

**FERD'S PENSION PLANS**

Ferd has established pension schemes in accordance with Norwegian legislation. The employees participate in defined benefit plans complying with the requirements of mandatory occupational pension.

**Defined benefit plans**

Defined benefit pension plans give the employees the right to determined future pension benefits. Ferd's net obligation regarding these pension schemes is calculated separately for each scheme. The obligation is an estimate of future benefits earned by the employees, based on the number of service years and the salary level at the age of retirement. The benefits are discounted to present value, and the recognised obligation is reduced by the fair value of the pension funds for funds based pension schemes. Changes in assumptions, total number of members and deviations between estimated and actual salary increases and return on funds result in actuarial gains and losses. Such gains and losses are recognised in total comprehensive income.

The defined benefit plans comprise collective schemes and some additional arrangements including early retirement pension for Group management. Until 2012, Ferd has also had a benefit plan for employees with a pension pension exceeding 12 G, but this scheme was replaced by a contribution plan at the end of 2012. The plan change has been recognised in the income statement.

**Financial assumptions at 31 December**

	2012	2011
Discount rate	2,20 %	2,60 %
Expected return from pension assets	3,60 %	4,10 %
Expected wage growth	3,25 %	3,50 %
Future expected pension regulation	1,30 %	1,30 %
Expected regulation of base amount (G)	3,00 %	3,25 %

**DEFINED BENEFIT PLANS****Specification of the recognised liability**

NOK 1 000	2012	2011
Present value of unfunded pension liabilities	27 976	46 177
Present value of wholly or partly funded obligations	102 614	91 271
Total present value of defined benefit obligations	130 590	137 448
Fair value of pension assets	60 920	61 000
<b>Total defined benefit obligation recognised in the balance sheet</b>	<b>69 670</b>	<b>76 448</b>

**Movement in the liability for defined benefit pension plans**

NOK 1 000	2012	2011
Liability for defined benefit pension plans at 1 January	137 448	119 323
Present value of the pension earnings of the year	13 715	3 500
Interest expense on the pension liability	2 819	4 423
Actuarial gains/losses on the pension liability	- 9 017	15 597
Plan changes	- 9 826	
Benefits paid	- 4 549	- 5 395
<b>Liability for defined benefit pension plans at 31 December</b>	<b>130 590</b>	<b>137 448</b>

**Movement in fair value of pension assets for defined benefit pension plans**

NOK 1 000	2012	2011
Fair value of pension assets at 1 January	61 000	56 277
Expected return from pension assets	2 548	2 697
Actuarial gains/losses on pension funds	- 4 936	
Contribution from employer	6 455	5 366
Administration expenses	- 508	
Benefits paid	- 3 639	- 3 340
<b>Fair value of pension assets at 31 December</b>	<b>60 920</b>	<b>61 000</b>

**Pension assets include the following**

NOK 1 000	2012	2011
Managed by insurance companies	60 920	61 000
<b>Total pension assets</b>	<b>60 920</b>	<b>61 000</b>

**Pension costs recognised in the income statement**

NOK 1 000	2012	2011
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Present value of this year's pension earnings	13 715	9 890
Interest expense on the pension liability	2 818	4 423
Plan changes	- 9 826	
Administration expenses	508	
Expected return from pension assets	- 2 548	- 2 697
<b>Total pension costs recognised in the income statement</b>	<b>4 667</b>	<b>11 616</b>