

Press Release

For immediate release

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Northern Rock Judicial Review and Public Demonstration

The hearing of the Judicial Review challenging the Northern Rock compensation terms put in place by the Government gets into court on Tuesday the 13th January. The three claimants in the joint action to obtain fair compensation for the former shareholders after the company was nationalised are SRM Global, RAB Capital, and a representative group of private shareholders supported by the UK Shareholders Association (UKSA). In addition the action is being supported by Legal & General, the third largest institutional shareholder.

UKSA will be holding a public demonstration outside the High Court in the Strand at 12.00 am on the opening day of the hearing. This will be a good photo opportunity and also a chance to talk to many of the small shareholders who have been badly affected by the events of the last year.

The plaintiffs argue 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 which is embodied in UK law.

More Details

More details of the legal action and the claims of shareholders are present on our web site at: www.uksa.org.uk/NorthernRock.htm . Details of the public demonstration and other media events are present on this page: www.uksa.org.uk/Demonstrations.htm .

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.

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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: Edwin Coe, represented by Tom de la Mare.

Legal & General, represented by Ben Jaffey.

The Government: Slaughter & May, represented by Lord Grabiner, 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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