



The FTSE100 and their pension disclosures

A Quarterly Report from Pension Capital Strategies
October 2006



PENSION CAPITAL STRATEGIES

Innovative Alternatives

Executive Summary

- The total deficit in FTSE100 pension schemes at 30 September 2006 is estimated to be £46bn. This is an improvement of £7bn on the position 12 months ago. However, the pension disclosures on mortality assumptions would suggest that FTSE100 companies are underestimating the impact of future improvements in longevity. We believe that FTSE100 companies are underestimating future life expectancy by between two and four years. We therefore estimate that the total pension deficit could be understated by as much as £60 billion. This could mean that the total deficit in FTSE100 pension schemes is now over £100 billion.
- Only eight companies disclosed a pension surplus in their most recent annual report and accounts; 86 companies disclosed pension deficits.
- In just 12 months the total disclosed pension liabilities of the FTSE 100 companies have grown from £355 billion to £407 billion. 13 companies have pension liabilities of more than £10 billion, the largest of which is BT with pension liabilities of £38 billion. 15 companies have pension liabilities of less than £100 million, of which seven companies have no defined benefit pension liabilities.
- The limited information in company pension disclosures reveals little evidence of the moves companies have taken in the last year to reduce the mismatching of pension assets to liabilities. The latest accounts show an average asset allocation to bonds of just 34%, which is unchanged from 12 months previously. However 17 companies now have bond allocations which are greater than 50%
- As pension funding positions have improved slightly so the financial significance of pension scheme deficits has reduced. But BAE Systems, ICI, British Airways and Rolls-Royce all have pension deficits of more than 20% of their equity market value. BAE Systems, ICI, British Airways, BT, Royal & SunAlliance and Corus all have total pension liabilities greater than their equity market value.
- Over the year covered by their latest report & accounts, 37 companies felt the impact of an unexpected gain on their balance sheet as a result of their pension schemes, whilst 55 companies suffered an unexpected loss to their balance sheet as a result of their pension schemes.
- In total, the amount contributed to FTSE100 company pension schemes in their last financial year was £11.5 billion - up from £10.6 billion in the previous year. This is more than the £7.8 billion cost of benefits provided to employees during the year. It therefore represents £3.7 billion of funding towards reducing pension scheme deficits

The appendix at the end of this report contains a full list of all the FTSE100 companies analysed and their relevant pension disclosures. There are two entries for Alliance Boots – one for each of Alliance Unichem and Boots, whose merger completed on 31 July 2006.



Charles Cowling
Pension Capital Strategies
0161 242 5388
charles_cowling@pensionstrategies.co.uk



Peter Redhead
Pension Capital Strategies
0161 242 5363
peter_redhead@pensionstrategies.co.uk

Funding Position

The overall funding position of pension schemes of FTSE100 companies has improved slightly over the year covered by their latest annual report and accounts.

The FTSE 100 companies with the best funded pension schemes were as follows:

Name	Rank	Assets £m	Liabilities £m	Surplus/(Deficit) £m	Funding Level
Lonmin	1	78	71	7	110%
Resolution	2	1,123	1,034	88	109%
Johnson Matthey	3	909	858	52	106%
Associated British Foods	4	2,149	2,070	79	104%
Gallaher	5	1,024	988	36	104%
GUS	6	1,160	1,130	30	103%
Old Mutual	7	508	497	11	102%
United Utilities	8	2,740	2,721	19	101%
Enterprise Inns	9	17	17	0	99%
Hanson	10	1,992	2,012	(21)	99%

The FTSE 100 companies with the worst funded pension schemes were as follows:

Name	Rank	Assets £m	Liabilities £m	Surplus/(Deficit) £m	Funding Level
Wolseley	92	514	704	(191)	73%
BAE Systems	93	12,461	17,767	(5,306)	70%
Persimmon	94	165	238	(74)	69%
Alliance Boots (Alliance Unichem)	95	154	223	(69)	69%
Hammerson	96	34	51	(17)	67%
Compass	97	1,052	1,584	(532)	66%
WPP	98	453	685	(231)	66%
BG	99	400	647	(247)	62%
Drax	100	62	107	(45)	58%
Vedanta Resources	101	8	30	(22)	27%

Commentary

Adjusting these figures up to the quarter end, we estimate that the total pension deficit in the FTSE100 as at 30 September 2006 was £46bn. This is an estimated improvement of £7bn on the position 12 months ago. However, the pension disclosures on mortality assumptions would suggest that FTSE100 companies are underestimating the impact of future improvements in longevity. We believe that FTSE100 companies are underestimating future life expectancy by between two and four years. We therefore estimate that the total pension deficit could be understated by as much as £60 billion. This could mean that the total deficit in FTSE100 pension schemes is now over £100 billion.

Investment Mismatching

Recent legislation has clarified that pension liabilities are a form of corporate debt. Despite the fact that there is an increasing weight of opinion from academics and analysts that mismatched investment strategies in pension schemes reduce shareholder value, companies are still running very large mismatched equity positions in their pension schemes. This has the impact of creating balance sheet volatility which some academic evidence* might suggest flows through to share price volatility.

Inevitably, analysis of mismatching is limited to the information disclosed in the annual report and accounts. Given the bond like nature of pension liabilities, the allocation of pension assets to bonds gives an indication of the level of investment mismatching that exists.

The FTSE100 companies with the highest allocation to bonds were:

Name	Rank	Assets £m	% of Assets in Bonds
Alliance Boots (Boots)	1	3,468	84%
Resolution	2	1,123	83%
ICI	3	8,189	78%
Lonmin	4	78	74%
ICAP	5	6	70%
Carnival	6	119	68%
WPP	7	453	60%
Standard Chartered	8	1,121	59%
British Land	9	67	58%
Associated British Foods	10	2,149	57%

The FTSE 100 companies with the lowest allocation to bonds were:

Name	Rank	Assets £m	% of Assets in Bonds
Morrison Supermarkets	92	1,536	19%
BP	93	19,005	19%
Centrica	94	2,570	18%
Wolseley	95	514	18%
BG	96	400	16%
International Power	97	198	16%
HBOS	98	5,343	14%
Diageo	99	4,647	14%
Standard Life	100	1,162	9%
Drax	101	62	5%

Commentary

There is little evidence of any move in the last year towards reducing the mismatching of pension assets to liabilities. However, company disclosures reveal little of the extensive activity there has been by a number of companies to reduce mismatching risk by LDI (liability driven investment) strategies, which frequently make use of derivatives and other financial instruments. Overall, the average pension scheme asset allocation to bonds has remained broadly unchanged at 34%.

* Jin, Merton, Bodie – *Do a firm's equity returns reflect the risk of its pension plan?*

Size of Pension Scheme

In recent years pension schemes have grown significantly. Attempts by many companies to stem the growth of their pension liabilities by closing defined benefit pension schemes to new entrants have had little impact. Changes in economic conditions and increasing life expectancy have contributed to the spiralling growth in pension liabilities. Noticeable too is the growing difference between those companies with very large pension liabilities and those with little or no pension liabilities.

The FTSE100 companies with the largest pension scheme liabilities (all those over £10 billion) are as follows:

Name	Rank	Total Pension Liabilities £m	Equity Market Value* £m
BT	1	38,187	22,290
Royal Dutch Shell	2	32,293	115,876
Royal Bank of Scotland	3	21,123	58,385
BP	4	20,449	115,433
Barclays	5	19,087	43,894
BAE Systems	6	17,767	12,807
Lloyds TSB	7	17,320	30,392
National Grid	8	16,616	18,166
HSBC	9	16,087	112,308
British Airways	10	14,337	4,868
Unilever	11	13,816	17,255
Corus	12	13,805	3,484
GlaxoSmithKline	13	10,126	82,322

* as at 30 September 2006

The FTSE100 companies with the smallest pension liabilities (all those under £100 million) are as follows:

Name	Rank	Total Pension Liabilities £m	Equity Market Value* £m
British Land	87	78	7,105
Lonmin	88	71	3,657
Xstrata	89	62	15,823
Hammerson	90	51	3,741
Liberty International	91	44	4,138
Vedanta Resources	92	30	3,335
Enterprise Inns	93	17	3,173
ICAP	94	8	3,342
Antofagasta	95	-	4,515
BSkyB	95	-	9,571
Cairn Energy	95	-	2,984
Kazakhmys	95	-	5,367
PartyGaming	95	-	4,280
Sage Group	95	-	3,252
Shire	95	-	4,454

* as at 30 September 2006

Commentary

In just 12 months the total disclosed pension liabilities of the FTSE 100 companies have grown from £355 billion to £407 billion. 13 companies have pension liabilities of more than £10 billion, whilst 15 companies have pension liabilities of less than £100 million.

Significance of the Pension Scheme in the Board Room

The impact of the pension liabilities on corporate decision making and its importance in the board room depends on the relative size of the pension scheme. In the analysis below, the pension scheme deficit and liabilities are expressed as a percentage of the equity market value of the company.

The FTSE100 companies with the most significant pension scheme deficits are as follows:

Name	Rank	Equity Market Value* £m	Deficit as a % of Equity Market Value	Liabilities as a % of Equity Market Value
BAE Systems	1	12,807	41%	139%
ICI	2	4,738	31%	204%
British Airways	3	4,868	31%	294%
Rolls-Royce	4	8,035	21%	90%
Unilever	5	17,255	17%	80%
Rexam	6	3,180	16%	90%
ITV	7	3,790	14%	69%
BT	8	22,290	11%	171%
Lloyds TSB	9	30,392	11%	57%
Sainsbury	10	6,433	10%	68%

* as at 30 September 2006

The FTSE100 companies with no pension liabilities or with pension scheme surpluses are as follows:

Name	Rank	Equity Market Value* £m	Surplus as a % of Equity Market Value	Liabilities as a % of Equity Market Value
Antofagasta	87	4,515	-	0%
BSkyB	87	9,571	-	0%
Cairn Energy	87	2,984	-	0%
Kazakhmys	87	5,367	-	0%
PartyGaming	87	4,280	-	0%
Sage Group	87	3,252	-	0%
Shire	87	4,454	-	0%
Old Mutual	94	9,193	0%	5%
Lonmin	95	3,657	0%	2%
United Utilities	96	6,203	0%	44%
GUS	97	8,549	0%	13%
Gallaher	98	5,734	1%	17%
Associated British Foods	99	6,571	1%	32%
Johnson Matthey	100	3,024	2%	28%
Resolution	101	4,230	2%	24%

* as at 30 September 2006

Commentary

Whilst there are seven FTSE100 companies with no defined benefit pension liabilities, six FTSE100 companies have pension scheme liabilities which are bigger than the total equity value of the company. Four FTSE 100 companies have pension deficits which are bigger than 20% of the equity value of the company.

Impact of the Pension Scheme on the Company's Share Price

As already mentioned, there is some evidence that balance sheet volatility caused by pension schemes flows through to share price volatility. Changes in the balance sheet position resulting from pensions can be separated into expected changes and unexpected changes. Expected balance sheet changes arise largely from the contributions paid by the company and the costs shown in the company's income statement. Unexpected balance sheet changes arise largely from actuarial gains and losses (due to stock market volatility) and changes to actuarial assumptions.

In the analysis below the unexpected change in balance sheet position is expressed as a percentage of the equity market value of the company. We are not suggesting that the balance sheet impact will translate into a £ for £ impact on a company's share price (not least because of the impact of deferred tax); but this analysis gives a good indication of those companies most positively (and negatively) affected by their pension schemes in their last financial year.

The FTSE100 companies most positively affected by their pension schemes were:

Name	Rank	Equity Market Value* £m	Unexpected Balance Sheet Gain (£m)	Impact as a % of Equity Value
BT	1	22,290	2,122	10%
British Airways	2	4,868	180	4%
Scottish Power	3	9,692	316	3%
British Energy	4	3,315	88	3%
United Utilities	5	6,203	138	2%
Royal & Sun Alliance	6	4,412	91	2%
Intercontinental Hotels	7	3,370	68	2%
Diageo	8	26,107	475	2%
National Grid	9	18,166	311	2%
DSG International	10	4,030	49	1%

* as at 30 September 2006

And the FTSE100 companies most negatively affected by their pension schemes were:

Name	Rank	Equity Market Value* £m	Unexpected Balance Sheet Loss (£m)	Impact as a % of Equity Value
Royal Bank of Scotland	92	58,385	(785)	(1%)
Marks & Spencer	93	10,823	(158)	(1%)
Tesco	94	28,760	(443)	(2%)
Compass	95	5,640	(127)	(2%)
Rolls-Royce	96	8,035	(307)	(4%)
Sainsbury	97	6,433	(252)	(4%)
Corus	98	3,484	(141)	(4%)
Aviva	99	19,927	(842)	(4%)
BAE Systems	100	12,807	(1,037)	(8%)
ICI	101	4,738	(618)	(13%)

* as at 30 September 2006

Commentary

Over the year covered by their latest report & accounts, 37 companies felt the benefit of an unexpected gain to their balance sheet as a result of their pension schemes, whilst 55 companies suffered an unexpected loss to their balance sheet as a result of their pension schemes.

Contributions Paid Into Pension Schemes

This analysis compares the pension scheme contributions actually paid by companies, with the cost of pension benefits provided by companies to their employees during the year. Surplus pension contributions paid in excess of the cost of benefits will reduce pension scheme deficits. But where the contributions paid are less than the cost of benefits, this will increase pension scheme deficits (or reduce pension scheme surpluses).

Pension scheme contributions continue to increase with the amount contributed in the most recent accounting year being nearly £1 billion greater than the amount contributed the previous year. Of those companies with defined benefit pension schemes, only one FTSE100 company (Resolution) made no pension scheme contributions in their last financial year.

The FTSE100 companies who have made the largest surplus contributions to their pension schemes were as follows:

Name	Rank	Pension Contributions £m	Cost of Benefits £m	Surplus Contributions £m
HSBC	1	1,339	366	973
GlaxoSmithKline	2	673	232	441
Unilever	3	572	260	312
Aviva	4	383	151	232
BP	5	607	435	172
HBOS	6	366	207	159
Royal & Sun Alliance	7	215	74	141
Kingfisher	8	172	37	135
ITV	9	142	26	116
Lloyds TSB	10	419	307	112

The FTSE 100 companies who made the lowest surplus contributions were as follows:

Name	Rank	Pension Contributions £m	Cost of Benefits £m	Surplus Contributions £m
BG	90	18	30	(12)
Reuters	90	19	31	(12)
Standard Life	90	46	58	(12)
SABMiller	93	9	23	(14)
Prudential	94	29	65	(36)
AstraZeneca	95	97	140	(43)
Reed Elsevier	96	47	91	(44)
United Utilities	97	4	59	(55)
Tesco	98	270	328	(58)
Royal Bank of Scotland	99	452	526	(74)
Corus	100	75	163	(88)
BT	101	452	568	(116)

Commentary

In total, the amount contributed to FTSE100 company pension schemes was £11.5 billion up from £10.6 billion in the previous accounting year. This is more than the £7.8 billion cost of benefits provided to employees during the year. It therefore represents £3.7 billion of funding towards reducing pension scheme deficits.

Whilst this is a significant level of additional funding, it is perhaps surprising that FTSE100 companies have not contributed more to their pension schemes. With the tax advantages of gross roll up of interest in a UK pension scheme (as well as the opportunity to reduce Pension Protection Fund levy premiums) it should make financial sense for FTSE100 companies to borrow money in the capital markets rather than run a deficit in the pension scheme - given that their net borrowing costs, after corporation tax relief are likely to be less than the gross interest they could earn in the pension scheme.

Appendix

Name	Year End	Equity Market Value	Pension Assets	Pension Liabilities	Surplus / (Deficit)	Funding Level	% Bonds	Deficit as % of Market Value	Liabilities as % of Market Value	Unexpected Balance Sheet Impact	Balance Sheet Impact as % of Market Value	Current Funding	Previous Funding	Surplus Funding
		£m	£m	£m	£m	£m		Value	Value	£m		£m	£m	£m
3i	31 Mar 2006	4,372	455	472	(17)	96%	46%	0%	11%	(16)	0%	31	72	20
Alliance & Leicester	31 Dec 2005	4,854	1,230	1,314	(84)	94%	48%	2%	27%	(22)	0%	17	148	1
Alliance Boots (Alliance Unichem)	31 Dec 2005	7,499	154	223	(69)	69%	32%	1%	3%	(59)	0%	12	11	4
Alliance Boots (Boots)	31 Mar 2006	7,499	3,468	3,524	(56)	98%	84%	1%	47%	(59)	(1%)	112	64	44
Amvescap	31 Dec 2005	4,795	147	194	(47)	76%	22%	1%	4%	4	0%	3	3	(8)
Anglo American	31 Dec 2005	34,425	2,053	2,311	(258)	89%	46%	1%	7%	24	0%	40	49	3
Antofagasta	31 Dec 2005	4,515	-	-	-	-	-	-	-	-	-	-	-	-
Associated British Foods	17 Sep 2005	6,571	2,149	2,070	79	104%	57%	-1%	32%	(23)	0%	50	30	8
AstraZeneca	31 Dec 2005	51,767	4,274	5,248	(974)	81%	39%	2%	10%	(36)	0%	97	161	(43)
Aviva	31 Dec 2005	19,927	8,209	9,680	(1,471)	85%	34%	7%	49%	(842)	(4%)	383	220	232
BAE Systems	31 Dec 2005	12,807	12,461	17,767	(5,306)	70%	20%	41%	139%	(1,037)	(8%)	260	243	68
Barclays	31 Dec 2005	43,894	16,390	19,087	(2,697)	86%	38%	6%	43%	(431)	(1%)	369	274	8
BAT	31 Dec 2005	29,877	3,824	4,494	(670)	85%	35%	2%	15%	(326)	(1%)	146	195	59
BG	31 Dec 2005	22,122	400	647	(247)	62%	16%	1%	3%	(62)	0%	18	19	(12)
BHP Billiton	30 Jun 2006	22,455	872	968	(96)	90%	56%	0%	4%	19	0%	86	36	47
BP	31 Dec 2005	115,433	19,005	20,449	(1,444)	93%	19%	1%	18%	598	1%	607	389	172
Bradford & Bingley	31 Dec 2005	3,001	501	604	(104)	83%	40%	3%	20%	(28)	(1%)	8	10	(2)
Brambles Industries	30 Jun 2006	3,217	245	325	(80)	75%	21%	2%	10%	25	1%	13	16	2
British Airways	31 Mar 2006	4,868	12,836	14,337	(1,501)	90%	40%	31%	294%	180	4%	286	317	34
British Energy	31 Mar 2006	3,315	2,455	2,670	(215)	92%	27%	6%	81%	88	3%	124	7	68
British Land	31 Mar 2006	7,105	67	78	(11)	86%	58%	0%	1%	(1)	0%	6	3	(6)
BSkyB	30 Jun 2006	9,571	-	-	-	-	-	-	-	-	-	-	-	-
BT	31 Mar 2006	22,290	35,640	38,187	(2,547)	93%	25%	11%	171%	2,122	10%	452	382	(116)
Cadbury Schweppes	31 Dec 2005	11,898	2,294	2,625	(331)	87%	29%	3%	22%	102	1%	89	33	12
Caim Energy	31 Dec 2005	2,984	-	-	-	-	-	-	-	-	-	-	-	-
Capita	31 Dec 2005	3,443	395	438	(43)	90%	27%	1%	13%	(4)	0%	17	67	3
Carnival	30 Nov 2005	5,440	119	159	(40)	75%	68%	1%	3%	(3)	0%	6	4	2
Centrica	31 Dec 2005	11,903	2,570	3,390	(820)	76%	18%	7%	28%	(140)	(1%)	155	238	36
Compass	30 Sep 2005	5,640	1,052	1,584	(532)	66%	44%	9%	28%	(127)	(2%)	73	53	36
Corus	31 Dec 2005	3,484	13,497	13,805	(308)	98%	49%	9%	396%	(141)	(4%)	75	72	(88)
Diageo	30 Jun 2006	26,107	4,647	5,282	(635)	88%	14%	2%	20%	475	2%	108	144	2
Drax	31 Dec 2005	3,393	62	107	(45)	58%	5%	1%	3%	(8)	0%	4	2	1
DSG International	29 Apr 2006	4,030	595	749	(154)	79%	23%	4%	19%	49	1%	17	18	(5)
Enterprise Inns	30 Sep 2005	3,173	17	17	0	99%	28%	0%	1%	2	0%	2	1	2
Friends Provident	31 Dec 2005	4,139	1,004	1,071	(67)	94%	43%	2%	26%	(37)	(1%)	16	13	(6)
Gallaher	31 Dec 2005	5,734	1,024	988	36	104%	43%	-1%	17%	32	1%	30	31	15
GlaxoSmithKline	31 Dec 2005	82,322	8,377	10,126	(1,749)	83%	33%	2%	12%	(715)	(1%)	673	469	441
GUS	31 Mar 2006	8,549	1,160	1,130	30	103%	30%	0%	13%	32	0%	130	115	91
Hammerston	31 Dec 2005	3,741	34	51	(17)	67%	35%	0%	1%	(6)	0%	5	2	3
Hanson	31 Dec 2005	5,510	1,992	2,012	(21)	99%	53%	0%	37%	6	0%	43	46	12
HBOs	31 Dec 2005	40,108	5,343	7,135	(1,792)	75%	14%	4%	18%	(238)	(1%)	366	194	159
HSBC	31 Dec 2005	112,308	13,800	16,087	(2,287)	86%	47%	2%	14%	(408)	0%	1,339	250	973
ICAP	31 Mar 2006	3,342	6	8	(2)	73%	70%	0%	0%	0	0%	1	1	1
ICI	31 Dec 2005	4,738	8,189	9,680	(1,491)	85%	78%	31%	204%	(618)	(13%)	152	176	90
Imperial Tobacco	30 Sep 2005	12,164	2,810	2,976	(166)	94%	26%	1%	24%	107	1%	42	30	(3)
Intercontinental Hotels	31 Dec 2005	3,370	312	377	(65)	83%	44%	2%	11%	68	2%	47	84	28
International Power	31 Dec 2005	4,609	198	240	(42)	83%	16%	1%	5%	(19)	0%	9	6	-
ITV	31 Dec 2005	3,790	2,072	2,604	(532)	80%	31%	14%	69%	37	1%	142	41	116
Johnson Matthey	31 Mar 2006	3,024	909	858	52	106%	42%	-2%	28%	15	0%	24	20	(1)

Appendix (continued)

Name	Year End	Equity Market Value	Pension Assets	Pension Liabilities	Surplus / (Deficit)	Funding Level	% Bonds	Deficit as % of Market Value	Liabilities as % of Market Value	Unexpected Balance Sheet Impact	Balance Sheet Impact as % of Market Value	Current Funding	Previous Funding	Surplus Funding
		£m	£m	£m	£m			Value	Value	£m	£m	£m	£m	£m
Kazakhmys	31 Dec 2005	5,367	-	-	(85)	-	-	-	-	3	-	-	-	-
Kelda	31 Mar 2006	3,049	782	867	(65)	90%	24%	3%	28%	(46)	0%	34	11	15
Kingfisher	28 Jan 2006	5,776	1,220	1,460	(240)	84%	40%	4%	25%	3	(1%)	172	44	135
Land Securities	31 Mar 2006	9,219	150	157	(7)	96%	57%	0%	2%	(56)	0%	5	15	1
Legal & General	31 Dec 2005	9,304	1,089	1,304	(215)	84%	55%	2%	14%	(3)	(1%)	33	19	15
Liberty International	31 Dec 2005	4,138	42	44	(2)	96%	41%	0%	1%	(252)	0%	2	1	1
Lloyds TSB	30 Sep 2005	30,392	14,026	17,320	(3,294)	81%	27%	11%	57%	3	(1%)	419	369	112
Lonmin	30 Sep 2005	3,657	78	71	7	110%	74%	0%	2%	(19)	0%	1	1	-
Man Group	31 Mar 2006	8,438	187	230	(43)	81%	47%	1%	3%	(158)	(1%)	16	8	10
Marks & Spencer	1 Apr 2006	10,823	4,606	5,383	(777)	86%	53%	7%	50%	(40)	(1%)	130	156	20
Morrison Supermarkets	29 Jan 2006	6,507	1,536	1,952	(416)	79%	19%	6%	30%	311	(1%)	92	63	35
National Grid	31 Mar 2006	18,166	15,341	16,616	(1,275)	92%	49%	7%	91%	(35)	(1%)	191	184	7
Next	31 Jan 2006	4,281	313	429	(116)	73%	26%	3%	10%	(19)	0%	28	18	13
Northern Rock	31 Dec 2005	4,920	257	311	(54)	83%	43%	1%	6%	7	0%	26	6	17
Old Mutual	31 Dec 2005	9,193	508	497	11	102%	53%	0%	5%	18	0%	-	6	3
PartyGaming	31 Dec 2005	4,280	-	-	-	-	-	-	-	3	-	-	-	-
Pearson	31 Dec 2005	6,127	1,500	1,803	(303)	83%	27%	5%	29%	8	0%	45	39	18
Persimmon	31 Dec 2005	3,973	165	238	(74)	69%	22%	2%	6%	171	0%	8	5	3
Prudential	31 Dec 2005	16,123	4,875	5,418	(543)	90%	36%	3%	34%	8	0%	29	30	(36)
Reckitt Benckiser	31 Dec 2005	15,934	818	965	(147)	85%	33%	1%	6%	(52)	0%	11	16	(5)
Reed Elsevier	31 Dec 2005	7,471	2,575	2,980	(405)	86%	30%	5%	40%	(36)	(1%)	47	68	(44)
Resolution	31 Dec 2005	4,230	1,123	1,034	88	109%	83%	-2%	24%	(24)	0%	-	-	6
Reuters	31 Dec 2005	5,658	1,041	1,338	(297)	78%	39%	5%	24%	(307)	(4%)	19	23	(12)
Rexam	31 Dec 2005	3,180	2,957	2,871	(514)	82%	16%	16%	90%	24	(1%)	22	20	-
Rio Rinto	31 Dec 2005	26,143	2,957	3,144	(187)	94%	31%	1%	12%	91	0%	99	83	8
Rolls-Royce	31 Dec 2005	8,035	5,563	7,220	(1,657)	77%	32%	21%	90%	(785)	(1%)	177	142	68
Royal & Sun Alliance	31 Dec 2005	4,412	4,967	5,392	(425)	92%	46%	6%	122%	427	2%	215	150	141
Royal Bank of Scotland	31 Dec 2005	58,385	17,388	21,123	(3,735)	82%	35%	10%	36%	(66)	0%	452	1,146	(74)
Royal Dutch Shell	31 Dec 2005	115,876	31,697	32,293	(596)	98%	20%	1%	28%	(252)	(4%)	702	851	62
SABMiller	31 Mar 2006	14,975	599	744	(145)	81%	36%	1%	5%	3	0%	9	52	(14)
Sage Group	30 Sep 2005	3,252	-	-	-	-	-	-	-	18	0%	-	-	107
Sainsbury	31 Mar 2006	6,433	3,710	4,368	(658)	85%	34%	10%	68%	61	1%	188	81	28
Scottish & Newcastle	31 Dec 2005	5,364	1,997	2,310	(313)	86%	42%	6%	43%	(15)	0%	58	286	33
Scottish & Southern Energy	31 Mar 2006	11,339	2,017	2,211	(194)	91%	26%	2%	19%	26	0%	56	22	33
Scottish Power	31 Mar 2006	9,692	2,704	2,857	(153)	95%	31%	2%	29%	316	3%	102	89	23
Severn Trent	31 Mar 2006	4,667	1,403	1,625	(222)	86%	30%	5%	35%	26	1%	105	62	66
Shire	31 Dec 2005	4,454	-	-	-	-	-	-	-	(2)	0%	-	-	16
Slough Estates	31 Dec 2005	3,133	104	129	(25)	80%	37%	1%	4%	(17)	0%	19	3	3
Smith & Nephew	31 Dec 2005	4,627	414	510	(96)	81%	20%	2%	11%	(16)	0%	75	19	58
Smiths Group	31 Jul 2005	5,101	2,893	3,033	(140)	95%	42%	3%	59%	(33)	0%	52	64	13
Standard Chartered	31 Dec 2005	18,198	1,121	1,385	(264)	81%	59%	1%	8%	38	1%	39	35	-
Standard Life	31 Dec 2005	5,500	1,162	1,437	(275)	81%	9%	5%	26%	(443)	(2%)	46	63	(12)
Tate & Lyle	12 Mar 2006	3,522	1,179	1,256	(77)	94%	45%	2%	36%	138	2%	39	32	21
Tesco	25 Feb 2006	28,760	3,448	4,659	(1,211)	74%	23%	4%	16%	(157)	(1%)	270	437	(58)
Unilever	31 Dec 2005	17,255	10,968	13,816	(2,848)	79%	24%	17%	80%	3	0%	572	538	312
United Utilities	31 Mar 2006	6,203	2,740	2,721	19	101%	33%	0%	44%	18	0%	4	369	(55)
Vedanta Resources	31 Mar 2006	3,335	8	30	(22)	27%	0%	1%	1%	(10)	0%	2	1	(2)
Vodafone	31 Mar 2006	64,380	1,123	1,224	(101)	92%	28%	0%	2%	(39)	0%	85	167	28
Wolseley	31 Jul 2005	7,400	514	704	(191)	73%	18%	3%	10%	0	0%	26	20	9
WPP	31 Dec 2005	8,129	453	685	(231)	66%	60%	3%	8%	(4)	0%	36	36	18
Xstrat	31 Dec 2005	15,823	49	62	(12)	80%	46%	0%	0%	(4)	0%	3	4	1
Yell	31 Mar 2006	4,617	271	311	(40)	87%	43%	1%	7%	3	0%	86	16	68

Notes

- All of the analysis contained in this report is based on the IAS19 (FRS17) numbers disclosed in a company's most recently published annual report and accounts.
- No adjustment is made for the fact that companies have applied different interpretations of IAS19 and have used different actuarial assumptions (for example, different mortality assumptions can make a significant difference to a company's pension liabilities).
- No adjustment is made in the individual analysis for the fact that companies have different year ends. Inevitably, different market conditions applying at different year ends will have affect the comparisons.
- The assets and liabilities shown are the total global pension assets and liabilities, not just the UK figures.
- There are 101 companies listed because Alliance Boots appears twice: once as Alliance Unichem and once as Boots.

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PENSION CAPITAL STRATEGIES

Innovative Alternatives

Pension Capital Strategies

Lloyds Chambers

1 Portsoken Street

London

E1 8LN

Telephone: 020 7309 8100

Fax: 020 7309 8193

solutions@pensionstrategies.co.uk

www.pensionstrategies.co.uk

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