

Date: 6th September 2010
On behalf of: Western Selection P.L.C. (“Western” or “the Company”)

Western Selection P.L.C.

Preliminary announcement of audited results for the year ended 30th June 2010

Western Selection P.L.C. (PLUS: WESP), an investment company with a mix of Strategic Investments and a General Portfolio of U.K. and overseas quoted multinational stocks, today announces its Preliminary Results for the year ended 30th June 2010.

Western is an investment company whose objective is to generate growth in value for shareholders over the medium to long term and pay a progressive dividend. The Company’s strategy is to hold a mix of Strategic Investments and a General Portfolio of U.K. and overseas quoted multinational stocks.

As a “long only” investor with a diversified General Portfolio, the Company’s performance is mainly dictated by changes in the value of its strategic investments and movements in the stock markets. Dividend income has reduced from £135,000 to £85,000, primarily due to Treatt PLC which was sold at the end of the previous year, from which dividends of £25,000 were received in the previous year and Dawson Holdings PLC which passed its dividend, from which £5,000 was received in 2008/9. Normal operating expenses have been reduced by 18% in the year.

Quoted strategic investments increased in value by 39% in the year and our principal unquoted investment, Hartim Limited, continues to trade successfully. Our share of Hartim’s earnings for the year was £150,000, a return of 21% on our investment of £728,000.

Your company is in the process of re-focussing the General Portfolio into major multinationals and extending the markets that we invest through into Europe and North America. Most of the smaller companies in the General Portfolio and a few of the larger companies have been sold generating cash proceeds of £1,350,000. On the investments sold £279,000 of the impairment provisions made last year against the carrying values of certain General Portfolio and unquoted investments has been recovered, resulting in an overall profit on disposals of £134,000. Subsequent to the year end £113,000 of the bank facility of £2,500,000 has been drawn down, after having invested a further £406,250 in Northbridge (see below).

The Company made a profit of £256,000 after tax and exceptional items, compared to a loss of £862,000 last year. The loss last year was exacerbated by impairment provisions against the carrying values of certain General Portfolio and unquoted investments of £546,000.

For some time the Company’s shares have been trading at a substantial discount to its net assets per share which are currently 61p. The Board intends to use the authority granted to it by its shareholders at the last AGM to buy in and cancel shares.

Dividend

The Company paid an interim dividend of 0.65p per share on 24th March 2010. The Company was unable to pay a dividend for 2009 as the Companies Act requires net assets to exceed the sum of share capital, share premium and undistributable reserves before a dividend can be paid.

A final dividend of 0.65p per share is proposed, making 1.30p for the year, compared to 2.60p for 2008. The dividend will be paid on 15th October 2010 to shareholders on the register at the close of business on 17th September 2010.

Strategic Investments

Creston plc

Creston is a marketing services group whose strategy is to grow within its sector both by organic growth and through selective acquisition to become a substantial, diversified marketing services group. The audited

results for the year to 31st March 2010, show a profit after tax of £5,133,000 (2009 - £6,597,000), equivalent to fully diluted earnings of 8.74p per share (2009 – 12.2p). On 28th June 2010 Creston announced the proposed disposal of DLKW, its advertising agency. Western maintained its holding of 3,000,000 shares in Creston (4.9%) with a value at 30th June 2010 of £2,752,000 (2009 - £1,920,000) being 25% (2009 - 21%) of Western's assets.

Mr. D.C. Marshall (Chairman of the Company) is a non-executive director of Creston.

Northbridge Industrial Services PLC

Northbridge was formed for the purpose of acquiring companies that hire and sell specialist industrial equipment supplying a non-cyclical customer base including utility companies, the public sector and the oil and gas industries. In particular it seeks to acquire specialist businesses that have the potential for expansion into complete outsourcing providers. Sales are made to the U.K., U.S.A., Brazil, Singapore, Germany, UAE and Korea; Northbridge also has subsidiaries operating in Dubai and Azerbaijan.

Northbridge announced profits of £1,571,000 for the year ended 31st December 2009 (2008 - £1,918,000) and declared a final dividend of 2.7p per share, making 4.1p for the year (2008 – 3.9p).

On 30th June 2010, Northbridge announced the proposed raising of approximately £8 million by way of an open offer in order to acquire Tasman Oil Tools Pty Ltd, based in Perth, Western Australia, which specialises in the rental of equipment for the onshore and off-shore oil industry throughout Australia. Western has taken up 325,000 shares in that offer at a cost of £406,250, increasing its holding to 2,200,000 shares in Northbridge, which is 14.39% of the issued share capital. The value of the investment at 30th June 2010 was £2,508,000 (2009 - £2,156,000) being 23% (2009 - 24%) of Western's assets.

Mr. D.C. Marshall is a non-executive director of Northbridge.

Swallowfield plc

Swallowfield is a market leader in the development, formulation, manufacture and supply of cosmetics, toiletries and related household products for global brands and retailers operating in the cosmetics, personal care and household goods market. Swallowfield announced its interim results to January 2010 showing a profit after tax of £533,000 compared to £449,000 for the comparable period last year. Dividends of £87,000 (2009 - £77,000) were received from Swallowfield during the year.

Western increased its holding in Swallowfield during the year and since the year end. As at 31st August 2010 it owns 1,582,649 shares which is 13.99% of the issued share capital. The market value of the Company's holding in Swallowfield on 30th June 2010 was £1,816,000 (2009 - £999,000), being 17% (2009 - 11%) of Western's net assets.

Your directors would like to see the Swallowfield Board strengthened and remain in discussions with the company and other major shareholders about the composition of the Swallowfield board. We have submitted a resolution for discussion at the next Swallowfield AGM requesting that the Swallowfield Board increases in size from 5 to 7 by the appointment of additional non-executive directors with relevant skills and experience. Since submission of the resolution, Swallowfield have announced the appointment of an additional non-executive director and your directors have arranged to meet him.

Investments in Associates

Hartim Limited

Hartim is the unquoted holding company of Tudor Rose International Limited ("TRI") which was founded in 1984. It works closely with a number of leading UK branded fast moving consumer goods companies, offering a complete sales, marketing and logistical service. Based in Stroud, Gloucestershire, TRI sells into 78 countries worldwide including USA, Spain, Portugal, Italy, Czech Republic, Russia, Turkey, South Africa, Saudi Arabia, UAE, Malaysia, Australia and China.

Western holds 49.5% of Hartim, which has a 31st December year end and achieved profits in 2009 of £335,000 after tax on turnover of £20,422,000. Western's share of the consolidated profit after tax for the twelve months to 30th June 2010 was £150,000 (2009 – £181,000) and the book value of the investment at 30th June 2010 was £1,129,000 (2009 - £979,000), being 10% (2009 - 11%) of Western's assets.

Western has two nominees on the board of Hartim, Mr E. J. Beale and Mr L. H. Marshall.

Industrial & Commercial Holdings PLC (ICH)

ICH is a small, unquoted, PLC in which Western holds a 29.9% interest. It owns land with potential for residential planning permission at Milngavie, adjacent to Dougalston golf course, just north east of Glasgow. ICH is currently making representations for its land to be included in the local authority's next five year plan, but it may take some time for permission to be received. Mr. D.C. Marshall and Mr. J.M. Robotham are directors of ICH.

City Group P.L.C.

Western holds 48.6% and London Finance & Investment Group P.L.C. holds 51.4% of City Group P.L.C., which provides head office and company secretarial services to both of these and other, independent, companies.

General Portfolio

During the year the General Portfolio increased in value by 11%. Our investments in FTSE 100 and FTSE 250 stocks, which comprise 55% of the General Portfolio, increased in value by 18% whereas the FTSE 100 rose by 16% and the FTSE 250 rose by 26%. We have diversified by recently moving into holdings in European and United States stocks, representing 17% and 12% of the General Portfolio respectively. Our investments in FTSE Fledgling stocks, which make up 5% of our General Portfolio, decreased in value by 1% compared to a rise of 16% in that index. We have taken a net £126,000 out of the General Portfolio in the year.

Outlook

Against an uncertain economic outlook stockmarkets worldwide remain volatile and nervous. We see good value appearing in major multinational companies and have orientated the General portfolio in that direction. While investment in smaller companies carries a higher degree of risk we look for further growth from our strategic holdings.

D.C. Marshall
Chairman

6th September 2010

Unaudited Statement of Comprehensive Income

For the year ended 30th June 2010	2010	2009
	£000	£000
Income from investments in:		
Listed strategic undertakings	164	212
Other listed undertakings	85	135
	-----	-----
	249	347
Administrative expenses	(269)	(875)
- normal operating expenses	(269)	(329)
- exceptional impairment provisions	-	(546)
Profits/(Losses) on disposal of investments	134	(505)
	-----	-----
Operating profit/(loss)	114	(1,033)
Share of profits of associated companies	128	163
Finance income	14	19

Finance costs	-	(11)
	-----	-----
Profit/(Loss) before taxation	256	(862)
Taxation	-	-
	-----	-----
Profit/(Loss) after taxation attributable to equity shareholders	256	(862)
Other comprehensive income		
Fair value recycled from equity on disposal	68	296
Fair value adjustment on listed undertakings	1,792	(450)
	-----	-----
	2,116	(1,016)
	=====	=====
Basic and diluted earnings/(loss) per share	1.4p	(4.8)p

All profits and losses are on continuing activities.

Unaudited Statement of Changes in Equity

	Ordinary share capital £000	Share premium account £000	Warrants reserve £000	Unrealised profits and losses on investments £000	Share of undistributed profits of associates £000	Realised profits and losses £000	Total £000
Year ended 30th June 2009							
Balances at 1 st July 2008	7,182	2,654	148	(2,470)	69	2,836	10,419
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Total comprehensive income	-	-	-	(700)	163	(479)	(1,016)
Dividends paid in respect of the previous year	-	-	-	-	-	(467)	(467)
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Balances at 30 th June 2009	7,182	2,654	148	(3,170)	232	1,890	8,936
	=====	=====	=====	=====	=====	=====	=====
Year ended 30th June 2010							
Balances at 1 st July 2009	7,182	2,654	148	(3,170)	232	1,890	8,936
	-----	-----	-----	-----	-----	-----	-----
Total Comprehensive Income	-	-	-	2,112	128	(124)	2,116
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Interim dividends paid in respect of the year	-	-	-	-	-	(117)	(117)
	=====	=====	=====	=====	=====	=====	=====
Balances at 30 th June 2010	7,182	2,654	148	(1,058)	360	1,649	10,935
	=====	=====	=====	=====	=====	=====	=====

Unaudited Statement of Financial Position

At 30th June 2010	2010	2009
	£000	£000
Non-current Assets		
Investment in Associates	1,279	1,151
Investments	9,332	7,267
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	10,611	8,418
	-----	-----

Current Assets		
Trade and other receivables	37	269
Cash and cash equivalents	328	290
	-----	-----
	365	559
Current Liabilities	(41)	(41)
	-----	-----
Net Current Assets	324	518
	-----	-----
Net Assets	10,935	8,936
	=====	=====
Equity		
Share capital	7,182	7,182
Share premium account	2,654	2,654
Warrants reserve	148	148
Unrealised profits and losses on investments	(1,058)	(3,170)
Share of undistributed profits of associates	360	232
Realised profits and losses	1,649	1,890
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Shareholders' Funds	10,935	8,936
	=====	=====

Unaudited Statement of Cash Flow

For the year ended 30 th June 2010	2010 £000	2010 £000	2009 £000	2009 £000
Profit/(Loss) before taxation		256		(862)
(Profit)/Loss on sale of investments		(134)		505
Share of results of associates		(128)		(163)
Interest and other income received		(14)		(19)
Interest paid		-		11
Exceptional items		-		546
Changes in working capital				
Decrease/(Increase) in debtors and accrued income		232		(233)
Increase in creditors		-		12
		-----		-----
Cash generated/(absorbed) by operations		212		(203)
		-----		-----
Interest paid		-		(11)
Interest and other income received		14		19
		-----		-----
Net cash generated/(absorbed) by operations		226		(195)
Cash flow from investing activities				
Proceeds on disposal of general portfolio investments	1,350		1,092	
Purchase of general portfolio investments	(1,224)		(154)	
	-----		-----	
	126		938	
Purchase of strategic investments	(197)		(565)	
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Net cash (absorbed)/generated by investing activities		(71)		373
Cash flow from financing activities				
Proceeds received from issue of new shares	-		-	
Equity dividend paid	(117)		(467)	

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	(117)	(467)
	-----	-----
Movement in cash and cash equivalents	38	(289)
Net cash and cash equivalents at start of year	290	579
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Net cash and cash equivalents at end of year	328	290
	=====	=====

Notes:-

1. Earnings/(Loss) per share are based on the profit/(loss) on ordinary activities after taxation and on 17,956,548 shares (2009 – 17,956,419) being the weighted average number of shares in issue during the period.
2. The net assets per share are calculated taking investments at market value. The Company has estimated Corporation Tax losses which cover the potential liability on the unrealised gains on investments.
3. The financial information contained in this preliminary announcement of results has been prepared under the recognition and measurement principles of International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the European Union ('IFRSs'). The financial information does not give sufficient information to comply with IFRSs which will be contained in the statutory accounts sent to shareholders.
4. The financial information in this preliminary announcement does not constitute the company's statutory accounts for the years ended 30th June 2010 or 30th June 2009 but is derived from those accounts. The financial statements for both years have been prepared in accordance with IFRSs as adopted by the EU. The statutory accounts for 2009 have been delivered to the Registrar of Companies and those for 2010 will be delivered following the Company's annual general meeting. The auditors reports on the accounts for both years were unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain statements under the Companies Act 2006, sections 498 (2) or (3).

Copies of this notification are held at the Company's office, 30 City Road, London, EC1Y 2AG (tel. 020 7448 8950) and are available for a period of 14 days from the date of this announcement.

Enquiries to:

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Notes to Editors:

The Company is an investment finance company and the investment policy is to hold strategic stakes in a few smaller UK quoted companies and maintain a diversified portfolio of U.K. and overseas quoted multinational stocks, together with a few holdings on AIM, PLUS and some unlisted shares. Strategic Investments are minority positions where the Board seeks to maintain a close working relationship with the management of the investee. Western is represented on the boards of three of its four Strategic Investments. The General Portfolio is managed by two non-executive directors, Andrew Hall and Michael Robotham, and the Board as a whole takes decisions in relation to both strategic and unlisted investments.