

November 30, 1992

John P. Messina, Esq.
Attorney at Law
135 S. LaSalle St.
Suite 1960
Chicago, IL 60603

Re: Grove Fresh v. John Labatt, Ltd., et. al.

Dear Mr. Messina:

I am a partner in the Coopers & Lybrand Financial Advisory Services Practice. A copy of my resume is attached as Appendix A.

I have been asked by you to review documents relating to the above referenced matter and to form an opinion regarding certain issues concerning the December 10, 1986 purchase of Everfresh Juice Company ("Everfresh") by John Labatt, Ltd. ("Labatt"). I have formed an opinion which is based on my review of the documents as listed in Appendix B and discussions with you concerning the facts in this case.

If so requested, I am prepared to testify to the following opinion: It is more likely than not that as of December 10, 1986, Labatt knew that the orange juice processed by Everfresh did not comply with applicable laws and regulations governing labeling and formulas. My opinion is principally based on the following: 1) Prior to December 10, 1986, Labatt was told about a pending lawsuit alleging that Everfresh's orange juice was misbranded; 2) The purchase of Everfresh was in the form of a stock purchase agreement; 3) Everfresh deleted the relevant section concerning representations and warranties from the final version of the purchase agreement; and, 4) Labatt did undertake an investigation into the costs of the acquisition and expected economic returns.

Everfresh was a strategic acquisition for Labatt. Labatt had established a fruit and drinks division in 1983, when it acquired Holiday Juice, Ltd. It had expanded this division in January 1986, when it acquired Boden Products, Inc. Labatt elected to purchase the stock of Everfresh and to integrate the company as a going concern into its fruit and drinks division. Labatt's rationale for the acquisition of Everfresh was that it offered significant synergies with Holiday Juice and Boden Products in the areas of production, purchasing, selling, physical distribution, and administration. In the area of production, Labatt specifically intended to standardize the formulas used at the three locations.

Labatt had several business reasons for making a diligent investigation into Everfresh's manufacturing practices prior to acquisition. First, Everfresh's key officers were being given two-year employment contracts to continue operating Everfresh under Labatt's ownership. Since Labatt had notice of formal allegations that these officers had been operating Everfresh in violation of the law prior to December 10, 1986, Labatt had a duty to instruct them to obey the law as of the date of acquisition. As a publicly-held company, Labatt's management owed a duty to its shareholders not to support any deliberate violations of the law by any of its operating subsidiaries.

Second, if Everfresh's orange juice did not comply with applicable laws, the cost of bringing the orange juice into compliance would be an additional acquisition cost. Orange juice represented 43% of Everfresh's sales. Thus, the cost of bringing Everfresh into compliance after December 10, 1986, would be material to projections of Everfresh's future earnings.

Labatt projected that during the first five years after the acquisition, the synergies (including the standardization of formulas) would yield cost savings totaling \$7,900,000. In making these projections, Labatt identified and analyzed four specific factors that might affect the likelihood of the projections being realized. One such factor was that in the juice and drink business, profitability and demand are impacted by commodity prices of concentrates.

In Labatt's analysis, the concern about commodity prices was offset by the prospect that Everfresh's cost base would be reduced by purchasing efficiencies. This indicates that a pre-acquisition review was conducted of Everfresh's costs of production materials. Such a review should have disclosed that Everfresh's orange juice included materials other than standard product ingredients.

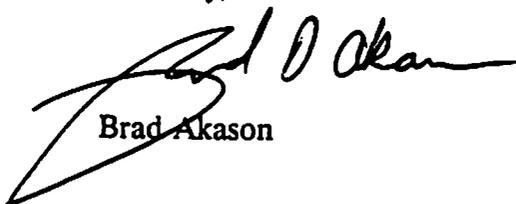
Finally, in the negotiations prior to closing, the seller, Albert Allen, refused to represent and warrant to Labatt that Everfresh's orange juice complied with applicable laws on labeling and formulas. This refusal, when viewed alongside the allegations of the pending lawsuit and the history of similar suits, was an indication that Everfresh's manufacturing practices might not comply with applicable laws.

My opinion is further supported by subsequent memos dated after December 10, 1986, which reflect a controversy between the president of Holiday Juice (Daniel Kotwicki) and the president of Everfresh (Mitch Allen) on the subject of standardizing formulas. Mr. Allen resigned in July 1987. Immediately after his resignation, Mr. Kotwicki authorized a

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change in Everfresh's formula for orange juice. These facts are consistent with the conclusion that prior to the resignation, Mr. Kotwicki had been attempting to move Everfresh towards compliance with applicable laws and regulations, and that Mr. Allen had been resisting these attempts.

Sincerely,



Brad Akason

John P. Messina, Esq.
November 30, 1992

APPENDIX B

- (a) Draft stock purchase agreements dated: November 6, 1986; November 21, 1986.
- (b) Stock purchase agreement dated December 10, 1986 and related closing documents.
- (c) Memoranda produced by Daniel Kotwicki including: the August 22, 1985 letter to Joseph Boden with attachments; various internal correspondence.
- (d) Memoranda produced by Labatt including: the Proposal for Acquisition presentation to the John Labatt Board of Directors, December 4, 1986; various supporting financial work sheets.
- (e) Memoranda produced by Everfresh including: Meeting Reports; Letter of Intent; other internal correspondence.
- (f) Opinion letter from Professor Randall Picker dated September 29, 1992.