



CANADIAN COMMERCIAL WORKERS INDUSTRY PENSION PLAN

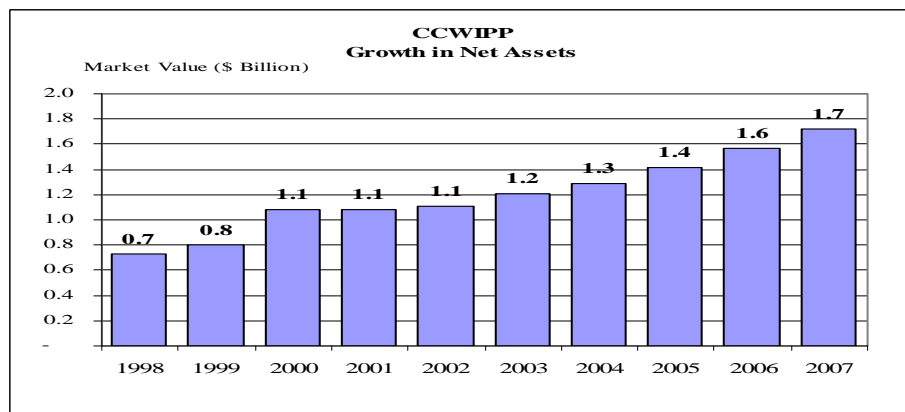
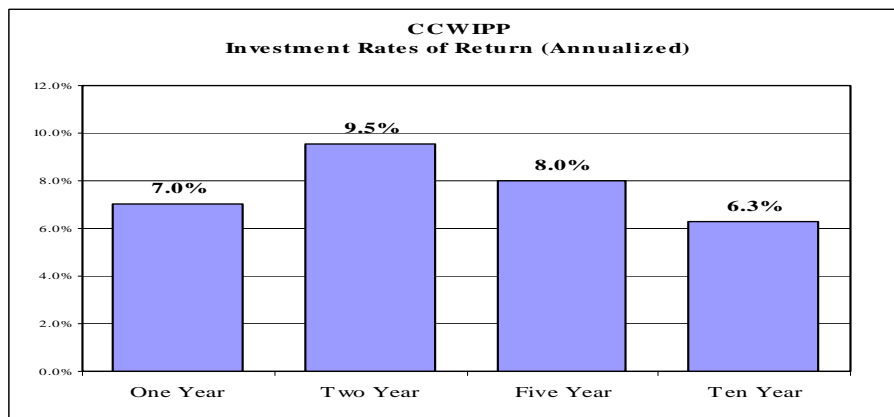
2007 ANNUAL REPORT

INVESTMENT PERFORMANCE

Investment Return

The Canadian Commercial Workers Industry Pension Plan (“CCWIPP”) had another strong year in 2007, achieving an aggregate rate of return of 7.0% which significantly outperformed the average Canadian pension fund’s⁽ⁱ⁾ return of 2.9%. The CCWIPP’s investment portfolio generated investment income of \$112 million, increasing its net assets to approximately \$1.7 billion.

The CCWIPP achieved this performance despite the soaring Canadian dollar relative to foreign currencies, the subprime mortgage crisis in the United States and the collapse of the Canadian market for non-bank, asset-backed commercial paper (“ABCP”). The CCWIPP had no exposure to the subprime-based assets or the non-bank ABCP. These results are attributable to the asset allocation mix initiative, established by the Board of Trustees, and the expertise of the investment professionals.



i) Pensions & Investment January 21, 2008.

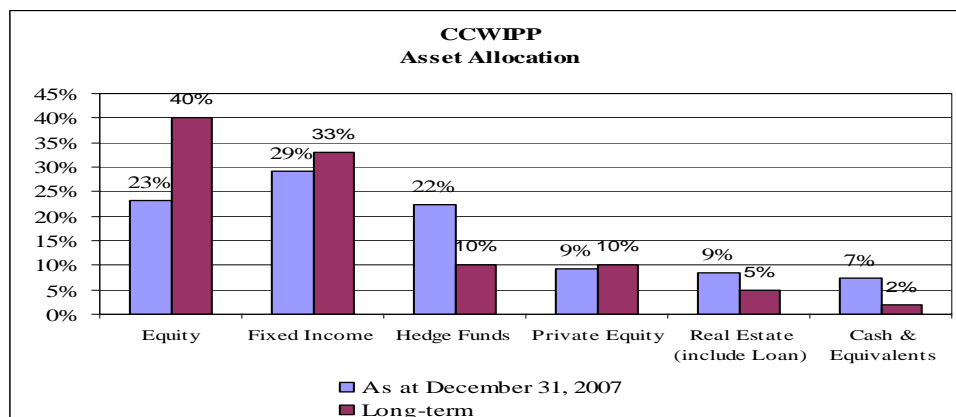
Management of Invested Assets

The CCWIPP enlists the services of 15 professional investment management firms who invest the CCWIPP's assets in Canadian and foreign equities and fixed income investments, both in public and private markets. The CCWIPP regularly evaluates the performance of these firms and monitors their compliance with their investment mandates. The CCWIPP also regularly conducts searches for new investment management firms in order to maximize returns and add value to the CCWIPP while minimizing its overall risk exposure. In the past five years, the CCWIPP has added six⁽ⁱⁱ⁾ new investment management firms who have added value to the CCWIPP by collectively outperforming their benchmarks.

As part of its investment strategy, the CCWIPP continues to rebalance its portfolio of investments held through wholly-owned investment corporations. As at December 31, 2007, the CCWIPP has succeeded in reducing this portfolio to approximately 14% (consisting of 16 investments) of the CCWIPP's total assets, from 39% (consisting of 45 investments) in 2001. The CCWIPP anticipates achieving its target allocation of 10% of the CCWIPP's total assets by divesting an additional eight⁽ⁱⁱⁱ⁾ of the remaining investments held through wholly-owned investment corporations during 2008.

Asset Allocation

To ensure greater diversification and minimize risk exposure, effective on January 1, 2007, the CCWIPP established an asset allocation to set target ranges for investing in each asset class. The asset allocation is designed to improve the probability of the CCWIPP achieving its actuarial assumption of a 7% average rate of return over the long term. This is the rate which CCWIPP's independent Actuary has assumed as being required to satisfy all pension obligations for members. The table below outlines the actual asset allocation as at December 31, 2007. The CCWIPP anticipates achieving its long-term asset allocation over the next few years.



⁽ⁱⁱ⁾ 2004 - Acuity Investment Management, Dynamic Mutual Funds Ltd. and Harris Investment Management. 2005 - Wise Capital Management Inc. 2007 - Philadelphia International Advisors, LP and Vontobel Asset Management.

⁽ⁱⁱⁱ⁾ Land - Newcastle, Etobicoke and Niagara Falls. Private equity & venture capital - CIBO Capital Corporation and Case Financial, Inc. Mortgage - Westmount-Keele Limited and Ocean Chimo. Fixed income - Full House Franchise Services Limited.

Equity

The equity component of the CCWIPP's investment portfolio achieved a 2.8% rate of return in 2007. The rate of return was negatively impacted by difficult market conditions during 2007. As at December 31, 2007, U.S. equities comprised 30% of the CCWIPP's equity portfolio, and the negative impact caused by currency adjustment was estimated to be \$17 million. As at December 31, 2007, the CCWIPP's total equity allocation was valued at \$403.3 million.

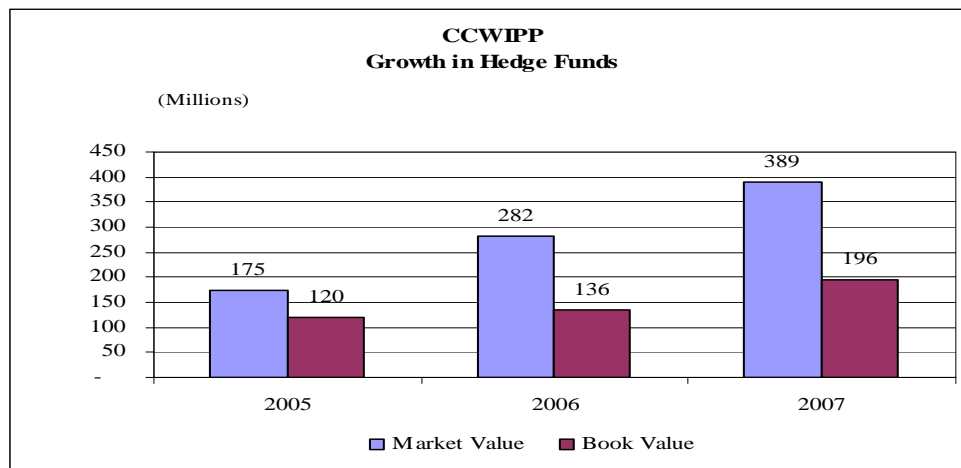
During 2007, two investment management firms^(iv) (one Canadian-based and one U.S.-based) were terminated as a result of underperformance.

Fixed Income

The fixed income component of the CCWIPP's investment portfolio achieved a 2.6% rate of return in 2007. Included in the CCWIPP's fixed income investments are a series of segregated long-term bond portfolios, collectively valued at \$286 million, which are under management by CIBC Global Asset Management. As at December 31, 2007, the CCWIPP's total fixed income allocation was valued at \$508.5 million.

Hedge Funds

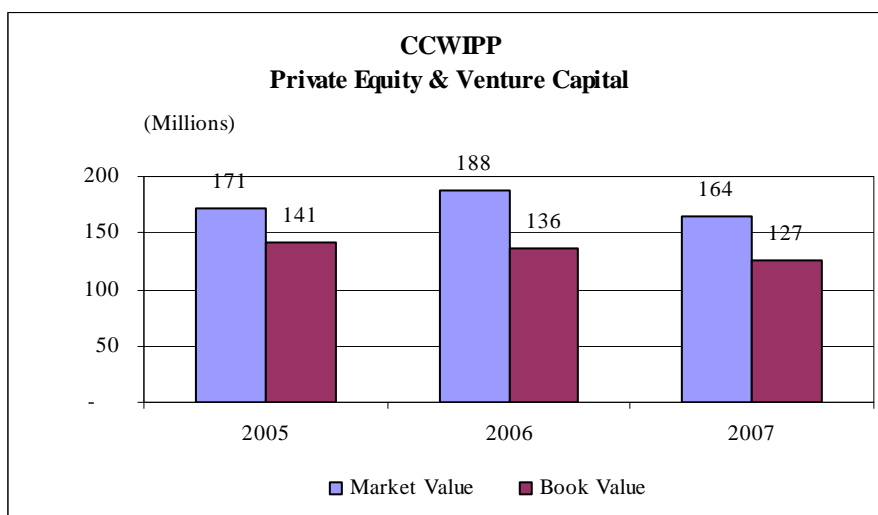
The hedge fund component of the CCWIPP's investment portfolio achieved a 37.6% rate of return in 2007. The CCWIPP invests in hedge funds through external investment managers, in an effort to increase diversification and achieve positive returns in both rising and falling markets. As at December 31, 2007, the CCWIPP's total hedge fund allocation was valued at \$388.7 million.



^(iv) Natcan Investment Management and Voyageur Asset Management

Private Equity/Venture Capital

The private equity and venture capital component of the CCWIPP's investment portfolio achieved a negative 6.2% rate of return in 2007. Private equity and venture capital investments generated income of \$11.4 million, which was offset by the negative impact of currency adjustment in the amount of \$22.7 million, resulting from the appreciation of the Canadian dollar. These investments include Royalty Pharma AG, Celtic Pharmaceutical L.P., Wellington Financial Funds, Clairvest Equity Partners, British Colonial Development Company, Crescendo World Fund and Nexient Learning Inc. As at December 31, 2007, the CCWIPP's total private equity and venture capital allocation was valued at \$163.9 million.



Real Estate and Loans

The real estate and loan component of the CCWIPP's investment portfolio achieved a negative 3.6% rate of return in 2007. Real estate and loan investments generated income of \$6.8 million, which was offset by the negative impact of currency adjustment in the amount of \$14.6 million resulting from the appreciation of the Canadian dollar. The real estate investments included three parcels of vacant land, and the 613,000 square-foot Citi Plaza (formerly Galleria Mall) in London, Ontario. The CCWIPP anticipates that by the end of 2008, the three^(v) parcels of vacant land will have been sold with the only remaining real estate investment being Citi Plaza. The loan portfolio consisted of a single loan, related to a real estate development in the Bahamas, for which the CCWIPP completed a Purchase and Sale Agreement, valued at \$106 million, during 2008. As at December 31, 2007, the total real estate and loan allocation was valued at \$149.0 million.

^(v) Land - Newcastle, Etobicoke and Niagara Falls.

Cash and Cash Equivalent Investments

As at December 31, 2007, the total short-term cash and cash-equivalent investments were valued at \$129.7 million, up from \$60.7 million a year earlier. While the CCWIPP's professional investment management firms are encouraged to minimize cash-equivalent balances, higher balances were maintained during 2007 due to market conditions.

ASSETS AVAILABLE TO PAY BENEFITS

The net value of assets available to pay benefits increased by \$155 million to \$1.7 billion as at December 31, 2007. The net asset value increase included \$112 million of investment income, increased employer contributions and additional employer contributions to the Stabilization Fund ("SF"). The SF is described in greater detail below. The SF was established by the Trustees with the involvement of the Locals of United Food and Commercial Workers Union, Canada ("UFCW Canada") and certain participating employers to assist in addressing CCWIPP's funding deficiency. As further detailed below, the SF was established with the agreement of the Ontario Superintendent of Financial Services. Contributions to the SF are negotiated through the collective bargaining process. During 2007, the SF received contributions totaling \$44 million.

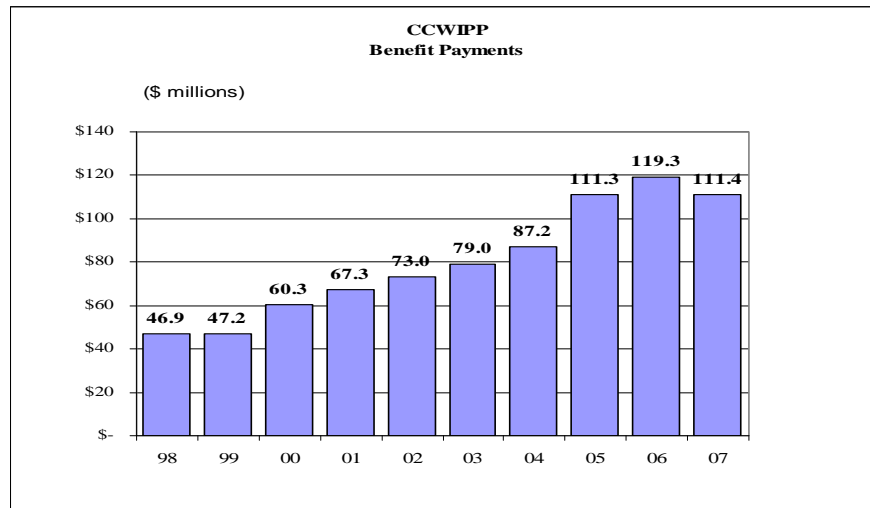
The CCWIPP provides pension benefits to 380,000 current and former Members of UFCW Canada, employed by 292 participating employers. During 2007, employers contributed \$122 million in regular contributions, compared with \$119 million during the previous year, in accordance with collective bargaining agreements negotiated with Locals of UFCW Canada. Employees do not contribute to the CCWIPP.

Offsetting the gains in net asset value were \$111 million in benefit payments, compared with \$119 million during 2006, and administrative expenses (including investment, custodial and professional fees) that remained below one percent of the CCWIPP's assets. Also included in the administrative expenses was the cost of upgrading the pension administration computer system, which will create greater efficiencies.

BENEFIT PAYMENTS

Benefit payments totaled \$111 million in 2007. The number of retired Members, surviving spouses and beneficiaries receiving monthly benefits grew to 18,511. Pension payments increased by \$4 million to \$79 million. During 2007, 1,181 Members received monthly pensions for the first time. Benefits are based on the hours worked by each Member and the contribution rate paid by employers, in accordance with collective agreements. Termination payments decreased by \$12 million to \$30 million, with 9,757 Members leaving the plan as the result of changes in their employment, compared with 9,798 in 2006. Termination payments are affected by several factors including membership turnover, regulatory rules that vary by Province with respect to determining termination dates and portability rights, the timing of processing termination payments, and the rules for calculating commuted values (how much a Member leaving the plan is entitled to as a lump sum payment).

In addition, the CCWIPP paid out \$1.8 million in lump sum death benefits to surviving spouses and other designated beneficiaries, compared with \$2.4 million during 2006.



STABILIZATION FUND

The Board of Trustees, with the agreement of the Ontario Superintendent of Financial Services (the “pension regulator”), who is the major regulator for the pension plan and exercises the powers of the pension regulators in other Provinces under an agreement among the regulators, has established a Stabilization Fund (“SF”). The SF is intended to assist in addressing the shortfall between the assets of the pension plan and the value of accrued benefits. The contributions to the SF are negotiated through the collective bargaining process and will be tracked on an employer-by-employer basis and used for the benefit of Members and former Members of each employer contributing to the SF on a bargaining-unit basis in accordance with the agreement with the pension regulator. The amount of the SF for each contributing employer will be the amount of their contributions plus investment income equal to the net rate of return on the assets of the pension plan.

CCWIPP’s actuary will prepare an actuarial valuation for the pension plan as of December 31, 2010 (or as of an earlier date if required by the pension regulator) to determine the funded status of the pension plan at that date without taking into account the monies in the SF. The SF will then be used on an employer-by-employer basis, and by bargaining unit, to mitigate or eliminate benefit reductions.

In all likelihood there will be benefit reductions for those Members whose employers do not contribute to the SF or if SF contributions are not adequate to cover the shortfalls.

In certain circumstances, there could be benefit reductions before December 31, 2010. With limited exceptions, benefits may be reduced if an employer and the UFCW enter into a collective agreement before December 31, 2010, that does not provide for contributions to the SF. Benefits may also be reduced before December 31, 2010 if an employer withdraws from the pension plan or if a pension regulatory authority determines that the SF may not continue to operate until December 31, 2010.

FUNDED STATUS

CCWIPP's actuaries prepare an annual valuation of the CCWIPP's financial position. The most recent valuation established a going-concern funding deficiency of \$395 million as at December 31, 2006, based on a \$1.5 billion actuarial value of assets and total liabilities of \$1.9 billion. CCWIPP's going-concern funding deficiency is amortized over 10 years, as compared with the 15 years amortization period for most pension plans under Ontario legislation.

On a going-concern basis, the pension plan was 80% funded as at December 31, 2006, an improvement of 2% over the previous year. On a market value of assets basis, the going-concern funded ratio was 83%, representing an increase of 5% over the previous year-end.

At the same date the pension plan had a funded ratio under statutory solvency requirements of 52%. A funding deficiency is not unusual for a multi-employer pension plan. Positive investment performance in 2007, relative to the average in the industry, will have a beneficial impact on the financial position of the pension plan. In addition, decisions on asset/liability management are critical to eliminating the shortfall and ensuring the long-term health of the CCWIPP.

The going-concern funded status assumes the pension plan continues indefinitely, whereas the solvency status assumes the pension plan terminates at a specific point in time and, therefore, is a more conservative measure. If the pension plan had been wound up at December 31, 2006, the assets would not have been sufficient to cover the liabilities in respect of benefits accrued to that date, resulting in benefit reductions.

PLAN GOVERNANCE AND POLICIES

Federal and Provincial Regulation

The CCWIPP is required to comply with the Federal and Provincial legislation that governs pensions, as set by the Income Tax Act and the Provincial Pension Benefits Acts and Regulations.

In addition, the Trustees continue to enhance governance and compliance practices. The Trustees receive no personal benefit, financial gain or fee payment for their role as fiduciaries of the pension plan. The pension plan has an independent compliance officer with respect to investments who reports on a quarterly basis to the Trustees. In addition, the pension plan's auditor prepares an annual compliance report.

Investments

The CCWIPP's investment governance practices are reflected in its Statement of Investment Policies and Procedures ("SIPP"). The SIPP has been developed and is monitored and reviewed regularly. It includes the following:

- Investment strategies, benchmarks, risk tolerance, investment manager selection, all classes of assets, proxy voting, mandates.
- Monitoring of practices and conflicts of interest.
- Monitoring of fund managers to ensure compliance with investment mandates.

To ensure that investment governance practices follow the SIPP, professional staff including external investment consultants and a compliance officer, monitor and report to the Investment Committee on compliance, performance and proxy voting. The Investment Committee then reports to the Board of Trustees.

Plan Text

The Plan Text defines all Members' entitlements under the CCWIPP. Any change requires a resolution of the Trustees and/or amendment to the Plan Text, which is filed with the Provincial and Federal regulators.

Communication

The CCWIPP distributes benefit booklets, annual statements, news bulletins and brochures to Members and Pensioners. A website (www.ccwipp.ca) is also available for those who wish to receive information about the CCWIPP.

Members of the Board of Trustees

The CCWIPP is administered by a joint Board of Trustees, consisting of an equal number of individuals appointed by UFCW Canada and by the participating employers. The current members of the Board are as follows:

Gord Cannady	Bernard Christophe
Antonio Filato	Michael Fraser
Wayne Hanley	Lucy Paglione
Alain Picard	Tom Zakrzewski

The Board has established the following committees: Administration Committee, Audit Committee and Investment Committee, all with an equal number of Trustees appointed by UFCW Canada and the participating employers.

External Consultants and Professionals

To assist the Board with carrying out its fiduciary responsibilities, it employs the services of, and seeks advice from, specialists as follows:

Actuary.....	Benchmark Decisions / Buck Consultants
Auditor.....	BDO Dunwoody LLP
Compliance Officer.....	Buck Consultants
Custodian / Pension Payroll Agent.....	RBC Dexia Investor Services Trust
Investment Consultant.....	API Asset Performance Inc.
Legal Counsel.....	Cooper & Sandler / Koskie Minsky LLP / Lenczner Slight Royce Smith Griffin LLP / Stikeman Elliott LLP / Stockwoods LLP