



2015 Half Year Financial Results

11th August 2015

To our Shareholders:

LOM's brokerage business continues to present challenges with a further small decline in brokerage revenue over the first half of the year. In addition we had to write down the value of our investment in the Bank of Butterfield due to a decline in their stock price to \$1.65 as of the end of June, while also writing down the value of our Canadian investments due to the decline in the Canadian dollar. On a brighter note, due to the excellent performance of our award winning funds, our asset management division showed a year-on-year revenue increase of 19.2%.

Net interest revenues declined as customers used less leverage over the period, and foreign exchange revenues also fell substantially. On the expenses side, commission payments increased as two brokers came off of salary and onto commission, whilst our salary expenses have not fallen as much as they would have, as we hired additional staff in our Bristol office to increase our internet presence. Professional fees have also risen over the period due to increased IT development expenses and continuing efforts to hire new financial advisors.

LOM made a loss of \$225,747 in the first half of 2015 as compared to a profit of \$90,605 for the same period in 2014. Despite this loss at the half year, business has been showing signs of greater activity and we are reasonably confident that we will still see a profit for the full year.

Revenues overall fell 3.3% and had the following year-on-year changes:

- Management and advisory fee revenues rose 19.2% to \$1.3 million (40% of revenues).
- Broking fees fell 4.6% to \$1.12 million (34% of revenues).
- Fees from corporate finance work fell 6% to \$37,500 (1.1% of revenues).
- Foreign Exchange revenues fell 25% to \$114,239 (3.5% of revenues).
- Net interest earnings fell 31% to \$241,281 (7.3% of revenues).
- Investment Services income fell 2.3% to \$468,995 (14% of revenues).
- Loss on securities held in inventory was \$23,965

Costs for the group had the following year-on-year changes:

- Operating costs, ex commission payments, rose 1%
- Overall operating expenses rose 6.3%.
- Employee expenses fell 3%.

On other financial measures:

- LOM's assets under administration were \$661 million as of 30th June 2015 as compared to \$615 million in assets at the end of 2014.
- LOM remains in a strong financial position with net equity of \$16.2 million and no debt.
- LOM holds cash and equivalents of \$3.77 million, representing 23% of net equity.

The Board of Directors of LOM have decided not to pay a dividend given current business conditions, however given the discount the share price trades to book value, the Board has decided to continue the share buyback.

The Board has given approval for LOM to continue to buy back shares for cancellation for a total not to exceed 200,000 shares. Over the first half of 2015, the Company purchased for cancellation 19,600 shares at an average price of \$2.25

Our current share price on the Bermuda Stock Exchange is \$2.25 and our current market capitalization is \$13.59 million. As of 30th June 2015 LOM's book value was \$2.69 per share.



Scott Lines, CEO