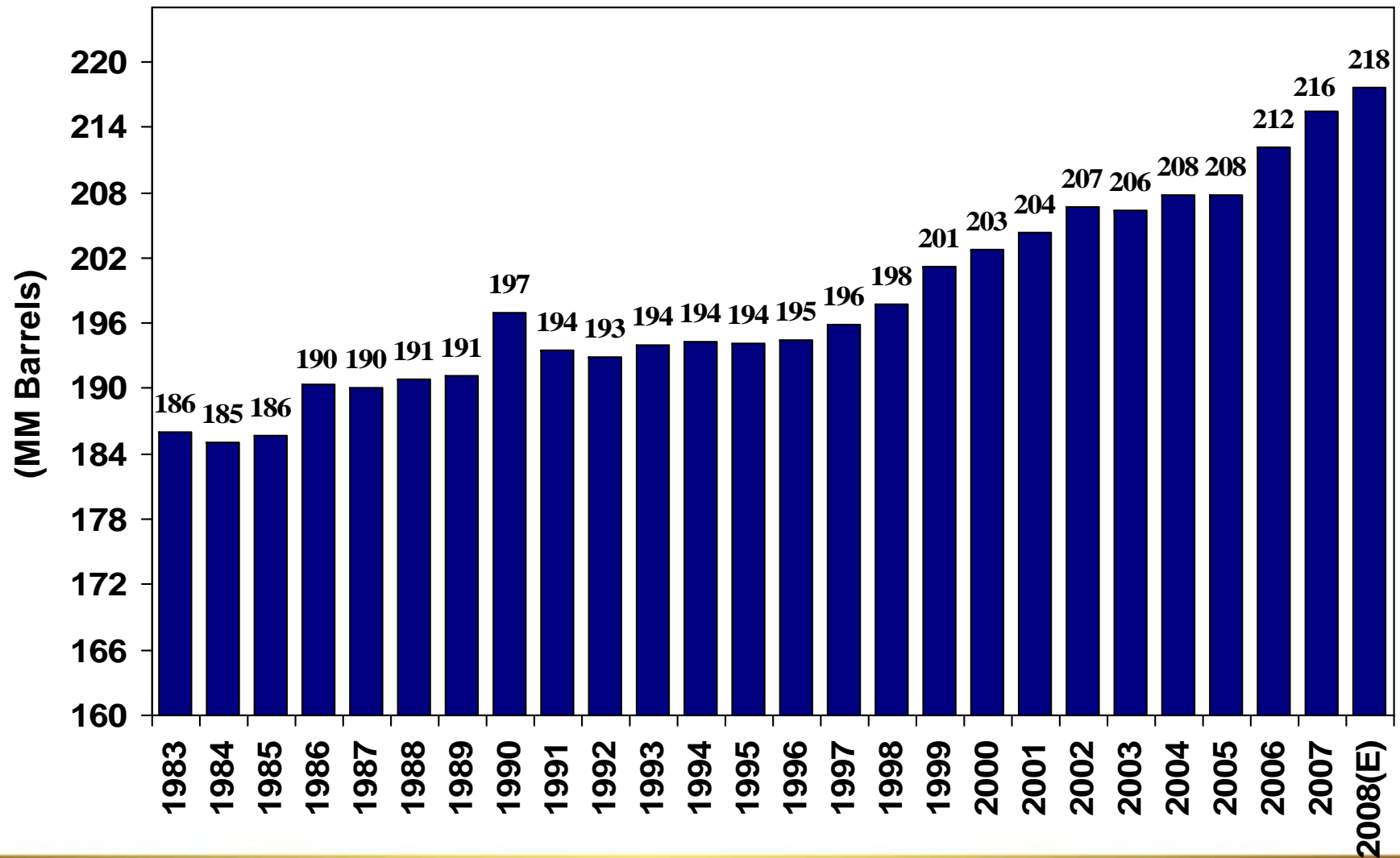




Club Channel Overview
1st Quarter 2008

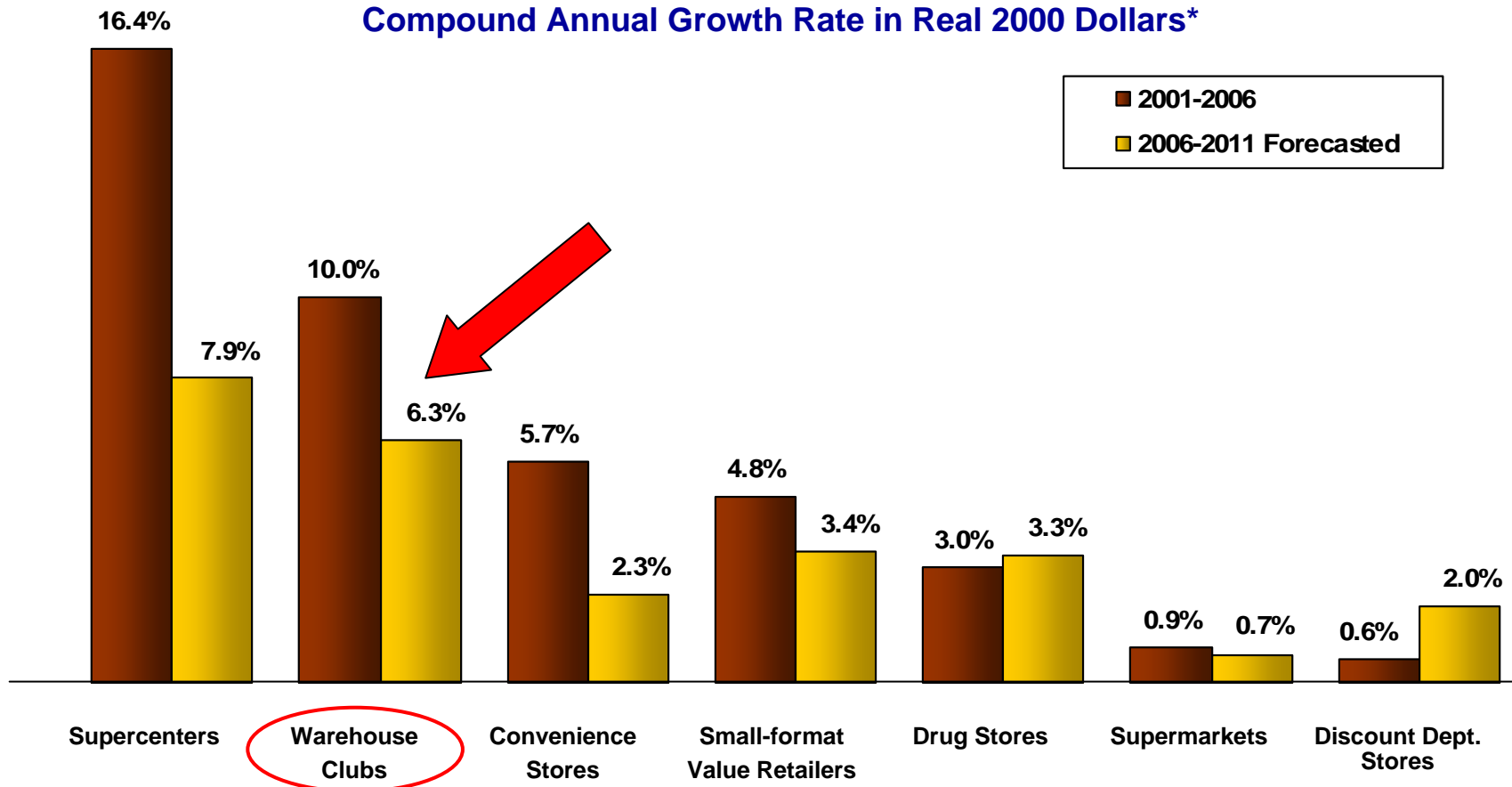
Beer Industry Volume Recap 2008 Projection



The Warehouse Club Channel Continues to be a High-Growth Retail Channel



Sales Growth Comparison—Food, Drug, Mass Channels Compound Annual Growth Rate in Real 2000 Dollars*

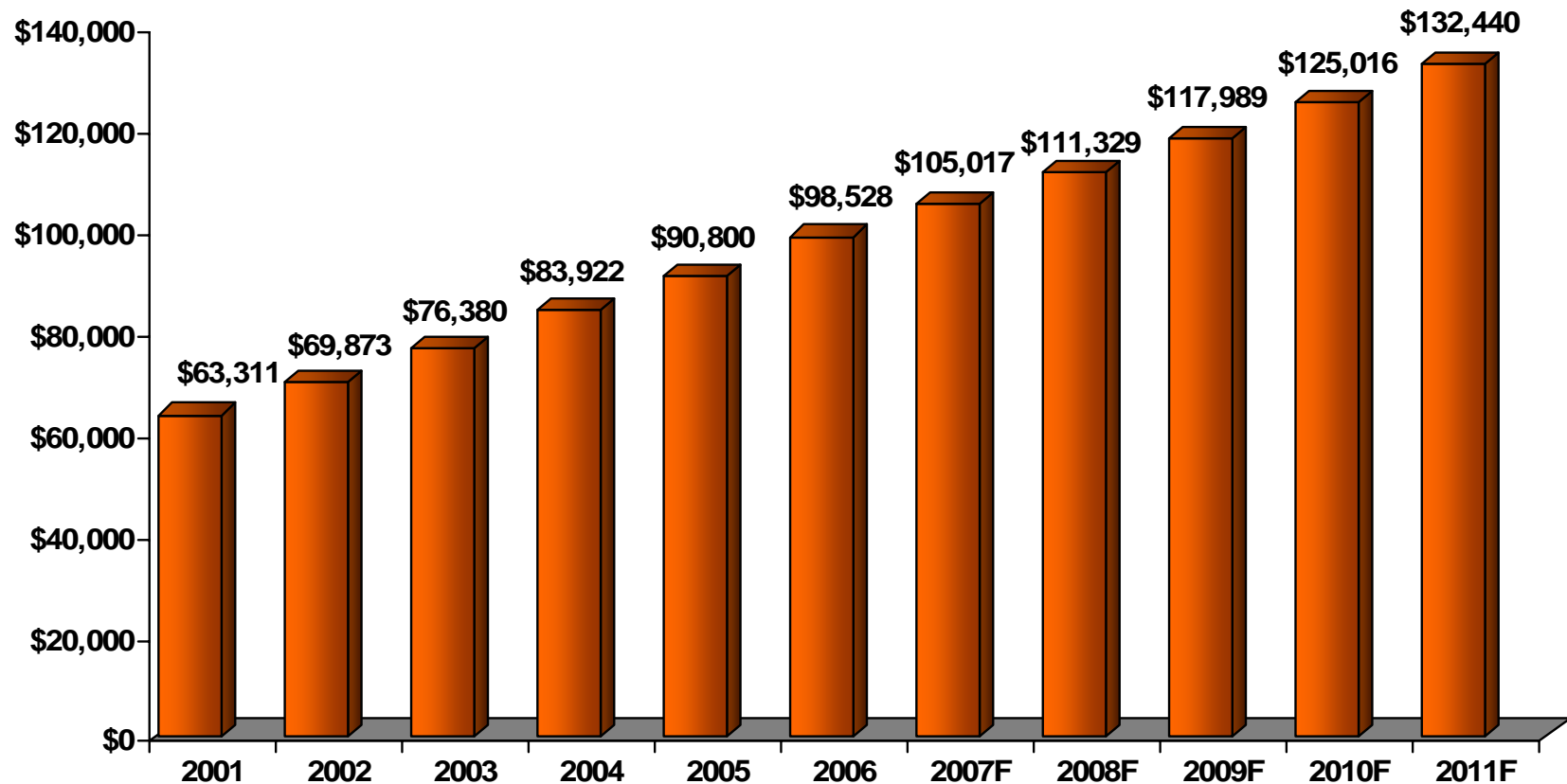


*Note: real = inflation adjusted

Warehouse Clubs Are Posting Strong Sales Growth That Is Expected to Continue



U.S. Warehouse Club Industry Sales Growth and Forecast \$ Millions

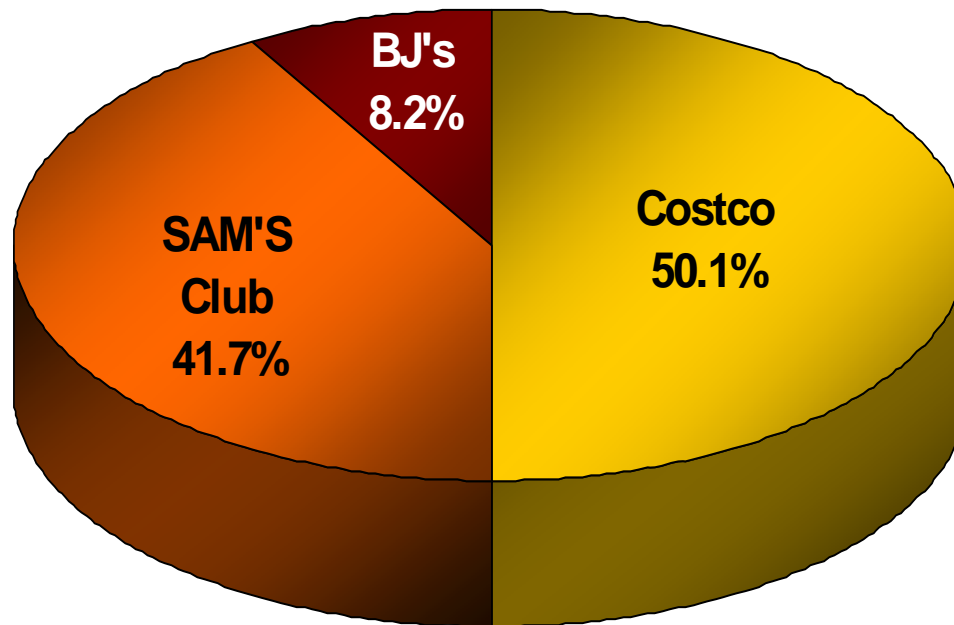


Costco is the Leading Retailer in the Club Channel in Terms of Total Store \$ Sales



Top Three Warehouse Club Players

(most recently reported 12 months Total Store Dollar sales through September 2007)



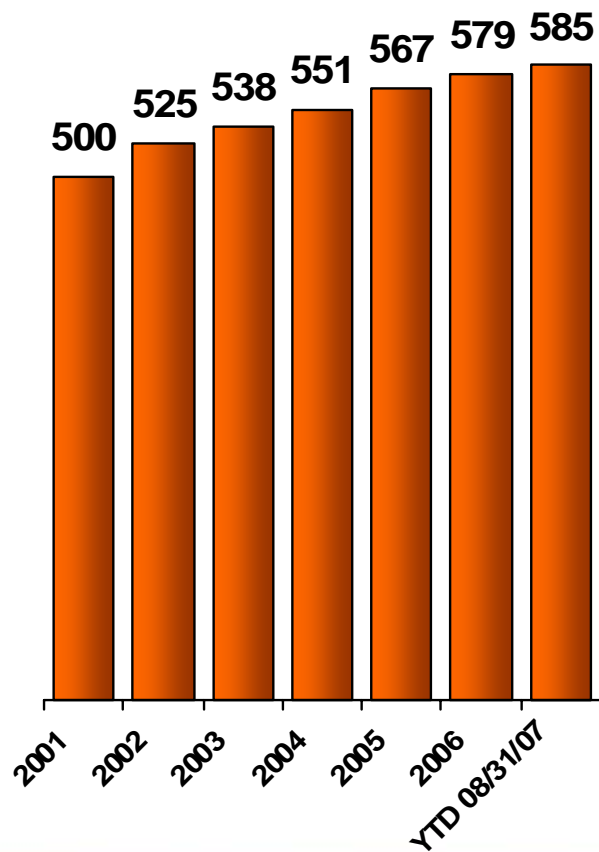
Warehouse Club Units Continue to Grow!



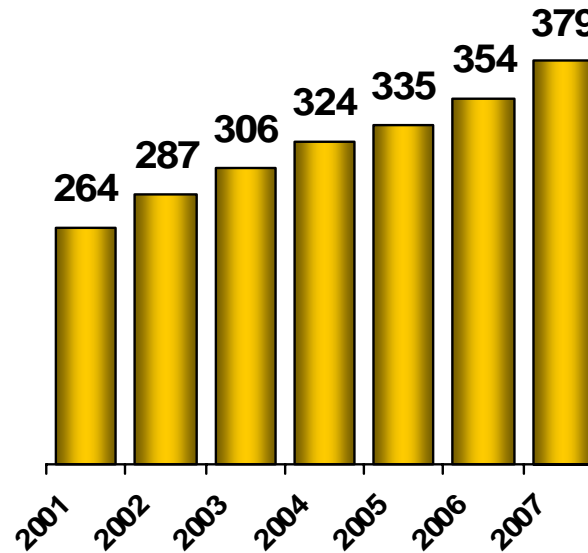
U.S. Warehouse Club Unit Growth By Player

of Stores

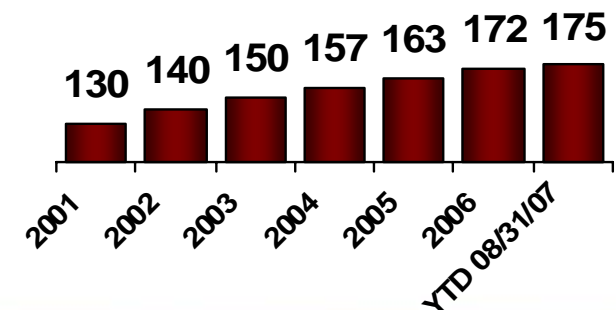
SAM's Club



Costco



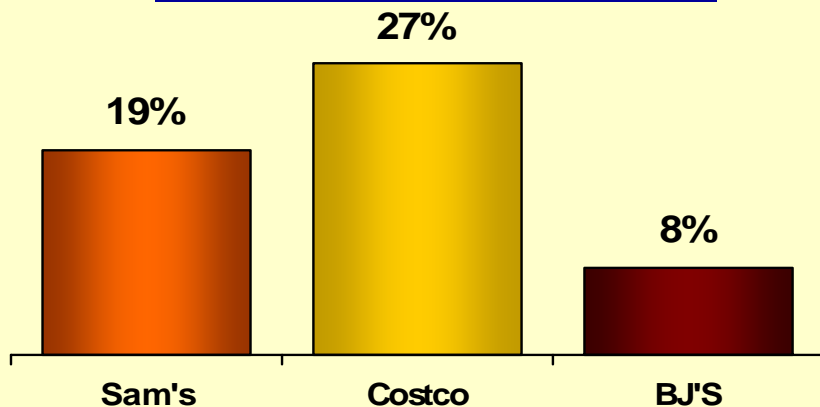
BJ's



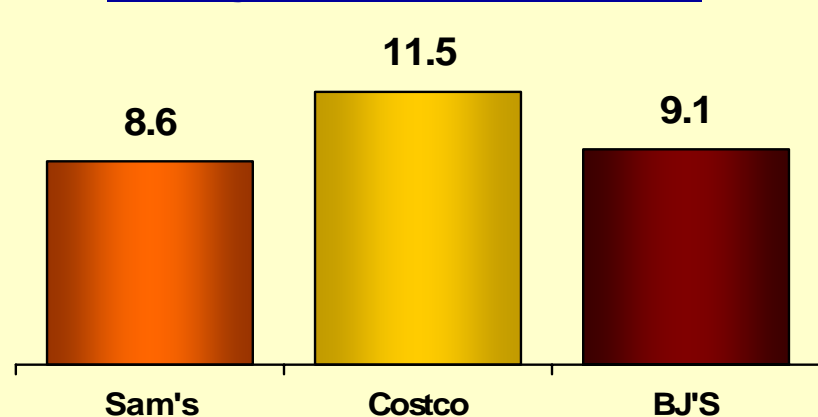
Consumer Dynamics Across Top 3 Accounts



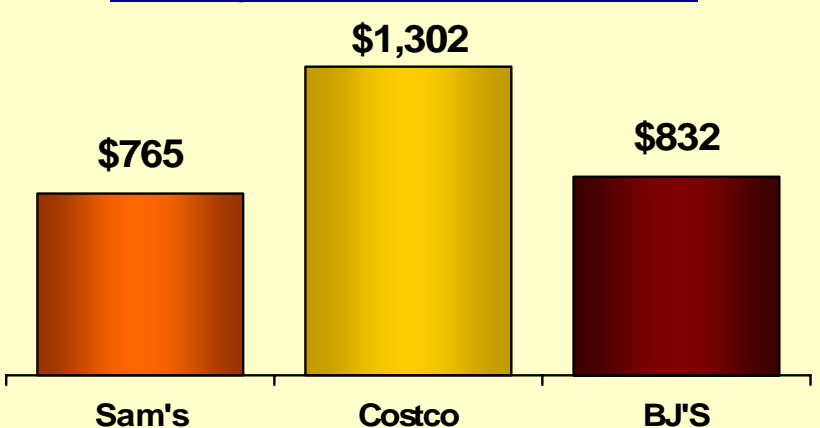
U.S. Household Penetration



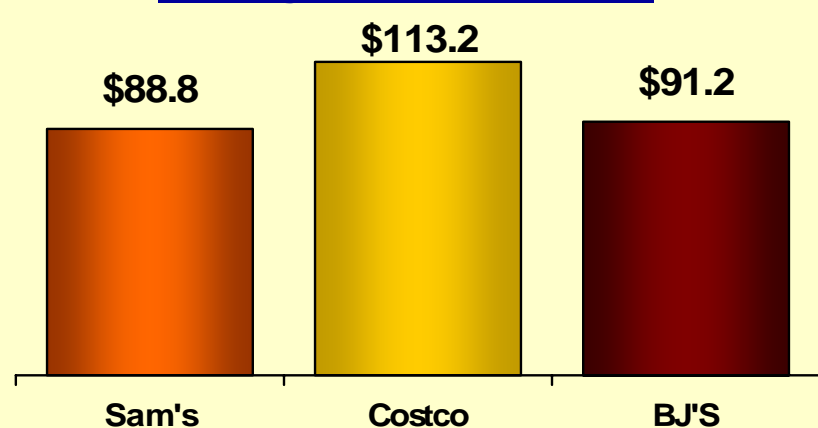
Average Trips per Household



Average Dollars per Shopper



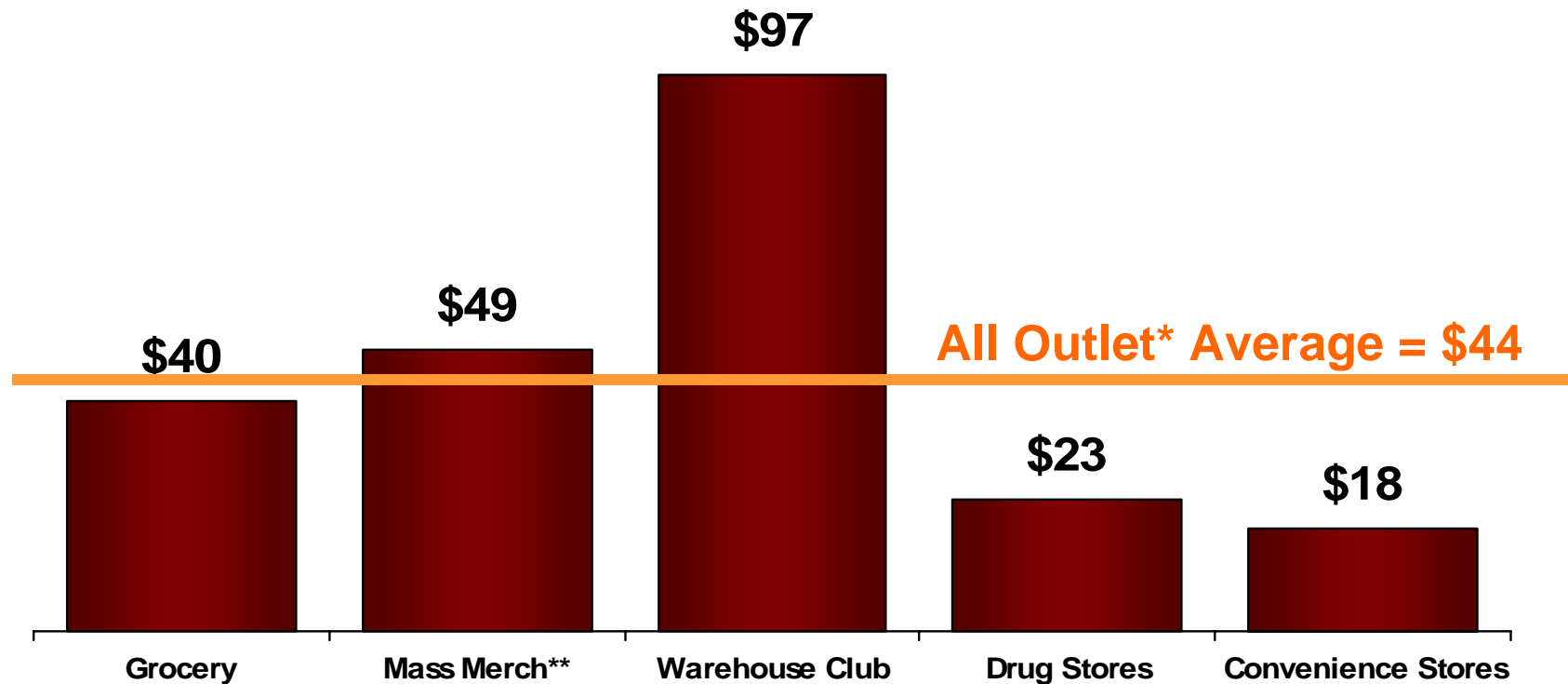
Average Dollars per Trip



Warehouse Clubs Have the Highest Dollar Ring per Trip



Total Retail Dollars per Trip



**Mass Merch does not include Supercenters

*All Outlets Include: Grocery, Supercenters, Mass Merch, Warehouse Clubs, Home Improvement, Drug Stores, Electronic Stores, Dollar Stores, Convenience Stores, Office Supply Stores and Pet Stores



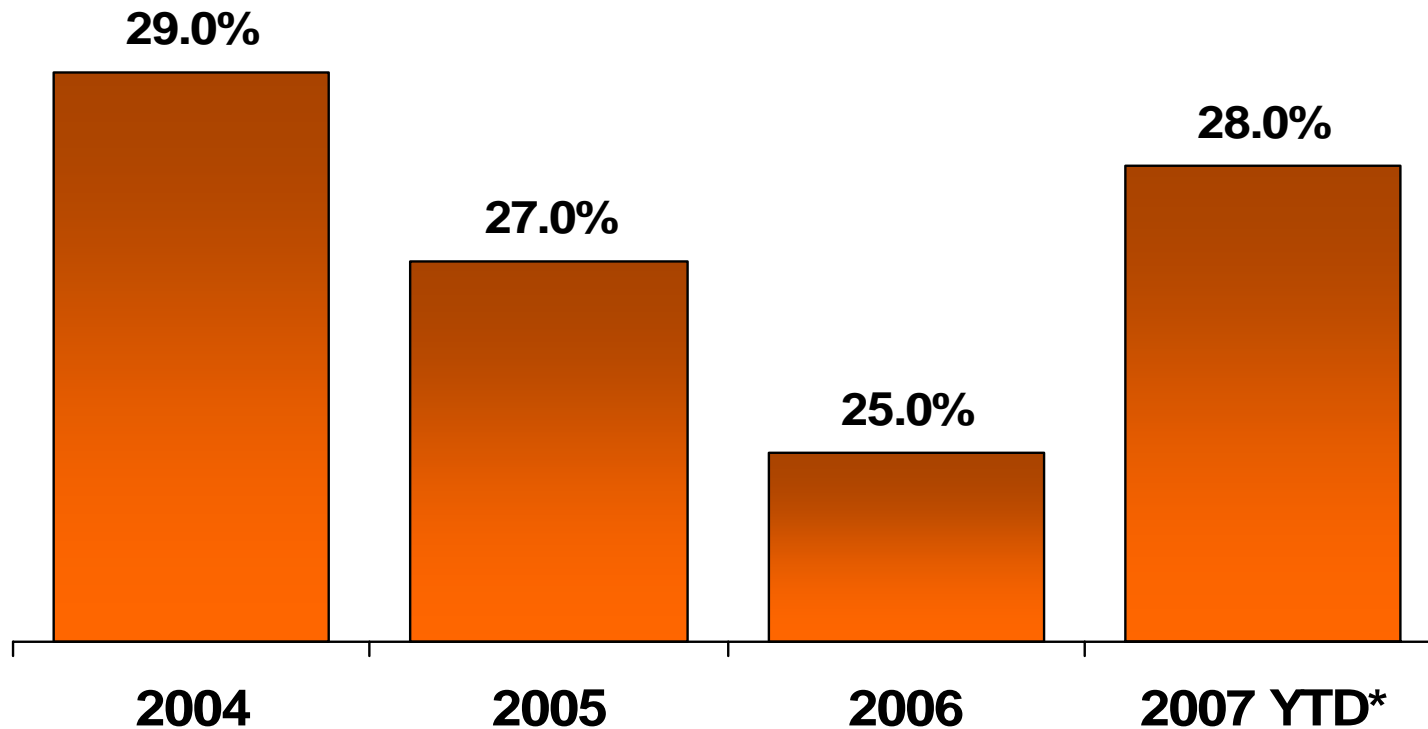
Shopper and Consumer Insights



Nearly 30% of all Households Shop at Club Stores on a Monthly Basis



Monthly Warehouse Club Shoppers
(% of Total Households)



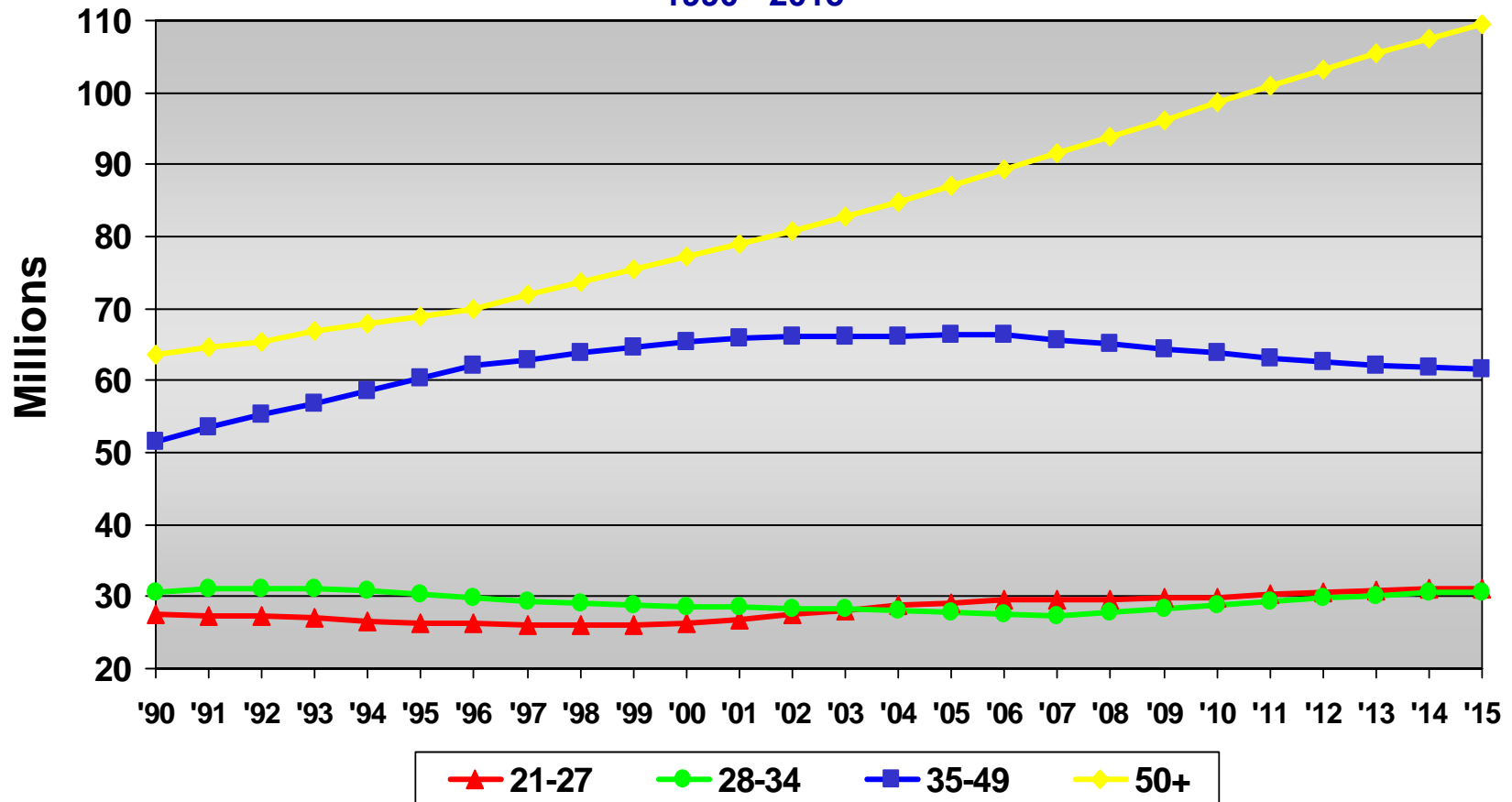
* 2007 data reflects Jan – Aug 2007

Population Breakdown by Age Groups



Projected Population by Age Group

1990 - 2015

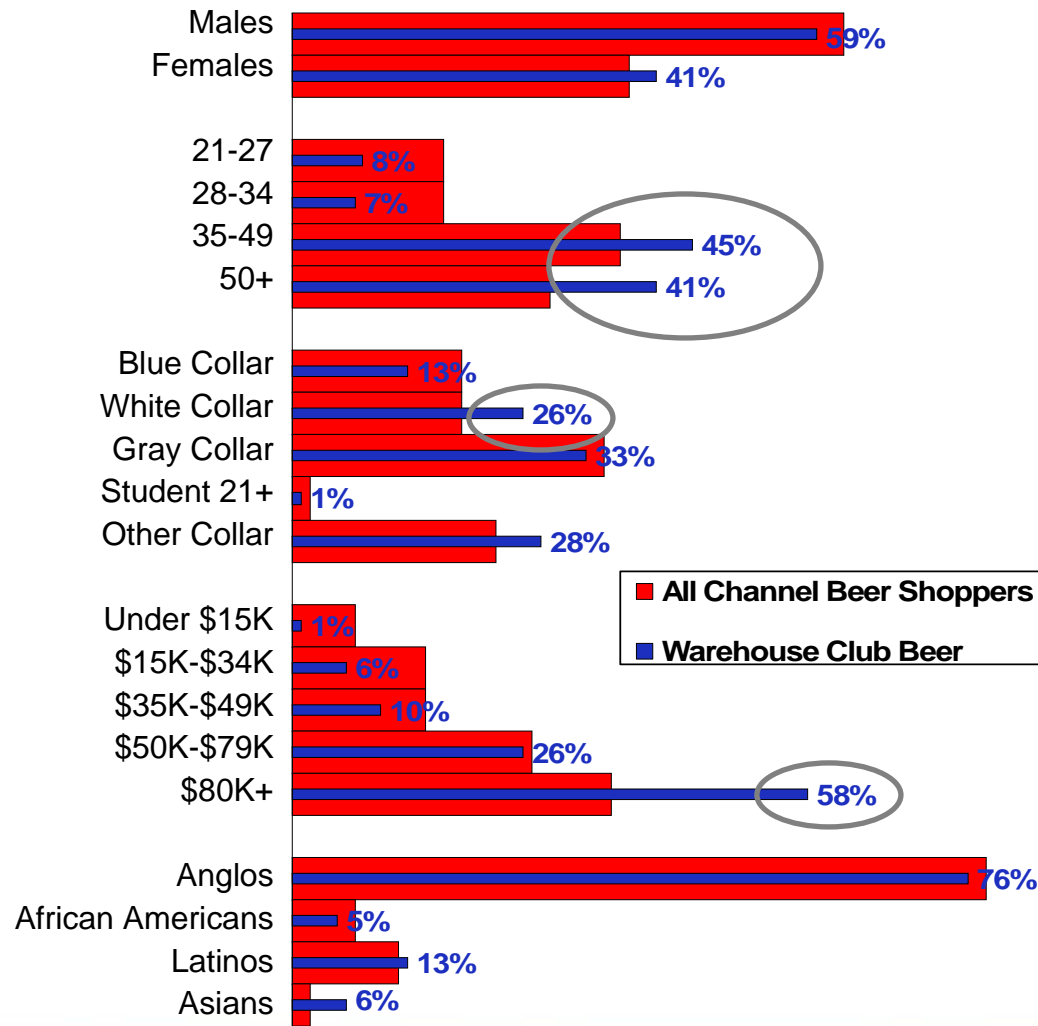


 The Highest Growth Rate is Projected for Age 50+

Who Are Warehouse Club Shoppers?



Most Often Warehouse Club Shopper Demographic Profile



The shoppers most commonly found buying beer at Warehouse Clubs are male, 35+ years old, higher income, and Anglo.

Versus All Channels, Warehouse Club beer shoppers skew more affluent, and White Collar.

Who Are Warehouse Club Shoppers?



Beer Shoppers Are Beer Consumers

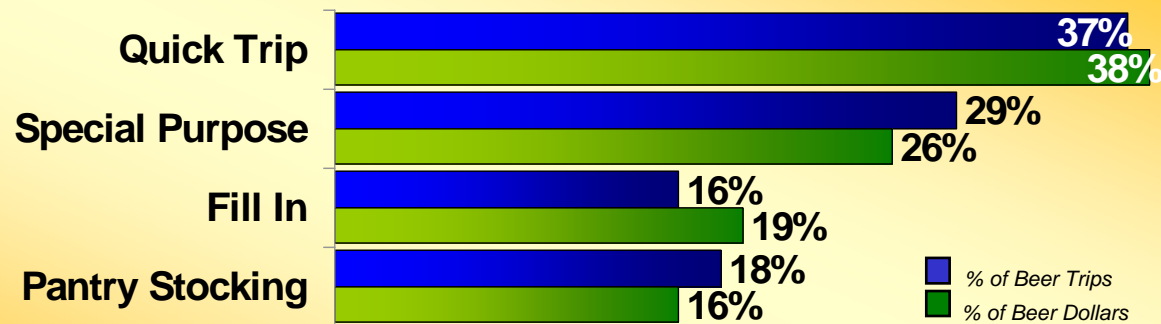
	C-Store	Liquor Store	Drug Store	All Channels	Grocery	Warehouse Club	Mass Merch
Shopper Consumer	94%	94%	93%	92%	91%	89%	89%
Shopper Non-Consumer	6%	6%	7%	8%	9%	11%	11%

- The vast majority of beer shoppers are also beer consumers, Warehouse Club beer shoppers are no exception
- In-store merchandising and POS should speak to a beer *consumer's* mindset. In other words, go beyond price messages to include lifestyle and beer occasion imagery.

Warehouse Club Beer Trip Facts



Warehouse Club Trips With Beer in Basket



- ✓ In Club Stores, address the need states of these shoppers & trips:
 - Make “Quick Trip” shopping easy with the right flow and category adjacencies
 - Use merchandising and cross-promotions that will resonate with “Special Purpose” Beer Shoppers (meal solutions, party needs)

Beer Trip Characteristics

Quick Trips and Special Purpose Trips w/Beer:

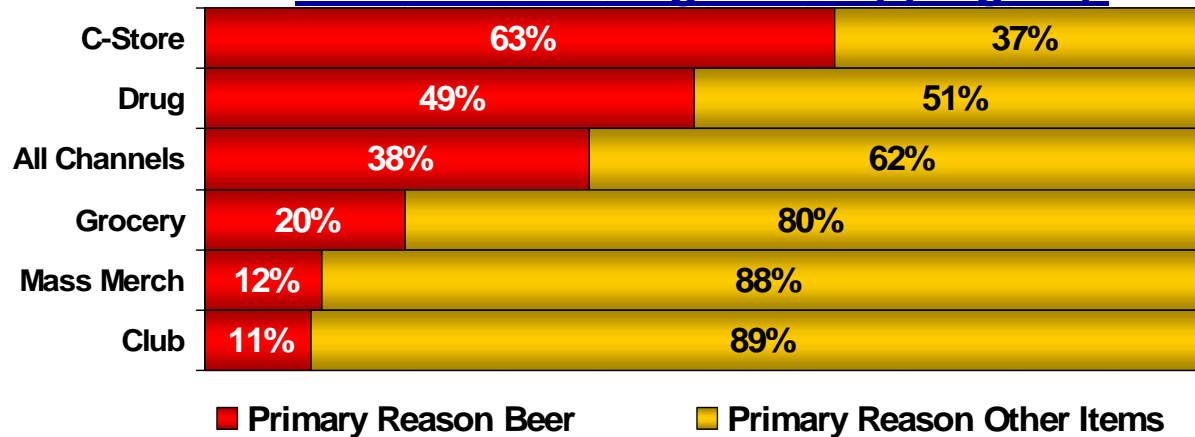
- ✓ 35% cite Beer as the reason they went to the Club Store
- ✓ Perceived Price and Store Location drive the store choice
- ✓ 68% Pre-Planned beer, brand and package size
- ✓ 24-packs (61%), 30-packs (23%)
- ✓ 61% bottles vs 39% cans

TRIP TYPE DEFINITIONS: Quick Trip – 1-3 Items; Under \$20; Special Purpose Trip – around 5 items; \$30-\$50; specific purpose/occasion; Fill-In Trip – 10-15 items; \$50-\$80, replenish; Pantry Stocking Trip – over 15 items; over \$80; large, planned trip

Beer Shopper Mindset by Channel

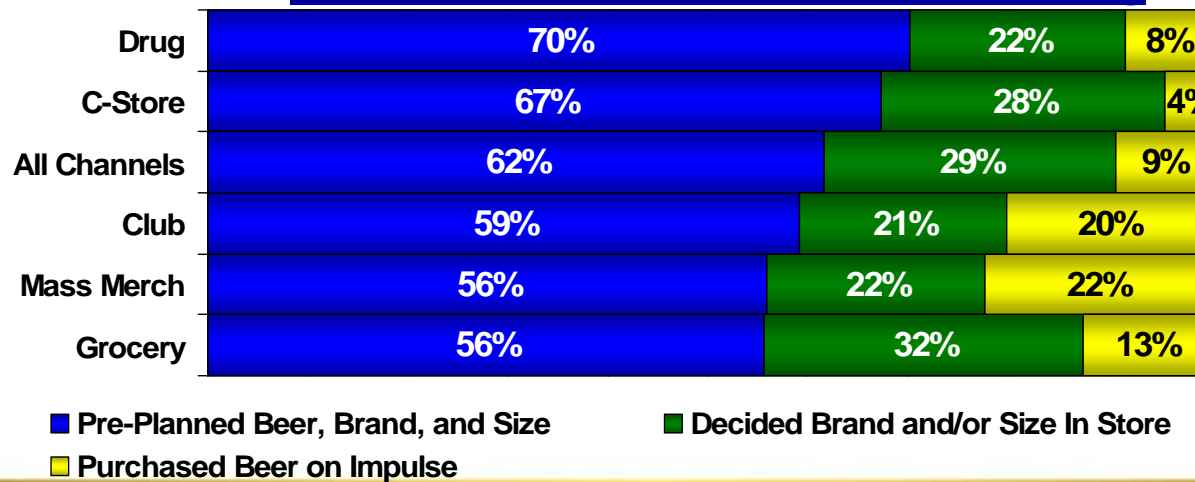


Reason for Going on Shopping Trip



Retailers have a big opportunity in Beer given its “destination” nature, especially in C-Stores and Drug stores.

Planned vs. Impulse Beer Purchasing

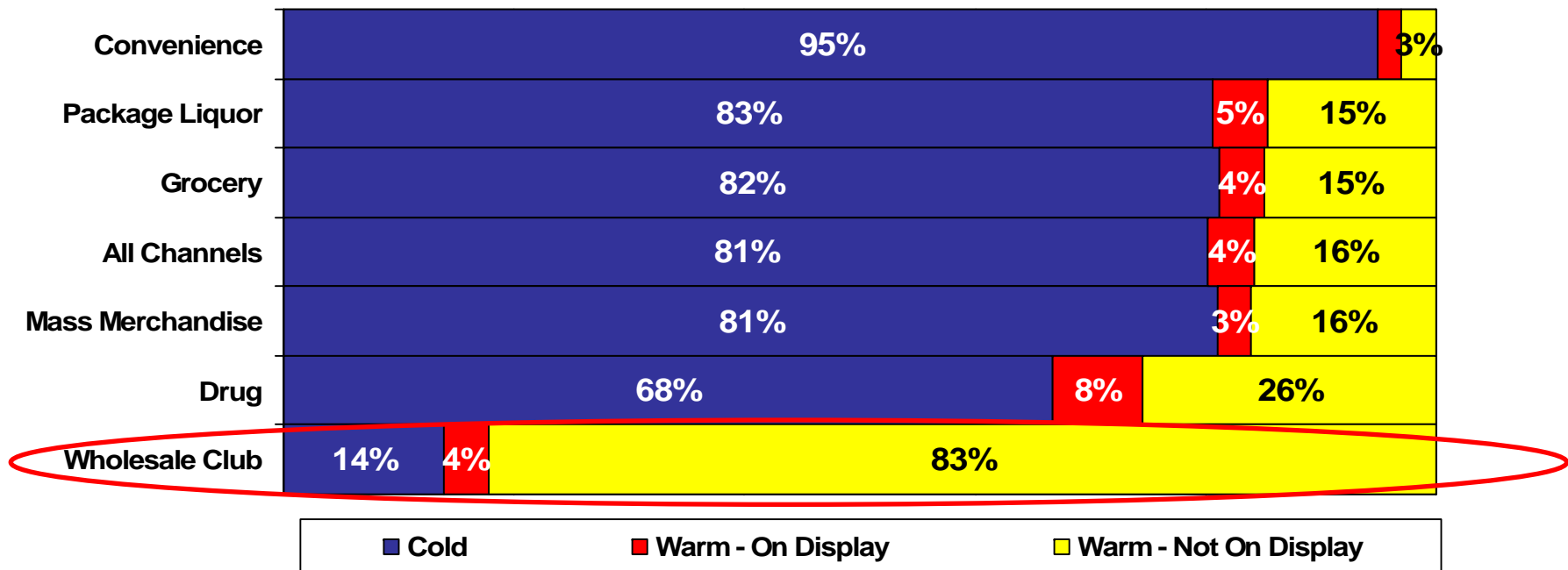


The biggest opportunities for in-store influence are in Grocery, Mass Merch, and Clubs.

The Beer Purchase Decision



Cold Vs. Warm Beer Purchasing Total Beer Shoppers By Channel

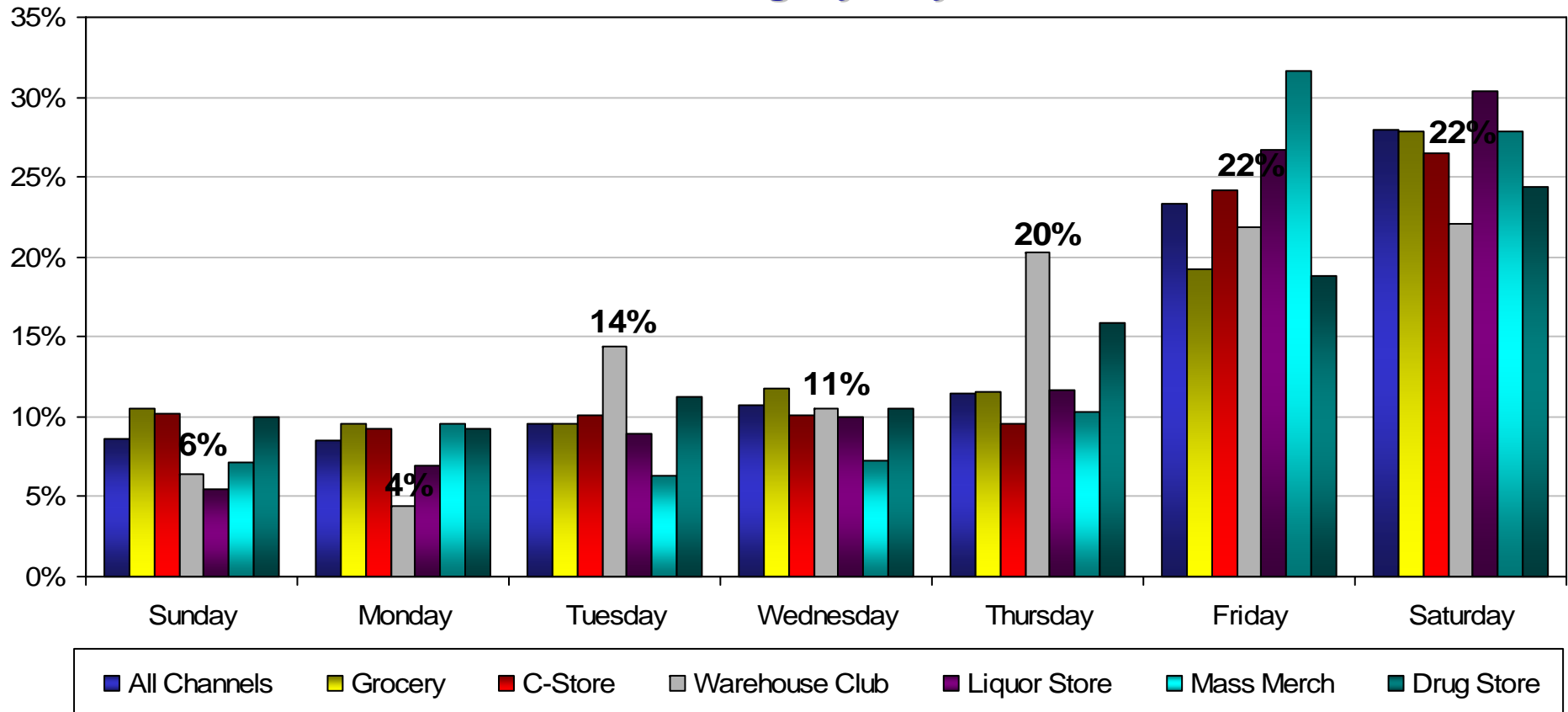


- Where available, beer shoppers overwhelmingly like to purchase beer cold, Additional cooler space could increase Beer shoppers' usage of Clubs as a good beer destination.

Beer Purchasing Behavior



Beer Purchasing By Day Of Week

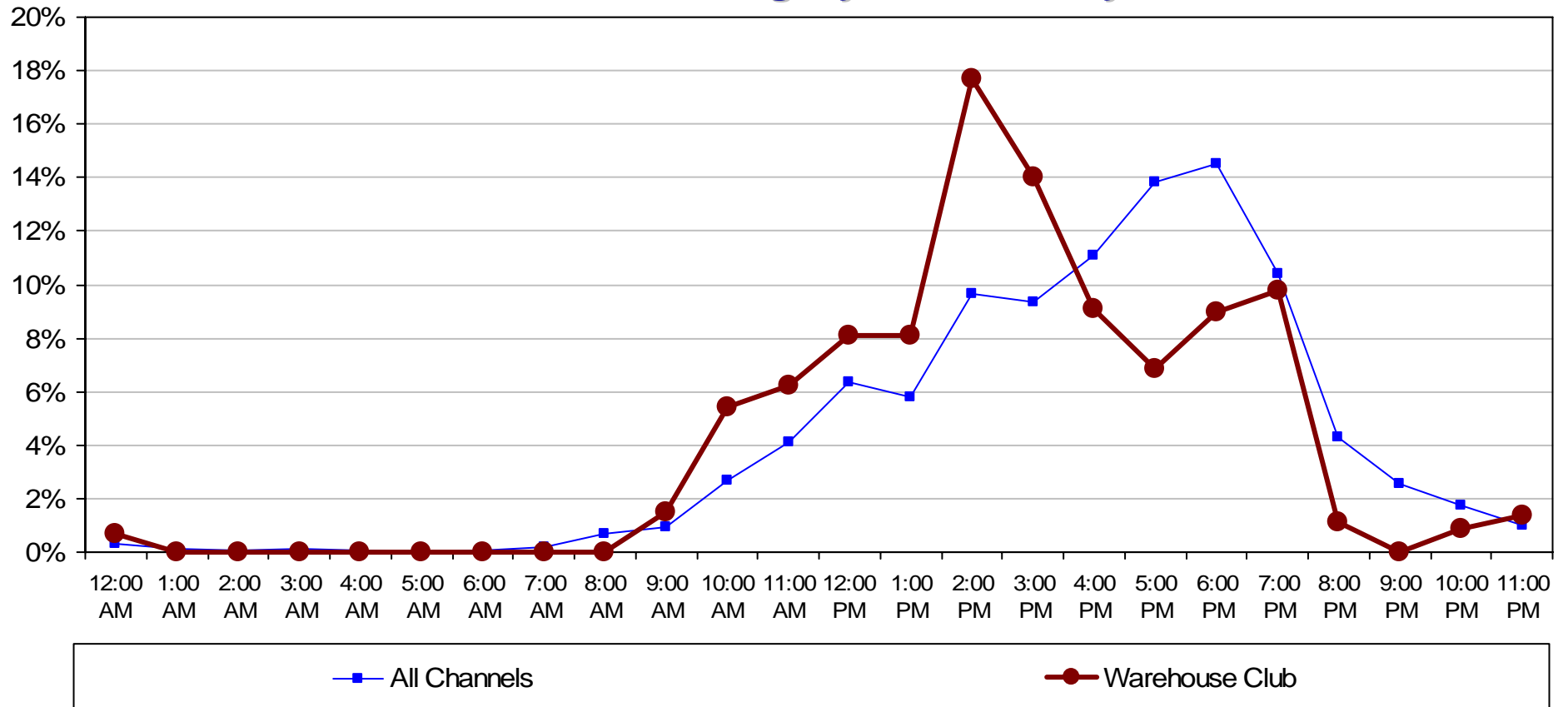


- **Fridays and especially Saturdays are the key beer purchasing days at Warehouse Clubs, it is imperative for Warehouse Clubs to be fully stocked for key beer purchases times**
- **Warehouse Club beer purchasing skews higher on Tuesdays and Thursdays**

Beer Purchasing Behavior



Beer Purchasing By Time of Day

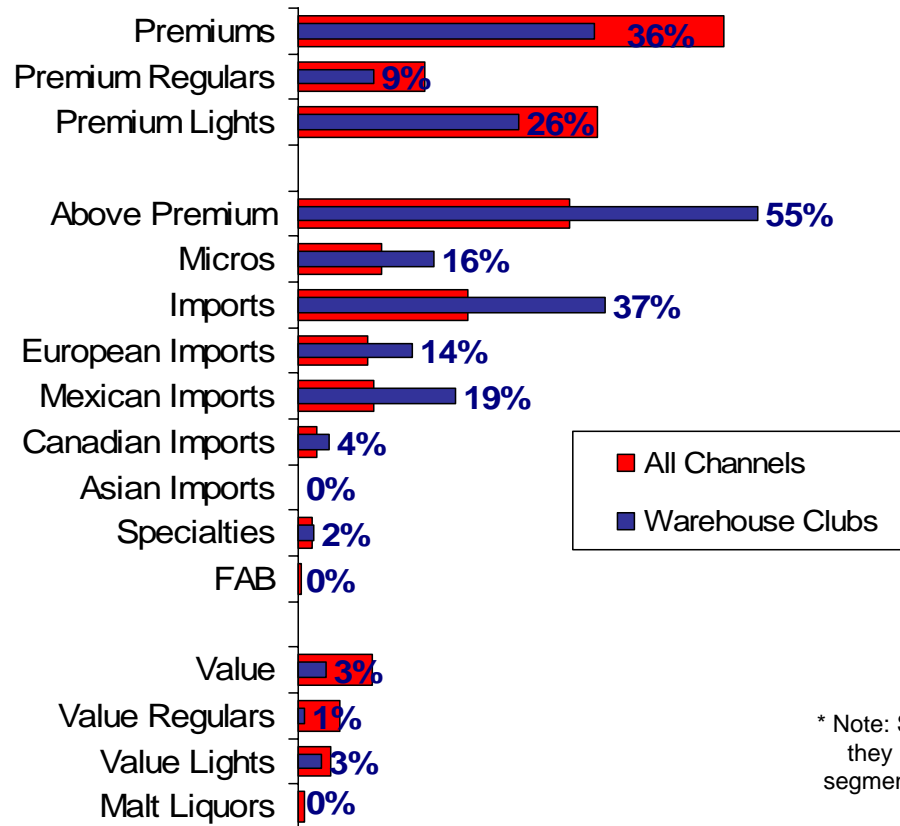


● Beer purchasing at Warehouse Clubs tends to peak earlier in the day vs. all channels

Beer Purchasing Behavior



Most Often Purchased Beer Segments



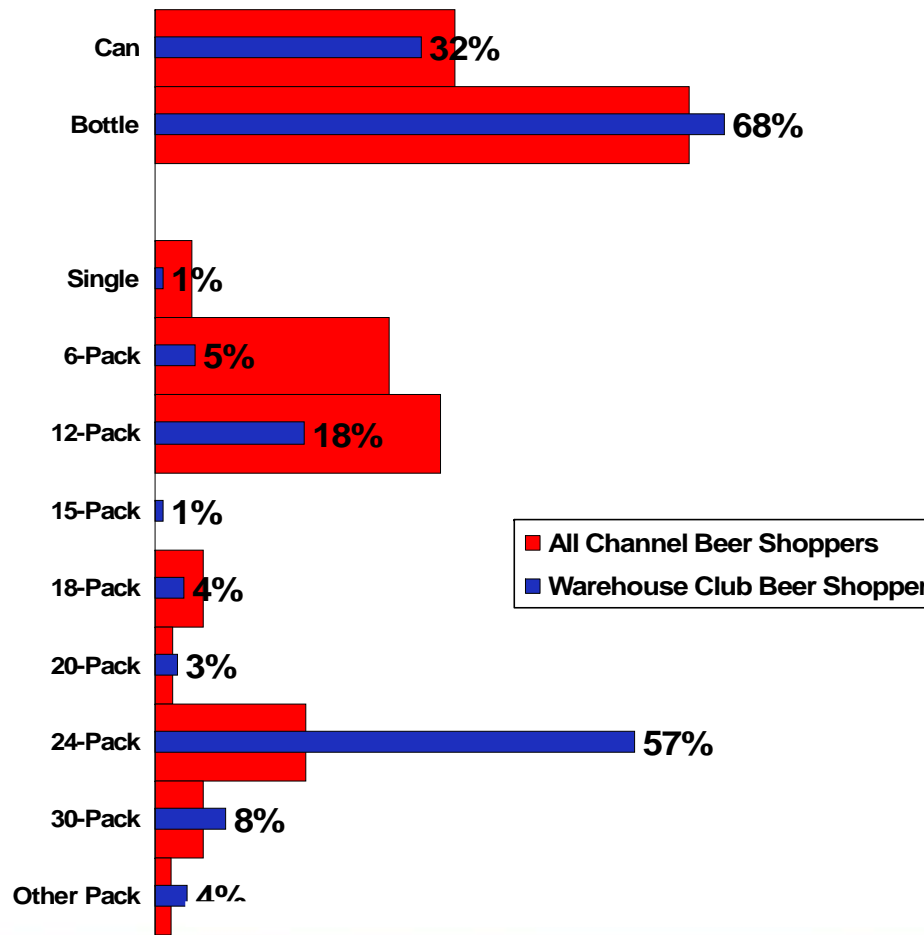
* Note: Shopper Poll respondents are asked the brand they buy most often, then it is coded into the proper segment. Respondents are not asked directly for their most often purchased segment.

Likely driven by current distribution, Warehouse Club beer shoppers skew toward Above Premium beers.

Beer Purchasing Behavior



Last Purchase Beer At Warehouse Club: Package Size Comparison



- Versus All Channels, Warehouse Club Member shoppers are more likely to purchase bottled beer, and of course larger sizes.

Summary



- **Warehouse Clubs Are Posting Strong Sales Growth That Is Expected to Continue through 2011**
- **Costco makes up 50.1% of all Warehouse Club sales**
- **Nearly 30% of all Households Shop at Club Stores on a Monthly Basis**
- **Warehouse Clubs Have the Highest Dollar Ring per Trip, averaging \$97 per trip**
- **The shoppers most commonly found buying beer at Warehouse Clubs are male, 35+ years old, higher income, and Anglo**
- **Beer purchases in Club Stores skew high versus other channels on Tuesdays and Thursdays**
- **Beer purchases in Club Stores skew high versus other channels at 2pm (early in the afternoon)**