

**Press release date 8th April 2008**

**COMMERCIAL FIRST SLIMS DOWN**

Following the announcement last month that we had no alternative but to suspend new lending I am writing to confirm that we have entered into a consultation period with our staff.

Our team continue to progress numerous opportunities in order to return to market as soon as we can. Unfortunately our current infrastructure is built to originate in excess of £1bn a year in new lending and we recognise that our activity will be more modest when we are able to resume.

As a result we are left with no alternative but to reduce the teams throughout our business. At this stage it is estimated that we need to reduce these teams by around 50% within the region of 90 staff at risk of redundancy. This will be an incredibly painful process for us as our teams are amongst the most professional and committed we have ever had the privilege to work alongside.

Much of our success and enjoyment from this business has been achieved through the personal relationships we have established with our intermediary partners - and it is extremely sad that market events are forcing this action.

At this stage we are unable to confirm when we believe the business will be able to resume lending. Although bond spreads have narrowed and some believe the rescue of Bear Sterns was a turning point, we believe it is unlikely that the securitisation market will function until next year. We are actively pursuing alternative financing for the immediate future and to complement any future reliance upon the securitisation market.

I would like to take this opportunity to publicly thank all of those in our team whose personal efforts and dedication have made Commercial First the success it is. We are committed to resume lending and continuing our partnership with the intermediary market, it is with great personal sadness that not all of our team will be able to continue with us.

Stephen Johnson  
Sales and Marketing Director

**Commercial First**

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