
- Energy use
- Waste generation
- VOC emissions

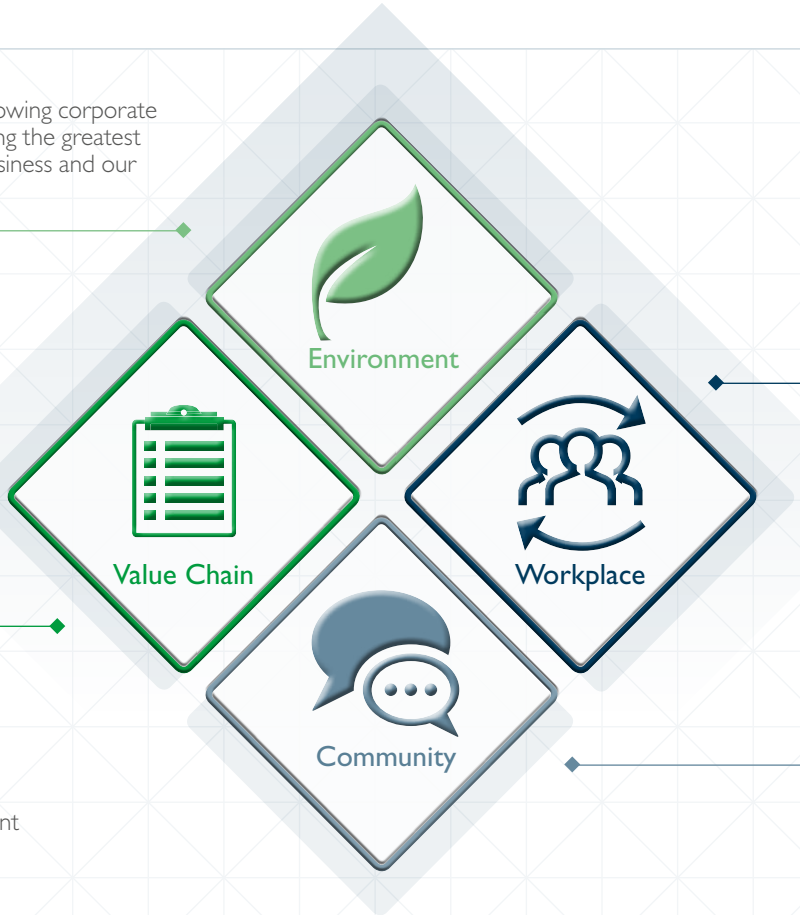
ON THE ROAD
- Fleet fuel use
- Logistics fuel use

OUR PRODUCTS
- Energy usage of printers during lifetime
- VOC emissions
- Waste reduction

BUSINESS ETHICS
- Preventing corruption
- Protecting human rights

OUR WORKFORCE
- Diversity and inclusion
- Engagement
- Training and development

OUR PRODUCTS
- Quality
- Product stewardship



HEALTH AND SAFETY
- Occupational illness and accidents
- Work environment
- Safety of workforce on the road and at customers' sites

OUR WORKFORCE
- Employee social activities
- Local hiring practices

OUR COMMUNITIES
- Community impacts from business activity
- Supporting community projects and charitable initiatives

COMMITMENT TO REPORTING
Sustainability is as important to our stakeholders as it is to us, so we strive to continually improve our corporate responsibility reporting, so all our stakeholders can see how we are doing. We were delighted that our efforts were recognised this year by meeting the new, more demanding, requirements of the FTSE4Good Index Series and achieving our sixth consecutive year of membership.

PRODUCT PORTFOLIO
We work to establish an environmental leadership position with our printers, by developing resource-efficient technologies that reduce energy use, waste and emissions of volatile organic compounds (VOCs).

This year, we made further advances in the design of our revolutionary A420i continuous ink jet printer. These changes reduced both make up and ink use – the main sources of VOC emissions during coding – by 50 per cent. In addition, the printer's reduced service routine will cut our service engineers' travel by up to 1.2 million miles a year, as our installed base increases. We were delighted that the Green Organisation recognised these innovations by giving us a Green Apple award for environmental best practice.

Our V-Series printers provide excellent environmental efficiency, by using up to 60 per cent less ribbon than competitors' printers and not requiring an additional compressed air power source. In addition, the smart power saving mode we designed ensures that during operation, the printer consumes at least 15 per cent less power than equivalent products.

In designing our next generation of continuous ink jet printers, we are using a Life Cycle Analysis tool. This gives us insight into the impact of changes to product architecture, at the earliest stage of research and development.

The European Printing Ink Association (EuPIA) is a division of CEPE, an industry body for manufacturers of paints, printing inks and artists' colours. We are the only coding and marking business that is a member of CEPE and we have signed up to EuPIA's exclusion list, which is a list of raw materials that signatories voluntarily exclude from their printing inks. As such, we formulate our ink products with safety in mind and can reassure our customers that our inks offer leading performance in their composition and safety.

We operate in global markets, with our operations covering 16 countries and our value chain reaching to more than 140. We continue our drive to progress sustainability throughout our supply chain. As part of this, we launched this year the Domino Supplier Code. The Code is founded on the UN Global Compact and mandates the minimum ethical, labour, health and safety, and environmental standards we expect our suppliers to meet. The Code can be downloaded from our website, www.domino-printing.com.

HUMAN RIGHTS

The Group is committed to protecting internationally proclaimed human rights throughout our value chain. We base our actions on the UN Declaration of Human Rights and the UN Convention Against Corruption. The most significant human rights impacts for our business are:

- respecting the diversity of our staff and customers and looking after their health and safety;
- ensuring our suppliers respect the rights of their staff;
- contributing positively to the wellbeing of the communities in which we operate; and
- maintaining a firm stance against corruption.

CUSTOMER FIRST

We actively seek our customers' views and welcome their interest in our operations, by responding to many questionnaires and audit requests each year. We are always pleased to host customer visits to our global operations.

We motivate our staff to provide exemplary service. Our Group Training Academy ensures our global engineers are always up to date on our products' latest enhancements and new features. We employ learning technologies to run virtual training sessions that reach all corners of the world, without the need for travel. During the year, we delivered over 30 virtual sessions, engaging more than 300 engineers in more than 40 countries.

Coding and marking technologies play a crucial role in supporting national and international efforts to protect consumer health and tackle counterfeiting. Our reputation as experts in the field has led to governments, manufacturers and industry bodies around the world inviting us to advise on how to better identify products and enable authentication for a safer supply chain. For instance, we have been closely involved in developing measures to improve patient safety through pharmaceutical coding.

BUSINESS EXCELLENCE

We are committed to positive action in pursuit of sustainability. Our Corporate Responsibility Policy, which we established in 2011, provides the framework by which we set environmental and ethical standards for every business and channel in our Group. Our Board receives quarterly reports on our performance and compliance with these standards.

		2014	2013
Combustion of fuel	tonnes of CO_2e	**5,676**	5,826
Electricity, heating and cooling purchased for our use	tonnes of CO_2e	**4,786**	4,611
Tonnes of CO_2e per £m of revenue		**29.88**	31.09
Tonnes of CO_2e per full time employee		**4.61**	4.73
Tonnes of CO_2e per m^2 of facilities space		**0.16**	0.17
Total footprint	tonnes of CO_2e	**10,462**	10,437

Note: This footprint is a report on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. We have reported on 97 per cent of the Group by staff head count. The remaining 3 per cent of staff are distributed across 36 small sites which, due to their small size and the low energy intensity of their activities, are not significant to our footprint. The sources reported are under our operational control. We have used the Greenhouse Gas Protocol methodology for compiling our greenhouse gas data.

We work hard to improve the breadth and depth of our understanding about our environmental and social performance and report on several indicators which can be viewed on our website. We have had ISO 14001 certification at all our ink plants for over 10 years. This year we asked external auditors to conduct social audits (SMETA pillar 4) at our manufacturing sites in the UK, Germany and China, which confirmed that we are demonstrating excellent ethical standards in our operations. We also completed our fourth year of reporting to the Carbon Disclosure Project. We were particularly pleased to have increased our reporting score again, from 74C in 2013 to 81B in 2014.

Since 2011, we have measured our greenhouse gas emissions at our four largest manufacturing sites[1]. This year, we improved our data collection methodology and reassessed our previous data. As a result, we have seen a 7 per cent decrease in our emissions from the 2011 baseline.

We also measure the greenhouse gas footprint of the entire Group and have similarly reassessed this, using our improved data collection methodology. This year, our footprint was 10,462 tonnes of CO_2 equivalent, a 0.2 per cent increase on last year's total emissions. However our objective was to reduce our emissions relative to our floorspace by 3 per cent. We achieved a 5 per cent decrease.

We have also continued to improve our recycling initiatives. Our total waste tonnage was 1,530 tonnes across the Group, of which 47 per cent was recycled in comparison to 1,444 tonnes and 40 per cent recycled in 2013.

The health and safety of our staff, contractors and visitors is of paramount importance to us. We have OHSAS 18001 at all our ink plants and our Cambridge HQ and manufacturing site. Our objective is to continue to reduce the number of accidents across the Group. We support this continual improvement by assessing procedures and performance in all our sales channels and business units each year. We expect and encourage staff to be proactive on health and safety issues and

1 Cambridge (UK), Shanghai (China), Liverpool (UK), Gurnee (USA).

provided more than 6,100 hours of health and safety training this year. As a result, our accidents reduced to 73 this year in comparison to 104 last year. This is an average of 0.032 accidents per person.

In addition to formal health and safety systems, we have run anti-smoking and weight loss campaigns and provided opportunities to engage in sports activities.

We take a zero-tolerance approach to corruption. We require that all our employees, agents and business partners demonstrate the highest standards of professionalism, fairness and integrity when conducting business on our behalf. We do not make any contributions to political parties and our charitable donations are not made to gain any commercial advantage. This year, all our staff have undertaken training to refresh their knowledge of anti-corruption legislation and confirm their commitment to Domino's standards.

CULTURE AND PEOPLE

Domino is its employees. Our highly skilled and motivated employees drive the success of the business. We aim to employ a workforce that reflects the diversity of our customers and the communities we operate in.

We maintain an environment where all employees can develop to their full potential and advance their careers. Across the Group this year, we delivered more than 31,000 hours of formal training to our staff, an average of 13 hours per person. In addition, we provide many opportunities to develop on-the-job skills. For instance, this year our Digital Printing team worked with a leading professor of colour imaging, to support their professional development and enhance their skills in this area.

Through our quarterly National Employee Council meetings, we ensure open discussion with our employees on the status of all areas of our operations. In addition, we run internal surveys annually to find out how employees view group management. As a result, we know that we continue to achieve high levels of staff satisfaction with the support and communication they receive from their managers.

Our employee benefits package is designed to respond to staff needs at every stage of their working life. We also provide many opportunities to socialise and team build. For example, Domino France staged a 'country lunch' for all employees to share, Domino China held an open day for our employees' families to visit the factory and join in games and lunch together, and in the UK our social club has staged 23 events for staff and their families. As a result of our efforts to be an excellent employer, we were proud to offer long-service awards to 715 staff across the Group, for 10 years or more service.

We work best as a business when we work with our local communities. As well as creating local jobs, we have apprenticeship schemes, we offer work experience placements for local studentsand we engage with educational initiatives to promote science, technology, engineering and mathematics to young people.

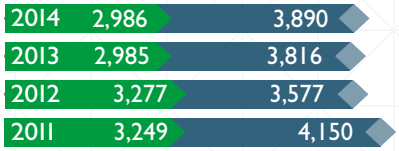
We also take great pleasure in our ties with charities in our communities. For example, during 2014:

- Domino China supported a number of initiatives working with disabled people;
- Domino India made donations and dedicated staff time to support a local orphanage;
- Domino Germany donated their old laptops to a local school; and
- Domino France sponsored a community disabled basketball team.

We also encourage staff to become involved in charitable activities and fundraising by matching their funds, and allowing them to nominate which organisations the Group supports. This year, our business donated more than £50,000 to charitable causes, with a further £21,000 donated by our staff. Domino UK has fielded a team in the London to Cambridge charity bike ride for seven consecutive years and this year one of our colleagues swam across Windermere, England's largest natural lake. While a team of runners from Domino Laser entered a relay race to raise money for city forests.

Our dedication to sustainability is driving us to achieve the best in all areas of our business. We are committed for the long term to operate our business according to a strong set of values and ethical practices. We know that by making unrelenting efforts to improve our performance, we are enhancing our business for the benefit of all our stakeholders.

GREENHOUSE GAS EMISSIONS AT BASELINE SITES TONNES OF CO_2 EQUIVALENT



- Scope 1 is the direct emissions from fuel consumption and industrial processes. This takes the form of gas for heating, diesel and petrol used in vehicles and diesel for electricity generators.
- Scope 2 is the indirect emissions from the generation of purchased electricity.

CASE STUDY

Our new Indian factory was designed with energy efficiency in mind. By making the most of natural daylight, we should have no need for electric lighting during the day, and fresh air ventilation is improving the working environment while reducing the need for air conditioning. The Domino India team is very proud of the new building and has applied to the Indian Building Council for Green Factory certification.

BOARD OF DIRECTORS

1. PETER BYROM [N*]
CHAIRMAN

Chairman, appointed to the Board on 22 March 1996 and appointed Chairman on 22 November 1996.

BACKGROUND AND EXPERIENCE
Non-executive Director of Rolls-Royce plc from 1997 to 2013 and of Amec plc from 2005 to 2011.

Director of NM Rothschild & Sons Ltd from 1977 to 1996.

2. NIGEL BOND [N]
CHIEF EXECUTIVE OFFICER

Chief Executive Officer, appointed to the Board on 9 July 1992 and appointed Chief Executive Officer on 22 November 1997.

BACKGROUND AND EXPERIENCE
Chartered Accountant, joined Domino as Financial Controller in 1987, subsequently became President of US operations.

3. ANDREW HERBERT
CHIEF FINANCIAL OFFICER

Chief Financial Officer, appointed on 11 May 1998.

BACKGROUND AND EXPERIENCE
Chartered Management Accountant, joined Domino in 1986 and has held senior financial, operations and general management positions in both the UK and US.

4. RACHEL HURST
GROUP OPERATIONS DIRECTOR

Group Operations Director, appointed on 25 November 2014.

BACKGROUND AND EXPERIENCE
Joined Domino in 1990 and has held various senior positions in product management and operations.

5. SIR MARK WRIGHTSON [A*, N, R]
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Non-executive Director, appointed on 1 February 2007.

BACKGROUND AND EXPERIENCE
Formerly Co-Chairman of Close Brothers Corporate Finance Ltd.

EXTERNAL APPOINTMENTS
Non-executive Director of Amlin plc.

6. SIR DAVID BROWN [R*, A, N]
NON-EXECUTIVE DIRECTOR

Non-executive Director, appointed on 1 August 2008.

BACKGROUND AND EXPERIENCE
Chartered Engineer and Fellow of the Royal Academy of Engineering. Formerly Chairman of Motorola Ltd.

EXTERNAL APPOINTMENTS
Chairman of the British Standards Institution and DRS Data & Research Services plc. Non-executive Director of TTG Global Group Ltd.

7. CHRISTOPHER BRINSMEAD [A, N, R]
NON-EXECUTIVE DIRECTOR

Non-executive Director, appointed on 11 June 2008.

BACKGROUND AND EXPERIENCE
Formerly President of Astra Zeneca UK Ltd and the Association of the British Pharmaceutical Industry.

EXTERNAL APPOINTMENTS
Chairman of Diagnostic Capital Ltd, non-executive Director of United Drug plc, the Wesleyan Assurance Society, Kinapse Ltd, Proveca Ltd and Cambian Group plc.

8. SUCHETA GOVIL [A, N, R]**
NON-EXECUTIVE DIRECTOR

Non-executive Director, appointed on 25 November 2014.

BACKGROUND AND EXPERIENCE
Chief Marketing Officer, Royal DSM (from January 2015). Global Head of Marketing and Innovation at Akzo Nobel's decorative paints division from 2011 until December 2014.

EXTERNAL APPOINTMENTS
Chief Marketing Officer, Royal DSM (from January 2015).

A member of Audit Committee
N member of Nomination Committee
R member of Remuneration Committee

***** denotes Committee Chairman
****** committee appointments effective 1 January 2015

CORPORATE GOVERNANCE REPORT

CHAIRMAN'S INTRODUCTION

We remain committed to achieving high standards of corporate governance and we have established policies and procedures which are designed to facilitate good governance in a practical and workable way.

We are very pleased to welcome Sucheta Govil and Rachel Hurst who were both appointed to the Board on 25 November 2014. They will bring a new perspective and valuable experience. Sucheta Govil has a wide knowledge of international business, particularly in Asia, the Middle East and Africa, the regions which provide exciting growth opportunities for Domino. Rachel Hurst has a broad understanding of all aspects of the Group's operations gained during her 24 years with the Company. She has been instrumental in the development of Domino's global manufacturing capability.

The reports on the following pages explain our governance arrangements in more detail and describe how we have applied the principles of corporate governance contained in the Code which applies for the year under review.

We have considered the new Corporate Governance Code 2014 which applies to financial years ending after 1 October 2014 and we have, where we considered it necessary, revised our arrangements to ensure compliance with this new code for the current year.

Peter Byrom
Chairman
15 December 2014

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

The Company fully supports the principles of corporate governance contained in the UK Corporate Governance Code issued by the Financial Reporting Council in 2012 (the 'Code').

Except as stated in the section on dialogue with shareholders, the Company has, throughout the year, been in compliance with the Code Provisions and has applied the principles set out in the Code. An explanation of how the principles have been applied is set out in this report and in the reports of the Committees.

BOARD OVERVIEW
The aim of the Board is to promote the long-term success of the Company. It is responsible for creating a framework of strategy and controls within which the Company operates. The Board takes account of the impact of its decisions not only on shareholders but also on a wider group of interested parties including employees and local communities. The Board is responsible for monitoring the implementation of strategy by the management team.

A number of key items are specifically reserved for the Board's approval. For example, budgets, major acquisitions and significant new product programmes. Other matters are delegated to the Audit, Remuneration and Nomination Committees. There are terms of reference for each of these Committees which specify their responsibilities which are available on the Company's website.

BOARD MEMBERSHIP
Information about the Directors is given on page 39.

Attendance

All Directors attended each Board meeting

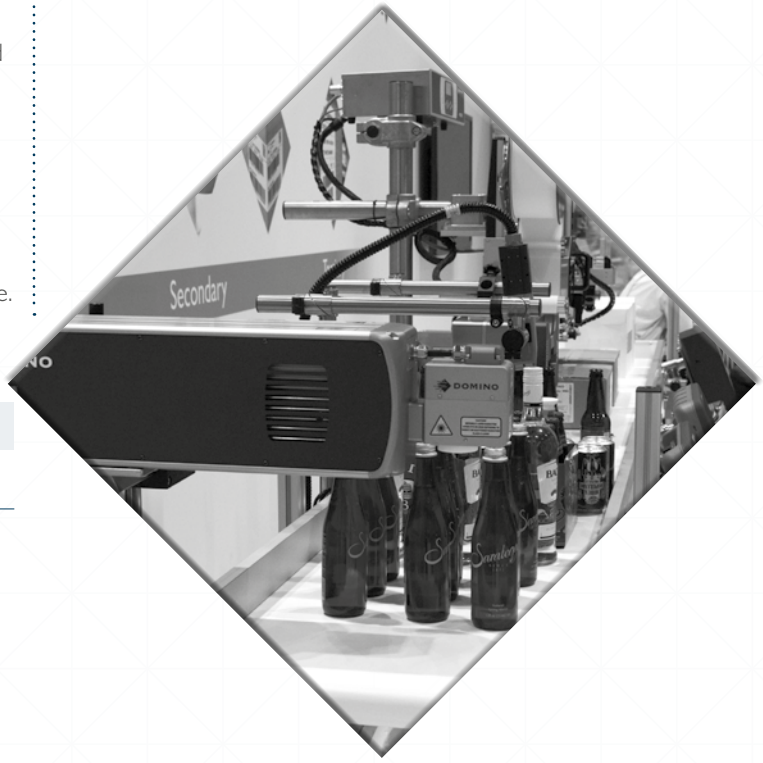
THE CHAIRMAN
The role of the Chairman is to provide leadership to the Board and to ensure that the Board and its Committees operate effectively. He sets the agenda for Board meetings and chairs the meetings to facilitate open and constructive debate.

THE CHIEF EXECUTIVE OFFICER
The Chief Executive Officer is responsible for the day-to-day management of the business and for the development of strategy for approval by the Board.

There is a formal document agreed by the Board setting out the division of responsibilities between the Chairman and the Chief Executive Officer.

SENIOR INDEPENDENT DIRECTOR
The role of the Senior Independent Director is to act as a sounding board to the Chairman and to provide an additional point of contact for shareholders. He acts as an intermediary for other Directors and is responsible for the evaluation of the performance of the Chairman.

NON-EXECUTIVE DIRECTORS
The non-executive Directors have a wide range of senior level, international skills and experience. Details of their background are given on page 39. Their role is to provide an independent element to the Board and to constructively challenge management.



INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Board has reviewed the independence of the non-executive Directors and concluded that they are independent. The review took into account the results of the performance evaluation together with the factors listed in the Code.

The Board believes that to be judged independent each Director:

- should be free from any relationship or connection which could affect his ability to discharge his responsibilities impartially; and
- should have demonstrated a scrupulously independent approach by conducting himself impartially in all matters relating to the Group and by challenging the views of management and other Board members in a robust and constructive manner.

TIME COMMITMENT

The non-executive Directors are expected to spend approximately 20 days per year on Domino business. This includes attendance at Board and Committee meetings, preparation for the meetings and the provision of advice and assistance to the Company outside of the Board and Committee meetings.

BOARD MEETINGS

There are regular scheduled Board and Committee meetings throughout the year and ad hoc meetings may be held as necessary. This year there were eight Board meetings including a two-day strategy meeting and a further two day meeting in October to review the budget and strategic issues.

There is an annual work plan which lists the recurring items to be dealt with at each scheduled Board and Committee meeting.

BOARD PAPERS

The Directors receive detailed Board papers in advance of each meeting. These include routine reports on the performance of the business and on any matters for Board decision. Standard formats have been developed for the reports to make it easy to track progress against targets and identify key facts. In addition to written reports, presentations are also given to the Board.

Topics of some of the presentations given to the Board during the year:

- Health & Safety
- UK business
- New product launches

A detailed agenda is prepared for each meeting to make sure there is sufficient time allocated to deal with all issues. The Chairman and non-executive Directors generally meet before the Board meeting to discuss significant agenda items.

CONFLICTS OF INTEREST

The Company has adopted and followed a procedure under which Directors must declare actual or potential conflicts of interest as they arise. The Board reviews potential conflict of interest situations arising from other posts held by Directors on an annual basis.

During the year authorisation has been given for potential conflicts arising as a consequence of other positions held by some Directors. No actual conflicts of interest arising in respect of specific arrangements or transactions have been declared to the Board.

In determining whether to authorise conflicts of interest, only those Directors who have no interest in the matter may make the decision and they must act in good faith in the manner most likely to promote the Company's success.

DIALOGUE WITH SHAREHOLDERS

The Company actively seeks to enter into a dialogue with institutional shareholders and holds regular meetings with them both in the UK and in the US and Europe. This year an open day was held for fund managers and analysts at which presentations were given by senior managers and the Company's new N610i digital printer was demonstrated.

In order to assist non-executive Directors to develop an understanding of the views of major shareholders, reports are made of meetings with such shareholders. Although Sir Mark Wrightson, the Senior Independent Director, has been available to attend meetings with shareholders as suggested by Code provision E1.1 no meetings have been requested by shareholders. The Board considers that Sir Mark has a good understanding of the issues and concerns of major shareholders.

The Annual General Meeting is used as an opportunity for communication with private shareholders. All the Directors attend the meeting and are available to answer questions. Time is set aside after the formal business of the AGM for shareholders to talk informally with the Directors.

AGM 2014

2014 AGM held on 19 March 2014 at Domino's offices in Bar Hill, Cambridge.
All resolutions passed.
High level of voting (up to 86% of the issued share capital).
All Directors were re-elected to the Board with at least 92% of the votes cast in favour.

FINANCIAL CONTROL

The key internal financial controls that were in operation during the year were:

FINANCIAL REPORTING

All operating units complete business plans and budgets for the year. Each month, the unit produces written reports in a defined format on its performance against these plans and provides updated business forecasts. The reports and forecasts are reviewed by the executive Directors and significant issues are reported to the Board.

ACCOUNTING POLICIES AND PROCEDURES

The Company has written accounting policies and procedures. Local management are required to provide written confirmation of compliance with the policies and procedures. There is a formal internal audit process which seeks to verify that policies and procedures have been correctly applied and to confirm that there is an effective process of management and control within the business. Internal audits are carried out by suitably qualified and experienced staff that have no current connection with the operation being audited.

SECURITY OF THE GROUP'S COMPUTER SYSTEMS

The Group relies on financial and management information processed by, and stored on, computer systems. Controls and procedures have been established to endeavour to protect the security and integrity of data held on the system, with standby arrangements in the event of failure of a major system. Tests are conducted on an annual basis to assess the security of the systems. This year there has been a particular focus on cyber security and a presentation was made to the full Board on this issue.

TREASURY

The treasury function operates under guidelines approved by the Board and regular reports are made to the Board on treasury activities.

CAPITAL INVESTMENT

The Company has defined procedures for the review and control of capital expenditure. Expenditure requires different levels of approval according to the amount. Significant expenditure requires full Board approval and all approval requests are presented in a defined format to ensure that full justification is provided.

OPERATIONAL CONTROLS

All Domino businesses are required to operate in accordance with detailed standards and procedures which cover all material aspects of their operations. Compliance with these standards is subject to assessment by internal and external review.

There have been no significant control failures during the year.

COMPLIANCE

There is a Group policy on standards of conduct and business ethics and a separate anti-bribery policy. Both documents are available on the website.

There is a schedule of delegated authority designed to ensure that all material transactions are considered at the appropriate level within the Group and are subject to review by the head office legal department. All subsidiaries have access to local lawyers and the head office legal department.

RISK MANAGEMENT

There is a risk management sub-committee chaired by Andrew Herbert, the Chief Financial Officer, which meets at least quarterly. The role of the subcommittee is to:

- promote effective identification and management of risk throughout the Group;
- maintain a risk register identifying significant risks, risk control measures and responsibility for control measures:
- review and confirm that all significant risks have been identified and suitable control measures adopted;
- monitor implementation of risk control measures for all significant risks; and
- ensure all subsidiaries operate an effective risk management process.

The risk management sub-committee receives presentations on topics selected by it.

Some of the topics considered by the sub-committee during the year:

- Digital Printing
- Research and development

A senior manager is given responsibility for devising and implementing control measures for each significant risk. The manager is required to provide a quarterly report to the sub-committee on the status of implementation of control measures to manage that risk.

The sub-committee reports to the executive management committee which in turn reports to the Board. A formal risk management review of subsidiaries is conducted as part of the internal audit programme. Monthly reports to the executive Directors submitted by subsidiaries and business units cover risk control issues relevant to the particular subsidiary or business unit.

Internal control and compliance statement

The Directors acknowledge their overall responsibility for the system of internal control and for reviewing its effectiveness. They have established a system that is designed to provide reasonable but not absolute assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives. There is a continuing process for identifying, evaluating and managing the key risks faced by the Group that has been in place for the year under review and up to the date of approval of the annual report. The process is regularly reviewed by the Board and accords with the revised Turnbull guidance. Steps continue to be taken to embed internal control further into the operations of the business and to deal with any issues that come to the Board's attention. The Directors have reviewed the effectiveness of the system of internal control.

AUDIT COMMITTEE REPORT

I am pleased to present the Audit Committee's report describing our work during the past year.

I am pleased to present the Audit Committee's report describing our work during the past year. Stuart Henderson, the Deloitte engagement partner, will stand down this year under the normal rotation arrangements. This provides a convenient point to review our audit arrangements and, as previously announced, we have started an audit tender process. We expect to make a final decision on auditor appointment in March 2015. We view selection of the right firm of auditors as an essential part of the governance process and we have planned to devote significant time to a thorough selection programme. The section in this report on audit tender describes the programme in more detail.

Membership

Sir Mark Wrightson (Chairman and member with financial experience), Chris Brinsmead and Sir David Brown.

Key responsibilities

- The integrity of the financial statements
- Audit arrangements
- Review of internal controls and risk management

The full terms of reference of the Committee are available on Domino's website
www.domino-printing-sciences.com

Attendance

All Committee members attended each meeting.

AUDIT PLANNING

The Committee oversees the plans for the audit to ensure it is comprehensive, risk based and cost effective.

As in previous years, Deloitte drafted an initial audit plan in conjunction with executive management and presented it for review by the Committee. The plan described the proposed scope of the work and the approach to be taken. It also proposed the materiality levels to be used based on forecast profit. This year the materiality level has been reduced to take account of changes in the audit approach and the Financial Reporting Council's review of materiality.

In order to focus the audit work on the right areas, the auditor identified particular risk issues based on its knowledge of the business and operating environment, discussions with management and the half year review.

REVIEW OF FINANCIAL STATEMENTS AND AUDIT FINDINGS

The Committee reviewed the full and half year financial statements and the report of the auditors on these statements. The Deloitte partner responsible for the Domino audit attended the Audit Committee meetings to present the reports and answer questions from Committee members. Senior Deloitte staff who have had day-to-day involvement in the conduct of the audit also attend.

The Committee considered the following significant issues:

Issue	Assessment
Goodwill and other intangibles	The assessment of goodwill for impairment continues to be a key area of management judgement. The Committee addressed this matter by reviewing the assumptions underlying these judgements and considering the advice of the auditor on their validity.
Valuation of contingent consideration in respect of acquired businesses	The valuation of contingent consideration requires assumptions to be made about the expected future results of the acquired businesses. The Committee reviews these assumptions. This is also an area of focus for the auditor and the Committee receives detailed reports from the auditor.
Revenue recognition	Management judgement has to be applied in some cases to determine the point at which revenue on a sale is recognised. The issue is particularly relevant to N-Series digital printing sales which are comparatively high value and may have a protracted installation process. Revenue recognition is an area of focus for the audit and Deloitte carried out detailed testing and provided a report on this issue to the Committee.
Inventory held in Graph-Tech	Graph-Tech AG was acquired in 2012 and has built up significant inventory holdings for the manufacture of digital printers. Deloitte's Swiss team has checked the quantity and valuation of inventory and the Committee has reviewed their findings.

The Committee has reviewed the annual report and accounts to ensure that they are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. The Committee considers whether the report contains sufficient information to enable shareholders to make this assessment. It also considers whether the information is presented in a comprehensible and balanced manner and that sufficient prominence is given to critical issues.

ASSESSMENT OF AUDITOR

The Committee is required to assess the qualifications, expertise, resources and independence of the external auditor and the objectivity and effectiveness of the audit process. This assessment was carried out during the year on the basis of the Committee's own appraisal of the performance of the auditor and the views of the senior management team as well as consideration of materials provided by the auditor. The criteria used for this assessment remained unchanged from last year and were as follows:

- delivery of a thorough and efficient global audit in compliance with the agreed plan and timescales;
- provision of accurate, robust and perceptive advice on key accounting and audit judgements, technical issues and best practice;
- a high level of professionalism and technical expertise consistently demonstrated by all audit staff;
- maintenance of continuity within the core audit team; and
- strict adherence to independence policies and other regulatory requirements.

INDEPENDENCE OF AUDITOR

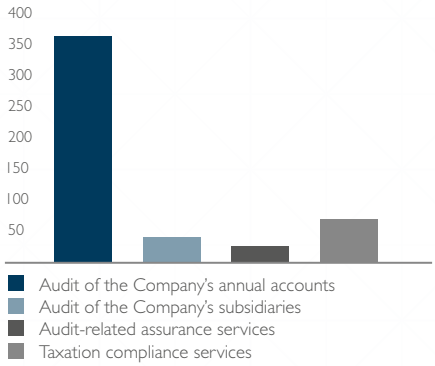
The Committee monitors arrangements to ensure that the partner in charge of the audit is changed every five years and that the relationship between the auditor and management does not affect the auditor's independence.

The Committee is responsible for devising and maintaining a policy for the engagement of the auditor to provide non-audit services. In order to seek to minimise any potential impairment of the auditor's independence, the Company's policy is that, except for tax compliance and acquisition due diligence work, the auditor will not be engaged to provide non-audit services without the consent of the Committee. The Committee considers that it is cost effective to use the auditors for tax and due diligence work because of its expertise in these areas coupled with in-depth knowledge of the business.

During the year Deloitte has provided the following non-audit services:

- audit related assurance services; and
- taxation compliance services.

FEES PAYABLE TO DELOITTE (£'000)



None of this work was carried out on a contingency fee basis.

The Committee considered the nature of the potential threat to independence posed by the provision of non-audit services and the safeguards applied. It concluded that the non-audit work undertaken by the auditor did not impair independence.

Service provided	Potential threat to independence	Safeguards applied
Services relating to taxation compliance	Self-review threat	The teams performing the computation and the audit work were separate and independent and were led by different partners.
Taxation advisory services	Self-review and self-interest threat	The teams performing the advisory work and the audit work were separate and independent and were led by different partners.

INTERNAL AUDIT

The Group has an internal audit process where trained finance staff unconnected with the entity being audited carry out internal audits according to defined procedures. The procedures were revised during the year with the aim of ensuring resources are deployed as effectively as possible. Under the revised arrangements the Group Finance Controller, who heads the internal audit function, compiles a list of areas to be audited based on a risk assessment and determines the type of audit to be conducted. Full audits, self-audits and self-certifications may be used. The proposed schedule of audits is subject to approval by the Audit Committee.

The Committee receives reports on audits conducted which include a list of the outstanding points raised by the audits. Summaries of internal audit reports were circulated to all Committee members and full reports were available on request.

The Group Financial Controller has a direct reporting line to the Chairman of the Committee. The Group Financial Controller is required to meet with the Committee at least once a year without the executive Directors being present.

RISK MANAGEMENT REVIEW

The Committee reviewed the scope and effectiveness of systems to identify and address financial and non-financial risk. The review was based on the report of the Risk Management Committee which identified the key risks, risk control measures and the implementation status of risk control measures. The report was presented to the Committee by the Chief Financial Officer who also chairs the Risk Management Committee. The report on page 26 provides further information on the risk management process.

WHISTLEBLOWING POLICY

The Committee is responsible for monitoring the Group whistleblowing policy. There is a dedicated e-mail address which enables staff anywhere in the Group to raise issues directly with head office. E-mails sent to this address are initially received by the Group HR Director and the Company Secretary and investigated appropriately. Any concerns raised are reported to the Audit Committee.

MEETINGS

The Committee met three times during the year and all Committee members attended each meeting. Representatives of the auditor including the partner responsible for the Domino audit also attended each meeting. The executive Directors are invited to attend the meetings. At two meetings the Committee arranged to speak with the auditor without the executive Directors being present and on one occasion the Committee met with the Group Financial Controller without the executive Directors being present.

The following table lists the standing agenda items which have been dealt with by the Committee.

Meeting date	Standing agenda items
June	• Review half year interim statement before consideration by the Board. • Committee to meet with auditor without executive Directors being present. • Review Audit Committee terms of reference and make recommendations to the Board.
October	• Approve the audit proposal covering terms of engagement of auditor, remuneration and the nature and scope of the audit. • Review and monitor the qualifications, expertise, resources and independence of the external auditor and the objectivity and effectiveness of the audit process.

Meeting date	Standing agenda items
December	• Review full year preliminary statement and draft announcement before consideration by the Board. • Review financial controls, audit report and management response. • Review letter of representation (before approval by the Board). • Review statement on internal control and risk management for report and accounts prior to approval by the Board. • Review annual report and advise the Board whether it is fair, balanced and understandable and provides the information necessary for the assessment of the Company's performance, business model and strategy. • Assess scope and effectiveness of systems established by management to identify and manage risk. • Review policy on appointment of auditor to provide non-audit services. • Review the effectiveness of the internal audit function and programme. Ensure internal audit function is adequately resourced and has appropriate standing within the Company. • Review the remit and work plans of the internal audit function. • Review procedures for detecting, monitoring and managing the risk of fraud including the method by which staff can raise concerns.

AUDIT TENDER

Deloitte has been the Company's auditor since 1993 and there has been no tender held for audit services during that time. The Committee considers that the auditor's knowledge of the Group's business and systems gained through experience has significantly contributed to the rigour and effectiveness of the audit process. However, as previously reported the Committee intends to comply fully with the FRC Audit Committees Guidance regarding the frequency of audit tender and has started an audit tender process.

Auditor selection will be made by the full Board and the Group Financial Controller. Specific criteria have been defined and each tenderer will be assessed against these criteria.

This selection process is expected to be completed in March 2015. Therefore, in the notice for the AGM in 2015, Deloitte, as the incumbent auditor, will be proposed for reappointment. If Deloitte is not successful in the tender process it will resign and the successful firm will be appointed by the Directors so that it is in position to carry out audit services for the 2015 financial year. The successful firm will then be proposed for reappointment by shareholders at the AGM in 2016.

TERMS OF REFERENCE

The Committee keeps its terms of reference under review and makes recommendations for changes to the Board. The full terms of reference are available on Domino's website at www.domino-printing-sciences.com.

Sir Mark Wrightson
Audit Committee Chairman
15 December 2014

NOMINATION COMMITTEE REPORT

Membership and attendance

Peter Byrom (Chairman), Nigel Bond, Chris Brinsmead, Sir David Brown, Sir Mark Wrightson.

The Committee met four times in the year.

All members then in office attended all of the meetings with the exception of Sir Mark Wrightson who attended three meetings.

Key responsibilities

- Monitor the composition and performance of the Board and its committees
- Evaluate the balance of skills and experience on the Board and the diversity of its members
- Monitor executive development and succession planning
- Evaluate the independence of the non-executive Directors and their time commitments.

During the year the Committee continued to develop its succession plans for both the executive team and for the non-executive Directors taking into account their respective tenures of office and analysing current or anticipated gaps in skills or experience. We will continue to appoint the best candidates but with an emphasis on recruiting candidates from a more diverse background and with international experience.

Since the end of the year the Board has been bolstered by the appointment of Sucheta Govil as a non-executive Director. Sucheta has extensive sales and marketing experience, particularly in Asia, the Middle East and North Africa. Her biography can be found on page 39.

Odgers Berndtson was engaged for Sucheta's appointment. The firm has no other connection with the Company.

Also since the year-end the Board has appointed Rachel Hurst, Group Operations Director, as an executive Director. Rachel has 24 years' experience with the Company and during this time has gained a detailed understanding of all aspects of the Group's operations and has been instrumental in the development of Domino's global manufacturing capabilities. As executive Director her role is extended to encompass all the Group's research and development and product development and introduction activities. Her biography can be found on page 39.

The subject of diversity has received much attention through the Davies Report and subsequent reviews. The Board fully appreciates the benefits of diversity and is committed to equal opportunities for all. Domino's equal opportunities policy is available on the Company's website. At present some 70 per cent of Group employees live and work outside the UK and our workforce is becoming increasingly diverse as we extend our activities in Asia. The senior leadership team in the Company comprises 11 people, of whom three are women. Further information on gender representation can be found on page 25. The Company has a graduate recruitment programme and a development programme for high-flyers to develop the pool of talent available to meet the longer-term needs of the Company

During the year the Committee also carried out the following tasks:

- Reviewed its own terms of reference
- Reviewed the succession plan for the executive management
- Considered the independence of the non-executive Directors
- Approved renewed terms of office as non-executive Directors for Sir Mark Wrightson, Chris Brinsmead and Sir David Brown
- Carried out an evaluation of the Board and its committees
- Since the year end has reviewed and approved the form of this report.

Peter Byrom
Chairman
15 December 2014

REMUNERATION REPORT

FOR THE YEAR ENDED 31 OCTOBER 2014

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 October 2014. This report has been prepared by the Remuneration Committee and approved by the Board.

ANNUAL STATEMENT BY THE REMUNERATION COMMITTEE CHAIR

Dear Shareholder,

On behalf of the Board, I am pleased to introduce the Directors' Remuneration Report for the year ended 31 October 2014. This report has been prepared by the Remuneration Committee and approved by the Board.

In what remain uncertain market conditions, the Group has delivered good results in 2014. Sales have grown year-on-year at constant currency by 9 per cent. Underlying profits grew by 9 per cent to £57.6 million; net cash inflow from operating activities before taxation was £65.8 million. Good progress has been made during the year towards the delivery of the Group's major strategic priorities. The results which have been achieved are testimony to the calibre of leadership and the commitment of our employees in improved but still challenging conditions. These factors have been taken into account by the Committee and are reflected in the remuneration awarded to the executive Directors in 2014.

Sir David Brown
Remuneration Committee Chairman
15 December 2014

SUMMARY OF REMUNERATION OUTCOMES FOR 2014
HOW WE HAVE PERFORMED

Bonus KPIs	Weightings	Threshold	Target	Maximum	Actual	% of max achieved
Group profit	30%	£56.0m	£62.0m	£75.0m	£64.8m	61%
Group cash	20%	£57.0m	£57.0m	£67.0m	£67.9m	100%
Personal Objectives	50%	Personal objectives in the year were a combination of divisional sales and profit targets, business process improvement targets and strategic objectives. Given the commercial sensitivity and individual nature of these targets, we have not disclosed the precise measures here.		Minimum 0%. Maximum is 100% of the total % achieved under Group profit and Group cash performance conditions.	91%	91%

See details set out in the Annual Report on Remuneration on how the bonus operates.

2011 LTIP Award	Weightings	Threshold	Maximum	Range of Vesting	Actual	% of max achieved
EPS Growth	50%	RPI + 12%	RPI + 30	12.5%–50%	RPI – 14%	0%
Relative TSR	50%	Median	Upper Quartile	12.5%–50%	Third quartile	0%

See details set out in the Annual Report on Remuneration on how the LTIP operates. Between threshold and maximum, vesting will take place on a straight-line basis.

SINGLE TOTAL FIGURE OF REMUNERATION FOR 2014 FOR EXECUTIVE DIRECTORS

Executive Directors	Salary £'000	Taxable benefits £'000	Bonus £'000	LTIP £'000	Pension £'000	Total 2014 £'000	Total 2013 £'000
Nigel Bond (CEO)	424	18	314	–	95	851	1,188
Andrew Herbert (CFO)	264	16	197	–	59	536	737

CHANGE TO REMUNERATION POLICY FOR 2015

The Committee has made changes to its proposed Remuneration Policy for 2015 which will necessitate the Policy being put to shareholders at the 2015 AGM. The Committee feels that there are a number of factors which have required the Committee to propose changes now rather than wait until the end of the original Policy period. They are:

- An analysis carried out by the Committee which demonstrated that the current maximum incentive opportunities cannot deliver the total upper quartile payout targeted by the current Policy even where maximum performance is achieved.
- The momentum generated by shareholders encouraging all FTSE 250 companies to have mandatory bonus deferral in shares, the facility to add holding periods post vesting of incentives, increased shareholding requirements and the introduction of malus and clawback provisions.
- The new UK Corporate Governance Code, the relevant provisions of which are:
  - "Schemes should include provisions that would enable the Company to recover sums paid or withhold the payment of any sum, and specify the circumstances in which it would be appropriate to do so."
  - "For share-based remuneration, the Remuneration Committee should consider requiring Directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise, including for a period after leaving the Company, subject to the need to finance any costs of acquisition and associated tax liabilities."

The following table sets out how the Committee proposes to incorporate all of the above factors into a revised Policy and shows the changes from the current Policy:

Element of remuneration	**Current Policy 2014** (Approved at the 2014 AGM)	**Proposed Policy 2015**
Salary	See Policy Section of the Report.	No change.
Benefits	See Policy Section of the Report.	No change.
Pension	See Policy Section of the Report.	No change.
Annual bonus		
Maximum opportunity	100 per cent of salary p.a.	150 per cent of salary p.a. **Rationale:** An increase was required to provide the incentive opportunity to achieve the Committee's total remuneration policy.
Payment	All cash.	Subject to shareholder approval the bonus will be provided under the Domino Printing Sciences plc 2015 Deferred Bonus Plan. Bonus will be provided as follows: • 2/3rds cash; and • 1/3rd deferred shares which will be subject to the following: – continued employment until the end of a three year vesting period; and – malus and clawback provisions. **Rationale:** A deferred share element will be introduced to increase the retention element of the package, to address shareholder desires around the structure of bonus and to provide alignment with the new UK Corporate Governance Code. Whilst the performance period for the Bonus Plan is annual the Committee's intention was to introduce an additional long-term equity element through an increased opportunity to earn shares which would then have to be held by the executive Directors to meet the substantially increased minimum shareholding requirement; thereby providing a long-term alignment between the executive Directors and shareholders through a retained and locked-in shareholding.
Performance conditions	Performance conditions (weightings): • Group profit (30 per cent) • Group cash (20 per cent) • Personal objectives (50 per cent). The personal objectives operate as a multiplier on the level of achievement of the financial performance conditions.	Performance conditions (weightings): • Group Profit (50 per cent) • Group cash (30 per cent) • Personal Objectives (20 per cent). **Rationale:** This change simplifies the operation of the bonus targets making it more transparent to all stakeholders and allows the Committee to provide greater granular detail on performance outcomes for more of the potential bonus earned.

Element of remuneration	Current Policy 2014 (Approved at the 2014 AGM)	Proposed Policy 2015
Malus & clawback	None.	Full malus and clawback provisions (see the Notice of AGM for a detailed description). **Rationale:** To protect the Company, to meet shareholder expectations and to align with the new UK Corporate Governance Code.
Holding periods	None.	The Committee will have the flexibility to introduce additional holding periods of up to two years following vesting. It is not the Committee's current intention to impose an additional holding period; however the Committee will review market practice on an annual basis. **Rationale:** To provide the Committee with the flexibility to add holding periods if it believes appropriate in the future taking into account the needs of the Company and future market practice.
LTIP		
Maximum opportunity	See Policy Section of the Report.	No change.
Performance conditions	See Policy Section of the Report.	No change.
Malus & clawback	None.	Full malus and clawback provisions (see the Notice of AGM for a detailed description). **Rationale:** To protect the Company, to meet shareholder expectations and to align with the new UK Corporate Governance Code.

Element of remuneration	Current Policy 2014 (Approved at the 2014 AGM)	Proposed Policy 2015
Holding periods		The Committee will have the flexibility to introduce additional holding periods of up to two years following vesting. It is not the Committee's current intention to impose an additional holding period; however the Committee will review market practice on an annual basis. **Rationale:** To provide the Committee with the flexibility to add holding periods if it believes appropriate in the future taking into account the needs of the Company and future market practice.
Shareholding requirement	40,000 shares.	Increased to 200 per cent of salary. This shareholding requirement would be targeted over five years and executive Directors would be required to retain 50 per cent of their post-tax number of shares until this requirement was met. **Rationale:** To meet shareholder expectations that minimum shareholding levels should increase and to align with the new UK Corporate Governance Code.

CONSULTATION WITH SHAREHOLDERS

The Committee consulted with the Company's top shareholders as well as the main shareholder representative bodies prior to finalising the design of the proposed bonus arrangements and other changes to the Remuneration Policy. The Remuneration Committee is grateful for the significant degree of engagement with the Company and its advisers shown by those shareholders consulted throughout the consultation process, and for their comments and feedback. At the end of this process the Remuneration Committee is pleased that the majority of Shareholders consulted (both by number and percentage of shares held) have indicated they are supportive of the plan.

In documenting the revised Directors' Remuneration Policy, which will be put to a binding vote at the forthcoming AGM, the Committee has sought to strike a sound balance between flexibility, discretion and judgement consistent with the guidance published by the GC100 and Investor Group and taking into account the factors set out above such that the Policy is likely to be properly responsive to the dynamic markets in which the Group operates for fully three years ahead.

I look forward to receiving your support for the resolutions seeking approval of the Annual Report on Remuneration at our forthcoming AGM and of the Remuneration Policy applicable to our executive Directors which will apply, subject to subsequent shareholder approval at the AGM, from the beginning of the Company's current financial year, being 1 November 2014.

Sir David Brown
Remuneration Committee Chairman
15 December 2014

ANNUAL REPORT ON REMUNERATION

This section of the Remuneration Report contains details of how the Company's Remuneration Policy for Directors was implemented during the financial year ending on 31 October 2014.

AUDITED INFORMATION

1. SINGLE TOTAL FIGURE OF REMUNERATION

EXECUTIVE DIRECTORS

The table below sets out the single total figure of remuneration and breakdown for each executive Director paid in the 2014 financial year. Comparative figures for 2013 have also been provided. Figures provided have been calculated in accordance with the new remuneration disclosure regulations (The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013).

	Salary £'000	Taxable benefits £'000	Annual bonus £'000	Long-term incentives £'000	Pensions[1] £'000	Total £'000
Nigel Bond	**424**	**18**	**314**	**–**	**95**	**851**
Nigel Bond (2013)	417	18	–	658	95	1,188
Garry Havens	**42**	**10**	**–**	**–**	**9**	**61**
Garry Havens (2013)	228	72	207	360	56	923
Andrew Herbert	**264**	**16**	**197**	**–**	**59**	**536**
Andrew Herbert (2013)	257	16	–	406	58	737

Garry Havens ceased employment with the Group on 31 December 2013 and therefore his single figure of remuneration reflects payments received between 1 November 2013 and his date of cessation.

NON-EXECUTIVE DIRECTORS

The table below sets out the single total figure of remuneration and breakdown for each non-executive Director in relation to the 2014 financial year.

Non-executive Director	Roles	Fees	Taxable benefits[2]	Total
Peter Byrom[3]	**Chairman** **Chairman of Nomination Committee**	**172**	**6**	**178**
Peter Byrom (2013)	As above	172	6	178
Philip Ruffles[4]	**Non-executive Director**	**17**	**4**	**21**
Philip Ruffles (2013)	As above	42	4	46
Sir Mark Wrightson	**Senior Independent Director** **Chairman of Audit Committee** **Member of Remuneration and Nomination Committees**	**42**	**4**	**46**
Sir Mark Wrightson (2013)	As above	42	4	46
Sir David Brown	**Chairman of Remuneration Committee** **Member of Audit and Nomination Committees**	**42**	**4**	**46**
Sir David Brown (2013)	As above	42	4	46
Chris Brinsmead	**Member of Audit, Remuneration and Nomination Committees**	**42**	**5**	**47**
Chris Brinsmead (2013)	As above	42	4	46

Taxable benefits consist of: car benefit or equivalent, private medical insurance, permanent health insurance and life assurance of four times base salary.

1 Nigel Bond and Andrew Herbert joined the supplementary pension plan with effect from 6 April 2011. Cash payments are included in the Company contribution of 25.5% of salary. Income tax and National Insurance is deducted from cash payments made under this supplementary plan. Payments are also reduced by the amount of the Company's additional employer's National Insurance cost arising in respect of the payments.

2 Non-executive Directors receive taxable benefits in the form of reimbursement for travel and accommodation expenses incurred on the Company's business and these amounts are included in the totals above.

3 Fees totalling £68,470 (2013: £68,470) were paid to Stockbridge Limited, a company of which Mr Byrom is a Director.

4 Philip Ruffles retired from Domino Printing Sciences plc on 18 March 2014.

2. ADDITIONAL DETAILS ON VARIABLE PAY IN SINGLE TOTAL FIGURE OF REMUNERATION TABLE

In order to execute its business strategy, the Company needs high-quality Directors and the remuneration packages need to be able to attract, retain and motivate such individuals. The annual bonus and the Long-Term Incentive Plan are used to ensure that, when merited by performance, an opportunity is offered to earn total remuneration at the upper quartile of the market.

The Committee considers that performance conditions for all incentives are suitably demanding, having regard to the business strategy, shareholder expectations and external advice regarding the market benchmarks. To the extent that any performance condition is not met, the relevant part of the award will lapse. There is no retesting of performance.

The main components of the Remuneration Policy, and how they are linked to and support the Company's business strategy, are summarised in each of the following sections.

ANNUAL BONUS PLAN AWARDS

In respect of the year under review, the executive Directors' performance was carefully reviewed by the Committee, in consultation with the Chief Executive Officer in respect of the other executive Directors, and performance as against the annual bonus plan measures in relation to Nigel Bond and Andrew Herbert was as follows:

Performance condition	Weighting	Threshold performance required	Maximum performance required	Annual bonus value for threshold and max performance (% salary)	Actual performance		Annual bonus value achieved	
					N Bond	A Herbert	N Bond	A Herbert
Group profit[1]	30%	£56.0m	£75.0m	0%–30%	£64.8m	£64.8m	18%	18%
Group cash[2]	20%	£57.0m	£67.0m	0%–20%	£67.9m	£67.9m	20%	20%
Personal	50%	Personal objectives in the year were a combination of divisional sales and profit targets, business process improvement targets and strategic objectives. Given the commercial sensitivity and individual nature of these targets, we have not disclosed the precise measures here.		Minimum 0% Maximum is 100% of the total % achieved under Group profit and Group cash performance conditions.	91%	91%	35%	35%
Total	100%						73% of salary	73% of salary
Total £'000							**314**	**197**

1 Group profit is defined as underlying pre-tax profit before discretionary bonus charges.
2 Group cash is defined as net cash inflow from operating activities before taxation as adjusted to eliminate the cash effect (if any) of any one-off items included in the reconciliation between pre-tax profit and underlying pre-tax profit.

The Group profit and cash components operate separately and payments are made on a straight-line basis between the threshold and maximum levels. If an executive Director achieves his personal objectives, a multiplier is applied to the amount earned under the financial conditions. The value of the multiplier is dependent on the level of achievement, with the maximum that can be earned under this element being 50 per cent of salary by means of a multiplier of 2. However, the personal objectives multiplier will only be applied if the executive Director has reached and maintained his shareholding requirement, as set by the Committee.

If the executive Director meets his personal objectives but the financial conditions are not achieved, then no bonus payment will be made.

The Committee reviewed the structure of the annual bonus this year on the basis of its appropriateness both in terms of the Company's strategy as well as market practice and corporate governance principles. At the end of this review the Committee felt that a new bonus arrangement should be implemented for the 2015 financial year – the Domino Printing Sciences plc 2015 Deferred Bonus Plan.

2. ADDITIONAL DETAILS ON VARIABLE PAY IN SINGLE TOTAL FIGURE OF REMUNERATION TABLE CONTINUED

Full details of the plan and the Committee's rationale behind its design are set out in the 2015 Notice of AGM. In addition, the key terms of the plan are out in the Policy Section of the Remuneration Report.

LONG-TERM INCENTIVE PLAN (LTIP) AWARDS

The awards granted under the LTIP are subject to performance conditions to be met over a performance period of three years or more. For awards made in 2008 and subsequent years, including 2014, the performance period is three years. At the end of the performance period the awards will vest to the extent the performance conditions have been satisfied. There is no retesting of performance conditions and if they are not satisfied, the awards will lapse. The LTIP was approved by shareholders at the Annual General Meeting on 19 March 2008.

The performance conditions applicable to the LTIP are set out below.

The Committee assessed the extent to which the performance conditions have been satisfied for the 2011 award which were tested in 2014, with the following results:

Condition	Weighting	Threshold performance required	Maximum performance required	LTIP value for meeting threshold and maximum performance (% salary)	Performance achieved	Vesting %
EPS growth	50%	RPI + 12%	RPI + 30%	12.5%–50%	RPI – 14%	0%
Relative TSR	50%	Median of the FTSE 250	Upper quartile of the FTSE 250	12.5%–50%	Third quartile	0%
Total	**100%**					**0%**

Between threshold and maximum, vesting will take place on a straight-line basis.

3. LONG-TERM INCENTIVES AWARDED IN THE 2014 FINANCIAL YEAR

The table below sets out the details of the LTIP awards granted in the 2014 financial year where vesting will be determined according to the achievement of performance conditions that will be tested in future reporting periods.

Director	Award type	LTIP awarded	Face value of award[1]	Percentage of award vesting at threshold performance	Maximum percentage of face value that could vest	Performance period end date	Performance conditions
Nigel Bond	LTIP – annual cycle of awards	100% of salary (100% of maximum award)	£417,000	25%	100%	15 December 2016	EPS growth Relative TSR (see below for further details of the 2014 conditions)
Andrew Herbert			£257,000				

1 Maximum number of shares multiplied by 707p (share price at date of grant, 16 December 2013).

3. LONG-TERM INCENTIVES AWARDED IN THE 2014 FINANCIAL YEAR CONTINUED

The performance conditions applicable to awards granted in the 2014 financial year are set out below:

Condition	Weighting	Threshold performance required	Maximum performance required	LTIP value for meeting threshold and max performance (% salary)	Basis for measurement
EPS growth	50%	RPI + 12%	RPI + 30%	12.5%–50%	Underlying EPS figure reported in the audited results of the Group for the last complete financial year ending before the start of the performance period and the last complete financial year ending before the end of the performance period will be used. RPI is as published by the Office for National Statistics.
Relative TSR	50%	Median of the FTSE 250	Upper quartile of the FTSE 250	12.5%–50%	Average of the Group's closing mid-market share price over the three months preceding the start of the performance period and preceding the end of the performance period will be used. Data is taken from the Return Index produced by Thomson One.
Total	**100%**				

Between threshold and maximum, vesting will take place on a straight-line basis.

SAVE AS YOU EARN (SAYE) AND SHARE INCENTIVE PLAN (SIP)

The executive Directors are eligible to participate in the SAYE and SIP schemes. On 12 August 2014, Andrew Herbert was granted a SAYE option over 1,890 shares at an exercise price of £4.76. Each executive Director has contributed £125 per month to the SIP.

4. PENSION ENTITLEMENTS

Executive Directors are entitled to be members of the defined contribution scheme that is available to all Domino UK employees. They do not participate in any defined benefit scheme.

For the year commencing 1 November 2013, the Company contribution was 25.5 per cent of salary for the executive Directors, a portion of which was taken as a cash supplement by Nigel Bond and Andrew Herbert under the terms of the supplementary pension plan which they joined with effect from 6 April 2011. The value of the cash supplement was £95,000 and £59,000 respectively. The value of such cash supplement is not taken into account when calculating annual bonus and LTIP award levels, which are determined by reference to base salary only.

5. PAYMENTS TO PAST DIRECTORS/PAYMENTS FOR LOSS OF OFFICE

There were no payments to past directors or payments for loss of office during the year being reported on.

6. STATEMENT OF DIRECTORS' SHAREHOLDING

The executive Directors are required to build and maintain a holding of at least 40,000 Domino shares. For the 2015 financial year, the Committee has determined to increase the minimum shareholder requirement to 200 per cent of salary following its review of the new UK Corporate Governance Code which required the Committee to consider the level of the minimum shareholding required.

6. STATEMENT OF DIRECTORS' SHAREHOLDING CONTINUED

The table below summarises the Directors' interests in shares and the extent to which the current shareholding requirement applicable to executive Directors has been achieved as at 31 October 2014. In each case, the shareholding requirement has been achieved, excluding unvested LTIP shares:

			Interests counted towards shareholding requirement	Interests not counted towards shareholding requirement				
Director	Shares required to be held	Shareholding requirement met?	Beneficial interests in shares	LTIP interests subject to performance conditions	Interests in Share Incentive Plan[1]	Unvested SAYE options	Vested (but unexercised) SAYE options	**Total of all interests in shares held at 31 October 2014**
Nigel Bond	40,000	Yes	73,141	217,336	233	2,825	–	**293,535**
Andrew Herbert	40,000	Yes	45,539	134,028	233	6,145	–	**185,945**

1 This column shows the quantity of shares held under the Share Incentive Plan which were subject to forfeiture as at 31 October 2014. Other shares held in the Share Incentive Plan are shown in the beneficial interests column.

On 12 August 2014, Andrew Herbert was granted a SAYE option over 1,890 shares at an exercise price of £4.76.

Non-executive Directors are not subject to a shareholding requirement. Details of their interests in shares are set out below and all interests are beneficial interests, unless otherwise stated:

Director	**Shares held 31 October 2014**	Shares held 31 October 2013
Peter Byrom[1]	**302,000**	302,000
Sir David Brown	**10,000**	10,000
Chris Brinsmead	**10,000**	10,000
Philip Ruffles[2]	**n/a**	30,000
Sir Mark Wrightson[3]	**40,935**	40,935

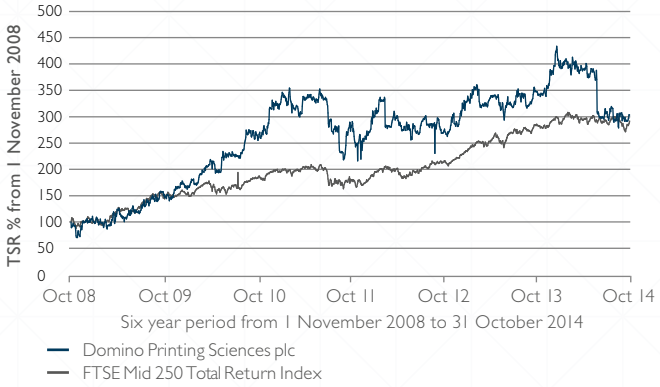
1 Mr Byrom has a non-beneficial interest in a further 36,000 shares.
2 Philip Ruffles retired from Domino Printing Sciences plc on 18 March 2014.
3 Sir Mark Wrightson has a non-beneficial interest in a further 1,050 shares.

UNAUDITED INFORMATION

7. PERFORMANCE AND PAY

The graph below shows the Group's performance, measured by TSR, compared with the performance of the FTSE Mid 250 Total Return index for the period 1 November 2008 to 31 October 2014. The Committee considers that the FTSE Mid 250 is the appropriate index because the Company has been a member of this index throughout the period.

SIX YEAR TOTAL SHAREHOLDER RETURN PERFORMANCE



7. PERFORMANCE AND PAY CONTINUED

The table below shows the single figure total remuneration and the levels of pay out and vesting under the annual bonus plan and LTIP respectively for the Chief Executive Officer's remuneration over the past five years.[1]

Year	Chief Executive Officer single figure of total remuneration (£'000)	Annual bonus payout % against maximum	LTIP vesting rates against maximum opportunity %
2014	851	73%	0%
2013	1,188	0%	100%
2012	1,395	0%	100%
2011	1,452	25%	100%
2010	943	90%	68%
2009	675	33%	77%

1 LTIP shows the value of awards vesting in each year. The figures have been restated (other than the 2013 figures) on the same basis as how the 2014 figures have been prepared and, therefore, may be different from those figures included in previous annual reports.

8. PERCENTAGE INCREASE IN THE CHIEF EXECUTIVE OFFICER'S REMUNERATION

The table below compares the percentage increase in the Chief Executive Officer's pay (including salary, fees, benefits and annual bonus) with the wider UK employee population[1]. The Company considers the UK employee population (employees and managers) to be an appropriate comparator group for a UK-based Chief Executive Officer and is a stable point of comparison rather than a comparison against an aggregate of increases across our worldwide employee base. Methodology: per cent increase in Chief Executive Officer's remuneration compared with UK employee population average pay and bonus per capita of all UK employees, excluding the Chief Executive Officer's salary and bonus.

		2014 £'000	2013 £'000	% change
Chief Executive Officer	Salary	**424**	417	1.56%
	Benefits	**113**	112	0.39%
	Annual bonus	**314**	–	n/a
UK employees (per capita)	Salary	**36.8**	35.8	2.97%
	Benefits	**5.6**	5.0	11.1%
	Annual bonus	**3.8**	0.5	921%

1 The Chief Executive Officer's salary is reviewed annually in May. The salary of UK employees is reviewed annually in July.

9. RELATIVE IMPORTANCE OF SPEND ON PAY

The table below sets out the relative importance of spend on pay in the 2014 financial year and 2013 financial year compared with other disbursements from profit (i.e. the distributions to shareholders and retained profit).[1]

	Disbursements from profit in 2014 financial year		Disbursements from profit in 2013 financial year		
	£m	% total spend	£m	% total spend	% change
Profit distributed by way of dividend[2]	24.8	15%	23.5	20%	5%
Overall spend on pay including Directors[3]	104.4	64%	102.0	85%	2%
Corporation tax paid for the year[4]	13.4	8%	12.0	10%	12%
Profit/loss retained in the Group[5]	20.0	13%	(17.6)	(15%)	214%

1 A holistic view on profit allocation during the 2014 financial year has been taken in considering the disbursements disclosed.
2 Refer to note 13 of the financial statements.
3 Refer to note 6 of the financial statements.
4 Refer to note 33 of the financial statements. Corporation tax is the amount paid by all Group companies.
5 Being profit for the year attributable to equity shareholders of the Company as disclosed in the Consolidated Income Statement less dividend distributions.

9. RELATIVE IMPORTANCE OF SPEND ON PAY CONTINUED

IMPLEMENTATION OF POLICY IN COMING YEAR

The Chairman's Annual Statement sets out an amended policy for the forthcoming financial year subject to shareholder approval at the 2015 AGM. Full details of the proposed Domino Printing Sciences plc 2015 Deferred Bonus Plan are set out in the Notice of AGM.

The Remuneration Policy and its implementation for the forthcoming financial year is summarised below:

Package structure	The main elements of executive remuneration effective from 18 March 2015 (being the date of the AGM at which shareholder approval for this report will be sought) are: • Base salary Nigel Bond's and Andrew Herbert's salary for the coming year are £430,000 and £270,000 respectively. An average salary increase of 2.97 per cent was awarded to the Group's UK employees and managers in July 2014. • Fees Following advice from our Remuneration Consultants and having regard for benchmarks and more usual practices in the FTSE 250, the Board has made changes to the fee structure to create committee chair fees (£5,000 per annum) and adjusted the non-executive Director fees for 2015 to £45,000. The Chairman's fee has not changed. The fees for 2015 for individual Directors are therefore as follows: – Peter Byrom – £172,000 – Sir Mark Wrightson – £50,000 – Sir David Brown – £50,000 – Chris Brinsmead – £45,000 – Sucheta Govil – £45,000 • Bonus – See Chairman's Annual Statement and Notice of AGM. • Long-Term Incentive Plan with maximum opportunity of 100 per cent of base salary delivered in shares based on EPS growth (50 per cent) and relative Total Shareholder Return (50 per cent). – Under the EPS growth element, 25 per cent of the element (12.5 per cent of the total award) vests for EPS growth of RPI +12 per cent over the performance period, increasing on a straight-line basis to full vesting (50 per cent of the total award) for EPS growth of RPI +30 per cent. – Under the Relative Total Shareholder Return element performance is measured against the FTSE 250. 25 per cent of the element (12.5 per cent of the total award) vests at median performance of the index, rising on a straight-line basis to full vesting (50 per cent of the total award) for upper quartile performance.
Pay for performance	• Key principle for the short- and long-term incentives is to provide a strong link between reward and individual and Group performance to align the interests of executives with those of shareholders. • When merited by performance, an opportunity is offered to earn total remuneration at the upper quartile levels of remuneration paid, against companies of a similar market capitalisation and with similar revenues to the Company.

The details of the targets applicable to the bonus for the coming year are considered by the Committee to be commercially sensitive as they are the key metrics which are critical to the operation of the Company, so they have not been disclosed as the Committee feels it would be detrimental to the interests of the Company to do so. However, details of the targets and the extent to which they have been satisfied will be disclosed in the 2015 annual report on remuneration.

10. COMPOSITION AND TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

This Committee deals with all aspects of remuneration of the executive Directors, Group HR Director and Company Secretary, including:

- Setting salaries
- Agreeing design, conditions and coverage of annual incentive plans and long-term incentives
- Policy and scope for pension arrangements
- Determining targets for performance related plans
- Scope and content of service contracts
- Deciding extent of compensation (if any) on termination of service contracts.

10. COMPOSITION AND TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE CONTINUED

The Committee is also responsible for recommending and monitoring the level and structure of senior management remuneration and setting the Chairman's fees. From a broader employee perspective, the Committee determines the issue and terms of all share-based plans available to all employees and is aware of and advises on any major changes in employee benefit structures throughout the Group. The Remuneration Committee's Terms of Reference are available on the Company website (www.domino-printing.com).

The Committee's members are currently Sir David Brown (Committee Chairman), Sir Mark Wrightson and Mr Chris Brinsmead.

The Chairman, the Chief Executive Officer, the Group HR Director and Mr Philip Ruffles[1] are invited to attend the Committee meetings but do not participate in decisions. These attendees were present when the Committee considered matters relating to the Directors' remuneration for the year ended 31 October 2014. The Committee met five times during the year. The Committee's activities for the 2014 financial year have included:

Meeting	Standing agenda items	Other agenda items
November 2013	• Assess achievement of objectives and determine annual bonus for executive Directors (conditional on auditors' confirmation of PBTA figure) • Discuss objectives and bonus targets for FY 2014 • Approve LTIP award allocation schedule • Review executive share options • Review and approve Remuneration Committee report for FY 2013 • Review expenses policy for Chairman and Directors	
December 2013	• Approve bonus payment for executive Directors now PBTA figure confirmed by auditors • Approve objectives and bonus targets for FY 2014 • Approve revised schedule for grant of executive share options • Review performance conditions for 2011 LTIP awards and approve vesting levels	
May 2014	• Executive Directors' salary review • Salary review for HR Director and Company Secretary • Review level and structure of remuneration for senior executives • Review Remuneration Committee terms of reference	
September 2014	• Executive Management Team Salary Review • Executive Directors' Total Remuneration Benchmarking data	• Review of market practice and investor views • Feedback on 2013 Remuneration Committee Report
October 2014	• 2014 Draft Remuneration Report • Executive Directors' Total Remuneration • Benchmarking data 2	• Consideration of the new UK Corporate Governance Code • Review the structure of incentive plans • Amended Remuneration Policy • Shareholder Consultation

1 Philip Ruffles retired from Domino Printing Sciences plc on 18 March 2014.

11. ADVISERS TO THE REMUNERATION COMMITTEE

Mrs Sanderson, the Group HR Director, has provided advice to the Committee on salaries and benefits for the executive Directors and senior management. In doing this she has relied upon remuneration data provided by a number of third party providers, including PwC. In addition, PwC has provided advice to the Committee on the preparation of this report as well as on incentive design, market practice and trends. PwC is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that advice received from PwC during the year was objective and independent.

Advisor	Appointed by	Services provided to the Committee	Fees in relation to remuneration advice (£'000)
PwC	Remuneration Committee in 2012	Advice on market practice and trends. Preparation of the 2014 Remuneration Report. Assistance with the proposed amended Remuneration Policy.	12

12. SHAREHOLDER CONTEXT

The table below shows the votes on the elements of the 2013 Remuneration Report at the AGM held on 19 March 2014.

	Votes for	%	Votes against	%	Votes withheld
2013 Policy Report (binding vote)	95,180,903	97.76%	2,148,168	2.21%	168,095
2013 Annual Report on Remuneration (advisory note)	93,780,373	96.34%	3,531,524	3.63%	190,769

DIRECTORS' REMUNERATION POLICY

INTRODUCTION

This section of the Remuneration Report contains details of the Company's Directors' Remuneration Policy that will govern the Company's future remuneration payments.

The policy described will be applicable, subject to subsequent approval by shareholders at the Company's AGM in March 2015 from the beginning of the Company's current financial year, being 1 November 2014.

STRATEGY OVERVIEW

The Company's business strategy is to provide industrial customers with a full suite of products to meet their coding and marking and identification needs. The objective is to enable Domino to continue to grow its market share in this industry and deliver a sustained increase in profitability, cash flow and shareholder value. To achieve these objectives, it is vital that the Remuneration Policy devised and applied by the Committee supports this strategy.

In order to execute this strategy, the Company needs high-quality Directors and the remuneration packages need to be able to attract, retain and motivate such individuals. Salary and benefit packages for executive Directors are linked to both individual and business performance and are designed to ensure that the Group is managed in the interests of shareholders. Whilst salaries are generally set by reference to the median of the market, the annual bonus and Long-Term Incentive Plan are intended to give executive Directors an opportunity to earn total annual remuneration at the upper quartile of the market in terms of payments made when merited by performance.

NEW POLICY

The Notice of AGM provides details of the proposed new Domino Printing Sciences plc 2015 Deferred Bonus Plan and other changes to the Policy and sets out the Committee's rationale behind the revised Policy set out below. In addition, the Annual Statement of the Chairman sets out which elements of the revised Policy are different from the current Policy. It should be noted that other than the introduction of the new 2015 Deferred Bonus Plan and changes to the operation of the LTIP all other Policy elements remain unchanged.

UK CORPORATE GOVERNANCE CODE

The Committee is comfortable that the proposed Policy is in line with the revised Code. The following table sets out the key elements of the revised Code and how the Company's remuneration policy for executive Directors is in line with the Code:

Code provision	Company Remuneration Policy
Executive Directors remuneration should be designed to promote the long-term success of the Company.	The Company has an LTIP with a three year performance period and under the new Policy provision for the Committee to add holding periods post vesting. The new Policy incorporates bonus arrangements where part of the bonus is deferred in shares for three years with the facility for the Committee to add holding periods post vesting. It is the Committee's view that these arrangements provide a holistic approach to ensuring executive Directors are focused on the long-term success of the Company.
Schemes should include provisions that would enable the Company to recover sums paid or withhold the payment of any sum, and specify the circumstances in which it would be appropriate to do so.	The proposed new Domino Printing Sciences plc 2015 Deferred Bonus Plan includes malus and clawback provisions. In addition, the proposed new Policy includes similar provisions for the LTIP. Full details of these provisions are set out in the Notice of AGM. It is the Committee's opinion that these changes meet both the letter and spirit of the Code.
For share-based remuneration, the Remuneration Committee should consider requiring Directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise, including for a period after leaving the Company, subject to the need to finance any costs of acquisition and associated tax liabilities.	The new Policy contains the following relevant features: • Minimum shareholding requirements for executive Directors increased to 200 per cent of salary. • The provision for the Committee to add holding periods post vesting for the new Bonus Plan and the existing LTIP. The Committee does not currently believe with the increased shareholding requirement and the introduction of bonus deferral in shares for the first time that additional holding periods are required. However, the Committee will consider this position on an annual basis.

DISCRETION

The Committee has discretion in several areas of policy as set out in this report. The Committee may also exercise operational and administrative discretions under relevant plan rules approved by shareholders as set out in those rules. In addition, the Committee has the discretion to amend policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

The main components of the Remuneration Policy, and how they are linked to and support the Company's business strategy, are summarised below:

1. POLICY TABLE
EXECUTIVE DIRECTORS

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Base salary	Reflects level of responsibility and achievement of individual	Base salary is set annually on 1 May. Salary levels are reviewed on an annual basis by reference to the median for comparable positions in FTSE 250 companies of a similar market capitalisation and with similar revenues to the Company. Broadly, the Company seeks to pitch base salary around the median level for such comparable positions, without tracking it mechanistically. The Committee is aware of the dangers of comparisons and the risk of upward ratcheting of remuneration without corresponding improvements in corporate and individual performance.	Broadly pitched around the median level for comparable positions, without tracking it mechanistically. When considering any increases to base salaries in the normal course (as opposed to a change in role or responsibility), the Committee will take into consideration: • reference to the increases provided to executives in the comparator group; • pay and employment conditions of employees throughout the Group, including increases provided to the employee population; and • inflation.	N/A

1. POLICY TABLE CONTINUED

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Annual bonus Domino Printing plc 2015 Deferred Bonus Plan	The bonus aligns reward to key Group strategic objectives and drives short-term performance. Taken together with the Long-Term Incentive Plan, it is intended to provide an opportunity to earn an upper quartile level of total remuneration as compared to actual remuneration earned by the comparator group.	$^{2}/_{3}$rds cash and $^{1}/_{3}$rd deferred shares for three years. The performance period is one financial year. The Company will set out in the section headed statement of implementation of remuneration policy in the following financial year, the nature of the targets and their weighting for each year (see page 55). Details of the performance conditions, targets and their level of satisfaction for the year being reported on will be set out in the Annual Remuneration Committee Report. The Committee retains discretion in exceptional circumstances to change the performance measures and targets and their respective weightings part way through a performance year if there is a significant and material event which causes the Committee to believe the original measures, weightings and targets are no longer appropriate. Discretion may also be exercised in cases where the Committee believes that the bonus outcome is not a fair and accurate reflection of business performance. The Committee has discretion not to pay a bonus even if performance conditions are met. Malus and clawback provisions are included in the rules of the Plan. Dividend equivalents may be provided on deferred shares.	Maximum 150 per cent of base salary. At threshold levels of performance, 0 per cent of base salary can be earned, with a straight-line pro-rate allocation between threshold and maximum.	Bonus performance conditions: Group profit (underlying pre-tax profit before discretionary bonus charges)[1]. Group cash (net cash inflow from operating activities before taxation as adjusted to eliminate the cash effect (if any) of any one-off items included in the reconciliation between pre-tax profit and underlying pre-tax profit)[1]. Personal objectives The Committee may change the balance of the conditions, or use different conditions for subsequent years, as appropriate; provided that at least 50 per cent of the conditions are financial. No material change will be made to the type of performance conditions without prior shareholder consultation. The Remuneration Committee is of the opinion that given the commercial sensitivity arising in relation to the detailed financial targets used for the bonus, disclosing precise targets for the bonus plan in advance would not be in shareholder interests. This avoids the risk of the Company inadvertently providing a profit forecast because profit targets are linked to budgets and giving international competitors an unfair advantage because they are not required to report to the same disclosure standard as a UK listed company. Actual targets, performance achieved and awards made will be published at the end of the performance periods so shareholders can fully assess the basis for any pay-outs under the bonus arrangements.

1 Group profit and Group cash together provide alignment with shareholders and balance the incentive to drive short-term performance with the delivery of the conditions necessary to achieve key strategic objectives.

1. POLICY TABLE CONTINUED

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Long-Term Incentive Plan	The Long-Term Incentive Plan aligns executive Director interests with those of shareholders and drives superior long-term performance. Taken together with the Annual Bonus, it is intended to provide an opportunity to earn an upper quartile level of total remuneration as compared to actual remuneration earned by the comparator group. The performance conditions have been chosen to align the LTIP with the performance of the business.	Share awards. Awards are made annually to the executive Directors and certain senior managers who are in a position to influence significantly the performance of the Group. The awards granted under the Long-Term Incentive Plan are subject to performance conditions to be met over a performance period of three years. Dividend equivalents may be provided on vested shares. Malus and clawback provisions are included in the rules of the Plan. Awards granted prior to the 2014 AGM will vest in accordance with the provisions of the LTIP rules, as approved by shareholders at the date of adoption of the plan.	Maximum 100 per cent of base salary and minimum vesting is 25 per cent of salary upon achievement of the threshold performance levels.	Total Shareholder Return (TSR)[1] relative to comparator group with vesting subject to satisfactory financial performance over the period. Cumulative earnings per share (EPS)[2]. The Committee may change the balance of the conditions, or use different conditions for subsequent years, as appropriate. No material change will be made to the type of performance conditions without prior shareholder consultation.
Pension	To provide competitive levels of retirement benefit.	Salary supplement of 25.5 per cent of base salary in lieu of pension contributions. Nigel Bond and Andrew Herbert pay this salary supplement into a supplementary pension plan with effect from 6 April 2011[3].	N/A	N/A

1 TSR provides focus on improving profitability and driving up growth in shareholder value. It also provides alignment with shareholders.
2 EPS provides focus on improving profitability, which in turn drives up growth in shareholder value.
3 Participants who have pension savings at or close to the lifetime pension allowance may choose to stop contributions to the Company scheme and receive the amounts that would otherwise have been made by the Company as a cash payment. Nigel Bond and Andrew Herbert have chosen to pay this amount into the supplementary pension plan.

1. POLICY TABLE CONTINUED

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Other benefits	To provide competitive levels of employment benefits.	Benefits include: • car benefit or equivalent; • private medical insurance; • permanent health insurance; and • life assurance of four times base salary. The level of benefits provided is reviewed annually to ensure they remain market competitive.	Cost of providing a car benefit, life assurance private medical insurance and permanent health insurance.	N/A
Shareholding policy	To ensure that executive Directors and other senior executives' interests are aligned with those of shareholders over a longer time horizon.	Requirement to build and maintain a holding of at least 200 per cent of salary. The Committee retains the discretion to increase this minimum shareholding requirement. The shareholding requirement would be targeted over five years and executive Directors would be required to retain 50 per cent of their post-tax number of shares until this requirement was met.	N/A	N/A
All employee share plans	To encourage wide employee share ownership and thereby align employees' interests with shareholders.	The Company operates UK Sharesave Schemes and Share Incentive Plans in which the executive Directors are eligible to participate (which are HMRC approved and open to all eligible staff in the UK). The Company retains the discretion to introduce additional plans, and to make Directors eligible for these as appropriate.	Scheme and Plan limits in line with HMRC limits as amended from time to time.	There are no performance conditions in line with HMRC requirements.

1. POLICY TABLE CONTINUED
CHAIRMAN

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Fees	To attract a Chairman with the requisite skills and experience to perform the role.	Fee levels are set at the level paid for the comparable role at companies of a similar size and complexity to Domino within the FTSE 250. Fee levels are reviewed annually in November. The Chairman's fees are determined by the Remuneration Committee. The Company will pay reasonable expenses incurred by the Chairman.	Fee levels are set by reference to the median of this peer group and to reflect the value contributed by the Chairman to the Company. When considering any increases to fee levels in the normal course, the Committee will take into consideration: • increases provided to comparable roles in the comparator group; • pay and employment conditions of employees throughout the Group, including increases provided to the employee population; and • inflation.	N/A

1. POLICY TABLE CONTINUED
NON-EXECUTIVE DIRECTORS

	Objective and link to the strategy	Operation	Maximum potential value	Performance conditions and assessment
Fees	To attract non-executive Directors with the requisite skills and experience to perform the role.	Fee levels are set at the level paid for comparable roles at companies of a similar size and complexity to Domino within the FTSE 250. The non-executive Director fee structure is a matter for the full Board. The Company will pay reasonable expenses incurred by non-executive Directors.	Fee levels are set by reference to the median of this peer group. Fee levels are reviewed annually in November. When considering any increases to fee levels in the normal course, the Board will take into consideration: • increases provided to comparable roles in the comparator group; • pay and employment conditions of employees throughout the Group, including increases provided to the employee population; and • inflation.	N/A

2. RECRUITMENT REMUNERATION POLICY

Our principle is that the pay of any new recruit would be determined following the same principles as for the executive Directors disclosed in the Policy Table.

The Committee will not pay more than it considers necessary to secure the preferred candidate and is mindful of guidelines and shareholder sentiment regarding one-off or enhanced short- or long-term incentive payments made on recruitment and the appropriateness of any performance conditions associated with an award.

The table overleaf summarises our key policies with respect to recruitment remuneration:

2. RECRUITMENT REMUNERATION POLICY CONTINUED

Salary	• Set by reference to market and taking into account individual experience and expertise in the context of the role.
Maximum variable incentive	• Bonus and long-term incentive of 150 per cent and 100 per cent of base salary respectively (i.e. 250 per cent total) in line with our current policy for executive Directors (350 per cent of salary if a sign-on payment is made).
Sign-on payments	• The Committee's policy is not to provide sign-on compensation. • However, in exceptional circumstances where the Committee decides to provide this type of compensation it will endeavour to provide the compensation in equity, subject to a holding period during which cessation of employment will generally result in forfeiture and subject to the satisfaction of performance targets. In addition, where practical the Committee will endeavour to consult with its key shareholders prior to entering into any commitment. The maximum value of this one-off compensation will be proportionate to the overall remuneration offered by the Company and in all circumstances is limited to 100 per cent of salary which will only be provided in exceptional circumstances.
Share buy-outs	• The Committee's policy is not to provide buy-outs as a matter of course. • However, should the Committee determine that the individual circumstances of recruitment justified the provision of a buy-out, the value of any incentives that will be forfeited on cessation of a Director's previous employment will be calculated taking into account the following: – the proportion of the performance period completed on the date of the Director's cessation of employment; – the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and – any other terms and condition having a material effect on their value (lapsed value). • The Committee may then grant up to the equivalent value as the lapsed value, where possible, under the Company's incentive plans. To the extent that it was not possible or practical to provide the buy-out within the terms of the Company's existing incentive plans, a bespoke arrangement would be used.
Relocation policies	• In instances where the new executive is non-UK domiciled, the Company may provide, as a one-off or ongoing as part of the Director's relocation benefits, compensation to reflect the cost of relocation for the executive in cases where they are expected to spend significant time away from their country of domicile as determined appropriate and on a case-by-case basis. • The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost of living differences, housing allowance and schooling.

3. SERVICE CONTRACTS

The Company's policy on Directors' service contracts is that they should be on a rolling basis without a specific end date.

Director	Effective term	Notice period
Nigel Bond	Rolling (with no fixed expiry date)	12 months by the Company, 6 months by executive Director
Andrew Herbert	Rolling (with no fixed expiry date)	12 months by the Company, 6 months by executive Director

The Committee's policy for setting notice periods is that a maximum 12 month period will apply for executive Directors. The Committee may in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to 12 months following the first year of employment.

Under their letters of appointment, the non-executive Directors, including the Chairman, are entitled to receive six months' notice of the termination of their appointment.

The Company follows the UK Corporate Governance Code's recommendation that all directors of FTSE 350 companies be subject to annual reappointment by shareholders.

TERMINATION PAYMENTS

The Committee will honour executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Company and its Directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an executive Director's office or employment.

When determining any loss of office payment for a departing individual the Remuneration Committee will always seek to minimise cost to the Company whilst seeking to address the circumstances at the time.

	Approach	Application of Remuneration Committee discretion
Base salary	Salary is paid in lieu of notice.	None
Benefits	Benefits are also provided in lieu of notice, including pension, medical, permanent health insurance, life insurance, travel cover, car allowance.	None
Bonus **Domino Printing Sciences plc 2015 Deferred Bonus Plan**	If the individual is a good leaver, the Plan will operate as if the participant remained employed other than the maximum bonus capable of being earned for the year being pro-rated to the amount of the financial year worked. A 'good leaver' is defined as a participant ceasing to be in employment by reason of death, injury, ill health, disability, redundancy, retirement or at the Committee's discretion. All deferred bonuses will vest at the end of the relevant three year deferral periods if the participant is a good leaver. Deferred bonuses lapse if the participant is a bad leaver (any participant who is not a good leaver).	The Committee has discretion to determine that an individual is a good leaver. This discretion would only be used in exceptional circumstances and where practical the Committee would consult with key shareholders prior to its exercise.

3. SERVICE CONTRACTS CONTINUED

	Approach	Application of Remuneration Committee discretion
Long-term incentive	A Bad leaver is defined as a participant ceasing to be in Employment by reason of incompetence, misconduct or resignation. Where employment terminates for a bad leaver reason, all unvested awards lapse immediately. A Good leaver is defined as a participant whose employment ceases for any reason other than a bad leaver reason. Awards held by a good leaver will vest immediately on cessation of employment to the extent that performance conditions (as waived, varied or amended by the Committee) are satisfied and time pro-rated (unless the Committee decides otherwise).	On cessation of employment the Committee has the ability to waive or amend performance conditions. The Committee also has discretion not to apply time pro-rating to awards in the case of good leavers. The Committee would only use this discretion in exceptional circumstances.
Other contractual obligations	None	None

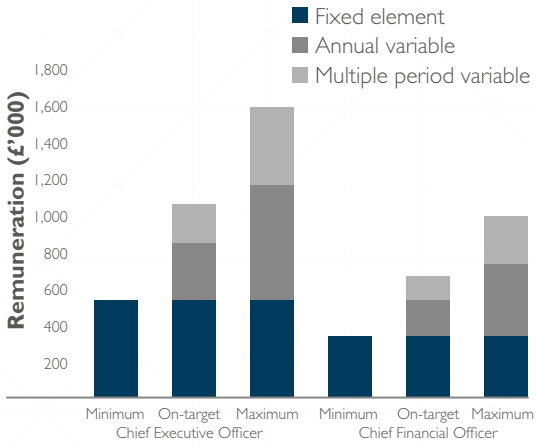
POLICY ON CHANGE OF CONTROL

Plan	Approach	Discretion
Bonus **Domino Printing Sciences plc 2015 Deferred Bonus Plan**	The participant will receive a bonus based on the level of the satisfaction of the performance conditions at the date of the change of control. The Committee will make all decisions in relation to the Plan immediately prior to the change of control becoming effective. Any payments will be made immediately following the Committee's determination and conditional on the change of control occurring. All deferred share awards will vest following the Committee's determination and conditional on the change of control occurring.	The Committee will have discretion on whether to pro-rate to time. It is the Committee's policy in normal circumstances to pro-rate to time; however, in exceptional circumstances where the nature of the transaction produces exceptional value for shareholders and provided the performance targets are met the Committee will consider whether pro-rating is equitable.
LTIP	Awards would vest based on the level of satisfaction of the performance conditions at the date of the change of control and subject to pro-rating to the time elapsed.	Under the terms of the LTIP, on a change of control, the Committee has the ability to waive or amend performance conditions. The Committee also has discretion not to apply time pro-rating to awards. The Committee would only use this discretion in exceptional circumstances.

4. ILLUSTRATIONS OF APPLICATION OF REMUNERATION POLICY

The graph below seeks to demonstrate how pay varies with performance for the Chief Executive Officer and Chief Financial Officer based on our stated Remuneration Policy.

Element	Description
Fixed	Total amount of salary, pension and benefits.
Annual variable	Money or other assets received or receivable for the reporting period as a result of the achievement of performance conditions that relate to that period (i.e. annual bonus payments). Maximum annual bonus opportunity is 150 per cent of base salary for executive Directors.
Multiple period variable	Money or other assets received or receivable for multiple reporting periods as a result of the achievement of performance conditions over a given period ending in the year ended 31 October 2014 or shortly after (i.e. LTIP payments). Maximum LTIP opportunity is 100 per cent of base salary for executive Directors.



Assumptions used in determining the level of payout under given scenarios are as follows:

Scenario	Description
Minimum	Fixed pay only (no variable payments under the bonus and Company's LTIP).
On-target	This has been based on 75 per cent of base salary bonus award being earned and 50 per cent vesting of the LTIP.
Maximum	This has been based on 150 per cent of base salary bonus award being earned and 100 per cent vesting of the LTIP.

5. CONSIDERATION OF CONDITIONS ELSEWHERE IN THE COMPANY IN DEVELOPING POLICY

The Remuneration Policy for all employees is determined in terms of best practice and ensuring that the Company is able to attract and retain the best people. This principle is followed in the development of our Remuneration Policy for executive Directors. However, employee views are not specifically sought in determining this policy. The Company does not use any remuneration comparison metrics.

Salary and benefit packages are linked to both individual and business performance. All employees participate in bonus schemes, which, together with salary reviews linked to business performance, enable all employees to share in the success of the Group. All employees are eligible to participate in the SAYE and SIP, with subsidiary general managers and other senior managers also eligible to participate in the executive share option schemes as outlined below.

SAVE AS YOU EARN (SAYE) SHARE OPTION SCHEMES

All UK-based employees including executive Directors are entitled to participate in the SAYE scheme. This is not subject to any performance conditions. Since this is a standard, HMRC approved scheme open to all employees it was not considered appropriate to include such conditions.

SHARE INCENTIVE PLAN (SIP)

The Company operates a HMRC approved SIP to enable employees to invest in the Company's shares in a tax efficient way. This plan is open to all UK-based employees.

EXECUTIVE SHARE OPTION SCHEMES

The Company has operated executive share option schemes since 1985. Executive Directors and other senior executives do not participate in these schemes. Executive share options are currently granted to subsidiary general managers and other senior managers.

The exercise of executive options granted after 2003 is conditional on EPS growth exceeding the level of growth in the RPI plus 9 per cent. For options granted before 2005, basic EPS was used for the performance condition. For options granted in 2005, and subsequent years, underlying EPS is used.

Achievement of EPS performance conditions is assessed by reference to earnings per share as reported in the Group's audited results and the RPI published by the Office for National Statistics.

6. CONSIDERATION OF SHAREHOLDER VIEWS

The views of our shareholders are very important to us and the Committee is happy to receive constructive feedback with respect to our remuneration policies or structure which we take on board to formulate our arrangements.

As disclosed earlier in this report, the Remuneration Committee consulted with the Company's major shareholders when designing the Domino Printing Sciences plc 2015 Deferred Bonus Plan and other changes set out in the proposed Policy. In explaining the background and design of the Bonus Plan, the central elements of the Company's remuneration policy were explained. A majority of those shareholders consulted expressed their support for the new plan and associated changes to the Policy.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 OCTOBER 2014

The Directors present their annual report and the audited financial statements for the year ended 31 October 2014.

RESEARCH AND DEVELOPMENT

The Group remains firmly committed to research and development to maintain its position as a market leader in high-speed industrial coding, marking and printing systems and variable laser marking. During the year, the Group spent £18.2 million (2013: £19.5 million) on research and development.

RESULTS AND DIVIDENDS

The results of the Group are set out on page 82. The Directors recommend a final dividend of 14.76 pence per share for the year ended 31 October 2014. This, together with the interim dividend of 7.98 pence per share paid on 15 August 2014, amounts to 22.74 pence per share (2013: 21.66 pence). Subject to approval at the Annual General Meeting, the final dividend will be paid on 10 April 2015 to shareholders appearing on the register at the close of business on 6 March 2015.

DIRECTORS

The Directors who were in office at the end of the year and their interests in the shares of the Company are shown in note 7 to the financial statements. All the Directors listed in note 7 held office throughout the financial year except for Garry Havens who retired on 31 December 2013 and Phil Ruffles who retired on 19 March 2014.

Sucheta Govil was appointed as an independent non-executive Director on 25 November 2014. Rachel Hurst was appointed to the Board on the same date as an executive Director. As each of these Directors was appointed since the last AGM both will stand down at the AGM on 18 March 2015 and offer themselves for election by shareholders.

The other Directors then in office will also retire at the AGM on 18 March 2015 and offer themselves for re-election by shareholders.

All the executive Directors have service contracts with the Company that are terminable on 12 months' notice. The Chairman and non-executive Directors do not have service contracts with the Company. The appointments of the Chairman and non-executive Directors are terminable on six months' notice.

No Director was interested during or at the end of the year in any contract that was significant in relation to the Group's business.

SUBSTANTIAL SHAREHOLDINGS

As at 31 October 2014, the Company had been notified, in accordance with chapter 5 of the Disclosure and Transparency Rules, of the following significant holdings of voting rights in its shares:

Name of holder	Percentage of voting rights and issued share capital	Number of ordinary shares	Nature of holding
Schroders Plc	9.64	10,842,799	indirect
Blackrock Inc	8.03	9,033,928	indirect
Heronbridge Investment Management LLP	5.13	5,768,123	indirect
Ameriprise Financial Inc	5.04	5,666,857	direct & indirect
Aberdeen Asset Managers Ltd	5.03	5,651,434	indirect
Mondrian Investment Partners Ltd	5.02	5,640,561	direct
Montanaro Asset Management	4.05	4,552,324	direct
Legal & General Group plc	3.84	4,322,528	indirect

During the period commencing on 1 November 2014 and ending 15 December 2014 the Company had been notified, in accordance with chapter 5 of the Disclosure and Transparency Rules, of the following significant holdings of voting rights in its shares.

Name of holder	Percentage of voting rights and issued share capital	Number of ordinary shares	Nature of Holding
APG Asset Management N.V.	5.01%	5,639,000	direct
Aberdeen Asset Managers Ltd	4.88%	5,485,164	indirect

AUTHORITY OF THE DIRECTORS TO ISSUE SHARES

At the last Annual General Meeting on 19 March 2014, the Directors were given authority to allot up to £842,202 in nominal value of relevant securities. This figure represented approximately 15 per cent of the Company's total issued ordinary share capital at that time.

Also at the last Annual General Meeting the Directors were given authority to allot shares in the Company for cash without regard to the pre-emption provisions of the Companies Act 2006. This authority expires on the date of the Annual General Meeting to be held on 18 March 2015 and the Directors will seek to renew this authority for the following year under the Companies Act 2006.

PURCHASE OF OWN SHARES

At the last Annual General Meeting, shareholders authorised the Company to make market purchases on the London Stock Exchange of up to 16,282,582 ordinary shares, representing approximately 14.5 per cent of its issued share capital at that time. This authority will expire at the end of the next Annual General Meeting of the Company unless renewed at that meeting.

AMENDMENT TO ARTICLES OF ASSOCIATION

The Articles of Association (the 'Articles') may be amended by special resolution of the shareholders.

APPOINTMENT OF DIRECTORS

The Articles give the Directors the power to appoint additional or replacement Directors. The Articles also require Directors to retire and submit themselves for election at the first Annual General Meeting following appointment and for one third of the Directors to retire by rotation at each Annual General Meeting. The Board has decided that each Director will retire at each Annual General Meeting.

The non-executive Directors were appointed for specific terms subject to re-election and to the Companies Act provisions relating to the removal of a Director. The terms of appointment of the non-executive Directors are available on the Company's website or can be obtained from the Company Secretary.

POWER OF DIRECTORS

The Directors may exercise all powers of the Company subject to relevant statutes, any directions given by shareholder resolution and the Articles. The Articles, for example, contain specific provisions relating to the Company's power to borrow money. The Articles also contain powers relating to the issue of shares and the purchase of the Company's own shares.

INDEPENDENT LEGAL ADVICE

There is a procedure in place for Directors to take independent professional advice at the Company's expense if this is necessary in connection with their duties.

DIRECTORS' INSURANCE AND INDEMNITY ARRANGEMENTS

The Company has purchased and maintained throughout the year Directors' and officers' liability insurance. The Directors also have the benefit of the indemnity provision contained in the Company's Articles of Association. The Company has made qualifying third party indemnity provisions for the benefit of its Directors.

SIGNIFICANT AGREEMENTS AND OTHER ARRANGEMENTS

The Company has various contractual arrangements for the supply of materials, components and equipment. It also has contractual arrangements in place for the distribution of its products by third party distributors.

The Company has a borrowing facility agreement which includes change of control provisions. On a change in control of the Company this facility could be withdrawn or renegotiated.

There are a number of other agreements that may be terminated on a change in control. None is considered to be significant in terms of the potential impact on the Group.

CAPITAL STRUCTURE

Details of share capital are shown in note 25. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

SHARE SCHEMES – WAIVER OF DIVIDENDS

The trustees of the Company's employee benefit trust and the qualifying employee share trust (the Trusts) have agreed to waive dividends payable on the Company's shares held by the Trusts, except for the shares relating to the Share Incentive Plan. As at 15 December 2014 the Trusts held 35,867 shares on which dividends payable had been waived. This represents 0.04% per cent of the issued share capital at the year end.

SHARE SCHEMES – VOTING RIGHTS REGARDING CONTROL OF THE COMPANY

The trustees of the qualifying employee share trust have the discretion to sell the shares held in the trust or to consent to the acquisition of control of the Company by another party. The trustees of the Share Incentive Plan have the discretion to seek direction from participants as to how to exercise the voting rights attaching to the shares held in the trust. If no direction is given the trustees are prohibited from exercising the voting rights.

For shares held in trust under the Long-Term Incentive Plan, the trustee has discretion as to the exercise of voting rights in respect of shares held in trust.

ENVIRONMENTAL, SOCIAL AND ETHICAL ISSUES
The Board takes account of the significance of environmental, social and ethical matters to the business of the Group and a separate Corporate Responsibility Report is set out on pages 34 to 37. This report contains disclosures of the Group's greenhouse gas emissions. Nigel Bond is the Director responsible for environmental, social and ethical issues.

POLITICAL DONATIONS
No political donations were made (2013: £nil).

PEOPLE WITH DISABILITIES
Applications for employment made by disabled persons are given full and fair consideration, having regard to the abilities and aptitudes of the candidates. If existing employees become disabled, every effort is made to accommodate them within their existing jobs or, if this proves to be impossible, to find them suitable alternative employment. Opportunities for development and promotion are open to all employees.

EMPLOYEE INVOLVEMENT
Employee communication is organised both centrally and locally. Centrally organised communication deals with the affairs of the Group as a whole and the media used for this purpose include the annual report and accounts, information circulars and meetings. Directors and other senior managers provide regular briefings by webinar to managers throughout the Group. Operating units organise local presentations by Directors or managers and hold briefings to pass on information to employees and to ascertain their views. Regular employment engagement surveys are also used to obtain feedback from employees.

CORPORATE GOVERNANCE
Reports on corporate governance are set out on pages 38 to 74.

GOING CONCERN
The Group's business activities together with the factors likely to affect its future development, performance and position are described within the Strategic Report on pages 1 to 37. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are also described on pages 32 to 33.

The Group has considerable financial resources together with a broad spread of customers across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. The Directors have also considered the Group's forecasts and projections, as well as the principal risks and uncertainties to which the Group is exposed (see pages 26 to 29). After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

AUDITORS
A resolution to reappoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

DISCLOSURE OF INFORMATION TO AUDITORS
The following applies to each of those persons who were Directors at the time this report was approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.

Richard Pryn
Company Secretary
15 December 2014

Registered Office: Bar Hill, Cambridge, CB23 8TU
Registered Number: 1363137

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent Company financial statements under IFRSs as adopted by the EU. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 15 December and is signed on its behalf by:

Nigel Bond
Chief Executive Officer
15 December 2014

Andrew Herbert
Chief Financial Officer
15 December 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOMINO PRINTING SCIENCES PLC

OPINION ON FINANCIAL STATEMENTS OF DOMINO PRINTING SCIENCES PLC

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 October 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated and parent Company balance sheets, consolidated and parent Company statements of changes in equity, consolidated and parent Company cash flow statements and the related notes 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

GOING CONCERN

As required by the Listing Rules we have reviewed the Directors' statement contained within the Directors' report that the Group is a going concern. We confirm that:

- we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
Valuation of goodwill of £85.8 million and other intangible assets of £14.4 million (see notes 15 and 16 to the financial statements). The assessment of the carrying value of goodwill and other intangible assets, is a judgmental process which includes assumptions around future profits and revenue growth, hence there are inherent uncertainties to these models. Goodwill and other intangible assets are material balances within the Group financial statements and Domino Printing Sciences plc operates in a global market which is susceptible to economic change.	We evaluated management's assumptions in the cash flow forecasts used in the value in use calculation for goodwill and other intangible assets, described in note 15 to the financial statements. These included the cash flow projections, growth rates and sensitivities used. Together with our internal valuation specialists, we challenged the discount rate applied to the separate cash generating units by comparing this against industry benchmarks on similar assets, the prevailing Group cost of capital at the year end, and our understanding of the future prospects of the business. We have considered the level of risk adjustment applied to each of the cash generating units. In order to challenge the long-term growth rate applied to the cash flow projections we have considered market data and benchmarked the rate against comparator companies. We have applied reasonable sensitivities to the model.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DOMINO PRINTING SCIENCES PLC
CONTINUED

Risk	How the scope of our audit responded to the risk
Valuation of contingent consideration The assessment of the carrying value of contingent consideration is a judgmental area as it is based on the same cash flow forecasts as used in the impairment review of goodwill and other intangible assets. These cash flows are then used to assess the total amounts payable to the previous owners of acquired businesses where the consideration owed is determined based on future profitability of the underlying business. As described in note 23 to the financial statements, the provision has reduced by £3.2 million this year to £4.8 million.	We considered the appropriateness of management's assumptions used in the forecasts which support both the quantum and the timing of future payments for contingent consideration in light of the reassessment made to the provision through observation of underlying agreements in place and discussions with operational management external to finance. We confirmed that the movement in contingent consideration for each acquisition is consistent with the underlying forecasts and that the balance reflects the agreed repayment schedules.
Revenue recognition There are significant judgments involved in applying the Group's revenue recognition policies in relation to accounting for significant contracts with multiple revenue streams (e.g. installation, implementation and support). These judgments are most significant for sales of Digital Press machines which were launched in 2013, particularly as regards the recording of these Digital Press sales in the correct period. The Group's policy on revenue recognition is set out in note 1 to the financial statements.	We carried out tests relating to controls over revenue recognition, including the accounting for multiple element arrangements and the timing of revenue recognition. We reviewed the terms of individual sales for Digital Press machines and agreed evidence of delivery and installation, for sales spanning the year and the year end period and the treatment of these contracts in the financial statements to assess whether the revenue recognition is consistent with those terms, the Group's policy and relevant accounting standards.

Last year our report included one other risk relating to the valuation of Domino's investment in TEN Media LLC. This is no longer a key risk in our audit as it is no longer material to the Group financial statements.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 45.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

OUR APPLICATION OF MATERIALITY

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £3.2 million (2013: £4.0 million), which is approximately 6.0 per cent (2013: 7.5 per cent) of pre-tax profit and 1.5 per cent (2013: 2 per cent) of equity. In 2013 pre-tax profit excluding exceptional items was used. The percentage applied has reduced to be more comparable with Domino Printing Sciences' peer group. As set out in note 5 to the financial statements, pre-tax profit is adjusted by excluding the effect of separately disclosed exceptional non-recurring items and certain non-cash items as these can be volatile. This measure provides a more comparable measure with similar organisations.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £64,000 (2013: £80,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.
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AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our work primarily on 19 locations.

- 11 of these locations, accounting for 87 per cent (2013: 95 per cent) of the Group's profit before tax and 88 per cent (2013: 92 per cent) of its revenue, were subject to an audit. For 4 of the 11 locations the audit work was completed by component audit teams (16 per cent of Group profit before tax and 13 per cent of Group revenue), at the other locations, the audit work was carried out by the Group audit team.
- At a further 8 locations, accounting for 13 per cent (2013: 5 per cent) of the Group's profit before tax and 12 per cent (2013: 8 per cent) of its revenue, we carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining operating locations not subject to audit.

Our work at each location was carried out at levels of materiality applicable to each individual entity which ranged from £0.9 million to £2.2 million. We also tested the consolidation at the parent level.

The Group audit team continued to follow a programme of planned visits that has been designed so that a partner or a senior member of the Group audit team visits each of the significant components at least once every two years

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006:
In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION
ADEQUACY OF EXPLANATIONS RECEIVED AND ACCOUNTING RECORDS
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

DIRECTORS' REMUNERATION
Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. Under the Listing Rules we are required to review certain elements of the Directors' Remuneration Report. We have nothing to report arising from these matters or our review.

CORPORATE GOVERNANCE STATEMENT
Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the Company's compliance with nine provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

OUR DUTY TO READ OTHER INFORMATION IN THE ANNUAL REPORT
Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR
As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Stuart Henderson ACA
(Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, England
15 December 2014

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2014

	Note	**2014 Total £'000**	2013 Before exceptional items £'000	2013 Exceptional items (note 5) £'000	2013 Total £'000
Continuing operations					
Revenue	3	**350,181**	335,673	–	335,673
Cost of sales		**(181,846)**	(174,210)	(210)	(174,420)
Gross profit		**168,335**	161,463	(210)	161,253
Selling, general and administrative expenses (excluding amortisation of acquired intangibles and reassessment of contingent consideration)		**(93,154)**	(89,255)	(33,368)	(122,623)
Research and development expenses		**(18,158)**	(19,499)	(370)	(19,869)
		(111,312)	(108,754)	(33,738)	(142,492)
Operating profit before amortisation of acquired intangibles and reassessment of contingent consideration		**57,023**	52,709	(33,948)	18,761
Reassessment of contingent consideration		**2,071**	1,943	–	1,943
Amortisation of acquired intangibles		**(3,060)**	(3,321)	–	(3,321)
Operating profit	3	**56,034**	51,331	(33,948)	17,383
Investment income	9	**1,233**	1,117	–	1,117
Finance costs	10	**(739)**	(827)	–	(827)
Profit before taxation	3, 4	**56,528**	51,621	(33,948)	17,673
Taxation	11	**(11,913)**	(12,873)	1,028	(11,845)
Profit for the year		**44,615**	38,748	(32,920)	5,828
Attributable to:					
Equity shareholders of the Company		**44,615**			5,822
Non-controlling interest		**–**			6
		44,615			5,828
Basic earnings per share (pence)	14	**39.79p**			5.22p
Diluted earnings per share (pence)	14	**39.46p**			5.18p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2014

	2014 £'000	2013 £'000
Profit for the year	**44,615**	5,828
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences on foreign currency net investments	**(8,344)**	2,783
Foreign exchange adjustment on available for sale investment	**–**	990
Foreign exchange adjustment on available for sale investment recycled to profit or loss	**–**	(1,742)
(Losses)/gains on cash flow hedges arising during the period	**(376)**	183
Reclassification adjustments for gains on cash flow hedges included in profit	**(183)**	(176)
Tax relating to components of other comprehensive income	**284**	(82)
Total comprehensive income and expense in the year	**35,996**	7,784
Attributable to:		
Equity shareholders of the Company	**35,996**	7,778
Non-controlling interest	**–**	6
	35,996	7,784

CONSOLIDATED BALANCE SHEET

AS AT 31 OCTOBER 2014

Company Registration No. 1363137	Note	2014 £'000	2013 £'000
Non-current assets			
Goodwill	15	**85,851**	89,342
Other intangible assets	16	**14,443**	18,228
Property, plant and equipment	17	**34,417**	29,239
Investment in associates	18	**376**	356
Deferred tax assets	24	**7,960**	7,199
		143,047	144,364
Current assets			
Inventories	19	**42,713**	39,809
Trade and other receivables	20	**75,399**	71,865
Cash and cash equivalents		**40,505**	59,373
Derivative financial instruments	27	**346**	392
		158,963	171,439
Total assets		**302,010**	315,803
Current liabilities			
Bank loans and overdrafts	28	**(226)**	(33,458)
Trade and other payables	21	**(76,875)**	(64,986)
Derivative financial instruments	27	**(722)**	(209)
		(77,823)	(98,653)
Net current assets		**81,140**	72,786
Non-current liabilities			
Deferred tax liabilities	24	**(7,368)**	(9,913)
Bank loans	28	**(178)**	(406)
Other payables	22	**(4,410)**	(8,479)
		(11,956)	(18,798)
Total liabilities		**(89,779)**	(117,451)
Net assets		**212,231**	198,352
Equity share capital	25	**5,627**	5,610
Reserves			
Own shares		**(831)**	(1,123)
Share premium account		**40,697**	39,732
Capital redemption reserve		**908**	908
Revaluation reserve		**1,359**	1,367
Taxation reserve		**1,149**	942
Exchange reserve		**4,347**	13,250
Retained earnings		**158,975**	137,626
Total reserves		**206,604**	192,702
Equity attributable to shareholders of the Company		**212,231**	198,312
Non-controlling interest		**–**	40
Total equity		**212,231**	198,352

Signed on behalf of the Board of Directors

Nigel Bond
Chief Executive Officer
15 December 2014

Andrew Herbert
Chief Financial Officer
15 December 2014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2014

	Investment in own shares £'000	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Taxation reserve £'000	Exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
At 1 November 2012	(2,467)	5,572	37,463	908	1,308	967	11,212	157,537	212,500	34	212,534
Profit for the period	–	–	–	–	–	–	–	5,822	5,822	6	5,828
Other comprehensive income for the period	–	–	–	–	–	(82)	2,038	–	1,956	–	1,956
Total comprehensive income for the period	–	–	–	–	–	(82)	2,038	5,822	7,778	6	7,784
Shares issued during the period	–	38	2,269	–	–	–	–	–	2,307	–	2,307
Own shares acquired	(911)	–	–	–	–	–	–	–	(911)	–	(911)
Shares awarded to share scheme participants	2,170	–	–	–	–	–	–	(2,067)	103	–	103
Withdrawal of SIP matching shares	85	–	–	–	–	–	–	–	85	–	85
Debit to equity in respect of share-based compensation charges	–	–	–	–	–	–	–	(211)	(211)	–	(211)
Tax on items taken to equity	–	–	–	–	72	57	–	–	129	–	129
Dividends (note 13)	–	–	–	–	–	–	–	(23,468)	(23,468)	–	(23,468)
Transfer of amount equivalent to additional depreciation on revalued assets	–	–	–	–	(13)	–	–	13	–	–	–
At 31 October 2013	(1,123)	5,610	39,732	908	1,367	942	13,250	137,626	198,312	40	198,352
Profit for the period	–	–	–	–	–	–	–	44,615	44,615	–	44,615
Other comprehensive income for the period	–	–	–	–	–	284	(8,903)	–	(8,619)	–	(8,619)
Total comprehensive income for the period	–	–	–	–	–	284	(8,903)	44,615	35,996	–	35,996
Shares issued during the period	–	17	965	–	–	–	–	–	982	–	982
Own shares acquired	(76)	–	–	–	–	–	–	–	(76)	–	(76)
Shares awarded to share scheme participants	285	–	–	–	–	–	–	(224)	61	–	61
Withdrawal of SIP matching shares	83	–	–	–	–	–	–	–	83	–	83
Credit to equity in respect of share-based compensation charges	–	–	–	–	–	–	–	1,660	1,660	–	1,660
Tax on items taken to equity	–	–	–	–	5	(77)	–	–	(72)	–	(72)
Dividends (note 13)	–	–	–	–	–	–	–	(24,755)	(24,755)	–	(24,755)
Acquisition of remaining interest in Domino Coding Automation	–	–	–	–	–	–	–	40	40	(40)	–
Transfer of amount equivalent to additional depreciation on revalued assets	–	–	–	–	(13)	–	–	13	–	–	–
At 31 October 2014	**(831)**	**5,627**	**40,697**	**908**	**1,359**	**1,149**	**4,347**	**158,975**	**212,231**	**–**	**212,231**

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2014

	Note	2014 £'000	2013 £'000
Net cash inflow from operating activities	33	**52,401**	42,976
Investing activities			
Interest received		**1,233**	1,117
Interest paid		**(703)**	(784)
Proceeds on disposal of property, plant and equipment		**79**	301
Purchase of property, plant and equipment		**(11,750)**	(9,021)
Purchase of intangible assets		**(872)**	(378)
Payment of contingent acquisition consideration		**(734)**	(155)
Proceeds on disposal of intangible assets		**–**	1
Net cash used in investing activities		**(12,747)**	(8,919)
Financing activities			
Dividends paid		**(24,755)**	(23,468)
Repayment of borrowings		**(33,289)**	(353)
Repayment of obligations under finance leases		**(3)**	(12)
Own shares used to satisfy share option exercises		**61**	103
Own shares purchased		**(76)**	(911)
Issue of equity share capital		**982**	2,307
Net cash used in financing activities		**(57,080)**	(22,334)
Effects of foreign exchange on cash balances		**(1,442)**	59
Net (decrease)/increase in cash and cash equivalents		**(18,868)**	11,782
Cash and cash equivalents at the beginning of the year		**59,373**	47,591
Cash and cash equivalents at the end of the year		**40,505**	59,373
Comprising:			
Cash and cash equivalents		**40,505**	59,373
		40,505	59,373

PARENT COMPANY BALANCE SHEET

AS AT 31 OCTOBER 2014

Company Registration No. 1363137	Note	2014 £'000	2013 £'000
Non-current assets			
Intangible assets	16	**82**	86
Property, plant and equipment	17	**1,512**	1,514
Investments in subsidiaries	18	**138,062**	139,359
Deferred tax assets	24	**393**	443
		140,049	141,402
Current assets			
Receivables	20	**42,603**	22,679
Cash and cash equivalents		**9,555**	11,596
Derivative financial instruments	27	**346**	392
		52,504	34,667
Total assets		**192,553**	176,069
Current liabilities			
Bank loans and overdrafts	28	**(988)**	(35,249)
Payables	21	**(39,666)**	(31,340)
Derivative financial instruments	27	**(722)**	(209)
		(41,376)	(66,798)
Net current assets/(liabilities)		**11,128**	(32,131)
Non-current liabilities			
Deferred tax liabilities	24	**(178)**	(239)
Other payables	22	**(3,351)**	(7,923)
		(3,529)	(8,162)
Total liabilities		**(44,905)**	(74,960)
Net assets		**147,648**	101,109
Equity share capital	25	**5,627**	5,610
Reserves			
Own shares		**(735)**	(1,020)
Share premium account		**40,697**	39,732
Capital redemption reserve		**908**	908
Revaluation reserve		**998**	993
Taxation reserve		**295**	386
Exchange reserve		**(431)**	841
Merger premium reserve		**22,869**	22,869
Retained earnings		**77,420**	30,790
Total reserves		**142,021**	95,499
Equity attributable to shareholders		**147,648**	101,109

Signed on behalf of the Board of Directors

Nigel Bond
Chief Executive Officer
15 December 2014

Andrew Herbert
Chief Financial Officer
15 December 2014

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2014

	Investment in own shares £'000	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Taxation reserve £'000	Exchange reserve £'000	Merger premium reserve £'000	Retained earnings £'000	Total equity £'000
At 1 November 2012	(2,352)	5,572	37,463	908	921	748	1,199	22,869	19,247	86,575
Profit for the period	–	–	–	–	–	–	–	–	37,359	37,359
Other comprehensive income for the period	–	–	–	–	–	–	(358)	–	–	(358)
Total comprehensive income for the period	–	–	–	–	–	–	(358)	–	37,359	37,001
Shares issued during the period	–	38	2,269	–	–	–	–	–	–	2,307
Own shares acquired	(838)	–	–	–	–	–	–	–	–	(838)
Shares awarded to share scheme participants	2,170	–	–	–	–	–	–	–	(2,067)	103
Tax on items taken to equity	–	–	–	–	72	(362)	–	–	–	(290)
Debit to equity in respect of share-based compensation charges	–	–	–	–	–	–	–	–	(281)	(281)
Dividends (note 13)	–	–	–	–	–	–	–	–	(23,468)	(23,468)
At 31 October 2013	(1,020)	5,610	39,732	908	993	386	841	22,869	30,790	101,109
Profit for the period	–	–	–	–	–	–	–	–	70,020	70,020
Other comprehensive income for the period	–	–	–	–	–	–	(1,272)	–	–	(1,272)
Total comprehensive income for the period	–	–	–	–	–	–	(1,272)	–	70,020	68,748
Shares issued during the period	–	17	965	–	–	–	–	–	–	982
Shares awarded to share scheme participants	285	–	–	–	–	–	–	–	(224)	61
Tax on items taken to equity	–	–	–	–	5	(91)	–	–	–	(86)
Credit to equity in respect of share-based compensation charges	–	–	–	–	–	–	–	–	1,589	1,589
Dividends (note 13)	–	–	–	–	–	–	–	–	(24,755)	(24,755)
At 31 October 2014	**(735)**	**5,627**	**40,697**	**908**	**998**	**295**	**(431)**	**22,869**	**77,420**	**147,648**

PARENT COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2014

	Note	2014 £'000	2013 £'000
Net cash inflow from operating activities	33	**56,516**	27,772
Investing activities			
Interest paid		**(509)**	(532)
Interest received		**131**	19
Purchase of intangible assets		**(22)**	(47)
Net cash used in investing activities		**(400)**	(560)
Financing activities			
Dividends paid		**(24,755)**	(23,468)
Issue of equity share capital		**982**	2,307
Own shares purchased		**–**	(838)
Own shares used to satisfy share option exercises		**61**	103
Repayment of borrowings		**(33,231)**	–
Net cash used in financing activities		**(56,943)**	(21,896)
Effects of foreign exchange on cash balances		**(184)**	152
Net (decrease)/increase in cash and cash equivalents		**(1,011)**	5,468
Cash and cash equivalents at the beginning of the year		**9,578**	4,110
Cash and cash equivalents at the end of the year		**8,567**	9,578
Comprising:			
Cash and cash equivalents		**9,555**	11,596
Overdrafts	28	**(988)**	(2,018)
		8,567	9,578

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2014

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

GENERAL INFORMATION

Domino Printing Sciences plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 133. The nature of the Group's operations and its principal activities are set out in note 3 and in the Report of the Directors on pages 75 to 77.

These financial statements are presented in pounds sterling, being the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out below.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

The Company has elected to also prepare financial statements in accordance with IFRS as adopted by the EU.

The financial information has been prepared under the historical cost convention, except in respect of revalued properties (as permitted by IFRS 1) and certain financial instruments of the Group and Company, and has been prepared on a basis consistent with the IFRS accounting policies set out below.

Standards and interpretations that have become effective in the current financial year but have had no material impact on the financial statements include:

IFRS 1 (amended 2012)	Government Loans with a Below-Market Rate of Interest
IFRS 7 (amended 2011)	Offsetting of Assets and Liabilities
IFRS 13	Fair Value Measurement
IAS 19 (amended 2011)	Post-Employment Benefits and Termination Benefits
IAS 27 (amended 2011)	Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvements to IFRSs	

At the date of authorisation of these financial statements the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

IFRS 7 (amended 2011)	Deferral of IFRS 9 and Transition Disclosures
IFRS 7 (amended 2013)	Additional Hedge Accounting Disclosures
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IAS 16 (amended 2014)	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 16 (amended 2014)	Bringing Bearer Plants into Scope
IAS 19 (amended 2013)	Contributions from Employees or Third Parties Linked to Service
IAS 27 (amended 2014)	Reinstate Equity Method as Accounting Option
IAS 28 (amended 2014)	Sale or Contribution of Assets Between an Investor and its Associate/Joint venture
IAS 32 (amended 2011)	Offsetting of Assets and Liabilities
IAS 36 (amended 2013)	Recoverable Amount Disclosures for Non-Financial Assets
IAS 38 (amended 2014)	Clarification of Acceptable Methods of Depreciation and Amortisation
IAS 39 (amended 2013)	Novations of Derivatives
IAS 39 (amended 2013)	Fair Value Hedges
IAS 41 (amended 2014)	Bringing Bearer Plants into Scope
IFRIC 21	Levies
Annual Improvements to IFRSs	

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES CONTINUED

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements other than IFRS 15 and the enhanced disclosure requirements in IFRS 9 and IFRS 12.

GOING CONCERN

The Group's business activities together with the factors likely to affect its future development, performance and position are described within the Strategic Report on pages 1 to 37. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are also described in the Strategic Report. In addition, note 30 to the financial statements includes the Group's objectives, policies and processes for managing its capital and risk along with details of exposures to credit risk and liquidity risk.

The Group has considerable financial resources together with a broad spread of customers across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. The Directors have also considered the Group's forecasts and projections, as well as the principal risks and uncertainties to which the Group is exposed (see pages 26 to 29). After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from authorisation of the Financial Statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

BASIS OF CONSOLIDATION

SUBSIDIARIES

The consolidated financial statements incorporate the financial statements of the entities controlled by the Group.

The purchase method of accounting is used to account for the acquisition of the Group's subsidiaries. The cost of acquisition is measured at the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. For acquisitions made before the year ended 31 October 2010, costs directly attributable to the transaction are also included in the measurement of acquisition cost, in accordance with the transitional provisions of IFRS 3 (revised 2008). For subsequent acquisitions, costs directly attributable to the transaction are recognised in the Income Statement as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets is recorded as goodwill.

The results of subsidiaries acquired or disposed of during the year are included in the Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, subsidiaries' accounting policies are amended to ensure consistency with the policies adopted by the Group.

The Company's investments in its subsidiaries are carried at cost less provision for any impairments.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation.

ASSOCIATES

Associates are entities over which the Group has significant influence, but does not control, generally with a shareholding of 20 per cent to 50 per cent of the voting rights.

The Group has a 25 per cent holding in Mectec Coding Benelux BV (Mectec BV), a company incorporated in The Netherlands, a 40 per cent holding in Mectec Coding Benelux BVBA (Mectec BVBA), a company incorporated in Belgium, and a 20 per cent holding in Radex AG (Radex), a company incorporated in Switzerland, all of which have been accounted for as associates.

Investments in associates are accounted for using the equity method. The results and assets and liabilities of the Group's associates are wholly immaterial to the Group's results and balance sheet and therefore disclosure of the information required by IAS 28, 'Investments in Associates', has not been made.

NON-CONTROLLING INTERESTS

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of combination. Losses applicable to the non-controlling interest in excess of the non-controlling interest's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES CONTINUED

CONTINGENT CONSIDERATION

Contingent consideration is payable to the former shareholders of current Group subsidiaries at amounts based on the future performance of those subsidiaries as agreed at the time of acquisition. These liabilities have been measured at their fair value based on management estimates of the expected consideration payable and after discounting the amounts payable to their present value. Movements in these liabilities arising from a reassessment of their fair value at the balance sheet date are taken to profit or loss.

GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the Income Statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently where there is an indication that the unit may be impaired. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

ACQUIRED INTANGIBLE ASSETS – BUSINESS COMBINATIONS

Intangible assets that are acquired as a result of a business combination, and that can be separately and reliably measured at fair value, are separately recognised on acquisition. Amortisation is charged on a straight-line basis to the Income Statement over their expected useful lives. The periods over which the assets are being amortised are:

Technology	5–10.5 years
Customer relationships	5–13 years
Non-compete agreements	5 years
Trademarks	10 years
Order backlog	2 years

PROPRIETARY RIGHTS

Proprietary rights are measured at cost and amortised on a straight-line basis over their estimated useful economic lives (currently 10 years).

SOFTWARE

Software that is not integral to an item of hardware is classified as an intangible asset. Amortisation is charged on a straight-line basis over the shorter of the licence term and three years.

RESEARCH AND DEVELOPMENT EXPENDITURE

IAS 38, 'Intangible assets', requires development spend to be recognised in the Income Statement as incurred unless the expenditure meets certain criteria, in which case it is capitalised and written off to the Income Statement over a suitable period. The criteria used to determine the accounting treatment relate to the technical and commercial feasibility of the product or process, as well as the intention and ability of the entity to complete development, use or sell the resulting asset and reliably measure the development expenditure attributable to that asset. Through its formal Product Creation Process, the Group monitors the extent to which development expenditure meets these criteria. It capitalises this expenditure and writes it off to the Income Statement over a suitable period. All other development expenditure is charged to the Income Statement as incurred. There was no expenditure capitalised in the period (2013: £nil).

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES CONTINUED

BORROWING COSTS

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

OPERATING PROFIT

Operating profit is stated after charging restructuring costs and other exceptional costs and after the share of results of associates and any profit or loss arising on the disposal of available for sale investments, but before investment income and finance costs.

PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is stated at cost less accumulated depreciation with the exception of certain properties at the Group's Headquarters in Cambridge which are stated at deemed cost following transition to IFRS, being valuation less accumulated depreciation at 1 November 2004. The Directors have considered the value of the assets that are stated at cost less accumulated depreciation and are satisfied that the aggregate value of those assets is not less than the aggregate amount at which they are stated in the Company's accounts.

Depreciation of fixed assets is provided on a straight-line basis so as to write off their cost over their expected useful working lives. The annual rates applied are:

Freehold land	nil
Buildings	2.5%
Motor vehicles – owned	20%
Motor vehicles – leased	Lease term
Plant and machinery	5%–20%
Computer equipment	20%–33%
Fixtures and fittings	15%–20%
Leasehold improvements	Lease term

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised as income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

LEASED ASSETS

Property, plant and equipment leased under finance leases is capitalised and depreciated over its expected useful life. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

The costs of operating leases are charged to the Income Statement as they accrue.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES CONTINUED

EQUIPMENT LEASED TO CUSTOMERS

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Equipment leased to customers under operating leases is capitalised and depreciated on a straight-line basis over its useful working life. Costs capitalised comprise materials, direct labour and attributable overheads.

Amounts due in relation to equipment leased to customers under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

FINANCIAL ASSETS

Non-derivative financial assets are classified as either 'available for sale' financial assets or 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

LOANS AND RECEIVABLES

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise deposits with an original maturity of six months or less, balances on bank accounts, cash in transit and cash floats held in the business.

Bank overdrafts and interest bearing bank loans are recorded at the proceeds received, net of issue costs. Finance charges are accounted for on an accruals basis and charged to the Income Statement when payable.

DERECOGNITION OF FINANCIAL ASSETS

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those at fair value through profit or loss (FVTPL), are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For shares classified as available for sale (AFS), a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. For all other financial assets, including redeemable notes classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES CONTINUED

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS debt instrument is considered to be impaired, cumulative gains or losses previously recognised in equity including the related foreign exchange gains or losses are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

FINANCIAL LIABILITIES AND EQUITY

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

FINANCIAL LIABILITIES

All financial liabilities are classified as 'other financial liabilities'.

OTHER FINANCIAL LIABILITIES

Other financial liabilities include borrowings and trade and other payables and are initially measured at fair value net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

DERIVATIVE FINANCIAL INSTRUMENTS AND CASH FLOW HEDGES

The Group uses forward contracts to hedge its exposure to foreign currency fluctuations. The Group designates these instruments as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking the hedge transaction. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts deferred in equity are recycled to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the Income Statement as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss deferred in equity is recognised immediately in profit or loss.

The fair value of the Group's and Company's forward contracts is shown as a financial asset and/or liability at the balance sheet date. In the Company's books, these forward contracts do not qualify for hedge accounting under IAS 39 and accordingly the movement in fair value between the two balance sheet dates is taken through profit or loss.

DERECOGNITION OF FINANCIAL LIABILITIES

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES CONTINUED

INVENTORIES

Inventories are shown at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cost represents materials, direct labour and overheads attributable to the stage of production. Cost is calculated using a weighted average method.

INVESTMENT IN OWN SHARES

The cost of the Company's shares held by various trusts to satisfy equity-settled compensation schemes are deducted from equity attributable to shareholders in the Company and Group balance sheets.

REVENUE

Revenue comprises sales to customers after discounts and excludes sales taxes.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the customer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where the sale of printing equipment is conditional on customer acceptance of any aspect of performance and, either legally or in substance, risk does not pass to the customer until this acceptance is achieved, revenue is not recognised until such acceptance is confirmed.

Sales of services are recognised when the service has been performed and the receipt of payment is reasonably certain. Revenue on longer-term service contracts is recognised by reference to the stage of completion of the service, generally on a straight-line basis over the life of the contract.

Operating lease income is accounted for on a straight-line basis with any rental increases recognised during the period to which they relate.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

SEGMENT REPORTING

The Group's primary reporting segment, as defined by IFRS 8, 'Operating segments', is geographic by location of subsidiary, which reflects how the Board of Directors assesses segment performance and makes decisions about resource allocation.

SHARE-BASED PAYMENTS

The Group has applied the requirements of IFRS 2, 'Share-based payments'. In accordance with the transitional provisions of IFRS 1, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that had not vested by 1 January 2005.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. There are both non-market and market based performance conditions attached to the vesting and exercising of equity instruments.

Where plans have market based performance criteria, fair value is measured by the use of a Monte Carlo model, and by Black-Scholes models in all other cases. The expected life used in the models is based on management's best estimate of behavioural consideration based on historic exercise patterns. No changes to the fair value are made when the expected or actual level of awards vesting differs from the original estimate due to the non-attainment of market based conditions.

Charges made to the Income Statement in respect of share-based payments are credited back to retained earnings.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES CONTINUED

FOREIGN CURRENCY TRANSLATION

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its 'functional currency'). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year.

Assets and liabilities denominated in foreign currencies in the financial statements of foreign subsidiaries are translated into sterling at the rates of exchange ruling at the balance sheet date. The trading results and cash flows from operations of foreign subsidiaries are translated at the average rate of exchange for the year.

Exchange differences arising in the consolidated accounts on the retranslation at the closing rate of the Group's opening net investments in foreign subsidiaries, together with any differences arising between the average rate and the closing rate in the Income Statement, are shown within a separate reserve in equity (the 'exchange reserve').

Under IFRS, goodwill and intangible assets arising on acquisition of overseas subsidiaries must be considered to be denominated in the functional currency of the acquired company. As such, foreign exchange differences arise due to the movement in exchange rates between balance sheet dates. The differences arising are shown within the exchange reserve.

PENSION SCHEME ARRANGEMENTS

The Group operates a money purchase pension scheme for its UK employees and has similar schemes in other countries. The pension cost charge represents contributions payable in respect of the period.

TAXATION

Current taxation is provided at amounts expected to be paid, or recovered, using the tax rates and laws in the relevant territory that have been enacted or substantively enacted at the balance sheet date. The tax charged for the period reflects the expected tax payable for the period along with adjustments for tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is measured at the rates that are expected to apply in the period when the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The Group's deferred tax provision is measured on an undiscounted basis.

Deferred tax is charged or credited in the Income Statement except when it relates to items charged or credited directly in equity, in which case the deferred tax is also dealt with in equity.

TAXATION RESERVE

Elements of current and deferred tax arising on share-based compensation charges are recognised in the taxation reserve. Where the accrued tax deduction in respect of these charges exceeds the cumulative remuneration expense recognised in profit or loss, the excess is recognised in this reserve.

Current taxation on the effective portion of changes in the fair value of derivatives that are designated as cash flow hedges is also recognised in the taxation reserve of the Group. The taxation relating to the ineffective portion is recognised in Group profit or loss.

In the Company's books, since these forward contracts do not qualify for hedge accounting under IAS 39, the current taxation on changes in fair value is taken to profit or loss.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES CONTINUED

DIVIDENDS

Final dividend distributions to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the Company's shareholders. Dividends are shown as a component of the movement in shareholders' equity.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(A) CRITICAL ACCOUNTING JUDGEMENTS

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

INTANGIBLE ASSETS ACQUIRED THROUGH THE PURCHASE OF SUBSIDIARY UNDERTAKINGS

In accordance with IFRS 3, 'Business Combinations', the Group is required to recognise, on the acquisition of a subsidiary, internally generated intangible assets which the acquired company may hold but are not reflected in the balance sheet of the subsidiary. Examples of such assets would be trademarks, customer lists and networks, intellectual property rights and technology portfolios. These assets are recognised separately from acquired goodwill.

Valuing such assets is dependent on numerous factors, including company forecasts and market benchmark data. Because of the complexity and subjectivity of this work, the Group engages independent, third party valuation experts to advise on the value of material assets to be recognised on acquisition and the period over which these assets should be charged to the Income Statement.

(B) KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation and uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

IMPAIRMENT OF GOODWILL

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate to calculate present value. The nature of the markets in which the Group operates means there is some uncertainty in future cash flows and in identifying a suitable risk-adjusted discount rate for each unit. The carrying value of goodwill at 31 October 2014 was £85.9 million. Goodwill is initially measured as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the Income Statement and is not subsequently reversed.

CONTINGENT CONSIDERATION

The Group initially estimates the amounts payable under 'earn-out' plans to the former shareholders of acquired companies based on the business model produced at the time of acquisition. Earn-out clauses within acquisition agreements typically contain provisions for amounts payable to the former shareholders based on future financial performance. In order to calculate the expected future payments, the acquisition business model contains estimates of the future financial performance for the acquired business.

The post-acquisition performance and expected future performance of acquired companies is reviewed throughout the year. Any adjustments required to contingent consideration arising from a significant departure of financial performance from the original acquisition plan are made as required. A corresponding adjustment is made to goodwill for acquisitions made before the year ended 31 October 2010, in accordance with the transitional provisions of IFRS 3 (revised 2008). For subsequent acquisitions, the corresponding adjustment is made to the Income Statement, in accordance with the requirements of IFRS 3 (revised 2008).

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY CONTINUED

PROVISIONS

The Group assesses the carrying value of both debtor and inventory balances based on past losses, current trading patterns and anticipated future events.

Provisions for expected future cash outflows are made based upon past experience and management's assessment of likely outflow, after taking the appropriate professional advice when necessary.

3. SEGMENTAL INFORMATION

Information reported to the Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is categorised by location of subsidiary into three main regions: Europe, The Americas and Rest of World. These are therefore defined as the Group's reportable segments under IFRS 8.

The accounting policies of the reportable segments are the same as the Group's accounting policies as described in note 1. Transactions between segments are accounted for on an arm's length basis. The Group has subsidiary companies operating in these segments in the following countries:

Europe:	United Kingdom, France, Spain, Germany, Sweden, Switzerland, The Netherlands, Portugal and Belgium
Americas:	USA, Canada and Mexico
Rest of World:	China, Korea, Singapore and India

(A) SEGMENT REVENUE AND RESULT

2014 By location of subsidiary	Europe £'000	Americas £'000	Rest of World £'000	Total £'000	Eliminations £'000	Group £'000
External revenue	190,640	71,003	88,538	350,181	–	350,181
Inter-segment sales	184,577	7,548	2,491	194,616	(194,616)	–
Total revenue	375,217	78,551	91,029	544,797	(194,616)	350,181
Segment result before exceptional items	59,578	4,812	11,080	75,470	(1,278)	74,192
Total segment result	59,578	4,812	11,080	75,470	(1,278)	74,192
Central research and development						(18,158)
Operating profit						56,034
Add back: amortisation of acquired intangibles						3,060
Less: reassessment of contingent consideration						(2,071)
Investment income						1,233
Finance costs excluding accounting for discounted contingent consideration						(703)
Underlying profit before taxation						57,553
Amortisation of acquired intangibles						(3,060)
Reassessment of contingent consideration						2,071
Interest charge on discounted long-term contingent consideration						(36)
Profit before taxation						56,528
Taxation						(11,913)
Profit for the year						44,615

3. SEGMENTAL INFORMATION CONTINUED

2013 By location of subsidiary	Europe £'000	Americas £'000	Rest of World £'000	Total £'000	Eliminations £'000	Group £'000
External revenue	179,327	71,539	84,807	335,673	–	335,673
Inter-segment sales	155,458	7,019	948	163,425	(163,425)	–
Total revenue	334,785	78,558	85,755	499,098	(163,425)	335,673
Segment result before exceptional items	56,208	4,523	13,466	74,197	(3,367)	70,830
Exceptional items (excluding research and development)	(29,525)	(1,606)	(6)	(31,137)	(2,441)	(33,578)
Total segment result	26,683	2,917	13,460	43,060	(5,808)	37,252
Central research and development						(19,869)
Operating profit						17,383
Add back: amortisation of acquired intangibles						3,321
Add back: exceptional items (note 5)						33,948
Less: reassessment of contingent consideration						(1,943)
Investment income						1,117
Finance costs excluding accounting for contingent consideration						(784)
Underlying profit before taxation						53,042
Amortisation of acquired intangibles						(3,321)
Exceptional items (note 5)						(33,948)
Reassessment of contingent consideration						1,943
Interest charge on discounted long-term contingent consideration						(43)
Profit before taxation						17,673
Taxation						(11,845)
Profit for the year						5,828

In the year ended 31 October 2013, the segment result for Europe included the impact of the impairment of the Group's investment in TEN Media (note 5). Although TEN Media is a business based in the USA, the Group's investment is held by Squid Ltd which is a UK resident company.

2014 **By location of external customer**	Europe £'000	Americas £'000	Rest of World £'000	Group £'000
2014	**150,038**	**80,515**	**119,628**	**350,181**
2013	137,625	83,090	114,958	335,673

(B) SEGMENT ASSETS AND LIABILITIES

2014 **By location of subsidiary**	**Europe** **£'000**	**Americas** **£'000**	**Rest of World** **£'000**	**Total** **£'000**	**Eliminations** **£'000**	**Group** **£'000**
Segment assets	**443,138**	**89,049**	**53,965**	**586,152**	**(284,142)**	**302,010**
Segment liabilities	**(233,814)**	**(46,210)**	**(29,788)**	**(309,812)**	**220,033**	**(89,779)**

2013 By location of subsidiary	Europe £'000	Americas £'000	Rest of World £'000	Total £'000	Eliminations £'000	Group £'000
Segment assets	414,769	85,282	66,147	566,198	(250,395)	315,803
Segment liabilities	(208,416)	(45,614)	(21,443)	(275,473)	158,022	(117,451)

3. SEGMENTAL INFORMATION CONTINUED

(C) OTHER SEGMENT ITEMS

2014 **By location of subsidiary**	**Europe £'000**	**Americas £'000**	**Rest of World £'000**	**Group £'000**
Purchase of property, plant and equipment	**8,258**	**1,569**	**1,923**	**11,750**
Purchase of intangible assets	**757**	**98**	**17**	**872**
Amortisation of intangible assets	**3,696**	**104**	**62**	**3,862**
Depreciation	**3,634**	**1,171**	**940**	**5,745**

2013 By location of subsidiary	Europe £'000	Americas £'000	Rest of World £'000	Group £'000
Purchase of property, plant and equipment	5,095	2,194	1,732	9,021
Purchase of intangible assets	278	4	96	378
Amortisation of intangible assets	4,129	123	127	4,379
Depreciation	3,281	1,753	840	5,874

COMPANY

The Company's business is to invest in its subsidiaries and associates and therefore it operates in a single segment.

(D) REVENUE BY TYPE

An analysis of the Group's revenue is as follows:

Continuing operations	**2014 £'000**	2013 £'000
From sale of goods	**321,667**	305,921
From rendering of services	**28,514**	29,752
	350,181	335,673
Investment income	**1,233**	1,117
Total revenue	**351,414**	336,790

(E) RECONCILIATION OF REVENUE AND RESULT

Revenue	**2014 £'000**	2013 £'000
Total reportable segment revenue	**544,797**	499,098
Elimination of inter-segment sales	**(194,616)**	(163,425)
Total Group revenue	**350,181**	335,673

The Group has a large number of customers and no single customer makes up more than 10 per cent of total Group revenue.

3. SEGMENTAL INFORMATION CONTINUED

Result	2014 £'000	2013 £'000
Total reportable segment result before eliminations	**75,470**	43,060
Add back: amortisation of intangibles recognised within segments	**168**	216
Amortisation of intangibles recognised on acquisition	**(3,060)**	(3,321)
Central exchange adjustment	**1,674**	(424)
Central research and development	**(18,158)**	(19,869)
Consolidation adjustments relating to intra-Group transfers	**–**	(2,441)
Other central adjustments	**(60)**	162
Group operating profit	**56,034**	17,383
Investment income	**1,233**	1,117
Finance costs	**(739)**	(827)
Group profit before taxation	**56,528**	17,673

(F) RECONCILIATION OF ASSETS

Assets	2014 £'000	2013 £'000
Total reportable segment assets	**586,152**	566,198
Elimination of inter-company investments on consolidation	**(170,396)**	(172,307)
Elimination of inter-company balances on consolidation	**(196,130)**	(166,725)
Additional goodwill recognised on consolidation	**77,166**	80,182
Reclassification of investment in own shares	**(831)**	(1,123)
Recognition of acquired intangibles	**10,860**	14,169
Other central adjustments	**(4,811)**	(4,591)
Group total assets	**302,010**	315,803

(G) INFORMATION ABOUT PRODUCTS AND SERVICES

The Group develops, manufactures and sells industrial printing equipment and related products. Total revenue from external customers in respect of these products and services was £350,181,000 (2013: £335,673,000).

(H) INFORMATION ABOUT GEOGRAPHICAL AREAS

External revenue	2014 £'000	2013 £'000
UK	**24,461**	21,978
USA	**53,672**	53,923
China	**42,188**	41,921
Other	**229,860**	217,851
Group external revenue	**350,181**	335,673

External revenues attributable to the UK and all overseas countries in total have been disclosed, in accordance with IFRS 8. Where revenue attributable to individual overseas countries is material (deemed to be in excess of 10 per cent of total Group revenue), these amounts are disclosed separately.

Non-current assets	2014 £'000	2013 £'000
UK	**137,076**	132,895
USA	**37,353**	36,878
Germany	**28,775**	31,463
Other and consolidation	**(68,117)**	(64,071)
Total	**135,087**	137,165
Deferred tax assets	**7,960**	7,199
Group non-current assets	**143,047**	144,364

4. PROFIT BEFORE TAXATION

	Group 2014 £'000	Group 2013 £'000	**Company 2014 £'000**	Company 2013 £'000
Profit before taxation is arrived at after charging/(crediting):				
Net foreign exchange losses/(gains)	**1,525**	(381)	946	1,020
Cost of inventories recognised as an expense	**111,637**	105,670	–	–
Depreciation of property, plant and equipment				
– on owned assets	**5,700**	5,827	2	2
– on assets held under finance leases	**45**	47	–	–
Amortisation of proprietary rights	**25**	27	17	19
Amortisation of intangible assets acquired through business combination	**3,060**	3,321	–	39
Amortisation of other intangibles	**777**	1,031	9	8
Loss on disposal of fixed assets	**263**	168	–	–
Impairment loss recognised on trade receivables (note 20)	**1,328**	403	–	–
Amounts recovered from previously impaired trade receivables (note 20)	**(166)**	(1,395)	–	–
Share-based compensation charges/(credits)	**1,660**	(211)	1,589	(281)
Operating lease rentals:				
– plant and machinery	**2,939**	2,909	–	–
– land and buildings	**2,602**	2,361	–	–
Auditor's remuneration:				
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	**363**	332	88	78
Fees payable to the Company's auditor and their associates for other services to the Group:				
Audit of the Company's subsidiaries pursuant to legislation	**40**	37	–	–
Total audit fees	**403**	369	88	78
Audit-related assurance services	**25**	25		
Taxation compliance services	**69**	52		
Other taxation advisory services	**–**	10		
Other services	**–**	10		
Total non-audit fees	**94**	97		
Total fees payable to Company's auditor	**497**	466		

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

5. EXCEPTIONAL ITEMS

The Group has incurred exceptional costs in the year totalling £nil (2013: £33,948,000).

	2014 £'000	2013 £'000
Restructuring and redundancy costs	**–**	3,665
Foreign exchange adjustment on available for sale investment recycled to profit or loss	**–**	(1,742)
Impairment of available for sale asset	**–**	32,025
	–	33,948

In the year ended 31 October 2013, the Group wrote down the carrying value of its investment in TEN Media LLC to £nil (an impairment of £32,025,000). The cumulative foreign exchange gain of £1,742,000 in respect of this investment was recycled from the exchange reserve to profit or loss and included within exceptional items.

The restructuring of the Group's North American, UK and European operations led to exceptional costs of £3,665,000 in the year ended 31 October 2013. These organisational changes were made to improve efficiency and to redirect investment towards areas of greater opportunity.

6. EMPLOYEES

The average number employed by the Group within each category of persons was:

	2014 Number	2013 Number
Production and technical staff	**664**	663
Sales and service staff	**1,318**	1,365
Administrative staff (including Directors)	**281**	288
	2,263	2,316

The costs incurred in respect of these employees were:

	2014 £'000	2013 £'000
Wages and salaries	**84,854**	84,460
Social security costs	**11,766**	11,483
Defined contribution pension costs	**6,151**	6,237
Share-based compensation charges/(credit)	**1,660**	(211)
	104,431	101,969

7. DIRECTORS
(A) DIRECTORS' REMUNERATION

	2014 £'000	2013 £'000
Fees	**315**	338
Salaries and taxable benefits	**1,308**	1,238
Amounts receivable under long-term incentive schemes	**–**	1,954
	1,623	3,530
Money purchase pension scheme contributions	**163**	209
Gains on share options	**15**	20
Total remuneration	**1,801**	3,759

	Number	Number
Number of Directors in money purchase pension schemes	–	1

(B) DIRECTORS' INTERESTS IN SHARES

The Directors who were in office at the end of the year and their beneficial interests in the shares of the Company were as set out below:

	Interest in Share Incentive Plan shares Number	Other shares held Number	**31 October 2014 Total Number**	31 October 2013 Total Number
P Byrom[1]	–	302,000	**302,000**	302,000
N Bond	5,772	67,602	**73,374**	82,907
Sir David Brown	–	10,000	**10,000**	10,000
A Herbert	5,772	40,000	**45,772**	45,518
C Brinsmead	–	10,000	**10,000**	10,000
Sir Mark Wrightson[1]	–	40,935	**40,935**	40,935

1 Mr Byrom has a non-beneficial interest in a further 36,000 shares (2013: 36,000 shares) and Sir Mark Wrightson has a non-beneficial interest in a further 1,050 shares (2013: 1,050 shares). No other Director had a non-beneficial interest in the shares of the Company or any other Group company.

7. DIRECTORS CONTINUED

During the year the mid-market price for the Company's shares moved between 554.5 pence and 863 pence. On 31 October 2014, the mid-market price for the shares was 603 pence.

(B) (I) INTERESTS IN LONG-TERM INCENTIVE PLAN

The conditional allocations of shares made to Directors under the Company's Long-Term Incentive Plan at 31 October 2014 were as follows:

	Total at 31 October 2014	Allocation on 16 December 2013 Mid-market share price 720p	Lapsed on 14 December 2013 Mid-market share price 707p	Total at 31 October 2013
N Bond	**217,336**	58,998	(65,992)	224,330
A Herbert	**134,028**	36,361	(40,860)	138,527
	351,364	95,359	(106,852)	362,857

The shares comprised in conditional allocations will be allocated to the extent that the performance conditions described in the Remuneration Report on pages 49 to 62 are met over the three year performance period.

The Directors did not receive any awards of shares under the Long-Term Incentive Plan during the year.

(B) (II) INTERESTS IN SHARE INCENTIVE PLAN

The following purchases of shares have been made by and on behalf of the Directors under the terms of the Share Incentive Plan. These shares are held in trust for the Directors under the terms of the plan.

	31 October 2014 Number	31 October 2013 Number
N Bond	**5,772**	5,518
A Herbert	**5,772**	5,518

No Director had beneficial or family interests at any time during the year in the share capital of any of the Company's subsidiaries. There has been no change in Directors' interests between 31 October 2014 and 15 December 2014 except the following purchases of shares made on behalf of Directors under the terms of the Share Incentive Plan. These shares are held in trust for the Directors under the terms of the plan.

	Number of shares
N Bond	22
A Herbert	22

(C) INTERESTS IN SHARE OPTIONS

Under the terms of the SAYE schemes, Directors held the following options over shares:

	Granted 28 July 2009 Number	Granted 28 July 2011 Number	Granted 13 August 2013 Number	Granted 12 August 2014 Number	**At 31 October 2014 Number**
N Bond	–	2,825	–	–	**2,825**
A Herbert	3,211	–	1,044	1,890	**6,145**
Exercise price (pence)	203	546	517	476	

The options granted are exercisable within a six month period commencing three, five or seven years from the date of grant.

7. DIRECTORS CONTINUED

Details of options exercised in the year are as follows:

	Number	Exercise price Pence	Market price at exercise date Pence	Gain on exercise £'000
G Havens	3,602	203	607.5	15

8. SHARE-BASED PAYMENTS

Operating profit for the year ended 31 October 2014 is stated after charging £1,660,000 in respect of share-based compensation (2013: a credit of £211,000).

The assumptions used in the calculations of share-based compensation charges are as follows:

2014	**Executive Option schemes**	**SAYE schemes**	**Long-Term Incentive Plan**
Expected life (years)[1]	**4.5**	**Term[2] plus 0.25**	**3**
Vesting period (years)	**3**	**Term[2]**	**3[3]**
Expected volatility of Domino share price[4]	**38–46%**	**26–44%**	**39–45%**
Volatility of benchmarked index	**N/A**	**N/A**	**17–29%**
Expectation of ceasing employment/discontinuing SAYE contributions before vesting	**0–5%**	**8–66%**	**0%**
Expectation of meeting non-market based performance criteria	**0–100%**	**N/A**	**0–50%**
Risk free rate[5]	**0.86–2.25%**	**0.17–4.62%**	**0.51–1.6%**
Expected dividend yield[6]	**2.96–3.81%**	**1.21–5.94%**	**2.96–3.81%**

2013	Executive Option schemes	SAYE schemes	Long-Term Incentive Plan
Expected life (years)[1]	4.5	Term[2] plus 0.25	3–6
Vesting period (years)	3	Term[2]	3–6[3]
Expected volatility of Domino share price[4]	31–46%	26–44%	26–45%
Volatility of benchmarked index	N/A	N/A	11–29%
Expectation of ceasing employment/discontinuing SAYE contributions before vesting	0–5%	5–67%	0%
Expectation of meeting non-market based performance criteria	0–100%	N/A	0–25%
Risk free rate[5]	0.86–4.26%	0.17–5.02%	0.51–4.62%
Expected dividend yield[6]	2.96–4.38%	2.7–5.94%	2.87–4.38%

1 The expected life used in the models is based on management's best estimate of behavioural consideration based on historic exercise patterns.
2 Domino SAYE schemes have maturity periods of three, five or seven years.
3 Initial awards relating to the 1997 scheme vest after three years and are placed in trust for the benefit of the participants for a further three years. Bonus awards follow on the fourth, fifth and sixth anniversaries of the date of grant. Initial awards under the 2008 scheme vest unconditionally after three years.
4 The Domino share price volatility used is based on a volatility percentage calculated from historic share price data.
5 The risk free rate of return is the yield on zero coupon UK government bonds consistent with the assumed expected life at the date of grant.
6 The expected dividend yield used at the date of grant is the dividend per share for the previous financial year divided by the share price at the end of that financial year.

The Company has two share option schemes for employees of the Group.

The Executive Option scheme has a vesting period of three years. If options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee resigns from the Group before the options vest. Options are exercisable at a price equal to the average quoted market price of the Company's shares over the three days prior to the date of grant.

The SAYE schemes have vesting periods of three, five or seven years. Options are exercisable for a period of six months from the date of vesting, after this period the options expire. Options are exercisable at a price equal to the average quoted market price of the Company's shares over the three days prior to the date of invitation discounted by a maximum of 20 per cent.

8. SHARE-BASED PAYMENTS CONTINUED

Details of share options granted, exercised, lapsed and outstanding at the end of the year are as follows.

	2014 Share options Number	2014 Weighted average exercise price £	2013 Share options Number	2013 Weighted average exercise price £
Executive Option schemes				
Outstanding at beginning of year	**2,139,092**	**4.60**	2,256,289	3.88
Granted in year	**524,000**	**7.07**	551,000	5.67
Forfeited in year	**(58,483)**	**5.21**	(20,000)	5.30
Exercised in year	**(207,655)**	**2.65**	(648,197)	2.98
Outstanding at end of year	**2,396,954**	**5.29**	2,139,092	4.60
Exercisable at end of year	**392,454**	**2.70**	597,592	2.64

The weighted average share price at the date of exercise for share options exercised during the year was £7.83. The options outstanding at 31 October 2014 had exercise prices ranging from £1.72 to £7.07 and a weighted average remaining contractual life of 7.0 years. In the financial year ended 31 October 2014, options were granted on 16 December 2013. The aggregate of the estimated fair values of the options granted on that date is £924,000. In the financial year ended 31 October 2013, options were granted on 18 December 2012. The aggregate of the estimated fair values of the options granted on that date is £871,000.

	2014 Share options Number	2014 Weighted average exercise price £	2013 Share options Number	2013 Weighted average exercise price £
SAYE schemes				
Outstanding at beginning of year	**684,182**	**4.03**	764,589	3.47
Granted in year	**472,964**	**4.76**	142,101	5.17
Forfeited in year	**(32,829)**	**4.81**	(28,244)	4.44
Exercised in year	**(180,494)**	**2.72**	(194,264)	2.63
Outstanding at end of year	**943,823**	**4.62**	684,182	4.03
Exercisable at end of year	**26,919**	**3.20**	14,727	2.43

The weighted average share price at the date of exercise for share options exercised during the year was £6.23. The options outstanding at 31 October 2014 had exercise prices ranging from £2.03 to £5.46 and a weighted average remaining contractual life of 3.15 years. In the financial year ended 31 October 2014, options were granted on 12 August 2014. The aggregate of the estimated fair values of the options granted on that date is £913,000. In the financial year ended 31 October 2013, options were granted on 13 August 2013. The aggregate of the estimated fair values of the options granted on that date is £302,000.

9. INVESTMENT INCOME

	2014 £'000	2013 £'000
Bank interest receivable	**1,233**	1,117

10. FINANCE COSTS

	2014 £'000	2013 £'000
Interest payable on:		
– bank overdrafts and other borrowings	**536**	577
– accounting for discounted contingent consideration (see note 23)	**36**	43
– other	**167**	207
	739	827

11. TAX ON PROFIT
(A) ANALYSIS OF TAX CHARGE FOR THE YEAR

	2014 £'000	2013 £'000
Corporation tax		
Corporation tax charge for the year	**4,219**	4,143
Foreign tax	**11,096**	9,693
Over provision for earlier years	**(173)**	(939)
Current tax charge	**15,142**	12,897
Deferred tax		
Timing differences, origination and reversal	**(1,777)**	(667)
Increase/(decrease) in tax rate	**140**	(663)
Prior period adjustment	**(1,592)**	278
Total deferred tax	**(3,229)**	(1,052)
Tax on profit	**11,913**	11,845
Effective tax rate (%)	**21.1**	67.0

(B) FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR

	2014 £'000	2013 £'000
Profit before taxation	**56,528**	17,673
Tax on profit on ordinary activities at UK standard rate of 21.8% (2013: 23.4%)	**12,342**	4,139
(Income)/expenses not taxable/deductible for tax purposes	**(39)**	389
Additional recognition and utilisation of deferred tax balances	**74**	(554)
Impairment of available for sale investment	**–**	7,091
Tax incentives	**(1,339)**	(579)
Withholding taxes	**434**	1,239
Increase/(decrease) in tax rate	**140**	(663)
Difference between local and UK tax rates	**2,066**	1,444
Prior period adjustments	**(1,765)**	(661)
Tax charge for the year	**11,913**	11,845

The standard rate of tax for the year, based on a weighted average of the UK standard rate of corporation tax, is 21.8 per cent (2013: 23.4 per cent). The actual tax charge for the current and preceding year differs from the current rate for the reasons set out in the above reconciliation.

Tax for the period is charged at a composite tax rate of 21.1 per cent (2013: 67.0 per cent). The underlying rate (excluding the impact of the non-taxable gain of £2,071,000 arising on the reassessment of acquisition related contingent consideration, a one-off £1,428,000 credit to the deferred tax charge as a result of changes to the withholding tax rate on dividends paid from the Group's Chinese subsidiaries, and other prior year adjustments) is 25.1 per cent (2013: 25.7 per cent, excluding the impact of the £30,283,000 non-deductible impairment of the Group's investment in TEN Media and the non-taxable gain of £1,943,000 arising on the reassessment of acquisition related contingent consideration).

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

In addition to the amount charged to the Income Statement of £11,913,000 and credited to the Statement of Comprehensive Income of £284,000, a charge of £72,000 relating to tax has been recognised directly in equity (2013: credit of £129,000). This principally comprises the element of the deferred tax movement that has been recognised in equity in respect of share options and the current tax charge for a shortfall in tax deductions related to share-based payments on exercised options.

12. PROFIT FOR THE YEAR

	2014 £'000	2013 £'000
Profit dealt with in the accounts of the parent Company	**70,020**	37,359

The Company has taken advantage of Section 408 of the Companies Act 2006 and consequently an Income Statement for the Company alone is not presented.

13. DIVIDENDS

	2014 £'000	2013 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 October 2013 of 14.06 pence per share (2012: 13.39 pence)	**15,788**	14,966
Interim paid of 7.98 pence per share (2013: 7.60 pence)	**8,967**	8,502
	24,755	23,468

The Board recommends a final dividend of 14.76 pence per share. The proposed final dividend is subject to approval at the Annual General Meeting and has not been included as a liability at 31 October 2014. Subject to approval, the dividend will be paid on 10 April 2015 to those shareholders appearing on the register at the close of business on 6 March 2015.

14. EARNINGS PER SHARE

(A) BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of shares in issue during the year (112,366,531) less the weighted average shares in the Company purchased by the Company's Employee Benefit Trust (153,719) less the weighted average shares issued to the Company's QUEST scheme (35,867) less the weighted average number of shares held to satisfy the Group's Share Incentive Plan (36,258). The weighted average number of shares used is 112,140,687 (2013: 111,586,441).

(B) DILUTED EARNINGS PER SHARE

The weighted average number of shares used in the diluted earnings per share calculation is the figure used in the basic earnings per share calculation adjusted by 924,812, being the number of shares deemed to be issued for no consideration if all share options had been exercised. The weighted average number of shares used is 113,065,499 (2013: 112,446,606).

The earnings used in the diluted earnings per share calculation is the profit on ordinary activities attributable to shareholders.

(C) UNDERLYING EARNINGS PER SHARE

The Group presents an alternative measure of earnings per share before the post-tax effects of:

- amortisation of intangible assets arising on business combinations (2014: £2.3 million; 2013: £2.6 million);
- the non-cash interest charge on discounted contingent consideration (2014: £0.04 million; 2013: £0.1 million);
- the non-cash credit arising on reassessment of acquisition related contingent consideration (2014: £2.1 million; 2013: £1.9 million); and
- exceptional costs arising on impairment of goodwill, acquisition intangibles and available for sale investments, business restructuring and redundancies (2014: £nil; 2013: £32.9 million).

The effect of the above items on both basic and diluted earnings per share is presented below:

Basic	2014	2013
Earnings per share (pence)	**39.79**	5.22
Effect of acquired intangibles amortisation (pence)	**2.04**	2.28
Effect of exceptional items (pence) (note 5)	**–**	29.50
Effect of interest charge on discounted contingent consideration (pence)	**0.03**	0.04
Effect of reassessment of contingent consideration (pence)	**(1.85)**	(1.74)
Underlying earnings per share (pence)	**40.01**	35.3

14. EARNINGS PER SHARE CONTINUED

Diluted	2014	2013
Earnings per share (pence)	**39.46**	5.18
Effect of acquired intangibles amortisation (pence)	**2.02**	2.26
Effect of exceptional items (pence) (note 5)	**–**	29.28
Effect of interest charge on discounted contingent consideration (pence)	**0.03**	0.04
Effect of reassessment of contingent consideration (pence)	**(1.83)**	(1.73)
Underlying earnings per share (pence)	**39.68**	35.03

15. GOODWILL

	Group £'000
Cost	
At 1 November 2012	90,825
Exchange differences	1,805
At 1 November 2013	92,630
Exchange differences	(3,491)
At 31 October 2014	**89,139**
Impairment losses	
At 1 November 2012, 1 November 2013 and 31 October 2014	**(3,288)**
Carrying value	
At 31 October 2014	**85,851**
At 1 November 2013	89,342
At 1 November 2012	87,537

Goodwill acquired in a business combination is allocated upon acquisition to the cash generating units (CGUs) that are expected to benefit from that business combination.

The carrying amount of goodwill has been allocated as follows:

	2014 £'000	2013 £'000
Domino core products	**66,696**	70,145
Citronix product range	**10,044**	10,003
Purex product range	**4,729**	4,812
PostJet product range	**4,382**	4,382
	85,851	89,342

The Group tests annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. The growth rates are based on industry growth forecasts within the CGUs. Likewise, changes in selling prices and direct costs are based on recent history and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management and, where applicable, business plans relating to acquired businesses. Cash flow projections for the next five years are prepared based on these sources and estimated growth rates. The five year compound annual growth rates applicable to each CGU range between 0 and 23 per cent. Cash flows beyond five years are then calculated into perpetuity using a growth rate of two per cent, on the basis that these businesses are held for the long-term benefit of the Group.

15. GOODWILL CONTINUED

The rates used to discount the forecast cash flows for each CGU are as follows: Domino core products – 13.3 per cent; Citronix product range – 13.3 per cent; Purex product range – 13.3 per cent; PostJet product range – 14.3 per cent. The Group has conducted a sensitivity analysis increasing these discount rates by a further three per cent. At this level, the minimum headroom attributable to any CGU is £3,717,000 and, as such, no impairment would be required to be recorded.

16. INTANGIBLE FIXED ASSETS
(A) GROUP

	Proprietary rights £'000	Application software £'000	Technology[1] £'000	Customer relationships[1] £'000	Other[1,2]	Total £'000
Cost or valuation						
At 1 November 2012	990	6,288	14,243	17,749	1,224	40,494
Additions	23	355	–	–	–	378
Disposals	–	(197)	–	–	–	(197)
Exchange adjustment	–	23	176	314	6	519
At 1 November 2013	1,013	6,469	14,419	18,063	1,230	41,194
Additions	22	850	–	–	–	872
Disposals	–	(986)	–	–	–	(986)
Reclassification to plant and machinery	–	(10)	–	–	–	(10)
Exchange adjustment	–	(37)	(385)	(387)	(7)	(816)
At 31 October 2014	**1,035**	**6,286**	**14,034**	**17,676**	**1,223**	**40,254**
Amortisation						
At 1 November 2012	853	4,930	6,248	6,488	111	18,630
Charge for the year	27	1,031	1,403	1,610	308	4,379
On disposals	–	(197)	–	–	–	(197)
Impairment	–	–	143	–	–	143
Exchange adjustment	–	11	–	–	–	11
At 1 November 2013	880	5,775	7,794	8,098	419	22,966
Charge for the year	25	777	1,283	1,470	307	3,862
On disposals	–	(986)	–	–	–	(986)
Exchange adjustment	–	(31)	–	–	–	(31)
At 31 October 2014	**905**	**5,535**	**9,077**	**9,568**	**726**	**25,811**
Net book value						
At 31 October 2014	**130**	**751**	**4,957**	**8,108**	**497**	**14,443**
At 1 November 2013	133	694	6,625	9,965	811	18,228
At 1 November 2012	137	1,358	7,995	11,261	1,113	21,864

1 Intangible assets acquired through business combinations.
2 'Other' intangible assets comprise order backlogs, non-compete agreements and trademarks.

16. INTANGIBLE FIXED ASSETS CONTINUED
(B) COMPANY

	Software £'000	Proprietary rights £'000	Technology[1] £'000	Total £'000
Cost				
At 1 November 2012	170	73	207	450
Additions	27	20	–	47
Disposals	(62)	–	–	(62)
At 1 November 2013	135	93	207	435
Additions	–	22	–	22
At 31 October 2014	**135**	**115**	**207**	**457**
Amortisation				
At 1 November 2012	170	9	23	202
Charge for the year	8	19	39	66
Disposals	–	–	143	143
On transfer to another Group company	(62)	–	–	(62)
At 1 November 2013	116	28	205	349
Charge for the year	9	15	2	26
At 31 October 2014	**125**	**43**	**207**	**375**
Net book value				
At 31 October 2014	**10**	**72**	**–**	**82**
At 1 November 2013	19	65	2	86
At 1 November 2012	–	64	184	248

1 Intangible assets acquired through business combinations.

17. PROPERTY, PLANT AND EQUIPMENT
(A) GROUP

	Land and buildings £'000	Motor vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 November 2012	32,793	1,391	24,499	8,818	67,501
Exchange adjustment	165	(19)	277	51	474
Additions	2,636	143	5,384	858	9,021
Transfer from inventory	–	–	530	–	530
Disposals	(148)	(249)	(3,861)	(1,219)	(5,477)
At 1 November 2013	35,446	1,266	26,829	8,508	72,049
Exchange adjustment	(507)	(17)	(516)	(138)	(1,178)
Additions	3,681	226	6,685	1,158	11,750
Reclassification from software	–	–	10	–	10
Transfer from inventory	–	–	9	–	9
Disposals	(130)	(301)	(2,247)	(151)	(2,829)
At 31 October 2014	**38,490**	**1,174**	**30,770**	**9,377**	**79,811**
Depreciation					
At 1 November 2012	16,038	846	16,976	7,170	41,030
Exchange adjustment	178	2	167	38	385
Charge for the year	995	196	4,031	652	5,874
Transfer from inventory	–	–	529	–	529
Disposals	(150)	(201)	(3,451)	(1,206)	(5,008)
At 1 November 2013	17,061	843	18,252	6,654	42,810
Exchange adjustment	(269)	(15)	(326)	(72)	(682)
Charge for the year	1,063	189	3,797	696	5,745
Transfer from inventory	–	–	9	–	9
Disposals	(62)	(266)	(2,018)	(142)	(2,488)
At 31 October 2014	**17,793**	**751**	**19,714**	**7,136**	**45,394**
Net book value					
At 31 October 2014	**20,697**	**423**	**11,056**	**2,241**	**34,417**
At 1 November 2013	18,385	423	8,577	1,854	29,239
At 1 November 2012	16,755	545	7,523	1,648	26,471

'Plant and machinery' includes assets held for use in operating leases with an aggregate cost of £10,003,000 (2013: £7,865,000) and accumulated depreciation of £5,372,000 (2013: £4,544,000).

Included in Group fixed assets are assets with a net book value of £202,000 (2013: £230,000) held under finance leases.

17. PROPERTY, PLANT AND EQUIPMENT CONTINUED
(B) COMPANY

	Freehold land and buildings £'000
Cost or valuation	
At 1 November 2012, 1 November 2013 and 31 October 2014	**1,579**
Depreciation	
At 1 November 2012	63
Charge for the year	2
At 1 November 2013	65
Charge for the year	2
At 31 October 2014	**67**
Net book value	
At 31 October 2014	**1,512**
At 1 November 2013	1,514
At 1 November 2012	1,516

The Company has no fixed assets held under finance leases.

18. FIXED ASSET INVESTMENTS
(A) GROUP

	Associates £'000	Available for sale £'000	Total £'000
Valuation			
At 1 November 2012	289	31,589	31,878
Share of retained profit in associate	53	–	53
Impairment of available for sale investment	–	(32,025)	(32,025)
Exchange adjustment	14	990	1,004
At 1 November 2013	356	554	910
Share of retained profit in associate	51	–	51
Exchange adjustment	(31)	–	(31)
At 31 October 2014	**376**	**554**	**930**
Provisions and amortisation			
At 1 November 2012, 1 November 2013 and 31 October 2014	**–**	**554**	**554**
Net book value			
At 31 October 2014	**376**	**–**	**376**
At 1 November 2013	356	–	356
At 1 November 2012	289	31,035	31,324

18. FIXED ASSET INVESTMENTS CONTINUED

Both the total net book value of associates and the share of associates' results are immaterial to the Group. As such, the Group does not disclose any summarised financial information in respect of these associates.

The Group owns 3.5 per cent of epc Solutions Inc and 14.85 per cent of TEN Media LLC. In assessing the fair value of these investments, the Directors consider factors such as the recent performance of the company, the relatively small percentage shareholding, the shareholder structure, the unquoted status of each of the companies' shares and any recent transactions involving the equity instruments of the companies.

In the case of epc Solutions Inc, the investment was fully impaired in 2008. The Directors have concluded that it is appropriate to continue to record this investment at nil value as at 31 October 2014. The valuation and the considerations on which it is based are therefore not based on published price quotations or observable market data.

In the case of TEN Media LLC, the investment was fully impaired in 2013. The Directors have concluded that it is appropriate to continue to record this investment at nil value as at 31 October 2014. The estimated fair value of TEN Media LLC as at 31 October 2014 is £nil (2013: £nil).

The Group also holds a 25 per cent investment in the equity of Mectec Coding Benelux BV, a company incorporated in The Netherlands, a 40 per cent investment in the equity of Mectec Coding Benelux BVBA, a company incorporated in Belgium, and a 20 per cent holding in Radex AG (Radex), a company incorporated in Switzerland. These entities make up their accounts to 31 December (since they are not controlled by the Group) and are accounted for as associates under the equity method.

(B) COMPANY

	Unlisted subsidiaries £'000
Shares	
At 1 November 2012, 1 November 2013 and 31 October 2014	**114,111**
Loans	
At 1 November 2012	28,078
Exchange adjustment	866
At 1 November 2013	28,944
Exchange adjustment	(1,297)
At 31 October 2014	**27,647**
Provisions	
At 1 November 2012, 1 November 2013 and 31 October 2014	**3,696**
Net book value	
At 31 October 2014	**138,062**
At 1 November 2013	139,359
At 1 November 2012	138,493

18. FIXED ASSET INVESTMENTS CONTINUED
(D) SUBSIDIARIES

The following are the subsidiaries which affected the Group's results or net assets:

	Country of incorporation and operation
Alpha Dot Limited	England and Wales[1]
Domino UK Limited	England and Wales
Domino Printing Sciences QUEST Trustees Limited	England and Wales
Purex International Limited	England and Wales
Domino Deutschland GmbH	Germany
Domino Holdings Deutschland GmbH	Germany
Wiedenbach Apparatebau GmbH	Germany[2]
Domino Laser GmbH	Germany[2]
Pri-Ma-Tech Verwaltungs GmbH	Germany[2]
aps Alternative Printing Services GmbH	Germany[2]
APS France SARL	France[2]
APS Asia-Pacific Pty Ltd	Australia[2]
Domino Amjet BV	The Netherlands
Domino Holdings France SARL	France
Domino SAS	France[2]
Domino Amjet Iberica SA	Spain
Thermoscribe AB	Sweden
Mectec Elektronik AB	Sweden[2]
Domino Portugal Producao Commercializacao De Equipmento Electronico LDA	Portugal[1,2]
Labeljet – Comércio e Indústria de Etiquetas, S.A.	Portugal
Marque TDI – Technologias de Codificação S.A.	Portugal[2]
Domino Holdings Inc.	USA
Domino Amjet Inc.	USA[2]
Citronix Inc.	USA[2]
Wiedenbach Corporation	USA[1,2]
Wiedenbach Company LP	USA[1,2]
Domino Printing México SA de CV	Mexico
Domino Printing Solutions Inc.	Canada
Purex North America Limited	Canada[1]
Domino Printech India Private Limited	India
Domino China Limited	China
Domino Coding (Hong Kong) Limited	China
Domino Asia Limited	China
Domino Asia Pte Limited	Singapore
Domino Korea Pte Limited	Korea
Domino Coding Automation AS	Norway
Domino Printing Sciences Investments Corporation	USA
Squid Limited	England and Wales[2]
Graph-Tech AG	Switzerland
PostJet Systems Limited	England and Wales

1 Dormant companies.
2 Indirectly held.

18. FIXED ASSET INVESTMENTS CONTINUED

The Company directly or indirectly owns 100 per cent of the ordinary share capital of all subsidiaries.

All subsidiaries make up their accounts to 31 October except, for local statutory reasons, Domino Printech India Private Limited which makes up its accounts to 31 March, and Domino Printing México SA de CV, Domino Coding Automation AS, Domino China Limited, Domino Coding (Hong Kong) Limited and Domino Asia Limited which make up their accounts to 31 December. For these subsidiaries, interim accounts are prepared to the Group's year end.

All the trading subsidiaries are engaged in providing customers with coding solutions. These include ink jet products, laser products, outer case coding products, controller technology, digital ink jet equipment, print and apply labelling machinery and thermal transfer overprinting products.

19. INVENTORIES

	Group	
	2014 £'000	2013 £'000
Raw materials and consumables	**20,636**	18,324
Work in progress	**1,494**	1,432
Finished goods and goods for resale	**20,583**	20,053
	42,713	39,809

The Directors do not consider that the replacement cost of inventories and work in progress is materially different from the value stated above.

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Trade receivables	**66,770**	64,999	**–**	–
Less: Credit note provision	**(508)**	(1,105)	**–**	–
Less: Allowance for impairment of receivables	**(3,761)**	(2,850)	**–**	–
Trade receivables – net	**62,501**	61,044	**–**	–
Amounts owed by Group companies	**–**	–	**42,359**	22,390
Prepayments and accrued income	**5,880**	5,046	**244**	289
Corporation tax recoverable	**1,299**	2,381	**–**	–
Other receivables	**5,719**	3,394	**–**	–
	75,399	71,865	**42,603**	22,679

Included within Group receivables are trade receivables of £478,000 (2013: £330,000) due after more than one year. The Company has no receivables falling due after more than one year.

The average credit period taken on sales of goods is 64 days (2013: 62 days). An allowance has been made for the estimated irrecoverable amounts from the sale of goods and services of £3,761,000 (2013: £2,850,000). This allowance has been determined by reference to past default experience. The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

20. TRADE AND OTHER RECEIVABLES CONTINUED

The ageing of past due but not impaired trade receivables at the reporting date was:

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Past due 0–30 days	**8,003**	8,621	**–**	–
Past due 31–60 days	**2,533**	3,415	**–**	–
Past due 61–90 days	**939**	1,140	**–**	–
Past due >90 days	**911**	1,253	**–**	–
	12,386	14,429	**–**	–

Movement in the allowance for doubtful debts:

	Group	
	2014 £'000	2013 £'000
At 1 November	**(2,850)**	(3,985)
Impairment losses recognised	**(1,328)**	(403)
Amounts written off as uncollectable	**197**	240
Amounts recovered during the year	**166**	1,395
Exchange adjustment	**54**	(97)
At 31 October	**(3,761)**	(2,850)

The Company has no trade receivables and therefore no provision for doubtful debts.

All impaired trade receivables are in excess of 90 days past due.

CREDIT RISK

The Group's principal financial assets are bank balances, cash and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Group seeks to limit credit risk on liquid funds and derivative financial instruments through trading only with counterparties that are banks with high credit ratings assigned by international credit rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

EXPOSURE TO CREDIT RISK

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Cash and cash equivalents	**40,505**	59,373	**9,555**	11,596
Trade and other receivables excluding prepayments and corporation tax	**68,220**	64,438	**–**	–
	108,725	123,811	**9,555**	11,596

20. TRADE AND OTHER RECEIVABLES CONTINUED

The maximum exposure to credit risk for total trade receivables at the reporting date by geographic region was:

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Europe	**39,099**	40,729	**–**	–
Americas	**11,231**	9,864	**–**	–
Rest of World	**16,440**	14,406	**–**	–
	66,770	64,999	**–**	–

21. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Trade payables	**20,003**	19,714	**–**	–
Obligations under finance leases	**–**	3	**–**	–
Corporation tax payable	**7,620**	7,044	**–**	–
Other taxation and social security	**3,539**	3,677	**–**	–
Other payables	**557**	327	**–**	–
Accruals and deferred income	**43,628**	34,104	**1,744**	502
Contingent consideration for acquisitions (see note 23)	**1,528**	117	**1,528**	20
Amounts owed to Group companies	**–**	–	**36,394**	30,818
	76,875	64,986	**39,666**	31,340

Amounts payable in respect of defined contribution pension schemes were £1,163,000 (2013: £1,071,000).

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 34 days (2013: 35 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

22. NON-CURRENT LIABILITIES – OTHER PAYABLES

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Trade payables	**33**	25	**–**	–
Contingent consideration for acquisitions (see note 23)	**3,351**	7,923	**3,351**	7,923
Accruals and deferred income	**1,023**	528	**–**	–
Other	**3**	3	**–**	–
	4,410	8,479	**3,351**	7,923

23. CONTINGENT CONSIDERATION

The Group makes estimates of the amounts expected to be paid to the former shareholders in respect of the acquisitions of Graph-Tech AG (Graph-Tech) and PostJet Systems Ltd (PostJet) as the amounts payable will ultimately be determined with reference to post-acquisition performance. These estimates are established by applying the contractual calculations of contingent consideration to budgeted performance, discounting the result back to the present value. Discount rates vary between 0.35 per cent and 0.86 per cent, being the rates that have been applied to the calculations for Graph-Tech and PostJet respectively. Suitable exchange rates have been used where necessary to express the amount in sterling at the balance sheet date.

The amounts expected to be paid and the maturity profile of those obligations is expected to be as follows:

Group 2014	Domino Coding £'000	MikroJet £'000	PostJet £'000	Graph-Tech £'000	Total £'000
Current	–	–	120	1,408	1,528
Non-current	–	–	–	3,351	3,351
At 31 October 2014	**–**	**–**	**120**	**4,759**	**4,879**

Group 2013	Domino Coding £'000	MikroJet £'000	PostJet £'000	Graph-Tech £'000	Total £'000
Current	20	97	–	–	117
Non-current	–	–	876	7,047	7,923
At 31 October 2013	20	97	876	7,047	8,040

	Domino Coding £'000	MikroJet £'000	PostJet £'000	Graph-Tech £'000
At 1 November 2013	20	97	876	7,047
Utilisation of provision	(20)	(97)	–	(621)
Reassessment of contingent consideration	–	–	(764)	(1,307)
Unwinding of discount	–	–	8	28
Exchange difference	–	–	–	(388)
At 31 October 2014	**–**	**–**	**120**	**4,759**

The liabilities to the former shareholders of PostJet and Graph-Tech have been discounted to their estimated present values in accordance with IFRS 3. A finance charge in the year of £36,000 (2013: £43,000) has been made as a result of this treatment.

Company 2014	Domino Coding £'000	PostJet £'000	Graph-Tech £'000	Total £'000
Current	–	120	1,408	1,528
Non-current	–	–	3,351	3,351
At 31 October 2014	**–**	**120**	**4,759**	**4,879**

Company 2013	Domino Coding £'000	PostJet £'000	Graph-Tech £'000	Total £'000
Current	20	–	–	20
Non-current	–	876	7,047	7,923
At 31 October 2013	20	876	7,047	7,943

23. CONTINGENT CONSIDERATION CONTINUED

	Domino Coding £'000	PostJet £'000	Graph-Tech £'000
At 1 November 2013	20	876	7,047
Utilisation of provision	(20)	–	(621)
Reassessment of contingent consideration	–	(764)	(1,307)
Unwinding of discount	–	8	28
Exchange difference	–	–	(388)
At 31 October 2014	**–**	**120**	**4,759**

24. DEFERRED TAXATION
(A) MOVEMENT IN THE YEAR

It is Group policy to measure deferred tax at the rates that are expected to apply in the period when the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

As at 31 October 2014, the following rates have been applied to UK balances:

	Rate applied
UK deferred tax assets and liabilities expected to be settled in the year ending 31 October 2015	20.4%
UK deferred tax assets and liabilities expected to be settled in the year ending 31 October 2016	20.0%
Other deferred tax assets and liabilities	20.0%

The net impact to the Group of revaluing the applicable UK deferred tax assets and liabilities to these rates is a credit to income of £35,000.

The net impact to the Group of revaluing all deferred tax assets and liabilities to the applicable rates is a charge against income of £140,000.

	Assets Group £'000	Assets Company £'000	Liabilities Group £'000	Liabilities Company £'000
Deferred taxation				
Balance at 1 November 2012	7,335	1,195	(10,718)	(324)
Adjustment in respect of prior year	151	–	(429)	(389)
Increase/decrease in tax rate	(208)	(1)	871	15
Exchange adjustment	(11)	–	–	–
Charge to other comprehensive income	–	–	(82)	–
Deferred tax on items taken directly to equity	(362)	(362)	72	72
Credit/(charge) for the year	294	(389)	373	387
Balance at 1 November 2013	7,199	443	(9,913)	(239)
Adjustment in respect of prior year	82	–	1,510	(30)
Increase/decrease in tax rate	61	–	(201)	7
Exchange adjustment	8	–	(11)	–
Credit to other comprehensive income	–	–	166	–
Deferred tax on items taken directly to equity	(91)	(91)	5	5
Credit for the year	701	41	1,076	79
At 31 October 2014	**7,960**	**393**	**(7,368)**	**(178)**

24. DEFERRED TAXATION CONTINUED
(B) BALANCES AT YEAR END

Deferred taxation balances consist of the following amounts:

Group	2014 £'000	2013 £'000
Assets		
Temporary differences relating to:		
– share-based compensation charges	**409**	445
– depreciation in excess of capital allowances	**15**	21
– accrued holiday pay entitlement not taken	**306**	282
– unutilised tax losses	**–**	5
– other temporary differences	**7,230**	6,446
	7,960	7,199
Liabilities		
Temporary differences relating to:		
– capital allowances in excess of depreciation	**(884)**	(895)
– valuation of intangibles acquired through business combination	**(4,290)**	(4,471)
– revaluation of properties	**(142)**	(154)
– other temporary differences	**(2,052)**	(4,393)
	(7,368)	(9,913)

The majority of other temporary differences recognised as an asset relate to deferred tax on unrealised profits in stock and fixed assets throughout the Group, and deferred tax on a range of items in Domino Amjet Inc. The majority of other temporary differences recognised as a liability relate to deferred tax on unremitted profits from Domino China Ltd, Domino Asia Ltd and Domino Printech India Private Ltd.

A deferred tax asset of £nil has been recognised at the balance sheet date in respect of unutilised tax losses (2013: £5,000).

At the balance sheet date the Group had £143,000 of unprovided deferred tax assets (2013: £nil), relating to tax losses (which would become recoverable if appropriate companies were to make taxable profits in the future) of £648,000 (2013: £nil).

With the exception of a deferred tax liability of £1,206,000 in respect of unremitted earnings in China and India where management intend to remit earnings in the foreseeable future, no liability has been recognised in respect of temporary differences associated with undistributed earnings of subsidiaries on the basis that the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Company	2014 £'000	2013 £'000
Assets		
Temporary differences relating to:		
– share-based compensation charges	**385**	434
– other temporary differences	**8**	9
	393	443
Liabilities		
Temporary differences relating to:		
– capital allowances in excess of depreciation	**(2)**	(3)
– revaluation of properties	**(142)**	(154)
– other temporary differences	**(34)**	(82)
	(178)	(239)

24. DEFERRED TAXATION CONTINUED

At the end of the year the Company had £nil of unprovided deferred tax assets (2013: £nil). The following are the movements in the major deferred tax assets and liabilities recognised by the Group during the year.

	Share-based payments £'000	Accrued holiday pay £'000	Tax losses £'000	Accelerated capital allowances £'000	Acquisition related intangibles £'000	Revaluation of properties £'000	Other temporary differences £'000	Total £'000
Balance at 1 November 2012	1,254	178	–	(357)	(5,877)	(240)	1,659	(3,383)
(Charge)/credit for the year	(444)	130	5	(409)	840	–	545	667
Charge to other comprehensive income	–	–	–	–	(82)	–	–	(82)
Tax on items taken directly to equity	(362)	–	–	–	–	72	–	(290)
Adjustment in respect of prior year	–	(2)	–	(179)	–	–	(97)	(278)
Exchange differences	(3)	(12)	–	18	7	–	(21)	(11)
Effect of change in tax rate	–	(12)	–	53	641	14	(33)	663
Balance at 1 November 2013	445	282	5	(874)	(4,471)	(154)	2,053	(2,714)
Credit for the year	54	18	–	8	273	–	1,424	1,777
Debit to other comprehensive income	–	–	–	–	166	–	–	166
Tax on items taken directly to equity	(91)	–	–	–	–	5	–	(86)
Adjustment in respect of prior year	–	–	–	(28)	–	–	1,620	1,592
Exchange differences	1	3	(5)	(7)	(18)	–	23	(3)
Effect of change in tax rate	–	3	–	32	(240)	7	58	(140)
At 31 October 2014	**409**	**306**	**–**	**(869)**	**(4,290)**	**(142)**	**5,178**	**592**

25. CALLED-UP SHARE CAPITAL

	2014 £'000	2013 £'000
Authorised: 155,000,000 (2013: 155,000,000) ordinary shares of 5 pence each	**7,750**	7,750
Issued and fully paid: 112,551,306 (2013: 112,196,081) ordinary shares of 5 pence each	**5,627**	5,610

The Company has one class of ordinary shares which carry no right to fixed income.

During the year a total of 355,225 new ordinary shares of 5 pence each (shares) were issued under the Company's Executive Option and SAYE schemes for £982,000. The prices at which the shares were issued ranged between 172 pence and 559 pence per share.

26. SHARE CAPITAL AND RESERVES

(A) MOVEMENTS

The cumulative amount of goodwill written off by the Group directly to reserves is £35.8 million (2013: £35.8 million).

(B) INVESTMENT IN OWN SHARES

The Domino Printing Sciences Employee Benefit Trust holds 146,025 (2013: 178,949) ordinary shares of 5p each. This represents 0.1 per cent of issued shares at 31 October 2014. The shares are stated at cost. The market value of these shares at 31 October 2014 was £880,531 (2013: £1,237,433).

The QUEST holds 35,867 (2013: 35,867) ordinary shares of 5 pence each intended to satisfy SAYE options under the Domino Printing Sciences plc Savings Related Option Scheme 1993, which are held at nil valuation. The market value of these shares at 31 October 2014 was £216,278 (2013: £248,020).

The Halifax Corporate Trustee Limited holds 27,316 (2013: 30,997) ordinary shares of 5 pence each intended to satisfy obligations under the Domino Share Incentive Plan which are held at cost. The market value of these shares at 31 October 2014 was £164,715 (2013: £214,344).

27. DERIVATIVE FINANCIAL INSTRUMENTS

The Group's treasury and currency policies are described in the Strategic Report on page 33.

The Company is party to a number of forward foreign exchange contracts, which are used to hedge significant future transactions and expected cash flows in foreign currencies. The instruments purchased are primarily in the currencies of the Group's principal markets.

At the balance sheet date, the total amount of outstanding forward foreign exchange contracts to which the Company is committed are as below (at contractual rates). These contracts were due to mature between 14 November 2014 and 30 October 2015.

	Group and Company	
	2014 £'000	2013 £'000
Forward foreign exchange contracts	**25,627**	22,281

These arrangements are designed to address significant exchange exposures for the coming year and are renewed on a revolving basis in line with the Group's treasury policy.

At 31 October 2014, the fair value of the Group's and the Company's forward contracts is estimated to be a net liability of approximately £376,000 (2013: a net asset of £183,000). These amounts are based on the market values of equivalent instruments at the balance sheet date and comprise £346,000 (2013: £392,000) of financial assets and £722,000 (2013: £209,000) of financial liabilities.

All of the Group's forward contracts are designated as effective cash flow hedges under IAS 39 for the purposes of hedge accounting and the movement in the value between 1 November 2013 and 31 October 2014 has been taken directly to equity in the consolidated accounts. In the Company, the movement in value has been taken through the Income Statement, in accordance with the provisions of IAS 39.

28. BORROWINGS

In order to service its global funding requirements, the Group is financed by a mixture of cash, borrowings and local overdraft facilities.

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Unsecured borrowing at amortised cost				
Bank overdrafts	**–**	–	**988**	2,018
Bank loans	**–**	33,231	**–**	33,231
	–	33,231	**988**	35,249
Secured borrowing at amortised cost				
Bank loans	**404**	633	**–**	–
	404	633	**–**	–
Total borrowings at amortised cost				
Amounts due within 12 months	**226**	33,458	**988**	35,249
Amounts due after 12 months	**178**	406	**–**	–
	404	33,864	**988**	35,249

ANALYSIS OF BORROWINGS BY CURRENCY:

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Sterling	**–**	29,000	**988**	31,018
Euro	**–**	4,231	**–**	4,231
Korean won	**404**	633	**–**	–
	404	33,864	**988**	35,249

28. BORROWINGS CONTINUED

The other principal features of the Group's borrowings are as follows:

(i) Bank overdrafts are repayable on demand. Overdrafts are not secured.
(ii) The Group has no bank loans drawn down under its revolving loan facility as at 31 October 2014 (2013: €5,000,000 and £29,000,000).

The weighted average interest rates paid during the year were as follows:

	2014 Per cent	2013 Per cent
Bank loans	**1.53**	1.5

29. OPERATING LEASE ARRANGEMENTS

(A) THE GROUP AS LESSEE

At 31 October 2014, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	Land and buildings 2014 £'000	**Other 2014 £'000**	Land and buildings 2013 £'000	Other 2013 £'000
Within one year	**1,648**	**2,157**	1,793	2,979
In the second to fifth years	**3,024**	**4,865**	3,477	3,744
After more than five years	**1,015**	**–**	1,669	–
	5,687	**7,022**	6,939	6,723

The majority of leases of land and buildings are subject to rent review at periodic intervals ranging between three and five years.

(B) THE GROUP AS LESSOR

The Group offers operating lease packages to customers comprising machine, related consumables, spare parts and service support. Revenues realised under such arrangements were £4,910,000 for the year ended 31 October 2014 (2013: £3,947,000).

At 31 October 2014, the Group had contracted with customers for the following future minimum lease payments under non-cancellable operating leases:

	2014 £'000	2013 £'000
Within one year	**4,356**	3,521
In the second to fifth years	**9,551**	6,927
After more than five years	**11**	–
	13,918	10,448

30. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT

The Group has exposure to the following key risks related to its financial instruments:

(i) credit risk;
(ii) market risk; and
(iii) liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee of the Board oversees how management monitors compliance with the Group's risk management framework in relation to the risks faced by the Group.

CAPITAL RISK MANAGEMENT

The Group's policy is to maintain a strong capital base to retain investor, creditor and market confidence and to support future development of the business. Domino intends to reinvest its surplus cash balances in the business either through higher levels of investment in working capital and fixed assets or through further acquisition activity to support the long-term ambitions of the Group.

The capital structure of the Group consists of cash and cash equivalents, bank loans as disclosed in note 28 and equity attributable to the equity holders of Domino Printing Sciences plc, comprising issued share capital, reserves and retained earnings as disclosed in note 25 and the Consolidated Statement of Changes in Equity.

The Group is not subject to externally imposed capital requirements.

SIGNIFICANT ACCOUNTING POLICIES

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

CATEGORIES OF FINANCIAL INSTRUMENTS

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Financial assets				
Derivative instruments	**346**	392	**346**	392
Loans and receivables (including cash and cash equivalents)	**108,725**	123,811	**51,708**	33,986
	109,071	124,203	**52,054**	34,378
Financial liabilities				
Derivative instruments	**(722)**	(209)	**(722)**	(209)
Amortised cost	**(64,147)**	(91,546)	**(44,005)**	(74,512)
	(64,869)	(91,755)	**(44,727)**	(74,721)

FAIR VALUE MEASUREMENTS RECOGNISED IN THE BALANCE SHEET

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30. FINANCIAL INSTRUMENTS CONTINUED

Group	2014 Level 1 £'000	2014 Level 2 £'000	2014 Level 3 £'000	2014 Total £'000	2013 Level 1 £'000	2013 Level 2 £'000	2013 Level 3 £'000	2013 Total £'000
Financial assets								
Derivative instruments in designated hedge accounting relationships	**–**	**346**	**–**	**346**	–	392	–	392
	–	**346**	**–**	**346**	–	392	–	392
Financial liabilities								
Derivative instruments in designated hedge accounting relationships	**–**	**(722)**	**–**	**(722)**	–	(209)	–	(209)
	–	**(722)**	**–**	**(722)**	–	(209)	–	(209)

Company	2014 Level 1 £'000	2014 Level 2 £'000	2014 Level 3 £'000	2014 Total £'000	2013 Level 1 £'000	2013 Level 2 £'000	2013 Level 3 £'000	2013 Total £'000
Financial assets								
Derivative instruments	**–**	**346**	**–**	**346**	–	392	–	392
	–	**346**	**–**	**346**	–	392	–	392
Financial liabilities								
Derivative instruments	**–**	**(722)**	**–**	**(722)**	–	(209)	–	(209)
	–	**(722)**	**–**	**(722)**	–	(209)	–	(209)

There were no transfers between Level 1 and 2 or into or out of Level 3 during the year. A reconciliation of Level 3 fair value measurements of financial assets is given below.

A net loss of £559,000 (2013: net gain of £7,000) was recognised in other comprehensive income in respect of the change in fair value of derivative instruments in designated hedging relationships. Information about the valuation of Level 3 assets is given in note 2.

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS

Group	Available for sale £'000
Balance at 1 November 2012	31,035
Impairment of available for sale investment	(32,025)
Foreign exchange adjustment on available for sale investment	990
Balance at 1 November 2013 and 31 October 2014	–

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group manages foreign currency risk as detailed below. The Group does not currently enter into any interest rate swaps or other derivative financial instruments to mitigate the risk of rising interest rates.

FOREIGN CURRENCY RISK MANAGEMENT

The Group manufactures products in the UK, Europe, the USA and Asia and sells its products and services across global markets in a range of currencies. This creates an exposure to both transactional and translational risk as rates of exchange fluctuate. Exchange rate exposures are managed within approved treasury policy parameters utilising forward foreign exchange contracts.

30. FINANCIAL INSTRUMENTS CONTINUED

The Group is principally exposed to the impact of movements in the euro, the US dollar and the Chinese renminbi. The carrying amounts of the Group's monetary assets and monetary liabilities denominated in these currencies at the reporting date are as follows:

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Assets				
Euro	**27,856**	28,496	**3,032**	2,167
US dollar	**20,595**	19,224	**1,845**	1,507
Renminbi	**16,736**	33,679	**1,910**	–
	65,187	81,399	**6,787**	3,674
Liabilities				
Euro	**(18,407)**	(22,015)	**–**	(4,231)
US dollar	**(11,334)**	(9,751)	**–**	–
Renminbi	**(9,967)**	(7,646)	**–**	–
	(39,708)	(39,412)	**–**	(4,231)

FOREIGN CURRENCY SENSITIVITY ANALYSIS

The following table details the Group's sensitivity to a 10 per cent increase and decrease in sterling against the relevant foreign currencies. 10 per cent represents management's assessment of a reasonably possible change in foreign exchange rates.

The sensitivity analysis below shows the impact of a 10 per cent change in foreign currency rates on:

(i) Foreign currency monetary assets and monetary liabilities outstanding at the balance sheet date.
(ii) The value to the Group of its investments in foreign subsidiaries whose functional currency is the euro, the US dollar or the Chinese renminbi.

Group	Equity £'000	Profit or loss £'000
2014		
Euro	**2,909**	**(1,537)**
US dollar	**2,244**	**136**
Renminbi	**749**	**940**
	5,902	**(461)**
2013		
Euro	2,723	(876)
US dollar	2,290	416
Renminbi	2,893	559
	7,906	99

Company	Equity £'000	Profit or loss £'000
2014		
Euro	**–**	**883**
US dollar	**–**	**1,433**
Renminbi	**–**	**183**
	–	**2,499**
2013		
Euro	–	944
US dollar	–	1,495
Renminbi	–	245
	–	2,684

30. FINANCIAL INSTRUMENTS CONTINUED

The movement in profit for the year is mainly attributable to the Group's exposure to exchange movements in US dollar, euro and renminbi denominated monetary assets and liabilities. The movement in equity is mainly as a result of the Group's exposure to its investments in subsidiaries in Europe, the USA and China, in addition to US dollar and euro denominated long-term intercompany loans made by the Company.

In management's opinion, the sensitivity analysis above is not fully representative of the inherent foreign exchange risk to which the Group is exposed as it does not take account of the impact on the Income Statement of translation of the annual profits and losses made by overseas subsidiaries. For further details of the impact of foreign exchange on the Group, see the Treasury section of the Strategic Report on page 33.

FORWARD FOREIGN EXCHANGE CONTRACTS

It is the policy of the Group to enter into forward foreign exchange contracts to cover anticipated receipts and purchases in selected foreign currencies within 50 per cent to 90 per cent of the net exposure generated. Contracts denominated in euros and US dollars are placed on a rolling 12 month basis. Smaller Contracts are also placed, typically over no more than three months, in a variety of other currencies in which the Group trades.

All of the Group's forward foreign exchange contracts are designated as effective cash flow hedges under IAS 39 for the purposes of hedge accounting.

The following table indicates the periods in which the cash flows associated with forward foreign exchange contracts that are designated as cash flow hedges are expected to occur:

Group and Company	Carrying amount £'000	Expected cash flows £'000	Less than 3 months £'000	3–6 months £'000	6–12 months £'000
2014					
Forward foreign exchange contracts	(376)	25,627	6,381	7,245	12,001
2013					
Forward foreign exchange contracts	183	22,281	4,161	7,854	10,266

INTEREST RATE RISK MANAGEMENT AND SENSITIVITY

The Group is exposed to interest rate risk as entities in the Group borrow and deposit funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate cash deposits and borrowings.

The sensitivity analysis below assumes that for floating rate cash deposits and liabilities, the quantum as at the balance sheet date was in place for the whole year.

If interest rates had been 1 per cent higher/lower and all other variables were held constant, the Group's profit for the year ended 31 October 2014 would increase/decrease by £401,000. The Company's profit for the year ended 31 October 2014 would decrease/increase by £86,000.

CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a cautious approach to credit risk management, only entering into transactions with counterparties with recognised credit ratings, either through independent third party appraisal or through the Group's own trading records and other publicly available financial information. The Group's exposure and the credit ratings of its counterparties are continuously monitored and credit exposure is controlled by counterparty limits.

The Group seeks to limit credit risk on liquid funds and derivative financial instruments through trading only with counterparties that are banks with high credit ratings assigned by international credit rating agencies.

Disclosures related to the credit risk associated with trade receivables are shown in note 20.

30. FINANCIAL INSTRUMENTS CONTINUED

LIQUIDITY RISK MANAGEMENT

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. The contractual maturity of derivative financial instruments is considered in note 27.

Group	Less than 1 year £'000	1–2 years £'000	2–5 years £'000	>5 years £'000	Total £'000
2014					
Non-interest bearing	**75,347**	**1,026**	**–**	**–**	**76,373**
Fixed interest rate instruments	**1,531**	**3,370**	**–**	**–**	**4,901**
Variable interest rate instruments	**226**	**178**	**–**	**–**	**404**
	77,104	**4,574**	**–**	**–**	**81,678**
2013					
Non-interest bearing	64,866	531	–	–	65,397
Fixed interest rate instruments	33,348	640	7,345	–	41,333
Variable interest rate instruments	227	227	179	–	633
	98,441	1,398	7,524	–	107,363

Company	Less than 1 year £'000	1–2 years £'000	2–5 years £'000	>5 years £'000	Total £'000
2014					
Non-interest bearing	**38,138**	**–**	**–**	**–**	**38,138**
Fixed interest rate instruments	**1,531**	**3,370**	**–**	**–**	**4,901**
Variable interest rate instruments	**988**	**–**	**–**	**–**	**988**
	40,657	**3,370**	**–**	**–**	**44,027**
2013					
Non-interest bearing	31,320	–	–	–	31,320
Fixed interest rate instruments	33,251	640	7,345	–	41,236
Variable interest rate instruments	2,018	–	–	–	2,018
	66,589	640	7,345	–	74,574

The liquidity risk inherent in the contractual maturities of the Group's financial liabilities is managed in conjunction with non-derivative financial assets.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and liabilities are determined as follows:

(i) The fair value of a non-derivative financial asset and financial liability is the carrying amount, as this approximates their fair value.
(ii) The fair value of a derivative is estimated by calculating the difference between the contractual forward price and the current forward price at the balance sheet date for the residual maturity of the contract.

The carrying amounts of all financial assets and liabilities in the financial statements approximate their fair values.

31. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

(A) FUTURE CAPITAL EXPENDITURE

	Group		Company	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Contracted for but not provided in the accounts	**1,167**	810	**–**	–

(B) CONTINGENT LIABILITIES

The Company has provided guarantees in respect of the borrowing facilities of subsidiary companies, which amount to £50,000,000 (2013: £50,000,000). At the balance sheet date, there were net borrowings against these facilities of £nil (2013: £nil).

Domino Printech India Private Ltd (Domino India) has received notification from the Indian tax authorities of unpaid excise duty for its inks (including penalties and interest charges). Advice has been taken from external legal counsel and as a result management believes the grounds for the claim to be without foundation. The Group has not recognised a provision in respect of this notification at the balance sheet date. Advisers have estimated that the maximum possible payment to settle the case, were it to be upheld, would be £3,861,000 (INR 379,269,000). The claim is currently pending a hearing with the Customs, Excise and Service Tax Appellate Tribunal.

32. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below. Transactions between the Company and its subsidiaries are also disclosed below.

(A) TRADING TRANSACTIONS

During the year, Group companies entered into the following transactions with related parties who are not members of the Group:

	Sale of goods		Purchase of goods		Amounts owed by related parties	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000	**2014 £'000**	2013 £'000
Associates						
Mectec BV	**655**	496	**181**	207	**95**	81
Mectec BVBA	**96**	161	**43**	130	**10**	15
Radex	**–**	–	**126**	–	**–**	–
	751	657	**350**	337	**105**	96

Sale of goods to related parties were made at the Group's usual list prices. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

(B) REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the executive Directors and non-executive Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24, 'Related Party Disclosures'. Further information about the remuneration of individual Directors is provided in note 7.

	2014 £'000	2013 £'000
Short-term employee benefits	**1,623**	1,554
Post-employment benefits	**163**	209
Share-based payments	**15**	1,974
	1,801	3,737

32. RELATED PARTY TRANSACTIONS
(C) COMPANY

The Company has provided guarantees to banks in respect of the borrowing facilities held by subsidiary companies. Details of the borrowing balances are given in note 31.

Other transactions with related parties include the receipt of dividends of £69,943,000 (2013: £64,310,000) from subsidiary companies.

33. NET CASH INFLOW FROM OPERATING ACTIVITIES

Group	2014 £'000	2013 £'000
Operating profit	**56,034**	17,383
Depreciation of property, plant and equipment	**5,745**	5,874
Amortisation of intangible assets acquired through business combination	**3,060**	3,321
Amortisation of other intangible assets	**802**	1,058
Share-based compensation charges/(credits)	**1,660**	(211)
Increase in inventories[1]	**(4,473)**	(1,386)
Increase in receivables[1]	**(7,868)**	(7,249)
Increase in payables[1]	**15,152**	7,956
Reassessment of contingent consideration	**(2,071)**	(1,943)
Decrease in restructuring and redundancy provisions	**(2,118)**	–
Impairment of available-for-sale investment	**–**	30,283
Non-cash write down of intangible assets	**–**	143
Other non-cash items	**(169)**	(289)
Net cash inflow from operating activities before taxation	**65,754**	54,940
Tax paid	**(13,353)**	(11,964)
Net cash inflow from operating activities	**52,401**	42,976

1 Net of effect of change in exchange rates.

Company	2014 £'000	2013 £'000
Operating profit	**71,341**	38,226
Depreciation of property, plant and equipment	**2**	2
Amortisation of intangible assets	**26**	66
Interest received from subsidiary undertakings	**560**	635
Interest paid to subsidiary undertakings	**(372)**	(93)
Payment of contingent consideration	**(642)**	–
Share-based compensation charges/(credits)	**1,589**	(281)
(Increase)/decrease in receivables	**(20,807)**	26,820
Increase/(decrease) in payables	**6,818**	(34,596)
Non-cash movement arising on investment adjustment	**1,297**	(866)
Profit arising on reassessment of contingent consideration	**(2,071)**	(1,943)
Non-cash write down of intangible assets	**–**	143
Losses/(gains) on cash flow hedges	**559**	(7)
Other non-cash items	**(387)**	(3)
Net cash inflow from operating activities before taxation	**57,913**	28,103
Tax paid	**(1,397)**	(331)
Net cash inflow from operating activities	**56,516**	27,772

INVESTOR INFORMATION

SHARE PRICE
Information about the Company's share price may be obtained from the following sources:

FT Cityline Service Telephone 09058 171 690
The financial pages of The Times newspaper
Website at www.domino-printing-sciences.com
Other financial websites under the EPIC symbol DNO

SHAREHOLDER ENQUIRIES
All administrative enquiries regarding shareholdings such as questions about dividend payment or lost share certificates should be addressed to the Company's Registrars:

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham, Kent
BR3 4TU
T: 0871 664 0300 (calls cost 10p per minute plus network extras, lines are open Mon-Fri 9.00am–5.30pm)
T (overseas): +44 208 639 3399
Email: shareholderenquiries@capita.co.uk
Web: www.capitaassetservices.com

SHARE PORTAL
The Share Portal is a secure online site where you can manage your shareholding quickly and easily. You can:

- View your holding and get an indicative valuation
- Change your address
- Arrange to have dividends paid into your bank account
- Request to receive shareholder communications by email rather than post
- View your dividend payment history
- Make dividend payment choices
- Buy and sell shares and access a wealth of stock market news and information
- Register your proxy voting instruction
- Download a stock transfer form.

To register for the Share Portal just visit www.capitashareportal.com. All you need is your investor code, which can be found on your share certificate or your dividend tax voucher.

SIGN UP TO ELECTRONIC COMMUNICATIONS
Help us to save paper and get your shareholder information quickly and securely by signing up to receive your shareholder communications by email.

Registering for electronic communications is very straightforward. Just visit www.capitashareportal.com. All you need is your investor code, which can be found on your share certificate or your dividend tax voucher.

CHOOSE TO RECEIVE YOUR NEXT DIVIDEND IN YOUR LOCAL CURRENCY
If you live outside the UK, Capita has partnered with Deutsche Bank to provide you with a service that will convert your sterling dividends into your local currency at a competitive rate. You can choose to receive payment directly into your local bank account, or alternatively, you can be sent a currency draft.

You can sign up for this service on the Share Portal (by clicking on 'your dividend options' and following the on screen instructions) or by contacting the Customer Support Centre.

For further information contact Capita:

By phone – UK – 0871 664 0385 (UK calls cost 10 pence per minute plus network extras). From overseas – +44 20 8639 3405. Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays.

By e-mail – ips@capita.co.uk

INFORMATION RIGHTS OF BENEFICIAL OWNERS' SHARES
Please note that beneficial owners of shares who have been nominated by the registered holder of those shares to receive information rights under section 146 of the Companies Act 2006 are required to direct all communications to the registered holder of their shares rather than to the Company's Registrar, Capita Registrars.

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INFORMATION
Information about the Company is available on the Internet. Domino's website address is www.domino-printing-sciences.com

The website has general information about the Group and details of its product ranges. The text of Domino's results announcements is also posted on this site.

TIMETABLE

6 March 2015	Record date for final dividend
18 March 2015	Annual General Meeting
10 April 2015	Payment date for final dividend

ADVISERS

DELOITTE LLP, CAMBRIDGE
Auditor

ASHURST, LONDON
Solicitors

SIMMONS & SIMMONS, LONDON
Solicitors

NATIONAL WESTMINSTER BANK PLC, CAMBRIDGE
Principal Bankers

NM ROTHSCHILD & SONS LIMITED, LONDON
Merchant Bankers

JEFFERIES HOARE GOVETT, LONDON
Stockbrokers

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