



F&C Management Limited

Exchange House
Primrose Street
London EC2A 2NY

Telephone +44 (0)20 7628 8000

Facsimile +44 (0)20 7628 8188

www.fandc.com

Press Release

**Immediate release
26 August 2008**

F&C leads calls to protect minority shareholder rights in Brazil

F&C has been joined by over a dozen leading UK, North American and European institutional investors in writing¹ to the Brazilian securities regulator, the Comissão de Valores Mobiliários (CVM), to urge greater legal protections for minority shareholders.

The action has been triggered by the bid launched on 6th August 2008 by Votorantim Celulose e Papel (VCP), which is seeking control of fellow pulp and paper producer Aracruz. While the investors have no objection in principle to the combination, not least in light of significant potential cost savings, they warn that it will come at the expense of minority investors in both Aracruz's voting and non-voting stock.

F&C and many of the signatories own neither stock, and so are not immediately affected by the terms of this particular transaction. However as significant investors in the broader Brazilian market, they have raised their concerns because of the damaging effect they anticipate this action could have on both the value of their other Brazilian holdings and on confidence in the Brazilian market as a whole.

The investors' concerns have been echoed by like-minded institutional investors within Brazil, including the Capital Markets Investors Association (AMEC), which has indicated its intention to write to the CVM with similar demands.

F&C Management Limited is authorised and regulated by the Financial Services Authority (FSA) FRN: 119230. Limited by shares. Registered in England and Wales, No 517895. Registered address and Head Office: Exchange House, Primrose Street, London EC2A 2NY.

F&C Asset Management plc is the listed holding company of the F&C Group.

F&C Management Limited is a member of the F&C Group and a subsidiary of F&C Asset Management plc.

In its letter, F&C makes the case for high standards of corporate governance, arguing that both companies and investors stand to benefit from more effective and accountable management, a lower cost of capital, and more efficient capital markets.

“As long-term investors in Brazil, we have welcomed the recent progress of many Brazilian companies to protect the rights of shareholders, as this has contributed to the country’s rising reputation in the global capital markets”, said Karina Litvack, F&C’s Head of Governance & Sustainable Investment. “We therefore view this most recent development with particular disappointment. We are asking the CVM to encourage the two parties in this specific case to act voluntarily to protect minorities. But ultimately, what is most important is that the CVM re-evaluate the existing regulatory framework so as to restore global investor confidence in the Brazilian capital markets.”

"Corporate governance has been continuously improving in Brazil thanks to pressure from regulators and local investors. In this context it is especially disappointing that VCP - which has always been distinguished by excellent financial disclosure - has missed the opportunity to set a good example", added Urban Larson, a Latin American specialist and fund manager within F&C’s emerging equities team.

For more information or to arrange an interview with Karina Litvack, Head of Governance & Sustainable Investment at F&C please contact Véronique Sant on +44 (0)20 7011 4278 or veronique.sant@fandc.com

- ends -

Press enquiries

Paula Garrido	Communications Manager	+44 (0) 20 7011 4190
Véronique Sant	Communications Manager	+44 (0) 20 7011 4278
Jennifer Donohoe	Communications Manager	+44 (0) 20 7011 5017

Notes to Editors

F&C Investments

- F&C Asset Management (F&C) is a London Stock Exchange listed asset management group which traces its origins back to 1868 with the launch of the Foreign & Colonial Investment Trust, the first ever publicly listed investment fund. Foreign & Colonial Investment Trust remains a client of F&C.

F&C Management Limited is authorised and regulated by the Financial Services Authority (FSA) FRN: 119230. Limited by shares. Registered in England and Wales, No 517895. Registered address and Head Office: Exchange House, Primrose Street, London EC2A 2NY.

F&C Asset Management plc is the listed holding company of the F&C Group.

F&C Management Limited is a member of the F&C Group and a subsidiary of F&C Asset Management plc.

- F&C is an active fund manager with a multi-specialist investment model where individual teams have strong accountability for their products and processes. The group is also an active shareholder with a leading franchise in governance and sustainable investment.
- F&C now manages £96.5 billion (€121.9 billion) of assets* for a diverse range of institutional, insurance and retail clients across all major asset classes – equities, bonds, cash and property – as well as alternative and specialist product classes such as Socially Responsible Investment funds, hedge funds, funds of hedge funds, private equity funds, Global Tactical Asset Allocation products, enhanced alpha funds and Liability Driven Investments. F&C invests globally and has been a longstanding investor in emerging markets.
- F&C manages assets principally from three investment centres: London, Amsterdam and Edinburgh. The group has an office network spanning ten countries: China (Hong Kong), France (Paris), Germany (Frankfurt), Ireland (Dublin), The Netherlands (Amsterdam), Portugal (Lisbon), Sweden (Stockholm), Switzerland (Geneva), UK (London, Edinburgh, Dorking) and the United States (Boston).

¹ (see attached letter in English and Portuguese version)

* As at 30 June 2008.