

## DRAFT

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### **Credit crunch throws banking chiefs under the spotlight**

- ∞ Sir Stuart Rose most high profile FTSE-100 leader
- ∞ Former RBS CEO “Fred the Shred” takes 5<sup>th</sup> place
- ∞ Hedge fund bosses replace private equity chiefs as the Aunt Sally of the financial sector

Financial services chiefs have become the focus of almost a quarter (23%) of all press coverage featuring FTSE-100 Chief Executives and Chairmen over the past year as the credit crunch places them firmly under the media spotlight, reveals research carried out by Sweet & Maxwell, the business information providers. (**Information on banks and table of results below**)

According to Sweet & Maxwell prior to the credit crunch management within the financial services sector had enjoyed a far lower profile than media and retail chiefs who are generally the focus of press attention.

Marks & Spencer’s Sir Stuart Rose, recently promoted to Executive Chairman, tops the table as this year’s most high profile FTSE-100 chief. Analysis of UK national and regional newspapers by Sweet & Maxwell shows that he appeared in 1,545 articles over the past year.<sup>1</sup>

The press attention received by Sir Stuart Rose has outstripped that of his high street rival Sir Philip Green, who has featured in 915 articles. Attention has centred on Marks & Spencer as the bellwether of the UK high street as the impact of the credit crunch hits its profits and share price to leave it valued at just half of Sir Philip Green’s attempted £7 billion hostile takeover in 1999.

#### Attention focused on banking sector as it is plunged into turmoil

Banking has become the most high profile sector after retail, up from fifth place last year, as the sector struggles with the sub-prime crisis. Sir Fred Goodwin, who has just announced his resignation as Chief Executive of Royal Bank of Scotland has emerged as the most high profile banking leader with 947 citations in the press. RBS’s Sir Tom McKillop is the most heavily featured Chairman within the banking sector and the third most high profile Chairman overall with 297 press mentions.

Sir Fred Goodwin and Sir Tom McKillop have hit the headlines after RBS’s £12 billion rights issue – the largest in European history – was launched to boost their cash reserves which had been hit by the sub-prime crisis.

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<sup>1</sup> Coverage based on mentions in Sweet & Maxwell’s Westlaw UK’s online news database between September 1 2007 to August 31 2008

John Varley, CEO of Barclays has also made the Top 10 most high profile FTSE-100 leaders with 490 citations in the press.

Bob Diamond, President of Barclays PLC and Chief Executive of Investment Banking and Investment Management received almost as much press coverage as John Varley, featuring in 419 articles over the past year. This is in comparison to just 51 press mentions for Frits Seegers, his peer and Chief Executive of Barclays Global Retail and Commercial Banking.

Adam Applegarth, former CEO of the now nationalised Northern Rock would have outstripped all the FTSE-100 banking leaders, with 1,123 mentions in the press over the past year.

### Chairmen continue to enjoy a lower profile than CEOs

Sweet & Maxwell's research has found that Chief Executives generally receive far more press coverage than their chairmen despite theoretically playing a more junior role. CEOs received 73% more press coverage than their chairmen this year, up from 41% last year. Chief Executives are increasingly seen as the public face of the company and generally act as the lead point of contact for the financial press. CEOs have featured in an average of 149 articles this year, compared to an average of 60 articles featuring Chairmen.

Aside from Executive Chairmen Sir Stuart Rose and ITV's Michael Grade the only Chairman to feature in this year's Top 10 is Rupert Murdoch, taking third place with 1,120 press mentions. The former Chairman of BskyB, who had held the title as most high profile FTSE-100 leader for the past two years running, stood aside for son James Murdoch to take on the role of Chairman last December. James Murdoch received 278 items of press coverage in the past year, compared to the 563 he received last year as CEO of BskyB.

Of course, a high level of press coverage can be unwelcome. Michael Grade was cited in the press 1,052 times prior to ITV's relegation out of the FTSE-100 last month after a fall in advertising revenue hit profits.

Willie Walsh, Chief Executive of British Airways, this year's second most high profile FTSE-100 leader (with 1,223 items of press coverage), also hit the headlines as high oil prices and a global economic slowdown led to profit warnings and the opening of Terminal 5 at Heathrow met with technical glitches that led to cancelled flights and lost baggage.

### Media focus shifts away from private equity bosses onto hedge fund managers

The impact of the financial crisis has meant that attention has switched from private equity bosses to hedge fund managers, as they face accusations of driving down the value of bank shares through short selling.

Philip Richards, who recently stood down as Chief Executive of RAB Capital has emerged as the most high profile hedge fund manager. He has been cited in the press 192 times, with Jon Wood of SRM Global featuring in 188 articles after both funds built up large stakes in Northern Rock prior to its nationalisation. The funds have since launched a legal challenge over the payment of compensation.

After coming under scrutiny last year following concerns that they were benefiting from preferential tax treatment private equity bosses have enjoyed a much lower profile this year as the credit crunch hits deal activity. Private equity heavyweight Damon Buffini of Primira featured in just 62 articles this year, in comparison to 415 the previous year.

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**Most frequently cited FTSE-100 corporate figures (Chairmen and Chief Executives) in UK newspapers – Top 20**

	<b>Company</b>	<b>Sector</b>	<b>Press coverage Sept 2007 to Sept 2008</b>
1. Stuart Rose (Executive Chairman)	Marks & Spencer	Retail	1545
2. Willie Walsh (Chief Executive)	British Airways	Travel & leisure	1223
3. Rupert Murdoch (Former Chairman)	BskyB	Media	1120
4. Michael Grade (Executive Chairman)	ITV	Media	1052
5. Sir Fred Goodwin (Chief Executive)	Royal Bank of Scotland	Banks	947
6. Sir Terry Leahy (Chief Executive)	Tesco	Retail	749
7. Tony Hayward (Chief Executive)	BP	Oil & Gas	548
8. John Varley (Chief Executive)	Barclays	Banks	490
9. Justin King (Chief Executive)	J Sainsbury	Retail	452
10. Andy Hornby (Chief Executive)	HBOS	Banks	444
11. Sir Martin Sorrell (Chief Executive)	WPP	Media	431
12. Arun Sarin (Former Chief Executive)	Vodafone	Telecommunications	349
13. Brian Souter (Chief Executive)	Stagecoach	Travel & Leisure	324
14. Charles Dunstone (Chief Executive)	Carphone Warehouse	Retail	306
15. Sir Tom McKillop (Chairman)	Royal Bank of Scotland	Banks	297
16. Sandy Crombie (Chief Executive)	Standard Life	Insurance	289
17. Trevor Matthews (Chief Executive)	Friends Provident	Insurance	286
18. Stephen Green (Chairman)	HSBC	Banks	285
19. James Murdoch (Incoming Chairman)	BskyB	Media	278
20. Marc Bolland (Chief Executive)	Morrisons	Retail	265

**Notes to Editors:**

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