

LCBO

let's get together.

April 15, 2015

To: All Trade Councils

Re: 2015/16 Sales Targets for LCBO Wines, Spirits & Beer

Dear Trade Partners,

Congratulations on another successful year of beverage alcohol sales in Ontario and thank you for your partnership.

With the goal in mind of continuing to meet the LCBO's sales objectives and strategic initiatives, we have prepared the 2015/16 sales targets for products sold in our stores. To ensure your product remains in good standing at the LCBO, we continue to require that your product(s) meet or exceed these targets. Attached are the sales targets by product grouping.

As in previous years, sales targets are designed to protect 90-95% of the net sales and are based on Rolling 13 Periods of net sales dollars or litres for beers.

The criteria used to determine sales targets remain unchanged from last year for Spirits, Beer, VQA Ontario wines and New World wines. Please note the changes/updates in the following categories:

Changes to International Canadian Blends (ICB) Targets

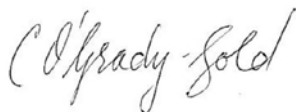
Due to the large-format size dominance within this category and to more accurately reflect actual sales within the various size formats, ICB sales targets have been updated. Targets for each size format – 750mL, 1000-1500mL, and 3-4000mL – are now specified.

Changes to European wines price bands from 2014/15

Category management changed the price banding used to create 2014/15 sales targets and for that reason the targets from last year are not included on this year document as they are no longer comparable.

We look forward to working with you in 2015/16 to offer our customers a world-class assortment that delivers great sales results. Questions should be directed to the applicable Category Manager.

Best regards,



Carolyn O'Grady-Gold
Director, LCBO Wines



Chris Robertson
Director, Spirits & Beer