



19 May 2016

**LMS Capital plc
AGM statement**

LMS Capital plc (“the Company”) has issued the following statement ahead of the Annual General Meeting of the Company which is being held today.

The Company’s unaudited net asset value at 31 March 2016 was £92.1 million (31 December 2015: £95.1 million), equivalent to 89p per share, a decrease of 3p from 92p at 31 December 2015. The principal factor in this decrease is that the Company has reached agreement in principle to sell its interest in one of its unlisted investments and has reduced the carrying value of this investment by £3.6 million to reflect the expected net proceeds from the sale.

The Company had cash of £5.6 million at 31 March 2016 (31 December 2015: £6.1 million). Proceeds from realisations in the first quarter were £0.6 million, of which £0.3 million was distributions from funds; in the same period calls from our outstanding fund commitments were £0.1 million. Uncalled commitments to funds at 31 March 2016 were £4.1 million.

Since 31 March 2016:

- the Company sold 600,000 shares in Weatherford International at an average price of \$8.07 for net proceeds of £3.4 million. The book value of these 600,000 shares at the end of March was £3.2 million (31 December 2015: £3.4 million). The sale of these shares reduced the Company’s holding to 819,000 shares;
- the share price of Weatherford International has declined from its end March level which, in isolation, reduces the Company’s NAV per share by approximately 1p compared to 31 March 2016;
- Brockton Capital Fund 1 completed the sale of a majority stake in the redevelopment project which comprises the principal asset remaining in the fund. The Company expects to receive an initial distribution in the near future with the bulk of the value expected to be realised on completion of the redevelopment project.

Following the sale of the unlisted investment referred to above (which would be the Company’s first realised loss on a direct investment since commencement of the realisation strategy) the Company’s pro-forma cash balance would be approximately £15 million. The Directors are continuing to seek ways to optimise value from the remaining investment portfolio.

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About LMS Capital

LMS Capital is an investment company which, following a general meeting on 30 November 2011, is undertaking a realisation strategy with the aim of achieving a balance between an efficient return of cash to shareholders and optimising the value of the Company's investments. Its investment portfolio consists of small to medium sized companies across a range of sectors.

www.lmscapital.com