



This document is important and requires your immediate attention.

If you have any doubts about what action you need to take, you should immediately contact your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your registered holding of ordinary shares in LSL Property Services plc, you should pass this letter and the accompanying document(s) to the persons through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

This document does not contain sufficient information to allow you to gain an understanding of the proposals contained in the shareholder documents published online and should not be regarded as a substitute for reading the shareholder documents or relied upon as the basis on which to make decisions. It is recommended that you read the shareholder documents carefully before taking any action.

13th April 2016

Dear Shareholder

Adoption of Financial Reporting Standard (FRS) 101 - Reduced Disclosure Framework, and FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland

A new UK Generally Accepted Accounting Practice (GAAP) accounting framework introduced by the Financial Reporting Council (FRC) becomes effective for the financial statements of UK companies with accounting periods commencing on or after 1st January 2015. Under this new framework, LSL Property Services plc (the Company) is required to elect to prepare its parent entity and subsidiary company financial statements on one of the bases permitted by the FRC.

The consolidated Group financial statements of the Company will continue to be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and are unaffected by this new accounting framework.

The Company has elected to prepare the parent entity financial statements under full IFRS for the year ended 31st December 2015 and on an on-going basis until such time as the Company notifies shareholders of any change.

The Company proposes to adopt FRS 101 "Reduced Disclosure Framework" for the preparation of the subsidiary financial statements, and FRS 102 for the Company's dormant entities for the year ended 31st December 2015, and on an on-going basis until such time as the Company notifies shareholders of any change.

The Company's election to adopt FRS 101 or FRS 102 for its subsidiary financial statements does not require shareholder approval. However, as stipulated in FRS 101 and FRS 102, the Company is required to notify all shareholders of this election. Any shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in the Company may serve an objection to the use of the disclosure exemptions. Objections must be served in writing and delivered to the Company Secretary at LSL Property Services plc, Buildmark House, George Cayley Drive, Clifton Moor, York, YO30 4XE United Kingdom not later than 12th May 2016.

Yours faithfully

Sapna B FitzGerald

Company Secretary

LSL Property Services plc

Company Number: 5114014

Registered Office: Newcastle House, Albany Court, Newcastle Business Park, Newcastle Upon Tyne, NE4 7YB