



PENSION INSURANCE CORPORATION INSURES PENSIONER LIABILITIES FOR THE LONDON STOCK EXCHANGE RETIREMENT PLAN

London, 16 May 2011 – Pension Corporation, a leading provider of risk management solutions to defined benefit pension funds, today announces that the Trustees of the London Stock Exchange Retirement Plan (“the Plan”) have entered into a pension insurance agreement with Pension Insurance Corporation (“PIC”) to insure around £200 million of the scheme’s liabilities. The insured liabilities cover the scheme’s pensioner members.

As part of the transaction, the Trustee Board and PIC have also agreed to create a unique and innovative structure which means the Plan will also insure future pensioners in annual tranches over the next five years.

Chris Broad, Chairman of the Trustee Board, said:

“The Trustee Board closely monitors the Plan’s funding position and risk profile. It is a well-funded Plan and we have worked with KPMG to develop a strategy of de-risking the Plan, a part of which is to insure pensioner liabilities fully through a bulk annuity. Following a full market review, we chose PIC because of their flexibility and competitiveness.”

Doug Webb, Chief Financial Officer of London Stock Exchange Group Plc, said:

“The agreement with Pension Insurance Corporation is an important step in our overall strategy to de-risk the London Stock Exchange Retirement Plan. We are very pleased with the outcome and look forward to working with PIC.”

Roger Higgins, Partner at KPMG in the UK, Scheme Actuary to the Plan, said:
“The London Stock Exchange Retirement Plan is one of a number of schemes we have helped to de-risk in part through insurance. We are delighted to have worked with the company, the Trustees and with PIC who were able to provide an innovative, tailored insurance solution. Their approach is in line with a continuing trend in the pensions industry towards eventual settlement of all pension liabilities.”

Jay Shah, co-Head of Business Origination, Pension Insurance Corporation, said:
“We’re delighted to have provided a tailored insurance solution for the Trustee Board. We were delighted to work with KPMG and the Trustees through this process. Financial analysts are increasingly sensitive to pension scheme volatility and the demands this can make on the company. We are seeing a swell of activity as even the largest companies, both UK and multi-national, seek to manage their pension exposures”.

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Notes to Editors:

1. The transaction was concluded on a buy-in basis
2. A pension insurance buy-in is an investment by the trustees of a defined benefit pension fund which allows them to transfer inflation, longevity, investment and interest-rate risk to an insurer for an upfront premium. The premium secures a stream of income exactly matching outgoing pension payments. The insured pensioners remain within the Trust structure.

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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 £4bn in assets and has insured more than 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 corporate 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