

Note 5 Interest bearing securities

Issuer	Cost price	Market value	Unrealised gains
Banks and financial institutions	820 357 100	847 967 000	27 609 900
Municipality/county	521 308 050	530 427 250	9 119 200
Government-guaranteed	610 726 656	615 249 000	4 522 344
Industry	326 030 019	328 813 232	2 783 213
Energy	82 220 600	83 738 200	1 517 600
Total interest bearing securities current assets	2 360 642 425	2 406 194 682	45 552 257
Accrued interest		54 927 698	
Total	2 360 642 425	2 461 122 380	
Proportion of above in the collective portfolio		2 149 530 383	
Proportion of above in the company portfolio		311 591 997	

The proportion of the fixed income portfolio classified as financial current assets comprises interest rate securities listed on the Oslo Stock Exchange and the Oslo ABM. All interest bearing securities classified as financial current assets are nominated in NOK, with the exception of one security nominated in USD. The effective rate of interest is approximately 4 %. The average effective rate of interest is calculated based on the securities' effective rate of interest in relation to their market value.

Note 6 Financial derivatives

Derivatives are employed in order to increase the effectiveness of the management of fund assets, including the hedging of investments. As a general rule, the pension scheme may only invest in listed (standardised) derivatives. In addition, the underlying securities must be of a type in which the scheme is authorised to invest under prevailing guidelines. Non-standardised derivatives ("over-the-counter"/"OTC" derivatives) may only be employed for hedging purposes. However, this rule does not apply to Norwegian future rate agreements (FRAs), which may be traded on the OTC market despite not being employed for hedging purposes.

As at 31 December 2009, investments were held in the following derivatives:

	Nominal amount in NOK	Fair value in NOK
<u>Forward currency contracts:</u>		
EUR	-192 993 000	-191 353 306
USD	-460 773 735	-475 094 983
NOK	653 766 735	653 766 735
Total forward currency contracts	0	-12 681 554

Interest rate derivatives:

Euro Bond Future	-160 955 339	1 459 530
NOK FRA	-1 000 000 000	3 289 800
SEK FRA	970 598 940	-791 718
EURIBOR	0	-298 710
Total interest rate derivatives	-190 356 399	3 658 903

Share derivatives:

S&P500 Future	-47 934 219	-328 049
S&P500 Put	50 692	50 692
OBX Index	0	0
Total share derivatives	-47 883 527	-277 357

**Total derivatives recognised
in the balance sheet**

-238 239 926 -9 300 008

Proportion of above in the collective portfolio:	-8 122 574
Proportion of above in the company portfolio:	-1 177 434

During the year, investments in foreign shares have been hedged for periods of three to six months through the use of options. These options matured in December 2009 and contributed approximately NOK 7 million to the net result for the financial year 2009. New hedging arrangements have been put in place for 2010.

In addition to instruments of the types represented in the portfolio as at 31 December 2009, the scheme also traded in options in the bond and interest rate futures markets during 2009.

Note 7 Bank deposits

As security for various derivative positions, the pension scheme is obliged to provide collateral in the form of locked-in bank deposits held in margin accounts. As at 31 December 2009, such locked-in deposits totalled NOK 18,126,251.

Note 8 Accounts receivable - losses on accounts receivable

Accounts receivable had a book value of NOK 81,172,021 and comprised:

	<u>31.12.2008</u>	<u>31.12.2008</u>
Accounts receivable related to premium income:	80 561 605	79 908 319
Accounts receivable related to loans:	706 467	991 966
Provision for potential loss:	- 96 051	- 113 000
Total accounts receivable:	<u>81 172 021</u>	<u>80 787 285</u>

Accounts receivable are recorded at par value as at 31 December 2009, subject to a provision for potential losses.

Recorded losses on receivables were as follows:

	<u>2009</u>	<u>2008</u>
Realised loss on receivables:	0	0
Change in provision for potential loss:	- 16 949	43 000
Recorded loss on receivables:	<u>- 16 949</u>	<u>43 000</u>

Note 9 Risk equalization fund

The risk equalization fund is intended to provide a buffer against unanticipated changes in the result of insurance operations over the course of time. This type of provision is currently compulsory for private-sector pension funds regulated by the new Norwegian Insurance Activities Act that came into force on 1 January 2008. Up to 50 % of a positive risk result may be allocated to the risk-spreading fund. No assets were allocated to the risk-spreading fund in 2009.

Note 10 Other retained earnings

As at 31 December 2009, other retained earnings totalled approximately NOK 581.7 million and comprised the pension scheme's excess capital together with the securities adjustment reserve.

Private-sector and municipal pension funds regulated by the Insurance Activities Act are under a statutory obligation to calculate their capital adequacy requirement. No such obligation applies to the Pension Scheme for Pharmacy Sector. The board has nevertheless decided to calculate the pension scheme's capital adequacy requirement in order to ascertain the scheme's financial position on the basis of the guidelines applicable to private-sector and municipal pension funds and to provide an improved basis for comparison with such funds. The requirement calculated for the guarantee fund as at 31 December 2009 was NOK 183,346,256 (see calculation in Note 14 below).

Other retained earnings must be sufficient to cover the capital adequacy requirement. Other retained earnings less the capital adequacy requirement, but with the addition of the securities adjustment fund, totals NOK 405,670,245 and constitutes the scheme's buffer capital.

Note 11 Premium reserve

The Pension Scheme for the Pharmacy Sector is only obliged to perform a technical calculation of future insurance liabilities every five years. The board has nevertheless decided to perform such calculations annually, since the results of these calculations are also relevant for accounting purposes.

The premium reserve corresponds to the calculated pension liabilities applied as technical reserves. These reserves are required to cover future pension entitlements accrued at the balance sheet date by scheme members. The amount of provision has been calculated as far as possible in accordance with the guidelines applicable to private-sector pension funds. This involved the calculation of the cash value of linearly accrued pension entitlements registered on the balance sheet date for deferred, potential and current benefits in accordance with standard technical insurance principles. The basis for the calculation was the industry tariff K1963, with

a basic interest rate of 3 %. The assumption for rates of disability was based on K1963 boosted by 100 %.

The provision for the premium reserve includes provisions to cover future costs relating to the administration of payments of today's accrued pension entitlements. The Pension Scheme for the Pharmacy Sector has opted to make provision for these future costs in the order of 4 % of calculated pension liabilities, Provision has been made in respect of current pensioners, actively contributing members and former employees with deferred pensions (i.e., employees who have left member-qualifying positions but who have not retired).

The premium reserve includes provision in respect of actively contributing members who may retire early during 2010 either on a contractual pension or pursuant to the 85-year rule. Such provision, which is included in the premium reserve, amounted to approximately NOK 73 million as at 31 December 2009. Pension schemes regulated by the Insurance Activities Act are not required to make provision in respect of actively contributing members who may retire early on contractual pensions or pursuant to the 85-year rule, since these schemes do not become subject to a defined obligation before the individual employee decides to retire early. Financing takes place for these employees through the payment of a non-recurring premium.

Note 12 Allocation of the result for the year

The net profit for the year of NOK 188,595,617 will be allocated to other retained earnings.

As at 31 December 2009, other retained earnings totalled approximately NOK 581.7 million. The scheme's capital surplus consists of other retained earnings and the securities adjustment reserve.

Note 13 Specification of changes in retained earnings

As at 31 December 2009, retained earnings totalled NOK 587,833,844 million. The change in retained earnings in 2009 may be specified as follows:

Retained earnings as at 31 December 2008	399 238 227
- net profit for the year allocated to other retained earnings	188 595 617
= Retained earnings as at 31 December 2009	<u>587 833 844</u>

Note 14 Calculation of capital ratio

The basis for calculating primary capital as at 31 December 2009 was as follows:

	Balance	Risk weight	Risk-weighted balance	Risk-weighted calculation basis, 8 %
Certificates & Bonds				
Government and central bank	658 219 666	0	0	0
Investments in state-owned enterprises	14 904 095	0,1	1 490 410	119 233
Public sector (except govt. and central bank)	592 662 030	0,2	118 532 406	9 482 592
Domestic financial institutions and foreign credit institutions	1 568 216 524	0,2	313 643 305	25 091 464
Book value of primary capital in other financial institutions	0	1	0	0
Investments in industry or other business undertakings	506 260 539	1	506 260 539	40 500 843
Total	3 340 262 853		939 926 659	75 194 133
Bank deposits	137 185 986	0,2	27 437 197	2 194 976
Investments in shares/equity funds	997 440 095	1	997 440 095	79 795 208
Foreign exchange contracts	-12 681 554	0	0	0
Derivatives	3 381 546	0	0	0
Mortgage and business loans				
Loans (except mortgages) guaranteed by governments/central banks	7 711 876	0	0	0
Mortgages with a loan-to-value ratio not exceeding 80 %	111 069 069	0,35	38 874 174	3 109 934
Loans other than mortgages	3 307 800	1	3 307 800	264 624
Total	122 088 745		42 181 974	3 374 558
Real estate investments	207 865 610	1	207 865 610	16 629 249
Time-limited assets				
Accounts receivable	81 172 030	0,5	40 586 015	3 246 881
Other receivables	0	0,5	0	0
Accrued dividend	2 827 662	0,5	1 413 831	113 106
Accrued interest income	402 726	0,5	201 363	16 109
Accrued premiums	593 696	0,5	296 848	23 748
Prepaid expenses	371 682	0,5	185 841	14 867
Total	85 367 796		42 683 898	3 414 712
Total calculation basis recognised in the balance sheet	4 880 911 077		2 257 535 433	180 602 835
Derivatives and non-balance sheet items				
Foreign-exchange-related contracts with less than one year to maturity	666 448 289	0,01	6 664 483	533 159
Interest-rate-related contracts with less than one year to maturity	2 656 464 316	0	0	0
Interest-rate-related contracts with one to five years to maturity	4 456 690 276	0,005	22 283 451	1 782 676
Share-related (equity-related) contracts with less than one year to maturity	89 080 560	0,06	5 344 834	427 587
Total calculation basis including derivatives and non-balance sheet items	12 749 594 518		2 291 828 201	183 346 256

8 % of risk-weighted balance comprises NOK 183,346,256

Similarly, the basis for calculating primary capital as at 31 December 2008 was as follows:

	Balance	Risk weight	Risk-weighted balance	Risk-weighted calculation basis, %
Certificates & Bonds				
Government and central bank	822 750 615	0	0	0
Investments in state-owned enterprises	15 034 252	0,1	1 503 425	120 274
Public sector (except govt. and central bank)	311 602 598	0,2	62 320 520	4 985 642
Domestic financial institutions and foreign credit institutions	1 472 607 025	0,2	294 521 405	23 561 712
Book value of primary capital in other financial institutions	0	1	0	0
Investments in industry or other business undertakings	236 507 447	1	236 507 447	18 920 596
Total	2 858 501 937		594 852 797	47 588 224
Bank deposits	220 000 914	0,2	44 000 183	3 520 015
Investments in shares/equity funds	781 464 861	1	781 464 861	62 517 189
Foreign exchange contracts	-9 587 448	0	0	0
Derivatives	-4 977 203	0	0	0
Mortgage and business loans				
Loans (except mortgages) guaranteed by governments/central banks	8 705 608	0	0	0
Mortgages with a loan-to-value ratio not exceeding 80 %	106 215 816	0,35	37 175 536	2 974 043
Loans other than mortgages	3 710 700	1	3 710 700	296 856
Total	118 632 124		40 886 236	3 270 899
Real estate investments	196 446 525	1	196 446 525	15 715 722
Time-limited assets				
Accounts receivable	80 787 285	0,5	40 393 642	3 231 491
Other receivables	0	0,5	0	0
Accrued dividend	2 214 882	0,5	1 107 441	88 595
Accrued interest income	1 113 355	0,5	556 678	44 534
Accrued premiums	2 285 925	0,5	1 142 963	91 437
Prepaid expenses	324 920	0,5	162 460	12 997
Total	86 726 367		43 363 184	3 469 055
Total calculation basis recognised in the balance sheet	4 247 208 076		1 701 013 785	136 081 103
Derivatives and non-balance sheet items				
Foreign-exchange-related contracts with less than one year to maturity	696 587 448	0,01	6 965 874	557 270
Interest-rate-related contracts with less than one year to maturity	2 623 523 982	0	0	0
Total calculation basis including derivatives and non-balance sheet items	7 567 319 507		1 707 979 659	136 638 373

8 % of risk-weighted balance comprises NOK 136,638,373

Note 15 Premium contributions

Members contributed premium income totalling NOK 302,629,958 in 2009. By comparison, the book value of premium income was NOK 301,591,015. Similarly, in 2008 members contributed premium income totalling NOK 277,061,311, while the book value of premium income was NOK 284,982,179. The differential between premium income and premium contributions is attributable to a change in unpaid premiums which have been invoiced, and the application of accrual accounting to premium income.

Note 16 Pensions

Of pensions charged against income, NOK 556,298 comprises amounts written off in connection with the overpayment of pension benefits. The corresponding figure for 2008 was NOK 274,561.

Note 17 Insurance-related administrative expenses

The Pension Scheme for Pharmacy Businesses has no employees. The pension scheme is administered by the Norwegian Public Service Pension Fund. In 2009, NOK 18,474,521 was charged against income in respect of the purchase of administrative services for the pension scheme, including costs relating to bookkeeping, actuarial services and pensions management. In addition, NOK 90,625 was charged against income in respect of consultancy services and NOK 390,026 for audit services. The latter amount was as a whole related to standard audit services. Other operating expenses totalled NOK 1,620,069 and comprised fees for board members, a proportion of the bonuses paid to fund managers and miscellaneous expenses.

Note 18 Return on capital

Return on the whole portfolio calculated according to Hardy's formula comprises:

Year:	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Return stated as % (value-adjusted):	10.53	- 7.89	5.07	6.63	7.05
Return stated as % (recorded):	10.35	-5.74	6.02	6.70	4.79

The return on capital shown above has been calculated in respect of the whole portfolio: i.e., both the collective and the company portfolios. With effect from 2009, private-sector pension funds are subject to a requirement for the return on capital for the collective portfolio to be calculated as a whole.

Note 19 Analysis of result

Changes in pension plan:	0.00 MNOK
Yield result ¹⁾ :	337.58 MNOK
Risk result ²⁾ :	9.73 MNOK
Other factors ³⁾ :	-151.39 MNOK
Administration result:	<u>0.00 MNOK</u>
Insurance result:	<u>195.92 MNOK</u>

As a consequence of the transition to a new calculation system in 2009, there is some uncertainty regarding the allocation of amounts between the different elements in the above result analysis.

1) The yield result is the difference between actual and estimated interest rates (the base rate).

2) The risk result is a comparison of risk income less risk expenses. Risk income comprises received and technically estimated risk premiums for mortality and disability, together with reserves released on the occurrence of risk events. Risk expenses are supplemented by mortality cross-subsidies in the case of non-risk events and by provisions for risk events.

3) Other factors comprise premiums paid less correctly calculated premiums. A positive result indicates the receipt of too much premium income.

Pension scheme for the Pharmacy Sector
Cash flow statement 1 January - 31 December
 (All amounts are stated in whole kroner)

	2009	2008
Cash flow from operations		
Contributions from members	302 629 958	277 061 311
Bank interest income	2 586 346	13 151 402
Interest income on loans	4 492 753	7 194 152
Interest income on bonds/certificates	157 379 028	153 459 896
Dividends	12 073 437	19 837 377
Other income	204 353	6 054 392
Total	479 365 875	476 758 530
Financial expenses paid	-10 937 253	-4 453 484
Pensions benefits paid	-183 367 232	-169 806 817
Administrative expenses	-31 263 906	-29 556 584
Change in accounts payable	-12 927 173	14 913 399
Changes in other debt	105 073 938	9 863 267
Total	-133 421 627	-179 040 219
Net cash flow from operations	345 944 248	297 718 311
 Cash flow from investments		
Net price gains on shares/derivatives/hedge funds	257 694 410	-581 664 312
Net price exchange gains on bonds/certificates	22 505 248	64 035 653
Net yield on real estate	9 289 581	-37 690 426
Net change in lending	-3 171 122	-2 695 472
Net losses on loans	-708 493	0
Net change in real estate	-11 419 085	49 911 152
Net change in securities	-694 458 849	-2 915 755
Net change in other receivables	-8 490 866	8 588 292
Total cash flow from investments	-428 759 176	-502 430 869
 Cash flow from financing activities		
Paid-up capital	0	0
Total cash flow from financing activities	0	0
Net cash flow during the accounting period	-82 814 928	-204 712 558
Cash and cash equivalents at 1 January	220 000 914	424 713 472
Cash and cash equivalents at 31 December	137 185 986	220 000 914
Net change in cash and cash equivalents	-82 814 928	-204 712 558

To the Board of Directors of
The Pension Scheme for the Pharmacy Sector

Auditor's report for 2009

We have audited the annual financial statements of The Pension Scheme for the Pharmacy Sector as of 31 December 2009, showing a profit of NOK 188 595 617. We have also audited the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The financial statements comprise the balance sheet, the statements of income, cash flow and the accompanying notes. The regulations of the Accounting Act and accounting standards, principles and practices generally accepted in Norway have been applied in the preparation of the financial statements. These financial statements and the Directors' report are the responsibility of the Board of Directors of the pension scheme. Our responsibility is to express an opinion on these financial statements and on other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including the auditing standards adopted by the Norwegian Institute of Public Accountants. Those standards and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and auditing standards, an audit also comprises a review of the management of the pension scheme 's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects the financial position of the pension scheme as of 31 December 2009, and the results of its operations, cash flows for the year then ended, in accordance with accounting standards, principles and practices generally accepted in Norway
- the pension scheme 's management has fulfilled its duty to properly record and document the Company's accounting information as required by law and generally accepted bookkeeping practice in Norway
- the information in the Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and comply with law and regulations.

Oslo, 22 April 2010

ERNST & YOUNG AS

Knut Aker

State Authorised Public Accountant (Norway)

(sign.)

Note: The translation to English has been prepared for information purposes only.