

Grow Your Business with Vintages



Welcome To Vintages!

Vintages is the fine wine and premium spirits business unit within the LCBO (Liquor Control Board of Ontario). We take great pride in purchasing, marketing and retailing an ever-changing assortment of the world's finest premium wines and spirits across all price points.

This booklet will introduce you to the range of opportunities provided by partnering with Vintages, outline many of our principal procedures and systems, and provide an overview of our stores, retail channels, programs, events and direct offers.

More detailed information on all of these is available at **doingbusinesswithlcbo.com**.

We look forward to working with you to bring our customers the very best that the world of fine wine and spirits has to offer.



Kathy Cannon
Director, Vintages, LCBO

Trade Resources Online

www.doingbusinesswithlcbo.com



All suppliers and agents should be familiar with the LCBO trade website: **doingbusinesswithlcbo.com**.

This is a comprehensive and valuable resource that will assist you with questions surrounding:

- product tenders
- sales channels
- product requirements
- release themes
- programs and fees
- sales reports (found at: **lcbosod.com**)
- packaging standards
- quality assurance standards

Vintages Mission

Vintages is the boutique side of the LCBO, a purveyor of unique, high-quality, limited-availability wines. We're passionate about wine and want our customers to be too, so we search the world to bring in a curated selection of what we consider to be the best that's out there – everything from famous icons crafted in top regions, to little gems found off the beaten path.



Retail Programs

Retail Release

This represents the core of our business in Vintages. Every two weeks, 120+ new, limited-quantity products are released into our retail network, supported by our Vintages Retail Release catalogue, which is available free to customers in both print and online versions.

The Retail Release catalogue includes in-house photography of each product released, accompanied by either a tasting note from our own expert panel or a review from a credible third-party source, such as *Wine Advocate* or *Wine Spectator*. Each Retail Release catalogue also includes feature articles that focus on topics like countries, regions, varietals, producers and wine styles, to educate and encourage customers to explore beyond their usual preferences.

Retail Release products are tasted by our in-store Product Consultants so that they can speak from personal experience when assisting customers in making their selections. The wines are also tasted by members of the local wine media.

Essentials Collection

The Essentials Collection is a limited and carefully curated portfolio of 130 of our customers' favourite products that have consistently demonstrated great quality-to-price ratio and success in our market. These products are continuously available in select retail locations. There is an expectation that products that qualify for the Essentials Collection will be supported in market with an annual promotional spend to ensure they achieve maximum potential and exceed the annual sales target. Sales performance of Essentials products is reviewed against their targets on a regular basis, and the portfolio is refreshed annually.

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THE VINTAGES
STORY



Retail Programs continued

Wines of the Month

The Wines of the Month (WOM) program profiles two products – recognized as the buyers' two favourites – every four weeks. These products are specially photographed and receive prominent placement on the inside front cover of the Retail Release catalogue. The products are presented alongside an in-house tasting note or, when available, a third-party review and score. There is a fee associated with this program, as well as a substantial case-volume purchase.

Arrive in Style

The Arrive in Style program appears on the inside back cover of every Retail Release catalogue. This program highlights a single product in each release that has been selected as being an ideal solution for customers' entertainment or gift-giving needs. The Arrive in Style selection is specially photographed and accompanied by an informal product note and, where possible, a third-party accolade. There is a fee associated with this program, as well as a substantial case-volume purchase.

wines of the month

Hearty reds for winter evenings

**LANDER-JENKINS
CABERNET SAUVIGNON 2014**

California
161398 (D) 750 mL \$18.95 ✓

Word to the wise: This wine is certified by California Sustainable Winegrowing for eco-friendly practices, including the installation of “owl boxes” around the vineyards to encourage owls – and other raptors – to act as natural deterrents to grape-eating critters. Look for dark, slightly spicy fruit flavours with blackcurrant at the fore. Pair with grilled steaks or mutton burgers.

Medium-bodied & Fruity

**GÉRARD BERTRAND
GRAND TERROIR TAUTAVEL
GRENACHE/SYRAH/CARIGNAN
2013**

AC Côtes Du Roussillon-Villages,
Midi, France
272575 (D) 750 mL \$18.95 ✓

TASTING NOTE: This has a polished texture, with concentrated flavors of cherry tart, ganache and blackberry preserves. Fresh acidity keeps this focused, with a lingering floral, graphite and licorice infused finish. Drink now through 2020. Smart Buys. Score: **91** (Kim Marcus, winespectator.com, Aug. 31, 2015)

Full-bodied & Smooth



Retail Programs continued

The \$17 Solution

The \$17 Solution wines are promoted six times per year in both the Vintages Retail Release catalogue and the LCBO's *Food & Drink* magazine. These are wines that have been specially selected and negotiated by our buyers to over-deliver at the \$17 price point. This program is designed to encourage customers to try something new and instill confidence in the value and quality offered by specific brands available in Vintages.

Local Find

Local Find is a monthly Ontario-centric program that highlights a single product endorsed by the Product Manager for Ontario wines. It is specially photographed and profiled on a full page in the Retail Release catalogue and through in-store signage.

Wines to Watch

The Wines to Watch program is an Ontario wine initiative focused on one-time purchases of limited-availability wines priced between \$13.95 and \$19.95. These wines are made available exclusively to 60 designated stores for a six-month turn only, and offer our customers a broader assortment of superb Ontario wines. Our objective is to entice customers to try something new – while quantities last – and to continue to build and reinforce their quality experience with Ontario wines.

THE \$17 SOLUTION

Remove the guesswork from your entertaining equation with these great-value wines handpicked by our experts for their quality and character.

Testament to Good Taste

Winner of multiple awards, this rich Cab with dark fruit, cherry and chocolate notes comes from an Aussie winery whose motto is "the truth is in the vineyard but the proof is in the glass." Sip it with charcuterie, and see for yourself.

SISTER'S RUN OLD TESTAMENT
CABERNET SAUVIGNON 2014
Coonawarra, South Australia

478271 (XD) 750 mL ✓
Full-bodied & Smooth

Just \$17

History Lesson

Made by fourth-generation producers who believe tradition goes hand in hand with innovation (their practice of eschewing herbicides and synthetic fertilizers speaks to both), this silky wine with ripe fruit flavours is perfect with beef or pork tacos.

LUIS CAÑAS CRIANZA 2014
DOCa Rioja, Spain

336719 (XD) 750 mL ✓
Full-bodied & Smooth

91 points
(robertparker.com)

Just \$17



VINTAGES

UNCORK SOMETHING GREAT

vintages.com/17

Featured products may not be available in all Vintages locations. Visit vintages.com for availability and store locations. Prices subject to change.

Product Consultants

Our resident experts, Product Consultants are highly trained in product knowledge and customer service. They are a dedicated, in-store resource for the Vintages portfolio – they're there to personally recommend your products to customers, serve as a reference guide, offer food-matching recommendations and show off our newest releases. Many Product Consultants have loyal followings and are depended upon by customers in their communities.

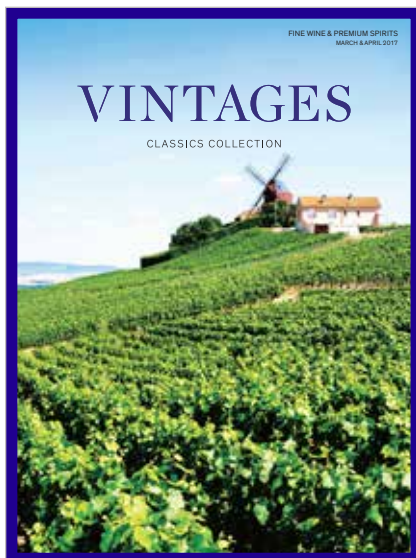
Planning to visit Ontario? Suppliers have the opportunity to conduct educational sessions with Product Consultants during one of their monthly Release Tasting Development Days through the Knowledge Resources Group. Agents may make these arrangements on the supplier's behalf by forwarding a proposal to krgsuppliermeetings@lcbo.com.



Online Programs

Classics Collection

The Classics Collection is a monthly selection of wines and spirits from the world's most prestigious, sought-after estates and producers, offered to us in limited allocations. The collection is available for purchase online or by phone on a first-come, first-served basis and is supported by a bi-monthly catalogue (print and online) featuring two collections at a time.



Bordeaux Futures

The Bordeaux Futures program has been offered annually since the 1989 vintage. Vintages has fostered strong relationships with major Bordeaux négociants and producers that allow us to secure a comprehensive en primeur assortment, particularly in high-demand vintages when competition is at its fiercest. Each year Vintages offers customers a broad selection of the finest cru classé wines, including First Growths and such Right Bank luminaries as Pétrus, Cheval Blanc and Ausone, that are sold to customers two years in advance of the wines' release.

Direct Offers

Throughout the year, Vintages partners with suppliers to offer small lots, rare and older vintages, and large formats to our customers, often direct from the producers' cellars. As these offers typically have greater demand than supply, products are allocated and the quantity per customer is limited.

Vintages Events

Vintages events play an integral part in developing customer relationships and building our brand. Our world-class events offer customers an opportunity to taste and purchase a wide variety of wines and meet some of the world's greatest winemakers.

We host intimate structured tastings and dinners with such luminaries as Philippe Guigal, Aurelio Montes and Chuck Wagner. In 2016 we were joined by Chateau Montelena's Bo Barrett for a tasting and dinner to celebrate the 40th anniversary of the Judgment of Paris, in what was the only commemorative tasting event held anywhere in the world to mark the occasion with the renowned winemaker.

We also present walk-around, taste-and-buy events of 400+ guests, such as our annual Union des Grands Crus de Bordeaux event featuring the best of the previous vintage.



In-store Presence

Vintages merchandising standards create consistency in the customer's shopping experience throughout our retail network. As a supplier, you can feel confident that your product will be merchandised appropriately and effectively to achieve maximum sales potential.

Product displays are designed to give eye-level placement to the newest releases, with our continuous Essentials products just above and previously released products just below. Our on-shelf signage provides key product information to help our customers make informed decisions. We also use enhanced on-shelf signage to highlight new releases, great scores, Product Consultant picks, programs and more.

Of over 660 LCBO retail locations, around 350 have a designated Vintages section. This is dedicated in-store real-estate for the Vintages brand and its portfolio of products. Vintages sections range in size depending on store format, with the 11 largest locations identified as 'flagship stores', where customers will find our largest assortments, and great extras like tasting bars for sampling.

Products from each front-line release program are centrally allocated from our distribution centres into 285 retail locations, helping us get the right products in the right stores at the right time.



New Arrivals

Cathedral Cellar Triptych 2013

This wine is built around Cabernet Sauvignon and Shiraz, with splashes of other Bordeaux grapes rounding out the blend. It's made in a fruit-forward style. Pair with braised or roasted red meats, or charcuterie and cheeses.

WJ Western Cape, South Africa
Full-bodied & Smooth
53124 (XD - 6 g/L) 750 mL ✓
RELEASE DATE: 10-DEC-16

\$16.95

Price subject to change without notice. While supplies last.

Essentials Collection

Flat Rock Pinot Noir

VQA Niagara Escarpment, Ontario
Medium-bodied & Fruity
1545 (XD - 5 g/L) 750 mL ✓

\$20.20



Aromas and flavours of raspberry, beetroot, smoked meat and spice. Pair with: Veal.

Price subject to change without notice. While supplies last.



Great Gifts

Write up to come. This is for position only. Write up to come. This is for position only.



of the month

NEW

RAVE REVIEW
NATLIE MACLEAN
93

wine of the month

PRICE PER BOTTLE
\$22.99

Vintages Latest e-newsletter

Vintages customers get connected through our Vintages Latest email bulletins. Our 50,000 subscribers are the first to receive notice of special events, new releases and exclusive rare, large-format and older-vintage offers.

Customers can subscribe to Vintages Latest by visiting lcbconnect.com.



Licensee Program

Through our dedicated Licensee Program, Vintages develops relationships with key licensee accounts, facilitating orders by request and proactively suggesting products from our Retail Programs, Classics Collection and special offers, based upon the client's menu and historical buying pattern. Vintages offers suppliers the opportunity to partner on product tastings with licensees to help achieve listings in restaurants, and collaborates with suppliers to develop and promote a "licensee only" portfolio of product.

To learn more, visit the Vintages Programs section of doingbusinesswithlco.com.



Vintages Purchasing Process

Our unique purchasing process has evolved in concert with our commitment to both release a limited quantity of 120+ new products and present educational feature articles every two weeks. This commitment requires that our buyers purchase products well in advance of planned and scheduled themes.

Complete guidelines for Vintages submissions can be found at doingbusinesswithlcbo.com.

Preliminary Selection

Vintages issues a Needs Letter to the trade twice per year, outlining the types of products the buyers wish to purchase in the coming months. The letter and associated requirements and deadlines can be found in PDF format at doingbusinesswithlcbo.com.

New Item Submission System (NISS)

All applications for product purchase consideration are made online through the LCBO's New Item Submission System (NISS). NISS is an easy-to-use, web-based tool that allows agents and suppliers to:

- View LCBO Product Needs online.
- Submit products for review.
- Track the process of a product submission online.

Other Product Selection Opportunities

- Direct Offers: These online offers require pre-approval by a Category Manager and may be considered for products with proven success in the market or high third-party scores.
- Allocations: Vintages negotiates for larger allocations of established products with high global demand.
- Proactive Purchasing: Vintages seeks out new and interesting products from quality-minded producers through trade shows and travel.

Notice to Purchase

Vintages issues a Notice to Purchase (NTP) six weeks after a product has been accepted in our NISS system and all necessary paperwork has been received by the LCBO. The NTP is sent to your agent and includes details regarding the release date of the products and the quantity to be ordered. Purchase orders are issued in relation to the shipping times required to meet the specified release date. For this reason, some time may pass between the NTP and the issuing of the PO. Our expectation is that suppliers hold the quantity and vintage year specified on the NTP until the indicated release date.

Details of the NTP and PO process at Vintages can be provided by your agent.

Agent Representation

Sales Performance Targets

Vintages buyers' expectation is that a product will achieve a minimum of 75% sell-through two months post-release. Failure to do so may result in a 20% rebate being imposed on remaining inventories. Agents and suppliers can monitor sales for individual products through the LCBO's Sale of Data website: lcbosod.com.

Payment Inquiries

Our standard payment term is 90 days upon receipt of product in our warehouse. Payment inquiries should be directed to our Finance Division at 416-365-5723 or accounts.payable@lcbo.com.

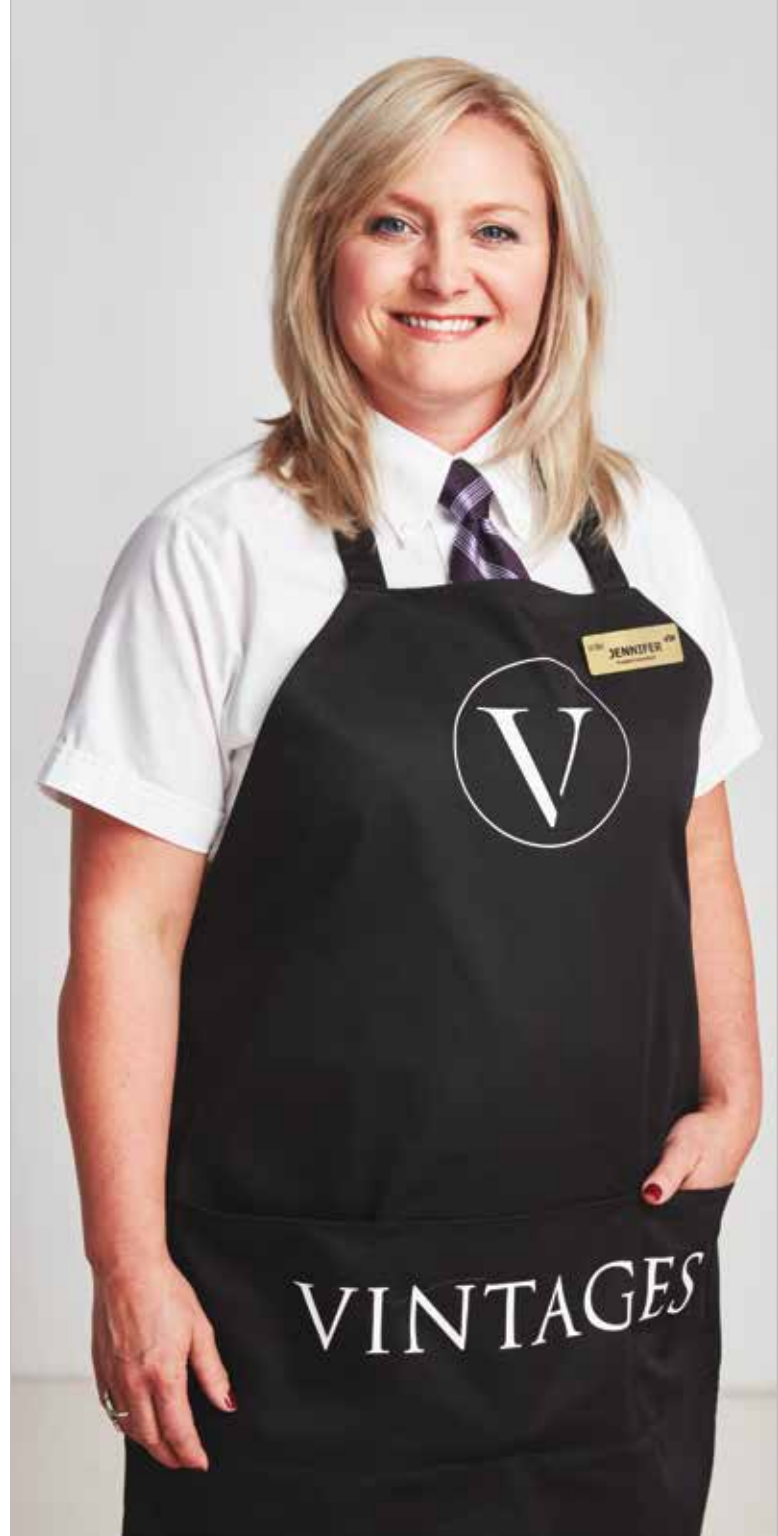
Re-orders

Once a product has sold out, it is generally not re-ordered, as the Vintages model is to offer a constantly changing assortment of products.

To partner with Vintages, suppliers are required to first obtain an agent in Ontario. To acquire an agent, please visit the Drinks Ontario website at drinksontario.com. For more detailed information regarding the role of your agent, please visit the New Supplier/Agent section at doingbusinesswithlcbo.com, and view the "How to Work with LCBO" document.

Vintages by the Numbers

- Vintages' total sales reached \$539 million in 2016, representing 9.1% of total LCBO sales
- Retail Release catalogue distribution: 48,000+ mail subscribers; 21,500 copies available in stores every two weeks
- Retail Release Program: \$250 million or 46.38% of Vintages' total sales in 2016, an increase of 4.74% over the previous year
- Vintages Essentials Program: \$106 million or 31.9% of Vintages' total sales in 2016, an increase of 16.52% over the previous year
- Bordeaux Futures, total annual sales for the Classics Collection, and other direct programs for fiscal 2016-17 represented 5.09% of total Vintages sales, or \$27.4 million
- Vintages Latest email bulletins: 50,000 subscribers and growing
- Product Consultants: 275+ in LCBO retail stores in 2017



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