SOFT DRINK INDUSTRY—LOCAL UNION No. 744 PENSION FUND

300 SOUTH ASHLAND AVENUE • CHICAGO, ILLINOIS 60607-2764
Telephone: (312) 829-6506 • Fax: (312) 829-0121

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Notice of Plan Status

April 24, 2008

To all Participants, Beneficiaries, Participating Unions, and Contributing Employers:

The Pension Protection Act (PPA or Act), signed into law in 2006, is intended to improve the financial condition of pension plans. The Act implemented several safeguards as well as notification requirements to share more information about a plan's financial health with participants and others directly related to the pension plan.

Many of the Act's safeguard provisions relate to funding, which, in simplest terms, is how much money a plan has coming in, going out, and what is in reserve (or "in the bank") for the future. The safeguards are intended to create more discipline to prevent and correct avoidable funding problems.

Starting with the 2008 plan year, the Act requires that pension plans be tested annually to determine how well they are funded. Benchmarks for measuring a plan's funding, with formal labels, were established. Plans that are in the yellow ("seriously endangered" or "endangered") or red ("critical") zones must notify all plan participants, beneficiaries, unions, and contributing employers of the plan's status, as well as take corrective action to restore the plan's financial health.

In recent years, steps have been taken to bring this Pension Plan's benefit liabilities into balance with its assets. This has been done through a combination of benefit changes and increases in contributions from contributing employers. While these actions are expected to improve the financial balance over time, there is currently a shortfall that must be resolved for the Plan to comply with the Act's requirements.

Plan's Status – Red Zone

On March 25, 2008, the Pension Fund's actuary certified that the Defined Benefit Plan of the Soft Drink Industry – Local Union No. 744 Pension Fund is in the red "critical" zone for the Plan Year beginning January 1, 2008. (This notice and this certification do not apply to the Individual Account Plan of the Soft Drink Industry – Local Union No. 744 Pension Fund.) This red zone certification is based on the actuary's determination that the Pension Plan is projected to have a funding deficiency in Plan Years beginning on and after January 1, 2010. This means that contributions are not expected to be high enough to meet government standards for funding both past and future benefits. This does not mean that the Fund will have a problem paying benefits to pensioners and beneficiaries in the near future. It means that, if corrective action is not taken, the Fund may have a problem paying benefits many years in the future. The Trustees will be taking corrective action, as explained below.

Rehabilitation Plan

The Act requires that a plan in the red "critical" zone adopt a Rehabilitation Plan that will enable the plan to improve its funded position to meet statutory funding requirements over time. To comply with the Act, the Plan will adopt a Rehabilitation Plan before November 25, 2008. Employers and unions will be notified of the items that will need to be covered in new or renewed collective bargaining agreements after the Rehabilitation Plan has been adopted. Until the Rehabilitation Plan is implemented, employer contributions will be governed by the existing collective bargaining agreements and there will not be any changes in either benefits or employer contributions, except for the surcharges discussed on the next page.

The Act allows a Rehabilitation Plan to eliminate or change "adjustable benefits." These include 36-month guarantees, disability benefits not yet in pay status, and early retirement benefit or retirement-type subsidies. Any reductions will apply only to participants and beneficiaries whose benefit commencement date is after April 24, 2008. Benefits for pensioners and beneficiaries already in pay status on April 24, 2008, will not be affected.

Employer Surcharge

The Act requires that all contributing employers pay a contribution surcharge to the Plan to help correct the Plan's financial situation. The amount of the surcharge for the remainder of the 2008 Plan Year (until December 31, 2008) is 5% of the amount the employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. This contribution surcharge applies to all contributions due and payable to the Plan beginning on May 24, 2008. For contributions due beginning January 1, 2009, the contribution surcharge will increase to 10% of the negotiated contribution rate. These contribution surcharges will end when an employer begins contributing under a collective bargaining agreement that implements the Rehabilitation Plan.

What's Next

We understand that legally required notices like this one can create concern about the Plan's future. While the red "critical" zone label is required to be used by law, the fact is that we are working with our actuaries and consultants to monitor the Plan's condition and address Plan issues. We will take the actions necessary to improve the Fund's financial condition. However, since the Pension Plan is influenced by economic and financial variables beyond our control (such as stock market volatility and changes in participation and/or the number of contributing employers), unexpected developments can affect the Plan's status and any future corrective actions needed.

While no benefit changes are being made at this time, once the Rehabilitation Plan is adopted, the Rehabilitation Plan and any benefit, contribution, or other Plan changes will be communicated to all affected individuals and parties before any changes are made. **However, as previously noted, no benefit changes will be included in the Rehabilitation Plan for any retiree or beneficiary currently in pay status (with benefits started by April 24, 2008).**

For more information about this notice or the Pension Plan in general, contact the Pension Plan Office at the address or phone number listed at the top of this letter.

Sincerely,
Board of Trustees

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.