



The Swedish Market: Burgundy wines show record exports

December 2011

From Burgundy to Sweden – key figures for 2010

Exports:

In 2010: 3.2 million bottles (+9% on 2009), for a value of €14 million (+9%)

- ↳ **comprising:**
- ▶ Still white wines: 63% (volume)
 - ▶ Red wines: 15% (volume)
 - ▶ Crémant de Bourgogne: 22% (volume)

Forecast for 2011 : +1% in terms of volume and + 3% in terms of value (figures for 10 months from January to October 2011)



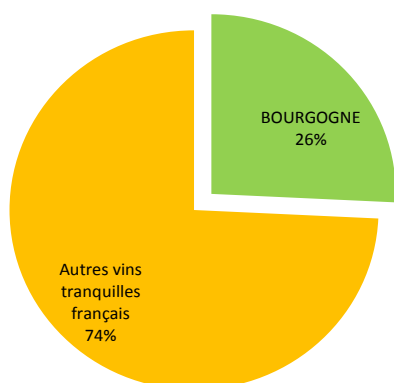
► Burgundy wines in a strong position on the Swedish market

Thanks to rapid growth in this market between 2004 and 2007 prior to the global economic downturn, when the number of bottles exported grew from one million to three million in three years, Sweden has entered the top 10 export markets for Burgundy. It holds 9th position in terms of volume with 3.6% of volumes exported and 10th position in terms of sales, with 2.4%. It is one of the most dynamic markets for Burgundy wines in recent years and is a solid one, having more or less maintained import levels during the recession.

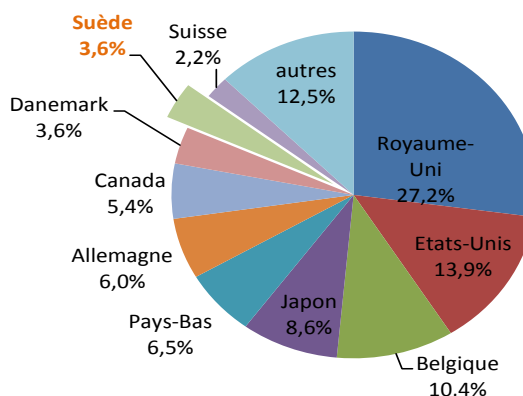
Burgundy has also clearly confirmed its status as the leading French region for still AOC wines sold to Sweden, with a 25.8% market share in terms of volume, and 32.4% of sales in this segment.

As a reminder, in 2010, France was the fourth biggest supplier of wine to Sweden in terms of volume with a 10% market share, but it was the leader in terms of value with a 20% market share.

VQPRD tranquilles français exportés en Suède en 2010 (en volume)



Principaux marchés de la Bourgogne en 2010 (en volume)



► A significant revival in exports of Burgundy wines to Sweden: Burgundy returns to growth after the recession

Exports of Burgundy wines to the Swedish market showed strong growth between 2004 and 2007, mainly thanks to sales of white wines.

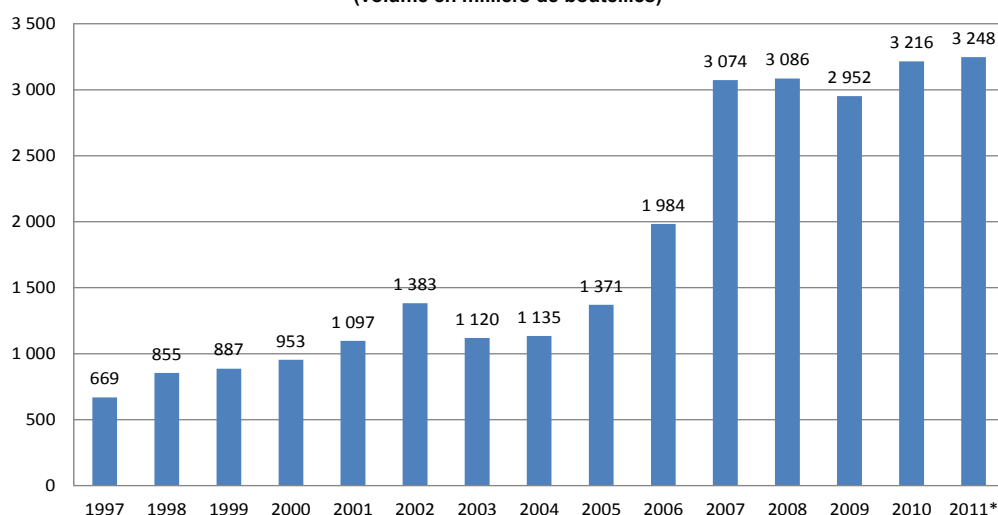
Exports were fairly stable during the recession-hit years of 2008 and 2009. The slight dip observed during this period is partly linked to fluctuations in exchange rates, which for some months were disadvantageous to both Swedish consumers and Burgundy wines, with their relatively high positioning. The Swedish krona lost almost 20% against the euro between the summer of 2008 and spring 2009.

Elle a, fort heureusement, retrouvé progressivement son niveau à l'été 2010 et favorisé certainement la reprise des importations de vin plus haut de gamme sur le marché.

Fortunately, it gradually recovered its previous value in summer 2010, which no doubt helped revive imports of more expensive wines to Sweden.

Indeed, since 2010, exports of Burgundy wines to Sweden have grown significantly and should lead to a new record being reached of around 3.25 million bottles exported in 2011, despite the ongoing global economic difficulties.

Exportations de vins de Bourgogne en Suède
(volume en milliers de bouteilles)



*Estima° à partir des 10 premiers mois

This growth is mainly due to white wines and the Chablis appellation in particular which is very popular in Sweden, as well as Crémant de Bourgogne wines which are becoming an essential part of every wine store's range.

Exports of Burgundy wines to Sweden by color

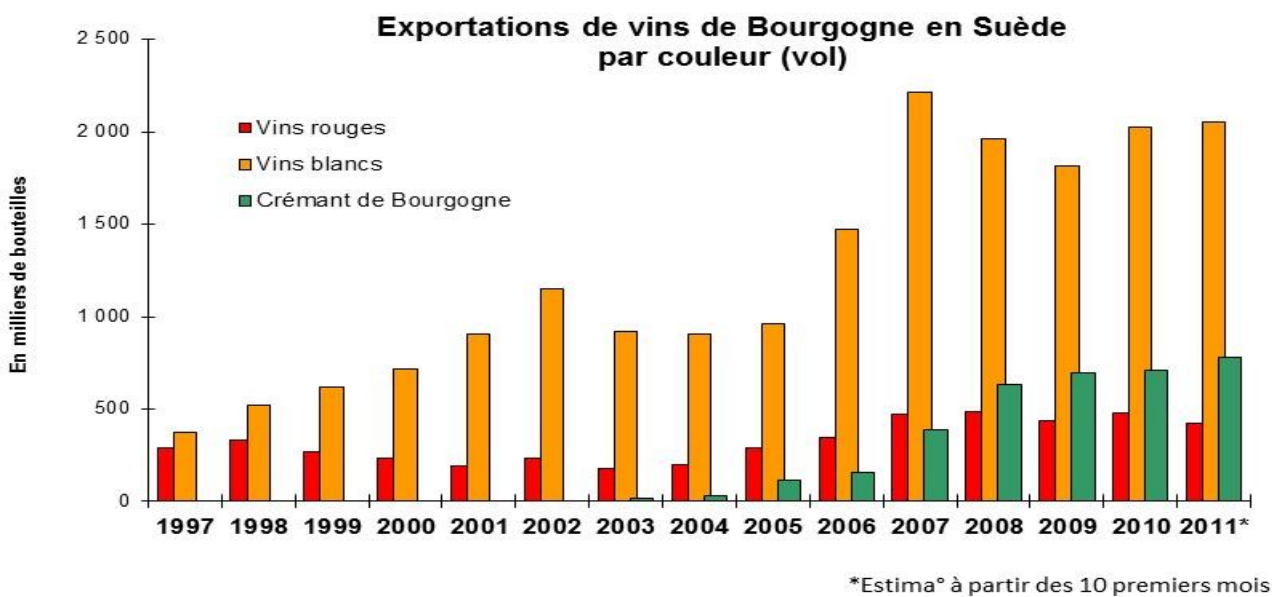
	Export Bourgogne 10 mois 2011				Export Bourgogne 12 mois 2010			
	Quantité (en milliers de cols)	Valeur en K€	Var volume 10 mois 2011/2010 %	Var valeur 9 mois 2011/2010 %	Quantité (en milliers de cols)	Valeur en K€	Var volume 12 mois 2010/2009 %	Var valeur 12 mois 2010/2009 %
Total vins blancs	1 655	7 046	1,2%	6,2%	2 026	8 140	11,5%	9,0%
Total vins rouges	340	2 122	-11,8%	-11,4%	478	2 989	9,2%	21,4%
Crémant de Bourgogne	558	2 283	9,5%	10,1%	712	2 900	2,1%	7,2%
TOTAL Bourgogne	2 553	11 451	0,9%	3,2%	3 216	14 029	9,0%	11,0%

► Exports by appellation category: white wines leading the way for Burgundy wines

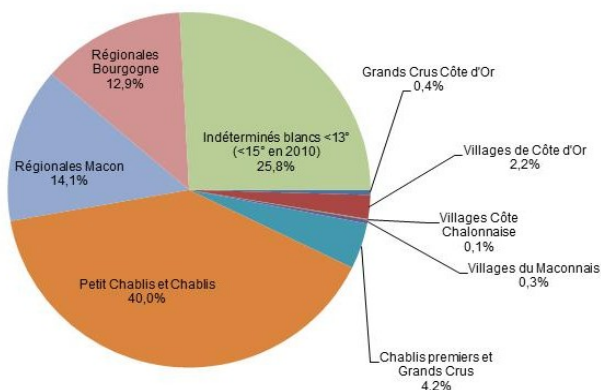
Exports of Burgundy wines to Sweden have mainly grown thanks to the popularity of white Burgundies among Swedish consumers. And it is white wines in general that have breathed the life back into Burgundy exports to Sweden since 2010.

Red Burgundy wines (whose sales in Sweden are mainly composed of regional appellations) did, nonetheless, enjoy some fresh interest before the recession (volumes exported increased by a factor of 2.5 between 2004-2008). There is real potential for growing exports of red Burgundy in this country where most wine drunk is red in color.

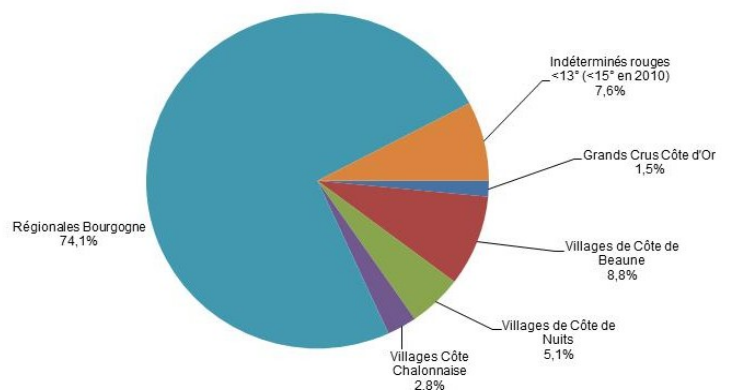
Exports of Crémant de Bourgogne wines are continuing to grow (almost 800,000 bottles exported in 2011), and as such have held the fort for white wines during the downturn. It would appear this appellation has a real chance to shine in this market, where consumption is typically festive in nature and concentrated on the weekend. Sweden has become the leading export market for Crémant de Bourgogne. Gad Pettersson, wine buyer for Systembolaget, the government-owned wine monopoly, confirmed in an interview in the *Revue Viticole Internationale* in March 2011 that Swedish consumers believe Crémant de Bourgogne offers the same varietals and *terroir* as Champagne but for a much more affordable price.



Exportations de vins blancs de Bourgogne en 2010 (en volume)



Exportations de vins rouges de Bourgogne en 2010 (en volume)



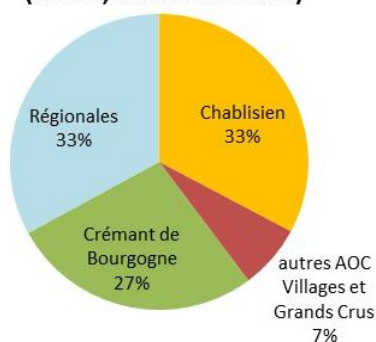
► **Distribution of Burgundy wines** (Source: Systembolaget and UBIFRANCE)

Because wine sales in Sweden are controlled by the Systembolaget government monopoly, it is relatively easy to monitor sales of Burgundy wines to consumers, although catering sales are less easy to track as their purchases can be made direct from suppliers.

Ventes de vins de Bourgogne par le monopole en

2010

(valeur, toutes couleurs)



Most of the 100 Burgundy appellations are available to buy through Systembolaget but mainly in small quantities and to order. This helps boost the monopoly's image and product range. However, the first 15 most popular Burgundy wines account for 80% of volumes sold.

The majority of sales are of Chablis wines, regional AOCs and four Crémant de Bourgognes which are available in stores.

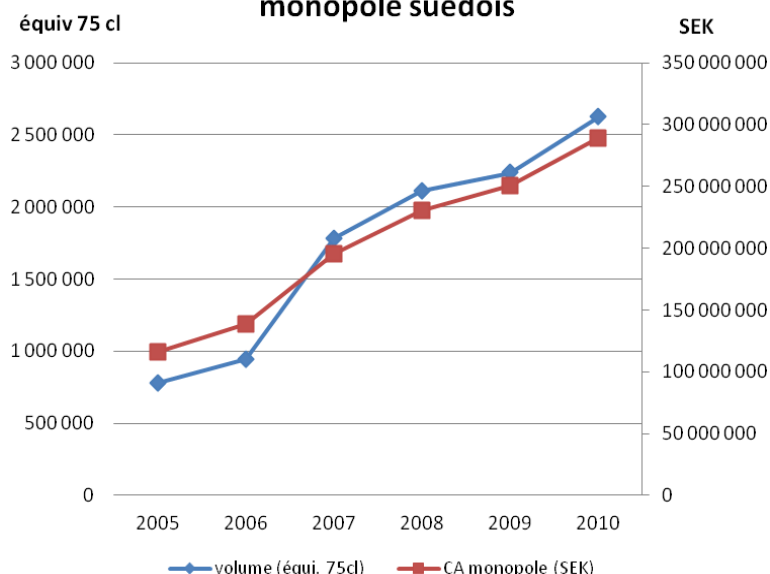
Despite the slowdown in exports in 2009, sales of Burgundy wines in Systembolaget stores continued to grow during that year and were up +6% in terms of volumes over 2008. This growth in sales was further strengthened in 2010 with a rise of +17%. Indeed, the equivalent to 2.62 million bottles (75cl) was sold, bringing in almost 290 billion kronor to the monopoly. Burgundy wine sales tripled in volume and more than doubled in value in the space of just five years, despite the tough global economic situation.

Systembolaget currently handles around 70% of all sales of Burgundy wines to Sweden each year. Given the growth in exports witnessed in 2011, sales in stores looks set to continue this year.

Direct sales to individuals account for less than 5% of sales of Burgundy wines (source: UBIFRANCE).

Restaurants, which are able to do their purchasing directly, order their Burgundy wines in small quantities to meet their needs. Around 50 high-end restaurants offer a fine selection of Burgundy wines (Source: UBIFRANCE).

Evolution des ventes de Bourgogne par le monopole suédois



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Sources: BIVB/Customs/ Ubifrance/Systembolaget