

DtC Shipment Reporting

A project of ShipCompliant and Wines & Vines

A New Study of Direct-to-Consumer Shipping

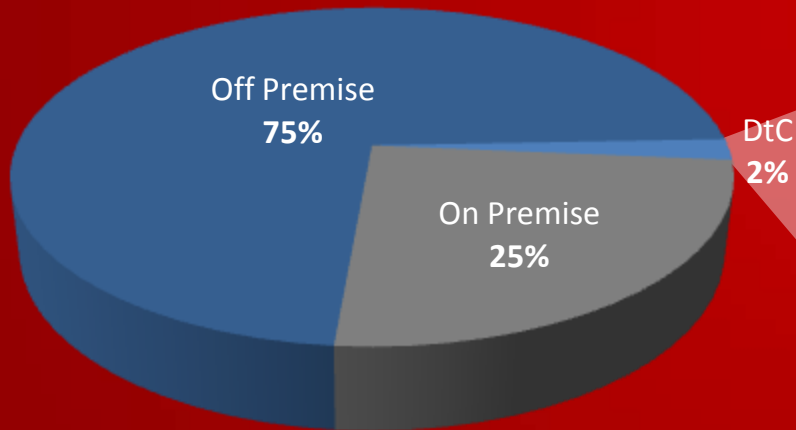
ShipCompliant and Wines & Vines have joined in a collaborative effort to accurately model the size and characteristics of the Direct-to-Consumer shipment market for U.S. wines. The two companies have been working for the past 12 months to build an industry model to process 3 million DtC transactions sourced from a portion of ShipCompliant's completed transactions during that period to produce statistically accurate results representative of ALL winery-to-consumer wine shipments in the U.S.

The DtC Shipment Reporting model takes anonymized data from ShipCompliant about actual DtC sales and analyzes it through the Wines & Vines winery database, the most accurate and up-to-date in the wine industry.

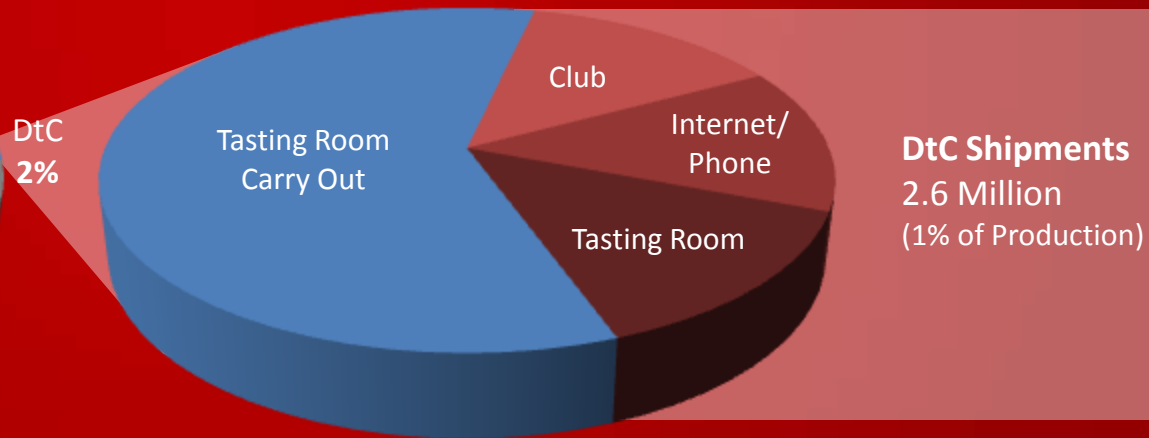
2009 US Wine Production Volume

9L Cases By Channel

Total Produced*
251 Million



Direct to Consumer (DtC)
6 Million



* Excluding Exports

Sources: TTB, Industry and Wines & Vines Estimates

DtC Shipment Model

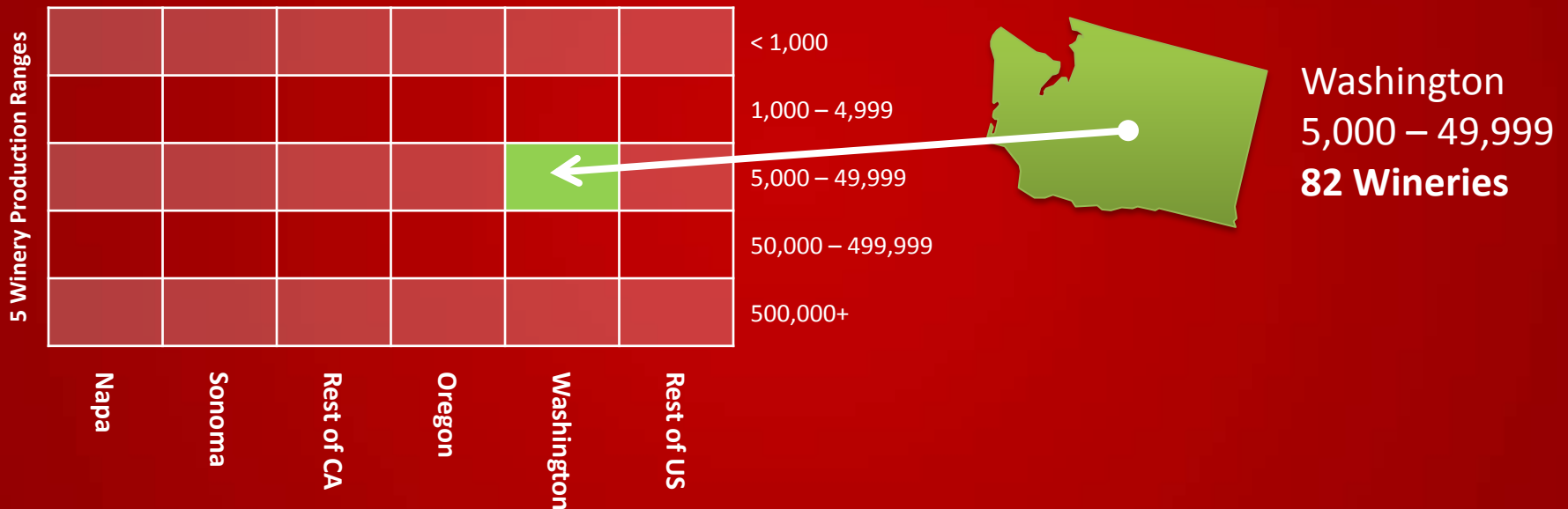


US Winery Database
6,400 Wineries



Shipment Transactions
3 Million +

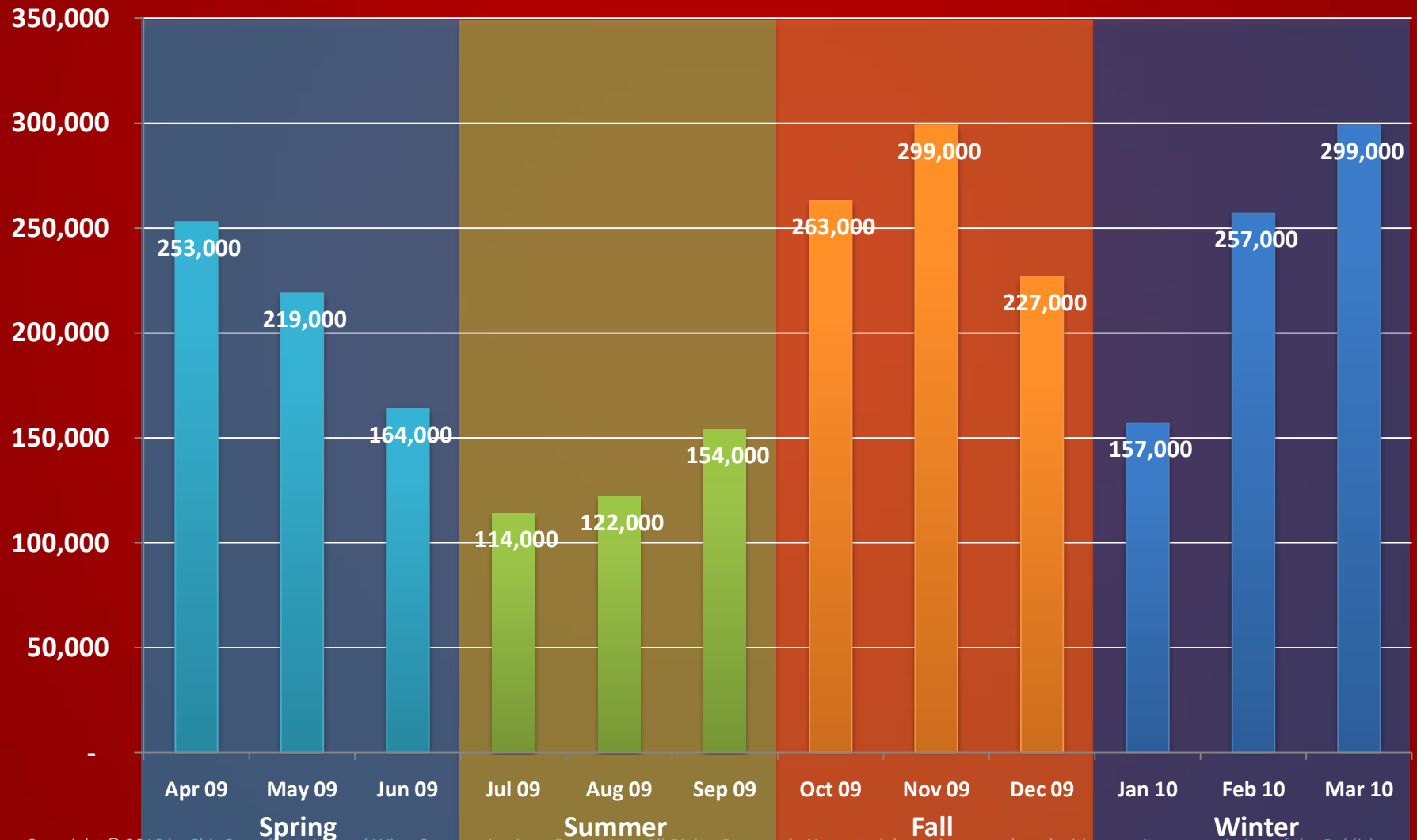
6 Geographic Regions



- Model adjusts sample for:
 - Completeness by region and winery size
 - Growth and change of sample wineries over time
- Output is the data for reports you are seeing today

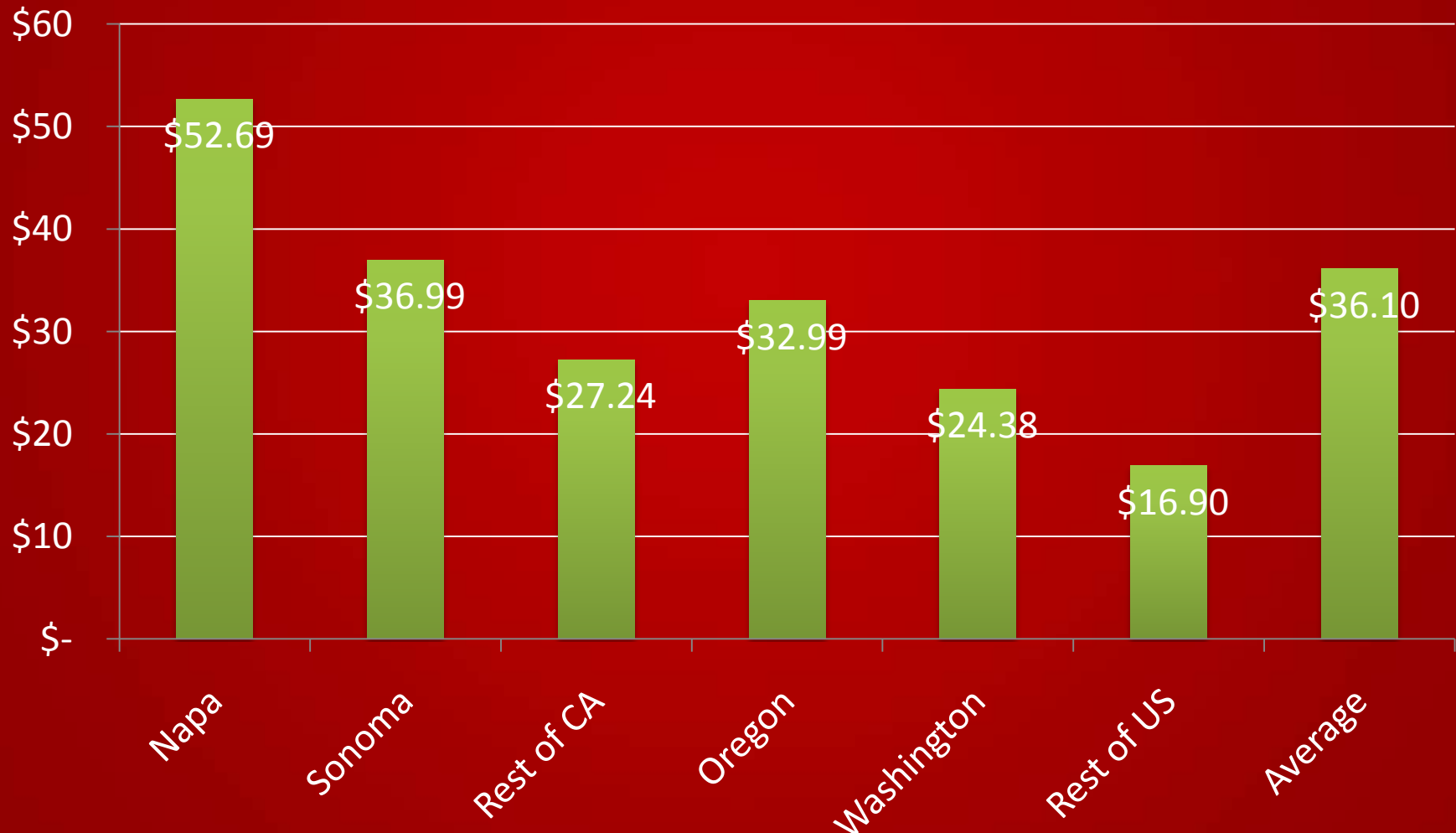
Shipments by Month

9L Cases, 12 Months April 2009 to March 2010



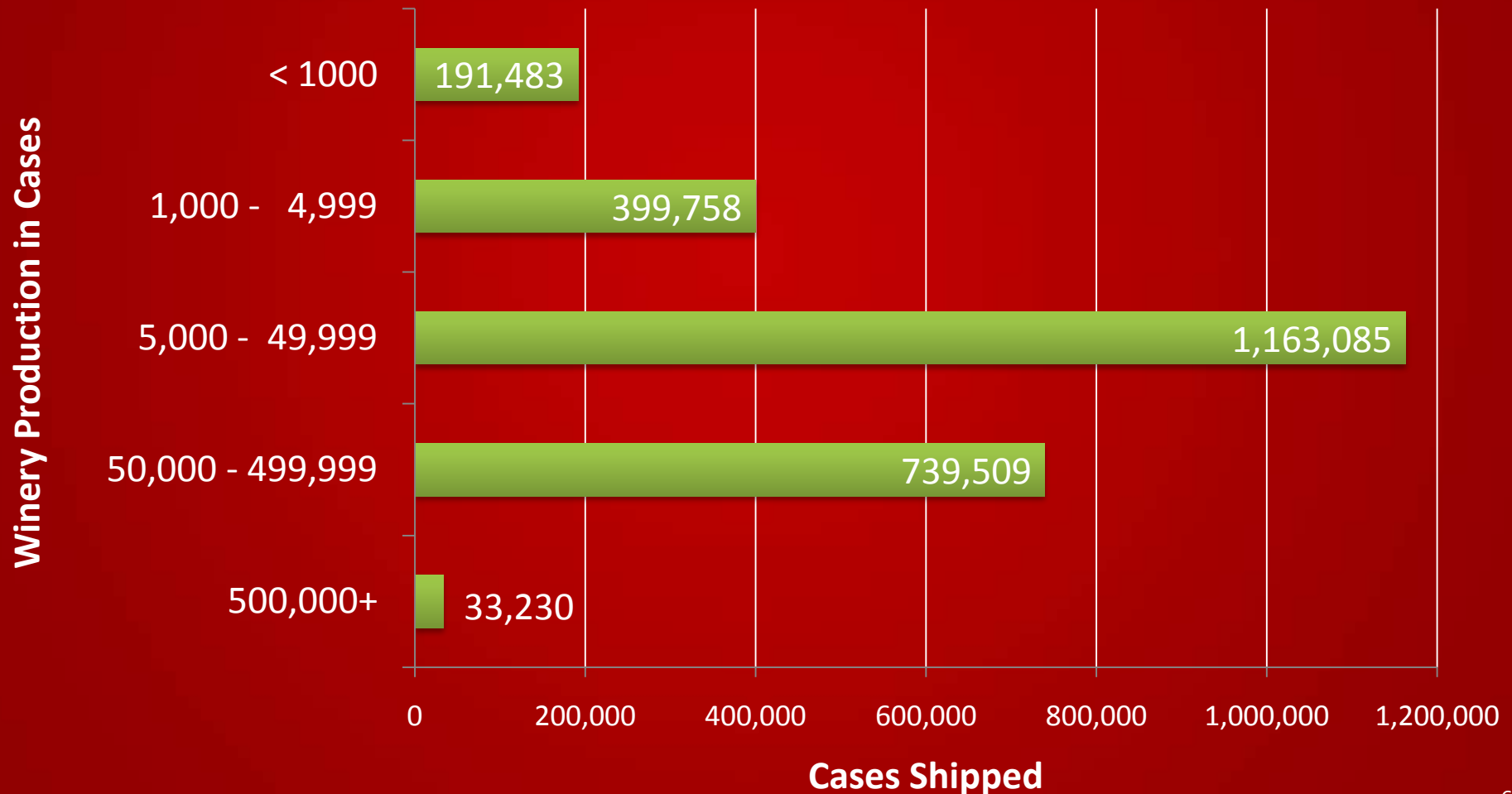
Average Bottle Price by Region

12 Months April 2009 to March 2010



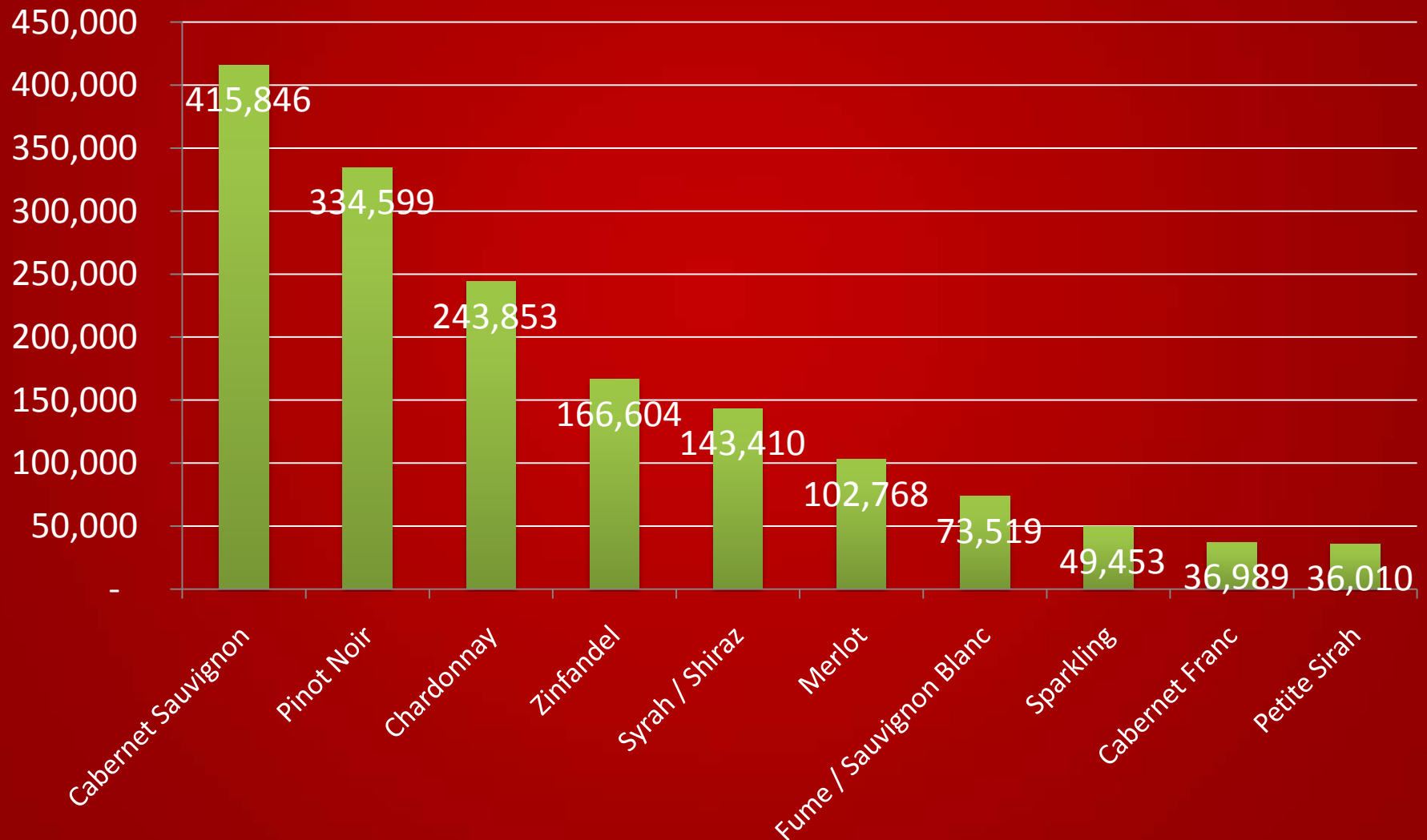
Shipments by Winery Size

9L Cases, 12 Months April 2009 to March 2010



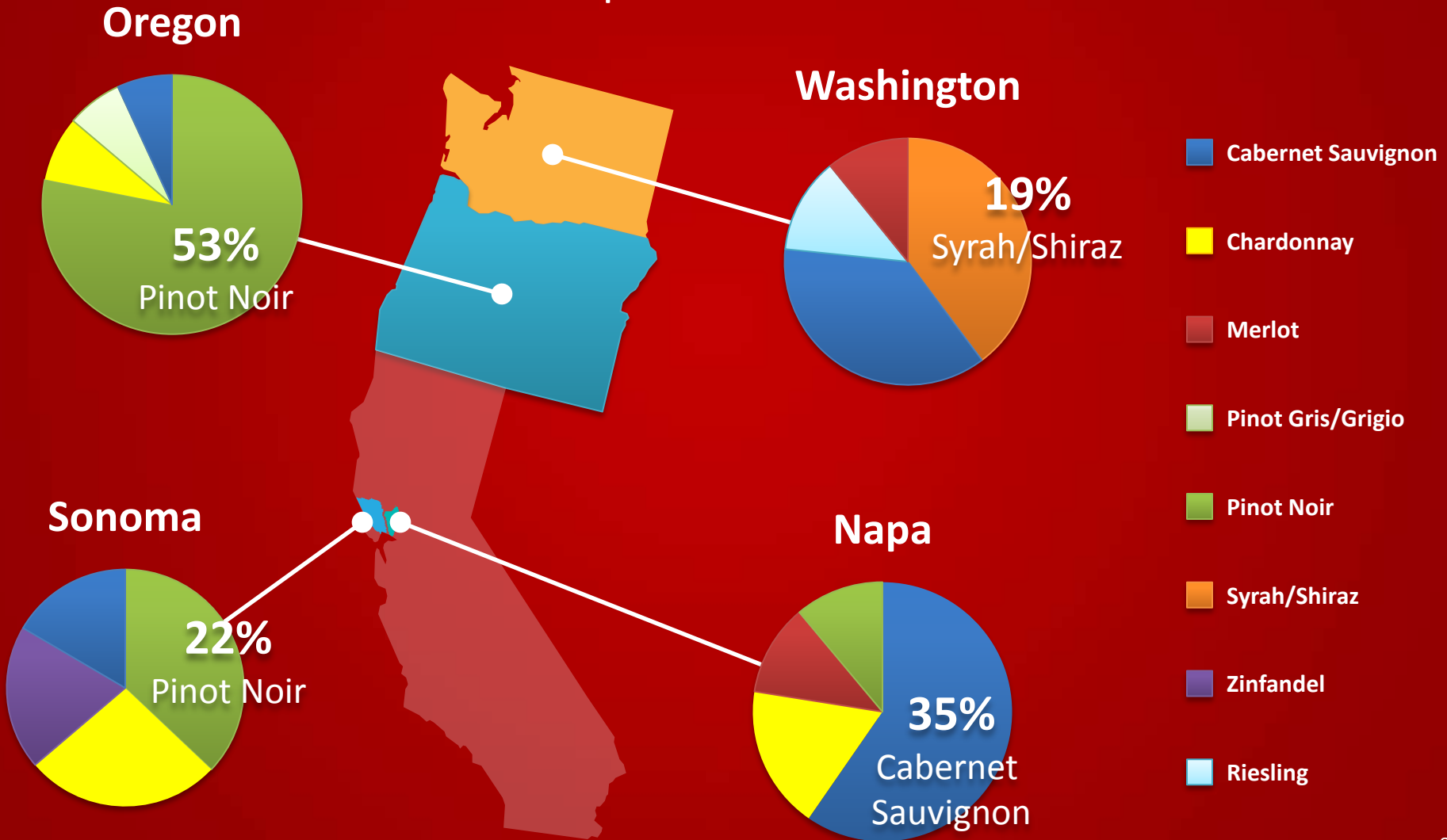
Top 10 Varietals – Cases Shipped

9L Cases, 12 Months April 2009 to March 2010



Top 4 Varietals by Region

12 Months April 2009 to March 2010



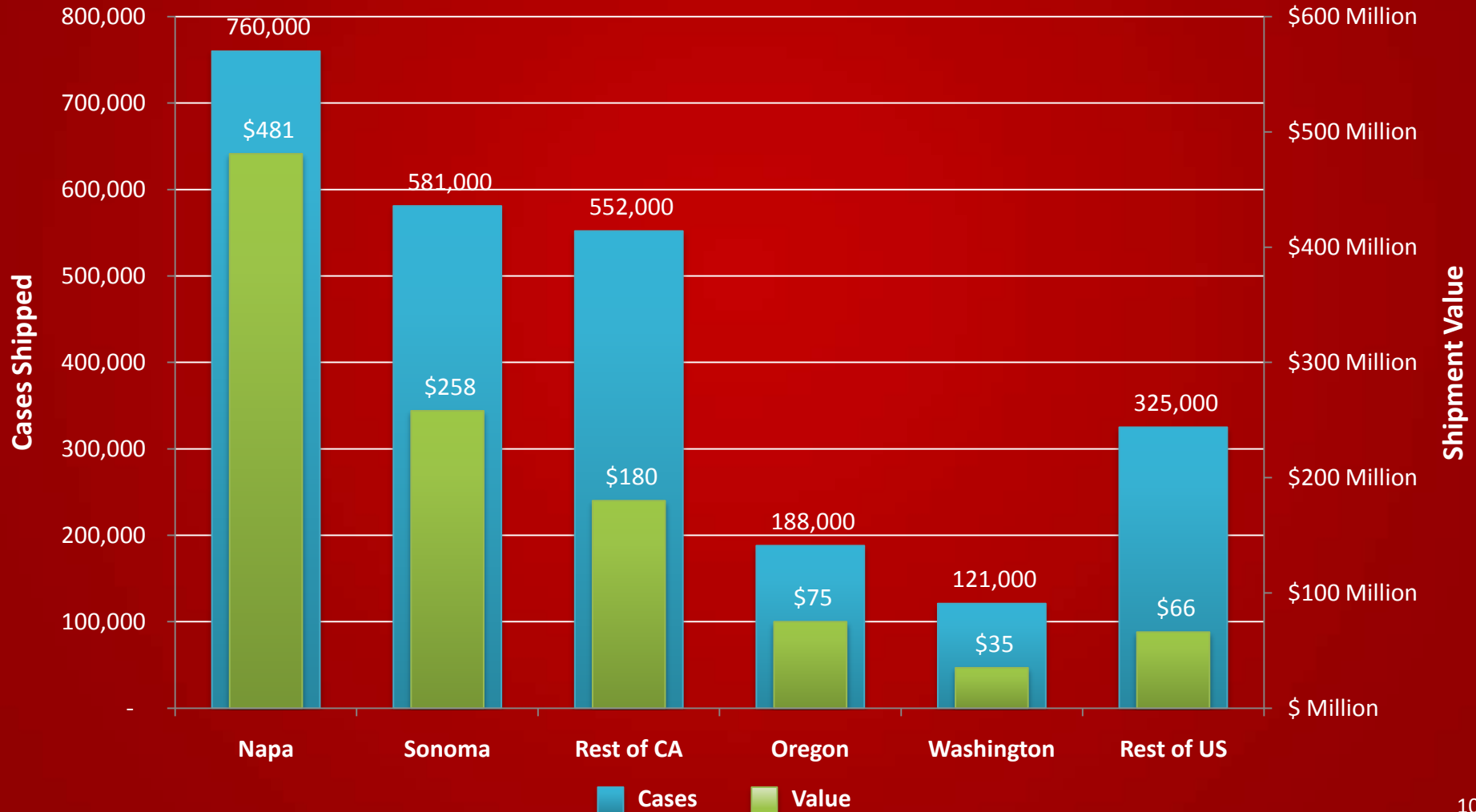
Average Bottle Price by Varietal

12 Months April 2009 to March 2010



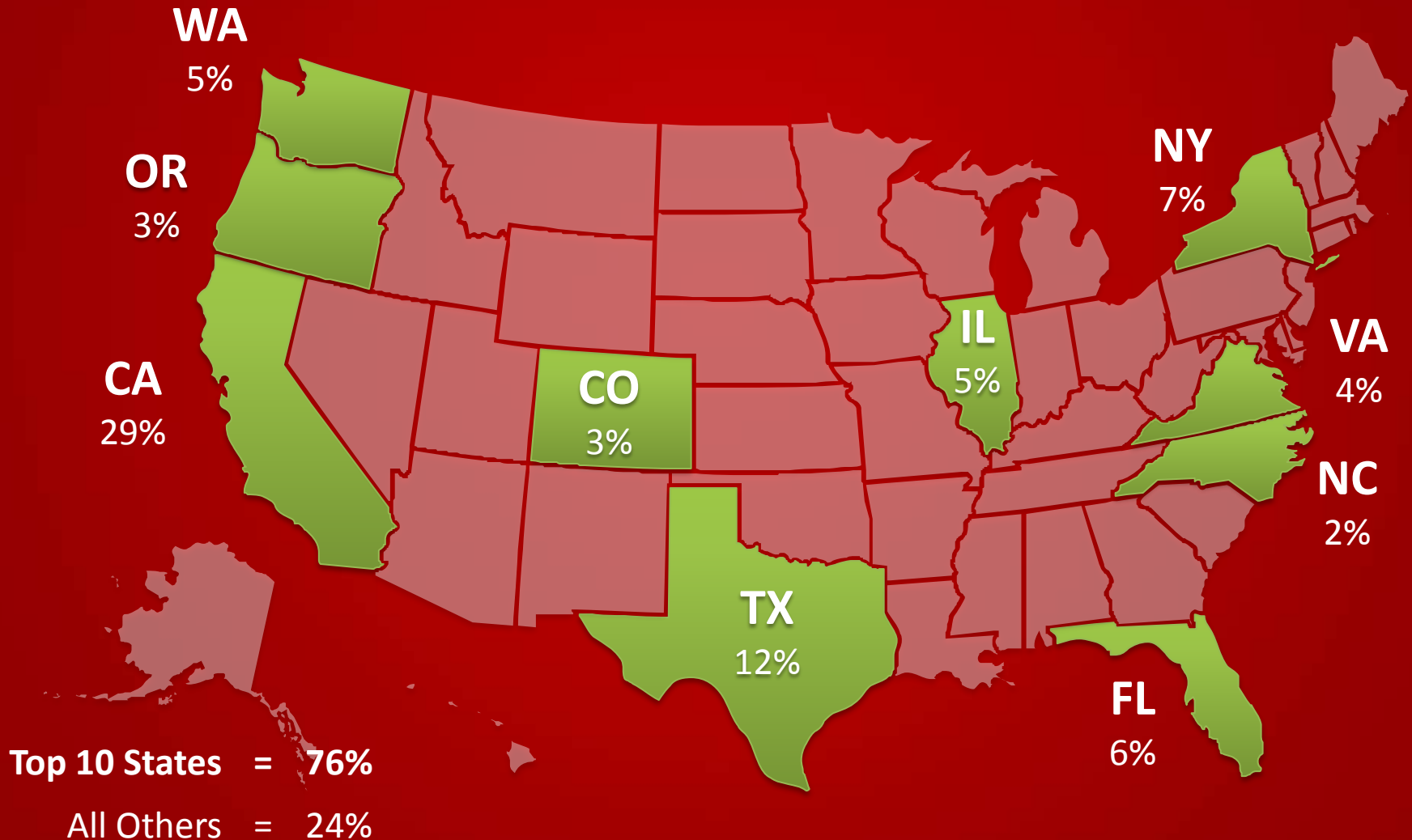
Performance by Winery Region

9L Cases and Value, 12 Months April 2009 to March 2010



% of Total DtC Shipments to Top 10 States

12 Months April 2009 to March 2010



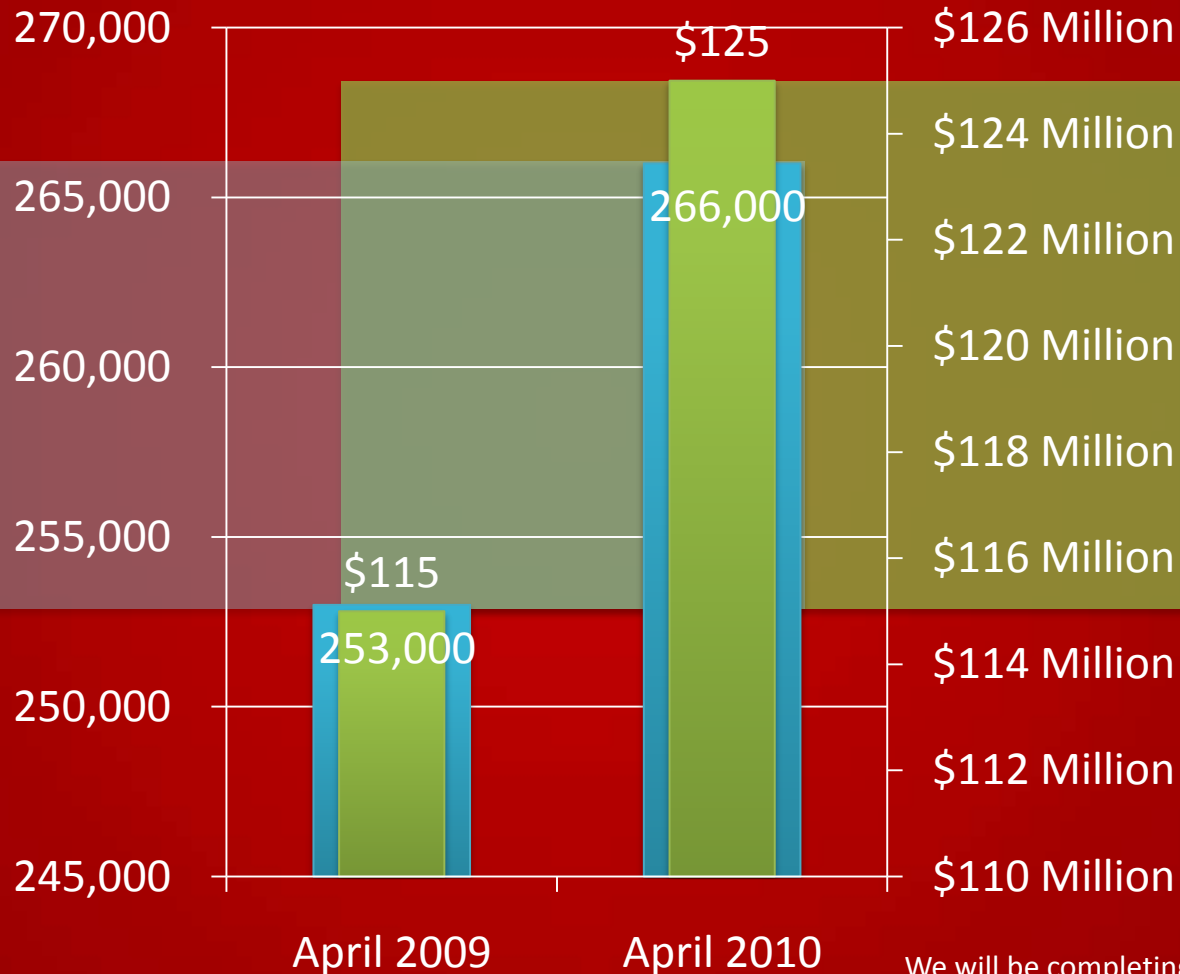
Average Bottle Price by Destination

12 Months April 2009 to March 2010



Year-to-Year Shipments

4.9%
Increase in
Cases Shipped



8.9%
Increase in
Shipped Value

We will be completing year over year comparisons as monthly shipment data becomes available.

Cases **Value**

What the Data Says

- Top shipping months: October, November and March
- Top varietal by bottle price: Cabernet Sauvignon
- Small wineries ship the most cases
- Top varietals by volume are Cabernet, Pinot Noir and Chardonnay
- Napa leads regions in: Cases, dollars, bottle prices
- California takes the most shipments, then Texas
- New Yorkers pay the most per bottle
- DtC shipments grew 8.9% by value in April

...in closing

We would enjoy discussing your specific areas of interest off line this afternoon.

Thank you.

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