

Trends in Employee Benefit Programmes

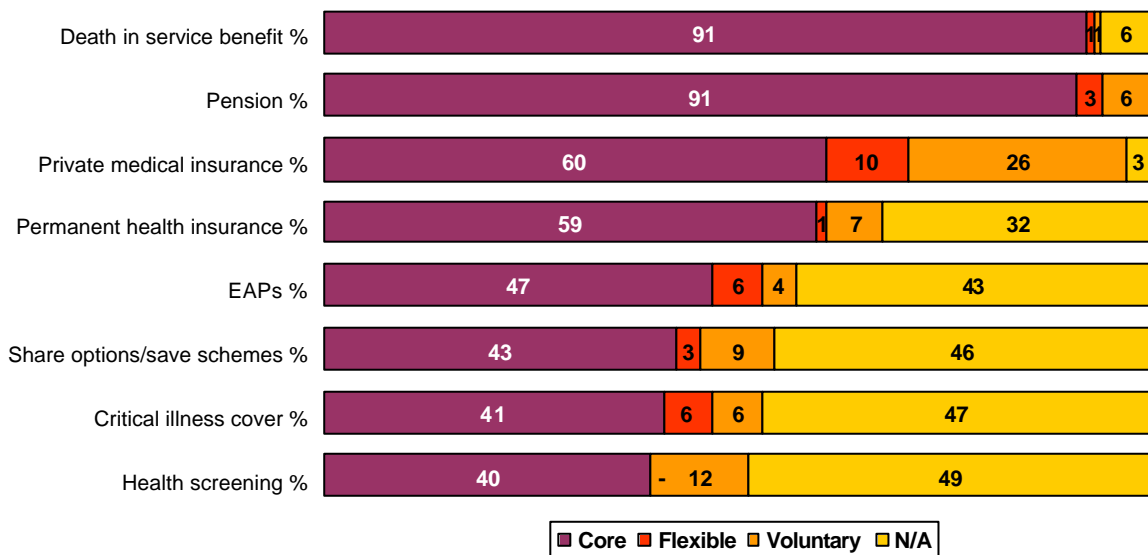
In May 2005, Vhi Healthcare sponsored a TNS mrbi survey, the objective of which was to identify employee benefit areas and future trends. The survey was internet-based and was amongst HR Managers/Directors in large organisations in Ireland. There were 68 survey participants from a cross-section of industry sectors. As a thank you to all participants, a donation was made to Our Lady’s Hospital for Sick Children, Crumlin.

Topline findings

- The most widely offered employee benefits are Death in Service Benefit, Pension and Private Medical Insurance.

Benefits Categorised

Base: All Respondents:68



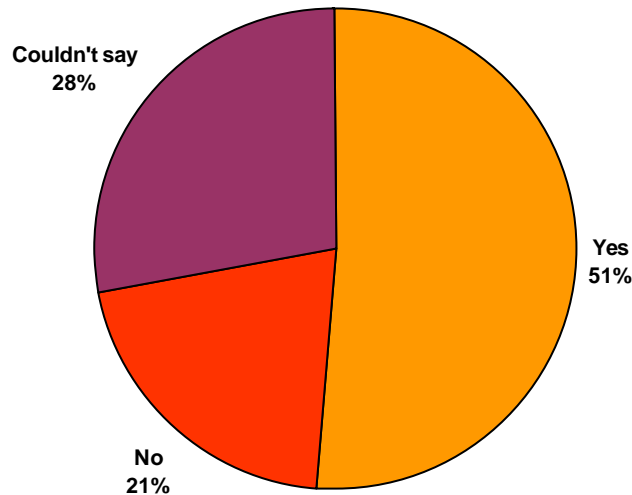
Note: Other benefits researched include Travel Insurance, Company Car, Club Subscriptions, Retail Vouchers and Others

- In relation to those employee benefits researched, employers do not see a major shift in their current approach (for example Death in Service Benefit, Pension and Private Medical Insurance are likely to remain as core benefits).

Trends towards flexible benefits

Are Flexible Benefits Likely To Become More Popular in Next 2/3 Years?

Base: All Respondents:68



Q.6 In your opinion, in the next two to three years, are FLEXIBLE benefits programmes likely to become more popular amongst Irish companies, or not?

15

TNS mrbi/120963/Vhi Healthcare Decision Makers Survey/May 2005

- However, in general, employers expect that flexible benefits are likely to become more popular in the future to allow for the tailoring of employee packages to support recruitment and retention strategies.

Employers and employees have different priorities

- The perceived advantages of Private Medical Insurance from an employer's perspective are, in order of priority: *to attract and retain a quality workforce, improve employees' general health and well-being and reduce absenteeism.*
- The perceived advantages of Private Medical Insurance to employees are, in order of priority: *financial protection for private treatment costs, faster access to treatment and choice of treatment facilities.*

