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If you have sold or otherwise transferred all your London Security Plc shares, please forward this document and the attached Form of Proxy as soon as possible to the purchaser or transferee, or to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Directors of the Company, whose names appear on page 4 of this document, accept responsibility, individually and collectively, for the information contained in this document. To the best of the knowledge, information and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

LONDON SECURITY PLC

(Incorporated and registered in England and Wales with registered number 53417)

Circular to Shareholders

relating to the Proposed Disposal of Swiss Companies and Proposed Special Dividend

and

Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Senior Independent Non-Executive Director of the Company which is contained in this document which recommends that you vote in favour of the resolutions to be proposed at the Extraordinary General Meeting of the Company referred to below.

Notice of the Extraordinary General Meeting, to be held at 10 Bruton Street, London W1J 6PX at 11 a.m. on 1 November 2007, is set out at the end of this document. The attached Form of Proxy for use at the Extraordinary General Meeting should be completed and returned, in accordance with the instructions printed thereon, to Capita Registrars, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event so as to arrive no later than 11 a.m. on 30 October 2007.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2007

Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting	11 a.m. on 30 October
Extraordinary General Meeting	11 a.m. on 1 November
Dividend record date	9 November
Expected date of filing interim accounts	9 November
Expected dividend payment date	30 November
Expected date of completion of Disposal	14 December

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Act”	the Companies Act 2006
“AIM”	AIM, a market operated by the London Stock Exchange plc
“AIM Rules”	the rules of AIM, published by the London Stock Exchange from time to time
“Board” or “Directors”	the board of directors of the Company whose names appear on page 4 of this document
“Company”	London Security plc
“Disposal”	the disposal of the Swiss Companies to a new company controlled by Jacques Gaston Murray, the terms of which are set out in the Sale and Purchase Agreements
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held on 1 November 2007 or any adjournment or postponement of such meeting, notice of which is set out at page 10 of this circular
“Group”	the Company and its subsidiary undertakings
“Independent Directors”	Henry Shouler and Michael Gailer
“Purchaser”	Swiss Fire Holding S.A.
“Relationship Agreement”	the agreement originally made on 29 December 1999 between the Company, Jacques Gaston Murray, his associated shareholding companies and certain non Independent Directors
“Sale and Purchase Agreements”	agreements between the Company and the Purchaser relating to the Disposal
“Shareholders”	holders of ordinary shares in the Company
“Swiss Companies”	Total TF AG, Othmar Hug Feuerschutz GmbH, Feuerlöscher Nu-Swift (Schweiz) AG and Maclin S.A.

PART I

LETTER FROM THE SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

London Security Plc

(Registered in England and Wales No. 53417)

Directors

Jacques Gaston Murray (Chairman)
Jean-Jacques Murray (Executive Director)
Jean-Christophe Pillois (Finance Director)
Emmanuel Sebag (Senior Operations Director)
Xavier Mignolet (Operations Director)
Henry Shouler (Senior Independent Non-Executive Director)
Michael Gailer (Independent Non-Executive Director)
Marie-Claire Leon (Non-Executive Director)
Joel Simmonds (Non-Executive Director)

Registered Office

Wistons Lane
Elland
West Yorkshire
HX5 9DS

To: *The Shareholders*

12 October 2007

Dear Shareholder

Proposed Disposal of Swiss Companies, Payment of Special Dividend and Extraordinary General Meeting

Following recent discussions and on the basis of the rationale set out in this letter, your Board has taken the decision, subject to shareholder approval, to accept an offer to dispose of the Swiss Companies for the aggregate cash consideration of £5,991,000 (equivalent to 14,452,000 Swiss francs calculated at the exchange rate on 10 October 2007 of £ : 2.4123) to a company which is owned by the Company's Chairman, Jacques Gaston Murray. Conditional upon approval of the transaction, it is also proposed that value is returned to shareholders through payment of a special dividend.

Shareholder approval is required under section 190 of the Act because the Disposal is a substantial property transaction for the purposes of the Act, being for a value greater than £100,000. As Jacques Gaston Murray is a director of the Company, the proposed transaction is a related party transaction for the purposes of the AIM Rules. In accordance with the Relationship Agreement, Jacques Gaston Murray and his associated shareholding companies cannot vote in connection with the Disposal and the Disposal must be approved by the Independent Directors.

The purpose of this document is to provide you with details of the proposed transaction and to explain why the Independent Directors believe it to be in the best interests of the Company and its Shareholders.

1 Reasons for the Disposal of the Swiss Subsidiaries

In recent years, the Group's management has worked hard to improve the profitability of the Swiss Companies. This has resulted in the increase in profitability in 2006 shown in the further financial information in Part II. However, the Directors consider that the market in Switzerland is relatively mature. Accordingly they are concerned about the sustainability of such profit levels and do not expect any organic growth.

Jacques Gaston Murray has recently invested in properties & hotels in Switzerland on a personal basis. Mr Murray wishes to be involved in various businesses in Switzerland and, as such, wishes to buy the Swiss Companies.

Mr Murray is prepared to pay an arm's length price for the Swiss Companies and the Directors consider this to be an opportunity to return value to Shareholders. The Directors further believe that there is greater opportunity for growth in the Group's larger, more dynamic markets in the UK, Belgium and Holland. Consequently, the Directors believe it to be a good time to sell the Swiss Companies.

The Independent Directors have been advised by Brewin Dolphin Limited, the Company's Nominated Adviser, that the terms of the Disposal are fair and reasonable insofar as all Shareholders are concerned.

2 Structure of the Disposal

In addition to the Share Purchase Agreements which are conditional on shareholder approval, the Company has also entered into the following agreements in connection with the Disposal:

- a conditional agreement with Mr Murray and the Purchaser that, following completion of the Disposal, the Company will not compete with the Purchaser/Mr Murray in its business in Switzerland and the Purchaser/ Mr Murray will do likewise in respect of the United Kingdom, Belgium, the Netherlands and Austria.
- exclusive supply agreements between the Purchaser, the Swiss Companies and each of Nu-Swift International Limited and Ansul SA. These agreements provide for the supply by the Group of fire fighting and associated products to the Purchaser in Switzerland for an initial period of three years from completion of the Disposal.

There is in existence a management services agreement between EOI Fire SARL and the Swiss Companies for the provision of various head office management services on arm's length commercial terms which will continue post completion of the Share Purchase Agreements. No change will be made to the levels of fees or services to be provided.

3 Voting by Mr Murray

In accordance with the Relationship Agreement, the Disposal has been approved by the Independent Directors, and Mr Murray has not participated in or influenced the Independent Directors' consideration of the Disposal in any way.

Mr Murray is the ultimate beneficial shareholder of EOI Fire SARL and associated companies, which together own 12,117,987 shares in the Company as at 9 October 2007. In accordance with the Relationship Agreement, EOI Fire SARL and its associated companies will not exercise the voting rights attaching to their shares in the Company in respect of the resolution to approve the Disposal.

4 Proposed Special Dividend

Following approval by the Shareholders of the Disposal, payment of the cash consideration and filing of interim unaudited accounts with the Registrar of Companies, the Directors propose to pay a special dividend of 50p per share, which represents a payment to Shareholders of an aggregate cash sum of £6,147,399.

The special dividend is conditional, inter alia, on approval by the Shareholders of the Disposal.

5 Current Trading and Prospects

The interim statement for the Company for the six months ended 30 June 2007 included the following:

“Financial highlights of the unaudited results for the six months ended 30 June 2007 compared with the restated first half of 2006 are as follows:

- Turnover of £32.8 million (2006: £33.4 million)
- Operating profit of £8.1 million (2006: £6.6 million)
- Profit on ordinary activities before taxation of £7.3 million (2006: £5.7 million)
- Earnings per share of 41.0p (2006: 31.0p)

The financial highlights illustrate that 2007 has been a period of profit improvement for the Group. The Group's operating profit has increased by £1.5 million (23%), despite a decline in turnover of £0.6 million (2%). This improvement is largely due to the full year effect of various initiatives implemented in 2006, as explained in the 2006 Report and Accounts. The operating profit improvement continues the trend experienced in the second half of 2006.

In mainland Europe, the Group is introducing a new range of products enabling the Group's evolution from solely an extinguisher supplier to the customers' safety partner.

In the UK, we have carried out a cost review, following which cost efficiencies were successfully implemented in our commercial network.

It remains a principal aim of the Group to grow through acquisition. Acquisitions are being sought throughout Europe and, in the first nine months of 2007, we have continued to acquire fire protection businesses.”

6 Extraordinary General Meeting

Notice of the Extraordinary General Meeting of the Company to be held at 10 Bruton Street, London W1J 6PX on 1 November 2007 at 11 a.m. is given at the end of this document. At that meeting resolutions to approve the following will be proposed:

- 6.1 the sale of the Swiss Companies to the Purchaser;
- 6.2 the payment of a special dividend which is conditional on, among other matters, approval of the Disposal by the Shareholders.

7 Action to be taken

Shareholders will find attached at the end of this document a Form of Proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions on it so it arrives at the Company’s registrars, Capita Registrars, Proxies Department, The Registry, Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to be received no later than 11 a.m. on 30 October 2007.

8 Recommendation

The Independent Directors unanimously recommend that Shareholders vote in favour of the resolutions.

Yours sincerely

Henry Shouler
Senior Independent Non-Executive Director

PART II

FINANCIAL INFORMATION FOR SWISS COMPANIES

Profit and Loss Account

	<i>2006</i>	<i>2005</i>
	<i>CHF'000</i>	<i>CHF'000</i>
Turnover	6,239	4,944
Cost of Sales	(922)	(925)
Gross Profit	<u>5,317</u>	<u>4,019</u>
Other costs	(3,394)	(3,011)
Operating Profit	<u>1,923</u>	<u>1,008</u>
Interest Payable	(1)	(5)
Profit before Tax	<u>1,922</u>	<u>1,003</u>
Taxation	(425)	(103)
Profit after Tax	<u><u>1,497</u></u>	<u><u>900</u></u>

Balance Sheet

	<i>2006</i>	<i>2005</i>
	<i>CHF'000</i>	<i>CHF'000</i>
Fixed assets		
Tangible assets	185	140
Intangible assets	0	0
	<u>185</u>	<u>140</u>
Current Assets		
Stocks	340	396
Debtors	816	557
Cash at bank and in hand	2,950	2,792
	<u>4,106</u>	<u>3,745</u>
Creditors: amounts falling due within one year	<u>(1,111)</u>	<u>(504)</u>
Net Current assets	<u>2,995</u>	<u>3,241</u>
Total assets less current liabilities	<u>3,180</u>	<u>3,381</u>
Net assets	<u>3,180</u>	<u>3,381</u>
Equity shareholders' funds	<u>3,180</u>	<u>3,381</u>

Notes:

1. The information in the Profit and Loss Account and the Balance Sheet is an aggregation of these statements extracted from the audited accounts of each of the Swiss Companies.
2. A dividend of CHF 1.7 million was paid in 2007 which reduced the net assets in the Swiss Companies and transferred value to the Group.

PART III

ADDITIONAL INFORMATION

1 Director's shareholdings and other interests

- 1.1 As at 9 October 2007 (the latest practicable date prior to the publication of this document) the interests (as defined by the Act) of the Directors and their immediate families in the share capital of the Company which have been notified to the Company (insofar as the latter are known to, or could, with reasonable diligence be ascertained by the relevant Director) were as follows and as set out in paragraph 1.2 below:

	<i>Ordinary Shares held beneficially and non beneficially</i>	<i>Percentage of issued share capital</i>
Jacques Gaston Murray	12,117,987	98.6

- 1.2 Save as disclosed in paragraph 1.1 above, none of the Directors nor any person connected with them has any interest in the share capital of the Company or any of its subsidiaries.

2 Major Shareholders

As at 9 October 2007 (being the latest practicable date prior to the publication of this document), insofar as it known to the Company, no person, other than a Director, was interested, directly or indirectly, in 3% or more of the Company's issued share capital.

3 Share Capital

The following is the present authorised and issued share capital of the Company:

	<i>£</i>	<i>Number</i>
Authorised		
Ordinary Shares	675,392	67,539,188
Issued		
Ordinary Shares	122,948	12,294,798

4 Significant Changes

There has been no significant change in the financial or trading position of the Group since 30 June 2007, the date to which the Interim Statement has been made up.

5 Consent

Brewin Dolphin Limited has given and has not withdrawn its written consent to the issue of this document within the inclusion in this circular of its name and the reference to them in the form and context in which they respectively appear.

6 Documents available for inspection

Copies of the following documents may be inspected at the offices of the Company at 10 Bruton Street, London W1J 6PX during normal business hours on any weekday (Saturdays and Bank Holidays excepted) until the conclusion of the Extraordinary General Meeting:

- 6.1 the Share Purchase Agreements and associated agreements referred to in paragraph 2 of Part I;
- 6.2 the written consent referred to in paragraph 5 of this Part III; and
- 6.3 this document.

Dated 12 October 2007

LONDON SECURITY PLC

(Registered in England No. 53417)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Company will be held at 10 Bruton Street, London W1J 6PX on 1 November 2007 at 11 a.m. for the following purpose of considering and, if thought fit, passing the following resolutions which will be proposed.

ORDINARY RESOLUTIONS

- 1 THAT, the proposed disposal by the Company of the entire issued share capitals of Total TF AG, Othmar Hug Feuerschutz GmbH, Feuerlöscher Nu-Swift (Schweiz) AG and Maclin SA (as detailed in a circular to Shareholders dated 12 October 2007, (“**the Circular**”)) pursuant to the terms and subject to the conditions of three agreements dated 11 October 2007 made between Swiss Fire Holding SA and the Company (the “**Disposal Agreements**”), a copy of which are produced to the meeting and initialled by the Chairman for the purposes of identification, be approved for the purposes of section 190 of the Companies Act 2006 and the AIM Rules and the directors of the Company are authorised to do all such acts or things and execute all such documents as they may in their absolute discretion consider necessary and/or desirable in order to implement and complete the Disposal Agreements in accordance with their terms, subject to such immaterial amendments or variations to them as the directors of the Company may in their absolute discretion think fit.
- 2 THAT, conditional on the passing of resolution 1 above and the filing of interim unaudited accounts, a special dividend of 50 pence per ordinary share be declared payable to those Shareholders registered on 9 November 2007.

BY ORDER OF THE BOARD

London Security Plc
Richard Pollard
Secretary

Date: 12 October 2007

Notes:

1. A member entitled to attend and vote at a Meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. The proxy need not be a member of the Company.
2. To be effective, the Form of Proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited with Capita Registrars, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time for holding the Meeting. A Form of Proxy is attached to this notice. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that to be entitled to attend and vote at the Extraordinary General Meeting (and for the purposes of determining the number of votes they may cast) members must be entered on the Company’s register of members at 11 a.m. on 30 October 2007 (being not more than 48 hours prior to the time fixed for the meeting). Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.

LONDON SECURITY PLC

Form of Proxy – Extraordinary General Meeting (See Note 1)

I/We,

of.....
being (a) holder(s) of ordinary shares of 1p each in the capital of the Company, HEREBY APPOINT the Chairman of the Meeting (See Note 2) or

Name

Address.....

as **my/our** proxy to attend, speak and vote on **my/our** behalf (as directed below) at the Extraordinary General Meeting of the Company to be held on 1 November 2007, and at any adjournment thereof.

I/We direct that my/our proxy vote on the resolutions as **I/we** have indicated by marking the appropriate box with an 'X'. If no indication is given, my/our proxy will vote or abstain from voting at his or her discretion and I/we authorise my/our proxy to vote (or abstain from voting) as he or she thinks fit in relation to any other matters which are properly put before the meeting.

		For	Against
Resolution No. 1	To approve the disposal of the Swiss Companies		
Resolution No. 2	To approve the interim dividend (subject, inter alia, to approval of the disposal)		

Signed thisday of2007

Signature(s)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him/her.
2. A proxy need not be a member of the Company. A member may appoint a proxy of his own choice. If such an appointment is made, delete the words "the chairman of the Meeting" and insert the name of the person appointed proxy in the space provided. The chairman of the Meeting will act as your proxy whether or not such deletion is made, if no other name is inserted.
3. Unless otherwise instructed, your proxy may vote or abstain on the resolutions, and in respect of any other business which may properly be conducted at the Meeting including (without limitation) any resolution to adjourn the meeting or to amend a resolution, at his discretion.
4. In the case of joint holders, the signature of any one holder will be sufficient, but the names of the joint holders should be stated. The vote of the senior joint holder (according to the order in which the names stand in the register in respect of the holding) who tenders a vote in person or by proxy shall be accepted to the exclusion of the vote of the other joint holder(s).
5. In the case of a company, this form should be executed under its common seal or signed on its behalf by an attorney or duly authorised officer of the company.
6. To be valid, a completed and signed proxy form, together with any letter or power of attorney under which it is signed or a duly certified copy, must be lodged at the address shown overleaf not later than 48 hours before the time appointed for the holding of the Meeting or the adjourned Meeting.
7. Completion and return of this form will not preclude a member from attending and voting at the Meeting or any adjourned Meeting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.



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Licence No. MB122



**Capita Registrars
Proxy Department
PO Box 25
BECKENHAM
Kent
BR3 4BR**

First Fold

Third Fold and Tuck in