



LOM (Holdings) Limited

The LOM Building, 27 Reid Street, Hamilton, Bermuda HM11

April 27, 2010

Dear shareholder,

An extremely difficult start to 2009 saw stock markets around the world bottom on March 9th. During that first quarter the S&P index fell 25%, European stocks fell 21% and Hong Kong fell 20% to their lows on 9th March. In this environment LOM's brokerage revenues almost ceased. However, from that nadir the balance of the year has witnessed a sustained recovery in financial markets. The unprecedented fiscal and monetary stimulus enacted around the world in late 2008 and early 2009 first stabilized economic activity and then led to a gradual resumption of economic growth in the western world. In Asia, the very aggressive stimulus in China combined with healthy personal balance sheets has resulted in much stronger growth than the West.

LOM witnessed a very poor first quarter which contributed to our loss of \$725,000 in the first half of the year. As stated in my shareholders letter of 28th July which accompanied our first half results, we have had a continual improvement in business activity, which along with our cost cuts, has allowed the firm to return to profitability in the second half of 2009.

LOM (Holdings) Limited had a profit in the second half of 2009 of \$285,225, which brought our full year loss down to \$439,775, or 7 cents per share, versus a loss of \$765,514 in 2008. The global economic recovery has led to further market gains and this has been reflected in a profitable 1st quarter 2010 for the group.

Other highlights over 2009 are:

- Assets under administration rose 24% to \$796 million.
- There was no return on equity.
- Revenues declined 9% to US\$8 million.
- Operating costs declined 11.5% to US\$8.5 million.

The group's balance sheet remained strong at year end with no debt and our cash levels are at 20% of total assets.

At the end of 2009, LOM's book value per share was US\$3.01. During the year our share price on the Bermuda Stock Exchange traded between a low of \$3.35 and a high of \$4.00.

As the business stabilized last year, the Board began paying a dividend of 1 cent per share.

Going forward, a major drain on the firm continues to be the ongoing civil litigation with the US Securities and Exchange Commission; a matter which we continue to contest vigorously and now expect will be concluded in this financial year.

Despite a difficult environment LOM is continuing to invest in technology to grow its business and provide higher value-added services to its clients.

On behalf of the Board of Directors I would like to extend our thanks to our customers, employees and shareholders for their support and loyalty over the past year.

A handwritten signature in black ink, appearing to be 'S. Lines', written in a cursive style.

Scott Lines
CEO
LOM (Holdings) Limited.