A good customer experience

"Hi!" It really can be that easy to improve the customer experience. A short greeting that lets customers feel they are being given more attention and perhaps makes customers more likely to ask sales staff for advice on drinks.

For Systembolaget, a good customer experience is key. And that doesn't just apply to our stores or our new website; it applies equally to those of us who work with launching new drinks and improving our product range.

The customer experience is more than just an encounter between two people; it's the overall impression made on a customer when he or she enters one of our stores or visits our website. Our product range is, of course, an incredibly important part of that experience.

The Launch Plan is one of the main tools we have to develop our product range, together with suppliers, and consequently improve the customer experience. The 2012 Plan focuses on two main areas based on issues that we know are important to and in demand by customers.

The first of these is responsibility. We want to see a greater selection of products with lower alcohol content, more eco-friendly packaging, organic raw ingredients and Fairtrade labelling.

In addition to what is presented in the Launch Plan, Systembolaget will be intensifying work on its alcohol-free range, which is increasing in popularity every year.

The other main area is revising the core collection – the categories and countries of origin that are best-known and most popular both among our customers and internationally. This demands that all stores have a range of styles and flavour types that suit all occasions. And we hope that the requests for tenders in this year's Launch Plan represent some steps in the right direction.

A new feature of the 2012 Launch Plan is that it provides an estimated volume for all fixed and temporary launches. These volumes should be viewed only as approximate guidelines, e.g. for discussions with producers about available volumes, and not as guaranteed volumes or definite sales forecasts. For wine and spirits these estimates are expressed in terms of the number of cases, while for beer they are expressed in litres.

For many of our launches we state the customer segment, so that suppliers are better able to customise their packaging. The head manager for each category is happy to discuss ideas with suppliers about how they can use this information to best meet customer needs.

In 2012 we will be reviewing our product range model, which is likely to change the requirements for certain parts of our product range. This edition of the Launch Plan may therefore be subject to certain changes in line with these new requirements.

The aim of this process of change, however, is the same as for this Launch Plan – to improve the customer experience. Systembolaget's staff are looking forward to 2012 so that, together with our suppliers, we can lay the basis for an even better customer experience.

SYSTEM BOLAGET

The world in which we operate

Systembolaget monitors its operating environment on a continual basis to ensure that our product range is adapted to meet trends and customer demand. We are not only interested in the latest developments in food and drink; we also pay close attention to overall trends and the driving forces behind these.

We distinguish between driving forces and trends, because driving forces are overall changes taking place in society in a number of areas, such as demographics, technology and climate. These forces affect trends, which in turn give rise to changes in consumer behaviour. Climate change and the climate debate are one such example. These are driving forces that have resulted in a "doing the right thing" trend, which has led to greater demand for organic products and new types of packaging, such as PET bottles.

Driving forces

Individualism

People are increasingly affirming their personal preferences and are unwilling to submit to general or collective patterns. They express their own individual identity in their choice of housing, childcare and schools, etc.[1]

Nowhere in the world represents these values as clearly as Sweden. We question and are increasingly critical of authority, and are adopting more of a "me-based" approach rather than a "we-based" approach. The needs and demands of the individual are becoming more important than those of the collective, and the quest for self-realisation has become stronger.[2]

Demographic changes

- The number of young people aged 20–24 will increase substantially over the next four years.
- Sweden continues to be a country that attracts many immigrants. One in every five Swedes is a first- or second-generation immigrant. 14 per cent of the Swedish population was born in another country. The largest group comprises 173,000 people born in Finland, followed by 117,000 born in Iraq. Furthermore, 390,000 were born in Sweden to two parents born outside the country.
- The percentage of pensioners in the Swedish population is gradually increasing. The trend in recent years suggests that more and more people are living alone and that increasing numbers of the elderly are continuing to live in their own homes.
- Just over half of all households in Sweden are single-person households and this is now the most common type of household in Sweden. Single-person households are dominated by people aged 65 or more. There are also a relatively large number of younger people represented in the single-person household group.[3]

1 The Ridderheim Report – Future Food Shopping, 2008
2 World Values Survey, 2009

Globalisation

We live in an increasingly global economy in which information, capital, goods, services and people move more quickly and easily from one country to another. This trend has also resulted in almost every organisation becoming more dependent on the rest of the world. Pandemics and financial unrest clearly show how quickly a crisis in one place can spread to the rest of the world.

Urbanisation

The term urbanisation means that people are moving from sparsely populated regions to densely populated areas where large numbers of people already live, reducing the distance to the nearest neighbour.[4]

Urbanisation is increasing worldwide. The fastest population growth in Sweden is taking place in large city areas, which have a young population of child-bearing age and high levels of immigration. The population is declining most sharply in smaller towns and villages, with large numbers of young people moving out and low immigration levels.[5]

Technological development

Digitalisation continues to fill our lives with ever-more advanced technology. Companies increasingly communicate with their customers online, and direct feedback is becoming increasingly important. Digitalisation is also helping to make people more mobile. Wireless networks and mobile internet mean that there are no limits to mobile partnerships and groupings.[6]

86 per cent of the Swedish population aged 16 or

3 www.scb.se
4 http://www.ne.se/urbanisering
5 Statistics Sweden
6 Företag Framtid newsletter, September 2008

more have access to a computer at home. 83 per cent have access to the internet and 78 per cent of the population have access to broadband.[7]

Climate change
Global warming is in the process of changing the world's climate – the scientific community is virtually unanimous about this. In a vote taken at the World Economic Forum in Davos in 2007, 60 per cent of the delegates stated that climate change is the issue that leaves both companies and politicians most at a loss.[8]

The climate change we are now seeing is a result of emissions of greenhouse gases, primarily carbon dioxide, from human activities boosting the natural greenhouse effect. It is feared that this will lead to a sharp rise in the Earth's average temperatures and hence a worldwide change in climate. This could have potentially catastrophic consequences for billions of people and result in the mass extinction of animal and plant species.[9]

Trends

Health awareness
Many European countries are seeing an increased awareness of and debate concerning the downsides to alcohol. As alcohol consumption and alcohol-related disease or injury increases in Europe, the interest in measures designed to reduce these problems is also increasing.

People have an increasing tendency to care about their health during an economic downturn, and to not only place greater emphasis on physical and mental well-being, but to invest both time and money in the pursuit of well-being. Sales of health food products in Sweden and the scale of product development in the field are both increasing. What are known as "functional drinks" are just one example of this trend, as is the "acupressure mat" that will soon be a feature of every home in Sweden.

This health trend is also being reflected in the alcohol industry. Demand for alcohol-free drinks and drinks with lower alcohol content is increasing. Consumers want smaller-format packaging and drinks that contain fewer carbohydrates and less sugar.

"Doing the right thing"
This trend is an expression of people's guilty consciences. Increased awareness of climate change, health and different life situations worldwide are giving rise to the need to "do the right thing".

One example of this trend is the 75 per cent increase in sales of Fairtrade-labelled products in 2009. This increase is primarily due to the fact that there are now more products available for purchase and the improved availability of the products in stores, coupled with the fact that more and more consumers are aware of and choose Fairtrade-labelled products when they shop.[10]

Interest in organic products is also growing, and the range of products available is constantly increasing. Sales of organic foods totalled SEK 7.2 billion in 2009, corresponding to an increase of 18 per cent in comparison with 2008. The rate of increase was not, however, as high in 2009 as in previous years.

The value of the global market for organic products is expected to total SEK 380 billion in 2010. Organic products have huge potential and the market will, according to numerous experts, grow by between 20 and 25 per cent per year.[11]

Looking for the real thing
At a time when the world is being flooded with more and more information and messages, and our sur-

Summary – what do these trends mean for our product range?

- More and more people are taking care of their health, and demand for such things as low-alcohol content items and smaller-size packs is expected to increase.
- Products in all price classes to match demand in the current economic climate.
- Products in eco-friendly packaging (e.g. wine in a bag, PET and other cardboard packaging), as CSR-related issues are becoming more important to people.
- Organic products and Fairtrade products, as more and more people want to "do the right thing".
- Convenient products, such as ready-mixed drinks and combination packs.
- Exclusive items and sparkling wine, because the need for luxury in everyday life continues, even during an economic downturn.
- New countries of origin, grapes and styles, as Swedes are receptive to new products. In an individualistic society like Sweden, people are increasingly looking for unique experiences.

7 World Internet Institute, Swedes and the Internet, 2009
8 Conference on climate change and wine, Barcelona 14–15 February 2008
9 http://www.naturvardsverket.se/Klimat-i-forandring/
10 www.rattvisemarkt.se. 2009 sales statistics.
11 www.ekoweb.se

roundings are being filled with brand names and advertising, many people are looking for what feels "real." There is a detectable trend worldwide of people wanting to wind down, to get away from the profusion of information and from superficiality. This is another trend that strengthens during an economic downturn, when security and genuineness become increasingly important.

The increasing sales and range of locally produced food is one example of this trend. Food stores are increasingly offering meat and milk from the local area. This trend is, to some extent, driven by environmental reasons – more and more people want to make climate-friendly purchases – but for many, supporting local producers is about choosing what's "genuine" and "real."

Other examples of this trend include a variety of labelling systems (e.g. for additive-free products) now seen in grocery stores, and the fact that more and more restaurants are focusing on genuine and natural raw materials. Genuineness is also being expressed in the increasing number of reality TV shows focussing on "ordinary people."

Focussing on me
The "ME" brand is becoming increasingly important. Consumers' image requirements are being met by choosing the attractive or "right" products with desirable designs, where colour and form go hand in hand with function. Examples of this trend include mueslis that customers can mix for themselves when they buy them, mailshots with personalised offers and storybooks in which you can insert a picture of the child in question, who then becomes the lead character.

Increased focus on luxury
Rising incomes have seen consumption shift from satisfying basic requirements to the sort of things that add spice to life. Luxury goods consumption falls during a recession, but even when times are hard, there is a need to make what remains that little bit more luxurious. Treating oneself, under these circumstances, might mean cinema tickets instead of a new TV – according to the Swedish Film Institute, their visitor numbers rise when times are hard. People also talk about "affordable luxury" – the sort of luxury that everyone can afford. The Lindex clothing company, for example, has taken this concept on board and is using it for part of its collection.

Experiences
Consumers are increasingly demanding goods and services that offer an experience, preferably a new experience. The price and quality of the product or service are not the only important factors, with added value in the form of activities, stories, meaning, attractiveness or identity creation becoming increasingly important. Examples of this trend include experience gift cards that enable people to give a helicopter ride, a hotel weekend or wine-tasting as a present.

Convenience
Consumers value their time and want to use it in the best possible way. This time pressure means, for example, that we are eating more and more fast food. Operators in the fast food segment saw a 3.1 per cent increase in net sales in 2009.[12] Other examples of this trend are online companies that have quick checkouts for people who don't want to create a user account before buying, and companies who offer subscriptions to ingredients and recipes sent to the customer's home.

Our customers

We have established a customer segmentation model in order to understand our customers better and further increase their satisfaction. It helps us hone our product range strategies and to formulate our offerings and services in the optimum way.

Systembolaget's customer segmentation comprises eight different groups. The segmentation model also includes a group of people who do not drink alcohol at all (have not drunk during the last 12 months), and who comprise 11 per cent of the Swedish market.

A so-called consumption index has been established for every customer segment, where 100 is the average for all segments. The consumption index indicates how much alcohol the customer segment consumes, on average, in comparison with the other segments. It should also be noted that the most common consumption occasion for all segments is the weekday evening meal, not a special occasion. The descriptions below show the occasion that distinguishes the segment in question from another.

Cautious traditionalists (17%)
The cautious traditionalists have a dutiful and traditional character. They seldom drink, and when they do, it is mainly on special occasions, such as public holidays and celebrations.

This segment comprises both men and women, with those over 60 and with a below-average income over-represented.

12 http://www.market.se/2010-02-16

The cautious traditionalists are not particularly interested in alcoholic drinks and do not like trying new products. They have an above-average interest in arts and crafts, books, crossword puzzles and music.

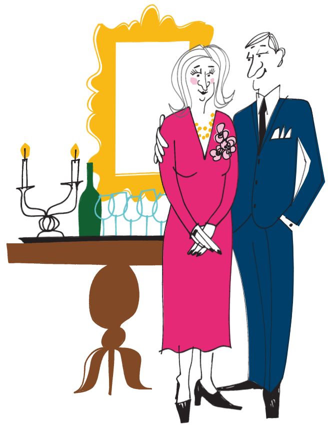
They shop at Systembolaget every other month, or less frequently. When they consume alcohol, they prefer to drink wine or beer, but in comparison with other customers segments, are low consumers of cider & mixed drinks.
Consumption index: 42

Blokes who yearn to learn (8%)
Levels of commitment to alcoholic drinks are high in this customer segment. It mainly comprises men aged between 30 and 60, and is over-represented in big cities. They work full time and have an above-average income. They live with a partner, with or without children, and are interested in motor sports, hunting & fishing, gaming and TV.

Beer is a major hobby, and whilst they have their favourites, they like trying new products. They usually consume alcohol during "boys' nights out", when they mainly drink beer and whisky. They consume twice as much beer as other customer segments, almost the same amount of spirits, and their consumption of wine and of cider & mixed drinks is more or less on a par with that of other customer segments. Their main reasons for consuming alcohol are to treat themselves or to wind down.

They shop at Systembolaget every other week or more. They buy new products every time they visit the store, and the main reasons for trying new products, in comparison with the other customer segments, is a desire to try something new, or they've tasted it in a bar, or it was on the "New Products" shelf.
Consumption index: 153

Sophisticated connoisseurs (13%)



The sophisticated connoisseurs have an extensive interest in alcohol and are curious about new products and the latest trends in wine. They are sociable and like organised parties. They are keen to show off/demonstrate their knowledge to others around them, and it's important to them that the wine goes with the food.

This customer segment comprises both men and women and is over-represented in the 50+ age group. Many have further or university education and they have a high income. Their likes include travelling, reading books and cooking.

They consume at dinners with friends more often than the other segments, when they primarily consume wine. The consume more or less the same amount of spirits as the other customer segments, slightly less beer, and half as much cider & mixed drinks. Their main reasons for consuming alcohol are to create a romantic atmosphere and because it goes with the situation/is traditional.

The sophisticated connoisseurs shop once a month or more at Systembolaget. They buy new products every time they visit the store, and the main reasons for trying new products in comparison with other customer segments is that they have read a review, received a recommendation from a friend, and read about the product on the shelf-edge label.
Consumption index: 115

Multifaceted connoisseurs (1.4%)
The multifaceted connoisseurs are a very small group that we have distinguished from the larger group of Sophisticated Connoisseurs. They differ from that group in that for this group, wine, beer and whisky are a hobby, their main interest. People ask the multifaceted connoisseur for advice, and they have considerable influence over those in their social circle when it comes to alcoholic drinks.

The multifaceted connoisseurs are expert all-

rounders. They are creative, deep, interested in brand names, and are always interested in learning more. They mainly comprise men over the age of 50 who live in built-up areas/medium-sized towns. They live with a partner, with or without children still at home, and are educated to college/university level. Their main interests are cooking, travel, clubs and societies, sailing/golf, and culture.

They mainly consume wine – twice as much as the other customer segments. They drink (slightly more than average) spirits but much less beer, cider & mixed drinks. Their main reasons for consuming alcohol are to create a romantic atmosphere and to learn more. They usually consume at weekday dinners, when there is no special occasion.

The multifaceted connoisseurs shop once a month or more at Systembolaget. They buy new products each time they visit the store and the main reasons for trying new products, in comparison with the other customer segments, is that they have read a review, that they want to try something new, and that the store staff have recommended it.
Consumption index: 140

Unpretentious bon vivants (13%)
Bon vivants want to indulge themselves and to enjoy life. Their level of knowledge when it comes to alcoholic drinks is not very high, but they are keen to learn more. They see alcohol as a large part of everyday life and are happy to plan to ensure that the drink goes well with the food. They enjoy taking a glass while cooking – it's part of it.

This segment comprises both men and women aged 40+. They live with a partner, with children, and have college or university level education. They work full time and have a high income. Their main interests are sailing/playing golf, cooking and travel.

They consume in the great outdoors (on picnics) or by themselves more often than the other customer segments and usually consume wine. They consume less cider & mixed drinks than other customer segments, but are otherwise high consumers of the other product groups. The main reasons for consuming alcohol are that it feels slightly luxurious and sophisticated to them and that they think it might be good for their health.

The unpretentious bon vivants shop once a month or more at Systembolaget. They buy new products on one visit in three, and their main reasons for trying new products in comparison with other segments is that they have received a recommendation from a friend, have read a review, and have read about the product on the shelf-edge label.
Consumption index: 140

Social experience seekers (10%)
Young, curious and a life that includes challenges. These are the features that characterise the social experience seekers. For them, it's important to stand out from the crowd and they seek out brand names that reflect the things they like and who they are. Alcohol has a social context for this group, and they often find it hard to refrain from consumption in that context.

This segment comprises both men and women and is strongly over-represented in the 18-30 age group. They are single or in relationships with no children, and are students with low incomes. Their biggest interests are music, fashion, partying, TV/computer games and restaurant visits.

They consume more often than other segments at pre-parties and in the great outdoors (picnics, festivals, etc.), when they primarily consume beer. They drink almost twice as much cider & mixed drinks as other customer segments and consume more than the average of all product groups. The main reasons for consuming alcohol are to feel more relaxed/exhilarated, to get drunk, or to escape everyday life for a little while.

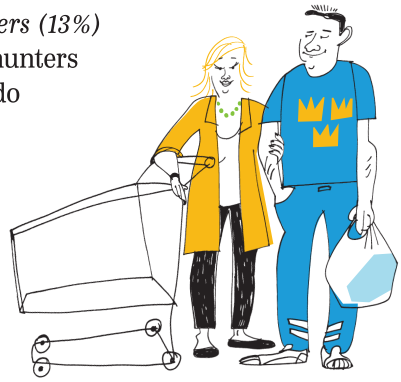
The social experience seekers shop every other week or more at Systembolaget. They buy new products on one visit in three, and their main reasons for trying new products in comparison with other segments is that they have received a recommendation from a friend, that they want to try something new, and that the bottle looked interesting.
Consumption index: 123

Healthy security seekers (13%)
The healthy security seekers mainly comprise women aged between 20 and 39, they are over-represented in sparsely populated areas and many are full-time workers or students. Appearance is important to this group, who want to continue to look young and keep up with fashion. Fashion, exercise, interior design and partying are their main interests. Their levels of alcoholic drinks are not particularly high but they are keen to try something new.

They consume more often than the average at pre-parties and celebrations, when they mainly consume cider & mixed drinks. They consume less than the average of the other product groups. Their main reasons for consuming alcohol are that it makes them feel more relaxed/exhilarated, to relax the atmosphere, and to indulge themselves.

The healthy security seekers shop once a month or less at Systembolaget. They buy new products on every visit to the store, and their main reasons for trying new products in comparison with other segments are that the bottle looked interesting, that they read about the product on the shelf-edge label and that they wanted to try something new.
Consumption index: 74.

Folksy bargain hunters (13%)
The folksy bargain hunters are traditional and do not stand out much from the average. They are distinguished by thinking that there is too much snobbery associated with wine and that the price is important. They are happy to drink the same drink, whatever the situation and/or season, and they are also keen to buy alcohol to keep "in stock" at home.



This segment comprises both men and women, and the majority are aged 50+. They are married or cohabit and have children, but the children do not live at home. Their education level is elementary or compulsory school, or upper secondary school, and they have an average income. Their main interests are watching sport, listening to music, clubs and societies, and travel.

They consume more often than the average when they are not working (at the summer cottage, on the boat, on holiday), when they primarily consume wine and beer. They do, however, drink more spirits than the average. Their main reasons for consuming alcohol are that it goes with the situation/is traditional.

The folksy bargain hunters shop once a month or less at Systembolaget. They very seldom buy new products, but if they do, the main reason is that they have received a recommendation from a friend.
Consumption index: 89

Customer satisfaction index (CSI)

Since 2001, Systembolaget has, together with the company CFI Group, conducted a survey of how satisfied our customers are. This survey forms the basis of the CSI (customer satisfaction index). Data collection for the CSI takes place in all stores, and since 1 January 2010 it has taken place every quarter (it previously took place once a year). Customers are surveyed at random in stores by CFI cooperation partner EDB. The questionnaire covers questions about areas such as the product range, selection, social responsibility, staff, the store, etc.

CSI 2010 summary

Systembolaget's customers have never been happier. The Customer Satisfaction Index, CSI, for 2010 retained the same high level of 78 as the previous year. Support for the retail monopoly also remained at the same level, at 64. Customers' perception of Systembolaget's social responsibility is stronger than ever, with the score increasing by one point from 73 to 74.

Range and selection

The area regarding the quality of the range and selection retained its index rating of 76 for the seventh year in a row. The index figure for how well customers think the range meets their needs decreased by one point from 80 to 79. The red and white wine ranges decreased by one point each and are now rated 79 and 78, respectively. The range of other wines remains at the same level as in 2009 at 76. The spirits range fell by one point to 78, as did the beer index which is now rated 76. Cider and mixed drinks also decreased by one point to 74. Customers are least happy with the choice of new items in the product groups from which they most commonly buy, and Systembolaget's rating in this area is 69.

Value for money

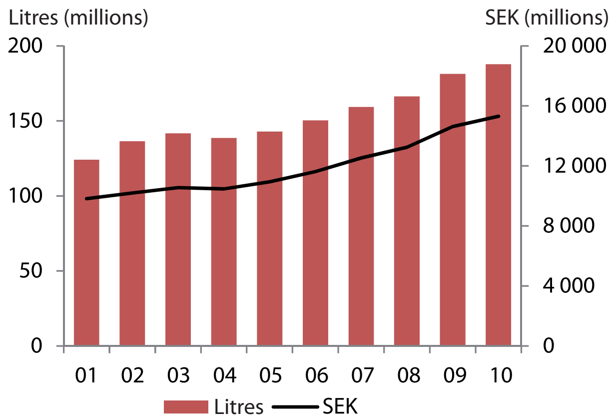
The index for the value for money quality area remained at 68. The index for price levels in general is 59. When customers are asked to assess the price/quality ratio of the wines sold by Systembolaget, the index rating was 74, the same level as in 2009. The index for beer and spirits was 70 and 66, respectively, which are the same levels as for 2009.

Systembolaget's wine sales trends

Shift in sales

In 2010 Systembolaget sold 187.9 million litres of wine, corresponding to revenues of SEK 15.3 billion. That is a 3.6 per cent increase in litres on 2009 and a 4.7 per cent increase in terms of revenue generated. This suggests a shift in sales towards slightly more expensive products (the same trend as in 2009). Red wine accounted for the largest percentage of wine sales at 55.2 per cent, while white wine accounted for 31.3 per cent and other wine for 13.5 per cent. Other wine increased its share on the previous year by 1.3 percentage points.

Systembolaget's wine sales trends



South Africa tops the wine sales list with a market share of 19.9 per cent, ahead of Italy and Australia with market shares of 16.5 and 13.6 per cent, respectively. South Africa is also ahead of Italy and Australia when it comes to red wine and also sells most white wine, ahead of Germany, Australia and Italy.

Most of the major wine-producing countries noted sales increases compared with 2009. Chile and Hungary were the exceptions to this trend, however, seeing falls of 0.8 per cent and 0.4 per cent, respectively.

Systembolaget's wine sales – market share by country (litres)

2008		2009		2010	
Italy	16%	South Africa	20%	South Africa	20%
South Africa	16%	Italy	16%	Italy	16%
Australia	15%	Australia	14%	Australia	14%
Spain	14%	Spain	12%	Spain	13%
France	9%	France	8%	France	8%
Chile	7%	Chile	7%	Chile	7%
USA	5%	Germany	4%	Germany	4%
Germany	4%	USA	4%	USA	4%
Argentina	3%	Argentina	3%	Argentina	4%
Hungary	3%	Hungary	3%	Hungary	3%
Portugal	2%	Portugal	3%	Portugal	3%
Other	6%	Other	5%	Other	6%

Bottled wine max. SEK 69 is the category that accounts for the largest volume increase in bottled wine, with an increase of 942,000 litres. Within this segment, red wine SEK 0-59 accounted for the largest increase in volume and per cent. Bottled wine over SEK 100 is the bottled wine category that accounted for the largest percentage sales increase, with a rise of 9.5 per cent.

The category bottled wine SEK 70-99 increased by 1.3 per cent and wine in small and large bottles increased by 3.5 per cent.

Sales in the boxed wine category increased by 4.2 per cent or 3.9 million litres. Boxed rosé wine accounted for the largest percentage sales increase, followed closely by boxed white wine 1.5-2l, with an increase of 42.0 and 40.2 per cent, respectively. The largest increase in volume was achieved by white wine in 3-litre boxes priced SEK 0-56, 6l, with an increase of almost 1.7 million litres. Sales of wine in other packaging decreased by 2.3 per cent.

Segment trend, wines

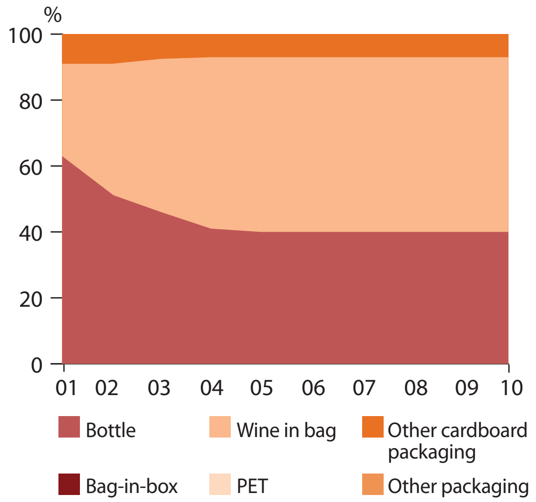
Bottled wine SEK 69	2010 Litres	2009 Litres	+/-	2010 Market share	2009 Market share
Red wine SEK 0-59	7 927 094	6 795 384	17%	28%	24%
Red wine SEK 60-69	8 476 218	8 876 999	-5%	29%	32%
White wine SEK 0-59	5 196 559	4 966 393	5%	18%	18%
White wine SEK 60-69	4 493 444	4 698 443	-4%	16%	17%
Rosé wine SEK 0-69	2 710 400	2 524 541	7%	9%	9%
Total	28 803 714	27 861 761	3%	100%	100%

Bottled wine SEK 70-99	2010 Litres	2009 Litres	+/-	2010 Market share	2009 Market share
Red wine SEK 70-79	7 093 056	7 303 865	-3%	30%	31%
Red wine SEK 80-89	6 232 954	6 001 341	4%	26%	26%
Red wine SEK 90-99	2 530 415	2 587 940	-2%	11%	11%
White wine SEK 70-79	3 718 663	3 880 307	-4%	16%	17%
White wine SEK 80-89	1 587 161	1 592 369	0%	7%	7%
White wine SEK 90-99	1 266 845	1 202 007	5%	5%	5%
Rosé wine SEK 70+	1 161 244	727 538	60%	5%	3%
Total	23 590 338	23 295 367	1%	100%	100%
Bottled wine over SEK 100					
Red wine SEK 100-119	2 437 763	2 265 298	8%	39%	40%
Red wine SEK 120-149	1 134 074	1 009 648	12%	18%	18%
Red wine SEK 150-199	843 370	702 716	20%	14%	12%
Red wine SEK 200+	471 330	429 601	10%	8%	8%
White wine SEK 100-119	810 036	790 889	2%	13%	14%
White wine SEK 120-149	348 784	325 345	7%	6%	6%
White wine SEK 150+	182 461	162 913	12%	3%	3%
Total	6 227 817	5 686 410	10%	100%	100%
Wine in small and large bottles					
Red wine small bottles	979 995	934 615	5%	54%	53%
Red wine large bottles	193 810	201 397	-4%	11%	12%
White wine small bottles	540 237	529 014	2%	30%	30%
White wine large bottles	12 917	7 782	66%	1%	0%
Rosé wine small bottles	85 268	77v 556	10%	5%	4%
Total	1 812 227	1 750 365	4%	100%	100%
Bag-in-box					
Red wine bag-in-box 1.5-2l	424 253	354 322	20%	0%	0%
Red wine bag-in-box≥3l (0-66.6 SEK/l)	41 372 739	39 950 239	4%	43%	43%
Red wine bag-in-box≥3l (66.7- SEK/l)	17 915 821	17 732 077	1%	19%	19%
White wine box 1.5-2l	225 371	160 797	40%	0%	0%
White wine box≥3l (0-56.6 SEK/l)	18 286 356	16 596 501	10%	19%	18%
White wine box≥3l (56.7-66.6 SEK/l)	10 480 288	10 900 794	-4%	11%	12%
White wine box≥ (66.7- SEK/l)	3 922 346	4 229 712	-7%	4%	5%
Rosé wine box	4 026 533	2 835 286	42%	4%	3%
Total	96 653 707	92 759 728	4%	100%	100%
Wine in other packaging					
Red wine not bag-in-box or bottle>500ml	5 560 153	5 978 650	-7%	37%	39%
Red wine not bag-in-box or bottle≤500ml	134 345	148 812	-10%	1%	1%
White wine not bag-in-box or bottle>500ml	7 566 387	7 764 645	-3%	50%	51%
White wine not bag-in-box or bottle≤500ml	300 709	169 836	18%	1%	1%
Rosé wine not bag-in-box or bottle	1 536 329	1 294 132	19%	10%	8%
Total	14 997 924	15 356 075	-2%	100%	100%
Sparkling wine					
Sparkling wine SEK 0-69	2 456 979	2 254 891	9%	34%	35%
Sparkling wine SEK 70-99	1 917 158	1 801 065	6%	27%	28%
Sparkling wine SEK 100+	194 101	154 729	25%	3%	2%
Sparkling wine small bottles	285 986	273 803	4%	4%	4%
Sparkling wine large bottles	155 582	143 817	8%	2%	2%
Sweet sparkling wine	724 172	686 156	6%	10%	11%
Sweet sparkling wine small bottles	72 460	93 450	-22%	1%	1%
Sparkling rosé wine	955 895	732 919	30%	13%	12%
Sparkling rosé wine small bottles	25 016	0	N/A	0%	0%
Other sparkling wine	428 395	223 541	92%	6%	4%
Total	7 215 743	6 364 370	13%	100%	100%

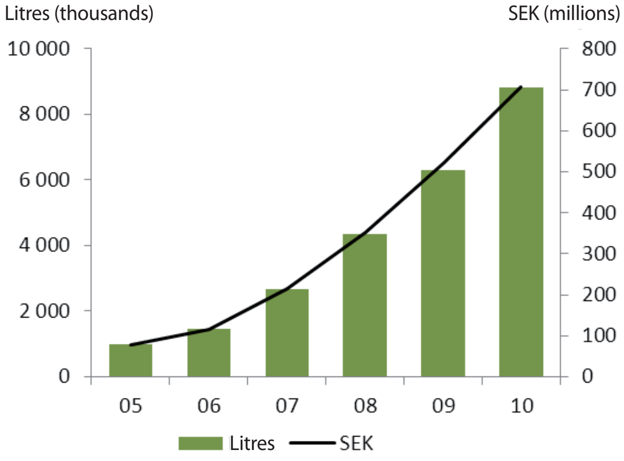
Champagne					
Champagne SEK 0-249	282 634	227 993	24%	25%	23%
Champagne SEK 250-399	586 571	548 987	7%	52%	55%
Champagne SEK 400+	35 701	30 698	16%	3%	3%
Champagne small bottles	108 450	88 194	23%	10%	9%
Champagne large bottles	43 316	39 863	9%	4%	4%
Rosé champagne	63 987	53 160	20%	6%	5%
Rosé champagne small bottles	7 627	4 031	89%	1%	0%
Total	1 128 284	992 925	14%	100%	100%
Dessert wine					
Sweet white wine	223 688	256 477	-13%	11%	14%
Sweet white wine small bottles	96 335	91 419	5%	5%	5%
Red port	229 756	240 742	-5%	12%	13%
Red port small bottles	70 137	66 599	5%	4%	4%
White port	21 632	24 044	-10%	1%	1%
Sweet sherry/montilla	91 439	100 643	-0%	5%	5%
Sweet sherry/montilla small bottles	11 924	11 347	5%	1%	1%
Madeira	72 387	86 766	-17%	4%	5%
Madeira small bottles	28 423	25 918	10%	1%	1%
Other quality fortified wine	58	390	-85%	0%	0%
Fruit wines	874 539	749 735	17%	45%	40%
Other dessert wine	213 335	222 798	-4%	11%	12%
Other dessert wine small bottles	16 940	20 352	-17%	1%	1%
Total	1 950 591	1 897 229	3%	100%	100%
WINE TOTAL	187 895 872	181 449 220	4%	100%	100%

Sales trend by packaging type

Boxed wine accounted for 52.6 per cent of Systembolaget's wine sales in 2010, excluding fortified wine. Cardboard packaging accounted for 8.3 per cent and bottles accounted for 38.2 per cent. This ratio has remained almost unchanged over the last four years. PET was, however, introduced in 2009, along with wine in a bag in 2008, but to date these packaging types account for a very small percentage of wine sales at 0.4 per cent and 0.5 per cent, respectively.

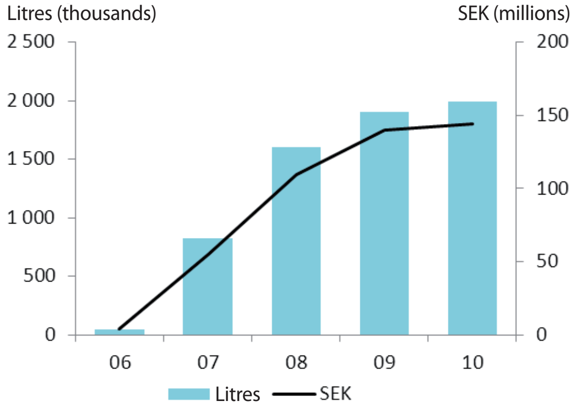


Sales trends for organic wine



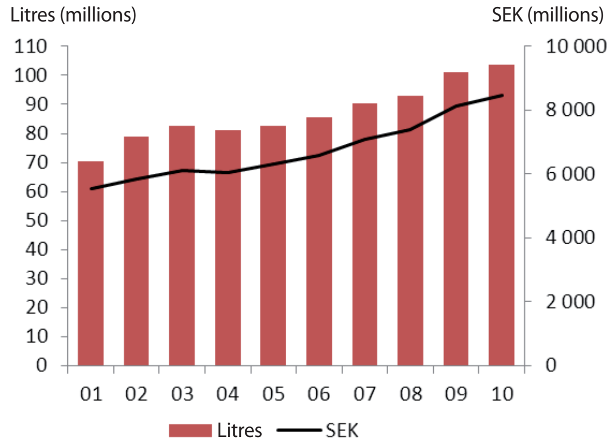
Demand for organic wine continues to increase. Systembolaget's sales of organic wine increased by 39.7 per cent on 2009 and now account for 4.7 per cent of total wine sales. The corresponding figure last year was 3.5 per cent.

Sales trends for Fairtrade wine



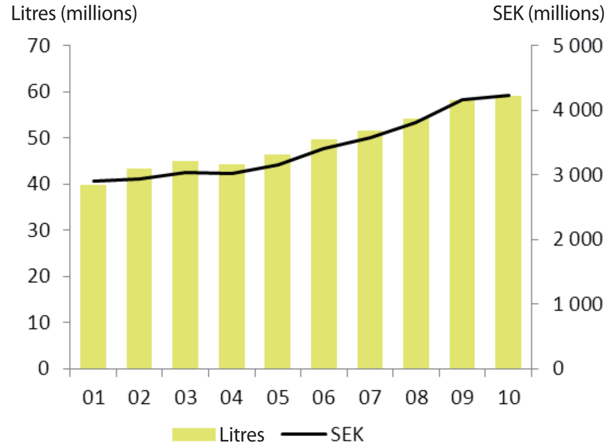
Systembolaget's sales of Fairtrade wine are also increasing. Sales increased by 4.5 per cent on 2009 and now account for 1.1 per cent of total sales.

Sales trends, red wine



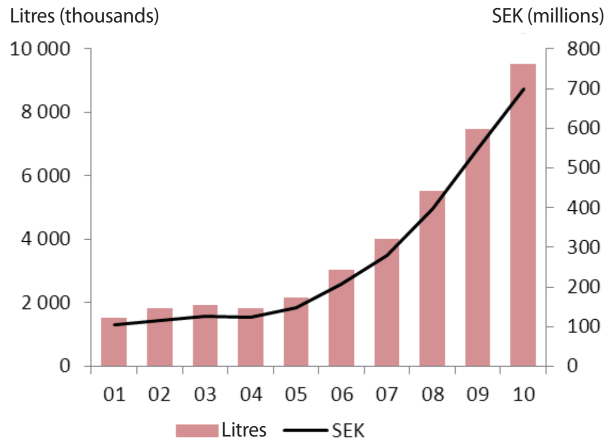
Red wine accounts for the lion's share of Systembolaget's wine sales, at 55.2 per cent. Sales of red wine rose by 2.4 per cent in comparison with 2009, corresponding to an increase of 2.5 million litres. Sales of red wine also increased by 3.9 per cent in terms of value. The red segment that increased most in percentage terms was bottled wine over SEK 100, which increased by 10.9 per cent. The category that increased most in terms of volume is boxed wine, which saw a sales increase of 1.7 million litres, primarily in the less expensive 3-litre box segment.

Sales trends, white wine



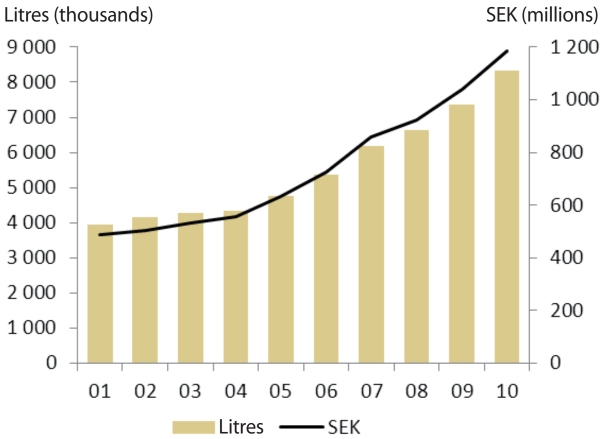
White wine increased by 1.5 per cent, corresponding to an increase of just over 834,000 litres. Sales of white wine also increased by 1.7 per cent in terms of value. The segment that increased most in volume was 3l boxed wines SEK 0-56.6, which grew by 1.7 million litres. White wine accounts for 31.3 per cent of Systembolaget's total wine sales.

Sales trends, rosé wine



Rosé wine sales have seen explosive growth in recent years. Rosé wine sales increased by 27.6 per cent compared with 2009, corresponding to an increase of just over 2.1 million litres. Sales of rosé wine increased by 27.5 per cent in terms of value. The segment that increased most in percentage terms was bottled wine over SEK 70, which increased by 59.6 per cent. The segment that increased most in terms of volume was boxed rosé wine, which grew by 1.2 million litres.

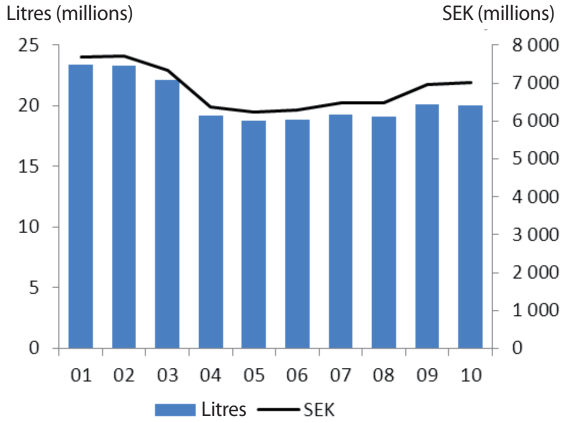
Sales trends, sparkling wine and Champagne



Sales of sparkling wine increased in 2010 by 13.3 per cent by volume and 14.1 per cent by value. The corresponding figures for Champagne were 13.8 and 13.9, respectively. The sparkling wine segment that showed the largest percentage increase was other sparkling wine, and by volume it was sparkling rosé. In the Champagne segment, it was rosé Champagne – small bottles that accounted for the largest percentage increase, while Champagne SEK 0-249 accounted for the largest increase by volume. Sales of fortified wine decreased by 3.6 per cent in 2010 compared with 2009, which corresponded to a decrease of 203,000 litres.

Systembolaget sales trends for spirits

Systembolaget's sales of spirits decreased between 1980 and 2005. This was followed by a shift in trend, with sales increasing up to 2007. Since then the trend has increased and decreased in alternate years, although sales have increased in terms of value since 2005. Sales of spirits decreased by 0.7 per cent by volume and increased by 0.7 per cent in terms of value in 2010 compared with 2009.



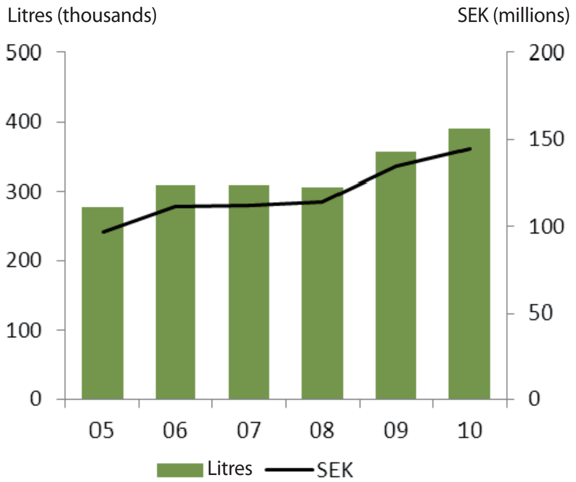
Segment trends, spirits

Apéritif	2010 Litres	2009 Litres	+/-	2010 Market share	2009 Market share
Anise	40 869	46 152	-11%	19%	22%
Bitters	163 574	153 559	7%	77%	73%
Other spirits, segment	7 682	9 328	-18%	4%	4%
Total	212 125	209 039	1%	100%	100%
Digestif					
Cognac	359 339	363 571	-1%	36%	37%
Cognac small bottles	89 849	89 327	1%	9%	9%
Other brandy	96 088	116 219	-17%	10%	12%
Other brandy small bottles	63 617	60 837	5%	6%	6%
Calvados	79 128	78 400	1%	8%	8%
Grappa/marc	15 173	13 993	8%	2%	1%
Dark rum	278 219	252 190	10%	28%	25%
Dark rum small bottles	23 430	20 567	14%	2%	2%
Total	1 004 843	995 105	1%	100%	100%
Drinks & cocktails					
Ready-mixed drinks	139 245	15 555	795%	81%	100%
Ready-mixed drinks small bottles	32 282	N/A	N/A	19%	0%
Total	171 527	15 555	1003%	100%	100%
Spiced distilled spirits					
Spiced distilled spirits	981 328	1 058 824	-7%	76%	78%
Spiced distilled spirits small bottles	310 423	295 177	5%	24%	22%
Total	1 291 752	1 354 000	-5%	100%	100%

Clear spirits	2010 Litres	2009 Litres	+/-	2010 Market share	2009 Market share
Unspiced distilled spirits	3 750 742	3 865 626	-3%	51%	51%
Unspiced distilled spirits small bottles	1 362 624	1 483 554	-8%	18%	19%
Flavoured vodka	322 166	360 370	-11%	4%	5%
Gin	1 004 558	1 030 742	-3%	14%	14%
Gin small bottles	211 094	215 135	-2%	3%	3%
White rum	188 026	184 547	2%	3%	2%
White rum small bottles	64 747	65 156	-1%	1%	1%
Flavoured rum	449 843	357 405	26%	6%	5%
Tequila	70 892	69 750	2%	1%	1%
Total	7 424 693	7 632 285	-3%	100%	100%

Liqueurs	2010 Litres	2009 Litres	+/-	2010 Market share	2009 Market share
Chocolate, coffee and nut liqueurs	33 9076	40 529	-16%	0%	1%
Chocolate, coffee and nut liqueurs small bottles	94 591	96 148	-2%	1%	1%
Cream and egg liqueurs	372 564	397 021	-6%	5%	5%
Cream and egg liqueurs small bottles	137 154	115 125	19%	2%	2%
Fruit and berry liqueurs	183 716	173 816	6%	2%	2%
Fruit and berry liqueurs small bottles	285 265	294 739	-3%	4%	4%
Swedish punch	160 860	163 695	-2%	2%	2%
Other liqueurs	349 654	326 440	7%	5%	4%
Other liqueurs small bottles	421 081	403 886	4%	6%	5%
Total	2 038 791	2 011 398	1%	100%	100%
Whisky					
Scottish blended whisky	3 166 896	3 222 652	-2%	48%	48%
Scottish blended whisky small bottles	850 568	832 162	2%	13%	12%
Canadian whisky	1 241 367	1 309 164	-5%	19%	20%
Canadian whisky small bottles	431 630	471 438	-8%	7%	7%
American whisky	181 907	169 602	7%	3%	3%
American whisky small bottles	34 970	36 473	-4%	1%	1%
Irish whiskey	525 098	498 488	5%	8%	7%
Irish whiskey small bottles	144 433	133 764	8%	2%	2%
Other whisky	9 842	1 385	610%	0%	0%
Total	6 586 712	6 675 128	-1%	100%	100%
Malt whisky					
Scottish malt whisky≤18 years	991 644	971 130	2%	83%	85%
Scottish malt whisky≤18 years small bottles	78 071	68 272	14%	7%	6%
Scottish malt whisky>18 years	13 231	11 532	15%	1%	1%
Other malt whisky	118 058	92 521	28%	10%	8%
Total	1 201 004	1 143 455	5%	100%	100%
SPIRITS TOTAL	19 931 447	20 035 966	-1%	100%	100%

Sales trends, organic spirits

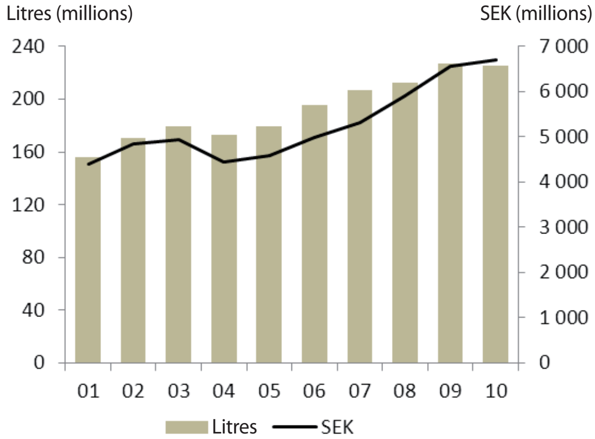


Sales of organic spirits increased significantly compared with 2009, rising by 9.1 percent in terms of volume and 7.5 per cent by value. Organic spirits account for 1.9 per cent of total spirit sales.

Systembolaget's sales trends for beer, cider and mixed drinks

Beer sales have increased every year for the past ten years, with the exception of 2004 when import quotas were increased. However, sales for 2005 were back at the same level as in 2003 and this increase in sales has continued up until 2009. Sales decreased by 0.5 per cent in terms of volume but increased in value by 2.3 per cent in 2010 compared with 2009.

Systembolaget's sales trends, beer



The beer lager can category, which is the main category by volume and accounts for 69.9 per cent of beer sales, decreased by 1.5 percent compared with 2009.

However, the second-largest category, beer lager bottle, saw a 1.1 per cent increase in sales.

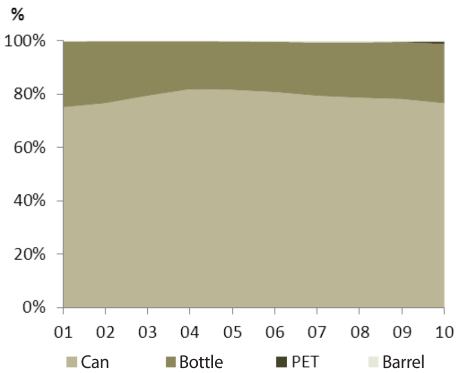
Sales of special beer increased in 2010, while sales of seasonal beer and beer in other packaging decreased (see the table below).

Segment trends, beer

Beer lager can	2010 Litres	2009 Litres	+/-	2010 Market share	2009 Market share
Lager can international (0-5.9%)	23 893 465	26 645 488	-10%	14%	15%
Lager can Swedish (0-5.9%)	112 584 529	113 098 544	0%	66%	64%
Lager extra strong can (6.0%+)	33521 332	34 505 478			
Dark lager can	1 357 510	1 659 945	-18%	1%	1%
Total	171 356 835	175 909 454	-3%	100%	100%
Beer lager bottle					
Lager bottle international (0-5.9%)	25 202 165	24 675 294	2%	58%	61%
Lager bottle Swedish (0-5.9%)	12 429 195	11 413 393	9%	29%	28%
Lager extra strong bottle (6.0%+)	4 550 831	3 798 296	20%	11%	9%
Dark lager bottle	1 084 590	889 693	22%	3%	2%
Total	43 266 781	40 776 677	6%	100%	100%

Special beer	2010 Litres	2009 Litres	+/-	2010 Market share	2009 Market share
Ale bottle (0-5.9%)	3 441 613	3 045 996	13%	46%	46%
Porter/stout bottle (0-5.9%)	323 722	412 192	-21%	4%	6%
Ale can (0-5.9%)	655 377	594 907	10%	9%	9%
Porter/stout can (0-5.9%)	356 491	336 270	6%	5%	5%
Ale extra strong (6.0%+)	1 482 574	1 142 041	30%	20%	17%
Porter/stout extra strong (6.0%+)	107 111	83 982	28%	1%	1%
Wheat beer bottle/can	952 009	820 776	16%	13%	12%
Other beer	216 184	211 016	2%	3%	3%
Total	7 535 081	6 647 178	13%	100%	100%
Beer other packaging					
Other lager	501 480	744 925	-33%	7%	11%
Other ale/porter/stout	1 471	2 222	-34%	0%	0%
Total	502 951	747 147	-44%	100%	100%
Seasonal beer					
Easter	3 166 896	3 222 652	-2%	48%	48%
Summer	850 568	832 162	2%	13%	12%
Oktoberfest	1 241 367	1 309 164	-5%	19%	20%
Christmas	431 630	471 438	-8%	7%	7%
Total	6 586 712	6 675 128	-1%	100%	100%
BEER TOTAL	225 904 970	227 159 371	-1%	100%	100%

Beer sales by packaging type



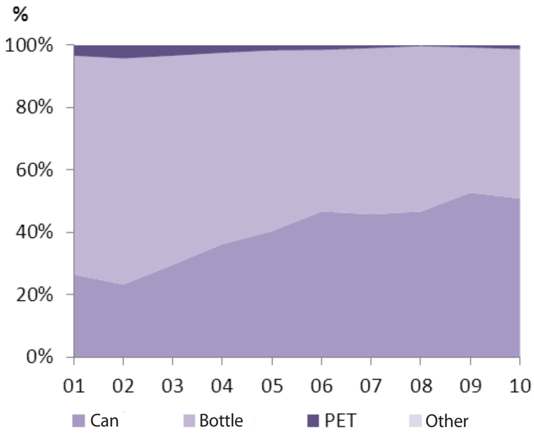
In terms of sales by type of packaging, beer in cans accounts for the largest percentage of sales at 76.6 per cent, while beer in bottles accounts for 22.2 per-cent, PET packaging accounts for 1.0 per cent and barrels account for 0.2 per cent.

Segment trends, cider and mixed drinks

Cider & mixed drinks	2010 Litres	2009 Litres	+/-	2010 Market share	2009 Market share
Dry/semi-dry cider bottle	646 364	623 371	4%	3%	3%
Dry/semi-dry cider can	343 444	294 428	17%	2%	2%
Semi-sweet/sweet cider bottle	1 761 476	1 811 865	-2,%	9%	9%
Semi-sweet/sweet cider can	8 042 269	8 363 831	-3,8%	42%	44%
Cider other packaging	1 380	1 020	35%	0%	0%
Mixed drinks	8 293 887	8 096 057	2%	43%	42%
Total	19 088 821	19 190 572	-1%	100%	100%

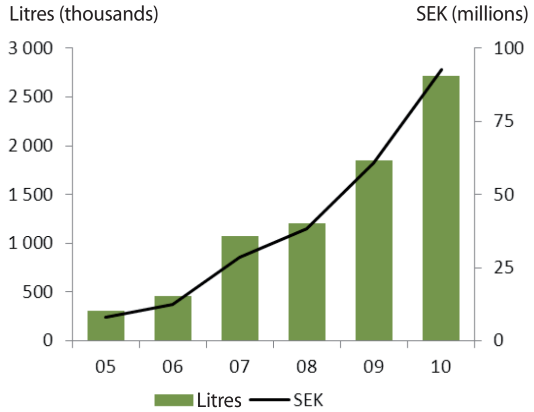
Total sales of cider and mixed drinks decreased by 0.5 per cent compared with 2009. The medium-sweet/sweet cider in bottles and medium-sweet/sweet cider in cans decreased by 2.8 per cent and 3.8 per cent, respectively. Sales for the other segments increased in 2010.

Cider and mixed drinks, sales by packaging type



Within cider and mixed drinks, the split between cans and bottles is more even than within beer. Sales of cans in 2010 accounted for 50.9 per cent, bottles accounted for 47.8 per cent and PET packaging ac-counted for 1.2 per cent. The remaining amount in the chart represents sales of barrels.

Sales trends, organic beer, cider and mixed drinks

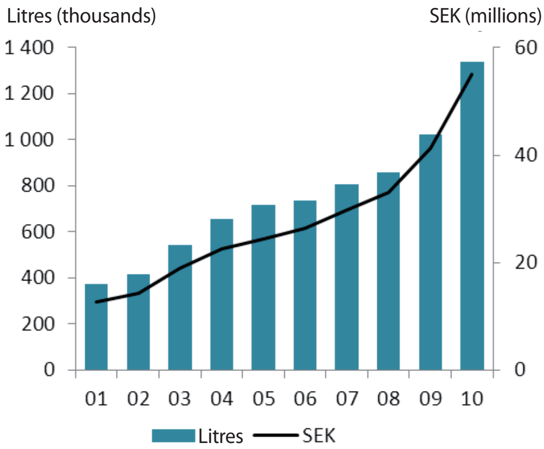


Sales of organic beer, cider and mixed drinks contin-ued to increase strongly in 2010, growing by 46.8 per cent in terms of volume and by 52.0 per cent by val-ue, and now account for 1.1 per cent of beer sales. The corresponding figure for 2009 was 0.8 per cent. These sales primarily consist of organic beer. Sales of organic cider and mixed drinks were almost non-ex-istent up to 2009. Sales in 2010 amounted to 424,000 litres, resulting in a 479 per cent increase on 2009.

Systembolaget's alcohol-free sales trends

Sales of alcohol-free products have increased over the past nine years, and in 2010 sales grew by 30.8 per cent. Alcohol-free products now account for 0.29 per cent of Systembolaget's total sales.

Sales trend, alcohol-free



2009 was the first year that Systembolaget had organically labelled alcohol-free products in its product range. Sales of organic alcohol-free products in 2010 totalled 100,000 litres with a 243 per cent increase compared with 2009.

Fixed launches 2012

The aim of fixed launches is to renew our core product range with items that are available all year round. The fixed range is updated as customers' preferences change. It is by updating the fixed range that we meet most customer needs and provide products that primarily appeal to a broad customer group, while there is also room for some more specialised drinks.

Interest in ethically produced goods is growing among many consumers. It is therefore increasingly important that consumers can find these types of products in our fixed range. Many of the fixed launches below meet this demand. But future requests for tenders may include additional specified requirements that support Systembolaget's objective to increase the number of organic products, eco-friendly packaging and products produced based on fair trade.

Wine

Launches 2 April 2012

Segment	Module	Origin	Volume for the year	Description
Red wine (60-69)	BAS	France	200 000	Costières de Nîmes
Red wine (60-69)	T1	Italy	140 000	Sangiovese, IGT Marche
Red wine (60-69)	T1	South Africa	140 000	Low-alcohol wine, max. 9.5%
Red wine (70-79)	BAS	Argentina	250 000	Shiraz
Red wine (70-79)	BAS	Spain	250 000	All Spain, Gran Reserva
Red wine (70-79)	T1	France	200 000	Macon Rouge or Bourgogne Passe-Tout-Grains
Red wine (70-79)	T1	South Africa	200 000	Grape blend, Shiraz/Cabernet Sauvignon, organic
Red wine (70-79)	T3	Australia/USA	30 000	Low-alcohol wine, max. 9.5%. Australia or USA
Red wine (70-79)	T3	Chile	40 000	Syrah, sustainable branding
Red wine (70-79)	T3	Portugal	40 000	Alentejo
Red wine (80-89)	T3	Italy	40 000	Dolcetto
Red wine (90-99)	T3	Australia	40 000	Clare Valley, grape blend Cabernet Sauvignon/Merlot/Cabernet Franc
Red wine (100-119)	T1	South Africa	120 000	Stellenbosch Fair Trade, Grenache/Syrah/Mourvèdre
Red wine (100-119)	T2	France	60 000	Crozes-Hermitage
Red wine (120-149)	BAS	Italy	100 000	Rosso Conero Riserva
Red wine (120-149)	T3	Italy	18 000	Vino Nobile di Montepulciano
Red wine (150-199)	T3	Australia	10 000	McLaren Vale, Shiraz/Viognier
Red wine (150-199)	T3	France	10 000	Bourgogne, Pinot Noir
Red wine (150-199)	T3	USA	10 000	Zinfandel SEK 159
Red wine box >= 3l (0-66.6 SEK/l)	BAS	Chile	500 000	Grape blend, full-flavoured style
Red wine box >= 3l (66.7-..SEK/l)	T1	Australia	330 000	Rhône blend
Red wine box >= 3l (66.7-..SEK/l)	T1	Spain	250 000	Northern Spain, SEK 249-269
White wine (0-59)	BAS	Chile	220 000	Sauvignon Blanc
White wine (0-59)	T1	South Africa	150 000	Grape blend, Chenin Blanc
White wine (60-69)	BAS	France	200 000	Organic
White wine (60-69)	BAS	USA	200 000	Chardonnay

Subject to changes

cont. Wine

Segment	Module	Origin	Volume for the year	Description
White wine (60-69)	T1	France	100 000	Muscadet sur lie
White wine (60-69)	T1	Spain	100 000	Verdejo
White wine (70-79)	T2	Chile	60 000	Gewürztraminer or Pinot Gris
White wine (70-79)	T3	Australia/USA	25 000	Low-alcohol wine, max. 9.5%, Australia or USA
White wine (80-89)	T2	USA	60 000	Central Coast, Chardonnay
White wine (80-89)	T3	France	20 000	Vouvray, semi-dry/semi-sweet
White wine (80-89)	T3	South Africa	30 000	Semillon
White wine (90-99)	T2	Australia	40 000	Eden or Clare Valley, Riesling
White wine (90-99)	T2	France	40 000	Maconnais with village appellation
White wine (100-119)	T2	South Africa	30 000	Sauvignon Blanc/Semillon, Fair Trade
White wine (120-149)	BAS	France	60 000	Bourgogne with regional appellation
White wine (120-149)	T3	France	10 000	Alsace Gewürztraminer
White wine (150-)	T3	New Zealand	7 000	Sauvignon Blanc
White wine box >= 3l (56.7-66.6 SEK/l)	BAS	Australia	300 000	Grape blend, Gewürztraminer/Riesling
White wine box >= 3l (56.7-66.6 SEK/l)	BAS	Chile	300 000	Grape blend, poss. Fair Trade/organic
Rosé (0-69)	T1	Portugal	95 000	Vinho Verde, max. 10%
Rosé (70-..)	T3	Chile	60 000	PET, max. SEK 79
Rosé box	BAS	Italy	200 000	Toscana, max. SEK 210
Rosé box	T1	France	180 000	1.5-2 litre, premium
Sparkling wine (70-99)	T2	USA	80 000	SEK 99
Sparkling rosé	BAS	Australia	150 000	SEK 79
Sweet white wine	T1	South Africa	60 000	Full-size bottle, max. SEK 69, not Muscat
Sweet white wine, small bottles	T3	Germany	4 000	Beerenauslese Riesling SEK 149
Sake	T2		12 000	Half-bottle of sake SEK 50

Launches 1 October 2012

Red wine (0-59)	BAS	Spain	350 000	Tempranillo, unoaked
Red wine (0-59)	T1	Portugal	150 000	Flavour type: Spicy & Full-bodied
Red wine (0-59)	T1	Spain	150 000	Garnacha
Red wine (60-69)	BAS	Italy	250 000	Salento IGT
Red wine (60-69)	BAS	Australia	250 000	Shiraz
Red wine (70-79)	BAS	Italy	250 000	Rosso Conero
Red wine (70-79)	T1	South Africa	200 000	Cool-climate style of grape blend
Red wine (70-79)	T1	USA	200 000	Cabernet Sauvignon/Merlot/Cabernet Franc, single-grape wine or grape blend
Red wine (80-89)	BAS	France	200 000	Côtes du Rhône Villages, cru or with name of area
Red wine (80-89)	T2	Chile	80 000	Cabernet Franc
Red wine (80-89)	T2	France	80 000	Cabernet Sauvignon, grape variety stated
Red wine (80-89)	T2	Spain	80 000	Aragon, Garnacha
Red wine (80-89)	T2	South Africa	80 000	Grenache, single-grape wine or grape blend
Red wine (80-89)	T3	Australia	40 000	Victoria, Pinot Noir
Red wine (80-89)	T3	Italy	40 000	Bardolino Classico Superiore
Red wine (90-99)	T3	Argentina	40 000	Malbec or Syrah
Red wine (100-119)	BAS	Spain	200 000	Rioja Reserva
Red wine (100-119)	T2	Argentina	50 000	Fair Trade
Red wine (100-119)	T2	Italy	60 000	Castel del Monte DOC, Uva di Troia
Red wine (100-119)	T3	France	30 000	Southern Rhône Cru
Red wine (120-149)	T3	Chile	20 000	Organic, light-weight bottle
Red wine (120-149)	T3	New Zealand	24 000	Syrah
Red wine (120-149)	T3	Portugal	20 000	Douro
Red wine (150-199)	BAS	Italy	120 000	Barolo
Red wine (150-199)	T1	France	70 000	Bordeaux, Left Bank, Château designation

Subject to changes

cont. **Wine**

Segment	Module	Origin	Volume for the year	Description
Red wine box >= 3l (0-66.6 SEK/l)	**BAS**	**Italy**	**500 000**	**Umbria**
Red wine box >= 3l (0-66.6 SEK/l)	T1	France	250 000	Flavour type: Soft & Fruity
Red wine box >= 3l (66.7-..SEK/l)	BAS	South Africa	300 000	Grape blend, Cabernet Sauvignon/Merlot/Shiraz
Red wine				PET complementary item for bag-in-box
White wine (60-69)	BAS	Germany	150 000	Dry Riesling
White wine (70-79)	T1	France	120 000	Viognier
White wine (70-79)	T1	Austria	120 000	Dry Riesling, flute bottle
White wine (70-79)	T2	Spain	60 000	Northern Spain, grape blend
White wine (80-89)	T3	Australia	30 000	Grape blend, Semillon/Sauvignon Blanc
White wine (90-99)	T3	Germany	20 000	Dry Riesling, organic
White wine (90-99)	T3	Germany	20 000	Mosel, Riesling Kabinett or Spätlese
White wine (100-119)	T1	France	60 000	Chablis
White wine (100-119)	T3	Germany	10 000	Franconian, Silvaner
White wine (120-149)	T3	Austria	10 000	Riesling
White wine bag-in-box 1.5-2l	T2	France	50 000	Well-known French white-wine appellation
White wine				PET complementary item for bag-in-box
Sparkling wine (100-)	T2	New Zealand	70 000	SEK 100-129
Sparkling wine (70-99)	T1	France	200 000	Crémant de Loire or Alsace
Sparkling rosé	BAS	Italy	300 000	Max. SEK 59
Champagne (250-399)	T3	France	10 000	
Sweet Sherry/Montilla, small bottles	T3	Spain	6 000	Pedro Ximenez, half-bottle
Other dessert wine, small bottles	T3	Italy	6 000	Sweet Marsala, half-bottle

Bottled wine max. SEK 69

The sale of bottled wine max. SEK 69 in 2010 amounted to approximately 28 million litres, which was an increase of 3 per cent on 2009. This category accounts for just over 15 per cent of Systembolaget's overall sales of wine and is therefore a key part of our range. Sophisticated Connoisseurs and Social Experience Seekers are the customer groups that appreciate these wines. According to our customer satisfaction surveys, those who purchase wines in this segment are generally very satisfied with the range of products they currently find in our stores. We are planning more launches in this category from many different countries of origin.

Red wine SEK 0–59 is the segment that accounts for the largest increase in this category. For 2012 we are planning three launches in this segment; two from Spain and one from Portugal.

We are launching a number of products in the red wine SEK 60-69 and white wine SEK 60-69 segments in order to expand the offering of different flavour styles, and some of these launches are the result of previous temporary launches that were particularly well received by customers.

The rosé wine SEK 0-69 segment continues to grow, although not at the same pace as before. We have in fact seen demand for rosé move to a slightly higher price category for bottles and bag-in-box. However, we want to ensure that we also have a good-value offering in the future and are therefore launching a Vinho Verde wine from Portugal. Low-alcohol wines are an area on which we are continuing to focus as we see a clear health-related trend, and this launch will be of a low-alcohol wine.

In line with this health-related trend, we are also launching a red wine with low alcohol content from South Africa in the SEK 60-69 segment, and in order to expand our offering of organic wines in this category we are launching an organic wine in the white wine SEK 60-69 segment.

Bottled wine SEK 70–99

Multifaceted Connoisseurs, Unpretentious Bon Vivants and Sophisticated Connoisseurs are the main customer groups that purchase this type of wine, but other customer segments are also represented in this broad and varied category. However, the reasons behind purchases vary widely within the group, with some people viewing these wines as providing a touch of luxury, while others consider them wines for more simple occasions. There are consequently significant demands on this segment of wines and new products face considerable expectations.

Sales within this category increased by 1.3 per cent in 2010 to a total volume of approximately 23.5 million litres. Rosé wine has continued to increase significantly, by almost 60 per cent, and is the segment in this category that has also seen the largest increase in volume in terms of the number of litres. This category has lost 0.3 per cent within total wine sales to both boxed wine and bottled wine over SEK 100. The long-term trend for medium-priced wine, however, shows increasing customer demand, particularly in 2009, when this category increased by some 15 per cent.

For the 2012 launch we will be requesting 34 new items for this category. During the year the product range will be complemented and renewed with wines from countries of origin with historically strong demand. These wines will be made from well-known international, and in some cases local, grape varieties. As has happened in the lower price segment, some of the fixed launches have been based on previous temporary launches that were well received by customers. In order to offer a broad selection of flavour styles we will also be requesting red and white wines of a slightly lighter style from cooler wine-growing regions such as Mâconnais, Victoria and northern Spain.

In order to satisfy the strong trends of looking for the "real thing" and growing environmental awareness, we are expanding our range of certified organic wine and sustainability-labelled wines. In view of customer demand for wine with lower alcohol content and a growing health-related trend, we will be launching two dry wines with lower alcohol content, as well as a wine with a residual sweetness that achieves lower alcohol content using conventional production methods.

Bottled wine over SEK 100

Wines priced at over SEK 100 grew strongly in 2010, increasing by 10 per cent on the previous year. Red wines accounted for most of this increase and the SEK 150-199 segment increased by some 20 per cent. More than 6.2 million litres of wine is now sold in this category.

This category is primarily aimed at the small customer group that we refer to as Multifaceted Connoisseurs, but almost all customer groups purchase from this category on a particular occasion, when they want something extra for a special occasion. In order to satisfy this broad demand, wines from this category are launched in the BASE module.

For this module, these primarily comprise wines from well-known regions such as Barolo, Rioja and Bourgogne, but we are also looking for a Rosso Conero from Italy to complement the flavour profile of our current offering.

Many consumers are looking for Fairtrade-labelled wines, and since access to higher quality wines is growing we are seeking two South African wines and one Argentinean wine with Fairtrade labelling.

The range will be complemented by a number of well-known appellations from France. A new Chablis will add depth to the offering of our most popular white wine variety and we are also looking for both red Bordeaux and red Bourgognes to increase choice for our customers right up to T1 level. Alsace and the southern Rhône valley add further depth to our offering, together with a red from Chinon, a wine variety that was very successful as a temporary launch in 2010.

In order to provide a broader offering of flavour types, we are seeking a Syrah from New Zealand that is lighter and spicier in style than the Syrahs/Shirazes currently in our range. For the same reason we are also expanding our southern Italian range with a higher-quality Castel del Monte in a more traditional style.

Strong, flavoursome red wines always remain in demand and we will be expanding consumers' choice through a Shiraz from McLaren Vale, a Portuguese Douro and an American Zinfandel. In white wines, there is growing interest internationally in more refreshing flavour types and we are therefore adding a Franconian Silvaner and an Austrian Riesling to our range. Since Sauvignon Blancs from New Zealand have become so popular in this category, we will be strengthening our selection with the launch of a higher-quality option.

Wine in small and large bottles

Systembolaget's mandate is to help limit the harmful effects of alcohol and thereby improve public health. We therefore want to ensure that we have a good selection of wine in smaller bottles. In 2010 sales in this category increased by just under 4 per cent, and our customers purchased approximately 1.5 million litres of wine in small bottles (375 ml or less). Sales of magnum bottles are still relatively limited, reaching 200,000 litres in 2010, of which 94 per cent consisted of red wine.

We will not be actively requesting any more items in this category in 2012, but we would like to remind suppliers about the possibility of adding to existing full-sized bottles in the BASE and T1 modules with a half-bottle.

Bag-in-box wine

Boxed wine is still the largest category of wine, with sales of just over 96 million litres in 2010, which was a slight increase on 2009.

In terms of volume, this category now accounts for 51.4 per cent. Most customer segments buy boxes of wine, but the most committed customers are in the Unpretentious Bon Vivants and Sophisticated Connoisseurs groups. For 2012 we are planning a total of eleven boxes as we see strong interest from customers for new launches in this category, which now seems to have matured and consequently retains a constant market share.

All segments in this category are increasing, apart from more expensive boxes of white which have lost out in terms of volume to the lowest price segment, which increased by 1.7 million litres in 2010. One exception is smaller boxes, in which both boxes of red and white have increased in volume, by 20 and 40 per cent, respectively. We will therefore address this increasing customer interest by launching a smaller box of white with an established French appellation with a clear premium character aimed at Sophisticated Connoisseurs.

Interest in Fairtrade and organic products continues to grow and we would therefore like to inform suppliers that one or more of the boxes of red in the request for tenders may be requested with Fairtrade and/or organic labelling. One of the boxes of white that we will be launching will also be organic or Fairtrade-labelled.

We have noted that those customers looking for a less expensive box of red in a soft and fruity style currently lack options. We are therefore launching a French box with these characteristics. We are also expanding our offering of slightly more expensive boxes of red from Spain.

Boxes of rosé have increased by some 42 per cent and we are planning to introduce a small box of rosé to expand the selection and a rosé at a higher price position with a new flavour profile. Finally, we are expanding our selection from the more popular origins of Australia and Italy with a box of white from Australia and a red grape blend from Italy.

Wine in other packaging

In 2011 we are launching four wines in tetra packaging and we note that our tetra packaging customers are the customers that are most satisfied with the product range. In addition, sales in this segment increased by 2.3 per cent. For these reasons we will not be launching any new tetra packaging products in 2012.

Sparkling wine

Sales of sparkling wine continue to increase. The volume of sales amounted to 7.2 million litres, representing an increase of 13 per cent. The most explicit customer group for this segment is Sophisticated Connoisseurs, and customers in this segment are the least satisfied of all wine segments with the product range offered. We are planning five launches in this segment in 2012. In terms of volume, sparkling rosé is growing most (up 30 per cent) and we are therefore planning two launches to meet this demand. We will launch a rosé from Australia and a rosé from Italy to complement our existing range.

We will be offering New World flavour types that we consider will appeal to the Sophisticated Connoisseurs customer group. We will therefore be launching a sparkling wine priced over SEK 100 from New Zealand and one from the USA.

We have also seen clear growth in customer demand for quality sparkling wines from France and will therefore be launching a Crémant de Loire.

Champagne

In the customer segments Multifaceted Connoisseurs, Sophisticated Connoisseurs and Unpretentious Bon Vivants, which together account for more than half of Champagne and sparkling wine consumption, two out of three people say they buy Champagne every month or more frequently. There are strong indications that Champagne has become a drink that is increasingly consumed in more everyday settings and not just on special occasions.

Sales in all segments in this category increased in 2010, but it is in the lower price segment that we are seeing the most significant growth both in percentage terms and in terms of litres sold. In 2012 we will be focussing on adding to the mid-price segment as we launched a number of items priced under SEK 200 relatively recently.

Dessert wines

We are adding a sweet wine in a full-sized bottle for the first time in a while in order to provide greater choice for the Cautious Traditionalists who purchase from this category. South Africa is our largest country of origin for dry wines and since the country also produces sweet wines we have chosen to source this wine from South Africa to appeal to a broad customer group.

For the customer groups of Multifaceted Connoisseurs and Sophisticated Connoisseurs we are launching dessert wines from traditional and focussed origins, with entirely unique flavour profiles. A Pedro

Ximenez from Spain, a sweet Marsala in a half-bottle and German Beerenauslese will expand our selection in this category in order to provide suitable wines for more settings.

Apéritif

Sales in the Apéritif category, which comprises both wine- and spirit-based drinks, remained stable on the previous year, although this level was primarily maintained owing to the large bitters segment, which grew by 7 per cent. Sake accounts for a very small part of this category, but it has received a lot of attention in the media. As interest in Japanese food and sake is increasing we are launching a basic half-bottle version.

Spirits

Launches 2 April 2012

Segment	Module	Origin	Volume for the year	Description
White rum	T2	Caribbean	15 000	
Flavoured rum	T2	Caribbean	25 000	700ml, max. SEK 239, spiced dark rum
Liqueurs	T2	Scotland	40 000	Whisky-based, line extension or distillery designation
Scottish malt whisky ≤ 18 years old	T1	Scotland	30 000	12 years, SEK 389-429
Scottish malt whisky ≤ 18 years old	T3	Scotland	8 000	Distillery designation with age information, max. SEK 599

Launches 1 October 2012

Dark rum	T3	Caribbean	20 000	500 ml, age stated, max. SEK 299
Liqueurs	T3	International	30 000	700 ml, max. SEK 299, bourbon-based
Cognac	T2	France	20 000	VSOP max. SEK 499
Scottish malt whisky ≤ 18 years old	BAS	Scotland	30 000-60 000	
Scottish malt whisky ≤ 18 years old, small bottles	T2	Scotland	40 000	350 ml, max. SEK 249
American whiskey	T2	USA	15 000	American whiskey

The number of launches in the spirits category in 2012 is lower than in 2011. This is partly because demand for newly launched products has been low in many segments, but also because we are analysing sales patterns for certain segments in this category. There is therefore a possibility of some launches in the spirits category in 2012.

Spiced distilled spirits

Spiced distilled spirits is the spirits category that has decreased most, by 4.6 per cent. Despite this, our surveys show that customers are very satisfied with the range offered. No fixed launches are therefore planned in this category next year. Renewal and inspiration will instead be provided through the temporary range.

Clear spirits

Blokes Who Yearn to Learn are the most represented customer group in the clear spirits category, which together with whisky accounts for the largest share of spirits sales, but which decreased by 3 per cent in 2010. Our customer surveys also show that this category has the most satisfied of all our spirits customers. In order to retain this high level of customer satisfaction we are planning to launch a white and a flavoured rum in 2012.

Liqueurs

Liqueurs are consumed to a roughly similar extent across all our customer segments. Overall, liqueur sales increased in 2010 compared with 2009, although this segment shows major differences in sales. Growth in this category is primarily driven by bitters and similar products within the other liqueurs segment. We are also seeing growing demand for smaller-sized bottles (500 and 350 ml) rather than larger bottles.

We are also seeing a strong international trend in quality liqueurs made from a higher-quality spirit base, and in order to develop our offering within the liqueurs category we will therefore be requesting two items, both made from a premium dark spirit base. We are particularly targeting the Blokes Who Yearn to Learn group, which is showing a growing interest in these types of products as an alternative to traditional, dry digestifs.

Digestif

Sales in the category of dark rum and spirits made from grape were stable overall in 2010. Sales of dark rum grew by a strong 10 per cent, and we see a notable increase in demand both in terms of the share of volume in this segment and in higher price categories. We will continue to expand our selection of smaller-sized bottles with a 500 ml bottle of premium rum with indication of vintage. Sales of cognac and brandy declined in 2010, but in order to ensure depth in the product range for the groups Blokes Who Yearn to Learn, Multifaceted Connoisseurs and Sophisticated Connoisseurs who are the main buyers in this category, we will be launching a Cognac VSOP in the slightly higher price category.

Whisky

The whisky category is mainly appreciated by the Blokes Who Yearn to Learn group. Sales in this category have declined by 1 per cent, but it is a very large category with sales of approximately 6.5 million litres. Scottish blended whisky is still the largest segment, but this has also decreased. Customers in this category are very satisfied with the existing product range and we will therefore only be launching one product – an American rye whiskey that adds a new style to the range.

Malt whisky

Interest in malt whisky continues to increase in Sweden. 90 per cent of sales volumes in this category consist of whisky from Scotland, but our customers are also showing increasing interest in products from other countries of origin. The other malt whisky segment grew by more than 27 per cent in 2010. Blokes Who Yearn to Learn and Multifaceted Connoisseurs are the customer groups who primarily make purchases in this category.

In order to offer our customers the chance to try different types of malt whisky without needing to buy a full-sized bottle, we will be expanding our range of smaller bottles with additional 350 ml format items. The average price per bottle sold of malt whisky in 2010 was SEK 396.93, which indicates strong demand for more exclusive products. In order to meet customers' need for new products, we will be launching two Scottish malt whisky items in full-sized bottles in our fixed range.

Beer, cider and mixed drinks

Launches 2 April 2012

Segment	Module	Origin	Volume for the year	Description
Lager can international	**BAS**	**Czech Republic**	**2 000 000**	**Czech Republic, can, 330 ml**
Lager bottle international (..-5.9%)	T1		500 000	Very pale and light lager
Lager bottle Swedish (..5.9%)	T1	Sweden	300 000	330 ml, organic, max. 4.5%
Ale bottle (..5.9%)	BAS	Sweden	150 000	330 ml, organic, max. 4.5%
Ale extra strong	T3	UK	30 000	IPA
Ale bottle (..5.9%)	T3	UK	30 000	max. 4.5%
Ale extra strong	T3	USA	30 000	IPA, organic
Wheat beer, bottle/can	T3		20 000	Belgium, Denmark, Netherlands, organic
Cider and mixed drinks	BAS		1 800 000	semi-dry – semi-sweet, can, 330 ml

Launches 1 October 2012

Lager can international	BAS	Europe	2 000 000	Sleek can, light lager, max. 4.9%
Lager can international	T1		1 000 000	Sleek can, light lager
Lager can Swedish	T2	Sweden	1 000 000	Premium lager
Lager bottle international (..-5.9%)	T2		300 000	China, South America, etc., bottle 330 ml
Lager bottle Swedish (..5.9%)	BAS	Sweden	500 000	PET
Lager bottle Swedish (..5.9%)	T2	Sweden	150 000	330 ml, 4.5-5%, premium lager
Dark lager bottle	T3	Germany	30 000	330 ml or 500 ml
Ale can (..-5.9%)	T2	USA	100 000	Craft beer
Ale bottle (..5.9%)	T2	Sweden	80 000	Premium ale
Porter/stout can (..-5.9%)	T3	USA	60 000	Craft beer
Cider and mixed drinks	T1		900 000	Mixed drinks with malt base
Cider and mixed drinks	T1		900 000	Mixed drinks with malt base

Beer lager can

Sales in the beer lager can category decreased by 3 per cent in 2010. This segment mainly appeals to the Blokes Who Yearn to Learn category and this is made up of customers who are generally very satisfied with the range that is currently offered, according to our customer surveys. In order to continue to offer those customers looking for new products an attractive selection, we will be launching cans in the sleek can format, a Czech can and a premium-character can.

Beer lager bottle

Bottled beer is our second-largest category in terms of volume, with sales of just over 43 million litres in 2010. This accounts for 18 per cent of beer by volume and it increased its share of the category by 1.1 percentage points compared with the previous year. All segments in this category are showing rising demand, and we are seeing a clear shift in sales of lager in cans to lager in bottles. It is worth noting that sales of beer in PET packaging have increased significantly in 2010. The approximately 2.2 million litres of beer sold in PET packaging now comprise around 5 per cent of sales in this category. In order to reduce our environmental impact we will be expanding our selection of beer in this type of packaging with an extensive launch of Swedish lager in the BASE module.

We will also be requesting five new items for this category, primarily in 330 ml bottles. These launches will expand our offering of organic items, but also of beer with slightly lower alcohol content, since we receive lots of requests about this in our stores. We also want to complement the segment for dark lager with an item from Germany, and to offer our customers with a new light lager in an international style from China or South America.

Special beer

The category of beer that has shown by far the highest percentage sales increase is special beer, which grew by 13.4 per cent in 2010. Ale accounts for 80 per cent of this sales increase, but wheat beer has also shown strong growth. England is the most popular country of origin for ale, with almost 45 per cent of sales. The second-largest origin is Swedish ale, which grew by more than 40 per cent and Scotland is the third-largest country of origin, with a doubling of sales volumes compared with the previous year.

The customer segment that is most interested in this category is Blokes Who Yearn to Learn, whose interest in and knowledge about these products has increased and they are generally slightly less satisfied with the existing range compared with customers who mainly buy other types of beer. For 2012 we are launching nine new items in order to expand our offering of types of beers that are in demand such as ale, India Pale Ale and wheat beer. We will also be requesting American craftbeer in cans, and will be expanding our organic range, as well as our selection of beer with a slightly lower alcohol content.

Cider and mixed drinks

Cider and mixed drinks have declined slightly, by 1 per cent. The mixed drink segment has shown growth of 2 per cent and we are planning a twin launch of a slightly drier character in order to increase choice and renew this category.

We are expanding the medium-sweet/sweet cider can segment by offering a new flavour for the Healthy Security Seekers customer group, which is the main purchaser of these drinks.

Alcohol-free

Systembolaget aims to have a world-class alcohol-free range, and we need to be able to offer tasty alternatives to alcoholic drinks for those who do not want to or cannot drink alcohol. Today's health-related trend, by which we take better care of our health and well-being, means that customers are increasingly asking for alcohol-free products and Systembolaget's alcohol-free sales increased in 2010 by some 30 percent in terms of volume compared with 2009.

It has become increasingly important to be a considerate host and also offer tasty drinks to guests who are not drinking alcohol. Interest in alcohol-free drinks is therefore growing internationally and more and more high-quality alcohol-free drinks are being produced around the world.

Our Launch Plan does not specify what products we will be looking for, but this information will be available on the "Leveransen" website. Suppliers are also welcome to approach us with proposals for attractive, high-quality products that meet customers' drink requirements.

Temporary launches 2012

The temporary range complements and adds depth to the fixed range. The temporary range contains products that are of a slightly more unusual character or that are produced in a limited volume and therefore cannot be offered in the fixed range. Unusual countries of origin and new flavour types in the temporary range can be trialled and then included in the fixed range if they are popular with customers. The season determines our focus and we base our choices on culinary dishes and typical occasions for the time of year when we launch these temporary products.

This range aims to provide inspiration and knowledge and is launched four times a year. In addition we will also be launching season-related drinks such as seasonal beer, mulled wine and Beaujolais Nouveau. Items are available in the range for a limited time – i.e. as long as the season lasts.

New for 2012 is our introduction of recurring temporary launches for more expensive wines. These are launches from wine origins that are very popular among our customers, but the volume of which among many producers is not sufficient for the wines to be able to become established in the fixed range. In order to be able to offer these wines throughout the year, we therefore make several purchases of the same tender and launch the wines we have purchased at various times throughout the year.

Clear spirits

Our temporary range of clear spirits will have some seasonal launches to offer inspiration and new products. As drinks with lower alcohol content remain a priority area for Systembolaget in view of the health-related trend, we will be requesting a clear neutral spirit-based drink with a lower alcohol content for the temporary range.

Spring

Launches on 1 March 2012

Wine

Segment	Module	Origin	Volume	Description
Red wine (0-59)	BAS	Spain	70 000	Northern Spain
Red wine (60-69)	BAS	Italy	50 000	Lambrusco, max. 9.5%
Red wine (60-69)	T1	Italy	50 000	Southern Italy, organic
Red wine (70-79)	BAS	Italy	60 000	Marche or Abruzzerna, organic
Red wine (70-79)	BAS	South Africa	60 000	Grape blend, Malbec/Mourvèdre
Red wine (70-79)	T1	France	40 000	Grignan les Adhémar, Luberon or Ventoux, organic
Red wine (70-79)	T3	Bulgaria	16 000	Grape blend, Cabernet Sauvignon/Merlot/Cabernet Franc, N.B. SEK 70-89
Red wine (80-89)	BAS	Chile	50 000	Italian grape varieties
Red wine (90-99)	T1	France	20 000	Bordeaux, Petits Chateaux, two launches during the year
Red wine (90-99)	T1	South Africa	20 000	Cabernet Franc
Red wine (90-99)	T3	Israel	12 000	Syrah
Red wine (100-119)	BAS	France	10 000	Côte de Bordeaux, organic
Red wine (150-199)	T1	Italy	8 000	Langhe Nebbiolo
Red wine (150-199)	T2	USA	4 000	North Coast Cabernet Sauvignon
Red wine (150-199)	T3	France	2 400	Norra Rhone Cru, four launches during the year
Red wine (150-199)	T3	New Zealand	2 400	Central Otago or Martinborough, Pinot Noir
Red wine (200-)	T2	France	3 600	Vosne-Romanée
Red wine (200-)	T3	Italy	2 400	Amarone, four launches during the year

Subject to changes

cont. Wine

Segment	Module	Origin	Volume	Description
White wine (60-69)	BAS	Australia	50 000	Verdelho
White wine (70-79)	T1	Chile	30 000	Riesling. Light-weight glass
White wine (80-89)	T1	Argentina	20 000	Mendoza, Chardonnay
White wine (90-99)	T2	Australia	12 000	Margaret River, Chardonnay
White wine (90-99)	T2	France	12 000	St Bris
White wine (90-99)	T2	Hungary	12 000	Furmint
White wine (90-99)	T3	France	8 000	Jura, Chardonnay
White wine (90-99)	T3	Italy	8 000	Alto Adige, Pinot Bianco/Weissburgunder
White wine (90-99)	T3	Germany	1 680	Riesling, older vintage
White wine (120-149)	T2	Spain	4 000	Rias Baixas
White wine (120-149)	T3	Germany	3 000	Riesling, semi-dry/semi-sweet
White wine (150-)	T3	France	3 000	Chablis Premier Cru, two launches during the year
Rosé (70-..)	T1	New Zealand	80 000	Sauvignon Blanc + pigment
Sparkling 70-99	T1	France	35 000	Clairette de Die, organic, low-alcohol wine
White port	T2	Portugal	4 000	Half-bottle, max. SEK 69
Sake	T3		1 600	Sake with freshly squeezed juice, half-bottle

Spirits

Gin/unspiced distilled spirits	T2	International	10 000	Premium
Grappa/Marc	T3	Italy	1 200	Grappa, combination pack
Other brandy	T3	France	2 400	Armagnac, anniversary product. -72, -82 or -92.

Beer, cider and mixed drinks

Lager bottle international (..-5.9%)	T3	Germany	20 000	Kellerbier
Lager, extra strong, bottle	T3	Germany	20 000	Doppelbock beer
Lager bottle Swedish (..5.9%)	BAS	Sweden	120 000	Spring lager
Lager bottle Swedish (..5.9%)	T1	Sweden	100 000	Spring lager, premium
Ale bottle (..5.9%)	T1	Sweden	80 000	Spring ale, 330 ml
Ale bottle (..5.9%)	T2	Sweden	40 000	IPA
Ale bottle (..5.9%)	T3	Germany	20 000	Kölsch
Porter/stout	T2	Scandinavia	10 000	330 ml
Other beer	T1	USA/UK	60 000	Combination pack, different styles of beer

Easter

Launches on 15 March 2012

Seasonal beer

Segment	Module	Origin	Volume	Description
Easter beer	T9			10 to 15 positions

Subject to changes

Summer

Launches on 1 June 2012

Wine

Segment	Module	Origin	Volume	Description
Red wine (60-69)	T1	South Africa	40 000	Malbec/Mourvèdre/Tannat
Red wine (70-79)	BAS	Chile	60 000	Grape blend
Red wine (70-79)	T1	Greece	36 000	Grape blend with Syrah
Red wine (70-79)	T2	North Africa	20 000	Marroco, Tunisia, Algeria, Egypt
Red wine (70-79)	T3	Macedonia	20 000	Vranec (N.B. SEK 70-89)
Red wine (70-79)	T3	Germany	16 000	Grape blend, Dornfelder/Cabernet Sauvignon
Red wine (80-89)	T3	Lebanon	20 000	
Red wine (100-119)	T1	Spain	8 000	Priorat
Red wine (100-119)	T2	South Africa	6 000	Coastal Region, Pinot Noir
Red wine (120-149)	BAS	Spain	14 000	Rioja, modern style
Red wine (150-199)	T2	Australia	4 000	Grape blend, Cabernet Sauvignon/Merlot/Cabernet Franc
Red wine (150-199)	T3	France	2 400	Norra Rhone Cru, four launches during the year
Red wine (200-)	T3	Italy	2 400	Amarone, four launches during the year
White wine (60-69)	BAS	Chile	50 000	Pinot Grigio
White wine (60-69)	BAS	Austria	50 000	Grüner Veltliner, flute bottle
White wine (90-99)	T2	Spain	12 000	Rias Baixas, Albariño
White wine (90-99)	T3	Germany	1 680	Riesling, older vintage
White wine (100-119)	T3	New Zealand	3 000	Sauvignon Blanc, organic
White wine (120-149)	T2	Argentina	4 000	Chardonnay, clear cask character
White wine (120-149)	T3	France	3 000	Loire, Sauvignon Blanc
Rosé (0-69)	BAS	Spain	160 000	Prieto Picudo, SEK 59
Rosé (0-69)	T1	Hungary	60 000	
Rosé (0-69)	T1	Bulgaria	60 000	
Rosé (70-..)	BAS	Spain	150 000	Rioja
Rosé (70-..)	T1	Chile	40 000	Pinot Noir
Rosé (70-..)	T1	Italy	80 000	Veneto
Rosé (70-..)	T3	Australia	40 000	Barossa
Rosé (70-..)	T3	France	40 000	Sancerre
Rosé (70-..)	T3	France	40 000	Provence, organic
Rosé box	BAS	USA	120 000	White Zin
Sparkling rosé	BAS	Chile	130 000	Fair Trade, SEK 80-89
Other sparkling wine	BAS	Germany	70 000	Sparkling wine with fruit flavour – lychee/cranberry
Other sparkling wine	T1	Chile/Argentina	80 000	Max 9.5% with fruit pulp
Sweet white wine, small bottles	T3	New Zealand	2 600	Riesling, late harvest
Flavoured wine	T2	Italy	2 400-3 600	Visciole, 375- el. 500 ml, max. SEK 99
Flavoured wine	T3		1 200	Wine flavoured with raspberry, max. 9.5%

Spirits

Flavoured vodka	BAS	International	20 000	Flavoured clear spirits for summer
Spiced distilled spirits	T2	Nordic region	10 000	Summer akvavit
Fruit and berry liqueurs, small bottles	T2	International	2 400	Combination pack, SEK 179 or 500 ml max. SEK 99

Subject to changes

Beer, cider and mixed drinks

Segment	Module	Origin	Volume	Description
Lager can Swedish	BAS	Sweden	1 600 000	330 ml, seasonal flavour
Lager bottle Swedish (..5.9%)	T1	Sweden	120 000	Summer lager
Lager bottle Swedish (..5.9%)	T1	Sweden	200 000	Flavoured lager, bottle 330 ml
Ale bottle (..5.9%)	BAS	Sweden	140 000	Summer ale
Ale bottle (..5.9%)	T2	Belgium	40 000	Ale, approx. 4%
Ale bottle (..5.9%)	T2	Scandinavia	40 000	Summer ale
Ale extra strong (6.0%-..)	T3	Belgium	10 000	Tripel
Wheat beer	T3	Belgium	20 000	
Cider and mixed drinks	BAS	International	150 000	Summer, 330 ml can

Autumn

Launches on 1 September 2012

Wine

Segment	Module	Origin	Volume	Description
Red wine (0-59)	T1	Moldavia	40 000	Cabernet Sauvignon/Merlot
Red wine (60-69)	BAS	Australia	70 000	Shiraz/Viognier
Red wine (60-69)	BAS	Argentina	70 000	Grape blend
Red wine (60-69)	T1	Hungary	35 000	Pinot Noir
Red wine (70-79)	BAS	Italy	60 000	Umbria
Red wine (70-79)	T2	Hungary	20 000	Egri Bikaver, N.B. SEK 70-89
Red wine (80-89)	BAS	Portugal	50 000	Beiras
Red wine (80-89)	T1	Spain	30 000	Toro, N.B. SEK 70-89
Red wine (80-89)	T2	USA	24 000	Monterey Pinot Noir (N.B. SEK 80-99)
Red wine (80-89)	T3	Australia	8 000	Grape blend, unusual varieties
Red wine (90-99)	T1	Australia	20 000	Margaret River, Cabernet Sauvignon
Red wine (90-99)	T1	France	20 000	Corbières or Minervois
Red wine (100-119)	T1	Argentina	8 000	Cabernet Sauvignon
Red wine (100-119)	T3	Brazil	1 800	Touriga Nacional
Red wine (150-199)	BAS	Italy	10 000	Barbaresco
Red wine (150-199)	T2	USA	6 000	Zinfandel
Red wine (150-199)	T3	France	2 400	Norra Rhone Cru, four launches during the year
Red wine (200-)	T3	Italy	2 400	Amarone, four launches during the year
White wine (60-69)	BAS	Bulgaria	40 000	Chardonnay
White wine (70-79)	BAS	Austria	30 000	Grüner Veltliner
White wine (80-89)	T3	Spain	10 000	Valdeorras
White wine (90-99)	BAS	France	24 000	Alsace
White wine (120-149)	T3	Germany	3 000	Riesling, semi-dry
White wine (150-)	T2	Germany	3 200	Nahe, dry Riesling
White wine (150-)	T3	France	3 000	Chablis Premier Cru, two launches during the year
Wine combination pack	T3	International	2 400	Wine-tasting case, 4 x smaller packs, various grape varieties
Sherry	T2	Spain	1 800	Fino half-bottle, max. SEK 69
Sweet fruit wine	T2	Europe	2 400	Mead, sweeter style
Sweet fruit wine	T3	Europe	1 200	Fruit wine

Subject to changes

Spirits

Segment	Module	Origin	Volume	Description
Unspiced distilled spirits	BAS	International	30 000	Lower alcohol content
Tequila/rum	T2	International	1 800	premium
Cognac, small bottles	T3	France	1 800	Combination pack, max SEK 399
Scottish malt whisky	T2	Scotland	2 400 - 4 800	
Scottish malt whisky	T3	Scotland	2 400 - 4 800	
Scottish malt whisky	T3	Scotland	2 400 - 4 800	
Scottish malt whisky	T3	Scotland	2 400 - 4 800	

Beer, cider and mixed drinks

Lager bottle Swedish (..5.9%)	BAS	Sweden	120 000	Autumn lager
Dark lager bottle	BAS	Sweden	60 000	Premium lager
Ale bottle (..5.9%)	T1	UK	80 000	Autumn ale
Ale extra strong	T2	USA	40 000	IPA
Ale extra strong	T3	Scandinavia	20 000	Black IPA
Ale bottle (..5.9%)	T3	USA	20 000	Pale Ale
Ale extra strong	T3	USA	20 000	Black IPA
Oktoberfest Beer	T9			10-15 positions

Winter

Launches on 15 November 2012
Mulled wine launches on 1 November 2012

Wine

Segment	Module	Origin	Volume	Description
Red wine (60-69)	BAS	Portugal	65 000	Bairrada
Red wine (60-69)	T1	Chile	35 000	Syrah/Malbec
Red wine (60-69)	T9	France		Beaujolais Nouveau, to be launched on 15 November
Red wine (70-79)	BAS	Argentina	60 000	Patagonia, Cabernet Sauvignon
Red wine (70-79)	BAS	France	60 000	Carignan Vielles Vignes, N.B. SEK 70-89
Red wine (70-79)	T1	Italy	40 000	Cannonau di Sardegna DOC
Red wine (70-79)	T1	USA	30 000 - 40 000	Merlot, N.B. SEK 70-89
Red wine (80-89)	T1	Argentina	30 000	Salta Malbec
Red wine (80-89)	T2	Spain	24 000	Bierzo
Red wine (90-99)	BAS	Spain	40 000	Rioja Reserva
Red wine (90-99)	T1	France	20 000	Bordeaux, Petits Chateaux
Red wine (90-99)	T1	Portugal	20 000	Douro, organic
Red wine (90-99)	T3	Uruguay	12 000	Grape blend
Red wine (100-119)	T1	Chile	8 000	Fair Trade
Red wine (100-119)	T3	Italy	4 000	Monferrato Rosso DOC
Red wine (120-149)	T2	Argentina	6 000	Grape blend
Red wine (120-149)	T2	Italy	6 000	IGT Veronese
Red wine (120-149)	T3	Argentina	4 000	Uco Valley, Cabernet Sauvignon, 500ml, SEK 90-99
Red wine (150-199)	BAS	Spain	10 000	Rioja Gran Reserva
Red wine (150-199)	T3	France	2 400	Norra Rhone Cru, four launches during the year
Red wine (200-)	T3	Italy	2 400	Amarone, four launches during the year
White wine (60-69)	T1	Portugal	25 000	Bairrada

Subject to changes

cont. Wine

Segment	Module	Origin	Volume	Description
White wine (70-79)	T3	Slovenia	10 000	Chardonnay, Sauvignon Blanc, Furmint or grape blend, N.B. SEK 70-99
White wine (80-89)	T2	Germany	16 000	Not Riesling
White wine (90-99)	T2	Austria	12 000	Weissburgunder
White wine (80-89)	T3	South Africa	10 000	Grenache Blanc
White wine (90-99)	T2	Australia	12 000	Hunter Valley
White wine (100-119)	T3	France	3 000	Alsace, Pinot Gris
White wine (100-119)	T2	Austria	5 200	Wachau/Kamptal, Grüner Veltliner
White wine (120-149)	T3	Australia	3 000	Adelaide Hills, Chardonnay
Sparkling 70-99	BAS	Hungary	100 000	SEK 79-89
Sparkling rosé	BAS	Austria	60 000	Organic
Champagne (250-399)	T1	France	4 800	
Champagne (250-399)	T3	France	3 600	
Sweet white wine, small bottles	T2	Austria	1 800	Burgenland
Other dessert wine	T3	Portugal	1 200	Moscatel, Douro
Mulled wine	BASE-T3			20-25 positions

Spirits

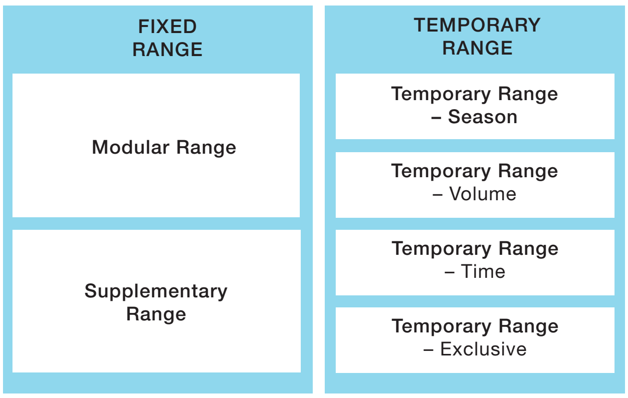
Spiced distilled spirits	T2	Nordic region	7 000	Christmas akvavit
Dark rum	T3	Caribbean	3 600	700 ml, max. SEK 459
Dark rum	T3	Caribbean	3 600	700 ml, max. SEK 499
Cognac	T2	France	6 000	Christmas cognac, 500ml XO, max. price SEK 399
Scottish blended whisky	BAS	International	65 000	Christmas whisky
Scottish malt whisky	T1	Scotland	3 600 - 5 400	
Scottish malt whisky	T2	Scotland	2 400 - 4 800	

Seasonal beer

Christmas beer	T9			40 to 45 positions
Christmas cider/mixed drinks	T9			3 positions

The Systembolaget range model and structure

Systembolaget employs a product range model to ensure that it can live up to its mandate of offering a broad, brand-neutral, cost-effective and customer-orientated product range. The model is based on a number of different modules which are, in turn, divided into different categories and segments. We structure the product range – which comprises a fixed and a temporary range – with the help of the different modules, with the overall aim of providing a range that is not only as flexible and dynamic as possible, but which also lives up to the requirements placed on us.



Fixed range

The fixed range satisfies the demands of the majority of Systembolaget's customers in as much as its composition reflects certainty, continuity and a long-term approach. Systembolaget uses the modular range, from the core BASE module to supplementary modules T1–T3, to ensure that individual stores can achieve this objective.

The range is allocated to stores on a brand-neutral basis and is based on consumer demand. The majority of Systembolaget's sales come from this modular range.

The fixed range also includes a number of items that stores are not obliged to carry. This is known as the supplementary range, or Supplementary Module T9, and is designed to ensure the breadth and depth of the product range.

The fixed range is renewed twice a year, in April and October. Fixed launches are made either to supplement the selection or to expose items to competition. New products are available for twelve months, but after nine months these are evaluated for possible placement in the fixed range following the new product trial period.

Temporary range

The temporary range offers customers variety and novelty value. This range contains products that are temporary – availability is either limited in terms of time or volume. The range is allocated to stores centrally.

Temporary Range – Time

The temporary launches in Temporary Range – Time occur four times every year in the form of the Spring (February–April), Summer (May–August), Autumn (September–November) and Winter (December–January) launches. Offering the products for an extended but limited period of time enables us to meet our customers' expectations, in that they appreciate being able to buy temporary products several times during the period (they find something they like and want to buy it again).

Temporary Range – Season

Temporary Range – Season is the name we give to the items that we buy for a very limited period of time and which are strongly linked to a particular festive season. We carry them for the duration of the season and if they are popular with customers, they may return the following year. Examples include Christmas beer and mulled wine.

Temporary Range – Volume

Temporary Range – Volume refers to volume-based agreements for items with limited production availability but which we are still keen to offer our customers. Our aim is to identify interesting items that enhance the food and drink experience. We mainly launch these types of items in the run-up to Easter or Christmas, when our customers are looking for slightly more expensive items as part of their festive celebrations.

Categories and segments

Wine

Bottled wine max SEK 69
- Red wine (0–59)
- Red wine (60–69)
- White wine (0–59)
- White wine (60–69)
- Rosé (0–69)

Bottled wine SEK 70–99
- Red wine (70–79)
- Red wine (80–89)
- Red wine (90–99)
- White wine (70–79)
- White wine (80–89)
- White wine (90–99)
- Rosé (70–..)

Bottled wine over SEK 100
- Red wine (100–119)
- Red wine (120–149)
- Red wine (150–199)
- Red wine (200–..)
- White wine (100–119)
- White wine (120–149)
- White wine (150–..)

Wine small/large bottles
- Red wine small bottles
- Red wine large bottles
- White wine small bottles
- White wine large bottles
- Rosé small bottles

Bag-in-box wine
- Red wine bag-in-box 1.5–2 l
- Red wine bag-in-box ≥ 3 l (SEK 0–66/l)
- Red wine bag-in-box ≥ 3 l (SEK 67–../l)
- White wine bag-in-box 1.5–2 l
- White wine bag-in-box ≥ 3 l (SEK 0–56/l)
- White wine bag-in-box ≥ 3 l (SEK 57–66/l)
- White wine bag-in-box ≥ 3 l (SEK 67–../l)
- Rosé bag-in-box

Wine in other packaging
- Red wine not bag-in-box or bottle
- Red wine not bag-in-box or bottle small packaging
- White wine not bag-in-box or bottle
- White wine not bag-in-box or bottle small packaging
- Rosé not bag-in-box or bottle

Sparkling wine
- Sparkling wine (0–69)
- Sparkling wine (70–99)
- Sparkling wine (100–..)
- Sparkling wine small bottles
- Sparkling wine large bottles
- Sweet sparkling wine
- Sweet sparkling wine small bottles
- Rosé sparkling wine
- Rosé sparkling wine small bottles
- Other sparkling wine

Champagne
- Champagne (0–249)
- Champagne (250–399)
- Champagne (400–..)
- Champagne small bottles
- Champagne large bottles
- Rosé Champagne
- Rosé Champagne small bottles

Dessert wine
- Sweet white wine
- Sweet white wine small bottles
- Red port
- Red port small bottles
- White port
- Sweet sherry/montilla
- Sweet sherry/montilla small bottles
- Madeira
- Madeira small bottles
- Other dessert wine
- Other dessert wine small bottles
- Flavoured wine
- Flavoured wine small bottles
- Sweet fruit wine
- Sweet fruit wine small bottles
- Mulled wine
- Mulled wine
- Apéritif
- Sherry/montilla
- Sherry/montilla small bottles
- Vermouth
- Vermouth small bottles
- Aperitif
- Aperitif small bottles
- Sake
- Other wine, segment

Spirits

Drinks & cocktails
- Ready-mixed drinks
- Ready-mixed drinks, small packaging

Apéritif
- Anise
- Apéritif/bitters (spirits)
- Other spirits, segment

Spiced distilled spirits
- Spiced distilled spirits
- Spiced distilled spirits, small bottles

Clear spirits
- Distilled spirits
- Distilled spirits, small bottles
- Flavoured vodka
- Gin
- Gin, small bottles
- White rum
- White rum, small bottles
- Flavoured rum
- Tequila

Liqueurs
- Chocolate, coffee and nut liqueurs
- Chocolate, coffee and nut liqueurs, small bottles
- Cream and egg liqueurs
- Cream and egg liqueurs, small bottles
- Fruit and berry liqueurs
- Fruit and berry liqueurs, small bottles
- Swedish punch
- Other liqueurs
- Other liqueurs, small bottles

Digestif
- Cognac
- Cognac, small bottles
- Other brandy
- Other brandy, small bottles
- Calvados
- Grappa/marc
- Dark rum
- Dark rum, small bottles

Malt whisky
- Scottish malt whisky ≤ 18 years old
- Scottish malt whisky, small bottles
- Scottish malt whisky > 18 years old
- Other malt whisky

Whisky
- Scottish blended whisky
- Scottish blended whisky small bottles
- Canadian whisky
- Canadian whisky, small bottles
- American whiskey
- American whiskey, small bottles
- Irish whiskey
- Irish whiskey, small bottles
- Other whisky

Beer, cider and mixed drinks

Beer lager can
- Lager can international (..–5.9%)
- Lager can Swedish (..–5.9%)
- Lager extra strong can (6.0%–..)
- Dark lager can

Beer lager bottle
- Lager bottle international (..–5.9%)
- Lager bottle Swedish (..–5.9%)
- Lager extra strong bottle (6.0%–..)
- Dark lager bottle

Beer other packaging
- Other lager
- Other ale/porter/stout

Special beer
- Ale bottle (..–5.9%)
- Porter/stout bottle (..–5.9%)
- Ale can (..–5.9%)
- Porter/stout can (..–5.9%)
- Ale extra strong (6.0%–..)
- Porter/stout extra strong (6.0%–..)
- Wheat beer bottle/can
- Other beer

Seasonal beer
- Easter
- Oktoberfest
- Christmas

Cider & mixed drinks
- Dry/medium-dry cider can
- Medium-sweet/sweet cider can
- Mixed drinks
- Dry/medium-dry cider bottle
- Medium-sweet/sweet cider bottle
- Cider other packaging

Alcohol-free

Alcohol-free wine
- Alcohol-free wine

Alcohol-free spirits
- Alcohol-free spirits

Alcohol-free beer
- Alcohol-free beer

Alcohol-free cider
- Alcohol-free cider

Water
- Water

Valid as of 1 January, 2011.

Subject to changes

Temporary Range – Exclusive

The items in Temporary Range – Exclusive are exclusive and their target group comprises customers with a substantial interest in new items. These items typically also have limited availability, a good reputation, are in high demand internationally, and have received extensive coverage in the trade media.

These launches take place in few stores since the volumes are extremely small and they are mainly advertised to customers via Systembolaget's website. Tenders for the exclusive range are received and processed by our purchasers on a continual basis. Systembolaget buys in selected exclusive items in very limited volumes.

Categories and segments

The range is divided into four category groups: wines, spirits, beers and alcohol-free.

The groups are, in turn, divided into different subcategories and segments. Items largely regarded by customers as interchangeable are grouped within the same segment. When categorising by segment, Systematization takes into account different price bands, product types, and/or packaging types. There are a total of approximately 150 different segments in the range model (see chart on previous page).

Modules

The items within a segment are allocated to the different store types with the aid of module positions. The BASE module is carried by all stores, the T1 supplementary module by slightly fewer stores, and so on. The decision as to the precise module or modules that will be carried by a particular store is based on the store's sales, customer structure, the number of stores in the area, and the area's geographical location. Systembolaget has 412 stores.

Evaluation

Systembolaget updates the range carried by its stores twice every year, on 1st April and 1st October, after an evaluation of the range.

The evaluation examines how well the items are selling, Systembolaget's trading margin and the items' availability. All items in the fixed range are covered by the evaluation and may be included in the modules. Items within the same segment are compared with one another, with the item gaining the most points receiving the highest distribution within the segment. The current range lasts for six months – until the next update.

Locally selected range

In addition to the centrally allocated range, stores can also elect to carry a number of items – a "local selection." These items are chosen to complement and extend the store's range in light of local demand. Systembolaget also offers its customers the chance to order items from the fixed range that are not in stock at their local store, with delivery within 48 hours.

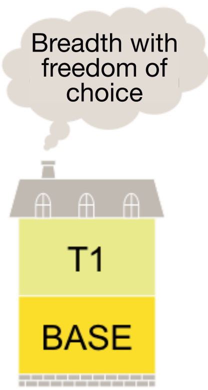
Different types of store

Systembolaget has a nationwide retail network comprising 412 stores and 511 agents. The stores are divided into four types to enable us to comply with the requirement for a balance in terms of availability, service and finance.

Our smallest stores

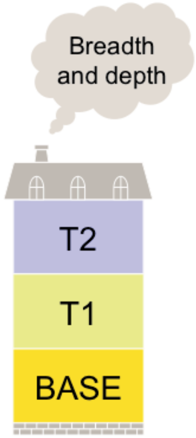
Systembolaget's smallest stores are located in rural areas and account for 9 per cent of Systembolaget's net sales. These stores carry items from the BASE module. The range is designed to offer customers a breadth of choice, adapted to suit local demand, but also takes into account the fact that Systembolaget is the only retail outlet. The smallest stores carry a total of approximately 540 items (including the locally selected products and the temporary range).

Our second-smallest stores

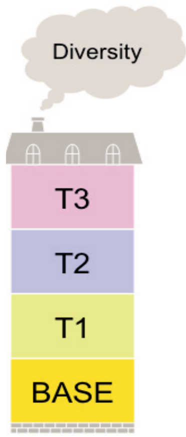


These kinds of store are found in smaller towns or as a complement to another nearby store, and account for 19 per cent of Systembolaget's net sales. This store type carries items from the BASE to T1 modules and the range is designed to offer not only breadth but also a certain depth, providing customers with several alternatives from which to choose. They carry a total of around 950 items (including the locally selected products, new launches, and the temporary range).

Our second-largest stores
These stores are found in medium-sized and large towns and account for 42 per cent of Systembolaget's net sales. They carry a range of items from the BASE to T2 modules designed to offer a choice with both breadth and depth. This store type carries a total of approximately 1,490 items (including the locally selected products, new launches, and the temporary range).



Our largest stores
Our largest stores are found in cities and major retail centres, and account for 29 per cent of Systembolaget's net sales. They carry the entire fixed range in the BASE, T1, T2 and T3 modules, with the aim of providing customers with a rich diversity of items. This store type carries around 1,900 items (including the locally selected products, new launches and the temporary range).



From order requests to store shelves

We work continually to develop our product flow and to provide training for all of our store staff. This training focuses on how each store can optimise its work with a particular product – from submitting an order request, via warehousing, to giving a product shelf space in store. Our goal is twofold – for the customers to experience well-stocked stores and for our store staff to have more time to interact with customers.

The stores are aided in this work by a tool that supports the product flow and which ensures that product placement is brand-neutral and that every product not only has sufficient shelf space, but is also positioned correctly. This tool contains information on where the items should be positioned and how much shelf space an item should be given. In-store positioning is determined centrally and helps make it easier for customers to find what they are looking for. Shelf space decisions are based on the store's sales, but also endeavour to ensure that the number of items carried in-store is sufficient to meet the store's sales needs – even during the busiest times of the week.

Systembolaget has conducted several customer flow measurements in stores that have shown that our customers make use of the entire store area, which is unusual in the retail trade. Consequently, an item is always well-positioned in a Systembolaget store, irrespective of the precise location on the shelves.

Available-for-order range and private imports

In addition to its regular ranges, Systembolaget has a range of products that are available for order. This range contains items that must be ordered from drinks suppliers' warehouses. These products have not been tested by Systembolaget or undergone Systembolaget's tendering process. A private import service is also offered for customers who require help with ordering an item not listed in Systembolaget's regular product range or in the available-for-order range.

E-ordering
Systembolaget is currently testing an e-ordering system for the available-for-order range in a number of stores around Sweden. All of the products in the available-for-order range can be ordered online at the systembolaget.se website and delivered to the store chosen by the customer. Customers receive a text message when the delivery arrives and pay when they collect the items. The delivery lead-time is approximately 8 working days and customers then have 14 days to collect their orders. After payment and collection customers also have a 14-day cancellation period during which to return the goods. At the time of writing, the plan is for the e-ordering system to be implemented for all stores as of mid-2011. Systembolaget hopes, however, that it will be possible to implement the system even earlier than this.

The e-ordering service will be expanded in the autumn of 2011 to enable customers to use the systembolaget.se website to order products from all of our temporary ranges for delivery to their store.

Locally produced items

Systembolaget offers Swedish producers the chance to position locally produced items in their nearest Systembolaget store. By the end of March 2010, 51 producers had positioned 192 items in 45 stores around Sweden.

From strategy to launch

Systembolaget aims to develop a cutting-edge offering that helps reduce the harmful effects of alcohol. This offering should make it easier for customers to think about health and environment issues, and should increase the level of customer satisfaction.

There are a number of parameters that we need to take into account in our endeavours to create a range that meets Swedes' requirements for both breadth and depth in the product range. To this end, we analyse factors such as our operating environment and sales trends and take a closer look at our customers' requirements. The analysis is summarised in the form of an annual product range strategy.

The product range strategy

The product range strategy consists of internal written guidelines and is based on Systembolaget's strategic plan. The product range strategy defines goals and activities for the entire range and is based on the following focus areas: consideration, expertise, inspiration, value for money and efficiency. The strategy is reviewed once a year.

The product range strategy stipulates that:

- Systembolaget should offer a range that is adapted to customer demand and to changes in the world in which we operate.
- Systembolaget should offer a range that focuses on health, the environment and diversity and which is brand-neutral, quality-assured and profitable.

The overall goal of our product range work is to ensure even greater levels of customer satisfaction, and to this end we set goals and guidelines for the various focus areas. Our aims include:

- continuing to offer our customers a broad and deep range that is also perceived as modern and innovative;
- offering our customers a range that enhances the food and drink experience;
- offering customers more products in smaller sizes;
- expanding our offering of products that have a lower or zero alcohol content;
- promoting the trend towards a more sustainable drinks production chain – this is currently symbolised for our customers by our organic products;
- offer customers various climate-smart packaging options;
- introduce more products that fulfil guidelines for ethical production, such as Fairtrade, Wieta, ETI, etc.

Product range roles

We have divided the range into different roles to ensure that we meet our customers' requirements.

By analysing the sales of the respective roles in the different types of store, we create a useful tool for distributing the range amongst the stores. Each product role is available in all of our stores, but the precise distribution between them varies depending on the size of the store. The roles are: Profile, Cutting Edge, Volume, Service, Season and Innovation.

Product role – Volume

Category roles and accompanying categories

Category role Volume
Bottled wine max SEK 69
Bag-in-box
Wine in other packaging
Sparkling wine
Beer lager can
Cider & mixed drinks
Spiced distilled spirits
Clear spirits
Whisky

Category role Service
Drinks & cocktails
Dessert wine
Apéritif (wine and spirits)
Beer in other packaging

Category role Innovation

Category role Profile
Bottled wine SEK 70-99
Wine in small and large bottles
Champagne
Beer lager bottle
Special beer
Liqueurs
Digestif
Malt whisky
Alcohol-free

Category role Edge
Bottled wine over SEK 100

Category role Season
Mulled wine
Seasonal beer

The categories in the Volume product role represent the majority of Systembolaget's sales, in terms of both volume (number of litres) and value.

Most of our customers buy from the volume role, where the quality/price ratio is the most important parameter for them. Systembolaget therefore wishes to offer a wide Volume range that meets this requirement. New products are launched in the fixed and temporary ranges. The fixed range launches create competition and renewal in the existing range, and the temporary ranges complement this.

These items are assigned module positions in BASE through to T2.

Product role – Profile
The categories within the Profile product role should be both broad and deep, and customers should perceive it as both inspirational and responsible. The range should also encourage customers who want to learn more about our products and we are keen, in this respect, to show off the importance of different manufacturing methods, raw materials and countries of origin to the flavour profile of the drinks we sell.

New products are launched as part of both the fixed and the temporary range. The fixed range launches complement and rejuvenate the existing range, while the temporary launches provide inspiration.

The items are assigned module positions in BASE through to T3.

Product role – Service
The categories within the Service product role ensure that Systembolaget's customers are offered a wide selection of products in relatively low demand. The selection of products in the majority of the service categories is consequently narrow and lacks depth.

New products are launched in both the fixed and the temporary range. The fixed launches are primarily intended to create competition in the existing range, while the temporary launches should complement the range already offered to customers. The items are assigned module positions in BASE through to T3.

Product role – Cutting Edge
We offer a Cutting Edge range to satisfy the most demanding customers. The Cutting Edge categories add depth to the range and focus primarily on the most pre-eminent districts and regions in the classic wine-producing countries.

The Cutting Edge segments are updated through launches in both the fixed and temporary ranges, with the emphasis on the temporary, exclusive range. The fixed range launches complement and rejuvenate the existing range, while the temporary launches offer customers the opportunity to develop their particular interests.

These items are assigned module positions primarily in T2 and T3. The temporary exclusive range in T5-T8 solely comprises products in the Cutting Edge categories.

Product role – Season
The categories within the Season product role are designed to ensure that Systembolaget can offer its customers an up-to-date and seasonally adjusted range of products.

Structuring the product range

Preconditions

Customer requirements
- Customer satisfaction index
- Surveys
- Customer segmentation
- Other customer surveys

Operating environment
- Trends
- Product development
- Politics, economy, retail trade
- Suppliers, producers, supply and demand within focus areas Sales analysis

Sales analysis

Laws and directives

Operational goals

Product range strategy

Category action plan

- Launch proposals
- Launch plan
- Request for tender
- Launch

Customer satisfaction

The basis of this range is that there should be no fixed module positioning, but that it should instead focus on temporary launches, which typically add both breadth and depth to the range.

Product role – Innovation
The Innovation product role does not include any existing categories.

The role is designed to enable Systembolaget to develop a range that exceeds customer expectations. The rapid introduction of new product types is designed to ensure that Systembolaget is perceived as creative and innovative, which is one of the aims of the Inspiration focus area.

All Innovation items are tested for quality and compliance with our basic requirements and to ensure that they are in line with Systembolaget's mandate and product range strategy.

Criteria for the role:

- The flavour type/packaging/characteristics shall not form part of Systembolaget's existing range.
- None of the existing segments are appropriate for the product type in question.
- There is a limited range of product types.

Category action plans
The Category Managers draw up an action plan for each category, based on the product range strategy. The action plan focuses on achieving the goals laid down in the product range strategy and specifies in detail the way in which the category in question is to be run during the year ahead. See this page for more on the category action plans.

Launch proposals and launch plans
Purchasing staff then draw up launch proposals based on the actions plans, in which the preconditions for their area of responsibility are linked to the category requirements. Each Category Manager puts together the launch proposals in the launch plan, after discussions with the purchasing staff.

Request for tender
The next step involves sending requests for tender to Systembolaget's suppliers. A request for tender is formulated on the basis of the launch plan and specifies in detail the type of product that Systembolaget is looking for. The request for tender specifies, for example, the segment, price, flavour type and purpose of the launch. Once the submitted tenders have been reviewed, the purchasers request product samples.

Systembolaget's sampling room takes charge of the product samples and prepares to test them. The order in which the tasting panel test the samples is always random and samples are always tested blind. The panel evaluates the products' quality in relation to the flavour description in the request for tender. The product or products that receive the highest score and have the highest internal priority are bought in and the winning product is launched.

Launch
Prior to the launch, a testing panel determines the product's characteristics and produces a bouquet and flavour description and the pie charts used in our product catalogues. The characteristics are then published in our new product catalogue, "Varunytt," our product range price list, on the systembolaget.se website and on the stores' shelf labels.

Before the products reach the shelves, they are analysed in Systembolaget's laboratory to ensure that the contents are consistent with the product labels and comply with EU regulations.

One week before the launch, the purchasing staff carry out a sensory test to ensure that the product is the same as the one submitted for tender sampling. The strategic launches are then subjected to renewed sensory testing after three and six months. Find out more about Systembolaget's quality assurance work on page 40.

Category action plans
Once the product range strategy has been established, the Category Managers draw up an action plan for each category. The plan describes in detail the way in which the category in question is to be managed during the year ahead. The analyses conducted by the purchasers for their respective areas of responsibility are vital to the category action plans. Systembolaget has a number of tools at its disposal and the category action plans specify how they are to be used at category level.

These tools are:

- Range classification
- Segment structure
- Contribution margin limits
- Module positions
- Extra positions
- Free cataloguing
- Price
- Launches
- Product placement

Range classification shows the range or ranges in which the category will chiefly be placed, e.g. whether the focus is to be on the fixed, temporary or exclusive range.

Segment structure describes whether the offering should be broad or narrow, deep or shallow.

Contribution margin limits regulate the size of the complementary range in T9.

Module positions are the number of places available for the respective segment in the various types of store.

Extra positions are used to enable us to offer products with strategically important characteristics but which cannot compete in their respective segments. We have, for example, allocated extra positions for gluten-free products in many categories.

Free cataloguing means that an item, or more usually group of items, is free catalogued to ensure they do not impinge on a store's local selection.

Price is an important parameter for our customers, which is why Systembolaget offers products in all price categories – even if the segments are not broken down into price bands. Vodka, for example, is offered in a range of prices between approx. SEK 180 and approx. SEK 300 in order to satisfy differing customer requirements.

Launches are used to complement, create competition within, and update the **product range**. We define the number of launches for each category and the distribution between the fixed and the temporary ranges.

Product placement offers a means for Systembolaget to display the range in a brand-neutral way. The placement is designed to make it easy for customers to find what they are looking for and to support good store management.

Quality assurance

Ensuring that the planning and strategic work results in the right products is of the utmost importance to Systembolaget. It is also vital to the company's credibility and brand-neutrality that the products sold are of the same quality as the winning tender samples. The quality assurance process consequently involves three stages: sensory tests, chemical analysis and label control.

Tender sampling

This stage of the process involves:
- Selecting the winning samples through sensory blind testing.
- Winning samples for the fixed range undergo chemical analysis and the result is used as a reference in the event of any inconsistencies being detected at a later stage in the process.
- The tender sample is archived.

Extra tender samples

You must, as the supplier of a winning tender sample for fixed range launches and in order for Systembolaget to consider purchasing your products, be prepared to send in an extra tender sample within four working days of receiving notification of the tender sampling results. This means you must have the extra samples listed below available when submitting your original tender sample:
- Wine – three samples
- Beer, cider and mixed drinks – four samples
- Spirits – one sample

Launch sampling

This stage of the process involves:
- Sensory comparison of the supplier's product sample with the tender sample.
- Chemical analysis to ensure that the sample complies with applicable legislative requirements.
- Label control: the packaging is checked to ensure its compliance with applicable laws, regulations and the specific requirements stipulated in the request for tender.
- The launch sample is archived.

Sampling when sales begin

This stage of the process involves:
- Taking samples from the products delivered to the stores. The store sample is then subjected to sensory comparison with the tender sample.
  - If an inconsistency is detected, a more in-depth sensory analysis, known as a triangle test, is carried out.
  - If the inconsistency is confirmed by the triangle test, a comparative quality test is carried out.
  - If the inconsistency is judged to be significant, additional product samples from several different stores are tested.
  - If the inconsistency is judged to be significant, a new chemical analysis is carried out to determine whether the store sample matches the tender sample.
- The sample taken when sales begin is archived.

Post-launch control (applies to fixed range products)

This stage of the process involves:
- Taking samples from the stores.
- Beer is tested three months after sales begin.

Quality assurance of launches

From supplier Sample is archived	From supplier Sample is archived	From store Sample is archived	From store Sample is archived
TENDER SAMPLING	LAUNCH SAMPLING	SAMPLING WHEN SALES BEGIN	POST-LAUNCH CONTROL AFTER 3/6 MONTHS
Blind tasting Chemical analysis	Blind tasting Chemical analysis Chemical sampling Labelling Characteristics	Blind tasting Chemical analysis Labelling Triangle test Comparative quality test Laboratory analysis	Blind tasting Chemical analysis

The quality of our product launches is evaluated at four separate stages.

Subject to changes

- Spirits and bottled wines are tested six month after sales begin.
- Like beer, bag-in-box products are tested three months after sales begin.
- These store samples undergo sensory comparison with the sample taken when sales begin.
  - If an inconsistency is detected, a more in-depth sensory analysis, known as a triangle test, is carried out.
  - If the inconsistency is confirmed by the triangle test, a comparative quality test is carried out.
  - If an inconsistency is judged to be significant, additional product samples from several different stores are tested.
  - If the inconsistency is judged to be significant, a new chemical analysis is carried out to determine whether the store sample matches the tender sample when sales begin.

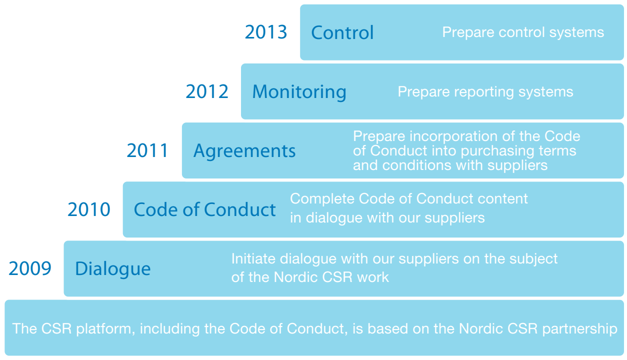
Systembolaget promotes sustainability

Responsible suppliers

Systembolaget's monopoly entails a special responsibility with regard to neutral product selection. But it also gives us a unique opportunity to influence the entire drinks industry to act in a sustainable way. We are seeing an increase in the demand for organic and Fairtrade products, and we will be looking to buy in more products that are manufactured in a sustainable way. This approach enables Systembolaget, in partnership with our suppliers, to help create a more sustainable society. We are engaged in cooperation with the Nordic alcohol monopolies, suppliers and producers in a long-term programme of activities with the aim of ensuring that all of the alcoholic beverages we sell – not just our organic and Fairtrade product range – are produced and handled in a way that shows consideration for both people and the environment.

Five steps in five years

The Nordic alcohol monopoly partnership is implementing its programme in stages over time to ensure that both we and our suppliers can lay the proper foundations for developing our operations in a more sustainable way. The ten Global Compact principles, which cover human rights, labour conditions, the environment and anti-corruption, form the basis for this work. The Global Compact is based on the UN Declaration of Human Rights, the ILO conventions, the OECD guidelines and the Rio Declaration. The Nordic partnership is following a common five-year Nordic strategy that has been broken down into five stages. In 2011 we are at the fourth stage. This means that we have established a Code of Conduct, which will be part of our purchasing agreements from 2012. In spring 2011 Systematization was accepted as a member of the international CSR company Business Social Compliance Initiative (BSCI) with the aim of benefiting from the knowledge and the tools that this organisation provides. By 2013, when all five stages will have been implemented, our goal is to have established a systematic methodology for creating a sustainable drinks supplier chain. As part of this work, Systembolaget is offering its suppliers



training courses and a range of different tools that will support them in their efforts to establish a sustainable drinks supplier chain.

Sustainable dialogue

Working conditions among vineyard workers in South Africa and Chile have been highlighted by the media in a number of contexts. Systembolaget addresses these types of cases through research and dialogue with suppliers in those countries in question.

To learn more about CSR among producers, the Nordic monopolies have conducted visits to South Africa and Southern Europe. During these visits we conducted a dialogue with producers, voluntary organisations, universities, trade union representatives, ambassadors and Fairtrade-organisations, all of whom are working to establish good working conditions. The monopolies do not just represent five customers: they represent five countries, which means that by working in partnership with our suppliers, we can achieve substantial changes when it comes to sustainability. The issues that we noted during our visits primarily relate to pay, accommodation, employee rights, information and education.

Code of Conduct

Systembolaget's Code of Conduct, which was adopted in January 2011, focuses on the 10 areas below:

- Compliance with applicable regulations
- Freedom of association and the right to enter collective agreements
- Freedom from discrimination
- Pay

- Working hours
- Health and safety at work
- Prohibition of child labour
- Prohibition of forced labour and disciplinary measures
- Environmental and safety issues
- Company routines and processes

An LCA analysis of wine packaging

Systembolaget, Vinmonpolet in Norway and four other companies have conducted an LCA study of five different types of wine packaging. LCA stands for Life Cycle Assessment and entails measuring the environmental impact of the packaging throughout its life-cycle “from cradle to grave,” including raw materials, transportation and recycling. The types of packaging included in the study are glass bottles, PET bottles, boxes, bags (stand-up pouches) and liquid packaging cardboard, with each type of packaging evaluated for several different volumes. This comparative analysis of packaging was performed according to five indicators; global warming, acidification, extraction of non-renewable resources, primary energy and water consumption.

This study was completed in August 2010 and showed that bag-in-box, bags and liquid packaging cardboard generally have a lower environmental impact than glass bottles. PET bottles are rated between glass bottles and other packaging. When comparing different volumes of a particular type of packaging, it is generally the case that larger volumes have a lower environmental impact. The greatest environmental impact for all the types of packaging occurs at the manufacturing stage.

The findings of this survey, together with other aspects such as customer demand and quality, will be used in Systembolaget’s product range work and these aspects will be factored together with Systembolaget’s alcohol policy mandate.