From: Shanken News Daily [email@outbound-email.mshanken.com]

Sent: Monday, November 28, 2011 2:01 PM

To: carrie.reed@boisset.com

Subject: Boisset Expansion Continues With Skalli Family Wines Buy

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Monday, November 28, 2011

Boisset Acquires Skalli; St. Supery Not Included In Deal

Boisset, La Famille des Grands Vins has agreed to acquire Skalli Family Wines, the French winemaker renowned for its Languedoc varietals. Skalli's St. Supery Vineyards and Winery in the Napa Valley, as well as its recently sold Corsican wine holdings, were not included in the transaction.

Skalli's annual sales volume, excluding Corsica and St. Supery, is approximately 1.5 million cases, thus increasing Boisset's global volume to roughly 7.5 million cases.

Skalli is considered the French wine industry's foremost pioneer in developing modern varietal wines from the south of France, led by its Fortant de France and Couleurs du Sud labels. Other Skalli labels from the Languedoc include Famille Skalli, Domaine de Silene and F. by Skalli, a tribute to current chairman Robert Skalli's late father, Francis. The company is also present in Provence, with the Robert Skalli label.

"I'm very glad that it's Boisset who will perpetuate and continue the spirit of the Skalli family," said Robert Skalli. "Boisset understands and will continue the quality of the wines and the partnerships that we've established for years. I'm very confident in the future that I put into their hands."

The Skalli family business was founded in Algeria in the 1920s by Robert Skalli's grandfather, Robert-Elie, who planted vineyards in Oran and other parts of the country, using the traditional southern French varietals Carignan, Cinsault, Grenache and Alicante. The business was successful, with the wines exported primarily to France and Switzerland.

In 1961, Robert Skalli's father Francis established an import operation in the Languedoc for the family's Algerian wines. In that same year, the company also acquired vineyard land in Corsica in the region of Terra Vecchia. Skalli's Corsican wines—Clos Poggiale, Terra Vecchia and Robert Skalli—were sold to UVIB (Union des Vignerons de l'Ille

de Beauté) several weeks ago.

Robert Skalli took the reins of the family business in 1974 at age 24 and soon turned his efforts to cultivating the vineyards and wines of the Languedoc—ultimately dedicating his career to a vision of producing quality, approachable varietal wines from the south of France. Traveling through Languedoc region, he convinced growers to replant their vineyards with modern varietals including such Chardonnay, Sauvignon Blanc, Syrah, Merlot and Cabernet Sauvignon. In the process, he revolutionized France's wine industry, which until then had been almost entirely based on the *appellation d'origine controlée* system.

In addition to its Languedoc and Provence holdings, Skalli has a sizeable Rhone wine portfolio that includes Caves St. Pierre, Robert Skalli, Maison Bouachon and Dedication.

In total, approximately 40% of Skalli's sales are in France, with the remaining 60% occurring on the international market. Skalli's top global markets are the U.K., China, Japan, the U.S., Germany, Belgium and Holland.

Skalli's California interests, which it will retain, are comprised of St. Supery. Interestingly enough, St. Supery began with a vineyard purchase by Skalli from Boisset in the early 1980s. Skalli purchased the Dollarhide ranch in Napa Valley in 1982 and then built a winery on a second estate vineyard in Rutherford, which opened in 1989 as St. Supery Vineyards and Winery.

Skalli's French wines now join a Boisset French portfolio which includes Burgundy's Domaine de la Vougeraie, Bouchard Aîné & Fils, Mommessin, Jean-Claude Boisset and Jaffelin, as well as J. Moreau & Fils in Chablis and Louis Bernard in the Rhône Valley.

In addition to bolstering its French holdings, Boisset recently has focused on developing its California portfolio, adding Monterey, California's Lockwood Vineyard to the fold earlier this month, as well as Buena Vista Carneros in April and Napa's Raymond Vineyards in 2009. Raymond is currently the company's biggest California brand at around 225,000 cases.

"We're honored to continue the wonderful work of the Skalli family, whose amazing presence, energy and passion defined exceptional quality wines from the Languedoc, and to also strengthen our presence in the Rhône Valley," said Boisset Family Estates president Jean-Charles Boisset. "We will continue to develop the known expertise and recognized dedication to high quality wines that the Skalli family has established, and are very pleased that it remains a family affair."

News Briefs:

- •Scotch producer Edrington Group reported a 2% increase in turnover to £278.7 million (\$433.9m) for the six months to September 30. Bolstered by strong performances in the U.S., Russia and emerging Asian markets, Edrington's pretax profits rose 5.7% to £69.9 million (\$108.8m). The Macallan sales were up 5%, while Famous Grouse and Highland Park grew by 7% and 4%, respectively. Edrington chief executive Ian Curle said the company's recently established New York office will help bolster routes to market in the U.S., where its brands are handled by Rémy Cointreau USA.
- •Rock musician and spirits entrepreneur Sammy Hagar has unveiled a new product, Sammy's Beach Bar Rum, in partnership with Maui-based Haliimaile Distilling Company. The small-batch silver rum was officially introduced last week at the Hard Rock Café in Waikiki. It's made from Hawaii-grown sugar cane matured for a full two years and is designed to be sipped as well as mixed in cocktails. Sammy's Beach Bar Rum is currently only available for sale in Hawaii, but Hagar plans to extend distribution to the rest of the U.S. in early 2012. This is Hagar's second venture into the spirits business, as he launched the Cabo Wabo Tequila brand before selling 80% of it to Italy's Gruppo Campari for \$80 million in 2008 and the remaining 20% for \$11 million to the same company in August 2010.
- •Chinese basketball star <u>Yao Ming tells Wine Spectator</u> that he's entering the wine business with a high-end namesake label produced in Napa. Focusing first on Yao's native Chinese market, this week Yao Family Wines will release the 2009 Yao Ming Napa Valley Cabernet Sauvignon in Beijing, Guangzhou and Yao's hometown of Shanghai. At \$289 a

bottle, the new entry will compete in the "ultra prestige" segment of China's wine market, where the status labels of Bordeaux and Champagne reside. A second wine, Family Reserve Cabernet Sauvignon, will debut next year. The winery will also begin sales in the U.S. market next year, Yao said. Yao Family produced about 5,000 cases of the Napa Valley Cabernet and fewer than 500 cases of the Family Reserve for the 2009 vintage, according to winemaker Tom Hinde. Hinde was previously general manager of Kendall-Jackson Wine Estates, as well as president of Sonoma's Flowers Vineyard and Winery. Yao is the principal shareholder in Yao Family Wines, while Hinde and four other investors hold minority stakes.

- •Houston-based Landry's Restaurants, new owner of the former Trump Marina Hotel Casino in Atlantic City, New Jersey, is working to strip the venue of all "Trump" references and create its own brand for the building. The restaurant group bought the casino-hotel for \$38 million in February and quickly began work to establish it as the Golden Nugget Atlantic City, which includes a \$150 million renovation that will transform the interior and give the exterior a new layer of gold paint. Through October 2011, the casino-hotel brought in \$106.1 million, down 15.4% from the same period last year. Landry's also owns Golden Nugget locations in Las Vegas and Laughlin, Nevada.
- •Craig Hopson is leaving his position as executive chef of New York City restaurant Le Cirque to open The Brewster, a restaurant and marketplace in Manhattan's SoHo neighborhood. Hopson is partnering with former general manager of Gramercy Park Hotel's Rose Bar, Frank Roberts, and developer Ross Morgan to open The Brewster in the spring of 2012, the New York Post reports. The menu will consist of American food, but with French, German and British influences.
- •The newest Grimaldi's Pizzeria outpost in West Palm Beach, Florida, is the first to introduce late night hours. The location opened last week and serves Grimaldi's signature coal-fire brick oven pizzas, along with beer and wine, until early morning hours. Brooklyn, New York-based Grimaldi's Pizzeria currently operates 20 locations throughout New York, New Jersey, Arizona, Florida, Nevada and Texas, with plans to expand further in 2012.
- •Brinker International's flagship chain Chili's Grill & Bar has unveiled a coupon-based promotion called HoliDaily, available through December 24. The holiday campaign offers daily coupon specials, such as free appetizers and desserts, promoted through the brand's website, Facebook and Twitter page, as well as through emails to Chili's Email Club members. In addition to the HoliDaily specials, Chili's is offering deals on gift card purchases through December 28. Patrons who purchase \$100 or more in gift cards will receive a 10% discount on the entire purchase, and patrons who buy gift cards for \$50 or more online will receive free shipping.
- •Following the recent passage of Initiative-1183 in Washington state, Young's Market Co. has named Tom Kappenman, its general manager for Northwest Spirits Brokerages, as its "point person for all spirit distribution matters in Washington." Dan Ewer, president of Young's wine business in the Pacific Northwest, is point person for all wine matters in the state. Brian Renney, executive vice president for Young's Market Co. Wines of Washington and Chris Sarles, executive vice president of Young's Market Co. Wines of Oregon, will continue to report directly to Dan Ewer. Dave Engen, vice president of Young's Market Co. Mountain States for Wine, will report to Ewer as well. John Guinasso will continue to oversee Young's Market Co.'s Alliance (Bacardi, Brown-Forman and Remy Cointreau USA) business in Washington as well as Alliance's brokerage business in the Pacific Northwest. Kappenman, Ewer, and Guinasso all report directly to Ted Simpkins, Young's Market Co.'s executive vice president-corporate.

Recently in the News:

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