

GPS

The General Pension Scheme of the SAirGroup

2014 annual report

Foreword 2014

Once again in 2014, the financial year was dominated by the liberal monetary policy of the central banks. As in 2013, interest rates remained very low. The US economy showed a slight upward trend, and signs of recovery could be seen in Europe, too.

Against this background, and with a lack of investment alternatives, the equity markets delivered another strong performance, and reached new highs in some areas. The 5.2% return on Swiss real-estate investments and our Scheme's extremely low asset administration costs of just 0.16% also impacted positively on our overall investment performance.

The Swiss franc continues to be regarded as a "safe haven" currency, and this status was reflected in the scheme's forward exchange activities. Despite the low interest rates and its high liquidity levels, the Scheme achieved an overall return on its investments of 5.22% for 2014, and ended the year with a highly favourable funding ratio of 121.1%

In view of this high funding ratio, the Board of Trustees has resolved that, despite the current difficulties on the financial markets, an additional payment will be made to all the Scheme's pension recipients. This payment will amount to four times their monthly retirement/disability/widow's/widower's pension for May 2015. (The payment will not be made on certain time-limited pensions, or on lump-sum capital payments.) The extra amount will be paid out together with the pension for June 2015.

The Scheme asked all its pension recipients to provide proof of their continued entitlement last year. The Board of Trustees thanks everyone involved for their cooperation here. And the Board offers its further sincere thanks to all its other partners for their pleasant and professional collaboration.

Handwritten signature of Bernhard Keller, consisting of a stylized 'BK' followed by a vertical line and a horizontal line.

Bernhard Keller

President of the Board of Trustees

Handwritten signature of Hans-Ulrich Schneider, featuring a large 'H' and 'S' followed by a horizontal line.

Hans-Ulrich Schneider

Managing Director

Balance sheet at december 31 2014

(in CHF million, by market value)

Assets	2014	2013	Liabilities	2014	2013
Current accounts and receivables	563.9	650.9	Payables	2.0	2.0
CHF bonds	265.7	250.1	Accrued liabilities	0.3	0.7
EUR bonds	0.0	0.0	Non-actuarial reserves	1.7	1.7
USD bonds	0.0	0.0	Savings capital	1'480.4	1'577.3
Swiss shares	173.9	153.9	Actuarial reserves	95.5	15.8
European shares	57.8	69.2	Equalisation reserve	283.6	286.8
North American shares	107.2	89.4	Freely-disposable funds	49.0	114.7
Asia-Pacific shares	35.2	34.2			
Emerging Market	52.2	49.7			
Real estate in Switzerland	544.2	577.9			
Mortgages	83.6	91.4			
Non-traditional investments	6.5	8.8			
Prepaid expenses	22.3	23.5			
Balance sheet total	1'912.5	1'999.0	Balance sheet total	1'912.5	1'999.0

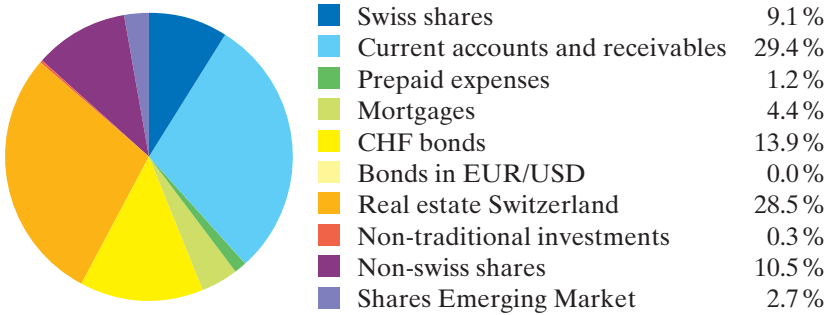
Income statement for 2014

(in CHF million)

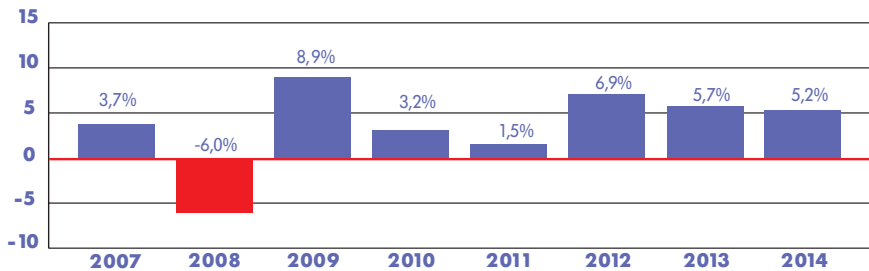
	2014	2013
Employees' savings contributions	0.0	0.0
Employer's savings contributions	0.0	0.1
Employer's risk-related contributions	0.0	0.0
Vested benefits paid in *	0.3	0.8
Income from contributions and joining payments	0.3	0.9
Pensions and capital amounts paid out	-117.7	-121.4
Pensions and capital amounts paid out	-67.9	-29.8
Expenditure on benefits and advance withdrawals	-185.6	-151.2
Change of savings capital	17.2	93.6
Insurance costs	-0.1	-0.1
other expenses / income	-0.2	-0.7
Net result from insurance activities	-168.4	-57.5
Income from		
- mortgage loans	2.0	2.3
- securities	66.0	68.8
- real estate	32.4	40.1
Net result from investment activities	100.4	111.2
Administration costs	-0.8	-0.9
Income surplus before appropriation to equalisation reserve	-68.8	52.8
Change to equalisation reserve	3.1	16.9
Revenue-/Expenditure surplus	-65.7	69.7

* Retroactive payments due to disability

Allocation of GPS assets at december 31 2014, (in %)

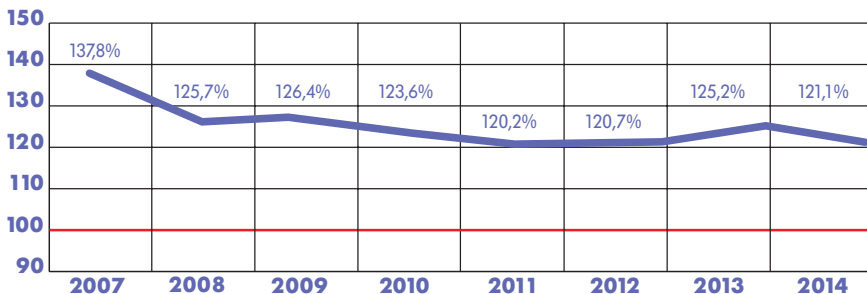


Performance (in %)

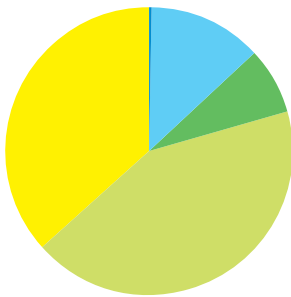


Funding Ratio

- 2009 reduction technical interest rate from 3,0% to 2,5%
- 2010 reduction technical interest rate from 2,5% to 2,0%
- 2013 reduction technical interest rate from 2,0% to 1,5%



Pension payment 2014



Children's pensions	CHF	0.4	0.2%
Widow's/widower's pensions	CHF	23.9	12.9%
Disability pensions	CHF	13.9	7.5%
Old-age pensions	CHF	79.5	42.8%
Additional payment	CHF	67.9	36.6%

Total CHF 185.6 Mio/100%

Insures and pension recipients

Working insurees	31.12.2014	31.12.2013
Men	0	1
Total working insurees	0	1

Pension recipients	31.12.2014	31.12.2013
Old-age pensions	2'192	2'283
Disability pensions	541	552
Widow's/widower's pensions	1'179	1'201
Child's pensions for children of old-age pension recipients	5	9
Child's pensions for children of disability pension recipients	69	86
Orphan's pensions	7	12
Total pensions	3'993	4'143

The 3'993 pensions (4'143) are paid to 3'888 persons (4'025), 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

Hansruedi Meier	member
René Müller	member
Peter Ramel	member
Irma Schneiter	member
Dr. iur. Hans-Ulrich Stauffer	member

Independent audit

BDO AG, Fabrikstrasse 50, 8031 Zürich
Marcel Frick

Expert company pension plan

Dipeka AG, Münsterberg 11, 4051 Basel
Dominique Koch

Management

PFS Pension Fund Services AG, Sägereistrasse 20, 8152 Glattbrugg

Hans-Ulrich Schneider	Managing Director / Accountant
Renate Demont	Administration

Administration GPS

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