



PENSION NEWS

Airbus Group UK Retirement Plan

A photograph of the Airbus Group building, featuring a large white sign with the 'AIRBUS GROUP' logo in blue, 3D-style lettering. Below the sign is a glass facade reflecting the sky and clouds.

AIRBUS
GROUP

Summary Report for the year ended 5th April 2014
November 2014

Chairman's Introduction

Welcome to the first edition of Pension News for members of the Airbus Group UK Retirement Plan. The Retirement Plan is overseen by a Board of Trustees which includes three Trustees nominated by the Pensions Consultative Committee (PCC) and three appointed by the Company. It is chaired by me as an Independent Trustee.

This edition of the Newsletter provides useful information including:

- Details of the investment returns for the year to 5 April 2014
- A reminder of the Matching Contribution structure
- Details of the Plan website

The Government has announced new legislation affecting pension schemes. In addition to reducing tax-free pension allowances for those with large pension pots the Government has enabled those with small pots to take their benefits as a single lump sum. Major changes to increase the flexibility available to those with defined contribution pension pots will be introduced from April 2015. The impact of these changes is discussed inside.

Bill Newman



Bill Newman, Chairman of Trustees

Plan membership

At the end of the Plan year, there were 69 active and 1 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 2014, 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.

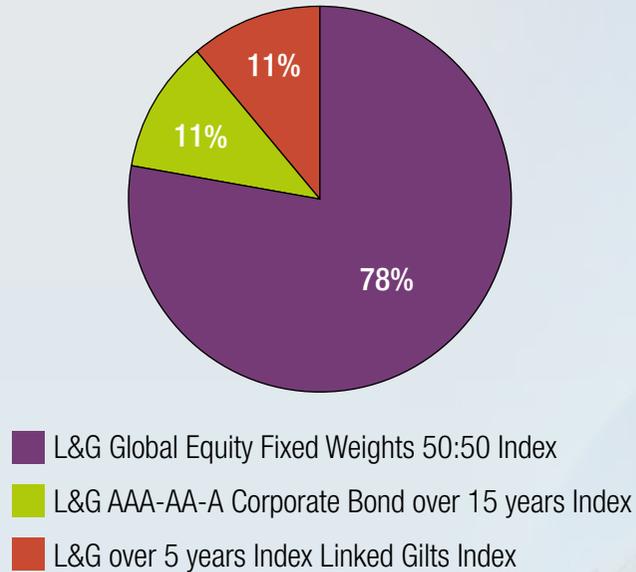
The auditor has also given an unqualified statement on the contributions, confirming that the contributions payable to the Plan for the year ended 5 April 2014 have been paid in accordance with the Schedule of Contributions.

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 2014 the Plan assets were invested as shown below, with 100% of members investing their Retirement Fund in the Core Lifestyle Profile:



Investment returns to 5 April 2014

	1 year return %
Legal & General (PMC) Global Equity Fixed Weights 50:50 Index Fund 3	7.95
Legal & General (PMC) AAA-AA-A Corporate Bond Over 15 Year Index Fund 3	1.22
Legal & General (PMC) Over 5 Year Index Linked Gilts Index Fund 3	(4.87)
Legal & General (PMC) Over 15 Year Gilts Index Fund 3	(3.66)
Legal & General (PMC) Diversified Fund 3 *	–
Legal & General Cash Fund 3	0.48
Legal & General Property Fund 3	9.76
Legal & General (PMC) UK Equity Index Fund 3	9.42
Legal & General (PMC) World (EX-UK) Equity Index Fund 3	6.76
Legal & General (PMC) World Emerging Markets Equity Index Fund 3	(13.03)
Legal & General HSBC Life Amanah Fund 3	6.82

* This fund has not been in existence long enough to have 1 year performance figures.

Airbus Group Core Lifestyle Profile – the automatic fund choice

Most members are invested in the Core Lifestyle Profile as this is the automatic fund 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 opposite). The aim of this is to provide stability to the value of your Retirement Fund as you approach retirement. This also places you in an ideal position to take 25% of your Retirement Fund as a cash lump sum with the balance being used to purchase an annuity.

Charges

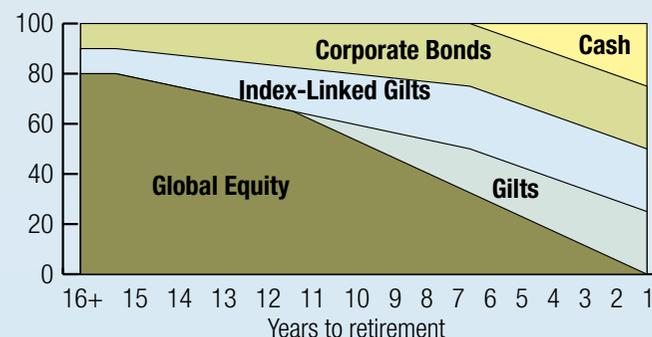
The charges associated with running the Plan are deducted from the value of your Retirement Fund in two ways:

- The annual administration charge of 0.18% of your Retirement Fund is calculated monthly and that 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 of both these charges 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:

- Check what contributions have been paid into your Retirement Fund
- 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

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.



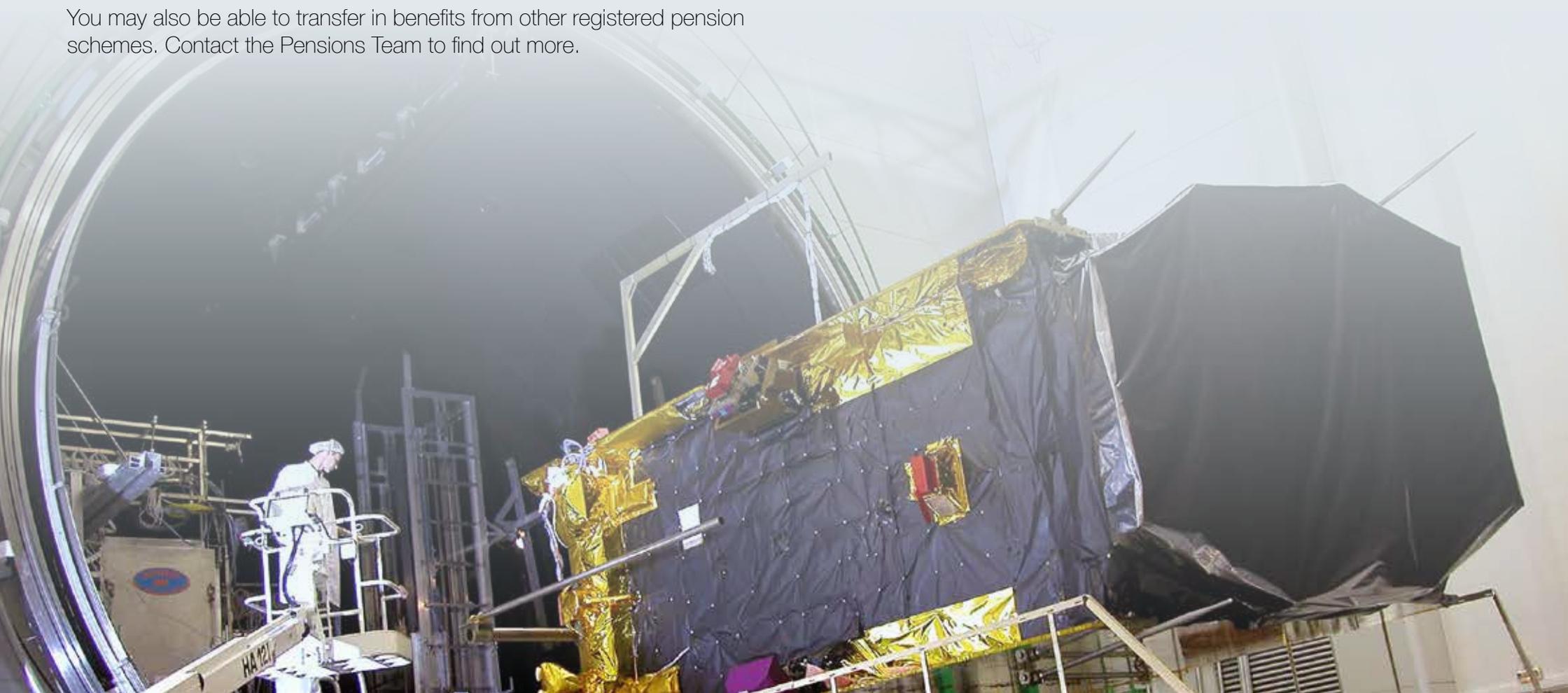
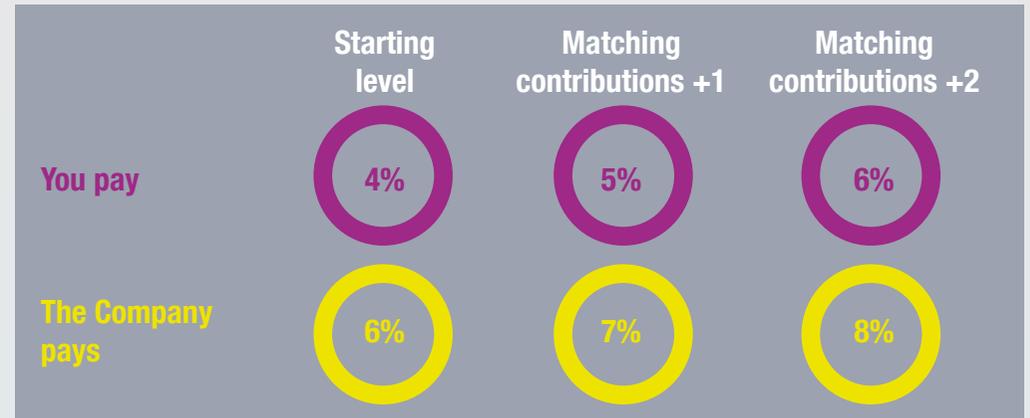
Contributions

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 your level of matching contributions every April.

You can also pay Additional Voluntary Contributions (AVCs) through payroll at any time. You will find the form to complete on the L&G website, together with a very helpful Retirement Planning tool which can be used to estimate how much income you may receive in return for extra contributions.

You may also be able to transfer in benefits from other registered pension schemes. Contact the Pensions Team 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

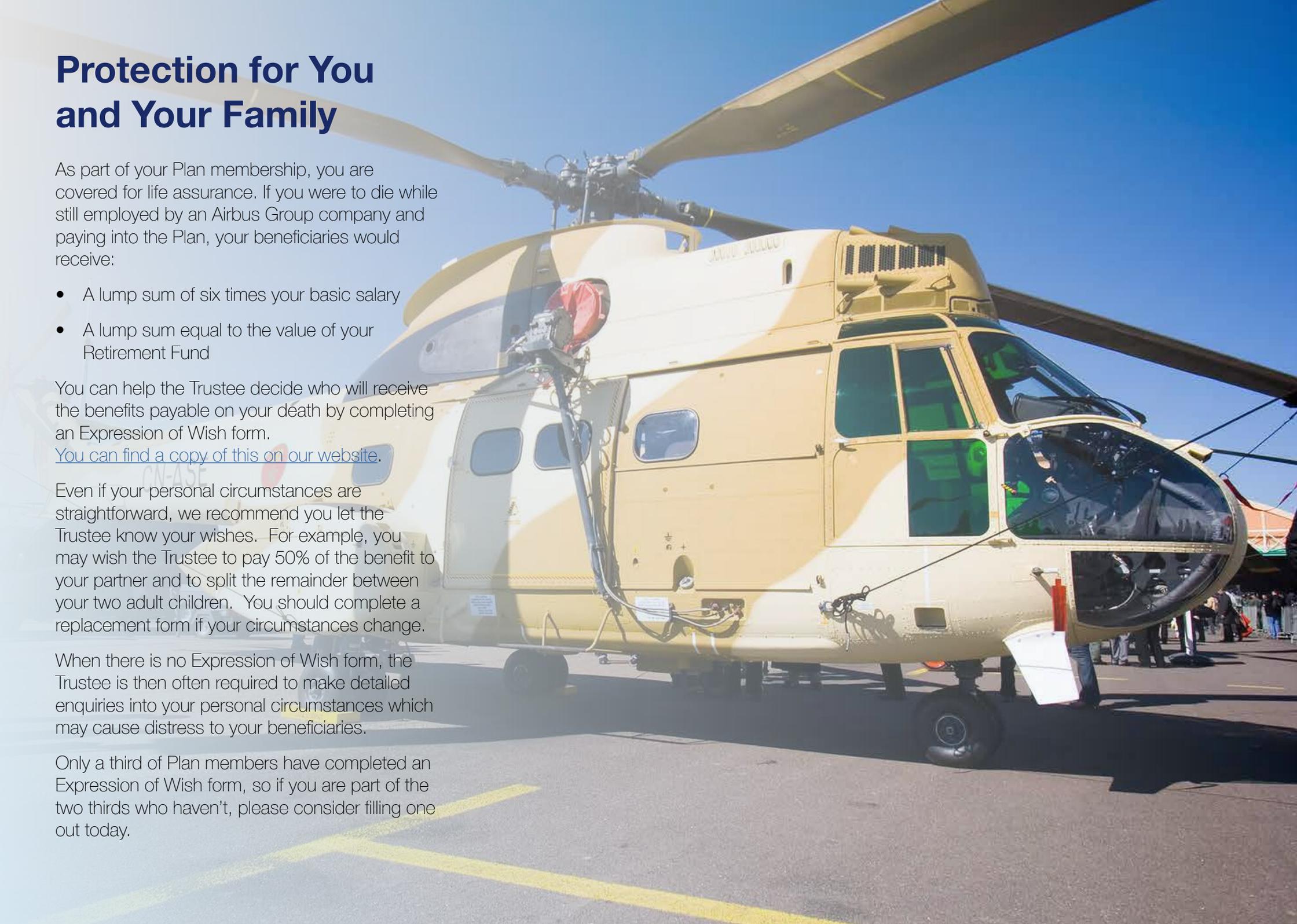
You can help the Trustee decide who will receive the benefits payable on your death by completing an Expression of Wish form.

[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, you may wish the Trustee to pay 50% of the benefit to your partner and to split the remainder between your two adult 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 out today.



Recent Developments in Pensions

The March 2014 Budget introduced radical changes to the way people can take their Defined Contribution (DC) pension at retirement. The purpose is to offer individual members a much greater choice over how their retirement assets can be taken. The government has proposed that at retirement savers will be able to access as much of their pension savings as they like in cash from April 2015. 25% of the total is tax free. The remaining cash would be taxed at your normal rate of income tax.

The changes are intended to come into effect from April 2015 and we will look at the implications for members of the Plan as the details of the regulations become known.

Pension Scams

Pension scams are on the increase in the UK. 'One-off pension investments', 'pension loans' or up front cash are being used to entice savers.

For most people the offers will be bogus. Pension scheme members who are taken in, will lose most, if not all, of their savings.

Some scams will appear to be legal, and some scammers may even suggest that the Government has asked them to contact you. Watch out for these common features of pension scams:

- Phrases like 'one-off investment opportunities', 'free pension reviews', 'legal loopholes', 'cash bonus', 'government endorsement'
- Victims are approached out of the blue over the phone, via text messages or in person door-to-door
- Transfers of your money or investments overseas, meaning the money is harder to recover
- Access to your pension pot before age 55
- No member copy of any documentation
- Victims are encouraged to speed up transfer of their money to the new scheme.

You may be encouraged to transfer your pension quickly, and they may even send documents to you by courier in an attempt to pressurise you to sign.

Once you've transferred your pension, it's too late. Many victims will lose their entire pension and will have to pay a large tax charge on top.

You can find out more at www.pensionsadvisoryservice.org.uk



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

Clive Bugeja, Scheme Secretary and Pensions Manager at:

Airbus Group Pension Scheme Trustees Limited
Gunnels Wood Road, Stevenage, SG1 2AS
Tel: 01438 773319
E-mail: clive.bugeja@astrium.eads.net

The Department for Work and Pensions

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

www.thepensionsservice.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	PCC Member
Peter Cheney	Stevenage	Trustee
Keith Gifford	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
Dave Ratcliffe	Poynton	PCC Member
Phil Wadey	Corsham, Hawthorn, Oakhanger	Chairman of the PCC
Ian Westall	Pensioners	Trustee

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