



Pension Insurance Corporation agrees to insure greater pension benefits for UK Can Pension Plan members than those provided under the Pension Protection Fund

2 September 2008

Pension Insurance Corporation, today announces that it has been selected after an independent and competitive tender process to secure the pension benefits of The UK Can Pension and Assurance Plan (“The UK Can Pension Plan”). Pension Insurance Corporation is part of the Pension Corporation group, a leading provider of pension solutions, and is fully authorised and regulated by the Financial Services Authority.

The UK Can Pension Plan came under the protection of the Pension Protection Fund (“PPF”) in October 2006 with the appointment of administrators to the pension fund’s sponsor, U.K. Can Limited (“UK Can”) and in December 2007, UK Can was liquidated.

Under the agreement with the Trustee of The UK Can Pension Plan, Pension Insurance Corporation will insure specified benefits to which members of the Pension Plan are entitled, at a level which is greater than the pension benefits currently provided by the PPF. In exchange for insuring these benefits, Pension Insurance Corporation has received assets amounting to £42 million.

The transaction brings the aggregate pension assets managed by Pension Insurance Corporation under bulk annuity contracts to more than £550 million. Including sponsored pension funds, Pension Corporation has almost £5 billion of pension assets under its umbrella.

Edmund Truell, Chief Executive of Pension Corporation, commented:

“This agreement with The UK Can Pension Plan emphasises Pension Corporation’s expertise and flexibility in being able to offer a comprehensive set of affordable solutions to defined benefit funds of any financial strength, size or maturity profile. It also demonstrates how we can enhance retirement benefits for members of a pension fund under the protection of the PPF and give each member the reassurance of having their own individual pension policy.”

Paul Jayson, Partner at Barnett Waddingham, Actuary and Administrator to The UK Can Pension Plan, commented:

“We are delighted to have worked closely with Pension Insurance Corporation and the Trustee to find a solution that benefits the UK Can pension plan scheme members. The Trustee selected Pension Insurance Corporation following detailed due diligence by our insurance experts, including a review of the quality and strength of its regulatory capital.”

Chris Martin, Managing Director of Independent Trustee Services and Trustee to The UK Can Pension Plan, commented:

“The majority of members of The UK Can Pension Plan are likely to achieve a far better outcome than they would have anticipated when the PPF assessment period started. It has been a very difficult couple of years for them. We were particularly pleased with Pension Insurance Corporation’s approach of putting members at the forefront of the process. A key factor in the decision of the Trustee to choose Pension Insurance Corporation was its willingness to tailor a solution to make the transition as smooth as possible.”

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Notes to Editors:

The Pension Corporation group provides the following solutions to defined benefit pension funds:

- Insurance Buy-out
- Longevity Insurance
- Pension Fund Sponsorship
- Asset Liability Management

These solutions enable pension funds to protect their members' benefits by strengthening and stabilising their financial position, and enable their employers/sponsors to protect themselves against the volatility of their earnings and balance sheet values.

Insurance Buy-out: An insurance policy is issued by Pension Insurance Corporation ("PIC"), which gives the members of the pension fund the security of having their benefits underwritten by a fully FSA-authorized and regulated insurance company and removing the responsibility for the pension fund payments from the balance sheet of the employer/sponsor. PIC can undertake the insurance in respect of all or some classes of the members, according to what the fund can afford, and is able to act quickly and in a flexible way (for example by offering different ways of financing the transaction).

Longevity Insurance: PIC offers a longevity insurance policy, the first of its kind in the world, to protect pension funds and their employer/sponsor against the cost of pensioners living longer than expected. The policy is tailored to the member-by-member profile of the fund so as to provide comprehensive "whole of life" protection against what is perhaps the most significant risk faced by pension funds and their employers/sponsors. Inflation risk can be included or covered separately by an inflation swap.

Pension Fund Sponsorship: Typically used where a fund cannot afford a pension insurance buy-out immediately, Pension Fund Sponsorship involves the Pension Corporation group becoming the owner of the employer/sponsor of the pension fund. In this way, the fund gains the additional backing of the Pension Corporation Group, while continuing to have the backing of the original sponsor and of the assets of the fund itself. Under this model financial returns to Pension Corporation can only be drawn once the pension fund members' benefits have been secured, in much the same manner as funds within an insurance company. For each of the three pension schemes where Pension Corporation has acquired the employer/sponsor, it has advocated a reduction in the risk level of the pension fund assets, which shows the conservatism of Pension Corporation's views on investment management and its emphasis on pensioner security.

Asset Liability Management: Pension Corporation has a highly experienced investment management team, which is able to advise on state-of-the-art asset and liability management. It offers this service on a fee basis or, in the case of funds under the sponsorship of companies owned by it, without charge.

Security

Pension Corporation is backed by large blue chip financial services companies, including The Royal Bank of Scotland, HBOS and Swiss Re. Its Board and management include a number of expert and highly experienced insurance industry executives, including Sir Mark Weinberg, co-founder of St James's Place Wealth Management Group, John Coomber, former Chief Executive of Swiss Re, Sir Martin Jacomb, former Chairman of the Prudential Assurance Group, Bob Scott, former Group Chief Executive of Aviva and John Fitzpatrick, former Chief Financial Officer of Swiss Re. Pension Corporation has almost £5 billion of pension assets under its stewardship.

www.pensioncorporation.com

About Barnett Waddingham

Barnett Waddingham LLP is the UK's largest independent firm of actuaries and consultants offering a full range of professional advice on pensions and investments to companies and pension fund trustees in both the private and public sector.

The firm currently has 40 partners and over 400 staff, based in seven locations around the UK (Amersham, Bromsgrove, Cheltenham, Glasgow, Leeds, Liverpool and London).

www.barnett-waddingham.co.uk

About Independent Trustee Services Ltd

Independent Trustee Services Ltd (ITS) was established in February 1991 and provides professional trustee across a broad spectrum of occupational pension schemes. The high quality of ITS's service is derived from the experience of its management team and staff. Board members of ITS each have significant experience in the pensions industry and are recognised by their peers as specialising in their field.

ITS won the Independent Trustee of the Year Award at the Financial Times Business Pensions & Investment Provider Awards 2008.

www.itslimited.org.uk