2011 Annual Report

To

Manitoba Conservation

For the

Province of Manitoba

Submitted by Call2Recycle®

Operated by the Rechargeable Battery Recycling Corporation of Canada (RBRCC)





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1. SUMMARY

This 2011 annual report has been developed by Call2Recycle®, operated by the Rechargeable Battery Recycling Corporation of Canada (RBRCC), as required by Manitoba Conservation. This report covers waste management of primary and rechargeable batteries and cell phones that have been collected for the period beginning April 1, 2011 (the launch of the program) and ending December 31, 2011.

RBRCC has been appointed as the agency to meet producer obligations for battery manufacturers, manufacturers whose products contain batteries, and certain distributors and retailers of products as may be appropriate. A list of the organizations who support our program (licensees) has been provided in Appendix A and B of this report. Under this appointment, RBRCC's Call2Recycle program is charged with collecting dry cell batteries weighing less than five kilograms. RBRCC recovers batteries through four channels: retail, business, public agency and communities (municipalities). While we are not the appointed program to collect cell phones in Manitoba, we do receive them through our battery collections efforts.

This annual report should be reviewed in conjunction with the RBRCC approved plan dated August 1, 2010. A copy of that report is available on our website, callarecycle.ca/manitoba

2. COLLECTIONS

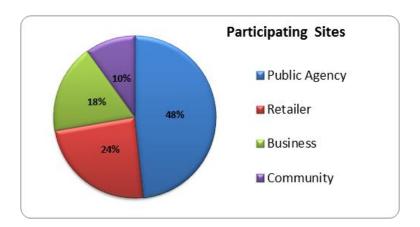
2.1 Collection Sites

Call2Recycle has established convenient collection systems around the province, with a focus on areas of greatest population density. Our collection sites are strategically selected. We combine public drop-off locations with private collection sites within organizations to maximize convenience and participation. Public collection sites are chosen for their proximity to consumers, as well as the likelihood that consumers will associate batteries with the location (e.g., an electronics store) and, in some cases, the existence of a prior battery and/or device return and exchange program within the location.

Our efforts to create partnerships with local businesses, municipalities, retail outlets and public agencies led to a significant increase in organizational participation in the Call2Recycle program. Call2Recycle had approximately 300 collection sites during 2011. Although we strive to locate collection sites to encourage participation, it is important to note that research into domestic and international battery recycling programs has shown that increases or decreases in the number of collection sites do not lead to proportional changes in the quantity of batteries collected. Therefore, it is not part of our collection site strategy to continuously increase the number of sites.

The charts below outline the various types of Call2Recycle collection sites and their representation as a percentage of our overall collection locations.

Participating Sites					
Segment	# of Sites	% Share of Total Sites			
Public Agency	155	48%			
Retailer	77	24%			
Business	57	18%			
Community	32	10%			
Grand Total	321	100%			



2.2 Collection Targets

Since 1999, Call2Recycle has collected and diverted 80,000 kilograms of batteries from landfills in the province of Manitoba ("Province"). Initially focused on rechargeable batteries, in April 2011, we began the all-battery collection program in the Province. In the months leading up to and immediately following, we prepared operationally by setting up collection site participants with new collection boxes and education on the additional types of batteries to collect. We also promoted the new program to participants through emails, outbound outreach and on-site promotional materials. In October 2011, we held a public launch event to officially announce the program to consumers (see Appendix C – Education and Promotion).

Call2Recycle's battery and cell phone collections exceeded 24,000 kilograms in the Province in 2011. Of that total, 22,266 kilograms were collected in the nine-month period following the start of the all-battery program (April 1, 2011 to December 31, 2011.) While the Province's

official cell phone recycling program, Recycle My Cell, is managed by the Canadian Wireless Telecommunications Association, consumers continue to deposit cell phones in Call2Recycle boxes. We received 1,037 cell phones this year (weighing 259 kg), a decline from 2010 that reflects the Province's separate cell phone recycling program.

Across Canada, Call2Recycle experienced a 17 percent growth over the preceding year in the collection of rechargeable batteries. As the table below illustrates, the Call2Recycle program in Manitoba contributed significantly to that success. The table outlines collections in the Province for the full year, as well as the period after the all-battery program launch.

Туре	2011 (Jan-Dec) Collections Kilos	2011 (Apr-Dec) Collections Kilos	2010 Collections Kilos	% Increase (Based on Full Year)
Primary (Single Use)	13,229	12,960	577	2,195%
Rechargeable	10,699	9,096	7,105	51%
Cell Phones	259	209	441	-41%
Total	24,187	22,266	8,123	198%

Our concerted efforts in promotion, relationship building with participant locations, and the ease of our seal-and-send collection kits contributed to the soaring increase in battery collections in the Province. While the jump in quantity is significant and we did surpass the rechargeable battery target, single-use collections did not match projected targets. It is important to note that establishing performance targets in this sector is a considerable challenge. Calculating the number of batteries collected as a percentage of battery sales is highly problematic due to a complex sales chain. As we can only estimate battery sales (by weight) into Manitoba, the collection targets we set forth in our original plan represented our approximation. Once the all-battery program has been in operation in the Province for two years, in 2013 we will be able to provide more realistic and accurate targets.

Another factor contributing to the shortfall in single-use battery collection is due to the fact that the public launch of the program was in October. Since the collection of single-use batteries was new to the program in 2011, public awareness was relatively low until this launch. We expect this awareness to increase with our continued promotion of the program.

The following table shows the original estimated and actual collections rate targets for the nine months that the all-battery program was in place.

Battery Type	2011 Collection Rates (Apr – Dec) Weight in Kilograms					
	Targets Actual					
Single-use	38,250	12,960				
Rechargeable	6,750	9,096				
Total	45,000	22,266				

2.3 Collections by Chemistry

Call2Recycle measures its performance on the amount it collects as well as the amount of reclaimed material from each battery that can be used in secondary products. In 2011, Call2Recycle increased its reclaimed battery content by more than 300% over the previous year. Below is a summary of the Province's battery collections by chemistry (in kilograms) through the Call2Recycle program over the last five years:

	2011	2010	2009	2008	2007
Ni-Cd	4,690	3,797	4,013	4,667	3,680
Ni-Mh	1,398	1,021	997	630	369
Li-lon	2,084	1,241	1,087	552	187
SSLA	2,527	1,046	907	763	502
Primary	13,229	577	249	191	72
Total	23,928*	7,682	7,253	6,802	4,809

^{*}Total collection amount does not include cell phones and is based on the full year.

3. EDUCATION and PROMOTION

Call2Recycle's mission, unchanged since 1994, is to collect and recycle as many batteries as possible. We recognize that public awareness of the program and of our numerous drop-off locations is a key success factor in achieving higher drop-off rates. Thus, for the nine months ending December 31, 2011, Call2Recycle's direct expenditure on education and promotion of the all-battery program was approximately \$70,000 – ahead of projected values. We employed an integrated, multi-pronged approach, outlined below, to raise awareness of the importance and convenience of battery recycling in Manitoba. Samples of some of the promotional materials and coverage of the program are provided in Appendix C.

All-Battery Program Launch

The highlight of the Call2Recycle program in Manitoba this year was the launch of the all-battery recycling program in the Province. We began the year preparing for an operational "soft launch" of the program in April. We informed collection participants of the new program and requirements via email and outbound calling campaigns and distributed new materials and

collection kits. We also partnered with Green Manitoba to establish recycling participation with municipal and crown corporations.

On October 17, in conjunction with Waste Reduction Week, we hosted an official public launch. With media and Manitoba residents in attendance, Premier Greg Selinger announced the all-household battery collection program. Call2Recycle ambassadors – hockey legends

Dale Hawerchuk and Bobby Hall, and sports announcer Rod Black – promoted our free, simple and responsible recycling program to potential organizational partners and consumers. The event received considerable coverage in the media.

To further support the launch, we also conducted the following promotional activities:

- Print advertising in Winnipeg Free Press and community newspapers
- Web advertising on various sites
- Radio and television appearances by our ambassadors
- Distribution of promotional items
- Social media promotions on Facebook and Twitter
- Regular email blasts
- Monthly newsletter to individuals who opt in

Ongoing Promotion

To encourage consumer participation in the Call2Recycle program, we employed a two-tiered approach to promotion. We recognize that collection site operators are the linchpin of a successful battery recycling program. Recruiting, educating and encouraging them is critical to the program's success so we continually reach out to this target group, while also participating in more broad-based awareness raising activities targeted at consumers. This year we:

- Developed promotional materials (bookmarks, window decals) distributed through public libraries;
- Attended various trade shows throughout the year (e.g. SourceFest, Manitoba Association of Regional Recyclers);
- Produced consumer-targeted print ads for local newspapers and magazines
- Sponsored the popular Old Timer's Hockey Tour, including the annual game with youth in Winnipeg
- Responded to participant and customer inquiries through our active Customer Service Team.

Call2Recycle's awareness activities also directed consumers to our website, which features program information, interactive games, recycling resources and links, FAQs, a feedback mechanism and a handy search tool to help them find the drop-off locations nearest them.

Government Relations

Call2Recycle strives to be a valued partner to the Province, working with Green Manitoba to support its mission to create a greener and cleaner Manitoba. We are continually fostering and strengthening relationships with government partners to sustain the long-term success of the battery recycling program in the Province. This year, we:

- Attended the Association of Manitoba Municipalities show in Brandon in November to raise awareness and encourage participation by partners
- Presented at the Producer Responsibility Organization (PRO) trade show and attended PRO meetings throughout 2011
- Participated in regular meetings with Green Manitoba
- Provided a \$3,000 sponsorship of Green Manitoba's Eco Calendar

4. CONTINUOUS IMPROVEMENT

Call2Recycle is committed to continuously improving the performance of our battery recycling program.

To encourage participants to ship full drop-boxes and reduce greenhouse gas emissions from transport of partially full boxes, we conducted ProjectMax, a study into the design of our boxes. The study resulted in modifications to encourage full shipments and maximize the impact of our Call2Recycle drop box program.

We persist in exploring possibilities for automating sortation of collected batteries. At present, no providers domestically or internationally have the capability to sort collected batteries in a fully automated manner. As part of our research and development initiatives, however, we continue to meet with international recyclers and to visit overseas sortation plants to share best practices and identify and incorporate any advances into our own processes.

5. POLLUTION PREVENTION AND BEST MANAGEMENT PRACTICES

The Province abides by the pollution prevention and best management practices that have been formalized in the Manitoba Product Stewardship for End-of-Life Electrical and Electronic Equipment. The common three-pronged approach—reduce, reuse, recycle—is undoubtedly less applicable to batteries than it is to many other materials and products, such as cell phones. Of the thousands of batteries Call2Recycle sent to recycle, none were sufficiently fit for reuse, and RBRCC does not promote the reduction of use of batteries. Thus, recycling is the most practical and viable means of keeping toxic waste from entering landfills and giving reclaimed materials a second life. The Call2Recycle program is able to efficiently and cost-effectively send batteries of all sorts for recycling.

Our battery processors have passed a rigorous selection process that ensures they comply with applicable environmental, health and safety, and transportation regulations. We continually monitor each processor to ensure competitive pricing and an ability to adapt to increases in capacity. Through this efficient system, valuable minerals such as nickel, iron, cadmium, lead, and cobalt are extracted and prepared for re-use in new products.

For cell phones, the Call2Recycle program first seeks to refurbish the units and, if not able to refurbish, recycles them. Approximately 90% of the cell phones collected are refurbished. Material not refurbished is sent overseas as per the requirements of the Basel Convention.

6. ORGANIZATIONAL REPORTS

A condensed financial report and auditors statement can be found in Appendix D. For a copy of our Annual Report visit www.call2recycle.ca/annual-report/

If additional information is required please contact our Chief Financial Officer at <a href="mailto:gbrue-nc-action-color: blue-nc-action-color: blue-nc-a

APPENDIX A. RECHARGEABLE BATTERY STEWARDS (LICENSEES) OF THE RBRCC PROGRAM

3M COMPANY - OH&ES DIVISION

A&M ELECTRICAL

ACCESS BATTERY & POWER SYSTEMS

ACER SERVICES CORP

ADVANCE BATTERY SYSTEMS, INC.

AIPHONE CORPORATION

ALEXANDER TECHNOLOGIES EUROPE, LTD

ALLIED INTL TOOL
ALLSTAR MARKETING
ALLTRADE TOOLS

AMERICAN LAWN MOWER COMPANY

AMPTECH

ANDIS COMPANY ANTON/BAUER INC.

AONENG ELECTRICAL APPLIANCES

APPLE APPLICA

APPLIED POWER INC. ARROW FASTENER

ATICO INTERNATIONAL USA INC

AVEX ELECTRONICS CORPORATION (DUPLICATE)

AVT INC.

BATTERIES PLUS LIMITED BATTERY SPECIALTIES

BISSELL

BLACK & DECKER CORPORATION

BRAUN INC.

BYD BATTERY (USA) CO.

CANADIAN TIRE CORPORATION INC.

CANON U.S.A. INC. CAR-GO-BATTERY CO.

CASIO HITACHI MOBILE COMM

CASIO INC.

CENTURION INTERNATIONAL INC

CHERVON N.A. CONAIR CORP.

DC BATTERY PRODUCTS

DELL

DIGI-KEY CORPORATION DORCY INTL INC DOUGLAS QUICK CUT DU-BRO PRODUCTS INC. DURACELL (P & G) ENERGY SALES

ENGINEERED ASSEMBLIES EPSON AMERICA INC.

EUREKA CO.

EVEREADY BATTERY CO.

EVERGREEN (C.P.) USA, INC.

EXCEL BATTERY

FCI USA, INC./FRAMATONE FEDCO ELECTRONICS INC. FREIGHT SECURITY NET FRESHBATTERY.COM FUJI PHOTO FILM USA INC.

FUJIMIC INC

FUJITSU COMPUTER SYSTEMS GARRITY INDUSTRIES INC

GATEWAY INC

GEMINI INDUSTRIES, INC. GENERAL DYNAMICS ITRONIX

GLJ LLC / 02 COOL

GP BATTERIES (HONG KONG)

GP BATTERIES (USA) GREAT BATCH LTD GREAT POWER

HEWLETT-PACKARD COMPANY

HIGH TECH COMPUTER HITACHI-KOKI USA LTD.

HOBBICO

HOT-SHOT PRODUCTS CO., INC.

HOUSE OF BATTERIES

HUNAN CORUN HI-TECH CO LTD (RADIO

SHACK/VTECH)
ICOM AMERICA INC.
IDX TECHNOLOGY

INTEC INDUSTRIES CO, LTD
INTERACTIVE SAFETY PRODUCTS
IOTA ENGINEERING COMPANY

ITECH

ITW PASLODE

IWATSU AMERICA INC. JB ENERGY (HK) LTD.

JIANGSU HIGHSTAR CHEMICAL JVC CORPORATION (U.S.) KENDALL COMPANY LP

KENSINGTON COMPUTER PRODUCTS
KENWOOD AMERICAS CORPORATION

LEICA CAMERA LENMAR LENOVA/IBM LG ELECTRONICS LUMEDYNE INC.

MAG INSTRUMENT INC. MAKITA U.S.A. INC. MATSUSHITA ELECT. CORP. MAX COMPANY LTD

MEGATECH INTERNATIONAL

MERITOOL

MICROSUN TECHNOLOGIES

MILWAUKEE ELECTRIC TOOL CORP.
MITSUBISHI DIGITAL ELECTRONICS

MOTOROLA INC. MOXIA ENERGY MPC COMPANY

MULTIPLIER INDUSTRIES CORP. - (PURCHASED

BY UNIROSS)

NABC

NATIONAL POWER NIKKO AMERICA INC.

NORELCO CONSUMER PRODUCTS CO.

NORMARK INNOVATIONS NOVATEL WIRELESS, INC OLYMPUS AMERICA INC.

OOMA, INC

P&G (TAC FACILITATED)
PENTAX TECHNOLOGIES CORP
PHYSIO-CONTROL CORPORATION

PORTER-CABLE CORP.
POWER PRODUCTS

POWERGENIX SYSTEMS, INC

PRO TEAM, INC

PROFESSIONAL DENTAL TECHNOLOGY PROFESSIONAL TOOL PRODUCTS PROGRESSIVE TECHNOLOGIES INC. PROMARK ELECTRONICS DIVISION

QUALITECH

QUANTUM INSTRUMENTS INC

RAYOVAC/REMINGTON - SPECTRUM BRANDS

RESEARCH IN MOTION RESISTACAP INC. RIDGE TOOL COMPANY

RONWAY BATTERY CO LTD (MCNAIR) - VTECH

ROYAL APPLIANCE MFG. CO. RYOBI NORTH AMERICA INC

SAFT AMERICA INC

SAMSUNG

SANYO ENERGY (U.S.A.) CORP S-B POWER TOOL COMPANY

SEARS

SHENZHEN ELITE ELECTRONIC CO., LTD

SIGMA

SNAP-ON INCORPORATED SOLARIS SCIENTIFIC, LLC SONY ELECTRONICS INC

SOUTHWEST ELECTRONICS ENERGY SPM/MICRO POWER ELECTRONICS

STANLEY TOOL (BYD)

STARLIGHT VIDEO STREAMLIGHT INC.

STRYKER

TANDY CORPORATION

TECHTRONIC APPLIANCES HK LTD TECHTRONIC INDUSTRIES CO LTD

TELEDYNE WATER PIK

TERRALUX INC TERRATEK INC

THE HOOVER COMPANY (PURCHASED BY TTI

NA)

THE STANLEY WORKS

THOMSON CONSUMER ELECTRONICS

TNR TECHNICAL INC.
TOCAD AMERICA INC.
TOSHIBA AMERICA INC
TRINITY PRODUCTS INC.
TRUMPF POWER TOOLS

UNIDEN AMERICA CORPORATION

UNIROSS

UNIVERSAL POWER GROUP

UT STARCOM

VARTA BATTERIES INC VENONOM RACING VERNIER SOFTWARE VICTORY CINEVIDEO

VTECH COMMUNICATIONS LTD

W & W ASSOCIATES WAHL CLIPPER CORP.

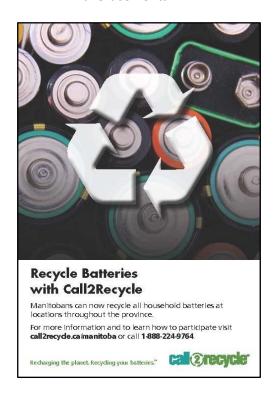
XUZHOU ENERGY ELECTRONICS CO

APPENDIX B. PRIMARY BATTERY STEWARDS (LICENSEES) OF THE RBRCC PROGRAM

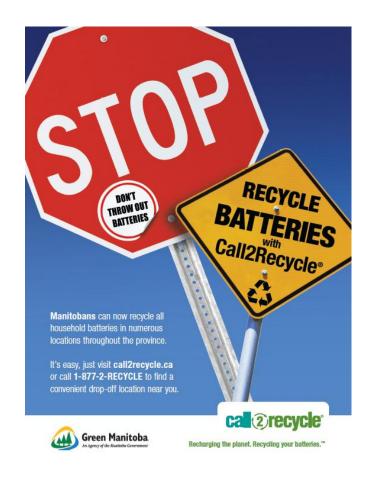
DURACELL CANADA (PROCTER & GAMBLE) ENERGIZER CANADA KODAK CANADA PANASONIC NORTH AMERICA, INC. RAYOVAC CANADA (SPECTRUM BRANDS) SONY CANADA THE SOURCE

APPENDIX C: SAMPLES OF EDUCATION AND PROMOTION ACTIVITIES

Advertisements







Booth at the Association of Manitoba Municipalities Show, Brandon MB.









Shell Busey's HouseSmart Referral Network is a leading source of trust, credibility and referral for consumers and companies within the home improvement industry. We partnered with Shell's HouseSmart Referral Network to leverage its reputation and its reach to a vast network of contractors, manufacturers and distributors, as well as individual consumers. Shell and his team provided Call2Recycle with the following services and support:

- Frequent mentions of Call2Recycle's battery recycling and collection program on Shell's syndicated radio program throughout every major market in Western Canada;
- The use of Shell's persona in advertising and promotional efforts. Shell has recorded voice messages and radio PSAs for Call2Recycle;
- Promotion of Call2Recycle's program as well as links to www.call2recycle.ca on the HouseSmart Referral Network website.







Media Alert - Photo/Video/Interview Opportunities

Call2Recycle Scores One for the Environment with Bobby Hull and Dale Hawerchuk

Event to Launch an All Household Battery Collection and Recycling Program in Manitoba

WINNIPEG, October 14, 2011 – <u>Call2Recycle</u>* launches all household battery collection and recycling program. Manitobans may now recycle any household battery at more than 300 collection locations across the province. Call2Recycle has collected more than 72,000 kilograms of rechargeable batteries in Manitoba since 1997, and the program was recently chosen as the Manitoba collection program for all household batteries – including alkaline – by Manitoba Conservation and Green Manitoba.

What: Launch of all household battery collection and recycling program in the province of Manitoba. Open to the public. Bring a

battery for recycling and be rewarded with an autograph from our ambassadors. One autograph per person. Photo

postcards provided. No other memorabilia allowed.

Who: Bobby Hull and Dale Hawerchuk, Hockey Legends and former Winnipeg Jets

Rod Black, Canadian Sportscaster

Joe Zenobio, Executive Director, Call2Recycle

Government Spokesperson

Where: 201 Portage Ave., Corner of Portage and Main, Winnipeg, Manitoba

When: Monday, October 17 at 12:00 noon (autograph signing till 1:30pm)

To find a battery drop-off location near you or to learn how your company or organization can participate in the Call2Recycle program, visit call2recycle.ca or call 1-888-224-9764.

About Call2Recycle

Call2Recycle is the only free battery and cell phone collection program in North America. Since 1994, Call2Recycle has diverted more than 25 million kilograms of rechargeable batteries from local landfills and established a network of 30,000 recycling drop-off locations. Advancing green business practices and environmental sustainability, Call2Recycle is the most active voice promoting ecosafe reclamation and recycling of batteries and cell phones. Call2Recycle is operated by the non-profit Rechargeable Battery Recycling Corporation (RBRC). Learn more at call2recycle.ca.

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CONTACT: Orysia Boytchuk Rachel Morgan

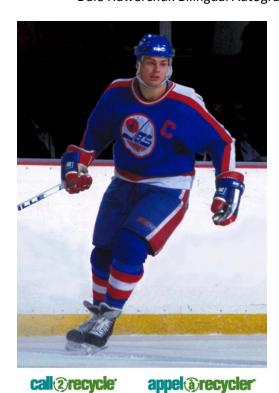
Call2Recycle Manitoba Government

647-966-1680 Media Contact

<u>oboytchuk@call2recycle.ca</u> <u>Rachel.Morgan@leg.gov.mb.ca</u>



Dale Hawerchuk Bilingual Autograph Postcard for All-Battery Event Launch



Bobby Hull and Dale Hawerchuk Promoting

SCORE ONE FOR OUR ENVIRONMENT. RECYCLE YOUR BATTERIES.

You can now recycle all household batteries and cell phones through Call2Recycle®. Drop off locations are available throughout Manitoba at participating retailers and community locations.

It's free and easy. Visit call2recycle.ca or call 1.888.224.9764 for more information or to find a drop off location near you.

call@recycle*.

lecharging the planet. Recycling your batteries."

MARQUEZ UN POINT POUR NOTRE PLANÈTE. RECYCLEZ VOS PILES.

Vous pouvez maintenant recycler toutes les piles domestiques et tous les téléphones cellulaires grâce à AppelàRecycler®. Vous trouverez des points de collecte partout au Manitoba chez les détaillants participants et dans les lieux communautaires.

Recyclez, c'est gratuit et facile! Pour obtenir de plus amples renseignements ou pour connaître les points de collecte près de chez vous, visitez le appelarecycler.ca ou téléphonez au 1.888.224.9764.

Rocharger to planishs. Recycler was plies. - appel@recycler*

Bobby Hull and Dale Hawerchuk Promoting

Manitoba All-Battery Launch on Breakfast Television

Manitoba All-Battery Launch on CTV





Manitoba All-Battery Official Launch





Former Jets recharge at battery recycle call

• Find a place to recycle your old batteries at call2recycle.ca



Don't know where to take your old batteries once they're done? Try the library.

Dale Hawerchuk and Bobby Hull stood in the whipping wind near Portage graphed photo from one of and Main yesterday to put the former Jets. a face to the province's Call2Recycle program.

The program, launched your batteries, earlier this year, features call2recycle.ca.

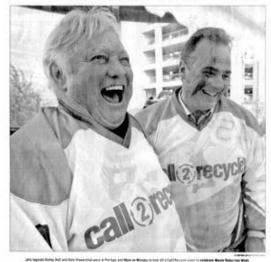
numerous recycling stations in various private and public buildings that allows people to dispose of their smaller household batteries and cellphones for free.

Anyone who brought an Former Winnipeg Jets old battery to be recycled to 201 Portage Avenue yesterday received an auto-

For more information or to find a place to recycle



Winnipeg Free Press



Chevy brokered No. 9 deal

Acted as go-between when Kane asked for Hull's digit





PREMIER OF MANITOBA

Legislative Building Winnipeg, Manitoba CANADA R3C 0V8

January 18, 2012

Joe Zenobio
Executive Director
Call2Recycle
4576 Younge Street, Suite 606
Toronto ON M2N 6N4

Dear Mr. Zenobio,

I am writing to thank you and all of the members of Call2Recycle for the thoughtful gift.

It was a pleasure to have had the opportunity to participate in the launch of Manitoba's All Battery Recycling Program this past October. Our government recognizes the importance of recycling programs and their benefit to the environment and communities alike.

Once again, thank you for your hospitality and the photos. I look forward to working with you in the future.

Sincerely

Greg Selinge

APPENDIX D: FINANCIAL AUDITORS REPORT

RECHARGEABLE BATTERY RECYCLING CORPORATION AND AFFILIATE

Condensed 2011 and 2010 Combined Financial Statements

Condensed Combined Statements of Financial Position Reported in U.S. Dollars

	2011					2010		
			(\$	'000)				(\$'000)
Years Ended December 31,	USA		Canada		Combined		Combined	
ASSETS:								
Cash and Cash Equivalents	\$	360	\$	20	\$	380	\$	476
Receivables, No Allowance Deemed Necessary		2,564		326		2,890		3,710
Due From (To) Affiliate		49		(49)		-		-
Prepaid expense and other assets		410		79		489		293
Long-term investments		21,640		959		21,640		20,540
Net property and equipment		349		1		350		402
Total Assets	_	25,372		377		25,749		25,421
LIABILITIES and NET ASSETS							1	
Accounts Payable and Accrued Expenses		785		278		1,063		1,404
Unearned revenue		7,085		0		7,085		7,258
Total liabilities	¥ -	7,870		278		8,148		8,662
Net assets								
Unrestricted net assets		17,502		165		17,667		16,777
Cumulative Translation Adjustment		(-)		(66)		(66)	_	(18)
Total net assets	(-	17,502		99		17,601	_	16,759
Total liabilities and net assets	\$_	25,372	\$	377	\$	25,749	\$	25,421

INDEPENDENT AUDITORS' REPORT

Board of Directors

Rechargeable Battery Recycling Corporation and Rechargeable Battery Recycling Corporation of Canada

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined statement of financial position of the Rechargeable Battery Recycling Corporation of Canada (non-profit organizations collectively referred to as "RBRC") as of December 31, 2011 and 2010, and the related statements of activities, changes in net assets, and cash flows for the years then ended (not presented herein); and in our report dated March 26, 2012, we expressed an unqualified opinion on those combined statements.

In our opinion, the information set forth in the accompanying condensed combined financial statements is fairly stated, in all material respects, in relation to the combined financial statements form which it has been derived.

Smith + Howard



March 26, 2012

RECHARGEABLE BATTERY RECYCLING CORPORATION AND AFFILIATE

Condensed 2011 and 2010 Combined Financial Statements

Condensed Combined Statements of Activities and Changes in Net Assets Reported in U.S. Dollars

		2011	2010		
	S-	(\$'000)		(\$'000)	
Years Ended December 31,	USA	Canada	Combined	Combined	
OPERATING ACTIVITIES:				1	
Revenue				1	
License fees	\$ 9,675	\$ 11	\$ 9,686	\$ 10,033	
All Battery Collection Program Fees	-	1,625	1,625	892	
Recovered Metals Proceeds, net	3,070	343	3,413	2,835	
Other	147	-	147	214	
Total Revenues	12,892	1,979	14,871	13,974	
Expenses:					
Program expenses					
Collection and recycling	6,307	2,273	8,580	7,363	
Public education	1,934	602	2,536	2,561	
Seal administration	282	-	282	306	
Total program avanage	0 500	0.075		10.220	
Total program expenses	8,523	2,875	11,398	10,230	
Management and general expenses	1,738	648	2,386	2,051	
Total Expenses	10,261	3,523	13,784	12,281	
Increase (decrease) in unrestricted					
net assets before non-operating activities	2,631	(1,544)	1,087	1,693	
NON-OPERATING ACTIVITIES:					
Intercompany fees	(1,592)	1,592	-		
Investment Income	(197)	1.00	(197)	2,169	
	() ************************************		W. Colored	JO 80000000	
Increase (decrease) in unrestricted net assets	842	48	890	3,862	
Unrestricted net assets, beginning of year	16,660	99	16,759	12,909	
Translation adjustment	0	(48)	(48)	(12)	
Unrestricted net assets, end of year	\$ 17,502	\$ 99	\$ 17,601	\$ 16,759	