

Press Release

For immediate release

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UKSA's Latest Advice to Bradford & Bingley Shareholders

In a press release we issued on the 16th June, the UK Shareholders Association (UKSA) deplored the revised rights issue and the related proposals. We advised shareholders to consider carefully how they should vote on the rights issue and the associated sale of a stake in the company to TPG. On the 30th June we issued another press release which was more forceful in that it advised shareholders to "*consider voting against the rights issue*", although we warned shareholders that there was no certainty of any alternative proposal being forthcoming.

Our advice was treated with disdain by some commentators, including one newspaper which termed it a "daft suggestion". Subsequent events suggest it was not so daft.

We felt that there were likely to be alternatives available and so it turned out. The latest rights issue (the third version which is based on an enlarged rights issue of 67 new shares for 50 existing shares at 55 pence per share, without the involvement of TPG) would appear to us to be much more satisfactory and therefore we are happy to recommend to shareholders that they vote in favour of it.

Should Shareholders Take Up The Rights?

Voting for the rights is one thing. But should shareholders subscribe for the rights? We are unable to offer investment advice but clearly if the rights price is above the market share price, as it has been recently, then there would be no point in taking up the rights as the shares could be purchased more cheaply in the market. In any case, shareholders should look at the prospects of the company and form a view as to whether investing in the shares (or of course selling their shares) at the price available is a sound investment decision – or they should take some professional advice on this matter.

If shareholders do not take up the rights, then the underwriters of the rights issue will take up the shares so the company will still raise the capital it requires.

For further information, please contact:

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Note that our previous comments and press releases on Bradford & Bingley can be seen on our web site at: www.uksa.org.uk/Bradford%20&%20Bingley.htm

About the UK Shareholders Association (UKSA)

UKSA is the leading independent organisation which represents the interests of private shareholders in the United Kingdom. We campaign to protect the rights of shareholders in public companies, and to promote improved standards of corporate governance. Our educational activities, regular regional meetings, company "analyst" meetings and the resources of our web site, help to inform the public on investment management. UKSA is a "not for profit" organisation which is financially supported primarily by its individual members.

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