



PENSION CORPORATION ANNOUNCES 2009 PRELIMINARY RESULTS

London, 4 February 2010 – Pension Corporation (“PC”), a leading provider of risk management solutions to defined benefit pension funds, is pleased to announce excellent preliminary results for the 12 month period ended 31 December 2009, despite the difficult financial and economic environment. Significant strides have been made in establishing the company as a trusted risk manager, helping pension fund trustees and sponsors to remove risk to the benefit of members.

2009 Pension Insurance Corporation Highlights

- Attains leadership of the bulk pension insurance market - new pension insurance business of £1.1 billion transacted
- Embedded Value of £618 million as at 31 December 2009 – up 50% over the year
- Embedded Value earnings in the year ended 31 December 2009 of £202 million
- Strong and conservatively managed balance sheet with PIC’s regulatory capital ratio standing at 178% of the required minimum
- £3.3 billion in assets under management and around 45,000 pension fund members insured

Sir Mark Weinberg, Group Chairman commented: “I am delighted that 2009 was a very successful year for the business. Pension Insurance Corporation was able to win some very significant transactions when faced with strong competition from the legacy players. I believe that pension fund trustees are coming to see us as the market leader and the value of this cannot be underestimated.

“Our ability to tailor transactions to meet trustee and corporate needs has enabled us to increase our market share to in excess of 25% (estimated).

“We expect to see the market continue to grow with up to £20 billion of pension risk transferred during the current year. There may also be opportunities for Pension Corporation’s growth arising out of market consolidation or the sale of annuity books by other insurers.”

During 2009, PIC wrote a total of eight transactions and has now completed 17 in total. These included the buyout of Food from Britain, which was the first insurance transaction for a public sector backed pension scheme.

Leyland DAF was also significant as PIC is working with the trustees to assess the level of surplus and consider how best it can be used by the scheme members, including the amount of any benefit improvements.

During the latter half of the year, PIC worked with FTSE 100 companies including Cadbury and Liberty, several multi-national companies including Denso, and private equity owned companies, such as Warwick, to manage pensions related issues.

Pension Corporation Investments

Despite the challenging economic environment, our two operational businesses, telent and Quadriga, continued to perform well and are taking market share. telent is the former GEC Marconi and Quadriga is Europe’s largest hotel entertainment supplier. The companies made a combined EBITDA of £62 million in the year to March 2009, a strong operational performance. telent recently announced it was part of a consortium winning a £1.4 billion contract to manage BT’s Openreach network. Quadriga launched a major new product for its hotel customers, Sensiq – the most powerful guest communications portal available – which we believe will lead to increased market share.

Thought Leadership Programme

Pension Corporation's Thought Leadership programme, which is committed to facilitating a debate around both public and private sector pensions, published a number of white papers focussing on the impact of the economic crisis on the pensions landscape.

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Notes to Editors:

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- 1) The year end solvency ratio is the amount of Available Capital Resources above the Required Capital
- 2) The figures provided are preliminary and are to be audited

About Pension Corporation

Pension Corporation is a leading provider of risk management solutions to the trustees and sponsors of defined benefit pension funds. It oversees pension fund liabilities of c.£6 billion and is affiliated to more than 100,000 pension scheme members or former members. Its FSA authorised and regulated insurance company, Pension Insurance Corporation ("PIC"), brings safety and security to scheme members' benefits through innovative, tailored solutions. These include pension insurance buyout or buy-in and longevity risk management. It has transacted both the UK's largest and the first public sector backed pension insurance buyouts. Other clients include FTSE 100 companies and several multinationals. PIC is proud to work with pension fund trustees to maximise member benefits. For further information please visit

www.pensioncorporation.com