



2006 EMPLOYEE STOCK PURCHASE PLAN REPORT

Research Report

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EXECUTIVE SUMMARY

In the time leading up to the adoption of FAS 123R, the continued viability of Employee Stock Purchase Plans (ESPPs) became an intensely debated question. The new, stricter, expensing requirements implemented by FAS 123R gave human resource executives and compensation committee members additional factors to consider when trying to strike a balance between offering employee incentive programs and achieving bottom-line efficiency. Although this debate may appear to have quieted in recent months, the effects of FAS 123R on ESPPs are significant, and numerous companies are still in the process of making their final decision on the direction of their ESPP.

In this ever changing environment, Equilar presents its annual Employee Stock Purchase Plan Report. Through a comprehensive review of recent additional share requests for ESPPs, this report offers an in-depth analysis of the most important components of new and amended ESPPs at Russell 3000® companies in the first half of 2006 (along with comparisons to plans submitted during a similar timeframe in 2005).

This report provides insight on emerging trends among companies that have decided to continue offering an ESPP, along with a breakdown of key plan features within major industry groups. By helping to further develop the understating of these equity-based award programs, this report serves as an invaluable tool for compensation professionals in an evolving marketplace.

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To purchase a complete copy of this report or the 2006 Russell 3000 ESPP share request database, please contact Equilar by phone at (877) 441-6090 or via e-mail at info@equilar.com.

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