



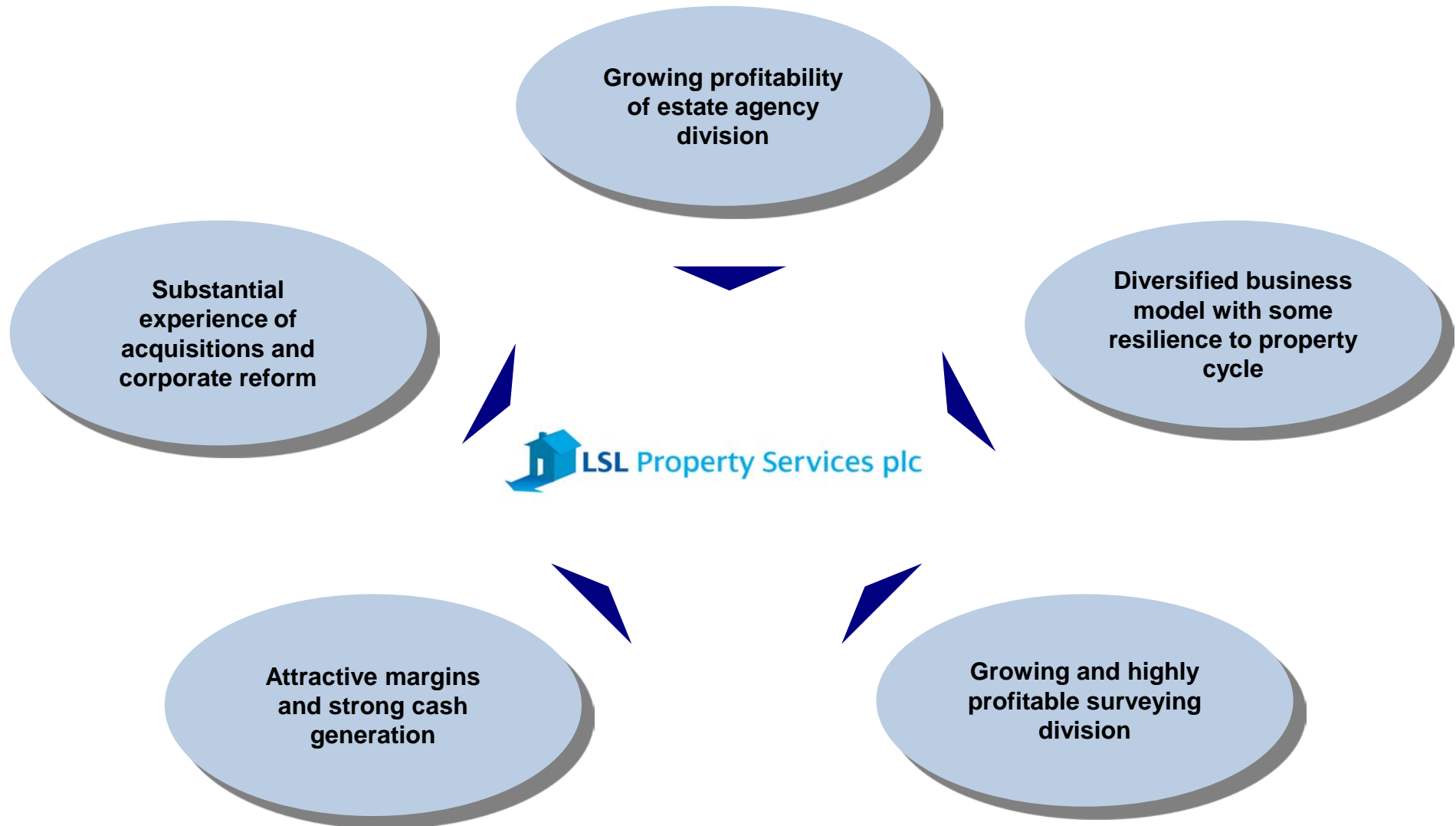
Preliminary Results Presentation

Year Ended 31 December 2006

Simon Embley, Group Chief Executive Officer
Dean Fielding, Group Finance Director

March 2007

Key messages



Highlights

- Strong maiden results
 - ▶ Turnover up 46% to £197.5m
 - ▶ Underlying operating profit¹ up 73% to £32.3m
 - ▶ Organic growth from Your Move and e.surv of 48%
 - ▶ Underlying operating profit margin¹ up from 13.9% to 16.4%
 - ▶ Adjusted proforma earnings per share² up 83% to 19.8p
- Strong underlying operating results from all divisions
 - ▶ Surveying profits up 21% to £21.0m
 - ▶ Estate Agency and Financial Services profits up from £1.7m to £12.6m (incl. first full year's contribution from Reeds Rains)
- Mortgage lending up circa 50% to £3.0bn supported by investment in Linear
- Excellent cash flow generation with cash generated from operating activities after capital expenditure £28.2m (2005: £15.2m)
- Net debt³ reduced to £34.2m
- Well positioned for further growth both organically and from acquisitions

¹ Before exceptional costs and amortisation

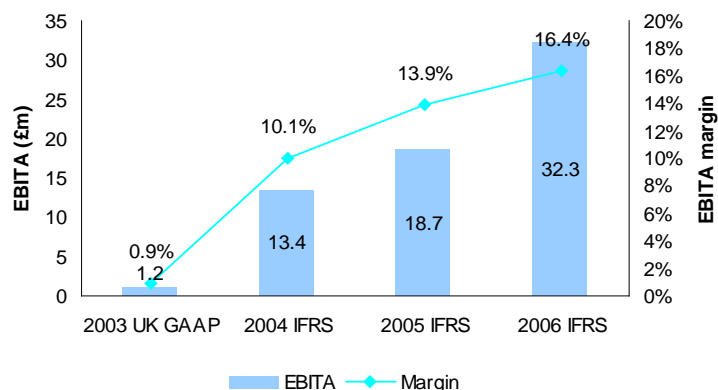
² Adjusted to reflect underlying operating profit and the shares in issue post IPO

³ Financial liabilities less cash and cash equivalents

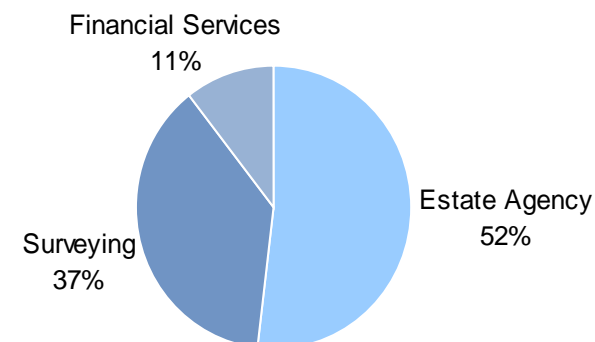
Financials at a glance

A track record of growing profitability across all business segments

EBITA



2006 Group Revenue Split

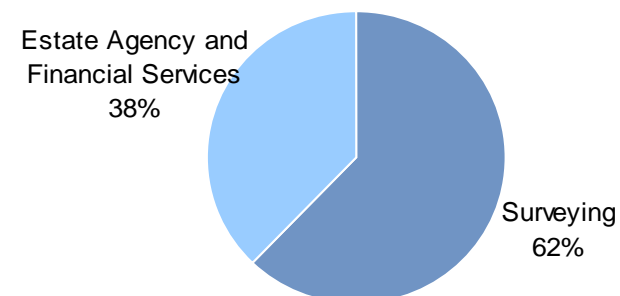


Group Financial Overview

	2006	2005	% change
Revenue			
Estate Agency	102.6	63.8	61
FS	20.9	14.0	48
EA & FS	123.5	77.8	58
Surveying	74.0	57.0	30
Total	197.5	134.9	46
Underlying operating profit*			
Estate Agency	13.4	3.7	262
FS	-0.8	-2.0	
EA & FS	12.6	1.7	641
Surveying	21.0	17.4	21
Unallocated	-1.3	-0.4	
Total	32.3	18.7	73

* before exceptional costs and amortisation of intangible assets

2006 Group EBITA Split (excluding unallocated costs)



Strong Cash Flow

Strong cash generation with minimal capex requirement.....

.....solid financial platform to make acquisitions and pay dividends

Cash Flow Statement £m	IFRS	IFRS
	Year ended 31-Dec-06	Year ended 31-Dec-05
EBITDA	35.0	21.7
Other Movements	0.4	-
Movement in working capital	5.2	1.0
Interest paid	(4.5)*	(3.3)
Tax paid	(5.8)	(2.5)
Capex	(2.1)	(1.8)
Net Cash from operating activities	28.2	15.2

**Includes £1.3m of B share dividend*

- Business significantly cash generative
 - ▶ Low capex requirement: £2.1m (2005: £1.8m)
 - ▶ Net cash from operating activities to EBITDA ratio: 80% (2005: 70%)
- Business has significant debt flexibility
 - ▶ Net debt at 31 December £34.2m
 - ▶ Group credit facility of £79.5m
 - ▶ Net debt to operating profit ratio of 1.06 to 1.0
- Business well placed for future dividends
 - ▶ Long term earnings growth potential
 - ▶ Interim maiden dividend for 2007
 - ▶ Dividend payout ratio of 30%-40%

Operational Performance: Surveying

e.surv	2006	2005	Change
Turnover (£m)	68.3	56.4	21%
Underlying Op. profit (£m)	20.4	17.6	16%
Margin (%)	29.9	31.2	
Other brands*			
Turnover (£m)	5.7	0.6	
Underlying Op. profit (£m)	0.6	(0.2)	
Margin (%)	10.5	Nil	
Total			
Turnover (£m)	74.0	57.0	30%
Underlying Op. profit (£m)	21.1	17.4	21%
Margin (%)	28.5	30.5	

e.surv KPI's

	2006	2005	Change
Mortgage approvals (millions)	3.5	3.4	5%
Jobs managed	935,256	674,730	38%
Market share (approx)	27%	20%	32%
Jobs performed	433,870	378,328	15%

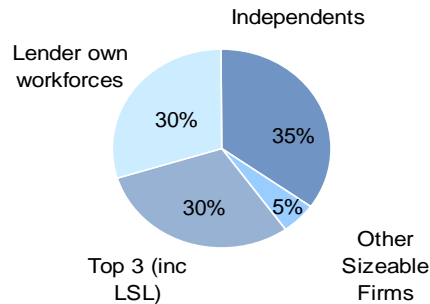
- Market share growth of circa 32% (by jobs managed)
- Supported by new contract wins
- Employed surveyors increased to 316 (2005: 262)
- Productivity per surveyor (e.surv) maintained @ 6 jobs/day

* Other brands include Reeds Rains surveying division from 1.10.05 to 30.9.06, and Chancellors Associates from 1.7.06

Future Growth: Surveying

Growth opportunities across the sector

Market shares (based on number of surveyors)



Source: Company estimates

- Lender (workforce management)
- Acquisition of independents
- Organic growth from
 - ▶ Market share gains and increases in jobs performed
 - ▶ Investment in new product development, such as Energy Performance Certificates (EPC's)

Reeds Rains Surveying Performance

- Reed Rains (RR) surveying division was achieved as part of the RR acquisition in Oct 2005
- The division was absorbed into e.surv at the end of Sept 2006

	9 Months 2006	12 Months 2005	% change
No. of surveyors	27	28	
Turnover (£m)	2.4	2.6	
Annualised turnover (£m)	3.2	2.6	23
Income per surveyor (£'000)	118	93	27

Chancellors Associates

- Chancellors Associates was acquired with effect from 1 July 2006
- The company utilises self employment surveyors

	12 Months 2006	12 Months 2005	% change
Turnover (£m)	6.2	4.6	35

Operational Performance: Estate Agency & Financial Services

	2006	2005
<u>Turnover (£m)</u>		
Your Move		
EA	63.8	54.5
FS	13.0	12.3
Total	<u>76.8</u>	<u>66.8</u>
Reeds Rains		
EA	34.6	6.8
FS	6.1	1.7
Total	<u>40.7</u>	<u>8.5</u>
Other	5.8	2.5
Total Turnover EA & FS	<u>123.3</u>	<u>77.8</u>
<u>Underlying Op. profit (£m)</u>		
Your Move	6.3	0.4
Reeds Rains	8.0	2.2
Other	(1.7)	(0.9)
Total	<u>12.6</u>	<u>1.7</u>
<u>Margin (%)</u>		
Your Move	8.2	0.5
Reeds Rains	19.7	2.8
Total	10.2	2.2

■ Reeds Rains

- ▶ Excellent results, profit margin at c.20%
- ▶ Increased fees (1.22% to 1.31%)
Conveyancing and financial services income
- ▶ Strong brand and management team

■ Your move

- ▶ Improving profit and margin
- ▶ Fees fell marginally
- ▶ Scope to improve margin

■ Other businesses

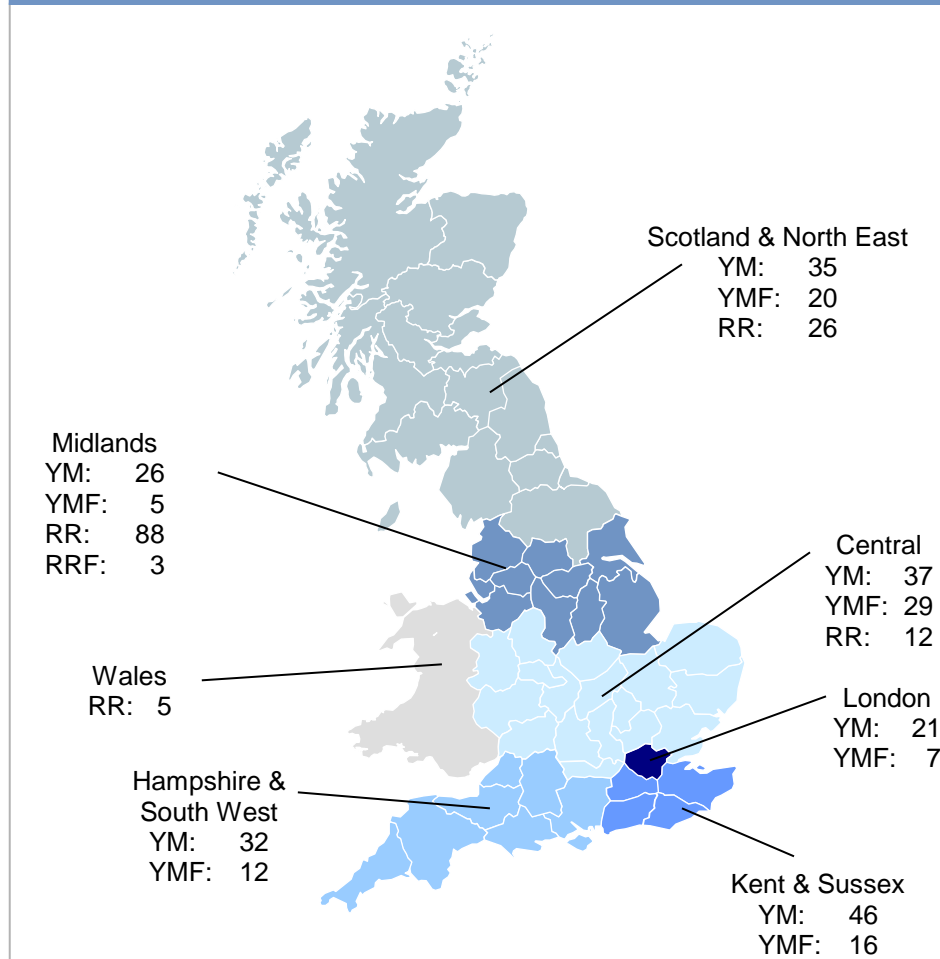
- ▶ Investment in developing businesses:-
Homefast , Linear, Home Inspectors,
First Complete
- ▶ Contributed to lending growth from £2bn to
£3bn
- ▶ Future profit stream and value

* RR profit excludes surveying

Estate Agency Organic Growth

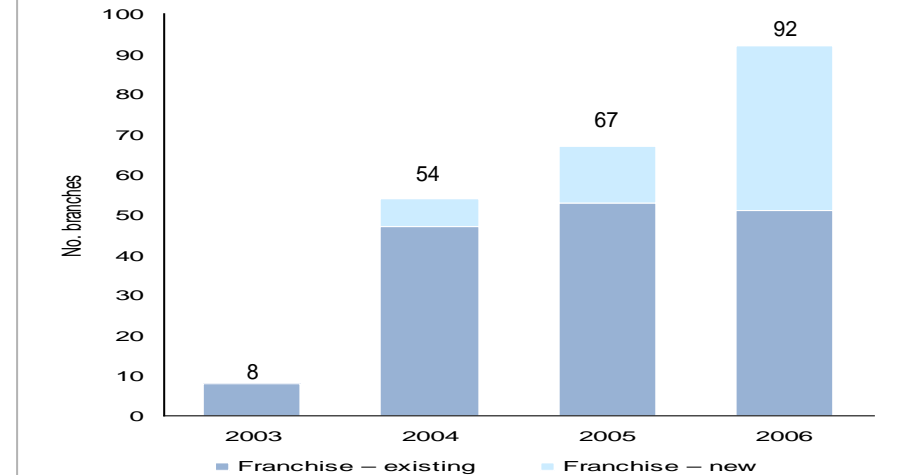
LSL growing presence and proven track record

Combined branch network (December 2006)



YM – Your Move, RR – Reeds Rains, YMF – Your Move franchise, RRF – Reeds Rains franchise

Expansion through franchising



Source: Company data

- Opportunities for organic growth
- Franchise footprint growing
- Opportunity to extend estate agency revenues via:
 - New Homes
 - Part exchange
 - Auctions
 - Lettings

Acquisition Strategy

To be a sector consolidator

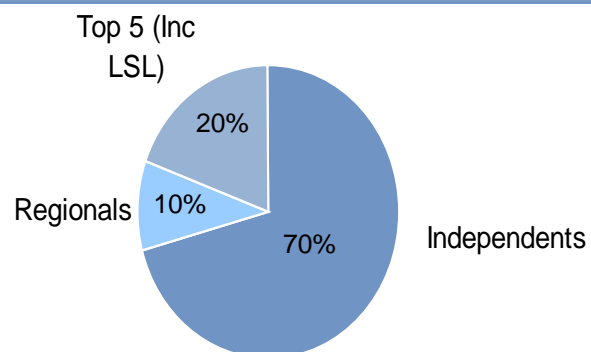
Acquisition pipeline

- Limited number of large targets
- Smaller brands also being considered
- Recently acquired a majority stake in a 5 branch chain at a valuation of £3m
- Strong management and local brand

Acquisition criteria

- Strong management team
- Strong brand
- Under leveraged other services

Large fragmented market (branch market share)



Source: Company Data

Reeds Rains excellent financial payback

Net Acquisition Price ⁽¹⁾	£20m
FY 2005 Operating Profit	£3.8m
FY 2006 Operating Profit	£8.4m

(1) Reeds Rains acquired for effective gross value of £26m including £3m of cash and £3m sale and lease back. Minorities bought out between July and September 2006

Source: Company reports

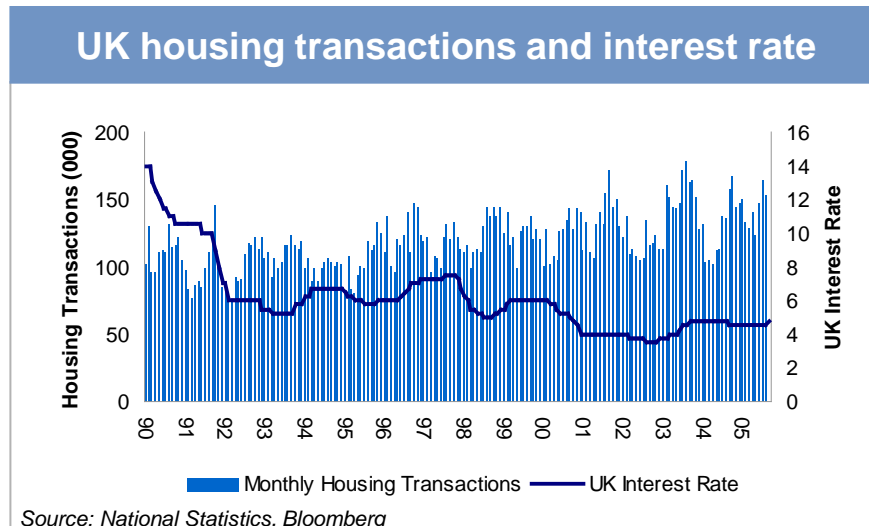
Diversified Business Model

Some resilience to property cycle

- Panel manager in surveying
 - ▶ Providing operational flexibility
- Surveying a bigger percentage of profits than competitors
 - ▶ Surveying profits less cyclical
- Potential to grow margins and profits in estate agency
 - ▶ Some downside protection by reducing cost and growing new income streams
- Franchising
 - ▶ Growing franchise footprint giving income growth with low fixed costs
- Investment in Hometrack
 - ▶ Providing an insight into the AVM market and a hedge
- Opportunity from EPCs
 - ▶ Investment in new product development
 - ▶ New value creation beyond 2007

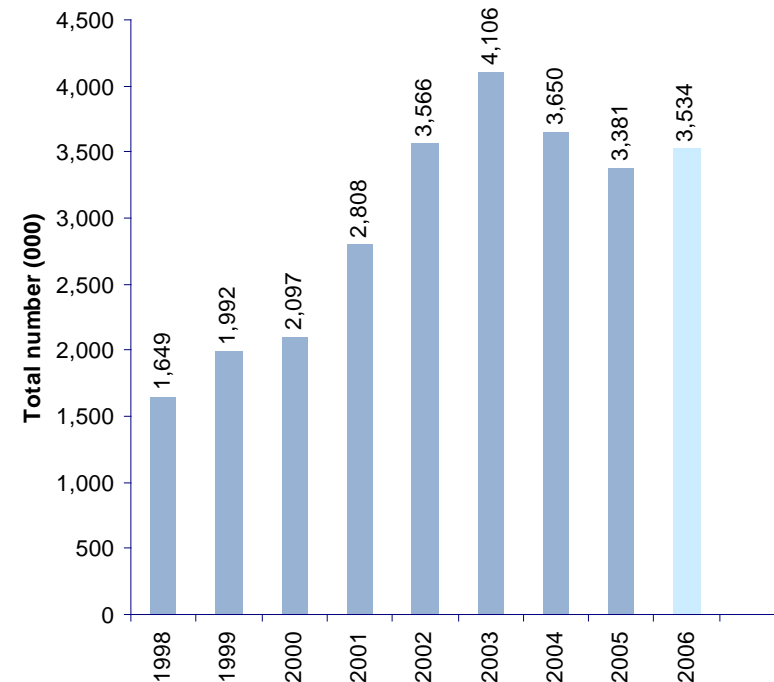
Market Outlook and Current Trading

- Market remains robust despite interest rate rises



- Activity in Q4 strong with EA having a strong pipeline
- Encouraging activity levels in Q1 to date
- Optimistic about 2007 subject to:
 - ▶ future interest rate changes
 - ▶ introduction of Home Information Packs planned for June 2007

Mortgage approvals 1998 - 2006



Source Bank of England, No of secured lending approvals (not seasonally adjusted)

Summary

Financial Results

- Strong maiden results
- Strong cash generation – net cash from operating activities of £28.2m
- Net debt down to £34.2m

Market Outlook and Current Trading

- Activity levels in 2007 to date are encouraging
- Interest rates and Home Information Packs could impact the market
- LSL well positioned to respond to the housing cycle

Organic Growth

- 92 franchise branches operational at year end
- Additional growth in lending targeted via Linear
- Increasing market share in surveying
- EA margin and profit growth
- Energy Performance Certificate investment opportunity

Acquisition Growth

- One small EA acquisition completed
- Consolidation opportunities across all segments
- Growth ambitions supported by strong balance sheet