

Zurich Cantonal Occupational Pension Funds Office  
Mr. H. Stäger  
Nordstrasse 20  
CH-8001 Zurich

Zurich Airport, October 15, 2003

**Consultation procedure for proposed partial liquidation**

W/SC/uh

Dear Mr. Stäger,

The Board of Trustees of the General Pension Scheme of the SAirGroup (GPS) resolved at its meeting of September 25, 2003 to submit its proposed partial liquidation procedure to consultation (see distribution list below). In doing so, the Board of Trustees is seeking to determine whether the procedure proposed meets with the broad approval of the various parties concerned. They are also seeking to settle any complaints or objections without recourse to legal channels, and to assign the funds available as quickly as possible.

The Board of Trustees considered the following liquidation options:

1. Total liquidation, with a transfer of all pension-funding assets to an insurance company. This would probably be subject to additional charges amounting to some 30% of the actuarial reserves for pensions, which would lead to substantial underfunding. Vested benefits would have to be reduced accordingly.
2. Leaving all reserves in the GPS, to ensure its long-term survival. This would mean that there would be no freely-disposable funds available for distribution.
3. Collective distribution of the securities equalisation reserve among those pension schemes which have taken on former GPS insurees. In this case, no partial liquidation would be effected because no freely-disposable funds would be available. Anyone leaving the GPS individually would not receive any share.

4. After providing an adequate securities equalisation reserve to safeguard the long-term interests of the subsequent retirees' scheme, the remaining assets should be distributed among the new pension schemes and individual former GPS insurees on the basis of the insurees insured under the GPS and their savings capital in October 2001.

Having carefully considered the various advantages and drawbacks of the four possible approaches, the Board of Trustees has decided to pursue Option 4, for the following reasons:

1. Distributing the funds available among all insurees and individuals entitled to a pension is undoubtedly the fairest and most socially acceptable solution.
2. This is the option that has been selected for most partial liquidations effected by pension schemes in Switzerland to date.
3. In view of the experience to date with partial liquidations, this option seems to be the soundest from a legal perspective, and is also supported by the supervisory authorities.

The Board of Trustees invites you to address any comments you may have on the above to the General Pension Scheme of the SAirGroup, Sabine Cescato, Managing Director, c/o PFS AG, P.O. Box, CH-8058 Zurich Airport, by November 21, 2003. The Board of Trustees intends to make its final decision on which procedure to adopt at its meeting in December 2003, and will then inform you accordingly.

In the best possible scenario, a definitive distribution plan can be devised once the partial liquidation balance sheet has been approved in May 2004. This definitive distribution plan would then be submitted to the Zurich Cantonal Occupational Pension Funds Office for approval. Provided no objections were lodged against the order subsequently issued by the Zurich Cantonal Occupational Pension Funds Office by beneficiaries concerned, the amounts involved could then be distributed from July 2004 at the earliest.

Sincerely,

Bernhard Keller  
Chairman of the Board of Trustees

Sabine Cescato  
Managing Director

Distribution list:

EDS Group Company Pension Scheme, Bernhard Ehrensberger, Chairman  
Avireal Company Pension Scheme, Hans Lüssi, Chairman  
AKAD Group Company Pension Scheme, Dr. H. Hottenstein  
Cargologic Company Pension Scheme, Claudio Corti (currently being founded)  
Gate Gourmet Pension Scheme Switzerland, Sonja Steiner, Chairwoman  
The Nuance Group Ltd. Company Pension Scheme, Marc Walther, Chairman  
SR Technics Switzerland Company Pension Scheme, Paul Graf, Chairman  
Swissport Company Pension Scheme, Peter Graf, Chairman (currently being founded)  
PFS Provident Care Foundation, Beat Schär, Chairman  
Swiss Company Pension Scheme for Cabin Personnel, Marcel Klaus, Chairman

IG Option, Hans-Beat Schaffner, Pfaffensteinstr. 117, 8118 Pfaffhausen  
IG Option (Women), Yvette Martinelli, Brüttsellenstr. 11/7, 8602 Wangen  
PUSH Organisation, Kirchgasse 5a, 8302 Kloten  
KV Switzerland, Air Transport & Tourism, Hans Huber-Str. 4, 8002 Zurich  
VPOD Air Transport, René Zurin, Lindenstrasse 11, 8152 Glattbrugg

Pro Taxi, S. Rogantini, CEO

Markus Meier, GPS technical consultant  
Serge Temperli, GPS auditor, FF Fischer Treuhand Ltd.

Zurich Cantonal Occupational Pension Funds Office, H. Stäger