

Receivership of Lombard Finance

Lombard Group Limited advises that last evening Perpetual Trust Limited, the trustee for its subsidiary Lombard Finance & Investment Limited, appointed receivers to that company.

Lombard Group CEO Michael Reeves said "We are disappointed that the Trustee did not support our wish to give investors the opportunity to consider approving a moratorium as we genuinely believed that this would have resulted in a better recovery from the loans that the company had made. Our assessment was that some of our loans to fund property developments will require ongoing engagement with the developer and others to maximise the recovery which we believed would not be assisted by those persons dealing with a receiver. We recognised the benefit of external control that a receivership brings and we had proposed equivalent involvement by an insolvency firm to oversee the moratorium. " We believe this should have satisfied investors."

Lombard Group is both a shareholder and investor in LFIL, holding \$2 million of Secured Debenture Stock.

The board of Lombard Group will now assess the ongoing operations of the Group. Staff will initially be focused on assisting the receivers as much as they can. Further announcements will be made as that assessment is completed.

Mr Reeves commented "The businesses of Tasman and United Mortgages are expected to trade profitably."

Mr Reeves added, "While we do not agree with what has been done, I and the other directors will provide whatever assistance we can to the receivers. They will have our full cooperation. We very much regret the impact on investors."

For information, contact:
Michael Reeves
Chief Executive Officer
Ph: +64 4 4995522

10 April 2008