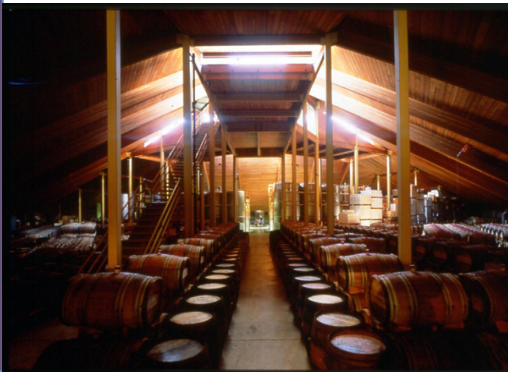




## Our Wines

Pritchard Hill is known for its world-class wines. The region has a very rich volcanic soil base that adds both nutrients and flavor to the grapes. The long warm growing seasons, adds to the complexity of the wines. Our family has five decades of experience crafting the regions most highly respected wines. We provide an estate grown Cabernet Sauvignon, Petite Sirah, Malbec and Chenin Blanc from Pritchard Hill and a Chardonnay from the Cameros region.



## Chappellet History

When Molly and Donn Chappellet moved to Pritchard Hill in 1967, they had five children and one on the way. As their vineyards have matured, Molly and Donn's family has grown, and today includes nine wonderful grandchildren, who can often be found playing in the vineyards as their parents did before them. Recognized as one of the great family-owned and run Napa Valley wineries, the history of Chappellet reflects the passion and commitment of this pioneering family. Through four decades and three generations, the Chappellets have made Pritchard Hill their home, while also establishing it as one of the world's most revered winegrowing sites. Today, the second generation of the family works alongside their parents to ensure that the winery and vineyards continue to thrive for generations.



## Chappellet Winery





## 2012 Sales Summary

### Pritchard Hill Cabernet Sauvignon

The most sought-after wine in our portfolio, this limited-production Cabernet Sauvignon represents the pinnacle of Chappellet winemaking, and embodies the elegant power and complexity of Pritchard Hill winegrowing. Almost 4500 cases of Cabernet Sauvignon were sold in 2012.

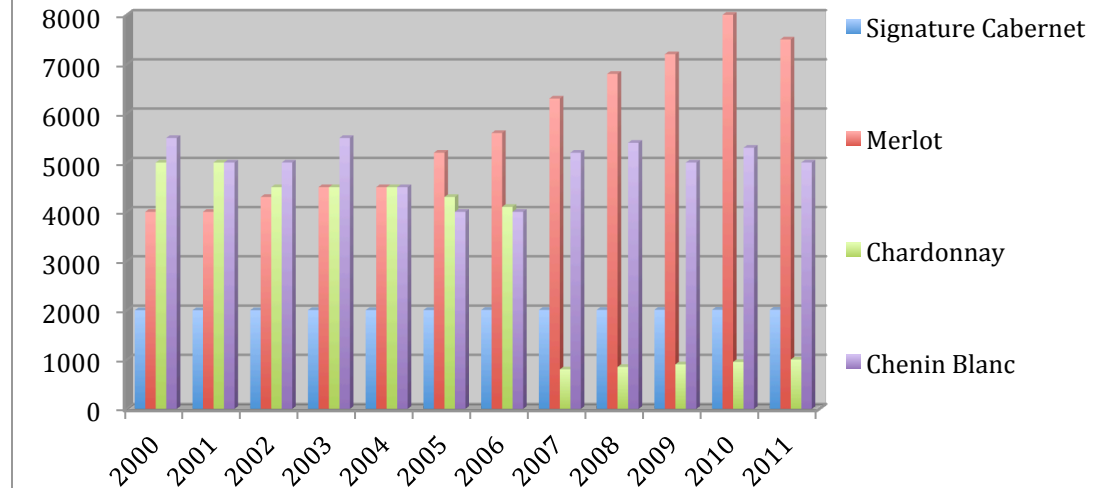
### Signature Cabernet

The Signature Cabernet Sauvignon has been our flagship wine for more than four decades. It is a benchmark for the long-lived hillside wines of the Napa Valley. Over 50,000 cases of Signature Cabernet were sold in 2012, 30,000 alone in the fourth quarter. As usual, most was consumed in California. Surprisingly, Montana is a growth market for our wines.

### Chenin Blanc

Our Chenin Blanc has a long and storied history on Pritchard Hill. The original vines were already producing when Donn and Molly purchased the property in the late 1960s. Following a replanting in 2004, we reintroduced our Chenin Blanc and sales have always been strong, 20,000 cases sold in 2012.

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### 2013 Harvest & Sales Projection

Chappellet Vineyards predict that the Pritchard Hill region will experience consistently warm days from Spring through Fall. Some fear that there could be an excessive number of heat spikes that could kill the berries, but most family members don't see this happening.

Last year, the problem was a cool season that averaged temperatures in the low 80s that made it difficult for the fruit to ripen. The fruit was still on the vines when storms were threatening in October. Not this year. Most farmers feel they should be able to have the fruit harvested by late September.

The real concern is the lack of rain this year. So far, the region has received only forty

percent of normal rainfall. Lack of rain could stress the vines. The good news is that the reservoirs and water tables are very healthy as a result of an abundant rainfall in the previous two years. This coupled with moderate temperatures should provide minimal water concerns.

Cabernet and Chardonnay sales are projected to increase as the economy continues to rebound (see graph). Petite Sirah sales are a concern though. Petite Sirah sales had begun to stagnate prior to the recession and now as the other varietals rebound, Petite Sirah sales remain flat. It is believed that many Petite Sirah drinkers are switching to other varietals, which explains the lackluster sales.