

PERMANENT COURT OF ARBITRATION



PRESS RELEASE

The Tribunal Concerning the Bank for International Settlements has rendered a Final Award, dated September 19, 2003, determining the compensation to be paid for the shares that had been recalled by the Bank on January 8, 2001. In its Partial Award rendered November 22, 2002, the Tribunal had determined that Claimants were entitled to compensation for their recalled shares corresponding to a proportionate share of the Net Asset Value of the Bank, discounted by 30%. In its Final Award, the Arbitral Tribunal unanimously decided that the Bank for International Settlements should pay to each of the Claimants in the arbitration, CHF 7,977.56 per share previously owned by the Claimant with 5% simple interest from 8 January 2001 until September 19, 2003. Payment by the Bank is to be made within 90 days of the date of the Award. The Tribunal further decided that the Bank would bear the costs of the arbitration.

The Tribunal also decided the counterclaim of the Bank against Claimant No. 2 (First Eagle SoGen Funds, Inc.), awarding the Bank \$US 587,413.49, the Bank's costs in defending the law suit brought by Claimant No. 2 (First Eagle) in the United States in violation of the agreement to arbitrate. The Tribunal based its counterclaim decision upon the Constituent Instruments of the Bank which the Claimants and the Bank had agreed constituted a *lex specialis* between the Parties. The full text of the Award is published on the website of the Permanent Court of Arbitration (www.pca-cpa.org) which served as Registry for the arbitration.

The decision followed written submissions from the Parties and oral hearings held at the Permanent Court in The Hague on the 28th and 29th of May, 2003. Members of the arbitral panel were: Prof. Michael Reisman (Chairman), Prof. Dr. Jochen A. Frowein, Prof. Dr. Mathias Krafft, Prof. Dr. Paul Lagarde, and Prof. Dr. Albert Jan van den Berg.

The Hague, September 22, 2003