

Lighthouse Group PLC

27th March 2007

Lighthouse Group plc
("Lighthouse" or "the Company")

Strategic Arrangements with Liverpool Victoria

Lighthouse Group plc (AIM:LGT), one of the UK's largest Independent Financial Adviser groups and pension scheme administrators, today announces that it has entered into new strategic arrangements ("the Arrangements") with Liverpool Victoria Friendly Society Limited ("LV="), the UK's largest friendly society which specialises in offering insurance and financial services to major UK affinity groups.

Exclusive Market Access

Under the terms of the Arrangements, Lighthouse has acquired exclusive access to provide Independent Financial Advice to affinity group members with whom LV= has associations. These groups include 10 of the UK's largest trade unions including Unison, TGWU, the Association of School and College Leaders, Prospect and the GMB. This provides an unprecedented opportunity for Lighthouse to offer independent financial advice to over 5 million members of these affinity groups.

Seamless Adviser Integration

Arrangements have been made to allow advisers and field managers employed with LV= to commence registration with Lighthouse immediately in order to achieve a seamless handover of adviser and client relationships.

Existing and Future Revenue Streams

Certain recurring revenues related to the LV= whole of market division have been transferred to Lighthouse through a revenue sharing agreement, which it is estimated will contribute over £1 million to Lighthouse revenues on an annualised basis. The Arrangements also provide for initial revenue sharing between the parties deriving from future affinity group business.

Financial Terms

In consideration of the Arrangements, Lighthouse has today agreed to conditionally issue 4,172,672 new ordinary shares, with a current market value of approximately £918,000, to LV=, which represents 4.99 per cent of the total enlarged Lighthouse shares in issue, excluding any unexercised share options or warrants.

LV= has also subscribed for a further 5 per cent of the total enlarged Lighthouse shares in issue, excluding any unexercised share options or warrants, at a price of 25 pence per share, raising approximately £1 million additional funds for Lighthouse.

The issue and allotment of all of these shares is conditional upon the admission to trading on the AIM market of the London Stock Exchange plc. Admission of these shares is expected to take effect on 2 April 2007. LV= will then hold 8,353,706 shares representing 9.99 per cent of the issued share capital of Lighthouse.

Notwithstanding the increased number of shares in issue, the Arrangements are expected to be earnings enhancing for Lighthouse in the current year.

Comment

Mike Newton, LV='s Managing Director of Partnerships, said: "Offering life, pension and investment advice from the whole of market is an important part of the proposition we offer to our affinity group partners. We will now be able to offer an improved service to the members of these groups, through a specialist IFA with wider national coverage.

"Taking a strategic equity stake in Lighthouse is a significant move, signalling the depth of the partnership and the importance to us of continued involvement in the whole of market advice service that our affinity group partners receive.

"This is a positive move for our customers and affinity partners and presents a new opportunity for our sales staff. We look forward to developing a successful partnership with Lighthouse in the months and years ahead."

David Hickey, Lighthouse Executive Chairman said: "LV= has unique access to the members of a substantial number of affinity groups and we believe these arrangements to be an important step for both parties. Through Lighthouse Temple Independent Financial Advisers, LV= will be able to offer a broader range of comprehensive services with greater national coverage. In addition to the potential for substantial growth in our new customer base, Lighthouse is also pleased to boost its annual recurring income by at least a further £1 million and its already significant cash resources by a similar amount.

"Finally, the purchase of a significant stake in Lighthouse also underscores LV='s commitment to their affinity groups and their belief in Lighthouse's ability to deliver comprehensive and impartial financial advice. The Board of Lighthouse is pleased to welcome LV= as a significant shareholder."

- Ends -

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Notes to Editors

About Lighthouse Group

The Lighthouse Group plc is one of the UK's largest Independent Financial Adviser groups and pension scheme administrators.

The Company provides support to over 550 IFAs across the UK who, in turn, provide fully independent financial planning advice to both private and corporate clients. The Company has in excess of £5 billion worth of funds under influence.

Based in five main operational centres, in London, Manchester, Brighton, Exeter and Reading, the Company has grown rapidly through both organic growth and key acquisitions since being admitted to AIM in October 2000.

About LV=

LV= Friendly Society Limited, formed in 1843, is the UK's largest Friendly Society. The LV= group of companies has more than 2.5 million members and customers, and manages approximately £8 billion on their behalf. The LV= group of companies provides a broad range of financial services, including life assurance, general insurance, asset management, banking services, and financial planning advice, and is still the only friendly society to own a bank. As a mutual organisation, owned by its members and with no shareholders, and therefore no dividends to pay, LV= Friendly Society can use all profits to the advantage of members in terms of competitive rates, terms of cover, investment performance and service.

LV= is a founding member of AMI, a trade association formed specifically for mutual insurers in September 2004. LV= supports AMI's work of representing the UK mutual insurance industry in lobbying and communicating with bodies such as the FSA, UK Treasury, politicians, the European Union, the International Association of Insurance Supervisors, and the International Accounting Standards Board.

This information is provided by RNS

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