

SAFELAND PLC
UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

CHAIRMAN'S STATEMENT

As a result of trading conditions remaining difficult during the interim period for the six months ended 30 September 2010 I am reporting a loss for this period of £1,288,000 (2009: loss of £897,000).

The resultant loss per share is 7.64p (2009: loss per share of 5.32p) and the Net Asset Value per Share is 48p compared to 56p as at 31 March 2010. The board has considered the Group Assets and does not consider that there is a need for any write downs at this time. The Board will not be proposing an interim dividend.

Since the period end there has not been any sign of an improvement in market conditions however Safeland remains well positioned to take advantage of any opportunities as they arise.

Raymond Lipman
Chairman

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SAFELAND PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

Continuing Operations	<i>Notes</i>	Neither audited nor reviewed Six months ended 30 September 2010 £'000	Neither audited nor reviewed Six months ended 30 September 2009 £'000	Audited Year ended 31 March 2010 £'000
Revenue		7,188	6,156	11,940
Cost of sales		(6,515)	(4,780)	(9,052)
Gross profit		<u>673</u>	<u>1,376</u>	<u>2,888</u>
Sales and distribution costs		(146)	(145)	(322)
Administrative expenses		(1,654)	(2,206)	(3,777)
Other operating income		179	350	645
Loss on disposal of property, plant and equipment		(1)	(2)	(102)
Gain on revaluation of investment properties		-	-	666
Gain/(loss) on disposal of investment properties		5	(7)	(9)
Loss on disposal of investments		(50)	-	-
Operating loss		<u>(994)</u>	<u>(634)</u>	<u>(11)</u>
Impairment of available for sale investments		-	-	(250)
Loss before interest		<u>(994)</u>	<u>(634)</u>	<u>(261)</u>
Finance income		23	17	4
Finance costs		(317)	(280)	(768)
Loss before tax		<u>(1,288)</u>	<u>(897)</u>	<u>(1,025)</u>
Tax		-	-	(188)
Loss for the financial period attributable to equity holders of the parent company		<u>(1,288)</u>	<u>(897)</u>	<u>(1,213)</u>
Other comprehensive income, net of tax				
Fair value gains on available for sale investments		-	2	2
Total comprehensive income for the period attributable to equity holders of the parent company		<u>(1,288)</u>	<u>(895)</u>	<u>(1,211)</u>
Loss per share attributable to equity holders of the parent company				
Basic loss per share	2	(7.64)p	(5.32)p	(7.20)p
Diluted loss per share	2	(7.64)p	(5.32)p	(7.20)p

SAFELAND PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
AS AT 30 SEPTEMBER 2010

	Neither audited nor reviewed 30 September 2010 £'000	Neither audited nor reviewed 30 September 2009 £'000	Audited 31 March 2010 £'000
Non-current assets			
Property, plant and equipment	211	1,923	287
Investment properties	3,462	2,796	3,462
Available-for-sale investments	300	525	275
Total non-current assets	<u>3,973</u>	<u>5,244</u>	<u>4,024</u>
Current assets			
Trading properties	20,231	18,955	20,732
Trade and other receivables	319	429	412
Cash and cash equivalents	442	794	434
Total current assets	<u>20,992</u>	<u>20,178</u>	<u>21,578</u>
Total assets	<u>24,965</u>	<u>25,422</u>	<u>25,602</u>
Current liabilities			
Bank loans and overdrafts	378	14,439	276
Trade and other payables	2,134	678	1,270
Current tax liabilities	-	23	-
Total current liabilities	<u>2,512</u>	<u>15,140</u>	<u>1,546</u>
Non-current liabilities			
Bank loans	13,481	-	13,757
Derivative financial instruments	146	-	185
Deferred tax liabilities	676	466	676
Total non-current liabilities	<u>14,303</u>	<u>466</u>	<u>14,618</u>
Total liabilities	<u>16,815</u>	<u>15,606</u>	<u>16,164</u>
Net assets	<u>8,150</u>	<u>9,816</u>	<u>9,438</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	210	272	210
Investment revaluation reserve	5	5	5
Retained earnings	894	2,498	2,182
Total equity attributable to equity holders of the parent Company	<u>8,150</u>	<u>9,816</u>	<u>9,438</u>

SAFELAND PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

		Neither audited nor reviewed Six months ended 30 September 2010 £'000	Neither audited nor reviewed Six months ended 30 September 2009 £'000	Audited Year ended 31 March 2010 £'000
	<i>Notes</i>			
Operating activities				
Net cash generated from operations	4	580	2,959	1,800
Interest paid		(356)	(280)	(583)
Tax received		-	8	7
		<u>224</u>	<u>2,687</u>	<u>1,224</u>
Net cash inflow from operating activities				
Investing activities				
Interest received		23	17	4
Purchase of property, plant and equipment		-	(154)	(155)
Purchase of available for sale investments		(90)	(250)	(250)
Proceeds from sale of property, plant and equipment		4	180	1,705
Proceeds from sale of investment properties		6	250	241
Proceeds from sale of available for sale investments		15	-	-
		<u>(42)</u>	<u>43</u>	<u>1,545</u>
Net cash (outflow) / inflow from investing activities				
Financing activities				
New loans		6,005	1,000	5,300
Loan repayments		(6,281)	(4,694)	(9,667)
		<u>(276)</u>	<u>(3,694)</u>	<u>(4,367)</u>
Net cash outflow from financing activities				
Net decrease in cash and cash equivalents				
Cash and cash equivalents at beginning of period		158	1,756	1,756
		<u>64</u>	<u>792</u>	<u>158</u>
Cash and cash equivalents at end of period				

SAFELAND PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

	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 2010	843	5,351	847	210	5	2,182	9,438
Loss for the period	-	-	-	-	-	(1,288)	(1,288)
At 30 September 2010	843	5,351	847	210	5	894	8,150
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 2009	843	5,351	847	210	3	3,395	10,649
Loss for the year	-	-	-	-	-	(1,213)	(1,213)
Fair value gains on available for sale investments	-	-	-	-	2	-	2
At 31 March 2010	843	5,351	847	210	5	2,182	9,438

SAFELAND PLC

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 1 December 2010.

The results for the year ended 31 March 2010 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 2010 and 2009 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 2011 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.

2. Loss per share

	Neither audited nor reviewed Six months ended 30 September 2010 £'000	Neither audited nor reviewed Six months ended 30 September 2009 £'000	Audited Year ended 31 March 2010 £'000
Loss for the period attributable to equity holders of the company	<u>(1,288)</u>	<u>(897)</u>	<u>(1,213)</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares for the purposes of diluted loss per share	<u>16,851</u>	<u>16,851</u>	<u>16,851</u>

There is no dilutive effect of potential ordinary shares in either the six months to September 2010 or 2009 and the year ended 31 March 2010 as in all 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 2010 £'000	Neither audited nor reviewed Six months ended 30 September 2009 £'000	Audited Year ended 31 March 2010 £'000
Loss before tax from continuing operations	(1,288)	(897)	(1,025)
Adjustments for:			
Depreciation of property, plant and equipment	70	101	113
Loss on sale of property, plant and equipment	1	2	102
(Gain)/ loss on sale of investment properties	(5)	7	9
Gain on revaluation of investment properties	-	-	(666)
Impairment of available for sale investments	-	-	250
Loss on sale of available for sale investments	50	-	-
Share based payment charge	-	62	-
Finance costs (net)	294	263	764
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Operating cash flows before movements in working capital	(878)	(462)	(453)
Changes in working capital:			
Decrease in trading properties	501	3,317	1,540
Decrease / (increase) in trade and other receivables	93	(2)	15
Increase in trade and other payables	864	106	698
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Net cash generated from operations	580	2,959	1,800
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5. Copies of this announcement are available on the company's website www.safeland.co.uk.