### State of the Industry at End 2018

#### Return on Investment

- **2%** (2015 Baseline)  
- **<2%** (2018 Actual)  
- **CPI + 5%** (2025 Target)

- Profitability still under pressure.
- Silver lining due to upward price adjustments and greater cost-efficiency.
- Regional variations due to the after-effects of a three year drought.

#### Production to Market Driven

- **80,000 ton surplus** (2015 Baseline)  
- **Short supply** (2018 Actual)  
- **Equilibrium** (2025 Target)

- Holistically stock levels are at equilibrium.
- Scarcity in certain varietals and price categories.
- Wines imported to meet demand.

#### Local Wine Sales

<table>
<thead>
<tr>
<th>Volume (m litres)</th>
<th>2015 Baseline</th>
<th>2018 Actual</th>
<th>2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Price &lt;R30</td>
<td>350 m litres</td>
<td>387 m litres</td>
<td>450 m litres</td>
</tr>
<tr>
<td>Basic &gt;R30 – R48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium &gt;R48 – R72</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Super premium &gt;R72 – R108</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ultra premium &gt;R108</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Bulk: Packaged Ratio

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2015 Baseline</th>
<th>2018 Actual</th>
<th>2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>60:40</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40:60</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Transformation: Land & Water

- **1.5%** (2015 Baseline)  
- **2%** (2018 Actual)  
- **3%** (2025 Target)

- 20% of industry levies allocated to support transformation.
- 25 black brand owners assisted with finance, legal mentorship & trade promotions.
- 20 black-owned wine businesses gain access to WCDoA grants & technical services.
- HORTFIN launched, potentially R200 m in blended finance to 8-BBEE ventures.

#### Wine Tourism

- **R6 bn** (2015 Baseline)  
- **Roadmap executed** (2018 Actual)  
- **R15 bn** (2025 Target)

- Wine Tourism Desk established, with MOUs with Wesgro & the SA Wine Routes Forum.
- VisitWinelands established as digital platform & Wine Tourism Toolkit underway.
- International arrivals by air to Cape Town & Western Cape up by 9.6%.
- Economic Value of Wine Tourism in South Africa study launched.

#### New Markets: (USA, China, Africa)

<table>
<thead>
<tr>
<th>Region</th>
<th>2015 Baseline</th>
<th>2018 Actual</th>
<th>2025 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>12.9 m litres</td>
<td>3%</td>
<td>544.9 m litres</td>
</tr>
<tr>
<td>China</td>
<td>10.2 m litres</td>
<td>2%</td>
<td>459.4 m litres</td>
</tr>
<tr>
<td>Africa &amp; Africa Islands*</td>
<td>23.6 m litres</td>
<td>6%</td>
<td>722.7 m litres</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>46.7 m litres</td>
<td>11%</td>
<td>1,727.0 m litres</td>
</tr>
</tbody>
</table>

*Excluding SACU countries

#### Ethical Accredited Volume

- **20%** (2015 Baseline)  
- **61%** (2018 Actual)  
- **100%** (2025 Target)

- Largest Fairtrade wine supplier in the world.
- 61% of total production ethically certified.
- > 750,000 tonnes.
- > 1 300 producers.
- > 40 000 employees.
- Continuous improvement & social dialogue.