

November 26, 2012

To: Domestic Beer Suppliers and Import Beer Agents

Re: Amendment to Beer Mark-up Policy

On November 14, 2012, I sent you a letter regarding a change to the Liquor Distribution Branch's beer mark-up policy for small breweries. The transitional mark-up rates that were described in that letter were not correct and have been amended effective today.

The transitional mark-up rates for breweries whose annual production is equal to or below 160,000 hectolitres (hl) and subsequently exceed 160,000 hl is attached. Once a brewery's production reaches 300,000 hl, it is subject to the highest mark-up rates.

This policy applies to breweries that are selling in the British Columbia market and had production of less than 160,000 hl in calendar 2011 or in subsequent calendar years.

If you have any questions, please contact Elaine Low at Elaine.Low@bcldb.com or 604-252-3150.

Yours truly,

Ilanila.

Elaine Low

Acting Chief Financial Officer

Transitional Mark-up Rates for Small Breweries

	***************************************	Packaged	Draft
Annual		Beer	Beer
Production (HL)	\$/Litre	\$/Litre
15,001 -	160,000	1.16	0.81
160,001 -	165,000	1.18	0.82
165,001 -	170,000	1.20	0.84
170,001 -	175,000	1.22	0.85
175,001 -	180,000	1.24	0.87
180,001 -	185,000	1.27	0.88
185,001 -	190,000	1.29	0.89
190,001 -	195,000	1.31	0.91
195,001 -	200,000	1.33	0.92
200,001 -	205,000	1.35	0.94
205,001 -	210,000	1.37	0.95
210,001 -	215,000	1.39	0.96
215,001 -	220,000	1.41	0.98
220,001 -	225,000	1.43	0.99
225,001 -	230,000	1.46	1.01
230,001 -	235,000	1.48	1.02
235,001 -	240,000	1.50	1.03
240,001 -	245,000	1.52	1.05
245,001 -	250,000	1.54	1.06
250,001 -	255,000	1.56	1.07
255,001 -	260,000	1.58	1.09
260,001 -	265,000	1.60	1.10
265,001 -	270,000	1.62	1.12
270,001 -	275,000	1.64	1.13
275,001 -	280,000	1.67	1.14
280,001 -	285,000	1.69	1.16
285,001 -	290,000	1.71	1.17
290,001 -	300,000	1.73	1.19
>300,000		1.75	1.20