



Industriens Pension

REPORT AND FINANCIAL STATEMENTS

2006

Table of Contents

Introduction.....	3
Members and Companies.....	7
Investment Activities	12
Ownership and Management	21
Expectations for 2007	23
Financial Review.....	25
Five-Year Financial Summary	29
Endorsement	30
Independent Auditor's Opinion	31
Accounting Policies	32
Income Statement.....	38
Balance Sheet.....	40
Cash Flow Statement	42
Notes to the Financial statements	44
Managerial Positions	56

Introduction

A good year for our members

Return on Capital

A good return will yield more pension to members. In 2006, our return was 7.7 per cent, once again ranking us with the pension companies yielding the highest return on capital.

This high yield has been achieved by adopting a successful and active investment strategy, with more than 40 per cent of our portfolio in equities, and a large proportion of this in Danish equities. This has proved a sound decision since the Danish market has generally been doing well. On bonds, too, our strategy has proved successful. Our bottom line came out at 1.6 per cent, whereas the market in general yielded a mere 0.7 per cent. Moreover our choice of geographical areas was right and both external and internal portfolio managers have handled their tasks most satisfactorily.

Looking at the return over the entire life of the scheme – that is over the last 14 years – the average return is 9.0 per cent; a high level compared with the other labour-market pensions, and compared with the sector in general.

Our good investment results, year after year, and the strategy behind these, have attracted attention towards the activities of Industriens Pension. Indeed, at the annual Investment & Pensions Europe awards, yet another award came our way. Like last year, the award for the best share strategy in Europe was given to us. This award was given for strategy and results in unlisted equities, an area successfully developed by Industriens Pension in recent years. More than 500 companies joined the race for these much coveted awards. This was the fourth IPE award, and the fifth award overall given to Industriens Pension in the last six years.

Rate of interest on members' accounts

The rate of interest on members' accounts in 2006 reached 5 per cent, a level on a par with the market, whilst the account rate of interest has now been raised to 6.5 per cent. This is due to the fact that our reserves are now adequate for us to yield a higher account rate of interest while keeping up our active investment strategy.

Being prudent about the account rate of interest has thus proved to be an appropriate decision. It has enabled us to build up the current high reserves, allowing both for an active investment strategy with a high yield and for a rise in the account rate of interest to the benefit of the pension savings of our members.

Costs

The average cost of being in Industriens Pension in 2006 was DKK 367. This verifies our position as a pension company having some of the lowest costs in the sector. This low cost level stems particularly from a limited, though adequate, range of products but also from focusing sharply on costs and cost trends in general. To this should be added that our owners do not receive any dividends. All the funds fall to our members, including reserves. So we see no problem in telling our members that they have a sound, low-cost scheme in Industriens Pension.

Balance Sheet

Over the year, assets increased by DKK 6.5 billion, reaching almost DKK 43 billion at the end of the year. Nearly half the asset growth came from returns on investments while the remaining part of the growth was due to member contributions. When the scheme was launched in 1993, contributions amounted to a mere 0.9 per cent of members' pay. Their contributions increased over the years, and in 2006 contributions came to 10.8 per cent of pay, equivalent to nearly DKK 6 billion. The free reserves have increased from DKK 9 billion to DKK 15 billion, owing to the good investment results as well as interest rate increases.

More options and flexibility in the scheme

News on pensions accounted for a considerable part of the media picture in 2006, especially with regard to market interest-based products – and this trend is very much likely to continue in 2007. In Industriens Pension, we wish to follow the market trends and offer more options to our members, provided this does not generate excessive cost increases, and as long as it does not upset members' requirements for a secure, easily comprehensible pension scheme.

Market requirements for choice and flexibility were some of the key arguments making us work intensively over the last couple of years to develop a new insurance system. This was launched on 1 January 2007. In the long term this will enable our members to compose their pension schemes themselves much more than before.

Plain answers to enquiries about pensions and personal service for members

Our fine financial results provide a strong platform for continuing our efforts to provide good service to members and companies. Over the year, we have prepared an entirely new customer service department and to phase out our cooperation with ATP PensionService, who have assisted us in this area since the start of the scheme in 1993. On 1 January 2007, 20 competent advisers were ready at our premises to respond to questions and inquiries, aided by a new, state-of-the-art telephone and IT system.

Indeed, we give a high priority to personal and verbal communication, as this is very often the best approach when complicated pension issues are to be communicated. During the year, we paid 430 visits to members and companies; in 2007, we intend to be still more visible to our stakeholders.

It is becoming increasingly important to members as well as companies to have plain answers to requests for information on the Industriens Pension scheme as well as on other issues pertaining to the pension and insurance area. So contacting us should be easy, and the scheme should be easily comprehensible.

Good and proper corporate governance

In 2004 the Danish Pension Market Council published a report on good and proper corporate governance for labour-market pensions, outlining a number of recommendations for the labour-market pension companies. The primary aim was to prevent conflicts of interest between the management and the pension scheme members.

In Industriens Pension, the recommendations have caused intensification of the work on good and proper corporate governance. In our 2004 and 2005 annual reports, we described several of the measures launched in the light of these recommendations. We have taken a position on all these recommendations, and are now following them all, except that we have not recognized any need to limit the number of board members. On the contrary, we maintain that with our particular group of owners, the board represents the competences necessary to run a modern pension company to the benefit of our customers.

With regard to recommendation from the Danish Pension Market Council on evaluation of our board work at least once a year, this has not been formalised. There is ongoing evaluation of whether our work is being performed well enough, whilst employee representatives and employer representatives regularly review the work of the board so that every aspect of the board work is assessed. In this connection, it was extremely pleasing that the ordinary inspection conducted by the Danish Financial Supervisory Authority at the end of 2006 did not call for any remarks, aside from one of a solely formalistic nature.

After working now for nearly three years with the Danish Pension Market Council recommendations, our experience is that these recommendations are not particularly user-friendly to work with. When they were launched, for example, it was relevant to make a considerable number of recommendations with regard to the management of the labour-market pensions. As time has passed, the situation is now that many of these recommendations are now statutory requirements, not least in respect of section 71 of the Financial Business Act with its associated guidelines. So we would welcome seeing our professional organization, the Danish Insurance Association, undertake the task of preparing a new version of these recommendations.

More openness and transparency

Industriens Pension does, of course, support the 18 initiatives on openness and transparency from the Danish Insurance Association published in 2006, to which we ourselves have contributed; in fact we have always afforded openness high priority. We were the first company to publish our investment portfolio (see our website) and we were thus the first company to enable our members to follow their applications on the internet.

This said, we realise that our members are not pension experts. Like any other ordinary Dane, they find it extremely difficult to get a clear view of the multitude of offers on the market, and to compare the figures from the various pension companies. It is therefore not necessarily a matter of *more* communication but rather of *more relevant* communication, not least of a sense of responsibility of companies to develop and market schemes which are easily comprehensible for all. We listen to our members, adjusting the scheme whenever necessary, but this is also an area on which still more effort will be focused in the years to come.

Interest in pensions has certainly not diminished over the years. For one thing, Danes are paying into their pension schemes to an extent unmatched in the past, while the pensions sector is constantly in the focus of the media. 2006 was no exception. We find it quite understandable and acceptable that the public and political decision-makers take an interest in the sector, and we will endeavour at all times to be at the leading edge of developments.

Børge Frederiksen
Chairman

Hans Skov Christensen
Deputy Chairman

Members and Companies

In Industriens Pension, we know our members, and we treat them well.

Our typical member is a man from central Jutland. He works at a production company with a number of staff ranging between 100 and 250. He is 42 years-old and has been a member of Industriens Pension for eight or nine years. In 2006, his employer made an average contribution amounting to DKK 2,546 for his pension every month.

If our customer becomes ill or disabled and therefore needs Industriens Pension, he can contact us with confidence. For this is where he will get good service, and his inquiry will be properly dealt with. In 2006, a customer satisfaction survey was run among those applying for health-related benefits or a lump-sum on a critical illness. This survey showed an extremely high rate of satisfaction with our service, information, as well as a short case administration time.

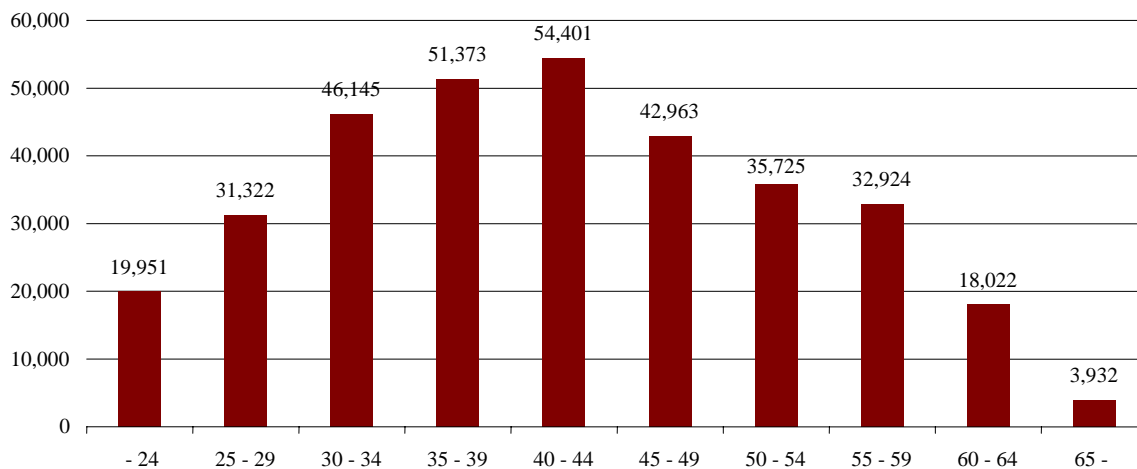
Members

Industriens Pension has a total of 336,725 members, 77 per cent of whom are men. This number increased by 14,624 during 2006. More than half our members are contribution-paying members. Pensioned members still make up a small percentage, but their number is rising.

<i>Member category</i>	<i>Number</i>	<i>Percentage</i>
Contribution-paying members	182,011	54%
Self-paying members	5,193	2%
Contribution-free covered members	37,868	11%
Inactive members	101,635	30%
Retired members	10,018	3%
Total	336,725	100%

With only few elderly members, and with an average age of 42, our group of members is very young.

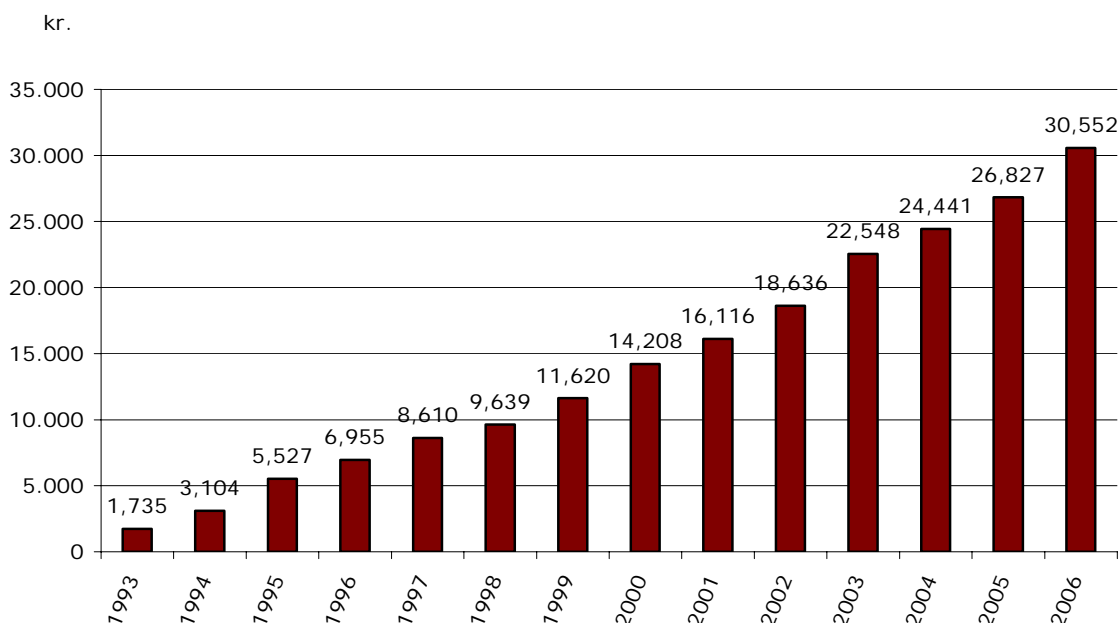
Figure 1 Members analysed by age



Pension contributions

Pension contributions to Industriens Pension came to DKK 5.5 billion in 2006 after labour market contributions, or DKK 0.6 billion more than the year before. This increase is not least due to the fact that the contribution rate as per 1 July 2006, rose from 9.9 per cent to 10.8 per cent of pay. Since 1993, when the contribution rate was 0.9 per cent, the contribution for pension for the particular member has thus increased by 17-18 times. The average contribution for a member of DKK 2,546 a month comes to DKK 30,552 on an annual basis.

Figure 2 Average annual payments 1993-2006



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

Concurrently with the growing contributions, savings for members' pensions are increasing as well. By the end of 2006, the average pension savings for a contribution-paying member were DKK 111,191.

Payments to members

In 2006, Industriens Pension paid a total of DKK 1.1 billion to members. These payments have been made to the members receiving old-age pensions 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 etc. after members die have also received payments.

Table 2 Disbursements		
<i>Benefits</i>	<i>Members</i>	<i>DKK mill.</i>
Old-age pensions	5,314	179
Children's pensions	4,375	11
Instalment assurance (savings-secured age-based lump sum and instalment assurance on death)	873	37
Disability pensions	3,993	135
Disability lump sum	1,114	101
Death lump sum	552	148
Lump sum for certain critical diseases	758	38
Lump sum on cancellation of membership	2,054	5
Transfers on change of jobs	6,569	474
Total		1,128

Bonuses paid have been included in benefits

57 per cent of the members applying for regular disability pensions as well as payment of a lump sum on disability have been awarded these benefits. The rest have been turned down as the medical evaluation of their earning capacity has not justified payment.

Members applying for payment of a lump sum for certain critical illnesses have been awarded the lump sum in 65 per cent of cases. The rest have been turned down, mainly because their diagnosis was not covered by their cover, or because their diagnosis had been made before the policy period.

Even in the difficult situation in which a member is not awarded a benefit, our customer satisfaction survey has shown that our members still feel well treated by Industriens Pension.

The Insurance Complaints Board

Industriens Pension is attached to the Insurance Complaints Board, and has 36 cases pending in which members have complained about decisions made by Industriens Pension.

In 2006, there were 47 complaints against our decisions. Case administration of by far the majority of these complaints has not yet been closed, but out of the cases settled in 2006, decisions by Industriens Pension were upheld in 19 cases while in 5 cases we re-evaluated the case to the benefit of the member.

Bonuses and premium rebates

The net surplus must go back to the members. This is why Industriens Pension gives bonuses and premium rebates to the 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 the members' pensions and to reduce premiums for insurance cover.

Part of this surplus is, however, used to accumulate reserves to provide protection against years in which outcomes are below expectations. This is to ensure that we can grant bonuses in less good years as well.

In 2006, members received DKK 1.8 billion of the surplus by way of bonuses or premium rebates. This was achieved particularly by granting pension savings an interest rate of 5 per cent; among the highest rates in the sector.

However, the payments for disability pensions were also reduced by about 55 per cent, payments for a lump sum on death were reduced by 50 per cent, payments for a lump sum for certain critical illnesses were reduced by 25 per cent, and finally payments for contribution exemption were reduced by 20 per cent.

Furthermore, part of the surplus on the group life scheme is used to pay for the premium 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 redundancy, illness, holidays or other, and payment by the collective members of the group life premium for such members will ensure that during the particular period they will still be covered for disability, death or critical illness. In 2006, an amount of DKK 62 million was used for this purpose.

Out of the more than 236,000 members paying pension contributions during the year, some 85,000 members have, for a shorter or more protracted period, been entitled to cover for a contribution-free period. In other words, about one-third of members have benefited from this aspect of the pension scheme.

Administration costs

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

In 2006, the cost rate dropped to 2.5 per cent from 2.6 per cent in 2005 (official key figures).

Table 3 Costs					
<i>Cost key figures</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
Cost rate	3.4%	3.0%	2.8%	2.6%	2.5%
Costs per person insured (DKK)	336	320	323	315	367

If the administration costs are calculated per member, they averaged DKK 367 (official key figure). The official key figure does not include costs pertaining to sickness and accident insurance, averaging in 2006 DKK 49 per member.

The difference in levels between 2005 and 2006 in the key figure of costs per person insured is due to extraordinary circumstances in both 2005 and 2006 which have shifted figures from one year to the next.

Member companies

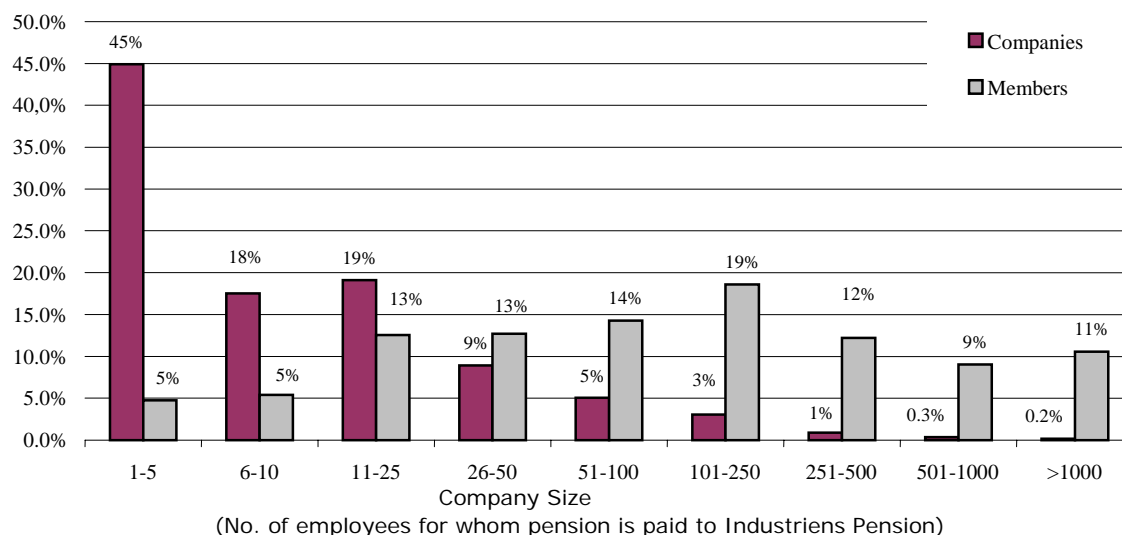
Contributions to members' pensions are made by the companies employing the particular members. In 2006, contribution-paying members were employed by 7,991 companies who contact Industriens Pension monthly when the pensions are to be paid.

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

At the opposite end, we have the large companies. More than half of members are employed by companies paying pension contributions for more than 100 employees.

13 companies are so big that contributions are made to Industriens Pension for more than 1,000 employees.

Figure 3 Members and companies analysed by company size



Investment Activities

Returns

The result generated by the Industriens Pension investment activities consists of the result of the active administration of the investment assets, and of the result of the strategic hedging of the interest rate risk on the liabilities. The strategic hedging is not managed actively, and the yield from this will be determined by the development in the long-term interest rate. The investment results should therefore be viewed based on the result excluding strategic hedging.

The investment assets, excluding the strategic hedging of the interest-rate risk, in 2006 yielded a return of 8.8 per cent before and 7.5 per cent after tax on yields of (certain) pension-scheme assets. This result is highly satisfactory and is 2.4 percentage points above the benchmark set. The additional yield is due to the tactical asset allocation as well as to good results achieved by portfolio managers.

Including strategic interest rate hedging, the portfolio yielded a return of 7.7 per cent before and 6.6 per cent after tax on yields of (certain) pension-scheme assets. On account of the rise in the yield on long-term bonds in 2006, hedging liabilities yielded a negative return.

In the statutory key figures in the financial statements, the return before and after tax on yields of (certain) pension-scheme assets is 7.3 per cent and 6.4 per cent, respectively. There will be minor differences between the official key figures and the calculated investment returns. This is due to differences in calculation methods.

Industriens Pension calculates the investment return on listed securities using the time-weighted method, and daily return calculations are made throughout the year. This method is recommended in the international guidelines for calculation of returns – GIPS (Global Investment Performance Standards) - since this method allows particularly for contributions of new funds throughout the year, and will consequently provide the most true and fair view of the investment return attained.

The official key ratios are calculated including direct as well as indirect costs and are calculated on the entire balance sheet (including contribution payments due). Furthermore, regular contributions and large price and exchange rate fluctuations through the year may cause the key figures to provide a less accurate picture of the investment return attained.

Figure 4 shows the return on Industriens Pension investments in 2006, as compared to the benchmark returns. You will notice that particularly Danish and foreign equities yielded a high return. The highest return was made on real estate but investments in real estate by Industriens Pension are so far very small.

Viewed over the last 5 years, the average return was 8.8 per cent before tax on yields of (certain) pension-scheme assets, and 7.5 per cent after.

An analysis of returns and risks of Danish life-assurance and pension-insurance companies shows that the Industriens Pension return in relation to the risk in the ten-year period of 1996-2005 was among the highest. In the period, the investment risk was around the average for the sector.

Figure 4 Return on asset types, and their benchmarks in 2006

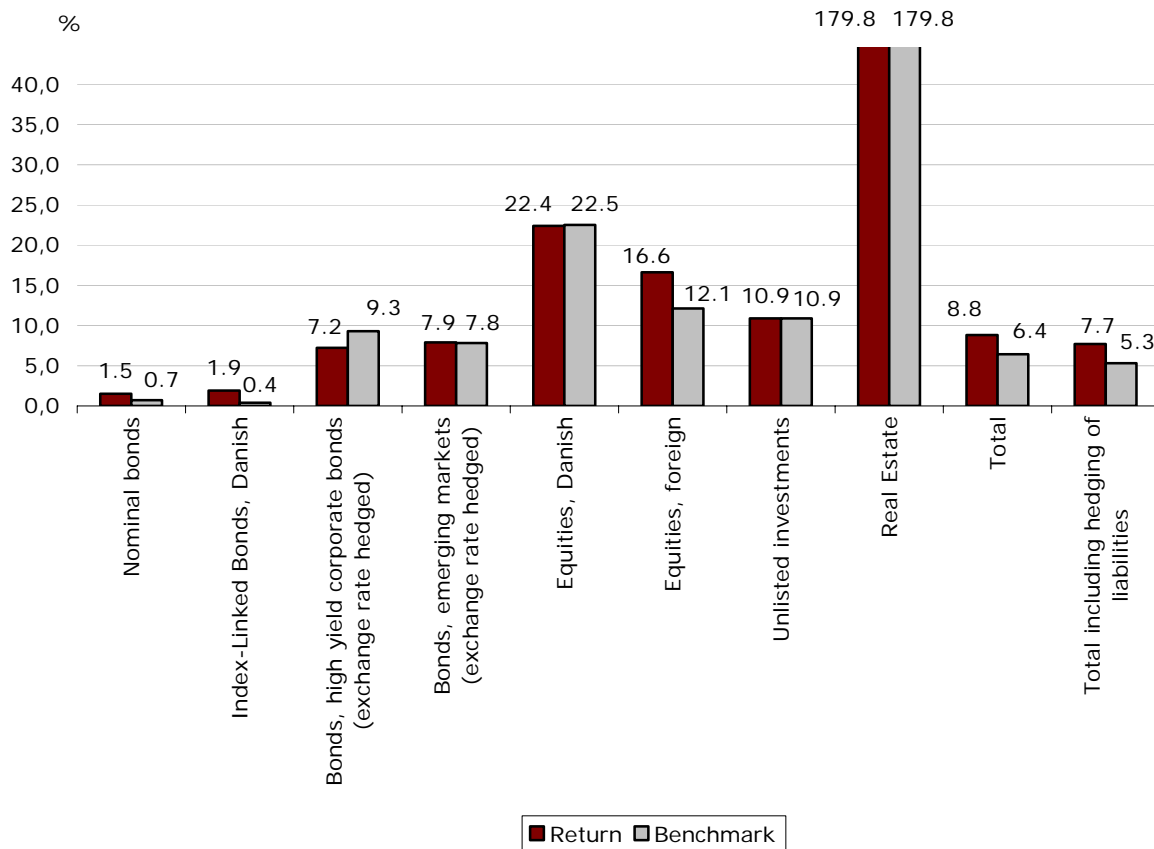
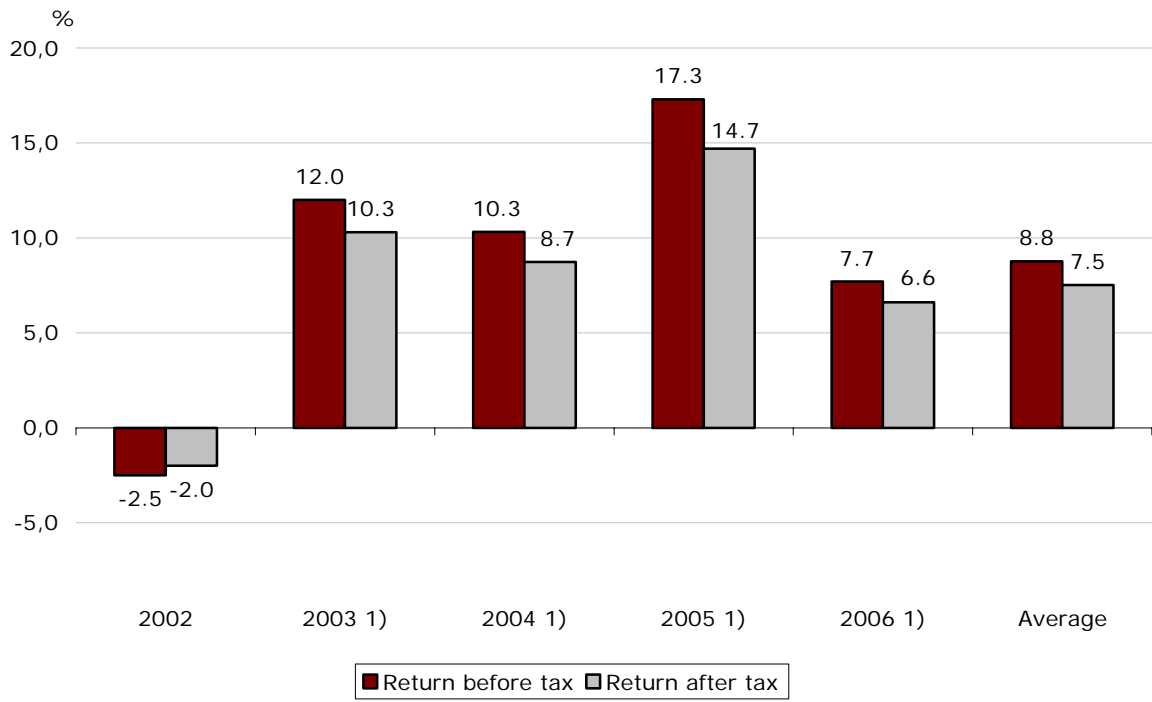


Figure 5

Industriens Pension's return before and after tax on yields of (certain) pensionscheme assets 2002-2006



1) Return including hedging of liability interest rate risk.

Investment Assets

Figure 6 shows a break-down by asset type. The percentage of Danish nominal bonds fell a little in 2006 whereas the percentage of foreign bonds was increased correspondingly. Also, the percentage of high yield corporate bonds has fallen, whereas the percentage of foreign equities and unlisted equities has been increased a little over the year.

At the end of 2006, the most marked deviations from benchmark were an overweight of foreign equities, as well as an underweight of gilt-edged bonds.

Figure 6 Break-down of investment assets by asset type end 2005 and 2006

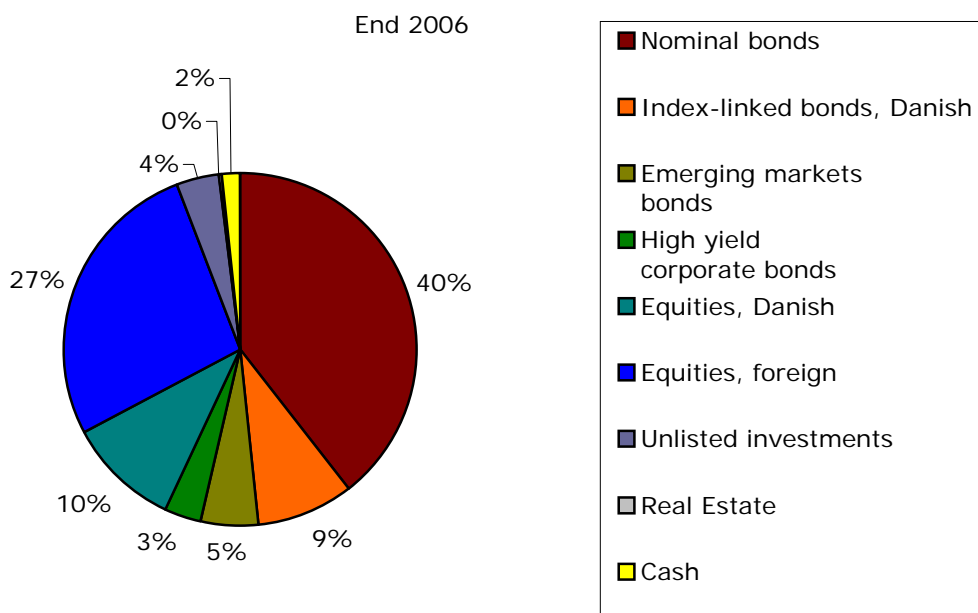
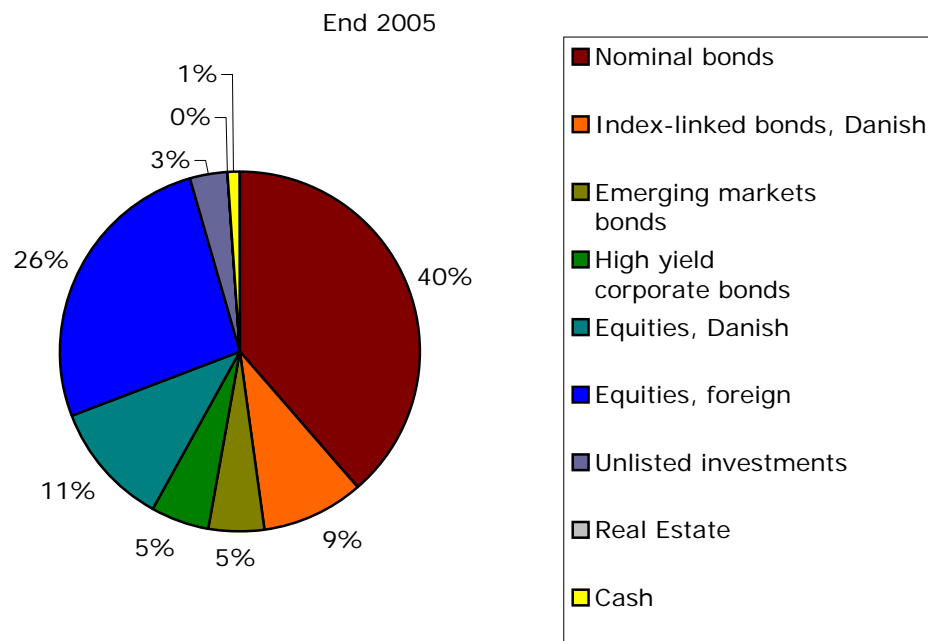


Figure 6: Equities in the last two years comprised about 40 per cent.

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: passive mechanical hedging of the interest-rate risk on liabilities, and the active administration of investment assets.

The passive hedging of the interest-rate risk on liabilities is conducted by way of interest-rate swaps and swaptions. The strategy is partly to increase the asset interest-rate risk so as to better match the interest-rate risk on liabilities, and partly to ensure that Industriens Pension does not become insolvent in the event of significant drops 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. The fundamental allocation framework and latitude of scope are set up on the basis of, amongst other things, total Industriens Pension reserves and pension commitments, as well as the current hedging of these. 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 2006 and 2007 is illustrated in table 4.

Table 4 Investment framework and latitude for 2006 and 2007				
<i>Asset type</i>	<i>Fundamental investment framework 2006</i>	<i>Latitude 2006</i>	<i>Fundamental Investment Framework 2007</i>	<i>Latitude 2007</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Bonds, gilt-edged except Danish index-linked bonds	42.5	17.5-67.5	42.5	17.5-67.5
Index-linked bonds, gilt-edged	10	0-20	10	0-20
Bonds, foreign, investment grade corporate bonds	0	0-7.5	0	0-7.5
Bonds foreign, high yield corporate bonds	5	2.5-10	5	0-10
Bonds, foreign, emerging markets	5	2.5-10	5	0-10
Equities, Danish	10	5-15	10	5-15
Equities foreign	20	12.5-27.5	20	10-30
Unlisted investments	5	0-7.5	5	0-7.5
Real Estate	2.5	0-5	2.5	0-5
Absolute return investments	-	-	0	0-2.5
Cash	0	0-5	0	0-5
Counter-value of financial instruments	-	-	0	-
Total	100	-	100	-

The total interest sensitivity of bonds (including credit bonds) measured by the modified term may deviate max +/- 3 percentage points from the total modified term on benchmark for bonds.

The latitude of action for active currency positions is 50-100 % hedging of the underlying foreign equities and bonds with benchmark hedging, 75 % and 100 %, respectively, for equities and bonds. For EUR, the latitude of action is, however, 0-100 %, and benchmark is no hedging.

For the sum of Danish and foreign equities, as well as unlisted investments, the latitude of action is 17.5-45 %.

Risk management

Risk management aims to provide a general view of the total Industriens Pension investment risks at all times, and to ensure that these risks are at the level required. Such risk management also includes the interaction between assets and liabilities.

In its continuous monitoring of risks, among other things Industriens Pension has combined Value at Risk key figures and interest-rate risk calculations with the statements of the position in relation to the yellow and red lights. This allows for continuous evaluation of any need to adjust the investment strategy.

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 equities, corporate bonds, and bonds deriving from the emerging markets. There are also limitations on the amount of permissible investment in any single company, 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 Euro, will generally be hedged completely. Investments in bonds issued in Euro will be hedged to a varying degree, depending on the current interest and currency 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, and the current risks viewed in relation to the current level of reserves do not give rise to consider adjusting the investment strategy.

Cost control

External as well as internal investment costs are monitored continuously. Investment costs can be divided into administration and transaction costs.

Administration costs cover internal costs, for instance for investment staff, information, reporting and risk management systems and the investment function share of joint expenses. There are also external costs such as administration fees for portfolio managers and charges for custody of securities in the depositary bank.

Transaction costs include costs of buying and selling securities, such as brokerage/commission, currency adjustment surcharges and deductions on foreign exchange transactions, and settlement charges by the custodian bank.

As part of the cost control, the competitiveness of prices for administering and trading securities, as well as those for settlement and custody, is constantly being evaluated. Furthermore, systems have been built up to continuously monitor trading costs of brokerage/commission, currency adjustment surcharges and deductions, etc., so that both these and administration costs are calculated for the particular portfolio managers, for each asset class, and in total.

Figure 7 illustrates the Industriens Pension investment costs in relation to the assets managed, for the total investment assets as well as for each asset type. These costs are divided into administration & transaction costs.

Figure 7 Investment costs in relation to investment assets

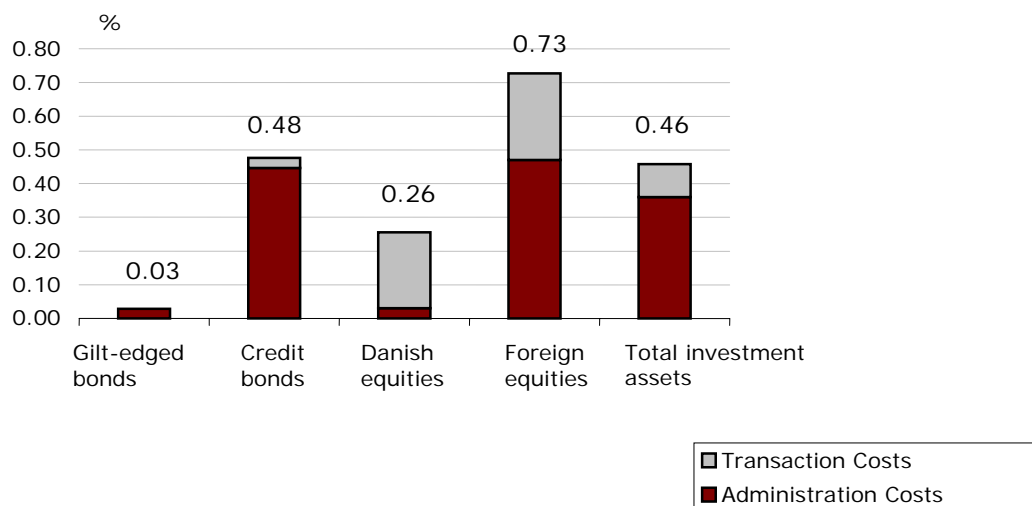


Figure 7: There is a considerable difference in transaction and administration costs between the asset types.

Total investment costs were 0.46 per cent of the average portfolio in 2006. Of this amount, 0.36 percentage points were administration costs, and 0.10 percentage points were transaction costs.

Ethics

Industriens Pension has set out the ethical guidelines outlined below:

Industriens Pension believes that any particular company 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 company is operating, this being critical to the success of the company, and thus to the returns earned by Industriens Pension on investing in the company.

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

Industriens Pension will not buy equities in companies 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 appear on www.industrienspension.dk, enabling members and others to monitor in which enterprises investments are made.

Ownership and Management

Industriens Pensionsforsikring A/S is fully owned by IndustriPension Holding A/S, and with its fully owned subsidiary, Industriens Pension IT A/S, is part of the Industriens Pension group. Industriens Pensions Innovationsforening (PAL) was wound up from 30 April 2006.

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-industri unions hold 65 per cent, distributed as follows:

The United Federation of Danish Workers (<i>3F</i>):	37.00 %
The Danish Metalworkers' Union (<i>Dansk Metalarbejderforbund</i>):	21.96 %
The Danish Timber Trade Federation (<i>Forbundet Træ-Industri-Byg i Danmark</i>):	3.80 %
The Danish Union of Electricians (<i>Dansk EI-Forbund</i>):	2.00 %
The Painters' Union of Denmark (<i>Malerforbundet i Danmark</i>):	0.12 %
The Danish Union of Plumbers and Allied Workers (<i>Blik- og Rørarbejderforbundet i Danmark</i>):	0.08 %
The Danish Federation of Salaried Employees in Service Trades (<i>Dansk Funktionærforbund-Serviceforbundet</i>):	0.04 %

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,

Director General and CEO of the Confederation of Danish Industries, is the deputy chairman

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

Lars Andersen,

Executive 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,
Deputy CEO, GN Store Nord A/S

Bo Stærmose,
CEO, Juliana Drivhuse A/S

Bjarne Uldall,
Senior shop steward, Aarhus Karlshavn Denmark A/S

Carl Chr. Ægidius,
Executive Director

Daily Management

The board of management consists of CEO Erik Adolphsen.

The management includes:

Erik Adolphsen, *Managing Director*

Laila Mortensen, *Deputy Managing Director*

Joan Alsing, *Insurance executive*

Jan-Ole Hansen, *CFO*

Chief Actuary is deputy managing director Laila Mortensen.

Links to organisations

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 Pensions-Info.

Expectations for 2007

Customers under our own roof

It should be easy to contact us, so as from 1 January 2007 customer service has been "brought home". Consequently, at our own address in Nørre Farimagsgade, Copenhagen, Industriens Pension will always have a number of well trained customer consultants in life assurance and pensions ready to respond to queries from customers, both companies and members, regardless of whether they contact us by telephone, letter or email.

With this personal approach our first aim is to communicate pension information as specifically and as simply as possible in relation to the particular query raised. Our secondly aim is to gather customer requirements for their pension schemes, and in so doing catch the impulses of the market in general regarding pensions.

The strength of gathering our customer service under one roof is that we can ensure that we all work to the same ends, and that we act quickly across the organization if our dialogue with our customers – be it on the phone or at a member meeting – reveals that there are matters on which specific information should be provided in relation to our scheme, or which should be changed or adapted.

Our scheme aims to correspond to the society in which we live, and to be based on the needs and requirements of our customers

Through this continuous and close dialogue, we aim to ensure that we can meet the requirements placed by the market on us and on our products, so that we are competitive, even though as a compulsory scheme we are not up against direct competition.

This means that we target work to meet the general market trends for future pension products – such as more freedom of choice for the individual member.

Launch of our new IT system landscape, adaptable to meet future requirements

To help us structure dialogue, and to ensure rapid and flexible case administration for the individual customer, we put our new insurance system into operation in 2007. Using this new system, by applying optimized procedures we can respond quickly and flexibly to the needs of our customers, ensure that a particular case is followed up, and that we get back to our customers at the right time and in the right way in relation to their enquiry.

Our overall objective is to combine the application of IT and personal dialogue with a view to cementing the high degree of satisfaction already being expressed by our customers in connection with health-related benefits.

We aim to work on the "one-and-done" principle. This means that the customer should basically be in contact with us only once, and the consultant he or she comes into contact with will handle all the consultancy and any underlying case administration. In other words, we aim to minimize the number of switches and hand-overs with a view to providing quick and effective case administration, and to minimizing the potential of errors in the hand-over from one person to another. To support this process, the particular consultant will use the new insurance system.

Members and contributions

Industriens Pension members are expected to number about 336,000 in 2007, with about 8,000 member companies.

Total contributions, including contributions to sickness and accident insurance, are expected to come to DKK 6.1 billion in 2007. Out of this, DKK 0.5 billion is expected to be paid to the government by way of labour market contributions.

Investment activities

The investment strategy for 2007 is organized on the basis of the agreed fundamental investment framework. Assuming stable global economic trends, no marked fluctuations in the overall asset distribution are anticipated in relation to the fundamental framework.

Part of the considerable difference between the interest-rate risks of liabilities and assets will continue to be strategically hedged.

The return on our company investment assets in 2007 is expected to be DKK 2.2 billion before tax on yields of (certain) pension-scheme assets. This has been budgeted particularly on an assumption of largely unchanged Danish and foreign bond interest rates and a return on equities of about three percentage points above the bond rate of interest. The tax on yields of (certain) pension-scheme assets for 2007 is expected to be DKK 0.3 billion.

Expected result for 2007

For the financial year of 2007, a result similar to that of 2006 is expected.

Financial Review

Contributions

The total contributions in 2006 before labour market contributions were DKK 5,888 million, as against DKK 5,091 million in 2005. The contributions after labour market contributions rose from DKK 4,697 million in 2005 to DKK 5,436 million in 2006. Labour market contributions amounted to DKK 452 million in 2006.

Contributions for sickness and accident insurance before labour market contributions have been recognized in the above figures for 2006 in the amount of DKK 271 million.

Result of investment activities

The result of investment activities before tax on yields of (certain) pension-scheme assets was DKK 2,796 million in 2006, as compared to DKK 4,914 million in 2005.

The total result of investment activities after tax on yields of (certain) pension-scheme assets was DKK 2,392 million in 2006, in comparison with DKK 4,157 million in 2005. The tax on yields of (certain) pension-scheme assets for 2006 was DKK 404 million.

Costs of investment activities were DKK 115 million in 2006. This is at level on a par with the 2005 costs.

The highest unhedged currency exposures as at 31 December 2006, were Euro 661 million, (equivalent to DKK 4,928 million), USD 187 million (equivalent to DKK 1,058 million), and JPY 13,079 million (equivalent to DKK 621 million).

The currency risk on foreign bond investments, excluding bonds in Euro, is fundamentally hedged. Investments in bonds issued in Euro are hedged to a varying extent, depending on the prevailing interest and foreign exchange conditions. For investments in foreign equities, about 75 per cent of the currency risk is hedged for the major currencies with a view to maximizing the ratio between the return expected and the risk.

Rate of return on members' savings

In 2006, Industriens Pension yielded a rate of return on pension savings of 5 per cent p.a. Total interest of DKK 1,253 million was credited in 2006, DKK 111 million more than in 2005.

Insurance Benefits

Industriens Pension paid DKK 991 million in benefits on life assurance, and a provision of a further DKK 18 million was made to cover claims pertaining to 2006 or earlier. A further amount of DKK 52 million has been transferred to sickness and accident insurance relating to payments for disability pensions established as sickness and accident insurance.

A further amount of DKK 166 million of benefits was paid on sickness and accident insurance, and total insurance benefits thus made a total of DKK 1,227 million in 2006.

Operating costs of insurance activities

The insurance business operating costs were DKK 129 million, including the fee to ATP PensionService A/S of DKK 75 million.

Compared to the operating costs of 2005, operating costs have gone up by DKK 21 million. Of this increase, an amount of DKK 19 million is attributable to the administration agreement with ATP PensionService A/S. The higher fee to ATP is partly due to various VAT-related aspects, and partly due to costs relating to transferring member administration to Industriens Pension and closing cooperation with ATP.

Development of the new IT systems was performed in the fully owned subsidiary, Industriens Pension IT A/S. When the systems were put into operation, a valuation of the systems was made as at the end of 2006. This valuation has resulted in an extraordinary write-off of DKK 27 million in the subsidiary.

Members paid a total of DKK 334 million to cover costs in 2006. Actual costs were DKK 129 million, of which an amount of nearly DKK 32 million was financed by the group life result. The cost surplus was thus DKK 237 million. Of this, an amount of DKK 236 million was transferred to members by way of a special bonus provision. The cost surplus is recognized in the realized result which is appropriated between the members and the company equity capital.

Risk result

In 2006, Industriens Pension showed a surplus on the risk result excluding sickness and accident insurance of DKK 254 million. This risk surplus was generated as a surplus of DKK 174 million on the individual scheme, i.e. primarily from payments for the right of contribution exemption, and a surplus on the group life scheme of DKK 78 million. This risk surplus was generated because fewer members than expected died, became disabled or critically ill. The risk surplus is, like the cost surplus, recognized in the realised result and appropriated between the members and the company equity capital.

Provisions

At the end of 2006, DKK 28,619 million life assurance provisions had been provided, of which the main part covers savings for members' pensions. A further DKK 2,465 million of outstanding claims provisions was provided to cover claims pertaining to 2006 or earlier.

At the end of 2006, DKK 6,598 million had been provided for collective bonus potential, aiming to secure a stable bonus for members in the years to come. In 2006, due to the good investment result, an amount of DKK 1,372 was transferred to the collective bonus potential.

DKK 1,199 million have been provided as a special bonus provision. The amount was allocated collectively to cover the solvency margin requirement. This provision represents venture capital, collectively built up by the members and made available to cover the solvency margin requirement. This provision ranks with equity capital and carries the same interest. The special bonus provisions will be returned to members, at the latest when paying benefits under the scheme.

A further DKK 327 million was provided for bonus and premium discounts on sickness and accident insurance which fall to the policy holders, due to a favourable result for the financial year.

Total provisions for insurance contracts were thus DKK 39,680 million at the end of 2006.

Result for year and appropriation

The result for the year showed a profit of DKK 274 million, as against a profit of DKK 436 million in 2005. The result for the year was transferred to equity capital which totalled DKK 2,970 million as at 31 December 2006.

The result for the year of DKK 274 is made up as follows:

Table 5	Profit or loss for the year	DKK mill.
	Return on equity	197
	Share of return on risk for period	0
	Share of profit or loss on sickness and accident insurance	99
	Share of change in capital requirement on group life	4
	Profit or loss before tax on yields of certain pension-scheme assets	300
	Equity capital share of tax on yields of certain pension-scheme assets	-27
	Profit or loss for the year	274

The rules notified by Industriens Pension to the Danish Financial Supervisory Authority 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 recognized in the result for the year.

For 2006, the risk return is fixed at 0 per cent.

The realized result is the funds which are to be appropriated between equity capital and special bonus provision on 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 realized for 2006 was DKK 3,309 million.

Table 6	Realized profit or loss on life assurance	DKK mill.
	Technical profit or loss on life assurance	-29
	Share not recognized in profit or loss (group life)	-6
	Tax on yields of certain pension-scheme assets	377
	Transferred from of investment return from life	170
	Bonus allocated	1,096
	Change in special bonus provision	294
	Change in collective bonus potential	1,372
	Pensioner bonus	34
	Realized profit or loss	3,309

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 1,514 million and a base capital of DKK 4,169 thus leave a margin of 175 per cent.

With the collective bonus potential and parts of the bonus potential on the paid-up policies, the margin makes up the free reserves of the company. The free reserves may serve as buffers in relation to the risks of the company. The free reserves were DKK 14,588 million at the end of 2006. The composition of the free reserves appears from the table below.

Table 7	Free reserves	DKK mill.
	Base capital margin	2,655
	Collective bonus potential	6,598
	Share of bonus potential on paid-up policy benefits	5,335
	Total free reserves	14,588

In proportion to the life assurance provisions, the free reserves are 51 per cent. Industriens Pension thus has a high level of reserves.

Throughout 2006, Industriens Pension has been in the green light in relation to the risk scenarios of the Danish Financial Supervisory Authority.

2007 developments and post balance-sheet events

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	2002	2003	2004	2005	2006
Premiums	3,372	3,688	3,931	4,211	5,186
Insurance benefits	673	889	1,044	1,086	1,061
Investment return	-330	1,910	2,452	4,914	2,796
Insurance operating expenses	111	110	124	108	129
Profit or loss of ceded business	-4	-2	0	-3	-3
Technical profit or loss	20	159	442	-1	-29
Technical profit or loss of sickness and accident insurance	89	236	279	120	133
Profit or loss of year	85	538	861	436	274
Total provisions for insurance and investment contracts	16,537	21,165	26,193	33,407	39,680
Total equity	1,212	1,750	2,147	2,696	2,970
Total assets	17,811	22,995	28,474	36,499	42,960
Key ratios for sickness and accident insurance					
Gross claims ratio	72.1 %	73.8 %	72.8 %	159.8 %	126.2 %
Gross expense ratio	7.5 %	6.9 %	5.8 %	5.5 %	5.1 %
Combined ratio	-	-	79.8 %	165.7 %	131.7 %
Operating ratio	-	-	66.4 %	88.2 %	90.7 %
Key figures					
Return before tax on yields of (certain) pension-scheme assets	-2.4 %	11.5 %	10.0 %	16.4 %	7.3 %
Return after tax on yields of (certain) pension-scheme assets	-2.0 %	9.9 %	8.5 %	14.1 %	6.4 %
Expenses as a percentage of premiums	3.4 %	3.0 %	2.8 %	2.6 %	2.5 %
Expenses as a percentage of provisions	0.9 %	0.7 %	0.6 %	0.5 %	0.5 %
Expenses per member	DKK 336	DKK 320	DKK 323	DKK 315	DKK 367
Profit or loss on expenses	0.72 %	0.86 %	0.81 %	0.79 %	0.78 %
Profit or loss on insurance risk	0.73 %	0.52 %	0.52 %	0.59 %	0.67 %
Ratio of collective bonus potential to provisions	4.6 %	11.5 %	16.1 %	22.0 %	23.1 %
Ratio of customers' funds to provisions	1.9 %	2.6 %	3.1 %	3.8 %	4.2 %
Ratio of owners' funds to provisions	8.6 %	10.4 %	10.8 %	11.4 %	10.4 %
Ratio of excess solvency to provisions	4.9 %	7.2 %	8.3 %	9.8 %	9.3 %
Solvency ratio	187 %	223 %	250 %	282 %	275 %
Return on equity before tax	-	37.6 %	21.3 %	19.8 %	10.6 %
Return on equity after tax	-	36.3 %	20.4 %	17.6 %	9.7 %
Return on insurance provisions.	-	9.5 %	7.0 %	15.9 %	6.4 %
Rate of return on special bonus provisions, type B	-	12.3 %	9.0 %	19.5 %	10.0 %

Endorsement

The board of management and the board of directors have today considered and adopted the annual report for 2006 for Industriens Pensionsforsikring A/S.

This annual report has been presented in accordance with the regulations of the Danish Financial Business Act and the Executive Order from the Danish Financial Supervisory Authority on Financial Reports for Insurance Companies and Lateral Pension Funds (Nationwide Occupational Pension Funds). In our opinion the accounting policies adopted are appropriate so that the annual report provides a true and fair view of the company's assets and liabilities, financial position, as well as result.

The annual report will be presented for approval at the annual general meeting.

Copenhagen, the 23rd March, 2007

Board of Management:

Erik Adolphsen
Chief Executive Officer

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 of Industriens Pensionsforsikring A/S for the financial year 1 January to 31 December 2006. The annual report comprises the statement by Management on the annual report, the Management's review, the accounting policies, the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and the notes to the financial statements. The annual report has been prepared in accordance with the Danish Financial Business Act.

Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of an annual report in accordance with the Danish Financial Business Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and basis of opinion

Our responsibility is to express an opinion on this annual report based on our audit. We conducted our audit in accordance with Danish and International Standards on Auditing. 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 judgement, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of an annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating 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 gives a true and fair view of the Company's financial position at 31 December 2006 and of its financial performance and its cash flows for the financial year 1 January to 31 December 2006 in accordance with the Danish Financial Business Act.

Copenhagen, 23 March 2007

Deloitte

Statsautoriseret Revisionsaktieselskab

Søren Dinesen
State Authorised
Public Accountant

Kasper Bruhn Udam
State Authorised
Public Accountant

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 Financial Supervisory Authority on Financial Reports for Insurance Companies and Lateral Pension Funds (Nationwide Occupational Pension Funds).

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 subsidiary are included in the consolidated financial statements of IndustriPension Holding A/S.

Income statement

Income from insurance

Premium income net of reinsurance

Includes pension contributions for January – November 2006, and contributions regarding December 2006, received in the period 1 January - 19 January 2007. December contributions are stated as receivables from policy holders. Contributions for December paid in after 19 January 2007 are not recognized until the income statement for 2007.

Labour market contributions are deducted from premium income according to the directions issued by the Danish Financial Supervisory Authority. The gross premium is adjusted for reinsurance premiums ceded.

Total investment return

Income from associated companies

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 realized as well as unrealized 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 bonus provisions for group life scheme

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

Change in collective bonus potential

Change in collective bonus potential is the part of the realized result accruing to the insurance portfolio beyond the bonus already allocated. In years with a negative realized 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 special bonus provision

Change in special bonus provision 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 on the group life scheme.

Intra-group transactions

These arise from administration for IndustriPension Holding A/S as well as Industriens Pension IT A/S for which an administration fee is received. This is calculated according to an administration agreement 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 are no material intra-group transactions.

Investment return transferred

Is calculated as the part of the result of investment activities after tax on yields of certain pension-scheme assets which may be used as return on the company equity capital. Furthermore, a proportionate share of the result of investment activities after tax on yields of certain pension-scheme assets is transferred to return on the insurance provisions on sickness and accident 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.

Balance Sheet

Tangible Assets

Equipment

Acquisitions of EDP equipment of less than DKK 100,000 are written off in the year of acquisition

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 associated undertakings

Holdings are recognized at the proportionate share of the equity capital of the companies.

Holdings and units in investment associations

Danish and foreign listed equities and units in investment associations are measured at official closing prices on the balance sheet date.

Unlisted equities and unlisted units in investment associations are measured at fair value using recognized methods, including EVCA standards.

Bonds

Bonds are measured at official closing prices on the balance sheet date.

Derivatives for hedging of the net change in assets and liabilities

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

Recognition

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

Provisions for insurance and investment contracts

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 recognizes a premium relating to the uncertainty of fixing best estimate on insurance risk. A fixed discount rate is used, namely the 10-year rate stated by the Danish Financial Supervisory Authority, 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 Financial Supervisory Authority. Life assurance provisions are divided between guaranteed benefits, bonus potential on future premiums, and bonus potential on paid-up policy benefits.

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 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 includes the net present value of commitments to pay bonuses on the 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 bonus 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 less tax on yields of certain pension-scheme assets.

Bonus appropriations 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 recognized 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.

Collective bonus potential

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

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.

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.

Amounts payable

Amounts payable are measured at amortized cost price.

Contingencies

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

Cash flow statement

The cash flow statement has been prepared in accordance with the direct method, showing cash flows deriving from operating activities, investments, and financing, as well as the company liquid assets at the beginning and at the end of the year.

Cash flows from operating activities cover cash flows from the insurance activities.

Cash flows from investments cover acquisitions and sales of financial non-current assets, as well as returns on and administration costs of these.

Cash flows from financing include paid-in share capital.

Liquid assets cover solely cash holdings and demand deposits.

Income Statement

Note		2006 DKK million	2005 DKK million
1	Gross premiums	5,186	4,211
2	Insurance premiums ceded	-2	-2
	Total premium income net of reinsurance	5,184	4,209
	Income from associated undertakings	-34	1
3	Interest income and dividends etc.	1,419	1,091
4	Value adjustments	1,526	3,938
	Interest paid	0	-3
7	Administration expenses in connection with investment activities	-115	-112
	Total investment return	2,796	4,914
5	Tax on yields of certain pension-scheme assets	-377	-704
	Investment return after tax on yields of certain pension-scheme assets	2,419	4,210
6	Benefits paid	-991	-896
	Reinsurance cover received	5	0
	Change in claims provisions	-18	-6
	Transferred to sickness and accident insurance	-52	-184
	Total insurance benefits net of reinsurance	-1,057	-1,086
6	Change in life-assurance provisions	-4,379	-4,232
	Change in reinsurers' share	-4	0
	Total change in life-assurance provisions net of reinsurance	-4,383	-4,232
16	Change in collective bonus potential	-1,372	-2,014
17	Change in bonus provisions for group life scheme	-72	-116
18	Change in special bonus provisions	-294	-280
	Total bonus	-1,739	-2,410

Income Statement (cont.)

Note		2006 DKK million	2005 DKK million
7	<u>Administration expenses</u>	-129	-108
	<u>Investment return transferred (-)</u>	-324	-585
	TECHNICAL PROFIT OR LOSS	-29	-1
8	TECHNICAL PROFIT OR LOSS FROM SICKNESS AND ACCIDENT INSURANCE	133	120
	<u>Investment return on equity</u>	197	371
	PROFIT OR LOSS BEFORE TAX	300	489
	Tax on yields of certain pension-scheme assets for equity capital	-27	-53
	<u>PROFIT OR LOSS FOR THE YEAR</u>	274	436
20	Contingencies		
21	Other duties and positions held by management approved by the board of directors		
22	Transactions with closely related parties		
23	Specification of assets and return on these		
24	Specification of holdings		
25	Sensitivity information		

Balance Sheet

ASSETS		2006 DKK million	2005 DKK million
Note			
9	Equipment	1	2
10	Registered office property	69	69
	TOTAL TANGIBLE ASSETS	70	71
11	Holdings in group undertakings	87	71
	Holdings	17,432	13,657
	Units in investment associations	298	357
	Bonds	23,268	20,757
	Deposits with credit institutions	479	371
	Cash holdings and demand deposits	109	75
12	Other financial investment assets	324	270
	Total other financial investment assets	41,910	35,486
	TOTAL INVESTMENT ASSETS	41,997	35,557
	Reinsurers' share of life-assurance provisions	0	4
	Reinsurers' share of claims provisions	0	12
	Total reinsurers' shares of provisions for insurance contracts	0	16
	Amounts receivable from policy holders	520	471
	Other amounts receivable	23	22
	TOTAL AMOUNTS RECEIVABLE	543	509
	Interest receivable	350	362
	TOTAL ACCRUALS AND DEFERRED INCOME	350	362
	TOTAL ASSETS	42,960	36,499

Balance Sheet (cont.)

LIABILITIES AND EQUITY		2006	2005
Note		DKK	DKK
		million	Million
	Share capital	110	110
	Reserve for tax free retained earnings	2,329	2,056
	Retained earnings	531	531
13	TOTAL EQUITY	2,970	2,696
	Premium provisions	108	111
	Guaranteed benefits	-1,515	7,124
	Bonus potential on future premiums	24,252	15,166
	Bonus potential on paid-up policy benefits	5,882	1,951
14	Total life-assurance provisions	28,619	24,241
15	Claims provisions	2,465	2,267
16	Collective bonus potential	6,598	5,225
	Provisions for bonus and premium rebates	327	365
17	Bonus provisions for group life scheme	365	292
18	Special bonus provisions	1,199	905
	TOTAL PROVISIONS FOR		
19	INSURANCE AND INVESTMENT CONTRACTS	39,680	33,407
	Amounts payable in connection with direct insurance	22	20
	Amounts payable in connection with reinsurance	1	17
	Amounts payable to associated companies	0	5
	Current tax liabilities	59	120
	Other amounts payable	228	253
	TOTAL AMOUNTS PAYABLE	310	395
	TOTAL LIABILITIES AND EQUITY	42,960	36,499

Cash Flow Statement

Note	2006 DKK million	2005 DKK million
Gross premiums paid	5,935	5,347
Paid on business ceded	-3	-2
Gross claims paid	-1,162	-1,016
Group life bonus paid	-94	-297
Insurance operating costs paid	-139	-130
Acquisitions and sales of technical equipment, etc.	-1	-1
Cash Flows from insurance activities	4,538	3,903
Net payments of interest and dividends etc.	1,317	1,054
Costs paid	-115	-112
Cash flows from investment activities	1,202	941
Labour market contributions paid	-429	-394
Tax on yields of certain pension-scheme assets paid	-438	-612
Cash flows from taxes etc.	-867	-1,006
Cash flows from total operations	4,873	3,838
1 Change in financial investment assets	-4,680	-3,742
Cash flows from investment and sales of investment assets	-4,680	-3,742
Cash flows from financing	-50	-50
Change in cash holdings and demand deposits	142	46
Cash holdings and demand deposits brought forward	445	399
Cash holdings and demand deposits carried forward	587	445

Note to the Cash Flow Statement

	2006 DKK million	2005 DKK million
Note		
1 Change in financial investment assets		
Net acquisitions (-)/sales		
Danish equities (holdings)	192	374
Foreign equities (holdings)	-1,315	-971
Unlisted equities	-818	-280
Danish nominal bonds	-1,551	-5,829
Units in investment associations	66	0
Index-linked bonds	-341	-466
Foreign bonds	-1,247	3,753
Foreign exchange contracts	304	-230
Financial instruments	29	-92
Buildings	0	0
Total	-4,680	-3,742

Notes to the Financial Statements

Note	2006 DKK million	2005 DKK Million
1 Gross Premiums		
Current premiums	4,991	3,987
Group risk premiums	396	424
Contributions incl. transfers	229	153
Labour market contributions	-431	-353
Total gross premiums	5,186	4,211
<u>Members with collective agreement-based schemes year-end</u>	<u>336,725</u>	<u>322,101</u>
<u>Members with group life assurance year-end</u>	<u>232,129</u>	<u>224,680</u>
All insurance policies have been taken out with bonus right based on collective agreements, agreements, and similar under which the insurance is a compulsory part of the conditions for employment.		
All insurances pertain to direct Danish business.		
2 Profit or loss on reinsurance (life assurance and sickness and accident insurance)		
Reinsurance premiums ceded to other companies	-4	-4
Reinsurance cover received	17	1
Change in reinsurance reserves	-16	1
Total profit or loss on reinsurance	-3	-3
3 Interest income and dividends, etc.		
Interest on securities and deposits	957	832
Index adjustment	79	31
Dividends on holdings	383	228
Total interest income and dividends etc.	1,419	1,091

Notes to the Financial Statements

Note	2006 DKK million	2005 DKK million
4 Value adjustments		
Danish listed equities	791	1,240
Foreign listed equities	901	2,135
Unlisted equities	142	84
Unit Trust Units	8	10
Nominal bonds	-273	-5
Foreign bonds	-336	910
Index-linked bonds	-98	219
Deposits with credit institutions	-35	32
Financial instruments	-318	178
Forward exchange transactions	744	-867
Total value adjustments	1,526	3,938
5 Tax on yields of certain pension-scheme assets		
Tax on yields of certain pension-scheme assets	377	710
Change in provision for deferred tax	0	-6
Total tax on yields of certain pension-scheme assets	377	704
Exemption fraction PAL sections 7, 15, and 16	0.8 %	0.7 %
Reduction for group life assurance recognized in the exemption fraction above.		
6 Benefits paid		
Insurance sums on death	148	145
Insurance sums on disability	101	106
Insurance sums on critical illness	38	41
Pension and interest benefits	183	216
Instalment insurance	35	23
Surrender (disbursement of small dormant accounts)	4	6
Transfers to other labour-market pension schemes	449	332
Bonus amounts paid in cash (pensioner bonus)	34	29
Total benefits disbursed	991	896

Notes to the Financial Statements

Note	2006 DKK million	2005 DKK Million
7 Administration expenses		
<p>In the items for administration expenses, administration expenses in connection with investment activities, as well as profit and loss of sickness and accident insurance, the expenses specified below have been recognized:</p>		
Staff expenses		
Staff wages and salaries	53	38
Pension contributions	6	5
Other social security expenses	1	1
Payroll tax	3	3
Total staff expenses	63	47
Auditor's fee for external auditor		
Statutory audit	0.5	0.7
Other services	1.2	0.8
Total Fee	1.7	1.5
Management and board emoluments		
Board of Management	2.9	2.7
Board of Directors	1.2	1.1
Total management and board emoluments	4.1	3.8
Average number of full-time employees in financial year	83	68

Notes to the Financial Statements

Note	2006 DKK million	2005 DKK million	
8	Technical profit or loss on sickness and accident insurance		
	<i>Premium income</i>		
	Current premiums	271	527
	Labour market contributions	-22	-42
	Transferred from life assurance provisions	52	184
	Total gross premiums	302	670
	Reinsurance premiums ceded	-2	-2
	Change in premium provisions	4	-81
	Total premium income net of reinsurance	303	587
	Technical interest	39	9
	<i>Claims expenses</i>		
	Benefits paid	-166	-121
	Reinsurance cover received	13	1
	Change in gross claims provisions	-263	-366
	Change in reinsurance share of claims provisions	-12	0
	Total claims expenses net of reinsurance	-428	-486
	Change in provision for bonus and premium discounts	38	-365
	<i>Insurance operating costs</i>		
	Administration expenses	-17	-17
	Total insurance operating costs net of reinsurance	-17	-17
	Technical profit or loss	-66	-272
	Investment return	272	431
	Return on insurance provisions	-74	-39
	Investment return after technical interest	198	392
	Total technical profit and loss from sickness and accident insurance	133	120

With a claims rate of 0.38%, in 2006 818 claims have been paid with an average indemnity of DKK 603,000.

Notes to the Financial Statements

Note	2006 DKK million	2005 DKK Million
9 Equipment		
Accumulated cost brought forward	4	3
Acquisitions during year	0	1
Disposals during year at cost	-1	0
<u>Accumulated cost carried forward</u>	<u>3</u>	<u>4</u>
Depreciation		
Accumulated depreciation brought forward	2	2
Depreciation for the year	0	0
Value adjustments on assets sold	-1	0
<u>Accumulated depreciation carried forward</u>	<u>2</u>	<u>2</u>
Net book value carried forward	<u>1</u>	<u>2</u>
10 Registered office property		
Revalued amount brought forward	69	69
Acquisitions	0	0
Disposals	0	0
Depreciation	0	0
Value adjustments recognized direct in equity	0	0
Value adjustments recognized in income statement	0	0
<u>Revalued amount carried forward</u>	<u>69</u>	<u>69</u>
External experts have not been involved in measuring the registered office.		
Rate of return	5.5	5.5
11 Holdings in group undertakings		
Accumulated cost price brought forward	70	20
Acquisitions during the year	50	50
<u>Accumulated cost price carried forward</u>	<u>120</u>	<u>70</u>
Accumulated value adjustments brought forward	2	0
Value adjustments for the year	-34	1
<u>Accumulated value adjustments carried forward</u>	<u>-33</u>	<u>1</u>
Net book value carried forward	<u>87</u>	<u>71</u>

Notes to the Financial Statements

Note	2006 DKK million	2005 DKK million
11 Holdings in group undertakings (cont.)		
The item holdings in group undertakings consists of the fully owned subsidiary of Industriens Pension IT A/S. The main activity of this company is that of running all IT operations in Industriens Pensionsforsikring A/S.		
The company's registered office is in Copenhagen, Denmark.		
Equity Capital according to the latest annual financial statements	87	71
Profit or loss for the year	-34	1
12 Other financial investment assets		
Forward exchange transactions	259	0
Swaption	66	172
Swaps	0	98
Total other financial investment assets	324	270
13 Equity capital		
Share Capital	110	110
Retained Earnings	531	531
Reserve for tax-free retained earnings	2,329	2,056
Total equity	2,970	2,696
Reserve for tax-free retained earnings		
Balance brought forward	2,056	1,507
Prior year adjustment SUL and one-off correction	0	113
Profit or loss for the year	274	436
Balance carried forward	2,329	2,056
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.		
Calculated solvency margin, life assurance	1,399	1,164
Calculated solvency margin, sickness and accident insurance	115	115
Total calculated solvency margin	1,514	1,279
Equity Capital	2,970	2,696
Special bonus provision	1,199	905
Base capital	4,169	3,601

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	2006 DKK million	2005 DKK million
14 Life-assurance provisions		
Gross life-assurance provisions brought forward	24,241	20,009
Accumulated value adjustment brought forward	-515	-43
Retrospective provisions brought forward	23,726	19,966
Gross premiums	5,186	4,211
Premiums for group life scheme	-396	-424
Addition of interest	1,253	1,142
Insurance benefits	-671	-576
Costs supplement after addition of costs bonus	-334	-279
Risk gain after addition of risk bonus	-176	-130
Transferred to sickness and accident insurance	-52	-184
Retrospective provisions carried forward	28,536	23,726
Accumulated value adjustment carried forward	84	515
Gross life-assurance provisions carried forward	28,619	24,241
Change in gross life-assurance provisions	4,379	4,232
3 % basis (original basis for writing insurance)		
Guaranteed benefits	6,724	10,615
Bonus potential on future premiums	11,903	8,166
Bonus potential on paid-up policies	3,975	1,139
Total 3 % basis	22,602	19,921
2 % basis (original basis for writing insurance)		
Guaranteed benefits	-8,239	-3,491
Bonus potential on future premiums	12,349	6,999
Bonus potential on paid-up policies	1,907	812
Total 2 % basis	6,017	4,320
Gross life-assurance provisions carried forward	28,619	24,241

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		2006 DKK million	2005 DKK million
15	Claims provisions		
	Provisions for insurance sums on death	25	22
	Provisions for insurance sums on disability	156	159
	Provisions for insurance sums on critical illness	14	12
	Provisions for group life scheme	123	106
	Total claims provisions on life-assurance activities	318	300
	Total claims provisions on sickness and accident insurance	2,148	1,968
	Total claims provisions	2,465	2,267
16	Collective bonus potential		
	Collective bonus potential brought forward	5,225	3,211
	Change in collective bonus potential	1,372	2,014
	Collective bonus potential carried forward	6,598	5,225
17	Bonus provisions for group life scheme		
	Bonus provisions for group life scheme brought forward	292	176
	Change in bonus provisions for group life scheme	72	116
	Bonus provisions for group life scheme carried forward	365	292
18	Special bonus provisions		
	Provision brought forward	905	626
	Change in provision for the year	294	280
	Special bonus provisions carried forward	1,199	905

Notes to the Financial Statements

Note	2006 DKK million	2005 DKK million
19 Provision for insurance and investment contracts		
Registered assets	39,879	35,773
Provision for insurance and investment contracts	39,680	33,407

20 Contingencies

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

At the end of 2006, bonds had been acquired for DKK 986.5 million net, for settlement in the first quarter of 2007.

At the end of 2006, shares had been acquired for DKK 8.8 million net, for settlement in the first quarter of 2007.

21 Other duties and positions held by management approved by the board of directors

CEO Erik Adolphsen is a member of the board of management of IndustriPension Holding A/S and the fully owned subsidiary, Industriens Pensionsforsikring A/S.

22 Transactions with closely related parties

The company has concluded agreements on the supply of administration services to the parent company of IndustriPension Holding A/S as well as to the subsidiary, Industriens Pension IT A/S. The fee for this is fixed on cost-recovery basis.

Furthermore, an agreement has been made with the subsidiary on the procurement of IT operating and development services. Fees for these services are fixed on market-based terms.

Notes to the Financial Statements

23 Specification of assets and returns on these

	Book Value		Net	Rate of Return per year before tax on yields of certain pension- scheme assets*
	DKK million		Investments	
	Brought forward	Carries forward	DKK million	
1.1 Land and buildings directly owned	69	69	0	-0.2%
1.2 Property companies	37	88	-13	179.8%
1. Total land and buildings	106	156	-13	63.7%
2. Other subsidiaries	72	87	50	0.8%
3.1 Listed Danish holdings	3,771	4,370	-192	22.4%
3.2 Unlisted Danish holdings	534	611	86	0.5%
3.3 Listed foreign holdings	9,042	11,496	1,137	16.6%
3.4 Unlisted foreign holdings	377	1,029	560	14.5%
3. Total other holdings	13,723	17,506	1,591	17.4%
4.1 Government bonds (Zone A)	5,174	4,802	-186	0.2%
4.2 Credit bonds	9,010	11,890	2,987	2.2%
4.3 Index-linked Bonds	3,381	3,703	341	1.9%
4.4 Investment grade credit bonds	49	0	-49	-0.4%
4.5 Non-investment grade credit bonds	3,202	3,269	53	8.1%
4.6 Other bonds	0	0	0	0.0%
4. Total bonds and emerging markets bond	20,816	23,664	3,147	2.6%
5. Mortgage loans	-	-	-	-
6. Other financial investment assets	459	587	-	-
7. Derivatives for hedging of the net change in assets and liabilities	270	66	0	-

*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

24 Specification of holdings in percent

	Denmark	Other European Countries	North America	South America	Japan	Other Far East Countries	Other Countries	Not broken down	Total
Energy	0.0%	2.1%	1.6%	0.6%	0.1%	1.0%	0.2%	0.0%	5.6%
Materials	0.3%	1.0%	0.7%	0.5%	1.5%	0.4%	0.4%	0.0%	4.8%
Industry	6.8%	2.7%	2.1%	0.3%	2.1%	0.5%	0.3%	0.0%	14.8%
Consumer discretionary	1.1%	1.7%	2.4%	0.4%	2.3%	0.6%	0.1%	0.0%	8.6%
Consumer staples	2.6%	1.0%	1.5%	0.1%	0.4%	0.2%	0.2%	0.0%	6.0%
Health care	6.1%	1.5%	2.4%	0.0%	0.5%	0.2%	0.0%	0.0%	10.7%
Finance	6.0%	7.4%	4.3%	0.4%	1.9%	2.7%	0.4%	0.0%	23.1%
IT	0.9%	0.8%	3.2%	0.1%	1.1%	1.6%	0.0%	0.0%	7.7%
Telecom- munication	0.0%	1.3%	0.7%	0.3%	0.3%	1.2%	0.1%	0.0%	3.9%
Utilities	0.0%	0.9%	0.6%	0.1%	0.4%	0.2%	0.0%	0.0%	2.2%
Not broken down	3.4%	6.4%	1.9%	0.4%	0.0%	0.4%	0.1%	0.0%	12.6%
Total	27.2%	26.8%	21.4%	3.2%	10.6%	9.0%	1.8%	0.0%	100.0%

Notes to the Financial Statements

25 Sensitivity information

Event	Minimum	Maximum	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
	Effect on base capital	Effect on collective bonus potential		
Interest rate rise of 0.7 percentage points	154	1,183	2,887	0
Interest rate drop of 0.7 percentage points	-154	-1,183	-3,125	0
Equity price drop of 12 %	-138	-1,623	0	0
Property price drop of 8 %	28	-34	0	0
Currency risk (VaR 99.5 %)	13	-179	0	0
Loss on counterparties of 8 %	-5	-347	0	0
Drop in mortality intensity of 10 %	0	-105	-749	0
Rise in mortality intensity of 10 %	0	38	741	0
Rise in disability intensity of 10 %	0	0	-17	0

Managerial Positions

Board of Management

Erik Adolphsen (born 1947),
Managing director of IndustriPension Holding A/S,
and the fully owned subsidiary Industriens Pensionsforsikring A/S.

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

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
- 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),
Director General and CEO of the Confederation of Danish Industries (DI)
Deputy chairman of Industriens Pensionsforsikring A/S

Date of taking office: 1 December 1992.
Appointed by the Confederation of Danish Industries (DI).

Other board of directors and board of management positions:

- IndustriPension Holding A/S, deputy chairman
- Tivoli A/S, member of the board of directors
- FIH Erhvervsbank A/S, chairman of the board of directors
- Aktieselskabet Kristeligt Dagblad, chairman of the board of directors

Kim Graugaard (born 1961),

Deputy Director General of the Confederation of Danish Industries (DI)
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 (DI).

Other board of directors and board of management positions:

- IndustriPension Holding A/S, member of the board of directors
- H: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 stop steward at Lindøværftet,
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:

- None

Thorkild E. Jensen (born 1950),

Union 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
- Selvstændighedsfonden and Young Enterprise, member of the board of directors
- Lynx Media A/S, chairman 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 the Economic Council of the Labour Movement

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

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 (DI).

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
- Lettershop Scandinavia AB, Stockholm, member of the board of directors
- OP Kuvert AB, Oskarshamn, chairman
- Monberg Sørensen A/S, chairman
- EmballageIndustrien, 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),
Deputy CEO of GN Store Nord A/S.
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 (DI).

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

Bo Stærmose (born 1948),
CEO, Juliana Drivhuse A/S.
Deputy chairman of by the Confederation of Danish Industries (DI).
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 (DI).

Other board of directors and board of management positions:

- 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
- Forretningsudvalget for Kong Frederik IX's hæderspris for dansk eksport
- The Danish Export Council (Danish Ministry of Foreign Affairs), member of the board of directors
- Provinsindustriens Arbejdsgiverforening, deputy chairman
- Fionia Banks Aktiefond, chairman
- International Chamber of Commerce, member of the board of directors

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),

Executive Director.

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 (DI).

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

Industriens Pension

Nørre Farimagsgade 3

1364 Copenhagen K

Denmark

Telephone: +45 33 66 80 80

Telefax : +45 33 66 80 90

kundeservice@industrienspension.dk

www.industrienspension.dk

CVR-no. 16 61 41 30