

# Banknotes giant De La Rue could be sold as rivals circle Crystal Amber stake

Banknote printer [De La Rue](#) could be sold to one of its [rivals](#) after its biggest [shareholder](#) began planning a sale of its stake.

Activist investor Crystal Amber bought into the [company](#) when it was on its knees two years ago and agitated for a change in [management](#), going on to lead a £100 million fundraiser.

However, the [fund](#) is now in talks to sell its 14% holding and broking sources said it had received informal approaches from De La Rue's rivals.

The group has previously turned down a bid from French giant Oberthur Fiduciaire, which is said to be potentially interested in the stake. Possible other buyers include Germany's Giesecke & Devrient and Crane Currency of the US.

If one of the rivals bought Crystal Amber's shares, it would be seen as a likely precursor to an outright takeover, although sources said they could simply retain it as a strategic holding.

Three years ago, De La Rue was left reeling when it lost the contract to print Britain's new post-Brexit blue passports to Franco-Dutch rival Gemalto. It shut its Gateshead factory as a result, costing hundreds of jobs.

However, under a turnaround management team, it has recovered from a period of what is seen as poor management, halving its debts and increasing profitability. This week it launched the Alan Turing £50 note in polymer.

Crystal Amber's sale plans came as it emerged that it is looking to sell all of its investments and return the cash to shareholders after it came under fire from an activist investor of its own.

Famed for its battles at Thorntons, De La Rue and Pinewood Studios, Crystal Amber has a long-standing clause in its constitution stating that, in 2021, the board would have to secure backing from 75% of its shareholders to continue operating.

US hedge fund, Saba Capital Management, which came on board last year after buying up a 25% stake in the business from Invesco, has now declared it would oppose continuation of the fund, meaning the so-called "continuation vote" has no chance of success.

As a result, in a Stock Exchange statement today, Crystal Amber said it would "reorganise, reconstruct, or wind up the company".

In reality, management at the group led by Richard Bernstein were planning to start selling off assets this year anyway, it is believed.

Saba's intervention is likely to speed up the process, triggering a sale of the De La Rue holding and others.

Crystal Amber's May investor report says it holds a 23% stake in payment processor Equals Group, and a 20.9% holding in Allied Minds, a UK-listed investor in start-up ideas which was backed by fallen fund management star Neil Woodford.

Invesco's large stake in Crystal Amber was a legacy of Woodford's time there.

After he left Invesco, he bought more shares in Crystal Amber with his Woodford funds, although he sold out in 2019 during his liquidity crisis.

The Invesco stake was sold last year after Woodford's protegee Mark Burnett left Invesco.

Numerous US hedge funds including Saba bought up stock via broker Jefferies during October and November last year.

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At the time, Crystal Amber shares were trading as low as 76p but they have since shot up to 104p, gaining 12p today.

Crystal Amber has not taken any new investment positions for around three years.

Its other holdings include privately-owned GI Dynamics and Board Intelligence.

Saba Capital Management was set up by former Deutsche Bank banker Boaz Weinstein and has a reputation for shaking up other investment funds.

He is famed for buying credit default swaps – insurance against default on debts – in late 2019, making a fortune as Covid unfolded in February, the bond market collapsed and CDSs soared.