

Date: 27th September 2012
On behalf of: Western Selection P.L.C. ("Western" or "the Company")

Western Selection P.L.C.

Preliminary announcement of unaudited results for the year ended 30th June 2012

Western Selection P.L.C. 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 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 from Strategic Investments has increased to £320,000 from £269,000 last year. Dividend income on the General Portfolio has increased from £82,000 to £88,000. Administrative expenses have been contained at a similar level to last year.

Quoted Strategic Investments decreased in value by 14% in the year and our principal unquoted investment, Hartim Limited, had a difficult year, compounded by the cost of rescuing its Australian distributor from administration and a legal dispute over the exercise of a lease break clause.

As a result of the issues at Hartim, the Company made a loss of £182,000 after tax and exceptional items, compared to a profit of £467,000 last year.

Dividend

The Company paid an interim dividend of 0.8p per share on 23rd March 2012.

A final dividend of 0.9p per share is proposed, making 1.7p for the year, compared to 1.5p for 2011. The dividend will be paid on 26th November 2012 to shareholders on the register at the close of business on 2nd November 2012.

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. Further information about Creston is available on their website: www.creston.com.

The audited results for the year to 31st March 2012, show a profit after tax of £10,300,000 (2011 - £10,400,000), equivalent to fully diluted earnings of 12.34p per share (2011 - 12.39p).

Western maintained its holding of 3,000,000 shares in Creston, which is 4.9% of their issued share capital. The value of this investment at 30th June 2012 was £1,650,000 (2011 - £3,390,000) being 13% (2011 - 23%) of Western's assets.

Mr Marshall is a non-executive director of Creston.

Northbridge Industrial Services PLC

Northbridge hires and sells specialist industrial equipment to a non-cyclical customer base. With offices or agents in the U.K., U.S.A., Dubai, Germany, Belgium, France, Australia, Singapore, India, Brazil, Korea and Azerbaijan, Northbridge has a global customer base. This includes utility companies, the oil and gas sector, shipping, construction and the public sector. The product range includes loadbanks, transformers, generators, compressors, loadcells and oil tools. Further information about Northbridge is available on their website: www.northbridgegroup.co.uk.

Northbridge announced audited profits of £2,321,000 for the year ended 31st December 2011 (2010 - £3,036,000) and declared a final dividend of 3.25p per share, making 5.0p for the year (2010 - 4.6p).

Western maintained its holding of 2,200,000 shares in Northbridge, which is 14.3% of their issued share capital. The value of this investment at 30th June 2012 was £5,984,000 (2011 - £6,094,000) being 46 % (2011 - 40%) of Western's assets.

Mr 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. Further information about Swallowfield is available on their website: www.swallowfield.com.

Swallowfield announced its annual results to June 2012 showing a profit after tax of £1,263,000 compared to £1,082,000 for the comparable period last year. Dividends of £118,000 (2011 - £116,000) were received from Swallowfield during the year.

At the reporting date Western owned 1,869,149 shares which is 16.5% of their issued share capital. The market value of this investment on 30th June 2012 was £2,187,000 (2011 - £1,922,000), being 17% (2011 - 13%) of Western's net assets.

Investments in Associates

Hartim Limited

Hartim is the unquoted holding company for 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. Hartim has acquired out of administration its principal distributor in Australia; to maintain and improve the service that it can offer to principals. Losses are being incurred by this business while it is being turned around. Hartim has also incurred an exceptional loss in a legal dispute over the exercise of the break clause in a property lease.

Western holds 49.5% of Hartim, which has a 31st December year end and sustained losses in 2011 of £220,000 after tax on turnover of £27,799,000. Western's share of the consolidated loss after exceptional items and tax for the twelve months to 30th June 2012 was £342,000 (2011 - profit - £337,000) and the book value of the investment at 30th June 2012 was £1,124,000 (2011 - £1,465,000), being 9% (2011 - 10%) 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 Marshall and Mr 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 these and other companies.

General Portfolio

During the year the General Portfolio decreased in value by 6.0%. Our investments in FTSE100 and FTSE250 stocks, which comprise 43% of the General Portfolio, decreased in value by 5.5% whereas the FTSE100 declined by 6.3% and the FTSE250 declined by 7.8%. Our European and United States stocks, representing 21% and 26% of the General portfolio respectively increased in value by 11.6% and decreased by 9.1% respectively. We have reduced the General Portfolio by £213,000 in the year.

Outlook

We remain concerned that the high national debts of developed countries can only be reduced significantly through prolonged austerity and/or substantial inflation. We remain invested in large diversified international non-financial companies, which we think are well placed to outperform the market. We hope that volatility in the financial markets will provide long term investors, such as ourselves, with buying opportunities.

D.C. Marshall
Chairman

Unaudited Statement of Comprehensive Income

| For the year ended 30th June | 2012 | 2011 |
|---|----------------|-------|
| | £000 | £000 |
| Income from investments in: | | |
| Listed strategic undertakings | 320 | 269 |
| Other listed undertakings | 88 | 82 |
| | ----- | ----- |
| | 408 | 351 |
| Administrative expenses | (282) | (275) |
| Profits on disposal of investments | 72 | 68 |
| | ----- | ----- |
| Operating profit | 198 | 144 |
| Share of (losses)/profits of associated companies | (177) | 336 |
| Share of associated company's exceptional item | (165) | - |
| Finance costs | (34) | (8) |
| | ----- | ----- |
| (Loss)/Profit before taxation | (178) | 472 |
| Taxation | (4) | (5) |
| | ----- | ----- |
| (Loss)/Profit after taxation attributable to equity shareholders | (182) | 467 |
| Other comprehensive income | | |
| Fair value recycled from equity on disposal | 74 | 83 |
| Fair value adjustment on listed undertakings | (1,723) | 3,781 |
| | ----- | ----- |
| Total comprehensive (loss)/profit | (1,831) | 4,331 |
| | ===== | ===== |
| Basic and diluted earnings per share attributable to ordinary equity holders | (1.0)p | 2.6p |

Unaudited Statement of Financial Position

| At 30th June | 2012 | 2011 |
|--|---------------|-------------|
| | £000 | £000 |
| Non-current Assets | | |
| Investment in Associates | 1,273 | 1,615 |
| Investments | 12,356 | 14,118 |
| | ----- | ----- |
| | 13,629 | 15,733 |
| | ----- | ----- |
| Current Assets | | |
| Trade and other receivables | 71 | 132 |
| Cash and cash equivalents | - | - |
| | ----- | ----- |
| | 71 | 132 |
| | ----- | ----- |
| Current Liabilities | | |
| Trade and other payables | (805) | (843) |
| | ----- | ----- |
| Net Current (Liabilities) | (734) | (711) |
| | ----- | ----- |
| Net Assets | 12,895 | 15,022 |
| | ===== | ===== |
| | | |
| Equity | | |
| Share capital | 7,180 | 7,180 |
| Share premium account | 2,654 | 2,654 |
| Capital reserve account | 3 | 3 |
| Unrealised profits and losses on investments | 1,156 | 2,806 |
| Share of undistributed profits of associates | 354 | 696 |
| Realised profits and losses | 1,548 | 1,683 |
| | ----- | ----- |
| Shareholders' Funds | 12,895 | 15,022 |
| | ===== | ===== |

Unaudited Statement of Cash Flow

| For the year ended 30 th June | 2012 £000 | 2012 £000 | 2011 £000 | 2011 £000 |
|--|--------------|--------------|--------------|--------------|
| (Loss)/Profit before taxation | | (178) | | 472 |
| Profit on sale of investments | | (72) | | (68) |
| Share of results of associates | | 342 | | (336) |
| Interest payable | | 34 | | 8 |
| Changes in working capital | | | | |
| Decrease/(Increase) in trade and other receivables | | 61 | | (95) |
| Increase in trade and other payables | | 52 | | 5 |
| | | ----- | | ----- |
| Cash generated/(utilised) by operations | | 239 | | (14) |
| Taxation paid | | (4) | | (5) |
| Interest paid | | (34) | | (8) |
| | | ----- | | ----- |
| Net cash generated/(utilised) by operations | | 201 | | (27) |
| Cash flow from investing activities | | | | |
| Proceeds on disposal of general portfolio investments | 211 | | 524 | |
| Purchase of general portfolio investments | - | | (528) | |
| | ----- | | ----- | |
| | 211 | | (4) | |
| Purchase of strategic investments | (26) | | (850) | |
| | ----- | | ----- | |
| Net cash generated/(absorbed) by investing activities | | 185 | | (854) |
| Cash flow from financing activities | | | | |
| Proceeds received from issue of new shares | - | | 1 | |
| Costs of shares purchased and cancelled | - | | (3) | |
| Equity dividend paid | (296) | | (242) | |
| | ----- | | ----- | |
| | | (296) | | (244) |
| | | ----- | | ----- |
| Movement in cash and cash equivalents | | 90 | | (1,125) |
| Net (debt)/cash and cash equivalents at start of year | | (797) | | 328 |
| | | ----- | | ----- |
| Net debt at end of year | | (707) | | (797) |
| | | ===== | | ===== |

Notes:-

- Earnings per share are based on the profit on ordinary activities after taxation and on 17,949,872 (2011 - 17,948,948) being the weighted average number of shares in issue during the period.
- 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.
- 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.
- The financial information in this preliminary announcement does not constitute the company's statutory accounts for the years ended 30th June 2012 or 30th June 2011 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 2011 have been delivered to the Registrar of Companies and those for 2012 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.

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Notes to Editors:

The Company is an investment 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.