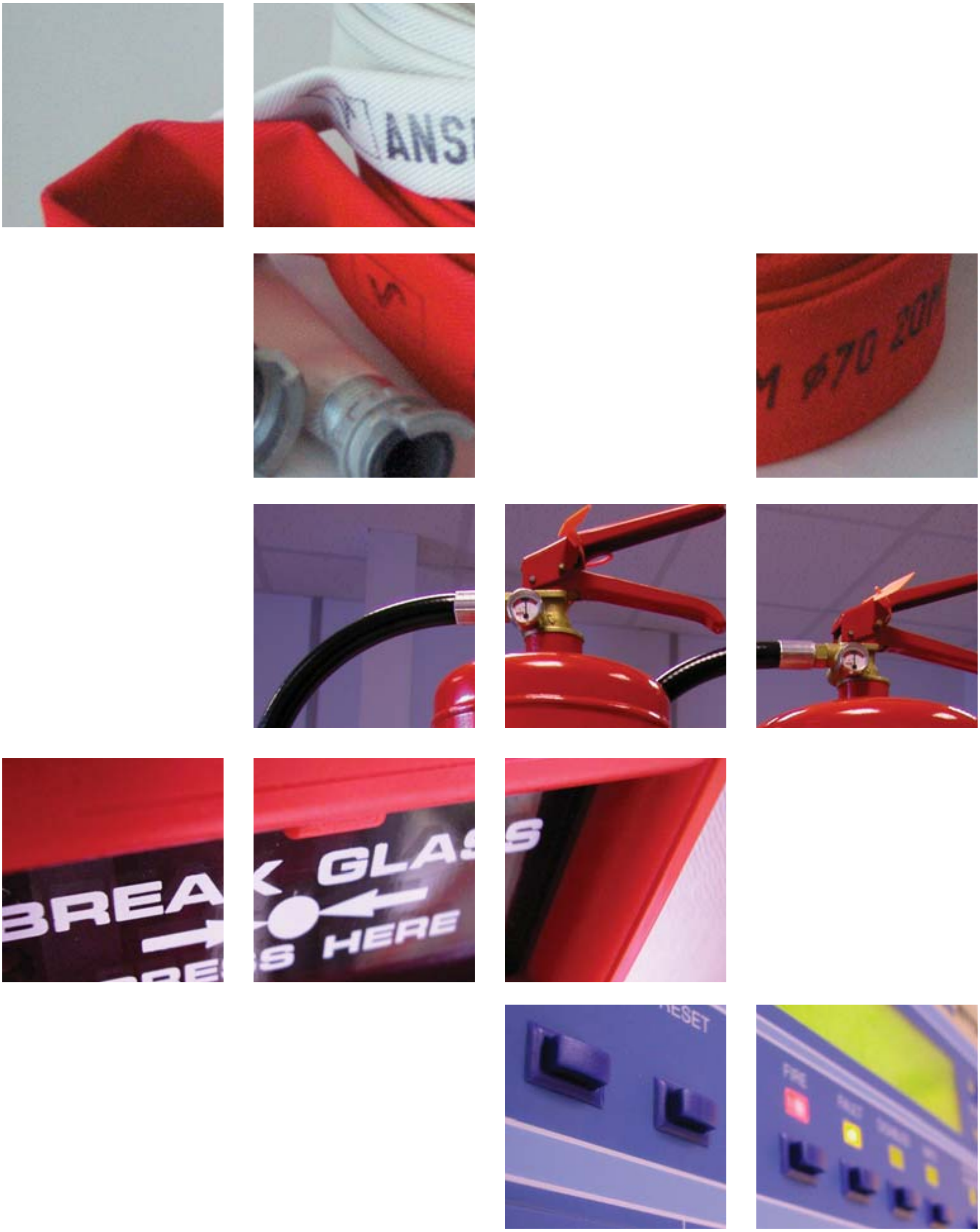
LONDON SECURITY PLC

INTERIM STATEMENT 2006



London Security plc continues to deliver industry leading profit margins since acquiring the Ansul and Nu-Swift businesses in December 1999. The challenges for the future are to continue to grow through acquisition and organically and to build upon our competitive advantage of being a complete fire protection solution provider.

London Security plc is a leader in Europe's fire security industry. Each year, we provide fire protection for over 200,000 customers through our local presence in the United Kingdom, Belgium, Holland, Austria and Switzerland.

Our services and products are commercialised through the well and long established brands of Nu-Swift, Ansul, Total, Premier and Master. The unique styling of our products makes them immediately recognisable to both the industry and customers alike.

We aim to achieve the highest levels of service and product quality through continuing training of our employees to the most stringent servicing standards and the development of the highest performance rated fire products. These activities are performed whilst considering the preservation of the environment.

From the largest blue chip companies to governments and private individuals, our customers know that our name stands for integrity of service by the best trained and qualified individuals with quality products that have achieved the highest performance ratings.

FINANCIAL HIGHLIGHTS

Financial highlights of the unaudited results for the six months ended 30 June 2006 compared with the first half of 2005 are as follows:

- Turnover of £33.4 million (2005: £34.0 million)
- Earnings before interest, taxation, depreciation and amortisation ("EBITDA") of £7.7 million (2005: £7.6 million)
- Operating profit of £5.1 million (2005: £5.1 million)
- Profit on ordinary activities before taxation of £4.1 million (2005: £4.7 million)
- Earnings per share of 18.3p (2005: 18.0p)

TRADING AND PROSPECTS

The financial highlights above illustrate that 2006 has been a period of consolidation for the Group. Each of our subsidiaries produced profits broadly in line with the prior year. This, however, hides work done in the period on cost control and commercial performance which give reason for optimism for the future. Increased profits are expected in the second half compared with 2005, in particular from our Belgian and UK operations.

The alarm divisions of MK Fire and TVF have made significant progress towards the end of this period and this has continued with improved results in July and August. Improved results have been reported in our Swiss operations in part due to lower office costs.

Interest payable and similar charges have risen significantly as new borrowings to finance the Tender Offer were drawn down in July 2005, hence this period has suffered a full interest charge.

It remains a principal aim of the Group to grow through acquisition. Acquisitions are being sought throughout Europe and the Group will invest at the upper end of the price spectrum where an adequate return is envisaged. In this period, management and staff have continued to perform well and I would like to express thanks and appreciation for their contribution.

J.G. MURRAY
Chairman
29 September 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS TO 30 JUNE 2006

	Unaudited six months to 30 June 2006 £'000	Unaudited six months to 30 June 2005 £'000	Audited year to 31 December 2005 £'000
Turnover	**33,398**	33,981	64,811
Cost of sales	**(6,197)**	(6,686)	(11,888)
Gross profit	**27,201**	27,295	52,923
Distribution costs	**(12,779)**	(13,286)	(24,640)
Administrative expenses	**(9,347)**	(8,889)	(19,189)
Operating profit	**5,075**	5,120	9,094
EBITDA*	**7,675**	7,645	14,258
Depreciation	**(1,034)**	(1,006)	(2,031)
Amortisation of goodwill	**(1,566)**	(1,519)	(3,133)
Operating profit	**5,075**	5,120	9,094
Profit on disposal of fixed asset investments	**—**	—	1,474
Net interest payable and similar charges	**(915)**	(330)	(2,062)
Other finance costs	**(49)**	(92)	(366)
Profit on ordinary activities before taxation	**4,111**	4,698	8,140
Taxation (Note 3)	**(1,859)**	(2,094)	(3,663)
Profit on ordinary activities after taxation	**2,252**	2,604	4,477
Dividends	**(1,476)**	—	—
Retained profit	**776**	2,604	4,477
Basic and diluted earnings per ordinary share (Note 2)	**18.3p**	18.0p	33.4p

All of the above results arose from continuing operations.

* Earnings before interest, taxation, depreciation and amortisation.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	Unaudited as at 30 June 2006 £'000	Unaudited as at 30 June 2005 £'000	Audited as at 31 December 2005 £'000
Fixed assets			
Intangible assets	**44,710**	47,850	46,230
Tangible assets	**7,676**	8,193	7,823
Investments	**—**	70	—
	52,386	56,113	54,053
Current assets			
Stocks	**5,328**	4,428	4,897
Debtors	**16,268**	16,636	15,676
Cash at bank and in hand	**6,658**	6,937	8,253
	28,254	28,001	28,826
Creditors: due within one year			
Finance debt	**(5,204)**	(2,819)	(5,330)
Other creditors	**(14,742)**	(16,392)	(15,247)
	(19,946)	(19,211)	(20,577)
Net current assets	**8,308**	8,790	8,249
Total assets less current liabilities	**60,694**	64,903	62,302
Creditors: due after more than one year			
Finance debt	**(33,478)**	(10,334)	(35,958)
Provisions for liabilities and charges	**(346)**	(315)	(399)
Net assets excluding net pension liability	**26,870**	54,254	25,945
Net pension liability	**(3,065)**	(3,797)	(2,999)
Net assets including net pension liability	**23,805**	50,457	22,946
Capital and reserves			
Called up share capital	**123**	123	123
Merger reserve	**2,033**	2,033	2,033
Profit and loss account	**21,649**	48,301	20,790
Total equity shareholders' funds	**23,805**	50,457	22,946

	Unaudited six months to 30 June 2006 £'000	Unaudited six months to 30 June 2005 £'000	Audited year ended 31 December 2005 £'000
Net cash inflow from operating activities	**6,425**	6,010	10,193
Return on investments and servicing of finance			
Interest received	**64**	59	120
Interest paid	**(962)**	(392)	(1,326)
Net cash outflow from return on investments and servicing of finance	**(898)**	(333)	(1,206)
Taxation			
Corporation tax paid	**(2,214)**	(3,262)	(3,629)
Capital expenditure			
Payments to acquire intangible fixed assets	**(46)**	—	(16)
Payments to acquire tangible fixed assets	**(967)**	(1,099)	(1,821)
Receipts from sales of tangible fixed assets	**187**	199	292
Receipt from sale of investment	**—**	—	1,544
Net cash outflow for capital expenditure	**(826)**	(900)	(1)
Net cash outflow for acquisitions	**—**	—	(516)
Equity dividends paid to shareholders	**(1,476)**	—	—
Net cash inflow/(outflow) before financing	**1,011**	1,515	(4,841)
Financing			
Purchase of own shares	**—**	(104)	(104)
New long-term loans	**—**	—	30,000
Tender offer	**—**	—	(30,007)
Repayment of long-term loans	**(2,606)**	(2,197)	(4,200)
Net cash outflow from financing	**(2,606)**	(2,301)	(4,311)
(Decrease)/increase in cash in the period	**(1,595)**	(786)	530

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Unaudited six months to 30 June 2006 £'000	Unaudited six months to 30 June 2005 £'000	Audited year ended 31 December 2005 £'000
Profit for the financial period	**2,252**	2,604	4,477
Currency translation differences on foreign currency net investments	**83**	(518)	(264)
Actuarial (loss)/gain recognised in pension scheme (Note 4)	**—**	(62)	469
Movement on deferred tax relating to pension scheme	**—**	19	(143)
Total recognised gains and losses relating to the period	**2,335**	2,043	4,539

RECONCILIATION OF MOVEMENT IN GROUP SHAREHOLDERS' FUNDS

	Unaudited six months to 30 June 2006 £'000	Unaudited six months to 30 June 2005 £'000	Audited year ended 31 December 2005 £'000
Profit for the financial period	**2,252**	2,604	4,477
Dividends	**(1,476)**	—	—
Consideration for the purchase of own shares	**—**	(104)	(104)
Currency translation differences on foreign currency net investments	**83**	(518)	(264)
Actuarial (loss)/gain recognised in pension scheme (Note 4)	**—**	(62)	469
Movement on deferred tax relating to pension scheme		19	(143)
Tender offer	**—**	—	(30,007)
Net increase/(decrease) in shareholders' funds	**859**	1,939	(25,572)
Shareholders' funds at the beginning of the period	**22,946**	48,518	48,518
Shareholders' funds at the end of the period	**23,805**	50,457	22,946

1. NATURE OF INFORMATION

The financial information contained in this unaudited interim statement does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. The financial information for the six months ended 30 June 2006 is unaudited and has been prepared on the basis of the accounting policies set out in the Group's 2005 Report and Accounts. Comparative figures for the year ended 31 December 2005 have been extracted from the statutory accounts for the year ended 31 December 2005 which have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under sections 237(2) or 237(3) of the Companies Act 1985.

2. EARNINGS PER SHARE

The calculation of basic earnings per ordinary share is based on the profit on ordinary activities after taxation of £2,252,000 (2005: £2,604,000) and on 12,323,198 (2005: 14,459,001) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

For diluted earnings per ordinary share, the weighted average number of shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. The revised weighted average number of shares is 12,323,198 (2005: 14,473,038). After taking into account the effect of dilutive securities, the basic EPS and adjusted EPS figures are unaltered.

The calculation of adjusted earnings per ordinary share is based on the above weighted average and on adjusted earnings which comprise:

	Unaudited six months to 30 June 2006 £'000	Unaudited six months to 30 June 2005 £'000	Audited year ended 31 December 2005 £'000
Profit on ordinary activities after taxation	**2,252**	2,604	4,477
Eliminate effect of:			
Amortisation of goodwill	**1,566**	1,519	3,133
Adjusted earnings	**3,818**	4,123	7,610
Adjusted earnings per ordinary share	**31.0p**	28.5p	56.8p
Basic earnings per ordinary share	**18.3p**	18.0p	33.4p

3. TAXATION

The taxation charge for the period (45%) appears high due principally to the non-deductibility for taxation purposes of the amortisation of goodwill.

4. ACTUARIAL GAIN/(LOSS) RECOGNISED IN PENSION SCHEME

In common with many other companies, the Group has not prepared an actuarial valuation of pension scheme assets and liabilities for the 2006 interim statement. In accordance with FRS17 such a valuation will be prepared for the purposes of the Group's 2006 Report and Accounts.

UNITED KINGDOM

Asco Extinguishers Company Limited
Melissa House
Unit 3
Festival Court
Brand Street
Glasgow G51 1DR
Tel: 0141 427 1144
Fax: 0141 427 6644
E-mail: sales@asco.uk.com
Website: www.asco.uk.com

GFA Premier Limited
Wistons Lane
Elland
West Yorkshire HX5 9DS
Tel: 01422 377521
Fax: 01422 377524

Hoyles Fire & Safety Limited
Wistons Lane
Elland
West Yorkshire HX5 9DS
Tel: 01744 885161
Fax: 01744 882410
E-mail: customer.service@hoylesfire.co.uk
Website: www.hoylesfire.co.uk

L.W. Safety Limited
56/69 Queens Road
High Wycombe
Buckinghamshire HP13 6AH
Tel: 020 8575 9000
Fax: 020 8575 0600
E-mail: administration1@lwsafety.co.uk
Website: www.lwsafety.com

Nu-Swift International Limited
Wistons Lane
Elland
West Yorkshire HX5 9DS
Tel: 01422 372852
Fax: 01422 379569
E-mail: customerservice@nu-swift.co.uk
Website: www.nu-swift.com

MK Fire Limited
56/69 Queens Road
High Wycombe
Buckinghamshire HP13 6AH
Tel: 01908 310800
Fax: 01908 220778
E-mail: info@mkfire.co.uk
Website: www.mkfire.co.uk

TVF (UK) Plc
56/69 Queens Road
High Wycombe
Buckinghamshire HP13 6AH
Tel: 01494 450641
Fax: 01494 465378
E-mail: info@tvfplc.co.uk
Website: www.tvfplc.co.uk

United Fire Alarms Limited
Wistons Lane
Elland
West Yorkshire HX5 9DS
Tel: 0845 6015836
Fax: 0845 6015837
E-mail: customer.service@utdfa.co.uk
Website: www.unitedfirealarms.co.uk

AUSTRIA

Total Firestop G.m.b.H.
Percostrasse 15
1220 Wien
Tel: 00 431 259 36310
Fax: 00 431 259 363118
E-mail: info@total.at

BELGIUM

All-Protec N.V.
Bogaertstraat 16
9910 Knesslare
Tel: 00 32 9375 2044
Fax: 00 32 9374 6895
E-mail: info@all-protec.be

Ansul S.A.
Industrialaan 35
B-1702 Groot-Bijgaarden
Tel: 00 32 2467 7211
Fax: 00 32 2466 4456
E-mail: mail@ansul.be
Website: www.ansul.be

Dimex Technics S.A.
42 rue de l'eglise
4710 Lontzen Herbesthal
Tel: 00 32 8788 0242
Fax: 00 32 8788 3766
E-mail: info@dimex-technics.be

Importex S.A.
42 rue de l'eglise
4710 Lontzen Herbesthal
Tel: 00 32 8788 0242
Fax: 00 32 8788 3766
E-mail: info@importex.be

HOLLAND

Ansul B.V.
Platinastraat 14 NL 8211
AR Lelystad
Tel: 00 31 320 240864
Fax: 00 31 320 247707
E-mail: info@ansul.nl

Nu-Swift Brandbeveiliging B.V.
Ringoven 32
6826 TR Arnhem
Tel: 00 31 263 630330
Fax: 00 31 263 640828
E-mail: nu-swift@planet.nl

SWITZERLAND

Feuerloscher Nu-Swift (Schweiz) AG
Bahnhofplatz 1
2501 Biel/Bienne
Tel: 00 41 32 323 1314
Fax: 00 41 32 322 0412
E-mail: info@nu-swift.ch

Maclin S.A.
Chemin de la Mairie, 5
1223 Cologny
Tel: 00 41 22 735 1400
Fax: 00 41 22 700 5789
E-mail: info@maclin.ch

Othmar Hug Feuerschutz G.m.b.H.
Postfach 4012
4055 BS Basel
Tel: 00 41 61301 8272
Fax: 00 41 61301 8274
E-mail: hug@datacomm.ch
Website: www.hugfeuerschutz.ch

Total TF AG
Bahnhofplatz 1
2501 Biel/Bienne
Tel: 00 41 32 323 1314
Fax: 00 41 32 322 0412
E-mail: info@total.ch

designed & produced by THE DESIGN PORTFOLIO
a member of the flathill communications group plc
www.flathillplc.com

LONDON SECURITY PLC
Wistons Lane
Elland
West Yorkshire
HX5 9DS
Website: www.londonsecurity.org