

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take you should seek your own personal financial advice from your stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Ordinary Shares please forward this document at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only some of your Ordinary Shares you should retain this document.

The Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge 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.

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# Infoserve Group plc

*(incorporated in England & Wales with registered number 05750143)*

## **Notice of Extraordinary General Meeting and Proposed Placing of Ordinary Shares**

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WH Ireland, which is authorised and regulated by the Financial Services Authority, is acting for Infoserve Group plc and no one else in connection with the Placing and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing. No liability is accepted by WH Ireland for the accuracy of any information contained in this document. WH Ireland has given and not withdrawn its consent to the inclusion of the reference to its name in this document in the form and context in which it appears.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. This document provides you with information about the Placing but does not invite you to participate therein.

**This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Infoserve which is set out on pages 4 and 5 of this document and in which the Board recommends that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting.**

Copies of this document will be available, free of charge, for a period of one month from the date of this document, at the Company's registered office, the address of which is on page 4, during normal business hours (Saturdays, Sundays and public holidays excepted).

Notice convening the Extraordinary General Meeting of Infoserve Group plc to be held at South Side Aviation, Leeds Bradford International Airport, Leeds LS19 7UG at 11.00 am on 1 June 2007 is set out on page 6 of this document. The Form of Proxy for use at the Extraordinary General Meeting forms part of this document and should be returned to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA, by post or by hand (during normal business hours) so as to be received no later than 11.00 am on 30 May 2007. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting should they so wish.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	11.00 am on 30 May 2007
Extraordinary General Meeting	11.00 am on 1 June 2007

## DEFINITIONS

The following definitions apply throughout this document and in the accompanying Form of Proxy unless the context otherwise requires:

“Act”	the Companies Act 1985 (as amended) and, where applicable the Companies Act 2006, in so far as it is in force as at the date of this document
“AIM”	a market operated by the London Stock Exchange
“Company” or “Infoserve”	Infoserve Group plc
“Directors” or “Board”	the directors of the Company whose names are set out on page 4 of this document
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at 11.00 am on 1 June 2007 and any adjournment thereof, notice of which is set out on page 6 of this document
“Form of Proxy”	the form of proxy accompanying this document for use by the holders of Ordinary Shares in connection with the EGM
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of 5 pence each in the capital of the Company
“Placing”	the proposed placing of Ordinary Shares to raise approximately £1.5 million, net of expenses (approximately £1.6 million gross)
“Placing Shares”	the Ordinary Shares to be allotted in connection with the Placing
“Resolutions”	the ordinary resolution and the special resolution to be proposed at the EGM, details of which are set out in the notice of EGM at the end of this document
“Shareholders”	holders of Ordinary Shares
“SME”	small and medium-sized enterprises
“WH Ireland”	WH Ireland Limited

## LETTER FROM THE CHAIRMAN OF INFOSERVE GROUP PLC

# Infoserve Group plc

(incorporated in England & Wales with registered number 05750143)

### Directors:

James Henry Newman – *Non-Executive Chairman*  
Stephen Melvin Barnes – *Chief Executive*  
Derek Ian John Oliver – *Operations Director*  
David Charles Balbi – *Finance Director*  
David Richard Hood – *Senior Non-Executive Director*  
Andrew Robin Thirkill – *Non-Executive Director*

### Registered Office:

South Side Aviation  
Leeds Bradford International Airport  
Leeds  
LS19 7UG

8 May 2007

Dear Shareholder

## Notice of Extraordinary General Meeting and Proposed Placing of Ordinary Shares

### Introduction

The Company today announced its intention to raise approximately £1.5 million, net of expenses (approximately £1.6 million gross), by way of a placing of Ordinary Shares. The Placing is conditional, *inter alia*, upon the approval of Shareholders for the Directors to be able to allot the requisite number of shares in connection with the Placing and to allot such shares free from statutory pre-emption rights. Marketing to potential investors will take place after Shareholder approval for the Resolutions has been granted.

The authorities necessary for the issue and allotment of the Placing Shares will be sought at the Extraordinary General Meeting, notice of which is set out at the end of this document. The purpose of this document is to provide Shareholders with details of, and the background to and reasons for, the Placing, to explain why the Board believes it is in the best interests of the Company to carry out the Placing and to recommend that Shareholders vote in favour of the Resolutions.

### Background to and reasons for the Placing

Infoserve specialises in providing online marketing services to SMEs in the UK. It helps businesses, even those without their own websites, to secure a high ranking on local internet searches without the need for substantial marketing expenditure. The Company's shares were admitted to trading on AIM in June 2006.

In March 2007, Infoserve announced the signing of two major new contracts, one with Yahoo! and the other with Football League Interactive. The contract with Yahoo! is an exclusive three year agreement, commencing on 20 May 2007. Infoserve will become the official Yahoo! Local advertising sales partner for the UK and will sell featured listings to local businesses on a fixed price and fixed term basis. These listings will appear as sponsored links on Yahoo! Local search results pages and will enable businesses to advertise themselves according to the geographic area in which they operate. Advertising revenues will be split between Infoserve and Yahoo!.

The new three year contract with Football League Interactive allows Infoserve to provide a local business finder on the websites of Football League Interactive's 78 affiliated football clubs, subject to the consent of each club. Currently, 43 of the clubs have agreed to the inclusion of the business finder on their websites. Infoserve sells featured listings to local businesses that can be accessed through the local business finders.

The Directors believe that these new contracts, in particular the one with Yahoo!, represent a step change for the Company and that additional funds are required to capitalise on the opportunities that they provide. The net proceeds of the Placing will be used to recruit and train additional sales executives, and for the necessary supporting infrastructure, so that the Company can target a greater number of customers.

### **Extraordinary General Meeting**

At the end of this document there is a notice convening the EGM to be held at South Side Aviation, Leeds Bradford International Airport, Leeds LS19 7UG at 11.00 am on 1 June 2007. At the EGM, the Resolutions will be proposed to grant the Directors the authority to allot the Placing Shares, without first offering them to existing Shareholders on a pre-emptive basis. The Directors believe that raising new funds by way of the Placing is the most appropriate method of funding the expansion of the Company at the present time. It should be noted that, other than for the purposes as set out above and pursuant to any outstanding options granted by the Company, the Directors have no present intention to issue further Ordinary Shares.

Resolution 1 in the notice of EGM seeks to give the Directors the authority to allot the Placing Shares. This is an ordinary resolution requiring the approval of a simple majority of Shareholders voting at the EGM, whether in person or by proxy.

Resolution 2 in the notice of EGM seeks to give the Directors the authority to allot the Placing Shares pursuant to the authority granted under Resolution 1, without first offering such Ordinary Shares to existing Shareholders. This is a special resolution requiring the approval of a minimum of 75 per cent. of Shareholders voting at the EGM, whether in person or by proxy.

The authorities sought by the Resolutions will be in addition to the existing authorities in place as at the date of this document.

### **Action to be taken**

A Form of Proxy for use at the EGM is set out at the end of this document. Whether or not Shareholders intend to be present at the EGM, they are requested to complete the Form of Proxy and return it to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA, by post or by hand (during normal business hours) so as to be received no later than 11.00 am on 30 May 2007.

Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting at the EGM should they so wish.

### **Recommendation**

The Board considers the Placing to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the EGM, as they intend to do in respect of their own beneficial holdings of 12,627,023 Ordinary Shares, representing 86.3 per cent. of the Company's existing issued Ordinary Share capital.

Yours faithfully

**JH Newman**  
**Non-Executive Chairman**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

# Infoserve Group plc

(incorporated in England & Wales with registered number 05750143)

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Infoserve Group plc (the “Company”) will be held at South Side Aviation, Leeds Bradford International Airport, Leeds LS19 7UG at 11.00 am on 1 June 2007 for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as ordinary and special resolutions as indicated below:

### Ordinary Resolution

1. THAT, in addition to all existing and unexercised authorities, the Directors of the Company be and are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the “Act”) to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) in relation to the Placing, as defined in the circular dated 8 May 2007, up to an aggregate nominal amount of £230,000, provided that this authority shall expire (unless previously renewed, revoked or varied by the Company in general meeting) on the earlier of the conclusion of the annual general meeting of the Company in 2008 and the date which is 15 months from the date of this resolution, provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

### Special Resolution

2. THAT, in addition to all existing and unexercised authorities, subject to the passing of resolution 1, the Directors be and are empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2)) in relation to the Placing, as defined in the circular dated 8 May 2007, wholly for cash pursuant to the authority conferred by resolution 1, as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall expire (unless previously renewed, revoked or varied by the Company in general meeting) on the earlier of the conclusion of the annual general meeting of the Company in 2008 and the date which is 15 months from the date of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

Dated 8 May 2007

BY ORDER OF THE BOARD

DC Balbi  
Company Secretary

*Registered office:*  
South Side Aviation  
Leeds Bradford International Airport  
Leeds  
LS19 7UG

#### Notes:

1. A person entitled to attend and vote at the Extraordinary General Meeting may appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company. Appointment of a proxy does not preclude a Shareholder from attending and voting in person if he so wishes.
2. To be effective, a form of proxy and the authority (if any) under which it is signed or notarially certified or otherwise certified copy of such authority must be deposited with the Company’s registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA, by no later than 11.00 am on 30 May 2007.
3. In the case of joint Shareholders, the signature of only one of the joint Shareholders is required on the Form of Proxy, but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only holders of shares in the capital of the Company who are registered in the register of members at 6.00 pm on 30 May 2007, or 48 hours before any adjourned meeting, are entitled to attend and vote at the meeting or any adjourned meeting. Changes to entries made to the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service 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.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company’s agent, Neville Registrars (whose CREST ID is 7RA11) by the specified latest time(s) for receipt of proxy appointments. 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 Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

**FORM OF PROXY**

**Infoserve Group plc**

Form of proxy for use at the Extraordinary General Meeting of Infoserve Group plc to be held at South Side Aviation, Leeds Bradford International Airport, Leeds LS19 7UG at 11.00 am on 1 June 2007.

I/We .....

Please insert full name(s) and address(es) in BLOCK CAPITALS

of .....

being a member of Infoserve Group plc hereby appoint the Chairman of the Meeting or (note 2)

.....

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 11.00 am on 1 June 2007 (and at any adjournment thereof) as directed by an X in the spaces below.

RESOLUTION	FOR	AGAINST	VOTE WITHHELD
<b>ORDINARY RESOLUTION</b> That the authority of the Directors to allot relevant securities pursuant to section 80 of the Companies Act 1985 be approved.			
<b>SPECIAL RESOLUTION</b> That the authority to allot equity securities pursuant to section 95 of the Companies Act 1985, as if section 89(1) of the Companies Act 1985 did not apply to such allotment, be approved.			

Signature:..... Date: .....

**NOTES:**

- To be effective, this Form of Proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially or otherwise certified copy of such power or authority, must be deposited with the Company’s registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA by 11.00 am on 30 May 2007.
- This form may be used for the appointment of any other person as proxy by deleting the words “the Chairman of the Meeting” and inserting the name and address of the person whom it is desired to appoint. A proxy need not be a member of the Company.
- Any alterations made to this Form of Proxy should be initialled.
- In the case of a corporation, this proxy should be given under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
- Please indicate how you wish your votes to be cast by placing “X” in the box provided. On receipt of this form duly signed, but without any specific direction as to how you wish your votes to be cast, you will be deemed to have authorised your proxy to vote, or to abstain from voting, as they think fit.
- The ‘vote withheld’ option above is provided to enable you to abstain on any particular resolution. However, it should be noted that a ‘vote withheld’ is not a vote in law and will not be counted in the calculation of the proportion of the votes ‘for’ and ‘against’ a resolution.
- In the case of joint Shareholders, the signature of only one of the joint Shareholders is required on the Form of Proxy, but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders
- Return of the completed Form of Proxy will not preclude a member from attending and voting in person at the meeting.

Second Fold

**BUSINESS REPLY SERVICE**  
**Licence No. BM3865**



**Neville Registrars Limited**  
**Neville House**  
**18 Laurel Lane**  
**Halesowen**  
**B63 3DA**

First Fold

Third Fold