

**Wine
Australia
providing
insights
on
Australian
Wine**

US Market Update

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Wine Australia

Presentation outline

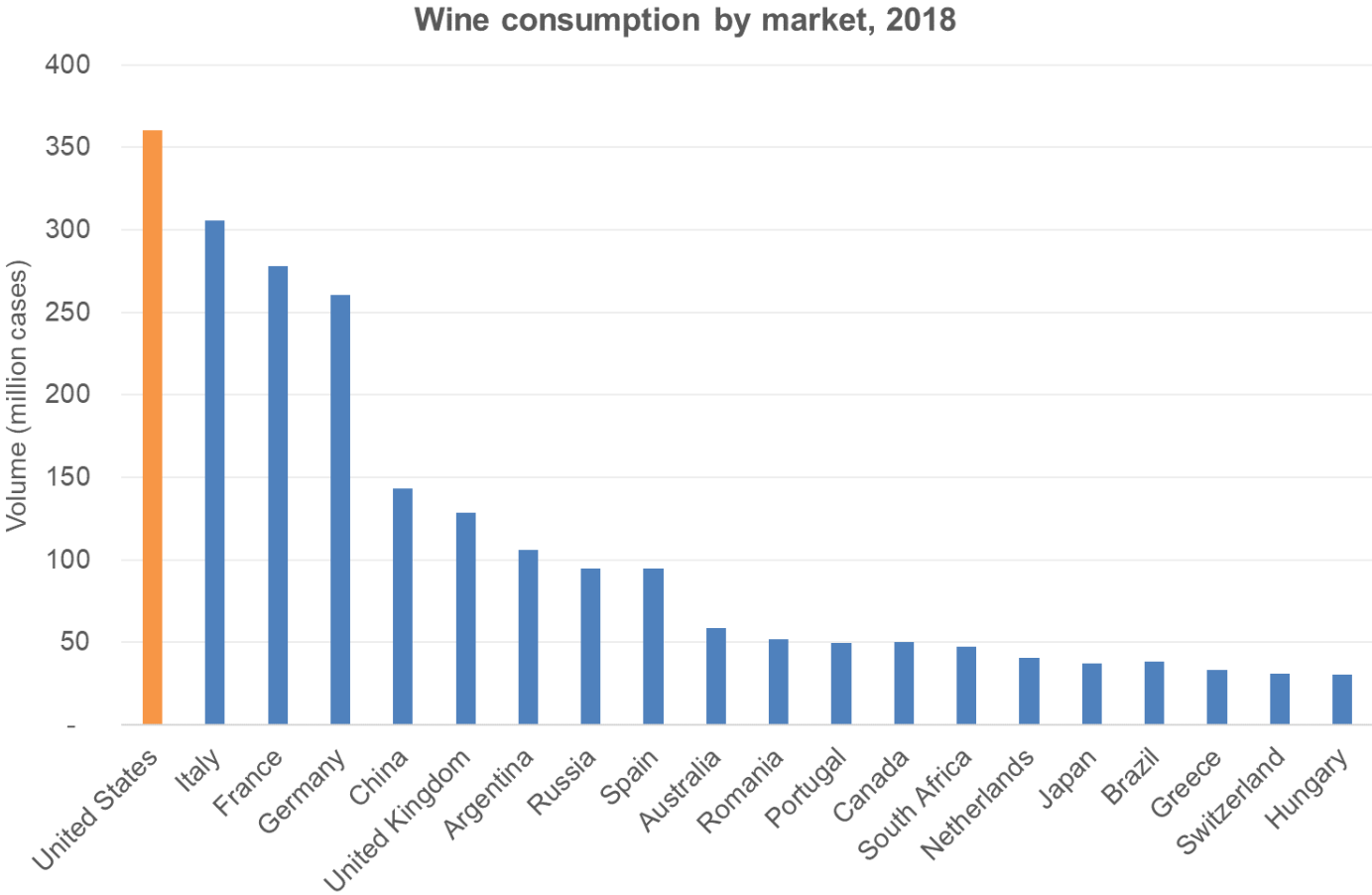
US market breakdown

- Consumption over time
- Demographics
- Price points
- Variety

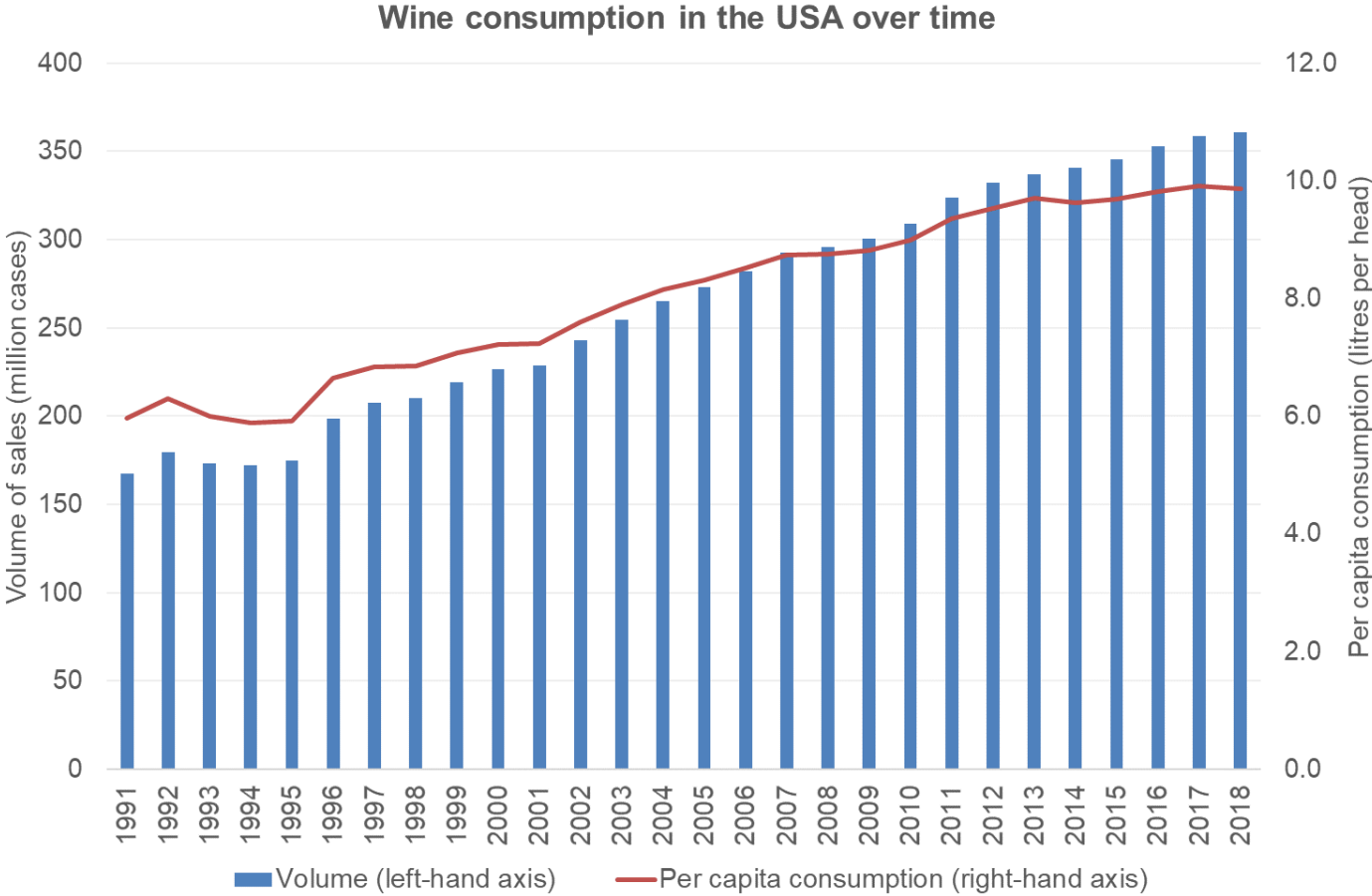
Australia's current position

The opportunities for Australian wine

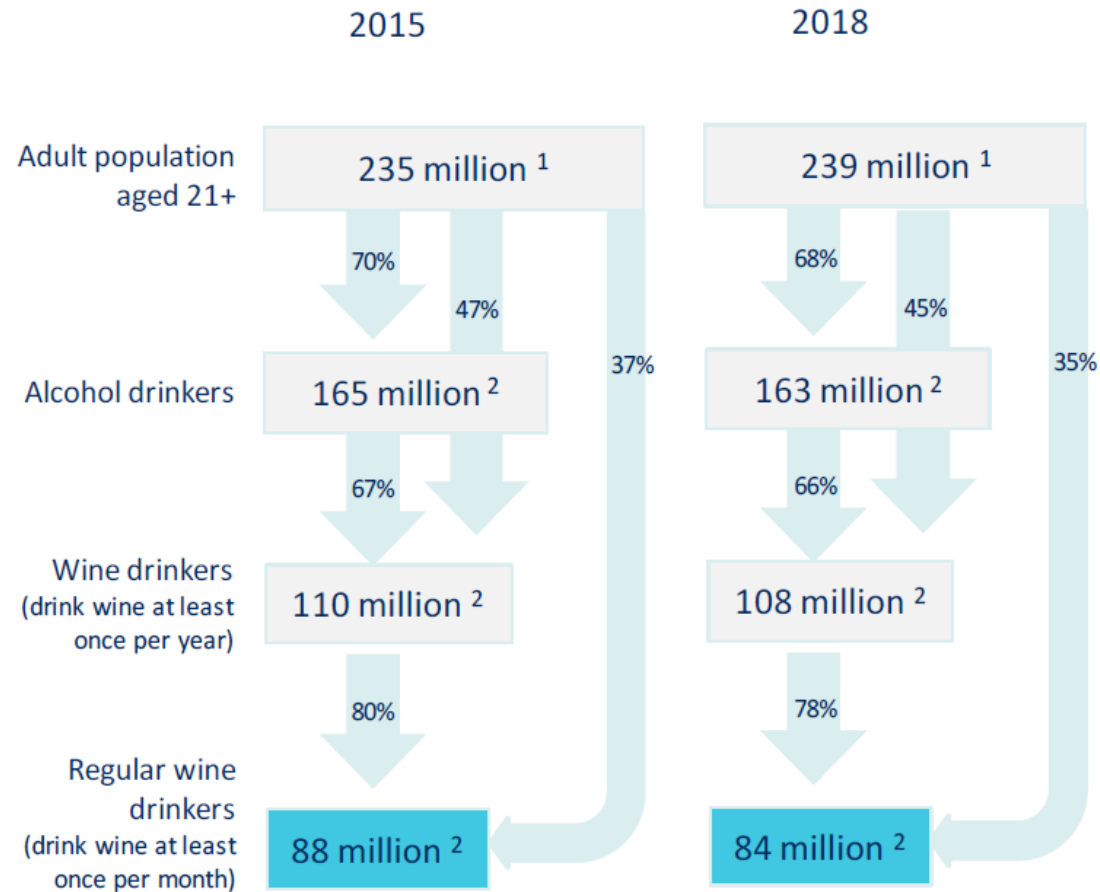
The United States is the world's biggest wine market



Wine consumption in the USA continues to grow but per capita consumption has stagnated



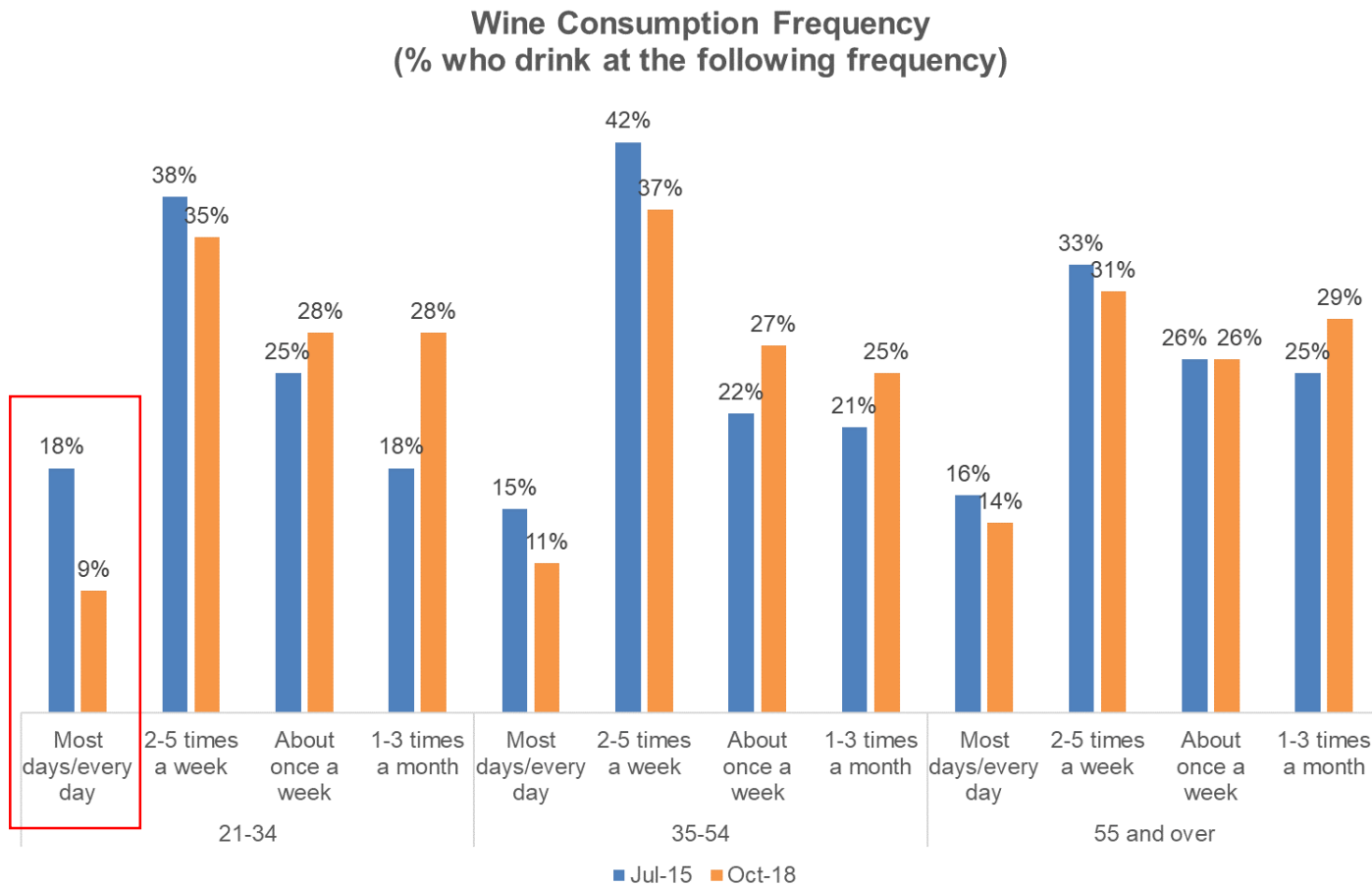
The number of wine consumers in the USA has declined



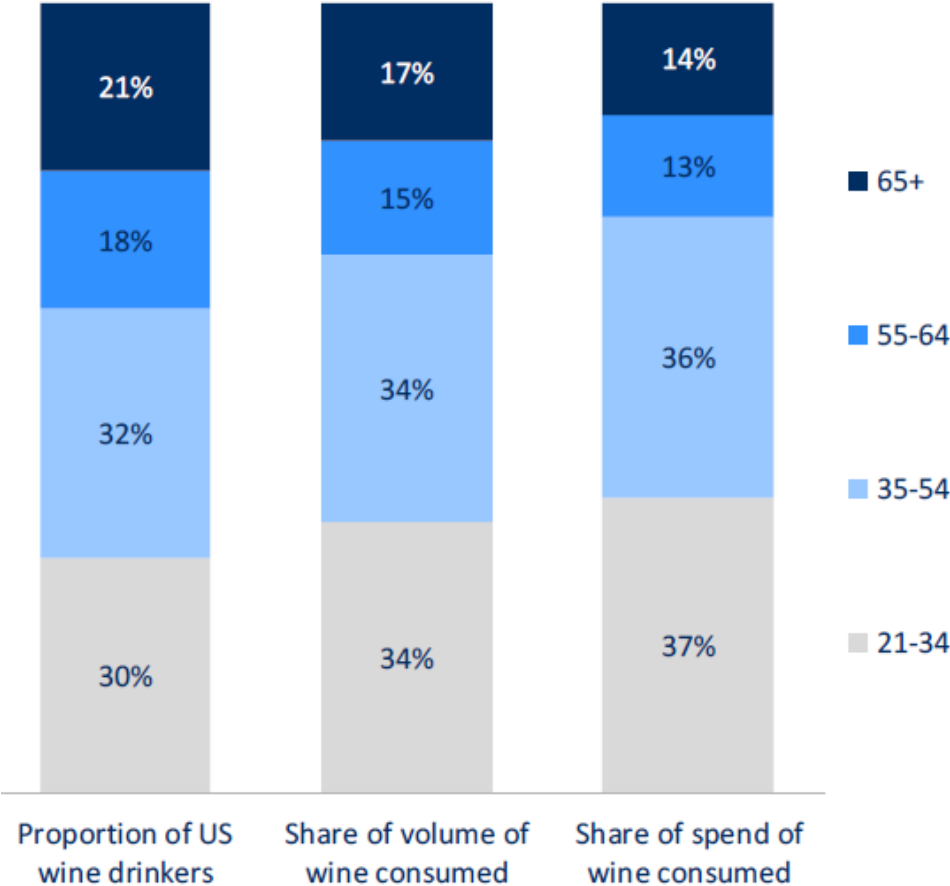
Increasing proportion of older wine drinkers in the US



Decreased frequency of consumption driven by younger wine drinkers

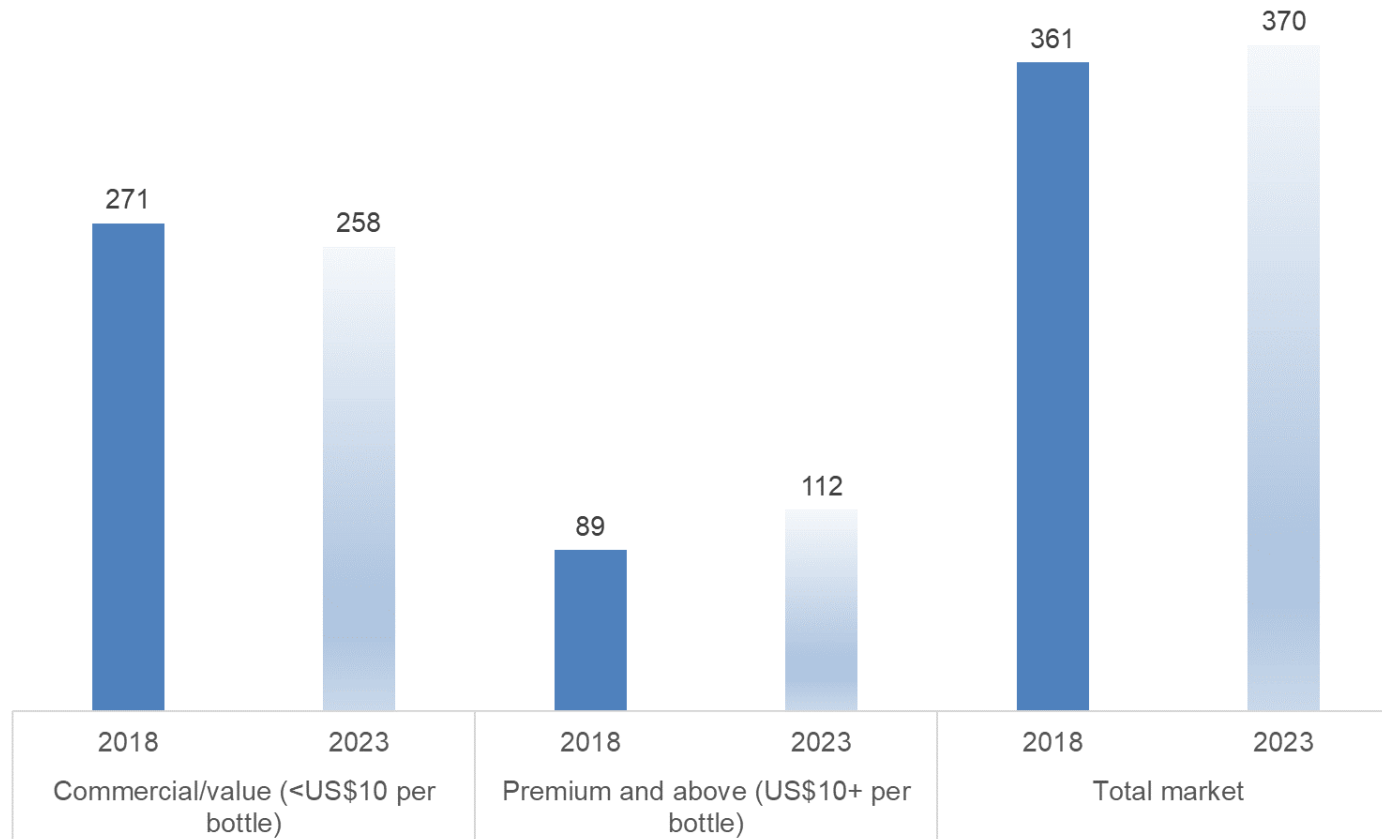


Younger consumers spend more on wine

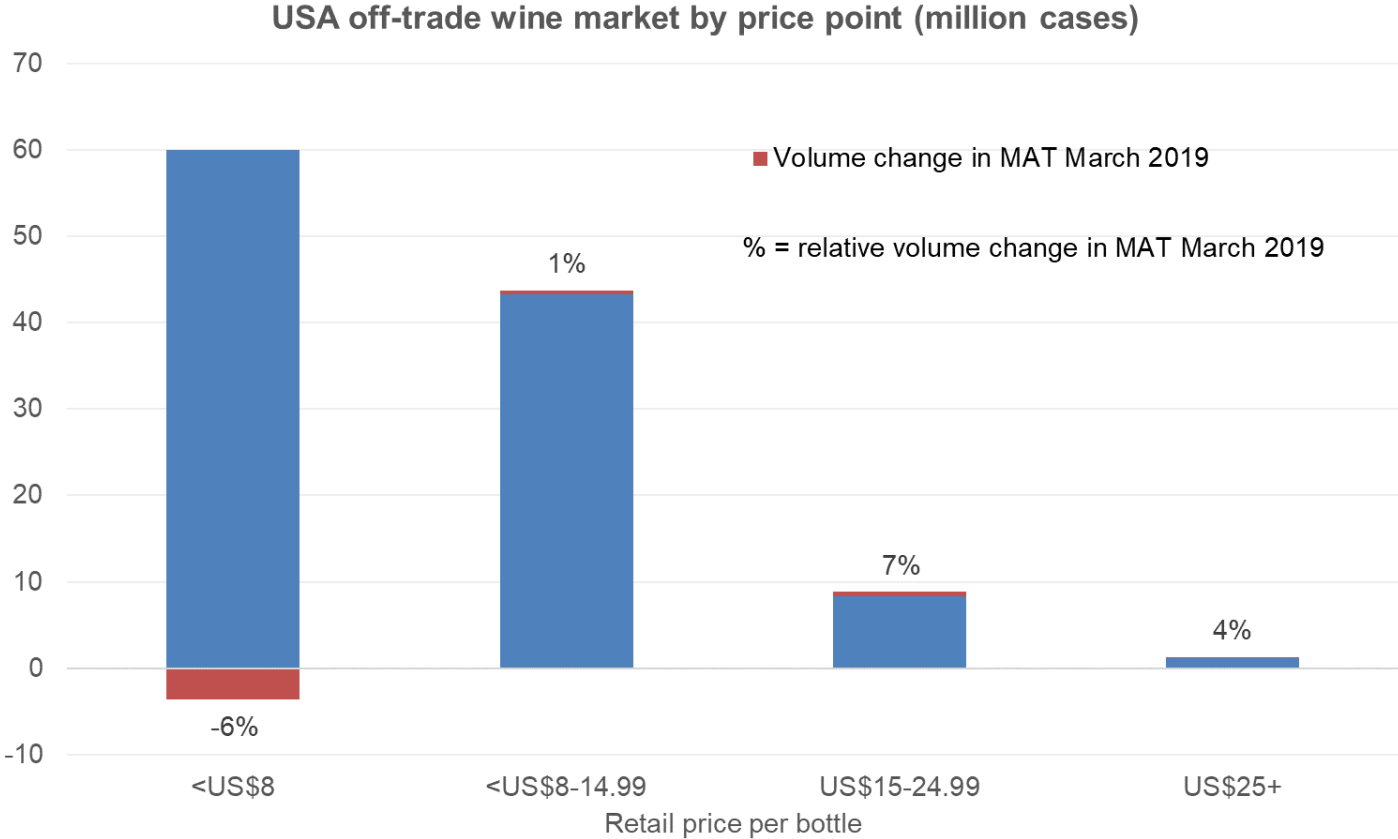


23 million case opportunity in premium wine sales

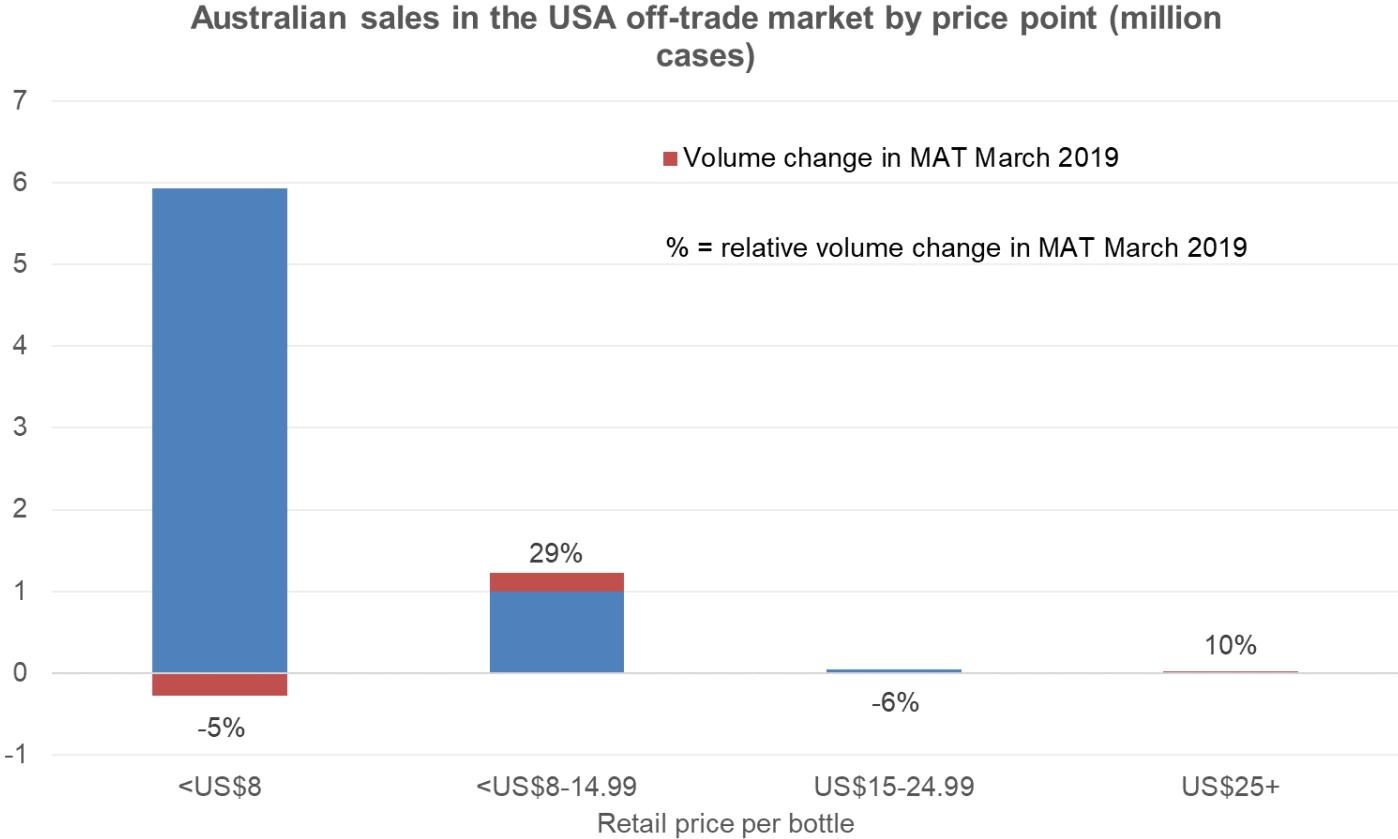
US wine market forecast (million cases)



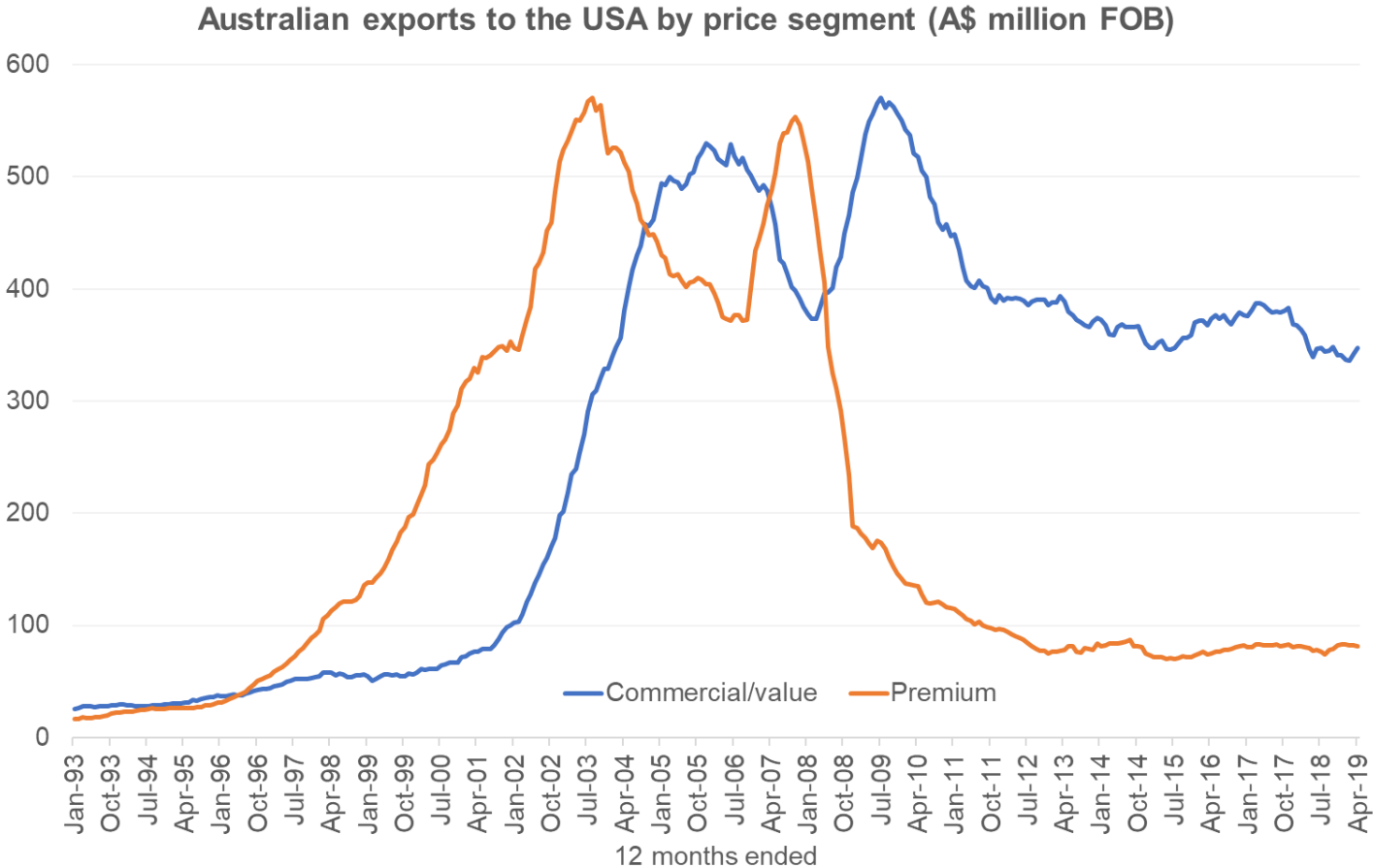
Premium growth remains strong in the off-trade



Upside for Australia in premium wine sales

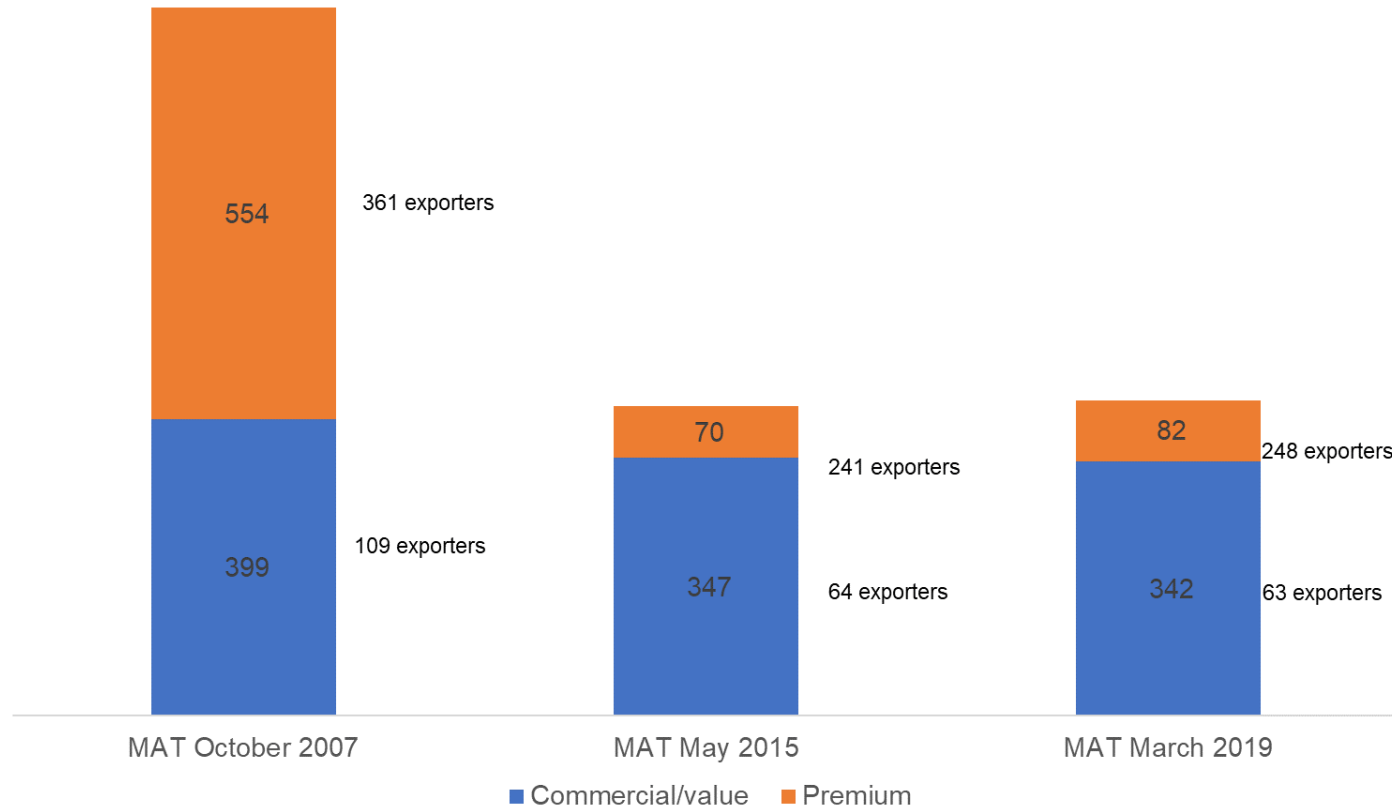


Australia was once a significant premium player in the USA



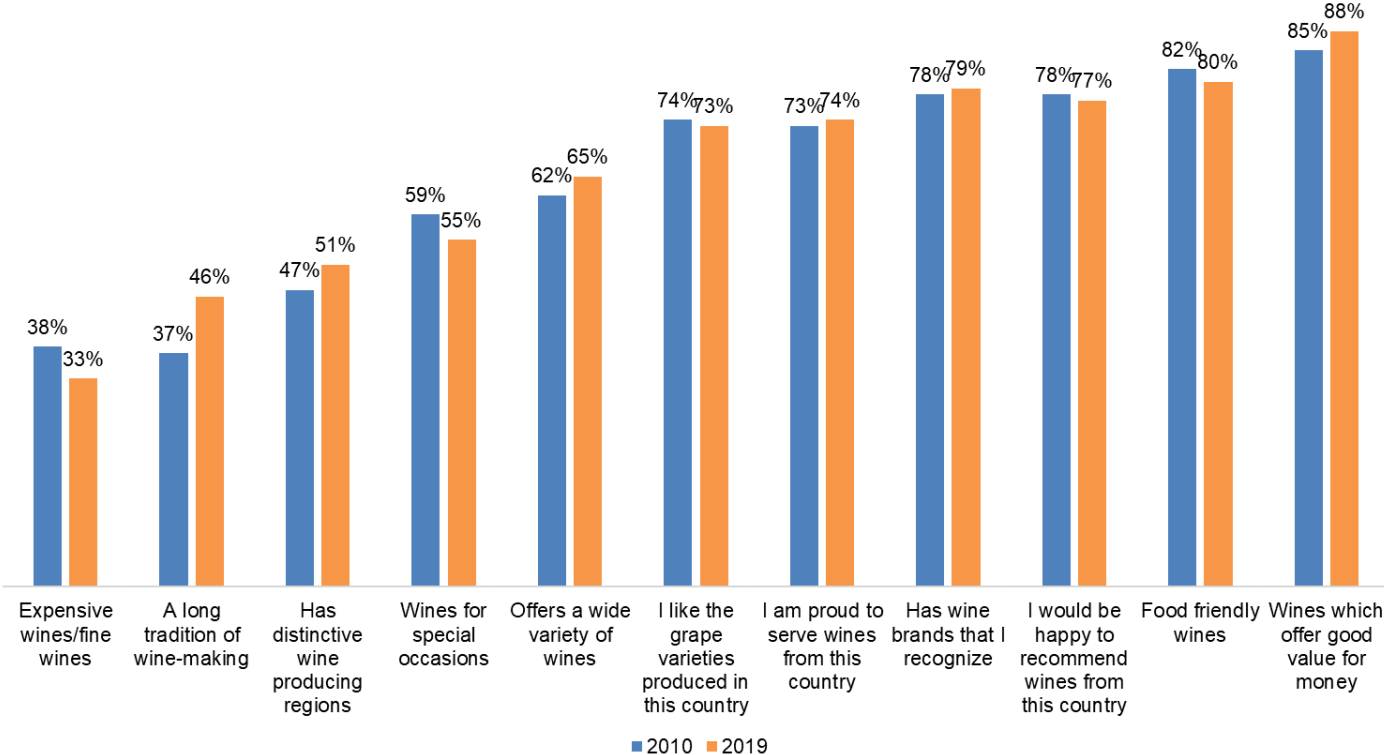
Australia needs more premium producers to enter/re-enter the USA market

Australian exports to the USA by price segment (A\$ million FOB)



The USA consumer views Australian wine positively

Australian wine associations
 (% who agree or strongly agree with the statement)



Grape variety is the number one choice cue for USA wine consumers

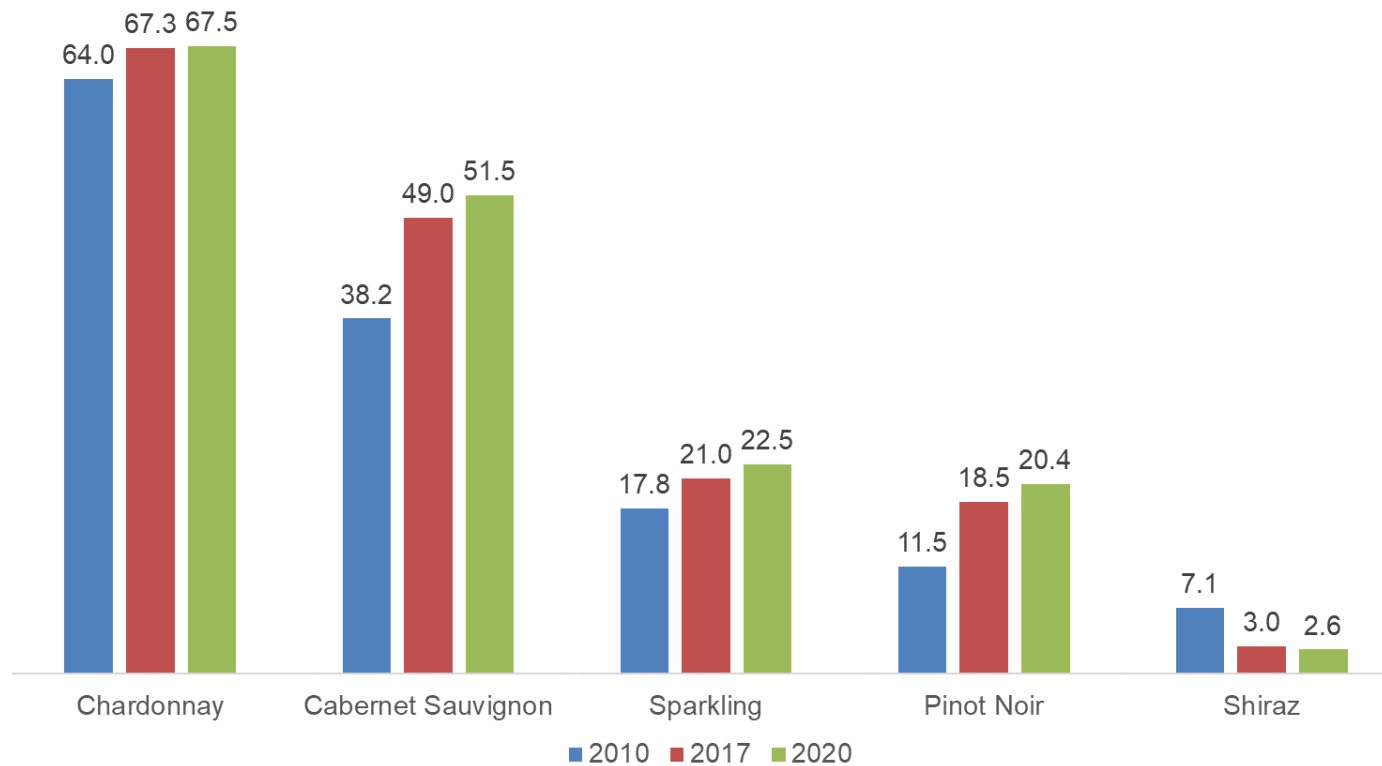
Wine-buying choice cues

% who indicate each of the following factors is 'important' or 'very important' when buying wine
Base = All US regular wine drinkers (n=6,000)



There are opportunities for Australia in several varieties/styles

Wine consumption in the USA by key varietal/wine style (million cases)

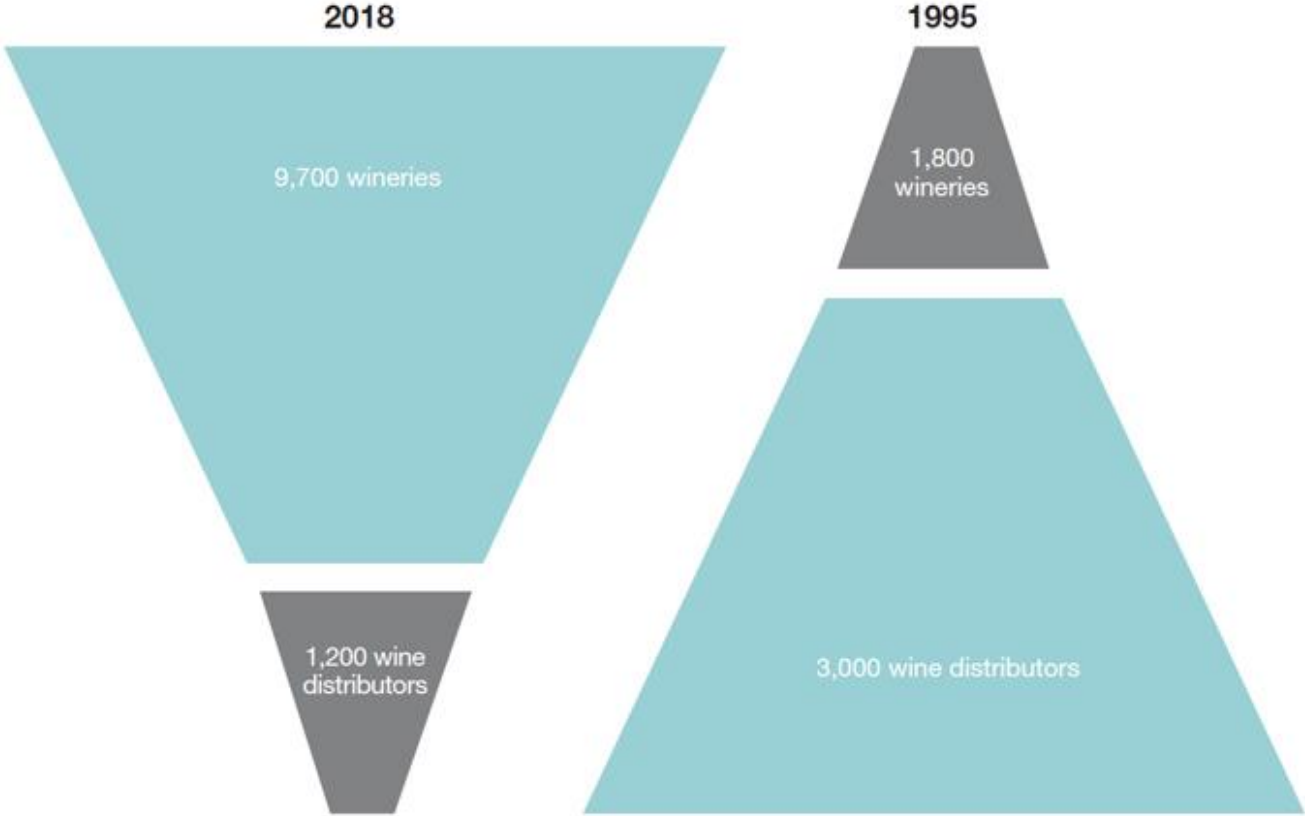


Three-tiered system makes the USA a complex market



Distribution consolidating and is a barrier for Australia

CONSOLIDATION OF U.S. WHOLESALERS



Source: Distributor sources and Wines Vines Analytics.

Unlocking the opportunities for Australia

Increasing Australia's market-share in the USA (particularly at the \$US15 to \$US25 per bottle price point) requires

- A strong presence
- A fundamental perception change

Far From Ordinary campaign

USA Market Entry Program

Growing Wine Exports Program

Wine Export Grants