

press release

24 November 2009

Lloyds launches world's largest ever rights issue

■ Investors should take up the offer to avoid dilution says The Share Centre

This morning Lloyds Banking Group announced that it will be offering its shareholders a 59.5% discount on its shares in a bid to raise £13.5bn in fresh capital. Commenting on the offer and whether shareholders should take up the rights issue, Nick Raynor, investment adviser at The Share Centre, said:

“Lloyds’ shareholders are being offered 1.34 new Lloyds shares for each one they already own. A total of 36.5bn new shares will be issued at the discounted price of 37p each. The rights issue is the second in the final stage of a total £22.5bn fund raising exercise designed to avoid taking part in the Government’s Asset Protection Scheme.

“Despite the 59.5% discount there is no quick profit to be made. Shareholders should consider taking up the offer of 37p if they can afford it, to avoid the risk of having their holdings significantly diluted. The 36.5bn shares being created will take up 57.3% of Lloyds’ enlarged share capital.

“However, if shareholders cannot afford the rights issue then we advise them to sell the shares and buy back after Friday 27 November. This way they can avoid subscribing to the rights issues terms and be fully aware of their exposure to the company. Shareholders will vote on the plan on Thursday and have until early December to decide whether to take up their rights.”

-- Ends --

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Risk Warnings:

Investing in general, and the products and services mentioned above may not be suitable for all: if in doubt, individuals should seek independent financial advice. The value of investments and the income from them can go down as well as up and investors may not get back their original investment. Past performance is not a reliable indicator of future performance.

The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on www.share.com. Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#)

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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