

GENERAL INFORMATION ABOUT VINMONOPOLET IN NORWAY

Vinmonopolet is a monopoly situation in charge of the retail distribution of wine, spirits and strong beer in Norway. The products Vinmonopolet distribute are purchased from licensed suppliers which are called Grossister. LaMarc Wines holds a required license and agreements to act as a supplier to the monopoly.

The organization have about 300 stores in Norway, in four different size categories. The population of Norway is approximately 5,2 million people.

Vinmonopolet has approximately 18 000 products in its product range at this stage, and every year they purchase about 300 new products. Most of the products are purchased via the normal tender procedure, where Vinmonopolet announce a tender request and different products submitted will be judged on quality in relation to price in a blind tasting session.

The volumes required for a product varies a lot, depending on the price, distribution and idea with a listing. Overall Vinmonpolet purchases more products and smaller volumes than what Systembolaget (Swedish monopoly) usually purchases.

The Norwegian retail alcohol monopoly is as the other Scandinavian monopolies very pro organic products, and this we believe will be a trend that we will see more of within the next 5 years period.

INFORMATION ABOUT VINMONPOLET AND THE TENDER SYSTEM

As the monopoly tendering system is pretty complicated and difficult to understand, we've tried to summarize the process. For us it is very important that the producers we represent understand the procedure and by doing so participate with us in an ongoing, proactive work.

Many producers today misunderstand the procedure due to unclear information from Scandinavian partners and we really want to avoid this. We want you to understand how it works so we together can co- operate to do as good as possible in trying to get your wines into the system.

If you have further questions about how the system works after reading this document, do not hesitate to contact us at post@lamarcwines.com

STEP BY STEP PROCESS ON HOW A TENDER IS CREATED

Step 1.

Vinmonopolet get inputs from meetings with importers/producers/sommeliers in order to decide what kind of products they will request for the next coming year. This input summarized creates the Marketing plan launched every 6 months. This plan tells us what tenders that will be announced in the upcoming years usually for the next 6 months.

Step 2.

The Marketing plan is announced every 6 months, usually in December and June. The plan tells us about the specific requests that Vinmonopolet look for and it also tells us when we can submit an offer and when a potential launch will take place.

We update these tenders on our current tender page as well as summarize these tenders.

Step 3.

As the tender date in the Marketing plan arrives we can proceed and submit a written offer of a product. LaMarc Wines will send you a form to fill out and it is very important to make sure to fill out the form with all the necessary information.

Step 4.

In order to participate in a tender your wine needs to meet all the criteria as stated in the description. For example- Region, vintage, type of closure, grape varieties etc. But, as the wine finally is selected only upon sensory analysis, the taste description in the tender is almost more important, and this is something which a lot of importers forget. It doesn't matter how good a wine is, if it doesn't match the taste and style they are looking for, it has no chance of winning. (More information about this is mentioned later in this document).

Step 5.

After the deadline, the buyer reviews all submitted offers and rejects all with info which do not match their demands and also some wines they know which do not match what they are looking for. The remaining are all the wines they will request samples for tastings. Number of wines selected can vary depending on the tender but normally it is between 15 and 60.

Step 6.

A blind tasting is conducted with all selected wines that submit their samples on time. The best wine of the tasting (first taste/style then quality) is the winner and will be purchased. Vinmonopolet start to select wines from the information from the written offers. Most of the offers correctly filled out will be approved to the tasting stage.

A tasting panel of minimum 5 people will taste the wine and score the wine individually. They score each offer 1-9, where 9 is the best score. The most score is for the quality, price as well as the ability to deliver.

IF YOU WIN THE TASTING...

In case a wine wins the tasting, the wine will be launched approximately 5 months after the offer has been submitted to Vinmonopolet. LaMarc Wines will require the wine in its warehouse located in Norway approximately 6 weeks before the launch date.

To check the quality Vinmonopolet will compare samples from first shipment with the samples that won the blind tasting. In case there is a difference in taste or an analysis problem appears, Vinmonopolet will have the right to cancel the purchase.

THE TENDER SUBMISSION PROCESS

This guide explains how to proceed with an offer. If you have any difficulties to understand, please email marcus at marcus@lamarcwines.com and he will help you out personally.

A first thing to understand is that the wine offered has to be identical to a wine later shipped for a potential launch. In case they are not identical Vinmonopolet will reject the purchase and the supplier will bear all the costs.

- 1. Fill out the tender form that you will receive from Concealed Wines. Make sure to fill out the form correctly with all necessary information.
- 2. Send 4-6 sample bottles to LaMarc Wines as the second step. Notice that the samples you sent must look like the original wine that you intend to launch, equipped with proper label, bar codes etc. If you send tank samples we ask you to write alcohol volume %, vintage, name of wine and the producer name manually. Write this information on a sticker on the label.
 - 3. We request you to also include Lot number visible on the bottle. If tank sample, please indicate where on the bottle the LOT no. will appear later on at a potential launch.
- 4. Notice that the deadline we state in our information is absolute. The offer will be automatically rejected if we are not able to submit before the deadline dates. This is the same both for the written offer as well as for the sample submission. The samples should be sent to LaMarc Wines office in Oslo, to this address;

LaMarc Wines, Hegdehaugsveien 31, 0352 Oslo, Norway

HOW IT WORKS IN CASE YOU WIN AN ORDINARY LISTING

Once you win a listing in the ordinary range, your wine will be compared to the other wines in the same segment. The segment is divided on the basis of price and style. For instance, a red wine in a particular price range is compared to other red wines in that particular price range. For the first 6 months listed, the wine is not judged on the basis of its sales figures, but the next 6 months the wine will be compared the first time. In case the wine do not reach its sales goals, Vinmonopolet will de-list the wine or change the distribution of the wine to fewer stores. In case it reaches its sales goals, the wine will remain with the same distribution.

Every second month after the first 12 months, Vinmonpolet compare wines, and in case a wine does not reach the sales goals, it will change its distribution 3 months later from the announcement.

Please do not hesitate to contact us at LaMarc Wines if you have any questions regarding this procedure or other issues regarding Vinmonopolet in Norway. Our email addresses you can find underneath:

marcus@lamarcwines.com

freddy@lamarcwines.com

carl@lamarcwines.com