



Information Bulletin

Markup

To all agents and suppliers

The SAQ prepares to adjust its fixed markup

As announced in January 2010, the SAQ is implementing an annual fixed-markup indexing mechanism for all its products. By taking this action, the SAQ is seeking to counter the erosion of its profit margin expressed as a percentage of net sales.

Accordingly, the company is preparing to make an upward adjustment in its fixed markup on wines, spirits and liqueurs. The changes related to this adjustment will take effect on February 2, 2011.

The indexing rate used for 2011 is 1.27%, which corresponds to a 0.95% increase in the fixed markup on wines and 0.10% on spirits.

For example, based on the CPI rate to be used (1.27%), the impact on the retail price of a \$15 to \$16 wine will be around 0.3%. For a 750-ml bottle of spirits that retails for between \$20 and \$25, the impact will be about 0.2%. Note that these figures do not include the adjustment to taxes and service fees.

The indexing calculation is based on a percentage of the Quebec consumer price index (CPI) and will always be less than the inflation rate.

For more information, please contact
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