

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your existing ordinary shares in CSS-Stellar plc, please forward this document, together with the accompanying form of proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

CSS-STELLAR PLC

(incorporated and registered in England and Wales under number 3740688)

Notice of Annual General Meeting

Notice of the Annual General Meeting of CSS-Stellar plc to be held at Bridgewell Securities Limited, Old Change House, 128 Queen Victoria Street, London EC4V 4BJ on 16 August 2007 at 1pm is set out at the end of this document. Shareholders will find enclosed a form of proxy for use at the Annual General Meeting. Forms of proxy, completed in accordance with the instructions thereon, should be returned as soon as possible but, in any event, so as to be received by Capita Registrars, The Registry, 34 Beckenham Road, Kent BR3 4TU not later than 48 hours before the time of the meeting.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time for receipt of proxies for Annual General Meeting	1pm	14 August 2007
Annual General Meeting	1pm	16 August 2007

DEFINITIONS

The following definitions apply throughout this document and the accompanying form of proxy, unless the context requires or unless it is otherwise specifically provided:

“Board of Directors” or “the Board”	the board of directors of the Company;
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held on 16 August 2007, notice of which is set out at the end of this document, and any adjournment thereof;
“CSS” or “Company”	CSS-Stellar plc;
“EGM”	extraordinary general meeting;
“Notice of AGM”	the notice of AGM attached to this document;
“Shareholders”	holders of Shares;
“Shares”	ordinary shares of £0.50 each in the capital of the Company;

LETTER FROM THE CHAIRMAN

CSS-STELLAR PLC

(incorporated and registered in England and Wales under number 3740688)

Directors :

Peter Owen
Julian Jakobi
Simon Rhodes
David Buchler
Sir Jeremy Hanley
George Wardale

Registered Office:

11 Maiden Lane
London
WC2E 7NA

24 July 2007

Dear Shareholder

1. INTRODUCTION

You will find enclosed with this letter the Notice of AGM.

I write to you regarding the business to be conducted at the AGM and also to set out the position regarding last year's AGM and, in particular, in relation to certain technical issues that arose in respect of the validity of the resolutions passed at that meeting and which have been the subject of previous public announcements made by the Company.

2. 2006 AGM

At the AGM of the Company held on 16 May 2006, various resolutions to approve a reduction of capital were proposed, following which the Company commenced the court process to sanction the reduction of capital.

It subsequently became apparent during this process that, due to delays in the printing process for last year's report and accounts, insufficient notice of the meeting had been given to Shareholders and, as a result, the resolutions proposed at last year's AGM (including the resolutions implementing the reduction of capital), were not duly passed.

To remedy the position, certain of the resolutions set out in last year's notice of AGM (being resolutions 1 (Report and Accounts), 2 (Re-election of Directors), 3 (Re-appointment of Auditors) and 8 (Sub-division of shares) are being put to Shareholders at this year's AGM (see Resolutions 1, 3, 9 and 15 in the Notice of AGM).

In relation to Resolution 12 (Sub-division of shares), the fact that the Share subdivision has not yet become effective does not affect the number of Shares that you hold.

In the interests of preserving the time and cost resources of the Company given the stated position of Mr Soukup on the matter, the Directors had concluded that fresh resolutions to authorise the share capital reduction would not be put to Shareholders until the Directors were satisfied that these resolutions had the support of the requisite majority of Shareholders.

The Directors will write to the Company's Shareholders in the near future about the share capital reduction following the changes in major shareholdings announced on 19 July 2007.

3. RECENT EVENTS/CHANGES IN THE BOARD

- 3.1 On 22 June 2007, Mr Soukup requisitioned an EGM of the Company for the purpose of putting forward resolutions to remove the existing directors of the Company (other than Mr Soukup) and for the appointment of Mr Graham Cole and Mr James Grossman as directors of the Company. The EGM was duly convened and held on 3 July 2007 and the resolutions proposed by Mr Soukup were all defeated. Mr Soukup has since disposed of the majority of his shareholding in the Company. The Board has today removed Mr Soukup as a director of the Company, and has appointed three additional directors: David Buchler, Sir Jeremy Hanley and George Wardale, to hold office until the AGM. These appointments have been made in order to take the Company forward with its intended strategy of optimising shareholder value.
- 3.2 Prior to the EGM on 3 July 2007, Sean Kelly resigned as a Director and as chief executive officer of the Company. In light of the space left on the Board following Sean's resignation, at a meeting of the Board held on Thursday 12 July 2007, the Directors appointed Simon Rhodes as a Director of the Company, to hold office until the Company's next general meeting. In accordance with the Company's articles of association, the Directors have included in the business to be conducted at the AGM a resolution for the Shareholders to consider and, if thought fit, pass, approving the appointment of Simon Rhodes, David Buchler, Sir Jeremy Hanley and George Wardale as Directors of the Company. Simon Rhodes is EMEA Marketing and Business Development Director of CB Richard Ellis and has had a range of commercial and marketing experience operating at board level in a variety of sectors. David Buchler, a chartered accountant, is the Joint Managing Partner of Capidem LLP and is specifically recognised for his success in reorganising and restructuring companies. Sir Jeremy Hanley, a chartered accountant, was a Member of Parliament for Richmond & Barnes until his retirement in 1997. Sir Jeremy now serves on the boards of a number of quoted and unquoted companies, including Willis Group Holdings. George Wardale is also a chartered accountant, and has spent the past 20 years as chairman or director of a number of companies. He is currently non-executive Chairman of IPT Group Limited.

4. BUSINESS TO BE CONDUCTED

- 4.1 The business to be conducted at the AGM will be to consider and, if thought fit, pass resolutions:
- 4.1.1 to receive the Company's annual report and accounts for the years ended 31 December 2005 and 31 December 2006;
 - 4.1.2 to ratify the re-appointment of Peter Owen as a Director of the Company;
 - 4.1.3 to appoint Simon Rhodes as a Director of the Company;
 - 4.1.4 to appoint David Buchler as a Director of the Company;
 - 4.1.5 to appoint Sir Jeremy Hanley as a Director of the Company;
 - 4.1.6 to appoint George Wardale as a Director of the Company;
 - 4.1.7 to re-appoint Julian Jakobi, who retires by rotation, as a Director of the Company;
 - 4.1.8 to ratify the re-appointment of Grant Thornton as the Company's auditors for the period from 16 May 2006 to the conclusion of the AGM and the authorisation of the Directors and their Audit Committee to fix their remuneration, and to re-appoint Grant Thornton to hold office until the Company's next annual general meeting and to authorise the Directors and their Audit Committee to fix their remuneration;
 - 4.1.9 to authorise the Company to make certain political donations;
 - 4.1.10 to authorise the Directors to allot Shares in certain circumstances;
 - 4.1.11 to disapply certain pre-emption rights in relation to the allotment of Shares;

4.1.12 to authorise the Company to purchase its own Shares in certain circumstances; and

4.1.13 to effect the subdivision of the Company's existing ordinary shares of £0.50 into one new ordinary share of £0.05 in the capital of the Company and one new deferred share of £0.45 in the capital of the Company, the subdivision of the authorised but unissued ordinary Shares into ten new ordinary shares of £0.05 in the capital of the Company, and to make certain consequential changes to the articles of association of the Company.

5. NOTICE OF ANNUAL GENERAL MEETING AND ACTION TO BE TAKEN

Shareholders will find enclosed a form of proxy for use in connection with the Annual General Meeting. Whether or not you intend to be present at the meeting, the form of proxy should be completed and returned in accordance with the instructions thereon so that they arrive at the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Kent, BR3 4TU as soon as possible and in any event not later than 48 hours before the time of the meeting. Accordingly, the form of proxy for the Annual General Meeting must be returned not later than 1pm on 14 August 2007. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting should you so wish.

Yours sincerely,

Peter Owen
Chairman

NOTICE OF ANNUAL GENERAL MEETING

CSS-STELLAR PLC

NOTICE is given that the Annual General Meeting of CSS-Stellar Plc will be held at Bridgewell Securities Limited, Old Change House, 128 Queen Victoria Street, London EC4V 4BJ, on 16 August 2007, at 1pm to consider and, if thought fit, pass the following resolutions as ordinary resolutions and special resolutions as specified:

ORDINARY RESOLUTIONS

Report and Accounts

1. To receive the audited accounts for the year ended 31 December 2005 and the reports of the Directors and the auditors on them.
2. To receive the audited accounts for the year ended 31 December 2006 and the reports of the Directors and the auditors on them.

Election and Re-election of Directors

3. That the re-appointment of P E Owen as a Director of the Company with effect from 16 May 2006 be and is hereby ratified.
4. To re-appoint J A R Jakobi, who retires by rotation, as a Director of the Company.
5. To appoint S Rhodes as a Director of the Company.
6. To appoint D Buchler as a Director of the Company.
7. To appoint J Hanley as a Director of the Company.
8. To appoint G Wardale as a Director of the Company.

Re-appointment of Auditors

9. That the appointment of Grant Thornton as auditors of the Company for the period 16 May 2006 to the date of this meeting and the fixing of their remuneration by the Directors and their Audit Committee be and is hereby ratified.
10. That Grant Thornton be re-appointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which the accounts are laid before the Company and to authorise the Directors and their Audit Committee to fix their remuneration.

Political Donations

11. That the Company be authorised to make donations to EU political organisations and to incur EU political expenditure (as defined in Part XA of the Companies Act 1985 (as amended by the Political Parties, Elections and Referendums Act 2000)) up to the maximum sum of £10,000 during the period expiring at the conclusion of the next Annual General Meeting to be held after the passing of this resolution.

Directors' Authority to Allot Shares

12. That in place of the equivalent authority conferred on the Directors at the 2005 Annual General Meeting, the Directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 to allot relevant securities (which for the purposes of this Resolution shall have the same meaning as in section 80(2) of the Companies Act 1985) of the Company provided that:
 - 12.1 the maximum amount of relevant securities that may be allotted pursuant to the authority given by this resolution shall be an aggregate nominal amount of £6,600,000;
 - 12.2 subject as provided in paragraph 12.3 of this resolution, the authority shall expire five years from the date of this resolution but may be previously revoked or varied by an ordinary resolution of the Company;
 - 12.3 such authority shall permit and enable the Company to make an offer or agreement before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and shall permit the Directors to allot such securities pursuant to any such offer or agreement as if such authority had not expired; and
 - 12.4 in relation to the grant of any right to subscribe for, or convert any securities into, shares in the Company, the reference in this resolution to the maximum amount of relevant securities that may be allotted is to the maximum amount of shares which may be allotted pursuant to such right.

SPECIAL RESOLUTIONS

Disapplication of pre-emption rights

13. That:
 - 13.1 the Directors be empowered to allot equity securities of the Company (pursuant to the authority conferred on the Directors by resolution 12 above) at any time up to the date which is five years from the date of the passing of this resolution as if section 89(1) of the Companies Act 1985 did not apply to any such allotment, provided that such power shall be limited to the allotment of equity securities:
 - (i) in connection with a rights issue; and
 - (ii) otherwise than under sub-paragraph (a)(i) of this resolution, an aggregate nominal amount of £725,000 (being approximately 5 per cent of the issued ordinary share capital at the date of this resolution),
 - 13.2 such power shall permit and enable the Company to make an offer or agreement before the expiry of such power which would or might require equity securities to be allotted after such expiry and shall permit the Directors to allot such securities pursuant to any such offer or agreement as if such power had not expired;
 - 13.3 in this resolution:
 - (i) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to ordinary shareholders on the register on a fixed record date in proportion to their respective holdings of such shares or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory); and
 - (ii) the nominal amount of any securities should be taken to be, in the case of a right to subscribe for, or convert, any securities into shares of the Company, the nominal amount of the shares which may be allotted pursuant to such right,

- 13.4 words and expressions defined in or for the purposes of section 89 to 96 inclusive of the Companies Act 1985 shall bear the same meanings in this resolution; and
- 13.5 this power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94 (3A) of the Companies Act 1985 as if in the first paragraph of the resolution the words “pursuant to the authority conferred on the Directors by resolution 12 above” were omitted.

Purchase of own shares

14. That, subject to and conditional upon Resolution 15 being passed, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985) of ordinary shares of £0.05 each in the capital of the Company (“Ordinary Shares”) provided that:
- 14.1 the maximum number of Ordinary Shares hereby authorised to be purchased is 2,800,000 (representing approximately 10 per cent of the Company’s issued ordinary share capital at 16 August 2007);
- 14.2 the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share is an amount equal to 5 per cent above the average of the middle market quotations for an Ordinary Share derived from the AIM Market for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased;
- 14.3 unless previously revoked or varied, the authority hereby conferred shall, subject as provided in paragraph 4 of this resolution, expire at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution (or, if earlier, 18 months from the date of the passing of this resolution); and
- 14.4 the Company may make a contract for the purchase of Ordinary Shares under this authority before the expiry of this authority which would or might require to be executed wholly or partly after the expiry of such authority, and may make purchases of Ordinary Shares in pursuance of such a contract as if such authority had not expired.

Sub-division of shares

- 15 That:
- 15.1 each of the existing issued ordinary shares of £0.50 in the capital of the Company be subdivided into one new ordinary share of £0.05 in the capital of the Company and one new deferred share of £0.45 in the capital of the Company each having the rights and being subject to the restrictions set out in the new articles of association of the Company to be adopted pursuant to sub-paragraph 3 of this resolution;
- 15.2 each of the authorised but unissued ordinary shares of £0.50 in the capital of the Company be subdivided into ten new ordinary shares of £0.05 in the capital of the Company having the rights and being subject to the restrictions set out in the new articles of association to be adopted pursuant to sub-paragraph 3 of this resolution; and
- 15.3 the regulations contained in the printed document produced to the meeting and signed, for the purposes of identification, by the Chairman of the meeting, be adopted as the articles of association of the Company, in substitution for, and to the entire exclusion of, the existing articles of association of the Company.

On behalf of the Board

M R Ireland – Secretary

11 Maiden Lane
London WC2E 7NA

Notes:

1. Any member of the Company who is entitled to attend and vote at the Annual General Meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. Such proxy need not be a member of the Company. To be effective, a completed and signed proxy form, together with any power of attorney or other authority under which it is executed or a certified copy of such power or authority, must be received at the offices of the Registrars of the Company not less than 48 hours before the time fixed for the meeting.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders of the Company on the register at 1pm on 14 August 2007 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
3. Copies of all the Directors' Service Contracts with the Company or any of its subsidiaries and the register of interest of Directors and their families (required to be kept under section 325 of the Companies Act 1985) will be available for inspection at the Company's registered office during normal business hours (Saturdays and public holidays excepted) until 16 August 2007 and at the venue for the Annual General Meeting from 11.45am on 16 August 2007 until the conclusion of the meeting.
4. The new articles of association to which reference is made in the above resolution 15 will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the registered office of the Company, 11 Maiden Lane, London WC2E 7NA from the date of this document until 16 August 2007 and at the meeting.

CSS-STELLAR PLC

Form of PROXY for use at Annual General Meeting
to be held at 1pm on 16 August 2007

I/We,
(BLOCK CAPITALS PLEASE)

of
being Member(s) of the above-named Company HEREBY APPOINT PETER OWEN (Chairman of the Company) or, failing him, such other person as may be appointed Chairman of the Meeting (see Note 1).

..... of

.....
as my/our Proxy to vote and act for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 16 August 2007 and at any adjournment thereof in connection with the following Resolutions of which notice has been given.

Please indicate how you wish your Proxy to vote by inserting an "X" in the appropriate spaces below. In the absence of any specific directions the Proxy will abstain or vote at his/her discretion.

	For	Against	Withheld
Ordinary Resolution 1			
Ordinary Resolution 2			
Ordinary Resolution 3			
Ordinary Resolution 4			
Ordinary Resolution 5			
Ordinary Resolution 6			
Ordinary Resolution 7			
Ordinary Resolution 8			

	For	Against	Withheld
Ordinary Resolution 9			
Ordinary Resolution 10			
Ordinary Resolution 11			
Ordinary Resolution 12			
Special Resolution 13			
Special Resolution 14			
Special Resolution 15			

Dated day of 2007

Signed

Notes:

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Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4BR

First Fold

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