



The FTSE 250 and their pension disclosures
An Annual Report from Pension Capital Strategies
August 2010

In association with **J.P.Morgan** CAZENOVE



- The total deficit in FTSE 250 pension schemes at 30 June 2010 is estimated to be £11 billion. This is an improvement of £1 billion from the position 12 months ago.
- Only 86 FTSE 250 companies are still providing more than a handful of current employees with DB benefits (i.e. ignoring companies who are incurring ongoing DB service costs of less than 1% of total payroll). Of these, only 15 companies (i.e. just 6% of the FTSE 250) are still providing DB benefits to a significant number of employees (defined as incurring ongoing DB service cost of more than 5% of total payroll).
- Whilst there has been a small increase in deficit funding contributions, there has been a marked decline in the provision of ongoing DB pension provision. The reduction in total service cost from £914 million in the previous year to £718 million in the current year represents a 21% decline in employee pension provision.
- Pension schemes' flight out of equities into bonds seems to have halted. The average pension scheme asset allocation to bonds is now 48%, 1% less than last year. However this compares to a very significant shift, from 42%, the previous year.
- There are a number of FTSE 250 companies where the pension scheme now represents a material risk to the business. 21 FTSE 250 companies have total disclosed pension liabilities greater than their equity market value. For Premier Foods, Go-Ahead Group, Taylor Wimpey, Galiform and Kier Group, total disclosed pension liabilities are more than double their equity market value.
- Only 16 companies disclosed a pension surplus in their most recent annual report and accounts; 127 companies disclosed pension deficits. We estimate that only 10 companies would disclose a surplus if they had a year-end of 30 June 2010.
- In the last 12 months, the total disclosed pension liabilities of the FTSE 250 companies have risen from £55 billion to £68 billion. 20 companies have disclosed pension liabilities of more than £1 billion, the largest of which is FirstGroup with disclosed pension liabilities of £3.5 billion. 156 companies have disclosed pension liabilities of less than £100 million, of which 106 companies have no defined benefit pension liabilities.
- If pension liabilities were measured on a risk-free basis rather than using a AA bond discount rate, the total disclosed pension liabilities of the FTSE 250 would increase from £68 billion to around £85 billion, and the total deficit at 30 June 2010 would be around £28 billion.

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The appendix at the end of this report contains a full list of all the FTSE 250 companies analysed and their relevant pension disclosures.



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Funding Position

The overall funding position of pension schemes of FTSE 250 companies has improved over the year covered by their latest annual report and accounts.

Including all pension arrangements, both UK and overseas, whether funded or unfunded, the FTSE 250 companies with the best-funded pension schemes overall were as follows:

Name	Rank	Assets £m	Liabilities £m	Surplus/(Deficit) £m	Funding Level
Gartmore Group	1	139	88	51	159%
Henderson Group	2	403	313	90	129%
Berkeley Group Holdings	3	9	8	1	114%
Dignity	4	77	68	9	113%
Derwent London	5	11	10	1	108%
Ladbrokes	6	242	227	15	107%
Resolution	7	1,012	953	59	106%
Provident Financial	8	465	445	20	104%
Redrow	9	66	63	3	104%
Hunting	10	223	215	8	104%

The FTSE 250 companies with the worst funded pension schemes overall were as follows:

Name	Rank	Assets £m	Liabilities £m	Surplus/(Deficit) £m	Funding Level
Greene King	241	160	251	(92)	64%
Thomas Cook	242	622	993	(371)	63%
Millennium & Copthorne Hotels	243	30	48	(18)	62%
Ultra Electronics Holdings	244	127	205	(78)	62%
Chloride Group	245	25	42	(18)	59%
Keller	246	28	48	(20)	58%
Chemring Group	247	35	63	(28)	55%
Aegis Group	248	10	19	(8)	55%
Ferrexpo	249	1	16	(15)	5%
Lamprell	250	0	9	(9)	0%

In 2007, IFRIC14* provided new guidance on irrecoverable surpluses. 15 FTSE 250 companies have reported an irrecoverable surplus. The total reported irrecoverable surplus for FTSE 250 companies is now £158 million. The largest reported irrecoverable surpluses in the FTSE 250 were as follows:

Name	Rank	Irrecoverable surplus £m
National Express	1	56
Gartmore Group	2	51
WH Smith	3	26
IMI	4	7
Beazley Group	5	4
Laird	5	4
United Business Media	7	3
Misys	8	2
Charter International	9	2
Genus	10	1

Commentary

Adjusting these figures up to the quarter-end, we estimate that the total pension deficit in the FTSE 250 as at 30 June 2010 was £11 billion. This is an improvement of £1 billion from the position 12 months ago.

* For more information on IFRIC14, see PCS publication – IAS19: A Quarterly Guide for Finance Directors, at 30 June 2010.

Investment Mismatching

Legislation over a number of years 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, many 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. 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 FTSE 250 companies with the highest allocation to bonds were:

Name	Rank	Assets £m	% of Assets in Bonds
Gartmore Group	1	139	100%
Hunting	2	223	98%
WH Smith	3	743	94%
Misys	4	42	88%
Resolution	5	1,012	83%
London Stock Exchange Group	6	269	81%
BTG	7	89	81%
Cable & Wireless Communications	8	1,088	81%
Logica	9	440	79%
Spectris	10	94	78%

The FTSE 250 companies with the lowest allocation to bonds were:

Name	Rank	Assets £m	% of Assets in Bonds
Northumbrian Water	241	663	15%
Wood Group (John)	242	87	14%
Derwent London	243	11	13%
Tullett Prebon	244	138	10%
BSS Group	245	158	8%
RIT Capital Partners	246	14	7%
St. Modwen Properties	247	27	6%
Renishaw	248	70	2%
Homeserve	249	10	0%
Hansen Transmissions	250	6	0%

The FTSE 250 companies with the greatest change in equity-to-bonds allocation were:

Name	Rank	Current bond allocation	Previous bond allocation	Switch to bonds
Premier Farnell	1	76%	42%	+34%
Dairy Crest Group	2	73%	43%	+30%
Cranswick	3	28%	48%	-21%
Cable & Wireless Communications	4	81%	62%	+18%
Misys	5	88%	71%	+18%
Dignity	6	38%	55%	-17%
Informa	7	38%	53%	-15%
Kier Group	8	19%	33%	-14%
Caledonia Investments	9	34%	20%	+14%
Greggs	10	18%	31%	-13%

Commentary

Pension schemes' flight out of equities into bonds seems to have halted. However, some companies and trustees are continuing to switch pension assets out of equities into bonds despite the recent massive rally in equity markets. Premier Farnell is the latest company to report a big switch, increasing their bond allocations by 34%. 54 FTSE 250 companies now have more than 50% of pension scheme assets in bonds. Moreover, 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 is now 48%, 1% lower than the previous year's accounts. However, this compares to a very significant shift, from 42% the previous year.

We can also expect IFRIC14 to impact on pension scheme investment strategies. If shareholders see none of the upside of pension scheme investment in equities and all of the downside, there will inevitably be further pressure on company management to encourage moves towards lower risk investments in pension schemes.

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. Following the credit crunch, high spreads on corporate bonds prevailed over 2009, which countered the effects of rising inflation and increasing life expectancy, stifling the growth of pension liabilities. So far in 2010, spreads on corporate bond have returned to historically normal levels and this will significantly inflate pension liabilities reported in 2010 year-end accounts.

The FTSE 250 companies with the largest pension scheme liabilities (all those over £1 billion) are as follows:

Name	Rank	Total Pension Liabilities £m	Equity Market Value* £m
FirstGroup	1	3,458	1,761
GKN	2	3,186	1,802
Premier Foods	3	2,959	460
Balfour Beatty	4	2,757	1,629
ITV	5	2,687	1,958
Babcock International	6	2,304	1,366
Carillion	7	2,029	1,220
Daily Mail & General Trust	8	1,902	1,673
Taylor Wimpey	9	1,819	843
Stagecoach	10	1,793	1,274
Mitchells & Butlers	11	1,410	1,115
Tate & Lyle	12	1,328	2,055
Atkins (WS)	13	1,323	687
IMI	14	1,288	2,201
Cable & Wireless Communications	15	1,205	1,484
Go-Ahead Group	16	1,142	457
Arriva	17	1,072	1,513
Rentokil Initial	18	1,065	1,953
Qinetiq Group	19	1,063	766
Melrose PLC	20	1,034	1,047

* as at 30 June 2010

Commentary

In the last 12 months, the total disclosed pension liabilities of the FTSE 250 companies have risen from £55 billion to £68 billion. 20 companies have disclosed pension liabilities of more than £1 billion, whilst 156 companies have disclosed pension liabilities of less than £100 million.

The possibility of measuring pension liabilities on a risk-free basis (i.e. using gilt-based discount rates rather than AA bond discount rates) has been debated at length, including in the recent detailed discussion paper from the Accounting Standards Board.

In the UK, a company can no longer default on its promises to pension scheme members unless it goes into liquidation (in which case it is likely there is no value left for shareholders). It is therefore difficult to see that shareholders get any value out of their (very limited) ability to default on pension promises, and so applying a discount rate which allows for a probability of default is illogical.

If pension liabilities were to be measured on a risk-free basis, we estimate that it would add around 25% of the total pension liabilities, i.e. increasing the total disclosed pension liabilities from £68 billion to around £85 billion.

Significance of the Pension Scheme in the Boardroom

The impact of the pension liabilities on corporate decision-making and its importance in the boardroom 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 FTSE 250 companies with the most significant pension scheme liabilities are as follows:

Name	Rank	Equity Market Value* £m	Surplus / (Deficit) as a % of Equity Market Value	Liabilities as a % of Equity Market Value
Premier Foods	1	460	(93%)	643%
Go-Ahead Group	2	457	(18%)	250%
Taylor Wimpey	3	843	(48%)	216%
Galiform	4	360	(55%)	205%
Kier Group	5	357	(32%)	204%
FirstGroup	6	1,761	(19%)	196%
Atkins (WS)	7	687	(64%)	193%
Smith (DS)	8	476	(43%)	188%
GKN	9	1,802	(55%)	177%
Balfour Beatty	10	1,629	(36%)	169%
Babcock International	11	1,366	(24%)	169% <i>(114%)**</i>
Dairy Crest Group	12	489	(29%)	168% <i>(115%)**</i>
Carillion	13	1,220	(24%)	166%
Stagecoach	14	1,274	(16%)	141%
Qinetiq Group	15	766	(19%)	139%

* as at 30 June 2010

** These companies' pension schemes have purchased contracts which insure part of their liabilities; the figures in italics represent the impact of the liabilities without these insured sections.

A further sign of the significance of pensions in the boardroom is the extent of continuing DB provision to employees. This can be measured by looking at the ongoing spend on DB pensions (the service cost) before any allowance for deficit spending. The FTSE 250 companies with the highest ongoing spending is shown in the table below, together with the previous year's spend for comparison.

Name	Rank	Current DB Service Cost	Previous DB Service Cost
FirstGroup	1	57	70
Go-Ahead Group	2	54	45
Stagecoach	3	42	42
GKN	4	34	35
Balfour Beatty	5	32	45
Daily Mail & General Trust	6	30	39
Babcock International	7	23	27
Thomas Cook	8	21	22
Qinetiq Group	9	20	27
National Express	10	19	28

Commentary

Twenty-one FTSE 250 companies have disclosed pension liabilities greater than the total equity value of the company, and five FTSE 250 companies now have disclosed pension liabilities valued at over double the company equity value. In addition, Atkins (WS), Galiform, GKN and Premier Foods have disclosed pension deficits bigger than 50% of the equity value of the company, with a further 33 companies with disclosed pension deficits bigger than 10% of the equity value of the company.

Companies are reacting to the combination of difficult economic conditions, rising pension costs and increasingly aggressive pension regulations by closing pension schemes to future and even current employees. Already, nearly half of all FTSE 250 companies do not have a DB pension scheme. The decline in DB pension provision is reflected in the total service cost in the latest FTSE 250 accounts of £718 million, which compares to £914 million in the previous year. Only 86 FTSE 250 companies are still providing more than a handful of current employees with DB benefits (i.e. ignoring companies who are incurring ongoing DB service costs of less than 1% of total payroll). Of these, only 15 companies (i.e. 6% of the FTSE 250) are still providing DB benefits to a significant number of employees (defined as incurring ongoing DB service cost of more than 5% of total payroll).

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 (net of change in irrecoverable surplus) 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 FTSE 250 companies most positively affected by their pension schemes were:

Name	Rank	Equity Market Value* £m	Unanticipated Balance Sheet Gain (£m)	Impact as a % of Equity Market Value
Resolution	1	1,527	73	5%
Kesa Electricals	2	646	17	3%
Mondi	3	1,411	34	2%
Filtrona	4	447	10	2%
PZ Cussons	5	1,466	20	1%
Law Debenture Corp	6	327	3	1%
Redrow	7	347	3	1%
Lamprell	8	431	3	1%
BSS Group	9	519	2	0%
Ferrexpo	10	1,462	5	0%

* as at 30 June 2010

The FTSE 250 companies most negatively affected by their pension schemes were:

Name	Rank	Equity Market Value* £m	Unanticipated Balance Sheet Gain (£m)	Impact as a % of Equity Market Value
Carillion	241	1,220	-230	-19%
Punch Taverns	242	372	-73	-19%
Dairy Crest Group	243	489	-99	-20%
Kier Group	244	357	-79	-22%
Atkins (WS)	245	687	-160	-23%
Daily Mail & General Trust	246	1,673	-400	-24%
Galiform	247	360	-87	-24%
Balfour Beatty	248	1,629	-447	-27%
Babcock International	249	1,366	-403	-30%
Premier Foods	250	460	-475	-103%

* as at 30 June 2010

Commentary

Over the year covered by their latest report and accounts, 17 companies felt the benefit of an unexpected gain to their balance sheet as a result of their pension schemes, whilst 125 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 accrued 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).

The levelling out of pension scheme contributions seen in recent years seem to have ended, with the amount contributed in the most recent accounting year being £100 million less than the amount contributed the previous year.

Only contributions actually paid in the relevant accounting year are included in the analysis below.

The FTSE 250 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
Balfour Beatty	1	69	-68	137
Premier Foods	2	65	13	52
Tate & Lyle	3	27	-23	50
Taylor Wimpey	4	50	4	46
Cable & Wireless Communications	5	60	15	45
Arriva	6	58	15	43
ITV	7	44	8	36
Carillion	8	43	8	34
Atkins (WS)	9	39	6	33
Inchcape	10	38	6	32

The FTSE 250 companies who made the lowest surplus contributions were as follows:

Name	Rank	Pension Contributions £m	Cost of Benefits £m	Surplus Contributions £m
Misys	244	1	2	-1
Lamprell	245	0	2	-2
Ferrexpo	246	0	3	-3
Mondi	247	4	8	-4
Northumbrian Water	248	4	15	-10
Hiscox	249	2	12	-11
Go-Ahead Group	250	39	54	-15

Commentary

In total, the amount contributed to FTSE 250 company pension schemes was £1.8 billion, down from £1.9 billion in the previous accounting year. This is more than the £0.6 billion cost of benefits accrued during the year. It therefore represents £1.2 billion of funding towards reducing pension scheme deficits. This is an 11% increase on the previous year's deficit funding of £1.1 billion.

Appendix

Name	Year End	Equity Market Value £m	Pension Assets £m	Pension Liabilities £m	Surplus / (Deficit) £m	Funding Level	% Bonds	Surplus / (Deficit) as % of Market Value	Liabilities as % of Market Value	Unexpected Balance Sheet Impact £m	Balance Sheet Impact as % of Market Value	Current Funding £m	Previous Funding £m	Surplus Funding £m
Aberdeen Asset Management	30-Sep-2009	1,426	101	134	(32)	76%	51%	(2%)	9%	(28)	(2%)	8	9	9
Aegis Group	31-Dec-2009	1,238	10	19	(8)	55%	47%	(1%)	2%	1	0%	2	1	0
Amlin	31-Dec-2009	1,916	335	359	(25)	93%	72%	(1%)	19%	(25)	(1%)	7	2	6
Arriva	31-Dec-2009	1,513	920	1,072	(151)	86%	15%	(10%)	71%	(53)	(3%)	58	54	43
Ashtead Group	30-Apr-2010	452	56	64	(8)	88%	34%	(2%)	14%	(9)	(2%)	1	2	1
Atkins (WS)	31-Mar-2010	687	883	1,323	(440)	67%	41%	(64%)	193%	(160)	(23%)	39	53	33
Aveva Group	31-Mar-2010	763	41	52	(12)	78%	26%	(2%)	7%	(5)	(1%)	2	2	1
Babcock International	31-Mar-2010	1,366	1,980	2,304	(324)	86%	47%	(24%)	169%	(403)	(30%)	46	69	23
Balfour Beatty	31-Dec-2009	1,629	2,171	2,757	(586)	79%	58%	(36%)	169%	(447)	(27%)	69	70	137
Barr (A.G.)	31-Jan-2010	410	68	74	(6)	92%	38%	(1%)	18%	(3)	(1%)	4	4	3
Barratt Developments	30-Jun-2009	915	170	202	(32)	84%	50%	(3%)	22%	(7)	(1%)	16	14	13
BBA Aviation	31-Dec-2009	772	432	465	(33)	93%	76%	(4%)	60%	(11)	(1%)	5	8	3
Beazley Group	31-Dec-2009	600	13	15	(3)	84%	35%	(0%)	3%	(6)	(1%)	1	1	1
Bellway	31-Jul-2009	743	28	40	(12)	70%	46%	(2%)	5%	2	0%	1	4	(0)
Berkeley Group Holdings	30-Apr-2009	1,030	9	8	1	114%	66%	0%	1%	(1)	(0%)	1	1	1
Bodycote	31-Dec-2009	374	78	93	(15)	84%	60%	(4%)	25%	1	0%	2	25	0
Booker Group	26-Mar-2010	610	564	585	(22)	96%	49%	(4%)	96%	(33)	(5%)	12	11	12
Bovis Homes	31-Dec-2009	461	68	77	(9)	88%	45%	(2%)	17%	(4)	(1%)	3	1	2
Brit Insurance Holdings	31-Dec-2009	714	97	101	(4)	96%	34%	(1%)	14%	(3)	(0%)	2	15	0
Britvic	27-Sep-2009	1,032	462	547	(85)	84%	41%	(8%)	53%	(75)	(7%)	20	19	14
Brown (N.) Group	27-Feb-2010	686	64	66	(2)	97%	49%	(0%)	10%	(1)	(0%)	6	6	4
BSS Group	31-Mar-2010	519	158	184	(26)	86%	8%	(5%)	36%	2	0%	6	4	3
BTG	31-Mar-2010	509	89	98	(9)	91%	81%	(2%)	19%	(12)	(2%)	4	5	4
Cable & Wireless Communications	31-Mar-2010	1,484	1,088	1,205	(118)	90%	81%	(8%)	81%	(118)	(8%)	60	28	45
Caledonia Investments	31-Mar-2010	929	60	68	(8)	88%	34%	(1%)	7%	0	0%	2	2	1
Carillion	31-Dec-2009	1,220	1,741	2,029	(287)	86%	51%	(24%)	166%	(230)	(19%)	43	79	34
Carpetright	02-May-2009	434	12	15	(2)	84%	43%	(1%)	3%	(1)	(0%)	1	1	0
Catlin Group	31-Dec-2009	1,261	17	17	1	104%	50%	0%	1%	(0)	(0%)	0	0	0
Charter International	31-Dec-2009	1,049	549	690	(141)	80%	55%	(13%)	66%	(35)	(3%)	19	17	17
Chemring Group	31-Oct-2009	1,049	35	63	(28)	55%	29%	(3%)	6%	(14)	(1%)	2	1	1
Chloride Group	31-Mar-2010	1,007	25	42	(18)	59%	60%	(2%)	4%	(7)	(1%)	4	0	3
Close Brothers	31-Jul-2009	998	24	27	(3)	88%	33%	(0%)	3%	(4)	(0%)	3	1	2
COLT Telecom	31-Dec-2009	1,168	16	20	(4)	80%	67%	(0%)	2%	1	0%	2	1	(0)
Cookson Group	31-Dec-2009	1,069	532	654	(122)	81%	52%	(11%)	61%	(68)	(6%)	21	42	15
Cranswick	31-Mar-2010	401	12	17	(5)	69%	28%	(1%)	4%	(6)	(1%)	1	0	1
Croda International	31-Dec-2009	1,373	577	781	(204)	74%	33%	(15%)	57%	(133)	(10%)	25	18	17
Daily Mail & General Trust	04-Oct-2009	1,673	1,471	1,902	(430)	77%	37%	(26%)	114%	(400)	(24%)	31	2	0
Dairy Crest Group	31-Mar-2010	489	680	823	(142)	83%	73%	(29%)	168%	(99)	(20%)	30	29	20
Davis Service Group	31-Dec-2009	624	214	247	(33)	87%	50%	(5%)	40%	(18)	(3%)	10	3	8
De La Rue	27-Mar-2010	933	570	697	(127)	82%	41%	(14%)	75%	(72)	(8%)	25	35	21
Debenhams	29-Aug-2009	682	488	542	(54)	90%	49%	(8%)	79%	(94)	(14%)	7	8	7
Derwent London	31-Dec-2009	1,257	11	10	1	108%	13%	0%	1%	(0)	(0%)	0	0	0
Dignity	25-Dec-2009	410	77	68	9	113%	38%	2%	17%	(5)	(1%)	1	1	0
Drax	31-Dec-2009	1,373	113	147	(33)	77%	60%	(2%)	11%	(15)	(1%)	8	10	4
DSG International	01-May-2010	899	666	929	(264)	72%	35%	(29%)	103%	(123)	(14%)	21	22	16
Electrocomponents	31-Mar-2010	941	307	324	(16)	95%	25%	(2%)	4%	(1)	(0%)	6	7	2
Enterprise Inns	30-Sep-2009	444	18	19	(1)	95%	39%	(0%)	3%	(3)	(0%)	0	0	0
Euromoney Institutional Investors	30-Sep-2009	701	22	22	(0)	98%	75%	(0%)	3%	(3)	(0%)	1	1	1
Fenner	31-Aug-2009	348	110	154	(43)	72%	32%	(12%)	44%	(28)	(8%)	4	3	3
Ferrexpo	31-Dec-2009	1,462	1	16	(15)	5%	64%	(1%)	1%	5	0%	0	0	(3)
Filtrona	31-Dec-2009	447	159	181	(23)	88%	36%	(5%)	41%	10	2%	9	10	7
FirstGroup	31-Mar-2010	1,761	3,127	3,458	(331)	90%	27%	(19%)	196%	(204)	(12%)	85	81	28
Foreign & Colonial	31-Dec-2009	1,618	158	204	(47)	77%	32%	(3%)	13%	(27)	(2%)	7	7	4
Forth Ports	31-Dec-2009	538	198	229	(31)	86%	43%	(6%)	43%	(31)	(6%)	8	10	6

Appendix (continued)

Name	Year End	Equity Market Value £m	Pension Assets £m	Pension Liabilities £m	Surplus / (Deficit) £m	Funding Level	% Bonds	Surplus / (Deficit) as % of Market Value	Liabilities as % of Market Value	Unexpected Balance Sheet Impact £m	Balance Sheet Impact as % of Market Value	Current Funding £m	Previous Funding £m	Surplus Funding £m
Galliform	26-Dec-2009	360	541	738	(196)	73%	30%	(55%)	205%	(87)	(24%)	28	32	21
Gartmore Group	31-Dec-2009	336	139	88	51	159%	100%	15%	26%	(1)	(0%)	0	0	0
Genus	30-Jun-2009	439	112	146	(34)	77%	54%	(8%)	33%	(15)	(3%)	2	6	1
GKN	31-Dec-2009	1,802	2,190	3,186	(996)	69%	55%	(55%)	177%	(134)	(7%)	51	37	21
Go-Ahead Group	27-Jun-2009	457	1,059	1,142	(84)	93%	30%	(18%)	250%	(11)	(2%)	39	42	(15)
Grainger	30-Sep-2009	489	17	23	(6)	74%	66%	(1%)	5%	(4)	(1%)	1	0	1
Great Portland Estates	31-Mar-2010	910	17	18	(0)	99%	60%	(0%)	2%	(1)	(0%)	0	0	0
Greene King	03-May-2010	843	160	251	(92)	64%	24%	(11%)	30%	(25)	(3%)	7	7	2
Greggs	02-Jan-2010	478	75	87	(12)	86%	18%	(3%)	18%	(7)	(1%)	1	0	1
Halma	03-Apr-2010	1,032	128	171	(43)	75%	26%	(4%)	17%	(5)	(1%)	9	9	7
Hansen Transmissions	31-Mar-2010	496	6	9	(3)	64%	0%	(1%)	2%	(1)	(0%)	1	1	0
Hays	30-Jun-2009	1,274	330	439	(109)	75%	48%	(9%)	34%	(21)	(2%)	7	7	3
Henderson Group	31-Dec-2009	1,011	403	313	90	129%	63%	9%	31%	(69)	(7%)	5	26	3
Hiscox	31-Dec-2009	1,280	118	141	(22)	84%	64%	(2%)	11%	(27)	(2%)	2	0	(11)
Homeserve	31-Mar-2009	1,308	10	12	(2)	84%	0%	(0%)	1%	(2)	(0%)	1	1	0
Hunting	31-Dec-2009	591	223	215	8	104%	98%	1%	36%	(0)	(0%)	2	2	1
IMI	31-Dec-2009	2,201	1,045	1,288	(243)	81%	43%	(11%)	59%	(143)	(6%)	27	27	18
Inchcape	31-Dec-2009	1,130	771	845	(75)	91%	65%	(7%)	75%	(118)	(10%)	38	23	32
Informa	31-Dec-2009	2,116	63	75	(11)	85%	38%	(1%)	4%	(2)	(0%)	3	3	2
International Personal Finance	31-Dec-2009	490	31	38	(8)	80%	46%	(2%)	8%	(6)	(1%)	1	0	(0)
ITV	31-Dec-2009	1,958	2,251	2,687	(436)	84%	61%	(22%)	137%	(279)	(14%)	44	52	36
Jardine Lloyd Thompson	31-Dec-2009	1,122	447	535	(88)	84%	66%	(8%)	48%	(71)	(6%)	13	12	13
Keller	31-Dec-2009	338	28	48	(20)	58%	33%	(6%)	14%	(6)	(2%)	2	1	1
Kesa Electricals	30-Apr-2009	646	200	257	(57)	78%	40%	(9%)	40%	17	3%	8	16	6
Kier Group	30-Jun-2009	357	615	729	(115)	84%	19%	(32%)	204%	(79)	(22%)	21	18	9
Ladbroke	31-Dec-2009	1,148	242	227	15	107%	59%	1%	20%	(9)	(1%)	7	6	4
Laird	31-Dec-2009	277	91	93	(1)	99%	59%	(0%)	33%	(1)	(0%)	0	1	(0)
Lamprell	31-Dec-2009	431	0	9	(9)	0%	-	(2%)	2%	3	1%	0	0	(2)
Law Debenture Corp	31-Dec-2009	327	29	31	(2)	94%	34%	(1%)	9%	3	1%	1	1	1
Logica	31-Dec-2009	1,745	440	485	(44)	91%	79%	(3%)	28%	(61)	(4%)	18	14	8
London Stock Exchange Group	31-Mar-2010	1,535	269	264	5	102%	81%	0%	17%	(1)	(0%)	4	7	3
Marstons	03-Oct-2009	530	315	350	(35)	90%	37%	(7%)	66%	(8)	(1%)	14	20	11
McBride	30-Jun-2009	234	55	72	(17)	77%	21%	(7%)	31%	(10)	(4%)	2	2	1
Meggitt	31-Dec-2009	2,137	504	785	(281)	64%	41%	(13%)	37%	(49)	(2%)	32	36	22
Melrose PLC	31-Dec-2009	1,047	864	1,034	(169)	84%	51%	(16%)	99%	(44)	(4%)	32	20	25
Millennium & Copthorne Hotels	31-Dec-2009	1,253	30	48	(18)	62%	46%	(1%)	4%	(6)	(0%)	3	3	1
Misys	31-May-2009	1,280	42	41	1	102%	88%	0%	3%	1	0%	1	0	(1)
Mitchells & Butlers	26-Sep-2009	1,115	1,280	1,410	(130)	91%	63%	(12%)	126%	(130)	(12%)	39	40	29
MITIE Group	31-Mar-2010	750	163	180	(17)	90%	28%	(2%)	24%	(17)	(2%)	7	6	3
Mondi	31-Dec-2009	1,411	251	333	(82)	75%	58%	(6%)	24%	34	2%	4	2	(4)
Morgan Crucible Co	03-Jan-2010	499	383	489	(106)	78%	57%	(21%)	98%	(9)	(2%)	14	14	9
Mothercare	27-Mar-2010	497	197	252	(55)	78%	33%	(11%)	51%	(32)	(6%)	6	5	4
National Express	31-Dec-2009	1,118	736	847	(111)	87%	26%	(10%)	76%	(59)	(5%)	28	29	9
Northumbrian Water	31-Mar-2010	1,580	663	797	(133)	83%	15%	(8%)	50%	1	0%	4	2	(10)
Paragon Group of Companies	30-Sep-2009	359	52	64	(12)	82%	37%	(3%)	18%	(8)	(2%)	2	2	1
Pennon	31-Mar-2010	1,935	402	510	(108)	79%	33%	(6%)	26%	(44)	(2%)	16	40	5
Persimmon	31-Dec-2009	1,058	273	387	(114)	70%	35%	(11%)	37%	(29)	(3%)	19	12	15
Premier Farnell	31-Jan-2010	798	174	202	(27)	87%	76%	(3%)	25%	(3)	(0%)	4	3	1
Premier Foods	31-Dec-2009	460	2,530	2,959	(429)	86%	70%	(93%)	643%	(475)	(103%)	65	61	52
Premier Oil	31-Dec-2009	1,425	16	19	(4)	82%	63%	(0%)	1%	(2)	(0%)	0	2	0
Provident Financial	31-Dec-2009	1,129	465	445	20	104%	53%	2%	39%	(37)	(3%)	8	5	3
Punch Taverns	23-Aug-2009	372	357	417	(60)	86%	40%	(16%)	112%	(73)	(19%)	4	14	3
PZ Cussons	31-May-2009	1,466	192	196	(4)	98%	50%	(0%)	13%	20	1%	3	7	3
Qinetiq Group	31-Mar-2010	766	916	1,063	(147)	86%	16%	(19%)	139%	(58)	(8%)	38	37	18

Appendix (continued)

Name	Year End	Equity Market Value £m	Pension Assets £m	Pension Liabilities £m	Surplus / (Deficit) £m	Funding Level	% Bonds	Surplus / (Deficit) as % of Market Value	Liabilities as % of Market Value	Unexpected Balance Sheet Impact £m	Balance Sheet Impact as % of Market Value	Current Funding £m	Previous Funding £m	Surplus Funding £m
Rathbone Brothers	31-Dec-2009	345	77	87	(9)	89%	26%	(3%)	25%	(9)	(2%)	7	3	5
Redrow	30-Jun-2009	347	66	63	3	104%	62%	1%	18%	3	1%	2	2	0
Renishaw	30-Jun-2009	528	70	93	(22)	76%	2%	(4%)	18%	(13)	(2%)	0	0	0
Rentokil Initial	31-Dec-2009	1,953	1,001	1,065	(64)	94%	60%	(3%)	55%	(205)	(11%)	2	35	0
Resolution	31-Dec-2009	1,527	1,012	953	59	106%	83%	4%	62%	73	5%	10	49	7
RIT Capital Partners	31-Mar-2010	1,777	14	14	0	100%	7%	0%	1%	(0)	(0%)	1	0	1
Rotorik	31-Dec-2009	1,109	89	109	(20)	82%	44%	(2%)	10%	(15)	(1%)	3	3	1
Savills	31-Dec-2009	362	104	141	(38)	73%	24%	(10%)	39%	(13)	(4%)	4	4	1
Scottish Investment Trust	31-Oct-2009	502	7	8	(2)	80%	58%	(0%)	2%	(2)	(0%)	1	1	0
Senior	31-Dec-2009	490	175	224	(48)	78%	58%	(10%)	46%	(12)	(2%)	21	7	20
Shanks Group	31-Mar-2010	393	107	114	(7)	94%	41%	(2%)	29%	(7)	(2%)	2	2	1
SIG	31-Dec-2009	601	87	111	(24)	78%	42%	(4%)	19%	(4)	(1%)	2	10	1
Smith (DS)	30-Apr-2010	476	689	892	(203)	77%	39%	(43%)	188%	(9)	(2%)	17	17	9
Spectris	31-Dec-2009	895	94	117	(24)	80%	78%	(3%)	13%	(17)	(2%)	4	5	3
Spirax-Sarco Engineering	31-Dec-2009	1,038	211	285	(74)	74%	19%	(7%)	27%	(5)	(0%)	15	10	7
Spirit Communications	31-Dec-2009	741	138	137	1	100%	74%	0%	19%	(1)	(0%)	0	0	0
Sports Direct International	26-Apr-2009	598	27	40	(12)	69%	45%	(2%)	7%	(2)	(0%)	1	1	1
SSL International	31-Mar-2010	1,710	174	248	(74)	70%	48%	(4%)	14%	(23)	(1%)	10	10	9
St. Modwen Properties	30-Nov-2009	374	27	27	0	101%	6%	0%	7%	(0)	(0%)	0	0	0
Stagecoach	30-Apr-2010	1,274	1,591	1,793	(202)	89%	21%	(16%)	141%	(135)	(11%)	57	57	15
Synergy Health	28-Mar-2010	356	41	57	(15)	73%	43%	(4%)	16%	(7)	(2%)	2	2	1
Tate & Lyle	31-Mar-2010	2,055	1,172	1,328	(156)	88%	34%	(8%)	65%	(76)	(4%)	27	26	50
Taylor Wimpey	31-Dec-2009	843	1,412	1,819	(406)	78%	62%	(48%)	216%	(141)	(17%)	50	51	46
Thomas Cook	30-Sep-2009	1,533	622	993	(371)	63%	29%	(24%)	65%	(181)	(12%)	33	33	12
Tomkins	02-Jan-2010	1,989	154	156	(2)	99%	56%	(0%)	8%	(20)	(1%)	8	3	8
Travis Perkins	31-Dec-2009	1,523	528	571	(43)	92%	29%	(3%)	37%	4	0%	31	21	25
Tullett Prebon	31-Dec-2009	680	138	139	(1)	99%	10%	(0%)	20%	(1)	(0%)	8	4	8
Ultra Electronics Holdings	31-Dec-2009	1,046	127	205	(78)	62%	21%	(7%)	20%	(17)	(2%)	6	6	1
United Business Media	31-Dec-2009	1,212	439	463	(24)	95%	45%	(2%)	38%	(49)	(4%)	7	4	6
Victrex	30-Sep-2009	907	24	35	(11)	69%	42%	(1%)	4%	(7)	(1%)	4	1	3
Weir Group	01-Jan-2010	2,178	552	623	(71)	89%	74%	(3%)	29%	(53)	(2%)	15	10	13
WH Smith	31-Aug-2009	616	743	717	26	104%	94%	4%	116%	(9)	(1%)	10	10	10
William Hill	29-Dec-2009	1,194	230	273	(43)	84%	43%	(4%)	23%	(24)	(2%)	15	14	10
Wood Group (John)	31-Dec-2009	1,653	87	108	(21)	80%	14%	(1%)	7%	(5)	(0%)	3	3	1
Xchanging	31-Dec-2009	461	142	172	(30)	83%	64%	(6%)	37%	(11)	(2%)	4	4	1
Yell Group	31-Mar-2010	577	375	439	(63)	86%	54%	(11%)	76%	(59)	(10%)	33	19	22

Notes

- All of the analysis contained in this report is based on the IAS19 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 affect the comparisons.
- The assets and liabilities shown are the total global pension assets and liabilities, not just the UK figures.
- The figures shown in this report are before adjustment for IFRIC14 (and before adjustment for any other unrecognised pension surpluses), except for Unanticipated Balance Sheet Impact, which is shown net of the change in irrecoverable surplus.
- There are currently no accounts available for Enquest, Fidelity China Special Situations, Promethean World and SuperGroup. Therefore, we have not included any figures from these companies in our report.

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