

Equity incentives: News from Capital Strategies on share-based rewards

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UK Employee Ownership Index - update

The UK Employee Ownership Index (measuring the relative share price performance of UK quoted companies with significant levels of employee share ownership) continued its steep rise into the New Millennium, but then fell sharply towards the end of the 1st quarter of 2000. Index companies whose share price fell most in the quarter included two new entrants, both technology companies.

Overall though, the index outperformed the market, rising 2.13% in the period January to March 2000, compared to a 5.08% drop in the FTSE All-Share and a 7% drop in the FTSE 100. The FTSE Small Cap had a more respectable quarter, rising 8.61%.

An investment of £100 in the EOI in 1992 would now be worth £800, while the same investment in the FTSE All-Share Index would be worth £251.

The UK Employee Ownership Index™ monitors the share price performance of UK quoted companies with significant employee share ownership, against the main market indices since 1992, and it has consistently and significantly outperformed the main market.

You can follow the EOI's performance since its launch by visiting our website:
<http://www.capitalstrategies.co.uk/rewards/ukindex.htm>.

Qualifying for inclusion in the Index

If 10% or more of your company's share equity is held by, or on behalf of, employees (*not* directors), you qualify for inclusion in the index.

If you want to be included, please contact Sarah Anderson on 0171 256 8000 or by email: sarah.anderson@capitalstrategies.co.uk.

eEQUITY INCENTIVES is distributed by email free of charge.

If you want to find out more about using share schemes to incentivise your employees, contact Robert Postlethwaite on (+44) (0) 207 256 8000 or email him on robert.postlethwaite@capitalstrategies.co.uk

For more information about Capital Strategies please visit our website www.capitalstrategies.co.uk.

This document is intended as a general guide on complex subjects. It is not intended as a comprehensive review. It should not be relied upon as a substitute for advice in a particular circumstance.

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