



PENSION CAPITAL STRATEGIES

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**PENSION CAPITAL STRATEGIES REVEALS LATEST FINDINGS ON THE
FTSE 100 PENSION DISCLOSURES**

London, 2 July 2007 – Pension Capital Strategies Ltd (“PCS”), a leading pensions risk management and recovery advisers, has today revealed in a letter to clients that the pension disclosures of the FTSE100 has now achieved an overall surplus of £4billion.

PCS research shows that over the last few months the FTSE100 pension schemes have for the first time in more than five years moved to an overall surplus of £4billion, as of the 30 June 2007. This is a remarkable turnaround from the last PCS quarterly report, *FTSE100 and Their Pension Disclosures*, which found that as of the 31 March 2007 the FTSE100 pension schemes had £20billion of pension scheme deficits.

This good news does however raise a number of difficult questions for companies and shareholders around the treatment of surplus assets. PCS believe that if companies and shareholders are not receiving the full benefit of any upside in the pension scheme investment performance, then the investment risk in the pension scheme becomes inefficient and costly for shareholders.

In many cases it would make sense for companies to lock in recent gains and encourage a significant reduction in risk taking in the pension scheme, a move which should also be welcomed by trustees.

Commenting on these findings, Charles Cowling, Managing Director of PCS said:

"The last few months have seen some astonishing changes in the balances of FTSE100 pension schemes and we are now actually seeing an overall surplus in these schemes. These changes raise a number of important questions that need to be addressed urgently by company boards in order to adjust investment strategies to look after shareholder interests. We believe that for many companies the optimal strategy will now be to encourage pension trustees to lock in recent investment gains in the pension scheme by moving to a much lower risk investment strategy."

To access PCS's latest research and findings please refer to the PCS website at: www.pensionstrategies.co.uk.

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Notes to Editors:

About Pension Capital Strategies

Pension Capital Strategies (PCS) was established in 2006 to help companies to manage their Defined Benefit pension obligations, offering advice on managing scheme assets and liabilities, on communication with trustees and on finding the right funding solutions.

A subsidiary of the Jardine Lloyd Thompson Group, PCS can draw upon skills and experience in the areas of corporate finance, tax, capital markets, asset management, actuarial and general pension regulation and practice to provide strategic advice and practical answers.