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press release

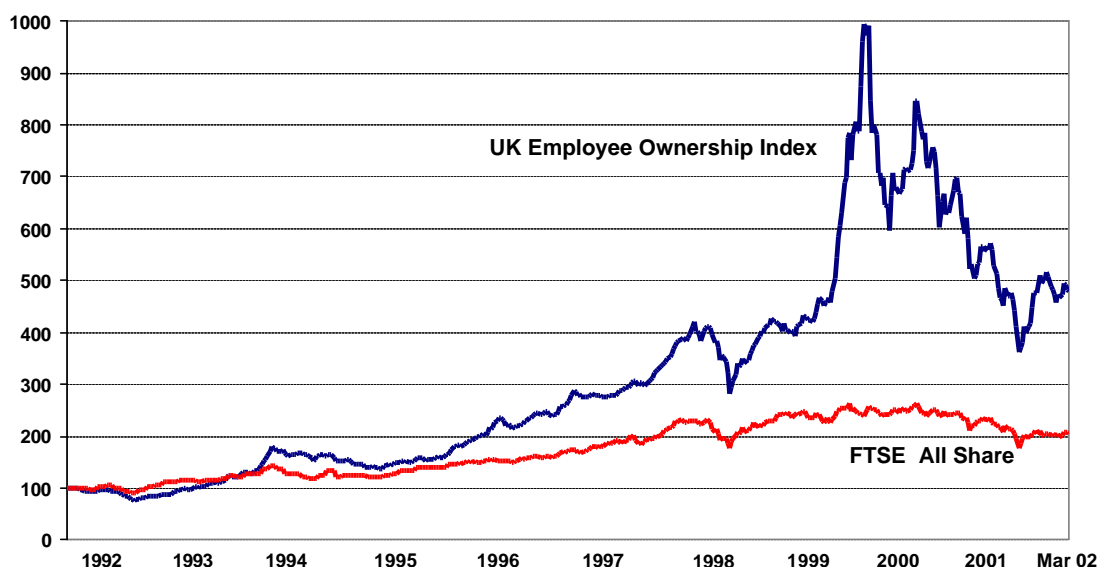
Employee Ownership Index wobbles but stays on track

Following the bounce at the end of 2001, the Employee Ownership Index struggled in the first quarter of 2002, dropping by 7% in that period. The other market indices more or less held level, or dropped very slightly, amid continuing market uncertainty. Over the last year, the Index has shown a fall of around 10%, faring very slightly better than the FTSE Small Cap, from which the majority of its constituent companies are drawn. This has fallen by around 12%.

As in the previous quarter, the Index's performance was shaped largely by the performance of companies in the support service and specialist finance sectors. However, while these sectors rallied in the months to the end of December 2001, their performance took a tumble in the first months of the year. The software sector also had a shaky period. Overall, around 57% of the companies making up the Index saw their share prices fall by an average 15%, with Xansa's share price in particular dropping by almost 40%.

The long-term performance of the Index, however, continues to outstrip that of the other indices. At the end of the third quarter, a £100 investment made in the Index in 1992 would be worth £479, in comparison to the same investment in the FTSE All-Share, which would currently be worth £206.

Comparison of UK Employee Ownership Index against the FTSE All Share, January 1992 to March 2002



Comparison of EOI, FTSE All Share, 100 and Small Cap Indices over 1, 3 and 5 years

Q1 2002	EOI	FTSE All Share	FTSE Small Cap	FTSE 100
Q1 2002	-7.03%	0.22%	-1.72%	-0.07%
1 Year	-10.18%	-5.95%	-11.42%	-6.69%
3 Years	13.50%	-10.09%	6.52%	-14.30%
5 Years	70.66%	20.84%	9.94%	21.23%

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Notes to Editors

- Equity Incentives Limited specialises in employee ownership solutions for private and quoted companies. The company was formed in July 2001 when the share plans team at Capital Strategies Limited merged with the share plans team at City law firm Field Fisher Waterhouse.
- FTSE is a trademark of FTSE International.
- The UK Employee Ownership Index is produced by Equity Incentives Limited and tracks the performance of UK quoted companies with a significant degree of employee share ownership.