



PRECEPT BRANDS

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**Precept Brands Acquires Washington Hills Brand  
Start-up Seattle-based Premium Wine Company is on the Fast Track**

Seattle, Wash. – Precept Brands, Washington state’s fastest growing premium wine company, announced today it has acquired the Washington Hills brand, makers of premium varietal Columbia Valley wines since 1989, from WHC Inc.

Prior to the acquisition, Precept Brands projected its first year sales in 2003 to reach 70,000 cases. The company’s fast growth is based largely on the successful launch earlier this spring of four premium Columbia Valley wines, Avery Lane, Barrelstone, Pavin & Riley and Sockeye. Washington Hills estimates annual sales this year of 60,000 cases.

Precept Brands CEO Andrew Browne said the acquisition was in keeping with the company’s business model. “Precept Brands is dedicated to meeting growing consumer demand for high quality, affordable premium wines, and this acquisition is an excellent fit to our existing portfolio,” Browne said. Browne was president/CEO of Corus Brands until 2001 when Canandaigua Wine Company acquired the majority of Corus’ portfolio including Alice White, Covey Run, Columbia Winery, Paul Thomas and Ste Chapelle.

WHC Inc. president/CEO Harry Alhadeff said the acquisition is a win for everyone. “Precept Brands has the marketing and sales expertise to grow Washington

Hills into another Columbia Valley powerhouse,” said Alhadeff. “That’s good for everyone – distributors, retailers and especially consumers who will benefit from Precept Brands’ commitment to producing outstanding wines at a fair price.”

WHC Inc. will retain its company’s two other brands, Apex and Bridgman. Washington Hills winemaker Brian Carter, one of Washington’s most respected vintners, will continue to make Washington Hills wines.

Washington Hill’s distributor network will be managed by Precept Brands’ sales team, lead by John Blesse and Ron Seid. The purchase price was not disclosed.

Precept Brand’s marketing director Alexandra Ootkin said the acquisition will be seamless in the marketplace. “We will provide the resources Brian (Carter) needs to focus on product quality and will begin investigating improvements to the existing packaging while respecting Washington Hills’ heritage,” said Ootkin.

Precept Brands is a privately-held Seattle-based wine company led by a group of industry veterans. The company focuses on niche products in the premium segment of the wine market. In addition to its Washington wines, Precept Brands’ portfolio includes three wines from Australia’s McLaren Vale: Shingleback; The Gate; and Red Knot, and a Spanish wine, El Paseo.

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