

The ATP Group

Preliminary announcement of financial statements 2007

Financial highlights for 2007

DKK million	<u>2007</u>	<u>2006</u>
Investment-activity results	10,030	21,127
Hedging-activity results	(2,212)	3,610
Pension-activity results after bonus additions	(2,952)	(1,822)
Transferred to client deposits under the SP and SUPP schemes	(2,013)	(4,518)
Administration-activity results	23	12
Tax	(10)	(2)
Net profit for the year	<u>2,866</u>	<u>18,407</u>

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Financial highlights of the ATP Group

DKK million	<u>2007</u>	<u>2006</u>
Income statement		
Investment activities		
Return on investment	11,939	24,919
Expenses	(383)	(359)
Tax on pension-savings returns	<u>(1,526)</u>	<u>(3,433)</u>
Investment-activity results	<u>10,030</u>	<u>21,127</u>
Hedging activities		
Return on hedging portfolio, etc.	(18,548)	(14,948)
Change in guaranteed benefits due to change in calculation rate	24,287	26,195
Change in guaranteed benefits due to declining term to maturity	(10,733)	(9,879)
Tax on pension-savings returns	<u>2,782</u>	<u>2,242</u>
Hedging-activity results	<u>(2,212)</u>	<u>3,610</u>
Pension activities		
Contributions	7,263	7,205
Fee income	90	119
Pension benefits	(7,666)	(7,080)
Change in guaranteed benefits due to contributions and pension benefits	4,055	2,812
Expenses	<u>(239)</u>	<u>(224)</u>
Results before change in mortality and bonus, etc.	<u>3,503</u>	<u>2,832</u>
Change in guaranteed benefits due to change in mortality	(744)	(3,957)
Bonus for the year	<u>(5,711)</u>	<u>(697)</u>
Pension-activity results	<u>(2,952)</u>	<u>(1,822)</u>
Transferred to client deposits under the SP and SUPP schemes	<u>(2,013)</u>	<u>(4,518)</u>
Administration activities		
Income	510	502
Expenses	<u>(487)</u>	<u>(490)</u>
Administration-activity results	<u>23</u>	<u>12</u>
Tax	<u>(10)</u>	<u>(2)</u>
Net profit for the year	<u>2,866</u>	<u>18,407</u>
Of which minority interests' share	51	128
Balance sheet		
Assets		
Investment assets	429,944	413,864
Other assets	<u>14,730</u>	<u>12,652</u>
Total assets	<u>444,674</u>	<u>426,516</u>
Liabilities		
Guaranteed benefits	281,400	292,554
Bonus potential	73,181	70,366
Provisions for unit-linked contracts under the SP scheme	52,574	52,284
Other liabilities	<u>37,519</u>	<u>11,312</u>
Total liabilities	<u>444,674</u>	<u>426,516</u>

Report for 2007

- The Group's net profit totals DKK 8.6bn before bonus additions of DKK 5.7bn.
- All current and future pensions will be increased by bonus additions of 2 per cent at 1 January 2008.
- The annual update of the mortality base has added an amount of DKK 0.7bn to provisions.
- The Group's bonus potential is up by DKK 2.9bn, to a total of DKK 73.2bn, at 31 December 2007.
- The market return on ATP's investment portfolio is DKK 21.3bn, equivalent to 5.9 per cent.
- Administrative expenses amount to DKK 35 for each ATP member and DKK 26 for each SP client.
- Investment expenses total DKK 27 for each ATP member and DKK 6 for each SP client.

Net profit for the year

The overview 'Financial highlights of the ATP Group' reflects the main activities of the ATP Group. The Group achieved a net profit of DKK 2.9bn, which is satisfactory.

Net profit can be broken down as follows:

2007 – DKK million	ATP	SP	Other	Group
Investment-activity results	7,906	2,077	47	10,030
Hedging-activity results	(2,212)	0	0	(2,212)
Pension-activity results	(2,960)	8	0	(2,952)
Transferred to client deposits under the SP and SUPP schemes	0	(2,013)	0	(2,013)
Administration-activity results	7	2	14	23
Tax	0	0	(10)	(10)
Net profit for the year	2,741	74	51	2,866

1) Comprised primarily of reclassifications related to financial statement consolidation.

Investment activities

The Group's investment activities comprise the asset management of the ATP and SP schemes, including the SUPP scheme (the Supplementary Labour Market Pension Scheme for Disability Pensioners).

The introduction of mark-to-market accounting has fundamentally changed the conditions for managing pension assets. This has prompted ATP to divide its portfolio into two separate sub-portfolios to match the two main objectives to which the management of ATP's investments is subject:

- A hedging portfolio comprised primarily of interest-rate swaps, etc., the aim of which is to ensure optimal hedging of ATP's pension liabilities.
- An investment portfolio, the aim of which is to generate an absolute return that is sufficient to ensure growth in the bonus potential, thus making it possible to preserve the long-term purchasing power of pensions.

The hedging-portfolio return is included in hedging-activity results, while investment activities comprise other investments.

Hedging activities

Hedging activities relate only to ATP. The market value of guaranteed benefits rises in case of interest-rate falls and declines in case of interest-rate rises. The objective of ATP's hedging activities is, primarily, to hedge the interest-rate risk related to ATP's guaranteed benefits. In other words, the objective of the hedging activities is not, *per se*, to generate a return.

The hedging portfolio may consist of long-dated bonds or similar financial instruments, e.g. interest-rate swaps. In principle, these instruments are subject to an interest-rate risk after tax that is equivalent to the interest-rate risk of the guaranteed benefits. At present, bonds do not form part of the hedging portfolio.

Pension activities

Pension activities comprise the management of the ATP pension scheme and the SP and SUPP savings schemes (the Special Pension Savings Scheme and the Supplementary Labour Market Pension Scheme for Disability Pensioners).

The financial statements of the SP and SUPP schemes are presented as unit-linked schemes, entailing, among other things, that contribution payments and pension benefits are recognised directly in the item 'Provisions for unit-linked contracts' in the balance sheet.

Changes in guaranteed benefits due to changes in mortality are updated once a year at the end of H1.

Administration activities

In relation to its pension activities, ATP sells administrative services in the fields of pensions and social insurance to other schemes, including LG, AER, AES, *FerieKonto*, *Barsel.dk* and LD. These services are provided on a cost-recovery basis. ATP also sells administrative services, etc., to labour-market pension schemes. These services are provided as part of the Group's administration activities.

Other customary income and expenses that cannot be attributed to pension or investment activities are recorded under the items 'Other Income' and 'Other expenses'.

Investment-activity results

The Group's investment-activity results totalled DKK 10.0bn after tax on pension-savings returns of DKK 1.5bn. ATP's investment-activity results totalled DKK 7.9bn after tax, equivalent to 2.2 per cent of pension provisions at the beginning of 2007.

The investment-activity results achieved by the SP and SUPP schemes, totalling DKK 2.1bn after tax, are transferred to client deposits. Minority interests' share of investment-activity results totals about DKK 51m.

The ATP investment portfolio

In 2007, the investment portfolio generated an overall market return of DKK 21.3bn before tax, equivalent to a rate of return of 5.9 per cent.

The investment portfolio is divided into two components that are attributable to two different sources of return:

- The return achieved by investing broadly in asset classes subject to a certain amount of investment risk. Experience shows that, over time, most risky assets generate an additional return relative to risk-free investments. This return, which may be seen as compensation to investors for accepting greater risk, is known as "beta".
- The return achieved by investing actively, e.g. by purchasing individual equities that are expected to show the greatest increase over a given time horizon and selling individual equities that are expected to show the smallest increase. The return achieved by active asset management is known as "alpha".

ATP has decided to separate the investment decisions relating to alpha and beta and lodge the portfolio responsibility with a number of independent investment teams – the objective being to ensure that the investment approach is focused and flexible with a clear allocation of responsibilities and an efficient decision-making process. To that end, the investment portfolio has been divided into an alpha and a beta portfolio.

ATP has divided the assets of the beta portfolio into five classes of risk with roughly the same portfolio characteristics within the individual risk class, but different portfolio characteristics between risk classes: equity risk, credit risk, nominal interest-rate risk, inflation risk and commodity risk. In an effort to achieve the best possible risk diversification, while at the same time ensuring that the return is as stable and as independent as possible of economic trends, ATP significantly reallocated its portfolio in 2007, biasing it towards assets other than listed equities. For example, the portfolio of index-linked bonds in the risk class "inflation risk" and investments in the risk class "commodity risk" were increased.

Interest-rate swaps, the aim of which is to hedge ATP's pension liabilities, do not form part of the investment portfolio. Accordingly, the return on interest-rate swaps is not included in the market return on the investment portfolio.

In 2007, the investment portfolio generated an overall market return of DKK 21.3bn before tax, equivalent to a rate of return of 5.9 per cent. This figure includes a return of DKK 12.2bn, which has been transferred to the hedging portfolio. The return is transferred to the hedging portfolio because the hedging portfolio makes liquidity available to the investment portfolio. Allowing for financing costs, the return on the investment portfolio thus totals DKK 9.0bn.

The ATP investment portfolio ¹	Portfolio end of 2007		Return 2007	
	DKK billion	per cent	DKK million	per cent ²
Beta	375.7	100.0	20,902.0	5.8
- Nominal interest-rate risk	167.1	44.5	4,958.5	2.8
- Credit risk	16.2	4.3	413.5	2.2
- Equity risk	115.1	30.6	9,408.9	8.7
- Inflation risk	56.8	15.1	3,103.4	6.9
- Commodity risk	20.5	5.5	3,016.8	25.6
Alpha	0.4		134.8	-
Other	6.8		226.8	-
Total investment portfolio	382.9		21,263.6	5.9
Transferred to hedging activities³	(302.7)		(12,219.7)	4.2
Total investment portfolio after financing			9,043.9	

1) Each figure is reconciled separately and, accordingly, rounding differences may occur.

2) ATP uses daily, time-weighted rates of return.

3) The hedging portfolio is comprised of financial instruments designed to hedge ATP's pension liabilities; the portfolio does not include securities. Funds that are not tied up in the hedging portfolio are available for investment in the investment portfolio. A market rate is paid to hedging activities on these funds. This amount is referred to as "Transferred to hedging activities".

Equity risk generated the highest return by far in the beta portfolio

In 2007, the overall beta portfolio generated a return of DKK 21.3bn, equivalent to 5.9 per cent. In DKK terms, the highest returns were achieved on the risk class "equity risk", but the risk classes "nominal interest-rate risk", "inflation risk" and "commodity risk" also yielded high absolute returns.

The investments in "nominal interest-rate risk", comprising global bonds, domestic mortgage bonds and US mortgage bonds, produced a return of DKK 5.0bn, or 2.8 per cent.

The risk class "credit risk" recorded a return of DKK 414m, corresponding to 2.2 per cent. This risk-class portfolio is primarily comprised of high-yield bonds and distressed debt.

The risk class "equity risk", comprising listed domestic equities, listed foreign equities and private equities, achieved a return of DKK 9.4bn, or 8.7 per cent.

The investment in "inflation risk" generated a return of DKK 3.1bn, equivalent to 6.9 per cent. This portfolio comprises index-linked bonds, real estate, infrastructure investments and an externally managed, well-diversified beta portfolio – a so-called "All Weather portfolio".

Finally, the investments in “commodity risk”, comprising only oil-indexed bonds at the end of the year, earned a return of DKK 3.0bn corresponding to 25.6 per cent. This portfolio was significantly increased in 2007.

2007 was a trying year in financial markets

The crisis in the US housing market left its mark on financial developments in 2007, causing major fluctuations in financial markets. Credit markets were under pressure for most of the year – especially the US sub-prime mortgage market (market providing loans to homebuyers with weak credit histories or facing other financial challenges) – and in early August, the contagion effects of the crisis spread to money markets. Despite the uncertainty surrounding the scope and extent of the financial crisis, equity markets, in general, ended the year with a slight gain. The domestic equity market, boasting a new double-digit price increase, was one of the high-flyers in developed markets. At the opposite end of the spectrum, Japan suffered across-the-board equity price declines. In 2007, emerging markets recorded the highest equity price gains, driven, among other factors, by strong economic performance and huge appetite among investors to “get in on the action” of the growth markets.

In the course of the year, the effects of the financial crisis also rippled through to bond markets. Growing risk aversion triggered a demand for safe investment options, benefiting short-term government bonds, in particular. Thus the interest rate hikes seen in the spring were replaced by a significant fall, but European interest rates ended the year higher – as opposed to US rates. The weakening of the US dollar continued in 2007, as the dollar fell by about 10 per cent against the euro. The dollar was hit by forecasts of slower economic growth in the USA and narrowing yield spreads against the dollar, among other factors.

The alpha portfolio achieved positive returns

In 2007, the alpha portfolio achieved an overall return (after financing costs) of DKK 134m. The portfolio recorded positive returns in seven of the 12 months of the year.

The objective of the ATP Alpha portfolio is to generate stable returns – which are independent of long-term developments in financial markets – and to limit potential losses through active position, portfolio and risk management.

Market-independent returns can be generated primarily by taking both long and short positions in financial markets. A positive return is achieved on long positions if the price goes up, while the opposite is true for short positions, which yield a positive return if the price goes down. This strategy requires a clear focus on risk management in order to limit potential losses on individual positions as well as on the overall portfolio. Moreover, wide portfolio diversification ensures that the risk attached to individual positions is reduced significantly.

ATP Alpha is active in a number of financial markets, such as equity, bond, currency and commodity markets. In addition to position-taking in equities and bonds, ATP Alpha uses a number of financial instruments. In ATP Alpha, the returns of the individual investments teams have exhibited a low degree of covariation. Accordingly, the overall return of the portfolio has a higher degree of stability.

Over the coming years, ATP will continue developing ATP Alpha as a business area, the objective of which is to create a significant contribution to ATP's overall return.

SP investment activities

SP's total market return on investment was DKK 2.5bn before tax in 2007, corresponding to a rate of return of 4.6 per cent. Both equity and bond markets contributed positively to the return.

SP's assets are comprised of:

- SP funds invested directly by ATP
- SP funds invested by SP clients
- Funds under the SUPP scheme (the Supplementary Labour Market Pension Scheme for Disability Pensioners) invested directly by ATP

SP funds invested by ATP on behalf of the clients – totalling 97.5 per cent of the total portfolio – are invested so as to ensure that the investment risk is adapted to the individual client's age. The portfolio allocation of clients up to age 45 is approximately 60 per cent equities and approximately 40 per cent bonds, while the portfolio allocation of clients aged over 65 is approximately 20 per cent equities and 80 per cent bonds. For clients between 45 and 65, the equity allocation is scaled down gradually from approximately 60 per cent to approximately 20 per cent.

Three sub-funds under the ATP Invest mutual fund have been designed with different risk levels to provide for the creation of an age-dependent portfolio allocation.

The SP investment portfolio ¹	Portfolio end of 2007		Return		
	DKK million	per cent	SP	SP ²	Benchmark ²
			DKK million	per cent	per cent
SP funds invested directly by ATP	52,125	97.5	2,377	4.6	
<i>ATP Invest Basis Lav Risiko</i>	7,126	14.0	229	3.5	3.7
<i>ATP Invest Basis Mellem Risiko</i>	13,707	27.0	541	4.0	4.1
<i>ATP Invest Basis Høj Risiko</i>	31,292	61.6	1,608	5.0	4.8
SP funds invested by SP clients	256	0.5	36	16.8	
The SUPP scheme	1,089	2.0	37	4.3	
Total investment assets	53,469		2,450	4.6	

1) Each figure is reconciled separately and, accordingly, rounding differences may occur.

2) ATP uses daily, time-weighted rates of return.

SP funds invested directly by ATP produced a return of DKK 2.4bn, equivalent to a rate of return of 4.6 per cent.

Both equity and bond markets achieved positive returns in 2007, but equity markets significantly outperformed bond markets. Accordingly, the equity allocation has been a key factor in the return achieved in 2007. The highest return was achieved by *ATP Invest Basis Høj Risiko* ("ATP Invest Basic High Risk"), the risk of which is higher due to its higher equity allocation.

Benchmarks based on market indices and market portfolios have been established for each of the three basic sub-funds of ATP Invest. The three benchmarks reflect the strategic portfolio allocation of the portfolios. All three sub-funds achieved returns close to their respective benchmarks.

SP funds invested by clients produced a return of DKK 36.0m, equivalent to 16.8 per cent.

A small portion of SP's clients – some 8,000 – exercised their free SP choice to invest their SP deposits themselves through *Folkebørsen* (electronic marketplace). The return reflects that clients primarily opted for equity-based sub-funds, which generally outperformed bond-based funds. The sub-fund *ATP Invest Danske aktier – Mindre selskaber* ("ATP Invest Domestic Equities – Small Companies") was especially popular among SP clients.

ATP administers SUPP, the Supplementary Labour Market Pension Scheme for Disability Pensioners. The scheme is managed within the framework of SP, entailing that the SUPP funds are managed as part of the SP portfolio. The SUPP funds are invested individually depending on the age of the individual client – in line with SP funds invested directly by ATP.

In 2007, the SUPP portfolio recorded a return of DKK 36.7m, equivalent to 4.3 per cent, thus slightly underperforming the portfolio of SP funds invested directly by ATP. The differential is attributable exclusively to a difference in age distribution. On account of the age distribution, the SUPP portfolio has a significantly lower equity allocation – 38 per cent of its funds are invested in the sub-fund *ATP Invest Basis Høj Risiko*, while the corresponding figure for SP funds invested directly by ATP is 60 per cent.

Hedging-activity results

The Group recorded a DKK 2.2bn loss on hedging activities.

In 2007, the market value of ATP's pension liabilities – guaranteed benefits – decreased by DKK 24.3bn as a result of the interest-rate increases during the year. At the same time, the value of the liabilities increased by DKK 10.7bn due to the shorter term to maturity of the liabilities. Between them, these changes produced a fall of DKK 13.6bn in guaranteed benefits.

The hedging portfolio produced a loss of DKK 18.5bn before tax. As a result of this loss, tax on pension-savings returns amounted to an income of DKK 2.8bn. Thus the return of the hedging portfolio was a negative DKK 15.7bn after tax.

The return on the hedging portfolio is comprised of financial instruments designed to hedge ATP's pension liabilities and interest income transferred from investment activities. In 2007, financial instruments produced a negative return of DKK 30.7bn, while interest income amounted to DKK 12.2bn.

Hedging activities produced an overall loss of DKK 2.2bn, which, viewed in isolation, serves to reduce the bonus potential. In 2006, the corresponding result was positive – in the order of DKK 3.6bn.

The loss recorded on hedging activities is attributable all but exclusively to the tightening of the interest-rate spread between euro-denominated claims and DKK-denominated claims.

Pension-activity results

Before the 2 per cent increase in all current and future pensions and the annual update of the mortality base, the Group's pension-activity results were a positive DKK 3.5bn. After the pension increase, which added an amount of DKK 5.7m to provisions, pension-activity results were a negative DKK 2.9bn.

At the end of 2007, the Group had received contributions totalling DKK 7.3bn and fee income of DKK 90m. During the period, pension benefits totalling DKK 7.7bn were paid to members, an increase of DKK 586m on the same period last year. At year-end 2007, some 675,800 pensioners received a current pension from ATP, up almost 23,000 on the same period last year.

Overall pension-activity results include a change in guaranteed benefits of DKK 4.1bn due mainly to the impact of the purchase of new pension rights for the contributions paid into the schemes and the benefit payouts under the schemes during the period.

Overall pension-activity results, totalling a negative DKK 3.0bn, are also impacted by the annual update of the mortality base, effected at 30 June 2007. The update resulted in an increase in guaranteed benefits of DKK 0.7bn. Results are also impacted by a 2 per cent increase in all pensions, causing guaranteed benefits to rise by DKK 5.7bn.

At the end of 2007, the Group had received fee income of DKK 90m. Fees to cover expenses are collected directly from individual SP clients. As at 31 December 2007, the number of clients was 3,039,600.

Some 8,000 clients opted to take advantage of free SP choice to invest their SP savings themselves. In 2007, 57,000 clients chose to transfer their SP deposits to external pension providers. Since 1 January 2005, a total of 214,000 clients have transferred their SP deposits to different pension providers.

Administration-activity results

The Group's administration-activity results, totalling DKK 23m, comprise sale of administrative services to external clients and other related parties, as well as expenses incurred in the sale of administrative services.

Accounting policies

The preliminary announcement of financial statements of the ATP Group for 2007 has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and in accordance with additional Danish disclosure requirements as set out in 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme and the Special Pension Savings Scheme' (available in Danish only).

The accounting policies are consistent with those applied in the annual report for 2006.

Outlook for 2008

Seen in the context of the tumultuous start to the year in financial markets, the ATP Supervisory and Executive Boards expect 2008 to be a difficult year. Company earnings and equity prices will come under pressure as a result of the contagion effects of the financial crisis which took off in H2 2007. This pressure will be exacerbated by slowing growth and increasing commodity prices. Against this backdrop, the Supervisory and Executive Boards believe that there is a significant risk that overall equity market returns will be negative for 2008. In bond markets, ATP expects positive, but modest returns.

Seen in this perspective, ATP expects the ATP Group to achieve an overall profit of between DKK 1 and 4bn – before recognition of any additional provisions resulting from increases in life expectancy and any bonus additions to pensions and pension commitments.

Though prospects are for relatively modest results in 2008, ATP expects to be able to add bonus to pensions and pension commitments at the beginning of 2009.

This expectation is based on the assumption that the financial market turbulence does not grow worse.

Price developments, in combination with reduced economies of scale as a result of fewer clients, will trigger a small increase in the Group's total administrative expenses in 2008. For the ATP scheme, administrative expenses are expected to go up from DKK 35 to DKK 36 for each member, while the administrative expenses of the SP scheme are expected to rise from DKK 26 to DKK 29.

The investment-activity expenses of the ATP scheme are expected to increase from DKK 27 to DKK 36 for each member, due to a significant expansion in activities. SP's investment-activity expenses are, however, expected to remain at an average of DKK 6 per client.

Hillerød, 20 February 2008

Jørgen Søndergaard
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The ATP Group
Income statement

DKK million	2007	2006	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Contributions	7,263	7,205	1,714	1,814	1,739	1,996	1,780
Fees	90	119	23	22	23	22	22
Income from associates	(359)	(87)	(322)	(38)	0	1	1
Income from investment properties	564	524	139	152	127	146	130
Interest income and dividends, etc.	16,184	20,788	3,642	3,741	4,672	4,129	3,759
Fee income	35	10	3	4	4	24	10
Market-value adjustments	(23,021)	(11,250)	(4,109)	7,953	(18,351)	(8,514)	1,583
Interest expenses	(6)	(8)	(1)	(3)	(1)	(1)	(5)
Fee expenses	(6)	(6)	(2)	(2)	(2)	0	(6)
Investment-activity expenses	(383)	(359)	(123)	(78)	(84)	(98)	(79)
Total investment return	<u>(6,992)</u>	<u>9,612</u>	<u>(773)</u>	<u>11,729</u>	<u>(13,635)</u>	<u>(4,313)</u>	<u>5,393</u>
Tax on pension-savings returns	1,256	(1,191)	63	(1,493)	2,034	652	(707)
Investment return after tax on pension-savings returns	(5,736)	8,421	(710)	10,236	(11,601)	(3,661)	4,686
Benefit payouts	(7,665)	(7,069)	(2,065)	(1,891)	(1,862)	(1,847)	(1,907)
Change in claims-outstanding provisions	(1)	(11)	(3)	0	0	2	(13)
Total pension benefits	<u>(7,666)</u>	<u>(7,080)</u>	<u>(2,068)</u>	<u>(1,891)</u>	<u>(1,862)</u>	<u>(1,845)</u>	<u>(1,920)</u>
Change in guaranteed benefits	16,865	15,171	(2,325)	(4,956)	18,303	5,843	4,870
Bonus addition for the year	(5,711)	(697)	(5,711)	0	0	0	(697)
Change in provisions for unit-linked contracts	(2,013)	(4,518)	646	(525)	(1,284)	(850)	(1,986)
Pension-activity expenses	<u>(239)</u>	<u>(224)</u>	<u>(50)</u>	<u>(58)</u>	<u>(66)</u>	<u>(65)</u>	<u>(75)</u>
Technical profit	2,853	18,397	(8,481)	4,642	5,252	1,440	6,680
Other income	510	502	119	114	139	138	165
Other expenses	(487)	(490)	(160)	(103)	(133)	(91)	(210)
Profit before tax	2,876	18,409	(8,522)	4,653	5,258	1,487	6,635
Tax	(10)	(2)	(1)	(4)	(2)	(3)	6
Net profit for the year	2,866	18,407	(8,523)	4,649	5,256	1,484	6,641
Minority interests' share of the net profit for the period	51	128	(33)	5	59	20	63
The ATP Group's share of the net profit for the period	<u>2,815</u>	<u>18,279</u>	<u>(8,490)</u>	<u>4,644</u>	<u>5,197</u>	<u>1,464</u>	<u>6,578</u>
Allocated results	2,866	18,407	(8,523)	4,649	5,256	1,484	6,641

The ATP Group

Balance sheet

DKK million	2007	2006	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
ASSETS							
Total intangible assets	694	407	694	632	557	475	407
Operating equipment	19	13	19	15	15	13	13
Owner-occupied properties	449	359	449	415	414	364	359
Total property, plant and equipment	468	372	468	430	429	377	372
Investment properties	10,273	8,888	10,273	9,986	9,941	9,401	8,888
Investments in associates	4,449	534	4,449	4,249	1,893	558	534
Equity investments	115,657	112,846	115,657	122,033	118,126	114,474	112,846
Mutual-fund units	82	220	82	1,661	122	113	220
Bonds	234,535	222,432	234,535	220,462	228,052	227,243	222,432
Derivative-financial instruments	11,470	15,848	11,470	11,400	6,752	9,700	15,848
Other loans	0	20	0	20	20	20	20
Loans to portfolio companies	9	5	9	5	5	5	5
Total other financial investment assets	361,753	351,371	361,753	355,581	353,077	351,555	351,371
Total investment assets	376,475	360,793	376,475	369,816	364,911	361,514	360,793
Investment assets related to unit-linked Contracts							
Deferred tax	6	6	6	0	0	0	0
Deferred tax on pension-savings returns	1,497	0	1,497	1,536	3,063	802	6
Contributions receivable	1,961	1,999	1,961	2,085	2,086	2,169	1,999
Other receivables	668	768	668	1,351	378	665	768
Interest receivable and accrued rent	3,373	3,316	3,373	3,673	4,341	3,490	3,316
Other prepayments	128	234	128	28	24	37	234
Tax receivable on pension savings-returns	54	1,244	54	0	1,244	1,244	1,244
Corporation tax	2	0	2				0
Cash in hand and demand deposits	5,879	4,306	5,879	6,662	6,323	6,976	4,306
Total receivables and other assets	13,568	11,873	13,568	15,335	17,459	15,383	11,873
Total assets	444,674	426,516	444,674	441,400	438,235	431,481	426,516
LIABILITIES							
Total minority interests	778	772	778	908	962	903	772
Guaranteed benefits	281,400	292,554	281,400	273,364	268,408	286,711	292,554
Claims-outstanding provisions	40	39	40	37	37	37	39
Bonus potential	73,147	70,363	73,147	81,667	77,021	71,829	70,363
Revaluation reserve	34	3	34	3	3	3	3
Total bonus potential	73,181	70,366	73,181	81,670	77,024	71,832	70,366
Provisions for unit-linked contracts	52,574	52,284	52,574	53,616	53,471	52,626	52,284
Provisions for the SUPP scheme	1,112	856	1,112	1,061	993	929	856
Total pension provisions	408,307	416,099	408,307	409,748	399,933	412,135	416,099
Short-term loans	101	44	101	61	51	43	44
Amounts owed to credit institutions	0	20	0	20	20	20	20
Derivative-financial instruments	28,798	5,952	28,798	27,948	32,221	13,587	5,952
Tax payable on pension-savings returns	0	135	0	476	516	286	135
Other payables	6,690	3,494	6,690	2,239	4,532	4,507	3,494
Total payables	35,589	9,645	35,589	30,744	37,340	18,443	9,645
Total liabilities	444,674	426,516	444,674	441,400	438,235	431,481	426,516

The ATP Group

Note 1 – Cash flow statement

DKK million	<u>2007</u>	<u>2006</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>	<u>Q1 2007</u>	<u>Q4 2006</u>
Cash flows from operating activities							
Received in respect of pension activities	(1,074)	(1,137)	(944)	(71)	370	(429)	(1,049)
Management income received	22,915	29,237	9,230	(2,629)	9,905	6,409	9,958
Tax on pension savings returns paid	780	(4,652)	(120)	900	0	0	(2,216)
Other operating activities	(1,249)	(881)	(73)	(951)	(140)	(85)	721
Total	<u>21,372</u>	<u>22,567</u>	<u>8,093</u>	<u>(2,751)</u>	<u>10,135</u>	<u>5,895</u>	<u>7,414</u>
Net cash flow from investing activities							
Purchase and sale of investment assets	(19,493)	(23,303)	(8,791)	3,165	(10,710)	(3,157)	(7,143)
Intangible assets	(295)	(182)	(76)	(73)	(78)	(68)	(16)
Property, plant and equipment	(11)	(169)	(9)	(2)	0	0	(169)
Total	<u>(19,799)</u>	<u>(23,654)</u>	<u>(8,876)</u>	<u>3,090</u>	<u>(10,788)</u>	<u>(3,225)</u>	<u>(7,328)</u>
Change in ash and cash equivalents	1,573	(1,087)	(783)	339	(653)	2,670	86
Cash and cash equivalents, beginning of year	<u>4,306</u>	<u>5,393</u>	<u>6,662</u>	<u>6,323</u>	<u>6,976</u>	<u>4,306</u>	<u>4,220</u>
Cash and cash equivalents, end of year	<u>5,879</u>	<u>4,306</u>	<u>5,879</u>	<u>9,985</u>	<u>6,323</u>	<u>6,976</u>	<u>4,306</u>

The ATP Group

Note 2 – Contingent liabilities

DKK million	2007	2006	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Collateral security in respect of derivatives	24,795	3,257	24,795	17,284	22,057	3,796	3,257
Rental/lease obligations	132	128	132	110	116	122	128
Investment commitments, equity investments and commitments made by ATP Private Equity Partners	10,889	13,562	10,889	12,807	13,247	13,343	13,562
Investment commitments, domestic real estate	0	143	0	0	0	0	143
Investment commitments, real-estate funds	3,950	1,643	3,950	4,250	1,277	2,061	1,643
Investment commitments, infrastructure funds	2,414	4,317	2,414	2,719	3,366	3,407	4,317
Agreements concluded on supply of IT systems	310	533	310	256	343	427	533
<p>ATP has joint VAT registration with a number of subsidiaries. These subsidiaries are jointly and severally liable for payment of VAT and payroll tax included in the joint registration for VAT.</p>							

The ATP Group

Note 3 – Pension provisions

DKK million	2007	2006	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Guaranteed benefits							
Market value, beginning of period	292,554	307,028	273,364	268,408	286,711	292,554	296,727
Change in provisions for the period	(16,865)	(15,171)	2,325	4,956	(18,303)	(5,843)	(4,870)
Bonus provision	5,711	697	5,711	0	0	0	697
Market value, end of period	<u>281,400</u>	<u>292,554</u>	<u>281,400</u>	<u>273,364</u>	<u>268,408</u>	<u>286,711</u>	<u>292,554</u>
Guaranteed benefits comprise Scheme I (pension rights accrued on the basis of contribution payments up until and including 31 December 2001) and Scheme II (pension rights accrued on the basis of contribution payments made after 31 December 2001).							
Change in provisions for the period:							
Contributions	7,263	7,205	1,714	1,814	1,740	1,995	1,780
Pension benefits	(7,666)	(7,080)	(2,066)	(1,891)	(1,862)	(1,847)	(1,918)
Change in mortality	744	3,957	7	8	729	0	21
Change in calculation rate	(24,287)	(26,195)	940	3,097	(20,934)	(7,390)	(6,420)
Other changes	7,081	6,942	1,730	1,928	2,024	1,399	1,667
Total	<u>(16,865)</u>	<u>(15,171)</u>	<u>2,325</u>	<u>4,956</u>	<u>(18,303)</u>	<u>(5,843)</u>	<u>(4,870)</u>
Claims-outstanding provisions							
Balance, beginning of period	39	28	37	37	37	39	26
Change in provisions for the period	1	11	3	0	0	(2)	13
Balance, end of period	<u>40</u>	<u>39</u>	<u>40</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>39</u>
Bonus potential							
Bonus potential:							
Balance, beginning of period	70,098	51,921	81,400	76,760	71,561	70,097	63,554
Changes during the period	2,740	18,176	(8,562)	4,640	5,199	1,464	6,543
Balance, end of period	<u>72,838</u>	<u>70,097</u>	<u>72,838</u>	<u>81,400</u>	<u>76,760</u>	<u>71,561</u>	<u>70,097</u>
Adjustment pool:							
Balance, beginning of period	265	158	266	260	267	265	224
Changes during the period	74	107	73	6	(7)	2	41
Balance, end of period	<u>339</u>	<u>265</u>	<u>339</u>	<u>266</u>	<u>260</u>	<u>267</u>	<u>265</u>
Revaluation reserve:							
Balance, beginning of period	3	4	4	4	4	4	4
Changes during the period	31	(1)	0	0	0	0	0
Balance, end of period	<u>34</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total bonus potential	<u>73,181</u>	<u>70,366</u>	<u>73,181</u>	<u>81,670</u>	<u>77,024</u>	<u>71,832</u>	<u>70,366</u>
Provisions for unit-linked contracts							
Balance, beginning of period	52,284	49,760	53,616	53,471	52,626	52,284	50,801
Changes during the period	290	2,524	(1,042)	145	845	342	1,483
Balance, end of period	<u>52,574</u>	<u>52,284</u>	<u>52,574</u>	<u>53,616</u>	<u>53,471</u>	<u>52,626</u>	<u>52,284</u>
Provisions for the SUPP scheme							
Balance, beginning of period	856	594	1,061	993	929	856	763
Changes during the period	256	262	51	68	64	73	93
Balance, end of period	<u>1,112</u>	<u>856</u>	<u>1,112</u>	<u>1,061</u>	<u>993</u>	<u>929</u>	<u>856</u>
Total pension provisions	<u>408,307</u>	<u>416,099</u>	<u>408,307</u>	<u>409,748</u>	<u>399,933</u>	<u>412,135</u>	<u>416,099</u>

ATP

Income statement

DKK million	2007	2006	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Contributions	7,263	7,205	1,714	1,814	1,739	1,996	1,780
Income from group enterprises	3,920	4,520	423	1,194	1,988	315	2,639
Income from associates	(453)	(5)	(387)	(48)	(19)	1	(6)
Income from investment properties	341	326	82	83	84	92	84
Interest income and dividends, etc.	12,301	17,159	2,798	2,616	3,552	3,335	3,689
Fee income	35	10	3	4	4	24	10
Market-value adjustments	(25,499)	(17,772)	(2,921)	7,274	(20,784)	(9,068)	(3,440)
Fee expenses	(6)	(6)	(2)	(2)	(1)	(1)	(6)
Investment-activity expenses	(121)	(95)	(50)	(18)	(26)	(27)	(24)
Total investment return	<u>(9,482)</u>	<u>4,137</u>	<u>(54)</u>	<u>11,103</u>	<u>(15,202)</u>	<u>(5,329)</u>	<u>2,946</u>
Tax on pension-savings returns	1,622	(418)	(39)	(1,402)	2,261	802	(342)
Investment return after tax on pension-savings returns	(7,860)	3,719	(93)	9,701	(12,941)	(4,527)	2,604
Benefit payouts	(7,665)	(7,069)	(2,065)	(1,891)	(1,862)	(1,847)	(1,907)
Change in claims-outstanding provisions	(1)	(11)	(3)	0	0	2	(13)
Total pension benefits	<u>(7,666)</u>	<u>(7,080)</u>	<u>(2,068)</u>	<u>(1,891)</u>	<u>(1,862)</u>	<u>(1,845)</u>	<u>(1,920)</u>
Change in guaranteed benefits	16,865	15,171	(2,325)	(4,956)	18,303	5,843	4,870
Bonus addition for the year	(5,711)	(697)	(5,711)	0	0	0	(697)
Pension-activity expenses	<u>(157)</u>	<u>(146)</u>	<u>(34)</u>	<u>(38)</u>	<u>(42)</u>	<u>(43)</u>	<u>(53)</u>
Technical profit	2,734	18,172	(8,517)	4,630	5,197	1,424	6,584
Other income	632	556	144	144	164	180	109
Other expenses	<u>(625)</u>	<u>(552)</u>	<u>(189)</u>	<u>(134)</u>	<u>(162)</u>	<u>(140)</u>	<u>(150)</u>
Net profit for the year	2,741	18,176	(8,562)	4,640	5,199	1,464	6,543
Allocation of profit							
Transferred to/from bonus potential	2,741	18,176	(8,562)	4,640	5,199	1,464	6,543
Ratios							
Return before tax on pension-savings returns (per cent)	(2.6)	1.2	0.1	3.1	(4.2)	(1.5)	0.2
Return after tax on pension savings returns (per cent)	(2.2)	1.0	0.1	2.7	(3.6)	(1.2)	0.2
Members (number in thousands)	4,520	4,442	4,520	4,505	4,490	4,452	4,442
Expenses							
Pension-activity expenses per member (DKK)	35	33	8	8	9	10	12
Investment-activity expenses per member (DKK)	27	22	11	4	6	6	6

ATP

Balance sheet

DKK million	2007	2006	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
ASSETS							
Total intangible assets	690	407	690	626	553	475	407
Operating equipment	17	13	17	15	13	11	13
Owner-occupied properties	427	339	427	392	391	342	339
Total property, plant and equipment	444	352	444	407	404	353	352
Investment properties	6,769	5,768	6,769	6,553	6,520	6,261	5,768
Investments in group enterprises	50,385	40,697	50,385	48,704	39,932	37,608	40,697
Loans to group enterprises	33	33	33	33	33	33	33
Investments in associates	3,195	10	3,195	3,562	1,260	11	10
<i>Total investments in group enterprises and associates</i>	<i>53,613</i>	<i>40,740</i>	<i>53,613</i>	<i>52,299</i>	<i>41,225</i>	<i>37,652</i>	<i>40,740</i>
Equity investments	87,185	87,531	87,185	94,451	93,239	91,187	87,531
Mutual-fund units	51	210	51	1,652	113	105	210
Bonds	218,556	211,106	218,556	204,527	217,440	216,766	211,106
Derivative-financial instruments	10,695	15,574	10,695	10,820	6,565	9,618	15,574
Other loans	0	20	0	20	20	20	20
<i>Total other financial investment assets</i>	<i>316,487</i>	<i>314,441</i>	<i>316,487</i>	<i>311,470</i>	<i>317,377</i>	<i>317,696</i>	<i>314,441</i>
Total investment assets	376,869	360,949	376,869	370,322	365,122	361,609	360,949
Deferred tax on pension-savings returns	1,497	0	1,497	1,537	3,063	802	0
Contributions receivable	1,934	1,975	1,934	2,062	2,062	2,145	1,975
Receivables from group enterprises	61	111	61	62	57	183	111
Other receivables	313	662	313	519	236	554	662
Interest receivable and accrued rent	3,103	3,151	3,103	3,323	4,110	3,294	3,151
Tax on pension-savings returns	0	1,244	0	0	1,244	1,244	1,244
Cash in hand and demand deposits	3,947	2,830	3,947	4,978	4,800	5,376	2,830
Total receivables and other assets	10,855	9,973	10,855	12,481	15,572	13,598	9,973
Total assets	388,858	371,681	388,858	383,836	381,651	376,035	371,681
LIABILITIES							
Guaranteed benefits	281,400	292,554	281,400	273,364	268,408	286,711	292,554
Claims-outstanding provisions	40	39	40	37	37	37	39
Bonus potential	72,842	70,101	72,842	81,404	76,764	71,565	70,101
Total pension provisions	354,282	362,694	354,282	354,805	345,209	358,313	362,694
Short-term loans	101	44	101	61	51	43	44
Amounts owed to credit institutions	0	20	0	20	20	20	20
Payables to group enterprises	1	293	1	0	11	13	293
Derivative-financial instruments	28,756	5,900	28,756	27,940	32,210	13,583	5,900
Other payables	5,718	2,730	5,718	1,010	4,150	4,063	2,730
Total payables	34,576	8,987	34,576	29,031	36,442	17,722	8,987
Total liabilities	388,858	371,681	388,858	383,836	381,651	376,035	371,681

SP

Income statement

DKK million	2007	2006	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Fees	90	119	23	22	23	22	22
Interest income and dividends, etc.	21	14	1	3	(4)	21	5
Market-value adjustments	2,439	5,355	(680)	618	1,518	983	2,384
Investment-activity expenses	(18)	(18)	(6)	(2)	(4)	(6)	(3)
Total investment return	<u>2,442</u>	<u>5,351</u>	<u>(685)</u>	<u>619</u>	<u>1,510</u>	<u>998</u>	<u>2,386</u>
Tax on pension-savings returns	(366)	(773)	103	(93)	(226)	(150)	(365)
Investment return after tax on pension-savings returns	2,076	4,578	(582)	526	1,284	848	2,021
Change in provisions for unit-linked contracts	(1,984)	(4,462)	637	(515)	(1,267)	(839)	(1,959)
Change in provisions for the SUPP scheme	(29)	(56)	9	(10)	(17)	(11)	(27)
Pension-activity expenses	<u>(81)</u>	<u>(78)</u>	<u>(15)</u>	<u>(19)</u>	<u>(25)</u>	<u>(22)</u>	<u>(22)</u>
Technical profit	72	101	72	4	(2)	(2)	35
Other income	2	2	0	0	0	2	0
Net profit for the year	74	103	72	4	(2)	0	35
Ratios							
Return before tax on pension-savings returns (per cent)	4.6	10.9	(1.2)	1.1	2.8	1.9	5.1
Return after tax on pension savings returns (per cent)	3.9	9.2	(1.1)	1.0	2.4	1.6	4.2
Clients (number in thousands)	3,040	3,126	3,040	3,051	3,077	3,093	3,126
Expenses							
Pension-activity expenses per client (DKK)	26	24	5	6	8	7	6
Investment-activity expenses per client (DKK)	6	6	2	1	1	2	1

SP

Balance sheet

DKK million	2007	2006	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
ASSETS							
Mutual-fund units	53,469	53,071	53,469	55,187	54,879	53,732	53,071
Investment assets related to unit-linked Contracts	53,469	53,071	53,469	55,187	54,879	53,732	53,071
Contributions receivable	27	24	27	24	24	24	24
Other receivables	54	1	54	11	3	3	1
Other prepayments	106	70	106	0	12	13	70
Demand deposits	394	389	394	224	359	360	389
Total receivables and other assets	581	484	581	259	398	400	484
Total assets	54,050	53,555	54,050	55,446	55,277	54,132	53,555
LIABILITIES							
Adjustment pool	339	265	339	266	260	267	265
Provisions for unit-linked contracts	52,574	52,284	52,574	53,616	53,471	52,626	52,284
Provisions for the SUPP scheme	1,112	856	1,112	1,061	993	929	856
Total pension provisions	54,025	53,405	54,025	54,943	54,724	53,822	53,405
Payables to group enterprises	9	14	9	9	15	11	14
Other payables	16	136	16	494	538	299	136
Total payables	25	150	25	503	553	310	150
Total liabilities	54,050	53,555	54,050	55,446	55,277	54,132	53,555