UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

[x] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the fiscal year ended December 31, 1995.

Commission file number 1-7945.

DELUXE CORPORATION

(Exact name of registrant as specified in its charter)

Minnesota	41-0216800
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
3680 Victoria St. N., Shoreview, Minnesota	55126-2966
(Address of principal executive offices)	(ZIP Code)

Registrant's telephone number: (612) 483-7111.

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $1.00 per share	New York Stock Exchange
(Title of Class)	(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. X Yes ---- No ----

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

The aggregate market value of the voting stock held by non-affiliates of the registrant is $2,674,816,268 based on the average bid and asked prices of the stock on the New York Stock Exchange on March 11, 1996. The number of outstanding shares of the registrant's common stock as of March 11, 1996, is 82,454,607.

Documents Incorporated by Reference:

1. Portions of the registrant's annual report to shareholders for the fiscal year ended December 31, 1995, are incorporated by reference in Parts I, II and IV.

2. Portions of the registrant's proxy statement dated March 27, 1996, are incorporated by reference in Part III.

DELUXE CORPORATION

PART I

ITEM 1. DESCRIPTION OF BUSINESS

Deluxe Corporation provides products and services primarily to the financial payment systems industry and also markets specialty products to small businesses and consumers. The Company began business in 1915 in St. Paul, Minnesota, printing checks for banks and their customers. The Company today is headquartered in Shoreview, Minnesota, and has facilities in the United States, Puerto Rico, Canada and the United Kingdom. The Company's products and services are sold primarily in the United States. Unless the context otherwise requires, the term the "Company" refers to Deluxe Corporation and its subsidiaries.

The Company's operations are conducted by Deluxe Corporation and 14 wholly owned subsidiaries. The marketing operations of the Company are divided between two market-serving units: Deluxe Financial Services and Deluxe Direct.

DELUXE FINANCIAL SERVICES

Deluxe Financial Services provides check printing, electronic funds transfer, software and related services to the financial industry; payment systems protection services, including check authorization, account verification, and collection services, to financial institutions and retailers; credit card processing services to retailers; and electronic benefit transfer services to state governments. Deluxe Financial Services had net sales of approximately $1.2 billion in 1995, accounting for approximately 63 percent of the Company's total sales.

CHECK PRINTING

Deluxe prints and sells to financial institutions and depositors checks and related banking forms. The Company is the nation's leading printer of checks for financial institutions, having an approximately 50 percent share of the estimated $1.6 billion U.S. financial institution check market. During 1995, the Company made gross sales of checks and related banking forms in excess of $100,000 to approximately 1,907 financial institutions (not including branches as separate entities).

Depositors commonly submit initial check orders and reorders to their financial institutions, which forward them to one of the Company's printing plants. Printed checks are shipped directly by the Company to the depositors, typically on the business day after receipt of the order. The Company's charges are paid by the financial institutions, which in turn usually deduct the charges from the depositors' accounts. The Company endeavors to produce and ship all financial institution check orders within two days after receipt of order. In 1995, the Company delivered 99.81 percent of such check orders error-free.

Payment systems and methods have been changing in the United States in recent years as banking and other industries have introduced alternatives to the traditional check, including charge cards, credit cards, debit cards and electronic payments, among others. Sales of checks to

financial institutions have been subject to increased competition and consequent pressure on prices. In addition, the direct mail segment of the check market is growing rapidly as a lower-priced alternative to financial institution checks and in 1995 represented an estimated 17 percent of the personal check market. These developments have produced a mature market for checks and have accelerated pricing pressure on the Company's check sales. As a result, financial institution check printing revenues have declined in recent years.

The Company believes that revenues from traditional pocket and deskbook size check sales to financial institutions will likely continue to decline in the future. To stabilize check printing operations and improve profitability, the Company has focused on controlling expenses and increasing efficiency (see "Recent Developments"), and on higher margin products and services, such as specially designed checks and licensed check designs. At the same time, the growing direct mail check segment has been an opportunity for the Company's Current, Inc., subsidiary, the nation's largest supplier of direct mail personal checks. See "Deluxe Direct."

The Company also sells personalized plastic automated teller machine (ATM) cards and credit and debit cards to financial institutions and retailers, and driver's licenses and other identification cards to government agencies. In addition, the Company prints direct communications products, such as letter checks and other personalized marketing products used by financial institutions.

ELECTRONIC FUNDS TRANSFER

Deluxe Data Systems, Inc., provides electronic funds transfer processing and software and is the nation's largest third-party transaction processor for regional ATM networks. Deluxe Data processed approximately 1.7 billion transactions in 1995. Deluxe Data also provides services in emerging debit markets, including electronic benefit transfer (EBT) and retail point-of-sale (POS) transaction processing. EBT programs use ATM and POS terminals to deliver food stamps and welfare assistance. Deluxe Data currently supports EBT programs for the state governments of Maryland, New Jersey, Utah and Kansas and has recently been awarded contracts to serve the Southern Alliance of States and the Northeast Coalition of States.

PAYMENT SYSTEMS PROTECTION SERVICES

CHECK AUTHORIZATION

Electronic Transaction Corporation (ETC) is the nation's largest check authorization service for retailers. Through its Shared Check Authorization Network (SCAN), ETC maintains a database of individuals who have outstanding dishonored checks. In addition, it provides closed account data supplied by ChexSystems, Inc., a Deluxe subsidiary, and other parties. Using SCAN, participating retailers authorized more than 2.1 billion checks in 1995.

ACCOUNT VERIFICATION

ChexSystems, Inc., provides account verification services for financial institutions and served more than 64,000 financial institution office locations in 1995. ChexSystems maintains a database of individuals who previously have had checking accounts closed for cause. It also provides SCAN data relating to dishonored checks to financial institutions. Financial institutions access this data in considering whether to open checking accounts for individual applicants. ChexSystems also performs collection services for financial institutions.

COLLECTION SERVICES

National Revenue Corporation (NRC) and its affiliates provide collection and accounts receivable management services to retail, financial, medical and commercial credit grantors. NRC has 32 sales offices nationwide and conducts collection activity for approximately 25,000 business, government and professional clients.

CREDIT CARD PROCESSING

Financial Alliance Processing Services, Inc., which was acquired during January, 1995, is a full-service credit card processor enabling retailers to accept payment by credit card. In 1995, Financial Alliance processed approximately 27 million credit card transactions and provided services to more than 270 financial institutions and 60,000 retailers.

DELUXE DIRECT

Deluxe Direct provides direct mail checks to households and small businesses. It also markets forms, record-keeping systems, specialty papers, and other products to small businesses; provides tax forms and electronic tax filing services to tax preparers; and sells direct mail greeting cards, gift wrap, and related products to households. Deluxe Direct had net sales of approximately $678.5 million in 1995, accounting for approximately 37 percent of the Company's total sales.

Deluxe Direct markets its products primarily through Current, Inc., PaperDirect, Inc., and the General Business Forms and Health Care Forms divisions of Deluxe Corporation.

Current is the nation's leading direct mail supplier of checks and social expression products, including greeting cards, gift wrap, small gifts and related products. Current is the largest supplier among the approximately 30 companies engaged in selling checks by direct mail. Current's social expression business is seasonal and based on holidays. Historically, more than one-third of Current's annual sales have been made in the fourth quarter.

General Business Forms produces and markets short-run computer and business forms and record-keeping systems for small businesses and professional practices. Health Care Forms produces and markets forms to medical and dental offices. Both product lines are sold primarily through direct mail and telephone marketing.

PaperDirect, Inc., is a direct mail marketer of specialty papers, presentation products and pre-designed forms for laser printing and desktop publishing. Deluxe Direct also includes Nelco, Inc., a supplier of tax forms, tax forms software, and electronic tax filing services; and T/Maker Company, a publisher of image content software, including clip art (see "Recent Developments").

Many of Deluxe Direct's products are sold internationally by Deluxe United Kingdom Limited and Deluxe Canada Inc.

RECENT DEVELOPMENTS

In early 1996, the Company announced that it had initiated a major consolidation program, which includes closing 26 of the Company's 41 printing and warehousing facilities over the 1996-1997 period and significantly reducing the number of its staff and production employees. In addition, the Company announced that it is re-evaluating its plans for various businesses and that it will discontinue or dispose of certain business units and products that are not closely related to the market focus of Deluxe Financial Services and Deluxe Direct.

The units to be discontinued or sold include the Company's ink manufacturing division, its financial institution forms production unit, and T/Maker's ClickArt and Vroombooks product groups. Additional dispositions are being considered, but the Company currently has no binding commitments to make any acquisitions or other dispositions.

The Company was incorporated under the laws of the State of Minnesota in 1920. From 1920 until 1988, the Company was named Deluxe Check Printers, Incorporated. The Company's principal executive offices are located at 3680 Victoria St. N., Shoreview, Minnesota 55126-2966, telephone (612) 483-7111.

EMPLOYEES

Including its subsidiaries, the Company has approximately 19,300 full- and part-time employees. It has a number of employee benefit plans, including retirement, medical and hospitalization plans. The Company has never experienced a work stoppage or strike and considers its employee relations to be good.

EXECUTIVE OFFICERS OF THE COMPANY

The executive officers of the Company are elected by the board of directors each year. The term of office of each executive officer will expire at the annual meeting of the board after the annual shareholders meeting on May 6, 1996. The principal occupation of each executive officer is with the Company, and their positions are as follows:

<TABLE>
<CAPTION>

Name	Position	Age	Officer Since
John A. Blanchard III	President and chief executive officer	53	1995
Jerry K. Twogood	Executive vice president	55	1974
Mark T. Gritton	Senior vice president	47	1988
John H. LeFevre	Senior vice president, secretary and general counsel	52	1994
Lawrence J. Mosner	Senior vice president	53	1995
Charles M. Osborne	Senior vice president and chief financial officer	42	1981
Michael F. Reeves	Vice president, human resources	46	1987
Michael R. Schwab	Senior vice president and chief information officer	50	1994

</TABLE>

MR. BLANCHARD has served as president and chief executive officer of the Company since May 1, 1995. From January 1994 to April 1995, Mr. Blanchard was executive vice president of General Instrument Corporation, a supplier of systems and equipment to the cable and satellite television industry. From 1991 to 1993, Mr. Blanchard was chairman and chief executive officer of Harbridge Merchant Services, a national credit card processing company. Previously, Mr. Blanchard was employed by American Telephone & Telegraph Company for 25 years, most recently as senior vice president responsible for national business sales.

MR. TWOGOOD has been employed by the Company since 1959. Since 1987, Mr. Twogood has been executive vice president. From 1988 to February 1996, he served as chief operating officer and since November 1995 has served principal executive officer for the Company's manufacturing operations.

MR. GRITTON has been employed by the Company since 1972. From 1990 to 1993, Mr. Gritton was vice president with principal responsibility for regional operations of the Payment Systems Division. From 1993 to 1995, he served as president of the Company's paper payments unit and, since November 1995, as principal executive officer of Deluxe Financial Services.

MR. LEFEVRE has been responsible for the law department of the Company since February 1994 and has served as senior vice president, general counsel and secretary. From 1978 to February 1994, Mr. LeFevre was employed by Wang Laboratories, Inc. From 1988 until February 1994, he held various positions in Wang Laboratories' law department, including corporate counsel, vice president, general counsel and secretary. Wang Laboratories manufactures and sells computer hardware and software and related services.

MR. MOSNER has served as senior vice president and principal executive officer of Deluxe Direct since November 1995. From 1993 to 1995, Mr. Mosner was executive vice president and chief operating officer of Hanover Direct, a direct marketing company, with responsibility for non-apparel products. Previously, he was employed for 28 years by Sears, Roebuck and Company, where he was vice president of merchandising from 1991 to 1993.

MR. OSBORNE has been employed by the Company since 1981 and has served as chief financial officer since 1984 and senior vice president since 1989.

MR. REEVES has been employed by the Company since 1970 and has been a vice president since 1987. From 1987 to 1992, Mr. Reeves was regional manager of the Company's Northeastern printing operations. From 1992 to 1994, Mr. Reeves was the manager of the Company's financial institution forms production unit, and since July 1994, Mr. Reeves has had principal responsibility for the Company's human resources department.

MR. SCHWAB has been responsible for the information systems of the Company and has served as senior vice president and chief information officer since November 1994. Previously, Mr. Schwab was employed by USAir, a commercial air carrier, from 1989 to 1991 as senior vice president and chief information officer, and from 1991 to April 1994 as executive vice president of operations.

ITEM 2. PROPERTIES

The Company conducts production and service operations in 81 facilities located in 29 states, Puerto Rico, Canada and the United Kingdom. These buildings total 5,084,000 square feet. The Company's headquarters occupies a 160,000-square-foot building in Shoreview, Minnesota. Deluxe Financial Services has two principal facilities in Shoreview, Minnesota, totaling approximately 251,700 square feet. These sites are devoted to sales, administration, and marketing. Deluxe Direct's principal facilities are a 156,000-square-foot marketing building in Shoreview, Minnesota, and a 148,000-square-foot sales and product design building in Colorado Springs, Colorado. All but four of the Company's production facilities are one story high and most were constructed and equipped in accordance with the Company's plans and specifications.

More than half of the Company's total production area has been constructed during the past 20 years. The Company owns 59 of its facilities and leases the remainder for terms expiring from 1996 to 2001. Depending upon the circumstances, when a lease expires, the Company either renews the lease or constructs a new facility to replace the leased facility. All facilities are adequately equipped for the Company's operations.

ITEM 3. LEGAL PROCEEDINGS

Other than ordinary routine litigation incidental to its business, there are no material pending legal proceedings to which the Company or any of its subsidiaries is a party or to which any of the Company's property is subject.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Reference is made to the information under the caption "Financial Highlights" on page 1, and "Shareholder Information" on page 33 of the Company's annual report.

ITEM 6. SELECTED FINANCIAL DATA

Reference is made to the information under the caption "Eleven-year Summary" on pages 18 and 19 in the Company's annual report.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Reference is made to the information under the caption "Management's Discussion and Analysis" on pages 14 through 16 in the Company's annual report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to the financial statements, notes and independent auditors' report on pages 20 through 31 of the Company's annual report and the information under the caption "Summarized Quarterly Financial Data" (unaudited) on page 31 in the Company's annual report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEMS 10, 11, 12 AND 13. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT, EXECUTIVE COMPENSATION, SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT, AND CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Reference is made to the Company's proxy statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following financial statements, schedules and independent auditors' report and consent are filed as part of this report:

	Page in annual report
(1) Financial Statements:	
Consolidated Balance Sheets at December 31, 1995 and 1994	20 - 21
Consolidated Statements of Income for the three years in the period ended December 31, 1995	22
Consolidated Statements of Cash Flows for the three years in the period ended December 31, 1995	23
Notes to Consolidated Financial Statements	24 - 30
Independent Auditors' Report	31
(2) Supplemental Financial Information (Unaudited):	
Summarized Quarterly Financial Data	31

(3) Independent Auditors' Consent to the incorporation by reference of its reports in the Company's registration statements 2-96963, 33-53585, 33-57261, 33-32279, 33-58510 and 33-62041	F-1

Schedules other than those listed above are not required or are not applicable, or the required information is shown in the financial statements or notes.

(b) The Company filed a report on Form 8-K on October 27, 1995, relating to a Distribution Agreement entered into for a public offering of medium-term notes.

(c) The following exhibits are filed as part of or are incorporated in this report by reference:

(3) A - Articles of Incorporation, incorporated by reference to the Company's Form 10-K for the year ended December 31, 1990.

B - Bylaws, incorporated by reference to the Company's Form 10-K for the year ended December 31, 1994.

(4) A - Rights Agreement, incorporated by reference to the Company's Form 8-K dated February 17, 1988.

B - Indenture, incorporated by reference to the Company's Form S-3 dated November 24, 1989.

C - (i) Indenture, incorporated by reference to the Company's Form S-3 filed on August 23, 1995.

(ii) Amendment to Indenture, incorporated by reference to the Company's Amendment No. 1 to Form S-3 filed on September 21, 1995.

(10) A - Deferred Compensation Plan

B - Supplemental Benefits Plan

C - Stock Option Plan, incorporated by reference to the Company's Form 10-K for the year ended December 31, 1989.

D - Stock Incentive Plan, incorporated by reference to the Company's Form S-8 filed on May 11, 1994.

E - Performance Share Plan, incorporated by reference to the Company's Form 10-K for the year ended December 31, 1994.

F - Annual Incentive Plan, incorporated by reference to the Company's Form 10-K for the year ended December 31, 1994.

G - Description of Initial Compensation and Employment Arrangement with John A. Blanchard III

H - Description of Supplemental Pension Plan

I - Deferred Compensation Agreement

J - Description of Compensation Arrangement with Harold V. Haverty

(12) Ratio of Earnings to Fixed Charges

(13) 1995 Annual Report to Shareholders
(21) Subsidiaries of the Registrant
(23) Independent Auditors' Consent, incorporated by reference to page F-1 of the Company's Form 10-K for the year ended December 31, 1995.
(24) Powers of Attorney of officers and directors signing by an attorney-in-fact.

(27) Financial Data Schedule
(29) Proxy Statement, incorporated by reference to the Company's definitive proxy statement filed on March 27, 1996.

Note to recipients of Form 10-K: Copies of exhibits will be furnished upon written request and payment of the Company's reasonable expenses ($.25 per page) in furnishing such copies.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of St. Paul, State of Minnesota on March 27, 1996.

DELUXE CORPORATION
By /s/ John A. Blanchard III

John A. Blanchard III
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated on March 27, 1996.

By /s/ John A. Blanchard III

John A. Blanchard III for Himself and
as Attorney-In-Fact*

John A. Blanchard III, Director and
Principal Executive Officer
Harold V. Haverty, Director
Jerry K. Twogood, Director
Eugene R. Olson, Director
Whitney MacMillan, Director
James J. Renier, Director
Barbara B. Grogan, Director
Allen F. Jacobson, Director
Stephen P. Nachtsheim, Director
Charles M. Osborne, Principal
Financial Officer and Principal Accounting Officer

*By Power of Attorney set forth in Exhibit 24 to this report.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in registration statements 2-96963, 33-53585 and 33-57261 on Form S-8 and 33-32279, 33-58510 and 33-62041 on Form S-3 of our report dated February 9, 1996, appearing in or incorporated by reference in this Annual Report on Form 10-K of Deluxe Corporation for the year ended December 31, 1995.

/s/ Deloitte & Touche LLP
Deloitte & Touche LLP
Minneapolis, Minnesota
March 27, 1996

EXHIBIT INDEX

The following exhibits are filed as part of this report:

10 A Deferred Compensation Plan

10 B Supplemental Benefit Plan
10 G Description of Initial Compensation and Employment Arrangement with
John A. Blanchard III
10 H Description of Supplemental Pension Plan
10 I Deferred Compensation Agreement
10 J Description of Compensation Arrangement with Harold V. Haverty
12 Ratio of Earnings to Fixed Charges
13 Documents Incorporated by Reference 1995 Annual Report to Shareholders
21 Subsidiaries
24 Power of Attorney
27 Financial Data Schedule

Exhibit 10 A

DELUXE CORPORATION

DEFERRED COMPENSATION PLAN

SECTION 1. RESTATEMENT AND PURPOSE

1.1. RESTATEMENT. Deluxe Corporation, a Minnesota corporation (hereinafter called the "Company"), established, effective as of November 15, 1983, a deferred compensation plan known as the "DELUXE CORPORATION DEFERRED COMPENSATION PLAN" (hereinafter called the "Plan"). It is hereby desired to amend and restate the Plan in a single document in the manner hereinafter set forth effective as of January 1, 1996.

1.2. PURPOSE. The purpose of the Plan is to provide a means whereby amounts payable by the Company to Participants (as hereinafter defined) may be deferred to some future period. It is also the purpose of the Plan to attract and retain as employees persons whose abilities, experience and judgment will contribute to the growth and profitability of the Company.

SECTION 2. DEFINITIONS

2.1. DEFINITIONS. Whenever used in this Plan, the following terms shall have the meanings set forth below:

(a) "Affiliate" means a business entity which is affiliated in ownership with the Company and is recognized as an Affiliate by the Management Committee for the purposes of this Plan.

(b) "Base Salary" means the base salary scheduled to be paid to a Participant during a Plan Year without regard to any Incentive Compensation, or any portion deferred under this Plan.

(c) "Committee" means the Compensation Committee of the Board of Directors of the Company.

(d) "Deferral Account" means the separate bookkeeping account representing the unfunded and unsecured general obligation of Company established with respect to each Participant to which is credited the dollar amounts specified in Section 5 and from which are subtracted payments made pursuant to Sections 6 and 7. To the extent necessary to accommodate and effect the distribution elections made by Participants pursuant to Section 4, separate bookkeeping sub-accounts may be established with respect to each of the several deferral elections made by Participants.

(e) "Disability" means, as to a Participant who is an employee of the Company, a determination of disability under Company's Long Term Disability Plan. If the Participant is an employee of an Affiliate, "Disability" means, as to such Participant, a determination of disability under the Long Term Disability Plan of such Affiliate, or, if no such Plan exists, then under the Long Term Disability Plan of the Company as if such Participant were a participant in such plan. If the Company discontinues its Long Term Disability Plan, then "Disability" shall mean long term disability as defined in any other Plan of the Company which generally defines long term disability for purposes of such other plan. In no event, however, shall a Participant be considered to have a Disability for purposes of this Plan until such time as such Participant is entitled to begin (or would be entitled to begin, if such Participant were a participant in the relevant plan) receipt of benefits under such long term disability or other relevant plan.

(f) "Eligible Employee" means an employee of the Company or its Affiliates who (i) is an officer or assistant officer, or (ii) has significant management or professional responsibilities, and (iii) who is highly compensated. Subject to the limitations contained in Section 3, the Management Committee from time to time may (i) establish rules governing the eligibility of employees of the Company and its Affiliates to participate in the Plan and, such rules, if adopted, shall be deemed to further define or amend, as the case may be, the definition of "Eligible Employee" herein, and (ii) permit certain employees of the Company and its Affiliates, who would not otherwise be eligible to participate in the Plan, to participate in the Plan.

(g) "Event of Maturity" means any of the occurrences described in Section 6 by reason of which a Participant or Beneficiary may become entitled to a distribution from the Plan.

(h) "Incentive Compensation" means the incentive, bonus, and similar compensation which is paid to a Participant based on performance or other factors during a Plan Year without regard to any portion deferred under this Plan.

(i) "Installment Amount" means that portion or all of a Deferral Account (expressed in dollars) that is to be paid during a single one hundred twenty (120) month period (having common initial and final installment dates) designated by the Participant in writing at the time of his or her enrollments made in accordance with this Plan.

(j) "Management Committee" means the Management Committee formed by the Chief Executive Officer pursuant to Section 11 of the Plan.

(k) "Participant" means any Eligible Employee who is affirmatively selected by the Management Committee and who elects to participate in the Plan.

(l) "Plan Year" means the twelve-month period coinciding with the Company's fiscal year and ending on each December 31.

(m) "Selected Distribution Date" shall mean the date that is designated in accordance with this Plan by the Participant in writing at the time of his or her enrollments as the date (or dates) for the payment or commencement of payments of his or her Deferral Account or any portion thereof. In the absence of an effective election of any other date(s), a Participant's Selected Distribution Date shall be the date of his or her Termination of Employment.

(n) "Termination of Employment" means a complete severance of a Participant's employment relationship with the Company and all Affiliates. A transfer from employment with the Company to employment with an Affiliate of the Company or other transfer between Affiliates or from an Affiliate to the Company shall not constitute a Termination of Employment. If an Affiliate ceases to be an Affiliate because of a sale or other disposition of substantially all its stock or assets, then Participants who are employed by that Affiliate shall be deemed to have had a Termination of Employment for the purposes of this Plan as of the effective date of such sale.

SECTION 3. ELIGIBILITY FOR PARTICIPATION

Each Eligible Employee of the Company and its Affiliates shall be eligible to participate in the Plan and shall become a Participant upon selection by the Management Committee. In the event a Participant ceases to be an Eligible Employee, he or she shall become an inactive Participant, retaining all the rights described under the Plan, except the right to elect any further deferrals. Notwithstanding anything apparently to the contrary in this Plan or in any written communication, summary, resolution or document or oral communication, no individual shall be a Participant in this Plan, develop benefits under this Plan or be entitled to receive benefits under this Plan (either for himself or herself or his or her survivors) unless such individual is a member of a select group of management or highly compensated employees (as that expression is used in ERISA). If a court of competent jurisdiction, any representative of the U.S. Department of Labor or any other governmental, regulatory or similar body makes any direct or indirect, formal or informal, determination that an individual is not a member of a select group of management or highly compensated employees (as that expression is used in ERISA), such individual shall not be (and shall not have ever been) a Participant in this Plan at any time. If any person not so defined has been erroneously treated as a Participant in this Plan, upon discovery of such error such person's erroneous participation shall immediately terminate ab initio and the Company shall distribute the individual's Deferral Account immediately.

SECTION 4. ELECTION TO DEFER

4.1. GENERAL RULE. Prior to the first day of any Plan Year, a Participant may make a deferral election for that Plan Year. A separate enrollment shall be made for each Plan Year. Each such deferral election:

(a) Shall be irrevocable for the Plan Year with respect to which it is made once it has been accepted by the Chief Executive Officer of the Company.

(b) Shall designate the amount or portion of the Participant's Incentive Compensation which is earned during that Plan Year (without regard to whether it would be paid during that or a subsequent Plan Year) which shall not be paid to the Participant but instead shall be accumulated in this Plan under Section 5 and distributed from this Plan under Section 6. Such designation shall be in a minimum amount of $1,000. If expressed as a percentage, such percentage shall not exceed fifty percent (50%) of such Participant's targeted Incentive Compensation. If expressed as a dollar amount, such dollar amount shall not exceed the dollar amount equivalent of fifty percent (50%) of such Participant's targeted Incentive Compensation. If a dollar amount is elected, such election shall be reduced dollar for dollar if the Incentive Compensation declared is less than the election.

(c) Shall designate the amount or portion of the Participant's Base Salary which is earned during that Plan Year (without regard to whether it would be paid during that or a subsequent Plan Year) which shall not be paid to the Participant but instead shall be accumulated in this Plan under Section 5 and distributed from this Plan under Section 6. Such designation shall be in a minimum amount of $1,000, shall not exceed 10 percent (10%) of such Participant's Base Salary and shall be automatically revoked if the Base Salary of the Participant is reduced during the Plan Year for which such election is made.

(d) Shall specify the form in which distribution of the portion of the Deferral Account attributable to that enrollment shall be made under Section 6 (and if such designation is not clearly made to the contrary, shall be deemed to have been an election of a single lump sum distribution).

(e) Shall specify the time at which distribution shall be made which shall, subject to Section 6 hereof, be the later of such Participant's Selected Distribution Date or such Participant's Termination of Employment.

(f) Shall be made upon forms furnished by the Company, shall be made at such time as the Company shall determine, shall be made before the beginning of the Plan Year with respect to which it is made and shall conform to such other procedural and substantive rules as the Company shall prescribe from time to time.

4.2. SPECIAL RULE FOR 1996 SHORT PLAN YEAR. Solely in order to permit Participants to make an enrollment for the 1996 Plan Year, Participants may, prior to April 1, 1996, make an election to defer a portion of their Base Salary and any bonus earned on or after April 1, 1996, and to elect to defer a portion of any Incentive Compensation (exclusive of any part of any bonus earned prior to April 1, 1996) paid on or after April 1, 1996. The Management Committee shall have the authority to adopt rules that modify and waive the enrollment procedures set forth in Section 4.1, above, to ensure that an orderly first enrollment may be completed.

SECTION 5. DEFERRAL ACCOUNTS

5.1. PARTICIPANT DEFERRAL ACCOUNTS. The Company shall establish and maintain a bookkeeping Deferral Account for each Participant. The Company shall, from time to time, provide each Participant with a statement indicating the balance of such Participant's Deferral Account. At its discretion, the Company may obtain life insurance on the life of any or all Participants to provide all or a substantial portion of the money needed to pay the amounts deferred under the Plan. Each Participant's Deferral Account shall be credited, as appropriate, with one or more of the following:

(a) Base Salary deferrals and Incentive Compensation deferrals made pursuant to Section 4, above;

(b) Employee Benefit Plan Equivalents as provided by Section 5.2 below; and

(c) Growth Additions as provided by Section 5.3 below.

5.2. EMPLOYEE BENEFIT PLAN EQUIVALENT. To the extent the Company's contributions under its compensation-based benefit plans are reduced as a result of the Participant's deferral of compensation under the Plan, the amount of such reduction shall be credited to the Participant's Deferral Account. Any amount credited under this procedure shall be credited as of the last day of the Plan Year during which such compensation was earned without regard to whether it is paid in a subsequent year. Any amount credited to a Deferral Account of a Participant under this Plan shall not be duplicated, directly or indirectly, under any other plan of the Company.

5.3. GROWTH ADDITIONS. Each Participant's Deferral Account shall be credited as of the last day of each Plan Year (before crediting any Benefit Plan Equivalent) with a growth addition computed on the beginning balance of such Participant's Deferral Account, the average Base Salary deferred during the Plan Year, and the Incentive Compensation deferred that is payable during the Plan Year. The growth addition shall be computed by multiplying such amounts by the Plan Interest Rate for such Plan Year. The Plan Interest Rate for each Plan Year shall be determined by the Committee, provided that the Plan Interest Rate shall in no event be lower than the lesser of: (a) ninety percent (90%) of the Company's average return on short term invested bank funds during its preceding fiscal year, or (b) eight percent (8%). In the absence of a timely determination by the Committee with respect to a particular Plan Year, the Plan Interest Rate for such Plan Year shall be equal to the Plan Interest Rate for the Previous Plan Year.

5.4. CHARGES AGAINST DEFERRAL ACCOUNTS. There shall be charged against each Participant's account any payments made to the Participant or his or her Beneficiary in accordance with Sections 6 or 7 of the Plan.

5.5. CONTRACTUAL OBLIGATION. It is intended that the Company is under a contractual obligation to make payments to a Participant when due. Such payments shall be made out of the general funds of the Company.

5.6. UNSECURED INTEREST. No Participant or Beneficiary shall have any interest whatsoever in any specific asset of the Company. To the extent any person acquires a right to receive payments under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

SECTION 6. PAYMENT OF DEFERRED AMOUNTS

6.1. FORM OF DISTRIBUTION. Upon the occurrence of an Event of Maturity effective as to a Participant, the Company shall commence payment of such Participant's Deferral Account (reduced by the amount of any applicable payroll, withholding and other taxes) in the form(s) designated by the Participant in his or her enrollments. A Participant shall not be required to make application to receive payment. Distribution shall not be made to any Beneficiary, however, until such Beneficiary shall have filed a written application for benefits and such other information as may be requested by the Company and such application shall have been approved by the Company.

6.1.1. FORM OF PAYMENT. Payment shall be made in whichever of the following forms as the Participant shall have designated in writing at the time of his or her enrollments (to the extent that such election is consistent with the rules of this Plan):

(a) TERM CERTAIN INSTALLMENTS TO PARTICIPANT. Subject to Section 6.1.1(d), below, if the distributee is a Participant and the Installment Amount on the applicable Selected Distribution Date (without giving effect to any growth additions after such date) is at least Fifty Thousand Dollars ($50,000), in a series of monthly installments payable over one hundred twenty (120) months. The amount of the monthly installments shall be approximately equal and shall include a reasonable interest assumption as determined by the Company from time to time.

(b) CONTINUED TERM CERTAIN INSTALLMENTS TO BENEFICIARY. If the distributee is a Beneficiary of a deceased Participant and payment had commenced to the deceased Participant before his or her death over a one hundred twenty (120) month period as specified in paragraph (a) above, in a series of annual installments payable over the remainder of such period.

(c) LUMP SUM. If the distributee is either a Participant, Beneficiary (except as provided in Section 6.1.1(b)), or representative of the estate of a deceased Participant, in a single lump sum payment pursuant to Section 6.1.2(c), below.

(d) LUMP SUM DISTRIBUTION NOTWITHSTANDING DESIGNATION. Notwithstanding a Participant's election to have all or a portion of his or her Deferral Account paid in installments pursuant to the provisions of Section 6.1.1(a) or the designation by the Participant of a Selected Distribution Date that will occur after the date of the Participant's Termination of Employment, such Participant's Deferral Account (or relevant portion thereof, as the case may be) shall be paid in a single lump sum pursuant to the provisions of Section 6.1.2(a), below, unless the Installment Amount, as of the applicable distribution date (without giving effect to any growth additions after such date), is at least Fifty Thousand Dollars ($50,000). If a Selected Distribution Date will occur after the Participant's Termination of Employment, the Company will make an estimate of the amount of the distribution that will be made in a lump sum or the Installment Amount that will be available for installments, as the case may be, on or commencing on such Selected Distribution Date. Such estimate (i) shall include a reasonable interest assumption as determined by the Company for the period between the Participant's Termination of Employment and such Selected Distribution Date, (ii) shall not include any growth additions after the Selected Distribution Date and, (iii) shall include all portions of the Deferral Account distributable in a lump sum or in one hundred twenty (120) monthly installments beginning on such Selected Distribution Date notwithstanding that such amounts may have been attributable to enrollments relating to more than one Plan Year. Separate estimates shall be made for lump sum and installment payments that are to made and commence on the same Selected Distribution Date. If any such estimate is less than Fifty Thousand Dollars ($50,000), the portion of the Deferral Account that would otherwise be distributed on or commencing with such Selected Distribution Date shall instead be distributed as if the Participant had elected a lump sum distribution payable upon such Participant's Termination of Employment as provided by Section 6.1.2(a), below.

(e) LUMP SUM DISTRIBUTION UPON DISPOSITION OF AFFILIATE. Notwithstanding the foregoing provisions of this Section 6.1.1 or any enrollment of a Participant to the contrary, if a Termination of Employment is deemed to occur on account of a sale or other disposition of stock or assets of an Affiliate, the Deferral Accounts of Participants employed by such Affiliate who are deemed to have had such a Termination of Employment shall be distributed in a single lump sum.

6.1.2. TIME OF PAYMENT. Payment shall be made or commenced to a Participant in accordance with the following rules:

(a) TERMINATION OF EMPLOYMENT. If the payment is to be made or commenced on account of the Participant's Termination of Employment, payment shall be made within sixty (60) days of such Termination of Employment.

(b) DEATH - INSTALLMENTS TO BENEFICIARY. If installments are recommenced pursuant to Section 6.1.1(b) on account of the Participant's death, the recommencement of such installment payments shall begin within sixty (60) days after the later date of such Participant's death or approval by the Management Committee of such Beneficiary's application for recommencement of installments.

(c) DEATH - LUMP SUM TO BENEFICIARY OR REPRESENTATIVE. If a single lump sum payment is to be made pursuant Section 6.1.1(c) to the Participants's Beneficiary or to the representative or representatives of such Participant's estate, payment shall be made within the later of sixty (60) days after the Participant's death or the approval by the Management Committee of such Beneficiary's application for payment or documentation evidencing the appointment of such representative or representatives.

(d) DISABILITY. If the payment is made on account of the Participant's Disability, payment shall be made in a single lump sum as if the Participant had a Termination of Employment as provided in paragraph (a) above, within sixty (60) days of the determination of the existence of such Disability.

(e) SELECTED DISTRIBUTION DATE. Subject to the provisions of Section 6.1.1(d), if payment is to be made or commenced on a Selected Distribution Date, payment will be made or commenced within sixty (60) days of such Selected Distribution Date.

(f) DISPOSITION OF AFFILIATE. If the payment is to be made on account of the Participant's Termination of Employment on account of a disposition of an Affiliate, payment shall be made within sixty (60) days of such disposition.

6.1.3. DEFAULT. If for any reason a Participant shall have failed to make a timely written designation of the form of distribution or of a Selected Distribution Date for payment (including reasons entirely beyond the control of the Participant), the payment shall be made in a single lump sum in accordance with the provisions of Section 6.1.2(a). No spouse, former spouse, Beneficiary or other person shall have any right to participate in the Participant's selection of a form of benefit.

6.1.4. CODE SECTION 162(M) DELAY. If the Company determines that delaying the time when the initial payments are made or commenced would increase the probability that such payments would be fully deductible by the Company for federal or state income tax purposes, the Company may unilaterally delay the time of the making or commencement of such payments for up to twelve (12) months after the date such payments would otherwise be made.

6.2. ELECTION TO CHANGE PRIOR ENROLLMENTS. For the limited purposes of changing the time and method of payment of his or her existing Deferral Account, a Participant whose Deferral Account is not and is not expected to be in pay status during the Plan Year beginning January 1, 1996 and who is not intending to retire or terminate employment during such Plan Year, may

elect, subject to the provisions of Section 6.1 above, to receive his or her Deferral Account in either a lump sum or in term certain installments or in a combination of either forms of payment. Subject to Section 6.1 above, if a Participant elects to receive the Deferral Account in installments, the Participant shall elect a single period of one hundred twenty (120) months in which to receive such installments. Such election shall be in writing and shall be delivered to the Management Committee before June 30, 1996, at the time and in the manner as the Management Committee shall prescribe. Once made, such election may not be revoked by the Participant. Such election shall be effective for Events of Maturity occurring on or after January 1, 1997. Any Participant who cannot, due to the application of the foregoing limitations, elect to change his or her prior enrollments, or who has a Termination of Employment occur during 1996, shall have his or her Deferral Account distributed in the form provided by this Plan prior to its restatement.

SECTION 7. FINANCIAL EMERGENCY

The Management Committee may alter the manner or timing of payment of Deferral Accounts under Sections 6.1 or 6.2 in the event that the Participant establishes, to the satisfaction of the Management Committee, severe financial hardship. In such event, the Management Committee may:

(a) Provide that all or a portion of the Deferral Account shall be paid immediately in a lump sum payment,

(b) Provide that all or a portion of the installments payable over a period of time shall be paid immediately in a lump sum, or

(c) Provide for such other installment payment schedules as it deems appropriate under the circumstances,

as long as the accelerated distribution shall not be in excess of that amount which is necessary for the Participant to meet the financial hardship.

Severe financial hardship shall be deemed to have occurred in the event of the Participant's impending bankruptcy, a Participant's or dependent's long and serious illness, or other events of similar magnitude. The Management Committee's determination as to the occurrence of a severe financial hardship of the Participant and the manner in which, if at all, the payment of deferred amounts shall be altered or modified, shall be final.

SECTION 8. BENEFICIARY

A Participant may designate a Beneficiary or Beneficiaries who, upon his or her death, shall receive the distributions that otherwise would have been paid to the Participant. All designations

shall be in writing and shall be effective only if and when delivered to the Chief Executive Officer of the Company during the lifetime of the Participant. If a Participant designates a Beneficiary without providing in the designation that the Beneficiary must be living at the time of such distribution, the designation shall vest in the Beneficiary all of the distributions, whether payable before or after the Beneficiary's death, and any distributions remaining upon the Beneficiary's death shall be paid to the Beneficiary's estate.

A Participant may, from time to time, change the Beneficiary or Beneficiaries by a written instrument delivered to the Chief Executive Officer of the Company. In the event a Participant shall not designate a Beneficiary or Beneficiaries pursuant to this Section, or if for any reason such designation shall be ineffective, in whole or in part, the distributions that otherwise would have been paid to such Participant shall be paid to the estate of such Participant and in such event, the term "Beneficiary" shall include the estate.

SECTION 9. NONTRANSFERABILITY

In no event shall the Company make any payment under the Plan to any assignee or creditor of a Participant or a Beneficiary. Prior to the time of payment hereunder, a Participant or Beneficiary shall have no rights by way of anticipation or otherwise to assign or otherwise dispose of any interest under the Plan nor shall such rights be assigned or transferred by operation of law.

SECTION 10. DETERMINATIONS - RULES AND REGULATIONS

10.1. DETERMINATIONS. The Management Committee shall make such determinations as may be required from time to time in the administration of the Plan. The Management Committee shall have the discretionary authority and responsibility to interpret and construe the Plan and to determine all factual and legal questions under the Plan, including but not limited to the entitlement of Participants and Beneficiaries, and the amounts of their respective interests. Each interested party may act and rely upon all information reported to them hereunder and need not inquire into the accuracy thereof, nor be charged with any notice to the contrary.

10.2. RULES AND REGULATIONS. Any rule not in conflict or at variance with the provisions hereof may be adopted by the Management Committee.

10.3. METHOD OF EXECUTING INSTRUMENTS. Information to be supplied or written notices to be made or consents to be given by the Management Committee pursuant to any provision of this Plan may be signed in the name of the Management Committee by any person who has been authorized to make such certification or to give such notices or consents.

10.4. CLAIMS PROCEDURE. The claims procedure set forth in this Section 10.4 shall be the exclusive procedure for the disposition of claims for benefits arising under the Plan.

10.4.1. ORIGINAL CLAIM. Any Participant, former Participant or Beneficiary of such Participant or former Participant may, if he or she so desires, file with the Management Committee a written claim for benefits under the Plan. Within ninety (90) days after the filing of such a claim, the Management Committee shall notify the claimant in writing whether the claim is upheld or denied in whole or in part or shall furnish the claimant a written notice describing

specific special circumstances requiring a specified amount of additional time (but not more than one hundred eighty (180) days from the date the claim was filed) to reach a decision on the claim. If the claim is denied in whole or in part, the Company shall state in writing:

(a) The specific reasons for the denial;

(b) The specific references to the pertinent provisions of this Plan on which the denial is based;

(c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(d) An explanation of the claims review procedure set forth in this section.

10.4.2. CLAIMS REVIEW PROCEDURE. Within sixty (60) days after receipt of notice that the claim has been denied in whole or in part, the claimant may file with the Management Committee a written request for a review and may, in conjunction therewith, submit written issues and comments. Within sixty (60) days after the filing of such a request for review, the Management Committee shall notify the claimant in writing whether, upon review, the claim was upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred twenty (120) days from the date the request for review was filed) to reach a decision on the request for review.

10.4.3. GENERAL RULES.

(a) No inquiry or question shall be deemed to be a claim or a request for a review of a denied claim unless made in accordance with the claims procedure. The Management Committee may require that any claim for benefits and any request for a review of a denied claim be filed on forms to be furnished by the Management Committee upon request.

(b) All decisions on claims and on requests for a review of denied claims shall be made by the Management Committee.

(c) The Management Committee may, in its discretion, hold one or more hearings on a claim or a request for a review of a denied claim.

(d) A claimant may be represented by a lawyer or other representative (at the claimant's own expense), but the Management Committee reserves the right to require the claimant to furnish written authorization. A claimant's representative shall be entitled to copies of all notices given to the claimant.

(e) The decision of the Management Committee on a claim and on a request for a review of a denied claim shall be served on the claimant in writing. If a decision or notice is not received by a claimant within the time specified, the claim or request for a review of a denied claim shall be deemed to have been denied.

(f) Prior to filing a claim or a request for a review of a denied claim, the claimant or his or her representative shall have a reasonable opportunity to review a copy of this Plan and all other pertinent documents in the possession of the Management Committee.

10.5. INFORMATION FURNISHED BY PARTICIPANTS. The Company and its Affiliates shall not be liable or responsible for any error in the computation of the Deferral Account of a Participant resulting from any misstatement of fact made by the Participant, directly or indirectly, to the Company, and used by it in determining the Participant's Deferral Account. The Company shall not be obligated or required to increase the Deferral Account of such Participant which, on discovery of the misstatement, is found to be understated as a result of such misstatement of the Participant. However, the Deferral Account of any Participant which are overstated by reason of any such misstatement shall be reduced to the amount appropriate in view of the truth.

SECTION 11. ADMINISTRATION

11.1. COMPANY. Functions generally assigned in this Plan to the Company are delegated to the Committee, Chief Executive Officer and the Management Committee as follows:

11.1.1. CHIEF EXECUTIVE OFFICER. Except as otherwise provided by the Plan and as set forth in Section 11.1.2, below, the Chief Executive Officer of the Company shall delegate to a Management Committee all matters regarding the administration of the Plan.

11.1.2. COMMITTEE. Notwithstanding the foregoing general delegations to the Chief Executive Officer and the Management Committee, the Committee shall have the exclusive authority, which may not be delegated, to act for the Company:

(a) to amend or to terminate this Plan;

(b) to consent to the adoption of the Plan by other business entities; to establish conditions and limitations upon such adoption of the Plan by other business entities; and

(c) to establish the Plan Interest Rate pursuant to Section 5.3.

11.1.3. MANAGEMENT COMMITTEE.

(a) APPOINTMENT AND REMOVAL. The Management Committee, subject to the direction of the Committee and the Chief Executive Officer, shall have all of the functions and authorities generally assigned in this Plan to the Company. The Management Committee shall consist of one or members as may be determined

and appointed from time to time by the Chief Executive Officer of the Company and they shall serve at the pleasure of such Chief Executive Officer and the Committee.

(b) AUTOMATIC REMOVAL. If any individual who is a member of the Management Committee is a director, officer or employee when appointed as a member of the Management Committee, then such individual shall be automatically removed as a member of the Management Committee at the earliest time such individual ceases to be a director, officer or employee. This removal shall occur automatically and without any requirement for action by the Chief Executive Officer of the Company or any notice to the individual so removed.

(c) AUTHORITY. The Management Committee may elect such officers as the Management Committee may decide upon. In addition to the other authorities delegated elsewhere in this Plan to the Management Committee, the Management Committee shall:

(i) establish rules for the functioning of the Management Committee, including the times and places for holding meetings, the notices to be given in respect of such meetings and the number of members who shall constitute a quorum for the transaction of business,

(ii) organize and delegate to such of its members as it shall select authority to execute or authenticate rules, advisory opinions or instructions, and other instruments adopted or authorized by the Management Committee; adopt such bylaws or regulations as it deems desirable for the conduct of its affairs; appoint a secretary, who need not be a member of the Management Committee, to keep its records and otherwise assist the Management Committee in the performance of its duties; keep a record of all its proceedings and acts and keep all books of account, records and other data as may be necessary for the proper administration of the Plan,

(iii) determine from the records of the Company and its Affiliates the compensation, service records, status and other facts regarding Participants and other employees,

(iv) cause to be compiled at least annually, from the records of the Management Committee and the reports and accountings of the Company and its Affiliates, a report or accounting of the status of the Plan and the Deferral Accounts of the Participants, and make it available to each Participant who shall have the right to examine that part of such report or accounting (or a true and correct copy of such part) which sets forth the Participant's benefits,

(v) prescribe forms to be used for applications for participation, benefits, notifications, etc., as may be required in the administration of the Plan,

(vi) set up such rules as are deemed necessary to carry out the terms of this Plan,

(vii) resolve all questions of administration of the Plan not specifically referred to in this Section,

(viii) delegate or redelegate to one or more persons, jointly or severally, and whether or not such persons are members of the Management Committee or employees of the Company, such functions assigned to the Management Committee hereunder as it may from time to time deem advisable, and

(ix) perform all other acts reasonably necessary for administering the Plan and carrying out the provisions of this Plan and performing the duties imposed by the Plan on it.

(d) MAJORITY DECISIONS. If there shall at any time be three (3) or more members of the Management Committee serving hereunder who are qualified to perform a particular act, the same may be performed, on behalf of all, by a majority of those qualified, with or without the concurrence of the minority. No person who failed to join or concur in such act shall be held liable for the consequences thereof, except to the extent that liability is imposed under ERISA.

11.2. CONFLICT OF INTEREST. If any officer or employee of the Company or an Affiliate, any member of the Committee, or any member of the Management Committee to whom authority has been delegated or redelegated hereunder shall also be a Participant or Beneficiary in the Plan, the individual shall have no authority as such officer, employee, Committee or Management Committee member with respect to any matter specially affecting his or her individual interest hereunder (as distinguished from the interests of all Participants and Beneficiaries or a broad class of Participants and Beneficiaries), all such authority being reserved exclusively to the other officers, employees, Committee or Management Committee members as the case may be, to the exclusion of such Participant or Beneficiary, and such Participant or Beneficiary shall act only in his or her individual capacity in connection with any such matter.

11.3. DUAL CAPACITY. Individuals, firms, corporations or partnerships identified herein or delegated or allocated authority or responsibility hereunder may serve in more than one fiduciary capacity.

11.4. ADMINISTRATOR. The Company shall be the administrator for purposes of section 3(16)(A) of ERISA.

11.5. NAMED FIDUCIARIES. The Chief Executive Officer, the Committee and the Management Committee shall be named fiduciaries for the purpose of section 402(a) of ERISA.

11.6. SERVICE OF PROCESS. In the absence of any designation to the contrary by the Company, the Secretary of the Company is designated as the appropriate and exclusive agent for the receipt of service of process directed to the Plan in any legal proceeding, including arbitration, involving the Plan.

11.7. ADMINISTRATIVE EXPENSES. The reasonable expenses of administering the Plan shall be payable by the Company.

SECTION 12. AMENDMENT AND TERMINATION

The Company expects the Plan to be permanent but since future conditions affecting the Company cannot be anticipated or foreseen, the Company reserves the right to amend, modify or terminate the Plan at any time by action of the Committee.

SECTION 13. LIFE INSURANCE CONTRACT

If the Company elects to purchase one or more life insurance contracts to provide it with funds to make payments under the Plan, the Company shall at all times be the sole and complete owner and Beneficiary of such contract(s), and shall have the unrestricted right to use all amounts and exercise all options and privileges under such contract(s) without the knowledge or consent of any Participant or Beneficiary or any other person; neither Participant, Beneficiary nor any other person shall have any right, title or interest whatsoever in or to any such contract(s).

SECTION 14. MERGER, CONSOLIDATION OR ACQUISITION

In the event of a merger, consolidation or acquisition in which the Company is not the surviving corporation, unless the successor or acquiring corporation shall elect to continue and carry on this Plan, all Deferral Accounts shall become immediately payable in full, notwithstanding any other provision of this Plan to the contrary.

SECTION 15. NO VESTED RIGHTS

The Plan and the elections exercisable hereunder shall not be deemed or construed to be a written contract of employment between any Participant and the Company or any of its Affiliates, nor shall any provision of the Plan restrict the right of the Company or any of its Affiliates to discharge any Participant, nor shall any provision of the Plan in any way whatsoever grant to any Participant the right to receive any scheduled compensation, bonus, or other payment of any nature whatsoever.

SECTION 16. APPLICABLE LAW

This Plan shall be construed and this Plan shall be administered to create an unfunded plan providing deferred compensation to a select group of management or highly compensated employees so that it is exempt from the requirements of Parts 2, 3 and 4 of Title I of ERISA and qualifies for a form of simplified, alternative compliance with the reporting and disclosure

requirements of Part 1 of Title I of ERISA. Any reference in this Plan to a statute or regulation shall be considered also to mean and refer to any subsequent amendment or replacement of that statute or regulation. This Plan has been executed and delivered in the State of Minnesota and has been drawn in conformity to the laws of that State and shall be construed and enforced in accordance with the laws of the State of Minnesota.

Exhibit 10 B

DELUXE CORPORATION

SUPPLEMENTAL BENEFIT PLAN

SECTION 1. RESTATEMENT AND PURPOSE

1.1. RESTATEMENT. DELUXE CORPORATION, A MINNESOTA CORPORATION (hereinafter called the "Company") established, effective as of November 8, 1984, a supplemental benefit plan known as the "Deluxe Check Printers, Incorporated Supplemental Benefit Plan" (hereinafter called the "Plan"). It is hereby desired to amend and restate the Plan in a single document in the manner hereinafter set forth effective as of January 1, 1996.

1.2. PURPOSE. The Company and its Affiliates each maintain for the benefit of their eligible employees, a tax-qualified profit sharing and/or a money purchase pension plan (collectively herein referred to as the "Qualified Plans"). The Qualified Plans are subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and are intended to qualify as tax-deferred retirement plans under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"). With respect to benefits accruing under the Qualified Plans during plan years beginning after December 31, 1988, section 401(a)(17) of the Code provides the maximum amount of annual compensation which may be taken into account in determining the benefits for any employee may not exceed Two Hundred Thousand Dollars ($200,000) as adjusted from time to time for changes in cost of living. With respect to benefits accruing under the Qualified Plans during plan years beginning after December 31, 1993, section 401(a)(17) of the Code provides the maximum amount of annual compensation which may be taken into account in determining the benefits for any employee may not exceed One Hundred Fifty Thousand Dollars ($150,000) as adjusted from time to time for changes in cost of living. Restrictions also apply to the types or classes of compensation which may be taken into account under the Plans by virtue of section 401(a)(4) of the Code. The purpose of the Supplemental Benefit Plan is to provide eligible employees of the Company and certain of its Affiliates the opportunity to accrue benefits under the Supplemental Benefit Plan in addition to the amounts that such employees accrue under the Qualified Plans.

1.3. PLAN NAME. This benefit plan shall be referred to as the Deluxe Corporation Supplemental Benefit Plan (hereinafter the "Plan").

SECTION 2. DEFINITIONS

2.1. DEFINITIONS. Whenever used in this Plan, the following terms shall have the meanings set forth below:

(a) "Affiliate" means a business entity which is affiliated in ownership with the Company and is recognized as an Affiliate by the Management Committee for the purposes of this Plan.

(b) "Committee" means the Compensation Committee of the Board of Directors of the Company.

(c) "Disability" means, as to a Participant who is an employee of the Company, a determination of disability under Company's Long Term Disability Plan. If the Participant is an employee of an Affiliate, "Disability" means, as to such Participant, a determination of disability under the Long Term Disability Plan of such Affiliate, or, if no such Plan exists, then under the Long Term Disability Plan of the Company as if such Participant were a participant in such plan. If the Company discontinues its Long Term Disability Plan, then "Disability" shall mean long term disability as defined in any other Plan of the Company which generally defines long term disability for purposes of such other plan. In no event, however, shall a Participant be considered to have a Disability for purposes of this Plan until such time as such Participant is entitled to begin (or would be entitled to begin, if such Participant were a participant in the relevant plan) receipt of benefits under such long term disability or other relevant plan.

(d) "Eligible Employee" means an employee of the Company or its Affiliates who (i) is an officer or assistant officer, or (ii) has significant management or professional responsibilities, and (iii) who is highly compensated. Subject to the limitations contained in Section 3, the Management Committee from time to time may (i) establish rules governing the eligibility of employees of the

Company and its Affiliates to participate in the Plan and, such rules, if adopted, shall be deemed to further define or amend, as the case may be, the definition of "Eligible Employee" herein, and (ii) permit certain employees of the Company and its Affiliates, who would not otherwise be eligible to participate in the Plan, to participate in the Plan.

(e) "Event of Maturity" means any of the occurrences described in Section 6 by reason of which a Participant or Beneficiary may become entitled to a distribution from the Plan.

(f) "Installment Amount" means that portion or all of a Supplemental Account (expressed in dollars) that is to be paid during a single one hundred twenty (120) month period (having common initial and final installment dates) designated by the Participant in writing at the time of his or her elections made in accordance with this Plan.

(g) "Management Committee" means the Management Committee formed by the Chief Executive Officer pursuant to Section 11 of the Plan.

(h) "Participant" means any Eligible Employee who is affirmatively selected by Management Committee to participate in the Plan.

(i) "Plan Year" means the twelve-month period coinciding with the Company's fiscal year and ending on each December 31.

(j) "Selected Distribution Date" shall mean a date that is designated in accordance with this Plan by the Participant in writing at the time of his or her elections as the date (or dates) for the commencement of payments of his or her Supplemental Account or any portion thereof. In the absence of an effective election of any other date(s), a Participant's Selected Distribution Date shall be the date of his or her Termination of Employment.

(k) "Supplemental Account" means the separate bookkeeping account representing the unfunded and unsecured general obligation of Company established with respect to each Participant to which is credited the dollar amounts specified in Section 5 and from which are subtracted payments made pursuant to Sections 6 and 7. To the extent necessary to accommodate and effect the distribution elections made by Participants pursuant to Section 4, separate bookkeeping sub-accounts may be established with respect to each of the several elections made by Participants.

(l) "Termination of Employment" means a complete severance of a Participant's employment relationship with the Company and all Affiliates. A transfer from employment with the Company to employment with an Affiliate of the Company or other transfer between Affiliates or from an Affiliate to the Company shall not constitute a Termination of Employment. If an Affiliate ceases to be an Affiliate because of a sale or other disposition of substantially all its stock or assets, then Participants who are employed by that Affiliate shall be deemed to have had a Termination of Employment for the purposes of this Plan as of the effective date of such sale.

SECTION 3. ELIGIBILITY FOR PARTICIPATION

Each Eligible Employee of the Company and its Affiliates shall be eligible to participate in the Plan and shall become a Participant upon selection by the Management Committee. In the event a Participant ceases to be an Eligible Employee, he or she shall become an inactive Participant, retaining all the rights described under the Plan, except the right to accruals (other than growth additions as described in Section 5.2, below). Notwithstanding anything apparently to the contrary in this Plan or in any written communication, summary, resolution or document or oral communication, no individual shall be a Participant in this Plan, develop benefits under this Plan or be entitled to receive benefits under this Plan (either for himself or herself or his or her survivors) unless such individual is a member of a select group of management or highly compensated employees (as that expression is used in ERISA). If a court of competent jurisdiction, any representative of the U.S. Department of Labor or any other governmental,

regulatory or similar body makes any direct or indirect, formal or informal, determination that an individual is not a member of a select group of management or highly compensated employees (as that expression is used in ERISA), such individual shall not be (and shall not have ever been) a Participant in this Plan at any time. If any person not so defined has been erroneously treated as a Participant in this Plan, upon discovery of such error such person's erroneous participation shall immediately terminate ab initio and the Company shall distribute the individual's Supplemental Benefit Account immediately.

SECTION 4. TIME AND FORM OF DISTRIBUTION

4.1. GENERAL RULE. Prior to the first day of any Plan Year, a Participant may make a separate election regarding the Selected Distribution Date and form of payment of accruals of his or her Supplemental Account for that Plan Year. Each such election:

(a) Shall be irrevocable for the Plan Year with respect to which it is made once it has been accepted by the Chief Executive Officer of the Company.

(b) Shall specify the time at which distribution shall be made which shall, subject to Section 6 hereof, be the later of such Participant's Selected Distribution Date or such Participant's Termination of Employment.

(c) Shall specify the form in which distribution of the portion of the Supplemental Account attributable to that election shall be made under Section 6 (and if such designation is not clearly made to the contrary, shall be deemed to have been an election of a single lump sum distribution).

(d) Shall be made upon forms furnished by the Company, shall be made at such time as the Company shall determine, shall be made before the beginning of the Plan Year with respect to which it is made and shall conform to such other procedural and substantive rules as the Company shall prescribe from time to time.

4.2. ELECTION TO CHANGE TIME AND FORM OF DISTRIBUTION OF EXISTING SUPPLEMENTAL ACCOUNT BALANCES. For the limited purposes of changing the time and form of payment of his or her existing Supplemental Account, a Participant whose Supplemental Account is not and is not expected to be in pay status during the calendar year beginning January 1, 1996 and who is not intending to retire or terminate employment during such Plan Year, may elect to receive his or her Supplemental Account in either a lump sum or in term certain installments or in a combination of either forms of payment. Subject to Section 6.1 below, if a Participant elects to receive the Supplemental Account in installments, the Participant shall elect a single period of one hundred twenty (120) months in which to receive such installments. Such election shall be in writing and shall be delivered to the Management Committee before June 30, 1996, at the time and in the manner as the Management Committee shall prescribe. Once made, such election may not be revoked by the Participant. Such election shall be effective for Events of Maturity occurring on or after January 1, 1997. Any Participant who cannot, due to the application of the foregoing limitations, elect to change the time or form of distribution of his or her Supplemental

Account, or who has a Termination of Employment occur during 1996, shall have his or her Supplemental Account distributed in the form provided by this Plan prior to its restatement.

4.3. SPECIAL RULE FOR 1996 SHORT PLAN YEAR. In order to permit Participants to make an election under Section 4.1 for the 1996 Plan Year, Participants may, prior to April 1, 1996, make the election therein provided with respect to the form of payment of contributions under Section 5.1 to their Supplemental Accounts for that Plan Year. The Management Committee shall have the authority to adopt rules that modify and waive the election procedures set forth in Section 4.1, above, to ensure that orderly first elections may be completed.

SECTION 5. BENEFIT FOR PARTICIPANTS

5.1 SUPPLEMENTAL BENEFIT AMOUNT. The Company and its Affiliates, as the case may be, shall pay to the Supplemental Benefit Account of each Participant each year an amount equal to (a) - (b) + (c), as follows:

(a) the amount that would have been contributed on behalf of such Participant to the Qualified Plans if such benefits had been determined without regard to the compensation limitation of section 401(a)(17) of the Code,

MINUS

(b) the amount actually contributed on behalf of such Participant to the Qualified Plans taking into account the compensation limitation of section 401(a)(17) of the Code, PLUS

(c) a growth addition calculated as provided in Section 5.2, below.

5.2. GROWTH ADDITIONS. Each Participant's Supplemental Account shall be credited as of the last day of each Plan Year with a growth addition computed on the beginning balance of such Supplemental Account. The growth addition shall be computed by multiplying such amount by the Plan Interest Rate for such Plan Year. The Plan Interest Rate for each Plan Year shall be determined by the Committee, provided that the Plan Interest Rate shall in no event be lower than the lesser of: (a) ninety percent (90%) of the Company's average return on short term invested bank funds during its preceding fiscal year, or (b) eight percent (8%). In the absence of a timely determination by the Committee with respect to a particular Plan Year, the Plan Interest Rate for such Plan Year shall be equal to the Plan Interest Rate for the Previous Plan Year.

5.3. CHARGES AGAINST SUPPLEMENTAL ACCOUNTS. There shall be charged against each Participant's Supplemental Benefit Account any payments made to the Participant or his or her Beneficiary in accordance with Sections 6 or 7 of the Plan.

5.4. CONTRACTUAL OBLIGATION. It is intended that the Company is under a contractual obligation to make payments to a Participant when due. Such payments shall be made out of the general funds of the Company.

5.5. UNSECURED INTEREST. No Participant or Beneficiary shall have any interest whatsoever in any specific asset of the Company. To the extent any person acquires a right to receive payments under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

SECTION 6. PAYMENT OF SUPPLEMENTAL ACCOUNT

6.1. FORM OF DISTRIBUTION. Upon the occurrence of an Event of Maturity effective as to a Participant, the Company shall commence payment of such Participant's Supplemental Account (reduced by the amount of any applicable payroll, withholding and other taxes) in the form(s) designated by the Participant in his or her elections. A Participant shall not be required to make application to receive payment. Distribution shall not be made to any Beneficiary, however, until such Beneficiary shall have filed a written application for benefits and such other information as may be requested by the Company and such application shall have been approved by the Company.

6.1.1. FORM OF PAYMENT. Payment shall be made as follows:

(a) TERM CERTAIN INSTALLMENTS TO PARTICIPANT. Subject to Section 6.1.1(d), below, if the distributee is a Participant and the Installment Amount on the applicable Selected Distribution Date (without giving effect to any growth additions after such date) is at least Fifty Thousand Dollars ($50,000), in a series of monthly installments payable over one hundred twenty (120) months. The amount of the monthly installments shall be approximately equal and shall include a reasonable interest assumption as determined by the Company from time to time.

(b) CONTINUED TERM CERTAIN INSTALLMENTS TO BENEFICIARY. If the distributee is a Beneficiary of a deceased Participant and payment had commenced to the deceased Participant before his or her death over a one hundred twenty (120) month period as specified in paragraph (a) above, in a series of annual installments payable over the remainder of such period.

(c) LUMP SUM. Except as provided in Section 6.1.1(b), if the distributee is either Beneficiary or a representative of the estate of a deceased Participant, in a single lump sum payment pursuant to Section 6.1.2(c), below.

(d) LUMP SUM DISTRIBUTION NOTWITHSTANDING DESIGNATION. Notwithstanding the Participant's election to have all or a portion of his or her Supplemental Account paid in installments pursuant to Section 6.1.1(a) or the designation by the Participant of a Selected Distribution Date that will occur after the date of the Participant's Termination of Employment, such Participant's Supplemental Account (or relevant portion thereof, as the case may be) shall be paid in a single

lump sum pursuant to the provisions of Section 6.1.2(a), below, unless such Installment Amount, as of the applicable distribution date (without giving effect to any growth additions after such date), is at least Fifty Thousand Dollars ($50,000). If a Selected Distribution Date will occur after the Participant's Termination of Employment, the Company will make an estimate of the amount of the distribution that will be made in a lump sum or the Installment Amount that will be available for installments, as the case may be, on or commencing on such Selected Distribution Date. Such estimate (i) shall include a reasonable interest assumption as determined by the Company for the period between the Participant's Termination of Employment and such Selected Distribution Date, (ii) shall not include any growth additions after the Selected Distribution Date, and (iii) shall include all portions of the Supplemental Account distributable in a lump sum or in one hundred twenty (120) monthly installments beginning on such Selected Distribution Date notwithstanding that such amounts may have been attributable to elections relating to more than one Plan Year. Separate estimates shall be made for lump sum and installment payments that are to be made and commence on the same Selected Distribution Date. If any such estimate is less than Fifty Thousand Dollars ($50,000), the portion of the Supplemental Account that would otherwise be distributed on or commencing with such Selected Distribution Date shall instead be distributed as if the Participant had elected a lump sum distribution payable upon such Participant's Termination of Employment as provided by Section 6.1.2(a), below.

(e) LUMP SUM DISTRIBUTION UPON DISPOSITION OF AFFILIATE. Notwithstanding the foregoing provisions of this Section 6.1.1 or any enrollment of a Participant to the contrary, if a Termination of Employment is deemed to occur on account of a sale or other disposition of stock or assets of an Affiliate, the Supplemental Benefit Account of Participants employed by such Affiliate who are deemed to have had such a Termination of Employment shall be distributed in a single lump sum.

6.1.2. TIME OF PAYMENT. Payment shall be made or commenced to a Participant in accordance with the following rules:

(a) TERMINATION OF EMPLOYMENT. If the payment is to be made or commenced on account of the Participant's Termination of Employment, payment shall be made or commenced within sixty (60) days of such Termination of Employment.

(b) DEATH - INSTALLMENTS TO BENEFICIARY. If installments are recommenced pursuant to Section 6.1.1(b) on account of the Participant's death, the recommencement of such installment payments shall begin within sixty (60) days after the later date of such Participant's death or approval by the Management Committee of such Beneficiary's application for recommencement of installments.

(c) DEATH - LUMP SUM TO BENEFICIARY OR REPRESENTATIVE. If a single lump sum payment is to be made pursuant Section 6.1.1(c) to the Participant's Beneficiary

or to the representative or representatives of such Participant's estate, payment shall be made within the later of sixty (60) days after the Participant's death or the approval by the Management Committee of such Beneficiary's application for payment or documentation evidencing the appointment of such representative or representatives.

(d) DISABILITY. If the payment is made on account of the Participant's Disability, payment shall be made in a single lump sum as if the Participant had a Termination of Employment as provided in paragraph (a) above, within sixty (60) days of the determination of the existence of such Disability.

(e) SELECTED DISTRIBUTION DATE. Subject to the provisions of Section 6.1.1(d), if payment is to be made or commenced on a Selected Distribution Date, payment will be made or commenced within sixty (60) days of such Selected Distribution Date.

(f) DISPOSITION OF AFFILIATE. If the payment is to be made on account of the Participant's Termination of Employment on account of a disposition of an Affiliate, payment shall be made within sixty (60) days of such disposition.

6.1.3. DEFAULT. If for any reason a Participant shall have failed to make a timely written designation of the form of distribution or of a Selected

Distribution Date for payment (including reasons entirely beyond the control of the Participant), the payment shall be made in a single lump sum in accordance with the provisions of Section 6.1.2(a). No spouse, former spouse, Beneficiary or other person shall have any right to participate in the Participant's selection of a form of benefit.

6.2. CODE SECTION 162(M) DELAY. If the Company determines that delaying the time when the initial payments are made or commenced would increase the probability that such payments would be fully deductible by the Company for federal or state income tax purposes, the Company may unilaterally delay the time of the making or commencement of such payments for up to twelve (12) months after the date such payments would otherwise be made.

SECTION 7. FINANCIAL EMERGENCY

The Management Committee may alter the manner or timing of payment of Supplemental Account under Section 6 in the event that the Participant establishes, to the satisfaction of the Management Committee, severe financial hardship. In such event, the Committee may:

(a) Provide that all or a portion of the Supplemental Account shall be paid immediately in a lump sum payment,

(b) Provide that all or a portion of the installments payable over a period of time shall be paid immediately in a lump sum, or

(c) Provide for such other installment payment schedules as it deems appropriate under the circumstances,

as long as the accelerated distribution shall not be in excess of that amount which is necessary for the Participant to meet the financial hardship.

Severe financial hardship shall be deemed to have occurred in the event of the Participant's impending bankruptcy, a Participant's or dependent's long and serious illness, or other events of similar magnitude. The Management Committee's determination as to the occurrence of a severe financial hardship of the Participant and the manner in which, if at all, the payment of Supplemental Account benefits shall be altered or modified, shall be final.

SECTION 8. BENEFICIARY

A Participant may designate a Beneficiary or Beneficiaries who, upon his or her death, shall receive the distributions that otherwise would have been paid to the Participant. All designations shall be in writing and shall be effective only if and when delivered to the Chief Executive Officer of the Company during the lifetime of the Participant. If a Participant designates a Beneficiary without providing in the designation that the Beneficiary must be living at the time of such distribution, the designation shall vest in the Beneficiary all of the distributions, whether payable before or after the Beneficiary's death, and any distributions remaining upon the Beneficiary's death shall be paid to the Beneficiary's estate.

A Participant may, from time to time, change the Beneficiary or Beneficiaries by a written instrument delivered to the Chief Executive Officer of the Company. In the event a Participant shall not designate a Beneficiary or Beneficiaries pursuant to this Section, or if for any reason such designation shall be ineffective, in whole or in part, the distributions that otherwise would have been paid to such Participant shall be paid to the estate of such Participant and in such event, the term "Beneficiary" shall include the estate.

SECTION 9. NONTRANSFERABILITY

In no event shall the Company make any payment under the Plan to any assignee or creditor of a Participant or a Beneficiary. Prior to the time of payment hereunder, a Participant or Beneficiary shall have no rights by way of anticipation or otherwise to assign or otherwise dispose of any interest under the Plan nor shall such rights be assigned or transferred by operation of law.

SECTION 10. DETERMINATIONS - RULES AND REGULATIONS

10.1. DETERMINATIONS. The Management Committee shall make such determinations as may be required from time to time in the administration of the Plan. The Management Committee shall have the discretionary authority and responsibility to interpret and construe the Plan and to determine all factual and legal questions under the Plan, including but not limited to the entitlement of Participants and Beneficiaries, and the amounts of their respective interests. Each interested party may act and rely upon all information reported to them hereunder and need not inquire into the accuracy thereof, nor be charged with any notice to the contrary.

10.2. RULES AND REGULATIONS. Any rule not in conflict or at variance with the provisions hereof may be adopted by the Management Committee.

10.3. METHOD OF EXECUTING INSTRUMENTS. Information to be supplied or written notices to be made or consents to be given by the Management Committee pursuant to any provision of this Plan may be signed in the name of the Management Committee by any person who has been authorized to make such certification or to give such notices or consents.

10.4. CLAIMS PROCEDURE. The claims procedure set forth in this Section 10.4 shall be the exclusive procedure for the disposition of claims for benefits arising under the Plan.

10.4.1. ORIGINAL CLAIM. Any Participant, former Participant or Beneficiary of such Participant or former Participant may, if he or she so desires, file with the Management Committee a written claim for benefits under the Plan. Within ninety (90) days after the filing of such a claim, the Management Committee shall notify the claimant in writing whether the claim is upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred eighty (180) days from the date the claim was filed) to reach a decision on the claim. If the claim is denied in whole or in part, the Company shall state in writing:

(a) The specific reasons for the denial;

(b) The specific references to the pertinent provisions of this Plan on which the denial is based;

(c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(d) An explanation of the claims review procedure set forth in this section.

10.4.2. CLAIMS REVIEW PROCEDURE. Within sixty (60) days after receipt of notice that the claim has been denied in whole or in part, the claimant may file with the Management Committee a written request for a review and may, in conjunction therewith, submit written issues and comments. Within sixty (60) days after the filing of such a request for review, the Management Committee shall notify the claimant in writing whether, upon review, the claim was upheld or denied in whole or in part or shall furnish the claimant a written notice describing specific special circumstances requiring a specified amount of additional time (but not more than one hundred twenty (120) days from the date the request for review was filed) to reach a decision on the request for review.

10.4.3. GENERAL RULES.

(a) No inquiry or question shall be deemed to be a claim or a request for a review of a denied claim unless made in accordance with the claims procedure. The Committee may require that any claim for benefits and any request for a review of a denied claim be filed on forms to be furnished by the Management Committee upon request.

(b) All decisions on claims and on requests for a review of denied claims shall be made by the Management Committee.

(c) The Management Committee may, in its discretion, hold one or more hearings on a claim or a request for a review of a denied claim.

(d) A claimant may be represented by a lawyer or other representative (at the claimant's own expense), but the Management Committee reserves the right to require the claimant to furnish written authorization. A claimant's representative shall be entitled to copies of all notices given to the claimant.

(e) The decision of the Management Committee on a claim and on a request for a review of a denied claim shall be served on the claimant in writing. If a decision or notice is not received by a claimant within the time specified, the claim or request for a review of a denied claim shall be deemed to have been denied.

(f) Prior to filing a claim or a request for a review of a denied claim, the claimant or his or her representative shall have a reasonable opportunity to review a copy of this Plan and all other pertinent documents in the possession of the Management Committee.

10.5. INFORMATION FURNISHED BY PARTICIPANTS. The Company and its Affiliates shall not be liable or responsible for any error in the computation of the Supplemental Account of a Participant resulting from any misstatement of fact made by the Participant, directly or indirectly, to the Company, and used by it in determining the Participant's Supplemental Account. The Company shall not be obligated or required to increase the Supplemental Account of such Participant which, on discovery of the misstatement, is found to be understated as a result of such misstatement of the Participant. However, the Supplemental Account of any Participant which are overstated by reason of any such misstatement shall be reduced to the amount appropriate in view of the truth.

SECTION 11. ADMINISTRATION

11.1. COMPANY. Functions generally assigned in this Plan to the Company are delegated to the Committee, Chief Executive Officer and the Management Committee as follows:

11.1.1. CHIEF EXECUTIVE OFFICER. Except as otherwise provided by the Plan and as set forth in Section 11.1.2, below, the Chief Executive Officer of the Company shall delegate to a Management Committee all matters regarding the administration of the Plan.

11.1.2. COMMITTEE. Notwithstanding the foregoing general delegations to the Chief Executive Officer and the Management Committee, the Committee shall have the exclusive authority, which may not be delegated, to act for the Company:

(a) to amend or to terminate this Plan;

(b) to consent to the adoption of the Plan by other business entities; to establish conditions and limitations upon such adoption of the Plan by other business entities; and

(c) to establish the Plan Interest Rate pursuant to Section 5.2.

11.1.3. MANAGEMENT COMMITTEE.

(a) APPOINTMENT AND REMOVAL. The Management Committee, subject to the direction of the Committee and the Chief Executive Officer, shall have all of the functions and authorities generally assigned in this Plan to the Company. The Management Committee shall consist of one or more members as may be determined and appointed from time to time by the Chief Executive Officer of the Company and they shall serve at the pleasure of such Chief Executive Officer and the Committee.

(b) AUTOMATIC REMOVAL. If any individual who is a member of the Management Committee is a director, officer or employee when appointed as a member of the Management Committee, then such individual shall be automatically removed as a member of the Management Committee at the earliest time such individual ceases to be a director, officer or employee. This removal shall occur automatically and without any requirement for action by the Chief Executive Officer of the Company or any notice to the individual so removed.

(c) AUTHORITY. The Management Committee may elect such officers as the Management Committee may decide upon. In addition to the other authorities delegated elsewhere in this Plan to the Management Committee, the Management Committee shall:

(i) establish rules for the functioning of the Management Committee, including the times and places for holding meetings, the notices to be given in respect of such meetings and the number of members who shall constitute a quorum for the transaction of business,

(ii) organize and delegate to such of its members as it shall select authority to execute or authenticate rules, advisory opinions or instructions, and other instruments adopted or authorized by the Management Committee; adopt such bylaws or regulations as it deems desirable for the conduct of its affairs; appoint a secretary, who need not be a member of the Management Committee, to keep its records and otherwise assist the Management Committee in the performance of its duties; keep a record of all its proceedings and acts and keep all books of account, records and other data as may be necessary for the proper administration of the Plan,

(iii) determine from the records of the Company and its Affiliates the compensation, service records, status and other facts regarding Participants and other employees,

(iv) cause to be compiled at least annually, from the records of the Management Committee and the reports and accountings of the Company and its Affiliates, a report or accounting of the status of the Plan and the Supplemental Accounts of the Participants, and make it available to each Participant who shall have the right to examine that part of such report or accounting (or a true and correct copy of such part) which sets forth the Participant's benefits,

(v) prescribe forms to be used for applications for participation, benefits, notifications, etc., as may be required in the administration of the Plan,

(vi) set up such rules as are deemed necessary to carry out the terms of this Plan,

(vii) resolve all questions of administration of the Plan not specifically referred to in this Section,

(viii) delegate or redelegate to one or more persons, jointly or severally, and whether or not such persons are members of the Management Committee or employees of the Company, such functions assigned to the Management Committee hereunder as it may from time to time deem advisable, and

(ix) perform all other acts reasonably necessary for administering the Plan and carrying out the provisions of this Plan and performing the duties imposed by the Plan on it.

(d) MAJORITY DECISIONS. If there shall at any time be three (3) or more members of the Management Committee serving hereunder who are qualified to perform a particular act, the same may be performed, on behalf of all, by a majority of those qualified, with or without the concurrence of the minority. No person who failed to join or concur in such act shall be held liable for the consequences thereof, except to the extent that liability is imposed under ERISA.

11.2. CONFLICT OF INTEREST. If any officer or employee of the Company or an Affiliate, any member of the Committee, or any member of the Management Committee to whom authority has been delegated or redelegated hereunder shall also be a Participant or Beneficiary in the Plan, the individual shall have no authority as such officer, employee, Committee or Management Committee member with respect to any matter specially affecting his or her individual interest hereunder (as distinguished from the interests of all Participants and Beneficiaries or a broad class of Participants and Beneficiaries), all such authority being reserved exclusively to the other officers, employees, Committee or Management Committee members as the case may be, to the exclusion of such Participant or Beneficiary, and such Participant or Beneficiary shall act only in his or her individual capacity in connection with any such matter.

11.3. DUAL CAPACITY. Individuals, firms, corporations or partnerships identified herein or delegated or allocated authority or responsibility hereunder may serve in more than one fiduciary capacity.

11.4. ADMINISTRATOR. The Company shall be the administrator for purposes of section 3(16)(A) of ERISA.

11.5. NAMED FIDUCIARIES. The Chief Executive Officer, the Committee and the Management Committee shall be named fiduciaries for the purpose of section 402(a) of ERISA.

10.6. SERVICE OF PROCESS. In the absence of any designation to the contrary by the Company, the Secretary of the Company is designated as the appropriate and exclusive agent for the receipt of service of process directed to the Plan in any legal proceeding, including arbitration, involving the Plan.

10.7. ADMINISTRATIVE EXPENSES. The reasonable expenses of administering the Plan shall be payable by the Company.

SECTION 12. AMENDMENT AND TERMINATION

The Company expects the Plan to be permanent but since future conditions affecting the Company cannot be anticipated or foreseen, the Company reserves the right to amend, modify or terminate the Plan at any time by action of the Committee.

SECTION 13. LIFE INSURANCE CONTRACT

If the Company elects to purchase one or more life insurance contracts to provide it with funds to make payments under the Plan, the Company shall at all times be the sole and complete owner and Beneficiary of such contract(s), and shall have the unrestricted right to use all amounts and exercise all options and privileges under such contract(s) without the knowledge or consent of

any Participant or Beneficiary or any other person; neither Participant, Beneficiary nor any other person shall have any right, title or interest whatsoever in or to any such contract(s).

SECTION 14. MERGER, CONSOLIDATION OR ACQUISITION

In the event of a merger, consolidation or acquisition, in which the Company is not the surviving corporation, unless the successor or acquiring corporation shall elect to continue and carry on this Plan, all Supplemental Accounts shall become immediately payable in full, notwithstanding any other provision of this Plan to the contrary.

SECTION 15. NO VESTED RIGHTS

The Plan and the elections exercisable hereunder shall not be deemed or construed to be a written contract of employment between any Participant and the Company or any of its Affiliates, nor shall any provision of the Plan restrict the right of the Company or any of its Affiliates to discharge any Participant, nor shall any provision of the Plan in any way whatsoever grant to any Participant the right to receive any scheduled compensation, bonus, or other payment of any nature whatsoever.

SECTION 16. APPLICABLE LAW

This Plan shall be construed and this Plan shall be administered to create an unfunded plan providing deferred compensation to a select group of management or highly compensated employees so that it is exempt from the requirements of Parts 2, 3 and 4 of Title I of ERISA and qualifies for a form of simplified, alternative compliance with the reporting and disclosure requirements of Part 1 of Title I of ERISA. Any reference in this Plan to a statute or regulation shall be considered also to mean and refer to any subsequent amendment or replacement of that statute or regulation. This Plan has been executed and delivered in the State of Minnesota and has been drawn in conformity to the laws of that State and shall be construed and enforced in accordance with the laws of the State of Minnesota.

Exhibit 10 G

DELUXE CORPORATION

DESCRIPTION OF INITIAL COMPENSATION AND EMPLOYMENT
ARRANGEMENT WITH JOHN A. BLANCHARD III

Title: President and CEO
Board Membership: Recommend election to board
Base Salary: $500,000 per year; next review November 1996
Annual Bonus: Target award equal to 60% base salary; prorata portion guaranteed for 1995 Bonus payout range from 0% to 200% of target.
Long-Term Compensation: Full participation in ongoing long-term program 40,000 share stock option grant for 1995.
Replacement for Forfeited Awards: Inducement to Join: 125,000 share stock option grants (25,000 1995, 50,000 1996, 50,000 1997) and 25,000 share restricted stock award with minimum five-year vesting $250,000 cash sign-on bonus; suggest that after-tax proceeds be used to buy Deluxe stock on open market upon joining.
Retirement Benefits: Credit 15 years of additional service for purposes of computing benefits under the Company's two defined-contribution retirement plans.
Perquisites: Extend participation in the Company's automobile, tax preparation and other executive perquisite programs.
Severance: 24-month continuation of base salary and welfare and retirement benefits following actual or constructive termination without cause.
Change of Control: Options vest immediately, restricted stock and performance shares remain in place.

May 1, 1995

Exhibit 10 H

DELUXE CORPORATION

DESCRIPTION OF SUPPLEMENTAL PENSION PLAN

[To: JOHN A. "GUS" BLANCHARD III]

The May 1, 1995 memorandum concerning your compensation by the Company ("Compensation Memorandum"), provided that you would receive "credit [for] fifteen years of additional service for purpose of computing benefits under the Company's two defined contribution plans." At its October 11, 1995 meeting, the Compensation Committee of the Board of Directors, having considered the Compensation Memorandum and management's recommendations, with your consent, adopted the approach set out below to measure and define the additional retirement benefits associated with such additional fifteen years of service.

Your total annual retirement benefits, referred to as "Target Annual Retirement Benefits," will consist of two parts. The first part will be comprised of benefits under all Deluxe-paid retirement plans (including, without limitation, the Company's profit sharing, pension and supplemental (ERISA excess) plans) and any Company-paid portion of contributory retirement plans. Your participation in and the benefits you receive under those plans will be governed by the terms of those plans as the same may be amended from time to time. For the purposes of this letter, those plans are referred to together as the "Base Plans" and the estimated annual benefits to be paid out under those plans (as further explained below) will be referred to as the "Estimated Annual Base Plan Benefits."

The second part of your retirement benefits will consist of the supplemental retirement benefits necessary to achieve your Target Annual Retirement Benefits. Such supplemental retirement benefits are intended to provide you with incremental retirement benefits (the annual amount of such incremental benefits being referred to as the "Incremental Annual Retirement Benefits") so that your total benefits would be the amount you would have received had you worked for the Company for an additional fifteen years as contemplated by the Compensation Memorandum.

The sum of Estimated Annual Base Plan Benefits and Incremental Annual Retirement Benefits will equal Target Annual Retirement Benefits.

APPROACH:

The steps in calculating Incremental Annual Retirement Benefits are as follows:

1. To calculate Target Annual Retirement Benefits, you will be credited with fifteen (15) years of service which will be added to your actual years of service at retirement. Target Annual Retirement Benefits equals the product of (a) one and one-half percent (1.5%) (b) your actual number of years of service at retirement (or at the time your employment by the Company is terminated due to death or disability) plus fifteen (15) and, (c) the average of your highest five years cash compensation with the Company (base plus annual cash incentive). If you are employed less than five years by the Company, your average compensation will be computed on the basis of your fully completed years of employment by the Company.

EXAMPLE: ASSUMING RETIREMENT WITH 12 YEARS OF SERVICE: 1.5% X 27 YOS (15+12) = 40.5% X HI-5 AVERAGE CASH COMPENSATION.

2. Estimated Annual Base Plan Benefits equals the annual amount of a fifteen (15) year level payment option (i.e. annuity) with respect to the principal accumulated for you in the Base Plans at the time of your retirement assuming an annual rate of interest of eight percent (8%) rate during the fifteen (15) year distribution period.

3. Incremental Annual Retirement Benefits equals the amount computed by subtracting the amount determined under paragraph 2 from the amount determined under paragraph 1. The amount of the Incremental Annual Retirement Benefits will be paid to you annually for fifteen (15) years following your retirement, subject to the limitations set out below.

Incremental Annual Retirement Benefits will not be paid unless you have completed five years of continuous service with the Company, except that:

- If your employment with the Company is terminated due to your disability, Incremental Annual Retirement Benefits will be paid to you without regard to the five year minimum service requirement. For the purposes hereof, disability will mean any accident or illness that prevents you from performing the duties of your position as the Company's Chief Executive Officer for three months in any six month period.

- If your employment by the Company is terminated due to death, Incremental Annual Retirement Benefits will be paid to your named beneficiaries, if any, or to your estate, personal representatives or heirs, as appropriate, without regard to the five year minimum service requirement.

- If you die after you become eligible to receive Incremental Retirement Benefits but before you have been paid the full fifteen (15) years of such benefits, the balance remaining at the time of your death will be paid to your named beneficiaries, if any, or to your estate, personal representatives or heirs, as appropriate for the balance of such fifteen (15) year period at the time such benefits would have been paid had you lived for the full fifteen (15) year period.

The schedule below illustrates how the 15 years of credited service will be combined with actual service in step #1 above. The numbers shown will be adjusted for a portion of actual service.

<TABLE>
<CAPTION>

YEARS WORKED	YEARS CREDITED	BENEFITS AS A % OF HI-5 AVG. COMP. (1)	
<C>	<C>	<C>	<S>
1	16	24%	
2	17	25.5%	Death
3	18	27%	&
4	19	28.5%	Disability
5	20	30%	Benefits
6	21	31.5%	
7	22	33%	Death,
8	23	34.5%	Disability
9	24	36%	&
10	25	37.5%	Retirement
11	26	39%	Benefits
12	27	40.5%	

</TABLE>

(1)   If the employment period is less than five years (due to death or disability), average compensation will equal the average of compensation during the fully completed years of employment with the Company.

October 11, 1995

Exhibit 10 I

DELUXE CORPORATION

DEFERRED COMPENSATION AGREEMENT

This Agreement is made as of March 15, 1993, between DELUXE CORPORATION (Deluxe) and Vernon W. Yates (Employee):

WITNESSETH:

WHEREAS an employment relationship has been established between Deluxe (Employer) and Employee to the mutual benefit and profit of both parties, and

WHEREAS the parties wish to continue this relationship and to provide for certain contingencies,

NOW, THEREFORE, in consideration of the mutual promises of the parties and the benefits intended to be secured by the performance of such promises, the parties agree as follows:

1. Employer agrees to continue in the full-time employment of Employer or any company under common ownership with Deluxe under such terms and conditions of employment as may be determined by Deluxe Corporation from time to time.

2. Deluxe agrees that if Employee continues in the full-time employment of Employer or other company under common ownership with Deluxe continuously until March 15, 1998, Deluxe will, commencing within thirty (30) days after Employee's termination of employment on such date or subsequently, pay to Employee, as additional compensation, monthly payments for a ten (10) year period of time, with the amount of each such payment to be equal to the amount that would be payable on such dates under a conventional single premium retirement annuity policy (10-year payout option) issued by a reputable insurance company, if such policy were purchased on March 15, 1993, with premium in the amount of $45,000.00. If Employee dies after completion of the period of employment provided in the preceding sentence, but before all monthly payments have been paid to him, such payments, or the balance of any such payments, shall be paid to any beneficiary[ies] designated by Employee in connection with this Agreement.

3. If Employee dies or retires from the full-time employment of Employer or other company under common ownership with Deluxe on account of total or permanent disability before March 15, 1998, Deluxe agrees that it will, commencing within thirty (30) days after such death or retirement, pay to

Employee (or, in the case of death, to any beneficiary[ies] designated by Employee), as additional compensation, monthly payments for a ten (10) year period of time, with the amount of such payment to be equal to the amount that would be payable on such dates under an annuity policy as described in paragraph 2.

4. This Agreement shall be binding upon the parties, their heirs, executors, administrators, successors, and assigns. In the event of a merger, consolidation, or reorganization involving Deluxe, this Agreement shall continue in force and become an obligation of Deluxe's successor or successors.

5. If Deluxe elects to purchase an annuity contract to provide it with funds to make payments under this Agreement, Deluxe Corporation shall at all times be the sole owner and beneficiary of such contract, and neither employee nor any beneficiary shall have any right, title or interest in any such contract.

6. This Agreement shall not restrict the right of Employer to discharge Employee at any time, provided such discharge is deemed to be in the best interest of Employer.

7. This Agreement shall be governed by the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of this 15th day of March, 1993.

DELUXE CORPORATION

/s/ J. K. Twogood	/s/ Vernon W. Yates
J. K. Twogood Executive Vice President and Chief Operating Officer	Vernon W. Yates

March 15, 1993

Exhibit 10 J

DELUXE CORPORATION

DESCRIPTION OF COMPENSATION ARRANGEMENT WITH
HAROLD V. HAVERTY

Continue Mr. Haverty's base compensation at its current rate through December 31, 1995; thereafter base compensation will be set at the annual rate of $300,000.00 payable monthly until Mr. Haverty's expected retirement on the date of 1997 annual meeting.

Continue Mr. Haverty's eligibility for 1995 incentive compensation under the Annual Incentive Plan ("AIP"), provided that payment is not guaranteed and that eligibility for future participation under the AIP ceases thereafter.

No modification or any further action at this time with respect to any of his outstanding stock options or awards of performance shares, restricted stock or stock units, which will vest and/or be earned/paid/exercised in accordance with the terms thereof, assuming retirement at 1997 annual meeting.

No modification or any further action at this time with respect to any retirement benefits or deferral balances which will be paid according to plan terms, assuming retirement at 1997 annual meeting.

Grant Mr. Haverty on May 1, 1995, a non-qualified stock option under the Stock Incentive Plan to purchase 35,000 shares of the Corporation's common stock at a per share option exercise price equal to the closing price of a share of the Corporation's common stock on the New York Stock Exchange (composite tape) on May 1, 1995, as reported by THE WALL STREET JOURNAL, Midwest Edition, such option to vest at the rate of one-third annually on the first, second and third anniversary dates of the grant, to have a ten year term, to be exercisable to a period of five years following death, disability and retirement, and to be subject to such other terms and conditions as are customarily included in the Corporation's non-qualified stock options granted its officers.

No award or grant of any additional stock options or performance shares after May 1, 1995.

Mr. Haverty's duties and responsibilities will be coordinated with the Chief Executive Officer of the Corporation.

Any termination of Mr. Haverty's employment prior to the 1997 annual meeting will be treated as follows:

a: Death: Estate or representatives will be paid a lump sum equal to the present value of any remaining base compensation payments.

b: Disability: Continued payment of base compensation.

c: "No Fault Termination": (i.e. involuntary termination through no fault of Mr. Haverty) will result in continued payment of base compensation.

d: Any other termination (other than retirement) (e.g. refusal to serve, failure to perform or cooperate etc.), will result in termination of base compensation.

April 28, 1995

Exhibit 12

Deluxe Corporation
Computation of Ratio of Earnings to Fixed Charges

<TABLE>
<CAPTION>

	Twelve Months Ended	Years Ended December 31,				
	Dec 31 1995	1994	1993	1992	1991	1990
<S>	<C>	<C>	<C>	<C>	<C>	<C>
EARNINGS						
Income from Continuing Operations before Income Taxes	$169,319	$246,706	$235,913	$324,783	$295,493	$282,506
Interest expense (excluding capitalized interest)	13,099	9,733	10,070	15,371	8,220	1,427
Portion of rent expense under long-term operating leases representative of an interest factor	14,761	13,554	13,259	12,923	11,807	10,849
Amortization of debt expense	84	84	84	84	71	0
Total earnings	$197,263	$270,077	$259,326	$353,161	$315,591	$294,782
FIXED CHARGES						
Interest Expense (including capitalized interest)	$14,714	$10,492	$10,555	$15,824	$8,990	$1,860
Portion of rent expense under long-term operating leases representative of an interest factor	14,761	13,554	13,259	12,923	11,807	10,849
Amortization of debt expense	84	84	84	84	71	0
Total fixed charges	$29,559	$24,130	$23,898	$28,831	$20,868	$12,709
Ratio of earnings to fixed charges:	6.7	11.2	10.9	12.2	15.1	23.2

</TABLE>

FINANCIAL HIGHLIGHTS

<TABLE>
<CAPTION>

(Dollars in Thousands Except per Share Amounts)	1995	1994	Change
<S>	<C>	<C>	<C>
Net sales	$1,857,981	$1,747,644	6.3%
Income from continuing operations	94,434	144,253	(34.5%)
Return on sales	5.1%	8.3%	
Per share	1.15	1.75	(34.3%)
Return on average shareholders equity	11.8%	17.9%	
Net income	87,021	140,866	(38.2%)
Per share	1.06	1.71	(38.0%)
Cash dividends paid	122,143	120,503	1.4%
Per share	1.48	1.46	1.4%
Shareholders' equity	780,374	814,393	(4.2%)
Book value per share	9.47	9.89	(4.2%)
Average common shares outstanding (thousands)	82,420	82,400	
Number of shareholders	20,843	22,436	
Number of employees	19,286	18,839	2.4%

</TABLE>

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This discussion summarizes significant factors that affected the consolidated operating results and financial condition of Deluxe Corporation for the three years ended December 31, 1995. The discussion in this section is based on segmentation of the business as described in Note 11 to Consolidated Financial Statements. During the fourth quarter of 1995, the Company announced that it is terminating its Printwise ink business, which is treated as discontinued operations in the financial statements presented in this report. Also during 1995, the Company recorded non-recurring pretax charges of $62.5 million for production consolidation and process improvements, exiting unprofitable businesses and products, and write-offs of non-performing assets. These costs are spread throughout the consolidated statements of income according to the nature of the charge. Of the $62.5 million in charges, $16.6 million is included in cost of sales, $35.9 million in selling, general, and administrative expense, and $10 million in other non-operating expense. Except for the paragraph entitled "Net income", material in this section reflects results from continuing operations, including the above mentioned charges.

OVERALL SUMMARY

1995 was the 57th consecutive year of increased sales for Deluxe. The sales increase of 6.3% was attributable to the Company's Electronic Payments and Business Systems divisions, offset partially by a slight decline in financial institution check printing and social expression revenue. 1995 income from continuing operations was $94.4 million, compared to $144.3 million in 1994. 1995 results include non-recurring pretax charges of $62.5 million. The results for 1994 included a $10 million credit to a 1993 restructuring charge. Earnings per share from continuing operations were $1.15 in 1995 and $1.75 in 1994. Return on average assets for 1995 was 7.4%, compared to 11.5% for 1994. Return on average shareholders equity was 11.8% in 1995 versus 17.9% in 1994.

<TABLE>
<CAPTION>

PERCENTAGE OF REVENUE				PERCENTAGE OF DOLLAR INCREASE/(DECREASE)	
1995	1994	1993		1995 VS 1994	1994 vs 1993
<C>	<C>	<C>	<S>	<C>	<C>
100%	100%	100%	Net sales	6.3%	10.5%
53.7	55.1	53.8	Gross margin	3.6	13.1
39.6	36.7	30.9	Selling, general, and administrative	14.5	31.2
4.3	4.7	5.1	Employee sharing	(3.3)	0.4
(0.8)	(0.2)	0.3	Other expense/income (net)	(362.8)	(176.5)
4.0	5.9	6.0	Provision for income taxes	(26.9)	8.9
5.1	8.3	9.0	Income from continuing operations	(34.5)	1.7

</TABLE>

RESULTS OF OPERATIONS

The table below sets forth, for the years indicated, the percentage relationship to revenue of certain items in the Company's consolidated statements of operations and the percentage changes of such items in comparison to the prior year.

NET SALES - Net sales for the Payment Systems segment increased 7.6% to $1,179.4 million in 1995 from $1,096.3 million in 1994. Order counts for financial institution check printing remained flat; however, continued competitive discounting resulted in a reduction in revenues of 1.5%. The decline was more than offset by a 45.5% increase in the Electronic Payments division, where all units posted double-digit growth, due primarily to volume growth in sales of previously existing products and services. Included in the growth of the Electronic Payments division was $39.7 million due to acquisitions. The Business Systems segment recorded revenue of $361.5 million, an increase of 12.4% over 1994 revenue of $321.6 million. The revenue growth was generated primarily by increased volume in the forms businesses and new products and increased volume in international operations. The Consumer Specialty segment experienced a revenue decrease of 3.9% to $317 million in 1995. The decrease is attributable to lower catalog response rates for the segment's social expression products, offset partially by 2.5% revenue growth in direct mail checks.

In 1994, net sales for the Payment Systems segment increased 0.9% to $1,096.3 million from $1,087 million in 1993. Order counts for financial institution check printing increased slightly over 1993; however, continued competitive discounting resulted in a reduction in revenues of 5.8%. The decline was more than offset by the 35% growth of the Electronic Payments division. A portion of the growth was attributable to the acquisitions of National Revenue Corporation (April 1994) and The Software Partnership Ltd. (August 1994). The Business Systems segment recorded revenue of $321.6 million, an increase of 46.3% in 1994. The majority of this growth was the result of PaperDirect, Inc., which the Company acquired late in the third quarter of 1993, and the growth of the United Kingdom and Canadian operations. The Consumer Specialty segment's revenue increased 20% to $329.8 million in 1994. A large portion of this increase was due to the continued growth in the direct mail check printing business.

GROSS MARGIN - Consolidated gross margins decreased to 53.7% in 1995 from 55.1% in 1994. Without the 1995 non-recurring charges, gross margins would have been 54.6%. Payment Systems gross margins decreased to 55.6% in 1995 from 56.2% in 1994. Margin improvement from financial institution check printing was offset by declines in the Electronic Payments division, due primarily to lower margins from Financial Alliance Processing Services, Inc., which the Company acquired in January 1995. Margins for the Business Systems segment

decreased to 49.7% in 1995 from 53.3% in 1994, due primarily to 1995 non-recurring adjustments and to higher postage and paper costs. Margins for the Consumer Specialty segment declined to 51.3% from 53.4%, due primarily to a non-recurring inventory write-off of $12 million, offset partially by pricing improvements in social expression products and manufacturing efficiencies in check production.

In 1994, Payment Systems gross margins increased to 56.2%, compared to 54.8% in 1993. This improvement was the result of the Company's 1993 plant closings, and occurred despite continued competitive discounting in the financial institution check printing business. Margin percentages for the Business Systems division decreased slightly in 1994, due primarily to the lower economies of scale for the start-up businesses in the United Kingdom and Canada. Margins for the Consumer Specialty segment improved to 53.4% in 1994 from 51.5% in 1993, due to increased sales of higher margin products.

SELLING, GENERAL, AND ADMINISTRATIVE (SG&A) - Selling, general, and administrative expenses increased $93.2 million, or 14.5%, in 1995. SG&A expenses in the Payment Systems segment increased $59.8 million, due primarily to the acquisitions of The Software Partnership Ltd. (August 1994) and Financial Alliance Processing Services, Inc. (January 1995), and 1995 non-recurring charges of $15.9 million. The Business Systems segment's SG&A expenses increased approximately $36.6 million, due to an increase in catalog costs attributable primarily to rising paper and postage prices, costs associated with new product introduction, and 1995 non-recurring charges of $17.3 million.

In 1994, SG&A expenses increased $152.5 million, or 31.2% over 1993. The Business Systems segment's SG&A expenses increased approximately $76.5 million in 1994, primarily due to the acquisition of PaperDirect, Inc. The Consumer Specialty segment increased its selling expense by approximately $32.2 million, primarily due to increased advertising. The remaining increase is primarily related to increased costs associated with acquisitions, international operations, and re-engineering projects.

EMPLOYEE SHARING - A portion of employee sharing includes benefits paid to employees that are based on the Company's profitability. Other components fluctuate with the number of Company employees. The decrease to $79 million in 1995 from $81.7 million in 1994 resulted from a decrease in Company profit.

OTHER EXPENSE/INCOME (NET) - Other expense was $14.5 million in 1995, compared to $3.1 million in 1994. The increase is due primarily to 1995 non-recurring charges of $10 million, decreases in interest income and higher interest expense from increased borrowings occurring in 1995. Partially offsetting these items was a $5 million gain recorded in 1995 for insurance payments relating to 1994 earthquake damages.

In 1994, other expense was $3.1 million, compared to other income of $4.1 million in 1993. The decline is due primarily to an increase in interest expense and a decrease in investment and other income. Interest expense increased as the Company incurred short-term borrowing during the second half of 1994. Investment and other income decreased due to the liquidation of many of the Company's short-term investments and the absence of insurance gains that were realized in 1993. The short-term borrowing and the marketable security liquidation financed the Company's 1994 acquisitions.

PROVISION FOR INCOME TAXES - The Company's effective tax rate increased to 44.2% in 1995, due primarily to lower pretax income combined with an increasing base of non-deductible expenses consisting primarily of intangible amortization.

In 1994, the Company's effective tax rate increased to 41.5%, due primarily to an increase in non-deductible amortization of intangibles resulting from acquisitions and foreign losses for which no tax benefit was available.

RESTRUCTURING - During the second quarter of 1993, the Company announced a formal restructuring plan to close 16 of its check printing plants. The closings resulted from the absence of growth in the financial institution check business and production efficiencies gained from the Company's improved check printing technology. As part of the restructuring, the Company recorded a one-time charge of $49 million. By the end of 1994, the Company had substantially completed the plant closings. During the third quarter of 1994, the Company reduced the restructuring accrual by $10 million, as several costs included in the 1993 charge were not incurred. The production efficiencies gained by the restructuring have positively affected the gross margins of the Company's Paper Payments division. During the first quarter of 1996, the Company announced a restructuring plan to close 21 of its check printing plants, which was made possible by further advancements in telecommunications, order processing, and printing technology. The Company will record a $30 to $35 million charge for these plant closings and other consolidations.

NET INCOME - 1995 net income decreased to $87 million from $140.9 million in 1994, resulting primarily from the non-recurring pretax charges of $62.5 million. In addition, selling, general, and administrative expenses increased disproportionally to sales as a result of expenses related to acquisitions, recent start-up businesses, and re-engineering project costs. During 1995, the Company discontinued its Printwise ink business. Losses from discontinued operations in 1995 net of taxes were $7.4 million, compared to losses of $3.4 million in 1994. Discontinued operations in 1995 include a $7.3 million pretax charge for employee severance, asset disposition, and estimated losses during the phase-out period.

FINANCIAL CONDITION

LIQUIDITY - Cash provided by continuing operations was $214.6 million in 1995, compared to $199 million in 1994 and $223.7 million in 1993. This represents the Company's primary source of working capital for financing capital expenditures and paying cash dividends. 1994 cash provided by operations was lower than 1995 and 1993, due primarily to cash expenditures related to the check printing restructuring. Working capital was $12.3 million as of December 31, 1995, compared to $130.4 million and $224.5 million on that date in 1994 and 1993, respectively. The year-end current ratio for 1995 was 1 to 1, compared to 1.4 to 1 and 1.8 to 1 for 1994 and 1993, respectively. The declines in working capital and current ratio resulted primarily from acquisitions, increased capital expenditures, and lower profits.

CAPITAL RESOURCES - In 1995, the Company acquired Financial Alliance Processing Services, Inc., a merchant processing company included in the Electronic Payments division, at a cost of $38.8 million.

In 1994, the Company made several acquisitions at an aggregate cost of $53.8 million. The companies acquired were small- and medium-sized companies in the Business Systems and Electronic Payments divisions.

Purchases of property, plant, and equipment required cash outlays of $125.1 million in 1995, compared to $126.2 million in 1994 and $61 million in 1993. The Company anticipates capital expenditures of $80 to $90 million in 1996 for technologies to streamline production and customer fulfillment functions in the printing businesses and further investment in its electronic payment technologies.

The Company has uncommitted bank lines of credit for $189.3 million. At December 31, 1995, $14.2 million was outstanding at an interest rate of 6.6%. The maximum daily short-term borrowing was $102 million in 1995, compared to $35 million in 1994. Also, the Company has in place a $150 million committed line of credit, which is available for borrowing and as support for commercial paper. As of December 31, 1995, $34.7 million of commercial paper was issued and outstanding at a weighted average interest rate of 6.09%. The maximum daily borrowing was $115 million. No such commercial paper was issued or outstanding in 1994. During the third quarter of 1995, the Company filed a shelf registration for a $300 million medium-term note program to be used for general corporate purposes, including working capital, repayment or repurchase of outstanding indebtedness and other securities of the Company, capital expenditures, and possible acquisitions. As of December 31, 1995, no such notes were issued or outstanding.

Cash dividends totaled $122.1 million in 1995, compared to $120.5 million in 1994 and $117.9 million in 1993. The payout of earnings was 140.4% in 1995, 85.5% in 1994, and 83.1% in 1993. In December 1995, the Company's board of directors amended a 1989 stock repurchase program, permitting the repurchase of up to 10 million shares of Deluxe common stock. The board authorized the repurchase of up to 3 million shares under that plan.

OUTLOOK - The Company's declining profits over the past three years require that management re-evaluate all aspects of the Company's business. Significant actions are in process that are intended to position the Company for profitable growth. These actions include: realigning the many independent business units and divisions into two market-serving units to focus resources more effectively on the Company's greatest growth and profit opportunities; discontinuing or disposing of certain ventures, projects, products, and business units that do not fit with the strategic plans of the Company; and restructuring other businesses to reduce costs and improve profitability. These changes have and will require charges to earnings as evidenced by the 1995 $62.5 million pretax charge to continuing operations, the discontinuation of the Printwise ink segment, and the $30 to $35 million pretax restructuring charge to be taken in the first quarter of 1996 to close 21 check printing plants over a two-year period.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements and related information are the responsibility of management. They have been prepared in conformity with generally accepted accounting principles and include amounts that are based on our best estimates and judgments under the existing circumstances. The financial information contained elsewhere in this annual report is consistent with that in the consolidated financial statements.

The Company maintains internal accounting control systems that are adequate to provide reasonable assurance that the assets are safeguarded from loss or unauthorized use. These systems produce records adequate for preparation of financial information. We believe the Company's systems are effective, and the cost of the systems does not exceed the benefits obtained.

The audit committee has reviewed all financial data included in this report. The audit committee is composed entirely of outside directors and meets periodically with the internal auditors, management, and the independent public accountants on financial reporting matters. The independent public accountants have free access to meet with the audit committee, without the presence of management, to discuss their audit results and opinions on the quality of financial reporting.

The role of independent public accountants is to render an independent, professional opinion on management's consolidated financial statements to the extent required by generally accepted auditing standards.

Deluxe recognizes its responsibility for conducting its affairs according to the highest standards of personal and corporate conduct. It has distributed to all employees a statement of its commitment to conducting all Company business in accordance with the highest ethical standards.

J.A. Blanchard III
President and
Chief Executive Officer

Charles M. Osborne
Senior Vice President and
Chief Financial Officer

February 9, 1996

<TABLE>
<CAPTION>
ELEVEN-YEAR SUMMARY

(Dollars in Thousands Except per Share Amounts)	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>
Net sales	$1,857,981	$1,747,644	$1,581,767	$1,534,351
Salaries and wages	551,788	519,901	491,868	456,893
Employee profit sharing and pension plan expense	57,958	59,370	61,162	60,307
Employee bonus and stock purchase discount expense	21,087	22,331	20,215	25,494
Provision for income taxes	74,885	102,453	94,052	121,999
Income from continuing operations	94,434	144,253	141,861	202,784
Return on sales	5.08%	8.25%	8.97%	13.22%

Per share	1.15	1.75	1.71	2.42
Return on average shareholders' equity	11.84%	17.86%	17.40%	25.70%
Return on average assets	7.40%	11.50%	11.57%	17.64%
Net income	87,021	140,866	141,861	202,784
Per share	1.06	1.71	1.71	2.42
Cash dividends paid	122,143	120,503	117,945	112,483
Per share	1.48	1.46	1.42	1.34
Shareholders' equity	780,374	814,393	801,249	829,808
Book value per share	9.47	9.89	9.66	9.90
Additions to machinery and equipment	86,366	86,411	45,675	52,598
Additions to realty and leaseholds	38,702	39,815	16,435	19,013
Depreciation and amortization expense	103,303	85,906	72,320	66,615
Working capital (decrease) increase	(118,116)	(94,086)	(162,387)	55,975
Total assets	1,295,095	1,256,272	1,251,994	1,199,556
Long-term debt	110,997	110,867	110,755	115,522
Average common shares outstanding (thousands)	82,420	82,400	82,936	83,861
Number of employees	19,286	18,839	17,748	17,400
Number of production and service facilities	81	78	73	85
Facility area - square feet (thousands)	5,084	4,830	4,623	5,454

<CAPTION>

<S>	1991 <C>	1990 <C>	1989 <C>	1988 <C>
Net sales	$1,474,482	$1,413,553	$1,315,828	$1,195,971
Salaries and wages	444,987	417,193	393,339	367,302
Employee profit sharing and pension plan expense	55,410	52,314	48,423	44,398
Employee bonus and stock purchase discount expense	22,417	20,598	17,876	13,698
Provision for income taxes	112,591	110,345	93,691	83,288
Income from continuing operations	182,902	172,161	152,631	143,354
Return on sales	12.40%	12.18%	11.60%	11.99%
Per share	2.18	2.03	1.79	1.68
Return on average shareholders' equity	25.69%	26.36%	25.47%	27.08%
Return on average assets	18.08%	19.44%	18.69%	17.35%
Net income	182,902	172,161	152,631	143,354
Per share	2.18	2.03	1.79	1.68
Cash dividends paid	102,512	93,109	83,679	73,392
Per share	1.22	1.10	.98	.86
Shareholders' equity	747,976	675,792	630,643	567,731
Book value per share	8.91	8.04	7.40	6.65
Additions to machinery and equipment	48,605	49,233	55,658	59,252
Additions to realty and leaseholds	23,896	14,722	32,764	19,634
Depreciation and amortization expense	75,976	74,050	67,340	59,846
Working capital (decrease) increase	185,879	50,176	42,063	30,601
Total assets	1,099,059	923,902	847,002	786,110
Long-term debt	110,575	11,911	10,169	10,933
Average common shares outstanding (thousands)	84,005	84,638	85,346	85,255
Number of employees	17,563	17,174	16,948	16,628
Number of production and service facilities	82	81	79	77
Facility area - square feet (thousands)	5,238	5,060	4,980	4,650

<CAPTION>

<S>	1987 <C>	1986 <C>	1985 <C>
Net sales	$948,010	$866,829	$764,421
Salaries and wages	300,225	272,526	246,735
Employee profit sharing and pension plan expense	39,567	36,630	33,369
Employee bonus and stock purchase discount expense	13,686	12,702	10,802
Provision for income taxes	88,137	101,891	87,692
Income from continuing operations	148,512	121,109	104,215
Return on sales	15.67%	13.97%	13.63%
Per share	1.74	1.42	1.22
Return on average shareholders' equity	32.86%	31.57%	31.91%
Return on average assets	19.45%	20.50%	21.73%
Net income	148,512	121,109	104,215
Per share	1.74	1.42	1.22
Cash dividends paid	64,849	49,630	42,055
Per share	.76	.58	.49
Shareholders' equity	490,820	413,132	354,083
Book value per share	5.77	4.85	4.14
Additions to machinery and equipment	45,868	27,733	34,285
Additions to realty and leaseholds	15,841	9,529	3,759
Depreciation and amortization expense	45,462	32,079	25,953
Working capital (decrease) increase	(121,582)	(23,066)	25,556
Total assets	866,270	660,969	520,740
Long-term debt	12,886	14,152	13,036
Average common shares outstanding (thousands)	85,242	85,487	85,769
Number of employees	15,346	13,502	12,669
Number of production and service facilities	74	70	68
Facility area - square feet (thousands)	4,180	3,450	3,216

</TABLE>

CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS

December 31 (Dollars in Thousands)	1995	1994
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	$13,668	$29,139
Marketable securities	6,270	49,109
Trade accounts receivable	169,310	142,087
Inventories:		
Raw material	22,475	25,198
Semi-finished goods	24,861	26,046
Finished goods	28,566	36,976
Supplies	11,139	15,749
Deferred advertising	20,017	27,770
Deferred income taxes	35,926	25,647
Prepaid expenses and other current assets	48,866	43,145
Total current assets	381,098	420,866
LONG-TERM INVESTMENTS	48,147	45,091
PROPERTY, PLANT, AND EQUIPMENT		
Land	43,632	38,286
Buildings and improvements	299,954	284,131
Machinery and equipment	578,922	544,092
Construction in progress	18,315	3,225
Total	940,823	869,734
Less accumulated depreciation	446,665	407,916
Property, plant, and equipment - net	494,158	461,818
INTANGIBLES		
Cost in excess of net assets acquired - net	301,289	284,420
Other intangible assets - net	70,403	44,077
Total intangibles	371,692	328,497
Total assets	$1,295,095	$1,256,272

</TABLE>

See Notes to Consolidated Financial Statements

<TABLE>
<CAPTION>

LIABILITIES AND SHAREHOLDERS' EQUITY

December 31 (Dollars in Thousands)	1995	1994
<S>	<C>	<C>
CURRENT LIABILITIES		
Accounts payable	$ 75,644	$ 65,033
Accrued liabilities:		
Wages, including vacation pay	51,549	50,366
Employee profit sharing and pension	56,906	57,915
Accrued rebates	31,373	28,741
Other	95,675	72,707
Short-term debt	48,962	11,219
Long-term debt due within one year	8,699	4,479
Total current liabilities	368,808	290,460
LONG-TERM DEBT	110,997	110,867
DEFERRED INCOME TAXES	34,916	40,552
SHAREHOLDERS' EQUITY		
Common shares $1 par value (authorized: 500,000,000 shares; issued: 1995 - 82,364,378 shares 1994 - 82,374,771 shares)	82,364	82,375
Additional paid-in capital	1,455	1,694
Retained earnings	697,036	732,158
Unearned compensation	(739)	(149)

Net unrealized loss - marketable securities	(242)	(2,054)
Cumulative translation adjustment	500	369
Shareholders' equity	780,374	814,393
Total liabilities and shareholders' equity	$1,295,095	$1,256,272

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31 (Dollars in Thousands Except per Share Amounts)	1995	1994	1993
<S>	<C>	<C>	<C>
NET SALES	$1,857,981	$1,747,644	$1,581,767
OPERATING EXPENSES			
Cost of sales	860,266	784,452	730,436
Selling, general, and administrative	734,886	641,660	489,127
Employee profit sharing and pension	57,958	59,370	61,162
Employee bonus and stock purchase discount	21,087	22,331	20,215
Restructuring (credit) charge		(10,000)	49,000
Total	1,674,197	1,497,813	1,349,940
Income from operations	183,784	249,831	231,827
OTHER INCOME (EXPENSE)			
Other (expense) income	(1,366)	6,608	14,362
Interest expense	(13,099)	(9,733)	(10,276)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	169,319	246,706	235,913
PROVISION FOR INCOME TAXES	74,885	102,453	94,052
INCOME FROM CONTINUING OPERATIONS	94,434	144,253	141,861
DISCONTINUED OPERATIONS			
Loss from operations (net of income tax benefit of $2,146 in 1995 and $2,432 in 1994)	(3,098)	(3,387)	
Loss on disposal (net of income tax benefit of $2,985)	(4,315)		
LOSS FROM DISCONTINUED OPERATIONS	(7,413)	(3,387)	
NET INCOME	$ 87,021	$ 140,866	$ 141,861
EARNINGS PER SHARE - Based on average shares outstanding			
Income from continuing operation	$ 1.15	$ 1.75	$ 1.71
Loss from discontinued operations	$ (.09)	$ (.04)	
NET INCOME PER SHARE	$ 1.06	$ 1.71	$ 1.71
CASH DIVIDENDS PER COMMON SHARE	$ 1.48	$ 1.46	$ 1.42

</TABLE>

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

Years Ended December 31 (Dollars in Thousands)	1995	1994	1993
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES			
NET INCOME	$ 87,021	$ 140,866	$ 141,861
Discontinued operations	7,413	3,387	

INCOME FROM CONTINUING OPERATIONS	94,434	144,253	141,861
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:			
Depreciation	69,027	59,367	55,145
Amortization of intangibles	34,276	26,539	17,175
Stock purchase discount	8,185	8,369	8,537
Deferred income taxes	(9,201)	4,645	(16,111)
Changes in assets and liabilities, net of effects from acquisitions and discontinued operations:			
Trade accounts receivable	(24,949)	(13,430)	(160)
Inventories	12,893	(17,226)	(11,696)
Accounts payable	6,631	12,096	(6,885)
Other assets and liabilities	23,346	(25,589)	35,816
Net cash provided by continuing operations	214,642	199,024	223,682
Net cash used by discontinued operations	(5,315)	(5,206)	
Net cash provided by operating activities	209,327	193,818	223,682
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of marketable securities with maturities of more than 3 months		(13,115)	(119,339)
Proceeds from sales of marketable securities with maturities of more than 3 months	28,878	49,326	149,805
Net reductions of (additions to) marketable securities with maturities of 3 months or less	16,000	20,000	(32,100)
Purchases of long-term investments		(5,000)	(14,060)
Purchases of property, plant, and equipment	(125,068)	(126,226)	(60,990)
Payments for acquisitions, net of cash acquired	(37,313)	(53,796)	(110,136)
Other	(2,858)	(17,933)	(9,044)
Net cash used in investing activities	(120,361)	(146,744)	(195,864)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from short-term debt	36,312	11,219	
Payments on long-term debt	(8,918)	(8,230)	(10,260)
Payments to retire common stock	(34,715)	(39,638)	(89,172)
Proceeds from issuing stock under employee plans	25,027	25,114	28,490
Cash dividends paid to shareholders	(122,143)	(120,503)	(117,945)
Net cash used in financing activities	(104,437)	(132,038)	(188,887)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,471)	(84,964)	(161,069)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	$29,139	$114,103	$275,172
CASH AND CASH EQUIVALENTS AT END OF YEAR	$13,668	$29,139	$114,103

Supplementary cash flow disclosure:			
Interest paid	$12,519	$10,446	$11,772
Income taxes paid	93,023	94,395	119,859

See notes to Consolidated Financial Statements

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements include the accounts of the Company and all wholly owned subsidiaries.

MARKETABLE SECURITIES - Marketable securities consist of debt and equity securities. All securities are classified as available for sale and are carried at fair value, with the unrealized gains and losses, net of tax, reported as a separate component of shareholders' equity. Realized gains and losses and permanent declines in value are included in investment income. The cost of securities sold is determined using the specific identification method.

INVENTORY - Substantially all inventory is included at the lower of cost, on the last-in, first-out (LIFO) method, or market. LIFO inventories at December 31, 1995 and 1994, were approximately $18,411,000 and $8,923,000, respectively, less than replacement cost.

PROPERTY, PLANT, AND EQUIPMENT - Property, plant, and equipment are stated at cost. Buildings with 40-year lives and machinery and equipment with lives of five to 11 years are generally depreciated using accelerated methods. Leasehold and building improvements are depreciated on a straight-line basis over the estimated useful life of the property or the life of the lease, whichever is shorter.

INTANGIBLES - Intangibles are shown in the balance sheet net of amortization determined on the straight-line basis. Amortization periods range from five to 30 years for cost in excess of net assets acquired, and three to 16 years for other intangibles. Other intangibles consist primarily of purchased software, internally developed software, and professional name files. Total intangibles are as follows at December 31 (dollars in thousands):

<TABLE>
<CAPTION>

<S>	1995 <C>	1994 <C>
Cost in excess of net assets acquired	$363,756	$329,512
Other intangible assets	126,636	86,821
Total	$490,392	$416,333
Less accumulated amortization	(118,700)	(87,836)
Intangibles - net	$371,692	$328,497

</TABLE>

LONG-TERM INVESTMENTS - Long-term investments consist principally of cash surrender values of insurance contracts, investments with maturities in excess of one year, and notes receivable. Such investments are carried at cost or amortized cost which approximate their fair value. Fair values are estimated using discounted cash flow analyses based on current market interest rates for similar types of investments.

IMPAIRMENT OF LONG-LIVED ASSETS - Effective December 31, 1995, the Company adopted the Statement of Financial Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of." Under the provisions of this statement, the Company has evaluated its long-lived assets (including certain property, plant and equipment, intangibles and other long-term investments) for impairment and will continue to evaluate its long-lived assets if events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Company evaluates the recoverability of long-lived assets by measuring the unamortized balance of the long-lived assets against estimated future cash flows. If such evaluations indicate that undiscounted estimated future cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair value. Based on current evaluations, there were no adjustments to the carrying value of long-lived assets in 1995.

INCOME TAXES - Deferred income taxes result from temporary differences between the bases of assets and liabilities recognized for financial reporting purposes and such bases recognized for tax purposes.

ACCRUED REBATES - The Company enters into contractual agreements for rebates on certain products with its customers. Such amounts are recorded as a reduction to arrive at net sales, and accrued on the balance sheet as incurred.

DEFERRED ADVERTISING - The Company estimates and defers certain costs related to direct-response advertising of its products. These costs consist of materials, production, postage and design costs required to produce catalogs for the Company's direct mail businesses. Such costs are amortized over periods (generally less than 12 months) that correspond to the estimated revenue stream of the individual catalogs. Actual results could differ from the estimates noted above. The total amount of deferred advertising costs charged to expense for 1995, 1994, and 1993 was $126,257,000, $130,512,000, and $74,882,000, respectively.

TRANSLATION ADJUSTMENT - Financial position and results of operations of the Company's international subsidiaries are measured using local currencies as the functional currency. Assets and liabilities of these operations were translated at the exchange rate in effect at the balance sheet date. Income statement accounts were translated at the average exchange rate during the year. Translation adjustments arising from the use of differing exchange rates from period to period are included in the cumulative translation adjustment line in the shareholders' equity section of the balance sheet. Gains and losses that result from foreign currency transactions are included in earnings.

CONSOLIDATED STATEMENTS OF CASH FLOWS - The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The carrying amount reported in the balance sheet for cash and cash equivalents approximates fair value.

RECLASSIFICATIONS - Certain prior years' amounts have been reclassified to conform to the 1995 presentation.

STOCK-BASED COMPENSATION - In October 1995, the Financial Accounting Standards board issued Statement of Financial Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation" effective for the Company beginning January 1, 1996. SFAS No. 123 requires expanded disclosure of stock-based compensation arrangements with employees and encourages (but does not require) compensation cost to be measured based on the fair value of the equity instruments awarded.

The Company has not yet determined if it will elect to change to the fair value method, nor has it determined the effect the new standard will have on net income and earnings per share should it elect to make such a change. Adoption of the new standard will have no effect on the Company's cash flows.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. RESTRUCTURING CHARGE

In June 1993, the Company announced its plans to consolidate its financial institution check printing operations by closing 16 underutilized check printing plants. These closings resulted from the absence of growth in the financial institution check market and production efficiencies gained from the Company's improved check printing technology. In conjunction with the consolidation, the Company recorded a one-time pretax restructuring charge of $49 million in 1993. The majority of the charge consisted of estimated costs for employee severance and relocation ($36.3 million), and the disposition of assets affected by the consolidation ($9.1 million).

During 1994, the Company substantially completed its restructuring plan without incurring certain costs that were included in the 1993 charge. As a result, the Company recorded a $10 million credit in 1994 to reduce its restructuring accrual.

SUBSEQUENT EVENT - On January 31, 1996, the Company announced a plan to close 21 of its financial institution check printing plants over a two-year period. The Company will record a $30 to $35 million restructuring charge for estimated employee severance costs and asset dispositions for these plant closings and other consolidations.

The plant closings were made possible by advancements in telecommunications, order processing, and printing technology. The Company's 15 remaining plants will be equipped with capacity to produce at or above current order quantities.

3. ACQUISITIONS

On January 10, 1995, the Company acquired all of the outstanding stock of Financial Alliance Processing Services, Inc., a merchant credit card processing service. The total paid for the acquisition was $38.8 million and was accounted for using the purchase method. Accordingly, the purchase price was allocated to assets acquired based on their fair values. The total cost in excess of net assets acquired of $36.6 million is being amortized over a 10-year period. The effect of this acquisition did not have a material pro forma impact on operations.

During 1994, the Company acquired all of the outstanding stock of National Revenue Corporation, a collection services company; T/Maker Company, a developer and publisher of image content software; The Software Partnership Ltd., a United Kingdom-based developer of open systems architecture for large financial institutions; and the assets of Pacific Medsoft, a developer of software for medical professionals. The total paid for all of these acquisitions was $53.8 million. Each acquisition was accounted for using the purchase method. Accordingly, the purchase price was allocated to assets acquired based on their fair values. The total cost in excess of net assets acquired for all of these acquisitions of $48.6 million is being amortized over periods ranging from 10 to 25 years. The combined effect of these acquisitions did not have a material pro forma impact on operations.

On September 24, 1993, the Company acquired all of the outstanding capital stock of PaperDirect, Inc., a direct mail marketer of specialty papers and related products to the desktop publishing industry, for $90 million in cash. In addition, the Company agreed to pay $9 million over three years for a covenant not to compete. The Company may be required to make additional payments of up to $16 million per year over a period ending December 31, 1996, contingent upon the results of PaperDirect's operations over the course of that period.
Based on PaperDirect's 1993 operating results, the Company paid $16 million to PaperDirect's former shareholders in 1994. No additional payments were made or accrued based on PaperDirect's 1994 and 1995 operating results. The acquisition was accounted for using the purchase method. Accordingly, the purchase price was allocated to assets acquired based on their estimated fair values. This treatment resulted in approximately $100 million of cost in excess of net assets acquired. Such excess (which will increase for any future contingent cash payment) is being amortized on a straight-line basis over 30 years. 1993 consolidated results include PaperDirect's results of operations from the date of acquisition through the end of the year.

The following summarized, unaudited pro forma results of operations for the year ended December 31, 1993, assumes the acquisition occurred as of the beginning of the year (dollars in thousands except per share amounts):

	1993
Net sales	$1,624,868
Net income	141,193
Net income per common share	$1.70

On September 30, 1993, the Company completed its acquisition of Stockforms Ltd., a supplier of accounting software forms based in the United Kingdom, by purchasing the remaining 75% of its assets for approximately $11.7 million. (The Company had purchased the initial 25% during 1992 for approximately $3 million.) The acquisition was accounted for using the purchase method. Accordingly, the purchase price was allocated to assets acquired based on their fair values. The total cost in excess of net assets acquired of $13.9 million is being amortized on a straight-line basis over 20 years. The effect of this acquisition did not have a material pro forma impact on operations.

4. MARKETABLE SECURITIES

On December 31, 1995 and 1994, marketable securities available for sale consist of the following (dollars in thousands):

	1995			1994		
	COST	UNREALIZED HOLDING LOSS	FAIR VALUE	Cost	Unrealized Holding Loss	Fair Value
Debt securities issued by the U.S. Treasury and other government agencies	$ 5,059	$ 39	$ 5,020	$30,560	$1,859	

						$28,701
Debt securities issued by states of the U.S. and political subdivisions of the states	1,250	0	1,250	20,638	230	20,408
Total marketable securities	6,309	39	6,270	51,198	2,089	49,109
Other debt securities (included in cash equivalents)	15,000	333	14,667	25,795	1,072	24,723
Total	$ 21,309	$372	$20,937	$76,993	$3,161	$73,832

</TABLE>

As of December 31, 1995, debt securities with a cost of $6,286,000 and a December 31, 1995, market value of $6,247,000 mature in 1996. All other securities with a total cost of $15,023,000 and a December 31, 1995, market value of $14,690,000 mature by 2000.

Proceeds from sales of securities available for sale were $54,565,000 and $73,326,000 during 1995 and 1994, respectively. The Company realized losses of $1,119,000 and $502,000 on these sales in 1995 and 1994, respectively.

5. PROVISION FOR INCOME TAXES

The components of the provision for income taxes from continuing operations are as follows (dollars in thousands):

<TABLE>
<CAPTION>

	1995	1994	1993
<S>	<C>	<C>	<C>
Current tax provision:			
Federal	$71,884	$82,295	$89,650
State	17,845	13,842	17,477
Total	89,729	96,137	107,127
Deferred tax (benefit) provision:			
Federal	(10,587)	5,428	(11,092)
State	(4,257)	888	(1,983)
Total	$74,885	$102,453	$94,052

</TABLE>

The Company's effective tax rate on pretax income from continuing operations differs from the U.S. Federal statutory regular tax rate of 35% as follows (dollars in thousands):

<TABLE>
<CAPTION>

	1995	1994	1993
<S>	<C>	<C>	<C>
Income tax at Federal statutory rate	$59,262	$86,346	$82,570
State income taxes net of Federal income tax benefit	8,832	9,574	10,207
Amortization of non-deductible intangibles	5,260	3,666	2,379
Foreign losses for which no current tax benefit is available	2,406	4,346	1,115
Other	(875)	(1,479)	(2,219)
Provision for income taxes	$74,885	$102,453	$94,052

</TABLE>

Tax effected temporary differences which give rise to a significant portion of deferred tax assets and liabilities at December 31, 1995 and 1994, are as follows (dollars in thousands):

<TABLE>
<CAPTION>

	1995		1994	
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	Deferred Tax Assets	Deferred Tax Liabilities
Property, plant, and equipment		$33,889		$32,889
Deferred advertising		6,188		7,932
Employee benefit plans	$14,154		$16,097	
Inventory	9,278		5,414	
Intangibles		3,758		5,845
Foreign net operating loss carry forwards	6,033		4,605	
Miscellaneous reserves and accruals	17,064		10,017	
All other	12,003	4,420	7,818	7,275
Subtotal	58,532	48,255	43,951	53,941
Valuation allowance	(9,267)		(4,915)	
Total deferred taxes	$49,265	$48,255	$39,036	$53,941

The major component of the valuation allowance relates to the uncertainty of realizing foreign deferred tax assets that existed at December 31, 1995 and 1994.

6. EMPLOYEE BENEFIT PLANS

PROFIT SHARING AND PENSION PLANS - The Company has profit sharing plans and a defined contribution pension plan to provide retirement income to certain of its employees. The plans cover substantially all full-time employees with at least 15 months of service. Contributions are made solely by the Company to trustees, and benefits provided by the plans are paid from accumulated funds by the trustees. Contributions to the pension plan equal 6% of eligible compensation. Contributions to the profit sharing plans vary but are generally limited to 15% of eligible compensation less the amount contributed to the pension plan. Pension expense for 1995, 1994, and 1993 was $20,798,000, $21,126,000, and $21,802,000, respectively.

STOCK PURCHASE PLAN - The Company has an employee stock purchase plan that enables eligible employees to purchase the Company's common stock at 75% of its fair market value on the first business day following each three-month purchase period. Compensation expense recognized for the difference between employees' purchase price and fair value was $8,185,000, $8,369,000, and $8,537,000 in 1995, 1994, and 1993, respectively. Under the plan, 1,121,153, 1,152,687, and 855,242 shares were issued at prices ranging from $20.07 to $24.00, $19.60 to $26.35, and $26.92 to $33.67 in 1995, 1994, and 1993, respectively.

STOCK OPTION PLAN - In 1994, the shareholders adopted a stock option plan to replace the plan adopted by the shareholders in 1984. Under the 1994 plan, the Company may grant either non-qualified or incentive stock options to purchase up to 3,000,000 shares of common stock. All options allow for the purchase of common stock at prices equal to market value at the date of grant. Options become exercisable in varying amounts beginning generally one year after grant. Information regarding this option plan and the remaining options outstanding under the former plan adopted in 1984 is as follows:

	1995	1994	1993
Outstanding, January 1	2,212,149	1,567,140	1,285,328
Granted	204,899	716,369	396,900
Exercised	(44,566)	(7,865)	(93,661)
Canceled	(224,909)	(63,495)	(21,427)
Outstanding, December 31	2,147,573	2,212,149	1,567,140
Exercisable, December 31	1,521,524	1,256,885	969,690

Options were granted at prices ranging from $27.375 to $30.750 per share in 1995, $27.125 to $37.25 per share in 1994, and $34.625 to $44.75 per share in 1993. Options were exercised in 1995, 1994, and 1993 at average prices per share of $28.43, $21.39, and $30.07, respectively. Options were outstanding at December 31, 1995, 1994, 1993, at average prices per share of $34.81, $35.04, and $37.34, respectively. At December 31, 1995, options for 2,187,800 shares remain available for issuance under the 1994 plan.

7. POSTEMPLOYMENT BENEFITS

In addition to providing retirement income benefits, the Company provides certain health care benefits for a large number of its retired employees. Employees included in the plan may become eligible for such benefits if they reach normal retirement age while working for the Company. Effective January 1, 1994, cost sharing provisions of the plan were amended to require retirees to pay a larger portion of their medical insurance premiums.

The following table summarizes the funded status of the plan at December 31 (dollars in thousands):

	1995	1994
Accumulated postretirement benefit obligation:		
Retirees	$49,084	$50,784
Fully eligible plan participants	88	2,373
Other active participants	14,720	3,470
Total	63,892	56,627
Less:		
Fair value of plan assets (debt and equity securities)	44,702	33,092
Unrecognized prior service cost	3,718	
Unrecognized net loss	3	4,034
Unrecognized transition obligation	19,386	20,526
Portion of transition obligation accrued in the balance sheet	$(3,917)	$(1,025)

Net postretirement benefit cost for the year ended December 31 consisted of the following components (in thousands):

	1995	1994	1993
Service cost--benefits earned during the year	$ 474	$ 785	$ 978
Interest cost on the accumulated postretirement benefit obligation	4,392	4,219	4,525
Actual loss (return) on plan assets	(9,897)	402	(2,568)
Amortization of transition obligation	1,140	1,140	1,218
Net amortization and deferral of gains and losses	6,604	(3,559)	
Total	$2,713	$2,987	$4,153

In measuring the accumulated postretirement benefit obligation as of December 31, 1995, the Company's health care inflation rate for 1996 was assumed to be 10.5% for employees enrolled in an indemnity plan and 8.5% for employees enrolled in health maintenance organizations. Inflation rates for both plans are assumed to trend downward gradually over a nine-year period to 5% for the years 2004 and beyond. A one percentage point increase in the health care inflation rate for each year would increase the accumulated postretirement benefit obligation by approximately $9,200,000, and the service and interest cost components of the net postretirement benefit cost by approximately $970,000. The discount rates used in determining the accumulated postretirement benefit obligation as of December 31, 1995 and 1994, were 7.25% and 8%, respectively. The expected long-term rate of return on plan assets used to determine the net periodic postretirement benefit costs was 9.5% in 1995 and 1994, and 8.6% in 1993.

8. LEASE AND DEBT COMMITMENTS

Long-term debt was as follows at December 31 (dollars in thousands):

<TABLE>
<CAPTION>

	1995	1994
<S>	<C>	<C>
8.55% unsecured and unsubordinated notes due February 15, 2001	$100,000	$100,000
Other	19,696	15,346
Total long-term debt	119,696	115,346
Less amount due within one year	8,699	4,479
Total	$110,997	$110,867

</TABLE>

In February 1991, the Company issued $100 million of 8.55% unsecured and unsubordinated notes due February 15, 2001. The notes are not redeemable prior to maturity. The fair values of these notes were estimated to be $112 million and $101 million at December 31, 1995 and 1994, respectively, based on quoted market prices for similar issuances.

Other long-term debt consists principally of equipment notes and payments due under non-compete agreements. The obligations bear interest rates of 5% to 13% and are due through the year 2011. Carrying value approximates fair value for these obligations based on estimates using current market interest rates and discounted cash flow analyses.

Maturities of long-term debt for the five years ending December 31, 2000, are $8,699,000, $7,747,000, $2,112,000, $360,000, and $96,000 and $100,682,000 thereafter.

The Company has uncommitted lines of credit for $189,300,000. At December 31, 1995 and 1994, $14,219,000 and $11,219,000 was outstanding, respectively, at interest rates of 6.6% and 6.2%, respectively. The Company also has in place a $150 million committed line of credit, which is available for borrowing and as support for commercial paper. As of December 31, 1995, $34,743,000 of commercial paper was issued and outstanding at a weighted average interest rate of 6.09%. No commercial paper was outstanding at December 31, 1994. During the third quarter of 1995, the Company filed a shelf registration for a $300 million medium-term note program to be used for general corporate purposes. As of December 31, 1995, no such notes were issued or outstanding.

Minimum future rental payments for leased facilities and equipment for the five years ending December 31, 2000, are $28,215,000, $21,018,000, $14,385,000, $6,735,000, and $3,320,000, and $3,757,000 thereafter. Rental expense was $44,283,259, $40,662,523, and $39,778,000 for 1995, 1994, and 1993, respectively.

9. COMMON STOCK PURCHASE RIGHTS

On February 5, 1988, the Company declared a distribution to shareholders of record on February 22, 1988, of one common stock purchase right for each outstanding share of common stock. Upon the occurrence of certain events, each right will entitle the holder to purchase one share of common stock at an exercise price of $100. The rights become exercisable if a person acquires 20% or more of the Company's common stock or announces a tender offer for 30% or more of the Company's common stock. The rights, which expire in February 1998, may be redeemed by the Company at a price of $.01 per right at any time prior to the 30th day after a 20% position has been acquired.

If the Company is acquired in a merger or other business combination, each right will entitle its holder to purchase common shares of the acquiring company having a market value of twice the exercise price of each right (i.e., at a 50% discount). If an acquirer purchases 35% of the Company's common stock or obtains working control of the Company and engages in certain self-dealing transactions, each right will entitle its holder to purchase a number of the Company's common shares having a market value of twice the right's exercise price. Each right will also entitle its holder to purchase the Company's common stock at a similar 50% discount in the event an acquirer merges into the Company and leaves the Company's stock unchanged.

10. SHAREHOLDERS' EQUITY

<TABLE>
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(Dollars in Thousands)	Common Shares	Additional Paid-in Capital	Retained Earnings	Unrealized Loss Marketable Securities	Unearned Compensation	Cumulative Translation Adjustment

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1992	$83,797	$ 1,208	$ 744,803			
Net income			141,861			
Cash dividends			(117,945)			
Common stock issued	949	36,435				
Common stock retired	(2,197)	(37,302)	(49,673)			
Translation adjustment						$(687)
Balance, December 31, 1993	82,549	341	719,046			(687)
Net income			140,866			
Cash dividends			(120,503)			
Common stock issued	1,167	32,399				
Common stock retired	(1,341)	(31,046)	(7,251)			
Unearned compensation					$(149)	
Unrealized fair value adjustments, net of taxes of $1,107				$(2,054)		
Translation adjustment						1,056
Balance, December 31, 1994	82,375	1,694	732,158	(2,054)	(149)	369
Net income			87,021			
Cash dividends			(122,143)			
Common stock issued	1,180	33,285				
Common stock retired	(1,191)	(33,524)				
Unearned compensation					(590)	
Unrealized fair value adjustments, net of taxes of $977				1,812		
Translation adjustment						131
Balance, December 31, 1995	$82,364	$ 1,455	$ 697,036	$ (242)	$(739)	$ 500

</TABLE>

11. BUSINESS SEGMENT INFORMATION

The Company consists of three business segments: Payment Systems, Business Systems, and Consumer Specialty. The Payment Systems segment manufactures checks for financial institutions and provides electronic processing and database services to financial institutions and retailers located primarily in the United States. Check printing and other services to financial institutions generate the majority of the Company's operating income. Business Systems manufactures business, health care, and tax forms and decorated paper for small businesses. Consumer Specialty manufactures greeting cards, stationery, checks, and other products for households. Business Systems and Consumer Specialty products are distributed through direct mail to customers located primarily in the United States.

For the three years ended December 31, 1995, the Company's segment information is as follows (dollars in thousands):

<TABLE>
<CAPTION>

1995	Payment Systems	Business Systems	Consumer Specialty Products	Total
<S>	<C>	<C>	<C>	<C>
Net sales	$1,179,438	$361,543	$317,000	$1,857,981
Income from operations	208,498	(39,108)	14,394	183,784
Identifiable assets	669,784	305,811	319,500	1,295,095
Depreciation and amortization	73,830	16,769	12,704	103,303
Capital expenditures	83,525	33,161	8,382	125,068

1994				
Net sales	$1,096,277	$321,561	$329,806	$1,747,644
Income from operations	235,528	(10,182)	24,485	249,831
Identifiable assets	691,097	256,774	308,401	1,256,272
Depreciation and amortization	57,301	16,440	12,165	85,906
Capital expenditures	64,853	29,357	32,016	126,226
1993				
Net sales	$1,087,015	$219,800	$274,952	$1,581,767
Income from operations	194,822	12,176	24,829	231,827
Identifiable assets	725,968	232,389	293,637	1,251,994
Depreciation and amortization	53,203	7,351	11,766	72,320
Capital expenditures	46,313	7,261	8,536	62,110

</TABLE>

Certain corporate related assets (principally cash, cash equivalents, and marketable securities) are reported in the Payment Systems identifiable assets. Likewise, corporate costs are reflected in Payment Systems income from operations. Payment Systems income from operations for 1993 includes the impact of the $49 million restructuring charge and a $10 million 1994 credit related to the restructuring.

In 1995, the Company acquired Financial Alliance Processing Services, Inc. This acquisition is included in the Payment Systems segment.

In 1994, the Company acquired National Revenue Corporation and The Software Partnership Ltd. (Payment Systems), and T/Maker Company and Pacific Medsoft (Business Systems).

During 1993, the Company acquired PaperDirect, Inc., and Stockforms Ltd. Both acquisitions were added to the Business Systems segment.

Certain prior year segment amounts have been reclassified to conform with the 1995 presentation. The reclassification resulted from movement of certain product lines between the Payment Systems and Business Systems segments.

12. DISCONTINUED OPERATIONS

On November 29, 1995, the Company adopted a plan to discontinue the Printwise ink business. The Company anticipates that the business will be disposed of by July 1996. Accordingly, Printwise is reported as a discontinued operation for the years ended December 31, 1995 and 1994. Net assets of the discontinued operation at December 31, 1995, consist primarily of property, plant, and equipment.

The estimated loss on the disposal of Printwise is $4,315,000 (net of taxes of $2,985,000), consisting of an estimated loss on disposal of the business of $3,428,000 and a provision of $887,000 for anticipated operating losses until disposal. Summarized results of Printwise since inception are as follows (dollars in thousands):

<TABLE>
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	1995	1994
<S>	<C>	<C>
Net sales	$ 1,124	$ 276
Loss from operations before income tax benefit	$(5,244)	$(5,819)
Income tax benefit	2,146	2,432
Loss from operations	(3,098)	(3,387)
Loss on disposal before income tax benefit	(7,300)	
Income tax benefit	2,985	

Loss on disposal	(4,315)	
Total loss on discontinued operations	$(7,413)	$(3,387)

</TABLE>

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF DELUXE CORPORATION:
We have audited the accompanying consolidated balance sheets of Deluxe Corporation and its subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of income and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Deluxe Corporation and its subsidiaries at December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

Deloitte & Touche LLP
Minneapolis, Minnesota

February 9, 1996

SUMMARIZED QUARTERLY FINANCIAL DATA (UNAUDITED)

<TABLE>
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1995 Quarter Ended (Dollars in Thousands Except per Share Amounts)	March 31	June 30	September 30	December 31
<S>	<C>	<C>	<C>	<C>
Net sales	$465,388	$442,266	$449,203	$501,124
Cost of sales	210,234	201,429	202,603	246,000
Income (loss) from continuing operations	34,552	30,742	30,258	(1,118)(2)
Per share of common stock				
Continuing operations	.42	.37	.37	(.01)
Net income (loss)	.41	.36	.36	(.07)
Cash dividends	.37	.37	.37	.37

1994 Quarter Ended	March 31	June 30	September 30	December 31
Net sales	$429,958	$412,350	$426,553	$478,783
Cost of sales	192,044	184,811	191,985	215,612
Income from continuing operations	38,647	30,494	34,295(1)	40,817
Per share of common stock				
Continuing operations	.47	.37	.41	.50
Net income	.46	.36	.40	.49
Cash dividends	.36	.36	.37	.37

</TABLE>

(1) In September 1994, a $10 million credit was recorded to reduce a 1993 restructuring charge for check printing plant consolidation. See Note 2 to consolidated financial statements.

(2) 1995 fourth quarter results include non-recurring pretax charges of $62.5 million, related to costs associated with production consolidation and process improvements, the elimination of businesses and product lines that were unprofitable or did not fit with the Company's long-term strategy, and write-offs of non-performing assets.

SHAREHOLDER INFORMATION

QUARTERLY STOCK DATA
The chart below shows the per-share price range of the Company's common stock for the past two fiscal years as quoted on the New York Stock Exchange.

<TABLE>
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1995 QUARTER	HIGH	LOW	CLOSE
<S>	<C>	<C>	<C>
1ST	29 1/8	26 1/8	28 1/2
2ND	33 5/8	28 7/8	33 1/8
3RD	33 7/8	30 1/4	33 1/8
4TH	33 3/8	26 5/8	29

1994 Quarter	High	Low	Close
1st	38	30 3/8	30 7/8
2nd	31	26 1/8	26 3/8
3rd	31 3/8	25 3/4	29 3/8
4th	30 3/8	26	26 1/2

</TABLE>

STOCK EXCHANGE
Deluxe Corporation common stock is traded on the New York Stock Exchange under the symbol DLX.

ANNUAL MEETING
The annual meeting of the shareholders of Deluxe Corporation will be held Monday, May 6, 1996, at The Donald E. Benson Great Hall, Bethel College, 3900 Bethel Drive, St. Paul, Minnesota, at 5 p.m.

FORM 10-K AVAILABLE
A copy of the Form 10-K (Annual Report) filed with the Securities and Exchange Commission by the Company may be obtained without charge by calling 1-888-359-6397 (1-888-DLX-NEWS) or by sending a written request to Stuart Alexander, Deluxe Corporation, P.O. Box 64235, St. Paul, Minnesota 55164-0235.

SHAREHOLDER INQUIRIES
Requests for additional information should be sent to corporate headquarters to the attention of the following:

General Information:
Stuart Alexander (612) 483-7358
Vice President, Corporate Communications

Financial Information:
Charles M. Osborne (612) 483-7355
Senior Vice President and Chief Financial Officer

STOCK OWNERSHIP AND RECORD KEEPING
Norwest Bank Minnesota, N.A.
Stock Transfer Department
161 N. Concord Exchange
P.O. Box 64854
St. Paul, Minnesota 55164-0854
(800) 468-9716
(612) 450-4064
E-mail: shareowner@aol.com

EXECUTIVE OFFICES
Street Address:
3680 Victoria St. N.
Shoreview, Minnesota 55126-2966

Mailing Address:
P.O. Box 64235,

St. Paul, Minnesota 55164-0235
(612) 483-7111

TOLL-FREE SHAREHOLDER INFORMATION LINE
You may dial 1-888-359-6397 (1-888-DLX-NEWS) to listen to the latest financial results, dividend news, and other information about Deluxe or to request copies of our annual report, 10-K, 10-Q, proxy statement, news releases, and financial presentation information.

PLANNED RELEASE DATES
Quarterly results: Monday, April 22, July 22, October 21. Tuesday, January 21, 1997

Dividends: The Deluxe Board of Directors usually meets during the second week in February, May, August, and November.

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

REGISTRANT AND STATE OF INCORPORATION

Deluxe Corporation, Minnesota, which does business under its own name and under the following tradenames:

- Colwell Systems
- Deluxe Business Forms and Supplies
- Deluxe Card Services
- Deluxe Check Printers
- Deluxe Digital Impressions
- Deluxe Financial Forms
- Deluxe-Medsoft

SUBSIDIARIES

- Chex Systems, Inc., Minnesota
- Connex Europe, S.R.L., Italy
- Connex Europe Limited, England
- Current, Inc., Delaware
- DLX Check Printers, Inc., Minnesota
- Deluxe Canada Inc., Ontario, Canada
- Deluxe Data Systems, Inc., Delaware
- Deluxe Data International Limited, England
- Deluxe (UK) Limited, England
- Electronic Transaction Corporation, Delaware, which does business under its own name and under the following tradename: SCAN.
- Financial Alliance Processing Services, Inc., Louisiana, which does business under its own name and under the following tradename: First Alliance
- InPrint Publishing Company, New Jersey
- N.R.C. Holding Corporation, Delaware
- National Credit Services Corporation, Missouri
- National Receivables Corporation, Ohio
- National Revenue Corporation, Ohio
- Nelco, Inc., Wisconsin
- PaperDirect, Inc., New Jersey
- T/Maker Company, California
- United Creditors Alliance Corporation, Ohio
- United Creditors Alliance Limited, England

Exhibit 24

POWER OF ATTORNEY

Each of the undersigned directors and officers of DELUXE CORPORATION, a Minnesota corporation, hereby constitutes and appoints John A. Blanchard III and John H. LeFevre his true and lawful attorneys-in-fact, and each of them, with full power to act without the other, to sign the Company's annual report on Form 10-K for the year ended December 31, 1995, and any and all amendments to such report, and to file the same and any such amendment, with any exhibits, and any other documents in connection with such filing, with the Securities and Exchange Commission under the provisions of the Securities Exchange Act of 1934.

	Date
/S/ JOHN A. BLANCHARD III	2/9/96
John A. Blanchard III, Director and Principal Executive Officer	
/S/ HAROLD V. HAVERTY	2/9/96
Harold V. Haverty, Director	
/S/ EUGENE R. OLSON	2/9/96
Eugene R. Olson, Director	
/S/ JERRY K. TWOGOOD	2/9/96
Jerry K. Twogood, Director	
/S/ WHITNEY MACMILLAN	2/9/96
Whitney MacMillan, Director	
/S/ JAMES J. RENIER	2/9/96
James J. Renier, Director	
/S/ BARBARA B. GROGAN	2/9/96
Barbara B. Grogan, Director	
/S/ ALLEN F. JACOBSON	2/18/96
Allen F. Jacobson, Director	
/S/ STEPHEN P. NACHTSHEIM	2/9/96
Stephen P. Nachtsheim, Director	
/S/ CHARLES M. OSBORNE	2/9/96
Charles M. Osborne, Principal Financial Officer and Principal Accounting Officer	

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