

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your Ordinary Shares, please forward this document and the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Insinger de Beaufort, which is authorised and regulated by the Financial Services Authority for the conduct of regulated activities in the United Kingdom, is acting for Safeland plc and no one else in connection with the Proposal and will not be responsible to any other person other than Safeland plc for providing the protections afforded to its customers or for providing advice in relation to the Proposal, the Delisting or the transfer of trading to AIM.



(Incorporated under the Companies Act 1985 and registered in England and Wales with registered number 2012015)

**Proposed cancellation of listing on the Official List and
Admission to AIM
and
Notice of Extraordinary General Meeting**

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Safeland plc, which is set out on pages 4 to 6 of this document and in which the Board recommend that Shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.

The Directors, whose names appear on page 4 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The notice convening an Extraordinary General Meeting of the Company to be held at the offices of the Company, 94-96 Great North Road, London N2 0NL at 9.30 a.m. on 12 September 2006 is set out at the end of this document.

The Form of Proxy for use at the Extraordinary General Meeting accompanies this document. If you are a Shareholder, and whether or not you intend to be present at the EGM, please complete and return the accompanying Form of Proxy, in accordance with the printed instructions thereon as soon as possible but, in any event, so as to be received by post or by hand (during normal business hours only) the Company's registrars, Capita IRG Plc at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 9.30 a.m. on 10 September 2006. Completion and return of a Form of Proxy will not prevent a Shareholder from attending and voting at the EGM in person, if desired.

CONTENTS

	Page
DEFINITIONS	3
LETTER FROM THE CHAIRMAN	4
NOTICE OF EXTRAORDINARY GENERAL MEETING	7

EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy	9.30 a.m. on 10 September 2006
Extraordinary General Meeting	9.30 a.m. on 12 September 2006
Last day of dealings in Ordinary Shares on the Official List	10 October 2006
Anticipated time and date of cancellation of listing of Ordinary Shares on the Official List	8.00 a.m. on 11 October 2006
Admission to AIM and first day of dealings in Ordinary Shares	8.00 a.m. on 11 October 2006

DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy unless the context otherwise requires:

“Admission”	the admission to trading on AIM of the Ordinary Shares
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the rules for AIM companies and their nominated advisers as published by the London Stock Exchange
“Company” or “Safeland”	Safeland plc
“Delisting”	the cancellation of the listing of the Ordinary Shares on the Official List and from trading on the Main Market
“Directors” or “Board”	the directors of the Company, whose names are set out on page 4 of this document
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held on 12 September 2006, notice of which is set out on page 7 of this document
“Form of Proxy”	the form of proxy accompanying this document for use by the Shareholders in connection with the EGM
“Group”	the Company and its subsidiary undertakings (as defined in the Companies Act 1985, (as amended))
“HMRC”	Her Majesty’s Revenue and Customs
“Listing Rules”	the Listing Rules of the UK Listing Authority
“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the London Stock Exchange’s market for securities listed on the Official List
“Official List”	the official list of the UK Listing Authority
“Ordinary Shares”	the ordinary shares of 5p each in the capital of the Company
“Proposal”	the Delisting and Admission
“Prospectus Rules”	the prospectus rules published by the Financial Services Authority from time to time (or defined in section 73A(4) of the Financial Services and Markets Act 2000)
“Resolution”	the special resolution to approve the Proposal set out in the notice of Extraordinary General Meeting
“Shareholders”	holders of any Ordinary Shares
“SHC”	Safeland Holdings Corporation, a Company registered in the Republic of Panama and a 57 per cent. Shareholder
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000

PART I

LETTER FROM THE CHAIRMAN OF SAFELAND PLC

SAFELAND PLC

*(Incorporated under the Companies Act 1985 and registered in England and Wales
with registered no. 2012015)*

Directors:

Raymond Lipman (*Chairman*)
Larry Glenn Lipman (*Managing Director*)
Paul Malcolm Davis (*Finance Director*)
Errol Alan Lipman (*Executive Director*)
Leonard Walter Green (*Non-Executive Director*)
Richard Ernest Pryce (*Non-Executive Director*)

Registered Office:
94-96 Great North Road
London
N2 0NL

18 August 2006

To the holders of Ordinary Shares

Dear Shareholder

PROPOSED TRANSFER OF THE COMPANY'S ORDINARY SHARES TO AIM

1. Introduction

The Company today announced its intention to de-list the Company's Ordinary Shares from the Official List and from trading on the Main Market and to move to AIM. Pursuant to the Listing Rules, the Delisting is subject to approval being obtained from not less than 75 per cent. of the Shareholders voting at the EGM in person or by proxy. The purpose of this document is to provide Shareholders with information on the move to AIM and to seek the requisite approval at the EGM of the Company, notice of which is set out at the end of this document.

2. Background to and reasons for transferring to AIM

The Company has incurred considerable costs in complying with the requirements of the Listing Rules – most recently in relation to the circular which the Company sent to Shareholders in June this year in connection with the Company's disposal of its investment in Bizspace plc. In addition, the need to obtain the approval of the UK Listing Authority of the Company's circulars to shareholders inevitably causes delay before the Company can enter into certain agreements. The Board believes that the combination of the costs and the delays involved reduces the attraction for the Company's Ordinary Shares to continue being traded on the Main Market.

Although the Official List is clearly more prestigious than AIM, the Board believes that AIM is a more appropriate market for the Company. A transfer of the Company's Ordinary Shares to trading on AIM should reduce the costs associated with being a public company and simplify certain administration requirements. It will also offer greater flexibility, particularly in relation to corporate transactions and will therefore enable the Company to agree to and to execute certain types of transactions more quickly in the future. The Board, however, envisages no reduction in the standards of reporting and governance which the Company currently maintains.

The obligations of an AIM company are similar to those of a company on the Official List, with certain exceptions, of which the significant ones are referred to below:

- Under the AIM Rules, a nominated adviser is required at all times and has responsibilities to both the Company and to the London Stock Exchange. On Admission, Insinger de Beaufort (which have acted as the Company's broker for many years) will be appointed the Company's nominated adviser and also the Company's broker.

- For AIM companies, prior shareholder approval is only required for reverse takeovers and disposals that result in a fundamental change of business (that is, transactions which exceed 75 per cent. of various class tests, such as the ratio of the consideration of the transaction to the market capitalisation of the AIM company). Under the Listing Rules, a broader range of transactions require shareholder approval.
- There is no requirement for a minimum number of shares to be maintained in public hands, whereas on the Official List a minimum of 25 per cent. of a company's issued ordinary share capital must be maintained in public hands at all times.
- There is no requirement under the AIM Rules for a prospectus or an admission document to be published for further issues of securities, except as otherwise required by the Prospectus Rules of the Financial Services Authority.
- The Combined Code does not apply directly to AIM companies.

Liquidity on AIM is likely to be provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a share price between 8.00 a.m. and 4.30 p.m. on business days. An investment in shares traded on AIM is generally perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List and traded on the London Stock Exchange's market for listed securities. However, the Directors believe that AIM has demonstrated that it can provide a successful trading platform for shares.

Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Shareholders or prospective investors should therefore consult their own professional advisers on whether an investment in an AIM security is suitable for them. In particular, they should note that it is not possible to hold shares traded on AIM in PEPs or ISAs. The Board understands that following Admission Shareholders will, under current HMRC legislation, have 30 days to decide whether to transfer their shareholding in the Company into their own name or to sell the holding and retain the proceeds within the PEP or ISA.

The comments on the tax implications described in this document are based on the Directors' current understanding of tax law and practice, and are intended only as a general guide to taxation under UK tax law and do not constitute tax or legal advice. Tax rules can change and the precise tax implications for Shareholders will depend on their particular circumstances. If you are in any doubt as to your tax position, or are resident or otherwise subject to taxation in a jurisdiction outside the UK, you should consult your professional adviser immediately.

3. Transfer of trading to AIM

Conditional upon the Resolution being approved at the EGM, the Company will make application and give notice to cancel the listing of the Ordinary Shares on the Official List and from trading on the Main Market and will apply to the London Stock Exchange for admission of the Ordinary Shares to trading on AIM. It is anticipated that the last day of dealings in Ordinary Shares on the Official List will be 10 October 2006 and that cancellation of the listing and trading of the Ordinary Shares will take effect at 8.00 a.m. on 11 October 2006, being not less than 20 business days following the passing of the Resolution. Admission is expected to take place and dealings are expected to commence on AIM at 8.00 a.m. on 11 October 2006.

4. Consent

Insinger de Beaufort, of 131 Finsbury Pavement, London EC2A 1NT, is a member of the London Stock Exchange and is authorised and regulated in the UK by the Financial Services Authority. Insinger de Beaufort has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.

5. Extraordinary General Meeting

You will find set out at the end of this document a notice convening the Extraordinary General Meeting of the Company to be held at the offices of the Company, 94-96 Great North Road, London N2 0NL at 9.30 a.m. on 12 September 2006.

At the EGM the Resolution will be proposed to approve the proposal to cancel the listing of the Ordinary Shares on the Official List and from trading on the Main Market and the admission of the Ordinary Shares to trading on AIM. The approval of 75 per cent. of Shareholders voting at the EGM, in person or by proxy, must be obtained.

6. Action to be taken

A Form of Proxy for use at the Extraordinary General Meeting accompanies this document. Whether or not Shareholders intend to be present at the EGM, they are requested to complete in accordance with the instructions printed thereon, sign and return the Form of Proxy to the Company's registrars, Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by post or by hand (during normal business hours) as soon as possible but in any event by no later than 9.30 a.m. on 10 September 2006.

Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the EGM should they so wish.

7. Recommendation

The Board considers the Proposal to be in the best interests of the Company and the Shareholders taken as a whole and therefore recommends that Shareholders vote in favour of the Resolution to be proposed at the Extraordinary General Meeting.

The Board intends to vote in favour of the Resolution in respect of their own beneficial shareholdings amounting, in aggregate, to 1,327,270 Ordinary Shares, (representing approximately 7.2 per cent. of the issued share capital of the Company). In addition, SHC has confirmed to the Directors that it also intends to vote its shareholding of 10,544,643 Ordinary Shares (representing approximately 57.0 per cent. of the issued share capital of the Company) in favour of the Resolution.

Yours faithfully

R. Lipman
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

SAFELAND PLC

*(Incorporated under the Companies Act 1985 and registered in England and Wales
with registered no. 2012015)*

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Company will be held at the offices of the Company, 94-96 Great North Road, London N2 0NL at 9.30 a.m. on 12 September 2006 for the purposes of considering and, if thought fit, passing the following resolution as a special resolution:

THAT:

The admission of the ordinary shares of 5 pence each in the capital of the Company on the Official List and to trading on the London Stock Exchange's market for listed securities be cancelled and application be made for admission of the said ordinary shares to trading on AIM.

By order of the Board
P Davis
Secretary
18 August 2006

Registered Office:
94-96 Great North Road
London N2 0NL

Notes:

1. A member entitled to attend and vote at the extraordinary general meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company. Appointment of a proxy will not preclude a member from attending and voting in person if he so wishes.
2. To be effective, a form of proxy and the authority (if any) under which it is signed or notarially certified or office copy of such authority must be deposited with the Company's registrars Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by no later than 9.30 a.m. on 10 September 2006.
3. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company at 5.00 p.m. on 10 September 2006 shall be entitled to attend or vote at the extraordinary general meeting.
4. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.

