



Press Release

Thursday 17 June 2010

PENSION FUNDS COMMENT ON BP DIVIDEND

Commenting on the announcement today about BP's dividend payment, Joanne Segars, NAPF Chief Executive, said:

"The ability of pension funds to pay the pensioners of today and tomorrow should not be affected. Pension funds are very long-term investments, and are diversified across many asset classes and many companies. We estimate that BP accounts for around 1.5% of a typical pension fund portfolio, so the damage done by the fall in the share price and the dividend decision is not material to the provision of pensions in the UK.

"As the scale of the disaster has become clearer and the costs of the clean-up rise, the decision to suspend the dividend is an understandable move by the company, and should be recognised as such by investors. However, there remains considerable uncertainty around the company's future dividend policy and its growth prospects. Shareholders will have some testing questions for the board."

Notes to Editors:

The NAPF is the leading voice of workplace pensions in the UK. We speak for 1,200 pension schemes with some 15 million members and assets of around £800 billion. NAPF members also include over 400 businesses providing essential services to the pensions sector.

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