

WINE.COM Announces 25 Percent Growth, First-Ever Profits and Seventh Straight Year as Top Internet Wine Retailer

Leading Online Wine Retailer Posts Profit on \$56 Million in Revenue

SAN FRANCISCO, June 7, 2011 /PRNewswire/ -- Wine.com, the leading online wine retailer, today reported financial results for its 2011 fiscal year ended March 31, 2011.

Revenues for the year totaled \$56 million, a 25 percent increase over FY2010. The company is now EBITDA and cash flow positive for the first time in its history, completing a turnaround that began in 2006. Wine.com's growth accelerated throughout the 2011 fiscal year with fourth quarter revenue growth of 36 percent compared with the same quarter in the 2010 fiscal year.

"The Wine.com team has been totally focused on delivering a great experience to our customers," said Rich Bergsund, Wine.com CEO. "Our financial results are a bi-product of this focus, and we look forward to growing further by offering an increasingly compelling blend of selection, service, value and information that's impossible to get in a store."

Additionally, Wine.com was ranked the #1 online wine retailer for the seventh year in a row by Internet Retailer in its annual rankings based on revenue. Wine.com placed #14 in the food and drug category and #239 overall in the Top 500 Guide of e-retailers, 2011 edition.

During the 2011 fiscal year Wine.com innovated in several areas:

- **Mobile:** The company launched free mobile apps for iPad and iPhone, and 7 percent of company revenues are now generated by customers ordering through mobile devices, with that figure sometimes doubling on the weekends.
- **Flash Sales:** The company launched a flash-sale site, WineShopper.com, offering daily wine deals up to 70 percent off. WineShopper is expected to generate more than 10 percent of company revenues this year.
- **Value:** The company expanded its list of wines rated 90+ points/under \$20 to more than 400, the largest in the world.
- **Collectibles:** Wine.com grew its list of collectible and boutique wines to more than 600, and revenue from wines over \$75 per bottle grew by 60 percent.
- **Gifting:** Wine gifts and gift baskets, which the company ships with its date-certain delivery service, made up 40 percent of orders and 25 percent of revenues.
- **Shipping:** Wine.com's free shipping club, Steward-Ship™, delivers unlimited shipping for a \$49 annual membership fee.
- **National footprint:** Through its proprietary network of licensed warehouses, Wine.com is able to ship to 92 percent of U.S. consumers in 42 states, making it the only national online wine retailer.

"Only 1 percent of wine is purchased online today, compared with 8 percent for retail as a whole," continued Bergsund. "Now that we have overcome many of the logistical challenges selling wine to a national audience, we see lots of room for growth."

About Wine.com

Wine.com is the nation's #1 online wine retailer, according to Internet Retailer magazine's annual ranking of websites by revenue, offering thousands of wines, wine gifts, gift baskets and monthly wine clubs. Wine.com's mission is to be the ultimate resource for wine enthusiasts, whether shopping for themselves or sending a gift, by offering a great selection, low prices, convenient delivery and helpful information. Wine.com is the world's most visited wine web site, according to comScore Media Metrix and also runs the wine flash sales site, WineShopper. For more information, visit the company's website at <http://www.wine.com>, its blog at <http://blog.wine.com/>, on Facebook at <http://www.facebook.com/winecom> and on Twitter at http://twitter.com/wine_com.