

SAFELAND PLC

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

CHAIRMAN'S STATEMENT

Since my statement that accompanied the accounts for the year ended 31 March 2009 there has been an improvement in market conditions and we are starting to identify a number of potential trading opportunities. However, this is very much a recent improvement and, as such, has had no effect on these results for the six months ended 30 September 2009.

I am therefore reporting a loss in the first half of £897,000 (2008: loss of £2,109,000). The resultant loss per share is 5.32p (2008: loss per share 12.52p) and the Net Asset Value per share is 58p compared to 63p as at 31 March 2009. The Board has reviewed the assets of the Group and does not consider that there is a need for any further write downs at this time. The Board does not declare an interim dividend.

In addition to constantly looking for trading opportunities, we have also put in place a number of cost cutting exercises. These include moving our head office to smaller premises in Hampstead Garden Suburb and disposing of our old offices in East Finchley.

Whilst I have mentioned that there has recently been an overall improvement in market conditions, the Board believes that this is unlikely to have a material impact on the Group's results until the year ending 31 March 2011. Safeland retains the support of its banks and professionals and is therefore well positioned to take advantage of these changes as they occur and I therefore look forward to the future with confidence.

Raymond Lipman
Chairman

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

Continuing Operations	Neither audited nor reviewed Six months ended 30 September 2009 £'000	Neither audited nor reviewed Six months ended 30 September 2008 £'000	Audited Year ended 31 March 2009 £'000
	<i>Notes</i>		
Revenue	6,156	6,388	15,115
Cost of sales	(4,780)	(5,644)	(18,472)
Gross profit/(loss)	<u>1,376</u>	<u>744</u>	<u>(3,357)</u>
Sales and distribution costs	(145)	(85)	(464)
Administrative expenses	(2,206)	(2,001)	(4,114)
Other operating income	350	477	758
Loss on disposal of property, plant and equipment	(2)	(1)	(14)
Gain on revaluation of investment properties	-	-	1,295
Loss on disposal of investment properties	(7)	-	(290)
Operating loss	<u>(634)</u>	<u>(866)</u>	<u>(6,186)</u>
Impairment of available for sale investments	-	(500)	(900)
Loss before interest	<u>(634)</u>	<u>(1,366)</u>	<u>(7,086)</u>

Finance income		17	32	84
Finance costs		(280)	(775)	(1,337)
Loss before tax		<u>(897)</u>	<u>(2,109)</u>	<u>(8,339)</u>
Tax		-	-	(312)
Loss for the financial period attributable to equity holders of the parent company		<u>(897)</u>	<u>(2,109)</u>	<u>(8,651)</u>
Other comprehensive income, net of tax				
Fair value gains/ (losses) on available for sale investments		2	26	(10)
Total comprehensive income for the period attributable to equity holders of the parent company		<u>(895)</u>	<u>(2,083)</u>	<u>(8,661)</u>
Loss per share attributable to equity holders of the parent company				
Basic loss per share	2	(5.32)p	(12.52)p	(51.33)p
Diluted loss per share	2	(5.32)p	(12.52)p	(51.33)p
		<u>(5.32)p</u>	<u>(12.52)p</u>	<u>(51.33)p</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
AS AT 30 SEPTEMBER 2009**

	Neither audited nor reviewed 30 September 2009 £'000	Neither audited nor reviewed 30 September 2008 £'000	Audited 31 March 2009 £'000
Non-current assets			
Property, plant and equipment	1,923	2,129	2,052
Investment properties	2,796	2,560	3,046
Available-for-sale investments	525	714	273
Deferred tax assets	-	104	-
Total non-current assets	<u>5,244</u>	<u>5,507</u>	<u>5,371</u>
Current assets			
Trading properties	18,955	33,555	22,272
Trade and other receivables	429	1,222	427
Current tax receivable	-	257	-
Cash and cash equivalents	794	673	1,811
Total current assets	<u>20,178</u>	<u>35,707</u>	<u>24,510</u>
Total assets	<u>25,422</u>	<u>41,214</u>	<u>29,881</u>
Current liabilities			
Bank loans and overdrafts	14,439	20,558	18,179
Trade and other payables	678	975	572
Current tax liabilities	23	-	15
Total current liabilities	<u>15,140</u>	<u>21,533</u>	<u>18,766</u>
Non-current liabilities			
Bank loans	-	2,389	-
Deferred tax liabilities	466	146	466
Total non-current liabilities	<u>466</u>	<u>2,535</u>	<u>466</u>
Total liabilities	<u>15,606</u>	<u>24,068</u>	<u>19,232</u>
Net assets	<u>9,816</u>	<u>17,146</u>	<u>10,649</u>
Equity			
Share capital	843	843	843
Share premium account	5,351	5,351	5,351
Capital redemption reserve	847	847	847
Share based payment reserve	272	129	210
Investment revaluation reserve	5	39	3
Retained earnings	2,498	9,937	3,395
Total equity attributable to equity holders of the parent Company	<u>9,816</u>	<u>17,146</u>	<u>10,649</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

		Neither audited nor reviewed Six months ended 30 September 2009 £'000	Neither audited nor reviewed Six months ended 30 September 2008 £'000	Audited Year ended 31 March 2009 £'000
	<i>Notes</i>			
Operating activities				
Net cash inflow from operations	4	2,959	103	5,798
Interest paid		(280)	(608)	(1,337)
Tax received		8	26	416
Net cash inflow / (outflow) from operating activities		<u>2,687</u>	<u>(479)</u>	<u>4,877</u>
Investing activities				
Interest received		17	32	68
Dividends received		-	-	16
Purchase of investment properties		-	(509)	(511)
Purchase of property, plant and equipment		(154)	(106)	(139)
Purchase of available for sale investments		(250)	(100)	(100)
Proceeds from sale of property, plant and equipment		180	48	64
Proceeds from sale of investment properties		250	3	524
Net cash inflow / (outflow) from investing activities		<u>43</u>	<u>(632)</u>	<u>(78)</u>
Financing activities				
New loans		1,000	6,988	9,439
Loan repayments		(4,694)	(5,721)	(12,464)
Net cash (outflow) / inflow from financing activities		<u>(3,694)</u>	<u>1,267</u>	<u>(3,025)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(964)</u>	<u>156</u>	<u>1,774</u>
Cash and cash equivalents at beginning of period		1,756	(18)	(18)
Cash and cash equivalents at end of period		<u>792</u>	<u>138</u>	<u>1,756</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Investment revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2009	843	5,351	847	210	3	3,395	10,649
Loss for the period	-	-	-	-	-	(897)	(897)
Fair value gains on available for sale investments	-	-	-	-	2	-	2
Share option charge	-	-	-	62	-	-	62
At 30 September 2009	843	5,351	847	272	5	2,498	9,816
At 1 April 2008	843	5,351	847	86	13	12,046	19,186
Loss for the period	-	-	-	-	-	(2,109)	(2,109)
Fair value gains on available for sale investments	-	-	-	-	26	-	26
Share option charge	-	-	-	43	-	-	43
At 30 September 2008	843	5,351	847	129	39	9,937	17,146
At 1 April 2008	843	5,351	847	86	13	12,046	19,186
Loss for the year	-	-	-	-	-	(8,651)	(8,651)
Fair value losses on available for sale investments	-	-	-	-	(10)	-	(10)
Share option charge	-	-	-	124	-	-	124
At 31 March 2009	843	5,351	847	210	3	3,395	10,649

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

1. Basis of preparation and accounting policies

This interim financial information was approved by the Board of Directors on 7 December 2009.

The results for the year ended 31 March 2009 are not statutory accounts within the meaning of s434 Companies Act 2006. Statutory accounts for that period were prepared and filed with the Registrar of Companies. The results for the six months to 30 September 2009 and 2008 are unaudited and do not constitute the Group's statutory accounts within the meaning of s434 Companies Act 2006.

The accounting policies adopted in the preparation of this financial information are consistent with those expected to be used in the preparation of the 2010 statutory accounts which will be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and those parts of the Companies Act 2006 that remain applicable to companies reporting under IFRS.

The presentation of the primary financial statements has been modified in order to comply with IAS 1 (revised). This revised standard has no impact on the reported results or financial position of the group.

2. Loss per share

	Neither audited nor reviewed Six months ended 30 September 2009 £'000	Neither audited nor reviewed Six months ended 30 September 2008 £'000	Audited Year ended 31 March 2009 £'000
Loss for the period attributable to equity holders of the company	(897)	(2,109)	(8,651)
Weighted average number of ordinary shares for the purposes of basic loss per share	16,851	16,851	16,851
Effect of dilutive potential ordinary shares	-	-	-
Weighted average number of ordinary shares for the purposes of diluted loss per share	16,851	16,851	16,851

There is no dilutive effect of potential ordinary shares in either the six months to September 2009 or 2008 as in both instances there is a loss for the period.

3. Dividend

No interim dividend has been declared.

4. Notes to cash flow statement

	Neither audited nor reviewed Six months ended 30 September 2009 £'000	Neither audited nor reviewed Six months ended 30 September 2008 £'000	Audited Year ended 31 March 2009 £'000
Loss before tax from continuing operations	(897)	(2,109)	(8,339)
Adjustments for:			
Depreciation of property, plant and equipment	101	104	187
Loss on sale of property, plant and equipment	2	2	14
Loss on sale of investment properties	7	-	290
Gains on revaluation of investment properties	-	-	(1,295)

Impairment of available for sale investments	-	500	900
Share based payment charge	62	43	124
Finance costs (net)	263	743	1,252
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Operating cash flows before movements in working capital	(462)	(717)	(6,867)
Changes in working capital:			
Decrease / (increase) in trading properties	3,317	(165)	11,118
(Increase) / decrease in trade and other receivables	(2)	1,435	2,230
Increase / (decrease) in trade and other payables	106	(450)	(683)
			<hr/>
Net cash inflow from operations	2,959	103	5,798

5. Copies of this announcement are available on the company's website www.safeland.co.uk.