

Date: 8th September 2008
On behalf of: Western Selection P.L.C. ("Western" or "the Company")
Embargoed for: 0700hrs

Western Selection P.L.C.

Preliminary announcement of audited results for the year ended 30th June 2008

Western Selection P.L.C. (LSE: WSE), an investment company with a mix of Strategic Investments and a General Portfolio of U.K. stocks, today announces its Preliminary Results for the year ended 30th June 2008.

Highlights:

- Invested £728,000 to acquire 49.5% of Hartim Limited, the holding company for **Tudor Rose International Limited**, a leading UK export management company representing many famous British brands around the world.
- The issue of Western Warrant Units and the exercise of 2007 Warrants raised £2,385,000 net of costs.
- The Company has cash deposits of £579,000 and an unused bank borrowing facility of £2,500,000.
- Rise in the dividend to 2.60p per share on the increased capital (2007 - 2.55p).
- Increased holding in Swallowfield plc to just over 10%.

David Marshall, Chairman of Western commented:

"Although it has been a challenging year, we will continue to drive the growth of the portfolio which we believe has significant long term potential. The investment in Hartim Limited is a milestone for Western, and we expect that it will contribute significantly to our earnings. With the strength of our balance sheet we will continue to seek good investment opportunities that may arise in the current climate. The Company's objective is to generate real growth in value for shareholders over the medium to long term and pay a progressive dividend."

- Ends -

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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. listed equities, 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.

Chairman's Statement

Western is an investment company with a mix of Strategic Investments and a General Portfolio of U.K. stocks. The Company's objective is to generate real growth in value for shareholders over the medium to long term and pay a progressive dividend.

Net asset value per share

Since 1st July 2007, the net adjusted asset value per share has fallen by 42p from 100p to 58p. Almost half of the decline in net asset value over the year is due to the fall in the share price of **Creston plc**, one of our strategic investments, from 163p to 47.5p. The dilution element of our Warrant issue and the general fall in markets since the beginning of the year also contributed to the overall decline as follows:

Net asset value per share at 30 th June 2007	100 p
Dilution from exercise of Warrants	(15)p
Reduction in Creston share price	(19)p
Other – mainly general portfolio share price reductions	(8)p
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Net asset value per share at 30 th June 2008	58 p

The issue of Warrant Units to our shareholders and the exercise of 2007 Warrants has raised £2,385,000 net of costs. At the year end the Company had cash deposits of £579,000 and an unused bank borrowing facility of £2,500,000.

Ignoring exceptional items and associates, the Company would have made a profit of £378,000 before associates and tax, compared to £355,000 last year. Including exceptional items and the results of associates the loss after tax for the year was £2,572,000 (2007 - profit £61,000).

We are pleased to announce a rise in the dividend to 2.60p per share on the increased capital (2007 - 2.55p).

Strategic Investments

Creston plc

Creston reported an improvement in profits for the year to 31st March 2008 and market forecasts are for it to continue to grow in the current year. The company has agreed bank facilities to cover its deferred consideration payments in respect of past acquisitions and after four years should be debt free. Creston appears, on a historical basis, to be significantly undervalued as it is now yielding 5.7% at a P/E of 5.7. At its recent AGM held on 1st September, Creston's directors expressed confidence in current trading conditions being experienced by the group.

Western maintained its holding of 3,000,000 shares in Creston (5.4%) during the year. The value of this investment at 30th June 2008 was £1,425,000 (2007 - £4,890,000) being 14% (2007 – 38%) of Western's assets. In view of the current market value of the investment, we have been forced under IFRS to make a provision for the difference between the cost and market value of our investment in Creston, amounting to £3,019,000. This provision does not reduce the Company's distributable profits.

Tudor Rose International Limited ("TRI")

On a more positive note, on 28th March 2008, we invested £728,000 to acquire 49.5% of Hartim Limited, the holding company for TRI, a leading UK export management company representing many famous British brands around the world. Full information on TRI can be obtained from their web site www.tudor-rose.com. We do not expect dividends from this business in the first two years, while it pays down debt, but we do expect that it will contribute significantly to our earnings in future. Currently trading is good and we are anticipating an increase in profits this year.

Northbridge Industrial Services PLC

Northbridge was formed for the purpose of acquiring companies that hire and sell specialist industrial equipment such as load banks, generators, pumps, air compressors, heaters and chillers. Northbridge's first acquisition was Crestchic Limited, one of the largest electrical load bank equipment manufacturers in the world. The company's customers are leading national and international companies in the oil, energy and shipping industries.

Northbridge announced profits of £1,154,000 for the year ended 31st December 2007 (2006 - £731,000) and declared a final dividend of 2p per share, making 3p for the year (2006 – 2p). Western maintained its holding of 1,500,000 shares in Northbridge (19.66%). The value of the investment at 30th June 2008 was £2,558,000 (2007 - £2,768,000) being 24% (2007 – 19%) of Western's assets.

Swallowfield plc

Swallowfield's latest published results were for the 28 weeks to 12th January 2008 and showed a profit of £1,592,000 (2007 – £255,000)

Western increased its holding in Swallowfield during the year and now owns 1,156,000 shares, 10.27% of the issued share capital. The market value of the Company's holding in Swallowfield on 30th June 2008 was £971,000 (2007 - £455,000), being 9% (2007 - 5%) of Westerns' net assets.

For some time we have believed that the board did not contain a broad enough mix of international business experience. During 2007 we approached the board with a proposal that Peter Gyllenhammer (who holds 29% of the issued ordinary shares) and David Marshall, our Chairman, join the board. The directors of Swallowfield indicated that they would not support this proposal and no change in the board has since taken place. We continue to work with other Swallowfield shareholders to rectify this. During the period we acquired an additional 156,500 shares bringing our holding up to just over 10%. We will continue to acquire shares in Swallowfield as and when they become available at acceptable prices.

General Portfolio

During the year the General Portfolio outperformed the markets, falling by 14.8%. Our investments in FTSE100 and FTSE250 stocks, which comprise 58% of the General Portfolio, decreased in value by 11.4% whereas the FTSE100 fell by 14.9% and the FTSE250 fell by 26.0%. Our investments in FTSE Small Cap and FTSE Fledgling stocks, which make up 27% of our General Portfolio, decreased by 21.6% compared to declines of 28.7% and 27.0% in those indices. We have taken a net £1.5 million out of the General Portfolio in the year.

Share Capital and Warrants

On 10th December 2007 all of the 2007 Warrants were exercised raising a total of £2,565,000; 5,130,088 new shares were issued and the issued share capital of the Company increased to 17,955,309 shares of 40p each.

The directors consider Western's capital to comprise its ordinary share capital, share premium, warrant and fair value reserves and accumulated retained earnings. The primary objective in managing the capital is to provide, over the long term, real growth in value for shareholders through a combination of capital growth and distributions. Following the issue of shares from the exercise of Warrants, the Company has no borrowing and there is no gearing ratio.

Dividend

We are pleased to recommend an increased dividend of 2.6p per share for the year on the increased capital. The increase in number of shares in issue will lead to an increase in amount paid of 40% per cent. The dividend will be paid on 10th October 2008 to shareholders on the register at the close of business on 19th September 2008.

Outlook

The current economic conditions will make this a difficult year but with our strong balance sheet we are confident of producing satisfactory results. Unless there are any unexpected developments we anticipate maintaining our dividend.

D.C. Marshall
Chairman

8th September 2008

Income Statement

For the year ended 30th June 2008

2008 2007

	£000	£000
Income from investments in:		
Listed strategic undertakings	155	104
Other listed undertakings	180	148
	-----	-----
	335	252
Administrative expenses	(3,361)	(611)
- normal	(342)	(293)
- exceptional	(3,019)	(318)
Surplus on disposal of investments	420	517
	-----	-----
Operating (loss)/profit	(2,606)	158
Share of results of associated companies	69	24
Finance income	14	-
Finance costs	(49)	(121)
	-----	-----
Profit before taxation	(2,572)	61
Taxation	-	-
	-----	-----
(Loss)/Profit after taxation attributable to equity shareholders	(2,572)	61
	=====	=====
Basic and diluted earnings per share	(16.4)p	0.51p

All profits and losses are on continuing activities.

Statement of Changes in Equity

	Ordinary Share capital £000	Share Premium account £000	Warrants reserve £000	Fair Value reserve £000	Retained earnings £000	Total £000
Year ended 30th June 2007						
Balances 30 th June 2006	4,675	2,035	161	589	3,011	10,471
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Profit attributable to shareholders	-	-	-	-	61	61
Fair value adjustment on listed undertakings, net of profits realised during the year and reflected in the income statement	-	-	-	1,810	-	1,810
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Total income and expense for the year	-	-	-	1,810	61	1,871
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New shares issued	455	273	-	-	-	728
Warrants reserve released	-	161	(161)	-	-	-
Dividends paid in respect of the previous year	-	-	-	-	(287)	(287)
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Total transactions with shareholders for the year	455	434	(161)	-	(287)	441
	=====	=====	=====	=====	=====	=====
Balances at 30 th June 2007	5,130	2,469	-	2,399	2,785	12,783
	=====	=====	=====	=====	=====	=====
Year ended 30th June 2008						
Balances at 1 st July 2007	5,130	2,469	-	2,399	2,785	12,783

Loss attributable to shareholders	-	-	-	-	(2,572)	(2,572)
Fair value adjustment on listed undertakings, net of profits realised during the year and reflected in the income statement	-	-	-	(1,850)	-	(1,850)
Total income and expense for the year	-	-	-	(1,850)	(2,572)	(4,422)
New shares issued on exercise of Warrants	1,693	-	-	-	-	1,693
Warrant units issued	-	-	872	-	-	872
Costs of issue	-	(180)	-	-	-	(180)
Warrants reserve released	359	365	(724)	-	-	-
Dividends paid in respect of the previous year	-	-	-	-	(327)	(327)
Total transactions with shareholders for the year	2,052	185	148	-	(327)	2,058
Balances at 30 th June 2008	7,182	2,654	148	549	(114)	10,419

Balance Sheet

At 30th June 2008

	2008	2007
	£000	£000
Non-current Assets		
Investment in Associates	988	191
Investments	8,845	14,651
	9,833	14,842
Current Assets		
Trade and other receivables	36	16
Cash and cash equivalents	579	6
	615	22
Current Liabilities (amounts falling due within one year)	(29)	(2,081)
Net Current Assets/(Liabilities)	586	(2,059)
Net Assets	10,419	12,783
Equity		
Share capital	7,182	5,130
Share premium account	2,654	2,469
Warrants reserve	148	-
Fair value reserve	549	2,399
Retained (loss)/earnings	(114)	2,785
Shareholders' Funds	10,419	12,783

Cash Flow Statement

For the year ended 30th June 2008

2008	2008	2007	2007
£000	£000	£000	£000

Cash outflow from operating activities		
Cash absorbed by operations	(45)	(39)
Interest paid	(49)	(121)
Interest received	14	-
Taxation paid	-	-
	-----	-----
Net cash generated by operations	(80)	(160)
Cash flow from investing activities		
Proceeds on disposal of investments	2,142	2,289
Purchase of investments	(1,513)	(2,790)
	-----	-----
Cash absorbed by investing activities	629	(501)
Cashflow from financing activities		
Proceeds from issue of new shares	2,385	429
Equity dividend paid	(327)	(286)
	-----	-----
	2,058	143
	-----	-----
Movement in cash and cash equivalents	2,607	(518)
Net cash and cash equivalents at start of year	(2,028)	(1,510)
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Net cash and cash equivalents at end of year	579	(2,028)
	=====	=====

Notes:-

1. The dividend for the year of 2.60p per share (2007 – 2.55p) will be paid on 10th October 2008 to shareholders on the register at the close of business on 19th September 2008.
2. Earnings per share are based on the (loss)/profit on ordinary activities after taxation and on 15,692,448 (2007 - 12,078,903) being the weighted average number of shares in issue during the period.
3. 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.
4. The financial information contained in this preliminary announcement of results has been prepared under the recognition and measurement principles of International Financial Reporting Standards. The financial information does not give sufficient information to comply with IFRSs which will be contained in the statutory accounts sent to shareholders.
5. This financial information has been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the European Union ('IFRSs').

The financial information in this preliminary announcement does not constitute the company's statutory accounts for the years ended 30 June 2008 or 30 June 2007 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 2007 have been delivered to the Registrar of Companies and those for 2008 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 1985, s 237(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.