

*S.J. Yeung**
Chartered Accountant

#301, 901 Centre Street N.W.
Calgary, Alberta
T2E 2P6
Ph: (403) 234-9094
Fax: (403) 233-2661

AUDITOR'S REPORT

To The Directors Of
Brewers' Distributor Ltd. – British Columbia

I have audited sections a) and b) of the annual container stewardship report dated May 5, 2011, of **Brewers' Distributor Ltd. – British Columbia** for the year ended December 31, 2010. The attached information is the responsibility of the Company's management and has been prepared to enable the Company to report to the Environmental Management Branch-Environment Protection Division and not to report on **Brewers' Distributor Ltd. – British Columbia** as a separate legal entity. My responsibility is to express an opinion on this information based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In my opinion, the annual container stewardship report presents fairly, in all material respects, the container sales and returns related to **Brewers' Distributor Ltd. – British Columbia** for the year ended December 31, 2010.

Calgary, Alberta
May 24, 2011



CHARTERED ACCOUNTANT

**BREWERS
DISTRIBUTOR LTD.**HEAD OFFICE
11500 - 29th Street S.E.
Calgary, Alberta T2Z 3W9
Telephone: (403) 531-1000
Fax: (403) 531-1025Bryan Cox
Vice President West Canada
Canada's National Brewers
1106 - 750 West Pender St
Vancouver, BC V6C 2T8

June 15, 2011

Dear Mr. Cox,

As per the Beverage Container Stewardship Program Regulations, the following is Brewers' Distributor Ltd. annual report detailing the effectiveness of our stewardship plan during the period of January 1, 2010 to December 31, 2010. Note that this information is commercially confidential, and is for review only by the Ministry of the Environment, Lands and Parks.

- a) *The recovery rate, by regional district and container type, expressed as a percentage and independently audited.*

Recovery rates are given in the following table.

Container Type	Sales Dozens	Returns Dozens	Recovery Rate
Cans	38,380,532	36,305,990	94.59%
Industry Standard Bottles	9,255,732	8,606,189	92.98%
Non Standard Bottles (Refillable)	2,759,729	2,473,881	89.64%

* Sales for the Non-Industry Standard Bottle (Refillable) have been provided by British Columbia Liquor Distribution Branch.

- b) *Annual financial statements, prepared by an independent audit, of all deposits received and refunds paid by the brand owners covered under the plan.*

Deposits received and refunds paid can be reasonably estimated by multiplying sales in dozens by \$1.20, and returns in dozens by \$1.20:

Container Type	Deposits Received	Refunds Paid
Cans	\$46,056,638	\$43,567,188
Industry Standard Bottles	\$11,106,878	\$10,327,426
Non Standard Bottles (Refillable)	\$3,311,674	\$2,968,657

c) *The percentage of containers that were refilled or recycled after the collection and, if recycled, how utilized.*

The vast majority of bottles are refilled. However, a small percentage of these bottles are culled out because they are unsuitable for refilling. On average, each bottle is refilled 15 times. The culled glass is sent to a glass facility for destruction and subsequent use in the remanufacture of bottles and various other uses.

All the cans recovered are crushed into biscuits and shipped to an aluminum recycler.

Container Type	Dozens	Weight (in lbs)	Weight (in tons)
Cans shipped to Aluminum Recycler	34,773,102	13,246,896	6,009
Industry Standard Bottles Sent back to Brewer and Refilled	8,615,070	60,305,490	27,354
Non Standard Refillable Bottles Sent back to Brewer and Refilled	2,473,881	17,317,167	7,855
Industry Standard Bottles Sent for Destruction	51,910	363,370	165

d) *The number of return locations.*

Return Location Type	2010
Depots	177
Licensee Retail Stores	655
Government Liquor Stores	211
Rural Agency Stores	229
TOTAL	1,272

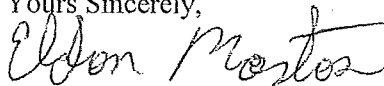
e) *The number of Stewardship locations.*

Return Location Type	2010
Depots	38
Licensee Retail Stores	163
TOTAL	201

f) *How much of the stewardship plan has been implemented during the previous calendar year, what has not been implemented, and why it has not been implemented.*

Our stewardship plan is fully implemented.

Yours Sincerely,



Eldon Moston,
BDL Inventory Manager
(403)531-1083

cc: Mike Allen, Derek Drummond-Young, Jeff Newton