

26 May 2009

## press release

### **Employee owned companies shares outperform FTSE All-Share in first quarter of 2009**

Employee owned companies outperformed the FTSE All-Share in the first quarter of 2009 according to the UK Employee Ownership Index (EOI) published by law firm, Field Fisher Waterhouse LLP.

Employee owned companies' share prices were down 2.4%, performing significantly better than the FTSE All Share companies' share prices which were down 10.2% in the quarter.

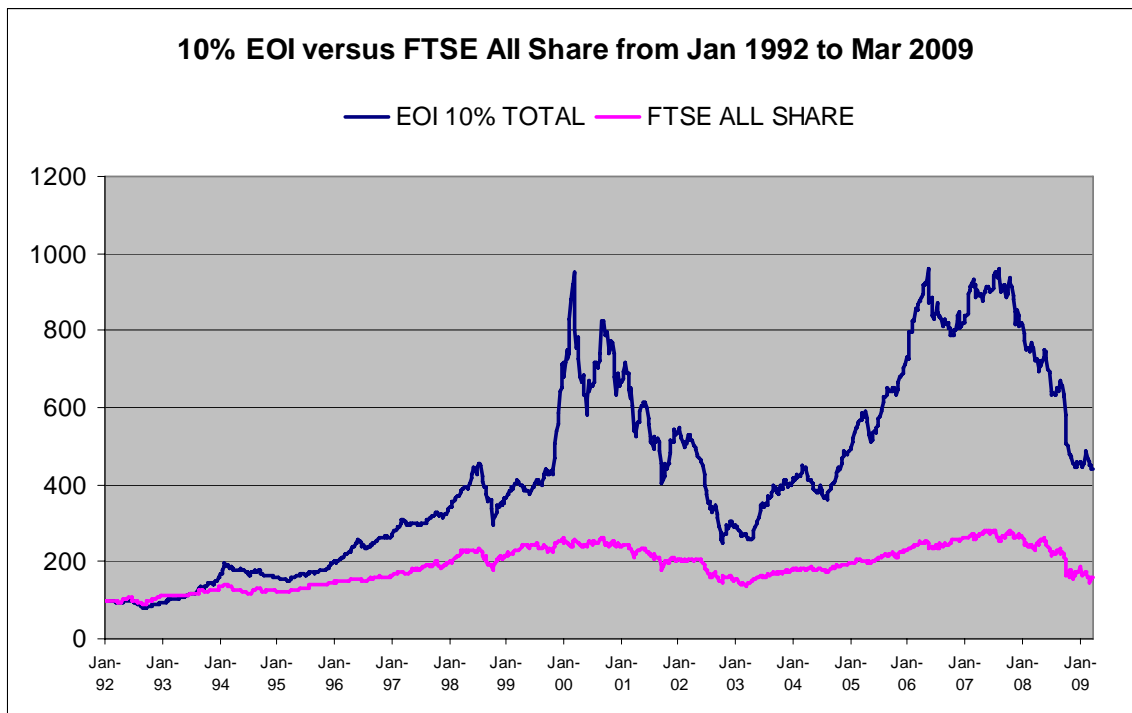
The EOI, compiled by the firm's Equity Incentives team, monitors the share price performance of listed companies, comparing the performance of FTSE All-Share companies with companies that are over 10% owned by employees.

In the last quarter of 2008, employee owned companies underperformed, however, in the long term employee owned companies continue to outperform FTSE All-Share companies.

The EOI started in 1992 and shows that over 17 years, employee owned companies have outperformed FTSE All-Share companies each year by on average 10%. Over successive three year periods they have outperformed by 41% and over successive five year periods by 78%.

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| An investment of £100 in the EOI in 1992 would at the end of March 2009 have been worth £442 while the same investment in the FTSE All-Share Index would be worth £161. |
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Possible reasons for the improved performance of employee owned companies include higher employee engagement, higher standards of governance and conservatism in relation to growth strategies.



Graeme Nuttall, head of the Equity Incentives team at Field Fisher Waterhouse says:

“The EOI shows that in the last quarter, employee owned companies performed better than the FTSE All-Share – a trend that becomes more pronounced when we look at performance over longer periods of time. Although we see variations in relative performance from quarter to quarter, the EOI demonstrates that in the long term employee owned companies do better, proving to be more resilient than FTSE All-Share companies.”

The Equity Incentives team at Field Fisher Waterhouse produces quarterly reports on EOI performance and advises on employee ownership solutions for a variety of business structures as well as in incentive plans for UK and overseas listed and private companies. They have had detailed and broad ranging input into Government share plans policy.

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## **EOI**

The UK Employee Ownership Index is compiled by the Equity Incentives team at Field Fisher Waterhouse and tracks the performance of UK-quoted companies that are over 10% owned by employees (excluding main board directors) or employee trusts. The degree of employee share ownership is determined on the basis of best available information. The UK Employee Ownership Index does not necessarily include all quoted companies with a significant degree of employee ownership.

FTSE is a registered trademark of London Stock Exchange plc and The Financial Times Limited. All-Share is a registered trademark of FTSE International Limited.

## **Field Fisher Waterhouse LLP**

Field Fisher Waterhouse LLP is a full service European law firm with offices in Brussels, Hamburg, Paris, London and Manchester and exclusive relationships with Spanish firm Jiménez de Parga and Italian firm, La Scala. The firm has over 130 partners, 220 other lawyers and nearly 300 support staff. We assist a wide range of international clients, advising across the full range of legal issues.

Our international client base includes listed and unlisted companies, multinationals, banks and other financial institutions, professional partnerships, trade associations and Government departments. A distinctive feature of the firm is our industry focus. For example, we are acknowledged as leading experts in the public sector, technology and media sectors.