



PENSION CAPITAL STRATEGIES

RECESSION HITS PENSION SCHEMES AS DEFICITS STILL SHOW BIG INCREASE, SAYS PENSION CAPITAL STRATEGIES

London, 4th November 2009 – Pension Capital Strategies Limited (PCS) has updated its regular analysis of the pension schemes of the FTSE 100 to the end of the third quarter of 2009 and can reveal that its latest estimate of the total deficit in the pension schemes of the FTSE 100 amounts to £64 billion at 30 September 2009. This compares with an £18 billion surplus 12 months ago although this is an improvement on the deficit of £90 billion at the end of June.

Charles Cowling, Managing Director, PCS, comments: "These are difficult times for companies and their pension schemes. Although markets have seen a recovery in recent months, for pension schemes good news is limited. Increases in asset values have been offset by increases in pension liabilities (as a result of falling discount rates used to value the liabilities)."

Charles Cowling continues, "It is not surprising that companies are reacting to the current difficult conditions by closing down final salary pension schemes. We believe that within the next 2 to 3 years the very large majority of final salary pension schemes in the private sector will be closed to all employees".

The PCS report, *The FTSE 100 and Their Pension Disclosures*, explores the pension disclosures of the FTSE 100 companies, as well as the steps being taken to address pension scheme deficits. For a copy of the report *The FTSE 100 and Their Pension Disclosures* report, contact Isabella Young isabella_young@jltgroup.com.

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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.

www.pensionstrategies.co.uk