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## News Release

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### **CONSUMERS MAKING THE MOST OF REDUCED CHAMPAGNE PRICES**

**November 5, 2010, Sydney:** Australian consumers are being treated to considerable reductions in Champagne prices and making the most of it. According to market research leaders, The Nielsen Company, the average price of Champagne has fallen by over eight percent per bottle over the past two years, from \$65.58 in 2008 to \$60.43 for the 12 months ending September 2010.

As a result, the Champagne segment has enjoyed a 17.5 percent increase in volume sales, over the 12 months to September 2010; a significant feat given growth had been flat over the prior two years driven by the impact of the Global Financial Crisis.

Locally this trend can be attributed to a stronger Australian dollar, lower priced retailer controlled brands and aggressive discounting.

This trend is similar across the globe, with Champagne sales in Great Britain recording 15.5 percent volume growth, and an overall reduction in the average price per bottle – an indication of growth being driven by the lower end of the market, as well as through considerable discounting.

Implications of this trend has meant that sales for the Sparkling Wine segment (excluding Champagne) in Australia, has decreased in volume by 1.5 percent over the 12 months to September 2010, and now sits only fractionally above sales levels of two years ago. The decrease in sales has occurred despite a small drop in average price per bottle from \$10.32 to \$10.22 over this period.

Liz Watkinson, Nielsen's Director of Liquor (Pacific), also revealed results from a recent Consumer Research study addressing the change in consumers spending habits versus a year ago. "The research confirmed that among lower income households (less than \$40,000 pa), a third of consumers who buy wine in the off-premise market have claimed to purchase less of the category



versus a year ago”, said Watkinson. “While among higher income earners (greater than \$80,000 pa), over a quarter said that they had increased their frequency of purchasing wine.”

“These trends are clear indicators that the Champagne segment is set to sparkle over the upcoming festive season, both for suppliers and consumers,” said Watkinson.

**About The Nielsen Company**

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