

**For Immediate Release**

**Date:** July 21, 2008  
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**LORING WARD RESPONDS TO WERBA REINHARD US\$18.00 PER SHARE OFFER**

Loring Ward International Ltd. ("Loring Ward" or the "Company") (TSX: LW) today announced that its Board of Directors ("Board") has concluded that the proposal received on July 18, 2008 by Werba Reinhard Holdings Ltd. ("WRH") to acquire all of the Company's shares at a price of US\$18.00 per share could reasonably be expected to result in a Superior Proposal under the terms of the existing definitive agreement (the "FFL Agreement") with Friedman Fleischer & Lowe Capital Partners II, L.P. ("FFL"). In order to determine whether or not it is a Superior Proposal, the Board intends to address with WRH certain closing and business risks, including those outlined below.

Given, among other things, the recent dramatic further deterioration in credit markets and the results of discussions held by the Company with certain of its institutional shareholders, the Board has concluded that it should make every reasonable effort to ensure that the WRH debt financing is firm. Accordingly, the Board intends to seek confirmation that WRH's financing is irrevocable and conditional only on the conditions to the offer being met, and, depending upon the outcome of that effort, potentially to seek a substantial deposit.

Due to the continuing misguided and misleading public attacks by WRH on the Company and its personnel, the Board is concerned about, among other things, senior management retention issues, and intends to discuss with WRH methods of appropriately dealing with these concerns. In particular, Loring Ward noted that information concerning Mr. Herrmann's customary tax gross-up protections was in the data room from the time WRH first had access thereto, and that such information was specifically taken into account by WRH, and discussed at length with WRH, before it made its prior US\$17.30 proposal. Accordingly, for WRH to feign surprise in its press release of July 18, 2008 is disingenuous and inappropriate.

These customary tax gross-up protections designed to protect Mr. Herrmann from certain punitive excise taxes, were negotiated between Mr. Herrmann and the Compensation Committee, which is composed entirely of independent directors, after WRH publicly announced that it would be terminating Mr. Herrmann if it gained control of the Company. Among other things, WRH's actions created serious retention risks which needed to be addressed given Mr. Herrmann's significant contributions and the need to keep him focused on maximizing shareholder value in this auction process, which has been made very difficult as a result of WRH's repeated negative public comments and refusal to participate in the process at the outset as every other bidder did.

In order to ensure that the Company's and its shareholders' interests were properly protected, the Compensation Committee obtained from Mr. Herrmann, in return for the tax protection, among other things, strengthened non-solicitation and non-competition protections, along with a commitment by him to provide certain unpaid post-termination consultation support services. These arrangements did not apply to FFL for the obvious reason, among others, that FFL plans to retain Mr. Herrmann as CEO rather than terminate him, so severance arrangements are not

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expected to apply to FFL. The tax gross-up arrangements were described in the management proxy circular recently mailed to shareholders, and any resulting effective costs to WRH are avoidable by them in their discretion.

In the event that, following discussions and negotiations with WRH, the Board of Directors was to conclude that the WRH US\$18.00 proposal is a Superior Proposal, then FFL would have a 5 business day right to match same. If it chose not to match, FFL would then be entitled to the US\$3.25 million break fee and its reasonable expenses if the FFL Agreement was then terminated by Loring Ward to enter into an agreement with WRH.

WRH has also attacked the break fee and expenses payable to FFL as excessive. However, it should be noted that WRH has also requested expense reimbursement in its proposal, and has advised that its expenses are substantially higher than FFL's. In addition, WRH could easily have avoided the impact of the customary break fee and expense reimbursement by simply participating in the auction process at the outset as all other bidders did. In addition, WRH's assertion in its July 18, 2008 press release that the break fee and expense reimbursement provisions are excessive is simply not true. The break fee and expenses are currently estimated to be approximately 4.4% of equity value, which is well within the range of market precedents in Canada and, given the circumstances created by WRH, it is readily understandable why FFL would require such protection.

WRH's suggestion that it would be prepared to raise its price if FFL were to agree not to require reimbursement of its expenses and if the Company's senior executives were to waive material compensation to which they are entitled, appears not to be *bona fide*. The Board intends to seek clarification from WRH concerning this element of its proposals. As WRH knows perfectly well, the FFL Agreement cannot be unilaterally amended by the Company, and it is unclear why FFL would agree to waive its entitlement to reimbursement for its expenses. WRH also characterizes employment-related agreements as "recent payments to management". There have been no such payments to date.

The Company intends to seek to discuss and negotiate the above matters with WRH, and again provide WRH with access to appropriate confidential Company information upon request. The Company has not entered into any agreement with WRH at this time.

The success of the current auction process is ample evidence that the Board of Directors has acted in the best interests of Loring Ward's shareholders, including protecting shareholders from inadequate offers from WRH, eliciting a US\$17.30 proposal from WRH and bringing a US\$17.35 offer from FFL forward for shareholders to consider at the upcoming August 6, 2008 special meeting. For WRH to claim in its dissident circular in respect of the upcoming annual general meeting that the auction process was not *bona fide* was knowingly misleading. In that regard, the Board invites shareholders to carefully review the Loring Ward management proxy circular dated July 14, 2008 that was recently mailed to shareholders and is available on Sedar at [www.sedar.com](http://www.sedar.com) and at [www.loringward.com/specialmeeting](http://www.loringward.com/specialmeeting), which clearly describes WRH's repeated refusal to participate in the auction process. Instead, WRH has chosen to submit inadequate offers and has tried to subvert a legitimate auction process. In particular:

- WRH submitted an initial offer of CDN\$12.00 per share in March of 2007 and further inadequate offers since then, until its very recent US\$17.30 offer and subsequent offers;
  - WRH refused to sign a customary confidentiality and standstill agreement (as was signed by numerous other bidders in the auction process) to gain access to the
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confidential information of the Company both in 2007 and again during the formal auction process, and then complained about not gaining access for due diligence purposes;

- Despite being formally notified in advance by way of a letter from the Chairman of the Special Committee of a potential binding US\$16.75 offer from FFL, which at the time was conditional on WRH's support, WRH failed to make any counter-offer to match or exceed the pending offer from FFL at a time when the Company was not bound by any agreement with FFL (including any requirement to pay a break fee and reimburse expenses); and then, apparently believing that it had thwarted the FFL offer by refusing to support it, publicly announced its intention to make a bid at a minimum price of CDN\$13.75 and attacked the *bona fides* of the auction process, which was clearly working in the best interest of shareholders; and
- WRH filed a dissident proxy circular in which it sought to gain control of the Board in order to then sell the Company to itself.

Loring Ward's Board has been seeking, and continues to seek, to maximize shareholder value in accordance with its fiduciary duties.

The Board continues to support and recommend that shareholders vote in favour of the US\$17.35 offer from FFL at this time. The FFL offer continues to be subject to certain conditions, including, among others, minimum asset levels and required court and shareholder approvals, as set forth in the FFL Agreement. There can be no assurance that WRH will make an offer that the Board considers a Superior Proposal, or as to the price or other terms thereof.

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#### **About Loring Ward**

Loring Ward International Ltd. provides in its core business a turnkey asset management program to some of America's most knowledgeable and successful investment advisors and their clients. These services include investment strategies and products, back office operational processing, education and training, and business development support. The Company's U.S. corporate offices are headquartered in New York. For more information, please visit [www.loringward.com](http://www.loringward.com).

The Company, in the ordinary course of its business, may explore potential proposals or be the recipient of proposals with respect to strategic opportunities and transactions, which may include strategic joint venture relationships, significant debt or equity investments in or by the Company, the acquisition or disposition of material assets or business lines, mergers, new products or services, new distribution methods and other similar strategic opportunities or transactions. The Company's policy is generally not to publicly disclose the pursuit of a potential strategic opportunity or transaction unless and until a definitive binding agreement is reached. The public announcement of such matters could potentially materially affect the price or value of the Company's securities. As a result, there can be no assurance that investors who buy or sell the Company's securities are doing so at a time when the Company is not pursuing a particular strategic opportunity or transaction that, if publicly disclosed, could materially affect the price or value of the Company's securities.

Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Forward-looking statements may include those relating to the Company's objectives and strategies, as well as statements of our beliefs, plans, expectations and intentions. Implicit in this information are assumptions regarding future revenue and expenses, economic conditions, and the results of pending litigation involving the Company, as

well as our business strategy, expectations, intentions, and other matters. These assumptions may prove to be incorrect, and actual outcomes and results, including the future operating results and economic performance of the Company, may differ materially because of many factors, including those discussed in this press release and in our other public filings. For more information on these risks and uncertainties you should refer to our detailed Financial Statements and Management's Discussion and Analysis, as well as a broader description of certain challenges and risks facing the Company, all of which is available at [www.sedar.com](http://www.sedar.com). Forward-looking information contained in this news release is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. The Company disclaims any intention or obligation to update the information in this press release or revise any other forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

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