

August, 2006

Annual Report

Your personal copy of the MTS Employee Pension Plan 2005 Annual Report was recently distributed.

If you have any questions about the information contained in this Annual Report, or if you have questions about your personal retirement benefits, please refer to the contact information on the inside of the front cover of the Annual Report.

Cost of Living Adjustment

The Audit Committee of the Board of Directors of MTS has approved a 1.45% increase to pension payments effective July 1, 2006. This represents the guaranteed annual cost of living adjustment (COLA) of two-thirds of the increase in the Consumer Price Index for Canada during 2005. The combined effect of past COLA increases accounts for approximately 19% of the total benefits paid to retirees in 2005.

Election of Retiree Representative to Pension Committee

Harry Restall, the incumbent retiree representative on the MTS Pension Committee, has been reelected by acclamation. The retired members of the MTS Pension Plan first elected Harry as their representative in 1997. An election for the position of retiree representative on the MTS Pension Committee is held at least every three years in accordance with regulations under the *Pension Benefits Standards Act, 1985*.

STRATA Benefits Consulting Update

Through our affiliation with STRATA Benefits Consulting, we are pleased to provide you with information about the different products and discounted services available to you at your retirement. We do not receive any incentive or commission to provide you with this information, nor are we in any way involved or affiliated with any service provider or the administration and servicing of these programs. We are simply providing you with access to information on programs available to you upon your retirement.

To access the program and view the different benefits available, please visit STRATA's Web site at www.stratabenefits.ca. The program is password protected, your username is "mts" and your password is "retirement". If you do not have access to the Internet or if you have any general questions regarding STRATA Retirement Benefit Connection, you can contact Cecile Ayotte of STRATA at cecileayotte@stratabenefits.ca or (204) 984-9456.

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In a previous Pension NewsLetter, we announced that STRATA had been hired to assist in the ongoing management of Retiree Healthcare plans. To assist STRATA in recognizing and addressing the needs of plan participants, STRATA is inviting interested retirees to become part of a Benefits Advisory Group. STRATA is looking for six members to meet with them quarterly to discuss the program and members' concerns.

If you are interested in becoming part of the STRATA Benefits Advisory Group, please contact Kim Siddall of STRATA before September 15, 2006 at 984-9461. The initial meeting of this Group will be held late in September.