

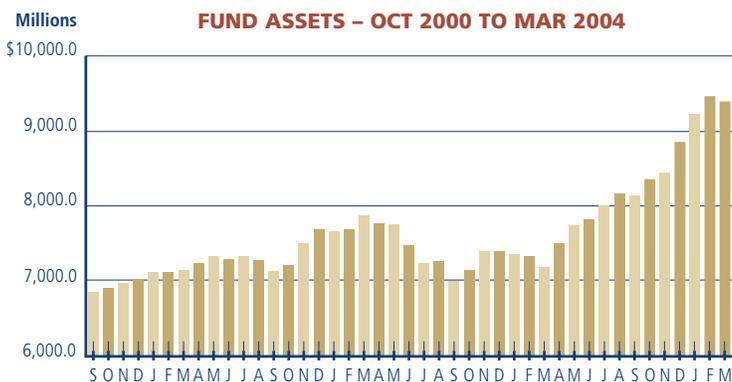
Pension Plan News

Canada Post Registered Pension Plan Performance Results for January 1 to March 31, 2004

ASSET CLASS	MARKET VALUE (IN MILLIONS)	2004 01/01 - 03/31	2003 ANNUAL	2002 ANNUAL	2001 ANNUAL
Fixed Income					
Cash & Short Term Investments	\$ 352.7	0.6%	2.9%	2.4%	4.3%
Canadian Bonds	2,954.7	4.3%	8.4%	10.2%	7.3%
Equities					
Canadian Equities	3,487.0	4.9%	25.5%	-11.6%	-7.7%
U.S. Equities	1,618.1	4.4%	7.5%	-20.9%	----
International Equities	910.2	6.7%	7.3%	-21.6%	----
Total Registered Pension Plan	\$ 9,322.7	4.62%	13.87%	-6.99%	5.10%

Market Conditions

World equity markets were higher during the 1st quarter on increasing global economic growth. Interest rates continued to weaken, allowing further gains on fixed income investments.



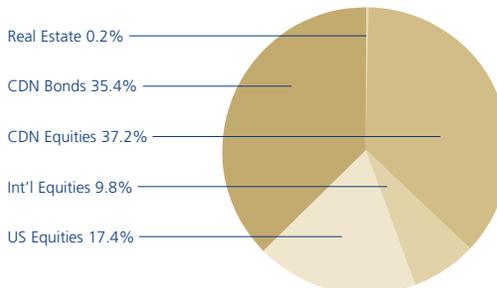
Investment Highlights

- The fund's first quarter rate of return is 4.6% versus our benchmark of 4.0%.
- As at March 31, 2004, the fund held assets of \$9,322.7 million.
- The fund received net contributions of \$118.7 million in the first quarter. We allocated \$25 million to Canadian bonds, \$20 million to Real Estate and \$73.7 million to cash & short-term investments for deployment as opportunities arise. There were no allocations to equity markets.

Asset Mix Highlights

- As at March 31, 2004, 64.6% of assets were invested in equities and real estate, above the asset mix target of 62.5%. Of the total, Canadian equities represented 37.2%, US equities 17.4% International equities 9.8% and real estate 0.2%.
- 35.4% of assets were invested in bonds and short-term investments, compared to an asset mix target of 37.5%. This included 7.2% in real return bonds, 24.5% in Canadian bonds and 3.7% in cash and short-term investments.

ASSET MIX



COMING SOON to a computer near you

This fall your pension website www.cpcpension.com will have an exciting new look and will contain much more information about your pension plan, retirement planning and links to other sites of interest. Check it often.

Stay tuned
for future
communications.



Re-employment –

How it may affect your pension



If you become re-employed at Canada Post or with a related employer (i.e. Federal Government or Crown Corporation) and are receiving a Canada Post pension, or a pension from a related employer, you cannot join the pension plan unless you make an option to suspend receipt of your pension benefit.

If you choose to suspend your pension and you have

not yet completed 35 years of eligibility service under the Canada Post pension plan, you will

accumulate more pensionable service and your subsequent pension will include your most recent earnings. Your subsequent pension will however, be recalculated to account for previous pension benefits received. Your pension will be indexed from your new termination date only. Any indexing applied to your first pension will be lost.

You may instead choose to continue receiving your

pension after you return to work. In this case, you cannot join the Canada Post pension plan. You will not accrue any pensionable service while working or receive a pension or post retirement benefits based on this new period of employment.

The Pension Centre can give you more details. You may also wish to talk with your financial planner about which option is best for your personal situation.

Did you know...

That beneficiaries under the Canada Post Pension Plan and the Basic Life Insurance Plan can be different?

The Canada Post Pension Plan states that if you have an eligible spouse or children, they are entitled to the pension benefit upon your death. If you do not have an eligible spouse or children you can designate a beneficiary by completing the "Pension Plan Designation of Beneficiary" form available on our Web site www.cpcpension.com or by contacting the Pension Centre at 1-877-480-9220.

You must complete a separate designation of beneficiary form for the Basic Life Insurance Plan. This form is available through Employee Self Serve (ESS) or by contacting your local Human Resources office.

New Pension Centre **Update**

The new Pension Centre opened on May 3, 2004 receiving 4,957 calls for the month of May and 4,618 for the month of June. A significant number of calls were related to the CUPW Employee Termination Benefit (ETB), and were redirected.

Approximately 70% of calls are received between 10:00 A.M. and 3:30 P.M. (ET). The Pension Centre hours are Monday to Friday from 8:00 A.M. to 6:00 P.M. (ET) excluding holidays. To reduce wait times you may want to avoid calling during peak periods. For your convenience, voice mail is available after business hours. Calls are returned before the end of the next business day.

Contact the Pension Centre at 1-877-480-9220 if you have questions about your personal pension information or access www.cpcpension.com to view your accrued pension benefits or to perform estimates of your projected pension benefits.

You Asked?

What is Vesting?

Vesting refers to a member's entitlement to a pension benefit on termination, retirement or death. To vest, a member must have 2 years eligibility service or 2 years membership in the Plan.

For information on the benefits available to non-vested members please refer to "Your Information Booklet" available online at www.cpcpension.com or by contacting the Pension Centre at 1-877-480-9220.

This space will be reserved for Q&A's. We will answer one or two questions we hope will interest the majority of members. Please send your questions to pension.services@canadapost.ca.

We appreciate your feedback and comments. Please contact us:

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