

Journal

SINCE 1992, ENCORP ATLANTIC HAS RECYCLED OVER 2.5 BILLION CONTAINERS IN NEW BRUNSWICK

FALL

▶ NOTICE

Starting October 15th, Encorp Atlantic will be conducting field-testing on the current bulk bag in usage.

The purpose of the exercise is to assess bag usage in order to guide the future design of bulk bags in our program. Encorp will be tracking these test bags during usage.

We ask RCs to prioritize the use of these bags during the testing period. Please use these test bags as you would for any ordinary bag. We will gladly report our findings to centres once results are compiled.

We thank you for your participation!



▶ NEW CONSUMER INFO-CARD

New stock of info-card have now been received. We urge all depots to distribute these in order to better educate customers on the need of good practices. Call Pauline at 1-877-389-7320 if you require stock replenishing.

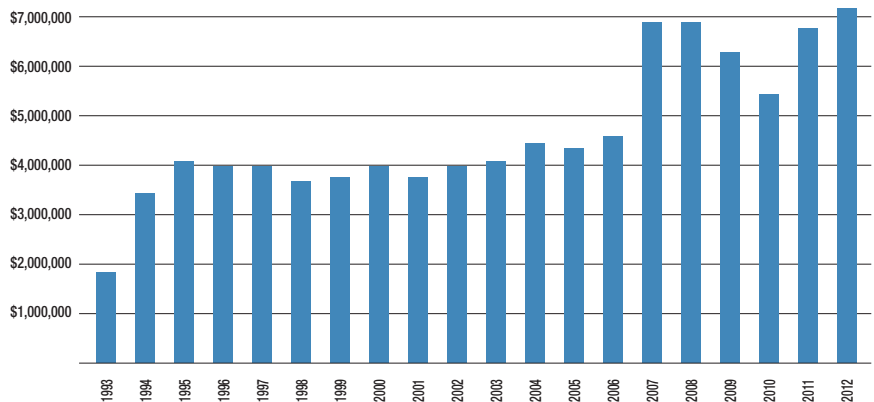


NON-ALCOHOLIC BEVERAGE CONTAINER RECYCLING PROGRAM MAKES LARGEST CONTRIBUTION IN ITS HISTORY TO NEW BRUNSWICK'S ENVIRONMENTAL TRUST FUND

MONCTON, N.B. – Encorp Atlantic Inc., the industry-owned company responsible for managing New Brunswick's non-alcoholic beverage container recycling program since it began in 1992, announced recently that the 2011-12 fiscal year saw it make the largest contribution in its history to the province's Environmental Trust Fund (ETF).

"In total, Encorp contributed \$7,135,656 to the New Brunswick's Environment Trust Fund in 2011-12," said Pierre Landry, Encorp Atlantic's general manager. "This is our largest-ever annual contribution to the ETF and represents a 5.4-per-cent increase over last year's contribution of \$6,771,586."

Payments to New Brunswick's Environmental Trust Fund (ETF)



Total: \$93,000,000

Encorp Atlantic manages the 10-cent deposit New Brunswickers pay on non-alcoholic beverage containers (cans, plastic and glass bottles, drink pouches) containing drinks such as pop, water and juice. After Encorp Atlantic receives the deposits, they then submit a portion of the money collected to the Government of New Brunswick. The remaining funds go to redemption centres that count the containers and pay refunds to consumers. Encorp also ensures that the containers are recycled after receiving the counted containers from the redemption centres.

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But while last fiscal year's payment to the ETF was the largest ever, there are many factors that could affect future contributions, according to Mr. Landry.

"Going forward, we see the challenges of the global economy having an overall impact on market conditions for the sale of processed materials here in New Brunswick," he said. "Future revenues from the sale of material are difficult to predict. For instance, so far this year, we have seen commodities lose more than 30 per cent of their market value. The yearly results of our profit-sharing arrangement thus hinge on market conditions being favourable for the sale of our material."

Encorp Atlantic is the sole financial contributor to New Brunswick's ETF through revenues generated by the non-alcoholic beverage containers recycling program.

"Encorp Atlantic is proud of our 20-year partnership with the Province of New Brunswick," Mr. Landry said. "We maintain our commitment to working with all stakeholders to chart the future of beverage container management for the benefit of future generations."

Encorp Atlantic has provided more than \$93 million to New Brunswick's ETF since 1992, while more than 2.5 billion deposit-bearing non-alcoholic beverage containers kept out of provincial landfills.

Encorp was founded in 1992 as industry's response to the New Brunswick government's *Beverage Containers Act* which saw a non-alcoholic beverage container deposit/redemption program established in the province. The program's intention was to reduce litter and encourage industry to adopt corporate social responsibility and stewardship toward the waste created by the sale and lifecycle management of the containers.

► CAPS-OFF STUDY

In our attempt to finding a solution on the long-standing issue of unwanted caps, Encorp is currently conducting sampling assessments. The purpose is to precisely determine what % of containers actually have caps and what should constitute a tolerance level accepted for safety and by commodity markets. We expect to have results early in the new year.

► QUALITY CONTROL

Over the summer months, the count adjustment with redemption centres has resulted in overall continued accuracy. Since April 1st, reported accuracy was **-.05%**, which is again, near perfect. The return rate as of July 31st (since April 1st) was **73.6%**. There are currently 13 centres that are in the accelerated mode.

► VISIT TO RC

Again this year, Redemption Centres are being visited by Encorp personnel. So far, 40 centres have been visited since June. This is a huge knowledge sharing opportunity for Encorp and its service providers. Depot staff are very open and willing to offer advice. For more information on centres not yet visited, please call Pierre at 1-877-389-7320.

► MARKETS

Overall markets since April 1st are reeling from the global economic uncertainty with price fluctuation for PET and Aluminum. Nevertheless, markets are still over the recession levels and better, particularly on the PET and we hear a rebound. Glass is still revenue negative.

► MATERIAL PRICING

Market material pricing versus this time last year: Aluminum **6.3%** below; PET **3.9%** below. Overall, sales of non-alcoholic beverages were higher by **1.2%** over the past year (October 1 – September 30, 2012), while containers redeemed were slightly higher by **1.8%** for the same period.

OVERVIEW OF MARKET PRICES US \$/LB FOR BALED MATERIAL:

	Aluminum	PET	Exchange
Sept. 30, 2008	\$ 0.76	\$ 0.185	\$ 1.059
Sept. 30, 2009	\$ 0.60	\$ 0.105	\$ 1.06
Sept. 30, 2010	\$ 0.75	\$ 0.18	\$ 1.003
Sept. 30, 2011	\$ 0.79	\$ 0.33	\$ 1.007
As of September 30, 2012	\$ 0.74	\$ 0.20	\$ 0.95

MARKET SNAP-SHOT / 3 YEAR PERIOD IN US\$/LB

	Aluminum	PET
High ▲	0.88 March 2011	0.37 March 2011
Low ▼	0.53 Oct. 2009	0.10 September 2009

* These figures are based on monthly averages

YEAR TO YEAR-REFUNDED UNITS:

	Aluminum	Glass	PET	Other	Total
Oct. 1 – Sept. 30 2011	62,686,521	2,620,024	72,899,072	16,836,397	155,042,014
Oct. 1 – Sept. 30 2012	66,040,643	2,281,195	74,990,566	15,937,368	159,249,772
Yr. to Yr. Qty	3,354,122	(338,829)	2,091,494	(899,029)	4,207,758
Yr. to Yr. %	5.35%	(12.93%)	2.87%	(5.34%)	2.71%