



**Barnett
Waddingham**

Barnett Waddingham advises on insurance deal between Alitalia Italian Airlines Pension and Assurance Scheme and Pension Insurance Corporation

London, 15 July 2010 - Barnett Waddingham, the leading independent firm of actuaries and consultants, and Pension Corporation, the leading provider of risk management solutions to defined benefit pension funds, today announce that the Trustees of the Alitalia Italian Airlines Pension and Assurance Scheme (“the scheme”) have entered into a pension insurance buy-in with Pension Insurance Corporation (“PIC”) to stabilise the scheme’s funding position. The scheme is currently within a PPF assessment period following the Administration of Alitalia (the sponsoring employer of the scheme) in 2008. At the time the company collapsed the Italian Government owned 49.9% of the shares.

The scheme is significantly underfunded with a s75 (or buy out) deficit in excess of £22million making it essential for the Trustees to take steps to protect the current funding level. The Trustees are making every effort to recover the deficit from Alitalia's Administrators in Italy.

The scheme will transfer circa £53m of assets to PIC to secure its current funding position and provide a facility to improve and secure further funds if available in the future.

A pension insurance buy-in is a key step towards fully de-risking a pension scheme by reducing the overall level of pension risk and investment volatility.

Miles Buckinghamshire, of BESTrustees and Chairman of Trustees, said:

“With pragmatic advice from Barnett Waddingham, we are delighted to have entered into this innovative arrangement with PIC. It has allowed us to lock down our asset and liability position in volatile markets to the benefit of our members whilst we continue to vigorously pursue the Trustees' claim in the Italian Administration court proceedings in Rome”

Paul Jayson, Partner, Barnett Waddingham, said:

“This arrangement is a key step for the Trustees of the Alitalia scheme as they work their way through the PPF assessment period. We believe that this insurance policy reduces the risk to members' benefits having captured a favourable position.”

Mitul Magudia, Pension Insurance Corporation, said:

“We're pleased to have developed the right insurance solution for this situation. This builds upon our track record of offering bespoke solutions for trustees to help them secure member benefits for the long-term.”

For further information:

Barnett Waddingham	Paul Jayson	+44 20 7776 2200
BESTrustees plc	Miles Buckinghamshire	+44 20 7332 4100
Broadgate Mainland	Emma Murphy or Melanie Shelley	+44 20 7776 0503
Pension Corporation	Jeremy Apfel	+44 20 7105 2140

About Pension Corporation

Pension Corporation is a leading provider of risk management solutions to the trustees and sponsors of defined benefit pension funds. Its FSA authorised and regulated insurance company, Pension Insurance Corporation (“PIC”), brings safety and security to scheme members’ benefits through innovative, tailored solutions. PIC has over £3.5bn in assets under management and has insured c.50,000 pension fund members. Its solutions include pension insurance buyout, pension insurance buy-in and longevity risk insurance. 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

About Barnett Waddingham

Barnett Waddingham LLP is the UK’s largest independent firm of actuaries and consultants. The firm works with Corporates, Trustees and Individuals in both the private and public sector, offering clear advice and a full range of professional advice including trustee consulting, employer pensions advice, pension management and administration, investment strategy, public sector pensions, risk benefits, life and general insurance consulting as well as the provision of SIPPs, SASSs and specialist executive pension plans’.

The firm has grown steadily since its inception in 1989. There are currently 42 partners and over 450 staff, based in 7 locations around the UK (Amersham, Bromsgrove, Cheltenham, Glasgow, Leeds, Liverpool and London).

Barnett Waddingham is also the UK representative of NORACS (North American Actuarial Consulting Services) and EURACS (European Actuarial Consulting Services). For further information please visit www.barnett-waddingham.co.uk

About BESTrustees

BESTrustees is one of the UK's leading independent trustee companies. We combine the talents of experienced individuals, who are recognised leaders in the pensions industry, with the security of a strong, well-established corporate trustee, to offer a superior quality independent trustee service. Independent trusteeship is our sole business.

The Company, owned by its Directors and Executives, has grown since inception in 1992 to act as a trustee to over 130 defined benefit, career average and defined contribution schemes with over £60 billion in assets under management. Our schemes, looked after by our 22 professional staff, range from the very large to the small, reflecting the diverse nature of pension schemes in the UK.

For further information on BESTrustees plc please contact: www.bestrustees.co.uk