

May 11, 2012

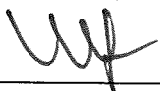
To: Brewers Distributor Ltd.

As specifically agreed, we have performed test procedures at Brewers Distributor Ltd. in ("the Agency") as described in this letter for the year ended December 31, 2011 over certain non-financial information related to:

1. BC Reg449/2004, Section 8(2)(b) – the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report;
2. BC Reg449/2004, Section 8(2)(d) – a description of how the recovered product was managed in accordance with the pollution prevention hierarchy; and,
3. BC Reg449/2004, Section 8(2)(e) – the total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate.

The results of applying the procedures are detailed in the attached Appendix. These procedures do not constitute an audit of the Agency's non-financial information and therefore, we express no opinion on the overall accuracy or completeness of the non-financial information of the Agency for the year ended December 31, 2011.

This letter is for use solely by Brewers Distributor Ltd. in connection with their consideration of the accuracy and completeness of certain non-financial information as reported by Brewers Distributor Ltd. for the year ended December 31, 2011.



S.T. Yeung Professional Corporation
Chartered Accountants
301 – 901 Centre Street NW
Calgary, Alberta

**BREWERS
DISTRIBUTOR LTD.**HEAD OFFICE
11500 - 29th Street S.E.
Calgary, Alberta T2Z 3W9
Telephone: (403) 631-1000
Fax: (403) 631-1025Bryan Cox
Vice President West Canada
Canada's National Brewers
1106 – 750 West Pender St
Vancouver, BC V6C 2T8

February 16, 2012

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, 2011 to December 31, 2011. 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	39,143,599	36,122,573	92.28%
Industry Standard Bottles	8,124,640	7,824,478	96.31%
Non Standard Bottles (Refillable)	2,489,517	2,208,548	88.71%

* 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	\$46,972,319	\$43,347,088
Industry Standard Bottles	\$9,749,568	\$9,389,374
Non Standard Bottles (Refillable)	\$2,987,420	\$2,650,258

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	35,335,508	13,046,956	5,918
Industry Standard Bottles Sent back to Brewer and Refilled	7,824,478	54,771,347	24,844
Non Standard Refillable Bottles Sent back to Brewer and Refilled	2,208,548	15,459,836	7,012
Industry Standard Bottles Sent for Destruction	43,309	303,163	138

d) *The number of return locations.*

Return Location Type	2011
Depots	178
Licensee Retail Stores	658
Government Liquor Stores	210
Rural Agency Stores	231
TOTAL	1,277

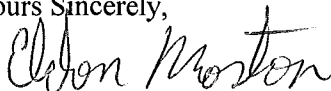
e) *The number of Stewardship locations.*

Return Location Type	2011
Depots	39
Licensee Retail Stores	163
TOTAL	202

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

For the following procedures, test samples were selected from the December 31, 2011, unless otherwise noted:

Non-Financial Information Requirements: BC Reg449/2004, Section 8 (2) (b) - the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report:

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
1.1	To obtain comfort over the existence and accuracy of the collection facilities reported in the Agency's annual report	<ol style="list-style-type: none"> 1 For the period under review, obtain a listing of all Collection Facilities from the Agency broken out by type (if applicable). 2 Compare total count of collection facilities from the listing with the latest stewardship annual report; investigate any discrepancies with the Agency as applicable. 3 Randomly select a sample of Collection Facilities and obtain the business file for each. Review each file to determine that an operating agreement exists. 4 Using contact information on the Facility listing provided in #1 above, phone each randomly selected Collection Facility to verify their existence. 	<p>No exception</p> <p>No exception</p> <p>No exception</p> <p>No exception</p>

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
1.2	To obtain comfort over the completeness, consistency, and validity of the number of Collection Facilities.	<ol style="list-style-type: none"> 1 Obtain the historical data for the total number of collection facilities for the past 3 years as reported by the Agency in their annual reports 2 Investigate any fluctuations greater than 5% to understand the reason for the fluctuation in the number of collection facilities. 	<p>No exception</p> <p>No exception</p>

Non-Financial Information Requirements: BC Reg449/2004, Section 8 (2) (d) - A description of how the recovered product was managed in accordance with the pollution prevention hierarchy

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
<i>[Where Processors/Manufacturers etc, are subject to audit around their product management practices, only Step 2.1 as well as substeps 1-3 in test 2.2 should be completed. Where Processors/Manufacturers etc are not subject to audit, Test 2.1 is not relevant, but Test 2.2 should be completed in its entirety.]</i>			
2.1	To obtain comfort over the effective weight of end-use product collected and the accuracy of the manufacturer's receipt of weight of product.	<ol style="list-style-type: none"> 1 Where available, obtain the 3rd party auditors opinion over registered processors/manufacturers compliance with waste management or program specific guidelines for managing product appropriately. 2 Ensure the auditor's opinion is unqualified. 	n/a n/a
2.2	To obtain comfort over the accuracy, completeness and existence of end-use of the product collected and the accuracy of the manufacturer's or processor's receipt of weight of product, test on a sample basis the deliveries of product recovered to their end-use (or next	<ol style="list-style-type: none"> 1 Obtain a schedule/listing of products shipped to processors/manufacturer for the period under review. The listing should provide: <ol style="list-style-type: none"> a. The processor/manufacturer name/address. b. The total weight of the product weighted at the collection site of consolidation site (where applicable). c. The total weight of the product weighted at the processor/manufacturer. d. The date of delivery to the processor/manufacturer. 2 Obtain a listing of all registered processors/manufacturers. 	No exception No exception

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
	<p>along the custody chain).</p>	<p>3 Scan listing to ensure that all receivers of product were approved processors/manufacturers. If there is not a listing of approved manufacturers/processors, ensure that the manufacturer is not a related party to the processor by researching the related parties of each organization and ensuring that the transaction was made at arm's length.</p> <p>4 Randomly select shipments and obtain a copy of the invoice or other supporting documentation.</p> <p>5 Verify that each Invoice or other supporting document has evidence of the weight of the product shipped by the Processor and received by the customer.</p> <p>6 Compare the total weight listed on the Invoice of other supporting documentation with the weight listed on the detailed listing received in #1 and note any discrepancies.</p>	<p>No exception</p> <p>No exception</p> <p>No exception</p> <p>No exception</p>

Non-Financial Information Requirements: BC Reg449/2004, Section 8 (2) (e) - The total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate.

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
<i>[If a 3rd party audits the Agency's schedule of product collected (recovery rate), complete only step 3.1; if no audit is performed, complete steps 3.2 through 3.4]</i>			
3.1	To ensure that there were no qualifications within the auditor's opinion over the schedule of product recovered.	<ol style="list-style-type: none"> 1 Obtain the Auditor's Opinion over the Schedule of Product Recovered for the most recent fiscal year. 2 Review the opinion to ensure that there are no qualifications. 3 Check the mathematical accuracy of the calculated recovery rate (where applicable), as reported in the audited financial statements. 4 Compare calculated recovery rate to the recovery rate reported by the agency in their annual audited report. Note any discrepancies. 	n/a n/a n/a n/a
3.2	To ensure the accuracy and completeness of total product sold.	<ol style="list-style-type: none"> 1 Obtain the Schedule of Product Sold for the period under review. 2 Obtain a listing of all registered processors/manufacturers. 3 Confirm with processors/maunfacturers with actual sales. 4 Compare actual sales to the Schedule of Products Sold. Note any discrepancies. 	No exception No exception No exception No exception

Testing Procedure #	Objective and Purpose	Testing Procedures	Results
3.3	To obtain comfort over completeness, accuracy, cutoff and validity of the total product recovered.	<ol style="list-style-type: none"> 1 Obtain a listing of product shipments (for each product the Agency manages) from collection facilities for the period under review. 2 Compare the total weight of product collected from the listing to the report total of product recovered from the Schedule of Product Recovered. 3 Verify Agency mathematical accuracy of the calculation that the total product (in units/weight etc.) listed on the supporting document matches the total listed on the listing. Note any discrepancies. 	No exception
3.4	To obtain comfort over the calculated recovery rate by product type (where applicable).	<ol style="list-style-type: none"> 1 Check the mathematical accuracy of the calculated recovery rate (where applicable) by dividing product recovered by product sold, as reported by Agency. Note any discrepancies. 	No exception