

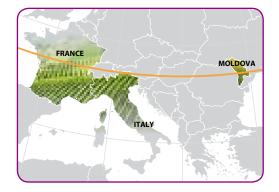
Investment & Export Promotion The Wine Industry

Moldovan wines have been appreciated and awarded prizes at many international wine competitions in Europe, Russia and America, including Chardonnay du Monde and Muscats du Monde (France); the International Wine and Spirit Competition (London, UK); VinItaly (Verona, Italy); INTERVIN (Toronto, Canada); and Concours Mondial de Bruxelles (Brussels, Belgium).

Moldova's wine industry is expanding:

- Financial efforts to increase the acreage of vineyards, renovate production facilities, improve the technology and ultimately the quality;
- Human resources by attracting international experts and training Moldovantechnologists;
- Marketing efforts to develop new products, increase awareness of Moldovan wines and penetrate new markets.

Moldova is situated in the south-western part of Eastern Europe. The territory is a rolling hilly plain, with valleys accounting for a major portion of the land mass, and their slopes making up 57% of the whole surface. The moderate continental Moldovan climate boasts plenty of sunshine and warmth, and is characterized by a long warm period of 260-290 days, and a relatively short cold period that lasts only 75-105 days. The soil is highly fertile and grapes have been cultivated on this territory for at least 5,000 years. The main areas are at latitudes of 46-48°, the same as the famous French wine-growing regions of Bordeaux and Bourgogne as well as the popular wine regions of northern Italy.



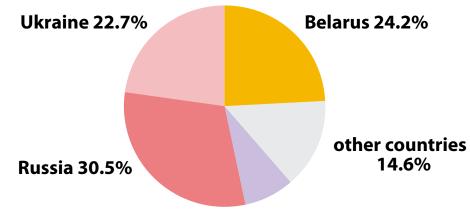
Winemaking is a major part of the Moldovan economy, accounting for 18%-20% of GDP, employing around 27% of the country's labor force. Wine has been a major area for foreign investment in Moldova. Wine making traditions, an excellent climate, fertile soil and low labour costs have attracted foreign vintners such as Australia's Penfolds and HDR Wines of France. German and Dutch firms have also concluded joint-venture agreements with wine producers. 90-95% of still wines and 75% of sparkling wines are exported to 55 countries around the world, with 10 CIS countries accounting for 85.3% of the total. In 2008 the value of exports was estimated at \$193.2 million. Moldovan viticulture extends to more than 151,000 fertile hectares with most vineyards (96.5%) being privately owned. A total of 174 enterprises, most of them limited partnerships, process grapes, with wineries processing about one million tons each season, and producing up to 13.8 million hl of wine. Today, there are 75 wine bottling lines at 63 enterprises. Annually, Moldova produces about 200-300 million bottles of wine, 20 million bottles of sparkling wines and 40 thousand hl of brandy.

Among the most famous wineries in Moldova are Cricova, Ialoveni, Romanesti, Milestii Mici, Nisporeni, Ciumai, Purcari, Cimislia, Comrat, Trifesti, Dubasari, Taraclia, Hincesti and Cazaiac. A wide range of wines is produced, including Chardonnay, Pinot Noir and Cabernet Sauvignon. Moldova has three large underground facilities for storing and maturing high-quality wines at Cricova, Milestii-Mici and Branesti. Together these have a total storage capacity of over 1 million hl. At Cricova and Milestii Mici, visitors can walk along real streets in an underground town, located at a depth of between 30 and 150 meters. The total length of the cavern streets is 100 kilometers (Cricova) and 50km (Milestii Mici).

Moldovan viticulture is characterised by a large variety of grapes, 90% of which are from Europe. The most popular white varieties are Aligote, Muscat (blanc, Ottonel), Pinot (blanc, gris), Chardonnay, Sauvignon, Feteasca (Leanca), Traminer (blanc, rose), Riesling, and Silvaner. Red varieties include Cabernet-Sauvignon, Merlot, Pinot-Noir and Malbec. There are four viticulture regions: Southern, South-Eastern, Central and North-



World Market for Moldovan Bottled Wine in 2008



ern. The Southern region is considered the most important, and is renowned for its red, sweet and semi-sweet wines. Micro-regions such as Taraclia, Ciumai, Comrat, Ceadir-Lunga, Baurci, Cazaiac, Tomai, and Cimislia are also located in the southern region.

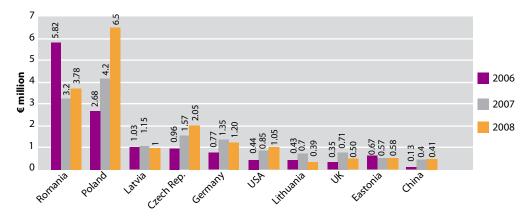
Wine production is classified according to the International Organization of Vine and Wine, of which Moldova is a member, and the industry has a large variety of natural wines (table wines), dry, sweet, semi-dry, semi-sweet, special wines (14% to 20% alcohol), sparkling wines, divins, and brandy.

other CIS 8%

A new Grape and Wine law passed in 2006 introduced stringent quality standards and food safety measures into the industry. This has resulted in all technical documentation relating to wine production being revised in accordance with the European Union standards.

The high quality of Moldova's sparkling wines is much appreciated all over the world, especially in the CIS. Among the most famous sparkling wines are those produced in Cricova. Cricova provides an ideal environment for maturing all kinds

Bottled wine exports to main markets, 2006 – 2008 (€ million)



of sparkling wines - white, rose and red. Moldova was a pioneer in the production of red sparkling wine, which has a flavor of muscatel and rose petals and rivals such brands as Citrone in the world market. Currently Moldova produces classic sparkling wines in many of its wineries. Producers include Cricova, Vismos, the National Vine and Wine Institute, Milestii-Mici, Nisporeni and Stauceni.

Moldova is proud of the divins - wine-based spirit drinks - produced in Chisinau, Balti, Tiraspol, Calarasi and Bardar, and sold all over the world. These include divins for everyday consumption (3-5 years old),



Wine Industry

Moldova ranks 10th in the world among producers and exporters of alcoholic beverages (1.4 percent of world output in 2005) Source: COMTRADE





Moldovan Investment and Export Promotion Organisation www.miepo.md

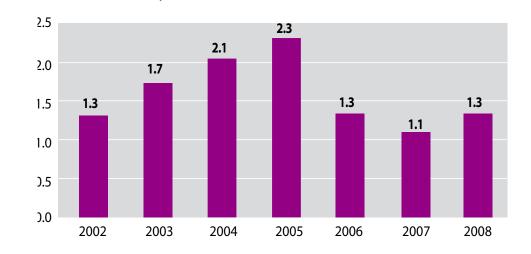
Wine Industry

Moldova has registered 11 wines by their region of origin with the European Union: Purcari, Romanesti, Stauceni, Siscani, Cahul, Rezeni, Taraclia, Ungheni, Codru, Vulcanesti, Comrat.



Moldova has a National Wine Holiday, which is celebrated on the second Sunday in October. It continues an old tradition: as soon as the new wine has settled, the winegrower invites friends and neighbors to partake of the newest vintage.





Export of Wines in 2002-2008 (million hl)

superior quality divins (over 5 years old) and collection divins. In the latter category, divins such as Belii Aist - Barza Alba, Aroma, Cezar, and Orfeu are highly appreciated by connoisseurs. Additionally, the following divins have a special reputation: Nistru, Doina, Bucuria, Sarbatoare, Chisinau (10 years old), Codru, Noroc, Dacia, Stefan Voda (20 years old), and most of all, those matured for over 40 years such as Victoria, President and Ambasador. In 2008, 51,5 hl of divin were exported.

Moldovan vermouths are highly appreciated by both experts and consumers. Vermouths that enjoy a good reputation include Buchetul Moldovei (Moldova's Bouquet), Roua Diminetii (Morning dew), Romanita (Camomile) and Toamna (Autumn), produced at Dubasari in the valley of the Dniester river and successfully exported to Russia, the Baltic States, Ukraine, Kazakhstan, Belarus, Poland and Germany.

Moldova also produces Balsamic wines. Stejar (Oak tree), Legenda Haiducului (Outlaw's legend), Bucuria (Happiness), and Amar-Amar (Bitter-Bitter) have a high consistency and the colors and flavors of black berries, plums or blossoms with a sharp, pungent flavor, moderately bitter, and with a nuance of beech. Moldovan "Heres" (Sherry-style wines) translucent wines the color of parchment with a nuance of nut and almond and a piquant, slightly salty taste - delight connoisseurs. Ialoveni prides itself on being the largest Heres producer in Eastern Europe with a capacity of 100,000 hl.

In 2008, Moldovan wineries took part in such exhibitions as the Riga Food Fair, Dusseldorf ProWein, Kazakhstan Food Week, Izmir International Fair, London Wine and Spirits Fair, Belgium - Concours Mondial de Bruxelles, Hong-Kong Vinexpo Asia Pacific, Hang Zhou World Leisure Expo, Kunming Import and Export Commodities Fair, as well as others in Belarus, Ukraine, Russia, and Romania.



Company Profiles



Acorex Wine Holding www.acorex.net





Chateau Vartely www.vartely.md

Chateau Vartely is a medium-sized winery in the ancient town of Orhei in the central region. It was built in 1996 and purchased in 2003 by the current owners. It specialises in premium wines. Its vineyards cover more than 200 hectares in the southern and central regions. The company produces around 700,000 bottles of wine annually (65% red and 35% white) including Cabernet Sauvignon, Merlot, Pinot Noir, Chardonnay, Sauvignon Blanc, Traminer, Muscat Otonel, Pinot Gris and Riesling. It also produces indigenous Moldovan wines such as Feteasca. Low fermentation temperatures are used and the wines are aged in oak barrels. Each year Chateau Vartely expands its range by introducing new products such as Riesling ice wine and Pinot Noir rose. The wine-maker, Arcadie Foshnea, received his diploma from the State Technical School of Viticulture in Weinsberg, Germany. His experience with the best international winemaking techniques helped the company win prestigious trophies at international wine contests including Decanter World Wine Award 2006 and 2007, Mundus Vini, Great International Wine Awards 2006, International Wine & Spirit Competition 2007, Prodexpo (Moscow 2006), Wine Trade Show (Bucharest) and ALCO SOFT (Kiev 2006). The product quality level is confirmed by ISO 9001:2000 and HACCP certificates. Chateau Vartely currently sells its wines domestically, and in Romania, China, Germany, Ukraine, Czech Republic, Slovakia, Belgium, and USA.

Wine Industry

Some Major Wine Companies in Moldova

Acorex Wine Holding

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Chateau Vartely

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Cricova

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Dionysos-Mereni

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DK - Intertrade

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LionGri

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Wine Industry

Milestii-Mici

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Vinaria Bostavan

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Vinaria Purcari

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The Cricova Winery, which is famous for its unique underground labyrinths and excellent wines, was created in 1952 when the mine in Cricova was changed into a winery, the limestone tunnels proving ideal for winemaking and storage. Cricova is a unique enterprise with unprecedented possibilities, being one of only three underground wine cellars in the world that are protected by UNESCO. It is also the only producer of sparkling wine made by the classical bottle-fermented method. Prior to the First World War Moldova was the most powerful winemaker in the Russian Empire. It is wellknown that every second bottle of wine purchased in the former USSR was made in Moldova or by Moldovan recipes and traditions. And about one century ago sparkling wine from Moldova was exported to many countries, including France. The wine specialists of Cricova keep in mind the history and traditions of Moldavian winemaking, and create only those kinds of wine that are worthy of the wine-lover's attention. Today the company has all the equipment necessary for stable wine production that conforms to national and international standards. Winery personnel have been specially trained for the production of wines and bottle-fermented sparkling wine (methode traditionelle). Despite limited financing the company has reached a high technological level, which compares favorably with the level of western wineries.



DK - Intertrade www.dionis.md

DK-Intertrade was established in 1995 in Vulcanesti in the southern region. The company consists of Aurvin, their winery, and the Dionis Club distributing company in Russia. They have 160 hectares of new vineyards of Cabernet Sauvignon, Merlot, Pinot Grigio and Chardonnay with 4,000-5,000 vines per hectare. Their stainless steel tanks have a capacity of 10 million liters. Their two Italian automatic cold sterile bottling facilities (Bertolazo) can each produce 6,000 bottles an hour for a total capacity of 18 million bottles annually. Their wines are aged in oak barrels and are marketed under the trade names Dionis Club, Aurvin and Firebird Legend. They export to 19 countries including Great Britain, USA, Israel, Germany, Switzerland, Turkey, Vietnam, Cyprus, Luxemburg, Romania, Poland, Czech Republic, the CIS, and the Baltic countries. They started collaborating with the British consulting company Cellarworld International UK and winemakers Angela Muir MW of the UK and Rob Cameron of New Zealand in 2002. At present DKIntertrade supplies 1/3 of the import quota for Moldovan wines in Great Britain. Their wines are sold in Waitrose supermarkets and in 25 restaurants in London. DK-Intertrade has won over 65 awards at international wine competitions and professional exhibitions including the International Wine Challenge 2004-2006, Decanter World Wine Awards 2005-2007, Chardonnay du Monde 2005/2006, Challenge du Vin 2006, Mundus Vini 2005/2007, VinItaly 2006 and Concours Mondial du Bruxelles 2006. Two of their wines are in Mille Vins du Monde Nouvelle Seleccion 2007.







Dionysos-Mereni www.dionysos-mereni.com





LionGri www.lion-gri.com

LionGri began producing a wide range of premium still and sparkling wines, brandy and divins in 1997. They have 1000 hectares of top vines in the best grape growing regions of Moldova: Vulcanesti and Cahul in the south, Cania in the southwest, Purcari in the southeast and Sarateni in the center. They grow Cabernet Sauvignon, Merlot, Pinot Noir, Chardonnay, Sauvignon Blanc, Saperavi, Malbec, Syrah, Game Freo, Pinot Gris, Muscat Ottonel, Uni Blanc, and the indigenous Feteasca. They have a working capacity of 16 million bottles a year. They employ Chilean, Italian and French winemaking consultants during the harvesting season. Lion Gri is ISO 9001:2000 certified and is currently undergoing International Food Standard certification. LionGri's most important markets are Russia, Ukraine, Belarus, Poland, Germany and USA. LionGri wines are included in the French catalogues Mille vins du Monde 2005 and Mille vins du Monde 2006. Their still and sparkling wines have won medals at Muscats du Monde, INPEX, Les Citadelles du Vin, Vinalies Internationales, International Wine and Spirits Competition and the International Wine Challenge. A special pride of the company are its underground cellars with huge storage capacities near Chisinau, for maturation and production of sparkling wines, aged and collection still wines. The cellars are situated at a depth of 30 metres underground with an area of 30,000 sq.m. (out of available 100,000 sq.m. still in process).

Wine Industry

The Moldovan Wine Guild

The Moldova Wine Guild was formed early in 2007 following the country's participation in the London Wine and Spirits Fair and ProWein Dusseldorf. Members of the Moldova Wine Guild include such well-known producers as Vinaria Purcari, Dionysos Mereni, Acorex Wine Holding, Chateau Vartely, Dionis Club, Lion Gri, and Vinaria Bostavan. All are leaders in suppying Moldovan wine to the European market, and their wines have been repeatedly recognised with prizes in prestigious international contests. As a marketing association for several wine enterprises, the goal of the Guild is to unite Moldovan wine producers' efforts to promote their wines in European and world markets by emphasizing the quality and tradition of Moldovan wines.

The Moldova Wine Guild may be contacted at:

The Moldovan Wine Guild

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Wine Industry









Milestii-Mici www.milestii-mici.md

Milestii Mici Winery was established in 1969 as a facility for storage and seasoning of high quality wines. The winery is surrounded by picturesque landscapes and boasts an underground wine city. The wine cellars, which were created in the galleries of a disused limestone quarry 40-85 metres deep rate as the largest in the world. Travel by car is possible along the natural underground galleries for a total length of 200 km, including more than 50 km specially developed for the storage of high quality wines. The constant temperatures (+12 - +14° C) and relative humidity levels (85-95%) registered in this kingdom of wine ensure optimum conditions for storage of Moldova's strategic wine stocks. Stocks of the select raw wines collected in the best vintage years throughout Moldova are brought here and placed in storage for maturing. The winery's experts select the best raw wines at the primary grape processing and wine making facilities; raw wines are purchased and placed in storage after a series of very thorough tests. The winemakers take into account the wine's nature and characteristics in each barrel to ensure the most effective wine maturity regimes, preserving the unique trace elements present in fresh grapes and bringing them unchanged to the final consumer. Currently the cellars of Milestii Mici are the largest in the world with a capacity of more than 0.65 hl of wine stored in oak barrels and in special enameled metal tanks. The winery specialises in the production of collection wines, mature wines, ordinary table wines and sparkling wines, whereby even ordinary table wines mature in oak barrels for at least 3 months owing to the unique storage conditions. The wines produced at Milestii Mici impress connoisseurs with their excellence and well-balanced taste. It would not be an overstatement to say that Milestii Mici Integrated Winery and Quality Wine Production is the only Moldovan winery able to produce wines at such high quality levels.



Vinaria Bostavan www.bostavan.md

Vinaria BostaVan was rebuilt in 2002 with two production facilities: Etulia in the southern region for full-bodied reds, and Onesti in the center for delicate whites. They use the latest winemaking technology and equipment installed by European engineers and can produce 12,000 bottles an hour. They grow 80% of the grapes they need and purchase the rest from farms where ripening is supervised by their specialists. They grow Pinot Noir, Merlot and Cabernet Sauvignon on 700 hectares in the south and Chardonnay and Sauvignon Blanc on 500 hectares in the center. Harvesting, transportation and processing are closely monitored by highly professional wine-makers led by their chief oenologist V.M. Spetetchi who has 35 years of experience. All production facilities are ISO 9001-2000 certified. BostaVan wine is exported to more than 20 countries including Romania, Latvia, Germany, Japan, Turkey, Vietnam, USA, Poland, Czech Republic, Switzerland and Israel. They have competed in Expovin Moldova; Interdrink, the Wine and Spirits Competition and Prodexpo in Moscow and the Wine and Spirits Competition in London. To date, Vinaria BostaVan has won 71 prizes at international contests.





Investment & Export Promotion The Wine Industry



Vinaria Purcari www.purcari.md

The Purcari Winery was founded in 1827 in the southeastern region where the warm, humid Black Sea winds and sandy soil nurture remarkable grapes on 200 hectares of vineyards. The whites are Chardonnay and Sauvignon Blanc, and the reds are Cabernet Sauvignon, Merlot, Pinot Noir, Saperavi and Rara Neagra. Purcari wine won its first gold medal at the Basarabian Agricultural Exhibition in 1847. They won gold again in 1878 at the World Exhibition in Paris with blended red, Negru de Purcari, which became a favourite at the courts of Emperor Nikolay II, King George IV and Queen Victoria. They produce only one million bottles of wine per year in order to focus on further improving quality. The Purcari wine cellars maintain constant temperatures of 12-14°C and humidity of 85-95% and hold the most valuable collection of Purcari wines, some of which date back to 1948. The company exports to Russia, Ukraine, Romania, Germany, Belarus, Japan, Turkey, Poland, Latvia and Israel. Since 2003, they have competed in ExpoVin Moldova, ProWein in Dusseldorf and Prodexpo in Moscow, and their wines have won 27 medals.

How MIEPO can assist Investors and Exporters

MIEPO's investment promotion services include:

- Conducting general sector analyses, including macro-economic and other data such as operational costs and labour availability.
- Organising essential contacts during the pre-investment stage including facilitating negotiations at central and local authority levels.
- Identifying optimal locations for setting up operations and organising site visits.
- Identifying legal, accounting, architectural and engineering and other assistance needed for launching an enterprise.
- Investor aftercare: policy advocacy, troubleshooting, advice, contacts.

MIEPO's export marketing support services include:

- Facilitating buyer introductions by organising tailored itineraries focused on leading Moldovan companies, and support and public sector organisations.
- Assisting with market entry strategies, researching markets, identifying market opportunities, and sourcing agents and distributors.
- Organising business and trade missions to established and prospective markets.
- Participating in leading international sectoral trade exhibitions.
- Providing support services to first time exporters including export training, market intelligence, and market planning.

Wine Industry

Moldova-Vin

The agro-industrial agency Moldova-Vin is a specialized public administration authority, which has the goal of promoting Moldovan policy in vinery and vineyard activities, producing and circulation of ethyl alcohol, alcoholic and non-alcohol production and beer production.

The main competencies of Moldova-Vin are as follows:

- Elaboration and realization of development programs in the vinery sector
- Creation and implementation of attraction mechanisms through internal and external financial means in order to solve the sector's major problems.
- Elaboration and approval of technical documents regarding wine making, grape growing and alcohol production
- Administration of trade marks from the wine sector
- Representing Moldova in the Organisation Internationale de la Vigne et du Vin (OIV)
- Ensuring the quality of alcohol and beer products

Moldova-Vin may be contacted at:

Moldova-Vin

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MIEPO's primary objectives are to enhance the social and economic development of Moldova through investment and export promotion activities.

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