G.M.P. – Employers
RETIREE TRUST

ANNUAL REPORT OF THE EXECUTIVE DIRECTOR

JANUARY 1, 2007 – DECEMBER 31, 2007

EXECUTIVE DIRECTOR

Jim R. Chitwood

COUNSEL

Stephen J. Stanford

PUBLIC AUDITOR

Hill, Barth & King

ACTUARY

Watson Wyatt

INVESTMENT AGENTS AND PRINCIPAL FUND DEPOSITORIES

Dodge & Cox

Harbor Funds

Hyde Park Investment Strategies, LLC

Jennison Associates Capital Corp.

Los Angeles Capital Management

Mellon Bank (East) National Association

Minton Investment Management

Pacific Investment Management Company

Schneider Capital Management

Vanderbilt Capital Advisors

William Blair & Company, L.L.C.

Introduction

To be of service to its contributing employers' eligible hourly retirees and their spouses, G.M.P. - Employers Retiree Trust was created in 1966. Since then, the Trust has paid out more than $572 million in medical and other benefits to its participants. In just the last fiscal year (January 1, 2007 to December 31, 2007), more than $37 million in medical benefits was paid to Trust participants. There are now 22,907 participants in the Trust's Plan of Benefits.

Benefits in Brief

The Trust's Plan of Benefits provides medical coverage for each eligible retiree and spouse. These benefits are paid under either an indemnity program or through an optional preferred provider organization (PPO) program. The optional PPO program is available only to retirees and eligible spouses who are not yet eligible for Medicare.

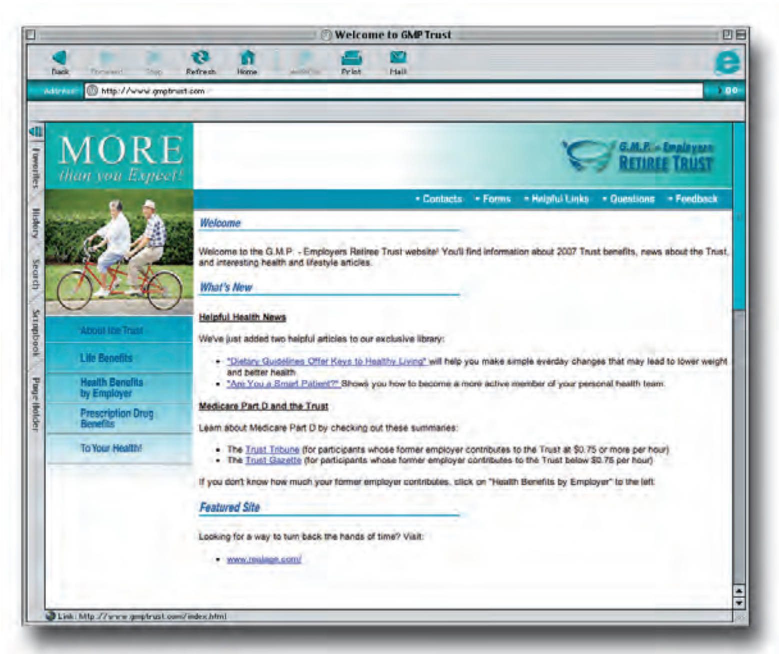
The Trust's PPO program is a popular option for non-Medicare participants. Among the advantages of using network providers under the PPO option in comparison with the indemnity program are:

1. much lower deductibles, copayments, and out-of-pocket maximums
2. participants usually are not responsible for completing and filing claims
3. a much higher lifetime maximum for participants associated with employers who contribute to the Trust at the maximum rate.

The Trust also provides $2,000 of life insurance coverage for eligible retirees only. In addition, eligible retirees and their eligible spouses can take advantage of a free, voluntary heart disease and diabetes management program through Nurtur (formerly Cardium Health), one of the country's leaders in disease management programs. To date, 1,350 participants have enrolled in one or both programs, representing a high percentage of eligible participants. This encouraging rate of participation is a hopeful sign that participants will improve their quality of life and experience lower overall health care costs.

Effective January 1, 2006, the Trustees made available a revised prescription drug program (for participants whose former employer contributes at the highest rate) that eliminates the "donut hole" in Medicare Part D's program. For all participants whose former employer contributes at the highest rate, the program pays 90% of the cost of generic drugs; 75% for brand-name formulary drugs; and 60% for brand-name non-formulary drugs once a $635 annual deductible is met. On average for all plan participants, this program is at least as good as standard Medicare Part D coverage, so most participants do not need to enroll in a Medicare Part D plan and pay its monthly premium. For participants with limited income and resources, however, enrollment in a Medicare Part D plan may be beneficial as they may receive help from the government in paying for it.

The Trustees regularly review the Trust's Plan of Benefits and have made changes to it over the years as they have deemed appropriate: 2007 was no exception. In their winter meeting, the Trustees approved a two-year waiting period for withdrawing spouses to re-enroll with the Trust. This is a common feature of many health care plans. In the summer meeting, the Trustees added $20,000 to the lifetime maximum benefit for indemnity program participants of employers contributing at the highest rate, currently $0.90 per hour. For all participants, the $2,000 annual "reinstatement" benefit was eliminated. Each of the changes approved during the summer meeting became effective on January 1, 2008.



If the Trustees determine that any of the benefits it provides are no longer satisfactory for any reason, they reserve the right, as they do with the Trust's plan and other programs, to modify, change or discontinue any of them at any time and in any manner. The Trustees strive to provide ample notice before carrying out any such action.

Benefits in Detail

There are many ways to obtain specific information about the Trust and the benefits it offers. The Trust publishes an overview brochure for those who may be unfamiliar with its benefits or operations.

Participants are also encouraged to refer to the Trust's updated Plan of Benefits and Plan Summary of Coverage booklets for information about coverage or other matters relating to the Plan. These booklets will be updated by the end of 2008. Each December participants receive newspaper-style announcements informing them of the latest developments at the Trust (pictured on the top of page five).

The Trust also continues to maintain and update the Web site it launched in November 2001.

Visit www.gmptrust.com

The Trust's Web site includes information about benefits the Trust makes available and features regular updates and news for participants. The Plan of Benefits and Plan Summary of Coverage booklets can also be found there and easily downloaded.

The site features links to health information, articles about health conditions and issues, and links to sites of interest. Names and addresses of key officials of the Trust are included, as is a brief history and explanation of the Trust's operations.

At gmptrust.com, participants can take advantage of tools and resources designed to help them become better informed about managing their health, well-being, and benefits more effectively.

Each year the Trustees meet to determine the levels of deductibles for the coming calendar year. Although health care costs rose rapidly in the late 1990s and early 2000s, the Trustees did not increase deductibles during that period.

In November 2002, the Trustees concluded that increases in deductibles and out-of-pocket maximums were necessary, effective January 1, 2003. Each fall since then, the Trustees have found it necessary to increase deductibles. A following section of this report details the continually increasing cost of health care in this country that the Trustees consider in making decisions about available benefits.

For calendar year 2008, and for participants whose former employer contributes at the highest rate, annual deductibles were increased to the following amounts: Medicare Indemnity - $1,310; Non-Medicare Indemnity - $2,310; Non-Medicare In-Network PPO - $745; and Non-Medicare Out-Of-Network PPO - $2,235. The Trustees left unchanged, however, the prescription drug annual deductible of $635 for participants whose former employer contributes at the highest rate.

For participants whose former employer contributes at a rate below the highest rate, annual deductibles in 2008 were increased to the following amounts: Medicare Indemnity - $1,690; Non-Medicare Indemnity - $4,325; Non-Medicare In-Network PPO - $1,690; and Non-Medicare Out-Of-Network PPO - $5,070. (The out-of-pocket maximums for all of the above participants increased as well.)

Factors Affecting the Trust

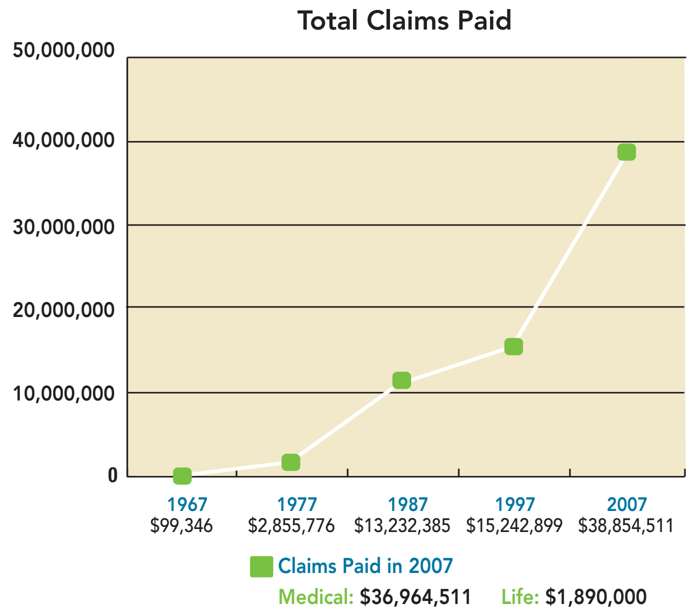
After its founding in 1966, the Trust grew significantly in the number of participants. By the mid-1990s, the total number of participants leveled off at approximately 35,000. With the introduction in 2004 of the spouse premium, however, total participation dropped to fewer than 25,000. Many spouses elected not to pay the $35 monthly premium for Trust coverage. But the reduction in the number of participants did not result in a similar reduction in claims payments, which were only about 18% lower in 2007, compared with 2004.

Increased Claim Payments. As the graph on page 6 depicts, claims payments by the Trust increased steadily in the 1980s and into the 1990s. After the mid 1990s, the increase in claims payments accelerated. This was due, in part, to the new prescription drug benefit that the Trust made available in January 2002. In 2007, prescription drug claims exceeded $16 million, or almost 43% of the claims payments made.

On page 11 of this report, the payments made by the Trust over the most recent nine years (with separate totals for medical and life insurance benefits in each of those years) are also set forth in detail. Once again this year, claims payments were actually less than the previous year. In 2006, the Trust benefited from a high number of popular and costly prescription drugs that moved to generic. In 2007, the increasing use of generic drugs has allowed the Trust and its participants to capitalize on related savings.

Increasing Medical Costs. The combination of inflation and increasing utilization of health care services and commodities – most specifically prescription drugs – means medical costs continue their upward trend. Factors include higher hospital costs, increased outpatient costs, the aging population, declining health of Americans in general, pressure by consumers for more treatments and more sophisticated technologies, and increased use of prescription and specialty drugs.

Everyone is affected by these dramatic increases. One measure of the increasing burden of health care costs is our country's total spending in this area – $2.1 trillion in 2007, or 16% of gross domestic product. By 2017, the government believes health care costs will exceed $4 trillion, equaling 20% of the gross domestic product.



TOTAL HEALTH CARE SPENDING REACHED MORE THAN $2 TRILLION IN 2006 – AN AVERAGE ANNUAL COST OF $7,026 PER PERSON.

Prescription drug costs continue to command an ever-increasing portion of our national spending on health care. In just 15 years, from 1990 to 2005, national spending on prescription drugs increased from $40.3 billion to $200.7 billion. Two of the principal factors responsible for this are increased drug costs and increased utilization.

Just as the Trust faces increased medical costs, so do Trust participants. Higher premiums and copayments for prescription drugs and medical services run parallel to national trends.

Declining Hours Worked. With nearly all retiree benefit programs, including the Social Security system, there are fewer and fewer active employees to help provide benefits for retirees. In 1971, there were approximately nine active employees for each participant in the Trust. Today, that ratio has dropped to about one active employee for each two participants in the Trust.

In the early years of the Trust, the hours worked by the employees of the participating employers were generally increasing. In the 1977-78 fiscal year, the hours worked were at a peak of approximately 133 million. Subsequent to that peak year, the hours worked have been steadily decreasing. Of course, decreasing numbers of hours worked means decreasing contributions to the Trust.

In considering contributions to the Trust, the following figures clearly show the dramatic drop in hours reported to the Trust.

Plan Years Ending	Total Hours Reported
June 30, 1967	113,992,774
June 30, 1970	118,473,220
June 30, 1978	133,119,866
June 30, 1980	123,053,722
June 30, 1985	82,789,816
June 30, 1990	69,065,521
June 30, 1995	53,862,823
June 30, 2000	39,492,748
June 30, 2003	30,915,260
December 31, 2006	25,253,006
December 31, 2007	26,105,500

In some years, the Trust has seen declines in hours from one year to the next as high as 10 percent. However, the Trust is optimistic for hours to remain steady in 2008.

MORE PEOPLE ARE RETIRING BEFORE AGE 65 BECAUSE OF IMPROVEMENTS IN PENSION PLANS. THESE "EARLY" RETIREMENTS HAVE PUT PRESSURE ON THE TRUST'S FUNDS.

Early Retirees. Typically, retirees who are not yet eligible for Medicare have had a great effect on the costs of retiree health benefit plans. According to a report by the U.S. General Accounting Office, these plans generally pay more for the health care of early retirees than for retirees with Medicare. As the years have passed, the Trust's costs have also been affected by the number of early retirees.

In the early years of the Trust, there were relatively few participants in the Plan who were under age 65. For the most part, coverage under the Plan was also restricted to the payment limits of Medicare. Over the years, improvements in pension plans have resulted in more people retiring before age 65 than could have been anticipated. These "early" retirements have put pressure on the Trust's funds. In some past years, early retirements accounted for approximately 70% of the total number of new retirees who were being enrolled in the Trust.

Retirements at these earlier ages are reflected in the costs of the Trust. Today, more than half of the net medical and prescription drug claims payments made by the Trust are on behalf of participants not yet eligible for Medicare.

General Aging. The general aging of this nation's population has also contributed to funding problems for the Trust and other retiree benefit programs. Simply stated, more people are living longer today than they were when the Trust began its operations in 1966. As a result, more participants of the Trust are now covered by the Trust's Plan for longer than ever – and are likely to have greater health care needs and expenses.

Declining Health Status. Americans may be living longer, but overall their health is declining. Obesity, physical inactivity, and substance abuse all contribute to a declining health status and an increase in utilization of health care. As an example, the percentage of Americans overweight by more than 20% has nearly tripled since 1983. Obesity and overweight conditions contribute as much as $94 billion annually to the nation's health care bill, according to a recent study conducted by economists from RTI International and the Centers for Disease Control and Prevention.

Retiree Health Plans are not Easy to Find

The Union and the contributing employers continuously consider the retirement needs of the eligible retirees and their eligible spouses. According to the U.S. General Accounting Office, only one-third of large employers and less than 10% of small employers offer retiree health benefits. Just 20 years ago, almost two-thirds of large employers offered such plans.

For those Americans fortunate to have retiree health coverage, the weighted average monthly premium they paid in 2006 was $227 for pre-65 participants and $110 for Medicare-eligible participants. Compare these premiums with the highest monthly contribution charged by the Trust for any of its programs – $45. In many cases, eligible Trust retirees pay nothing in monthly contributions.

Contributing Employers

Generally, the Trust holds excellent relationships with the contributing employers. There have not been any major problems with the submission of funds. Unfortunately, layoffs and plant closings have continued during this past year.

At the end of this report, there is a list of the contributing employers as of December 31, 2007. In some instances, the individually listed contributing employers also have related companies.

Financial

For calendar year 2007, the Trustees once again engaged the accounting firm of Hill, Barth & King to audit the Trust's books. This firm has concluded its audit for the fiscal year ending December 31, 2007. Its audit report confirms the substance of the financial summaries in this report:

- "Statements of Net Assets Available for Benefits" on page 12 of this report;
- "Statements of Changes in Net Assets Available for Benefits" on page 13 of this report;
- "Statements of Benefit Obligations" and "Statements of Changes in Benefit Obligations" on page 14 of this report.

The Trust's Plan of Benefits is built upon a sound financial foundation. In each of their regular meetings, the Trustees monitor the performance of the Trust's investments and that of their investment managers. From time to time, changes in the roster of investment managers are made.

In 2007, the Trustees invested with the Harbor Fund to oversee a portion of the Trust's portfolio and further diversify the Trust's investments. The Trustees also reallocated the Trust's portfolio of equity investments among their current investment managers, and they formulated an automatic rebalancing policy to maintain the Trust's investment portfolio between regular Trustee meetings in a manner consistent with their asset allocation policy.

The Trust continues to have group insurance contracts with Aetna Life Insurance Company to provide life insurance benefits for covered retirees only. The Trust provides the medical benefits under the Plan through a self-insured arrangement for covered retirees and spouses. Aetna continues to provide certain administrative services that are important in the operations of the Trust, including regular, comprehensive internal audits.

The Trust continues to perform "in house" audits on certain medical claims, and it also continues to work with professional hospital auditors on large claims and questionable claims. The Trust encourages the use of many types of cost-saving measures when possible, such as second surgical opinions; use of outpatient, rather than inpatient facilities; home health care; individual case management; FDA-approved generic drugs, etc. It has also continued its use of third-party organizations to obtain discounts from providers in exchange for prompt payment.

The Trust's new claims processing software has additional checks and balances to further assist in managing health care costs.

Educational, Professional and Informational Outreach

During the past fiscal year, the Executive Director attended various industrial relations, local union, and retiree branch meetings. The Director also attended some of the GMP Executive Board meetings. These meetings provide an opportunity to explain further the Trust's Plan of Benefits and how the plan operates, and also allows the Director to answer questions. These meetings have proven to be very informative, especially with the recent changes in prescription drug benefits.

Conclusion

During the past fiscal year, the Trustees continued to monitor, review and evaluate closely the Trust's Plan of Benefits, the relationship of employer contributions to claims paid, the overall performance of the Trust's operations, the economic and other conditions affecting the Trust, legislation and other governmental actions affecting the Trust, and other pertinent matters, including the Trust's assets, projected liabilities, and projected income. In doing so, the Trustees continue to protect the financial stability and long-term viability of the Trust. As in the past, the Trustees will continue to make additional changes or modifications to the Trust's operations, including the Trust's Plan of Benefits.

In 2007, Bob Blyth, Vice President Human Resources of Anchor Glass Container Corporation, retired from the Trust. The Trust gratefully acknowledges his service to the Trust. Bob has been replaced by Rochelle F. Walk, General Counsel of Anchor Glass Container. For the entire year, Stephen P. Malia, Senior Vice President and Chief HR Office, Owens-Illinois, Inc., served as Chairman, and GMP International President, John P. Ryan, served as the Trust's Secretary-Treasurer.

In their summer meeting, the Trustees promoted Marilyn S. Barnes to the position of Assistant Director. Marilyn is very familiar with the Trust's operations, having served the Trust for over 20 years.

Aetna's audits of the Trust's internal operations continue to show outstanding results. These results reflect the cooperation, attitude and performance of the Trust's staff. This year's audits reflected payment accuracies of 97%, 100%, and 100%, and statistical accuracies of 96%, 98.9%, and 95%.

Even with the unpredictability of health and health care issues, the Trust is able to deliver innovative programs and helpful support to those it serves.

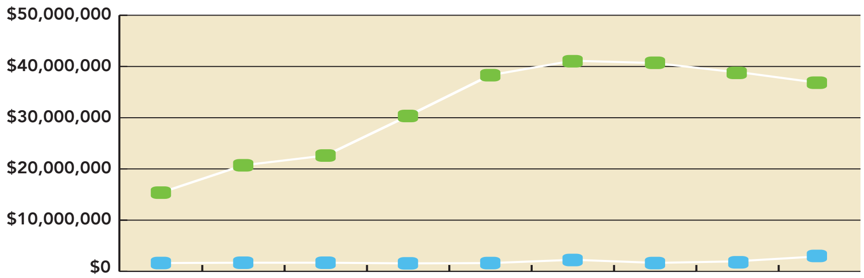
The Executive Director thanks the members of the Trust's staff for the dedication they have demonstrated in their work. The entire Trust staff also thanks the Trustees, the International Union, its Local Unions, and the contributing employers for their continued cooperation, interest and support.

Respectfully submitted,

Jim R. Chitwood
Executive Director

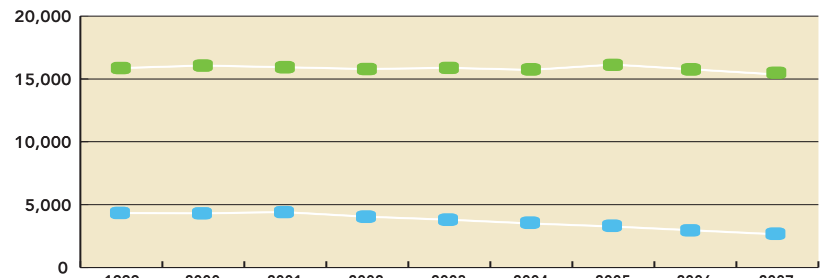
G.M.P. - Employers Retiree Trust
Covered Retirees and Covered Spouses

Claims Payments



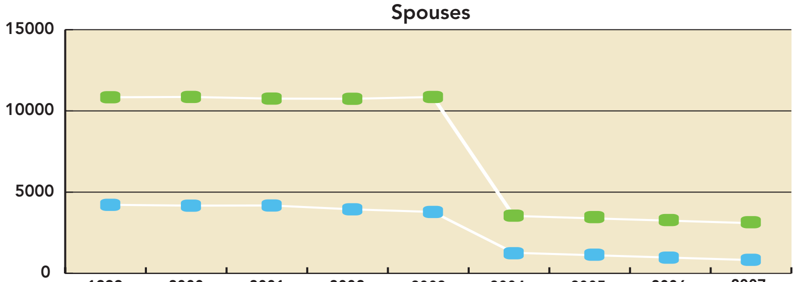
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Medical	$15,372,225	$20,713,267	$22,623,191	$30,335.347	$38,302,882	$44,925,642	$43,963,587	$39,822,890	$36,964,511
Life	$1,636,000	$1,688,000	$1,694,000	$1,566,000	$1,622,000	$1,742,000	$1,664,000	$1,698,000	$1,890,000

Retirees



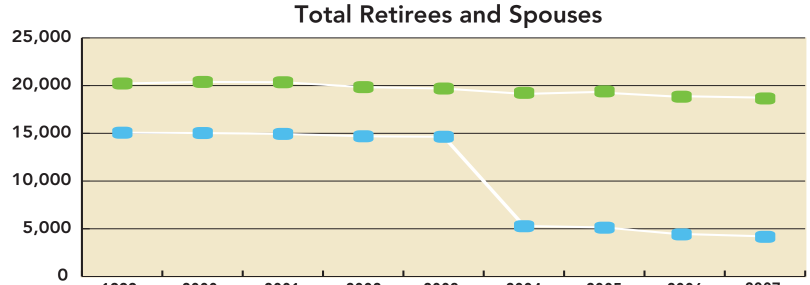
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Medicare	15,871	16,070	15,938	15,793	15,885	15,866	16,096	15,552	15,504
Non-Medicare	4,346	4,312	4,411	4,047	3,808	3,554	3,371	3,150	2,959

Spouses



	1999	2000	2001	2002	2003	2004	2005	2006	2007
Medicare	10,841	10,860	10,759	10,747	10,858	3,661	3,663	3,201	3,046
Non-Medicare	4,221	4,170	4,180	3,944	3,782	1,633	1,600	1,502	1,398

Total Retirees and Spouses



	1999	2000	2001	2002	2003	2004	2005	2006	2007
Retirees	20,217	20,382	20,349	19,840	19,693	19,420	19,467	18,702	18,463
Spouses	15,062	15,030	14,939	14,691	14,640	5,294	5,263	4,703	4,444

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2007

		2007
ASSETS		
INVESTMENTS AT FAIR VALUE		
Common stock		$ 185,838,196
Preferred stock		626,385
Corporate Bonds/Notes		9,077,606
Government Bonds/Notes		19,689,499
Pacific Investment Management Co.		
• Private Funds LLC		46,674,999
• Total Return and Global II Funds		15,957,734
• Real Return Fund		8,664,710
• Real Return Asset		8,018,922
• Real Estate Real Return Strategy Fund		6,681,017
• Commodity Real Return Strategy Fund		6,442,490
• Emerging Markets Bond Fund		3,773,370
• International StockPLUS Strategy Fund		0
• Investment Management Fund		4,755,810
• LT US Government Funds		2,080,854
• Low Duration Fund		1,719,170
• High Yield Fund		1,364,282
• GNMA Fund		1,355,299
Exchange Traded Funds		5,104,218
Temporary cash investments		13,098,798
Real estate		1,600,000
	TOTAL INVESTMENTS	$ 342,523,359
Cash and time deposits		291,269
Accounts receivable		2,811,174
Broker receivable		439,818
Investment income receivable		517,707
	TOTAL ASSETS	$ 346,583,327
LIABILITIES		
Accounts payable for administrative expenses		1,516,043
Broker payable		1,153,311
	TOTAL LIABILITIES	2,669,354
	NET ASSETS AVAILABLE FOR BENEFITS	$ 343,913,973

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2007

ADDITIONS

Contributions from participating employers		$ 22,107,728
Premiums		2,863,192
Medicare Subsidy Payments		4,031,726
Investment income		
Net appreciation in fair value of investments		17,850,103
Interest		1,418,293
Dividends		3,580,731
Other income		214,221
		23,063,348
Less: Investment expenses		1,255,938
	NET INVESTMENT GAINS	21,807,410
	TOTAL ADDITIONS	$ 50,810,056

DEDUCTIONS

Health care claims paid to or for participants		37,123,301
Insurance premiums for health and death benefits		3,321,803
Administrative expenses		
Salaries		886,691
Professional fees and expenses		399,101
Office expenses and supplies		788,925
Pension plan expense		280,392
Rent		124,964
Insurance		202,857
Executive director's and miscellaneous expenses		53,715
Payroll and miscellaneous taxes		72,951
Postage		136,847
Trustees' meeting expenses		32,423
Automotive equipment and maintenance expenses		28,691
Office improvements		2,549
Telephone		25,780
	TOTAL DEDUCTIONS	$ 43,480,990
	NET INCREASE	7,329,066

NET ASSETS AVAILABLE FOR BENEFITS

Beginning of year	336,584,907
End of year	$343,913,973

STATEMENTS OF BENEFIT OBLIGATIONS
December 31, 2007

Amounts currently payable to or for participants, beneficiaries and dependents		
Health claims and insurance premiums payable	$	5,511,189
Post-retirement benefit obligations		
• Current participants		386,719,700
• Active employees eligible for future benefits		222,716,409
• Active employees not yet eligible for future benefits		126,681,448
		736,117,557
TOTAL BENEFIT OBLIGATIONS	$	741,628,746

STATEMENTS OF CHANGES IN BENEFIT OBLIGATIONS
December 31, 2007

Amounts currently payable to or for participants, beneficiaries and dependents		
Beginning of year		4,710,665
Claims and insurance premiums reported and approved for payment		39,128,630
Claims and insurance premiums paid		(38,328,106)
End of year	$	5,511,189
Post-retirement benefit obligations		
Beginning of year	$	759,347,303
Increase (decrease) during the year attributable to:		
Increase for interest due to the decrease in the discount period		52,008,282
Benefit changes		0
Other assumptions, changes and actuarial gains and losses		(58,347,332)
Benefits earned		15,853,002
Benefits paid		(32,743,698)
End of year		736,117,557
PLAN'S TOTAL BENEFIT OBLIGATIONS	$	741,628,746

G.M.P. - Employers Retiree Trust
Contributing Employers
As of December 31, 2007

Anchor Glass Container Corporation

Brockway Mould, Inc.

Consolidated Container Company LP

Crown Cork & Seal Company, Inc.

Ferro Corporation

Gerresheimer Glass (formerly Kimble Glass, Inc.)

GPS America (formerly Marion Glass Equipment and Technology Co.)

Graham Packaging Company

Knauf Insulation, GmbH

Longhorn Glass Corporation

Oglebay Norton Industrial Sands, Inc.

Owens-Illinois, Inc.

Penn Mould Industries, Inc.

Rexam Inc.

Saint-Gobain Containers

Silgan Closures, LLC

Unimin Corporation

U.S. Silica Company

G.M.P. – Employers
RETIREE TRUST

G.M.P. – EMPLOYERS RETIREE TRUST
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