



Argentine Wine Portfolio Overview

LUCA *Susana Balbo* **Crios**
mapema *DE Susana Balbo*
LA POSTA **Budini**  **BENMARCO**
MENDEL **tikal**





Vine Connections' Wine Portfolio A Brief Overview

Vine Connections seeks out wineries and winemakers who demonstrate a passion, an intellect, and a skill for making great wines. These are small-volume producers who represent the best of what a country has to offer and can do it year in, year out. Vine Connections works as a true partner with our producers, assisting in areas as diverse as packaging, winemaking practices, press relations, and sales & marketing. We only import wines and sake that we represent on a national basis.

Argentina

This country's wines are the heart of the VC portfolio. VC was the first U.S. importer to assemble a group of super and ultra-premium wines of impeccable quality from Mendoza. These wines are produced by people at the cutting edge of Argentina's quality wine revolution. They have a passion for growing and sourcing the finest grapes and making world-class wines. They also have a new and expanded vision of what they want to and can achieve. Add all this to an ideal grape-growing environment, and you will quickly understand why they are producing wines that rival the world's best wines and best values.

BenMarco Malbec	Luca Chardonnay
BenMarco Cabernet Sauvignon	Luca Malbec
BenMarco Expresivo (Old Vine Malbec-Based Blend)	Luca Pinot Noir
Budini Malbec	Luca Syrah
Budini Cabernet Sauvignon	Mapema Malbec
Budini Chardonnay	Mapema Sauvignon Blanc
Crios de Susana Balbo Cabernet Sauvignon	Mapema Primera Zona (Cab/Malbec/Merlot)
Crios de Susana Balbo Malbec	Mapema Tempranillo
Crios de Susana Balbo Syrah-Bonarda	Mendel Malbec
Crios de Susana Balbo Rosé of Malbec	Mendel Unus (Malbec/Cabernet)
Crios de Susana Balbo Torrontes	Susana Balbo Brioso (Proprietary Red Blend)
La Posta Malbec, Paulucci Vineyard	Susana Balbo Cabernet Sauvignon
La Posta Malbec, Pizzella Vineyard	Susana Balbo Malbec
La Posta Bonarda, Armando Vineyard	Tikal Patriota (Bonarda/Malbec Blend)
La Posta Cocina Blend	Tikal Amorio (Malbec)
Luca Beso de Dante (Cab/Malbec)	Tikal Jubilo (Proprietary Red Blend)



VINE CONNECTIONS

ARGENTINE WINE PORTFOLIO OVERVIEW: *AT A GLANCE*

Vine Connections is the **exclusive U.S. representative of America's #1 portfolio of boutique Argentine wines.** We have sought out the best viticulture and winemaking talent in Argentina and work with small-volume, native producers who demonstrate a passion, an intellect, and a skill for consistently crafting world-class wines.

- **32** wines including **20** Malbecs/Malbec blends from **9** premium Argentine brands.
- Produced by some of **Argentina's most highly regarded winemakers and viticulturists:**

Susana Balbo: First & top female winemaker ♦ "Queen of Torrontes" ♦ President of Wines of Argentina.

Pedro Marchevsky: ♦ Argentina's top viticulturist ♦ 50 Most Influential Winemakers (Food & Wine Magazine)

Luis Reginato: ♦ One of Mendoza's most sought after consulting viticulturists ♦ Quickly emerging as a top winemaker.

Pepe Galante: ♦ Head winemaker for Catena Zapata for 32 years ♦ A leading professor of winemaking in Mendoza

Mariano di Paola: ♦ Head winemaker for Bodega La Rural ♦ Head of University Enological Technology Department

Roberto de la Mota: ♦ Former winemaker for Terrazas & Cheval de Andes ♦ Making wine since 1979

The Wines (followed by the suggested retail price)

<p>1. Budini (Patricio Gouguenheim—owner & winemaker)</p> <ul style="list-style-type: none"> ✓ Named after an endangered wild cat from the Pampas. ✓ Inexpensive wines offer delicious everyday drinking. ✓ An amazing value. ✓ Stack it or BTG at any type of account. <ul style="list-style-type: none"> • Budini Chardonnay (\$11) • Budini Cabernet Sauvignon (\$11) • Budini Malbec (\$11) 	<p>2. Susana Balbo Signature Wines (Susana Balbo—owner & winemaker)</p> <ul style="list-style-type: none"> ✓ The ultimate expression of Susana's skill and artistry. ✓ Top barrel selections from her overall production. ✓ Complex and powerful, with elegance and finesse. ✓ Fine wine shops, restaurants w/ knowledgeable buyer. <ul style="list-style-type: none"> • Susana Balbo Cabernet Sauvignon (\$27) • Susana Balbo Malbec (\$27) • Susana Balbo <i>Brioso</i> (\$45) <i>(Cabernet-based blend of Bordeaux varietals)</i>
<p>3. BenMarco (Pedro Marchevsky—owner & viticulturist. Susana Balbo—winemaker)</p> <ul style="list-style-type: none"> ✓ "Precision Viticulture" creates incredible fruit. ✓ Winemaking focuses on preserving fruit character. ✓ Ripe fruit, soft tannins, complexity through blending. ✓ Premium BTG, fine wine shops <ul style="list-style-type: none"> • BenMarco Cabernet Sauvignon (\$20) • BenMarco Malbec (\$20) • BenMarco Expresivo (\$35) <i>(Malbec-based old-vine blend)</i> 	<p>4. Crios de Susana Balbo (Susana Balbo—owner & winemaker)</p> <ul style="list-style-type: none"> ✓ Two-time recipient Wine & Spirits Magazine Value Brand of the Year. ✓ Offer ripe fruit, perfect balance and structure to satisfy both connoisseurs and novices. ✓ Crios (means "offspring") is a tribute to her children. ✓ Case stacker, BTG, chain, broad market—everywhere! <ul style="list-style-type: none"> • Crios de Susana Balbo Malbec (\$15) • Crios de Susana Balbo Cabernet Sauvignon (\$15) • Crios de Susana Balbo Torrontes (\$15) • Crios de Susana Balbo Syrah/Bonarda (\$15) • Crios de Susana Balbo Rosé of Malbec (\$12)

<p>5. La Posta (Ed y Nick—owners. Luis Reginato—winemaker)</p> <ul style="list-style-type: none"> ✓ Argentina’s first grower-designated wines. ✓ Offers a true “sense of place” from each wine. ✓ Cocina Blend “kitchen blend”—multiple growers create a sum greater than its parts. ✓ All wine shops, restaurants w/ knowledgeable buyer. Cocina everywhere! <ul style="list-style-type: none"> • La Posta Bonarda, Armando Vineyard (\$17) • La Posta Malbec, Paulucci Vineyard (\$18) • La Posta Malbec, Pizzella Family Vineyard (\$18) • La Posta Cocina Blend (\$15) <i>(Malbec, Bonarda, Syrah)</i> 	<p>6. Luca (Laura Catena—owner. Luis Reginato—winemaker)</p> <ul style="list-style-type: none"> ✓ Laura pioneered small-grower relations in Mendoza. ✓ Only the best fruit from low-yield, high-elevation vyzs. ✓ Spare-no-expense artisan winemaking. ✓ Incredible, limited production wines. ✓ Fine wine shops, restaurants w/ knowledgeable buyer. <ul style="list-style-type: none"> • Luca Chardonnay (\$33) • Luca Pinot Noir (\$32) • Luca Syrah (\$32) • Luca Malbec (\$35) • Luca Beso de Dante (\$50) <i>(Cabernet Sauvignon, Malbec)</i>
<p>7. Mapema (Pepe Galante/Mariano di Paola—owners & winemakers)</p> <ul style="list-style-type: none"> ✓ Made by two of Mendoza’s premier head winemakers ✓ Long-time friends who collaborate on these labors of love after they finish their day jobs. ✓ Drastically cut yields on usually over-cropped varieties. ✓ Accounts looking for something a little different. <ul style="list-style-type: none"> • mapema Sauvignon Blanc (\$13) • mapema Tempranillo (\$15) • mapema Malbec (\$20) • mapema primera zona (\$30) <i>(Cabernet Sauvignon, Malbec, Merlot)</i> 	<p>8. Mendel (Anabelle Sielecki & Roberto de la Mota—owners. Roberto de la Mota—winemaker)</p> <ul style="list-style-type: none"> ✓ One of Argentina’s most acclaimed winemakers ✓ Son of Mendoza winemaking legend, Raul de la Mota. ✓ Two top-quality old-vine reds from the best lots of some of Argentina’s oldest vines (75+ yrs.). ✓ Fine wine shops, restaurants w/ knowledgeable buyer. <ul style="list-style-type: none"> • Mendel Malbec (\$25) • Mendel <i>Unus</i> (\$47) <i>(Malbec with Cabernet Sauvignon)</i>
<p>9. Tikal (Ernesto Catena—owner. Luis Reginato—winemaker)</p> <ul style="list-style-type: none"> ✓ Big, rich yet balanced wines for “serious fun”. ✓ They capture Mendoza’s spirit of pride, love, and celebration. ✓ The blend names are aptly translated: “Patriotic” - “Love Affair” - “Rejoice” ✓ Fine wine shops, restaurants w/ knowledgeable buyer. <ul style="list-style-type: none"> • Tikal “Patriota” <i>(Bonarda, Malbec)</i> (\$25) • Tikal “Amorio” <i>(Malbec)</i> (\$30) • Tikal “Jubilo” <i>(Cabernet Sauvignon, Malbec)</i> (\$50) 	<p>Ed Lehrman & Nick Ramkowsky—owners.</p> <ul style="list-style-type: none"> ✓ Saw the light on a trip to Mendoza in 1999 and vowed to show the world that Argentina is a world-class producer. <p><u>Vine Connections Argentine Wines</u></p> <ul style="list-style-type: none"> • Top winemaking skills and experience • Winemaking with hyper-attention to detail • Winemakers who continue to experiment in their quest for even higher quality • Wines in high quality packaging • Wines with consistently excellent press • A broad but focused portfolio <p style="text-align: right;"><i>Ed y Nick</i></p>



Vine Connections Premium Argentine Wine Portfolio Leading the Category with Incredible Quality, Variety, & Value

In 1999, Ed Lehrman and Nick Ramkowsky formed Vine Connections with the idea of becoming the pioneer and leader in importing a portfolio of the top boutique wines from Mendoza, Argentina. Here is why we think we have succeeded and why you and your customers should support our wines:

- VC has the **#1-selling portfolio** of premium Arg. wines above \$10 retail 
- VC wines are made by the **most experienced, highly regarded, native winemakers** in Argentina. No flying winemakers or consultants required.

- **VC wines all have attractive labels and cartons.**
It would be a shame to have great wine in an ugly package, so we don't.



- **VC provides thorough information:** downloadable product sheets, shelftalkers, press review flyers, and bottle shots on all of our wines are available 24/7 at www.vineconnections.com.

- **Consistent Availability:** VC provides year-round CA inventory availability (on 99% of the wines 99% of the time)
- **Variety:** VC offers delicious wines at every price point and a wide range of styles, varietals, and blends.

- **Focus:** VC doesn't sell wines from all over the world. Argentina is our focus. Ed & Nick both spend more than a month per year on the ground in Mendoza.

- **Incredible Press:** of the 31 current releases:
 - 30 scored 88 points or higher in a major wine publication.
 - 17 wines scored 90 pts or more in Wine Spec, Wine Enth, W&S
 - 4 wines scored 89 pts in Wine Spec, Wine Enth, W&S
 - 6 wines were named "Best Buy", "Smart Buy" or "Top Value" in these pubs.



- **Crios is a volume brand that provides incredible quality, consistency and value.:**



Crios Brand:	Wine & Spirits Value Brand of the Year 2004 & 2007
2005 Malbec	90 Points "Best Buy" & Top 100 wine —Wine Enthusiast
2006 Torrontes	90 Points —Wine & Spirits
2005 Syrah-Bonarda	89 Points "Smart Buy" —Wine Spectator
2004 Cabernet Sauvignon	88 Points, "100 Great Wine Values" —Wine Spectator
2006 Rosé of Malbec	88 Points "Best Buy" —Wine Enthusiast



Why Argentina Is The Next Great Wine Producing Country (and why our wines are on the leading edge of the revolution)

With a lengthy list of historical impediments finally being removed in the early 1990's, and some new ones just now coming into play in the early 2000's, the time has come for Argentina's viticulturists and winemakers to prove what heights can be reached. We represent 9 brands from producers who have accepted and met the challenge, and with startling results.

Our wines are produced by people who are at the cutting edge of the coming wine revolution.

- They have a passion for growing and sourcing the finest grapes and making world-class wines.
- They are at the forefront of viticultural experimentation, clonal selection, and irrigation management.
- They have invested in state-of-the-art winemaking equipment and the finest French and American oak barrels.
- They have decades of vineyard management and winemaking experience, and they stay apprised of the latest worldwide technological developments.
- They have a new and expanded vision of what they want to and can achieve.

Add all this to an ideal grape-growing environment, and you will quickly understand why they are producing wines that rival the world's best. Below are some of the bases for our enthusiasm.

Why Argentina is the next great wine-producing country

Attitudes toward vineyard management and winemaking have changed slowly, but there is now emerging a small cadre of winemakers, viticulturists and winery owners who have set their agendas around not only making the finest wines in Argentina, but also making wines that have the style and complexity to challenge the best in the world. They have several factors in their favor:

Elevation: The City of Mendoza rests at 2,500 feet above sea level. The vineyards of eastern Mendoza and the vineyards in the Andean foothills to the south and southwest (known as the Altos de Mendoza) range in elevation from 2,300 to 4,500 feet. At these high elevations, the air temperature stays relatively cool, yet the vines receive significantly higher amounts of solar radiation than vines at sea level. This results in increased water stress and better tannin maturity at harvest. It also increases bud productivity, allowing for more selective pruning and yield management.

Climate: The climate is high-desert: warm summer days with cool nights (i.e. large day-night temperature amplitude), low humidity, and well-drained soils that are inhospitable to phylloxera and other diseases. With rainfall averaging a scant 8 inches per year, water delivery to the vines can be well-controlled using Andean snow runoff and underground aquifers. Yields and plant health are in complete control of the viticulturist. Areas without irrigation access look strikingly similar to the American desert Southwest.

Soils: The growing areas of Mendoza vary from sandy to clay, but are predominantly loamy. Many areas also have pebble and river stone subsoil. Drainage tends to be excellent. Most soils are low in organic material due to elevation and climate, creating additional desirable vine stress.

Vines: Vineyard ages vary from newly-planted to 100 years old. Most vines are on their native rootstock as phylloxera has not been a significant problem. Most harvesting is done by hand.

Wines: A wide range of varieties grow well under the sunny Argentine skies. Chardonnay continues to show great promise as do most of the red wines, and excellent examples can be found of Cabernet Sauvignon, Malbec, Syrah, Merlot, Bonarda & even Pinot Noir.

More→



All the red wines have the qualities of excellent color, rich fruit character, good structure, and mature grape tannins. With a long growing season and without the heat spikes often experienced in regions like California, the grapes develop perfectly ripe skins, seeds and stems by harvest, avoiding any “green” or astringent tannins in the wines. The wines are enjoyable earlier in their maturation cycle while maintaining excellent structure for longer-term aging.

Why aren't Argentina's wines already great?

There are a combination of structural factors that have kept Argentine wines out of the spotlight:

Political & Economic: Argentina has a rich history of political turmoil and misdirected government policies that favored grape production quantities over quality. By 1989, the country had also piled up huge external debts and inflation had reached 200% per month! The government subsequently embarked on a path of trade liberalization, deregulation, and privatization. In 1991, it also implemented radical monetary reforms which pegged the peso to the US dollar. The net result of the political and economic situation before the early 1990s was to stifle investment in vineyards, and to limit investment in new winemaking equipment and oak barrels. Today's policies present their own new challenges.

Perhaps the key factors driving wine style and quality, however, are the historical production and consumption trends in Argentina.

Production: Argentina is the world's 5th largest wine producer behind France, Italy, Spain, and the U.S. It produces 23% less volume than the U.S. and 130% more than its South American neighbor, Chile.

Consumption: Argentines have always been avid consumers of their own wines. In 1970, per capita wine consumption was 92 liters (vs. 5 liters in the U.S.). With all this wine drinking going on, the Argentines developed a preference for lighter, softer, simple wines at low prices for everyday (or twice a day) drinking. There was very little tradition in Argentina of producing big, rich, complex, international-quality wines. By 2000, per capita wine consumption had dropped to 35 liters (vs. 7 liters in the U.S.). This considerable drop in wine consumption over the last 30 years has happened in all the major wine-producing countries, with the U.S. making only minor gains. And when you lose that much internal volume, wineries start changing their focus to making higher quality wines at higher prices.

The Crux of the Issue: The quality of wine production is driven by grape growers, and the quality that those growers produce is driven by the system of payments. The financial incentive in places such as Argentina and Spain (and other high-volume producing countries) has historically been based on producing as much tonnage as possible, with little eye to quality. Countries like Spain, for example, have been rethinking their economic survival in a world where consumption is declining yet where consumers are willing to pay a premium for better quality. This means lowering yields, experimenting with different clones, planting in new growing areas, and generally paying more attention to how the grapes taste rather than how much they weigh. Over the last 10 years, Spain has successfully remade itself into a key player on the world fine wine stage. Argentina has received the same “wake-up call”, and the small number of producers who had the foresight a decade ago to start revamping their vineyards to produce quality grapes are well ahead of the pack in wine quality. These are the producers we have sought out.

Vine Connections' Role

Vine Connections uses its experience in and understanding of the international wine market to lend different kinds of support to each producer. That support may come in the areas of packaging, sales & marketing, press relations and even ideas for new wine blends and duration of oak aging. After all, winemaking is just one factor among many for a successful winery or wine brand.

You will never think the same way about Argentine wine again.

BenMarco ♦ Budini ♦ Crios ♦ La Posta ♦ Luca ♦ Mapema ♦ Mendel ♦ Susana Balbo ♦Tikal



If you wanted to design the perfect place to grow wine grapes, it should look almost exactly like Mendoza (minus the hailstorms!):

- **High Desert Climate (Elevation 2500-4500 feet): Nature's Air Conditioner.**



- Intense sunshine (solar radiation) at high elevation produces healthier vines and allows growers to prune for quality.
- Cooler air temperatures keep the plant from using its malic acids to respire, so the wines don't get prune-y or flabby.
- An avg. of 300 days of sun per year + cool air temps means that grapes achieve true physiological ripeness every year without over-elevated sugar levels and the resulting high alcohol levels.
- The polyphenol levels are incredibly high, which means the wines have a soft tannin structure along with more flavor intensity.

- **Water: Only When You Want It.**



- Less than 10 inches of rain per year means that the growers, not mother nature, control yields and vine stress.
- With little chance of rain, growers have the luxury of the longest hang time (from veraison to harvest) of any wine region in the world.
- The Andes provides ample year-round water for those periods when the grower needs to irrigate to ensure plant health and prevent raisining.

- **Soils & Vines: Au Natural**



- Most vines are planted on their own rootstock. Phylloxera exists, but it is a different type than in the US & Europe, and the sandy soils make it difficult to spread.
- Soils at this elevation are poor in organic material which forces vines to seek out nutrients and intensifies grape flavors.
- Soils are generally well-drained, and flood-irrigated vineyards have pitched rows to distribute moisture evenly and prevent pooling.
- Pesticides and herbicides are barely needed and are used sparingly.
- Hand harvesting is the norm.

- **Hail: Spotty, Dangerous, but Not Disastrous**



- Mendoza averages a loss of 13% of all annual grape supply to hailstorms
- Fortunately, storms are very localized and impact on wine quality can be minimized by having a diversity of vineyard sources and locations.
- Hail netting of a winery's most important vineyards can reduce risk.

**Great Wines Come from Great Wine Grapes
Mendoza May Just Make the Best Wine Grapes on Earth!**



got real argentine wine? Vine Connections does!



In 1999, **VINE CONNECTIONS** pioneered the importation of a portfolio of Argentina's top quality, artisan wines into the U.S. In only 6 years, we have become the #1 U.S. importer of Argentine wines that retail above \$10 per bottle (by annual \$ volume imported).

And to what do we owe our success? **ALL of our suppliers below are OWNED BY ARGENTINES and ALL HAVE A TOP, EXPERIENCED ARGENTINE WINEMAKER.** And while it is flattering that winemakers and winery owners from many different countries have set up shop in Mendoza in recent years, when it comes to understanding the terroir of Mendoza and creating delicious, authentic wines that show the best qualities of this region, the locals have the advantage!

VC's winery owners/winemakers — 100% real Argentine wines!

BenMarco: Susana Balbo & Pedro Marchevsky/Susana Balbo

Budini: Patricio Gouguenheim/Susana Balbo (consulting)

Crios de Susana Balbo: Susana Balbo & Pedro Marchevsky/Susana Balbo

Luca: Laura Catena/Luis Reginato

mapema: Pepe Galante & Mariano di Paola/Pepe Galante & Mariano di Paola

Mendel: Anabelle Sielecki/Roberto de la Mota

Susana Balbo Signature Wines: Susana Balbo & Pedro Marchevsky/Susana Balbo

Tikal: Ernesto Catena/Luis Reginato

Think having an "all native" Argentine wine brand is common? Think again. Here are many of the Argentine brands that you may see in the U.S. market and the foreign companies/people behind them:

Chile Concha y Toro – Trivento ; Aurelio Montes – Kaiken

France LVMH – Terrazas de los Andes, Cheval des Andes, Chandon Argentina

France Lafite-Rothschild – Caro (joint venture with Catena)

France Jacques & Francois Lurton – Bodegas Lurton

France d'Aulan Family - Alta Vista

France Helen-Garcin-Leveque (owner of Clos l'Eglise) – Poesia, Clos des Andes

France Michel Rolland, winemaker or consulting winemaker for: Clos de los Siete, Vista Flor, Linda Flor, Monte Viejo, Aneluna (owned by American Ward Lay of Frito-Lay from Texas), Finca Sopenia, Antucura, Chevalier des Andes (Leoville-Poyferre--Bordeaux owners), and probably another 20 use his services.

Italy Roberto Cipresso (Italian winemaker) - Achaval-Ferrer wines

Italy Marc de Grazia and 4 Partners including Attilio Pagli - Altos Las Hormigas

Holland Mijndert Pon – Salentein

Spain Codorniu (Spain) – Septima

Switz. Donald Hess – Colome

U.S. Paul Hobbs - Cobos, Bramare, Nativo, Pascual Toso

U.S. Enrique Foster - Enrique Foster wines

U.S. Donaldson Lufkin Jenrette (Investment Bank)- Michel Torino (Cafayate) and Penaflor (Trapiche)

U.S. Robert Pepe (consulting winemaker) – Valentin Bianchi

So if you aren't already featuring **REAL** Argentine wines in your retail shop or restaurant give our wines a try and treat your customers to the **REAL taste of Mendoza!**



Argentine Wine Imports in the US: The Sleeping Giant Is Awake & Kicking Butt

In 1999, the year before Vine Connections began importing Argentina's top boutique wines into the U.S., Argentine table wine exports to the U.S. were a mere 986,000 cases. By 2005, that number had soared to 3 million cases, **more than a 200% increase in just 6 years.**

In 2005, Argentina passed Spain to become the 5th largest table wine supplier to the U.S. It also had the 2nd highest compound annual growth rate (CAGR) of the top 6 import countries.

<u>2005 Ranking of U.S. Table Wine Imports by Country</u>	<u>2000-2005 CAGR %</u>
#1: Italy	+6.6%
#2: Australia	+28.4%
#3: France	-3.0%
#4: Chile	+0.9%
#5: Argentina	+21.5%
#6: Spain	+19.7%

From 2004-2005, Argentine case imports grew 25.2%, leading the top 6 countries in growth. Spain was 2nd with 18.3% growth. In the first half of 2006, Argentine import dollar value into the U.S. was +37.1% vs the first half of 2005 and dollar growth has significantly outpaced volume growth over the last 3 years.

What does all this mean for U.S. retailers and restaurateurs?

- Argentine wines are hot!--No, they are **SMOKING HOT!!**
- **Consumers are buying Argentine wines at ever increasing price points,** which means they are discovering that these wines provide great value and not just at low prices.
- If you are devoting a lot of shelf/wine list space to French and Chilean wines, **you should consider reducing them and expanding your Argentina and Spain selections.** And if you don't have an "Argentina" shelf sign or place on your wine list, this would be a good time to put one in.
- While Australian wine sales are certainly growing, more than 1/3 of all 2005 sales were accounted for by the Yellow Tail brand. So **Australia is not quite as hot as it appears.** By contrast, Marcus James, Argentina's biggest brand, is only 12% of total 2005 imports (and -16% in '05), which means that Argentina's growth is truly widespread and driven by fine wines, not big company brands at the low end.

In 2005, Vine Connections became the U.S.'s #1 importer (in \$ value) of Argentine wines retailing above \$10, and we still hold that position. Please check with your Vine Connections distributor representative to see how they can help you develop your Argentine wine business to reap the benefits of this quickly growing category. Our website at www.vineconnections.com is also a great source of general and specific information.

Data Sources: U.S. Department of Commerce, Argentina Customs Export Data

2006 Argentine-US Wine Export Statistics

Yes, Argentine Wines Are Still Hot!!

Here is some recently released data from Argentina showing quantities by variety shipped to the United States in 2006. As in previous years, Argentine wine sales as a category continue to soar.

The incredible growth of **Malbec** continues. Also of note is the tremendous increase in Torrontes as consumers realize the versatility and appealing aromatics this grape provides.

The Facts*:

Varietal	2005 cases (in thousands)	2006 cases (in thousands)	% change
Malbec	627	905	44.3%
Cab. Sauv.	387	386	-0.3%
Chardonnay	347	384	10.7%
Merlot	251	178	-29.1%
Syrah	177	165	-6.8%
Torrontes	47	88	87.2%
Bonarda	26	42	61.5%

Total Dollar Value Imported*:

2005: \$57,606,981

2006: \$75,858,246

% Growth: 32%

* Source for all figures above is the Argentina Department of Customs (Direccion General de Aduanas)

Additional figures of note:

Malbec as a percentage of US imports of Argentine wine (cases):

- Cases 2005: 27.5%
- Cases 2006: 34.8%

Malbec is even more dominant when you look at the associated dollar value of those cases:

- \$ 2005: 36.5%
- \$ 2006: **43.7%**

Malbec is indeed hot, and Vine Connections wines are at the forefront of this surging popularity.

BenMarco ♦ Budini ♦ Crios ♦ La Posta ♦ Luca ♦ Mapema ♦ Mendel ♦ Susana Balbo ♦Tikal





What Argentine Brands Are You Competing Against? What brands are getting stronger/weaker? Top 10 Brands Above \$10 Retail, Ranked By \$ Value Imported into US in 2006*

(cases rounded to nearest 500)

	Cases	% \$ Incr vs LY	Brand	Importer
1.	57,000	20%	Catena	Billington
2.	52,500	164%	Norton Reserva	TGIC
3.	37,500	164%	Terrazas de los Andes Reserva	Moet Hennessy USA
4.	46,000	23%	Navarro Correas Coleccion Privada	Diageo
5.	34,000	56%	Crios de Susana Balbo	Vine Connections
6.	16,000	53%	Luigi Bosca Reserva	Gacho Imports
7.	20,500	54%	Trapiche Broquel	Fredrick Wildman
8.	13,500	26%	Salentein	San Francisco Wine Exchange
9.	15,500	93%	Dona Paula	Vineyard Brands
10.	11,500	98%	Clos de Los Siete	Multiple

If you see a wine besides one of these on a retail shelf or wine list, ask the buyer why he made the selection. His business will benefit from carrying rapidly growing Argentine brands that provide good quality, marketing, and distribution support—and wines that customers are looking for.

The following wines are obvious targets for replacement since they are not building consumer momentum:

Selected Brands Showing Growth Declines in 2006 (all price points)* (cases rounded to nearest 500)

	Cases	% \$ Incr vs LY	Brand	Importer
1.	38,000	+2%	Trumpeter	Billington (now Pasternak)
2.	28,500	-6%	Lurton	Ex Cellars
3.	24,500	-9%	Altos Las Hormigas	Marc de Grazia (Various)
4.	24,000	-19%	Septima	Codorniu USA
5.	14,500	-27%	Santa Julia	Winesellers
6.	15,000	-36%	Gascon	Pasternak (now Gallo)

* Data source: Argentina Department of Customs (Direccion General de Aduanas)



The Secrets of Our Success (and to Yours)

In 2000, Vine Connections became the first U.S. wine importer to bring in a broad portfolio of wines from Argentina's top boutique producers. **In 2005, we became the country's #1 importer (\$ value) of Argentine wines retailing above \$10, and we still hold that position.**

In 2001, Vine Connections became the first non-Japanese national importing company in the U.S. to sell a broad portfolio of *Ginjo* sake from some of Japan's finest family-run, traditional, artisan sake brewers. **Today, we are the leading national marketer of premium, Japanese Ginjo sake, now selling in 40 states.**

Argentine Wine & Japanese Sake?? How can we dominate these two categories that seem so different? Because they *aren't* all that different. In fact, the secrets of our success, and yours, lie in our approach. We (and you) only represent and work with:

1. **Native producers**—flying winemakers suffer from “wine lag” and rarely understand the local territory as well as people who have lived there their entire lives. And Japanese sake made in the U.S. by Japanese companies looking to cut costs is a far cry from the real thing.
2. **Top, proven winemaking/brewing skills and experience.** There is no substitute for time and experience in the art of winemaking and sake brewing.
3. **Producers with hyper-attention to detail**—the difference between so-so beverages and great ones is people who refuse to release products that don't meet their high standards and the high expectations of the U.S. trade and consumers.
4. **Producers who are open to learning more** and understand that they DON'T know everything yet. Vine Connections' two founders have collectively been in the wine/sake industry in the U.S. for over 40 years, and regularly share their insights with their producers.
5. **Producers who understand the value of clear communication with the customer**--a great wine or sake shouldn't be penalized by bad marketing. We work hand-in-hand to help communicate their vision through professionally designed labels, cartons, and marketing materials. On pricing too, because the correct price for a wine or sake communicates a lot.
6. **Focused Portfolios**—We don't just go to countries and buy wines for you to sell—we carefully assemble selective portfolios that offer a beautifully-packaged range of styles, flavors, and price points that allow you to be the category leader in these areas.

So how does all this help you, the distributor? **Because your competitors don't have what you have—the complete package.** When you walk into an account to sell wine & sake from the VC portfolio, you never walk in there by yourself: you walk in with the most skilled, experienced, native, detail-oriented, open-minded, clearest-communicating suppliers in these countries. And with the secrets of our success.



Vine Connections' Portfolio Press Recap

(Reviews as of June 18, 2007)

BenMarco (Argentina) – 50 Most Influential Winemakers--Wine & Spirits Fall 2004 Special Issue

2005 Malbec **89 Points**—Wine & Spirits, June 2007
2004 Cabernet Sauvignon **91 Points**—Wine & Spirits, June 2007
2004 Expresivo **90 Points**—Wine Spectator June 15th, 2007

Crios de Susana Balbo (Argentina) —Wine & Spirits Value Brand of the Year 2004 & 2007

2006 Rosé of Malbec **88 Points “Best Buy”**—Wine Enthusiast, July 2007
2005 Syrah-Bonarda **89 Points “Smart Buy”**— Wine Spectator, May 31, 2007
2004 Cabernet Sauvignon **88 Points, “100 Great Wine Values”**—Wine Spectator, October 31, 2006
2005 Malbec **90 Points “Best Buy” & Top 100 wine**—Wine Enthusiast, December 1, 2006
2005 Malbec **90 Points**—Wine & Spirits, June, 2007
2006 Torrontes **90 Points**—Wine & Spirits, June, 2007

La Posta del Viñatero (Argentina)

2004 Malbec, Pizzella **91 Points “Top Values in Argentinean Malbecs”**—Wine Spectator, November 30, 2006
2005 Malbec, Paulucci **90 Points “Top Values in Argentinean Malbecs”**—Wine Spectator, November 30, 2006
2004 Bonarda, Armando **87 Points**—Wine Spectator, November 30, 2006

Luca (Argentina): #1 Most Popular Argentine Wines: Wine & Spirits 17th Annual Restaurant Poll, April 2006.

2003 Beso de Dante **92 Points**—Wine Spectator, November 30, 2006
2004 Chardonnay **91 Points**—Stephen Tanzer's International Wine Cellar Nov/December 2005
2004 Syrah **91 Points**—Wine Spectator, June 6, 2006

mapema (Argentina)

2004 Malbec **91 Points**—Wine & Spirits, June 2007
2002 Primera Zona **90 Points**—Wine & Spirits, February 2006
2004 Tempranillo **89 Points**—Wine Spectator, June 30, 2006

Mendel (Argentina)

2004 Unus **92 Points**—Wine Spectator, November 30, 2006
2004 Malbec **91 Points**—Wine & Spirits, June 2007
2004 Malbec **90 Points**—Wine Spectator, November 30, 2006

Susana Balbo (Argentina) #2 Most Popular Argentine Wines: Wine & Spirits 17th Annual Restaurant Poll, April 2006

2003 Briosio **91 Points**—Wine Spectator, June 30, 2006
2005 Malbec **91 Points**—Wine Review Online, March 13, 2007
2005 Malbec **90 Points**—Wine & Spirits, June 2007
2003 Cabernet Sauvignon **90 Points**—Wine & Spirits, June 2007

Tikal (Argentina)

2005 Patriota **91 Points**—Wine & Spirits, June 2007
2005 Patriota **90 Points**—Wine Spectator, May 31, 2007
2005 Amorio **89 Points**—Wine & Spirits, June 2007
2004 Jubilo **91 Points**—Wine Spectator, November 30, 2006