

GPS

The General Pension Scheme
of the SAirGroup

2006 annual report

Foreword

The General Pension Scheme of the SAirGroup (GPS) can look back on a further favourable business year. The positive general mood on the stock exchanges more than offset the stagnation in bond markets around the world. And, pursuing the kind of conservative investment strategy which is appropriate for a retirees-only scheme, the GPS achieved an overall 4.8 % return on its investments, a result which raised its funding ratio from 133% to 138 %.

Once again, the GPS Board of Trustees wishes to pass on the profits achieved to the scheme's beneficiaries in the form of a one-off bonus. This latest special payment will amount to 15 % of the non-time-limited annual old-age, disability, widow's and widower's pensions paid in 2006. It will not be paid on certain time-limited pensions, or on any lumpsum payouts effected in the course of the year.

The Board of Trustees held five meetings and a one-day workshop in 2006. Its deliberations were devoted primarily to capital investments, the consequences of the legal action taken with regard to the ongoing partial liquidation, and the schedule of claims relating to the liquidation of the SAirGroup.

The decision by the plaintiffs to further pursue two claims relating to the Flight Attendant Fund after these had been clearly rejected by the Canton Zurich Social Security Court continues to prevent any distribution of freely-disposable GPS funds under the partial liquidation. A further delay of several years must now be expected here.

The first three-year term of office of the members of the Board of Trustees of

the retirees-only GPS ended on December 31, 2006. All the existing members were re-elected in uncontested elections for a further three-year term, from 2007 to 2009. Bernhard Keller and Dieter Streit offered their continued services as president and deputy president respectively. The further GPS trustees are Irma Schneider, Hans Huber, René Müller, Hans-Ulrich Stauffer and Hansruedi Meier, the last of these representing French-speaking Switzerland.

The Board of Trustees takes this opportunity to voice its deepest thanks and appreciation for the pleasant and professional collaboration it continues to enjoy with all parties and partners.



Bernhard Keller

President of the Board of Trustees



Sabine Cescato

Managing Director

Balance sheet at december 31, 2006

(in CHF million, by market value)

Assets	2006	2005	Liabilities	2006	2005
Current accounts and receivables	246.9	284.8	Payables	6.7	5.0
CHF bonds	784.8	714.8	Accrued liabilities	0.6	0.9
EUR bonds	161.2	148.8	Non-actuarial reserves	1.5	1.5
USD bonds	151.2	160.2	Savings capital for working insurees	5.7	7.7
Swiss shares	258.0	306.6	Savings capital for pension recipients	1761.5	1837.7
European shares	137.9	145.7	Actuarial reserves	85.6	86.3
North American shares	133.6	128.9	Equalisation reserve	458.3	462.1
Asia-Pacific shares	132.9	165.2	Freely-disponsable funds	515.7	451.6
Real estate in Switzerland	425.5	400.6			
Mortgages	171.3	199.2			
Non-traditional investments	215.3	185.2			
Prepaid expenses	17.0	12.9			
Balance sheet total	2835.6	2852.9	Balance sheet total	2835.6	2852.9

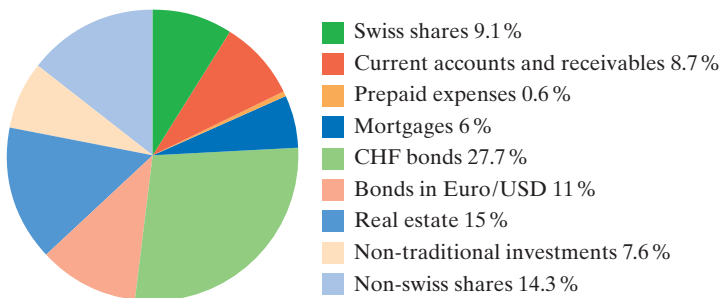
Income statement for 2006

(in CHF million)

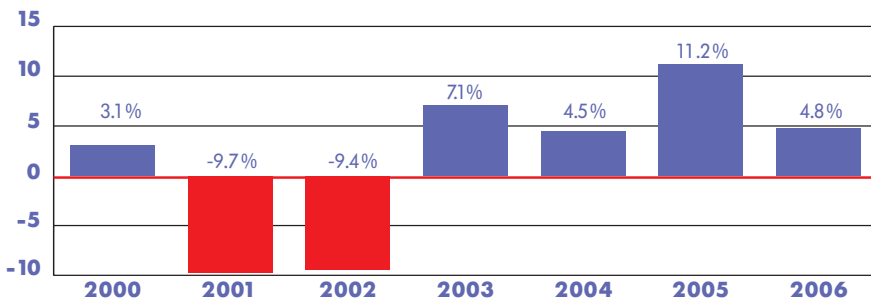
	2006	2005
Employees' savings contributions	0.0	0.0
Employer's savings contributions	0.1	0.1
Employer's risk-related contributions	0.0	0.0
Payments from Employer's Fund	0.0	23.7
Vested benefits paid in *	2.0	5.6
Income from contributions and joining payments	2.2	29.5
Pensions and capital amounts paid out	-154.0	-146.5
Vested benefits paid out on leaving	-0.5	-1.7
Expenditure on benefits and advance withdrawals	-154.5	-148.2
Release of savings capital	79.0	2.3
Insurance costs	-0.4	-0.4
Other expenses/income	-0.3	-0.1
Net result from insurance activities	-74.0	-116.9
Income from		
– mortgage loans	5.3	7.0
– securities	101.6	266.4
– real estate	28.7	22.3
Net result from investment activities	135.6	295.7
Administration costs	-1.3	-1.4
accrual mortgages	0.0	-0.5
Administration costs	-1.3	-1.9
Income surplus before appropriation to equalisation reserve	60.3	176.8
Appropriation to equalisation reserve	3.9	-26.7
Revenue-/Expenditure surplus	64.2	150.2

* retroactive payments due to disability

Allocation of GPS assets at december 31, 2006 (in %)

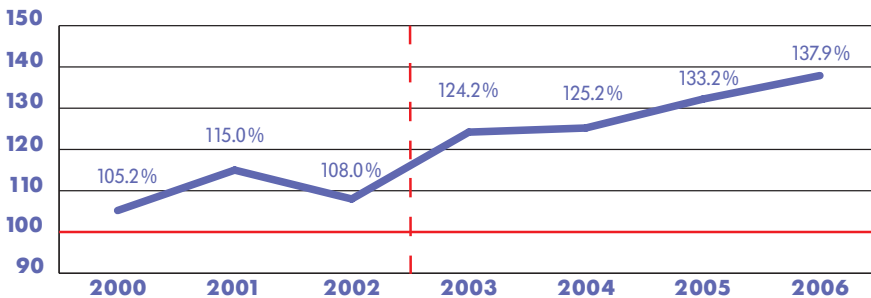


Performance (in %)

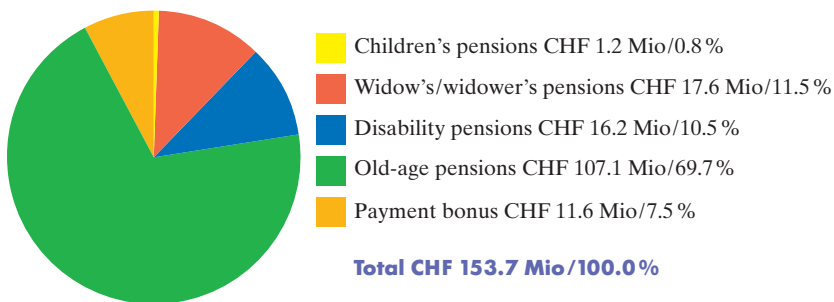


Funding Ratio

- Funding Ratio as of 2003 included funds for future pension increasements (art. 44 par. 1B BV2)
- 2005 reduction technical interest rate from 3.5% to 3.0%



Pension payment 2006



Insures and pension recipients

	2006	2005
Working insurees		
Men	7	11
Women	1	2
Total working insurees	8	13
of whom only risk-insurees	0	2
Pension recipients		
Old-age pensions	2968	3050
Disability pensions	623	621
Widow's/widower's pensions	1170	1158
Child's pensions for children of old-age pension recipients	86	96
Child's pensions for children of disability pension recipients	83	70
Orphan's pensions	44	48
Total pensions	4974	5043

The 4974 pensions (compared to 5043 in 2004) are paid to 4773 persons (compared to 4807 in 2004), since some beneficiaries are entitled to more than one type of pension.

Organisation

Members of the Board of Trustees

Bernhard Keller, Chairman
Dieter Streit, Deputy Chairman

Hans Huber
René Müller
Irma Schneiter
Hans-Ulrich Stauffer
Hansruedi Meier

Kontrollstelle

Fischer Treuhand AG, Zurich
(a subsidiary of BDO Visura)
Serge Temperli

Pensionsversicherungsexperte

Pendia Associates AG, Zurich
Markus Meier

Geschäftsführung

PFS Pension Fund Services AG, Glattbrugg

Sabine Cescato
Hans-Ulrich Schneider
Hans-Ulrich Schneider

Managing Director
Deputy Managing Director
Accountant

Administration GPS

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