

SAFELAND PLC

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

CHAIRMAN'S STATEMENT

As reported in the trading statement that was announced at the AGM I am pleased to confirm that for the six months ended 30 September 2011 the Group has returned to profit in the sum of £87,000 (2010: £1,288,000 loss).

I would reiterate that this is not indicative that a profit will also be reported the full year ended 31 March 2012.

The economic conditions remain extremely volatile across all sectors and we continue to be highly selective in the purchases that we make, with an emphasis on carrying out the conversion of properties into residential units to be sold to owner occupiers.

Our plan to establish a chain of hostels through Safestay our Joint Venture vehicle with the Moorfield Group is well underway. Building works have commenced on the first site in Elephant and Castle with an anticipated opening in May 2012. Further locations are being considered.

We look forward to the future with cautious optimism.

Raymond Lipman
Chairman

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SAFELAND PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

Continuing Operations	<i>Notes</i>	Neither audited nor reviewed Six months ended 30 September 2011 £'000	Neither audited nor reviewed Six months ended 30 September 2010 £'000	Audited Year ended 31 March 2011 £'000
Revenue		12,166	7,188	10,370
Cost of sales		(10,778)	(6,515)	(9,866)
Gross profit		1,388	673	504
Sales and distribution costs		(227)	(146)	(255)
Administrative expenses		(1,158)	(1,654)	(2,929)
Directors emoluments foregone		-	-	1,877
Other operating income		295	179	476
Profit/(loss) on disposal of property, plant and equipment		3	(1)	-
Loss on revaluation of investment properties		-	-	(24)
Gain on disposal of investment properties		-	5	5
Operating profit/(loss)		301	(944)	(346)
Share of result of associate		-	-	27
Impairment of available for sale investments		-	-	(100)
Loss on disposal of available for sale investments		-	(50)	(50)
Profit/(loss) before interest		301	(994)	(469)
Finance income		7	23	27
Finance costs		(221)	(317)	(523)
Profit/(loss) before tax		87	(1,288)	(965)
Tax		-	-	-
Profit/(loss) for the financial period attributable to equity holders of the parent company		87	(1,288)	(965)
Other comprehensive income, net of tax				

Fair value gains on available for sale investments	-	-	9
Total comprehensive income for the period attributable to equity holders of the parent company	87	(1,288)	(956)
Earnings/(loss) per share attributable to equity holders of the parent company			
Basic earnings/(loss) per share 2	0.52p	(7.64)p	(5.73)p
Diluted earnings/(loss) per share 2	0.52p	(7.64)p	(5.73)p

SAFELAND PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION
AS AT 30 SEPTEMBER 2011

	Neither audited nor reviewed 30 September 2011 £'000	Neither audited nor reviewed 30 September 2010 £'000	Audited 31 March 2011 £'000
Non-current assets			
Property, plant and equipment	184	211	214
Investment properties	3,438	3,462	3,438
Investments in associates	117	-	117
Available-for-sale investments	129	300	122
Total non-current assets	3,868	3,973	3,891
Current assets			
Trading properties	10,523	20,231	19,256
Trade and other receivables	1,289	319	763
Cash and cash equivalents	2,429	442	386
Total current assets	14,241	20,992	20,405
Total assets	18,109	24,965	24,296
Current liabilities			
Bank loans and overdrafts	7,877	378	427
Trade and other payables	918	2,134	427
Total current liabilities	8,795	2,512	854
Non-current liabilities			
Bank loans	-	13,481	14,172
Derivative financial instruments	66	146	109
Deferred tax liabilities	679	676	679
Total non-current liabilities	745	14,303	14,960
Total liabilities	9,540	16,815	15,814
Net assets	8,569	8,150	8,482

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	100	210	100
Investment revaluation reserve	14	5	14
Retained earnings	1,414	894	1,327
Total equity attributable to equity holders of the parent Company	8,569	8,150	8,482

SAFELAND PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	<i>Notes</i>	Neither audited nor reviewed Six months ended 30 September 2011 £'000	Neither audited nor reviewed Six months ended 30 September 2010 £'000	Audited Year ended 31 March 2011 £'000
Operating activities				
Net cash generated from operations	4	9,030	580	46
Interest paid		(264)	(356)	(600)
Net cash generated/(outflow) from operating activities		8,766	224	(554)
Investing activities				
Interest received		7	23	24
Dividends received		-	-	3
Purchase of property, plant and equipment		(25)	-	(40)
Purchase of available for sale investments		(7)	(90)	(90)
Proceeds from sale of property, plant and equipment		24	4	22
Proceeds from sale of investment properties		-	6	6
Proceeds from sale of available for sale investments		-	15	15
Net cash outflow from investing activities		(1)	(42)	(60)
Financing activities				
New loans		700	6,005	8,155
Loan repayments		(6,995)	(6,281)	(7,740)
Net cash (outflow)/ generated from financing activities		(6,295)	(276)	415
Net increase/(decrease) in cash and cash equivalents				
Cash and cash equivalents at beginning of period		2,470	(94)	(199)
		(41)	158	158
Cash and cash equivalents at end of period		2,429	64	(41)

SAFELAND PLC
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	Share capital £'000	Share premium account £'000	Capital redemptio n reserve £'000	Share based payment reserve £'000	Investmen t revaluatio n reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2011	843	5,351	847	100	14	1,327	8,482
Profit for the period	-	-	-	-	-	87	87
At 30 September 2011	843	5,351	847	100	14	1,414	8,569
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 2010	843	5,351	847	210	5	2,182	9,438
Loss for the year	-	-	-	-	-	(965)	(965)
Fair value gains on available for sale investments	-	-	-	-	9	-	9
Share option charge	-	-	-	(110)	-	110	-
At 31 March 2011	843	5,351	847	100	14	1,327	8,482

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 9 December 2011.

The results for the year ended 31 March 2011 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 2011 and 2010 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 2012 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 comparative figures for the year ended 31 March 2011 were derived from the statutory accounts for that year end.

2. Earnings/(loss) per share

	Neither audited nor reviewed Six months ended 30 September 2011 £'000	Neither audited nor reviewed Six months ended 30 September 2010 £'000	Audited Year ended 31 March 2011 £'000
Profit/(loss) for the period attributable to equity holders of the company	87	(1,288)	(965)
Weighted average number of ordinary shares for the purposes of basic earnings/(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 earnings/(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 2011 or 2010 and the year ended 31 March 2011.

3. Dividend

No interim dividend has been declared.

4. Notes to cash flow statement

	Neither audited nor reviewed Six months ended 30 September 2011 £'000	Neither audited nor reviewed Six months ended 30 September 2010 £'000	Audited Year ended 31 March 2011 £'000
Profit/(loss) before tax from continuing operations	87	(1,288)	(965)
Adjustments for:			
Depreciation of property, plant and equipment	34	70	91
(Profit)/loss on sale of property, plant and equipment	(3)	1	-
Profit on sale of investment properties	-	(5)	(5)
Loss on revaluation of investment properties	-	-	24
Impairment of available for sale investments	-	-	100
Loss on sale of available for sale investments	-	50	50
Finance costs (net)	214	294	496
Share of results of associate	-	-	(27)
 Operating cash flows before movements in working capital	 332	 (878)	 (236)
Changes in working capital:			
Decrease in trading properties	8,733	501	1,476
(Increase)/decrease in trade and other receivables	(526)	93	(351)
Increase/(decrease) in trade and other payables	491	864	(843)
 Net cash generated from operations	 9,030	 580	 46

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