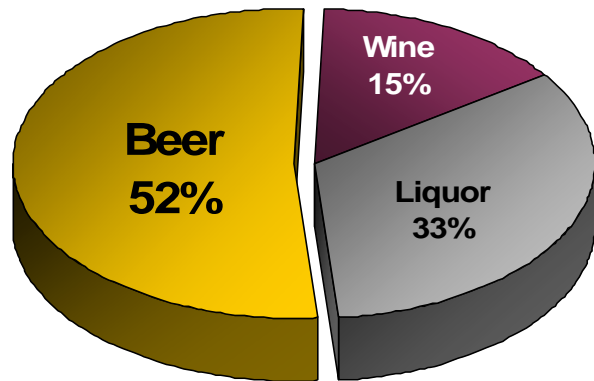




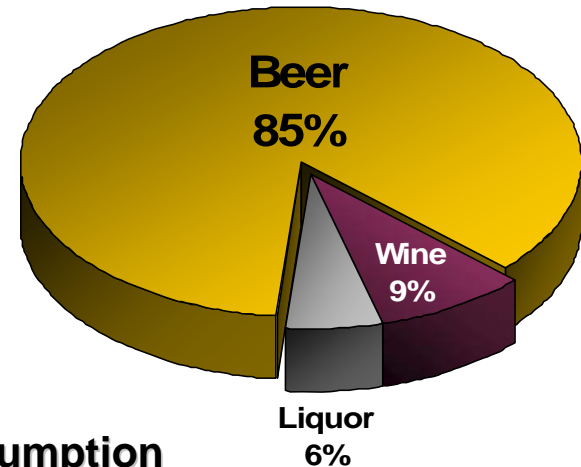
Beer Is a \$91.6 Billion Dollar Category and Accounts for Over Half of Beverage Alcohol Dollar Sales



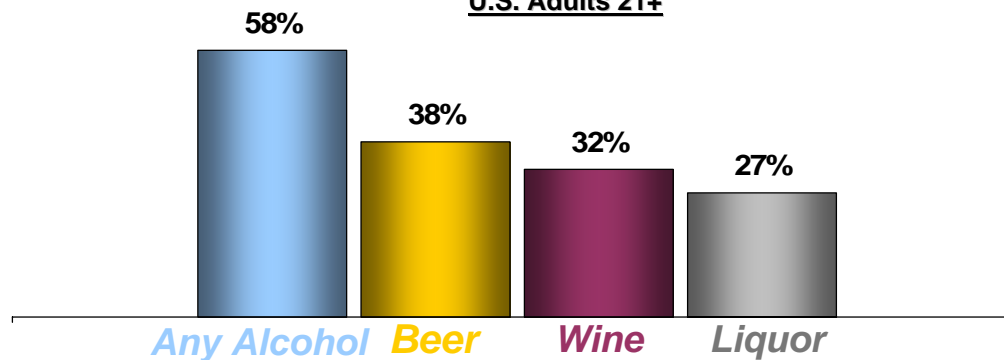
Share of Total Beverage Alcohol Retail Dollar Sales



Share of Total Beverage Alcohol Consumption (Gallons)

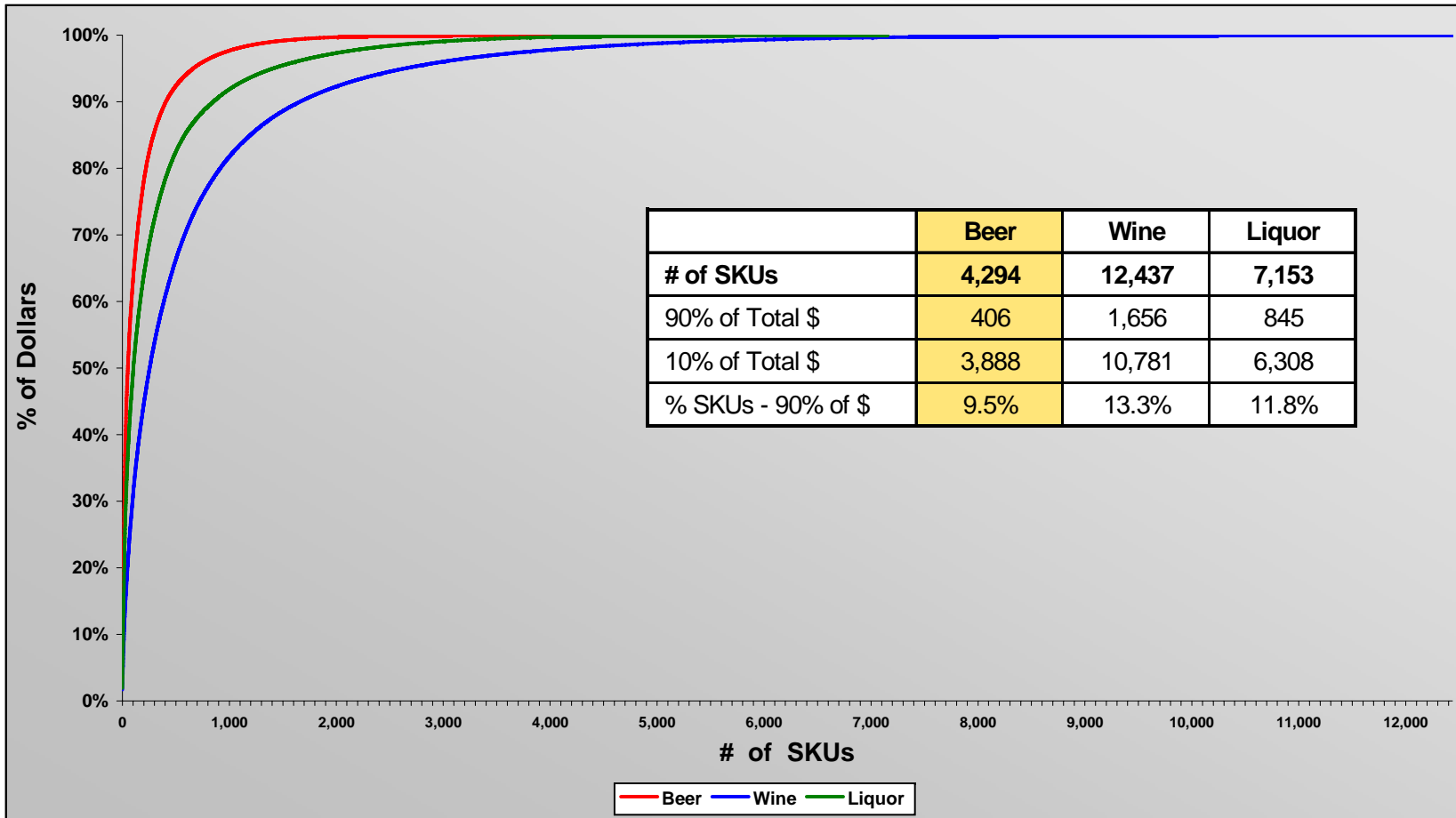


Average Past Month Consumption Incidence Among U.S. Adults 21+



More people consume Beer than either Wine or Liquor

Beer SKUs Have Much Higher Productivity than Wine and Liquor SKUs



- Total U.S. Grocery has 4,294 Beer SKUs, 12,437 Wine SKUs and 7,153 Liquor SKUs
- 406 Beer SKUs Generate 90% of total beer dollars while, 1,656 Wine SKUs and 845 Liquor SKUs contribute 90% dollar sales to their respective categories

Top 10 Beverage Categories Grocery Performance



2006 Grocery Dollars by Beverage Type (\$ Billion)

\$11.8

Carbonated Bev

\$10.2

Milk

\$7.8

Beer

\$4.9

Wine

\$3.9

Rfg Juices/Drinks

\$3.9

Bottled Water

\$3.3

Bottled Juices

\$2.7

Coffee

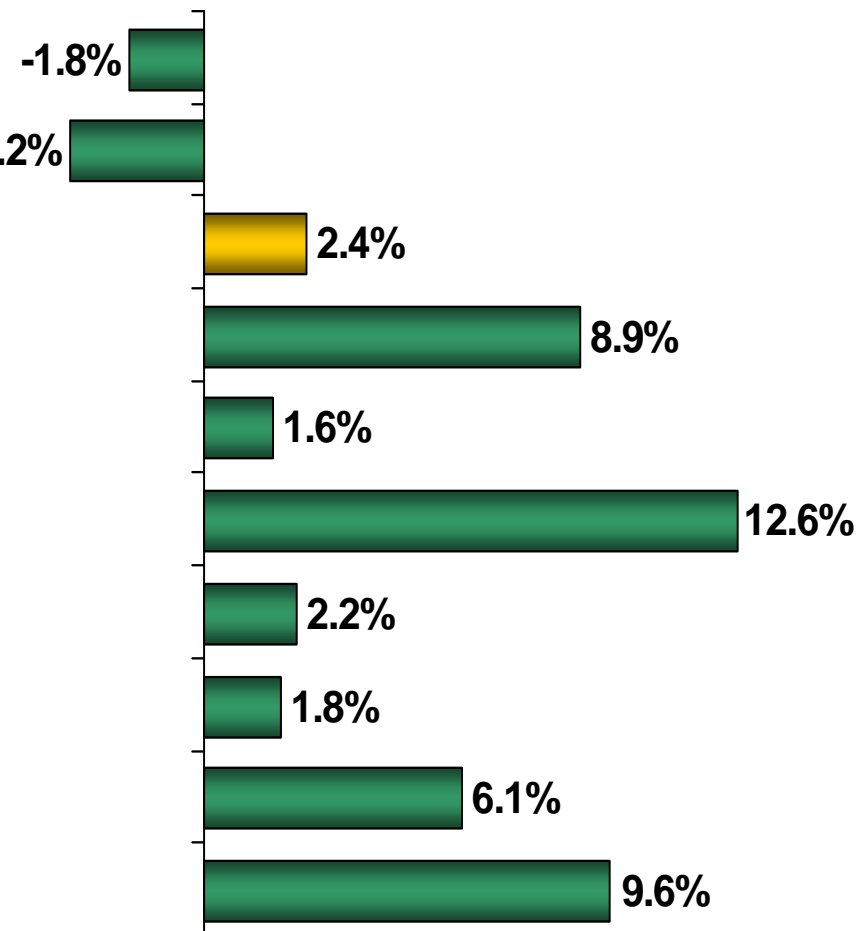
\$2.1

Spirits/Liquor

\$1.4

Sports Drinks

Grocery Dollar Trend 2006 vs. 2005

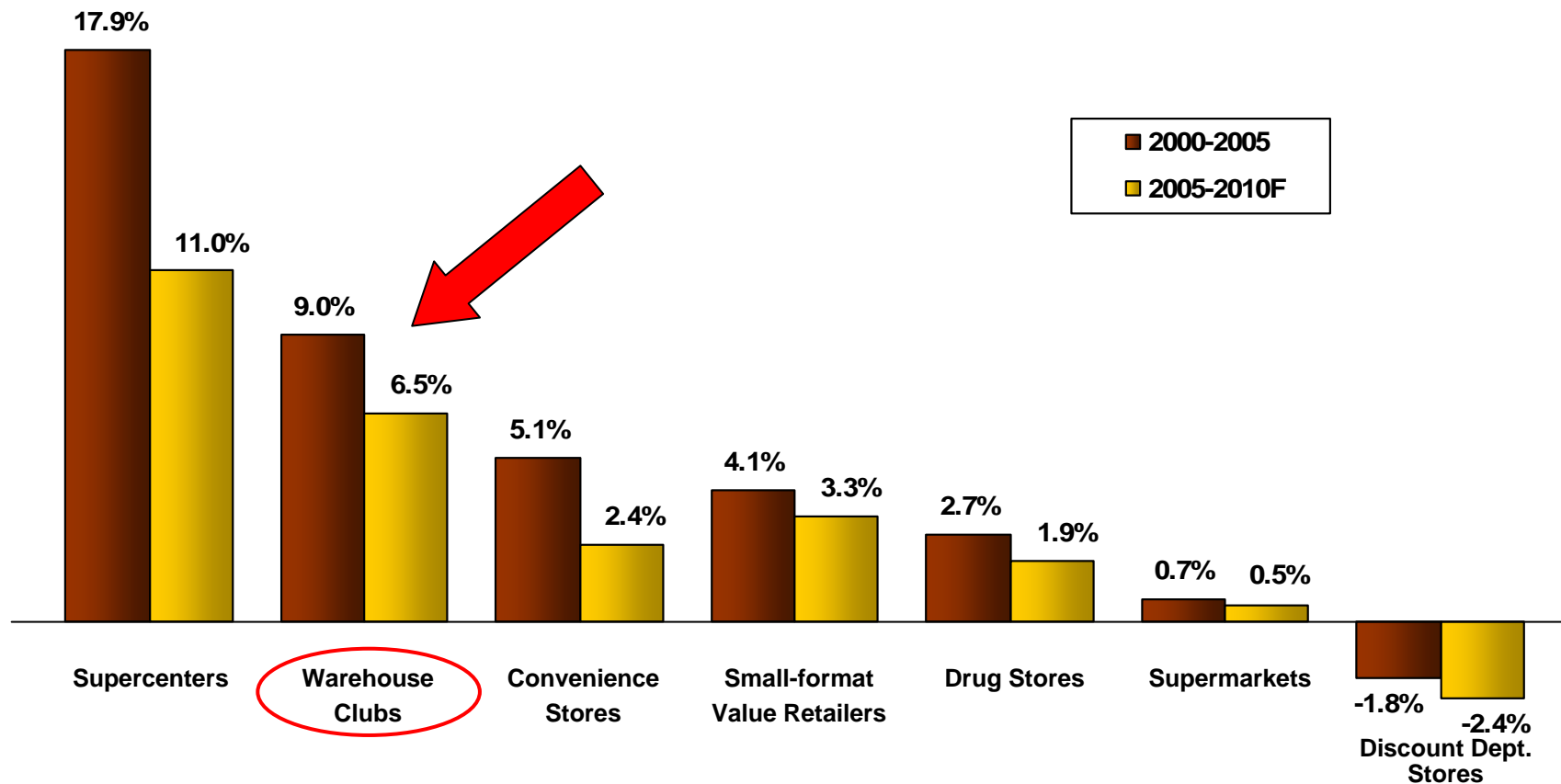


While Liquor and Wine have higher dollar trends than Beer, the Beer Category is still larger than both Wine and Liquor combined!

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*

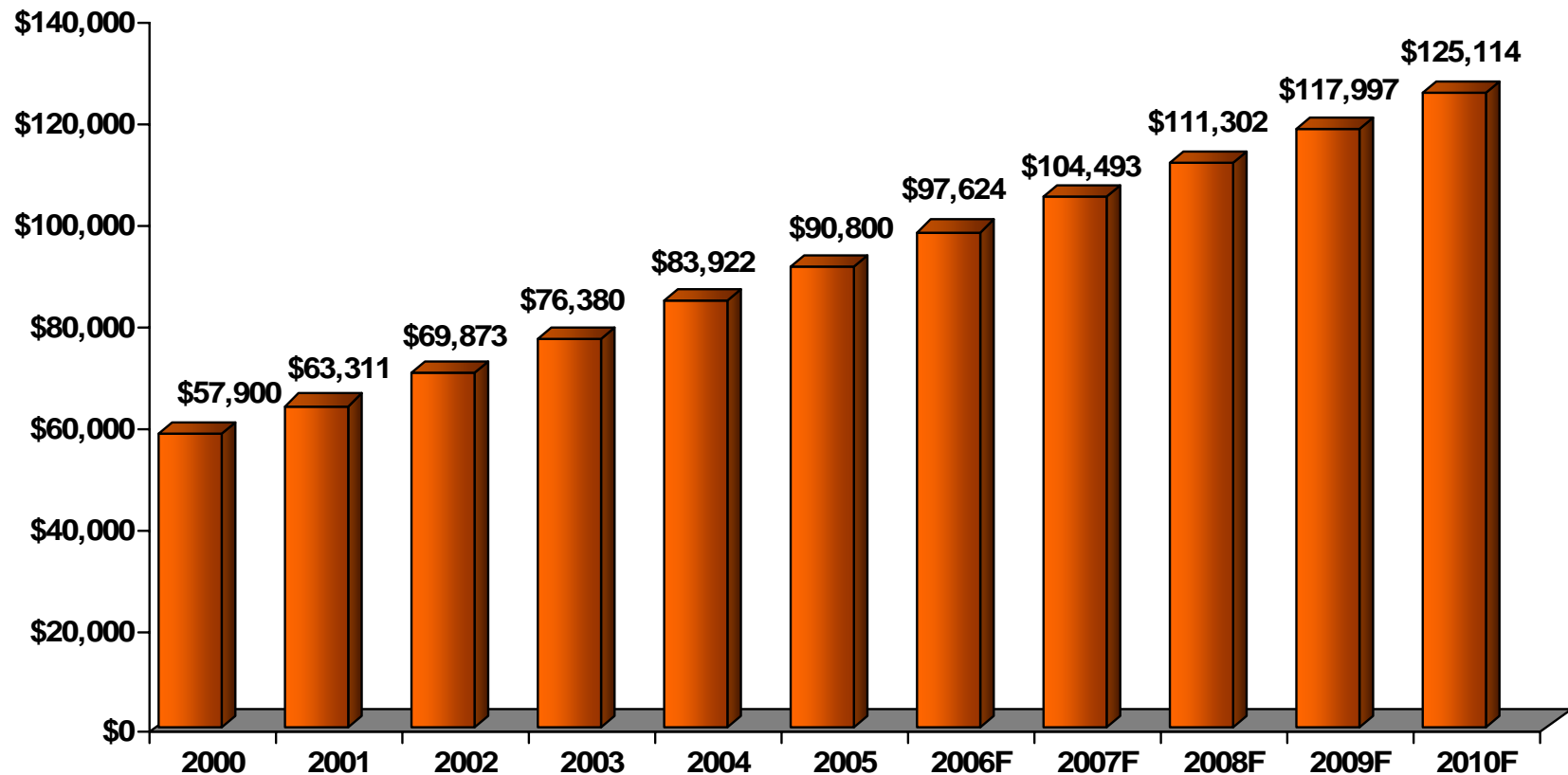


*Note: real = inflation adjusted

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



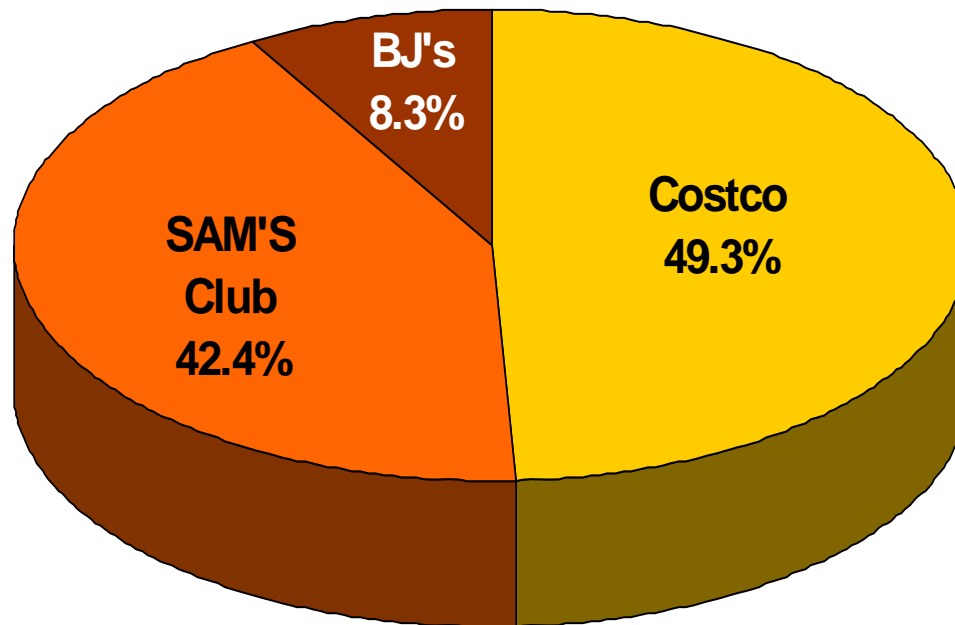
U.S. Warehouse Club Industry Sales Growth and Forecast \$ Millions

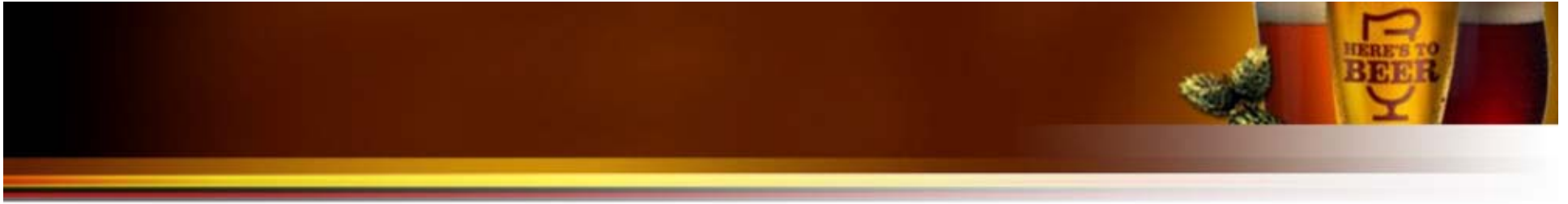


Costco is the Leading Retailer in the Club Channel



Top Three Warehouse Club Players (most recently reported 12 months sales through September 2006)





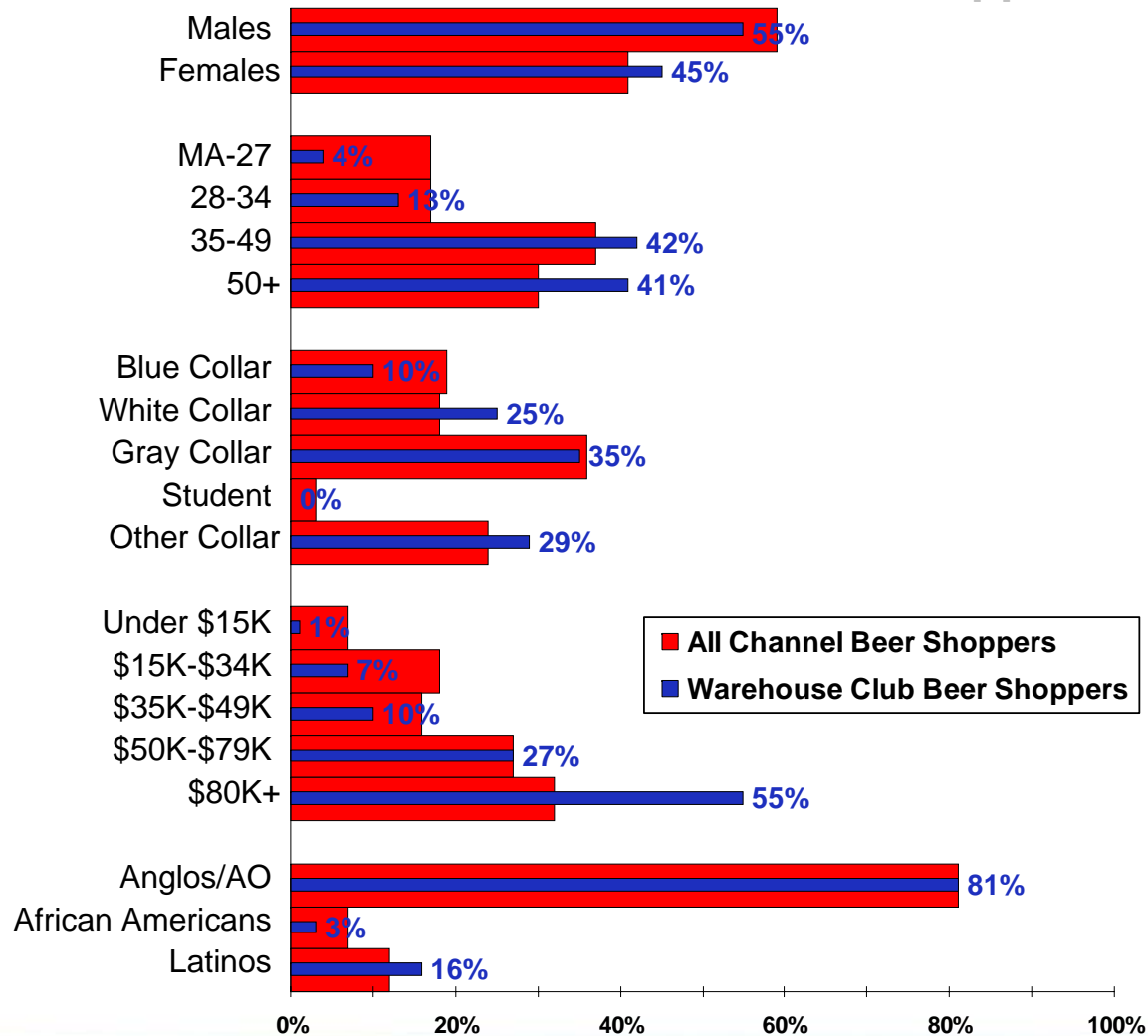
Shopper and Consumer Insights



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.

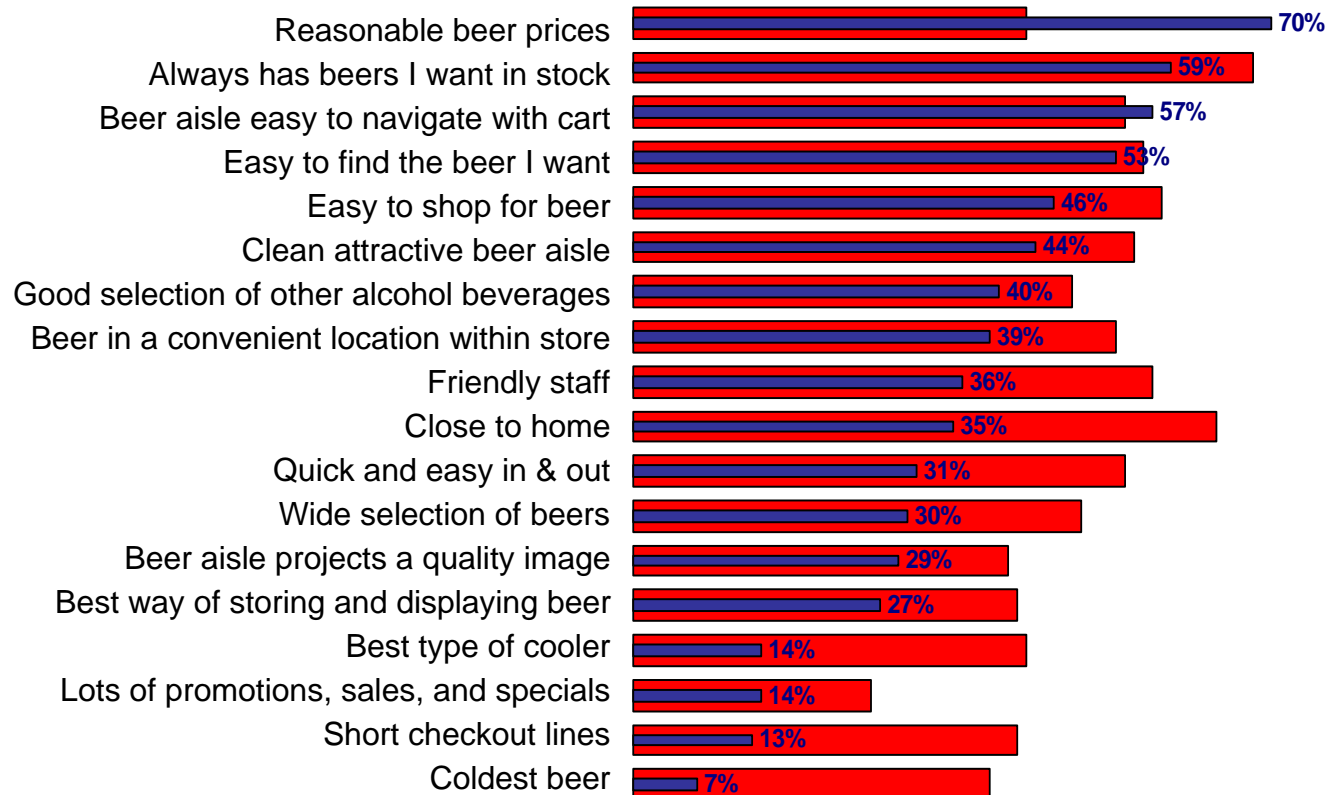
Versus All Channels, Warehouse Club beer shoppers skew female, middle-aged and older (35+ years old), white collar, and affluent.

The Beer Shopping Process



What Do Warehouse Club Beer Shoppers Like Most About Buying Beer There?

Ratings of Most Often Beer Store (% rating "9" or "10" on 10-point scale)



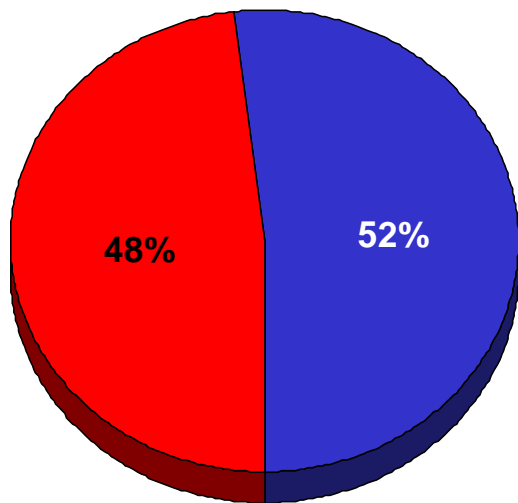
 **Beer shoppers who are loyal to Warehouse Clubs rate them highest on perceptions of having reasonable beer prices.**

What is the Warehouse Club Beer Shopper's Mindset?

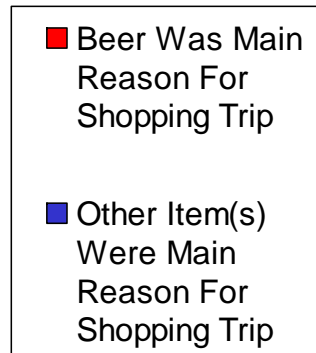
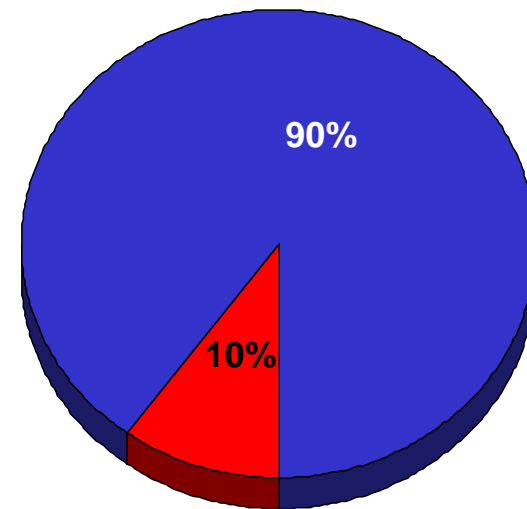


Primary Reason For Shopping Trip

Most Recent Beer Purchase
All Channels



Most Recent Beer Purchase
at Wholesale Club



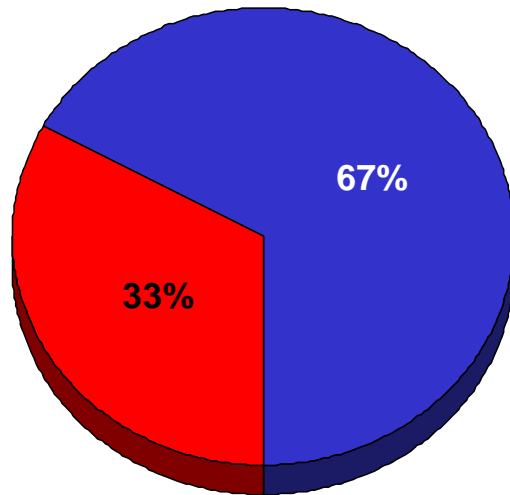
- There is opportunity to make Warehouse Clubs more of a beer destination

What is the Warehouse Club Beer Shopper's Mindset?

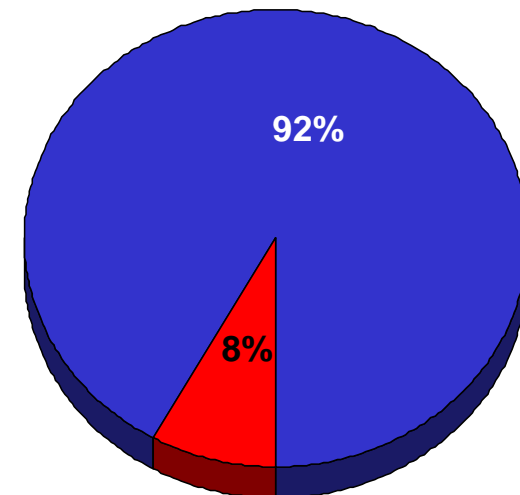


Other Items Co-Purchased with Beer

Most Recent Beer Purchase
All Channels



Most Recent Beer Purchase
at Wholesale Clubs

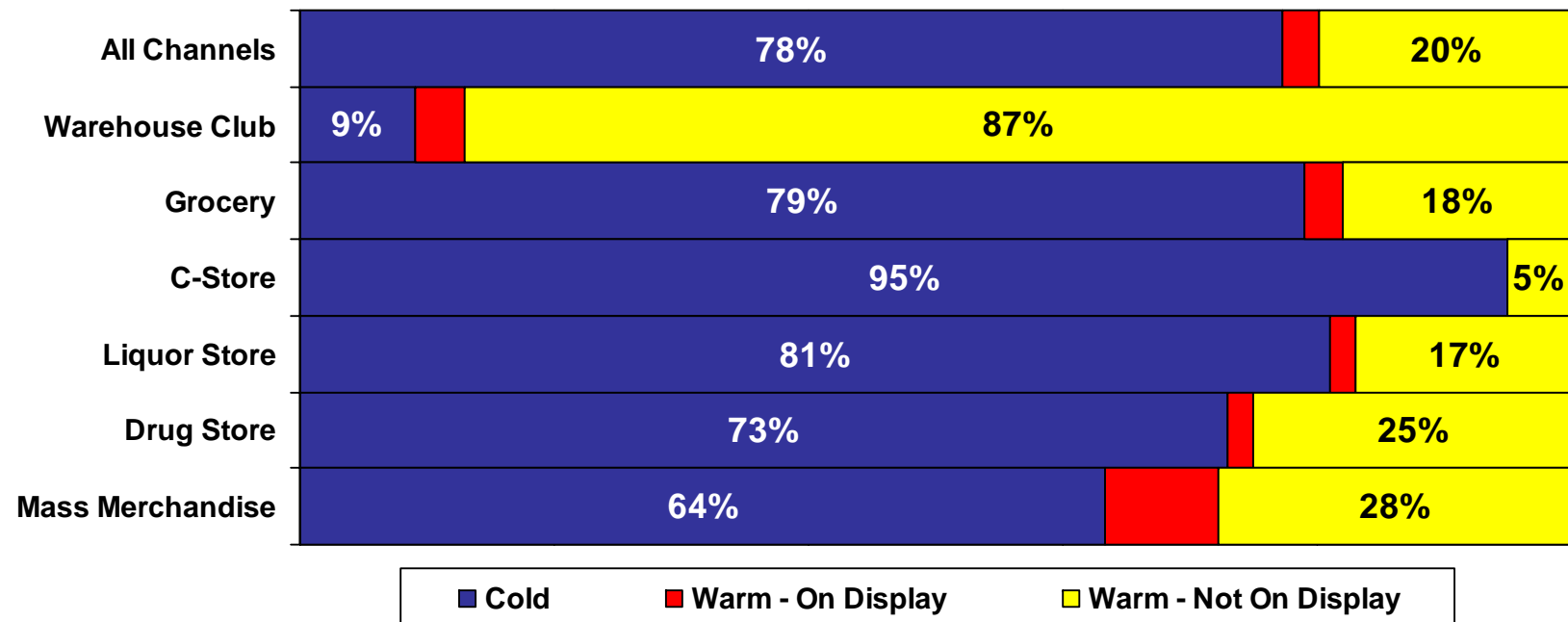


- Beer shoppers are valuable at Warehouse Clubs since they are highly likely to purchase other items with beer

The Beer Purchase Decision



Cold Vs. Warm Beer Purchasing Total Beer Shoppers By Channel

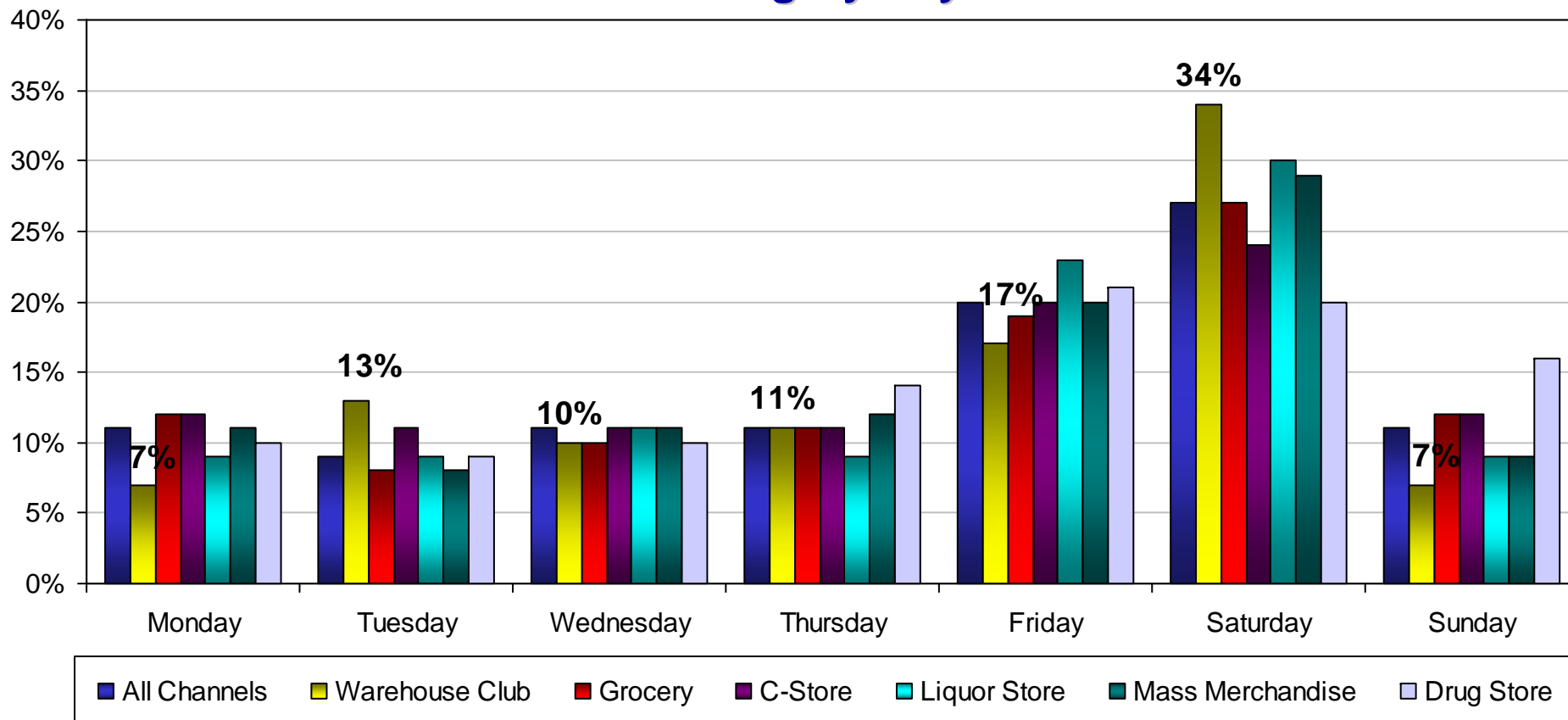


- Where available, beer shoppers overwhelmingly like to purchase beer cold, Additional cooler space should be considered at Warehouse Clubs to help drive incremental beer sales

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**

Summary



- **Beer Is an \$91.6 Billion Dollar Category and Accounts for More Than Half of Beverage Alcohol Dollar Sales**
- **Beer continues to be the most popular alcohol beverage in the U.S. whether measured as a share of total beverage alcohol retail dollar sales or share of total beverage alcohol consumption**
- **Warehouse Clubs Are Posting Strong Sales Growth That Is Expected to Continue through 2010**
- **The shoppers most commonly found buying beer at Warehouse Clubs are male, 35+ years old, higher income and Anglo**
- **The beer shoppers who are loyal to Warehouse Clubs rate them highest on the perception of having reasonable beer prices**
- **Beer buyers are likely to buy other items**
- **Where available, beer shoppers overwhelmingly like to purchase beer cold**
- **There is an opportunity to make Warehouse Club stores more of a beer destination**
- **Beer is the third ranked beverage category in Grocery Stores, and it is growing at a rate of +2.4%**