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**PRESS RELEASE
FOR IMMEDIATE RELEASE**



LORD BONUS THROWS IN THE TOWEL... but Fortress Action Group now seeks a White Knight

Mark Bruce-Smith, leader of the dissident shareholders in the fully-listed cash shell Fortress Holdings plc, today hailed as a “stunning victory” the decision by Fortress to seek a voluntary winding up.

The company announced today that it would ask shareholders to approve the move as soon as a circular had been prepared. This follows three months of relentless pressure by the Action Group which demanded that most of the Fortress board should resign, including the chairman Lord Howard of Rising, and that cash should be handed back to long-suffering shareholders. In particular Mark Bruce-Smith had asked why Lord Howard, *or Lord Bonus as he is now known*, had been awarded a bonus of £160,000 last year for no apparent reason.

Mark Bruce-Smith said: “After four years of inaction, declining cash and wasted opportunities, the Fortress board has finally made a sensible decision. We have been asking for a immediate return of funds to shareholders or failing that a root and branch reform of the company. We have had an overwhelmingly positive response to our mail-shot to over 2,500 fellow shareholders and obviously Lord Bonus could not resist our efforts any more.”

“But what is particularly telling is that he had rejected calls for the company to be wound up for another eighteen months citing outstanding warranties and indemnities. Now, suddenly and mysteriously, those conditions can be met.

“This is a stunning victory for shareholder power through website action groups and all companies who think they can ride roughshod over the very people who invest in them should take note. This is truly a momentous day for popular capitalism.”

“However, the action group’s task is not yet finished. At the EGM, we shall demand:

- The return to the company of Lord Howard’s bonus
- The cancellation of all directors’ options
- A cost-efficient liquidation
- The transparent open-market sale of Columbia Staver, the company’s trading subsidiary.

“We are also hopeful that this move will encourage potential buyers for the company to show their hand. We still believe that without the baggage of the existing board Fortress is a very attractive proposition”.

The Fortress Holdings Shareholder Action Group was formed in response to four years of poor performance by the Fortress management, extravagant costs, falling cash reserves and failure to find a suitable acquisition. Among the issues it required answers to was the relationship between Lord Howard and former Tory leader Iain Duncan Smith. Lord Howard was enobled this year on the recommendation of Mr Duncan Smith. Previously Lord Howard had employed Mr Duncan Smith as a consultant to Fortress and has given a donation to the Tory Party and to the former leader’s legal costs fund.

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