

**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 professional 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 you should pass this letter and the accompanying documents to the person whom the sale or transfer was effected for transmission to the purchaser or transferee.**

#### **Electronic communications**

At LSL's AGM meeting held in May 2007, shareholders passed a resolution to allow LSL to use its website ([www.lslps.co.uk](http://www.lslps.co.uk)) ("**Website**") to publish statutory documents and communications to shareholders, such as the Annual Report and Accounts ("**Shareholder Communications**"), as its default method of communications. LSL also wrote to shareholders in 2007 asking them whether they wished to continue to receive paper copies of Shareholder Communications by post, or electronically via the Website.

The Annual Report and Accounts 2008 has now been published on the Website. For those who elected to receive paper copies of Shareholder Communications, a copy of the Annual Report and Accounts 2008 is enclosed with this Notice. If you would like to revert to receiving paper copies of the Annual Report and Accounts and other Shareholder Communications, please contact Capita Registrars, on 0871 664 0387 (calls cost 10p per minute plus network extras), or online at [www.capitashareportal.com](http://www.capitashareportal.com).



**(Incorporated in England and Wales with registered no. 5114014)**

## **CHAIRMAN'S LETTER & NOTICE OF ANNUAL GENERAL MEETING**

**To LSL Property Services plc ("LSL") ordinary shareholders**

Dear Shareholder

#### **2009 Annual General Meeting ("AGM")**

I am pleased to give you notice of the AGM of LSL. The AGM will be held at 2.30pm on Wednesday 22 April 2008 at the offices of Buchanan Communications, 45 Moorfields, London, EC2Y 9AE.

The Notice of the AGM is set out on pages 4 and 5 of this document, with explanatory notes to the resolutions set out on pages 6 to 10. There will be an opportunity for shareholders to ask questions at the meeting.

#### **Re-election of Directors**

I would like to take this opportunity to make particular reference to resolutions 3 and 4 which relate to the re-election of Directors.

LSL's articles of association permit any Director appointed by the Board since the date of the last AGM to hold office only until the date of the next AGM following their appointment. The Director is then eligible for election by shareholders. This year, Paul Latham and myself will stand for re-election and our biographical details are set out on page 16 of the Annual Report and Accounts 2008 and on page 6 of the explanatory notes to the resolutions.

**Recommendation**

Your Board considers each of the proposed resolutions to be in the best interests of LSL and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of the resolutions; as they intend to do in respect of their beneficial holdings of ordinary shares (in respect of which they have the power to exercise or direct the exercise of voting rights) which, in aggregate, amount to 22,449,720 ordinary shares representing approximately 21.55% of the issued share capital of the Company.

**Boiler Room Scams**

Finally, enclosed with this notice is a leaflet which has been issued by the FSA and ICSA relating to 'boiler room scams'. Please read this carefully as it is intended as a warning to shareholders. If you require any additional information please visit: [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk).

Yours sincerely



**Roger Matthews**  
**Chairman**

25 March 2009

LSL Property Services plc.

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

## **Voting Arrangements – Action to be taken**

You are asked to either:

1. complete the enclosed Form of Proxy and return it, together with any power of attorney or other authority under which it is signed or a notarially certified or office copy thereof, to Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 2.30pm on 20 April 2008; or
2. if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service, details of which are set out in Note 2 of the administrative notes to the Notice of AGM set out on pages 8, 9 and 10.

To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment. You may photocopy the enclosed Form of Proxy, indicating on each copy the name of the proxy you wish to appoint and the number of shares in respect of which the proxy is appointed. All forms must be signed and should be returned together in the same envelope.

This letter includes The Form of Proxy card, which includes a 'Vote Withheld' option in order for shareholders to abstain on any particular resolution. However, an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the relevant resolution.

Completion of the Form of Proxy or appointment of a proxy through CREST does not prevent you from attending and voting in person.

Capita Registrars maintain LSL's share register. They also provide a telephone helpline service on 0871 664 0300 (calls cost 10p a minute plus network extras). If you have any queries about voting or about your shareholding, please contact Capita Registrars.

## Notice of Annual General Meeting

**NOTICE** is hereby given that the Annual General Meeting of LSL Property Services plc (“**LSL**”) will be held at the offices of **Buchanan Communications, 45 Moorfields, London, EC2Y 9AE on Wednesday 22 April 2009 at 2.30 pm** for the transaction of the following business:

### ORDINARY BUSINESS

As ordinary business to consider and, if thought fit, to pass the following resolutions, of which numbers 1-8 will be proposed as ordinary resolutions and resolution 9 as a special resolution:

1. To receive and adopt LSL’s Annual Accounts for the year ended 31 December 2008, together with the Directors’ Report and the Auditors’ Report on those accounts and on the auditable part of the Directors’ Remuneration Report.
2. To approve the Directors’ Remuneration Report contained within the Annual Report and Accounts 2008 for the year ended 31 December 2008.
3. To re-elect Paul Latham as a Director of LSL.
4. To re-elect Roger Matthews as a Director of LSL.
5. To re-appoint Ernst & Young LLP as auditors of LSL until the conclusion of the next Annual General Meeting.
6. To authorise the Directors to determine the auditors’ remuneration.
7. That for the purposes of section 80 of Companies Act 1985 (“**the Act**”) (and so that expressions used in this resolution shall bear the same meanings as in the said section 80):
  - 7.1 the Directors be and are generally and unconditionally authorised to exercise all powers of LSL to allot relevant securities up to a maximum nominal amount of £74,307.03 to such persons and at such times and on such terms as they think proper during the period expiring on the earlier of the next Annual General Meeting and the date which is 18 months from the date of the passing of this resolution (unless previously revoked or varied by LSL in general meeting); and
  - 7.2 LSL be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution);so that all previous unexercised authorities granted to the Directors pursuant to the said section 80 be and are hereby revoked.
8. That the Directors be and are empowered in accordance with section 95 of the Act to sell treasury shares (as defined in section 162 of the Act) and, subject to the passing of resolution 9 set out in the Notice convening this Meeting, to make other allotments of equity securities (and the expression ‘allotment of equity securities’ and like expressions used in this resolution shall have the meaning given to them by virtue of section 94 of the Act) for cash, pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by that resolution, in each case as if section 89(1) and sub-sections (1) – (6) of section 90 of the Act did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to:
  - 8.1 the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering (other than LSL itself in respect of any shares held by it as treasury shares) where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
  - 8.2 the allotment (otherwise than pursuant to paragraph 10.1 above) of equity securities up to an aggregate nominal value not exceeding £10,415.89;

and this power, unless renewed, shall expire at the earlier of the next Annual General Meeting of LSL and the date which is 18 months from the date of the passing of this resolution, but shall extend to the making, before such expiry, of an offer or agreement which would or might require an allotment of equity securities to be made after such expiry and the Directors may make an allotment of equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

### **SPECIAL BUSINESS**

As special business to consider and, if thought fit, to pass the following resolution, which will be proposed as special resolution:

9. That LSL be and is hereby generally and unconditionally authorised for the purpose of section 166 of Companies Act 1985 to make market purchases (as defined in section 163 of the said Act) of ordinary shares of 0.2p each in the capital of LSL ("**ordinary shares**") provided that:
  - 9.1 the maximum number of ordinary shares hereby authorised to be purchased is 10,415,895;
  - 9.2 the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 0.2p per share, being the nominal amount thereof;
  - 9.3 the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the highest of (a) 5% above the average of the middle market quotations for such shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made; or (b) the price of the last independent trade; or (c) the highest current independent bid;
  - 9.4 the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the next Annual General Meeting of LSL and the date which is 18 months from the date of the passing of this resolution; and
  - 9.5 LSL may make a contract to purchase its own ordinary shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and LSL may make a purchase of its own ordinary shares in pursuance of any such contract.

### **BY ORDER OF THE BOARD**

**Sapna B FitzGerald**  
*Company Secretary*

**Date 25 March 2009**

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

## **EXPLANATORY NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING:**

### **Resolution 1 – To receive and adopt LSL’s Annual Report and Accounts 2008**

The Directors are required to present to the AGM the Annual Accounts, the Directors’ Report, and the Auditors’ Reports on those accounts and on the auditable part of the Director’s Remuneration Report. This is a standard form of resolution, common to AGMs.

### **Resolution 2 – To approve the Directors’ Remuneration Report**

In accordance with section 241A of the Companies Act 1985 (“the **Act**”), shareholders are required to approve the Directors’ Remuneration Report. The Directors’ Remuneration Report for the financial year ended 31 December 2008 is set out on pages 25 to 28 of the Annual Report and Accounts 2008.

### **Resolutions 3 and 4 – To elect the Directors**

In accordance with LSL’s articles of association (**Articles**), Paul Latham and Roger Matthews will retire at the AGM and, being eligible (under Article 116), are intending to stand for re-election at the meeting. The Articles require each Director to retire on the third AGM after the AGM (or general meeting) on which he was previously elected (Article 115.1) and any non-executive director, who has held office for nine years or more, to be subject to re-election at each AGM (Article 115.2). The Articles also require that any Director appointed since the last AGM should stand for re-election at the next following AGM where they shall then be eligible for re-election (Article 114).

The biographical details for all Directors including Paul Latham and Roger Matthews are set out on page 16 of the Annual Report and Accounts 2008 and below. In addition, during the 2008 board effectiveness review, the performance of Paul Latham and Roger Matthews was specifically evaluated and the board confirmed that it values the experience and commitment to the business demonstrated by each of these individuals.

#### **Paul Latham**

Deputy Group Chief Executive Officer of LSL and responsible for the Group’s surveying division, aged 53. Paul was appointed as Managing Director of e.surv in 2000. At the time of the management buy-out in 2004, Paul became the Deputy Chief Executive Officer of LSL. Paul has overall responsibility for the performance of the Group’s surveying division. Since 2000 he has overseen the development of the surveying divisions into the UK’s largest distributor of residential valuations. Paul holds an honours degree from the University of Reading and is a qualified Chartered Surveyor and is currently the Chair of the Residential Faculty of The Royal Institution of Chartered Surveyors. He is also recognised by customers as a leading exponent of technology solutions to provide real estate valuation advice to financial institutions.

#### **Roger Matthews**

Non Executive Chairman, aged 54. Roger was appointed to the Board on 11 October 2006. Roger is also Chairman of MITIE Group plc and is a Trustee of Cancer Research UK. Previously Non Executive Chairman of Land of Leather Holdings plc and Sainsbury’s Bank, group Finance Director of J.Sainsbury plc, Managing Director and Finance Director of Compass Group plc and worked for Grand Metropolitan plc, Cadbury Schweppes plc and PricewaterhouseCoopers. He is a Chartered Accountant.

### **Resolutions 5 & 6 – Reappointment of auditors and determination of their remuneration**

LSL is required to appoint or reappoint auditors at each AGM at which its accounts are presented to hold office until the conclusion of the next AGM. The Audit Committee has reviewed the effectiveness, independence and objectivity of the external auditors, Ernst & Young LLP (“**Ernst & Young**”), on behalf of the Board, who now propose their reappointment as auditors of LSL. Ernst & Young has advised of its willingness to stand for reappointment as the auditor of LSL (see resolution 5).

Resolution 6 authorises the Directors who, in accordance with standard practice, will act through the Audit Committee, to agree the auditors’ remuneration.

### **Resolution 7 – Authority to allot shares**

Resolution 7, which will be proposed as an ordinary resolution will, if passed, authorise the Directors to allot shares up to a maximum nominal amount of £74,307.03, which represents 35.67% of the total ordinary share capital in issue as at 20 March 2009 (being the latest practicable date prior to the publication of this document). This is the maximum permitted amount under best practice corporate governance guidelines being the lesser of the amount of: (i) the authorised but unissued ordinary share capital; and (ii) an amount equal to (a) one-third of the issued ordinary share capital of LSL, plus (b) the amount of share capital which has been reserved for the issue of shares upon the exercise of options granted by LSL.

This authority will expire no later than 18 months after the date of the AGM. Other than in relation to LSL's employee share schemes, the Directors have no present intention of exercising this authority.

### **Resolution 8 – Disapplication of pre-emption rights (special resolution)**

Resolution 10, which will be proposed as a special resolution, seeks authority to issue equity securities of LSL for cash or to sell any shares which LSL holds in treasury following a purchase of its own shares pursuant to the authority in resolution 9 below for cash without application of the pre-emption rights provided by section 89 of the Act.

The authority contained in this resolution will be limited to an aggregate nominal value of £10,415.89 which represents 5% of the issued ordinary share capital of LSL as at 20 March 2009 (being the latest practicable date prior to the publication of this document).

The resolution also disapplies the statutory pre-emption provisions in connection with pre-emptive offerings, for example, rights issue and allows the Directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise.

LSL undertakes to restrict its use of this authority to a maximum of 7.5% of LSL's issued ordinary share capital in any three-year period.

This authority will expire no later than 18 months after the date of the AGM.

### **Resolution 9 – To authorise LSL to purchase its own shares (special resolution)**

Resolution 9, which will be proposed as a special resolution, gives LSL authority to buy back its own ordinary shares in the market as permitted by the Act. The authority limits the number of shares that could be purchased to a maximum of 10,415,895 representing 10% of the issued share capital of LSL as at 20 March 2009 (being the latest practicable date prior to publication of this document).

The minimum price payable by LSL for the purchase of its own ordinary shares will be 0.2p per share (being the amount equal to the nominal value of an ordinary share). The maximum price payable will be limited to (a) the highest of 5% above the average of the middle market quotations of LSL's ordinary shares, as derived from the Daily Official List of the London Stock Exchange, for the 5 business days prior to the purchase; or the price of the last independent trade; or (b) the highest current independent bid.

This authority will expire no later than 18 months after the date of the AGM.

The Directors have no present intention of exercising the authority to purchase LSL's ordinary shares but will keep the matter under review. The authority will be exercised only if the Directors believe that to do so would result in an increase in earnings per share and would be in the interests of shareholders generally.

Company law allows LSL to hold in treasury any shares purchased by it using its distributable profits. Such shares will remain in issue and capable of being re-sold by LSL or used in connection with certain of its share schemes. LSL intends to take advantage of these provisions to the extent that it exercises the authority to buy back its shares, so as to hold the purchased shares in treasury.

Option to subscribe for up to 1,476,882 ordinary shares have been granted and are outstanding as at 20 March 2009 (being the latest practicable date prior to publication of this document) representing 1.42% of the issued ordinary share capital at that date. If the Directors were to exercise in full the power for which they are seeking authority under resolution 9 the options

outstanding at 20 March 2009 would represent 1.58% of the ordinary share capital in issue following the exercise.

## **ADMINISTRATIVE NOTES**

### **1. Form of Proxy**

A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a show of hands or on a poll instead of him or her. A proxy need not be a shareholder. A Form of Proxy is enclosed and notes for completion can be found on the form and should be read carefully before it is completed. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 2.30pm on 20 April 2009 at the Offices of Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Completion of the Form of Proxy does not prevent you from voting at and attending the meeting in person.

To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment. You may photocopy the enclosed Form of Proxy, indicating on each copy the name of the proxy you wish to appoint and the number of shares in respect of which the proxy is appointed. All forms must be signed and should be returned together in the same envelope.

### **2. CREST Proxy Voting (uncertificated shareholders)**

- (a) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, LSL specifies that only those shareholders registered in the relevant Register of Members of LSL as at 2.30pm on 20 April 2009 (or if the meeting is adjourned, 2.30pm on the day two days prior to the day fixed for the adjourned meeting) shall be entitled to attend or vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the relevant Register of Members after the relevant time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (b) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting services provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (c) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this Notice of AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting services provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the



CREST Manual concerning practical limitations of the CREST system and timings. LSL may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

### **3. Joint Holders (certificated and uncertificated shareholders)**

In the case of joint holders the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of LSL in respect of the joint holding.

### **4. Corporate Representatives**

In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:

- (a) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
- (b) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – [www.icsa.org.uk](http://www.icsa.org.uk) – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (a) above.

### **5. Right to appoint proxy**

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company in accordance with section 146 of the Companies Act 2006 (“nominated persons”). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

### **6. Issued Share Capital and Total Voting Rights**

The Company's total shares in issue is 104,158,950 0.2p ordinary shares and the total number of voting rights in the Company is 104,158,950.

### **7. Meeting arrangements**

The doors will open at 2.15pm and the AGM will start promptly at 2.30pm.

### **8. Documents available for inspection**

There will be available for inspection at LSL's registered office during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the AGM and at the place of the AGM for at least 15 minutes prior to and during the meeting:

- (a) copies of the Executive Directors' service contracts and Non-executive Directors' appointment letters;
- (b) the Register of Directors' Interests in the share capital of LSL; and
- (c) copies of LSL's Articles of Association.

**9. General enquiries**

Capita Registrars maintain LSL's share register. They also provide a telephone helpline service on 0871 664 0300 (calls cost 10p a minute plus network extras). If you have any queries about voting or about your shareholding, please contact Capita Registrars.



