

8 August 2002

press release

Index plunges to new low

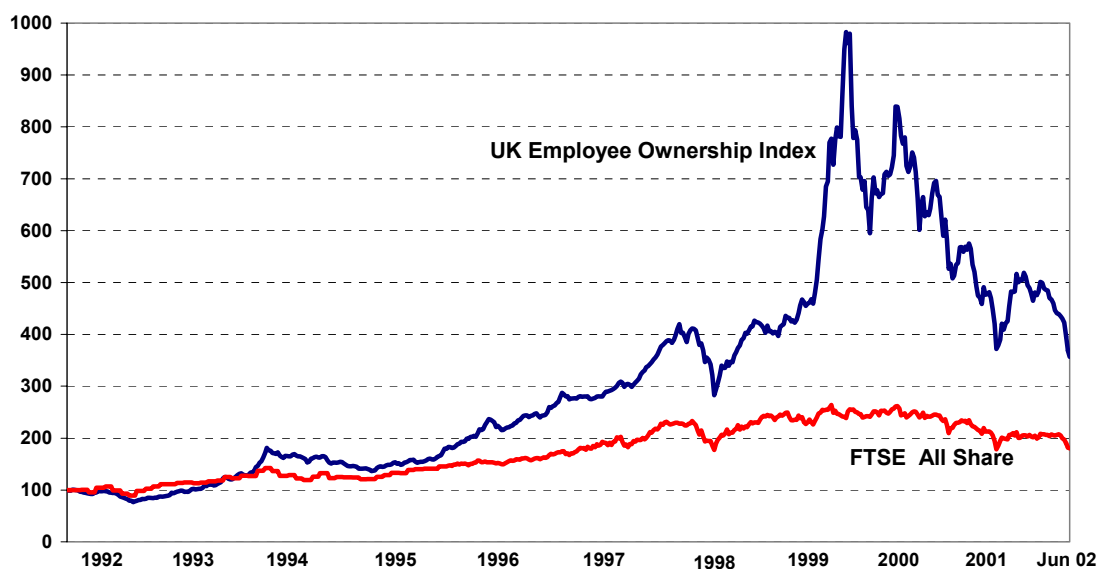
A 26% drop in value during the course of the second quarter of 2002 saw the Employee Ownership Index (EOI) hit its lowest point since December 1998 and continue its poor performance throughout the year to date.

As ever, it is true to say that when the FTSE sneezes, the EOI catches a cold. All the major indices, in the light of Enron, Worldcom and the pessimism following on their heels, performed dismally, with the FTSE 100 and FTSE All Share indices dropping by more than 12% each during the period.

The EOI, the bulk of whose constituents are from the software and support sectors, suffered additionally from the continuing slide in TMT prices. Only two of the companies in the index (neither of which is in those sectors) saw an increase in their share price, while some of the sufferers in the quarter had their share prices slashed by more than 40%.

What consolation can be offered? The *Financial Times* reminded us on 28 June 2002 that the main French and German indices have fallen by 20% over the last six months, which makes the UK indices' performance look positively bullish. Meanwhile, the EOI continues to outperform in the longer term, with a £100 investment made in the Index in 1992 currently worth £356, in comparison to the same investment in the FTSE All-Share, which would currently be worth £180.

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



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

Q2 2002	EOI	FTSE All Share	FTSE Small Cap	FTSE 100
Q2 2002	-26.37%	-12.57%	-9.56%	-12.84%
Six months	-31.22%	-12.41%	-11.07%	-12.99%
1 Year	-31.49%	-18.79%	-21.10%	-19.47%
3 Years	-14.59%	-25.90%	-13.19%	-19.00%
5 Years	29.63%	0.25%	3.07%	-2.52%

For further information:

Sarah Anderson
Share Plans Executive

<mailto:sarah.anderson@equityincentives.co.uk>

Graeme Nuttall
Director

<mailto:graeme.nuttall@equityincentives.co.uk>

Equity Incentives Limited
Tel: 020 7861 4717

Notes to Editors

- Equity Incentives Limited specialises in employee ownership solutions for private and quoted companies.
- 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.