



February 8, 2010

To: All Trade Associations

Re: Changes to Maximum Carton Weight Standard

I am writing to inform you of an important new packaging requirement that the LCBO, along with all other Canadian liquor boards, has adopted. This new requirement addresses maximum carton weight specifications and has been put into effect to protect the health and safety of our workforce.

As I am sure you are aware, injuries resulting from regular lifting of heavy cases impose significant costs on employers. The LCBO, like many other companies in Canada and around the world, has an aging workforce and is employing more and more females particularly in retail stores. We expect that the already very high incidence and cost of injuries can be expected to increase even further in future. However, more important than the increased costs, are the effects of the injuries on the lives of our employees.

The LCBO is committed to promoting the health and safety of its employees. I am certain that you share this concern and understand that this new limit on case weight will benefit your own employees as well.

New Carton Weight Standard

The LCBO's current maximum carton weight is 22.9 kg. The new standard which we are putting in place to help mitigate injuries will soon require that all cases of beverage alcohol weigh **no more than 18.9 kilograms**.

For products which we currently purchase that weigh more than 18.9 kilograms, we will work with you to explore options for reducing case weights. Options that could be considered include moving to lighter weight glass, switching from glass to PET or aluminum packaging or changing to six bottle cartons from twelve.

All changes to cartons will need to be reviewed by the LCBO's Quality Assurance Department to ensure they comply with carton and packaging specifications.

Deadline for Implementation

As we believe there is real urgency to adopting this standard, the new 18.9 kilogram maximum case weight limit will be applied to new product purchases effective immediately.

All other products must be in compliance with this new standard **by September 30, 2010**. The LCBO's Quality Assurance Department will be issuing letters to suppliers whose cartons exceed the 18.9 kilogram standard in the near future.

Although most suppliers already meet this standard, I understand that this is a significant change for some of you. By making this change in conjunction with all other Canadian liquor boards, we have ensured a large national market will adopt this new standard, making it more efficient for suppliers to make the required changes.

Please note that if the modifications you must make to comply with the new case weight standard will result in an increase to a product's freight cost, we will work with you to try and mitigate the effect of that increase.

For further information on this standard or to discuss how to bring your products into compliance, please contact:

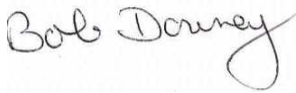
LCBO Products - Edison Yon, Inventory Development Manager, edison.yon@lcbo.com, (416) 864-6886

Vintages Products – Christine Botham, Inventory Manager, christine.botham@lcbo.com, (416) 864-6973

Quality Assurance – Stephen Cater, stephen.cater@lcbo.com, (416) 864-6725

We look forward to working with you on this important initiative.

Sincerely,

A handwritten signature in black ink that reads "Bob Downey". The signature is written in a cursive, flowing style.

Bob Downey
Senior Vice President
Sales & Marketing

cc: B. Peter
R. Ecker
S. Mogk-Edwards
T. Wilson
P. Ford
S. Cater