



LOM (HOLDINGS) LIMITED

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2009 Half Year Financial Results

29th July 2009

To our Shareholders:

Global equity markets began 2009 under severe pressure and reached a nadir in early March. Since then we have witnessed a strong recovery in global equity markets as stimulus actions around the world have held off the worst fears.

Along with the recovery in the last 3 months we have witnessed stronger commodity prices and signs of a pickup in business in the emerging markets. Cost cuts have helped second quarter profits of US corporations, however, revenue lines have been flat or disappointing. It would be a bit unrealistic to expect significant general revenue gains until the economy gains some upward traction and that is unlikely to happen as long as home prices remain weak and job losses continue.

LOM's business activity continued to experience low revenues (down 37% year-on-year) and the group plunged into the red in the 1st quarter of the year. We again reduced staffing levels and these cost reductions fed through in the 2nd quarter. Revenues picked up somewhat with the recovery in the markets and with the reductions in cost the group reduced the scale of losses to break even on a monthly basis by the end of the half year.

LOM's first half net loss for 2009 was \$725,000 versus a profit of \$47,000 for the same period in 2008.

Revenues had the following year-on-year changes:

- Broking fees fell 31% to represent 53% of group revenues.
- Management and advisory fee revenues fell 22%.
- Fees realized from corporate finance work declined to almost nothing in the first half.
- Foreign Exchange revenues fell 49%.
- Net interest earnings declined 67% as interest rates went effectively to zero.
- We showed a small loss on proprietary trading.

Costs for the group were as follows:

- Operating costs, ex the commission payments, were reduced 20%.
- Overall operating expenses fell 24%.
- Employee expenses fell 15% as head count was reduced.

On other financial measures:

- LOM's assets under administration fell to \$710 million as of June 30, 2009. Though this was down from the \$976 million at this time last year, it was up from the \$639 million in assets at the end of 2008.
- LOM remains in a strong financial position with net equity of \$18.9 million and no debt.
- LOM holds cash and equivalents of \$4.6 million, representing 24% of net equity.
- As of June 30, 2009 LOM's book value was \$3.01 per share.

LOM has suspended its regular dividend until conditions in the financial markets improve.

Our current share price on the Bermuda Stock Exchange is \$3.50.

LOM will continue to buy back shares for cancellation to a total outlay not exceeding \$500,000. Over the first half of the year, the Company purchased for cancellation 30,050 shares.

Again, I would like to thank our customers very much for their continued support and our staff for all of the hard work and dedication during these trying times.

A handwritten signature in black ink, appearing to read 'S. Lines', with a stylized flourish at the end.

Scott Lines, CEO

LOM (Holdings) Limited
Unaudited Consolidated Balance Sheet
As at June 30, 2009
(Figures are presented in BMD\$)

	<u>YTD 2009</u>	<u>YTD 2008</u>
Assets		
Cash and Cash Equivalents	4,565,133	6,624,535
Marketable Securities	2,779,177	3,245,815
Accounts Receivable	278,664	442,613
Mortgage Loans	1,230,939	1,190,736
Prepaid assets	330,138	327,166
Due from related Parties	8,535	7,395
Long Term Investment	2,096,650	2,096,650
Investment in associate	867,565	1,157,385
Property, plant & equipment	9,614,131	9,733,942
	21,770,932	24,826,237
	21,770,932	24,826,237
Liabilities		
Securities Sold Short	14	17
Accounts Payable and Accrued Liabilities	706,613	743,791
Provision for Legal Costs	2,162,099	2,646,743
	2,868,726	3,390,551
	2,868,726	3,390,551
Shareholders' equity		
Share Capital	627,935	635,250
Share Premium	3,653,567	3,930,907
Accumulated Other Comprehensive Income	2,137	279,180
Retained Earnings	14,618,567	16,590,349
	18,902,206	21,435,686
	18,902,206	21,435,686
Total Liabilities & Shareholders' Equity	21,770,932	24,826,237
	21,770,932	24,826,237

LOM (Holdings) Limited
Unaudited Consolidated Statement of Earnings
For the Six Months Ending June 30, 2009
(Figures are presented in BMD\$)

	<u>YTD 2009</u>	<u>YTD 2008</u>
Revenues		
Broking fees	1,816,618	2,616,163
Management and investment advisory fees	686,110	874,348
Other interest revenue	272,687	811,586
Investment services	449,751	657,630
Foreign exchange revenue	179,892	352,183
Net Gains (loss) on securities	(25,931)	131,980
Corporate finance income	21,982	8,161
Administration and custody fees	40,140	48,245
	3,441,249	5,500,296
Gross revenue		
Operating expenses		
Employee compensation and benefits	1,648,650	1,937,867
Commissions and referral fees	778,985	1,226,526
Computer and information services	365,893	370,502
Amortization of capital assets	204,403	198,287
Jitney fees	252,448	399,942
Professional fees	213,771	227,455
Occupancy	348,398	373,969
Administration expenses	111,993	320,717
Insurance	112,976	92,063
Custodial charges	187,545	267,024
Loss (Gain) on Foreign Exchange	(58,181)	38,138
	4,166,881	5,452,490
Net Earnings for the year	(725,632)	47,806
Dividends per Share Paid	\$0.00	\$0.07
Basic Earnings per Share	(\$0.10)	\$0.01
Fully Diluted Earnings per Share	(\$0.10)	\$0.01
Directors & Officers Shareholding	3,617,796	3,545,096
Directors & Officers Options		
- \$5.15 Exercise Price Expired On 14/06/12	1,375,000	1,375,000
	1,375,000	1,375,000