

ANNUAL REPORT

2008

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Introduction

Investments

With a return of 4.4 per cent before and 3.7 per cent after tax on yields of certain pension-scheme assets, Industriens Pension has generated a satisfactory result, despite the very difficult conditions on the financial markets in 2008.

Before the financial crisis began, the proportion of shares was reduced, thereby limiting the consequences of heavily falling prices on stock markets.

In 2007 Industriens Pension decided to hedge interest-rate risks on liabilities by 100 per cent. The company therefore was not affected by the interest-rate drop in 2008. Instead the value of the interest-rate hedging increased as a result of the interest-rate drop. The investment assets, excluding strategic hedging of the interest-rate risk of liabilities, in 2008 yielded a negative return of 12.3 per cent before and a negative return of 10.5 per cent after tax on yields of certain pension-scheme assets.

As a result, Industriens Pension continued to have very large reserves at the start of 2009. With large reserves Industriens Pension has the option of increasing its investment risk when this is once again deemed attractive.

Costs

After having very low costs in 2007, costs returned to the 2006-level in 2008. In 2008 average costs were DKK 365 per member, plus DKK 53 per member for costs relating to sickness and accident insurance.

Industriens Pension continues to be one of most efficient pension companies. We have maintained a low level of costs as a result of our constant efforts to enhance the efficiency of our administration and offer a simple pension scheme with a limited, but adequate, product range that complies with our members' needs to supplement payments from the public sector.

The total investment costs represented 0.37 per cent of the investment assets in 2008.

Account rate

In 2008 Industriens Pension offered an account rate of 6.5 per cent per annum. Despite the negative trend on the financial markets, the relatively high interest rate was maintained throughout the year. This decision should be viewed in relation to the company's profitable reserve situation which means the company is able to offer a high account rate and continue its active investment strategy.

On 1 January 2009, the account rate was reduced to 2.5 per cent per annum because of the agreement on financial stability that the pension sector concluded with the Ministry of Economic and Business Affairs in 2008. The agreement was made to strengthen consolidation of the whole pension sector as a consequence of the financial crisis. According to the agreement, all pension companies are obligated to be prudent about their account rate in 2009.

In the past five years, Industriens Pension has achieved an average annual return on investments of 6.7 per cent after tax. The high return has meant that Industriens Pension has built up attractive reserves and given members a substantial rate of return on their savings. The account rate has been 5.15 per cent on average each year from 2005-2009.

Company in growth

The number of members of Industriens Pension increased by 14,786 to a total of 366,790 in 2008.

At the collective agreement negotiations in 2007, it was agreed to raise members' contributions to 11.1 per cent of members' pay from 1 July 2008 and 12.0 per cent from 1 July 2009. In 2008 Pension contributions to Industriens Pension came to DKK 6.4 billion after social security contributions.

In 2008, Industriens Pension paid a total of DKK 1.5 billion to members who were entitled to old age or disability pension, and members who suffered from certain critical illnesses. Surviving relatives also received payments from Industriens Pension. In addition, payments were made in connection with transfers when changing job and when members cancelled their membership.

More options and flexibility

The members were also given the opportunity to pay in extra contributions to their pension scheme in 2008. They could do this through the Fritvalgs Lønkonto (free choice account), established via the collective agreement or through individual payments. Savings in the optional supplementary extra pension scheme are made in a pension scheme payable in instalments on general market terms. About 9,000 members chose to use their option of paying extra in 2008.

All members must have the money to which they are entitled

In 2008 Industriens Pension continued efforts to increase members' knowledge about their coverage in the pension scheme. Members' knowledge rose considerably during the year, but a substantial number of members still do not know what they are entitled to. Therefore there is a risk that members might fail to obtain payment of their insurance sum if they become critically ill, because they do not contact Industriens Pension.

To ensure that all members are paid the money to which they are entitled, Industriens Pension has applied for access to coordinate the undertaking's membership register with the National Patient Register of the National Board of Health. In 2008 the National Board of Health rejected this request but Industriens Pension is still working on a solution that will enable the undertaking to contact members who are critically ill. Politicians as well as the pension sector support this initiative.

Merger with PNN PENSION and PHI pension

In 2008 Industriens Pension discussed the possibility of merging with Pensionskassen for Nærings- og Nydelsesmiddelarbejdere (PNN PENSION) and Pensionskassen for Håndværk og Industri (PHI pension). In January 2009 Industriens Pension concluded a merger agreement with the pension funds aiming at a merger on 1 January 2010. With this agreement Industriens Pension will obtain more than 50,000 new members.

The influx of new members and undertakings will increase the economies of scale in the longer term, thus contributing to keeping costs low for the benefit of current as well as new members of Industriens Pension.

Satisfactory results

Despite the difficult conditions on financial markets we look back on 2008 with satisfaction:

- The decision to hedge the interest-rate risk of our liabilities and reduce our share portfolio before the financial crisis hit in earnest ensured the undertaking a handsome positive return.
- The launch of extra pension has provided members with more freedom of choice. With extra pension, members may choose to increase their pension savings and thus ensure a better living standard when they retire.
- The previous years' growth rate continued in 2008 and despite a high level of activity, the undertaking succeeded in maintaining a low level of costs.
- Industriens Pension is being supported by the pension sector and politicians to find a solution to enable all critically ill members to receive the money to which they are entitled.
- Finally there is reason to be pleased and proud of the fact that pension funds in the food industry have selected Industriens Pension as their merger partner. This is an acknowledgement of the undertaking and the agreement emphasises that Industriens Pension will also deliver competitive results in the future.

Børge Frederiksen
Chairman

Hans Skov Christensen
Deputy Chairman

Members and Undertakings

Members

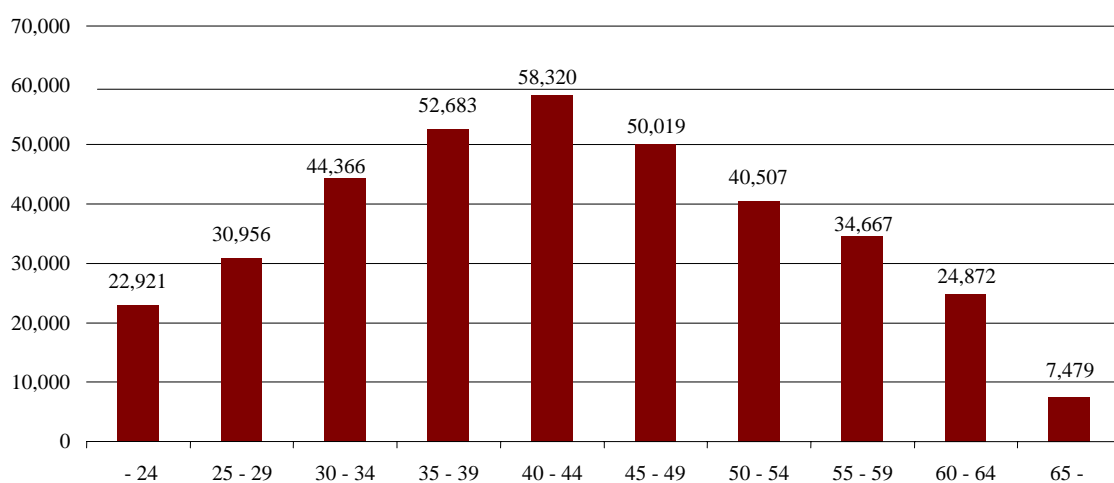
At the end of 2008 Industriens Pension had a total of 366,790 members, of whom 77 per cent were men. This number increased by 14,786 during 2008. Nearly 50 per cent of members were contribution-paying members. Pensioned members still make up a small percentage, but their number is rising.

Table 1 Number of members

<i>Member category</i>	<i>Number</i>	<i>Percentage</i>
Contribution-paying members	171,631	47%
Self-paying members	5,959	2%
Contribution-free covered members	49,612	14%
"Dormant" members	124,992	34%
Pensioned members	14,596	4%
Total	366,790	100%

The average age of members was 43.

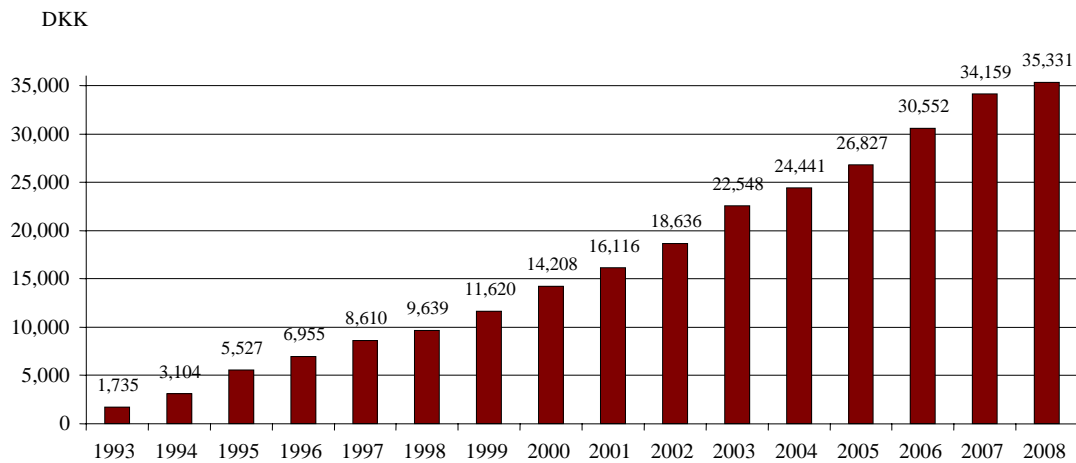
Figure 1 Members analysed by age



Contributions

In 2008 Pension contributions to Industriens Pension came to DKK 6.4 billion after social security contributions.

The average contributions from a member were DKK 2,944 per month, corresponding to DKK 35,331 per annum.

Figure 2 Average annual payments 1993-2008

The average annual pension contribution has been calculated before deduction of social security contributions. Transfers and single payments have been excluded from the calculation.

Concurrently with the growing contributions, savings for members' pensions are increasing as well. At the end of 2008, average pension savings for a contribution-paying member were DKK 148,023.

Payments to members

In 2008, Industriens Pension paid a total of DKK 1.5 billion to members. These payments were made to members receiving old age or disability pensions, members who have certain critical illnesses, members who transfer their pension schemes when changing jobs, or members who cancel their membership. Surviving relatives of members who have died also received payments from Industriens Pension.

Table 2 Disbursements

<i>Benefits</i>	<i>DKK mill.</i>
Old-age pensions	73
Lump sum on old-age retirement	129
Disability pensions	190
Disability lump sum	91
Installment assurance for surviving relatives	4
Death lump sum	209
Lump sum for certain critical diseases	46
Children's pensions	13
Lump sum on cancellation of membership	7
Transfers on change of jobs	739
Total	1,502

55 per cent of the members who applied for regular disability pension payments and payment of a lump sum on disability were awarded benefits. The remaining were refused as a medical assessment of their loss of ability to work deemed that they were not entitled to benefits.

Members applying for payment of a lump sum for certain critical illnesses were awarded the lump sum in 70 per cent of cases. The rest were turned down, mainly because their diagnosis was not covered, or because their diagnosis had been made before they were covered by the insurance.

Danish Insurance Complaints Board

Industriens Pension is attached to the Danish Insurance Complaints Board. In 2008, there were 25 complaints against our decisions. At the end of the year, there were 18 cases pending in the Complaints Board.

In particular, members disagreeing with our assessment of the scope of their loss of ability to work decide to approach the independent appeals body of the insurance sector.

The Complaints Board settled a total of 13 of the cases against Industriens Pension in 2008. Our decisions were upheld in all cases.

Bonuses and rebates on insurance

The net surplus must go back to members. This is why Industriens Pension gives bonuses and rebates on insurance to members in years that are better than expected, for example higher returns on investments or on insurance risks. Bonuses and premium rebates are thus repayments of net surpluses, used to increase members' pensions and to reduce payments for insurance cover.

Part of this surplus is used to accumulate reserves to provide protection against years in which the return on investments is low. This is to ensure that we can grant bonuses in less fruitful years as well.

In 2008, members received DKK 2.8 billion of the surplus by way of bonuses or rebates on insurance. This was achieved particularly by granting pension savings an annual interest rate of 6.5 per annum in 2008.

However, the individual members' payments for disability pensions were reduced by 35 per cent, payments for a lump sum on disability were reduced by 35 per cent, payments for a lump sum on death were reduced by 45 per cent and payments for a lump sum for certain critical illnesses were reduced by 35 per cent. The price reduction means increased savings for individual members' old-age pensions.

Furthermore, part of the surplus on the group life scheme was used to pay for the lump sum on death, on disability, and for certain critical illnesses for members with cover for a period where they are exempt from contributions. This is due to the collective and joint scheme applying for periods when no pension contribution is paid by a member. This may be due to unemployment or illness. Payment by the collective members of the group life premium for such members will ensure that they will still be covered for disability, death or critical illness. In 2008, an amount of DKK 66 million was used for this purpose.

Administration costs

Industriens Pension still has one of the lowest cost rates in the sector.

In 2008, the cost rate rose to 2.3 per cent from 2.1 per cent in 2007 (official key figures).

Table 3 Costs		2004	2005	2006	2007	2008
<i>Cost key figures</i>						
Cost rate		2.8%	2.6%	2.5%	2.1%	2.3%
Costs per person insured (DKK)		323	315	367	318	365

Administration costs per member amounted to DKK 365 on average (official key figures). The official key figure does not include costs pertaining to sickness and accident insurance averaging DKK 53 per member in 2008 against DKK 55 the year before.

Member undertakings

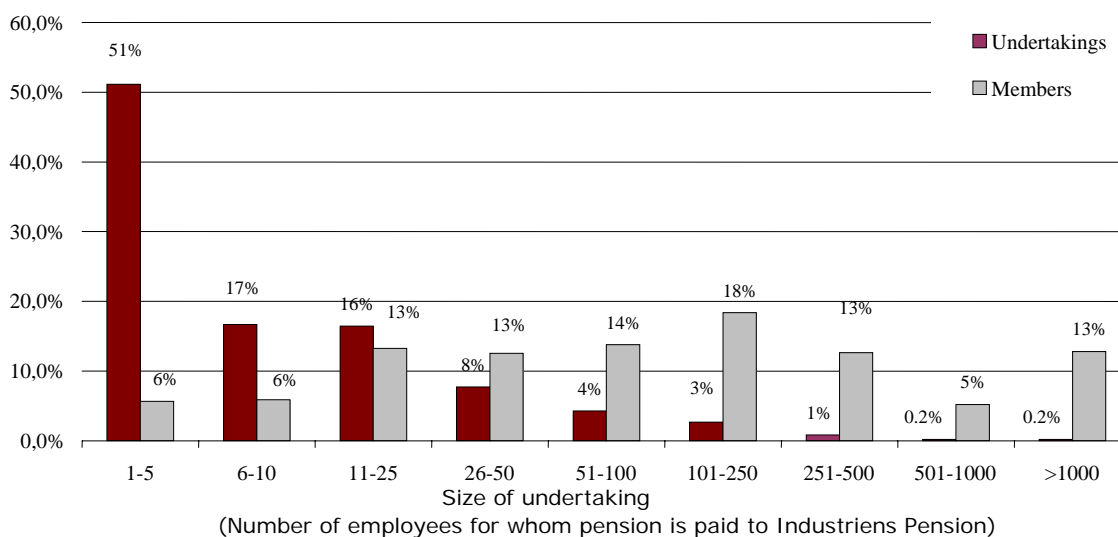
Contributions to members' pensions are made by the undertakings employing the particular members. In 2008, contribution-paying members were employed by almost 8,300 undertakings.

About half these undertakings are small undertakings paying contributions to Industriens Pension for 1 to 5 employees. Such contributions pertain to 6 per cent of the members of Industriens Pension.

At the opposite end, are the large undertakings. Half of contribution-paying members are employed by undertakings paying pension contributions for more than 100 employees.

A total of 13 undertakings are so big that contributions are made to Industriens Pension for more than 1,000 employees.

Figure 3 Members and undertakings analysed by size of undertaking



Customer service and communication

Throughout 2008 Industriens Pension were contacted by telephone by 102,000 members and undertakings. About 83 per cent of the calls were from members and 17 per cent from undertakings. A total of 96.6 per cent were answered and on average it took 33 seconds before customers were served. During this time, customers keyed in their civil registration number and their reason for calling.

In 2008 the number of emails increased by 50 per cent to about 15,000. Each inquiry is handled as quickly as possible on a day-to-day basis.

In 2008 Industriens Pension continued efforts to increase members' knowledge about their coverage in the pension scheme. Accordingly, knowledge about the benefits of the pension scheme rose considerably during the year, but a substantial number of members still do not know what they are entitled to.

The pension overview is still the information channel of most importance to the members. After a considerable simplification of the overview, satisfaction rose from 54 per cent in 2007 to 75 per cent in 2008. Satisfaction with the website rose from 10 per cent to 53 per cent. Satisfaction with letters and brochures from Industriens Pension also increased considerably.

Investment Activities

Returns

The result generated by Industriens Pension investment activities consists of the result of active administration of the investment assets, and of the result of strategic hedging of the interest-rate risk on liabilities.

The investment assets, including strategic hedging of the interest-rate risk, in 2008 yielded a return of 4.4 per cent before and 3.7 per cent after tax on yields of certain pension-scheme assets.

Particularly the strategic hedging of interest-rate risk on liabilities contributed to the positive return. This is because Industriens Pension, through interest-rate instruments, made a profit on the falling long interest-rates in Europe.

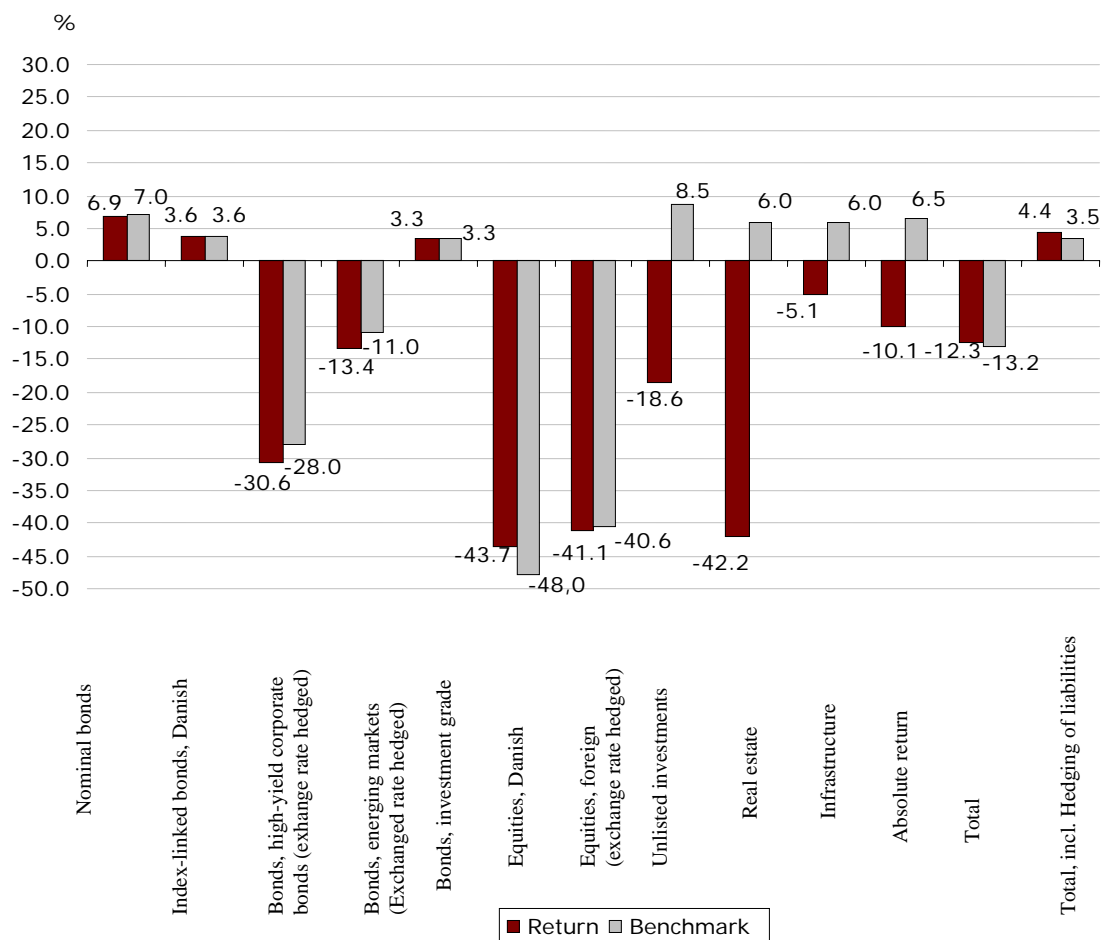
The investment assets, excluding strategic hedging of the interest-rate risk, in 2008 yielded a negative 12.3 per cent before and a negative 10.5 per cent after tax on yields of certain pension-scheme assets. Before tax on yields of certain pension scheme assets, the result was 0.9 percentage points higher than the return on the benchmark applied. The benchmark is a weighting of the market return for the respective asset types. For unlisted investments the bond yield plus a risk premium is used as the benchmark.

Fixed-rate bond reserves (primarily Danish and German government bonds and Danish mortgage-credit bonds) and index-linked bonds contributed positively to the return. However, the return on investments in corporate bonds, property and not least shares was very negative in 2008. This return partly reflects exacerbation of the developments on the financial markets, and partly it became increasingly clear in the 2nd half of 2008 that the world economy was facing a serious recession.

Figure 4 shows the return on Industriens Pension investments in 2008, as compared to the benchmark returns. Listed shares generated a negative return of 43.3 per cent. This meant an additional return of 4.7 percentage points in relation to the benchmark return of a negative 48.0 per cent.

Other than the additional return on Danish shares, the total additional return on Industriens Pension investments in 2008 can primarily be attributed to overweight of bonds and underweight of shares in the portfolio. In addition, the portfolio of financial instruments for management of the interest-rate risk generated a significant contribution to the total additional return.

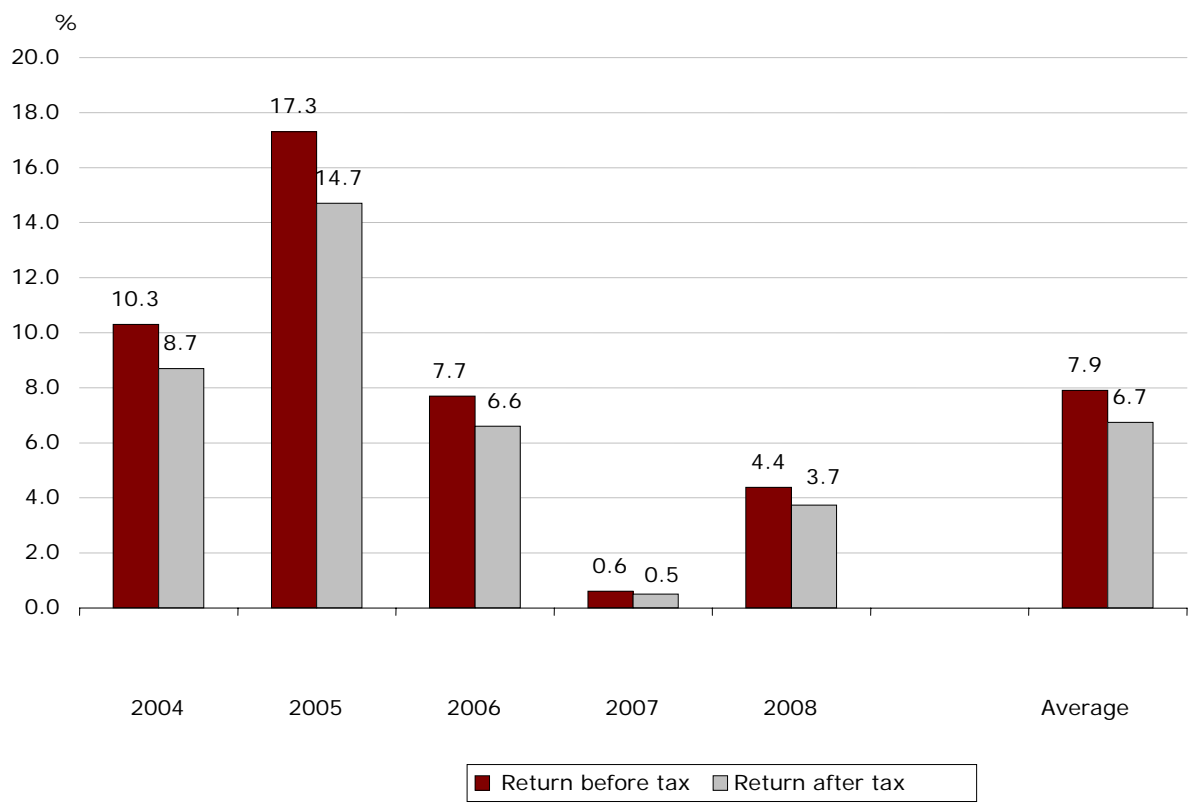
Figure 4 Return on asset types and their benchmark in 2008



Viewed over the last 5 years, the average return was 7.9 per cent before and 6.7 per cent after tax on yields of certain pension-scheme assets.

Compared to other Danish life-assurance and pension-insurance undertakings, the Industriens Pension return over the ten-year period from 1999-2008 has been among the highest.

Figure 5 Industriens Pension return before and after tax on yields of certain pension-scheme assets 2004-2008

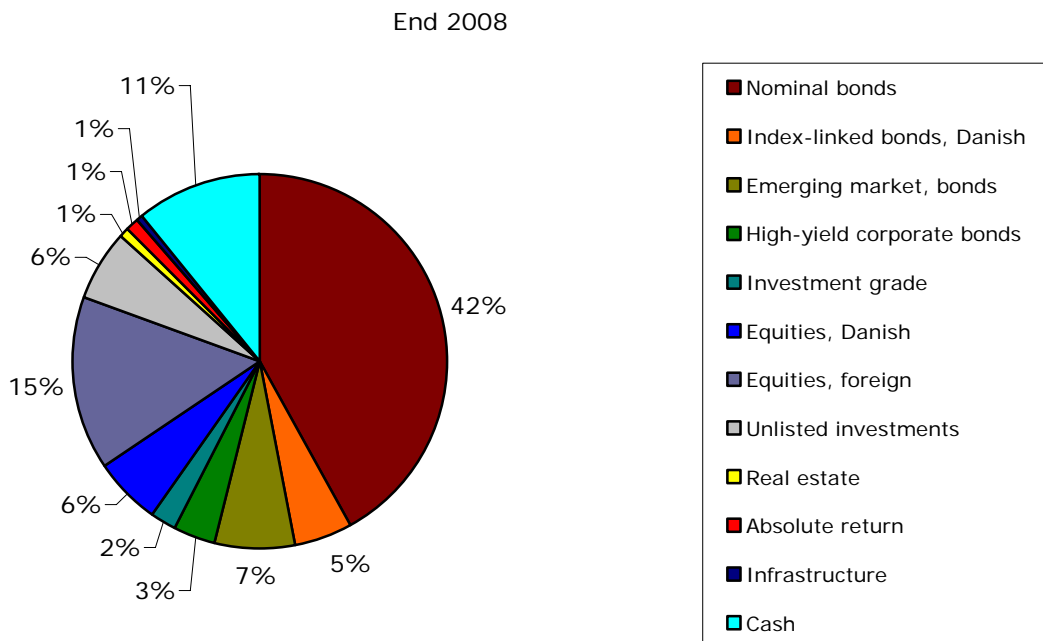
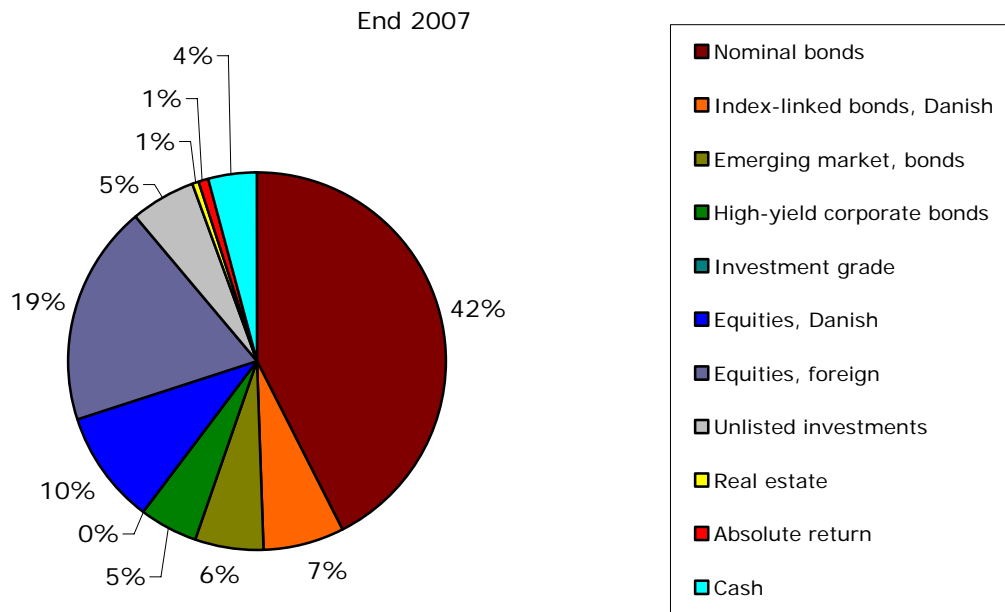


Total investment costs represented 0.37 per cent of the investment assets in 2008.

Investment assets

Figure 6 shows a breakdown by asset type at the start of 2008 and 2009. The large figure for liquid assets of 11 per cent at the start of 2009 covers the majority of state-guaranteed fixed-term deposits in banks, financed through loans on Danish fixed-rate bonds. At the start of 2009 exposures to fixed-rate bonds were thus larger than 42 per cent.

Figure 6 Break-down of investment assets by asset type end 2007 and 2008



Note: Percentages are stated incl. holdings in future. Cash includes bank deposits at end 2008, financed by repo-transactions

Figure 6: The percentage of shares was reduced in 2008, whereas the percentage of credit bonds was increased.

The percentage of Danish and foreign shares was reduced significantly in 2008, whereas the percentage of unlisted shares and mortgage bonds was increased. At the end of 2008, the most marked deviations from the benchmark were an underweight of Danish and foreign shares and an overweight of fixed-rate bonds and emerging markets and investment grade credit bonds.

Strategy

The Industriens Pension investment strategy aims at making a maximum return after costs and tax on yields of certain pension-scheme assets, while also taking account of the investment risk.

Investment assets are managed on the basis of an active strategy as the additional return from such a strategy is expected to more than offset the additional costs in comparison with the return deriving from a passive strategy which would merely yield the market return. Historically, Industriens Pension has achieved a substantial additional return by active asset management.

Industriens Pension investment activities are of a dual nature: Partly, hedging of the interest-rate risk on liabilities, and partly, active management of the investment assets.

Hedging of the interest-rate risk on liabilities is carried out by means of interest-rate swaps. From 2008, in principle the interest-rate risk on liabilities has been hedged 100 per cent. Position-taking can, to some extent, be active in relation to the benchmark. This hedging is to ensure that reserves are not affected unintentionally by significant fluctuations in interest rates.

The investment strategy for the actively managed investment assets is based on an overall fundamental allocation between asset types but with a certain latitude within which the asset types may be overweighted or underweighted. Within this latitude, the asset types may be overweighted or underweighted. The fundamental allocation framework and latitude are set up on the basis of the total Industriens Pension reserves.

An additional return in relation to the fundamental distribution (benchmark) may be achieved by overweighting or underweighting asset types, and by gaining additional returns in relation to benchmarks in the particular asset classes.

The fundamental framework for 2008 and 2009 is illustrated in table 4.

Table 4 Investment framework and latitude for 2008 and 2009				
<i>Asset type</i>	<i>Fundamental investment framework 2008</i>	<i>Latitude 2008</i>	<i>Fundamental investment framework 2009</i>	<i>Latitude 2009</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Bonds, guilt-edged, Except Danish index-linked bonds	37.5	12.5-62.5	40	15-65
Index-linked bonds, guilt-edged	7.5	0-15	5	0-10
Bonds, foreign, investment grade corporate bonds	0	0-7.5	0	0-7.5
Bonds, foreign, high yield corporate bonds	5	0-10	5	0-10
Bonds, foreign, emerging markets	5	0-10	5	0-10
Equities, Danish	10	5-15	10	5-15
Equities, foreign	20	10-30	20	10-30
Commodities	0	0	0	-2.5-+2.5
Unlisted equities	7.5	5-10	7.5	5-10
Real estate	2.5	0-5	2.5	0-5
Infrastructure	2.5	0-5	2.5	0-5
Absolute return investments	2.5	0-5	2.5	0-5
Cash	0	0-5	0	0-5
Counter-value of financial instruments	0	-	0	-
Total	100	-	100	-

As a new feature in 2009, commodity investments are included in the fundamental framework with a principle share of 0 per cent and a latitude of -2.5 to +2.5 per cent. Thus commodity investments become an opportunity that may be exploited if there are expectations of increases or decreases in commodity prices. At the start of 2009, no investments had been made in commodities.

Investment risk management

Since the start of 2008, Industriens Pension has implemented a new risk budget model to ensure that the undertaking has a general view of the total Industriens Pension investment risks at all times, and to ensure that these risks are at the level required. This risk budget allows us to assess the overall risk and to compare risk levels across asset classes. Such risk management also includes the interaction between assets and liabilities as well as calculations of the individual solvency need.

In various areas, there are statutory limits for maximum risks. For example, a maximum of 70 per cent of the insurance provisions may be invested in non-gilt-edged assets. Non-gilt-edged assets include items such as shares, corporate bonds, and bonds deriving from the emerging markets. There are also limitations on the amount of permissible investment in any single undertaking, in foreign currency, and in countries outside the OECD area.

To limit investment risks, Industriens Pension has set limits for maximum interest-rate, currency, and counterparty risks which are tighter than those set in the statutory requirements.

The currency risk is limited by statutory congruence rules. Furthermore, Industriens Pension has fixed maximum limits for the total non-hedged position in each currency. The currency risk on foreign bond investments, apart from bonds in EUR, will generally be hedged completely. Investments in bonds issued in EUR are hedged to a varying extent, depending on the prevailing interest and foreign exchange conditions. For foreign share investments, about 75 per cent of the currency risk deriving from the major currencies will be hedged.

Industriens Pension has a wide margin on the red as well as the yellow lights in the risk scenarios of the Danish Financial Supervisory Authority (the Danish FSA), and the undertaking has enough latitude to increase investments in more risky assets in the forthcoming period, if so required.

Ethics

Industriens Pension has set out the ethical guidelines outlined below:

“Industriens Pension believes that any particular undertaking invested in by Industriens Pension should show its capacity for adapting to developments in attitudes to the environment and ethics on the markets in which the undertaking is operating, this being critical to the success of the undertaking, and thus to the returns earned by Industriens Pension on investing in the undertaking.

Consequently, adaptation by the undertaking to local ethical and environmental standards will form part of investment decisions. It follows that the requirement by Industriens Pension to realise maximum return on investments will, in the long-term, coincide with making ethically and environmentally appropriate investments.

Industriens Pension will not buy shares in undertakings wilfully breaking rules laid down by national authorities in their countries of operation, or rules set by international organizations of which Denmark is a member.”

Industriens Pension practises full openness on all investments. Current holdings of all investments are stated on our website, enabling members and others to monitor in which enterprise investments are made.

Operational risks

Other than management of market and insurance risks, Industriens Pension has concentrated on management of operational and strategic risks.

The board of directors has adopted a risk-management policy for the purpose of:

- ensuring uniform good practices in connection with risk management
- ensuring that all substantial risks be identified and dealt with at the correct level
- creating a culture where the board of directors and board of management is able to make well-considered decisions that maximise the relationship between return and risk

In 2008, Industriens Pension implemented a risk-management model. By means of the risk-management model, the most important operational and strategic risks are identified and collected in a common IT-tool. The risks are grouped in the following categories:

1. Human resources risks
2. Compliance
3. Internal control culture
4. Attending to the individual customer
5. IT operations and development
6. Insufficient decision-making basis
7. General external communication
8. Fraud
9. Security
10. Management anchoring and division of responsibilities
11. Competitors and market conditions
12. Others

Each risk is measured in relation to consequence and probability, and is updated regularly.

Based on the identified risks, a risk image of Industriens Pension is drawn up with a view to prioritising the efforts compared to the risks.

Ownership and Management

Industriens Pensionsforsikring A/S and the company Industriens Pension Service A/S are wholly owned by IndustriPension Holding A/S and are part of the Industriens Pension group together with the wholly owned subsidiary, Industriens Pension IT A/S and Industriens Pension Professionel Forening f.m.b.a. in the group Industriens Pension.

Ownership

Industriens Pension was established by the parties behind the industrial collective agreement: the Confederation of Danish Industries (DI) and the CO-industri unions. Together, they paid up the share capital of DKK 125 million in the parent company, IndustriPension Holding A/S. The Confederation of Danish Industries (DI) owns 35 per cent of the share capital. The CO-industry unions hold 65 per cent, distributed as follows:

The United Federation of Danish Workers (3F)	37.00 per cent
The Danish Metalworkers' Union	21.96 per cent
The Danish Timber Trade Federation	3.80 per cent
The Danish Electrical Union	2.00 per cent
The Painters' Union in Denmark	0.12 per cent
The Plumber and Pipeline Union in Denmark	0.08 per cent
Dansk Funktionærforbund-Serviceforbundet	0.04 per cent

The board of directors

The board of directors of Industriens Pensionsforsikring A/S has 12 members: 6 employee members and 6 employer members. Employee members will always take the chair, employer members will always put up the deputy chairman.

The board of directors is composed as shown below:

Børge Frederiksen,

Group chairman of Industrigruppen, 3F, and deputy chairman of CO-industri, is the chairman of the board of directors

Hans Skov Christensen,

CEO of the Confederation of Danish Industries, is the deputy chairman

Other members of the board of directors (in alphabetical order):

Lars Andersen,

Director of the Economic Council of the Labour Movement

Kim Graugaard,

Deputy director general of the Confederation of Danish Industries

Lars Hansen,

Senior shop steward at Lindøværftet, Odense Staalskibsværft A/S

Thorkild E. Jensen,
Union chairman of the Danish Metalworkers' Union and Chairman of CO-industri

Johannes Madsen-Mygdal,
CEO, InterMail A/S

Jette Nielsen,
Shop steward, Radiometer Medical Aps

Jens Due Olsen,
Executive director

Bo Stærmose,
CEO, Juliana Drivhuse A/S

Bjarne Uldall,
Shop steward, Aarhus Karlshamn Denmark A/S

Carl Chr. Ægidius,
Executive director

Daily management

After 15 years as CEO, Erik Adolphsen retired on 1 February 2009. The board of directors appointed Laila Mortensen as the new CEO. Laila Mortensen was first employed at Industriens Pension in 1997 and entered the board of management in September 2007.

The board of management consists of *CEO* Laila Mortensen.

The management includes:

Laila Mortensen, *CEO*

Joan Alsing, *Insurance director*

Jan Østergaard, *Investment director*

The chief actuary is Rikke Sylow Francis, *Deputy director*.

Good and Proper Corporate Governance

For more information on good corporate governance, please refer to our website:
www.industrienspension.dk

Organisational links

Industriens Pension is a member of the sector organisation the Danish Insurance Association,
and of the Danish Employers' Association for the Financial Sector, the Insurance Complaints Board,
and PensionsInfo.

Outlook for 2009

Clear and transparent communication

In 2009, Industriens Pension intends to continue the work promoting openness and transparency in accordance with the sector recommendations. However, our objective is to go beyond the sector agreement, which is also in accordance with our traditional practice.

In 2009 we intend to strengthen internet-based communication and relaunch the company website. The aim is, in principle, to enable our customers to manage all aspects of their pensions completely through our website. The increasing use of the internet aims at meeting the communication needs of customers and undertakings in the best possible way, while improving cost efficiency.

Merger with PNN PENSION and PHI pension

In 2009 the merger with PNN PENSION and PHI pension on 1 January 2010 will be prepared. The aim is to ensure new members a good and smooth transition while maintaining efficient and streamlined administration at competitive prices for the benefit of current as well as future members.

Members and contributions

Industriens Pension members are expected to number about 380,000 in 2009, with about 8,000 member undertakings.

Total contributions, including contributions to sickness and accident insurance, are expected to amount to DKK 6.5 billion in 2009. Out of this, DKK 0.5 billion is expected to be paid to the government by way of social security contributions.

Investment activities

The investment strategy for 2009 is organized on the basis of the agreed fundamental investment framework. Deviations from the fundamental framework in the adopted latitude will be made to increase returns.

As a general rule, the interest-rate risks on liabilities will continue to be fully hedged. This hedging is to ensure that reserves are not affected unintentionally by significant fluctuations in interest rates.

The return on our company investment assets in 2009 is expected to be DKK 2.8 billion before tax on yields of certain pension-scheme assets. This has been budgeted on an assumption of largely unchanged Danish and foreign bond interest rates and a return on shares of about three percentage points above the bond rate of interest. The tax on yields of certain pension-scheme assets for 2008 is expected to be approx. DKK 0.5 billion. The total return, including the effect of the hedging of the interest-rate risk on liabilities, will be affected by developments in interest rates. For instance, as a general rule, a larger increase in long-term interest-rates will affect the total return negatively.

Expected result for 2009

For the financial year 2009, a result of DKK 200 million is expected.

Financial Review and Appropriation of Profit for the Year

Contributions

The total contributions in 2008 before social security contributions were DKK 6,951 million, against DKK 6,326 million in 2007. Social security contributions amounted to DKK 514 million in 2008.

Contributions for sickness and accident insurance before social security contributions have been recognised in the above figures for 2008 in the amount of DKK 419 million against DKK 354 million in 2007. Contributions for investment contracts introduced in 2008 (unit-linked contracts) are also part of the above for 2008, with DKK 18 million.

Result of investment activities

The result of investment activities before tax on yields of certain pension-scheme assets was DKK 2,210 million in 2008, as compared to DKK 96 million in 2007.

The total result of investment activities after tax on yields of certain pension-scheme assets was DKK 1,890 million in 2008, in comparison with DKK 110 million in 2007. The positive result was affected by an income before tax of DKK 8,894 million from financial instruments used for hedging of the interest-rate risk on liabilities.

Costs of investment activities were DKK 135 million in 2008, as compared to DKK 150 million in 2007. The drop was primarily due to a shift in the composition of investment assets.

Return on pension savings

Pension savings are added an interest of 6.5 per cent per annum. The interest amounted to a total of

DKK 2,319 million in 2008 against DKK 1,869 million in 2007, i.e. DKK 450 million more than in 2007. The increase in the addition of interest is primarily explained by larger pension savings carrying interest. In 2007 the interest was 5 per cent per annum for the first two months and 6.5 per cent per annum for the remaining ten months.

Insurance benefits

Industriens Pension paid DKK 1,312 million in benefits on life assurance, and a provision for a further DKK 18 million was made to cover claims pertaining to 2008 or earlier. A further amount of DKK 109 million has been transferred to sickness and accident insurance relating to payments for disability pensions established as sickness and accident insurance.

A total of DKK 221 million of benefits was paid on sickness and accident insurance.

Compensation in connection with The Taxation on Yields of Certain Pension Scheme Assets Act

(PAL compensation)

PAL compensation is an allowance for a change of the tax rules for index-linked bonds which was paid by SKAT (the Danish taxation authority) in 2008. The payment was made to Industriens Pension which, according to current regulations, has ensured that such funds are provided to persons who were members as at 31 December 2006. Members were able to choose between making a contribution to an existing pension scheme, transferring to another company, or payment. Industriens Pension has received a total of DKK 233 million in PAL compensation, of which our customers chose to deposit DKK 201 million on their savings with us.

Administration costs of insurance activities

The insurance business administration costs in connection with life-assurance activities were DKK 141 million, of which DKK 3 million can be attributed to costs related to administration of the PAL compensation.

Compared to 2007, the costs increased by DKK 24 million. The rise in costs mirrors a stabilised level in 2008 which was expected after the insourcing of administrative services at the start of 2007. A necessary staff increase and IT costs which for the 2nd half-year have no longer been covered by guarantee schemes for system deliveries are the most significant reasons for the increase.

Development and operation of the new IT systems is managed by the wholly owned subsidiary, Industriens Pension IT A/S. In connection with closing the year, a valuation of the development of the systems was made. This valuation resulted in a write-off of DKK 3 million in the subsidiary.

Members paid a total of DKK 416 million to cover costs in 2008, excluding sickness and accident insurances. Actual costs for life-assurance were DKK 138 million. The cost surplus was thus DKK 278 million. Of this, an amount of DKK 274 million was transferred to members by way of a special bonus provision. The cost surplus is recognised in the realised result which is appropriated between the members, the special bonus provision and the company equity capital.

Risk result

In 2008, Industriens Pension showed a surplus on the risk result excluding sickness and accident insurance of DKK 162 million. This risk surplus was generated as a surplus of DKK 135 million on the individual scheme, primarily from payments for the right of contribution exemption, and a surplus on the group life scheme of DKK 27 million. This risk surplus was generated because fewer members than expected died, became disabled or critically ill. Like the cost surplus, the risk surplus has been recognised in the realised result and appropriated between the members and the company equity capital.

Provisions

At the end of 2008, DKK 40,972 million life assurance provisions had been provided, of which the main part covers savings for members' pensions. A further DKK 2,965

million of outstanding claims provisions was provided to cover claims pertaining to 2008 or earlier.

At the end of 2008, DKK 4,418 million had been provided for collective bonus potential, aiming to secure a stable bonus for members in the years to come. In 2008, a total of DKK 594 million was used from a collective bonus potential to members in order to maintain the account rate at 6.5 per cent.

A further DKK 295 million was provided for bonus and premium discounts on sickness and accident insurance as well as DKK 464 million as bonus provision on group life scheme, due to a favourable result for the financial year. Such provisions will fall to the insurance holders as premium rebates in 2009.

Special bonus provisions of DKK 1,692 million have been added to the base capital to cover the capital requirement. This provision represents venture capital, built up by the members and made available to cover the capital requirement. This provision ranks with equity capital and carries the same interest. The positive special bonus provisions will be returned to members, at the latest when paying benefits under the scheme.

In 2008, Industriens Pension introduced a market interest-rate product to the product portfolio. In connection with the renewal of the collective agreement in industry, employees were given the opportunity to use a Fritvalgs Lønkonto (free choice account) for their pension. In Industriens Pension, contributions from this source were invested in the new market interest-rate product (*ekstrapension*), and the total contributions to this amounted to DKK 18 million.

Total provisions for insurance and investment contracts were thus DKK 50,920 million at the end of 2008.

Result for year and appropriation

The result for the year shows a profit of DKK 131 million, as against a profit of DKK 101 million in 2007. The result for the year has been transferred to equity capital which then totalled DKK 3,202 million.

The result for the year of DKK 131 million is made up as follows:

Table 5	Profit for the year	DKK mill.
	Return on equity	134
	Share of return on risk for period	0
	Share of profit on sickness and accident insurance	16
	Share of change in capital requirement on group life	0
	Profit before tax on yields of certain pension-scheme assets	150
	Equity capital share of tax on yields of certain pension-scheme assets	-19
	Profit for the year	131

The rules Industriens Pension has laid down for distribution of profit entail that the equity capital bears interest on the actual return before tax on yields of certain pension-scheme assets. Subsequently, an adjustment is made for the equity capital share of tax on yields of certain pension-scheme assets. Further, a share of sickness

and accident insurance and a share of the change in the capital requirement on group life are recognised in the result for the year.

For 2008, the risk return was fixed at 0 per cent.

The realised result is the funds which are to be appropriated between equity capital and special bonus provision on the one hand, and members on the other hand. Calculation of the realised result is before crediting bonuses to members and before payment of tax on yields of certain pension-scheme assets.

The result realised for 2008 was DKK 2,264 million.

Table 6	Realised profit or loss on life assurance	DKK mill.
	Technical loss on life assurance	-8
	Share not recognised in profit or loss (group life)	0
	Tax on yields of certain pension-scheme assets	320
	Transferred from investment return from life	115
	Bonus allocated	2,129
	Change in special bonus provision	243
	Change in collective bonus potential	-594
	Distribution of special bonus provision	59
	Realised profit	2,264

Financial position

The base capital, consisting of equity capital and special bonus provision, is to cover the company's capital requirement. A capital requirement of DKK 1,605 million and a base capital of DKK 4,894 million thus leaves a margin of 205 per cent.

Since the end of 2007 the company has calculated an individual solvency need.

Table 7	Financial position	DKK mill.
	Equity capital	3,202
	Special bonus provision	1,692
	Base capital	4,894
	Solvency requirement	1,605
	Solvency ratio	305%
	Ratio of excess solvency to provisions	8%
	Ratio of bonus potential to provisions	11%

In 2008 Industriens Pension was given a "green light" in relation to risk scenarios of the Danish FSA.

Agreement on financial stability

The agreement on financial stability which the pension sector concluded with the Danish Ministry of Economic and Business Affairs in the autumn of 2008 meant that when calculating provisions, the basis should be a yield curve adjusted so that the

yield spread between the interest rate on government bonds and mortgage-credit bonds does not affect the financial statements of pension companies inappropriately.

Industriens Pension does not apply the whole yield curve but rather the ten-year interest-rate. In 2008, the ten-year adjusted interest rate was used whereas in 2007 the ten-year interest rate of the yield curve published by the Danish FSA was used.

Using the adjusted yield only has significance for the distribution of provisions for life assurance and provisions for the collective bonus potential. The effect is shown in the table below.

DKK mill.	Ten-year point on		Difference
	Adjusted yield curve	Previous yield curve	
Change in life assurance provisions	-6,434	-6,441	7
Change in collective bonus potential	594	601	-7
Profit for the year	131	131	0
Guaranteed benefits	9,469	10,158	-689
Bonus potential on future premiums	21,641	21,356	285
Bonus potential on free policies	9,861	9,464	397
Total life assurance provisions	40,972	40,979	-7
Collective bonus potential	4,418	4,411	7
Total liabilities	61,783	61,783	0
Equity	3,202	3,202	0
Special bonus provisions	1,692	1,692	0
Total base capital	4,894	4,894	0
Solvency requirements	1,605	1,622	-17

Transition to yield curve

From 1 January 2009 Industriens Pension will use the yield curve instead of calculating provisions based on the ten-year point, as before. The transition means that total life-assurance provisions as at 1 January 2009 rose by DKK 13 million to DKK 40,985 million.

Events after the end of the financial year

From the accounting date and up to today's date, no matters have occurred which affect the view given in the annual financial statements.

Five-Year Financial Summary

DKK million	2004	2005	2006	2007	2008
Premiums	3,931	4,211	5,186	5,556	6,033
Insurance benefits	1,044	1,086	1,061	1,138	1,440
Investment return	2,452	4,914	2,796	96	2,210
Insurance operating expenses	124	108	129	117	141
Profit or loss of reinsurance	0	-3	-3	-3	-2
Insurance technical profit or loss	442	-1	-29	-38	-8
Insurance technical profit or loss of sickness and accident insurance	279	120	133	131	24
Profit for the year	861	436	274	101	131
Provisions for insurance and investment contracts	26,193	33,407	39,680	44,219	50,920
Equity	2,147	2,696	2,970	3,071	3,202
Total assets	28,474	36,499	42,960	48,318	61,783
Key ratios for sickness and accident insurance					
Gross claims ratio	72.8%	159.8%	126.2%	86.8%	98.0%
Gross expense ratio	5.8%	5.5%	5.1%	3.8%	4.8%
Combined ratio	79.8%	165.7%	131.7%	90.9%	103.2%
Operating ratio	66.4%	88.2%	90.7%	77.5%	83.4%
Key ratios for life assurance					
Return before tax on yields of certain pension-scheme assets	10.0%	16.4%	7.3%	0.2%	4.4%
Return after tax on yields of certain pension-scheme assets	8.5%	14.1%	6.4%	0.2%	3.7%
Expenses as a percentage of premiums	2.8%	2.6%	2.5%	2.1%	2.3%
Expenses as a percentage of provisions	0.6%	0.5%	0.5%	0.4%	0.4%
Expenses per member	DKK 323	DKK 315	DKK 367	DKK 318	DKK 365
Profit or loss on expenses	0.81%	0.79%	0.78%	0.82%	0.66%
Profit or loss on insurance risk	0.52%	0.59%	0.67%	0.35%	0.36%
Ratio of bonus potential to provisions	16.1%	22.0%	23.1%	14.6%	10.9%
Ratio of customers' funds to provisions	3.1%	3.8%	4.2%	4.2%	4.2%
Ratio of owners' funds to provisions	10.8%	11.4%	10.4%	9.0%	7.9%
Ratio of excess solvency to provisions	8.3%	9.8%	9.3%	9.4%	8.1%
Solvency ratio	250%	282%	275%	347%	305%
Return on equity before tax	21.3%	19.8%	10.6%	3.3%	4.8%
Return on equity after tax	20.4%	17.6%	9.7%	3.3%	4.2%
Return on insurance provisions	7.0%	15.9%	6.4%	0.8%	3.5%
Rate of return on special bonus provisions, type B	9.0%	19.5%	10.0%	3.1%	4.9%

Statement by Management

The board of management and the board of directors have today considered and adopted the annual report for 2008 for Industriens Pensionsforsikring A/S.

The annual report is presented in accordance with the Financial Business Act. In our opinion, the annual report provides a true and fair view of the company's assets and liabilities, and financial position at 31 December 2008 as well as of the result of the company's activities and cash flows in the period 1 January 2008 – 31 December 2008. Furthermore, we believe that the management review provides a true review of the development of the activities and financial circumstances as well as a description of the most significant risks and uncertainty factors that may influence the company.

We recommend the annual report for adoption at the annual general meeting.

Copenhagen, 13 March 2009

Board of management:

Laila Mortensen
CEO

Board of directors:

Børge Frederiksen
Chairman

Hans Skov Christensen
Deputy chairman

Lars Andersen

Kim Graugaard

Lars Hansen

Thorkild E. Jensen

Johannes Madsen-Mygdal

Jette Nielsen

Jens Due Olsen

Bo Stærmose

Bjarne Uldall

Carl Chr. Ægidius

Independent Auditor's Report

To the shareholders of Industriens Pensionsforsikring A/S

We have audited the annual report for Industriens Pensionsforsikring A/S for the financial year 1 January – 31 December 2008, including the statement by management, management report, accounting policies, income statement, balance sheet, equity statement, cash flow statement, and notes. The annual report is presented in accordance with the Financial Business Act.

Management's responsibility for the annual report

The management is responsible for preparing and presenting an annual report providing a true and fair view in accordance with the Financial Business Act. This responsibility includes drawing up, implementation, and maintenance of internal controls relevant for preparing and presenting an annual report providing a true and fair view without material errors and regardless of whether such errors may be due to fraud or error, as well as choosing and applying appropriate accounting policies and making accounting estimates which are reasonable given the circumstances.

Auditor's responsibility and the audit performed

Our responsibility is to express an opinion on the annual report based on our audit. We have conducted our audit in accordance with Danish auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In the risk assessment, the auditor considers the internal controls which are relevant to the preparation and presentation of an annual report by the company providing a true and fair view, with a view to preparing auditing procedures appropriate in the circumstances, though not for the purpose of expressing a conclusion about the effectiveness of the internal controls of the company. An audit further includes determining whether the accounting estimates made by the management are reasonable, as well as an assessment of the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report provides a true and fair view of the company's assets, liabilities, and financial position as at 31 December 2008, as well as of the result of the company activities and cash flows for the financial year 1 January – 31 December 2008 in accordance with the Financial Business Act.

Copenhagen, 13 March 2009

Deloitte
Statsautoriseret Revisionsaktieselskab

Søren Dinesen
State-authorised public accountant

Kasper Bruhn Udam
State-authorised public accountant

Applied Accounting Policies

General

This annual report has been prepared in accordance with the regulations of the Financial Business Act, as well as the Executive Order from the Danish FSA on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds (Executive Order on the Presentation of Financial Statements).

This annual report has been presented in accordance with the same accounting policies as applied last year.

All amounts shown in the financial statements are presented in whole million DKK. Each figure is rounded separately so there may be differences between the totals stated and the total of the underlying figures.

No consolidated financial statements are presented for the company. The company and its subsidiaries Industriens Pension IT A/S and Industriens Pension Professionel Forening f.m.b.a. are, together with the affiliate Industriens Pension Service A/S, included in the consolidated financial statements of IndustriPension Holding A/S.

Correction of mistakes in the annual report for 2007

In 2007, an amount of DKK 139 million was recognised as revenue by mistake. The mistake occurred in connection with recognition of insurance administration and the launch of new IT systems in 2007. Profit and equity were not affected by the correction. Premiums and provisions for life assurance were reduced by DKK 139 million.

Figures for comparison, notes and five-year financial summary for 2007 were adjusted in accordance hereto.

The income statement

Income from insurance activities

Premium income net of reinsurance

Premium income net of reinsurance covers reported premiums until and including 19 January 2009 that pertain to 2008. Premiums reported after 19 January 2009 will be recognised as revenue in 2009. Premiums recognised as revenue, not paid as at 31 December 2008, were included as receivables.

Premium contributions concerning investment contracts with no right to bonus, are recognised directly in the balance sheet.

Social security contributions are deducted from premium income according to the directions issued by the Danish Financial Supervisory Authority. Gross premiums are adjusted for reinsurance premiums ceded.

Income from investment assets

Income from group undertakings

Includes the share of the result in subsidiaries.

Interest income and dividends, etc.

Includes the interest earned and dividends received on securities and liquid assets for the financial year. Furthermore, index adjustments on index-linked bonds are included.

Value adjustments

This item covers realised as well as unrealised gains and losses as well as exchange rate adjustments on investment assets.

Administration expenses in connection with investment activities

Administration expenses in connection with investment activities include fees for external portfolio managers, trading and depositary charges, as well as own costs for administration of investment assets.

Tax on yields of certain pension-scheme assets

Tax on yields of certain pension-scheme assets is expensed by the amount calculated on the calculated tax base for the financial year, as well as the change in the provision for deferred tax on yields of certain pension-scheme assets.

Expenses of insurance activities

Benefits paid net of reinsurance

Benefits net of reinsurance include pension scheme benefits paid in the year, adjusted by the change in claims provisions for the year and after deduction for the reinsurance cover.

Change in life-assurance provisions

The change in life assurance provisions is the difference between start and end value of the provisions for life assurance. In 2008 the change in the provision furthermore includes the refund recognised as revenue for costs incurred for administration of the PAL compensation.

Change in collective bonus potential

Change in collective bonus potential is the part of the realised result accruing to the insurance portfolio beyond the bonus already allocated. In years with a negative realised result on the insurance portfolio after deduction of bonus already allocated, this item will use the collective bonus potential provided in previous years.

Change in bonus provisions for group life scheme

The result for the year on the group life scheme is appropriated to bonus and is used to reduce future premiums.

Change in special bonus provisions

Change in special bonus provisions includes a return on the previous year's provision, including any risk return for the year and previous years, as well as the net amount contributed by the members during the year. Finally, the special bonus provision includes a proportionate share of the result of sickness and accident insurance, as well as any change in the capital requirement of the group life scheme.

Change in provisions for unit-linked contracts

Change in provisions for unit-linked contracts includes investment return after tax on yields of certain pension scheme assets and after investment costs that pertain to unit-linked contracts.

Administration costs

Administration costs include costs related to life assurance activities. In 2008 this item also included costs incurred by Industriens Pension for administration of the PAL compensation.

Group internal transactions are included under administration costs. These arise from administration for IndustriPension Holding A/S, Industriens Pension IT A/S and Industriens Pension Service A/S, for which administration fees are received. These are calculated according to management agreements on a cost-recovery basis. Further, an agreement has been made with Industriens Pension IT A/S on the purchase of IT operating and development costs on market-based terms. Beyond this, there were no material intra-group transactions.

Investment return transferred

Investment return transferred makes up the part of the investment return not included in the insurance technical result. Investment return transferred covers the investment return on provisions for accident and sickness insurance and investment return on equity.

Insurance technical profit or loss of sickness and accident insurance net of reinsurance

The result of sickness and accident insurance has been calculated according to the rules of sickness and accident insurance. The result of sickness and accident insurance is specified in the notes.

The balance sheet

Tangible Assets

Equipment

Acquisitions of sundry furniture, office equipment and computer hardware are expensed in the year of acquisition under other external expenses.

Technical equipment etc. is measured at cost less depreciation. Straight-line depreciation is made over the expected life of assets, which has been fixed at five years.

Registered office property

Registered office property is recognised at revalued amount. Value adjustments are recognised directly in the equity capital.

Investment assets

Holdings in group undertakings

Holdings are recognised at the proportionate share of the equity capital of the undertakings.

Holdings and units in investment associations

Danish and foreign listed shares and units in investment associations are measured at official closing prices on the balance sheet date. A calculated rate is used for share and investment association units that are not actively traded.

Unlisted shares and unlisted units in investment associations are measured at fair value using recognised methods.

Bonds

Bonds are measured at official closing prices on the balance sheet date. A calculated rate is used for bonds that are not actively traded.

Repo transactions

Bonds that are sold and repurchased forward (genuine sale and repurchase transactions) are part of the bond portfolio.

Derivative financial instruments

Futures, purchase and sales options, as well as other derivative financial instruments, are recognised at their current value measured at mid-market prices on the balance sheet date.

Recognition

Investment assets are recognised in the balance sheet on the settlement date. Information on prices etc. appearing after the closing date of the financial statements will only be recognised if these are material to the assessment of the annual report.

Investments linked to unit-linked contracts

Investments linked to unit-linked contracts include assets for investment contracts at market value, calculated in accordance with the same principle as corresponding investment assets.

Provisions for insurance and investment contracts

Premium provisions

These cover provisions for increasing risk on account of rising age for sickness and accident insurance policies deemed necessary to cover claims and costs in subsequent financial periods for insurance policies in effect on the balance sheet date.

Life-assurance provisions

Life-assurance provisions are calculated as the capital value of the total commitments on expected future insurance benefits based on a fixed discount rate as well as assumptions on insurance risk and costs, fixed at best estimate. The statement of the life-assurance provisions recognises a premium relating to the uncertainty of fixing best estimate on insurance risk. A fixed discount rate is used, namely the 10-year rate on the adjusted yield curve stipulated in the agreement between the pension sector and the Danish Ministry of Economic and Business Affairs, less tax on yields of certain pension-scheme assets. Life-assurance provisions are made by the company chief actuary based on the technical basis notified to the Danish FSA. Life-assurance provisions are divided between guaranteed benefits, bonus potential on future premiums, and bonus potential on paid-up policy benefits.

The use of the adjusted yield curve rather than the yield curve stated by the Danish FSA is considered a change of accounting estimate, and accordingly comparative figures for 2007 have not been adjusted in the financial statements.

Guaranteed benefits include commitments to pay benefits guaranteed on the insurance policy. Guaranteed benefits are calculated as the net present value of the benefits guaranteed on the insurance policy, as well as the net present value of the expected future expenses for administration of the insurance policy less the net present value of the agreed future premiums. Guaranteed benefits are calculated taking into account rewriting of contracts to paid-up policy and surrender. Guaranteed benefits contain an estimated amount to cover future benefits originating from insured events occurring in the financial year but not registered at the end of the financial year.

Bonus potential on future premiums covers the net present value of commitments to pay bonuses on agreed premiums not yet due. Bonus potentials on future premiums are made up for the portfolio of the bonus-entitled insurance policies as the difference between the value of the guaranteed paid-up policy benefits and the value of guaranteed benefits.

Guaranteed paid-up policy benefits are the benefits guaranteed on the insurance policy if the policy is converted into a paid-up policy. The value of the guaranteed paid-up policy benefits is calculated as the net present value of the guaranteed paid-up policy benefits plus the net present value of the expected future expenses for administration of the paid-up policies.

Bonus potential on paid-up policy benefits covers the net present value of commitments to pay bonuses on premiums already due etc. Bonus potentials on paid-up policy benefits are calculated as the value of policy holder savings less the guaranteed benefits, bonus potentials on future premiums, and the net present value of the future administration results.

Claims provisions

These include insurance benefits due but not yet paid, including bonuses as well as other unpaid insurance benefits pertaining to events occurring in the financial year, or earlier.

Claims provisions on sickness and accident insurance include amounts to cover claims arising before the end of the year but not yet paid.

Claims provisions on sickness and accident insurance settled by regular payments have been calculated at their net present value in accordance with actuarial principles by discounting the expected future payments applying the 10-year point on the Danish Financial Supervisory Authority interest-rate curve stated in the agreement between the pension sector and the Danish Ministry of Economic and Business Affairs less tax on yields of certain pension scheme assets.

Collective bonus potential

Collective bonus potential covers the insurance portfolio share of realised results allocated collectively for equalization of bonus allocation.

Provisions for bonus and premium rebates

Provisions for bonus and premium rebates are amounts in sickness and accident insurance accruing to policy holders owing to a favourable result in the financial year.

Bonus provisions for group life scheme

Pertaining to amounts to be used for reduction of future premiums in the group life scheme for death, disability, and critical illness.

Special bonus provision

The special bonus provision is recognised in the base capital ranking equally with the equity capital. The special bonus provision is venture capital made available by policy holders and constitutes part of the insurance provisions.

Provision for unit-linked contracts

The provision is the market value of the assets linked to the investment contracts.

Amounts payable

Amounts payable are measured at amortized cost.

Contingencies

Commitments regarding guarantees and sureties etc. on non-insurance matters are disclosed in a note to the annual report.

Income statement

Note		2008 DKK million	2007 DKK million
1	Gross premiums	6,033	5,556
2	Reinsurance premiums ceded	-2	-2
	Total premium income net of reinsurance	6,931	5,554
	Income from group undertakings	-75	-13
3	Interest income and dividends, etc.	1,827	1,707
4	Value adjustments	601	-1,443
	Interest paid	-9	-6
7	Administration expenses in connection with investment activities	-135	-150
	Total investment return	2,010	96
5	Tax on yields of certain pension-scheme assets	-320	14
	Investment return after tax on yields of certain pension-scheme assets	1,890	110
6	Benefits paid	-1,312	-1,027
	Reinsurance cover received	0	0
	Change in claims provisions	-18	-22
	Transferred to sickness and accident insurance	-109	-89
	Total insurance benefits net of reinsurance	-1,440	-1,138
14	Change in life-assurance provisions	-6,434	-5,715
	Change in reinsurers' share	0	0
	Total change in life-assurance provisions net of reinsurance	-6,434	-5,715
16	Change in collective bonus potential	594	1,586
17	Change in bonus provisions for group life scheme	-45	-54
18	Change in special bonus provision	-243	-250
	Total bonus	306	1,281
19	Change in provisions for unit-linked contracts	1	0

Income Statement (cont.)

Note		2008 DKK million	2007 DKK million
7	<u>Administration costs</u>	-141	-117
	<u>Investment return transferred (-)</u>	-221	-13
	INSURANCE TECHNICAL PROFIT OR LOSS	-8	-38
8	INSURANCE TECHNICAL PROFIT OR LOSS FROM SICKNESS AND ACCIDENT INSURANCE	24	131
	<u>Investment return on equity</u>	134	6
	PROFIT OR LOSS BEFORE TAX	151	100
	Tax on yields of certain pension-scheme assets for equity capital	-19	1
	<u>PROFIT OR LOSS FOR THE YEAR</u>	131	101

Balance Sheet

ASSETS		2008	2007
Note		DKK	DKK
		million	million
9	Equipment	0	1
10	Registered office property	68	69
	TOTAL TANGIBLE ASSETS	68	69
11	Holdings in group undertakings	379	74
	Loans to group undertakings	44	44
	Holdings in group undertakings	429	124
	Equity holdings	12,335	17,506
	Investment association shares	4,710	3,700
	Bonds	29,686	24,738
	Deposits with credit institutions	6,248	611
12	Other financial investment assets	7,383	424
	Total other financial investment assets	60,362	46,979
	TOTAL INVESTMENT ASSETS	60,790	47,103
19	Investment assets linked to unit-linked contracts	17	0
	Reinsurers' share of life-assurance provisions	0	0
	Reinsurers' share of claims provisions	0	0
	Total reinsurers' share of provisions for insurance contracts	0	0
	Amounts receivable from policy holders	460	455
	Other amounts receivable	28	14
	TOTAL AMOUNTS RECEIVABLE	488	470
	Current tax on yields of certain pension-scheme assets	0	217
	Deferred tax on yields of certain pension-scheme assets	0	14
	Cash at bank and in hand	0	0
	TOTAL OTHER ASSETS	0	230
	Interest receivable	419	446
	TOTAL ACCRUALS AND DEFERRED INCOME	419	446
	TOTAL ASSETS	61,783	48,318

Balance Sheet (cont.)

LIABILITIES		2008	2007
Note		DKK	DKK
		million	million
	Share capital	110	110
	Reserve for tax-free retained earnings	2,561	2,430
	Retained earnings	531	531
13	TOTAL EQUITY	3,202	3,071
	Premium provisions	97	99
	Guaranteed benefits	9,469	-854
	Bonus potential on future premiums	21,641	24,320
	Bonus potential on paid-up policies	9,861	10,868
14	Total life-assurance provisions	40,972	34,334
15	Claims provisions	2,965	2,685
16	Collective bonus potential	4,418	5,012
	Provisions for bonus and premium rebates	295	221
17	Bonus provisions for group life scheme	464	419
18	Special bonus provisions	1,692	1,449
19	Provision for unit-linked contracts	17	0
	TOTAL PROVISIONS FOR		
20	INSURANCE AND INVESTMENT CONTRACTS	50,920	44,219
	Amounts payable in connection with direct insurance	9	15
	Amounts payable in connection with reinsurance	0	0
	Amounts payable to group undertakings	0	19
	Current tax on yields of certain pension-scheme assets	141	0
21	Other debt	7,511	995
	TOTAL AMOUNTS PAYABLE	7,661	1,029
	TOTAL LIABILITIES	61,783	48,318
22	PAL compensation		
23	Contingencies		
24	Positions approved by the board of directors		
25	Transactions with closely related parties		
26	Specification of assets and returns on these		
27	Specification of holdings in per cent		
28	Sensitivity information		

Notes to the Financial Statements

Note	2008 DKK million	2007 DKK million
1 Gross premiums		
Current premiums	5,775	5,503
Group risk premiums	372	363
Contributions incl. transfers	385	106
Social security contributions	-481	-417
Total gross premiums	6,051	5,556
Of which premiums concerning investment contracts with no right to bonus	-18	-
Gross premiums on insurance contracts, total	6,033	5,556
Members with collective agreement-based schemes	366,790	352,004
Members with group life assurance	232,743	234,999
Members with investment contracts	9,835	-
<p>All insurance policies have been taken out with bonus right based on collective agreements and similar under which the insurance is a compulsory part of the conditions for employment. The investment contracts do not entitle bonus.</p> <p>All insurances pertain to direct Danish business.</p>		
2 Profit or loss on reinsurance (life assurance and sickness and accident insurance)		
Reinsurance premiums ceded to other undertakings - life	-2	-2
Total profit or loss on reinsurance	-2	-2
3 Interest income and dividends, etc.		
Interest on securities and deposits	1,381	1,211
Index adjustment	60	67
Dividends on holdings	386	429
Total interest income and dividends etc.	1,827	1,707

Notes to the Financial Statements

Note	2008 DKK million	2007 DKK million
4 Value adjustments		
Danish listed shares	-2,148	92
Foreign listed shares	-4,110	-506
Unlisted shares	-995	376
Investment association shares	-964	47
Nominal bonds	260	-478
Foreign bonds	-313	-340
Index-linked bonds	-6	-399
Deposits with credit institutions	-89	-25
Forward exchange transactions	-420	761
Other derivative financial instruments	9,386	-971
Total value adjustments	601	-1,443
5 Tax on yields of certain pension-scheme assets		
Tax on yields of certain pension-scheme assets	-320	0
Change in provisions for deferred tax on yields of certain pension-scheme assets	0	14
Total tax on yields of certain pension-scheme assets	-320	14
Exemption fraction, cf. sections 7, 15, and 16 of PAL	0.7%	0.9%
Reduction for group life assurance recognised in the exemption fraction above.		
6 Benefits paid		
Insurance sums on death	162	131
Insurance sums on disability	91	77
Insurance sums on critical illness	46	47
Pension and interest benefits	262	195
Instalment insurance	4	44
Surrender (disbursement of small dormant accounts)	7	6
Transfers to other labour-market pension schemes	736	522
Bonus amounts paid in cash (pensioner bonus)	4	5
Total benefits disbursed	1,312	1,027

Notes to the Financial Statements

Note	2008 DKK million	2007 DKK million
7 Administration costs		
In the items for administration costs, costs in connection with investment activities, as well as profit and loss on sickness and accident insurance, the expenses specified below have been recognised:		
Staff expenses		
Staff wages and salaries	86	73
Pension contributions	10	8
Other social security expenses	2	2
Payroll tax	6	6
Total staff expenses	104	89
Auditor's fee for external auditor		
Statutory audit	1	1
Other services	1	4
Total fee for audit	2	4
Management and board emoluments		
Executive Management	6	4
Board of directors	1	1
Total management and board emoluments	7	5
Average number of full-time employees in financial year	128	113

Notes to the Financial Statements

Note	2008 DKK million	2007 DKK million
8 Insurance technical profit or loss on sickness and accident insurance		
<i>Premium income</i>		
Current premiums	419	354
Social security contributions	-33	-26
Transferred from life assurance provisions	109	89
Total gross premiums	495	417
Reinsurance premiums ceded	-2	-2
Change in premium provisions	300	9
Total premium income net of reinsurance	496	424
Insurance technical interest	45	44
<i>Claims expenses</i>		
Benefits paid	-221	-187
Reinsurance cover received	0	0
Change in gross claims provisions	-191	-266
Change in reinsurance share of claims provisions	0	0
Total claims expenses net of reinsurance	-412	-454
Change in bonus and premium rebates	-75	106
Total insurance operating costs net of reinsurance	-20	-20
Insurance technical profit or loss	35	100
Investment return	85	118
Return on insurance provisions	-96	-87
Investment return after insurance technical interest	-11	31
Total insurance technical profit or loss from sickness and accident insurance	24	131

With a claims rate of 0.32 per cent, in 2008, 743 claims have been paid with an average indemnity of DKK 712,000.

Notes to the Financial Statements

Note		2008 DKK million	2007 DKK million
9	Equipment		
	Accumulated cost brought forward	2	3
	Acquisitions during the year	0	0
	Disposals during year at cost	0	0
	Accumulated cost carried forward	2	2
	Depreciation		
	Accumulated depreciation brought forward	2	2
	Depreciation for the year	0	0
	Value adjustments on assets sold	0	0
	Accumulated depreciation carried forward	2	2
	Net book value carried forward	0	1
10	Registered office property		
	Revalued amount brought forward	68	69
	Acquisitions	0	0
	Disposals	0	0
	Depreciation	0	0
	Value adjustments recognised direct in equity	0	0
	Value adjustments recognised in income statement	0	0
	Revalued amount carried forward	68	69
	External experts have not been involved in measuring the registered office.		
	Rate of return	5.4	5.4
11	Holdings in group undertakings		
	Accumulated cost brought forward	120	120
	Acquisitions during the year	396	0
	Accumulated cost carried forward	516	120
	Accumulated value adjustments brought forward	-46	-33
	Value adjustments for the year	-75	-13
	Accumulated value adjustments carried forward	-121	-46
	Net book value carried forward	395	74

Notes to the Financial Statements

Note	2008 DKK million	2007 DKK million
11 Holdings in group undertakings (cont.)		
Holdings as in the items of the balance sheet		
Holdings in group undertakings	379	74
Investments linked to unit-linked contracts	17	0
The item holdings in group undertakings consists of:		
Industriens Pension IT A/S. The chief activity of this company is that of running all IT operations in the group IndustriPension Holding A/S.		
Equity capital according to the latest annual financial statements	74	74
Profit for the year	0	-13
Industriens Pension Professionel f.m.b.a. makes investments in accordance with the guidelines of Industriens Pension.		
Sub-fund global shares		
Equity according to preliminary financial statements 2008	164	0
Profit/loss for the year	-82	0
Sub-fund gilt-edged bonds		
Equity according to preliminary financial statements 2008	157	0
Profit/loss for the year	7	0
All undertakings are domiciled in Copenhagen and wholly owned		
12 Other financial investment assets		
Forward exchange transactions	10	261
Interest-rate swaps	7,373	0
Share options and futures	0	163
Total other financial investment assets	7,383	424

Notes to the Financial Statements

13 Equity capital

Share capital	110	110
Retained earnings	531	531
Reserve for tax-free retained earnings	2,561	2,430
Total equity carried forward	3,202	3,071

Reserve for tax-free retained earnings

Balance brought forward	2,430	2,329
Profit/loss for the year	131	100
Balance carried forward	2,561	2,430

The reserve for tax-free retained earnings is subject to special limitations, cf. section 307 of the Financial Business Act on labour-market related life assurance companies.

Capital requirement, life assurance	1,490	1,189
Capital requirement, accident and sickness insurance	115	115
Total capital requirement	1,605	1,304

Equity	3,202	3,071
Special bonus provision	1,692	1,449
Base capital	4,894	4,520

The company share capital of DKK 110 million is issued in shares each of DKK 1,000, or multiples of same.

Notes to the Financial Statements

Note		2008 DKK million	2007 DKK million
14	Life-assurance provisions		
	Gross life-assurance provisions brought forward	34,334	28,619
	Accumulated value adjustment brought forward	-29	-84
	Retrospective provisions brought forward	34,305	28,536
	Gross premiums	6,033	5,556
	PAL compensation	204	-
	Premiums for group life scheme	-371	-363
	Addition of interest	2,319	1,869
	Insurance benefits	-1,018	-771
	Costs supplement after addition of costs bonus	-385	-374
	Coverage for handling PAL compensation	-3	-
	Risk gain after addition of risk bonus	-135	-111
	Transferred to other insurance technical provisions	-109	-89
	Distribution of special bonus provisions	58	54
	Retrospective provisions carried forward	40,899	34,305
	Accumulated value adjustment carried forward	73	29
	Gross life-assurance provisions carried forward	40,972	34,334
	Change in gross life-assurance provisions	6,638	5,715
	<i>3 per cent basis (original basis for writing insurance)</i>		
	Guaranteed benefits	15,023	7,814
	Bonus potential on future premiums	8,711	10,916
	Bonus potential on paid-up policies	6,244	7,575
	Total 3 per cent basis	29,977	26,306
	<i>2 per cent basis (original basis for writing insurance)</i>		
	Guaranteed benefits	-5,554	-8,668
	Bonus potential on future premiums	12,931	13,404
	Bonus potential on paid-up policies	3,617	3,292
	Total 2 per cent basis	10,994	8,028
	Gross life-assurance provisions carried forward	40,972	34,334
	The bonus potential on future premiums has been raised by	6	4
	The bonus potential on paid-up policy benefits has been raised by	53	25

The life-assurance provisions have been calculated on the basis of a number of parameters for insurance risk, costs, and discount rates, set using best estimates. The uncertainty relating to identifying best estimates is determined on the basis of the uncertainty of the parameters chosen. This uncertainty is assumed to relate to the death risk only. The risk premiums are calculated as the difference between the life-assurance provisions calculated by applying these alternative parameters for the death risk and the life-assurance provisions calculated on the basis of best estimate for the death risk.

Notes to the Financial Statements

Note		2008 DKK million	2007 DKK million
15	Claims provisions		
	Provisions for insurance sums on death	91	75
	Provisions for insurance sums on disability	125	140
	Provisions for insurance sums on critical illness	100	100
	Provisions for group life scheme	122	105
	Total claims provisions on life-assurance activities	358	340
	Total claims provisions on sickness and accident insurance	2,607	2,345
	Total claims provisions	2,965	2,685
16	Collective bonus potential		
	Collective bonus potential brought forward	5,012	6,598
	Change in collective bonus potential	-594	-1,586
	Collective bonus potential carried forward	4,418	5,012
17	Bonus provisions for group life scheme		
	Bonus provisions for group life scheme brought forward	419	365
	Change in bonus provisions for group life scheme	45	54
	Bonus provisions for group life scheme carried forward	464	419
18	Special bonus provisions		
	Provision brought forward	1,449	1,199
	Change in provision for the year	243	20
	Special bonus provisions carried forward	1,692	1,449

Notes to the Financial Statements

Note	2008 DKK million	2007 DKK million
19 Provisions for unit-linked contracts		
Provisions for unit-linked contracts brought forward	0	-
Accumulated value adjustment brought forward	0	-
Retrospective provisions brought forward	0	-
Gross premiums	18	-
Addition of interest	-1	-
Insurance benefits	0	-
Costs supplement after addition of costs bonus	0	-
Risk gain after addition of risk bonus	0	-
Others	0	-
Retrospective provisions carried forward	17	-
Accumulated value adjustment carried forward	0	-
Provisions for unit-linked contracts	17	-
 Change in provisions for unit-linked contracts	 -1	 -
 Investment assets linked to unit-linked contracts		
Shares	7	-
Bonds	9	-
Cash	0	-
Total investment assets in unit-linked contracts	17	-
 20 Other debt		
Obligation in connection with sale and repurchase transactions	7,377	0
Negative market value of financial instruments	29	930
Other debt	104	65
Total other debt	7,511	995
 21 Collateral		
For collateral for technical insurance provisions, shares have been registered at a carrying amount of	52,891	45,352
Bonds for collateral for loans after standard repurchase contracts on Danish mortgage and government bonds at market value	7,916	-
Bonds for collateral for market value of derivative financial instruments at market value	236	-
Bonds received as collateral for market value of derivative financial instruments at market value	5,659	-

Notes to the Financial Statements

Note	2008 DKK million	2007 DKK million
22 PAL compensation		
Received from SKAT	233	-
Of which cost cover for handling payments	-3	-
	230	-
Deposited on members' schemes	201	-
Transferred to other undertakings	2	-
Payments to members	27	-
	230	-
Cost cover for handling payments	3	-
Distribution of election and information letters	2	-
Registration and case-processing	1	-
IT costs for identification of payees	0	-
Cost in connection with handling payments	3	-

Handling costs are based on actual costs incurred as well as registration of the employees' time used. Handling costs are distributed equally on number of members as at 31 December 2006 with a right to compensation, and amount to DKK 9.31 per person. The costs are recognised as an expense under "Administration costs".

23 Contingencies

There are no mortgages, warranties, guarantees or similar commitments beyond what appears from the annual financial statements.

At the end of 2008 the company had a leasing obligation of DKK 0.7 million.

At the end of 2008, bonds had been acquired for DKK 421.5 million net, for settlement in the first quarter of 2009.

At the end of 2008, assets had been sold for DKK 17.4 million net, for settlement in the first quarter of 2009.

At the end of 2008, a commitment had been made for investment of DKK 6.5 billion in unlisted shares and holdings.

24 Duties and positions held by management approved by the board of directors, cf. section 80(1) of the Financial Business Act

Laila Mortensen, CEO acts as CEO of IndustriPension Holding A/S and the wholly owned subsidiary Industriens Pensions forsikring A/S.

Laila Mortensen is Chief Executive in Industriens Pension Service A/S and chairman of the board of directors for Industriens Pension IT A/S. Laila Mortensen is also expert representative in insurance matters in Vinnukærunevndini on the Faroe Islands.

Notes to the Financial Statements

25 Transactions with closely related parties

The company has concluded agreements on the supply of administration services to the parent company, IndustriPension Holding A/S, as well as to the subsidiary, Industriens Pension IT A/S, and the affiliate Industriens Pension Service A/S. Fees for these services are fixed on a cost-recovery basis.

Furthermore, an agreement has been made with the subsidiary Industriens Pension IT A/S on the procurement of IT operating and development services. Fees for these services are fixed on market terms.

Finally an agreement has been made with Industriens Pension Professionel Forening f.m.b.a on supply of services. Fees for these services are fixed on market terms.

Notes to the Financial Statements

26 Specification of assets and returns on these

	Book value DKK million		Net investments DKK million	Rate of return per year before tax on yields of certain pension- scheme assets*
	Brought forward	Carried forward		
1.1 Land and buildings directly owned	69	68	-1	5.4%
1.2 Property undertakings	293	760	768	-29.4%
1. Total land and buildings	362	828	768	-27.5%
2. Other subsidiaries	74	74	0	-
3.1 Listed Danish holdings	4,668	2,670	83	-43.7%
3.2 Unlisted Danish holdings	731	643	50	-18.5%
3.3 Listed foreign holdings	10,335	6,066	26	-41.5%
3.4 Unlisted foreign holdings	1,832	2,233	923	-18.5%
3. Total other holdings	17,566	11,612	1,087	-38.2%
4.1 Government bonds (Zone A)	2,298	395	-1,958	1.9%
4.2 Mortgage-credit bonds	17,828	17,991	-485	2.9%
4.3 Index-linked bonds	3,247	2,160	-1,218	3.6%
4.4 Investment grade mortgage bonds	0	1,038	1,005	3.3%
4.5 Non-investment grade mortgage bonds	5,134	4,905	987	-20.2%
4.6 Other bonds	0	0	-902	0.0%
4. Total bonds	28,507	26,489	2,571	1.7%
5. Mortgage loans	-	-	-	-
6. Other financial investment assets	594	7,102	6,517	-
7. Derivative financial instruments	-920	7,347	-876	-

*The calculated returns on the particular investment assets as well as total investment assets have been calculated using the time-weighted method, i.e. daily return calculations are made throughout the year. This method is recommended in the worldwide guide for calculation of returns - GIPS (Global Investment Performance Standards), introduced in 1999.

Notes to the Financial Statements

27 Specification of holdings in percent

	Denmark	Other	North	South	Japan	Other	Other	Not	Total
	European		America	America	Far East		countries	distributed	
	countries				countries				
Energy	0.2%	1.0%	2.2%	0.3%	0.1%	0.5%	0.1%	0.0%	4.5%
Materials	1.0%	0.8%	0.4%	0.2%	0.8%	0.3%	0.5%	0.0%	4.1%
Industry	6.6%	2.0%	1.4%	0.2%	1.8%	0.3%	0.3%	0.0%	12.5%
Consumer products	0.0%	0.7%	1.7%	0.4%	1.4%	0.3%	0.2%	0.0%	4.7%
Consumer goods	1.5%	0.8%	1.6%	0.3%	0.8%	0.4%	0.4%	0.0%	5.9%
Health care	7.4%	1.2%	2.7%	0.1%	0.6%	0.2%	0.0%	0.0%	12.3%
Finance	2.8%	2.8%	2.1%	0.5%	1.4%	1.7%	1.1%	0.0%	12.5%
IT	0.2%	0.3%	2.7%	0.2%	0.9%	0.5%	0.0%	0.0%	4.8%
Telecommunication	0.0%	0.7%	0.6%	0.1%	0.4%	0.6%	0.0%	0.0%	2.6%
Supply	0.0%	0.6%	0.6%	0.2%	0.6%	0.2%	0.0%	0.0%	2.1%
Not analysed	5.4%	15.9%	11.3%	0.1%	0.0%	0.0%	0.0%	1.2%	34.0%
Total	25.2%	26.8%	27.3%	2.7%	8.9%	5.1%	2.6%	1.2%	100%

Notes to the Financial Statements

28 Sensitivity information

Event	Minimum effect on base capital	Maximum effect on collective bonus potential	Maximum effect on bonus potential on paid-up policy benefits before change in applied bonus potential on paid-up policy benefits	Maximum effect on applied bonus potential on paid-up policy benefits
Interest rate rise of 0.7 percentage points	-848	-4,213	3,645	0
Interest rate drop of 0.7 percentage points	963	4,598	-4,083	0
Share price drop of 12 per cent	-191	-954	0	0
Property price drop of 8 per cent	-9	-47	0	0
Exchange rate risk (VaR 99.5 per cent)	-28	-140	0	0
Loss on counterparties of 8 per cent	-93	-465	0	0
Drop in mortality				
intensity of 10 per cent	0	-69	-1,012	0
Rise in mortality				
intensity of 10 per cent	0	100	966	0
Rise in disability				
intensity of 10 per cent	0	0	-16	0

Note: Positive figures mean that the company benefits from the mentioned risk process whereas negative figures mean the company's reserves are reduced.

Managerial Positions

Board of management

Laila Mortensen (born 1965)

CEO of IndustriPension Holding A/S,
and the wholly owned subsidiary Industriens Pensionsforsikring A/S.

Chairman of the board of directors of Industriens Pension IT A/S.

CEO of Industriens Pension Service A/S.

Expert representative in insurance matters in Vinnukærunevndini on the Faroe Islands.

Board of directors

Børge Frederiksen (born 1949)

Group chairman of Industrigruppen, 3F, and deputy chairman of CO-industri.
Chairman of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 27 November 2001.

Appointed by the CO-industri unions.

Other board of directors and board of management positions:

- IndustriPension Holding A/S, chairman of the board of directors
- Industriens Pension Service A/S, chairman of the board of directors
- Selvstændighedsfonden and Young Enterprise, member of the board of directors
- Laugesens Have, Kursuscenter A/S, member of the board of directors

Hans Skov Christensen (born 1945)

CEO of the Confederation of Danish Industries - organisation for businesses

Deputy chairman of Industriens Pensionsforsikring A/S

Date of taking office: 1 December 1992.

Appointed by the Confederation of Danish Industries.

Other board of directors and board of management positions:

- IndustriPension Holding A/S, deputy chairman
- Industriens Pension Service A/S, deputy chairman
- Tivoli A/S, deputy chairman
- FIH Erhvervsbank A/S, chairman of the board of directors
- Aktieselskabet Kristeligt Dagblad, chairman of the board of directors
- Center for Kultur- og Oplevelsesøkonomi, chairman of the board of directors

Kim Graugaard (born 1961)

CEO of the Confederation of Danish Industries - organisation for businesses
Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 28 April 2005.

Appointed by the Confederation of Danish Industries.

Other board of directors and board of management positions:

- IndustriPension Holding A/S, member of the board of directors
- Industriens Pension Service A/S, member of the board of directors
- ATP, member of committee of representatives
- Confederation of Danish Employers (DA), member of the board of directors
- Statistics Denmark, board member

Lars Hansen (born 1955)

Senior shop steward at Lindøværftet, Odense Staalskibsværft A/S, Odense Staalskibsværft A/S
Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 28 May 2003.

Appointed by the CO-industri unions.

Other board of directors and board of management positions:

- OSS Lindø A/S, member of the board of directors

Thorkild E. Jensen (born 1950)

Chairman of the Danish Metalworkers' Union, and Chairman of CO-industri.
Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 28 April 2004.

Appointed by the CO-industri unions.

Other board of directors and board of management positions:

- IndustriPension Holding A/S, member of the board of directors
- Industriens Pension Service A/S, member of the board of directors
- Aktieselskabet A-Pressen – Fagbevægelsens Presse, member of the board of directors
- Aktieselskabet Arbejdernes Landsbank, member of the board of directors

Lars Andersen (born 1958)

Executive director of Arbejderbevægelsens Erhvervsråd.
Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 28 April 2005.

Appointed by the CO-industri unions.

Other board of directors and board of management positions:

- IndustriPension Holding A/S, member of the board of directors
- DSB, member of the board of directors
- Naesborg A/S, member of the board of directors
- Industrialisation Fund for Developing Countries, member of the board of directors
- Investment Fund for Central and Eastern Europe, member of the board of directors
- The Investment Fund for Emerging Markets, member of the board of directors
- CAT Science Park A/S, member of board of directors

Johannes Madsen-Mygdal (born 1951)

CEO of InterMail A/S.

Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 31 May 2001.

Appointed by the Confederation of Danish Industries.

Other board of directors and board of management positions:

- InterMail A/S, member of the board of directors
- Jansson Et Bjelke AS, Oslo, member of the board of directors
- OP Kuvert AB, Oskarshamn, chairman
- Monberg Sørensen A/S, chairman
- EmballageIndustrien, member of the board of directors
- StroedeRalton AB, Stockholm, chairman
- Turun Kirjekuoritehdas OY, Åbo, chairman

Jette M. Nielsen (born 1957)

Shop Steward of Radiometer Medical ApS.

Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 27 February 2006.

Appointed by the CO-industri unions.

Other board of directors and board of management positions:

- Radiometer Medical ApS, ME member of the board of directors
- 3F Industri og Service, member of the board of directors

Jens Due Olsen (born 1963)

CEO

Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 28 May 2002.

Appointed by the Confederation of Danish Industries.

Other board of directors and board of management positions:

- Cryptomatic A/S, member of the board of directors
- NKT Holding A/S, member of the board of directors
- Hungarian Telephone and Cable Corp., member of the board of directors and member of the audit committee
- Johnsen Oil A/S, member of board of directors
- Co+ Høgh A/S, member of board of directors
- NKT Holding A/S' revisionsudvalg, chairman

Bo Stærmose (born 1948)

CEO, Juliana Drivhuse A/S.

Deputy chairman of the Confederation of Danish Industries.

Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 27 February 2006.

Appointed by the Confederation of Danish Industries.

Other board of directors and board of management positions:

- IndustriPension Holding A/S, member of the board of directors
- Fionia Bank A/S, chairman of the board of directors
- Juliana Holding A/S, chairman of the board of directors
- A2SEA A/S, member of the board of directors
- The Danish Export Council (Danish Ministry of Foreign Affairs), member of the board of directors
- Provinsindustriens Arbejdsgiverforening, chairman
- Fionia fond, chairman
- International Chamber of Commerce, member of the board of directors
- Juliana A/S, chairman
- Argentum A/S, chairman
- Juliana Ejendomme A/S, chairman

Bjarne Uldall (born 1948)

Senior shop steward at AarhusKarlshamn Denmark A/S.

Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 28 May 2002.

Appointed by the CO-industri unions.

Other board of directors and board of management positions:

- Aarhus United A/S, member of the board of directors
- AarhusKarlshamn Denmark A/S, member of the board of directors

Carl Chr. Ægidius (born 1944)

CEO

Member of the board of directors of Industriens Pensionsforsikring A/S.

Date of taking office: 28 April 2004.

Appointed by the Confederation of Danish Industries.

Other board of directors and board of management positions:

- Simcorp A/S, member of the board of directors
- M. Goldschmidt Holding A/S, member of the board of directors

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