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PRESS RELEASE

Rights Issue Fees Inquiry welcomes OFT statement

The Rights Issue Fees Inquiry (RIFI) was established to look into fees charged for secondary capital raising and was set up by the Institutional Investor Council (IIC). IIC represents the UK's largest institutional investors.

RIFI welcomes the Office of Fair Trading's (OFT) statement regarding the scope of the OFT equity underwriting market study. The OFT's study will focus on underwriting services for different types of share issue used by UK listed companies to raise capital in the secondary market by FTSE 350 companies.

RIFI launched its own inquiry on 5 July 2010 and has already received a significant number of submissions. The RIFI inquiry focuses on the demand side for investment banking services by listed companies undertaking rights issues. Although the deadline for responses is 6 August, RIFI is still open to receiving further submissions after that date. We remain on target to produce a paper with initial conclusions and any recommendations by the autumn.

Commenting on the OFT's statement, Douglas Ferrans, Chairman of the Rights Issue Fees Inquiry, said:

"We welcome today's statement by the Office of Fair Trading regarding the scope of its inquiry. RIFI is focusing on the demand side while the OFT is taking a particular interest in the supply side, as well as the demand side. An important focus for our inquiry is the governance environment within which decisions are taken to use investment banks."

-ENDS-

Further information can be obtained from:

Association of British Insurers, Erfan Hussain, 020 7216 7411

Investment Management Association, Ginny Broad or Clare Murphy-McGreevey, 020 7831 0898

<http://www.institutionalshareholderscommittee.org.uk>

Notes to Editors

The Rights Issue Fees Inquiry was commissioned by the Institutional Investor Council (IIC), which was established by the Institutional Shareholders Committee (ISC). In May it announced the appointment of Douglas Ferrans as Chairman of the inquiry into rights issue fees. It is today also responding to the Office of Fair Trading's invitation to comment on the scope of its own study.

Responses should be directed to William Claxton-Smith wclaxtonsmith@iicouncil.org.uk and to Debra Clarke dclarke@iicouncil.org.uk.