

EXECUTIVE SUMMARY

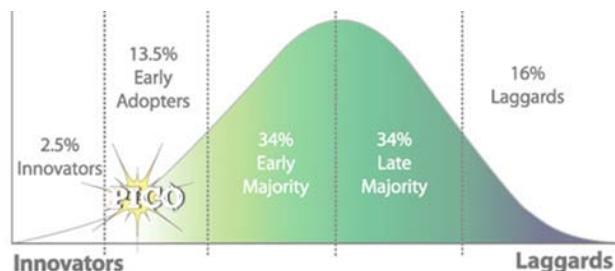
OVERVIEW

There is a growing trend of Argentinean wine consumption in the United States as well as an ongoing need for US wine distributors to differentiate their product lines. Pico Patagonia will capitalize on these trends by delivering a private-label wine that markets the Patagonia concept as a differentiator for both consumers and distributors alike.

MARKET OPPORTUNITY

Currently, the US wine industry is valued at \$30B, and it is poised to become the largest wine consuming market by 2012 (\$44B). As of 2009, Argentinean wine was the only growing segment of wine consumption in the US. Malbec alone grew at 44% from 2008 to 2009 in terms of total dollar value imported.

Innovators in the Argentinean wine industry have started to push away from Mendoza, discovering new unique flavor profile from other regions throughout the country. By branding and importing wine from Patagonia, Pico will establish an early adopter advantage.



PRODUCT LINE



Pico will target the \$13-\$17 customer segment (retail price). Because of the moist and cooler climate, Patagonia has become well known for producing traditional European grape varietals. Unlike other Patagonian wineries that are focusing solely on the success of the Malbec grape from Argentina, Pico hopes to take advantage of

consumers who prefer traditional European grapes (such as Merlot) as well. Therefore, Pico plans to enter the market with four wine varieties: Merlot, Sparkling Wine, Malbec, and Torrontes.

STRATEGY

Pico will identify Patagonian wineries to source varietals for the Pico Patagonia private label while working with a local bottling and labeling organization in Argentina to minimize costs. Additionally, Pico will further reduce risk by using the existing value chain and occupying both exporter and importer roles in Argentina and the US, respectively.



BRANDING

Pico plans to leverage the strong association that Americans currently have with Patagonia as a pure travel destination, as well as the value-oriented nature of Argentinean wines. Being early to market in the U.S., Pico will secure a strong identity with the Patagonia region. In short, Pico will bottle and brand the Patagonia essence.

"I almost fell out of my chair when you said 'Patagonia' – we just picked up our first wine from that region two weeks ago because we were looking for a new story to tell, which is not always easy to come by in the wine business." – Bob Barton, R.P. Imports (National Wine Distributor)



MANAGEMENT TEAM

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