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E. & J. GALLO ANNOUNCES PURCHASE OF NAPA WINERY

Company Buying The Ranch Winery to Help Meet Growing Demand

MODESTO, Calif. December 16, 2015 – E. & J. Gallo Winery (Gallo) announced today that it has agreed to purchase The Ranch Winery, a custom crush winery specializing in both small and large scale production in St. Helena, California. Located within 15 miles of Gallo's Louis M. Martini and William Hill wineries, The Ranch Winery sits between Highway 29 and the Silverado Trail, making it an ideal location. The property spans more than 70 acres, with a winery facility capable of crushing 30,000 tons of grapes.

In addition to the crush capacity, the acquisition includes 4.6 million cases of bottling capacity and approximately 8 million gallons of storage. Gallo already owns fourteen wineries strategically located in wine regions throughout California and Washington, and this latest purchase supports the company's desire to have additional premium and luxury capacity in the Napa Valley. As part of the agreement, Gallo will honor all contracts with existing Ranch Winery customers.

According to Roger Nabedian, Senior Vice President and General Manager of Gallo's Premium Wine Division, "We are excited to have this highly capable winery in close proximity to our other Napa wineries. This purchase supports the company's continued growth in the super premium and luxury wine segment." He added, "We look forward to integrating The Ranch Winery into our premium wine strategy and working with the existing customers."

Demeter Group, a <u>San Francisco-based investment bank</u> for beverage alcohol companies, acted as The Ranch Winery's exclusive financial advisor on the transaction. Terms of the deal were not disclosed. The sale is scheduled to close on December 31, 2015.

About E. & J. Gallo Winery

Founded by brothers Ernest and Julio Gallo in 1933 in Modesto, California, E. & J. Gallo Winery is the world's largest family-owned winery and the acclaimed producer of award-winning wines and spirits featured in more than 90 countries around the globe. A pioneer in the art of grape growing, winemaking, sustainable practices, marketing and worldwide distribution, Gallo crafts and imports wines and spirits to suit a diverse range of tastes and occasions, from everyday offerings to boutique, luxury bottlings.

The Gallo portfolio is comprised of more than 80 unique brands, including Barefoot Cellars, Dark Horse, and Gallo Family Vineyards, as well as premium box wines The Naked Grape and Vin Vault. Premium offerings include Apothic, Carnivor, Columbia Winery, Ecco Domani, Edna Valley Vineyard, J Vineyards & Winery, Louis M. Martini, MacMurray Estate Vineyards, Mirassou, Souverain, Talbott Vineyards, and William Hill Estate, along with highly acclaimed imports, such as Alamos, Brancaia, La Marca, Las Rocas, Martín Códax, Whitehaven, and LUX Wines, importers of Allegrini and Pieropan. Gallo Spirits offers New Amsterdam Vodka and Gin and E&J Brandy, in addition to imported Scotch whiskies from Whyte & Mackay, including The Dalmore, Jura Single Malt and John Barr Blended.

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