



Discover the World

August 6, 2009

To: All Trade Associations

Re: New Wines Sales Targets - Net Sales Calculation

I am writing to you to clarify the Net Sales Calculation. In my recent letter to you dated July 22, 2009, I stated that the new sales targets are calculated in annual net sales dollars. What follows is a detailed explanation of how to calculate net retail and subsequently net sales.

Net Sales = (retail price minus bottle deposit) divided by 1.17 (back out GST and PST) multiplied by case volume multiplied by pack size

Example: For a product with a retail price of \$9.95

- \$9.95 retail - deposit (0.20 for 750ml) = \$9.75
- \$9.75 / 1.17 (PST & GST tax) = \$8.33 (basic price)
- Basic price \$8.33 per unit X case volume X units per case = net dollar sales target

Should you have any questions regarding this calculation, please contact me directly.

Sincerely,

Kathy Cannon
Business Unit Director, Wines