



Cork Finished Wines Continue to Increase their Share of Premium Wine Sales

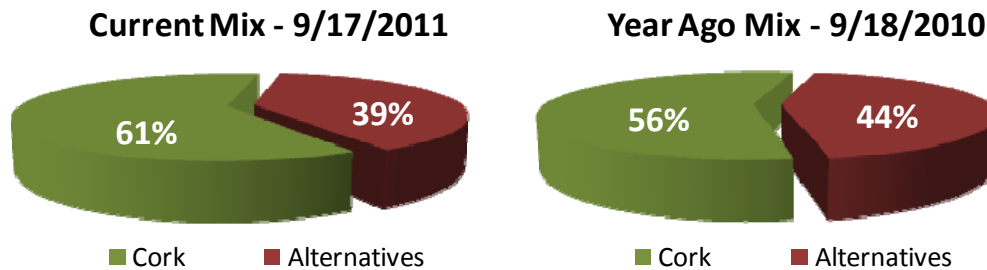
It has been eighteen months since the Cork Quality Council began tracking sales by closure type for the Top 100 Domestic Premium Wine Brands. This category consists of domestic Table Wine Brands with an average retail price over \$6 per bottle. The comparison of sales performance within this groups has revealed a consistent pattern of increased volume and revenue for wines finished in with cork closures.

The most current Nielsen Survey for the four-week period ending September 17, 2011 shows that sales from the Top 100 Premium Brands posted a slight decline (-0.9%) from 2010. Within this category, sales from wines with cork finish were up 7.7%. Wines using alternative closures posted sales -11.9% below last year's performance.

Case Sales

4 Weeks Ending	9/17/2011	9/18/2010	Change
Cork Closures	689,252	639,923	7.7%
Alternatives	444,848	504,992	-11.9%
Total Top 100	1,134,100	1,144,915	-0.9%

The net effect of sales activity has brought a change in business mix for the Top 100 Premium Wine Brands—from 56% cork in 2010 to 61% in this most current period.



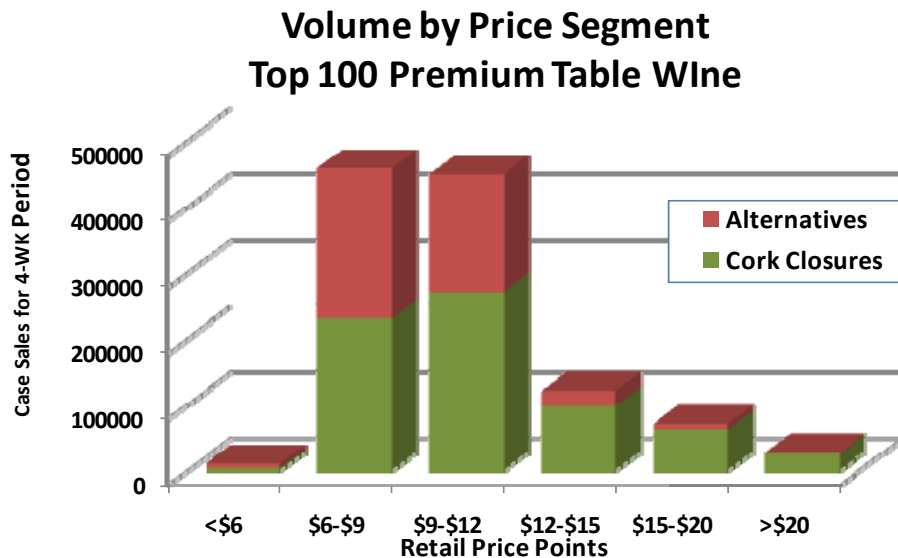
Though cork finished wines have a slightly higher “same-brand” sales growth than wines with alternative closures, the most important reason for the shift in favor of cork closures is due to changes in product mix. The number of SKU’s in the Top 100 Brands show a 5.5% increase for those finished with cork and a -15.4% decline for items finished with alternative closures.

SKU Count

4 Weeks Ending	9/17/2011	9/18/2010	Change
Cork Closures	668	633	5.5%
Alternatives	269	318	-15.4%
Total Top 100	937	951	-1.5%

Sales by Price Category

The majority of the Top 100 Premium Brand sales occupied price points from \$6-\$12. Alternative closures were best represented in the lower tiers, with cork closures dominating price points over \$12. In the comparison to the same four-week period last year, Cork closures improved from 44% to 50% of the \$6-\$9 category. Sales of wines with cork closures increased from 58% to 60% of the \$9-\$12 price range.



Methodology

Data for this update is provided from wine sales reported by A.C. Nielsen during the 4-week period ending September 17, 2011. 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. 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 movements from independent wine shops. Closure type assignments are made by Vinostat on behalf of the Cork Quality Council.

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.