

## **ESOP Statement**

As you may be aware, the recent internal Market Day held in September 2012 has raised a particular concern for both the Trustee and many of our participants. The issue is that there is limited liquidity (willing buyers with funds available prepared to bid a price attractive to sellers for shares) within the current ESOP market structure. This is a real and substantive issue for the Trustee.

The Trustee operates the ESOP structure as presented to it by the ESOP's sponsors i.e. ESB, Group of Unions and relevant Government Departments. Any change to the structure requires sponsor agreement and the Trustees have been indicating the need for the internal market to operate fairly for all classes of participants to the sponsors for many years. The Trustee Board has significant concerns about the internal market structure. Given that there is a significant number of leavers who must sell within a fixed time scale, the Trustee Board believes that the issue of liquidity needs to be addressed before the next Market Day.

The ESOP Trustee is therefore engaging with each of the sponsors to seek to address this issue. A number of meetings with each of the sponsors have already taken place and more are planned. We will keep you advised of any material developments.

David Beattie  
ESOP Chairman  
5 March 2013