

This document is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult an independent adviser authorised under the Financial Services and Markets Act 2000.

A form of proxy for use by shareholders in connection with the meeting has been despatched with this notice. So that effective use may be made of the form, your attention is drawn to the notes to the notice contained in this document and to the instructions with the form.

If you have transferred or sold all of your Land of Leather shares please send this document and the form of proxy to the transferee or to the agent through whom you acted for forwarding to the transferee.



Land of Leather Holdings plc

Registered in England number 5043777

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Notice of the 2006 Annual General Meeting and accompanying commentary and notes

Notice of the Annual General Meeting

Notice is hereby given that the second Annual General Meeting of Land of Leather Holdings plc (**Land of Leather**) will be held at 29 Cloth Fair, London EC1A 7NN on Tuesday 26th September 2006, starting at 11:00 a.m., for the following purposes.

Ordinary business

1. To consider the Report of the Directors, the Auditors' Report and the audited Financial Statements for the year ended 2nd April 2006.
2. To approve the Remuneration Report.
To re-elect as Directors those retiring under the provisions of the Articles of Association:
3. Paul Briant
4. Patrick Deigman
5. Clive Hatchard
6. Malcolm Heald
7. Stephen Jenkins
8. Richard Kirk
9. Peter Ling
10. Roger Matthews
11. Gillian Wilmot
12. To re-appoint Ernst & Young LLP as auditors
13. To authorise the Directors to determine the remuneration of the auditors

Special business

14. To consider and if thought fit pass the ordinary resolution that in substitution for the authority given at the Extraordinary General Meeting held on 14th July 2005, the Directors be authorised in accordance with section 80 of the Companies Act 1985 to allot relevant securities (within the meaning of the said section 80) up to an aggregate nominal value of £169,417 provided that this authority shall expire on 31st December 2007 save for the allotment of relevant securities in pursuance of an offer or agreement made by Land of Leather within that period
15. To consider and if thought fit pass the special resolution that the Directors be empowered in accordance with section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 94 of the Companies Act 1985) for cash pursuant to the authority conferred on the Directors by resolution 14 as if sub-section (1) of section 89 of the Companies Act 1985 did not apply to such an allotment provided that this power is limited to the allotment of equity securities:
 - (1) in connection with a rights issue, open offer or any other pre-emptive issue in favour of all holders of relevant equity securities where the equity securities respectively attributable to the interests of such holders are proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body of, any jurisdiction; and
 - (2) other than pursuant to sub-paragraph (1) of this resolution, up to an aggregate nominal value of £25,412and shall expire on 31st December 2007 save for the allotment of equity securities in pursuance of an offer or agreement made by Land of Leather within that period
16. To consider and if thought fit pass the special resolution that Land of Leather be authorised in accordance with section 166 of the Companies Act 1985 to make market purchases (within the meaning of section 163 of the Companies Act 1985) of its ordinary one pence shares provided that under this authority:
 - (1) the maximum number of shares that may be purchased is 5,082,500;
 - (2) the minimum price, exclusive of expenses, which Land of Leather may pay for one share is one pence; and
 - (3) the maximum price, exclusive of expenses, which Land of Leather may pay for one share is an amount equal to 105% of the average of the closing price for one share according to the Official List maintained by the UK Listing Authority for the five business days immediately preceding the day on which the share is purchasedand this authority shall expire on 31st December 2007 save for the purchase of shares agreed within that period where the purchase will or may be executed either wholly or in part after the authority terminates

By order of the Board

Adrian Goodenough
Company Secretary
24th August 2006

Your attention is drawn to the following commentary on the business and notes to the notice.

Commentary on the business of the Annual General Meeting

References below to the Annual Report are to the 2006 Annual Report sent to shareholders on 12th June 2006. Further copies of the Annual Report may be obtained from Land of Leather's Registered Office or from Land of Leather's website, the details of which are set out on the front page. Copies of the Annual Report will also be available at the meeting.

Ordinary business

Items 1 to 13 in the notice are ordinary business of an annual general meeting.

Item 1 - Reports and Financial Statements

The Report of the Directors, the Auditors' Report and the audited Financial Statements are within the Annual Report. The Directors welcome any questions or comments on the content of the reports or the financial statements or on any corporate governance issue during this item either at the meeting or in advance (see note 7 in the notes to the notice).

Item 2 - Remuneration Report

The Remuneration Report is within the Annual Report.

Items 3 to 11 - Re-election of Directors

Biographies on each of the Directors are set out in Directors' Profiles in the Annual Report and details of the executive Directors' service agreements are set out in the Remuneration Report within the Annual Report. The Directors are of the opinion that the mix of retail, financial, commercial and property experience which the non-executive Directors have is of continuing benefit to the development of Land of Leather.

Item 12 - Re-appointment of the auditors

Ernst & Young LLP have expressed their willingness to continue as auditors.

Item 13 - Remuneration of the auditors

The amount paid to Ernst & Young LLP in the last financial year is set out in Note 9 to the Financial Statements within the Annual Report. To guard against the objectivity and independence of the external auditors being compromised, the Audit Committee has adopted a policy under which any service provided by the external auditors must be approved by the Committee or be within a pre-approved category and a pre-approved fee limit.

Special business

In addition to the ordinary business, the Directors are proposing items 14 to 16 as special business for the reasons set out below.

Item 14 - Allotment of shares

Under a resolution passed at the Extraordinary General Meeting held on 14th July 2005, the Directors have authority to allot unissued Land of Leather shares until the end of the Annual General Meeting. The Directors have decided to seek shareholder approval to replace this authority with a new authority. The Directors have no current intention to exercise this authority but should they do so the authority is limited to the allotment of unissued shares with a nominal value of £169,417 (16,941,700 shares) which represents 33.33% of the total issued share capital as at 10th August 2006. The authority will last until 31st December 2007.

Item 15 - Waiver of pre-emption rights

If shares are allotted and the shares are to be paid for in cash, with certain exceptions the Companies Act 1985 requires that those shares are offered first to existing shareholders pro rata to the number of shares they hold at that time unless shareholders have waived these pre-emption rights. The Directors have decided to seek shareholder approval to waive these rights so that if they believe it is in the best interest of Land of Leather for them to make an allotment of shares without rights of pre-emption, they have authority to proceed. The Directors have no current intention to exercise this authority but should they do so the authority is limited to the allotment of shares for cash with a nominal value of £25,412 (2,541,200 shares) which represents 5% of the total issued share capital as at 10th August 2006. The authority will last until 31st December 2007.

Item 16 - Purchase of own shares

The Directors have decided to seek shareholder authority to allow Land of Leather to purchase its own shares so that if they believe it is in the best interest of Land of Leather for them to make such a purchase and believe that by doing so would result in an increase in earnings per share, they have authority to proceed. The Directors have no current intention to exercise this authority but should they do so the authority is limited to the purchase of 5,082,500 shares which represents 10% of the total issued number of shares as at 10th August 2006. The authority will last until 31st December 2007.

Recommendation

The Directors consider that proposals 14 to 16 are in the best interests of Land of Leather and its shareholders and unanimously recommend shareholders to vote in favour of the proposals, as they intend to do in respect of their own beneficial holdings which total 8,435,737 shares and represent 16.60% of the total issued number of shares as at 10th August 2006.

Notes to the notice of the Annual General Meeting

Land of Leather shareholders have the right to attend, speak and vote at the Land of Leather Annual General Meeting or at any adjournment(s) thereof. These notes are designed to help shareholders exercise all or any of these rights.

1. Record date

Only shareholders registered at 6:00 p.m. on Sunday 24th September 2006 will be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the shareholder register after that time will be disregarded in determining the rights of any person to attend and vote at the meeting.

2. Corporate shareholder

A shareholder which is a corporation may by resolution of its directors authorise a person to represent it at the meeting. The representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual shareholder. The representative may be required to produce a certified copy of the resolution appointing them.

3. Joint shareholders

The vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority will be determined by the order in which their names are registered in respect of the joint holding.

4. Nominees

An individual who holds his/her shares through a nominee should contact his/her nominee who will be able to take the appropriate action on his/her behalf.

5. Proxies

A shareholder entitled to vote at the meeting may appoint a proxy or proxies to vote in a poll instead of him/her/it. A proxy need not be a shareholder of Land of Leather and the appointment of a proxy will not preclude the shareholder from attending and voting at the meeting. A proxy may be appointed using one of the following methods.

5.1 Form of proxy

A proxy may be appointed using the form of proxy despatched to shareholders with this document. For the appointment to be valid, the signed form of proxy must be deposited with Capita Registrars at Proxy Department, PO Box 25, Beckenham, Kent BR3 4TU by 11:00 a.m. on Sunday 24th September 2006. An authorised officer or attorney may sign the form of proxy on behalf of a corporation. Any of the named shareholders may sign the form of proxy on behalf of joint shareholders, see note 3.

5.2 Electronic proxy appointment through CREST

CREST members may appoint a proxy through the CREST electronic proxy appointment service by using 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. For the appointment to be valid, the message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must be transmitted so as to be received by Capita Registrars (ID RA10) by 11:00 a.m. on Sunday 24th September 2006. Land of Leather may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

6. Voting

Each proposal will be decided by a show of hands unless a poll is demanded in accordance with the provisions of the Articles of Association. Items 15 and 16 are proposed as special resolutions and will be decided by a majority of at least 75% of the votes cast; all other proposals will be decided by a simple majority of the votes cast.

7. Questions and comments

Any question or comment relevant to the business of the Annual General Meeting may be voiced at the meeting by anyone permitted to speak. Alternatively, questions or comments may be submitted in advance by letter, facsimile or e-mail addressed to the Company Secretary at Land of Leather's Registered Office, the details of which are set out on the front page.

8. Venue

The venue of the Annual General Meeting is within the offices of GCG Hudson Sandler at 29 Cloth Fair, London, EC1A 7NN. The nearest Underground stations are Barbican and St. Paul's. Presentation of the attendance card despatched to shareholders with this document will speed up admittance to the meeting.

9. Directors' interests

The interests of the current Directors in the ordinary shares of Land of Leather at 10th August 2006 are set out below.

Director	Number of shares
Paul Briant	4,096,105
Clive Hatchard	1,379,430
Malcolm Heald	67,114
Steve Jenkins	1,379,430
Richard Kirk	67,114
Peter Ling	1,379,430
Roger Matthews	67,114

A copy of the register of directors' interests in the ordinary shares of Land of Leather, a copy of each of the executive Director's service agreement and a copy of each of the non-executive Director's letter of appointment are available for inspection at Land of Leather's Registered Office, the details of which are set out on the front page, and will also be available at the venue of the Annual General Meeting between 10:45 a.m. and the conclusion of the meeting.