

Shieldtech plc (“Shieldtech” or “the Company”)

Trading Update

The Board of Shieldtech, the specialist provider of products and services to the Homeland Security market, today made the following trading statement following the end of the company's financial year to June 2008.

“Trading in the six months to June 2008 has shown a significant improvement on the half year to December 2007. The directors predicted in the Admission Document dated July 2007 that sales in the first half of the year to December 2007 would be depressed owing to the revision of ballistic measurement standards by the Home Office Scientific Development Branch (“HOSDB”), which delayed procurement by a number of UK police forces. This restricted level of sales continued initially in the second half of the year to June 2008.

The order book has increased substantially in the last quarter. In particular orders have been received from four major UK police forces amounting to £1.6 million, the total sales relating to these orders in the last quarter is £0.6 million, leaving £1 million to be delivered in FY2009. A further £0.5 million order from a major overseas defence client will be delivered in FY2009. The group's current order book of £3.75 million is at its highest for two years.

Sales in the final quarter improved markedly. Despite this recent recovery, sales in the year to June 2008 were depressed at around £6m (2007 £11.5m). The company expects to have incurred operating losses before IFRS non cash charges for the amortisation of intangible assets and for share based payments for the year to June 2008 of about £0.7 million. (6 months to December 2007 £0.6 million).

The directors believe that the delay in receipt of orders from police forces arising from the revision of the ballistic measurement standards has now abated and the directors are confident of a return to profitability during the year to June 2009.

Shieldtech plc

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