



PENSION NEWS

Airbus Group UK Retirement Plan



Summary Report for the
year ended 5th April 2015
December 2015

Chairman's Statement

Welcome to the 2015 edition of Pension News for members of the Airbus Group UK Retirement Plan. I'd like to welcome members that have joined during the last year, including those who were automatically enrolled in April 2015.

You may have seen coverage in the news recently about changes to pensions giving new flexibilities to Defined Contribution savers at retirement. These changes have now been confirmed and are discussed in more detail inside.

This edition of the Newsletter also includes other useful information including:

- Details of the investment returns for the year to 5 April 2015
- A reminder of the Matching Contribution structure
- Details of the Plan website

As always, your feedback on Pension News is extremely welcome so let us know if you have any comments about this edition.

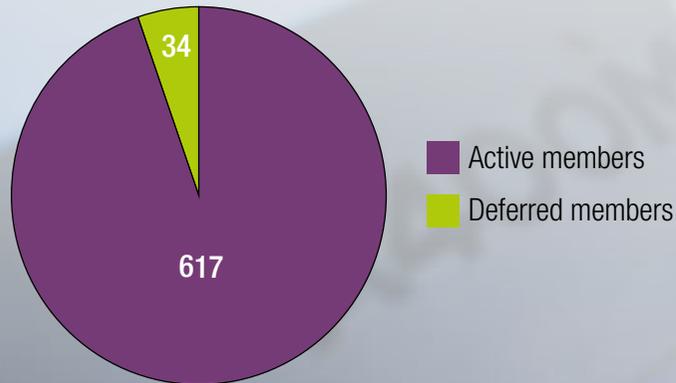
Bill Newman



Bill Newman, Chairman of Trustees

Plan membership

At the end of the Plan year, there were 617 active and 34 deferred members.



Auditor's report

The Plan's auditor Ernst and Young LLP, has given an unqualified audit opinion on the financial statements for year ending 5 April 2015, confirming that the financial statements give a true and fair view of the Plan's financial transactions during the year and the net assets at the year end.

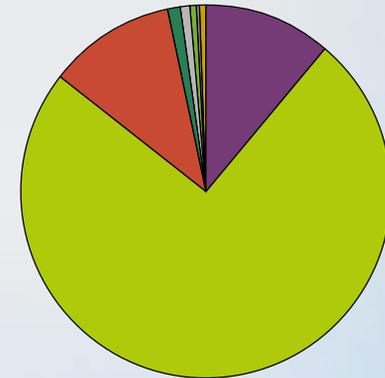
The auditor has also given an unqualified statement on the contributions, confirming that the contributions payable to the Plan for the year ended 5 April 2015 have been paid in accordance with the Schedule of Contributions.

Annual Report

A copy of the formal Annual Report which includes the audited accounts and investment report is available on request from the Pensions Team by emailing ukpensions@airbus.com

Retirement Plan assets

As at 5 April 2015 the Plan assets were invested as shown below, with 99% of members investing their Retirement Fund in the Core Lifestyle Profile:



- | | |
|---|--------------------------------------|
| L&G Over 5 Year Index Linked Gilts Index (11.38%) | L&G Over 15 Year Gilts Index (0.87%) |
| L&G Global Equity Fixed Weights 50:50 Index (74.40%) | L&G Property (0.57%) |
| L&G AAA-AA-A Corporate Bond Over 15 Year Index (11.04%) | L&G HSBC Life Amanah (0.32%) |
| L&G World Emerging Markets Equity Index (1.11%) | L&G Cash (0.28%) |

Investment returns to 5 April 2015

| | 1 year return % |
|---|-----------------|
| Legal & General (PMC) Global Equity Fixed Weights 50:50 Index Fund 3 | 14.69 |
| Airbus Group Core Lifestyle Profile (growth phase) | 16.26 |
| Legal & General (PMC) AAA-AA-A Corporate Bond Over 15 Year Index Fund 3 | 21.88 |
| Legal & General (PMC) Over 5 Year Index Linked Gilts Index Fund 3 | 23.23 |
| Legal & General (PMC) Over 15 Year Gilts Index Fund 3 | 27.27 |
| Legal & General (PMC) Diversified Fund 3 | 13.24 |
| Legal & General Cash Fund 3 | 0.48 |
| Legal & General Property Fund 3 | 14.48 |
| Legal & General (PMC) UK Equity Index Fund 3 | 7.01 |
| Legal & General (PMC) World (EX-UK) Equity Index Fund 3 | 21.75 |
| Legal & General (PMC) World Emerging Markets Equity Index Fund 3 | 17.49 |
| Legal & General HSBC Life Amanah Fund 3 | 14.48 |

Airbus Group Core Lifestyle Profile – the automatic fund choice

Most members are invested in the Core Lifestyle Profile as this is the default choice made available by the Trustee for those members who have made no personal selection. This Lifestyle Profile automatically moves your Retirement Fund from growth funds into more stable investments as you get closer to your Target Retirement Age.

Under the Core Lifestyle Profile your Retirement Fund will be invested 80 per cent in equities and 20 per cent in gilts/bonds while you are more than 15 years away from your Target Retirement Date. When you get to within fifteen years of retirement, your investment mix will be adjusted once a month so that immediately preceding your retirement your Retirement Fund will be invested 75% in gilt/bond funds and 25% in the cash fund (as shown in the graph alongside). The aim of this is to provide stability in the value of your Retirement Fund as you approach retirement.

Charges

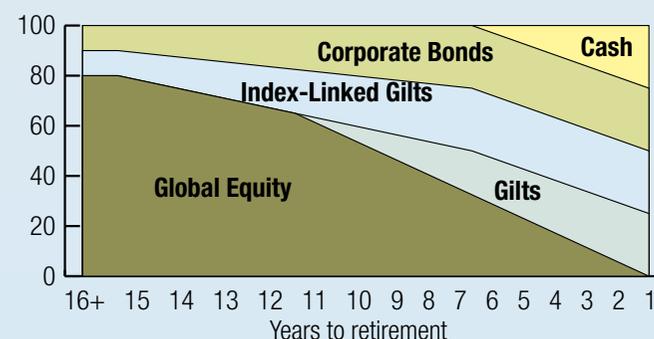
The charges associated with running the Plan are deducted from the value of your Retirement Fund in two ways:

- The annual administration charge of 0.18% of your Retirement Fund is calculated monthly and a proportion is deducted from your Fund.
- The Fund Management Charge (FMC) varies for each individual investment fund. The FMC is deducted by adjusting the unit price of the relevant fund.

The total Annual Management Charge (AMC) is shown below for each of the available investment funds:

| | Total AMC |
|---|-----------|
| Legal & General (PMC) Global Equity Fixed Weights 50:50 Index Fund 3 | 0.28% |
| Legal & General (PMC) AAA-AA-A Corporate Bond Over 15 Year Index Fund 3 | 0.30% |
| Legal & General (PMC) Over 5 Year Index Linked Gilts Index Fund 3 | 0.26% |
| Legal & General (PMC) Over 15 Year Gilts Index Fund 3 | 0.26% |
| Legal & General (PMC) Diversified Fund 3 | 0.45% |
| Legal & General Cash Fund 3 | 0.28% |
| Legal & General Property Fund 3 | 0.89% |
| Legal & General (PMC) UK Equity Index Fund 3 | 0.28% |
| Legal & General (PMC) World (EX-UK) Equity Index Fund 3 | 0.30% |
| Legal & General (PMC) World Emerging Markets Equity Index Fund 3 | 0.63% |
| Legal & General HSBC Life Amanah Fund 3 | 0.73% |

Asset mix for the Airbus Group Core Lifestyle Profile



Plan Website

Did you know that you can visit the Legal & General (L&G) website at any time to find out more about your Retirement Fund? Just go to www.landg.com/airbus

If you register for 'Manage your Account' you can:

- Monitor your Retirement Fund and follow the performance of your investments
- View and change where your Retirement Fund is invested
- View factsheets of all the available investment options
- Check what contributions have been paid into your Retirement Fund

The L&G site also has links to the members booklet and investment guide

You can also view a number of videos which can help you plan for retirement.

A large Airbus A380 aircraft is parked on a tarmac under a blue sky with light clouds. The aircraft is white with blue accents and the word 'AIRBUS' and 'A380' are visible on its side. In the foreground, a large white sign with the 'AIRBUS GROUP' logo in blue letters is partially visible. The tarmac is paved and has some ground support equipment and safety barriers in the background.

AIRBUS
GROUP

Contributions

When you join the Plan, you automatically begin to pay contributions at the starting level of 4% of Basic Salary with the Company paying 6%. If you choose to pay more, the Company will match up to 2% extra as shown opposite.

You can change to one of the higher levels within 3 months of joining and then you can only change your level of matching contributions every April.

You can also pay Additional Voluntary Contributions (AVCs) at any time. You will find the form to complete on the L&G website. You may also be able to transfer in benefits from other registered pension schemes. Contact the Pensions Team to find out more.

| | Starting level | Matching contributions +1 | Matching contributions +2 |
|------------------|----------------|---------------------------|---------------------------|
| You pay | 4% | 5% | 6% |
| The Company pays | 6% | 7% | 8% |



New options at Retirement

In the 2014 edition of Pension News we mentioned that new rules meant that from April 2015, there would be more choice and freedom around how you could take your Defined Contribution (DC) savings at retirement.

Prior to April 2015, you would have been able to take up to 25% tax free and then buy an annuity (this is a regular income paid for life) with your DC savings. Now, all members aged 55 or over can take advantage of three options:

- Cash – You can take all or some of your savings as cash. 25% of your pot will be paid free of tax and the remainder taxed at your marginal rate (e.g. 20%, 40% or 45%).
- Drawdown – You can move your pot to a specialist provider and then take out money as and when you like.
- Annuity – The option to buy an annuity still remains (together with the option of a 25% tax free cash lump sum).

You can also take a combination of the above, or just leave your money invested. Not all of the options are available directly from the Plan. If you want to enter a drawdown arrangement, you will need to transfer to a suitable arrangement to do this. Please contact the Pensions Team for further details on your options at retirement.

Pension Wise

To provide more guidance on the new retirement options, the government has introduced Pension Wise. This is a free and impartial service which aims to help DC members understand their options as they approach retirement. Go to the website www.pensionwise.gov.uk or call 0330 330 1001 to book an appointment or to find out more.



Protection for You and Your Family

As part of your Plan membership, you are covered for life assurance. If you were to die while still employed by an Airbus Group company and paying into the Plan, your beneficiaries would receive:

- A lump sum of six times your basic salary
- A lump sum equal to the value of your Retirement Fund

You can help the Trustee decide who will receive the benefits payable on your death by completing an Expression of Wish form.

[You can find a copy of this on our website.](#)

Even if your personal circumstances are straightforward, we recommend you let the Trustee know your wishes. For example, a married member with two children may wish the Trustee to pay 50% of the benefit to their partner and to split the remainder between the children. You should complete a replacement form if your circumstances change.

When there is no Expression of Wish form, the Trustee is then often required to make detailed enquiries into your personal circumstances which may cause distress to your beneficiaries.

Only a third of Plan members have completed an Expression of Wish form, so if you are part of the two thirds who haven't, please consider filling one in today.



Scheme contacts

Scheme website:

www.landg.com/airbus

Scheme email address:

ukpensions@airbus.com

The on-line administration site, Manage your Account, can be found at:

www.legalandgeneral.com/manageyouraccount

If you wish to contact the Trustee Board, or if you have queries about the management of the Scheme or you require details of the dispute resolution procedure, please contact Oliver Porter, Pensions Manager at:

Airbus Group Pension Scheme Trustees Limited
Gunnels Wood Road, Stevenage, SG1 2AS
Tel: 01438 773071
E-mail: oliver.porter@airbus.com

The Department for Work and Pensions

Details or a personal quotation of your State pension can be obtained from

www.thepensionservice.gov.uk or by phoning 0845 60 60 265.

Independent financial advice

The Airbus Group pensions team, the Trustee Directors, the PCC members and Legal & General are not authorised to give you financial or investment advice. To obtain impartial financial advice, members are advised to contact an Independent Financial Adviser (IFA).

You can find a list of the IFAs in your postal area by contacting IFA Promotion on 0117 971 1177 or visiting www.unbiased.co.uk

Pensions Consultative Committee

The Pensions Consultative Committee (PCC), whose members are nominated and elected from the whole active and pensioner membership as appropriate, is responsible for selection of Member Nominated Directors (MNDs).

| Name | Constituency | Status |
|----------------------|-----------------------------------|---------------------|
| Inaki Azpiazu-Pelaez | Filton | PCC Member |
| Steve Chafer | Leicester, Newcastle, Farnborough | Trustee |
| Denise Chappell | Stevenage | PCC Member |
| Mick Sheahan | Stevenage | PCC Member |
| David Hobbs | Oxford | PCC Member |
| Ken Johnson | Guildford | PCC Member |
| Bill Mullin | Broughton | PCC Member |
| Matthew Johnson | Broughton | PCC Member |
| Craig Musker | Newport | PCC Member |
| Guy Newham | Portsmouth | PCC Member |
| Steve Parker | Portsmouth | Trustee |
| Mario Schiavo | Filton | PCC Member |
| Phil Wadey | Corsham, Hawthorn, Oakhanger | Chairman of the PCC |
| Ian Westall | Pensioners | Trustee |

If you have difficulty reading this document you can obtain an audio copy by contacting the Pensions Manager.