

PRESS RELEASE

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Shareholder Communication - Which Companies Really Care? Corporate Excellence in Employee Share Plans and Private Investor Relations

Winners of the **2005 ifsProShare Annual Awards** have highlighted that clever communication is simply not enough these days to succeed in restoring investors' trust in employees share plans.

Whether these are private investors or employees acquiring shares through share plans, what they are looking for is greater transparency, ease of access to information and the use of plain English.

The evidence suggests that great advancements have been made. Standards have risen and are clearly set to continue to rise as the number of entries received for this year's awards reached a new high. However, there is more to be done with corporates recognizing that both employees still want face-to-face contact. Private investors want and need comprehensive information.

This year's winners see two FTSE 100 companies each scooping two top awards for Best Annual Report and Best Overall Performance in the private investor category, and Best Overall Performance in Fostering Employee Share Ownership.

Gavin Shreeve, Chief Executive of the Institute of Financial Services (**ifs**) comments:

“ After numerous high profile corporate disasters, communicating well with ALL stakeholders has quite rightly risen up the agenda. The quality of the entries for this year's Awards is a testament to the strides that some companies have made. By recognizing those companies who demonstrate best practice through their annual reports, websites, employee share plans and financial education programmes, ifsProShare hopes to encourage more companies to take seriously their responsibility to shareholders and employees and to create the opportunity for a more financially literate population.”

So which companies really make an effort?

The winners of the 2005 **ifsProShare Annual Awards** were announced last night at a gala dinner at the London Hilton, Park Lane as follows:

PRIVATE INVESTOR AWARDS

1. Best Website for Private Investors

Winner – NON-FTSE 100 Company – Mitchells & Butlers plc

'Extremely clear' and 'the quickest by far' was the united response from the judging panel. The team was highly impressed by the informative contact details and felt Mitchells & Butlers 'went the extra mile' by inserting them on every page. Easy navigation combined with straightforward information provided the winning formula for this site.

Winner – FTSE 100 Company – Centrica plc

The judges summed up this site as 'excellent' in its entirety. Accessibility and ease of use were noted as 'big plus points', with the site incorporating access tools on the homepage. The 'friendly' copy won the judges over, as did the 'super duper clear' navigation. The interactive KPI chart was well received, "reflecting innovative thinking".

2. Best Annual Report for Private Investors

With top-level performance in this section, the judges found it impossible to award the title to a single company.

Joint Winner – NON-FTSE 100 Company - Associated British Ports Holdings PLC

This 'brilliant' report exhibited 'excellent use of graphics' demonstrating the complexities of the business. The content was exceptional – 'very clear with great descriptions'. The report has a tremendous 'ability to explain' information to the shareholders.

Joint Winner – NON-FTSE 100 Company- Workspace Group PLC

'Fantastic navigation' with key points signposted with page numbers impressed the whole team. The judges liked the 'well laid out' structure, finding it 'intuitively organized' giving clear explanations of 'where the business is at' and highlighting key business drivers with facts and reason. The report was considered to be 'more forward-looking than many', and succeeded in creating a strong image.

Winner – FTSE 100 Company – BAA

An undisputed victor, BAA romped home in this category for the second year running. The company's enthusiasm for engaging with its audience comes across and the judges praised it for 'searching for what private investors want'.

3. Best Overall Performance

Joint Winner – FTSE 100 Company - BAA

A 'help us to help you' approach persuaded the judges that BAA should have a part in the glory. The company showed a 'commitment to improvement' by engaging with their

shareholders. Judges were delighted with the 'amazing one-to-one approach' and the 'clarity' of both their literature and their website. This entry was heralded as 'a good example of joined-up communication with shareholders across all media'.

Joint Winner – FTSE 100 Company – BT

BT remains consistently excellent, maintaining its foothold as one of the leading performers amongst FTSE 100 companies. Continuing the high communication standards it demonstrated last year, BT shows marked improvement in e-communication with a 16% take-up of the paperless culture and an increase in electronic voting. A 'very thorough entry which does everything right', BT deserves to be crowned once again.

EMPLOYEE SHARE OWNERSHIP AWARDS

1. Best New Share Plan

Winner – easyJet plc

easyJet was a strong winner, whose 'sparky' new share plan was felt by judges to be 'launching a response to employees who are interested in shares'. The plan was viewed as being 'well geared to company culture' and approached in a 'very fresh way' with 'really good communication'. It links in with a paperless environment and the online chat room demonstrated some true innovation. The judges were impressed by easyJet's grasp of who its employees are and what would appeal to them, giving credit for their 'bold attitude in targeting a young, geographically diverse population'. Judges also commented on the significant challenge of launching two plans and gaining reasonable take-up in both.

2. Best Financial Education Programme for Employees

Winner – The Capita Group Plc

The judges were delighted that the level of entries received for this category was far superior to 2004. Out of all of these, Capita provided a 'holistic' approach to their Financial Education programme, identifying the need to provide three different approaches via their website, individual and group training. The company provided a whole range of workshops which were 'grown in response to what employees wanted'. Judges were pleased with the good range of subject matter covered and observed that 'finding out and learning was encouraged, as opposed to just receiving information'.

3. Most Effective Communication of an Employee Share Plan

Winner – 0-1,000 Employees – smg plc

Scottish Media Group went to 'excellent lengths to involve the employees'. The judges remarked that to find such a high level of communication in a small company is 'very

commendable'. With bright and colourful material, the panel found the language used was 'impressive and clear'. A walk-in room provided for staff to ask questions was also an innovative feature. The company set itself ambitious targets and took to the challenge of meeting them with gusto. It succeeded in increasing the take-up in the SIP from 6 to 25%, far from easy with a very mobile workforce in the Virgin Radio segment of the business.

Joint Winner – 1,001 – 10,000 Employees – iSOFT Group plc

iSOFT stood out as a visual means of communication, using eye-catching colours and 'fantastic designing' with a strong theme. A 'good use of graphics' married to a different approach which 'moves away from business alignment, but goes with what people want', was admired by the judges. In addition, 'remarkable language' enhanced the visual aspect and the judges commended their efforts to 'try hard to find out what the employees relate to'.

Joint Winner – 1,001 – 10,000 Employees – Northern Rock plc

Northern Rock appealed to the judges with their straightforward, sports based campaign that tied in closely with company sponsorships. The panel emphasized the exceptional quality of information provided to employees. Their questionnaire 'asked all the right questions' and 'employee feedback was taken into account'.

Winner – 10,001+ Employees – ASDA

ASDA, a consistent winner in previous years at the Annual Awards, has taken pole position once again. This year's entry demonstrates their adaptability and innovative approach to their communication campaigns. The use of their employees as models, the 'great range of materials and good humour' and generally the 'excellent volume and quality' really seized the judges attention. The 55% take-up rate was a 'testament to their campaign' that really pitches well to their employees. In addition, ASDA is the only company that promotes their scheme in job advertisements, which was felt to 'really make a difference'.

4. Best Overall Performance in Fostering Employee Share Ownership

Winner- 1,001 – 10,000 Employees – Halcrow Holdings Limited

Halcrow stormed head of the competition in this category. The judges were of the opinion that the company displays a 'clearly worked out rationale' with 'ESO tied into a change programme'. An ownership programme has 'impacted the culture of the company from the founding moment', exhibited by the fact that 80% of employees are direct shareholders. The judges were impressed by the 'real belief' in the cause, indicated by Halcrow's target to encourage the remainder of staff to be involved by 2010. Judges also picked up on the company's 'incredibly high SAYE retention rate' and were delighted with Halcrow's efforts to 'do everything they can to promote the internal share market'.

Winner – 10,001+ Employees – BT

One judge summed up BT's entry as 'excellent'. They achieved success due to their consistent performance 'against a background of solid commitment to strong ESO'. BT 'talks well about how they relate share plans to other benefits and the culture generally' and keeps people focused as a result. Their financial education policy is broader-based than most, featuring retirement planning, for example. Their management team excelled in terms of how the plan was viewed in a cultural organization. In the judges' eyes, BT 'live it' and are 'prepared to show interest up to board level'. They were very enthusiastic about BT's 'good targeting and excellent use of surveys and felt they were 'coherent with an excellent strategy'. 'Continuous share scheme review' also scored highly in the judges' estimation.

-ENDS-

For further information and /or to a request a copy of the Winners Book, please contact:

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Notes to Editors

The **ifsProShare Annual Awards** recognize best practice in the design, implementation and communication of employee share plans, and corporate excellence in private investor relations in order to encourage wider share ownership.

ifsProShare is a not for profit organization committed to encouraging employee share ownership and providing workplace financial education. It is part of the Institute of Financial Services (**ifs**), a leading provider of financial education to young people in schools and colleges, consumers and those working within the financial services industry.