

Press Release

For immediate release

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UK Shareholders Association

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Northern Rock Appeal Hearing

The Appeal against the judgement on the Judicial Review challenging the Northern Rock compensation terms commences in the High Court on Wednesday the 10th June and may last up to three days.

The three main appellants in the action are SRM Global, RAB Capital, and a representative group of private shareholders. The latter were originally organised by the Northern Rock Shareholders Action Group (a part of the UK Shareholders Association - UKSA) which has been running a campaign to promote the interests of former shareholders in Northern Rock. In addition the action is being supported by Legal & General, the third largest institutional shareholder.

Photo Opportunity

There are likely to be a number of private shareholders present to hear the arguments in the case and they will be meeting outside the main entrance to the High Court in the Strand at 10.00 am. This will be a good photo opportunity and also a chance to talk to some of the small shareholders who have been badly affected by the loss of the value of their investment in the company.

Grounds for the Legal Action

The claimants argued in the original judicial review (on which there is a full report including photographs on this web page: www.uksa.org.uk/Demonstrations.htm) that the terms of reference for the "independent valuation" put in place by the Government contain totally artificial conditions that do not match the facts, and are likely to result in very little or no compensation. The claim is that the terms under which the valuation takes place, which have been dictated by the Government in the legislation used for the nationalisation of Northern Rock, are a breach of the European Convention on Human Rights (ECHR) which is embodied in UK law. The grounds for the appeal are numerous and varied.

More Details

More background information on the legal action and the claims of shareholders are present on our web site at: www.uksa.org.uk/NorthernRock.htm . See specifically www.uksa.org.uk/NRK_Legal_Case.pdf for the basis of the legal action.

It is important to emphasise that the shareholders are simply looking for fair compensation from a truly independent valuation with no preconditions that favour the Government. They are not asking for any specific sum, although clearly they believe that Northern Rock was in essence a sound and valuable property that is now recovering rapidly from a temporary cash flow difficulty of a similar nature to that faced by many other banks in recent months. Other banks and their shareholders have not been penalised in the same way and have received generous Government support.

Legal Teams

The legal teams and counsel representing the various plaintiffs and the Government are as follows:

SRM Global: White & Case, represented by Lord Pannick, QC.

RAB Capital: Nabarro Nathanson, represented by Michael Beloff, QC.

The private shareholders: Nabarro Nathanson, represented by Tom de la Mare.

Legal & General will also be represented as an Interested Party.

The Government: Slaughter & May, represented by Jonathan Sumption, QC.

For further information, please contact:

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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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