

GPS

The General Pension Scheme of the SAirGroup

2017 annual report

Foreword 2017

The general mood on the financial markets remained exceptionally positive in the last quarter of 2017, too. Many equity markets reached record new highs, and the MSCI World share index registered 17.3% growth for the year as a whole. The bond markets, by contrast, showed below-average growth, and both CHF bonds (Swiss Bond Index SBI AAA-BBB: +0.13%) and international government bonds (Citigroup WGBI hedged: +0.2%) ended 2017 at virtually their prior-year levels.

The financial crisis seems to have been overcome, at least on the strength of global economic data. The leading economic indicators clearly picked up recently, and they currently project accelerating growth for the economies of the world's key regions. The central banks' supporting influence on the financial markets is likely to decline in 2018, however, and investors must be prepared to weather tangible market corrections and greater price swings in the course of the year.

The General Pension Scheme of the SAirGroup (GPS) achieved a very strong performance of 7.7% on its investments in 2017. The Scheme's funding ratio now stands at a highly favourable 130.2%.

In view of this still encouragingly high funding ratio, the GPS Board of Trustees has resolved that, despite the continuing difficulties on the financial markets, an additional payment will be made to the Scheme's pension recipients. This additional payment will essentially amount to seven times the monthly retirement, disability, widow's or widower's pension paid for May 2018. Certain time-limited pensions will be excluded from this payment provision. The additional payment will be distributed together with the June 2018 pension.

Mr. Hans-Ulrich Schneider decided to retire at the end of 2017. We would like to thank him for the always excellent and professional collaborations. The Board of Trustees appointed Mr. Pascal Buracco as his successor. Mr. Buracco has been with the Scheme's management company PFS Pension Fund Services AG since 2005.

In closing, the Board of Trustees would like to thank all its many partners for the always pleasant and professional collaborations.



Bernhard Keller

President of the Board of Trustees



Pascal Buracco

Managing Director

Balance sheet at december 31 2017

(in CHF million, by market value)

Assets	2017	2016	Liabilities	2017	2016
Current accounts and receivables	405.8	389.7	Payables	0.1	1.9
CHF bonds	193.4	271.4	Accrued liabilities	0.2	0.2
EUR bonds	0.0	0.0	Non-actuarial reserves	1.7	1.7
USD bonds	0.0	0.0	Savings capital	1'292.5	1'393.1
Swiss shares	178.1	169.3	Actuarial reserves	6.5	0.0
European shares	50.7	56.0	Equalisation reserve	233.8	250.7
North American shares	79.2	79.6	Freely-disponsable funds	158.9	89.8
Asia-Pacific shares	69.1	65.7			
Emerging Market	69.0	72.8			
Real estate in Switzerland	550.7	538.0			
Mortgages	74.8	72.8			
Non-traditional investments	1.6	2.6			
Prepaid expenses	21.3	19.5			
Balance sheet total	1'693.7	1'737.4	Balance sheet total	1'693.7	1'737.4

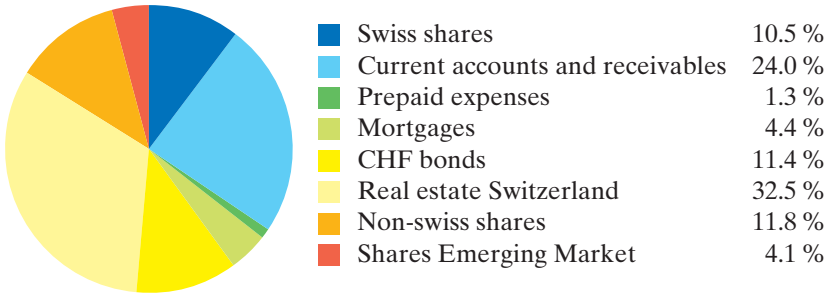
Income statement for 2017

(in CHF million)

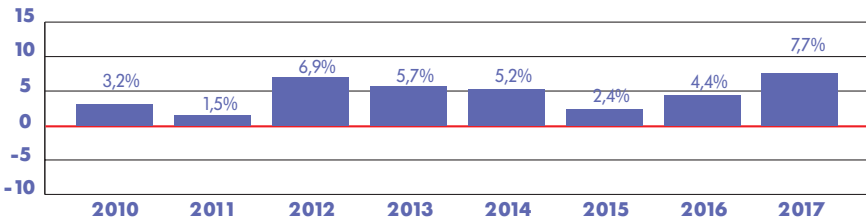
	2017	2016
Vested benefits paid in *	0.4	0.5
Income from contributions and joining payments	0.4	0.5
Pensions and capital amounts paid out	-105.8	-109.9
Additional payment	-61.7	-27.4
Vested benefits paid out	-0.4	-0.5
Expenditure on benefits and advance withdrawals	-167.9	-137.8
Change of savings capital	94.0	86.1
Insurance costs	-0.1	-0.1
other expenses / income	-0.3	-0.5
Net result from insurance activities	-73.9	-51.8
Income from		
- mortgage loans	1.0	1.2
- securities	92.2	35.6
- real estate	33.4	36.3
Net result from investment activities	126.6	73.1
Administration costs	-0.7	-0.8
Income surplus before appropriation to equalisation reserve	52.1	20.5
Change to equalisation reserve	16.9	15.5
Revenue-/Expenditure surplus	69.0	36.0

* Retroactive payments due to disability

Allocation of GPS assets at december 31 2017 (in %)

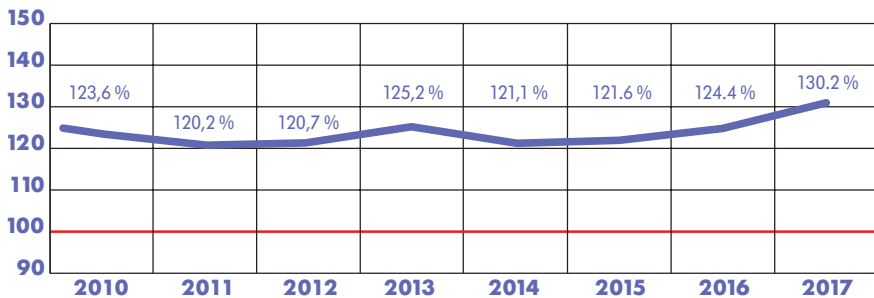


Performance (in %)

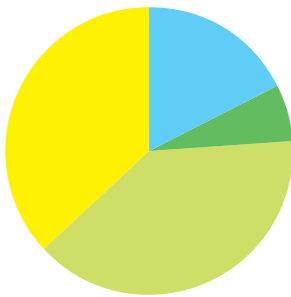


Funding Ratio

- 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 %
- 2015 reduction technical interest rate from 1,5 % to 1,0 %
- 2016 reduction technical interest rate from 1,0 % to 0,75 %



Pension payment 2017



Children's pensions	CHF	0.2	0.1 %
Widow's/widower's pensions	CHF	29.5	17.6 %
Disability pensions	CHF	10.8	6.4 %
Old-age pensions	CHF	65.3	39.0 %
Additional payment	CHF	61.7	36.9 %

Total CHF 167.5 Mio / 100%

Pension recipients

	31.12.2017	31.12.2016
Old-age pensions	1'880	1'982
Disability pensions	495	512
Widow's/widower's pensions	1'166	1'173
Child's pensions for children of old-age pension recipients	1	2
Child's pensions for children of disability pension recipients	49	51
Orphan's pensions	5	6
Total pensions	3'596	3'726

The 3'596 pensions (3'726) are paid to 3'517 persons (3'641), since some beneficiaries are entitled to more than one type of pension.

Organisation

Members of the Board of Trustees

Bernhard Keller	Chairman
Peter Ramel	Deputy Chairman
Hansruedi Meier	member
Max Michel	member
René Müller	member
Irma Schneiter	member
Dr. iur. Hans-Ulrich Stauffer	member

Independent audit

BDO AG, Schiffbaustrasse 2, 8031 Zürich
Marcel Frick

Expert company pension plan

Dipeka AG, St. Alban-Vorstadt 14, 4052 Basel
Dominique Koch

Management

PFS Pension Fund Services AG, Sägereistrasse 29, 8152 Glattbrugg

Hans-Ulrich Schneider	Managing Director / Accountant until 31.12.2017
Renate Demont	Administration

Administration GPS

Telephone +41 43 210 18 18
www.swissair-group-pensions.com