



19 May 2009

**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.

As set out in its 2008 Annual Report the Company has focused on the management of its existing investments to date in 2009. Notwithstanding the difficult market conditions we have seen a number of considerable successes within the unquoted portfolio. In particular:

- Wesupply was selected by Sainsbury’s to provide its business-to-business platform for connectivity to 4,000 suppliers. This contract was won in partnership with IBM;
- Coppereye recently signed its largest ever licence deal for its data indexing software with one of the UK’s largest internet service providers;
- Elateral, a marketing services business, enjoyed growth of over 40% in its financial year ended 31 March 2009, with revenues exceeding £5 million in its second year of profitability;
- Yes To products were launched in 590 Sephora stores across 10 European countries during the first quarter of 2009. Sephora is the leading retail beauty chain in Europe and is a subsidiary of LVMH.

The Company has reviewed a number of new opportunities during the last few months but so far has made no new investments. We have however made small additions to our existing interests as follows:

- We provided £0.4 million of additional funding to Pims Group in its acquisition of Comet Tankers which expands its range of waste water services to commercial and domestic customers;
- We acquired a direct 6% interest in Penguin Computing for \$0.6 million (£0.4 million) which we now hold in addition to our existing indirect interest via San Francisco Equity Partners.

Commenting on the year to date Robert Rayne, Chief Executive Officer, said: “Despite the challenging environment, many of our portfolio companies performed strongly in 2008 and their specialist services continue to be very attractive to customers. There are very low levels of gearing in the portfolio and LMS Capital has the cash available to continue to invest in these businesses. Since 31 December 2008, there has been some recovery in our listed investments.

The Board believes that LMS Capital has performed resiliently during the period and is well positioned to grow its maturing portfolio going forward. At corporate level we have no debt and our team is one of the few with both the management resource and the funds to be actively seeking new investment opportunities in 2009.”

Ends

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About LMS Capital

LMS Capital plc is an international investment company whose shares are traded on AIM. The investment portfolio comprises investments in both the US and UK, with a spread of early stage and second round technology investments, development capital and mature company buy-outs and some listed securities.

www.lmscapital.com