

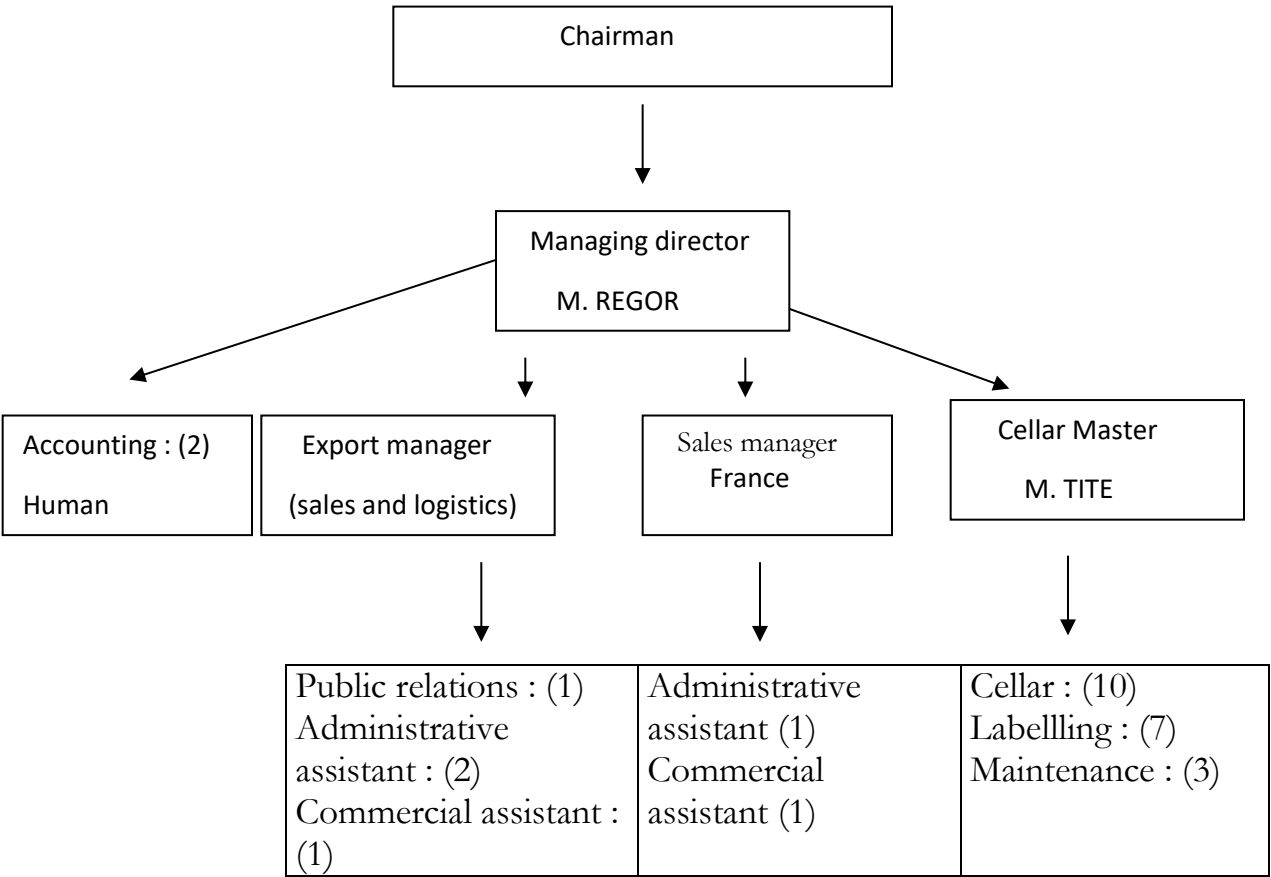
STORY DETAILS

A CHAMPAGNE COMPANY

A C C Company is a champagne merchant, one of the main leaders on English-spoken markets. The company is family owned and offers an average production of 2 million bottles per year. Two thirds of champagne sales take place in the end-of-year holiday period.

The headquarters are situated in the heart of the French champagne region, in Epernay (about 135 km. East of Paris). The company owns a vineyard of 85 hectares and employs 60 people.

The organisation of the company is as follows



Export sales represent 70% of the total turnover, spread over 70 countries splitted as

United Kingdom 15 %
Belgium 5%
Denmark 5%
Germany 10%
The Netherlands 5%
Japan 10%
The U.S. 15%

New Zealand is among the ten leading markets with about 14000 bottles shipped annually.

ACC is the 6th largest champagne company on the New Zealander market. This is quite acceptable considering the size of the company.

ALL WINES CO. :

SOLE AGENT IN NEW-ZEALAND

All Wines Co. is the sole agent of ACC for New-Zealand. ACC is not really pleased with AW although this company holds a significant place on the market and no alternative seems convenient. It is one of the main leaders distributing spirits in the country.

You, as export manager, are under the feeling that the retail price is too low compared with other champagne brands in competition with your own brand on significant champagne markets. This information was checked during your last commercial trip. In your opinion, the brand image is declining.

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A DRASTIC CHANGE TO COME

Mr Soccer is a great supporter of ACC in New Zealand and has the same feeling as ACC about AW. Mr Soccer is a wine journalist and entertains a close relationship with you. This is the reason why you never miss to meet him when travelling to New Zealand.

During your last trip, he mentioned rumours saying that AW is expected to stop their wine activity in the next few months. Bill Colson (brand manager for

AW), told you at the same time that he will set up a new company importing and distributing wines with people from AW and, by the way, confirms the truthfulness of the information.

AW wants to succeed this important change in its strategy in order to keep a reputation of reliability. As a matter of fact AW had a very successful end of year as far as sales are concerned. As export manager you were even obliged to limit their orders request to meet with expectations of other ACC markets. Mr Soccer has just called to warn you that AW will definitively stop its activity in the next 3 months. He is also delighted to tell you that General Wines Agency (GWA) which just lost the distribution of Champagne Charles (part of a big group which owns Cognac spirits), has decided to satisfy their customers with another brand. They know ACC is aware of the situation and wish to get in touch with ACC.

**F.C.A. Epernay Price-list granted by ACC to ALL WINES CO.
(in Euros)**

ACC product	Bottle 75cl	Magnum 1.5l	Jeroboam 3 l	Methuselah 6 l
Dry Special	€ 10	NA	NA	NA
Brut	€ 11	€ 23	€ 50	€ 110
Vintage	€ 12	€ 25	€ 54	€ 120
Blancs de Blancs vintage	€ 14	€ 30	NA	NA
Rosé vintage	€ 14	NA	NA	NA
Top Cuvée	€ 20	€ 45	€ 100	NA

(NA : Not Available)

ACC	
Product cuvees volume	
Dry Special 400 000 bottles	Blend of Crus Pinot Noir, Meunier and Chardonnay. Aging of 24 months
Brut 1 000 000 bottles	Same blend but longer aging
Vintage 100 000 bottles	Blend of Pinot Noir and Chardonnay exclusively. The Vintage has been appointed by Her Majesty The Queen Aging of 5 years
Blancs de Blancs vintage 200 000 bottles	Blend of Chardonnay, aging of 36 months
Rosé vintage 300 000 bottles	Blend of Pinot Noir and Meunier including 10% of the wine vinified in red
Top Cuvée 50 000 bottles	Blend of the 3 grapes on an exclusive Clos, aging of 6 years

Miscellaneous Information

- Terms of sale : FCA Epernay
- Allowances (*granted to the importer*)
 - One case free for 20 cases of Brut ordered
- Marketing budget 3 NZ\$ per case of 12 bottles shipped
- 1 NZ\$=0.50 €
- advertising items allocation : 3% of order value
(*shipped with each order*)

Case weights and dimensions

Packaging (per case)	Conte nt <i>Liters</i>	Lengt h <i>Meters</i>	Widt h <i>Meters</i>	Heig ht <i>Meters</i>	Volu me <i>CBM</i>	Net weigh t <i>Kg</i>	Gross weigh t <i>Kg</i>
12 bottles	9	0.500	0.340	0.190	0.033	19.50	20.00
6 bottles	4.5	0.338	0.246	0.182	0.017	9.750	10.00
6 magnums	9	0.425	0.330	0.260	0.036	20.00	21.50
1 jeroboam	3	0.530	0.190	0.190	0.019	5.00	7.00
1 mathusalah	6	0.690	0.215	0.215	0.032	10.25	11.00

SALES & PERFORMANCE

Pricing

Recommended pricing for the New Zealand market is as follows :

Product ACC	Bottle 75cl FOB in €	NZ Trade Price (wholesale) in NZD	Gener al Retail in NZD	Promotional Retail in NZD
Dry Special	€ 15.50	\$ 52.50	\$ 69.95	\$ 64.95
Brut	€ 15.50	\$ 52.50	\$ 69.95	\$ 64.95
Vintage	€ 19.00	\$ 64.50	\$ 84.95	N/A
Blancs de Blancs vintage	€ 23.70	\$ 77.50	\$ 99.95	N/A
Rosé vintage	€ 20.70	\$ 68.25	\$ 89.95	N/A
Top Cuvée	€ 47.70	\$ 149.50	\$ 210.00	N/A

ACC is able to offer value for money as the brand sits under NZD 70 at retail, yet is of excellent quality. For on-premise, we can promote ACC as the ‘house’ champagne for the Brut, which will encourage listings for the full portfolio.

Sales forecast

We believe ACC is currently selling approximately 1200 cases on the New Zealand market. GWA would forecast maintaining those sales in the first year of managing the brand , but would deliver considerable growth in the second year on. The price increase will have some bearing on sales

Year	9 liter case sales (12 bottles)	% increase YOY	% increase vs previous year sales
1	1400	16%	16%
2	1800	28%	50%
3	2100	16%	75%
4	2500	19%	108%

We would not cap the potential volumes based on our considerable success with Champagne Charles, as well as the strong brand proposition ACC offers (please note market conditions/pricing would influence volumes).

OUR CUSTOMER

Buyer and 2nd largest producer of Sekt in Germany,

GLOBAL SPIRITS
Niederdorf Strasse 80
8001 München
Germany

Delivery address,
GWA - GLENGARRY – 139 Ponsonby Rd, New Zealand

We have to prepare a first meeting with at our premises.

- 1) AW
- 2) Global Spirits
- 3) GWA

TO DISCUSS WITH YOUR POSSIBLE NEW IMPORTER