

Wine.com Announces \$20 Million in Funding Led by Baker Capital

Leading Online Wine Retailer Secures Additional Financing to Support Aggressive Growth Initiatives

SAN FRANCISCO, CA – 09/8/2004 – Wine.com, the leading online wine retailer, today announced it has received \$20 million in financing in a mezzanine round led by Baker Capital of New York. In addition, Joseph Saviano and Jonathan Grabel, both General Partners at Baker Capital have joined Wine.com's board of directors. Wine.com's previous investors and private shareholders also participated in the round.

Over the last few years, the "new" Wine.com was relaunched and consolidated out of the original wine.com, as well as WineShopper and eVineyards. To date, Wine.com has secured over \$35 million in capital. Led by President and CEO, George Garrick, Wine.com continues to embark on a series of strategic initiatives designed to spur dramatic growth and profitability. The new capital will be used to eliminate debt, for upgrades to corporate systems, the implementation of a new and highly personalized website platform in q1, and to fund marketing and CRM initiatives.

"Wine.com has a recognizable brand and the unique position as the category leader in wine. The wine business is \$23 billion with a relatively under-penetrated online channel compared to other ecommerce categories. Furthermore, we believe Wine.com conducts its business in compliance with all applicable federal and state statutes enabling their experienced management team to build a major category leader in e-commerce that will change the way consumers purchase wine," said Joseph Saviano, general partner of Baker Capital.

"We are very pleased to have the capital we need to fund our continued growth and expansion, and look forward to working with our new partners from Baker Capital. This is a strong endorsement of the Wine.com business model and new management team, and the market opportunity that we have to develop the retail wine business online," said George Garrick, CEO and president of Wine.com.

"The additional capital will enable George and the Wine.com team to increase the company's lead over the competition and reach exciting new distribution channels. Clearly, this is a large, relatively untapped e-commerce category ready to accelerate growth and profits." Said Chris Kitze, chairman of Wine.com

Wine.com provides the Internet's most comprehensive offering of fine wines, wine gifts and gift baskets, wine accessories and clubs reaching the majority of the U.S. wine-buying population. Customers enjoy the convenience of Internet shopping from the privacy of their home or office, supported by extensive research and educational materials Wine.com is a licensed wine retailer in numerous states and legally delivers wine directly to customers' homes or offices from eleven different locations around the U.S.

Wine.com wine clubs provide the additional benefit of automatic selection and regular monthly delivery. Wines are evaluated by the Wine.com professional tasting panel for their quality, value and overall appeal. Club members also enjoy significant savings on all purchases at Wine.com.

About Wine.com

Founded in 1997, Wine.com is America's leading online wine retailer. Offering over 10,000 unique wines to 30 different States and Japan, Wine.com offers the largest selection of any wine store on Earth and also offers wine gifts, gift baskets, and wine clubs. Wine.com operates the world's most trafficked wine web site, according to research conducted by Comscore. For more information, visit <http://www.wine.com>.

About Baker Capital

Baker Capital, founded in 1995, is New York based private equity firm with \$1.5 billion under management. Baker Capital makes investments in communications-focused companies at all stages of development. The partners of Baker Capital have extensive private equity and operational experience allowing the firm to provide its portfolio companies with not only capital, but also global strategic thinking and relationships. For more information, visit www.bakercapital.com.

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