



News Release

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Corporate Affairs

FOR IMMEDIATE RELEASE

FUNDING STATUS OF U.S. PENSION PLANS IMPROVED 3.9 PERCENT IN MAY, ACCORDING TO MELLON FINANCIAL

PITTSBURGH, June 5, 2007 – Favorable stock and bond markets contributed to an improvement of 3.9 percentage points in the funding of a typical U.S. pension plan in May. For the year to date, the typical plan is ahead by 7.5 percentage points.

“U.S. stock markets had an excellent month, sending pension plan asset values higher,” said Peter Austin, executive director of Mellon Pension Services. “At the same time, long-maturity interest rates increased 20 basis points in May, reducing the value of pension liabilities significantly. Higher yields decrease the value of bonds and pension liabilities.”

Assets of a moderate risk pension portfolio increased 1.7 percent in May, while the value of typical pension liabilities fell 2.2 percent. For the year to date, moderate risk assets are up 6.1 percent while typical liabilities are down 1.3 percent.

Unexpected changes in a plan’s demographics, among other factors, also affect the size of the benefit liability. The Mellon Pension Liability Indexes, which were launched in March 2006, are designed to track the market values and returns of pension liabilities for young, average and mature pension plans. (See more about the indexes at

http://www.melloninstitutional.com/public/knowledge/publications/content/publications/liability_index.html.)

Mellon Pension Services, together with the investment subsidiaries of Mellon Asset Management and Mellon Asset Servicing, offers comprehensive solutions to a wide variety of plan sponsors’ goals and challenges.

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