

# CONCHA Y TORO

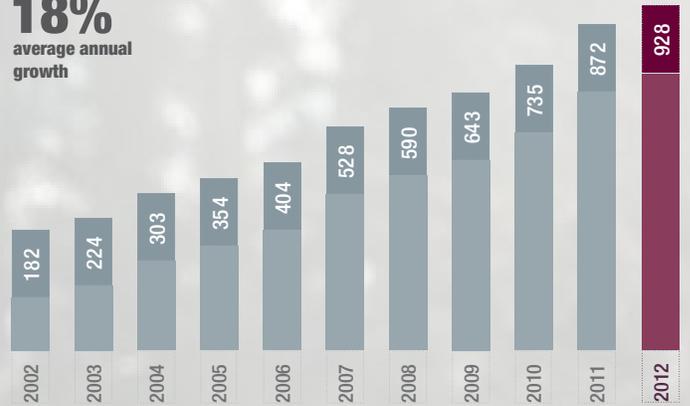
## A GLOBAL COMPETITOR IN THE WINE INDUSTRY

RANKED AMONG THE MOST IMPORTANT WINERIES WORLDWIDE AND CHOSEN FOR THIRD CONSECUTIVE YEAR AS THE MOST ADMIRED WINE BRAND IN THE WORLD, CONCHA Y TORO HAS TAKEN NEW STEPS TO STRENGTHEN ITS LEADERSHIP.



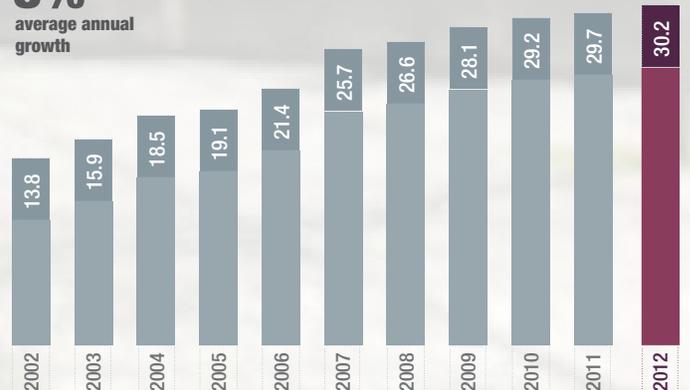
### CONSOLIDATED SALES (million US\$)

**18%**  
average annual  
growth



### CONSOLIDATED VOLUME (volume in millions of 9-liter cases)

**8%**  
average annual  
growth





## PREMIUM SEGMENT GROWTH

In 2012, the company and its subsidiaries strengthened their production and commercial structure, incorporating new origins and opening new offices in strategic markets in order to continue expanding towards the premium segment. Today, 130 years since its founding, the Concha y Toro Group represents 35% of total global exports of Chilean wine, with consolidated sales of **US\$928 million and 30.2 million cases sold in 137 countries**. This way, the company has become one of the main promoters of Chilean wine, demonstrating the industry's ability to compete internationally.

*"2012 marks a period of great transformation for Concha y Toro: We have strengthened our commercial basis, relaunching many of our brands focusing on premium (and above) categories, and starting major environmental and community programs. We are proud of the reputation that Concha y Toro has achieved in our key markets, as well as the fact that our investments on quality have paid off, with many of our brands acting as an example for others",* said the company's CEO Eduardo Guisasti.

Since its founding, Concha y Toro has focused on **ensuring the quality and consistency** of its wines, aiming its agricultural, winemaking and marketing efforts towards the premium (and above) categories. This is how during 2012 the company's growth was led by that segment, with an increase in sales volume by 13%.

The premium brand **CASILLERO DEL DIABLO** showed its strong position with a growth of 8%, reaching global sales of **3.4 million cases**, supported by innovative advertising campaigns in mass media in over 50 markets. Also, for the first time the brand sold one million cases in the UK.



Of particular interest is that this growth has been even stronger in the super premium category, with an increase of 21% in volume, driven by **Marques de Casa Concha**, and also due to the successful introduction of **Gran Reserva Serie Riberas** in the U.S. market. This has enabled the company to expand its presence in this category. For its part, the subsidiary Fetzer Vineyards reported a 29.9% rise in sales in the higher segments.



## STRATEGIC PILLARS

**Sustained investments in own vineyards and production capacity** are a central pillar in the business strategy of the company, enabling it to reach and maintain the quality needed to successfully compete in the category of premium wines and fulfill its commitment to ensure that its brands act as an example of quality.

This **constant search for new terroirs** has led the winery to plant and develop 9,133 hectares of vineyards in 9 valleys of Chile, which give Concha y Toro access to a rich diversity of soils and varieties, and demonstrate the company's commitment with the production of quality wines and permanent innovation, as well as Chile's potential to produce world-class wines. Additionally, the company owns 1,154 hectares of vineyards in Argentina and 463 in the United States, accounting for a total of 10,750 hectares, making Concha y Toro the second largest vineyard-owning group worldwide.

Also, the company has managed to set up **highly skilled winemaking teams** committed to developing consistent wines, representative of their places of origin. This way, Concha y Toro's production philosophy has enabled the development of different and small-scale oenological projects, which support the company's vision of producing quality wines and true representatives of the terroir they come from.

WITH ITS OWN SALES AND DISTRIBUTION OFFICES IN DIFFERENT LATITUDES, THE GROUP IS EVEN CLOSER TO ITS CUSTOMERS GLOBALLY, WITH THE FLEXIBILITY TO MEET THE INDIVIDUAL NEEDS OF EACH MARKET.

IN 2012, THE COMPANY FURTHERED THIS EFFORT, OPENING NEW SALES OFFICES IN CANADA AND SOUTH AFRICA, AND BEGAN THE PROCESS OF OPENING A SUBSIDIARY IN CHINA. TODAY, THE GROUP HAS CONTROL OF THE DISTRIBUTION OF MORE THAN 66.5% OF ITS SALES VOLUME.

### SECOND COMPANY IN THE WORLD WITH THE LARGEST NUMBER OF PLANTED VINEYARDS (Hectares)

**Treasury Wine Estates** (AUS/USA/NZ/IT)

11,031

**Viña Concha y Toro** (CHI/ARG/USA)

10,750

**E&J Gallo** (USA)

8,100

**Pernod Ricard** (FR/AUS/ARG)

8,000

**Constellation** (USA/AUS/NZ/CAD)

7,247

Fuente: Companies Fact Sheet, Web Page Information, Annual Reports, SEC Filings

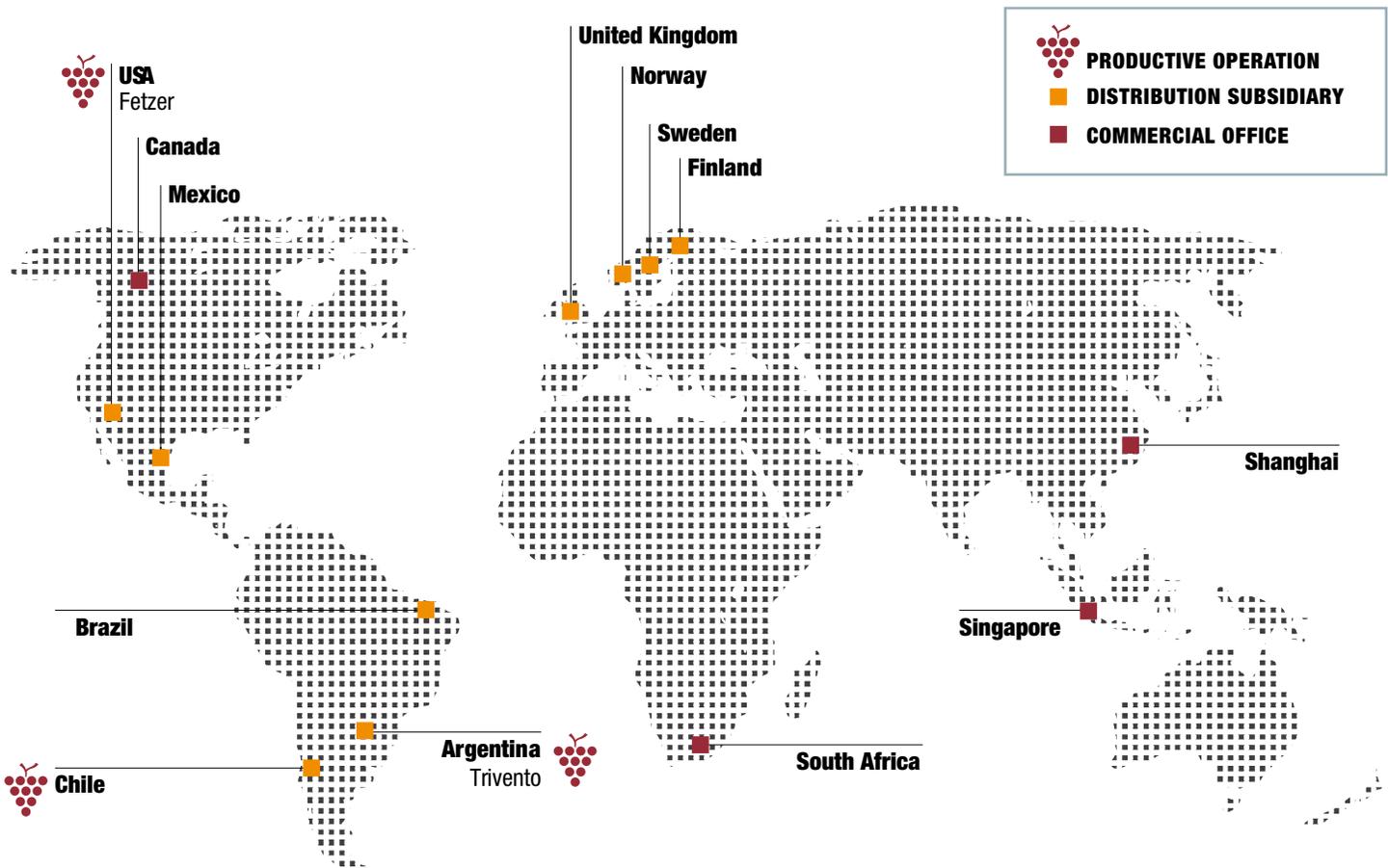
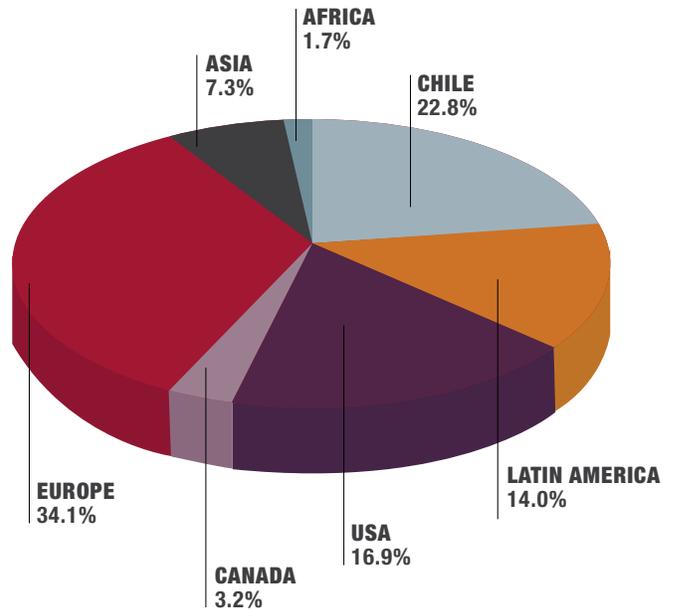


## STRONG DISTRIBUTION NETWORK 137 COUNTRIES

Moreover, the quality currently achieved by premium (and above) segments has led to Concha y Toro to revive the image of its brands, restructuring the portfolios to reflect the oenological advances developed by each product line. 2012 was marked by the relaunch and change of image of many of its wines, such as Cono Sur, Viña Maipo, Trivento and Fetzer, enhancing their visibility at an industry level.

A major highlight of the year was the restructuring of **Fetzer Vineyards**, creating an independent sales force dedicated exclusively to the California winery in the U.S. market, and launching 22 new products. As a result of this, Fetzer shows a vibrant performance, with sales growth of 12.3% during the last quarter of 2012.

SALES VOLUME BY GEOGRAPHICAL ZONES



Concha y Toro has also been concerned with maintaining its commitment to the environment and local communities. In regards to the environment, and among other initiatives, the company was one of the first wineries in Chile to measure its carbon footprint and has continued doing so for six consecutive years, thus reducing its footprint by 28% in 2012.

The winery has sought to have a positive impact in its surrounding community through various initiatives. The reconstruction project started by the company following the strong earthquake that hit the country in 2010 was concluded in 2012. Also noteworthy are the contributions of the company through scholarships that help finance education for low-income youth through various institutions.

Basing its value in the quality, diversity and flexibility of its portfolio, the group has become one of the most successful wine companies in the world. With 130 years of experience and consistent quality wines, Concha y Toro has received recognition from the international industry by being acknowledged as the **“Most Admired Wine Brand in the World”** for third consecutive year, according to a study by the British magazine Drinks International. Also, it has been distinguished by various publications, earning seventeen nominations as “Winery of the Year” by Wine & Spirits, and its wines have achieved extraordinary scores in specialized media such as Wine Spectator, Wine & Spirits and The Wine Advocate.

**Sales**  
**US\$928 million**  
**+6.4%**

**Volume**  
**30.2 million cases**  
**+1.8%**

**Net income**  
**\$30,022 million**  
**-40.5%**



## OUR IDENTITY

The entrepreneurial vision of Don Melchor Concha y Toro, its hard work and passion for the art of making wine, still inspire each bottle that proudly holds the name Concha y Toro.

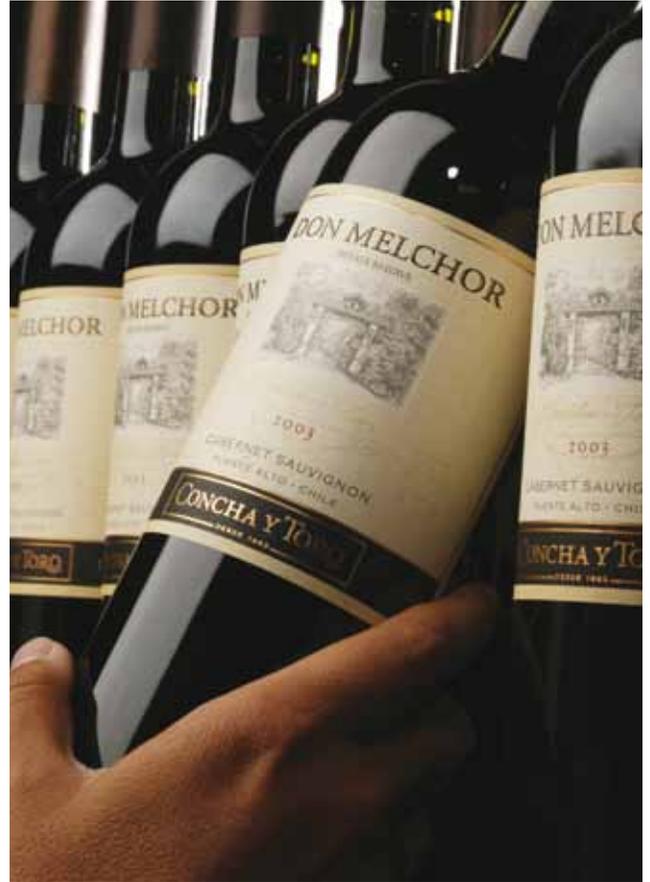
It is this passion that has brought together **tradition, quality and innovation** to promote Chilean wine in the world.

The significant international recognition of the Concha y Toro brand is based on its ongoing commitment to **quality**. These achievements reflect both the constant oenological development as well as the quality of the grapes coming from the best areas of Chile for growing vines.

In the vineyard, we work with dedication and respect in order to achieve **maximum expression of the soil**. Each valley provides a plurality of topography and microclimates, so there is permanent research to determine the best climate and soil for each variety.

**Because of this diversity of origins and the dedicated work of man, Concha y Toro offers the best and most distinctive Chilean wines, which have earned the highest accolades from international specialized critics.**

Concha y Toro offers a broad portfolio of wines of renowned quality and consistency in each market segment for people to share rewarding and unique experiences.



EACH BOTTLE OFFERS CONSUMERS OUR PASSION FOR EXCELLENCE IN EVERY VARIETY, VINTAGE AND BRAND OF CONCHA Y TORO. THIS HAS HELPED THE BRAND TO ACHIEVE A PROMINENT POSITION AND A GROWING PRESENCE IN KEY MARKETS.

*Casillero*

## CONCHA Y TORO WINES: QUALITY AND CONSISTENCY



### DON MELCHOR

*Character, elegance and complexity*

The 114 acres of the famous Puente Alto vineyard in the Maipo Valley are the origin of this powerful and complex wine, which helped establish Chile as a top quality wine producer. Since its first vintage in 1987, Don Melchor has exhibited a unique character and style making it the first world-class Chilean Cabernet Sauvignon.

**94 pts.**

2008 / 2009

Wine Spectator

**94+ pts.**

2007

Robert Parker's Wine Advocate  
February 2012

**95 pts.**

TOP 100 N° 4

2001

Wine Spectator  
February 2005

**96 pts.**

TOP 100 N° 4

2003

Wine Spectator  
September 2006

**96 pts.**

TOP 100 N° 12

2005

Wine Spectator  
June 2008



### CARMÍN DE PEUMO

*Best Carmenera in the World*

Carmín de Peumo is the best expression of Chilean Carmenera and of the Peumo Vineyard in the Cachapoal Valley. Since its release in 2006, this iconic Carmenera has won the highest recognitions and awards as well as the reputation of being the Best World Carmenera, positioning Peumo as the ideal terroir for growing this variety.

**Best Chilean  
Carmenera**

2003, 2005, 2007 and 2008

100 Best Wines of the Year Wine & Spirits

**The highest score given  
to a Chilean wine**

2003, 2005 and 2007

Robert Parker's Wine Advocate



### TERRUNYO

*The best expression of a variety*

The Terrunyo line originates in a specific block of a particular vineyard, where the microclimate, selected soil and an expert hand combine to achieve the best expression of each cultivated variety. This line, launched in 2000, includes the first ultra premium Carmenera, a wine that has become a benchmark for the Chilean wine industry.

**95 pts.**

**Cabernet Sauvignon 2010**

Wine & Spirits  
February 2013

**94 pts.**

**Carmenera 2010**

Wine & Spirits  
February 2013

**93 pts.**

**Cabernet Sauvignon 2008**

Wine & Spirits  
June 2012

**93 pts.**

**Carmenera 2007 y 2008**

Robert Parker's Wine Advocate  
February 2012

**93 pts.**

**Sauvignon Blanc 2010**

Wine & Spirits  
October 2011



## AMELIA

### *The first ultra premium Chardonnay from Chile*

A distinctive and refined style characterizes this Chardonnay, which expresses the uniqueness of the Las Petras vineyard in the Casablanca Valley. After discovering the great potential of this wine-growing valley, Concha y Toro, in 1993, launched the ultra premium wine Amelia.

**90 pts.**  
2010

Wine Spectator  
March 2013

**90 pts.**  
2009

Robert Parker's Wine Advocate  
February 2012

**N° 1 Moscow  
Wine Tasting**  
2008

Steven Spurrier  
October 2011



## MARQUES DE CASA CONCHA

### *A contemporary classic*

A symbol of Concha y Toro's tradition of producing top quality wines is the super premium line Marques de Casa Concha, launched in 1976. Since its 1999 vintage and without exception for the following years, Marques de Casa Concha has confirmed its quality and consistency by winning outstanding scores of over 90 points in key specialized media.

**91 pts.**

**SMART BUY**  
**Cabernet Sauvignon 2010**  
Wine Spectator  
March 2013

**91 pts.**

**Syrah 2010**  
Wine Spectator  
April 2013

**90 pts.**

**Chardonnay 2011**  
Wine Spectator  
March 2013

**91 pts.**

**Best Chilean Carmenera of the Year**  
**Carmenera 2009**  
Wine & Spirits  
June 2011



## GRAN RESERVA SERIE RIBERAS

### *Wines originating in Chile's riverbanks*

Launched in 2009, Gran Reserva Serie Riberas is the first line of wines where the origin of each one of its varieties is associated with the bank of a certain river in Chile. In these cool riverbank vineyards grapes ripen slowly, giving the wines great concentration and a complex aromatic profile.

**90 pts.**  
**Carmenera 2009**

Robert Parker's Wine Advocate  
February 2012

**Medalla de Plata**

**"BEST IN CLASS"**  
**Cabernet Sauvignon 2009**  
International Wine & Spirit Competition  
October 2011



## CASILLERO DEL DIABLO

### *Fruit of an ancient legend*

Launched in 1966 and with a solid 40-year history, Casillero del Diablo has become the leading Chilean premium wine, positioned as one of the most popular brands among the world's wine consumers.

**Finest Value Cabernet  
on the Planet**

**Cabernet Sauvignon 2010**  
Matthew Jukes  
February 2012

**90 pts.**

**BEST BUY**  
**Reserva Privada Cabernet Sauvignon - Syrah 2009**  
Wine Enthusiast  
June 2011

**90 pts.**

**Malbec 2009**  
Robert Parker's Wine Advocate  
November 2010

## SUSTAINABLE DEVELOPMENT

THE COMPANY HAS DEEPENED ITS SUSTAINABLE PHILOSOPHY, WITH THE INTIMATE CONVICTION THAT IT IS POSSIBLE TO WORK IN HARMONY WITH THE ENVIRONMENT, BE SOCIALLY EQUITABLE AND SUCCESSFUL IN BUSINESS. THUS, IN 2012 THE COMPANY ESTABLISHED A SUSTAINABILITY STRATEGY BASED ON SIX FUNDAMENTAL PILLARS: ENVIRONMENT, SOCIETY, PEOPLE, CUSTOMERS, PRODUCT AND SUPPLY CHAIN.

In the environmental area, Concha y Toro has developed various initiatives such as: Measuring the carbon footprint to work on future goals for reducing greenhouse gas emissions (GHG), measuring the water footprint and establishing measures for efficient use of this resource, as well as energy efficiency measures, reducing materials and incorporating technology and innovation that allow the development of a clean production.

In regard to the calculation of the **carbon footprint** with external verification, it have been moving forward with this measurement since 2007, and in 2011 and 2012 it included 100% of relevant materials and components of the vineyard's productive operation, thus reducing its carbon footprint by 28% in 2012.

That same year, Concha y Toro's distribution subsidiary in Sweden, Finland, Norway and Brazil achieved its Carbon Neutral certification. Their emissions were neutralized through the Santiago Climate Exchange (SCX), of which Concha y Toro is a founding member since 2010. The first transaction made through the SCX, in 2011, was the certification of the Sunrise line as CO2 Neutral wine for the Scandinavian market.

From the analysis of the carbon footprint it has been discovered that a central area in terms of GHG emissions is the transport of the products to target markets (exports). Because of this, Concha y Toro has been implementing the use of lightweight bottles -made with less glass-, which allow lowering emissions resulting from its production and distribution. This project was initially developed for varietal lines, but since 2010 it was extended to the premium brand Casillero del Diablo. In 2012, 92% of the 750cc bottles used were lightweight bottles.



Also, the agricultural area of the winery has undertaken a **Native Forest Conservation Program**, whose goal is the conservation and protection of native sclerophyllous forests coexisting with its estates and vineyards. In 2011 3,272 hectares of native forest in the grounds of the vineyard were registered with the Chilean National Forestry Corporation (CONAF), intending to create specific conservation plans, fine-tuned to the reality and needs of each area. Additionally, the company initiated a biodiversity inventory of the Peumo, Villa Alegre and Rauco vineyards in order to evaluate the flora, fauna and microfauna in these sectors, and propose options for conservation.



**In 2012, Concha y Toro and its subsidiaries were certified with the National Sustainability Code, delivered by Vinos de Chile through Consorcios Tecnológicos del Vino and Tecnovid.**

This certification shows that the company complies with the national standard of the industry and promotes good practices along its production chain (vineyard, winery and bottling process).

In the area of **Corporate Social Responsibility**, the winery has undertaken projects focusing on the management and care of people both inside the company and in the community in general. An example of this are the training programs that seek to increase the skills of employees according to the responsibilities of each position, and which in 2012 managed to train 1,366 members of the company.

The company maintains a strong commitment to human capital development in the country through **scholarships that fund the education of low-income youth** through various institutions. These include: The financing of 20 monthly scholarships for Las Garzas Agricultural School, which educates young people from poor farming families by providing training to become an agricultural technician; annual contributions to Juan Pablo II Foundation, which favors people with greater economic needs to study at the universities of Chile; and the Concha y Toro Scholarship

for Higher Education, which was created to support the education of the children of workers of the company and its subsidiaries, contributing to the financing of their higher education studies. This scholarship is managed by Eduardo Guilisasti Tagle Foundation.

Concha y Toro has also focused on the communities around its estates and vineyards that were victims of the 2010 earthquake. With a total of 146 homes built, in 2012 the company fulfilled its desire to go to the aid of the surrounding communities, especially in a time when Chile most needed it. Also, it offered financial support for the reconstruction of the church of Pirque.

Additionally, in 2012 a new version of the Code of Ethics and Conduct was developed, establishing principles and values of the company, such as respect for the fundamental rights of workers, non-discrimination, and care for the environment, among others.



## MILESTONES IN HISTORY



### 1883

Don Melchor Concha y Toro, prominent Chilean politician and businessman, founds Viña Concha y Toro.

### 1921

The company is established as a public limited company and expands its registered name to overall wine production.

### 1933

Its shares begin to be traded on the Santiago Stock Exchange and, driven by an early vision to export, the winery makes the first export to Holland.

### 1957

Under the leadership of Eduardo Guisasti Tagle (1957 - 1998), the company begins a modernization process that lays the foundation for its expansion and positioning as a producer of high quality wines.



### 1963

Concha y Toro begins making more complex wines and launches Casillero del Diablo.

### 1989

Launch of Don Melchor's first vintage –1987–, the first ultra premium wine in the Chilean industry and top representative of Cabernet Sauvignon from Puente Alto.

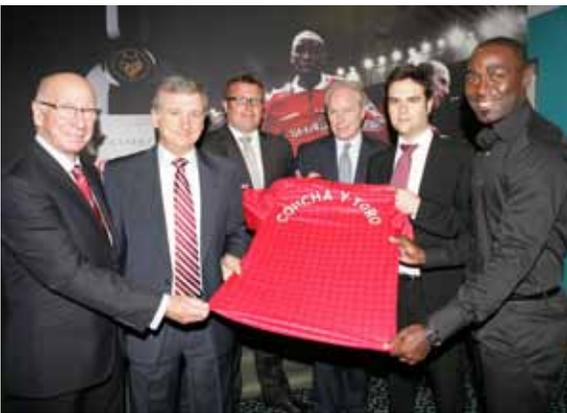
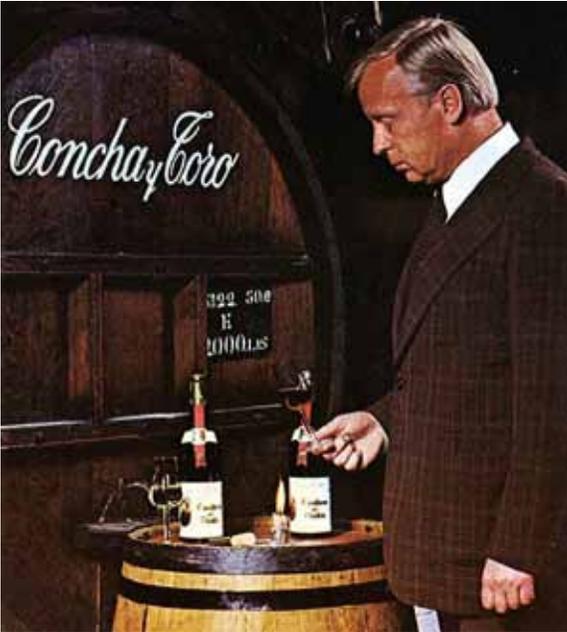
### 1990s

Strong development towards foreign markets and implementation of an investment program –still valid today–, which involves the acquisition of vineyards, increasing operational capacity, and adopting state-of-the-art winemaking and aging processes, aiming to achieve the highest quality in all wine categories.

### 1994

The company becomes the first winery in the world to trade its shares on the New York Stock Exchange, allowing the funding of an investment plan that includes an increase of its vineyards.





## 1996

The company expands its production operation to Argentina with the founding of Trivento Bodegas y Viñedos in Mendoza, Argentina.

## 1997

Concha y Toro signs a joint venture with the French winery Baron Philippe de Rothschild, as a result of which Viña Almaviva is born, aiming to produce a first class wine equivalent to the French Grands Crus Classes.

## 2000

Global relaunch of Casillero del Diablo, a solid wine and commercial project to promote the brand around the world.

## 2005

Launch of Carmín de Peumo, the first iconic Chilean Carmenere.

## 2009

The vineyard establishes its own distribution offices in Brazil and the Nordic countries, in addition to Concha y Toro UK and the regional office in Asia.

## 2010

Concha y Toro establishes itself as a global company by sealing a strategic alliance with the English soccer club Manchester United, the most powerful internationally.

## 2011

Acquisition of Fetzer Vineyards in California, one of the most important investments that a Chilean company has done in the United States. To strengthen the distribution of its wines in that country, the company sets Excelsior Wine Company through a joint venture with Banfi Vintners. Also, in Mexico, it creates VCT&DG Mexico through a strategic agreement with Digrans S.A., aiming to promote the Concha y Toro brands in the Mexican market.

## 2012

In order to strengthen the integration of the distribution in South Africa and Canada, the company establishes VCT Africa & Middle East Ltd and Concha y Toro Canada Ltd., respectively.

## 2013

Given the great results achieved by its sales office in Singapore, the winery decides to open a new sales subsidiary in Shanghai in order to continue deepening its relationship with the promising Asian market.