

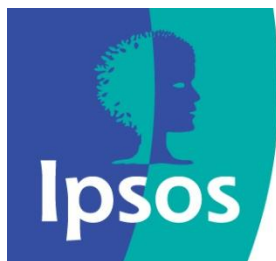
Ontario Beer Drinkers Enjoy Competitive Beer Prices Prices Under Alternative Retail Systems Higher Than Ontario

British Columbia Private Store Prices 45% - 51% Higher than Ontario

Alberta Prices 30%-36% Higher than Ontario

*Quebec Prices Normalized to Ontario's Higher Tax Rate are 11% - 38%
Higher than Ontario*

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Ipsos Reid

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Toronto, ON – An extensive market research study carried out by Ipsos Reid, the country's largest market and opinion research firm, shows that Ontarians are paying beer prices significantly lower than what consumers pay in private stores in British Columbia and Alberta. Ontario prices were also found to be on average competitive with those found in Quebec – and, while prices in Quebec's corner and grocery store retailing system compared most favourably to Ontario, those prices benefit from significantly lower provincial taxes: on a typical 24 pack Quebec taxes are 35% less than Ontario beer taxes.

The findings indicate that when prices in the other provinces are normalized to Ontario's beer tax rate to create an "apples to apples" comparison, the competitiveness of Ontario's beer prices improves further: Quebec prices normalized to Ontario's tax rate are 11% - 38% more expensive than Ontario, British Columbia's prices are 42% - 48% more expensive and Alberta's prices 40% - 47% more expensive.



Beer Prices Unadjusted For Tax Rate Differences

Average Selling Price	British Columbia Private Stores	Alberta Private Stores	Quebec Grocery & Corner Stores	Ontario The Beer Store
24 Pack	\$46.40	\$43.13	\$31.59	\$32.08
12 Pack	\$26.64	\$23.32	\$18.62	\$18.00
6 Pack	\$16.41	\$14.81	\$14.08	\$10.88

Beer Prices Normalized to Ontario's Tax Rate

Average Selling Price (Normalized to Ontario Tax Rate)	British Columbia Private Stores	Alberta Private Stores	Quebec Grocery & Corner Stores	Ontario The Beer Store
24 Pack	\$45.58	\$46.57	\$35.68	\$32.08
12 Pack	\$26.15	\$25.21	\$20.62	\$18.00
6 Pack	\$16.12	\$16.00	\$15.00	\$10.88

Ipsos Reid was contracted by Canada’s National Brewers to assist in providing baseline data on beer pricing, brand availability, store appearance and staffing levels at beer retailing outlets in BC, Alberta and Quebec. In total, 90 stores (30 per province) in 17 communities were surveyed. Communities were selected to obtain a cross section of beer retailing outlets



in urban, suburban and rural markets. Surveyors were in-field between April 24th and May 8th 2013.

Ipsos Reid also conducted a public opinion survey in Ontario to help gauge public perceptions about what they believe would happen to beer prices under a corner store liquor sales model and the findings indicate that a majority of Ontarians may be harbouring important misconceptions about what may happen to beer prices should Ontario elect to adopt one of the retail models found in Quebec, B.C. or Alberta.

Ipsos found that 64% of Ontarians believe that prices under a corner store retailing model would either stay the same (34%) or decrease (30%) - a belief that runs contrary to the Ipsos market price survey findings (above) which show that tax normalized prices in Quebec, BC and Alberta are all significantly higher than current Ontario prices. The public opinion research also found that 67% of people would be less likely to support the sale of beer, wine and hard liquor in convenience stores if it meant prices would rise.

The Ontario opinion survey also found the following:

- Eight in ten (81%) Ontarians say they are 'satisfied' (37% very/44% somewhat) with the beer, wine and liquor retailing system in Ontario, while just two in ten (19%) are dissatisfied (6% very/13% somewhat).
- Eight in Ten (81%) are 'confident' (32% very/49% somewhat) 'in the current liquor retailing system's ability to ensure that beer, wine and hard liquor isn't sold to minors



or intoxicated individuals', while only two in ten (19%) are 'not confident' (6% not at all/13% not very) in this regard.

If convenience stores were allowed to sell beer, wine and hard liquor:

- More Ontarians believe that the selection of brands from which to choose would decrease (34% -- 12% a lot/22% a little) than increase (24% -- 8% increase/16% a little) if liquor were allowed to be sold in convenience stores. Four in ten (42%) think there would be no impact either way on the selection.
- Moreover, just four in ten (39%) 'agree' (9% strongly/30% somewhat) that 'convenience store operators have sufficient staff on duty and security measures in place to prevent theft or shoplifting of beer, wine and hard liquor from their premises'. Six in ten (61%) Ontarians 'disagree' (30% strongly/30% somewhat) that they do.
- A majority (55%) thinks that the incidence of drinking and driving would increase (26% a lot/29% somewhat), while just one in ten (9%) think it would decrease (4% a lot/5% a little), and 37% think there would be no difference to the amount of drinking and driving.

These are some of the findings of an Ipsos Reid public opinion poll in Ontario conducted between June 17 and 19, 2013, on behalf of Canada's National Brewers. For this survey, a sample of 801 Ontarians from Ipsos' Canadian online panel was interviewed online. Weighting was then employed to balance demographics to ensure that the samples composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos



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online polls is measured using a credibility interval. In this case, the poll is accurate to within +/- 4 percentage points had all Ontarian adults been surveyed. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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