

AIR CANADA PENSION COMMITTEE REPORT
JUNE 2008

The committee met with the company on June 5, 2008. The 1st quarter unaudited investment results were as follow:

March 31, 2008	March 31, 2007
Master pension trust fund	
\$10.562 billion	\$11.3 billion
Main pension trust fund	
\$5.77 billion	\$6.23 billion

The price of oil, the credit market stress, and spiraling food costs has not been a recipe for economic growth. Economic prospects for global markets are being revised on the downside.

Company contributions to the pension plans are current and on schedule (\$31.4 million 1st quarter).

The actuarial valuation for December 31, 2007 will be released in August 2008.

The company will resume pre-retirement seminars in the fall. Invitations will be sent to those that qualify. If you do not receive an invitation please DO NOT call the pension department. You will receive an invitation eventually, as the process is being carried out in order of seniority/location basis. Proposed dates are Oct 1 YUL, Oct 2 YYZ, Oct 7 YVR. The Maritimes, Alberta, and Winnipeg are yet to be determined, and will be contingent on an attendance response.

Members who are confirmed for attendance are asked to ensure they have time clearance from their Manager and to notify the Union if a problem arises. Once confirmed, you are required to immediately notify the pension department by e-mail if you cannot attend. This is so the vacant seat may be filled with someone else (sessions are limited to 40). Further information on these seminars will be posted on the aeronet portal.

A new feature has been added to the pension estimate function on one-view and will show the period of actual best 36 months earnings and the YMPE on the last page of the estimate. Also, a new more user friendly document has been created dealing with marital breakdown as it relates to pension, and will be available on the portal.

Next meeting is tentatively September 2008.

Respectfully submitted
AC IAMAW Pension Committee.