

Western Selection P.L.C.

Preliminary announcement of unaudited results for the year ended 30th June 2006

The Company made a pre-tax profit for the year of £316,000 (2005 - £157,000); the profit after tax is £315,000 - 2.75p per share (2005 - £153,000 – 1.4p per share). The directors have declared an increased dividend of £286,000, equivalent to 2.45p per share (1995 - £252,000 – 2.32p per share) which will be paid on 6th October 2006.

Western Selection is an investment company with a mix of Strategic Investments and a General Portfolio. The investment objective is to generate real growth in value for shareholders over the medium to long term.

During the year a strategic investment of £1.5 million was made in Northbridge Industrial Services Limited financed largely from the proceeds of disposal of our remaining overseas investments. International diversification has been retained through the overseas interests of our larger investments, but the company's primary focus is investment in the U.K.

Taking investments at market value, the net asset value per share increased during the year to 30th June 2006 from 89p to 90p. Although partially offset by rises in Creston's and Northbridge's share prices, the value of our Strategic Investments fell because of the under performance at Swallowfield.

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 international marketing services group. The results for the year to 31st March 2006 show a profit after tax of £2,927,000 (2005 - £2,640,000), equivalent to earnings of 8.04p per share (2005 – 7.04p).

At 1st July 2005, Western owned 2,873,998 shares in Creston. During the year a further 126,002 shares were acquired at a cost of £207,903 by way of exercise of our warrants and participation in Creston's fundraising. At the year end, the total holding of 3,000,000 shares represented 8.6% of Creston's issued share capital. The market value of the Company's holding in Creston on 30th June 2006 was £4,845,000 (2005 - £4,455,000), being 40% of Western's net assets.

I am the non-executive chairman of Creston.

Swallowfield plc

Swallowfield has a long history of developing and producing aerosol, cosmetic and toiletry products stretching back to 1950. As one of Europe's premier contract manufacturers of toiletries and cosmetics it offers an unrivalled breadth of product capabilities. Its skill in design, developing and producing gift packs and themed product ranges compliments its production capability.

Swallowfield's latest published results were for the 28 weeks to 7th January 2006 and showed a loss of £695,000, after reorganisation costs of £677,000 (28 weeks to 8th January 2005 – profit of £353,000).

Western owns 1,000,000 shares in Swallowfield being 8.9% of the issued share capital. The market value of the Company's holding in Swallowfield on 30th June 2006 was £455,000 (2005 - £775,000), being 4% of Westerns' net assets.

Northbridge Industrial Services PLC

Western announced in March that it was making an investment of £1.5 million in Northbridge Industrial Services PLC. That company placed 6,437,500 shares at £1 and at the same time its shares were admitted to trading on AIM. Western Selection was allotted 1.5 million shares, representing 20.3% of Northbridge's share capital. The value of the investment at 30th June 2006 was £1,598,000.

Northbridge was formed for the purpose of acquiring companies that hire and sell specialist industrial equipment such as generators, load banks, pumps, air compressors, heaters and chillers. Northbridge is seeking to acquire specialist niche businesses to give it the potential for expansion into outsourcing providers, capable of supplying a non-cyclical customer base. Northbridge's first acquisition is Crestchic Limited, one of the largest specialist load bank equipment manufacturers in the world; selling and hiring to a national and international customer base.

Industrial & Commercial Holdings PLC

ICH is a small unlisted PLC in which Western holds 29.9%. It holds land with potential to receive planning permission for housing at Milngavie, adjacent to Dougalston golf course, just north east of Glasgow. As it may take many years for the permission to be received, we are in discussion with the board of ICH to consider an acquisition of an active business. Mr. Robotham and I are directors of ICH.

General Portfolio

With the exception of the investment in UCM, all areas of the General Portfolio performed well, with an overall increase of 9%. Investments in FTSE100 and FTSE250 stocks, which comprise 59% of the General Portfolio, increased in value by 20%. Investments in FTSE Small Cap and FTSE Fledgling stocks, which make up 32% of the General Portfolio, fared less well with growth of 7%, primarily due to poor performance by UCM. Our AIM stocks grew in value by 17%, marginally ahead of the FTSE AIM index, and growth in our overseas holdings, prior to disposal, was 20%.

Dividend

The Directors are pleased to recommend an increased dividend of 2.45p per share for the year, compared to 2.32p per share for 2005, an increase of 5% per cent. The dividend will be paid on 6th October 2006 to shareholders on the register at the close of business on 8th September 2006.

D.C. Marshall
Chairman

24th August 2006

Profit and Loss Account

| For the year ended 30th June 2006 | 2006 | 2005 |
|---|--------------|--------------|
| | £000 | £000 |
| Income from investments in: | | |
| Listed strategic undertakings | 43 | 106 |
| Other listed undertakings | 159 | 173 |
| | ----- | ----- |
| | 202 | 279 |
| Interest receivable | 1 | - |
| Administrative expenses | (292) | (308) |
| Surplus on disposal of listed undertakings | 335 | 461 |

| | | |
|--|--------------|-------|
| Net release/(charge) of provisions against investments | 132 | (209) |
| | ----- | ----- |
| Operating profit | 378 | 223 |
| Interest payable | (62) | (66) |
| | ----- | ----- |
| Profit on ordinary activities before taxation | 316 | 157 |
| Taxation | (1) | (4) |
| | ----- | ----- |
| Profit on ordinary activities after taxation | 315 | 153 |
| | ----- | ----- |
| Basic and fully diluted earnings per share | 2.75p | 1.40p |

All recognised gains or losses for the current and prior year are included above.

All profits and losses are on continuing activities.

Balance Sheet

| | | |
|--|----------------|---------|
| At 30th June 2006 | 2006 | 2005 |
| | £000 | £000 |
| Fixed Assets | | |
| Investments | 11,425 | 10,932 |
| | ----- | ----- |
| Current Assets | | |
| Debtors | 33 | 67 |
| Cash at bank and in hand | 5 | 25 |
| | ----- | ----- |
| | 38 | 92 |
| Creditors (amounts falling due within one year) | (1,557) | (1,721) |
| | ----- | ----- |
| Net Current Liabilities | (1,519) | (1,629) |
| | ----- | ----- |
| Net Assets | 9,906 | 9,303 |
| | ===== | ===== |
| Capital and Reserves | | |
| Called up share capital | 4,675 | 4,351 |
| Share premium account | 2,035 | 1,646 |
| Warrants reserve | 161 | 355 |
| Profit and loss account | 3,035 | 2,951 |
| | ----- | ----- |
| Shareholders' Funds | 9,906 | 9,303 |
| | ===== | ===== |

Cash Flow Statement

| | | | | |
|--|-------------|-------------|------|------|
| For the year ended 30th June | 2006 | 2006 | 2005 | 2005 |
| | £000 | £000 | £000 | £000 |
| Net cash outflow from operating activities | | (97) | | (2) |
| Returns on investments and servicing of finance | | | | |
| Interest paid | (63) | | (66) | |

| | | |
|--|----------------|----------------|
| Interest received | 1 | - |
| | ----- | ----- |
| | (62) | (66) |
| Taxation paid | (1) | (4) |
| Financial investment | | |
| Proceeds on disposal of fixed asset investments | 3,374 | 2,362 |
| Purchase of fixed asset investments | (3,399) | (3,368) |
| | ----- | ----- |
| Net cash outflow from financial investment activities | (25) | (1,006) |
| Equity dividend paid | (252) | (239) |
| Financing | | |
| Proceeds from issue of new shares | 519 | - |
| Proceeds/(cost) of treasury shares arising on consolidation | 20 | (27) |
| | ----- | ----- |
| Decrease/(Increase) in net debt | 102 | (1,344) |
| Net debt at start of year | (1,612) | (268) |
| | ----- | ----- |
| Net debt at end of year | (1,510) | (1,612) |
| | ===== | ===== |

Notes:-

1. The dividend for the year of 2.45p per share (2005 - 2.32p) will be paid on 6th October 2006 to shareholders on the register at the close of business on 8th September 2006.
2. Earnings per share are based on the profit on ordinary activities after taxation and on 11,444,996 (2005 – 10,878,005) being the weighted average number of shares in issue during the period. At 30th June 2006 and 2005 the warrants in issue were not dilutive.
3. The net assets per share are calculated taking investments at market value and before providing for any tax that may arise on realisation.
4. The financial information in this preliminary announcement of unaudited results does not constitute statutory accounts within the meaning of Section 240(5) of the Companies Act 1985. The audited accounts of Western Selection P.L.C. for the year ended 30th June 2005 have been reported on with an unqualified report by the company's auditors in accordance with Section 235 of the Companies Act 1985 and have been delivered to the Registrar of Companies.

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 that date of this announcement.