

General Managers Report

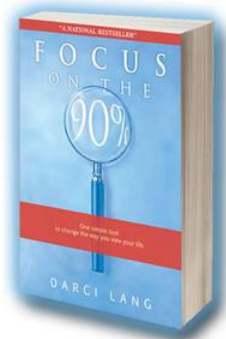


It is with great pleasure that I present the Managers Report this evening on another successful

year. We not only saw real growth in most commodities but also increased profit and equity to the membership. The success of this year is certainly due to several factors.

First, our staff work very hard to provide service to the membership which exceeds expectations. There are times due to circumstances beyond our control that we do fall slightly short. However; we must continue to focus on the 90% of the times when we do things right.

At a conference, which I attended several months ago, a presentation on a book that is called "Focus on the 90%" was given by Darci Lang.



I found this presentation and the book very enlightening. All too often we see what is wrong and focus on the problems that exist in the world today. We forget that when looking at our life in total, these problems really are a small percentage of what is going on in our lives. Taking a serious look at what is right with our situation, certainly can contribute to a very positive attitude.

Darcy starts out her book by saying "When you change the way you look at things. The things you look at change". This is a quote from Wayne Dyer.

When we look back at the success that the Co-operative has experienced over the past years, certainly those successes did not come without a few problems.

However; the problems that we dealt with are much less than 10% of the project and the successes we had far surpasses the 90%. Then again my special thanks to our staff to making sure that they focus on the 90%. Allow me now to take the opportunity to introduce our staff members that are with us tonight.

We also recognize the extra efforts and going above the call of duty that our staff do for us. We provide training and have had 100 of days of training in 2010. We also celebrate with our staff their milestones and this year gave out service awards to 15 people who have celebrated 5/10/15/20 years of service and I would also like to give special recognition for also on their 30 years of Service to



Wanda Bartlett
and



Dona Rudachyk

Also to Lorna Bachynski for her 35 years of service.



The other thing that we do to reward our staff for going the extra mile is we have a thank you gift card valued at \$10. When the board of directors, myself or a customer sees a staff member going above the call of duty we present them with this gift card. If you as a customer see a staff member that you feel is worthy of extra recognition please contact myself and I will ensure that they get a gift card with a congratulatory letter on your behalf.



This year we did not spend a lot of efforts in facilities, constructions, or renovations. We concentrated more on marketing. We had some very exciting marketing programs this past year which increase sales and provided additional benefits to the membership.



I am sure all of you will remember the pot and pan program which was a fantastic program

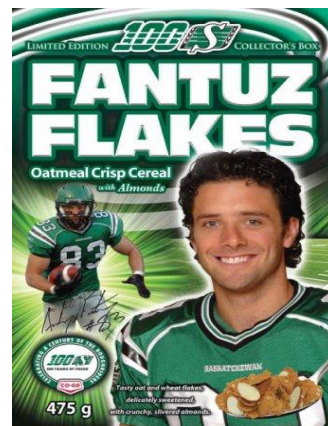
however, did frustrate some customers and some staff members because of the shortages that we experienced.

I am please to let you know that everybody did get their pots and pans that they had wanted even though we had to extend the program. The reason we fell short on the pots and pans is that you our customers far surpassed our expectations. We sold more than double the number of pots and pans that we had initially anticipated. Thank you for that.

As a continuing program this year we have the Thomas Knife program and I hope that most of you are taking advantage of this wonderful loyalty program.



We were also very involved with the Saskatchewan Rough Riders last year assisting them in celebrating their 100th anniversary. That coupled with some special products including the only available at Co-op Fantuz Flakes made this partnership a great success for both us and the Riders.





We are continuing with the Rider support this year and are the Presenting Sponsor for the football 101. This program will be held on the long weekend in May

here in Weyburn. This program has only ever been held in Saskatoon or Regina previously, so Weyburn is the first to host this program in a small Urban Center. I want to congratulate the Weyburn Rider Nation Committee and we are very pleased to be a part of this promotion.

We also run some special marketing programs throughout all of the departments such as

- The VIP program in our Expressions department.
- Expansion last year into the Clark Shoes program.



- Free estimating and delivery service from our Lumber and mall Hardware locations.



- Free consultation, blood monitoring and clinics out of our Pharmacy department.



- Complete meal ideas whether for home use or for catering out of our Food Store operating primarily out of our Deli department.



- And of course our value prices product which gives you very competitive prices on most high demand items that you would utilize in your daily living.



We encourage you to take advantage of our Co-op label pricing. Co-op label is equal to or better than the national brand and on the tables beside us here, you will see that we have identified Co-op label and comparable products and national brands and have put the price tags up there for you. The difference in the price is substantial it is 34%.

The third component in our success is you the customers.



We want to thank you for your support and dedication over the past years. We continue to meet the customers' needs and for that reason have had suggestion boxes around our different locations as well as input on our website that you can email any comments. We are also available by phone at any time or by person any time you have a question, concern and of course compliments which we then pass on to the staff.

To help make the suggestions more prominent we are starting a new program and a new style of suggestion box. As it has been mentioned our previous suggestion boxes were not very conveniently located.



This suggestion box will have different posters requesting your input on different topics.

The topics will be discussed on the suggestion box poster and forms will be available to fill out. There is also general comment forms which will be available at each of the suggestion box as well.

I want to take this opportunity to thank Richard Carrier of our maintenance department for constructing these suggestion boxes for us. You will see these moved around the stores and at all of locations on a continuous basis and I encourage you to use them as we value your input.

Enclosing I want to thank the Board of Directors for their vision and insight.



Your Board of Directors works very hard to try to ensure that as a member you are receiving the greatest benefit through your Co-operative whether it is quality products, competitive prices, support of the community or equity and cash back.

These ladies and gentleman use much of their own personal time and devotion working toward the fulfillment of the Co-ops mission statement and most importantly meeting the need and expectations of you our valued customer.

Co-operatively,

Don Kraft