



## LETTER TO SHAREHOLDERS OF CLEARLY CANADIAN BRANDS

Dear Shareholder, I am Bobby Genovese the new CEO and Chairman of the Board for Clearly Canadian Brands. My company BG Capital Group has been a major investor and controlling shareholder in CCBEF for the past 3 years. I felt it was in all of our best interest to take a more active role in the day to day decisions for Clearly Canadian Brands, in order to help insure that the company delivers on its incredible potential. In the last two years we have made tremendous strides in the reorganization and redirection for Clearly Canadian Brands and are well positioned for great success. We have recently completed our consolidation of operations to Toronto and have begun initiation of cost cutting and streamlining agendas that are designed to have Clearly Canadian Brands emerge as a profitable entity in 2009 and beyond. We are all ready beginning to see a drastic improvement in earnings per share as evidenced by the incredible improvement shown in our recently reported second quarter earnings per share numbers. We improved from a second quarter 2007 loss of (\$0.25) per share to a loss of just (\$0.07) per share for second quarter 2008. We feel that by the 4<sup>th</sup> quarter of this year we will be at or very near break even on a cash basis, and positioned for profitability in 2009 and beyond. We have a strong cash position that will be more than sufficient enough to get us to this point. We have also announced two letters of intent to acquire new and strategic brand names and product lines to help us quickly expand our footprint within this fast growing natural and organic sector. Once closed these two new divisions will immediately double the size of Clearly Canadian Brands to an approximate \$30 million run rate for 2009, they also come with production facilities and selling relationships that will be instrumental to our profitable growth. We are setting our sites on a Canadian listing for our common stock in the near future as well the removal of our on going concern status by the second quarter of 2009. Each of these would give an incredible boost to our standing within the investment community which has shown so much interest in and support of the renaissance of Clearly Canadian Brands.

We have now completed the North American bottling agreement I mentioned we were seeking in last quarter's letter. We are fortunate to have signed an agreement with Cott Corporation, the largest private label bottling group in the world. Cott Corporation will bottle Clearly Canadian sparkling flavored waters at strategically located Cott facilities for distribution throughout North America. This agreement allows us to team up with one of the largest beverage bottling and retailing organizations in the world. We will begin producing and delivering our popular drinks in a far more cost effective manner, resulting in a more profitable business model as well as a more competitively priced product. By utilizing all of the benefits afforded by working with a world class bottler, we believe we are now well positioned to significantly increase revenues in this division. In direct response to our decisions to position Clearly Canadian Brands at the fore-front of the heightened consumer movement towards healthy, natural and organic products we are now on track for continued, profitable, and sustainable growth in all three of our existing product lines, Beverages, My Organic Baby and Snack Foods. We are well into a major transformation of Clearly Canadian Brands, and are now a more diversified company, controlling numerous brands all focusing on the "Good for You" market sector. Clearly Canadian Brands has formed extremely strong relationships with some of the world's major retailers such as Wal-Mart, Whole Foods, Loblaw's, Safeway, Shopper's Drug Mart and 7-Eleven. We have proven ourselves as a reliable supplier of top quality, innovative products that are delivered on time and at a fair price. We are now intent on growing by both horizontally expanding existing product lines and vertically adding stimulating new brands through strategic acquisitions. I strongly feel that 2008 and beyond will see us begin to emerge as a force in the fastest growing sector in the marketplace, natural and organic. Again I thank you for your continued support.

### *Clearly Canadian Brands Recent Corporate Highlights:*

- **Major Transformation for the Beverage Division to a concentrate model is underway**
  - Signed agreement with the Cott Corporation, the largest private label bottling group in the world
  - Resulting in a drastic reduction in the production and delivery cost that have plagued our beverage division for years
- **We have completed consolidation of all operations to Toronto**
  - Second quarter bottom line improved from a loss of (\$0.25) per share to just (\$0.07) per share, year over year
  - The integration of the two acquisitions, My Organic Baby and DMR Foods is now complete with all divisions working from one infrastructure, resulting in tremendous overhead expenditure savings
- **Signed letters of intent to acquire two new companies which would upon closing immediately double our revenues**
  - These companies would come with production facilities and selling relationships that will be instrumental to our profitable growth
  - Adding more quality brands names to our fast growing family and a bigger footprint in the "Good for You" market sector.
- **The Reality Television Show About Clearly Canadian Is a Huge Success**
  - The 8 episode show entitled "Bobby G Adventure Capitalist" shown on Mojo-HD thru most major U.S. cable providers has given Clearly Canadian Brands a high level a visibility and created many opportunities for the company

These recent accomplishments at Clearly Canadian have built a solid base for the company to become a leader in the emerging organic and natural sector. With our multiple, "good for you" brand offerings; we have a strong platform to capitalize on strategic efficiencies and opportunities. We are focused on growing revenue, profitability and shareholder value. I am invigorated by this opportunity to help guide this highly recognized and respected brand name back to prominence. I encourage you to call our investor relations dept. at 800-983-0993 for a complete investor package.

[www.clearly.ca](http://www.clearly.ca)

**Forward Looking Statements**

Statements in this mailer that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Words such as "expects", "intends", "plans", "may", "could", "should", "anticipates", "likely", "believes", "estimates", "potential", "predicts", "continue" and words of similar import also identify forward-looking statements. Forward-looking statements are based on current facts and analysis and other information that are based on forecasts of future results, estimates of amounts not yet determined and assumptions of management, including but not limited to future revenue projections. These assumptions are subject to many risks, and actual results may differ materially from those currently anticipated. These risks include, by way of example and not in limitation, general economic conditions, changing beverage consumption trends of consumers, the Company's ability to generate sufficient cash flows to support general operating activities and capital expansion plans, competition, pricing and availability of raw materials, the Company's ability to maintain the current and future retail listings for its beverage products and to maintain favorable supply, production and distribution arrangements, laws and regulations and changes thereto that may affect the way the Company's products are manufactured, distributed and sold and other factors beyond the reasonable control of the Company. Additional information on factors that may affect the business and financial results of the Company can be found in filings of the Company with the U.S. Securities and Exchange Commission and with the British Columbia and Ontario Securities Commissions.