



BREWERS SUPPLY GROUP

Dear Valued Brewery Customer

As you are aware, Brewers Supply Group (BSG) has acquired Crosby & Baker Ltd. (C&B). The purchase was officially concluded on May 1, 2011 and we have been very busy integrating the various parts of the two companies into coherent units so that the “new” and enlarged BSG can better serve its existing and new customers. My name is Ian Ward and I am the President of BSG. May I welcome in particular all the loyal customers of the old C&B. We will do our best to make the transition simple and easy for you, and hope we can earn the same trust that you have placed in C&B in the past.

With staff, offices, and warehouses of the “new” BSG spread out from coast to coast, obviously some functions from the old units are merging much faster and with much less effort than others. That said, we have been working diligently to complete the entire integration process as quickly as possible; and we hope we can count on your forbearance as this process nears its completion. Here is an interim report of the progress we have made thus far and the challenges that still lie ahead:

One of the greatest logistical accomplishments to-date is the integration of the physical inventory and its re-stocking into the merged warehouse and distribution center network with sites in Providence RI, Atlanta GA, Baltimore MD, Kasota MN, Denver CO, Hayward CA, and Vancouver WA. This involved the reorganization of a vast number of SKUs at all these locations so that they are arranged logically for speedy and efficient picking during the order fulfillment process. These seven sites are suited to handle food-grade brewing products; they are also equipped with cold storage facilities for hops and yeast; and they are fully staffed by our well-trained personnel. We expect that, with so many warehouses stocked vertically with just about anything a brewer might need, we can keep shipping times and distances to our customers to a minimum.

The previous C&B sites in Westport and Salt Lake City, incidentally, will handle only items for our homebrew supply business from now on. The Atlanta site will handle both brewery and homebrew product lines.

Sorting and rearranging the merged inventory was one thing, but merging the two accounting databases was quite another. However, we have experts working at that! The business software integration should be completed no later than by the end of September. Until then, we will continue to rely on the two existing— and very different—systems for order entry and billing. Thus we hope that you will continue to accept the old forms for invoices until we are able to make the switch.

Importantly, the “new” BSG we will continue to carry the portfolio of brands of both previously separate companies. Therefore, you can continue to rely on the same raw materials for your beers as in the past! Just to allay any possible fears: There is no need to reformulate your recipes!

Finally, we are in the process of redrawing our sales and service districts so that all 50 states of the United States will be covered appropriately with expert personnel. This process is nearly complete and we will soon publish the new sales map with all the appropriate regional contacts. Until then, for another month or two, during the transition, we would like to ask both C&B and BSG brewery customers to use the following phone number to place their orders:

Please call 800-374-2739.

Meanwhile, should you have any questions about the merger of BSG and C&B, please contact **Brian Fenstermacher at 813-215-0939**. He will be happy to talk to you!

I will write to you again soon with further details about our integration progress and how we hope to serve you better in the future.

Thank you for your continued loyalty as a customer!

Best regards,

A handwritten signature in black ink, appearing to read 'Ian L. Ward', with a long horizontal flourish extending to the right.

Ian L. Ward
President
Brewers Supply Group