



Wine Industry Metrics - Flash Resellers - September 2013

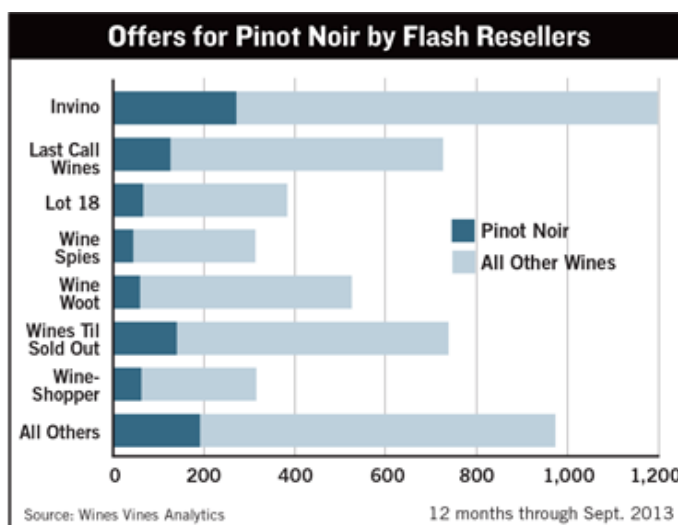
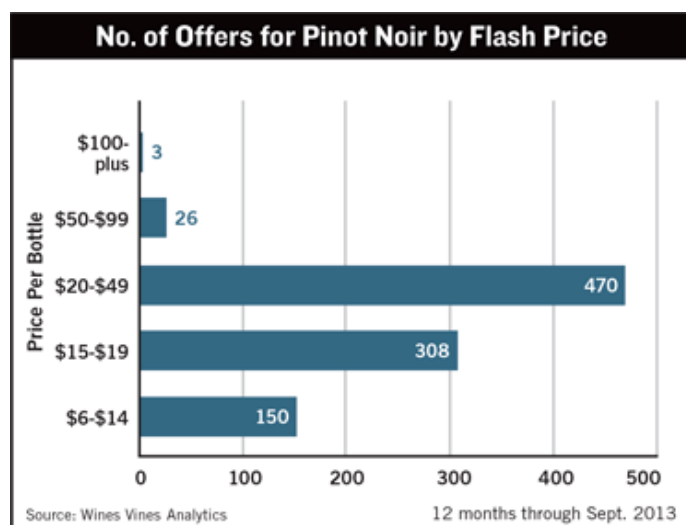
Wines Vines Analytics

Surge in Flash Offers Fueled by Invino

A special Labor Day sales event by leading flash reseller Invino contributed to a 17% increase in total offers of domestic wines by wine flash sales sites in September. The 559 offers made by all flash resellers monitored by Wines Vines Analytics topped the 476 in September 2012 and was the highest monthly total in 2013 so far.

| Flash Reseller Offers >> | Month | | 12 Months | |
|--------------------------|-------|---|-----------|---|
| September 2013 | 559 |  | 5,173 |  |
| September 2012 | 476 | | 5,253 | |

Invino's 201 offers for wines from 126 unique U.S. wineries represented 36% of the total offers, while Last Call Wines — the site with the second highest total offers — accounted for only 13% of the total with 74 offers. Special events by Invino regularly trigger significant spikes in the number of flash offers. A June Wines Vines Analytics report found that in a 12 month period the website's total offers would often double from month to month because of special events.



Pinot Noir Popular in the Flash Segment

While Cabernet Sauvignon is the most prevalent wine on flash sites, Pinot Noir is usually second in total number of offers although red blends have taken the second spot a few times in the past.

In the past 12 months, there have been 959 offers for domestic Pinot Noir wines or 18.5% of the 5,171 total offers by all the flash resellers. Almost all of these Pinots, or 81%, came from California and nearly half of those wines were offered by wineries in Sonoma County, although Napa County wineries accounted for 197 Pinot offers.

Oregon, the other leading source of U.S. Pinot Noir had 143 offers and 94 of those were wines made by Yamhill County wineries.

| FLASH SITES COMPARED FOR SEPTEMBER | | | | |
|------------------------------------|----------------------------------|-----------------------------|------------------|------------------|
| Flash Reseller | No. of Domestic September Offers | Average Flash Price (750ml) | Average Discount | Pageviews* (000) |
| Cinderella Wine | 8 | \$37.79 | 40% | 1 |
| Invino | 201 | \$25.66 | 36% | 79 |
| Last Bottle Wines | 17 | \$32.32 | 42% | 77 |
| Last Call Wines | 74 | \$23.97 | 44% | 53 |
| Lot18 | 29 | \$20.29 | 24% | 301 |
| Wine Spies | 28 | \$28.10 | 34% | 8 |
| Wine Woot | 37 | \$18.47 | 47% | 315 |
| Wines Til Sold Out | 60 | \$22.69 | 52% | 277 |
| WineShopper | 19 | \$15.39 | 27% | 90 |

Source: Wines Vines Analytics, winesandvines.com/flash *Source: Compete.com, Sept. 2013

FLASH DISCOUNTS FOR A SAMPLE OF PINOT NOIR OFFERED IN SEPTEMBER

| Discount | Winery/Brand | Winery State | Varietal/Type | Vintage | Winery Retail | Flash Price | Winery Size In Cases | Flash Site |
|----------|-----------------------|--------------|---------------|---------|---------------|-------------|----------------------|--------------------|
| 17% | W H Smith Wines | CA | Pinot Noir | 2008 | \$54.00 | \$44.99 | 6000 | Lot18 |
| 27% | Belle Glos | CA | Pinot Noir | 2012 | \$26.00 | \$19.09 | 200000 | Wines Til Sold Out |
| 39% | Iron Horse Vineyards | CA | Pinot Noir | 2007 | \$54.50 | \$33.25 | 30000 | Rue La La |
| 40% | Seufert Winery | OR | Pinot Noir | 2007 | \$30.00 | \$17.99 | 2500 | Last Bottle Wines |
| 44% | David Bruce Winery | CA | Pinot Noir | 2009 | \$44.99 | \$24.99 | 30000 | Wines Til Sold Out |
| 50% | Panther Creek Cellars | OR | Pinot Noir | 2009 | \$40.00 | \$19.99 | 7500 | Wines Til Sold Out |
| 60% | Archery Summit Winery | OR | Pinot Noir | 2011 | \$50.00 | \$19.99 | 12500 | Wines Til Sold Out |
| 61% | Beringer Vineyards | CA | Pinot Noir | 2010 | \$36.00 | \$14.00 | 9000000 | LetsPour |

Source: Wines Vines Analytics

WINES & VINES

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