

News Release

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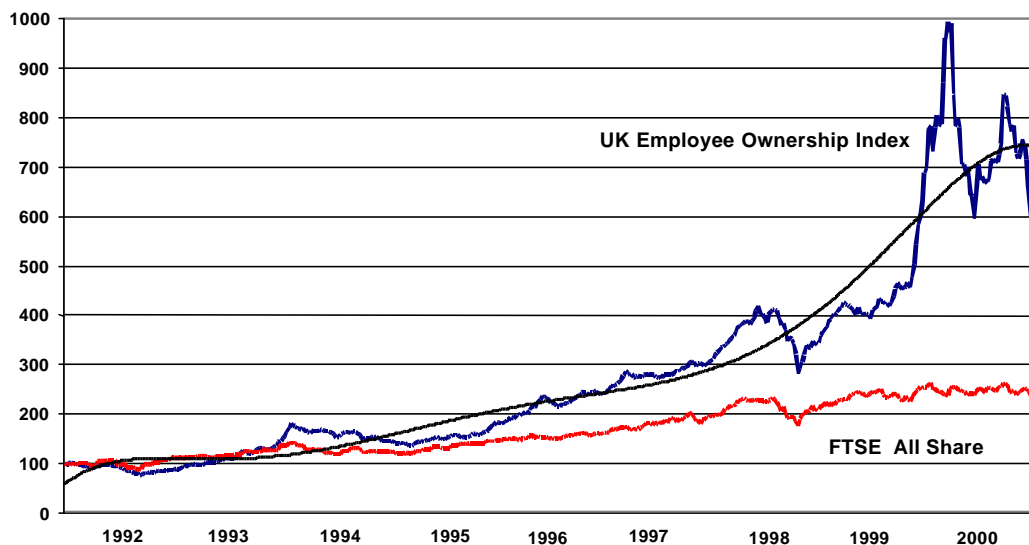
EMPLOYEE OWNERSHIP INDEX™ AFFECTED BY NERVOUSNESS IN THE TECHNOLOGY SECTOR

The UK Employee Ownership Index (EOI) had a disappointing final quarter, falling 17.64% over the period. The FTSE All-Share, FTSE Small Cap, and FTSE 100 indices also slid into negative territory, falling 1.17%, 6.97% and 0.65% respectively.

Although the biggest faller was a media and photography company, the index was far more seriously affected by the impact of renewed nervousness in the technology sector. The spate of profit warnings from companies such as Sema, ITNet, Nettec and Motorola sent tech stocks plummeting at the end of 2000. For technology companies in the EOI, the average percentage fall in share price over the quarter was 41%. With investors opting for security, the highest risers in the EOI were all old economy companies – household goods, engineering, water and real estate. But the vulnerability of the EOI to swings in value of just a few firms in the technology sector meant that the index was dragged down to a value of 637 at the end of December 2000.

The index continues to outperform all the major indices over the long term. An investment of £100 in the EOI in 1992 would now be worth £637, while the same investment in the FTSE All-Share Index would be worth £243.

Comparison of UK Employee Ownership Index against the FTSE All Share, January 1992 to December 2000



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

	UK Employee Ownership Index™	FTSE All Share	FTSE Small Cap	FTSE 100
Q4 2000	-17.64%	-1.17%	-6.97%	-0.65%
1 Year	-18.75%	-8.03%	2.38%	-10.20%
3 Years	103.75%	23.84%	37.45%	21.26%
5 Years	247.37%	65.41%	62.69%	68.68%