

PRESS RELEASE

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2007 MetallRente's most successful year

MetallRente, the Berlin-based pension scheme for the German metal and electrical industry, today reported its full year 2007 results. "MetallRente at present is, by far, the fastest growing institutional pension scheme in Germany", commented Heribert Karch, managing director at MetallRente.

The 2007 growth rate was the highest since MetallRente's launch in 2002, and was considerably higher than in the rest for the German occupational pension fund market.

57,000 new capital-based MetallRente pension plans were signed in 2007, which is an increase of 43% compared to the previous year. "2007 has been the best year so far for MetallRente", Mr. Karch summarized the results. As of December 31st, 2007, the pension scheme managed 250,000 individual members.

In addition to the employees' willingness to participate in capital-based pension plans, the so-called "old-age capital-forming benefits" turned out to be an important growth engine. In 2006, the social partners had agreed upon an innovative collective agreement on the payment of additional pension-forming benefits. The conclusion of this collective agreement has given a strong impetus to proliferation of capital-based pension plans in the metal and electrical industry. "We are pleased that this has had a more favourable effect on us than on other competitors", Mr. Karch said.

In 2007, payments into new pension plans amounted to almost €51m – an increase of 13% compared to the previous year.

In total, MetallRente, which offers different funding vehicles, now runs roughly €1bn in contributions.

Within six years, the pension scheme has achieved an unprecedented success. By the end of 2007, the number of constituent companies amounted to roughly 13,000. Mr. Karch said: "2,000 new constituent companies in 2007 show that MetallRente has become firmly established in our target industry and is now a leading institution for both employers and employees."

In fact, MetallRente has developed into the German industrial standard – both for small and medium-sized companies and for large corporations. Not only in the metal sector, but also beyond the framework of the collective agreement, MetallRente now is the most significant benchmark.

Heribert Karch emphasised that durable and stable frame conditions were needed in order to create an unrestrained and favourable climate in society. "It is clear", he said, "that gloomy scenarios of the type discussed last week are not helpful to anybody. It is precisely low-income earners who get the chance to raise their pensions by means of Riester-contracts and occupational pension schemes above the level of basic public pension benefits."

MetallRente was launched in 2001 by the social partners Gesamtmetall and IG Metall and is today Germany's major institutional industrial multi-employer pension scheme. MetallRente offers pension vehicles for both occupational and private pension plans, a supplementary disability insurance, and an insurance for surviving dependants.

Apart from the metal and electrical industry, the steel industry, the textiles and clothing sector and the woodworking and plastics (synthetic materials) industries have also joined MetallRente.

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<http://www.metallrente.de/presse/downloads/index.php>