

PRESS STATEMENT – FORTIS CAPITAL COMPANY LIMITED

Amsterdam, Friday 19 June 2009. On Friday 19 June 2009, the Amsterdam court held a summary hearing in the case of Fortis Capital Company Ltd. against Fortis N.V. and Fortis SA/NV. The judge indicated that he will issue a ruling no later than Thursday 25 June 2009. Fortis Capital Company is confident about the outcome of the proceedings. During the hearing Fortis N.V. and Fortis SA/NV stated that, if the court rules in favour of Fortis Capital Company, they will comply with their commitment to fund the Cash Settlement of 362,511 preference shares in a timely fashion.

In 1999, Fortis Capital Company Ltd. (FCC), a wholly-owned subsidiary of Fortis Bank Nederland (Holding) N.V. (FBN(H)), issued 450,000 preference shares with a total nominal value of €450,000,000.00 in order to strengthen the capital structure of FBN(H). The net proceeds of this issue were made available by FCC to FBN(H) by means of a subordinated loan. The preference shares were placed with the public and listed on the Euronext Amsterdam stock exchange. A large portion of these preference shares (valued at €362,511,000.00) are due for cash conversion (the Cash Settlement) on 29 June 2009. The money required for the Cash Settlement must be made available by the defendants, Fortis N.V. and Fortis SA/NV (the Fortis Holdings).

It is unquestionable that the Fortis Holdings are obligated to pay the money required for the Cash Settlement. The Fortis Holdings undertook this commitment not only towards FCC, but towards the holders of the shares as well. The parties agreed at the time – and laid down in contracts signed by both parties – that the Fortis Holdings' payment obligation is **absolute** and **unconditional**. The Fortis Holdings have never disputed this commitment. Despite repeated requests, the Fortis Holdings so far have refused to confirm that they will meet this commitment **unconditionally**.

The Fortis Holdings have argued in court that they are entitled to receive compensation for this payment and want to force compensation by making compliance with their payment obligation conditional upon the provision of this compensation. This is contrary to the agreements made between the parties, given that it was expressly agreed that the Fortis Holdings' payment obligation was **absolute** and **unconditional**.

Moreover, the Fortis Holdings cannot be entitled to any compensation in this matter. Such a right would be contrary to the Tier 1 nature of the preference shares and the contract signed by both parties does not provide for any entitlement to compensation. The Fortis Holdings assert that such a right for compensation is implied in correspondence and notes dating from before the preference shares were issued in 1999. So far the Fortis Holdings have not been willing to allow FCC or FBN(H) to inspect all relevant documents in order to determine the existence of a claim for compensation.

In the summary proceedings before the Amsterdam court, FCC has demanded of Fortis Holdings absolute and unconditional compliance with the agreed payment obligations for Cash Settlement. The Fortis Holdings have demanded compensation in a counterclaim coupled with a request for permission to levy attachments.

The Fortis Holdings are apparently under the impression that they need to levy attachments in order to protect their rights towards FCC in this dispute. FCC deems the request inappropriate and unnecessary, given that FCC and FBN(H) have undertaken to maintain the loan and take no action that would frustrate the Fortis Holdings in exercising its alleged rights while the dispute is pending. The court has not yet granted permission to levy attachments. No attachments have been levied at this time, nor does the request relate to assets owned by FBN(H).

The interim applications judge is expected to deliver judgment on Thursday 25 June.

For more information, please contact:

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