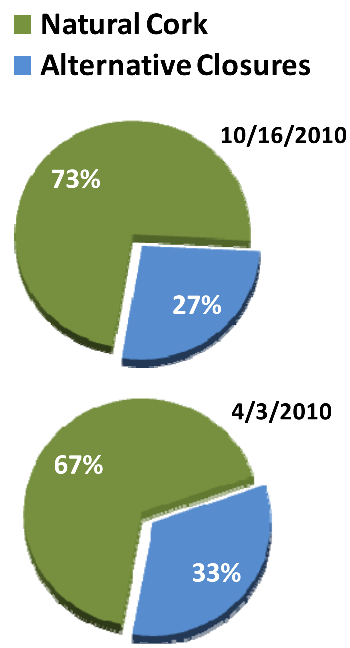
# Sales Comparison of Wine Brands by Closure Type (Year ending 10/16/10)

The Cork Quality Council has conducted several surveys of wine sales by closure type. Data for this update was provided from wine sales reported by A.C. Nielsen during the 52-week period ending October 16, 2010. This study is focused on premium domestic table wine, which for this purpose, is defined as wines packaged in 750ml bottles priced at $6 and up.

## Sales Performance Last 52 Weeks

| Top Selling Domestic Premium Brands (750ml) | Natural Cork | Alternative Closure | Difference |
|---|---|---|---|
| Number of Brands | 73 | 27 | 46 |
| Annual Volume Growth | 9.9% | 3.6% | 6.3% |
| Average Bottle Price | $10.45 | $9.40 | $1.05 |

Nielsen Premium Wine Scan - 750ml Bottles for Brands with Avg Price over $6.00 - Period ending 10/16/10



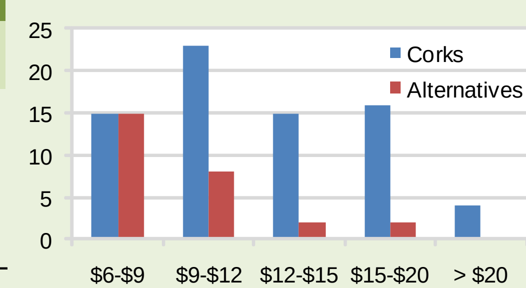

During the current period, this study of Top 100 Brands shows that 73 were cork finished. This is an increase of six brands over the past 6 months. The cork finished brands show a 9.9% volume increase over the same period ending in 2009. This compares to a 3.6% increase for brands finished with alternative closures. The cork finished brands enjoyed a pricing advantage of $1.05 per bottle over brands finished with alternative closures.

### Distribution by Price Category

Pricing categories of $6-$9, $9-$12, $12-$15, $15-$20 and >$20 were used to measure the distribution of closure types. Cork was relatively evenly distributed, while more than half of the brands with alternative closures were in the $6-$9 group. None of the Top 100 Brands were primarily finished with alternative closures.

## Number of Brands

| Price Category | Cork Closures | Alternative Closure | Total |
|---|---|---|---|
| $6-$9 | 15 | 15 | 30 |
| $9-$12 | 23 | 8 | 31 |
| $12-$15 | 15 | 2 | 17 |
| $15-$20 | 16 | 2 | 18 |
| > $20 | 4 | none | 4 |
| **Total** | **73** | **27** | **100** |



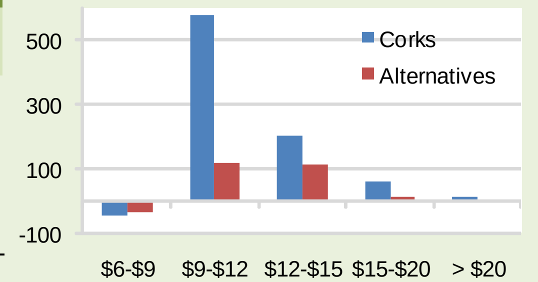

Based on Nielsen Premium Wine Scan - 750ml Bottles for Brands with Avg Price over $6.00 - 52 week Period ending 10/16/10

### Sales by Price Category

Comparison of case sales shows that cork finished brands gained 802,186 cases over year ago (+9.9%) The greatest increase occurred in the $9-$12 category where cork brands registered an increase of over 577K cases. Brands with alternative closures increased by 204,905 cases (+3.6%). The weakest price point is the $6-$9 category, where volume declined by more than 84K cases.

## Annual Case Volume Growth

| Price Catagory | Natural Cork | Alternative Closure | Total |
|---|---|---|---|
| $6-$9 | -47,557 | -36,892 | -84,449 |
| $9-$12 | 577,217 | 117,422 | 694,639 |
| $12-$15 | 200,441 | 112,481 | 312,922 |
| $15-$20 | 58,616 | 11,894 | 70,510 |
| > $20 | 13,470 | none | 13,470 |
| **Total** | **802,186** | **204,905** | **1,007,092** |

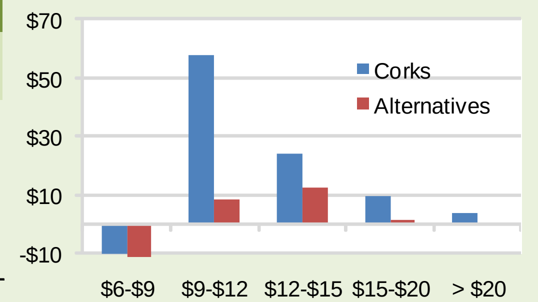



Based on Nielsen Premium Wine Scan - 750ml Bottles for Brands with Avg Price over $6.00 - 52 week Period ending 10/16/10

A comparison of sales revenue shows the overwhelming majority (88%) of annual growth came from brands finished with cork. The largest increase is seen in the $9-$12 category—where cork finished brands generated annual growth of $58 million. Of the Top 100 Brands, those finished in cork posted a total sales growth of $85millon. Brands with alternative closures had growth 13% of that number.

## Annual Revenue Growth (000)

| Price Catagory | Natural Cork | Alternative Closure | Total |
|---|---|---|---|
| $6-$9 | -$10,354 | -$11,391 | -$21,745 |
| $9-$12 | $57,575 | $8,594 | $66,170 |
| $12-$15 | $24,327 | $12,270 | $36,596 |
| $15-$20 | $9,756 | $1,644 | $11,400 |
| > $20 | $3,921 | $0.00 | $3,921 |
| **Total** | **$85,226** | **$11,117** | **$96,343** |

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Nielsen data reflects retail pricing net of discounts, so this comparison does not necessarily translate to revenue received by the winery. Scanned data comes primarily from supermarkets and does not reflect on-premise sales or movement from independent wine shops.

Results indicate that the number of top brands using cork closures is growing, and that brands finished with cork have enjoyed more robust sales growth than brands finished with alternatives closures.

*The Cork Quality Council is a non-profit group organized to improve quality assurance programs for its membership. The group is comprised of Amorim Cork America, Cork Supply USA, Ganau America, Juvenal Direct, Lafitte Cork & Capsule, M.A.Silva Corks USA, Portocork and Scott Laboratories.*