



April 16th, 2015

Dear Trade Partners,

Nancy Cardinal

SVP, Sales, Marketing & Insights

nancy.cardinal@lcbo.com

43 Freeland St.

Toronto, ON, M5E 1A4



As you have likely heard in the news, the Premier's Advisory Council on Government Assets has issued its final report today on beer retailing in Ontario. One of its key recommendations to government is to expand the marketplace by offering licences to large grocery retailers, allowing them to sell beer in up to 450 stores throughout the province. The Council is also recommending that LCBO be the wholesaler of beer to grocery stores.

The provincial government has accepted these recommendations to alter the way beer is sold in Ontario and LCBO will work to ensure that government objectives are met. We are also committed to working with you, as the details of this proposal become clearer.

In the near future, LCBO will be developing policies and procedures to implement these recommendations. The Council has also indicated its work will continue after today, focusing on the wine and spirits markets and on LCBO's pricing model. We will be sure to keep you informed of any changes that affect you as this process unfolds and as we receive direction from government.

We value the positive and productive working relationships we have enjoyed with you in the past, and we look forward to the opportunities presented by these developments to continue to build on that solid foundation.

Sincerely,

Nancy Cardinal, Senior Vice President,
Sales, Marketing & Insights Division