



June 9, 2016

Subject: Appointment of LCBO President and CEO

Dear LCBO Trade colleagues:

George J. Soleas, M.Sc., Ph.D.
President &
Chief Executive Officer

george.soleas@lcbo.com
416 864 6723 tel

55 Lake Shore Blvd. East
Toronto, ON, M5E 1A4

lcbo.com



I am honoured to serve as the new President and CEO of the LCBO. I thank the Board for choosing me and appreciate the support I have received throughout my LCBO career, both from my LCBO colleagues, and our partners throughout the beverage alcohol industry.

Although I am new to the CEO role, in my more than 30 years of involvement in the beverage alcohol industry, both inside and outside the LCBO, I've had the pleasure of working with many of you in my previous roles in Quality Assurance, Logistics and as Executive Vice President. I've also worked in the Ontario wine industry. In short I am as passionate about the products we sell as you are.

As you know, the marketplace we work in is changing. Hundreds of grocery stores will be selling beer, cider and wine in the next few years. Ontario consumers will have more choice as to where they purchase beverage alcohol.

The changing marketplace presents you with a new sales channel. As the wholesaler of these products to the authorized grocers, we also have an added channel to serve, which means another source of revenue. On the retail level we'll be competing head-to-head with grocers, but I truly believe that this increased competition will make all of us better at what we do.

The LCBO senior management team has identified five priorities to help us succeed.

Number 1: Invest in "Customer First" frontline staff training.

Number 2: Launch and grow a convenient e-commerce channel.

Number 3: Use business data to make smarter business decisions.

Number 4: Improve wholesaling efficiencies.

And Number 5: Become more agile, flexible and collaborative.

Integral to all of this is our partnership with you -- our suppliers. You have been a tremendous part of our success to date, and this will hold true for the future.

The message I am sharing with the entire LCBO to continue to succeed is to act as *One LCBO. One Team*. We need to improve collaboration between divisions for the greater good. I believe this applies equally to you because I consider our agents and suppliers as being important players on our team. And it's critical that we keep it that way as the marketplace evolves.

There's a lot we can do together to up our game to continue to grow our businesses and better serve our mutual customers.

We know that if we are to maintain the LCBO's standing as the preferred shopping destination for beverage alcohol products we need to continually improve our customer experience. We need to bring products to market that are innovative and exciting. We need to become more nimble, agile and innovative. We also need to do a better job listening to you our trade partners. And I pledge to do just that.

I know there are a lot of great ideas in the industry. We want to hear them. Anything that can help us build a stronger and consumer-focused business, improve our relationship, enhance our efficiency and leverage our competitive advantages is a conversation I want to have.

These are truly exciting times for the LCBO and I look forward to working with you, listening to your feedback and moving forward together.

A handwritten signature in blue ink, appearing to read "George Soleas". The signature is fluid and cursive, with a large initial "G" and "S".

George Soleas
LCBO President & CEO