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**DUCKHORN WINE COMPANY INKS EXCLUSIVE DEAL
FOR GRAPES FROM THE LEGENDARY THREE PALMS VINEYARD**

This deal solidifies the company's 35-year commitment to the acclaimed property that helped Duckhorn Vineyards put Merlot on the New World wine map.

NAPA VALLEY, Calif. – May 1, 2012 – Duckhorn Wine Company is proud to announce that it has acquired exclusive rights for all of the grapes from Napa Valley's legendary Three Palms Vineyard under a long-term contract with the vineyard's owners, Sloan and John Upton. Duckhorn Vineyards made its inaugural Three Palms Vineyard Merlot in 1978, and has bottled an unbroken line of vineyard-designate Three Palms Vineyard Merlots every vintage since 1983. These iconic wines helped to pioneer luxury Merlot in California, and played a pivotal role in establishing it as one of North America's great premium varietals.

Prior to this new agreement, Duckhorn Vineyards contracted for select blocks of Three Palms totaling 15 of the vineyard's 75-planted acres. Duckhorn began receiving fruit from all 75 acres of Three Palms beginning with the 2011 harvest. Duckhorn Vineyards will utilize the additional fruit to further enhance the quality of its Napa Valley Merlot, and Cabernet Sauvignon.

“This agreement cements a handshake deal we made almost three and a half decades ago with the Upton family,” said Executive Winemaker Bill Nancarrow. “Three Palms is a very special place that holds a lot of meaning for us in terms of the style and quality of our wines. By most any standard, it is also the great New World Merlot vineyard. As a winemaker, it is like working with America's Pétrus.”

Three Palms has earned a reputation as one of North America's most revered vineyards, recognized for its unique history and its benchmark Merlots. In the late 1800s, the property was owned by San Francisco socialite Lillie Coit (Coit Tower), who planted the

site's three iconic palm trees. In 1967, the rocky pasture was acquired by Sloan and John Upton, who planted it the following year. The vineyard has sparse, bale loam soils. In many spots the vines' roots dig as deep as 18 feet in search of nutrients. Because of the challenging soils, the vineyard is planted to only 545 vines per acre. Three Palms has a unique terroir that produces a shorter season with exceptional ripening.

“We have been championing the distinctive character of Merlot from Three Palms Vineyard since our debut vintage,” said Duckhorn Wine Company President Alex Ryan. “Our relationship with the Uptons is one of the California wine industry's most enduring and successful partnerships. This is a natural evolution in that relationship. It reflects the commitment to excellence we share with the Uptons. And at a time when many wineries are cutting or shortening contracts, it also reflects our commitment to the grower community, and to working with the best vineyards.”

“We have always believed in farming Three Palms for the right reasons,” added Sloan Upton, “for love of the land, not ego. That's a vision we have always shared with the people of Duckhorn. Ours has been a remarkably long partnership; one based on friendship, respect and trust. Duckhorn, with its pioneering commitment to producing Merlot as a standalone varietal in California, helped to put us on the map—and together, we have both helped to champion Merlot in North America.”

About Duckhorn Wine Company

Duckhorn Wine Company has helped set the standard for American fine wine for over three decades. The Duckhorn Wine Company family includes Duckhorn Vineyards, Paraduxx, Goldeneye, Migration and Decoy. With grapes selected from estate vineyards, as well as a variety of sought-after vineyard sites, each winery is presented with a canvas of lots from which to blend its wines. Focused on careful grape selection, innovative winemaking techniques and a premium barrel-aging program, Duckhorn Wine Company is founded on an unwavering commitment to quality. Duckhorn Wine Company wines are available throughout the United States, on five continents, and in 40 countries. For more information, visit www.duckhorn.com.